Rishabh Instruments Ltd (RISINS)

ICICI Direct

CMP: ₹660	Target ₹ 860 (30%)	Target Period: 12 months	BUY

August 18, 2026

Result Update

EEI momentum to drive sustainable growth…

About the stock: Rishabh Instruments Limited is a leading global engineering and energy efficiency solutions provider specializing in the design, development and manufacturing of products that support electrical automation, energy measurement, industrial instrumentation, and precision die-casting.

- Revenue Mix for FY26: Electrical and Electronic instruments (EEI) ~70% and High Pressure Die Castings ~30%.

Q1FY27 performance: Rishabh Instruments reported Q1FY27 revenue of ₹198.3 crore, up 4.2% YoY, while EBITDA increased 17.3% YoY to ₹33.3 crore, with EBITDA margin improving to 16.8% from 14.9%. PAT was broadly flat at ₹19.4 crore (-1.3% YoY). Revenue growth was supported by Asia (+21.1% YoY) and other markets (+92.3%), partly offset by a 7.9% decline in Europe.

Investment Rationale:

- **EEI-led growth provides strong earnings visibility:** Rishabh's EEI business grew 34% YoY to ₹154 crore in Q1FY27, with adjusted EBITDA increasing 69.1% YoY to ₹38.2 crore and margin expanding 515bps to 24.8%. Domestic order bookings increased ~20% YoY, with growth supported by current transformers, energy measurement, data centres, EMS and new products. The company has also expanded its product portfolio, launching ~50 products over the past two years and targeting 15+ new products in FY27, while solar inverter revenue is expected to increase to ₹24–25 crore from ₹8–9 crore last year. Management has retained 20–25% FY27 EEI revenue growth and 20–22% EBITDA margin guidance, providing visibility for sustained high-margin growth.
- **Large addressable opportunity with Alucast turnaround providing an additional earnings lever:** Rishabh is positioned across structural growth areas such as grid modernization, renewable energy, energy efficiency, industrial automation and AI-driven data centres. The company has already won 4–5 data-centre projects and is quoting for another ~10, while Lumel SA revenue grew 39% YoY and the US business has delivered 30–50% growth over the past 2–3 years. In parallel, Lumel Alucast revenue declined 41.2% YoY to ₹44 crore in Q1FY27 following the planned exit from low-margin contracts, but management expects adjusted EBITDA break-even by FY27-end as vacant capacity is filled with higher-value orders, with a medium-term pathway to double-digit EBITDA margins. This combination of structural demand opportunities and Alucast turnaround provides scope for both revenue growth and margin-led earnings upside.

Rating and Target Price: We expect Revenue and PAT to grow at 15% and 27% CAGR over FY26-FY28E. We recommend **BUY** on **Rishabh Instruments** with a target price of **₹860 per share (based on 25x FY28E EPS).**

RISHABH

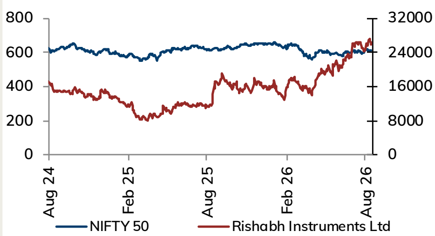
Particulars

Particulars	Rs. (in crore)
Market Capitalisation	2029
Total Debt (FY26)	74
Cash and Inv. (FY26)	202
Enterprise Value	1901
52-week H/L (Rs.)	693/315
Equity capital	42.9
Face value (Rs.)	10

Shareholding pattern

%	Sep-25	Dec-25	Mar-26	Jun-26
Promoter	69.8	69.7	69.6	69.4
FII	0.4	0.2	0.1	1.2
DII	12.0	12.6	11.7	11.2
Others	17.8	17.5	18.6	18.2

Price Chart



Key risks

(i) European Automotive Supply Chain Weakness.;

(ii) Execution Risk in International Operations.

(iii) Geographic Concentration in Europe.

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ICICI Securities – Retail Equity Research

Key Financial Summary

(Rs. in crore)	FY24	FY25	FY26	2-year CAGR (FY24-26)	FY27E	FY28E	2 Year CAGR (FY26-28E)
Net Sales	690	720	775	4.0%	839	1,016	15%
EBITDA	71	48	126	21.1%	143	201	26%
EBITDA margin (%)	10.3	6.7	16.3		17.0	19.7	
Net Profit	39.9	21.2	82.3	27.3%	92.2	132.3	27%
EPS (Rs)	10.4	5.5	21.5		23.9	34.3	
P/E (x)	63.2	118.9	30.9		27.6	19.2	
EV/EBITDA (x)	34.0	50.0	19.1		16.4	11.8	
RoCE (%)	9.0	5.0	13.6		13.3	16.9	
RoE (%)	7.1	3.5	11.0		11.0	13.6	

Source: Company, ICICI Direct Research.

Q1FY27 key results highlights

- **Financial Performance**:
  - Rishabh Instruments reported Q1FY27 revenue of ₹198.3 crore, up 4.2% YoY. Revenue growth was supported by Asia (+21.1% YoY) and other markets (+92.3%), partly offset by a 7.9% decline in Europe. EBITDA increased 17.3% YoY to ₹33.3 crore, with EBITDA margin improving to 16.8% from 14.9%. PAT was broadly flat at ₹19.4 crore (-1.3% YoY).
- **EEI Business & Growth Outlook:**
  - EEI remained the key growth engine, with revenue increasing 34% YoY and EBITDA margin at ~24%. Management indicated that growth is broad-based across current transformers, data centres, solar, EMS and new products, with the US, Lumel SA and India businesses all contributing.
  - **Guidance:** Management maintained EEI growth guidance of 20–25% revenue growth and 20–22% EBITDA margin, indicating confidence in the sustainability of the current growth momentum.
- **Lumel SA & International Growth:**
  - Lumel SA revenue grew 39% YoY to ₹64 crore, with EBITDA margin expanding to 24%, supported by high-value electronics manufacturing, product diversification and new customer wins.
  - The US business has delivered 30–50% growth over the past 2–3 years, with revenue expected to increase from ~₹30 crore to ~₹45 crore in FY27. Organic as well as inorganic expansion remains part of the strategy, with the long-term target of reaching ₹100 crore US revenue in 2–3 years.
- **Lumel Alucast:**
  - Lumel Alucast revenue declined 41.2% YoY to ₹44 crore, reflecting the planned exit from lower-margin contracts, while adjusted EBITDA remained negative at ₹2.8 crore.
  - Management expects adjusted EBITDA break-even by FY27-end, supported by conversion of the existing RFQ pipeline and higher utilisation of available capacity.
- **Management commentary:**
  - The company launched ~50 new products over the past two years and plans to introduce 15+ products in FY27, with focus on high-value, application-led products.
  - The new Nashik manufacturing facility has been partially commissioned, enhancing manufacturing capacity and providing a platform for new product launches, larger export opportunities and evolving customer requirements.
  - **Current transformers:** Capacity being increased from 5,000–6,000/day to 8,000–10,000/day, close to doubling capacity.
  - **Data Centre:** Rishabh has already won 4–5 data-centre projects in India and is quoting for another ~10 projects. Domestic order bookings increased ~20% YoY in Q1FY27, although billing has lagged bookings, creating a backlog that management expects to convert into revenue.
  - **Solar inverters:** Solar inverters remain at an early stage, contributing <5% of business currently. Management expects solar revenue of ₹24–25 crore in FY27 versus ₹8–9 crore last year.The company has expanded its three-phase inverter portfolio up to 12kW and is developing products up to 50kW and hybrid inverter solutions.

Financial summary

Exhibit 1: Profit and loss statement (₹ crore)

(Year-end March)	FY25	FY26	FY27E	FY28E
Net Sales	720	775	839	1,016
Total Operating Income	720	775	839	1,016
% Growth (Operating Income)	4.4	7.6	8.2	21.2
Other Income	15	21	23	23
Total Revenue	735	796	861	1,039
Cost of materials consumed	272	255	277	346
Employee cost	217	225	243	268
Other Expenses	154	130	130	151
Total expenditure	672	649	696	816
EBITDA	48.4	126.4	142.5	200.7
% Growth (EBITDA)	(31.9)	161.1	12.7	40.8
Interest	5.5	5.5	4.2	5.1
PBDT	57	142	161	218
Depreciation	27	36	44	49
PBT	30	106	117	170
Tax	9	24	25	37
PAT	21.2	82.3	92.2	132.3
% Growth (PAT)	(46.8)	287.8	12.1	43.5
Diluted EPS	5.5	21.3	23.9	34.3

Source: Company, ICICI Direct Research

Exhibit 2: Cash flow statement (₹ crore)

(Year-end March)	FY25	FY26	FY27E	FY28E
Profit after Tax	23	82	92	132
Depreciation	27	36	44	49
Interest	6	6	4	5
Other income	(15)	(21)	(23)	(23)
Change in Working Capital	18	(18)	24	(102)
Changes in other assets	(8)	-	-	-
Cash from Opeations	51	85	142	61
(Purchase)/Sale of Fixed Assets	(92)	(147)	(34)	(75)
(Purchase)/Sale of Investments	0	(2)	(25)	(25)
Other Income	15	21	23	23
Cash from Investing	(77)	(129)	(37)	(77)
change in reserves	30	52	-	-
change in reserves	(6)	(6)	(4)	(5)
Proceeds/(repayment) of debt	47	(3)	(24)	(3)
Cash from Fin	70	44	(28)	(8)
Changes in Cash	43	0	77	(24)
Opening Cash/Cash Equivalent	154	198	198	275
Closing Cash/ Cash Equivalent	198	198	275	251

Source: Company, ICICI Direct Research

Exhibit 3: Balance sheet (₹ crore)

(Year-end March)	FY25	FY26	FY27E	FY28E
Share Capital	38.2	38.6	38.6	38.6
Reserves & Surplus	573	706	799	931
Total Shareholders fund	611	745	837	969
Total debt	95.9	74.3	69.3	66.3
Other liabilities	14.9	20.4	20.4	20.4
Total Liabilities	730	863	927	1,056
Gross Block	409	497	558	628
Acc: Depreciation	136	171	216	265
Net Block	274	326	342	364
Capital WIP	24	41	10	10
Investments	10	39	44	49
Inventory	162	172	218	265
Sundry debtors	135	132	149	181
Cash	198	202	275	251
Other current assets	30	25	42	51
CL& Prov.	81	74	172	153
Net Current Assets	372	393	443	521
Total Assets	730	863	927	1,056

Source: Company, ICICI Direct Research

Exhibit 4: Key ratios

(Year-end March)	FY25	FY26	FY27E	FY28E
Per Share Data (Rs.)				
Diluted EPS	5.5	21.3	23.9	34.3
Cash EPS	12.7	30.6	35.4	47.0
BV	159.9	193.2	217.1	251.4
Cash Per Share	35.5	44.4	56.0	68.6
Operating Ratios (%)				
EBITDA Margin	6.7	16.3	17.0	19.7
PBT / Net Sales	2.9	11.7	11.7	14.9
PAT Margin	2.9	10.6	11.0	13.0
Inventory days	81.9	81.1	95.0	95.0
Debtor days	68.4	62.1	65.0	65.0
Creditor days	41.2	34.8	75.0	55.0
Return Ratios (%)				
RoE	3.5	11.0	11.0	13.6
RoCE	5.0	13.6	13.3	16.9
RoIC	4.2	15.9	16.4	20.3
Valuation Ratios(x)				
P/E	118.9	30.9	27.6	19.2
EV / EBITDA	50.0	19.1	16.4	11.8
EV / Net Sales	3.4	3.1	2.8	2.3
Market Cap / Sales	3.5	3.3	3.0	2.5
Price to Book Value	4.1	3.4	3.0	2.6
Solvency Ratios				
Current Ratio	3.5	3.9	2.2	3.0
Quick Ratio	1.8	1.9	1.0	1.4

Source: Company, ICICI Direct Research

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Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

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