Shivalik Bimetal Controls Limited

Q2FY27 Result Update | Industrials

Climbing the Value Chain Through a Shift from Precision Components to Integrated Solutions

DALAL & BROACHA STOCK BROKING PVT. LTD.

Equity Research Desk

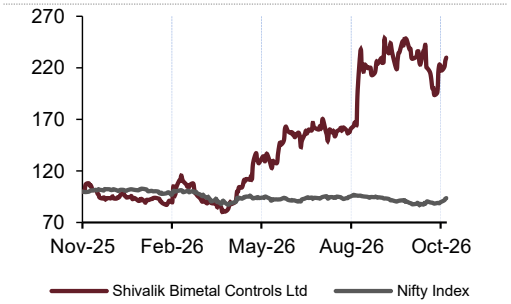
4 November 2026

Rating	TP (Rs)	Up/Dn (%)
HOLD	**1,187**	**11**

Market Data		
Current price	**Rs**	**1,071**
Market Cap (Rs.Bn)	(Rs Bn)	62
Market Cap (US$ Mn)	(US$ Mn)	651
Face Value	Rs	2
52 Weeks High/Low	Rs	730 / 454
Average Daily Volume	('000)	178
BSE Code		513097
Bloomberg		SBC.IN

Source: Bloomberg

One Year Performance



Source: Bloomberg

% Shareholding	Sep-26	Jun-26
Promoters	33.61	33.61
Public	52.09	49.81
Others	14.3	16.58
Total	**100.00**	**100.00**

Source: Bloomberg

Result Analysis: Growth Momentum continues

Shivalik Bimetal reported another strong quarter of growth in Q2 FY27, with consolidated revenue up 44.0% YoY to ₹197.79 crore and EBITDA up 61.6% to ₹50.20 crore, taking margin up 277 bps to 25.4%. Reported PAT rose 39.8% to ₹34.75 crore. Growth was led by contact solutions (₹52.87 crore, 27% of revenue), while the core shunt and bimetal business grew 22.4% with standalone EBITDA margin up 605 bps to 29.9%. Bimetals grew on volumes (+9.6%), whereas shunts grew on mix and value-add (realisation +46%, kg volumes -16.3%). By geography, India (+28.0%), Rest of Asia (+76.1%) and Europe (+22.7%) grew, while the Americas fell 24.3%, partly due to US customers' shipments being re-routed directly to Asia. Higher contact and assembly share could dilute blended margins in the future.

Financial Summary

Y/E Mar (Rs mn)	FY23	FY24	FY25	FY26	FY27E	FY28E
Net sales	4,704	5,089	5,083	5,709	7,469	9,865
EBIDTA	1,089	1,063	1,037	1,307	1,814	2,335
Margins (%)	23.2	20.9	20.4	22.9	24.3	23.7
Adjusted net profi	791	843	771	968	1,339	1,754
EPS (Rs)	13.7	14.6	13.38	16.8	23.2	30.4
P/E (x)	78	73	80	64	46	35
EV/EBITDA (x)	57	58	60	48	34	26
RoCE (%)	33.66%	27.70%	23.67%	24.18%	26.82%	27.20%
RoE (%)	29.79%	24.67%	19.00%	20.11%	22.13%	22.82%

Source: Company and Dalal & Broacha Research

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Quarterly Result Summary

Particulars (INR in mn)	Q2FY27	Q2FY26	YoY%	Q1FY27	QoQ%
Revenue from operations	**1,978**	**1,374**	**44%**	**1,822**	**9%**
Other Income	30	36	-17%	36	-17%
Total Income	**2,008**	**1,410**	**42%**	**1,858**	**8%**
Cost of Goods Sold	1,078	727	48%	1,031	5%
Employee Benefit Expense	163	146	12%	151	8%
Other Expenses	235	190	24%	206	14%
Total Expenses	**1,476**	**1,063**	**39%**	**1,388**	**6%**
EBITDA	**502**	**311**	**62%**	**434**	**16%**
Depreciation Expense	54	34	61%	40	37%
EBIT	**448**	**277**	**62%**	**394**	**14%**
Finance Cost	21	11	**84%**	13	**62%**
Share from Joint Venture	11	23	**-50%**	23	**-50%**
Profit Before Tax (PBT)	**468**	**324**	**44%**	**440**	**6%**
Exceptional Items	-	-		-	
Tax Expense	121	76	59%	109	11%
Net Profit (Adjusted)	**348**	**249**	**40%**	**331**	**5%**
Net Profit (Reported)	**348**	**249**	**40%**	**331**	**5%**
EPS	**6.0**	**4.3**	**40%**	**5.7**	**5%**
Margins			**Changes in bps**		**Changes in bps**
Gross Margins	45.5%	47.1%	-157	43.4%	210
EBITDA Margins	25.4%	22.6%	277	23.8%	158
PAT Margins	17.3%	17.6%	-32	17.8%	-52
Tax Rate	25.8%	23.4%	237	24.7%	105
Other Operational Matrix			**Changes in bps**		**Changes in bps**
COGS as % of Sales	54%	53%	157	57%	-210
EBE as % of Sales	8.3%	10.6%	-240	8.3%	-2
OE as % of Sales	11.9%	13.8%	-194	11.3%	54

Source: Company and Dalal & Broacha Research

Concall Highlights:

Growth Outlook & Key Drivers

- Management expects 30–35% sustainable topline growth over the next 2 years, driven by customer development, higher wallet share from existing customers and increased product volumes.
- Around 40–50% of recent topline growth (>100%) in Electrical Contacts business was attributable to higher material prices (silver), with the balance coming from actual business growth. Silver price movements have minimal impact on profitability.

Shunt Resistors & Value Addition

- Majority of the existing customer base has transitioned from supplying strips to higher-value components and assemblies. Most new developments are also in this format.
- Standalone EBITDA margins have improved to ~30%, supported by this shift. Management is exploring further value addition across shunts and thermostatic bimetals.

Assembly Business

- Management sees an opportunity of ₹100–200 cr from the assembly business in FY27–28, with expected EBITDA margins of 15–16% versus 26–27% for legacy products.
- Higher contribution from assemblies and the electrical contacts business could dilute blended margins by 1.5–2.5%, assuming 30–40% growth. However, management expects absolute profitability to increase, while legacy margins should continue improving.

Electrical Contacts Business

- The new facility has a revenue potential of ~₹400 cr at current silver prices; utilisation is expected to reach ~55% by year-end.
- Revenue from the electrical contacts business has potential to double without incremental capex.

Other Highlights

- Existing capacity potential is now higher than the previously indicated ₹1,300 cr following debottlenecking and low-cost enhancements.
- Decline in reported US revenue is largely due to a change in supply arrangements. Shivalik now supplies components directly to end-users outside the US, with 70–80% of certain customers' components being consumed overseas, largely in Asia. This is a geographical reclassification rather than loss of business.
- Management priorities include sustaining core profitability, improving cash conversion and progressing new programmes through customer adoption.

Valuations and Outlook:

Backed by rising value-added content, recovery in the US shunts business, accelerating smart meter opportunities and new growth verticals like busbars/PCBA assemblies, Shivalik is building multiple scalable growth engines. Improved product mix, higher component-level integration and disciplined capital allocation provide stronger visibility for sustained ~30% growth with structurally better margin profile over the medium term. **We estimate a Revenue/EBITDA/PAT CAGR of 31%/34%/35% over FY 26-FY28E respectively.**

At current market price of Rs. 1,071, Shivalik trades at 35x FY28e EPS. We have valued the stock at **39x** FY28e EPS. **We assign a HOLD Rating with a TP of Rs. 1,187, implying an upside of ~11%.**

Financials

P&L (Rs mn)	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Net Sales	3,240	4,704	5,089	5,083	5,709	7,469	9,865
Total Raw material consumed	1,611	2,452	2,828	2,893	3,128	4,108	5,574
Employee Cost	271	389	427	478	566	650	748
Other Expenses	623	774	771	675	708	896	1,208
Operating Profit	735	1,089	1,063	1,037	1,307	1,814	2,335
Depreciation	64	105	121	118	138	178	190
PBIT	671	984	942	919	1,169	1,636	2,145
Other income	54	99	191	128	123	187	247
Interest	28	70	49	38	47	75	99
PBT (Before share of JV/associates)	698	1,013	1,084	1,010	1,245	1,748	2,293
Share of JV/Associates	35	10	33	17	34	37	46
PBT	733	1,023	1,118	1,027	1,279	1,785	2,339
Provision for tax	182	232	275	257	311	446	585
PAT (From continuing operations)	551	791	843	771	968	1,339	1,754
PAT (From Discontinuing operations)	-	-	-	-	-	-	-
MI							
Reported PAT	551	791	843	771	968	1,339	1,754
Adjusted Profit	551	791	843	771	968	1,339	1,754

Source: Company, Dalal and Broacha Research

Cash Flow St. (Rs. mn)	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
PBT (excluding JV/Associates)	**698**	**1,013**	**1,084**	**1,010**	**1,245**	**1,748**	**2,293**
Add: Dep. & Amort.	64	105	121	118	138	178	190
Add: Interest Expenses	28	70	49	38	47	75	99
Operating profit before working capital change	**789**	**1,189**	**1,254**	**1,166**	**1,430**	**2,001**	**2,581**
(Inc)/Dec in							
Working capital adjustment	(500)	(396)	(198)	(15)	(485)	(802)	(1,038)
Gross cash generated from operations	**290**	**792**	**1,056**	**1,151**	**945**	**1,199**	**1,543**
Direct taxes paid	(182)	(232)	(275)	(257)	(311)	(446)	(585)
Others	(143)	98	(96)	42	(86)	3	5
CF from Oper. activities	**(35)**	**658**	**685**	**936**	**549**	**755**	**963**
CF from Inv. activities	(242)	(431)	(415)	(575)	(684)	(5)	(176)
CF from Fin. activities	229	(185)	(292)	(263)	(4)	(18)	(1)
Cash generated/(utilised)	(48)	42	(22)	97	(140)	732	787
Cash at start of the year	157	109	177	112	209	70	802
Cash at end of the year	109	177	112	209	70	802	1,588
Balance sheet	109	151	155	208	70	802	1,588

Source: Company, Dalal and Broacha Research

Balance Sheet (Rs mn)	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Equity capital	77	115	115	115	115	115	115
Reserves	1,839	2,540	3,300	3,941	4,698	5,933	7,572
Net worth	**1,916**	**2,655**	**3,415**	**4,057**	**4,813**	**6,048**	**7,687**
Minority Interest	-	-	-	-	-	-	-
Non Current Liabilites	208	290	191	249	309	270	242
Current Liabilites	954	953	822	774	1,237	1,547	2,059
Other Liabilities(associated with discontinued operations/ assets held for sale)	-	-	-	-	-	-	-
TOTAL LIABILITIES	**3,084**	**3,897**	**4,428**	**5,079**	**6,360**	**7,865**	**9,987**
Non Current Assets	**1,085**	**1,361**	**1,478**	**1,785**	**2,071**	**1,878**	**1,868**
Fixed Assets	850	1,203	1,298	1,570	1,805	1,556	1,470
Goodwill	-	20	127	20	20	20	20
Non Current Investments	185	98	131	148	181	231	299
Loans							
Non-current assets tax (net)	0	1	2	-	-	-	-
Deferred Tax Asset	-	-	-	-	-	-	-
Other Financial Assets	-	4	5	39	46	46	46
Other Non Current Assets	50	36	25	8	19	25	32
Current Assets	**1,993**	**2,536**	**2,949**	**3,294**	**4,289**	**5,987**	**8,119**
Current investments	-	-	-	-	-	-	-
Inventories	1,149	1,320	1,279	1,312	1,530	1,970	2,596
Trade Receivables	593	932	1,137	1,115	1,555	2,035	2,688
Cash and Bank Balances	109	177	112	209	70	802	1,589
Other bank balances	9	2	277	581	977	977	977
Short Term Loans and Advances	-	-	-	-	-	-	-
Other Financial Assets	0	1	88	39	7	9	12
Other current assets tax (net)	0	1	2	-	-	-	-
Other current assets	133	103	54	37	149	195	258
TOTAL ASSETS	**3,078**	**3,897**	**4,428**	**5,079**	**6,360**	**7,865**	**9,987**

Source: Company, Dalal and Broacha Research

Ratios	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
OPM	22.68%	23.16%	20.88%	20.40%	22.90%	24.29%	23.67%
NPM	16.73%	16.47%	15.96%	14.78%	16.60%	17.49%	17.35%
Tax Rate	24.81%	22.68%	24.60%	24.98%	24.29%	25.00%	25.00%
Growth Ratios (%)							
Net Sales	18.00%	45.18%	8.20%	-0.11%	12.30%	30.83%	32.08%
Operating Profit	103.34%	48.27%	-2.44%	-2.42%	26.04%	38.78%	28.69%
PBT	34.68%	45.13%	7.06%	-6.82%	23.22%	40.41%	31.15%
PAT	35.96%	43.53%	6.53%	-8.56%	25.61%	38.31%	31.02%
CFO/EBITDA Ratio	-0.05	0.60	0.64	0.90	0.42	0.42	0.41
CFO/PAT Ratio	-0.06	0.83	0.81	1.21	0.57	0.56	0.55
Per Share (Rs.)							
Net Earnings (EPS)	14.35	13.73	14.63	13.38	16.80	23.24	30.45
Cash Earnings (CPS)	16.01	15.56	16.72	15.42	19.20	26.33	33.75
Payout ratio	7%	9%	10%	20%	24%	8%	7%
Dividend	1.00	1.20	1.40	2.70	4.00	1.80	2.00
Book Value per share (BVPS)	49.89	46.09	59.29	70.42	83.56	105.00	133.45
Free Cash Flow	(263)	179	470	546	176	826	859
Valuation Ratios							
P/E(x)	74.63	77.99	73.21	80.06	63.74	46.09	35.17
P/B(x)	21.47	23.24	18.07	15.21	12.82	10.20	8.03
EV/EBIDTA(x)	56.61	57.00	58.34	59.59	47.59	33.96	26.13
Div. Yield(%)	0.09	0.11	0.13	0.25	0.37	0.17	0.19
FCFF Yield(%)	(0.64)	0.29	0.76	0.88	0.29	1.34	1.39
Return Ratios (%)							
ROE	28.76%	29.79%	24.67%	19.00%	20.11%	22.13%	22.82%
ROCE	29.49%	33.66%	27.70%	23.67%	24.18%	26.82%	27.20%

Source: Company, Dalal and Broacha Research

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