

**RESEARCH****CONSUMER DURABLES | Q3FY26 REVIEW**

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**SUMMARY****CONSUMER DURABLES: Q3FY26 REVIEW**

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- ECD segment reported steady growth (5-13% YoY), led by winter and solar products. W&C reported robust double-digit volume growth YoY
- We prefer W&C over ECD and large appliances on superior demand visibility

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**ECD led by winter products, with support from newer categories:** ECD performance was mixed in Q3FY26, with companies reporting revenue growth in the range of ~5-13% YoY. This was supported by festive demand, winter products, and premiumisation (mainly fans) trends. Ahead of the BEE transition, ceiling fans saw channel stocking while TPW remained subdued on higher inventory levels.

**RAC demand a positive surprise; summers remain key monitorable:** RAC demand improved sequentially in Q3FY26, aided by GST cut, channel restocking and pre-buying ahead of the Jan'26 BEE star-label transition. However, the industry inventory remains elevated at ~8–10 weeks (vs the normalised ~4 weeks). Voltas outperformed peers (Lloyd, Bluestar) with 9% YoY revenue growth in UCP segment; Lloyd revenue declined and Bluestar reported flat growth.

**W&C broad-based growth continues, supported by commodity-led tailwinds:** Wires & Cables (W&C) outperformed other categories, with companies reporting robust revenue growth in the range of ~19-54% YoY. This was supported by copper-led pricing tailwinds and sustained demand from infrastructure, housing and industrial capex. During the quarter, wires outperformed cables, as demand was largely channel-stocking-led. Players with higher share of housing wires (Polycab, RR Kabel, Finolex) outperformed peers. KEI revenue growth was limited on account of capacity constraints.

**Profitability pressured by commodity inflation:** Margins remained range-bound across categories despite volume improvement in categories like W&C, as commodity prices (Copper and Aluminum) stayed elevated, due to subdued secondary demand and competitive intensity weighing on price increase.

**ECD brands entering high-growth categories:** In Q3, Crompton announced entry into housing wires (HW) via outsourcing model, while Orient Electric also indicated a sharper focus on existing HW portfolio. Hence, all major ECD brands portfolios consist of housing wires. In addition, ECD players are targeting a higher share in fast-growing categories like rooftop solar and solar pumps.

### Recommendation snapshot

Ticker	Price	Target	Rating
BLSTR IN	1,960	2,050	HOLD
CROMPTON IN	262	330	BUY
HAVL IN	1,404	1,680	BUY
KEII IN	4,781	4,520	HOLD
ORIENTEL IN	174	240	BUY
POLYCAB IN	8,121	9,100	HOLD
VGRD IN	312	420	BUY
VOLT IN	1,538	1,560	HOLD

Price & Target in Rupees | Price as of 24 Feb 2026



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**SELL** – Expected return <-6%

**Note:** Recommendation structure changed with effect from 21 June 2021

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