

## Driving ahead with diversified growth engines...

**About the stock:** Lumax Auto Technologies (LAT), est. since 1981, is a leading auto ancillary player with diversified portfolio serving both OEMs and aftermarket.

- FY25 product mix – Advance plastics: 56%, Structures & control systems: 20%, After-market: 11%, Mechatronics: 3%, Alternate fuels: 3%, Others: 7%
- FY25 OEM share of sales- M&M: 27%, Bajaj Auto: 14%, HMSI: 5%, MSIL: 8%

**Q1FY26 Result:** LAT reported mix results. On the consolidated basis, total operating income for the quarter came in at ₹ 1,026 crore (up 36% YoY). EBITDA in Q1FY26 came in at ₹125 crore with corresponding EBITDA margins at 12.2% (down 165 bps QoQ). Resultant PAT for the quarter stood at ₹41.4 crore (up 31% YoY).

## Investment Rationale:

- Prominent PV ancillary, levers for industry leading growth:** Passenger Vehicle (PV) domain contributed the maximum ~55% of sales at Lumax Auto in Q1FY26. It has significant growth potential due to India's low car penetration of ~33 per 1000 people, compared to China at ~200, US and Europe at ~500+ levels. LAT's prominent presence in PV space is resultant of its acquisition of IAC India (now a wholly owned subsidiary), which has not only bolstered its product portfolio, particularly in plastic interior modules, but also expanded its business with OEMs like M&M, which is expected to outperform PV space domestically reflecting LAT's deepening presence in high-value PV programs like Mahindra's XUV700, Thar Roxx, and BE6. With ~40% of its ₹1,500 crore order book linked to EV platforms and rising potential content per vehicle (₹70,000+), it is well-positioned to benefit from both volume growth and premiumization trends across top OEMs. Segment-specific growth levers such as premiumization in interiors, increased share in Mahindra & Tata, & aftermarket expansion (targeting double digit CAGR) positions LAT to deliver growth ahead of industry.
- Healthy 2-W exposure and ramp up in other JVs to support growth:** Post healthy recovery in domestic auto volumes over FY21-25, growth outlook is tad muted for PV & CV space over FY26E. 2-W space however is well poised to grow high single digit in near-medium term amidst healthy government allocation towards rural development & state government schemes promoting employment. With ~21% sales coming from this segment and Bajaj Auto as its anchor client in this domain, we expect LAT to benefit from 2-W volume recovery. Furthermore, the acquisition of Green Fuel marks LATL entry into the fast-growing alternate fuel space, expected to generate revenues of ~₹300-350 crore in FY26 at superior margins (~18%). Subsidiaries like Lumax Alpine and Lumax Yokowo are scaling rapidly, with Alpine set to grow 2.5x YoY. Aftermarket is expected to grow >15% in FY26, supported by new product lines.

## Rating and Target Price

- With healthy orderbook, marquee clientele & strong execution along with accelerating participation in future mobility domains, we maintain our BUY rating on Lumax Auto Technologies, valuing it at ₹1200 (28x PE on FY27E).

## Key Financial Summary

Key Financials	FY21	FY22	FY23	FY24	FY25	5 year CAGR (FY20-25)	FY26E	FY27E	2 year CAGR (FY25-27E)
Net Sales	1,107.9	1,507.9	1,847.5	2,821.7	3,636.7	26.1%	4,293.4	4,916.3	16.3%
EBITDA	98.0	151.3	200.3	368.1	464.8	38.6%	558.1	663.7	19.5%
EBITDA Margins (%)	8.8	10.0	10.8	13.0	12.8		13.0	13.5	
Net Profit	47.1	69.4	92.9	130.2	177.8	25.1%	223.9	291.3	28.0%
EPS (₹)	6.9	10.2	13.6	19.1	26.1		32.9	42.7	
P/E	144.6	98.2	73.4	52.3	38.3		30.4	23.4	
RoNW (%)	8.9	12.8	14.0	16.5	19.0		20.1	21.6	
RoCE (%)	9.7	15.0	10.0	14.5	15.8		17.2	19.7	

Source: Company, ICICI Direct Research



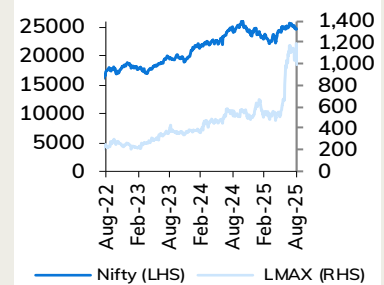
## Particulars

Particulars	₹ crore
Market capitalisation	6,815
Total Debt (FY25)	768
Cash & Inv. (FY25)	307
EV (₹ crore)	7,276
52 week H/L (₹)	1254 / 449
Equity capital (FY25)	13.6
Face value (₹)	2.0

## Shareholding pattern

	Sep-24	Dec-24	Mar-25	Jun-25
Promoter	56.0	56.0	56.0	56.0
FII	5.7	5.9	5.3	7.0
DII	16.2	16.1	16.1	16.3
Other	22.1	22.0	22.6	20.7

## Price Chart



## Recent event &amp; key risks

- We expect sales, PAT at LAT to grow at CAGR of 16.3%, 28%, respectively, over FY25-27E. Margins seen at 13-13.5% levels
- Key Risk: (i) lower than anticipated margin recovery amid volatile RM prices (ii) slower than built in sales growth going forward

## Research Analyst

Shashank Kanodia, CFA  
shashank.kanodia@icicisecurities.com

Bhavish Doshi  
bhavish.doshi@icicisecurities.com

## Key Takeaways of Recent Quarter

### Q1FY26 Earnings Conference Call Highlights

**EBITDA Margin contraction in Q1'26 was on account of certain price corrections from customers which was not realised in the quarter, with company confident to reverting to its usual trajectory and guided for 14-15% range for FY26E.**

#### Segment-wise Performance

- **Advanced Plastics:** The segment delivered a strong 25% YoY growth, supported by premium segment penetration and continued product innovation. It has a strong ₹940 Cr order book.
- **Mechatronics:** This division was the fastest-growing vertical, recording +80% YoY growth, driven by new SOPs at Lumax Alps Alpine & Lumax FAE
- **Structures & Control Systems:** This vertical showed moderate but steady growth of 12% for Q1FY26, with a healthy order pipeline.
- **Aftermarket Segment:** The division showed healthy growth in Q1 with 22% YoY growth. Management expects this vertical to deliver 15%+ growth in FY26, driven by new product launches and a shift toward demand-led market development.
- **Green Energy Solutions:** The segment, added through the Green Fuel acquisition in FY25, contributed ₹92 crore in Q1 and carries a ₹200 crore order book, positioning it as a key growth lever for FY26 and beyond. It has a ~18% EBITDA margin profile & is positioned to grow 15-20% CAGR.

**Order Book Strength:** The company has a healthy order book of ₹1,500 crore, providing strong revenue visibility for the next four years. Of this, 8% is expected to convert in FY26, 39% in FY27, 40% in FY28 & 13% in FY29. Notably, 40% of the order book is from EV platforms, reflecting Lumax's growing role in future mobility solutions. The potential content per vehicle now stands at ₹70k and is expected to increase 8–10% in FY26 due to premium features and Green Fuel integration.

**Key customer & growth outlook:** Mahindra revenue grew over 50% YoY, driven by strong PV performance and premium content from IAC. Tata Motors' revenue doubled YoY with Greenfuel's consolidation. The company anticipates strong traction in aftermarket, mechatronics, and green mobility verticals, targeting 20% CAGR growth toward FY31 with asset-light expansion. Strategic focus remains on increasing wallet share, premiumization, and clean mobility technologies, aiming to improve consolidated EBITDA margins to ~16% by FY28.

**Financial Position, Capex, and Debt Outlook:** It incurred a capex of ₹73 crore in Q1FY26, which included land acquisition in Gujarat. FY26E capex is projected at ~₹180-200 crore to support brownfield expansions & new product lines. The company ended the quarter with ₹359 crore in cash reserves, while long-term debt stood at ~₹600 crore (post buying residual 25% stake in IAC).

**Industry environment:** The automotive industry in Q1FY26 saw a mixed performance with flat demand across most segments, though Mahindra & Mahindra's strong UV growth and stable tractor sales provided a boost. Premiumization across product categories improved the revenue mix for both OEMs and suppliers. Diversification into PVs, 2Ws, 3Ws, and CVs helped cushion muted domestic demand.

**EV Strategy:** Around 40% of Lumax's order book is linked to EV platforms. The company's components are largely EV-agnostic but are seeing rising value due to lightweighting and premiumization. The company is also actively investing in ADAS-compatible products.

**EV Headwinds:** The company has received price corrections for Mahindra's BEV models that were launched in last 4-6 months, with a cumulative impact of ₹ 7 crore that will be realized in Q2. Also, there have been some production delays specifically on EV platforms, including Bajaj EV vehicle (Chetak) due to rare earth supply issues. Maruti Suzuki EV (E-Vitara) has also experienced launch delays over multiple quarters.

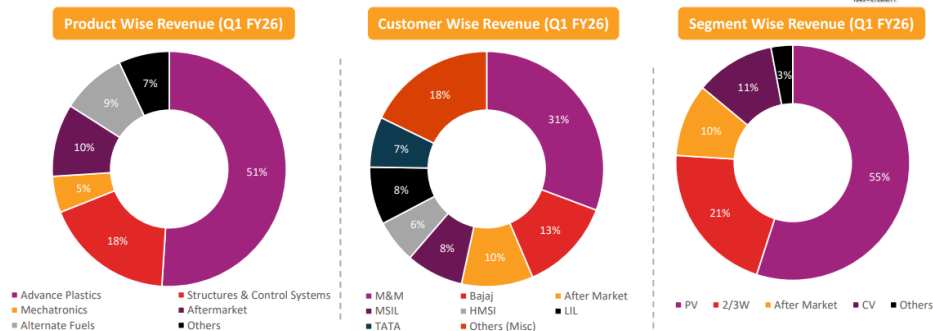
#### Exhibit 1: Quarterly Variance Analysis

	Q1FY26	Q1FY25	YoY%	Q4FY25	QoQ%
Total Operating Income	1,026.4	755.9	35.8	1,132.9	-9.4
Raw Material Expenses	663.5	480.5	38.1	735.6	-9.8
Employee Expenses	139.1	107.8	29.0	134.5	3.4
Other Expenses	98.9	79.5	24.4	106.2	-6.8
EBITDA	124.9	88.0	41.9	156.6	-20.3
EBITDA Margin (%)	12.2	11.6	52 bps	13.8	-166 bps
Depreciation	38.5	29.5	30.3	37.1	3.6
Interest	23.1	19.4	18.7	21.2	8.9
Other Income	10.9	17.4	-37.6	9.3	17.0
PBT (before exceptional)	74.2	56.5	31.4	107.6	-31.0
Total Tax	20.2	14.9	36.3	27.9	-27.6
Reported PAT	41.4	31.7	30.7	58.4	-29.1

Source: Company, ICICI Direct Research

## Exhibit 2: Lumax Auto Technologies- Vehicle Category & Customer Profile

Powered By Diversification Across Products, Customers And Vehicle Segments



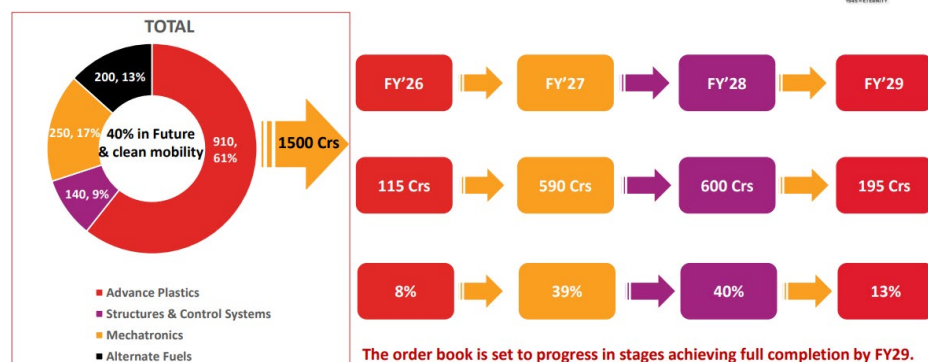
### Growth strategies

- Innovation-Led Growth**  
Driving scale through R&D investments, new product development in future mobility, clean mobility, sensors and mechatronics
- Strategic JVs & Acquisitions**  
Accelerating capabilities and market access via targeted partnerships.

Source: Company, ICICI Direct Research

## Exhibit 3: Lumax Auto Technologies- Order pipeline timeline

Order Pipeline Timeline

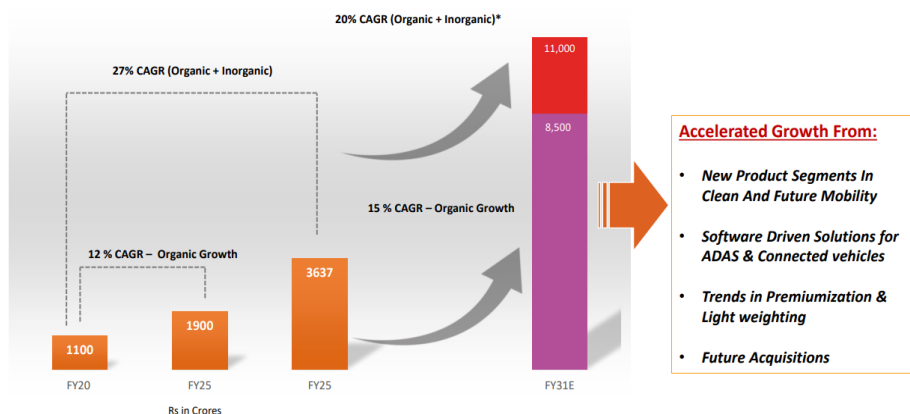


Source: Company, ICICI Direct Research

## Exhibit 4: Lumax Auto Technologies- Growth targets

Minimum 20% Revenue CAGR

From Past Growth to Future Target



Source: Company, ICICI Direct Research

## Financial Summary

Exhibit 5: Profit and loss statement

₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E
Net Sales	2821.7	3636.7	4293.4	4916.3
Other Operating Income	0.0	0.0	0.0	0.0
Total Operating Income	2,821.7	3,636.7	4,293.4	4,916.3
Growth (%)	52.7	28.9	18.1	14.5
Raw Material Expenses	1,802.7	2,345.1	2,769.2	3,171.0
Employee Expenses	362.2	476.4	558.1	614.5
Other Operating Expense	288.7	350.4	407.9	467.1
Total Operating Expenditure	2,453.7	3,171.9	3,735.2	4,252.6
EBITDA	368.1	464.8	558.1	663.7
Growth (%)	83.8	26.3	20.1	18.9
Depreciation	118.0	128.6	154.6	172.1
Interest	68.4	79.0	92.2	70.8
Other Income	45.0	51.0	46.0	51.0
PBT	226.7	308.2	357.4	471.9
Others	36.8	51.4	40.5	57.9
Total Tax	59.8	79.0	92.9	122.7
PAT	130.2	177.8	223.9	291.3
Growth (%)	40.2	36.6	26.0	30.1
EPS (₹)	19.1	26.1	32.9	42.7

Source: Company, ICICI Direct Research

Exhibit 6: Cash flow statement

₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E
Profit after Tax	130.2	177.8	223.9	291.3
Add: Depreciation	118.0	128.6	154.6	172.1
(Inc)/dec in Current Assets	-260.8	-331.9	-115.7	-193.9
Inc/(dec) in CL and Provisions	153.8	241.8	73.1	153.4
Others	68.4	79.0	92.2	70.8
CF from operating activities	209.5	295.3	428.1	493.7
(Inc)/dec in Investments	-176.3	-65.9	70.0	-105.0
(Inc)/dec in Fixed Assets	-150.3	-381.6	-400.0	-180.0
Others	-17.3	180.4	39.5	56.9
CF from investing activities	-343.9	-267.1	-290.5	-228.1
Issue/(Buy back) of Equity	0.0	0.0	0.0	0.0
Inc/(dec) in loan funds	128.0	88.1	0.0	-125.0
Interest and Dividend outgo	-99.0	-116.5	-136.5	-128.7
Inc/(dec) in Share Cap	0.0	0.0	0.0	0.0
Others	23.9	4.8	0.0	0.0
CF from financing activities	53.0	-23.6	-136.5	-253.7
Net Cash flow	-81.4	4.6	1.1	11.8
Opening Cash	156.5	75.1	79.6	80.8
Closing Cash	75.1	79.6	80.8	92.6

Source: Company, ICICI Direct Research

Exhibit 7: Balance Sheet

₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E
Liabilities				
Equity Capital	13.6	13.6	13.6	13.6
Reserve and Surplus	776.0	921.1	1,100.7	1,334.1
Total Shareholders funds	789.6	934.7	1,114.3	1,347.7
Total Debt	680.3	768.4	768.4	643.4
Deferred Tax Liability	27.8	63.5	63.5	63.5
Minority Interest / Others	346.6	476.1	518.7	578.5
Total Liabilities	1,844.2	2,242.7	2,464.9	2,633.2
Assets				
Gross Block	1,403.2	1,751.4	2,156.4	2,341.4
Less: Acc Depreciation	482.9	611.6	766.1	938.2
Net Block	920.2	1,139.8	1,390.2	1,403.2
Capital WIP	35.8	69.2	64.2	59.2
Total Fixed Assets	956.1	1,209.0	1,454.5	1,462.4
Investments & Goodwill	499.5	565.4	495.4	600.4
Inventory	248.8	366.5	364.6	404.1
Debtors	585.4	792.4	882.2	1,010.2
Loans and Advances	1.2	1.7	2.0	2.3
Other Current Assets	157.2	164.0	191.4	217.5
Cash	75.1	79.6	80.8	92.6
Total Current Assets	1,067.7	1,404.2	1,521.1	1,726.8
Current Liabilities	751.9	993.4	1,066.5	1,219.4
Provisions	2.7	3.0	3.1	3.5
Current Liabilities & Prov	754.6	996.4	1,069.5	1,222.9
Net Current Assets	313.1	407.8	451.5	503.9
Others Assets	75.5	60.4	63.4	66.4
Application of Funds	1,844.2	2,242.7	2,464.9	2,633.2

Source: Company, ICICI Direct Research

Exhibit 8: Key ratios

(Year-end March)	FY24	FY25	FY26E	FY27E
Per share data (₹)				
EPS	19.1	26.1	32.9	42.7
Cash EPS	36.4	45.0	55.5	68.0
BV	115.9	137.1	163.5	197.7
DPS	5.5	5.5	6.5	8.5
Cash Per Share (Incl Invest)	47.7	45.1	34.2	50.6
Operating Ratios (%)				
EBITDA Margin	13.0	12.8	13.0	13.5
PAT Margin	4.6	4.9	5.2	5.9
Inventory days	32.2	36.8	31.0	30.0
Debtor days	75.7	79.5	75.0	75.0
Creditor days	62.8	68.8	60.0	60.0
Return Ratios (%)				
RoE	16.5	19.0	20.1	21.6
RoCE	14.5	15.8	17.2	19.7
RoIC	18.4	19.2	19.8	23.4
Valuation Ratios (x)				
P/E	52.3	38.3	30.4	23.4
EV / EBITDA	19.5	15.7	13.2	10.7
EV / Net Sales	2.5	2.0	1.7	1.4
Market Cap / Sales	2.4	1.9	1.6	1.4
Price to Book Value	8.6	7.3	6.1	5.1
Solvency Ratios				
Debt/EBITDA	1.8	1.7	1.4	1.0
Debt / Equity	0.9	0.8	0.7	0.5
Current Ratio	1.9	1.8	1.9	1.9
Quick Ratio	1.4	1.3	1.4	1.4

Source: Company, ICICI Direct Research

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Reduce: -15% to -5%;

Sell: <-15%



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,  
ICICI Securities Limited,  
Third Floor, Brillanto House,  
Road No 13, MIDC,  
Andheri (East)  
Mumbai – 400 093  
research@icicidirect.com

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Name of the Compliance officer (Research Analyst): Mr. Atul Agarwal  
Contact number: 022-40701000 E-mail Address: [complianceofficer@icicisecurities.com](mailto:complianceofficer@icicisecurities.com)

For any queries or grievances: Mr. Bhavesh Soni Email address: [headservicequality@icicidirect.com](mailto:headservicequality@icicidirect.com) Contact Number: 18601231122

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