

Aditya Birla Money Ltd.



STOCKS & SECURITIES

Uno Minda Ltd.

Results Update

Margins under pressure; Outlook buoyant.

Uno Minda reported strong revenue growth for Q4FY25 with solid performance across its key product segments. Revenue grew 19% YoY to Rs. 4,528 cr while EBITDA grew 11% YoY to Rs. 527 cr. However, PAT was flat at Rs. 266 cr. EBITDA and PAT margins contracted 86 bps and 110 bps to 11.6% and 5.9% respectively for the quarter. Co. has declared final dividend of Rs. 1.50 per share. Going ahead, co.'s strong growth trajectory could be defined by the premiumisation trend, numerous orders it has won to supply hub and mid-drive motors, on-board chargers, wall-mounted chargers and motor controllers in the EV segment and multiple TLAs it has signed to acquire manufacturing capabilities for AC chargers for EVs, e-axle systems, sunroofs and speakers, that would further enhance the overall content per vehicle.

Key Concall takeaways:

- FY25 highlights:-** Uno Minda delivered a strong performance in FY25, significantly outperforming the industry growth. Co. recorded a 20% YoY increase in revenue to Rs. 16,775 cr. EBITDA and PAT grew by 18% YoY and 9% YoY to Rs. 1,874 cr and Rs. 936 cr respectively, reflecting operational efficiency and scale benefits. EBITDA margin contracted by 13 bps to 11.2% while PAT margin declined by 51 bps to 5.6%. The share of profit from associates and JVs for FY25 marginally fell by 3% YoY to Rs. 180 cr, on account of Uno Minda Westport and Onkyo businesses becoming subsidiaries. The geographic breakup posted India as the key driver with 90% of revenue from India, largely shielding the company from global headwinds. OEM contribution was at 93% and aftermarket at 7%. 4W and 2W segments contributed 48% and 45% of the total revenue respectively.
- Capex:-** It incurred a Capex of Rs. 1,750 cr in FY25, primarily driven by capacity expansion initiatives and the acquisition of land banks to support future growth. Key investments included the addition of new capacity in the 2W segment, along with market share gains in both the 2W and 4W alloy wheel segments. As a result of these strategic investments, net debt increased to Rs. 2,090 cr in FY25 v/s Rs. 1,320 cr in FY24. Additionally, the company has announced its decision to acquire the remaining 49.9% stake in its joint venture with FRIWO, making it a wholly owned subsidiary. The acquisition, valued at Rs. 2000 cr, is expected to be completed by Q1FY26. The company guided for Rs. 1,300 cr capex for FY26 which includes both growth (Rs. 800 cr) and maintenance capex (Rs. 500 cr) with plans to spend ~Rs. 250 cr towards land procurement.

24th May 2025

CMP (Rs.)	1,010
TP (Rs.)	1,165
Upside /Downside (%)	+15%
High/Low (Rs)	1,255/751
Market cap (Cr)	57,947
No. of shares (Cr)	57.4

Shareholding (%)

	Sep'24	Dec'24	Mar'24
Promoter	68.8	68.8	68.8
FIIs	9.7	10.0	10.0
DIIIs	15.2	15.2	15.2
Retail	6.3	6.0	6.0



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- **Segmental performance:-** Co. recorded strong performance across most of its business segments. The switches segment was the largest contributor, registering a 19% YoY to Rs. 1,144 cr, accounting for 25% of total revenue. The lighting segment posted a moderate growth of 5% YoY, with revenue reaching Rs. 1,018 cr and contributing 22% to the total. The castings segment saw a 12% YoY rise in revenue to Rs. 860 cr, making up 19% of the overall share. Meanwhile, the seating segment experienced a robust 23% YoY surge, taking its revenue to Rs. 325 cr, 7% of total revenue. A significant boost came from the others segment—which includes EV chargers, sensors, and controllers—where revenue jumped 62% YoY to Rs. 992 cr, contributing 22% to the total. However, the acoustics segment continued to drag, witnessing an 11% YoY decline in revenue to Rs. 189 cr. The sunroof segment's estimated annual peak revenue has been revised upward from Rs. 160 cr to Rs. 240 cr for the upcoming order, based on updated volume projections.
- **EV segment:-** In the 2W EV segment, the company, which was initially focused on supplying DC-DC converters and chargers, has made a significant breakthrough by securing orders for motor controllers, with manufacturing scheduled to commence in FY26. It is enhancing its core EV portfolio through its JV with Shuzhou Innovance to produce high-voltage EV components including charging systems, inverters and motors. The Board has approved a greenfield e-axle plant at a capex of Rs. 420 cr; with phase 1 expected to be commissioned by Q2FY27. Co. has already received an anchor order for e-axle.
- **Margins:-** EBITDA margins contracted to 11.6% in Q4FY25 due to high base of previous year's price adjustments, high start-up costs, increased employee expense and R&D. Co. has guided for margins of 11% with a swing of 50 bps.
- **Outlook:-** Co. expects its key segments (lighting, alloy wheels and sensors & controllers) to grow ~1.5x the industry rate, with premiumisation trends, confirmed orders and rising content per vehicle across 2W and 4W segments. PV demand to grow at a low single digit with SUVs to take the charge yet again as entry level car demand remains subdued.
- **PLI:-** The company received PLI approval for sensors under auto PLI scheme while awaiting approval for its on-board chargers.

Outlook & Valuation:-

Uno Minda is a leading global Tier-1 manufacturer and supplier of innovative automotive solutions and systems to OEMs. They design and manufacture over 25 categories of components and systems for vehicles across segments and powertrains. It has a leadership position in India in almost all the products it manufactures and has consistently outperformed the industry through its superior execution capabilities and technological collaborations. Company has made itself future proof by having its presence across all types of powertrains, giving a long term visibility. While it continues to expand its portfolio and capacity to secure strong order wins, near-term growth may be affected by demand slowdown. We expect Uno Minda's Revenue/ EBITDA/ PAT to grow at a CAGR of 19%/ 21%/ 25% respectively over FY25-28E and assign a Buy rating for the stock with 25% upside potential over the next 12 months, valuing it at ~55x its FY26E EPS.

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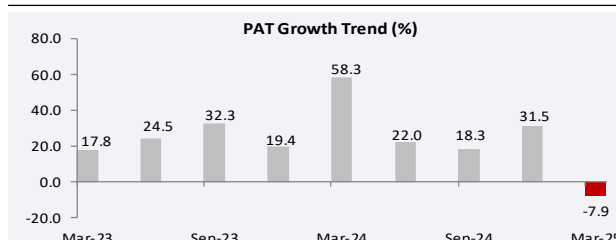
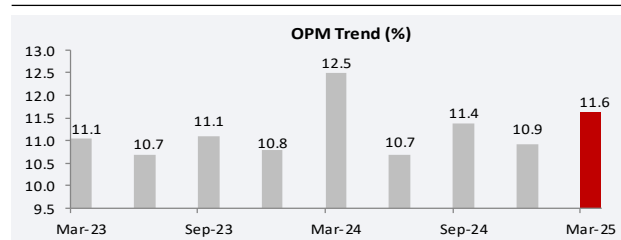
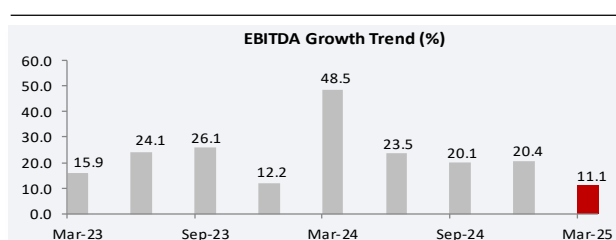
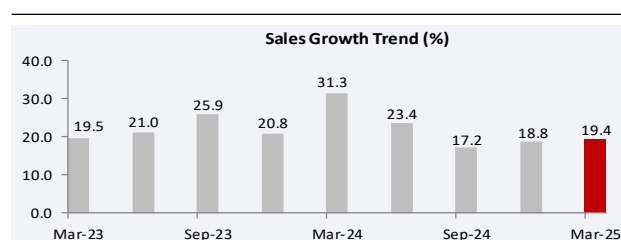
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Uno Minda Ltd March 2025 Quarterly Result Snapshot CMP: 1,009

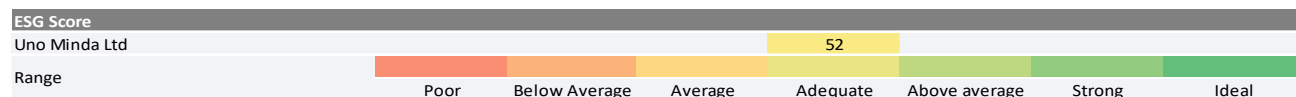
Sector - Auto Ancillary	31-Mar-25	Estimates	31-Mar-24	YoY (%)	31-Dec-24	QoQ (%)
Sales	4,528	4,435	3,794	19.4	4,184	8.2
EBITDA	527	513	474	11.1	457	15.3
EBIT	362	375	325	11.5	299	20.9
OPM (%)	11.6	11.6	12.5	-	10.9	-
PAT	266	266	289	-7.9	254	4.7

Rs. Cr, Consolidated



Earnings & Valuations	Sales	EBITDA	OPM (%)	PAT	P/E (x)	P/B (x)	ROE (%)
FY25A	16,775	1,874	11.2	943	53.3	8.8	17.7
FY26E	19,816	2,283	11.5	1,211	47.7	8.6	18.6
FY27E	23,450	2,767	11.8	1,538	37.5	7.2	19.8
FY28E	28,126	3,288	11.7	1,845	31.4	6.1	18.9

Earnings in ` Cr



Note: The score ranges from 0 for companies that do not disclose any of the ESG data included in the score, to 100 for those that disclose every data point.

Source: ABM Research, Bloomberg, CRISIL

Stock Vs Index (%)	CMP	1M	3M	6M	12M	2Y Absolute	3Y Absolute
Uno Minda Ltd	1,009	12.7	18.3	-6.3	19.4	86.1	126.8
Nifty 50	24,853	2.5	9.0	2.6	8.3	35.7	55.1

Source: ABM Research, Bloomberg, CRISIL

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