Uno Minda (MININD)

CMP: ₹ 1,110 | Target: ₹ 1,220 (10%) | Target Period: 12 months | HOLD

August 7, 2025

Sturdy growth, valuations cap near-term upside...

About stock: Uno Minda (MIL) is India's largest maker of automotive switches, horns, seats & PV alloy wheels and third largest automotive lighting player.

- FY25 segment mix – 4-W 47%, 2-W 45%; switches, lighting, castings, horns and seats comprised 25%, 23%, 19%, 5% and 7% of sales, respectively
- FY25 Sales Mix: 93% OEM's, 7% aftermarket; Geographical mix: India: 89%

Q1FY26 Result: On the consolidated basis, at Uno Minda, topline for the quarter came in at ₹ 4,489 crore, up by 18% YoY. This is amidst underlying OEM volume growth of ~2%. Outperformance trend continues. Adjusting for prior period income, Adj. EBITDA in Q1FY26 came in at ₹ 474 crore with corresponding EBTDA margins at 10.7% (flat YoY). Adj. PAT for the quarter came in at ₹ 239 crore (up 21% YoY).

Investment Rationale

- **Robust core business momentum with diversified product portfolio:** Over the years, Uno Minda has emerged as a leading player in the domestic auto ancillary space, consistently outperforming its user industry. This success stems from its ability to increase kit value (>~10% of vehicle Asp's), expand its client and product portfolio, and pursue strategic acquisitions. It has delivered revenue growth of 16% YoY in Q1FY26 (normalized), significantly outpacing the auto-industry growth of ~2%. This outperformance stems from its well diversified portfolio spanning switches, lighting, casting, seating systems, controllers, sensors, and ADAS. MIL strategy of targeting premiumisation and content enhancement, supported by strong OEM base, has helped it increase kit value and maintain 1.5x – 2x growth over industry. With FY26E capex of ~₹1600-1700 crores focused on high growth verticals, we project revenue at Uno Minda to grow at ~15% CAGR over FY25-27E.

- **Strategic focus on EV & Technology-led segments:** Uno Minda proactive approach to EVs is reflected in its ramp up across both 2W and 4W platforms. It is sharply focused on building a full-stack EV ecosystem with strong execution on JV-based platforms like Uno Minda-FRIWO and Innovance. It has commercialized products like EV chargers, controllers, ADAS modules (localized camera production), and initiated high-voltage powertrain work under Innovance JV. Recent acquisition of full control and IP from FRIWO strengthens vertical integration. In E-2W space, it has potential kit value of ~₹ 37.6k/vehicle vs ~12k in ICE 2W. With an EV-agnostic portfolio, proven execution on JVs, and rising order book visibility, it is well placed to benefit from India's accelerating electrification drive.

Rating and Target Price

- Despite continued outperformance & strategic positioning in EV & premium auto components, margin profile has been a tad tepid at Uno Minda with meaningful upgrade possible as its new plants stabilise and hit optimum utilization levels. In the interim, with valuations turning full, we downgrade the stock to **HOLD** and value it at **₹ 1,220 i.e. 48x P/E on FY27E EPS.**

Result Update

ICICI Securities – Retail Equity Research

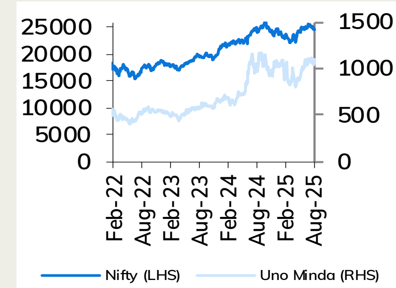
Particulars

Particulars	₹ crore
Market capitalisation	63,603
Total Debt (FY25)	2,294
Cash & Inv. (FY25)	207
EV (₹ crore)	65,691
52 week H/L (₹)	1,255 / 768
Equity capital (FY25)	114.8
Face value (₹)	2.0

Shareholding pattern

	Sep-24	Dec-24	Mar-25	Jun-25
Promoter	68.8	68.8	68.8	68.7
FII	9.7	9.9	10.1	9.6
DII	15.3	15.5	15.2	15.9
Other	6.3	5.9	6.0	5.9

Price Chart



Recent Event & Key risks

- Reports steady performance in Q1FY26. Normalized Margins stood at 10.7%.
- **Key Risk:** (i) domestic auto industry slowdown impacting growth given company is OEM heavy (ii) positive surprise on margins amidst steady RM prices

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Key Financial Summary

Key Financials	FY21	FY22	FY23	FY24	FY25	5 year CAGR (FY20-25)	FY26E	FY27E	2 year CAGR (FY25-27E)
Net Sales	6,373.7	8,313.0	11,236.5	14,030.9	16,774.6	21.9%	19,219.8	22,067.5	14.7%
EBITDA	725.0	885.4	1,242.0	1,585.3	1,873.8	22.8%	2,237.1	2,648.1	18.9%
EBITDA Margins (%)	11.4	10.7	11.1	11.3	11.2		11.6	12.0	
Net Profit	206.6	355.8	653.5	880.3	943.0	43.5%	1,157.0	1,457.3	24.3%
EPS (₹)	3.6	6.2	11.4	15.3	16.4		20.2	25.4	
P/E	307.8	178.8	97.3	72.4	67.6		55.1	43.7	
RoNW (%)	9.2	10.3	15.7	17.8	16.5		17.2	18.2	
RoCE (%)	9.1	10.2	13.7	15.1	14.7		15.7	17.8	

Source: Company, ICICI Direct Research

Key Takeaways of Recent Quarter

Q1FY26 Results: Reported Healthy Performance

- On the consolidated basis, at Uno Minda, Topline for the quarter came in at ₹ 4,489 crore, up by 18% YoY. EBITDA in Q1FY26 came in at ₹ 543 crore (up 33% YoY) with corresponding EBTDA margins at 12.1% (up 47 bps QoQ) while normalized EBITDA margins came at 10.7% (Flat YoY).

- Switch segment reported a growth of 16% YoY to ₹ 1,111 crores, thereby contributing 25% of consolidated revenue in the quarter. Additionally, Lightning segment reported ₹ 1013 crores, up 13% YoY driven by robust performance from 4-wheeler lightning segment. Moreover, Casting segment grew by 10% YoY at ₹ 824 crores drive by 2W alloy wheel segment. While, seating business revenues was at ₹ 320 crores (contributing 7% of the consolidated revenue), whereas other product segment reported ₹ 966 crores (up 30% YoY, led by robust growth in the sensors, ADAS & controllers).

- PAT for the quarter came in at ₹ 291 crore (up 46% YoY). On a normalised basis-excluding the prior period income-PAT was ~₹ 239 crore.

Q1FY26 Earnings Conference Call Highlights:

- **New Order & Plants:** Uno Minda has secured a new export order for switching segment from a UK-based motorcycle player for supply to their Thailand plant. It has also commenced construction of a new greenfield facility for high-voltage EV powertrain components under JV with Innovance Automotive, with Phase 1 expected to be commissioned by Q2 FY27.
- **Strategic updates & Capex:** UNO Minda is executing 13 ongoing expansion projects. Major ramp-ups expected in FY26 include: Kharkhoda alloy wheels, Indonesia lighting facility, and Hosur die casting. CapEx guidance remains at ₹1,650 crore (₹1,300 crore growth + ₹350 crore sustaining). EV focus is deepening with a new JV facility (Innovance) for high-voltage powertrain components set to go live in Q2 FY27. UMBMPL acquisition (FRIWO JV) has been completed, giving UNO Minda full IPR and EV tech control.
- **New product line**: During the quarter Uno Minda commissioned its new camera module production line and has become the first Indian company to localize camera module production for RPAS & ADAS systems (Import substitution).
- **Aftermarket:** In Q1FY26 aftermarket revenue was ₹329 crore, contributing 7% of total sales. SPV-linked OEM aftermarket sales were ₹248 crore, taking total aftermarket revenue to ₹577 crore. International revenue formed 11% of sales. US exposure remains minimal (<2%) & unaffected by tariff changes.
- **Margins & outlook:** Margins held steady despite increased costs, though short-term pressure is expected due to ongoing ramp-ups of new businesses. The company remains confident in outpacing industry growth due to its diversified product base and strategic investments.

- **Other product Business:** The 'Other Products' segment delivered strong performance, generating ₹ 966 crores in revenue during Q1FY26. Key contributors include the controller business (₹157 crores), sensors and ADAS (₹215 crores), blow moulding products (₹110 crores), Uno Minda's FRIWO JV (₹78 crores), and Alternate fuel business (₹110 crores). This growth reflects its strategic focus on emerging technologies and sustainable mobility solutions.
- **Aftermarket:** In Q1FY26 aftermarket revenue was ₹329 crore, contributing 7% of total sales. SPV-linked OEM aftermarket sales were ₹248 crore, taking total aftermarket revenue to ₹577 crore. International revenue formed 11% of sales. US exposure remains minimal (<2%) & unaffected by tariff changes.

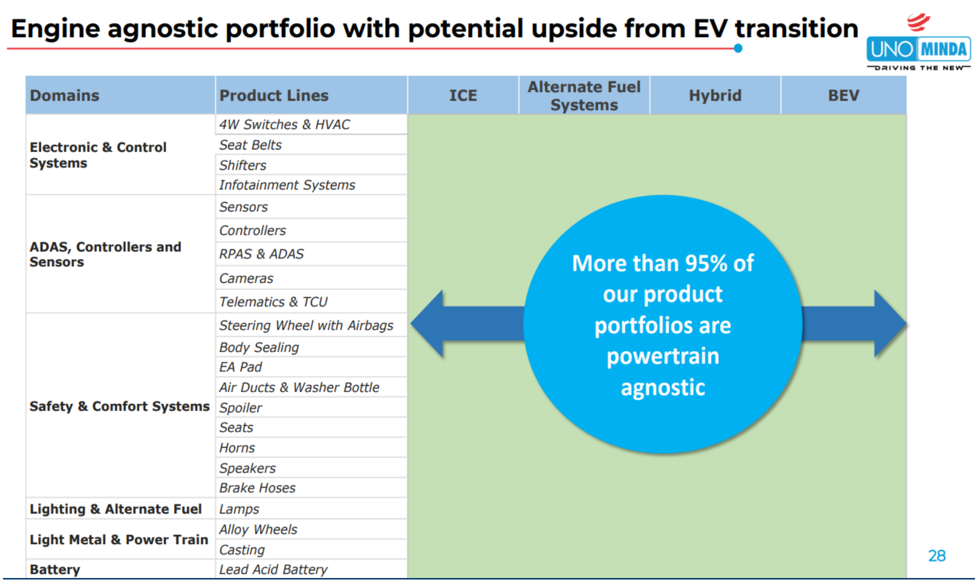
Quarterly Result Analysis and Key Charts from PPT

Exhibit 1: Quarterly Variance Analysis

	Q1FY26	Q1FY25	YoY%	Q4FY25	QoQ%
Total Operating Income	4,489.1	3,817.5	17.6	4,528.3	-0.9
Raw Material Expenses	2,836.0	2,460.3	15.3	2,914.4	-2.7
Employee Expenses	624.0	516.3	20.9	586.4	6.4
Other Expenses	486.0	433.2	12.2	500.9	-3.0
EBITDA	543.1	407.7	33.2	526.7	3.1
EBITDA Margin (%)	12.1	10.7	142 bps	11.6	47 bps
Depreciation	159.3	141.7	12.4	164.7	-3.3
Interest	44.0	36.3	21.4	40.8	7.9
Other Income	12.0	11.0	9.0	7.6	57.5
PBT (before exceptional)	351.9	240.8	46.1	328.9	7.0
Total Tax	90.1	66.7	35.1	94.3	-4.5
Reported PAT	290.7	199.0	46.1	266.2	9.2

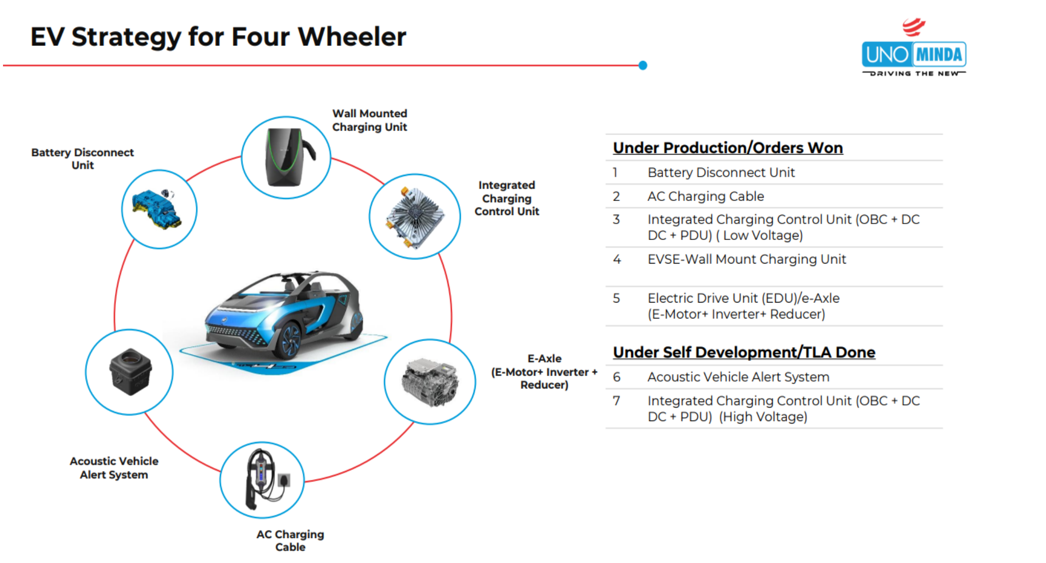
Source: Company, ICICI Direct Research

Exhibit 2: Uno Minda- Engine Agnostic portfolio with potential upside



Source: company, ICICI Direct Research

Exhibit 3: Uno Minda- Potential Kit Value- 2W & 4W



Source: Company, ICICI Direct Research

Financial Summary

Exhibit 4: Profit and loss statement ₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E
Net Sales	14,031	16,775	19,220	22,068
Other Operating Income	0.0	0.0	0.0	0.0
Total Operating Income	14,031	16,775	19,220	22,068
Growth (%)	24.9	19.6	14.6	14.8
Raw Material Expenses	9,064	10,868	12,337	14,178
Employee Expenses	1,779	2,165	2,539	2,814
Other Operating Expense	1,603	1,868	2,106	2,427
Total Operating Expenditure	12,446	14,901	16,983	19,419
EBITDA	1,585	1,874	2,237	2,648
Growth (%)	27.6	18.2	19.4	18.4
Depreciation	526	615	673	750
Interest	113	170	193	140
Other Income	34	29	25	25
PBT	980	1,118	1,397	1,782
Others	-168	-111	-114	-126
Total Tax	267	286	355	451
PAT	880	943	1,157	1,457
Growth (%)	34.7	7.1	22.7	26.0
EPS (₹)	15.3	16.4	20.2	25.4

Source: Company, ICICI Direct Research

Exhibit 5: Cash flow statement ₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E
Profit after Tax	880	943	1,157	1,457
Add: Depreciation	526	615	673	750
(Inc)/dec in Current Assets	-853	-699	-795	-854
Inc/(dec) in CL and Provisions	531	246	461	480
Others	79	141	167	115
CF from operating activities	1,164	1,247	1,663	1,949
(Inc)/dec in Investments	-98	99	-50	-50
(Inc)/dec in Fixed Assets	-1,048	-1,938	-1,650	-1,000
Others	-53	149	106	115
CF from investing activities	-1,198	-1,690	-1,594	-935
Issue/(Buy back) of Equity	0	0	0	0
Inc/(dec) in loan funds	322	721	275	-700
Interest and Dividend outgo	-228	-300	-336	-312
Inc/(dec) in Share Cap	0	0	0	0
Others	21	-29	0	0
CF from financing activities	116	392	-61	-1,012
Net Cash flow	81	-51	8	1
Opening Cash	173	254	204	212
Closing Cash	254	204	212	213

Source: Company, ICICI Direct Research

Exhibit 6: Balance Sheet ₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E
Liabilities				
Equity Capital	114.8	114.8	114.8	114.8
Reserve and Surplus	4,828	5,612	6,626	7,911
Total Shareholders funds	4,943	5,727	6,741	8,026
Total Debt	1,573	2,294	2,569	1,869
Deferred Tax Liability	19	13	13	13
Minority Interest / Others	463	558	638	728
Total Liabilities	6,999	8,593	9,962	10,637
Assets				
Gross Block	6,179	7,602	9,783	10,783
Less: Acc Depreciation	2,586	3,201	3,874	4,624
Net Block	3,593	4,401	5,909	6,159
Capital WIP	216	730	200	200
Total Fixed Assets	3,809	5,132	6,109	6,359
Investments & Goodwill	1,295	1,196	1,246	1,296
Inventory	1,638	1,717	2,001	2,297
Debtors	2,065	2,496	2,896	3,325
Loans and Advances	33	67	77	89
Other Current Assets	532	687	788	904
Cash	254	204	212	213
Total Current Assets	4,523	5,171	5,974	6,828
Current Liabilities	2,698	2,845	3,254	3,681
Provisions	207	306	357	410
Current Liabilities & Prov	2,904	3,151	3,612	4,091
Net Current Assets	1,618	2,020	2,362	2,737
Others Assets	277	245	245	245
Application of Funds	6,999	8,593	9,962	10,637

Source: Company, ICICI Direct Research

Exhibit 7: Key ratios

(Year-end March)	FY24	FY25	FY26E	FY27E
Per share data (₹)				
EPS	15.3	16.4	20.2	25.4
Cash EPS	24.5	27.1	31.9	38.4
BV	86.1	99.8	117.4	139.8
DPS	2.0	2.3	2.5	3.0
Cash Per Share (Incl Invst)	4.7	3.6	3.7	3.8
Operating Ratios (%)				
EBITDA Margin	11.3	11.2	11.6	12.0
PAT Margin	6.3	5.6	6.0	6.6
Inventory days	42.6	37.4	38.0	38.0
Debtor days	53.7	54.3	55.0	55.0
Creditor days	51.8	47.1	48.0	48.0
Return Ratios (%)				
RoE	17.8	16.5	17.2	18.2
RoCE	15.1	14.7	15.7	17.8
RoIC	16.3	16.4	16.4	18.6
Valuation Ratios (x)				
P/E	72.4	67.6	55.1	43.7
EV / EBITDA	40.9	35.1	29.5	24.6
EV / Net Sales	4.6	3.9	3.4	3.0
Market Cap / Sales	4.5	3.8	3.3	2.9
Price to Book Value	12.9	11.1	9.5	7.9
Solvency Ratios				
Debt/EBITDA	1.0	1.2	1.1	0.7
Debt / Equity	0.3	0.4	0.4	0.2
Current Ratio	1.7	1.7	1.7	1.8
Quick Ratio	1.0	1.1	1.1	1.2

Source: Company, ICICI Direct Research

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Reduce: -15% to -5%;

Sell: <-15%

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