

EV Adoption: The resurgence

11 June 2026

The EV penetration rates in recent months have seen a resurgence. BEV penetration rates on new vehicle sales in March-May 2026 for Europe PV sales has increased to 21% (vs 18% in CY25), for China at 38% (vs 32% in CY25), India PV at 6.7% (vs 4.3% in FY26), and India 2W at 9% (vs 6.3% in FY26). The Iran war and resulting focus on oil prices and availability coupled with some of the country's over reliance on oil imports, has resulted in this shift of consumer sentiment as also Govt's focus again on alternate energy sources mobility (EV, hybrid, flex fuel etc). We thus believe our EV penetration forecasts for different segments in India and globally for FY30E, which were in past year undershooting our expectations, seem to be more achievable now, as we see this shift sustainable this time.

History rhymes – the 1973 oil embargo as the closest structural parallel: The Arab oil embargo of 1973 remains the most instructive precedent for how an energy-price shock can permanently re-order the global auto industry. During that time crude surged within months, rendering sub-15 mpg (miles per gallon) Detroit vehicles untenable; Toyota, Honda and Nissan surged from ~ 15% US import share in 1973 to ~26% by 1980 – a structural re-alignment cemented by CAFE standards introduced in 1975, which nearly doubled fleet fuel economy over the following decades. The 2025-26 Middle East crisis – Iran's blockade of the Strait of Hormuz pushing Brent higher and remaining volatile – is the most severe supply disruption since that era. The mechanism is identical to 1973; *the technology that benefits this time is electric and the Chinese NEV OEMs are likely to emerge stronger, in our view. Chinese OEMs share in BEV and PHEV in Europe increased to 11.8% and 25% in YTD CY26 vs 8.7% and 8.8% in CYTD25. That said, with China's domestic market under pressure, Chinese OEMs will further push in Europe and other regions, which is already visible in their export growth. We had highlighted reasons of Chinese NEV OEMs competitive edge in our thematic "China Energising seismic shifts".*

Orderbook healthy, expect BEV penetration FY30 assumptions achievable: OEM order books in recent calls and media reports suggest that OEMs are falling short of capacities to meet demand. Mercedes-Benz BEV order intake was up 107% year-on-year in Q1 CY26, BMW up over 60%, Indian OEMs like TMPV mentioned of increased order book to the tune of 2-2.5x. We expect BEV penetration for India PV and India 2W at 15% and 20% respectively by FY30, while for Europe, US and China EV (BEV+PHEV) is likely to be 55%, 15% and 75%, respectively.

Sona BLW, Minda corp, Uno Minda beneficiaries in Ancs; Ather, TVS Motor, M&M in OEMs: Within the Indian Auto ancillaries space, the adoption of EV is expected to accelerate the premiumization trend. Further we prefer ancillaries, which would be beneficiaries of other megatrends like Lightweighting, Active safety, Connected and Electric, as highlighted in our recent thematic *LACE effect*. Minda Corporation remains a key play on premiumization on strong order visibility, new product expansion and strategic JV partnerships; UNO Minda's powertrain-agnostic portfolio and new facility ramp-up provide a differentiated growth vector, while Sona BLW should benefit from accelerated execution of EV programs that were delayed during the earlier slowdown. SAMIL remains a SELL – ~40% Europe exposure and dependence on legacy OEMs place it most at risk from Chinese OEM share gains. In 2Ws, the EV rebound benefits Ather (NR) most, followed by TVSL (BUY) and BJAUT (Accumulate). In PVs, M&M is best placed as rising EV penetration makes CAFE compliance comfortably achievable, progressively easing the overhang on its multiple; TMPV remains a SELL as the JLR overhang continues to weigh on the consolidated multiple despite improving India EV trends.

Global PV growth to be driven by EVs

CY25-30 CAGR %	ICE EV (BEV+PHEV)	Total	
Europe	(10.8)	27.5	0.8
China	(12.6)	9.7	0.8
US	(1.2)	8.3	(0.1)
India (PV)*	3.2	45.0	6.2
India (2W)*	2.4	41.8	6.0
Global PV	(2.6)	10.0	1.1

*FY26-30 CAGR. Source: S&P Mobility, IEA, Elara Securities Estimates

Market share of brands by country of origin in Europe; Chinese OEMs gaining ground

Total Market share (%)	CYTD25	CYTD26	Change bps
European OEMs	66.5	64.6	(186)
Chinese OEMs	4.7	8.9	417
Japan OEMs	13.6	12.5	(116)
Korea OEMs	8.2	7.4	(89)
US OEMs	6.3	6.2	(15)

Source: MarkLines, Elara Securities Research

BEV Europe share (%)	CYTD25	CYTD26	Change bps
European OEMs	61.1	63.1	201
China OEMs	8.7	11.8	305
Japan OEMs	3.9	2.7	(115)
Korea OEMs	6.8	8.2	136
US OEMs	19.4	13.6	(578)

Source: MarkLines, Elara Securities Research

PHEV Europe share (%)	CYTD25	CYTD26	Change bps
European brands	70.8	61.5	(929)
Chinese brands	8.8	25.1	1,638
Japanese brands	9.3	5.6	(368)
South Korean brands	5.2	3.5	(167)
US brands	6.0	4.2	(173)

Source: MarkLines, Elara Securities Research

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Coverage matrix

Company	Ticker	Rating	Mcap	CMP	TP	Upside	P/E				EV/EBITDA				ROE			
			(USD mn)	(INR)	(INR)	(%)	FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E
Mahindra & Mahindra	MM IN	BUY	38,538	2,953	4,367	48	22.5	21.1	18.9	17.4	22.3	20.8	18.5	16.7	23.2	20.9	20.2	19.2
Bajaj Auto	BJAUT IN	ACCUMULATE	29,760	10,144	12,020	18	28.8	24.5	21.6	19.8	24.7	21.0	18.3	16.8	29.3	33.6	37.3	36.3
TVS Motor Company	TVSL IN	ACCUMULATE	16,630	3,335	4,173	25	43.3	35.6	29.1	24.7	30.8	25.9	21.7	18.7	34.6	34.2	32.1	29.5
Samvardhana Motherson International	MOTHERSO IN	SELL	15,754	142	118	(17)	35.2	29.4	24.4	23.0	13.6	11.4	9.9	9.3	10.5	11.0	11.7	11.0
Tata Motors Passenger Vehicles	TMPV IN	REDUCE	14,726	381	354	(7)	50.8	7.2	5.6	4.8	9.4	3.7	3.1	2.8	2.3	15.3	17.0	17.0
UNO Minda	UNOMINDA IN	BUY	6,549	1,081	1,348	25	50.9	44.1	34.2	27.0	29.0	25.1	20.9	17.6	18.3	17.9	19.5	20.5
Sona BLW Precision Forgings	SONACOMS IN	BUY	3,847	589	749	27	53.9	45.3	36.6	32.2	32.9	27.9	23.1	20.4	11.6	12.6	14.2	14.6
Minda Corporation	MDA IN	BUY	1,626	648	844	30	43.1	32.4	28.4	24.9	23.3	19.6	17.0	15.2	14.8	16.0	14.9	14.9

Note: Pricing as on 10 June 2026, Rating and TP as per last published report; Source: Company, Elara Securities Estimate

History Repeats

As per IEA global EV outlook Report of 2026: "The ongoing energy crisis resulting from the conflict in the Middle East has brought reliance on oil imports into sharp focus in many countries. The road transport sector represents close to half of oil demand today, and policy responses to the long tail of the current crisis stand to shape the global car market for years to come."

"The oil crisis of the 1970s prompted the introduction of fuel efficiency standards, which resulted in close to a doubling of the fuel economy of conventional cars between 1975 and today."

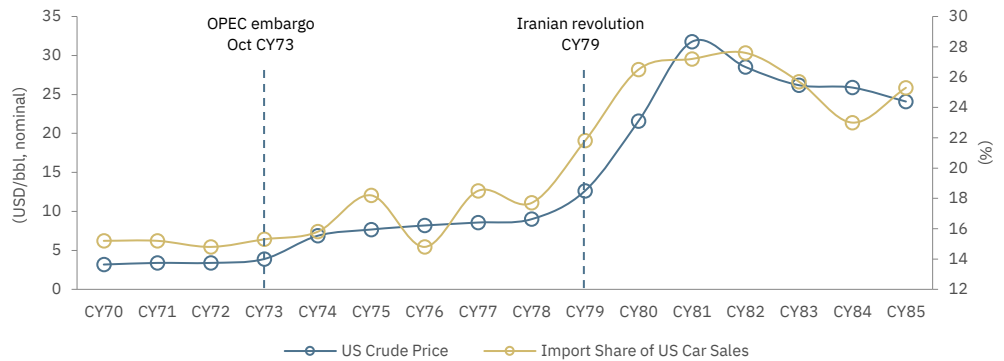
1973 Oil Crisis & Rise of Japan’s Fuel-Efficient Cars: Market Re-Wired Overnight

How a supply shock rewrites the US auto industry's competitive hierarchy for a generation

The Arab Oil Embargo of 1973 was the first modern demonstration that energy shocks do not merely disrupt automobile demand temporarily – they restructure it permanently. When OPEC nations cut supply in response to US support for Israel during the Yom Kippur War, crude oil prices rose substantially (from USD 3.89/bbl to USD 6.87/bbl by 1974, and to ~USD 13.00/bbl by the second shock in 1979). The US consumer, accustomed to cheap gasoline and large-displacement Detroit vehicles delivering under 15mpg (miles per gallon), abruptly found running cost intolerable.

The beneficiary were the Japanese. Toyota, Honda, and Nissan had been building compact, fuel-efficient vehicles delivering 25–35mpg (miles per gallon)– but their US market share had hit a plateau, below 16% through the early 1970s. The oil shock broke the inertia. Imports share of US car sales rose from ~15% in 1973 to ~26% in 1980 and ~27% in 1981 – a structural re-alignment that took less than a decade and that Detroit has not been able to fully reverse.

Exhibit 1: US car sales imports increase sizeably post the Oil Crisis in the 1970s



Source: US EIA/Illinois Oil & Gas Association historical crude prices, US DOE EERE Fact 827 (2014) – all vehicles build outside North America; Japanese brands represented ~80% of imports by 1980; Elara Securities Research

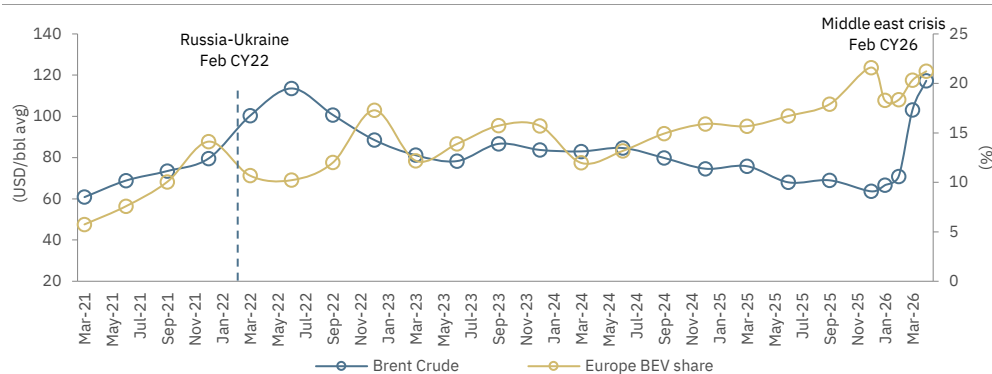
The Middle East Crisis – Similar Mechanism, Different Technology

Brent crude vs Europe BEV market share during CY20–Q1CY26

The 2026 Middle East crisis – triggered by US-Israel strikes on Iran in late February 2026, followed by Iran's blockade of the Strait of Hormuz – has produced the most severe oil supply disruption since the 1970s. Brent crude rose to more than USD ~110/bbl, approaching the all-time nominal high of USD 147 set in July 2008.

The consumer response is already materializing – but faster and from a structurally higher base than in 1973. Europe's BEV market share reached ~20% in Q1CY26, the highest quarterly share ever recorded. As per IEA, Europe annual EV fuel cost savings grew 35% in April 2026 vs 2025 based solely on the oil price change – making the economic case for switching to an EV significantly more compelling than just months earlier.

Exhibit 2: BEV gaining traction in Europe amid higher fuel prices



Source: FRED, MarkLines, Elara Securities Research

Case study: In time, tech leaders will win consumers – Japan-US case

The era of 1970s – Japan entering the US and building reputation

In the past, Japan-US relations were beset with trade frictions. After World War II, it took more than 20 years for Japan to build its economy and by the 1970s, it had established itself as an automotive powerhouse through direct subsidies, tax breaks, and access to cheap loans. By then, Japan’s cars had already started to enter the US market; between 1970 and 1976, sales of such cars spiked in the US, tripling their volume to >1mn units, with ~8% market share.

At that time, Japan was producing smaller cars mostly. OEM in the US at that time were mostly producing bigger-sized cars, which were more expensive. To counter Japan’s imports, American OEM even tried to produce smaller cars but failed measurably (for e.g., *Ford Pinto*, which failed due to fire cases, bringing Ford to the verge of bankruptcy; GM recalled ~130,000 *Chevrolet Vega* units, due to fire hazards).

By then, the perception of Japan’s cars started to change and were seen as reliable, economical, and safer vehicles. Then, came the Iranian Oil revolution in 1979, which led to a spike in fuel prices, which further supported compact Japan-made cars. These were cheaper and more fuel-efficient option for consumers, against domestic gas-guzzler models. By 1980, compact cars made up nearly two-thirds of all cars sold, up from less than half, just a year earlier.

Imports quota and tariff threat

To counter rising imports and growth trade deficit with Japan, the then US President urged Japan to voluntarily limit its auto shipments to the US, hoping that this will help domestic manufacturers. Japan then imposed a three-year export quota of 1.68mn vehicles, starting from 1981, which was below imports of 1.80mn Japanese cars in 1980.

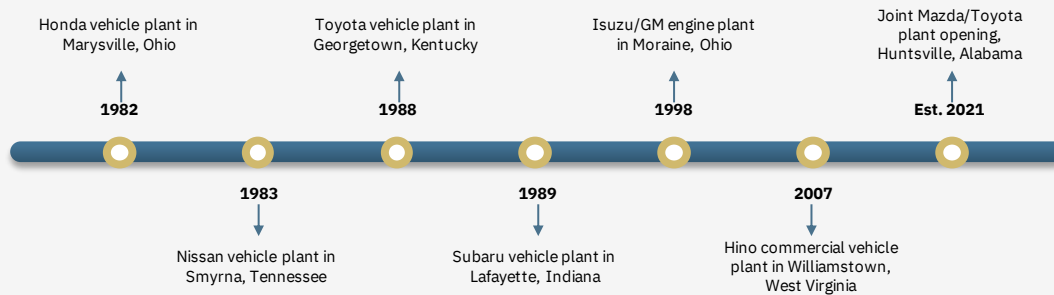
In year two, the quota was to increase only if the domestic industry would grow. Japan’s government was free to set its own limit for the third year. However, only the number of car imports were fixed; hence, Japan shifted to exporting bigger and more expensive models. This further challenged US OEM in their core segment. In 1983, Japan’s cars held ~23% market share in the US vs 11% in the UK and a mere 3% in France.

By then, Japan’s OEM started to set up manufacturing facilities in the US, focused on producing smaller cars, while still importing bigger and luxury cars. This did not violate the quota but significantly spiked the value of imports to the US. Following several trade negotiations, Japan’s OEM agreed to increase the percentage of components of US parts in US-built Japanese cars from 50% to at least 70% by 1992.

Separately, the then US president Bill Clinton threatened to use tariffs against Japan’s car exports (and more to bring Japan to the negotiation table), as the trade deficit with Japan was a rising concern at that time. For e.g., Clinton threatened to increase import tariffs on minivans from 2.5% to 25.0% and impose tariffs on 13 car imports from Japan by even 100%. However, the tariffs were not imposed and were more of a negotiation tool.

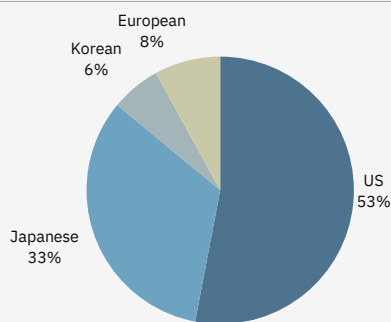
Thus, Japan’s OEM in the US agreed to increase production by 25% to 2.65mn units by 1995 and Japan agreed to import USD 2bn more in car parts. Since the 1980s, Japanese OEMs have increased production volumes in the US by 10x and grown their share of overall vehicle production in the US to >30% in CY19. Japanese OEMs held ~37% market share in the US, in CY24.

Exhibit 3: Initial US-based vehicle production facilities of Japanese OEMs– Development timeline



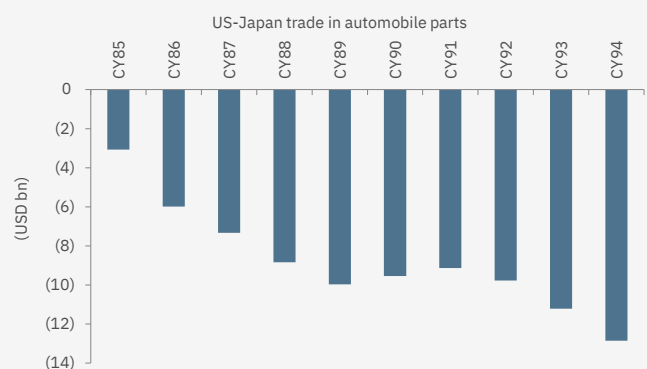
Source: Japanese Automobile Manufacturers Association (JAMA), Elara Securities Research

Exhibit 4: US – PV production by brand origin (CY19)



Source: Center for Automotive Research, Elara Securities Research

Exhibit 5: US-Japan trade deficit in automobile parts



Source: US Census Bureau, Elara Securities Research

Japan’s production helps the US auto industry, creating jobs enroute

As per Japanese Car Manufacturers Association (JAMA), since 1982, Japan’s automakers have cumulatively invested USD 53.3bn in their American manufacturing operations. Japan’s OEM have purchased >USD 1tn in US-made parts since 1986 (source: JAMA), with USD 61bn purchased in CY18 alone. Japan has also helped local manufacturing become more efficient with practices, such as ‘Just-in-time manufacturing’. The evolution of Japan’s auto industry in the US supported local employment. For e.g., in CY19, Japan’s automakers directly employed 98,291 workers in the US, across their manufacturing (and other) facilities.

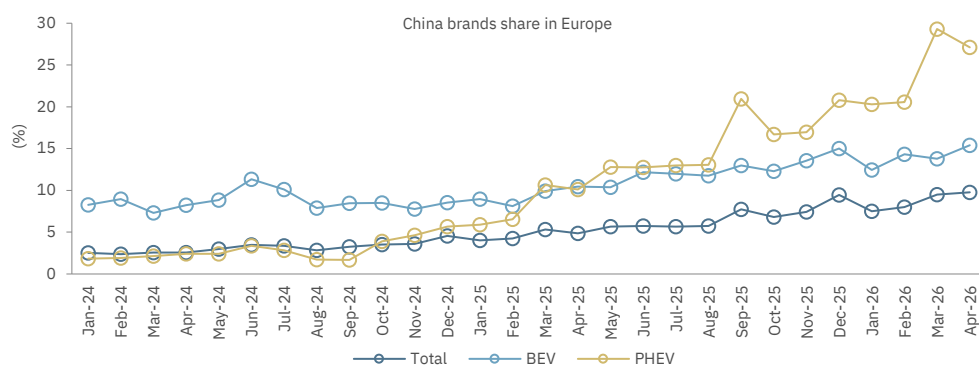
Is China walking the same road as Japan?

A similar pattern is emerging in the global markets, with the emergence of a new automotive superpower. Only this time, it is China and not Japan or South Korea. China seems to have cracked the NEV code. Developed Economies, such as the US and Europe, are trying to compete by imposing tariffs.

Historically, tariffs are an effective tool only in the short to medium term. And the industry eventually copes up with firms with better tech or value proposition (at present, China is in favor within NEV). As domestic firms fail to unveil lower-priced EV (more suitable for the mass market), consumers will eventually start perceiving China’s EV as more favorable options, offering better value proposition. Some may argue Japan and South Korean have better technology for hybrids and Europe for luxury. But the recent developments in China show that NEV are winning in the domestic markets and Global markets like Europe, ASEAN as well. They seem to position cars more like a smart device on wheels. It will be interesting to see the upcoming developments in the automotive industry to gauge the next leader of the new EV era. However, we expect China’s OEM to eventually localize in the Europe and the US markets to pose tough competition, especially to legacy OEM.

China repeating same strategy to expand in Europe and already gaining traction

Exhibit 6: Chinese brands continue to gain market share in Europe



Source: MarkLines, Elara Securities Research

Exhibit 7: Chinese brands continue to gain share in Europe

Overall Market share	CYTD25	CYTD26	Change bp
European brands	66.5	64.6	(186)
Chinese brands	4.7	8.9	417
Japanese brands	13.6	12.5	(116)
South Korean brands	8.2	7.4	(89)
US brands	6.3	6.2	(15)
Others	0.6	0.5	(11)
Total	100.0	100.0	

Note: CY26 until April; Source: MarkLines, Elara Securities Research

Exhibit 8: Chinese brands have gained market share in Europe in BEVs mainly at the cost of US and Japanese OEMs

BEV market share	CYTD25	CYTD26	Change bp
European brands	61.1	63.1	201
Chinese brands	8.7	11.8	305
Japanese brands	3.9	2.7	(115)
South Korean brands	6.8	8.2	136
US brands	19.4	13.6	(578)
Others	0.0	0.0	0
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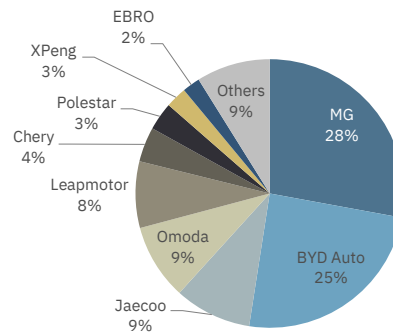
Source: MarkLines, Elara Securities Research

Exhibit 9: However, market share gains by Chinese OEMs in PHEV is more significant due to the tariffs applicable on BEV imports; the share gain is mainly from European brands

PHEV market share	CYTD25	CYTD26	Change bps
European brands	70.8	61.5	(929)
Chinese brands	8.8	25.1	1,638
Japanese brands	9.3	5.6	(368)
South Korean brands	5.2	3.5	(167)
US brands	6.0	4.2	(173)
Others	0.0	0.0	0
Total	100.0	100.0	

Note: CY26 until April; Source: MarkLines, Elara Securities Research

Exhibit 10: Composition of Chinese brands in Europe CYTD26



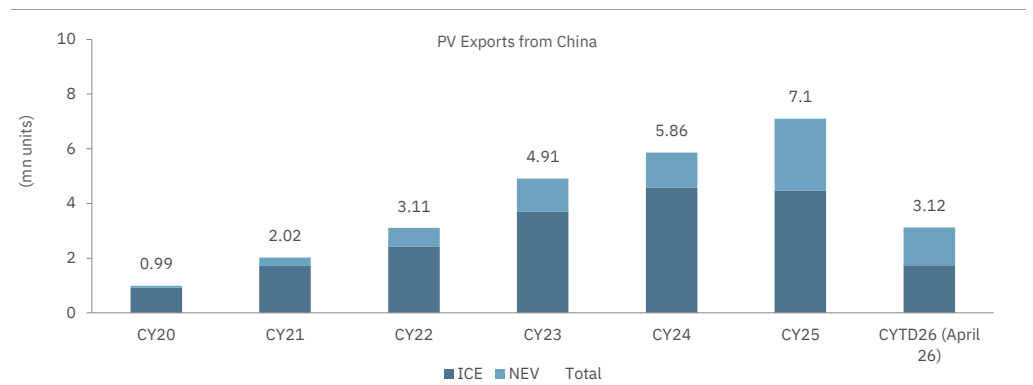
Source: MarkLines, Elara Securities Research

Exhibit 11: BYD gaining market share in Europe, led by PHEV and BEV

(%)	Total		BEV		PHEV	
BYD: Market share	CYTD25	CYTD26	CYTD25	CYTD26	CYTD25	CYTD26
Europe Total	0.9	2.2	3.5	5.0	4.2	11.4

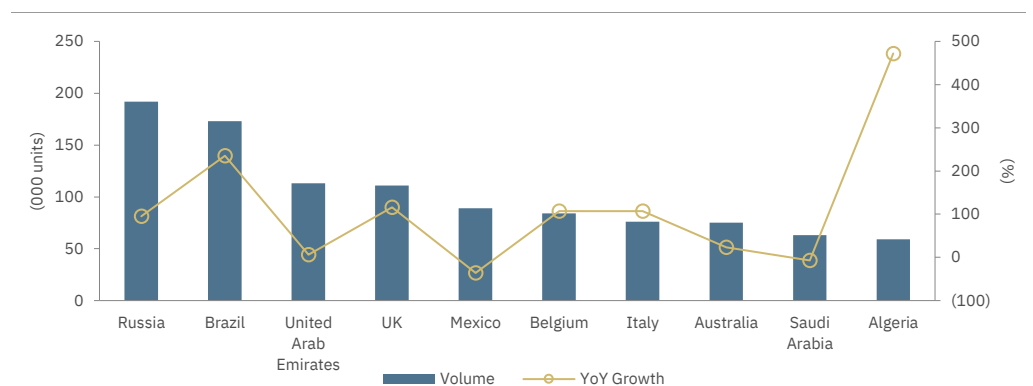
Source: MarkLines, Elara Securities Research

Exhibit 12: Auto exports from China grew by 61% in CYTD26 (till April); reached 7.1mn units in CY25



Source: Automobility, Elara Securities Research

Exhibit 13: Top 10 exports destination from China and growth in those markets (Q1CY26)



Source: Automobility, Elara Securities Research

Exhibit 14: Chinese OEM European capacity expansion (2025-27)

OEM /& Brand	Expansion type	Primary location	Key Strategy Details	Timeline and milestones
BYD	Localized Mfg & Plant Acquisition	Szeged, Hungary; Italy (Discussions)	Mass production at the Szeged plant to serve the European market. Ongoing talks to acquire idle capacity from legacy European firms	2026: Szeged production start; June 2026: Launch of ATTO 2 DM-i/Dolphin G PHEV; 2027: Full model change for Han Sedan
Leapmotor	Partnered Mfg & Global Expansion	Tychy, Poland (SKD); Jinhua/Hangzhou, China	Leveraging Stellantis infrastructure for European SKD assembly while ramping up specialized JV plants with FAW for export models	2024-2025: T03 SKD production in Poland; H2 2026: Mass production of FAW cooperative model for overseas markets; 2026: Qiantang Plant startup
XPENG	Contract Mfg & R&D Localization	Munich, Germany; Austria (Logistics)	European R&D hub in Munich focuses on user needs. Utilizing Magna Steyr for P7+ pilot production and building an independent supply chain	Sept 2025: Munich R&D Center open; 2026: Pilot P7+ production with Magna; 2026: Scheduled mass production of L4 autonomous vehicles
Geely (incl. Zee kr / Lynk & Co)	Retail & Service Infrastructure	Germany, Netherlands, UK	Pivoting to direct subsidiaries and specialized stores (aiming for 1,300) to support a 1mn-unit exports target	2026-27: Ongoing rollout of direct sales subsidiaries and transition from general agents in primary European markets
Li Auto	R&D Center	Munich, Germany	Focus on localized intelligence technology R&D for the European business ecosystem	2025-2026: Development and refinement of ADAS and intelligent cockpit features for regional adaptation.
LUXEED	Sales/Marketing Network	Pan-European	High-profile market entries for luxury intelligent EVs supported by local partner service networks	2026: Scheduled European overseas debut; 2027: Anticipated completion of flagship marketing and service hubs in Tier 1 cities

Source: MarkLines, Elara Securities Research

Why 2026 is faster and more durable than 1973

The 1973 parallel is instructive, but the structural conditions in 2026 are significantly more favorable for a rapid, durable transition. Three differences are decisive: the technology is already commercially deployed at scale; the regulatory framework was already in place before the shock; and the consumer economics case crosses over at a much lower oil price threshold than in 1973.

Exhibit 15: Current structural change is faster and more durable than 1973

1973-then	2026-now
<p>Technology readiness: Japan’s ICE compacts were ready but required years of US dealer network and service infrastructure buildout before they could scale</p>	<p>Technology readiness: BEV are commercially mature across most segments in Europe; OEM product pipelines are fully committed; charging infrastructure already at scale</p>
<p>Pre-existing policy: CAFE standards did not exist in 1973 — took two years to legislate and three more to implement; policy pulled after the shock, not before</p>	<p>Pre-existing policy: Standards already in force globally to reduce sales of ICE vehicles; ZEV mandates in UK, Norway, Netherlands — policy was pulling before the shock hit</p>
<p>Consumer crossover price: Japan’s cars were simply cheaper to run at any fuel price; the crossover was immediate once supply was disrupted</p>	<p>Consumer crossover price: TCO crossover for BEV vs ICE already favorable in most European markets; the oil shock pushed every consumer above the threshold simultaneously</p>
<p>Market share shift lag: Full structural shift took ~10 years to register statistically; import share did not peak until 1982</p>	<p>Market share shift lag: BEV order intake surge already visible in Q1CY26 conference calls; delivery lag of 6–18 months means revenue impact registers in H2CY26 and CY27 — not a decade</p>
<p>Emerging markets parallel: First shock had limited direct impact on emerging markets mobility; low motorization rates, no viable alternative product</p>	<p>Emerging markets parallel: Electric 2W & 3W already commercially competitive in India and SE Asia;</p>

Source: Elara Securities Research

Exhibit 16: Four lessons from the parallel – what this means for the auto supply chain



Source: Elara Securities Research

Industry Voices on Rising EV Demand

What global OEM and ancillaries say about EV demand

European OEM – bullish on EV reacceleration

Harald Wilhelm, Chief Financial Officer

Mercedes-Benz Q1 CY26 conference call

*"For Europe, definitely we see that very recently with the Middle East crisis, the fuel price spike, the dependencies on fuel, there is definitely a **favorable momentum picking up.**"*

*"BEV numbers in terms of order intake in Europe – **107% up.** Obviously, you do not see that in sales yet, but it is a good indicator for what is to come. That is what we had been working for so hard."*

Walter Mertl, Chief Financial Officer

BMW Group Q1 CY26 conference call

*"BEV demand within the EU – whether this is due to gas prices, whether this is due to something else, or because of the wonderful product iX3 – of course, all of the factors will play a role. I am sure this is why the demand **increased by more than 60% for BEV in the past year.**"*

Arno Antlitz, CFO & COO

Volkswagen Group Q1 CY26 conference call

*"In total, we see **more demand for BEV**, or interest in BEV – let me put it that way – although ICE and BEV order intake both increased."*

Duncan Minto, Chief Financial Officer

Renault Group Q1 CY26 conference call

*"April order take continues to be strong. Not seen anything slow down compared to what we are talking about at the stop date of 31 March. Seeing the same trend with an **acceleration in the pickup of EV mix.**"*

India OEM – EV momentum building domestically

Shailesh Chandra, MD & CEO

Tata Motors PV (TMPV) Autocar interview

"There is a sharp jump in just two months; it is about 2-2.5x what it used to be for EV. The momentum has intensified further in the last few weeks. People want at least one electric car in their garage"

"If I just take the example of May, my demand, which I measure in terms of bookings and not enquiries, electric vehicle bookings would be nearly 30 percent of my demand"

Partho Banerjee, Senior Executive Officer, Marketing & Sales

Maruti Suzuki (MSIL) Autocar interview

"We are seeing very good traction in EV. At the same time, we need to wait until August and September when capacities are enhanced"

"The CNG vehicles booking, if earlier it was coming at a rate of X, after that announcement, it has become 1.4x"

"Bookings for the eVitara almost doubled in May 2026. Petrol and diesel prices have been hiked by nearly INR 8 per liter in the past 11 days"

India ancillary – supply chain reading the same signal

Vivek Vikram Singh, MD & Group CEO

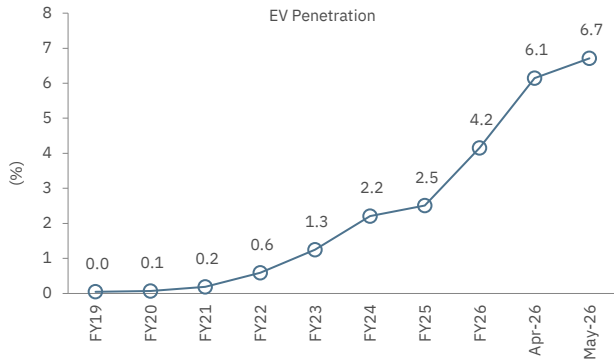
Sona BLW Precision Forgings Autocar interview

*"What is happening [with European Tier-1 bankruptcies] is less about an EV slowdown and more about **write-offs from badly timed non-fungible capacity investments.** EV sales in Europe have shown significant growth spurts – a **50% jump** in certain recent periods."*

Global EV Adoption Picking Up

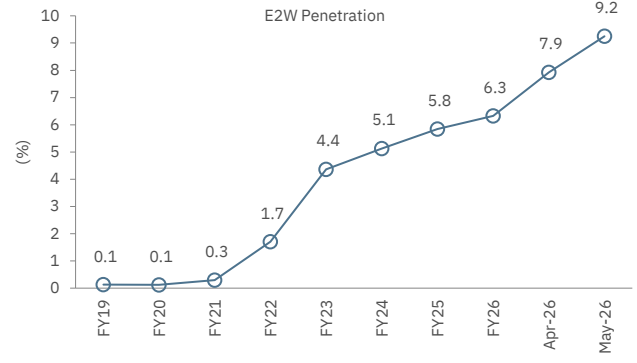
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Exhibit 17: ePV penetration reaches 6.7% in May 2026



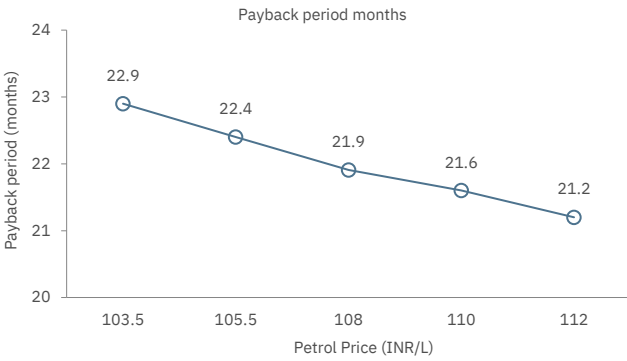
Source: Vahan, Elara Securities Research

Exhibit 18: e2W penetration reaches 9.2% in May 2026



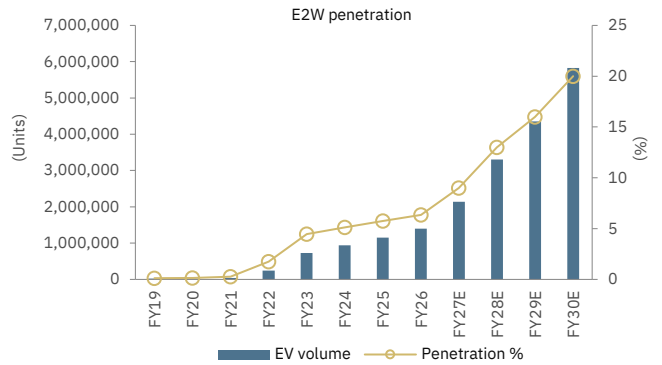
Source: Vahan, Elara Securities Research

Exhibit 19: Sensitivity of petrol prices vs payback period for e2W – higher petrol prices support EV penetration



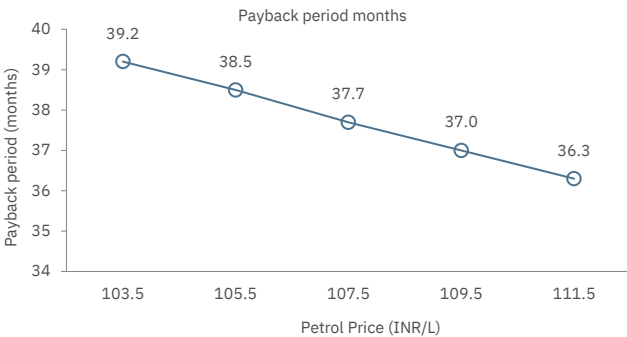
Source: Elara Securities Estimate

Exhibit 20: We expect e2W penetration to reach 20% by FY30E



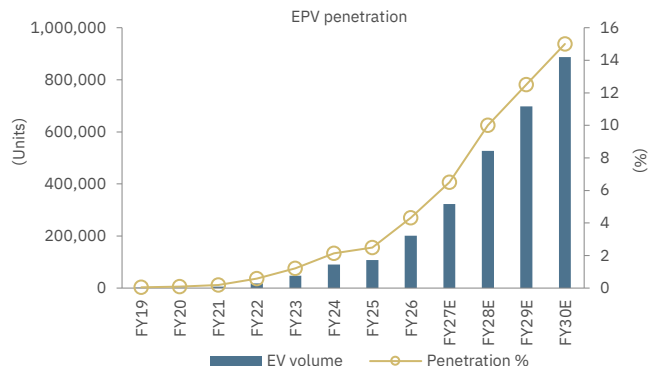
Source: Vahan, Elara Securities Estimate

Exhibit 21: Sensitivity of petrol prices vs payback period for ePV – higher petrol prices support EV penetration



Source: Elara Securities Estimate

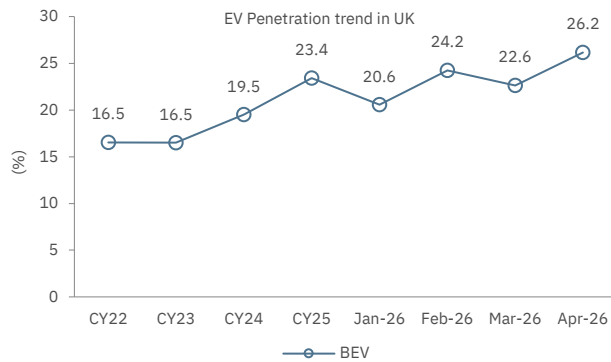
Exhibit 22: We expect ePV penetration to reach 15% by FY30E



Source: Vahan, Elara Securities Estimate

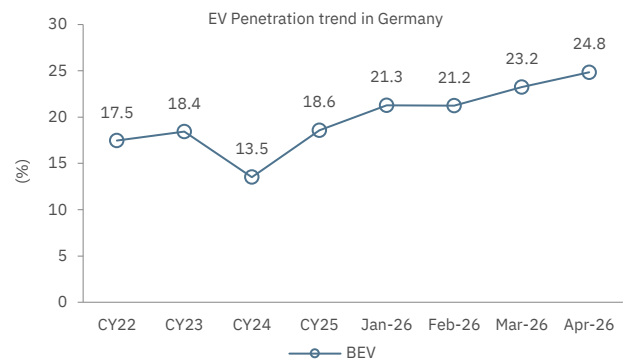
Europe EV trends

Exhibit 23: UK – BEV penetration reaches 26% in April 2026



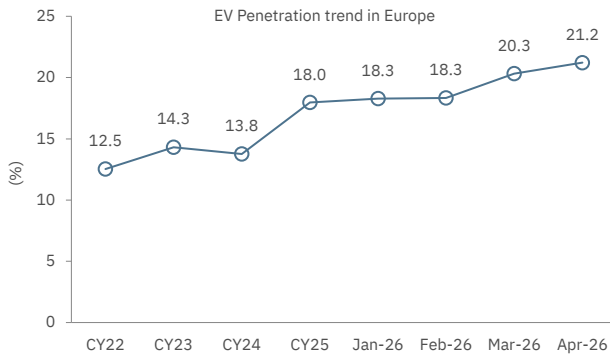
Source: MarkLines, Elara Securities Research

Exhibit 24: Germany – BEV penetration at 25% in April 2026



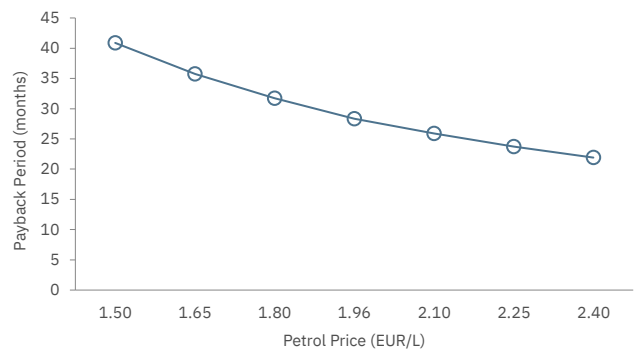
Source: MarkLines, Elara Securities Research

Exhibit 25: Europe – BEV penetration reaches 21% in April 2026 and sees revival post Middle East conflict



Source: MarkLines, Elara Securities Research

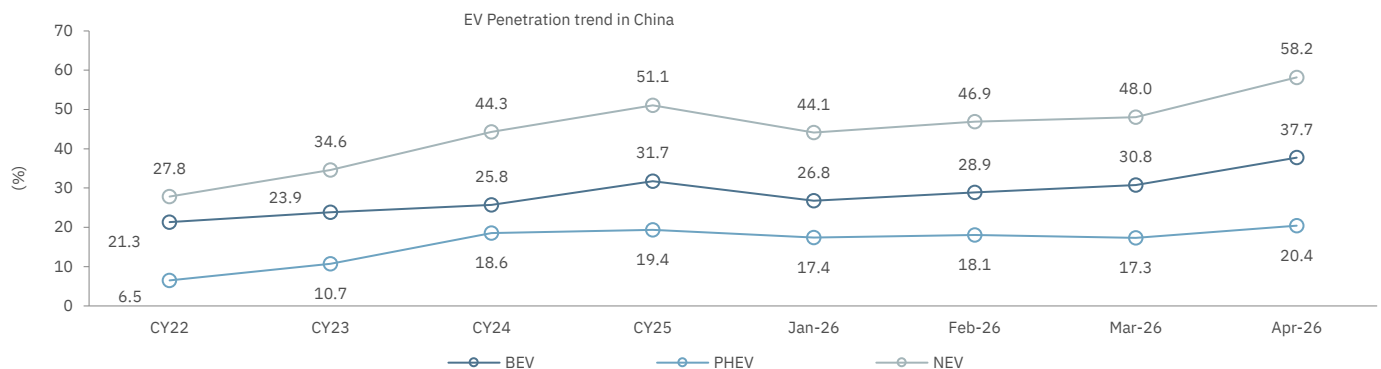
Exhibit 26: Sensitivity of petrol prices vs payback period for ePV – higher petrol prices support EV penetration (Germany)



Source: Elara Securities Estimate

China – EV sales revives on higher oil prices

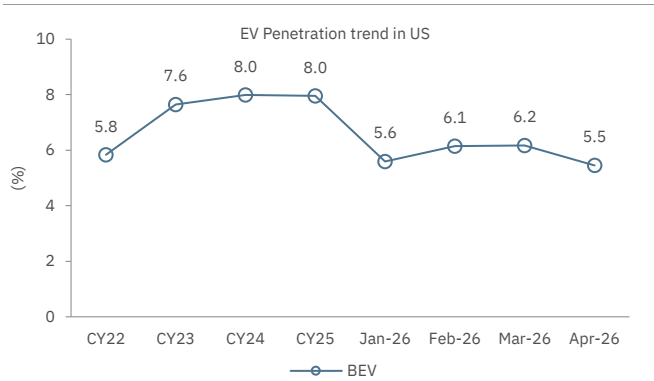
Exhibit 27: China – BEV penetration reaches 37.7% in April, while NEV penetration touches 58% amid rising oil prices



Source: MarkLines, Elara Securities Research

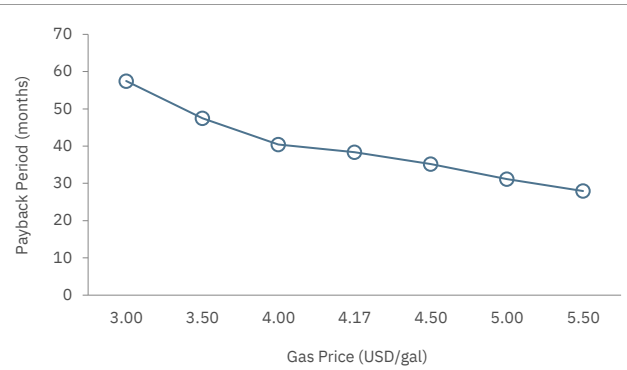
US – the only exception

Exhibit 28: US – BEV penetration lags



Source: MarkLines, Elara Securities Research

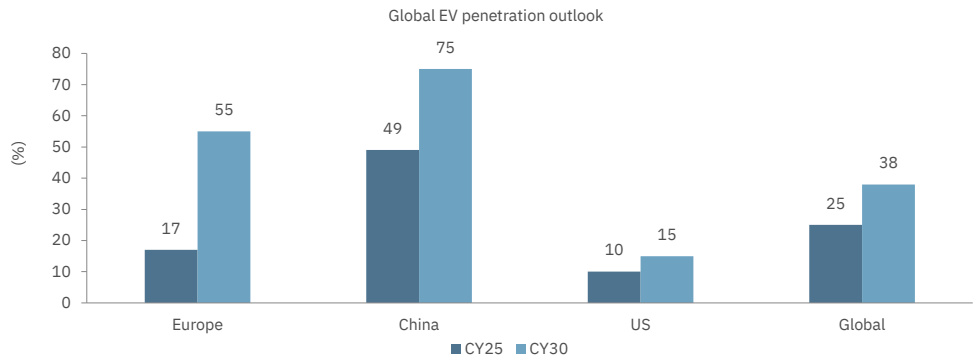
Exhibit 29: Sensitivity of petrol prices vs payback period for ePV – higher petrol prices support EV penetration



Source: MarkLines, Elara Securities Research

Global outlook of EV (BEV+PHEV) penetration

Exhibit 30: China, Europe to drive global EV adoption



Source: S&P Mobility, IEA, Elara Securities Research

Key Ancillaries Benefitting from Increasing EV Adoption

Within India's auto ancillaries space, EV adoption is set to accelerate the premiumization trend. Further, we prefer ancillaries to be beneficiaries of other mega trends, such as lightweighting, active safety, connected, and electric, as per our thematic *LACE Effect* report.

LACE: Framework for Navigating Auto Ancillary Disruption

LACE – an acronym for Lightweighting, Active Safety, Connected Vehicles, and Electrification – represents four structural megatrends that are collectively reshaping the auto ancillary landscape globally and in India. Lightweighting is being driven by tightening emissions and fuel efficiency regulations, accelerating the substitution of traditional steel components with aluminum and plastics across powertrains & body structures; key beneficiaries are forging, casting, and bearing companies. Active safety encompasses technologies, such as ABS, ESC, and ADAS that are transitioning from premium-segment optional to regulatory mandates across vehicular categories; wiring, braking, and electronics system suppliers stand to gain. The Connected vehicles megatrend is giving rise to a new ecosystem of in-vehicle electronics, telematics, and software-defined features – benefitting auto electronics manufacturers and technology-adjacent ancillary suppliers. Electrification is the most structurally disruptive of the four: the EV components market in India alone is projected to scale meaningfully during FY25–30, with engine and powertrain-exposed suppliers facing secular content risk while powertrain-agnostic and EV-specific component makers stand to gain disproportionately.

Across the LACE matrix, auto electronics emerges as the broadest beneficiary, exposed on the positive to all four megatrends. Tyres remain largely insulated from the EV transition. Engine and powertrain components face the sharpest structural headwinds, while suspension, braking, castings, and forgings present a more nuanced picture – benefitting from lightweighting and active safety tailwinds even as electrification introduces long-term volume risk.

Electronics key beneficiary of LACE megatrend

Exhibit 31: Ancillaries focuses on electronics key beneficiary of LACE megatrend

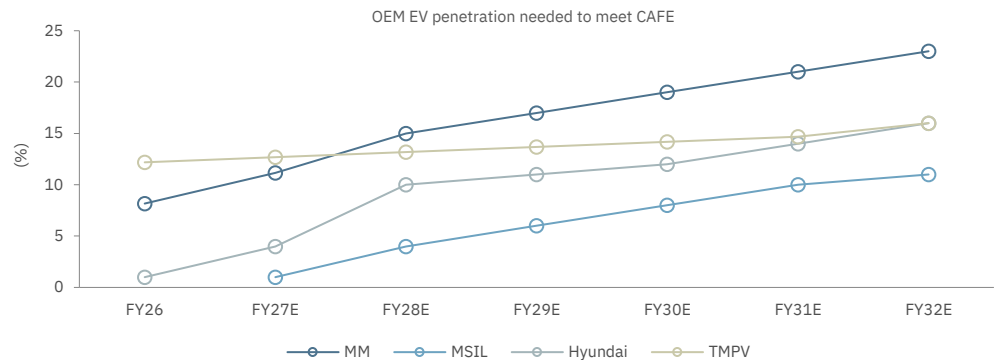
	Lightweighting	Active Safety	Connected	Electrification	Listed companies
Auto electronics	↔	↑	↑	↑	Uno Minda, Bosch, Samvardhana Motherson (SAMIL), Minda Corp, Varroc
Lead acid batteries	↓	↔	↔	↓	Amara Raja, Exide Industries
Bearings	↑	↔	↔	↓	Schaeffler India, SKF, Timken, NRB Bearings
Engine components	↑	↔	↔	↓	Bosch, Federal Mogul Goetze, Shriram Pistons and Rings, Precision Camshafts, Rico Auto
Castings	↑	↔	↔	↓	Endurance Tech, CIE Automotive, Rico Auto, Bharat Forge
Forgings	↑	↔	↔	↓	Bharat Forge, MM Forgings, RK Forgings, CIE Automotive
Lightings	↔	↑	↔	↔	Varroc, Fiem Industries, Lumax Industries
Suspension and braking	↑	↑	↔	↔	Endurance Tech, ZF CV Systems, Gabriel India, Jamna Auto, Automotive Axles
Tyres	↔	↑	↔	↔	Apollo Tyres, MRF, CEAT, JK Tyres, Balkrishna Industries
Wiring harness	↓	↑	↔	↑	MSWIL, SAMIL, Minda Corp

Note: Green arrow up –content increase; yellow arrow sideways –neutral; red arrow –decline in content; Source: Elara Securities Research

EV resurgence to aid OEMs to meet CAFÉ regulations comfortable

As per our calculations, OEM need EV penetration of ~8-20% to meet the CAFE regulations, which looks achievable to us.

Exhibit 32: India OEM need EV penetration at ~8-20% to meet the CAFÉ norms by FY30, which looks achievable



Note: Calculated based on the April 202 draft notification; Source: Company, Elara Securities Estimate

Key ancillaries adopting the EV trend

Exhibit 33: Key ancillary companies EV revenue and current orderbook

Company	EV revenue (INR mn / %)	EV orderbook	Comments
Sona Comstar	~35% of FY26 revenue	70% of orderbook	EV gaining momentum post Middle East crisis will propel acceleration in orderbook getting executed at a faster pace
Uno Minda	In Q4FY26, ~4.4% from EV system; Green Mobility (EV+CNG) ~8%	Orders in place with new facilities dedicated to EV products entering SOP in upcoming quarters	Strong orderbook and new projects coming online to support higher content per vehicle. Beneficiary of EV adoption and premiumization trends
Minda Corporation	~8 to 10% revenue in FY26 and ~22% of Flash Electronics (Minda holds 49% stake) is from EV	Lifetime orderbook: INR 100,000mn, including multiple EV new order wins	Strong orderbook and localization potential of EV components. Higher EV adoption to benefit Flash. Beneficiary of premiumization
SAMIL	~11% of FY26 revenue	~22% of total order book (USD 21bn)	Chinese OEM gaining share globally and in Europe - negative
MSWIL	~6% of FY26 revenue	Not specified	Increasing EV adoption will favor zonal architecture, negative for wiring harness
Endurance Technologies	~3-5%	~24% of FY26 standalone business orders are from EV. ~39% orders are from EV and 45% of orders are from Hybrid for Europe business in the past five years	Beneficiary of EV gaining traction
Schaeffler India	~35% in Q4FY26 (from automotive technologies which includes EV as well)	Not specified	NA
Sansera Engineering	~4.8% of FY26 revenue	~11% of total orderbook	NA
Varroc Engineering	~13% of FY26 revenue	>65% of total orderbook	NA
Amara Raja	~8% revenue is from the new energy business	NA	While the entry into Li-ion is positive, it is structurally negative for the core lead acid business. We remain cautious on Li-ion investments as it is highly capital intensive with low return profile
Exide	~4% is from EESL		While the entry into Li-ion is positive, it is structurally negative for the core lead acid business. We remain cautious on Li-ion investments as it is highly capital intensive with low return profile

Source: Company, Elara Securities Research

Minda Corp -- beneficiary of LACE megatrends and rising premiumization

Exhibit 34: Premiumization of existing products to drive growth



Source: Company, Elara Securities Research

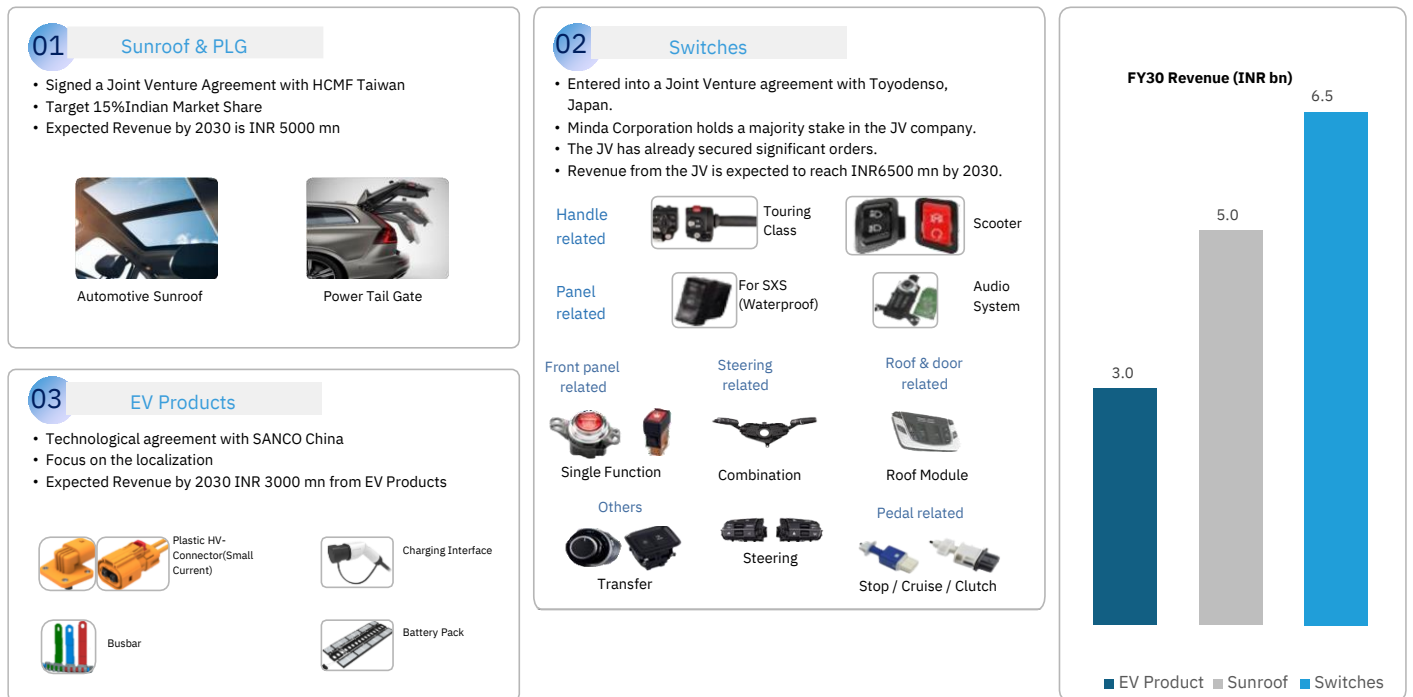
Exhibit 35: Combined kit value for EV ~double of current Minda Corp content

Offered By	Products	Kit value (INR)
MCL	Off Board Battery Charger	12,000 – 15,000
	DC-DC Converter	
	Charging Gun	
	High Voltage Wiring Harness	
	TFT Instrument Cluster	
	Cell Contact System	
	Bus Bar	
	EVSE	
	Charging Solutions	
	Battery Telematics	
Flash	EV Traction Motors	18,000 – 20,000
	Motor Controller Unit	
	BLDC Motors with Fan Assembly	
	Primary Gears	
	IDU Mid Drive Motors	
	Telematic Control Unit	
	Vehicle Control Unit	
Kit value of Powertrain specific e2W		30,000-35,000

Source: Company, Elara Securities Research

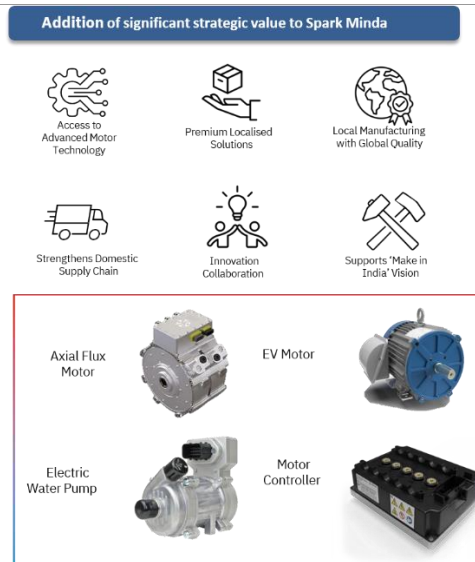
Strategic expansion to add new products

Exhibit 36: Entry into new product categories to drive growth



Source: Company, Elara Securities Research

Exhibit 37: Joint Venture with Turntide Drives to deliver premium localized EV ecosystem solutions



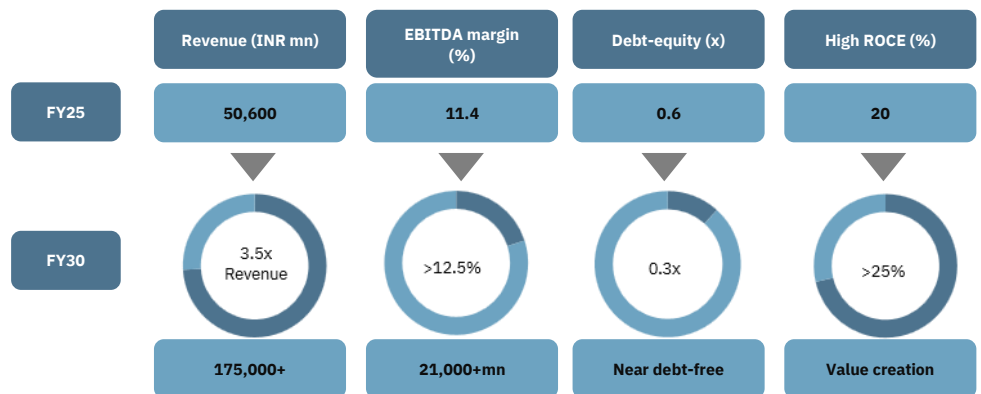
Source: Company, Elara Securities Research

Exhibit 38: JV with Toyodenso for switches – orders already in place



Source: Company, Elara Securities Research

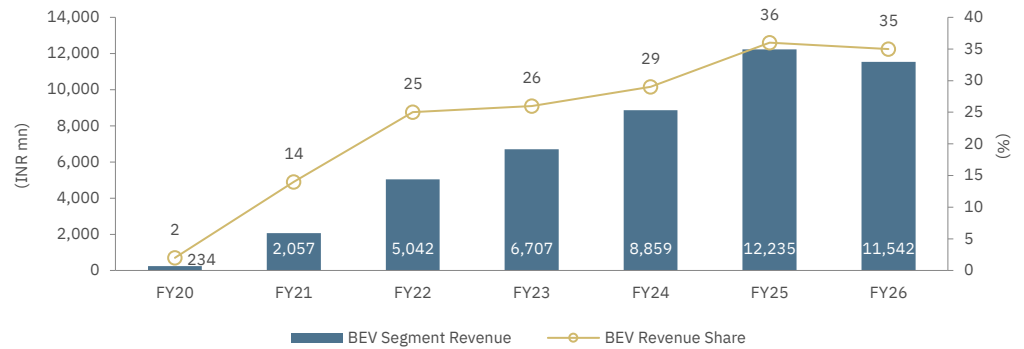
Exhibit 39: Vision 2030 target



Source: Company, Elara Securities Research

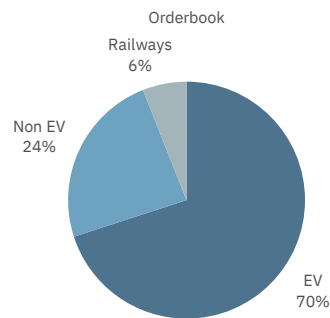
Sona BLW -- beneficiary of renewed focus on global EV adoption

Exhibit 40: Sona BLW BEV share is total revenue 35% in FY26



Source: Company, Elara Securities Research

Exhibit 41: Sona BLW orderbook – 70% from EV



Source: Company, Elara Securities Research

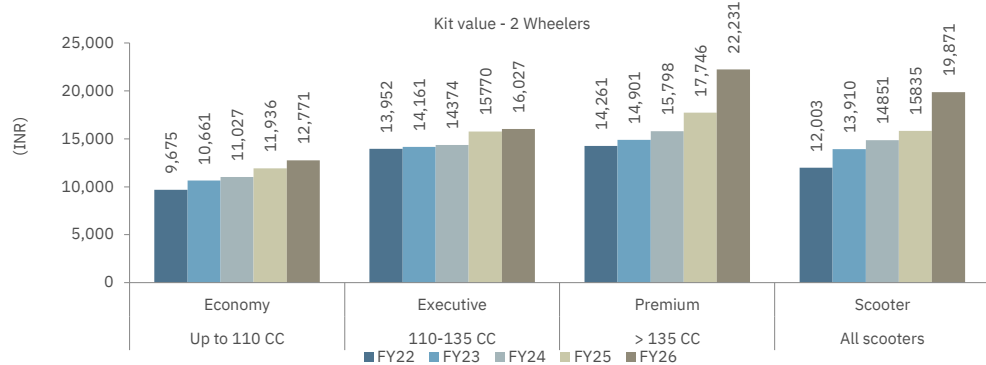
Exhibit 42: FY27-28 to see acceleration in order executions

Product & program description	Customer profile	Geography	Lifetime value (INR bn)	SOP quarter
Final Drive Differential Assembly for Electric Cars & SUVs	European OEM of PVs and EVs	Europe	16.0	FY26-27
Rotor Embedded Differential Sub-Assembly and Epicyclic Geartrain	North American New Age OEM of Electric PVs	North America	15.2	Q4FY26
In-cabin ACAM radar sensor (first sensors product win)	Asian new-age EV PV OEM (new customer)	Asia	1.5	Q3FY27
Integrated motor controller (suspension motor) – new vehicle model, existing program	European luxury performance PV OEM (existing customer)	Europe	1.8	Q2FY27
Integrated motor controller (suspension motor) – new customer	Asian new-age EV PV OEM (new customer)	Asia	6.4	Q2FY27
Differential assembly for recreational off-highway vehicle	North American OHV OEM (existing customer)	North America	2.6	Q2FY28
Differential assembly for electric PV (large order)	North American OEM	North America	15.5	Q3FY28
4 driveline orders: 3 EV programs + 1 Hybrid (3 from European OEM – first time)	European OEMs (3) + other OEM	Europe (primarily)	5.8	FY27–28

Source: Company, Elara Securities Research

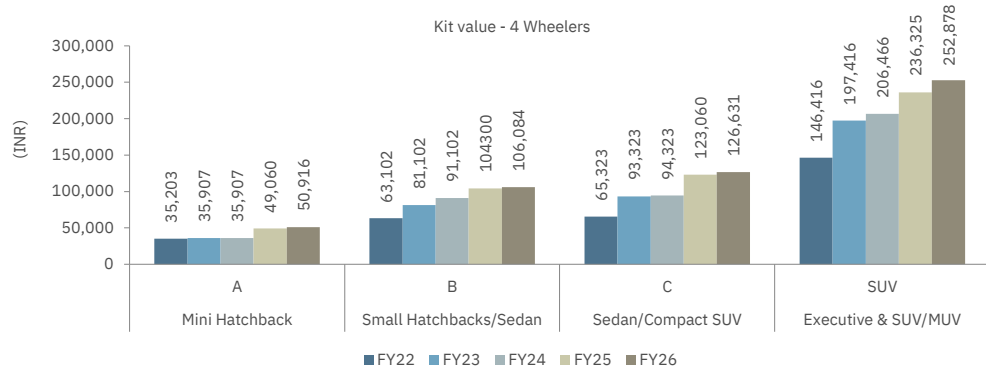
Uno Minda -- play on premiumization new product addition

Exhibit 43: Rising kit value driven by premiumization in 2W



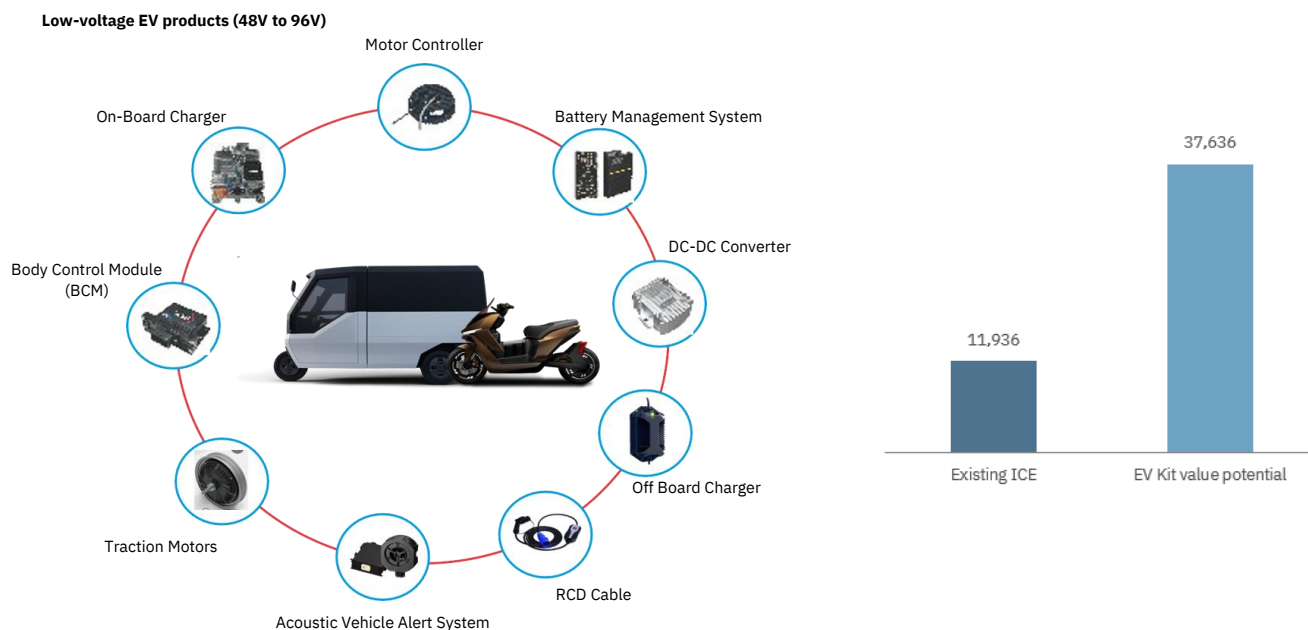
Source: Company, Elara Securities Research

Exhibit 44: ...similarly, rising kit value driven by premiumization in 4W



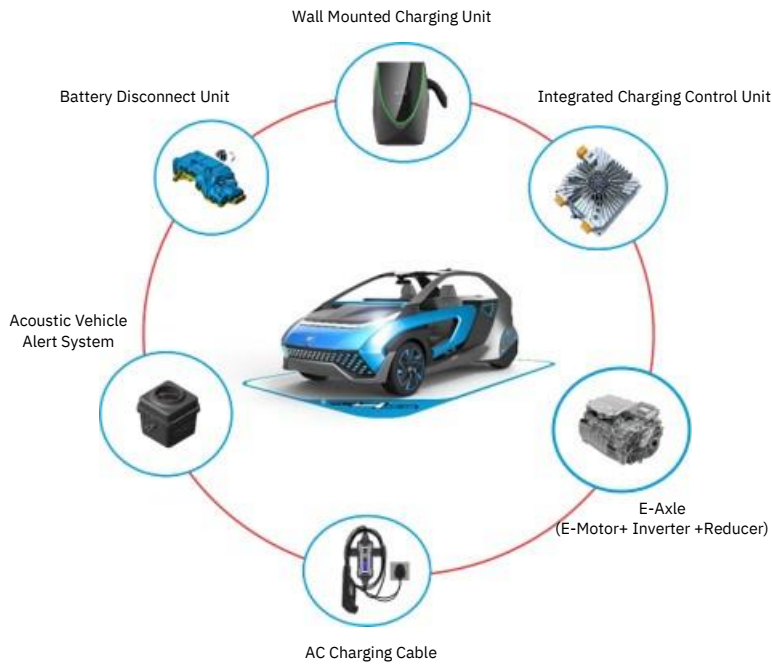
Source: Company, Elara Securities Research

Exhibit 45: Uno Minda's EV kit value is ~3x ICE kit value



Source: Company, Elara Securities Research

Exhibit 46: Uno Minda ePV strategy



Under production and orders won

- ▶ Battery Disconnect Unit
- ▶ AC Charging Cable
- ▶ Integrated Charging Control Unit (OBC + DC, DC + PDU) (Low Voltage)
- ▶ EVSE-Wall Mount Charging Unit
- ▶ Electric Drive Unit (EDU) and e-Axle (E-Motor+ Inverter+ Reducer)

Under Self-development and TLA done

- ▶ Acoustic Vehicle Alert System
- ▶ Integrated Charging Control Unit (OBC + DC, DC + PDU) (High Voltage)

Source: Company, Elara Securities Research

Exhibit 47: Uno Minda’s 95% of product portfolio is powertrain-agnostic

Domains	Product Lines	ICE	H2 ICE	CNG	PHEV	HEV	BEV
Electronic & Control Systems	Portable Charging Unit				●		●
	Wall Mount Charger (EVSE)				●		●
Safety & Comfort Systems	Fuel Hoses & Fuel cap	●		●	●	●	
Lighting & Alternate Fuel	Alternate Fuel Systems		●	●			
Light Metal & Power Train	Air Filtration Systems	●	●	●	●	●	
	Canisters	●		●	●	●	
4W EV*	Combined Charging Unit (CCU)				●		●
	E-Motor/Generator				●	●	●
	E-Axle (EDU)				●	●	●
	Inverter				●	●	●
	Multi-function Controllers						●

Note: * Upcoming portfolio; Source: Company, Elara Securities Research

MOTHERSO – the most exposed to European legacy OEM, which are at threat from China’s aggressive expansion

Exhibit 48: Impact on MOTHERSO due to Chinese OEMs global expansion

Threats	Extent of threat	Comments
MOTHERSO’s sales within China	Low	MOTHERSO’s direct sales in China for PVs is <5%, through JVs; also around 80-90% of European sales in China is through local production; hence direct sales in China limited
Customers of MOTHERSO, especially European, under pressure	High	Profitability of EU customers severely strained, thus, ensuing a restructuring at their end even in Europe. This may impact MOTHERSO’s margin
Slowdown in European market	High	The European market contributes ~40% to MOTHERSO’s sales
Pressure on legacy OEMs’ BEV volume and plans in China and Europe	High	MOTHERSO’s BEV orders form ~24% of its orderbook. If European OEMs miss their BEV volume target volumes, this can impact revenue, margin and investments made in these models by MOTHERSO
Chinese OEMs gaining global PV market share in long-term		European and US legacy OEMs would thus come under pressure
If Chinese OEMs gain global market share with high exports out of China, then threat....	High	Within China, large Chinese OEMs have significant vertical integration capabilities. Hence, opportunities for suppliers are limited
If Chinese OEMs gain global market share with plants in respective countries, then threat...	Medium	If Chinese OEMs were to set up facilities in, say, Europe, the extent of vertical integration could be limited and hence, brewing some opportunity for suppliers
Opportunities		
	Extent of opportunity	
European competitor suppliers under stress and hence, inorganic opportunity	Medium	If MOTHERSO’s European supplier competitors come under stress, this would yield an inorganic opportunity. But, unlike past trend, this time, global PV market share may witness tectonic shifts in medium to long term and this may not necessary be a cyclical slowdown scenario (such as the GFC crisis). Hence, the customer exposure of target suppliers will be crucial
Non-Auto and EMS expansion (this is independent of China impact)	High	This will be positive for customer diversification and MOTHERSO’s valuation multiples.
Increasing exposure to currently low Japanese OEMs	High	Increasing presence of Japanese OEMs will help diversify revenue exposure. Japanese OEMs currently form just 2% of MOTHERSO’s revenues while Japanese OEMs’ global PV market share is ~20%

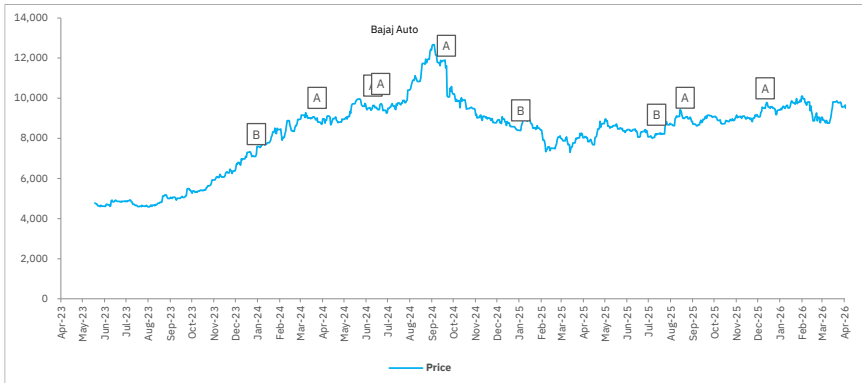
Source: Company, Elara Securities Research

Exhibit 49: Global OEMs guidance remain muted for CY26, implying weak organic growth for SAMIL

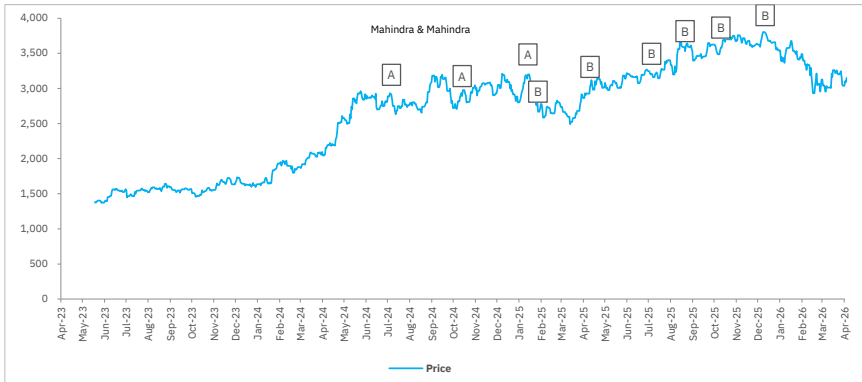
		CY26-27		CY25-26			
		(April-May 26)	(Feb-Mar 26)	Actual CY25-26	Revised (Oct-Nov 25)	Revised (Sep-Oct 25)	Revised (June-July 25)
Mercedes (Cars)	Unit sales	-2% to +2%	-2% to +2%	-9%	<-7.5%		<-7.5%
	EBIT Margin (%)	3%-5%	3%-5%	5%	4%-6%		4%-6%
	xEV share (%)	21% to 23%	21% to 23%	20%	20% to 22%		20% to 22%
BMW (Automotive)	Deliveries	-0.9% to +0.9%	-0.9% to +0.9%	0.5%	Slight increase		+1% to 4.9%
	EBIT Margin (%)	4% to 6%	4% to 6%	5.30%	5%-6%	5%-6%*	5%-7%
Porsche	Sales revenue (EUR bn)	35 to 36bn	35 to 36bn	36.3bn	37-38bn	37-38bn	37-38bn
	Operating return on sales (%)	5.5% to 7.5%	5.5% to 7.5%	1.10%	Slightly positive to 2%	Slightly positive to 2%	5%-7%
	BEV share (%)	24% to 26%	24% to 26%	22.20%	20%-22%	20%-22%	20%-22%
VW	Revenue Growth YoY (%)	Up 0% to 3%	Up 0% to 3%	Down 1% YoY	Around prior year level	Around prior year level	Around prior year level
	Operating margin (%)	4% to 5.5%	4% to 5.5%	2.80%	2 to 3%*	2 to 3%	4% to 5%
	BEV penetration (%)	NA	NA	11%	10%-14%	10%-14%	10%-14%
Audi	Deliveries (mn)	1.65 to 1.75mn	1.65 to 1.75mn	1.65 mn	1.65 to 1.75mn		1.65 to 1.75mn
	Operating return on sales (%)	6% to 8%	6% to 8%	5.10%	4% to 6%		5% to 7%
JLR	Revenue (GBP bn)						
	EBIT Margin (%)				0%-2%		5%-7%
	Free Cash flow (GBP bn)				-2.2 to -2.5		~0

Source: Company, Elara Securities Research

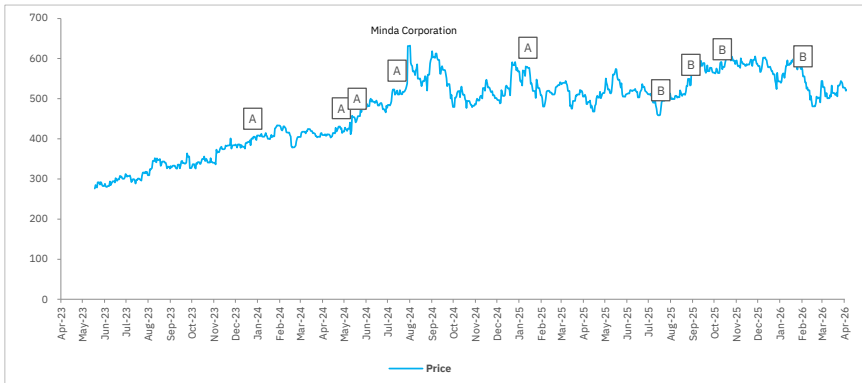
Coverage History



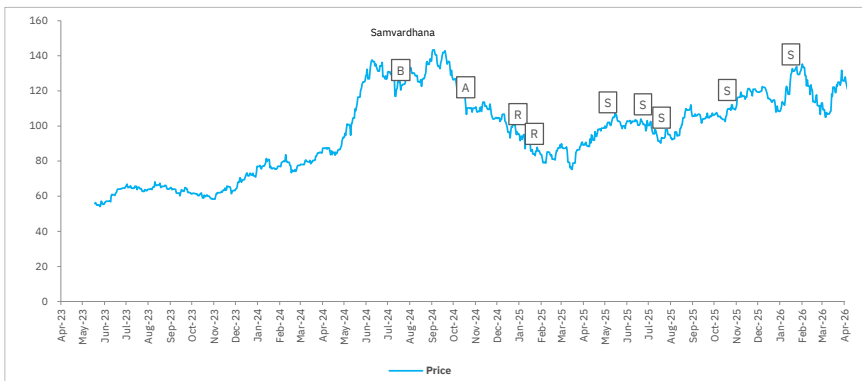
Date	Rating	Target Price (INR)	Closing Price (INR)
24-Jan-2024	Buy	8,600	7,213
18-Apr-2024	Accumulate	10,050	9,021
05-Jul-2024	Accumulate	10,717	9,636
16-Jul-2024	Accumulate	11,590	9,718
16-Oct-2024	Accumulate	13,013	11,617
28-Jan-2025	Buy	10,432	8,398
06-Aug-2025	Buy	9,892	8,179
15-Sep-2025	Accumulate	10,345	9,000
05-Jan-2026	Accumulate	10,657	9,503
06-May-2026	Accumulate	12,020	10,319



Date	Rating	Target Price (INR)	Closing Price (INR)
31-Jul-2024	Accumulate	3,285	2,929
07-Nov-2024	Accumulate	3,457	2,891
07-Feb-2025	Accumulate	3,654	3,198
21-Feb-2025	Buy	3,654	2,669
05-May-2025	Buy	3,755	3,022
30-Jul-2025	Buy	3,851	3,209
15-Sep-2025	Buy	4,216	3,590
04-Nov-2025	Buy	4,350	3,581
05-Jan-2026	Buy	4,747	3,802
05-May-2026	Buy	4,367	3,211



Date	Rating	Target Price (INR)	Closing Price (INR)
19-Jan-2024	Accumulate	460	400
22-May-2024	Accumulate	482	426
13-Jun-2024	Accumulate	503	450
08-Aug-2024	Accumulate	548	520
07-Feb-2025	Accumulate	638	577
12-Aug-2025	Buy	638	471
23-Sep-2025	Buy	680	535
06-Nov-2025	Buy	746	573
27-Feb-2026	Buy	775	556
22-May-2026	Buy	844	575



Date	Rating	Target Price (INR)	Closing Price (INR)
13-Aug-2024	Buy	213	181
12-Nov-2024	Accumulate	194	166
24-Jan-2025	Reduce	147	143
16-Feb-2025	Reduce	129	126
30-May-2025	Sell	129	152
18-Jul-2025	Sell	86	100
13-Aug-2025	Sell	83	93
13-Nov-2025	Sell	90	109
10-Feb-2026	Sell	107	129
20-May-2026	Sell	118	132

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