

- ❑ On a consolidated basis, SEL topline increased by 14.8% YoY and remained flat QoQ to Rs8,315 mn. EBITDA increased by 11.2% YoY and 54% QoQ to Rs970 mn. EBITDA margin remained flat YoY and grew by 411bps QoQ to 11.7%.
- ❑ Therefore, PBT grew by 5.4% YoY and grew by ~2x QoQ to Rs603 mn. PAT fell by 17% YoY to Rs334 mn led by higher tax expenses. Overall, Q3FY25 performance was in line with our estimates.
- ❑ Suprajit Controls Division achieved a 5% revenue growth, with EBITDA surging by over 100%, driven by new contracts and better plant performance. The EBITDA margin was 11.8%. Despite sluggishness in the off-highway segment, Wescon is performing well due to operational excellence projects.
- ❑ Phoenix Lamps Division showed good margin performance. However, top-line growth was lower, with exports at Luxlite witnessed fluctuations. Suprajit Electronics Division impacted by changes in EV market volumes in India, but secured a throttle project from a leading EV two-wheeler customer and global off-highway projects.
- ❑ Restructuring cost for Stahlschmidt Cable Systems (SCS) entity were incurred due to operational inefficiencies Poor demand in (European markets). The Poland plant will be closed, and the German warehouse will be shifted to Hungary. The second tranche of the acquisition, involving China and Canada, is expected to close in Q4FY25 or early Q1FY26.
- ❑ SEL is sourcing of electronic boards from SED in India for the Matamoros plant to reduce costs. Moreover, the restructuring of Matamoros plant is going on.
- ❑ The company is engaging with customers to address tariff issues imposed in Mexico and is developing alternative sourcing strategies to mitigate the impact. The company is focused on improving operational efficiency, reducing costs, and leveraging its global footprint to provide flexible solutions to customers.
- ❑ As per the management, the turnaround of SCS is expected to take a few quarters, with a focus on improving operational efficiency and reducing input costs. Morocco is strategically positioned for potential supply to the US market.
- ❑ The company's operational efficiency and its vision to be a global cable player in auto and non auto division provides long term outlook for growth . It aim is to reach double-digit EBITDA margins post Stahlschmidt Cable Systems, (SCS) restructuring. We recommend BUY rating on the stock with target price of ₹630.



Quarterly Results

Consolidated						
(In ₹ mn)	Q3FY25	Q3FY24	YoY(%)	9M-FY25	9M-FY24	YoY(%)
Net Sales	8,316	7,242	14.8%	24,000	21,127	13.6%
Operating Expense	7,345	6,369	15.3%	21,536	18,842	14.3%
EBITDA	970	873	11.2%	2,464	2,286	7.8%
Other Income	133	90	48.9%	363	406	-10.5%
Depreciation	309	258	19.4%	894	762	17.3%
EBIT	795	704	13.0%	1,933	1,929	0.2%
Interest	192	132	45.7%	461	386	19.5%
PBT	603	572	5.4%	1,472	1,543	-4.6%
Tax	269	169	58.7%	751	462	62.6%
PAT	334	402	-17.0%	720	1,081	-33.4%
Minority /Other Adj.	-	-		-	-	
Net Profit	334	402	-17.0%	720	1,081	-33.4%

Consolidated						
Margins	Q3FY25	Q3FY24	YoY(%)	9M-FY25	9M-FY24	YoY(%)
Operating Margin %	11.7%	12.1%	-38bps	10.3%	10.8%	-55bps
Net Margin %	4.0%	5.6%	-154bps	3.0%	5.1%	-212bps

Source: Company, Anand Rath Research

Consolidated Financials

(In ₹ mn)	FY-23	FY-24	FY-25E	FY-26E
Net Sales	27,524	28,959	30,986	33,403
Operating Expense	24,397	25,729	27,050	29,027
EBITDA	3,126	3,230	3,935	4,376
Other Income	386	599	558	601
Depreciation	955	1,037	817	880
EBIT	2,558	2,792	3,676	4,097
Interest	356	514	534	576
Exceptional items	-	-	-	-
PBT	2,202	2,278	3,142	3,522
Tax	681	605	785	880
Minority interest	-	-	-	-
PAT	1,521	1,673	2,356	2,641
Margins	FY-23	FY-24	FY-25E	FY-26E
Sales Growth %	49.5%	5.2%	7.0%	7.8%
PAT Growth %	-12.1%	10.0%	40.9%	12.1%
EBITDA Margin %	11.4%	11.2%	12.7%	13.1%
Net Margin %	5.5%	5.8%	7.6%	7.9%

Source: Company, Anand Rathi Research

(In ₹ mn)	FY-23	FY-24	FY-25E	FY-26E
<u>Liabilities</u>				
Equity Share Capital	253	138	138	138
Reserves & Surplus	11,992	13,483	15,490	17,782
Total Shareholder's Funds	12,245	13,622	15,629	17,920
Minority interest	-	-	-	-
Long-Term Liabilities	3,263	2,722	2,885	3,047
Other Long-term Liabilities	75.72	57.8	57.8	57.8
Deferred Tax Liability	482	468	468	468
Short-term Liabilities	8,154	8,925	9,525	10,200
Total	24,220	25,794	28,564	31,692
<u>Assets</u>				
Net Fixed Assets	8,075	6,181	6,265	6,285
Long-Term L&A	458	1,454	1,454	1,454
Non Current Investments	25	1	1	1
Other Non-Current Assets	41	1,297	1,297	1,297
Current Asset	15,622	16,862	19,548	22,656
Total	24,220	25,794	28,564	31,692
(In ₹ mn)	FY-23	FY-24	FY-25E	FY-26E
EPS (₹)	10.9	12.0	16.8	18.9
P/E (x)	41.8	38.0	27.0	24.1
P/B (x)	5.2	4.7	4.1	3.6
ROE	12.4%	12.3%	15.1%	14.7%

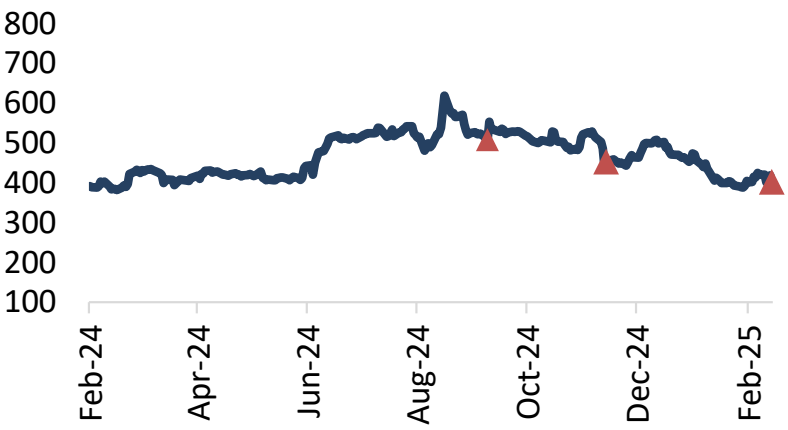
Key Risks:

- ☐ Cyclical nature of automotive industry
- ☐ The company remains exposed to sharp fluctuations in raw material and currency prices.
- ☐ Profitability of Joint ventures.



Rating and Target Price history

SUPRAJIT rating history & price chart



Source: Bloomberg, Anand Rathi Research

Note: Prices are as on 17 February 2025 close.

SUPRAJIT rating details

Date	Rating	Target Price (₹)	Share Price (₹)
09-Sept-24	BUY	630	507
16-Nov-24	BUY	630	455
17-Feb-25	BUY	630	422

Source: Bloomberg, Anand Rathi Research



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