



Endurance Technologies Limited Q4 and FY 25
Earnings Conference Call
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MODERATOR: **MR. NISHIT JALAN – AXIS CAPITAL LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Endurance Technologies Limited Q4 and FY 25 Earnings Conference Call hosted by Axis Capital.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Nishit Jalan from Axis Capital. Thank you, and over to you, sir.

Nishit Jalan: Thank you, Manav. Good morning, everyone. Welcome to Q4 FY 25 Post-Results Conference Call of Endurance Technologies.

We are pleased to host the Management Team. We have with us today, Mr. Anurang Jain – Managing Director, Mr. Massimo Venuti – Director & CEO, Endurance Overseas, Mr. Rajendra Abhange – Director & COO, Mr. Raja Gopal Sastry – Group CFO and Mr. Raj Mundra – Treasurer and Head Investor Relations.

I will hand over the call to Mr. Anurang for the opening remarks, post which we will have the Q&A. Over to you, Mr. Anurang.

Anurang Jain: Thanks a lot. Good morning to everyone.

I would like to say that India's economic landscape remains strong, in spite of tariff wars threatening global trade and the recent situation in the subcontinent. As we observe the broader economic environment, GDP growth for FY 25 is estimated at 6.5%, lower than the 9.2% recorded in the previous fiscal. The index of industrial production grew at an estimated 4.1%. In FY 25, average inflation stood at 4.6%. Moderating inflation coupled with higher capital expenditure proposals in the Union Budget this year is expected to spur consumption and investment.

As per the recent Economic Times article dated 5th May 2025, two-wheeler OEMs expect sales this year to test the pre-COVID peak, hoping that lower EMIs due to cut-in interest rates, higher disposable income due to income tax reforms, will encourage the middle class to spend on two wheelers.

Also, as per the SIAM report, forecasts for a favorable monsoon helping rural areas, strong replacement demand, and government support for purchase of electric vehicles would be factors for growth of two-wheelers in this financial year. The passenger vehicle sales from India during Q4 FY 25 grew by 4.1% year-on-year and commercial vehicles witnessed a 4.6% growth, while three-wheelers grew 9.1% as compared to Q4 of the previous year.

Two-wheeler sales reached 5.7 million units in Q 4 FY 25, up 5.3% year-on-year driven by scooters at 10.9% and motorcycles at 3.3% growth.

In our standalone financials for the quarter, Endurance has seen a total income Q 4 FY 25 year-on-year growth of 8.4%.

In the European Union, new car sales saw year-on-year drop of 1.9% in Q4 FY 25, while our Endurance Europe total income growth was significantly higher at 17%. In the Q4 FY 25 industry volumes, there was a 15.2% share for battery electric vehicles, 7.6% for plug-in hybrids and 35.5% for hybrids.

While our India business is fairly insulated from U.S. markets, certain components made by European plants do find a way into the U.S., particularly components for the higher segment cars. We await clarity on the U.S. duty structure, and it also remains to be seen if duty changes would drive consumer preference away from niche European models.

Having spoken about the macros, I will now tell you about certain steps which we have taken at ETL:

1. We are setting up a state-of-the-art lithium-ion Battery Pack manufacturing plant near Pune to address the rapidly growing market demand for electric vehicles and renewable energy storage systems. The new facility will leverage our in-house developed battery technology, and also Maxwell's expertise in Battery Management System to make superior quality battery packs.

Happy to inform you that in April 25, we have won an order of Rs. 3 billion per annum from a large OEM for their e-scooter. Our offering has the advantage of better thermal stability, improved lifespan and safety, and caters to requirements for Indian climate and road conditions. We are beginning with a small investment. Our unit is modular and automated, thereby leading to an ease of capacity addition, and better cost management.

We are focused on not only two-wheeler, 3W and four wheeler programs, but also for supplies of battery packs to high-potential non-automotive sectors such as telecom, battery energy storage systems, and inverters. The SOP is planned in January 2026.

2. Our 2022 agreement for the acquisition of Maxwell Energy had an upfront payment of 51% shares with a plan to buy balance 49% based on a consideration linked to the financial performance of Maxwell. As of 31st March 2025, the Company had purchased a total of 61.5% of the shares in Maxwell.

Based on the minority shareholder's request for an accelerated sale of the balance 38.5% stake, the Company considered the strategic advantages of early total control

and agreed to buy the same for a consideration of Rs. 75 million. As a result of this agreement, the Company had to reverse the liability recorded in the consolidated financials against the estimated price for the balance shares to the extent of Rs. 913 million in Q4 FY 25.

Further, the independent Big 4 valuer retained by us to evaluate the goodwill pertaining to Maxwell advised a scenario, where margins in new age automotive products may normalize in the long run, which the Company accepted, applying conservative accounting principles. This led to lowering the value of goodwill pertaining to Maxwell by Rs. 582 million.

I would like to mention that our outlook on Maxwell's business and the overall electric and electronic business comprising battery packs, anti-lock braking systems, electronically controlled suspension systems, and other assemblies on our surface mounted technology lines is stronger than ever, auguring well for the profitable growth of the Company.

3. I informed you last quarter about the acquisition of Stöferle entities in Germany, where we required statutory approvals. We have completed the acquisition of the 60% stake and will acquire the remaining 40% over 5 years as per the Share Purchase Agreement.

The addition of these two Stöferle plants in Germany enhances our manufacturing capabilities and takes our total number of plants in Europe to 14. We have already begun to add new orders in this business. As mentioned earlier, from April 2025, Stöferle financials will be consolidated in the Endurance group financials.

4. You may have noted our recent announcement of receiving the eligibility certificate for incentives totaling Rs. 6.06 billion under the Maharashtra PSI 2019 scheme. In earlier calls, we had mentioned that our eligibility amount would be significantly higher than under the 2013 scheme, where we had an eligibility of Rs. 4.46 billion. Under the 2013 scheme, Rs. 4.37 billion income has been accounted till FY 25, and Rs. 2.9 billion cash has been received.
5. Our G45 Waluj R&D facility for two, three and four -wheeler suspensions will be fully operational in a month, marking a significant milestone in our innovation journey. This state-of-the-art facility helps us to co-create advanced suspension solutions with OEMs, further solidifying our leadership in two-wheeler, three-wheeler technology and supporting our growth in the four-wheeler segment.

You will recall that we have a technical assistance agreement with a leading Korean player which will help us access four-wheeler suspensions business. We have established promising contacts with leading Indian and global passenger car OEMs

for this business.

Faster growth in the 4-wheeler segment is our key focus. Through our internal process and product technology strengths, technical collaborations and merger & acquisitions, we aim to grow our presence in the 4-wheeler aluminum casting and aluminum forgings, 4-wheeler suspensions, 4-wheeler brakes, 4-wheeler alloy wheels, 4-wheeler drive shafts as well as embedded electronics for the 4-wheelers.

6. It gives us great pleasure to see the developments taking place at Chhatrapati Sambhajinagar, where our journey began. This includes the setting up of AURIC Bidkin and AURIC Shendra 10,000 acre industrial parks. The upcoming ring road which will connect AURIC Shendra to AURIC Bidkin areas where one each of our new plants is being set up in Q2 of this financial year. AURIC expansion by acquisition of a further 8,000 acres of industrial park land is testimony to the excellent industrial prospects of the region. Chhatrapati Sambhajinagar is becoming an EV capital with investments from large companies including Toyota, JSW and Ather amongst others.
 - a. At our AURIC Shendra four-wheeler casting plant, the SOP is from September 2025. I had mentioned to you about having one business from Valeo, where our products will be part of assemblies going into Mahindra EV platforms. Further, we have secured export business from two global U.S. and European OEMs which I cannot name now. I would like to clarify that these are new OEMs not served by our European plants. These parts are for premium cars for EVs. Both these businesses will start in this financial year. The total order book for the AURIC Shendra plant stands at Rs. 2.75 billion per annum.
 - b. The new 2-wheeler alloy wheel plant at AURIC Bidkin is gearing up for SOP in Q2 of FY 26. This plant will have a capacity of 3.6 million wheels per annum. We have firm requirements from multiple OEMs for the same.

Let me now give you a gist of orders won during FY 25. Please note that the business value from these new orders are without including orders from Bajaj Auto:

The overall orders won in FY 25 in India business was Rs. 11.99 billion, of which Rs. 10.82 billion is new business, and the remaining is replacement business.

Key customers in this list of FY 25 orders are two-wheeler OEMs, such as Honda, Royal Enfield, Hero MotoCorp, and Ather Energy. Among key four-wheeler orders are Valeo, Yazaki, Tata Motors, and the two large U.S. and European OEM orders which we have got at AURIC Shendra. 34% of this FY 25 order booking of Rs. 4.11 billion of orders are for four -wheeler end use, and 37% of this FY 25 orders or Rs. 4.39 billion, are for the electric-vehicle segment.

The cumulative India business orders for the electric vehicle segment since FY 22 stands at Rs. 8.35 billion. And, if I have to include Bajaj Auto orders, this figure crosses Rs. 10 billion per annum.

Out of the total orders worth Rs. 46.92 billion won since FY 21, Rs. 37.34 billion is new business and Rs. 9.58 billion is replacement business. Of this 37.34 billion new business, close to Rs. 14 billion has seen SOP in FY 25, and the further Rs. 10 billion is expected in this year. The rest of the business will be realized in FY 27 and FY 28.

In the standalone business, we are actively quoting and pursuing requests for quotation for an annual sale of Rs. 34 billion from various OEM clients other than Bajaj and across all our product segments. This also includes a significant percentage of electric 4-wheeler OEM customers.

In our Europe business, we have booked orders worth €40.2 million during the year. This includes a machining order of €5.2 million from BMW in our Stöferle plants. Other large orders during the year are from Volkswagen, and indirect business for Rolls-Royce and Jaguar Land Rover. Also, we have won non-auto business in the pumps and electric electronic component space.

In our subsidiary, Maxwell Energy, we have won cumulative orders to the extent of Rs. 2.5 billion. This value is after removing business from those customers who have seen headwinds such as a sharp fall in market share. Maxwell is pursuing leads at present of Rs. 2.6 billion.

Now I will speak to you on our existing product segments in India:

Starting with Suspension: I just spoke about the new G45 suspension R&D and our 4-wheeler focus. Talks with leading OEMs are underway, regarding shock absorber requirements, and with one leading OEM for LCVs and MCVs, and we hope to conclude this order soon.

In FY 25, we have won Suspension orders to the tune of Rs. 2,351 million per annum of peak annual sales. These are from various OEMs and for their various platforms. While some of these orders will require capacity being added or de-bottling, we are also seeing order intake which would improve existing use of capacity and drive our goal of asset sweating.

At our Narsapura plant in Karnataka, we have planned an 80% year-on-year increase in sales in this year, with new business getting started with Honda, TVS, and Ather. New orders won in Q4 include Royal Enfield, Hero MotoCorp and Honda.

The Hero MotoCorp order includes inverted front forks for the Harley-Davidson bikes, with SOP planned in Q3 FY 26. And the SOP for the TVS inverted front forks has already started in April 2025.

We have also won new orders for inverted front forks and mono-shocks from a leading China based 2-wheeler company; with phased SOP planned in H1 of this financial year. This part has special features, including tension and rebound adjustments.

Post the court-monitored restructuring scheme, the KTM Austria entities have again given their firm order schedule to us. We expect to start supplies of inverted front forks and rear mono-shocks in a small way from June of this year, which is next month.

In the non-auto suspension space, we are in the final stages of developing Solar Dampers, for a Spanish client.

In the Braking segment, we have won Rs. 2,366 million per annum of new orders in FY 25 from multiple OEMs. In the previous quarter, I mentioned our brakes range is from 100cc to 800cc 2-wheeler platforms. We have now started the development of brakes for a 990cc motorcycle, for a key OEM client.

We have also won the much-awaited twin-channel ABS orders from two OEMs. Trial lots have begun with SOP planned for Q2 of this financial year. We are assembling the electronic control units in-house, at our ABS plant at Waluj. Further backward integration is possible, and we wish to manufacture the printed circuit boards for the electronic control units, on our surface mounted technology line at Waluj.

We are already the leader in two-wheeler Disc Brake market share and plan to further expand, for which a new building at our E-71 second brakes plant is close to completion. Braking too is an area where we wish to serve 4-wheeler OEMs, and we hope to conclude this business soon with a leading four-wheeler OEM.

Coming to Transmission: In the previous quarter, I spoke of new clutch orders from Hero MotoCorp and Royal Enfield, that have enabled us to increase the annual sales of 1 million more clutch assemblies and increase sales value by more than Rs. 1,000 million per annum. These orders will see SOP in May and July respectively and will peak in Q4 of this financial year. And for this, an expansion has already been completed.

In Driveshafts, we have won business from three 3-wheeler OEMs and now from a leading 4-wheeler OEM. We are working with these OEMs, as well as others for more business across passenger and goods segments. With current capacities and increased volumes, we would invest this year in augmenting our capacity, to produce higher volumes of driveshafts for both 3-wheelers and 4-wheelers.

In our Aluminum Castings business, we have won orders in FY 25 to the tune of Rs. 6.1 billion during the year. These orders are across 2-wheeler, 4-wheeler, and non-automotive business, and also for ICE as well as the electric vehicle business. I have already spoken earlier about the

Rs. 2.75 billion AURIC Shendra orders which we have won. Non-auto orders include also the generator end use.

Casting volumes from Ather Energy, from our Vallam plant are expected to double in Q2 FY 26, and new machining assets are being installed for this purpose. For large 4-wheeler castings, our new investments both in Shendra and Chakan include high level of automation.

At Chakan, we have a fully automated machining line, with no human intervention from start to end. Also, we have upgraded four die casting cells with full automation. At AURIC Shendra, we have used the services of our new European subsidiary Ingenia, which we acquired last year, to assist on the automation.

Coming to our Aluminum Forging business, we have added another forging press in Q4 FY 25, taking the total to 4. Because of increased volume and demand, more presses will be added next year. Therefore, we are in the process to move our existing Aluminum Forging plant to a more spacious location at Waluj and start production in this new plant by Q4 of this financial year. The work has already started.

In the new plant, we have Aluminum Forging orders from Hero MotoCorp. This is in addition to our own captive requirement for inverted front forks, and also for a 4-wheeler export order from Jaguar Land Rover.

At our subsidiary Maxwell, we have redesigned the Battery Management System for Hero MotoCorp, helping us improve our product profitability and offer a cost advantage to the OEM. These steps demonstrate our prowess in embedded electronics. Apart from the Battery Management System, we have booked business for Motor Controller Units and in the Internet of Things segment. And SOP is in October 2025, and January 2026 respectively.

Further, there are other products at an advanced stage of development. Our focus is to keep increasing our profitable sales at Maxwell.

In the Indian Aftermarket business, we continue to progress on execution of our domestic strategy, which would lead us to a strong growth. As informed in the previous call, we have begun to implement a two-year strategy with a global consultancy firm, where we have revamped our distributor policy, introduced new value-add products, and enhanced our focus on expanding regional market share.

During FY 25, we have achieved 29% growth in the aftermarket exports. We have launched a new plan targeting additional markets with products yet not supplied to the Indian market.

Our value-add products portfolio now contributes over 14% to our aftermarket sales.

Coming to our financial performance, the information has already been uploaded at the stock exchanges last evening, along with a presentation explaining the numbers. I will, however, highlight some key numbers. During FY 25, the Company recorded a standalone total income of Rs. 89.1 billion, a growth of 12.5% over FY 24. Consolidated total income was Rs. 116.8 billion, which is a growth of 13.1%.

The Company recorded a profit after tax of Rs. 6.79 billion, and Rs. 8.36 billion in the standalone and consolidated books.

It is important to note that our European Companies have defied many odds to post an impressive year-on-year growth of 15.4% in FY 25, and a growth of 20.9% in FY 25 EBITDA.

During Q4 FY 25, the Company turned in a total income of Rs. 22.7 billion for the standalone Company, and Rs. 29.98 billion for the consolidated Company. This translates to a year-on-year growth of 8.4% and 10.6% respectively. The Company earned a profit after tax of Rs. 1.74 billion, and Rs. 2.45 billion for the standalone and consolidated Company.

In Q4, our European business recorded a top-line growth of 17% and an EBITDA growth of 21.2%.

I would also like to mention specifically, that our consolidated earnings per share has more than doubled from our IPO year, which was FY 17 to FY 25 from Rs. 23.48 to Rs. 59.46.

At Endurance, our people remain central to our growth. We continue to drive strategic workforce planning with women now comprising 8% of our hiring, reflecting ongoing commitment to diversity with a target to take female population to 10% and 15% for our blue and white-collar employees by 2030.

We have undertaken specific projects with a focus on enhancing employee experience & care & well-being of them at ETL, focusing on an inclusive work culture, focusing on best-in-class HR policies and building up talent by helping upgrading, focusing on skills and capabilities and leadership potential of our people.

On the sustainability front, we continue to advance our commitment to sustainability and community impact. This year, we made significant progress towards our ambitious sustainability goals for FY 30. We achieved a 45% carbon neutral percentage. We lowered specific electrical, thermal energy as well as specific water consumption, while water recycling and hazardous waste recycling stands at 96% each.

We also enhanced our renewable power share from 23% in FY 24, to 25.2% in FY 25 through expanded rooftop solar and wind power agreements. We contributed 300,000 kl of water through water augmentation projects. Six of our plants completed zero waste to landfill assessments with platinum ratings in third-party assessment.

Education, Health & Sanitation, Environment, and Livelihoods continue to be at the core of our CSR focus. Through Sevak Trust, which is our CSR arm, we have transformed 54 schools with solar energy and hygiene focused facilities, thereby enhancing attendance and outcomes, while training over 900 adolescent girls in health and skills.

With sustainable agriculture training, our farmer empowerment program has helped over 4,000 people. And our ECoVE, Vocational Training Centre in Chhatrapati Sambhajinagar, has imparted vocational training to 1,900 youth, securing over 75% employment.

Our health work has reached 42 villages, serving 17,000 people, and we have built 2,300 toilets to improve sanitation. Our Vet van program too has been successful in providing treatment to 40,000 animals in 47 villages.

This year we have started with one village, by creating a green energy village by providing rooftop solar energy units to 100% of households, promoting sustainable energy access.

Endurance continues to earn accolades from its OEM customers as well as industry forums. Some of the key awards and recognitions in this financial year were:

- Making it to the 2024 DET Hurun India Manufacturing 400 list, compiled by the Dubai Department of Economy and Tourism, in partnership with Hurun India.
- Winning the Innovation Award at the Mahindra Vendor Meet.
- Ranking 32nd among Fortune India's future-ready workplaces.
- Getting the Ford Q1 certification for our casting and machining plant at Chakan.
- Winning platinum & gold awards for our two brake plants at Waluj at the Bajaj Auto Vendor Meet.
- The CII Intellectual IP award 2024 and the ASSOCHAM IP Excellence Award.

With these opening remarks now, I would like to invite questions from all of you. Thank you.

Moderator: Thank you very much, Sir. We will now begin the question-and-answer session. We have a first question from the line of Aditya Jhawar from Investec. Please go ahead.

Aditya Jhawar: Yes, good morning. Thank you for the opportunity and congrats on a good set of numbers. My first question is on our Lithium-Ion battery pack assembly. Can you throw some more light on it in terms of any commitment from any OEM? Sir, did you mention about the 3 billion order win for e-scooter pack? Can you just throw some light on the margin profile of this business as compared to the main business? And do you expect that the ramp-up in Maxwell could accelerate because we are providing more value-added service?

Anurang Jain: I will not be able to talk about the margin, as this is sensitive information. But yes, we won a 3 billion order from a leading 2-wheeler EV OEM. This was in April, and definitely this is going to be a huge growth opportunity, not only for two, three, & four-wheelers end use, but also for

other industries like telecom, inverters, battery energy storage systems. And we are very excited, it's a forward integration with our own technology from Maxwell because as you know, the battery management system is the heart of a battery pack.

I would also request Mr. Pranit Parekar, who is from our senior management team and a key person for our battery pack plant to explain further on this. He can throw light on what we are doing at the battery pack plant.

Pranit Parekar:

We are setting up Plant 1 with two different lines, which are fully automated. One line will be used for cylindrical type of cells, which will be starting from 18650. It can accommodate up to 46120, or even 46133. And the second line will be making packs on the prismatic cells, which will be starting from 50Ah prismatic cells to 675Ah prismatic cell. It is also designed for making packs for 2-wheeler, 3-wheeler, 4-wheeler as well as battery energy storage systems, UPS and telecom battery packs.

The line is already getting installed with AGVs, and it is capable of handling low voltage as well as high voltage battery packs. The technology that is being used, it's basically an IP-led technology. The battery is completely designed and developed in-house by Endurance.

Aditya Jhawar:

You mentioned, about another Rs. 300 crore order win on e-4-wheeler application from international customers. So, Valeo and Yazaki, you called out specifically. Can you talk a little bit about what are the products that we are doing for all four of them and which market we plan to supply and little bit more color on the new U.S. and EU OEM?

Anurang Jain:

See, three of the customers which are Valeo and the two other OEMs which I cannot name, but they are leading global OEMs in the world. These are products mainly for EVs. And these are castings like end caps. I cannot mention all these names. These are castings required for EVs, very key parts. When the plant is ready to start in September, you all can come and see the plant in AURIC Shendra at Chhatrapati Sambhajinagar. But you can say that most of these orders are for EV platform. Valeo, as I mentioned, is for Mahindra, and functionally extremely important, and it's a huge opportunity. Let me just tell you, the margins here are much higher. I want to just put this on record.

Aditya Jhawar:

Sure, so these would be exported to U.S. and Europe, right?

Anurang Jain:

Well, some would be for India, like I said Mahindra, but the other two will be exported. And these customers are not those customers which our European operations are supplying to.

Aditya Jhawar:

If you can give us a little bit of a update on the 4-wheeler suspension, the technical tie-up that we have done, how has been the customer engagement, any timeline of commercialization, any indication on what kind of customers we are talking to, any further update on it?

- Anurang Jain:** I will start, and I will ask Mr. Rajendra Abhange, our Director & COO, to speak further. These are all the leading OEMs in India, I would just say that for the time being that we very closely engage with them, and as we speak, plant audits have already happened. So, we are at a very advanced stage, but I will request Mr. Abhange to speak on this.
- Rajendra Abhange:** Suspension, is one of the most critical parts for vehicle dynamics, and also for the safety of a passenger vehicle. Our tie up with this company, which is already explained, is one of the leading players of suspension manufacturing, which has delivered over 10 crore shock absorbers all over the world and is a highly experienced company. We joined hands with them sometime in January this year. When we approached the OEMs, they were excited about our association with this company, looking into their profile, and their product lines.
- There are not many players in this space in India, because these products are not easy to handle by the tier-1 companies. And therefore, there is a huge traction from most of the OEMs. Wherever we have gone, they have welcomed us, and they have actually told us to speed up the development process of these products. So, as you know, this suspension development takes a long time. It has to undergo a lot of vehicle and durability tests. Currently we have 3 programs in discussion, and most of them are going to be very crucial projects. The development time, could be anywhere between 8-12 months. During this period, we will also decide the location of the plant, as it will require a greenfield facility.
- Aditya Jhawar:** Question for Massimo- A fantastic delivery in FY 25 considering the backdrop of Europe. If you can give us some sense, then how should we expect overall industry in FY 26? And what are the big order wins that might come for execution? And what is the growth expected of Endurance European business in FY 26?
- Massimo Venuti:** The situation in Europe for the next financial year is difficult to predict because of ongoing instability from various factors, including recent tariff escalations. In Q4 FY 25 (January–March 2025), new car registrations in the European Union dropped by 1.9% year-on-year, and according to S&P Global Mobility, production of new light vehicles in Europe is expected to decline by over 2% in the 2025 calendar year.
- Despite these market challenges, we expect Endurance's European business to grow. The acquisition of Stöferle that has added €80 million to our revenue, our past performance, and recent business wins, will be the key drivers of our growth. We expect to continue outperforming the industry.
- Moderator:** Thank you. We have a next question from the line of Mumuksh Mandlesha from Anand Rath Institute of Institutional Equities. Please go ahead.

- Mumuksh Mandlesha:** Thanks for the opportunity and congrats on a good set of numbers. Sir, firstly on the Suspension side, you mentioned about the first order for Solar Damper assembly. I just want to understand the size of the order, and what is driving the opportunity in this space, sir?
- Rajendra Abhange:** As you know, we always aspire to diversify our business out of 2-wheeler. One of the area is 4-wheeler, which we already spoke about. But we are also exploring areas which are non-auto. And one of the success stories is that we are getting into the racking system for the solar panels, which is a very high-tech kind of a system that requires to manoeuvre the solar panels during the day, and it has to work according to the direction of the sun. So we are going to produce this entire racking system. The technology that we applied is from our knowledge of automotive engineering. It is an extension of what we already know, so it's not very difficult for us. So, no collaboration is needed. The company that approached us is a Spanish company, which is world's third largest solar panel system supplier. It's a global company and all the audits have happened, and we are expecting the commercial production to start in the next quarter from one of our plants for supply to India, Saudi Arabia, and to the United States. So these three areas we will be supplying. On the question about technology, when you speak about what is different than automotive is that these products are, from the size perspective, they are very big, very long, more than the height of a human. And they have to operate in the field for nearly 25 years, without any substantial maintenance. So, we have validated our products, in our labs, with all kinds of tests, according to the customer specifications. All the machinery is getting into place, and the commercial supplies will start within next 2 to 3 months' time. If you ask about the potential, the potential is enormous. But we are going to start in a small way, I would say between Rs. 25 to Rs. 50 crores to begin with. But the potential is to get to over Rs. 500 to Rs. 1000 crores business.
- Mumuksh Mandlesha:** The AURIC plant, I just want to understand how will this ramp up of Rs. 275 crore order would happen ?
- Anurang Jain:** The peak of this Rs. 275 crores will reach in FY 27. But as we speak, we are also in touch with other customers to take more orders. And the customers are also in a real hurry to get the supply started. In fact, one of the customers was there last evening at AURIC Shendra, they have done the audit and are quite happy. The trial lots already have started, only that mass production is in September. We are already supplying smaller lots. And, as you know that this has a special process also, which is first time in India. It's a surface treatment process. So, the potential is enormous, but we are going to go step by step. We are very excited about this, and maybe after September 2025, we can invite all of you to come and see the plant.
- Mumuksh Mandlesha:** On the alloy wheel business, this space is seeing a very strong growth led by import substitution. Also, we are seeing that increasing number of players who are entering this space. I just want to understand how this business margins or the ROCE stand versus how the Company currently does?

- Anurang Jain:** Our focus is to see that the margins are in line with the Company. That's our target. And we have made a lot of effort based on the product mix and the operational efficiency, to see that we are able to do it. We have gone in for more automation, which requires less dependence on people, which you will see once the plant will start. We are making our full efforts; we have learnt from our experience and seeing that the margins are in line with what we make in the Company. As far as this space is concerned, we are aware of the competition. So, when we take new orders for these alloy wheels, we have full clarity from customers about the competition and their share of business, there is no doubt about that. There may be a number of players, I agree with you, but as far as we are concerned, we have a clear-cut sight of our share of business and volumes, subject to the customers doing those volumes. So, if they do more, we get a higher volume, and vice versa.
- Mumuksh Mandlesha:** So no major margin pressure it would be fair to say sir?
- Anurang Jain:** I have always said in the past that price, of course, is very important, but it is dictated by the competition. It is also important to execute your operational strategy to make money- whether it's your raw material purchases, whether it's your operational efficiencies in the plant, your manpower cost. So it's up to you, what is the kind of model which you run? And building on these strengths is what Endurance has done for the last 30 years. Price, of course, is very important, but it's just not the price. It is a strategy which we have followed both in Europe and India, which makes us a bit different from most others.
- Mumuksh Mandlesha:** On the PSI incentive, the annual number should be around Rs. 870 million and just wanted to check this Rs. 380 million for this quarter, did you include any earlier quarter number as the schemes started from second half? And just in that Rs. 870 million annual number, will be going ahead will be uniformly spread across the quarters or there would be bunch up in the few quarters?
- Raja Gopal Sastry:** We did book a total of Rs. 38 crores in Q4, and because, we got the eligibility certificate under 2019 scheme, effective 1st of October, the number is slightly more than the average. The total eligibility certificate received by us was Rs. 606 crores, and we are expecting that in the year, it should be anywhere in the range of Rs. 65 to Rs. 70 crores, we should be able to book 75 also. Generally, this is a function of the quantum of state GST which we are paying. And given the current run rate of how we are paying the state GST, we do expect that in the first 2 quarters, and a little bit in the third quarter, we should be booking that in each year.
- Moderator:** Thank you. We have our next question from the line of Pramod Amthe from Incred Equities. Please go ahead.
- Pramod Amthe:** This is with regard to the Battery Pack. Just wanted to understand what is the value add proportion you are planning in terms of the sales value, and what are these items?
Second, what is it you are bringing onto the table in terms of designing battery pack as compared to established players in the system?

Pranit Parekar: There are a lot of technologies that we are bringing on table from Endurance side. For the uniqueness of a temperature monitoring system, there are multiple patents which are going to be filed, some of them are getting applied also. CCS, which actually does the cell-to-cell contact system, is a unique technology, which allows the connections to happen properly with the register mapping algorithm and also allows a very high rate of thermal discharge from the cell to the enclosure.

These battery packs are very uniquely designed with specific technology that makes it a wire-free battery pack. We do not use wires to connect the cells, or even voltage sensing lines, or temperature sensing lines. Everything is wireless, done through a unique IP-led technology. The enclosure design is also unique, in a way that it allows the thermal propagation or the thermal transfer at more than 5 watts per meter-Kelvin. I know the industry has bigger players in battery industry, but the large unmet need of high quality robustly engineered battery systems is encouraging Endurance, to bring in-house fully developed IP led battery design. There is a huge demand for high quality robustly designed battery packs. Endurance is making batteries that will work for more than 10 years, without having a maintenance to it, and keeping the R&D on continuous path, for making it ready, for next generation battery packs.

Pramod Amthe: Thanks for that explanation and can you give some color in terms of what's a value add as a proportion of the sales value because there's a lot of bought out in terms of sales and all, right?

Anurang Jain: Value add we cannot tell you, but we can give you, the price range which can go from 25,000 to 45,000. Let Pranit answer, what is the normal range for 2-wheelers, 4-wheelers?

Pranit Parekar: For two-wheeler battery packs, which start from, Rs. 15,000 a kilowatt, and it goes up to Rs. 45,000 - 50,000 for packs like 4, 5, 6 kilowatts worth. And for 3 kilowatts, the major Indian market is on 5 kilowatts to 15 kilowatts, which starts from Rs. 30,000 to Rs. 1 lakh per battery pack. And if you ask me about the value add, it's basically the quality and a strategically developed supply chain, with good partners for cell supplies, as well as keeping it on very high level negotiations on the cell values and proposition for OEMs, so that the volumes which are increasing in India, will be supported by Endurance.

Pramod Amthe: Sure. And the cells, you will procure them, or the OEM will approve it and you will be just procuring from those sources? How does it work?

Pranit Parekar: We will be designing the pack. There are 2 ways to do the battery pack: one is basically built-to-print and the second is basically built-to-spec. The orders which we are right now getting are built to spec, so that the design and the cell selection, as well as our proprietary BMS is basically selected by Endurance.

We have strategic tie-ups with cell manufacturers from China, South Korea, Japan as well. We are also talking to the companies which will be making cells in India. We are very aggressive in

having a supply chain managed in such a way that we should give a very big advantage in terms of costing to our OEM partners.

Pramod Amthe: With regard to KTM supplies, considering that KTM itself is going through a restructuring, you have any direct exposure there and how do you look, do you have to make a provision there per se or not expect?

Anurang Jain: In fact, we have already made a provision of Rs. 5.3 crores in Q4 FY 25. Going forward, we are not worried because as far as the assets are concerned, if something goes wrong, they are very flexible, they can be used for other OEMs, we are not worried. Inventories also, it is not such a figure that we are alarmed about. But having received this first set of firm orders, we are quite confident that some good things will happen. So I think, we will be knowing this after 23rd of May, when the last court hearing is held.

Pramod Amthe: With regard to the EV Castings. As you disclose the name of Valeo, which seems to be in the e-axles or transmissions of the EVs. So you're making more inroads into EV axles? Is that fair understanding on castings?

Anurang Jain: It's not only axles, but also other Casting products. Because for the other 2 customers, it is other Castings. It is not for e-axles, there's a huge range and this is really a very exciting opportunity. It's a new world we are entering, we are very strong on casting as you know- engineering, our own tool room, we are very strong there.

Rajendra Abhange : It is not just the drivetrain products, it's also the other parts of the vehicle. Because in EV, aluminum content is very high.

Pramod Amthe: Your key customer profile for FY 25, the big jump seems to be the VW Group per se, moving to emerge as the second largest for you. What has gone right for you to win there, and what's the headroom you expect there? Because it's a big entity to approach and there's a lot of headroom for you to grow there. So how are you looking at it as an opportunity?

Massimo Venuti: Okay, now when we speak about Volkswagen Group, it is 25% of our total Europe turnover- we have 5% of Audi, 9% of Porsche, and the balance is other Volkswagen Group brands. Because as you know, we produce internal combustion engines, transmission components, and electric components for all the brands of Volkswagen, including Skoda. So, we are not worried about the situation for the future also, because we are speaking about our brand being very strong in the European market. For sure, at the moment, some brands are suffering from the China situation as Porsche & Audi, and from the duty in United States. But despite the reduction of registration compared to the previous year, we grew 60% with the Volkswagen Group due to the start of production of the business in the electric field that we acquired in the last 3 years. And we started in the previous financial year with this new business- the total amount is €17 million. Our expectation is to keep growing and we will grow in the next Financial Year as well.

Moderator: Thank you. We have our next question from the line of Arvind Sharma from Citigroup. Please go ahead.

Arvind Sharma: On the India business, what are your CAPEX plans for FY 26? And also given that there is so much CAPEX Endurance is doing on 4-wheelers and non-autos, what would be the broad direction impact on returns and margins?

Raja Gopal Sastry: If you see our presentation, we have invested close to Rs. 611 crores in FY 25. And quite a few of them are growth and strategic projects which are still in their gestation period. So, there will be investments in FY 26 also to complete those projects, which are our AURIC Shendra, AURIC Bidkin and also certain investments for the Battery Pack which we have announced. I will not be able to give you the exact number, but it is going to be a significant number of CAPEX even in FY 26.

As the Managing Director mentioned, quite a few of these projects are starting their start of production in the second half, and also the third, fourth quarter of this year. That would mean better revenue as we go forward, and given that quite a few order wins of about Rs. 3,500 crores of the past have seen the SOPs in FY 25, and also another 30% are seeing the start of production in FY 26. All these augurs well for our revenues, and also the bottom line in the coming year. All the investments we are making in the past will see some effect in FY 26, but definitely much bigger effects in FY 27, and going forward.

Anurang Jain: Also, the product mix is improving.

Arvind Sharma: For Europe, if you could just share the revenue and EBITDA, as well as a broad outlook for the European markets, including the Stöferle acquisition.

Massimo Venuti: We closed the previous quarter with €80 million turnover, compared to €68.3 in the previous financial year with an increase of €11.7 million, means 17.1% of increase in terms of turnover. We closed the EBITDA with €14.7 million, which means 18.4% compared to €12.2 million of the previous financial year with an increase of 21.1%. In terms of net results, we closed with 4.8 million, 5.9%, with an increase of 19.5%, compared to the previous year.

Speaking about the total financial year, the Company closed for the first time with €304 million, with an increase of 15.5%, compared to the previous year. The EBITDA was €51.1 million, which means 16.8% in total financial year, more than 20% compared to the previous year. And the net result was €16.3 million, which means 5.4%, with an increase of 16.9% compared to the previous financial year.

This quarter was, from my point of view, the best in the history of Endurance Overseas in terms of technology, and also in terms of profitability, because if I do adjustment of the energy costs and also the increase of the material cost, the EBITDA should have been more or less 19% or 20%. So it's a very good performance and the expectation for the future months is to try to

maintain this performance. We are optimistic that we can maintain the profitability we have had in the previous financial year, and for sure improve the situation.

Moderator: Thank you. We have our next question from the line of Aniruddha Mane from Standard Chartered Bank.

Aniruddha: Thank you so much for the opportunity. And congratulations on a good set of numbers. I had just one question to understand. Basically, at a consolidated level, what sort of revenues would be driven from the US markets which might get affected because of possible tariff implications?

Anurag Jain: In India, we don't see anything. But for Europe, I can request Mr. Massimo Venuti to speak. As I mentioned in my opening remarks, there could be some of our products going into premium cars, which may be exported to the US.

Massimo Venuti: We do not have direct sales towards US, so the effects are all indirect, for vehicles sold in US by European carmakers. A rough estimation of the effects on sales could be about 20/30 €/mn particularly for Porsche applications.

Moderator: Thank you. We have our next question from line of Niril Parekh from Awirga Capital Advisors. Please go ahead.

Niril Parekh: I have two questions, both on the Europe geography. First one is with respect to the acquisition we did of Stöferle. It has 60% of its revenue where it is the sole supplier. For the last 3 years, based on my rough calculations, we were growing Europe geography sales at around 8%-10%. With this acquisition, and cross-sell opportunity for the next 3-5 years of the combined business, do you foresee a better high to mid-teen level of growth?

Massimo Venuti: With the consolidation of Stöferle, our growth will have an immediate boost for its contribution to the consolidated revenues after we will track the market to try to perform better but it is still unpredictable. With large orders recently booked, we are expecting to grow faster than the market, even without Stöferle.

Niril Parekh: Are we in active talks with any of the Chinese OEMs and have you received any SOP?

Raj Mundra: So Niril, right now we do not have orders from Chinese OEMs, but yes there are some Chinese OEMs with whom we are in discussion.

Moderator: Thank you. On behalf of Axis Capital, that concludes this conference. Thank you for joining us and you may now disconnect your lines.