

Lumax Industries: Scaling up Capacity; Improving Margin Profile

February 13, 2026 | CMP: INR 6,330 | Target Price: INR 7,100

ADD

Expected Share Price Return: 12.2% | Dividend Yield: 0.5% | Expected Total Return: 12.7%

Sector View: Positive

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

Company Info

BB Code	LUMX IN EQUITY
Face Value (INR)	10.0
52-week High/Low (INR)	6,970/2,084
Mkt Cap (Bn)	INR 59.0 / \$0.65
Shares o/s (Mn)	9.3
3M Avg. Daily Volume	37,193

Change in CIE Estimates

	FY26E			FY27E		
INR Bn	New	Old	Dev. (%)	New	Old	Dev. (%)
Revenue	40.7	41.2	(1.2)	48.4	49.2	(1.7)
EBITDA	3.8	3.7	5.3	4.7	4.5	3.7
EBITDAM %	9.4	8.9	58 bps	9.7	9.2	50 bps
PAT	1.8	1.6	16.4	2.3	2.1	10.4
EPS (INR)	194.3	167.0	16.4	248.1	224.7	10.4

Actual vs CIE Estimates

INR Mn	Q3FY26A	CIE Est.	Dev. %
Revenue	10,527.2	10,804.7	(2.6)
EBITDA	1,106.1	961.6	15.0
EBITDAM %	10.5	8.9	161 bps
PAT	624.0	413.7	50.8

Key Financials

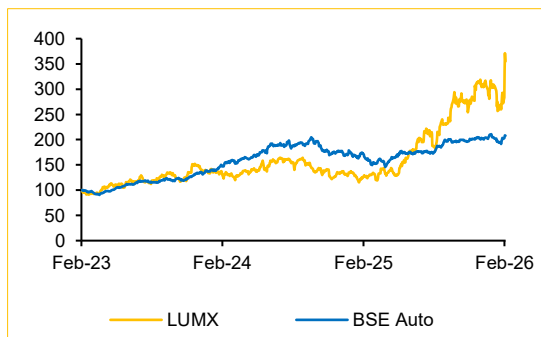
INR Bn	FY24	FY25	FY26E	FY27E	FY28E
Revenue	26.4	34.0	40.7	48.4	56.9
YoY (%)	13.7	29.0	19.7	18.8	17.7
EBITDA	2.3	2.8	3.8	4.7	5.6
EBITDAM %	8.7	8.2	9.4	9.7	9.9
Adj PAT	1.1	1.4	1.8	2.3	3.0
EPS (INR)	118.8	149.7	194.3	248.1	322.8
ROE %	16.5	18.1	20.2	21.5	22.8
ROCE %	9.9	10.0	13.2	15.8	17.6
PE(x)	53.3	42.3	32.6	25.5	19.6
EV/EBITDA	28.6	24.3	17.7	14.5	12.1

Shareholding Pattern (%)

	Dec-25	Sep-25	Jun-25
Promoters	75.00	75.00	75.00
FII's	1.38	1.13	1.18
DII's	5.71	5.98	5.75
Public	17.91	17.89	18.07

Relative Performance (%)

YTD	3Y	2Y	1Y
BSE Auto	107.9	41.5	26.3
LUMX	255.0	183.6	177.4



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Impressive Growth in LED Lighting & Strong PV Order Book: As of Q3FY26, the company's order book stood at INR 17,590 Mn (~52% of FY25 sales), of which the passenger vehicle segment contributed 66%. In Q3FY26, LUMX launched lighting systems for Tata Motors (Sierra and Punch), Mahindra (Erickshaw) and TVS (Apache RTX 300). The LED segment made up 81% of the order book and accounted for 61% of revenue in Q3FY26. **We expect the LED share to reach 65–70% in FY27E. We believe higher LED penetration and an increase in contribution by the PV segment will drive growth, as these segments have higher content value per vehicle.**

Setting up a Manufacturing Facility: LUMX is setting up a manufacturing facility in Bengaluru, Karnataka, with a capital investment of approximately INR 1,400 Mn. This plant will cater to newly-secured orders from Maruti Suzuki and Toyota. It is expected to achieve a peak annualised turnover of around INR 4,500 Mn once fully ramped up and is targeted for commissioning by Q4FY27E.

LUMX Mitigating Margin Pressure through Operating Leverage and Localisation Effort: LUMX saw an improvement in EBITDA margin in Q3FY26 on YoY basis supported by higher capacity utilisation and operating leverage. It was further aided by the localisation effort undertaken by the company for some of the components for LED lighting. These components are imported (achieved localisation at 30–35% and, going forward, expected at 50–55%). **We expect EBITDA margin to improve, going forward, driven by operating leverage and increasing localisation effort to source components for the LED segment.**

View and Valuation: We revise our FY26/27/28E EPS estimate upwards by 16.4%/10.4%/10.4% and arrive at a revised target price of **INR 7,100**. We value the company at 22x (previously 20x) on the average FY27/28E EPS and maintain our 'ADD' rating on the stock. **We assign a higher multiple to the company, supported by the planned capacity expansion at Bengaluru as well as improvement in EBITDA margin through operating leverage and localisation effort.**

Revenue, EBITDA Better; PAT Lower than Estimate

- Revenue was up 18.7% YoY and up 4.4% QoQ to INR 10,527 Mn (vs CIE est. at INR 10,805 Mn)
- EBITDA was up 58.2% YoY and up 24.7% QoQ to INR 1,106 Mn (vs CIE est. at INR 962 Mn). EBITDA margin was up 262 bps YoY and up 171 bps QoQ to 10.5% (vs CIE est. at 8.9%)
- APAT was up 86.4% YoY and up 75.1% QoQ to INR 624 Mn (vs CIE est. at INR 414 Mn)

LUMX (INR Mn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)
Net Sales	10,527.2	8,870.8	18.7	10,086.0	4.4
Material Expenses	6,898.7	6,148.0	12.2	6,522.2	5.8
Employee Expenses	1,246.7	877.2	42.1	1,205.7	3.4
Other Operating Expenses	1,275.7	1,146.4	11.3	1,471.0	(13.3)
EBITDA	1,106.1	699.2	58.2	887.1	24.7
Depreciation	384.1	271.0	41.7	369.3	4.0
EBIT	722.0	428.2	68.6	517.8	39.4
Interest Cost	186.1	194.0	(4.1)	188.0	(1.0)
PBT	159.1	169.9	(6.4)	119.6	33.1
RPAT	465.5	334.8	39.0	356.4	30.6
APAT	624.0	334.8	86.4	356.4	75.1
Adj EPS (INR)	66.8	35.8	86.4	38.1	75.1
Margin Analysis	Q3FY26	Q3FY25	YoY(bps)	Q2FY26	QoQ(bps)
Material Exp. % of Sales	65.5	69.3	(377.4)	64.7	86.7
Employee Exp. % of Sales	11.8	9.9	195.5	12.0	(11.1)
Other Op. Exp % of Sales	12.1	12.9	(80.5)	14.6	(246.7)
EBITDA Margin (%)	10.5	7.9	262.4	8.8	171.2
Tax Rate (%)	15.0	19.4	(440.0)	24.4	(933.5)
APAT Margin (%)	5.9	3.8	215.4	3.5	239.4

Source: LUMX, Choice Institutional Equities

Management Call – Highlights

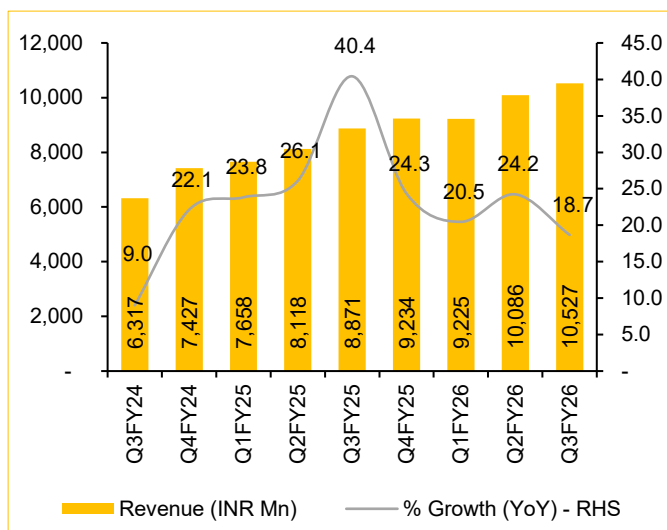
In this quarter, LUMX successfully launched lighting systems for various customers including Tata Motors (Sierra and Punch), Mahindra (E-rickshaw) and TVS (Apache RTX 300)

Future revenue visibility is strong as 81% of the current order book comprises LED-based products, reflecting the industry's shift towards advanced lighting technologies

The management raised capex guidance for FY26 to INR 3,500–4000 Mn so as to expedite the execution of projects, particularly for the new Bengaluru facility

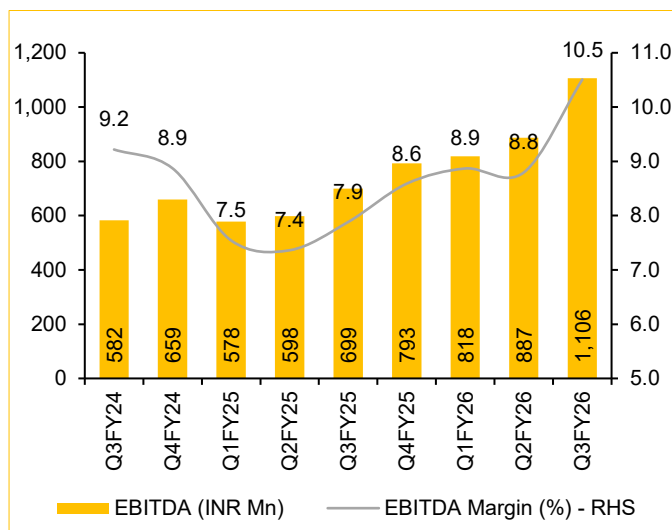
- LUMX reported its highest-ever quarterly revenue, achieving substantial growth of 18.7% as compared to the corresponding period last year
- The reported EBITDA margin for the quarter was positively impacted by an exceptional tooling gain. Excluding the gain, the company still achieved margin expansion aided by operating leverage
- The company's current order book stands at INR 17,590 Mn, with approximately 60% of these orders scheduled to go into production in FY27
- In this quarter, LUMX successfully launched lighting systems for various customers including Tata Motors (Sierra and Punch), Mahindra (E-rickshaw) and TVS (Apache RTX 300)
- Maruti Suzuki constitutes approximately one-third of the total order book, underscoring its status as a dominant customer for the company's lighting solutions
- The management has guided for revenue growth exceeding 20% in FY27E, with a long-term sustainable growth target of 15-20%
- The management aims to sustain double-digit EBITDA margin going forward, with a strategic long-term aspiration to reach 12% margin
- Future revenue visibility is strong as 81% of the current order book comprises LED-based products, reflecting the industry's shift towards advanced lighting technologies
- The overall localisation level reached approximately 30–35%, with specific components, such as SMT, being 100% localised and bare board PCBs achieving nearly 70% localisation
- The management raised capex guidance for FY26 to INR 3,500–4000 Mn so as to expedite the execution of projects, particularly for the new Bengaluru facility
- The Chakan Phase 2 facility is on schedule to commence operations in Q4FY26
- The planned Bengaluru plant is being fast-tracked so as to support upcoming models from Maruti Suzuki and Toyota and commissioning expected by Q4FY27

Revenue was up 18.7% on a YoY basis



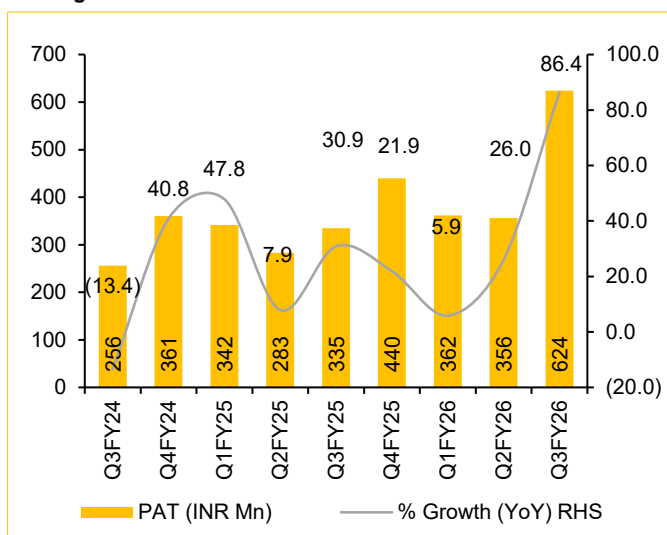
Source: LUMX, Choice Institutional Equities

EBITDA margin expanded 262 bps on a YoY basis



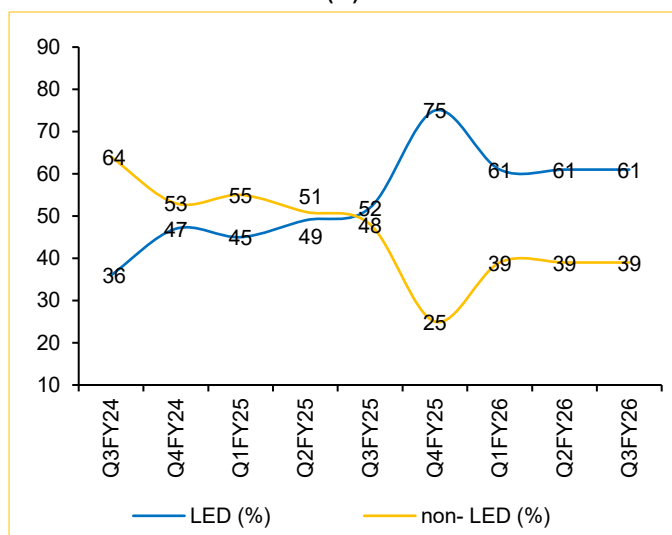
Source: LUMX, Choice Institutional Equities

APAT grew 86.4% on a YoY basis



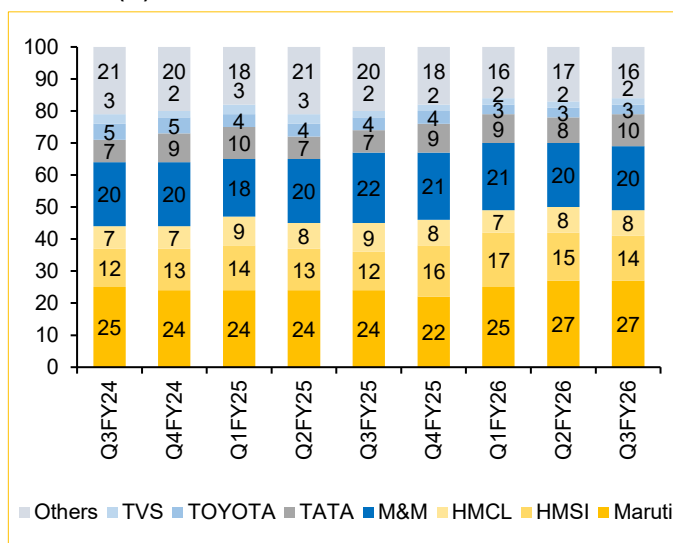
Source: LUMX, Choice Institutional Equities

LED and non-LED revenue mix (%)



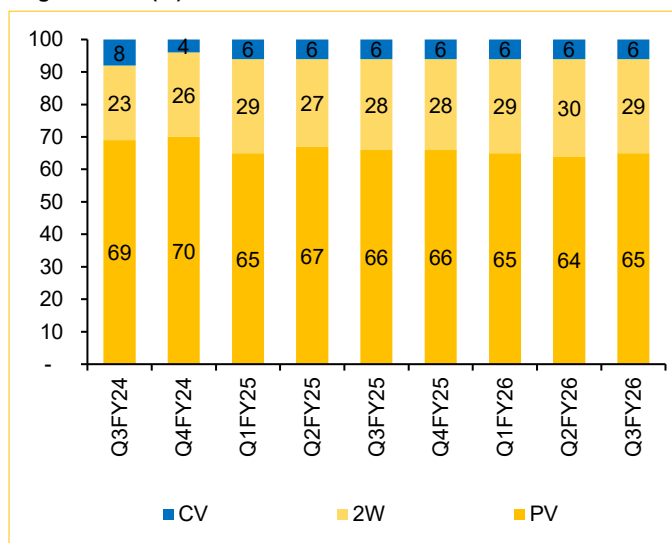
Source: LUMX, Choice Institutional Equities

Client mix (%)



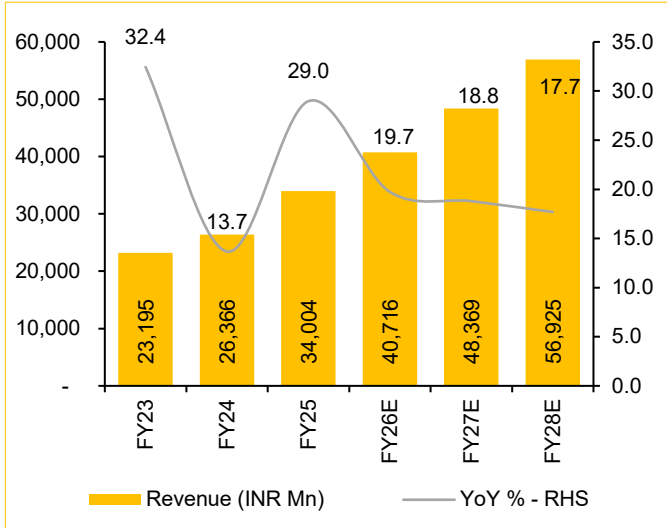
Source: LUMX, Choice Institutional Equities

Segment mix (%)



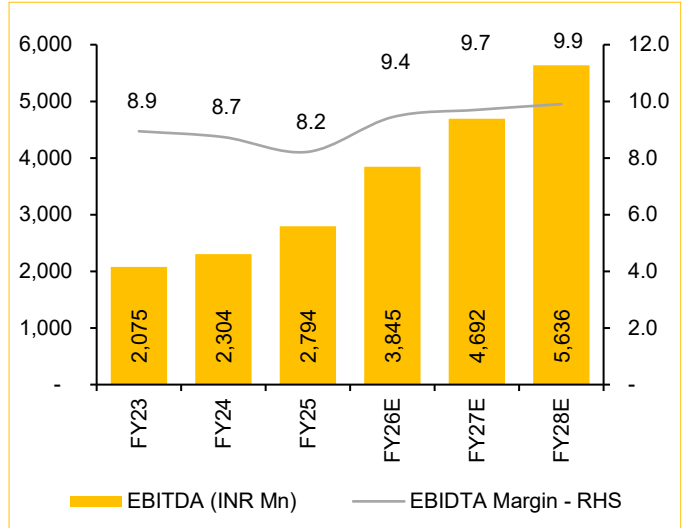
Source: LUMX, Choice Institutional Equities

Revenue is expected to expand at 18.7% CAGR over FY25–28E



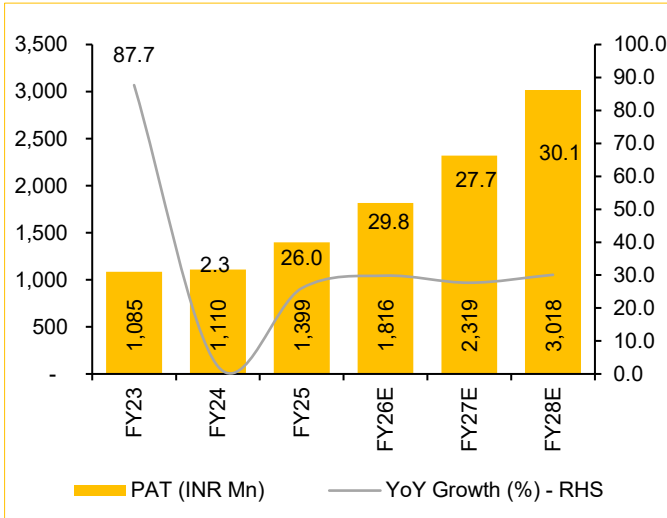
Source: LUMX, Choice Institutional Equities

EBITDA is projected to increase at 26.4% CAGR over FY25–28E



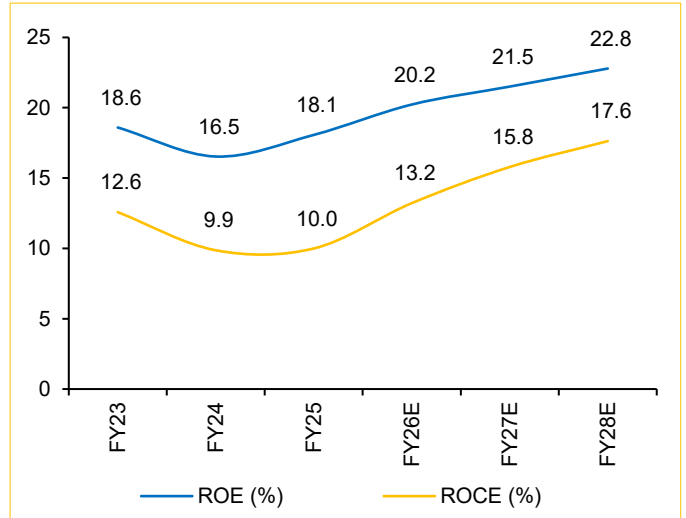
Source: LUMX, Choice Institutional Equities

PAT is anticipated to expand at 29.2% CAGR over FY25–28E



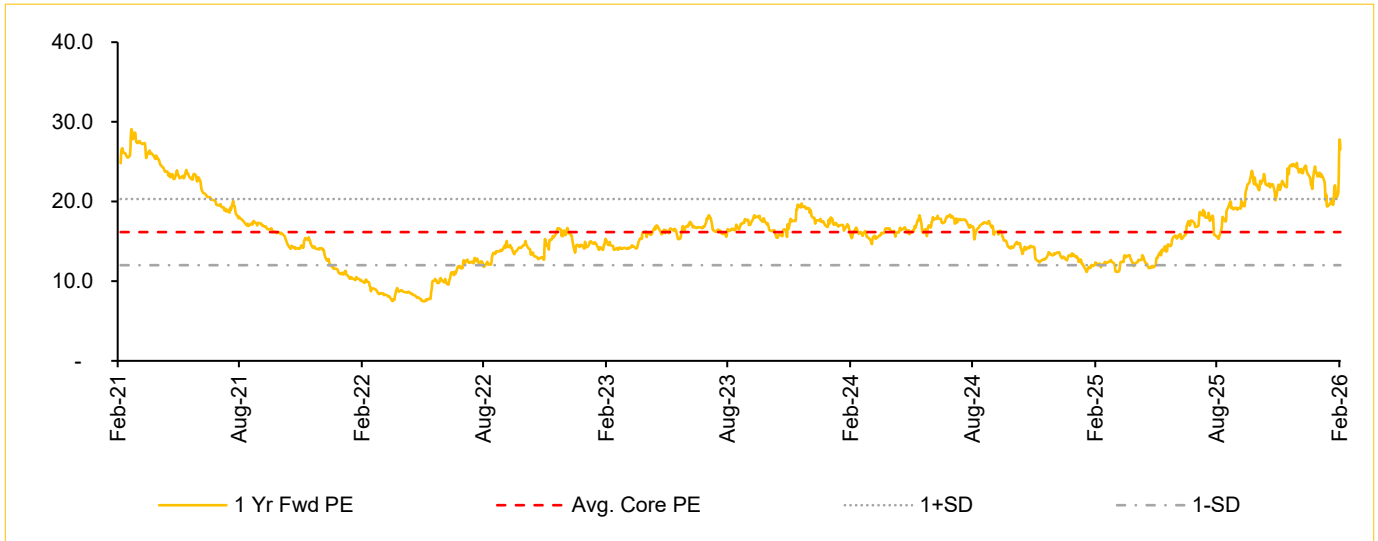
Source: LUMX, Choice Institutional Equities

ROE (%) and ROCE (%) trend



Source: LUMX, Choice Institutional Equities

1-year forward PE band



Source: LUMX, Choice Institutional Equities

Income Statement (INR Mn)

Particular	FY24	FY25	FY26E	FY27E	FY28E
Revenue	26,366	34,004	40,716	48,369	56,925
Gross Profit	9,194	10,896	14,033	16,687	19,639
EBITDA	2,304	2,794	3,845	4,692	5,636
Depreciation	928	1,133	1,445	1,493	1,578
EBIT	1,375	1,661	2,400	3,199	4,058
Interest Expenses	479	723	747	772	796
Other Income	114	92	75	80	80
Exceptional Item	0	0	(159)	0	0
Share of Associate	581	747	565	585	670
Reported PAT	1,110	1,399	1,658	2,319	3,018
Adjusted PAT	1,110	1,399	1,816	2,319	3,018
EPS (INR)	118.8	149.7	194.3	248.1	322.8

Ratio Analysis	FY24	FY25	FY26E	FY27E	FY28E
Growth Ratios (%)					
Revenue	13.7	29.0	19.7	18.8	17.7
EBITDA	11.1	21.3	37.6	22.0	20.1
PAT	2.3	26.0	29.8	27.7	30.1
Margins (%)					
EBITDA	8.7	8.2	9.4	9.7	9.9
PAT	4.2	4.1	4.5	4.8	5.3
Profitability (%)					
ROE	16.5	18.1	20.2	21.5	22.8
ROCE	9.9	10.0	13.2	15.8	17.6
ROIC	8.2	9.1	11.9	14.2	15.9
Working Capital					
Inventory Days	81	55	60	60	60
Debtor Days	48	50	50	50	50
Payable Days	97	88	92	91	90
Cash Conversion Cycle	32	17	18	19	20
Valuation Metrics					
PE(x)	53.3	42.3	32.6	25.5	19.6
EV/EBITDA (x)	28.6	24.3	17.7	14.5	12.1
Price to BV (x)	8.8	7.6	6.6	5.5	4.5
EV/OCF (x)	49.8	32.1	14.1	17.1	16.4

Source: LUMX, Choice Institutional Equities

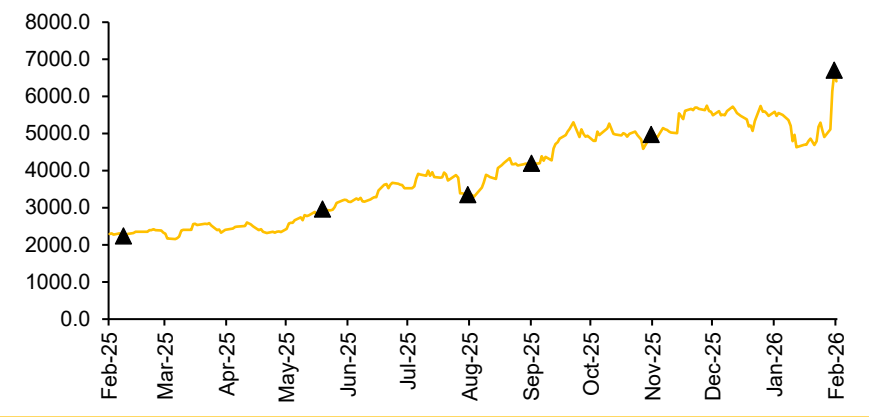
Balance Sheet (INR Mn)

Particular	FY24	FY25	FY26E	FY27E	FY28E
Net Worth	6,715	7,743	8,980	10,785	13,242
Minority Interest	0	0	0	0	0
Deferred Tax	913	1,063	1,063	1,063	1,063
Total Debt	7,226	8,879	9,179	9,479	9,779
Other Liabilities & Provisions	472	264	264	264	264
Total Net Worth & Liabilities	15,326	17,949	19,486	21,592	24,348
Net Fixed Assets	9,500	10,862	12,917	13,025	13,047
Capital Work in Progress	1,777	2,121	2,333	2,567	2,823
Investments	1,796	2,467	2,487	2,906	3,647
Cash & Bank Balance	465	104	202	806	988
Loans & Advances & Other Assets	806	760	890	1,021	1,339
Net Current Assets	1,447	1,738	858	2,073	3,492
Total Assets	15,326	17,949	19,486	21,592	24,348

Cash Flows (INR Mn)	FY24	FY25	FY26E	FY27E	FY28E
Cash Flows from Operations	1,324	2,120	4,829	3,973	4,154
Cash Flows from Investing	(2,447)	(2,933)	(3,862)	(2,383)	(2,915)
Cash Flows from Financing	1,367	588	(868)	(986)	(1,057)

DuPont Analysis	FY24	FY25	FY26E	FY27E	FY28E
Tax Burden	69.7%	78.7%	85.1%	75.0%	75.2%
Interest Burden	115.7%	107.0%	88.9%	96.7%	98.9%
EBIT Margin	5.2%	4.9%	5.9%	6.6%	7.1%
Asset Turnover	1.7	1.9	2.1	2.2	2.3
Equity Multiplier	2.3	2.3	2.2	2.0	1.8
ROE	16.5%	18.1%	20.2%	21.5%	22.8%

Historical Price Chart: LUMX



Date	Rating	Target Price
Aug 14, 2024	BUY	3,310
Nov 14, 2024	ADD	2,622
Feb 14, 2025	BUY	3,260
May 30, 2025	BUY	4,000
Aug 11, 2025	BUY	4,150
Sep 15, 2025	ADD	4,400
Nov 10, 2025	ADD	5,175
Feb 13, 2026	ADD	7,100

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

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

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