

CMP: ₹ 9,673 (30 Mar, 2026)

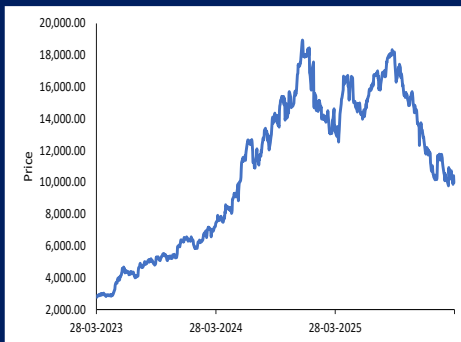
M Cap: ₹ 58,814 Cr.

Target : ₹ 13,550

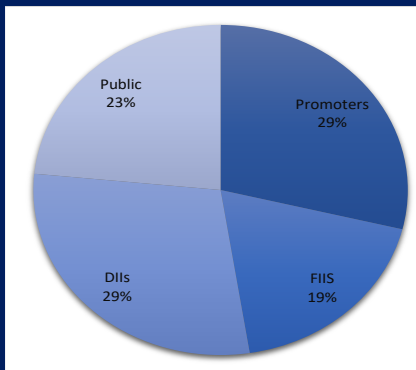
Key Information***

NSE Code	540699
BSE Code	DIXON
Shares o/s (Cr)	6.08
FV (₹)	2
Latest EPS (TTM) ₹	298.39
Latest PE Ratios (x)	32.42
Latest BV ₹	467.29
51 Wk H (₹)	18471.5
52 Wk L (₹)	9620

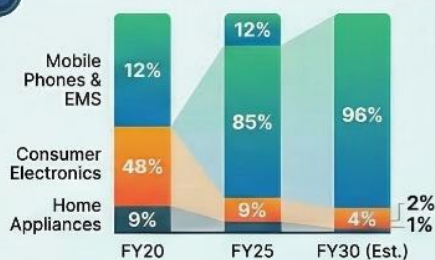
Price Chart*



Shareholding Pattern Dec '25



Projected Shift in Revenue Distribution towards Mobile and EMS



Source: Capitaline Data Base, EFL Research, Company Investor Presentation

DTIL is India's largest home-grown Electronic Manufacturing Services (EMS) player. The 33-year-old company operates in the electronic products vertical including consumer electronics, lighting, home appliance, closed-circuit television cameras (CCTVs), and mobile phones. Besides manufacturing security surveillance equipment, wearables & audibles, AC-PCBs, it also undertakes reverse logistics operations.

Investment Rationale

Macro Tailwinds

Dixon is a key beneficiary of government PLI schemes across 5 segments: mobile phones, lighting, telecom, IT hardware, and air conditioner components. It is aggressively targeting the laptop and tablet market through its Chennai plant, manufacturing for brands like HP, ASUS, Acer, and Lenovo.

➤ **Benefit from PLI Scheme**

The company stands to benefit significantly from one of India's most successful PLI Schemes (Govt incentive outlay: ~₹21,000 Cr). There is strong upward trajectory in domestic manufacturing with FY26E production at ~₹6 Lakh Cr (+11% YoY growth). DTIL was the first domestic company to receive a disbursement of ₹53.28 cr for achieving production targets.

➤ **Electronics Component Manufacturing Scheme (ECMS)**

DTIL has received ₹100cr approval under the Indian government's Electronics Component Manufacturing Scheme (ECMS) for manufacturing display modules and camera modules. This initiative supports Dixon's expansion into high-value components, promoting backward integration and strengthening domestic manufacturing capacity. This will boost value addition, margins & strategic positioning in electronics manufacturing space

➤ **Rise in Global Market Share**

With integration into global supply chains strengthening, India now features among top global smartphone exporters. Backward integration, aided by PLI, is likely to help bridge bulk of the current ~5% cost disability vs China (infrastructure improvements and initial scale have brought that disability down from ~10%), which is the final hurdle and will potentially lead to ~7-8% global smartphone market share for Dixon vs the low single-digit share now.

Segment	Key Products	Major Clients
Mobile & EMS	Smartphones, Feature phones, Laptops, Tablets, Wearables	Motorola, Xiaomi, Oppo, Vivo, Google (Pixel), Transsion (Itel/Infinix/Tecno)
Consumer Electronics	LED TVs (HD to 8K), Digital Signage, Monitors	Samsung, Panasonic, Xiaomi, Philips, Hisense
Home Appliances	Washing Machines (Semi & Fully Auto), Refrigerators	Samsung, LG (select components), Panasonic, Lloyd
Lighting Products	LED Bulbs, Battens, Downlighters, Smart Lighting	Signify (Philips), Havells, Wipro
Security Systems	CCTV Cameras, Digital Video Recorders (DVRs)	CP Plus, Hikvision

➤ **Premiumization – Shift from OEM to ODM**

There is significant volume drop in mass-market and entry-level segments (< ₹10,000 to ₹15,000), while, the ultra-premium segment (>₹45,000) witnessed double-digit growth. Dixon is investing heavily in its own design capabilities and selling feature-heavy (e.g. AI-enabled washing machines or high-end smart TVs that require advanced R&D) higher-value ODM (Original Design Manufacturer) solutions to brands, which will allow them to command much higher margins.

Strategic Transformation

DTIL has transitioned from a small TV manufacturer to a dominant "Make in India" giant, serving as a contract manufacturer for global brands like Samsung, Xiaomi, Motorola, and Panasonic. It is currently in a transformation phase, moving into complex component manufacturing to capture better value from the supply chain and align with India’s shift from import-dependent to export-oriented manufacturing.

➤ **The Vi9+6vo Milestone**

Dixon has received regulatory approval for a JV with Vivo. This JV is expected to manufacture nearly 66.67% of Vivo's 35 mn annual India requirements (approx. 20–25 mn units) and is expected to contribute an additional 1.7 cr to 2 cr (17–20 mn) units to Dixon’s annual smartphone volumes. The partnership is anticipated to act as the primary catalyst for Dixon’s ambition to nearly double its total smartphone volumes, growing from an estimated 3.4 cr units in FY26 to 6 –6.5 cr units in FY27, now FY28. The full ramp-up is likely to get pushed to FY28 due to operational and regulatory complexities of executing massive manufacturing shifts in India.

➤ **Display Manufacturing (HKC JV)**

Mar'26 saw the government approve Dixon's JV with HKC Overseas. This facility will manufacture Liquid Crystal Modules (LCM) and TFT-LCD displays for smartphones and laptops, significantly reducing India's reliance on imported screens.

➤ **Component Integration**

Beyond assembly, DTIL is scaling production of camera modules (aiming for 190–200 mn units a year) and IT hardware (laptops and tablets) under the PLI scheme.

Market Leadership – Leadership Position in Multiple Products

- ✓ **Mobile & EMS:** In Q2 2025, Dixon officially overtook Samsung to become the largest smartphone manufacturer in India by volume, capturing over 22% of the domestic manufacturing market share. This is Dixon's fastest-growing segment, contributing roughly 88% of total revenue by late 2025.
 - Accounts for over 15% of total domestic mobile and smartphone market.
 - Dixon's share of industry smartphone volumes is projected to rise to 38-40% by FY27.

Dixon also maintains a commanding presence in the following categories:

- ✓ **Lighting Solutions:** Approx 50% of the domestic market share. Operates largest domestic LED bulb manufacturing capacity.
- ✓ **Consumer Electronics (LED TVs):** Maintains approx 35% market share. Operates India's largest manufacturing plant for LED televisions in Tirupati.
- ✓ **Home Appliances (Washing Machines):** Commands 30% market share with a specialized focus on semi-automatic models.
- ✓ **Security Systems:** Holds approximately **25% market share** in the CCTV and security surveillance space.

Focus on Backward Integration to Drive Margins

As of Mar'26, the company is aggressively shifting from simple assembly to backward integration, manufacturing high-value components to improve its margins. JV with HKC for displays is expected to yield margins in the mid-to-high double digits.

Historically, as an EMS company focused heavily on outsourcing and assembling products (especially mobile phones), Dixon has operated on very tight EBITDA margins (typically in the 3.5% to 4% region). The strategic shift will bring in positive margin rub-off (double-digit in manufacturing vs ~3.5% in assembly), and opening-up of third-party sales (the company expects ~Rs439bn revenue from component sales by FY35E).

Captive Solar Power

Dixon Technologies uses captive solar power at its manufacturing facilities, though it does not rely on it for 100% of its energy needs. The company has been aggressively scaling up its renewable

energy footprint to align with global ESG (Environmental, Social, and Governance) standards required by clients like Samsung, Xiaomi, and HP.

Risk Factors

- **Revenue Concentration** – nearly 85% of the revenue comes from manufacturing one single product – mobile phones. Market research reports (by Counterpoint and Omdia) suggest volume dips ranging from mid-single digits up to 15% in specific price bands and smart device categories
- **Client Concentration** – Revenue stream is heavily dominated by big client like Xiaomi. Losing any of them will mean significant blow to revenue stream
- **External Threats** – Global chip shortage and supply chain bottlenecks can significantly affect manufacturing operations and hurt topline. – Helium shortage likely to impact chip supply chain. Prices are already rising for various reasons, including memory shortages and geopolitical uncertainties. An estimated 7-15% dip in volumes across smart device categories is expected in India.

Valuations & Recommendation

Dixon Technologies is a premier EMS provider specializing in consumer durables, appliances and mobile phones. It is well positioned to benefit from Govt's "Make in India" scheme. It has seen significant revenue surge on the back of strategic backward integration and the growth of its mobile division. Despite domestic consumer market experiencing a distinct cooling-off period, the long-term story for Dixon remains bullish due to localization and export potential. Dixon's focus on R&D investment and on building its own design capabilities and selling high-value ODM products will further boost profitability.

At the current price the stock trades at 29x its FY26E EPS and 23x FY27E EPS. We recommend a **BUY** with a target price of ₹13,550.

Financials

	Q3 FY26	Q3 FY25	YoY	Q2 FY26	QoQ	9m FY26	9m FY25	YoY	FY25	FY26E	FY27E
Operating Revenue	10672	10454	2.1%	14855	-28.2%	38362	28568	34.3%	38860	55871	64983
EBIDTA	414	391	6.1%	561	-26.2%	36904	27503	34.2%	1531	2291	2827
EBIDTA M	3.9%	3.7%		3.8%		96.2%	96.3%		3.9%	4.1%	4.4%
Profit for the Period	321	216	48.2%	746	-57.0%	1346	768	75.4%	1096	2056	2557
Profit Margin	3.0%	2.1%		5.0%		3.5%	2.7%		2.8%	3.7%	3.9%
EPS (Dil)	52.81	35.62	48.2%	122.85	-57.0%	222	126	75.4%	180	339	421

Sources: NSE, Capitaline Database, Company Website Mint, ET, Yahoo Finance, Investing.Com & CNBC TV18, EFL Research

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EFL's recommendation nomenclatures (12 months investment horizon)	
BUY	>15%
Accumulate	5% to 15%
Hold	5% to -5%
Reduce	-5% to 15%
Sell	< -15%
NR (Not Rated)	No specific call on the stock
UR (Under review)	Stock being reviewed – rating may change shortly

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