



“Uno Minda Limited
Q2 and H1 FY '26 Earnings Conference Call”
November 07, 2025

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchanges on November 07, 2025 will prevail



**MANAGEMENT: MR. SUNIL BOHRA – GROUP CHIEF FINANCIAL
OFFICER – UNO MINDA LIMITED
MR. ANKUR MODI – HEAD - TREASURY, IR AND
COMMUNICATION – UNO MINDA LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Uno Minda Limited Q2 and H1 FY '26 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 the guarantee of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in 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 star then zero on your touch-tone 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: Thank you. Good afternoon, and a warm welcome to all the participants. On the earnings call today, I'm joined by my colleague, Ankur Modi. We have uploaded our financial results and investor presentation for Q2 and H1 FY '26 on the stock exchanges and our company's website. We hope everybody had an opportunity to go through the same. 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 the Q2 and H1 FY '26. Post that, we will open the floor for Q&A.

The global economy displayed resilience despite significant policy shifts following the tariff increases by the United States earlier this year. Global trade and investment patterns have adjusted faster than anticipated. The IMF now projects global growth at 3.2% in 2025 and 3.1% in 2026, modestly above media forecast, but still below the pre-pandemic average of 3.7%.

According to IMF, while the global system has adapted swiftly to the U.S.-led tariff changes earlier this year, much of the current strength remains policy-driven and temporary, supported by front-loaded trade and strong investment activity in advanced technologies. However, resolving and reducing policy uncertainty would provide a significant lift to the global economy.

Advanced economies are forecasted to grow around 1.6% in 2025 and 2026, aided by easing financial conditions and fiscal support. U.S. growth is projected at 2% in 2025 as consumption and AI-led investment offsets headwind from elevated tariffs and tighter immigration policies. The euro area is expected to grow by about 1.3% to 1.4%, supported by Germany's fiscal push and recovering industrial output.

Emerging markets and developing economies remain the main drivers of global growth, projected to grow 4.2% in 2025 and 4% in 2026. China is expected to grow modestly at 4.6% this year, owing to weak domestic demand. India stands out with GDP growth forecast at 6.6% in 2025 and 6.2% in 2026. IMF projects headline CPI at 4.5% in 2025, well within the RBI's tolerance band, supported by stable food prices and proactive monetary policy management. Strong domestic demand, infrastructure-led investment and policy stability continues to anchor India's momentum despite global trade challenges.

Moving on to the automotive industry. For the quarter ended September '25, the Indian automobile industry registered a year-on-year production volume growth of around 9%, with total production reaching approximately 8.9 million units. This performance was driven by a powerful dual engine growth story. Domestically, the market remained resilient with 6% growth, but the standout was export performance which surged 26%.

The export rebound was fueled by recovering demand in key markets across Africa, Latin America and the Middle East, aided by a more stable supply chain and favorable currency conditions. The auto industry saw muted demand during the first three weeks of September as consumers awaited the implementation of GST 2.0. However, volumes rebounded sharply thereafter coinciding with the start of the Navratri festive period.

Overall, Q2 FY '26 proved to be a mixed but ultimately encouraging quarter for the quarter -- for the sector. The period began with subdued sentiment and weather-related challenges, but ended with strong momentum as festive demand, GST rate cut and improving customer confidence combined to lift sales, bookings and showroom activity.

Moving on to the PV industry. In Q2 FY '26, the PV segment demonstrated a gradual recovery with the total production rising 4% year-on-year to 1.32 million units. The quarter remained mixed with early softness giving way to stronger momentum towards the end after GST rate reduction. The growth was driven by export volumes, which grew 23%, while domestic sales declined by 1.5%.

Exports were a major highlight with PV shipments reaching an all-time high of 2.42 lakh units, reflecting strong international demand for Indian-made passenger vehicles. Within the segment, utility vehicles, which account for nearly 2/3 of the total PV sales, posted a modest 1.1% year-on-year growth as a 26% surge in exports was partly offset by a 2.1% decline in domestic volumes. In contrast, passenger car domestic sales remained broadly stable at previous year levels.

A key highlight for the quarter was the sustained growth in the electric passenger vehicles. EV sales increased 31% quarter-on-quarter and 139% year-on-year, reaching approximately 50,000 units. This translates to an EV penetration rate of around 5% in Q2 FY '26, up from around 4% in Q1 FY '26. For the first half of the fiscal year, EVs have nearly doubled their share in the passenger vehicle market compared to the prior year, signalling their evolution from a niche category into a mainstream growth driver for the Indian automotive industry.

In Q2 FY '26, the 2-wheeler segment emerged as one of the strongest performers, recording year-on-year growth of 11%, with total production reaching approximately 6.9 million units. This performance was supported by higher economic activity, resilient rural mobility demand and positive impact of GST rate reduction implemented in late September, which collectively enhanced affordability and boosted consumer sentiment.

Within the segment, scooters led the growth, rising 12% year-on-year, reflecting improving urban mobility. Motorcycles grew by 10%, supported by steady demand from both rural and semi-urban markets, while the premium motorcycle subcategory continued to perform well,

driven by aspirational buyers and expanding exports. 2-wheeler exports also reached an all-time high of 1.3 million units in the quarter, marking a 25% year-on-year increase with motorcycle exports alone up 27%, underscoring strong international demand and improved competitiveness of Indian manufacturers.

Meanwhile, electric 2-wheeler category continued to gain traction with sales rising 5% quarter-on-quarter and 9% year-on-year, reaching 3.12 lakh units. The e-2-wheeler penetration rate for Q2 FY '26 stood at 7.8%, up from 6.3% in Q1 FY '26 and significantly higher than 5.8% recorded in the full FY '25. This steady upward trend highlights the increasing consumer acceptance and policy support driving India's transition towards sustainable mobility.

The 3-wheeler segment recorded robust 18% year-on-year growth in Q2, reaching its production of 3.5 lakh units, led by strong demand in the passenger carrier subsegment and healthy traction in goods carriers. Exports also hit a record, rising 51% year-on-year to 1.23 lakh units, the highest due to export performance in 6 years.

In Q2 FY '26, CV segment recorded year-on-year growth of around 11% with total production reaching approximately 2.63 lakh units. Medium and heavy commercial vehicle posted a robust 7% growth, benefiting from the healthy freight demand across level across steel, cement, mining and construction sectors, while LCV registered a 30% increase year-on-year, driven by continued strength of intracity logistics and e-commerce-related transportation.

Exports remained a key growth driver, rising 22% year-on-year to 0.24 lakh units, reflecting the segment's improving competitiveness in global markets. Overall, the CV segment extended its positive momentum through the quarter with fleet operators re-entering the market to expand capacity amid growing economic and construction activity.

The outlook remains constructive with expectations of sustained growth through FY '26, supported by expanding infra spending logistics demand and broad-based recovery across commercial segments. Looking ahead, the Indian automobile industry entered the second half of FY '26 on a strong footing, supported by the festive momentum, stable macro conditions and GST 2.0 reforms that have enhanced affordability and consumer confidence.

The early onset of festivities from 22nd September boosted retail activity in Q2 and extended festive and wedding season is expected to sustain growth through Q3. A healthy kharif harvest aided by a good monsoon and stable rural sentiment are set to support demand in the coming months. The rollout of GST 2.0, along with RBI's rate rationalization and income tax relief measures is further strengthening buying sentiment across vehicle categories.

With urban consumption rebounding and rural demand holding firm, the outlook for rest of FY '26 remains positive, supported by new model launches, improved financing conditions and favorable policy environment, the industry is well poised for sustained growth marking what could be the beginning of a new up cycle for India's automobile sector.

Moving on to our financial and operational performance for the quarter. You may refer to Slide number 7 and 8. Uno Minda delivered yet another quarter of strong financial performance with highest ever quarterly revenues and profitability, driven by broad-based growth across multiple

product segments. Consolidated revenue from operations for the quarter stood at INR 4,814 crores, registering a robust 13.4% year-on-year growth.

This performance reflects healthy traction across core product lines such as switches, lighting, wheel, seating systems, along with accelerating momentum in emerging segments, including sensors and ADAS. EBITDA for the period grew by around 14% at INR 552 crores as against INR 482 crores for corresponding quarter last year, while improving EBITDA margins to 11.5%.

It is worth noting that these margins were achieved despite the start-up cost of recently commissioned plants and nascent businesses, which have not achieved optimum levels. Finance costs remained stable at INR 45 crores. Depreciation expenses increased by around INR 22 crores, reaching INR 173 crores, reflecting the commissioning and capitalization of new facilities over the past year, including the 4-wheeler lighting plant at Khed City, the additional 2 million capacity expansion at 2-wheeler alloy wheel facility in Supa and enhanced capacity at 4-wheeler alloy wheel plant at Bawal.

The share of profit from associates and joint ventures rose to INR 63 crores in quarter 2 compared to INR 48 crores in the corresponding quarter last year. While all major JVs, Denso, Roki and TRML performed well, the TG Uno Minda joint venture delivered a robust revenue growth of 28% year-on-year. The JV commissioned its enhanced airbag manufacturing capacity in Neemrana in Q3 FY '25, adding side and curtain bags to its product portfolio. This expanded capacity is now ramping up steadily, supported by rising OEM demand for airbags in line with the enhanced regulatory and requirements.

Profit after tax attributable to shareholders stood at INR 304 crores in the quarter, reflecting a healthy year-on-year growth of around 24% in Q2 FY '26. We would like to highlight that Q2 FY '25 PAT includes exceptional income of around INR 9 crores. Excluding this, the normalized PAT grew by 27% for the quarter. Financials for H1 FY '26, we have achieved consolidated revenues of INR 9,303 crores for the half year ending September '25.

The current half year revenues include incentive income amounting to around INR 69 crores pertaining to prior period. However, for the purpose of like-to-like comparison from corresponding quarter, we have excluded the same from revenue, EBITDA and PAT to derive normalized growth. Consequently, revenues from operations, excluding such prior period income was INR 9,234 crores, registering a robust 15% year-on-year growth in H1 FY '26.

Adjusting for the prior period income, normalized EBITDA for the period grew by 15% at INR 1,026 crores and PAT attributable to shareholders stood at INR 595 crores for H1 FY '26. On a normalized basis, excluding the prior period income and exceptional income, PAT was INR 543 crores, reflecting a healthy year-on-year growth of 24% over INR 437 crores in H1 FY '25. Coming to the business segment-wise performance.

Starting with switches, you may refer to Slide number 11. The Switching System business continued its strong momentum in Q2 FY '26, making a significant contribution to Uno Minda's overall revenue mix. The segment reported revenues of INR 1,176 crores during the quarter,

reflecting an 11% year-on-year growth and accounting for a substantial 25% share of company's consolidated revenues.

Growth in 2-wheeler segment was driven by market share gains, favorable customer mix and sustained domestic volume growth. Although 2-wheeler switch exports were impacted by supply disruptions of rare earth magnets during the quarter, the magnet situation has been somewhat getting normalized in the ongoing quarter.

Meanwhile, the 4-wheeler switch business continued to strengthen, supported by a rising kit value per vehicle as OEMs increasingly adopt advanced feature-rich switch systems. Shifting cum expansion of 4-wheeler switch plant at Farrukhnagar is progressing as per plan.

The Lighting System business continued to be cornerstone of Uno Minda's growth trajectory, delivering yet another robust performance in Q2 FY '26. During the quarter, the segment recorded revenues of INR 1,106 crores, contributing a substantial 23% to the company's consolidated revenues. This represents a healthy 14% year-on-year growth. Growth was broad-based across both 2-wheeler and passenger vehicle segment.

In the passenger vehicle lighting business, the performance was driven by a start of tail lamp supplies for a recently launched customer model, along with the ramp-up of supplies for programs initiated in the past few quarters. The ongoing shift towards LED technology and rising customer preference for advanced aesthetically refined lighting solutions, particularly in the front and rear lamp applications have led to a notable increase in kit value per vehicle.

The 2-wheeler lighting segment also continued to gain momentum, benefiting from the accelerating transition to LED systems. Higher e-2-wheeler penetration has been a key growth driver as these models predominantly adopt LED lighting solutions. Uno Minda remains one of the leading suppliers of lighting systems to both established OEMs and new age electric 2-wheeler manufacturers. During the quarter, the company also commenced a tail lamp supplies for export to a marquee American 2-wheeler OEM, further reinforcing its presence in the global market.

Moving to casting business. The business delivered a robust performance in Q2 FY '26, generating revenues of INR 917 crores, representing year-on-year growth of 9% and accounting for 19% of Uno Minda's consolidated revenues. This includes INR 465 crores from 4-wheeler alloy business, INR 281 crores from the 2-wheeler alloy segment and INR 171 crores from the aluminum die casting.

This growth was driven by ramp-up from recently commissioned new capacities at our 4-wheeler alloy wheel facility in Bawal and 2-wheeler alloy wheel capacity in Supa. The growth was constrained by a decline in our base aluminum prices by approx. 6% for the quarter. The aluminum price reduction was also passed on to the customer, resulting in lower realization specifically in the 4-wheeler alloy wheel.

We would also like to inform that the first phase of 4-alloy wheel facility at Kharkhoda with capacity of 60,000 wheels per month is now under commissioning.

Moving to Seating, you may refer to Slide number 12. The Seating Systems business continued to make strong contribution to the group's performance, reporting revenues of INR 354 crores in Q2 FY '26, accounting for 7% of the consolidated top line.

The segment registered an impressive 22% year-on-year growth, driven by favorable customer mix in the 2-wheeler segment, higher supply of suspended seats in domestic market and increased revenue contribution from the bus passenger seat segment. Notably, a few key 2-wheeler OEM customers witnessed pronounced volume growth during the quarter, which translated into higher seat demand and consequently stronger revenue performance for the segment.

Looking ahead, we expect the Seating Systems division to sustain its momentum, supported by rising exports to new customers, expanded supply of suspended seats to additional domestic OEMs and volume ramp-up from newly acquired customers in the 2-wheeler seat business. These developments are expected to further strengthen the segment's position as a key growth driver within the group's diversified portfolio.

Moving to Acoustics. The segment reported revenues of INR 190 crores in the quarter, contributing a steady 4% to the consolidated top line. While domestic revenues have grown by 15%, the European Acoustics business revenue have declined by around 13%. The decline is attributable to primarily softening of end market demand.

The other product businesses delivered yet another quarter of strong performance, recording revenues of INR 1,070 crores in the quarter, a year-on-year growth of 18% and contributing 22% to the consolidated top line.

Within this portfolio, the controllers business contributed INR 129 crores, sensors and ADAS at INR 199 crores, blow molding products at INR 115 crores, Uno Minda EV Systems at INR 115 crores again and the alternate fuel business at around INR 130 crores. The balance revenue was driven by aftermarket, including battery & external sales from Uno Minda Katolec, engineering sales in Europe etc. Uno Minda EV Systems business reported a significant increase in revenue to INR 115 crores during the quarter. The rise was partly attributable to the transfer of 3-wheeler EV charger business from Controller segment to the EV systems.

Over time, we plan to consolidate all EV-related BMS and charger business under Uno Minda EV Systems to bring operational focus and synergy. The sensors and ADAS business continued to scale up, supported by a successful start of a new camera module production line in the previous quarter.

We would also like to update that the construction of our new greenfield facility for high-voltage EV powertrain components under our joint venture with Inovance Automotive is progressing as per schedule. Phase 1 is expected to be commissioned by Q2 FY '27. However, as advised earlier, we may commence initial supplies via imports from our joint venture partner ahead of the plants commissioning to meet the customer demand.

Moving to Slide number 13, which is the revenue pie of aftermarket & international revenues for the quarter ended September 25. Our aftermarket business reported revenues of INR 332

crores, contributing approximately 7% of our consolidated revenues. In addition to those direct aftermarket sales, the SPD or spare part division of OEMs stood at INR 260 crores.

The combined revenue from aftermarket and SPD channel amounted to around INR 592 crores, reflecting the growing importance of these segments in our overall business mix. Our international business contributed approximately 9% of total revenue during the quarter. The dip in the share of international business as a percentage of revenue is largely attributable to stronger growth momentum in the domestic market even as international sales remained relatively stable.

Moving to capex projects on Slide number 14. We continue to invest in building capacities in line with the OEMs expansion plans and auto industry promising outlook. We have 10 expansion projects currently under implementation across product line with investment commitment of INR 2,356 crores.

We would like to highlight that we have removed some of the projects from expansion project list as per -- as their Phase 1 has been completed and remaining amount of committed capex will be spent as per increase in EV penetrations in case of EV 2-wheeler projects. This is to ensure that we don't build idle capacity and make efficient utilization of assets as well as capital. In case of expansion at Bawal, while Phase 1 of 30k was commissioned, the remaining capacity will be integrated at Kharkhoda plant.

Moving to cash flow and debt levels. Our net debt as of 30 September was at INR 2,362 crores compared to INR 2,091 crores as on March 31, 2025. Cash flows generated from operations for H1 was around INR 678 crores, while capex was at INR 728 crores, comprising of INR 354 crores of expansion projects, INR 130 crores for land at CSN and remaining sustaining capex. We also had a cash outflow of around INR 200 crores on account of acquisition of shares of UMEVSPL and Associate Technologies for FRIWO and the tech centers at Germany and Vietnam.

As is visible from above, while sustaining and growth capex has been financed from business cash flows, the capital expenditure primarily on land bank and acquisition has resulted in incremental debt. Our net debt to equity as at 30th September stands healthy at 0.36. We have achieved ROCE of 19.6% basis annualizing profits for H1. Kindly note that the capital employed considered for calculation also includes the capex for land bank as well as CWIP, which is currently not generating any returns. ROCE would have been even higher if we exclude these non-deployed assets.

Moving to ESG. At Uno Minda, we continue to strengthen our commitment to sustainability through well-defined ESG goals and actionable progress. We have set ambitious targets of achieving 60% renewable energy by 2030, becoming carbon neutral by 2040. In line with these goals, we have been steadily increasing our share of renewable energy across our operations.

Today, we operate 38 rooftop solar power plants across India and have made significant investments in captive open access solar power projects through dedicated SPVs. In last couple of years, we have secured green power of around 45 megawatts with investment in solar parks

and solar SPVs in Maharashtra and Tamil Nadu and are now exploring similar arrangements in Gujarat with an immediate goal of achieving around 40% green power across our operations.

Beyond environmental stewardship, our ESG journey is equally focused on inclusion and social responsibility. In September '25, we partnered with Atypical Advantage and Next Bharat Ventures, an initiative of Suzuki Motor Corporation to advance inclusion for persons with disabilities. Under this collaboration, we are launching five high-impact initiatives covering inclusive hiring, education and employability skills, technical training and workforce sensitization, aiming to build awareness among more than 20,000 Uno Minda employees nationwide.

These initiatives go beyond programs. They represent our effort to reshape mindsets, celebrate diversity and build a workplace where everyone can thrive. Through such actions, Uno Minda continues to set new benchmarks in sustainable and inclusive growth, reinforcing ESG as an integral part of our long-term value creation strategy.

Moving to outlook. As we look ahead, I would like to reiterate that Uno Minda remains firmly on a path of sustainable and profitable growth. Our strong performance in Q2 reflects the strength of our diversified portfolio, deep customer relationships and consistent execution across businesses. We are entering the second half of FY '26 with optimism and confidence.

Our ongoing investments in new technologies such as EV systems, sensors, ADAS, alongside capacity expansion in core product lines position us well to capture emerging opportunities. The momentum in localization, Make in India initiatives and increasing focus on sustainable mobility further reinforce our growth trajectory.

At Uno Minda, we continue to prioritize innovation, operational excellence and customer centricity, values that have been central to our journey and will continue to guide us forward.

Thank you for your continued trust and partnership. We look forward to an exciting second half and to sharing further progress with you in the coming quarters.

With this, I would now like to open the floor for your questions.

Moderator:

Thank you. We will now begin the question and answer session. The first question comes from the line of Chandramouli Muthiah from Goldman Sachs.

Chandramouli Muthiah:

My first question is around the automotive vehicle acoustic solutions, the ADAS. Could you give us some color around what the kit value could be there as that opportunity starts to take shape, as you said, potentially towards the end of next year? The second question is on the share of profit from associates. This quarter looks like it's close to about INR 63 crores. It seems to be higher than more recent quarters.

Is there any one-off there? Or is this a sustainable rate? If you could just talk us through what the drivers are on that number? And the third question is just around the first 22 days of September during this particular September quarter, there seem to be some disruption to volumes

that your customers, the OEMs could supply to their channel partners because of the issue and the GST transition.

Was there an accompanied impact to production? And as a result of that, as you get into the December quarter, usually, there's a moderation in production during the December quarter. Will we see that normal moderation in production in the December quarter or because of the impact to production in September, is that unlikely to be the case? Those are my 3 questions.

Sunil Bohra:

Yes. Thanks, Chandru. So, Auto Vehicle Acoustic Solution is what we normally call AVAS. So, this regulation, we know has been in the works for quite some time. In fact, now we have already been working with our customers with this product, which has been ready for almost, I would say, three years now. And we are at the stage where we will be able to capitalize on this very fast. In terms of kit value, maybe we'll share with you once we have the SOP until then, you appreciate this is a little bit competitive sensitive information.

So, at this point, I'm afraid I'll not be able to share the kit value for AVAS. In terms of share of profit of associates, as I have highlighted, during this quarter, the revenues at our joint venture, which manufactures airbag have increased significantly by around 28% and there is nothing exceptional or there is no one-off in terms of profit, but there has been a significant profit improvement from that business. And we do hope that that's not a one-off. In fact, that momentum should continue as we move forward because this is sheer adoption of more airbags and things like that.

In terms of disruption of volumes and do we see any moderation in production in December quarter? The answer to that is, yes, you are right that normally December quarter volumes are less because end of December also like last week or so is always normally a shutdown for the annual maintenance shutdown, etc, which most of our OEMs and even we keep at our factories.

So as of now, it will be a little early to comment on whether that shutdown period of a week, 10 days, whether it will get reduced or it will not. But excluding that, as of now, the volumes are quite normal, and we are not seeing any softening from that perspective. So, I hope I have clarified all your questions, Chandru.

Moderator:

The next question comes from the line of Aditya Jhawar from Investec India.

Aditya Jhawar:

I think most of my questions have been answered. Just a couple of ones. So, I think Seating business continued to do quite well. If you can throw some more light on the recent order wins, new OEMs that we are able to penetrate, order book, how we are looking at it? That is number one.

Number second, Sunil, you mentioned about a start-up cost. If you can quantify, it would be good. And just a clarification, the prior period income you spoke about was INR 69 crores that got booked in this quarter, right?

Sunil Bohra:

No, no, Q1.

Aditya Jhawar:

Q1. Okay. Okay. Fair enough. And yes, so these were the questions.

Sunil Bohra:

Yes. Thanks, Aditya so in terms of Seating business, as we have been sharing with you, we are on track to achieve our target revenues, which we have promised for 5 years in terms of doubling the revenues. We are already there. In fact, this quarter run rate, if you see, we are almost there with INR 354 crores of revenue. Our run rate is INR 1400 crores to INR 1,500 crores range. That's what we have promised for this year, and I'm happy to say that we have achieved that despite the challenges we have faced.

And second thing, in terms of order book, we normally don't share any order book you would have seen because why we have started giving this order book for EV, if you remember, 3 years back. And then after a year, we have to come because when we say order book, normally, we would get x volume estimation from our customers based on which we will say that this is the target. But based on the success or outcome of that model, it can go either way. So hence, we have actually sort of stopped giving that order book.

Otherwise, it necessarily creates some maybe misleading impressions. So that's why we normally don't share the order book. In terms of start-up cost, as of now there are some of the plants where the business has started in last maybe 1 or 2 years. And as we have been saying, our normal target is that they should achieve their profitability metrics in the third full year and come to profit in the second or third year.

So, to that extent, there are a lot of businesses which are under that nascent stage who have not achieved the reserve profitability or they are maybe in the negative or also some of the businesses which currently like Kharkhoda all, they're just in the phase of commissioning, starting the commissioning. But if you ask me a number, it's a little difficult to give a number because some of these plants or businesses are also attached to the existing businesses.

But we note your point, maybe next time, we'll try and capture this information as well. And prior period, I think I already answered this prior period I have commented because I was mentioning about H1. So that's why this point came. Otherwise, nothing in Q2.

Aditya Jhawar:

Okay. And final question Sunil. So now clearly, we saw a very good festive. And now going ahead, it would be great if you give us some sense of what kind of growth expectations you have for the remainder of the year for passenger vehicle and 2-wheelers?

Sunil Bohra:

Aditya, we don't give any vehicle volume guidance. We have never given and we don't want to second guess our customers. So, our objective or endeavour is that we should continue to outperform. And I can tell you that even though this quarter volume industry growth is, say, 10%. But if you see half of our revenues is 4-wheeler roughly and half of our revenue is 2-wheeler.

Obviously, there is CV, OR as well. But 47% is 2-wheeler, 47% is 4-wheeler. 4-wheeler has grown by 4% and 2-wheeler has grown by roughly around 10%. So, if you do a blended average, the growth is something around 7%, 7.5% and our revenues we have grown by 13.5 %, so which clearly demonstrates a significant growth, more than 1.5x growth, which we have been promising to the investors.

Moderator:

The next question is from the line of Raghunandhan from Nuvama Research.

- Raghunandhan NI:** Congratulations on strong numbers. Sir, firstly, on the lighting side, can you indicate a broad breakup within lighting, how would it be between headlamps, tail lamps and other lamps? And can you provide a sense as to which category is driving the major growth for you? Secondly, continuing on lighting, you also indicated LED penetration. What would be the current share of LED in 4-wheeler and 2-wheeler? Would it be over 50% in 4-wheeler and about 80% in 2-wheeler?
- Sunil Bohra:** Okay. Any other question Raghu?
- Raghunandhan NI:** Yes, sir. In the joint venture with Inovance, have you received all the regulatory approvals. Has there been any order wins which you can share at the current point of time? And also, when you are looking at traction motor production, would it require heavy rare earth or will light rare earth be enough as the imports are restricted?
- Sunil Bohra:** Yes. So, Raghu, we are taking your questions in the same sequence as you have asked. So, lighting what is driving growth, head lamp, tail lamp for others. So, while we have provided breakup of lighting business between 2-wheeler, 4-wheeler etcetera we don't provide any further breakup, but I can definitely answer your question in terms of what is driving growth. So, we are currently leading the -- at least in the what we call EV segment, leaders in the tail lamp category and specifically the LED tail lamp.
- So that is the segment which is driving growth for us in this sector. And for 2-wheeler, we are there in both EV or ICE and both head lamp and tail lamp. So, from that perspective, EV segment is where you will see 100% almost penetration in the lighting. So, from that segment perspective, EV is something which is driving the growth of LED. And in terms of JV with Inovance approvals, we have applied for this PN3 approval to government only in July. We have been working very close with the government.
- We understand internally, they have got certain approvals, but we don't know what all approvals they have got. But as you understand, it is going as planned, and we should be having approvals ideally in the next few months. Very difficult to say a time line because it's government and where things might take time, where things might not. But we are optimistic that ideally within this fiscal year, we should have approval in hand. That is an ideal scenario. In terms of traction motors, whether they use HRE, yes, they do use HRE magnets.
- Raghunandhan NI:** Got it, sir. And on switches side, you indicated market share gains. What would be the current market share in 4-wheeler, 2-wheeler? Would it be over 50% in 4-wheeler and over 60% in 2-wheeler? Would that understanding be right?
- Sunil Bohra:** Yes.
- Raghunandhan NI:** Great. And in alloy wheels, 2-wheeler alloy wheels, would the penetration level have reached 80% by now? What would be the share of Uno Minda market share in the domestic market? And if you can also highlight how much would be the import content for the 2-wheeler and alloy wheel industry?

Sunil Bohra: Yes. So, alloy wheel import content in 2-wheeler dropped a lot. It is primarily in the premium cars where the volumes are very less. Otherwise, largely, it is localized. In terms of our market share is for 2-wheeler, you asked, it is in teens. And in terms of application ratio, it's been actually fluctuating between somewhere 70%, 75%, sometimes 80% because based on the end customer choices, our customers also have been sort of moving up from steel wheel to alloy wheel.

Like, for example, in this quarter, one of our customers has used a little more steel wheels versus alloy wheels primarily driven by the market forces, which are definitely in no one's hands. So, there's a broad range of, you can say, 70% to 80% kind of range where the alloy wheel application for 2-wheeler has been hovering around. But still, this keeps on very fluid depending on the end market demands.

Raghunandhan NI: Got it, sir. Last question on margin, 11.5% in Q2 is a robust number despite the start-up cost. Given that you are running 10 projects, do you see the margin sustained or expanding considering the scale benefits, better fixed cost absorption going forward?

Sunil Bohra: No, I won't what you call say that these numbers are not sustainable. Definitely, it is in line with our annual guidance of 11% plus/minus 5%. So, quarter-to-quarter, there might be some pluses, some minuses. So, if you see even in Q1, if you exclude that, what you call exceptional income, it was something around 10.8%.

So, our full year guidance, we remain intact in the guidance. And we do hope to continue with that margin range may be for another year or 2 until we sort of commission a large part of our ongoing projects. After which we definitely do expect once things everything comes online and starts generating, the margin should get into a little bit of improved category.

Moderator: The next question comes from the line of Siddhartha Bera from Nomura Wealth.

Siddhartha Bera: So, my question is on -- first on this other category, especially the sensors and controller and EV systems revenue. I think as we sort of hit the base growth seems to have a bit slowed down in this segment. Can you just talk about a couple of things here about any new product development which you are doing, which is sort of expected to come going ahead across any of these categories? What is happening, some color there?

Sunil Bohra: When we talk of new product development, there are a lot of them, which some will see light of the day, some will not see light of the day. So, we normally communicate only once we have visibility on the new product, which is converting into actual business. Otherwise, there are a lot of them.

I can share separately or I can share here itself that there have been certain products like I can tell you one is that touch-based switch for a 2-wheeler. We have developed years back, but there is no market because it's a premium product and it's a very price sensitive. Another one example was a heat and cool seat. The product was there, but it was expensive product. So obviously, it was only in the aftermarket. We didn't get into line fitment.

So, you will have a lot of product development going on. But what we'll see the line OEM acceptance and the conversion to business is I think that's the right time to comment on in terms of addition of new products. So as of now, I don't want to get into a speculative kind of thing.

Siddhartha Bera:

Sir. The second question is on this casting side. I mean, growth, you mentioned that there has been some deflation also because of commodity. But if we see in the last quarter, there has been some increase in the aluminum prices. And you also have commissioned your plant, which I'm assuming may not have completely come in the quarter 2. So, should we expect a step-up in growth as all of these factors now sort of start benefiting you from this quarter onwards?

Sunil Bohra:

No. But Siddharth, first of all, I appreciate your point. If you see alloy wheel 4-wheeler, our quarter 1 to quarter 2 sales actually have improved by almost like 8%, 10%. And again, 2-wheeler also has improved by something around better than more than 10%. So, if you see quarter-on-quarter, definitely, there is a growth. But yes, to your point, we have value-added capacity.

On the other hand, the application ratio has been a little what we call stable. And with more low-end cars or low-end vehicles being sold, obviously, they have more steel wheel versus alloy wheel. So, alloy wheel, you will find more in the premium vehicles and less in the low end or the base model variants, if you may say so. So that also drive a lot in terms of how much is the actual application.

So, these are some of the factors which obviously is not in our hand. But we remain optimistic that directionally, the application ratio has been improving and over medium to long term, this will continue to grow. Quarter-to-quarter or year-to-year is a little difficult, but we have grown from like in PV from 13% application factor to all 40-plus now. Globally it is 70, 80 plus. So directionally, we are there.

Quarter-to-quarter, it's a little difficult whether application ratio will remain same or it will improve. It also, as I said, a lot depends on the end vehicle being sold.

Moderator:

The next question is from the line of Mukesh Saraf from Avendus Spark Institutional Equities.

Mukesh Saraf:

Actually, most of my questions are answered. But I had something on the seating side. I mean I think a maybe a few quarters back, we had kind of we are working with TACHI-S for the seat reclining systems, etc, for 4-wheelers. So now just trying to understand what's the status of that? Are we seeing some progress with respect to 4-wheeler seatings? Or we still kind of are seeing traction more only on the 2-wheelers and the buses, etcetera, that we have been working on?

Sunil Bohra:

Yes. Right, Mukesh. So, in terms of TACHI-S, yes, definitely, when we entered into JV 3 years back, I think that time also we said very categorically that this is going to be a tough ride, challenging it's not going to be easy, knowing the entire ecosystem. And our prediction actually went right, and it's taking a hell lot of time than what we have been sort of thinking.

So, we have actually now in terms of putting more impetus, we have delinked this business internally from our seating business with a separate team so that they remain focused, maybe a

little -- get a little more attention from this business. And we sincerely hope to see in the next year or so, we should have some good traction in this business as we move forward.

Mukesh Saraf: Okay. Okay. So, 4-wheelers itself, you're saying it's far more difficult than what we had imagined earlier.

Sunil Bohra: I think we said at the time of entering JV itself because we know the competitive landscape, right?

Mukesh Saraf: Got it. Got it. Got it. Understood. And just one last housekeeping. I don't know if you had mentioned this and I missed it. The share of profit from associates has gone up. I mean, could you just call out which are the entities that probably has done well because it's I think, INR 63-odd crores this quarter?

Sunil Bohra: Yes. As I said a little while back, one of our joint venture, which is into airbags, they have done really well. That business has commissioned its project expansion last year and now things are getting on line. Volumes are increasing since they were linked to the vehicle launch of OEM.

So that business has done pretty well and will hopefully continue to do well. And that is the one which has added to the profit. So, there was some question earlier, was there a one-off in this? There is no one-off in this.

Moderator: The next question is from the line of Sridhar Kalyani from Antique Stock Broking Limited.

Sridhar Kalyani: Congratulations on a robust set of numbers I just wanted to understand regarding the profit before tax in the stand-alone versus consolidated. So stand-alone PBT is around INR 400 crores and then we have got profit from subsidiaries INR 31 crores and share of profit from JVs is INR 63 crores, taking the total to INR 487 crores. However, the consolidated PBT is INR 409 crores. So just wanted to understand, is there any intercompany adjustment or any subsidiaries in which we are incurring losses? If you can just throw some color on this?

Sunil Bohra: Sridhar, I'm not sure if you have noticed. There is a large other income in the stand-alone financials, which is primarily the dividend income which it receives from its subsidiaries. So, when you consolidate this entire dividend income sort of goes off. And also, there has been some income on various other services, which the company provides to its subsidiaries. So, all those things get knocked off when you consolidate.

Moderator: That was the last question for today's conference call. I now hand the conference over to the management of Uno Minda Limited for closing comments. Over to you, sir.

Sunil Bohra: Thank you. 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. On behalf of Uno Minda Limited, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.