BUY

Ather Energy

A robust Q2; Ather best bet in e-2Ws

Auto & Auto Ancillaries ▸ Result Update ▸ **November 12, 2025**

CMP (Rs): 626 | TP (Rs): 925

Ather reported a strong Q2 (in line with our estimate), with revenue up 54% YoY to Rs8.9bn led by 67% YoY/42% QoQ volume rise, while EBITDA loss narrowed to Rs1.3bn (EBITDAM at –14.7% vs –21% in Q1/-24% in Q2FY25) aided by better scale/cost optimization. Gross margin (GM; ex-incentive) improved to 17.3% (16.5% in Q1; 10% in FY25), reflecting benefits from the LFP transition and operating leverage. Festive offtake was strong; retails outpaced wholesales leading to stockouts across locations. Ather is deepening its network (78 stores in Q2; 524 in total; FY26 target: 700) with sustained share gains in non-South (14.5% vs 4% in Q1FY25). Despite near-term supply issues and AURIC's slight delay by ~2-3M (regulatory-based), the EL platform launch is on track via existing Hosur plant. We believe Ather's premium positioning, high margin non-vehicle revenue (12%), and upcoming EL platform (mass e-2W) are added levers to play India's e-2W shift (refer to our thematic: *Yet another Mega shift in motion; Ather - the Frontrunner*), with potential to deliver 10x return in 10Y. We keep estimates/TP largely unchanged; retain BUY at Rs925 TP (7x Sep-27E EV/S, like EIM's implied valuation of 7.5x EV/S for Royal Enfield during the 2013-2017 high growth phase; 10x peak valuation).

Revenue growth in-line; margin trajectory improving

Revenue grew 54% YoY to Rs8.9bn, led by volume growth of 67% YoY/42% QoQ, while realization was down 2% QoQ at Rs137k/unit. GM (reported) stood at 18.8% (vs 19.6% in Q1) and GM ex-incentive stood at 17.3% (16.5% in Q1; 10% in FY25). EBITDA losses stood at Rs1.3bn, with EBITDAM (reported) improving by 920bps YoY to -14.7% while EBITDAM ex-incentive was -16.2% (-24% in Q1). Loss stood at ~Rs1.5bn.

Earnings call KTAs

1) The management is bullish on the e-scooter industry, with volume growth expected to be ~4-5x faster than the 2W industry and ~2x the scooter industry. 2) Ather follows a structured maturity cycle for new stores: i) focus on entry-level variants/Pro Pack penetration (early attach rate: ~45-50%); ii) as local brand awareness rises, premium mix improves, and ASPs rise; iii) accessory attach rates then start to kick in and service revenue begins contributing meaningfully. 3) Ather sustained ~17.4% national e-2W market share with strong traction from new store additions, given the strong festive off-take. 3) The Q2 GM dip was due to a one-time rare-earth magnet supply issue that led to a section of vehicles not qualifying for subsidy. 4) Despite temporary supply constraints (rare-earth shortage) and ~2–3M deferment at the Auric plant, the EL platform remains on track, with production to commence at Hosur itself. 5) Ather added 78 stores in Q2, totaling 524 (FY26 aim: 700); key target for next leg of growth will be Middle India (MP, Maharashtra, Odisha, Gujarat), which will drive incremental share gains. 6) Recently launched BAAS/buyback programs are currently low-volume (single-digit attach rate), albeit play a crucial strategic role in building trust and easing adoption among 110–125cc mainstream buyers, by offering ~50-60% resale assurance. 7) The mgmt is confident of EBITDA breakeven in 2-3Y, led by GM expansion/disciplined cost structure.

Target Price – 12M	Sep-26
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	47.8

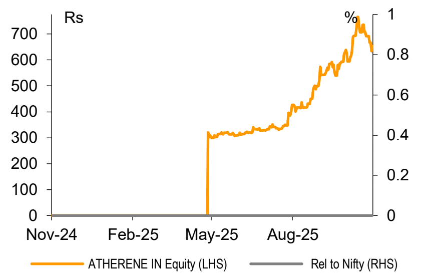
Stock Data	ATHERENE IN
52-week High (Rs)	790
52-week Low (Rs)	287
Shares outstanding (mn)	380.6
Market-cap (Rs bn)	238
Market-cap (USD mn)	2,685
Net-debt, FY26E (Rs mn)	(10,550.4)
ADTV-3M (mn shares)	3
ADTV-3M (Rs mn)	2,818.0
ADTV-3M (USD mn)	31.8
Free float (%)	58.0
Nifty-50	25,574.3
INR/USD	88.7

Shareholding,Sep-25	
Promoters (%)	41.2
FPIs/MFs (%)	23.6/23.6

Price Performance

(%)	1M	3M	12M
Absolute	5.2	46.8	0.0
Rel. to Nifty	4.0	39.8	0.0

1-Year share price trend (Rs)



Ather Energy: Financial Snapshot (Standalone)

Y/E Mar (mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	17,538	22,550	34,734	44,452	60,427
EBITDA	(6,847)	(5,809)	(3,601)	(1,855)	1,560
Adj. PAT	(8,851)	(8,123)	(5,979)	(4,689)	(1,439)
Adj. EPS (Rs)	(39.5)	(27.9)	(16.1)	(12.6)	(3.9)
EBITDA margin (%)	(39.0)	(25.8)	(10.4)	(4.2)	2.6
EBITDA growth (%)	0	0	0	0	0
Adj. EPS growth (%)	0	0	0	0	0
RoE (%)	(152.7)	(156.4)	(39.6)	(20.4)	(7.2)
RoIC (%)	(196.9)	(241.2)	(73.6)	(37.4)	(9.2)
P/E (x)	(13.2)	(22.4)	(39.0)	(49.7)	(161.9)
EV/EBITDA (x)	(22.2)	(35.0)	(68.6)	(136.5)	163.0
P/B (x)	25.7	36.9	9.2	11.3	12.2
FCFF yield (%)	(2.5)	(5.2)	(5.1)	(1.9)	0.1

Source: Company, Emkay Research

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Exhibit 1: Q2FY26 snapshot – Ather reported a 54% YoY rise in revenue

(Rs mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY (%)	QoQ (%)
Revenue	**3,605**	**5,835**	**6,349**	**6,761**	**6,446**	**8,989**	**54.1**	**39.5**
Expenditure	**4,889**	**7,229**	**7,756**	**8,485**	**7,789**	**10,314**	**42.7**	**32.4**
as % of sales	*135.6*	*123.9*	*122.2*	*125.5*	*120.8*	*114.7*		
Consumption of RM	2,972	4,847	5,310	5,639	5,181	7,301	50.6	40.9
as % of sales	*82.4*	*83.1*	*83.6*	*83.4*	*80.4*	*81.2*		
Employee Cost	867	1,099	1,067	1,091	1,186	1,140	3.7	-3.9
as % of sales	*24.0*	*18.8*	*16.8*	*16.1*	*18.4*	*12.7*		
Other expenditure	1,050	1,283	1,379	1,755	1,422	1,873	46.0	31.7
as % of sales	*29.1*	*22.0*	*21.7*	*26.0*	*22.1*	*20.8*		
EBITDA	**(1,284)**	**(1,394)**	**(1,407)**	**(1,724)**	**(1,343)**	**(1,325)**	**4.9**	**1.3**
EBITDA margin (%)	***(35.6)***	***(23.9)***	***(22.2)***	***(25.5)***	***(20.8)***	***(14.7)***		
Depreciation	395	426	437	452	481	426	0.0	-11.4
EBIT	**(1,679)**	**(1,820)**	**(1,844)**	**(2,176)**	**(1,824)**	**(1,751)**	**3.8**	**4.0**
Other Income	79	154	152	117	283	418	171.4	47.7
Interest	229	306	286	285	241	208	-32.0	-13.7
PBT	**(1,829)**	**(1,972)**	**(1,978)**	**(2,344)**	**(1,782)**	**(1,541)**	**21.9**	**13.5**
Total Tax	-	-	-	-	-	-		
Adjusted PAT	**(1,829)**	**(1,972)**	**(1,978)**	**(2,344)**	**(1,782)**	**(1,541)**	**-21.9**	**-13.5**
PAT margin (%)	***(50.7)***	***(33.8)***	***(31.2)***	***(34.7)***	***(27.6)***	***(17.1)***		
Exceptional item (expense)/profit								
Reported PAT	**(1,829)**	**(1,972)**	**(1,978)**	**(2,344)**	**(1,782)**	**(1,541)**	**-21.9**	**-13.5**
Adjusted EPS (Rs)	(6.3)	(6.8)	(6.8)	(8.1)	(4.7)	(4.1)	**40.2**	**13.5**

(%)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	*YoY (bps)*	*QoQ (bps)*
EBITDAM	(35.6)	(23.9)	(22.2)	(25.5)	(20.8)	(14.7)	*915*	*609*
EBITM	(46.6)	(31.2)	(29.0)	(32.2)	(28.3)	(19.5)	*1,171*	*882*
PBTM	(50.7)	(33.8)	(31.2)	(34.7)	(27.6)	(17.1)	*1,665*	*1,050*
APATM	(50.7)	(33.8)	(31.2)	(34.7)	(27.6)	(17.1)	*1,665*	*1,050*
Effective Tax rate	-	-	-	-	-	-	-	-

	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	*YoY (%)*	*QoQ (%)*
Volumes (no of units)	23,426	39,305	45,252	47,411	46,078	65,595	67	42
Gross Profit/Vehicle (Rs '000)	27.0	25.1	32.1	17.0	27.5	25.7	2.4	(6.3)
Gross margin (%)	17.6	16.9	16.4	16.6	19.6	18.8	10.9	(4.3)
ASPs (Rs '000/vehicle)	153.9	148.5	140.3	142.6	139.9	137.0	(7.7)	(2.0)

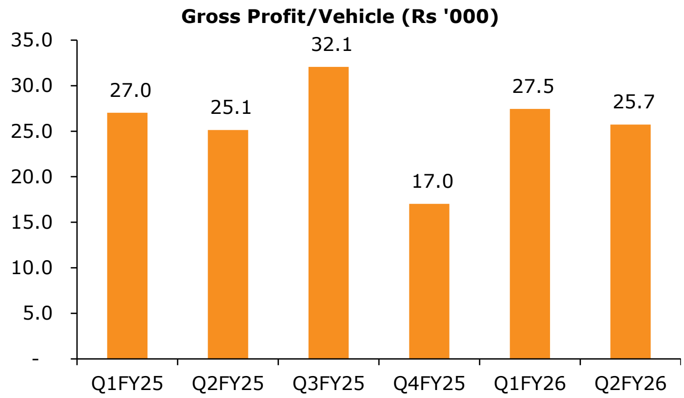
Source: Company, Emkay Research

Exhibit 2: Actuals vs Estimates

Rs mn	Actual	Consensus	Variance (%)
Revenues	8,989	8,272	8.7
EBITDA	(1,325)	(1,285)	3.1
EBITDA margin (%)	(14.7)	(15.5)	79 bps
Adj net income	(1,541)	(1,755)	(12.2)

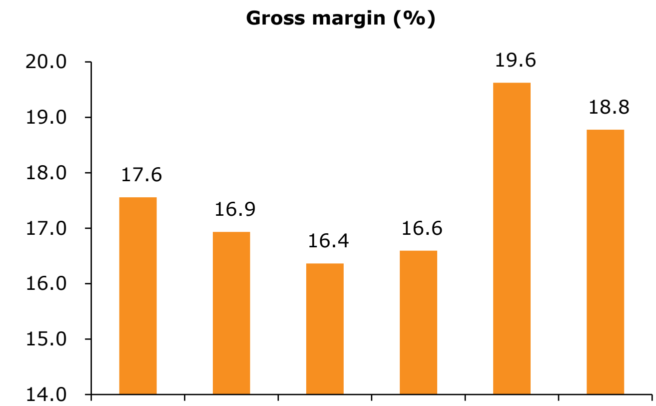
Source: Bloomberg, Emkay Research

Exhibit 3: Gross profit/vehicle improved to Rs40k/vehicle owing to BOM cost reduction…



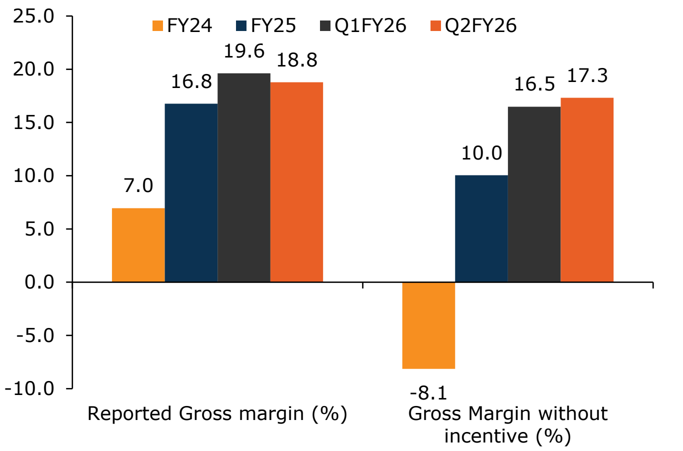
Source: Company, Emkay Research

Exhibit 4: …with gross margin rising to ~30.9% in Q2



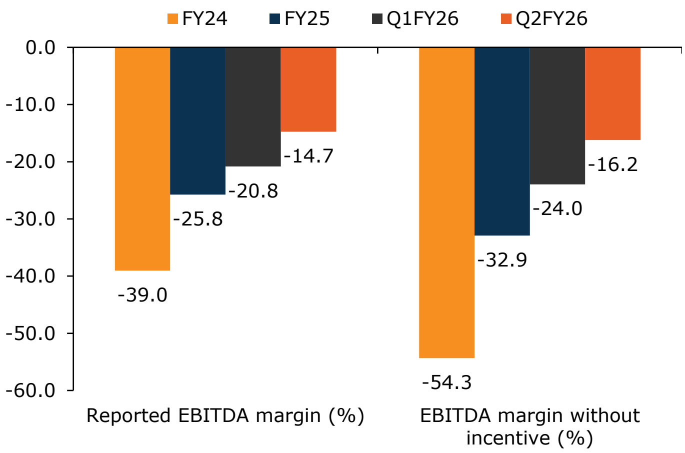
Source: Company, Emkay Research

Exhibit 5: Gross margins have consistently improved, with the gap between reported GM and the GM ex -incentives shrinking QoQ…



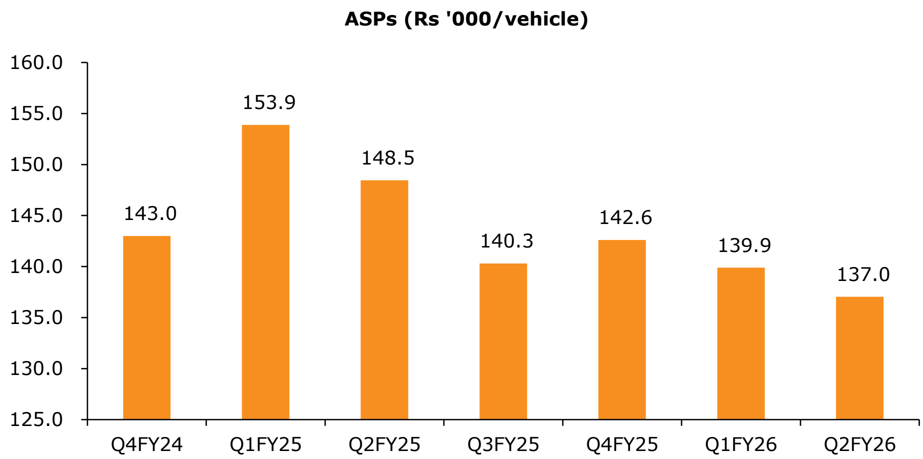
Source: Company, Emkay Research

Exhibit 6: …with EBITDAM also seeing improvement YoY as well as sequentially



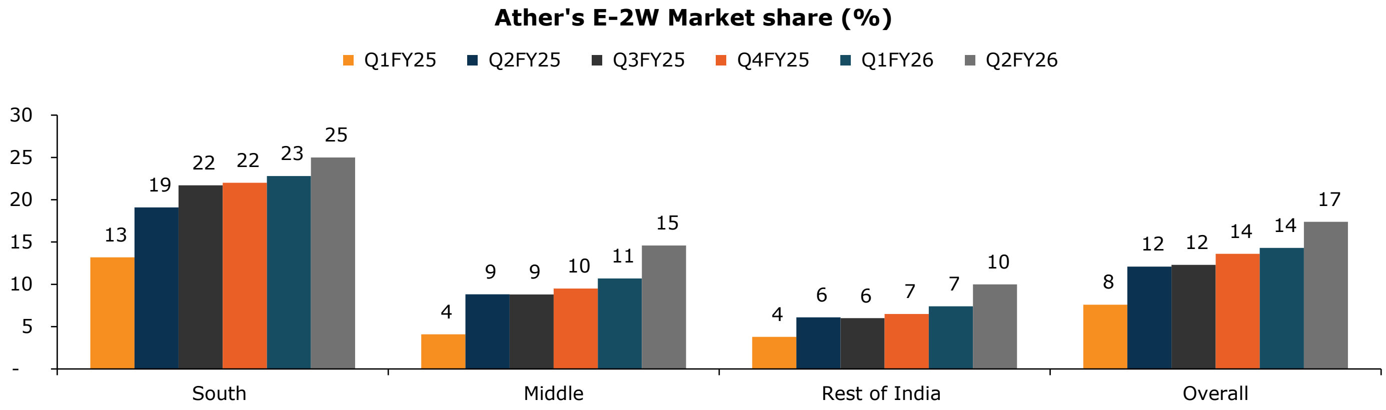
Source: Company, Emkay Research

Exhibit 7: ASPs have fallen to Rs137k owing to the portfolio tilting toward Rizta trims



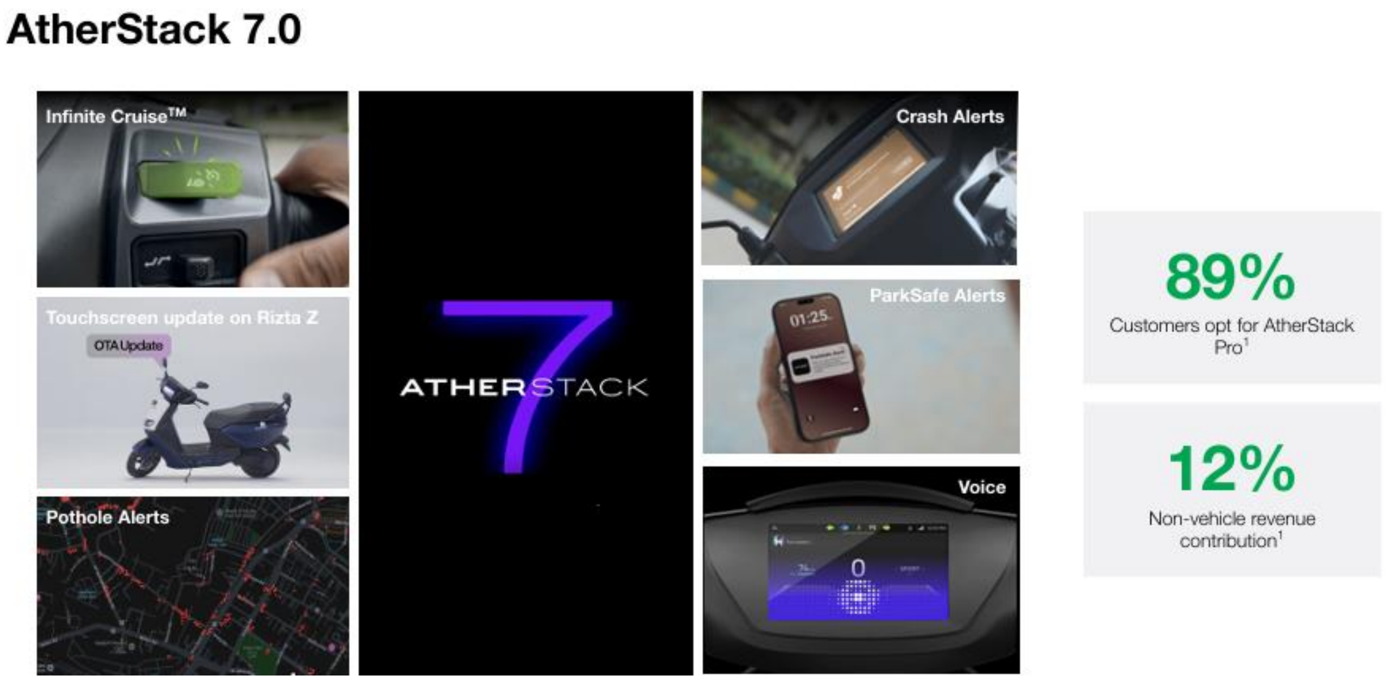
Source: Company, Emkay Research

Exhibit 8: Ather holds the #1 position in South India, while expanding in non-South markets as well, with key focus on Middle India where its market share is 15% as of Q2FY26



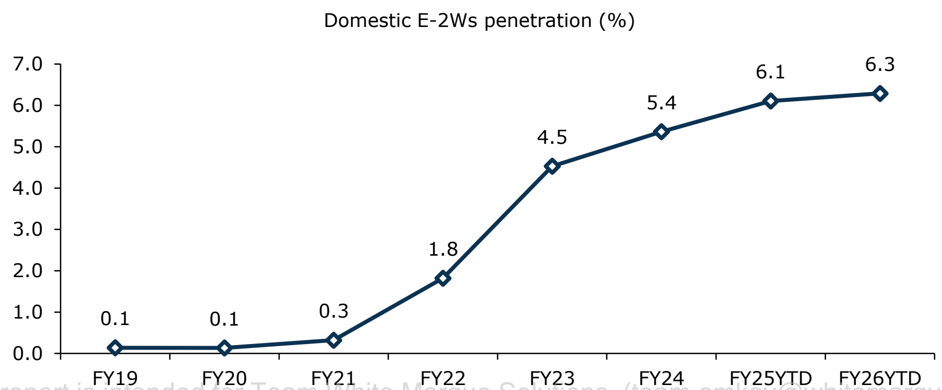
Source: Company, Emkay Research

Exhibit 9: Around 89% of the customers opt for the AtherStack Pro software pack and currently, the high-margin non-vehicle revenue contributes ~12% of the overall revenue



Source: Company, Emkay Research

Exhibit 10: Domestic e-2W penetration stood at 6.3% YTDFY26



Source: Vahaan, Emkay Research

Exhibit 11: Ather has been consistently improving market share over the last few years; it now holds the #3 position overall

Vahan Retails (no of units)	FY24	FY25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25
Domestic 2W Industry	**17,510,237**	**18,868,806**	**1,694,174**	**1,658,457**	**1,451,373**	**1,359,791**	**1,378,450**	**1,291,647**	**3,145,391**
E-2Ws penetration (%)	***5.4***	***6.2***	***5.5***	***6.1***	***7.3***	***7.6***	***7.6***	***8.1***	***4.6***

E-2Ws (no of units)	FY24	FY25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25
Ola Electric	327,248	360,181	19,804	18,541	20,189	17,487	18,972	13,371	16,034
TVS Motor	182,492	237,199	19,967	24,751	25,274	22,219	24,073	22,481	29,484
Ather Energy	108,812	130,871	13,330	13,021	14,512	16,206	17,838	18,109	28,061
Bajaj Auto	106,621	230,867	19,155	21,940	23,004	19,639	11,730	19,519	31,168
Hero MotoCorp	17,649	48,700	6,151	7,180	7,664	10,484	13,313	12,736	15,934
Okinawa	20,526	3,548	219	246	159	183	168	105	178
Greaves Electric	30,257	40,163	4,003	4,180	4,199	4,197	4,498	4,273	7,629
HMSI	0	195	317	337	400	411	378	348	401
Others	145,669	113,012	9,549	10,708	9,881	12,039	13,336	13,114	14,824
Industry	**939,274**	**1,164,736**	**92,495**	**100,904**	**105,282**	**102,865**	**104,306**	**104,056**	**143,713**

Market Share (%)	FY24	FY25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25
Ola Electric	34.8	30.9	21.4	18.4	19.2	17.0	18.2	12.8	11.2
TVS Motor	19.4	20.4	21.6	24.5	24.0	21.6	23.1	21.6	20.5
Ather Energy	11.6	11.2	14.4	12.9	13.8	15.8	17.1	17.4	19.5
Bajaj Auto	11.4	19.8	20.7	21.7	21.8	19.1	11.2	18.8	21.7
Hero MotoCorp	1.9	4.2	6.7	7.1	7.3	10.2	12.8	12.2	11.1
Okinawa	2.2	0.3	0.2	0.2	0.2	0.2	0.2	0.1	0.1
Greaves Electric	3.2	3.4	4.3	4.1	4.0	4.1	4.3	4.1	5.3
HMSI	0.0	0.0	0.3	0.3	0.4	0.4	0.4	0.3	0.3
Others	15.5	9.7	10.6	10.9	9.5	11.9	12.9	12.7	10.4
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: Vahan, Emkay Research

Other Call highlights

- LFP battery adoption (started at the end of Q1) is increasing and playing a dual role, of improving the cost structure and derisking the supply chain; rare-earth dependency to fall further.
- Ather Stack 7.0 is launched with features like pothole alerts, voice assist, and smart helmet integration, with attach rates at ~89%, which should aid GM expansion.
- Dealer network profitability remains healthy; new EC 2.0 / 3.0 format stores stabilize within 3–4 quarters.
- Non-South market share now stands at 14.5% in Q2FY26 (up from 4% in Q1FY25), while Ather maintains #1 spot in all South states (25% market share as of Q2FY26).
- Festive season offtake was strong; Q2 retails outstripped wholesales, which is a sign of robust underlying demand.
- The management believes the recent growth in the sub-Rs0.1mn EV segment is pushed, not organic, and the core of sustainable EV demand lies above the Rs0.1mn price-point.

Exhibit 12: Revenue model – We build in 43%/39%/ 2W volume/consol revenue CAGR over FY25-28E

Volume (no of units)	FY23	FY24	FY25	FY26E	FY27E	FY28E
E-Scooters	**93,212**	**107,622**	**155,405**	**257,616**	**334,954**	**425,774**
Growth YoY (%)	*351.5*	*15.5*	*44.4*	*65.8*	*30.0*	*27.1*
E-Commuter Motorcycles	**0**	**0**	**0**	**0**	**0**	**12,000**
Growth YoY (%)						
Domestic Volume	**93,212**	**107,622**	**155,405**	**257,616**	**334,954**	**437,774**
Growth YoY (%)	*351.5*	*15.5*	*44.4*	*65.8*	*30.0*	*30.7*
Exports	**0**	**356**	**805**	**1,747**	**5,961**	**17,221**
Growth YoY (%)			*126.1*	*117.0*	*241.2*	*188.9*
Total Volume	**93,212**	**107,978**	**156,210**	**259,363**	**340,915**	**454,995**
Growth YoY (%)	*351.5*	*15.8*	*44.7*	*66.0*	*31.4*	*33.5*
Ather's Volume Mix (%)						
E-Scooters	100.0	99.7	99.5	99.3	98.3	93.6
E-Commuter Motorcycles	0.0	0.0	0.0	0.0	0.0	2.6
Exports	0.0	0.3	0.5	0.7	1.7	3.8
	100.0	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Ather's E-2W Market Share	**12%**	**11%**	**12%**	**18%**	**19%**	**20%**
Ather's E-Scooter Market Share	12%	11%	12%	18%	19%	20%
Ather's E-Motorcycle Market Share	-	-	-	-	-	22%

Rs mn	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue	**17,809**	**17,538**	**22,550**	**36,013**	**45,986**	**60,693**
Growth YoY (%)	*335.5*	*-1.5*	*28.6*	*59.7*	*27.7*	*32.0*
Gross Profit	**1,855**	**1,220**	**3,782**	**7,473**	**11,956**	**18,208**
Gross margin (%)	*10.4*	*7.0*	*16.8*	*20.8*	*26.0*	*30.0*
Gross Profit Per Vehicle (Rs)	*19,901*	*11,336*	*24,336*	*29,007*	*35,695*	*41,592*
Employee Costs (%)	**3,348**	**3,692**	**4,124**	**4,757**	**5,567**	**6,523**
% of Revenue	*18.8*	*21.1*	*18.3*	*13.2*	*12.1*	*10.7*
Growth YoY (%)	*193.9*	*10.3*	*11.7*	*15.4*	*17.0*	*17.2*
--R&D Employee Costs'	**1,051**	**1,381**	**1,905**	**2,078**	**2,331**	**2,616**
% of Revenue	*5.9*	7.9	8.4	5.8	5.1	4.3
Growth YoY (%)	99.8	31.4	37.9	9.1	12.2	12.2
--Non R&D Employee Costs'	**2,297**	**2,311**	**2,219**	**2,679**	**3,235**	**3,907**
% of Revenue	*12.9*	13.2	9.8	7.4	7.0	6.4
Growth YoY (%)	274.7	0.6	-4.0	20.8	20.8	20.8
Other Expenses (%)	**5,583**	**4,375**	**5,467**	**7,311**	**8,829**	**10,621**
% of Revenue	*31.3*	*24.9*	*24.2*	*20.3*	*19.2*	*17.5*
Growth YoY (%)	*226.3*	*-21.6*	*25.0*	*33.7*	*20.8*	*20.3*
EBITDA	**-7,076**	**-6,847**	**-5,809**	**-4,595**	**-2,440**	**1,064**
EBITDA margin (%)	**-39.7**	**-39.0**	**-25.8**	**-12.8**	**-5.3**	**1.8**
EBITDA Per Vehicle (Rs)	*-75,913*	*-63,621*	*-37,380*	*-17,838*	*-7,284*	*2,430*
Depreciation	1,128	1,467	1,710	1,805	2,429	2,725
% of Gross Block	*19.2*	*19.3*	*18.0*	*12.5*	*11.4*	*10.3*
EBIT	**-8,204**	**-8,314**	**-7,519**	**-6,400**	**-4,868**	**-1,661**
EBIT margin (%)	*-46.1*	*-47.4*	*-33.3*	*-17.8*	*-10.6*	*-2.7*
PAT	**-8,645**	**-8,851**	**-8,123**	**-5,882**	**-4,902**	**-1,845**
PAT margin (%)	*-48.5*	*-50.5*	*-36.0*	*-16.3*	*-10.7*	*-3.0*
EPS (Rs)	***-48.1***	***-47.3***	***-27.9***	***-15.5***	***-12.9***	***-4.9***

Source: Company, Emkay Research

Exhibit 13: We keep our estimates largely unchanged

	FY26E				FY27E				FY28E			
Standalone (Rs mn)	**Earlier**	**Revised**	**Change %**	**YoY %**	**Earlier**	**Revised**	**Change %**	**YoY %**	**Earlier**	**Revised**	**Change %**	**YoY %**
Volumes (no of units)	250,357	259,363	3.6	66.0	330,221	340,915	3.2	31.4	454,143	454,995	0.2	33.5
ASP (Rs/unit)	138,737	138,852	0.1	-3.8	134,612	134,888	0.2	-2.9	133,057	133,393	0.3	-1.1
Revenue	34,734	36,013	3.7	59.7	44,452	45,986	3.5	27.7	60,427	60,693	0.4	32.0
Gross Profit	8,336	7,473	-10.4	97.6	12,446	11,956	-3.9	60.0	19,337	18,208	-5.8	52.3
GM (%)	*24.0*	*20.8*	(325) bps	398 bps	*28.0*	*26.0*	(200) bps	525 bps	*32.0*	*30.0*	(200) bps	400 bps
EBITDA	-3,601	-4,595	27.6	-20.9	-1,855	-2,440	31.5	-46.9	1,560	1,064	-31.8	-143.6
EBITDAM (%)	*-10.4*	*-12.8*	(239) bps	1,300 bps	*-4.2*	*-5.3*	(113) bps	745 bps	*2.6*	*1.8*	(83) bps	706 bps
PAT	-5,979	-5,882	-1.6	-27.6	-4,689	-4,902	4.5	-16.7	-1,439	-1,845	28.2	-62.4
PATM (%)	*-17.2*	*-16.3*	88 bps	1,969 bps	*-10.5*	*-10.7*	(11) bps	567 bps	*-2.4*	*-3.0*	(66) bps	762 bps

Source: Company, Emkay Research

Ather Energy: Standalone Financials and Valuations

Profit & Loss

Y/E Mar (mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	**17,538**	**22,550**	**34,734**	**44,452**	**60,427**
Revenue growth (%)	(1.5)	28.6	54.0	28.0	35.9
EBITDA	**(6,847)**	**(5,809)**	**(3,601)**	**(1,855)**	**1,560**
EBITDA growth (%)	0	0	0	0	0
Depreciation & Amortization	1,467	1,710	2,006	2,497	2,725
EBIT	**(8,314)**	**(7,519)**	**(5,607)**	**(4,352)**	**(1,165)**
EBIT growth (%)	0	0	0	0	0
Other operating income	-	-	-	-	-
Other income	353	502	774	918	1,085
Financial expense	890	1,106	1,146	1,255	1,359
PBT	**(8,851)**	**(8,123)**	**(5,979)**	**(4,689)**	**(1,439)**
Extraordinary items	(1,746)	0	0	0	0
Taxes	0	0	0	0	0
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
Reported PAT	**(10,597)**	**(8,123)**	**(5,979)**	**(4,689)**	**(1,439)**
PAT growth (%)	0	0	0	0	0
Adjusted PAT	**(8,851)**	**(8,123)**	**(5,979)**	**(4,689)**	**(1,439)**
Diluted EPS (Rs)	**(39.5)**	**(27.9)**	**(16.1)**	**(12.6)**	**(3.9)**
Diluted EPS growth (%)	0	0	0	0	0
DPS (Rs)	**0**	**0**	**0**	**0**	**0**
Dividend payout (%)	**0**	**0**	**0**	**0**	**0**
EBITDA margin (%)	(39.0)	(25.8)	(10.4)	(4.2)	2.6
EBIT margin (%)	(47.4)	(33.3)	(16.1)	(9.8)	(1.9)
Effective tax rate (%)	0	0	0	0	0
NOPLAT (pre-IndAS)	**(8,314)**	**(7,519)**	**(5,607)**	**(4,352)**	**(1,165)**
Shares outstanding (mn)	224	291	372	372	372

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	8	291	372	372	372
Reserves & Surplus	5,451	4,639	24,920	20,230	18,791
Net worth	**5,459**	**4,930**	**25,292**	**20,603**	**19,163**
Minority interests	-	-	-	-	-
Non-current liab. & prov.	0	0	0	0	0
Total debt	**4,777**	**6,193**	**8,134**	**9,183**	**11,728**
Total liabilities & equity	**10,718**	**12,075**	**34,763**	**31,331**	**32,768**
Net tangible fixed assets	3,360	4,931	10,945	14,448	14,673
Net intangible assets	1,229	1,229	1,229	1,229	1,229
Net ROU assets	-	-	-	-	-
Capital WIP	706	1,220	3,200	1,200	750
Goodwill	-	-	-	-	-
Investments [JV/Associates]	-	-	-	-	-
Cash & equivalents	**7,400**	**4,114**	**18,685**	**13,674**	**15,221**
Current assets (ex-cash)	5,047	7,787	11,899	15,107	20,370
Current Liab. & Prov.	8,417	8,931	13,852	17,727	24,098
NWC (ex-cash)	**(3,370)**	**(1,144)**	**(1,952)**	**(2,620)**	**(3,728)**
Total assets	**10,718**	**12,075**	**34,763**	**31,331**	**32,768**
Net debt	(2,623)	2,079	(10,550)	(4,491)	(3,493)
Capital employed	10,718	12,075	34,763	31,331	32,768
Invested capital	**1,219**	**5,016**	**10,222**	**13,057**	**12,174**
BVPS (Rs)	24.4	17.0	67.9	55.3	51.5
Net Debt/Equity (x)	(0.5)	0.4	(0.4)	(0.2)	(0.2)
Net Debt/EBITDA (x)	0.4	(0.4)	2.9	2.4	(2.2)
Interest coverage (x)	(8.9)	(6.3)	(4.2)	(2.7)	(0.1)
RoCE (%)	**(69.0)**	**(65.7)**	**(21.7)**	**(10.9)**	**(0.3)**

Source: Company, Emkay Research

Cash flows

Y/E Mar (mn)	FY24	FY25	FY26E	FY27E	FY28E
PBT (ex-other income)	(10,597)	(8,123)	(5,979)	(4,689)	(1,439)
Others (non-cash items)	1,398	1,222	0	0	0
Taxes paid	(1)	(23)	0	0	0
Change in NWC	4,363	(2,909)	262	133	216
Operating cash flow	**(2,676)**	**(7,207)**	**(2,566)**	**(804)**	**2,861**
Capital expenditure	(1,156)	(3,390)	(10,000)	(4,000)	(2,500)
Acquisition of business	-	-	-	-	-
Interest & dividend income	262	394	0	0	0
Investing cash flow	**(2,281)**	**(3,782)**	**(10,500)**	**(4,500)**	**(3,000)**
Equity raised/(repaid)	9,011	866	26,341	0	0
Debt raised/(repaid)	(1,741)	7,347	1,941	1,048	2,545
Payment of lease liabilities	(168)	(211)	0	0	0
Interest paid	(770)	(973)	(1,146)	(1,255)	(1,359)
Dividend paid (incl tax)	0	0	0	0	0
Others	0	0	0	0	0
Financing cash flow	**6,332**	**7,029**	**27,137**	**(207)**	**1,186**
Net chg in Cash	1,375	(3,960)	14,071	(5,511)	1,047
OCF	(2,676)	(7,207)	(2,566)	(804)	2,861
Adj. OCF (w/o NWC chg.)	(7,039)	(4,298)	(2,827)	(937)	2,645
FCFF	(3,832)	(10,597)	(12,566)	(4,804)	361
FCFE	(4,460)	(11,309)	(13,712)	(6,059)	(998)
OCF/EBITDA (%)	39.1	124.1	71.3	43.3	183.4
FCFE/PAT (%)	42.1	139.2	229.3	129.2	69.3
FCFF/NOPLAT (%)	**46.1**	**140.9**	**224.1**	**110.4**	**(31.0)**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	(13.2)	(22.4)	(39.0)	(49.7)	(161.9)
P/CE(x)	(19.0)	(28.4)	(58.6)	(106.3)	181.2
P/B (x)	25.7	36.9	9.2	11.3	12.2
EV/Sales (x)	8.7	9.0	7.1	5.7	4.2
EV/EBITDA (x)	(22.2)	(35.0)	(68.6)	(136.5)	163.0
EV/EBIT(x)	(18.3)	(27.0)	(44.1)	(58.2)	(218.2)
EV/IC (x)	125.0	40.5	24.2	19.4	20.9
FCFF yield (%)	(2.5)	(5.2)	(5.1)	(1.9)	0.1
FCFE yield (%)	(1.9)	(4.7)	(5.8)	(2.5)	(0.4)
Dividend yield (%)	0	0	0	0	0
DuPont-RoE split					
Net profit margin (%)	(50.5)	(36.0)	(17.2)	(10.5)	(2.4)
Total asset turnover (x)	1.5	2.0	1.5	1.3	1.9
Assets/Equity (x)	2.0	2.2	1.5	1.4	1.6
RoE (%)	**(152.7)**	**(156.4)**	**(39.6)**	**(20.4)**	**(7.2)**
DuPont-RoIC					
NOPLAT margin (%)	(47.4)	(33.3)	(16.1)	(9.8)	(1.9)
IC turnover (x)	4.2	7.2	4.6	3.8	4.8
RoIC (%)	**(196.9)**	**(241.2)**	**(73.6)**	**(37.4)**	**(9.2)**
Operating metrics					
Core NWC days	(70.1)	(18.5)	(20.5)	(21.5)	(22.5)
Total NWC days	**(70.1)**	**(18.5)**	**(20.5)**	**(21.5)**	**(22.5)**
Fixed asset turnover	2.3	2.4	2.3	2.0	2.3
Opex-to-revenue (%)	46.0	42.5	34.4	32.2	29.4

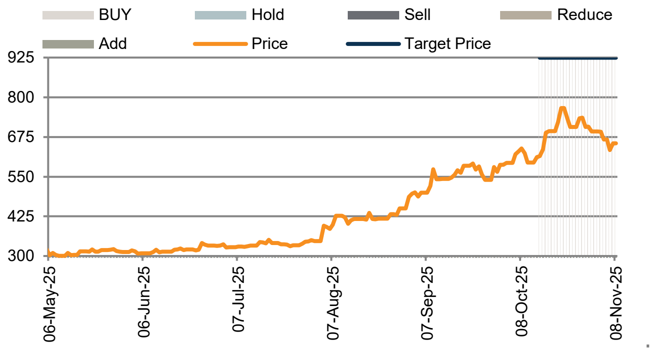
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
14-Oct-25	615	925	Buy	Chirag Jain

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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Seshadri Kumar Sen

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