

22 March 2026

India | Equity Research | Company Update

## Aditya Vision

White Goods

### Strong demand momentum across categories and regions

We remain positive on Aditya Vision (AVL), supported by low penetration of white goods in key markets, sustained demand and strong execution. We note: (1) Revenue growth could be in high teens YoY in Q4FY26E, aided by store additions and strong demand momentum in RACs. (2) Upcoming festive season may further continue to drive demand momentum. (3) Price hike of 7-8% is expected in RACs by OEMs; however, inventory stocking of RACs in Dec'25 could support margins for AVL. (4) Refrigerators and washing machines are likely to gain steady demand momentum in H1CY26. (5) AVL has opened five stores in Q4FY26 so far, taking the total store count to 197. It is on track to cross 200 stores by FY26 end. (6) Induction cooktops may see a huge surge in volumes due to gas shortages in Q4FY26. (7) Sales of mobile phones and laptops may be affected by steep price hikes led by chip shortages.

(8) While there is no near-term impact of global disruptions on demand, supply-side risks due to gas shortages may affect operations. Given the store expansion and healthy demand tailwinds, we remain positive on AVL. Maintain **BUY** with a DCF-based revised TP of INR 600 (earlier: INR 628).

### Demand for summer products remains strong

We note that RAC demand has been strong across key markets, supported by early summer trends. Other summer products, such as fans and air coolers, have likely done well. We expect the momentum to remain strong, driven by a stronger summer season and low penetration in key markets.

### Inventory stocking ahead of price hikes may support margins

RAC prices may increase by 7-9% from Apr'26. We note that the company had proactively stocked RAC inventory in Q3FY26, which positions it to benefit from lower-cost inventory. In our view, this strategy could support margins in the near term. We believe that better procurement during year-end OEM deals may also support profitability.

### Global turbulence may cause supply-chain disruption

While the demand impact of the ongoing geopolitical conflict is not yet visible, supply-side risks are emerging. Gas shortages have already impacted some OEMs. This could lead to supply constraints in the RAC industry if the situation persists. We note that if crude oil prices remain high, it could impact freight costs and hurt margins in the near term.

### Financial Summary

Y/E March (INR mn)	FY25A	FY26E	FY27E	FY28E
Net Revenue	22,598	26,278	32,033	38,384
EBITDA	2,041	2,352	2,851	3,416
EBITDA Margin (%)	9.0	8.9	8.9	8.9
Net Profit	1,055	1,203	1,572	1,962
EPS (INR)	8.2	9.4	12.2	15.3
EPS % Chg YoY	38.6	14.1	30.6	24.8
P/E (x)	55.8	48.9	37.5	30.0
EV/EBITDA (x)	30.4	26.1	21.5	17.8
RoCE (%)	13.4	13.4	14.9	16.0
RoE (%)	19.7	18.9	20.7	21.3

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#### Market Data

Market Cap (INR)	59bn
Market Cap (USD)	631mn
Bloomberg Code	AVL IN
Reuters Code	ADIV.BO
52-week Range (INR)	599 /328
Free Float (%)	53.0
ADTV-3M (mn) (USD)	0.9

Price Performance (%)	3m	6m	12m
Absolute	(5.8)	(20.1)	5.0
Relative to Sensex	6.4	(10.3)	7.4

ESG Score	2024	2025	Change
ESG score	NA	59.7	NA
Environment	NA	34.1	NA
Social	NA	71.3	NA
Governance	NA	68.2	NA

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

#### Previous Reports

28-01-2026: [Q3FY26 results review](#)

01-01-2026: [Company Update](#)

### Store expansion on track

AVL is on track to cross 200 stores by FY26 end. The company added five new stores in Q4FY26 so far - four of which are in central UP - bringing the total store count to 197. In our view, geographical expansion and regional dominance remain key strengths for the company.

### Induction category has likely done better

Induction cooktops have likely seen a sharp spike in volumes due to LPG supply constraints. However, the category has low ASP and limited contribution to overall revenue. Hence, while optics remain strong, we believe this does not materially impact earnings.

### Incentives from OEMs have softened

We note that various consumer schemes and OEM incentives remain relatively subdued. This is largely due to inventory normalisation across channels. We believe incentive intensity could improve from Apr'26 onwards, supporting volume growth and improving conversion rates.

### LDAs are gaining strong traction

We note that refrigerator sales have seen a meaningful recovery after a weak previous year. Demand has picked up during Q4FY26 so far, aided by seasonal factors. Washing machines are likely to maintain their steady growth momentum. TVs also performed well, driven by sporting events like the T20 World Cup and GST cuts. In our view, the category mix is gradually improving, supporting overall revenue growth.

### Mobile and laptop segment faces margin pressure

Sales of mobile phones and laptops may remain under pressure due to elevated prices led by the global chip shortage. Prices of mobiles and laptops have already increased by ~5-7% and, in our view, are expected to rise further. We model that this softness in mobile phone and laptop demand may impact growth in H1FY27.

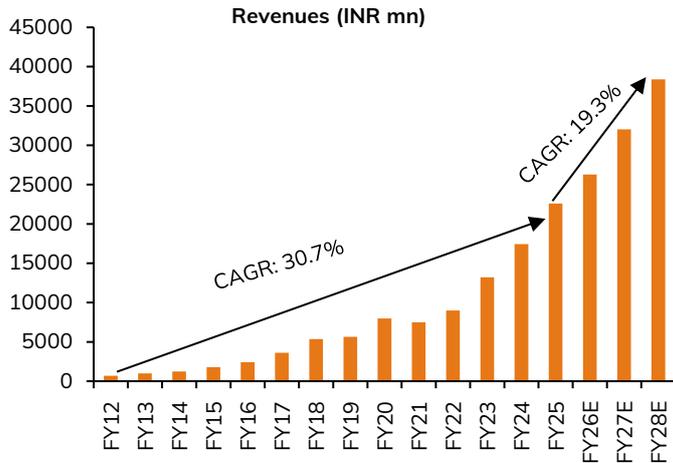
### Maintain BUY

We model AVL to report revenue/PAT CAGR of 19.3%/23.0% over FY25-28E. Maintain **BUY** with a DCF-based revised TP of INR 600 (earlier INR 628; implied target P/E works out to 39x FY28E EPS).

**Key risks:** Delays in store rollout, steep competitive pressures, and execution miss, if any.

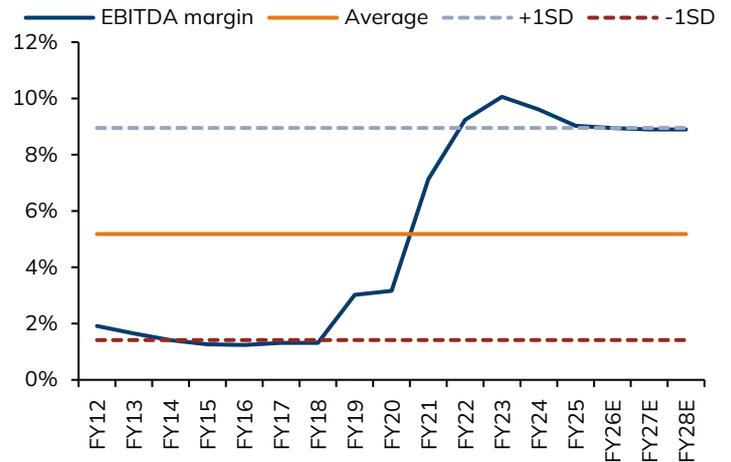
## Key indicators – annual

**Exhibit 1: Revenue trend**



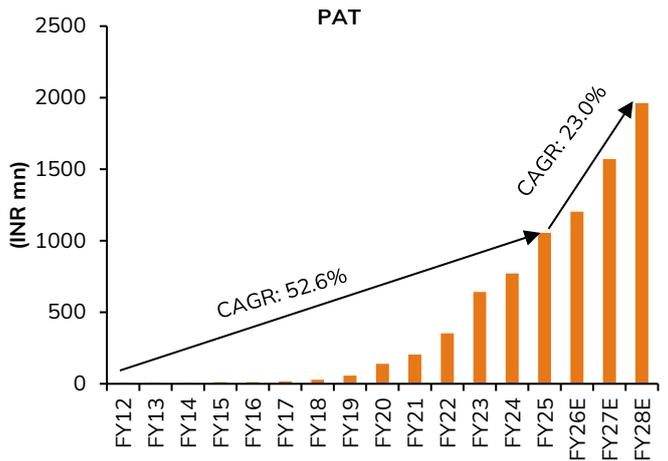
Source: Company data, I-Sec research

**Exhibit 2: EBITDA margin**



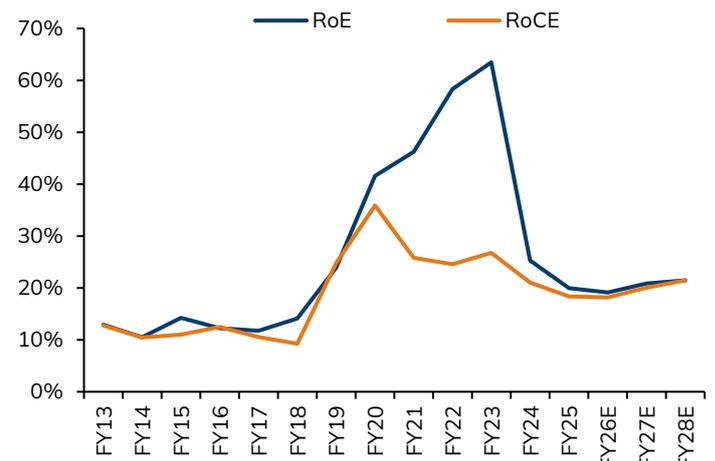
Source: Company data, I-Sec research

**Exhibit 3: PAT trend**



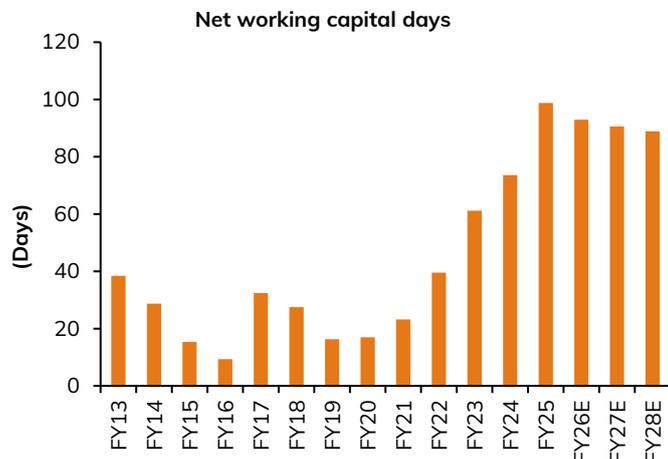
Source: Company data, I-Sec research

**Exhibit 4: RoE and RoCE**



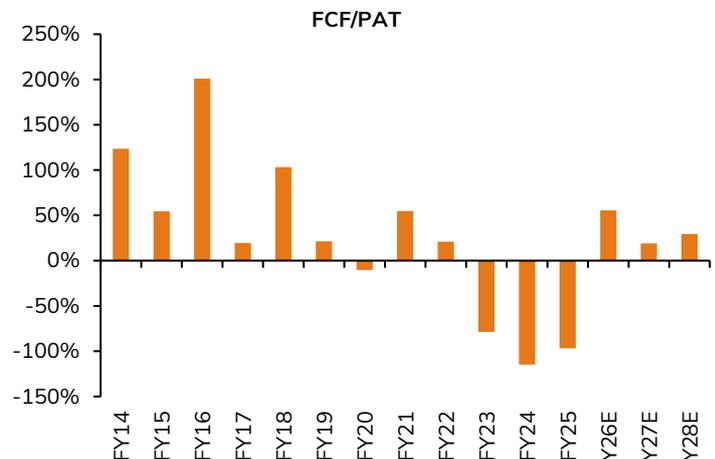
Source: Company data, I-Sec research

**Exhibit 5: Net working capital days**



Source: Company data, I-Sec research

**Exhibit 6: FCF/PAT (%)**



Source: Company data, I-Sec research

## Valuation and risks

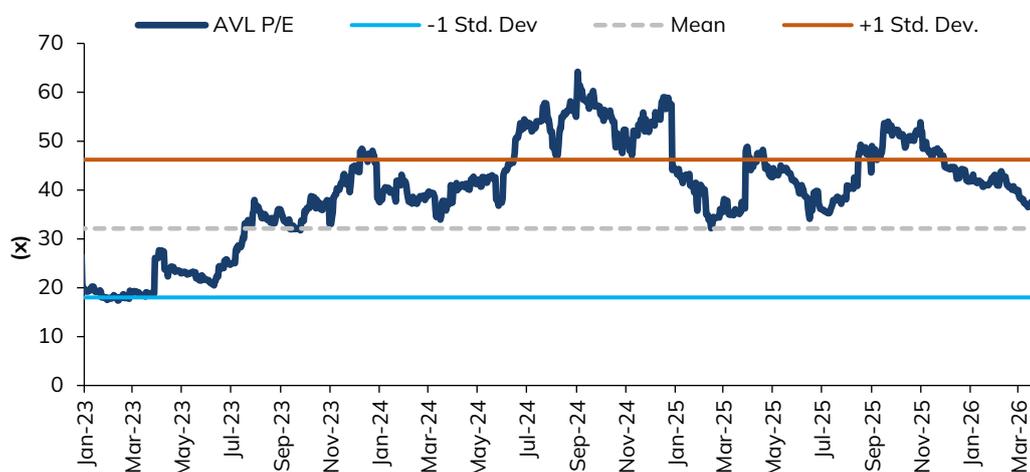
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### Exhibit 7: DCF-based valuation

Particulars	
Cost of Equity (%)	11.0%
Terminal growth rate (%)	4.0%
Discounted interim cash flows (INR mn)	28,618
Discounted terminal value (INR mn)	48,583
Total equity value (INR mn)	77,201
<b>Value per share (INR)</b>	<b>600</b>

Source: I-Sec research

### Exhibit 8: Mean PE (x) and standard deviations



Source: Bloomberg, I-Sec research

## Risks

### Sharp increase in input prices and competitive pressures

Major increase in input prices and/or increase in competitive pressures may result in downside to our estimates.

### Muted consumer response to new products

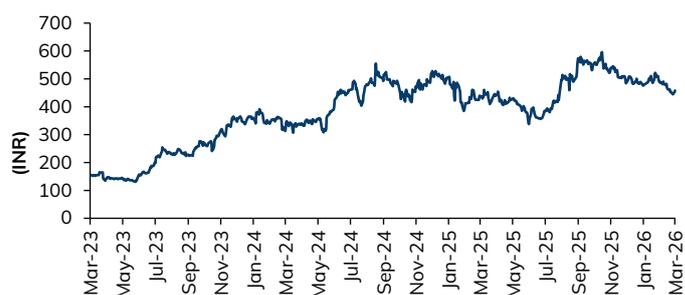
Weaker-than-expected consumer off-take of new launches is a risk to our estimates.

### Exhibit 9: Shareholding pattern

%	Jun'25	Sep'25	Dec'25
Promoters	53.2	47.3	47.1
Institutional investors	26.5	35.2	35.2
MFs and others	9.5	15.7	16.8
FIs/Banks	0.3	0.7	0.6
Insurance	0.0	0.0	0.0
FIIIs	17.7	18.8	17.7
Others	19.3	17.5	17.7

Source: Bloomberg

### Exhibit 10: Price chart



Source: Bloomberg

## Financial Summary

### Exhibit 11: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Net Sales	22,598	26,278	32,033	38,384
<b>Operating Expenses</b>	<b>20,557</b>	<b>23,926</b>	<b>29,182</b>	<b>34,967</b>
EBITDA	2,041	2,352	2,851	3,416
<b>EBITDA Margin (%)</b>	<b>9.0</b>	<b>8.9</b>	<b>8.9</b>	<b>8.9</b>
Depreciation & Amortization	370	372	417	466
EBIT	1,670	1,980	2,434	2,950
Interest expenditure	317	413	413	413
Other Non-operating Income	78	60	81	87
Recurring PBT	1,431	1,626	2,101	2,623
<b>Profit / (Loss) from Associates</b>	-	-	-	-
<b>Less: Taxes</b>	<b>376</b>	<b>423</b>	<b>529</b>	<b>661</b>
PAT	1,055	1,203	1,572	1,962
Less: Minority Interest	-	-	-	-
Extraordinary (Net)	-	-	-	-
Net Income (Reported)	1,055	1,203	1,572	1,962
<b>Net Income (Adjusted)</b>	<b>1,055</b>	<b>1,203</b>	<b>1,572</b>	<b>1,962</b>

Source Company data, I-Sec research

### Exhibit 12: Balance sheet

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Total Current Assets	9,132	10,558	12,430	14,745
of which cash & cash eqv.	1,213	1,739	1,884	2,292
Total Current Liabilities & Provisions	1,803	2,129	2,595	3,109
<b>Net Current Assets</b>	<b>7,328</b>	<b>8,430</b>	<b>9,836</b>	<b>11,636</b>
Investments	281	281	281	281
Net Fixed Assets	2,681	2,704	2,716	2,710
ROU Assets	-	-	-	-
Capital Work-in-Progress	63	-	-	-
Total Intangible Assets	-	-	-	-
Other assets	-	-	-	-
Deferred Tax assets	-	-	-	-
<b>Total Assets</b>	<b>10,354</b>	<b>11,415</b>	<b>12,833</b>	<b>14,628</b>
<b>Liabilities</b>				
<b>Borrowings</b>	<b>4,594</b>	<b>4,594</b>	<b>4,594</b>	<b>4,594</b>
<b>Deferred Tax Liability</b>	<b>(77)</b>	<b>(77)</b>	<b>(77)</b>	<b>(77)</b>
provisions	-	-	-	-
other Liabilities	-	-	-	-
Equity Share Capital	129	129	129	129
Reserves & Surplus	5,708	6,770	8,187	9,982
<b>Total Net Worth</b>	<b>5,837</b>	<b>6,898</b>	<b>8,316</b>	<b>10,111</b>
Minority Interest	-	-	-	-
<b>Total Liabilities</b>	<b>10,354</b>	<b>11,415</b>	<b>12,833</b>	<b>14,628</b>

Source Company data, I-Sec research

### Exhibit 13: Quarterly trend

(INR mn, year ending March)

	Mar 25	June 25	Sept 25	Dec 25
Net Sales	4,867	9,402	4,575	6,489
% growth (YoY)	29.6	5.8	21.7	27.6
EBITDA	423	897	347	530
Margin %	8.7	9.5	7.6	8.2
Other Income	24	17	22	38
Extraordinary	-	-	-	(15)
Adjusted Net Profit	160	552	127	288

Source Company data, I-Sec research

### Exhibit 14: Cashflow statement

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
<b>Operating Cashflow</b>	<b>(651)</b>	<b>999</b>	<b>728</b>	<b>1,037</b>
Working Capital Changes	(2,144)	(576)	(1,261)	(1,391)
Capital Commitments	(371)	(332)	(429)	(461)
<b>Free Cashflow</b>	<b>(1,022)</b>	<b>667</b>	<b>299</b>	<b>576</b>
<b>Other investing cashflow</b>	<b>(150)</b>	-	-	-
Cashflow from Investing Activities	(521)	(332)	(429)	(461)
Issue of Share Capital	5	-	-	-
Interest Cost	-	-	-	-
Inc (Dec) in Borrowings	1,368	-	-	-
Dividend paid	(116)	(141)	(154)	(167)
Others	-	-	-	-
Cash flow from Financing Activities	1,257	(141)	(154)	(167)
<b>Chg. in Cash &amp; Bank balance</b>	<b>86</b>	<b>525</b>	<b>145</b>	<b>409</b>
Closing cash & balance	261	1,739	1,884	2,292

Source Company data, I-Sec research

### Exhibit 15: Key ratios

(Year ending March)

	FY25A	FY26E	FY27E	FY28E
<b>Per Share Data (INR)</b>				
Reported EPS	8.2	9.4	12.2	15.3
Adjusted EPS (Diluted)	8.2	9.4	12.2	15.3
Cash EPS	11.1	12.2	15.5	18.9
Dividend per share (DPS)	0.9	1.1	1.2	1.3
Book Value per share (BV)	45.4	53.6	64.7	78.6
Dividend Payout (%)	11.0	11.8	9.8	8.5
<b>Growth (%)</b>				
Net Sales	29.6	16.3	21.9	19.8
EBITDA	22.7	15.2	21.2	19.8
EPS (INR)	38.6	14.1	30.6	24.8
<b>Valuation Ratios (x)</b>				
P/E	55.8	48.9	37.5	30.0
P/CEPS	41.3	37.4	29.6	24.3
P/BV	10.1	8.5	7.1	5.8
EV / EBITDA	30.4	26.1	21.5	17.8
P / Sales	2.6	2.2	1.8	1.5
Dividend Yield (%)	0.2	0.2	0.3	0.3
<b>Operating Ratios</b>				
Gross Profit Margins (%)	15.7	15.6	15.6	15.6
EBITDA Margins (%)	9.0	8.9	8.9	8.9
Effective Tax Rate (%)	26.3	26.0	25.2	25.2
Net Profit Margins (%)	4.7	4.6	4.9	5.1
NWC / Total Assets (%)	59.1	58.6	62.0	63.9
Net Debt / Equity (x)	0.5	0.4	0.3	0.2
Net Debt / EBITDA (x)	1.5	1.1	0.9	0.6
<b>Profitability Ratios</b>				
RoCE (%)	13.4	13.4	14.9	16.0
RoE (%)	19.7	18.9	20.7	21.3
RoC (%)	16.4	15.9	18.0	19.3
Fixed Asset Turnover (x)	7.5	7.8	8.4	9.1
Inventory Turnover Days	127	118	120	119
Receivables Days	0	0	0	0
Payables Days	33	31	32	32

Source Company data, I-Sec research

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