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Generating Wealth

Q4FY26 Result update
22nd Apr 2026

Cyient DLM Ltd

Recovery would be supported by strong execution.

CMP: INR 358

Rating: BUY

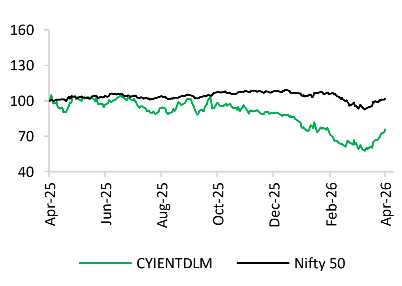
Target Price: INR 436

Stock Info	
BSE	543933
NSE	CYIENTDLM
Bloomberg	CYIENTDL:IN
Reuters	CYIT.M3
Sector	EMS
Face Value (INR)	10
Equity Capital (INR mn)	793
Mkt Cap (INR mn)	28,412
52w H/L (INR)	541 / 265
Avg Yearly Volume (in 000')	471.3

Shareholding Pattern % *(As on Mar, 2026)*	
Promoters	52.12
DII	26.67
FII	0.79
Public & Others	20.40

Stock Performance (%)	3m	6m	12m
CYIENTDLM	-1.3	-22.9	-24.2
NIFTY	-2.3	-5.0	1.9

CYIENTDLM vs Nifty



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Cyient DLM Ltd reported numbers, Q4FY26 revenue de-grew by 13.8% YoY (+21.7% QoQ) to INR 3,691mn; below our estimates of INR 4,082mn due to major defence order completion and high base in the previous year. Gross Profit stood at INR 1,444mn (-2.1% YoY/+15.6% QoQ); below our estimates of INR 1,733mn; Gross margins improved by 467 bps YoY (down by 207 bps QoQ) to 39.1% vs 34.4% in Q4FY25. EBITDA stood at INR 431mn (-25% YoY/+56.7% QoQ); below our estimates of INR 450mn. EBITDA margin contracted by 174 bps YoY (up by 261 bps QoQ) to 11.7% vs 13.4% in Q4FY25. PAT stood at INR 224mn (-27.7% YoY/+99.8% QoQ); slightly below our estimates of INR 249mn, and PAT margin contracted by 117 bps YoY (up by 238 bps QoQ) to 6.1% vs 7.3% in Q4FY25.

Key Highlights

Robust order momentum and visibility: The order book of INR 24,166mn (~1.9x of FY26 revenue) provides revenue visibility for the next 18-24 months. The completion of a massive aerospace and defence program & high base in FY25 impacted FY26 growth. The order intake remains strong, supported by a mature sales pipeline valued at ~$0.5bn, which is expected to lead to strong YoY growth across all four quarters in FY27E. The company is well-positioned to capitalize on growth in global electronics and increased domestic defence spending.

High-value portfolio shift and strategic expansion: The company is transitioning from a conventional manufacturing partner to a value-adding strategic partner through its Build-to-Spec (BTS) offerings. The BTS segment allows the company to engage in the value chain by contributing to product specifications and part selection. BTS volume production is expected to ramp up by the end of FY27E and into FY28E. The company is seeing an increasing share of box-build revenue, which involves more complex, integrated assemblies that offer better predictability and high barriers to entry than standard PCBA. The company is strategically expanding into high-growth verticals like AI Infra, EV, and semiconductor equipment manufacturing. The company is witnessing traction from the Israeli defence sector, and the RFQ pipeline remains strong.

Volume recovery and operating leverage would sustain double-digit margins: The EBITDA margin stood at 11.7% in Q4FY26 and 10.1% in FY26. The company is moving towards high-margin business, and recovery in volumes, along with operating leverage, is expected to maintain double-digit margins going forward. The DSO days optimized from ~90days to ~70 days and are working toward a normalized working capital cycle of 100-120 days in the coming years. The geopolitical tensions in West Asia and US tariff uncertainties remain external risks, and the company is mitigating these through securing critical long-lead components for FY27E. The three-phase strategy to strengthen, expand, and transform ensures a path toward long-term value creation through technology partnerships and proprietary product development.

Outlook & Valuation: Cyient DLM has an order book of INR 24,166mn (~1.9x of FY26 revenue), showing revenue visibility over the next 18-24 months. The company is focused on delivering strong YoY growth across all four quarters in FY27E, fuelled by a mature sales pipeline valued at ~$0.5bn+ and the effectiveness of the global sales leadership team. The company is strategically evolving into a high-value partner through its BTS, which is expected to reach an inflection point with series orders and volume production by the end of FY27E and into FY28E. The company is expanding into new growth verticals such as AI Infra, EV, and semiconductor equipment, where series production for power boxes and sub-assemblies has already begun. EBITDA margins are expected to sustain double-digits, supported by operating leverage and volume recovery. The company is mitigating external headwinds like the West Asia crisis and proactively ordered critical long-lead items for FY27E to ensure delivery commitments. The stock is trading at 28.2x of its FY27E EPS. At the CMP of INR 358 per share, we maintain our "BUY" rating and value the stock at 25x (mean of –1SD & -2SD; 1-year forward PE), its FY28E EPS of INR 17.4, and arrive at a price objective of INR 436, an upside of 21.8%.

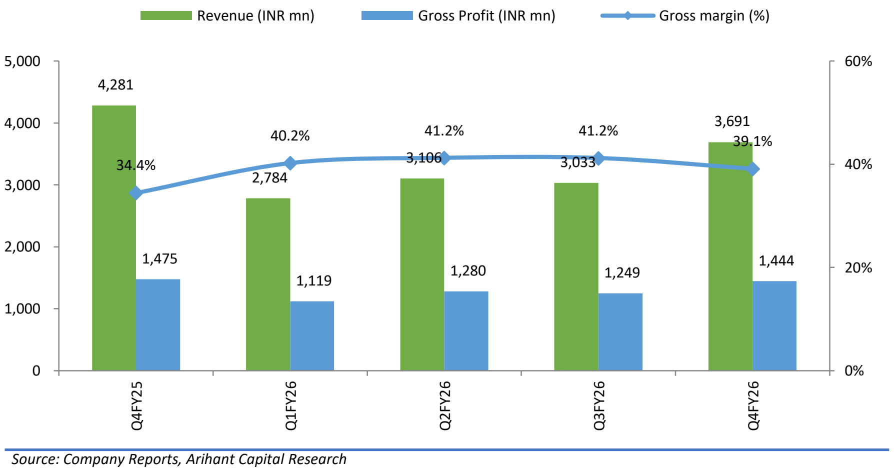
Q4FY26 Results

Income Statement Summary

Particular (INR mn)	Q4FY25	Q3FY26	Q4FY26	YoY (%)	QoQ (%)
Revenue	4,281	3,033	3,691	-13.8%	21.7%
Net Raw Materials	2,806	1,784	2,247	-19.9%	26.0%
Gross Profit	**1,475**	**1,249**	**1,444**	**-2.1%**	**15.6%**
Gross Margin (%)	**34.4%**	**41.2%**	**39.1%**	**+467 bps**	**-207 bps**
Employee Cost	611	585	576	-5.7%	-1.4%
Other Expenses	290	390	437	50.9%	12.0%
EBITDA	**574**	**275**	**431**	**-25.0%**	**56.7%**
EBITDA Margin (%)	**13.4%**	**9.1%**	**11.7%**	**-174 bps**	**+261 bps**
Depreciation	105	108	109		
Interest expense	86	61	56		
Other income	33	43	51		
Profit before tax	**417**	**149**	**317**	**-24.0%**	**112.5%**
Taxes	106	37	92		
PAT	**310**	**112**	**224**	**-27.7%**	**99.8%**
PAT Margin	**7.3%**	**3.7%**	**6.1%**	**+117 bps**	**+238 bps**
EPS (INR)	**3.9**	**1.4**	**2.8**		

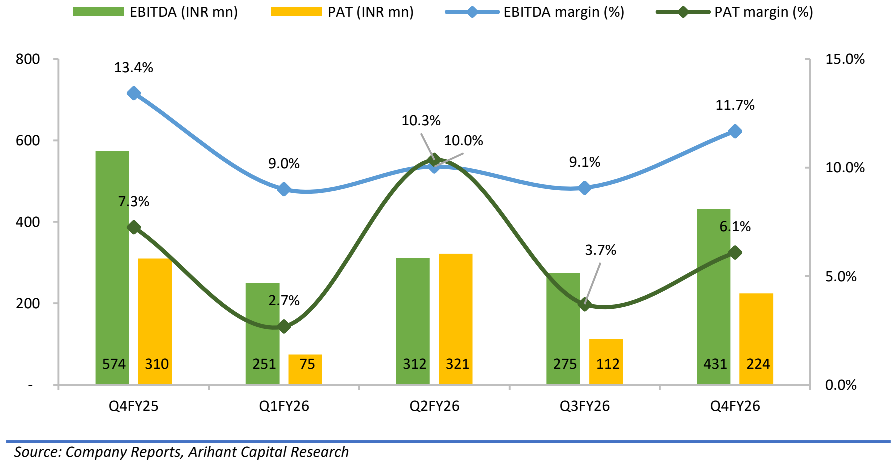
Source: Company Reports, Arihant Capital Research

Exhibit 1: Gross margins improved 467 bps YoY (down by 207 bps QoQ) to 39.1% in Q4FY26 due to lower RM costs.



Source: Company Reports, Arihant Capital Research

Exhibit 2: EBITDA margin contracted by 174 bps YoY (up by 261 bps QoQ) to 11.7% in Q4FY26 due to increase in other expenses.



Source: Company Reports, Arihant Capital Research

Product category

Exhibit 3: PCBA remain dominates with 48% share, while Box Build revenue share increased to 36% in Q4FY26.

Particular (INR mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	YoY (%)	QoQ (%)
PCBA	1,908	2,999	3,154	2,740	10,801	1,476	1,584	1,547	1,772	-35.3%	14.5%
Box Build	490	584	1,022	1,113	3,209	807	777	758	1,329	19.4%	75.2%
Cables	52	39	44	86	221	28	62	61	37	-56.9%	-39.2%
Mech and Others	129	273	222	342	966	473	683	667	554	61.7%	-17.0%
Total Revenue	**2,579**	**3,895**	**4,442**	**4,281**	**15,196**	**2,784**	**3,106**	**3,033**	**3,691**	**-13.8%**	**21.7%**

Particular (%)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
PCBA	74%	77%	71%	64%	22%	53%	51%	51%	48%
Box Build	19%	15%	23%	26%	53%	29%	25%	25%	36%
Cables	2%	1%	1%	2%	11%	1%	2%	2%	1%
Mech and Others	5%	7%	5%	8%	6%	17%	22%	22%	15%
Total Revenue	**100%**	**100%**	**100%**	**100%**	**92%**	**100%**	**100%**	**100%**	**100%**

Particular (INR mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	YoY (%)	QoQ (%)
India	1,083	2,103	1,733	1,241	6,160	278	435	425	295	-76.2%	-30.5%
RoW	1,496	1,791	2,710	3,039	9,036	2,506	2,671	2,609	3,396	11.7%	30.2%
Total Revenue	**2,579**	**3,895**	**4,442**	**4,281**	**15,196**	**2,784**	**3,106**	**3,033**	**3,691**	**-13.8%**	**21.7%**

Particular (INR mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	YoY (%)	QoQ (%)
India	42.0%	54.0%	39.0%	29.0%	40.5%	10.0%	14.0%	14.0%	8.0%		
RoW	58.0%	46.0%	61.0%	71.0%	59.5%	90.0%	86.0%	86.0%	92.0%		
Total Revenue	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**		

Source: Company reports, Arihant Capital Research

Exhibit 4: Segment/category-wise updates in Q4FY26.

Segment/Category	Details & Strategic Outlook
Aerospace, Industrial & Medical	Aerospace, Industrial & Medical are largest contributor. The company is deepening its presence through a "strengthen" strategy.
Defence	Defence declined 68% YoY in Q4FY26, due to the completion of a large order in FY25. However, there is strong traction and a maturing pipeline of RFQs from Israeli defense customers.
PCBA	PCBA remains the company's largest product category (48% of revenue). It maintains continued strength across all focused industry segments.
Box-Build	The revenue share for box-build is increasing. These programs are more complex and integrated, offering better predictability and profitability due to higher barriers to entry.
B2S (Build-to-Spec)	BTS is a high-value segment involves engaging earlier in the value chain to contribute to specifications and part selection. It is currently reflected as unbilled revenue (contract assets), volume production is expected to ramp up in the end of FY27E and into FY28E.
Value Added	Value added category witnessed strong growth in FY26. The shift toward value-added services, such as full lifecycle management, is helping the company transition from a manufacturing partner to a strategic partner.
New Growth Verticals	The company is targeting expansion into AI infrastructure manufacturing, EV, and rail. Specifically in the semiconductor space, the company have begun series production of power boxes and sub-assemblies for equipment manufacturing partners

Source: Company reports, Arihant Capital Research

Q4FY26 Concall Highlights

Revenue
- Q4FY26 revenue de-grew by 13.8% YoY, due to the high base effect from the prior year's large order closure.
- Q4FY26 faced headwinds from the West Asia crisis, which extended project execution timelines and delayed material deliveries.
- The company is focused on strong revenue growth in FY27E; however did not specify growth details.
- The growth is expected to be visible YoY across all four quarters of FY27E, backed by the order backlog and robust pipeline.

Revenue share
- PCBA revenue share stood at 48% in Q4FY26, while box-build share increased to 36% in Q4FY26.
- Around 90% of business comes from RoW.

Margins
- EBITDA margin stood at 11.7% in Q4FY26, driven by a favorable business mix and operational efficiencies.
- The margins are expected to be sustainable due to a focus on high-quality orders and the potential for operating leverage as volumes recover in the future.

Order book
- The order book stood at INR 24,166bn (~1.9x of FY26 revenue) as of Q4FY26. The order book shows business visibility for the next 18-24 months.
- The order inflows stood at INR 28,000+mn in FY26. The pipeline has matured and is valued at ~$0.5bn, supported by recent investments in a global sales leadership team.

Defence
- The defence segment de-grew 68% YoY in Q4FY26, due to the end of the major program in FY25. The West Asia crisis specifically affected approvals for certain Israeli defence programs.

BTS
- Build-to-Spec (BTS) division is witnessing traction in the defence sector, particularly from Israeli customers. The engagements are expected to lead to revenue and order intake in the coming years.
- Series orders and volume production from BTS wins are expected to begin from the end of FY27E and, more significantly, into FY28E.

Q4FY26 Concall Highlights

Industrials & EV

- The company has successfully completed the IATF audit and initiated series production for a new product line as a semiconductor mission supply partner.
- In the industrial segment, rising electronic content across sectors like rail continues to be a growth driver.
- The company is targeting new opportunities in EV, and already producing power boxes and sub-assemblies.

Medical

- The medical segment growth is supported by long-term structural trends such as digitization and rising electronic content in healthcare applications.

Three-Phase Strategic Roadmap

- The Strengthen phase focuses on deepening presence in core markets, operational excellence, and enhancing build-to-spec capabilities.
- The Expand phase targets growth in automotive, Indian defence, and AI infrastructure manufacturing, while also pursuing vertical integration in cables, sheet metal, and machining.
- The Transform phase aims to move beyond conventional EMS models by developing proprietary products and platforms and forging new technology partnerships.

International

- The crisis in West Asia delayed materials arriving through air cargo hubs like Dubai and Doha.
- In the US, the Altek business faces some headwinds due to tariff uncertainty. It remains a strategic beachhead for cross-selling and synergy opportunities.

Working capital

- Inventory days elevated in FY26 due to advanced stocking for long-lead components.
- The company is targeting a working capital cycle of 100-120 days over the next couple of years.

Other highlights

- The company is pursuing vertical integration in cables, sheet metal, and machining to enhance capabilities.
- The contract assets are unbilled revenue and associated with B2S engagements.
- AI infrastructure manufacturing is a specific target under the Expand phase. The growth drivers are AI infrastructure and rising electronic content across sectors like rail and medical.

Outlook & Valuation: Cyient DLM has an order book of INR 24,166mn (~1.9x of FY26 revenue), showing revenue visibility over the next 18-24 months. The company is focused on delivering strong YoY growth across all four quarters in FY27E, fuelled by a mature sales pipeline valued at ~$0.5bn+ and the effectiveness of the global sales leadership team. The company is strategically evolving into a high-value partner through its BTS, which is expected to reach an inflection point with series orders and volume production by the end of FY27E and into FY28E. The company is expanding into new growth verticals such as AI Infra, EV, and semiconductor equipment, where series production for power boxes and sub-assemblies has already begun. EBITDA margins are expected to sustain double-digits, supported by operating leverage and volume recovery. The company is mitigating external headwinds like the West Asia crisis and proactively ordered critical long-lead items for FY27E to ensure delivery commitments. The stock is trading at 28.2x of its FY27E EPS. At the CMP of INR 358 per share, we maintain our "BUY" rating and value the stock at 25x (mean of –1SD & -2SD; 1-year forward PE), its FY28E EPS of INR 17.4, and arrive at a price objective of INR 436, an upside of 21.8%.

Exhibit 5: 1-year forward PE Band

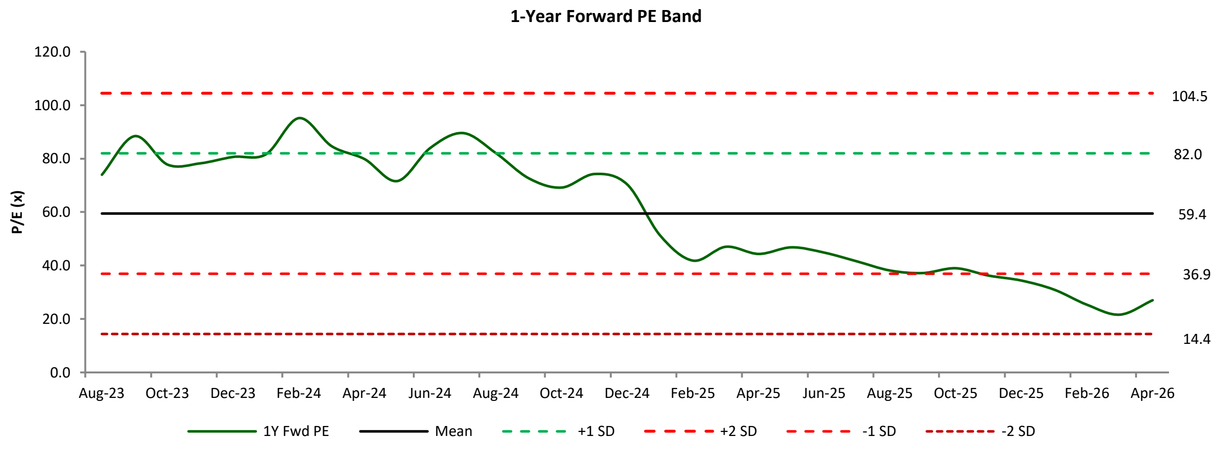
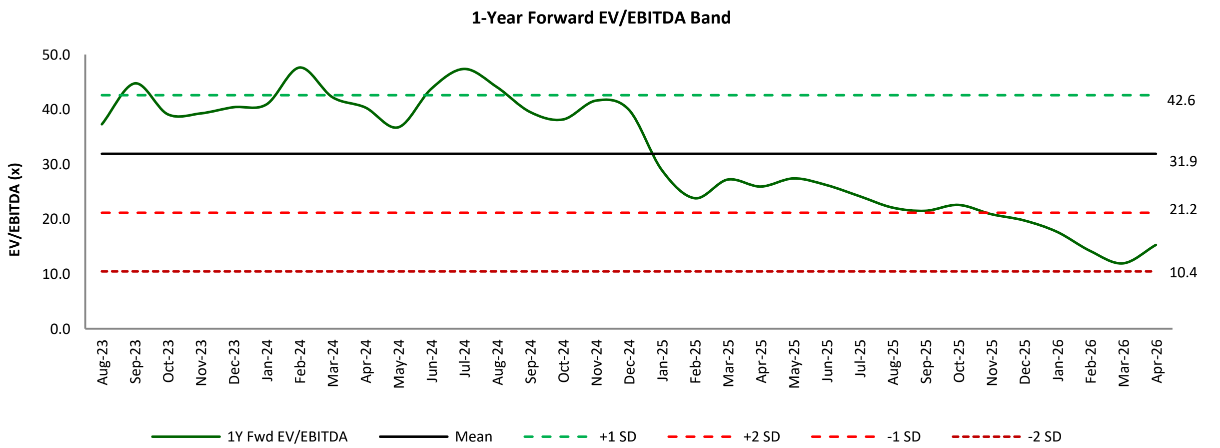


Exhibit 6: 1-year forward EV/EBITDA Band



Source: Company Reports, Arihant Capital Research

Sensitivity Analysis

Exhibit 7: Changes in revenue & EBITDA margin impact on PAT levels.

FY28E PAT (INR mn)

		EBITDA Margin (%)						
	1,384	10.5%	11.0%	11.5%	12.0%	12.5%	13.0%	13.5%
Revenue (INR mn)	16,000	1,064	1,122	1,180	1,239	1,297	1,355	1,414
	17,000	1,140	1,202	1,264	1,326	1,388	1,450	1,512
	18,000	1,217	1,282	1,348	1,414	1,479	1,545	1,610
	19,000	1,293	1,363	1,432	1,501	1,570	1,640	1,709
	20,000	1,370	1,443	1,516	1,589	1,661	1,734	1,807
	21,000	1,446	1,523	1,600	1,676	1,753	1,829	1,906
	22,000	1,523	1,603	1,683	1,764	1,844	1,924	2,004

FY28E PAT Margin (%)

		EBITDA Margin (%)						
	7.6%	10.5%	11.0%	11.5%	12.0%	12.5%	13.0%	13.5%
Revenue (INR mn)	16,000	6.6%	7.0%	7.4%	7.7%	8.1%	8.5%	8.8%
	17,000	6.7%	7.1%	7.4%	7.8%	8.2%	8.5%	8.9%
	18,000	6.8%	7.1%	7.5%	7.9%	8.2%	8.6%	8.9%
	19,000	6.8%	7.2%	7.5%	7.9%	8.3%	8.6%	9.0%
	20,000	6.8%	7.2%	7.6%	7.9%	8.3%	8.7%	9.0%
	21,000	6.9%	7.3%	7.6%	8.0%	8.3%	8.7%	9.1%
	22,000	6.9%	7.3%	7.7%	8.0%	8.4%	8.7%	9.1%

Source: Company Reports, Arihant Capital Research

Exhibit 8: Changes in revenue, EBITDA margin impact on EPS and changes in PE impact on TP.

FY28E EPS (INR)

		EBITDA Margin (%)						
	17.4	10.5%	11.0%	11.5%	12.0%	12.5%	13.0%	13.5%
Revenue (INR mn)	16,000	13.4	14.1	14.9	15.6	16.3	17.1	17.8
	17,000	14.4	15.1	15.9	16.7	17.5	18.3	19.1
	18,000	15.3	16.2	17.0	17.8	18.6	19.5	20.3
	19,000	16.3	17.2	18.0	18.9	19.8	20.7	21.5
	20,000	17.3	18.2	19.1	20.0	20.9	21.9	22.8
	21,000	18.2	19.2	20.2	21.1	22.1	23.0	24.0
	22,000	19.2	20.2	21.2	22.2	23.2	24.2	25.3

FY28E Target Price (INR)

		PE (x)						
	436	10.0x	15.0x	20.0x	25.0x	30.0x	35.0x	40.0x
EPS (INR)	16.0	160	240	320	400	480	560	640
	16.5	165	248	330	413	495	578	660
	17.0	170	255	340	425	510	595	680
	17.5	175	263	350	438	525	613	700
	18.0	180	270	360	450	540	630	720
	18.5	185	278	370	463	555	648	740
	19.0	190	285	380	475	570	665	760

Source: Company Reports, Arihant Capital Research

Financial Statements

Income statement

Year End-March (INR mn)	FY24	FY25	FY26	FY27E	FY28E
Revenue	**11,919**	**15,196**	**12,615**	**14,683**	**18,198**
YoY (%)	43.2%	27.5%	-17.0%	16.4%	23.9%
COGS	**9,200**	**11,082**	**7,522**	**8,639**	**10,649**
Gross Profit	**2,719**	**4,114**	**5,093**	**6,044**	**7,549**
Gross Margin (%)	**22.8%**	**27.1%**	**40.4%**	**41.2%**	**41.5%**
Employee expenses	1,174	1,862	2,268	2,625	3,236
Manufacturing & Other Expenses	435	880	1,557	1,799	2,194
EBITDA	**1,110**	**1,372**	**1,268**	**1,620**	**2,119**
EBITDA Margin (%)	9.3%	9.0%	10.1%	11.0%	11.6%
Depreciation	223	341	490	521	621
EBIT	**887**	**1,031**	**778**	**1,099**	**1,498**
EBIT Margin (%)	**7.4%**	**6.8%**	**6.2%**	**7.5%**	**8.2%**
Interest Expenses	344	375	246	142	126
Other income	278	262	363	424	527
PBT	**821**	**917**	**895**	**1,382**	**1,899**
PBT Margin (%)	**6.9%**	**6.0%**	**7.1%**	**9.4%**	**10.4%**
Tax	209	236	199	376	515
PAT	**612**	**681**	**696**	**1,006**	**1,384**
PAT Margin (%)	**5.1%**	**4.5%**	**5.5%**	**6.9%**	**7.6%**
EPS (INR)	**7.7**	**8.6**	**8.8**	**12.7**	**17.4**

Source: Company reports, Arihant Capital Research

Balance sheet

Year-end March (INR mn)	FY24	FY25	FY26	FY27E	FY28E
Sources of Funds					
Equity Share Capital	793	793	794	794	794
Reserves & Surplus	8,297	8,701	9,327	10,333	11,717
Networth	**9,090**	**9,494**	**10,121**	**11,127**	**12,511**
Debt	1,921	3,012	1,723	1,739	1,773
Other Liabilities	80	67	57	68	82
Total Liabilities	**16,033**	**16,939**	**16,422**	**17,354**	**19,804**
Total Funds Employed	**30,543**	**31,771**	**31,459**	**33,334**	**38,230**
Application of Funds					
Net Fixed Assets	**1,921**	**3,459**	**3,548**	**4,516**	**5,171**
Capital WIP	10	56	21	21	21
Investments	662	309	102	123	147
Current assets	**13,259**	**12,817**	**12,223**	**12,146**	**13,896**
Inventory	4,642	5,713	6,473	4,489	5,202
Trade Receivables	2,259	3,474	3,073	2,760	3,248
Other Current Assets	743	638	1,216	1,337	1,471
Cash and Cash equivalent	5,366	2,878	1,258	3,324	3,683
Current Liabilities/Provisions	**5,421**	**5,338**	**4,916**	**4,853**	**5,915**
Trade Payables	3,089	2,499	2,733	2,392	2,844
Current Liabilities	1,643	1,657	1,697	1,929	2,491
Net Current Assets	**7,838**	**7,479**	**7,307**	**7,293**	**7,981**
Total Assets	**16,033**	**16,939**	**16,422**	**17,354**	**19,804**
Total Capital Employed	**8,194**	**9,460**	**9,115**	**10,061**	**11,823**

Source: Company reports, Arihant Capital Research

Financial Statements

Cash Flow Statement

Year End-March (INR mn)	FY24	FY25	FY26	FY27E	FY28E
Profit before tax	**612**	**681**	**696**	**1,006**	**1,384**
Adjustments: Add					
Depreciation and amortisation	223	341	490	521	621
Interest adjustment	66	114	(117)	(282)	(400)
Change in assets and liabilities	**901**	**1,135**	**1,069**	**1,245**	**1,604**
Inventories	(391)	(1,071)	(761)	1,984	(713)
Trade receivables	(641)	(1,215)	401	313	(488)
Trade payables	236	(590)	234	(341)	452
Other Liabilities and provisions	(2,308)	383	(634)	260	593
Other Assets	(145)	167	(464)	(122)	(134)
Taxes	5	-	-	-	-
Net cash from operating activities	**(2,344)**	**(1,191)**	**(154)**	**3,339**	**1,314**
Capital expenditure	(531)	(1,925)	(545)	(1,489)	(1,276)
Investments	511	614	370	371	447
Others	(49)	(44)	(232)	(20)	(21)
Net cash (used) in investing activities	**(68)**	**(1,354)**	**(406)**	**(1,139)**	**(850)**
Interest expense	(411)	419	(896)	(134)	(105)
Dividend paid	-	-	-	-	-
Other financing activities	6,499	(276)	(70)	-	-
Net cash (used) in financing activities	**6,102**	**57**	**(1,060)**	**(134)**	**(105)**
Closing Balance	**5,366**	**2,878**	**1,258**	**3,324**	**3,683**

Source: Company reports, Arihant Capital Research

Key Ratios

Year-end March	FY24	FY25	FY26	FY27E	FY28E
Growth matrix (%)					
Revenue growth		27.5%	-17.0%	16.4%	23.9%
Op profit growth		23.6%	-7.5%	27.8%	30.8%
Profitability ratios					
PAT Margin (%)	3.8%	5.1%	4.5%	5.5%	6.9%
Gross Margin (%)	22.8%	27.1%	40.4%	41.2%	41.5%
EBITDA Margin (%)	9.3%	9.0%	10.1%	11.0%	11.6%
EBIT Margin (%)	7.4%	6.8%	6.2%	7.5%	8.2%
ROCE (%)	8.4%	8.9%	6.8%	8.8%	10.8%
RoE (%)	6.7%	7.2%	6.9%	9.0%	11.1%
Solvency Ratios					
Debt / Equity	0.1	0.3	0.1	0.1	0.1
Net Debt / Equity	-0.4	0.0	0.0	-0.2	-0.2
Debt / EBITDA	1.2	1.8	0.8	0.6	0.5
Current Ratio	-3.6	-0.3	-0.2	-1.4	-1.3
Per share ratios					
BV per share	114.6	119.7	127.5	140.2	157.6
Cash per Share	5.3	5.9	10.1	26.6	29.5
Revenue per Share	150.3	191.6	158.9	185.0	229.3
Activity ratios					
Inventory Days	176	171	203	203	192
Debtor Days	59	69	73	74	70
Creditor Days	97	68	76	74	74
Leverage ratios					
Interest coverage	2.6	2.7	3.2	7.8	11.8
Debt / Asset	0.1	0.1	0.1	0.1	0.0
Valuation ratios					
EV / EBITDA	22.0	20.4	22.2	16.1	12.1
PE (x)	46.4	41.7	40.8	28.2	20.5

Source: Company reports, Arihant Capital Research

Story in Charts

Exhibit 9: Volume recovery supported by execution will lead to strong growth in FY27E.

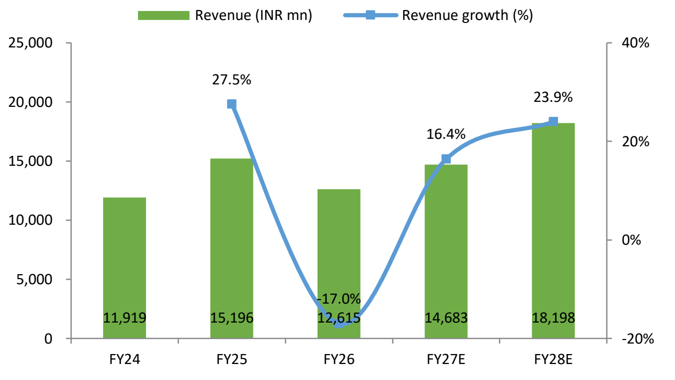


Exhibit 10: High margin programs will lead to gross margin expansion.

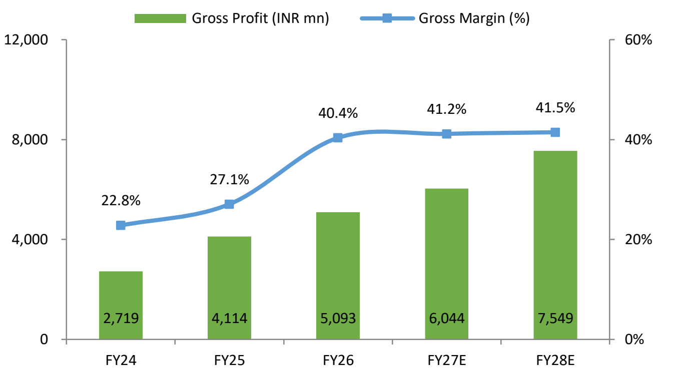


Exhibit 11: Operating leverage and volume recovery would support double-digit margins and improvement going forward.

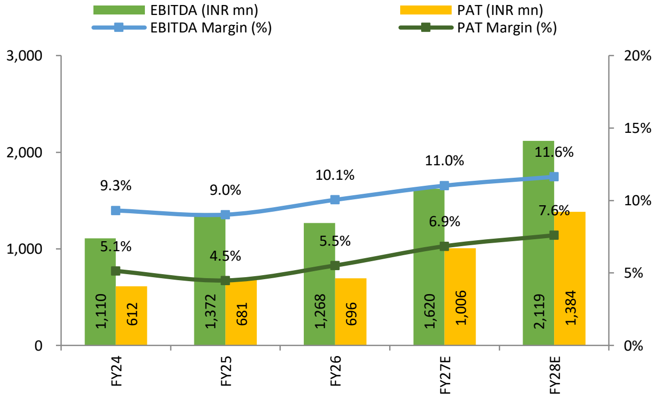


Exhibit 12: Return ratios is expected to improve from FY27E onwards.

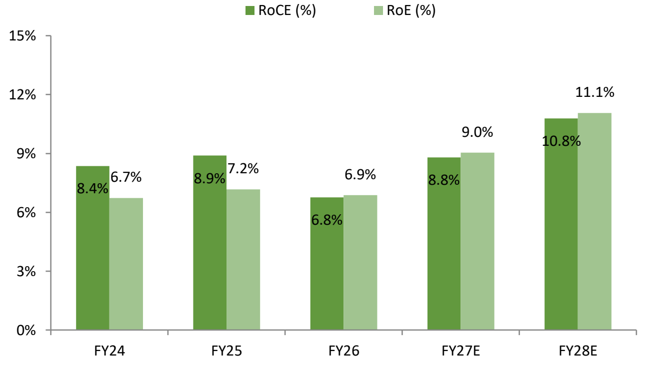


Exhibit 13: Working capital days to be improve.

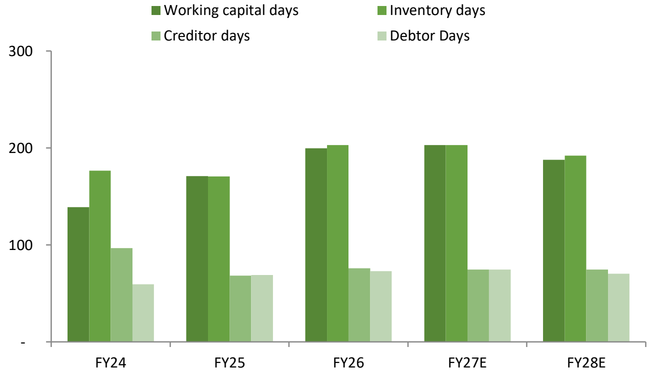
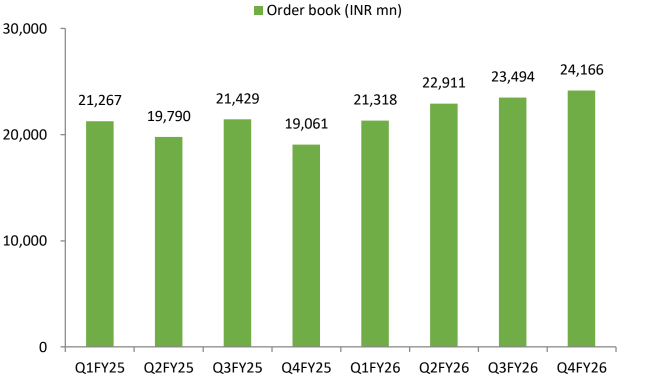
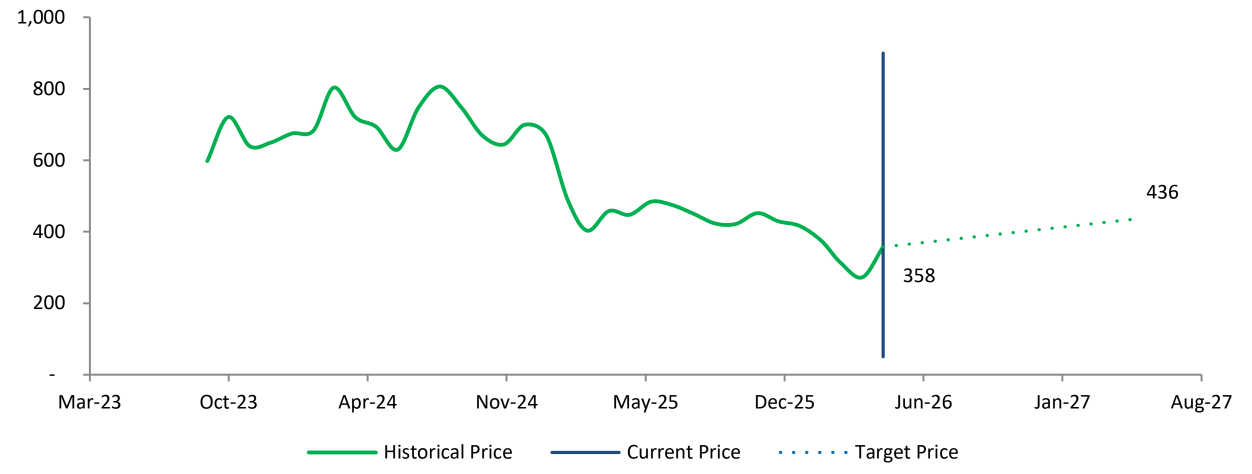


Exhibit 14: Order book gradually increasing on a quarterly basis.



Source: Company Reports, Arihant Capital Research

Exhibit 15: Cyient DLM Target Price



Source: NSE, Arihant Capital Research

Exhibit 16: Analyst Coverage

S.No	Sector	Stock	CMP (INR)	TP (INR)	Upside (%)	Recommendation
1	Capital Goods	Titagarh Rail Systems Ltd	738	1,006	35.4%	BUY
2		Pitti Engineering Ltd	923	1,070	14.6%	BUY
3		Kirloshkar Pneumatics Ltd	1,367	1,539	22.1%	BUY
4	Defence & Aerospace	MTAR Technologies Ltd	5,085	5,282	7.9%	BUY
5		AXISCADES Technologies Ltd	1,919	2,131	12.9%	BUY
6		Raymond Ltd	448	788	87.8%	BUY
7	Consumer Durables & EMS	Voltas Ltd	1,460	1,369	-3.7%	NEUTRAL
8		Orient Electric Ltd	182	225	28.1%	BUY
9		Cyient DLM	358	436	30.2%	BUY
10	Infrastructure	Afcons Infrastructure Ltd	336	444	33.6%	BUY
11		PSP Projects Ltd	734	998	36.9%	BUY
12	Cables	HFCL Ltd	97	147	60.4%	BUY
13		Sterlite Technologies Ltd	278	329	22.4%	BUY
14	Small & Midcaps	SEAMEC Ltd	1,513	2,478	62.0%	BUY
15		India Glycols Ltd	968	1,605	63.0%	BUY

Note: MTAR Technologies and Sterlite Technologies TP has achieved and revised.

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Stock Rating Scale	**Absolute Return**
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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