



Stylam Industries posted results below our estimates with Revenue/EBITDA/PAT -3.5%/-12%/-9%. Gross margins was a negative surprise declining 158bps QoQ and 833bps YoY. EBITDA margins for Q4 also dropped to 16% which is much below the guidance of 18-20%.

Key business highlights

- The exports revenue (1875 Mn) grew by 12% on a YoY basis & grew 7% on a QoQ basis.
- Overall volumes sold at 3.53Mn sheets (+13% YoY, +9% QoQ). Exports volumes at 1.9Mn sheets (11% YoY, +7% QoQ). Domestic volumes at 1.63Mn sheets (+22% YoY, +29% QoQ)
- Overall realisation at 734/sheet (-2% YoY, -4% QoQ). Export realisation at 987/sheet(+1% YoY, -6% QoQ). Domestic realisation at 474/sheet (-13% YoY, -13% QoQ)

Key Financial Highlights

- Revenue at INR 2653Mn, +4.2% qoq/+10.6% yoy
- EBITDA (excl OI) at INR 429Mn, -6.6% qoq/-9.8% yoy
- EBITDA margin at 16.9% vs 19.85% vs 18.07% in Q4FY24/Q3FY25
- PAT at INR 296Mn, -0.9% qoq/-21.1% yoy
- EPS at INR 17.5 vs 22.2/17.6 in Q4FY24/Q3FY25

Outlook

- Exports to grow 20% in FY26
- Aiming to sustain EBITDA margins (18-20%)
- The new plant to start commercial production by end of Sep'25

Financial Summary

Y/E Mar (Rs mn)	FY22	FY23	FY24	FY25	FY26E	FY27E
Net sales	6,593	9,521	9,141	10,251	11,880	13,675
EBIDTA	1,036	1,548	1,845	1,852	2,158	2,533
Margins (%)	15.7	16.3	20.2	18.1	18.2	18.5
Adjusted net profit	610	960	1,296	1,219	1,358	1,568
EPS (Rs)	36.0	56.6	76.5	71.9	80.1	92.5
P/E (x)	51	32	24	26	23	20
EV/EBITDA (x)	31	20	16	17	14	12
RoCE (%)	21.08	30.04	30.25	23.26	21.43	22.19
RoE (%)	19.30	23.29	24.16	18.55	17.22	16.65

Source: Company, Dalal & Broacha Research

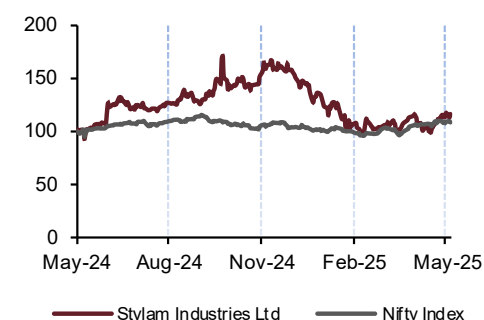
Rating	TP (Rs)	Up/Dn (%)
HOLD	1,850	2

Market data

Current price	Rs	1,818
Market Cap (Rs.Bn)	(Rs Bn)	31
Market Cap (US\$ Mn)	(US\$ Mn)	362
Face Value	Rs	5
52 Weeks High/Low	Rs	2736 / 1406.8
Average Daily Volume	('000)	173
BSE Code		526951
Bloomberg		SYIL.IN

Source: Bloomberg

One Year Performance



Source: Bloomberg

% Shareholding	Mar-25	Dec-24
Promoters	52.19	54.61
Public	47.81	45.39
Total	100.0	100.0

Source: Bloomberg

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Concall KTA's

New plant to start full production by end of Sept'25 at the latest.

~2600Mn capex to be incurred for the new plant with ~1200Mn already deployed in FY25. Revenue potential of ~7500-8000Mn. New sizes have been added which have much higher realisation per sheet.

1 new press of 7*9 size is being added which is the 1st ever in India and 3rd in the world. This press alone can contribute ~1500-2000Mn.

Export Market Outlook robust

- Targeting 20% growth in exports in FY26 i.e ~8750Mn
- Targeting ~1200Mn exports within next 3 years
- Completely booked for large sized sheets for the next 3months
- Small sized sheets sold to UK, Singapore and Middle East
- ~48% market share in exports to Europe
- Expenses in International market is ~0.5% of sales vs 25-30% in domestic market
- No major impact of tariffs witnessed
- ~60% sales in own brand name
- WILSON ART – sales increasing every month. ~1060Mn contribution in FY25. Expected to increase significantly. Supply is across US and Europe.

Domestic Market Outlook uncertain

- Management has acknowledged challenges faced to scale the domestic laminate sales, hoping for things to turnaround.
- Certain presses remain unutilised which are specifically catering to domestic market

Solid Acrylic Surfaces may see significant turnaround

- Company is in the process of signing a MOU with a Taiwan based giant where Stylam will sell the acrylic surfaces as white labelled. If this goes through, scale up can be massive.
- FY25 revenue contribution – 200Mn

Strategic Increase in Inventory

- In order to get high volume discount the company intentionally increased its Raw material inventory

Financial Snapshot

Particulars (Rs Mns)	Q4FY25	Q4FY24	YoY Growth	Q3FY25	QoQ Growth
Revenue from operations	2,653	2,398	10.6%	2,545	4.2%
Other income	12	13	-12.2%	18	-34.4%
Total Income	2,664	2,411		2,563	
Cost of goods sold	1,494	1,151	29.8%	1,393	7.2%
Employee Benefit expenses	230	188	22.5%	207	10.9%
Other Expenses	500	584	-14.4%	485	3.0%
EBITDA (excl other income)	429	476	-9.8%	460	-6.6%
Less : Depreciation	65	63	2.0%	59	10.1%
PBIT	365	413		401	
Less: Interest cost	(1)	5		(6)	
PBT (before exceptional)	377	421	-10.4%	425	-11.2%
Exceptional	-	11		-	
PBT (after exceptional)	377	410	-7.9%	425	-11.2%
Less : Tax	81	35		126	
PAT	296	375	-21.1%	299	-0.9%
EPS	17.5	22.2		17.6	
Margins					
Gross Margins	43.69%	52.01%	(833)	45.27%	(158)
EBITDA Margins	16.19%	19.85%	(366)	18.07%	(188)
Net profit Margin	11.10%	15.55%	(445)	11.65%	(55)

Valuation & Outlook

With the new capacity coming onstream (~260crs capex) at the end of H1FY26 and a strong visibility from a few very large clients, the company should be able to deliver better growth going forward primarily driven by exports. We expect Q1 and Q2 to see no major growth due to capacity constraints.

Considering how domestic laminates have not been able to scale up coupled with sluggish solid acrylic surfaces sales, we have cut our estimates in FY26/27 by 7%/10% and roll forward our estimates to FY27. We will be watchful on the scale up of the domestic and acrylic surface sales which could positively surprise on our estimates.

We arrive at a target price of Rs 1,850 and continue with a HOLD recommendation.

FINANCIALS

P&L (Rs mn)	FY22	FY23	FY24	FY25	FY26E	FY27E
Net Sales	6,593	9,521	9,141	10,251	11,880	13,675
Total Operating Expenses	3,755	5,310	4,741	5,574	6,415	7,384
Employee Cost	548	688	751	835	961	1,057
Other Expenses	1,255	1,976	1,804	1,990	2,346	2,701
Operating Profit	1,036	1,548	1,845	1,852	2,158	2,533
Depreciation	233	200	223	239	350	443
PBIT	803	1,348	1,622	1,613	1,808	2,089
Other income	80	14	57	75	40	40
Interest	78	82	25	39	25	25
PBT	805	1,281	1,655	1,649	1,823	2,104
Profit before tax (post exceptional)	805	1,281	1,655	1,649	1,823	2,104
Provision for tax	195	321	359	430	465	537
Reported PAT	610	959.8	1,296	1,219	1,358	1,568
MI	-	-	-	-	-	-
Net Profit	610	960	1,296	1,219	1,358	1,568

Balance Sheet (Rs mn)	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity capital	85	85	85	85	85	85
Reserves	3,076	4,036	5,278	6,489	7,805	9,330
Net worth	3,161	4,121	5,363	6,574	7,890	9,415
Non Current Liabilites	230	180	111	138	146	142
Current Liabilites	1,498	1,080	599	1,061	1,284	818
TOTAL LIABILITIES	4,889	5,381	6,073	7,773	9,319	10,376
Non Current Assets	1,830	1,889	2,035	3,110	4,835	4,577
Fixed Assets	1,787	1,846	1,767	2,602	4,255	3,913
Goodwill	-	-	-	-	-	-
Non Current Investments	11	11	-	-	-	-
Deferred Tax Asset	-	-	-	-	-	-
Other Financial Assets	15	16	20	22	22	22
Other Non Current Assets	16	15	248	486	559	643
Current Assets	3,059	3,492	4,039	4,663	4,484	5,799
Current investments						
Inventories	1,329	1,598	1,451	1,853	1,985	2,285
Trade Receivables	1,188	1,258	1,621	2,039	1,562	1,798
Cash and Bank Balances	87	267	720	497	645	1,406
Short Term Loans and Advances	0	2	22	166	166	166
Other Current Assets	456	366	225	109	125	144
TOTAL ASSETS	4,889	5,381	6,073	7,773	9,319	10,376

FINANCIALS

Cash Flow St. (Rs. mn)	FY22	FY23	FY24	FY25	FY26E	FY27E
Cash flow from operating activities						
Profit before tax	805	1,281	1,643	1,649	1,823	2,104
Depreciation & Amortization	233	200	223	239	350	443
Interest expenses	78	82	25	39	25	25
Operating profit before working capital change	1,116	1,562	1,891	1,927	2,198	2,573
Working capital adjustment	(746)	(522)	(225)	(743)	367	(462)
Gross cash generated from operations	369	1,041	1,666	1,184	2,565	2,111
Direct taxes paid	(191)	(257)	(359)	(440)	(465)	(537)
Others	119	122	(276)	330	(72)	(95)
Cash generated from operations	59	662	1,030	1,074	2,028	1,479
Cash flow from investing activities						
Capex	(137)	(259)	(143)	(1,079)	(2,002)	(101)
Investment	-	-	7	-	-	-
Others	(159)	136	-	(185)	-	-
Cash generated from investment activities	(296)	(123)	(136)	(1,264)	(2,002)	(101)
Cash flow from financing activities						
Proceeds from issue of share	-	-	-	-	-	-
Borrowings/ (Repayments)	203	(325)	(367)	-	189	(550)
Interest paid	(78)	(82)	(25)	(39)	(25)	(25)
Dividend paid	(42)	-	(42)	-	(42)	(42)
Others	89	49	-	-	-	-
Cash generated from financing activities	171	(358)	(435)	(39)	122	(617)
Net cash increase/ (decrease)	(65)	181	460	(229)	148	760
Ratios	FY22	FY23	FY24	FY25	FY26E	FY27E
OPM	15.71%	16.26%	20.18%	18.06%	18.16%	18.52%
NPM	9.14%	10.07%	14.09%	11.81%	11.40%	11.43%
Tax Rate	24.19%	25.05%	21.69%	26.06%	25.50%	25.50%
Growth Ratios (%)						
Net Sales	37.50%	44.41%	-4.00%	12.14%	15.90%	15.11%
Operating Profit	4.60%	49.43%	19.18%	0.37%	16.53%	17.38%
PBIT	13.39%	59.13%	29.20%	-0.34%	10.57%	15.42%
PAT	610	960	1,296	1,219	1,358	1,568
Per Share (Rs.)						
Net Earnings (EPS)	36.0	56.6	76.5	71.9	80.1	92.5
Cash Earnings (CPS)	13.7	11.8	13.1	14.1	20.6	26.2
Dividend	2.5	2.5	2.5	2.5	2.5	2.5
Book Value	187	243	316	388	466	556
Valuation Ratios						
P/E(x)	51.05	32.45	24.04	25.55	22.93	19.87
P/B(x)	9.85	7.56	5.81	4.74	3.95	3.31
EV/EBIDTA(x)	30.61	20.19	16.49	16.75	14.39	11.74
Div. Yield(%)	0.14	0.14	0.14	0.14	0.14	0.14
Return Ratios (%)						
ROE	19.30%	23.29%	24.16%	18.55%	17.22%	16.65%
ROCE	21.08%	30.04%	30.25%	23.26%	21.43%	22.19%

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