

# Battery Makers Shine on EV Prospects

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**Mumbai:** Shares of automobile battery makers such as Exide Industries and Amara Raja Energy and Mobility surged to their one-year highs on Tuesday, sparked by hopes that the push for localized Electric Vehicle (EV) manufacturing could drive demand for their products.

Analysts said Exide's partnership with Hyundai and Kia and the government's impetus for making EVs in the country has improved growth prospects for battery-making

companies.

"Exide's partnership with Hyundai and KIA to expand localized manufacturing and the government's strong plans for EV space are propelling the demand for auto battery makers," said Sneha Poddar, Associate Vice President-Equity Research, Motilal Oswal Financial Services. "This means that Exide is likely to benefit from this partnership."

Exide soared 15% and Amara Raja jumped 10.7%. Analysts said that the capex by both companies for the lithium-ion battery segment has been strong and Exide's partners-

hip has validated the spending.

"Exide's tie-up with Hyundai and KIA has led to the validation of the EV battery-making ecosystem," said Pankaj



Pandey, Head of Research, ICICI Securities. "The company is likely to benefit from sustainable future cash flows due to improved credibility of the new EV business."

Pandey said that both companies are venturing into the lithium-ion battery space, which is a sunrise sector.

Exide and Amara Raja Energy and Mobility are the two

most prominent players in the auto battery manufacturing segment with a total market cap of Rs 39,984 crore and Rs 17,680.25 crore, respectively.

"The traction in Exide Industries and Amara Raja Batteries has been due to the growth expectations in the EV segment since these two companies have the majority of market share, they stand to benefit the most," said Poddar.

With Tesla planning to set up in India, the demand for EVs is expected to move up and the government's Production Linked Incentives (PLI) schemes support the rising demand for battery makers.