

Motherson Sumi Wiring: Cost Headwinds Persist; Capacity Ramp-up Supporting Growth

April 29, 2026 | CMP: INR 39 | Target Price: INR 48

BUY

Expected Share Price Return: 22.1% | Dividend Yield: 1.4% | Potential Upside: 23.5%

Sector View: Positive

Change in Estimates	✓
Change in Target Price	✗
Change in Recommendation	✓

Company Info

BB Code	MSUMI IN EQUITY
Face Value (INR)	1.0
52-w High/Low (INR)	54/32
Mkt Cap (Bn)	INR 260.4 / \$2.8
Shares o/s (Mn)	6,631.7
3M Avg. Daily Volume	84,18,065

Change in CIE Estimates

INR Bn	FY27E			FY28E		
	New	Old	Dev. (%)	New	Old	Dev. (%)
Revenue	133.3	129.0	3.3	152.4	149.1	2.2
EBITDA	12.6	13.0	(2.7)	15.2	15.6	(2.6)
EBITDAM%	9.5	10.1	(59) bps	10.0	10.5	(49) bps
PAT	7.7	7.9	(2.7)	9.6	9.7	(0.9)
EPS	1.2	1.2	(2.7)	1.4	1.5	(0.9)

Actual vs CIE Est.

INR Mn	Q4FY26A	CIE Est.	Dev. %
Revenue	33,346.2	28,745.4	16.0
EBITDA	2,740.6	2,587.1	5.9
EBITDAM %	8.2	9.0	(78) bps
PAT	1,673.0	1,520.8	10.0

Key Financials

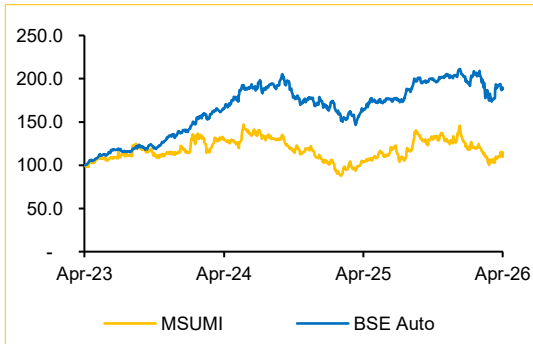
INR Bn	FY25	FY26	FY27E	FY28E	FY29E
Revenue	93.2	114.8	133.3	152.4	172.8
YoY (%)	11.9	23.1	16.2	14.3	13.4
EBITDA	10.0	10.6	12.6	15.2	17.9
EBITDAM (%)	10.7	9.2	9.5	10.0	10.4
Adj PAT	6.1	6.3	7.7	9.6	11.6
EPS (INR)	0.9	0.9	1.2	1.4	1.7
ROE (%)	35.7	28.9	31.0	33.6	34.9
ROCE (%)	42.6	35.3	38.0	41.3	43.1
PE(x)	43.0	41.7	34.0	27.2	22.6
EV/EBITDA	27.6	26.6	22.1	18.5	15.7

Shareholding Pattern (%)

	Mar-26	Dec-25	Sep-25
Promoters	61.72	61.72	61.72
FIIs	9.74	10.14	10.27
DIIs	17.41	17.17	16.59
Public	11.13	10.97	11.42

Relative Performance (%)

	3Y	2Y	1Y
BSE Auto	87.9	13.7	13.8
MSUMI	9.8	(15.4)	5.3


Subhash Gate

 Email: subhash.gate@choiceindia.com
 Ph: +91 22 6707 9233

Heet Chheda

 Email: heet.chheda@choiceindia.com
 Ph: +91 22 6707 9233

Structural Growth Intact; Margin Normalisation Awaited: MSUMI, led by new model launches and higher content per vehicle, delivered a strong 32.9% YoY revenue growth in this quarter, outperforming the industry average. However, gross margin was adversely impacted by elevated copper prices, resulting in a sequential margin decline of 293 bps. Additionally, margin was weighed down by start-up losses from greenfield plants. Despite these headwinds, MSUMI maintained a debt-free balance sheet supported by healthy cash flows. **We believe EBITDA margin will remain under pressure due to commodity volatility and improve gradually from FY27E and strengthen further in FY28E as cost is passed on to customers, utilisation improves and operating leverage kicks in.**

View and Valuation: We revise our FY27/28E EPS estimate downwards by 2.7%/0.9%, respectively, factoring in margin pressure, which will impact profitability. We maintain our target price at **INR 48** on FY28E EPS. Considering the recent decline in the stock price, we upgrade our rating from 'ADD' to 'BUY'.

Q4FY26: Revenue Beats Estimate; Margin Pressure Persists

- Revenue was at INR 33,346 Mn, up 32.9% YoY and up 15.5% QoQ (vs CIE est. at INR 28,745 Mn)
- EBITDA was up 1.0% YoY and up 4.5% QoQ to INR 2,741 Mn (vs CIE est. at INR 2,587 Mn). EBITDA margin was down 259 bps YoY and down 87 bps QoQ to 8.2% (vs CIE est. at 9.0%), led by higher raw material cost
- PAT was up 1.4% YoY and up 12.0% QoQ to INR 1,673 Mn (vs CIE est. at INR 1,521 Mn)

Expansion-led Capacity Ramp-up: The company's greenfield plants in Gujarat, Pune and Kharkhauda (ICE, EV and hybrid platforms) are ramping up steadily. The plants are expected to achieve optimal utilisation in the next 2–3 quarters as volumes scale up. The management follows a disciplined expansion strategy, initiating new capacity as utilisation approaches ~80%. **EBITDA at new plants is expected to improve sequentially as start-up cost declines and operating leverage kicks in, supporting margin recovery in the next few quarters.**

MSUMI (INR Mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)
Net Sales	33,346	25,095	32.9	28,871	15.5
Material Expenses	23,498	16,493	42.5	19,499	20.5
Employee Expenses	5,178	4,141	25.0	4,981	3.9
Other Operating Expenses	1,930	1,748	10.4	1,768	9.2
EBITDA	2,741	2,712	1.0	2,623	4.5
Depreciation	573	476	20.4	565	1.5
EBIT	2,167	2,236	(3.1)	2,058	5.3
Interest Cost	64	55	14.6	72	(12.2)
PBT	2,117	2,197	(3.6)	1,995	6.1
RPAT	1,673	1,649	1.4	1,494	12.0
APAT	1,673	1,649	1.4	1,494	12.0
Adj EPS (INR)	0.25	0.25	0.9	0.23	12.0

Margin Analysis	Q4FY26	Q4FY25	YoY (bps)	Q3FY26	QoQ (bps)
Gross Margin (%)	29.5	34.3	(474.5)	32.5	(292.8)
Employee Exp. % of Sales	15.5	16.5	(97.6)	17.3	(172.6)
Other Op. Exp % of Sales	5.8	7.0	(118.0)	6.1	(33.5)
EBITDA Margin (%)	8.2	10.8	(258.9)	9.1	(86.7)
Tax Rate (%)	21.0	24.9	(394.9)	25.1	(413.1)
APAT Margin (%)	5.0	6.6	(155.5)	5.2	(15.9)

Source: MSUMI, Choice Institutional Equities

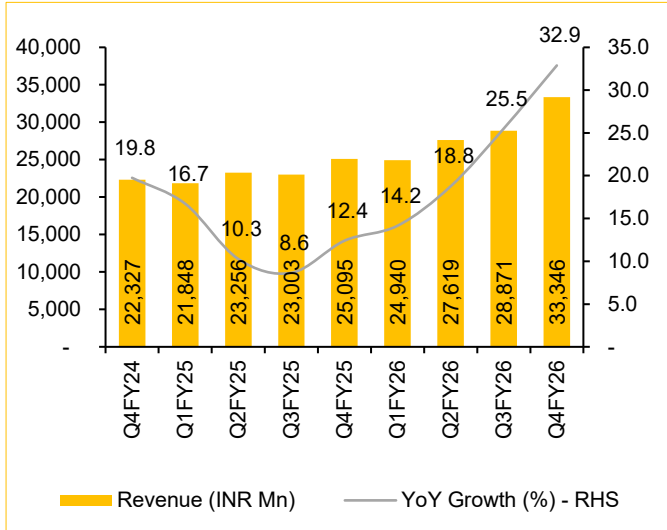
Management Call – Highlights

MSUMI crossed INR 100 Bn in annual revenue for the first time, with Q4FY26 showing ~33% YoY growth. The management attributed roughly 5% of that growth to copper price pass-throughs, with the remaining ~28% driven by volume gains

Capex for FY27 is guided at INR 2,000 Mn. The capex mix will be: (1) Greenfield expansions tied to confirmed OEM orders, (2) Automation and digitisation and (3) Replacement capex at existing plants

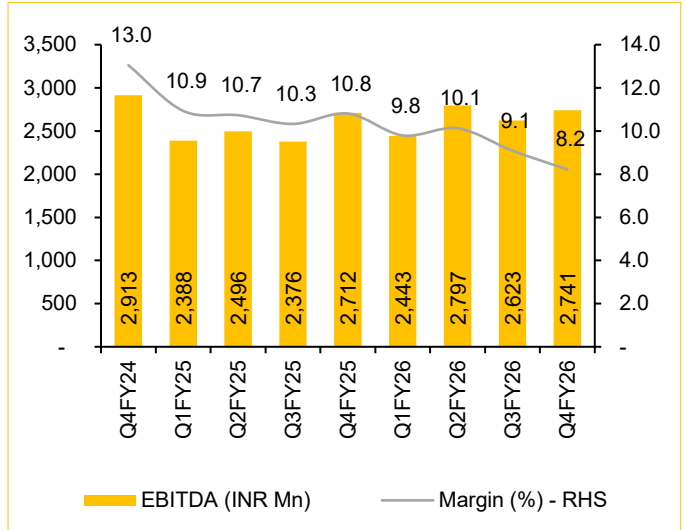
- MSUMI crossed INR 100 Bn in annual revenue for the first time, with Q4FY26 showing ~33% YoY growth. The management attributed roughly 5% of that growth to copper price pass-throughs, with the remaining ~28% driven by volume gains
- Gross margins contracted 293 bps sequentially, almost entirely attributed to copper price inflation and the lag (3–6 months) in passing it on to customers
- Polymer/PVC prices are newer and emerging concerns given global supply disruption. Management has guided that it would work transparently with customers to find solutions, indicating eventual pass-through here too
- Combined quarterly revenue from all three greenfields crossed INR 4,400 Mn in Q4FY26. The earlier annualised target of INR 20,000–21,000 Mn appears within reach as the facilities ramp up
- Greenfield losses are shrinking quarter on quarter. Management indicated that, once volumes reach 80% utilisation, greenfield margin should normalise to a level comparable to existing plants
- Capex for FY27 is guided at INR 2,000 Mn
- The capex mix will be: (1) Greenfield expansions tied to confirmed OEM orders, (2) Automation and digitisation and (3) Replacement capex at existing plants
- The company is winning orders across all powertrain types — ICE, EV and hybrid — reflecting a technology-agnostic strategy
- Existing plants are running at ~80% capacity utilisation, which is the internal threshold which prompts expansion planning
- Management expressed confidence that Q1FY27 growth momentum will continue at a pace similar to Q4FY26

Revenue was up 32.9% on a YoY basis



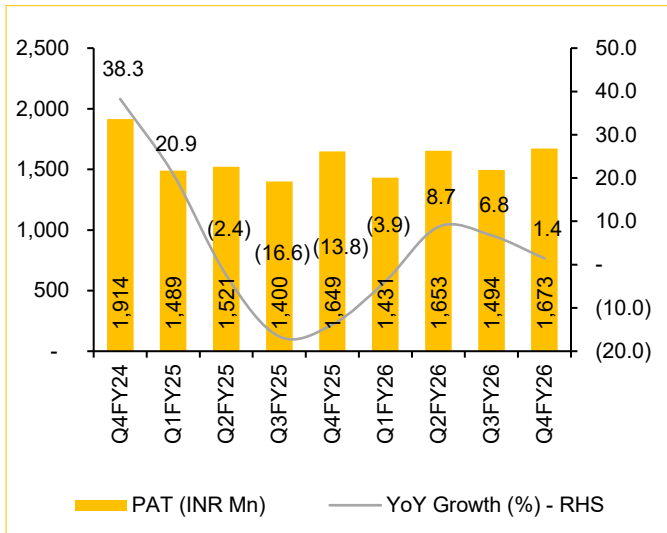
Source: MSUMI, Choice Institutional Equities

EBITDA margin was down 259 bps on a YoY basis



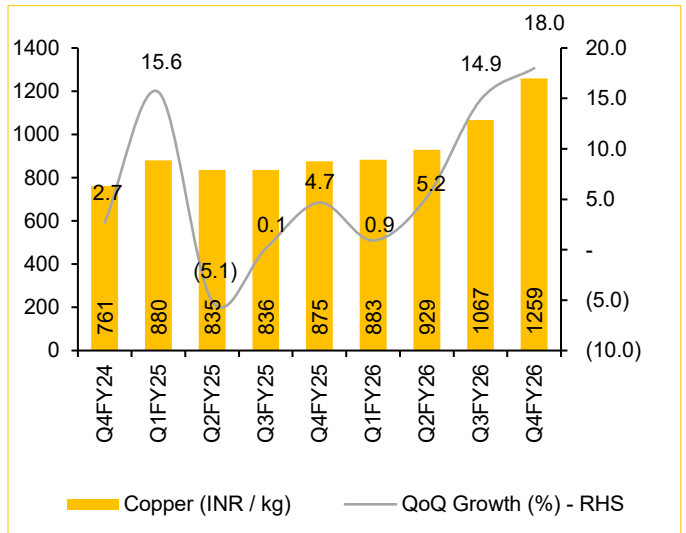
Source: MSUMI, Choice Institutional Equities

PAT grew 1.4% on a YoY basis



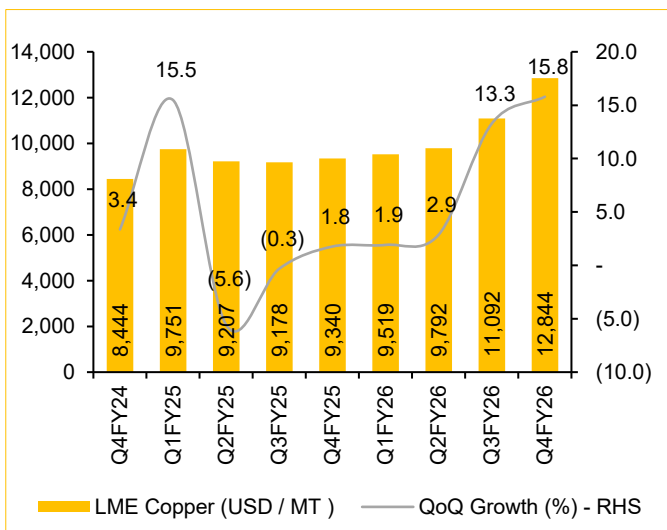
Source: MSUMI, Choice Institutional Equities

Copper (INR / kg) quarterly trend



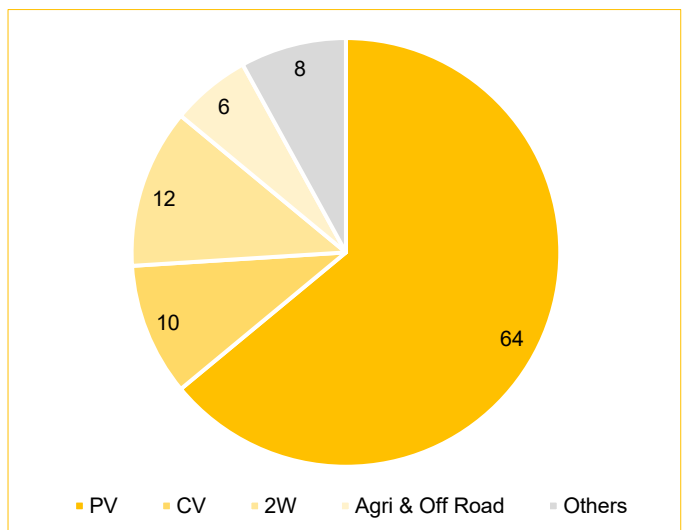
Source: MSUMI, Choice Institutional Equities

LME Copper (USD / MT) quarterly trend



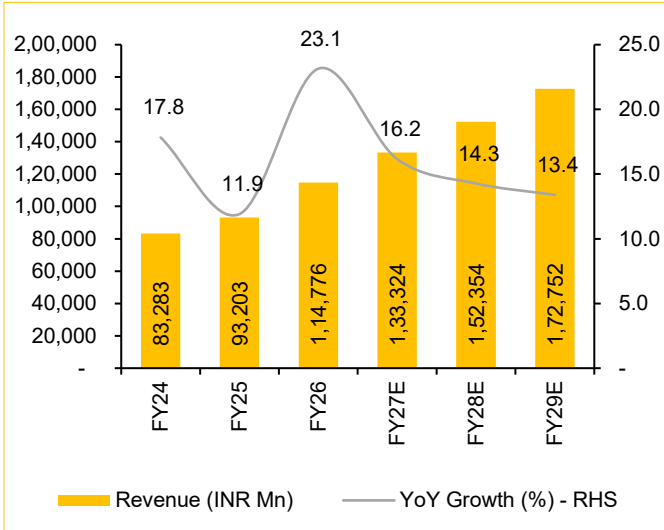
Source: MSUMI, Choice Institutional Equities

Revenue segment mix FY26 (%)



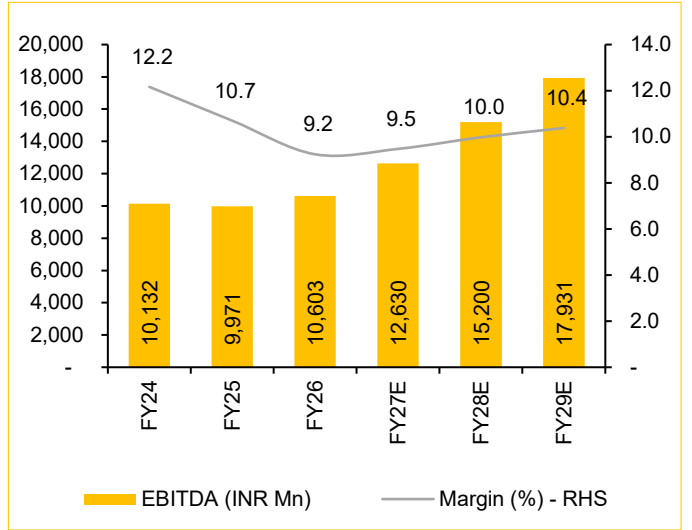
Source: MSUMI, Choice Institutional Equities

Revenue expected to expand at 14.6% CAGR over FY26–29E



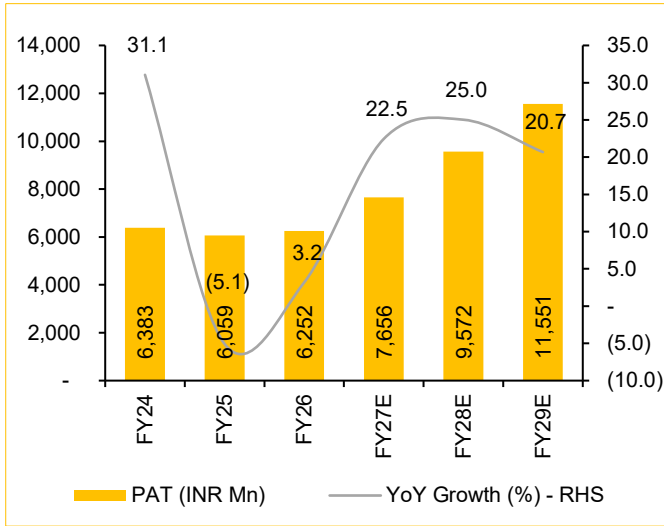
Source: MSUMI, Choice Institutional Equities

EBIDTA projected to increase at 19.1% CAGR over FY26–29E



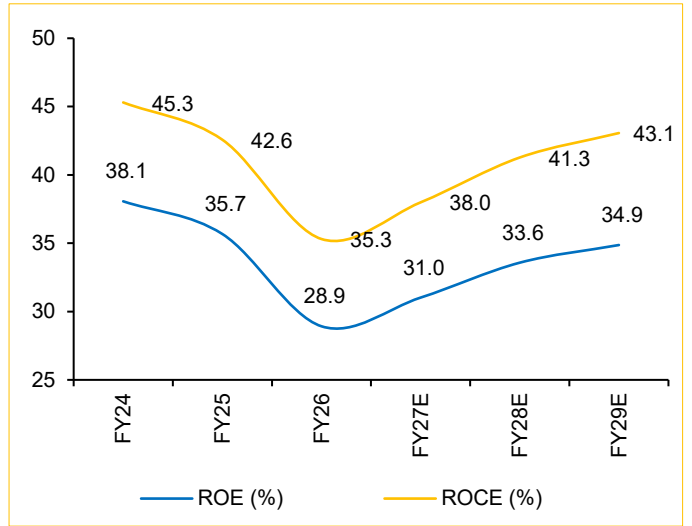
Source: MSUMI, Choice Institutional Equities

PAT anticipated to expand at 22.7% CAGR over FY26–29E



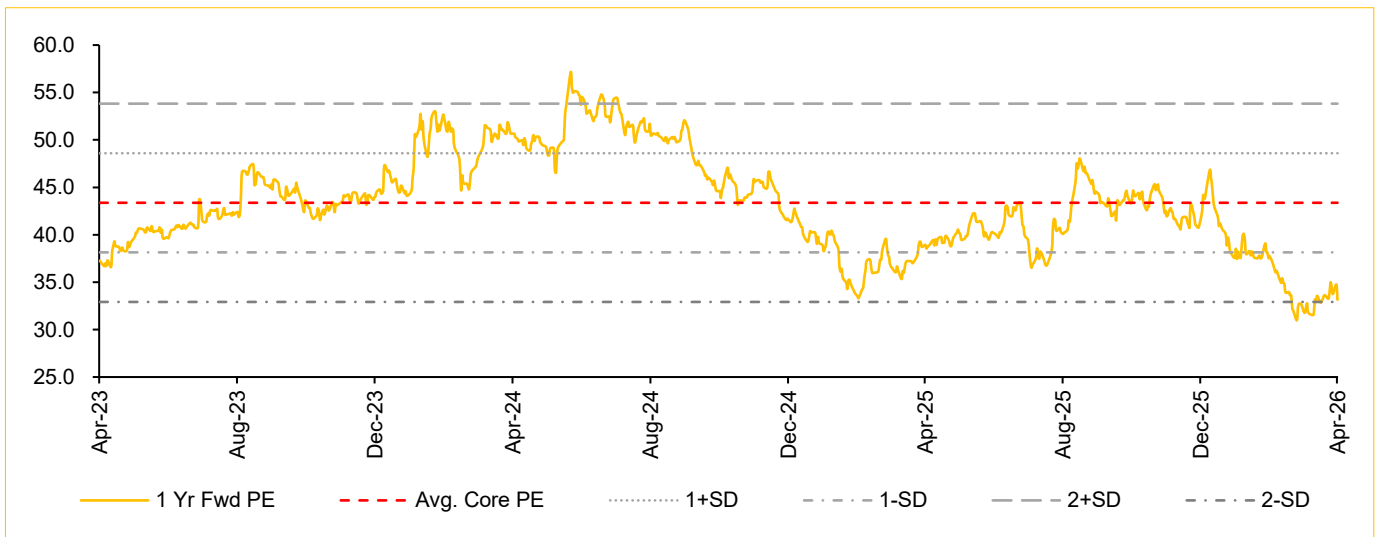
Source: MSUMI, Choice Institutional Equities

ROE (%) and ROCE (%) trend



Source: MSUMI, Choice Institutional Equities

1-year forward PE band



Source: MSUMI, Choice Institutional Equities

Income Statement (INR Mn)

Particular	FY25	FY26	FY27E	FY28E	FY29E
Revenue	93,203	1,14,776	1,33,324	1,52,354	1,72,752
Gross Profit	32,438	37,359	43,837	50,555	57,673
EBITDA	9,971	10,603	12,630	15,200	17,931
Depreciation	1,789	2,161	2,340	2,388	2,515
EBIT	8,182	8,442	10,290	12,812	15,416
Interest Expenses	248	263	256	256	256
Other Income	119	39	39	39	39
Exceptional Item	0	0	0	0	0
Reported PAT	6,059	6,252	7,656	9,572	11,551
Adjusted PAT	6,059	6,252	7,656	9,572	11,551
EPS	0.9	0.9	1.2	1.4	1.7

Ratio Analysis	FY25	FY26	FY27E	FY28E	FY29E
Growth Ratios (%)					
Revenue	11.9	23.1	16.2	14.3	13.4
EBITDA	(1.6)	6.3	19.1	20.3	18.0
PAT	(5.1)	3.2	22.5	25.0	20.7
Margins (%)					
EBITDA	10.7	9.2	9.5	10.0	10.4
PAT	6.5	5.4	5.7	6.3	6.7
Profitability (%)					
ROE	35.7	28.9	31.0	33.6	34.9
ROCE	42.6	35.3	38.0	41.3	43.1
ROIC	31.3	26.8	29.0	31.6	33.0
Working Capital					
Inventory Days	50	55	52	52	52
Debtor Days	49	60	49	49	49
Payable Days	46	63	48	48	48
Cash Conversion Cycle	53	52	53	53	53
Valuation Metrics					
PE(x)	43.0	41.7	34.0	27.2	22.6
EV/EBITDA (x)	27.6	26.6	22.1	18.5	15.7
Price to BV (x)	15.3	12.1	10.6	9.1	7.9
EV/OCF (x)	75.4	37.1	37.8	29.5	24.7

Source: MSUMI, Choice Institutional Equities

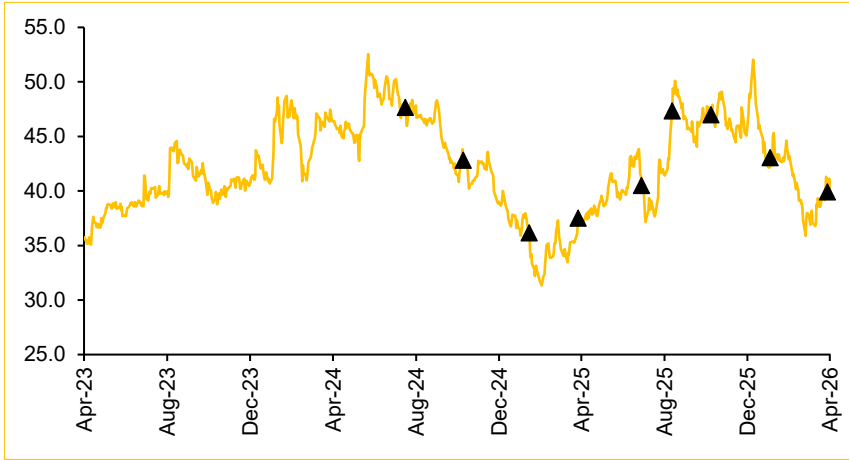
Balance Sheet (INR Mn)

Particular	FY25	FY26	FY27E	FY28E	FY29E
Net Worth	16,983	21,617	24,679	28,508	33,129
Trade Payables	11,788	19,828	17,533	20,036	22,718
Other Current Liabilities & Provisions	5,261	2,540	2,616	2,694	2,775
Total Debt	2,692	2,332	2,332	2,332	2,332
Other Liabilities & Provisions	565	1,140	1,254	1,380	1,518
Total Net Worth & Liabilities	37,288	47,457	48,414	54,949	62,471
Net Fixed Assets	6,906	7,794	7,854	7,866	7,751
Capital Work in Progress	367	17	17	17	17
Investments	0	0	0	0	0
Loans & Advances & Other Assets	911	927	1,069	1,219	1,380
Deferred Tax Assets (net)	574	636	636	636	636
Inventories	12,824	17,301	18,921	21,628	24,531
Debtors	12,437	18,842	17,829	20,381	23,115
Other Current Assets	3,126	1,277	1,300	1,324	1,349
Cash & Cash Eq.	143	662	788	1,878	3,692
Total Assets	37,288	47,457	48,414	54,949	62,471

Cash Flows (INR Mn)	FY25	FY26	FY27E	FY28E	FY29E
Cash Flows from Operations	3,648	7,613	7,403	9,515	11,424
Cash Flows from Investing	(601)	(1,999)	(2,542)	(2,550)	(2,561)
Cash Flows from Financing	(4,574)	(5,095)	(4,736)	(5,874)	(7,049)

DuPont Analysis	FY25	FY26	FY27E	FY28E	FY29E
Tax Burden	75.2%	76.1%	76.0%	76.0%	76.0%
Interest Burden	98.4%	97.4%	97.9%	98.3%	98.6%
EBIT Margin	8.8%	7.4%	7.7%	8.4%	8.9%
Asset Turnover	2.5	2.4	2.8	2.8	2.8
Equity Multiplier	2.2	2.2	2.0	1.9	1.9
ROE	35.7%	28.9%	31.0%	33.6%	34.9%

Historical Price Chart: MSUMI



Date	Rating	Target Price
August 06, 2024	REDUCE	48
November 10, 2024	HOLD	48
February 10, 2025	BUY	47
May 11, 2025	REDUCE	37
July 29, 2025	ADD	42
September 15, 2025	REDUCE	48
November 06, 2025	REDUCE	48
January 31, 2026	ADD	48
April 29, 2026	BUY	48

Institutional Research Team

Utsav Verma, CFA	Head of Institutional Research	utsav.verma@choiceindia.com	+91 22 6707 9440
Ambrish Shah	Analyst - Power	ambrish.shah@choiceindia.com	+91 22 6707 9251
Ashutosh Murarka	Analyst – Building Materials	ashutosh.murarka@choiceindia.com	+91 22 6707 9521
Bhavik Shah, CFA	Analyst – Metals & Mining	Bhavik.shah@choiceindia.com	+91 22 6707 9521
Deepika Murarka	Analyst – Healthcare	deepika.murarka@choiceindia.com	+91 22 6707 9513
Dhanshree Jadhav	Analyst – Technology	dhanshree.jadhav@choiceindia.com	+91 22 6707 9535
Dhaval Popat	Analyst – Energy	dhaval.popat@choiceindia.com	+91 22 6707 9949
Fenil Brahmhatt	Analyst – Realty & Building Materials	fenil.brahmhatt@choiceindia.com	+91 22 6707 9930
Ishank Gupta	Analyst – NBFCs	ishank.gupta@choiceindia.com	+91 22 6707 9867
Karan Kamdar	Analyst – Consumer Discretionary, Small and Midcaps	karan.kamdar@choiceindia.com	+91 22 6707 9451
Kunal Bajaj	Analyst – Technology	kunal.bajaj@choiceindia.com	+91 22 6707 9901
Maitri Sheth	Analyst – Pharmaceuticals	maitri.sheth@choiceindia.com	+91 22 6707 9511
Putta Ravi Kumar	Analyst – Defence	ravi.putta@choiceindia.com	+91 22 6707 9908
Preeyam Tolia	Analyst – FMCG & Retail	preeyam.tolia@choiceindia.com	+91 22 6707 9987
Aayush Saboo	Sr. Associate– Realty	aayush.saboo@choiceindia.com	+91 22 6707 9930
Avi Jhaveri	Sr. Associate – Technology	avi.jhaveri@choiceindia.com	+91 22 6707 9901
Bharat Kumar Kudikyala	Sr. Associate – Building Materials	bharat.kudikyala@choiceindia.com	+91 22 6707 9521
Samarth Goel	Sr. Associate– Small and Midcaps	samarth.goel@choiceindia.com	+91 22 6707 9451
Subhash Gate	Sr. Associate – Autos	subhash.gate@choiceindia.com	+91 22 6707 9233
Heer Gogri	Associate – Small and Midcaps	heer.gogri@choiceindia.com	+91 22 6707 9433
Heet Chheda	Associate – Autos	heet.chheda@choiceindia.com	+91 22 6707 9233
Rushil Katiyar	Associate – Technology	rushil.katiyar@choiceindia.com	+91 22 6707 9901
Shreya Mehra	Associate – Technology	shreya.mehra@choiceindia.com	+91 22 6707 9535
Stuti Bagadia	Associate – Pharmaceuticals	stuti.bagadia@choiceindia.com	+91 22 6707 9511
Vinay Rawal	Associate – Small and Midcaps	vinay.rawal@choiceindia.com	+91 22 6707 9433

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Large Cap*	
BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months
Mid & Small Cap*	
BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months
Other Ratings	
NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change
Sector View	
POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in stasis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

*Large Cap: More Than INR 20,000 Cr Market Cap
*Mid & Small Cap: Less Than INR 20,000 Cr Market Cap

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