

Endurance Tech: Strong Growth Momentum despite Cost Headwinds

February 13, 2026 | CMP: INR 2,514 | Target Price: INR 2,820

ADD

Expected Share Price Return: 12.2% | Dividend Yield: 0.4% | Potential Upside: 12.6%

Sector View: Positive

Change in Estimates	✓
Change in Target Price	✗
Change in Recommendation	✓

Company Info	
BB Code	ENDU IN EQUITY
Face Value (INR)	10
52-w High/Low (INR)	3,079/1,556
Mkt Cap (Bn)	INR 364/ \$4.0
Shares o/s (Mn)	140.7
3M Avg. Daily Volume	88,967

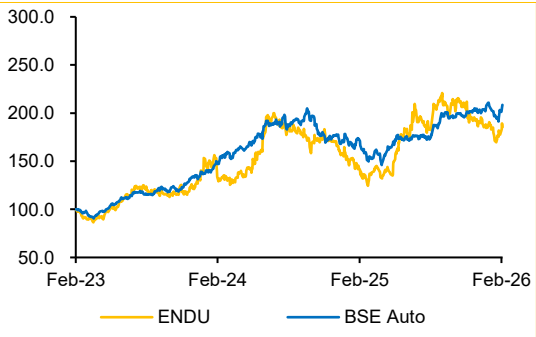
Change in CIE Estimates							
FY26E				FY27E			
INR Bn	New	Old	Dev. (%)	New	Old	Dev. (%)	
Revenue	141.3	139.0	1.6	163.2	158.8	2.8	
EBITDA	19.2	18.8	2.4	22.8	22.2	2.8	
EBITDAM%	13.6	13.5	10 bps	14.0	14.0	1 bps	
PAT	9.8	9.8	0.6	12.6	12.3	1.8	
EPS	69.8	69.5	0.6	89.3	87.7	1.8	

Actual vs CIE Estimates			
INR Mn	Q3FY26A	CIE Est.	Dev. %
Revenue	36,082.2	35,133.8	2.7
EBITDA	4,771.3	4,637.7	2.9
EBITDAM %	13.2	13.2	2 bps
PAT	2,425.9	2,286.4	6.1

Key Financials					
INR Bn	FY24	FY25	FY26E	FY27E	FY28E
Revenue	102.4	115.6	141.3	163.2	184.1
YoY (%)	16.3	12.9	22.2	15.5	12.8
EBITDA	13.3	15.5	19.2	22.8	26.0
EBITDAM %	13.0	13.4	13.6	14.0	14.1
Adj PAT	6.8	8.2	9.8	12.6	14.9
EPS	48.4	58.6	69.8	89.3	106.1
ROE %	13.7	14.4	15.1	16.7	17.0
ROCE %	14.9	15.3	16.2	18.0	18.5
PE(x)	52.0	42.9	36.0	28.2	23.7
EV/EBITDA	26.8	22.7	18.6	15.4	13.2

Shareholding Pattern (%)			
	Dec-25	Sep-25	Jun-25
Promoters	75.00	75.00	75.00
FIIIs	13.72	13.84	13.54
DIIIs	9.20	9.05	9.54
Public	2.08	2.11	1.92

Relative Performance (%)			
YTD	3Y	2Y	1Y
BSE Auto	108.4	41.5	26.2
ENDU	85.4	38.5	36.5



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**Broad-based growth across segments:** ENDU delivered a strong operational performance in Q3FY26, supported by resilient demand across India and Europe. Consolidated total income grew 26.5% YoY, reflecting healthy volume momentum and consolidation benefits. EBITDA increased 28.1% YoY, with margin expanding to 13.2% due to operating leverage and favourable product mix. However, on a standalone basis, margin was impacted by commodity headwinds. RPAT rose 20.2% YoY despite commodity pass-through timing and one-off labour-related cost. **We believe the company's focus on premium products, localisation and electronics integration strengthens its competitive positioning. Strong execution in EV components and advanced braking systems improves visibility for sustained medium-term growth.**

**EV transition leads to resilient growth in Europe:** European operations recorded strong revenue growth of 39.5% YoY in INR terms during Q3FY26. Performance was supported by the Stöferle acquisition, which added meaningful scale and profitability. Underlying demand remained stable, despite macro uncertainty and softer tooling income. A rising mix of electric and hybrid vehicles continues to structurally support Endurance's Europe portfolio. The management remains focused on margin protection through localisation, operational efficiency and disciplined capital allocation.

**We expect the company's focused investment in capacity expansion, R&D and technology partnerships to position it well to capture upcoming regulatory tailwinds (ABS/Brakes) and EV market opportunities.**

**View and Valuation:** We largely maintain our FY26/27/28E EPS estimate and value the company on a P/E multiple of 27x on FY28E EPS. We maintain our target price of **INR 2,820** and upgrade our rating from **'REDUCE'** to **'ADD'**, considering EV-led growth, premium product mix and high visibility from a robust order book.

Q3FY26 results beat our estimate across the board

- Revenue was up 26.2% YoY and up 0.7% QoQ to INR 36,082 Mn (vs CIE est. at INR 35,134 Mn)
- EBITDA was up 28.1% YoY and up 0.1% QoQ to INR 4,771 Mn (vs CIE est. at INR 4,638 Mn). EBITDA margin was up 19 bps YoY and down 9 bps QoQ to 13.2% (same as CIE est)
- APAT was up 31.6% YoY and up 6.7% QoQ to INR 2,426 Mn (vs CIE est. at INR 2,286 Mn)

ENDU (INR Mn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)
Net Sales	36,082	28,592	26.2	35,828	0.7
Material Expenses	20,937	16,320	28.3	20,522	2.0
Employee Expenses	3,048	2,515	21.2	2,975	2.5
Other Opex Expenses	7,326	6,031	21.5	7,563	(3.1)
EBITDA	4,771	3,725	28.1	4,768	0.1
PBT	3,007	2,466	21.9	3,041	(1.1)
RPAT	2,216	1,844	20.2	2,273	(2.5)
Exceptional Item	(210)	-	NA	-	NA
APAT	2,426	1,844	31.6	2,273	6.7
Adj EPS (INR)	17.2	13.1	31.6	16.2	6.7

ENDU	Q3FY26	Q3FY25	YoY (bps)	Q2FY26	QoQ (bps)
Gross Margin (%)	42.0	42.9	(94.5)	42.7	(74.6)
Emp exp. % of Sales	8.4	8.8	(34.9)	8.3	14.5
Other Op. Exp % of Sales	20.3	21.1	(79.0)	21.1	(80.5)
EBITDA Margin (%)	13.2	13.0	19.4	13.3	(8.6)
APAT Margin (%)	6.7	6.4	27.4	6.3	38.0

Source: ENDU, Choice Institutional Equities

## Management Call - Highlights

- **Q3FY26 Financial Performance:** Consolidated total income grew 26.5% YoY, reflecting strong domestic demand and consolidation of the European acquisition. Consolidated EBITDA increased 30.4% YoY with margins expanding to 14.1%. Consolidated PAT rose 20.2% YoY, despite cost pressure. Standalone revenue grew 22.2% YoY. Standalone margin was temporarily impacted by commodity pass-through timing and a one-time labour code cost of INR 206 Mn
- Europe revenues increased 39.5% YoY in INR terms, driven primarily by the Stöferle acquisition in Germany
- **Product Premiumisation and Technology:** The company is benefiting from rising demand for premium and higher-CC vehicles in India. Key products include inverted front forks, assisted slip clutches and hydraulic disc brakes. Inverted front fork volumes are expected to exceed 650,000 units in FY26E
- **Electric Vehicle Growth:** Cumulative EV orders in India, excluding Bajaj Auto, stand at INR 10,590 Mn. Total EV wins, including Maxwell and battery packs, amount to INR 16,360 Mn
- **Order Book and Business Wins:** Standalone India wins total INR 12,830 Mn in FY26-YTD. Europe has secured additional business worth EUR 15 Mn. A new alloy wheel order from Suzuki adds INR 570 Mn annually. Brake business with Hero MotoCorp expanded to INR 2,000 Mn per annum. The RFQ pipeline stands at INR 42,000 Mn
- **Non-automotive Diversification – Solar:** The company has secured INR 2,500 Mn of solar damper and actuator business from two global customers (a Spanish client and a US-based client). As of Q3FY26, the company has already commenced exports worth INR 240 Mn from its Pantnagar plant
- **Capacity Expansion and Capital Allocation:** Greenfield plants across Bidkin ((Alloy Wheels), Chennai (Disc Brake Systems), Shendra (Machined Castings), Pune (Lithium-ion Battery Packs) and Waluj (Aluminium forging) are progressing as planned. The management expects full benefits from these plants in the second half of FY27E
- **Maxwell and Battery Packs:** Maxwell recorded INR 1,140 Mn turnover during the first nine months of FY26. One in every 12 electric two-wheelers in India uses a Maxwell BMS. A major battery pack LoI signed with a large OEM is valued at INR 3,000 Mn annually
- **Outlook:** The management expects sustained growth, driven by premiumisation, EV adoption and diversification. Sales to Hero MotoCorp are expected to double in the next two years. Despite aluminium price volatility, focus remains firmly on profit growth through localisation and technology leadership

*In Europe, revenue grew by 39.5% in EUR terms, supported by the inclusion of Stöferle*

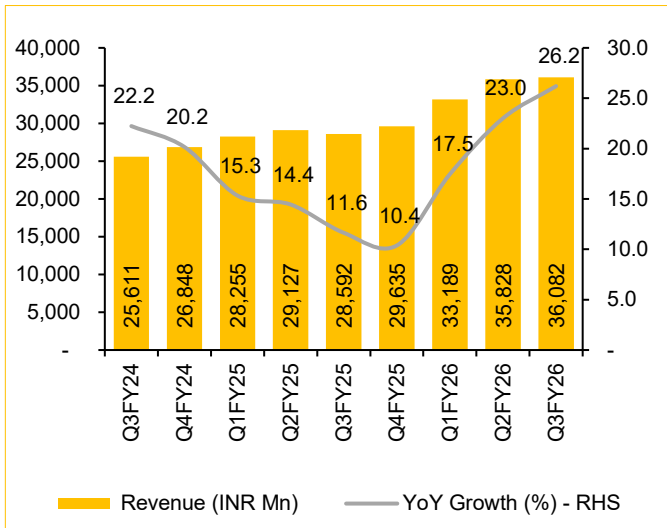
*Cumulative EV orders in India, excluding Bajaj Auto, stand at INR 10,590 Mn. Total EV wins, including Maxwell and battery packs, amount to INR 16,360 Mn*

*Greenfield plants across Bidkin ((Alloy Wheels), Chennai (Disc Brake Systems), Shendra (Machined Castings), Pune (Lithium-ion Battery Packs) and Waluj (Aluminium forging) are progressing as planned. The management expects full benefits from these plants in the second half of FY27E*

*Capex during 9MFY26 amounted to INR 6,570 Mn in India and EUR 37.9 Mn in Europe. Future capex will prioritise automation, premium products, and compliance over volume expansion.*

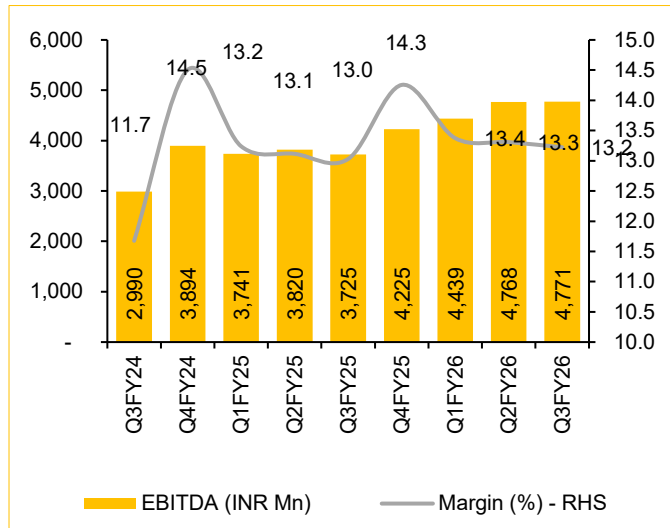
*Management expects sustained growth, driven by premiumisation, EV adoption, and diversification. Sales to Hero MotoCorp are expected to double over the next two years. Despite aluminium price volatility, focus remains firmly on profit growth through localisation and technology leadership.*

Revenue grew 26.1% on a YoY basis



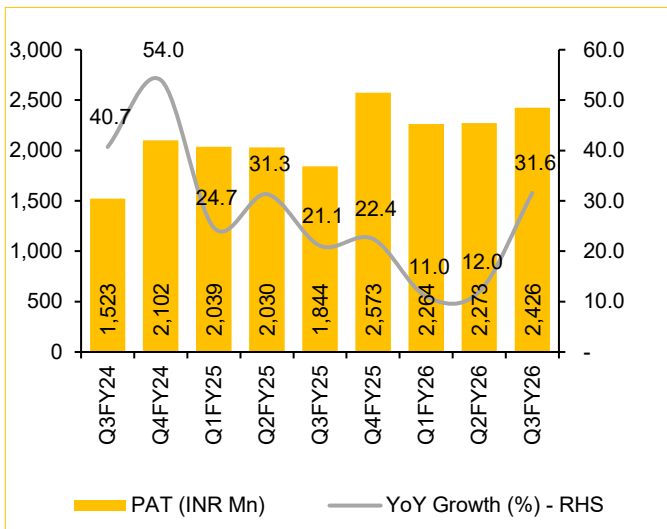
Source: ENDU, Choice Institutional Equities

EBITDA margin expanded 19 bps on a YoY basis



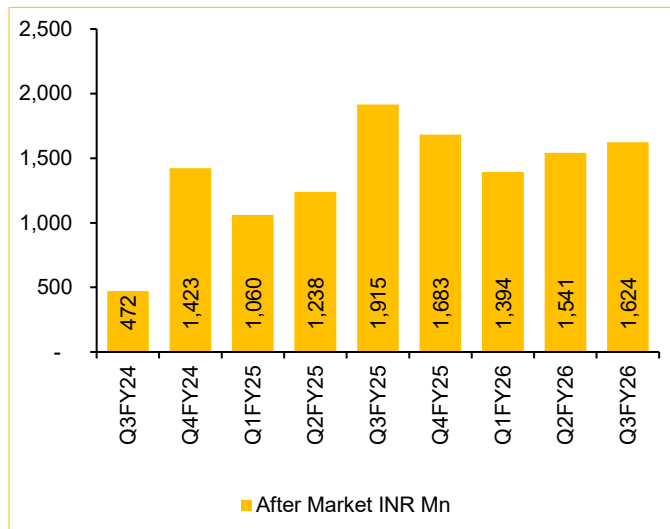
Source: ENDU, Choice Institutional Equities

APAT was up 31.6% on a YoY basis



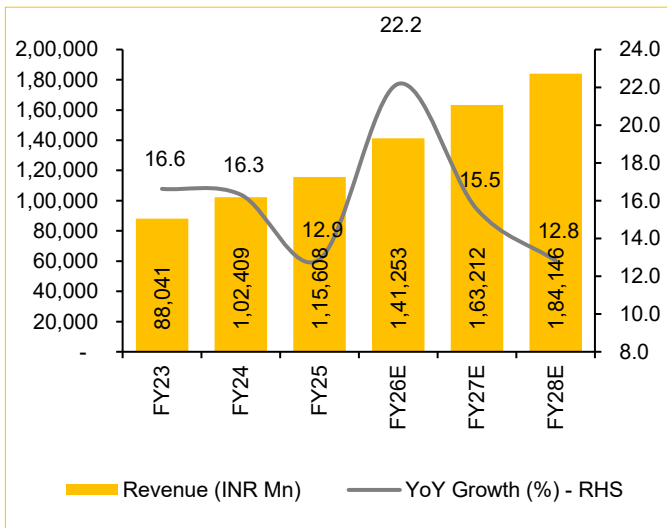
Source: ENDU, Choice Institutional Equities

After-market revenue jumped 5.4% on a QoQ basis



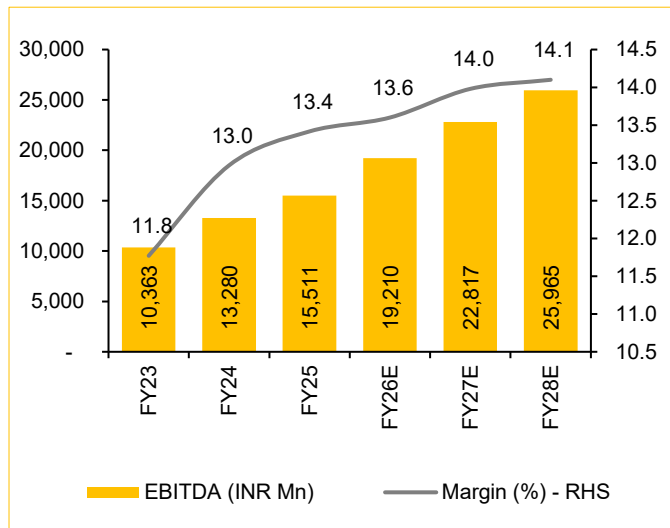
Source: ENDU, Choice Institutional Equities

Revenue anticipated to expand at 16.8% CAGR over FY25–28E



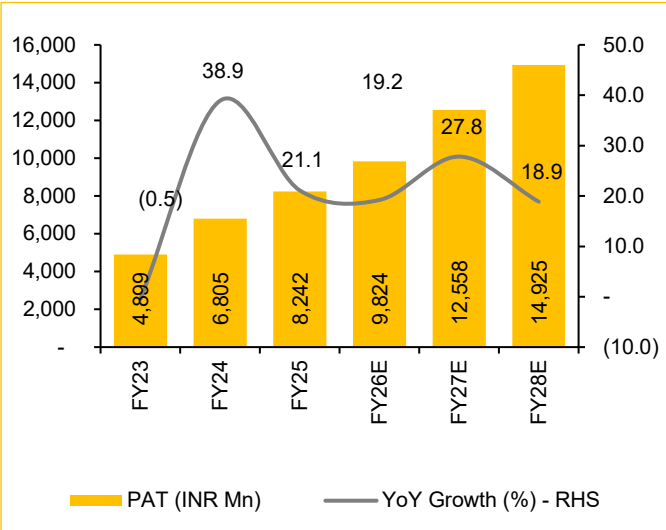
Source: ENDU, Choice Institutional Equities

EBITDA projected to expand at 18.7% CAGR over FY25–28E



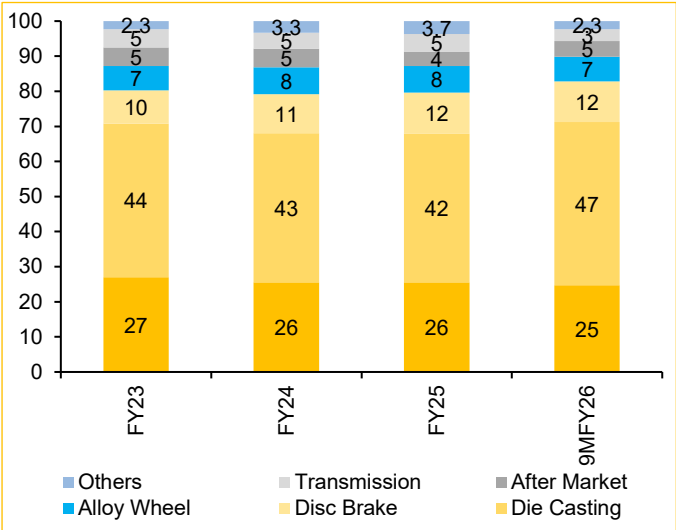
Source: ENDU, Choice Institutional Equities

APAT is forecasted to expand at 21.9% CAGR over FY25–28E



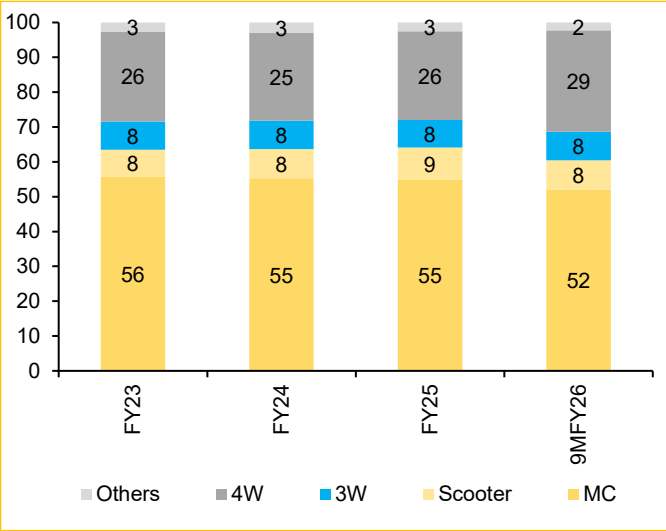
Source: ENDU, Choice Institutional Equities

Product mix (%)



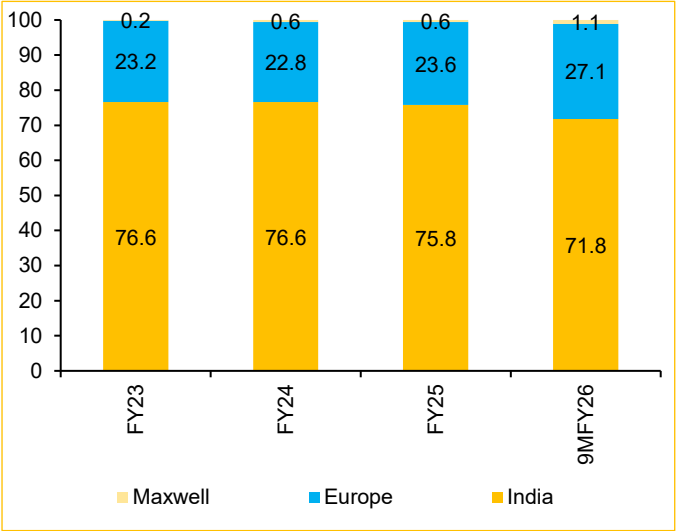
Source: ENDU, Choice Institutional Equities

Segment mix (%)



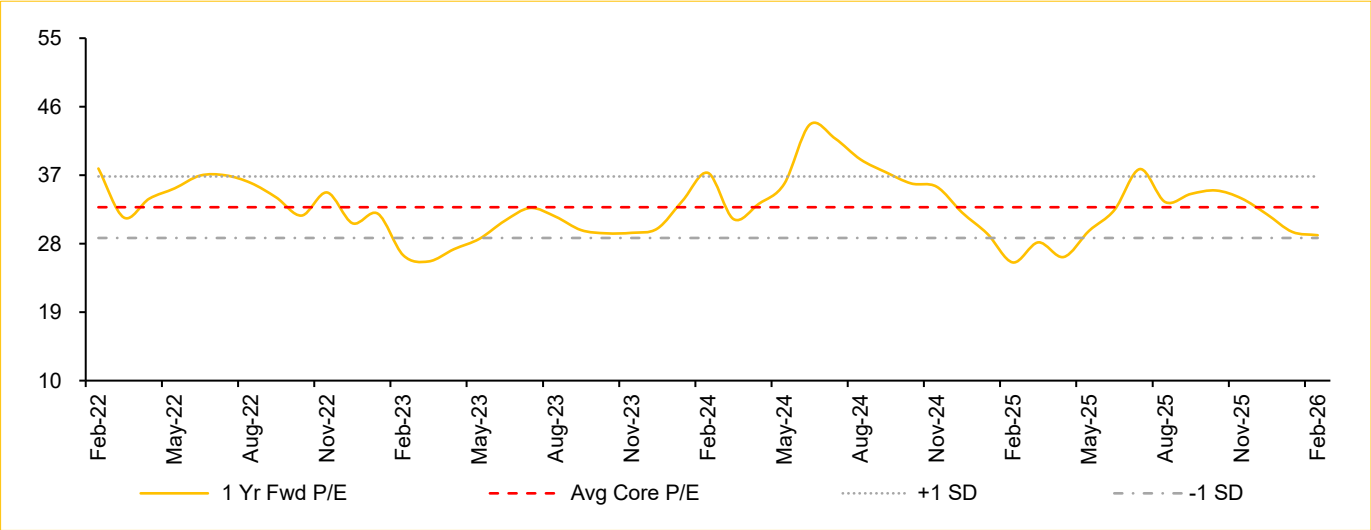
Source: ENDU, Choice Institutional Equities

Entity mix (%)



Source: ENDU, Choice Institutional Equities

1-year forward PE band



Source: ENDU, Choice Institutional Equities

Income Statement (INR Mn)

Particular	FY24	FY25	FY26E	FY27E	FY28E
Revenue	1,02,409	1,15,608	1,41,253	1,63,212	1,84,146
Gross Profit	41,903	49,577	60,315	70,018	79,183
EBITDA	13,280	15,511	19,210	22,817	25,965
Depreciation	4,740	5,387	7,064	7,230	7,508
EBIT	8,540	10,124	12,146	15,587	18,456
Interest Expenses	427	468	572	607	671
Other Income	856	1,170	1,287	1,544	1,853
Exceptional Item	0	122	(210)	0	0
Reported PAT	6,805	8,364	9,615	12,558	14,925
Adjusted PAT	6,805	8,242	9,824	12,558	14,925
EPS	48.4	58.6	69.8	89.3	106.1

Ratio Analysis	FY24	FY25	FY26E	FY27E	FY28E
Growth Ratios (%)					
Revenue	16.3	12.9	22.2	15.5	12.8
EBITDA	28.2	16.8	23.9	18.8	13.8
PAT	38.9	21.1	19.2	27.8	18.9
Margins (%)					
EBITDA	13.0	13.4	13.6	14.0	14.1
PAT	6.6	7.1	7.0	7.7	8.1
Profitability (%)					
ROE	13.7	14.4	15.1	16.7	17.0
ROCE	14.9	15.3	16.2	18.0	18.5
Working Capital					
Inventory Days	31	30	32	32	32
Debtor Days	45	45	46	46	46
Payable Days	57	62	60	60	60
Cash Conversion Cycle	19	12	18	18	18
Valuation Metrics					
PE(x)	52.0	42.9	36.0	28.2	23.7
EV/EBITDA (x)	26.8	22.7	18.6	15.4	13.2
Price to BV (x)	7.1	6.2	5.4	4.7	4.0
EV/OCF (x)	33.7	23.0	32.3	18.9	16.0

Source: ENDU, Choice Institutional Equities

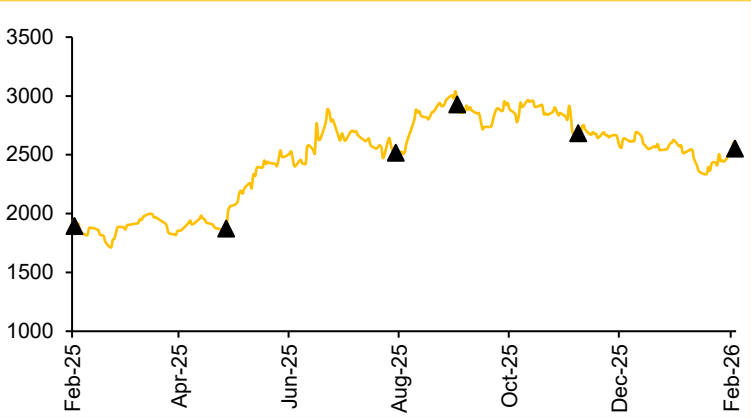
Balance Sheet (INR Mn)

Particular	FY24	FY25	FY26E	FY27E	FY28E
Net Worth	49,774	57,174	65,021	75,318	87,557
Minority Interest	0	0	0	0	0
Deferred Tax	(638)	(562)	(562)	(562)	(562)
Total Debt	7,398	9,039	10,039	11,039	12,039
Other Liabilities & Provisions	1,761	1,221	2,331	2,475	2,658
Total Net Worth & Liabilities	59,078	67,567	77,524	88,965	1,02,387
Net Fixed Assets	36,302	40,581	43,517	44,287	44,779
Capital Work in Progress	1,567	2,902	2,902	2,902	2,902
Investments	7,926	8,036	10,036	12,036	14,036
Cash & Bank Balance	5,047	10,189	7,222	13,752	22,612
Loans & Advances & Other Assets	2,813	1,814	3,584	3,897	4,296
Net Current Assets	10,470	14,234	17,486	25,844	36,375
Total Assets	59,078	67,567	77,524	88,965	1,02,387

Cash Flows (INR Mn)	FY24	FY25	FY26E	FY27E	FY28E
Cash Flows from Operations	10,571	15,317	11,033	18,567	21,432
Cash Flows from Investing	(9,489)	(10,127)	(13,769)	(10,314)	(10,398)
Cash Flows from Financing	1,051	(292)	(230)	(1,724)	(2,174)

DuPont Analysis	FY24	FY25	FY26E	FY27E	FY28E
Tax Burden	75.9%	75.3%	77.7%	76.0%	76.0%
Interest Burden	105.0%	108.1%	104.2%	106.0%	106.4%
EBIT Margin	8.3%	8.8%	8.6%	9.5%	10.0%
Asset Turnover	1.7	1.7	1.8	1.8	1.8
Equity Multiplier	1.2	1.2	1.2	1.2	1.2
ROE	13.7%	14.4%	15.1%	16.7%	17.0%

Historical Price Chart: ENDU



Date	Rating	Target Price
August 16, 2024	SELL	2,452
November 08, 2024	BUY	2,924
February 17, 2025	HOLD	1,980
May 13, 2025	REDUCE	2,125
August 18, 2025	REDUCE	2,530
September 15, 2025	REDUCE	2,820
November 13, 2025	REDUCE	2,820
February 13, 2026	ADD	2,820

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CHOICE RATING DISTRIBUTION & METHODOLOGY	
Large Cap*	
BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months
Mid & Small Cap*	
BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months
Other Ratings	
NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change
Sector View	
POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in stasis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

\*Large Cap: More Than INR 20,000 Cr Market Cap  
\*Mid & Small Cap: Less Than INR 20,000 Cr Market Cap



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