Lumax Auto Technologies (LUMAAU)

CMP: ₹2,075 | Target ₹ 2,450 (18%) | Target Period: 12 months | BUY

August 12, 2026

Outperformance continues, bullishness reloaded...

About the stock: Lumax Auto Technologies (LAT), est. since 1981, is a leading auto ancillary player with diversified portfolio serving both OEMs and aftermarket.

- FY26 product mix – Advance plastics: 53%, Structures & control systems: 17%, After-market: 10%, Mechatronics: 6%, Alternate fuels: 8%, Others: 7%
- FY26 OEM share of sales-M&M: 27%, Bajaj Auto: 14%, Tata: 6%, MSIL:10%

Q1FY27 Results: LAT reported robust performance in Q1FY27. On consolidated basis, revenues for the quarter came in at ₹ 1,364 crore (up 33% YoY). EBITDA in Q1FY27 came in at ₹190 crore with corresponding EBITDA margins at 13.9% (down ~40 bps QoQ). Resultant PAT for Q1'27 stood at ₹87 crore (up 109% YoY).

Investment Rationale:

- **Prominent PV ancillary, levers for industry leading growth:** Passenger Vehicle (PV) domain contributed the maximum ~52% of sales at Lumax Auto in Q1FY27. LAT's prominent presence in PV space is resultant of its acquisition of IAC India (now a wholly owned subsidiary), which has bolstered its product portfolio, particularly in plastic interior modules, and expanded its business with OEMs like M&M, which is outperforming in the PV space domestically. The ₹1,600 crore order book is spread across FY27–FY29, with the majority scheduled for execution in FY28, providing meaningful revenue visibility beyond the current year. At the same time, the company is gaining additional business from key customers such as Mahindra, Maruti Suzuki and Bajaj Auto. We bake in 20% revenue CAGR over FY26-28E (an upgrade from the 15% CAGR built in before).
- **Structural Shift Towards Higher-Value Automotive Content**: LATL is ongoing transformation from a conventional auto-component supplier into a more diversified, technology-oriented automotive solutions company. The company is simultaneously benefiting from several structural growth levers: higher wallet share with existing OEMs, premiumization, localization and entry into new technology categories. The Mechatronics division is particularly important in this transition, carrying an order book of roughly ₹400–500 crore. Management expects the division to reach approximately ₹400 crore revenue in FY27 and potentially ₹1,000 crore by FY30–31. More importantly, the company is expanding into sensors, telematics, antennas, advanced ECUs, BCMs, ADAS and V2X-related technologies. This provides Lumax with exposure to the increasing electronic and software content in vehicles, where the value per vehicle is structurally higher than in traditional components. The longer-term ambition remains to more than double the revenue base to over ₹10,000 crore by FY31, alongside an aspiration to move to a 20% EBITDA margin.

Rating and Target Price

- With LATL's strong positioning in PV ancillary space, shift towards higher value content, healthy orderbook & marquee clientele, we maintain our **BUY** rating on Lumax Auto Technologies, valuing it at **₹2,450** i.e. 34x P/E on FY28E amid ~33% earnings growth CAGR over FY26-28E.

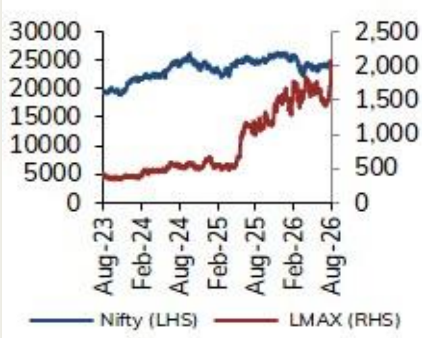
Particulars

Particulars	₹ crore
Market capitalisation	14,141
Total Debt (FY26)	1,001
Cash & Inv. (FY26)	346
EV (₹ crore)	14,796
52-week H/L (₹)	2,089 / 998
Equity capital (FY26)	13.6
Face value (₹)	2.0

Shareholding pattern

	Sep-25	Dec-25	Mar-26	Jun-26
Promoter	56.0	56.0	56.0	56.0
FII	7.3	8.0	8.4	8.7
DII	16.6	16.5	16.8	16.5
Other	20.1	19.5	18.8	18.8

Price Chart



Recent event & key risks

- We expect sales, PAT at LAT to grow at CAGR of 20%, 32.7%, respectively, over FY26-28E. Margins seen at ~14.5% levels by FY28E
- Key Risk: (i) client concentration risk with top 2 clients constituting >40% topline (ii) lower than anticipated margin gains amid volatile RM prices

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Key Financial Summary

Key Financials	FY23	FY24	FY25	FY26P	5-year CAGR (FY21-26)	FY27E	FY28E	2-year CAGR (FY26-28E)
Net Sales	1,847.5	2,821.7	3,636.7	4,870.3	34.5%	5,842.7	7,011.2	20.0%
EBITDA	200.3	368.1	464.8	658.5	46.4%	818.0	1,016.6	24.3%
EBITDA Margins (%)	10.8	13.0	12.8	13.5		14.0	14.5	
Net Profit	92.9	130.2	177.8	278.9	42.7%	371.3	491.4	32.7%
EPS (₹)	13.6	19.1	26.1	40.9		54.5	72.1	
P/E	152.3	108.6	79.6	50.7		38.1	28.8	
RoNW (%)	14.0	16.5	19.0	23.0		24.2	25.1	
RoCE (%)	10.0	14.5	15.8	19.0		22.2	25.3	

Source: Company, ICICI Direct Research

Key Tables & Charts

Exhibit 1: Quarterly variance

	Q1FY27	Q1FY26	YoY%	Q4FY26	QoQ%
Total Operating Income	1,363.6	1,026.4	32.9	1,416.9	-3.8
Raw Material Expenses	872.8	663.5	31.6	908.7	-4.0
Employee Expenses	178.6	139.1	28.4	165.9	7.7
Other Expenses	122.0	98.9	23.3	139.1	-12.3
EBITDA	190.2	124.9	52.3	203.2	-6.4
EBITDA Margin (%)	13.9	12.2	178 bps	14.3	-39 bps
Depreciation	48.6	38.5	26.4	51.8	-6.1
Interest	24.7	23.1	7.1	30.6	-19.2
Other Income	15.2	10.9	39.3	5.0	205.1
PBT (before exceptional)	132.0	74.2	77.9	125.8	4.9
Total Tax	33.4	20.2	65.1	28.8	16.2
Reported PAT	86.6	41.4	109.2	88.1	-1.7

Source: Company, ICICI Direct Research

Q1FY27 Con-call highlights

- **Robust Order Book Provides Multi-Year Revenue Visibility:** The company ended the quarter with a strong ₹1,600 crore order book, providing visibility for medium-term growth. Around 24% of the order book is expected to be executed in FY27, 56% in FY28 and the remaining 20% in FY29, making the order book an important underpinning for the company's growth trajectory over the next three years. Advanced Plastics constitutes the largest portion of the order book, followed by Mechatronics, Alternate Fuels, and Structures & Control Systems. Management clarified that the order book represents annualized incremental revenue visibility over the base business.

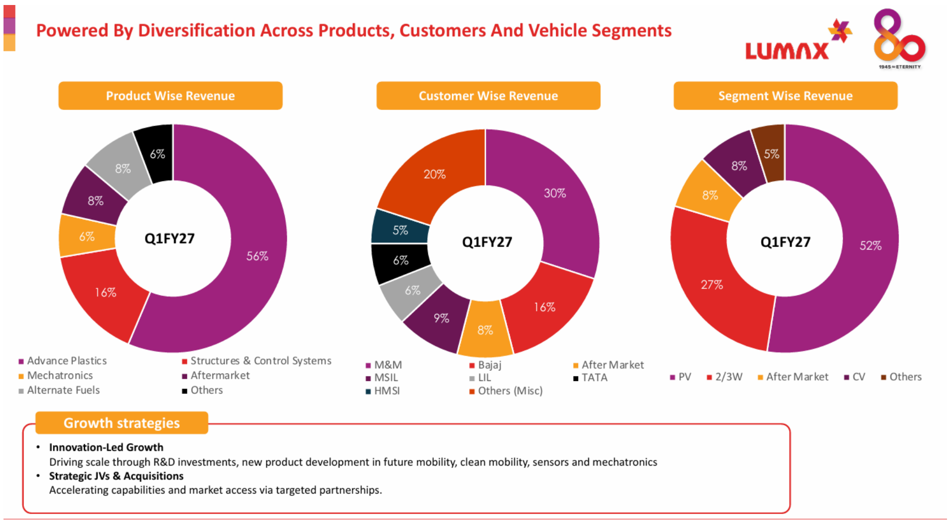
- **Strong Customer Growth and Wallet-Share Expansion:** Lumax is increasingly benefiting not only from underlying vehicle production growth but also from higher wallet share with existing OEM customers. Management highlighted that Bajaj's Chetak platform remains an important growth opportunity across both lighting and frame businesses, with further ramp-up expected. Similarly, Maruti Suzuki revenue grew 48% YoY in Q1, driven across multiple product verticals, with Mechatronics showing particularly strong growth along with Greenfuel.

- **ADAS, Telematics and V2X Create Additional Long-Term Optionality:** The company is increasingly building capabilities around ADAS, vehicle connectivity and V2X (vehicle to everything). Management stated that multiple ADAS proof-of-concepts are underway with OEMs through the SHIFT centre, while the company is also working on compliance-led ADAS applications. Management indicated that it is already at an advanced stage for an advanced driver assistance system with a major OEM and expects to provide greater clarity on the business opportunity over the next couple of quarters. On connectivity, Lumax's RFID and telematics control unit offerings can serve as building blocks for V2X applications. The company is reportedly in the process of finalizing orders with the top four commercial vehicle OEMs in India for these solutions, with market launches expected by the end of Q3.

- **Mechatronics Emerging as a Major Structural Growth Driver:** Mechatronics was one of the strongest-performing businesses during the quarter, with revenue increasing approximately 56% YoY from ₹54 crore to ₹84 crore and the order book reaching nearly ₹500 crore. Management views this division as a key component of Lumax's transition towards intelligent, connected and software-driven vehicles. The company currently operates across switches, sensors, antennas and telematics and has recently entered advanced ECUs through the launch of its Body Control Module (BCM). Beyond these established categories, management highlighted that approximately 22 additional sub-product categories are currently under evaluation through POCs, RFQs or R&D activities. The company expects Mechatronics to generate around ₹400 crore revenue in FY27, with an ambition to reach approximately ₹1,000 crore by FY30–31.

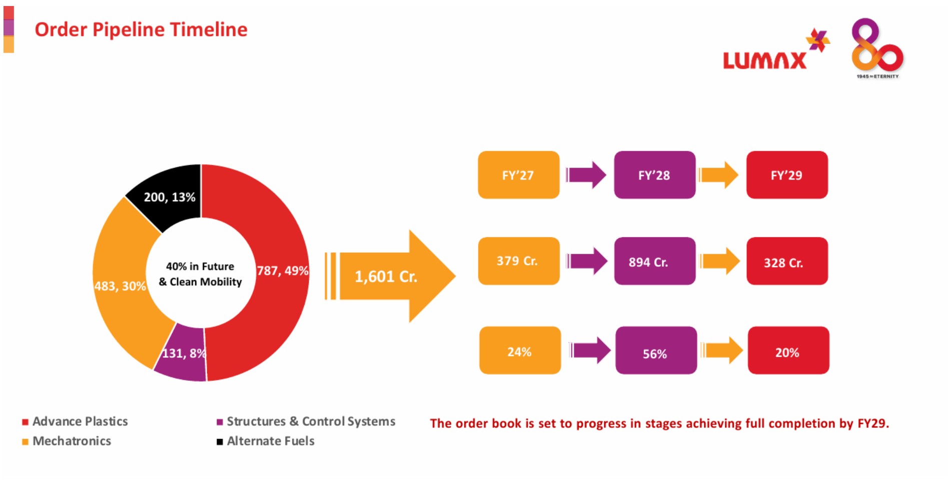
Key Charts & Tables

Exhibit 2: Lumax Auto Technologies – Revenue Diversification



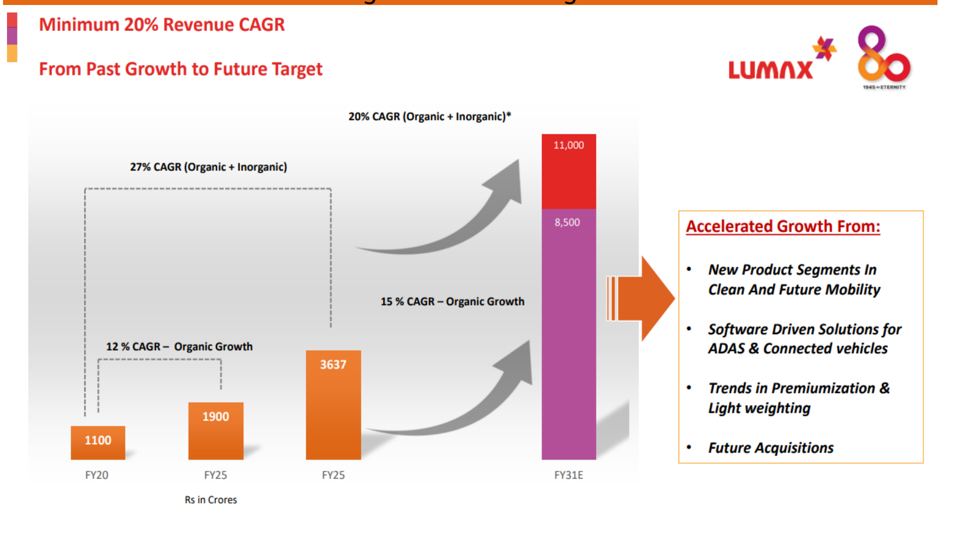
Source: Company, ICICI Direct Research

Exhibit 3: Lumax Auto Technologies – Revenue Diversification



Source: Company, ICICI Direct Research

Exhibit 4: Lumax Auto Technologies – Growth Targets



Source: ICICI Direct Research

Financial summary

Exhibit 5: Profit and loss statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Net Sales	3636.7	4870.3	5842.7	7011.2
Other Operating Income	0.0	0.0	0.0	0.0
Total Operating Income	3,636.7	4,870.3	5,842.7	7,011.2
Growth (%)	28.9	33.9	20.0	20.0
Raw Material Expenses	2,345.1	3,126.9	3,739.3	4,487.2
Employee Expenses	476.4	611.9	759.5	876.4
Other Operating Expense	350.4	473.1	525.8	631.0
Total Operating Expenditure	3,171.9	4,211.8	5,024.7	5,994.6
EBITDA	464.8	658.5	818.0	1,016.6
Growth (%)	26.3	41.7	24.2	24.3
Depreciation	128.6	179.1	210.3	245.4
Interest	79.0	105.4	89.3	65.1
Other Income	51.0	46.4	51.4	56.4
PBT	308.2	420.4	569.7	762.6
Others	51.4	72.8	56.0	80.5
Total Tax	79.0	68.8	142.4	190.6
PAT	177.8	278.9	371.3	491.4
Growth (%)	36.6	56.9	33.1	32.4
EPS (₹)	26.1	40.9	54.5	72.1

Source: Company, ICICI Direct Research

Exhibit 6: Cash flow statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Profit after Tax	177.8	278.9	371.3	491.4
Add: Depreciation	128.6	179.1	210.3	245.4
(Inc)/dec in Current Assets	-331.9	-311.6	-368.1	-392.9
Inc/(dec) in CL and Provisions	241.8	257.0	248.7	289.6
Others	79.0	105.4	89.3	65.1
CF from operating activities	295.3	508.8	551.5	698.6
(Inc)/dec in Investments	-65.9	-176.0	-7.0	-105.0
(Inc)/dec in Fixed Assets	-381.6	-374.6	-300.0	-300.0
Others	180.4	-67.7	55.0	79.5
CF from investing activities	-267.1	-618.3	-252.0	-325.5
Issue/(Buy back) of Equity	0.0	0.0	0.0	0.0
Inc/(dec) in loan funds	88.1	232.3	-150.0	-200.0
Interest and Dividend outgo	-116.5	-142.9	-137.0	-129.8
Inc/(dec) in Share Cap	0.0	0.0	0.0	0.0
Others	4.8	34.2	0.0	0.0
CF from financing activities	-23.6	123.5	-287.0	-329.8
Net Cash flow	4.6	13.9	12.5	43.3
Opening Cash	75.1	79.6	93.6	106.1
Closing Cash	79.6	93.6	106.1	149.4

Source: Company, ICICI Direct Research

Exhibit 7: Balance sheet ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Liabilities				
Equity Capital	13.6	13.6	13.6	13.6
Reserve and Surplus	921.1	1,196.6	1,520.1	1,946.8
Total Shareholders funds	934.7	1,210.2	1,533.8	1,960.4
Total Debt	768.4	1,000.7	850.7	650.7
Deferred Tax Liability	63.5	40.9	40.9	40.9
Minority Interest / Others	476.1	441.8	499.9	582.4
Total Liabilities	2,242.7	2,693.6	2,925.2	3,234.4
Assets				
Gross Block	1,751.4	2,129.9	2,434.9	2,739.9
Less: Acc Depreciation	611.6	790.6	1,001.0	1,246.4
Net Block	1,139.8	1,339.2	1,433.9	1,493.5
Capital WIP	69.2	65.4	60.4	55.4
Total Fixed Assets	1,209.0	1,404.6	1,494.2	1,548.9
Investments & Goodwill	565.4	741.5	748.5	853.5
Inventory	366.5	412.0	480.2	576.3
Debtors	792.4	1,014.9	1,280.6	1,536.7
Loans and Advances	1.7	1.8	2.2	2.6
Other Current Assets	164.0	207.5	241.3	281.6
Cash	79.6	93.6	106.1	149.4
Total Current Assets	1,404.2	1,729.7	2,110.4	2,546.5
Current Liabilities	993.4	1,249.6	1,497.6	1,786.2
Provisions	3.0	3.8	4.5	5.5
Current Liabilities & Prov	996.4	1,253.4	1,502.1	1,791.7
Net Current Assets	407.8	476.3	608.3	754.8
Others Assets	60.4	71.2	74.2	77.2
Application of Funds	2,242.7	2,693.6	2,925.2	3,234.4

Source: Company, ICICI Direct Research

Exhibit 8: Key ratios

(Year-end March)	FY25	FY26	FY27E	FY28E
Per share data (₹)				
EPS	26.1	40.9	54.5	72.1
Cash EPS	45.0	67.2	85.3	108.1
BV	137.1	177.6	225.0	287.6
DPS	5.5	5.5	7.0	0.0
Cash Per Share (Incl Invst)	45.1	50.7	52.8	73.9
Operating Ratios (%)				
EBITDA Margin	12.8	13.5	14.0	14.5
PAT Margin	4.9	5.7	6.4	7.0
Inventory days	36.8	30.9	30.0	30.0
Debtor days	79.5	76.1	80.0	80.0
Creditor days	68.8	64.4	65.0	65.0
Return Ratios (%)				
RoE	19.0	23.0	24.2	25.1
RoCE	15.8	19.0	22.2	25.3
RoIC	19.2	22.8	26.2	31.0
Valuation Ratios (x)				
P/E	79.6	50.7	38.1	28.8
EV / EBITDA	31.4	22.5	17.9	14.1
EV / Net Sales	4.0	3.0	2.5	2.0
Market Cap / Sales	3.9	2.9	2.4	2.0
Price to Book Value	15.1	11.7	9.2	7.2
Solvency Ratios				
Debt/EBITDA	1.7	1.5	1.0	0.6
Debt / Equity	0.8	0.8	0.6	0.3
Current Ratio	1.8	1.7	1.8	1.8
Quick Ratio	1.3	1.3	1.3	1.3

Source: Company, ICICI Direct Research

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Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

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