16 August 2026
1QFY27 Result Update| Sector: Capital Goods

# Amber Enterprises

| | |
|---|---|
| Estimate changes | ↓ |
| TP change | ↓ |
| Rating change | ↔ |

| | |
|---|---|
| Bloomberg | AMBER IN |
| Equity Shares (m) | 35 |
| M.Cap.(INRb)/(USDb) | 254.7 / 2.7 |
| 52-Week Range (INR) | 8974 / 5401 |
| 1, 6, 12 Rel. Per (%) | -9/-2/6 |
| 12M Avg Val (INR M) | 2685 |

**Financials Snapshot (INR b)**

| Y/E MARCH | FY27E | FY28E | FY29E |
|---|---|---|---|
| Sales | 147.2 | 260.5 | 324.9 |
| EBITDA | 11.5 | 16.7 | 21.9 |
| EBITDA Margin (%) | 7.8 | 6.4 | 6.7 |
| PAT | 3.8 | 6.4 | 9.5 |
| EPS (INR) | 106.7 | 182.0 | 269.3 |
| EPS Growth (%) | 72.9 | 70.6 | 48.0 |
| BV/Share (INR) | 1,349 | 1,531 | 1,800 |
| **Ratios** | | | |
| Net D/E | 0.2 | 0.2 | 0.1 |
| RoE (%) | 8.2 | 12.6 | 16.2 |
| RoCE (%) | 7.3 | 11.1 | 13.4 |
| **Valuations** | | | |
| P/E (x) | 67.7 | 39.7 | 26.8 |
| P/BV (x) | 5.4 | 4.7 | 4.0 |
| EV/EBITDA (x) | 22.8 | 15.9 | 12.0 |

**Shareholding pattern (%)**

| As of | Jun-26 | Mar-26 | Jun-25 |
|---|---|---|---|
| Promoter | 38.1 | 38.2 | 39.7 |
| DII | 30.5 | 27.9 | 17.8 |
| FII | 20.5 | 24.0 | 28.6 |
| Others | 10.9 | 10.0 | 13.9 |

FII includes depository receipts

**CMP: INR7,222 TP: INR8,250 (+14%) Buy**

## A mixed performance

**Amber Enterprises (AMBER)'s 1QFY27 results were mixed with lower-than-expected revenue growth and better-than-expected margins, which aided PAT. Revenue growth across segments remained healthy, driven by strong demand but margins were hit by higher commodity prices, currency depreciation, and a sharp hike in minimum wages in Haryana. The company is continuously incurring capex across divisions to scale up capacity. Regarding its diversification into the mobile segment, AMBER expects a volume ramp up to 7-8m units in FY28 and 14-15m units in FY29. We incorporate 1QFY27 results and Oppo volumes into our estimates. We reiterate our BUY rating with a revised two-year forward DCF-based TP of INR8,250.**

### Miss on revenue and EBITDA, in-line margins and adj. PAT

Consolidated revenue grew 13% YoY to INR39b, 14% below our estimate. This was supported by growth across all segments. The gross margin expanded 310bp YoY to 18.8% vs. our estimate of 16.0%. Absolute EBITDA increased 22% YoY to INR3.1b (vs. our est. of INR3.4b), while the EBITDA margin expanded 60bp YoY to 8.0%, broadly in line with our estimate of 7.9%. Margins during the quarter remained under pressure due to elevated commodity prices and sharp increase in minimum wages in Haryana. Adj. PAT increased 40% YoY to INR1.5b vs our estimate of INR1.4b. While revenue was below our estimates, PAT came broadly in-line with our estimates supported by an in-line EBITDA margin, higher-than-expected other income, and slightly lower tax rate.

### Consumer durables demand to normalize in the near term

Consumer durables revenue grew 8% YoY, which appears moderate due to a high base of last year. Margins remained healthy at 7.8% despite commodity inflation, supported by low-cost inventory, a product mix increasingly skewed toward premium categories and a growing contribution from light commercial ACs. The industry is currently carrying mixed inventory following the mandatory tonnage disclosure requirement from Jul'26, with different wattage products available within the same tonnage category, which has temporarily disrupted ordering patterns. Inventory is expected to be largely liquidated by Diwali, which may have some impact during the peak Diwali sales season, while demand is expected to normalize thereafter with a stronger summer season starting from Nov'26. For FY27, the company has guided for the segment's growth to track the RAC industry growth of 13-15%, although quarterly margins will remain sensitive to the product mix and commodity prices. We expect the segment to clock a CAGR of 14% over FY26-29 with EBITDA margins of 6.5%/7.0%/7.5% for FY27/ FY28/FY29E.

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## Electronics segment scaling across verticals

Electronics segment's revenue grew 29% YoY to INR9.9b in 1QFY27, while margins remained healthy at 10.8%. Growth remained broad-based across PCBA, PCB and industrial & automation, with PCBA benefiting from new customers and applications, PCB positioned as an import-substitution opportunity, and the industrial segment gaining traction across PLCs, HMIs, solar inverters and UPS products. Within PCBA, growth was temporarily moderated by elevated customer inventory in consumer durables, some customers shifting from sales to job-work arrangements, and weakness in smart meters and smartwatches. The acquired Unitronics, Shogini, and Power-One businesses are also scaling well, strengthening the value-oriented portion of the portfolio. AMBER also intends to add medical, defence and aerospace applications over the next 3-4 years. PCB margins (currently ~12%) remain temporarily depressed by higher CCL costs and a Tier-2 pass-through lag of two quarters, but they are expected to recover from 3QFY27 toward the normalized 15-16% range. The company has maintained the segment's FY27 revenue growth guidance of ~40% despite the recent ILJIN facility fire incident, supported by production diversification across locations, while margins are expected to remain above double digits as the portfolio shifts toward value-added products. We expect the segment's revenue to record a CAGR of 80% over FY26-29, supported by the Oppo mobile addition.

## Railway segment to witness near-term pressure

The railway subsystems and defense segment's revenue increased 17% YoY to INR1.4b in 1QFY27. The EBITDA margin contracted to 11.3% from 17.9% as initial new-order execution had a higher share of bought-out components, with the first 2-3 trains were supplied directly through suppliers as factory approvals were still under process, resulting in a lower-margin pass-through. Margins were further impacted by copper-led commodity inflation, currency depreciation and a 35% hike in minimum wages in Haryana. Indian Railway contracts are largely fixed-price and therefore offer limited protection against input-cost movements, whereas the metro, defense, bus-AC, and data-center AC businesses generally carry price-variation clauses. With the Sidwal greenfield facility in Faridabad now operational, the business should see better operating leverage as in-house production replaces initial principal-led supplies and the product mix improves. The division is guided to grow 30-35% in FY27, supported by the new capacity across railway HVAC, pantry doors, and gangways, alongside adjacent mobility and defence opportunities. We expect the segment's revenue to clock a CAGR of 22% over FY26-29 with margin of 15%/16%/16% for FY27/28/29E.

## Large capex pipeline to cater to future demand

Amber is pursuing an INR32b capex in Jewar for HDI PCB and an INR10b capex in Hosur for multi-layer PCB capex, with the Hosur facility likely to be operational in FY27 itself, and the Jewar facility's trial production targeted in ~18 months (FY28). The Jewar plant is being developed with Korea Circuit for HDI PCB localization. Shogini has received an INR5b ECMS approval, taking identified capex across the three projects to ~INR47b. The mobile manufacturing facility for Oppo is targeted to begin trial production in 4QFY27 and commercial production in 1QFY28, starting at ~8m units in FY27, and scaling to 15-16m units in FY28. Amber is also targeting its

own CCL plant by FY29-30, while a new mega AC plant is also planned to start construction in FY28 with trial production in FY29.

## Financial outlook and valuation

We cut our estimates by 14%/2% for FY27/28. We factor in the 1QFY27 performance on revenue and margin for FY27, and incorporate Oppo volumes from FY28 onwards. Consequently, we expect a revenue/EBITDA CAGR of 39%/32% over FY26-29, with margin of 7.8%/6.4%/6.7% in FY27/FY28/FY29, leading to a PAT of INR3.8b/INR6.4b/ INR9.5b. The stock currently trades at 67.7x/39.7x/26.8x P/E on FY27E/28/29E earnings. **We reiterate our BUY rating with a revised two-year forward DCF-based TP of INR8,250.**

## Key risks and concerns

Key risks and concerns include lower-than-expected demand growth in the RAC industry; a change in BEE norms making products costlier; a change in the announced capex policy; and increased competition across the RAC, mobility, and electronics segments.

**Consolidated - Quarterly Earnings Model** (INR m)

| Y/E March | FY26 | | | | FY27E | | | | FY26 | FY27E | FY27E | Est |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | | | 1QE | Var (%) |
| **Gross Sales** | **34,491** | **16,470** | **29,428** | **41,475** | **38,877** | **21,798** | **38,734** | **47,741** | **1,21,86** | **1,47,15** | **45,349** | **-14** |
| YoY Change (%) | 43.6 | -2.2 | 37.9 | 10.5 | 12.7 | 32.3 | 31.6 | 15.1 | 22.2 | 20.7 | 31.5 | |
| Total Expenditure | 31,924 | 15,557 | 26,967 | 37,893 | 35,757 | 20,194 | 35,797 | 43,908 | 1,12,342 | 1,35,655 | 41,958 | -15 |
| **EBITDA** | **2,567** | **913** | **2,461** | **3,582** | **3,121** | **1,604** | **2,938** | **3,833** | **9,523** | **11,495** | **3,391** | **-8** |
| YoY Change (%) | 30.8 | -19.7 | 55.0 | 21.5 | 21.6 | 75.7 | 19.4 | 7.0 | 24.7 | 20.7 | 32.1 | |
| Margins (%) | 7.4 | 5.5 | 8.4 | 8.6 | 8.0 | 7.4 | 7.6 | 8.0 | 7.8 | 7.8 | 7.5 | |
| Depreciation | 618 | 702 | 912 | 993 | 1,082 | 1,046 | 1,072 | 1,088 | 3,226 | 4,288 | 958 | 13 |
| Interest | 634 | 769 | 794 | 647 | 847 | 689 | 706 | 582 | 2,844 | 2,824 | 620 | 37 |
| Other Income | 297 | 156 | 548 | 201 | 475 | 343 | 360 | 227 | 1,202 | 1,405 | 277 | 71 |
| **PBT before EO expense** | **1,612** | **-403** | **1,303** | **2,143** | **1,666** | **212** | **1,520** | **2,390** | **4,655** | **5,788** | **2,091** | **-20** |
| Extra-Ord expense | 0 | 0 | -1,031 | 640 | -1,226 | 0 | 0 | 0 | -391 | -1,226 | 0 | |
| **PBT** | **1,612** | **-403** | **272** | **2,783** | **440** | **212** | **1,520** | **2,390** | **4,265** | **4,561** | **2,091** | **-79** |
| Tax | 484 | -156 | 279 | 493 | 404 | 36 | 370 | 595 | 1,100 | 1,405 | 516 | -22 |
| Rate (%) | 30.0 | 38.8 | 102.6 | 17.7 | 91.7 | 17.0 | 24.4 | 24.9 | 25.8 | 30.8 | 24.7 | |
| MI & P/L of Asso. Cos. | 90 | 82 | 265 | 946 | -186 | -29 | 298 | 545 | 1,383 | 628 | 200 | -193 |
| **Reported PAT** | **1,039** | **-329** | **-272** | **1,344** | **223** | **205** | **851** | **1,250** | **1,781** | **2,529** | **1,375** | **-84** |
| **Adj PAT** | **1,039** | **-329** | **759** | **704** | **1,449** | **205** | **851** | **1,250** | **2,172** | **3,755** | **1,375** | **5** |
| YoY Change (%) | 43.5 | NM | 111.5 | -39.4 | 39.5 | NM | 12.2 | 77.7 | -10.8 | 72.9 | 32.4 | |
| Margins (%) | 3.0 | -2.0 | 2.6 | 1.7 | 3.7 | 0.9 | 2.2 | 2.6 | 1.8 | 2.6 | 3.0 | |

| Y/E March | FY26 | | | | FY27E | | | | FY26 | FY27E | FY27E | Est |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INR m | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | | | 1QE | Var (%) |
| **Segmental revenue** | | | | | | | | | | | | |
| Consumer Durables Division | 25,600 | 8,730 | 19,710 | 29,790 | 27,580 | 11,349 | 24,638 | 33,634 | 83,830 | 97,200 | 33,792 | -18 |
| Electronics Division | 7,660 | 6,420 | 8,450 | 10,150 | 9,854 | 8,667 | 12,253 | 11,711 | 32,680 | 42,484 | 9,958 | -1 |
| Railway Sub-systems & | 1,230 | 1,320 | 1,272 | 1,530 | 1,443 | 1,782 | 1,844 | 2,397 | 5,350 | 7,466 | 1,599 | -10 |
| **Total Revenues** | **34,491** | **16,470** | **29,428** | **41,475** | **38,877** | **21,798** | **38,734** | **47,741** | **1,21,865** | **1,47,150** | **45,349** | **-14** |
| **Operating EBITDA** | | | | | | | | | | | | |
| Consumer Durables Division | 1,920 | 370 | 1,412 | 2,220 | 2,140 | 624 | 1,478 | 2,076 | 5,930 | 6,318 | 2,298 | -7 |
| *Margin (%)* | *7.5* | *4.2* | *7.2* | *7.5* | *7.8* | *5.5* | *6.0* | *6.2* | *7.1* | *6.5* | *6.8* | |
| Electronics Division | 490 | 390 | 884 | 1,100 | 1,065 | 780 | 1,225 | 1,178 | 2,870 | 4,248 | 846 | 26 |
| *Margin (%)* | *6.4* | *6.1* | *10.5* | *10.8* | *10.8* | *9.0* | *10.0* | *10.1* | *8.8* | *10.0* | *8.5* | |
| Railway Sub-systems & | 220 | 210 | 177 | 290 | 163 | 232 | 258 | 467 | 900 | 1,120 | 272 | -40 |
| *Margin (%)* | *17.9* | *15.9* | *13.9* | *19.0* | *11.3* | *13.0* | *14.0* | *19.5* | *16.8* | *15.0* | *17.0* | |
| **Total EBITDA** (Pre ESOP & oth. exp) | **2,630** | **970** | **2,473** | **3,610** | **3,368** | **1,636** | **2,962** | **3,721** | **9,700** | **11,686** | **3,416** | **-1** |
| *Margin (%)* | *7.6* | *5.9* | *8.4* | *8.7* | *8.7* | *7.5* | *7.6* | *7.8* | *8.0* | *7.9* | *7.5* | |
| **Total EBITDA** | **2,567** | **913** | **2,461** | **3,582** | **3,121** | **1,604** | **2,938** | **3,833** | **9,523** | **11,495** | **3,391** | **-8** |
| *Margin (%)* | *7.4* | *5.5* | *8.4* | *8.6* | *8.0* | *7.4* | *7.6* | *8.0* | *7.8* | *7.8* | *7.5* | |

## Segmental performance in 1QFY27

- Consumer durables: Revenue increased 8% YoY to INR27.6b. Margin expanded 30bp YoY to 7.8% vs. our estimate of 6.8%.
- Electronics: Revenue increased 29% YoY to INR9.9b, in line. Margin expanded 440bp YoY to 10.8% vs. our estimate of 8.5%.
- Railways: Revenue grew 17% YoY to INR1.4b, 10% below our estimates. Margin contracted YoY to 11.3%, which was below our expectation of 17.0%.




## Key highlights from the management commentary

- **Mobile capacity ramp-up:** The Oppo manufacturing collaboration is progressing toward trial production in 4QFY27 and commercial production in 1QFY28. Amber expects to start with around 8m units in the first year and progressively scale to ~15-16m units in the second year as operations mature. The company has also onboarded a dedicated COO for the mobile vertical and is discussing export opportunities, although exports are likely to be evaluated only after completing the first year of domestic production.
- **Overall guidance:** AMBER has retained its key segment-level growth expectations, with Consumer Durable expected to broadly track 13-15% RAC industry growth, Electronics targeted at >40% growth and Railway Subsystems and Defence expected at 30-35% growth in FY27. Despite the disruption at ILJIN, management remains confident of delivering its previously indicated guidance, supported by the ability to shift production across its geographically diversified facilities. The company is therefore maintaining its growth trajectory while allowing individual quarters to vary depending on seasonality, product mix and customer inventory.
- **Margin impact:** Overall margins are expected to remain under pressure through 1HFY27 from elevated commodity prices, currency depreciation and higher minimum wages, with the pressure viewed as temporary. Amber expects normalization as pricing catches up with input costs and the macro environment improves, while commodity and currency movements are generally passed through to customers with a lag. The company had earlier expected a 50-100bp margin impact, but now believes margins can remain around current normalized levels if there is no further disruption in commodities or currency.
- **Capacity expansion plans:** The company has announced ~INR32b of capex for the HDI PCB facility in Jewar and ~INR10b for the multi-layer PCB facility in Hosur, with Hosur facility expected to be operational during FY27 and Jewar facility trial production targeted around 18 months from now. The Jewar project, being developed with Korea Circuit, and is aimed at localizing HDI PCB manufacturing, while construction at Hosur is already progressing. Amber has also received ECMS approvals for ~INR5b of investment at Shogini Pune, taking the identified electronics expansion pipeline across these facilities to ~INR47b.
- **CCL backward integration:** Management is evaluating backward integration into copper clad laminate as PCB becomes a larger part of its electronics strategy. The company is in discussions with potential JV partners and expects to have its own CCL manufacturing facility by FY29-30, which would reduce exposure to imported CCL and improve supply security. At the industry level, the first

domestic CCL plant is nearing operations and two additional plants are being planned, suggesting gradual localization of a currently import-dependent input.

**Segmental commentary**

**Consumer Durables**

- **Execution:** Performance was moderated by a high base in the corresponding period, while demand was also affected by inventory carried by customers. The product mix remained favorable during the quarter, with stronger contribution from premium categories such as five-star and two-tonne products, supporting realizations. The company continues to see a shift toward higher-value products, with the expanding light commercial AC portfolio further improving the overall mix.
- **Margins:** Margins remain dependent on product mix, commodity prices and currency movements, limiting the company's ability to provide a specific full-year margin target. As a Tier-1 supplier, AMBER is able to pass on commodity and currency movements with a one-quarter lag, with the subsequent quarter's pricing reflecting the average cost movement of the preceding quarter. The unusually favorable mix and pre-stocking of compressors and copper during the quarter should therefore not be extrapolated as the full-year margin run-rate.
- **Outlook:** AMBER expects consumer durable growth to remain broadly aligned with RAC industry growth, with FY27 growth expected in the 13-15% range. Near-term demand is likely to remain measured as the industry works through mixed inventory following the mandatory tonnage disclosure requirement introduced from 1 July. Management expects this inventory to largely normalize by Diwali, followed by a stronger summer season from November onward.

**Electronics division**

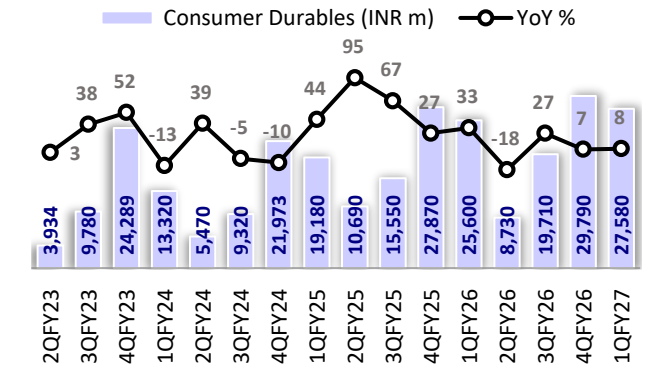
- **Execution:** Electronics growth remained broad-based across PCBA, PCB and industrial and automation businesses, although the EMS vertical saw some moderation due to elevated customer inventory and a shift by certain customers from sales to job-work arrangements. Smart-meter and smartwatch businesses also declined during the quarter, partly offsetting growth in other applications. PCBA continues to benefit from new customers and applications, while the industrial portfolio is gaining traction across power electronics and automation products.
- **Margins:** PCB margins were temporarily affected by the sharp increase in copper clad laminate (CCL) costs, as Amber operates as a Tier-2 supplier and therefore faces a longer price-pass-through cycle. Customer price increases are already being implemented, but the impact of the higher CCL cost is expected to continue into the next quarter. PCB margins are expected to progressively recover toward the normalized 15-16% range from 3QFY27, provided there is no further escalation in CCL prices.
- **Outlook:** AMBER remains confident of delivering >40% growth in Electronics during FY27, with PCBA, PCB and industrial/power electronics all expected to contribute. The company expects the division to sustain double-digit margins as the mix shifts toward higher-value businesses, while PCB and power electronics are expected to be key value-accretive areas. Over the next three to four years, Amber plans to expand into medical, defence and aerospace applications through both organic and inorganic initiatives.

**Railway subsystems and defence segment**

- **Execution:** Performance was affected by an unfavorable product mix, higher copper and other commodity costs, currency depreciation and the sharp increase in Haryana minimum wages. The initial execution of some new railway orders also involved supplying the first two-three trains directly through its suppliers while Amber completed its factory approvals, resulting in a lower-margin trading component. The newly operational Sidwal facility in Faridabad provides additional capacity across HVAC, pantry doors and gangways and should support the next phase of scaling.
- **Margin:** The railway business remains structurally more exposed to input-cost volatility because Indian Railway contracts are largely fixed-price and do not provide for commodity or currency adjustments. In contrast, Metro, Defence, bus air-conditioning and data-center air-conditioning businesses generally include price-variation clauses, providing better protection against input-cost movements. As the new facility transitions from initial principal-led supplies to in-house production and the product mix improves, Amber expects margins to normalize, with FY27 margins targeted in the 15-16% range.
- **Outlook:** The company expects the Railway Subsystems and Defence division to deliver 30-35% revenue growth in FY27. Growth should be supported by the ramp-up of the Faridabad facility and increasing opportunities across railways, metros, defence, bus air-conditioning and data-center cooling. The company expects the new facility and broader application portfolio to provide a scalable platform for growth beyond the current railway-focused business mix.

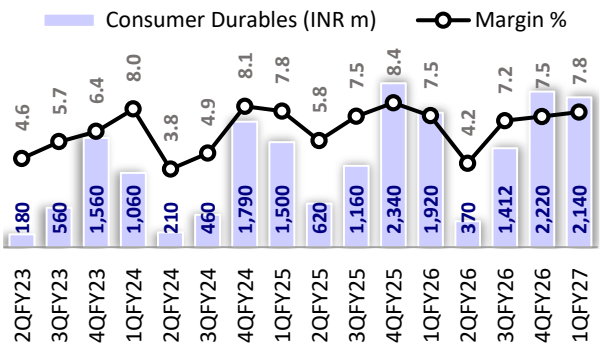
# Key Exhibits

**Exhibit 1: Consumer durables' revenue rose 8% YoY**



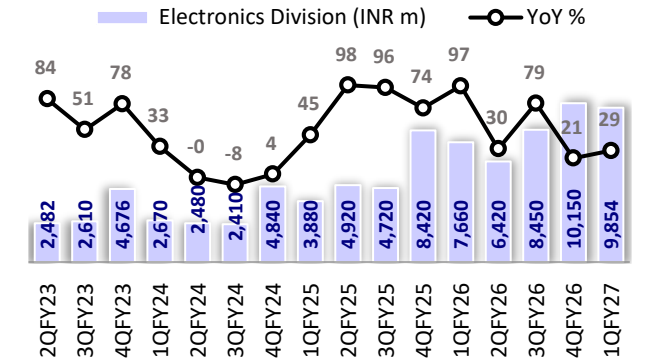

Source: Company, MOFSL

**Exhibit 2: Consumer durables' margin expanded 30bp YoY**



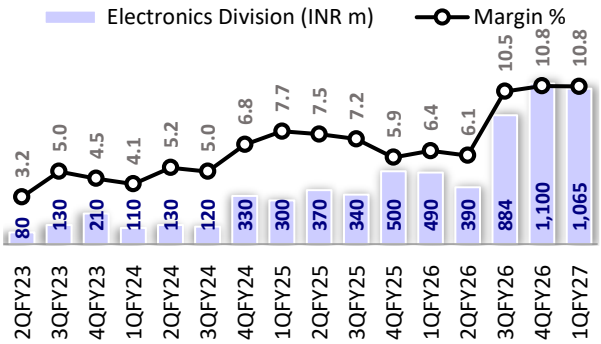

Source: Company, MOFSL

**Exhibit 3: Electronics segment's revenue grew 29% YoY**



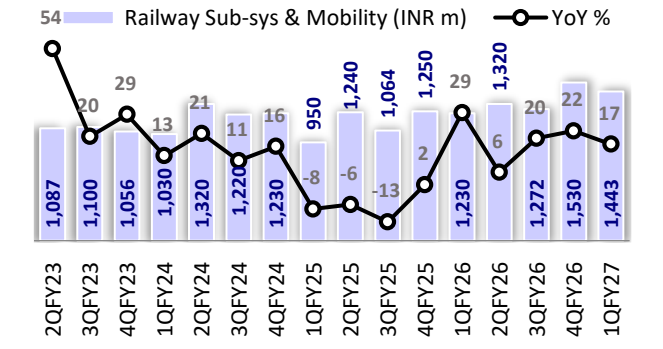

Source: Company, MOFSL

**Exhibit 4: Electronics segment's margin expanded 440bp YoY**



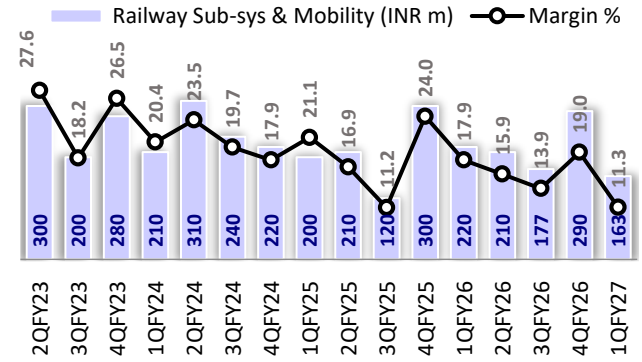

Source: Company, MOFSL

**Exhibit 5: Railway segment's revenue up 17% YoY**



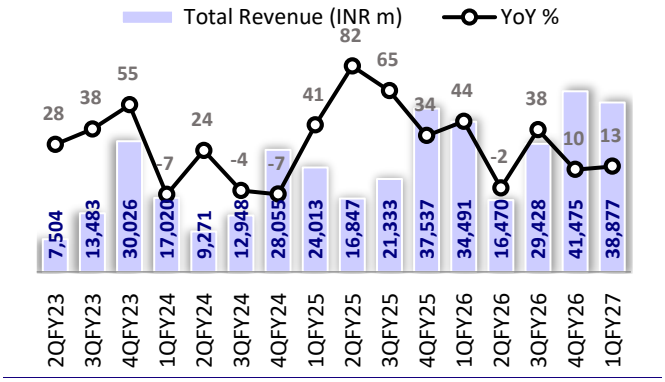

Source: Company, MOFSL

**Exhibit 6: Railway segment's margin contracted 660bp YoY**



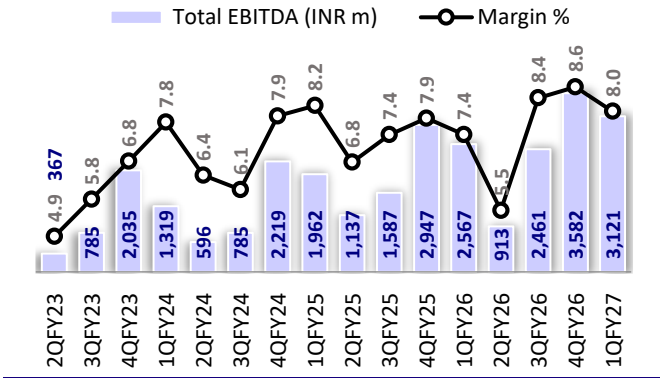

Source: Company, MOFSL

**Exhibit 7: Group revenue increased 13% YoY**



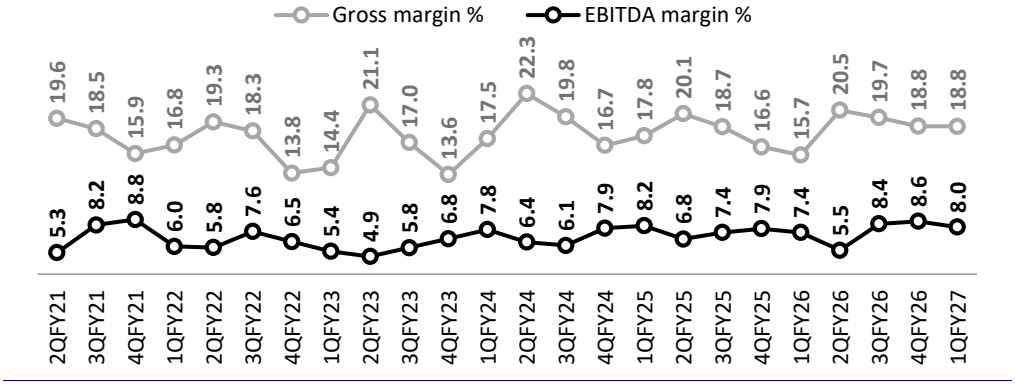

Source: Company, MOFSL

**Exhibit 8: Group EBITDA grew 22% YoY**




Source: Company, MOFSL

**Exhibit 9: Gross margin/EBITDA margin expanded 310bp/60bp YoY during the quarter**




Source: Company, MOFSL

**Exhibit 10: We factor in the 1Q performance on revenue and margin for FY27, and incorporate Oppo volumes from FY28 onwards**

| (INR m) | FY27E | | | FY28E | | |
|---|---|---|---|---|---|---|
| | Rev | Old | Chg (%) | Rev | Old | Chg (%) |
| Net Sales | 1,47,150 | 1,55,653 | (5.5) | 2,60,506 | 1,85,990 | 40.1 |
| EBITDA | 11,495 | 12,300 | (6.5) | 16,729 | 16,129 | 3.7 |
| EBITDA (%) | 7.8 | 7.9 | -10 bp | 6.4 | 8.7 | -230 bp |
| Adj. PAT | 3,755 | 4,372 | (14.1) | 6,405 | 6,584 | (2.7) |
| EPS (INR) | 107 | 124 | (14.1) | 182 | 187 | (2.7) |

Source: MOFSL

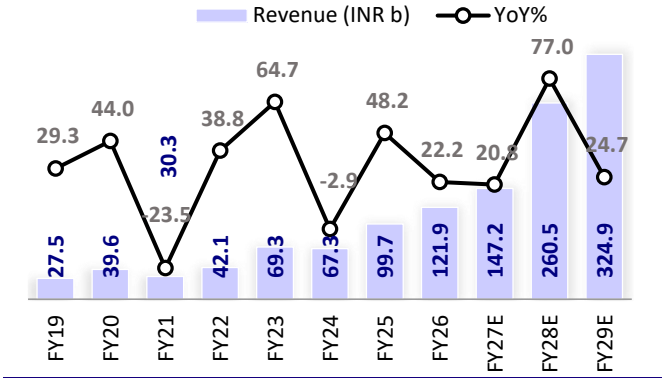
# Financial outlook

**Exhibit 11: Segmental revenue and EBITDA**

| Y/E March (INR m) | FY22 | FY23 | FY24 | FY25 | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|---|---|---|
| **Segmental revenue** | | | | | | | | |
| Consumer Durables Division | 32,810 | 53,339 | 50,083 | 73,290 | 83,830 | 97,200 | 1,10,839 | 1,24,473 |
| *Growth YoY (%)* | *38.5* | *62.6* | *-6.1* | *46.3* | *14.4* | *15.9* | *14.0* | *12.3* |
| Electronics Division | 6,310 | 11,776 | 12,410 | 21,940 | 32,680 | 42,484 | 1,41,052 | 1,90,796 |
| *Growth YoY (%)* | *36.9* | *86.6* | *5.4* | *76.8* | *49.0* | *30.0* | *232.0* | *35.3* |
| Railway Sub-systems & Mobility division | 2,944 | 4,156 | 4,800 | 4,500 | 5,350 | 7,466 | 8,615 | 9,590 |
| *Growth YoY (%)* | *46.5* | *41.2* | *15.5* | *-6.3* | *18.9* | *39.6* | *15.4* | *11.3* |
| **Total Revenues** | **42,064** | **69,271** | **67,293** | **99,730** | **1,21,860** | **1,47,150** | **2,60,506** | **3,24,858** |
| *Growth YoY (%)* | *38.8* | *64.7* | *-2.9* | *48.2* | *22.2* | *20.8* | *77.0* | *24.7* |
| **Operating EBITDA** | | | | | | | | |
| Consumer Durables Division | 2,030 | 3,260 | 3,520 | 5,620 | 5,930 | 6,318 | 7,759 | 9,335 |
| *Margin (%)* | *6.2* | *6.1* | *7.0* | *7.7* | *7.1* | *6.5* | *7.0* | *7.5* |
| Electronics Division | 260 | 510 | 690 | 1,510 | 2,870 | 4,248 | 7,592 | 11,002 |
| *Margin (%)* | *4.1* | *4.3* | *5.6* | *6.9* | *8.8* | *10.0* | *5.4* | *5.8* |
| Railway Sub-systems & Mobility division | 670 | 990 | 980 | 830 | 900 | 1,120 | 1,378 | 1,534 |
| *Margin (%)* | *22.8* | *23.8* | *20.4* | *18.4* | *16.8* | *15.0* | *16.0* | *16.0* |
| **Total Operating EBITDA** | **2,960** | **4,760** | **5,190** | **7,960** | **9,700** | **11,686** | **16,729** | **21,871** |
| *Margin (%)* | *7.0* | *6.9* | *7.7* | *8.0* | *8.0* | *7.9* | *6.4* | *6.7* |
| ESOP & Other adjustments | 206 | 581 | 271 | 326 | 177 | 191 | 208 | 260 |
| **EBITDA** | **2,754** | **4,179** | **4,919** | **7,634** | **9,523** | **11,495** | **16,521** | **21,612** |
| *Margin (%)* | *6.5* | *6.0* | *7.3* | *7.7* | *7.8* | *7.8* | *6.4* | *6.7* |

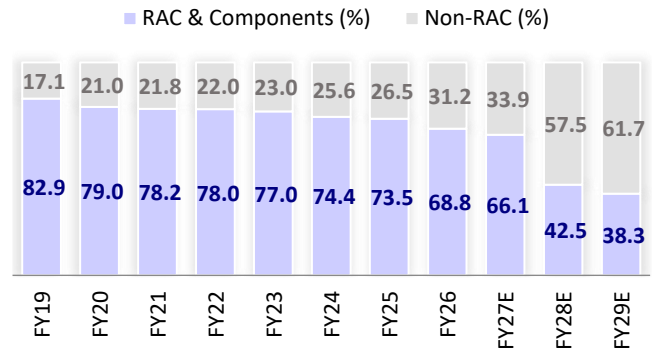
Source: Company, MOFSL

**Exhibit 12: We expect AMBER's revenue to post a 39% CAGR over FY26-FY29**



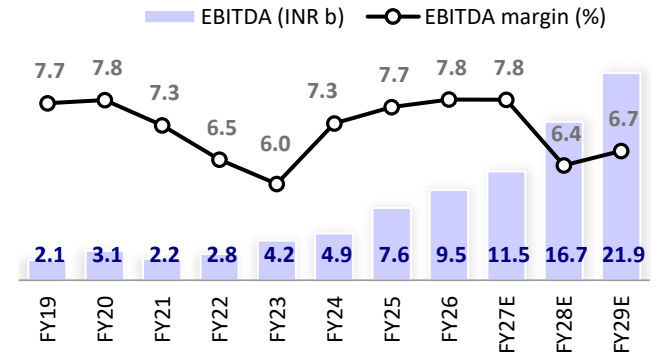

Source: Company, MOFSL

**Exhibit 13: We expect the share of non-AC revenue to improve from the current levels**



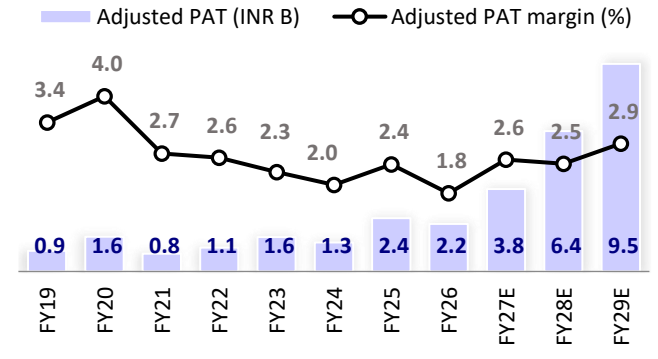

Source: Company, MOFSL

**Exhibit 14: EBITDA margin is expected to moderate from FY28 onwards as mobile revenue starts contributing**



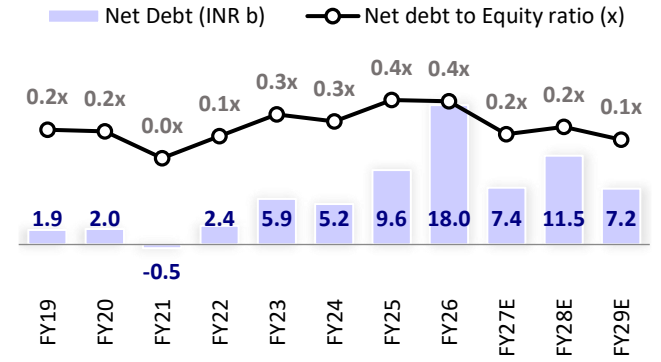

Source: Company, MOFSL

**Exhibit 15: We expect its PAT to grow meaningfully on better execution**



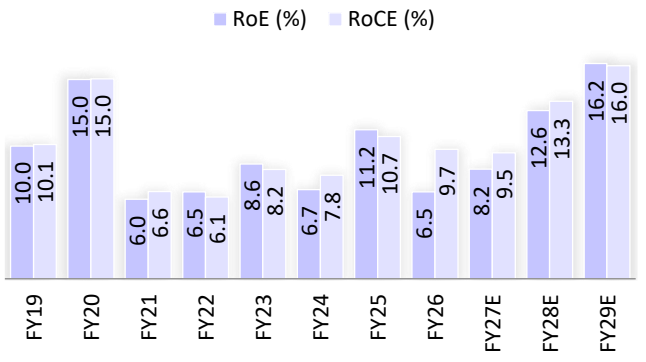

Source: Company, MOFSL

**Exhibit 16: We expect net debt to normalize after the currently planned capex and repayment of debt**



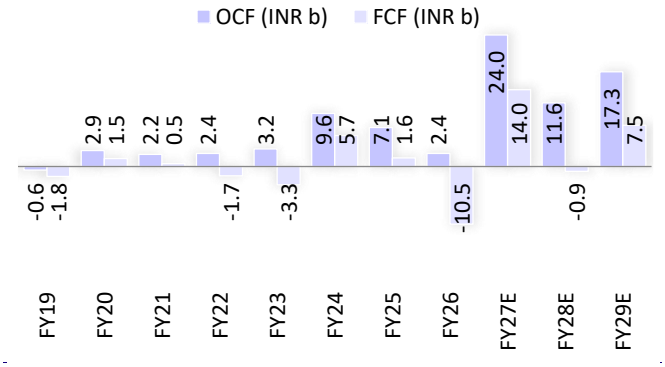

Source: Company, MOFSL

**Exhibit 17: We expect RoE & RoCE to reach double digits by FY28**



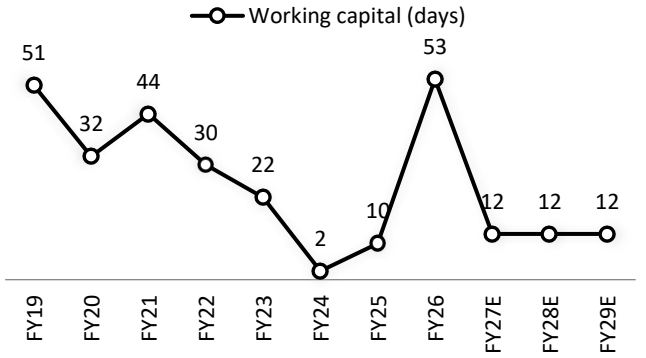

Source: Company, MOFSL

**Exhibit 18: FCF expected to climb back to moderate levels once capex requirements are fulfilled**



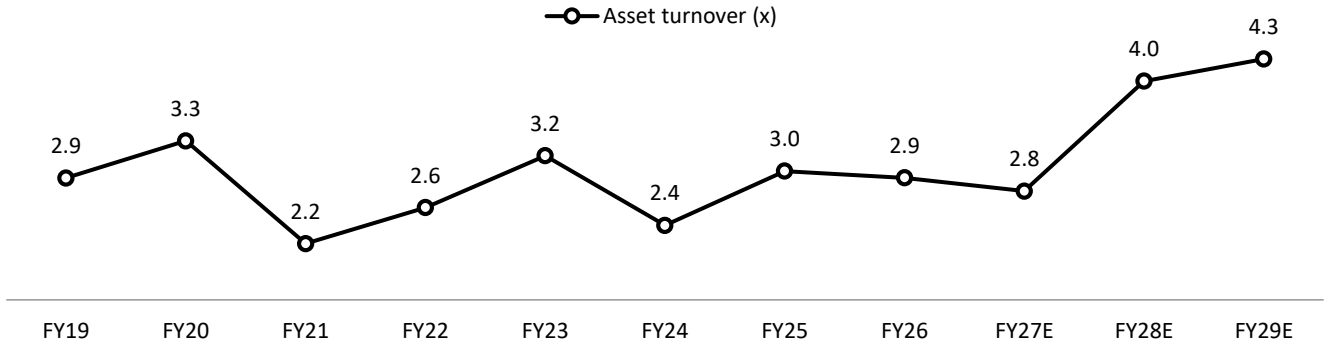

Source: Company, MOFSL

**Exhibit 19: NWC cycle to normalize to comfortable levels going forward**




Source: Company, MOFSL

**Exhibit 20: With an improved product mix and increased government incentives, we expect the asset turnover ratio to improve**




Source: Company, MOFSL

# Financials and valuations

**Consolidated - Income Statement** (INR m)

| Y/E Mar | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Total Income from Operations** | **21,281** | **27,520** | **39,628** | **30,305** | **42,064** | **69,271** | **67,293** | **99,730** | **1,21,865** | **1,47,150** | **2,60,506** | **3,24,858** |
| Change (%) | | | 44.0 | -23.5 | 38.8 | 64.7 | -2.9 | 48.2 | 22.2 | 20.7 | 77.0 | 24.7 |
| Raw Materials | 17,688 | 23,132 | 33,017 | 25,135 | 35,297 | 58,678 | 54,999 | 81,856 | 99,478 | 1,20,777 | 2,13,816 | 2,66,634 |
| **Gross Profit** | **3,592** | **4,388** | **6,611** | **5,170** | **6,767** | **10,593** | **12,293** | **17,875** | **22,387** | **26,374** | **46,690** | **58,224** |
| Employee Cost | 468 | 588 | 1,063 | 1,021 | 1,500 | 2,116 | 2,572 | 3,246 | 4,593 | 4,900 | 5,940 | 6,757 |
| Other Expenses | 1,289 | 1,672 | 2,455 | 1,947 | 2,514 | 4,298 | 4,802 | 6,995 | 8,271 | 9,979 | 24,022 | 29,596 |
| **Total Expenditure** | **19,445** | **25,391** | **36,535** | **28,102** | **39,310** | **65,092** | **62,374** | **92,096** | **1,12,342** | **1,35,655** | **2,43,777** | **3,02,987** |
| % of Sales | 91.4 | 92.3 | 92.2 | 92.7 | 93.5 | 94.0 | 92.7 | 92.3 | 92.2 | 92.2 | 93.6 | 93.3 |
| **EBITDA** | **1,835** | **2,129** | **3,093** | **2,203** | **2,754** | **4,179** | **4,919** | **7,634** | **9,523** | **11,495** | **16,729** | **21,871** |
| Margin (%) | 8.6 | 7.7 | 7.8 | 7.3 | 6.5 | 6.0 | 7.3 | 7.7 | 7.8 | 7.8 | 6.4 | 6.7 |
| Depreciation | 490 | 623 | 848 | 923 | 1,079 | 1,391 | 1,865 | 2,283 | 3,226 | 4,288 | 5,290 | 6,179 |
| **EBIT** | **1,345** | **1,506** | **2,245** | **1,280** | **1,675** | **2,788** | **3,054** | **5,351** | **6,298** | **7,207** | **11,439** | **15,692** |
| Int. and Finance Charges | 538 | 246 | 419 | 410 | 464 | 1,118 | 1,670 | 2,087 | 2,844 | 2,824 | 2,706 | 2,713 |
| Other Income | 87 | 99 | 82 | 331 | 332 | 527 | 553 | 736 | 1,202 | 1,405 | 1,432 | 1,439 |
| **PBT bef. EO Exp.** | **894** | **1,359** | **1,907** | **1,201** | **1,543** | **2,197** | **1,937** | **3,999** | **4,655** | **5,788** | **10,164** | **14,418** |
| EO Items | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -391 | - | 0 | 0 |
| **PBT after EO Exp.** | **894** | **1,359** | **1,907** | **1,201** | **1,543** | **2,197** | **1,937** | **3,999** | **4,265** | **4,561** | **10,164** | **14,418** |
| Total Tax | 271 | 412 | 266 | 369 | 429 | 559 | 519 | 1,188 | 1,100 | 1,405 | 2,525 | 3,614 |
| Tax Rate (%) | 30.3 | 30.3 | 13.9 | 30.7 | 27.8 | 25.4 | 26.8 | 29.7 | 25.8 | 30.8 | 24.8 | 25.1 |
| MI & Profit/Loss of Asso. Cos. | 0 | 11 | 57 | 17 | 21 | 66 | 89 | 376 | 1,383 | 628 | 1,234 | 1,328 |
| **Reported PAT** | **623** | **937** | **1,584** | **816** | **1,092** | **1,572** | **1,329** | **2,436** | **1,781** | **2,529** | **6,405** | **9,476** |
| **Adjusted PAT** | **623** | **937** | **1,584** | **816** | **1,092** | **1,572** | **1,329** | **2,436** | **2,172** | **3,755** | **6,405** | **9,476** |
| Change (%) | | | 69.1 | -48.5 | 33.8 | 44.0 | -15.5 | 83.3 | -10.8 | 72.9 | 70.6 | 48.0 |
| Margin (%) | 2.9 | 3.4 | 4.0 | 2.7 | 2.6 | 2.3 | 2.0 | 2.4 | 1.8 | 2.6 | 2.5 | 2.9 |

**Consolidated - Balance Sheet** (INR m)

| Y/E Mar | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Equity Share Capital | 314 | 314 | 314 | 337 | 337 | 337 | 337 | 338 | 352 | 352 | 352 | 352 |
| Total Reserves | 8,613 | 9,547 | 10,970 | 15,704 | 17,005 | 18,751 | 20,307 | 22,520 | 43,369 | 47,124 | 53,529 | 63,005 |
| **Net Worth** | **8,928** | **9,861** | **11,284** | **16,041** | **17,342** | **19,088** | **20,644** | **22,858** | **43,721** | **47,476** | **53,881** | **63,357** |
| Minority Interest | 0 | 190 | 348 | 365 | 387 | 452 | 518 | 245 | 14,295 | 14,623 | 15,557 | 16,585 |
| Total Loans | 1,055 | 2,328 | 3,205 | 3,495 | 10,318 | 13,437 | 14,332 | 19,400 | 23,059 | 21,059 | 21,059 | 21,059 |
| Deferred Tax Liabilities | 347 | 438 | 678 | 769 | 954 | 947 | 1,348 | 1,749 | 2,924 | 2,924 | 2,924 | 2,924 |
| **Capital Employed** | **10,329** | **12,817** | **15,515** | **20,670** | **29,001** | **33,924** | **36,841** | **44,253** | **84,000** | **86,083** | **93,422** | **1,03,926** |
| Gross Block | 8,660 | 10,228 | 13,465 | 14,683 | 18,037 | 25,621 | 31,309 | 35,305 | 48,272 | 58,272 | 70,772 | 80,518 |
| Less: Accum. Deprn. | 2,214 | 2,803 | 3,630 | 4,466 | 5,335 | 6,556 | 8,333 | 10,531 | 13,749 | 17,744 | 22,712 | 28,537 |
| **Net Fixed Assets** | **6,446** | **7,426** | **9,836** | **10,218** | **12,702** | **19,065** | **22,977** | **24,774** | **34,523** | **40,528** | **48,060** | **51,981** |
| Goodwill on Consolidation | 654 | 669 | 1,223 | 1,223 | 1,457 | 1,425 | 3,609 | 3,609 | 16,781 | 16,781 | 16,781 | 16,781 |
| Capital WIP | 297 | 337 | 118 | 433 | 1,282 | 503 | 908 | 1,977 | 7,464 | 7,464 | 7,464 | 7,464 |
| **Total Investments** | **57** | **0** | **0** | **1,081** | **2,254** | **1,934** | **2,173** | **2,515** | **378** | **378** | **378** | **378** |
| **Curr. Assets, Loans&Adv.** | **9,825** | **15,276** | **17,813** | **22,892** | **31,401** | **39,475** | **36,236** | **51,390** | **78,448** | **86,126** | **1,27,904** | **1,58,724** |
| Inventory | 3,956 | 5,606 | 6,557 | 7,163 | 8,408 | 10,913 | 8,408 | 16,551 | 24,520 | 24,592 | 43,537 | 54,291 |
| Account Receivables | 3,786 | 7,872 | 8,542 | 10,690 | 13,149 | 17,631 | 15,693 | 17,501 | 22,463 | 27,123 | 48,018 | 59,880 |
| Cash and Bank Balance | 1,338 | 447 | 1,203 | 2,899 | 5,626 | 5,594 | 6,913 | 7,268 | 4,656 | 13,323 | 9,198 | 13,447 |
| Loans and Advances | 197 | 247 | 293 | 321 | 18 | 39 | 49 | 356 | 429 | 525 | 929 | 1,158 |
| Other Current Asset | 548 | 1,104 | 1,218 | 1,818 | 4,200 | 5,297 | 5,173 | 9,715 | 26,380 | 20,562 | 26,223 | 29,947 |
| **Curr. Liability & Prov.** | **6,951** | **10,890** | **13,474** | **15,175** | **20,095** | **28,478** | **29,060** | **40,012** | **53,594** | **65,194** | **1,07,164** | **1,31,401** |
| Account Payables | 5,720 | 9,407 | 11,058 | 13,169 | 17,021 | 23,039 | 21,671 | 31,703 | 28,385 | 34,275 | 60,678 | 75,667 |
| Other Current Liabilities | 1,180 | 1,421 | 2,288 | 1,864 | 2,888 | 5,216 | 7,090 | 7,973 | 24,417 | 29,963 | 44,793 | 53,622 |
| Provisions | 50 | 62 | 128 | 141 | 186 | 223 | 300 | 336 | 792 | 957 | 1,693 | 2,112 |
| **Net Current Assets** | **2,874** | **4,386** | **4,339** | **7,717** | **11,306** | **10,997** | **7,175** | **11,378** | **24,854** | **20,932** | **20,739** | **27,323** |
| **Appl. of Funds** | **10,329** | **12,817** | **15,515** | **20,670** | **29,001** | **33,924** | **36,841** | **44,253** | **84,000** | **86,083** | **93,422** | **1,03,926** |

# Financials and valuations

| Ratios | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Y/E Mar** | **FY18** | **FY19** | **FY20** | **FY21** | **FY22** | **FY23** | **FY24** | **FY25** | **FY26** | **FY27E** | **FY28E** | **FY29E** |
| **Basic (INR)** | | | | | | | | | | | | |
| **EPS** | **19.8** | **29.8** | **50.4** | **24.2** | **32.4** | **46.7** | **39.4** | **72.0** | **61.7** | **106.7** | **182.0** | **269.3** |
| Cash EPS | 35.4 | 49.6 | 77.3 | 51.6 | 64.4 | 87.9 | 94.8 | 139.5 | 153.4 | 228.6 | 332.3 | 444.9 |
| BV/Share | 283.9 | 313.6 | 358.8 | 476.1 | 514.7 | 566.5 | 612.7 | 675.8 | 1,242.4 | 1,349.1 | 1,531.1 | 1,800.3 |
| DPS | 0.0 | 0.0 | 3.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Payout (%) | 0.0 | 0.0 | 6.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Valuation (x)** | | | | | | | | | | | | |
| P/E | 364.5 | 242.5 | 143.4 | 298.2 | 222.9 | 154.8 | 183.1 | 100.3 | 117.0 | 67.7 | 39.7 | 26.8 |
| Cash P/E | 204.0 | 145.6 | 93.4 | 139.9 | 112.1 | 82.1 | 76.2 | 51.8 | 47.1 | 31.6 | 21.7 | 16.2 |
| P/BV | 25.4 | 23.0 | 20.1 | 15.2 | 14.0 | 12.7 | 11.8 | 10.7 | 5.8 | 5.4 | 4.7 | 4.0 |
| EV/Sales | 10.7 | 8.3 | 5.8 | 8.0 | 5.9 | 3.6 | 3.7 | 2.6 | 2.2 | 1.8 | 1.0 | 0.8 |
| EV/EBITDA | 123.6 | 107.6 | 74.1 | 110.7 | 90.1 | 60.1 | 51.0 | 33.6 | 28.6 | 22.8 | 15.9 | 12.0 |
| Dividend Yield (%) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| FCF per share | 8.3 | -57.6 | 46.8 | 14.8 | -49.6 | -98.8 | 168.3 | 45.9 | -297.8 | 396.9 | -25.6 | 214.0 |
| **Return Ratios (%)** | | | | | | | | | | | | |
| RoE | | | 15.0 | 6.0 | 6.5 | 8.6 | 6.7 | 11.2 | 6.5 | 8.2 | 12.6 | 16.2 |
| RoCE | | | 14.7 | 6.4 | 6.0 | 8.1 | 7.7 | 11.0 | 9.0 | 7.3 | 11.1 | 13.4 |
| RoIC | | | 14.7 | 5.8 | 6.7 | 9.1 | 8.5 | 12.7 | 9.0 | 7.3 | 12.2 | 14.8 |
| **Working Capital Ratios** | | | | | | | | | | | | |
| Fixed Asset Turnover (x) | 2.5 | 2.7 | 2.9 | 2.1 | 2.3 | 2.7 | 2.1 | 2.8 | 2.5 | 2.5 | 3.7 | 4.0 |
| Asset Turnover (x) | 2.1 | 2.1 | 2.6 | 1.5 | 1.5 | 2.0 | 1.8 | 2.3 | 1.5 | 1.7 | 2.8 | 3.1 |
| Inventory (Days) | 68 | 74 | 60 | 86 | 73 | 58 | 46 | 61 | 73 | 61 | 61 | 61 |
| Debtor (Days) | 65 | 104 | 79 | 129 | 114 | 93 | 85 | 64 | 67 | 67 | 67 | 67 |
| Creditor (Days) | 98 | 125 | 102 | 159 | 148 | 121 | 118 | 116 | 85 | 85 | 85 | 85 |
| **Leverage Ratio (x)** | | | | | | | | | | | | |
| Current Ratio | 1.4 | 1.4 | 1.3 | 1.5 | 1.6 | 1.4 | 1.2 | 1.3 | 1.5 | 1.3 | 1.2 | 1.2 |
| Interest Cover Ratio | 2.5 | 6.1 | 5.4 | 3.1 | 3.6 | 2.5 | 1.8 | 2.6 | 2.2 | 2.6 | 4.2 | 5.8 |
| Net Debt/Equity | 0.0 | 0.2 | 0.2 | 0.0 | 0.1 | 0.3 | 0.3 | 0.4 | 0.4 | 0.2 | 0.2 | 0.1 |

| Consolidated - Cashflow Statement | | | | | | | | | | | | (INR m) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Y/E Mar** | **FY18** | **FY19** | **FY20** | **FY21** | **FY22** | **FY23** | **FY24** | **FY25** | **FY26** | **FY27E** | **FY28E** | **FY29E** |
| OP/(Loss) before Tax | 894 | 1,359 | 1,907 | 1,201 | 1,543 | 2,197 | 1,913 | 3,700 | 3,364 | 5,488 | 9,864 | 14,118 |
| Depreciation | 490 | 623 | 848 | 923 | 1,079 | 1,391 | 1,865 | 2,283 | 3,226 | 4,288 | 5,290 | 6,179 |
| Interest & Finance Charges | 538 | 246 | 419 | 406 | 464 | 1,118 | 1,670 | 2,087 | 2,844 | 2,824 | 2,706 | 2,713 |
| Direct Taxes Paid | -168 | -299 | -488 | -79 | -539 | -539 | -461 | -710 | -24 | -1,405 | -2,525 | -3,614 |
| (Inc)/Dec in WC | -484 | -2,477 | 44 | -80 | -62 | -582 | 5,032 | 272 | -6,999 | 12,772 | -3,737 | -2,121 |
| **CF from Operations** | **1,270** | **-548** | **2,731** | **2,371** | **2,485** | **3,585** | **10,019** | **7,632** | **2,411** | **23,967** | **11,599** | **17,275** |
| Others | 0 | -82 | 151 | -162 | -77 | -379 | -371 | -523 | -10 | 0 | 0 | 0 |
| **CF from Operating incl EO** | **1,270** | **-631** | **2,882** | **2,210** | **2,407** | **3,206** | **9,648** | **7,109** | **2,402** | **23,967** | **11,599** | **17,275** |
| (Inc)/Dec in FA | -1,008 | -1,182 | -1,411 | -1,711 | -4,077 | -6,535 | -3,977 | -5,556 | -12,881 | -10,000 | -12,500 | -9,746 |
| **Free Cash Flow** | **262** | **-1,812** | **1,471** | **499** | **-1,670** | **-3,329** | **5,671** | **1,553** | **-10,479** | **13,967** | **-901** | **7,529** |
| (Pur)/Sale of Investments | -601 | 0 | -1,672 | -1,568 | -1,542 | 210 | 788 | -159 | 1,170 | 0 | 0 | 0 |
| Others | 18 | 11 | -183 | -1,531 | -1,277 | 1,437 | -7,156 | -3,814 | -19,029 | -182 | -197 | -212 |
| **CF from Investments** | **-1,590** | **-1,171** | **-3,266** | **-4,810** | **-6,896** | **-4,888** | **-10,345** | **-9,529** | **-30,740** | **-10,182** | **-12,697** | **-9,958** |
| Issue of Shares | 4,647 | 0 | 0 | 3,936 | 0 | 0 | 0 | 353 | 294 | 0 | 0 | 0 |
| Inc/(Dec) in Debt | -2,810 | 1,176 | 1,209 | 161 | 6,031 | 3,120 | 589 | 5,067 | 2,287 | -2,000 | 0 | 0 |
| Interest Paid | -560 | -245 | -430 | -372 | -430 | -1,097 | -1,567 | -1,970 | -2,637 | -2,824 | -2,706 | -2,713 |
| Dividend Paid | 0 | 0 | -121 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Others | 29 | -22 | -23 | -24 | -46 | -96 | -238 | -221 | 26,882 | 0 | 0 | 0 |
| **CF from Fin. Activity** | **1,306** | **910** | **634** | **3,700** | **5,555** | **1,928** | **-1,216** | **3,229** | **26,826** | **-4,824** | **-2,706** | **-2,713** |
| **Inc/Dec of Cash** | **986** | **-891** | **250** | **1,099** | **1,066** | **246** | **-1,913** | **809** | **-1,512** | **8,961** | **-3,804** | **4,604** |
| Opening Balance | 352 | 1,338 | 450 | 700 | 1,920 | 2,986 | 3,232 | 1,319 | 2,128 | 4,656 | 13,323 | 9,198 |
| Other Bank Balances | 0 | 0 | 503 | 1,100 | 2,640 | 2,363 | 5,594 | 5,140 | 4,040 | -293 | -322 | -354 |
| **Closing Balance** | **1,338** | **447** | **1,203** | **2,899** | **5,626** | **5,594** | **6,913** | **7,268** | **4,656** | **13,323** | **9,198** | **13,447** |

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| Explanation of Investment Rating | |
|---|---|
| **Investment Rating** | **Expected return (over 12-month)** |
| BUY | >=15% |
| SELL | < - 10% |
| NEUTRAL | < - 10 % to 15% |
| UNDER REVIEW | Rating may undergo a change |
| NOT RATED | We have forward looking estimates for the stock but we refrain from assigning recommendation |

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