

Ratings Monitor

One Report – to monitor stocks and identify triggers to re-evaluate ratings

Sona BLW Precision (SONACOMS)

Current Market Price	Fair Value (FV)
Rs.607	Rs.525

Date: 04 May 2026

Previous Rating: - **ADD**

Current Rating: **SELL**

Change: **Downgrade**

Ratings Rationale

- EBITDA margin in Q4FY26 came in at 24.4% (-270 bps yoy), 30 bps below estimates.
- We believe margin will remain under pressure owing to an inferior product mix, commodity headwinds and Haryana wage hike-related impact.
- Plants of Winning BLW GmbH were acquired by Linamar recently, which reduces the opportunity size for the company.
- We have cut our FY27-28 consolidated EBITDA estimates by 1-2%.
- Stock has run up by >25% since our upgrade; valuations remain expensive.
- We downgrade to SELL (from ADD) with a revised Fair Value of Rs525 (Rs500 earlier).

(EBITDA: Earnings Before Interest, Tax, Depreciation and Amortization; DCF: Discounted Cash Flow)

Valuation

Our fair value is based on DCF methodology

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

- BUY** – We expect the stock to deliver more than 15% returns over the next 12 months
- ADD** – We expect the stock to deliver 5% - 15% returns over the next 12 months
- REDUCE** – We expect the stock to deliver -5% - +5% returns over the next 12 months
- SELL** – We expect the stock to deliver < -5% returns over the next 12 months
- NR** – **Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
- SUBSCRIBE** – We advise investor to subscribe to the IPO.
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- NA** – **Not Available or Not Applicable.** The information is not available for display or is not applicable
- NM** – **Not Meaningful.** The information is not meaningful and is therefore excluded.
- NOTE** – Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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