

Business Updates

- The volume growth in PV was 5-6% in both aftermarket and OEM segment

Participants

Nomura

Nuvama

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Dolat Capital

JP Morgan

Equirus

Oneup Financial

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QnA

- The industrial segment grew by around 7% on a yoy basis in Q4
- The battery pack business currently is at 3-4% EBITDA because a lot of costs are being spent currently which are fixed in nature
- There has been a very strong recovery in OEM production and that momentum has carried forward in current year as well in the OEM segment
- In the lithium cell business the company has just started work on the plant and it will take around 30 months for first production to hit the market
- The first phase is commercial qualification and the company will be working with not just its in house technology but also with partners and this is when homologation with customers will start
- For development of technology the company continues to invest in own R&D and also buy companies where technology can be acquired
- On an average for FY24 & FY25 the lead acid business will require around Rs 400 crores and the new energy business will also require Rs 300 crores in FY24 and around Rs 500 crores in FY25
- No price increase in lead acid business in Q4
- The CQP plus the 2GW plant will require around Rs 1300 capex over next 2.5 years
- On the raw material side there are no major issues and prices have stabilized across the board
- The battery pack business is currently generating revenue primarily from the three wheeler space and the telecom sector

- In automotive segment mix wise four wheelers is 65-70% while rest from two wheelers
- The earlier guidance of EBITDA margin between 14-16% still remains
- Today the company sells battery packs after importing cells and post the facility of 2GW comes up the company will use its own cells but it is difficult to make an estimate of how much of the battery packs will have indigenous cells
- The company continues to talk with all raw material suppliers for lithium and other raw materials to be used in Li ion cells and the idea is that it will be sourced from Asian suppliers at least for the first two years
- There should not be any dearth of opportunities in the lead acid business at least until the end of the current decade
- Between sodium and lithium the manufacturing process is quite similar and beyond the 2GW initial capacity any further capacity will happen by looking at information at that point of time and if some new chemistry would have evolved it would shift in that direction
- The asset turns on the new plant could be at 1-1.2 times looking at the revenue potential today