

HOLD

TP: Rs 7,540 | ▲ 4%

AMBER ENTERPRISES

Consumer Durables

07 November 2025

Weak Q2; Electronics pipeline intact

- Q2 revenue and EBITDA were 11%/ 32% below estimates, weighed down by weak CD and softer margins across segments
- EBITDA margin contracted 120bps YoY/190bps QoQ on commodity inflation, adverse operating leverage and unfavourable product mix
- Cut estimates, roll forward to Sep-27 EPS, TP at Rs 7,540 (42x multiple), we maintain HOLD

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Soft quarter amid weak RAC season; margins contract across segments:

Amber delivered a muted Q2, with revenue down 2% YoY to Rs 16.5 bn (–52% QoQ) as the seasonally weak quarter was exacerbated by a sharp slowdown in RAC demand, driven by an unusual monsoon and GST-related purchase deferments. EBITDA declined 20% YoY to Rs 913 mn, with margin contracting 120bps YoY to 5.5% (–190bps QoQ) on lower operating leverage, a softer CD mix, and raw-material inflation in Electronics. These factors led to a reported PAT of –Rs 329 mn (vs Rs 192 mn YoY).

Seasonal weakness and mix headwinds drag CD performance:

Consumer Durables revenue declined 18% YoY to Rs 8.7bn (–66% QoQ), in line with the steep 30-35% industry-wide contraction in RAC volumes. Margin was subdued, with CD EBITDA down 46% YoY to Rs 335 mn and margin compressing 196bps YoY to 3.8%, reflecting weaker AC demand, lower utilisation, and a soft mix. While the RAC industry declined 35% YoY in the H1, Amber reported 15% YoY growth.

Electronics momentum sustains amid margin compression: Electronics division delivered 31% YoY revenue growth to Rs 6.4bn, underpinned by continued traction in PCBA and an early contribution from new verticals. However, EBITDA grew just 1% YoY to Rs 374 mn, with margins contracting 169bps YoY to 5.8%, impacted by higher copper-clad laminate prices (+13% YoY) and gold prices, and the one-quarter lag in price pass-through. Segment mix continues to evolve, with PCBA forming the bulk of revenue and the company preparing for a step-up in the bare PCB vertical as Ascent Circuits (multi-layer) and the Korea Circuit JV (HDI/Flex) move closer to commissioning over FY27–FY28.

Railways steady; execution set to accelerate from FY27: The division posted 7% YoY revenue growth to Rs 1.3bn, with EBITDA at Rs 213 mn (+1% YoY) and margins at 16.1% (–83bps YoY). Execution improved through metro orders, while Sidwal's new facility remains on track with trials in Q3FY26 and commercialisation in Q4FY26. Management added that Vande Bharat delays have been addressed, with deliveries expected to scale from FY27, strengthening visibility for the division.

Key changes

Target	Rating
▼	◀ ▶

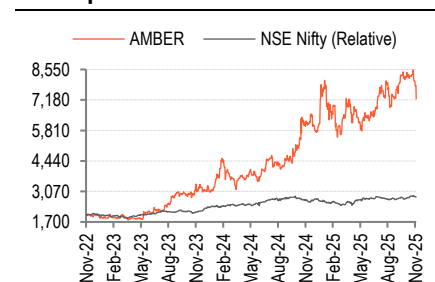
Ticker/Price	AMBER IN/Rs 7,227
Market cap	US\$ 2.7bn
Free float	60%
3M ADV	US\$ 31.4mn
52wk high/low	Rs 8,626/Rs 5,235
Promoter/FPI/DII	40%/24%/14%

Source: NSE | Price as of 7 Nov 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	99,730	1,12,411	1,40,240
EBITDA (Rs mn)	7,634	8,462	11,778
Adj. net profit (Rs mn)	2,436	3,090	5,299
Adj. EPS (Rs)	72.3	87.9	150.8
Consensus EPS (Rs)	74.0	140.0	186.0
Adj. ROAE (%)	11.2	10.5	13.7
Adj. P/E (x)	100.0	82.2	47.9
EV/EBITDA (x)	31.9	28.8	20.7
Adj. EPS growth (%)	83.3	21.6	71.5

Source: Company, Bloomberg, BOBCAPS Research

Stock performance

Source: NSE



Revise estimates, maintain HOLD: We have revised our FY27/28 estimates downwards by 9%/1% respectively to factor in the delay in commencement of Ascent circuits plant (transitioned from Q1FY27 to Q3FY27). We roll forward to Sep'26 with a 42x multiple to arrive at TP of Rs 7,540 (earlier Jun-26TP of Rs 7,740); we maintain HOLD.

Fig 1 – Quarterly & H1FY26 performance

Particulars (Rs mn)	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	H1FY26	H1FY25	YoY (%)	Q1FY26E	Var (%)
Revenue	16,470	16,847	(2)	34,491	(52)	50,961	40,860	25	18,408	(11)
EBITDA	913	1,137	(20)	2,567	(64)	3,480	3,099	12	1,338	(32)
EBITDA Margin (%)	5.5	6.8	(120bps)	7.4	(190bps)	6.8	7.6	(80bps)	7.3	(170bps)
Depreciation	702	566		618		1,320	1,116		640	10
Interest	769	486		634		1,403	1,005		630	22
Other Income	156	178		297		453	385		300	(48)
PBT	(403)	263	(253)	1,612	(125)	1,210	1,364	(11)	368	(209)
Tax	(156)	26		484		327	324		93	(269)
Adjusted PAT	(329)	192	(271)	1,039	(132)	710	916	(22)	217	(251)
Exceptional item	-	-		-		-	-		-	
Reported PAT	(329)	192	(271)	1,039	(132)	710	916	(22)	217	(251)
Adj. PAT Margin (%)	(2.0)	1.1	(310bps)	3.0	(500bps)	1.4	2.2	(80bps)	1	(320bps)
EPS (Rs)	(7.3)	7.0	(204)	33.5	(122)	26.2	30.9	(15)	8	(189)

Source: Company, BOBCAPS Research

Fig 2 – Segmental performance

Particulars (Rs mn)	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	H1FY26	H1FY25	YoY (%)
Segment revenue								
Consumer durables	8,725	10,690	(18)	25,600	(66)	34,326	29,870	15
Electronics division	6,423	4,920	31	7,663	(16)	14,086	8,800	60
Railway subsystem and mobility	1,322	1,240	7	1,228	8	2,550	2,190	16
EBITDA								
Consumer durables	335	620	(46)	1,864	(82)	2,200	2,120	4
EBITDA Margin (%)	3.8	5.8	(196bps)	7.3	(300bps)	6.4	7.1	(69bps)
Electronics division	374	370	1	488	(23)	863	670	29
EBITDA Margin (%)	5.8	7.5	(169bps)	6.4	(100bps)	6.1	7.6	(149bps)
Railway subsystem and mobility	213	210	1	220	(3)	433	410	6
EBITDA Margin (%)	16.1	16.9	(83bps)	17.9	(200bps)	17.0	18.7	(175bps)

Source: Company, BOBCAPS Research

Earnings Call Highlights

Consumer Durables

- The RAC industry declined 30-35% in the RAC industry caused by weak weather and customer deferment ahead of the GST-rate change. Management noted that elevated Q1 inventory levels have begun to normalise and are expected to stabilise before Q4FY26.
- Management guided 13-15% outperformance for FY26 consumer durables, expects flattish industry growth, supported by (a) expanded offerings across RAC and CAC, (b) higher wallet share with existing customers, (c) continued scale-up of non-RAC components (~22% of the division), and (d) sustained momentum in Commercial AC (full range up to 17.5 tons, with cassette/tower models added and new models launching in November and December).
- The company's strategic cooperation agreement with GMCC remains in place, providing compressor supply assurance for a three-year period in line with planned requirements. Management indicated this arrangement support continuity of compressor sourcing for the RAC portfolio.

Electronics

- Within the Electronics division, PCBA margins continue to operate in the 5-5.5% range, while PCB margins remain higher at 17-19% depending on product mix. The recently acquired platforms further strengthen the margin profile, with Unitronics delivering 25-28% EBITDA margins and Power-One operating in the 15-18% range.
- Management reiterated that consolidated Electronics EBITDA margins should exit FY26 between 8% and 9%, supported by the mix improvement and the lagged pass-through of input-cost inflation. Also, the division should cross double-digit margins in FY27 as higher-value verticals scale up.
- Electronics margins were impacted by raw material inflation during the quarter, with copper-clad laminate costs rising 13% and gold prices also increasing, affecting PCB input costs. As a B2B supplier, price pass-through occurs with a one-quarter lag; hence a recovery margin is expected from Q4FY26. Additionally, consumer-durable-linked PCBA demand softness weighed on segment margins in Q2.
- The division continues multi-vertical expansion beyond consumer durables, building capabilities in power electronics, industrial automation, defense electronics, bare PCBs (single-layer to HDI), and box-build. PCBA revenue is expected to exceed Rs 24.0 bn in FY26, and Electronics revenue to exceed Rs 32.0 bn in FY26; management's medium-term target is USD 1 bn for the division within three years.
- Power-One Microsystems (60% stake) contributed Rs 260 mn revenue in Q2 with ~13% EBITDA margins; it remains debt-free and is expected to deliver Rs 2.65-2.75 bn revenue in FY26 across BESS, EV chargers, solar inverters, and industrial UPS. Unitronics (40.2% controlling stake), acquired at ILS 27.75 per share, will be consolidated and reported Rs 570 mn revenue with ~30% margins, adding capabilities in PLCs, HMIs, VFDs, and industrial-automation software.

- Management guided consolidated FY26 capex of Rs 7.0-8.5 bn at the Amber level. For FY27, Electronics will account for a significant portion of the planned investments, with Rs 6.5 bn earmarked for Ascent Circuits and Rs 12.0 bn for the Korea Circuit JV under its Phase-1 expansion. In addition, PCBA/EMS capex of Rs 1.5–1.75 bn is planned to support other segments.
- Funding initiatives have fortified the balance sheet across the Electronics platform. ILJIN Electronics raised Rs 17.5 bn via CCPS and a small equity infusion, of which Rs 3.7 bn (September) and Rs 2.8 bn (October) have been received, with the remaining Rs 11.0 bn pending performance milestones. The funds will support acquisitions, PCB capacity expansion, and calibrated debt reduction. At the parent level, Amber completed Rs 10.0 bn QIP, strengthening consolidated liquidity and providing headroom for the next phase of growth.

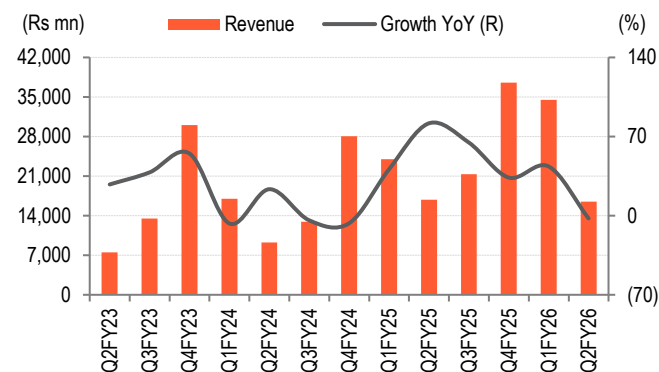
Railway Subsystem and Mobility

- The division maintains strong visibility with an order book above Rs 26.0 bn, and management expects an additional Rs 4.0-5.0 bn in the next two quarters, strengthening execution momentum into FY27–FY28.
- Sidwal's new facility (HVAC, pantry systems, doors, gangways) remains on track, with trials in Q3FY26 and commercial production in Q4FY26. The Yujin machinery JV plant for pantographs, brakes, driving gear and couplers is fully constructed, product development is underway, and commercial production is likely in H1FY27.
- Management noted that Vande Bharat delays have been resolved and substantial deliveries should resume from FY27, supporting a stronger outlook. Reflecting this visibility, the division is expected to double the revenue over the next two financial years.

Guidance

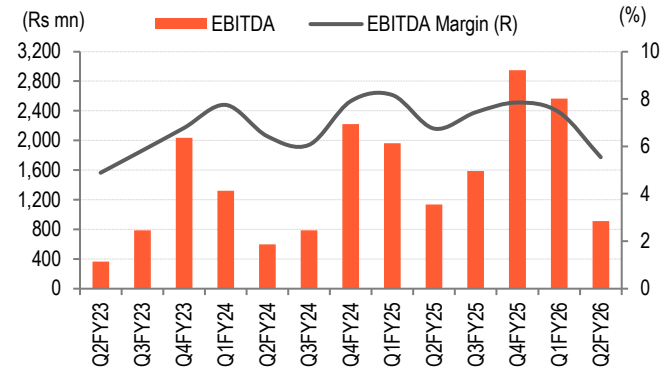
- Management reiterated consolidated EBITDA margin guidance of 8-9% by FY26-end, supported by Electronics margin recovery (post raw-material pass-through), higher-margin contributions from Unitronics and Power-One, and stronger scaling in Railways.
- The Electronics business is undergoing a mixed transition within PCBA, with consumer-durable contribution currently at 58-60%, expected to decline to 40-45% by next financial year end, as auto, telecom, smart meters, industrial automation, and defense applications scale up.
- Working capital is expected to stay in the 30-35 days range in FY26 and FY27. Consolidated net debt is Rs 10.1 bn as of September 2025; will likely reduce significantly by year-end with the management targeting a cash-positive position by FY26-end, supported by fundraising inflows and margin recovery.
- JV and associate losses for FY26 are expected to be in the Rs 250-300 mn range. Management stated that these losses should reduce materially in FY27 as PCB capacity commissioning progresses and pending regulatory approvals are resolved.

Fig 3 – Revenue growth



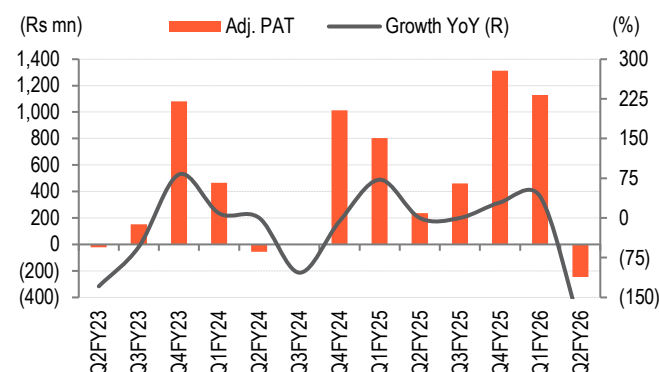
Source: Company, BOBCAPS Research

Fig 4 – EBITDA growth



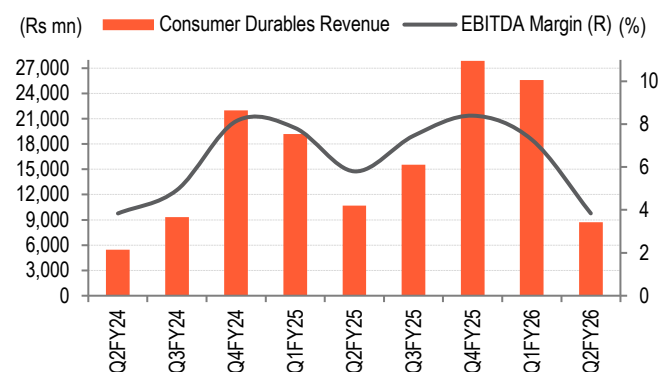
Source: Company, BOBCAPS Research

Fig 5 – PAT growth



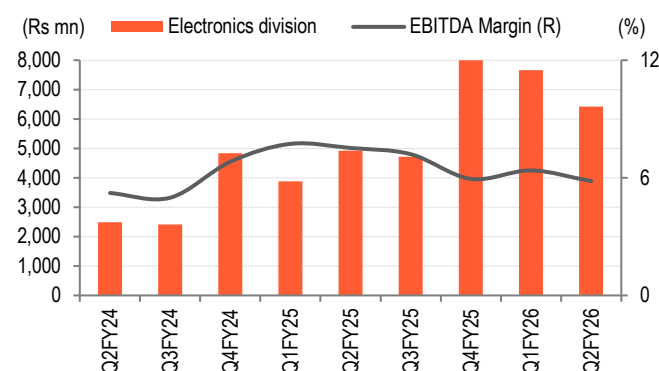
Source: Company, BOBCAPS Research

Fig 6 – Consumer Durables growth



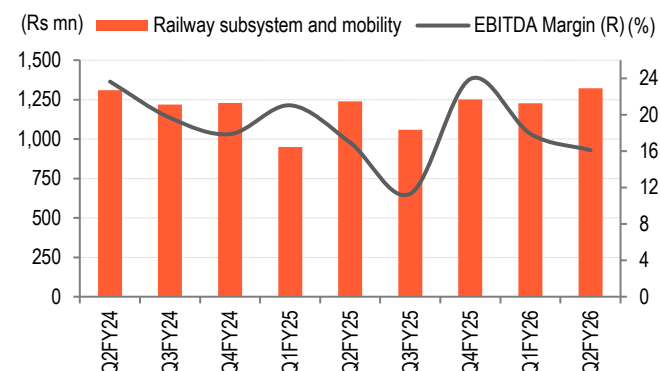
Source: Company, BOBCAPS Research

Fig 7 – Electronics growth



Source: Company, BOBCAPS Research

Fig 8 – Railway subsystem and mobility

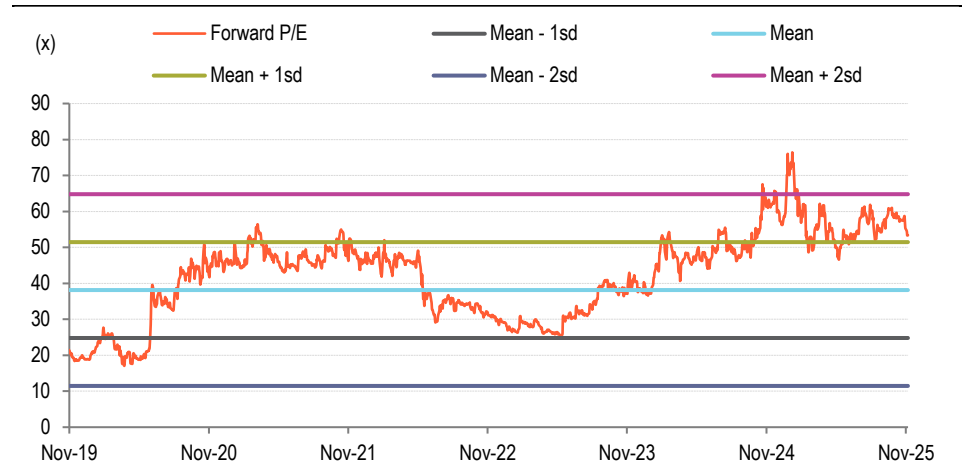


Source: Company, BOBCAPS Research

Valuation Methodology

We have revised our FY27/28 estimates downwards by 9%/1% respectively to factor in the delay in the commencement of Ascent circuits plant (transitioned from Q1FY27 to Q3FY27). We roll forward to Sep'26 with a 42x multiple to arrive at TP of Rs 7,540 (earlier Jun-26TP of Rs 7,740); we maintain HOLD.

Fig 9 – AMBER 1YF P/E



Source: Company, BOBCAPS Research

Fig 10 – Revised estimates

(Rs mn)	New			Old			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	1,12,411	1,40,240	1,79,726	1,14,980	1,49,635	1,87,255	(2.0)	(6.0)	(4.0)
EBITDA	8,462	11,778	15,535	9,349	13,064	16,821	(9.0)	(10.0)	(8.0)
EBITDA margin (%)	7.5	8.4	8.6	8.1	8.7	9.0	(60bps)	(33bps)	(34bps)
PAT	3,090	5,299	7,318	3,521	5,816	7,392	(12.0)	(9.0)	(1.0)
EPS	87.9	150.8	208.2	104.5	172.6	219.4	(16.0)	(13.0)	(5.0)

Source: BOBCAPS Research

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Total revenue	67,293	99,730	1,12,411	1,40,240	1,79,726
EBITDA	4,919	7,634	8,462	11,778	15,535
Depreciation	1,865	2,283	2,741	3,153	4,468
EBIT	3,054	5,351	5,721	8,625	11,067
Net interest inc./(exp.)	(1,670)	(2,087)	(2,436)	(2,085)	(1,664)
Other inc./(exp.)	553	736	1,300	900	700
Exceptional items	0	0	0	0	0
EBT	1,937	3,999	4,585	7,440	10,103
Income taxes	519	1,188	1,154	1,873	2,543
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	(23)	(300)	(250)	(150)	(100)
Reported net profit	1,329	2,436	3,090	5,299	7,318
Adjustments	0	0	0	0	0
Adjusted net profit	1,329	2,436	3,090	5,299	7,318

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Accounts payables	21,671	31,703	35,725	44,569	57,118
Other current liabilities	3,525	4,051	6,048	7,545	9,669
Provisions	0	0	0	0	0
Debt funds	14,332	19,400	17,400	13,900	10,400
Other liabilities	5,761	6,268	6,359	6,478	6,620
Equity capital	337	338	351	351	351
Reserves & surplus	20,307	22,520	35,597	40,896	48,214
Shareholders' fund	20,644	22,858	35,949	41,248	48,565
Total liab. and equities	65,932	84,281	1,01,481	1,13,740	1,32,373
Cash and cash eq.	6,913	7,268	8,979	3,995	5,506
Accounts receivables	15,693	17,501	20,326	25,359	32,498
Inventories	8,408	16,551	23,098	23,822	30,529
Other current assets	2,531	5,160	5,817	7,257	9,300
Investments	0	0	0	0	0
Net fixed assets	20,919	22,840	24,250	33,098	36,630
CWIP	244	1,151	5,000	6,000	3,500
Intangible assets	7,997	8,384	8,484	8,584	8,684
Deferred tax assets, net	0	0	0	0	0
Other assets	3,226	5,426	5,526	5,626	5,726
Total assets	65,932	84,281	1,01,481	1,13,740	1,32,373

Cash Flows

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash flow from operations	9,648	7,109	1,820	11,597	10,569
Capital expenditures	(3,977)	(5,556)	(8,000)	(13,000)	(5,500)
Change in investments	(2,625)	(2,580)	(100)	(100)	(100)
Other investing cash flows	(3,743)	(1,394)	(100)	(100)	(100)
Cash flow from investing	(10,345)	(9,529)	(8,200)	(13,200)	(5,700)
Equities issued/Others	0	1	13	0	0
Debt raised/repaid	352	1,259	(2,000)	(3,500)	(3,500)
Interest expenses	0	0	0	0	0
Dividends paid	(1,567)	1,969	10,079	118	142
Other financing cash flows	0	0	0	0	0
Cash flow from financing	(1,216)	3,229	8,092	(3,382)	(3,358)
Chg in cash & cash eq.	(1,913)	809	1,711	(4,984)	1,511
Closing cash & cash eq.	6,913	7,268	8,979	3,995	5,506

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
Reported EPS	39.4	72.3	87.9	150.8	208.2
Adjusted EPS	39.4	72.3	87.9	150.8	208.2
Dividend per share	0.0	0.0	0.0	0.0	0.0
Book value per share	612.7	678.4	1,022.8	1,173.5	1,381.7

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
EV/Sales	3.6	2.4	2.2	1.7	1.4
EV/EBITDA	49.5	31.9	28.8	20.7	15.7
Adjusted P/E	183.2	100.0	82.2	47.9	34.7
P/BV	11.8	10.7	7.1	6.2	5.2

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Tax burden (Net profit/PBT)	68.6	60.9	67.4	71.2	72.4
Interest burden (PBT/EBIT)	63.4	74.7	80.1	86.3	91.3
EBIT margin (EBIT/Revenue)	4.5	5.4	5.1	6.2	6.2
Asset turnover (Rev./Avg TA)	3.2	4.4	4.6	4.2	4.9
Leverage (Avg TA/Avg Equity)	1.1	1.1	0.8	0.9	0.8
Adjusted ROAE	6.7	11.2	10.5	13.7	16.3

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Revenue	(2.9)	48.2	12.7	24.8	28.2
EBITDA	17.7	55.2	10.8	39.2	31.9
Adjusted EPS	(15.5)	83.3	21.6	71.5	38.1

Profitability & Return ratios (%)

EBITDA margin	7.3	7.7	7.5	8.4	8.6
EBIT margin	4.5	5.4	5.1	6.2	6.2
Adjusted profit margin	2.0	2.4	2.7	3.8	4.1
Adjusted ROAE	6.7	11.2	10.5	13.7	16.3
ROCE	7.5	10.0	10.2	12.6	14.9

Working capital days (days)

Receivables	85	64	66	66	66
Inventory	46	61	75	62	62
Payables	118	116	116	116	116

Ratios (x)

Gross asset turnover	2.6	3.3	3.3	3.3	3.4
Current ratio	1.0	1.0	1.2	1.0	1.1
Net interest coverage ratio	1.8	2.6	2.3	4.1	6.7
Adjusted debt/equity	0.7	0.8	0.5	0.3	0.2

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

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SEBI Research Analyst Registration No: **INH0000000040 valid till 03 February 2025**

Brand Name: **BOBCAPS**

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

BUY – Expected return >+15%

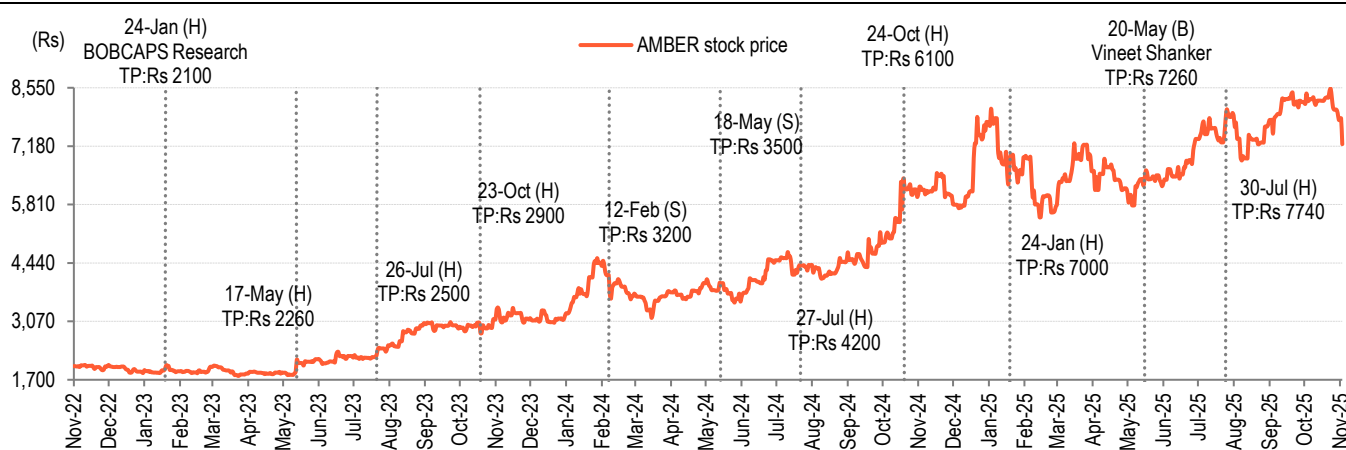
HOLD – Expected return from -6% to +15%

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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