

05 November 2025

India | Equity Research | Results Update

Whirlpool of India

White Goods

Weak performance due to muted offtake of summer products; Stake sale overhang continues

Whirlpool of India (Whirlpool) reported weak quarter with revenue decline of 3.8% YoY due to high base of Q2FY25, likely high inventory at beginning of the quarter and demand softness in summer products. Takeaways: (1) Channel inventory of refrigerators and RACs remains above normal level, in our view. (2) 5-week gap between GST announcement and implementation further dents the performance in Q2FY26. (3) We believe margins were impacted due to increase in support to channel partners to liquidate the additional inventory and negative operating leverage. (4) The company has signed a 30-year brand and technology license agreement, which provides long-term brand rights, but may potentially increase royalty payments. Meanwhile, the parent company's intent to reduce its stake to 20% (it expects to announce stake sale transaction by Dec'25) continues to signal valuation overhang.

However, we do not foresee any short-medium term concerns on the operational front. We will closely monitor the key prospective buyers, whether financial or strategic. We believe it may potentially become easier for the parent to sell its 31% stake with long-term clarity on brand rights and royalty. We cut our FY26/27E earnings estimate by 5.5%/7.6% to factor in Q2FY26 result. At our DCF-based unchanged TP of INR 1,100, implied target P/E works out to 28x FY28E EPS. We maintain **SELL**.

Q2FY26 result overview

Whirlpool India reported revenue/EBITDA/PAT decline of 3.8%/33.5%/40.4%, respectively, YoY in Q2FY26. Revenue was mainly impacted due to a likely decline in summer products (refrigerators and air conditioner) sales. Gross margin expanded 51bps YoY due to its cost-saving initiatives under P4G programme. EBITDA margin contracted 157bps YoY due to negative operating leverage. PAT margin contracted 113bps YoY due to weak operating performance. Interest expense declined 25.8% YoY.

Parent stake dilution of 31% - clarity by Q3FY26

The parent is expected to announce the sale transaction (31% stake in Whirlpool India) by Dec'25. While this may create uncertainty around long-term alignment, we do not foresee any operational challenges in the business in near term. However, stake sale resets expectations around long-term direction depending upon the nature of the buyer (Strategic/ Financial investor), in our view.

Financial Summary

Y/E (INR mn)	FY25A	FY26E	FY27E	FY28E
Net Revenue	79,194	84,854	93,406	102,821
EBITDA	5,503	6,619	7,426	8,174
EBITDA Margin (%)	6.9	7.8	7.9	7.9
Net Profit	3,520	3,886	4,422	5,042
EPS (INR)	27.7	30.6	34.9	39.7
EPS % Chg YoY	49.2	10.4	13.8	14.0
P/E (x)	49.5	44.9	39.4	34.6
EV/EBITDA (x)	27.9	22.6	19.5	17.0
RoCE (%)	5.6	6.7	7.3	7.7
RoE (%)	9.0	9.4	9.9	10.5

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Market Data

Market Cap (INR)	174bn
Market Cap (USD)	1,966mn
Bloomberg Code	WHIRL IN
Reuters Code	WHIR.BO
52-week Range (INR)	2,123 /899
Free Float (%)	49.0
ADTV-3M (mn) (USD)	7.5

Price Performance (%)	3m	6m	12m
Absolute	2.8	11.2	(31.1)
Relative to Sensex	(0.2)	7.5	(37.0)

ESG Score	2023	2024	Change
ESG score	56.7	69.3	12.6
Environment	33.4	51.2	17.8
Social	43.4	68.0	24.6
Governance	74.7	77.4	2.7

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Earnings Revisions (%)	FY26E	FY27E
Revenue	(4.4)	(6.0)
EBITDA	(4.4)	(6.0)
EPS	(5.5)	(7.6)

Previous Reports

25-09-2025: [Company update](#)

28-07-2025: [Q1FY26 results review](#)

Clarity on brand agreements but with slightly higher royalty commitments

The company has realigned its brand and technology arrangements with parent to ensure long-term continuity of the brand. The agreement (in our understanding) includes:

- **Brand license agreement:** 30-year licence to use Whirlpool brand in India and neighbouring countries. Royalty rates are set as 1% of net sales for first 5 years, 1.25% of net sales for next 2 years and 1.5% thereafter. Guaranteed minimum royalty of USD 6mn in first 10 years, USD 9mn in next 10 years and USD 12mn thereafter (as per our understanding).
- **Technological license agreement:** Agreement for exclusive use of technical IP of the parent. Technical fees as a % of net sales fixed at 0.6% of quarterly net sales till Mar'29 and 0.65% thereafter (as per our understanding).

We believe while these agreements secure brand continuity, they may potentially increase fixed royalty and service cost obligations, which will likely limit the margin expansion in our view.

Maintain SELL

We model Whirlpool India to report revenue and PAT CAGRs of 9.1% and 12.7%, respectively, over FY25–28E. We maintain **SELL** with DCF-based unchanged target price of INR 1,100 (implied target P/E of 28x FY28E EPS).

Key risks: Steep decrease in competitive pressures as well as input prices.

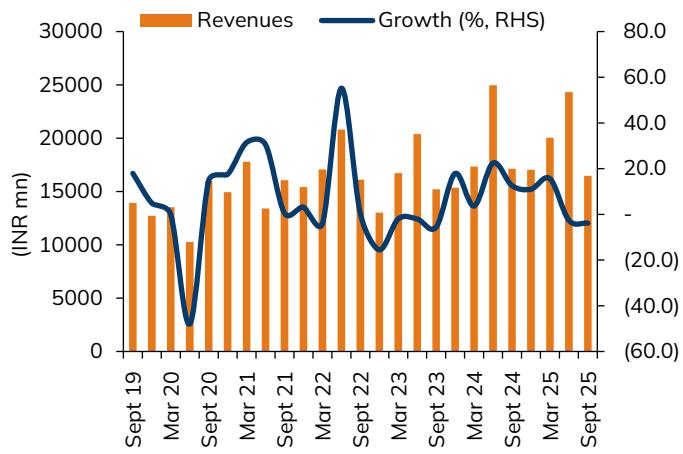
Exhibit 1: Q2FY26 financial performance

Y/e March (INR mn)	Q2FY26	Q2FY25	YoY % chg.	Q1FY26	QoQ % chg.
Revenue	16,473	17,130	(3.8)	24,323	(32.3)
Expenditure					
Raw materials	10,503	11,009	(4.6)	16,193	(35.1)
% of revenue	63.8	64.3		66.6	
Employee cost	2,146	2,136	0.5	2,211	(3.0)
% of revenue	13.0	12.5		9.1	
Other expenditure	3,246	3,115	4.2	3,807	(14.8)
% of revenue	19.7	18.2		15.7	
Total expenditure	15,895	16,260	(2.2)	22,212	(28.4)
EBITDA	578	870	(33.5)	2,111	(72.6)
<i>EBITDA margin</i>	3.5	5.1		8.7	
Other income	498	493	1.0	541	(7.8)
PBDIT	1,077	1,363	(21.0)	2,652	(59.4)
Depreciation	518	519	(0.1)	536	(3.2)
PBIT	558	845	(33.9)	2,117	(73.6)
Interest	82	111	(25.8)	152	(45.9)
PBT	476	734	(35.1)	1,964	(75.8)
Prov for tax	157	198	(20.9)	504	(68.8)
% of PBT	33.0	27.0		25.6	
PAT	319	535	(40.4)	1,461	(78.2)
Minority Interest	5	15		4	
Adjusted PAT	314	520	(39.6)	1,457	(78.4)
Extra ordinary items	93	12	710.4	6	1,594.5
Reported PAT	407	532	(23.4)	1,463	(72.1)

Source: Company data, I-Sec research

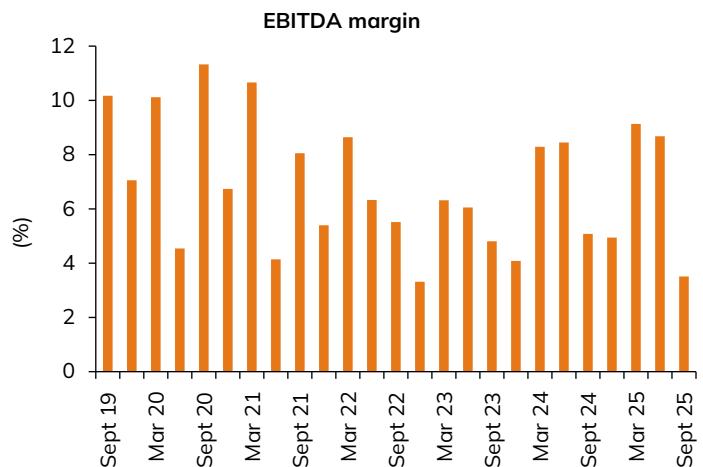
Key performance highlights

Exhibit 2: Revenue and revenue growth



Source: I-Sec research, Company data

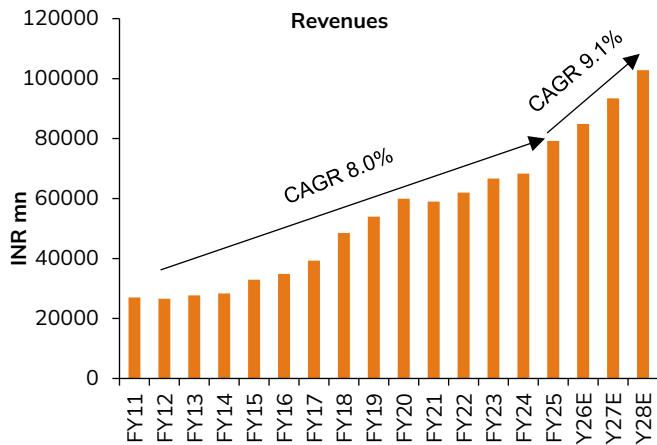
Exhibit 3: EBITDA margin



Source: I-Sec research, Company data

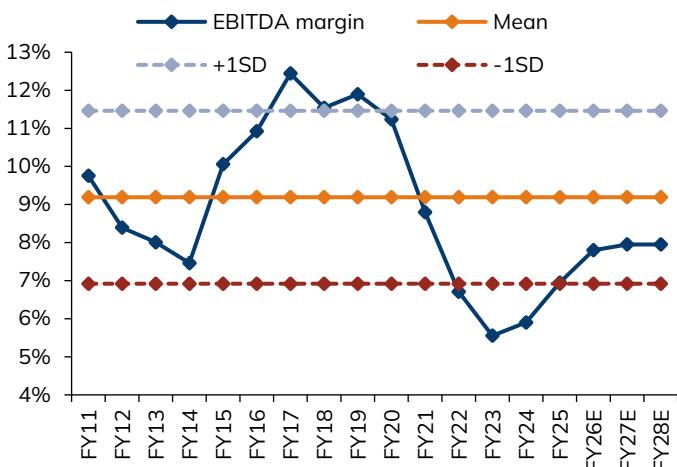
Key indicators – Annual

Exhibit 4: Revenue and revenue growth



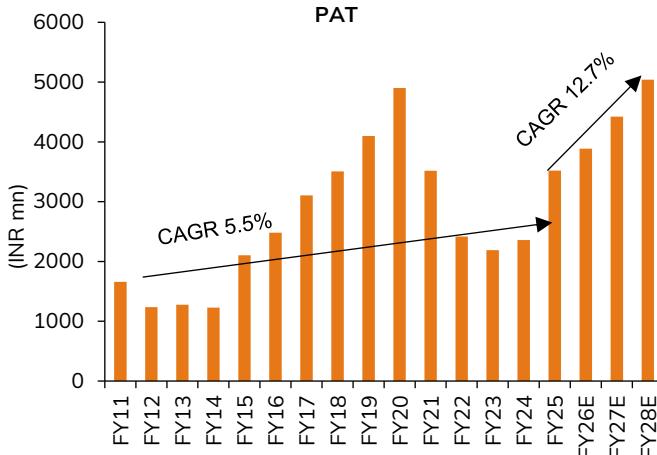
Source: Company data, I-Sec research

Exhibit 5: EBITDA margin



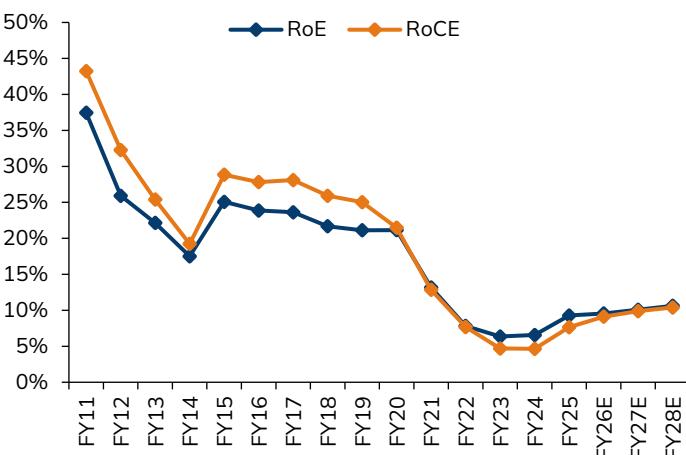
Source: Company data, I-Sec research

Exhibit 6: PAT and PAT growth



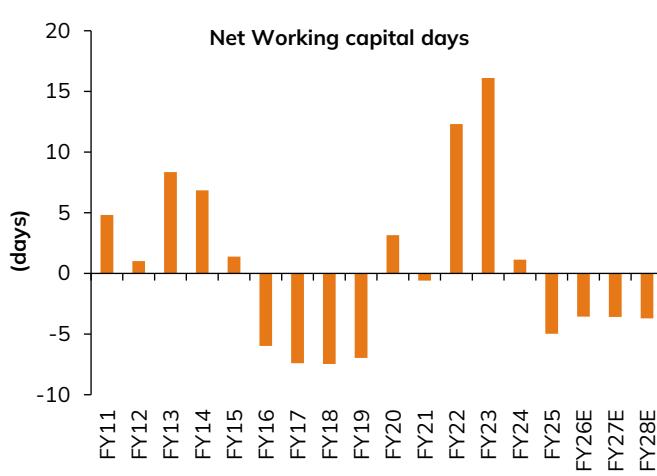
Source: Company data, I-Sec research

Exhibit 7: RoE and RoCE



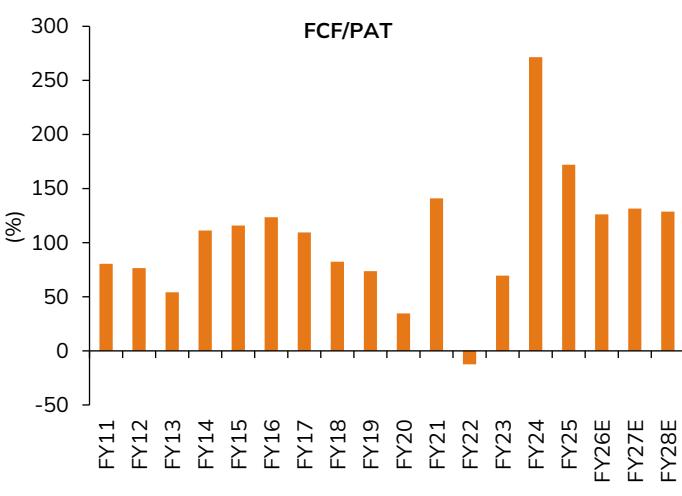
Source: Company data, I-Sec research

Exhibit 8: Net working capital days



Source: Company data, I-Sec research

Exhibit 9: FCF/PAT (%)



Source: Company data, I-Sec research

Valuation and risks

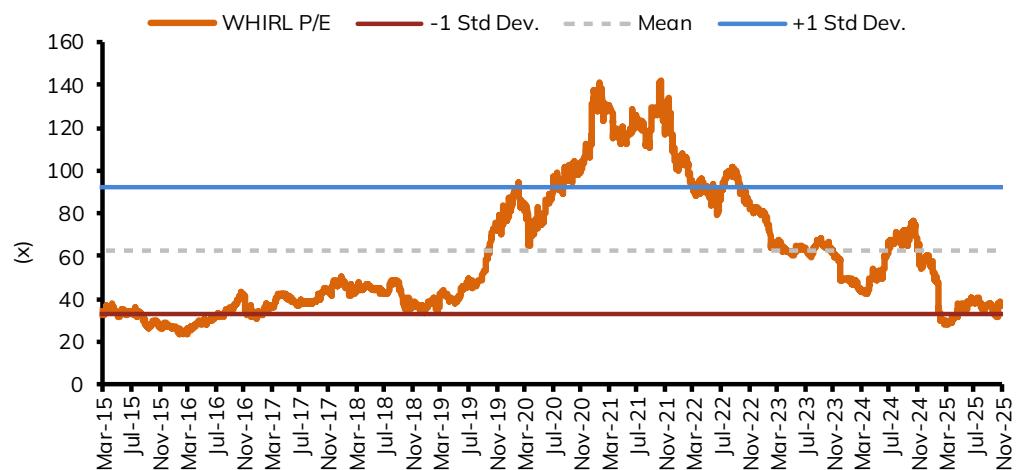
We model Whirlpool India to report revenue and PAT CAGRs of 9.1% and 12.7%, respectively, over FY25–28E. We maintain **SELL** with DCF-based unchanged target price of INR 1,100 (implied target P/E of 28x FY28E EPS).

Exhibit 10: DCF-based valuation

Particulars	
Cost of Equity (%)	11.0%
Terminal growth rate (%)	4.0%
Discounted interim cash flows (INR mn)	71,815
Discounted terminal value (INR mn)	67,742
Total equity value (INR mn)	1,39,557
Value per share (INR)	1,100

Source: Company data, I-Sec research

Exhibit 11: Mean PE (x) and standard deviations



Source: I-Sec research, Bloomberg

Risks

Decrease in input prices and competitive pressures

Major decrease in input prices and/or decrease in competitive pressures.

Better-than-expected performance of new plants/products

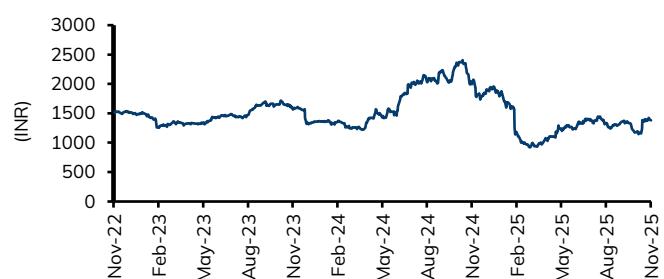
Higher-than-expected offtake of new products will pose upside risks to estimates.

Exhibit 12: Shareholding pattern

%	Mar'25	Jun'25	Sep'25
Promoters	51.0	51.0	51.0
Institutional investors	38.8	39.0	39.5
MFs and others	25.7	26.2	25.9
Insurance	2.2	2.1	2.1
FII	10.9	10.7	11.5
Others	10.2	10.0	9.5

Source: Bloomberg, I-Sec research

Exhibit 13: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 14: Profit & Loss

(INR mn, year ending)

	FY25A	FY26E	FY27E	FY28E
Net Sales	79,194	84,854	93,406	102,821
Operating Expenses	21,443	22,317	24,566	27,042
EBITDA	5,503	6,619	7,426	8,174
EBITDA Margin (%)	6.9	7.8	7.9	7.9
Depreciation & Amortization	2,132	2,369	2,503	2,623
EBIT	3,372	4,250	4,923	5,552
Interest expenditure	448	501	501	501
Other Non-operating Income	1,908	1,467	1,514	1,717
Recurring PBT	4,831	5,217	5,936	6,768
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	1,273	1,330	1,514	1,726
PAT	3,558	3,886	4,422	5,042
Less: Minority Interest	38	-	-	-
Extraordinaries (Net)	84	-	-	-
Net Income (Reported)	3,604	3,886	4,422	5,042
Net Income (Adjusted)	3,520	3,886	4,422	5,042

Source Company data, I-Sec research

Exhibit 15: Balance sheet

(INR mn, year ending)

	FY25A	FY26E	FY27E	FY28E
Total Current Assets	46,277	40,115	37,153	34,919
of which cash & cash eqv.	25,597	17,608	12,386	7,689
Total Current Liabilities & Provisions	21,761	23,335	25,687	28,276
Net Current Assets	24,516	16,780	11,466	6,643
Investments	1,013	13,013	23,013	33,013
Net Fixed Assets	11,655	10,879	9,576	8,254
ROU Assets	-	-	-	-
Capital Work-in-Progress	493	-	-	-
Total Intangible Assets	7,478	7,478	7,478	7,478
Other assets	-	-	-	-
Deferred Tax assets	-	-	-	-
Total Assets	45,155	48,150	51,534	55,388
Liabilities				
Borrowings	5,567	5,567	5,567	5,567
Deferred Tax Liability	(316)	(316)	(316)	(316)
provisions	-	-	-	-
other Liabilities	-	-	-	-
Equity Share Capital	1,269	1,269	1,269	1,269
Reserves & Surplus	38,229	41,225	44,608	48,462
Total Net Worth	39,498	42,493	45,877	49,731
Minority Interest	406	406	406	406
Total Liabilities	45,155	48,150	51,534	55,388

Source Company data, I-Sec research

Exhibit 16: Quarterly trend

(INR mn, year ending)

	Dec 24	Mar 25	June 25	Sept 25
Net Sales	17,049	20,047	24,323	16,473
% growth (YOY)	11.0	15.6	(2.6)	(3.8)
EBITDA	843	1,831	2,111	578
Margin %	4.9	9.1	8.7	3.5
Other Income	505	396	541	498
Extraordinaries	1	53	6	93
Adjusted Net Profit	590	1,122	1,457	314

Source Company data, I-Sec research

Exhibit 17: Cashflow statement

(INR mn, year ending)

	FY25A	FY26E	FY27E	FY28E
Operating Cashflow	7,306	6,002	7,017	7,791
Working Capital Changes	1,237	(253)	92	127
Capital Commitments	(1,198)	(1,100)	(1,200)	(1,300)
Free Cashflow	6,107	4,902	5,817	6,491
Other investing cashflow	(1,655)	(12,000)	(10,000)	(10,000)
Cashflow from Investing Activities	(2,853)	(13,100)	(11,200)	(11,300)
Issue of Share Capital	-	-	-	-
Interest Cost	-	-	-	-
Inc (Dec) in Borrowings	(571)	-	-	-
Dividend paid	(634)	(891)	(1,039)	(1,188)
Others	-	-	-	-
Cash flow from Financing Activities	(1,205)	(891)	(1,039)	(1,188)
Chg. in Cash & Bank balance	3,247	(7,989)	(5,222)	(4,696)
Closing cash & balance	25,576	17,608	12,386	7,689

Source Company data, I-Sec research

Exhibit 18: Key ratios

(Year ending)

	FY25A	FY26E	FY27E	FY28E
Per Share Data (INR)				
Reported EPS	27.7	30.6	34.9	39.7
Adjusted EPS (Diluted)	27.7	30.6	34.9	39.7
Cash EPS	44.5	49.3	54.6	60.4
Dividend per share (DPS)	5.0	7.0	8.2	9.4
Book Value per share (BV)	311.3	334.9	361.6	392.0
Dividend Payout (%)	18.0	22.9	23.5	23.6
Growth (%)				
Net Sales	16.0	7.1	10.1	10.1
EBITDA	36.6	20.3	12.2	10.1
EPS (INR)	49.2	10.4	13.8	14.0
Valuation Ratios (x)				
P/E	49.5	44.9	39.4	34.6
P/CEPS	30.9	27.9	25.2	22.8
P/BV	4.4	4.1	3.8	3.5
EV / EBITDA	27.9	22.6	19.5	17.0
P / Sales	2.2	2.1	1.9	1.7
Dividend Yield (%)	0.4	0.5	0.6	0.7
Operating Ratios				
Gross Profit Margins (%)	34.0	34.1	34.3	34.3
EBITDA Margins (%)	6.9	7.8	7.9	7.9
Effective Tax Rate (%)	26.4	25.5	25.5	25.5
Net Profit Margins (%)	4.4	4.6	4.7	4.9
NWC / Total Assets (%)	(2.4)	(1.7)	(1.8)	(1.9)
Net Debt / Equity (x)	(0.5)	(0.6)	(0.6)	(0.7)
Net Debt / EBITDA (x)	(3.8)	(3.8)	(4.0)	(4.3)
Profitability Ratios				
RoCE (%)	5.6	6.7	7.3	7.7
RoE (%)	9.0	9.4	9.9	10.5
RoIC (%)	12.8	17.3	21.4	26.3
Fixed Asset Turnover (x)	3.4	3.4	3.6	3.8
Inventory Turnover Days	66	64	65	65
Receivables Days	25	25	25	25
Payables Days	102	98	99	99

Source Company data, I-Sec research

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