

SEL's consolidated revenue rose 17% YoY, led by SCD/DCD (up 6/7.7% YoY). EBITDA fell 5.3% YoY (on higher employee costs due to ongoing restructuring at SCS); SCD (global business) continues to clock double-digit EBITDAM (11.8% in Q1 vs 10.8/11.8% in Q4/Q3FY25); the management is hopeful of achieving double-digit revenue growth at SCD by end-FY26, as SEL continues to outpace the underlying global industry on new order wins. The mgmt has given guidance for SCS turning EBITDA-positive (vs EBITDA-neutral earlier) led by ongoing strategic turnaround (Poland plant closure, headcount reduction at Germany; warehouse relocation to Hungary; operational improvement at Morocco). 70% of supplies to US being USMCA-compliant, coupled with its off-shoring/near-shoring/on-shoring, place SEL well to capture global opportunities. Notably, consol PBT was higher than standalone PBT in Q1, amid continued turnaround in global operations. We highlight that against the current valuation (~Rs61bn market capitalization), 21x PER for SA/India business provides healthy upside/downside protection, even as the global business (52% of revenue) is available virtually for free despite strategic groundwork over the past 5Y (refer to our note: [Valuations attractive; global business available virtually for free](#)). We trim FY26E/27E EPS by 3.6/3% due to uncertainty in global demand. We maintain BUY on the stock with SoTP-based TP of Rs550.

Strong revenue growth; Sustained turnaround at SCD with double digit margin
Consol revenue grew 17% YoY led by growth in SCD and DCD (up 6/7.7%). Consol EBITDA fell 5.3% YoY; EBITDAM fell 45bps QoQ to 9.5% due to higher employee costs despite 200bps QoQ GM expansion. SCD (global) business clocked double digit EBITDAM for the third consecutive quarter (11.8%) with improvement at SCS as well. DCD, PLD, SED witnessed a QoQ margin decline. Adj PAT grew 26% YoY on higher other income.

Earnings Call KTAs:

1) The mgmt highlighted continued outperformance vs underlying global industry, in both operational metrics and efficiencies. 2) It is hopeful of seeing double-digit growth in SCD by end-FY26, on new wins despite a weak environment (esp in non-auto); Wescon continues to deliver double-digit EBITDAM. 3) Of the non-USMCA compliant customers, ~30% have accepted price hikes, 30-35% given in-principle approval; negotiations are ongoing with the rest. 4) SCS to clock USD30-35mn revenue in FY26 (the more profitable Tranche 2 is consolidated from Jun-25) along with turning EBITDA positive by Q4FY26 as scale/cost benefits flow-through. 5) Morocco (10% tariff; proximity to US) and Canada (part of USMCA) provide strong potential to serve US customers. 6) SEL aims to be #1 in 3 'beyond cable' businesses (now contribute high single-to-low double-digit revenue), with brakes potentially evolving into a SA division. 8) The mgmt anticipates delay in ABS notification, as industry readiness is limited. SEL is on track to productionize ABS by Jan-26 (in partnership with Blubrake, Italy); possibility of CBS continuing with rear brake, though SEL awaits regulatory clarity. 9) PLD to maintain double-digit margin; while Q2 would be weak, revenue to pick up from H2. 10) FY26 capex guidance at Rs1.5-1.6bn.

Target Price – 12M	Jun-26
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	24.4

Stock Data	SEL IN
52-week High (Rs)	640
52-week Low (Rs)	350
Shares outstanding (mn)	137.2
Market-cap (Rs bn)	61
Market-cap (USD mn)	692
Net-debt, FY26E (Rs mn)	3,575.4
ADTV-3M (mn shares)	0
ADTV-3M (Rs mn)	81.6
ADTV-3M (USD mn)	0.9
Free float (%)	55.4
Nifty-50	24,631.3
INR/USD	87.6

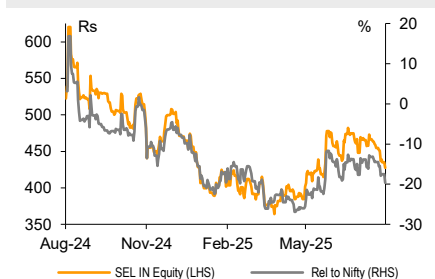
Shareholding, Jun-25

Promoters (%)	45.1
FPIs/MFs (%)	7.1/16.7

Price Performance

(%)	1M	3M	12M
Absolute	(5.9)	5.2	(18.1)
Rel. to Nifty	(4.2)	5.4	(19.7)

1-Year share price trend (Rs)



Suprajit Engineering: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	28,959	32,770	36,366	39,523	42,510
EBITDA	3,230	3,334	4,268	5,107	5,818
Adj. PAT	1,673	993	2,095	2,701	3,205
Adj. EPS (Rs)	12.1	7.2	15.3	19.7	23.4
EBITDA margin (%)	11.2	10.2	11.7	12.9	13.7
EBITDA growth (%)	3.3	3.2	28.0	19.7	13.9
Adj. EPS growth (%)	9.9	(40.1)	111.0	28.9	18.6
RoE (%)	12.9	7.5	15.5	17.8	18.5
RoIC (%)	11.3	6.8	12.5	15.2	17.5
P/E (x)	36.6	61.0	28.9	22.4	18.9
EV/EBITDA (x)	19.2	18.6	14.5	12.1	10.6
P/B (x)	4.5	4.7	4.2	3.7	3.3
FCFF yield (%)	2.6	1.2	2.6	4.2	5.1

Source: Company, Emkay Research

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Exhibit 1: Consolidated - Revenue grew 17% YoY; EBITDA declined 5% YoY with margin down by 45bps QoQ

Consolidated (Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY %	QoQ %
Revenue	6,797	7,089	7,242	7,831	7,349	8,336	8,316	8,769	8,629	17.4	(1.6)
Expenditure	6,082	6,391	6,369	6,887	6,485	7,706	7,345	7,899	7,812	20.5	(1.1)
as % of sales	89.5	90.2	87.9	87.9	88.2	92.4	88.3	90.1	90.5		
Consumption of RM	3,906	4,201	4,234	4,641	4,116	4,731	4,752	5,012	4,760	15.6	(5.0)
as % of sales	57.5	59.3	58.5	59.3	56.0	56.7	57.1	57.2	55.2		
Employee Cost	1,535	1,565	1,510	1,597	1,642	1,897	1,830	1,914	2,161	31.6	12.9
as % of sales	22.6	22.1	20.8	20.4	22.3	22.8	22.0	21.8	25.0		
Other expenditure	641	625	626	649	727	1,079	764	973	891	22.6	(8.4)
as % of sales	9.4	8.8	8.6	8.3	9.9	12.9	9.2	11.1	10.3		
EBITDA	715	698	873	944	864	630	970	870	817	(5.3)	(6.1)
EBITDA margin (%)	10.5	9.8	12.1	12.1	11.8	7.6	11.7	9.9	9.5		
Depreciation	247	257	258	275	262	324	309	324	344	31.4	6.1
EBIT	468	441	614	669	602	306	662	546	474	(21.3)	(13.3)
Other Income	129	187	90	194	105	125	133	99	390	271.4	294.2
Interest	118	136	132	128	123	146	192	143	154	25.3	7.4
PBT	479	492	572	734	584	285	603	502	710	21.5	41.4
Total Tax	148	145	169	143	203	280	269	230	229	12.9	(0.3)
Minority interest/ Associate share											
Adjusted PAT	331	348	402	591	381	5	334	272	481	26.1	76.5
Exceptional items Loss/(Gain)	0	0	0	0	0	0	0	0	0		
Reported PAT	331	348	402	591	381	5	334	272	481	26.1	76.5
Adjusted EPS (Rs)	2.4	2.5	2.9	4.3	2.8	0.0	2.4	2.0	3.5	27.3	76.5

(%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY bps	QoQ bps
EBITDAM	10.5	9.8	12.1	12.1	11.8	7.6	11.7	9.9	9.5	(228)	(45)
EBITM	6.9	6.2	8.5	8.5	8.2	3.7	8.0	6.2	5.5	(270)	(74)
EBTM	7.1	6.9	7.9	9.4	7.9	3.4	7.2	5.7	8.2	28	250
PATM	4.9	4.9	5.6	7.6	5.2	0.1	4.0	3.1	5.6	38	247
Effective Tax rate	30.9	29.4	29.6	19.5	34.7	98.3	44.6	45.7	32.3	(246)	(1,350)

Source: Company, Emkay Research

Exhibit 2: Actual vs Estimates

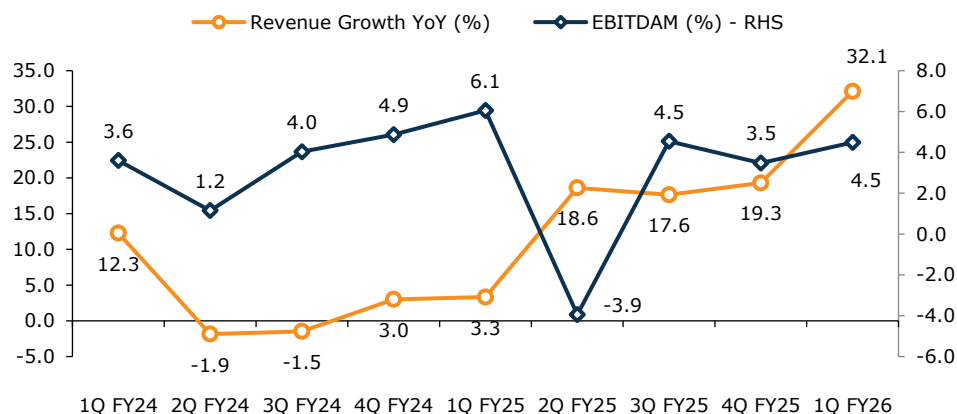
Consolidated (Rs mn)	Actual	Emkay Est	% variance	Consensus	% variance
Net sales	8,629	8,337	3.5	8,632	(0.0)
EBITDA	817	850	(3.9)	873	(6.3)
EBITDA margin (%)	9.5	10.2	-73 bps	10.1	-64 bps
Adj net income	481	340	41.6	370	30.0

Source: Company, Bloomberg, Emkay Research

Exhibit 3: Standalone – Revenue grew 3.5% YoY; EBITDA declined 6.5% YoY, with 100bps QoQ decline in EBITDAM to 15.5%

Standalone (Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY %	QoQ %
Revenue	3,332	3,855	4,052	4,128	3,769	4,500	4,564	4,352	3,900	3.5	(10.4)
Expenditure	2,742	3,194	3,308	3,364	3,122	3,719	3,764	3,635	3,295	5.5	(9.4)
as % of sales	82.3	82.9	81.6	81.5	82.8	82.6	82.5	83.5	84.5		
Consumption of RM	2,011	2,415	2,502	2,536	2,267	2,774	2,807	2,677	2,359	4.1	(11.9)
as % of sales	60.3	62.6	61.7	61.4	60.1	61.6	61.5	61.5	60.5		
Employee Cost	480	522	535	538	563	615	631	603	628	11.5	4.2
as % of sales	14.4	13.6	13.2	13.0	14.9	13.7	13.8	13.9	16.1		
Other expenditure	251	257	271	290	292	330	326	355	308	5.4	(13.3)
as % of sales	7.5	6.7	6.7	7.0	7.7	7.3	7.1	8.2	7.9		
EBITDA	590	661	744	764	647	781	800	716	605	(6.5)	(15.5)
EBITDA margin (%)	17.7	17.1	18.4	18.5	17.2	17.4	17.5	16.5	15.5		
Depreciation	79	82	84	114	109	115	119	108	120	10.4	10.8
EBIT	511	578	660	650	538	667	681	608	485	(9.9)	(20.2)
Other Income	193	201	149	173	155	485	166	195	241	55.2	24.1
Interest	42	52	60	58	52	56	61	84	72	37.1	(14.6)
PBT	662	727	750	764	641	1,095	786	719	655	2.1	(8.9)
Total Tax	152	140	177	74	131	231	178	174	162	23.3	(7.0)
Adjusted PAT	509	587	573	690	510	865	608	545	493	(3.4)	(9.5)
Exceptional Loss/(Gain)	0	0	0	0	0	0	0	0	0		
Reported PAT	509	587	573	690	510	865	608	545	493	(3.4)	(9.5)
Adjusted EPS (Rs)	3.7	4.2	4.1	5.0	3.7	6.3	4.4	4.0	3.6	(3.4)	(10.4)
(%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY bps	QoQ bps
EBITDAM	17.7	17.1	18.4	18.5	17.2	17.4	17.5	16.5	15.5	(165)	(95)
EBITM	15.3	15.0	16.3	15.7	14.3	14.8	14.9	14.0	12.4	(184)	(154)
EBTM	19.9	18.9	18.5	18.5	17.0	24.3	17.2	16.5	16.8	(23)	27
PATM	15.3	15.2	14.1	16.7	13.5	19.2	13.3	12.5	12.6	(90)	12
Effective Tax rate	23.0	19.2	23.6	9.7	20.5	21.1	22.7	24.2	24.7	426	51

Source: Company, Emkay Research

Exhibit 4: Performance on the revenue and margin fronts of global operations has been resilient in the past couple of quarters despite the global demand uncertainty**Global operations (C-S)**

Source: Company, Emkay Research

Exhibit 5: Revenue growth driven by SCD and DCD as well as SCS; overall margin was down QoQ, dragged by DCD, PLD, and SED

Segmental revenue (Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY %	QoQ %
Suprajit Controls Division (SCD)	3,494	3,244	3,136	3,744	3,609	3,325	3,292	3,835	3,826	6	(0)
Stahlschmidt Cable Systems (SCS)	-	-	-	-	-	602	495	617	897		45
Domestic Cable Division (DCD)	2,519	2,675	2,783	2,692	2,542	3,093	3,161	3,000	2,739	8	(9)
Phoenix Lamps Division (PLD)	877	980	1,029	1,009	889	1,014	1,020	978	864	(3)	(12)
Suprajit Electronics Division (SED)	(92)	190	294	386	309	302	349	340	304	(2)	(11)
Total	6,797	7,089	7,242	7,831	7,349	8,336	8,316	8,770	8,630	17	(2)

Revenue growth (%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY %	QoQ %
Suprajit Controls Division (SCD)	7.9	-5.4	-4.6	3.7	3.3	2.5	5.0	2.4	6.0		
Stahlschmidt Cable Systems (SCS)											
Domestic Cable Division (DCD)	5.8	-5.2	4.3	9.8	0.9	15.6	13.6	11.4	7.7		
Phoenix Lamps Division (PLD)	5.0	7.7	6.6	8.7	1.4	3.4	-0.9	-3.1	-2.8		
Suprajit Electronics Division (SED)	0.0	580.7	321.9	101.8	-434.4	59.3	18.8	-11.9	-1.5		

Revenue mix (%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26		
Suprajit Controls Division (SCD)	51	46	43	48	49	40	40	44	44		
Stahlschmidt Cable Systems (SCS)	-	-	-	-	-	7	6	7	10		
Domestic Cable Division (DCD)	37	38	38	34	35	37	38	34	32		
Phoenix Lamps Division (PLD)	13	14	14	13	12	12	12	11	10		
Suprajit Electronics Division (SED)	(1)	3	4	5	4	4	4	4	4		

Segmental EBITDA (Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY %	QoQ %
Suprajit Controls Division	250	111	193	272	291	275	389	414	452	55	9
Stahlschmidt Cable Systems (SCS)	-	-	-	-	-	(102)	(202)	(186)	(176)		(8)
Domestic Cable Division	425	461	518	485	398	534	566	471	408	3	(13)
Phoenix Lamps Division	70	121	128	153	144	152	141	141	111	(23)	(21)
Suprajit Electronics Division	(2)	5	33	56	30	16	18	31	21	(30)	(32)
	744	698	873	966	864	875	913	871	816		

EBITDA mix (%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY bps	QoQ bps
Suprajit Controls Division (SCD)	7.2	3.4	6.2	7.3	8.1	8.3	11.8	10.8	11.8	374	102
Stahlschmidt Cable Systems (SCS)						-16.9	-40.8	-30.2	-19.6		1,060
Domestic Cable Division (DCD)	16.9	17.2	18.6	18.0	15.7	17.2	17.9	15.7	14.9	-76	-80
Phoenix Lamps Division (PLD)	8.0	12.3	12.4	15.1	16.3	15.0	13.8	14.4	12.8	-341	-157
Suprajit Electronics Division (SED)	1.9	2.5	11.3	14.5	9.7	5.2	5.1	9.1	6.9	-280	-221

EBITDA mix (%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26		
Suprajit Controls Division (SCD)	34	16	22	28	34	31	43	48	55		
Stahlschmidt Cable Systems (SCS)	-	-	-	-	-	(12)	(22)	(21)	(22)		
Domestic Cable Division (DCD)	57	66	59	50	46	61	62	54	50		
Phoenix Lamps Division (PLD)	9	17	15	16	17	17	15	16	14		
Suprajit Electronics Division (SED)	(0)	1	4	6	3	2	2	4	3		

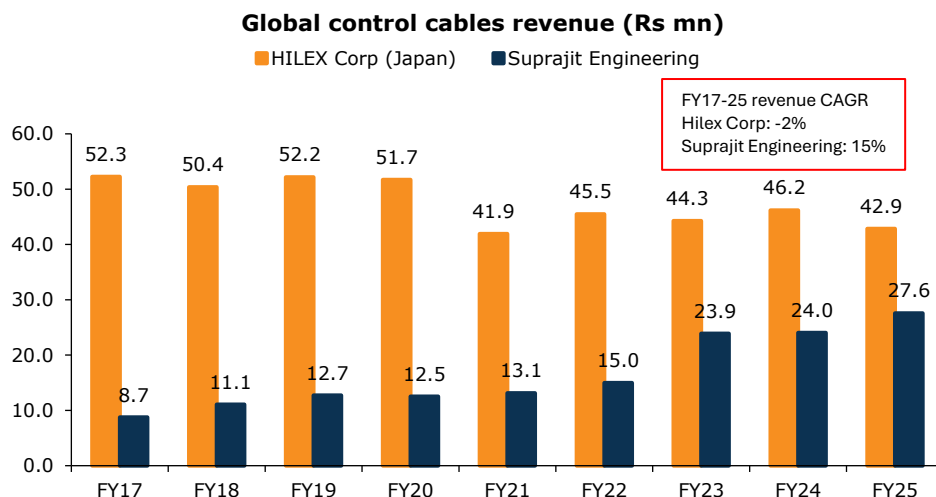
Source: Company, Emkay Research

Exhibit 6: Suprajit remains best-placed to capture opportunities on the back of its on-shoring, off-shoring, and near-shoring capabilities

Wholly Owned Global Footprint		<p>Location Based on Customer Preference, Tariffs, Product features</p> <p>On-Shore Complex/A-Surface parts, Low Risk Appetite, Unpredictable Demand, No tariffs</p> <p>↕</p> <p>Far Shore Simpler parts, SCM Risk Higher, Predictable demand, Tariffs, Lower cost</p>	Customer Production & Suprajit Location				
Manufacturing India	India x18 (12 Cable, 3 Lighting, 1 Electronics)		OEM Production	India / South Asia	Europe	North America	China
Manufacturing Global	US x1, Mexico x2, Hungary X1, Morocco X1, China x2		On Shore	India	Hungary	USA	China
Warehousing & Special Manufacturing/Packing			Near Shore		Morocco	Mexico x 2	
Warehouse & Special Manufacturing	UK x1, Slovenia x1, Hungary x1, Luxembourg x1, US x1, Canada x1		Far Shore		India	India/China	

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Source: Company, Emkay Research

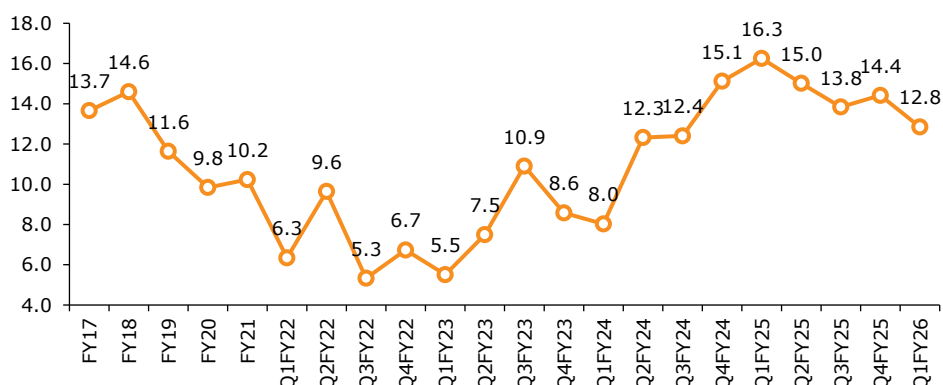
Exhibit 7: SEL has grown into the second largest player globally in control cables, aided by organic growth as well as important acquisitions like Wescon, Kongsberg LDC, and SCS

Source: Company, Bloomberg, Emkay Research; Note: Hilex follows Nov-Oct financial year

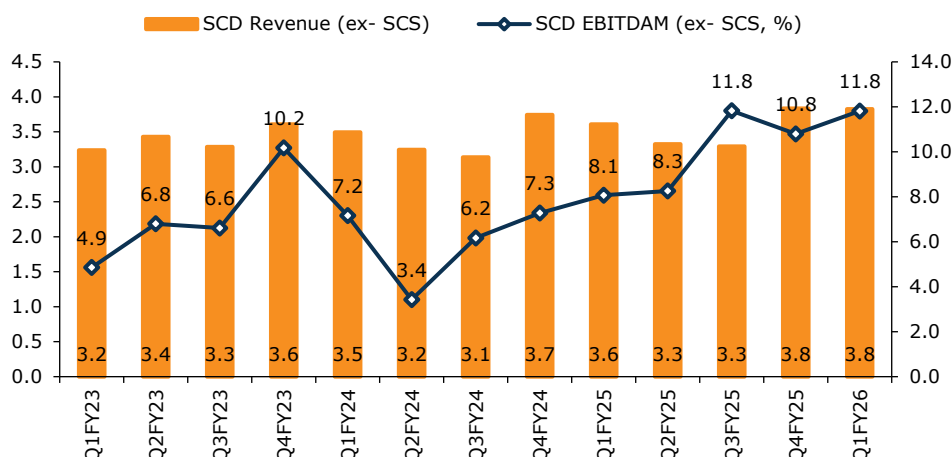
Exhibit 8: SEL has undertaken multiple structural initiatives over the past years at its acquired entities, to drive operational and financial improvements

Company:	Phoenix Lamps	Wescon	Kongsberg - LDC	SCS
Year of acquisition	FY16	FY17	FY23	FY25
Revenue at acquisition (Rs mn)	3,279	2,563	7,900	4,500*
EBITDA at acquisition (Rs mn)	431	356	711	Unknown
EBITDAM at acquisition (%)	13.1	13.9	9.0	Unknown
Acquisition multiple (EV/EBITDA; x)	6.2	8.3	4.7	N/A
Acquisition multiple (EV/revenue; x)	0.8	1.2	0.4	0.3
Strategic initiatives	- Restructuring of earlier Trifa and Luxlite; Luxlite to continue as one single entity with Trifa being dissolved; closer working between continuing entity and PLD	- Established a close working relationship with Kongsberg-LDC entities for cost synergies in areas like sourcing, finance, IT, and operations	- Launched an aggressive restructuring exercise, including deployment of 'MAX teams' (global-focused functional teams reporting to the management each month); key leadership adjustments	- Deployed operational excellence teams from India to bring improvements in productivity
	- Improvements in material consumption (reduction of scrap, better consumption, better formulation)	- Supply consolidation within the Group; eg moldings supplied from Matamoros (part of the earlier LDC) to Wescon vs external purchase earlier	- In-sourcing of products (like PCBs and injection moulding) vs external purchases earlier (SCD supplies to Matamoros); working closely with Wescon to realize cost synergies	- Relocation of the warehouse from Germany to Hungary; headcount reduction in Germany
	- Brought down the Management costs, via structural changes at Luxlite	- Enhanced focus on "Make or Buy" decisions and reduction in complexities to drive operational improvement and reduce inventory	- Development of alternate vendors, internalization of third-party warehouse/distribution, increased automation	- Closure of the Poland plant, stabilization of the Morocco facility
	- Introduction of LED drop-in solutions to address reducing penetration of halogen in Europe	- Extending 'Beyond Cables' for new and existing customers; Focusing on adjacent markets like Agri, Construction, Power Sports Vehicles by introducing products developed through STC	- Relocation of China facility to a more efficient location	
Current revenue (Rs mn, FY25)	3,900	2,977**	9,436**	1,713#
Current EBITDAM (%)	14.8	Restored to double-digit margins, per the management commentary	Turnaround at all Kongsberg-LDC entities, per the recent management commentary, barring Matamoros (Mexico), ~20% of Kongsberg	-28.6#

Source: Company, Emkay Research; Note: *€50mn revenue and €13.5mn EV translated @ Rs90; ** Pertains to FY24; #Pertains to Tranche-1 for SCS with Tranche-2 to be consolidated from this year

Exhibit 9: In the past, SEL has shown its ability to improve profitability strongly for its acquisitions (eg at PLD)**Phoenix Lamps (PLD) - EBITDAM (%)**

Source: Company, Emkay Research

Exhibit 10: SCD (global business) logged double-digit EBITDAM for a third straight quarter

Source: Company, Emkay Research

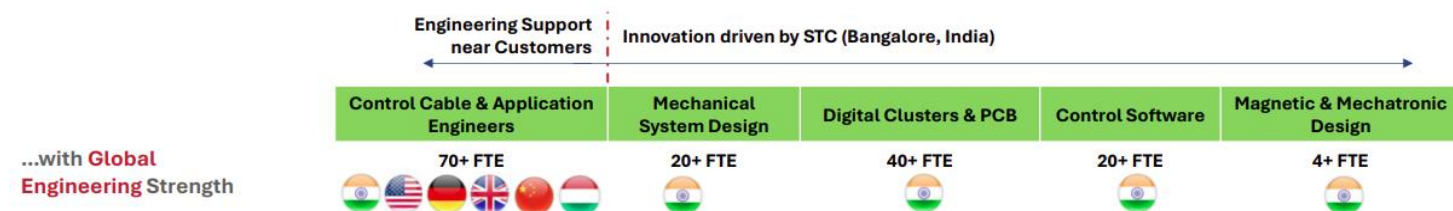
Exhibit 11: Commentary around the global business has turned increasingly positive, as most entities have posted strong turnaround in operations, pursuant to structural initiatives

Management commentary	Source
"Wescon would be somewhere in the single digit number."	Q4FY24
"In North America, we witnessed a good margin recovery at Wescon. This is due to multiple restructuring efforts, operational improvements, and also many synergies that we have found within the SCD division which have been found over the last few quarters. This strong effort is despite challenges from a sluggish non-automotive market."	Q1FY25
"Very importantly, the EBITDA has shown a strong Northward march. SAL, the EU unit here in India and SEU-Suprajit Europe, Hungary, Wescon, China Lonestar, they're all doing fine, and we are all blocking new business wins there which is pretty good for us."	Q2FY25
"Wescon, despite the volume of non-automotive crashing from a negative side, they are into decent double-digit margins"	Q2FY25
Wescon, although the non-automotive business had de-growth, operational excellence has led in Wescon as well as our Unit-9 performing very well. Except Matamoros, all other pieces of the puzzle have been performing well compared to last year."	Q3FY25
"Positive is that Wescon is doing very well as given in the update. So, they have restored some of the good margins that they've had in the past and that was because of a lot of operational excellence projects done at the shop floor by our team."	Q3FY25
"Wescon has done a very good job of operational excellence, and they continue to perform in double digit EBITDA margins"	Q1FY26

Source: Company, Emkay Research

Exhibit 12: SEL's homegrown Tech Centre (STC) is driving product development for domestic as well as global operations

- › STC drives divisions to move “beyond cables” to customer actuation
- › 150+ Full time employees (FTE) for pure R&D
- › Owned technologies with no market restriction
- › R&D centered in India – deploying technologies globally
- › Focus: Products that enhance or replace existing products



Source: Company, Emkay Research

Exhibit 13: SEL's electronics division (SED) houses new products like actuation and displays

Launched as a standalone division for FY24 to cater to strong traction from customers and with focus on driving the EV revolution and support Suprajit Group's ambition to be a global provider of actuation and display technologies

Strong Customer Traction

* This list is not exhaustive. All names, images and logos are copyright of their respective owners.

State of the Art Facilities

- IATF 16949 2016 Certified
- Integrated SMT Line
- In-house Injection Moulding
- Automated Testing

Source: Company, Emkay Research

SEL aims to be a one-stop shop for braking solutions

"...the **vision for the division is to be a one-stop shop for all braking solutions, particularly for 2-wheelers to start with. Today, different pieces of the entire braking system are done by different people. We want to be a one-stop place. Of course, that's a long-term strategy... we have got into some of those pieces. The other pieces are in development, as we have also announced that the Blubrake agreement is also in that direction, so that we will be a complete comprehensive solution**".

- Comments in Q4FY25 by Ajith Kumar Rai, Founder and Chairman, SEL ([link](#))

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"The combi-brake system or CBS has been launched for 4 OEMs, out of which 1 is ICE and 3 for EVs... we are playing this game on 2 fronts. We have been pretty defensive when it comes to scaling up and putting up lines because that should be linked to specific customer orders. Whereas **in terms of R&D investments, we are going full scale because we need to build a complete stack-up in the entire environment of braking system for 2-wheelers.**"

- Comments in Q4FY25 by NS Mohan, MD and Group CEO, SEL ([link](#))

"We are starting off with CBS, but we're also focused on different other types of braking systems, more complex braking systems, innovative braking systems, ABS. So that entire portfolio will each have a different kind of growth trajectory and different inflection points. But I think at least on CBS and on these newer businesses, we have definitely reached a good inflection point this year, and we will have good business coming this year."

Comments in Q4FY25 by Akhilesh Rai, Director and Chief Strategy Officer, SEL ([link](#))

Exhibit 14: SEL is gaining significant traction in braking systems, and aims to be a one-stop shop here; 4 order wins for the 2W Combi-Braking System (CBS), including for 3 EVs and 1 ICE

Customers in Production



Production Started in 2025





Products



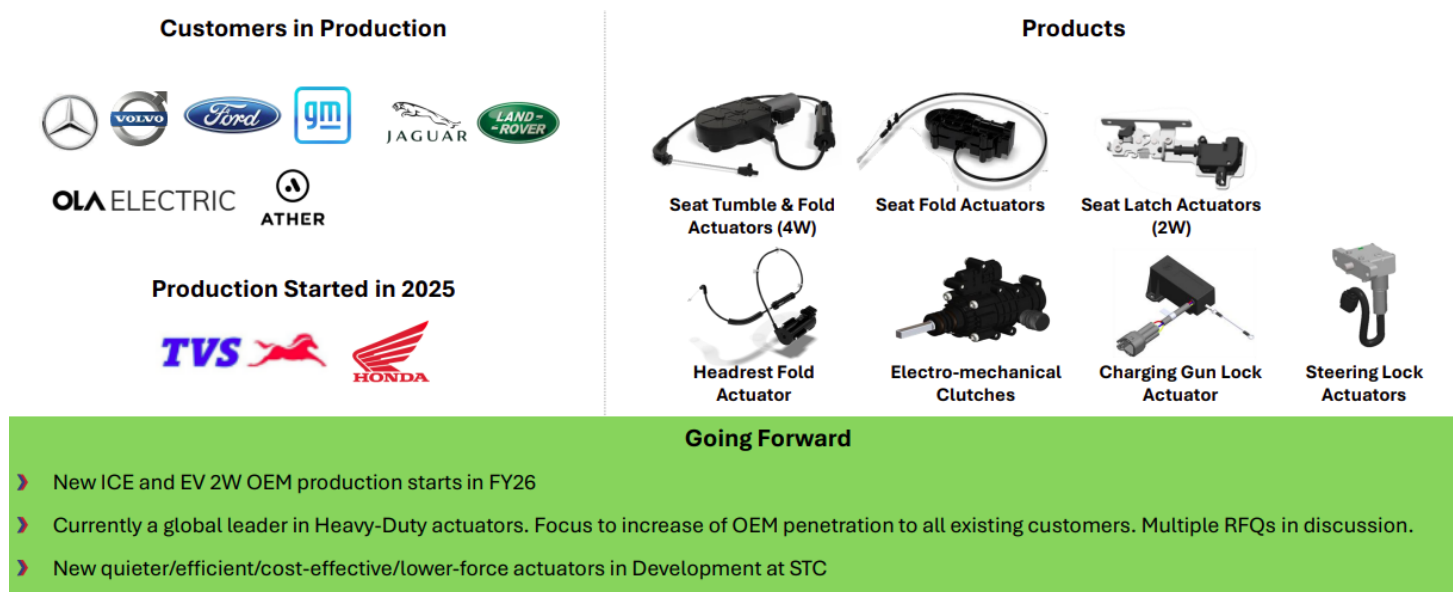
Going Forward

- › Uniquely positioned to be able to provide end-to-end design, engineering and manufacturing solutions for braking (levers, cables, friction material)
- › Innovative braking products in pipeline due to multiple industry changes (EV, regulation, customer preference)

Manufacturing Location: DCD, SCD (U9, Wescon)  

Source: Company, Emkay Research

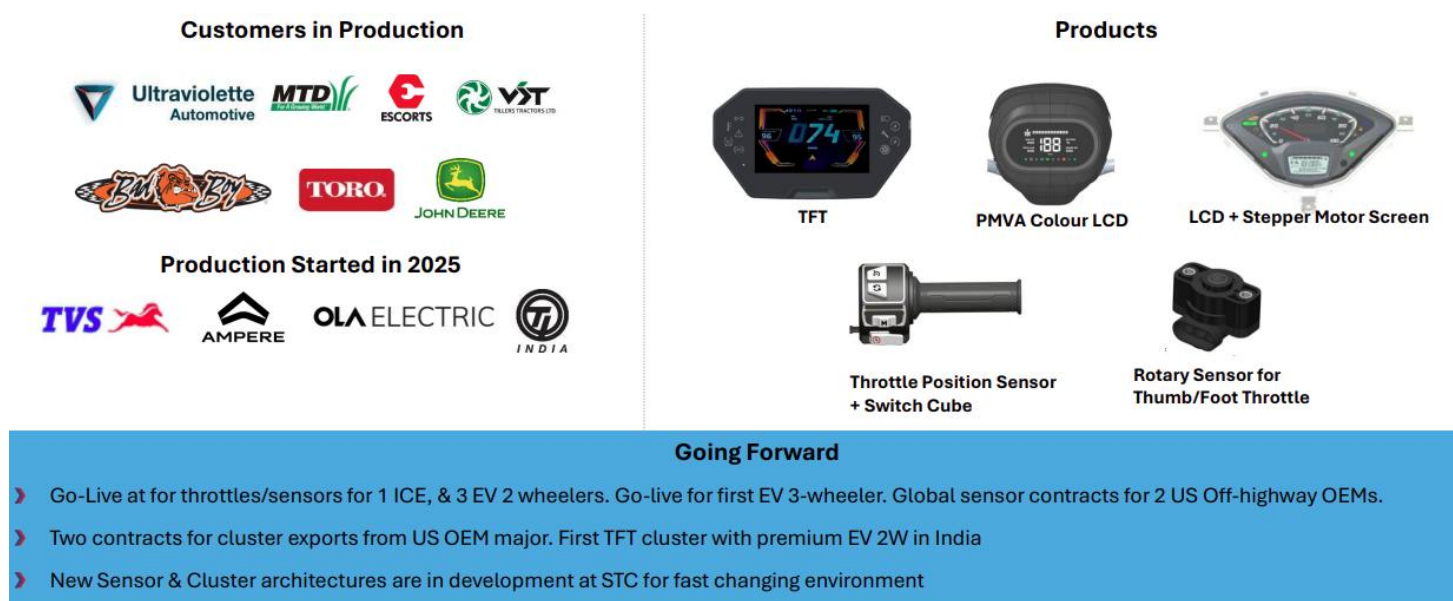
Exhibit 15: Actuation systems also garnering customer interest



Manufacturing Location: SCD & SED 

Source: Company, Emkay Research

Exhibit 16: SEL is making progress in instrument clusters and sensors, with multiple order wins (including for EV and global platforms)



Manufacturing Location: Suprajit Electronics Division (SED) 

Source: Company, Emkay Research

Content per vehicle in SEL's new products at least over 10x vs cable; would thus minimize any electrification risk

"We are entering into products whose pricing per vehicle is significantly higher... **despite some of the cables in the two-wheeler going away, content per vehicle in the India business in two wheeler will be increasing for Suprajit, and we are already seeing it very clearly.** And along with our tech center in the US in Novi as well as our own here, we are working on some really new exciting actuation strategies. That will also add. Actually, **we are moving from a low content per vehicle company slowly but steadily into higher content... But the products we are doing, each one of the new products are something like 10x of cable at least, if not more.**"

- Comments in Q1FY24 call by Ajith Kumar Rai, Founder and Chairman, SEL ([link](#))

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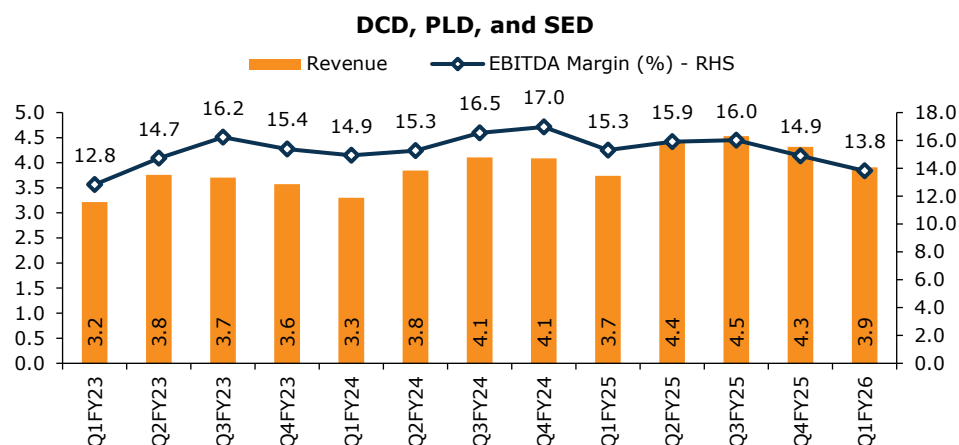
Exhibit 17: New products developed through STC support are seen driving higher content per vehicle going ahead

	Products	Customers	Price (INR)	Growth Potential
Clusters & Displays			700-7500	PV + 2W + OFH
Electromechanical Actuation Systems			400-15000	PV + 2W + OFH
Braking & Brake Release Systems			3000 - 20000	2W + OFH + Rail
Throttle & Rotary Sensors			200-1500	2W + OFH

5

Source: Company, Emkay Research

Exhibit 18: SEL's domestic-facing businesses (DCD, PLD, and SED divisions) have sustained strong mid-teen margins coupled with relatively better growth trends



Source: Company, Emkay Research

Exhibit 19: Integration and streamlining efforts are under way at the recently acquired SCS

- › Relocation of the warehouse from Germany to Hungary was completed in June, 2025. The new warehouse at Hungary is getting fully established.
- › Operations at Morocco continues to improve as planned.
- › The closure of the Poland plant completed successfully with the completion of voluntary winding up.
- › Rationalization of head counts in Germany continues as planned.

Outlook

- › The assimilation, consolidation and restructuring of acquired entities and assets is the current focus. It is progressing well.
- › SCS China and Canada are expected to yield positive results. The consolidated results of SCS assets is expected to be EBITDA positive by Q4 of the current year.

Source: Company, Emkay Research

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Exhibit 20: We build in 9%/20% revenue/EBITDA CAGR over FY25-28E

(Rs mn)	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	Comments
Revenue								
SCD (ex-SCS)		13,562	13,617	14,060	14,974	15,873	16,865	We build in 6% CAGR on new order wins despite the sluggish industry
Growth YoY (%)			0.4	3.3	6.5	6.0	6.3	
SCS				1,713	2,975	3,400	3,570	We build in USD35mn revenue in FY26, including USD10mn from Tranche 2, USD40mn in FY27, with modest 5% growth thereafter
Growth YoY (%)					73.7	14.3	5.0	
DCD	10,321	10,426	11,796	13,035	14,534	15,987		"Beyond cables" to drive outperformance vs ~6-7% domestic 2W industry production growth
Growth YoY (%)		1.0	13.1	10.5	11.5	10.0		
PLD	3,640	3,896	3,900	3,939	4,057	4,179		Low-single digit growth; strategy being put in place for acceleration; not yet built in
Growth YoY (%)		7.0	0.1	1.0	3.0	3.0		
SED			1,020	1,300	1,443	1,660	1,908	Healthy double-digit growth, given the ongoing new product development and low base
Growth YoY (%)				27.5	11.0	15.0	15.0	
Total Revenue	27,524	28,959	32,770	36,366	39,523	42,510		We build in 9% consol revenue CAGR over FY25-28E
Growth YoY (%)			5.2	13.2	11.0	8.7	7.6	
Revenue mix (%)								
SCD (ex-SCS)		49	47	43	41	40	40	
SCS		-	-	5	8	9	8	
DCD		38	36	36	36	37	38	
PLD		13	13	12	11	10	10	
SED		-	4	4	4	4	4	
EBITDA								
SCD (ex-SCS)		1,095	827	1,369	1,722	1,857	2,007	
SCS				(490)	(226)	102	286	
DCD	1,793	1,871	1,969	2,086	2,398	2,718		
PLD	299	471	579	571	609	627		
SED	-	88	94	115	141	181		
EBITDAM (%)								
SCD (ex-SCS)		8.1	6.1	9.7	11.5	11.7	11.9	Strong margin improvement already under way (double-digit margins in H2FY25)
SCS				(28.6)	(7.6)	3.0	8.0	EBITDA breakeven expected by Q4FY26, with 6-10% EBITDAM over the medium term
DCD	17.4	17.9	16.7	16.0	16.5	17.0	17.0	Margins largely similar to those being clocked currently
PLD	8.2	12.1	14.8	14.5	15.0	15.0	15.0	Margins largely similar to those being clocked currently
SED			8.6	7.2	8.0	8.5	9.5	Led by higher volumes
	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	
Consol Revenue	18,405	27,524	28,959	32,770	36,366	39,523	42,510	
Growth YoY (%)	12.2	49.5	5.2	13.2	11.0	8.7	7.6	
Consol Revenue (ex-SCS)	18,405	27,524	28,959	31,057	33,391	36,123	38,940	Ex-SCS, we have built in 7.5% growth vs guidance of 'double digits'
Growth YoY (%)	12.2	49.5	5.2	7.2	7.5	8.2	7.8	
EBITDA	2,599	3,126	3,230	3,334	4,268	5,107	5,818	
EBITDAM (%)	14.1	11.4	11.2	10.2	11.7	12.9	13.7	
EBITDA (ex-SCS)	2,599	3,126	3,230	3,824	4,494	5,005	5,533	
EBITDAM (%)	14.1	11.4	11.2	12.3	13.5	13.9	14.2	
EBIT	2,014	2,172	2,192	2,116	2,875	3,608	4,209	
EBIT margin (%)	10.9	7.9	7.6	6.5	7.9	9.1	9.9	
PAT	1,614	1,521	1,673	993	2,095	2,701	3,205	
PAT margin (%)	8.8	5.5	5.8	3.0	5.8	6.8	7.5	
EPS (Rs)	11.7	11.0	12.1	7.2	15.3	19.7	23.4	

Source: Company, Emkay Research

Exhibit 21: We trim FY26E/FY27E EPS by ~6% each, on macro weakness, and introduce FY28 estimates

Consolidated	FY26E				FY27E				FY28E			
(Rs mn)	Earlier	Revised	%Change	%YoY	Earlier	Revised	%Change	%YoY	Earlier	Revised	%Change	%YoY
Revenue	36,599	36,366	(0.6)	11.0	39,676	39,523	(0.4)	8.7	42,674	42,510	(0.4)	8.0
EBITDA	4,353	4,268	(1.9)	28.0	5,216	5,107	(2.1)	19.7	5,859	5,818	(0.7)	14.7
Margin (%)	11.9	11.7	-16bps	156bps	13.1	12.9	-22bps	118bps	13.7	13.7	-4bps	81bps
Net Profit	2,172	2,095	(3.6)	111.0	2,788	2,701	(3.1)	28.9	3,241	3,205	(1.1)	20.0
EPS (Rs)	15.8	15.3	(3.6)	111.0	20.3	19.7	(3.1)	28.9	23.6	23.4	(1.1)	20.0
Standalone	FY26E				FY27E				FY28E			
(Rs mn)	Earlier	Revised	%Change	%YoY	Earlier	Revised	%Change	%YoY	Earlier	Revised	%Change	%YoY
Revenue	18,856	18,667	(1.0)	8.6	20,707	20,501	(1.0)	9.8	22,549	22,325	(1.0)	10.0
EBITDA	3,231	3,199	(1.0)	8.6	3,548	3,513	(1.0)	9.8	3,864	3,825	(1.0)	10.0
Margin (%)	17.1	17.1	0bps	0bps	17.1	17.1	0bps	0bps	17.1	17.1	0bps	0bps
Net Profit	2,735	2,711	(0.9)	7.3	2,982	2,956	(0.8)	9.1	3,227	3,199	(0.9)	9.1
EPS (Rs)	19.9	20	(0.9)	7.3	21.7	22	(0.8)	9.1	23.5	23	(0.9)	9.1

Source: Company, Emkay Research

Exhibit 22: Current valuations (~Rs61bn market cap) largely ignore SEL's global business; our SoTP-based TP of Rs550 values the parent's operations at 22x Jun-27E PER and subsidiaries at 0.6x FY27E EV/S (in line with SAMIL; SEL's investment value in the global business, including SCS, stands at ~Rs4bn)

SoTP Valuation	Valuation basis	Multiple (x)	Equity Value (Rs mn)	Value (Rs/sh)	Contribution to SoTP (%)	Comment
India Business	Jun-27E PER	22	66,375	494	90	
Global Business	FY27E EV/S	0.6	7,140	52	10	EV/S in line with SAMIL's expectations; net investment value in global business at ~Rs4bn
TP				546		
TP (Rounded Off)				550		

Source: Company, Emkay Research

Exhibit 23: We assign 2.6x EV/S to SAMIL's standalone business (in line with Uno Minda); implied FY27E P/S for global business at 0.6x

(Rs mn)	FY25	FY26E	FY27E Comment
SAMIL - Standalone revenues	101,868	114,092	125,501
Target EV/S multiple (x)			2.6 In line with Uno Minda
SAMIL - Standalone EV			331,733
SAMIL - Consolidated EV			1,036,058
SAMIL - Implied EV of global business			704,325
SAMIL - Consolidated revenues	1,136,626	1,218,449	1,312,213
SAMIL - Implied revenue of global business	1,034,758	1,104,357	1,186,711
Implied EV/S multiple for SAMIL global business			0.6

Source: Company, Emkay Research

Suprajit Engineering: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	28,959	32,770	36,366	39,523	42,510
Revenue growth (%)	5.2	13.2	11.0	8.7	7.6
EBITDA	3,230	3,334	4,268	5,107	5,818
EBITDA growth (%)	3.3	3.2	28.0	19.7	13.9
Depreciation & Amortization	1,037	1,218	1,393	1,499	1,609
EBIT	2,192	2,116	2,875	3,608	4,209
EBIT growth (%)	0.9	(3.5)	35.9	25.5	16.7
Other operating income	-	-	-	-	-
Other income	599	462	522	568	611
Financial expense	514	604	597	565	536
PBT	2,278	1,974	2,801	3,611	4,284
Extraordinary items	0	0	0	0	0
Taxes	605	981	706	910	1,080
Minority interest	0	0	0	0	0
Income from JV/Associates	-	-	-	-	-
Reported PAT	1,673	993	2,095	2,701	3,205
PAT growth (%)	10.0	(40.7)	111.0	28.9	18.6
Adjusted PAT	1,673	993	2,095	2,701	3,205
Diluted EPS (Rs)	12.1	7.2	15.3	19.7	23.4
Diluted EPS growth (%)	9.9	(40.1)	111.0	28.9	18.6
DPS (Rs)	2.5	3.0	4.6	5.9	7.0
Dividend payout (%)	20.7	41.5	30.0	30.0	30.0
EBITDA margin (%)	11.2	10.2	11.7	12.9	13.7
EBIT margin (%)	7.6	6.5	7.9	9.1	9.9
Effective tax rate (%)	26.6	49.7	25.2	25.2	25.2
NOPLAT (pre-IndAS)	1,610	1,064	2,151	2,699	3,148
Shares outstanding (mn)	138	137	137	137	137

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	138	137	137	137	137
Reserves & Surplus	13,483	12,665	14,131	16,022	18,265
Net worth	13,622	12,802	14,269	16,159	18,403
Minority interests	0	0	0	0	0
Non-current liab. & prov.	468	476	347	181	(16)
Total debt	7,081	8,166	7,906	7,309	7,325
Total liabilities & equity	21,225	21,566	22,658	23,797	25,871
Net tangible fixed assets	5,228	6,346	6,584	6,357	5,998
Net intangible assets	953	953	953	953	953
Net ROU assets	-	-	-	-	-
Capital WIP	72	264	134	112	112
Goodwill	1,382	1,418	1,418	1,418	1,418
Investments [JV/Associates]	1	1	1	1	1
Cash & equivalents	6,312	4,016	4,330	5,122	6,969
Current assets (ex-cash)	10,659	12,419	13,783	14,979	16,111
Current Liab. & Prov.	4,570	5,757	6,508	7,158	7,752
NWC (ex-cash)	6,089	6,662	7,275	7,821	8,359
Total assets	21,225	21,566	22,658	23,797	25,871
Net debt	769	4,149	3,575	2,187	355
Capital employed	21,225	21,566	22,658	23,797	25,871
Invested capital	14,604	16,761	17,612	17,932	18,110
BVPS (Rs)	98.4	93.3	104.0	117.8	134.2
Net Debt/Equity (x)	0.1	0.3	0.3	0.1	-
Net Debt/EBITDA (x)	0.2	1.2	0.8	0.4	0.1
Interest coverage (x)	5.4	4.3	5.7	7.4	9.0
RoCE (%)	14.2	12.4	15.7	18.3	19.6

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
PBT (ex-other income)	2,278	1,974	2,801	3,611	4,284
Others (non-cash items)	(477)	(184)	0	0	0
Taxes paid	(789)	(836)	(835)	(1,076)	(1,277)
Change in NWC	(67)	(925)	(874)	(767)	(725)
Operating cash flow	2,492	1,847	3,082	3,832	4,428
Capital expenditure	(910)	(1,103)	(1,500)	(1,250)	(1,250)
Acquisition of business	-	-	-	-	-
Interest & dividend income	4	3	0	0	0
Investing cash flow	(1,120)	770	(2,000)	(1,550)	(2,050)
Equity raised/(repaid)	-	(1,386)	0	0	0
Debt raised/(repaid)	(235)	114	(260)	(597)	16
Payment of lease liabilities	0	0	0	0	0
Interest paid	(518)	(595)	(597)	(565)	(536)
Dividend paid (incl tax)	(311)	(361)	(411)	(628)	(810)
Others	(154)	(279)	0	0	0
Financing cash flow	(1,217)	(2,507)	(1,268)	(1,790)	(1,330)
Net chg in Cash	155	110	(186)	491	1,048
OCF	2,492	1,847	3,082	3,832	4,428
Adj. OCF (w/o NWC chg.)	2,559	2,773	3,956	4,598	5,153
FCFF	1,582	745	1,582	2,582	3,178
FCFE	1,073	144	986	2,017	2,642
OCF/EBITDA (%)	77.2	55.4	72.2	75.0	76.1
FCFE/PAT (%)	64.1	14.5	47.0	74.7	82.4
FCFF/NOPLAT (%)	98.3	70.0	73.6	95.7	100.9

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	36.6	61.0	28.9	22.4	18.9
P/CE(x)	22.6	27.4	17.4	14.4	12.6
P/B (x)	4.5	4.7	4.2	3.7	3.3
EV/Sales (x)	2.1	1.9	1.7	1.6	1.5
EV/EBITDA (x)	19.2	18.6	14.5	12.1	10.6
EV/EBIT(x)	28.2	29.3	21.5	17.2	14.7
EV/IC (x)	4.2	3.7	3.5	3.5	3.4
FCFF yield (%)	2.6	1.2	2.6	4.2	5.1
FCFE yield (%)	1.8	0.2	1.6	3.3	4.4
Dividend yield (%)	0.6	0.7	1.0	1.3	1.6
DuPont-RoE split					
Net profit margin (%)	5.8	3.0	5.8	6.8	7.5
Total asset turnover (x)	1.4	1.5	1.6	1.7	1.7
Assets/Equity (x)	1.6	1.6	1.6	1.5	1.4
RoE (%)	12.9	7.5	15.5	17.8	18.5
DuPont-RoIC					
NOPLAT margin (%)	5.6	3.2	5.9	6.8	7.4
IC turnover (x)	2.0	2.1	2.1	2.2	2.4
RoIC (%)	11.3	6.8	12.5	15.2	17.5
Operating metrics					
Core NWC days	76.7	74.2	73.0	72.2	71.8
Total NWC days	76.7	74.2	73.0	72.2	71.8
Fixed asset turnover	2.3	2.2	2.2	2.2	2.2
Opex-to-revenue (%)	30.2	33.0	33.5	33.2	33.6

Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
13-Jul-25	448	550	Buy	Chirag Jain
30-May-25	419	450	Add	Chirag Jain
16-Apr-25	397	450	Add	Chirag Jain
13-Feb-25	418	450	Add	Chirag Jain
10-Jan-25	429	400	Sell	Chirag Jain
12-Nov-24	486	400	Sell	Chirag Jain
19-Aug-24	583	725	Buy	Chirag Jain
12-Jun-24	498	610	Buy	Chirag Jain
30-May-24	438	540	Buy	Chirag Jain
15-Feb-24	385	420	Add	Chirag Jain
11-Jan-24	404	450	Add	Chirag Jain
30-Nov-23	381	460	Buy	Chirag Jain
12-Nov-23	372	460	Buy	Chirag Jain

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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