

Stocks / India / Capital Goods

DCX Systems

NSEI:DCXINDIA Stock Report

Add to watchlist Add to portfolio ...

LAST PRICE	MARKET CAP
₹270.85	₹26.2b
7D	1Y
-8.0%	n/a
UPDATED	DATA
24 Oct, 2023	Company Financials

DCXINDIA Stock Overview

DCX Systems Limited manufactures and sells defense electronic systems and cable harnesses in India and internationally.

About the company

REWARDS

- ★ Price-To-Earnings ratio (34.6x) is below the Aerospace & Defense industry average (46.4x) ▶
- ★ Earnings have grown 38% per year over the past 5 years ▶

RISK ANALYSIS

- ! Debt is not well covered by operating cash flow ▶

See All Risk Checks



Snowflake Analysis
Adequate balance sheet with acceptable track record.

Data Learn ...

My Notes 0



Capture your thoughts, links and company narrative

Add note

DCX Systems Limited Competitors



Paras Defence and Spa...
NSEI:PARAS
₹27.1b



Apollo Micro Systems
NSEI:APOLLO
₹17.8b

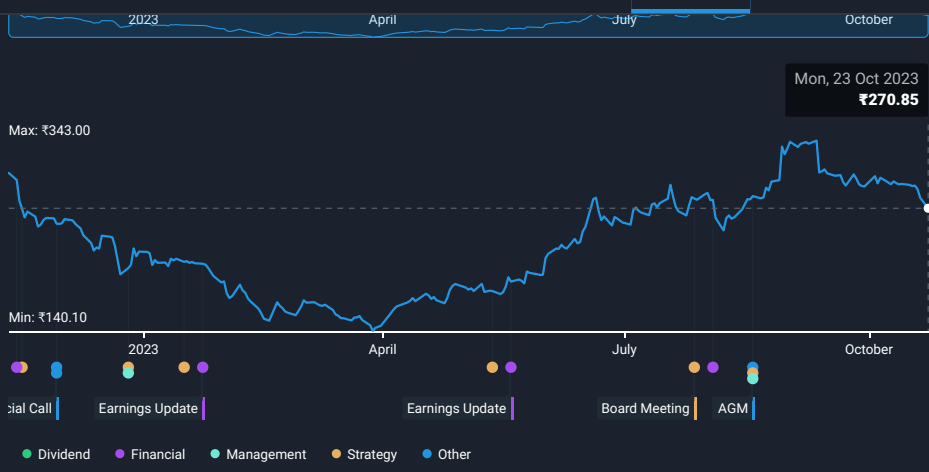


EMS
NSEI:EMSLIMITED
₹16.3b



Garden Reach Shipbuil...
NSEI:GRSE
₹80.1b





Data ...

Recent News & Updates

- DCX Systems Limited to Report First Half, 2024 Results on Oct 30, 2023
Oct 24
- DCX Systems Limited, Annual General Meeting, Sep 25, 2023
Aug 20 + 1 more update
- First quarter 2024 earnings released: EPS: ₹0.99 (vs ₹0.72 in 1Q 2023)
Aug 04
- DCX Systems Limited to Report Q1, 2024 Results on Aug 03, 2023
Jul 29
- Investor sentiment improves as stock rises 16%
Jun 07
- Full year 2023 earnings released: EPS: ₹8.44 (vs ₹9.19 in FY 2022)
May 25

See more updates

Shareholder Returns

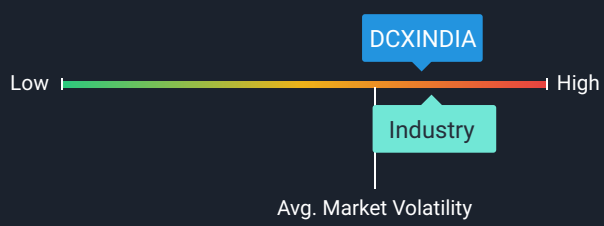
	DCXINDIA	IN Aerospace & Defense	IN Market
7D	-8.0%	-6.1%	-3.7%
1Y	n/a	45.3%	11.1%

See full shareholder returns

Return vs Industry: Insufficient data to determine how DCXINDIA performed against the [Indian Aerospace & Defense industry](#).

Return vs Market: Insufficient data to determine how DCXINDIA performed against the [Indian Market](#).

Price Volatility



Data ...

Stable Share Price: DCXINDIA is not significantly more volatile than the rest of Indian stocks over the past 3 months, typically moving +/- 7% a week.

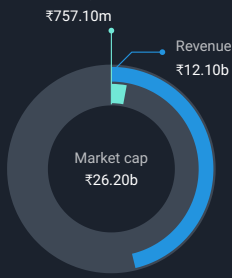
Volatility Over Time: DCXINDIA's [weekly volatility](#) (7%) has been stable over the past year.

About the Company

Founded 2011	Employees 110	CEO H. S. Rao	Website https://dcxindia.com
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DCX Systems Limited manufactures and sells defense electronic systems and cable harnesses in India and internationally. It provides cable and harness assemblies, fine wire cable assemblies, flex flat cable assemblies, EMI shield cable harness products, wired enclosures, backplane assemblies, diagnostic test sets, conduit assemblies, and...

Show more



34.6x

P/E Ratio

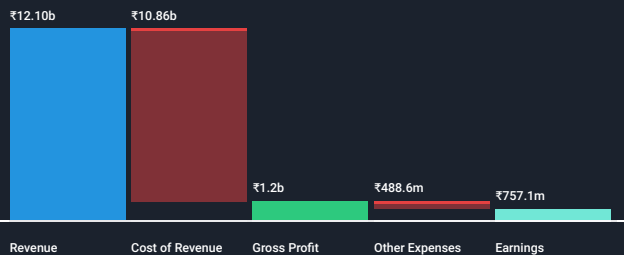
2.2x

P/S Ratio

Is DCXINDIA overvalued?
[See Fair Value and valuation analysis >](#)

Data ...

Earnings & Revenue



Last Reported Earnings: Jun 30, 2023
 Next Earnings Date: Oct 30, 2023

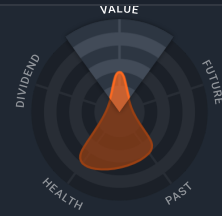
Earnings per share (EPS)	7.83
Gross Margin	10.29%
Net Profit Margin	6.25%
Debt/Equity Ratio	89.9%

How did DCXINDIA perform over the long term?
[See historical performance and comparison >](#)

Data ...

Valuation Score 2/6

- ✔ Price-To-Earnings vs Peers >
- ✔ Price-To-Earnings vs Industry >
- ✘ Price-To-Earnings vs Fair Ratio >
- ✘ Below Fair Value >
- ✘ Significantly Below Fair Value >
- ✘ Analyst Forecast >



1.1 Key Valuation Metric

Which metric is best to use when looking at relative valuation for DCXINDIA?

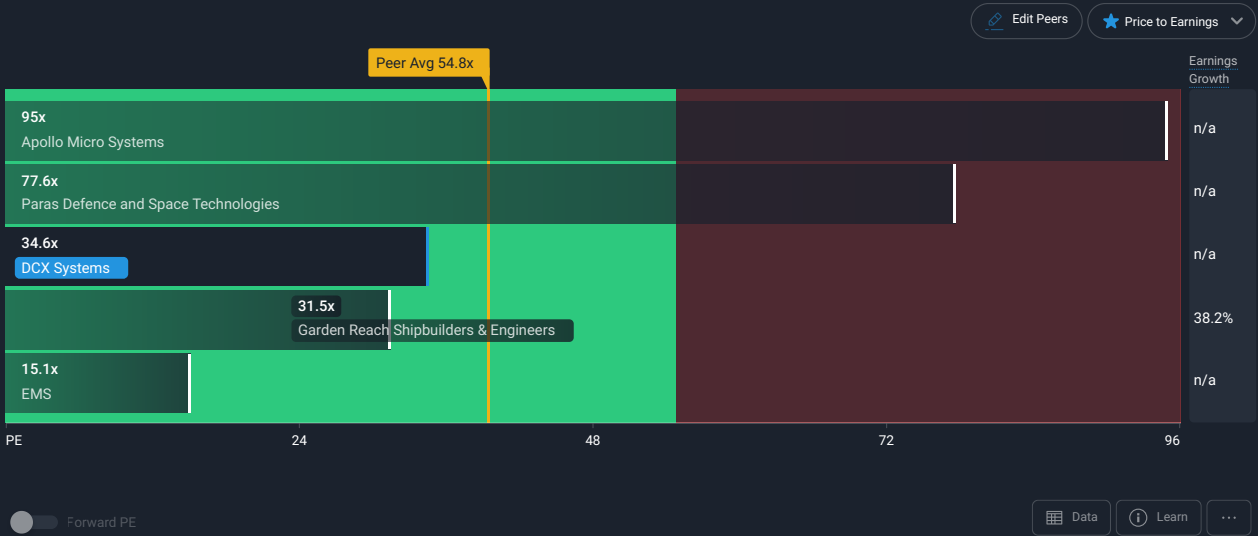
- PE**
- PS
- PB
- Others

★ **Key metric:** As DCXINDIA is profitable we use its [Price-To-Earnings Ratio](#) for relative valuation analysis.



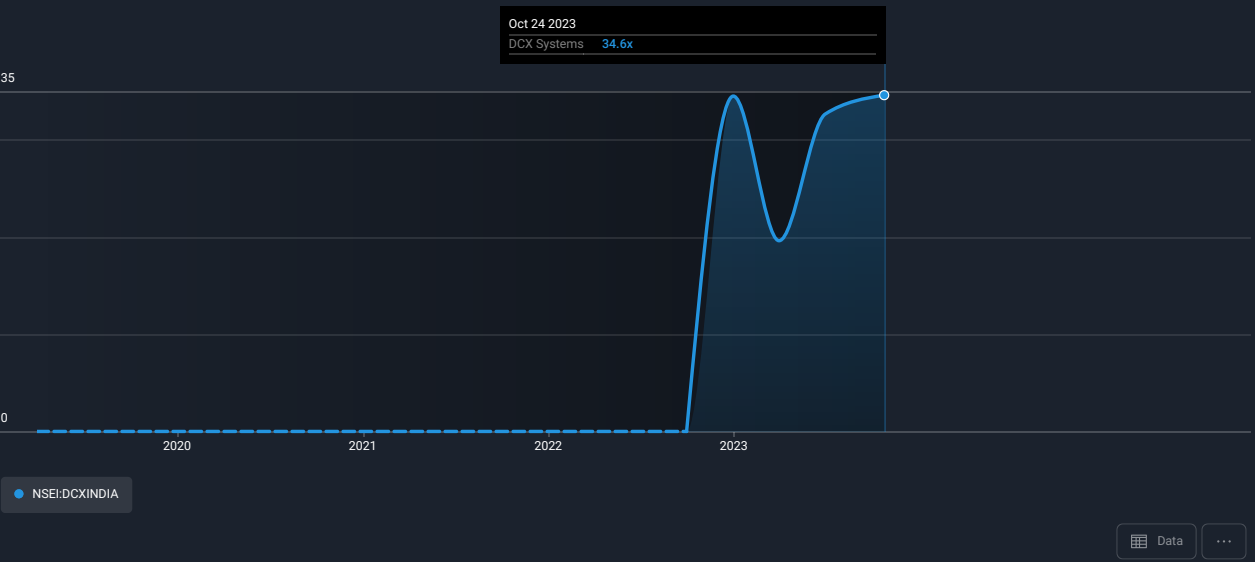
1.2 Price to Earnings Ratio vs Peers

How does DCXINDIA'S PE Ratio compare to its peers?



✔ **Price-To-Earnings vs Peers:** DCXINDIA is good value based on its Price-To-Earnings Ratio (34.6x) compared to the peer average (54.8x).

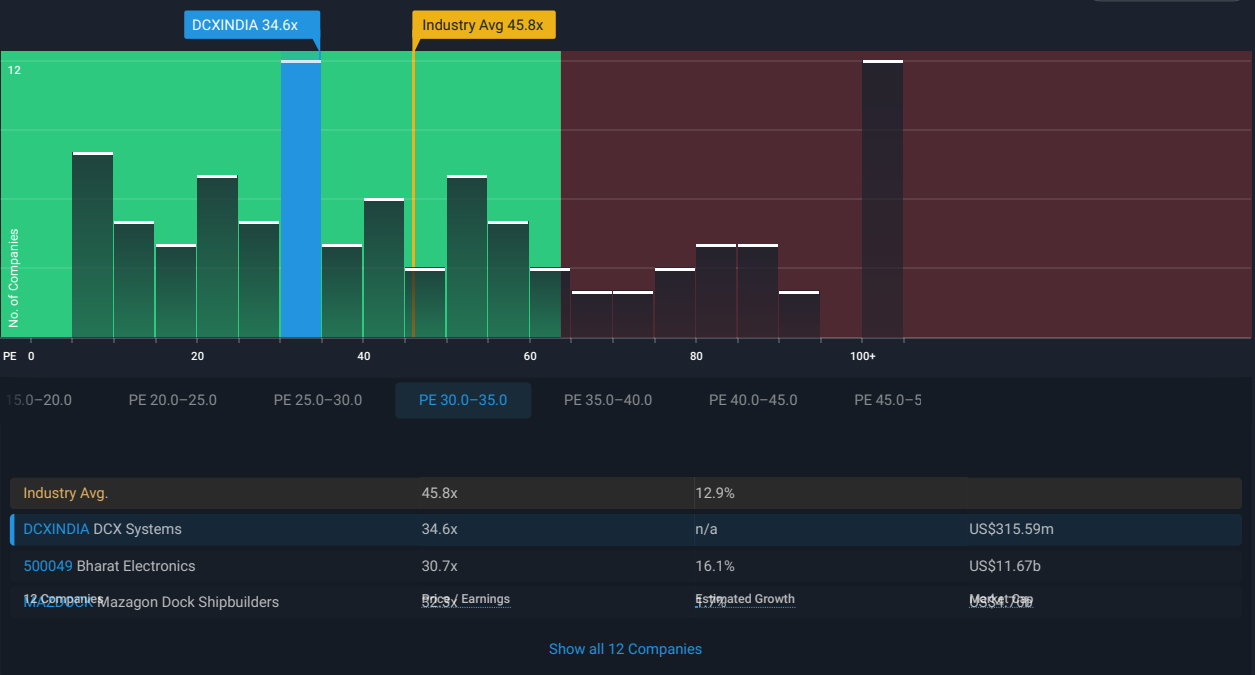
Price to Earnings



1.4 Price to Earnings Ratio vs Industry

How does DCXINDIA's PE Ratio compare vs other companies in the Asian Aerospace & Defense Industry?

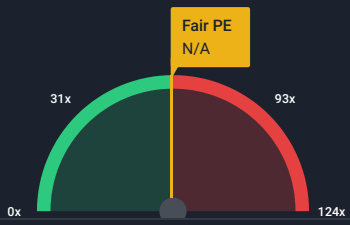
Price to Earnings



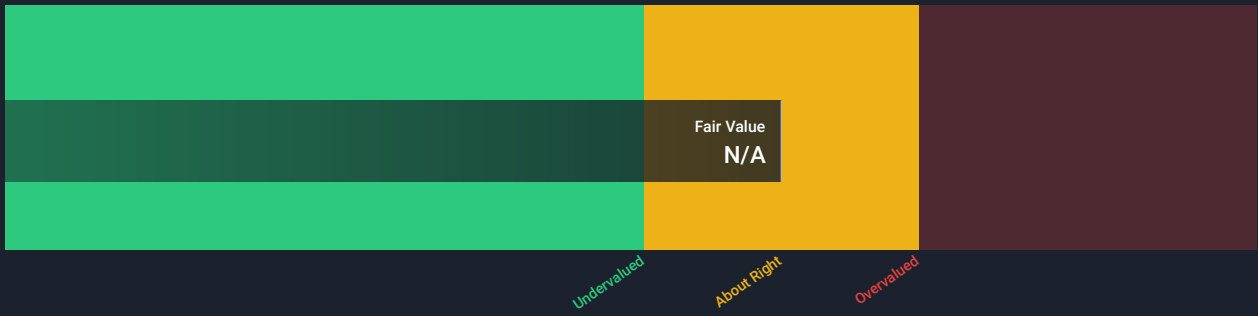
Price-To-Earnings vs Industry: DCXINDIA is good value based on its Price-To-Earnings Ratio (34.6x) compared to the Asian Aerospace & Defense industry average (45.1x).

1.5 Price to Earnings Ratio vs Fair Ratio

What is DCXINDIA's PE Ratio compared to its Fair PE Ratio? This is the expected PE Ratio taking into account the company's forecast earnings growth, profit margins and other risk factors.



Price-To-Earnings vs Fair Ratio: Insufficient data to calculate DCXINDIA's Price-To-Earnings Fair Ratio for valuation analysis.



[Learn](#) [...](#)

- ⚠ **Below Fair Value:** Insufficient data to calculate DCXINDIA's fair value for valuation analysis.
- ⚠ **Significantly Below Fair Value:** Insufficient data to calculate DCXINDIA's fair value for valuation analysis.

1.7 Analyst Price Targets

What is the analyst 12-month forecast and do we have any statistical confidence in the consensus price target?

Oct 01 2023	0 Analysts
Share Price	₹294.00
Average 1Y Price	N/A
Target	
Agreement	N/A




[Learn](#) [...](#)

- ⚠ **Analyst Forecast:** Insufficient data to show price forecast.

1.8 Discover undervalued companies

Potentially undervalued companies in the Capital Goods industry.

➤

Future criteria checks u/b 

We currently don't have sufficient analyst coverage to forecast growth and revenue for DCX Systems.

Key information

n/a Earnings growth rate	n/a EPS growth rate
Aerospace & defense earnings growth	12.9%
Revenue growth rate	n/a
Future return on equity	n/a
Analyst coverage	None
Last updated	n/a

Recent future growth updates

No updates

[Show all updates](#)

In this section we usually present revenue and earnings growth projections based on the consensus estimates of professional analysts to help investors understand the company's ability to generate profit. But as DCX Systems has not provided enough past data and has no analyst forecast, its future earnings cannot be reliably calculated by extrapolating past data or using analyst predictions.

This is quite a rare situation as 97% of companies covered by SimplyWall St do have past financial data.

[Show section](#)

2.1 Discover growth companies

Examine [DCX Systems's financial health](#) to determine how well-positioned it is against times of financial stress by looking at its level of debt over time and how much cash it has left.

DCX Systems competitive advantages and company strategy can generally be found in its [financial reports](#) archived here.



High growth companies in the Capital Goods industry.





Past criteria checks 3/6 🟢🟢🟢🔴🔴🔴

DCX Systems has been growing earnings at an average annual rate of 38%, while the Aerospace & Defense industry saw earnings growing at 17.9% annually. Revenues have been growing at an average rate of 1.5% per year. DCX Systems's return on equity is 13.4%, and it has net margins of 6.3%.

Key information

38.0% Earnings growth rate	34.7% EPS growth rate
Aerospace & defense industry growth	17.9%
Revenue growth rate	1.5%
Return on equity	13.4%
Net margin	6.3%
Next Earnings Update	30 Oct 2023

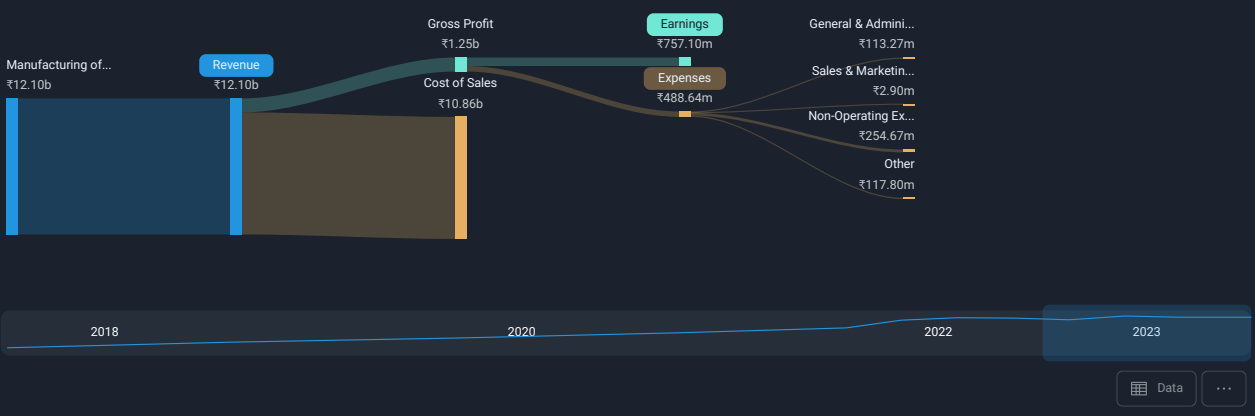
Recent past performance updates

- DCX Systems Limited to Report First Half, 2024 Results on Oct 30, 2023
Oct 24
 - First quarter 2024 earnings released: EPS: ₹0.99 (vs ₹0.72 in 1Q 2023)
Aug 04
 - DCX Systems Limited to Report Q1, 2024 Results on Aug 03, 2023
Jul 29
 - Full year 2023 earnings released: EPS: ₹8.44 (vs ₹9.19 in FY 2022)
May 25
- [Show all updates](#)

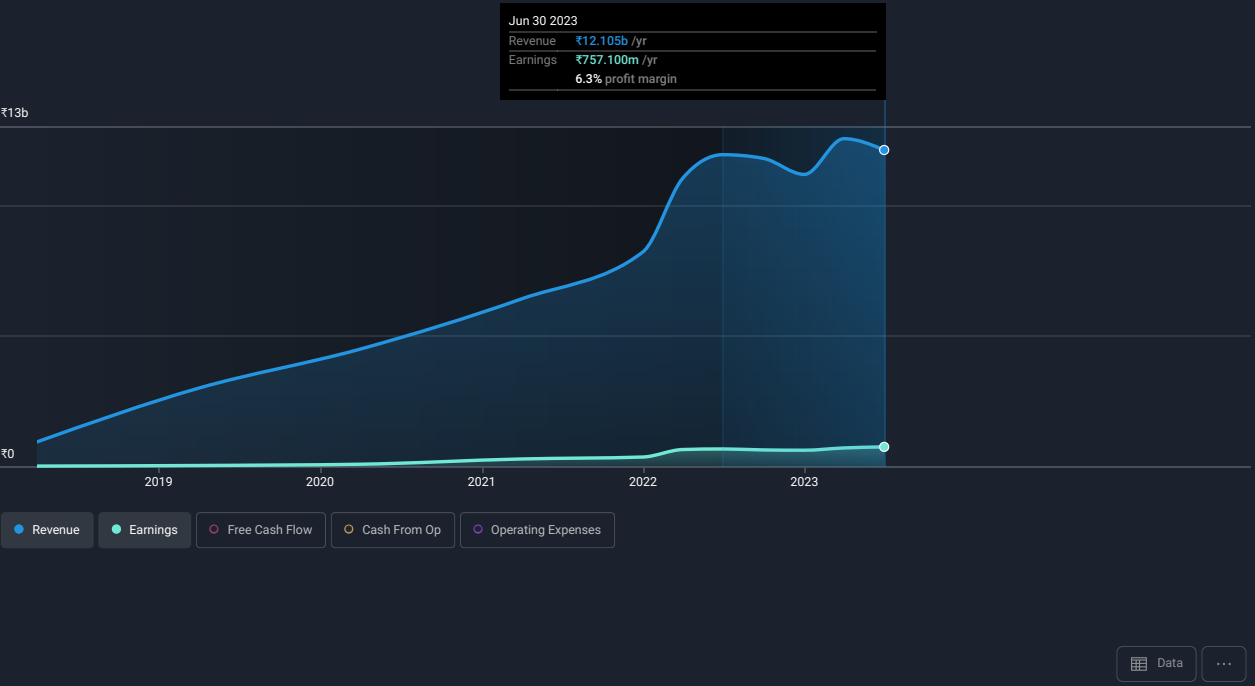
i This section of the company report contains some beta features. [Give Feedback](#)

3.1 Revenue & Expenses Breakdown Beta

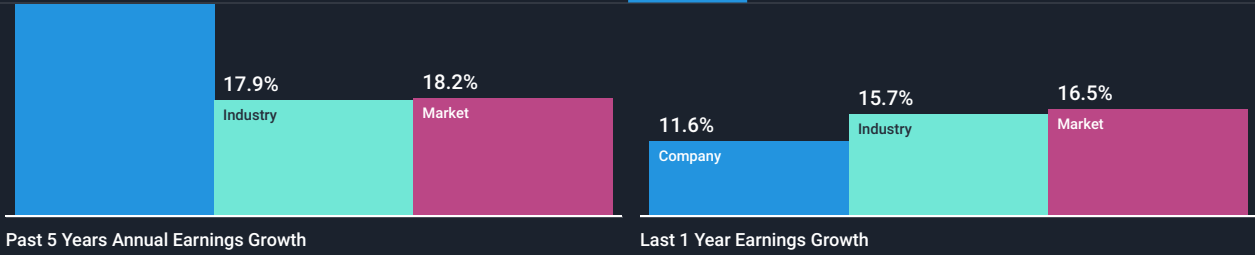
How DCX Systems makes and spends money. Based on latest reported earnings, on an LTM basis.



3.2 Earnings and Revenue History

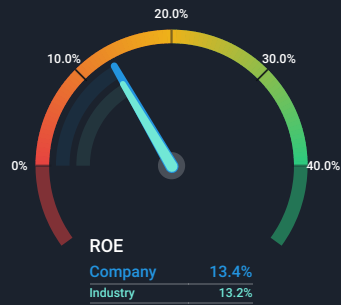


- 🟢 **Quality Earnings:** DCXINDIA has high quality earnings.
- 🟢 **Growing Profit Margin:** DCXINDIA's current net profit margins (6.3%) are higher than last year (5.7%).

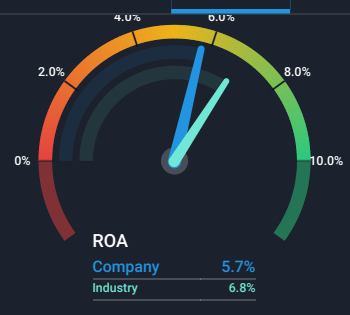


- ✓ **Earnings Trend:** DCXINDIA's earnings have grown significantly by 38% per year over the past 5 years.
- ✗ **Accelerating Growth:** DCXINDIA's earnings growth over the past year (11.6%) is below its 5-year average (38% per year).
- ✗ **Earnings vs Industry:** DCXINDIA earnings growth over the past year (11.6%) did not outperform the Aerospace & Defense industry 15.7%.

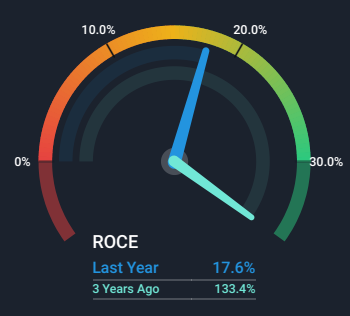
3.4 Return on Equity



- ✗ **High ROE:** DCXINDIA's Return on Equity (13.4%) is considered low.



3.6 Return on Capital Employed



3.7 Discover strong past performing companies

 Strong past performing companies in the Capital Goods industry. 



Financial Health criteria checks 4/6 ✔ ✘ ✔ ✘ ✔

DCX Systems has a total shareholder equity of ₹5.7B and total debt of ₹5.1B, which brings its debt-to-equity ratio to 89.9%. Its total assets and total liabilities are ₹12.2B and ₹6.5B respectively. DCX Systems's EBIT is ₹1.0B making its interest coverage ratio -17.8. It has cash and short-term investments of ₹136.7M.

Key information

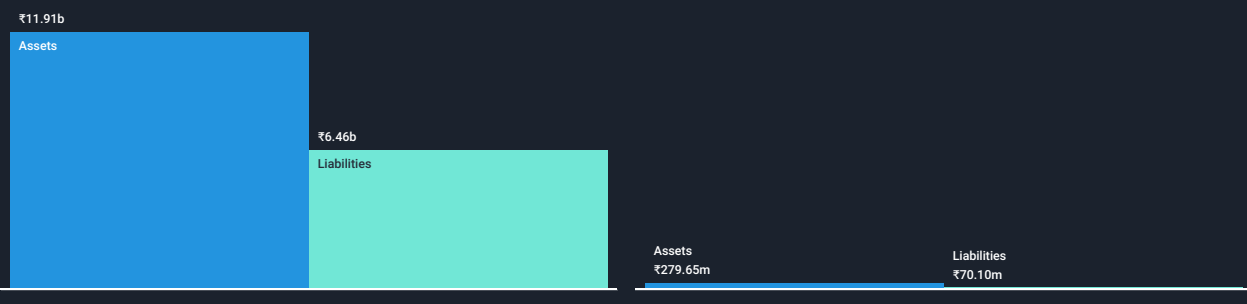
89.9% Debt to equity ratio	₹5.09b Debt
Interest coverage ratio	-17.8x
Cash	₹136.71m
Equity	₹5.67b
Total liabilities	₹6.53b
Total assets	₹12.19b

Recent financial health updates

No updates

[Show all updates](#)

4.1 Financial Position Analysis

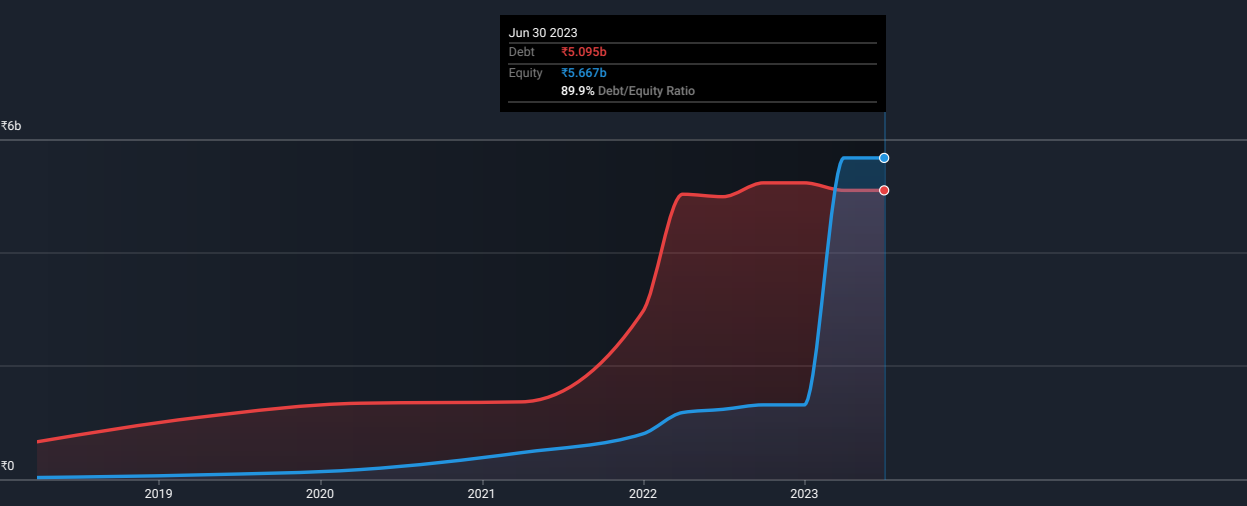


Short Term

Long Term

- ✔ **Short Term Liabilities:** DCXINDIA's short term assets (₹11.9B) exceed its short term liabilities (₹6.5B).
- ✔ **Long Term Liabilities:** DCXINDIA's short term assets (₹11.9B) exceed its long term liabilities (₹70.1M).

4.2 Debt to Equity History and Analysis



● Debt ● Equity ○ Cash And Equivalents

- ✘ **Debt Level:** DCXINDIA's net debt to equity ratio (87.5%) is considered high.
- ✔ **Reducing Debt:** DCXINDIA's debt to equity ratio has reduced from 1878.9% to 89.9% over the past 5 years.
- ✘ **Debt Coverage:** DCXINDIA's operating cash flow is negative, therefore debt is not well covered.

Long term & Other Assets ₹6.4b	Inventory ₹2.3b
Receivables ₹3.2b	Physical Assets Cash &

Liabilities + Equity

Equity ₹5.7b	Accounts Payable ₹1.4b
Debt ₹5.1b	Other

4.4 Discover healthy companies


Healthy companies in the Capital Goods industry.
>

Dividend criteria checks u/b ⊗⊗⊗⊗⊗⊗

DCX Systems does not have a record of paying a dividend.

Key information

n/a Dividend yield	n/a Payout ratio
Industry average yield	1.3%
Next dividend pay date	n/a
Ex dividend date	n/a
Dividend per share	n/a
Earnings per share	₹7.83
Dividend yield forecast in 3Y	n/a

Recent dividend updates

No updates

Show all updates

5.1 Stability and Growth of Payments

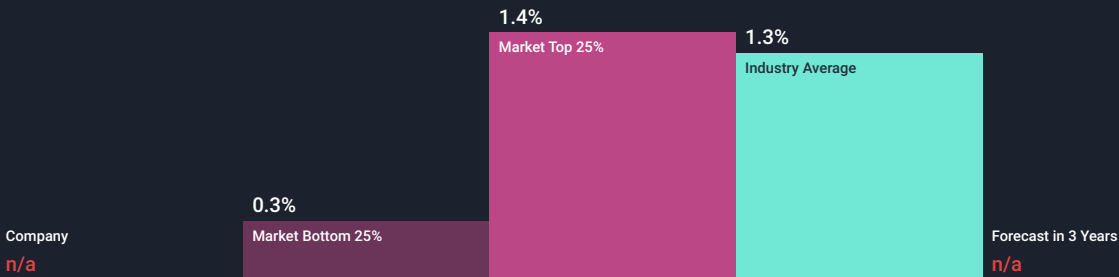
N/A	
Dividend Payments	No data
Annual Amount	No data
Dividend Yield	No data

- Dividend Yield
- Dividend Payments
- Annual Amount
- Earnings Per Share

Data ...

- ⚠ **Stable Dividend:** Insufficient data to determine if DCXINDIA's dividends per share have been stable in the past.
- ⚠ **Growing Dividend:** Insufficient data to determine if DCXINDIA's dividend payments have been increasing.

5.2 Dividend Yield vs Market



Current Dividend Yield Vs Market & Industry

Data

- ⊗ **Notable Dividend:** Unable to evaluate DCXINDIA's dividend yield against the bottom 25% of dividend payers, as the company has not reported any recent payouts.
- ⊗ **High Dividend:** Unable to evaluate DCXINDIA's dividend yield against the top 25% of dividend payers, as the company has not reported any recent payouts.



No data



Earnings Coverage: Insufficient data to calculate [payout ratio](#) to determine if its dividend payments are covered by earnings.

5.4 Cash Payout to Shareholders



Does not pay a dividend



Cash Flow Coverage: Unable to calculate sustainability of dividends as DCXINDIA has not reported any payouts.

5.5 Discover strong dividend paying companies

 Strong dividend paying companies in the IN market. 

management criteria checks 2/4 ✔ ✔ ✘ ✘

DCX Systems' CEO is H. S. Rao, appointed in Jun 2021, has a tenure of 2.33 years. total yearly compensation is ₹22.89M, comprised of 100% salary and 0% bonuses, including company stock and options. directly owns 5.8% of the company's shares, worth ₹1.52B. The average tenure of the management team and the board of directors is 1.9 years and 1.8 years...

Key information

H. S. Rao



Chief executive officer

₹22.9m

Total compensation

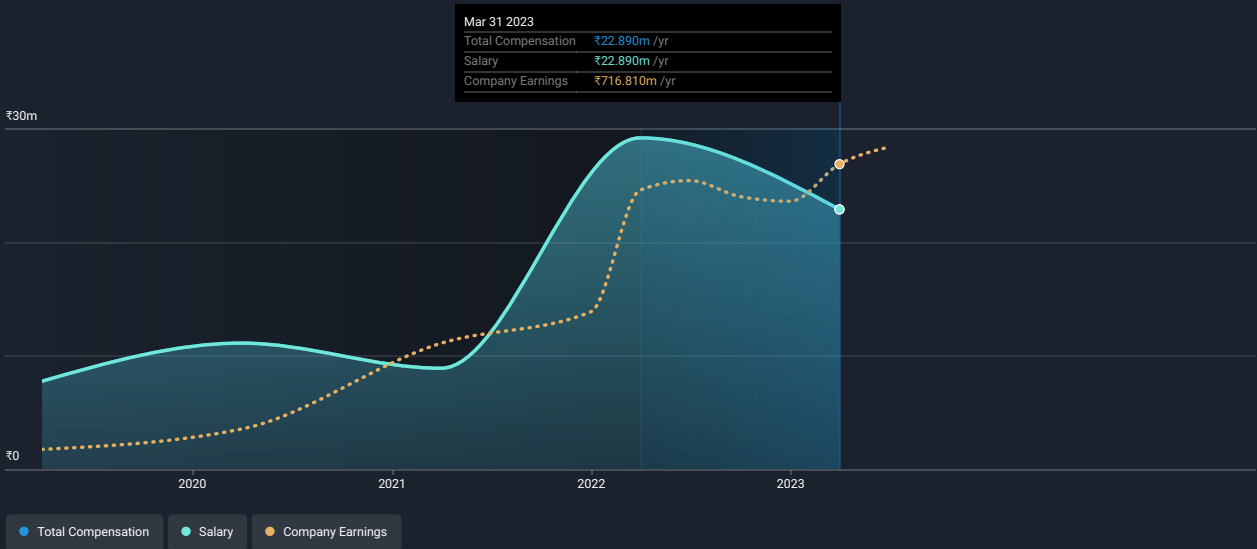
Ceo salary percentage	100.0%
Ceo tenure	2.3yrs
Ceo ownership	5.8%
Management average tenure	1.9yrs
Board average tenure	1.8yrs

Recent management updates

-  DCX Systems Limited, Annual General Meeting, Sep 25, 2023
 Aug 20 + 1 more update
-  DCX Systems Limited Announces Change in Designation of Sankarakrishnan Ramalingam from Whole Time Director and Kmp to Non-Executive Director
 Dec 27

Show all updates

6.1 CEO Compensation Analysis



- ✔ **Compensation vs Market:** H. S.'s total compensation (\$USD275.74K) is about average for companies of similar size in the Indian market (\$USD292.97K).
- ✔ **Compensation vs Earnings:** H. S.'s compensation has been consistent with company performance over the past year.

6.2 CEO

H. S. Rao (54 yo)

2.3yrs

Tenure

₹22,890,000

Compensation

Dr. H. S. Raghavendra Rao serves as Chairman of the Board and Managing Director of DCX Systems Limited since February 11, 2022 and June 27, 2021 respectively and Director since January 16, 2012. He serves a... [Show more](#)

Name	Position	Tenure	Compensation	Ownership
H. S. Rao	Chairman of the Board & MD	11.8yrs	₹22.89m ₹ 1.5b	5.8%
Krishnabagawan Ranga	Whole Time Director & CFO	1.8yrs	₹4.61m ₹ 38.7m	0.15%
Basavanna Pramod	Deputy General Manager of Operations	2yrs	₹2.59m ₹ 18.3m	0.070%
T. S. Kumar	Deputy General Manager of Finance & Accounts	no data	₹3.03m ₹ 18.3m	0.070%
G. Manjunath	Manager of HR & Administration	no data	₹1.64m ₹ 18.3m	0.070%
Nagaraj Dhavaskar	Company Secretary & Legal and Compliance Officer	1.8yrs	₹1.21m no data	no data
Suresh Anand	Deputy General Manager of SCM	no data	₹2.59m ₹ 18.3m	0.070%
Ramegowda Kumar	Vice President	no data	₹4.45m ₹ 41.9m	0.16%
Atul Mutthe	Manager of Quality	no data	₹1.33m ₹ 1.4m	0.0052%
K. Rajanikanth	Manager of Logistics	no data	₹1.46m ₹ 13.5m	0.052%

Show less

1.9yrs

Average Tenure

42yo

Average Age

⊗ Experienced Management: DCXINDIA's management team is not considered experienced (1.9 years average tenure), which suggests a new team.

6.4 Board Members

Name	Position	Tenure	Compensation	Ownership
H. S. Rao	Chairman of the Board & MD	11.8yrs	₹22.89m ₹ 1.5b	5.8%
Krishnabagawan Ranga	Whole Time Director & CFO	less than a year	₹4.61m ₹ 38.7m	0.15%
Panchangam Nagashayana	Independent Director	1.8yrs	no data ₹ 13.5m	0.052%
Neal Castleman	Non-Independent Non-Executive Director	11.6yrs	no data	no data
Kalyanasundaram Chandrasekaran	Independent Director	1.8yrs	no data ₹ 13.5m	0.052%
Lathika Pai	Independent Director	1.7yrs	no data ₹ 13.5m	0.052%

Show less

1.8yrs

Average Tenure

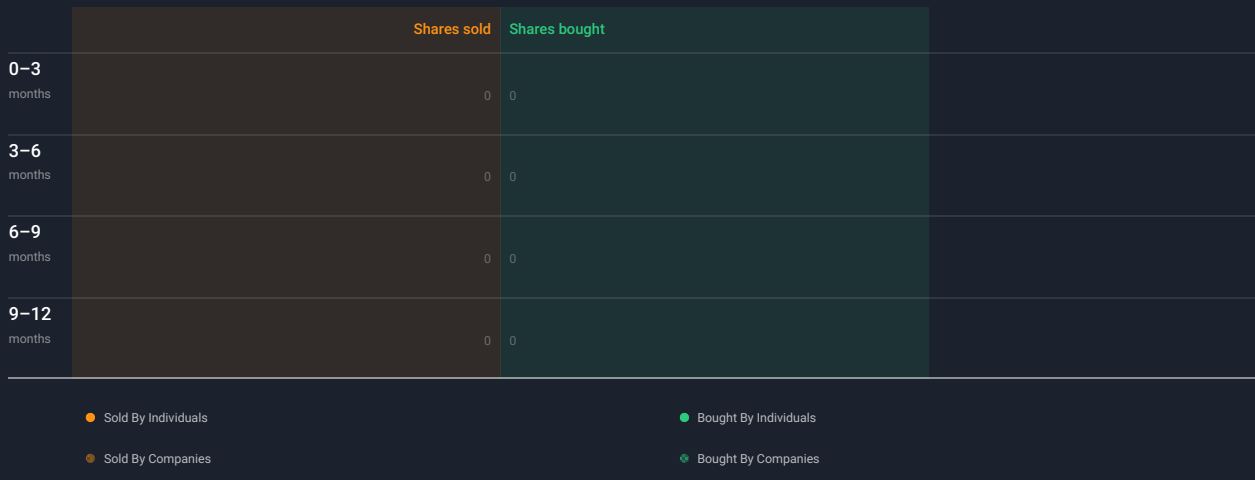
56yo

Average Age

⊗ Experienced Board: DCXINDIA's board of directors are not considered experienced (1.8 years average tenure), which suggests a new board.

7.1 Recent Insider Transactions

Insider Trading Volume



Insider Buying: Insufficient data to determine if [insiders](#) have bought more shares than they have sold in the past 3 months.

7.1 Ownership Breakdown



Dilution of Shares: DCXINDIA only recently listed within the past 12 months.



32.96%	NCBG Holdings Inc.	31,884,542	₹8.6b	0%	no data	
32.96%	VNG Technology Private Limited	31,884,542	₹8.6b	0%	no data	
5.8%	H. S. Rao	5,612,558	₹1.5b	0%	no data	
3.36%	HDFC Asset Management Company Limited	3,247,171	₹879.5m	12.03%	0.03%	
3.1%	Volrado Venture Partners	2,995,128	₹811.2m	0%	100%	
1.31%	Motilal Oswal Asset Management Company Limited	1,265,467	₹342.8m	0%	0.09%	
0.16%	Ramegowda Kumar	154,757	₹41.9m	0%	no data	
0.15%	Krishnabhagawan Ranga	142,706	₹38.7m	0%	no data	
0.13%	Sankarakrishnan Ramalingam	125,740	₹34.1m	0%	no data	
0.07%	T. S. Kumar	67,706	₹18.3m	0%	no data	
0.07%	Basavanna Pramod	67,706	₹18.3m	0%	no data	
0.07%	Suresh Anand	67,706	₹18.3m	0%	no data	
0.07%	G. Manjunath	67,706	₹18.3m	0%	no data	
0.052%	Panchangam Nagashayana	50,000	₹13.5m	0%	no data	
0.052%	Kalyanasundaram Chandrasekaran	50,000	₹13.5m	0%	no data	
0.052%	K. Rajanikanth	50,000	₹13.5m	0%	no data	
0.052%	Lathika Pai	50,000	₹13.5m	0%	no data	
0.031%	K. S. Kumar	30,000	₹8.1m	0%	no data	
0.0052%	Atul Mutthe	5,000	₹1.4m	0%	no data	

Show less

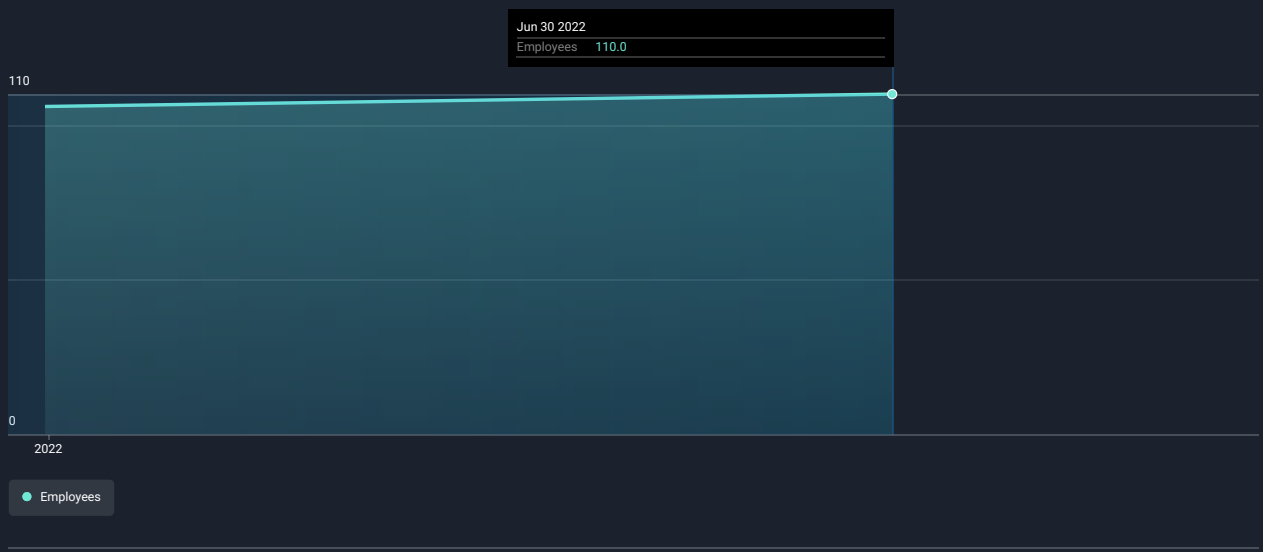


8.1 Key Information



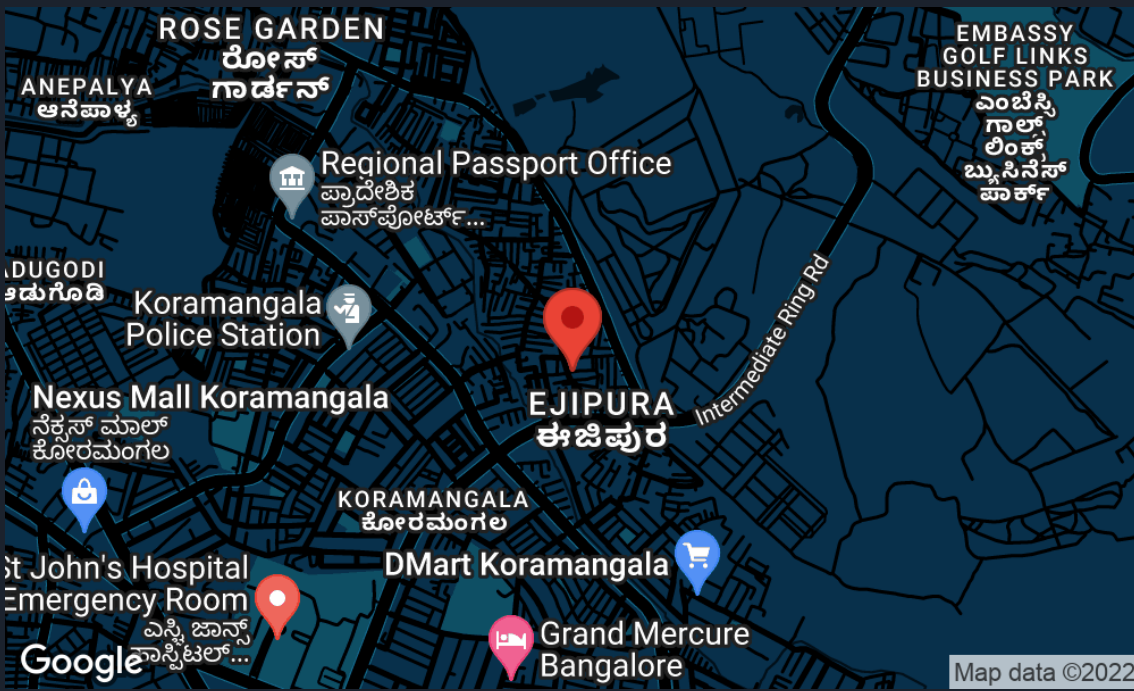
Name: **DCX Systems Limited**
Ticker: **DCXINDIA**
Exchange: **NSEI**
Founded: **2011**
Industry: **Aerospace and Defense**
Sector: **Capital Goods**
Implied Market Cap: **₹26.198b**
Shares outstanding: **96.72m**
Website: <https://dcxindia.com>

8.1 Number of Employees





Bangalore
Karnataka
562110
India



8.1 Listings

Ticker	Exchange	Primary Security	Security Type	Country	Currency	Listed on
543650	BSE (Mumbai Stock Exchange)	Yes	Equity Shares	IN	INR	Nov 2022
DCXINDIA	NSEI (National Stock Exchange of India)	Yes	Equity Shares	IN	INR	Nov 2022

8.1 Company Analysis and Financial Data Status

Data	Last Updated (UTC time)
Company Analysis	2023/10/24 00:00
End of Day Share Price	2023/10/23 00:00
Earnings	2023/06/30
Annual Earnings	2023/03/31

All financial data provided by Standard & Poor's Capital IQ.

Unless specified all financial data is based on a yearly period but updated quarterly. This is known as Trailing Twelve Month (TTM) or Last Twelve Month (LTM) Data. [Learn more here.](#)