

## Amber Enterprises (AMBER) – ADD

### Company Update

Current Market Price (CMP)

**Rs.7211**

Target Price

**Rs.7800**

### Rationale:

- Early signs of a favorable summer season for the room AC category.
- IMD forecasts above-normal maximum temperatures during Mar-May 2025 period.
- We expect revenues to see a CAGR of 27% over FY2024-27E, driven by growth in components, electronics and Sidwal segments.
- We expect earnings per share (EPS) to grow by 72.4% in FY26E and 26.5% in FY27E.
- We revise our estimates by 1-2% up and raise FV to Rs7,800 from Rs7,720; retain ADD.

### Company update:

#### **Positives:**

- We expect Amber to benefit from a stronger-than-expected summer season.
- Media reports indicate that there could be shortages of compressors in India; Amber is well prepared to handle any compressor shortage.

#### **Negatives:**

- Slower-than-expected secondary offtake and an inability to pass on raw material inflation are key short-term risks for Amber.
- Backward integration plans of competitors are a long-term risk for Amber.

(AC: Air Conditioner; DCF: Discounted Cash Flow; IMD: India Meteorological Department; FV: Fair Value; CAGR: Compound Annual Growth Rate)

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For detailed report dated 17th Mar 2025. Note: CMP & valuation may differ due to difference in dates.



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