Result Update
12th August, 2025

Genus Power Infrastructures Ltd
Power Ancillaries

BUY
Target Price
450

Strong Q1; Focus Will be on Market Share as TAM Expands

Est. Vs. Actual for Q1FY26: Revenue – BEAT; EBITDA – BEAT; PAT – BEAT

Change in Estimates post Q1FY26:

FY26E/FY27E: Revenue: 0%/0%; EBITDA: 0%/0%, PAT: 0%/0%

Recommendation Rationale

- **Addressable Market to Expand:** Management expects 30-31 Cr smart meters to be installed by 2032 (exceeding RDSS target of 25 Cr). As of Jul'25, 14.3 Cr meters have been awarded, and only 3.7 Cr have been installed. With ~16 Cr remaining to be awarded, the total addressable market (TAM) size comes around Rs 1,28,000 Cr (assuming price per meter at Rs 8,000). Genus currently maintains a ~25% market share, and the management expects to maintain the same going forward. Market share position in the future and pick-up/addition over the existing order book will be the key monitorable.
- **Tendering Pipeline:** The management had informed in Q4FY25 a tendering pipeline of Rs 27,300 Cr. As of Q1FY26, a 3 Cr meters tender by the Tamil Nadu Government is quoted, which is expected to be finalised in the next 3-4 months. The company has quoted for all the projects in Tamil Nadu. Furthermore, the 55 Lc Meters tender is expected to be quoted from Delhi and Puducherry this month.
- **Strong Order Book:** As on 30th Jun'25, the company's orderbook stands at Rs 29,321 Cr (including all SPVs and Platform with GIC). This includes Rs 27,448 Cr from the GIC platform with concessions of over 8-10 years. (As at 31st Mar'25, the orderbook was Rs 30,110 Cr with 28,197 Cr being from the GIC platform). Out ot the orderbook, 80% of the orderbook will accrue directly as revenue to the company (55-58% in 3 years, i.e installation stage and the balance 20-22% through O&M in 6-8 years)
- **Working Capital Cycle:** The net working capital cycle is still at a higher level; however, it has started showing signs of improvement. As of Q1FY26, debtor days have come down to 120-130 days (from 195-205 days in FY25). Similarly, inventory days have come down to 160-165 days (from 170-180 days in FY25). As more projects are expected to achieve Go-Live status, the working capital cycle is expected to improve with faster cash flow conversion.

Sector Outlook: Positive

Company Outlook & Guidance: Management maintained its revenue growth target of 60% YoY in FY26 and EBITDA margin guidance of 18% with a potential for upward revision post Q2FY26. The company targets the installation of 8-9 Mn smart meters during FY26 and 11-12 Mn in FY27. Further, the company expects to become Cash Flow positive by the end of FY26 only.

Current Valuation: 20x on our FY27 EPS estimate (Previously: 22x)

Current TP: Rs 450/share (Earlier TP: Rs 500/Share)

Recommendation: We **maintain our BUY** recommendation on the stock.

Financial Performance: Standalone net sales grew by 128%/1% YoY/QoQ to Rs 942 Cr, 17% beat on our estimate and 14% beat on consensus estimate. EBITDA stood at Rs 199 Cr, up 216% YoY, down 4% QoQ, 38% beat on our estimate and 28% beat on consensus estimates. The EBITDA margins stood at 21.2%, up 591 bps YoY, down 109bps QoQ. PAT stood at Rs 128 Cr, up 203% YoY, down 1% QoQ, 65% beat on our estimates and 47% beat on consensus estimates..

Outlook: With the sectoral tailwinds, increase in TAM value and robust order book, Genus is well-positioned to chart its growth trajectory in the long term. However, the market share would be a key monitorable considering the increasing competitive intensity in the sector. We reduce our P/E multiple from 22x to 20x to account for the increasing competition and slow pace of tendering from states. Further, we introduce our FY28 estimates.

Valuation & Recommendation: We assign a target P/E multiple of 20x (Previously: 22x) on our FY27 EPS estimate and arrive at our Mar'26 TP of Rs 450/share. We maintain our **BUY** rating on the stock, with a potential upside of 22% from the CMP.

Key Financials (Standalone)

(Rs Cr)	Q1FY26	QoQ (%)	YoY (%)	Axis Est	Var (%)
Net Sales	942	1%	128%	803	17%
EBITDA	199	-4%	216%	145	38%
EBITDA Margin (%)	21%	-109bps	591bps	18%	317bps
Reported PAT	128	0%	203%	78	65%
EPS (Rs)	4.23	0%	202%	2.6	65%

Source: Company, Axis Securities

(CMP as of 11th Aug, 2025)

CMP (Rs)	370
Upside /Downside (%)	22%
High/Low (Rs)	485/237
Market cap (Cr)	11,231
Avg. daily vol. (6m) Shrs.	11,41,834
No. of shares (Cr)	30.4

Shareholding (%)

	Dec-24	Mar-25	Jun-25
Promoter	39.39	39.38	39.38
FII	22.79	22.38	20.43
Mutual Funds / UTI	3.18	3.18	3.33
Financial Institutions	0.27	0.48	0.22
Others	34.37	34.58	36.64

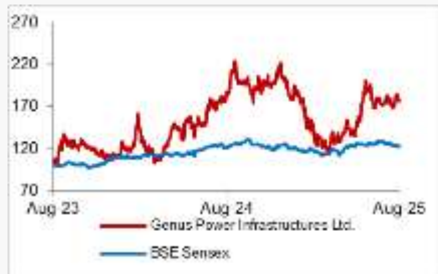
Financial & Valuations

Y/E Mar (Rs Cr)	FY26E	FY27E	FY28E
Net Sales	4,017	5,175	5,729
EBITDA	723	932	1,031
Attrib Net Profit	511	687	769
EPS (Rs)	16.8	22.6	25.3
PER (x)	22.0	16.3	14.6
P/BV (x)	4.8	3.8	3.0
EV/EBITDA (x)	16.6	12.6	10.5
ROE (%)	22.0%	23.0%	20.7%

Change in Estimates (%)

Y/E Mar	FY26E	FY27E
Sales	0%	0%
EBITDA	0%	0%
PAT (Attrib)	0%	0%

Relative Performance



Source: Ace Equity, Axis Securities

Aditya Welekar
Sr. Research Analyst
Email: aditya.welekar@axissecurities.in

Darsh Solanki
Research Associate
Email: darsh.solanki@axissecurities.in

Key Concall Highlights

- **Tendering Status:** According to the National Smart Grid Mission, 22.4 Cr smart meters have been sanctioned to date (as of 31st July, 2025). Out of this, 14.3 Cr have been awarded, and only 3.7 Cr have been installed.
- **Execution:** Genus has installed 1.6 Mn smart meters in Q1FY26, and its cumulative installations have reached 4.5 Mn smart meters. Further, the company has received operational Go-Live status for 2.1 Mn Smart Meters.
- **Investment in GIC Platform:** The company's total outlay for the 26% stake in GIC Platform is expected to be ~$200 Mn over the next 3 to 4 years. The outlay in FY26 is expected to be ~$25-30 Mn. It has infused less than Rs 100 Cr in the Platform till Q1FY26.
- **Supply Chain:** Smart Meter is categorised under Category-1, which means smart meters are designed, developed and manufactured in India with more than 60-65% value addition. Genus sources its electrical components domestically and also imports them from multiple regions, including Korea, China and Taiwan, along with the US and faces no constraints in its supply chain.
- **Water Meters:** Water meters have a high potential in the export market. The company has seen a strong momentum over the last 3 years in the international market for water meters. With the Jal Jeevan Mission, smart water meters also have a good scope in the domestic markets. However, the management expects significant revenue from these projects after 2-3 years.
- **Export Market:** The company has been working on developing exposure in new strategically large markets, especially in the Middle East, Southeast Asia and African markets. The Management expects a significant contribution from export revenue from FY27 onwards.
- **Demerger of Investment Business:** The Scheme of Arrangement for the demerger of the Strategic Investment Business of Genus Power Infrastructures Limited into Genus Prime Infra Limited, sanctioned by the Hon'ble NCLT, Allahabad Bench on April 24, 2025, has become effective following its filing with the Registrar of Companies on 7th Jun'25. Pursuant to the Scheme, shareholders will receive 1 equity share of Rs 2 each of Genus Prime Infra Limited for every 6 equity shares of Rs 1 each held in Genus Power Infrastructures Limited, with the Record Date to be announced by the Board of Directors in due course, upon completion of due compliance by the resulting company. The management has confirmed that there is no loss of business or profits because of this demerger.
- **Update on ED search:** The company and the management have not received any further communication or notice from the authorities. The management is confident of having made all the due compliances.

Risks to Our Estimates and TP

- Delay in the execution of projects and issuance of balance tenders.
- Delay in the improvement of the working capital cycle.

Genus Q1FY26 Results Review

Particulars (Rs Cr)	Q1FY25 Act	Q4FY25 Act	Q1FY26 Axis Sec Est	Q1FY26 Act	YoY (%)	QoQ (%)	Axis Sec Var (%)
Net sales	**414**	**937**	**803**	**942**	**128%**	**1%**	**17%**
Direct Expenses	230	556	442	569	147%	2%	29%
Gross Profit	**184**	**381**	**362**	**374**	**103%**	**-2%**	**3%**
Employee benefit expenses	56	90	108	87	54%	-3%	-20%
Other expenses	64	82	108	87	35%	6%	-19%
EBITDA	**63**	**208**	**145**	**199**	**216%**	**-4%**	**38%**
Depreciation & amortisation	6	16	17	11	87%	-28%	-35%
EBIT	**57**	**193**	**127**	**188**	**229%**	**-2%**	**48%**
Finance cost	21	40	48	36	74%	-11%	-25%
Other Income	20	21	24	21	6%	2%	-12%
PBT	**56**	**174**	**104**	**174**	**207%**	**0%**	**67%**
PAT from continued operations	14	46	26	45	220%	-1%	74%
Profit from discontinued operations	**42**	**128**	**78**	**128**	**203%**	**0%**	**65%**
Tax	-	1					
PAT	**42**	**129**	**78**	**128**	**203%**	**-1%**	**65%**
Basic EPS	1.4	4.2	2.6	4.2	**202%**	**0%**	**65%**
Diluted EPS	1.4	2.2	4.2	4.2	**202%**	**88%**	**0%**
Gross margins	44%	41%	45%	40%	-475bps	-100bps	-536bps
EBITDA margins	15%	22%	18%	21%	591bps	-109bps	317bps
PAT margins	10%	14%	10%	14%	340bps	-3bps	394bps

Source: Company, Axis Securities

Financials (Standalone)

Profit & Loss

(Rs Cr)

Y/E March	FY25A	FY26E	FY27E	FY28E
Total Operating Income	**2,442**	**4,017**	**5,175**	**5,729**
Cost of Material consumed	1,677	2,290	2,950	3,265
Changes in inventory	(285)	-	-	-
Employees Cost	275	482	621	687
Other Expenses	305	522	673	745
Total Expenditure	**1,972**	**3,294**	**4,244**	**4,698**
EBITDA	**470**	**723**	**932**	**1,031**
Depreciation and Amortisation	35	39	48	54
EBIT	**435**	**684**	**884**	**977**
Other Income	80	121	155	172
Less: Interest & Fin Chg.	116	123	123	123
Profit before tax	**399**	**682**	**916**	**1,026**
Provision for Tax	106	170	229	256
Reported PAT	**293**	**511**	**687**	**769**
Basic EPS (Rs/sh)	**9.81**	**16.83**	**22.61**	**25.32**
Diluted EPS (Rs/sh)	**9.76**	**16.83**	**22.61**	**25.32**

Source: Company, Axis Securities

Balance Sheet

(Rs Cr)

Y/E March	FY25A	FY26E	FY27E	FY28E
Net Block	265	339	404	400
CWIP	41	41	41	41
ROU Assets	16	16	16	16
Intangible Assets	3	3	3	3
Investments	180	180	180	180
Contract Assets	191	191	191	191
Inventories	850	1,321	1,560	1,570
Trade Receivables	1,364	1,981	2,410	2,354
Cash / Bank balance	760	545	770	1,703
Misc. Assets	653	653	653	653
Total assets	**4,323**	**5,270**	**6,228**	**7,111**
Equity capital	30	30	30	30
Reserves	1,817	2,298	2,954	3,694
Borrowings	1,365	1,365	1,365	1,365
Other Liabilities	400	400	400	400
Provisions	132	132	132	132
Trade Payables	579	1,046	1,347	1,491
Capital employed	**4,323**	**5,270**	**6,228**	**7,111**

Source: Company, Axis Securities

Cash Flow

(Rs Cr)

Y/E March	FY25A	FY26E	FY27E	FY28E
Profit Before Tax	406	682	916	1,026
Depreciation	35	39	48	54
Interest Expenses	116	123	123	123
Non-operating / EO item	(78)	-	-	-
Change in W/C	(865)	(622)	(367)	190
Tax Paid	(57)	(170)	(229)	(256)
Operating Cash Flow	**(443)**	**51**	**491**	**1,137**
Capital Expenditure	(113)	(113)	(113)	(50)
Free Cash Flow	**(556)**	**(62)**	**378**	**1,087**
Other Investments	(29)	-	-	-
Investing Cash Flow	**(142)**	**(113)**	**(113)**	**(50)**
Proceeds / (Repayment) of Borrowings	477	-	-	-
Proceeds from Equity shares	0	-	-	-
Finance cost paid	(111)	(123)	(123)	(123)
Dividend paid	(17)	(30)	(30)	(30)
Financing Cash Flow	**350**	**(153)**	**(153)**	**(153)**
Change in Cash	**(235)**	**(215)**	**225**	**934**
Opening Cash	(171)	222	7	232
Closing Cash	**(406)**	**7**	**232**	**1,165**
Adjusted for Cash Credits	(628)	-	-	-
Closing Cash and Cash Equivalents	222	7	232	1,165
Bank Balances	538	538	538	538
Closing Cash and Bank Balances	**760**	**545**	**770**	**1,703**

Source: Company, Axis Securities

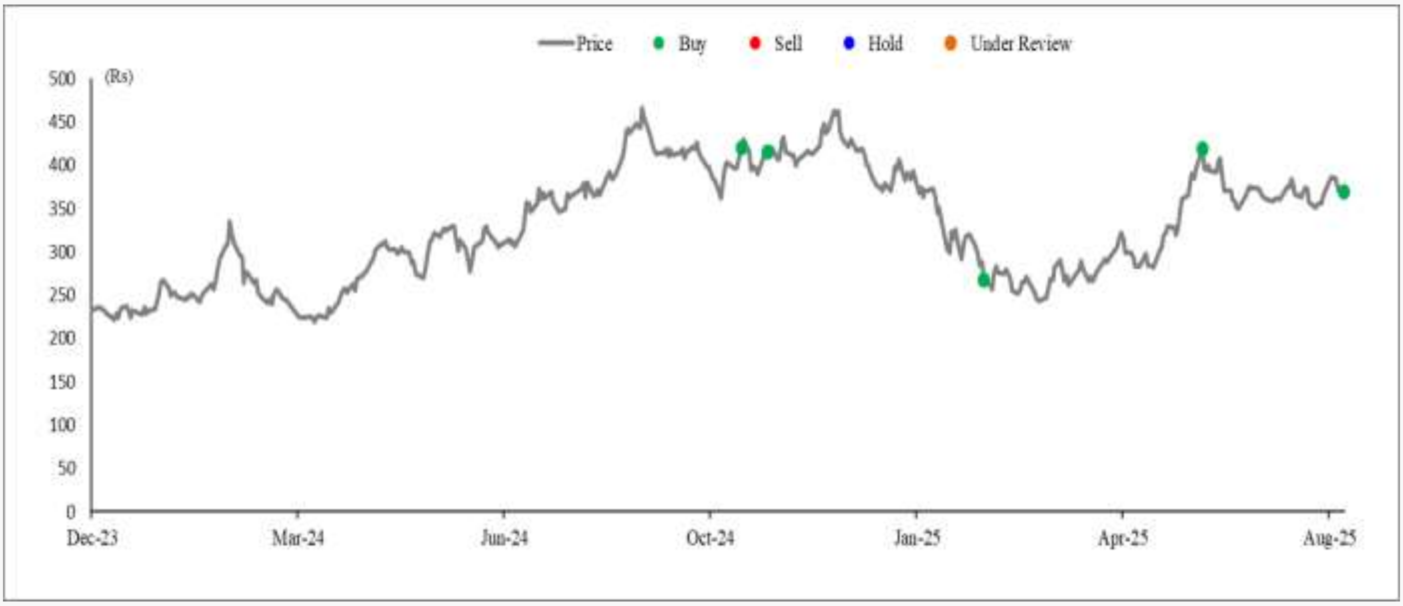
Ratio Analysis

(%)

Y/E March	FY25A	FY26E	FY27E	FY28E
Operational Ratios				
Sales growth (% YoY)	103%	64%	29%	11%
EBITDA Margin %	19%	18%	18%	18%
Net profit Margin %	12%	13%	13%	13%
Tax Rate %	27%	25%	25%	25%
Efficiency Ratios				
Total Asset Turnover (x)	0.6	0.8	0.8	0.8
Sales/Gross block (x)	5.7	7.4	7.9	8.1
Sales/Net block(x)	9.2	11.8	12.8	14.3
Working capital/Sales (x)	0.7	0.6	0.5	0.4
Valuation Ratios				
PER (x)	36	22	16.3	14.6
P/BV (x)	5.8	4.8	3.8	3.0
EV/EBITDA (x)	24	17	12.6	10.5
EV/Sales (x)	4.6	3.0	2.3	1.9
Dividend Yield (%)	0.0%	0.3%	0.3%	0.3%
Return Ratios				
ROE	16%	22%	23%	21%
ROCE	14%	19%	20%	19%
ROIC	13%	17%	19%	22%
Leverage Ratios				
Debt /equity (x)	0.74	0.59	0.46	0.37
Net debt/ Equity (x)	-0.28	-0.32	-0.17	0.11
Net debt/Ebitda (x)	-1.11	-1.02	-0.55	0.41

Source: Company, Axis Securities

Genus Power Infrastructures Chart and Recommendation History



Date	Reco	TP	Research
18-Oct-24	BUY	505	Initiating Coverage
31-Oct-24	BUY	505	Result Update
17-Feb-25	BUY	380	Result Update
03-Jun-25	BUY	500	Result Update
12-Aug-25	BUY	450	Result Update

Source: Axis Securities Research

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Compliance Officer Details: Name – Mr. Rajiv Kejriwal, Tel No. – 022-68555574, Email id – compliance.officer@axisdirect.in.;

Registered Office Address – Axis Securities Limited, Unit No.002, Building- A, Agastya Corporate Park, Piramal Realty, Kamani Junction, Kurla (W), Mumbai – 400070.

Administrative office address: Axis Securities Limited, Aurum Q Parć, Q2 Building, Unit No. 1001, 10th Floor, Level – 6, Plot No. 4/1 TTC, Thane – Belapur Road, Ghansoli, Navi Mumbai, Pin Code – 400710.

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Ratings	**Expected absolute returns over 12 – 18 months**
BUY	More than 10%
HOLD	Between 10% and -10%
SELL	Less than -10%
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UNDER REVIEW	We will revisit our recommendation, valuation and estimates on the stock following recent events
NO STANCE	We do not have any forward-looking estimates, valuation or recommendation for the stock

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