

ASK Automotive Ltd (ASKAUTOL)

Topline benefits from aluminum inflation; YoY margin expansion continues

ASK Automotive's Q2FY26 results beat estimates, with Revenue/EBITDA/PAT ahead by 4.4%/1.5%/4.5%. Revenue grew 8.2% YoY to Rs 10,537 mn (up 16.6% YoY excluding the Wheel Assembly business), driven by strong performance in ABS (+10%), ALPS (+22%), and SCC (+2%). Revenue was positively impacted by ~2.5-3% due to aluminum inflation. Calculated EBITDA margin improved 102 bps YoY to 13.0%, led by better operating leverage, higher capacity utilization at Karoli and Bengaluru plants, and a 53.5% reduction in low-value Wheel Assembly business. Absolute EBITDA grew by 17.4% YoY. PAT rose 18.6% YoY, due to the strong operating performance and aided by a slightly lower ETR.

Segmental Performance

- Advanced Braking Systems (ABS): Revenue up 10% YoY in Q2, maintaining leadership position.
- Aluminum Lightweighting Precision Solutions (ALPS): Strong growth of 22% YoY, driven by new product wins and PV entry.
- Safety Control Cables: Grew 2% YoY, impacted by model mix at the customers' end.
- Aftermarket: Expect to benefit from GST cut on all of the company's products (from 28% to 18%), helping shift demand from the unorganized to organized market.

Margin & Cost Dynamics

Margins improved on the back of operating leverage and higher utilization at the Karoli and Bangalore facilities. While the revenue benefitted ~2.5-3% due to higher aluminium costs, it led to ~30bps pressure on EBITDA margins. Absolute EBITDA remained unaffected, as aluminum price movements impact only margin percentages, not absolute profitability. Management reiterated its FY26E margin guidance of 13.7%.

Plant Performance & Capacity Utilization

- Bangalore Plant: Reached 60% utilization in Q2; expected to ramp up to 70-75% by Q4FY26E.
- Karoli Plant: Operating at 60-70% utilization and undergoing continuous capacity addition. Both plants now operate at blended margin levels, reflecting efficient cost absorption and productivity.

Capex & Expansion

- FY26E Capex is planned at Rs 4,500 mn, with Rs 3,700 mn already incurred in H1. Of this, ~Rs 2,500 mn is for the Karoli plant and ~Rs 1,000 mn for Bangalore with the rest being maintenance capex.
- On average, the company invests Rs 4,000 mn in capex every year.
- Asset turn remains ~1.75x, with a strong focus on maintaining high ROCE levels.

Alloy Wheel Business

Two collaborations in progress, one with Taiwan and another with Japan. The Taiwan JV product has been under customer testing for over a year. For the Japan JV plant, machinery will be received in Q4FY26E, and supplies can start for the Japanese OEM post-testing. Total capex is of ~Rs 1,250 mn, supporting Rs 2,500 mn revenue potential.

Aluminum Light Weighting Precision Solutions (ALPS) Business Outlook

The ALPS segment remains a key growth driver, with growth in 2W as well as ASK expanding its PV aluminum portfolio beyond ECU body components. Additional products are under development. Management anticipates sustained strong growth, supported by new program launches.

Exports

Exports remained subdued due to geopolitical disruptions, particularly rare earth and magnet supply shortages. However, management expects improvement from Q4FY26E, supported by China easing export restrictions and normalized supply chains. Despite challenges, ASK expects to surpass last year's export revenue.

Key Data

Bloomberg code:	ASKAUTOL IN
CMP (₹)	484
Shares outstanding (mn):	197
Mcap (Rs bn):	95.7
52-week H/L (Rs):	578 / 333

Price Performance (%)

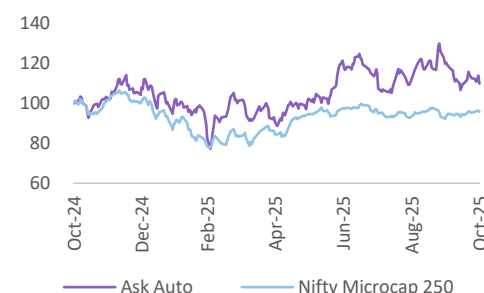
1 month	(8.6)
3 months	(4.6)
12 months	9.6

Shareholding Pattern (%)

	Mar '25	Jun '25	Sept '25
Promoter	79.0	79.0	79.0
FIs	9.9	10.2	10.3
DIs	5.0	5.0	4.8
Public/other	6.2	5.8	5.9
Pledge	-	-	-

Source: BSE

ASKAUTOL performance vs. Nifty Microcap 250



Source: BSE

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ASK Automotive Ltd (ASKAUTOL)

Joint Ventures & New Products

ASK's JV with TD Holding (Germany) for sunroof control and helix cables is set for commissioning by H1FY27E, with revenue from H2FY27E.

Outlook & Guidance

Management remains confident of sustaining mid-teens revenue growth, driven by the ramp-up of Bangalore and Karoli plants, strong growth in ALPS, and expansion into PV and export markets. Despite near-term aluminum cost inflation, profitability is expected to remain steady at ~13.4–13.7%, supported by cost control and operating leverage. The company reiterated its commitment to profitable, sustainable growth with strong capital discipline and consistent industry outperformance.

Quarterly Performance – Consolidated

Y/E March (Rs in mn)	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ(%)	Consensus Est.	Var. (%)	H1FY26	H1FY25	YoY (%)
Net Revenue from operations	10,537	9,739	8.2	8,913	18.2	10,097	4.4	19,450	18,361	5.9
Expenses:										
Total Raw Material Cost	6,906	6,695	3.2	5,709	21.0			12,616	12,544	0.6
Employee Cost	554	484	14.4	534	3.8			1,088	959	13.5
Other Expenses	1,705	1,392	22.5	1,474	15.7			3,179	2,683	18.5
Total Operating Cost	9,166	8,571	6.9	7,717	18.8			16,883	16,187	4.3
EBITDA	1,371	1,168	17.4	1,196	14.6	1,351	1.5	2,567	2,174	18.1
<i>EBITDA (%)</i>	13.0	12.0	102bps	13.4	-41bps	13.4	-37bps	13.2	11.8	136bps
Depreciation	279	216	29.2	265	5.3			543	418	30.0
EBIT	1,093	952	14.8	932	17.3			2,024	1,756	15.3
Other income	49	21	136.6	37	32.2			85	47	80.9
Interest expense	124	88	41.3	102	20.9			226	172	31.5
PBT	1,017	885	15.0	866	17.5			1,883	1,631	15.4
Tax	239	222	7.4	211	13.0			450	414	8.8
<i>Effective Tax Rate (%)</i>	23.5	25.1	-164bps	24.4	-93bps			23.9	25.3	-147bps
<i>Share of associates and JV profits</i>	19	10	93.0	6	221.7			25	23	8.1
RPAT	798	673	18.6	661	20.8			1,459	1,241	17.5
REPS	4.0	3.4	18.6	3.4	20.8			7.4	6.3	17.5

Source: Company, Bloomberg, ACMIIL Research

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
ACCUMULATE	5% to 15%
HOLD	-5% to +5%
REDUCE	-15% to -5%
SELL	<-15%

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