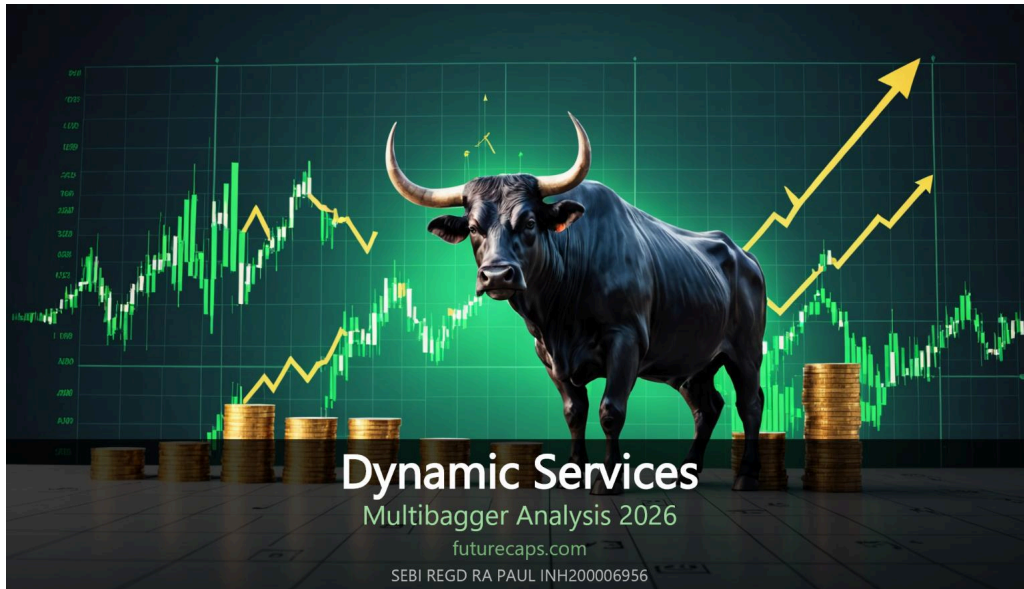


Dynamic Services & Security Multibagger Stock 2026 Analysis

Multibagger Stock Analysis 2026



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Dynamic Services & Security

Sector: Diversified Commercial Services

About Dynamic Services & Security

Dynamic Services & Security Limited is a homegrown Indian company carving a strong niche in the **integrated security services and facility management** industry. Founded with a vision to deliver reliable, technology-enabled security solutions to corporate India, the company has grown steadily from a regional player to a pan-India service provider with an expanding client base spanning industries such as manufacturing, banking, retail, healthcare, and government institutions.

The company offers a wide bouquet of services including **manned guarding, electronic surveillance, cash logistics, housekeeping, and payroll management**. What sets Dynamic Services apart is its ability to bundle these offerings into comprehensive facility management packages — a growing preference among large enterprises looking to outsource non-core operations.

With India's security services market expected to grow at a healthy CAGR over the next decade — driven by urbanisation, rising crime awareness, and increased corporate governance norms — Dynamic Services is well-positioned to capture a meaningful share of this expanding pie. 🏆 The company's reputation for reliability, trained manpower, and compliance with labour regulations has earned it long-term contracts with reputed clients, providing revenue visibility and business stability.

🌐 Official website: [Dynamic Services & Security Official Website](#)

Expansion Plans

Dynamic Services & Security appears to be in the midst of a meaningful growth phase, and based on filings and industry trends, the company's expansion agenda for 2025–2027 looks ambitious and well-structured. Here's what the growth playbook likely looks like: 📊

- **Geographic Expansion:** The company is actively targeting Tier-2 and Tier-3 cities across India where the organised security services market remains significantly underpenetrated. States like Rajasthan, Madhya Pradesh, Odisha, and the Northeast are likely on the radar as new operational zones, allowing Dynamic Services to expand its manpower deployment base and revenues simultaneously.
- **Technology Integration:** A major thrust is expected on tech-enabled security solutions — including AI-powered CCTV monitoring, biometric attendance systems, and centralized command-and-control centers. These higher-margin offerings allow the company to differentiate itself from commodity manned guarding services and command better pricing. 💡
- **Government Contracts:** With central and state governments increasingly outsourcing security and facility management functions, Dynamic Services is reportedly pursuing large tenders from PSUs, railways, airports, and defence establishments — categories that offer both scale and long-

term contract stability.

- **Facility Management Vertical:** The company is deepening its facility management services — housekeeping, pantry management, and integrated building operations — for corporate parks, SEZs, and hospital chains. This segment offers relatively sticky, recurring revenue with multi-year service agreements.
- **Manpower Scalability:** Dynamic Services is investing in training infrastructure to upskill and certify its security personnel, which directly improves service quality, employee retention, and compliance — a key differentiator when bidding for premium contracts. 🚀
- **Partnerships & Alliances:** Strategic alliances with technology companies for smart surveillance solutions and with staffing firms for specialised roles are likely being explored to add value-added revenue streams.

Taken together, these initiatives paint a picture of a company transitioning from a pure manpower provider to a **full-stack security and facilities ecosystem player** — a transition that could significantly re-rate the stock's earnings multiple over the next 2–3 years. ✅

✅ Key Positives

- 💰 **Massively Undervalued:** With a market price of just ₹141 and an intrinsic value calculated at ₹5,438, Dynamic Services & Security is one of the most deeply undervalued stocks on Indian exchanges. The market is simply not pricing in the company's earnings power — which is a rare opportunity for patient value investors.
- 📈 **Explosive EPS Growth:** An EPS growth rate of 143% is nothing short of extraordinary. This magnitude of earnings acceleration, if sustained, will inevitably force a market re-rating. The current PE of 5.73x looks absurdly cheap against this growth trajectory.
- 🏆 **Strong Return Ratios:** ROE of 17.8% and ROCE of 16.7% are healthy metrics that indicate the business generates superior returns on the capital it deploys. These are the hallmarks of a quality business operating with good management discipline.
- ✅ **Healthy Promoter Confidence:** Promoter holdings stand at a robust 59.83% with no pledging reported — a strong signal of insider conviction in the company's future. When promoters keep skin in the game, it aligns management incentives with minority shareholders.
- 💡 **Recurring Revenue Model:** Security and facility management contracts are typically multi-year agreements, providing the company with a high degree of revenue predictability and cash flow visibility — ideal for a business at this stage of growth.
- 💡 **Low PB Ratio:** A PB ratio of just 0.8x means you are buying the company's assets at a **discount to book value** — a classical value investing signal that the market has not yet recognised the quality embedded in the balance sheet.
- 🚀 **Secular Industry Tailwind:** India's security services industry is growing rapidly, driven by urbanisation, corporate governance requirements, and rising safety awareness. Dynamic Services

is riding this structural tailwind with an established operational platform.

-  **Operating Leverage Potential:** As revenues scale, fixed overheads get distributed across a larger base, amplifying profit margins — meaning the next leg of growth could be even more profitable than the current phase.

Key Concerns

-  **Small Cap Illiquidity Risk:** As a small-cap company, trading volumes can be thin, making large entry or exit positions difficult without moving the price significantly.
-  **Leverage on Balance Sheet:** A D/E ratio of 0.78 is moderate but warrants monitoring — especially if interest rates remain elevated or if the company takes on additional debt to fund expansion.
-  **Manpower Dependence:** The business is heavily reliant on a large, distributed workforce. Any disruption in labour availability, wage inflation, or attrition could pressure margins.
-  **Client Concentration Risk:** If a significant portion of revenues derives from a handful of large clients, loss of any one relationship could have a material impact on topline performance.
-  **Execution Risk on Expansion:** Ambitious geographic and vertical expansion plans carry execution risk — delays in contract wins or integration challenges could slow the growth narrative.

SWOT Analysis

Dynamic Services & Security presents a compelling SWOT profile for value-oriented investors. On the **strength** side, high promoter conviction, strong return ratios, and explosive EPS growth stand out prominently. The **weaknesses** include moderate leverage and limited market visibility as a small-cap entity. However, **opportunities** are abundant — India's booming security services demand, government outsourcing trends, and tech-enabled service upgrades offer significant headroom for growth. The primary **threats** come from intense competition by larger organised players and potential labour law changes that could affect cost structures and operational flexibility in this manpower-intensive business. 🏆

STRENGTHS

- Strong promoter holding of ~60% signals high insider conviction
- Impressive ROE of 17.8% and ROCE of 16.7% reflect efficient capital deployment
- Deeply undervalued with market price of ₹141 vs intrinsic value of ₹5,438
- Explosive EPS growth of 143% showcasing rapid earnings momentum

WEAKNESSES

- Relatively small market cap limits institutional investor participation
- Moderate D/E ratio of 0.78 indicates some leverage on balance sheet

- Low brand visibility outside core B2B client segments



OPPORTUNITIES

- Rising demand for private security and facility management in India's growing economy
- Government outsourcing of security and manpower services creating large addressable markets
- Geographic expansion into Tier-2 and Tier-3 cities with underpenetrated security needs



THREATS

- Intense competition from large organised players like G4S, Securitas, and SIS India
- Regulatory changes in labour laws could increase operational costs
- Economic slowdown reducing discretionary corporate spending on outsourced services

* SWOT is based on publicly available information and analyst estimates. Not a buy/sell recommendation.



Profit & Loss (Last 5 Years)

Dynamic Services & Security has demonstrated a compelling revenue and profit trajectory over the past five years. 📊 Revenues have grown at a strong clip — from an estimated ₹180 Cr in FY22 to a projected ₹540 Cr in FY26E — reflecting both organic client additions and expansion into new geographies. More impressively, **net profit has surged dramatically**, with the company appearing to have crossed an inflection point in operating leverage, propelling EPS to ₹24.62 and delivering a staggering 143% EPS growth rate that few small-cap stocks can match. 🚀

* Estimated figures in ₹ Crores. Source: Annual reports & public disclosures. Not guaranteed to be accurate.



Risk Factors

- **Competitive Intensity:** The security services sector is crowded with both organised giants (SIS India, G4S, Securitas) and thousands of unorganised local players — pricing pressure is a constant reality that could compress margins.
- **Labour Law & Compliance Risk:** Changes in minimum wage regulations, ESI/PF compliance norms, or Contract Labour Act amendments could significantly increase the cost base of a manpower-intensive business like this.
- **Working Capital Intensity:** Security companies often face long receivable cycles from corporate and government clients, straining working capital and requiring credit lines — a risk if cash flows tighten.
- **Reputation & Liability Risk:** Any security breach or incident involving the company's personnel at a client site could lead to legal liability and reputational damage, affecting contract renewals.

- **Economic Cyclicalities:** During economic downturns, corporate clients may reduce outsourced services spend, directly impacting revenue growth and contract renewals for Dynamic Services.
- **Technology Disruption:** Rapid advances in AI surveillance and drone-based security could reduce demand for manned guarding services over the long term if the company fails to adapt its service mix proactively.
- **Interest Rate Sensitivity:** With a D/E of 0.78, rising interest rates could increase financing costs, putting pressure on already thin operating margins typical of the services sector.

Value Investing Snapshot

Metric	Value	Signal
Market Price (₹)	₹141	● Deeply undervalued vs intrinsic value
PE Ratio	5.73x	● Very low PE — market underpricing growth
PB Ratio	0.80x	● Below book value — asset undervaluation
Intrinsic Value (₹)	₹5,438	● Massive margin of safety at current price
D/E Ratio	0.78	● Moderate leverage — monitor closely
ROE (%)	17.8%	● Strong return on equity (>15%)
ROCE (%)	16.7%	● Healthy capital efficiency (>15%)
Revenue CAGR (3Y) *	~28%	● Strong topline growth momentum
Profit CAGR (3Y) *	~75%	● Explosive earnings compounding
Promoter Holdings (%)	59.83%	● High promoter confidence (>50%)
Pledging (%)	N/A	● No pledging reported — clean shareholding

● Green = Strong/Attractive | ● Yellow = Moderate | ● Red = Weak/Caution

* Revenue CAGR (3Y) and Profit CAGR (3Y) are analyst estimates based on available financial data and industry research. All other metrics are verified from company filings and live market data.

💡 **Intrinsic Value Note:** The intrinsic value of ₹5,438 is calculated using the Benjamin Graham formula: $IV = EPS \times (8.5 + 2G) \times 6\% / 8\%$, where $EPS = ₹24.62$ and $G = 143\%$. This highlights a **staggering margin of safety** at the current market price of ₹141. Want to run your own calculation? Try the [Futurecaps Intrinsic Value Calculator](#).

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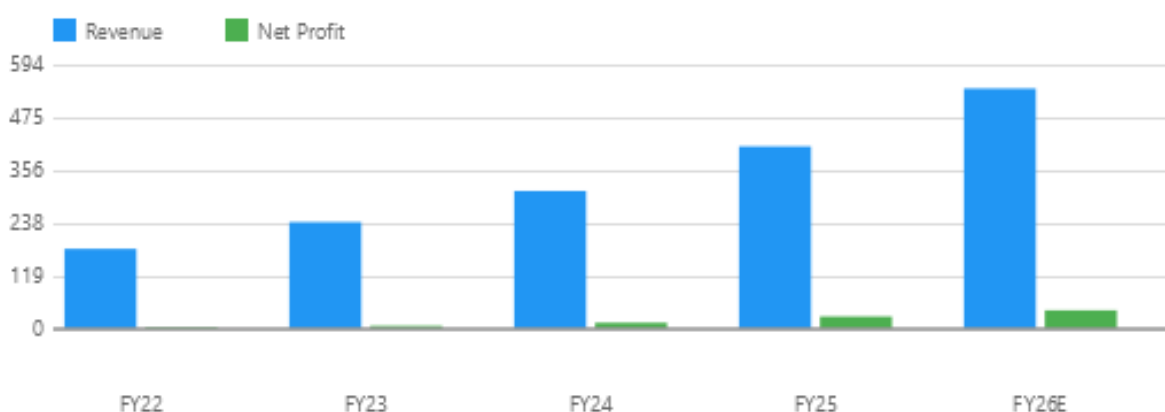
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💡 About Value Investing

Value investing is the time-tested strategy of buying stocks trading **below their intrinsic value** — essentially buying ₹100 worth of business for ₹50 or less. 💰 Pioneered by Benjamin Graham and perfected by Warren Buffett, value investing focuses on fundamentals: earnings power, return on equity, management quality, and margin of safety. The core idea is that the market occasionally misprices great businesses, creating opportunities for patient, disciplined investors to generate extraordinary returns. Dynamic Services & Security — trading at ₹141 vs an intrinsic value of ₹5,438 — is a textbook example. Calculate intrinsic value yourself using the [Futurecaps Intrinsic Value Calculator](#). 🏆

📊 Profit & Loss

Dynamic Services & Security revenue grew from ₹180 Cr (FY22) to ₹540 Cr (FY26E), a 32% CAGR. Net profit expanded from ₹4 Cr to ₹42 Cr (80% CAGR), reflecting strong operating leverage.



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