RATING Not Rated | CMP INR 1,819 | TP NA

Atlanta Electricals (ATLANTAE IN)

Visit Update

August 24, 2026

EHV transformers to drive robust growth

Quick Pointers

- ~30,540MVA capacity of Unit 4, coupled with ongoing 400kV product qualification, will provide a meaningful entry into the higher barrier segment and should drive incremental order opportunities
- Proposed technology tie-up could accelerate entry into 765kV transformers, opening a significant long-term growth opportunity amid rising transmission capex

We visited Atlanta Electricals' (ATLANTAE IN) manufacturing facilities and interacted with the management to assess its capacity expansion plans, product portfolio and growth outlook. ATLANTAE is well placed to capitalize on the structural transformer upcycle, with ~63,000MVA of installed capacity across voltage classes and increasing focus on 400kV/765kV products, where higher entry barriers should support better competitive positioning. Commissioning the new IDT facility (~5,000MVA) should further strengthen its capabilities in distribution transformers, improve manufacturing flexibility and support growing demand across utility and private-sector customers. Furthermore, commissioning of Unit 4 (~30,540MVA, 400kV) and Unit 5 (~16,000MVA, 765kV) provides significant headroom for growth, while ongoing product qualification and technology tie-ups should accelerate its presence in EHV transformers. Strong transmission investments led by renewable integration and grid expansion, along with emerging demand from data centers, BESS and railways, should support sustained order opportunities. With ~INR30bn order book providing near-term revenue visibility and bidding activity expected to accelerate from Dec'26, the management remains confident on demand. Export opportunities are also gaining traction, with exports targeted to reach ~15% of revenue by FY28. Overall, higher EHV exposure, substantial capacity headroom, healthy order visibility and expanding addressable markets provide multiple growth levers for ATLANTAE, although timely qualification and execution of higher voltage products remain key monitorables.

Management meet highlights

Capacity expansion largely complete; focus shifts to utilization

- ATLANTAE operates 5 manufacturing units across multiple voltage classes. Unit 4 has **~30,540MVA of 400kV capacity**, with production of **~15 transformers per month**, including four 400kV transformers and rest 220kV transformers. Unit 5 has **~16,000MVA of 765kV capacity**, with production of ~3 transformers per month.

- The management indicated that realization varies by voltage class, with 66kV at INR9.5–10 lakh/MVA, 132kV at INR8–8.5 lakh/MVA, 220kV at INR7–8 lakh/MVA, 400kV/765kV at INR5–5.5 lakh/MVA. Realization also depends on transformer specifications, MVA rating and component configuration.

Key Data — ATLT.BO | ATLANTAE IN

BSE Code	544527
NSE Code	INE0Z4F01028
52-W High / Low	2,200/712
Face Value	2
Sensex / Nifty	77,369/ 24,219
Market Cap	INR 140.5bn/$ 1,468mn
Shares Outstanding	INR 76.9mn
3M Avg. Daily Value	INR 232.2mn

Shareholding Pattern (%)

Promoter's	87.27
Foreign	1.92
Mutual Funds	4.23
Domestic Institution	0.52
Public & Others	6.05
Promoter Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	14.9	9.6	107.3	-
Relative	13.2	7.7	112.2	-

Key Financials - Standalone

Y/e Mar	FY23	FY24	FY25	FY26
Sales (INR mn)	8,687	8,545	12,251	18,515
EBITDA (INR mn)	1,403	1,187	1,936	3,444
Margin (%)	*16.2*	*13.9*	*15.8*	*18.6*
PAT (INR mn)	875	635	1,186	2,018
EV (INR mn)	-	-	-	91.980
Total Debt (INR mn)	740	488	1,460	507
C&C Eq. (INR mn)	31	2	4	999
EPS (INR)	-	-	-	27.2
Gr. (%)	-	-	-	-
DPS (INR)	-	-	-	-
Yield (%)	-	-	-	-
RoE (%)	*65.1*	*32.3*	*41.0*	*31.5*
RoCE (%)	*73.5*	*40.0*	*39.4*	*36.8*
EV/Sales (x)	16.1	16.4	11.4	7.6
EV/EBITDA (x)	99.6	117.8	72.2	40.6
PE (x)	-	-	-	67.2
P/BV (x)	-	-	-	15.1

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- The management has no plans for any major incremental transformer capacity expansion and will consider further expansion only after adequate order visibility, particularly for Unit 5, where capacity can potentially be scaled to **~45,000MVA.**

400kV entry to start commercial ramp-up of Unit 4

- The company is currently developing **315MVA, 350MVA and 500MVA** variants in the 400kV class, with the **first 315MVA** prototype expected to enter production around Sep/Oct'26 and subsequently undergo third-party short-circuit testing.

- Atlanta is undergoing PGCIL vendor/product development approval for its **400kV/500MVA** transformer portfolio; the company will first develop a prototype, which will then undergo short-circuit testing at an approved third-party laboratory.

765kV entry accelerated through technology partnership

- The management is in the final stages of closing **a technology partnership for 765kV** transformers, the partner will provide past operating credentials, design support, manufacturing know-how and customer references, helping compress the ~**5-year independent qualification cycle**.

- The arrangement is expected to involve an upfront fee and **3–4% royalty on 765kV business for 2-4 years**, after which ATLANTAE expects to build independent credentials; importantly, competition at 765kV remains limited due to high technology and qualification barriers.

Strong order visibility with selective bidding strategy

- Current order book stands **at ~INR30bn**, which the management believes can be executed by FY27 and provides revenue visibility into the beginning of FY28. The management does not intend to aggressively chase orders over the next couple of quarters.

- State transmission utilities are increasingly clubbing 2-3 years of requirements into larger tenders, which should create larger opportunities; normalized order hit ratio remains at **15–20%,** although quarterly conversion can fluctuate materially.

Long lead times support visibility for higher kV products

- Large transformers typically have lead time of 18–24 months, including engineering, approvals, procurement, manufacturing and testing, requiring utilities to place orders well ahead of project commissioning.

- This makes 400kV/765kV procurement an early part of the transmission capex cycle, ahead of subsequent state transmission and distribution requirements.

Renewable integration remains the key demand driver

- The management sees renewable energy integration as the primary driver for transmission transformers, as rising solar/wind capacity requires multiple transformation stages across generation, central transmission, state transmission and distribution.

- The management's broad rule of thumb is that transformer capacity required across the network is **11–12x** of the generation capacity, although the actual requirement varies by network configuration; central transmission is increasingly moving toward **400kV/765kV**.

New growth opportunities emerging beyond core transmission

- BESS, data centers and railways are seeing increasing enquiries, with ATLANTAE already seeing a 400kV-class requirement linked to **BESS; data-center opportunity** remains in the early stages, with customer/OEM qualification the key bottleneck.

- These segments offer diversification beyond conventional transmission/generation while largely leveraging ATLANTAE's existing transformer technology.

Export strategy gaining traction

- ATLANTAE is targeting **~15% of sales from exports by FY28**, with encouraging enquiries from multiple international markets, including the US and Europe.

- Qualification and certification remain key near-term hurdles, with the management expecting more meaningful export visibility around Q3FY27.

Backward integration to improve supply reliability

- ATLANTAE is backward integrating into transformer radiators and tanks primarily to improve quality consistency, supply assurance and delivery control, rather than achieve significant cost savings.

- This becomes increasingly relevant as the company scales its transformer capacity and handles larger order sizes.

IDT facility – Efficiency-led expansion

- ATLANTAE is setting up **a dedicated IDT facility (~5,000MVA)**, with machinery installation planned during Oct–Dec'26 and production targeted from Q4.

- The facility will be automated and focused on mass production, freeing existing facilities for higher kV transformers and improving overall capacity utilization.

- ~INR200mn has been incurred for the project out of **INR650mn capex**.

Exhibit 1: Peer Comparison

	Revenue (in Rs Mn)				EBITDA (Rs Mn)				EBITDA %				PAT (Rs Mn)			
Companies name	FY25	FY26	FY27E	FY28E	FY25	FY26	FY27E	FY28E	FY25	FY26	FY27E	FY28E	FY25	FY26	FY27E	FY28E
Atlanta Electricals*	12,251	18,515	25,275	33,693	1,936	3,444	4,808	6,677	15.8%	18.6%	19.0%	19.8%	1,186.3	2,018.0	2,846.0	4,190.0
Voltamp Transformers	19,342	21,537	25,284	29,810	3,662	3,708	3,894	4,740	18.9%	16.5%	15.4%	16.1%	3,254.1	3,170.7	3,468.4	4,122.8
Transformers and Rectifiers*	20,194	25,088	31,655	39,850	3,275	3,832	4,973	6,361	16.2%	15.3%	15.7%	16.0%	2,143.0	2,721.0	3,122.0	4,159.0

*Source: Company, PL   *Bloomberg consensus*

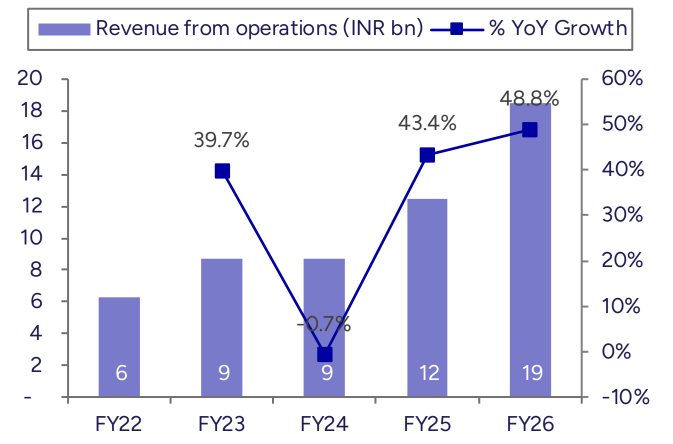
Exhibit 2: Peer Comparison

	EPS				P/E (x)				ROE			
Companies name	FY25	FY26	FY27E	FY28E	FY25	FY26	FY27E	FY28E	FY25	FY26	FY27E	FY28E
Atlanta Electricals*	15.4	26.4	37.0	54.5	117.5x	68.8x	49.1x	33.3x	41.0%	31.5%	25.0%	27.5%
Voltamp Transformers	321.6	313.4	342.8	407.5	39.4x	37.6x	34.0x	28.8x	22.1%	18.7%	18.1%	18.8%
Transformers and Rectifiers*	7.2	9.1	10.7	13.3	41.9x	33.3x	28.3x	22.8x	23.7%	19.1%	17.6%	17.9%

*Source: Company, PL   *Bloomberg consensus*

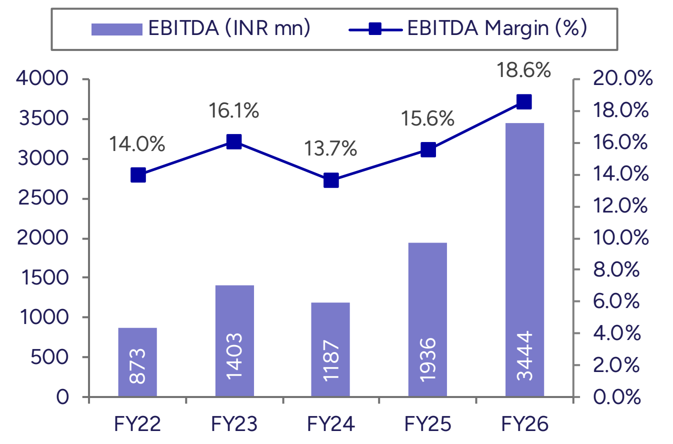
Story in Charts

Exhibit 3: Revenue to grow at ~40% CAGR



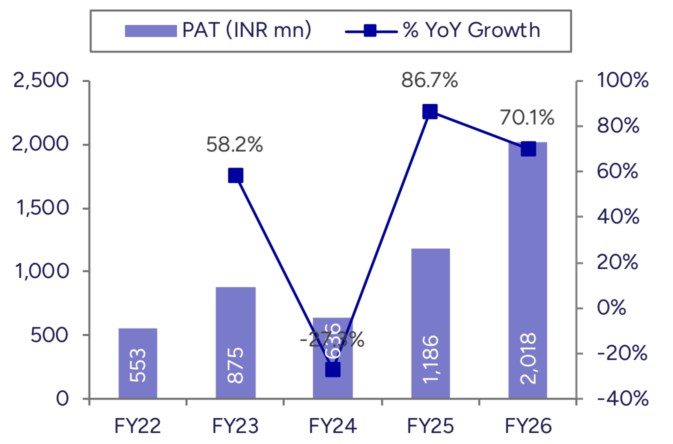
Source: Company, PL

Exhibit 4: EBITDA margin to remain stable



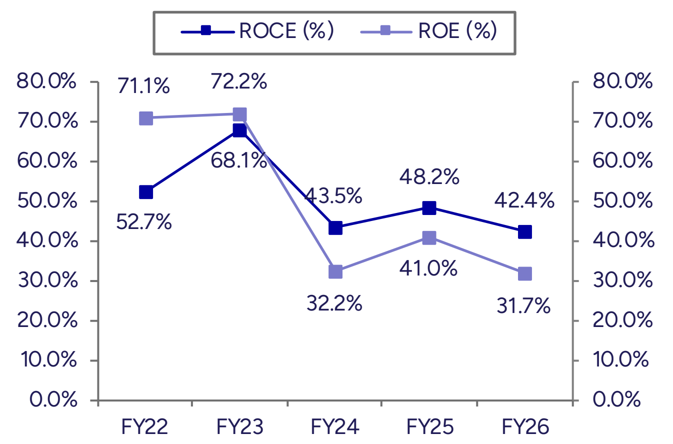
Source: Company, PL

Exhibit 5: PAT grows by ~38% CAGR over FY22-26



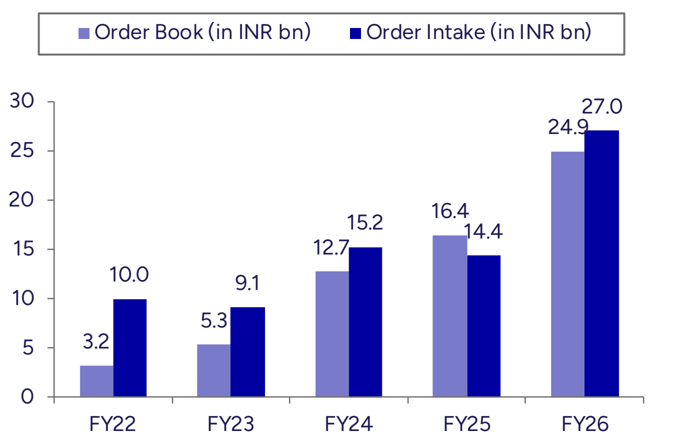
Source: Company, PL

Exhibit 6: Return ratios to remain strong



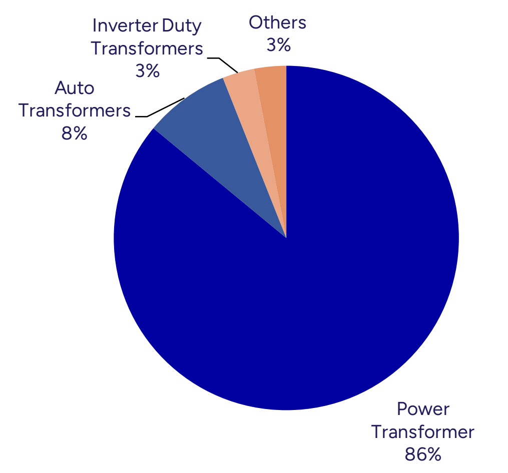
Source: Company, PL

Exhibit 7: Order book remains healthy at INR24.9bn



Source: Company, PL

Exhibit 8: Product-wise revenue mix for FY26



Source: Company, PL

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	ABB India	HOLD	6944	7285
2	Apar Industries	Accumulate	14720	13889
3	BEML	Accumulate	2011	1911
4	Bharat Electronics	Accumulate	452	407
5	BHEL	Reduce	368	435
6	Carborundum Universal	HOLD	1072	1121
7	Cummins India	HOLD	5323	5402
8	Elgi Equipments	Accumulate	638	610
9	Engineers India	BUY	294	244
10	GE Vernova T&D India	Accumulate	4701	4299
11	Grindwell Norton	Accumulate	2113	2018
12	Harsha Engineers International	Accumulate	462	410
13	Hindustan Aeronautics	BUY	5795	4995
14	Hitachi Energy India	HOLD	34026	32600
15	Ingersoll-Rand (India)	Accumulate	5029	4606
16	Kalpataru Projects International	Accumulate	1472	1348
17	KEC International	Accumulate	523	451
18	Kirloskar Pneumatic Company	Accumulate	1715	1599
19	Larsen & Toubro	BUY	4425	3832
20	Praj Industries	Buy	390	335
21	Siemens	HOLD	3831	4011
22	Siemens Energy India	Accumulate	3434	3252
23	Thermax	Reduce	3952	4306
24	Triveni Turbine	HOLD	615	600
25	Voltamp Transformers	Accumulate	11003	9950

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BUY : > 15%
Accumulate : 5% to 15%
Hold : +5% to -5%
Reduce : -5% to -15%
Sell : < -15%
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