Retail Equity Research

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Company Update

Voltas Limited

BUY

Sector: Capital Goods

12th November 2026

Key Changes	Target	Rating	Earnings

Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame
Mid Cap	VOLT:IN	81,879	VOLTAS	500575	12 Months

Target	**Rs.1,300**
CMP	**Rs.1,120**
Return	**+16%**

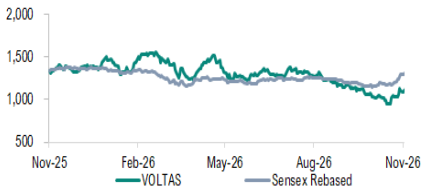
Data as of: 11-11-2026, 18:00hrs

Company Data	
Market Cap (Rs.cr)	37,062
52 Week High — Low (Rs.)	1,528-930
Enterprise Value (Rs.cr)	38,157
Outstanding Shares (cr.)	33.1
Free Float (%)	68.1
Dividend Yield (%)	0.4
6m average volume (cr)	0.1
Beta	0.9
Face value (Rs.)	1.0

Shareholding (%)	Q4FY26	Q1FY27	Q2FY27
Promoters	30.3	30.3	30.3
FII's	18.5	16.9	16.9
MFs/Institutions	38.4	39.1	38.5
Public	10.8	11.4	12.3
Others	2.1	2.3	1.9
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil

Price Performance	3 Month	6 Month	1 Year
Absolute Return	-12.7%	-14.2%	-14.1%
Absolute Sensex	4.8%	7.7%	-2.4%
Relative Return	-17.5%	-21.9%	-11.7%

*over or under performance to the benchmark index



Y.E March (Rs.cr)	FY26A	FY27E	FY28E
Sales	14,123	16,498	19,303
Growth (%)	*-7.8*	*16.8*	*17.0*
EBITDA	647	949	1,303
EBITDA Margin (%)	*4.6*	*5.7*	*6.8*
Adj. PAT	402	651	956
Growth (%)	*-52.2*	*61.7*	*47.0*
Adj. EPS	12.2	19.7	28.9
Growth (%)	*-52.2*	*61.7*	*47.0*
P/E	92.1	57.0	38.8
P/B	5.8	5.5	5.0
EV/EBITDA	57.7	40.2	28.8
ROE (%)	*5.8*	*9.4*	*12.7*
D/E	0.2	0.2	0.2

Strong Market Share Gains and Improving Profitability

Voltas Limited is a Tata Group company and India's leading room air-conditioner brand, engaged in providing cooling solutions, manufacturing home appliances, handling electro-mechanical projects and offering engineering products and services.

- In Q2FY27, consolidated revenue increased 10.9% YoY to Rs. 2,568cr, led by robust growth in Room Air Conditioners (RAC), strong demand for cooling products and continued traction in consumer durables.
- Unitary Cooling Products reported 28.9% YoY revenue growth to Rs. 1,567cr, supported by 32.0% RAC volume growth, market-share expansion, broader distribution reach and higher demand generated during an extended summer season.
- EBITDA rose 81.6% YoY to Rs. 128cr and EBITDA margin improved 200bps YoY to 5.0% owing to operating-leverage benefits and improved business mix.
- Adj PAT increased 53.5% YoY to Rs. 53cr, benefiting from stronger operating performance, revenue growth, cost-efficiency measures and improved profitability across key businesses.

Outlook & Valuation

Voltas continues to strengthen its leadership position in the Indian room air-conditioner market while simultaneously expanding its presence across home appliances, projects and engineering services. The company has demonstrated strong execution through sustained market-share gains, improving distribution reach and disciplined cost-management initiatives despite a challenging input-cost environment. Recent pricing actions, localisation initiatives and manufacturing productivity measures are expected to improve profitability trends in the future. Beyond its core cooling business, Voltbek continues to gain traction across key appliance categories, while the Projects and Engineering businesses provide diversification and revenue visibility. Hence, **we upgrade the rating from HOLD to BUY with a revised target price of Rs. 1,300 based on 45x FY28E adjusted EPS.**

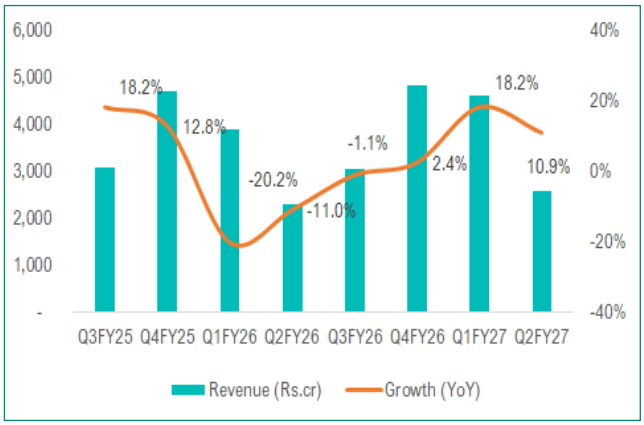
Quarterly Financials Consolidated

Rs.cr	Q2FY27	Q2FY26	YoY (%)	Q1FY27	QoQ (%)	H1FY27	H1FY26	YoY (%)
Sales	2,568	2,314	*10.9*	4,623	*-44.5*	7,191	6,227	*15.5*
EBITDA	128	70	*81.6*	266	*-51.8*	393	249	*58.0*
Margin (%)	*5.0*	*3.0*	*200bps*	*5.7*	*-70bps*	*5.5*	*4.0*	*150bps*
EBIT	104	46	*126.8*	244	*-57.3*	349	206	*69.1*
PBT	83	54	*53.2*	285	*-70.9*	368	257	*43.4*
Rep. PAT	48	31	*51.5*	213	*-77.6*	260	172	*51.3*
Adj PAT	53	34	*53.5*	214	*-75.4*	266	175	*52.4*
Adj. EPS (Rs)	1.6	1.0	*53.5*	6	*-75.4*	8.1	5.3	*52.4*

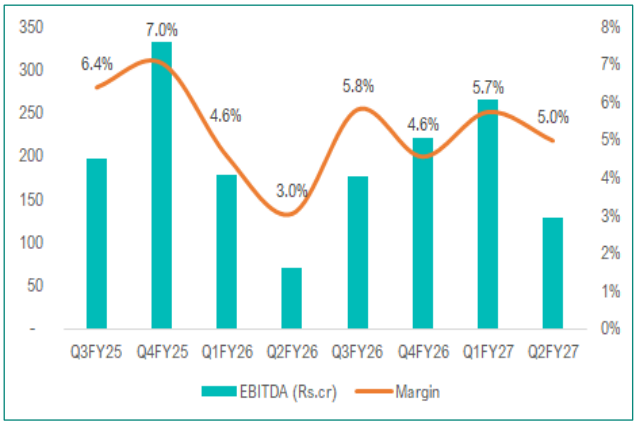
Key Concall Highlights

- Engineering Products & Services revenue grew 33.3% YoY to Rs. 185cr, driven by mining equipment demand, aftermarket services expansion, textile machinery momentum and improving contribution from recurring-service-oriented revenue streams.
- Voltas expects profitability improvement from Q3FY27, with stronger recovery anticipated in Q4FY27 as pricing actions flow through and operating leverage improves.
- RAC market share expanded to 17.4% while the lead over the nearest competitor widened significantly, reinforcing management's commitment to prioritising market-share gains alongside absolute gross-profit growth.
- Voltbek reported its strongest-ever quarterly performance in both value and volume terms, while the Projects business maintained robust revenue visibility with an order book exceeding Rs. 6,800cr.
- Management highlighted approximately three weeks of channel inventory versus 4-6 weeks last year, indicating healthier inventory conditions entering the next seasonal cycle.

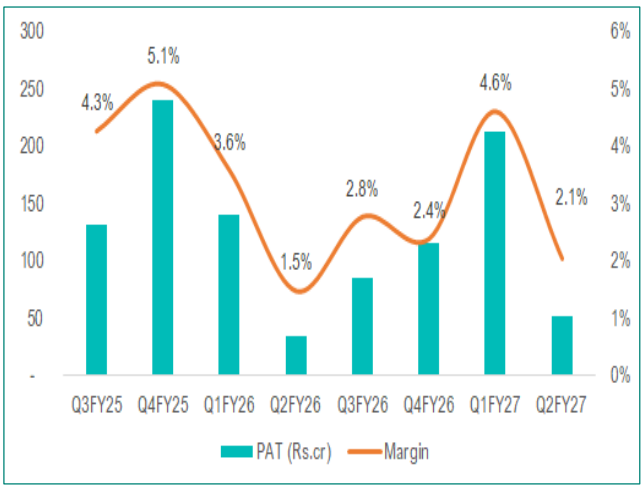
Revenue



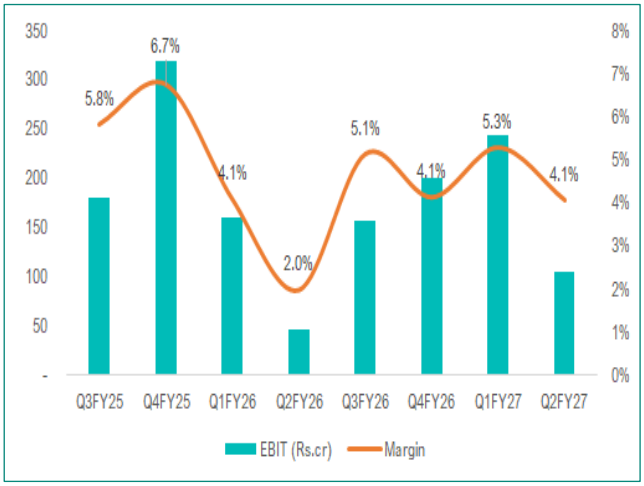
EBITDA



PAT



EBIT



Change in Estimates

	Old estimates		New estimates		Change (%)	
Year / Rs. cr	**FY27E**	**FY28E**	**FY27E**	**FY28E**	**FY27E**	**FY28E**
Revenue	16,972	19,661	16,498	19,303	*-2.8*	*-1.8*
EBITDA	1,137	1,475	949	1,303	*-16.6*	*-11.6*
Margins (%)	*6.7*	*7.5*	5.7	6.8	*-100bps*	*-70bps*
Adj. PAT	848	1,152	651	956	*-23.3*	*-17.0*
Adj. EPS	25.6	34.8	19.7	28.9	*-23.3*	*-16.9*

Consolidated Financials

Profit & Loss

Y.E March -Rs. cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Sales	**12,407**	**15,320**	**14,123**	**16,498**	**19,303**
% change	*32.0*	*23.5*	*-7.8*	*16.8*	*17.0*
EBITDA	**475**	**1,116**	**647**	**949**	**1,303**
% change	*-17.1*	*135.2*	*-42.0*	*46.6*	*37.3*
Depreciation	48	62	84	97	99
EBIT	**427**	**1,054**	**563**	**852**	**1,204**
Interest	56	62	87	88	79
Other Income	115	198	81	90	130
PBT	**486**	**1,191**	**557**	**854**	**1,255**
% change	*58.2*	*145.1*	*-53.2*	*53.3*	*47.0*
Tax	238	356	187	214	314
Tax Rate (%)	*48.9*	*29.9*	*33.6*	*25.0*	*25.0*
Reported PAT	**248**	**834**	**370**	**641**	**941**
PAT att. to common shareholders	252	841	376	651	956
Adj*	-	-	26	-	-
Adj PAT	**252**	**841**	**402**	**651**	**956**
% change	*-33.5*	*233.9*	*-52.2*	*61.7*	*47.0*
No. of shares (cr)	33.1	33.1	33.1	33.1	33.1
Adj EPS (Rs.)	**7.6**	**25.4**	**12.2**	**19.7**	**28.9**
% change	*-33.5*	*233.9*	*-52.2*	*61.7*	*47.0*
DPS (Rs.)	5.5	7.0	4.0	6.4	8.4

Balance Sheet

Y.E March (Rs. cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Cash	815	650	755	511	878
Accounts Receivable	2,400	2,232	3,035	2,054	2,953
Inventories	2,135	2,715	3,433	3,520	3,687
Other Cur. Assets	2,374	3,281	3,106	3,751	3,932
Investments	3,052	2,888	2,522	2,673	2,764
Gross Fixed Assets	989	1,179	1,308	1,510	1,717
Net Fixed Assets	23	737	913	1,015	1,121
CWIP	368	82	22	24	27
Intangible Assets	113	110	108	109	111
Def. Tax Assets	41	44	51	53	55
Other Assets	715	412	565	553	535
Total Assets	**12,036**	**13,152**	**14,510**	**14,264**	**16,063**
Current Liabilities	5,262	5,514	6,952	5,705	7,092
Provisions	98	95	96	95	93
Debt Funds	744	892	992	1,592	1,372
Other Liabilities	78	111	70	71	78
Equity Capital	33	33	33	33	33
Reserves & Surplus	5,787	6,480	6,343	6,755	7,397
Shareholders' Funds	5,821	6,513	6,376	6,788	7,430
Minority Interest	34	27	23	13	-2
Total Liabilities	**12,036**	**13,152**	**14,510**	**14,264**	**16,063**
BVPS	176	197	193	205	225

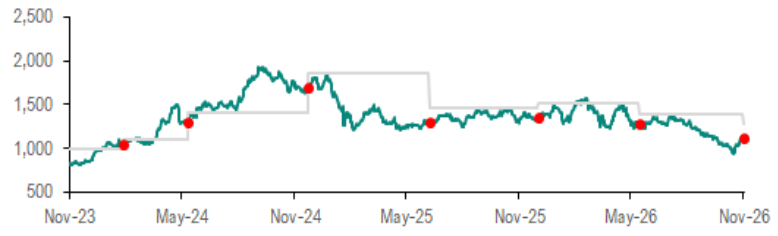
Cash Flow

Y.E March (Rs. cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Net inc. + Depn.	**296**	**896**	**454**	**738**	**1,040**
Non-cash adj.	798	-491	-153	-775	305
Other adjustments	-	-	-	-	-
Changes in W.C	-332	-630	-230	-123	-63
C.F. Operation	**762**	**-225**	**71**	**-160**	**1,283**
Capital exp.	-288	-191	-129	-202	-207
Change in inv.	-318	218	306	-156	-96
Other invest.CF	83	131	105	-	-
C.F – Investment	**-522**	**158**	**282**	**-357**	**-303**
Issue of equity	-	-	-	-	-
Issue/repay debt	97	150	73	600	-220
Dividends paid	-143	-182	-232	-239	-314
Other finance.CF	-70	-68	-103	-88	-79
C.F – Finance	**-116**	**-100**	**-262**	**273**	**-613**
Chg. in cash	123	-167	90	-244	367
Closing cash	**815**	**650**	**755**	**511**	**878**

Ratios

Y.E March	FY24A	FY25A	FY26A	FY27E	FY28E
Profitab. & Return					
EBITDA margin (%)	3.8	7.3	4.6	5.7	6.8
EBIT margin (%)	3.4	6.9	4.0	5.2	6.2
Net profit mgn.(%)	2.0	5.5	2.7	3.9	5.0
ROE (%)	4.3	12.8	5.8	9.4	12.7
ROCE (%)	6.5	14.2	7.6	10.1	13.7
W.C & Liquidity					
Receivables (days)	70.6	53.2	78.4	45.4	55.8
Inventory (days)	79.4	82.8	113.2	102.2	91.6
Payables (days)	140.4	118.8	172.4	122.3	129.6
Current ratio (x)	1.3	1.5	1.4	1.4	1.4
Quick ratio (x)	0.6	0.5	0.5	0.4	0.5
Turnover & Leverage					
Gross asset T.O (x)	14.7	14.1	11.4	11.7	12.0
Total asset T.O (x)	1.1	1.2	1.0	1.1	1.3
Int. coverage ratio (x)	7.6	17.0	6.5	9.7	15.3
Adj. debt/equity (x)	0.1	0.1	0.2	0.2	0.2
Valuation					
EV/Sales (x)	3.0	2.4	2.6	2.3	1.9
EV/EBITDA (x)	78.0	33.4	57.7	40.2	28.8
P/E (x)	147.1	44.1	92.1	57.0	38.8
P/BV (x)	6.4	5.7	5.8	5.5	5.0

Recommendation Summary (Last 3 years)



Dates	Rating	Target
30-Aug-23	BUY	991
7-Feb-24	HOLD	1,107
22-May-24	HOLD	1,405
3-Dec-24	HOLD	1,865
18-Jun-25	ACCUMULATE	1,465
11-Dec-25	ACCUMULATE	1,521
25-May-26	HOLD	1,393
12-Nov-26	BUY	1,300

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	**Upside is above 10%**	**Upside is above 15%**	**Upside is above 20%**
Accumulate	**-**	**Upside is between 10%-15%**	**Upside is between 10%-20%**
Hold	**Upside is between 0% - 10%**	**Upside is between 0%-10%**	**Upside is between 0%-10%**
Reduce/sell	**Downside is more than 0%**	**Downside is more than 0%**	**Downside is more than 0%**
Not rated/Neutral			

Definition: Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock. **Symbols definition:** ▲ Upgrade ● No Change ▼ Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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