Lumax Auto Technologies (LUMAAU)

CMP: ₹2,000 | Target ₹ 2,450 (23%) | Target Period: 12 months | BUY

October 28, 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%

Q2FY27 Results: LAT reported robust performance in Q2FY27. On the consolidated basis, total operating income came in at ₹ 1,555 crore (up 34.5% YoY). EBITDA in Q2FY27 came in at ₹209.5 crore with corresponding EBITDA margins at 13.5% (down ~40 bps QoQ). Resultant PAT for the quarter stood at ₹105.5 crore (up 58% YoY).

Investment Rationale:

- **Strong order visibility and a diversified portfolio of growth engines:** Lumax Auto Technologies offers exposure to several automotive growth opportunities through advanced plastics, Intelligent Ambient Comfort, mechatronics, alternate fuels and structures and control systems. The ₹1,879 crore order book, of which approximately 85% represents new business, provides multi-year visibility, with 59% scheduled for execution in FY28 and 27% in FY29. Advanced plastics and IAC remain important contributors, while the faster-growing mechatronics business offers additional upside through connectivity, telematics and electronic components. The localisation of ferrule-less tubes and fittings also create an opportunity to benefit from CNG adoption and domestic sourcing by OEMs. At the same time, the company is gaining additional business from key customers such as Mahindra, Maruti Suzuki and Bajaj Auto.
- **Increasing electronic content per vehicle and operating leverage from new investments**: LATL is ongoing transformation from a conventional auto-component supplier into a more diversified, technology-oriented automotive solutions company. The company's growing focus on mechatronics and electronic components creates an opportunity to increase value addition per vehicle over time. Management is targeting approximately ₹300 crore in FY27 capital expenditure and has announced a further ₹150 crore investment in the Manesar facility, creating a meaningful opportunity to expand its electronic-components business. The key medium-term triggers are execution of the ₹250 crore BCM order book, commissioning of the new facility from Q3 FY28, growth in mechatronics towards ₹800–1,000 crore by FY31, and a potential 100–200 basis-point improvement in EBITDA margins over the next few years. 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 Lumax Auto Technologies' strong positioning in the passenger vehicle ancillary space, a robust order book of ₹1,879 crore and increasing exposure to high-growth mechatronics and alternative fuel solutions, we maintain our **BUY** rating on the stock, valuing it at **₹2,450** i.e. 30x P/E on avg. of FY28-29E amid ~31% earnings growth CAGR over FY26-29E.

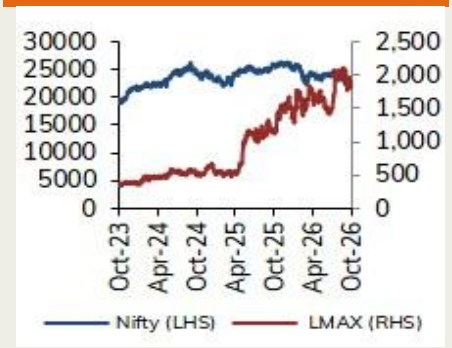
Particulars

Particulars	₹ crore
Market capitalisation	13,630
Total Debt (FY26)	1,001
Cash & Inv. (FY26)	346
EV (₹ crore)	14,285
52-week H/L (₹)	2,190 / 1,120
Equity capital (FY26)	13.6
Face value (₹)	2.0

Shareholding pattern

	Dec-25	Mar-26	Jun-26	Sep-26
Promoter	56.0	56.0	56.0	56.0
FII	8.0	8.4	8.7	8.9
DII	16.5	16.8	16.5	17.1
Other	19.5	18.8	18.8	18.0

Price Chart



Recent event & key risks

- We expect sales, PAT at LAT to grow at CAGR of 19%, 30.6%, respectively, over FY26-29E. Margins seen at ~14.5% levels by FY29E
- Key Risk: (i) lower than anticipated margin gains amid volatile RM prices (ii) client concentration risk with top 2 clients constituting >45% topline

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Key Financial Summary

Key Financials	FY24	FY25	FY26	5-year CAGR (FY21-26)	FY27E	FY28E	FY29E	3-year CAGR (FY26-29E)
Net Sales	2,821.7	3,636.7	4,870.3	34.5%	6,017.3	7,031.0	8,215.7	19.0%
EBITDA	368.1	464.8	658.5	46.4%	824.4	998.4	1,187.2	21.7%
EBITDA Margins (%)	13.0	12.8	13.5		13.7	14.2	14.5	
Net Profit	130.2	177.8	278.9	42.7%	378.4	492.1	621.5	30.6%
EPS (₹)	19.1	26.1	40.9		55.5	72.2	91.2	
P/E	104.7	76.7	48.9		36.0	27.7	21.9	
RoNW (%)	16.5	19.0	23.0		24.6	25.0	24.8	
RoCE (%)	14.5	15.8	19.0		22.4	24.6	26.2	

Source: Company, ICICI Direct Research

Company Update
ICICI Securities – Retail Equity Research

Key Tables & Charts

Exhibit 1: Quarterly variance

	Q2FY27	Q2FY26	YoY%	Q1FY27	QoQ%
Total Operating Income	1,555.5	1,156.4	34.5	1,363.6	14.1
Raw Material Expenses	1,021.0	734.4	39.0	872.8	17.0
Employee Expenses	191.4	150.7	27.0	178.6	7.1
Other Expenses	133.6	116.8	14.4	122.0	9.5
EBITDA	209.5	154.5	35.6	190.2	10.1
EBITDA Margin (%)	13.5	13.4	11 bps	13.9	-48 bps
Depreciation	49.7	41.3	20.5	48.6	2.3
Interest	24.2	24.5	-1.0	24.7	-1.9
Other Income	18.7	15.6	20.1	15.2	23.4
PBT (before exceptional)	154.2	104.3	47.8	132.0	16.8
Total Tax	37.6	26.8	40.3	33.4	12.5
Reported PAT	105.5	66.9	57.8	86.6	21.8

Source: Company, ICICI Direct Research

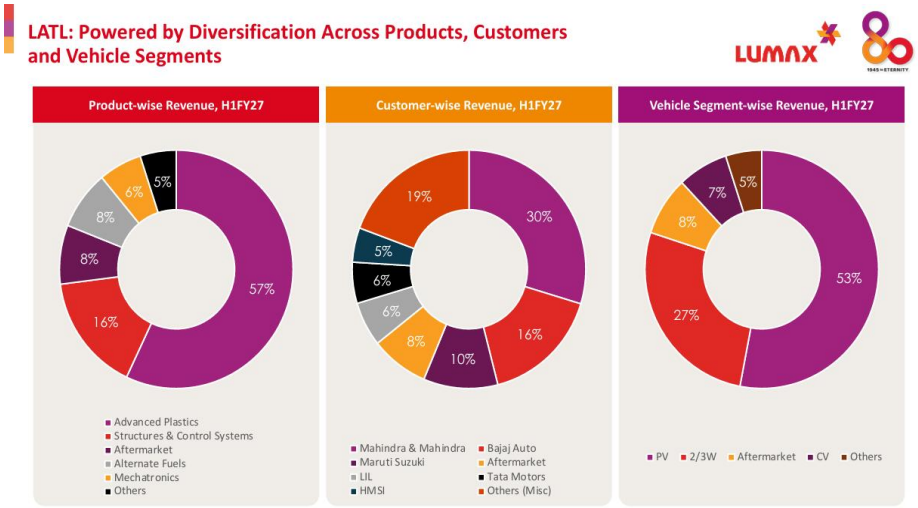
Q1FY27 Con-call highlights

- **Robust Order Book Provides Multi-Year Revenue Visibility:** LATL's order book increased to ₹1,879 crore at the end of Q2 FY27, compared with ₹1,600 crore at the end of Q1 FY27. ~85% of the order book represents new business, providing visibility for future growth and indicating continued customer wins across product categories. 14% of the order book is expected to be executed in FY27, 59% in FY28 and the remaining 27% in FY29. Advanced plastics accounted for 44% of the order book, followed by mechatronics at 27%, alternate fuels at 20%, and structures and control systems at 8%. From a powertrain perspective, CNG and pure EV programmes together accounted for 29%, comprising 20% from CNG and approximately 9% from pure EVs.
- **Business segments report healthy growth:** The advanced plastics division recorded 45% YoY growth in H1 FY27, with revenue increasing from ₹1,138 crore to ₹1,655 crore. IAC contributes 60% of this division and remains a major driver of its performance. The division had an order book of ₹834 crore at the end of Q2 FY27, supporting forward revenue visibility. The structures and control systems division recorded 24% YoY growth in H1 FY27, with revenue increasing from ₹380 crore to ₹476 crore. Its order book stood at ₹150 crore. The alternate fuels division reported 30% YoY growth in H1 FY27, with revenue increasing from ₹170 crore to ₹220 crore and an order book of ₹379 crore. The aftermarket division grew by 9% YoY in H1 FY27, with revenue increasing from ₹216 crore to ₹234 crore.
- **Mechatronics and body control module a key driver:** The mechatronics division recorded 45% YoY growth in H1 FY27, with revenue increasing from ₹122 crore to ₹177 crore and an order book of ₹512 crore. Management expects mechatronics to remain one of the fastest-growing business verticals, driven by increasing electronic content in vehicles, connectivity solutions, telematics, oxygen sensors and Body Control Modules (BCMs). The BCM business represents an important step towards increasing Lumax's participation in higher-value electronic components having an orderbook of ₹250 crores, and is establishing a new facility at a capex of ₹150 crores which is expected to be commissioned in two phases beginning in Q3 FY28, with peak annual turnover potential of around ₹500 crore.
- Management commentary on growth visibility and execution: While earlier commentary indicated that ~15% organic growth could be achievable, the company is now more confident about delivering a 20% organic revenue CAGR from the FY25 base. The mechatronics vertical is expected to approach ₹800–1,000 crore in annual revenue by FY31, with BCMs, connectivity products and other electronic components contributing to expansion.

Margins, input costs and pass-through mechanism: Management indicated that the company has been able to recover most inflation-related raw-material cost increases from OEM customers, generally with a lag of up to one quarter. The company estimated that this dynamic had contributed to approximately 30–40 basis points of pressure on EBITDA margins. Management remained confident about maintaining profitability through the rest of FY27, although commodity-price volatility, freight costs and foreign-exchange movements remain key risks. The longer-term ambition is to improve EBITDA margins by another 100–200 basis points over the next few years, moving towards a 17%–18% margin range

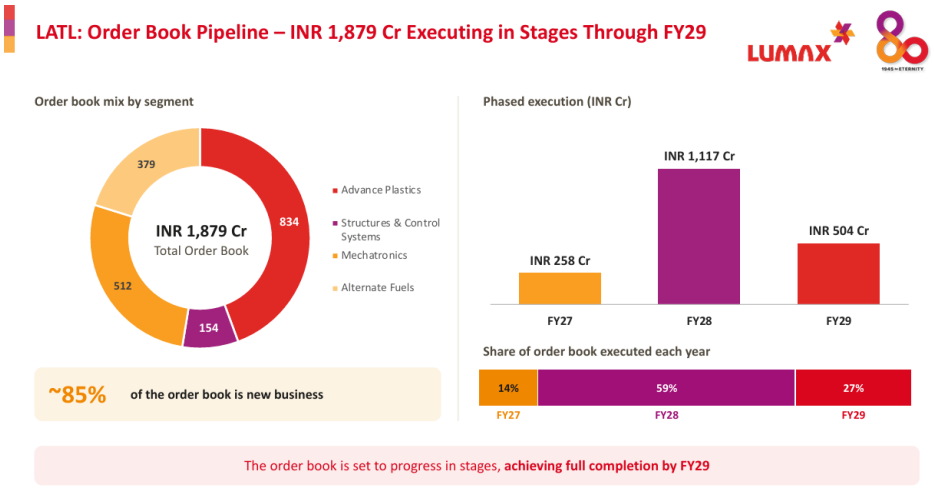
Key Charts & Tables

Exhibit 2: Lumax Auto Technologies – Revenue Diversification



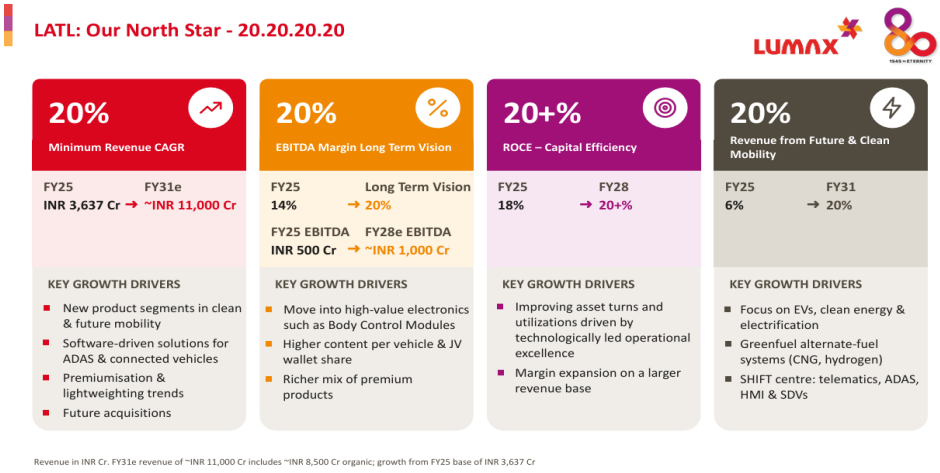
Source: Company, ICICI Direct Research

Exhibit 3: Lumax Auto Technologies – Orderbook



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)	FY26	FY27E	FY28E	FY29E
Net Sales	4870.3	6017.3	7031.0	8215.7
Other Operating Income	0.0	0.0	0.0	0.0
Total Operating Income	4,870.3	6,017.3	7,031.0	8,215.7
Growth (%)	33.9	23.6	16.8	16.8
Raw Material Expenses	3,126.9	3,926.3	4,570.2	5,340.2
Employee Expenses	611.9	740.1	843.7	969.5
Other Operating Expense	473.1	526.5	618.7	718.9
Total Operating Expenditure	4,211.8	5,192.9	6,032.6	7,028.6
EBITDA	658.5	824.4	998.4	1,187.2
Growth (%)	41.7	25.2	21.1	18.9
Depreciation	179.1	210.6	239.1	271.1
Interest	105.4	97.8	80.6	55.1
Other Income	46.4	56.4	61.4	66.4
PBT	420.4	572.4	740.2	927.4
Others	72.8	50.9	63.1	74.0
Total Tax	68.8	143.1	185.0	231.9
PAT	278.9	378.4	492.1	621.5
Growth (%)	56.9	35.7	30.0	26.3
EPS (₹)	40.9	55.5	72.2	91.2

Source: Company, ICICI Direct Research

Exhibit 6: Cash flow statement ₹ crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Profit after Tax	278.9	378.4	492.1	621.5
Add: Depreciation	179.1	210.6	239.1	271.1
(Inc)/dec in Current Assets	-311.6	-426.5	-341.1	-398.3
Inc/(dec) in CL and Provisions	257.0	291.7	251.5	293.5
Others	105.4	97.8	80.6	55.1
CF from operating activities	508.8	552.0	722.1	843.0
(Inc)/dec in Investments	-176.0	10.0	-115.0	-155.0
(Inc)/dec in Fixed Assets	-374.6	-300.0	-350.0	-400.0
Others	-67.7	49.9	62.1	73.0
CF from investing activities	-618.3	-240.1	-402.9	-482.0
Issue/(Buy back) of Equity	0.0	0.0	0.0	0.0
Inc/(dec) in loan funds	232.3	-150.0	-150.0	-200.0
Interest and Dividend outgo	-142.9	-145.5	-143.6	-136.9
Inc/(dec) in Share Cap	0.0	0.0	0.0	0.0
Others	34.2	0.0	0.0	0.0
CF from financing activities	123.5	-295.5	-293.6	-336.9
Net Cash flow	13.9	16.3	25.5	24.2
Opening Cash	79.6	93.6	109.9	135.4
Closing Cash	93.6	109.9	135.4	159.6

Source: Company, ICICI Direct Research

Exhibit 7: Balance sheet ₹ crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Liabilities				
Equity Capital	13.6	13.6	13.6	13.6
Reserve and Surplus	1,196.6	1,527.3	1,956.3	2,496.0
Total Shareholders funds	1,210.2	1,540.9	1,969.9	2,509.7
Total Debt	1,000.7	850.7	700.7	500.7
Deferred Tax Liability	40.9	40.9	40.9	40.9
Minority Interest / Others	441.8	494.7	559.8	635.8
Total Liabilities	2,693.6	2,927.2	3,271.3	3,687.1
Assets				
Gross Block	2,129.9	2,434.9	2,789.9	3,194.9
Less: Acc Depreciation	790.6	1,001.2	1,240.3	1,511.4
Net Block	1,339.2	1,433.6	1,549.6	1,683.4
Capital WIP	65.4	60.4	55.4	50.4
Total Fixed Assets	1,404.6	1,494.0	1,604.9	1,733.8
Investments & Goodwill	741.5	731.5	846.5	1,001.5
Inventory	412.0	494.6	577.9	675.3
Debtors	1,014.9	1,318.9	1,541.0	1,800.7
Loans and Advances	1.8	2.2	2.6	3.0
Other Current Assets	207.5	247.0	282.2	323.0
Cash	93.6	109.9	135.4	159.6
Total Current Assets	1,729.7	2,172.6	2,539.2	2,961.6
Current Liabilities	1,249.6	1,540.4	1,791.1	2,083.7
Provisions	3.8	4.7	5.5	6.4
Current Liabilities & Prov	1,253.4	1,545.1	1,796.6	2,090.1
Net Current Assets	476.3	627.5	742.7	871.5
Others Assets	71.2	74.2	77.2	80.2
Application of Funds	2,693.6	2,927.2	3,271.3	3,687.1

Source: Company, ICICI Direct Research

Exhibit 8: Key ratios

(Year-end March)	FY26	FY27E	FY28E	FY29E
Per share data (₹)				
EPS	40.9	55.5	72.2	91.2
Cash EPS	67.2	86.4	107.3	131.0
BV	177.6	226.1	289.0	368.2
DPS	5.5	7.0	9.3	12.0
Cash Per Share (Incl Invst)	50.7	50.9	70.8	96.3
Operating Ratios (%)				
EBITDA Margin	13.5	13.7	14.2	14.5
PAT Margin	5.7	6.3	7.0	7.6
Inventory days	30.9	30.0	30.0	30.0
Debtor days	76.1	80.0	80.0	80.0
Creditor days	64.4	65.0	65.0	65.0
Return Ratios (%)				
RoE	23.0	24.6	25.0	24.8
RoCE	19.0	22.4	24.6	26.2
RoIC	22.8	26.3	29.9	32.9
Valuation Ratios (x)				
P/E	48.9	36.0	27.7	21.9
EV / EBITDA	20.8	16.4	13.3	10.8
EV / Net Sales	2.8	2.2	1.9	1.6
Market Cap / Sales	2.7	2.2	1.9	1.6
Price to Book Value	10.8	8.4	6.6	5.2
Solvency Ratios				
Debt/EBITDA	1.5	1.0	0.7	0.4
Debt / Equity	0.8	0.6	0.4	0.2
Current Ratio	1.7	1.8	1.8	1.8
Quick Ratio	1.3	1.3	1.3	1.3

Source: Company, ICICI Direct Research

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