



STOCK UPDATE

Result Update - Q3FY2026

SECTOR

Capital Goods

COMPANY DETAILS

Market cap:	Rs. 14,567 cr
52-week high/low:	Rs. 413/298
NSE volume: (No of shares)	3.67 lakh
BSE code:	532953
NSE code:	VGUARD
Free float: (No of shares)	19.8 cr

Source: NSE, BSE, Mirae Asset Sharekhan Research

SHAREHOLDING (%)

Promoters	53.3
FII	12.1
DIIIs	23.3
Others	11.3

Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE CHART



Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	2.4	-12.4	-12.2	-5.2
Relative to Sensex	4.9	-9.5	-13.9	-14.0

Source: Mirae Asset Sharekhan Research, Bloomberg

Reco/View: **BUY**

CMP: **Rs. 335**

Price Target: **Rs. 430**

Quick Snapshot

- Revenue grew 12% y-o-y, led by strong growth in the electricals, aided by volume growth due to upstocking by retailers and higher copper prices.
- EBITDA rose 16% y-o-y with margins improving of 23 bps to 7.2% on calibrated pricing actions across its product profile.
- Sunflame's operational integration has been completed and sales integration is under way. The whole integration would take another two quarters.
- We retain a Buy with a revised PT of Rs. 430, given its positive business outlook factoring in the strong growth from Electricals and Electronics business.

Result overview

- Electronics:** Segment remained flat contributing around 20% to total sales. while some summer-led categories like inverters continued to witness muted demand, the decline was offset by growth in other categories like stabilisers, etc. EBIT margin declined by 300 bps to 16.7%.
- Electricals:** Segment saw a robust growth of 26% y-o-y, supported by volume expansion and higher copper prices. Volume growth has been driven by demand and upstocking at retailers' end. Margins surged 300 bps due to calibrated pricing approach and operation efficiencies. The segment contributed around 43% to total revenues. Company has started participating in solar pumps tenders and have been awarded one for Maharashtra for a total contract value of 5-6 crores.
- Consumer Durables:** Growth was modest at 5% impacted by slower movement in air coolers and fans. Company to moderate the risk of higher commodity prices have taken several price hikes across the product lines and a further 3-5% hike will be taken in coming quarters. Significant price hikes are necessary, particularly in the fan category due to new energy rating norms and increased copper prices. Other categories will see less impact due to lower usage of copper and aluminium. The company plans to implement price increases across various categories to manage margins.
- Sunflame:** The business has seen a steep decline of 10% in revenues. Management highlighted that operational integration of sunflame with V-Guard has been done and they are in process of sales integrations. Management looks to revamp the product design and line of Sunflame brand which shall be attractive to new age customers and supportive to new age sales formats. The sales integration would take around another 2 quarters and then the business would be supporting the v guard growth. Going ahead, opportunities of cross-sourcing can arise. Sunflame had set up a hoods line before the merger, which has been scaled up and will be an important margin driver for Sunflame (7-10% advantage of in-house manufacturing versus outsourcing or importing from China).

Our Call

V-Guard is on the cusp of a high-growth trajectory, as it is deploying multiple growth levers. We expect revenue/PAT CAGR of ~11%/~17% over FY2025-FY2028E. Hence, we retain a Buy rating with a revised PT of Rs. 430, considering its strong earnings growth trajectory over the next two years.

Key Risks

Relatively weak demand for some product categories may affect earnings.

Valuation

	Rs cr				
Particulars	FY24	FY25	FY26E	FY27E	FY28E
Net sales	4,559	5,309	5,724	6,390	7,212
OPM (%)	7.8	8.0	7.7	8.3	8.8
Net profit	231	260	271	337	415
Adjusted EPS (Rs.)	5.3	6.0	6.3	7.8	9.6
Y-o-Y growth (%)	28.6	12.7	4.1	24.5	23.0
P/E	79.2	70.3	67.5	54.2	44.1
P/B	10.4	9.2	8.3	7.3	6.4
EV/EBITDA	43.7	39.7	37.3	30.7	25.2
RoCE (%)	16.6	18.1	17.9	19.5	20.9
RoNW (%)	13.8	13.8	12.8	14.2	15.3

Source: Company; Mirae Asset Sharekhan estimates

Note: CMP as on Jan 29, 2026

Q3FY26 Result Snapshot:

Particulars	Rs cr				
	Q4FY25	Q4FY24	YoY (%)	Q3FY25	QoQ (%)
Net Sales	1,326	1,185	11.9	1,272	4.2
Operating Profit	96	83	15.5	85	12.0
Other income	5	5	(0.6)	19	(71.2)
Interest	2	5	(63.3)	1	97.6
Depreciation	21	20	4.7	21	-
PBT	79	64	23.1	83	(4.6)
Tax	16	16	(0.5)	17	(4.6)
Adj. PAT	63	48	30.9	66	(4.6)
Reported PAT	63	48	30.9	66	(4.6)
Adj. EPS (Rs.)	1.5	1.1	30.9	1.5	(4.6)
Margin (%)			BPS		BPS
OPM (%)	7.2	7.0	23	6.7	50
NPM (%)	4.7	4.1	69	5.2	(44)
Tax rate (%)	20.1	24.8	(476)	20.1	(1)

Source: Company; Mirae Asset Sharekhan Research

Additional Data

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	SBI Funds Management Ltd	7.36
2	Kotak Mahindra Asset Management Co	5.92
3	Nalanda India Equity Fund Ltd	3.61
4	FundRock Management Co SA	3.01
5	Aditya Birla Sun Life Asset Manage	2.36
6	Canara Robeco Asset Management Co	1.60
7	Vanguard Group Inc/The	1.47
8	Nalanda India Fund Ltd	1.43
9	ICICI Prudential Asset Management	1.2
10	Motilal Oswal Asset Management Co	0.9

Source: Bloomberg

Key management personnel

Name	Designation
Kochouseph Chittilappilly	Chairman
Mithun K Chittilappilly	Managing Director
V. Ramachandran	Director and Chief Operating Officer
Sudarshan Kasturi	Senior VP and CFO

Source: Company Website

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