Sansera Engineering Ltd

Q1FY27 - Result Update
14th August 2026

Non-ICE segment to drive growth; capex benefits to reflect ahead

CMP: INR 3,796
Rating: HOLD
Target Price: INR 4,201

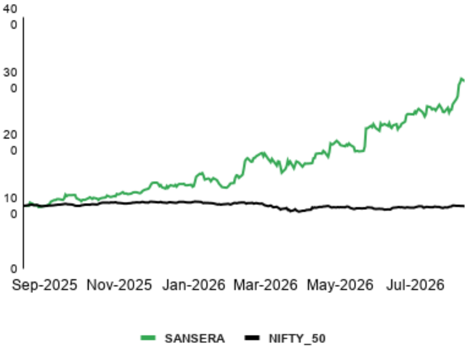
Stock Info	
BSE	543358
NSE	SANSERA
Bloomberg	SANSERA IN
Sector	Automobile & Ancillaries
Face Value (INR)	2
Equity Capital (INR Mn)	124
Mkt Cap (INR Bn)	192
52w H/L (INR)	4020/1241

Shareholding Pattern %
(As on June, 2026)

Promoters	28.21
DIIs	31.04
FIIs	21.52
Others	19.23

Stock Performance (%)	1m	6m	12m
Sansera	23.3	83.7	212.1
Nifty	1.1	-5.3	-1.3

Sansera Vs Nifty



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Sansera Engineering Ltd(SEL) reported Q1FY27 numbers revenue stood at INR 10,213 Mn (+33% YoY/2% QoQ); above our estimate of INR 9,521 Mn. EBITDA for the quarter stood at INR 1,961 Mn (+48% YoY/+2% QoQ); above our estimate of INR 1,702 Mn. EBITDA margin stood at 19.2% (+196bps YoY/-12bps QoQ) above our estimate of 17.9%.PAT stood at INR 874 Mn (+40% YoY/-28% QoQ); below our estimate of INR 900 Mn. PAT Margin reported at 8.6% below our estimate of 9.5% (+44bps YoY/-360bps QoQ).

Investment Rationale

Order Pipeline Provides Revenue Visibility: SEL's unexecuted 5-year ADS (Aerospace, Defence & Semiconductor) order book increased from INR 44,400 Mn to INR 57,500 Mn in Q1FY27, while a new semiconductor order is expected to take annual business with an existing customer to ~USD 75mn. Ex-ADS, the company has an order pipeline equivalent to INR 18,490 Mn of peak annual revenue, with 55% from international markets. We believe order execution should support revenue growth over the medium term, with execution pace remaining a key monitorable.

ADS Mix to Support Margin Expansion: SEL is reducing its dependence on Auto-ICE, with management targeting a long-term revenue mix of 60% Auto-ICE, 20% non-auto and 20% xEV/technology-agnostic businesses. The increasing ADS contribution should support consolidated margins, given the segment's targeted 25-30% EBITDA margin at scale viz the current consolidated margin of 19.2%. We continue to believe margin expansion will depend on the pace of ADS scale-up and ordering activity of Non-Auto segment.

Capex to Support Order Execution: SEL plans for a capex of INR ~5,000 Mn in FY27 across forging, machining and ADS facilities. The 80,000 sqft Aero/SEM hangar, surface-treatment facility and additional crankshaft and connecting-rod capacity should support execution of the growing order pipeline. Further, the 60:40 Nichidai JV will further expand orders in cold- and warm-forged precision components and increase exposure to technology-agnostic applications. Capacity expansion remains critical given the expanding order pipeline.

Auto Business: Longstanding OEM relationships with Maruti Suzuki, TVS and Yamaha continue to support the base business, while ADS provides an incremental growth driver. Going forward, earnings will be driven by ADS order execution, capacity additions and the increasing contribution of higher-margin businesses.

Outlook and valuation

We project revenue of INR 50,271 Mn/INR 61,250 Mn with EBITDA margins of 19.4%/20.3% in FY28E/FY29E. EBITDA margin for Q1FY27 reported at 19.2% (viz 17.2% YoY) primarily on the back of an increasing ADS mix. Our medium-long term outlook remains positive, driven by rapid scaling of the ADS segment, which grew 269% YoY in Q1FY27 to INR 1,454 Mn. Growth visibility is supported by an unexecuted ADS backlog of INR 57,500 Mn, executable over ~5 years, alongside management's FY27 ADS revenue guidance of INR 5,500-6,000 Mn. We expect margin expansion going forward as the share of high-margin ADS and non-ICE businesses increases. Capacity additions including the 45,000 sqft defence plant, Pantnagar Plant 16 and the Nichidai JV further strengthen the company's positioning in precision-engineered and tech-agnostic components. Despite elevated CapEx to support future growth, the balance sheet remains comfortable with net debt/equity at ~0.7x, with asset turn for ADS being 2-2.2 times. Overall, order visibility, improving business mix and order execution across high-growth segments support healthy earnings trajectory. We value SEL at 37x FY29E EPS of ~INR 113.5, implying a target price of INR 4,201 and revise our rating to Hold.

Exhibit 2 Financial Snapshot

YE March (INR Mn)	Net Sales	EBITDA	PAT	EPS (INR)	EBITDA Margin %	RoCE (%)	P/E (x)
FY26	34,979	6,321	3,251	52.8	18.1%	9.48%	71.6
FY27E	41,923	7,765	3,785	61.4	18.5%	10.71%	61.6
FY28E	50,271	9,743	5,192	84.1	19.4%	12.57%	44.9
FY29E	61,250	12,422	7,014	113.5	20.3%	14.44%	33.3

Source: Arihant Research, Company Filings

Exhibit 2 : Q1FY27 - Quarterly Performance (Consolidated)

Quarterly Results					
Consolidated (INRm)	Q1FY27	Q4FY26	Q1FY26	QoQ%	YoY%
Net Sales	**10,213**	**9,987**	**7,663**	2.3%	33.3%
Cost of material consumed	4,375	4,128	3,364	6.0%	30.0%
Changes in inventories	(340)	93	(341)	-467.0%	-0.3%
COGS	4,035	4,221	3,024	-4.4%	33.5%
GP	**6,178**	**5,767**	**4,640**	7.1%	33.2%
Employees benefits expense	1,332	1,298	1,196	2.6%	11.4%
Other expenditure	2,885	2,539	2,123	13.6%	35.9%
EBITDA	**1,961**	**1,929**	**1,321**	1.6%	48.4%
Depreciation	619	555	476	11.6%	30.1%
EBIT	1,342	1,374	845	-2.4%	58.8%
Other Income	133.9	265.9	116.8	-49.6%	14.7%
Finance costs	120	112	104	6.5%	14.8%
PBT	1,356	1,528	857	-11.2%	58.1%
Exceptional Item	169	-	11		
Share of Net profit of associates accounted for using the equity method, met of ax	(3)	44	-		
Current Tax	249	241	223	3.1%	11.5%
Deferred tax	62	99	(6)	-37.8%	-1122.0%
Tax	310	341	217	-8.9%	43.1%
PAT	**874**	**1,231**	**630**	-29.0%	38.7%
Non-controling interests	8.0	16.9	7.6	-52.8%	5.4%
Reported PAT	**865.7**	**1,214.0**	**622.3**	-28.7%	39.1%
EPS	13.9	19.5	10.1	-28.8%	38.2%
Margins	Q1FY27	Q4FY26	Q1FY26	QoQ%	YoY%
Gross margins	39.5%	42.3%	39.5%	-275Bps	5Bps
EBITDA	19.20%	19.32%	17.24%	-12Bps	196Bps
Adjusted PAT	8.55%	12.32%	8.22%	-377Bps	34Bps
Tax Rate	22.89%	22.29%	25.31%	60Bps	-241Bps
Cost Analysis					
RM/Net Sales	42.84%	41.33%	43.90%	150Bps	-107Bps
Other Exp/Net Sales	28.25%	25.42%	27.70%	282Bps	55Bps
Staff cost/Net sales	13.04%	13.00%	15.61%	4Bps	-257Bps

Source: Arihant Research, Company Filings

Key Concall Takeaways

ADS order book; major semiconductor win: ADS unexecuted lifetime order book increased from INR 44.4 Bn to ~INR 57.5 Bn, following a large order from an existing semiconductor equipment customer. The new order alone is worth ~INR 12.5 Bn over five years, taking annual business with this customer to ~USD 75 Mn. Current ADS order book of INR 57.5 Bn is executable by FY31, with significant revenue ramp expected from CY27 and peaking around CY29. Management highlighted strong ongoing RFQs/conversions in both aerospace and semiconductor equipment, with several expected in Q2/Q3. ADS asset turns are currently ~2.0-2.25x, providing comfort on capital efficiency.

ADS Capex: New 80,000 sq ft hangar for aerospace/SEM is expected to be commissioned shortly, followed by machine installation and customer validation. A new 100,000 sq ft build-to-suit facility is being evaluated, expected to be ready in ~10 months. New surface-treatment facility has been commissioned adjacent to ADS; customer/NATCAP validation is underway, enabling greater backward integration, lower external dependency and faster execution. Existing + new facilities are expected to create ~INR 35 Bn revenue capacity by FY31 across aerospace, SEM and defence.

ADS remains structurally high-margin: Management indicated 25-30% EBITDA margins for ADS and export businesses, with margins potentially moving toward the high-20s as utilization improves.Q1 margin benefited from favourable product mix, higher exports and FX, hence management does not view 19.2% consolidated EBITDA margin as a new FY27 benchmark. Management remains focused on sustaining current margin levels.

Domestic Auto demand remains strong: Management highlighted strong demand in both 2W and PV, with momentum continuing into Q2 and expected to remain healthy through the festive season in Q3. Supply-chain constraints are emerging due to strong demand, including shortages of raw materials and parts. Sansera expects strong demand visibility for the next 1-1.5 quarters. Management reiterated that it has not lost wallet share and is in fact gaining share with key customers including TVS, Yamaha, Suzuki and Maruti.

ICE business: Auto-I revenue grew 20.8% YoY to INR 6,275 Mn, with record quarterly performance across PV, CV and scooters. Capacity expansion at Pantnagar Plant 6 and Plant 4 is focused on crankshafts and connecting rods, driven by increasing OEM outsourcing. Bangalore Plant 2 is adding machining capacity for auto-tech agnostic and HCV components, alongside expansion in secondary operations and heat treatment. Management sees significant outsourcing opportunities in 2W, PV and exports, including ICE, EV and hybrid platforms.

Export recovery: International business is returning to a normal growth trajectory after moderation in the previous year. Higher exports are being driven by PV, premium 2W and off-road vehicles. US OEM customers are increasingly looking to source more components from India amid tariff uncertainty, providing an additional near-term export opportunity. Energy segment deliveries to a key North American customer have commenced and are expected to generate sustained revenues from Q3FY27.

Defence Segment: The company is relocating its defence operations into a dedicated facility, allowing focused infrastructure and execution. Strategy is to move beyond precision machining into sheet metal, initially for defence and subsequently aerospace. Management is targeting large defence opportunities, particularly with European customers, and expects meaningful progress on facility creation and order wins during FY27. Defence capacity is envisaged to support ~INR 5 Bn revenue over the next five years.

Value chain in ADS: Company is progressing on blisk machining, with first customer samples expected within ~one month. Sansera is also working on increasingly complex components including fuselage/structural parts, door assemblies and seating elements. New special-process capabilities and 5-axis machining should improve lead times, customer stickiness and margins. Management highlighted that technical learning from complex programs is transferable across projects, strengthening Sansera's ability to bid for higher-value components.

Long-term growth ambition remains intact: Management continues to target INR 80-90 Bn revenue by FY31, with the current plan based entirely on organic growth. Growth is expected to be driven by ADS, aerospace, semiconductor, defence, EV/hybrid and export outsourcing opportunities. Current INR 57 Bn ADS backlog is only the confirmed executable pipeline; future order wins would be incremental to this. Management currently sees no need for an equity fundraise, with low leverage and internal cash flows sufficient to fund planned capex.

Key Financials

Income Statement Consolidated (INR Mn)				
Year End-March	**FY26**	**FY27E**	**FY28E**	**FY29E**
Revenues	34,979	41,923	50,271	61,250
Change (%)	15.9%	19.9%	19.9%	21.8%
Cost of Goods Sold (COGS)	14,535	17,399	20,645	24,848
Gross Profit	**20,444**	**24,525**	**29,626**	**36,402**
Employee costs	4,887	5,617	6,648	7,978
Other expenses	9,236	11,143	13,234	16,002
Total Expenses	**28,658**	**34,158**	**40,528**	**48,828**
EBITDA	**6,321**	**7,765**	**9,743**	**12,422**
EBITDA Margin	**18.07%**	**18.52%**	**19.38%**	**20.28%**
Depreciation	2,059	2,573	2,882	3,228
EBIT	**4262**	**5192**	**6861**	**9194**
Interest	377	480	503	526
Other Income	595	550	659	803
PBT	**4,479**	**5,092**	**7,017**	**9,471**
Exceptional Items	-	-	-	-
PBT after exceptional Items	**4,479**	**5,092**	**7,017**	**9,471**
Tax	1,053	1,287	1,808	2,440
Rate (%)	*23.5%*	*25.3%*	*25.8%*	*25.8%*
PAT	**3,251**	**3,785**	**5,192**	**7,014**
PAT Margin (%)	9.3%	9.0%	10.3%	11.5%

Balance Sheet Consolidated (INR Mn)				
Year End-March	**FY26**	**FY27E**	**FY28E**	**FY29E**
Sources of Funds				
Share Capital	124	124	124	124
Reserves & Surplus	30,749	34,416	39,608	46,621
(b) Instruments entirely equity in nature/Fund Raised	-	-	-	-
(d)non-controling intrest	201.33	201.33	201.33	201.33
Net Worth	**31,074**	**34,741**	**39,933**	**46,946**
Loan Funds	**4,576**	**4,805**	**5,035**	**5,265**
MI, Deferred Tax & other Liabilities	938	938	938	938
Total Equity and Liabilities	**44,946**	**48,492**	**54,583**	**63,666**
Application of Funds				
Gross Block	**32,962**	**36,962**	**40,462**	**43,462**
Less: Depreciation	**11,107**	**13,436**	**15,961**	**18,673**
Net Block	**21,854**	**23,526**	**24,501**	**24,789**
CWIP	**2,196**	**2,196**	**2,196**	**2,196**
Other Non-current Assets	**719**	**719**	**719**	**719**
Other Current Assets	**942.1**	**942.1**	**942.1**	**942.1**
Net Fixed Assets	**25,711**	**27,382**	**28,357**	**28,645**
Investments	**312**	**312**	**312**	**312**
Debtors	**6,270**	**6,987**	**8,378**	**10,208**
Inventories	**6,712**	**6,892**	**8,264**	**10,069**
Cash & Bank Balance	**1,037**	**1,806**	**3,869**	**8,879**
Loans & Advances & other CA	79	79	79	79
Total Current Assets	**18,041**	**19,742**	**25,215**	**34,526**
Current Liabilities	10,324	9,974	10,643	12,482
Provisions	278	278	278	278
Net Current Assets	**7,717**	**9,768**	**14,572**	**22,044**
Total Assets	**44,947**	**48,739**	**55,187**	**64,786**

Source: Arihant Research, Company Filings

Key Financials

Cash Flow Statement Consolidated (INR Mn)				
Year End-March	**FY26**	**FY27E**	**FY28E**	**FY29E**
PBT	**4,321**	**5,092**	**7,017**	**9,471**
Cash From Operating Activities	3,766	3,868	5,240	6,113
Tax	(974)	(1,287)	(1,808)	(2,440)
Net Cash From Operations	3,868	5,240	6,113	8,585
Capex	**(5,113)**	**(4,000)**	**(3,500)**	**(3,000)**
Cash From Investing	(4,414)	(4,000)	(3,499)	(2,999)
Borrowings	4,576	4,805	5,035	5,265
Finance cost paid	**377**	**480**	**503**	**526**
Div. (incl. buyback & taxes)	**(202)**	**(217)**	**(279)**	**(279)**
Cash From Financing	1,045	(468)	(552)	(575)
Net Increase/ Decrease in Cash	**499**	**772**	**2062**	**5011**
Cash at the beginning of the year	**515**	**1,034**	**1,806**	**3,869**
Cash at the end of the year	1,034	1,806	3,869	8,879

Key Ratios				
Year End-March	**FY26**	**FY27E**	**FY28E**	**FY29E**
Per share (INR)				
EPS	52.8	61.4	84.1	113.5
BVPS	502	561	645	758
Valuation (x)				
P/E	71.9	61.8	45.1	33.4
P/BV	7.6	6.8	5.9	5.0
Return ratio (%)				
EBIDTA Margin	18.07%	18.52%	19.38%	20.28%
PAT Margin	9.29%	9.03%	10.33%	11.45%
ROE - Pre tax	10.52%	10.95%	13.04%	14.98%
ROCE - Pre tax	9.48%	10.71%	12.57%	14.44%
Leverage Ratio (%)				
Total D/E	0.15	0.14	0.13	0.11
Turnover Ratios				
Asset Turnover (x)	1.9	2.1	2.0	1.8
Inventory Days	60	60	60	60
Receivable Days	65	60	60	60
Payable days	43	43	40	43

Source: Arihant Research, Company Filings

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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