Q1FY27 Result Update
13th Aug 2026

Indo Count Industries

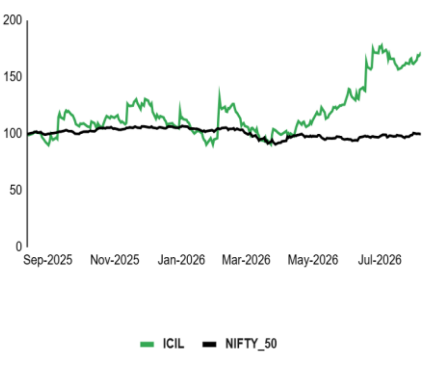
CMP: INR 391
Rating: BUY
Target Price: INR 620

Stock Info	
BSE	521016
NSE	ICIL
Bloomberg	ICNTIN
Reuters	ICNT
Sector	Textiles
Face Value (INR)	2
Equity Capital (INR cr)	39.61
Mkt Cap (INR cr)	7,734
52w H/L (INR)	464/217
Avg Daily Volume (in 000')	688

Shareholding Pattern % *(As on june 2026)*	
Promoters	58.74
FII	10.14
DII	5.82
Public & Others	25.30

Stock Performance (%)	1m	3m	12m
ICIL	(2.8)	29.1	57.7
Nifty 50	1.43	(4.2)	(0.9)

ICIL Vs Nifty



Abhishek Jain
abhishek.jain@arihantcapital.com
022 67114871

Deepali Kumari
deepali.kumari@arihantcapital.com
022 67114873

Indo Count Industries delivered a strong Q1FY27, with revenue from operations of INR 1,207 crore, up 14.1% QoQ/25.9% YoY and 6.0% ahead of our estimate of INR 1,139 crore, while EBITDA (ex-OI) at INR 143.4 crore grew 66.1% QoQ/30.3% YoY, beating our estimate by 3.3%, despite a slightly lower margin of 11.86% vs. 12.86% estimated. EBIT at INR 115.1 crore and PBT at INR 83.5 crore also exceeded estimates, supported by lower finance costs, resulting in PAT of INR 63.2 crore, significantly ahead of our estimate of INR 42.1 crore and up 67.3% YoY. The company also delivered its highest-ever quarterly revenue, driven by rapid scaling of New Businesses (Utility Bedding and USA Brand Business), which nearly tripled YoY, while EBITDA margin expanded 241 bps QoQ to 13.1% on improved operating leverage.

Strong Performance of New Business Verticals: The New Business segment (Utility Bedding and U.S. Brands) delivered INR 387 crore in Q1, putting the company on track to meet its FY27 target of INR 1,500 crore. This segment already represents nearly 60% of the company's $275 million New Business ambition for 2028 on an annualized basis.

Resilient Asset Utilization: Despite the commissioning of a major greenfield facility in North Carolina in January 2024, the company has maintained utilization levels of 60–65%. The ability to absorb significant new capacity while maintaining these levels indicates strong demand and execution capabilities.

Valuation and Outlook: We assign a target price of INR 620, valuing Indo Count at a P/E multiple of 20x the FY29E EPS of INR 31, implying a 58.5% upside and a 'BUY' rating. We maintain a positive outlook on Indo Count Industries, underpinned by the company's successful structural transition from a traditional bed-sheet manufacturer to a diversified, brand-led Soft Home Textile major under its Indo Count 2.0 strategy. This pivot is validated by the company achieving its highest-ever quarterly revenue in Q1 FY27 and a sharp EBITDA margin recovery, driven by improved operating leverage as "New Business" contributions (Utility Bedding and U.S. Brands) nearly tripled YoY to account for 32% of total turnover. The company's FY27 guidance of INR 5,500 crore in revenue and 13% EBITDA margins appears well-supported by the rapid scale-up of U.S. manufacturing facilities (currently at 60–65% utilisation) and the premiumization of the portfolio through high-value licensed brands like Wamsutta and Tommy Hilfiger, which are expected to provide a 100–200 bps margin kicker as they reach scale. Despite temporary logistical bottlenecks and a phased resumption of operations at the Bhilad facility following heavy flooding, the company's resilient core volume guidance of 105–110 million meters and favorable trade dynamics from the India-UK FTA position it to capture significant global market share and achieve its long-term INR 8,000 crore revenue aspiration by 2028.

INR Cr	FY25	FY26	FY27E	FY28E	FY29E
Revenues	4,191	4,211	5,319	6,863	8,639
YoY growth (%)	16.39	0.48	26.31	29.04	25.87
EBITDA	573	461	655	879	1,150
EBITDA M (%)	13.67	10.95	12.31	12.81	13.31
PAT	246	126	261	423	614
YoY growth (%)	-27.24	-48.60	106.58	62.30	45.03
EPS (INR)	12.40	6.37	13.17	21.37	30.99
P/E (x)	25.32	49.27	23.85	14.69	10.13
Price/Book (x)	2.73	2.59	2.33	2.01	1.68
EV/EBITDA (x)	13.18	16.14	11.65	8.90	6.87
Debt/Equity (x)	0.64	0.56	0.47	0.37	0.28
RoE (%)	11.25	5.39	10.29	14.71	18.08

Source: Company & Arihant Research

Quarterly Result

INR Cr (Consolidated)	Q1FY27	Q4FY26	Q1FY26	Q-o-Q	Y-o-Y
Revenue from Operations	**1206.96**	**1057.68**	**958.71**	***14.11%***	***25.89%***
Other Income	**17.05**	**30.05**	**8.61**	***-43.26%***	***97.94%***
Raw Material Costs	539.17	452.30	445.49	*19.21%*	*21.03%*
Gross Profit (Ex- OI)	667.79	605.38	513.22	*10.31%*	*30.12%*
Gross Margin (Ex- OI)	*55.33%*	*57.24%*	*53.53%*	*-191bps*	*180bps*
Employee costs	169.58	142.89	117.01	*18.68%*	*44.93%*
Other Expenses	354.85	376.18	286.18	*-5.67%*	*23.99%*
EBITDA (Ex-OI)	**143.36**	**86.31**	**110.02**	***66.09%***	***30.30%***
EBITDA margin (Ex-OI)	*11.88%*	*8.16%*	*11.48%*	*372bps*	*40bps*
EBITDA	**160.4**	**116.4**	**118.6**	***37.86%***	***35.21%***
EBITDA margin	*13.11%*	*10.70%*	*12.26%*	*241bps*	*84bps*
Depreciation	45.34	42.61	38.21	*6.42%*	*18.65%*
EBIT	**115.07**	**73.75**	**80.42**	***56.02%***	***43.08%***
Finance costs	31.56	43.60	31.11	*-27.60%*	*1%*
PBT	**83.51**	**30.16**	**49.31**	***176.90%***	***69.35%***
Tax Expense	20.29	5.96	11.52	*240.55%*	*76%*
Effective tax rate %	*24.29%*	*19.75%*	*23.36%*	*454bps*	*93bps*
PAT	**63.22**	**24.20**	**37.79**	***161.24%***	***67.28%***
PAT margin %	*5.24%*	*2.29%*	*3.94%*	*295bps*	*130bps*
EPS (INR)	**3.19**	**1.23**	**1.91**	*159.35%*	*67%*

Source: Company & Arihant Research

Premiumization via Branded Portfolio: The brand business, which includes licensed names like Wamsutta and Tommy Hilfiger, is expected to deliver 100–200 bps higher margins than the core business once it reaches the $100 million scale. Branded revenue currently accounts for approximately one-third of the New Business Segment's turnover.

Geographic Diversification & FTA Tailwinds: The company anticipates 20%+ growth in non-U.S. markets for FY27. The U.K. FTA has already created a level playing field for Indian exporters, and the expected EU FTA is viewed as a major upcoming catalyst for duty-free market access.

Core Volume Recovery: Core business volumes grew 12% sequentially to 23 million meters, recovering from previous U.S. tariff uncertainties. The company reiterated its FY27 core volume guidance of 105–110 million meters, supported by expected strong demand during the U.S. festive period in Q2 and Q3.

Operational Risk Mitigation: Despite a temporary 20-day shutdown at the Bhilad facility due to flooding, the company is adequately insured for property, inventory, and loss of profit. Operations have already partially resumed, and management expects to make up for lost ground in the coming quarters.

Consolidated Company Financials

Income statement summary

Consolidated Income statement INR Cr	FY25	FY26	FY27E	FY28E	FY29E
Revenue	4,191	4,211	5,319	6,863	8,639
EBITDA	**573**	**461**	**655**	**879**	**1,150**
Depreciation	(117)	(159)	(160)	(174)	(182)
Interest expense	(123)	(136)	(132)	(126)	(115)
Profit before tax	**333**	**166**	**362**	**580**	**852**
Taxes	(88)	(40)	(101)	(157)	(239)
Net profit	**246**	**126**	**261**	**423**	**614**

Balance sheet summary

Consolidated Balance Sheet INR Cr	FY25	FY26	FY27E	FY28E	FY29E
Equity capital	40	40	40	40	40
Reserves	2,238	2,364	2,625	3,048	3,662
Net worth	**2,278**	**2,404**	**2,665**	**3,088**	**3,701**
Debt	1,449	1,349	1,249	1,149	1,049
Other Non-Current Liabilities	68	68	68	68	68
Deferred tax liab (net)	108	95	102	114	131
Total liabilities	**3,902**	**3,916**	**4,084**	**4,418**	**4,949**
Fixed assets	1,708	1,677	1,644	1,600	1,548
Capital Work In Progress	28	28	29	31	32
Other Intangible assets	204	204	204	204	204
Investments	135	235	335	435	535
Other non-current assets	91	0	0	0	0
Net working capital	**1,619**	**1,656**	**2,050**	**2,627**	**3,282**
Inventories	1,163	1,189	1,457	1,858	2,312
Sundry debtors	592	595	751	969	1,220
Other current assets	222	223	282	364	458
Sundry creditors	(231)	(240)	(298)	(382)	(478)
Other current liabilities & Prov	(126)	(112)	(141)	(182)	(229)
Cash	117	129	-159	-458	-632
Other Financial Assets	0	0	0	0	0
Miscelleneous Exp	0	-12	-20	-19	-20
Total assets	**3,902**	**3,916**	**4,084**	**4,418**	**4,949**

Cashflow summary

Consolidated Statement of Cash Flow INR Cr	FY25	FY26	FY27E	FY28E	FY29E
Profit before tax	333	166	362	580	852
Depreciation	117	159	160	174	182
Tax paid	(88)	(40)	(101)	(157)	(239)
Working capital Δ	(119)	(37)	(395)	(576)	(655)
Operating cashflow	**246**	**252**	**30**	**15**	**135**
Capital expenditure	(495)	(128)	(129)	(131)	(132)
Free cash flow	**(249)**	**124**	**(99)**	**(116)**	**3**
Equity raised	(17)	40	59	79	99
Investments	(2)	(100)	(100)	(100)	(100)
Others	(224)	103	8	(1)	1
Debt financing/disposal	493	(100)	(100)	(100)	(100)
Dividends paid	(40)	(40)	(59)	(79)	(99)
Other items	56	(25)	(1)	13	16
Net Δ in cash	**18**	**5**	**(287)**	**(299)**	**(174)**
Opening Cash Flow	**105**	**123**	**129**	**(159)**	**(458)**
Closing Cash Flow	**123**	**129**	**(159)**	**(458)**	**(632)**

Source: Company & Arihant Research

Ratios

Ratio analysis

Ratio analysis	FY25	FY26	FY27E	FY28E	FY29E
Growth matrix (%)					
Revenue growth	16.4	0.5	26.3	29.0	25.9
Op profit growth	(4.9)	(19.5)	42.1	34.3	30.7
EBIT growth	(12.2)	(33.9)	63.9	42.7	37.2
Net profit growth	(27.2)	(48.6)	106.6	62.3	45.0
Profitability ratios (%)					
OPM	13.7	10.9	12.3	12.8	13.3
EBIT margin	10.9	7.2	9.3	10.3	11.2
Net profit margin	5.9	3.0	4.9	6.2	7.1
RoCE	9.9	6.1	9.3	12.6	15.5
RoNW	11.2	5.4	10.3	14.7	18.1
RoA	6.3	3.2	6.4	9.6	12.4
Per share ratios					
EPS	12.4	6.4	13.2	21.4	31.0
Dividend per share	2.0	2.0	3.0	4.0	5.0
Cash EPS	18.3	14.4	21.3	30.1	40.2
Book value per share	115.0	121.4	134.5	155.9	186.9
Valuation ratios					
P/E	25.3	49.3	23.9	14.7	10.1
P/CEPS	17.2	21.8	14.8	10.4	7.8
P/B	2.7	2.6	2.3	2.0	1.7
EV/EBIDTA	13.2	16.1	11.6	8.9	6.9
Payout (%)					
Dividend payout	16.1	31.4	22.8	18.7	16.1
Tax payout	26.3	23.9	28.0	27.0	28.0
Liquidity ratios					
Debtor days	50.8	50.8	50.8	50.8	50.8
Inventory days	226.3	226.3	226.3	226.3	226.3
Creditor days	23.0	23.0	23.0	23.0	23.0
Leverage ratios					
Interest coverage	3.7	2.2	3.7	5.6	8.4
Net debt / equity	0.6	0.5	0.5	0.5	0.5
Net debt / op. profit	2.3	2.6	2.1	1.8	1.5

Source: Company & Arihant Research

Arihant Research Desk

Email: instresearch@arihantcapital.com

Tel. : 022-42254800

Head Office	**Registered Office**
#1011, Solitaire Corporate Park	
Building No. 10, 1st Floor	6 Lad Colony,
Andheri Ghatkopar Link Road	Y.N. Road,
Chakala, Andheri (E)	Indore - 452003, (M.P.)
Mumbai – 400093	Tel: (91-731) 4217100/101
Tel: (91-22) 42254800	CIN: L66120MP1992PLC007182

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%

Research Analyst Registration No.	Contact	Website	Email Id
INH000002764	**SMS: 'Arihant' to 56677**	www.arihantcapital.com	instresearch@arihantcapital.com

Arihant Capital Markets Ltd.
1011, Solitaire Corporate park, Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road, Chakala, Andheri (E)
Tel. 022-42254800

Disclaimer: This disclosure statement is provided in compliance with the SEBI Research Analyst Regulations, 2014. Arihant Capital Markets Limited (ACML) is a registered stockbroker, merchant banker, and research analyst under SEBI, and is also a Point of Presence with the Pension Fund Regulatory and Development Authority (PFRDA). ACML is registered with SEBI with Research Analyst Registration Number INH000002764, Stock Broker Registration Number INZ000180939, and is a Trading Member with NSE, BSE, MCX, NCDEX, and a Depository Participant with CDSL and NSDL.

ACML and its associates may have business relationships, including investment banking, with companies covered by its Investment Research Department. The analysts of ACML, and their associates, are prohibited from holding a financial interest in securities or derivatives of companies they cover, though they may hold stock in the companies they analyze. The recommendations provided by ACML's research team are based on technical and derivative analysis and may differ from fundamental research reports.

ACML confirms that neither it nor its associates have a financial interest or material conflict concerning the companies covered in the research report at the time of publication. Furthermore, ACML, its analysts, and their relatives have no ownership greater than 1% in the subject companies as of the month prior to publication. ACML guarantees that the compensation for its research analysts is not influenced by specific securities or transactions.

ACML affirms that neither the analyst nor the company has served as an officer, director, employee, or engaged in market-making activities for any of the subject companies. Additionally, the research report does not reflect any conflict of interest and is not influenced by specific recommendations made. Neither ACML nor its analysts have received compensation for investment banking or brokerage services from the subject companies in the last 12 months.

The views expressed in this report are those of the analysts and are independent of the proprietary trading desk of ACML, which operates separately to maintain an unbiased stance. Analysts comply with SEBI Regulations when offering recommendations or opinions through public media. The report is intended for informational purposes only and is not an offer or solicitation for the purchase or sale of securities.

This report, which is confidential, may not be reproduced or shared without written consent from ACML. It is based on publicly available data believed to be reliable but has not been independently verified, and no guarantees are made about its accuracy. All opinions and information contained in the report are subject to change without notice.
ACML disclaims liability for any losses resulting from reliance on this report. The report does not constitute an offer to buy or sell securities, and ACML is not responsible for the risks involved in investments. ACML and its affiliates may have positions in the securities discussed or hold other financial interests in them.

The distribution of this report in certain jurisdictions may be restricted by law, and the report is not intended for distribution where it would violate local laws. Investors are advised to consider their financial position, risk tolerance, and investment objectives before engaging in transactions, particularly in high-risk financial products such as derivatives.

ACML reserves the right to modify this disclosure statement without prior notice. The report has been prepared using publicly available information and internally developed data, though ACML does not guarantee its completeness or accuracy. Historical price data for securities can be accessed via official exchanges like NSE or BSE.
ACML and its affiliates may conduct proprietary transactions or investment banking services for the companies mentioned in this report. In compliance with SEBI regulations, ACML maintains comprehensive records of research reports, recommendations, and the rationale for those recommendations, which are preserved for at least five years. An annual compliance audit is conducted by a member of the ICAI or ICSI to ensure adherence to applicable regulations. This report is issued in accordance with applicable SEBI regulations and does not guarantee future performance or returns.

Arihant Capital Markets Ltd.
1011, Solitaire Corporate park, Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road, Chakala, Andheri (E)
Tel. 022-42254800

Abhishek Chhajed Jain

Digitally signed by Abhishek Chhajed Jain
Date: 2026.08.14 09:12:13 +05'30'