

ENDURANCE TECHNOLOGIES LTD

Issue Details	
Issue Opens	05-Oct-16
Issue Closes	07-Oct-16
Issue Size (Rs. Crore)	1,161.73
Face value (per equity share)	10
Price Band (Rs.)	467-472
Lot Size (No of Share)	30
No of Shares on Offer (crore)	2.46
QIB (%)	50%
Non-Institutional (%)	15%
Retail (%)	35%
Commencement of Trading	19-Oct-16

Shareholding pattern	Pre Issue (%)	Post Issue (%)
Promoters and Promoter Group	86.28	82.50
Public (incl institutions and employees)	13.72	17.50
Total	100	100

Objects of issue

- To achieve the benefits of listing the Equity Shares on the Stock Exchanges
- To carry out the Offer for Sale.

Issue Date: 05 Oct – 07 Oct 2016
Price Band (Rs.) : 467- 472
Lot Size (No. of Share) : 30
Company Background

Endurance Technologies td (ETL) is the largest two-wheeler and three-wheeler automotive component manufacturer in India in terms of aggregate revenue. It has operations in Europe with highly automated manufacturing facilities in Italy and Germany. Company is largest aluminum die-casting company in India in terms of actual output and installed capacity. Total revenue contribution from India is over 70% and 30% from Europe. Company's long-term bank facilities are rated CRISIL AA-/Stable and short-term bank facilities are rated CRISIL A1+.

Financials

Particulars	For the year/period ended (in Rs. Million)				
	FY-16	FY-15	FY-14	FY-13	FY-12
Total Assets	19,917	18,797	19,443	19,073	19,139
Total Revenue	36,959	35,400	31,451	27,378	27,855
Profit After Tax	2,056	1,814	1,500	1,010	1,060

Concerns

- ETL Pricing pressure from customers.
- Failure to compete effectively in the highly competitive automotive components industry
- Currency exchange rate fluctuations could have an adverse effect.

Strengths

- Consistent track record of organic and inorganic growth
- Strong customer relationships with a wide variety of OEMs
- Strong research and development and technological capabilities
- Growing and profitable European business

Our View

On the upper price band of Rs 472 and on FY16 EPS of Rs 20.6, P/E ratio works out to 22.9x. Last 3 years EPS of Rs 18.7, P/E works out to 25.2x. Means company is having upper band of issue price of 472 for P/E ratio between 22.9x to 25.2x. Its peers like Mahindra Automative Ltd and Munjal Showa Ltd is trading at P/E ratio of 67 and 11.65 respectively. Company revenues grew at 8% CAGR in last 5 years. The issue price is reasonably priced. High risk investors with 2-3 years investment horizon can invest in this IPO. One may or may not expect listing gains as it depends on investors sentiment towards this IPO.