

BUY

TP: Rs 9,300 | ▲ 18%

AMBER ENTERPRISES

| EMS

| 22 June 2026

Building smartphone manufacturing stack via OPPO collab

- Amber has entered manufacturing collaboration with OPPO India to assemble smartphones
- Trial run starts in Q4FY27, while commercial commencement is expected in Q1FY28. Amber targets to ship 8mn units in Year 1 of ops
- PLI 2.0 participation is likely to bring competitiveness. Maintain BUY with unchanged June-27TP of Rs 9300

OPPO collaboration marks entry into smartphone manufacturing: Amber Enterprises has entered into a manufacturing collaboration with OPPO India, marking its formal entry into the mobile phone manufacturing market. The partnership reflects Amber’s expanding manufacturing capabilities beyond its core RAC business and strengthens its position in electronics manufacturing. Under the arrangement, Amber will manufacture smartphones for OPPO, realme and OnePlus through a **sub-lease model at OPPO’s existing facility**. Since the facility is being sub-leased, PN3 approval is not required, while capex requirement remains limited.

Amber’s asset light, low margin and high-volume biz model fits well for its existing product biz: The mobile business operating model of high-volume, low-margin and asset-light approach fits well for Amber existing CD business. Initial capex is expected to be modest at Rs 500-600mn, with trial production likely in Q4FY27 and commercial production expected to commence from Q1FY28. The company plans to start with annual capacity of 8mn units and gradually ramp up to 13-15mn units in a phased manner. Management highlighted that the business is also light on working capital, with net working capital days expected to remain at 4-5 days initially and capped at around 10 days.

Starting with assembling, with a clear road map to deepen value addition over time: The collaboration will begin with assembly operations, followed by SMT and gradual value addition through high-density PCBs and other components. Amber already has relevant electronics manufacturing experience through IL JIN, which manufactures 9-10mn smartwatches annually, along with PCBs and large-format electronics products. Management believes scale-up in volumes, along with increasing local value addition, should support margin improvement over time.

PLI 2.0 participation is likely when announced: Mobile phone assembly has margins currently around 1.5-2% excluding PLI incentives, while lower-end models tend to offer relatively better margins. The margin can improve further with participation in PLI 2.0 scheme. While any benefit from PLI 2.0 scheme remains early to access, given the policy is yet to be announced.

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Key changes

Target	Rating
◀ ▶	◀ ▶

Ticker/Price	AMBER IN/Rs 7,889
Market cap	US\$ 2.8bn
Free float	60%
3M ADV	US\$ 34.5mn
52wk high/low	Rs 8,974/Rs 5,401
Promoter/FPI/DII	40%/24%/14%

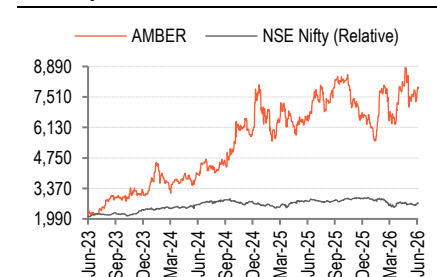
Source: NSE | Price as of 19 Jun 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	1,21,865	1,52,858	1,92,857
EBITDA (Rs mn)	9,523	11,710	15,736
Adj. net profit (Rs mn)	2,172	4,928	7,311
Adj. EPS (Rs)	64.5	146.3	217.0
Adj. ROAE (%)	6.5	10.7	14.0
Adj. P/E (x)	122.4	53.9	36.4
EV/EBITDA (x)	27.9	22.7	16.9
Adj. EPS growth (%)	(10.8)	126.9	48.4

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



Amber is already present in SMT and PCB manufacturing, and OPPO could help bring additional suppliers into the ecosystem. Similar to its evolution from RAC into electronics and railways, this collaboration opens another scalable opportunity for Amber, with management highlighting that the business can be ROCE accretive at the standalone level, potentially in the range of 30-35%

The commercial structure of the arrangement remains a key monitorable: Certain key commercial contours are yet to be disclosed and will be clarified over time. Amber has not yet clarified whether the business will operate as a pure job-work model or include BOM pass-through in reported revenue. This distinction will be important for assessing revenue scale, reported margin profile and working capital intensity, and management is expected to provide greater clarity as the business moves closer to commercial production.

Maintain BUY: We believe the mobile phone assembly is margin dilutive to the overall business however it's low working capital requirement, higher volumes make it highly ROCE accretive to the overall business model. We haven't changed our estimates yet and factor in as we move closer to trial production and as we gain more clarity on operation. However, our initial workings suggest an additional EBIT of Rs 600-650mn in year 1 of operation. We maintain BUY on the stock with a TP of Rs 9300.

Fig 1 – Unit economics and return profile

Particulars (Rs mn)	Estimates
Volume (mn units)	8
ASP (Rs/unit)	8,000
Revenue (considering BOM pass through)	64,000
EBIT margin (post lease charge) (%)	1
EBIT	640
Working capital days	10
Net working capital requirement	1,753
Capex requirement	500
Capital employed	2,253
ROCE (%)	28

Source: Company, BOBCAPS Research

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	99,730	1,21,865	1,52,858	1,92,857	2,36,722
EBITDA	7,634	9,523	11,710	15,736	19,669
Depreciation	2,283	3,226	3,216	4,496	5,732
EBIT	5,351	6,298	8,494	11,240	13,937
Net interest inc./(exp.)	(2,087)	(2,844)	(2,765)	(2,627)	(2,867)
Other inc./(exp.)	736	1,202	1,302	1,402	1,502
Exceptional items	0	0	0	0	0
EBT	3,999	4,655	7,030	10,014	12,572
Income taxes	1,188	1,100	1,770	2,521	3,164
Extraordinary items	0	391	0	0	0
Min. int./Inc. from assoc.	(300)	(900)	150	300	350
Reported net profit	2,436	1,781	4,928	7,311	9,275
Adjustments	0	391	0	0	0
Adjusted net profit	2,436	2,172	4,928	7,311	9,275

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	31,703	28,385	41,879	52,838	64,855
Other current liabilities	4,051	14,176	14,658	18,493	22,699
Provisions	0	0	0	0	0
Debt funds	19,400	23,059	30,059	28,559	26,059
Other liabilities	6,268	28,326	28,810	29,293	29,776
Equity capital	338	352	352	352	352
Reserves & surplus	22,520	43,369	48,297	55,608	64,882
Shareholders' fund	22,858	43,721	48,649	55,960	65,234
Total liab. and equities	84,281	1,37,669	1,64,055	1,85,142	2,08,624
Cash and cash eq.	7,268	4,656	5,883	4,103	6,764
Accounts receivables	17,501	22,463	29,315	36,986	45,399
Inventories	16,551	24,520	30,572	34,344	42,156
Other current assets	5,160	12,858	16,129	20,349	24,977
Investments	0	0	0	0	0
Net fixed assets	22,840	26,798	34,585	44,089	43,857
CWIP	1,151	5,003	6,000	3,500	3,500
Intangible assets	8,384	26,967	27,067	27,167	27,267
Deferred tax assets, net	0	0	0	0	0
Other assets	5,426	14,404	14,504	14,604	14,704
Total assets	84,281	1,37,669	1,64,055	1,85,142	2,08,624

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	7,109	2,402	5,944	10,937	10,378
Capital expenditures	(5,556)	(12,881)	(12,000)	(11,500)	(5,500)
Change in investments	(2,580)	(11,430)	(100)	(100)	(100)
Other investing cash flows	(1,394)	(6,429)	(100)	(100)	(100)
Cash flow from investing	(9,529)	(30,740)	(12,200)	(11,700)	(5,700)
Equities issued/Others	1	27,618	0	0	0
Debt raised/repaid	1,259	2,287	7,000	(1,500)	(2,500)
Interest expenses	0	0	0	0	0
Dividends paid	1,969	(3,079)	483	483	483
Other financing cash flows	0	0	0	0	0
Cash flow from financing	3,229	26,826	7,483	(1,017)	(2,017)
Chg in cash & cash eq.	809	(1,512)	1,227	(1,780)	2,661
Closing cash & cash eq.	7,268	4,656	5,883	4,103	6,764

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	72.3	52.9	146.3	217.0	275.3
Adjusted EPS	72.3	64.5	146.3	217.0	275.3
Dividend per share	0.0	0.0	0.0	0.0	0.0
Book value per share	678.4	1,297.6	1,443.9	1,660.8	1,936.1

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	2.7	2.2	1.7	1.4	1.1
EV/EBITDA	34.8	27.9	22.7	16.9	13.5
Adjusted P/E	109.1	122.4	53.9	36.4	28.7
P/BV	11.6	6.1	5.5	4.8	4.1

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	60.9	46.7	70.1	73.0	73.8
Interest burden (PBT/EBIT)	74.7	73.9	82.8	89.1	90.2
EBIT margin (EBIT/Revenue)	5.4	5.2	5.6	5.8	5.9
Asset turnover (Rev./Avg TA)	4.4	4.5	4.4	4.4	5.4
Leverage (Avg TA/Avg Equity)	1.1	0.8	0.7	0.8	0.7
Adjusted ROAE	11.2	6.5	10.7	14.0	15.3

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	48.2	22.2	25.4	26.2	22.7
EBITDA	55.2	24.7	23.0	34.4	25.0
Adjusted EPS	83.3	(10.8)	126.9	48.4	26.9
Profitability & Return ratios (%)					
EBITDA margin	7.7	7.8	7.7	8.2	8.3
EBIT margin	5.4	5.2	5.6	5.8	5.9
Adjusted profit margin	2.4	1.8	3.2	3.8	3.9
Adjusted ROAE	11.2	6.5	10.7	14.0	15.3
ROCE	10.0	7.0	8.0	9.6	11.0
Working capital days (days)					
Receivables	64	67	70	70	70
Inventory	61	73	73	65	65
Payables	116	85	100	100	100
Ratios (x)					
Gross asset turnover	3.3	3.4	3.4	3.3	3.5
Current ratio	1.0	1.1	1.0	1.0	1.1
Net interest coverage ratio	2.6	2.2	3.1	4.3	4.9
Adjusted debt/equity	0.8	0.5	0.6	0.5	0.4

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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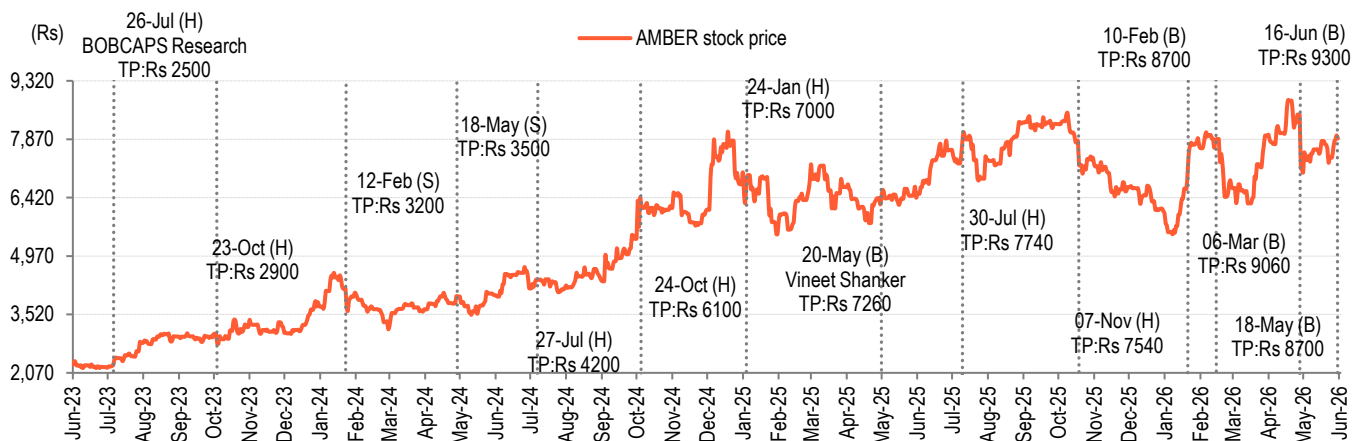
Recommendation scale: Recommendations and Absolute returns (%) over 12 months

- BUY** – Expected return >+15%
- HOLD** – Expected return from -6% to +15%
- SELL** – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Ratings and Target Price (3-year history): AMBER ENTERPRISES (AMBER IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

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