BP Wealth | STOXBOX

Result Update

Q1 FY27

ASK Automotive Limited

Institutional Research

ASK Automotive Limited

Automobile | Q1FY27 Result Update **07th August 2026**

Strong topline driven by alloy pass-through; Guidance upgrade reinforces outlook

ASK Automotive reported a strong operational performance during Q1FY27, with revenue rising to Rs. 1,358 crores (up 52.4% YoY / 18.4% QoQ), significantly ahead of street estimates of Rs. 1,183 crores. The robust growth was primarily driven by healthy demand across product segments, strong order execution and higher aluminium pass-through, which inflated reported revenues during the quarter. Gross Profit stood at Rs. 417 crores (up 30.0% YoY / 15.6% QoQ), while gross margin contracted to 30.7% (down 528 bps YoY / 75 bps QoQ) owing to the sharp increase in aluminium alloy prices. EBITDA came in at Rs. 161 crores (up 34.2% YoY / 20.5% QoQ), with EBITDA margin expanding 21 bps QoQ but declining 160 bps YoY to 11.8%, primarily due to the denominator effect arising from the 100% pass-through of elevated alloy prices. Management highlighted that the increase in commodity prices did not materially impact absolute EBITDA, as higher raw material costs are fully passed on to customers, and expects margins to improve to around 13.5-14.0% over the coming quarters as aluminium prices normalize. Reported PAT stood at Rs. 85 crores (up 28.8% YoY / 19.0% QoQ), ahead of estimates of Rs. 75 crores, while PAT margin declined 115 bps YoY but remained broadly stable sequentially (up 3 bps QoQ) at 6.3%. The company maintained its strong growth trajectory, outperforming industry production growth, supported by robust order inflows, rising export opportunities and capacity expansion plans.

Valuation and Outlook

ASK Automotive delivered a strong start to FY27, with robust revenue growth and healthy earnings driven by continued outperformance over the underlying two-wheeler industry. The company witnessed broad-based growth across its Advanced Braking Systems, Aluminium Lightweight Precision Solutions and Safety Control Cables businesses, while maintaining its leadership position in the advanced braking segment. Although reported gross and EBITDA margins contracted during the quarter, the decline was largely optical, reflecting the 100% pass-through of elevated aluminium alloy prices, which inflated the revenue base without impacting absolute profitability. Management expects margins to gradually recover as aluminium prices normalize and has reiterated that absolute EBITDA remains intact under its back-to-back pass-through mechanism. Looking ahead, ASK Automotive appears well-positioned to sustain its growth momentum, supported by a healthy order book, increasing content per vehicle, strong traction across both ICE and EV platforms, expanding export opportunities and continued capacity additions, including a new manufacturing facility in southern India. The upward revision in FY27 revenue growth guidance to high teens, along with higher planned capital expenditure, reinforces management's confidence in the demand outlook. Furthermore, new product launches in alloy wheels, sunroof cables and the gradual ramp-up of the AISIN joint venture provide

Key Highlights

Particulars (Rs. Cr.)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)
Net Sales	1,358	891	52.4%	1,147	18.4%
Gross profit	417	321	30.0%	361	15.6%
Gross margin (%)	30.7%	36.0%	-528 bps	31.4%	-75 bps
EBITDA	161	120	34.2%	133	20.5%
OPM (%)	11.8%	13.4%	-160 bps	11.6%	21 bps
Reported PAT	85	66	28.8%	72	19.0%
PAT Margin (%)	6.3%	7.4%	-115 bps	6.2%	3 bps

Source: Company, BP Equities Research

Sector Outlook **Positive**

Stock

CMP (Rs.)	679
BSE code	544022
NSE Symbol	ASKAUTOLTD
Bloomberg	ASKAUTOL IN
Reuters	ASKA.BO

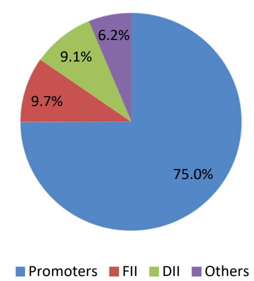
Key Data

Nifty	24,636
52 Week H/L (Rs.)	688 / 375
O/s Shares (Cr.)	20
Market Cap (Rs. Cr.)	13,307
Face Value (Rs.)	2

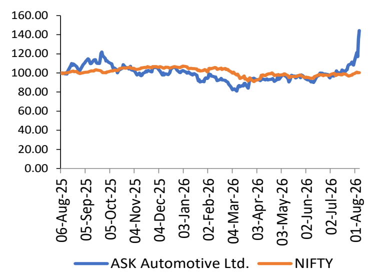
Average Volume

3 months	217,610
6 months	225,820
1 year	275,600

Share Holding Pattern (%)



Relative Price Chart



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incremental growth levers over the medium term. However, geopolitical uncertainties leading to renewed commodity price volatility, delays in commissioning new capacities and slower-than-expected execution of new orders remain key monitorables. Overall, we remain constructive on ASK Automotive's growth prospects, supported by its strong order pipeline, market leadership, capacity expansion and improving product diversification. While near-term reported margins may remain susceptible to fluctuations in aluminium prices, the underlying earnings trajectory remains healthy, with margin normalization expected as commodity prices stabilize.

Key Concall Highlights

Demand and Industry Trends

Indian two-wheeler industry production grew 22.8% YoY during Q1FY27, supported by robust domestic demand, GST 2.0 benefits, personal income tax rationalization and RBI rate cuts.

ASK Automotive continued to outperform the underlying industry, driven by broad-based growth across its Advanced Braking Systems, Aluminium Lightweight Precision Solutions and Safety Control Cables businesses.

Management remains optimistic on demand, citing improving rural sentiment, easier vehicle financing, favourable monsoon conditions and the expected benefits from the Eighth Pay Commission.

Guidance

Management revised FY27 revenue growth guidance to high teens from the earlier mid-teens, reflecting healthy order inflows and stronger business visibility.

Growth is expected to be supported by increasing content per vehicle, expanding exports and strong demand across both ICE and EV platforms.

Margin Performance and Outlook

Gross and EBITDA margins contracted during the quarter due to the sharp increase in aluminium alloy prices following geopolitical disruptions in West Asia.

The company operates under a 100% back-to-back pass-through mechanism, ensuring higher raw material costs are fully recovered from customers and do not impact absolute EBITDA.

Aluminium prices have already corrected by over 10% from peak levels, with management expecting EBITDA margins to recover to 13.5-14.0% and gross margins to gradually normalize over the coming quarters.

Capacity Expansion and Utilization

FY27 capital expenditure guidance was increased to around Rs. 700 crores from Rs. 450-500 crores, driven by strong order wins requiring a new manufacturing facility in Bengaluru.

The existing Bengaluru plant is operating at near-optimal utilisation.

Capacity utilisation at the Karoli plant improved to around 75% from 60-65% in the previous quarter and is expected to reach nearly 80% by Q4FY27.

The planned expansion will primarily be funded through internal accruals while maintaining a debt-to-equity ratio below 0.5x.

Joint Venture & Strategic Partnerships

The AISIN joint venture continues to ramp up its product portfolio and is expected to achieve initial profitability by the end of FY27, although meaningful revenue contribution is likely only from FY28.

The technical collaboration with Kyushu Yanagawa Japan has been successfully commercialized, with supplies of high-pressure die-cast alloy wheels already commencing to a Japanese customer.

Exports

Management expects exports to grow around 20% during FY27.

"The AISIN joint venture continues to ramp up its product portfolio and is expected to achieve initial profitability by the end of FY27, although meaningful revenue contribution is likely only from FY28."

"ASK maintained its leadership position in the Advanced Braking Systems segment while delivering growth across all three business verticals."

"Wheel assembly business rationalization has been completed from 1 April 2026, allowing the company to focus on higher-margin businesses."

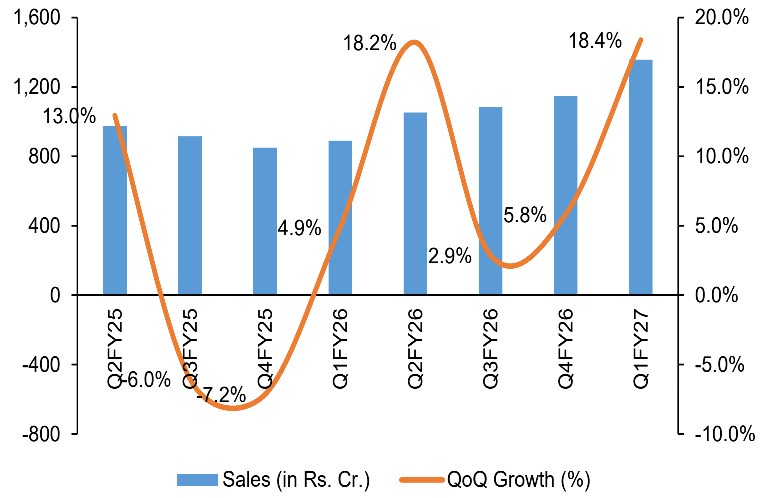
"Management expects employee strength to exceed 10,000 over the next year, in line with ongoing capacity expansion."

"Ford-related export revenues are expected at Rs. 40-45 crores in FY27, increasing to around Rs. 60 crores in FY28."

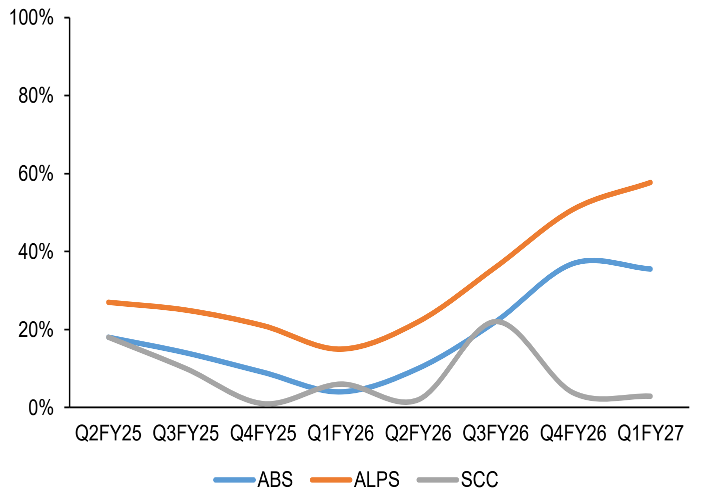
"Confirmed alloy wheel revenues are estimated at Rs. 70-90 crores for FY27 and around Rs. 250 crores for FY28."

Quarterly Snapshot

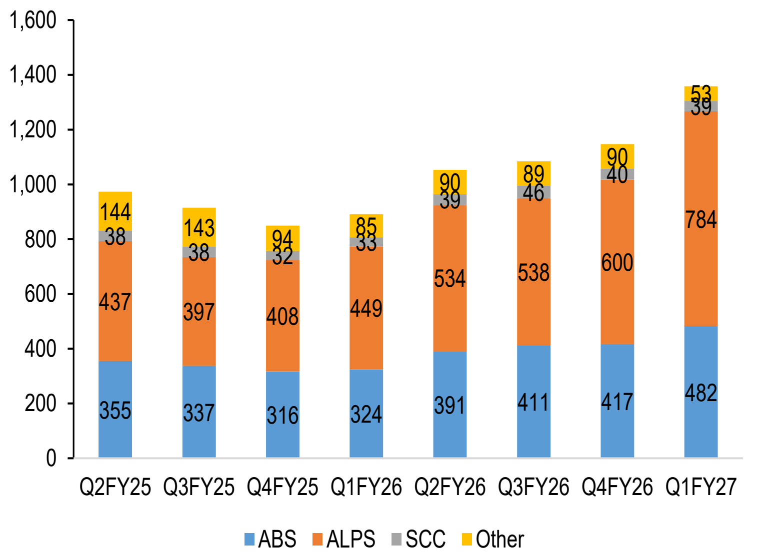
Topline hits record high on alloy pass-through



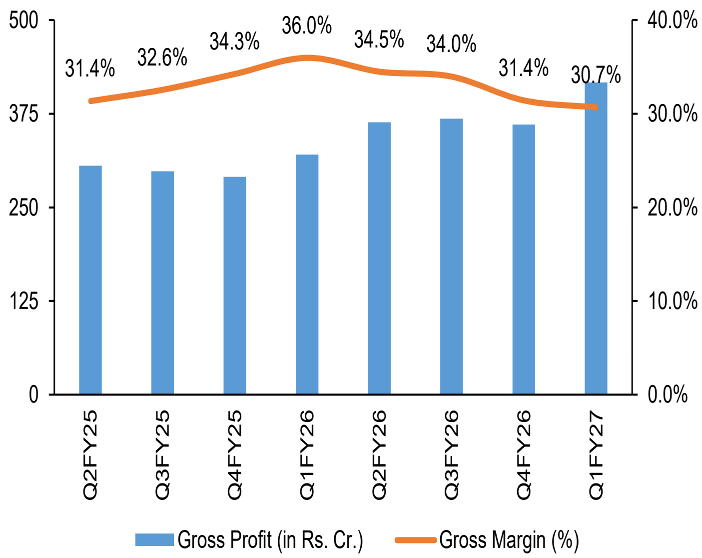
ALPS drives growth across business verticals



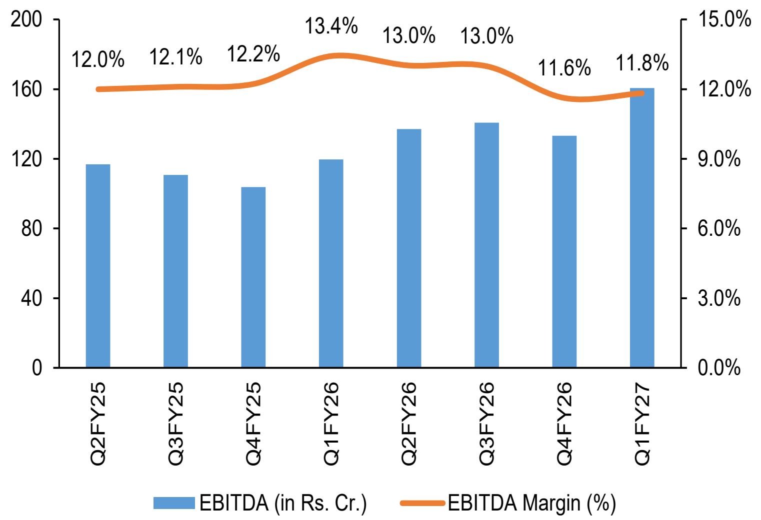
Core businesses drive growth post wheel rationalization



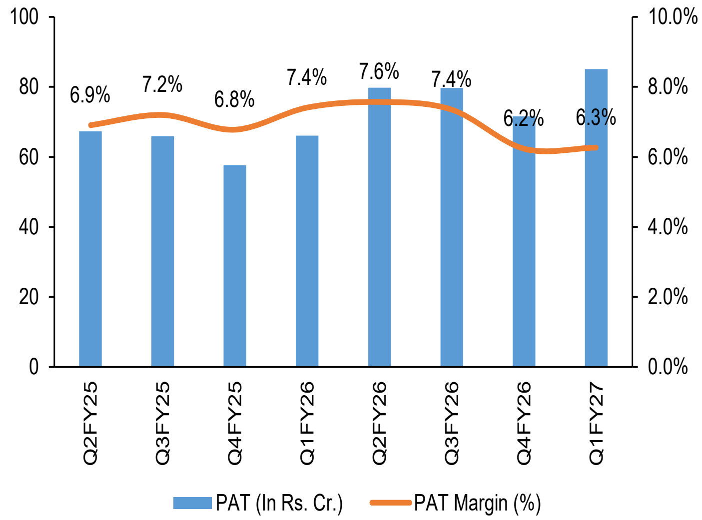
Commodity inflation compresses gross margin



Alloy pass-through impacts reported EBITDA margin



Record PAT despite margin headwinds



Source: Company, BP Equities

Key Financials						
YE March (Rs. Cr.)	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Revenue	**2,555**	**2,995**	**3,601**	**4,176**	**4,942**	**5,794**
Revenue Growth (Y-o-Y)	*26.9%*	*17.2%*	*20.2%*	*16.0%*	*18.3%*	*17.2%*
EBITDA	**236**	**301**	**432**	**531**	**632**	**774**
EBITDA Growth (Y-o-Y)	*38.2%*	*27.1%*	*43.7%*	*22.9%*	*19.1%*	*22.4%*
Net Profit	**123**	**174**	**248**	**297**	**342**	**436**
Net Profit Growth (Y-o-Y)	*48.7%*	*41.3%*	*42.5%*	*20.1%*	*15.1%*	*27.5%*
Diluted EPS	**6.2**	**8.8**	**12.6**	**15.1**	**17.4**	**22.1**
Profitability Ratios						
EBITDA (%)	**9.3%**	**10.0%**	**12.0%**	**12.7%**	**12.8%**	**13.4%**
NPM (%)	4.8%	5.8%	6.9%	7.1%	6.9%	7.5%
ROE (%)	**19.1%**	**21.3%**	**23.7%**	**22.7%**	**21.3%**	**21.9%**
ROCE (%)	18.1%	19.9%	23.6%	20.9%	22.1%	25.2%
Valuation Ratios						
P/E (x)	**109.9x**	**77.1x**	**54.1x**	**45.0x**	**39.1x**	**30.7x**
EV/EBITDA (x)	58.0x	45.6x	31.9x	26.5x	22.0x	17.7x
Market Cap/Sales (x)	5.2x	4.5x	3.7x	3.2x	2.7x	2.3x

Source: Company, BP Equities, Bloomberg Estimates

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Analyst (s) holding in the Stock : Nil

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