Lumax Auto Technologies (LUMAAU)

ICICI Direct

CMP: ₹ 1,625 | Target: ₹ 2,000 (23%) | Target Period: 12 months | BUY

February 16, 2026

Outperformance continues, upgrades guidance...

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%

Q3FY26 Result: On the consolidated basis, total operating income for the quarter came in at ₹ 1,271 crore (up 40% YoY). EBITDA in Q3FY26 came in at ₹176 crore with corresponding EBITDA margins at 13.8% (up ~40 bps QoQ). Resultant PAT for the quarter stood at ₹83 crore (up 84% YoY), supported by tax reversals.

Investment Rationale:

- **Prominent PV ancillary, levers for industry leading growth:** Passenger Vehicle (PV) domain contributed the maximum ~53% of sales at Lumax Auto in 9MFY26. LAT's prominent presence in PV space is resultant of its acquisition of IAC India (now a wholly owned subsidiary), which has bolstered its product portfolio, particularly in plastic interior modules, and also expanded its business with OEMs like M&M, which is outperforming in the PV space domestically. It is present in new launches such as Maruti Suzuki Victoris, M&M XUV 7XO & XEV 9S. With ~40% of its ~₹1,450 crore order book linked to EV platforms & rising potential content per vehicle (₹70K+), it is well-positioned to benefit from both volume growth and premiumization trends across top OEMs. Revenue grew sharply during Q3FY26 as well as for the 9MFY26, leading management to revise full year FY26 revenue growth guidance upward to ~30% from 25% earlier.
- **Healthy 2-W exposure and ramp up in other JVs to support growth**: With ~22% sales coming from 2W segment and Bajaj Auto as its anchor client, we expect LAT to benefit from 2-W volume recovery which is supported by tailwinds from GST 2.0 reforms. 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. Among JVs, subsidiary like Alps Alpine is a significant growth driver with expanding product base and revenue target for Alps alone at >₹500 Cr by FY31.
- **Future Strategy: Northstar and BRIDGE Vision:** LAT continues to be guided by its "Northstar" strategic framework with long-term goals: 20%+ revenue CAGR reaching ₹11,000 crores by FY31E (15% organic revenue growth+ inorganic acquisitions), 20%+ ROCE, moving toward 20% EBITDA margins, & 20% of revenue from clean future mobility. FY26 marks the start of a new six-year growth blueprint called "BRIDGE", which aims to transition it from a Tier-1 supplier to a Tier-0.5 supplier.

Rating and Target Price

- With LATL's strong positioning in the PV ancillary space, increasing premiumisation-led content gains, healthy orderbook, marquee clientele with ramp up of JVs, we maintain our **BUY** rating on Lumax Auto Technologies, valuing it at **₹2,000** i.e. 32x P/E (1x PEG) on FY28E.

LUMAX

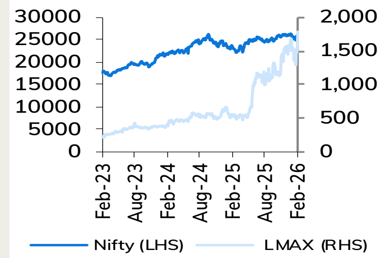
Particulars

Particulars	₹ crore
Market capitalisation	11,074
Total Debt (FY25)	768
Cash & Inv. (FY25)	307
EV (₹ crore)	11,536
52 week H/L (₹)	1,824 / 449
Equity capital (FY25)	13.6
Face value (₹)	2.0

Shareholding pattern

	Mar-25	Jun-25	Sep-25	Dec-25
Promoter	56.0	56.0	56.0	56.0
FII	5.3	7.0	7.3	8.0
DII	16.1	16.3	16.6	16.5
Other	22.6	20.7	20.1	19.5

Price Chart



Recent event & key risks

- We expect sales, PAT at LAT to grow at CAGR of 20%, 33.7%, respectively, over FY25-28E. Margins seen at 14-14.5% levels
- Key Risk: (i) slower than built in sales growth going forward (ii) lower than anticipated margin recovery amid volatile RM prices

Research Analyst

Shashank Kanodia, CFA
shashank.kanodia@icicisecurities.com

Bhavish Doshi
bhavish.doshi@icicisecurities.com

Company Update

ICICI Securities – Retail Equity Research

Key Financial Summary

Key Financials	FY21	FY22	FY23	FY24	FY25	5 year CAGR (FY20-25)	FY26E	FY27E	FY28E	3 year CAGR (FY25-28E)
Net Sales	1,107.9	1,507.9	1,847.5	2,821.7	3,636.7	26.1%	4,747.0	5,460.5	6,282.2	20.0%
EBITDA	98.0	151.3	200.3	368.1	464.8	38.6%	626.6	764.5	907.8	25.0%
EBITDA Margins (%)	8.8	10.0	10.8	13.0	12.8		13.2	14.0	14.5	
Net Profit	47.1	69.4	92.9	130.2	177.8	25.1%	261.2	338.6	424.4	33.7%
EPS (₹)	6.9	10.2	13.6	19.1	26.1		38.3	49.7	62.3	
P/E	235.0	159.5	119.2	85.1	62.3		42.4	32.7	26.1	
RoNW (%)	8.9	12.8	14.0	16.5	19.0		22.8	23.8	24.0	
RoCE (%)	9.7	15.0	10.0	14.5	15.8		18.9	22.1	24.3	

Source: Company, ICICI Direct Research

Key Tables & Charts

Exhibit 1: Lumax Auto Technologies- Quarterly Variance

	Q3FY26	Q3FY25	YoY%	Q2FY26	QoQ%
Total Operating Income	1,270.7	905.6	40.3	1,156.4	9.9
Raw Material Expenses	820.3	587.1	39.7	734.4	11.7
Employee Expenses	156.2	120.1	30.0	150.7	3.6
Other Expenses	118.3	80.5	46.9	116.8	1.3
EBITDA	175.9	117.9	49.2	154.5	13.8
EBITDA Margin (%)	13.8	13.0	82 bps	13.4	48 bps
Depreciation	47.6	32.7	45.4	41.3	15.3
Interest	27.3	19.8	37.7	24.5	11.5
Other Income	15.0	8.9	68.0	15.6	-3.8
PBT (before exceptional)	116.0	74.3	56.2	104.3	11.2
Total Tax	-7.0	18.2	-138.4	26.8	-126.1
Reported PAT	82.5	44.8	84.0	66.9	23.4

Source: Company, ICICI Direct Research

Q3FY26 Con-call highlights

Business performance and growth momentum: Revenue grew sharply year-on-year during the quarter as well as for the nine-month period, leading management to revise full-year FY26 revenue growth guidance upward to around 30%. The company highlighted a supportive industry environment, with strong vehicle production growth across segments. Lumax continues to benefit from strong OEM relationships with key customers such as Maruti Suzuki, Mahindra & Mahindra, and Bajaj Auto, and expects sustained growth momentum supported by both organic expansion and new business wins across platforms.

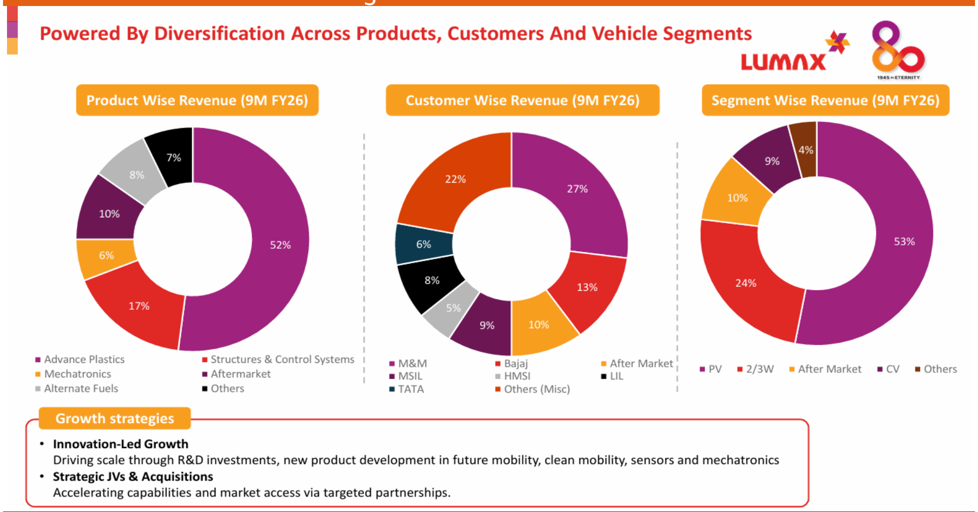
Profitability and Margin Expansion: The company demonstrated steady improvement in profitability with EBITDA margins reaching 13.8% in Q3FY26, marking a significant expansion compared to earlier quarters. Margin improvement was driven by a better product mix, increasing premium content, higher contribution from high-margin businesses such as IAC, Greenfuel, and aftermarket, and operating leverage benefits. Management expressed confidence in maintaining current margin levels and gradually expanding margins further, targeting around 16% EBITDA by FY28.

Order Book, Product Portfolio, and Strategic Direction: Lumax reported a strong order book of approximately ₹1,450 crore, providing healthy multi-year revenue visibility with execution spread across FY27 to FY29. The order book remains well diversified across verticals, with Advanced Plastics (₹745 crores) contributing the largest share followed by Mechatronics (₹345 crores), Alternate Fuels (₹180 crores), and Structure & Control Systems. The company continues to strengthen its product portfolio through new launches across passenger vehicles and two-wheelers, including CNG systems, interior components, and emission-related parts.

Segment Performance and Future Growth Drivers: Across segments, Advanced Plastics delivered strong growth supported by OEM demand and lightweighting trends, while the Mechatronics business recorded very strong growth driven by increasing electronic and intelligent content in vehicles. The Greenfuel business continues to benefit from rising adoption of CNG vehicles, with content per vehicle expected to increase significantly due to localization initiatives. The aftermarket segment also showed healthy growth and is expected to accelerate further going forward. Management expects key growth drivers to remain mechatronics, alternate fuels, premium components, electronics, and software-driven solutions over the medium term.

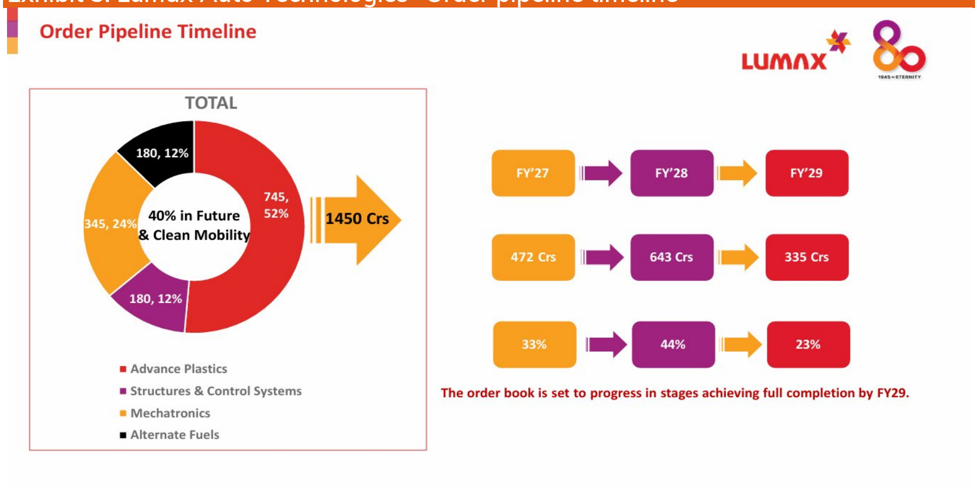
Balance Sheet, Capex, and Capital Allocation: Lumax continues to maintain a healthy balance sheet with strong liquidity and moderate leverage, providing flexibility to support growth investments. Capex is being directed toward capacity expansion, localization, land acquisition, and strengthening key subsidiaries such as IAC and other technology-driven businesses. The company expects annual organic capex to remain in the range of ₹150–200 crore, funded largely through internal accruals. Management remains open to evaluating inorganic opportunities while maintaining prudent leverage levels.

Exhibit 2: Lumax Auto Technologies- Revenue Diversification



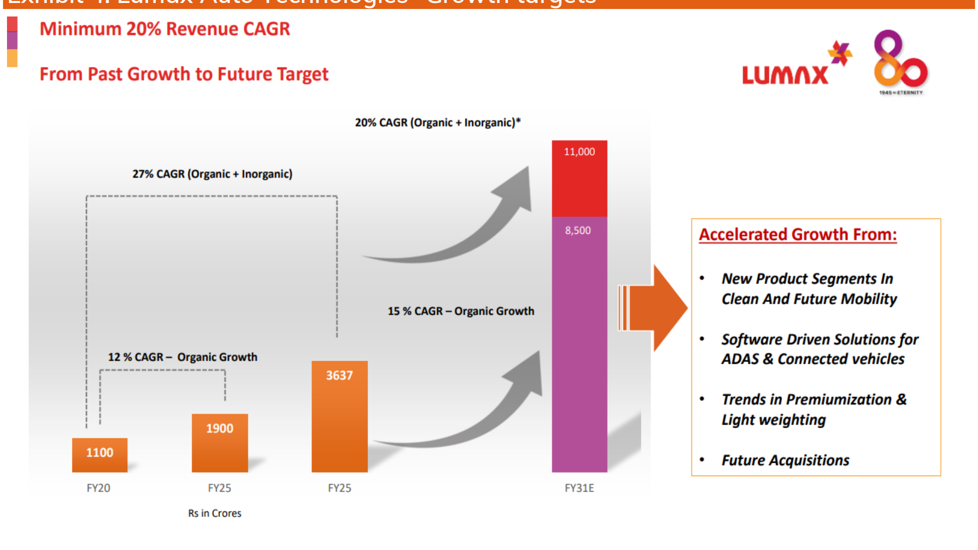
Source: Company, ICICI Direct Research

Exhibit 3: Lumax Auto Technologies- Order pipeline timeline



Source: Company, ICICI Direct Research

Exhibit 4: Lumax Auto Technologies- Growth targets



Source: Company, ICICI Direct Research

Financial Summary

Exhibit 5: Profit and loss statement ₹ crore

(Year-end March)	FY25	FY26E	FY27E	FY28E
Net Sales	3636.7	4747.0	5460.5	6282.2
Other Operating Income	0.0	0.0	0.0	0.0
Total Operating Income	3,636.7	4,747.0	5,460.5	6,282.2
Growth (%)	28.9	30.5	15.0	15.0
Raw Material Expenses	2,345.1	3,057.1	3,505.6	4,020.6
Employee Expenses	476.4	612.4	682.6	769.6
Other Operating Expense	350.4	451.0	507.8	584.2
Total Operating Expenditure	3,171.9	4,120.4	4,696.0	5,374.4
EBITDA	464.8	626.6	764.5	907.8
Growth (%)	26.3	34.8	22.0	18.7
Depreciation	128.6	173.3	191.1	219.9
Interest	79.0	99.9	77.3	50.2
Other Income	51.0	56.0	61.0	66.0
PBT	308.2	409.5	557.1	703.7
Others	51.4	77.2	73.6	96.3
Total Tax	79.0	71.0	144.8	183.0
PAT	177.8	261.2	338.6	424.4
Growth (%)	36.6	46.9	29.6	25.3
EPS (₹)	26.1	38.3	49.7	62.3

Source: Company, ICICI Direct Research

Exhibit 6: Cash flow statement ₹ crore

(Year-end March)	FY25	FY26E	FY27E	FY28E
Profit after Tax	177.8	261.2	338.6	424.4
Add: Depreciation	128.6	173.3	191.1	219.9
(Inc)/dec in Current Assets	-331.9	-265.2	-222.2	-270.6
Inc/(dec) in CL and Provisions	241.8	183.3	175.4	201.6
Others	79.0	99.9	77.3	50.2
CF from operating activities	295.3	452.5	560.2	625.6
(Inc)/dec in Investments	-65.9	70.0	-105.0	-130.0
(Inc)/dec in Fixed Assets	-381.6	-420.0	-220.0	-220.0
Others	180.4	61.3	72.6	95.3
CF from investing activities	-267.1	-288.7	-252.4	-254.7
Issue/(Buy back) of Equity	0.0	0.0	0.0	0.0
Inc/(dec) in loan funds	88.1	0.0	-150.0	-200.0
Interest and Dividend outgo	-116.5	-147.6	-138.6	-132.0
Inc/(dec) in Share Cap	0.0	0.0	0.0	0.0
Others	4.8	0.0	0.0	0.0
CF from financing activities	-23.6	-147.6	-288.6	-332.0
Net Cash flow	4.6	16.2	19.2	38.9
Opening Cash	75.1	79.6	95.8	115.0
Closing Cash	79.6	95.8	115.0	153.9

Source: Company, ICICI Direct Research

Exhibit 7: Balance Sheet ₹ crore

(Year-end March)	FY25	FY26E	FY27E	FY28E
Liabilities				
Equity Capital	13.6	13.6	13.6	13.6
Reserve and Surplus	921.1	1,134.6	1,411.8	1,754.4
Total Shareholders funds	934.7	1,148.2	1,425.5	1,768.1
Total Debt	768.4	768.4	618.4	418.4
Deferred Tax Liability	63.5	63.5	63.5	63.5
Minority Interest / Others	476.1	540.4	616.1	714.4
Total Liabilities	2,242.7	2,520.5	2,723.4	2,964.4
Assets				
Gross Block	1,751.4	2,176.4	2,401.4	2,626.4
Less: Acc Depreciation	611.6	784.8	976.0	1,195.8
Net Block	1,139.8	1,391.5	1,425.4	1,430.5
Capital WIP	69.2	64.2	59.2	54.2
Total Fixed Assets	1,209.0	1,455.8	1,484.7	1,484.8
Investments & Goodwill	565.4	495.4	600.4	730.4
Inventory	366.5	403.2	448.8	516.3
Debtors	792.4	975.4	1,122.0	1,290.9
Loans and Advances	1.7	2.3	2.6	3.0
Other Current Assets	164.0	209.0	238.6	272.4
Cash	79.6	95.8	115.0	153.9
Total Current Assets	1,404.2	1,685.6	1,927.0	2,236.5
Current Liabilities	993.4	1,176.3	1,351.2	1,552.2
Provisions	3.0	3.4	3.9	4.5
Current Liabilities & Prov	996.4	1,179.7	1,355.1	1,556.7
Net Current Assets	407.8	505.9	571.9	679.7
Others Assets	60.4	63.4	66.4	69.4
Application of Funds	2,242.7	2,520.5	2,723.4	2,964.4

Source: Company, ICICI Direct Research

Exhibit 8: Key ratios

(Year-end March)	FY25	FY26E	FY27E	FY28E
Per share data (₹)				
EPS	26.1	38.3	49.7	62.3
Cash EPS	45.0	63.7	77.7	94.5
BV	137.1	168.5	209.1	259.4
DPS	5.5	7.0	9.0	0.0
Cash Per Share (Incl Invst)	45.1	36.4	53.9	78.0
Operating Ratios (%)				
EBITDA Margin	12.8	13.2	14.0	14.5
PAT Margin	4.9	5.5	6.2	6.8
Inventory days	36.8	31.0	30.0	30.0
Debtor days	79.5	75.0	75.0	75.0
Creditor days	68.8	60.0	60.0	60.0
Return Ratios (%)				
RoE	19.0	22.8	23.8	24.0
RoCE	15.8	18.9	22.1	24.3
RoIC	19.2	21.8	26.5	30.7
Valuation Ratios (x)				
P/E	62.3	42.4	32.7	26.1
EV / EBITDA	24.8	18.5	14.8	12.1
EV / Net Sales	3.2	2.4	2.1	1.7
Market Cap / Sales	3.0	2.3	2.0	1.8
Price to Book Value	11.8	9.6	7.8	6.3
Solvency Ratios				
Debt/EBITDA	1.7	1.2	0.8	0.5
Debt / Equity	0.8	0.7	0.4	0.2
Current Ratio	1.8	1.9	1.9	1.9
Quick Ratio	1.3	1.4	1.4	1.4

Source: Company, ICICI Direct Research

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Hold: -5% to 15%;

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

For any queries or grievances: Mr. Jeetu Jawrani Email address: headservicequality@icicidirect.com Contact Number: 18601231122

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