kotak Securities

Dated: 19 Dec 2025

Voltas (VOLT) - SELL

Company Update

Current Market Price (CMP)	Target Price
Rs.1402	**Rs.1100**

Rationale:

- RAC industry decline in Q3 is likely to be lower than Q2.
- Primary sales could partly benefit from pre-buying ahead of the BEE table change.
- Management is optimistic that the GST rate cut will help topline growth, contingent on summer demand.
- Pricing support to liquidate old-rated channel inventory has continued in Q3TD.
- Management believes that the irrational pricing-led competition is likely to abate, as competitors are unlikely to be able to sustain losses for a long period of time.
- Voltas' market share trends may surprise positively going ahead, given several initiates underway.
- We estimate revenue/EBITDA/PAT CAGR of ~11%/15%/17% over FY25-28E.

Positives:

- Voltas gained market share qoq each quarter in CY25; aims to sustain this momentum.
- Data centers present a big opportunity in MEP/CAC, given group investments.
- In MEP, the domestic order book is strong with high-quality projects.

Negatives:

- Voltas' channel inventory in RAC is 45 days, about 15 days higher than usual.

(RAC: Room Air Conditioner; Bureau of Energy Efficiency; EBITDA: Earnings Before Interest, Tax, Depreciation and Amortization; PAT: Profit After Tax; CAGR: Compound Annual Growth Rate; MEP: Mechanical, Electrical, Plumbing; CAC: Commercial Air Conditioning)

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.

RS – **Rating Suspended.** Kotak Securities has suspended the investment rating and price target for this stock, either because there is not a sufficient fundamental basis for determining, or there are legal, regulatory or policy constraints around publishing, an investment rating or target. The previous investment rating and price target, if any, are no longer in effect for this stock and should not be relied upon.

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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