

Dixon Technologies

Estimate change



TP change



Rating change



Bloomberg	DIXON IN
Equity Shares (m)	60
M.Cap.(INRb)/(USDb)	1054.8 / 12.2
52-Week Range (INR)	19150 / 5783
1,6,12 Rel. Per (%)	-1/61/184
12M Avg Val (INR M)	6189

Financials & Valuations (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	394.2	523.0	661.8
EBITDA	14.7	19.9	26.3
EBITDA Margin (%)	3.7	3.8	4.0
PAT	7.8	10.4	15.0
EPS (INR)	130.8	174.2	250.6
EPS Growth (%)	112.8	33.1	43.9
BV/Share (INR)	411.3	582.4	830.1

Ratios

Net D/E	-0.2	-0.4	-0.6
RoE (%)	37.7	35.1	35.5
RoCE (%)	42.5	39.8	39.7
Payout (%)	2.3	1.7	1.2

Valuations

P/E (x)	134.2	100.8	70.1
P/BV (x)	42.7	30.1	21.2
EV/EBITDA (x)	70.9	52.0	38.9
Div Yield (%)	0.0	0.0	0.0

Shareholding Pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	32.4	32.9	33.6
DII	22.6	23.1	26.4
FII	23.2	22.7	17.4
Others	21.7	21.3	22.6

FII includes depository receipts

CMP: INR17,559 TP: INR20,500 (+17%)
BUY

Looking to enter the component ecosystem

Dixon Technologies (Dixon) reported better-than-expected revenue and EBITDA, driven by strong performance of the mobile and EMS segment, while PAT stood lower than our estimates on higher depreciation, interest, and minority interest. The company's revenue/EBITDA jumped 117%/112% YoY for 3QFY25. The mobile and EMS segment continues to benefit from improved volumes from customers, while revenues of consumer electronics, lighting, and home appliances were impacted by weak demand during the quarter. The company is continuously focusing on increasing backward integration and expects display manufacturing to begin from 1Q/2QFY26. We expect incremental margin from the display facility to offset contraction in margins due to the PLI scheme ending by FY26. The company is also exploring entry into display fabs and is awaiting government guidelines from the expected component PLI scheme. We downgrade our earnings estimates for FY25/26 by -8%/-4%, while FY27 earnings estimates are upgraded by 7% to factor in higher mobile segment revenues and lower consumer electronics revenues. We increase our DCF-based TP to INR20,500 on March'27 estimates.. Reiterate BUY.

Revenue and EBITDA beat, while margin remain in-line with our estimates

Dixon's results were ahead of our estimates on revenue and EBITDA. EBITDA outperformance was driven by growth in revenues, with EBITDA margin coming at 3.7%. Higher interest, depreciation expenses, and lower other income than estimates resulted in a 13% miss in PBT. Consolidated revenue grew 117% YoY to INR104.5b, beating our estimates by 2%. Absolute EBITDA grew 112% YoY to INR3.90b, indicating a beat to our estimates by 3%, while margins contracted 10bp YoY to 3.7% but were in line with our estimate. The company's PAT missed our estimates by 24% at INR1.7b vs our estimate of INR2.25b. PAT margin was at 1.6%, 60bp lower than our estimates of 2.2%.

Mobile & EMS segment remains the key growth driver

Mobile and EMS will continue to remain the dominant segment for Dixon. The company is continuously benefitting from improved volumes across its key clients in the mobile segment. Feature phone volumes stood at 25m for 9MFY25. Smartphone volumes ex-Samsung stood at 21m for 9MFY25, including Ismartu's volumes. Within smartphones, Motorola and Xiaomi are witnessing a healthy ramp-up, while Compal's production commenced in Nov'24. Dixon has already entered into a JV with Vivo and expects to ramp up volumes from Vivo after receiving government clearances on the JV. We expect IT hardware revenue to start improving in the coming quarters. It is in discussions to add another global brand on the ODM side for IT hardware. The company is also expanding its capacity in the telecom segment due to increased volumes and expects to double its revenues in FY26 from the telecom segment. Volumes for consumer electronics and lighting were impacted by lower demand. In home appliances, Dixon is ramping up volumes for the fully automatic washing machine. It is also planning to enter into robotic vacuum cleaners, water purifiers, chimneys, etc in this segment.

Teena Virmani - Research Analyst (Teena.Virmani@MotilalOswal.com)

Research Analyst – Prerit Jain - (Prerit.Jain@MotilalOswal.com) | Harsh Tewaney - (Harsh.Tewaney@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Backward integration in displays to offset margin contraction once PLI ends

The company's display facility will commence manufacturing from 1Q/2QFY26. The company is also exploring entry into precision components, mechanicals, camera modules, battery packs, etc, which will further deepen its backward integration. As highlighted in our earlier update ([Report Link](#)), even after PLI incentives end in FY26, we do not expect a sharp contraction in margins as we believe that the adverse impact on margins will be offset by incremental contribution from backward integration towards components, particularly display manufacturing (refer to Exhibits 12 and 13). In 9MFY25, the company booked PLI incentives worth nearly INR2b in total across all segments. Display manufacturing would have a double-digit EBITDA margin, and hence, in the long run, the company would gain nearly 80-100bp in margin from backward integration towards displays.

Evaluating display fab manufacturing under the component PLI scheme

Dixon is also evaluating entering into display fab manufacturing facility with a global partner and is awaiting government guidelines under the component PLI scheme. Total capex targeted for display fab is expected to be around USD3b, which will be supported to an extent of 50% from the centre and 20% from the state government on a pari-passu basis, while the remaining will have to be invested by the company through a mix of internal accruals/debt/equity. With a larger portion of capex being supported by the government in this case, the company expects a faster payback period, double-digit margins, and similar RoCEs as the core business. We have currently not factored in this investment as the policy is yet awaited from the government.

Financial outlook

We raise our estimates to bake in improved performance for the mobile, telecom, and refrigeration segments, while we lower our estimates for consumer electronics, lighting, and home appliances. We expect a CAGR of 55%/56%/60% in revenue/EBITDA/PAT over FY24-FY27. The revenue growth would be mainly driven by EMS (including mobile and IT hardware) and new emerging segments such as refrigerators, wearables and hearables, and telecom networking products. We expect an EBITDA margin of 3.7%/3.8%/4.0% for FY25/FY26/FY27, led by an increased backward integration. This will result in a PAT CAGR of 60% over FY24-FY27.

Valuation and recommendation

The stock is currently trading at 70.1x P/E on FY27E earnings. We tweak by -8%/-4%/7% for FY25/FY26/FY27 to factor in higher mobile segment revenues and lower consumer electronics revenues and increase our DCF-based TP to INR20,500 on March'27 estimates. Reiterate BUY.

Key risks and concerns

The key risks to our estimates and recommendation would come from the lower-than-expected growth in the market opportunity, loss of relationship with key clients, increased competition, and limited bargaining power with clients.

Consolidated - Quarterly Earning Model

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	Est
INR m	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			2QE	Var (%)
Gross Sales	32,715	49,432	48,183	46,580	65,798	1,15,341	1,04,537	1,08,487	1,76,909	3,94,162	1,02,872	2
YoY Change (%)	14.6	27.8	100.4	52.0	101.1	133.3	117.0	132.9	45.1	122.8	113.5	
Gross Profit	3,158	4,741	4,265	4,356	5,629	8,736	7,736	14,706	16,519.5	36,806.3	9,361.4	-17
Total Expenditure	31,396	47,443	46,339	44,755	63,319	1,11,077	1,00,632	1,04,387	1,69,933	3,79,414	99,066	2
EBITDA	1,319	1,989	1,844	1,825	2,479	4,264	3,905	4,100	6,976	14,748	3,806	3
Margins (%)	4.0	4.0	3.8	3.9	3.8	3.7	3.7	3.8	3.9	3.7	3.7	
Depreciation	337	364	407	510	545	660	746	708	1,619	2,659	527	42
Interest	140	171	222	214	293	379	409	201	747	1,282	225	81
Other Income	29	7	23	167	82	-57	65	197	226	287	186	NM
PBT before EO expense	870	1,461	1,238	1,267	1,723	3,167	2,816	3,387	4,836	11,093	3,240	
Extra-Ord expense	0	0	0	0	0	2,096	0	0	0	2,096	0	
PBT	870	1,461	1,238	1,267	1,723	5,263	2,816	3,387	4,836	13,189	3,240	-13
Tax	229	352	287	322	400	1,172	689	484	1,189	2,745	836	-18
Rate (%)	26.3	24.1	23.2	25.4	23.2	22.3	24.5	14.3	24.6	20.8	25.8	
MI & P/L of Asso. Cos.	-47	36	-13	-7	-14	193	415	272	-31	865	147	182
Reported PAT	688	1,073	964	952	1,337	3,899	1,712	2,632	3,677	9,579	2,257	-24
Adj PAT	688	1,073	964	952	1,337	2,144	1,712	2,632	3,677	7,825	2,257	-24
YoY Change (%)	50.6	38.9	85.8	18.0	94.3	99.8	77.5	176.5	43.9	112.8	134.0	
Margins (%)	2.1	2.2	2.0	2.0	2.0	1.9	1.6	2.4	2.1	2.0	2.2	

Y/E March	FY24				FY25E				FY24	FY25
INR m	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Segmental revenue										
Consumer Electronics	8,820	14,400	9,290	8,970	8,550	14,130	6,330	12,424	41,480	41,434
Lighting Products	2,220	1,810	1,870	1,970	2,270	2,330	2,010	2,220	7,870	8,830
Home Appliances	2,590	3,640	2,880	2,940	3,050	4,440	3,150	4,228	12,050	14,868
Mobile Phones	17,950	28,190	32,140	30,910	51,920	94,440	93,050	89,620	1,09,190	3,29,030
Security Systems	1,140	1,400	2,000	1,790	8	-	-	-8	6,330	-
Total Revenues	32,715	49,432	48,183	46,580	65,798	1,15,339	1,04,543	1,08,482	1,76,909	3,94,162
Segmental EBITDA										
Consumer Electronics	300	490	320	300	290	520	220	630	1,410	1,660
Margin (%)	3.4	3.4	3.4	3.3	3.4	3.7	3.5	5.1	3.4	4.0
Lighting Products	190	130	130	142	150	170	140	160	592	620
Margin (%)	8.6	7.2	7.0	7.2	6.6	7.3	7.0	7.2	7.5	7.0
Home Appliances	280	420	300	301	320	490	320	475	1,301	1,605
Margin (%)	10.8	11.5	10.4	10.2	10.5	11.0	10.2	11.2	10.8	10.8
Mobile Phones	530	930	1,040	1,050	1,710	3,080	3,220	2,852	3,550	10,862
Margin (%)	3.0	3.3	3.2	3.4	3.3	3.3	3.5	3.2	3.3	3.3
Security Systems	15	20	50	34	9	4	5	-18	119	-
Margin (%)	1.3	1.4	2.5	1.9	113.7	NM	NM	225.0	1.9	NM
Total EBITDA	1,319	1,989	1,844	1,825	2,479	4,264	3,905	4,100	6,976	14,748
Margin (%)	4.0	4.0	3.8	3.9	3.8	3.7	3.7	3.8	3.9	3.7

Note: Refrigerator revenue and EBITDA are part of the Consumer Electronics Segment



Conference call highlights

Backward integration and entry into the components ecosystem to boost future growth

- **Backward integration:** Dixon has finalized the location for the manufacturing of displays in partnership with HKC, with plans to start production in 1HFY26. The company is also expanding into precision components, mechanical parts, camera modules, and battery packs. The company is awaiting component PLI from Gol under ISM 2.0 and will then decide on the further expansion of its components product portfolio.
- **Display Fab:** Electronics manufacturing has reached a level of maturity, and now, a component ecosystem is required on the non-semiconductor side, i.e. displays, mechanicals, etc. Management mentioned that Dixon is in active discussions with an existing global technology partner for setting up a world-class display fab, which is a critical component in Mobile, IT Hardware, and Consumer Electronics. The company is awaiting government guidelines on ISM2.0 for this fab. It expects a 50% capital subsidy from the central government and 20% from the state government for this fab. Hence, Dixon's share of capex will be much lower. This is a margin-accretive project with a fast payback period, and a large part will add value through captive consumption in mobile, notebook, etc. The expected capex is around USD3b – TV displays are 60%, mobile 12-15%, and notebook 12-15%.

Segment-wise

- **Consumer Electronics:** Consolidated revenue/EBITDA were weak for the quarter, decreasing 32%/31% YoY, reaching INR6.3b/0.22b. The contribution of refrigerators to the segment totaled INR1.7b. Within the first year of operations, Dixon was able to capture 8% of the market share in India in refrigerator manufacturing. The company also started exporting refrigerators to Nepal and is actively exploring the Sri Lanka and UAE markets. The LED TV market has faced poor growth due to subdued consumer demand. Management stated that the company is working closely with Amazon Fire TV and LG for webOS, where it already has some export queries and expects growth starting from 1QFY26. The company has also started manufacturing 65-100 inch digital signages, for which it has a decent order book.
- **Mobile Phones:** Consolidated Revenue/EBITDA from the mobile phones & EMS segment for the quarter increased 190%/210% YoY, reaching INR93b/3.2b. To strengthen its position as a trusted mobile manufacturing partner, the company has expanded its capabilities by adding a new facility in Noida, bringing the total to seven state-of-the-art manufacturing units with a combined capacity of over 60m smartphones annually. Dixon's subsidiary Ismartu has invested INR1.3b in acquiring land, plant, and machinery to scale up production for brands like Nothing, Techno, and Itel, including fulfilling 3m export volumes to Africa. The company expects to export 0.5m-0.6m units in February and March of this fiscal year. Management stated that orders remain strong for Motorola, Xiaomi's volumes are growing steadily, and OPPO's order book has been robust. The company successfully dispatched its first production for Compal in December'24. Further, Dixon has entered into a JV with Vivo, with Dixon holding 51%, where Vivo will transfer its production to this JV.
- **Lighting Products:** Management claimed that a further increase in the backward integration of lighting products is expected to materialize in 4QFY25, which will lead to a positive change and margin expansion.

■ **Home Appliances:** Consolidated revenue stood at INR3.15b in 3QFY25, up 9% YoY. The segment's EBITDA stood at INR320m, increasing 7% YoY, while EBITDA margins contracted 20bp from 10.4% to 10.2%. In terms of volume sales, the company grew 100% YoY, reaching monthly sales of 25 thousand units. Management stated that it is exploring additional categories like robotic vacuum cleaners, water purifiers, chimneys, and other large kitchen appliances in this particular business.

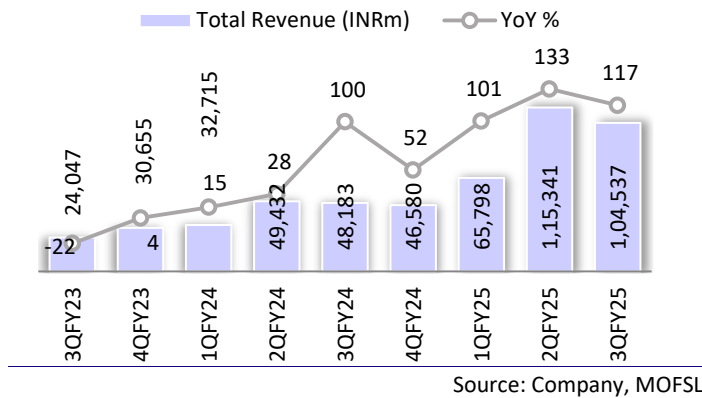
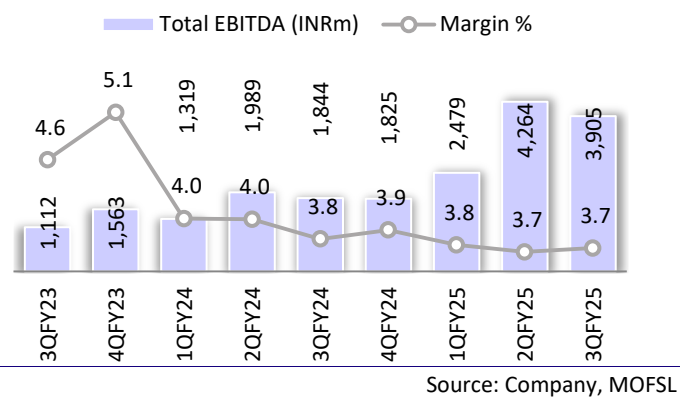
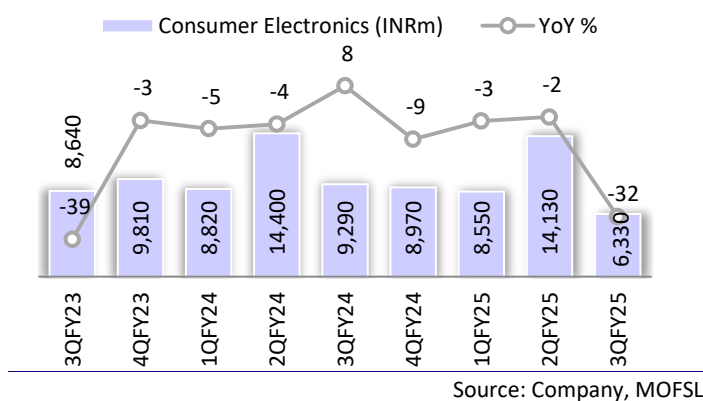
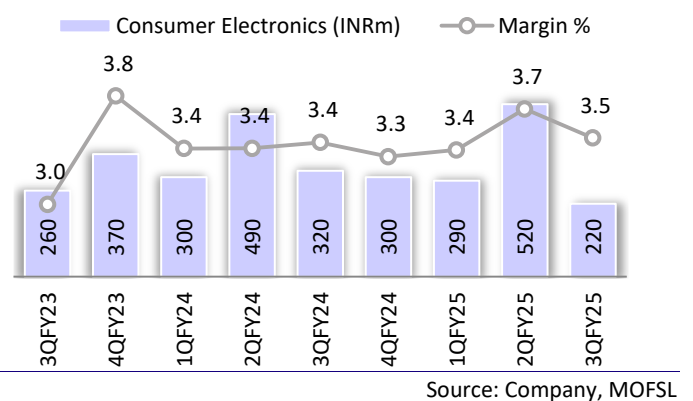
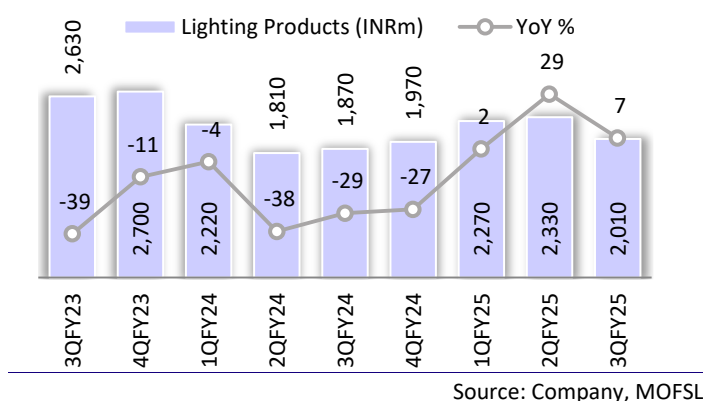
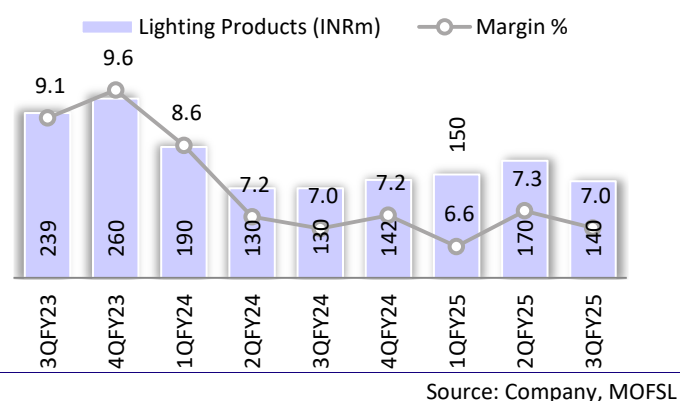
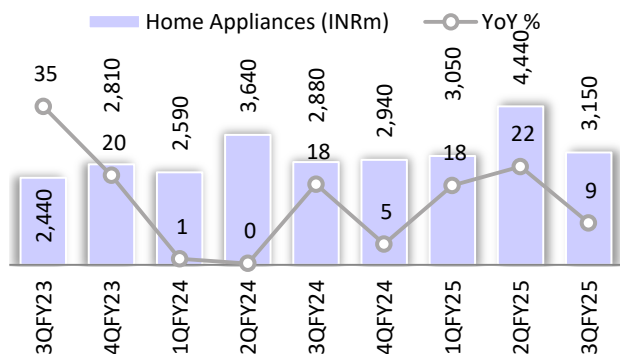
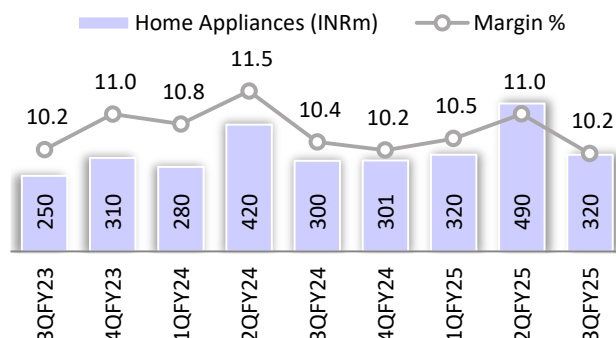
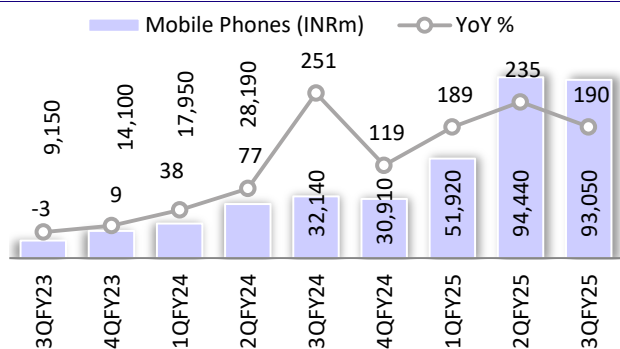
Exhibit 1: Strong top-line growth momentum continues**Exhibit 2: Group EBITDA margin stable QoQ at 3.7%****Exhibit 3: Consumer Electronics revenue down 32% YoY****Exhibit 4: Consumer Electronics margins up 10bp YoY****Exhibit 5: Lighting Products revenue up 7% YoY while down 14% QoQ****Exhibit 6: Lighting Products margins expected to expand 4QFY25 onwards**

Exhibit 7: Home Appliances revenue up 9% YoY on increased capacity for washing machines

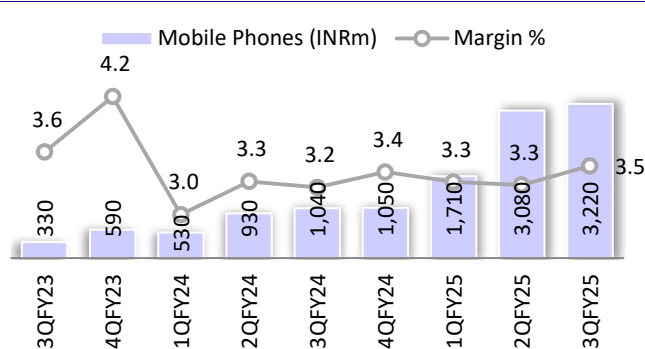
Source: Company, MOFSL

Exhibit 8: Home Appliances EBITDA margins down 20bp YoY

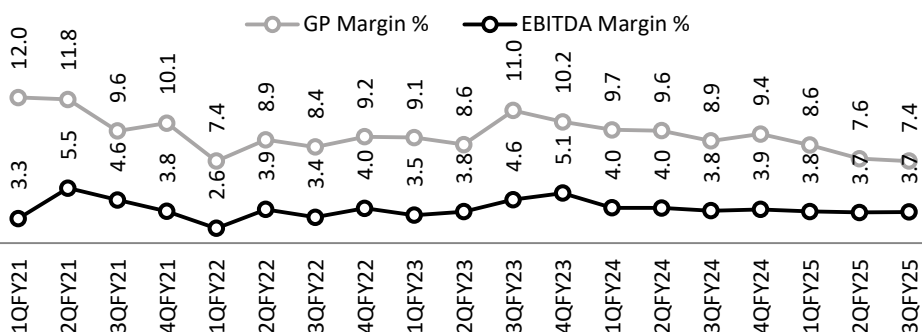
Source: Company, MOFSL

Exhibit 9: Mobile Phones revenue growth strong in the quarter on account of increased wallet share

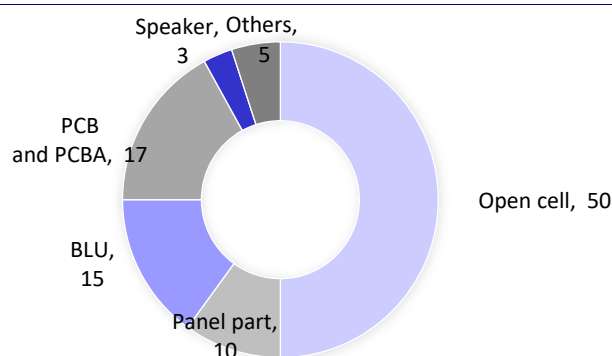
Source: Company, MOFSL

Exhibit 10: Mobile Phones EBITDA/EBITDA margins expanded 190%/30bp YoY

Source: Company, MOFSL

Exhibit 11: Gap between gross margin and EBITDA margin closing up, mainly due to increased share of revenue from the Mobile Phones segment

Source: Company, MOFSL

Exhibit 12: Display forms nearly 10% of BoM for LED, and Dixon is in discussions with other players to enter into open cell manufacturing for LED TV (%)

Source: Industry, MOFSL

Exhibit 13: Assessment of potential margin expansion from Dixon's own manufacturing of components, such as displays, camera modules, and mechanicals for mobile. Similar improvement possible for TV displays (INR m)

Incremental benefit from components	FY26E	FY27E	FY28E
Mobile revenues of Dixon	3,25,116	3,73,116	4,29,083
BoM of overall mobile - 97% of mobile revenue (a)	3,15,363	3,61,923	4,16,211
BoM share that can be taken up by Dixon by display, camera mod, components (%) (b)	10	20	20
Value of cost that can be potentially covered by Dixon by new components (a)* (b) = ©	31,536	72,385	83,242
Acceptance by customers of Dixon's displays and camera modules (%) (d)	25	60	70
Revenue made by Dixon from displays and camera modules © * (d)	7,884	43,431	58,270
Margin made by Dixon on components provided - @12%	946	5,212	6,992
EBITDA ex PLI	16,920	20,315	23,043
EBITDA margin ex PLI (%)	3.6	3.6	3.5
Incremental addition from components	946	5,212	6,992
Overall EBITDA ex PLI but with component margin	17,867	25,526	30,035
EBITDA margin (%)	3.8	4.5	4.5
Potential improvement in margin from components (bps)	20	92	106

Source: Company, MOFSL

Exhibit 14: We tweak our estimates to factor in higher revenue from the mobile segment and higher capex and minority interest

(INR m)	FY25E			FY26E			FY27E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	3,94,162	3,86,550	2.0	5,23,045	4,84,051	8.1	6,61,782	5,73,531	15.4
EBITDA	14,748	14,806	(0.4)	19,932	19,049	4.6	26,253	23,178	13.3
EBITDA (%)	3.7	3.8	-10 bp	3.8	3.9	-10 bp	4.0	4.0	0 bp
Adj. PAT	7,825	8,528	(8.2)	10,416	10,889	(4.3)	14,987	14,028	6.8
EPS (INR)	131	143	(8.5)	174	182	(4.3)	251	235	6.6

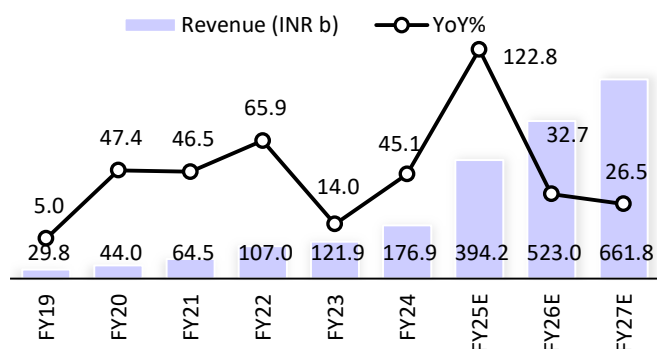
Source: MOFSL

Financial outlook

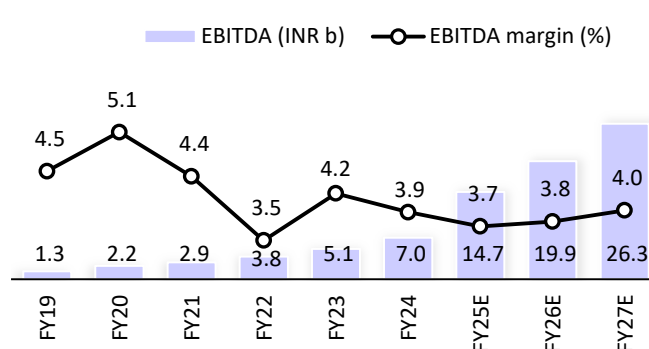
Segmental financial outlook across segments for DIXON

INR m	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Consolidated										
Revenue	28,416	29,844	44,001	64,482	1,06,971	1,21,920	1,76,909	3,94,162	5,23,045	6,61,782
Growth YoY (%)	15.7	5.0	47.4	46.5	65.9	14.0	45.1	122.8	32.7	26.5
EBITDA	1,120	1,349	2,231	2,866	3,791	5,128	6,976	14,748	19,932	26,253
EBITDA margin (%)	3.9	4.5	5.1	4.4	3.5	4.2	3.9	3.7	3.8	4.0
RoCE	23.4	18.5	25.9	23.8	19.1	20.4	25.6	40.8	40.1	39.9
Consumer Electronics										
Revenue	10,735	11,937	20,952	38,426	51,695	42,780	41,480	34,434	35,703	37,061
Growth YoY (%)	27.1	11.2	75.5	83.4	34.5	-17.2	-3.0	-17.0	3.7	3.8
EBITDA	222	252	503	1,028	1,246	1,306	1,410	1,170	1,285	1,334
EBITDA margin (%)	2.1	2.1	2.4	2.7	2.4	3.1	3.4	3.4	3.6	3.6
Lighting Products										
Revenue	7,742	9,194	11,397	11,037	12,841	10,546	7,870	8,830	9,727	10,716
Growth YoY (%)	40.6	18.8	24.0	-3.2	16.3	-17.9	-25.4	12.2	10.2	10.2
EBITDA	473	660	977	974	881	904	592	620	722	817
EBITDA margin (%)	6.1	7.2	8.6	8.8	6.9	8.6	7.5	7.0	7.4	7.6
Home Appliances										
Revenue	2,503	3,744	3,963	4,311	7,088	11,435	12,050	14,868	17,530	20,596
Growth YoY (%)	33.1	49.6	5.9	8.8	64.4	61.3	5.4	23.4	17.9	17.5
EBITDA	308	370	461	397	541	1,094	1,301	1,605	1,928	2,265
EBITDA margin (%)	12.3	9.9	11.6	9.2	7.6	9.6	10.8	10.8	11.0	11.0
Mobile Phone and EMS										
Revenue	6,698	3,549	5,369	8,395	31,383	52,243	1,09,190	3,29,030	4,51,585	5,81,409
Growth YoY (%)	-17.4	-47.0	51.3	56.4	273.8	66.5	109.0	201.3	37.2	28.7
EBITDA	65	74	191	394	971	1,671	3,550	10,862	15,359	20,938
EBITDA margin (%)	1.0	2.1	3.6	4.7	3.1	3.2	3.3	3.3	3.4	3.6
Security Surveillance Systems										
Revenue	5	963	2,164	2,178	3,964	4,918	6,330	0	0	0
Growth YoY (%)			124.7	0.7	82.0	24.1	28.7	NA	NA	NA
EBITDA		8	72	63	151	144	119	0	0	0
EBITDA margin (%)		0.8	3.3	2.9	3.8	2.9	1.9	NA	NA	NA
Refrigerator										
Revenue								7,000	8,500	12,000
Growth YoY (%)									21.4	41.2
EBITDA								490	638	900
EBITDA margin (%)								7.0	7.5	7.5

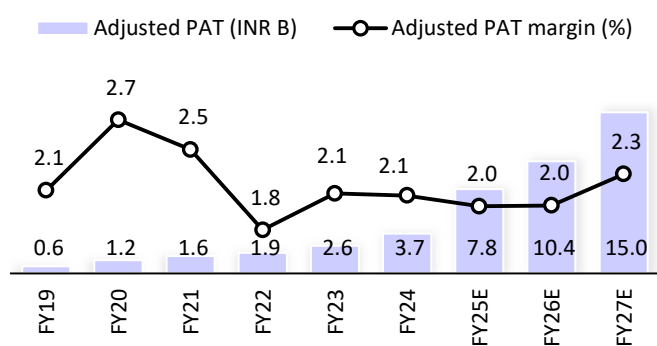
Source: Company, MOFSL

Exhibit 15: We expect revenue to clock a CAGR of 55% over FY24-27 led by the mobile and EMS segment

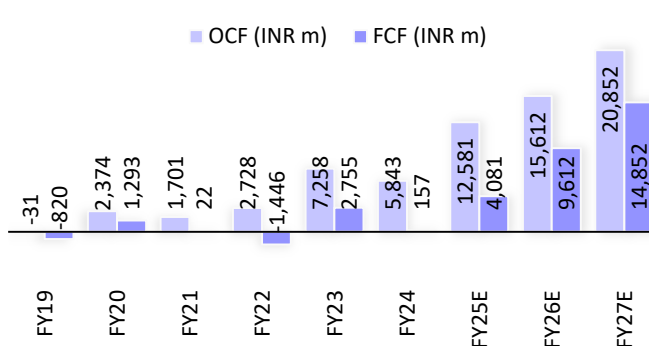
Source: Company, MOFSL

Exhibit 16: We expect EBITDA CAGR of 56% over FY24-27 while margins ranging from 3.7% to 4.0%

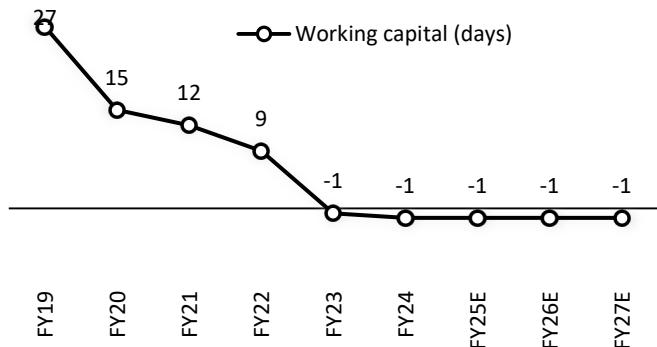
Source: Company, MOFSL

Exhibit 17: We expect PAT CAGR of 56% over FY24-27 led by expansion into margin accretive segments

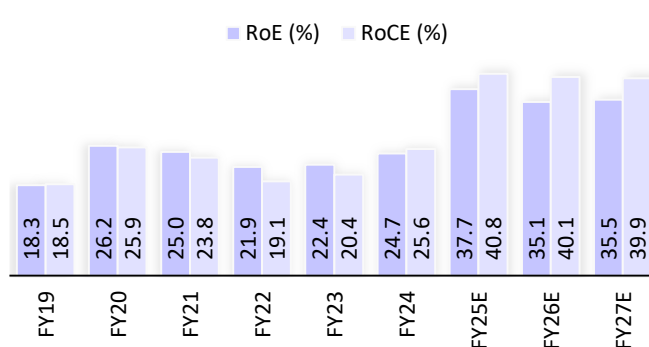
Source: Company, MOFSL

Exhibit 18: We expect OCF and FCF to remain strong as the working capital cycle is lean for Dixon

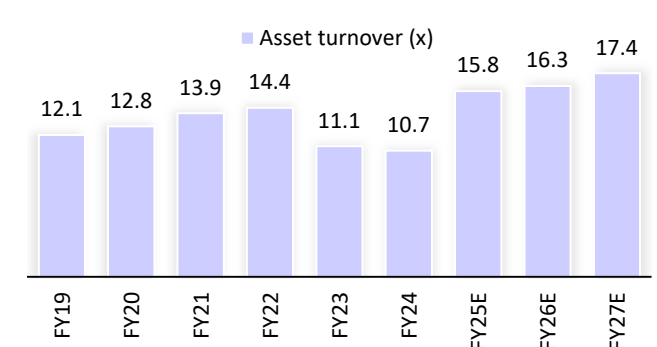
Source: Company, MOFSL

Exhibit 19: We expect the NWC cycle to remain lean for Dixon in the coming years

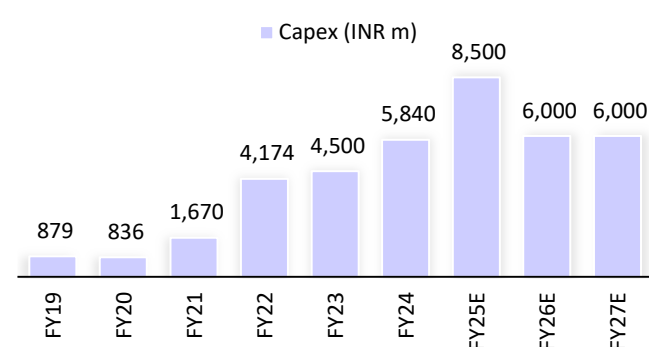
Source: Company, MOFSL

Exhibit 20: We expect RoE/RoCE to improve on continued focus on capital allocation and improved asset turnover

Source: Company, MOFSL

Exhibit 21: Asset turnover to improve on higher share of revenues from the mobile and EMS segment

Source: Company, MOFSL

Exhibit 22: We expect capex to peak in FY25 on extended capacity and addition of manufacturing units

Source: Company, MOFSL

Financials and Valuation

Consolidated - Income statement

(INR m)

Y/E Mar	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Total Income from Operations	44,001	64,482	1,06,971	1,21,920	1,76,909	3,94,162	5,23,045	6,61,782
Change (%)	47.4	46.5	65.9	14.0	45.1	122.8	32.7	26.5
Raw Materials	38,602	57,697	97,792	1,10,207	1,60,390	3,57,356	4,74,204	5,99,986
Gross Profit	5,399	6,785	9,178	11,713	16,520	36,806	48,841	61,796
Employee Cost	1,180	1,371	1,978	2,517	3,327	8,136	10,797	13,661
Other Expenses	1,989	2,548	3,409	4,069	6,217	13,922	18,113	21,882
Total Expenditure	41,771	61,616	1,03,180	1,16,793	1,69,933	3,79,414	5,03,113	6,35,529
% of Sales	94.9	95.6	96.5	95.8	96.1	96.3	96.2	96.0
EBITDA	2,231	2,866	3,791	5,128	6,976	14,748	19,932	26,253
Margin (%)	5.1	4.4	3.5	4.2	3.9	3.7	3.8	4.0
Depreciation	365	437	840	1,146	1,619	2,659	3,378	3,980
EBIT	1,865	2,429	2,952	3,981	5,357	12,088	16,554	22,273
Int. and Finance Charges	350	274	442	606	747	1,282	1,335	1,363
Other Income	52	16	38	56	226	287	729	1,480
PBT bef. EO Exp.	1,568	2,170	2,548	3,432	4,836	11,093	15,948	22,390
EO Items	0	0	0	0	0	-2096	0	0
PBT after EO Exp.	1,568	2,170	2,548	3,432	4,836	13,189	15,948	22,390
Total Tax	363	572	644	897	1,189	2,745	3,922	5,481
Tax Rate (%)	23.1	26.4	25.3	26.1	24.6	20.8	24.6	24.5
Profit Share of Associates/JV	0.0	0.0	-0.6	16.2	102.4	307.2	337.9	371.7
Minority Interest	0	0	2	-4	72	1,172	1,949	2,294
Reported PAT	1,205	1,598	1,902	2,555	3,677	9,579	10,416	14,987
Adjusted PAT	1,205	1,598	1,902	2,555	3,677	7,825	10,416	14,987
Change (%)	90.2	32.6	19.0	34.4	43.9	112.8	33.1	43.9
Margin (%)	2.7	2.5	1.8	2.1	2.1	2.0	2.0	2.3

Consolidated - Balance Sheet

(INR m)

Y/E Mar	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	116	117	119	119	120	120	120	120
Total Reserves	5,298	7,256	9,849	12,730	16,829	24,474	34,710	49,518
Net Worth	5,413	7,373	9,968	12,849	16,949	24,594	34,830	49,638
Minority Interest	0	0	6	-3	276	1,448	3,397	5,691
Total Loans	828	1,513	4,580	1,826	1,550	3,005	3,005	3,005
Deferred Tax Liabilities	148	184	201	224	240	240	240	240
Capital Employed	6,389	9,070	14,754	14,897	19,015	29,287	41,472	58,574
Gross Block	3,982	5,269	9,586	12,291	20,633	29,133	35,133	41,133
Less: Accum. Deprn.	825	1,170	1,815	2,641	3,958	6,322	9,374	12,997
Net Fixed Assets	3,157	4,099	7,771	9,649	16,675	22,811	25,758	28,135
Goodwill on Consolidation	82	82	303	303	303	303	303	303
Capital WIP	96	724	224	1,197	683	683	683	683
Total Investments	0	953	1,410	442	200	200	200	200
Curr. Assets, Loans & Adv.	13,635	22,600	33,064	35,203	52,034	1,14,179	1,58,013	2,09,987
Inventory	4,978	7,433	11,557	9,579	16,950	37,766	50,114	63,407
Account Receivables	5,151	10,891	13,564	17,155	23,179	51,644	68,530	86,707
Cash and Bank Balance	1,002	689	1,823	2,292	2,087	7,069	16,826	32,109
Loans and Advances	0	25	4	0	20	45	59	75
Other Current Asset	2,504	3,563	6,116	6,178	9,799	17,656	22,484	27,689
Curr. Liability & Prov.	10,580	19,387	28,017	31,898	50,881	1,08,890	1,43,487	1,80,736
Account Payables	9,391	17,097	23,137	24,519	40,652	90,575	1,20,191	1,52,072
Other Current Liabilities	1,081	2,146	4,664	7,121	9,952	17,698	22,476	27,628
Provisions	109	144	216	258	277	617	819	1,036
Net Current Assets	3,054	3,213	5,047	3,306	1,153	5,289	14,527	29,251
Appl. of Funds	6,389	9,070	14,754	14,897	19,015	29,287	41,472	58,574

Financials and Valuation

Ratios								
Y/E Mar	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)								
EPS	20.6	27.3	32.0	42.9	61.5	130.8	174.2	250.6
Cash EPS	26.8	34.7	46.2	62.1	88.6	175.3	230.7	317.2
BV/Share	92.4	125.9	168.0	215.7	283.4	411.3	582.4	830.1
DPS	1.2	1.0	2.0	3.0	3.0	3.0	3.0	3.0
Payout (%)	5.7	3.7	6.3	7.0	4.9	2.3	1.7	1.2
Valuation (x)								
P/E	853.5	643.5	547.9	409.3	285.5	134.2	100.8	70.1
Cash P/E	654.9	505.3	380.1	282.5	198.3	100.2	76.1	55.4
P/BV	190.0	139.5	104.5	81.4	62.0	42.7	30.1	21.2
EV/Sales	23.4	16.0	9.8	8.6	5.9	2.7	2.0	1.5
EV/EBITDA	461.0	359.1	275.6	203.9	150.4	70.9	52.0	38.9
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FCF per share	22.1	0.4	-24.4	46.3	2.6	68.2	160.7	248.4
Return Ratios (%)								
RoE	26.2	25.0	21.9	22.4	24.7	37.7	35.1	35.5
RoCE	25.9	23.8	19.1	20.4	25.4	42.5	39.8	39.7
RoIC	28.8	29.8	24.5	26.4	29.9	51.2	55.4	68.2
Working Capital Ratios								
Fixed Asset Turnover (x)	11.0	12.2	11.2	9.9	8.6	13.5	14.9	16.1
Asset Turnover (x)	6.9	7.1	7.3	8.2	9.3	13.5	12.6	11.3
Inventory (Days)	41	42	39	29	35	35	35	35
Debtor (Days)	43	62	46	51	48	48	48	48
Creditor (Days)	78	97	79	73	84	84	84	84
Leverage Ratio (x)								
Current Ratio	1.3	1.2	1.2	1.1	1.0	1.0	1.1	1.2
Interest Cover Ratio	5.3	8.9	6.7	6.6	7.2	9.4	12.4	16.3
Net Debt/Equity	0.0	0.0	0.1	-0.1	0.0	-0.2	-0.4	-0.6

Consolidated - Cashflow Statement								(INR m)
Y/E Mar	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
OP/(Loss) before Tax	1,568	2,170	2,546	3,452	4,867	10,228	14,337	20,468
Depreciation	365	437	840	1,146	1,619	2,659	3,378	3,980
Interest & Finance Charges	350	274	442	606	747	1,282	1,335	1,363
Direct Taxes Paid	-429	-549	-540	-820	-1,218	-2,404	-3,922	-5,481
(Inc)/Dec in WC	423	-743	-641	2,764	-88	816	484	521
CF from Operations	2,277	1,590	2,646	7,148	5,927	12,581	15,612	20,852
Others	97	111	81	109	-83	0	0	0
CF from Operating incl EO	2,374	1,701	2,728	7,258	5,843	12,581	15,612	20,852
(Inc)/Dec in FA	-1,081	-1,680	-4,174	-4,502	-5,686	-8,500	-6,000	-6,000
Free Cash Flow	1,293	22	-1,446	2,755	157	4,081	9,612	14,852
(Pur)/Sale of Investments	-118	-978	-446	992	346	0	0	0
Others	28	8	-25	-45	31	-50	-55	-61
CF from Investments	-1,171	-2,649	-4,645	-3,556	-5,309	-8,550	-6,055	-6,061
Issue of Shares	457	269	642	336	469	0	0	0
Inc/(Dec) in Debt	-570	688	3,026	-2,776	-276	1,455	0	0
Interest Paid	-378	-322	-567	-737	-494	-1,282	-1,335	-1,363
Dividend Paid	-83	0	-59	-119	-179	-179	-179	-179
Others	6	0	0	0	-220	1,172	1,949	2,294
CF from Fin. Activity	-568	635	3,043	-3,296	-700	1,166	435	751
Inc/Dec of Cash	634	-313	1,126	406	-166	5,197	9,991	15,542
Opening Balance	367	1,002	689	1,823	2,292	2,086	7,069	16,826
Other Bank Balances	0	0	8	63	-40	-214	-235	-259
Closing Balance	1,002	689	1,823	2,292	2,086	7,069	16,826	32,109

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures:

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at <http://online-reports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

MOFSL, its associates, Research Analyst or their relatives may have any financial interest in the subject company. MOFSL and/or its associates and/or Research Analyst or their relatives may have actual beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance. MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may have any other potential conflict of interests at the time of publication of the research report or at the time of public appearance, however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

In the past 12 months, MOFSL or any of its associates may have:

- received any compensation/other benefits from the subject company of this report
- managed or co-managed public offering of securities from subject company of this research report,
- received compensation for investment banking or merchant banking or brokerage services from subject company of this research report,
- received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report.

- MOFSL and its associates have not received any compensation or other benefits from the subject company or third party in connection with the research report.
- Subject Company may have been a client of MOFSL or its associates during twelve months preceding the date of distribution of the research report.
- Research Analyst may have served as director/officer/employee in the subject company.
- MOFSL and research analyst may engage in market making activity for the subject company.

MOFSL and its associate company(ies), and Research Analyst and their relatives from time to time may have:

- a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein.
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures. To enhance transparency, MOFSL has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report. MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Disclosure of Interest Statement

Dixon Technologies

Analyst ownership of the stock

No

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to subject company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Financial Services Limited (SEBI Reg No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

MOTILAL Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and

services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets Singapore Pte Ltd ("MOCMSPL") (Co. Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act of Singapore. Accordingly, if a Singapore person is not, or ceases to be, such an investor, they must immediately discontinue any use of this Report and inform MOCMSPL.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal,

Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dp grievances@motilaloswal.com.