PRIVATE CLIENT GROUP | kotak Securities

Dated: 14th Nov 2025

FIEM INDUSTRIES (FIEM) - BUY

Q2FY26 Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs. 2163	**Rs. 2504**

Rationale:

- Q2FY26: Healthy yoy revenue/EBITDA/PAT; marginally ahead of our estimates.
- We expect the domestic two-wheeler demand trends to improve in the coming quarters, led by GST rationalization.
- The company continues to outperform the two-wheeler industry's volume growth.
- Rising LED lighting adoption in the automotive segment is expected to aid growth.
- Co.'s focus on four-wheeler LED lighting segment presents huge growth opportunity.
- We expect earnings per share growth of 20.6 % in FY26E and 18.2% in FY27E.
- We value the stock at a P/E of 20x on FY28E earnings.

Positives:

- Standalone revenue was Rs715 cr (+16.7% yoy/+8.6% qoq), 1% above our estimate.
- Revenue in the automotive LED lighting segment grew by 34% yoy and 10% qoq.
- EBITDA margin was 13.9% (+80bps yoy/+60 bps qoq); above our estimate of 13.5%.
- Net profit came in at Rs64 cr (+28% yoy, +13.8% qoq, 3.3% above our estimate).
- The company generates healthy cash flows and has net cash in its balance sheet.

Negatives:

- Revenue growth in the plastic moulded segment continue to remain subdued.
- Other expenses jumped sharply by 21% yoy during the quarter.

(EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortization; P/E: Price/Earnings; PAT: Profit After Tax)

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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