Q1FY27 Result update
31st Jul 2026

MTAR Technologies Ltd

Phased capacity expansion and ramp-up of execution support growth.

CMP: INR 5,454

Rating: BUY

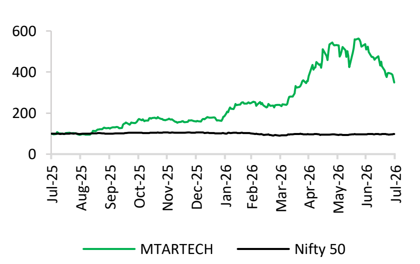
Target Price: INR 8,294

Stock Info	
BSE	543270
NSE	MTARTECH
Bloomberg	MTARTECH:IN
Reuters	MTAR.NS
Sector	Aerospace & Defence
Face Value (INR)	10
Equity Capital (INR mn)	307.6
Mkt Cap (INR mn)	1,67,670
52w H/L (INR)	8,715 / 1,390
Avg Yearly Volume (in 000')	735.5

Shareholding Pattern % *(As on Jun, 2026)*	
Promoters	29.35
DII	22.35
FII	24.80
Public & Others	23.51

Stock Performance (%)	3m	6m	12m
MTARTECH	-8.2	89.4	249.4
NIFTY	1.3	-4.0	-2.2

MTARTECH vs Nifty



MTAR Technologies Ltd reported numbers; Q1FY27 revenue grew by 130.4% YoY (+17.9% QoQ) to INR 3,607mn; above our estimates of INR 2,473mn. Revenue growth supported by conversion of first articles to volume production; strong execution across nuclear, clean energy, and aerospace, etc. Gross Profit stood at INR 1,642mn (+93.4% YoY/+21.3% QoQ); above our estimates of INR 1,362mn; Gross margins contracted by 870 bps YoY (+128 bps QoQ) to 45.5% in Q1FY27, due to revenue mix. The company focused on improving through a higher-value product mix (assemblies, cable harnesses). EBITDA stood at INR 851mn (+199.7% YoY/+37.6% QoQ); above our estimates of INR 519mn. EBITDA margin improved by 545 bps YoY (+339 bps QoQ) to 23.6% in Q1FY27, supported by operating efficiencies. PAT stood at INR 502mn (+364.5% YoY/+13.4% QoQ); above our estimates of INR 244mn, and PAT margin improved by 702 bps YoY (-54 bps QoQ) to 13.9% in Q1FY27.

Key Highlights

Growth driven by a multi-sectoral super-cycle: The company is at an inflection point, supported by Civil nuclear power, Clean Energy (Fuel Cells), and Aerospace & Defence. The order book stood at INR 514.3bn in Q1FY27, with an additional net inflow of INR 8.19bn to date, reflecting deep engineering capabilities and strategic positioning as a critical supplier for priority sectors. The nuclear sector transitioned from cyclical to a sustainable and consistent growth engine. The upcoming Mahi Banswara project (4 reactors) shows a larger opportunity than current Kaiga projects.

Strategic capacity expansion and first-mover advantage in emerging technologies: The company is executing multi-phase capacity expansion in clean energy, with Phase 1 already commissioned, Phase 2 on track for Oct-26, and Phase 3 multi-fold expansion scheduled for commissioning by Mar-27 to meet surging global demand for fuel cells. The expansion due to a key customer's 5GW growth plan. The company is planting seeds for future growth by venturing into new areas like data center infrastructure, with an initial INR 450mn export order for first articles that opens a door for recurring business opportunities. The first mover advantage extends to its Aerospace & Defence; the company has transitioned from developing first articles to volume production for key platforms like Tejas (LCA) and is expanding its product portfolio for global players like GKN, Rafael, Elbit, and Thales.

Operational excellence and strong balance sheet fueling scalable growth: The company has achieved significant improvement in working capital days from 172 days (FY26) to 59 days in Q1FY27, below its 100-day target, driven by better commercial terms, faster deliveries, and weekly monitoring. The capex of INR 5bn over FY27-28E is through internal accruals and low-cost debt, with a target asset turn of 4-5x on new investments. The net debt in the INR 200-300mn range (after adjusting INR 3.79bn investments) shows strong health of the balance sheet.

Outlook & Valuation: **MTAR Technologies' order book stood at INR 59.6bn (~6.8x of FY26 revenue), providing multi-year visibility across its three core verticals: Civil Nuclear, Clean Energy and Aerospace & Defence. The management remains confident of 80% YoY (our estimates: +71.6% YoY) and EBITDA margin of 24% (our estimates: 23.4%) in FY27E, driven by conversion of 1st articles to volume production, the ramp-up of nuclear execution, including Kaiga 5 & 6, and refurbishment orders from H2FY27E. The surging global demand for fuel cells, with expansion (Phase 2 by Oct-26 and Phase 3 by Mar-27), and key customers' 5GW growth plans remain major growth drivers. The working capital days substantially improved to 59 days (Q1FY27), below 100 days target, and net debt of INR 200-300mn shows a healthy balance sheet. The capex of INR 5bn over FY27-28E targets 4-5x asset turnover going forward. The company is strategically expanding data center infrastructure, developing new products for global defence companies, and deepening wallet share with existing customers. We anticipate revenue/EBITDA/PAT growth of 56.3%/71.4%/82% CAGR, respectively, over the period of FY26-29E. ROE/ROCE is expected to improve from 11.4%/13.4% (FY26) to 29.3%/33.4% by FY29E, respectively. At CMP of INR 5,454 per share, we are maintaining our "BUY" rating at a TP of INR 8,294 per share; valued at a PE multiple of 45x (-1SD 1-year forward PE: 45.8x) and its FY29E EPS of INR 184.3; an upside of 52.1%.**

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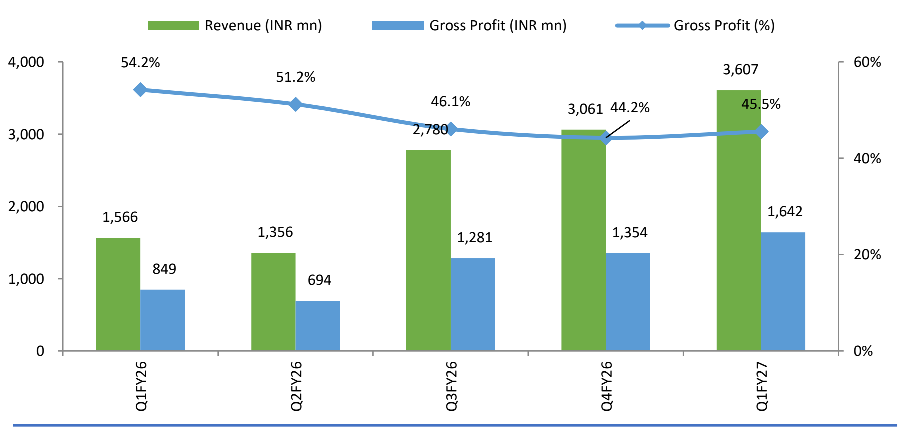
Q1FY27 Results

Exhibit 1: Income Statement Summary

Particular (INR mn)	Q1FY26	Q4FY26	Q1FY27	YoY (%)	QoQ (%)
Revenue	1,566	3,061	3,607	130.4%	17.9%
Net Raw Materials	717	1,707	1,965	174.1%	15.1%
Gross Profit	**849**	**1,354**	**1,642**	**93.4%**	**21.3%**
Gross Margin (%)	**54.2%**	**44.2%**	**45.5%**	**-870 bps**	**+128 bps**
Employee Cost	343	430	465	35.5%	8.1%
Other Expenses	222	306	326	47.1%	6.8%
EBITDA	**284**	**618**	**851**	**199.7%**	**37.6%**
EBITDA Margin (%)	**18.1%**	**20.2%**	**23.6%**	**+545 bps**	**+339 bps**
Depreciation	84	90	97		
Interest expense	58	96	158		
Other income	6	164	79		
Exceptional Items	-	-	-		
Profit before tax	**148**	**595**	**674**	**355.0%**	**13.2%**
Taxes	40	153	172		
PAT	**108**	**443**	**502**	**364.5%**	**13.4%**
PAT Margin (%)	**6.9%**	**14.5%**	**13.9%**	**+702 bps**	**-54 bps**
EPS (INR)	**3.5**	**14.4**	**16.3**		

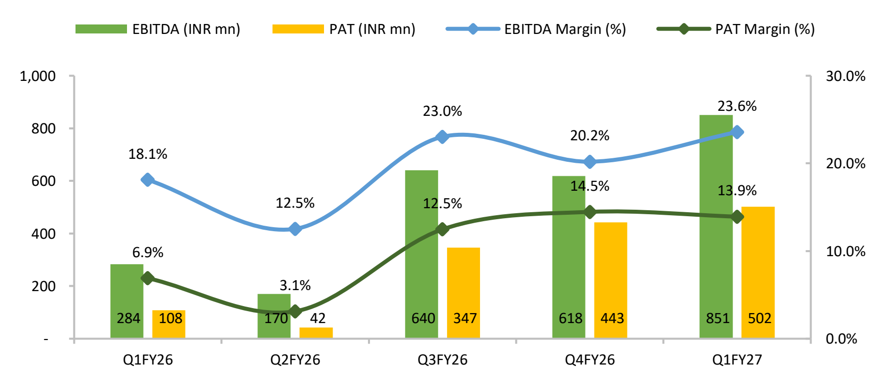
Source: Company Reports, Arihant Capital Research

Exhibit 2: Gross margins contracted by 870 bps YoY (+128 bps QoQ) to 45.5% in Q1FY27 due to higher RM costs and product mix.



Source: Company Reports, Arihant Capital Research

Exhibit 3: EBITDA margin improved by 545 bps YoY (+339 bps QoQ) to 23.6% in Q1FY27, driven by operational efficiencies.



Source: Company Reports, Arihant Capital Research

Segments

Exhibit 4: Clean Energy (Fuel Cell, Hydel & Others) has ~61% of business and growing strongly supported by Bloom orders. The key customer increased its revenue guidance by 10%-15% YoY, signaling robust demand. First articles are moving toward volume production leading to stronger growth. The order book stood at INR 51,433mn (+452.9% YoY/+99.2% QoQ) shows business visibility going forward.

Segment revenue (INR mn)	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	YoY (%)	QoQ (%)
Clean Energy - Civil Nulear Power	54	51	62	70	32	-40.7%	-54.3%
Clean Energy - Fuel Cell, Hydel & Others	1,051	974	1,956	2,173	2,208	110.1%	1.6%
Aerospace & Defence	248	166	309	314	364	46.8%	15.9%
Products & Others	214	165	453	504	1,004	369.2%	99.3%
Total Revenue	**1,567**	**1,356**	**2,780**	**3,061**	**3,608**	**130.2%**	**17.9%**

Segment revenue (%)	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	YoY (%)	QoQ (%)
Clean Energy - Civil Nulear Power	3.4%	3.8%	2.2%	2.3%	0.9%		
Clean Energy - Fuel Cell, Hydel & Others	67.1%	71.8%	70.4%	71.0%	61.2%		
Aerospace & Defence	15.8%	12.2%	11.1%	10.3%	10.1%		
Products & Others	13.7%	12.2%	16.3%	16.5%	27.8%		
Total Revenue	**100.1%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**		

Geographical revenue (INR mn)	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	YoY (%)	QoQ (%)
Domestic	313	325	445	520	686	118.7%	31.7%
export	1,254	1,031	2,335	2,540	2,922	133.1%	15.0%
Total Revenue	**1,567**	**1,356**	**2,780**	**3,061**	**3,608**	**130.2%**	**17.9%**

Geographical revenue (%)	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	YoY (%)	QoQ (%)
Domestic	20.0%	24.0%	16.0%	17.0%	19.0%		
export	80.0%	76.0%	84.0%	83.0%	81.0%		
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**		

Order book (INR mn)	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	YoY (%)	QoQ (%)
Clean Energy - Civil Nulear Power	1,544	1,504	6,514	6,790	6,841	343.0%	0.7%
Clean Energy - Fuel Cell, Hydel & Others	4,428	7,196	11,807	13,219	34,306	674.8%	159.5%
Aerospace & Defence	2,791	3,267	3,257	3,615	3,806	36.4%	5.3%
Products & Others	540	998	2,371	2,195	6,481	1101.2%	195.3%
Total order book	**9,302**	**12,966**	**23,949**	**25,819**	**51,433**	**452.9%**	**99.2%**

Order book (%)	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	YoY (%)	QoQ (%)
Clean Energy - Civil Nulear Power	16.6%	11.6%	27.2%	26.3%	13.3%		
Clean Energy - Fuel Cell, Hydel & Others	47.6%	55.5%	49.3%	51.2%	66.7%		
Aerospace & Defence	30.0%	25.2%	13.6%	14.0%	7.4%		
Products & Others	5.8%	7.7%	9.9%	8.5%	12.6%		
Total order book	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**		

Source: Company Reports, Arihant Capital Research

Q1FY27 Concall Highlights

Revenue & margins
- The management maintained its guidance of 80% YoY growth and EBITDA margin of 24% plus/minus 100 bps.

Order book
- The order book stood at INR 514.3bn in Q1FY27 and an additional net inflow of INR 8.19bn as of today.
- Execution cycles are short- to medium-term (6 months to 3 years), providing strong revenue visibility.
- Civil nuclear orders stood at INR 6.84bn, with another INR 1.3-1.4bn expected soon from refurbishment.

Civil nuclear power
- Civil nuclear power segment shifted from cyclical to sustainable growth. The company has played a pivotal role in the PFBR program, which achieved criticality.
- Execution of Kaiga 5 & 6 orders (INR 8bn) will ramp up in H2FY27, with timelines of 1-3.5 years.
- The upcoming Mahi Banswara project (4 reactors) represents a larger opportunity, with participation via EPC vendors.
- Refurbishment orders of INR 2bn+ are a near-term driver.

Clean energy & fuel cells
- Fuel cell demand is booming, driven by a key customer’s (Bloom Energy) 5GW expansion.
- Capacity expansion is underway in three phases. Phase 1 commissioned, Phase 2 operational by Oct-26, and Phase 3 (multifold expansion) commissioned by Mar-27.
- The company holds a majority share in Bloom Energy's supply chain. The product portfolio is expanding beyond hot boxes to assemblies and cable harnesses.

Aerospace, Defence & New products
- Product revenue growth is supported by years of 1st-article approvals now moving into volume production.
- In defense, the company is working on niche and critical projects for DRDO and other defense establishments.
- The key programs include Tejas actuators (INR 1.4-1.5bn order).
- The company is engaged with IAI, GKN, Rafael, Elbit, and Thales, focusing on localization.
- The management aspires to achieve a products division revenue of INR 10bn and Aerospace & Defence revenue to reach INR 6-7bn in 3-4 years.

Q1FY27 Concall Highlights

Data center Infrastructure

- A new venture with an initial INR 450mn export order for 1st articles, to be executed by Mar-27. The dedicated facility is being set up to support a potential 8x increase in product requirements.

- The management remains confident about the growth, dismissing any market noise about delays in US data center Capex.

Capex

- Total capex of INR 5bn planned over FY27-28E. 70:30 split towards clean energy, though some capacities will be fungible for other sectors.

- The company incurred INR 350mn capex in Q1FY27, but total assets capitalized (including previous WIP) to INR 800mn.

- The expansion is critical for executing the large order book. The company targets an asset turnover of 4-5x on new investments.

Working capital

- Working capital improved from 172 days (FY26) to 59 days (Q1FY27), below the 100-day target via better commercial terms, faster deliveries and weekly monitoring.

- GST refund of INR 700mn boosted cash flows.

Debt

- Net debt is around INR 200-300mn after adjusting for INR 3.79bn in investments, ensuring a strong balance sheet to fund capex via internal accruals and debt.

Growth drivers

- The strong tailwinds across nuclear (India's 100 GW target), clean energy (global data center demand) and defence (indigenization).

- The company's early investments in niche technologies are paying off.

- The key customer increased its revenue guidance by 10%-15% YoY, signaling robust demand. Execution and capacity building remain the primary focus to capitalize on these opportunities.

Outlook & Valuation: MTAR Technologies' order book stood at INR 59.6bn (~6.8x of FY26 revenue), providing multi-year visibility across its three core verticals: Civil Nuclear, Clean Energy and Aerospace & Defence. The management remains confident of 80% YoY (our estimates: +71.6% YoY) and EBITDA margin of 24% (our estimates: 23.4%) in FY27E, driven by conversion of 1st articles to volume production, the ramp-up of nuclear execution, including Kaiga 5 & 6, and refurbishment orders from H2FY27E. The surging global demand for fuel cells, with expansion (Phase 2 by Oct-26 and Phase 3 by Mar-27), and key customers' 5GW growth plans remain major growth drivers. The working capital days substantially improved to 59 days (Q1FY27), below 100 days target, and net debt of INR 200-300mn shows a healthy balance sheet. The capex of INR 5bn over FY27-28E targets 4-5x asset turnover going forward. The company is strategically expanding data center infrastructure, developing new products for global defence companies, and deepening wallet share with existing customers. We anticipate revenue/EBITDA/PAT growth of 56.3%/71.4%/82% CAGR, respectively, over the period of FY26-29E. ROE/ROCE is expected to improve from 11.4%/13.4% (FY26) to 29.3%/33.4% by FY29E, respectively. At CMP of INR 5,454 per share, we are maintaining our "BUY" rating at a TP of INR 8,294 per share; valued at a PE multiple of 45x (-1SD 1-year forward PE: 45.8x) and its FY29E EPS of INR 184.3; an upside of 52.1%.

Exhibit 5: 1-year forward PE Band

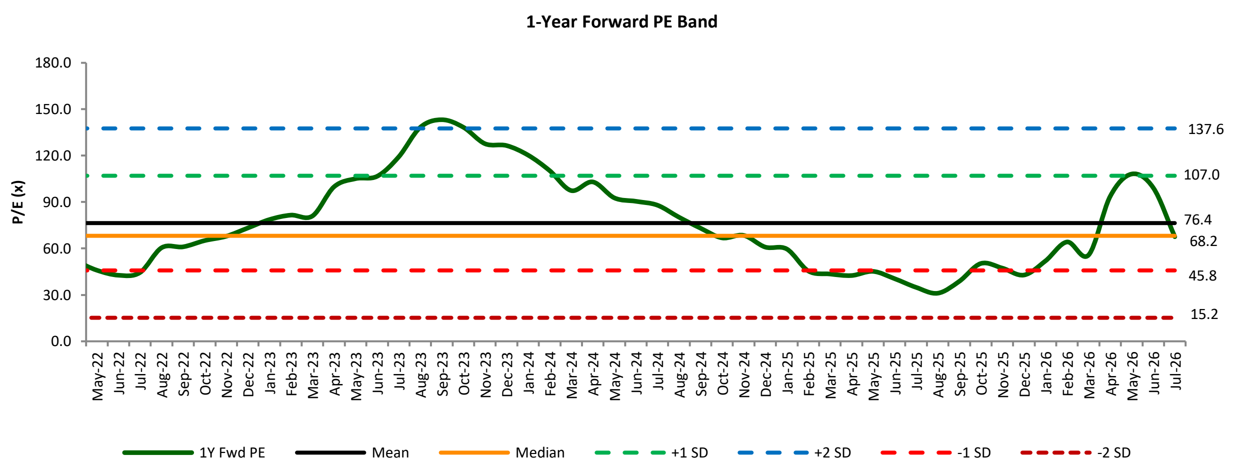
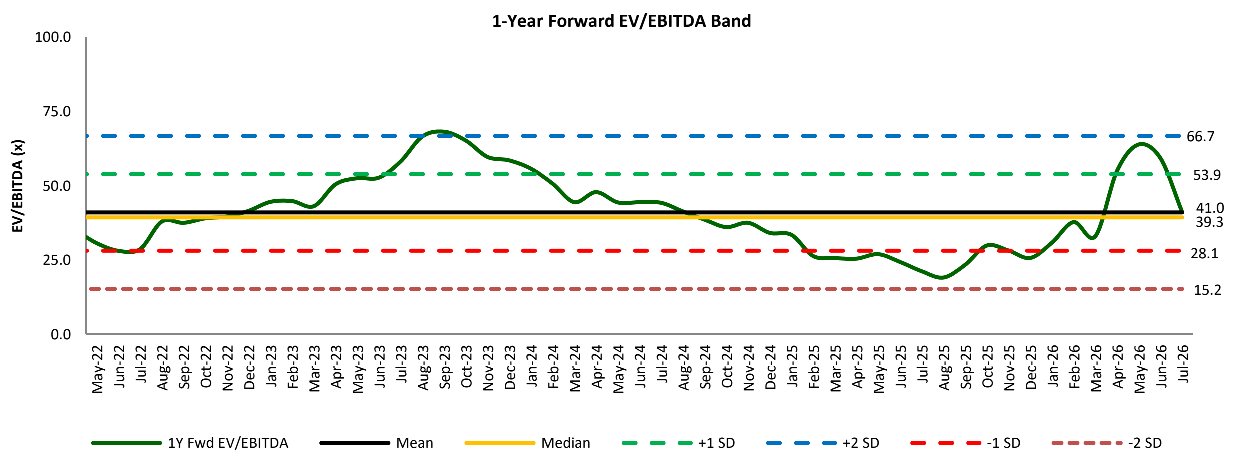


Exhibit 6: 1-year forward EV/EBITDA Band



Source: Company Reports, Arihant Capital Research

Sensitivity Analysis

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

FY29E PAT (INR mn)

Revenue (INR mn) \ EBITDA Margin (%)	24.5%	25.0%	25.5%	26.0%	26.5%	27.0%	27.5%
5,669							
31,000	4,911	5,025	5,140	5,254	5,368	5,483	5,597
32,000	5,092	5,210	5,328	5,446	5,564	5,682	5,800
33,000	5,272	5,394	5,516	5,638	5,759	5,881	6,003
34,000	5,453	5,579	5,704	5,830	5,955	6,081	6,206
35,000	5,634	5,763	5,892	6,021	6,151	6,280	6,409
36,000	5,815	5,948	6,081	6,213	6,346	6,479	6,612
37,000	5,996	6,132	6,269	6,405	6,542	6,678	6,815

FY29E EPS (INR)

Revenue (INR mn) \ EBITDA Margin (%)	24.5%	25.0%	25.5%	26.0%	26.5%	27.0%	27.5%
184.3							
31,000	159.7	163.4	167.1	170.8	174.5	178.2	182.0
32,000	165.5	169.4	173.2	177.0	180.9	184.7	188.6
33,000	171.4	175.4	179.3	183.3	187.2	191.2	195.2
34,000	177.3	181.4	185.4	189.5	193.6	197.7	201.8
35,000	183.2	187.4	191.6	195.8	200.0	204.2	208.4
36,000	189.0	193.4	197.7	202.0	206.3	210.6	215.0
37,000	194.9	199.4	203.8	208.2	212.7	217.1	221.6

Source: Company Reports, Arihant Capital Research

Exhibit 8: Changes in EPS & PE impact on TP and changes in EBITDA & EV/EBITDA impact on TP.

FY29E Target Price (INR)

EPS (INR) \ PE (x)	30.0x	35.0x	40.0x	45.0x	50.0x	55.0x	60.0x
8,294							
176.0	5,280	6,160	7,040	7,920	8,800	9,680	10,560
179.0	5,370	6,265	7,160	8,055	8,950	9,845	10,740
182.0	5,460	6,370	7,280	8,190	9,100	10,010	10,920
185.0	5,550	6,475	7,400	8,325	9,250	10,175	11,100
188.0	5,640	6,580	7,520	8,460	9,400	10,340	11,280
191.0	5,730	6,685	7,640	8,595	9,550	10,505	11,460
194.0	5,820	6,790	7,760	8,730	9,700	10,670	11,640

FY29E Target Price (INR)

EBITDA (INR mn) \ EV/EBITDA (x)	15.0x	20.0x	25.0x	30.0x	35.0x	40.0x	45.0x
8,294							
8,200	4,281	5,614	6,947	8,280	9,613	10,946	12,279
8,400	4,379	5,744	7,109	8,475	9,840	11,206	12,571
8,600	4,476	5,874	7,272	8,670	10,068	11,466	12,864
8,800	4,574	6,004	7,435	8,865	10,296	11,726	13,156
9,000	4,671	6,134	7,597	9,060	10,523	11,986	13,449
9,200	4,769	6,264	7,760	9,255	10,751	12,246	13,742
9,400	4,866	6,394	7,922	9,450	10,978	12,506	14,034

Source: Company Reports, Arihant Capital Research

Financial Statements

Income statement (INR mn)

Year End-March	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	**5,738**	**5,808**	**6,760**	**8,762**	**15,088**	**22,858**	**33,429**
YoY (%)	*78.2%*	*1.2%*	*16.4%*	*29.6%*	*72.2%*	*51.5%*	*46.2%*
COGS	**2,695**	**3,024**	**3,419**	**4,584**	**8,032**	**11,979**	**17,185**
YoY (%)	*131.8%*	*12.2%*	*13.1%*	*34.1%*	*75.2%*	*49.1%*	*43.5%*
Employee expenses	935	970	1,238	1,509	2,059	3,084	4,443
YoY (%)	*32.1%*	*3.7%*	*27.6%*	*21.9%*	*36.4%*	*49.8%*	*44.1%*
Other Expenses	568	687	895	957	1,460	2,196	3,179
YoY (%)	*40.0%*	*21.0%*	*30.3%*	*6.9%*	*52.6%*	*50.4%*	*44.7%*
Total Expenditure	**4,198**	**4,681**	**5,552**	**7,050**	**11,551**	**17,259**	**24,807**
YoY (%)	*63.1%*	*-26.8%*	*7.2%*	*41.7%*	*106.6%*	*58.3%*	*54.0%*
EBITDA	**1,540**	**1,127**	**1,208**	**1,712**	**3,537**	**5,599**	**8,623**
YoY (%)	63.1%	-26.8%	7.2%	41.7%	106.6%	58.3%	54.0%
EBITDA Margin (%)	**26.8%**	**19.4%**	**17.9%**	**19.5%**	**23.4%**	**24.5%**	**25.8%**
Depreciation	187	232	322	350	574	639	699
% of Gross Block	*4.9%*	*5.1%*	*6.2%*	*5.4%*	*5.8%*	*5.6%*	*5.4%*
EBIT	**1,353**	**895**	**886**	**1,362**	**2,962**	**4,960**	**7,923**
EBIT Margin (%)	*23.6%*	*15.4%*	*13.1%*	*15.5%*	*19.6%*	*21.7%*	*23.7%*
Interest Expenses	146	223	222	294	560	725	877
Other income	195	58	52	231	302	434	635
PBT	**1,402**	**730**	**716**	**1,261**	**2,704**	**4,669**	**7,682**
Tax	368	169	187	321	704	1,223	2,013
PAT	**1,034**	**561**	**529**	**940**	**2,001**	**3,446**	**5,669**
PAT Margin	*18.0%*	*9.7%*	*7.8%*	*10.7%*	*13.3%*	*15.1%*	*17.0%*
EPS (INR)	33.6	18.2	17.2	30.6	65.0	112.0	184.3

Source: Company reports, Arihant Capital Research

Balance sheet

Year-end March (INR mn)	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Sources of Funds							
Equity Share Capital	308	308	308	308	308	308	308
Reserves & Surplus	5,894	6,456	6,982	7,918	9,919	13,365	19,034
Networth	**6,201**	**6,763**	**7,289**	**8,226**	**10,227**	**13,673**	**19,342**
Debt	1,434	1,909	1,773	3,766	5,705	7,406	9,003
Other non-current liabilities	239	265	302	396	447	505	572
Total Liabilities	**10,633**	**10,077**	**11,303**	**17,434**	**23,477**	**31,226**	**41,302**
Total Funds Employed	**20,250**	**18,918**	**21,493**	**32,929**	**44,203**	**58,903**	**78,257**
Application of Funds							
Net Fixed Assets	**2,910**	**3,405**	**4,387**	**4,993**	**7,625**	**8,486**	**9,287**
Capital WIP	644	729	532	344	612	945	1,393
Investments	0	0	0	0	0	0	0
Current assets	**6,967**	**5,648**	**6,181**	**11,282**	**14,308**	**20,727**	**29,400**
Inventory	3,866	3,476	3,461	5,005	5,917	8,792	12,615
Days	177	231	187	144	143	140	138
Debtors	2,084	1,466	2,098	3,368	3,429	5,137	7,429
Days	110	112	96	87	83	82	81
Other Current Assets	382	112	385	500	575	662	761
Cash and Cash equivalent	312	508	169	212	631	468	323
Current Liabilities/Provisions	**3,416**	**2,078**	**2,901**	**7,268**	**10,500**	**14,004**	**17,613**
Trade Payables	2,182	714	1,061	1,499	3,116	5,163	7,341
Days	79	123	59	45	91	94	94
Other current liabilities	559	392	840	3,500	3,933	4,427	4,990
Net Current Assets	**3,551**	**3,570**	**3,280**	**4,014**	**3,808**	**6,723**	**11,787**
Total Asset	**10,633**	**10,077**	**11,303**	**17,434**	**23,477**	**31,226**	**41,302**
Total Capital Employed	**7,082**	**6,506**	**8,023**	**13,420**	**19,669**	**24,503**	**29,515**

Source: Company reports, Arihant Capital Research

Financial Statements

Cash Flow Statement

Year End-March (INR mn)	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Profit before tax	**1,034**	**561**	**529**	**940**	**2,001**	**3,446**	**5,669**
Adjustments: Add							
Depreciation and amortisation	187	232	322	350	574	639	699
Interest adjustment	-49	165	170	63	258	290	242
Change in assets and liabilities	**1,172**	**958**	**1,022**	**1,353**	**2,833**	**4,375**	**6,610**
Inventories	-2,162	389	16	-1,545	-912	-2,875	-3,823
Trade receivables	-724	618	-632	-1,270	-61	-1,708	-2,292
Trade payables	1,612	-1,468	347	438	1,617	2,047	2,178
Other Liabilities and provisions	192	116	472	3,917	1,615	1,458	1,432
Other Assets	-153	232	-255	-90	-79	-91	-104
Taxes	150	-103	87	-600	-90	-105	-122
Net cash from operating activities	**86**	**742**	**1,056**	**2,203**	**4,923**	**3,102**	**3,878**
Capex	-1,338	-812	-1,106	-769	-3,474	-1,833	-1,947
Net Sale/(Purchase) of investments	543	333	52	-1,922	-1,253	-1,475	-1,963
Others	0	-52	19	15	-2	-2	-3
Net cash (used) in investing activities	**-795**	**-531**	**-1,036**	**-2,677**	**-4,729**	**-3,311**	**-3,913**
Interest expense/Debt	382	-15	-356	521	226	46	-110
Dividend paid	-185	0	0	0	0	0	0
Other financing activities	-30	1	-3	-4	0	0	0
Net cash (used) in financing activities	**352**	**-15**	**-359**	**517**	**226**	**46**	**-110**
Closing Balance	**312**	**508**	**169**	**212**	**631**	**468**	**323**

Source: Company reports, Arihant Capital Research

Key Ratios

Year-end March	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Solvency Ratios (x)							
Debt / Equity	0.2	0.3	0.2	0.4	0.5	0.5	0.5
Net Debt / Equity	0.2	0.2	0.2	0.4	0.5	0.5	0.4
Debt / EBITDA	0.9	1.7	1.5	2.2	1.6	1.3	1.0
Current Ratio	0.7	1.2	1.3	2.0	1.4	1.2	1.0
DuPont Analysis							
Sales/Assets (x)	0.5	0.6	0.6	0.5	0.6	0.7	0.8
Assets/Equity (x)	1.7	1.5	1.6	2.1	2.3	2.3	2.1
RoE (%)	16.7%	8.3%	7.3%	11.4%	19.6%	25.2%	29.3%
Per share ratios (INR)							
EPS	33.6	18.2	17.2	30.6	65.0	112.0	184.3
Dividend per share	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BV per share	201.6	219.9	237.0	267.4	332.5	444.5	628.8
Cash per Share	4.0	12.8	0.6	0.3	1.0	0.7	0.5
Revenue per Share	186.5	188.8	219.8	284.9	490.5	743.1	1086.8
Profitability ratios (%)							
Net Profit Margin	18.9%	18.0%	9.7%	7.8%	10.7%	13.3%	15.1%
Gross Profit Margin	53.0%	47.9%	49.4%	47.7%	46.8%	47.6%	48.6%
EBITDA Margin	26.8%	19.4%	17.9%	19.5%	23.4%	24.5%	25.8%
EBIT Margin	23.6%	15.4%	13.1%	15.5%	19.6%	21.7%	23.7%
ROCE	18.7%	11.2%	10.5%	13.4%	22.8%	28.8%	33.4%
Activity ratios							
Inventory Days	177	231	187	144	143	140	138
Debtor Days	110	112	96	87	83	82	81
Creditor Days	79	123	59	45	91	94	94
Leverage ratios (x)							
Interest coverage	9.3	4.0	4.0	4.6	5.3	6.8	9.0
Debt / Asset	0.1	0.2	0.2	0.2	0.2	0.2	0.2
Valuation ratios (x)							
EV / EBITDA	109.7	150.1	140.2	100.0	48.8	31.2	20.4
PE	162.2	299.0	317.2	178.4	83.9	48.7	29.6

Source: Company reports, Arihant Capital Research

Story in Charts

Exhibit 9: Revenue is expected to grow at a CAGR of 56.3% over the period of FY26-29E.

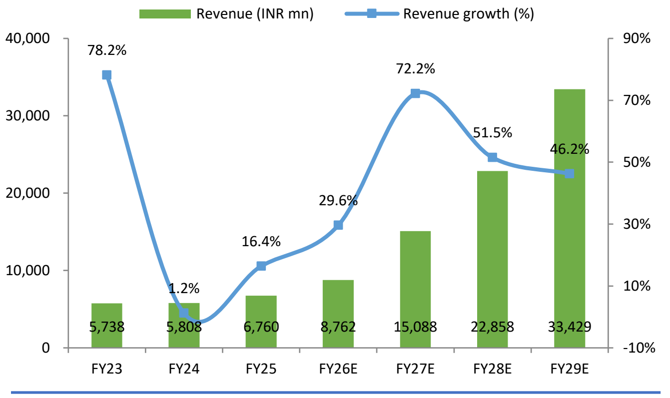


Exhibit 10: Operating leverage and high margin orders will improve gross margins.

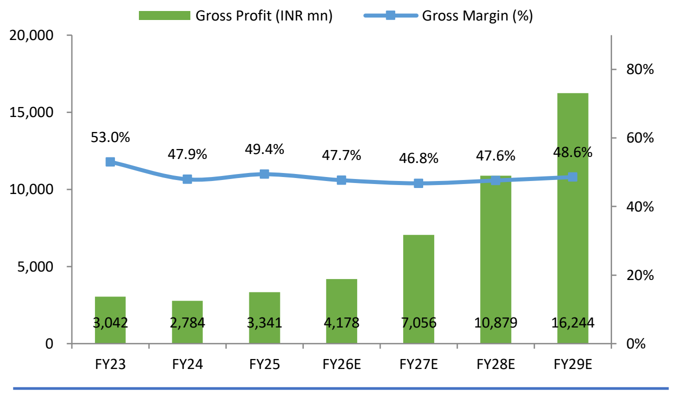


Exhibit 11: EBITDA and PAT margin is expected to improve going forward.

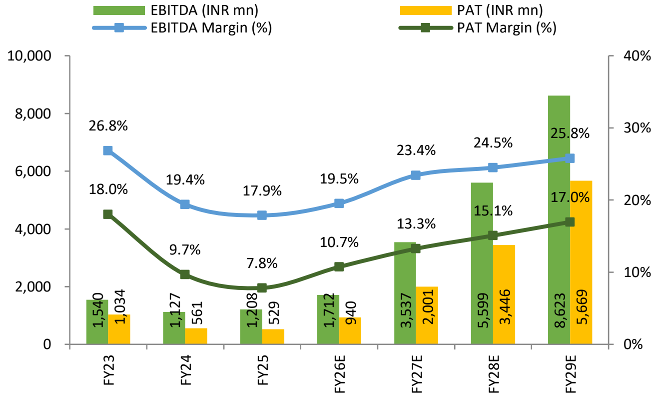


Exhibit 12: Return ratios is expected to improve from FY27E onwards.

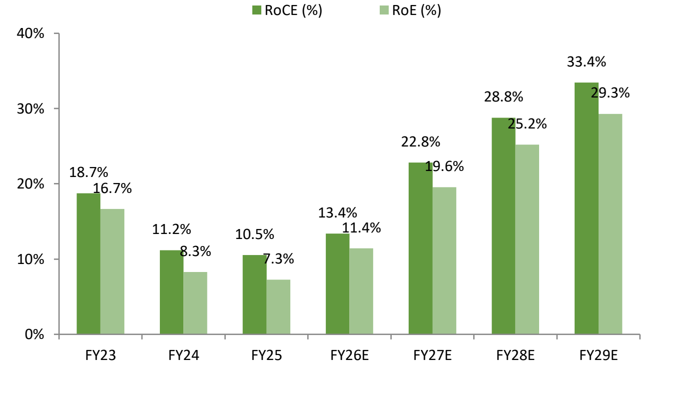


Exhibit 13: Working capital days is expected reduce going forward; supported by better commercial terms, faster deliveries, etc.

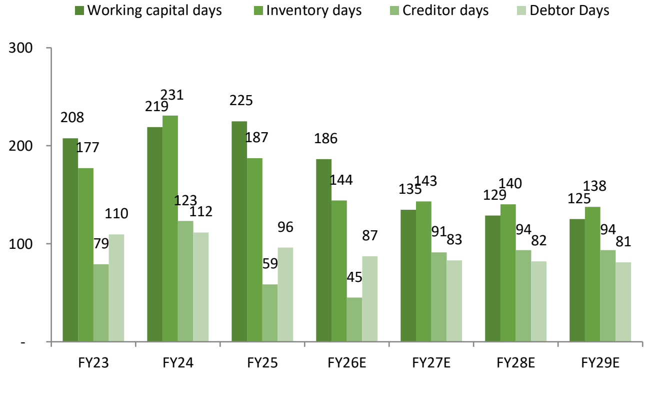
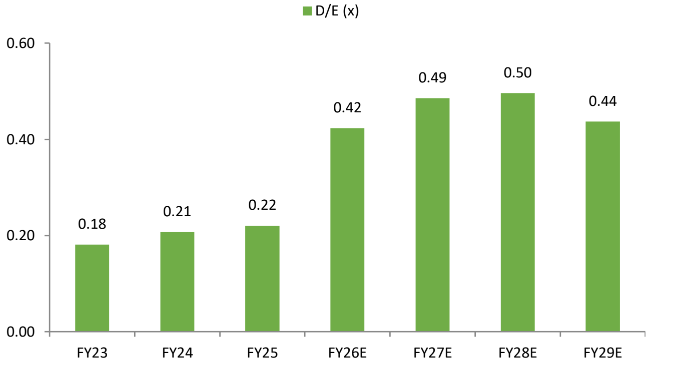
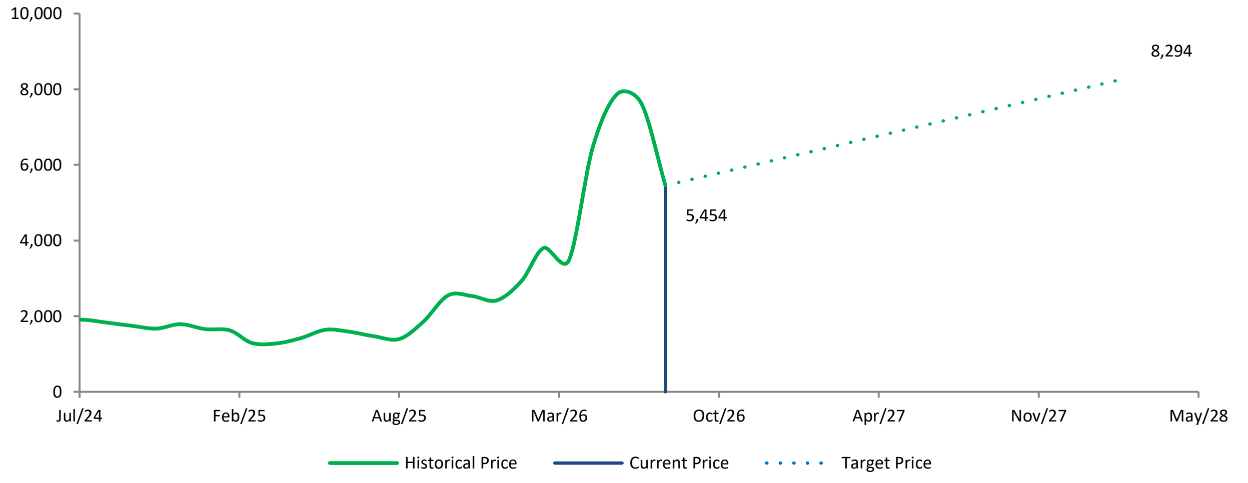


Exhibit 14: Debt to Equity is expected to be below 1x going forward.



Source: Company Reports, Arihant Capital Research

Exhibit 15: MTAR Technologies Target Price



Source: NSE, Arihant Capital Research

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ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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