

# Voltas Limited

**HOLD**

Sector: Capital Goods

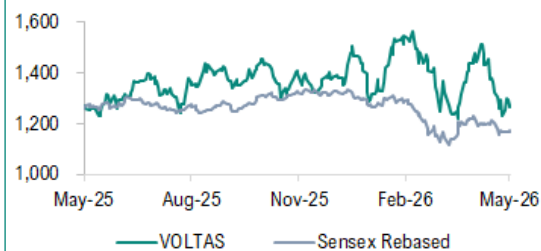
25<sup>th</sup> May, 2026

Key Changes	Target	Rating	Earnings	Target	Rs. 1,393		
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	<b>CMP</b>	<b>Rs. 1,268</b>
Mid Cap	VOLT:IN	75,415	VOLTAS	500575	12 Months	<b>Return</b>	<b>+10%</b>

Data as of: 22-May-2026, 18:00 hrs

Company Data			
Market Cap (Rs.cr)	41,948		
52 Week High — Low (Rs.)	1,582 - 1,188		
Enterprise Value (Rs. cr)	42,524		
Outstanding Shares (cr)	33.1		
Free Float (%)	68.1		
Dividend Yield (%)	0.54		
6m average volume (cr)	0.1		
Beta	1.1		
Face value (Rs. )	1.0		
Shareholding (%)	Q2FY26	Q3FY26	Q4FY26
Promoters	30.3	30.3	30.3
FII's	20.3	18.4	18.5
MFs/Institutions	35.8	37.9	38.4
Public	11.6	11.3	10.8
Others	2.0	2.1	2.1
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	-18.0%	-9.2%	-0.4%
Absolute Sensex	-8.9%	-11.5%	-6.8%
Relative Return	-9.0%	2.3%	6.5%

### \*over or under performance to benchmark index



Y.E March (cr)	FY26A	FY27E	FY28E
Sales	14,123	16,972	19,661
Growth (%)	-7.8	20.2	15.8
EBITDA	647	1,137	1,475
EBITDA Margin (%)	4.6	6.7	7.5
PAT Adjusted	402	848	1,152
Growth (%)	-52.2	110.9	35.8
Adjusted EPS	12.2	25.6	34.8
Growth (%)	-52.2	110.9	35.8
P/E	104.5	49.4	36.4
P/B	6.6	6.0	5.4
EV/EBITDA	65.4	37.4	28.9
ROE (%)	5.8	12.0	14.6
D/E	0.2	0.2	0.2

## Electronics manufacturing wins strategic orders

**Voltas is India's leading air conditioning and engineering services company. In Q4FY26, it derived ~72% of revenue from the unitary cooling products (UCP) segment and ~25% from electro-mechanical projects and services (EMPS).**

- In Q4FY26, consolidated revenue increased 2.4% YoY to Rs. 4,844cr, due to resilient growth in the cooling and project businesses, despite supply chain disruptions, currency volatility and weaker profitability.
- UCP revenue increased 1.0% YoY to Rs. 3,493cr in Q4FY26, driven by RAC (Room AC) leadership, portfolio refresh, strong March sales, and CAC (Commercial AC) growth.
- EMPS revenue increased 4.6% YoY to Rs. 1,190cr, driven by domestic project execution and strategic order wins.
- EBITDA fell 33.7% YoY to Rs. 221cr, and the EBITDA margin contracted 240bps YoY to 4.6%, due to increase in cost of materials.
- Rep. PAT declined 51.9% YoY to Rs. 113cr, due to lower operating profitability, especially in cooling, along with inflation and currency-related margin pressure.

## Outlook & Valuation

The company delivered marginal growth driven by its leadership in cooling products, portfolio refresh with AI-powered innovations and strengthened brand positioning through refreshed marketing. Management remains focused on premiumisation, deeper localisation at manufacturing facilities, expanded distribution and intelligent cooling to capture growing urbanization and infrastructure-led demand. The Voltbek appliances platform continues scaling through innovation and channel expansion, while the projects business emphasises execution discipline and selective order booking. However, substantial margin pressure from rising material costs, currency volatility and ongoing supply chain disruptions present near-term headwinds. Therefore, **we downgrade our rating to HOLD from ACCUMULATE, with a revised target price of Rs. 1,393, based on 40x rolled-forward FY28E adjusted EPS.**

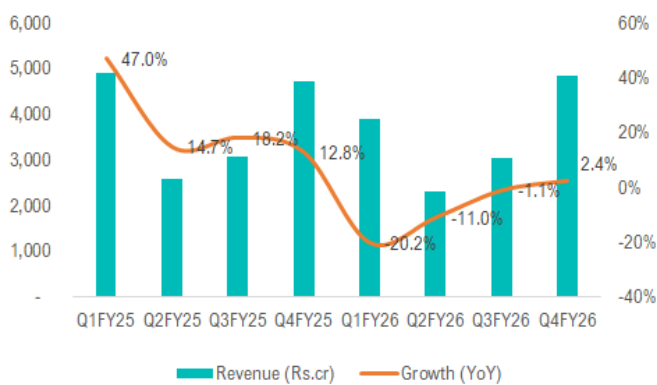
## Quarterly Financial Consolidated

Rs.cr	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)
Sales	4,844	4,728	2.4	3,053	58.7	14,123	15,320	-7.8
EBITDA	221	333	-33.7	177	24.5	647	1,116	-42.0
Margin (%)	4.6	7.0	-240bps	5.8	-120bps	4.6	7.3	-270bps
EBIT	200	319	-37.2	157	27.7	563	1,054	-46.6
PBT	185	343	-46.2	116	59.4	557	1,191	-53.2
Rep. PAT	113	236	-51.9	84	34.3	370	834	-55.7
Adj PAT	116	241	-51.8	111	4.3	402	841	-52.2
Adj. EPS (Rs)	3.5	7.3	-51.8	3.4	4.3	12.2	25.4	-52.2

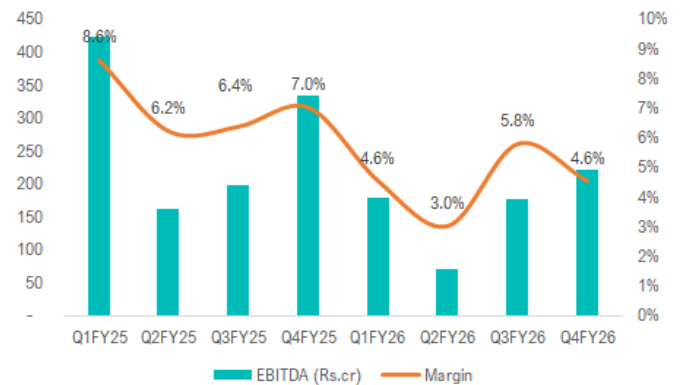
## Key concall highlights

- Management noted industry AC volumes declined to 14.3 million units in FY26 amid 10-12% degrowth, but expects healthy 15-20% expansion in FY27 on recovery momentum.
- The company projects the commercial AC market will expand 12-15% per year, supported by rising demand from offices, restaurants, manufacturing facilities and commercial infrastructure projects.
- The electro-mechanical projects order book of Rs. 6,200cr comprises Rs. 4,500cr from domestic projects and Rs. 1,700cr from international operations.
- Annual production capacity at Chennai has increased to 1.5 million units from 1 million units last year, with current monthly output averaging 1.2 lakh units.
- Voltas took a blended price increase of 5% for 3- and 10% for 5-star products due to new energy efficiency table changes, topped up with 2-3% increase for copper pricing.
- The Board approved the transfer of the Dubai and Abu Dhabi overseas branches to Universal MEP Contracting LLC through business transfer agreements executed August 20, 2025; completion is expected by June 30, 2026.

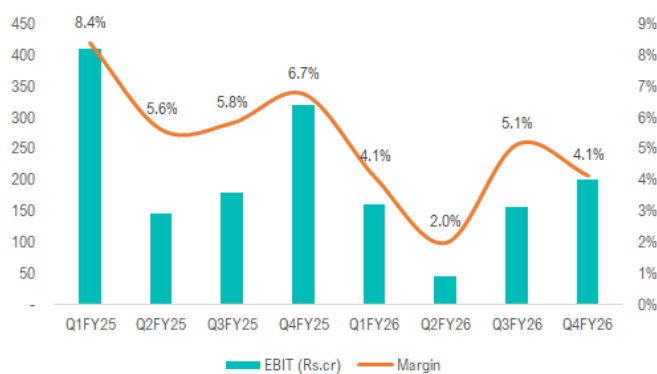
### Revenue



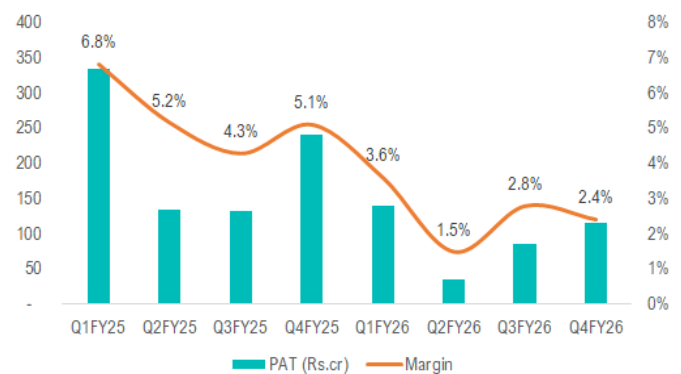
### EBITDA



### EBIT



### PAT



## Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change -%	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue	17,623	-	16,972	19,661	-3.7	-
EBITDA	1313	-	1137	1475	-13.4	-
Margins (%)	7.5	-	6.7	7.5	-80bps	-
Adj. PAT	1,049	-	848	1,152	-19.1	-
EPS	31.7	-	25.6	34.8	-19.1	-



## Consolidated Financials

### Profit & Loss

Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
<b>Sales</b>	<b>12,407</b>	<b>15,320</b>	<b>14,123</b>	<b>16,972</b>	<b>19,661</b>
% change	32.0	23.5	-7.8	20.2	15.8
<b>EBITDA</b>	<b>475</b>	<b>1,116</b>	<b>647</b>	<b>1,137</b>	<b>1,475</b>
% change	-17.1	135.2	-42.0	75.8	29.7
Depreciation	48	62	84	92	93
<b>EBIT</b>	<b>427</b>	<b>1,054</b>	<b>563</b>	<b>1,045</b>	<b>1,381</b>
Interest	56	62	87	92	98
Other Income	115	198	81	161	228
<b>PBT</b>	<b>486</b>	<b>1,191</b>	<b>557</b>	<b>1,114</b>	<b>1,512</b>
% change	58.2	145.1	-53.2	99.9	35.8
Tax	238	356	187	278	378
Tax Rate (%)	48.9	29.9	33.6	25.0	25.0
<b>Reported PAT</b>	<b>248</b>	<b>834</b>	<b>370</b>	<b>835</b>	<b>1,134</b>
PAT att. to common shareholders	252	841	376	848	1,152
Adj.*	-	-	26	-	-
<b>Adj. PAT</b>	<b>252</b>	<b>841</b>	<b>402</b>	<b>848</b>	<b>1,152</b>
% change	-33.5	233.9	-52.2	110.9	35.8
No. of shares (cr)	33.1	33.1	33.1	33.1	33.1
<b>Adj EPS (Rs.)</b>	<b>7.6</b>	<b>25.4</b>	<b>12.2</b>	<b>25.6</b>	<b>34.8</b>
% change	-33.5	233.9	-52.2	110.9	35.8
DPS (Rs.)	5.5	7.0	4.0	7.8	8.7

### Cashflow

Y.E March	FY24A	FY25A	FY26A	FY27E	FY28E
Net inc. + Depn.	296	896	454	927	1,227
Non-cash adj.	798	-491	-153	102	167
Other adjustments	-	-	-	-	-
Changes in W.C	-332	-630	-230	-106	-233
<b>C.F. Operation</b>	<b>762</b>	<b>-225</b>	<b>71</b>	<b>924</b>	<b>1,162</b>
Capital exp.	-288	-191	-129	-216	-211
Change in inv.	-318	218	306	-656	-656
Other invest.CF	83	131	105	-	-
<b>C.F - Investment</b>	<b>-522</b>	<b>158</b>	<b>282</b>	<b>-871</b>	<b>-866</b>
Issue of equity	-	-	-	-	-
Issue/repay debt	97	150	73	100	100
Dividends paid	-143	-182	-232	-290	-325
Other finance.CF	-70	-68	-103	-92	-98
<b>C.F - Finance</b>	<b>-116</b>	<b>-100</b>	<b>-262</b>	<b>-282</b>	<b>-323</b>
Chg. in cash	123	-167	90	-229	-27
<b>Closing Cash</b>	<b>815</b>	<b>650</b>	<b>755</b>	<b>526</b>	<b>498</b>

### Balance Sheet

Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Cash	815	650	755	526	498
Accts. Receivable	2,400	2,232	3,035	3,496	4,011
Inventories	2,135	2,715	3,433	3,930	4,465
Other Cur. Assets	2,374	3,281	3,106	3,528	3,700
Investments	3,052	2,888	2,522	3,173	3,824
Gross Fixed Assets	989	1,179	1,308	1,524	1,735
Net Fixed Assets	23	737	913	1,035	1,150
CWIP	368	82	22	24	27
Intangible Assets	113	110	108	109	111
Def. Tax -Net	41	44	51	53	68
Other Assets	715	412	565	552	535
<b>Total Assets</b>	<b>12,036</b>	<b>13,152</b>	<b>14,510</b>	<b>16,427</b>	<b>18,388</b>
Current Liabilities	5,262	5,514	6,952	8,212	9,255
Provisions	98	95	96	102	105
Debt Funds	744	892	992	1,092	1,192
Other Liabilities	78	111	70	76	83
Equity Capital	33	33	33	33	33
Res. & Surplus	5,787	6,480	6,343	6,902	7,729
Shareholder Funds	5,821	6,513	6,376	6,935	7,762
Minority Interest	34	27	23	10	-8
<b>Total Liabilities</b>	<b>12,036</b>	<b>13,152</b>	<b>14,510</b>	<b>16,427</b>	<b>18,388</b>
BVPS	176	197	193	210	235

### Ratio

Y.E March	FY24A	FY25A	FY26A	FY27E	FY28E
<b>Profitab. &amp; Return</b>					
EBITDA margin (%)	3.8	7.3	4.6	6.7	7.5
EBIT margin (%)	3.4	6.9	4.0	6.2	7.0
Net profit mgn.(%)	2.0	5.5	2.7	5.0	5.9
ROE (%)	4.3	12.8	5.8	12.0	14.6
ROCE (%)	6.5	14.2	7.6	13.0	15.4
<b>W.C &amp; Liquidity</b>					
Receivables (days)	70.6	53.2	78.4	75.2	74.5
Inventory (days)	79.4	82.8	113.2	110.2	109.2
Payables (days)	140.4	118.8	172.4	170.5	168.7
Current ratio (x)	1.3	1.5	1.4	1.3	1.3
Quick ratio (x)	0.6	0.5	0.5	0.5	0.5
<b>Turnover &amp; Leverage</b>					
Gross asset T.O (x)	14.7	14.1	11.4	12.0	12.1
Total asset T.O (x)	1.1	1.2	1.0	1.1	1.1
Int. covge. ratio (x)	7.6	17.0	6.5	11.4	14.2
Adj. debt/equity (x)	0.1	0.1	0.2	0.2	0.2
<b>Valuation</b>					
EV/Sales (x)	2.9	3.2	3.0	2.5	2.2
EV/EBITDA (x)	76.9	43.5	65.4	37.4	28.9
P/E (x)	144.9	57.4	104.5	49.4	36.4
P/BV (x)	6.3	7.4	6.6	6.0	5.4



## Recommendation Summary - last 3 years



Dates	Rating	Target
16-Feb-23	HOLD	938
30-Aug-23	BUY	991
07-Feb-24	HOLD	1,107
22-May-24	HOLD	1,405
03-Dec-24	HOLD	1,865
18-Jun-25	ACCUMULATE	1,465
11-Dec-25	ACCUMULATE	1,521
25-May-26	HOLD	1,393

## 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.

The recommendations are based on 12 month horizon, unless otherwise specified. The investment ratings are on absolute positive/negative return basis. It is possible that due to volatile price fluctuation in the near to medium term, there could be a temporary mismatch to rating. For reasons of valuations/ return/lack of clarity/event we may revisit rating at appropriate time. Please note that the stock always carries the risk of being upgraded to BUY or downgraded to HOLD, REDUCE or SELL.

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

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