July 2026

Initiating coverage | Sector: Auto ancillary

Uno Minda

A unique play on emerging automotive trends

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Uno Minda

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- While UML has a very well diversified and largely fuel agnoustic product mix, its unique capability has been its ability to enter into newer high potential segments through partnerships or its own R&D thereby driving a win-win solution for all stakeholders.
- Management's long-term aspiration to grow at 1.4x-1.5x underlying industry growth, appears highly credible, given its past track record of consistent outperformance above this threshold.
- We believe UML can be viewed as a long-term structural growth story given its track record of consistent outperformance to core industry growth with health return ratios and its ability to foray into new emerging businesses with high-growth potential. Overall, we value UML at 45x FY28E earnings to arrive at our price target of INR 1,406 per share. We initiate on UML with a Buy rating and position UML as our top pick in the Auto Ancillary sector.

Uno Minda

BSE SENSEX	S&P CNX
78,181	24,399

CMP: INR1,127 TP: INR1,406 (+25%) Buy

A unique play on emerging automotive trends

Uno Minda (UML) has a well-diversified and largely fuel-agnostic product mix with an ability to enter new high-potential segments through partnerships or its own R&D (37 R&D centers globally). Further, UML is emerging as one of the key beneficiaries of structural growth trends in the industry, such as premiumization and EV transition, which are driving a steady rise in content per vehicle (CPV) for UML over the years. Management's long-term aspiration to deliver 1.4x-1.5x higher growth than the underlying industry appears highly credible given its past track record of outperformance above this threshold. Management expects FY27 to be a defining growth year for the company, as seven of its 11 new projects will be operational or in a ramp-up phase. We believe UML can be viewed as a long-term structural growth story given its consistent outperformance to core industry growth with healthy return ratios and its ability to foray into new emerging businesses with high-growth potential. Considering these factors, along with solid financial strength and robust growth expectations (19%/23% CAGR in revenue/PAT over FY26-28E), UML's premium valuations appear justified. We value UML at 45x FY28E EPS to arrive at our TP of INR1,406 per share. We initiate coverage on UML with a BUY rating and position UML as our top pick in the auto ancillary sector.

Well-diversified player with consistent outperformance

- UML has an extremely well-diversified and fuel-agnostic product portfolio spanning all key automobile segments. Its FY26 mix was well balanced – Switches (25%), Lighting (22%), Castings (19%), Seating (7%), Green Mobility (7%) and Others (19%). The Others segment includes multiple high-growth product categories, including acoustics, sensors and ADAS etc. While PVs make up 48% of its mix, 2Ws form 42% and the balance is divided between 3Ws (3%), CVs (4%) and OTR (3%). Further, 10% of its business mix comes from outside India on the back of its international presence. Moreover, 7% of its mix comes from after-market business.
- Another key aspect of its product mix is that almost 95% of its product mix is fuel-agnostic. All its major segments are deeply aligned with the upcoming automotive technologies, particularly related to electrification, safety, and connectivity. Further, this versatility enables UML to support a wide range of OEMs and swiftly adapt to changing market dynamics, regulatory shifts, and evolving mobility trends, including the transition toward clean technologies.

Partnership capability and R&D focus key to outperformance

- UML has established 37 R&D centers, in addition to global tech partnerships, with 292 patents granted and 577 designs registered. Its global R&D centers are aligned with global advancements and best practices.
- We believe this combination of partnerships and in-house engineering is the core engine supporting structurally higher growth than the industry while building capabilities that are difficult to replicate organically.
- Management's long-term aspiration has been to grow at 1.4x-1.5x underlying industry growth, and appears highly credible, given its past track record of consistent outperformance above this threshold.

Stock Info

Bloomberg	UNOMINDA IN
Equity Shares (m)	577
M.Cap.(INRb)/(USDb)	652.1 / 6.9
52-Week Range (INR)	1382 / 994
1, 6, 12 Rel. Per (%)	-1/-8/7
12M Avg Val (INR M)	1073

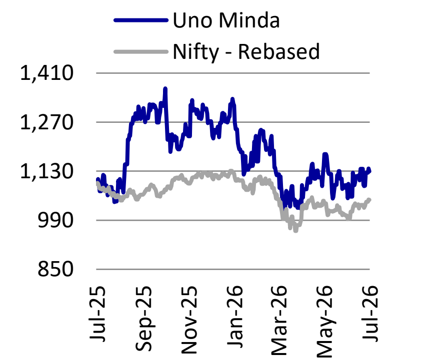
Financials Snapshot (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Net Sales	196.6	231.0	275.9
EBITDA	22.5	25.4	32.2
PAT	12.2	13.5	18.0
EPS (INR)	20.7	23.3	31.3
GR. (%)	27.0	12.5	34.0
BV/Sh (INR)	125.7	147.8	177.2
Ratios			
ROE (%)	19.1	18.2	20.5
RoCE (%)	19.0	18.6	21.4
Payout (%)	12.5	12.9	12.8
Valuations			
P/E (X)	54.4	48.4	36.1
P/BV (X)	9.0	7.6	6.4
EV/EBITDA (X)	30.1	26.7	21.0
Div Yield (%)	0.2	0.3	0.4

Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	68.4	68.4	68.8
DII	16.9	16.0	15.2
FII	9.0	9.8	10.1
Others	5.8	5.8	6.0

Stock's performance (two-year)



Emerging as the key beneficiary of the premiumization trend in India

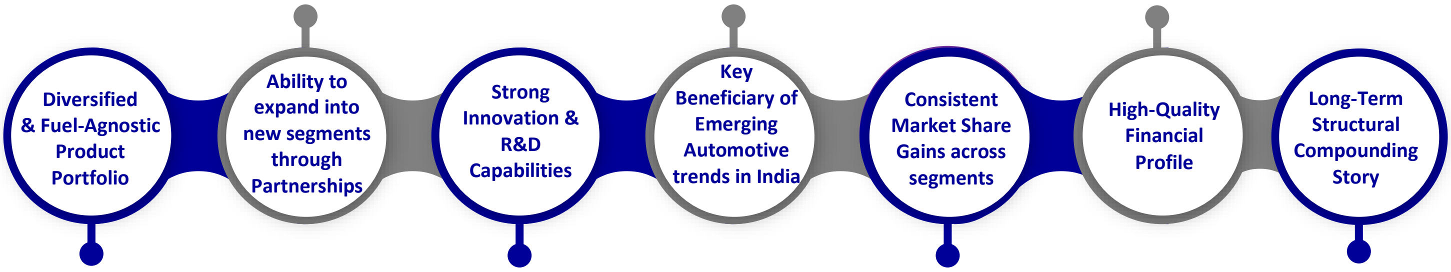
- The Indian automobile industry is witnessing a notable premiumization trend over the years across key segments. In PVs, the UV mix now stands at 67% in FY26 vs. 21% in FY16, and in motorcycles, the 125cc+ mix has jumped to 55% in FY26 from about 36% in FY16. Interestingly, customers now look for more features across all segments, including in entry-level cars. Moreover, regulatory mandates related to safety and emissions, among others, are also driving higher CPV.
- Another trend visible in automobiles is the rising EV penetration across all segments, aided by the government's push toward green mobility.
- Each of these factors drives a noticeable CPV increase for ancillary suppliers. For players like UML, each of its key segments is seeing a marked increase in CPV over the years – switches (range of INR650 to INR20k per vehicle in high-end exports in 2Ws), lights (INR3,000 in entry cars to INR36,000 in high-end PVs), castings (INR1,600 to INR3200 from steel to alloy castings), seating (INR3,400 to INR23,000 for truck seats) and green mobility (3-3.5x rise in potential EV content vs. ICE).
- Thus, UML is well placed to benefit from the premiumization and EV transition trends in India.

Valuation and view

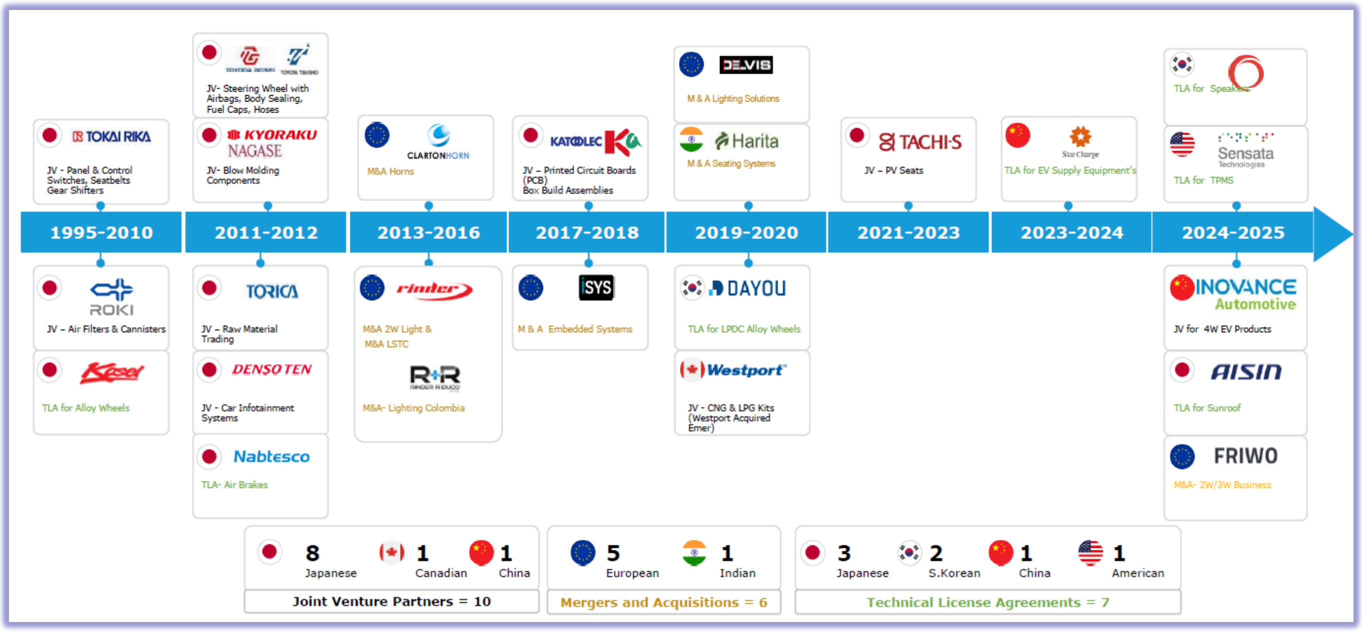
- Management expects FY27 to be a defining growth year for the company, as seven of its 11 new projects will be operational or in a ramp-up phase in FY27. This is in addition to the commercialization of two new plants in 4QFY26.
- As a result, we expect UML to post a healthy CAGR of 19%/20%/23% in revenue/ EBITDA/PAT over FY26-28E.
- Further, it is important to highlight that despite the rise in capex, UML is likely to remain FCF positive over FY26-28E. As a result, we expect net debt to decline to INR17.8b in FY28E from INR21.5b in FY26.
- Returns are expected to rise in FY28E once its new capacities ramp up.
- We believe UML will fit in as a long-term structural growth story given: 1) its well-diversified mix that shields it from the cyclicality of any particular sector, 2) strong presence in different segments with high-growth potential, 3) ability to foray into new emerging businesses either on its own or through partnerships with huge growth potential in future, and 4) key beneficiary of emerging trends in the sector as highlighted above. Considering these factors, along with solid financial strength and robust growth expectations, UML's premium valuations appear justified.
- Overall, we value UML at 45x FY28E EPS to arrive at a TP of INR1,406 per share. We initiate coverage on UML with a BUY rating and rank UML as our top pick in the auto ancillary sector.

STORY IN CHARTS

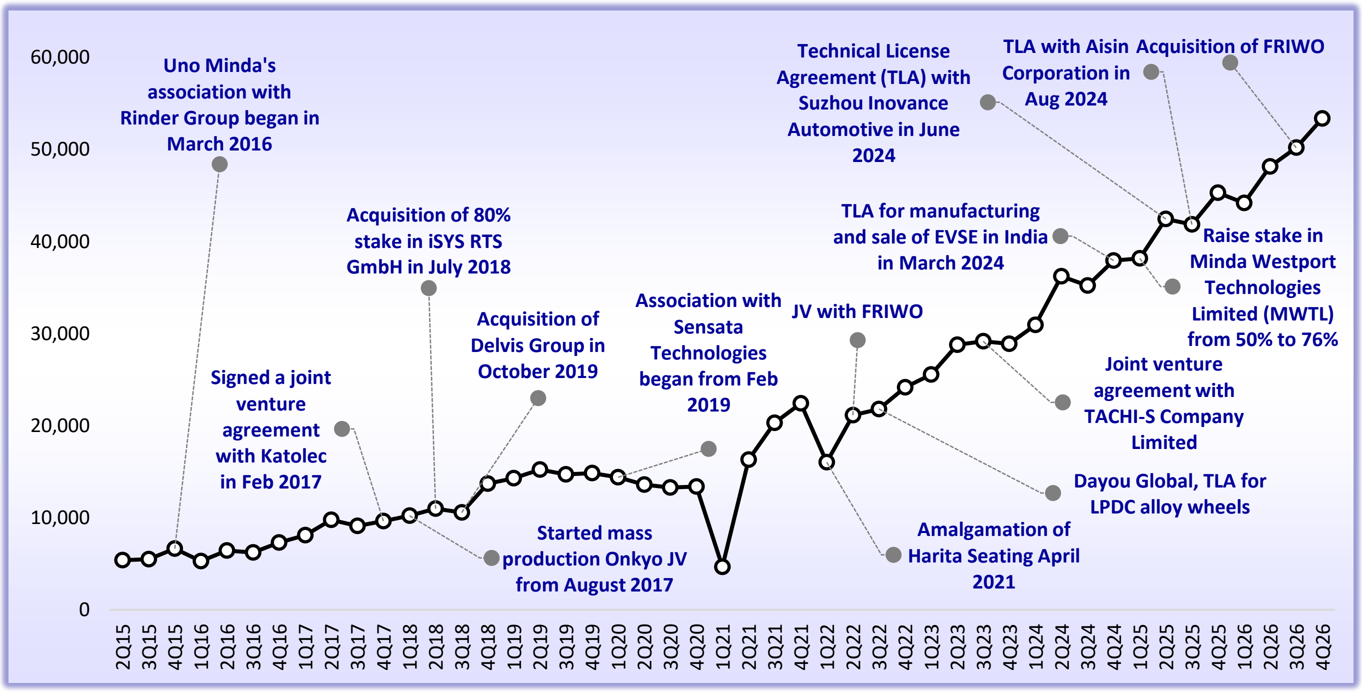
Why Consider Uno Minda



UML's partnerships and affiliations journey



UML's revenue growth with strategic collaborations, M&A, and TLAs



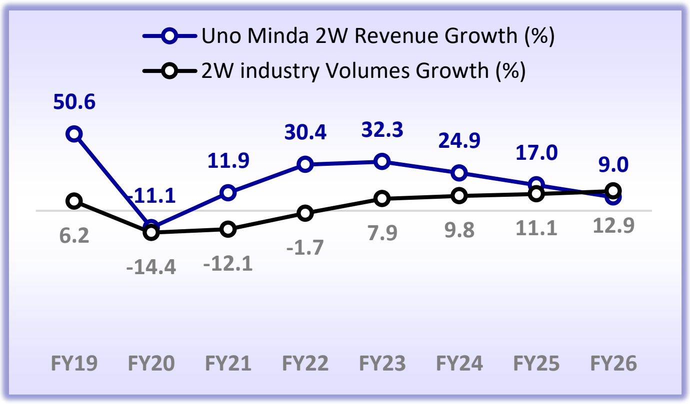
STORY IN CHARTS

Peer Comparison

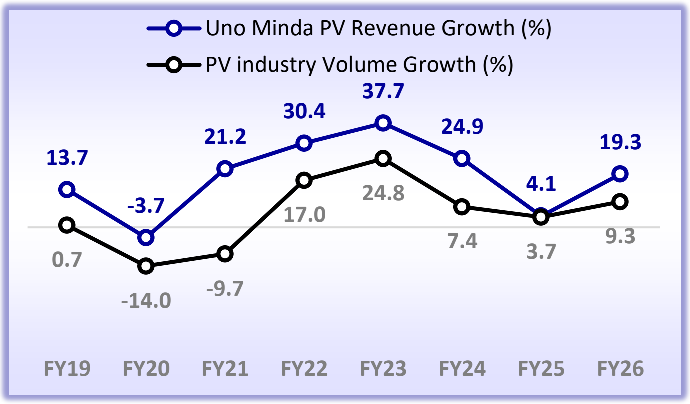
Company	MCap (INR b)	EBITDA Margin (%)			EPS CAGR	P/E (x)			EV/EBITDA (x)			ROE (%)		
		FY26	FY27E	FY28E	FY26-28E (%)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
Uno Minda	**651**	**11.5**	**11.0**	**11.7**	**22.8**	**54.4**	**48.4**	**36.1**	**30.1**	**26.7**	**21.0**	**19.1**	**18.2**	**20.5**
MSWIL	183	9.2	9.7	10.5	21.7	43.8	36.4	29.6	25.8	21.3	17.7	32.4	32.1	33.4
BHFC	1011	17.4	18.3	19.4	39.3	84.4	59.3	43.8	36.1	29.4	23.7	12.6	16.8	20.0
Sona Comstar	415	24.7	24.2	24.8	19.8	62.2	51.7	43.4	37.1	31.1	26.5	11.3	12.6	13.7
Endurance	375	13.5	12.9	13.8	20.7	38.8	33.9	26.7	19.3	17.2	14.1	15.4	15.2	16.8

Source: MOFSL, Company

UML 2W revenue growth v/s industry



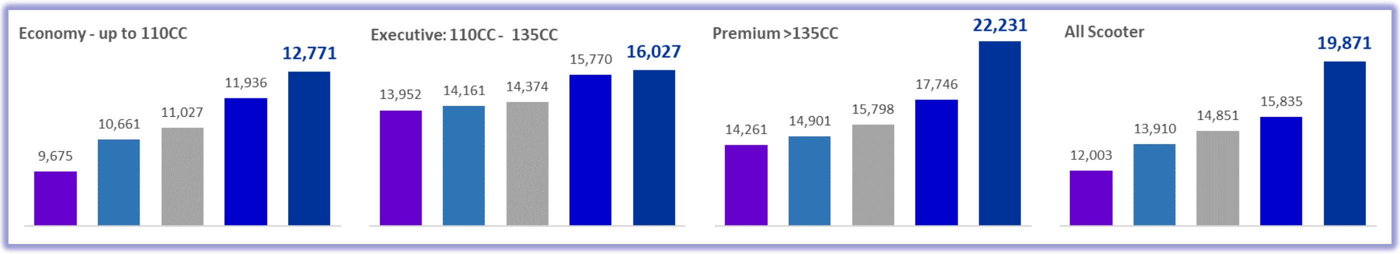
UML PV revenue growth v/s industry



Potential kit value in INR (excluding EV-specific components)

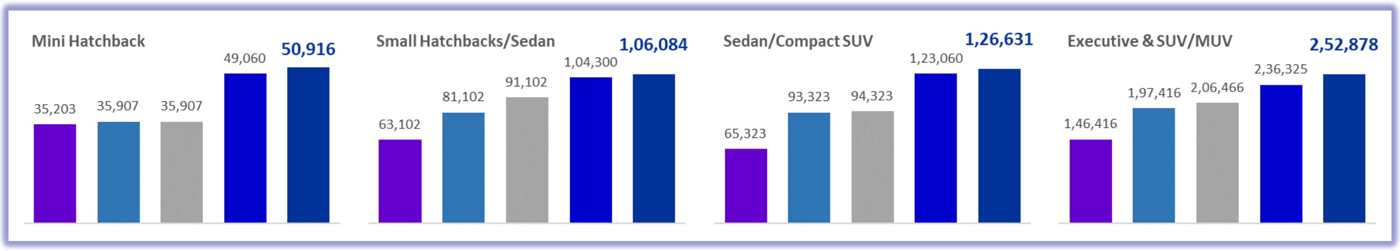
Kit Value – 2 Wheelers

As at the end of FY 2022 2023 2024 2025 2026



Kit Value – 4 Wheelers

As at the end of FY 2022 2023 2024 2025 2026



*Potential is calculated on basis that all products manufactured by Uno Minda which can be supplied in the vehicle

UML segmental revenue trend

INR Million	2024	2025	2026	2027E	2028E	FY22-26 CAGR (%)	FY26-28E CAGR (%)
Switches	36,630	42,040	48,710	57,416	66,024	18.3	16.4
YoY (%)	*14*	*15*	*16*	*18*	*15*		
Lighting	33,680	38,630	44,020	50,894	60,033	24.6	16.8
YoY (%)	*31*	*15*	*14*	*16*	*18*		
Castings	28,300	32,200	36,940	44,387	53,335	28.9	20.2
YoY (%)	*30*	*14*	*15*	*20*	*20*		
Seating	11,000	11,550	14,160	17,275	21,594	11.9	23.5
YoY (%)	*4*	*5*	*23*	*22*	*25*		
Green Mobility	0	13,130	14,050	17,478	23,548	NM	29.5
YoY (%)			*7*	*24*	*35*		
Others	30,690	30,210	38,696	43,593	51,376	21.7	15.2
YoY (%)	*38*	*(2)*	*28*	*13*	*18*		
Total Revenue	**140,300**	**167,760**	**196,576**	**231,042**	**275,910**	24.0	18.5
YoY (%)	*25*	*20*	*17*	*18*	*19*		

Source: MOFSL, Company

Company overview

UML is a diversified, technology-driven Tier- 1 automotive supplier with a broad product portfolio, global manufacturing and R&D footprint, strong OEM and aftermarket presence, and growing exposure to future mobility segments such as EVs, electronics, safety systems, and ADAS.

- UML is a leading Tier-1 automotive component supplier with a diversified presence across key vehicle segments, including passenger vehicles (PVs), commercial vehicles (CVs), two-wheelers (2Ws), three-wheelers (3Ws), and off-road vehicles. The company primarily serves global and domestic OEMs and has built capabilities across both internal combustion engine (ICE) and electric/hybrid platforms, positioning it well amid evolving mobility trends. The company operates a broad product portfolio spanning over 28 product lines, covering switches, lighting systems, acoustics, alloy wheels, sensors, controllers, infotainment systems, airbags, castings, seating, ADAS-linked products, and EV-specific components. This wide basket enables participation across multiple vehicle subsystems and supports rising CPV across segments.
- UML has established a large and strategically located manufacturing footprint with 78 plants globally, spread across India, Indonesia, Vietnam, Germany, Spain, and Mexico. Facilities are located close to major automotive clusters, aiding localization, improved customer responsiveness, and supply-chain efficiency. Its engineering capabilities are supported by 37 R&D and engineering centers across India, Germany, Japan, Taiwan, South Korea, and Spain. These centers focus on product development, localization, and advanced technologies linked to electrification, connectivity, personalization, and autonomous driving.
- A key differentiator for UML is its long-standing JV and technical collaboration model with global partners across Japan, Germany, South Korea, and China. These partnerships have enabled swift technology transfer and expanded the company's presence from conventional auto components to higher-value electronics, safety systems, and EV products. In addition to OEM supplies, UML has a meaningful aftermarket presence through a wide distribution network across India. Overall, the company stands out as a well-diversified, technology-focused automotive supplier with strong OEM linkages and increasing exposure to evolving mobility themes.

Exhibit 1: UML's 4W product portfolio: Domains & Product Groups – 4W

Source: Company, MOFSL

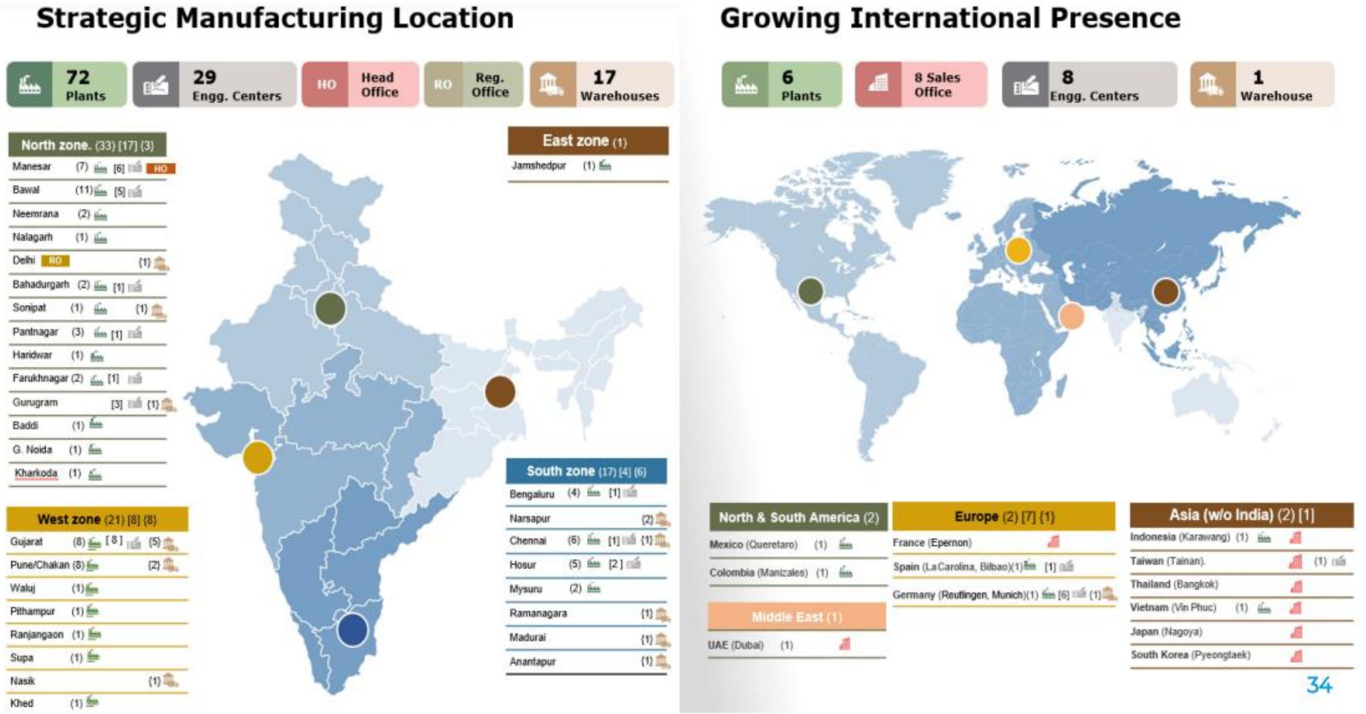
Exhibit 2: UML's 2W/3W product portfolio: Domains & Product Groups – 2W/3W

Source: Company, MOFSL

Exhibit 3: UML's CV/off-highway product portfolio: Domains & Product Groups – CV/OR

Source: Company, MOFSL

Exhibit 4: UML's domestic and international presence



Source: Company, MOFSL

Well-diversified player driving consistent outperformance

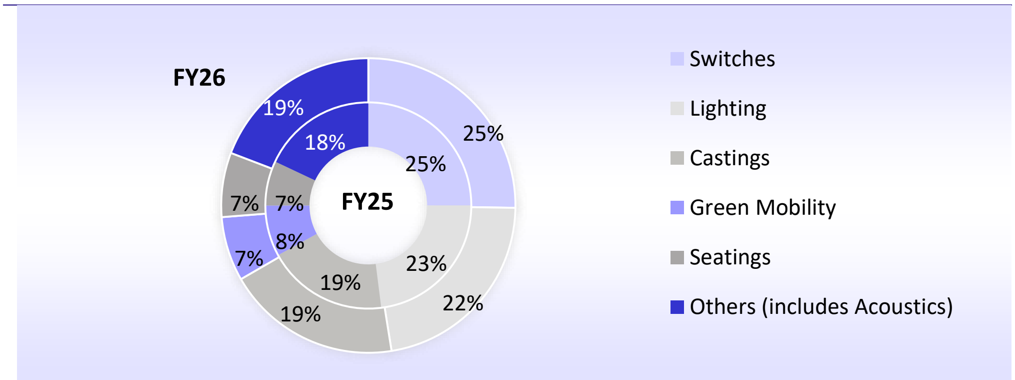
UML has an extremely well-diversified and fuel-agnostic product portfolio spanning all key automobile segments. Its FY26 mix was well balanced – switches (25%), lighting (22%), castings (19%), seating (7%), green mobility (7%) and others (19%). The others segment includes multiple high-growth product categories, including acoustics. While PVs make up 48% of its mix, 2Ws form 42% and the balance is divided between 3Ws (3%), CVs (4%) and OTR (3%). Further, 10% of its business mix comes from exports and international operations. About 7% of its mix comes from aftermarket business. Another key aspect is that almost 95% of its product mix is fuel agnostic. All its major product segments are aligned with upcoming automotive technologies, particularly those related to electrification, safety, and connectivity. Further, this versatility enables UML to support a wide range of OEMs and swiftly adapt to changing market dynamics, regulatory shifts, and evolving mobility trends, including the transition toward cleaner technologies.

Diversified portfolio underpins resilient growth

UML is positioned as a diversified, fuel-agnostic auto ancillary platform with exposure to multiple vehicle segments, product categories, and powertrain technologies. In FY26, no single product segment contributed more than 25% of consolidated revenue, with Switches (25%), Lighting (22%), Castings (19%), Seating (7%), Green Mobility (7%) and Others (19%) together forming a well-balanced mix. This diversified revenue composition reduces dependence on any single category or end-market and provides inherent resilience to earnings across auto cycles.

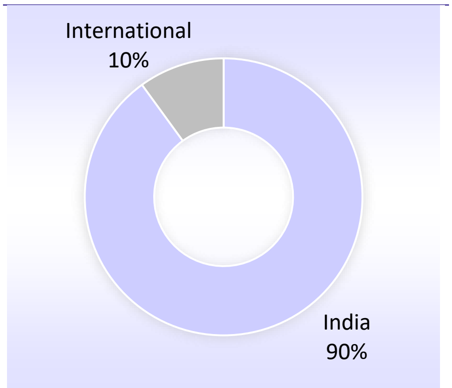
Importantly, UML's portfolio is largely powertrain-neutral, with products that remain relevant across ICE, hybrid, CNG, and EV platforms. This allows the company to participate in structural mobility shifts without having to depend solely on a single technology. Combined with exposure across 2Ws, 3Ws, PVs, CVs, and off-road vehicles, we believe diversification at both the product and end-market levels helps to offset volatility while preserving multiple growth opportunities through premiumization and localization.

Exhibit 5: Division-wise revenue mix trends FY25-26



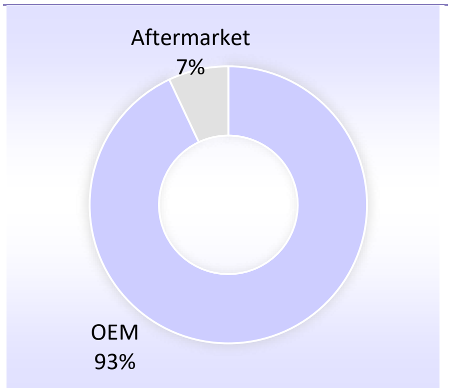
Source: Company, MOFSL

Exhibit 6: Region-wise revenue mix



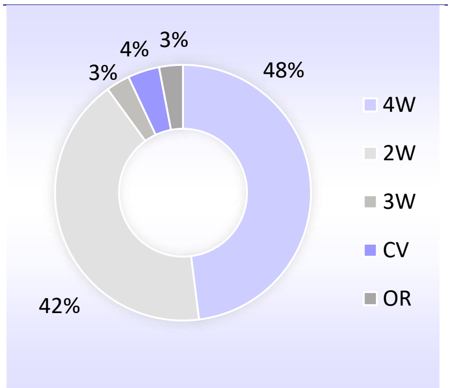
Source: MOFSL, Company

Exhibit 7: Channel-wise revenue mix



Source: MOFSL, Company

Exhibit 8: Segment-wise revenue mix



Source: MOFSL, Company

Exhibit 9: UML has a powertrain-agnostic portfolio

Domains	Product Lines	ICE	Alternate Fuel Systems	Hybrid	BEV
Electronic & Control Systems	*4W Switches & HVAC*				
	Seat Belts				
	Shifters				
	Infotainment Systems				
ADAS, Controllers and Sensors	*Sensors*				
	Controllers				
	RPAS & ADAS				
	Cameras				
	Telematics & TCU				
Safety & Comfort Systems	*Steering Wheel with Airbags*				
	Body Sealing				
	EA Pad				
	Air Ducts & Washer Bottle				
	Spoiler				
	Seats				
	Horns				
	Speakers				
	Brake Hoses				
Lighting & Alternate Fuel	*Lamps*				
Light Metal & Power Train	*Alloy Wheels*				
	Casting				
Battery	*Lead Acid Battery*				

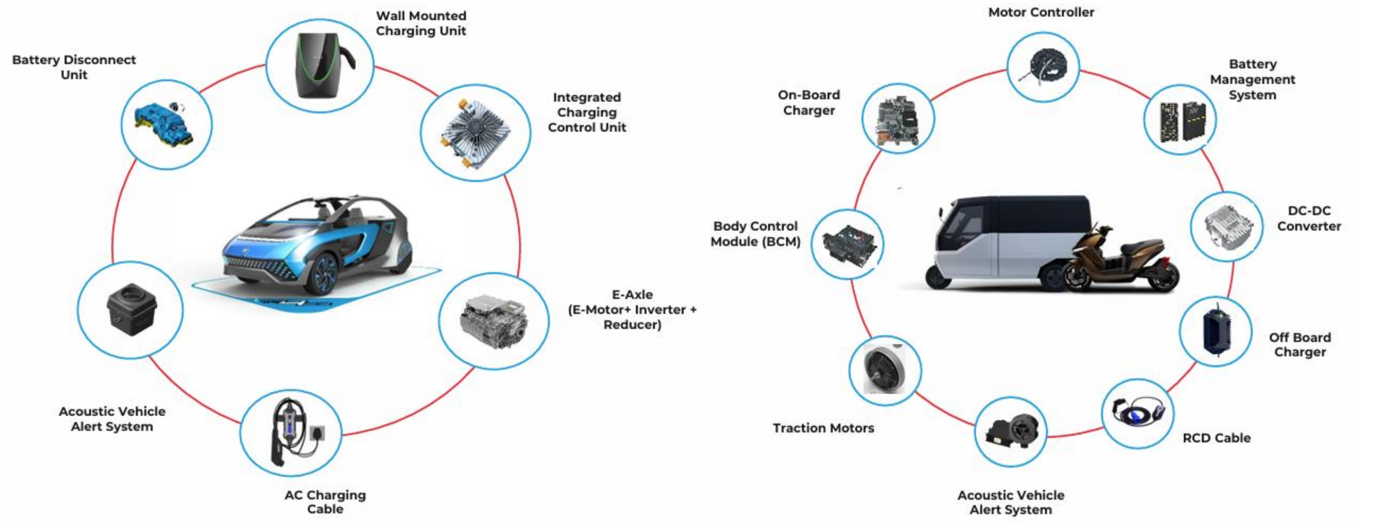
Source: Company, MOFSL

Below, we look at the company's diverse segments in brief:

- **Switches** – Established in 1958, the division caters to a wide variety of Switches that include handlebar assemblies for 2Ws, control switches (turn signals, light controls and engine start / stop), specialized switches (modular switches, heated grips, etc.) and innovative solutions (high-end chrome plated solutions for premium motorcycles and backlit/illuminated switches). Further, it supplies across multiple segments, including 2Ws, 4Ws and even off-road vehicles. The switch division contributes 25% to UML's total revenue in FY26, underlining its importance in the overall business mix.

- **Lighting** – UML's lighting business, established in 1980, provides comprehensive lighting solutions to 2Ws, PVs, and CVs. The division has moved beyond the traditional halogen lamps to high-value LED and smart lighting systems, which include exterior lighting solutions (full-LED headlamps, connected end-to-end tail lamps, signature front DRLs, and fog lamps with cornering functions), interior lighting (ambient moon lighting, mood lighting, and functional cabin lights), and advanced technologies that include logo projectors and beamers (specialized projection systems for branding and safety), adaptive lighting (systems that adjust light patterns based on driving conditions) and OLED lighting (integration of thin-film OLEDs for superior aesthetics and performance). UML's lighting division contributes to about 22% of its consolidated revenue as of FY26.
- **Castings** – This division is a major revenue contributor to the group (19% of the group's total revenue), specialized in high-performance die-casting components for both ICE and EV segments. UML's casting operations are categorized into two distinct sub-segments as below. The core casting division focuses on engine and structural components. It is the primary supplier of aluminum die-cast components for 2Ws and PVs. It supplies components like Crankcases, cylinder heads, and clutch covers to auto OEMs. Further, it also supplies lightweight structural parts and battery housings for electric 2Ws. This sub-segment contributes to about 18% of the casting division revenue. The second sub-segment is the alloy wheel division that supplies to both PVs and 2Ws. This is the largest segment with 82% contribution to the casting division. Within this, the 2W alloy wheels division contributes to almost 29% of castings mix and the 4W alloy wheel segment contributes to 53% of castings mix.
- **Seating** – The division provides complete seating solutions, ranging from structural frames to finished upholstery, across several vehicle segments. A major focus is now on the EV segment, particularly for e-buses and e-2Ws, where seating designs are being optimized for weight reduction and increased cabin space. The division currently contributes approximately 7% of the group's annual revenue. The estimated sub-segment mix — 2Ws: 40%, CV trucks: 35% (split evenly between domestic and exports), bus: 15%, and others: 10%.
- **Green Mobility**: In 4QFY26, UML created a new business segment called Green Mobility, given the strategic importance and the long-term potential of the business. The division houses all the groups businesses related to clean fuels, including Uno Minda EV Systems (JV with Friwo, which includes chargers, DC convertor, motor controller for 2W and 3Ws), Uno Minda Auto Innovation (includes the JV with Innovance), the EV-specific business of controller business, and Uno Minda Westport (alternate fuel and CNG systems). This reorganization ensures streamlined visibility and better insights into its high-growth EV and alternative fuel business. The Green Mobility division contributed to 7% of UML group's consolidated revenue for FY26.

Exhibit 10: UML's EV product portfolio across vehicle categories



Source: Company, MOFSL

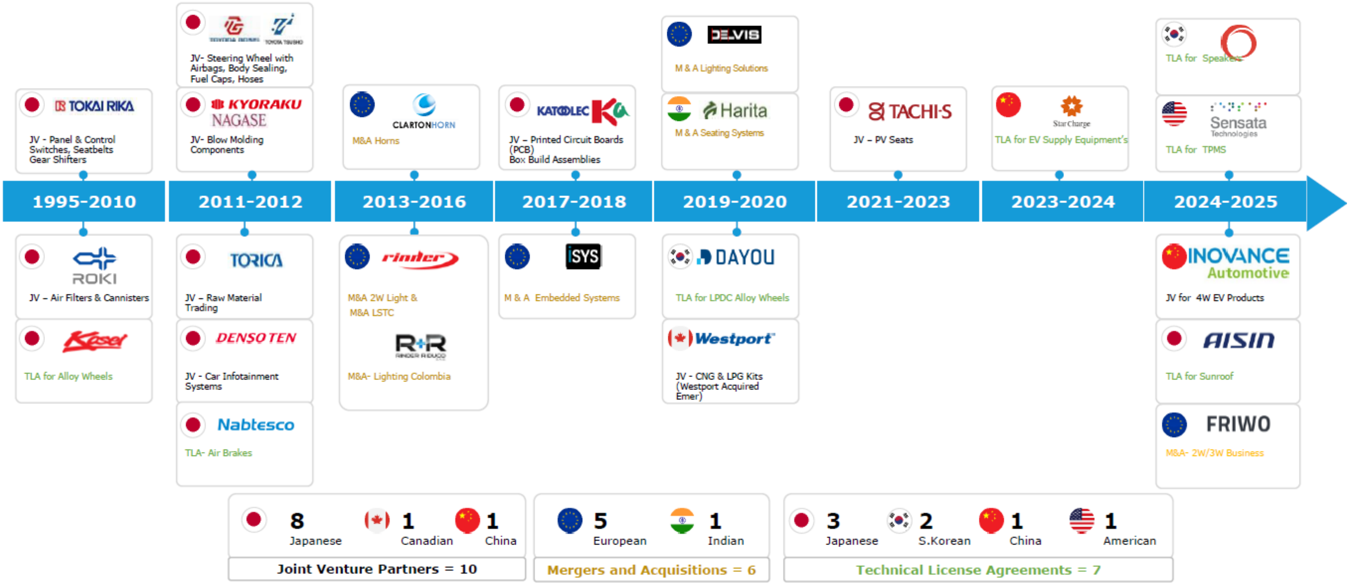
- **Others segment**: From 4QFY26, UML has included its acoustics division as part of the Others category. Its products include trumpet horns (dominates the portfolio), disc & electronic horns, etc. and supplies to all major auto segments. This division contributes to about 4% of UML's consol mix. Beyond this, UML's Others segment includes a wide mix of emerging businesses such as sensors and ADAS, blow-moulded parts, controllers, battery, its aftermarket trading business, etc. The segment, excl. the acoustics division, now contributes to almost 15% of UML's consol mix.

Partnership capability and R&D focus key to outperformance

Over the years, UML has developed a scalable business model of diversifying into high-growth/high-potential segments through partnerships and acquisitions. Entry into newer segments have increased CPV supplied to OEMs. However, in addition to global tech partnerships / acquisitions, UML has established its own R&D capability which boasts of 37 R&D and engineering centers across India, Germany, Japan, Taiwan, Korea and Spain, supported by more than 1,200 engineers, with 292 patents granted and 577 designs registered. Its global R&D network encourages collaboration and knowledge exchange across regions, ensuring that UML remains aligned with global advancements and best practices. This combination of partnerships and in-house engineering is the core engine behind supporting structurally higher growth than the industry while building capabilities that are difficult to replicate organically. Thus, management's long-term aspiration to grow at 1.4x-1.5x underlying industry growth appears credible, in our view, given its past track record of consistent outperformance above this threshold.

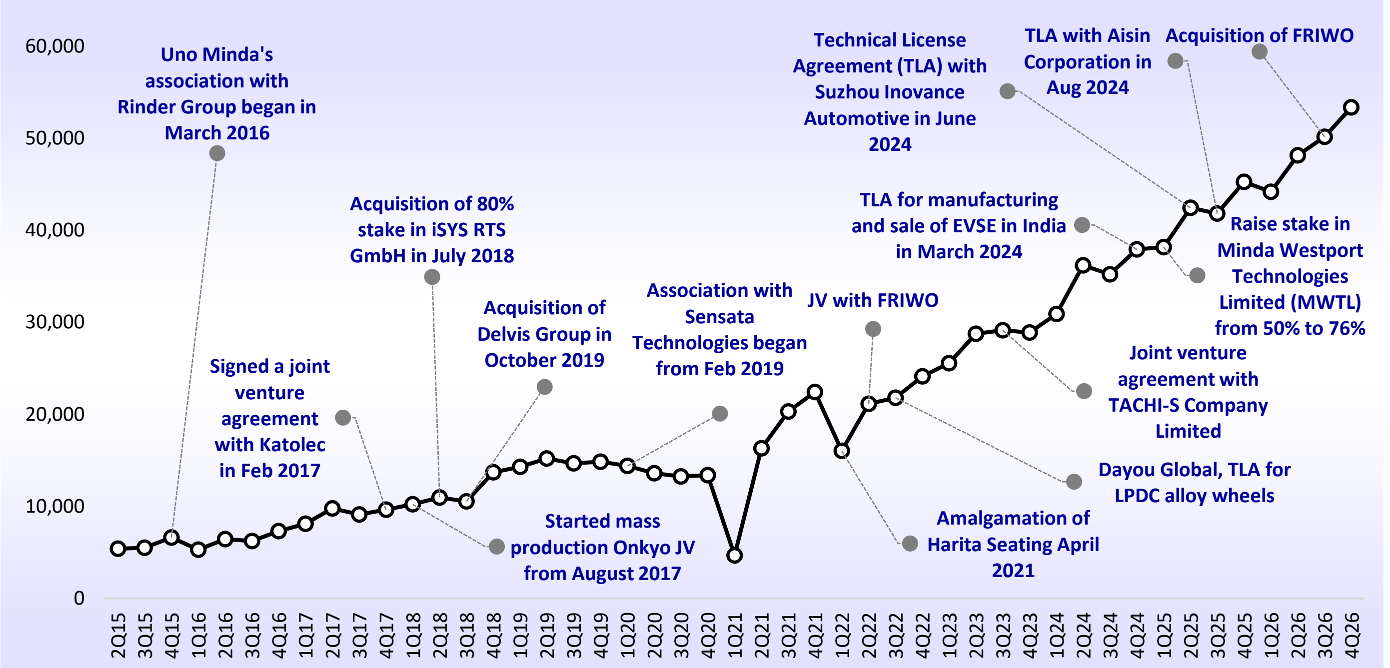
Over the years, UML has developed a scalable business model of diversifying into high-growth / high-potential segments through partnerships / JVs / acquisitions / technical license agreements (TLAs), which have enabled a faster entry into high-value product categories and hence driven accelerated CPV expansion. We plot here UML's journey over the last three decades, which highlights how it has diversified its presence into multiple segments through strategic partnerships.

Exhibit 11: UML's growth journey through partnership model



Source: Company, MOFSL

Exhibit 12: UML's revenue growth with strategic collaborations, M&A, and TLAs (INR m)

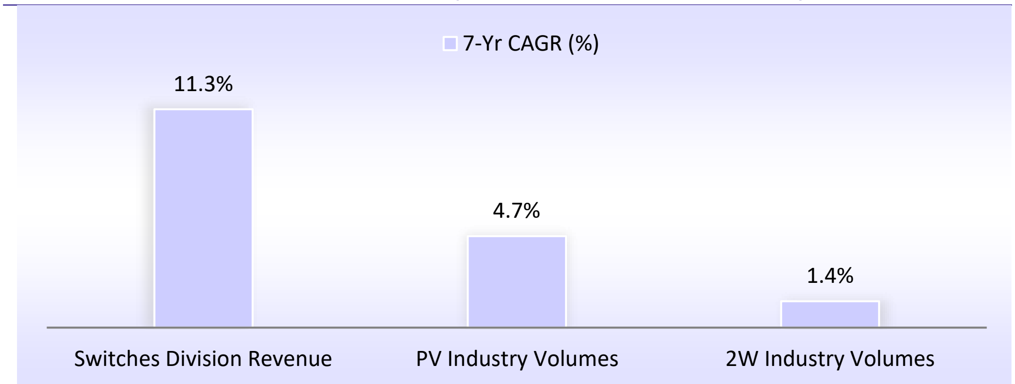


Source: Company, MOFSL

We elaborate below how the company has developed a unique business model through strategic partnerships with multiple global technology partners. The business model is well diversified across product segments over the years.

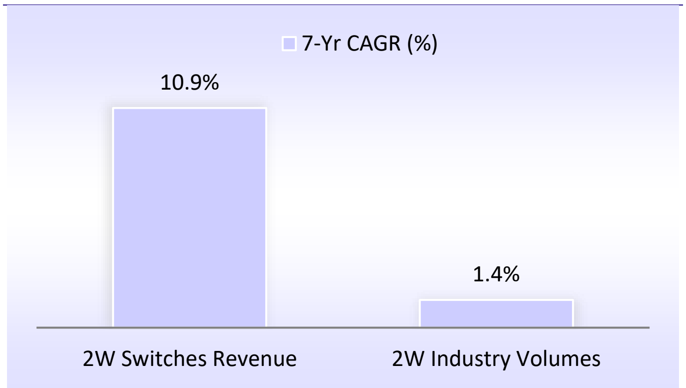
- **Switches:** The segment is the clearest example of UML's JV-led growth model, and it is anchored by the company's long-standing relationship with Tokai Rika. UML entered into its first JV in 1992 with **Tokai Rika** for 4W automotive switches, where UML holds a 51% stake. The JV commands a leadership position in 4W switches with a ~55% market share. Exports from this JV are routed through the JV partner only, though they are not a material contributor to the business. On the other hand, the 2W switches business is housed in the parent entity and has been fully developed in house. The division holds a dominant 60% market share in domestic 2W switches in India. UML is equally strong in the fast-evolving 2W EV business. Further, it has a healthy presence with some of the premium motorcycle players globally. As highlighted in the previous section, the switch business now contributes to almost 25% of the consolidated entity and has delivered an 11% CAGR in the past seven years.

Exhibit 13: UML's switch division has outperformed the broader industry



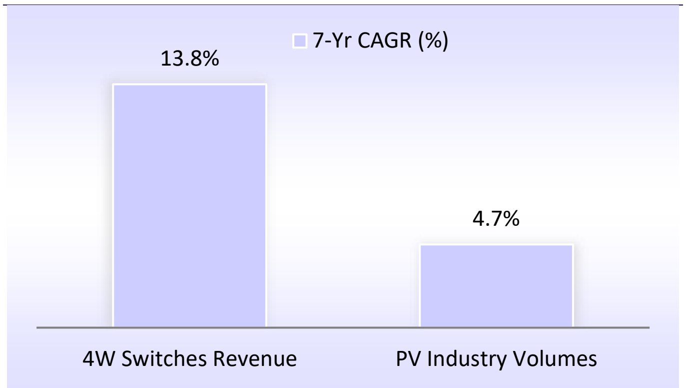
Source: Company, MOFSL

Exhibit 14: 2W switches saw ~11% CAGR over FY19-26



Source: MOFSL, Company

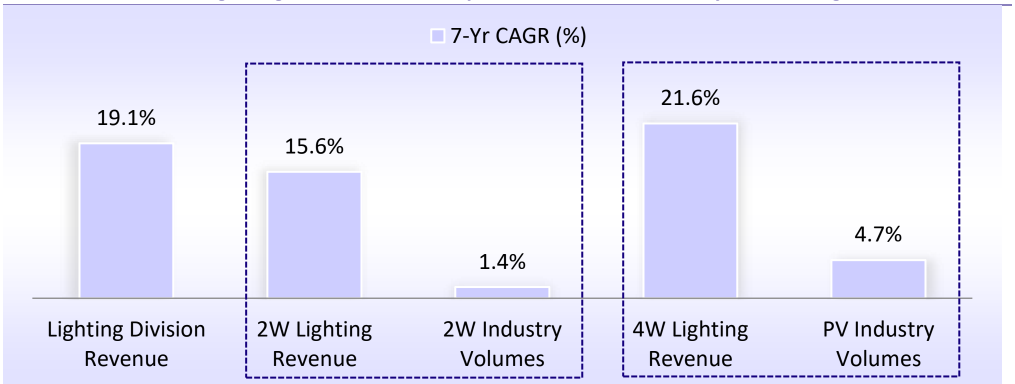
Exhibit 15: 4W switches outpaced industry growth



Source: MOFSL, Company

- **Lighting:** In this business, UML has adopted the inorganic route for growth. While the company was always present in 2W lighting solutions, it acquired the lighting division of Rinder in 2016. This has helped UML become among the top three players in the 2W lighting business with an estimated market share of ~28%. Further, it had a manufacturing presence in the 4W lighting business. UML could not scale up this business meaningfully organically due to intense competition in the segment, where most other peers had strong technology partners supporting their business. Given this and in order to have global capabilities in this space, UML acquired Delvis, a premium lighting supplier globally. This acquisition has helped to strengthen its advanced lighting technology capabilities. We understand that its 4W lighting market share rose to ~19% now from mid-teens earlier. It has also evolved into a strong market leader in the long tail lamp segment in India. Thus, UML now has a stronger global lighting footprint, LED and advanced-lighting solutions know-how, and an overseas R&D/design backbone that helps to serve global and domestic OEMs better.

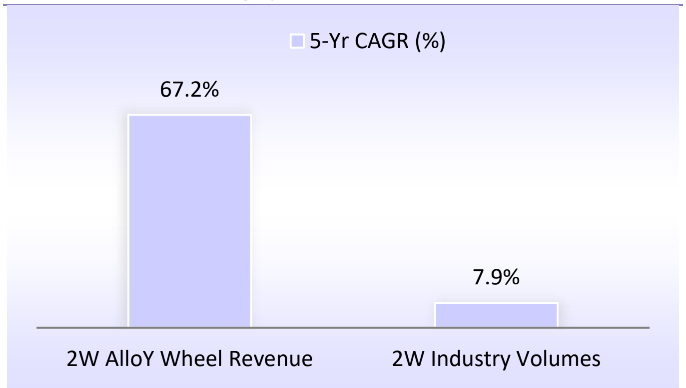
Exhibit 16: UML's lighting division has outperformed the industry across segments



Source: Company, MOFSL

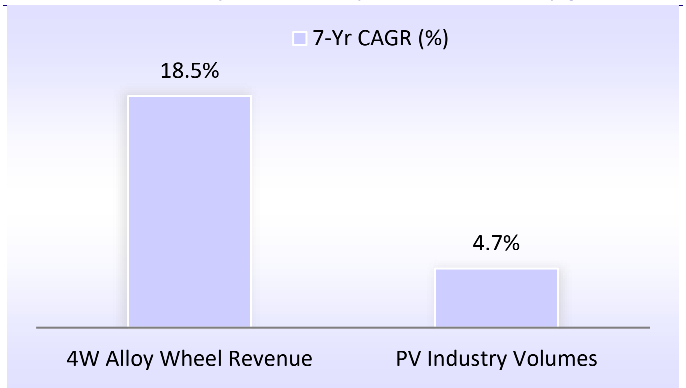
- **Casting:** The JV between UML and Kosei Aluminum, Japan, has been a cornerstone of UML's dominance in the Indian alloy wheel market. This partnership started off in 2010 with the two partners announcing a JV with Kosei as a dominant partner. Later in 2015, they set up a second JV with Minda as a dominant partner. They also set up a third JV in 2017 for vertical integration. However, as of FY24, the relationship transitioned from a shared equity model to an acquisition and licensing model as part of UML's strategy to consolidate its core businesses. In FY24, given the strong growth potential in the business and with the approval of its partner, UML board approved a restructuring to simplify the group's corporate architecture and gain full control of the alloy wheel business. UML first bought the stakes of Kosei in respective companies and eventually merged this business into UML. While equity participation is being phased out, the technical partnership remains intact. UML entered into a 10-year TLA with Kosei Japan to ensure continued access to advanced Japanese casting technology and global R&D. On the licensing side, UML also has a TLA with Dayou Global for low-pressure die-casting (LPDC) alloy wheels. Over the years and with the support of Kosei, UML has emerged as a market leader in 4W alloy wheels with about 45% market share. It also holds a mid-teen market share in the 2W alloy wheel business currently.

Exhibit 17: 2W castings posted 67.2% CAGR over FY21-26



Source: MOFSL, Company

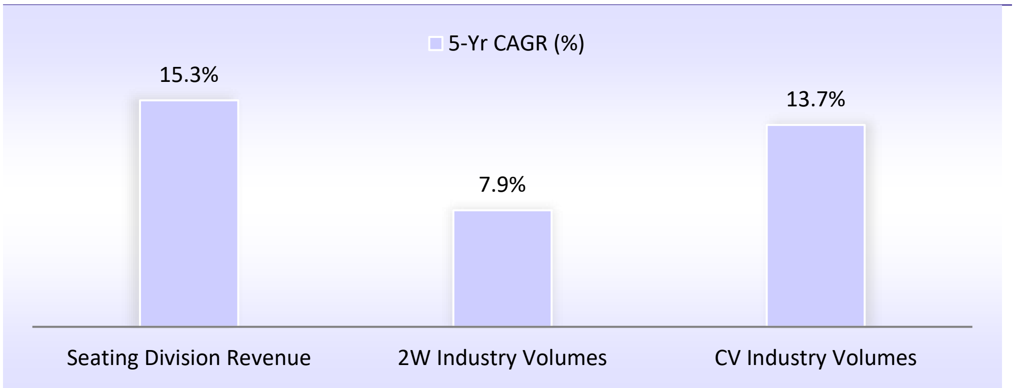
Exhibit 18: 4W alloy wheels outpaces the industry growth



Source: MOFSL, Company

- **Seating:** The division was added after the amalgamation of Harita Seating Systems with UML in 2021. After this integration, UML has emerged as the second-largest player in this segment with an estimated market share of 25% in 2Ws. They also supply seats for the bus segment, suspended seats for the truck/OTR segment in India and a few global OEMs for exports. Further, in order to gain access to the fast-growing and high-potential PV seating business, UML has entered into a 51:49 JV with Tachi S of Japan. It is important to highlight that Tachi S is one of the largest suppliers of seating products to Japanese OEMs globally with revenue of ~USD2b from this business. However, despite tying up with a strong global partner, they have so far not been able to make any major breakthrough in the PV seating segment. The challenge is that most of the major PV OEMs in India have a stake in their seating suppliers and hence do not look beyond these for new orders. However, given Tachi S backward integration capabilities as well as best-in-class quality, UML remains confident that they will be able to penetrate the PV seating business in the coming years. As highlighted in the prior section, UML's seating division now contributes to almost 7% of consol. revenue and is among the fastest-growing segments for UML.

Exhibit 19: UML's seating division has outperformed the broader industry



Source: Company, MOFSL

- **Green Mobility:** As highlighted in the previous section, in 4QFY26, UML created a new business segment called Green Mobility, which houses all the group's businesses related to clean fuels and includes Uno Minda EV Systems, Uno Minda Auto Innovation, the EV-specific business of the erstwhile controller business and Uno Minda Westport.
  - ✓ **Uno Minda EV Systems (UMEV)**: In Jun'25, UML completed the acquisition of the remaining 49.9% stake in UMEV from German partner FRIWO Gerätebau GmbH for INR1.4b, making UMEV a wholly owned subsidiary. As part of the deal, UML gained intellectual property rights and R&D assets related to e-drive technologies from FRIWO's facilities in Germany and Vietnam. This entity focuses on manufacturing EV-specific components, including motors, DC/DC converters, battery packs, and e-drive systems, primarily for 2Ws and 3Ws.
  - ✓ **Minda Westport Technologies Limited (MWTL)** was formed as a 50:50 JV between UML and Emer S.p.A., an Italian subsidiary of Westport Fuel Systems Inc. This JV specializes in kits and components for alternate fuel systems (AFS), including CNG, LPG, and LNG. The relationship has recently transitioned from a JV to a subsidiary relationship, after UML increased its stake in the entity to 76%. UML is the second-largest player in this business with a market share of 20%.
  - ✓ **Uno Minda Auto Innovations:** UML announced a strategic JV **with China's Suzhou Inovance Automotive** to manufacture high-voltage EV components in India. Under the agreement, Inovance Automotive would acquire a **30% stake** in Uno Minda Auto Innovations through its Hong Kong-based investment arm, making it a **70:30 JV**. The JV focuses on developing and manufacturing critical EV components, including **combined charging units, e-axles, inverters, and motors** for 4W PVs and CVs. They have recently received requisite approvals to set up the 70:30 JV. However, they have already got the initial order from a large domestic OEM for e-axle supplies. After this, they have won a few more orders to supply e-axles, details of which are awaited. In order to execute this order, UML has announced: 1) INR4.2b investment in a new facility in Khed for the first order win, 2) INR5.5b EV facility in Chattrapati Sambhajinagar backed by new orders, 3) INR2.1b backward integration facility for Al castings that will supply to this entity.

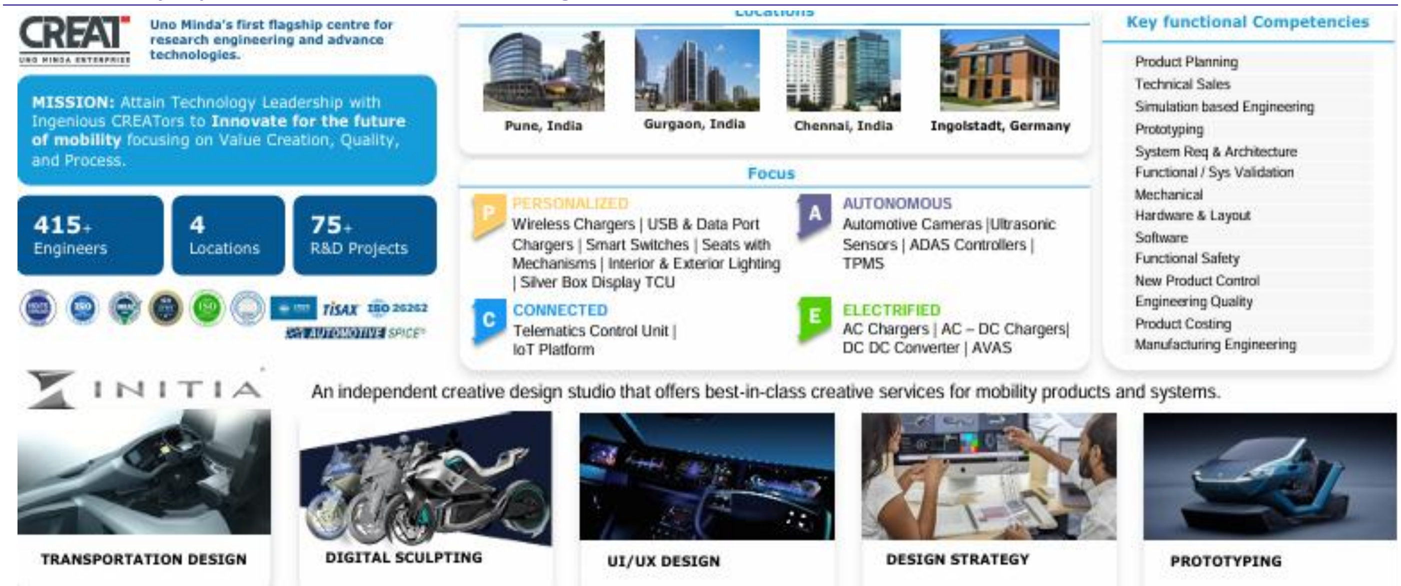
- **Other businesses:** In the Others segment, UML has ventured into multiple high-growth segments through various strategic partnerships and arrangements or through the inorganic route:
  - **Acoustic:** The segment has been shaped primarily by M&A in horns and a JV in speakers/audio technologies. UML was always among the market leaders in horns in 2Ws and 4Ws. In 2013, UML acquired **Clarton Horn S.A.U.,** Spain, a leading horn manufacturer in Europe, which made UML the second-largest horn manufacturer globally. While it is a strong player in this segment in India and globally, the business has not been able to scale up to its potential due to regulatory changes and muted demand for the past several years.
  - UML entered into a TLA with Aisin Corporation (Japan) to manufacture and sell sunroofs in India. Aisin holds the largest market share in the sunroof segment in Japan, offering multi-panel, panoramic, and standard sunroofs. UML is already working on a state-of-the-art manufacturing facility in **Bawal** with an assembly capacity of **110,000 panoramic sunroofs annually at a capex of INR630m. The SOP for this plant is 4QFY27 and they have already got a potential order worth INR3.5b.**
  - **Denso Ten Minda India** is a **manufacturing JV,** in which Denso Ten holds a **51% stake** and UML holds 49%. Denso Ten has many patented technologies and was the first in the world to bring many new technologies in audio and infotainment fields, with audio visual navigation (AVN) being a major global USP. The JV has India's first integrated design, development, and localized manufacturing plant of car infotainment systems and its accessories. UML's in-house R&D center has developed a competitive Android-based IVI platform, enabling it to secure a sizable order of INR6b – estimated peak annual value compared to its FY26 JV revenue of INR8.5b. The SOP for this order is 3QFY29, marking a significant growth opportunity.
  - Toyoda Gosei Uno Minda India (TGMIN), where both partners hold almost equal share, is one of the leading manufacturers of automotive safety systems like airbags, steering wheels, hoses and weather-strip sealing parts. TGMIN has state-of-the-art manufacturing facilities in **Neemrana, Bawal, and Gujarat and currently has a total capacity of 3m units pa**. On the back of new order wins, UML is again setting up a greenfield plant for this business at a capex of INR2.8b.
  - UML also has a 51:49 JV with Katolec Japan, which carries on the business of high-end electronics like **printed circuit boards (PCB)** and **box-build assemblies.**
  - Beyond this, some of the smaller contributing JVs to group revenue include **Uno Minda Kyoraku** for blow-moulded products such as air ducts, washer bottles, EA pads, and spoilers; **Roki** for air filters and canisters; and **Torica** for raw material procurement/trading. On the licensing/TLA side, UML has TLAs with **Sensata and Asentec** for advanced sensors/wheel-speed sensors, **Nabtesco** for air brakes, and **StarCharge** for EVSE/wall-mounted AC home chargers.

UML R&D engine emerging as a structural moat

- UML has not relied only on global tech partnerships, but over the years, it has established its own R&D capability. In the Chairman's own words, "Technology is not just an enabler for us—it is our core."
- The company's R&D capability has evolved through three broad stages. The first was domestic component manufacturing of switches, lighting and horns. The second was indigenization, localization and design improvement, during which UML developed sensors, switches, lighting modules, chargers, horns and other components tailored to Indian OEM requirements. The third and current stage is technology-platform development, anchored by CREAT, INITIA, GCEST and global engineering centers, with a focus on electronics, software, EVs, connected mobility, ADAS-related products, advanced lighting and smart interfaces.
- Moving toward UML's vision to attain technology leadership, its flagship research and development centers, CREAT and INITIA, were established in 2017. INITIA is an independent design arm, which offers design research, user experience, digital modelling and human factors encompassing vehicle and component-level design. CREAT is a centralized R&D flagship technology center of UML that bolsters its technical capability through expertise in new and existing technologies in the areas of lighting, comfort and convenience electronics, electric vehicles, telematics and controllers with its core at PACE (Personalization, Autonomous, Connected, and Electric).
- Recognizing the increasing role of electronics and software in mobility, the company has established two focused verticals within CREAT: the Global Centre for Embedded and Software Technologies (GCEST) and Advanced Engineering & Technologies. These specialized units sharpen their capabilities in areas such as embedded systems, software development, and next generation automotive technologies. Further strengthening its global R&D footprint, UML has inaugurated a new R&D and Engineering Centre in the Czech Republic in FY26. This step-down subsidiary will expand its engineering support in Europe, particularly in the areas of lighting systems, hardware and software development, head-up displays, and automation technologies, helping it stay closer to OEMs in key automotive hubs.
- Its commitment to innovation is backed by relentless investment in R&D over the years. UML operates as a two-tiered engineering organization. Its global network of engineering centers forms the operational backbone, while CREAT serves as its flagship innovation hub. This two-tiered R&D structure helps them invest in and incubate emerging technologies from the early stages, often anticipating OEM needs before they formally arise. This forward-thinking approach allows them to offer cutting-edge solutions even ahead of market demand, often inspiring new possibilities in OEM product planning. Further, its global R&D network encourages collaboration and knowledge exchange across regions, ensuring that they remain aligned with global advancements and best practices. By constantly pushing boundaries and experimenting with breakthrough technologies, UML continues to bring transformative innovations to its OEM partners often sparking ideas for features they had not initially envisioned.

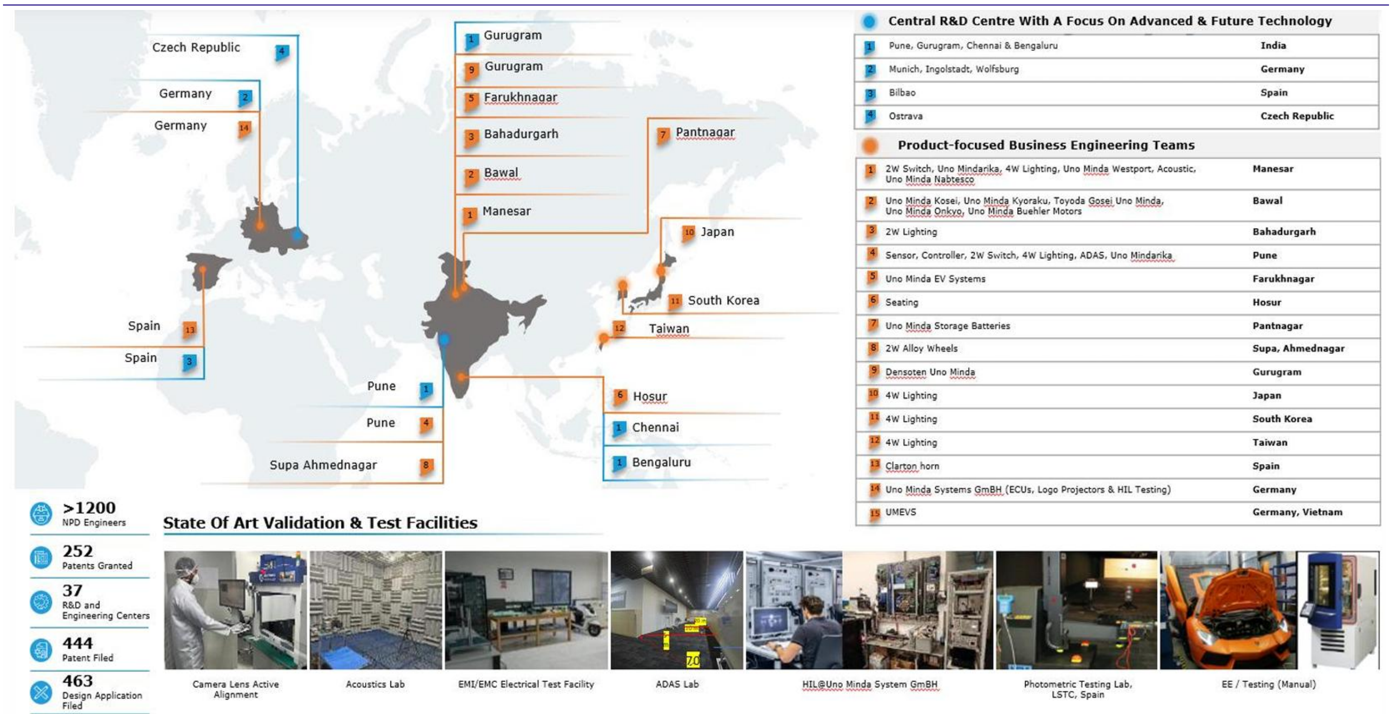
- Today, UML has 37 R&D and engineering centers across India, Germany, Japan, Taiwan, Korea and Spain. The company's R&D ecosystem is supported by more than 1,200 engineers, with 292 patents granted and 577 designs registered. Its key R&D centers include CREAT Chennai, Gurgaon, Hosur and Pune in India, as well as international centers such as CREAT GmbH in Germany, the Light System & Technical Center in Spain and Uno Minda Systems GmbH in Germany.

Exhibit 20: Key capabilities of UML's R&D and design studio



Source: Company, MOFSL

Exhibit 21: Global engineering and R&D footprint

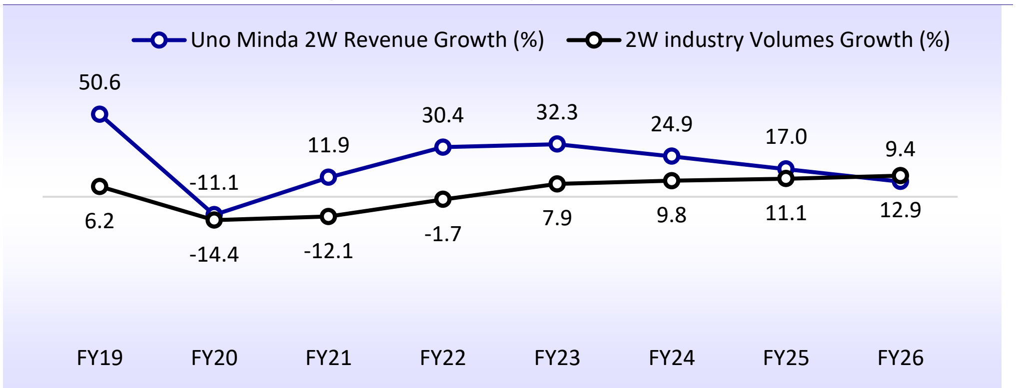


Source: Company presentation

Tech partnerships and R&D drive consistent outperformance

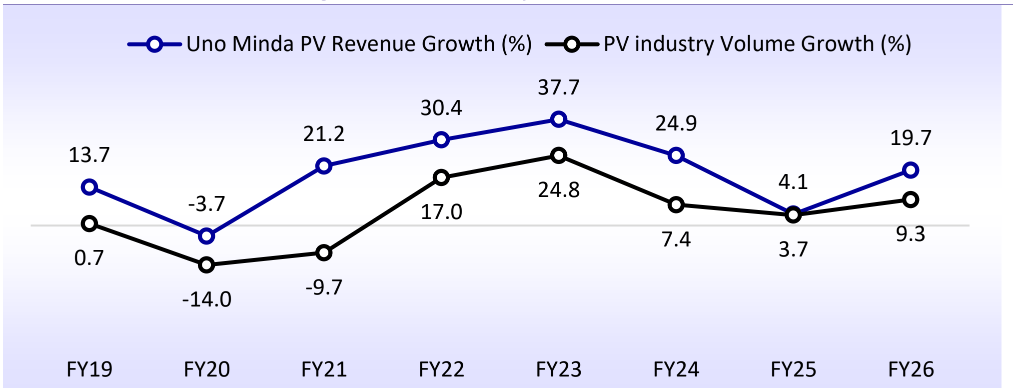
UML has consistently outperformed underlying industry growth, driven by strong market share gains and rising CPV. Over FY16-FY26, domestic auto production recorded a ~4% CAGR, while UML delivered a ~23% revenue CAGR, materially ahead in both the 2W and PV segments. Over FY16-FY26, the industry's 2W production saw a CAGR of 3.6% and PV production expanded at a 4.4% CAGR. In comparison, UML reported a stronger CAGR of 37% CAGR in the 2W segment and ~29% CAGR in the PV segment, underscoring its ability to consistently gain share and grow materially ahead of underlying industry trends.

Exhibit 22: UML 2W revenue growth vs. industry



Source: MOFSL, Company

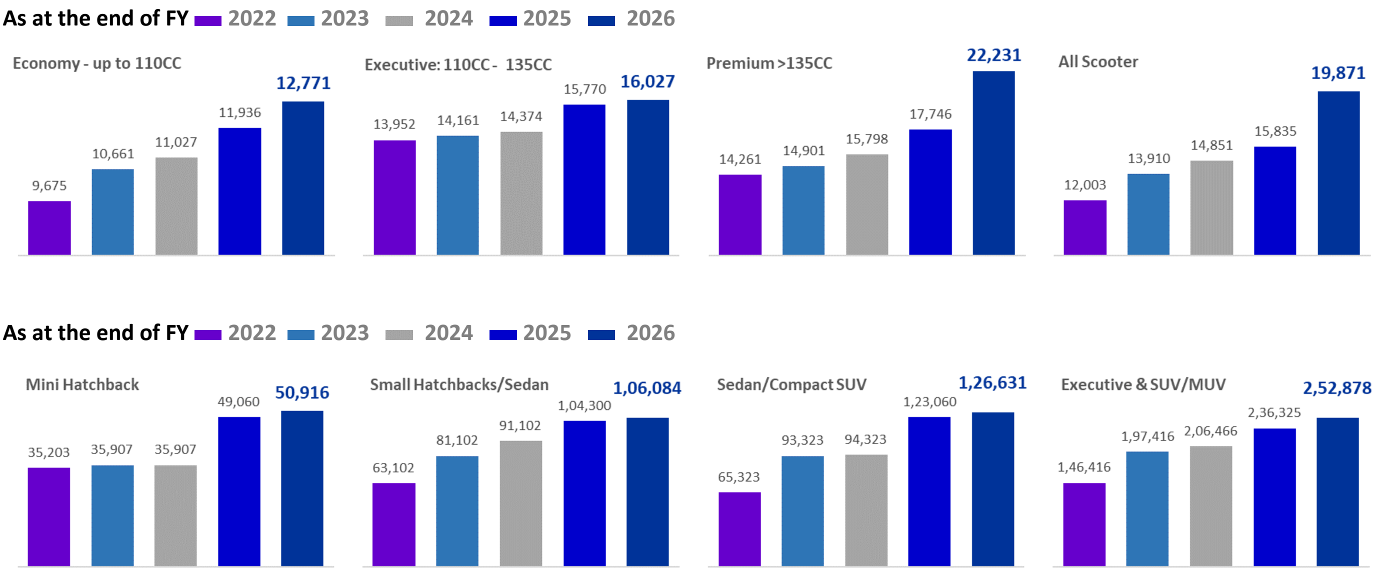
Exhibit 23: UML PV revenue growth vs. industry



Source: MOFSL, Company

UML's long-term growth outperformance has been closely linked to its partnership-led business model, under which strategic JVs, acquisitions, and TLAs have enabled a faster entry into higher-value product categories and accelerated CPV expansion. These partnerships, complemented by sustained R&D investment of ~4% of revenue, have allowed UML to localize global technologies at scale, deepen OEM relationships, and move from a components supplier to a systems-oriented player across electronics, safety, EVs, and premium applications. We believe this combination of partnerships and in-house engineering is the core engine supporting structurally higher growth than the industry while building capabilities that are difficult to replicate organically.

Exhibit 24: Potential kit value in INR (excluding EV-specific components)



Source: Company

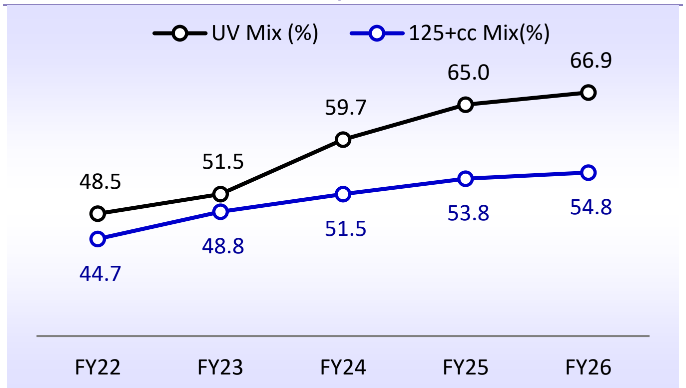
Management's long-term aspiration has been to grow at 1.4x-1.5x underlying industry growth, and appears highly credible, given its past track record of consistent outperformance above this threshold. This gives us confidence that UML's growth profile is not driven by cyclical tailwinds alone but is supported by structurally robust business fundamentals. Thus, UML appears structurally well-placed to maintain healthy growth even in a moderate auto demand environment.

Emerging as the key beneficiary of premiumization trend

The Indian automobile industry is witnessing a strong premiumization trend over the years across key segments. In PVs, the UV mix now stands at 67% in FY26 from 21% in FY16, and in motorcycles, the 125cc+ mix has surged to 55% in FY26 from about 36% in FY16. Interestingly, customers now look for more and more features in all segments, including in entry-level cars. Apart from this, regulatory mandates on multiple factors, including safety and emissions, are also driving higher the CPV. Another key trend is the rising EV penetration across all segments, aided by the government's push for green mobility. Each of these factors drives a noticeable CPV increase for ancillary suppliers. For players like UML, each of its key segments is seeing a marked increase in CPV over the years – Switches (range of INR650 to INR20,000 per vehicle in high-end exports in 2Ws), lights (INR3,000 in entry cars to INR36,000 in high-end PVs), castings (INR1,600 to INR3,200 from steel to alloy castings), seating (INR3,400 to INR23,000 for truck seats), green mobility (3-3.5x rise in potential EV content vs. ICE) and sensors. Thus, UML is well placed to benefit from the premiumization and EV transition trends in India.

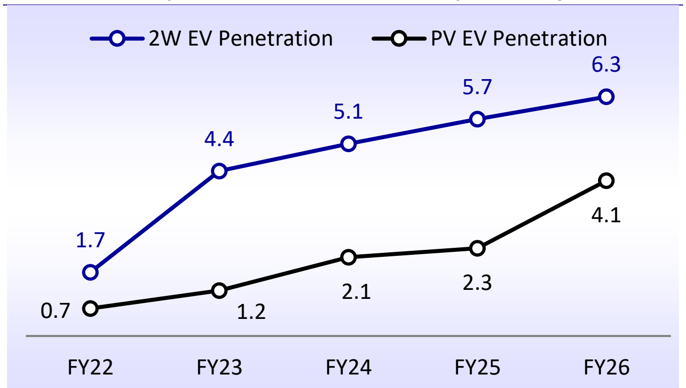
Needless to highlight that the Indian automotive industry is witnessing a marked premiumization trend over the years across key segments. This is largely driven by rising aspiration of the average Indian consumer. For instance, the UV mix within PVs has now sharply increased to 67% in FY26 from 21% in FY16. Similarly, in motorcycles, the 125cc+ mix has risen to 55% in FY26 from about 36% in FY16. One other key factor to highlight is the fact that customers now look for more features across all segments, including in entry-level cars. Apart from this, regulatory mandates on multiple factors, including safety and emissions are also driving higher CPV.

Exhibit 25: UV mix has steadily increased to ~67% in FY26



Source: MOFSL, Company

Exhibit 26: EV penetration on the rise in past five years



Source: MOFSL, Company

Another key trend is the rising EV penetration across all segments, aided by the government's push for green mobility. Here as well, EV penetration in 2Ws has increased to 6% in FY26 from 1.7% in FY22, while in scooters, it is much higher at ~17% for FY26 from ~6% in FY22. Similarly, in PVs, EV penetration has risen to 4% from 0.6% in FY22.

Both the trends – premiumization and rising EV penetration – bode well for auto ancillary suppliers like UML as it provides a natural lever for growth beyond the industry growth in terms of increasing content to be supplied. UML benefits to a larger extent as most of its segments are emerging key beneficiaries of these trends.

This is a critical growth enabler as it helps the company post consistent growth even in cyclical downturns that the industry may face. Apart from the fact that it has been adding multiple product segments to its kitty, these factors have been key drivers of its outperformance over the past few years.

We elaborate below on how UML is emerging as a key beneficiary of these trends in many of its core segments and why we believe these trends would help drive consistent outperformance for the company in the coming years.

Switches segment: More features added, more switches required

Needless to say here that more the number of features, the higher the number of switches required in a vehicle. The value of switches per vehicle has risen meaningfully across both 2Ws and PVs, led by the below key factors:

- More and more features introduced even in existing vehicles,
- Premiumization within segments,
- The quality of switches itself gradually improving with tech enhancement

In 2Ws, the shift is visible at multiple levels. At the segment level and as highlighted above, Indian consumers are rapidly trading up from basic commuter bikes to feature-rich, aspirational models, with the 125cc+ segment now accounting for a growing share of industry volumes. At the feature level, functions such as digital displays, ride mode selectors, Bluetooth connectivity, and smart key interfaces are increasingly becoming standard. And within the switch segment, basic single-function mechanical switches (horn, indicator) have been replaced by multi-function integrated handle switch assemblies that consolidate several controls into a single, higher-value unit. Together, these factors have lifted 2W switch CPV from ~INR1,000-1,100 on older/entry-level models to ~INR1,720 currently, a ~60-70% increase in value per vehicle over the years.

Moreover, UML has been a key supplier to multiple luxury bike players and has recently won an order from a North American bike player for exports. Content supplied for such high-end players is almost to the tune of INR20,000 per unit. Given its capabilities, the company is now getting multiple enquiries from few domestic bike OEMs for their high-end bikes for potentially sourcing some of these high-end switches for their domestic/ export models.

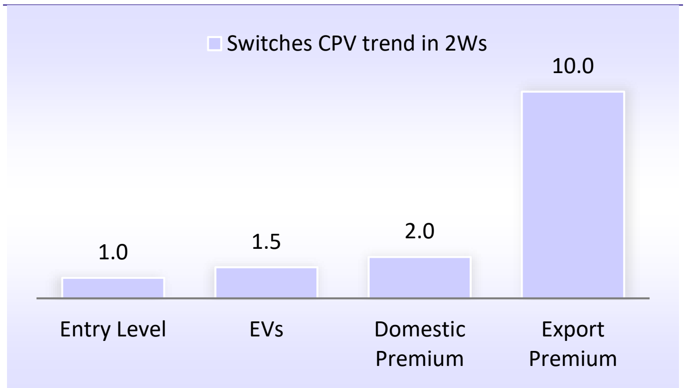
Exhibit 27: 2W/4W – Switches content per vehicle (aftermarket rates)

2W Product Content per vehicle	Price (in INR)*	4W Product Content per vehicle	Price (in INR)*
Handle bar	400	Indicators/wiper	1,400
Ignition and Starter	300	Power window	2,400
Side-stand switch	270	HVAC panel (AC switches)	300
Neutral switches	190	Mirror controls	750
Brake switches	110	Gear	1,500
USB/aux controls	450	Multi-mode drive	700
2-Wheeler Content per vehicle	**1,720**	**4-Wheeler Content per vehicle**	**7,050**

Source: unomindakart.com, MOFSL

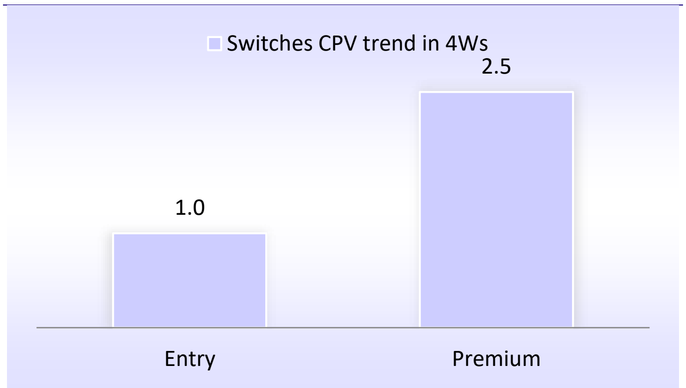
** The pricing referenced above is indicative and based on aftermarket unit prices*

Exhibit 28: 2W Switches: CPV rising with premiumisation



Source: MOFSL, Company

Exhibit 29: 4W Switches: CPV rising with premiumisation



Source: MOFSL, Company

In PVs, a similar dynamic is at play. The growing share of SUVs in the overall PV mix has raised the average feature CPV, as SUVs carry significantly more switches than entry-level hatchbacks. Simultaneously, features such as power windows, steering-mounted controls, and infotainment interfaces, previously limited to premium trims are now standard even in mass-market models. Within the switch category, the shift from basic toggle switches to illuminated, capacitive, and multi-function switch panels has further lifted per-unit realizations. As a result, PV switch CPV has risen from ~INR3,500-4,000 on basic hatchback platforms (minimal electronic content, manual windows, no infotainment) to ~INR7,050 on feature-rich SUV/compact SUV models.

There is a huge scope for increasing content further with a higher adoption of premium features like automatic climate control, rain-sensing wipers, sunroofs, steering-mounted controls, and integrated steering column modules by consumers. Collectively, these features can add INR3,500-4,300 (~INR3,850 on average) of incremental switch and control value per vehicle vs. legacy platforms.

Exhibit 30: Emerging opportunity in switches in 4Ws

Industry shift will increase CPV	MRP (INR)*
Automatic Climate Control	~1,200-1,500
Rain-Sensing Wipers	~600-800
Steering Column Modules	~900-1,000
Sunroof	~800-1,000
New addition in 4-Wheeler CPV	**~3,500-4,300**

Source: unomindakart.com, MOFSL

Given that UML is a dominant player in both PV and 2W switches, it continues to be amongst the major beneficiaries of this premiumization trend even going ahead.

Lighting segment: Play on rising penetration of LEDs

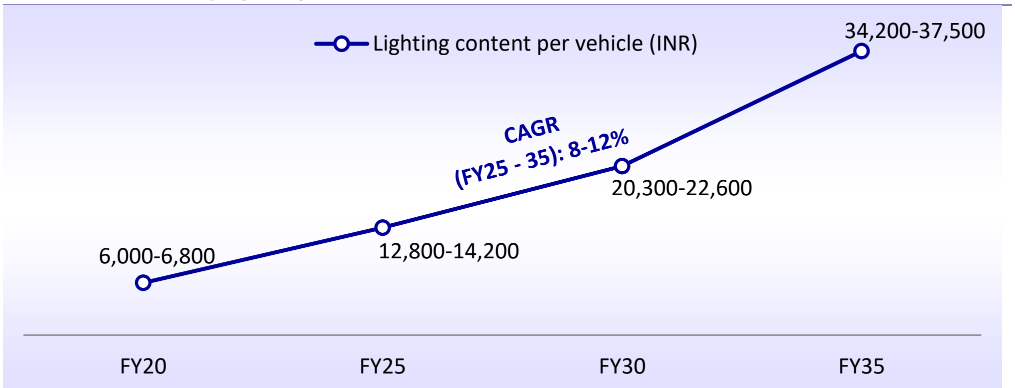
Over the years, lighting content across vehicle segments has significantly increased on the back of rising LED penetration. We highlight below how the lighting content has seen a marked increase across segments over the years.

PV lighting segment

Overall, LED penetration in the domestic PV industry has risen sharply from ~20% in 2018 to over 30%. In PVs, standard LED headlamps and DRLs are now broadly prevalent across SUV platforms, which account for ~67% of PV volumes in FY26.

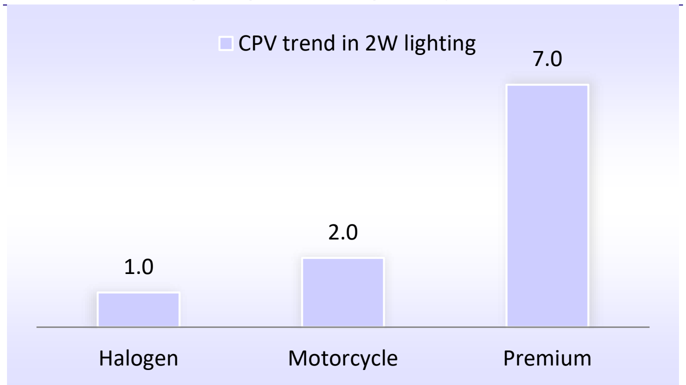
Accordingly, the value of lighting content per passenger vehicle has seen a sharp and steady increase over the past decade. According to a Crisil report, a typical vehicle carried lighting content of approximately INR6,000-6,800 in FY20. This had nearly doubled to ~INR14,200 by FY25, as lighting evolved beyond basic illumination to play a critical role in vehicle safety, styling differentiation, and brand identity. This structural growth is being driven by deeper LED penetration, wider adoption of adaptive and matrix headlamps, dynamic lighting signatures, ambient lighting, and increasing integration with driver-assistance systems. Over the longer term, emerging technologies such as laser headlamps, OLED lighting surfaces, and DLP-based projection solutions are expected to elevate lighting CPV further for suppliers like UML. According to the report, lighting content is expected to rise further to ~INR22,600 by FY30, before stepping up materially to ~INR37,500 by FY35 as advanced technologies migrate from premium models to the mass market.

Exhibit 31: Industry lighting CPV trend



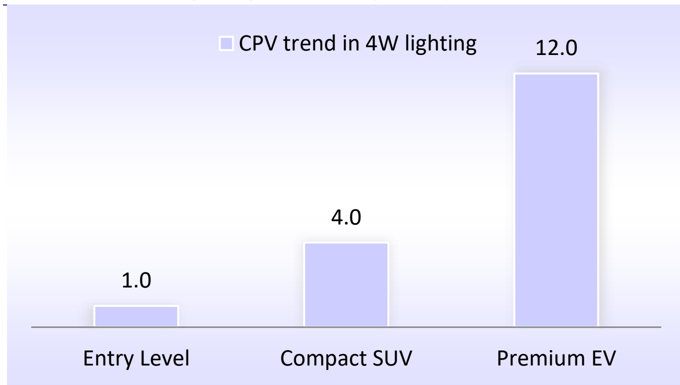
Source: Crisil, MOFSL

Exhibit 32: 2W lighting: CPV rising with premiumisation



Source: MOFSL, Company

Exhibit 33: 4W lighting: CPV rising with premiumisation



Source: MOFSL, Company

While there is higher competition in the lighting industry, UML has emerged as a dominant player with ~65% market share in the long-tail lamp segment. In the overall PV industry, its market share has gradually improved to ~19% now. It has recently supplied logo projector headlamps to one of the leading domestic PV OEMs in India. Thus, UML remains well placed to capture the premiumization trend in PVs.

2W lighting

Entry-level motorcycles and scooters historically used halogen reflector headlamps with low content value, but rapid LED adoption has structurally lifted CPV as OEMs increasingly fit LED headlamps, tail lamps, and DRLs even in mid-segment products. At the premium end, integrated LED projector headlamps in sport and lifestyle motorcycles boost lighting content further, delivering a multi-fold increase in CPV vs. legacy halogen systems. Further, in 2Ws, rising lighting content has also been function of regulatory mandates like AHO (Automatic Headlamp On) even on entry-level models.

However, full LED cluster adoption (tail lamps, DRLs, turn indicators) remains limited to premium motorcycles and urban scooters, leaving significant content addition headroom on mass-market 2W platforms.

Exhibit 34: UML Lighting CPV (aftermarket rates)

Content Price (in INR)	2Ws	4Ws
Head Light	800	6,470
Taillight	400	5,000
Fog Lamp	300	4,000
Side Indicators	350	400
CPV	**2,050**	**15,870**
DRL	600	2,530
Connected taillight	NA	2,100
CPV (incl. of DRL & connected taillight)	**2,650**	**20,500**

Source: unomindakart.com, MOFSL

In 2Ws, lighting CPV is expanding through a technology upgrade cycle from halogen (~INR400-1,000 per vehicle) to LED (~INR1,200-2,800 per vehicle) and, in select premium models, to projector setups (~INR2,900-3,600 per vehicle).

LED penetration in 2Ws has now reached about 60%. As LED penetration deepens and premium bikes gain share, 2W lighting CPV will continue to see steady, premiumization-led expansion. Given that UML now has almost 28% share in 2W lighting solutions and a much better share in EV 2Ws, we expect UML to emerge as a key beneficiary of premiumization trends in 2W lighting as well.

UML emerging a major beneficiary of the rising alloy wheel penetration

Alloy-wheel fitment has largely replaced steel rims across motorcycles and scooters, particularly outside the entry-level commuter segment. Over the years, 2W alloy wheel penetration has reached 75%. In e-2Ws, alloy wheel adoption is near-universal (over 90%), driven by the weight reduction imperative for range optimization. Thus, CPV upside in 2W would be aided by premiumization trends with an increase in high-end 2W mix, which would drive alloy wheel penetration and larger wheel size.

In PVs, overall alloy penetration in India is ~40-45%, well below the 80%+ seen in developed markets. Thus, 4W alloy wheels can be a bigger growth driver for an alloy wheel supplier than 2Ws. Rising premiumization is driving higher SUV penetration, which means high wheel sizes. And alloy wheel penetration continues to rise. Thus, management expects a 4x rise in the addressable market in the coming years in PV alloy wheels.

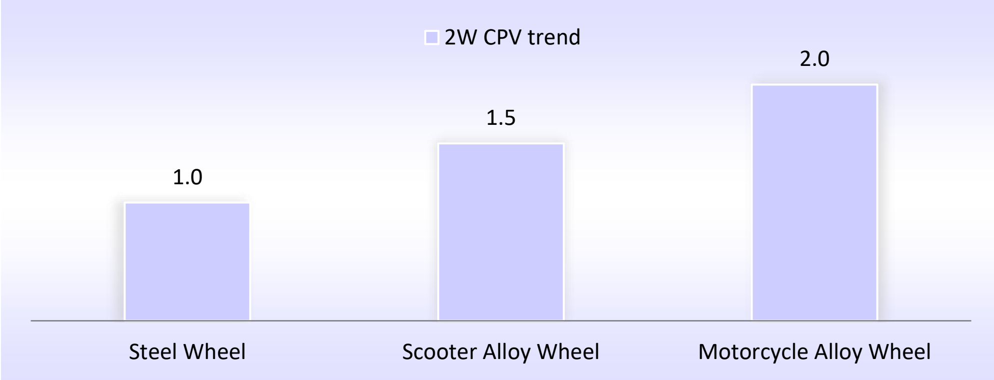
Exhibit 35: Indicative rates for Alloy Wheel CPV

Segment (INR per vehicle)	Steel Wheel CPV	Alloy Wheel CPV	CPV Nature
2W	~600-1,000	~3,500-4,000	Mix / premiumization led
4W (PVs)	~4,000-8,000+	~20,000-30,000+	Penetration + SUV mix led

Source: indiamart.com, MOFSL

As highlighted in the table above, the shift from steel to alloy wheel alone can deliver a ~3-5x increase in CPV for alloy wheel suppliers. With rising premiumization, demand for alloy wheels is likely to continue to outperform the market.

Exhibit 36: 2W wheels – CPV rising with transition to alloy wheels



Source: MOFSL, Company

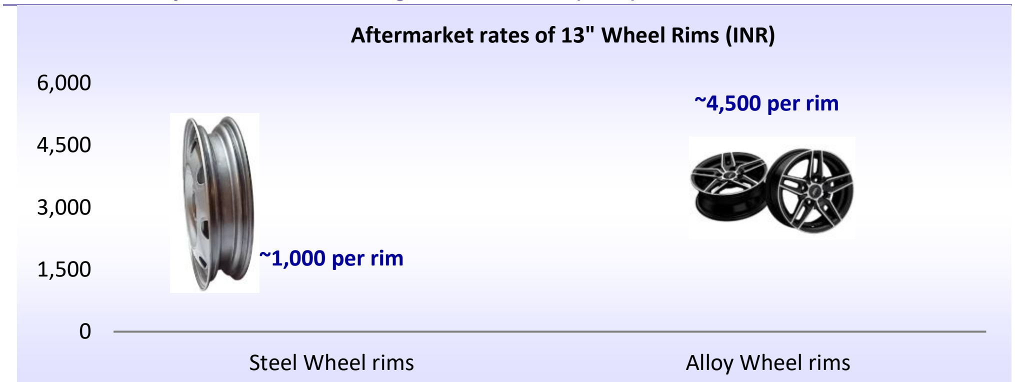
Recognizing this trend, UML has significantly ramped up its alloy wheel capacity over the years. For instance, it set up its first 2W capacity in FY21 (3.5-4m units pa) and has now scaled up to 8mn units. UML is in the process of adding another 1.5m units pa line in Bawal. In the PV segment, it has now significantly raised its capacity to 7m units pa. Thus, UML remains well positioned to take advantage of the rising alloy wheel penetration in India, especially for PVs.

Exhibit 37: Alloy wheel content per unit – 4Ws

Cars (Wheel price per unit)	Steel Wheel MRP (INR)	Alloy Wheel MRP (INR)	Alloy Wheel Discounted price (INR)*
Wheel 13 inch	1,000	5,041	4,436
Wheel 14 inch	1,300	6,549	5,763
Wheel 15 inch	1,600	7,654	6,736
Wheel 16 inch	2,200	8,772	7,719
Wheel 17 inch	2,500	10,601	9,329

Source: unomindakart.com, Indiamart.com, MOFSL

Exhibit 38: Alloy wheel rims with higher realization (4Ws)

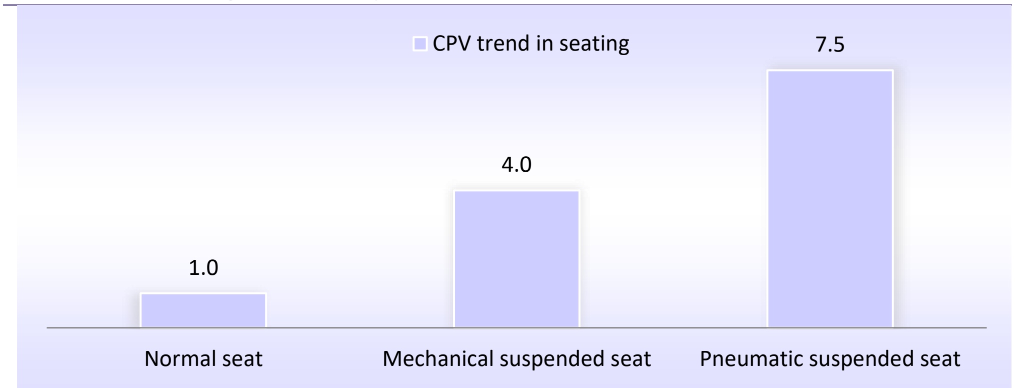


Source: unomindakart.com, MOFSL

Seating: Premium realizations from ergonomics-led seats

For CV trucks, there is a gradual rise in demand for suspended seats for enhanced driver comfort, which would help to reduce driver fatigue. The company's presence in premium and heavy-duty seating applications is strengthened by the T7 widebody suspension system under UML's Seating portfolio. The system features a low-frequency air suspension seat designed to deliver superior comfort and long-term durability. By effectively isolating vibrations and absorbing shocks, it helps to reduce driver fatigue and enhances safety during long operating hours, especially in CVs.

Exhibit 39: CPV rising in CVs with premiumisation



Source: MOFSL, Company

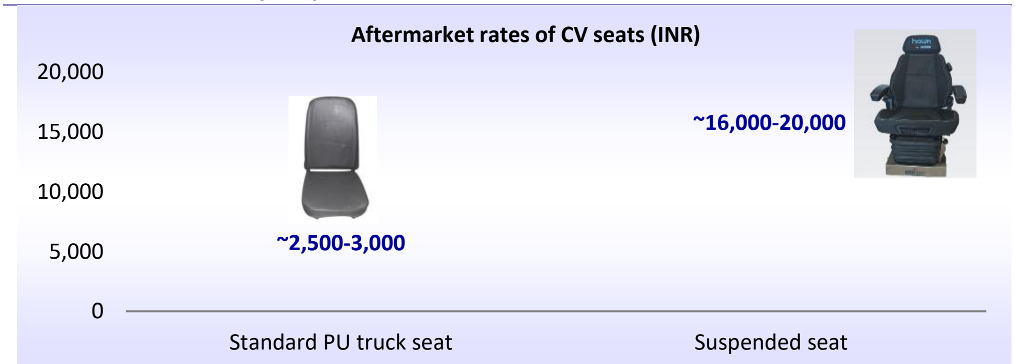
UML has already received orders from two of the top three domestic CV OEMs for suspended seats. It is also seeing a healthy order inflow from some key export OEMs, led by regulatory mandates. Thus, UML's seating business is also a beneficiary of the premiumization trend.

Exhibit 40: Aftermarket rates for CV seats

Seat use by different OEMs	MRP (INR)	Discounted price (INR)*
Complete Seat Assembly for AJAX Concrete Mixer	21,043	18,518
Complete Seat Assembly for Ashok Leyland CV	20,393	17,946
Complete Seat Assembly for Ashok Leyland U Truck	14,793	13,018
Complete Seat Assembly for Ashok Leyland Light CV	21,366	18,802
Complete Seat Assembly for Tata 709	16,999	14,959
Complete Seat Assembly for BEML 35	21,121	18,586

Source: unomindakart.com, MOFSL

Exhibit 41: T7 widebody suspension seat

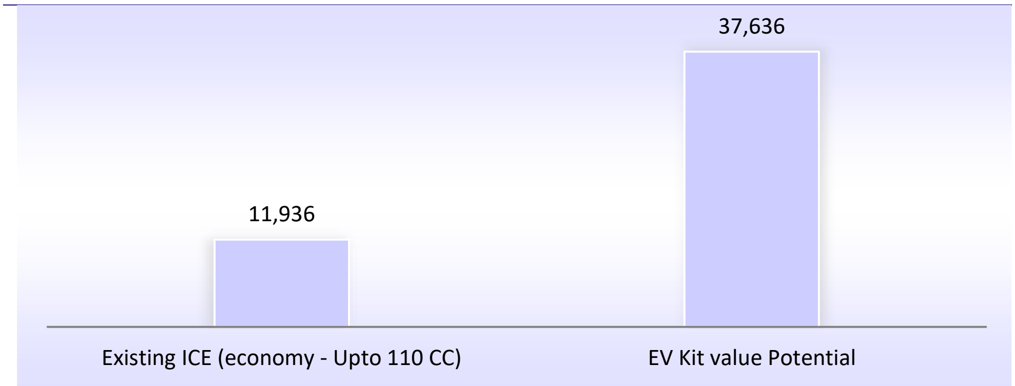


Source: Company, MOFSL

UML – A strong play on the EV transition trend in India

UML's EV CPV is structurally higher vs. ICE vehicles, driven by the former's inherently electronics-heavy architecture. Compared to ICE platforms, EVs require a significantly higher number of controllers, sensors, electronic modules, power interfaces, and full-LED lighting as per the standards, all of which expand UML's addressable wallet. In 2Ws, e-2W sales crossed ~1.4m units in FY26 (~6.4% penetration), having doubled in three years. Kearney (Sep'25) projects e-2W penetration to reach 30% of total 2W volumes by 2030, implying ~7m annual EV units, a ~6x increase from the current levels, with scooters comprising ~80% of the mix. In 2Ws, EVs could help lift the kit value for UML from ~INR12,000 in ICE vehicles to ~INR35,000-40,000, implying a ~3x CPV reset, as EV architectures are electronics-led by design.

Exhibit 42: EV 2W potential kit value (INR)



Source: Company

In 3Ws, electrification is near-structural. E-3Ws already account for ~60.9% of India's total 3W retail in CY25, the highest EV penetration of any vehicle category in India with ~798k units retailed. The e-3W market, valued at USD1.30b in 2025, is projected to reach USD2.80b by 2030 at a 16.58% CAGR, further supported by the PM E-DRIVE scheme targeting 320k additional e-3Ws.

Exhibit 43: EV kit value (derived from UML EV portfolio disclosures)

Segment	ICE Kit Value (INR)	EV Kit Value (INR)	EV Vs ICE Uplift
2W	~12,000	~35,000-40,000	~3.0x
3W	~20,000-25,000	~60,000-80,000	~3.0-3.5x
4W (PV)	~80,000-1,20,000	~1,50,000-2,00,000	~1.5-2.0x

Source: Company, MOFSL

At a 3.0x-3.5x EV/ICE kit value uplift across 2Ws and 3Ws, each ICE-to-EV conversion is a material CPV event for UML. Considering the huge potential of this segment, UML has recently clubbed its EV exposure into a separate segment and named it Green Mobility, which will house UML's components related to all clean fuels, including CNG. Accordingly, UML has now increased its investments in EVs to a total of INR12b, based on order visibility from its customers. Thus, UML is very well placed to emerge as a key beneficiary of the EV transition across key product segments in India.

Sensors: Likely to evolve as the next key growth driver

Automotive sensors, as a component category, are seeing a marked increase in adoption over the years, driven primarily by the premiumization trend. This growth is driven by a shift from simple, mechanical vehicles to highly electronic, data-driven mobility platforms. We elaborate below on some of the growth enablers for this category.

- **Regulation driven**: Over the years, the government has mandated certain safety/ emission regulations for the industry. Standardized safety regulations like AIS-145, mandatory dual airbags, reverse parking sensors, and anti-lock braking systems (ABS) have increased the number of sensors needed in a vehicle. Similarly, emission regulations like BS6 drove a sharp rise in the application of high-temperature manifold sensors, differential pressure sensors, etc.
- **Mass-market premiumization:** Features that were exclusive to luxury segments a decade ago—such as automatic climate control, tire pressure monitoring systems (TPMS), and rain-sensing wipers—are fast becoming standard requirements in budget and mid-tier PVs. These, in turn, are driving a rapid rise in the number of sensors needed in a vehicle.
- **EV transition**: EV vehicles inherently demand drastically higher sensor requirements than ICE vehicles. For instance, a standard e-2W integrates up to 20 sensors compared to just eight in an equivalent ICE model. In EVs, some of the areas that need sensors are BMS, drivetrain co-ordination (motor-position sensors for commutation control, inverter thermal tracking, and torque/wheel-speed sensors tailored for regenerative braking systems), current sensing requirement, etc.
- **ADAS resurgence:** One of the most visible growth drivers in India is the rapid trickling down of Level 1 and Level 2 ADAS features from luxury imports into mid-tier, mass-produced SUVs and sedans. This behavioral shift relies heavily on sensor fusion. Components like radar modules and camera vision systems drive up sensor requirements in vehicles.

Given these tailwinds highlighted above, we believe the sensors segment in India is poised for a rapid structural growth path in the years to come. As per industry reports, the Indian automotive sensor market is projected to reach USD8.97b by 2031, growing at an aggressive 18.9% CAGR in this period. On the back of its partnerships-led growth model, inherent R&D capabilities and well entrenched customer connects, we believe UML is well placed to emerge as a key beneficiary of this fast-evolving market.

Exhibit 44: ASP for different sensors

Sensor type	Current Status at UML	Indicative CPV Addition (INR)
ABS wheel speed sensor	Active; scaling with ABS mandate	~500-1,500
TPMS	Early OEM + aftermarket	~1,500-3,000
Camera module (ADAS)	Commissioned; ramping up	~3,000-8,000
Radar / ultrasonic	Not yet in portfolio	~5,000-15,000+
LiDAR	Not in near-term roadmap	~15,000-50,000+

Source: Company, Indiamart/Amazon, MOFSL

UML: Assessing key growth drivers

As highlighted above, UML is emerging as a major beneficiary of the premiumization trend in India. Further, it is also among the key beneficiaries of the EV transition in India. The key factor is that almost each of its core business segments stand to benefit from these long-term structural trends. We highlight below our key assumptions for each of its key business segments.

Switches: As highlighted above, the more the features driven by premiumisation, higher the need for switches. UML, being a market leader in 4W and 2W switches, is clearly a key beneficiary of the same. Further, the content within switches also rises as it moves up the value chain.

Apart from this, UML also stands to benefit from a strong export opportunity, especially in 2Ws. While it is now ramping up presence gradually with a large US-based premium 2W OEM, it has significant headroom to grow with this OEM as well as other luxury 2W OEMs in the coming years.

Thus, this business continues to have multiple growth engines. We expect this segment to post ~16% revenue CAGR over FY26-28E. This compares to 18% revenue CAGR delivered by UML in this segment in the past four years.

Lighting: This division has been a key beneficiary of the rising LED penetration in India. In 4W, LED penetration in headlamps is estimated at around 30-35% currently, and for tail lamps, it is estimated at about 55-60%. UML's long-tail lamp solution has been among the first ones to be launched in India and UML enjoys about 60-70% share in long tail lamps. Further, with rising customer aspiration levels, lighting content has significantly increased over the years, with kit value rising to almost INR35k per unit in some high-end models.

While rising LED penetration is an inherent growth driver, the rising share of business with key OEMs is also the other key growth driver as UML's market share in 2W lighting solutions has risen to ~28% from 20% earlier and in 4Ws, its share has increased to about 19% from about 15% earlier.

UML has also announced that it has recently won an INR4.5b annualized order from one 2W OEM, for which SOP is expected in 2HFY28. This order size is equivalent to nearly 25% of the current 2W lighting annual revenues

Further, it had won an order in Indonesia, for which it has set up a new 4W facility.

Given the above factors, we factor in the lighting division to post an 17% revenue CAGR over FY26-28E. This compares to 25% revenue CAGR delivered by UML in this segment in the past four years.

Castings: Like lightings, the key growth driver of this division is the rising penetration of alloy wheels in 2Ws and 4Ws. In 2Ws, given that penetration levels have reached almost 80%, it seems to be a relatively mature market, and hence, one may expect UML's growth to be largely market linked, unless it gains share with OEMs. On the other hand, the key growth driver in this segment is expected to be rising penetration in PVs, where alloy wheel penetration has risen to 40%, but is still much lower than the 80%+ levels in developed markets. Further, as SUVs continue to become a large share of the pie, the average wheel size is also gradually rising at an industry level. A combination of both these would mean that the industry is likely to grow 4-5x in the long run from current levels. Given that UML is the largest player in this segment with about 45% share, it is expected to be a key beneficiary of this trend.

Further, it is now seeing improving traction for its aluminum die-casting business with the ever-rising EV transition across segments. They have recently got entry into 4W PV EV OEMs to supply battery casing, for which they are now setting up a new plant in Chattrapati Sambhaji Nagar at an initial investment of INR2b. It is seeing a gradual rise in orders from 2W Al die-casting business as well from its South-based customers.

Given these factors, we expect the Al segment for UML to post a healthy 20% revenue CAGR over FY26-28E. This compares to 29% revenue CAGR delivered by UML in this segment in the past four years.

Seatings

Improving share in some of the key 2W OEMs would remain a key growth driver in this business. While UML has strong relationships with OEMs like TVSL, RE and Yamaha, it has recently added a large 2W OEM focused on the entry segment. UML would look to ramp up its presence with this OEM going forward.

Further, with rising awareness around driver safety and convenience, the adoption of suspended seats in trucks is likely to gradually rise in the coming years. UML has a strong presence in this segment and it has already started supplying to two of the top three CV OEMs. It has also received export orders worth INR3.9b from three different global OEMs, for which SOP is likely by FY28 end.

Further, UML has a JV with Tachi-S, which is the largest Japanese seat supplier. If and when UML is able to tap any PV OEM through this JV, this may drive a strong growth opportunity going forward.

Given the multiple growth drivers for this segment, we expect this division to post a 23% revenue CAGR over FY26-28E.

Green Mobility

With the rising adoption of CNG, we expect growth at Minda Westsport to remain healthy in the foreseeable future.

One of the other key growth drivers in this business is its JV with Innovance. Under this JV, UML has already won an order to supply 3-in-1 axles for a large domestic Indian PV OEM for one of their recently launched EVs. This is likely to open up a huge addressable market for UML in the future. Given the ever-rising enquiries and a strong order book, UML has recently announced plans to set up another greenfield facility in CSN at a capex of INR5.5b, which will be the second plant for EV powertrain in quick succession. UML is also working on backward integration for this JV through its aluminum die castings business.

Apart from this, its EV business taken over from FRIWO offers a huge growth potential to ramp up presence across 2W/3W EV drivetrain components.

Given these triggers, we expect the Green Mobility business to post a 29% revenue CAGR over FY26-28E.

Exhibit 45: Seven of its 11 new projects to be operational in FY27

Sr	Product Line	Entity	Total Cost (INR b)	Cost incurred till 31/03/2026	Location	Capacity	Expected SOP	Status
1	4W Alloy Wheels	Uno Minda	5.42	4.38	Kharkhoda	120k Wheel p.m.	Q4 FY28 Phase 2	❖ Phase 1 for 60k Wheel p.m. commissioned
2	4W Alloy Wheels	Uno Minda	7.64	0	Chhatrapati Sambhajinagar	1.8 M Wheel pa	Q2 FY28 Phase 1	❖ To be implemented over next 4 years in multiple phases
3	4W Lighting	PTMA	2.1	2.06	Indonesia	Expansion cum shifting	Q4 FY26	❖ Commissioned
4	4W Switches	Uno Mindarika	1.2	1.06	Farrukhnagar	Shifting cum expansion	Q3 FY27	❖ Project under implementation
5	Sunroof	Uno Minda	0.63	0.24	Bawal	New Facility	Q4 FY27	❖ Project under implementation
6	Airbags	TG Sin (JV)	2.83	2.37	Harohalli	Greenfield	Q1 FY27	❖ Project under implementation
7	Casting	Uno Minda	0.72	0.47	Hosur	Expansion	Q4 FY26	❖ Commissioned
8	2W Alloy Wheels	Uno Minda	2	1.26	Bawal	Expansion	Q2 FY27	❖ Project under implementation
9	4W EV Powertrain Products	Uno Minda Auto Innovations	4.23	1	Khed	New Facility	Q2 FY27 Phase 1	❖ Project under implementation
10	2W Lighting	Uno Minda	2.33	0.81	Kharkhoda	Shifting cum expansion	Q3 FY27	❖ Project under implementation
11	EV Casting Products	Uno Minda	2.1	0.47	Chhatrapati Sambhajinagar	New Facility	Q2 FY27 Phase 1	❖ Project under implementation
12	4W EV Powertrain Products	Uno Minda Auto Innovations	5.5	0	Chhatrapati Sambhajinagar	New Facility	Q2 FY28	❖ Project announced
	Total		**36.7**	**14.12**				

Source: MOFSL, Company

Others segment

One of the key growth drivers in the Others segment is sensors and ADAS business. As highlighted in the previous section, given its presence in the segment and the rapidly rising premiumization trend across segments, this industry is expected to see a meaningful increase in the coming years and UML is likely to emerge as a key beneficiary.

Apart from this, its TLA with Aisin for sunroofs can quickly scale up given the high presence of Japanese players in India and given that Aisin is the Japanese market leader in sunroof systems. It has already won an order from a Japanese OEM worth INR3.5b, which will commence from FY27 but would materially ramp up in FY28. We expect this business to rapidly scale up in the coming quarters as it qualifies for new customer programs.

Another segment with healthy growth potential in coming years is its TLA with China's Starcharge for installing wall mounted chargers for PV EVs. They have already won an order from a domestic PV OEM, which is expected to scale up in FY27.

On the back of the above triggers, we expect the Others segment to post a strong 15% revenue CAGR over FY26-28E.

Management expects FY27 to be a defining growth year for the company as seven of its 11 projects will be operational or will scale up in in this fiscal. Apart from this, two other plants have already commissioned in Q4FY26. Resultant, we expect UML to post a healthy 19% revenue CAGR over FY26-28e.

Margin outlook

- Input costs have been rising for the last couple of quarters.
- Staff costs is expected to rise given the revision in minimum wages across few States.
- Further, given that it has almost 10 new plants at different stages of ramp-up, start-up costs are expected to dent its performance.
- However, despite these factors, management has indicated that UML would be able to maintain margins around 11.0-11.5%, which is commendable. This would be driven by its entry into multiple new segments, driving an improved mix and giving the confidence of passing on rising cost pressure to OEMs.
- Further, UML is currently in a sizeable capex mode. It is also in the midst of plant consolidation in multiple product segments. These are already driving operational inefficiencies currently. Thus, we expect its operating performance to further improve once these operations and capex normalize.
- We have currently factored in about 50bp margin impact due to significant cost pressures in FY27 and then expect the same to normalize back to 11.7% by FY28E.
- UML has earmarked significant capex plans off late. While it has already invested INR15b in capex in FY26, it has earmarked another INR17b in capex in FY27E, of which INR11b will be for growth, INR6.5b for maintenance and the balance for land acquisitions for future expansion projects.
- Overall, we expect UML to post 23% earnings CAGR over FY26-28E
- Further, it is important to highlight that despite the rise in capex, it is likely to continue to be FCF positive over FY26-28E. As a result, we expect net debt to reduce to INR 17.8b in FY28E from INR 21.5b in FY26.
- Further, returns are expected to rise in FY28E, once its new capacities ramp up.

Exhibit 46: UML segmental revenue trend

INR Million	2024	2025	2026	2027E	2028E	FY22-26 CAGR (%)	FY26-28E CAGR (%)
Switches	36,630	42,040	48,710	57,416	66,024	18.3	16.4
YoY (%)	*14*	*15*	*16*	*18*	*15*		
Lighting	33,680	38,630	44,020	50,894	60,033	24.6	16.8
YoY (%)	*31*	*15*	*14*	*16*	*18*		
Castings	28,300	32,200	36,940	44,387	53,335	28.9	20.2
YoY (%)	*30*	*14*	*15*	*20*	*20*		
Seating	11,000	11,550	14,160	17,275	21,594	11.9	23.5
YoY (%)	*4*	*5*	*23*	*22*	*25*		
Green Mobility	0	13,130	14,050	17,478	23,548	NM	29.5
YoY (%)			*7*	*24*	*35*		
Others	30,690	30,210	38,696	43,593	51,376	21.7	15.2
YoY (%)	*38*	*(2)*	*28*	*13*	*18*		
Total Revenue	**140,300**	**167,760**	**196,576**	**231,042**	**275,910**	24.0	18.5
YoY (%)	*25*	*20*	*17*	*18*	*19*		

Source: MOFSL, Company

Exhibit 47: Key Margin assumptions – historic Vs estimates

Profitability ratios	FY22-26	FY26-28E
EBITDA margin (%)	11.1	11.3
PAT margin (%)	5.6	6.2

Source: MOFSL, Company

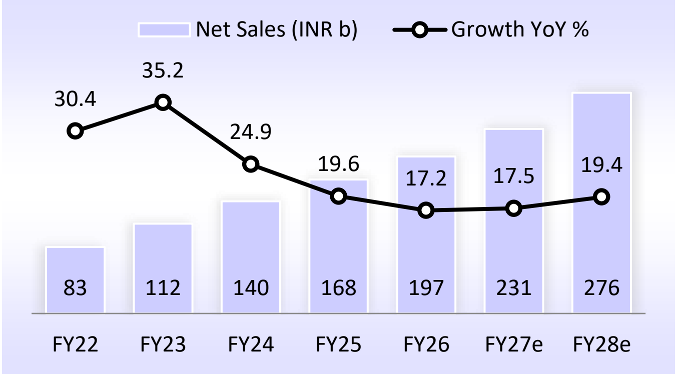
Exhibit 48: Profitability CAGR – historic Vs estimates

CAGR	FY22-26	FY26-28E
EBITDA growth (%)	25.7	19.7
EPS Growth (%)	38.4	22.8

Source: MOFSL, Company

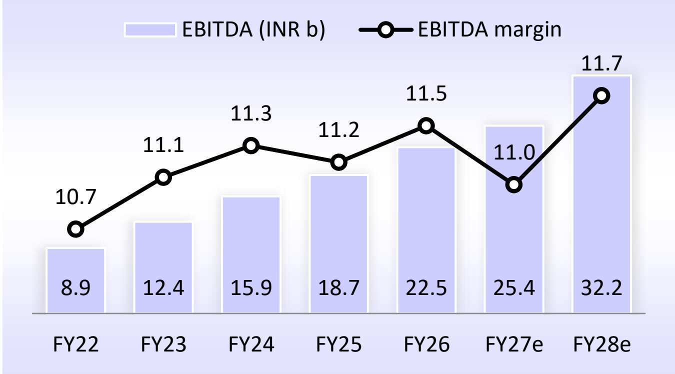
Story in charts

Exhibit 49: Sales to post an 19% CAGR over FY26-28E



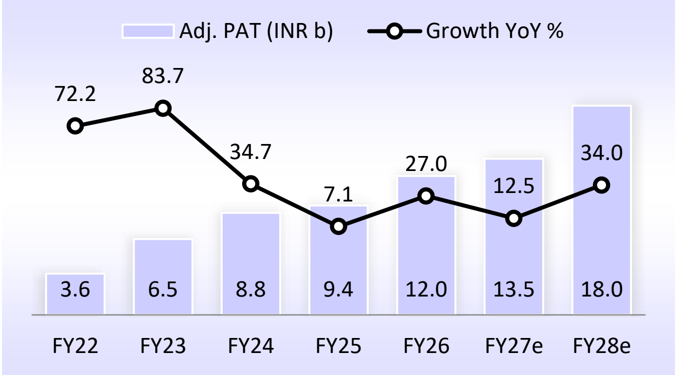
Source: MOFSL, Company

Exhibit 50: EBITDA margins to recover to 11.7% by FY28E



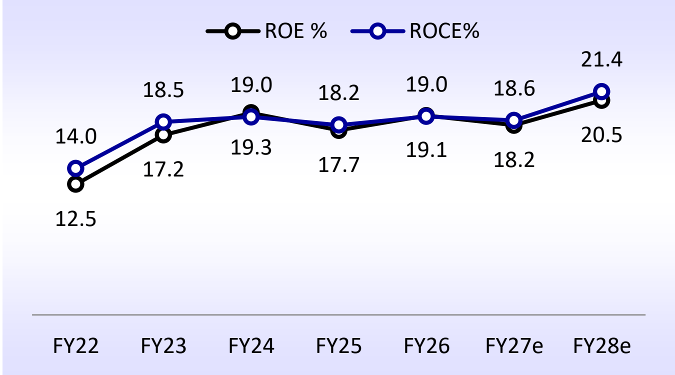
Source: MOFSL, Company

Exhibit 51: Earnings to grow at ~23% CAGR over FY26-28E



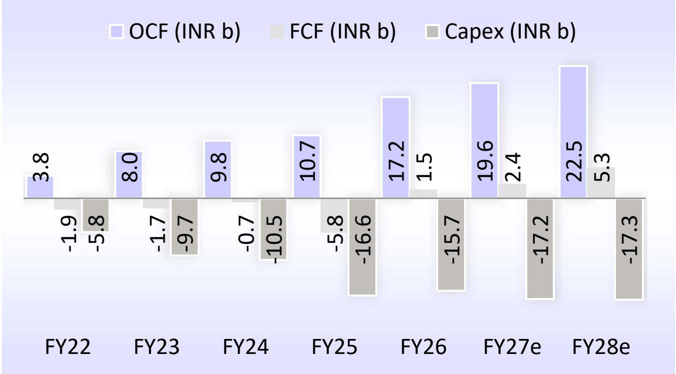
Source: MOFSL, Company

Exhibit 52: ROE and ROCE to improve from FY28E



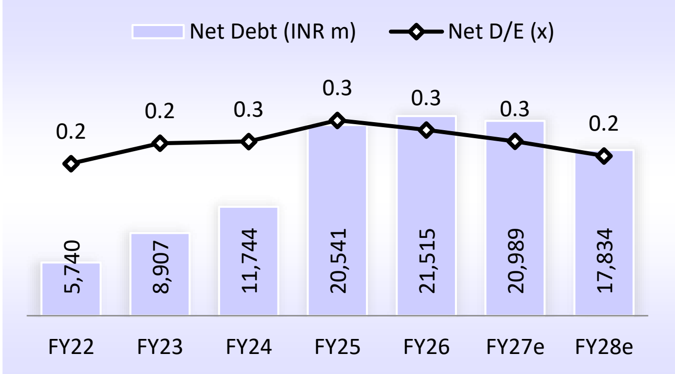
Source: MOFSL, Company

Exhibit 53: FCF to be positive despite rise in capex



Source: MOFSL, Company

Exhibit 54: Net D/E to reduce in the coming years



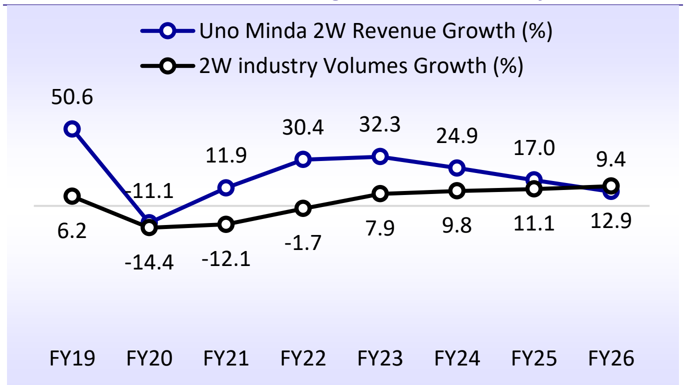
Source: MOFSL, Company

Valuation and View

UML has an extremely well diversified product portfolio, which spans all key automobile segments, with presence in multiple sub-segments and is also largely fuel agnostic. UML's unique capability has been its ability to enter new high-potential segments through partnerships, thereby driving a win-win solution for all stakeholders. However, UML has relied not only on global tech partnerships but also established its own R&D capability with 37 R&D centers, supported by more than 1,200 engineers, with 292 patents granted and 577 designs registered. We believe this combination of getting into newer product categories through partnerships and in-house engineering is the key engine behind UML's consistent outperformance over core industry growth.

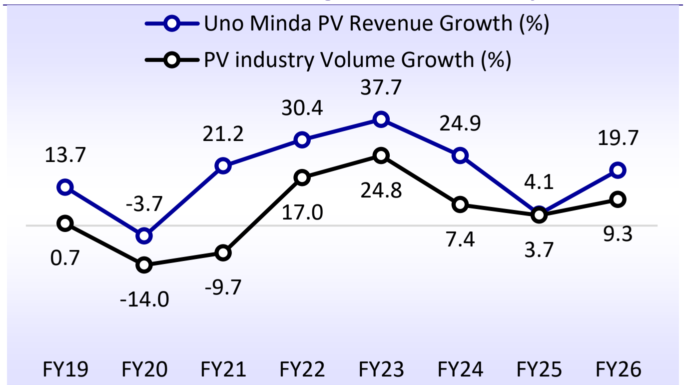
Further, UML is emerging as one of the key beneficiaries of structural growth trends in the automobile industry, which include: 1) premiumization, 2) EV transition, and 3) regulatory mandates either for safety or for emission compliance.

Exhibit 55: UML 2W revenue growth v/s industry



Source: MOFSL, Company

Exhibit 56: UML PV revenue growth v/s industry



Source: MOFSL, Company

Each of the above factors has driven a steady rise in CPV for UML over the years within segments. Further, given its presence across multiple sub-segments, UML is now emerging as a critical supplier for many OEMs, both in India and globally.

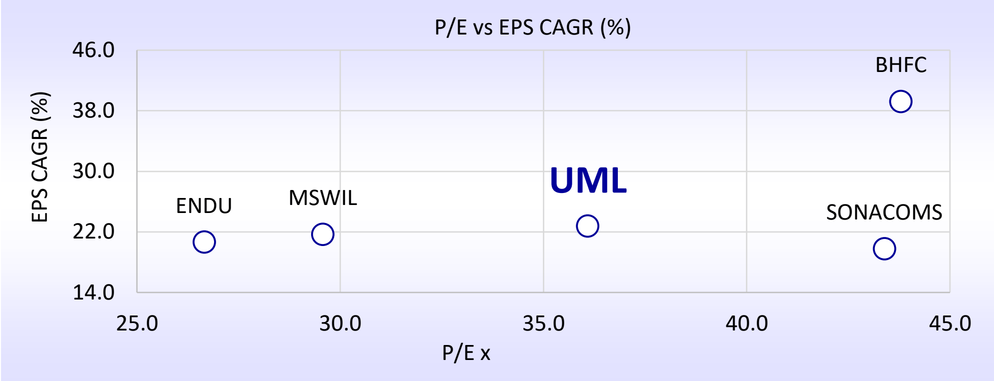
Management's long-term aspiration has been to grow at 1.4x-1.5x underlying industry growth, and appears highly credible, given its past track record of consistent outperformance above this threshold.

Exhibit 57: Peer Comparison

Company	MCap	EBITDA Margin (%)			EPS CAGR	P/E (x)			EV/EBITDA (x)			ROE (%)		
	(INR b)	FY26	FY27E	FY28E	FY26-28E (%)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
Uno Minda	**651**	**11.5**	**11.0**	**11.7**	**22.8**	**54.4**	**48.4**	**36.1**	**30.1**	**26.7**	**21.0**	**19.1**	**18.2**	**20.5**
MSWIL	183	9.2	9.7	10.5	21.7	43.8	36.4	29.6	25.8	21.3	17.7	32.4	32.1	33.4
BHFC	1011	17.4	18.3	19.4	39.3	84.4	59.3	43.8	36.1	29.4	23.7	12.6	16.8	20.0
Sona Comstar	415	24.7	24.2	24.8	19.8	62.2	51.7	43.4	37.1	31.1	26.5	11.3	12.6	13.7
Endurance	375	13.5	12.9	13.8	20.7	38.8	33.9	26.7	19.3	17.2	14.1	15.4	15.2	16.8

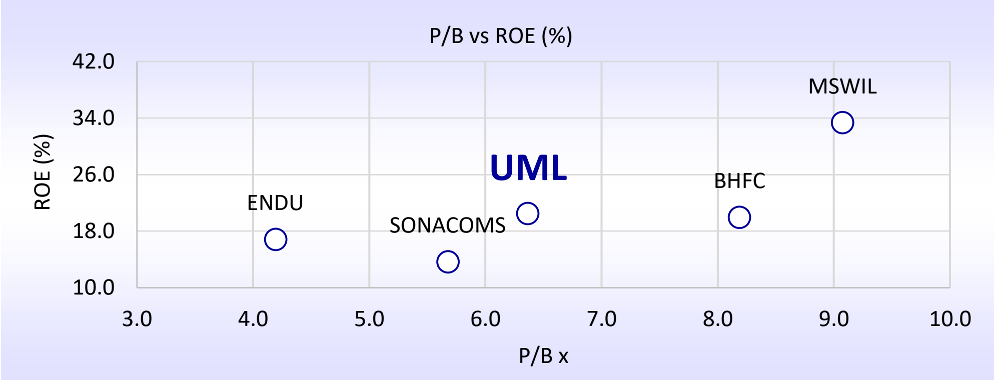
Source: MOFSL, Company

Exhibit 58: Peer Comparison: PEG



Source: MOFSL, Company

Exhibit 59: Peer Comparison: P/B x vs ROE (%)



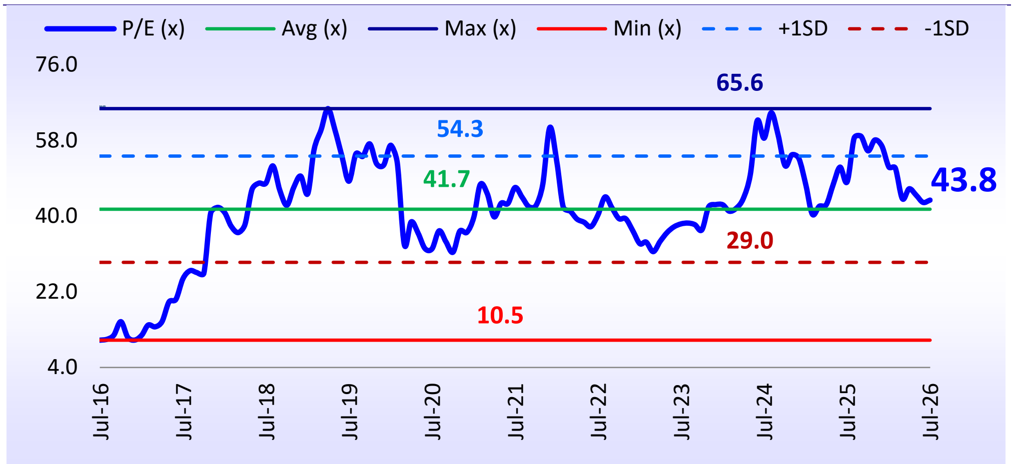
Source: MOFSL, Company

Given the long-term growth potential visible across its key business segments and in some of the emerging categories, UML is now in a high capex mode over the last few years, having invested INR15b in FY26 with a capex guidance of INR17b for FY27E. Management expects FY27 to be a defining growth year for the company as seven of its 11 new projects will be operational in this fiscal. This is post commercializing two plants in Q4FY26. Resultant, we expect UML to post a healthy 19% revenue CAGR over FY26-28E. Further, despite rising cost pressures, management is confident of maintaining its margins at 11-11.5% (+/- 50bp range). Overall, we estimate a 23% earnings CAGR over FY26-28E.

Further, it is important to highlight that despite the rise in capex, it is likely to continue to be FCF positive over FY26-28E. As a result, we expect net debt to reduce to INR 17.8b in FY28E from INR 21.5b in FY26.

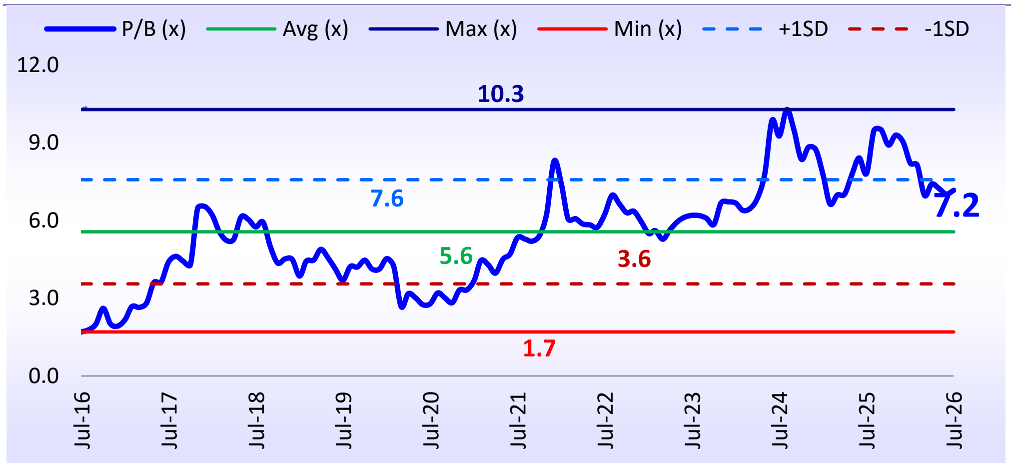
We believe UML will fit in as a long-term structural growth story for investors given: 1) its well-diversified mix that shields it from cyclicality of any particular sector, 2) strong presence in different segments with high-growth potential, 3) ability to foray into new emerging businesses either on its own or through partnerships with huge growth potential in future, and 4) key beneficiary of emerging trends in the sector. Given these factors, a strong track record, solid financial strength and robust growth expectations, UML's premium valuations appear justified. Overall, we value UML at 45x FY28E EPS to arrive at our TP of INR1,406 per share. We initiate on UML with a Buy rating and rank UML as our top pick in the Auto Ancillary sector.

Exhibit 60: P/E band chart



Source: MOFSL, Company

Exhibit 61: P/B band chart



Source: MOFSL, Company

Key risks

- **Macro/geopolitical risks to demand:** One of the key risks emanates from geopolitical uncertainty. While there is no direct impact on demand, any geopolitical uncertainty tends to drive up inflation, a key risk to the economic growth outlook, and hence, it could impact auto demand with a lag.
- **Volatility in input costs:** Post a sharp rise in input cost pressure in H2FY26, key raw material prices are now trending down. While this is positive, such high volatility in input costs tends to hurt performance of the industry. Further, currency depreciation is leading to higher costs of landed raw materials. While UML has a pass-through clause in its OE contracts, continued volatility in input cost prices may drive margin pressure for UML going forward.
- **Rise in other operational costs:** Wages in India are seeing a sharp rise in many key auto hubs, including the NCR region. Further, for export-focused companies, freight costs have surged. Moreover, many large players have to factor in contingencies from lower-end suppliers in this uncertainty. Each of these factors has meaningfully driven a noticeable rise in other operating costs, which, if sustained, may lead to further margin pressure for UML.
- **Execution risks:** UML has earmarked a surge in capex by investing INR15b in FY26 and another INR17b in FY27E. However, given the global macro uncertainty, there is a risk that demand may slow down, which may lead to a delay in SOP of these new expansion projects. Given that these projects would be funded partly by debt, this may lead to a rise in interest burden without a commensurate rise in demand, hurting returns in the near term.

ESG initiatives

Environment

- UML maintains an environmental governance framework with 90%+ plants certified under ISO 14001 and ISO 45001, reflecting sound environmental and workplace safety practices.
- Waste and water management performance was encouraging, with 73% waste diversion from landfill, ZLD certification at select sites, rainwater harvesting of 1,340.6 KL, and an 80% YoY decline in water discharge, indicating better resource efficiency.
- Energy efficiency remained a key focus, aided by rooftop solar, waste heat recovery, and furnace retrofits. Renewables contributed 30% of total electricity consumption, indicating gradual progress in decarbonizing operations, UML has further invested and approved.
- The company also continued its shift toward cleaner fuels, including PNG, biodiesel, and bio-CNG, while RECD installations across sites supported improved emission control and lower dependence on conventional fuels.

Social

- UML continues to strengthen its social agenda, with focus on employee well-being and community development. The company has developed social infrastructure such as schools, hospitals, and vocational training centers for underprivileged communities, in line with its broader CSR priorities.
- Skilling initiatives, including HP-CLAP, aim to improve digital literacy among government school students and enhance future employability.
- UML also advances inclusive growth through its supply chain and CSR efforts, with 74% local procurement, 100% screening of new suppliers on ESG parameters, 0.3m+ CSR beneficiaries, and CSR spend of INR159.8m.

Governance

- UML maintains a compliance culture, with adherence to applicable laws and regulations forming a core part of its governance framework.
- The company's governance approach reflects a balanced focus on shareholder alignment, minority interest protection, and prudent capital allocation, supporting long-term value creation.
- Its governance standards have also received external recognition, with UML being awarded the "Best Governed Company" at the 25th ICSI National Awards for Excellence in Corporate Governance in the Listed Segment – Medium Category.
- The Board comprised eleven Directors, including three Executive Directors and six Independent Directors. The Executive Directors comprised the Chairman and Managing Director, and one Whole-time Director.

Bull and Bear cases

Bull case

- ☑ Revenue is projected to record a 22% CAGR over FY26-28E, driven by premiumization and rising content supplied to OEMs.
- ☑ Adjusted margins are expected to expand by around 100bp to 12% by FY28E, driven by normalization of cost pressure and improved mix.
- ☑ EPS is anticipated to see a 31% CAGR over FY26-28E, aided by robust revenue growth and margin improvement.

Bear case

- ☑ Revenue is expected to see an 8% CAGR over FY26-28E, impacted by weak demand amid global uncertainty.
- ☑ Margins are projected to contract by 70bp to 10.8% by FY28E, owing to a steady rise in commodity costs and lower utilization/operational inefficiency due to capacity expansion.
- ☑ EPS is expected to remain flat over FY26-28E, reflecting modest revenue growth and margin compression.

Exhibit 62: Scenario analysis: Base | Bull | Bear

	Base case			Bull case			Bear case		
INR m	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
Revenue	**196,576**	**231,042**	**275,910**	**196,576**	**239,823**	**292,584**	**196,576**	**212,302**	**229,286**
Gr (%)	*17.2%*	*17.5%*	*19.4%*	*17.2%*	*22.0%*	*22.0%*	*17.2%*	*8.0%*	*8.0%*
EBITDA	**22,512**	**25,403**	**32,237**	**22,512**	**28,299**	**35,110**	**22,512**	**22,929**	**24,763**
EBITDA margin (%)	*11.5%*	*11.0%*	*11.7%*	*11.5%*	*11.8%*	*12.0%*	*11.5%*	*10.8%*	*10.8%*
D&A	7,036	8,243	9,624	7,036	8,243	9,624	7,036	8,243	9,624
Tax Rate	*20.2%*	*22.0%*	*22.0%*	*20.2%*	*22.0%*	*22.0%*	*20.2%*	*22.0%*	*22.0%*
Reported PAT	**11,971**	**13,465**	**18,045**	**11,971**	**15,779**	**20,375**	**11,971**	**11,397**	**11,876**
Diluted EPS	**20.73**	**23.32**	**31.25**	**20.73**	**27.33**	**35.28**	**20.73**	**19.74**	**20.57**
Gr (%)	*26.6%*	*12.5%*	*34.0%*	*26.6%*	*31.8%*	*29.1%*	*26.6%*	*-4.8%*	*4.2%*
Target PE (x)			45.0			48.0			40.0
TP			**1,406**			**1,694**			**823**
Upside (%)			*25%*			*50%*			*-27%*

Source: MOFSL, Company

SWOT analysis

- ☑ Well diversified fuel-agnostic product portfolio shielded from cyclicality
- ☑ Ability to partner with global technology champions and scale up new growth vectors
- ☑ Scaled manufacturing and R&D footprint enabling shorter time to market
- ☑ Strong presence in key segments like Switches, acoustics, lighting, seating, etc.

- ☑ Limited global presence
- ☑ Limited exposure to CVs and non-auto segments
- ☑ Limited exposure to 3Ws
- ☑ Relatively lower aftermarket mix

- ☑ Key beneficiary of premiumization
- ☑ Key beneficiary of the PACE trend in automobiles; can scale up meaningfully in Green Mobility and sensors/ADAS segments
- ☑ Rising outsourcing by global OEMs from India
- ☑ Inorganic growth

- ☑ Rising competitive intensity
- ☑ Geopolitical uncertainty derailing auto industry momentum
- ☑ Rising cost pressure

Management team

Mr. Nirmal K. Minda, Executive Chairman

An industry leader with over four decades of experience in the auto components sector, Mr. Minda has played a pivotal role in establishing strategic alliances and JVs with globally reputed partners. Under his leadership, the Uno Minda Group has achieved significant growth and expanded its global presence. He has held key positions in industry bodies such as CII, serving as Vice Chairman of the Haryana State Council and as Special Invitee to the Northern Regional Council. He also served as Chairman of ACMA (Northern Region) for three consecutive years, and then as Vice President in 2016-17 and President in 2017-18.

Mr. Ravi Mehra, Managing Director

Mr. Mehra has been associated with UML since 1995, when he joined the Group as General Manager (Finance). He has more than 30 years of automotive industry experience. Under his leadership, the UML 2W/3W Switch business expanded its footprint across several countries. He is a fellow of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He has handled many prominent roles in strategy, finance, marketing, manufacturing, materials, HR, and product & technology development. Prior to UML, he had stints with various reputed organizations, including Kelvinator and Pure Drinks Group.

Mr. Sunil Bohra, Group CFO

Mr. Bohra joined the Group in 2018 and since then has played an instrumental role in driving organic and inorganic growth of the company through expansion and domestic and cross-border M&A. He has set up the Corporate Affairs function in the organization to drive the company's strategic initiatives with regulatory bodies. Over a professional career spanning 24 years, he has specialized in handling multifaceted roles in large organizations, including Vedanta Group. He graduated with an Honors degree in Commerce from MDS University, and is a member of the Institute of Chartered Accountants of India and an alumnus of Harvard Business School.

Mr. Amit Jain, CTO

Mr. Jain joined the Group in 2017 and has been instrumental in strengthening its presence in the rapidly growing electronics market. He spearheaded the establishment of CREAT (Center for Research, Engineering and Advanced Technologies), a dedicated hub for developing cutting-edge mobility technologies. With over 25 years of experience in the auto industry, his expertise spans business development, program management, engineering and product development, vendor development, and manufacturing. Prior to joining UML, he served as Country Head – Electronics at Visteon Corp. and held key roles at Escorts. Mr. Jain holds a degree in Mechanical Engineering from R.V. College, Bangalore, and has completed the Advanced Management Program at IIM Bangalore.

Mr. Vivek Jindal, Whole-Time Director and CEO – Lighting and Alternate Fuel Systems Domain

Mr. Jindal has more than 19 years of experience in the auto Industry and is a Whole-Time Director of UML and Director of Minda Westport Technologies and Minda Onkyo India. He is also Director of Clarton Horns, Spain and Mexico, and has successfully led the integration of the Spanish entity into the Uno Minda Group. He is also leading UML's EV/HV initiatives. Before joining the Group, he had worked at Infosys and India Bulls. He is a graduate in engineering from IIT Delhi, an MBA from Katz Graduate School of Business (University of Pittsburgh, USA), and an Executive MBA from Harvard Business School.

Mr. Naveesh Garg, CEO – Electronics and Control Systems Domain

Mr. Garg has been associated with UML since 1990 and has played a key role in the company's growth and expansion across different segments and verticals. He set up the infotainment business and alloy wheel business with the support of JV partners. He has also been associated with the Indian automobile & ancillary industry for more than 32 years. He has a B-Tech degree in Production Engineering from NIT – Calicut and an MBA from MDI, Gurgaon.

Mr. Kundan K. Jha, CEO – Light Metal and Powertrain Systems Domain

Mr. Jha has been with the group since Nov'17. He has industry experience of more than 32 years. Before joining the Group, he worked with Aurangabad Electricals as ED and CEO. Prior to that, he worked with Bharat Forge, Sundaram Clayton, Enkei Castalloy, and Maruti Suzuki India. He has a bachelor's degree in mechanical engineering from Birla Institute of Technology and is a postgraduate in Quality Management.

Mr. Rakesh Kher, Chief Strategy Officer (CSO) and Advisor – Aftermarket Domain

Mr. Kher has been associated with UML since 2004. He has been instrumental in expanding the company's product portfolio, strengthening customer relationships, and driving innovation. He has more than 40 years of diverse experience in strategy, business transformation, manufacturing, and project management, along with sales & marketing in the domestic and international aftermarket segments. Prior to UML, he held various senior management positions while working with Larsen & Toubro, Cookson India, and Advani Oerlikon. He has a B.Tech. from REC Rourkela, an MTech. from IIT Kharagpur, and an MBA from FMS, Delhi.

Mr. Vishal Kaul, CEO – Aftermarket Domain

Mr. Kaul joined UML in 2024 as President & Business Head – Aftermarket Domain. With over 25 years of leadership experience, he has worked with Crompton, Samsung, Nokia, and Thermax across automotive aftermarket and allied industries. He is an ISB Hyderabad alumnus and a Mechanical Engineering graduate from VJTI, Mumbai.

Mr. A.G. Giridharan, CEO – Safety and Comfort Systems Domain

Mr. Giridharan started his association with UML in 2021. Since then, he has played a key role in driving new JVs for the Group in the SCS domain. Prior to joining UML, he was associated with Harita Seating Systems as President. He has had a diverse career working with Greaves Cotton, KPMG Consulting, and Hindustan Unilever, with experience in business development, strategy development and execution, supply chain improvement, and retail marketing. He has industry experience of more than 34 years. He has a bachelor's degree in engineering from IIT Kharagpur and a PGDM from IIM Calcutta.

Mr. Sanjeev Kulkarni, CEO – ADAS, Controller and Sensors Domain

Mr. Kulkarni is a seasoned automotive industry leader with over 25 years of diverse experience in quality, manufacturing, operations, supplier management, and customer relations. Prior to joining UML, he was Vice President, HARMAN India Automotive, where he spearheaded business development, sales, program execution, and operations across Intelligent Cockpit, Display Audio, Connectivity, and Premium Audio solutions. He has also held leadership roles at Visteon, Sundaram Auto Components (TVS Group), and Gabriel India. He is a Mechanical Engineer from Karnataka University, and holds certifications in Six Sigma, ISO/TS Lead Auditing, Lean Manufacturing, and Quality Core Tools.

Financials and valuation

Consol. Income Statement — INR m

Y/E March	2021	2022	2023	2024	2025	2026	2027E	2028E
Net Revenue	**63,737**	**83,130**	**112,365**	**140,309**	**167,746**	**196,576**	**231,042**	**275,910**
EBITDA	**7,250**	**8,854**	**12,420**	**15,853**	**18,738**	**22,512**	**25,403**	**32,237**
EBITDA Margin (%)	11.4	10.7	11.1	11.3	11.2	11.5	11.0	11.7
Change (%)	17.1	22.1	40.3	27.6	18.2	20.1	12.8	26.9
Depreciation	3,753	3,918	4,299	5,262	6,149	7,036	8,243	9,624
Other Income	470	629	489	338	293	344	389	447
EBIT	**3,967**	**5,566**	**8,609**	**10,928**	**12,881**	**15,821**	**17,550**	**23,060**
Interest cost	737	623	695	1,130	1,704	1,870	1,865	1,790
Share of Profit of associates/ JVs	242	652	999	1,854	1,803	2,489	2,888	3,430
PBT	**3,472**	**5,594**	**8,914**	**11,652**	**12,981**	**16,440**	**18,573**	**24,699**
Effective Tax Rate (%)	29.0	26.2	21.4	22.9	22.0	20.2	22.0	22.0
PAT after Share of profit of JVs	**2,467**	**4,126**	**7,002**	**8,981**	**10,120**	**13,116**	**14,487**	**19,266**
Non-controlling interests	418	568	467	444	776	869	1,022	1,220
Adjusted PAT	**2,049**	**3,558**	**6,536**	**8,537**	**9,344**	**12,247**	**13,465**	**18,045**
Extraordinary Income / Loss	17	0	0	266	85	-276	0	0
Reported PAT	**2,066**	**3,558**	**6,536**	**8,803**	**9,430**	**11,971**	**13,465**	**18,045**
Change (%)	33.4	72.2	83.7	34.7	7.1	27.0	12.5	34.0

Consol. Balance Sheet — INR m

Y/E March	2021	2022	2023	2024	2025	2026	2027E	2028E
Equity share capital	544	571	1,146	1,148	1,148	1,155	1,155	1,155
Other equity	22,022	33,813	40,413	48,376	56,124	67,141	78,874	94,609
Non-controlling Interest	3,065	3,263	2,784	3,125	3,862	4,309	5,331	6,551
Net Worth	**25,630**	**37,648**	**44,342**	**52,650**	**61,134**	**72,605**	**85,359**	**102,315**
Loans	10,485	8,203	12,510	15,731	22,945	25,373	24,373	23,373
Other non-current liabilities	3,576	3,500	3,417	2,686	3,318	3,742	4,041	4,364
Capital Employed	**39,691**	**49,350**	**60,269**	**71,067**	**87,397**	**101,719**	**113,773**	**130,052**
Net Fixed Assets	**29,311**	**31,512**	**36,088**	**41,463**	**54,794**	**64,041**	**72,988**	**80,636**
Other non-current assets	6,375	7,246	11,320	12,466	11,576	13,054	14,765	17,534
Current Assets	**24,214**	**29,559**	**35,679**	**45,101**	**51,065**	**59,959**	**65,497**	**78,807**
Inventory	7,506	10,464	13,314	16,379	17,168	21,310	22,612	27,003
Account Receivables	11,988	13,767	17,233	20,654	24,956	27,063	30,570	36,506
Cash and Bank Balance	2,056	2,023	1,214	2,406	1,979	2,770	2,015	3,081
Other current & fin. Assets	2,664	3,306	3,918	5,661	6,963	8,816	10,301	12,217
Current liabilities	**20,208**	**18,967**	**22,818**	**27,963**	**30,038**	**35,334**	**39,477**	**46,925**
Creditors	12,898	14,117	17,005	19,920	21,635	25,821	28,179	33,496
Other Current Liabilities	7,310	4,850	5,813	8,043	8,403	9,514	11,298	13,430
Net Current Assets	**4,006**	**10,593**	**12,861**	**17,138**	**21,027**	**24,624**	**26,020**	**31,882**
Appl. of Funds	**39,691**	**49,350**	**60,269**	**71,067**	**87,397**	**101,719**	**113,773**	**130,052**

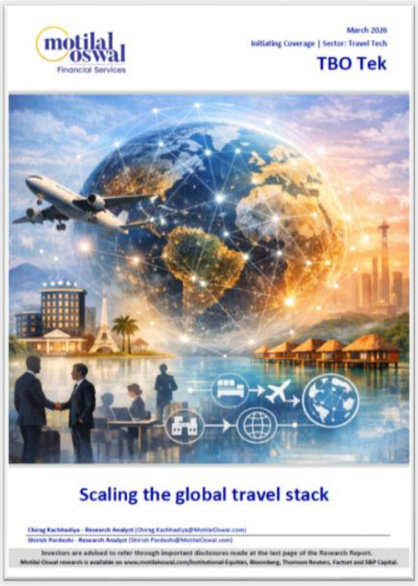
Financials and valuation

Ratios								
Y/E March	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027E**	**2028E**
Basic (INR)								
EPS	**3.6**	**6.2**	**11.3**	**15.2**	**16.3**	**20.7**	**23.3**	**31.3**
EPS Growth (%)	33.4	72.2	83.7	34.7	7.1	27.0	12.5	34.0
Cash EPS	10.1	12.9	18.8	24.4	27.0	32.9	37.6	47.9
Book Value per Share	44.4	65.2	76.8	91.2	105.9	125.7	147.8	177.2
DPS	0.4	0.7	1.5	2.0	2.2	2.7	3.0	4.0
Div. payout (%)	11.5	11.9	13.2	13.0	13.7	12.5	12.9	12.8
Valuation (x)								
P/E	315.1	183.0	99.6	74.0	69.1	54.4	48.4	36.1
Cash P/E	111.9	87.1	60.1	46.3	41.8	34.3	30.0	23.5
EV/EBITDA	91.4	74.6	53.4	42.0	36.1	30.1	26.7	21.0
EV/Sales	10.4	7.9	5.9	4.7	4.0	3.4	2.9	2.4
P/BV	25.4	17.3	14.7	12.4	10.7	9.0	7.6	6.4
Dividend Yield (%)	0.0	0.1	0.1	0.2	0.2	0.2	0.3	0.4
Profitability Ratios (%)								
RoE	10.1	12.5	17.2	19.3	17.7	19.1	18.2	20.5
RoCE	11.2	14.0	18.5	19.0	18.2	19.0	18.6	21.4
RoIC	9.8	11.9	16.5	16.3	15.4	16.3	15.6	17.9
Turnover Ratios								
Debtors (Days)	55	57	50	49	50	48	48	48
Inventory (Days)	37	39	39	39	36	36	36	36
Creditors (Days)	105	94	79	74	70	69	69	69
Working Capital (Days)	16	32	38	39	42	42	40	38
Asset Turnover (x)	1.2	1.3	1.5	1.5	1.5	1.5	1.6	1.7
Fixed Asset Turnover	2.3	2.7	3.3	3.6	3.5	3.3	3.4	3.6
Leverage Ratio								
Net Debt/Equity (x)	0.3	0.2	0.2	0.3	0.3	0.3	0.3	0.2

Cash Flow Statement								(INR m)
Y/E March	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027E**	**2028E**
Profit before Tax	3,248	5,594	8,914	11,918	13,066	16,164	18,573	24,699
Depreciation & Amort.	3,753	3,918	4,299	5,262	6,149	7,036	8,243	9,624
Direct Taxes Paid	-870	-1,370	-2,109	-2,752	-3,349	-3,585	-4,086	-5,434
Net Change in Working Capital	-3,357	-3,930	-2,842	-4,677	-6,288	-1,720	-2,070	-4,706
Other Items	653	-384	-235	42	1,137	-691	-1,023	-1,640
CF from Oper. Activity	**3,427**	**3,829**	**8,026**	**9,793**	**10,715**	**17,204**	**19,637**	**22,543**
(Inc)/Dec in FA	-2,991	-5,777	-9,745	-10,493	-16,557	-15,724	-17,189	-17,273
Free Cash Flow	**437**	**-1,948**	**-1,719**	**-700**	**-5,842**	**1,480**	**2,448**	**5,271**
Others	550	-966	150	970	1,359	642	1,587	1,885
CF from Inv. Activity	**-3,610**	**-6,987**	**-11,901**	**-9,534**	**-15,301**	**-16,519**	**-15,802**	**-16,387**
Share issuance/(Repurchase)	2,507	4,777	287	42	11	1,456	0	0
Inc/(Dec) in Debt	-1,251	-370	4,308	3,155	7,035	2,358	-1,000	-1,000
Interest Paid	-678	-541	-609	-1,042	-1,758	-1,659	-1,865	-1,790
Dividends Paid	-186	-374	-573	-1,053	-1,431	-1,631	-1,732	-2,310
Others	-795	-381	-403	-198	-205	-425	7	10
CF from Fin. Activity	**-402**	**3,110**	**3,010**	**905**	**3,652**	**99**	**-4,590**	**-5,090**
Inc/(Dec) in Cash	**-585**	**-48**	**-865**	**1,164**	**-934**	**783**	**-755**	**1,066**
Add: Beginning Balance	**2,637**	**2,056**	**2,023**	**1,214**	**2,406**	**1,979**	**2,770**	**2,015**
Closing Balance	**2,056**	**2,023**	**1,214**	**2,406**	**1,979**	**2,770**	**2,015**	**3,081**

E: MOFSL Estimates

RECENT INITIATING COVERAGE REPORTS



Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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