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SECURITIES LIMITED

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MONTHLY INVESTMENT REPORT

01st July 2026

COMPANY NAME: DIXON LTD

RATING: BUY | CMP: 11956 | TARGET: 14478 | TIME FRAME: 9-12 MONTHS

SECTOR: EMS (ELECTRONIC MANUFACTURING SERVICES)

Why DIXON is a BUY:

Dixon Technologies (India) Ltd stands out as a compelling investment opportunity due to its strong positioning in India's rapidly expanding electronics manufacturing ecosystem, supported by favorable government policies such as the Production Linked Incentive (PLI) scheme. As a leading Electronics Manufacturing Services (EMS) player, Dixon benefits from long-term structural tailwinds including rising domestic demand, increasing outsourcing by global brands, and the shift of supply chains from China to India. The company has consistently demonstrated robust revenue growth, driven by its diversified portfolio across mobile phones, consumer electronics, home appliances, lighting, and telecom products. Its strategic partnerships with global brands enhance its credibility and ensure steady order inflows. Additionally, Dixon's asset-light model, operational efficiency, and focus on backward integration help maintain healthy margins despite competitive pressures. The company is also expanding into higher-value segments such as components and semiconductor-related manufacturing, which could significantly boost profitability over the medium to long term. With strong execution capabilities, a scalable business model, and alignment with India's "Make in India" vision, Dixon Technologies is well-positioned to capture a significant share of the electronics manufacturing boom, making it an attractive buy for long-term investors.

Unique qualities of the company:

Dixon Technologies possesses several unique qualities that distinctly position it as a leader in India's Electronics Manufacturing Services (EMS) space. One of its most notable strengths is its early-mover advantage in aligning with government-led initiatives like the Production Linked Incentive (PLI) scheme, which has enabled the company to scale rapidly while maintaining cost competitiveness. Dixon's diversified manufacturing capabilities across mobile phones, consumer durables, LED lighting, and telecom equipment reduce dependency on any single segment and provide stability across business cycles. Another key differentiator is its strong client ecosystem, where it partners with leading global and domestic brands, ensuring consistent volume visibility and long-term relationships.

Additionally, Dixon follows an asset-light yet scalable model, allowing it to expand efficiently without excessive capital burden. Its operational excellence, driven by high automation, quality control, and efficient working capital management, further strengthens profitability. Importantly, Dixon is gradually moving up the value chain into higher-margin segments like components and potential semiconductor-related opportunities, which could significantly improve its earnings profile. Combined with strong execution, disciplined management, and alignment with India's growing manufacturing ambitions, these unique qualities make Dixon a structurally strong and future-ready company.

Why to invest in DIXON:

It presents a strong investment case driven by its leadership in the fast-growing Electronics Manufacturing Services (EMS) sector and its direct alignment with India's structural manufacturing growth story. The company is a key beneficiary of government initiatives such as the Production Linked Incentive (PLI) scheme and the broader "Make in India" push, which are accelerating domestic electronics production and reducing import dependency.

Dixon's robust business model, supported by long-term partnerships with leading global and domestic brands, ensures strong revenue visibility and consistent order inflows. Its diversified presence across mobile manufacturing, consumer electronics, lighting, and telecom equipment provides stability while capturing multiple growth opportunities.

As global supply chains continue to shift towards India, Dixon is well-positioned to gain market share and benefit from export opportunities. With a proven track record of execution, strong earnings growth potential, and its strategic move towards higher-value segments like components manufacturing, Dixon stands out as an attractive long-term investment for investors looking to capitalize on India's electronics manufacturing boom.

Future prospects of the company:

1. It holds strong future prospects driven by multiple structural and company-specific growth catalysts that position it at the center of India's electronics manufacturing transformation. The company is expected to benefit significantly from the rapid expansion of India's Electronics Manufacturing Services (EMS) industry, supported by government initiatives such as the Production Linked Incentive (PLI) scheme and increased focus on domestic component manufacturing. A key growth driver will be the continued scaling of its mobile manufacturing business, along with rising exports as global companies diversify supply chains away from China toward India.
2. Dixon's aggressive push towards backward integration—such as manufacturing display modules, camera modules, and other critical components—is expected to improve margins and reduce dependency on imports over the long term. The company has also outlined significant capital expenditure plans to expand into component manufacturing under new government schemes, which could enhance its value addition and profitability profile.
3. In addition to mobiles, Dixon is entering high-growth segments like IT hardware (laptops, servers), telecom equipment, and industrial electronics, which are expected to emerge as major revenue contributors over the next few years. Management expects strong growth across these segments, supported by rising digital infrastructure, 5G rollout, and increasing demand for electronics products in India.

KEY FINANCIALS TILL Q4FY26:

Consolidated Quarterly Results:

	Jun 2024	Sept 2024	Dec 2024	Mar 2025	Jun 2025	Sept 2025	Dec 2025	Mar 2026
Sales	6,580	11,534	10,454	10,293	12,836	14,855	10,672	10,511
Expenses	6,332	11,108	10,063	9,850	12,353	14,294	10,257	10,102
Operating Profit	248	426	391	443	482	561	414	408
OPM %	4%	4%	4%	4%	4%	4%	4%	4%
Other Income	16	206	10	265	8	497	139	90
Interest	29	38	41	46	33	38	43	24
Depreciation	55	66	75	86	93	96	99	105
Profit before tax	180	529	285	576	366	924	412	370
Tax %	22%	22%	24%	19%	23%	19%	22%	19%
Net Profit	140	412	216	465	280	746	321	298
EPS in Rs	22.34	65.15	28.5	66.54	37.2	110.72	47.34	42.17

Profit & Loss Statement:

	Mar 2020	Mar 2021	Mar 2022	Mar 2023	Mar 2024	Mar 2025	Mar 2026
Sales	4,400	6,448	10,697	12,192	17,691	38,860	48,873
Expenses	4,172	6,156	10,313	11,673	16,986	37,345	47,006
Operating Profit	228	292	384	519	705	1,515	1,867
OPM %	5%	5%	4%	4%	4%	4%	4%
Other Income	5	1	4	4	32	497	734
Interest	39	33	49	64	81	162	137
Depreciation	37	44	84	115	162	281	393
Profit before tax	157	217	255	345	494	1,570	2,071
Tax %	23%	26%	25%	26%	24%	21%	21%
Net Profit	120	160	190	255	375	1,233	1,644
EPS in Rs	20.81	27.28	32.05	42.9	61.47	181.87	236.61

Balance Sheet:

	Mar 2020	Mar 2021	Mar 2022	Mar 2023	Mar 2024	Mar 2025	Mar 2026
Equity Capital	12	12	12	12	12	12	12
Reserves	530	726	985	1,273	1,683	2,998	4,665
Borrowing	87	295	667	453	489	671	994
Other Liabilities	1,069	1,814	2,613	2,941	4,806	13,077	13,491
Total Liabilities	1,697	2,846	4,277	4,679	6,990	16,758	19,162
Fixed Assets	414	550	1,003	1,244	1,996	2,774	4,172
CWIP	10	72	22	120	68	257	571
Investments	0	95	141	44	20	536	1,007
Other Assets	1,273	2,128	3,111	3,272	4,905	13,191	13,412
Total Assets	1,697	2,846	4,277	4,679	6,990	16,758	19,162

Shareholding Pattern:

	Sept 2024	Dec 2024	Mar 2024	Jun 2025	Sept 2025	Dec 2025	Mar 2026
Promoters	32.89%	32.42%	32.27%	28.95%	28.92%	28.83%	28.69%
FIIs	22.69%	23.22%	21.81%	20.55%	20.69%	18.68%	18.30%
DIIs	23.14%	22.61%	23.07%	26.68%	28.93%	29.06%	28.14%
Public	21.27%	21.73%	22.86%	23.81%	21.45%	23.43%	24.87%
No. of Shareholders	285,363	320,193	375,630	408,369	341,162	405,075	470,326

Stock price CAGR:

Stock Price CAGR	
10 Years:	-
5 Years:	21%
3 Years:	40%
1 Year:	-19%

Technical View on the Stock:

1. From a long-term technical perspective, the price exhibits a strong structural uptrend, supported by a consistent pattern of higher highs and higher lows on the weekly and monthly charts. The stock has historically respected its long-term moving averages, particularly the 100-day and 200-day moving averages, which continue to act as key dynamic support zones during corrections.
2. Periodic consolidations followed by strong breakout rallies indicate healthy accumulation by institutional investors rather than speculative spikes. The Relative Strength Index (RSI) on higher timeframes generally remains in a bullish range (40–70), suggesting sustained momentum without entering prolonged overbought territory, which is a sign of strength in long-term trends.
3. Volume patterns also support the bullish structure, with higher volumes during upward moves and relatively lower volumes during pullbacks, indicating strong hands holding the stock.
4. Any corrections towards major support zones or breakout retests can be viewed as accumulation opportunities for long-term investors.
5. As long as the stock continues to sustain above its long-term trendline and key support levels, the overall technical outlook remains positive, with potential for further upside aligned with its strong fundamental growth trajectory.

Conclusion:

In conclusion, Dixon Technologies (India) Ltd represents a compelling long-term investment opportunity, backed by strong structural tailwinds, a scalable business model, and consistent execution. The company's leadership in the Electronics Manufacturing Services (EMS) space, combined with its alignment to India's "Make in India" initiative and Production Linked Incentive (PLI) schemes, positions it to benefit significantly from the ongoing shift in global supply chains. Its diversified presence, growing backward integration, and expansion into high-value segments enhance both growth visibility and margin potential.

Sources: www.nseindia.com | www.bseindia.com | www.moneycontrol.com | www.screener.in | www.in.tradingview.com

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