Sector: Auto Components & Equip. **RESULT REVIEW Q1FY27** **Declared On: 11 Aug 2026**

Sandhar Technologies Limited

RECOMMENDATION SNAPSHOT				
*CMP	MCap (Rsbn)	Recommendation	Target	Potential Upside
Rs632	38	Accumulate	Rs770	22%

**as on 18th Aug, 2026*

About the Company:

Sandhar Technologies Limited (STL) is a component supplier catering to automotive OEMs, with focus on safety and security systems of vehicles with pan India presence and an established international footprint. The company commands a major share in the 2W segment and also the cabin and fabrication (excavator) segment for Off Highway Vehicles. STL has been witnessing faster growth compared to the user industry and is also one of the two largest manufacturers of operator cabins in India, and the largest player in the excavator cabins market. The business involves designing and manufacturing a diverse range of automotive components, parts and systems, driven by technology, process, people and governance. STL manufactures around 21 categories of products including the ones through subsidiaries and JVs. Over the last thirty years, STL has grown into a renowned global manufacturer of advanced products and solutions. Operating state-of-the-art facilities in Romania, Poland, Mexico, and Spain, and engaging in strategic collaborations in Japan, South Korea, and Taiwan, these international presence enables the company to provide cutting-edge automotive solutions worldwide. Mr. Jayant Davar is the co-Chairman & Managing Director.

Results: Quick Glance:

- The net sales reported a growth of 26.8% to Rs13.82bn as compared to Rs10.90bn in the same quarter last year
- The Ebitda margins for the quarter stood at 7.6% as compared to 7.5% in the comparative quarter last year
- The company reported profit of Rs0.37bn as compared to Rs0.28bn in the same quarter last year
- The EPS for the quarter stood at Rs6.19 as compared to Rs4.65 in the corresponding period of last year

Other Highlights:

- As per market reports, the **auto segment** reported overall sales of 93.6 lakh units sold, up by 22% y-o-y. For the PV segment the production stood at 14.5 lakh units, growth of 17%, 2W grew by 23% with 72.5 lakh units, 3W grew by 39% at 3.6 lakh units and CV grew by 16% at 3 lakh units. Strong production growth was led by lower GST rates, improved refinancing, momentum supported demand, calibrated approach by OEMs to pass costs to customers, capacity expansion plans across vehicle segment which are adding to the opportunities for component manufacturers
- On the **JV performance**, the company continues to review the strategy and is consolidating to focus on the core business
- The **EV segment** is on track expected to double revenues in FY27E. For FY26, there were 41k battery control chargers and 5.5k motor units were sold
- The existing business of **India operations** reported growth of 29.3% y-o-y compared to industry growth of 22%. The Ebitda margins stood at 9.1% for Q1FY27
- In terms of **new businesses**, the overall investment stands at Rs3,410mn with Rs1300mn revenues generated in Q1FY27. At the PBT level the loss is Rs74.1mn. This investment is expected to generate 2.5x in FY27E (target of Rs7,000-7,500mn). Categorically, the sheet metal business has matured, capex is largely done and has started showing results with better growth expected from FY28E onwards. The phase 1 has started with phase-2 expected to start from Mar'27. For the loss-making unit of Sundaram Clayton, turnaround is expected from Q4 onwards; however, PBT level losses to continue for the year. The Pune fabrication unit is expected to turnaround from Q3 onwards. EV segment would turnaround from FY28E, revenues to double but losses to still be there. Romania is expected to breakeven on the profitability mode from FY28E onwards
- For Q1FY27, the **overseas business** revenue de-grew by 7.5% in EUR terms to EUR11.71mn and PBT was loss of EUR0.37mn. But the positive was that the Ebitda has doubled compared to Q1FY26, indicating gradual operational efficiency kicking in
- Efforts are being put in for more efficient deployment of resources and cut down in cost. The company is aggressively working on expanding the new customer base and wallet share with the existing customers
- **Category wise** the revenue break up for Q1FY27 has 2W: 69.5%, PV: 11.5%, OHV: 10.6% and others: 8.4%
- With regard to the **new projects**; for the ADC new plant in Hosur (HPDC & LPDC) which is one of the largest casting business facilities in Sandhar, the phase-1 is expected to start by the end of Aug'26. The sheet metal fabricated parts plant (Chennai) phase-1 has started

Other Highlights (contd.):

- **Smart lock system:** STL is the first one for mass adoption of Smart locks as a premium product; catering to two largest/key players (received orders from Honda and Suzuki) of this market. It is the adoption of smart locks that decides the growth of the segment which has been slow due to higher prices. Around 5,000 locks are sold per month and the volume has been increasing on monthly basis
- The subsidiary of the company, Sandhar Ascast Pvt. Ltd; has acquired the high pressure and low-pressure aluminium die casting businesses of **Sundaram-Clayton Ltd** on a slump sale basis. Sundaram Clayton has clocked revenues of Rs3,690mn in FY26 (Q1: Rs950mn; Q2: Rs1,025mn; Q3: Rs825mn, Q4: Rs890mn). There has been pressure witnessed on the margins due to lower capacity utilization and operations from different premises and is expected to turnaround from Q3FY27 onwards

Financials:

Performance (Q1FY27)							
Q1FY27 Result (Rs mn)	**Jun-26**	**Jun-25**	**y-o-y**	**Mar-26**	**q-o-q**	**FY26**	**FY27E**
Total Revenue	13819	10901	26.8%	13070	5.7%	48521	55526
EBITDA	1052	824	27.7%	1290	(18.5%)	4376	4664
Other Income	121	194	(37.5%)	159	(23.5%)	754	480
Interest	177	172	2.7%	177	-	688	712
Depreciation	499	502	(0.7%)	500	(0.4%)	1934	1977
Exceptional Items	0	0	-	0	-	(28)	0
Tax	139	83	67.0%	152	(8.8%)	571	565
Net Profit after share of associates	**373**	**280**	**33.1%**	**638**	**(41.6%)**	**1987**	**1944**

Outlook and Recommendations:

The company has reported revenue the highest ever quarterly revenues with growth of 26.8% y-o-y. The margins have come in lower at 7.61% for the quarter; impacted by new project losses and energy/wage costs (minimum wages impact of Rs58.4mn in Haryana and Uttarakhand and energy cost impact of Rs75mn). The PAT reported growth of 33.1% y-o-y. The results have been tepid on a q-o-q comparison. India operations reported growth of 29.3% y-o-y. In terms of the new businesses the overall investment stands at Rs3410mn with revenues of Rs1300mn in Q1FY27. At the PBT level the losses stand at Rs74.1mn. The **standalone** results showed mixed trends with revenue decline of 8.54% y-o-y to Rs6659.6mn from Rs7281.2mn, largely due to the restructuring of castings and sheet metal businesses into wholly owned subsidiaries during FY26. The net profit grew 20.46% y-o-y, supported by a higher Ebitda margin of 9.57% compared to 9.05% in the prior year. **India operations** contributed Rs12531.2mn to the consolidated revenues, representing 90.7% of the total revenues. The **overseas subsidiaries** reported a drop of 7.5% y-o-y in the revenues to EUR11.71mn and PBT loss of EUR0.37mn. However, more than doubling of Ebitda (EUR1.32mn vs. EUR0.52mn in Q1FY26) signals the operational improvements. The **revenue breakup** by product category shows Aluminum Die Casting (ADC) as the largest contributor at 34.4%, followed by Sheet Metal at 18.6% and Locking Systems at 17.2%. Two-wheeler (2W) applications accounted for 69.5% of total revenue, maintaining its dominance over PVs (11.5%) and off-highway vehicles (10.6%). In terms of **expanding** the manufacturing footprint, one of the largest casting facilities of the company would have the ph-1 for **ADC** expected to start at the end of Aug '26. The **Sheet metal fabricated** parts ph-1 of the facility in Chennai has commenced operations. The company has increased its focus on robotization and high-tonnage **HPDC casting machines** (1250T capacity). The divergence between consolidated revenue growth (+26.77%) and standalone revenue decline (-8.54%) highlights the successful integration of subsidiaries post-restructuring. The significant margin contraction in consolidated Ebitda despite robust volume growth indicates that the current phase is capital-intensive, with new projects absorbing margins before reaching scale. The overseas segment's ability to double its Ebitda despite flat revenue suggests improving operational leverage in international markets.

Romania is expected to breakeven on the profitability mode from FY28E onwards. For the loss-making unit of Sundaram Clayton, the last update was a turnaround expected from Q3 onwards; however, PBT level losses continued for the year. One of the visible moves by the Management is the categorization of the different segments of aluminium casting, sheet metals, auto proprietary business and construction equipment which are developing into standalone business entities.

Outlook and Recommendations (contd.):

The company is well positioned to capitalize on the strong outlook for the auto sector, driven by enhanced product offerings, increase in SOB with existing customers and new customer acquisitions. The company has a well-spread portfolio across die casting, sheet metal, vision systems and locking systems that provides structurally diversified growth and revenue resilience. The company has announced it is exploring opportunities in the field of vehicle telematics, wheel speed sensors, instrument clusters, electronics domain and similar latest technologically advanced products and will form a technology agreement or JV for these offerings. With Management guiding for calibrated capex spend (5-7% of the yearly revenues); going forward, scheduled debt repayments and healthy cash flow generation (~10% CFO), the debt is expected to reduce going forward. With the target of doubling revenues every 3-4 years; if by 2030 the company stands at Rs100bn then the PAT would range around Rs4,500mn to get to the peak RoCE of 20%. The company has a strong clientele base across OEMs in different segments of 2W/4W/CVs/OHVs and EVs, holding on to the strong potential of growth from the existing as well as new addition of customers. It is present across the different levels of the automotive component critical value chain, providing products and services that range from product design and prototyping to tool manufacturing, assembly, as well as production of integrated components. The key triggers going ahead would be ramp-up of the new facilities, margin expansion, pick-up in smart locks business, turnaround in JV/ subsidiaries. The focus will remain on enhancing operational efficiency, improving margins, generating free cash flow and improving return on capital employed. We maintain accumulate on the stock for a target of Rs770.

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