

# Research Report

## Bharat Electronics Limited



Prepared By-

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# About

Incorporated in 1954, Bharat Electronics Ltd manufactures and supplies electronic equipment and systems to the defence sector. Company also has a limited presence in the civilian market

## Key Business segments

- 1) Defence (81% in FY24 vs 90% in FY22):** The company develops advanced electronic equipment, systems, and services.
- 2) Non-Defence (15% in FY24 vs 8% in FY22):** The company diversified its business by developing innovative products and solutions for civilian markets, including sectors.
- 3) Exports (4% in FY24 vs 2% in FY22):** The company exports Transmit & Receive (TR) Modules, Data Link II, RWRs, MAWS, LRSAM main equipment, Mechanical Parts, Training Simulators, Communication equipment, etc.

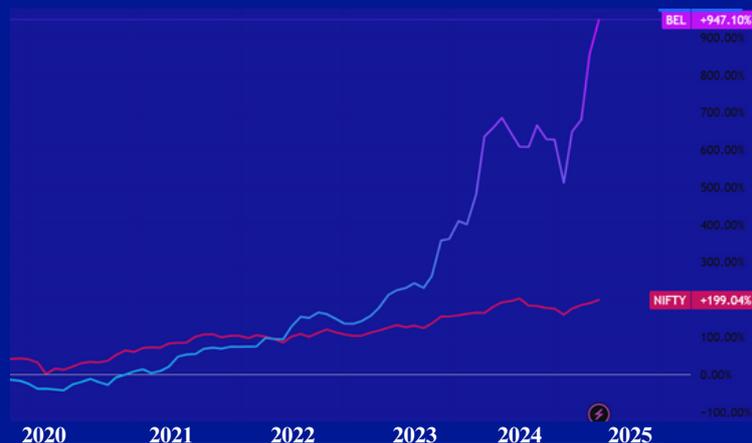
## Synopsis of Financials

- Turnover: ₹23,024 crore (16.2% YoY growth vs ₹19,820 crore in FY24)
- EBITDA margin: 29.4% (vs 25.2% last year; ~400bps expansion)
- PBT: ₹7,090 crore (32.9% YoY growth)
- PAT: ₹5,288 crore (31.6% YoY growth)
- EPS: ₹7.23 (vs ₹5.50)

## Stock data (as 23rd June 2025)

Nifty Price	: 25,523.95
52 week High (in Rs.)	: 427
52 week Low (in Rs.)	: 240
Market Cap. (in Crore)	: 3,07,559
NSE Code	: <u>BEL</u>

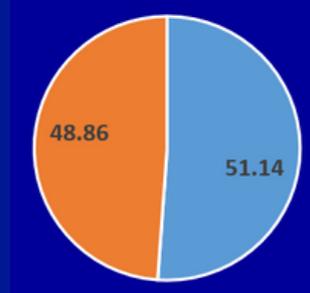
## Stock data



-NIFTY50

-Bharat Electronics Limited

## Shareholding Pattern (March 2025)



-PUBLIC GROUP

-PROMOTER GROUP

## Financial Summary

Particulars	Mar-23	Mar-24	Mar-25
Sales	17,734	20,268	23,769
Sales Growth %	15.40%	14.29%	17.27%
Expenses	13,645	15,217	16,935
Operating Profit	4,090	5,051	6,834
OPM %	23%	25%	29%
Net Profit	2,986	3,985	5,323
EPS in Rs	4.08	5.45	7.28

# Quarterly Results

Particular	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
Sales	4,009	4,162	8,564	4,244	4,605	5,771	9,150
Expenses	2,995	3,090	6,277	3,295	3,205	4,101	6,334
Operating Profit	1,014	1,072	2,287	948	1,400	1,669	2,816
OPM %	25%	26%	27%	22%	30%	29%	31%
Other Income	137	167	225	204	158	186	195
Interest	2	1	4	1	1	1	6
Depreciation	108	107	119	108	111	111	138
Profit before tax	1,041	1,132	2,390	1,043	1,445	1,744	2,867
Tax %	25%	25%	25%	25%	25%	25%	26%
Net Profit	790	860	1,797	791	1,093	1,312	2,127

Source: Screener

## Key Ratios

Sl. No.	Particulars	2023-24	2022-23	%age change	Remarks
<b>Numerator</b>	Current Assets	33,89,115	29,90,328		
<b>Denominator</b>	Current Liabilities	21,99,008	20,50,881		
<b>(a)</b>	<b>Current Ratio (in times)</b>	<b>1.54</b>	<b>1.46</b>	<b>5.48</b>	
<b>Numerator</b>	Total Debt	-	-		
<b>Denominator</b>	Shareholder's Equity / Net Worth	16,08,239	13,58,199		
<b>(b)</b>	<b>Debt-Equity Ratio (in times)</b>	<b>-</b>	<b>-</b>		
<b>Numerator</b>	Earnings available for debt service (PAT + Interest Cost + Depreciation / Amortisation)	4,43,945	3,42,933		
<b>Denominator</b>	Debt Service (Interest + Lease Payments + Principal Repayments)	702	1,479		
<b>(c)</b>	<b>Debt Service Coverage Ratio (in times)</b>	<b>632.40</b>	<b>231.87</b>	<b>172.74</b>	Due to decrease in finance costs by ₹ 777 during the current year
<b>Numerator</b>	Profit After Tax (PAT)	4,02,000	3,00,667		
<b>Denominator</b>	Average Shareholder's Equity / Net Worth	14,83,219	12,78,313		
<b>(d)</b>	<b>Return on Equity Ratio (in %age)</b>	<b>27.10</b>	<b>23.52</b>	<b>15.22</b>	

Source: Annual Report

# Yearly Results

Particulars	Mar-23	Mar-24	Mar-25
Equity Capital	731	731	731
Reserves	13,131	15,595	19,243
Borrowings	61	63	61
Other Liabilities	21,567	23,136	20,797
Total Liabilities	35,490	39,524	40,832
Fixed Assets	2,963	3,035	3,994
CWIP	855	894	477
Investments	650	682	743
Other Assets	31,022	34,913	35,618
Total Assets	35,490	39,524	40,832

# Synopsis Quarter Results

## Concall Notes - May-2025: Key Highlights

### Geopolitical & Defence Environment – BEL’s Positioning

- BEL’s Systems in Forward Areas:
- BEL teams were on the ground supporting users during recent geopolitical events (Operation Sindoor), receiving “a lot of appreciation.”

### Order Pipeline & Key Projects

#### a. Major Pipeline Orders

- QRSAM (Quick Reaction Surface-to-Air Missile):
- “Biggest order” in the pipeline; BEL is production agency.
- Expected order size: ₹30,000 crore (combined Army & Air Force requirement).

#### b. Emergency Procurement (EP) Orders

- Orders expected “within next 8–10 days,” quantum not disclosed.
- EP includes arms/ammunition replenishment, spares, critical subsystems.

### 4. Revenue, Margin, and Working Capital Guidance

#### a. FY26 Guidance (Management at End of Call):

- Revenue Growth: ~15%
- EBITDA Margin: ~27%

#### b. Margins – Drivers & Outlook

- FY25 margin improvement attributed to “scale of operations.”
- Material consumption stable at ~55% of sales.

#### c. Working Capital & Cash Flows

- Current ratio at 1.7x (vs 1.5x historically).
- Receivables/inventory stable; minor increase (5–6 days).

### 5. Exports

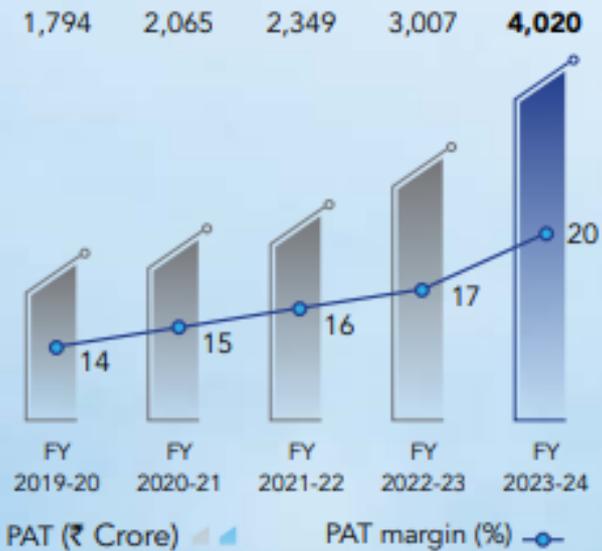
- FY25 Exports: \$106 million (healthy growth; outperformed overall defence sector)
- FY26 Export Target: \$120 million (15%+ growth targeted).

### 8. Product/Segment Insights

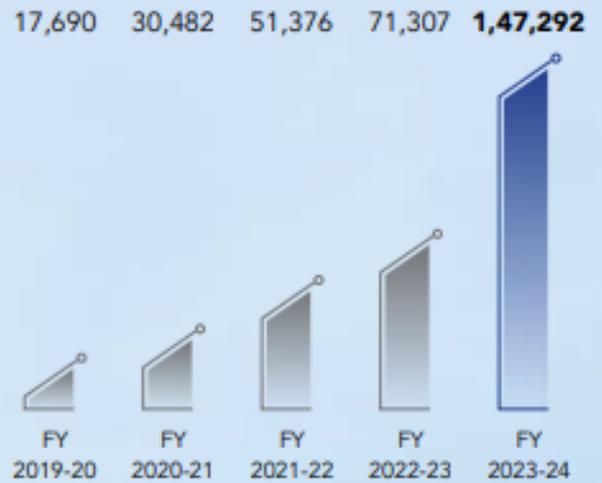
- Order Book Composition: Top 12 projects = ~40% of order book.
- Defence/Non-Defence Split: FY25 ~92–93% defence; aim to reach 10–15% non-defence (excluding EVM spikes).

# Highlights

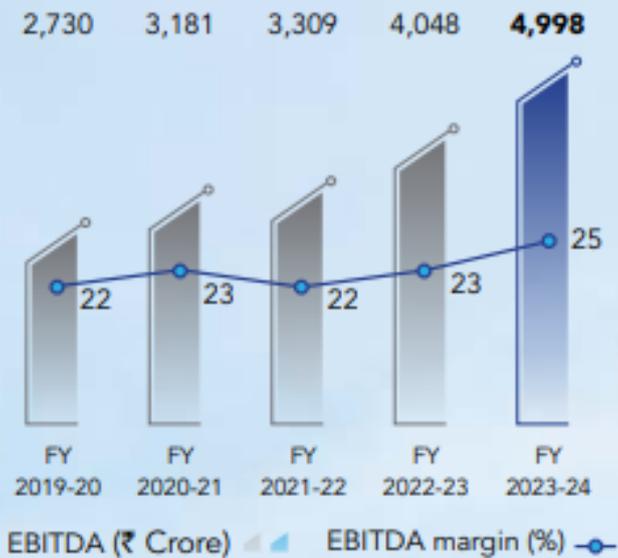
## PAT and PAT margin



## Market Capitalisation (₹ Crore)



## EBITDA and EBITDA margin

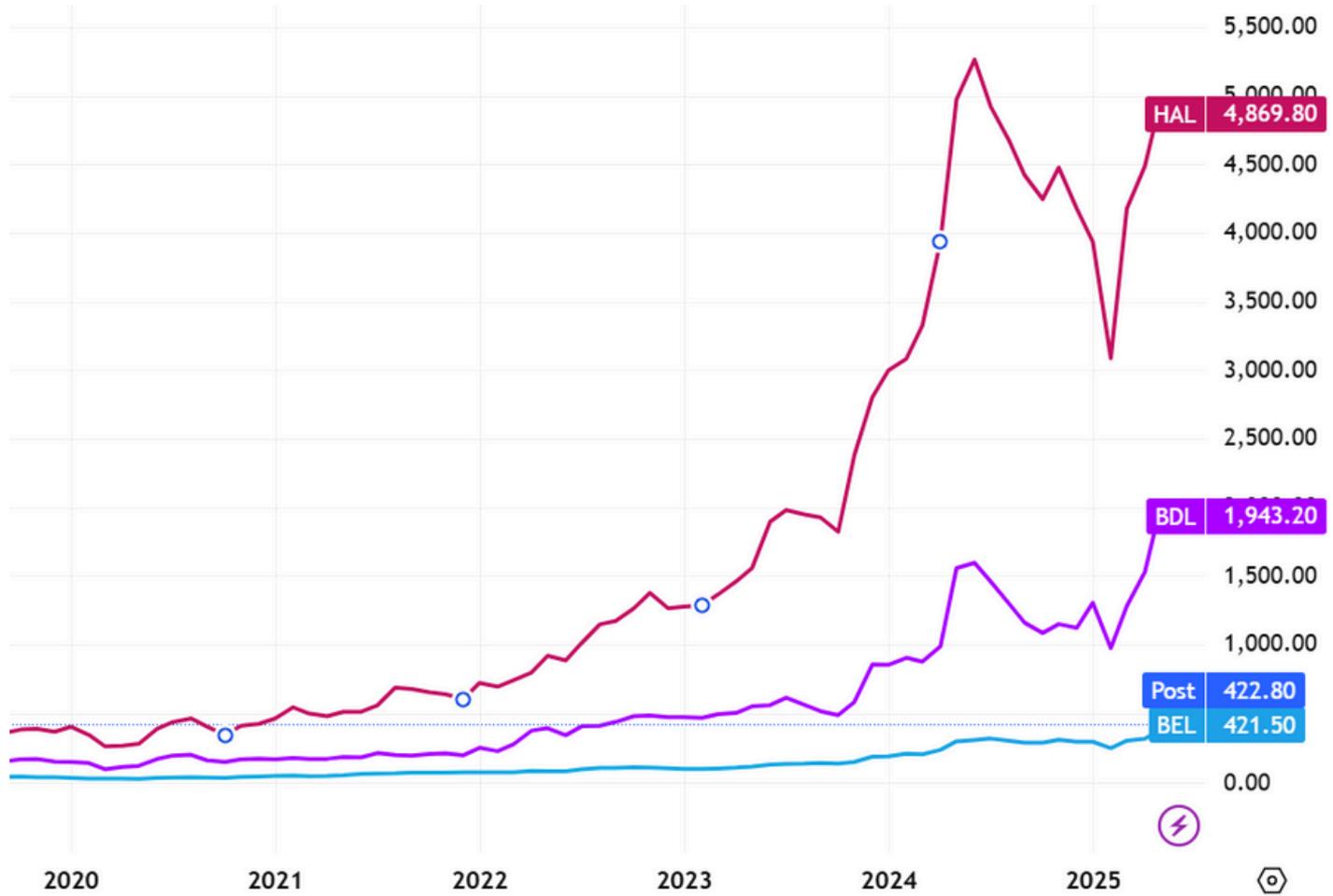


## Earnings Per Share (₹)



# Peer Comparison

## Peer Stock Performance (5Y) Indexed



Source: Trading View

## Peer Financial Performance

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %	Down %
1.	<a href="#">Hind.Aeronautics</a>	4868.00	38.92	325559.73	0.71	3976.63	-7.71	13699.85	-7.24	33.87	14.22
2.	<a href="#">Bharat Electron</a>	420.75	57.68	307558.92	0.53	2127.02	18.39	9149.59	6.84	38.99	1.38
3.	<a href="#">Bharat Dynamics</a>	1937.70	129.25	71028.69	0.28	272.77	-5.54	1776.98	108.05	19.65	7.58
4.	<a href="#">Garden Reach Sh.</a>	3011.15	65.39	34493.36	0.31	244.25	118.86	1642.04	61.66	37.28	14.90
5.	<a href="#">Zen Technologies</a>	1977.60	63.71	17855.77	0.05	113.75	203.34	324.97	129.84	36.71	24.75

Source: Screener

# Final Outlook

**BEL: HOLD | LTP: 421**

For BEL, the profits have grown significantly, reflecting a strong financial performance.

The company's profits grew by 31.55% in financial year 2024–25, following a 30% growth in the previous year.

This shows a consistent upward trajectory in profits.

The subsidiaries and associate companies have contributed to the strong financial performance, while the standalone profits saw a slight dip in comparison.

BEL's CAGR for the last 5 years stands at 1594.59%, outperforming Nifty 50's CAGR of 151.66%.

This highlights BEL's impressive growth and strong return for its stakeholders.

There has been remarkable growth in profits over the years, and BEL's strong financial performance, supported by its subsidiaries and associate companies, signals continued upward momentum. With a CAGR of 1594.59% over 5 years — outperforming Nifty 50's 151.66% — and a 31.55% profit growth in the most recent year, BEL is poised to grow its investors' wealth in the long term.

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