

Dixon Technologies (India) Limited

Segment: Mid Cap

Overview: Dixon Technologies (India) Limited has been leading India's electronic manufacturing services (EMS) space. Founded in 1993 and commenced manufacturing of color television in 1994, Dixon has expanded its operation to various electronics sub-segments. As a homegrown manufacturing company, Dixon Technologies provides manufacturing and design-focused solutions in consumer durables, home appliances, lighting, mobile phones, security devices, set-top boxes, wearables, and medical equipment to customers across the globe, along with repairing and refurbishment services of LED TV panels. It has 17 State-of-the-art manufacturing facilities in Uttar Pradesh, Uttarakhand, and Andhra Pradesh. I am interested in the company because of its mission and vision to become the most preferred & trusted manufacturing & solution partner to brands operating across verticals. The company's achievement honors our commitment to making India an 'Atmanirbhar Bharat'.

Shareholding pattern of the company

Shareholding Pattern - Dixon Technologies (India) Ltd.

Holder's Name	No of Shares	% Share Holding
NoOfShares	59341935	100%
Promoters	20356769	34.3%
ForeignInstitutions	9726818	16.39%
NBanksMutualFunds	4281513	7.21%
Others	13991595	23.58%
GeneralPublic	10534733	17.75%
FinancialInstitutions	450507	0.76%

Management of the company

Management

Name	Designation
Abhijit Kotnis	President
Ashish Kumar	Group Co. Secretary & Compliance Officer
Atul B Lall	Vice Chairman & Mng.Director
Kailash Chander Sharma	Vice President
Keng Tsung Kuo	Independent Director
Manoj Maheshwari	Independent Director
Manuji Zarabi	Independent Director
Muneesh Dhawan	Vice President - Business Development
Pankaj Sharma	President
Poornima Shenoy	Independent Director
Rajeev Lonial	President
Rakesh Mohan	Independent Director
Saurabh Gupta	Chief Financial Officer
Sunil Vachani	Executive Chairman
Vineet Kumar Mishra	President

Strengths, Weaknesses, Opportunities & Threats (SWOT) analysis of the company:

Strengths in the SWOT analysis of Dixon Technologies India Limited

- Company with high TTM EPS Growth.
- Growth in Net Profit with increasing Profit Margin (QoQ).
- Growth in Quarterly Net Profit with increasing Profit Margin (YoY).

Weaknesses in the SWOT analysis of Dixon Technologies India Limited

- Inefficient use of capital to generate profits - RoCE declining in the last two years.
- Inefficient use of shareholder funds - ROE declining in the last two years.
- Inefficient use of assets to generate profits - ROA declining in the last two years

Opportunities in the SWOT analysis of Dixon Technologies India Limited

- Rising Delivery Percentage Compared to Prev Day.
- Rising Delivery Percentage Compared to Previous Day and Month, Strong Volumes.
- Positive Breakout Second Resistance.

Threats in the SWOT analysis of Dixon Technologies India Limited

- Stocks with Expensive Valuations according to the Trendlyne Valuation Score.
- Increasing Trend in Non-Core Income.
- Stocks with high PE (PE > 40).

Competitive Analysis:

Name	Last Price	Market Cap. (Rs. cr.)	Sales Turnover	Net Profit	Total Assets
Honeywell Autom	36,120.80	31,936.29	2,948.32	339.13	2,836.77
Dixon Technolog	3,811.55	22,618.48	7,484.41	150.96	1,168.06
Mirc Electronic	13.00	300.24	765.84	1.88	270.95
Videocon Ind	7.35	245.83	906.60	-6,760.75	25,948.61
Wonder Fibromat	146.00	195.65	398.36	7.28	71.88
Five Core	31.70	40.01	-	-	-
Moser Baer	1.20	26.61	546.60	-1,113.95	-2,138.65
Salora Inter	15.20	13.39	69.64	24.05	83.95
EuroMult	1.45	3.45	--	-12.26	-278.97
Noesis Ind	0.90	2.37	0.01	-0.68	-20.68

Conclusion:

The company is in contract manufacturing with leadership in product segments (LED television, lighting, and washing machines), and it's a well-established relationship with reputed clientele. But the company is constrained by its dependence on a few large clients, which renders its revenues susceptible to their business plans and performance.

The company has huge headroom for the growth in its segments due to companies going asset light or reducing dependency on other suppliers it can most of them, due to their exceptional capacity and cost efficiency & can be a major beneficiary if they can get them on board.

The stock has reached 15,000 levels, running over 300% over the last year. While the stock looks priced, the stock split and good quarterly results can lead to a short-term price rise. However, waiting for the correction to enter this stock might be a good idea.