

Structural Growth Story Intact; Upside Potential Fully Valued in CMP
Est. Vs. Actual for Q1FY26: Revenue – **INLINE**; EBITDA – **BEAT**; PAT – **INLINE**
Change in Estimates post Q1FY26
FY26E/FY27E: Revenue: 0.9%/0.6%; EBITDA: -1.1%/0.6%; PAT: -1.9%/0.2%

Recommendation Rationale

- **Strategic Consolidation:** Uno Minda has acquired the remaining 49.9% stake in its JV with FRIWO AG, gaining full ownership and reinforcing its position in EV power electronics. Additionally, it plans to acquire the remaining stake in its JV with Buehler Motor GmbH in the coming months. These strategic moves aim to deepen integration, enhance control over key EV motor system technologies, and position the company as a full-stack solutions provider in the electric mobility space.
- **Robust Growth Across All Verticals:** Uno Minda's outperformance across all segments is evident, led predominantly by the Lightning, Switches, Casting, Seatings and Other divisions (sensors, motors, and controllers), which grew 13%, 16%, 10%, 18%, and 30% YoY, respectively, in Q1FY26.
- **Capex:** The company has incurred a capex of ~Rs 1,650 Cr in FY25 (~Rs 1,250 Cr excluding land acquisitions in Kharkhoda, Hosur, and Bawal to support future expansions). For FY26, the company plans to spend ~Rs 1,600 Cr capex—~Rs 400 Cr for regular maintenance and the remaining for growth/investments.

Company Outlook & Guidance: The company expects steady revenue growth driven by capacity expansion, new product launches, and OEM partnerships. EBITDA margins are projected to improve over the next few years, supported by cost optimisation and higher capacity utilisation. The company's ongoing capacity expansion initiatives, coupled with a robust order book, position it to outperform industry growth rates in the near to medium term. In the near term, elevated capex, minimal immediate revenue delta from localisation, and a cautious domestic demand outlook temper upside potential.

Current Valuation: 36x on FY28EPS (earlier 43x on FY27EPS)

Current TP: Rs 1,100/share (previous TP: Rs 1,010/share)

Recommendation: We maintain our **HOLD** on the stock and recommend a **BUY** on dips strategy.

Financial Performance: Uno Minda's Q1FY26 revenue grew by 18% YoY (Inline), driven by strong performances across all divisions. The company's consolidated EBITDA grew by 33% YoY (Beat), primarily due to accounting for prior period state incentives, lower employee costs and higher GMs. Adjusted PAT stood at Rs 240 Cr (Inline), up 14% YoY led by higher share of profits from associates.

Key Financials (Consolidated)

	Q1FY26	QoQ (%)	YoY (%)	Axis Est.	Variance
Net Sales	4,489	-0.9%	17.6%	4,362	2.9%
EBITDA	543.1	3.1%	33.2%	473.2	14.8%
EBITDA Margin	12.1%	47 bps	142 bps	10.9%	125 bps
Adj Net Profit	240.0	-17.0%	13.9%	239.4	0.3%
EPS (Rs)	3.47	-14.3%	0.0%	3.08	12.5%

Source: Company, Axis Securities Research

(CMP as of 6th August 2025)

CMP (Rs)	1,085
Upside /Downside (%)	1%
High/Low (Rs)	1252/768
Market cap (Cr)	62,488
Avg. daily vol. (6m) Shrs.	747,058
No. of shares (Cr)	57.58

Shareholding (%)

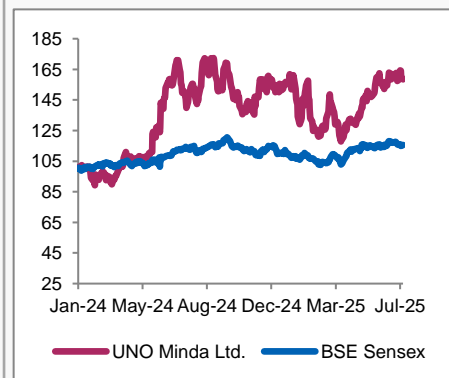
	Dec-24	Mar-25	Jun-25
Promoter	68.8	68.8	68.7
FII's	9.9	10.1	9.6
MFs / UTI	13.1	12.9	13.4
Banks / FI's	0.0	0.0	0.0
Others	8.3	8.3	8.3

Financial & Valuations

Y/E March (Rs Cr)	FY26E	FY27E	FY28E
Net Sales	19,166	22,103	25,599
EBIDTA	2,247	2,612	3,025
Adj PAT	1,159	1,432	1,765
EPS (Rs)	20.2	24.9	30.7
PER (x)	53.7	43.5	35.2
EV/EBIDTA (x)	28.0	23.8	20.2
P/BV (x)	9.3	8.0	6.7
ROE (%)	19.2	20.2	21.0

Change in Estimates (%)

Y/E Mar	FY26E	FY27E
Sales	0.9%	0.6%
EBITDA	-1.1%	0.6%
PAT	-1.9%	0.2%

Relative Performance


Source: Ace Equity, Axis Securities.

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Outlook

We remain positive about the long-term growth potential of Uno Minda as a play in the auto sector, driven by new product introductions, premiumisation trends, ongoing capacity building to meet industry demand, and a strong EV order book. Capacity expansion projects, the benefits of which are expected to materialise in H2FY26 and beyond, further support growth. We forecast a Revenue/EBITDA/PAT CAGR of 15%/17%/24% over FY25–FY28E.

Valuation & Recommendation

In the near term, elevated capex, minimal immediate revenue delta from localisation, and a cautious domestic demand outlook temper upside potential. We thus value the stock at 36x on FY28EPS (earlier 43x on FY27EPS) to arrive at our target price of Rs 1,100 (earlier Rs 1,010/share), which implies an upside of 1% from the current market price (CMP). We maintain a HOLD rating on the stock and recommend a BUY on dips strategy.

Key Concall Highlights

- **Key operational highlights in Q1FY26:** Uno Minda achieved several strategic milestones in Q1FY26 aimed at strengthening its EV and advanced technology capabilities. The company completed the acquisition of FRIWO's stake in Uno Minda EV Systems Pvt. Ltd., including associated technologies, assets, and the R&D team. It also acquired 88 acres of land in Chhatrapati Sambhajinagar to build a strategic land bank near key auto hubs. A Rs 210 Cr capex was approved for setting up an EV-focused casting products plant at the same location. The company commenced India's first localised camera module manufacturing at its Pune ADAS plant, with commercial supplies already underway. Additionally, Uno Minda launched EVSE products in the aftermarket, with OEM supplies expected to begin in the next 3–4 months, aligned with upcoming model launches.
- **Share of Profits from associates and JVs:** The share of profit in Q1FY26 stood at Rs 47 Cr vs Rs 37 Cr in Q1FY25 (and Rs 55 Cr in Q4FY25).
- **Revenue mix:** Revenue from Switches (25% share of consolidated revenue) in Q4FY25 stood at Rs 1,111 Cr, up 11% YoY. Lighting (23% share) grew by 13% YoY to Rs 1,013 Cr. Castings (19% share) saw consolidated revenue growth of 10% YoY to Rs 824 Cr. The Seating (7% share) division's revenue was up 18% YoY, standing at Rs 320 Cr. The Acoustic segment (4% share) declined by 8% YoY to Rs 187 Cr. Other business segments (22% share) grew by 30% YoY to Rs 996 Cr in Q1FY26. Exports contributed 11% of total revenue in Q1. Channel-wise contribution was 93% OEM and 7% Aftermarket. Segment-wise, 46% of revenues came from 2W, while 4W accounted for 47% in Q4FY25.
- **Casting Division:** (1) Announced capex of Rs 210 Cr for EV casting components. (2) Growth driven by commissioning of AW4W 30k line at Bawal and 2.0 Mn capacity AW2W Supa plant. (3) Capex of Rs 210 Cr for setting up casting products related to EVs. The plant would be set up at Chhatrapati Sambhajinagar. (4) First phase of Kharkhoda AW4W to commence in Q2FY26.
- **Switches Division:** (1) Exports continue to grow, with 2W exports at Rs 68 Cr. (2) New export order from UK 2W OEM for Thailand plant.
- **Seating Division:** Growth driven by diversification of 2W customers and supply of suspended seats to the domestic market. However, the European vehicles business remains challenging, adversely impacting exports.
- **Net Debt and Capex Plans:** The company's consolidated net debt stood at Rs 2,226 Cr in Jun'25 vs Rs 2,091 Cr in Mar'25. The increase was mainly due to capex spending and land acquisitions. Despite this, the net debt-to-equity ratio remains at a healthy 0.34, reflecting strong financial stability.

Key Risks to Our Estimates and TP

- Any Black Swan events.

Change in Estimates

	New Estimates			Old Estimates			Change in estimates (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	19,166	22,103	25,599	18,991	21,974	-	0.9%	0.6%	-
EBIDTA	2,247	2,612	3,025	2,272	2,597	-	-1.1%	0.6%	-
PAT	1,159	1,432	1,765	1,181	1,428	-	-1.9%	0.2%	-

Source: Company, Axis Securities Research

Q1FY26 Results Review

(Rs Cr)	Q1FY25	Q4FY25	Axis Estimates	Q1FY26	% Change (YoY)	% Change (QoQ)	% Variance	TR Consensus	% Variance
Total revenue	3,818	4,528	4,362	4,489	17.6%	-0.9%	2.9%	4,457	1%
Expenditure									
Net Raw Material	2460	2914	2813	2836	15.3%	-2.7%	0.8%		
Personnel	516	586	595	624	20.9%	6.4%	4.8%		
Other Exp	433	501	480	486	12.2%	-3.0%	1.3%		
Total Expenditure	3410	4002	3888	3946	15.7%	-1.4%	1.5%		
EBIDTA	408	527	473	543	33.2%	3.1%	14.8%	483	12%
EBITDA Margins	10.7%	11.6%	10.9%	12.1%	142 bps	47 bps	125 bps		
Oth. Inc.	11.0	7.6	12.0	12.0	9.0%	57.5%	0.4%		
Interest	36.3	40.8	46.4	44.0	21.4%	7.9%	-5.2%		
Depreciation	141.7	164.7	183.5	159.3	12.4%	-3.3%	-13.2%		
PBT	241	329	255	352	46.1%	7.0%	37.8%		
Exceptional Item	0	0.0	0.0	(69.0)					
Tax	66.7	94.3	63.8	90.1	35.1%	-4.5%	41.1%		
PAT before MI	174.1	234.6	191.5	192.8	10.7%	-17.8%	0.7%		
Share of profit of associates	36.7	54.7	47.9	47.3	28.8%	-13.6%	-1.3%		
PAT	210.8	289.2	239.4	240.0	13.9%	-17.0%	0.3%		
Minority Interest	11.8	23.0	19.2	18.3	55.7%	-20.4%	-4.3%		
Attrib PAT	199.0	266.2	220.2	221.7	11.4%	-16.7%	0.7%	233.0	-5%
EPS (Rs.)	3.47	4.05	3.08	3.47	0.0%	-14.3%	12.5%		
	Q1FY25	Q4FY25	Axis Estimates	Q1FY26	YoY Bps Change	QoQ Bps Change	Estimate Variance		
Gross Profit (Rs cr.)	1,357	1,614	1,548	1,653	21.8%	2.4%	6.8%		
Gross Profit (%)	35.6%	35.6%	35.5%	36.8%	127 bps	118 bps	132 bps		
RM as % of Sales	64.4%	64.4%	62.1%	62.6%	-182 bps	-173 bps	50 bps		
Staff costs as % of Sales	13.5%	12.9%	13.1%	13.8%	26 bps	83 bps	63 bps		
OthExp as % of Sales	11.3%	11.1%	10.6%	10.7%	-62 bps	-33 bps	14 bps		
Tax as a % of PBT	27.7%	28.7%	25.0%	25.6%	-209 bps	-307 bps	60 bps		

Source: Company, Axis Securities Research

Financials (Consolidated)

Profit & Loss

(Rs Cr)

Y/E March	FY25	FY26E	FY27E	FY28E
Net sales	16775	19166	22103	25599
Other operating income	0	0	0	0
Net Revenue	16775	19166	22103	25599
Cost of goods sold	14340	16275	18735	21698
Contribution (%)	14.5%	15.1%	15.2%	15.2%
Other operating costs	560	643	756	875
EBITDA	1874	2247	2612	3025
Other income	29	56	104	132
PBIDT	1903	2303	2717	3158
Depreciation	615	677	821	891
Interest & Fin Chg.	170	211	264	276
E/o income / (Expense)	9	-69	0	0
Pre-tax profit	1126	1346	1632	1992
Tax provision	286	356	424	518
(-) Minority Interests	77	78	78	78
Share of Associates/JV profits	180	247	302	368
Adjusted PAT	937	1210	1432	1765

Source: Company, Axis Securities Research

Balance Sheet

(Rs Cr)

Y/E March	FY25	FY26E	FY27E	FY28E
Total assets	8770	10162	11187	12478
Net Block	4738	4760	4640	4449
CWIP	730	721	721	721
Investments	924	924	924	924
Wkg. cap. (excl cash)	2175	2674	3278	3777
Cash / Bank balance	204	1083	1623	2606
Misc. Assets	0	0	0	0
Capital employed	8770	10162	11187	12478
Equity capital	115	115	115	115
Reserves	5612	6545	7709	9140
Pref. Share Capital	0	0	0	0
Minority Interests	386	386	386	386
Borrowings	2643	3103	2963	2823
Def Tax Liabilities	13	13	13	13

Source: Company, Axis Securities Research

Cash Flow

(Rs Cr)

Y/E March	FY25	FY26E	FY27E	FY28E
EBIT	1,307	1,346	1,632	1,992
Other	(51)	-	-	-
Depreciation & Amortization	615	677	821	891
Interest paid(-)	170	211	264	276
Others	(5)	(56)	(104)	(132)
Operating Cash Flow	2,035	2,178	2,612	3,025
Tax paid(-)	(275)	(356)	(424)	(518)
Change in Working Capital	(629)	(499)	(605)	(499)
Cash flow from Operations	1,071	1,323	1,583	2,009
Capex	(1,656)	(700)	(700)	(700)
Strategic Investment	(18)	-	-	-
Non-Strategic Investment	144	56	104	132
Cash flow from Investing	(1,530)	(644)	(596)	(568)
Change in borrowing	809	500	(100)	(100)
Interest on borrowings	(176)	(211)	(264)	(276)
Other	(125)	(40)	(40)	(40)
Dividends paid(-)	(143)	(43)	(43)	(43)
Cash Flow from Financial Activities	365	206	(448)	(459)
Net Increase/(Decrease) in Cash	(93)	885	540	983
Opening cash	241	198	1,083	1,623
Forex gain/ (loss)	51	-	-	-
Closing cash	198	1,083	1,623	2,606

Source: Company, Axis Securities Research

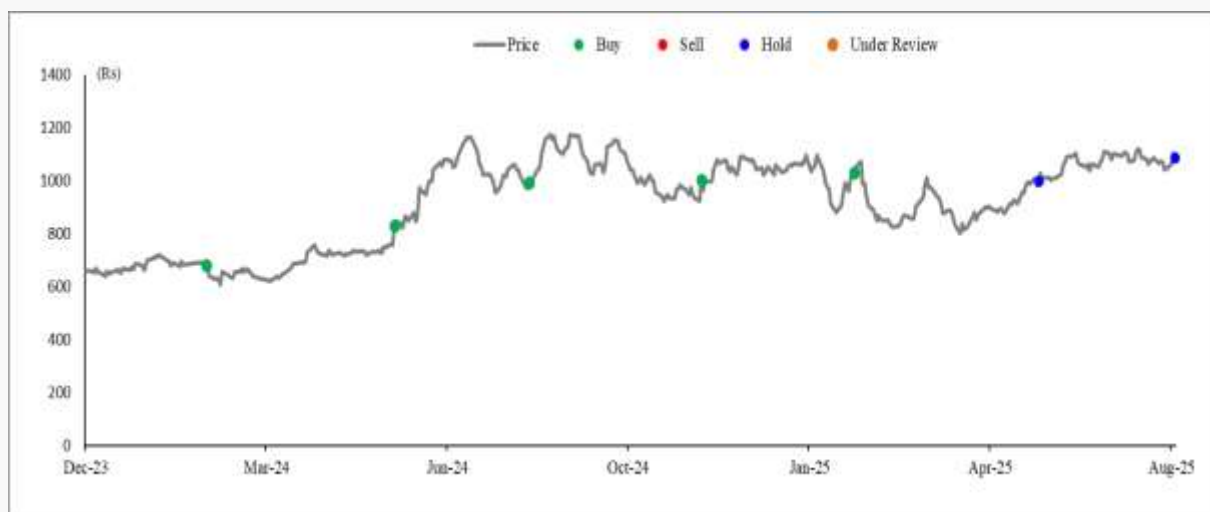
Ratio Analysis

(%)

Y/E March	FY25	FY26E	FY27E	FY28E
Sales growth	19.6	14.3	15.3	15.8
OPM	11.2	11.7	11.8	11.8
Operating profit growth	18.2	19.9	16.2	15.8
COGS / Net sales	85.5	84.9	84.8	84.8
Overheads/Net sales	3.3	3.4	3.4	3.4
Depreciation / G. block	8.2	8.3	9.2	9.3
Effective interest rate	8.7	8.3	9.7	10.7
Net kg.cap / Net sales	0.10	0.11	0.12	0.13
Net sales / Gr block (x)	2.2	2.3	2.5	2.7
RoCE	18.5	19.4	19.7	20.9
Debt/equity (x)	0.42	0.43	0.35	0.28
Effective tax rate	25.4	26.4	26.0	26.0
RoE	18.2	19.2	20.2	21.0
Payout ratio (Div/NP)	4.6	3.7	3.0	2.4
EPS (Rs.)	16.4	20.2	24.9	30.7
EPS Growth	7.1	22.9	23.5	23.3
CEPS (Rs.)	27.1	32.0	39.2	46.2

Source: Company, Axis Securities Research

UNO MINDA Price Chart and Recommendation History



Date	Reco	TP	Research
08-Nov-23	BUY	670	Result Update
08-Feb-24	BUY	750	Result Update
24-May-24	BUY	930	Result Update
08-Aug-24	BUY	1,090	Result Update
13-Nov-24	BUY	1,090	Result Update
07-Feb-25	BUY	1,140	Result Update
22-May-25	HOLD	1,010	Result Update
07-Aug-25	HOLD	1,100	Result Update

Source: Axis Securities Research

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HOLD	Between 10% and -10%
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Note: Returns stated in the rating scale are our internal benchmark.