

Solidifying global presence in industrial pumps

Engineering & Capital Goods ▶ Initiating Coverage ▶ April 20, 2026

CMP (Rs): 415 | TP (Rs): 650

We initiate coverage on WPIL with BUY and TP of Rs650 (~57% upside), implying FY28E P/E of 20x. Our high conviction on WPIL is underpinned by factors such as the company 1) being a globally well-diversified player, with presence across the value chain in the pump sector; 2) having a strong order book of Rs52.3bn (23% CAGR over FY20-26E), which we believe will lead to a stronger revenue CAGR of 30% over FY26-28E with pick-up in execution; and 3) likely to see EBITDA CAGR ~31% over FY26-28E, on the back of better revenue mix and increasing high-margin aftermarket + O&M revenue. Overall, we estimate EPS CAGR of 39% over FY26-28 which should drive a re-rating of the stock from the current FY28E P/E of 13x (past 5Y average: 15x) to 20x. We expect structural demand tailwinds across water infrastructure, desalination, and wastewater treatment to act as key growth drivers for WPIL going forward.

Leveraging acquisitions to expand global market share, drive domestic exports

After establishing presence in the domestic market, WPIL expanded its operations globally through nine successful synergistic acquisitions in Italy, South Africa, and Australia. The acquisitions provide the company a strong product portfolio (at par with that of large global players), local market expertise with shared world-class engineering capabilities, global distribution networks, etc. WPIL is now focused on leveraging these platforms to deepen its presence in existing markets, expand international market share, and drive exports from India.

Strong order book aids revenue visibility

WPIL currently operates in a promising landscape, with a global addressable market of over USD70bn and the Indian water infrastructure segment generating Rs900-1,000bn annual awarding. The company's current order book stands at Rs52.3bn (23% CAGR over FY20-26E) – with the international business accounting for 52%, offering strong revenue visibility. We factor in a 30% consolidated revenue CAGR over FY26-28E.

Aftermarket sales and O&M provide margin-improvement levers

Aftermarket sales account for ~35% of WPIL's product business (52% of revenue in FY25). With pickup in the project business (via Jal Jeevan Mission and other schemes), the management expects O&M revenue (Rs2bn in the near term) to start kicking in soon. We see both businesses as sticky and margin-accretive in nature, and likely to witness growth in line with a growing installed base, giving further fillip to profitability.

We initiate coverage on WPIL with BUY

With its strong order book and pickup in execution, we expect ~30%/39% revenue/PAT CAGR over FY26-28E for WPIL. The company's return ratios remain healthy, with both RoE and RoCE at 17.5% in FY25; this is likely to further improve with pick-up in execution. The stock currently trades at an attractive valuation of 16x/13x P/E for FY27E/28E, respectively. We initiate coverage on WPIL with BUY and TP of Rs650, based on 20x FY28E EPS (past 5Y average: 15x). Key risks: 1) slowdown in orders; 2) prolonged geopolitical tensions; 3) payment delays likely impacting operations and cash flows.

Target Price – 12M	Mar-27
Change in TP (%)	NA
Current Reco.	BUY
Previous Reco.	NA
Upside/(Downside) (%)	56.6

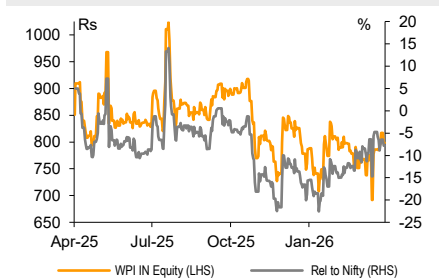
Stock Data	WPI IN
52-week High (Rs)	524
52-week Low (Rs)	342
Shares outstanding (mn)	97.7
Market-cap (Rs bn)	40
Market-cap (USD mn)	436
Net-debt, FY26E (Rs mn)	(1,479.9)
ADTV-3M (mn shares)	0.0
ADTV-3M (Rs mn)	16.0
ADTV-3M (USD mn)	0.2
Free float (%)	29.2
Nifty-50	24,353.6
INR/USD	92.9

Shareholding, Mar-26

Promoters (%)	70.8
FPIs/MFs (%)	5.6/2.6

Price Performance

(%)	1M	3M	12M
Absolute	8.9	5.2	(8.8)
Rel. to Nifty	5.4	11.0	(10.7)

1-Year share price trend (Rs)**WPIL: Financial Snapshot (Consolidated)**

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	16,644	18,069	18,233	25,368	30,886
EBITDA	2,983	2,926	3,250	4,471	5,562
Adj. PAT	(157)	1,316	1,662	2,470	3,202
Adj. EPS (Rs)	(1.6)	13.5	17.0	25.3	32.8
EBITDA margin (%)	17.9	16.2	17.8	17.6	18.0
EBITDA growth (%)	(8.1)	(1.9)	11.1	37.6	24.4
Adj. EPS growth (%)	0	0	26.3	48.7	29.6
RoE (%)	20.8	17.5	16.0	18.3	20.9
RoIC (%)	19.1	8.5	11.9	16.4	19.0
P/E (x)	8.5	30.7	24.4	16.4	12.6
EV/EBITDA (x)	12.2	12.4	11.2	8.1	6.5
P/B (x)	3.3	3.0	2.7	2.3	2.0
FCFF yield (%)	(3.6)	(5.2)	5.5	1.6	7.5

Source: Company, Emkay Research

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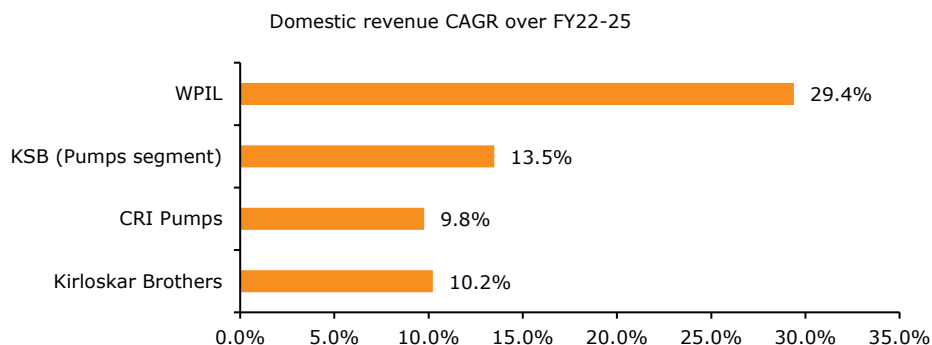
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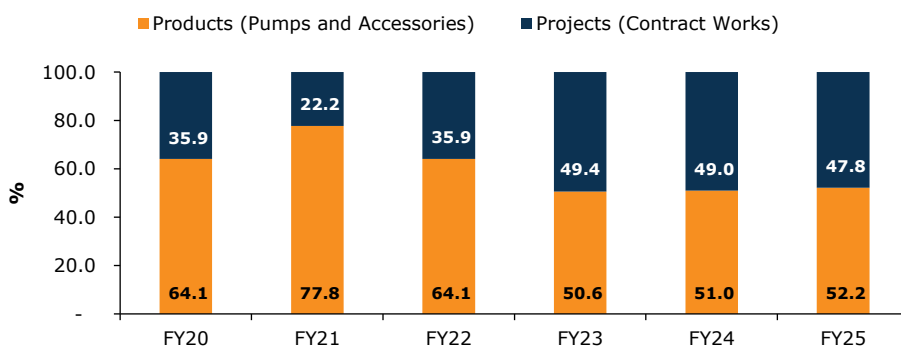
Story in charts

Exhibit 1: WPIL continues to be the fastest-growing company vis-à-vis domestic peers, over FY22-25, in the industrial pumps segment



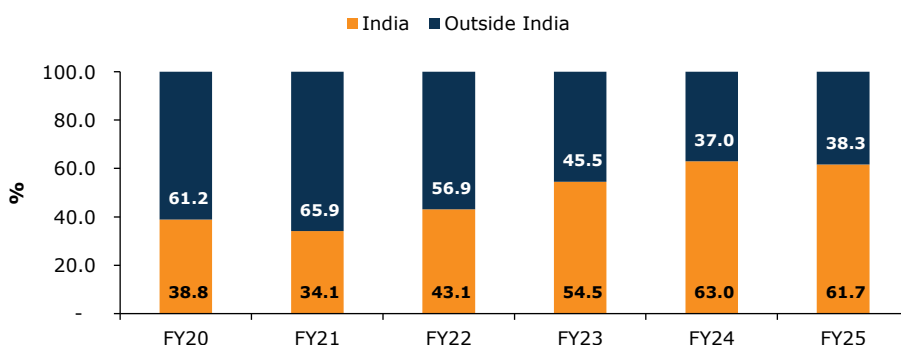
Source: Company, Emkay Research

Exhibit 2: WPIL's segmental revenue breakup across the product and project divisions



Source: Company, Emkay Research

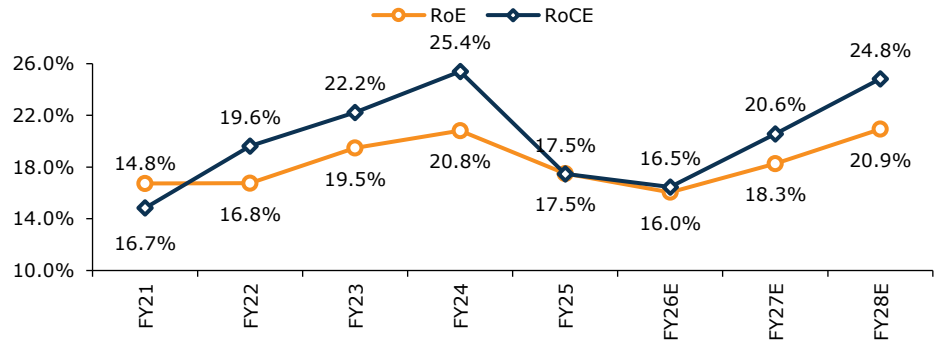
Exhibit 3: WPIL's revenue split by geography



Source: Company, Emkay Research

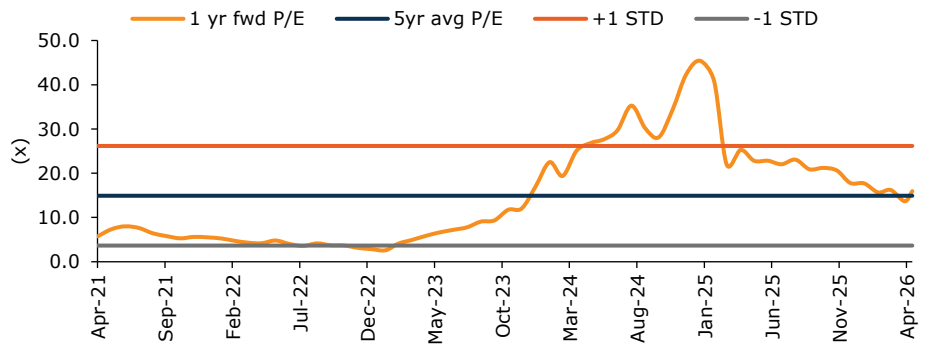
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Exhibit 4: WPIL maintains healthy return ratios



Source: Company, Emkay Research

Exhibit 5: WPIL trades at its past 5Y average P/E of 15x



Source: Company, Emkay Research

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Investment thesis

WPIL is a global leader in flow solutions, offering specialized pumps and engineered flow control products. The company also has a strong project division, which undertakes water management contracts worldwide. It primarily engages with business-to-business (B2B) clients across crucial sectors such as irrigation, municipal, power generation, and various other industrial applications. The company's key offerings are pumps, pumping systems, and related services, including aftersales service support and operation and maintenance (O&M) services. The global pump industry is estimated at ~USD70bn as of CY24, with the Indian pump market valued at ~USD4bn and expected to see 8–9% CAGR over FY25-30, per industry estimates; this would be driven by increase in investments in agriculture, irrigation, municipal water supply, power generation, oil and gas, and industrial manufacturing.

Pump industry to see structural growth, driven by water and industrial capex

The Indian pump market, valued at ~USD4bn, is expected to witness 8–9% CAGR over FY25-30, driven by substantial investments in infrastructure, agricultural modernization, and industrial expansion. Within this market, the industrial pump segment accounts for ~USD1bn, and is expected to witness CAGR of ~11% during the same period, supported by increasing investments in water infrastructure, wastewater treatment, refineries, power plants, and large industrial facilities. Rapid urbanization, government initiatives in irrigation modernization, river-linking projects, desalination plants, and municipal water supply, along with growing investments in sectors such as data centers and chemicals, are expected to drive sustained demand for high-capacity engineered pumps.

Leveraging acquisitions to expand global market share

After establishing presence in the domestic market, WPIL expanded its operations globally through nine successful synergistic acquisitions in Italy, South Africa, and Australia. These acquisitions provide the company with a strong product portfolio (at par with that of large global players), local market expertise with shared world-class engineering capabilities, global distribution networks, etc. WPIL is now strategically focused on leveraging these acquisitions to deepen its penetration in existing markets and expand its international market share. Its 9MFY26 international revenue share stood at 58%. Over the next two years, we expect 35% revenue CAGR in the international business. With robust installed base of the acquired businesses, we see aftermarket and O&M businesses to support strong EBITDA growth. We build in 37% EBITDA CAGR over FY26-28E.

Export competitiveness driven by cost arbitrage

WPIL benefits meaningfully from its India-based manufacturing footprint, where cost structures are structurally lower than in developed markets. The company leverages its international subsidiaries for technology access and product diversity, while utilizing Indian facilities for cost-efficient manufacturing. This integrated model allows WPIL to transfer technology to its domestic plants and export competitively priced, high-quality products across global markets, thereby enhancing margin profile and strengthening its positioning in developed geographies.

Strong order book aids revenue visibility

WPIL operates in an attractive opportunity landscape, supported by a global addressable market exceeding USD70bn and a robust Indian water infrastructure segment with annual awarding of Rs900–1,000bn. The current order book stands at Rs52.3bn (23% CAGR over FY20-26E) – with international accounting for >50%, offering strong revenue visibility. Over FY26-28E, we build in a robust order inflow of 20% CAGR in the product division, supported by the domestic market and subsidiaries like Gruppo Aturia, Sterling pumps, United Pumps, APE Pumps, and Mather & Platt in international markets. The project division, order inflow is

likely to see moderation, given the higher base in FY26. We believe the consolidated order book at end-FY28E is likely to be Rs672bn (2.4x revenue).

Aftermarket sales and O&M provide margin improvement levers

Aftermarket sales account for ~35% of WPIL's product business (52% of revenue in FY25). With pick-up in project business (via JJM and others), the management expects O&M revenue (Rs2bn in the near term) to start kicking in. We see both businesses are sticky and margin-accretive in nature, and likely to witness growth in line with a growing installed base, giving further fillip to profitability.

Robust financials expected to underpin future growth

WPIL has sustained a strong ~2.5x book-to-bill ratio, signaling a disciplined approach to profitable growth while maintaining balance-sheet strength. Its Product segment continues to post steady gains, while the Project business—especially in the domestic market—is poised for a meaningful rebound as payment-related challenges under JJM ease. On the global front, growth remains robust, supported by recent expansions in Europe via MISA and in South Africa through PCI Africa. Overall, over FY26–28E we project WPIL to clock revenue, EBITDA, and PAT CAGR of 30%, 31%, and 39%, to Rs31bn, Rs5.6bn, and Rs3.2bn, respectively.

View and valuations – Initiate with BUY

With its strong order book and pick-up in execution, we expect ~30%/39% revenue/PAT CAGR, respectively, over FY26–28E for WPIL. The company's return ratios remain healthy, with RoE/RoCE of 17.5%/17.5%, respectively, in FY25. We see further improvement in RoE/RoCE with pickup in execution. The stock is currently trading at an attractive valuation of 16x/13x P/E for FY27E/28E. We recommend BUY on the stock with TP of Rs650, at 20x FY28E EPS (5 year average 15x). Key risks: 1) slowdown on the ordering front; 2) prolonged geopolitical tensions; 3) delays in payments likely to impact operations and cash flows.

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WPIL – Global leader in flow solutions

Established in 1952, WPIL (earlier Worthington Pump Company) is a global leader in flow solutions, offering specialized pumps and engineered flow control products. The company also has a strong project division, which undertakes water management contracts worldwide. It primarily engages with business-to-business (B2B) clients across crucial sectors such as irrigation, municipal, power generation, and various other industrial applications. The company's key offerings are pumps, pumping systems, and related services, including aftersales service support and operation and maintenance (O&M) services. Its key clients in the domestic market are L&T, NTPC, Reliance Power, Tata Power, SAIL, ONGC, Afcon Infra, and several state municipalities/public works departments for water supply and irrigation projects. In addition, WPIL possesses the technical capability to serve crucial infrastructure sectors such as oil and gas and defense.

Exhibit 6: History of WPIL

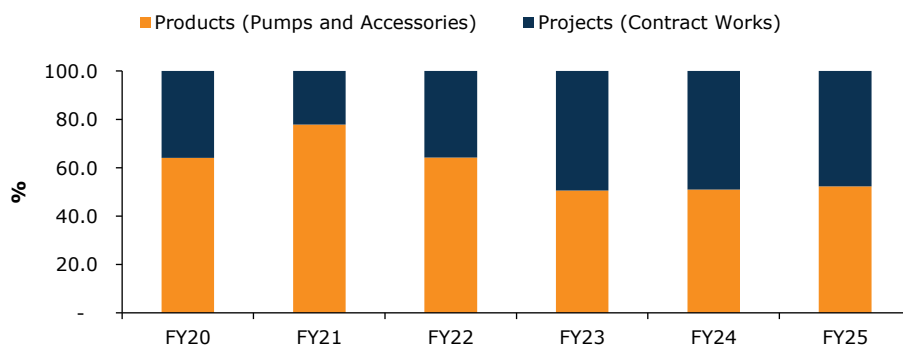
Year	Key event/milestone
1952	Incorporated as Johnston Pumps India, a manufacturing house for vertical/horizontal pumps, castings, and valves.
1983	Johnston Pumps was acquired by Worthington Pumps Inc, US, enabling product range expansion, core technology addition, and R&D center establishment; renamed as Worthington Pumps India (WPIL).
1992-2000	Expanded domestic client range by leveraging a wide range of centrifugal pumps, while expanding and modernizing production facilities.
2001	Began aggressive expansion of product range and development of export markets; established its turnkey project division.
2011-12	Grew international footprint via mid-market acquisitions in Australia (Sterling Pumps) and South Africa (APE Pumps, Mather & Platt).
2015	Cemented its position as a global player with the acquisition of Italian pump conglomerate Gruppo Aturia.
2017-22	Consolidated by building out capabilities and order book to become one of India's leading turnkey project players.
2023	Divested its stake in Rutschi, part of Gruppo Aturia, to ride the nuclear pump market upcycle and strengthen cash book with €68.9mn.
2024	Expanded project division to global markets via the acquisition of Eigenbau Pty in South Africa.
2025	Acquired MISA Srl in Italy to expand the European pumping station division and PCI Africa in South Africa to enter wastewater treatment and water project sectors in Africa.

Source: Company, Emkay Research

WPIL's project business has historically contributed a larger share to revenue. However, its proportion has moderated since FY23 due to the cyclical execution of domestic project schemes such as Jal Jeevan Mission, AMRUT, and other India infrastructure projects. We expect the project division's revenue contribution to ramp up once again during FY26-28E due to the government's push to execute the pending work in JJM projects by end-2028.

Simultaneously, the product business has gained share, supported by both organic growth and synergies of inorganic expansion playing out. Additionally, the scaling up of the international project business has provided a more diversified and stable revenue mix across geographies and segments.

Exhibit 7: WPIL's revenue split across its business divisions



Source: Company, Emkay Research

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The global addressable pumps and water management market is estimated at over USD70bn as of CY24, per industry estimates. Of this, India’s pump market is valued at ~USD4bn. The company currently has a strong order book of ~Rs52.3bn (23% CAGR over FY20–FY26E), with more than 50% contributed by international markets, providing strong revenue visibility. To capture a piece of the larger global TAM, WPIL has established a strong global presence through a disciplined inorganic expansion strategy. The company has completed nine strategic international acquisitions since 2011 across key regions, including Italy (Gruppo Aturia, Finder Pompe, and MISA Srl), South Africa (APE Pumps, Mather & Platt SA, Eigenbau, and PCI Africa), and Australia (Sterling Pumps and United Pumps).

Exhibit 8: WPIL’s organizational structure



Source: Company, Emkay Research

These acquisitions have enabled WPIL to access advanced global R&D capabilities, international certifications and pre-qualifications, and diversified end-markets, thereby strengthening its product portfolio in line with those of global peers. Currently, the company operates manufacturing and service facilities across multiple geographies, including Europe, Africa, Australia, and Asia. Backed by 12 manufacturing locations covering the entire pump manufacturing value chain—from casting and fabrication to machining, assembly, and testing—WPIL has built a large installed base globally, which supports a growing high-margin aftersales service business and enhances long-term earnings visibility and operational leverage.

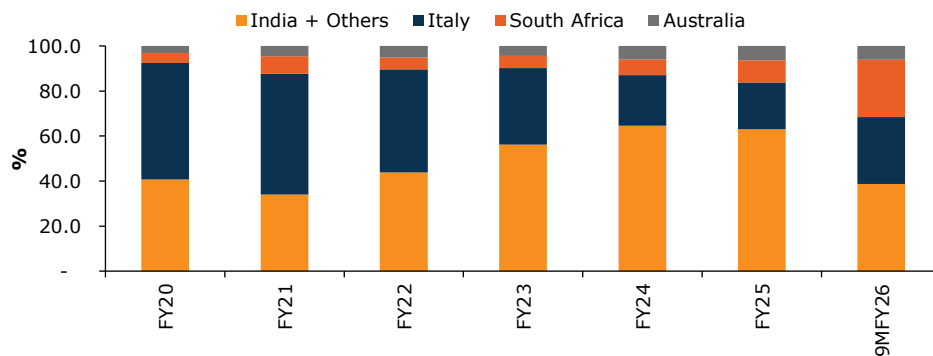
Exhibit 9: WPIL’s manufacturing facilities are spread across various geographies



Source: Company, Emkay Research

As of 9MFY26, the international business constitutes ~58% to consolidated revenue, primarily from Italy (~30%) and South Africa (~25%). We estimate international revenue to see a 35% CAGR of over FY26–28, supported by the execution of large project contracts awarded to PCI Africa and strong product order bookings across geographies.

Exhibit 10: Group revenue split by geography



Source: Company, Emkay Research

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Domestic business

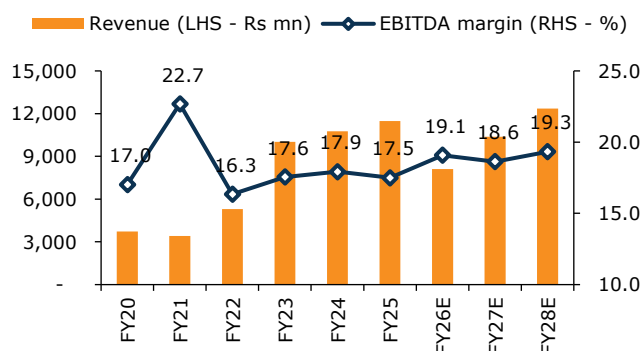
Established player in domestic market

WPIL has been an established player in the domestic market, supplying products and executing projects across India in water, municipal, and power sectors, along with various industrial end-markets. Over the years, the company has built a strong track record of executing complex projects for state water resource departments, municipal corporations, public sector utilities, and industrial clients. Key clients of the company in the domestic market are L&T, NTPC, Reliance Power, Tata Power, SAIL, ONGC, Afcon Infra, and several state municipalities/public works departments for water supply and irrigation projects.

Domestic business – Overview

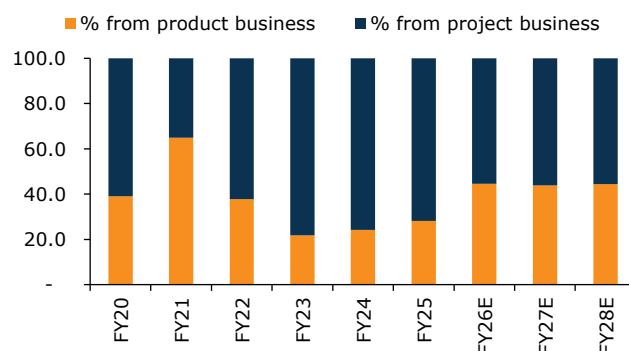
In the domestic market, WPIL has presence in both the product (28% of FY25 revenue) and project (72% of FY25 revenue) businesses. Domestic revenue saw ~25% CAGR over FY20–25. Due to enhanced execution of JJM projects, the mix changed in favor of WPIL's projects business. However, we expect the product share to rise going ahead – evidenced by recent figures (47% of 9MFY26 revenue). However, we believe domestic revenue growth may moderate over FY26–28E due to the higher base effect of JJM execution and focus on international business growth.

Exhibit 11: WPIL clocked domestic revenue CAGR of 25.3% over FY20-25



Source: Company, Emkay Research

Exhibit 12: We expect share of the product business in the domestic market to rebound to 40-50%



Source: Company, Emkay Research

Exhibit 13: WPIL's domestic subsidiaries and JVs

Subsidiary/Joint Venture	% holding	Brief
Clyde Pumps (I)	40.0	This is the joint venture of Celeros Group with WPIL in India. The JV is in the business of trading, manufacturing, repairing, and servicing pumps and its spare parts, mainly used in power sector.
Mody Industries (FC)	100.0	It is engaged in manufacturing dewatering sewage submersibles. It is the preferred brand in the marketplace besides being the only approved dewatering brand with the Indian Navy. It merged with WPIL vide an NCLT order dated 31-May-17. It is presently the Thane Division of WPIL India.
WPIL-SMS JV	100.0	The JV was formed to execute a particular order.
LE-WPIL JV	25.0	The JV was formed to execute a particular order; was dissolved in May-20.
IVRCL-Batpasco-WPIL-MHI JV	25.0	The JV was formed for executing a particular order; now dissolved.
WPIL-MHI JV	95.0	The JV was formed to execute a particular order.
RANJIT-WPIL JV	15.0	The JV was formed to execute a particular order.
WPIL-SARTHI JV	80.0	The JV was formed to execute a particular order.
WPIL-JWIL JV	60.0	The JV was formed to execute a particular order.

Source: Company, Emkay Research

Note: Indian JVs are made specifically for projects under Jal Jeevan Mission, irrigation, and river-linking projects. The structure of the JV depends on the scope of work of all partners. There are no pre-determined rules for this. As soon as the projects are completed, the JVs are dissolved. Currently, there are 4 JVs. All have executed majority of their projects, so within the next 3 years, these JVs will also be dissolved.

International business

'Go global' strategy

Despite India being one of the world's largest economies, the domestic pumps market remains at ~USD4bn, accounting for less than 10% of the ~USD70bn global market. Importantly, WPIL operates in the niche engineered pumps segment, which is estimated at only ~USD1bn domestically. To capture the larger global TAM, the company proactively expanded into international markets.

Accelerated global market access via inorganic strategy

WPIL has strategically pursued an acquisition-led international expansion model rather than a greenfield approach. This has enabled the company to gain immediate access to established product portfolios, proven technologies, and deeply penetrated end-markets. Crucially, acquisitions have also facilitated pre-qualification with key customers and inclusion in approved vendor lists – an entry barrier that is both time-intensive and relationship-driven. Replicating such positioning organically would require significant time and carry considerable execution risk, particularly in the absence of local market expertise.

Exhibit 14: WPIL's global positioning vs peers

Particulars	WPIL	Flowserve	Sulzer	Grundfos	KSB
India/South Asia	Strong manufacturing and EPC base	Manufacturing and services	Sales and services	Manufacturing and sales	Manufacturing and sales
Europe	Presence via subsidiaries in Italy and the UK	Major manufacturing and R&D hubs	Headquarters and major facilities	Headquarters and large production network	Headquarters and major production hubs
North America (USA/Canada)	Limited direct exposure	Manufacturing and service network	Manufacturing and service network	Strong sales and distribution	Manufacturing and services
Middle East	EPC and water infrastructure projects	Strong oil and gas market presence	Energy projects	Water infra and building pumps	Oil and gas and power projects
Africa	Active in water supply and irrigation EPC projects	Industrial project supply	Industrial and water markets	Municipal water projects	Mining and water projects
Asia-Pacific (ex-India)	Select EPC projects	Manufacturing and industrial supply	Strong industrial presence	Manufacturing and supply network	Manufacturing and industrial supply
Latin America	Limited exposure	Manufacturing and service presence	Industrial projects	Sales and service network	Industrial presence

Source: Industry, Emkay Research

Export competitiveness driven by cost arbitrage

WPIL benefits meaningfully from its India-based manufacturing footprint, where cost structures are structurally lower than in developed markets. The company leverages its international subsidiaries for technology access and product diversity, while utilizing Indian facilities for cost-efficient manufacturing. This integrated model allows WPIL to transfer technology to its domestic plants and export competitively priced, high-quality products across global markets, thereby enhancing margin profile and strengthening its positioning in developed geographies.

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Exhibit 15: WPIL is strategically well-positioned within the global pump landscape

Key end-markets	WPIL	Flowserve	Sulzer	Grundfos	KSB	Other EU/US majors
Water supply and irrigation	Yes	Yes	Yes	Yes	No	Xylem, Wilo
Oil and gas	Yes	Yes	Yes	Yes	Yes	ITT, Ebara, Weir
Power generation	Yes	Yes	Yes	Yes	Yes	NA
Mining and minerals	Yes	Yes	Yes	Yes	Yes	Weir Group
Chemical and process industries	Yes	Yes	Yes	Yes	Yes	ITT
Municipal water	Yes	Yes	Yes	Yes	No	Xylem
Industrial manufacturing	Yes	Yes	Yes	Yes	No	Ebara
Aftermarket and services	Yes	Yes	Yes	Yes	Yes	NA

Source: Industry, Emkay Research; Note: NA = not available

Leveraging acquisitions to expand global market share

After establishing presence in the domestic market, WPIL expanded its operations globally through nine successful synergistic acquisitions across multiple continents. These acquisitions provide the company with a strong product portfolio (at par with those of large global players), local market expertise with shared world-class engineering capabilities, global distribution networks, etc. WPIL is now strategically focused on leveraging these acquisitions to deepen its penetration in existing markets and expand its international market share.

WPIL has established a strong global presence through operations in Italy (Gruppo Aturia, Finder Pompe, and MISA Srl), South Africa (APE Pumps, Mather & Platt SA, Eigenbau, and PCI Africa), and Australia (Sterling Pumps and United Pumps). In Thailand, WPIL is present through JVs (due to local laws for participating in tendering activity). Each acquisition has been carefully integrated to create a cohesive, globally aligned organization that combines local market expertise with shared world-class engineering capabilities. WPIL's strong Indian manufacturing base forms the cornerstone for global competitiveness, significantly optimizing each subsidiary's manufacturing cost structure and operational efficiency.

Similar operating guidelines for over 1,500 employees across four continents ensures consistency in quality and execution. With leading talent, shared technologies, and localized execution, WPIL continues to deliver reliable, high-value solutions to its global customer base. The company continues its expansion into new geographies, leveraging competencies in flow solutions and water infrastructure.

How are operations managed across subsidiaries?

All international subsidiaries operate independently, each led by its own CEO and CFO (or equivalent leadership). The parent company, WPIL, primarily plays a supervisory role—providing strategic guidance while allowing local management teams to handle day-to-day operations.

Why are all acquisitions being held through the Singapore subsidiary?

With respect to acquisitions, the company chose to route all international investments through its Singapore-based subsidiary. This structure was established after consulting with a Big Four advisory firm as a part of its global expansion strategy.

The rationale for using the Singapore subsidiary includes several advantages:

- Singapore offers a relatively favorable tax regime.
- Borrowing costs for acquisition funding are generally lower in Singapore than in other jurisdictions.
- The country provides a highly efficient regulatory environment, with greater ease in compliance, fund transfers, and overall business operations.

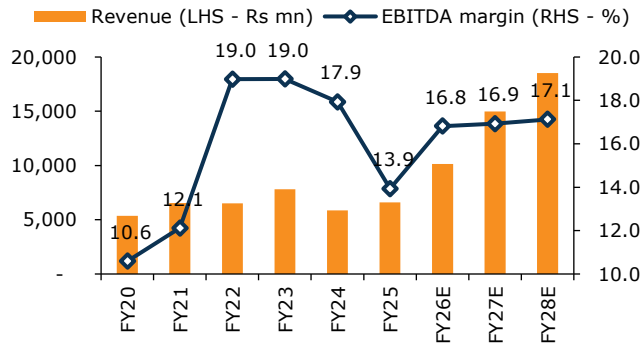
This report is for informational purposes only. The Singapore subsidiary was set up with a capital structure comprising contributions from WPIL and its promoter group in a 62:38 ratio.

International operations – Overview

As of 9MFY26, the international business constitutes ~58% of consolidated revenue. We estimate this business to clock 35% revenue CAGR over FY26–28, supported by 28% CAGR in the product division and 46% CAGR in project division.

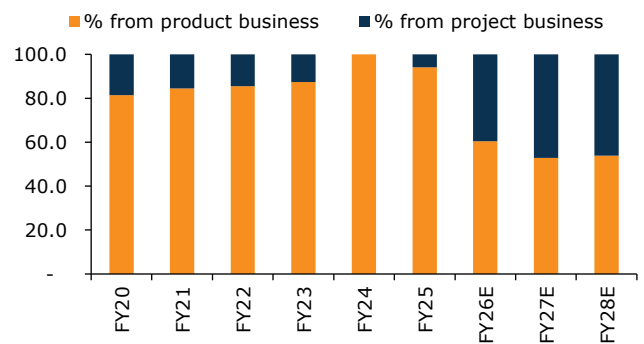
The international mix was product-dominated (>80%) till FY25. However, following the acquisition of project-based companies, the mix has changed substantially, with the project division accounting for 38% of 9MFY26 revenue.

Exhibit 16: We expect international revenue CAGR at 35% CAGR over FY26-28E



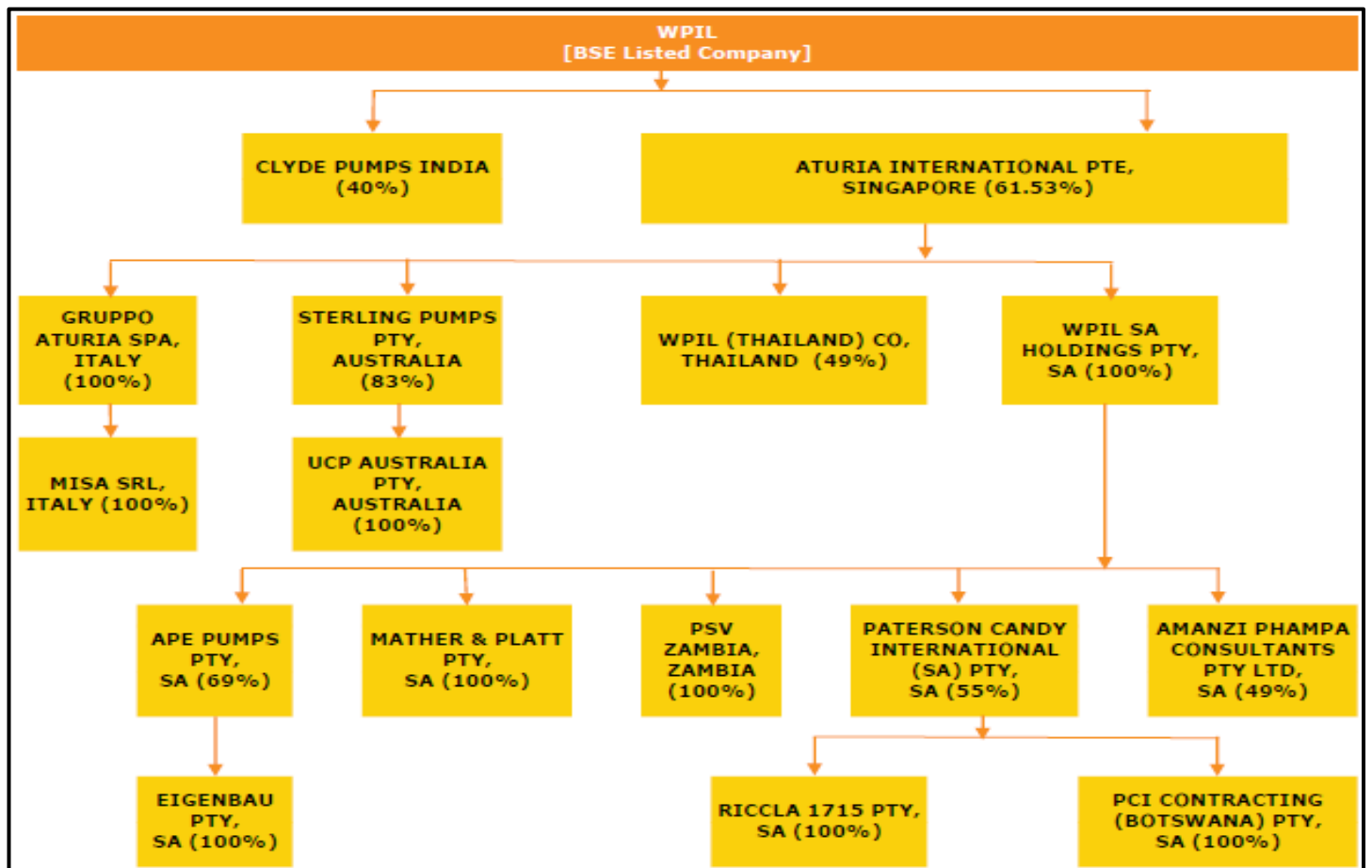
Source: Company, Emkay Research

Exhibit 17: With the recent acquisition of companies in the projects business, we expect the mix to change



Source: Company, Emkay Research

Exhibit 18: Bird’s eye view of WPIL



Source: Company, Emkay Research

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Deep dive into key subsidiaries





South Africa business (~25% of 9MFY26 revenue)

WPIL’s South Africa operations represent a key pillar of the group’s global strategy. It was built through the acquisition of four specialist companies – APE Pumps, Mather & Platt SA, Eigenbau, and PCI Africa. This has created a diversified and integrated business, spanning pump manufacturing, turnkey project execution, and advanced water and wastewater solutions, serving Africa and the MENA region.

The business has emerged as a high-margin and rapidly scaling platform for WPIL, driven by strong organic growth in both regional and export product markets. Its strategic expansion into large turnkey infrastructure project execution has boosted order inflows and increased exposure to infrastructure-led capex cycles.

This strategic presence in one of the world’s most dynamic developing regions has expanded WPIL’s global footprint while creating significant opportunities for future inorganic growth and synergy realization across the group. Backed by sustained infrastructure investments across Africa and the Middle East, the South Africa business offers a compelling long-term growth runway and remains a cornerstone of WPIL’s vision to build a globally scaled, solution-driven water infrastructure business.

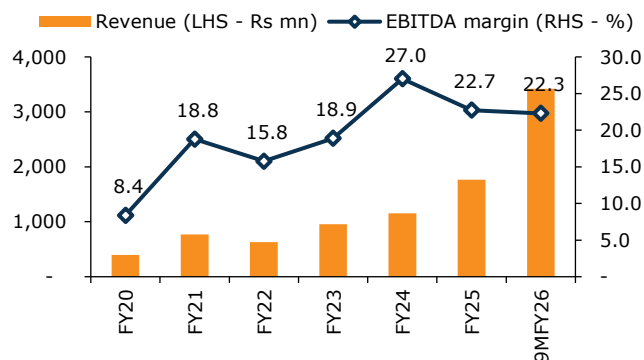
Exhibit 19: Understanding WPIL’s South Africa subsidiaries

Subsidiary	APE Pumps	Mather + Platt SA	Eigenbau	PCI Africa
				
Present in	Product business	Product business	Project business	Project business
Acquired in	2012	2012	2024	2025
Product/project offerings	Vertical industrial turbine pumps Split-case pumps End-suction pumps Vertical sump pumps Multistage high-pressure pumps	High-head multistage pumps Single-stage split-case pumps External gear pumps Internal gear pumps Rotary vane pumps	Hydropower Wastewater infrastructure Water infrastructure	Potable water treatment Wastewater treatment Package plants Advanced technology partners Agencies and partners Proprietary equipment
About the company	It has a legacy of leadership and innovation in the pump engineering industry	The company offers officially manufactured spares, manufacturer-warranted repairs, and new pumps and valves	The company was into concrete construction; currently, it is a medium-size civil and mechanical engineering construction company	It has been sold and bought by different companies throughout its lifetime, but now is being run by a management consortium that has run the business since early-1990s.
Key markets	Africa and MENA regions	Africa and MENA regions	Africa and MENA regions	Africa and MENA regions

Source: Company, Emkay Research

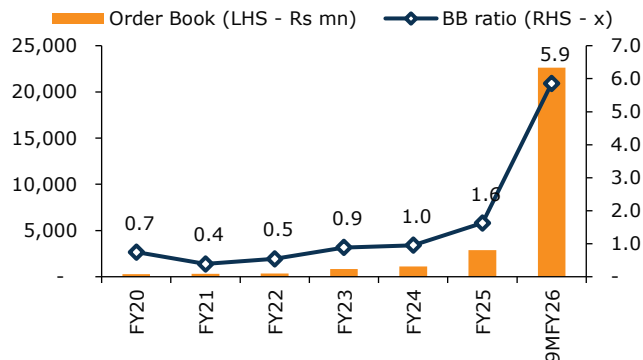
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Exhibit 20: WPIL SA sees robust revenue CAGR of 35% over FY20-25, along with EBITDA margin improving to 22.7% in FY25



Source: Company, Emkay Research; Note: WPIL SA acquired PCI Africa in Jun-25; hence, 9MFY26 data includes that for PCI Africa

Exhibit 21: WPIL’s order backlog CAGR is 58% over FY20-25; BB ratio at 1.6x



Source: Company, Emkay Research; Note: WPIL SA acquired PCI Africa in Jun-25; hence, 9MFY26 includes that for PCI Africa

Exhibit 22: Performance of the South Africa business

Particulars (Rs mn)	FY20	FY21	FY22	FY23	FY24	FY25	9MFY26*
Order inflow	447	779	668	1,459	1,413	3,544	23,173
% change		74.3	-14.2	118.4	-3.2	150.8	
Revenue	394	772	628	953	1,155	1,768	3,422
% change		95.9	-18.7	51.8	21.2	53.1	
EBITDA	33	145	99	180	312	402	763
EBITDA margin (%)	8.4	18.8	15.8	18.9	27.0	22.7	22.3
Order book	293	300	340	846	1,104	2,880	22,631
Book-to-bill (x)	0.7	0.4	0.5	0.9	1.0	1.6	5.9
Segment-wise presence	Water supply, wastewater, power, mining, and industrial processing						

Source: Company, Emkay Research; Note: *WPIL SA acquired PCI Africa in Jun-25; hence, 9MFY26 data includes that for PCI Africa

Italy business (~29% of 9MFY26 revenue)

WPIL’s European footprint, anchored in Italy, represents the core of the group’s global engineering excellence and premium product development capabilities. Through strategic acquisitions of leading companies such as Gruppo Aturia, Finder Pompe, and MISA, the company has built a diversified industrial platform combining legacy engineering, advanced manufacturing, and established export networks.


Currently, WPIL Europe serves as a dynamic hub for product development, project execution, and technological leadership, supporting global markets—particularly across Europe, the Middle East, and Africa (EMEA). The European business offers engineered flow solutions across diverse sectors, including oil and gas, water infrastructure, firefighting systems, industrial processes, and energy. Within this ecosystem, Gruppo Aturia plays a key role with strong presence in engineered pump solutions and established export links across EMEA.

In CY23, WPIL carved out the group’s nuclear pump business, Rutschi, to capitalize on the emerging nuclear pump upcycle. This divestment led to a proportional reduction in reported revenue for the European segment, but proceeds from the transaction are being actively redeployed toward new inorganic growth opportunities.

Despite this structural change, European operations continue to demonstrate strong revenue momentum and high margins. Such performance reflects the premium positioning of WPIL’s European businesses, their engineering-led differentiation, and the operating leverage inherent in a high-value, technology-driven product portfolio.

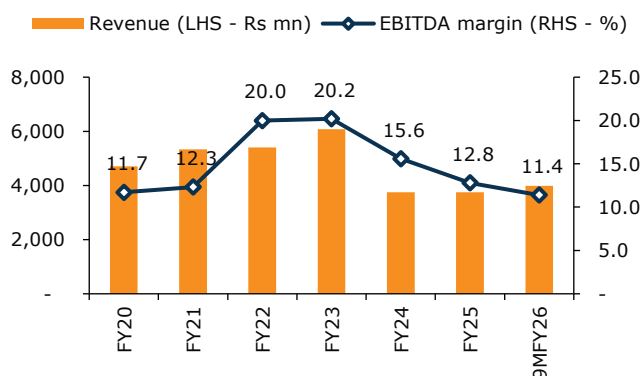
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Exhibit 23: Understanding WPIL’s Italian subsidiaries

Subsidiary	Step-subsidiary	Present in	Acquired in	Product/project offerings	About the company	Key markets	
Gruppo Aturia	Aturia		Product business	1990	Vertical turbine, split-case, multistage, and submersible pumps and motors	Aturia offers a wide range of pumps to cover the needs of water distribution, irrigation, reclaim, and water treatment sectors.	Europe, Middle East, and Africa
	Rotos		Product business	1990	Vertical turbine, split-case, multistage, magnetic, and vacuum pumps	Rotos’s industry division provides end-users with high-quality pumps suitable for continuous and heavy-duty operations for power generation, chemicals, pharma, steel mills and marine industries.	Europe, Middle East, and Africa
	Marelli		Product business	1990			Europe, Middle East, and Africa
	Audoli & Bertola		Product business	2003	Vertical turbine and horizontal split-case fire pumps	Audoli & Bertola is the sole Italian FM-approved fire-pump manufacturer for vertical turbine and horizontal split-case fire pumps.	Europe, Middle East, and Africa
	Aris Chiappa		Product business	2009	Centrifugal and vertical turbine pumps		Europe, Middle East, and Africa
	Finder Pompe		Product business	2019		Finder Pompe combines technical and manufacturing expertise in pump technology. It provides knowledgeable solutions for all types of industries and heavy-duty processes where advanced technical flow solutions and reliable products are required.	MENA region
	Pompe Cerpelli		Product business	2019			Europe, Middle East, and Africa
MISA		Project business	2025	Turnkey pumping and hydroelectric projects	MISA specializes in large-scale turnkey pumping and hydroelectric projects. It offers a portfolio of specialized vertical pumps.	Europe, Middle East, and Africa	

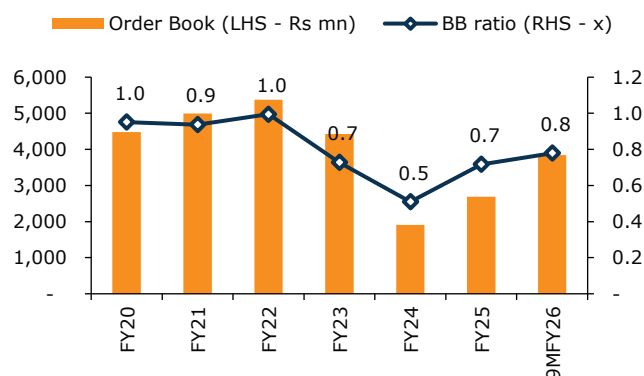
Source: Company, Emkay Research

Exhibit 24: WPIL’s 9MFY26 revenue has already surpassed FY25 revenue; EBITDA margin expected to range at 11-13%



Source: Company, Emkay Research; The Rutschi business (nuclear) was sold in FY23, hence numbers till FY23 include nuclear business. MISA was acquired in Jan-25, hence 9MFY26 numbers include MISA

Exhibit 25: As of 9MFY26, the company’s order backlog stands at Rs3.8bn



Source: Company, Emkay Research; The Rutschi business (nuclear) was sold in FY23, hence numbers till FY23 include nuclear business. MISA was acquired in Jan-25, hence 9MFY26 numbers include MISA

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Exhibit 26: Performance of the Italy business

Particulars (Rs mn)	FY20	FY21	FY22	FY23	FY24	FY25	9MFY26
Order inflow	6,342	5,845	5,776	5,134	3,393	4,531	5,136
% change		-7.8	-1.2	-11.1	-33.9	33.5	
Revenue	4,712	5,331	5,400	6,081	3,747	3,751	3,987
% change		13.1	1.3	12.6	-38.4	0.1	
EBITDA	552	657	1,079	1,228	584	480	454
EBITDA margin (%)	11.7	12.3	20.0	20.2	15.6	12.8	11.4
Order book	4,483	4,997	5,373	4,426	1,910	2,690	3,839
Book-to-bill ratio (x)	1.0	0.9	1.0	0.7	0.5	0.7	0.8
Segment-wise presence	Oil and gas, water, firefighting, industrial process, and energy						

Source: Company, Emkay Research



Australia business

WPIL's Australia operations are anchored by Sterling Pumps and United Pumps Australia. These are established players with strong expertise in designing and manufacturing high-performance pump solutions for sectors such as oil and gas, water, mining, irrigation, and industrial applications. Together, they bring deep technical capabilities in centrifugal pump systems, with a strong installed base in the energy sector, including widespread presence across every oil and gas refinery in Australia and New Zealand.

WPIL entered the Australian market through the acquisition of Sterling Pumps in 2011 and further strengthened its presence by acquiring United Pumps in 2020, building a robust regional manufacturing and service network. The business also has a proven track record of supplying projects across Southeast Asia.

Currently, the Australia operations serve the broader Asia-Pacific region and has been witnessing steady growth, driven primarily by demand from the oil and gas sector, along with improving margins and a strong order backlog. Overall, this business enhances WPIL's global footprint and supports its strategy of delivering high-performance, region-specific engineering solutions with full lifecycle capabilities.

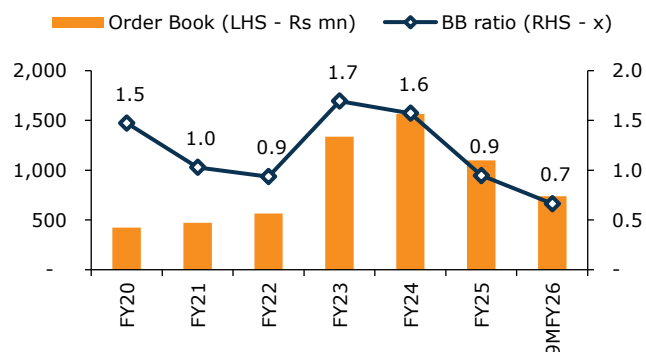
Exhibit 27: Understanding WPIL's Australian subsidiaries

Subsidiary	Sterling Pumps	United Pumps
		
Present in	Product business	Product business
Acquired in	2011	2020
Product/project offerings	Submersible pumps Vertical turbine pumps	Specialist manufacturer of centrifugal pumps
About the company	Sterling Pumps is a Melbourne-based OEM of standard and bespoke pumps. It serves a range of crucial infrastructure end-markets.	United Pumps Australia specializes in bespoke manufacturing of API 610 pumps for oil and gas applications, with pumps in every refinery in Australia and New Zealand. It provides full-stack specialized services, with performance testing, repair, reverse and re-engineering, and spare parts.
Key markets	Asia, MENA region, and Central America	Australia and New Zealand

Source: Company, Emkay Research

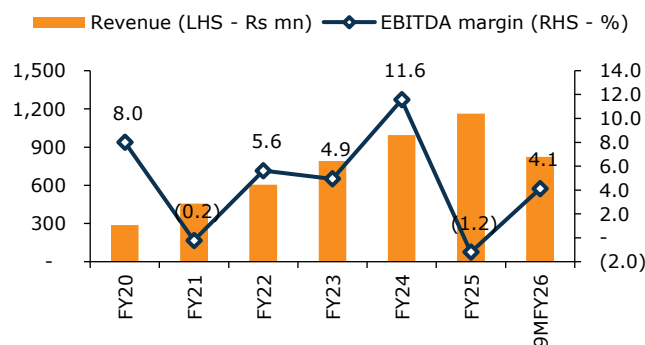
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Exhibit 28: As at 9MFY26, order backlog stands at Rs740mn



Source: Company, Emkay Research

Exhibit 29: Revenue CAGR is ~32% over FY20-25



Source: Company, Emkay Research

Exhibit 30: Performance of the company's Australian businesses

Particulars (Rs mn)	FY20	FY21	FY22	FY23	FY24	FY25
Order inflow	320	504	700	1,563	1,222	697
% change		57.5	39.0	123.1	-21.8	-43.0
Revenue	287	457	605	790	995	1,162
% change		59.2	32.4	30.6	25.9	16.8
EBITDA	23	(1)	34	39	115	(14)
EBITDA margin (%)	8.0	(0.2)	5.6	4.9	11.6	(1.2)
Order book	423	470	565	1,338	1,565	1,100
Book-to-bill (x)	1.5	1.0	0.9	1.7	1.6	0.9

Segment-wise presence Oil and gas and Industrial

Source: Company, Emkay Research

Thailand business

WPIL has a strong and expanding presence in Thailand, delivering the full spectrum of high-performance pumps and integrated water management solutions tailored to the region's infrastructure and industrial needs. The company provides end-to-end capabilities—covering design, engineering, manufacturing, assembly, installation, testing, commissioning, maintenance, and repair of pumps, along with complete pumping system offerings.

The division also operates a fully equipped modern service center staffed by skilled engineers, enabling high-quality repairs, upgrades, and lifecycle support.

WPIL operates as a JV in Thailand, because local laws allow only those JVs where Thai-based companies have 51% ownership to participate in government contracts. Thailand is witnessing strong demand for advanced drainage systems due to critical, recurring flood risks from intense monsoon rains, rising sea levels, and rapid urbanization.

Product division (56% of 9MFY26 revenue)

Overview

WPIL’s product division manufactures a complete range of industrial pumps and water handling systems tailored to meet the needs of diverse applications – municipal water and drainage systems, industrial applications, irrigation, oil and gas, navy, mining, and firefighting. Leveraging the hydraulic heritage of world-famous Worthington and Johnston brands, and enhancing it with sophisticated R&D innovation, WPIL has an exhaustive product range with market-leading performance. The company focuses on designing and manufacturing specialized pumps—engineered or assembled to order—for medium-to-large flow requirements.

WPIL, through its Indian operations and global subsidiaries, has served a diverse range of clients across 50 countries. This has led to an extensive installed base and significant aftermarket service benefits. The company operates 12 state-of-the-art manufacturing facilities across 4 continents, including a multi-metallurgy foundry and one of Asia’s largest testing laboratories, with GCCS and streamlined SOPs ensuring performance. WPIL’s Indian units serve as the manufacturing backbone, with a structural cost advantage that supports margin resilience, export competitiveness, and scalable global supply.

Exhibit 31: Product portfolio of the company, along with its end-markets

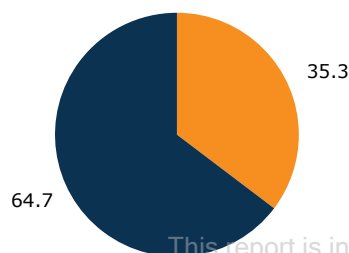
Type of Pumps	Products	End Markets
Vertical	Vertical turbine pumps Mixed and axial flow pumps	Irrigation Water supply Power Industrial processing
Horizontal	Split-case pumps Multistage pumps End-suction pumps Non-clog pumps	Water supply Industrial processing Wastewater Power
Engineered	Concrete volute pumps Metallic volute pumps Pump turbine	Power Irrigation
Submersible	Deep-well pumps Drainage pumps Sewage pumps Dewatering pumps	Oil and gas Water treatment and supply Mining Petrochemical Sewage and drainage
Others	API pumps Magnetic drive pumps	Oil and gas Power Petrochemical Chemical processing Industrial processing

Source: Company, Emkay Research

Over the past five years, structural growth in demand has supported strong revenue momentum and margin expansion, aided by scale, operating leverage, mix improvement, and consolidated initiatives. Moving forward, the company is looking to focus on high-margin export orders and overseas business, as seen in the latest revenue and order booking mix.

Exhibit 32: Product division revenue (9MFY26)

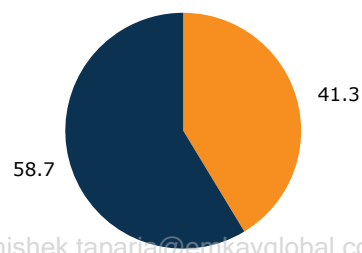
■ % from domestic ■ % from international



Source: Company, Emkay Research

Exhibit 33: Product division backlog (9MFY26)

■ % from domestic ■ % from international

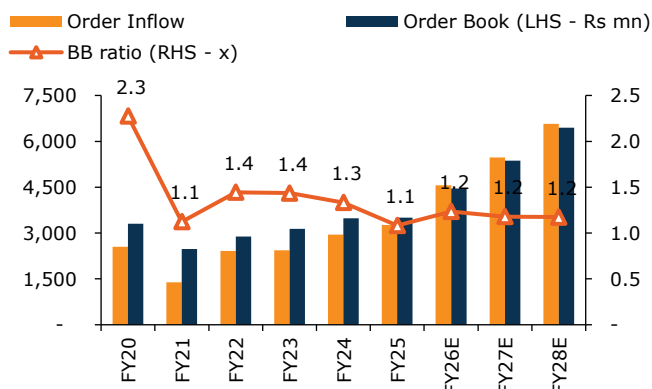


Source: Company, Emkay Research

Domestic product business

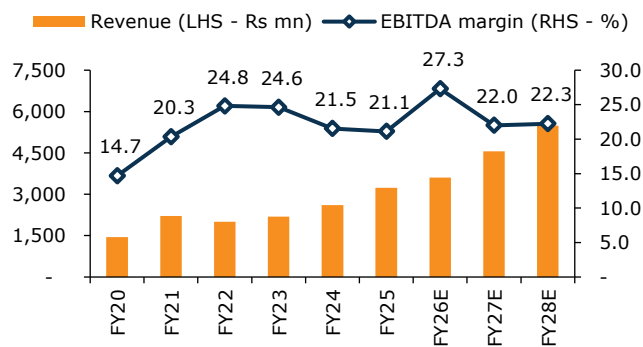
Outlook for municipal and industrial applications remains favorable, supported by increasing requirements in the sewage and drainage segment, strong demand from water supply schemes, and industrial customers. Additionally, progress in the defense segment, particularly the Navy, has been encouraging, aided by accelerated product development to cater to rising demand. Outlook for products serving the large flow requirements is improving, driven by renewed focus on its key markets—power and irrigation—with expectations of significant order inflows from these sectors in FY27. In addition, the government’s renewed push for river linking projects presents a promising growth opportunity, in our view.

Exhibit 34: We expect order inflow to double to Rs6.6bn in FY28E from Rs3.3bn in FY25; BB ratio to be at 1-1.2x



Source: Company, Emkay Research

Exhibit 35: We expect domestic product revenue to see 23% CAGR over FY26-28E; EBITDA margin to be north of 22% (base case scenario)



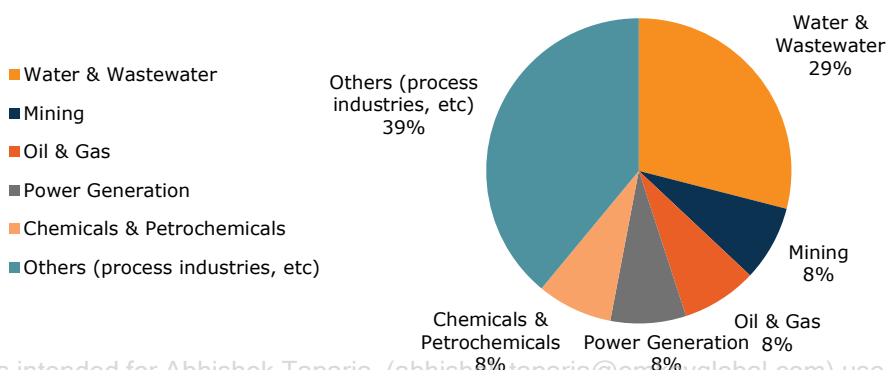
Source: Company, Emkay Research

Structural growth driven by water and industrial capex

The Indian pump market, currently valued at ~USD4bn, is expected to witness 8–9% CAGR over 2025-30, per industry estimates. This will be driven by rising investments in agriculture, irrigation, municipal water supply, power generation, oil and gas, and industrial manufacturing segments. Among these, the industrial pump segment accounts for ~USD1bn of the total Indian market, and is expected to witness a CAGR of ~11% during the same period, supported by increasing investments in water infrastructure, wastewater treatment, refineries, power plants, and large industrial facilities.

Rapid urbanization, government initiatives in irrigation modernization, river-linking projects, desalination plants, and municipal water supply, along with growing investments in sectors such as data centers and chemicals, are expected to drive sustained demand for high-capacity engineered pumps. As India accelerates spending on water management and industrial infrastructure, the pump industry is poised for steady growth, with industrial pumps likely to outpace the broader market due to their higher value and specialized applications.

Exhibit 36: Indian industrial pumps market size, by sector (FY25)



Source: Modor Intelligence, Emkay Research

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India, accounting for 2.5% of the world's land area and housing 16-18% of the global population, has 4% of the world's water resources. Per the Central Water Commission (CWC), overall water usage efficiencies (WUEs) in all sectors in India are low, especially in the agricultural sector, at only 38% compared to 58-60% in developed countries. Pumps play a crucial role in improving WUEs, particularly in sectors such as irrigation, water supply, wastewater treatment, and industrial water management. Efficient pumping systems help optimize water distribution, reduce energy consumption, and minimize losses across the water value chain.

In initiatives such as the National Water Mission, which targets a 20% improvement in WUE, the adoption of modern and energy-efficient pump systems is essential for enhancing irrigation productivity, enabling efficient water transfer, and supporting sustainable water management practices. As investments in water infrastructure and irrigation modernization increase, demand for advanced pumping solutions should remain strong, in our view.

GoI continues to push water capex through several schemes

India's accelerating investments in water infrastructure through flagship programs such as Jal Jeevan Mission (JJM), AMRUT, river-interlinking projects, and large lift-irrigation schemes are expected to drive sustained demand for high-capacity pumping systems over the next several years, in our view. These programs involve extensive bulk water transfer, municipal water supply networks, sewage treatment plants, and lift irrigation infrastructure, all of which require large, engineered pumps and pumping stations. We believe WPIL, with its capabilities in vertical turbine pumps, axial and mixed-flow pumps, split-case pumps, and large turnkey pumping systems, is well-positioned to participate in these projects.

Exhibit 37: Details of funds allocated and utilized under JJM

(Rs bn)	FY20A	FY21A	FY22A	FY23A	FY24A	FY25A	FY26RE
Central allocation	111	230	923	1,008	1,329	699	668
Central release	100	109	400	547	699	225	169
State release	-	-	-	560	789	702	304
Total expenditure	101	204	436	908	1,515	900	

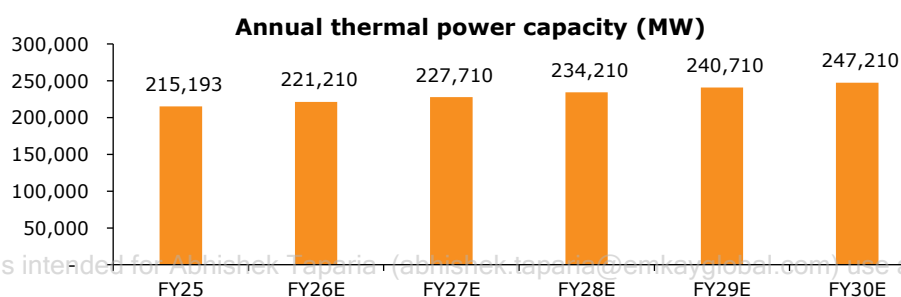
Source: JJM, Emkay Research

Thermal power capacity addition expected to translate into a pump opportunity of ~Rs28–30bnpa for the industry

With rising peak demand, India has significantly raised its thermal power capacity addition targets, aiming for a minimum of 97,000MW of new coal-based capacity by the FY34–35, up from the previous 80,000MW. Thermal power plants require a wide range of high-capacity pumps for crucial operations such as boiler feed, condensate extraction, cooling water circulation, and ash-handling systems.

As new coal-based plants are commissioned and older plants undergo capacity upgrades or efficiency retrofits, demand for large engineered pumps is likely to increase. We expect annual thermal capacity addition of ~6,500MW over the next 8-10 years, resulting in an annual pump opportunity worth Rs28-30bn.

Exhibit 38: We expect ~6,500MW capacity addition every year for the next 8-10 years



Source: Industry, Emkay Research

WPIL has established strong presence in the power generation sector, supplying a wide range of large engineered pumps for thermal power plants. The company provides crucial pumping solutions such as cooling water pumps, circulating water pumps, and service water pumps.

Key pumps supplied by WPIL for thermal plants

- Engineered concrete volute pumps installed at the NTPC Barh Thermal Power Station in Bihar, India.
- Concrete volute pumps installed at the North Chennai Thermal Power Plant for TANGEDCO in Tamil Nadu, India.
- Split-case pumps installed at Maithon Power Plant in Jharkhand, India.
- Circulating water pumps supplied to Sasan Ultra Power Project for Reliance Power in Madhya Pradesh, India.

The company's long-standing experience in the power sector, along with its ability to manufacture large vertical turbines and high-capacity centrifugal pumps, positions it well to benefit from upcoming thermal power capacity additions and plant modernization projects. Given that pump systems form a crucial component of power plant infrastructure, WPIL's established track record and strong references in the sector continue to support its participation in large-scale power generation projects globally.

Oil and gas capex

India's oil and gas sector is undergoing a massive capex push in FY26 to boost domestic production and refining capacity. Key investments focus on upstream exploration, refinery expansions (eg Barmer), and infrastructure. The investment aims to reduce import dependence, enhance localization, and achieve USD100bn domestic investment goal by 2030, which includes a Rs3.28trn petrochemical push.

Exhibit 39: Pump cost typically accounts for 3-4% of oil and gas capex

Rs mn	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
RIL	45,000	50,000	60,000	50,000	50,000	50,000	52,500	55,125
ONGC	281,464	276,456	408,222	326,578	620,000	349,000	366,450	384,773
IOC	222,090	248,062	335,065	305,000	305,000	352,940	370,587	389,116
HPCL	121,057	132,870	104,054	120,000	110,000	100,000	105,000	110,250
BPCL	86,703	226,902	89,965	100,000	200,000	250,000	262,500	275,625
GAIL	69,820	77,380	91,000	70,000	101,000	107,000	112,350	117,968
Total	781,134	961,669	1,028,306	921,578	1,336,000	1,158,940	1,216,887	1,277,731

Source: Company, Emkay Research

WPIL has niche exposure to the oil and gas capex cycle through its engineered pump portfolio and global subsidiaries such as FINDER POMPE (Italy) and UNITED PUMPS AUSTRALIA, which supply API-compliant pumps for refineries, LNG terminals, and pipeline infrastructure. The company manufactures API-610 centrifugal process pumps, multistage pipeline pumps, vertical turbine pumps, and firewater pumps, used across refinery process units, crude and product pipelines, tank farms, and cooling systems. With India witnessing sustained investments in refinery expansion, petrochemical complexes, LNG terminals, and cross-country pipelines, demand for high-reliability process and utility pumps is expected to rise, positioning WPIL to benefit from incremental order inflows in this segment, in our view.

Key pumps supplied by WPIL

- Vertical turbine fire pump systems installed at the ONGC Neelam platform in Maharashtra and at the AFCONS offshore process platform in Andhra Pradesh.
- Horizontal fire pump system installed for L&T Hydrocarbon at IOCL Bongaigaon in Assam.
- Horizontal fire pump systems installed for L&T Hydrocarbon at HPCL for CDU and VDU firewater projects.

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Steel capacity addition augers well for WPIL

At 205mtpa (as of early-FY26), India is the second-largest producer of crude steel after China (well over 1,200mtpa). Under the National Steel Policy (NSP) 2017, India aims to achieve 300mtpa capacity by FY31. According to industry estimates, the fresh upcoming capacity addition plans of 80-85mt require investment of USD45-50bn over 2023-31.

Exhibit 40: Annual capex plans of top steel-producing companies in India

(Rs mn)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
JSW Steel	90,000	141,980	147,840	200,000	14,656	200,000	210,000	210,000
Tata Steel	99,687	105,220	141,140	182,070	156,710	120,000	150,000	150,000
Jindal Steel	8,581	13,367	64,480	80,000	80,000	95,000	90,000	90,000
SAIL	35,297	36,905	54,740	68,000	62,210	100,000	150,000	150,000
Total	233,565	297,472	408,200	530,070	313,576	515,000	600,000	600,000

Source: Company, Emkay Research

The cost of pumps typically accounts for a small but essential portion of overall steel plant capex, generally estimated at ~2–3% of total project cost, depending on plant configuration and water management requirements. Pumps are widely used across multiple stages of steel production, including cooling circuits, descaling systems, slurry handling, and wastewater treatment. As a result, new steel capacity additions and modernization projects inherently require significant deployment of pumping systems. Consequently, the ongoing capex cycle in India's steel industry is expected to create a steady demand opportunity for industrial pump manufacturers supplying to the metals sector.

Key pumps supplied by WPIL

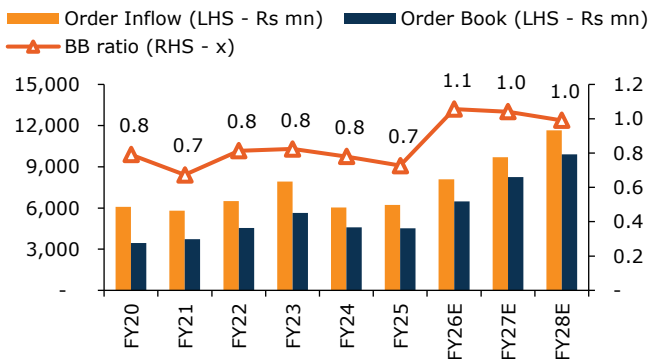
- End-suction and split-case pumps installed for SAIL at Salem Steel Plant in Tamil Nadu.
- Horizontal fire pump systems installed at SPCL for a bauxite ore project in Guinea.

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International product business

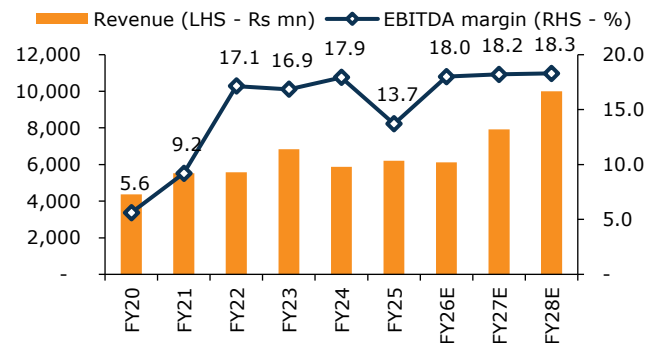
WPIL holds a strategic global footprint, with a network of trusted brands and high-performance operations. Each acquisition has added legacy brands, new capabilities, technologies, and customer relationships. While 7 of WPIL's 12 manufacturing facilities are situated abroad, with highly skilled teams and world class R&D, the cost-optimized Indian manufacturing base forms the backbone and real value driver of the international product business. WPIL holds a structural cost advantage by supplying unassembled components, spare parts, and castings, which are eventually assembled and tested at international facilities. WPIL records 15–20% EBITDA margins in the product division.

Exhibit 41: We expect order inflow CAGR at 20% FY26-28E; BB ratio at 1x (nature of product business)



Source: Company, Emkay Research

Exhibit 42: We expect revenue CAGR of 28% over FY26-28E; EBITDA margin to be steady at 18%

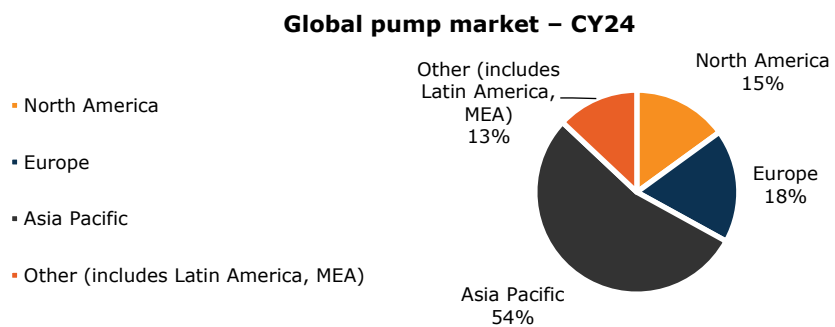


Source: Company, Emkay Research

Global pump industry overview

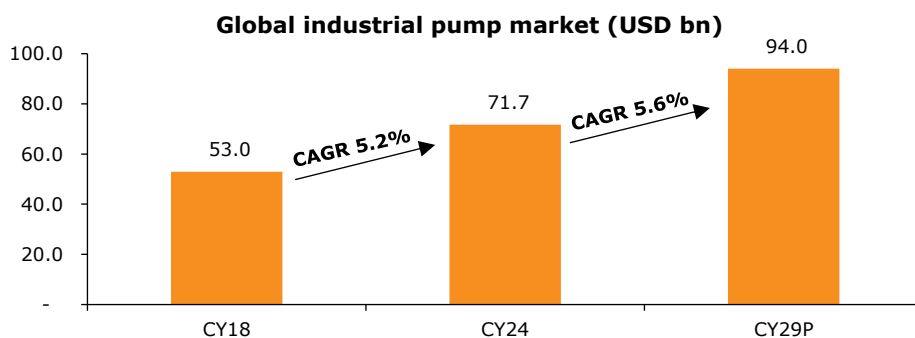
Per 1Lattice Analysis, the global pump industry is estimated at ~USD70bn, supported by demand from power generation, irrigation, oil and gas, water utilities, and industrial sectors. Pump systems are crucial components in fluid management infrastructure. Increasing urbanization, water scarcity, and climate adaptation policies are driving investments in desalination plants, wastewater treatment, and large-scale water transfer projects.

Exhibit 43: Global market share – Asia is the largest market



Source: 1Lattice Analysis, Emkay Research

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Exhibit 44: Global industrial market to see 5-6% CAGR over CY18-29

Source: Industry, Emkay Research

Key global demand drivers for industrial pumps

Rising investments in water and wastewater infrastructure

Water infrastructure spending is one of the largest structural drivers of industrial pump demand. Governments and municipalities are investing heavily in drinking water supply, desalination, wastewater treatment, and irrigation systems due to increasing water stress and urbanization. The water and wastewater segment alone accounts for ~28% of the global industrial pump market, making it the largest end-use industry. Globally, water infrastructure investments are estimated at ~USD200–300bn annually, while studies suggest that USD900bn-1.5trn per year may be required by 2030 to meet rising demand and climate resilience targets. This large investment gap indicates a strong long-term pipeline for equipment suppliers, including pumps, valves, and piping systems.

Energy sector capex (oil and gas, LNG, and petrochemicals)

The energy sector remains a key demand driver for industrial pumps due to their extensive use in crude transfer, water injection, refinery circulation, and petrochemical processing. The oil and gas industry accounts for over 21% of the global industrial pump market.

According to the IEA, global upstream oil and gas capex is estimated at ~USD500–600bn annually, while petrochemical and refinery investments continue to expand in regions such as the Middle East, China, and India. Increasing expansion of LNG infrastructure further support demand for high-pressure and API-compliant pumps.

Growth in chemical and process industries

Rising demand for specialty chemicals, fertilizers, plastics, and petrochemical derivatives is driving capacity expansion across global chemical hubs. These industries rely heavily on water for reaction processes, heat exchange, and effluent treatment. Increasing environmental compliance requirements are also pushing companies to invest in advanced water treatment and recycling systems.

Increasing water treatment and recycling requirements

Governments and regulators globally are tightening norms on industrial wastewater discharge and water reuse. Industries are, therefore, investing in water recycling, zero-liquid-discharge (ZLD) systems, and advanced treatment technologies. This not only increases overall water infrastructure investment, but also supports demand for pumps, filtration systems, and treatment equipment.

Urban infrastructure supporting industrial clusters

The development of industrial parks, special economic zones, and large manufacturing hubs requires dedicated water supply and wastewater infrastructure. Governments are increasingly building integrated water systems to support industrial growth, further driving demand for water transport, treatment, and pumping systems.

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Project business (44% of 9MFY26 revenue)

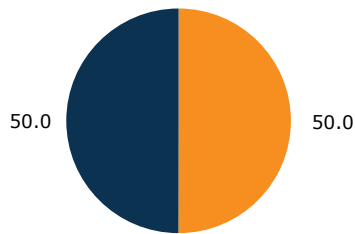
Overview

WPIL’s project business focuses on the engineering, procurement, and construction (EPC) of large pumping systems for infrastructure sectors such as municipal (water supply, sewage and drainage), irrigation, power, and industrial applications. It involves designing and manufacturing pumping stations, installing pipelines and related systems, and commissioning the entire setup for end-users. WPIL leverages its long operating history, technical expertise, and presence in international markets to secure complex pumping projects. The completion of these projects often leads to additional opportunities in O&M services.

The company is actively involved across all major government schemes and projects, and has also executed several international water infrastructure, irrigation, and drainage pumping projects across Africa, Europe, and other global markets.

Exhibit 45: Project division revenue (9MFY26)

■ % from domestic ■ % from international



Source: Company, Emkay Research

Exhibit 46: Project division backlog (9MFY26)

■ % from domestic ■ % from international



Source: Company, Emkay Research

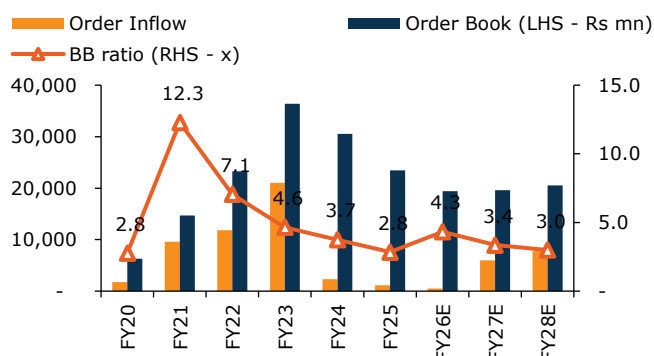
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Domestic project business

WPIL’s domestic project division was formed in 2000, building on the company’s strong project and engineering base for turnkey flow solutions across crucial infrastructure. The division is fully equipped with in-house civil, electrical, mechanical, and design engineering teams, offering multidisciplinary capabilities that form the backbone of large-scale fully integrated infrastructure systems. Some of the major government schemes and projects where WPIL participates include Jal Jeevan Mission, Atal Mission for Rejuvenation and Urban Transformation, Pradhan Mantri Krishi Sinchayee Yojana, large state irrigation programs, and multi-village rural water supply schemes.

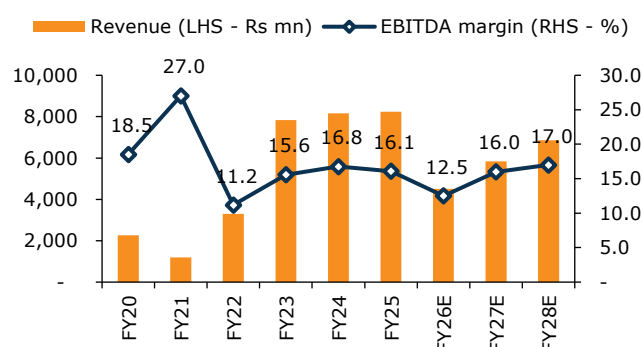
The outlook for municipal water supply applications remains favorable, supported by i) increasing requirements in the sewage and drainage segment, and ii) strong demand from water supply schemes. Outlook for products serving large flow requirements is improving, driven by renewed focus on its key markets—power and irrigation—with expectations of significant order inflows from these sectors in FY27. We expect 17-18% EBITDA through FY28E.

Exhibit 47: We have been conservative on the inflow estimates due to extension of the JJM scheme; any surprise in order wins will benefit revenue and margin



Source: Company, Emkay Research

Exhibit 48: Due to fresh awarding and release of payments under JJM scheme, revenue is likely to accelerate going forward; EBITDA margin is expected to be 15-18%



Source: Company, Emkay Research

Jal Jeevan Mission (JJM)

Overview

JJM is a flagship rural water supply program launched by the GoI in Aug-19. The mission is implemented by the Ministry of Jal Shakti and is one of the most ambitious public infrastructure initiatives undertaken to improve access to safe drinking water in rural areas in India.

The core objective of the program is to provide every rural household in India with a functional household tap connection (FHTC) that supplies safe and adequate drinking water. The government has set a service standard of 55 litres of water/person/day, delivered through a piped water supply directly into homes. When the mission was launched, only ~16–17% of rural households had access to tap water connections, highlighting the enormous infrastructure gap that the program seeks to address. As a result, the program has created substantial demand for equipment, engineering services, and construction capabilities across the water infrastructure value chain.

Companies involved in pump manufacturing, water infrastructure engineering, and EPC projects are key participants in executing this mission. Large numbers of pumps are required for raw water intake systems, transmission pipelines, booster pumping stations, and water distribution networks. As a result, we believe companies such as WPIL have opportunities to participate in projects linked to rural water supply schemes under this initiative.

JJM was launched with a total (center and state) outlay of Rs3.60trn. It was estimated that the central government would spend Rs2.08trn on the scheme, to provide all rural households an FHTC by Mar-24. This expenditure was estimated to increase over 2019-22 and decrease thereafter.

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Exhibit 49: JJM's budget outlay

Particulars (Rs trn)	Total outlay announced in JJM 1 (A)	Total outlay extended in JJM 2 (B)	Incremental (B)-(A)
Central government share	2.08	3.59	1.51
State government share	1.52	5.10	3.58
Total outlay	3.60	8.69	5.09

Source: PIB, Emkay Research

Initially implemented for the period of 2019-24 (JJM 1.0), the scheme has been extended till Dec-28 (JJM 2.0). During 2021-22, allocation toward JJM accounted for ~70% of the Ministry's total budget every year. JJM has been allocated Rs677bn in 2026-27, 1% more than the FY25-26BE. As per the FY25-26RE, spending on the scheme (Rs170bn) is 75% less than the budget allocation (Rs670bn).

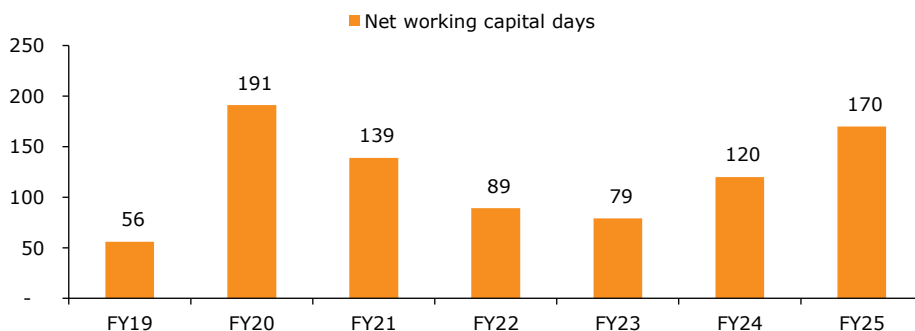
Exhibit 50: GoI's budget across various water schemes

Particulars (Rs mn)	FY19-20RE	FY20-21RE	FY21-22RE	FY22-23RE	FY23-24RE	FY24-25RE	FY25-26RE
Ministry of Jal Shakti	25,878.21	24,285.59	69,045.60	74,029.12	96,549.57	51,557.56	41,436.82
Department of Water Resources, River Development and Ganga Rejuvenation	7,518.21	7,262.09	18,008.70	14,000.00	19,516.92	21,640.88	18,405.74
Revenue	7,198.73	7,124.00	17,806.07	13,704.88	19,191.99	21,317.79	17,948.66
Capital	319.48	138.09	202.63	295.12	324.93	323.09	457.08
Department of Drinking Water and Sanitation	18,360.00	17,023.50	51,036.90	60,029.12	77,032.65	29,916.68	23,031.08
Revenue	18,360.00	17,023.50	51,036.90	60,029.12	77,031.05	29,915.18	23,029.88
Capital	-	-	-	-	1.60	1.50	1.20
Ministry of Ports, Shipping and Waterways	-	-	1,585.37	1,793.37	2,395.12	2,858.54	2,899.11
Revenue	-	-	976.57	1,120.11	1,228.67	1,516.15	1,700.13
Capital	-	-	608.80	673.26	1,166.45	1,342.39	1,198.98

Source: JJM Dashboard, Emkay Research

WPIL's JJM story

WPIL has emerged as a key participant in the execution of projects under the JJM and AMRUT programs, playing a significant role in their implementation. These orders involved supply of products, projects, and O&M contracts. The company's current JJM order book stands at Rs12-13bn (of the peak JJM order book of Rs45bn), with projects spread across Madhya Pradesh, West Bengal, and Assam. Despite execution challenges due to payment delays by the government, WPIL has continued to progress on these projects and has completed ~60-65% of the work. Outstanding receivables from JJM projects are at ~Rs3-3.5bn, which are expected to be realized soon, given the increase in central government allocation for the scheme from Rs2.08trn to Rs3.59trn.

Exhibit 51: Due to payment delays from the government, net working capital shot up to 170 days in FY25 from 79 days in FY23

Source: Company, Emkay Research

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Key projects executed by WPIIL

Atal Mission for Rejuvenation and Urban Transformation (AMRUT)

- Dibrugarh town water supply scheme in Assam, India, under AMRUT scheme
- Bhiwandi water supply scheme in Rajasthan, India, under AMRUT scheme

Lift and Piped Irrigation Schemes

Irrigation – piped and lift: Madhya Pradesh, Rajasthan, Odisha, Karnataka, Maharashtra, Gujarat, Telangana, and Andhra Pradesh

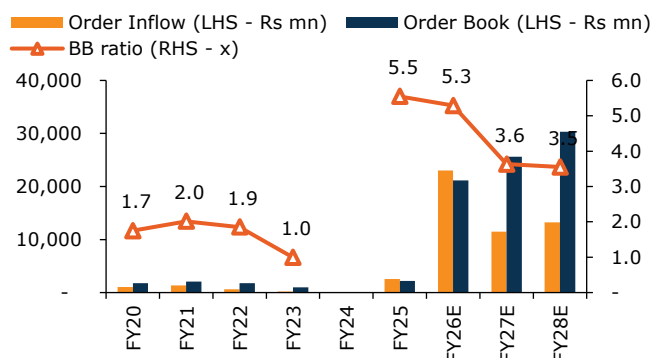
- Kaleshwaram Lift Irrigation System PKG-09 project in Telangana, India
- Kaleshwaram Lift Irrigation System PKG-09 project in Telangana, India
- Piped Irrigation System for WRD in Madhya Pradesh, India
- Tajnapur Lift Irrigation System for WRD in Maharashtra, India

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International project business

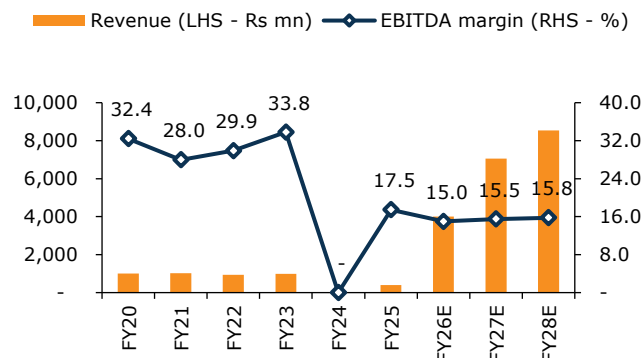
WPIL started its international project division through strategic acquisitions of MISA in Italy and Eigenbau and PCI Africa in South Africa during FY25-26. Before these acquisitions, project revenue only came from Rutschi, a subsidiary of Gruppo Aturia (Italy), which operated in the nuclear segment. Recent acquisitions in the project division are into EPC works, wastewater infrastructure, hydro power, potable water treatment, etc, where we expect 15–18% EBITDA margins.

Exhibit 52: The acquisition of PCI Africa shot up inflows for WPIL; however, due to the unpredictable nature of awarding in the project business, we trim our expectations



Source: Company, Emkay Research

Exhibit 53: Due to the huge backlog, we expect execution to pick up FY26E onward; EBITDA margin to stay at 15-18%



Source: Company, Emkay Research

Key growth drivers for international turnkey water projects

Government and policy-led investment momentum across Africa

Water infrastructure has become a strategic priority across Africa, driven by coordinated policy initiatives at both continental and national levels. The African Union’s Africa Water Investment Programme (AIP), integrated under the Programme for Infrastructure Development in Africa, aims to mobilize at least USD30bn annually by 2030 to achieve water security and sanitation goals aligned with Sustainable Development Goal 6. This is supported by frameworks such as Agenda 2063 and increasing involvement from global platforms like the G20 and multilateral institutions. Governments are also focusing on improving project bankability through public-private partnerships (PPPs), regulatory reforms, and blended finance structures, to attract long-term institutional capital into water infrastructure.

Strong project pipeline and investor mobilization

The recent African Union–AIP Water Investment Summit in South Africa highlighted accelerating momentum in water infrastructure investments. The summit mobilized over USD10bn in commitments and showcased a pipeline of 80 priority projects across 38 countries – expected to attract USD10–12bn annually. It brought together governments, investors, and development partners to address key challenges in water access, sanitation, and climate resilience, while focusing on improving governance, reducing regulatory bottlenecks, and strengthening institutional capacity to unlock private investment.

Significant financing gap driving investment opportunities in Africa

Despite strong policy intent, Africa faces a significant water investment gap of ~USD30bn per year, with current spending estimated at only USD10–19bn annually. This shortfall has constrained progress toward universal access to clean water and sanitation, as well as broader climate resilience goals. The funding gap has become a central catalyst for reforms, pushing governments and development agencies to accelerate project pipelines, reduce bureaucratic barriers, and actively engage private sector investors. As a result, water infrastructure is increasingly seen as a scalable investment opportunity, with a growing pipeline of bankable projects across the continent.

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Rising industrialization and energy expansion in Africa

Water is a crucial input across sectors such as power generation, mining, oil and gas, and manufacturing, all of which require reliable and large-scale water systems for operations. Inadequate water infrastructure is already a drag on economic growth, with Sub-Saharan Africa estimated to lose ~5% of GDP annually, per industry reports, due to poor water and sanitation access. Policymakers are, therefore, prioritizing water infrastructure as an economic enabler, essential for supporting industrial clusters, energy capacity additions, and export-led growth. This linkage between water availability and industrial development is reinforcing sustained, long-term investment across the sector.

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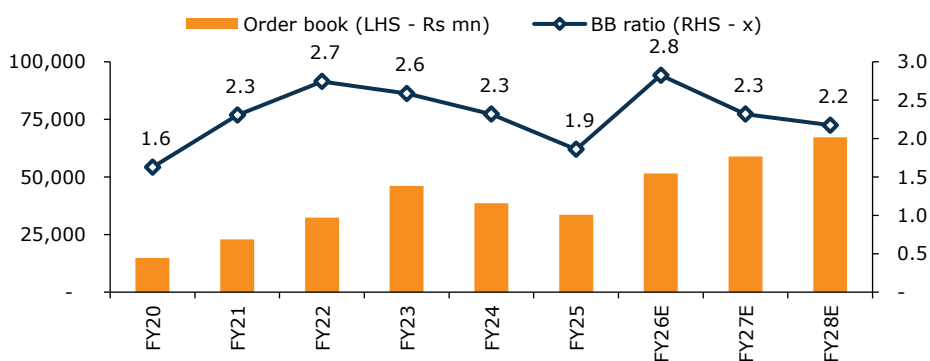
Financial analysis

Order book and inflow analysis

WPIL’s order backlog saw a dip in FY25, largely due to slower project awards in the domestic project segment (-54% CAGR over FY22-25). At the same time, the company adopted a more selective bidding strategy, consciously focusing on higher-quality opportunities amid payment delays under the government’s flagship JJM program. However, orders from international project markets were resilient (+59% CAGR over FY22-25, although on a lower base), helping offset the softness in the domestic market and providing stability to the overall order book. With the central government refocusing on JJM, execution is likely to regain momentum alongside a revival in fresh project awards, in our view. On the international front, we expect growth to remain strong, supported by the consolidation of the recent PCI Africa acquisition and rising investments across water infrastructure, energy, and other industrial segments.

For the next 2 years, we build in a robust order inflow of 20% CAGR in the product division, supported by the domestic market and subsidiaries like Gruppo Aturia, Sterling pumps, United Pumps, APE Pumps, and Mather & Platt in international markets.

Exhibit 54: Order book offers strong revenue visibility

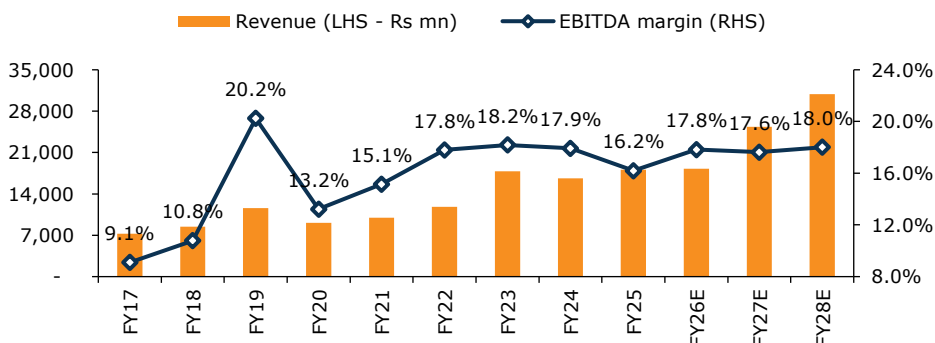


Source: Company, Emkay Research

Revenue CAGR of 30% over FY26-28E

WPIL has delivered a steady revenue growth trajectory, with consolidated revenue expanding at a ~15% CAGR over FY22–25, driven by strong momentum in its core segments—project (27% CAGR) and product (8% CAGR). Going ahead, the growth story appears to be gaining strength. Backed by a robust order book across the businesses and improving execution momentum, we believe WPIL is well-positioned to accelerate. We estimate the company to clock ~30% revenue CAGR over FY26–28.

Exhibit 55: Strong order book and improving execution set the stage for WPIL to propel into a higher growth orbit



Source: Company, Emkay Research

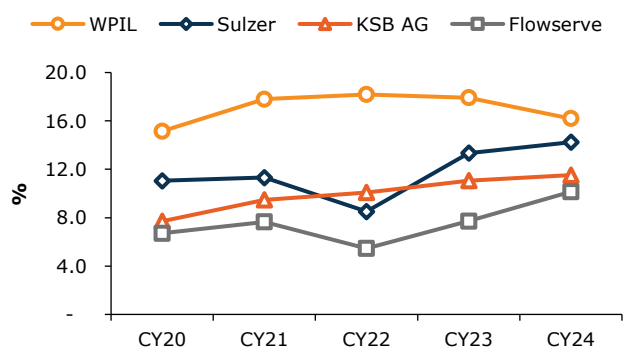
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Healthy EBITDA margin

With its diversified model, aftersales revenue, and profitability-over-revenue approach, WPIL has consistently delivered the highest EBITDA margin in the industry. The company’s average EBITDA margin over the past five years has been 17%, compared to the industry average of 12-15%. With presence in diverse markets thanks to multiple acquisitions, we expect aftersales service and O&M revenue—linked to a large installed base of these acquired companies—to boost profitability.

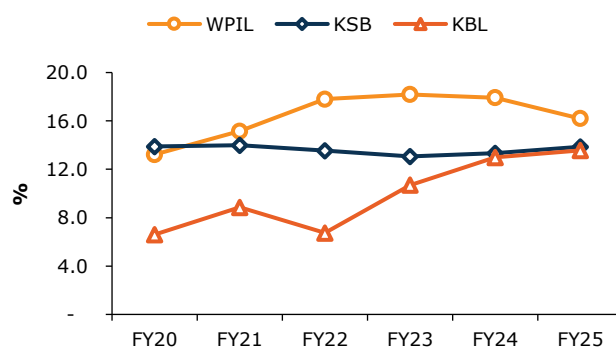
Aftermarket sales account for ~35% of WPIL’s product business (52% of FY25 consolidated revenue). With pick up in the project business (JJM and others), the management expects O&M revenue (Rs2bn in the near term) to start kicking in. We see both businesses are sticky and margin-accretive in nature and are likely to witness growth in line with the company’s growth in installed base, further giving a flip to profitability. We build in EBITDA margin of 17.6%/18% for FY27/28E, respectively.

Exhibit 56: WPIL’s EBITDA margin vis-à-vis international...



Source: Company, Emkay Research; Note: WPIL’s financial year ends in March

Exhibit 57: ...and domestic peers



Source: Company, Emkay Research

Cashflow and capex

Historically, WPIL has been a healthy cash generating company (average CFO of R0.8bn over FY17-25) despite significant exposure to the project business. This has been on the back of a cherry-picking approach in bidding for projects, which provides healthy profitability, coupled with execution and cash flow visibility. The product business continues to be a cash-cow.

Capex

WPIL’s plant utilization currently stands at ~50%. The management does not anticipate any significant capital expenditure over the next 3–5 years. It expects annual maintenance and preventive capex to remain at Rs50–100mn. The recent investment at the Nagpur facility was not greenfield capex but rather the acquisition of an existing plant that had already been manufacturing pumps for WPIL. This acquisition has now been completed. Overall, we build in capex of Rs500mn/Rs100mn/Rs100mn for FY26/FY27/FY28, respectively.

Acquisitions

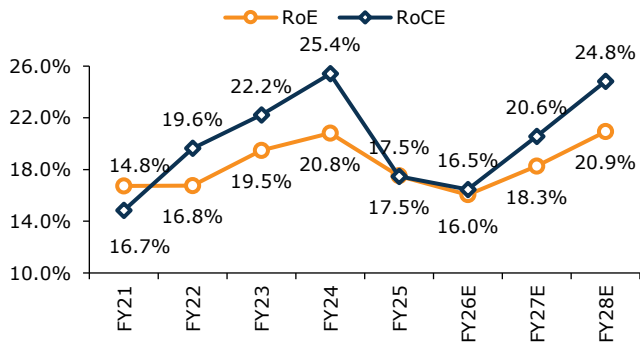
Since 2011, WPIL has actively pursued international acquisitions as a key growth strategy. Over the past year, the company has completed three acquisitions—two in Africa (Eigenbau and PCI Africa) and one in Italy (MISA). These have been funded through a mix of internal accruals and debt. Additionally, WPIL divested its step-subsiary in Italy, Rutschi, in Dec-23 for €68.9mn.

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View and valuation

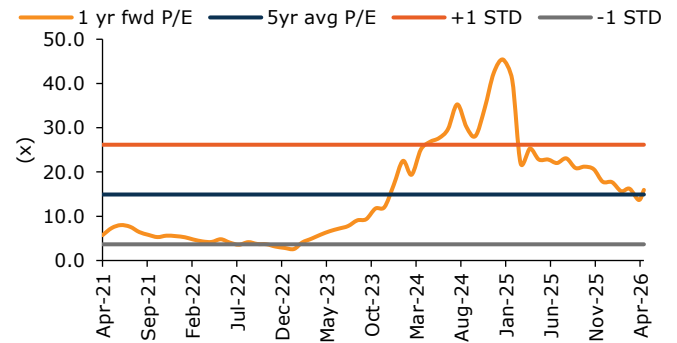
WPIL continues to report healthy return ratios, with high-teens RoE and RoCE at 17.5% each in FY25. We see further improvement in RoE/RoCE, with pickup in execution. We expect gradual improvement in the margin led by operating leverage and aftermarket + O&M revenue. With a strong order book and pick-up in execution, we expect 30%/39% revenue/PAT growth, respectively, over FY26-28E. The stock is currently trading at an attractive valuation of 16x/13x P/E for FY27E/28E, respectively. We initiate coverage on WPIL with a BUY rating and a TP of Rs650, based on 20x FY28E EPS (5-year average: 15x).

Exhibit 58: WPIL has been maintaining healthy return ratios



Source: Company, Emkay Research

Exhibit 59: WPIL is trading at its past 5Y average P/E of 15x



Source: Company, Emkay Research

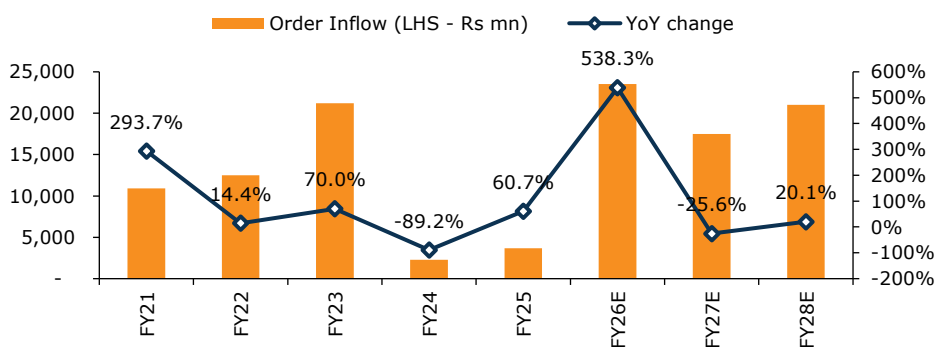
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Key risks

Prolonged delays in awarding

WPIL’s project business is inherently lumpy, characterized by extended lead times for tender finalization and order awards. Both domestic and international project business orders have suffered in the past due to delays in payments and geopolitical tensions. While the current order-backlog offers strong revenue visibility, any prolonged delays in awarding are likely to weigh on future growth.

Exhibit 60: Consolidated order inflows in the project division are lumpy in nature



Source: Company, Emkay Research

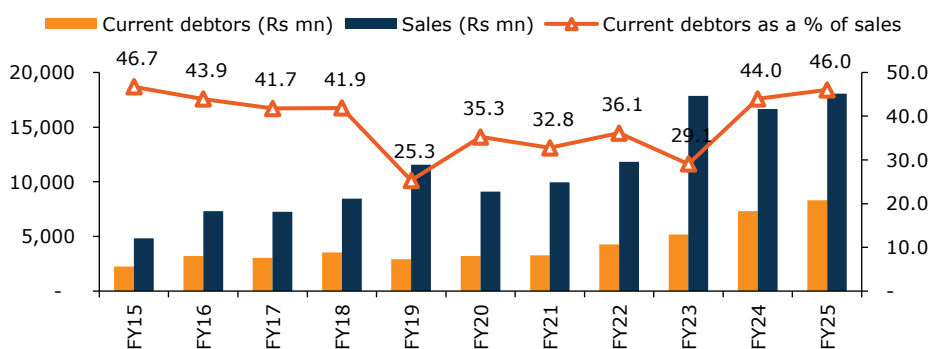
Geopolitical tensions

WPIL has a meaningful presence across key overseas markets, including Europe, Australia, South Africa, and the Middle East, with international orders contributing ~52% to the current order book (Q3FY26). The company’s growth trajectory is closely tied to a stable business environment in these regions. Any escalation in geopolitical tensions could disrupt order inflows as well as execution of the existing backlog, thereby impacting revenue growth.

Delay in payment for orders

WPIL’s domestic project business witnessed a sharp rise in receivables due to delays in payment releases by the government, which also weighed on fresh order inflows. However, with renewed government focus and the extension of the JJM scheme until Dec-28, we expect recovery of outstanding dues (Rs3–3.5bn), acceleration in execution of existing projects, and a pickup in new order awards.

Exhibit 61: Current outstanding receivables from JJM stand at Rs3-3.5bn; however, WPIL has started receiving payments in Mar-26 and the management expects further release of payments from the government in Q1FY27



Source: Company, Emkay Research

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Management and Board of Directors' profile

Exhibit 62: Brief about the Board of Directors of the company

Name	Designation	Brief Profile
Prakash Agarwal	Managing Director	Agarwal, prior to his appointment as Managing Director in Jul-02, was also associated as Non-Executive Director for a period of two years. He has wide experience in marketing, management, and operations at pump engineering companies. He has extensive exposure in new product and business development, radical performance improvement, business transformation, international marketing, setting up new operations, etc.
KK Ganeriwala	Executive Director	Ganeriwala has diversified global experience of over three decades in Finance Functions like financial planning, capital structure, corporate banking and fund raising investor relations, risk management including audit, taxation, business strategic planning, and M&A restructuring.
Anjan Dasgupta	Non-executive Independent Director	Dasgupta previously served as Executive Director from BHEL (corporate office), New Delhi. He has more than 41 years of post-qualification experience in mega-projects and product administration, execution, and management both in domestic and international markets. He has versatile experience and expertise in contract and commercial management.
Rakesh Amol	Non-executive Independent Director	Amol has over 37 years of global experience at large public and multinational corporations engaged in infrastructure, power generation, water treatment and water resource management, capital equipment, and manufacturing businesses.
Sampita Bose	Non-executive Independent Director	Bose has extensive exposure to administration and diverse areas of corporate management.
Ashok Kumar Pradhan	Non-executive Independent Director	Pradhan retired as MD and CEO from United Bank of India (now merged with Punjab National Bank). He has over 35 years of experience in diverse areas, including the banking sector, apart from exposure in administration and general management.
Brahma Prakash Khare	Executive Director (Operations)	Khare has rich experience of 46 years in pump industries in areas of design, quality, assurance, manufacturing, and all related fields of operations. He has been working as the head of the strategic business unit WPIL at Ghaziabad for more than 15 years.
Debraj Roy	Executive Director (Projects)	Roy has rich experience of 32 years in project management and execution of many large engineering projects. He has versatile experience and expertise in contract and commercial management.

Source: Company, Emkay Research

Exhibit 63: Shareholding pattern with investors (>1% holding)

Shareholding (%)	FY21	FY22	FY23	FY24	FY25	FY26
Promoter	70.7	70.7	70.8	70.8	70.8	70.8
FII's	3.9	6.0	5.8	5.8	5.6	5.6
Massachusetts Institute of Technology	3.6	5.2	5.1	5.1	5.1	5.1
DII's	4.5	4.5	3.7	2.6	2.6	2.6
Kotak Small Fund	3.4	3.4				
Kotak Infrastructure & Economic Reform Fund			3.4	2.4	2.4	2.4
Public	20.9	18.9	19.7	20.8	21.1	21.0
Jhilik Promoters & Fincon	2.2	2.2	2.2	2.2	2.2	2.2
Mukul Mahavir Agarwal			1.2	1.3	1.4	1.5
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Company, Emkay Research

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WPIL: Consolidated Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	16,644	18,069	18,233	25,368	30,886
Revenue growth (%)	(6.7)	8.6	0.9	39.1	21.8
EBITDA	2,983	2,926	3,250	4,471	5,562
EBITDA growth (%)	(8.1)	(1.9)	11.1	37.6	24.4
Depreciation & Amortization	301	334	402	425	433
EBIT	2,682	2,592	2,848	4,046	5,129
EBIT growth (%)	(7.1)	(3.4)	9.9	42.1	26.8
Other operating income	-	-	-	-	-
Other income	282	373	465	454	439
Financial expense	308	389	467	514	565
PBT	2,656	2,575	2,845	3,987	5,003
Extraordinary items	4,908	4	0	0	0
Taxes	778	1,404	884	1,116	1,401
Minority interest	(2,087)	54	(400)	(400)	(400)
Income from JV/Associates	53	91	100	0	0
Reported PAT	4,750	1,320	1,662	2,470	3,202
PAT growth (%)	151.1	(72.2)	25.9	48.7	29.6
Adjusted PAT	(157)	1,316	1,662	2,470	3,202
Diluted EPS (Rs)	(1.6)	13.5	17.0	25.3	32.8
Diluted EPS growth (%)	0	0	26.3	48.7	29.6
DPS (Rs)	4.0	2.0	2.0	2.0	2.0
Dividend payout (%)	8.2	14.8	11.8	7.9	6.1
EBITDA margin (%)	17.9	16.2	17.8	17.6	18.0
EBIT margin (%)	16.1	14.3	15.6	16.0	16.6
Effective tax rate (%)	29.3	54.5	31.1	28.0	28.0
NOPLAT (pre-IndAS)	1,896	1,179	1,963	2,913	3,693
Shares outstanding (mn)	98	98	98	98	98

Source: Company, Emkay Research

Cash flows

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
PBT (ex-other income)	7,563	1,874	2,945	3,987	5,003
Others (non-cash items)	(5,012)	(260)	(465)	(454)	(439)
Taxes paid	(432)	(251)	(884)	(1,116)	(1,401)
Change in NWC	(3,625)	(3,582)	53	(2,691)	(1,324)
Operating cash flow	(895)	(1,496)	2,520	664	2,838
Capital expenditure	(416)	(378)	(507)	(100)	(100)
Acquisition of business	5,838	(151)	0	0	0
Interest & dividend income	175	378	465	454	439
Investing cash flow	5,288	(3,340)	(42)	354	339
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	(103)	2,174	(500)	(500)	(500)
Payment of lease liabilities	(89)	(88)	0	0	0
Interest paid	(300)	(376)	(467)	(514)	(565)
Dividend paid (incl tax)	(391)	(195)	(195)	(195)	(195)
Others	0	0	(400)	(400)	(400)
Financing cash flow	(882)	1,515	(1,563)	(1,609)	(1,661)
Net chg in Cash	3,511	(3,321)	914	(591)	1,516
OCF	(895)	(1,496)	2,520	664	2,838
Adj. OCF (w/o NWC chg.)	2,730	2,087	2,466	3,355	4,161
FCFF	(1,311)	(1,874)	2,012	564	2,738
FCFE	(1,445)	(1,885)	2,010	505	2,611
OCF/EBITDA (%)	(30.0)	(51.1)	77.5	14.9	51.0
FCFE/PAT (%)	(30.4)	(142.8)	120.9	20.4	81.5
FCFF/NOPLAT (%)	(69.2)	(159.0)	102.5	19.4	74.1

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	98	98	98	98	98
Reserves & Surplus	12,361	13,621	15,088	17,363	20,369
Net worth	12,459	13,719	15,186	17,461	20,467
Minority interests	3,104	3,026	3,026	3,026	3,026
Non current liabilities & prov.	206	392	414	414	414
Total debt	2,065	4,394	3,894	3,394	2,894
Total liabilities & equity	17,835	21,532	22,520	24,295	26,801
Net tangible fixed assets	3,415	3,781	3,879	3,554	3,221
Net intangible assets	977	1,193	1,193	1,193	1,193
Net ROU assets	-	-	-	-	-
Capital WIP	138	93	100	100	100
Goodwill	566	752	752	752	752
Investments [JV/Associates]	240	311	311	311	311
Cash & equivalents	6,297	4,459	5,374	4,783	6,299
Current Liab. (ex-cash)	15,103	19,325	19,169	24,303	27,517
Current Liab. & Prov.	8,445	7,771	7,647	10,091	11,980
NWC (ex-cash)	6,658	11,554	11,522	14,213	15,536
Total assets	17,835	21,532	22,520	24,295	26,801
Net debt	(4,231)	(65)	(1,480)	(1,389)	(3,405)
Capital employed	17,628	21,139	22,106	23,881	26,387
Invested capital	11,051	16,528	16,595	18,960	19,951
BVPS (Rs)	127.6	140.5	155.5	178.8	209.6
Net Debt/Equity (x)	(0.3)	-	(0.1)	(0.1)	(0.2)
Net Debt/EBITDA (x)	(1.4)	-	(0.5)	(0.3)	(0.6)
Interest coverage (x)	9.6	7.6	7.1	8.8	9.8
RoCE (%)	25.4	17.5	16.5	20.6	24.8

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	8.5	30.7	24.4	16.4	12.6
P/CE(x)	281.5	24.5	19.6	14.0	11.1
P/B (x)	3.3	3.0	2.7	2.3	2.0
EV/Sales (x)	2.2	2.0	2.0	1.4	1.2
EV/EBITDA (x)	12.2	12.4	11.2	8.1	6.5
EV/EBIT(x)	13.5	14.0	12.7	9.0	7.1
EV/IC (x)	3.3	2.2	2.2	1.9	1.8
FCFF yield (%)	(3.6)	(5.2)	5.5	1.6	7.5
FCFE yield (%)	(3.6)	(4.7)	5.0	1.2	6.4
Dividend yield (%)	1.0	0.5	0.5	0.5	0.5
DuPont-RoE split					
Net profit margin (%)	(0.9)	7.3	9.1	9.7	10.4
Total asset turnover (x)	1.1	0.9	0.8	1.1	1.2
Assets/Equity (x)	1.4	1.5	1.5	1.4	1.3
RoE (%)	20.8	17.5	16.0	18.3	20.9
DuPont-RoIC					
NOPLAT margin (%)	11.4	6.5	10.8	11.5	12.0
IC turnover (x)	1.7	1.3	1.1	1.4	1.6
RoIC (%)	19.1	8.5	11.9	16.4	19.0
Operating metrics					
Core NWC days	146.0	233.4	230.7	204.5	183.6
Total NWC days	146.0	233.4	230.7	204.5	183.6
Fixed asset turnover	3.7	3.9	3.6	5.2	6.7
Opex-to-revenue (%)	61.2	59.6	59.2	59.4	59.0

Source: Company, Emkay Research

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