"Lumax Auto Technologies Limited
Q1 FY 27 Earnings Conference Call"
August 11, 2026

MANAGEMENT:

- Mr. Deepak Jain – Vice Chairman
- Mr. Anmol Jain – Managing Director
- Mr. Sanjay Mehta – Director and Group Chief Financial Officer
- Mr. Vikas Marwah – Chief Executive Officer
- Mr. Ankit Thakral – Chief Financial Officer
- Mr. Naval Khanna – Head of Corporate Taxation
- Ms. Surabhi Chandna – Group Head of Investor Relations and Value Creation

Moderator: Ladies and gentlemen, we welcome you all to the Q1 FY 27 Earnings Conference Call of Lumax Auto Technologies Limited.

This conference call may contain certain 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 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 touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Anmol Jain – Managing Director. Thank you, and over to you, sir.

Anmol Jain: A very good afternoon, everyone, and thank you for joining us for Lumax Auto Technologies Limited's Q1 FY 27 Earnings Conference Call.

It is always a pleasure to welcome you all. I am joined by our leadership team today, including Mr. Deepak Jain – Vice Chairman, Mr. Sanjay Mehta – Director and Group CFO, Mr. Vikas Marwah – CEO of the Company, Mr. Ankit Thakral – the CFO of the Company, Mr. Naval Khanna – Head of Corporate Taxation and Ms. Surabhi Chandna – Group Head of Investor Relations and Value Creation, along with our Investor Relations Advisor, SGA.

We have uploaded our Earnings Presentation on the Stock Exchanges and the Company's website. I do hope everybody had an opportunity to go through the same.

Before discussing the Company's performance, let me briefly touch upon the broader macroeconomic environment:

The global economy continues to navigate a challenging geopolitical landscape with the ongoing conflict in the Middle East, heightening concerns around energy security, supply chain disruptions, and inflationary pressures. Encouragingly, the past few months have witnessed signs of de-escalation, providing some stability to the global market, although the situation remains fluid and warrants close monitoring.

India, while not entirely insulated from these global developments, has continued to stand out as one of the world's fastest-growing major economies. A strong domestic demand, sustained public capital expenditure and a resilient manufacturing and services sector have supported economic momentum.

Despite the challenging operating environment, the Indian automotive industry has delivered a strong start to FY 27, with production witnessing a healthy growth of 22% year-on-year (y-o-y), with all major vehicle segments reporting good traction.

Passenger vehicle production increased 17% y-o-y to 14.5 lakh units. Commercial vehicle production grew by 15% to around 3 lakh units. 2-Wheeler production rose 23% to 72.5 lakh units, while 3-Wheeler production recorded the strongest growth of 39% to 3.5 lakh units.

The broad-based growth in production was led by lower GST rates, easier financing, new model launches, leading to resilient consumer demand. In Q1 FY 27, passenger vehicles, commercial vehicles, and 3-wheelers recorded their highest-ever 1st Quarter sales, while exports across all vehicle segments also reached record levels. Improved monsoon conditions and stable inflation further supported demand, particularly in the rural markets.

As we enter the festive season, demand is expected to remain healthy, with many leading OEMs (Original Equipment Manufacturers) reporting low inventory levels. The industry continues to closely monitor commodity prices, geopolitical developments and supply chain dynamics that could influence input costs and overall market sentiment.

Speaking on the performance of the Company:

We have commenced FY 27 on a strong note with robust revenues and profitability. The Q1 FY 27 revenue of INR 1,364 crore grew by 33% y-o-y, with EBITDA of INR 205 crore up 51% y-o-y with margins of 15.1%, an expansion of 190 bps. Profit after tax for the quarter stood at INR 99 crore, registering a growth of 83% y-o-y.

Coming to the order book:

We are pleased to report a robust order book of INR 1,600 crore, which provides a healthy visibility for the business going forward. Of this order book, approximately 24% is expected to be executed in this FY 27 itself, 56% in FY 28, and the remaining 20% in FY 29.

The order book continues to reflect a healthy traction across all our product verticals, with Advanced Plastics contributing the largest share, followed by Mechatronics, Alternate Fuels and Structures and Control systems.

To support our growing scale, several expansion projects are underway. To highlight a few key projects:

- A new plant at Chakan for the IAC division to cater to upcoming demand from Mahindra & Mahindra, while simultaneously optimizing product lines between this facility and the existing ones.

- The previously announced mega Mechatronics plant in Manesar, Haryana is expected to be commissioned by Q3 of this year, where we are consolidating four entities, Lumax Yokowo, Lumax Alps Alpine, Lumax Ituran and Lumax FAE, under one roof to optimize resources and fixed costs.
- At Greenfuel Energy, we are pleased to report that we onboarded Mahindra as a new customer and to cater to their requirements, we shall be setting up a new facility in Nashik.

In Closing:

While we remain watchful of the macroeconomic uncertainties, commodity inflation and the energy price volatility, the overall demand environment and industry outlook continues to be favorable, giving us confidence for the near term.

In the long term, our compass remains our "20.20.20.20 Vision", aiming for a 20% revenue CAGR from 2025 to 2031, inching closer to 20% EBITDA margin over the next 5 to 7 years. And by FY 2031, we aspire to more than double our current revenue base to upwards of INR 10,000 crore, fueled by a blend of organic excellence and strategically inorganic opportunities.

With this, I would like to now hand over the call to Mr. Ankit Thakral – the CFO of the Company.

Ankit Thakral: Thank you very much, sir. Good afternoon, everyone, and thank you for joining us today.

Q1 FY 2027 has commenced on a solid revenue growth, reaffirming the strength of our evolving and well-balanced portfolio. This performance is a direct outcome of our disciplined execution of the strategy and sustained focus on innovation, premiumization and deeper alignment with high growth mobility platforms.

Let me now take you through the key financial and operational highlights for the quarter:

Profit before tax before exceptional items for Q1 FY 27 stood at INR 132 crore, which is up by 78% from Q1 of last year. The effective tax rate continues to remain at around 25%, which is also expected to hold at similar levels way forward. Profit after tax and before minority interest for Q1 stood at INR 99 crore. The share of minority interest for Q1 stood at 12% after the strategic consolidation at the standalone level, which is expected to be in the similar range going forward considering the existing structure.

With respect to division-wise breakup:

Beginning with the Advanced Plastics division, this segment recorded a strong y-o-y growth of 47% in Q1 FY 27, with revenue increasing from INR 525 to INR 769 crore, led by a strong growth in IAC business, which commands approximately 60% share in this division.

The order book remains strong at INR 787 crore for this division, providing solid future visibility.

The Mechatronics segment sustained its upward momentum, delivering a y-o-y increase of almost 56% in Q1 FY 27 from INR 54 to INR 84 crore, with a very healthy order book of close to INR 500 crore.

Turning to the Structure and Control Systems vertical. It reported a y-o-y growth of 21% in Q1, increasing from INR 180 crore to INR 220 crore with an order book of INR 130 crore.

The Aftermarket segment showed a growth of 6% y-o-y from INR 98 to INR 104 crore, mainly due to dip in non-lighting product category. However, we are confident to bounce back and confident to post double-digit growth for the remaining part of the year in this particular segment.

The Alternate Fuels business showed a growth of 17% y-o-y from INR 95 to INR 111 crore with an order book of INR 200 crore.

The capex during the 1st Quarter was INR 23 crore.

The guidance for the full year continues to remain around INR 300 crore, which will include the upcoming greenfield expansions of Mechatronics as well as new plants of IAC division. These investments are aimed at unlocking medium-term revenue growth and supporting localization efforts across key platforms.

As of June 2026, we continue to maintain a strong balance sheet and a healthy liquidity position. Free cash reserves stood at INR 415 crore, providing us with the financial flexibility to support ongoing investments and navigate market cycles confidently.

The long-term debt stood at INR 508 crore, resulting in a conservative debt-to-equity ratio of 0.32, which is within our internal comfort thresholds.

With this, we conclude the operational and financial overview. We now open the floor for questions. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles. Before we proceed, in order to ensure that the management is able to address questions from all the participants, please limit your questions to two per participant. We take the first question from the line of Amit Hiranandani from PhillipCapital. Please proceed.

Amit Hiranandani: Thanks for the opportunity, and congratulations to the whole team for one more excellent set of performance. All best wishes for the coming years. My first question is basically, looking at the

33% top-line growth in Q1 and better demand scenario for the automobile industry and superior margin performance in Q1 as well, despite input cost pressures. Are we revising our guidance for this ongoing fiscal?

Anmol Jain: Amit, thank you. Again, we have gone off to a good start for Q1 FY 27. As of now, we continue with the similar guidance. Please be mindful that Q1 and Q2, compared to last year, were also sitting at a very low base, and hence the growth across the industry in terms of percentage growth will be quite robust and quite handsome. However, as we get into Q3 and Q4, for overall as an industry, the growth rates will reduce significantly because last year, post the GST rationalization, H2 was really a very hyper-growth already delivered. On the margin front, I think I can only say that we will be able to sustain these current margins achieved in Q1 for the remaining part of the year as well.

Amit Hiranandani: Right. Secondly, one important piece of comment which I was reading from your latest Annual Report, which I am quoting. Here it is, "Management believes that the industry is moving from mechanical vehicles to intelligent connected vehicles, and Lumax wants to capture that value migration." Just want to understand this a little better. Where are we heading, and is there anything on the table for non-linear growth prospects?

Anmol Jain: Vikas, you want to take that, please?

Vikas Marwah: Sure. Amit Ji, thank you for your question. If you see the entire DNA evolving of Lumax Auto Technologies now, where the margin expansion is also happening and moving to more future critical products. We have now taken a defined path of a sensing technology, which is captured through our throttle position sensors, steering angle sensors from one JV, identification components like Radio Frequency Identification (RFIDs) that we are going to introduce from our Telematics division, control components which are coming from very advanced Electronic Control Units (ECUs), which have been launched in the current quarter to the market, the Body Control Module (BCM), the connectivity platform coming from our telematics control unit and from antenna systems, and the interactive Human-Machine Interface (HMI) systems from our Gear Shifter division, Lumax Mannoh, which is getting into the intelligent solutions which will be capturing software-driven input, coming through the Advanced Driver Assistance Systems (ADAS) and the domain controller components.

Now, all of this is therefore making Lumax Auto Technologies move towards a more connectivity, sensors and thinking and an interactive kind of a portfolio. This is our future tech story, which is being supported with our SHIFT (Smart Hub for Innovation and Future Trends) center that we had opened in Bangalore for software-defined vehicles.

Amit Hiranandani: Just a follow-up, sir, on this. Basically, are we looking for any kind of non-linear growth prospects here anything on the table?

Vikas Marwah: We are currently completely banking on the product requirements that we have received from the OEMs. There are five new products completely new to Lumax Auto Technologies, all in the intelligent and connected and software-driven space, which are being launched in 18 to 24 months. The first such launch has already happened, Body Control Module (BCM). We are cognizant of the market demand scenario also, and we would not like to overreach or overstep in terms of installing any capacities that the market is not yet ready for. So, we are going in a very planned growth manner.

Amit Hiranandani: Okay. Noted, sir. I will come back on that to you. Thank you, sir. All the best.

Moderator: Thank you. We take the next question from the line of Mihir Vora from Equirus Securities Private Limited. Please proceed.

Mihir Vora: Thank you for taking my question. My question basically was around the margins. Given the commodity inflation which we have seen this quarter where plastics were up around 30-40% odd levels and other commodity also moving up. But the margins are holding at a very decent 13.9% kind of levels. Can you just throw some light here whether how the negotiations happened here? What kind of pass-ons happened here in terms of OEM cost pass-on? Was it like that OEMs were very prudent in terms of monthly pass-ons? Because normally we see a quarterly or a six-monthly cycle year. Just some color on that, whether how we manage our margins.

Anmol Jain: Mihir, thank you. First and foremost, I think on the margins front, even if I were to roll back to FY 2026, for the H2 portion of FY 2026, the Company was almost at a similar margin of about 14.9%. Currently, 15.1% for Quarter 1 is again something which we further expanded from there. Largely, when it comes to the inflationary costs of raw materials, in fact, you are absolutely right, the plastics did go up. But plastics as a commodity, usually we have a back-to-back arrangement with most of our OEMs, and we do realize that within the same quarter as well. Only for few OEMs, maybe the spillover happens to the next quarter. But I would say to a great extent of 80% to 90%, we get the realization within the same quarter.

And if you look at our division-wise portfolio, close to more than half of our revenue comes from the Advanced Plastics division, and hence we were able to take that benefit of the inflationary costs comeback to our P&L. The other commodity which has hugely risen in the recent past is the electronics, it has gone up by even beyond 30%, 40%, 50% in some cases, or in certain particular electronic components. Fortunately, the Company's portfolio on electronics still remains low. I think the Mechatronics as a division is still only about 6% to 7% of the total pie, and that's the reason we did not see a significant electronics, which usually takes a longer time to realize, unlike plastic raw materials. But because of the low footprint as on today, we were able to maintain our margins. And again, as I said, the guidance for the remaining part of the year remains to be intact as well.

Mihir Vora: Sure. Thanks for the answer, sir. My second question, sir, basically on the Greenfuel. We also announced in the opening remarks that we are getting Mahindra as a customer of Greenfuel now. So, one clarification we think there, whether it is for LCVs or PVs in a future plan of Mahindra. The main important point there is that this quarter also Greenfuel, the growth was very strong, but even the margins were stronger. So, here if we see the margins around 23%-odd is something which we see in the presentation. So, I just wanted to know whether how much of this would be some higher other income element, or would it be operational margins are seeing a very strong improvement here as driven by some product which you would have added in the quarter?

Anmol Jain: So, on the first part of your question, our penetration into Mahindra is for their passenger vehicle segment. Mahindra has also publicly announced that they wish to enter the CNG space for some of their models. And the first model, we are happy to inform that we have the business of the CNG delivery system for that model. So, it is for the passenger vehicle space, not the LCV. In terms of the margin, maybe Ankit can throw some light whether there were certain one-time exceptional gains towards the Q1 on Greenfuel. But I would definitely say that given the long-term perspective, we should look at more of 19% to 20% margin should be sustainable. The 23% seems slightly more than what we usually anticipate. But Ankit, if you can throw some light there.

Ankit Thakral: Yes, correct, sir. Mihir Ji, there was an amount of around INR 3-odd crore specifically for this particular Greenfuel division impacting around 3% on the EBITDA margins, which was one-off as a result of certain tooling revenue, which happened with the existing customer. If we remove that amount, the normalized product, the operational EBITDA margins will be at a level of 20%-odd, which is expected to continue for the remaining part of the year as well.

Mihir Vora: Okay. All right, sir. Lastly, just one question, if I can squeeze in. Sir, basically if we see your customer mix and customer growth this quarter, Bajaj Auto comes out as a surprise wherein volume growth it was around 16-18% kind of a volume growth, but the revenue growth has been growing at around 64%-odd level y-o-y for us in terms of Bajaj. Basically, just some color on it whether what is driving here? Are we getting into some new products with Bajaj or our polymer products likely to continue to or what is driving the strong growth for Bajaj Auto?

Anmol Jain: Let me first give you a broader perspective. I think as I have mentioned in the past, the key growth drivers for Lumax Auto Technologies over the next few years are primarily four. Number one is the wallet share expansion with respect to our current products, which we have across OEMs. Number two is the value content going up on account of premiumization. Number three is localization. That a lot of our products, which currently the OEMs are importing, we will be able to localize them, and hence for us, that's a significant growth starting from ground zero. Number four, a new technology play where specifically, as Vikas had mentioned earlier, the Mechatronics division has a lot of products on account of being connected and sensors. These four are largely our growth drivers in the OEM space. Of course, we have Aftermarket as a separate growth driver. Now, answering to your specific question on Bajaj, it is largely a wallet share expansion and getting into certain newer models where we were not present in the past. Both, if you see the metallics division, I think metallics division has also shown close to 37%-40% growth in Quarter 1, largely because of getting into new frames for other models. I think this growth will continue to drive. We are very strong on a platform like Chetak, both for the lighting as well as the frame business. As we all know, Chetak as a platform, they already have ramped up, and they will significantly ramp up going forward as well. It's purely a wallet share expansion.

Mihir Vora: Yes. Understood, sir. Thanks. Thanks for the answer. Thank you.

Moderator: Thank you. We take the next question from the line of Apurva Mehta from AM Investments. Please proceed.

Apurva Mehta: Sir, congratulations to the team. Great set of numbers during this challenging time. My question was regarding the Mechatronics division. In the next 2-3 years, what will be the wallet share of our Mechatronics division? Because that is one of the things, that electronics, we are looking at a big growth driver for all companies. So, where do we stand on that front?

Anmol Jain: Sure. Maybe I will have Vikas answer that, but I think Mechatronics overall was one of the key growth drivers for Quarter 1. I think the whole division grew by almost more than 55-56% on a y-o-y basis. I think the order book looks quite healthy with respect to Mechatronics. So, I will let Vikas throw some light on the future growth prospects of Mechatronics over, let's say, 3-5 years.

Vikas Marwah: Thank you, Apurva Ji. Currently, the flagship products that we have talked about to the markets and to investor community currently is that we are present in the Mechatronics segment in switches, sensors, antennas, telematics, and for the first time, we are announcing the entry into the Advanced ECUs, which is the Body Control Module. Now trust me, these are only 5 broad headings where you see us talking about these right now. There are at least 22 new sub-product categories which are currently on our radar. We continue to be in a state of either Proof Of Concept (POCs) with the customers or receiving Request for Quotation (RFQs) or continuing to work on them in our R&D centers and along with our JV partners. I think giving a number to the Mechatronics market share position would not be the right way to look at it. It would need to look product-wise. We can tell you our ambitions very clearly. Let's take a connectivity flagship product like vehicle communication antenna system. In common parlance, let's say call the Shark Fin Antenna. Our stated position would be like for any other flagship product coming from Lumax, be it the lighting or the gear shifters, we would like to be in the top-2 players in the next 3-5 years in this segment, which is fast emerging. Again, on the switches and the sensors side, we should be able to consolidate our position in the top-2 players in the country over the next 3 years. But then there are different sub-headings to it. So, Mechatronics definitely is poised for a very aggressive play. We are currently on a INR 400 crore to INR 500 crore order book, and this would continue to be the growth driver for Lumax Auto Technologies going ahead.

Anmol Jain: Just to supplement and throw some color there. If you look at Mechatronics, I think for the full year, we should be clocking anywhere around INR 400 crore of revenue in this fiscal year as a division. I think, to me, by FY 2030-31, we should definitely be looking at close to INR 1,000 crore top line from Mechatronics division. So, that's the kind of growth potential which we are anticipating under Mechatronics.

Apurva Mehta: Great to hear, sir. Sir, on the ADAS front, where do we stand because we have started the Bangalore facility for research and doing ADAS. Are we looking for partners from like China or Taiwan or Japan or somewhere where we can enhance that pie of that component?

Anmol Jain: A lot of work has already started on a lot of technologies with respect to ADAS. Most of these are driven by our SHIFT teams in Bangalore. There are a lot of POCs from multiple OEMs, which we are currently working upon. Again, as of now, we do not have any such requirement of partnering with companies outside of India. But if that need arises, we will be happy to utilize our China group resource center and see if we need to partner with a specific specialized partner for any specific technology needs. But there is a lot of work happening on ADAS internally as well.

Vikas Marwah: I would like to just add to what Anmol Ji is saying Mr. Mehta. There are two ways of looking at ADAS. One, of course, is the vehicle compliance-driven ADAS system that you hear about. And then there is an ADAS connectivity to the existing components that we are bringing. I will give you an example of RFIDs and Telematics Control Unit (TCUs) from our telematics division. Now, they are also Vehicle-to-Everything (V2X) enabler, and the TCU becomes the connectivity and the data backbone around ADAS there. The ADAS player at the DNA level is very much already there. From future perspective, of course, we are looking at the compliance-led ADAS introduction. As Anmol Ji mentioned, we are in advanced stages of POC now on Advanced Rider Assist System (ARAS) for a major OEM. Probably another two quarters down, we should be able to share the results with you and how it becomes a business case.

Apurva Mehta: Great to hear and congratulations once again. Wish you all the best.

Vikas Marwah: Thank you.

Moderator: Thank you. We take the next question from the line of Shashank Kanodia from ICICI Securities. Please proceed.

Shashank Kanodia: Yes, good afternoon, team, and congratulations for spectacular performance. First question is regarding the minority interest. For this quarter, you reported 12% as the minority interest on the PAT that you reported. Any guidance going forward, what should be a rate we should be assuming in the models?

Ankit Thakral: Shashank, you said it correctly. For the Quarter 1, the minority interest is 12%. After the merger of IAC, and later on Lumax FAE becoming the 100% subsidiary as well. Going forward, this minority interest will remain in similar range between 11-13%-odd, considering the existing structure which is at the present moment.

Shashank Kanodia: Understood. Second, sir, when you mention your order book, and you display the bifurcation for 3 years. This is the annualized revenue we should be realizing over and above our base business, right?

Ankit Thakral: Yes, that's correct.

Shashank Kanodia: This is annualized revenue, right?

Ankit Thakral: Yes, correct. This is the annualized revenue.

Shashank Kanodia: Sir, given the fact that the industry is guiding for roughly 10-12% kind of volume growth, and there are some price hikes as well, and you mentioned INR 300 crore of additional revenue this year. So, we should be closer to INR 6,000 crore of revenue this year and in excess of INR 7,000 crore next year?

Anmol Jain: The other way to look at it is that we should be in line with our 20% CAGR. Last year, we grew by almost 34%, which was an exceptional year for us. This year, as I mentioned earlier, when you look at Q1, you are looking at a significant growth at an industry level. Almost all the segments have reported, as I mentioned, passenger cars at 17%, two-wheelers at 23%, and commercial vehicles at 15%. These growth rates will start to slow down as we enter Q3 and Q4. Not because the demand will slow down, but purely because of the base becoming significantly higher in FY 26 post the GST rationalization. For the current year, it would be unfair to say that we should be looking at INR 6,000 crore mark because again from INR 4,870 crore, I would say given a two-year horizon, FY 27 and FY 28, it is very safe to presume that we should be able to deliver a 20% CAGR.

Shashank Kanodia: Right. Because of the positive surprise being there initially, we had guided for 15% organic growth and including inorganic was supposed to be 20%. Right now, given our wallet share increase and our customer base, we are doing 20% growth organically. Is my understanding correct to that extent?

Anmol Jain: Well, 20% CAGR over the long run is still what we maintain. Yes, we had given a 15% organic CAGR and approximately another few hundred crore of inorganic. As of now, we continue to maintain that, and I think while the Company does not have any immediate plans of an inorganic growth in the current year, but we continue to look at strategic fits for the next few years. But I would still say that let us maintain the 20% CAGR growth for the overall company as a whole.

Shashank Kanodia: Understood. Lastly, sir, do we have any role to play in vehicle-to-vehicle communication? I think there have been increasing talks about Government doing some regulatory push on that front, if you can highlight.

Anmol Jain: Yes, absolutely. Maybe Vikas can throw some more light on that.

Vikas Marwah: Sure. I already mentioned it earlier but let me talk a little bit more in detail to clarify. RFID systems that we are going to be introducing as a compliance-driven thing from the Government side, from our telematics division, is very much one of those systems where the vehicle data is being captured on the cloud and in terms of digital identification. So, RFID provides an identity service to the device. In terms of V2X, we call it as external intelligence, and that is coming through our Telematics Control Unit. Happy to share with you that we are now in the process of sealing the order book with all the top four OEMs in the country in the commercial vehicle space for these solutions, and you will see them coming to the market by the end of Q3. Due to the NDA reasons, we cannot talk more about it right now, that exists with the customer.

Shashank Kanodia: Understood, sir. Just a very last thing-

Moderator: Sorry to interrupt, Mr. Shashank. I would request you to join back the queue as there are several participants waiting for their turn.

Shashank Kanodia: Thank you.

Moderator: Thank you. We take the next question from the line of Radha from Motilal Oswal. Please proceed.

Radha: Sir, congratulations on good numbers. My first question is, what are the key advantages that help Greenfuel win more business as compared to competitors, who I believe are also pretty formidable in this auto component industry?

Anmol Jain: Well, I think Greenfuel, there are a couple of unique advantages. Number one, this space does not have many competitors. There are only 2 or 3 big players in the space where Greenfuel operates. Number two, I think our technical capability, which we have, along with our technical partnerships with some of the global world leaders with respect to the products that we offer, is something which we definitely score way ahead of competition. And that is the reason why we are able to give localized solutions to certain products, which historically have been a full import product for most OEMs in India. So, I would say that it is largely the technical expertise, the partnership relationships, which give us an edge over the competition.

Deepak Jain: Let me add to what Anmol is saying, its Deepak Jain here. So, particularly in Greenfuel, I would say you should look it from an overall perspective. Number one, this is the first pure powertrain play for Lumax Auto Technologies, so that is CNG, right? We are very bullish on the CNG numbers growing, both in Passenger vehicle and under commercial vehicle mobility. Second, as

Anmol said, I think the localization opportunity on the CNG systems is massive, and that is a win-win both for the OEM as well as for the Company and we do feel the next 3 to 4 years, particularly something like on a Ferrule-less tubes, we would be able to acquire a good amount of market share, and do import substitution. With the acquisition, Lumax has been able to penetrate other customers and also increase Maruti Suzuki's wallet share. We will very soon see that the wallet share on particularly items like receptacles will be enhanced out here. Overall, we are very confident that we should be able to then faster accelerate the Greenfuel growth story as well. Thank you.

Radha: Sir, you mentioned localization. We are already operating at 18% margins, which is very good for an auto comp product. Where can this localization lead to further margin expansion? What could be the max potential for Greenfuel?

Deepak Jain: Localization is not particularly on the current product line. It is actually under a new investment which we have done, the receptacle. We are cognizant that Greenfuel is already at a good EBITDA margin level, and we would like to keep and maintain that so between 18-20%, that should probably be the range what we are looking at as such.

Radha: Understood, sir. Second question, the Aftermarket, I believe that, recently there has been some changes that have happened in our strategy, which is the Bluechem partnership and also focus is now shifting to demand generation at the retail level, right at the mechanic end, rather than just being focused on channel partners. Can you please elaborate the change in strategy here, and how will this help us generate higher growth as compared to what we had envisaged in the last 3-4 years?

Anmol Jain: Number one, the strategy is very clear. We would like to expand our product portfolio with respect to the Aftermarket. That's where you talked about a specific example of Bluechem. It fits into that bucket of strategy in terms of enhancing the product portfolio and the product presence across the market. Number two is we would like to significantly focus on the secondary demand generation. Again, earlier the strategy was more the relationship and the management was more at a distributor level, where it was not so much on the retail pull. Now with our own efforts, we have been able to have a significant effect on the secondary demand generation. Again, given that, we definitely expect at least 30-40% enhanced growth compared to the earlier strategy on the Aftermarket. That's why I said earlier, I think if we were growing at about 10-12% in the Aftermarket, we are now looking at perhaps 15% or upwards of growth in the Aftermarket.

Radha: Understood, sir. But sir, would this also help in competing with the OEMs who themselves are expanding more in the Aftermarket?

Anmol Jain: Well, we cannot compete with the OEMs. I think the OEMs getting a lot more aggressive into the Aftermarket space will just put more pressure in terms of our reach and in terms of our margins. These OEMs have very deep pockets for them to price certain parts at a very low cost, and a low price is not so difficult. Again, that's something we still feel that there is a lot of opportunity for Tier-1s like us to keep on growing in the Aftermarket despite the OEM actions being accelerated.

Radha: Correct, sir. Thanks and all the best to the team.

Moderator: Thank you. We take the next question from the line of Pritesh Chheda from Lucky Investments. Please proceed.

Pritesh Chheda: Sir, I was not clear on your comment on the tools business or tools revenue flowing into the number and the margin on account of it and the continuity. If you could just give out that statement again. My second question is, in your presentation, the 16% margin number that is put up in FY 28, I am just clarifying that is inclusive of other income, right? Because that is how we communicate.

Ankit Thakral: Pritesh Ji, I will answer the first part of your question, which was relating to a tooling revenue income in that Greenfuel business only, which was specific for this Quarter 1, because the Greenfuel business reported an EBITDA margin of 23% for Q1, which included a 3%-odd of this tooling revenue income. Excluding that, the product or the operational margin is at 20% for Q1, and which is expected to hold at similar levels of 19% to 20%-odd way forward for the specific Greenfuel business.

Pritesh Chheda: Okay. The 16% margin in FY 28, the presentation which you carry. Now also when you are communicating, I think you are communicating 15%, so that is inclusive of other income. I am just assuming that that 16% number is also inclusive of other income.

Ankit Thakral: So, the 15% guidance which we have provided at the beginning of the call is for specific this financial year, which is FY 27. If we consider a CAGR of closer to 20%-odd from FY 25 to FY 27, this translates into around INR 800 crore to INR 850 crore EBITDA for FY 27. Considering a similar CAGR for FY 28, if you see the EBITDA number comes out more closer towards INR 1,000 crore, which is mentioned in the Investor Presentation. If you do the mathematics, it comes out as any number between 15.5% to 16%, which we are targeting for FY 28.

Pritesh Chheda: My question is it inclusive of other income, correct?

Ankit Thakral: Yes. It is inclusive of other income.

Pritesh Chheda: Okay. My last question is in your journey to 20% margin, so another incremental 400 basis points. What will be the levers for that incremental 400 basis points?

Anmol Jain: Number one, Pritesh, I do not think we have ever said that we will attain 20%. It is more of a direction that we would like to inch closer to a 20% margin. Just clarifying that we are not looking at expanding by 400 bps or 500 bps to be very clear. I think even if we were to get to a 17% to 17.5% margin with the kind of 20% CAGR we are expecting to clock over the next three to five years, I think we would be fairly happy with that performance. Number two, I think the growth drivers for margin expansions are nothing but, as what we had talked about, as the value content per vehicle is going up on account of premiumization, as the localization needs of the OEMs are met by us, it is again a win-win for them, but they should be able to give us a better margin because the pure cost of that component is significantly higher, compared to what we would offer to them. As well as number three is the new technology play. I think if I look at the order book today, almost 25% to 30% of the order book comes from technologies which are absolutely new, absolutely which are the future of the auto industry, and the future of mobility. Those typically command a higher margin. That is what together on a consolidated level, and again, Lumax Auto Technologies' strength is in the diversity of its products, diversity of its technologies. I think it is a mixed bag, which will give us the margin expansion over the next three to five years.

Vikas Marwah: Just to add to what Anmol Ji has said, in our strategy playbook, it was a very conscious decision to focus on First-Time-to-India products, which he mentioned briefly before, localization of those products. That is where a massive opportunity lies, where the OEMs are happy to partner the gains of localization with a player like Lumax Auto Technologies, which is working with its joint venture partners and its indigenous R&D centers like SHIFT to bring these technologies into India.

Pritesh Chheda: Okay, sir. Thank you very much, sir.

Moderator: Thank you. We take the next question from the line of Jyoti Singh from Haitong. Please proceed.

Jyoti Singh: Yes, thank you for the opportunity and congratulations to the management for a great set of numbers and expecting good numbers going forward. My question is on the Advanced Plastics and interior side, which is a major part of our revenue, and which has grown very well at 47% y-o-y. So, what kind of margin this segment is doing? It is around 15.1%, which is kind of EBITDA margin we are doing or any guidance on that side? And another on the capex side, we have done INR 23 crore in this quarter against ambitions of BCM Entry and SDV vertical that is built out and 3x kind of revenue target that we are doing for 2031. So, does the current capex run rate need to step up materially or how much and fund it through what mix of debt and equity?

Anmol Jain: Jyoti, I will take your first two parts of the question. Number one, I think in terms of margins, Advanced Plastics, which is the lion share of all our product verticals at 56% share, continues to operate between 16-20% EBITDA margin. There are various products and various subdivisions and subcategories within the Advanced Plastics division. Some of them operate at even higher than 20% margin, some of them at about 13-14% margin. So, as I said, consolidated Advanced Plastics is at about 16-20%, and we expect that to continue. Number two, on the capex, while Q1 was at INR 23 crore, as Ankit had mentioned, the full year guidance is INR 300 crore for the capex in FY 27, and that is a good place where we feel that the order book of INR 1,600 crore should be delivered on that kind of a capex spend for FY 28 and FY 29 needs. If we obviously add to the order book in the subsequent quarters, we will revise the capex, maybe not for FY 27, but perhaps for FY 28 number. On the debt and internal accruals, I will let Ankit answer that.

Ankit Thakral: Thank you, sir. Yes, Ms. Jyoti. The majority of the capex, INR 300 crore, will continue to fund from the internal accruals. However, around 10-12%-odd, the capex, which is more specific towards any particular JV and or the subsidiary, for that very specific purpose a debt will be taken. But otherwise, as a majority of the capex belongs to the standalone entity now, it will continue to fund from internal accruals.

Jyoti Singh: Thank you, sir. One more question around JV, like earlier participants also asked on the Greenfuel Energy side that continue doing well for us. But on the several JV that we are having, we are not seeing very good profitability, or some are very thin or negative profitability in Q1. So, any strategy that we are keeping for those JV or any near-term visibility that we are seeing for those JV?

Anmol Jain: Well, I think the Company has made certain strategic decisions of exiting certain joint ventures in the recent past. As of now, I think there is perhaps just one odd joint venture which perhaps is still in the red, but that should also move to black very soon. The lower margins are largely because of the scalability, because of a very small top line right now. The cost structures are pretty lopsided. But as these joint ventures continue to scale up, which is clearly evident from our order book, most of these joint ventures are a part of the Mechatronics division. As the Mechatronics division scales up, you will start seeing expansion of margins as well.

Vikas Marwah: I will just add to what Anmol Ji is saying, and it is very important to clarify this even for the continuing quarters also when such questions come. A) There is no JV today which is not EBITDA positive. Even if you see one odd JV today in a fractional digit negative on the PBT front, which is currently on a scalability path. I have mentioned it earlier, we are being aggressive and bold and courageous to bring first-time-to-India technologies, and till now we have been very successful with all our moves. We see these couple of joint ventures, which are currently EBITDA positive, moving into a permanent PBT double-digit positive category, perhaps, maybe in the next 12 to 24 months once we reach scale. We are competing against the best names of the world there, and there are no Indian companies which are manufacturing these components. All of this is going as per a strategic direction to get us future-ready.

Jyoti Singh: Okay, great sir. Thank you so much.

Moderator: Thank you. We take the next question from the line of Deep Shah from New Vernon Capital. Please proceed.

Deep Shah: Firstly, sir, congratulations on the great set of numbers. My first question is on IAC. How much of the order book would be Mahindra and, historically also we have spoken about diversifying away from Mahindra. So, if you could just give an update on how have you done with Maruti or Tata. That is my first question.

Anmol Jain: On IAC, almost one third of the total order book is with IAC. A large lion's share of that would be coming out of Mahindra. Again, there have been some significant dialogue with certain OEMs like Maruti Suzuki as well as Honda Cars for further expansion and getting into a relationship for the IAC business. But again, as I mentioned earlier, these do take at least 2 to 3 years for something substantial to kind of come out. The dialogues are continuing. There are a lot of OEM visits that continue to happen, but it would probably be only by FY 28 where I could give some concrete answer in terms of the relationships being expanded beyond what they are already.

Deep Shah: Just an extension to that, and we have also been looking for expansion for IAC. The question is for the new Mahindra platform that they are launching, are we also a significant part of the interiors for that platform?

Anmol Jain: Yes. We are engaged with Mahindra on almost all their platforms for the current needs as well as the future development as well.

Deep Shah: Sure. My just last question is on the, like you said, 20% revenue CAGR for the next few years. That involves some bit of inorganic acquisitions also. But if you look at our Greenfuel or IAC acquisitions, which came at a very reasonable multiple, what are the challenges, if any, when we look at current multiples? If, let's say, we don't get a reasonable valuation, which we have historically got, are we fine with a slower growth rate or how does the management as a group view this?

Anmol Jain: I think, number one, we are pretty confident to attaining a 20% CAGR. As was mentioned earlier, I think if you were to split up that 20% CAGR, about 15%-odd was anyways without any inorganic growth, and the balance was being plugged in through inorganic route. I think currently the valuations, thanks to certain private equity action into the auto component space, has also significantly gone up compared to when we took a position in Greenfuel or at IAC. We will continue to evaluate what value proposition each of these bring to the table, and if it's a strategic fit to the Company over the long run, if we feel that we are able to scale it up and bring a lot of value to the consolidated entity, and if it's at an appropriate value, even if the multiple is higher than what we have given historically, we will definitely closely consider and evaluate it. But I think even if we were not to look at an inorganic growth story, I think we are fairly bullish that we should be close to a 20% CAGR should be attainable.

Deep Shah: Oh, thank you so much, sir. My last question is Mechatronics, you mentioned currently JVs are sub-scale, which is why margins will be lower. If you could just guide for a steady state margin that, because you said 30% of the order book is Mechatronics. So, what would be the steady state EBITDA margins for all four JVs collectively?

Anmol Jain: Vikas, you want to take that?

Vikas Marwah: Sure. Just to give you a very satisfactory answer, if you just put them under a Mechatronics bucket, the intended path is that over the next 12-24 months, the Mechatronics basket will be operating in anywhere between 14-15% EBITDA. Of course, we are not in a perfect world, and there would be product categories that would be ranging between 8-10% to going right up to 18%, but 14-15% is our overall guidance in terms of the Mechatronics vertical.

Deep Shah: Okay. Thank you so much, and all the best.

Vikas Marwah: Thank you.

Moderator: Thank you. We take the last question from the line of Amit Hiranandani from PhillipCapital. Please proceed.

Amit Hiranandani: Yes, thanks for the opportunity again. Sir, it's very encouraging to see that the revenue growth from Maruti is in a very high double digit, even faster than Mahindra. Just wanted to understand what is driving this growth, for which models are we supplying to, and if you name certain products which are seeing higher than usual growth.

Anmol Jain: I think Maruti continues to be among our top-5 customers. But if you look at the growth of 48%, which we have clocked in Quarter 1, this is largely across our product verticals. Mechatronics division, which is the multiple joint ventures, has had the highest growth within Maruti Suzuki. Again, a part of localization, a part of wallet share expansion. Greenfuel Energy has also had a significant growth on account of new models, also on account of wallet share expansion and as Deepak mentioned, the wallet share of Greenfuel will continue to expand going forward as well. The standalone entity also had almost 60% growth with respect to Maruti's business.

Amit Hiranandani: Noted. Sir, any short-term challenges we are witnessing in the Aftermarket division because the growth rate has slightly lowered this time?

Anmol Jain: I think the growth rate was slightly lower in Quarter 1, largely because of the pricing. Based on the inflationary measures, inflationary cost increase, a lot of the other competitors, which I am talking specifically on the non-lighting product categories, where we are not the leaders, a lot of those companies were able to absorb a lot of those price increases, and we were compelled to give the price increase to the market. Because again, we were not able to sustain those increases, and that is the result. The growth from the non-lighting category, which was envisaged in Quarter 1, did not materialize and that is the reason we were looking at a lower growth rate. But I think as we move forward in the remaining part of the quarters, we still remain bullish on the Aftermarket, and our full-year guidance on the Aftermarket growth remains pretty much intact.

Amit Hiranandani: Great, sir. All the very best. Thank you so much.

Moderator: Thank you. Ladies and gentlemen, we take that as the last question for the day and would now like to hand the conference over to the management for their closing comments. Over to you, sir.

Anmol Jain: Well, thank you once again for joining us for the Q1 FY 27 Earnings Call and for your continued interest in Lumax Auto Technologies. We truly appreciate your time and engagement today. Should you have any further questions or require any additional information, please feel free to reach out to the Lumax Group Investor Relations Team or SGA, our Investor Relations Advisors. We are committed to keeping the investor community regularly updated on our progress. Thank you, and we wish you all a great day ahead. Thank you.

Moderator: Thank you. On behalf of Lumax Auto Technologies Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.