BP Wealth | STOXBOX

Result Update

Q3 FY26

ASK Automotive Limited

Institutional Research

ASK Automotive Limited

Automobile | Q3FY26 Result Update **30th January 2026**

GST-led demand drives growth; Segment performance remains robust

ASK Automotive Limited (ASK) reported decent quarterly performance, with its operating revenue at Rs. 1,084 crores (up 18.5% YoY / up 2.9% QoQ). The topline expansion was primarily led by strong momentum in the Indian auto industry, led by the GST rationalization and robust growth across its key business segments. Gross Profit was reported at Rs. 368 crores (up 23.6% YoY / 1.3% QoQ), translating to margin of 34.0% (up 140 bps YoY / down 52 bps QoQ). The sequential decline was primarily on account of inventory stocking, and relatively higher input costs. EBITDA during the quarter rose to Rs. 141 crores (up 27.1% YoY / up 2.6% QoQ), while margins stood at 13.0% (up 88 bps YoY / flat QoQ). The expansion was primarily driven by improved economies of scale, increased capital utilization at the Karoli and Bangalore facilities, and a strategic reduction in the Wheel assembly business (down 51.5%). PAT during the quarter was reported at Rs. 80 crores (up 21.0% YoY / flat QoQ). PAT margin was recorded at 7.4% (up 15 bps YoY / down 22 bps QoQ).

Valuation and Outlook

ASK Automotive recorded a healthy financial performance during the quarter, beating estimates across the board, albeit marginally. The upbeat performance was marked by healthy revenue growth, sustained margin expansion and continued market share gains across core product segments. Excluding the low-value-added wheel assembly business, revenue growth remained robust, significantly outpacing underlying two-wheeler industry production growth. While aluminum price inflation led to a marginal compression in reported EBITDA margins on a percentage basis, absolute profitability remained intact due to pass-through mechanisms. Going forward, the overall outlook remains constructive. Q4FY26 is expected to remain strong, supported by healthy OEM production schedules and a sharp improvement in aftermarket demand following the GST reduction from 28% to 18%, which is aiding formalization and share gains from unorganized players. For FY27, ASK Automotive expects to sustain mid-teen growth, supported by rising two-wheeler demand, improving rural sentiment and incremental revenue from new product launches, including Japanese and Taiwan collaborations and the sunroof cable program, largely slated for H2FY27. Capacity utilization is set to improve further as new programs ramp up, while moderated capex intensity in FY27 should support free cash flow generation and ROCE stability. Overall, ASK Automotive remains well positioned to continue outperforming the industry, driven by scale benefits, technology partnerships and structural tailwinds in the domestic two-wheeler market.

Key Highlights

Particulars (Rs. Crs.)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)
Net Sales	1,084	915	18.5%	1,054	2.9%
Gross profit	368	298	23.6%	364	1.3%
Gross margin (%)	34.0%	32.6%	140 bps	34.5%	-52 bps
EBITDA	141	111	27.1%	137	2.6%
OPM (%)	13.0%	12.1%	88 bps	13.0%	-3 bps
Reported PAT	80	66	21.0%	80	-0.1%
PAT Margin (%)	7.4%	7.2%	15 bps	7.6%	-22 bps

Source: Company, BP Equities Research

Sector Outlook	Positive

Stock

CMP (Rs.)	445
BSE code	544022
NSE Symbol	ASKAUTOLTD
Bloomberg	ASKAUTOL IN
Reuters	ASKA.BO

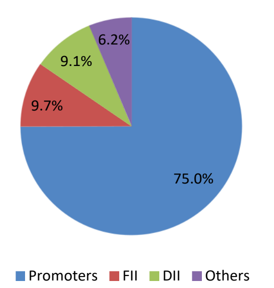
Key Data

Nifty	25,321
52 Week H/L (Rs.)	579 / 333
O/s Shares (Crs.)	20
Market Cap (Rs.Crs.)	8,767
Face Value (Rs.)	2

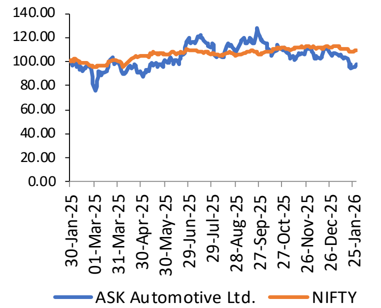
Average Volume

3 months	349,095
6 months	329,855
1 year	282,373

Share Holding Pattern (%)



Relative Price Chart



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Key Concall Highlights

Industry Commentary

The overall vehicle production grew 9.3% YoY in 9MFY26, with two-wheeler production rising 8.8% YoY. Q3FY26 two-wheeler production stood at 6.8 million units versus 5.9 million units last year, indicating a strong festive-led recovery.

Reduction in GST from 28% to 18% for two-wheelers and auto components has significantly improved affordability and consumer sentiment. Management highlighted that this has boosted OEM volumes and led to a sharp pickup in the organised aftermarket, aiding formalisation and market share gains from grey market operators.

Global geopolitical issues and tariff-related uncertainties, particularly in the US and Mexico, have impacted export visibility for auto component suppliers. While exports are expected to remain flat in FY26, management expects normalisation and smoother supplies in FY27 for technically complex products.

"Management noted that post GST reduction, the price gap between ICE and EV two-wheelers has narrowed, resulting in ICE two-wheelers currently witnessing stronger demand growth compared to EVs."

Operational Highlights

Advanced Breaking Systems (ABS) segment revenue grew 22% YoY in Q3FY26 and 12% YoY in 9MFY26, outperforming underlying two-wheeler production growth.

Aluminium Light-weighting & Precision Solutions (ALPS) delivered 36% YoY growth in Q3FY26 and 24% YoY growth in 9MFY26, significantly ahead of historical run rates. Growth supported by higher OEM volumes, ramp-up at the Bangalore facility and increasing aftermarket contribution.

Safety Control Cables revenue grew 22% YoY in Q3FY26 and 10% YoY in 9MFY26, led by OEM demand recovery and aftermarket strength.

The wheel assembly business reduced by 51.5% YoY in Q3FY26 and 52.8% in 9MFY26, in line with management's strategy to exit low-value-added segments. Management expects the remaining portion to be fully phased out by March-end, subject to customer transition.

Aftermarket demand across segments remains strong, supported by GST reduction and formalization trends. Export revenues stood at ~Rs. 100 crores in Q3FY26, slightly lower YoY due to tariff-related uncertainties in the US and Mexico.

"Management remains confident on sustaining growth momentum given rising two-wheeler ICE demand."

JV and Collaboration Update

The collaboration on Japanese alloy wheel technology is progressing as planned, with the first product expected by Feb-end, followed by testing and commercial supply targeted for H2FY27.

Taiwan braking collaboration remains under testing and validation, with required amendments completed and commercialization expected post approvals, likely in H2FY27.

Sunroof cable JV is on track with machinery installed and plant setup completed, with trials planned in Q2FY27 and commercial supplies expected from H2FY27. Sunroof cable program offers an addressable revenue opportunity of ~Rs. 100 crores over the medium term, with strategic importance highlighted by management.

"AISIN aftermarket JV is gradually scaling up dealer reach, with management guiding for break-even by Q1FY27 as volumes ramp up."

Other Updates

Bangalore manufacturing plant achieved 75–80% capacity utilization in Q3FY26 and is now almost fully operational, aiding operating leverage.

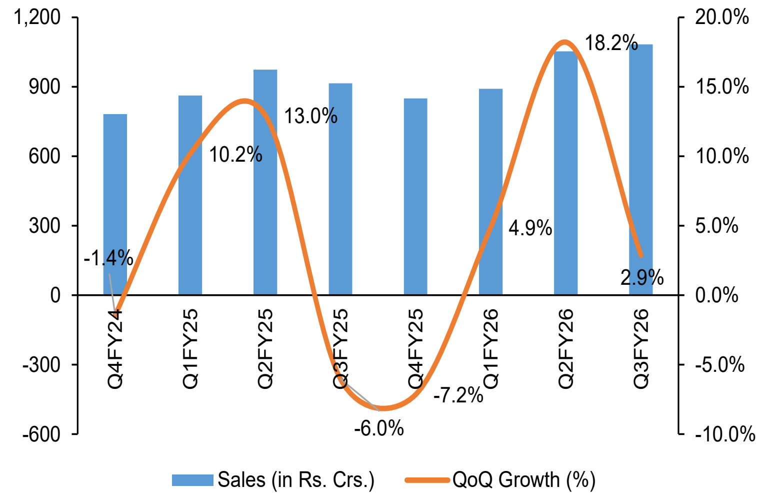
Rajasthan (Karoli) plant operated at ~65% utilization in Q3FY26, with utilization expected to improve from H2FY27 as new programs commence.

FY27 capex is guided to moderate to ~Rs. 400 crores, reflecting completion of major expansion phases.

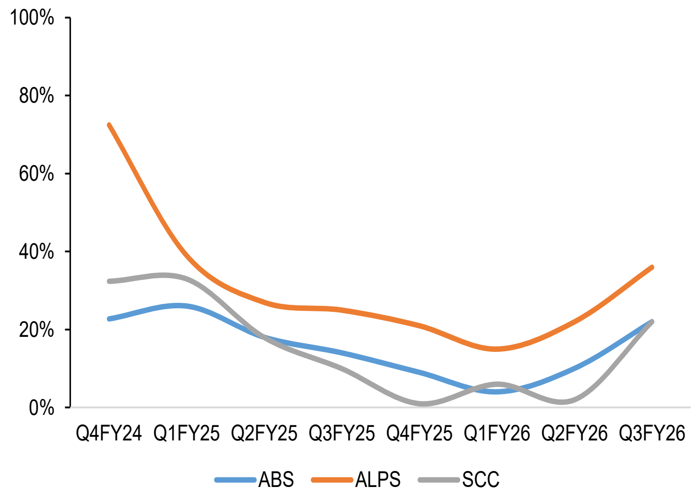
"Capex in FY27 will largely be directed towards selective capacity additions, new product programs and completion of ongoing projects."

Quarterly Snapshot

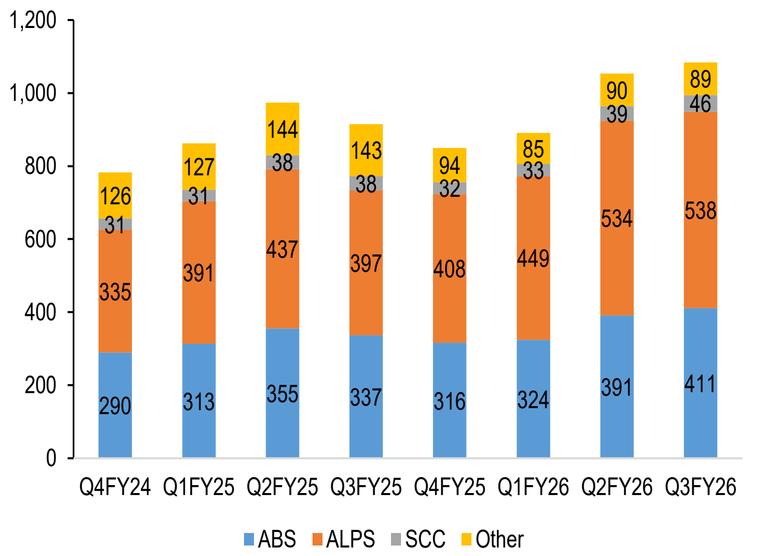
Entry-level portfolio drives growth



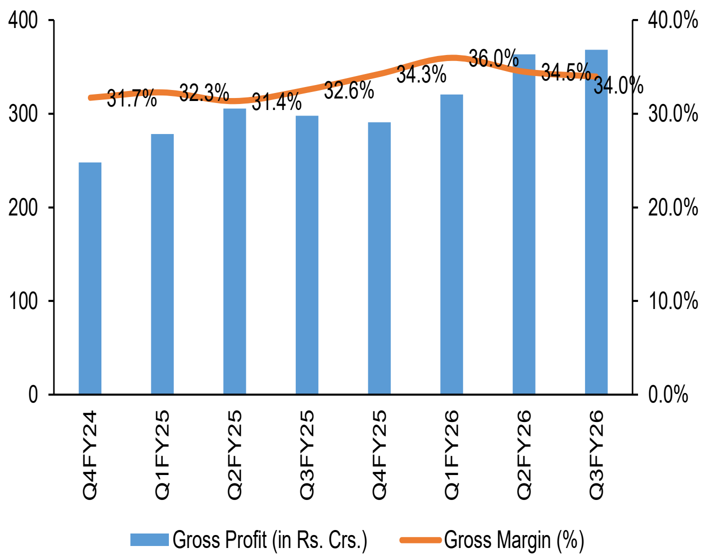
Seasonal traction bolstered by GST rationalization



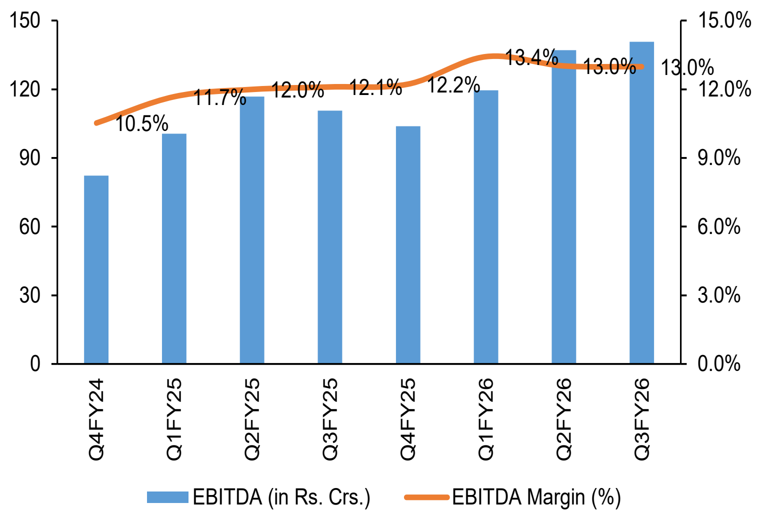
Lower exports and higher entry-level contribution drags realization



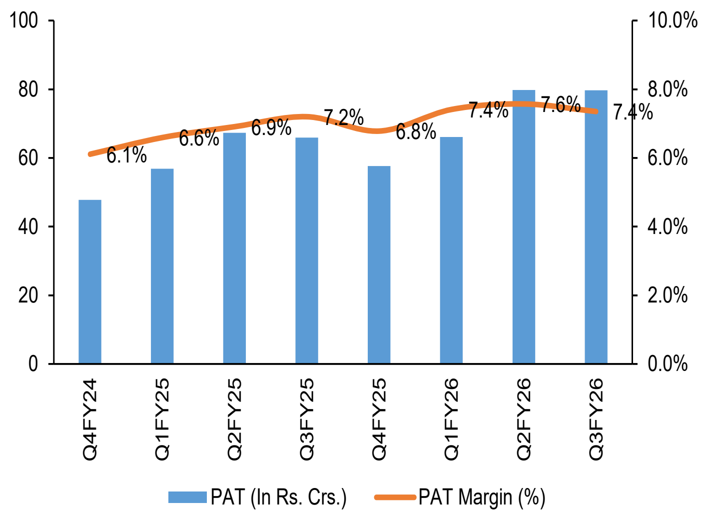
Adverse commodity prices weigh on gross margin



One time provisions and price cuts weigh on margin



One-off expense drags reported profitability



Source: Company, BP Equities

Key Financials						
YE March (Rs. Crs.)	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**
Revenue	**2,013**	**2,555**	**2,995**	**3,601**	**4,011**	**4,563**
Revenue Growth (Y-o-Y)	*-*	*26.9%*	*17.2%*	*20.2%*	*11.4%*	*13.8%*
EBITDA	**171**	**236**	**301**	**432**	**538**	**632**
EBITDA Growth (Y-o-Y)	*-*	*38.2%*	*27.1%*	*43.7%*	*24.6%*	*17.4%*
Net Profit	**83**	**123**	**174**	**248**	**303**	**364**
Net Profit Growth (Y-o-Y)	*-*	*48.7%*	*41.3%*	*42.5%*	*22.4%*	*20.1%*
Diluted EPS	**4.1**	**6.2**	**8.8**	**12.6**	**15.4**	**18.5**
Profitability Ratios						
EBITDA (%)	**8.5%**	**9.3%**	**10.0%**	**12.0%**	**13.4%**	**13.8%**
NPM (%)	4.1%	4.8%	5.8%	6.9%	7.6%	8.0%
ROE (%)	**13.1%**	**19.1%**	**21.3%**	**23.7%**	**23.2%**	**22.4%**
ROCE (%)	14.3%	18.1%	19.9%	23.6%	24.5%	25.4%
Valuation Ratios						
P/E (x)	**108.8x**	**72.0x**	**50.5x**	**35.4x**	**28.9x**	**24.1x**
EV/EBITDA (x)	52.2x	38.4x	30.3x	21.2x	17.0x	14.4x
Market Cap/Sales (x)	**4.4x**	**3.4x**	**2.9x**	**2.4x**	**2.2x**	**1.9x**

Source: Company, BP Equities, Bloomberg Estimates

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Disclaimer Appendix

Analyst (s) holding in the Stock : Nil

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