kotak Securities

Dated: 12 Nov 2025

Syrma SGS (SYRMA) - ADD

Q2FY26 Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs. 831	**Rs. 870**

Rationale:

- All-round beat in Q2: Robust execution coupled with outperformance in profitability.
- Despite muted H1FY26, the company has maintained 30% growth guidance for the year.
- Revenue pickup in coming quarters will be key.
- Expanding into PCB, defense electronics & solar inverters; execution will be key.
- Factoring in management guidance and new business ventures, we increase estimates by 7-14%.
- Our FV increase to Rs870 (from Rs750), as we roll forward to Sep'27E; retain ADD rating.

Positives:

- Revenue increased 38% yoy and stood at Rs11.5 bn, 9% above expectation.
- EBITDA margin was 10.1%; 130 bps higher than our expectations of 8.8%.
- PAT came in 42% ahead of expectations due to lower interest costs & minority interest.
- Order book sees sequential improvement on the back of strong order inflow.
- Syrma's has continued to reduce its exposure in low-margin consumer segment, which is a positive.
- We forecast Syrma PCB JV revenue to reach ~Rs1300cr by FY30E.

Negatives:

- Net working capital days increased qoq to 73 days (69 days in Q1FY26).
- Company has slightly moderated its revenue guidance from 30-35% to 30% for FY26.

(EBITDA: Earnings before Interest, tax, Depreciation and Amortization, PAT: Profit after tax, PCB: Printed Circuit Board)

Holding Period: 12 months

Rating Scale (Private Client Group)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
SUBSCRIBE	–	We advise investor to subscribe to the IPO.
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NA	–	**Not Available or Not Applicable.** The information is not available for display or is not applicable
NM	–	**Not Meaningful.** The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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