Date: 15 July, 2026

IT—Hardware| Equity | India

Sales Note

GNG Electronics Ltd.

CMP: Rs. 572 | TARGET PRICE: Rs. 683 (19.4%)

Company Profile

GNG Electronics Ltd is India's largest refurbisher of ICT devices with a significant presence across India, USA, Europe, Africa, and UAE. The company operates under the brand "Electronics Bazaar", with a presence across the full refurbishment value chain i.e., from sourcing to refurbishment to sales, to after-sale services and providing warranty. The process of refurbishing ICT devices such as laptops, desktops, tablets, servers, premium smartphones, mobile workstations and accessories ensures that these devices are similar to new in terms of performance and aesthetics. The company offers laptop at one-third price of the new devices and other devices such as desktops, tablets, servers, premium smart phones, mobile workstations and accessories are sold at 35-50% price of new devices. The company is India's largest Microsoft Authorized Refurbisher (in terms of refurbishing capability). It is also the IT asset disposal partner for India's second largest software company (in terms of market cap) and a certified refurbishment partner with Lenovo and HP, which are top two global brands with a market share of 24% and 21%.

Investment Rationale

Technical Capabilities and Scale Create a Durable Competitive Moat: The company maintains market leadership through a fully integrated value chain that encompasses global sourcing, engineered refurbishment, and comprehensive after-sales service. The company's deeply technical 21-step refurbishment process, which includes specialized capabilities like motherboard-level servicing and LCD repolarization, creates a high barrier to entry for unorganized players. The company's rapid global expansion is powered by a scalable, asset-light business model that emphasizes working capital efficiency over heavy fixed investments. Because the refurbishment process does not require heavy machinery, the model is modular and highly flexible, enabling the company to add significant capacity within just two to three months by simply taking on more space and hiring trained technicians.

AI Boom Fuels Refurbished PC Demand: The surge in AI adoption is fundamentally reshaping the computing landscape, transforming laptops from simple productivity tools into essential interfaces for engaging with intelligent systems. This surge in demand coincides with significant global supply constraints for new PCs, as manufacturing capacity for critical components, particularly memory, is being diverted to high-end AI data centres. This diversion has triggered extraordinary price escalations for new hardware components. For example, between October 2025 and April 2026, the price of an 8GB DDR5 memory module increased fivefold, from $23.35 to approximately $120. Similarly, 1TB SSD prices rose from roughly $70 to $249 in just six months. These rising costs flow directly into the pricing of brand-new PCs; a typical entry-level laptop that cost ₹25,500 in December 2025 rose to nearly ₹40,000 by April 2026, a 57% increase.

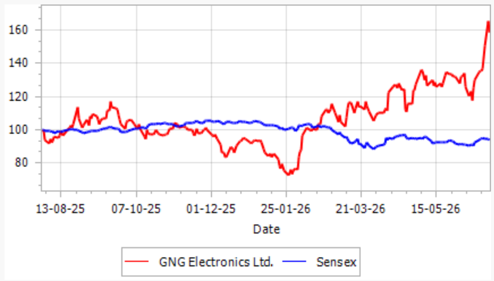
GNG Electronics leverages this market imbalance by offering AI-ready refurbished systems at a fraction of the cost of new devices, typically at one-third of the price. Because the company follows a "repair-over-replacement" approach and maintains strategic inventory positions, it can deliver enterprise-grade performance without being entirely dependent on the constrained new-chip production cycles.

Company Detail	
Industry	Auto Ancillary
BSE Code	544455
NSE Code	EBGNG
Bloomberg Code	EBGNG IN
Market Cap (INR Cr)	6,545
Promoter Holding (%)	78.71%
52wk Hi/Lo	690 / 239
Avg. 30 Daily Volume (NSE)	0.95 Mn

Shareholding Pattern (%)

Category	March-2026	Dec-2025
Promoter	78.71	78.71
FII	2.78	2.41
DII	5.20	4.67
Public	13.33	14.21

Share Price Performance

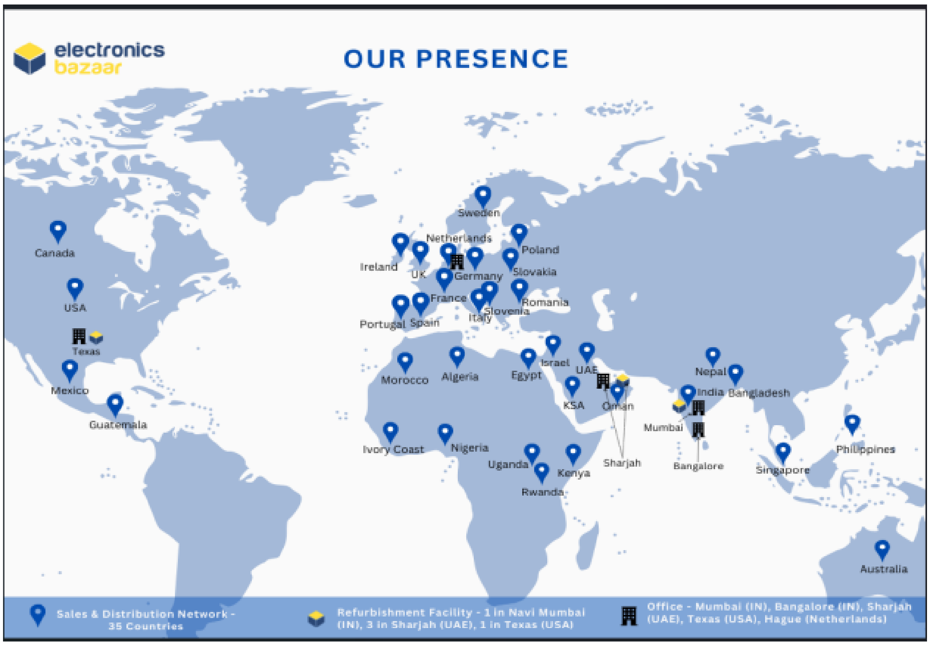


Vidnyan Sawant
AVP, Research Department
vidnyan@geplcapital.com
91-22-6618 27687

As new PC prices rise, the value proposition of a high-end refurbished computer becomes more compelling, allowing a customer to purchase a premium high-end refurbished device for less than the cost of a basic, entry-level new computer.

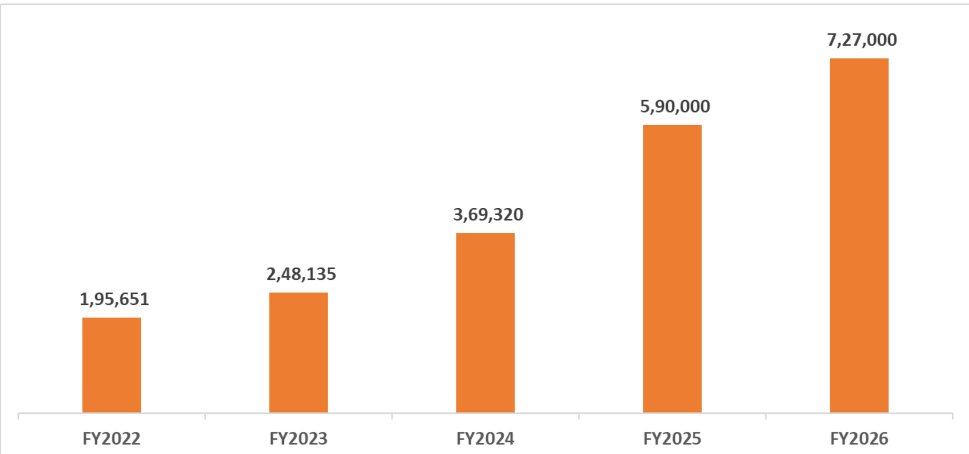
Positioning for the Next Wave of AI-Led Computing Demand: GNG Electronics is transitioning from being a high-growth refurbisher to a critical technology enabler for the AI era. A major component of its future plans involves expanding into infrastructure-level refurbishment to meet the skyrocketing demand for high-end computing power driven by Artificial Intelligence. The company has already preemptively secured long-term facility spaces in Mumbai, the UAE, and the USA to serve as high-capacity centers for testing and refurbishing advanced systems, including servers, data center hardware, and enterprise-grade storage. By building this "physical backbone" ahead of the curve, the company aims to provide affordable, AI-ready hardware to global enterprises and institutions. Future initiatives also include expanding digital inclusivity through a flagship affordability program, which uses EMI partnerships to offer premium refurbished laptops for as low as ₹1,000 per month. This strategy is designed to capture a wider audience, including first-time buyers and small businesses, while reinforcing the Electronics Bazaar brand as a symbol of leadership in the global circular economy.

Exhibit 1: Geographic Presence



Source: DRHP

Exhibit 2: Volume of devices refurbished (no.)

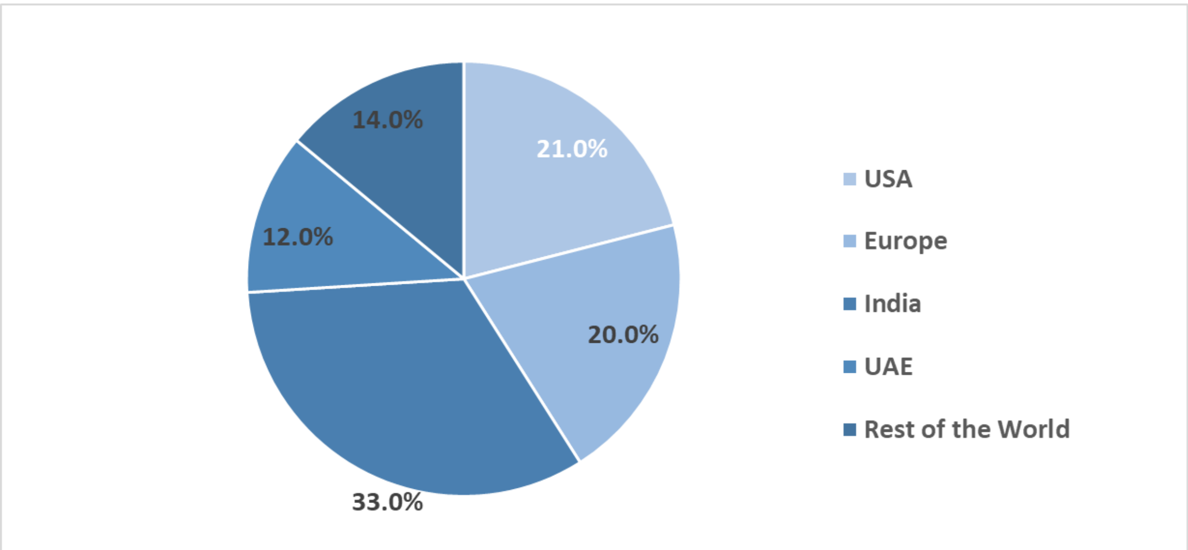


Source: GEPL Capital, Company data

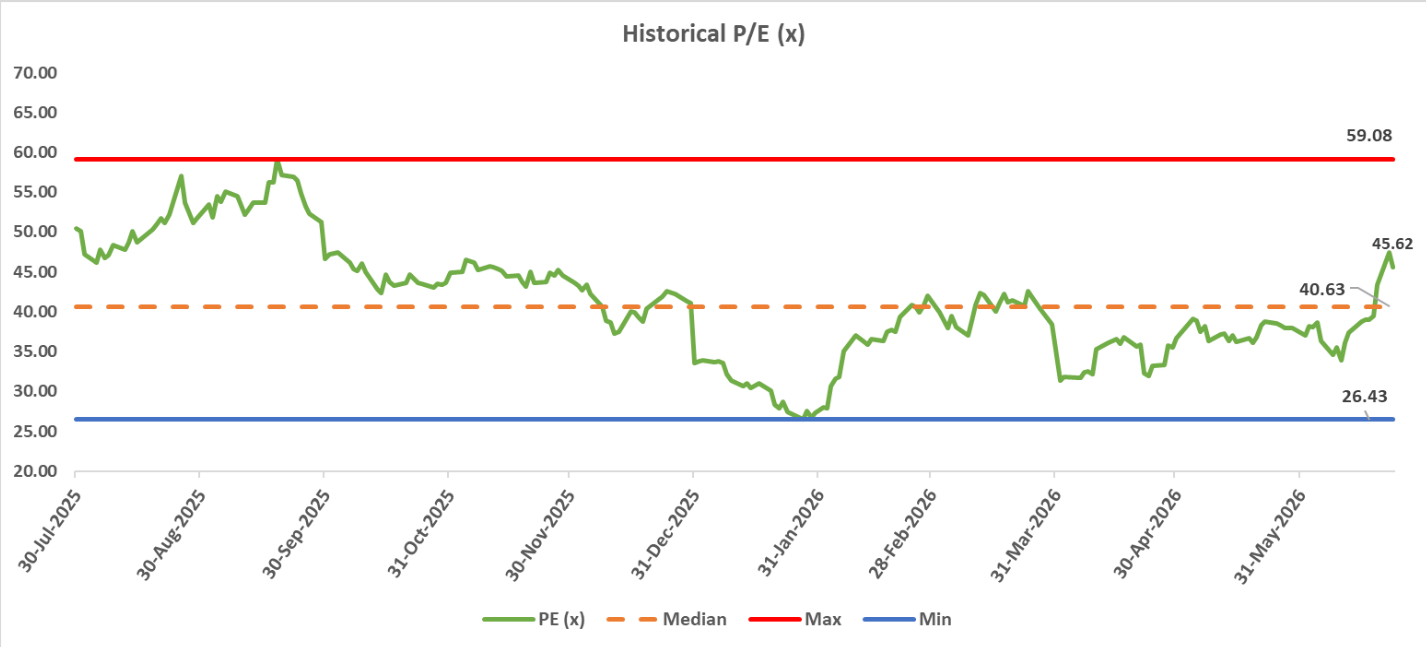
Exhibit 4: Product portfolio

Source: Company's DRHP

Exhibit 5: Geographic Revenue bifurcation

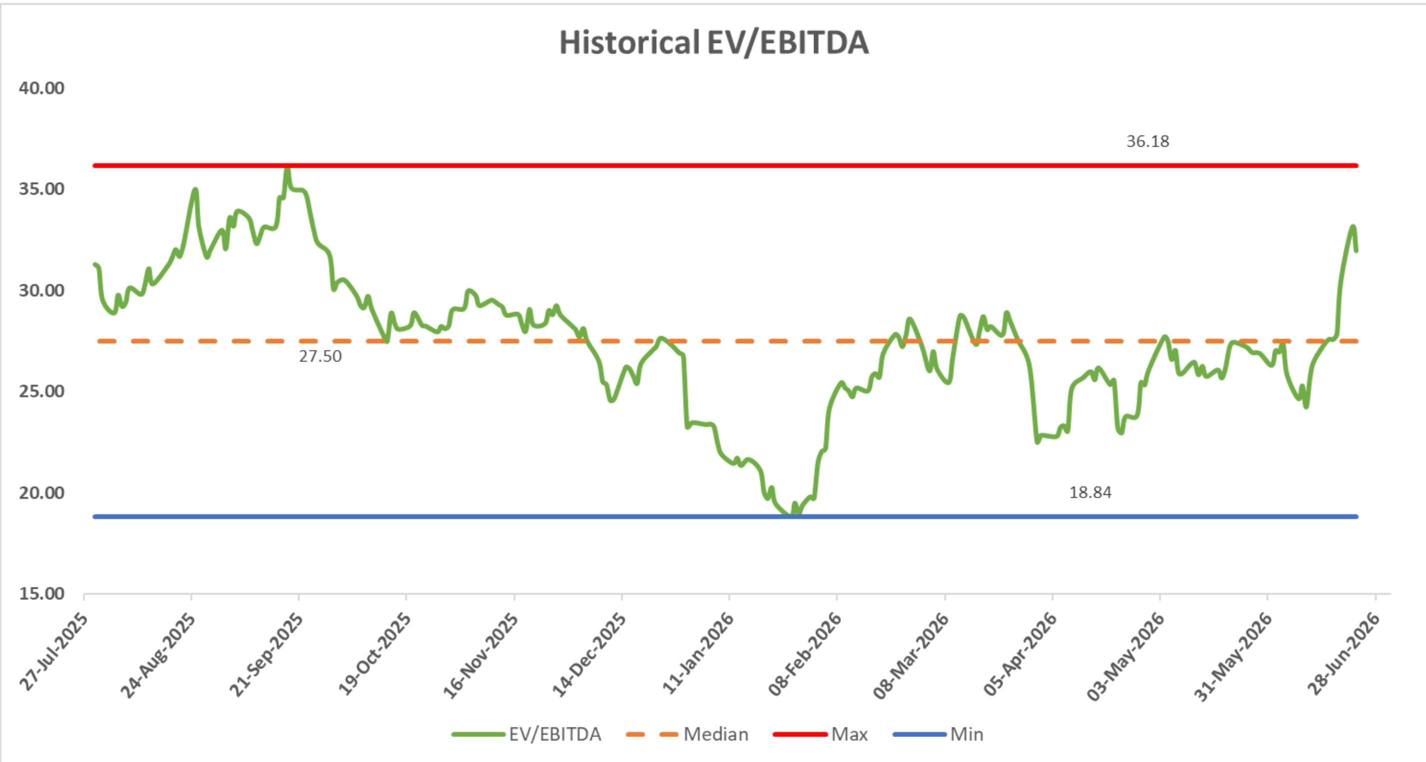


Historical P/E levels



Source: GEPL Capital, Ace Equity

Historical EV/EBITDA levels



Source: GEPL Capital, Ace Equity

Profit and Loss Statement

Particulars (Rs Cr)	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Revenue from operations	**660**	**1,138**	**1,411**	**1,891**	**2,458**	**3,147**	**3,933**
Growth (%)		*73%*	*24%*	*34%*	*30.0%*	*28.0%*	*25.0%*
Cost of Materials Consumed	558	998	1,159	1,510	1,954	2,486	3,107
Gross Profits	**101**	**140**	**252**	**381**	**504**	**661**	**826**
GPM%	*15.3%*	*12.3%*	*17.9%*	*20.1%*	*20.5%*	*21.0%*	*21.0%*
Employee benefit expense	20	36	77	105	135	167	205
Other expenses	35	25	58	80	98	126	157
EBITDA	**47**	**79**	**117**	**196**	**270**	**368**	**464**
EBITDA%	*7.1%*	*7.0%*	*8.3%*	*10.4%*	*11.0%*	*11.7%*	*11.8%*
Other Income	3	6	9	4	6	8	10
Depreciation and amortization expense	3	4	9	10	15	19	22
EBIT	**47**	**81**	**117**	**190**	**262**	**357**	**452**
EBIT%	*7.2%*	*7.1%*	*8.3%*	*10.1%*	*10.7%*	*11.4%*	*11.5%*
Financial costs	12	24	38	42	47	57	69
Profit before tax	**35**	**57**	**78**	**148**	**215**	**300**	**384**
Taxes	3	5	9	16	24	33	42
Profit for the year	**32**	**52**	**69**	**132**	**191**	**267**	**341**
Earnings Per Share (Basic) Rs.	**2.8**	**4.6**	**6.1**	**11.6**	**16.8**	**23.4**	**29.9**

Source: GEPL Capital, Company data

Balance Sheet

ASSETS (Rs Cr)	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Property, Plant & Equipment	8	31	35	48	61	79	98
Right of Use- Assets	9	9	6	26	24	31	39
Financial Assets	3	8	36	18	20	25	39
Total Non Current Assets	**21**	**49**	**78**	**92**	**105**	**136**	**177**
Inventories	135	314	487	743	1,056	1,369	1,492
Trade receivables	91	117	68	207	265	287	359
Cash, Cash equivlnt., Bank balance	2	5	5	69	61	93	259
Bank balances other than cash anc	25	63	23	49	44	57	71
Other Current Assets	10	30	60	94	80	85	98
Total Current Assets	**265**	**537**	**642**	**1,162**	**1,506**	**1,890**	**2,279**
TOTAL ASSETS	**285**	**586**	**720**	**1,254**	**1,611**	**2,026**	**2,456**

LIABILITIES (Rs Cr)	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Equity Share Capital	0	0	19	23	23	23	23
Other Equity	112	163	207	735	926	1,193	1,535
Equity Attributable to shareholder	*112*	*163*	*226*	758	949	1,216	1,558
Non controlling interest	0	0	1	2	2	2	2
Total Equity	**112**	**164**	**227**	**759**	**950**	**1,218**	**1,559**
Non-Current Liabilities							
Borrowings	13	8	73	2	2	3	3
Lease Liabilities	7	7	3	22	28	37	48
Provisions	0	0	1	6	10	12	7
Other liabilities	-	1	2	1	10	15	8
Total Non Current Liabilities	**20**	**16**	**78**	**31**	**51**	**67**	**66**
Current Liabilities							
Borrowings	101	310	362	404	485	581	698
Lease Liability	2	3	4	6	8	11	15
Trade Payables	10	84	27	27	48	47	38
Other Financial Liabilities	38	5	13	11	25	35	30
Provisions	2	4	6	6	15	25	15
Other current liabilities	1	1	1	6	15	21	15
Current tax Liabilities (Net)	-	-	2	4	15	21	20
Total Current Liabilities	**154**	**406**	**414**	**464**	**610**	**742**	**830**
TOTAL EQUITY AND LIABILTIES	**286**	**586**	**719**	**1,254**	**1,611**	**2,026**	**2,456**

Source: GEPL Capital, Company data

Cash Flow Statement

Particulars (Rs Crs.)	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Profit before tax and extraordinary items	307	357	372	446	520	644	848
Add: Depreciation	246	307	321	330	430	498	588
Add: Finance Costs	216	250	290	307	299	310	308
Others	18	-21	-71	-41	-40	-40	-40
Operating Profit Before Working Capital Changes	*786*	*893*	*913*	*1,041*	*1,209*	*1,413*	*1,703*
Adjustment For :							
Core Working Capital	-268	-43	-252	-239	-53	-270	-222
Tax Payment	-44	-60	-78	-98	-104	-129	-170
Net Cash From Operating Activities (A)	**475**	**790**	**583**	**705**	**1,052**	**1,014**	**1,312**
Cash Flow From Investing Activities							
Payment towards capital expenditure	-486	-166	-437	-738	-870	-1,063	-1,231
Realisation/(Payment) of long-term loans and advances from/to subs	-15	7	1	-56	5	5	5
Right-of-use	-19	-68	-15	-130	-52	-81	-74
Disposal/(Purchase) of other investments	-28	21	62	-99	-50	-50	50
Interest, Rent and dividend income	5	12	27	42	50	50	50
Net Cash Used In Investing Activities (B)	**-543**	**-194**	**-362**	**-981**	**-917**	**-1,139**	**-1,200**
Cash Flow From Financing Activities							
Proceeds/(Repayment) from/of long-term borrowings	73	-204	-24	210	49	51	35
Proceeds/(Repayment) from/of short-term borrowings	22	-117	156	305	125	69	-72
Proceeds/(Repayment) from/of Unsecured Loan	153	-5	37	-56	-40	-40	40
Finance Costs	-216	-250	-290	-307	-299	-310	-308
Net Cash Used In Financing Activities (C)	**39**	**-530**	**-143**	**169**	**-39**	**148**	**-69**
Net Increase/ (Decrease) In Cash And Cash Equivalents (A + B + C)	**-30**	**66**	**78**	**-108**	**96**	**24**	**42**
Cash And Cash Equivalents As At (Opening Balance)	71	41	107	185	77	173	196
Cash And Cash Equivalents As (Closing Balance)	**41**	**107**	**185**	**77**	**173**	**196**	**239**

Source: GEPL Capital, Company data

VALUATION & RECOMMENDATION

- GNG Electronics Ltd's stock is trading at P/E multiple of 21.9(x) of forward PAT for FY29E.
- We estimate a CAGR of 27.7% growth in Total Revenue during FY 26-FY29E period.
- PAT of Rs 341 crore is estimated for FY29E. We Applied a P/E (x) multiple of 26.1(x) and arrive at a Market Capitalization of Rs. 7,815 cr. (current Market Capitalization Rs 6,545 cr).
- A 19.4% upside is visible as per valuations.
- We have a ‘**BUY**’ rating on ‘**GNG Electronics Ltd**’ with a fair price of Rs. 683/share.

Notes

Recommendation Rating	Expected Absolute Return (%) over 12 months
BUY	>=15%
ACCUMULATE	>=10% and < 15%
NEUTRAL	>=-5% and < 10%
REDUCE	>=-20% and < -5%
SELL	<-20%

Disclaimer

We, Research Analyst of GEPL Capital, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We, also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

Disclosure :-

This document has been prepared by Research Department of GEPL Capital Pvt. Ltd. (hereinafter referred to as GEPL) and this report is for personal information of the selected recipient/s and does not construe to be any investment, recommendation, prospectus, offering circular or legal or taxation advice to you. This research report does not constitute an offer, invitation or inducement to invest in securities or other investments and GEPL is not soliciting any action based upon it. This report is not for public distribution and has been furnished to you solely for your general information and should not be reproduced or redistributed to any other person in any form. This report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, investors should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. GEPL makes no representation or warranty, express or implied, as to, and does not accept any responsibility or liability or obligation with respect to, the fairness, accuracy, completeness or correctness of any information or update information or opinions contained herein.

All investments including Future and Options are involving risks and investor should exercise prudence in making their investment decisions. The report should not be regarded by the recipients as a substitute for the exercise of their own judgment. Any opinions expressed in this report are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or GEPL as a result of using different assumptions and criteria. Foreign currency rates of ex-change may adversely affect the value, price or income of any security or related instrument mentioned in this report.

The information contained in this report has been obtained from sources that are considered to be reliable. However, GEPL has not independently verified the accuracy or completeness of the same. Neither GEPL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

GEPL and its affiliates and/or their officers, directors and employees may have similar position in any securities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such securities (or investment. GEPL specifically prohibits the redistribution of this material in whole or in part without the written permission of GEPL and GEPL accepts no liability whatsoever for the actions of third parties in this regard. GEPL or its director or its research analysts or its associates or his relatives and/or its affiliates and/or employees do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

Disclaimers in respect of jurisdiction:

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident or located in any locality, state, country or other jurisdiction where such Distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject GEPL its affiliates to any registration or licensing requirement within such jurisdiction. If this report is inadvertently send or has reached any individual the same may be ignored and brought to the attention of the sender. This document may not be reproduced, distributed or published for any purposes without prior written approval of GEPL.

Analyst Certification:

The views expressed in this research report reflect the personal views of the analyst(s) about the subject securities or issues. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months.

GEPL Capital Private Limited is a SEBI registered Research Analyst entity bearing SEBI Reg. No. “INH000000081” under SEBI (Research Analysts) Regulations, 2014.

Reg./Corp. Office : D-21 Dhanraj Mahal, CSM Marg, Colaba, Mumbai 400 001 Contact No +91 22 66182400

SEBI Reg.No. NSE/NSEF&O/CD - INB230993934, INF230993934 & INE230993934. BSE/BSE F&O- INB010993934 & INF010993934,

For more information visit us at : www.geplcapital.com

For research related queries email at: research@geplcapital.com