

Sundram Fasteners Ltd.

01-12-2025

Sector: Auto Ancillaries

Security Not Under ASM: ☒

| LTP | Recommendation | Target | Stop Loss | Return |
|--------|------------------------|------------|-----------|------------|
| Rs.936 | Buy between Rs.950-980 | Rs.1,190 | Rs.842 | +27% |
| SENSEX | Market Cap | NSE Code | BSE Code | Time Frame |
| 85,707 | Rs.20,044cr | SUNDRMFAST | 500403 | 3-6 Months |

Data as of: 28-11-2025

| 52W H/L | Group | F&O Listed | Div. Yield | D/E |
|----------------------|---------|------------|------------|-----|
| Rs.1,199/832 | A | No | 0.8% | 0.2 |
| Consolidated (Rs.cr) | FY25A | FY26E | FY27E | |
| Revenue | 5,955 | 6,341 | 6,987 | |
| Growth (%) | 8 | 6 | 10 | |
| EBITDA | 944 | 1,053 | 1,181 | |
| EBITDA Margin(%) | 15.9 | 16.6 | 16.9 | |
| Adj. PAT | 539 | 635 | 735 | |
| Growth (%) | 3 | 10 | 16 | |
| EPS | 26 | 30 | 35 | |
| Growth (%) | 3 | 10 | 16 | |
| RoE (%) | 14.9 | 15.3 | 15.7 | |
| Valuation | FY25A | FY26E | FY27E | |
| P/E (x) | 37 | 32 | 28 | |
| Price/Book Value | 4.7 | 4.7 | 4.2 | |
| EV/EBITDA | 21 | 20 | 18 | |
| Price Performance | 3 Month | 6 Month | 1 Year | |
| Absolute Return (%) | -5.8 | -6.5 | -16.7 | |
| Absolute Sensex (%) | 7.0 | 5.5 | 7.7 | |
| Shareholding (%) | Q4FY25 | Q1FY26 | Q2FY26 | |
| Promoters | 46.9 | 46.9 | 46.9 | |
| FII's | 12.9 | 11.1 | 10.6 | |
| MFs/Institutions | 20.9 | 22.7 | 23.3 | |
| Public | 19.1 | 19.3 | 19.2 | |
| Total | 100.0 | 100.0 | 100.0 | |
| Promoter pledge | Nil | Nil | Nil | |

Fundamental View

Sundram Fasteners Ltd (SFL), a TVS Group flagship founded in 1962, is a leading global automotive component manufacturer. Specializing in high-tensile fasteners (40% revenue), power-train, and precision-engineered products, it serves automotive and industrial sectors. With exports contributing 30%, SFL has a strong presence in the U.S., Europe, and China, reinforcing its position as a trusted global supplier.

- Sundram Fasteners delivered a healthy Q2FY26 performance despite macro headwinds, supported by cost discipline and diversified revenue streams. It posted revenue of ₹1,521cr, up 2.3% YoY, with EBITDA at ₹252cr and margins at 17%. PAT stood at ₹153cr, marking a 6.2% YoY growth, aided by softer commodity prices.
- SFL has completed its ₹100cr wind energy expansion and is investing another ₹80cr to support volume growth from FY27. It is also developing stainless steel and railway fasteners, with contributions to revenue expected within the next 12 months.
- Robust domestic PV and CV demand, supported by GST reductions and expected export recovery from Q1FY27, positions the company favorably. Management is aiming for a double-digit CAGR over the next three years.
- SFL's medium-term growth outlook remains robust, driven by structural tailwinds in EV components and wind energy, alongside steady domestic demand recovery. Despite near-term export weakness, the company is expected to deliver strong growth supported by new product introductions and capacity additions in high-margin segments. As per market consensus, the stock currently trades at 29x 1-year forward P/E, near its 5-year average.

Technical View

- The stock continues to trade within a sideways consolidation zone, reflecting indecision among market participants. The price action remains range-bound, oscillating between converging trendlines, suggesting an accumulation phase.
- The RSI hovers near the 50 mark, indicating a balanced momentum without clear directional bias. Meanwhile, the MACD shows a neutral crossover, aligning with the consolidation setup and hinting that a decisive breakout on either side could determine the next directional move.
- The stock remains in a sideways consolidation phase, with price action exhibiting limited directional bias. The overall setup suggests a period of base formation, and traders may continue to hold existing positions as long as the stock sustains above ₹900. A decisive breakout from the consolidation range could trigger renewed momentum toward the profit objective of ₹1,190 in the near to medium term.

Price Chart



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