

# Amara Raja

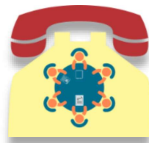
BSE SENSEX

80,540

S&amp;P CNX

24,619

## Conference Call Details


**Date:** 18<sup>th</sup> Aug 2025

**Time:** 4PM IST

**Dial-in details:** [Diamond Pass](#)
[Link](#)

### Financials & Valuations (INR b)

Y/E March	2025	2026E	2027E
Sales	124.0	135.3	148.4
EBITDA	16.3	16.9	19.0
Adj. PAT	8.8	9.0	10.4
EPS (INR)	48.2	49.4	56.8
EPS Gr. (%)	-2.7	2.6	15.0
BV/Sh. (INR)	403	443	488
<b>Ratios</b>			
RoE (%)	12.5	11.7	12.2
RoCE (%)	12.4	11.7	12.5
Payout (%)	19.9	20.2	20.2
<b>Valuations</b>			
P/E (x)	19.8	19.3	16.7
P/BV (x)	2.4	2.2	2.0
Div. Yield (%)	1.2	1.1	1.3
FCF yield (%)	3.9	2.9	6.0

**CMP: INR953**

### Persistent margin pressure leads to PAT miss

- 1QFY26 standalone revenue grew ~7% YoY to INR33.5b (in line). Domestic revenue increased by 10%+, led by robust demand from OEMs in the 4W and 2W segments and healthy volumes in the aftermarket segment. In addition, its HUPS and tubular batteries business delivered a strong seasonal performance, while its allied business gained market momentum and penetration. In the industrial segment, Amara saw strong traction in UPS/data centers, with 13% growth. The new energy business was driven by healthy volumes in the stationary business.
- Gross margin stood at 29% (+120bp YoY/+270bp QoQ), likely impacted by a higher traded portion in tubular batteries in 1Q.
- EBITDA margin declined 220bp YoY to 11.5% (flat QoQ) and below our estimate of 12%. Margins are likely to have been impacted by the continued impact of higher non-lead alloy costs and higher power costs.
- As a result, EBITDA declined 10.2% YoY to INR3.9b (in line).
- However, other income came in much lower than expected at INR139m (est. INR245m).
- As a result, PAT declined 20.7% YoY to INR1.9b (below est. of INR2.1b).
- **Valuation view:** The stock trades at 19.3x/16.7x FY26E/FY27E EPS.

### Quarterly Performance

Y/E March (INR m)	FY25				FY26E				(INR M)			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	FY25	FY26E	1QE	VAR (%)
<b>Net Sales</b>	<b>31,312</b>	<b>31,358</b>	<b>31,640</b>	<b>29,739</b>	<b>33,499</b>	<b>33,240</b>	<b>34,488</b>	<b>34,047</b>	<b>1,24,049</b>	<b>1,35,274</b>	<b>32,564</b>	<b>2.9</b>
YoY Change (%)	13.0	11.6	9.8	6.3	7.0	6.0	9.0	14.5	10.2	9.0	4.0	
RM Cost (% of sales)	68.9	67.6	66.9	67.7	70.5	68.5	68.3	66.7	67.8	68.5	68.6	190bp
Staff Cost (% of sales)	5.9	6.1	6.0	6.1	5.9	6.0	6.0	6.1	6.0	6.0	5.9	0bp
Other Exp (% of sales)	11.5	12.2	13.9	14.7	12.0	13.0	12.5	14.5	13.1	13.0	13.5	-150bp
<b>EBITDA</b>	<b>4,304</b>	<b>4,407</b>	<b>4,158</b>	<b>3,422</b>	<b>3,867</b>	<b>4,155</b>	<b>4,552</b>	<b>4,335</b>	<b>16,291</b>	<b>16,909</b>	<b>3,908</b>	<b>-1.1</b>
Margins (%)	13.7	14.1	13.1	11.5	11.5	12.5	13.2	12.7	13.1	12.7	12.0	-50bp
Depreciation	1,183	1,220	1,233	1,284	1,292	1,289	1,304	1,331	4,921	5,216	1,250	<b>3.4</b>
Interest	90	131	107	95	104	135	145	167	422	550	120	<b>-13.8</b>
Other Income	256	185	293	200	139	200	267	344	933	950	245	<b>-43.1</b>
<b>PBT before EO expense</b>	<b>3,287</b>	<b>3,240</b>	<b>3,111</b>	<b>2,244</b>	<b>2,610</b>	<b>2,931</b>	<b>3,370</b>	<b>3,182</b>	<b>11,881</b>	<b>12,093</b>	<b>2,783</b>	<b>-6.2</b>
Extra-Ord expense	0	0	-1,111	0	0	0	0	0	0	0	0	
<b>PBT after EO</b>	<b>3,287</b>	<b>3,240</b>	<b>4,222</b>	<b>2,244</b>	<b>2,610</b>	<b>2,931</b>	<b>3,370</b>	<b>3,182</b>	<b>11,881</b>	<b>12,093</b>	<b>2,783</b>	<b>-6.2</b>
Tax	841	833	1,103	576	670	733	859	785	3,353	3,048	696	
Tax Rate (%)	25.6	25.7	26.1	25.7	25.7	25.0	25.5	24.7	28.2	25.2	25.0	
<b>Adj PAT</b>	<b>2,446</b>	<b>2,407</b>	<b>2,298</b>	<b>1,668</b>	<b>1,940</b>	<b>2,198</b>	<b>2,511</b>	<b>2,396</b>	<b>8,815</b>	<b>9,046</b>	<b>2,087</b>	<b>-7.0</b>
YoY Change (%)	23.1	6.3	-9.1	-26.8	-20.7	-8.7	9.3	43.7	-2.7	2.6	-14.7	

E: MOFSL Estimates