Uno Minda (MININD)

ICICI Direct

CMP: ₹1,250 | Target ₹ 1,450 (16%) | Target Period: 12 months | BUY

August 5, 2026

New products and capex to propel growth...

About the stock: Uno Minda (MIL) is India's largest maker of automotive switches, horns, seats & PV alloy wheels and third largest automotive lighting player.

- FY26 segment mix – 4-W 48%, 2-W 42%; switches, lighting, castings, Green Mobility & seats comprised 25%, 22%, 19%, 7% and 7% of sales.
- FY26 Sales Mix: 93% OEM's, 7% aftermarket; Geographical mix: India: 90%

Q1FY27 Results: On the consolidated basis, topline for the quarter came in at ₹ 5,557 crore, up by ~24% YoY. This is amidst underlying OEM volume growth of ~20%+ (2-W+PV). EBITDA in Q1FY27 came in at ₹ 572 crore with EBTDA margins at 10.3% (down ~100 bps QoQ). PAT for the quarter came in at ₹ 296 crore (up 2% YoY).

Investment Rationale:

- **Robust core business momentum with diversified product portfolio:** Over the years, Uno Minda has emerged as a leading player in the domestic auto ancillary space, consistently outperforming its user industry. This success stems from its ability to increase kit value (>~10% of vehicle Asp's), expand its client and product portfolio, and pursue strategic acquisitions. MIL strategy of targeting premiumisation and content enhancement, supported by strong OEM base, has helped it increase kit value and maintain 1.5x – 2x growth over industry. Unlike component supplier's dependent on a single product category, the company now has meaningful growth drivers across seating, sunroofs, lighting, alloy wheels, EV systems, alternate fuels, automation and advanced electronics. With several recently announced facilities entering commercial production over the next two years, we project revenue at Uno Minda to grow at ~17.7% CAGR over FY26P-28E.
- **Strategic focus on EV & Technology-led segments with near-term margin recovery:** Uno Minda proactive approach to EVs is reflected in its ramp up across both 2W and 4W platforms. The company's portfolio has evolved into a powertrain-agnostic platform benefiting from virtually every major automotive megatrend, including electrification, premiumization, localization, ADAS adoption, SUV penetration and increasing electronic content. Management continues to win new customers across both legacy and emerging businesses while simultaneously expanding its international footprint through exports and overseas manufacturing. As these segments scale over the next 3-5 years, they should meaningfully increase. This diversified growth profile, combined with disciplined capital allocation and confidence in restoring margins (full year guidance of 11% ± 50 bps) despite temporary cost pressures, strengthens the long-term earnings trajectory beyond cyclical vehicle production growth.

Rating and Target Price

- With strong underlying domestic OEM volume growth in the auto space coupled with Uno Minda's history of industry outperformance, diversification efforts and industry leading capex spends, we continue to have a positive view on the company. Consequently, we maintain our **BUY rating** on the stock & value it at **₹ 1,450 i.e. 46x P/E on FY28**.

UNO MINDA DRIVING THE NEW

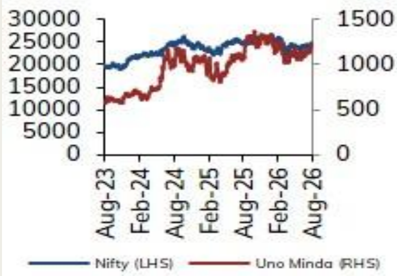
Particulars

Particulars	₹ crore
Market capitalisation	71,625
Total Debt (FY26)	2,537
Cash & Inv. (FY26)	362
EV (₹ crore)	73,801
52-week H/L (₹)	1,382 / 994
Equity capital (FY26)	115.5
Face value (₹)	2.0

Shareholding pattern

	Sep-25	Dec-25	Mar-26	Jun-26
Promoter	68.5	68.4	68.4	68.4
FII	10.0	9.8	9.0	8.2
DII	15.8	16.0	16.9	17.5
Other	5.8	5.8	5.8	6.0

Price Chart



Recent event & key risks

- Reports steady performance in Q1FY27 with 10.3% EBITDA margins. Guides for ~11% margins in the near-term.
- Key Risk: i) domestic auto industry slowdown impacting growth given the company is OEM heavy (ii) negative surprise on margins amidst volatile RM prices

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Result Update

ICICI Securities – Retail Equity Research

Key Financial Summary

Key Financials	FY23	FY24	FY25	FY26	5-year CAGR (FY21-26)	FY27E	FY28E	2-year CAGR (FY26-28E)
Net Sales	11,236.5	14,030.9	16,774.6	19,657.6	25.3%	23,437.7	27,252.5	17.7%
EBITDA	1,242.0	1,585.3	1,873.8	2,251.2	25.4%	2,598.2	3,134.0	18.0%
EBITDA Margins (%)	11.1	11.3	11.2	11.5		11.1	11.5	
Net Profit	653.5	880.3	943.0	1,197.1	42.1%	1,419.0	1,815.0	23.1%
EPS (₹)	11.4	15.3	16.4	20.7		24.6	31.4	
P/E	109.6	81.5	76.1	60.3		50.9	39.8	
RoNW (%)	15.7	17.8	16.5	17.5		17.6	18.7	
RoCE (%)	13.7	15.1	14.7	15.5		16.1	18.3	

Source: Company, ICICI Direct Research

Q1FY27 Earnings Conference Call Highlights

Q1FY27 Results: Reported Healthy Performance

- Switch segment reported a growth of 20% YoY to ₹ 1,335 crores, thereby contributing 24% of consolidated revenue in the quarter. Additionally, Lightning segment reported ₹ 1,153 crores, up 14% YoY driven by increasing LED penetration in E-2W. Moreover, Casting segment grew by 32% YoY at ₹ 1090 crores driven by alloy wheel segment. While seating business revenues was at ₹ 408 crores (contributing 7% of the consolidated revenue), whereas other product segment reported ₹ 1,029 crores (up 56% YoY, wherein acoustic is an added segment).

Q1FY27 Earnings Conference Call Highlights:

- **Strong execution despite input cost headwinds:** Management reiterated that margin pressure during the quarter was largely transient, driven by commodity inflation, higher gas prices and minimum wage revisions across manufacturing locations. Consequently, management maintained its FY27 EBITDA margin guidance of 11% ±50 bps, with confidence that margins would trend towards the higher end of the guided range.
- **Capacity expansion entering commercialization phase:** A large part of the company's multi-year capital expenditure program is now moving from investment to commercialization. Multiple facilities—including the Kharkhoda four-wheeler alloy wheel expansion, Bawal two-wheeler alloy wheel plant, Indonesia lighting plant and Farukhnagar switch facility—are scheduled for commissioning or ramp-up during FY27. Management reiterated its FY27 capex guidance of around ₹1,750 crore, while highlighting that nearly ₹3,800 crore of announced projects are under execution, providing visibility for growth over the next 18–24 months
- **New product categories continue to expand addressable market:** The most notable development was the entry into the passenger vehicle seating business, supported by a greenfield facility and an anchor customer nomination. Management believes seating has one of the highest per-vehicle values within the automotive supply chain and could eventually become one of Uno Minda's largest product categories.
- **Green Mobility business scaling rapidly:** The Green Mobility vertical has now become a meaningful business within the portfolio, driven by strong growth across EV chargers, alternate fuels, automation products and electric powertrain components. EV charger demand continues to benefit from increasing electric two- and three-wheeler penetration, while new programs for traction motors, DC-DC converters and electric motors have started commercial supplies, albeit from a relatively small base
- **Strong order momentum across multiple businesses:** Management highlighted continued success in winning new business across both traditional and emerging product categories. Key developments included a nomination from a global OEM in passenger vehicle lighting, increasing traction in interior ambient lighting, additional export orders in seating, new customers in Indonesia lighting operations, and further additions to the sunroof order book, which now exceeds ₹500 crore of annual peak business
- **Exports:** Management indicated that export revenues from India increased sharply sequentially and expects exports to continue growing materially faster than domestic business over the medium term. Seating exports to Europe and North America, together with international lighting programs and global switch business, are expected to become significant contributors as recently won orders gradually enter production over FY28 and FY29.

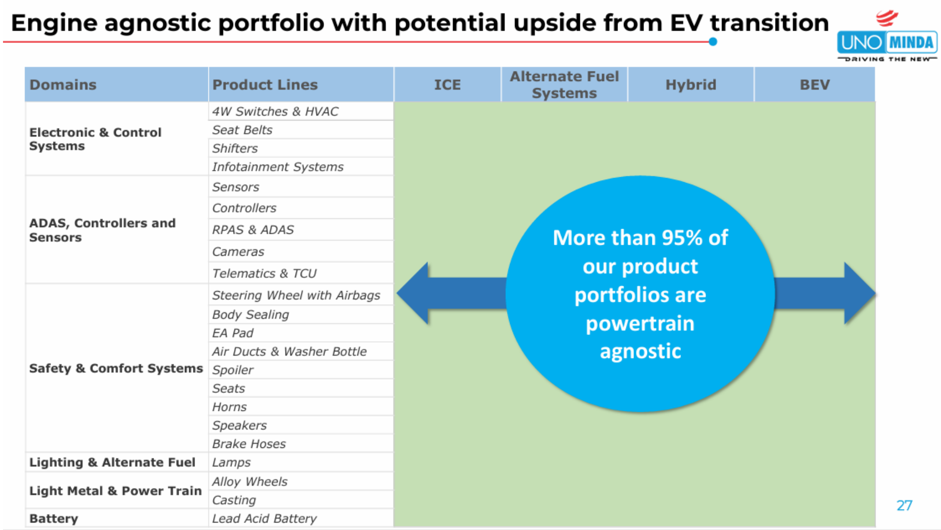
Key Charts & Tables

Exhibit 1: Quarterly Variance

	Q1FY27	Q1FY26	YoY%	Q4FY26	QoQ%
Total Operating Income	5,556.9	4,489.1	23.8	5,336.4	4.1
Raw Material Expenses	3,706.4	2,836.0	30.7	3,480.0	6.5
Employee Expenses	718.7	624.0	15.2	664.3	8.2
Other Expenses	560.1	486.0	15.3	589.2	-4.9
EBITDA	571.7	543.1	5.3	602.8	-5.2
EBITDA Margin (%)	10.3	12.1	-181 bps	11.3	-101 bps
Depreciation	176.6	159.3	10.9	191.8	-7.9
Interest	46.1	44.0	4.7	44.9	2.7
Other Income	6.3	12.0	-47.5	5.7	9.9
PBT (before exceptional)	355.3	351.9	1.0	371.9	-4.5
Exceptional items	0.0	0.0	NA	0.0	NA
Total Tax	87.3	90.1	-3.0	84.4	3.5
Reported PAT	295.8	290.7	1.8	325.8	-9.2

Source: Company, ICICI Direct Research

Exhibit 2: Engine Agnostic Portfolio



Source: Company, ICICI Direct Research

Exhibit 3: Project expansion timelines

Project Expansion Update

Sr	Product Line	Entity	Total Cost (In Rs Crs)	Cost incurred till 30.06.2026 (In Rs Crs)	Location	Capacity	Expected SOP	Status
1	4W Alloy Wheels	Uno Minda Ltd	542	477	Kharkhoda	120k Wheel p.m.	Q4 FY28 Phase 2	Phase 1 for 60k Wheel p.m. commissioned
2	4W Alloy Wheels	Uno Minda Ltd	792	12	Chhatrapati Sambhajinagar	1.8 Mn Wheel pa	Q2 FY28 Phase 1	To be implemented over next 4 years in multiple phases
3	4W Switches	Uno Mindarika	116	114	Farrukhnagar	Shifting Cum Expansion	Q3 FY27	Project under implementation
4	Sunroof	Uno Minda Ltd	63	43	Bawal	New Facility	Q4 FY27	Project under implementation
5	Airbags	TG Minda (JV)	283	237	Harohalli	Greenfield	Q1 FY27	Project under Implementation
6	2W Alloy Wheels	Uno Minda Ltd	196	145	Bawal	Expansion	Q2 FY27	Project under implementation
7	4W EV Powertrain Products	Uno Minda Auto Innovations	437	170	Khed	New Facility	H2 FY27 Phase 1	Project under implementation
8	2W Lighting	Uno Minda Ltd	279	125	Kharkhoda	Shifting cum Expansion	Q3 FY27	Project under implementation
9	EV Casting Products	Uno Minda Ltd	210	82	Chhatrapati Sambhajinagar	New Facility	H2 FY27 Phase 1	Project under implementation
10	4W EV Powertrain Products	Uno Minda Auto Innovations	549	0	Chhatrapati Sambhajinagar	New Facility	Q2 FY 28	Project Announced
11	Seating	Uno Minda Tachi-S Seating	320	0	Chhatrapati Sambhajinagar	New Facility	Q4 FY 28	Project Announced
	Total		**3,788**	**1,406**				

Source: Company, ICICI Direct Research

Financial summary

Exhibit 4: Profit and loss statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Net Sales	16,775	19,658	23,438	27,253
Other Operating Income	0.0	0.0	0.0	0.0
Total Operating Income	16,775	19,658	23,438	27,253
Growth (%)	19.6	17.2	19.2	16.3
Raw Material Expenses	10,868	12,626	15,538	17,987
Employee Expenses	2,165	2,583	2,864	3,270
Other Operating Expense	1,868	2,197	2,438	2,862
Total Operating Expenditure	14,901	17,406	20,839	24,119
EBITDA	1,874	2,251	2,598	3,134
Growth (%)	18.2	20.1	15.4	20.6
Depreciation	615	704	750	818
Interest	170	187	205	157
Other Income	29	34	29	30
PBT	1,118	1,395	1,672	2,190
Others	-111	-134	-168	-179
Total Tax	286	332	420	554
PAT	943	1,197	1,419	1,815
Growth (%)	7.1	27.0	18.5	27.9
EPS (₹)	16.4	20.9	24.7	31.6

Source: Company, ICICI Direct Research

Exhibit 5: Cash flow statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Profit after Tax	943	1,197	1,419	1,815
Add: Depreciation	615	704	750	818
(Inc)/dec in Current Assets	-699	-740	-1,109	-1,259
Inc/(dec) in CL and Provisions	246	563	640	642
Others	141	153	176	127
CF from operating activities	1,247	1,876	1,876	2,143
(Inc)/dec in Investments	99	-111	-30	-50
(Inc)/dec in Fixed Assets	-1,938	-1,620	-1,750	-1,300
Others	149	49	86	83
CF from investing activities	-1,690	-1,683	-1,694	-1,267
Issue/(Buy back) of Equity	0	1	0	0
Inc/(dec) in loan funds	721	243	200	-500
Interest and Dividend outgo	-300	-340	-379	-359
Inc/(dec) in Share Cap	0	0	0	0
Others	-29	58	0	0
CF from financing activities	392	-39	-179	-859
Net Cash flow	-51	155	3	17
Opening Cash	254	204	358	361
Closing Cash	204	358	361	378

Source: Company, ICICI Direct Research

Exhibit 6: Balance sheet ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Liabilities				
Equity Capital	114.8	115.5	115.5	115.5
Reserve and Surplus	5,612	6,714	7,960	9,573
Total Shareholders funds	5,727	6,830	8,075	9,688
Total Debt	2,294	2,537	2,737	2,237
Deferred Tax Liability	13	7	7	7
Minority Interest / Others	558	618	679	743
Total Liabilities	8,593	9,991	11,499	12,675
Assets				
Gross Block	7,602	9,206	11,203	12,803
Less: Acc Depreciation	3,201	3,905	4,655	5,472
Net Block	4,401	5,302	6,548	7,330
Capital WIP	730	746	500	200
Total Fixed Assets	5,132	6,048	7,048	7,530
Investments & Goodwill	1,196	1,307	1,337	1,387
Inventory	1,717	2,131	2,569	2,987
Debtors	2,496	2,706	3,211	3,883
Loans and Advances	67	73	87	101
Other Current Assets	687	797	950	1,105
Cash	204	358	361	378
Total Current Assets	5,171	6,066	7,178	8,453
Current Liabilities	2,845	3,277	3,833	4,390
Provisions	306	437	521	606
Current Liabilities & Prov	3,151	3,714	4,354	4,996
Net Current Assets	2,020	2,352	2,824	3,458
Others Assets	245	285	290	300
Application of Funds	8,593	9,991	11,499	12,675

Source: Company, ICICI Direct Research

Exhibit 7: Key ratios

(Year-end March)	FY25	FY26	FY27E	FY28E
Per share data (₹)				
EPS	16.4	20.9	24.7	31.6
Cash EPS	27.1	32.9	37.6	45.6
BV	99.8	118.3	139.8	167.8
DPS	2.3	2.7	3.0	3.5
Cash Per Share (Incl Invst)	3.6	6.3	6.3	6.6
Operating Ratios (%)				
EBITDA Margin	11.2	11.5	11.1	11.5
PAT Margin	5.6	6.1	6.1	6.7
Inventory days	37.4	39.6	40.0	40.0
Debtor days	54.3	50.2	50.0	52.0
Creditor days	47.1	47.9	48.0	48.0
Return Ratios (%)				
RoE	16.5	17.5	17.6	18.7
RoCE	14.7	15.5	16.1	18.3
RoIC	16.4	17.4	17.4	19.2
Valuation Ratios (x)				
P/E	76.1	60.3	50.9	39.8
EV / EBITDA	39.3	32.8	28.5	23.4
EV / Net Sales	4.4	3.8	3.2	2.7
Market Cap / Sales	4.3	3.6	3.1	2.6
Price to Book Value	12.5	10.6	8.9	7.5
Solvency Ratios				
Debt/EBITDA	1.2	1.1	1.1	0.7
Debt / Equity	0.4	0.4	0.3	0.2
Current Ratio	1.7	1.7	1.7	1.7
Quick Ratio	1.1	1.0	1.1	1.1

Source: Company, ICICI Direct Research

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Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

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