



“Uno Minda Limited Q4 FY'25 Earnings Conference Call”

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E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchanges on May 21, 2025 will prevail.



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Moderator: Ladies and gentlemen, good day and welcome to the Uno Minda Q4 FY25 Earnings Conference Call.

This conference call may contain forward-looking statements about the company which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*”, then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to “Mr. Sunil Bohra, Group Chief Financial Officer for his Opening Remarks.” Thank you and over to you, sir.

Sunil Bohra: Good afternoon, everyone, and a warm welcome to all the participants. On the earnings call today, I am joined by my colleague, Ankur Modi. We have uploaded our “Financial Results and Investor Presentation for Q4 and FY25” on the stock exchanges and our Company’s website.

I would like to begin by giving some insights on the economy, followed by the current scenario in the auto industry and our Financial and Operational Performance for Q4 and FY25, post that we will open the floor for Q&A.

The global economy exhibited resilient growth of 3.2% in 2024 despite the backdrop of persistent inflationary pressures, geopolitical tensions and structural headwinds. While we have started with positive note expecting declining interest rate and maintaining the growth momentum, rising trade tensions, weak consumer sentiment and geopolitical disruption resulted in projected growth at 2.8% for 2025.

US implemented growth-based tariffs in April, triggering retaliation and sharp volatility in trade and markets. While these measures have been paused for 90-days amid ongoing negotiation, we remain cautiously optimistic.

Gradually, growth for the past has been revised down across the board. US is expected to grow at 1.8%, the euro at 0.8% and China at 4%, emerging markets are also slowing, though India remains a bright spot at projected growth of 6.2%.

India continues to stand out as one of the fastest growing major economies globally, consistently outperforming both advanced and emerging market peers with the decent GDP numbers compared to other countries. This resilience is underpinned by strong structural fundamentals, including a young and expanding workforce, sustained momentum in structural reforms and a vibrant services

sector that remains key engine of growth. In this fluid landscape, agility, discipline, and clarity of purpose are critical. As a company, we remain focused on adapting safely to external changes, safeguarding resilience and leveraging opportunities in structurally attractive markets.

Moving on to the “Automotive Industry:

For the Quarter-ending March '25,” the Indian automobile industry recorded a year-on-year production volume growth of approximately 6% with total production reaching around 78 lakh units. For the full fiscal year, domestic posted a 9% growth. This performance was primarily driven by strong demand in the two-wheeler and PV segments, supported by a combination of factors including increased infrastructure investment, supporting government policies and a sustained push towards sustainable mobility. Sound economic fundamentals and positive market sentiment further contributed to the industry's continued momentum. However growth across segments was not uniform; the CV segment saw a decline of 3.6% for the year, reflecting the impact of subdued industrial activity and delayed government spending. While the overall industry remained resilient, performance in certain pockets just that underlying demand recovery is still stabilizing. Nonetheless, sound economic fundamentals and a generally positive market environment help sustain the sectors forward trajectory.

In Q4 FY25, EV production grew by 5% year-on-year reaching to 14.11 lakh units. This was primarily driven by strong demand in the utility vehicles segment. Q4 FY25 showed continued growth, albeit at a moderated pace compared to the high growth rates of the preceding quarters. This moderation is attributed to the hybrid effect, where growth appears less dramatic when compared to an exceptionally strong prior period.

For the full fiscal year, EV production rose by 3% to 50.6 lakh units, again led by a robust growth in the utility vehicles.

The overall market continues to shift in favor of SUVs and premium offerings which comprise of 62% of overall PV production.

Looking ahead, the segment is poised for growth supported by new product launches and rising consumer interest in premium category. However, headwinds persist including global economic uncertainty, trade-related tariff pressures and the dampening effect on disposable income. Demand for entry level car remains.

Overall, FY26 is likely to close with low single digit growth. The two-wheeler segment delivered year-on-year growth of approximately 6% in Q4 FY25 with production reaching out to 58 lakh units. For the full fiscal year, the segment posted a robust 11% year-on-year growth with total production

reaching approximately 2.39 crore units. Growth was largely supported by strong growth sentiment. Exports also contributed meaningfully, rising 20% year-on-year, driven by 28% increase in motorcycle exports and an exceptional 194% surge in moped.

The three-wheeler segment recorded a steady 10% growth, primarily driven by continued demand for passenger carriers.

In Q4 FY25, the CV segment registered a growth of 3%, with total production reaching approximately 2.9 lakh units. While domestic demand remained relatively muted with a modest increase of around 1.5% year-on-year. CV export had a strong boost surging by nearly 56%.

India's electric two-wheeler EV market experienced a notable 9% quarter-on-quarter decline in sales to 3.05 lakh units from 3.33 lakh units. Despite achieving significant year-on-year growth, while the fiscal year concluded with over 1.14 million EV two-wheelers sold, 21% increase from FY24, the momentum slowed down in the final quarter. The reduction in government subsidies, charging infrastructure challenges and wage anxiety are some of the challenges impacting this segment. Despite near-term challenges, long-term prospects for EV two-wheeler remain highly promising with various government initiatives like PM E-DRIVE Scheme, State EV policies, technological advancement, increasing charging network, as well as the battery range.

Coming to “Financial and Operational Performance,” you can refer to Slide #7 and 8:

Uno Minda delivered a robust financial performance in Q4 FY25 marked by strong top line growth. Consolidated revenue from operations for the quarter stood at Rs.4,528 crores, reflecting 19% year-on-year growth from Rs.3,794 crores in Q4 FY24. This growth was driven by broad-based strength across multiple product segments, particularly switches, alloy wheels and seating systems. Additionally, the consolidation of Minda Westport and Minda onkyo during the year contributed to the revenue uptick.

EBITDA for the quarter reached Rs.527 crores, registering 11% year-on-year growth from Rs.474 crores. EBITDA margin moderated to 11.6% compared to the corresponding quarter last year. This is primarily attributable to a higher accumulated price settlement in Q4 last year.

Furthermore, the commissioning of the three new projects over the last six months currently in the ramp up phase led to higher costs. Employee cost also increased during the quarter, primarily due to additional manpower at our for operational EV projects, new Czech Republic R&D center and higher gratuity provision.

We would like to inform you that based on the increased utilization, better cycle times, etc., and considering the short life of tools in casting business, we plan to change our accounting policy as we move into the new fiscal year. These tools which were capitalized, however considering the useful life of these tools, these will now be charged of the income statement. Estimated impact of the same is likely to be around Rs.40 crores on an annual basis, though a similar amount shall be reduced in depreciation over a couple of years.

Finance cost increased to Rs.41 crores compared to same period last year, largely on account of higher borrowing to support capital expenditure and working capital need. Depreciation expenses also rose in line with capitalization of new projects.

Share of profit/loss from associates and JV stood at Rs.55 crores for Q4 compared to Rs.58 crores in the last quarter FY24.

While ventures such as Denso Ten, Roki, TRMN, TG continue to perform well, the transition of Minda Westport and Minda Onkyo into fully consolidated subsidiaries resulted in the financials being accounted on line-by-line basis, hence reducing the share of profits reported under this head by Rs.5 crores. Profit after tax attributable to Uno Minda for the quarter was Rs.266 crores compared to Rs.284 crores in Q4 FY24. However, it is important to note that previous year's figure included a one-time gain of approximately Rs.20 crores from the reversal of provision for interest on CVD related to EPCG following us favorable Supreme Court ruling. Adjusting for this the normalized PAT for Q4FY24 was Rs.265 crores.

Full year FY25 financial overview, you can refer to Slide #9 please:

For the full year ended March '25, consolidated revenues were Rs.16,775 crores, achieving a 20% year-on-year growth. This significantly outpaced the broader auto industry volume growth of 9% for the same period, transitioning into about 2x industry volume growth against the Company's long-term guidance of 1.5x. EBITDA for the year grew by 18% to Rs.1,874 crores with an EBITDA margin of 11.2% in line with our guidance. Profit after tax attributable to Uno Minda stood at Rs.943 crores, up 8% from Rs.875 in FY24.

As mentioned above, the growth impact excluding exceptional income is around 9%. This growth underscores the Company's ability to scale operations effectively, maintain profitability and deliver consistent shareholder value amid ongoing industry transformation and increased investments in future-related technologies.

Moving to "Business Segment Wise Performance":

Starting with Switches, you can refer to Slide #12. The Switching System segment continues to demonstrate exceptional performance in Q4 FY25, contributing significantly to the overall revenue mix. The segment recorded revenues of Rs.1,144 crores during the quarter, accounting for a substantial 25% of the Company's consolidated revenues, highlighting its critical role in a diversified product portfolio.

For the full fiscal year FY25, Switching System revenue achieved revenue of Rs.4,204 crores, representing a robust 15% year-on-year growth compared to Rs.3,663 crores in FY24. This performance underscores our strong market position and our ability to renovate in a segment that is evolving rapidly with changing automotive trends.

The growth in this segment was driven by multiple factors: Firstly, the increasing trend of premiumization across both two-wheeler & passenger vehicle segments, which has led to rise in value per vehicle.

Second, exports played a pivotal role in driving growth, particularly in the two-wheeler switch category.

Our international business saw strong traction during the year, reflecting our competitive cost structures, high quality standards and deep customer relationships with global OEMs.

Moving to "Lighting Systems":

The business continues to be a cornerstone of Uno Minda's growth story, delivering another strong performance in Q4 FY25. The segment generated revenues of Rs.1,018 crores during the quarter, contributing a substantial 22% to the company's consolidated revenue.

For the full year, Lighting business recorded revenues of Rs.3,863 crores, registering a healthy 22% year-on-year growth driven by technological leadership and increased content per vehicle.

Our strong flow in both two-wheeler and four-wheeler segment is a testament to Uno Minda's ability to stay ahead of industry trends through innovation. In the two-wheeler segment, we have reinforced our leadership by becoming a major supplier of advanced lighting solutions for electric two-wheelers to leading OEMs.

In light of the significant growth witnessed in the two-wheeler lighting segment over the past few years, our existing facilities at Sonipat and Bahadurgarh are now operating at full capacities, leaving little room for further expansion. To address this and support future growth, we plan to consolidate the three plants at these two locations into a new larger facility to be built at Kharkhoda, Haryana.

This strategic move will not only increase our manufacturing capacity, but also provide space for future expansion. The total estimated capital expenditure for this relocation and expansion excluding land is Rs.233 crores.

In the four-wheeler segment, our technological prowess is gaining global recognition. A notable milestone during the year was securing a prestigious order on supply of advanced lighting systems for an autonomous robotaxi being developed by a leading American technology company. This order not only affirms our capabilities in high-end lighting solutions, but also marks our entering into next-generation mobility platforms. To further advance our technological edge, we established R&D Center in the Czech Republic. This global innovation hub will focus on the development of next-generation automotive lighting technologies, including adaptive lighting, LED-matrix systems and integrated electronics.

Looking ahead, we expect the positive momentum in lighting business to continue, supported by the scaling up of operations at our new plant in Khed City and the ramp up of production for recently acquired orders.

Moving to “Casting Business”:

The business also delivered a robust performance in Q4 FY25, generating revenue of Rs.860 crores, accounting for 19% of group consolidated revenues. Of this, four-wheeler contributed around Rs.471 crores, two-wheeler alloy wheel at Rs.247 crores and the aluminum die casting segment at Rs.142 crores.

For the full year, the casting business recorded revenues of Rs.3,220 crores, reflecting a solid 14% year-on-year growth, of this four-wheeler alloy wheel contributed Rs.1,709 crores, two-wheeler alloy wheel is Rs.932 crores and the aluminum die casting segment Rs.574 crores. Both two-wheeler and four-wheeler alloy wheel segments benefited from strong demand and with the recent capacity expansion.

We commenced production from additional 30,000 units monthly line for four wheel alloy wheel at Bawal, Haryana plant bringing the total installed capacity to 4,20,000 wheels per month.

Construction of our Greenfield facility is also progressing well at Kharkhoda , with the first phase of 60,000 wheels per month expected to be commissioned by Q2 FY26.

On the two-wheeler front, we have commenced our production at our expanded Supa, Maharashtra facility. This expansion adds 2 million units of capacity, raising total to 8 million units annually. Additionally, we have announced Rs.200 crores investments in the new two-wheeler alloy wheel

facility at Bawal with the plant annual capacity of 1.5 million units. This facility is targeted for commissioning in Q2 FY27. Once the Bawal plant is operational, our total two-wheeler alloy wheel capacity will reach 9.5 million units annually, further solidifying our market leadership and supporting the Make in India Vision.

Moving to "Seating System Business", you can refer to Slide #13:

The business continues to contribute meaningfully to overall performance, generating revenues of Rs.325 crores in Q4 FY25, accounting for 7% of consolidated revenues.

For the full year, the segment reported revenue of Rs.1,155 crores which is the highest ever. Growth during the year it was driven primarily by investment of supplies of pneumatic suspended seats to a leading domestic OEM and increased demand for bus passenger seats. Notably, this growth was achieved despite a decline in export, which were impacted by the downturn in the European market, particularly affecting one of our key customers.

Looking ahead, we expect the seating business to sustain its growth trajectory, supported by recently confirmed orders and upcoming execution of these programs.

Moving to "Acoustic Business":

The segment reported revenue of Rs.189 crores in Q4, maintaining a stable 4% contribution to consolidated revenues. For the full year, the segment recorded revenues of Rs.763 crore, reflecting a 8% year-on-year decline. The domestic business grew by 7%, that's driven by sustained OEM demand. However, overall performance was impacted by persistent headwinds in the European automotive market, as our European subsidiary, Clarton Horn declined by 14% year-on-year basis.

Moving to "Other Products" where you have lot of sunrise businesses:

The other product business delivered strong performance, generating Rs.992 crores in revenue during Q4 FY25, contributing 22% to the consolidated top line. Within this, the Controller business contributed to around Rs.157 crores, Sensors and ADAS Rs.211 crores, Blow Moulding products at Rs.127 crores, Uno Minda FRIWO JV at Rs.98 crores and Alternate Fuel Business at Rs.143 crores. The remaining revenue was driven by aftermarket trading, external sales from Uno Minda Katolec, engineering services in Europe and battery sales in the aftermarket channel. For the full year, revenue from this segment grew by 60% to Rs.3,571 crores, reflecting our strategic focus on emerging technologies and new mobility solutions.

Our EV System vertical under Uno Minda FRIWO JV achieved revenues of Rs.382 crores in just its second year of operations. Meanwhile, the Sensor and ADAS business scaled to Rs.804 crores and our alternate fuel business through JV Westport grew to Rs.501 crores, further validating our commitment to future-ready sustainable mobility solutions.

Moving to the EV segment, you can refer to Slide #16 and #17:

We are pleased to note our success in positioning the company at the top of the league in terms of the product offering for E two wheeler components. In line with our strategy to deepen our presence in the EV space, as you know, the company is in the process of acquiring the remaining 49.9% stake in its joint venture with FRIWO along with associated e-DRIVE Technologies. This acquisition valued at approximately Rs.195 crores, is expected to be completed by end of Q1 FY26 as we envisage, enabling full integration and unlocking greater synergies in EV component manufacturing and open access to the global markets.

As per our stated strategy, we have also been working on strengthening our EV product portfolio for a four-wheeler EV segment. Towards that objective, we had entered into a JV with Suzhou Inovance Automotive to manufacture high voltage EV components covering charging control systems, inverters, motors, e-axles. To support the growth of this venture, the Board had approved Rs.423 crores investment in a dedicated facility for high voltage EV powertrain components.

Capital expenditure we face over next two to three years with phase-I is expected to be commissioned by Q2 FY27. The project will be executed through a new joint venture company, Uno Minda Auto Innovations Private Limited with Uno Minda initially holding 100% equity. Upon receiving the regulatory approvals, Suzhou Inovance Automotive through its Hong Kong subsidiary will acquire a 30% stake. We have already secured an anchor order for e-Axle which will be manufactured at this upcoming facility.

Moving to our Aftermarket Industrial Revenue, you can refer to Slide #14 and 15. For the quarter ended March 25, the OEM segment continue to be a dominant contributor, accounting for 94% of our total revenues, while the aftermarket business contributed approximately 6%. Our aftermarket reported revenues of Rs.279 crores during the quarter. International sales currently represent around 10% of our total revenue, reflecting a steady upward trend. While the industrial market remains a key pillar of our long-term growth strategy, our domestic business continues to deliver more prolonged growth.

We would like to clarify that the ongoing US tariff situation has no material impact on our operations as exports to US constitute less than 2% of our total revenues. In fact, we have witnessed growing

demand in the US for our two-wheeler products, reinforcing our competitiveness growth in global markets.

Moving to 20, which is normally our annual slide as you would see, we had witnessed increase in potential kit value across all vehicle categories and segments for FY25. Increasing kit value for four-wheeler can primarily be attributed to the addition of sunroof, advanced lighting solutions, smarter ADAS and sensor solutions, and premium alloy wheel. Increase in kit value for two wheeler can be attributed to advanced lamps, smarter switches and higher realization for alloy wheel led by commodity price.

Moving to our cash flow and debt levels:

Our net debt as of 31st March was at Rs.2,091 crores compared to Rs.1,318 crores as on March 31 2024. The net debt has increased on account of expansion CAPEX as well as expenditure for land bank primarily at Kharkhoda and small adjacent plots of land at Bawal and Chennai totalling to around Rs.394 crores and increased working capital requirement. The total CAPEX excluding the land bank for the full year was around Rs.1,250 crores while sustaining and growth CAPEX has been financed from business cash flows with capital expenditures, primarily land bank and increase in working capital requirement has resulted in incremental debt. Our net debt-to-equity as at 31st March '25 stood healthy at 0.34%.

Moving to ROCE and ROE:

We have achieved ROCE of around 19%, this is profit of FY25. Kindly note that the capital employed considered for calculation does include the CAPEX for land bank as well as CWIP which is currently not generating return. ROE for FY25 is around 18%.

The Board has also recommended a final dividend of Rs.1.5 per share, which is 75% of face value for shareholders' approval. Total dividend along with interim dividend already paid comes to Rs.2.25 per share, which is 112.5% of the face value. We have been consistently increasing our dividend payout ratio from 10% in FY19 to 13.7% now. With double effect of increasing profits and increasing dividend payout ratio, our dividend payment amount has also increased 3x to 4x in the last few years to propose dividend payment of around Rs.129 crores for FY25, the above underscores our commitment to returning value to shareholders on consistent basis.

Moving to ESG:

In line with the global best practices and in corporate governance, Uno Minda has separated the roles of Chairman & Managing Director. As you know, we had earlier announced elevation of Mr. Mehra

as Managing Director effective 1st April '25, whereas Mr. Minda has transitioned to an Executive Chairman role. With over three decades of his experience and deep domain expertise, Mr. Mehra has been a key architect of Uno Minda's growth journey since 1995.

In a proud milestone of its journey towards inclusive development, Uno Minda Limited CSR arm has inaugurated its 18th Samarth Jyoti Center in Kaggalahalli, Harohalli, Karnataka. This expansion marks a renewed commitment to fostering education, skill development and community empowerment across India. What began in 2012 with a single center in Naharpur, Haryana has now evolved into a transformative movement. Each Samarth Jyoti Centre serve as a vibrant hub of opportunity, designed to uplift underprivileged communities through, Vocational training in tailoring, beauty culture, and computer literacy, community schooling and remedial education for marginalized children's, livelihood support and capacity building for women to self-help groups, preventive healthcare services for the undeserved. Guided by the belief that two empowerment must be both inclusive and accessible. Samarth Jyoti's initiative has grown to 18 centers across several states positively impacting the lives of millions and inspiring hope, dignity and self-reliance in every corner where it reaches.

As we look ahead. Uno Minda remains well-positioned for sustainable growth, backed by strong fundamentals, diversified product portfolio and ongoing investment in emerging technologies such as electric mobility, advanced electronics and auto motive lighting. Our consistent ability to outperform the industry delivering more than 1.5x volume growth compared to market averages underscores the strength of our customer partnerships, our focus on innovation and commitment to operational excellence. We will continue to invest in expanding both our capacities and capabilities.

In FY26, we plan to incur a total capital expenditures of approximately Rs.1,300 crores comprising around Rs.500 crores in sustaining CAPEX and around Rs.800 crores in growth-oriented CAPEX. This is based on the current approved projects.

While we have built some strategic land bank in Kharkhoda and Khed, we are in process of continuation of building the same in other key automotive hubs such as Chhatrapati Sambhaji Nagar, Tamil Nadu and Gujarat for which we may spend around Rs.250 crores in FY26.

We have recently received the allotment letter for approximately 88 acres of land in Chhatrapati Sambhajanagar from Maharashtra Government. These investments will be primarily funded through internal accruals. With strategic capacity expansions, a healthy order book and an enhanced focus on innovation, localization and value addition, we are confident in maintaining our growth momentum.

Despite lot of plants, which are coming in operational next year and also in the phase of initial growth, we continue to our guidance for an annual EBITDA margin of 11% plus/minus 50 basis points. While

revenue growth will generate operating leverage, initial costs related to new plant startups and expansions were partially offset this benefit.

Nonetheless, we are entering the next phase of our journey with confidence, agility and a clear vision. We remain committed to creating long-term value for all stakeholders and are excited about the opportunities that lie ahead. With this, I would like to now open up the floor for the questions.

Moderator: Thank you, sir. We will now begin with the question-and-answer session. The first question comes from the line of Chandramouli Muthiah from Goldman Sachs. Please go ahead.

C Muthiah: Hi, good evening. Thank you for taking my questions. My first question is just related to the UK, India, FDA as well as expected US-India bilateral agreement. So I think in your slide 4, you mentioned that there could be additional opportunities for the local auto component industry from UK, India, FDA. So if you could just give us some color on what is the current level of exports from India to the UK for auto components and what is the current level of imports, just to understand the balance of auto component trade there as well as where you see opportunities from this particular arrangement? So second question is related to Uno Minda Innovations Limited, the JV with Inovance. So you did mention that there is the E-axle which is the first order that you've got. If you could just give a rough idea of what the kit value is, when the SOP might happen there, and given that it's 70:30 CAPEX arrangement, is it going to be consolidated in our accounts or will it be share of profits? And the last question is just around this quarter, we've had a lot of top line growth, but the EBITDA growth is 11%, there's been 90 bps YoY drag on EBITDA margin. You explained part of that could be because of settlements, which are still due from full ends on raw materials, but just trying to understand what part of that 90 bps drag in margin is due to the startup costs at some of these facilities that you've set up in the last couple of quarters. So those are the three questions.

Sunil Bohra: Okay. Thanks. So in terms of the first question, on UK India FDA & US-India FDA bilateral discussion, what happened as I said, we remain cautiously optimistic. Hopefully something good will come out based on whatever we are listening or hearing out from the government and the other sources. In terms of UK, India, we all know that there are multiple factors wherein the path has been laid out by the government for next 10 years as to how the rates eventually will come down. So as of now, we don't have any significant exposure to UK, but in the past we have been in touch with some of the customers, hopefully with this some doors might open, but it's too early to comment on that in terms of opportunities. But our point was more in terms of the sector per se because if the rates and all come down, it will be hopefully positive for the entire sector from the automotive components perspective. The second question is on e-axle, value and SOP. So SOP as I have mentioned is in the middle of next financial year and in terms of value it's very difficult to give because while we do have a value for first kit, which we can't share because of price-sensitive inflation, a lot is also

dependent in terms of the volume uptick which this market is in terms of phase where a lot of moving parts and it's a high growth segment. So as of now, while we do have some value indication from our customers, we will not like to speculate in terms of what the values are going to be in future. So the way we have done, announced this CAPEX is also that while we construct this infrastructure, the land building, utilities, etc., the plant and machinery we will do in a phased manner as we get the increase in the volume uptick. And whether it will consolidate on line-by-line or a share of profit question on this, yes, it will be consolidated line-by-line because it is going to be eventually 70:30 JV, majority being Uno Minda Limited. So it will be consolidated line-by-line from Uno Minda perspective. Then your next question was top line growth versus the EBITDA margin and drop of 90 basis points compared to last year. As we said last year, yes, there was some price increase, but in this quarter in terms of startup cost you mentioned which will be sustained, there is roughly around Rs.19- 20 crores of additional manpower cost which we have incurred during this quarter because of number of increase in people during the quarter. So that we believe, obviously, will be sort of a sustainable cost plus there are some other administrative expenses around similar numbers.

C Muthiah: Got it. That is helpful. Thank you very much and all the best.

Sunil Bohra: Thank you.

Moderator: Thank you. The next question comes from the line of Mumuksh Mandlesha from Anand Rathi Institutional Equities. Please go ahead.

Mumuksh Mandlesha: Yes. Thank you, sir for the opportunity and congrats on the continued strong performance sir. Sir, firstly, can you help us understand this provision of fundraise of Rs.2,500 crores -- would it be a debt-driven or equity sir? So can you just update what could be the order size for this four-wheeler e-axle component, and what could be the order size for the sensor business and the charging business? And thirdly, sir, the lighting revenue growth this quarter was lower. Also, we had the new plant in Pune last quarter, just started. Any view over next few years based on the orders and the capacity, how do you see the growth in the market share in the lighting segment? Lastly, in the presentation the two-wheeler EV-specific CAPEX has been changed. Just want to understand what has changed in this quarter, Buehler and the Minda EV system CAPEX?

Sunil Bohra: Okay. So we'll get back to you on this last question. But going from starting, so the approval of Rs.2,500 crores is the enabling of approval, it is for both debt and equity, and as you would have seen, we have been taking the approval every year, even last year we had an approval of Rs.2,000 crores. This is only a approval. As of now, we don't see any clear visibility in terms of any long term need of the funds because based on the CAPEX numbers what we have shared and the expected profitability, hopefully, we should be able to internally fund all the funding requirements. In terms

of order size for e-axle, as I little while mentioned to a question from Chandramouli, it is very difficult to give an order size. While we do have a number, the biggest factor of that order is the volume, which obviously is only accurate number. So as I said, we don't want to speculate what the volume is going to be because at the end of day it's a guidance and assumption. So that's why we're not able to give you this order size, but I can tell you that this is what we've got is the state-of-the-art on e-axle, which is the first time going to be used in India and we will be manifesting that at our Khed city plant. In terms of sunroof revenues, I think we'd shared in the past. Based on the expected volumes indication, the revenues initially was estimated to be around Rs.160 crores, but that number has been revised upwards. So current visibility is that it will be roughly around Rs.230 crores or Rs.240 crores of annual peak revenue for sunroof. For charging business, same as I said. Again, there's EV. So I would like to maybe be a little cautious in terms of giving numbers for anything related to EV as of now. Lighting revenue growth was lower you said and what is the next year's path. So lighting revenue growth has consistently been actually very good. If you see for last year also, we have moved from around Rs.3,300 crores of revenue to Rs.3,800 crores of revenue which is almost like 15%, 20% kind of growth, which is a significant number considering the industry growth numbers which is a single digit. And as we move forward to next year, as you would have noticed that the board has approved today setting up of the new tool, a lighting plant which is primarily to cater to the increased volumes and the new businesses which we are not able to now do from our existing plants because all these three plants or facilities which are very old and running very close to capacity. In fact there's not much of scope beyond a year and that's how maybe after a year, year and a half, we should be able to move to a new location. So we do remain very optimistic on the lighting growth and in fact this is the business where the fit value also has been helping us to deliver this kind of outperformance in addition to the new technologies, LED lamps, etc., So we do remain highly optimistic in terms of like three years this business to continue to grow, more than 1.5 lakhs of the industry growth, which has been in line with our guidance as well.

Mumuksh Mandlesha: Lastly, just clarifying, lighting should continue to grow in double-digit kind of a range, is that fair to say, right?

Sunil Bohra: Very difficult to say, Mumuksh, single digit, double digit because the biggest factor is the industry volumes. Now if the volumes remain very low, then it's going to be difficult because that is not in the hand. So what we've been saying is say, for example, if the industry grew by 5%, 7%, 8% and definitely we will be growing by a double digit, but if the industry grow much less than that, then obviously it will be a situation where we have to see how do we still believe that kind of a number.

Mumuksh Mandlesha: Got it, sir. Thank you so much for this.

Sunil Bohra: Thanks, Mumuksh.

Moderator: The next question comes from the line of Siddhartha Bera from Nomura Holdings. Please go ahead.

Siddhartha Bera: Hi, sir, thanks for the opportunity and congrats on a great set of numbers. The first question is on your sensors, controllers and the Westport business, while they have ramped up quite well if we look at on YoY basis. So some color there how do you see the growth in the next two years in each of these three businesses, where are the tailwinds which you are seeing and how to think about growth in these three businesses? That is one. Second is on the alloy wheel side, if we see the growth what we are delivering now, is it more representative of the industry, or do you still see in some segments there is a sort of capacity constraint and with more capacities coming up, you can still continue to grow faster? And here the aftermarket seems to be a very small part, while there is a lot of potential, we have not seen that sort of going up in your aftermarket mix. So what are the thoughts there? And sir, lastly on the CAPEX and investments, while you have mentioned Rs.1,300 crores. I believe there is another Rs.200 crores you need to pay for the Friwo acquisition. Some color if you have accounted this year or that will be separate? And for the Suzhou Inovance, of Rs.423 crores, how much have you accounted for in this number of Rs.1,300 crores in FY26? That will be all.

Sunil Bohra: Okay. Thanks, Siddhartha. Thanks for the compliments. So in terms of first question on sensor, controller and Westport, sensor and controller business, earlier we used to talk together and we took a target of growing it from Rs.100 crores to Rs.400 crores and if you see this year itself our sensors and controllers put together has more than Rs.900 crores. So this business continues to be outperforming our own expectations, led by a lot of innovations, new products, new technologies, etc., So the applications for the sensors has been increasing and so are the controllers and we are optimistic of continuing this growth momentum at least in sensors and also in Westport we have been able to get lot of new business in Westport, the CNG business. The government focus on improving the CNG infrastructure has actually helped the penetration that you would have seen almost most of our customers are either have lost or in process of having our CNG vehicle. So that business is definitely very promising and we do expect this business also to grow in terms of the outperformance, same 1.5x to 2x of the industry growth, we expect also this business to deliver. In terms of alloy wheel growth, you said, is it more representative of the industry and is it a capacity constraint. I would split this into two because of this different dynamics, both four-wheeler and two-wheeler. So four-wheeler business year-on-year has grown almost 15% from Rs.1,350-odd crores to Rs.1,540 crores. Now obviously the base is also becoming bigger. And another factor here is that the application ratio has not grown to the extent what we have assumed. While we do remain optimistic in terms of the application ratio to grow gradually to what the global levels are, but for last year we are almost same as what the year before it was, maybe around between 42% and 44% kind of a range and there has been no significant increase in the application ratio and that's why you are seeing this number. But despite that we have actually grown much more than industry growth; industry growth is 5% but whereas we've grown by 15%. So it's definitely much more than industry growth. And is

capacity a constraint? It is constraint actually in two-wheeler. So two-wheeler continues to run at full capacity. We have ramped up from 6 million to 8 million. It's operating at full capacity and that's how we have seen announced capacity of another 1.5 million expansion. So this business continues to sort of show promising size of continued future growth. To your next question, we have been honestly working very hard in terms of improving our aftermarket business in terms of adding new more dealers, more consumers, but you all know that this has been facing significant challenges, maybe the cheaper imports or focus from our customers also directly from the aftermarket segment, which is good for us also in a way because whatever our customers also sell through their aftermarket channel also with us for us, we don't account that as an aftermarket sale, we account for that as a wholesale because it's the same customer, same pricing, etc., So that is why we are not seeing a significant movement in aftermarket, but we continue to work on that, and as we speak, we are actually #1 in terms of the volumes in India and #2 in terms of the value in terms of our aftermarket revenues for last year. But to your point, yes, we do remain very committed on the medium to long-term growth of the PSB segment. In terms of Friwo of investment of Rs.195, 200 crores, yes, it is separate, it is not part of Rs.1,300 crores, sustaining our growth rate, it is not part of that.

Siddhartha Bera: That is fine, sir. Thanks, sir. One clarification is this Rs.40 crores annual charge which you mentioned, this will be from next year, right, it has not come in the current quarter, will that be the right assumption?

Sunil Bohra: Correct.

Siddhartha Bera: Sure, sir. Thanks a lot, sir.

Sunil Bohra: Thank you.

Moderator: The next question comes from the line of Mukesh Saraf from Avendus Spark. Please go.

Mukesh Saraf: Good evening and thank you for the opportunity. First question is on the JV on the four-wheeler e-axle. So while we're investing the entire amount now and then the JV partner will be acquiring this 30% stake later on, if there is a delay in, say, government approvals, etc., for this 30% stake, would there be any kind of impact on technology transfer or on the product development, etc., obviously we have a timeline here in mind, so how would that work, sir?

Sunil Bohra: No. So as I said, Mukesh, so originally if you see it was actually a TLA which we have entered into and which we wanted to convert it to a JV to make sure that we work as real partners and not technology partners. So the intent is very clear. When we have gone today ahead with the JV, I can tell you that while in India, we need approval, in China also they need an approval, and they also filed for approval in China and they are also very optimistic that they will get to the approval and so

are we. This is the process which we have to undergo. So, in terms of commitment or in terms of product there is nothing, no concern as of today and the business what we have secured, they are actually working very parallel, in fact, we recently had ground-breaking ceremony also where the entire team was here and there, fully committed and we don't feel that because of the government approval will delay our production or something like that.

Mukesh Saraf:

Got it, got it. And secondly, on the two-wheeler EV business, while we have been kind of clocking a run rate there on two-wheeler EV, what I probably understand is that a lot of that business is still DC-DC converters and chargers, etc., But have we seen any major breakthrough with respect to traction motors, motor controllers, those kind of components for the two-wheeler EV business?

Sunil Bohra:

Yes, Mukesh, you're right. So while initially it was more of DC-DC converters and chargers, yes, we have got a breakthrough in motor controllers, which we will be manufacturing in the coming financial year. We have already received the order. It will be in SOP in the coming year. Motors, there is a concern because it's a market flooded with lot of players and even the OEs are sort of in the process of signing their strategy. You know one of the large players have decided to do it in-house. So this is a business where we honestly seem to be having a hard time, but we are still working on it. Hopefully, something good will come up.

Mukesh Saraf:

Right. Right. Great. And just lastly, when I look at, the slide where you're mentioning the project updates, we're seeing that we are talking about close to Rs.3,000 crores of CAPEX just on these projects, on top of this, we'll have obviously some land acquisitions, maintenance, etc., So may next couple of years the CAPEX run rate seems to be like it's going to further be aggressively going up. Could you give us some sense on what gives us this confidence, are we seeing far more visibility of orders, some sense that would help?

Sunil Bohra:

So Mukesh, you know that we normally don't commit for a project unless we have an order in hand. The real example now is that once we got this order of e-axle, then only we committed into the project. So all the projects we currently have announced, it is fair to assume we have a business in hand. Yes, normally there is always a challenge that you enter into a business with anchor customers then gradually ramp-up. But there also you would have seen multiple examples in last few years like alloy wheels for cooler, alloy wheels for two-wheeler, etc. We have entered into single customer and now we are serving almost all the key players. Yes, it is the head start what we need and the head start once we get definitely we would like to capitalize on that. So that's not a concern. In terms of your second question of whether the CAPEX run rate can further go up, it's very difficult to say at this point in time. If you would have seen in FY25, at the beginning of the year, whatever guidance we gave, we have been able to meet that guidance in terms of CAPEX despite some of the new projects being announced during the year, right. So as we move forward, the CAPEX number year-

on-year you see is broadly in line, but I am sure we will deliver better growth year-on-year with better margins in terms of absolute profitability. So hopefully we should be able to fund all these CAPEX needs.

Mukesh Saraf: Got it. Got it. That's good to hear, sir. Thank you and all the best.

Sunil Bohra: Thanks, Mukesh.

Moderator: The next question comes from the line of Aditya Jhawar from Investec India. Please go ahead.

Aditya Jhawar: Yes. Thank you and congrats on the good set of numbers. My first question is continuing with Mukesh's question on CAPEX. So CAPEX intensity seems to have gone up quite a bit and looking at the break up that you just gave, it clearly seems that this year the CAPEX would be a tad higher as compared to last year. While it is very good that we are seeing that growth visibility, there are two things here; number one, how do we look at our FCF generation capability, number two, till when we would continue to invest in land. So that would be the first question. Related to that, we are also seeing there's a moderate increase in debt while overall debt-to-equity is still at a manageable level, how do we think about repaying some of our debt? The third question is on the PLI. So, how many products we have received approval on? And in your assessment, what could be the contribution of PLI in our overall top line? Finally, a question on the overall growth outlook. If you can give some sense that how are you seeing the growth by different sub-segments? So what is the growth that you think could pan out in the two-wheeler category, in four-wheeler category, and you can call out specifically PV and CV it would be good? That's it from my side.

Sunil Bohra: Yes. Thanks, Aditya, thanks for the compliments. Your first point is CAPEX have gone up quite a bit higher versus last year. Yes, you're right, but broadly in line. So last year we did CAPEX of roughly around Rs.1,300 crores. This is what we are guiding for this year also. And last year we did land investment of Rs.400-odd crores and this year it will be maybe something around Rs. 200 to 250 crores. And you said how long we continue to invest. Hopefully after this we should not be seeing any significant investment. It will be all based on in case there is any new requirement in the area which there is a new business growth or something where we don't have land. Otherwise like if you see today also when we have announced this project for the lighting, two-wheeler expansion, fortunately, we have land in hand. So it is going into existing land. Another example is this trade land, which was what last year, a year before, the EV for PV business is coming on that line. So it is not that we don't have visibility of what do we do with that land, but we've actually been able to use this land immediately to use once we have been able to get control of this. Otherwise, in the past we have faced delay of almost up to two years after the board approval to commence the work on the land or to get the land in control. So definitely, it's a very big positive from the ratings perspective

because many times customers also look at, in case they give business to anyone, what is its ability to meet their timelines. And once you have land in hand, definitely it's a big plus from our perspective. Then you mentioned in terms of free cash flow. So as you rightly mentioned this year there is an increase in debt even though debt-equity remains comfortable. But as we move to next year based on our current working on current internal estimates, hopefully we should be able to fund all the CAPEX and land requirement through the internal accruals and we should not see any significant increase in debt as we move to the next fiscal year. In terms of how do we think of repayment, definitely initially the repayment might be through refinancing of these debts and as we move forward this point hopefully will come where our free cash generation is going to be higher than debt, hopefully. maybe within FY25-26 itself, that's our internal target, but we get more opportunities for growth, definitely we would not like to leave those opportunities. So it might be a Catch 22 situation, but as of now based on whatever we know today, hopefully we should be cash-positive in this year itself. In terms of PLI, number of products approved, we have got approval for three or four products which are primarily different types of sensors and contribution in top line definitely is not significant, is very small. So I'd not like to speak about it at this point in time. But there are a lot of products which are currently in the workings which will qualify because to qualify you have to first manufacture and reach that 50% DVI, then only based on actuals you can apply to the government and the regulatory authorities be it ARI for certification. So that's where I think we are and hopefully next fiscal year we should have one or two products more which will hopefully qualify in the PLI scheme. In terms of the overall growth outlook in different segments we don't want to guess the numbers, Aditya. But we all know that while our guidance has been to grow at least 1.5x of industry grow, we've been doing much more than that, and we have our budgets made which is primarily on a low single digit growth for EV segment, single digit growth for a two-wheeler segment. And with that, hopefully we should be able to deliver at least 1.5x to 2x growth in the coming year.

Aditya Jhavar:

Okay. Thank you and all the best.

Sunil Bohra:

Thanks, Aditya.

Moderator:

Thank you. The next question comes from the line of Chandramouli Muthiah from Goldman Sachs. Please go ahead.

C Muthiah:

Hi. Thank you for taking my follow-up. So first follow up is just related to I think a comment that you made to an earlier participant there is potential for margin expansion YoY. So, just want to understand, is this likely to be more second half related when industry might start to see more visible volume pickup or do you expect this kind of margin attempt to be sort of evenly spread across there?

- Sunil Bohra:** No. So the margin what we have been guiding is a blended margin across all. So we have a lot of these projects which are currently either in the construction phase or in the commissioning phase or they are maybe in the first year of operations and all these projects do have the startup cost. So if you see our margin even for last year on a full year basis was really around 11.2%, 11.3%. This year also around 11.2%-odd. Next year we are also guiding the same 11%-plus/minus 50 basis points. This is despite the fact that all these projects like we just spoke about, somebody said about Rs.300 crores of CAPEX and 12 projects undergoing, some of these projects will come into operation next year, some of these projects have come in operation this year. So all those incremental costs have been factored into when we gave this guidance. If you exclude that actually you would have seen the benefit of operating leverage in terms of expansion, but because of so many projects coming on board, it does have the startup cost, initial cost, people cost, admin cost whereas you don't see any profitability in first year or two. So all these costs are factored in the margin guidance already.
- C Muthiah:** Got it, sir. Thank you. And just a couple of follow-ups. So on Friwo, I think from the quarterly disclosures we've given, it looks like it's about Rs.382 crores in annual revenue. If we can understand what is the EBITDA and then PAT would be where we look to consolidate that into our financials? And just a couple of data follows. If you could share the alloy wheel revenues for two-wheelers for the quarter once again and also the electric two-wheeler business revenue that you might have done this quarter?
- Sunil Bohra:** I might disappoint you in terms of margin for a business wise, we don't give business wise margins, we stopped almost like five years back based on the feedback that it's being counterproductive for us. I am sorry we're not able to give, but from other questions on three-wheeler, two-wheeler for the quarter, the full year revenue was Rs.932 crores and the quarter was Rs.250 crores roughly. And for EV two-wheeler, which is the JV which has Rs.382 crores for the full year, the last quarter, it has done revenues of roughly Rs.95 crores.
- C Muthiah:** But if I think you are doing a run rate with sales to e-two-wheeler companies of roughly between Rs.160 and Rs.240 crores, just want to understand that like-to-like numbers are you able to provide for 4Q?
- Sunil Bohra:** Yes. So if I remember, that's what we said that this is something which we started giving only because a lot of people have questions around that. So that's we have stopped, but broadly the numbers is in that range only despite the one in car.
- C Muthiah:** Makes sense. Makes sense and all the best.
- Moderator:** The next question comes from the line of Abhishek Jain from AlfAccurate Advisors. Please go ahead.

- Abhishek Jain:** Thanks for the opportunity.
- Abhishek Jain:** So, my question is on the seating business. We have seen a revival on the seating after many quarters. Just wanted to understand what is the reason and what would be the growth for seating business?
- Sunil Bohra:** So Abhishek, seating business, as I said initially in my brief, the growth has been driven by primarily the new customer addition and startup supply of pneumatic suspended seats and also the bus passenger seats in the domestic market and a lot of these businesses which we have been able to drive growth we do expect all these levers to continue the momentum in the next fiscal year end and forward as well.
- Abhishek Jain:** Okay. And in acoustic business, we have seen a degrowth in last many quarters. Just wanted to understand what would be the drivers for the growth going ahead in this business?
- Sunil Bohra:** So as I said in my brief if you would have noticed the India business continue to do stable in terms of the growth which is mirroring the industry growth because we are almost 60% to 65% market share, but because of our operations in Spain, which is in Clarton Horn, that is where we have seen the drop. In fact, the last quarter itself, revenue has dropped by almost I think 26 crores or something because of significant lower volumes, vehicle volume itself are significantly lower, which is what has been pulling down and this is what we have been sharing for last I think four quarters the challenges or headwinds being faced in European business.
- Abhishek Jain:** My last question is on the content per vehicle on the eVITARA. How much is the current content per vehicle and how much increase is expected versus e-axle, who will start to produce?
- Sunil Bohra:** Sorry, we don't give vehicle wise fit values.
- Abhishek Jain:** Just wanted to understand how much difference in the content per vehicle on the EVs versus passenger vehicles right now?
- Sunil Bohra:** It is the same.
- Abhishek Jain:** Okay. Thank you.
- Moderator:** Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Mr. Sunil Bohra to give his closing remarks.



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Sunil Bohra: I would like to thank everyone for joining the call. I hope we have been able to respond to most of your queries adequately. For any further information, we request you to please do get in touch with us directly. Thank you.

Moderator: Thank you, sir. Ladies and gentlemen, on behalf of Uno Minda Limited, that conclude this conference. Thank you for joining us and you may now disconnect your lines.