AXIS SECURITIES

Result Update
18th August, 2025

Endurance Technologies Ltd
Auto Ancillary

HOLD
Target Price
2,730

EBITDA Beats Estimates; Positives Largely Factored in the Price

Est. Vs. Actual for Q1FY26: Revenue – BEAT; EBITDA – INLINE; PAT – MISS

Change in Estimates post Q1FY26

FY26E/FY27E: Revenue: 4.5%/5.7%; **EBITDA:** 1.9%/3.2%; **PAT:** -1.0%/-3.4%

Recommendation Rationale

- **Strong Order Wins:** As of Jun'25, the company has secured new business orders worth ~Rs 4,329 Cr over the last five years, along with cumulative replacement orders of Rs 717 Cr in India. This includes an order backlog of Rs 1,017 Cr in the Indian EV segment, including Bajaj. In Europe, Endurance has secured €231 Mn in orders as of Jun'25, representing the cumulative value over five years. Of this, €94 Mn (41%) pertains to EV applications, while €98 Mn (42%) is for Hybrid applications.
- **Capex and Capacity Expansion Plans:** In FY26, the company plans to incur Rs 286 Cr in Capex for its standalone Indian operations across all segments. This includes investment in additional land banks, capacity expansion in brake assemblies, aluminium alloy wheels, aluminium casting, and machining. In Europe, it has invested €9 Mn to expand production capacity to cater to new orders from customers such as Stellantis, Daimler, and the VW Group (including Porsche and Audi). With Rs 860 Cr in positive cash, Endurance's growth initiatives are expected to be largely self-funded.
- **EBITDA Margins:** With anticipated growth in 2W industry volumes, a focus on product premiumisation, and a strategic shift towards 4W, coupled with encouraging performance in the EU business despite a challenging environment, the company is expected to witness an improvement in EBITDA margins. Consolidated EBITDA margins are projected in the range of 13 -14% for FY26/27/28E.

Company Outlook: With a strong EV portfolio, healthy order book, and strategic capacity expansions, Endurance is well-positioned to capitalise on growth opportunities in the evolving auto sector.

Current Valuation: 31x FY28 EPS (29x FY27E EPS)

Current TP: Rs 2,730/share (Earlier TP: Rs 2,160/share)

Recommendation: We maintain our HOLD rating on the stock, as the current price largely factors in the positives.

Financial Performance: Endurance's consolidated revenue surpassed expectations by 6.5%, while EBITDA was in line with estimates and PAT declined by 5.7%. Revenue grew ~17.5% YoY and 12.0% QoQ, driven by 9% YoY growth in domestic sales and 39% YoY increase in exports, despite softness in the EU market. EBITDA rose 18.7% YoY and 5.1% QoQ, with margins at 13.4%, expanding by 13 bps YoY but contracting by 88 bps QoQ. Adjusted PAT increased 11% YoY but fell 2.8% QoQ. The revenue and EBITDA outperformance was primarily supported by stronger-than-peer performance in the European market. During Q1FY26, the company secured new business worth Rs 560 Cr in India (including Rs 300 Cr for battery packs and Rs 8 Cr in Maxwell) and €2 Mn in Europe.

Key Financials (Consolidated)

(Rs Cr)	Q1FY26	QoQ (%)	YoY (%)	Axis Est.	Variance
Net Sales	3,319	11.99%	17.46%	3,117	6.5%
EBITDA	444	5.1%	18.7%	442	0.5%
EBITDA Margin	13.4	-88.13	13	14.2%	-80
Adj Net Profit	226	-2.8%	11.0%	240	-5.7%
EPS (Rs)	16.09	-7.7%	7.7%	17.07	-5.7%

Source: Company, Axis Securities Research

(CMP as of 14th August, 2025)

CMP (Rs)	2,602
Upside /Downside (%)	5%
High/Low (Rs)	3,030/1,556
Market cap (Cr)	36,603
Avg. daily vol. (6m) Shrs.	119,463
No. of shares (Cr)	14.07

Shareholding (%)

	Dec-24	Mar-25	Jun-25
Promoter	75.0	75.0	75.0
FIIs	11.5	12.4	13.5
MFs / UTI	7.1	6.3	5.2
Banks / FIs	0.0	0.0	0.0
Others	6.4	6.3	6.3

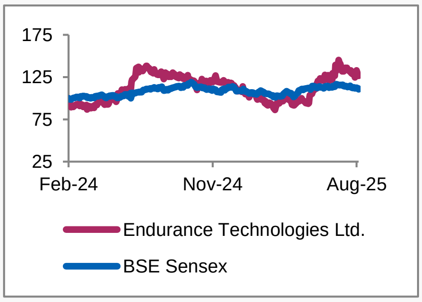
Financial & Valuations

Y/E Mar (Rs Cr)	FY26E	FY27E	FY28E
Net Sales	13,458	14,955	16,715
EBITDA	1,837	2,016	2,359
Net Profit	939	1,012	1,239
EPS (Rs)	66.8	71.9	88.1
PER (x)	39.0	36.2	29.5
EV/EBITDA (x)	19.7	18.1	15.1
P/BV (x)	5.6	4.9	4.3
ROE (%)	15.2	14.4	15.4

Change in Estimates (%)

Y/E Mar	FY26E	FY27E	FY28E
Sales	4.5%	5.7%	-
EBITDA	1,9%	3.2%	-
PAT	-1.0%	-3.4%	-

Relative Performance



Source: Ace Equity, AxisSecurities.

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Outlook

Endurance is focused on building long-term capacities to meet industry demand and enhancing the utilisation of existing facilities. The company aims to increase its (1) Targeted share of the 4W business, (2) Share of business across key customers in premium bikes (>150cc) across product lines, (3) Share of advanced or embedded electronics business by becoming a key player in BMS and new electronic products required for EV applications, and (4) Share of non-automotive business, which presents significant opportunities, particularly in aluminum castings. The benefits from these initiatives are expected to materialise in H2FY26 and beyond. We forecast consolidated revenue/EBITDA/PAT CAGR of 13%/15%/14% over FY25–28E.

Valuation & Recommendation

Endurance maintains a strong balance sheet and a proven ability to execute large deals, which supports positive sentiment in the long term. We continue to value the stock at a PE of 31x FY28E, arriving at a target price of Rs 2,730/share (earlier Rs 2,160/share). Given the recent uptick in stock prices, **we believe positives are largely factored into the CMP and hence, maintain our HOLD rating on the stock.** However, **a Buy on Dips** strategy is recommended for this stock from a long-term perspective.

Key Concall Takeaways

1. Consolidated Revenue Split for Q1FY26

- **By Geography**: India accounted for 69.2% of total revenue, while Europe contributed 25.2%, and Maxwell stood at 0.9%.
- **By Product**: Die Casting formed the largest share at 47.3%, followed by Suspension (23.5%), Disc Brakes (10.9%), Alloy Wheels (6.6%), Transmission (3.3%), Aftermarket (4.2%), and Others (4.2%).
- **By Vehicle Type**: Motorcycles contributed (50.0%), Scooters (9.7%), 3W (6.8%), 4W (31.4%), and Others (2.4%).

2. Consolidated Revenue Performance

- **Indian Business:** Q1FY26 standalone revenue rose 10.1% YoY to Rs 2,351 Cr (Q1FY25: Rs 2,135 Cr), outperforming the domestic 2W industry's volume decline of 1.7%. EBITDA grew 6% YoY to Rs 306 Cr, with margins at 13.0% (vs 13.5% in Q1FY25). The company booked Rs 33 Cr in state incentives during the quarter.
- **European Business:** Revenue grew 39% YoY in INR terms to Rs 1,002 Cr (Q1FY25: Rs 721 Cr) and 28.5% in EUR terms, aided by the Stöferle acquisition. Even without Stöferle, growth was 0.6% YoY, outperforming the EU new car registration decline of 1.8%. EBITDA rose 46.1% YoY to Rs 174 Cr, with margins at 17.4% (up 90 bps YoY).
- **Maxwell Energy:** Revenue surged to Rs 31 Cr (Q1FY25: Rs 3 Cr) on healthy BMS volumes from key customers. EBITDA turned positive at Rs 1 Cr (vs -Rs 4 Cr YoY). PAT improved to -Rs 2 Cr (vs -Rs 7 Cr).
- **Consolidated:** Total income grew 17.3% YoY to Rs 3,355 Cr, EBITDA rose 19% YoY to Rs 444 Cr with margins at 13.4%, and PAT grew 11.0% YoY to Rs 226 Cr (margin: 6.7%).

3. New Order Wins: In Q1FY26, Endurance secured Rs 560 Cr of orders in India (excluding Bajaj Auto), including Rs 300 Cr for battery packs and Rs 8 Cr in Maxwell. Additional wins include Rs 27 Cr in 2W brakes, Rs 97 Cr in 4W machined castings, and Rs 68 Cr in alloy wheels from Royal Enfield (taking the total to Rs 164 Cr). In Europe, new orders worth €1.7 Mn were booked, mainly in EV components. The company has Rs 3,225 Cr of RFQs under discussion.

4. ABS Update: Endurance has sent dual-channel ABS samples to Royal Enfield and Bajaj, with supplies expected to begin from Sep'25. It currently has an ABS capacity of around 640,000 units (against sales of ~400,000 units) and plans to expand capacity to ~3 Mn units by Mar'26, with scope for further expansion as it secures additional OEM orders. With a current ABS market share of 13–15%, management expects this to rise to at least 25% post-expansion, while the company continues to maintain a dominant ~60% market share in disc brakes.

5. Stoferle Acquisition: The acquisition of a 60% stake in Stöferle entities in Germany was completed during the quarter for €38 Mn. Stöferle has €84 Mn annual revenue with EBITDA margins of 18–20% and focuses on high-precision machining for German OEMs. The deal adds to Endurance's European footprint and is expected to bring synergies through raw material supply and cross-project capacity utilisation**.**

6. Maxwell Energy: Stake in Maxwell was increased to 100% in Q1FY26. Cumulative orders in the India EV space now stand at Rs 1,017 Cr (excluding battery packs), with large wins in e-4W applications worth Rs 300 Cr from international customers like Valeo and Yazaki. Maxwell supplied 250K+ BMS units to its largest customer and is pursuing additional leads worth Rs 150 Cr**.**

7. New Facility: In the battery pack segment, Endurance is setting up one production line each for cylindrical and prismatic cells. These will cater to auto OEMs across 2W, 3W, and PVs, as well as industrial segments such as UPS and telecom.

Key Risks to Our Estimates and TP

- Macroeconomic headwinds, especially in the EU and the Middle East.
- Lower-than-expected demand growth in the 2W segment in India.

Change in Estimates

	Revised Estimates			Earlier estimates			Change in Estimates		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenues	13,458	14,955	16,715	12,874	14,151	-	4.5%	5.7%	-
EBITDA	1,837	2,016	2,359	1,803	1,953	-	1.9%	3.2%	-
PAT	939	1,012	1,239	949	1,047	-	-1.0%	-3.4%	-

Source: Company, Axis Securities Research

Q1FY26 Results Review

Consolidated (Rs Cr)	Q1FY25	Q4FY25	Axis Estimates	Q1FY26	% Change (YoY)	% Change (QoQ)	% Variance
Sales	**2,826**	**2,963**	**3,117**	**3,319**	**17.5%**	**12.0%**	**6.5%**
Expenditure							
Net Raw Material	1,588	1,638	1,730	1,858	17.0%	13.4%	7.4%
Personnel	250	264	275	295	18.0%	11.9%	7.3%
Purchase of traded Goods	38	24	31	31	-17.0%	32.2%	0.8%
Other Exp.	575	615	639	690	20.0%	12.2%	8.1%
Total Expenditure	**2,451**	**2,541**	**2,675**	**2,875**	**17.3%**	**13.1%**	**7.5%**
EBIDTA	**374**	**422**	**442**	**444**	**18.7%**	**5.1%**	**0.5%**
EBITDA Margin	*13.2%*	*14.3%*	*14.2%*	*13.4%*	13	*-88*	*-80*
Other Non-Op. Inc.	34	35	39	36	5.2%	2.9%	-8.3%
Interest	11.2	12.5	15.2	13.5	20.2%	8.2%	-11.2%
Depreciation	128.8	142.4	149.3	164.4	27.7%	15.5%	10.1%
Exceptional Items	0.0	12.2	0.0	0.0	0.0%	NA	0.0%
PBT	**268.0**	**314.4**	**316.0**	**301.6**	**12.5%**	**-4.1%**	**-4.6%**
Tax	64	69	76	75	17.3%	8.6%	-0.8%
PAT	204	245	240	226	11.0%	-7.7%	-5.7%
Adj PAT	**204**	**233**	**240**	**226**	**11.0%**	**-2.8%**	**-5.7%**
EPS (Rs)	**14.94**	**17.43**	**17.07**	**16.09**	**7.7%**	**-7.7%**	**-5.7%**
Gross Margin (%)	43.8%	44.7%	44.5%	44.0%	23	-70	-48
Staff costs as % of Sales	8.9%	8.9%	8.8%	8.9%	4	-1	6
Oth Exp as % of Sales	20.4%	20.8%	20.5%	20.8%	44	4	30
Effective Tax Rate (%)	23.9%	22.0%	24.0%	24.9%	102	292	94

Source: Company, Axis Securities Research

Financials (consolidated)

Profit & Loss

(Rs Cr)

Y/E March	FY25	FY26E	FY27E	FY28E
Net sales	**11,561**	**13,458**	**14,955**	**16,715**
Other operating income	0	0	0	0
Total income	11,561	13,458	14,955	16,715
Raw materials	7,610	8,862	9,888	11,012
Contribution (%)	*34.2%*	*34.1%*	*33.9%*	*34.1%*
Advt/Sales/Distrn O/H	2,399.3	2,758.7	3,050.7	3,342.9
EBIDTA	**1,551**	**1,837**	**2,016**	**2,359**
Other income	117	118	129	133
PBIDT	**1,668**	**1,954**	**2,145**	**2,492**
Depreciation	539	659	753	801
Interest & Fin Chg.	47	56	60	60
E/o income / (Expense)	12.2	0.0	0.0	0.0
Pre-tax profit	**1,095**	**1,240**	**1,331**	**1,631**
Tax provision	258	300	319	391
(-) Minority Interests	0	0	0	0
Associates	0	0	0	0
Adjusted PAT	**827**	**939**	**1,012**	**1,239**

Source: Company, Axis Securities Research

Balance Sheet

(Rs Cr)

Y/E March	FY25	FY26E	FY27E	FY28E
Total assets	**6,699**	**7,526**	**8,412**	**9,526**
Gross block	7,013	8,013	9,013	10,013
Net Block	3,613	3,954	4,201	4,399
CWIP	398	500	1,500	1,500
Goodwill	341	341	341	341
Investments	913	913	913	913
Wkg. cap. (excl cash)	416	726	801	885
Cash / Bank balance	1,019	1,094	657	1,489
Misc. Assets	-	-	-	-
Capital employed	**6,699**	**7,526**	**8,412**	**9,526**
Equity capital	141	141	141	141
Reserves	5,577	6,397	7,289	8,408
Minority Interests	-	-	-	-
Borrowings	1,037	1,037	1,037	1,037
DefTax Liabilities	56.2	48.1	54.1	60.1

Source: Company, Axis Securities Research

Cash Flow

(Rs Cr)

Y/E March	FY25	FY26E	FY27E	FY28E
Sources	**1,325**	**1,487**	**1,639**	**1,915**
Cash profit	1,422	1,654	1,825	2,101
(-) Dividends	120	120	120	120
Retained earnings	1,302	1,535	1,706	1,981
Issue of equity	0.0	0.0	0.0	0.0
Change in Oth. Reserves	26.1	0.0	0.0	0.0
Borrowings	112.1	0.0	0.0	0.0
Others	(115.5)	(47.9)	(66.4)	(66.4)
Applications	**1,325**	**1,487**	**1,639**	**1,915**
Capital expenditure	932.8	1101.9	2000.0	1000.0
Investments	11.0	0.0	0.0	0.0
Net current assets	(135.7)	310.0	75.4	83.4
Change in cash	517.0	74.8	(436.2)	831.6

Source: Company, Axis Securities Research

Ratio Analysis

(%)

Y/E March	FY25	FY26E	FY27E	FY28E
Sales growth	**12.9**	**16.4**	**11.1**	**11.8**
EBITDA Margin %	**13.4**	**13.6**	**13.5**	**14.1**
Oper. profit growth	16.8	18.4	9.7	17.1
COGS / Net sales	65.8	65.9	66.1	65.9
Overheads/Net sales	20.8	20.5	20.4	20.0
Depreciation / G. block	7.7	8.2	8.4	8.0
Effective interest rate	5.5	5.9	6.4	6.4
Net wkg.cap / Net sales	0.0	0.0	0.1	0.1
Net sales / Gr block (x)	1.6	1.7	1.7	1.7
RoCE	**18.9**	**19.1**	**18.2**	**19.6**
Debt/equity (x)	0.17	0.14	0.13	0.11
Effective tax rate	23.6	24.2	24.0	24.0
RoE	**15.5**	**15.2**	**14.4**	**15.4**
Payout ratio (Div/NP)	14.3	12.7	11.8	9.6
EPS (Rs)	**59.5**	**66.8**	**71.9**	**88.1**
EPS Growth	22.9	12.3	7.7	22.5
CEPS (Rs)	97.8	113.6	125.5	145.1
DPS (Rs)	8.5	8.5	8.5	8.5

Source: Company, Axis Securities Research

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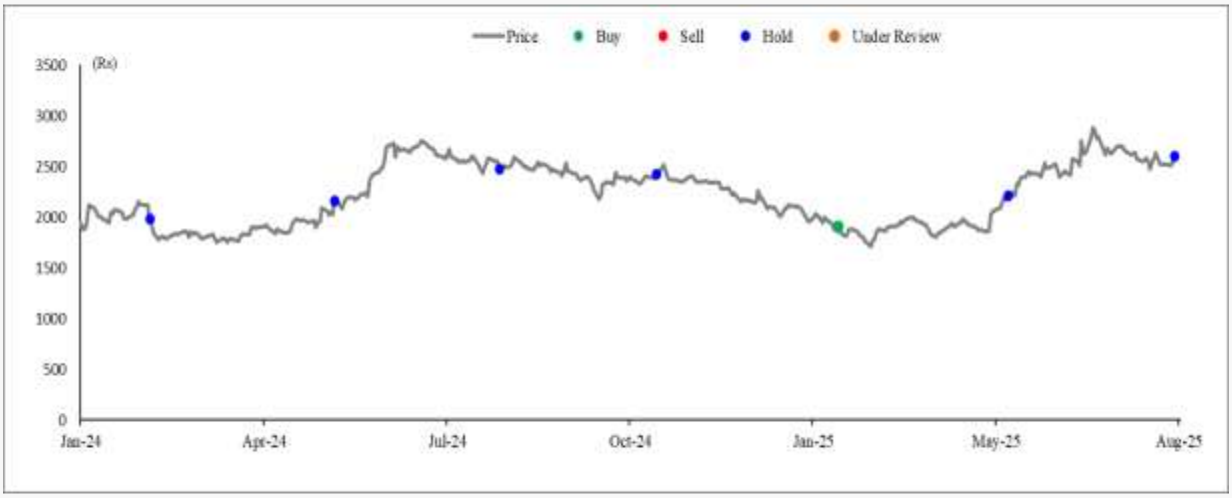
Endurance Technologies Ltd Price Chart and Recommendation History



Source: Company, Axis Securities Research

Date	Reco	TP	Research
13-Feb-23	BUY	1,480	Result Update
19-May-23	BUY	1,570	Result Update
14-Aug-23	HOLD	1,660	Result Update
10-Nov-23	HOLD	1,700	Result Update
08-Feb-24	HOLD	2,060	Result Update
18-May-24	HOLD	2,080	Result Update
16-Aug-24	HOLD	2,391	Result Update
08-Nov-24	HOLD	2,520	Result Update
14-Feb-25	BUY	2,140	Result Update
19-May-25	HOLD	2,160	Result Update
18-Aug-25	HOLD	2,730	Result Update

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Ratings	**Expected absolute returns over 12 – 18 months**
BUY	More than 10%
HOLD	Between 10% and -10%
SELL	Less than -10%
NOT RATED	We have forward looking estimates for the stock, but we refrain from assigning valuation and recommendation.
UNDER REVIEW	We will revisit our recommendation, valuation and estimates on the stock following recent events
NO STANCE	We do not have any forward-looking estimates, valuation or recommendation for the stock

Note: Returns stated in the rating scale are our internal benchmark.