Uno Minda (MININD)

CMP: ₹1,325 | Target ₹ 1,550 (17%) | Target Period: 12 months | BUY

November 9, 2026

Scaling new capacities, strengthening growth visibility...

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%

Q2FY27 Results: Uno Minda reported robust results. On consolidated basis, topline for Q2'27 came in at ₹ 6,655 crore, up by 38% YoY, amidst OEM volume growth of ~21%+ (2-W+PV). EBITDA in Q2FY27 came in at ₹ 733 crore with EBTDA margins at 11% (up ~70 bps QoQ). PAT for Q2FY27 came in at ₹ 420 crore (up 38% YoY).

Investment Rationale:

- **Strong market positioning with consistent outperformance over industry growth:** Over the years, Uno Minda has established itself as a leading automotive component supplier with a diversified presence across multiple product categories, allowing it to capture a larger share of the increasing component value per vehicle. The company continues to benefit from premiumisation, rising electronic content, localisation of advanced technologies and increasing penetration of value-added features across two-wheelers and passenger vehicles. This was evident in Q2FY27, with consolidated revenue growing 38% YoY against approximately 18% growth in overall automotive production. Importantly, the company is increasingly moving beyond conventional automotive components into higher-value segments such as advanced pixel-based lighting, sunroof systems, sensors, ADAS, EV powertrain systems and automotive electronics. The combination of market share gains, increasing content per vehicle and a diversified product portfolio positions Uno Minda to sustain its outperformance over the automotive industry over the medium term.
- **Large capacity expansion cycle with near-term margin recovery:** Uno Minda is entering a significant capacity-led growth phase, with an overall project pipeline of ~₹5,200–5,300 crore, including 16 projects under execution or ramp-up, providing meaningful revenue visibility over the next few years. The ongoing investments across 4-wheeler & 2-wheeler alloy wheels, aluminium die casting, sunroof, and EV-related businesses are aimed at catering to incremental OEM requirements and increasing the company's share of business across existing and new customer programmes. 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 strong competitive positioning, diversified product portfolio 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 **₹ 1,550 i.e. 40x P/E on FY29E EPS**.

Particulars

Particulars	₹ crore
Market capitalisation	75,923
Total Debt (FY26)	2,537
Cash & Inv. (FY26)	362
EV (₹ crore)	78,098
52-week H/L (₹)	1,355 / 994
Equity capital (FY26)	115.5
Face value (₹)	2.0

Shareholding pattern

	Dec-25	Mar-26	Jun-26	Sep-26
Promoter	68.4	68.4	68.4	68.4
FII	9.8	9.0	8.2	8.8
DII	16.0	16.9	17.5	17.1
Other	5.8	5.8	6.0	5.7

Price Chart



Recent event & key risks

- Reports healthy performance in Q2FY27 with 11% EBITDA margins. Maintains margin guidance for FY27E. We project revenue at Uno Minda to grow at ~19.2% CAGR over FY26-29E
- Key Risk: i) negative surprise on margins amidst volatile RM prices (ii) domestic auto industry slowdown impacting growth given the company is OEM heavy

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Result Update

ICICI Securities – Retail Equity Research

Key Financial Summary

Key Financials	FY24	FY25	FY26	5-year CAGR (FY21-26)	FY27E	FY28E	FY29E	3-year CAGR (FY26-29E)
Net Sales	14,030.9	16,774.6	19,657.6	25.3%	24,331.4	28,466.6	33,328.9	19.2%
EBITDA	1,585.3	1,873.8	2,251.2	25.4%	2,638.1	3,202.5	3,832.8	19.4%
EBITDA Margins (%)	11.3	11.2	11.5		10.8	11.3	11.5	
Net Profit	880.3	943.0	1,197.1	42.1%	1,448.2	1,811.8	2,243.4	23.3%
EPS (₹)	15.3	16.4	20.7		25.1	31.4	38.8	
P/E	86.4	80.7	63.9		52.8	42.2	34.1	
RoNW (%)	17.8	16.5	17.5		17.9	18.7	19.1	
RoCE (%)	15.1	14.7	15.5		16.5	18.5	20.5	

Source: Company, ICICI Direct Research

Q2FY27 Earnings Conference Call Highlights

Q2FY27 Results: Reported Healthy Performance

- Switch segment reported a growth of 37% YoY to ₹ 1,609 crores, thereby contributing 24% of consolidated revenue in the quarter. Additionally, Lightning segment reported ₹ 1,381 crores, up 25% YoY driven by increasing LED penetration in E-2W. Moreover, Casting segment grew by 57% YoY at ₹ 1,441 crores driven by alloy wheel segment. While seating business revenues were at ₹ 476 crores (contributing 7% of the consolidated revenue), whereas other product segment reported ₹ 1,099 crores (up 47% YoY).

Q2FY27 Earnings Conference Call Highlights:

- **Lighting systems – Premiumisation and new global OEM order:** The lighting business continued to benefit from market share gains, healthy volume growth and increasing penetration of electric two-wheelers, where Uno Minda maintains a strong position as a lighting solution supplier to several OEMs. The company also secured additional orders for advanced pixel-based headlamps and tail lamps from a global passenger vehicle OEM with which it had established a relationship in the previous quarter.
- **Casting and alloy wheels – Capacity-led growth and market share gains:** The casting vertical remained the fastest-growing business, supported by capacity additions, ramp-up of newly commissioned facilities and improvement in customer wallet share. The 4W alloy wheel business benefited from the commissioning of the first phase of the Kharkhoda facility, along with capacity enhancement at Bawal through debottlenecking and operational efficiency initiatives. Its installed capacity has increased to 6.3 million wheels annually and is expected to reach 9 million wheels following ongoing expansions at CSN, Kharkhoda and Bawal.

- **Two-wheeler alloy wheels – Significant capacity expansion ahead:** The two-wheeler alloy wheel business benefited from improved demand, higher utilisation at the Supa facility and additional capacity at Bawal. The HPDC alloy wheel facility at Bawal has commenced operations, with four of the six planned production lines operational, adding approximately 1 million units of annual capacity. The remaining two lines are expected to provide further growth impetus. Installed capacity has increased from 8 million to 9 million wheels annually and is expected to reach 9.5 million following commissioning of the remaining Bawal lines. Further expansion at Kharkhoda and Hosur is expected to take total capacity to approximately 11.8 million wheels annually, representing an overall increase of nearly 50%.

- **Large capital expenditure pipeline and manufacturing expansion:** The company continues to undertake significant investments across multiple product verticals to strengthen its long-term growth platform. The board had approved four additional expansion projects involving an investment of approximately ₹1,415 crore, including a greenfield aluminium die casting facility at Hosur, 2W alloy wheel capacity expansion at Kharkhoda, blow moulding expansion in Bengaluru and a new manufacturing facility at CSN through the TGSIN joint venture. The overall project pipeline, including the newly announced investments, stands at ~ ₹5,200–5,300 crore.

- **Margin outlook and management commentary:** Management retained its full-year EBITDA margin guidance of 11% plus or minus 50 basis points, despite the impact of higher commodity prices. The company follows a pass-through mechanism for commodity-related input costs, with increases and decreases generally passed on to customers. Going forward, margin improvement is expected to be driven by both operating leverage and a gradual recovery in gross contribution as the higher raw material cost base gets reflected in new business pricing. Uno Minda intends to consistently outperform industry growth through market share gains, increasing content per vehicle, deeper penetration of value-added products and localisation of advanced technologies.

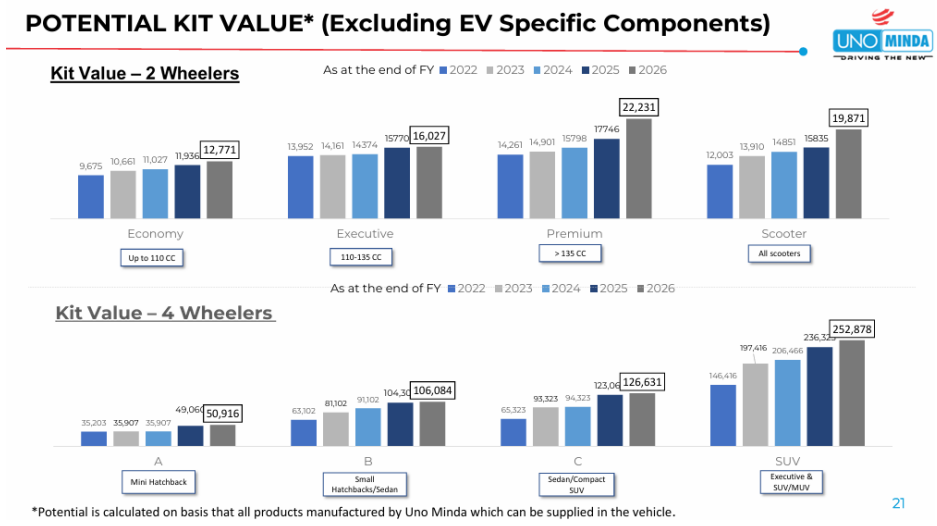
Key Charts & Tables

Exhibit 1: Quarterly Variance

	Q2FY27	Q2FY26	YoY%	Q1FY27	QoQ%
Total Operating Income	6,655.4	4,814.0	38.3	5,556.9	19.8
Raw Material Expenses	4,499.2	3,091.9	45.5	3,706.4	21.4
Employee Expenses	753.3	635.7	18.5	718.7	4.8
Other Expenses	669.7	534.6	25.3	560.1	19.6
EBITDA	733.3	551.8	32.9	571.7	28.3
EBITDA Margin (%)	11.0	11.5	-44 bps	10.3	73 bps
Depreciation	178.1	173.4	2.7	176.6	0.8
Interest	48.7	45.4	7.3	46.1	5.7
Other Income	4.5	12.9	-65.2	6.3	-28.7
PBT (before exceptional)	511.0	345.9	47.7	355.3	43.8
Exceptional items	0.0	0.0	NA	0.0	NA
Total Tax	130.0	86.5	50.3	87.3	48.8
Reported PAT	419.7	304.0	38.1	295.8	41.9

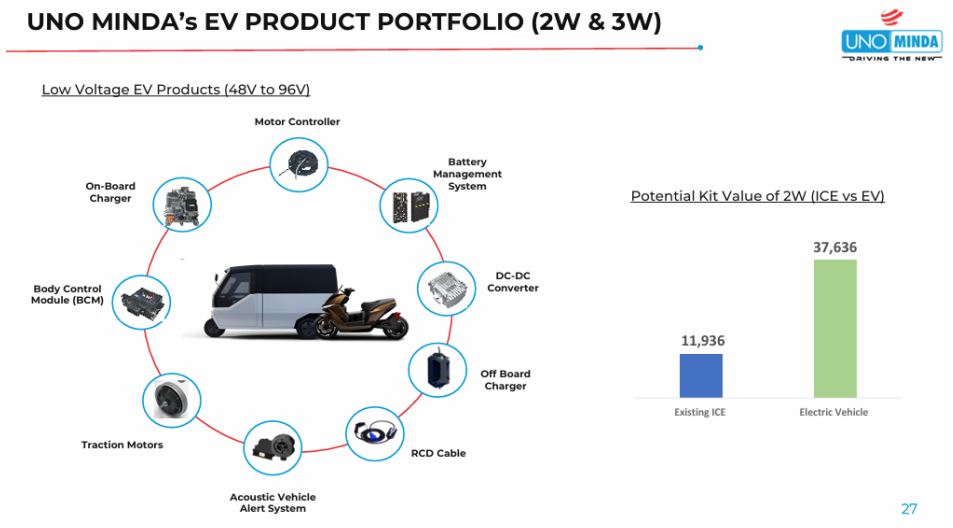
Source: Company, ICICI Direct Research

Exhibit 2: Uno Minda- Potential Kit Value Ex- EV



Source: Company, ICICI Direct Research

Exhibit 3: Uno Minda – EV portfolio for 2W & 3W



Source: Company, ICICI Direct Research

Financial summary

Exhibit 4: Profit and loss statement ₹ crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Net Sales	19,658	24,331	28,467	33,329
Other Operating Income	0.0	0.0	0.0	0.0
Total Operating Income	19,658	24,331	28,467	33,329
Growth (%)	17.2	23.8	17.0	17.1
Raw Material Expenses	12,626	16,325	19,001	22,164
Employee Expenses	2,583	2,926	3,416	3,999
Other Operating Expense	2,197	2,442	2,847	3,333
Total Operating Expenditure	17,406	21,693	25,264	29,496
EBITDA	2,251	2,638	3,202	3,833
Growth (%)	20.1	17.2	21.4	19.7
Depreciation	704	730	854	1,000
Interest	187	198	162	87
Other Income	34	22	20	23
PBT	1,395	1,732	2,207	2,769
Others	-134	-153	-163	-175
Total Tax	332	436	558	701
PAT	1,197	1,448	1,812	2,243
Growth (%)	27.0	21.0	25.1	23.8
EPS (₹)	20.9	25.2	31.6	39.1

Source: Company, ICICI Direct Research

Exhibit 5: Cash flow statement ₹ crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Profit after Tax	1,197	1,448	1,812	2,243
Add: Depreciation	704	730	854	1,000
(Inc)/dec in Current Assets	-740	-1,369	-1,359	-1,441
Inc/(dec) in CL and Provisions	563	789	696	817
Others	153	176	142	64
CF from operating activities	1,876	1,775	2,145	2,683
(Inc)/dec in Investments	-111	-30	-50	-50
(Inc)/dec in Fixed Assets	-1,620	-1,750	-1,300	-1,300
Others	49	83	78	82
CF from investing activities	-1,683	-1,697	-1,272	-1,268
Issue/(Buy back) of Equity	1	0	0	0
Inc/(dec) in loan funds	243	200	-500	-1,000
Interest and Dividend outgo	-340	-372	-364	-318
Inc/(dec) in Share Cap	0	0	0	0
Others	58	0	0	0
CF from financing activities	-39	-172	-864	-1,318
Net Cash flow	155	-95	8	98
Opening Cash	204	358	264	271
Closing Cash	358	264	271	369

Source: Company, ICICI Direct Research

Exhibit 6: Balance sheet ₹ crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Liabilities				
Equity Capital	115.5	115.5	115.5	115.5
Reserve and Surplus	6,714	7,989	9,599	11,611
Total Shareholders funds	6,830	8,105	9,714	11,727
Total Debt	2,537	2,737	2,237	1,237
Deferred Tax Liability	7	7	7	7
Minority Interest / Others	618	683	750	820
Total Liabilities	9,991	11,532	12,709	13,791
Assets				
Gross Block	9,206	11,203	12,803	14,103
Less: Acc Depreciation	3,905	4,635	5,489	6,489
Net Block	5,302	6,568	7,314	7,614
Capital WIP	746	500	200	200
Total Fixed Assets	6,048	7,068	7,514	7,814
Investments & Goodwill	1,307	1,337	1,387	1,437
Inventory	2,131	2,666	3,120	3,652
Debtors	2,706	3,333	4,056	4,748
Loans and Advances	73	90	106	124
Other Current Assets	797	987	1,154	1,351
Cash	358	264	271	369
Total Current Assets	6,066	7,340	8,707	10,245
Current Liabilities	3,277	3,962	4,566	5,274
Provisions	437	541	633	741
Current Liabilities & Prov	3,714	4,503	5,199	6,016
Net Current Assets	2,352	2,837	3,508	4,230
Others Assets	285	290	300	310
Application of Funds	9,991	11,532	12,709	13,791

Source: Company, ICICI Direct Research

Exhibit 7: Key ratios

(Year-end March)	FY26	FY27E	FY28E	FY29E
Per share data (₹)				
EPS	20.9	25.2	31.6	39.1
Cash EPS	32.9	37.7	46.2	56.2
BV	118.3	140.4	168.2	203.1
DPS	2.7	3.0	3.5	4.0
Cash Per Share (Incl Invst)	6.3	4.6	4.8	6.5
Operating Ratios (%)				
EBITDA Margin	11.5	10.8	11.3	11.5
PAT Margin	6.1	6.0	6.4	6.7
Inventory days	39.6	40.0	40.0	40.0
Debtor days	50.2	50.0	52.0	52.0
Creditor days	47.9	48.0	48.0	48.0
Return Ratios (%)				
RoE	17.5	17.9	18.7	19.1
RoCE	15.5	16.5	18.5	20.5
RoIC	17.4	17.7	19.2	21.4
Valuation Ratios (x)				
P/E	63.9	52.8	42.2	34.1
EV / EBITDA	34.7	29.7	24.3	20.0
EV / Net Sales	4.0	3.2	2.7	2.3
Market Cap / Sales	3.9	3.1	2.7	2.3
Price to Book Value	11.2	9.4	7.9	6.5
Solvency Ratios				
Debt/EBITDA	1.1	1.0	0.7	0.3
Debt / Equity	0.4	0.3	0.2	0.1
Current Ratio	1.7	1.7	1.7	1.8
Quick Ratio	1.0	1.1	1.1	1.1

Source: Company, ICICI Direct Research

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Sell: <-15%

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