Dated: 4 Aug 2026

Exide Industries (EXID) - SELL

Q1FY27 Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs.445	**Rs.325**

Rationale:

- Q1FY27 EBITDA 9.6% above estimates; above-expected revenue/cost-control measure.
- We expect company to deliver steady performance in medium term, led by growth in the replacement and select industrial segments.
- Company's lithium battery business will scale up over the coming years; however, we expect profitability and return ratios of the LiB business to remain under pressure.
- LiB business has high capex requirements, is commoditized/B2B nature of the business.
- In addition, there remains an uncertainty on access to the latest technology from the Chinese partner, given the government restrictions.
- We value lead-acid battery business at Rs174/share (NPV of future cash flows) and LiB business at Rs152/share, based on 12x FY29E EV/EBIT and discounted back to 2028.
- We are not factoring in the HDFC Life stake, assuming the investment proceeds will fund LiB business capex.

Positives:

- Standalone revenues grew 17.6% yoy, 8.9% above our estimate.
- All major businesses delivered double-digit revenue growth in Q1FY27.
- EBITDA margin was at 12.4% (+20 bps yoy/+70 bps qoq), 10 bps above our estimate.
- Adjusted net profit was 13.3% above our estimate (+27% yoy and +30% qoq).

Negatives:

- Commodity and currency pressures remained elevated during Q1FY27.
- Gross margin fell by 60 bps qoq in Q1FY27 for Exide Industries.

(EV: Enterprise Value; EBITDA: Earnings Before Interest, Tax, Depreciation and Amortization; EBIT: Earnings Before Interest and Tx; B2B: Business-to-Business; NPV: Net Present Value; PAT: Profit Before Tax; LiB: Lithium Ion Battery)

Holding Period: 12 months

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Rating Scale (Private Client Group)

Definitions of ratings

BUY – We expect the stock to deliver more than 15% returns over the next 12 months

ADD – We expect the stock to deliver 5% - 15% returns over the next 12 months

REDUCE – We expect the stock to deliver -5% - +5% returns over the next 12 months

SELL – We expect the stock to deliver < -5% returns over the next 12 months

NR – **Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.

SUBSCRIBE – We advise investor to subscribe to the IPO.

RS – **Rating Suspended.** Kotak Securities has suspended the investment rating and price target for this stock, either because there is not a sufficient fundamental basis for determining, or there are legal, regulatory or policy constraints around publishing, an investment rating or target. The previous investment rating and price target, if any, are no longer in effect for this stock and should not be relied upon.

NA – **Not Available or Not Applicable.** The information is not available for display or is not applicable

NM – **Not Meaningful.** The information is not meaningful and is therefore excluded.

NOTE – Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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