

Amber Enterprises

Foray into mobile manufacturing space

Amber has announced entry into mobile manufacturing. The company has entered into an agreement with OPPO India, the licensed manufacturer of mobile phones for the OPPO, OnePlus, and Realme brands, for mobile phone manufacturing in India. The company plans to combine OPPO's global product expertise with its India manufacturing scale, operational capabilities, and strengths in enhancing local value addition. It highlighted that manufacturing will be undertaken at an existing OPPO India facility under a sub-lease arrangement, with dedicated lines and exclusivity, thereby minimizing incremental capex requirements. Trial production is targeted by Q4FY27, with commercial production expected to commence by Q1FY28. Initial volumes are guided at ~8mn units in FY28, with a planned ramp-up to 13–15mn units in FY29. Thereafter, the company intends to onboard additional brands to further scale operations. The company expects this collaboration to operate at an EBITDAM of ~1.5–2%. Margins are likely to improve over time, driven by operating leverage and increasing localization. We view the company's foray into mobile manufacturing as a positive development for Amber, as it is expected to accelerate growth, materially expand its addressable market, diversify revenue streams, and reduce dependence on the seasonally skewed summer period. Factoring in this development, along with the acquisition of an additional 37.5% stake in Ascent Circuits, we broadly maintain our FY27E estimates, while increasing our FY28E revenue/APAT estimates by 49/11%, respectively. Accordingly, we revise our target price upward to INR 8,250/share, based on a DCF valuation (WACC: 12%, terminal growth: 5%), implying ~45x P/E on Mar-28E EPS. We maintain our REDUCE rating.

- Entry into mobile manufacturing:** The company has entered into an agreement with OPPO India, the licensed manufacturer of mobile phones for the OPPO, OnePlus, and Realme brands, for mobile phone manufacturing in India. OPPO India has reported revenue of INR 320bn in FY25. Amber plans to combine OPPO's global product expertise with its India manufacturing scale, operational capabilities, and strengths in enhancing local value addition. In CY25, the Indian mobile phone market stood at 152mn units. OPPO held a 13.3% market share (20.2mn units), Realme 10% (15.2mn units), and OnePlus 2.4% (3.6mn units), aggregating to a combined ~25.7% share (39mn units).
- Key agreement highlights:** The company highlighted that manufacturing will be undertaken at an existing OPPO India facility under a sub-lease arrangement, with dedicated lines and exclusivity, thereby minimizing incremental capex requirements (INR 0.5bn). Trial production is targeted by Q4FY27, with commercial production expected to commence from Q1FY28. Initial volumes are guided at ~8mn units for FY28, with a planned ramp-up to at least 13-15mn units in FY19. Thereafter, the company intends to onboard additional brands to further scale operations.
- Margin profile:** The company expects this collaboration to operate at an EBITDAM of ~1.5–2% initially. Margins are likely to improve over time, led by operating leverage and increasing localization. The company plans a phased manufacturing approach, starting with assembly and SMT, followed by the addition of HDI PCBs in year 2 and progressive backward integration into components. It is aiming for ~35–40% local value addition over the next 5–6 years, compared to the current industry level of ~10–12%, which is largely assembly-driven.

REDUCE

CMP (as on 22 Jun 2026)	INR 7,907
Target Price	INR 8,250
NIFTY	24,103

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 7,580	INR 8,250
	FY27E	FY28E
EPS %	-1.3	11.4

KEY STOCK DATA

Bloomberg code	AMBER IN
No. of Shares (mn)	35
MCap (INR bn) / (\$ mn)	278/2,941
6m avg traded value (INR mn)	2,315
52 Week high / low	INR 8,974/5,401

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	2.2	11.0	27.2
Relative (%)	8.9	19.8	32.2

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	38.19	38.17
FIs & Local MFs	23.86	27.92
FPIs	26.98	23.96
Public & Others	10.97	9.95
Pl edged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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- Acquisition of additional stake in Ascent Circuits:** Amber, through its subsidiary ILJIN Electronics, has entered into an agreement to acquire an additional 38.5% stake in Ascent Circuits, increasing its ownership to 98.5%. The transaction is valued at INR 3.36bn. Ascent Circuits is engaged in the manufacturing of PCBs and caters to marquee customers such as ISRO, BEL, and BHEL, along with clients across automotive, telecom, and consumer electronics segments (both multinational and domestic). The company has a diversified presence across sectors including Aerospace & Defense, Medical, Energy Solutions, Automotive, Telecom, Data Centers, Consumer Electronics, IT, and Lighting.
- Outlook and valuation:** We view the company's foray into mobile manufacturing as a positive development for Amber, as it is expected to accelerate growth, materially expand its addressable market, diversify revenue streams, and reduce dependence on the seasonally skewed summer period. Factoring in this development, along with the acquisition of an additional 37.5% stake in Ascent Circuits, we broadly maintain our FY27E estimates, while increasing our FY28E revenue/APAT estimates by 49/11%, respectively. Accordingly, we revise our target price upward to INR 8,250/share, based on a DCF valuation (WACC: 12%, terminal growth: 5%), implying ~45x P/E on Mar-28E EPS. We maintain our REDUCE rating.

Financial summary (INR mn)

Year Ending March	FY23	FY24	FY25	FY26	FY27E	FY28E
Net Sales	69,271	67,293	99,730	1,21,865	1,56,717	2,77,960
EBITDA	4,179	4,919	7,634	9,523	11,938	16,414
APAT	1,572	1,329	2,436	2,069	4,008	6,554
Diluted EPS (Rs)	46.7	39.4	72.0	58.8	113.9	186.2
P/E (x)	169.3	200.3	109.7	134.4	69.4	42.4
EV / EBITDA (x)	65.1	55.4	36.4	31.1	24.0	17.2
RoE (%)	8.6	6.7	11.2	6.2	8.8	12.8

Source: Company, HSIE Research

Estimates revision summary

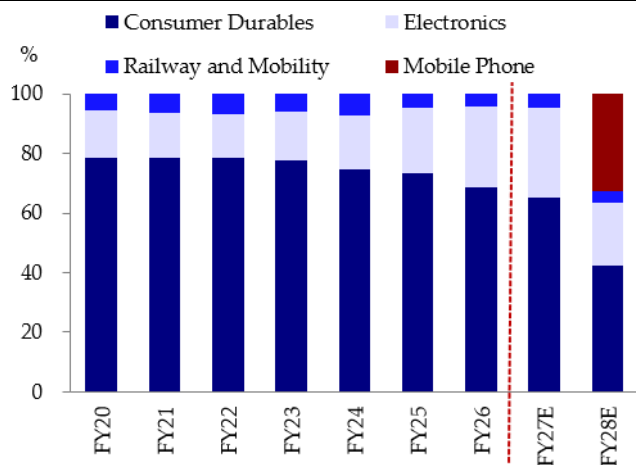
We largely retain our FY27E forecasts, while revising FY28E revenue and APAT upward by 49% and 11%, respectively, to incorporate the Oppo mobile manufacturing business.

INR mn	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Net Sales	1,56,717	1,56,717	-	1,86,960	2,77,960	48.7
EBITDA	11,938	11,938	-	15,413	16,414	6.5
APAT	4,059	4,008	-1.3	5,881	6,554	11.4

Source: Company, HSIE Research

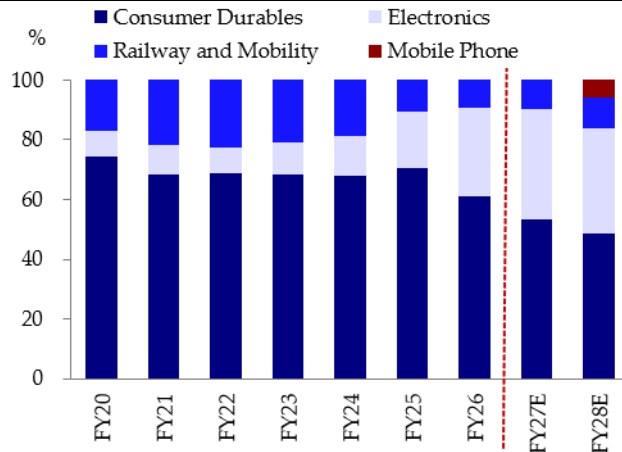
Amber Enterprises: Company Update

Contribution from the mobile phone segment to start in FY28, expect to contribute 1/3rd to the revenue mix



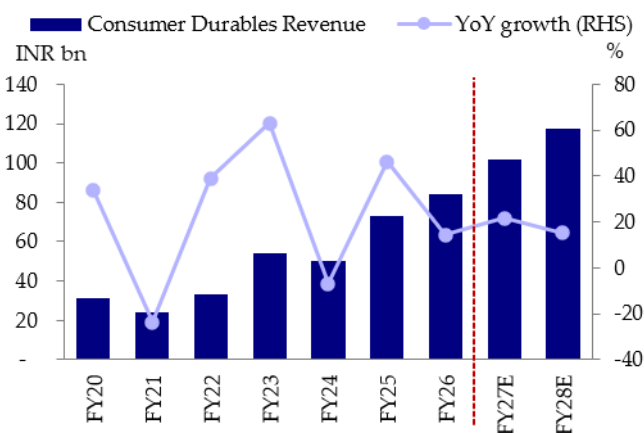
Source: Company, HSIE Research

However, EBITDA mix will largely be contributed by consumer durables and electronics segment



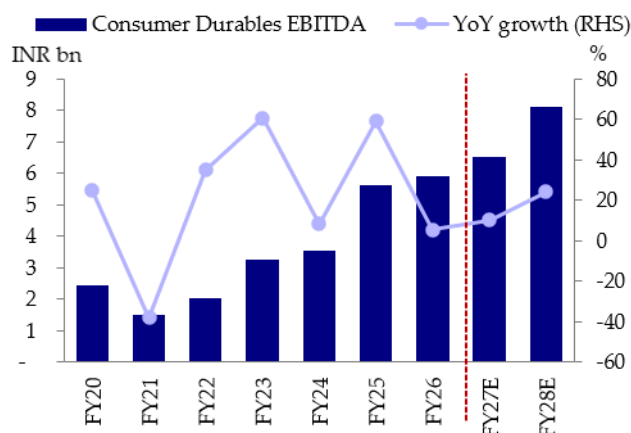
Source: Company, HSIE Research

Consumer durables revenue is expected to grow at an 18% CAGR over FY26–28E....



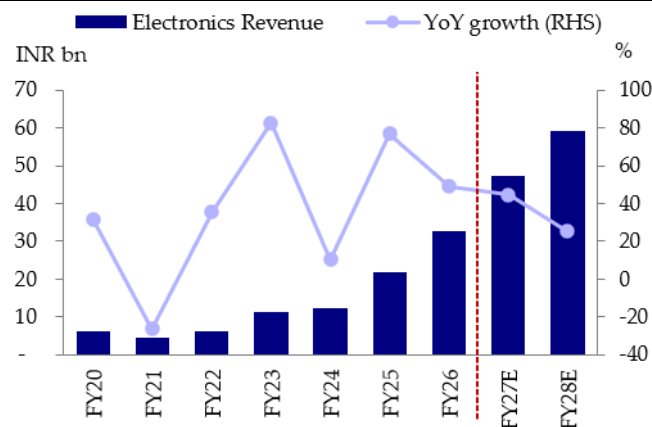
Source: Company, HSIE Research

...while division EBITDA to grow at 17% CAGR over the same period



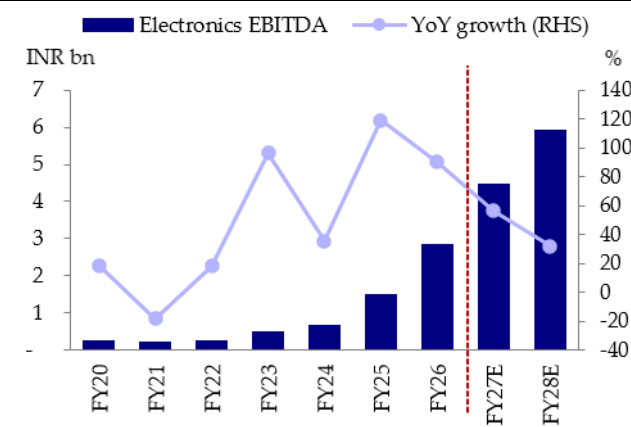
Source: Company, HSIE Research

We expect electronics division revenue to grow 35% CAGR over the FY26-28E...



Source: Company, HSIE Research

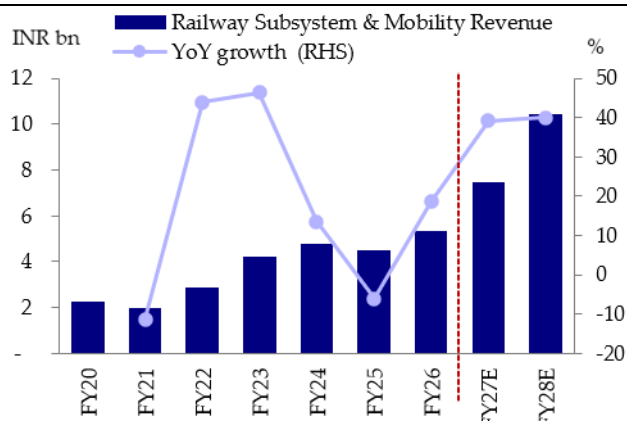
...while division EBITDA to grow robust 44% CAGR over the same period, aided by improving business mix



Source: Company, HSIE Research

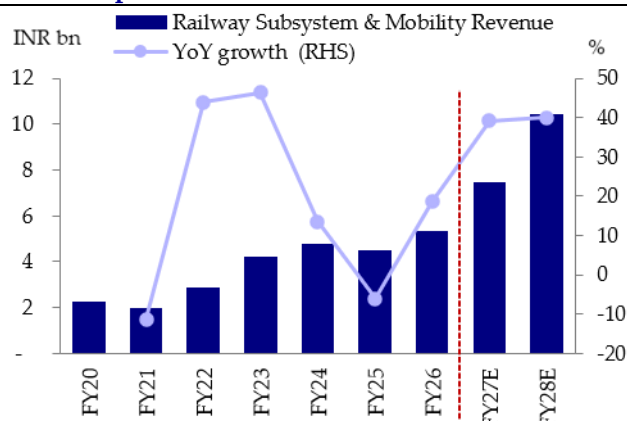
Amber Enterprises: Company Update

We expect railway and mobility division revenue to clock 40% CAGR over the FY25-28E...



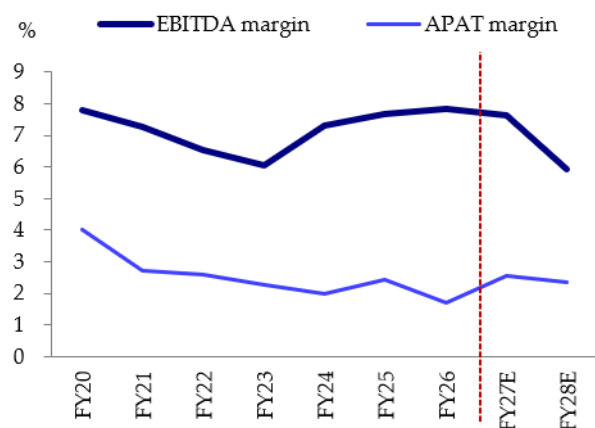
Source: Company, HSIE Research

...while division EBITDA to grow 36% CAGR over the same period



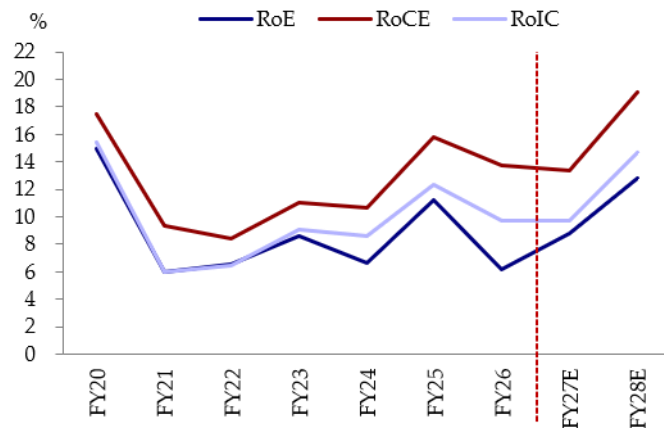
Source: Company, HSIE Research

Margins are expected to decline owing to increased contribution from low margin mobile business



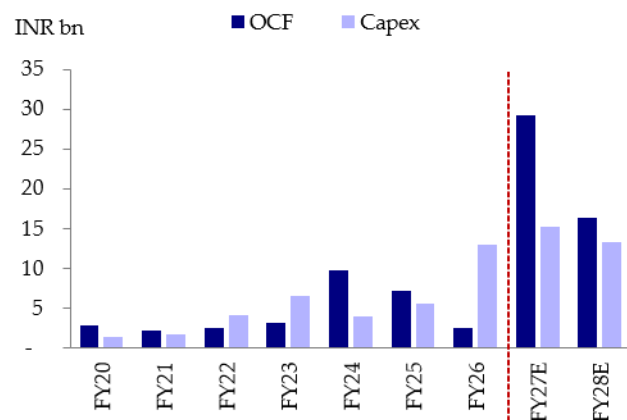
Source: Company, HSIE Research

Past volatility in return ratios led by RAC dependence; diversification to smoothen returns



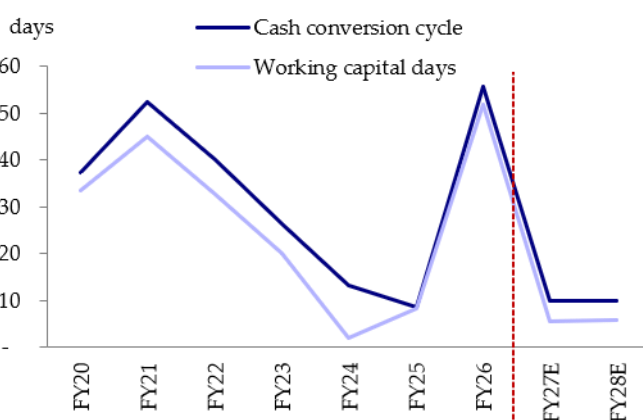
Source: Company, HSIE Research

Improving profitability to drive OCF growth; capex intensity to ramp up for PCB expansion and acquisitions



Source: Company, HSIE Research

Both working capital and cash conversion cycle are expected to reduce



Source: Company, HSIE Research

Consolidated Income Statement

Year end march (INR mn)	FY23	FY24	FY25	FY26	FY27E	FY28E
Net Revenues	69,271	67,293	99,730	1,21,865	1,56,717	2,77,960
Growth (%)	64.7	(2.9)	48.2	22.2	28.6	77.4
Material Expenses	58,678	54,999	81,856	99,478	1,27,881	2,36,266
Employee Expense	2,116	2,572	3,246	4,593	5,642	8,339
Other Expenses	4,298	4,802	6,995	8,271	11,256	16,941
EBITDA	4,179	4,919	7,634	9,523	11,938	16,414
EBITDA Growth (%)	51.8	17.7	55.2	24.7	25.4	37.5
EBITDA Margin (%)	6.0	7.3	7.7	7.8	7.6	5.9
Depreciation	1,391	1,865	2,283	3,226	4,250	5,076
EBIT	2,788	3,054	5,351	6,298	7,688	11,339
Other Income (Including EO Items)	527	553	736	1,202	961	865
Interest	1,118	1,670	2,087	2,844	2,003	1,904
PBT	2,197	1,937	3,999	4,655	6,646	10,300
Total Tax	559	519	1,188	1,198	1,662	2,575
Profit before JV/Associates/NCI	1,638	1,418	2,811	3,458	4,985	7,725
Share of JV/Associates	-	-23	-300	-900	-	-
Non-controlling Interest	66	66	76	488	976	1,171
Exceptional Gain/ (loss)	-	-	-	-293	-	-
RPAT	1,572	1,329	2,436	1,776	4,008	6,554
Adjusted PAT	1,572	1,329	2,436	2,069	4,008	6,554
APAT Growth (%)	44.0	(15.5)	83.3	(15.0)	93.7	63.5
EPS	46.7	39.4	72.0	58.8	113.9	186.2
EPS Growth (%)	44.0	(15.5)	82.6	(18.3)	93.7	63.5

Source: Company, HSIE Research

Consolidated Balance Sheet

Year end march (INR mn)	FY23	FY24	FY25	FY26	FY27E	FY28E
SOURCES OF FUNDS						
Share Capital - Equity	337	337	338	352	352	352
Other Equity	18,751	20,307	22,520	43,369	47,378	53,931
Total Shareholders' Funds	19,088	20,644	22,858	43,721	47,730	54,283
NCI	452	518	245	14,295	11,911	13,082
Long Term Debt	5,766	6,675	9,592	8,608	8,608	6,608
Short Term Debt	7,671	7,657	9,809	14,451	6,451	4,451
Total Debt	13,437	14,332	19,400	23,059	15,059	11,059
Net Deferred Taxes	947	1,348	1,749	2,924	2,957	3,009
Other Non-Current Liabilities	1,661	3,865	4,257	11,032	14,096	24,817
TOTAL SOURCES OF FUNDS	35,586	40,706	48,510	95,032	91,753	1,06,251
APPLICATION OF FUNDS						
Net Block	16,166	19,252	20,824	26,798	40,709	49,842
Goodwill	1,425	3,609	3,609	16,781	16,781	16,781
CWIP	503	908	1,977	7,464	3,000	3,000
Intangible assets	2,899	3,724	3,950	7,726	9,638	9,075
Right of Use Assets	1,725	1,667	1,858	5,023	5,249	5,497
Non-Current Investments	23	1,109	1,345	373	373	373
Other Non-Current Assets	1,296	2,073	4,223	8,933	7,612	10,784
Total Non-current Assets	24,038	32,342	37,785	73,097	83,362	95,352
Current-Investments	1,912	1,064	1,170	5	1,005	1,005
Inventories	10,913	8,408	16,551	24,520	25,762	45,692
Debtors	17,631	15,693	17,501	22,463	27,909	49,500
Cash & Equivalents	5,594	6,913	7,268	4,656	4,954	5,383
Other Current Assets	2,315	1,481	3,991	12,853	16,281	28,832
Total Current Assets	38,365	33,559	46,480	64,497	75,910	1,30,411
Creditors	23,039	21,671	31,703	28,385	49,377	87,576
Other Current Liabilities & Provsns	3,778	3,525	4,051	14,176	18,142	31,937
Total Current Liabilities	26,817	25,196	35,755	42,562	67,519	1,19,513
Net Current Assets	11,548	8,364	10,725	21,935	8,391	10,898
Total APPLICATION OF FUNDS	35,586	40,706	48,510	95,032	91,753	1,06,251

Source: Company, HSIE Research

Consolidated Cash Flow

Year end march (INR mn)	FY23	FY24	FY25	FY26	FY27E	FY28E
Reported PBT	2,197	1,913	3,700	3,364	6,646	10,300
Non-operating & EO Items	(379)	(371)	(523)	(10)	3,295	3,992
Interest Expenses	1,118	1,670	2,087	2,844	2,003	1,904
Depreciation	1,391	1,865	2,283	3,226	4,250	5,076
Working Capital Change	(582)	5,032	272	(6,999)	14,745	(2,446)
Tax Paid	(539)	(461)	(710)	(24)	(1,662)	(2,575)
OPERATING CASH FLOW (a)	3,206	9,648	7,109	2,402	29,278	16,251
Capex	(6,535)	(3,977)	(5,556)	(12,881)	(15,250)	(13,250)
Free Cash Flow (FCF)	(3,329)	5,671	1,553	(10,479)	14,028	3,001
Investments	1,337	(2,609)	(2,580)	(17,228)	(1,000)	-
Non-operating Income	310	401	454	704	119	120
Others	-	(4,161)	(1,848)	(1,335)	(3,360)	-
INVESTING CASH FLOW (b)	(4,888)	(10,345)	(9,529)	(30,740)	(19,491)	(13,130)
Debt Issuance/(Repaid)	3,120	589	5,067	2,287	(8,000)	(4,000)
Interest Expenses	(1,097)	(1,567)	(1,970)	(2,637)	(2,003)	(1,904)
FCFE	(1,306)	4,693	4,650	(10,829)	4,025	(2,903)
Share Capital Issuance	-	-	353	10,162	-	-
Dividend	-	-	-	-	-	-
Others	(96)	(238)	(221)	17,014	515	3,212
FINANCING CASH FLOW (c)	1,928	(1,216)	3,229	26,826	(9,488)	(2,692)
NET CASH FLOW (a+b+c)	246	(1,913)	809	(1,512)	298	429
Closing Cash & Equivalents	3,232	1,319	2,128	2,313	2,612	3,041

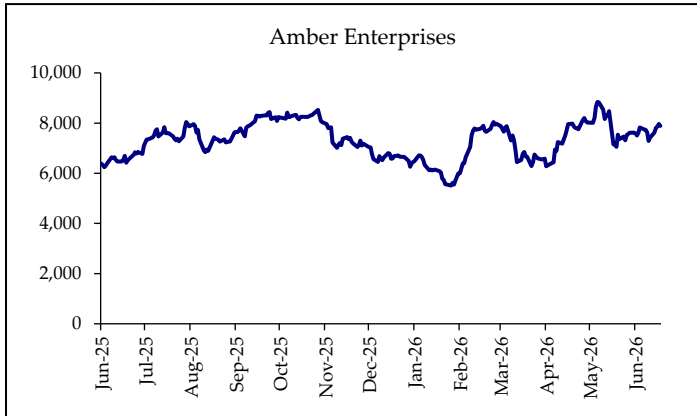
Source: Company, HSIE Research

Key Ratios

Year end march	FY23	FY24	FY25	FY26	FY27E	FY28E
PROFITABILITY (%)						
GPM	15.3	18.3	17.9	18.4	18.4	15.0
EBITDA Margin (%)	6.0	7.3	7.7	7.8	7.6	5.9
EBIT Margin	4.0	4.5	5.4	5.2	4.9	4.1
PBT Margin	3.2	2.9	4.0	3.8	4.2	3.7
APAT Margin	2.3	2.0	2.4	1.7	2.6	2.4
RoE	8.6	6.7	11.2	6.2	8.8	12.8
RoIC (or Core RoCE)	9.1	8.6	12.4	9.8	9.7	14.7
RoCE	11.0	10.7	15.8	13.8	13.4	19.0
EFFICIENCY						
Tax Rate (%)	25.4	26.8	29.7	25.7	25.0	25.0
Fixed Asset Turnover (x)	4.0	2.9	3.7	3.7	3.5	4.6
Inventory (days)	51	46	61	73	60	60
Debtors (days)	81	85	64	67	65	65
Other Current Assets (days)	10	8	15	38	38	38
Payables (days)	106	118	116	85	115	115
Other Current Liab & Provns (days)	16	19	15	42	42	42
Cash Conversion Cycle (days)	26	13	9	56	10	10
Working capital (days)	20	2	8	52	6	6
Net D/E (x)	0.4	0.4	0.5	0.4	0.2	0.1
Interest Coverage (x)	2.5	1.8	2.6	2.2	3.8	6.0
PER SHARE DATA (Rs)						
EPS	46.7	39.4	72.0	58.8	113.9	186.2
CEPS	87.9	94.8	139.5	150.5	234.7	330.4
Book Value	567	613	676	1,242	1,356	1,542
VALUATION						
P/E (x)	169.3	200.3	109.7	134.4	69.4	42.4
P/BV (x)	13.9	12.9	11.7	6.4	5.8	5.1
EV/EBITDA (x)	65.1	55.4	36.4	31.1	24.0	17.2
EV/Revenues (x)	3.9	4.1	2.8	2.4	1.8	1.0
OCF/EV (%)	1.2	3.5	2.6	0.8	10.2	5.7
FCF/EV (%)	(1.2)	2.1	0.6	(3.5)	4.9	1.1
FCFE/Mkt Cap (%)	(0.5)	1.8	1.7	(3.9)	1.4	(1.0)

Source: Company, HSIE Research

Price History



Rating Criteria

- BUY: >+15% return potential
- ADD: +5% to +15% return potential
- REDUCE: -10% to +5% return potential
- SELL: >10% Downside return potential

Disclosure:

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