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BSE Limited Listing & Compliance Department Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001	The National Stock Exchange of India Limited Listing & Compliance Department Exchange Plaza, C-1 Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400051
Security Code : 532796	Symbol: LUMAXTECH

Subject: Transcript of Analysts/Investors Earnings Conference Call- Q2 & H1 FY 2021-22

Dear Sir/Madam,

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable SEBI Regulations, Please find enclosed herewith the Transcript of Analysts and Investors Earnings Conference Call of the Company which was held on Tuesday, 16th November, 2021 at 3.00 P.M. to discuss Operational and Financial performance for the 2nd Quarter and Half Year ended on 30th September, 2021.

The aforesaid information shall also be made available on the website of the Company at www.lumaxworld.in/lumaxautotech.

You are requested to take the same on records and oblige.

Thanking you,

Yours faithfully,
For **LUMAX AUTO TECHNOLOGIES LIMITED**



ANIL TYAGI
COMPANY SECRETARY
M.NO. A-16825

Encl.: As Stated above





“Lumax Auto Technologies Limited
Q2 & H1 FY2022 Earnings Conference Call”

November 16, 2021

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**MANAGEMENT: MR. ANMOL JAIN - MANAGING DIRECTOR – LUMAX
AUTO TECHNOLOGIES LIMITED**
**MR. DEEPAK JAIN – DIRECTOR – LUMAX AUTO
TECHNOLOGIES LIMITED**
**MR. SANJAY MEHTA - DIRECTOR & GROUP CHIEF
FINANCIAL OFFICER**
**MR. VIKAS MARWAH – CHIEF EXECUTIVE OFFICER -
LUMAX AUTO TECHNOLOGIES LIMITED**
**MR. NAVAL KHANNA - EXECUTIVE DIRECTOR - LUMAX
MANAGEMENT SERVICES**
MR. ASHISH DUBEY – CHIEF FINANCIAL OFFICER
**MS. PRIYANKA SHARMA – HEAD CORPORATE
COMMUNICATION**
MR. ANKIT THAKRAL – CORPORATE FINANCE



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Moderator: Ladies and gentlemen, good day and welcome to the Q2 and H1 FY2022 Earnings Conference Call of Lumax Auto Technologies Limited. 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 the 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 touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Anmol Jain - Managing Director – Lumax Auto Technologies Limited. Thank you and over to you, Sir!

Anmol Jain: Thank you. Good afternoon, ladies and gentlemen. A very warm welcome to Q2 and H1 FY2022 Earnings Call of Lumax Auto Technologies Limited. I hope you all are safe and healthy. Along with me on this call, I have Mr. Deepak Jain - Director, Mr. Vikas Marwah – CEO, Mr. Naval Khanna - Executive Director - Lumax Management Services, Mr. Sanjay Mehta - Director & Group CFO, Mr. Ashish Dubey – CFO, Ms. Priyanka Sharma – Head Corporate Communication, Mr. Ankit Thakral from the finance team and SGA our Investor Relations Advisor. The results and presentations are uploaded on the stock exchange and company website. I hope everybody has had a chance to look at it.

Normalcy in business activities was experienced in Q2 post the second wave, however, the global semiconductor supply constraint continues to be a challenge resulting in supply chain disruption impacting production across the industry amongst all OEMs. Many OEMs have reported a decline in sales on a sequential basis on account of supply constraints. As per data published by SIAM in the second quarter of FY2022, the overall industry production was down by 3% from Q2 of FY2021 mainly due to degrowth of two-wheeler segment by 6%. All other segments registered growth in the current quarter.

Passenger vehicles were up by 4%, commercial vehicles up by 26% and three wheelers up by 31% from Q2 of last financial year. I am happy to share that our sales significantly improved despite supply chain disruption in the industry. Our Q2FY2022 performance was at a historic high single quarter sale. I am also glad that the government has given weightage to advanced technologies through the PLI scheme. We are expecting to gain healthy benefit from the PLI scheme especially in our joint ventures as most of our products are covered under the scheme.

Let me now take you through the performance of each business entity. The standalone entity caters to integrated plastic module, aftermarket business, chassis, swing arm for two-



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wheelers, trailing arm for three wheelers under the metallic business and two-wheelers lighting. The standalone entity has contributed 79% of the total consolidated revenues for the half year of FY2022. Lumax Mannoh Allied Technologies, the 55% subsidiary which, manufacturers manual AMT and AT gear shifter systems and has the market leadership position, contributed 13% to the total consolidated revenues. During the quarter, the company started export of made in India, automatic gear shifter for a global platform.

Lumax Cornaglia Auto Technologies, the 50% subsidiary which manufactures air intake systems and urea tanks commanding 100% share of business with Volkswagen and Tata Motors contributed 6% to the consolidated revenues. Lumax Metallics Private Limited a 100% subsidiary, which manufactures seat frames, contributed 2% to the total consolidated revenues. Lumax JOPP Allied Technologies is a 50% subsidiary, which is engaged in design, development and production of gearshift towers, automated manual transmission kits, all gear sensors and forks. The production has started to pick up as per the OEM schedules.

Lumax Ituran is 50% joint ventures with Ituran Telematics of Israel. The revenue of this company is not considered in the consolidated revenue being an associate of the parent company as per Ind-AS. On July 2, 2021, the company signed a joint venture agreement with Alps Alpine Corporation Limited, Japan to establish a joint venture company for the manufacturing and sale of electric devices and components including software related to the automotive industry. The joint venture company was incorporated on September 21, 2021 by the name Lumax Alps Alpine India Private Limited as a 50% subsidiary of Lumax Auto Technologies Limited. We shall start booking revenues in this JV by the end of third quarter of the current fiscal year.

I am happy to also note that there were new launches made during the quarter in the passenger vehicle segment for Mahindra's Prestigious XUV700 platform, the company launched the gear shift lever and console cables along with seat frame and tyre carrier for Tata motors, Nexon and Punch Models, we again delivered the seat frame and the air intake system respectively for the Volkswagen model and the air intake system was launched in the current quarter and in the two wheeler segment for Honda Motorcycle and Scooter India for the Unicorn model, we made multiple plastic parts.

As Lumax we are well positioned to capture growing market opportunities through our systematic and customer first approach with the addition of the new subsidiary we are aligned with our vision to establish reliance on technology along with the support of our partners. Now, I would like to hand over the line to Mr. Sanjay Mehta, Director and Group CFO to update you on the operational and financial performance of the company.



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Sanjay Mehta: Good afternoon, everyone, let me brief on operational and financial performance for the company for Q2 and H1 FY2022. For H1FY22 Integrated plastic models contributed 27% to overall revenues followed by chassis at 19%, after market at 18%, gear shifter at 13%, lighting products at 12%, emission at 6% and others at 5%. Two and three wheelers contributed 47% to overall revenue, passenger car at 20%, after market at 18% and CVs at 9%. With respect to financial highlight for Q2 and H1, the consolidated revenue stood at Rs.403 Crores for Q2, which is the highest single quarter in the history of the company as against Rs.284 Crores in Q2 FY2021 up by 42% in spite of industry downfall of 3%, which is due to increased sales in all the OEMs coupled with excellent growth in aftermarket division.

For H1 the company reported revenue of 663 Crores against the last year of 355 Crores. The company reported consolidated EBITDA of Rs.48 Crores in Q2 against Rs. 33 Crores in Q2 last year, For H1, EBITDA was Rs. 66 Crores as against Rs. 25 Crores in H1 FY2021. EBITDA margins stands at 11.9% for Q2 as against 11.7% for Q2 last year up by 20 bps. The impact of increase in raw material prices is competitively lower in the company because of aftermarket being a major contributor in sales and also back-to-back settlement with one of the major OEM of the company. Profit after tax after minority interest stood at Rs.23 Crores in Q2 against 15 Crores in Q2 last year, H1 stood at 27 Crores as against 3 Crores in H1 in last year.

The capex incurred during the half year was 20 Crores, which includes Rs.10 Crores on account of leasehold asset. For the full year, we have pruned down the capex from an earlier figure of 90 Crores to Rs. 65-70 Crores. Now we open the floor for questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Abhishek Jain from Dolat Capital. Please go ahead.

Abhishek Jain: Congrats for the strong set of numbers and thanks for taking my question. Sir, what is the reason for the sharp jump in the plastic integrated revenue, is it because of the recovery in the volume of HMSI or sharp price increase?

Anmol Jain: Thank you for the complements, if you look at the plastic business if you are comparing it on a quarter-on-quarter basis yearly yes, there is a steep increase, but if you look at it from quarter four to quarter two that itself has grown by about 13%, so largely it is on account of the volume's uptake from OEMs mainly Bajaj and HMSI which had led to this growth.

Abhishek Jain: Sir, you have also got in the four-wheeler plastic molded plant, so what is the revenue contribution from the four-wheeler side or if you can give colors on the businesses you have earned in the four-wheeler segment?



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- Vikas Marwah:** Thank you, Abhishek, this is Vikas Marwah, so for the current quarter the revenue from the four-wheeler plastic division is not substantial and we are still in the process of approaching the SOP for that for a major OEM now and the results of which will be more visible in the coming financial year. But to answer your question, we are still at the range of around Rs.10 Crores to Rs.12 crores kind of a contribution right now which, we hope to substantially improve.
- Abhishek Jain:** And who are the key clients in the four-wheeler side?
- Vikas Marwah:** So, on the four-wheeler side for the next year our dependence will be on MSIL which, would be giving us Kinematics major part business for which we are approaching the SOP
- Anmol Jain:** So, on the four-wheeler side we would be saying as a tier 1 for Maruti and then as a tier 2 to Hyundai and Kia from the plastic business.
- Abhishek Jain:** Thanks, Sir. Next question is related with this sheet metal business where we have seen a decent growth in the quarter and have you won any new business or is it because of the size increase?
- Anmol Jain:** We have increased our wallet share into the frame business, we have as mentioned earlier got the models of KTM now and it is a premium biking, so, we enjoy a better realization per vehicle, so both these factors put together a better contribution per vehicle and higher volumes because of higher wallet share penetration, this has led to the growth of the metallic business on a year-on-year basis and on a quarter basis.
- Abhishek Jain:** So, you have this plastic supply trend to the OEMs and you are also supplying to the XUV700?
- Anmol Jain:** The XUV700 we are supplying with seat frames, but when we talk about the KTM that is the entire chassis with the frame assembly, which we are supplying to the KTM and Bajaj Auto and other models as well.
- Abhishek Jain:** Sir, what sort of the revenue are you targeting from the aftermarket, so what is the revenue target for the FY2023 or FY2024 for the next two years?
- Anmol Jain:** I think I have always stated that our endeavor and I have mentioned this last year that our endeavor is to double the aftermarket revenues in the 3-to-4-year horizon and I think we are pretty much on track to deliver the same.



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- Abhishek Jain:** And most of the products you added in after market that is related vis-à-vis lighting part of this?
- Anmol Jain:** Well lighting contributes only close to about 60% to 70% of the total aftermarket revenue, apart from lighting we are also established presence in several different categories of product. So the growth in the aftermarket will not just come from lighting, but also from the expansion of the product range and other products where we do envisage to penetrate the market further and get a better pie of the market.
- Abhishek Jain:** And as you mentioned about the gear shift that you have started export to a few OEMs, so what is the quantum and what is the opportunity size there?
- Vikas Marwah:** So, in gear shifter, Mr. Abhishek, as you are aware our joint venture collaboration is with Mannoh Corporation of Japan and of course we have some market limitations in terms of exporting, but we are happy to share that the Lumax Mannoh core designed and manufactured products in India from Atmanirbhar scheme ideology. We have been able to now export our first shipment out to Asian country for Honda facilities there and already this shipment has started in the month of October for full next year. We are hoping for revenue contribution of close to Rs.5 Crores to Rs.7 crores from there, only in one model and going ahead, we are working closely with our joint venture partners to roll out more such gear shifter products to the Asian country.
- Anmol Jain:** I think this is the first step towards this much bigger strategy of expanding our export footprint so this is more like a pilot project so to speak and I am sure once successfully delivered it would open other doors with other customers as well.
- Abhishek Jain:** Sir, my last question is related to margin side, we have seen a very strong margin in this quarter is this because of operating leverage benefit or is there any one off in this quarter?
- Anmol Jain:** So, there is no one-off in the current quarter, the margins which you see in the current quarter, which are close to 12% at an EBITDA level, they are purely because of better revenue realization during the quarter and also in the last six months the management team has done significant number of efforts in trolling down the fixed costs and thereby bring the breakeven points lower than where they were last year. So, this is a combination of that and going forward I do expect that the margins at least on a sequential quarter basis should be maintained at upwards of 11%.
- Abhishek Jain:** Thank you, Sir. That is all from my side.



Moderator: Thank you. The next question is from the line of Pritesh Chheda from Lucky Investment Managers. Please go ahead.

Pritesh Chheda: Sir, when we try to plot the vehicle growth which would have been there in the system or in the industry vis-à-vis our revenue growth there is a much larger deviation end on a positive side so any incremental customer win or business win that we would have for the deviation in the revenue growth vis-à-vis the vehicle growth if you could highlight that or is it that because of the aftermarket that we are seeing this slight deviation in the revenue growth line?

Anmol Jain: Thank you for that question, so number one our top 7 customer ranking on if I were to compare 6 months of the current year versus the 6 months of the last year has not really changed. However, you are absolutely right in your observation that our growth pattern is way higher than what the industry or even the segment have grown and it is a combination of multiple things. I think we have launched certain new products which have really taken off in the last six months of the current fiscal, also as I mentioned we have expanded our wallet share with respect to some of our product lines in multiple customers and if I were to give you a sense that on a quarter-on-quarter basis also, if you look at our growth with HMSI or even Bajaj for that matter it would be significantly higher than their own growth or degrowth rate. So, we have definitely fed better as a combination of new product introduction as well as expanding our wallet share with the current product line, this has been primarily the two factors. Aftermarket obviously if you look at 6 months to 6 month there has been a significant growth of almost more than 80%, but as I mentioned before if you were to look at aftermarket comparing quarter four of FY2021, which was the peak quarter and comparing that to Q2 of FY2022, we would be at a similar level.

Pritesh Chheda: So, I hope this is not one-off I just wanted to reconfirm that it is not one-offs that we are seeing in revenue growth line and deviation from the industry line and if you have to give us some idea on what kind of revenue growth for the full year you would do would be really helpful?

Anmol Jain: There is no one-off item, these businesses which has been either resourced or awarded to us are long-term businesses. They are not in any way short-term in nature, in terms of the revenue outlook I expect a similar momentum of the industry and the segment which, I anticipate. And I am seeing the OEM traction on the volumes have again started to give a similar feeling and if the similar momentum were to continue, I would say on a full year basis the company should deliver anywhere about 20% upwards of top line growth.

Pritesh Chheda: And any other incremental business wins that we would like to highlight if any larger business wins if any which are supposed to fructify in terms of execution for FY2023?



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Anmol Jain: Yes, I am happy to share that in the H1 of the current fiscal this company had won almost 440 Crores of new order book out of which, almost about 330 Crores was new order and only about a 110 Crores was the replacement business. And out of this 440 Crores we expect maybe about 30% to 35% should actually kick in FY2022 itself, but the peak revenue of this order book will actually come in FY2023 and some in FY2024. So, we have a healthy order book of 440 Crores if you look at my annual revenue that is almost close to more than 30% of my annual revenue.

Pritesh Chheda: This 440 is annualized revenue number right, it is not a lifetime because some companies tend to also give a lifetime increases?

Anmol Jain: These are annualized revenues, lifetime would be way more because of the life of the product or life of the model, but these are annualized revenues.

Pritesh Chheda: Thank you very much and all the best to you, Sir.

Moderator: Thank you. The next question is from the line of Nisha Desai from Raga Securities. Please go ahead.

Nisha Desai: Good afternoon, Sir. Sir, I have a couple of questions. My first question is where do we stand in terms of the PLI benefit for our product, are the talks basically at a macro level in the industry or do we see some visibility at a company level?

Deepak Jain: So, I can take that question, Deepak Jain, here. I think PLI components lists have been notified. I am happy to say that the majority of the components, which have been done in Lumax Auto Technologies are part of the PLI scheme, this is for example, the telematics, could also be on sensors, could be on also urea tanks. So, we are actually right now evaluating the businesses in terms of which entities would need to do on the PLI, we have 60 days to apply from November 10th, 2021, so we are in the process, obviously it will depend not just on the application in terms of qualification, but what the business plans would entail because PLI means that you also need to make some commitment on growth. So, we are basically evaluating that probably in the next 30 to 45 days we would be in a better situation which business plan perspective can get the PLI. Just a disclaimer that most of our business plans do not factor in any of these government incentives I think we are pretty much focused on what as far as the customer and market opportunities and we continue to look at that, if PLI comes that would be something additional.

Nisha Desai: Sir, this was helpful. My other question is since we have a very good technological advantage from our JV partner, so what are the plans to cover export market and I mean how much advantage do we have as compared to our peers due to the JV support?



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Deepak Jain: Well, I think from the export strategy perspective first and foremost our intent and our priority is the Indian market because JV whatever be accommodated is for the markets which are for India. There is also a difference between how Japanese JVs work and mostly the European JVs work we are in deliberations on the exports package for two of our JV partners who is sourcing opportunities from India, but that is not an immediate opportunity that would still take about 2 to 3 years to fructify.

Nisha Desai: Thank you, Sir.

Moderator: Thank you. The next question is from the line of Apurva Mehta from AM Investments. Please go ahead.

Apurva Mehta: Congratulations on great set of numbers. Sir, going forward the mix of two-wheelers and four-wheelers how do you see this mix happening because we are highly concentrated on the two-wheeler side, can you throw some light on how are we diversifying into four-wheeler CV's kind of thing or on the tractor side any sense on that?

Anmol Jain: Thank you, Mr. Apurva. I think first and foremost the two-wheeler and three-wheeler segment contributes close to about 47% of our revenues for H1 and if I see this number over the last two years it has significantly come down strategically these tend to grow the other segments more. I think today it is at 20% of the consolidated revenues and going forward I think the endeavor as we move forward into deeper entrenchment of plastics and electronics and one of the recent joint venture announcements a lot of it would find traction in the four-wheeler space, so we do expect that going forward the growth of passenger cars as well as commercial vehicles should be also significantly higher than the two-wheeler growth. I am talking about overall as a percentage contribution to the revenue, not particularly in terms of the revenue growth. So, but clearly, we would like the two-wheeler business to be somewhere around 40% mark give or take, and we are already at 47% so I think we are heading in the right direction.

Apurva Mehta: Great and on the aftermarket side, now 80 Crores will be our benchmark can you consider that as the base for aftermarket?

Anmol Jain: When you say 80 Crores are you talking about for the quarter?

Apurva Mehta: Yes, for the quarter.

Anmol Jain: So, I think we have definitely moved upwards from a much lower base, but on an annualized basis I think yes, approximately close to 300 odd Crores is something which I would say is at safe bet. So maybe about 75 Crores to 80 Crores per quarter is something



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which should be definitely sustainable going forward and then again unless and until the new product introduction happens into the market that would then significantly add to the growth going forward perhaps in FY2023.

Apurva Mehta: Sir, what kind the growth do we expect in aftermarket in FY2023 if everything goes well and there is no disruption so what kind of growth can we see in aftermarket?

Anmol Jain: I would say that the growth in after market has been historically much beyond the industry growth and I think the similar guidance would continue, I think we need to look at aftermarket in a more holistic manner over the next 3 to 4 years and as I said if after market has to double its revenues in the next 3-to-4-year cycle then we should expect at least give or take 20% growth on an annualized basis, which would be definitely more than the industry growth.

Apurva Mehta: I want to know about the new JV, can you throw some light on our growth path and what are the products we are aiming to introduce and is it for aftermarket only or we will be supplying to OE's?

Vikas Marwah: So, Mr. Mehta, thank you for your question. This is Vikas Marwah, the new joint venture that we have signed as announced is with Alps Alpine Corporation of Japan, it's an \$8 billion conglomerate in to automotive segment components added to a lot of other related electronic fields including telecommunications sector, but of course our JVs will be focusing only on the automotive component. Very happy to share with you, now this is one joint venture which already has its feet on the ground and they already are tier 1 suppliers to the Maruti Suzuki, the biggest four-wheeler manufacturers in the country for power window switch. What the Lumax alliance on this joint venture would do is that we introduce new products in terms of localization and the products which are required there in the country, but currently are not supplied by Alps, which are contact coil or clock spring and other regulatory driven products for the market. As per the government regulation it is the mechatronic device for the deployment of gear as we know, which is going to be a mandatory requirement, we are also going to be launching steering angle sensor, which is again the government regulation driven product and for the first time it will be localized in India with Alps by Lumax. Then besides this we are looking at engine start stop switch and a whole lot of other new products. This JV is for the OEMs, it is not directed towards the aftermarket right now and for this joint venture we also have a very robust portfolio of two-wheeler products. So, when the question comes in terms of how do you want to reduce the dependence on two-wheelers, we do not want to disappoint you, but we definitely want to be encouraging, the sensor business and the electronic products business on two-wheelers because this joint venture will be introducing throttle position sensor in localized version, size plus sensor there and a whole lot of new sensors, which are required in terms of the



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government regulation. So very excited with this joint venture and we get into commercial production in this joint venture in Q3 of the current financial year.

- Apurva Mehta:** Great to hear that and it will be also for the EV scooters and two-wheeler as well?
- Vikas Marwah:** Yes, so almost 90% of the products are EV agnostic and irrespective of being ICE engine or EV power trend these products are sustainable for a long-term future.
- Apurva Mehta:** And on the EV side are we looking for any other JVs because EV is the sector, which is moving very fast, are we looking at any JVs on the EV side?
- Anmol Jain:** So, currently we have already made some headway in terms of our existing basket of products towards the EV space, going forward in the next 3 to 4 years I expect that maybe about close to 3% to 5% of the revenues should come from EV space as well. This is a combination of again some of our existing products, which would be applicable to the EV. As well as some of the new products and the new partnerships, which we would be kind of directing towards the EV segment.
- Apurva Mehta:** And the last question, next year what kind of growth are we seeing because we will be having urea tank, this new order book will be there and this new JV also will be starting to contribute, so what kind of growth we should envisage for the next year?
- Anmol Jain:** I think it is too premature to give a FY2023 guidance, as I mentioned earlier in FY2022 for the full year we should expect a 20% growth over the last year because of whatever I had mentioned earlier and yes, there should be additional revenues looking at our order book which I mentioned of 440 Crores with some part will come in FY2023 as well so all those put together. I can only say that I think historically the company has delivered a better performance on the top line vis-à-vis the industry growth and I think the similar guidance would continue for FY2023 as well.
- Apurva Mehta:** But second half should be much better than the first half that is because at this current run rate and also if we look in the second half, we should be close to 800 Crores plus turnover so will take us to around 1400 to 1500 crore for the whole year, so 20% do you feel it is too low or we are missing something?
- Anmol Jain:** No, not missing something I am saying at 20% it is definitely on the card and it could be even higher, but again I think what this volatile environment has taught us is that you know we could never be sure about 6 months out so we are just being cautiously optimistic.
- Apurva Mehta:** Thanks a lot, and wish you all the best.



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Moderator: Thank you. The next question is from the line of Dhiral Shah from Phillip Capital. Please go ahead.

Dhiral Shah: Good afternoon, Sir and thanks for the opportunity. Sir, my question is pertaining to the product category side, so which are the product that you feel will have a better growth opportunity in coming 2 to 3 years?

Anmol Jain: Directionally speaking we have always maintained that strategically the company will focus on growing the electronics business, the plastics business, the mechatronic business and the aftermarket business, I think these are the four key growth drivers in terms of the domains for the company and if you look at whatever products we are making in all they would factor into pretty much these four categories. There is solid focus on the connected in electrification like a case there are also on the advanced technology through the PLI scheme and you had heard earlier many of our products are directly a part of the PLI scheme. And again, there is also a focus on EV adapting on the two-wheeler and the three-wheeler technologies. So I think multiple actions are being taken to grow these domain, so it would be very difficult for me to say that there is one particular product or a segment which will do better than the other, I think we are focusing on all of them put together and as the regulatory framework also changes be on an account of sensors or even in the past when you saw the urea tank and I am happy to say that you know there is a deeper engagement now on plastic aspect toward the fuel tank for commercial vehicles. So, I think on all aspects we would be driving growth.

Dhiral Shah: Sir, what will be the product mix change down the line on the currently which we have?

Anmol Jain: I think it will be very difficult for me to give you one particular product wise segmentation, but I think electronics will grow much faster than any other product segment and probably followed by plastics. These would be the two key growth drivers in the OEM space and of course after market as I mentioned will continue to hold on growth curve.

Dhiral Shah: So, when you say electronic does it includes shifter as well as emission?

Anmol Jain: So, the shifter is a part of the mechatronics when I talk about electronics, I mean the sensors and also the telematics products which form the electronics of the vehicle.

Dhiral Shah: So, what is the current contribution?

Anmol Jain: Current would be negligible, but I thought you were talking about growth drivers from the future perspective so, I was just telling you that even the recent joint venture with Alps Alpine would be coming under the electronic domain.



Dhiral Shah: Sir, from the existing capacity which we have currently what would be the peak revenue we can generate?

Anmol Jain: I think the highest revenue in the quarter is the Q2, I had about 400 Crores, so I would say that again the capacities would hugely differ, product to product and division to division. Something like an oxygen sensor, I am sitting on an extremely ideal capacity, so it would be a little inappropriate to give you a generic capacity utilization for the company. Again, aftermarket is very difficult to tell you what is the capacity utilization really. But I would say safely close to about that is anywhere between 1600 Crores to 1800 would be a reasonable number to give you an annual revenue outlook with no significant investment towards new capacity.

Dhiral Shah: And Sir, what would be the capex requirement for FY2022 and FY2023?

Anmol Jain: So, I think Mr. Mehta has already mentioned in his opening remarks that the capex for FY2022 has been pruned down from earlier guidance of around 90 Crores to now at about 65 Crores to 70 Crores. And for FY2023, we do not have a direction yet but I would say it would probably be around the same as the original guidance of FY2022 close to around 90 Crores or so.

Dhiral Shah: And Sir, lastly, the new order which we have of 440 Crores if you can share you know this is for which product basically?

Anmol Jain: So, out of the 440 Crores order book I would say that almost close to 160 Crores would be on the gear shifter system, almost close to 80 Crores would be the plastics business for both two and four-wheelers, actually about 100 Crores would be on the metallic including the chassis and seat frames business, almost close to about another 40 Crores odd would be on lightning as well as on the emission systems and about another 15 Crores to 20 Crores would be on the recent JVs like YOKOWO and JOPP so it's a mixed bag. So, all put together this could be the key contributors of that order book.

Dhiral Shah: And Sir, just one last question regarding our EBITDA margin as you said we will try to achieve the 11% kind of a margin, is this the sustainable run rate going ahead because historically we have delivered between 8% to 9% maybe around 9% range?

Anmol Jain: I think I have always given that guidance that over the next few years our goal and target is to move towards the teen EBITDA, 13% and upwards. You are absolutely right I think at least few years ago our EBITDA margins did stand at close to about 8% to 9%, but I think right from FY2018-2019 we have been in the double digits space, only FY2020 was a slight drop again where we pulled back to about 9.5% so I think we have sustained for 3 years



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rather at 10% mark and I think now from a quarter perspective we should also be able to sustain upwards of 11% going forward.

Dhiral Shah: That is interesting, thank you so much, Sir. That's it from my side.

Moderator: Thank you. The next question is from the line of Amit Shah from Ace Securities. Please go ahead.

Amit Shah: Thank you for taking my question, Sir. Sir, I have two questions, one would be that what is the value of new product launches during the quarter in terms of number of units and in monetary terms and the next on the peak revenue cycle normally once the new product is launched?

Anmol Jain: So, for the quarter the revenue from new products of the order book would be close to around 50 Crores to 60 Crores and what was the second part of the question, what is the life cycle of product?

Amit Shah: Yes, Sir, peak revenue cycle once the new product is launched.

Anmol Jain: Peak revenue would ideally come in year two and if the model is a success, it would also go forward to year three and again it differs from product to product, some products are carried over products and some products are completely specific to a new model. But I would say in general if I were to give you a guidance, I think year 2 to year 3 would be the peak revenue on a model life cycle of about 5 to 6 years. And as I mentioned earlier out of the 440 Crores of new order book peak revenue out of this would come in actually at FY2023 and some part of FY2024.

Amit Shah: Sir, lastly regarding Lumax Mannoh Allied Technologies Exports, how is the margin profile and who are the global customers?

Vikas Marwah: So, as mentioned the global customers for this is Honda car, which is a global account for our joint venture partner Mannoh, the margins I would say are about 20% better than that for the Indian market because of the value addition being higher there and what is more heartening is that the quality of the India made product at the local facility here has been accepted in the first slot itself by Honda which is a very, very demanding Japanese customer and they have agreed to expand the exports portfolio to other countries. We have started with one country and total there are four countries on the radar depending on the speed with which we can expand.

Amit Shah: Thank you, Sir.



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- Moderator:** Thank you. The next question is from the line of Atul Kothari from Progwell Securities. Please go ahead.
- Atul Kothari:** Thank you for this opportunity. Sir, I just have one query, how much of a portfolio is getting response from the EV side?
- Vikas Marwah:** So, of course while EV is a much-discussed subject for the coming years, currently if you see even from the mass production side of two-wheelers, there is not much of EV population that is on road either from Bajaj or from Hero or from the other manufacturers, we are not currently making only EV critical product that is something that is still on the white board right now as we are drawing out the future plans. We have currently diagnosed the existing Lumax Auto technologies product portfolio in terms of a risk factors and what are the necessary actions that we need to take both for the two-wheeler products and for the four-wheeler in the coming years. We feel that it is only around FY2025 that we will see some amount of significant shift even from the mature OEMs towards the EV portfolio and from the four-wheeler OEMs the strategies are yet to be completely announced, and also happy to state that you know our technology intensive products like gear shifters, the automatic gear shifters have got almost 100% share of business on the EV vehicles that are currently rolling out from the Indian OEMs. So, we are watching that market very, very carefully and as the market developments happen, we will keep you apprised.
- Atul Kothari:** Sure, Sir, but are you having any order in hand currently for the EV vertical?
- Vikas Marwah:** So, the order in hand of course as I mentioned are for the EV models of gear shifter that has been rolled out by Tata and Mahindra so the gear shifters of EV are going from Lumax Mannoh. We also have some orders in hand for our telematic business and also, we will be supplying in future our metallic frames to Bajaj for their EV vehicle from our new Chakan plant that is currently under commissioning in Pune.
- Atul Kothari:** Sir, that was helpful. That is all from my end, thank you.
- Moderator:** Thank you. The next question is from the line of Apurva Mehta from AM Investments. Please go ahead.
- Apurva Mehta:** Recently an article that Lumax group is going to invest 450 Crores for the year 2022-2023, so is that we are investing or this is for a long-term kind of thing?
- Anmol Jain:** So, this is again from the group's perspective, as company and again this is more from a long-term perspective that looking at the opportunities which are there for the group to grow forward, we would be parking this capex on multiple buckets in terms of new joint ventures,



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in terms of also capacity and capability building as Brownfield investments and also towards the Greenfield projects on let us say electrification and others. So, it would be a combination of two, but it is more of a direction for the mid to long term.

Apurva Mehta: So, typically this would be around for 2-3 years kind of horizon or more?

Anmol Jain: Yes, probably it is close to around 3 years horizon and it is again put together for both the listed entities of the group - Lumax Industries and Technologies.

Apurva Mehta: And typically, when we are investing lot on the electronic side, what kind of asset turnover can you see on the electronic side?

Anmol Jain: So, it really depends on let us say the asset turnover for Lumax Auto Technologies as a whole is at about 2.1:1 and I think our endeavor is that you know and again when I say electronics it is a combination of multiple thing something like telematics would have a very different asset turnover ratio vis-à-vis something light an oxygen sensor vis-à-vis a Lumax Alps Alpine product line. But I think definitely the realization would be more because the value addition in these components is higher, so I would say that the growth levels could be higher and hence the investment to asset turnover should also become better than what the company is having today.

Apurva Mehta: And on this oxygen sensors are we negotiating for any orders or we having some kind of order book for next year?

Anmol Jain: So, we are still in talks with multiple OEMs, we have already started gaining revenues with one OEM right now, however, it is a very small beginning, but as you may have already heard that there is already now a notification on the OBD2 coming from FY2023 onwards, with which it will be mandated for two oxygen sensors per vehicle so there has been a renewed interest from a lot of the big OEMs and we are currently engaged with their engineering and strategic teams and we are looking at possibly at least engage in dialogue of an order book of perhaps coming to almost 3 million sensors a year.

Apurva Mehta: Thanks, a lot and wish you all the best.

Moderator: Thank you. As there are no further questions in the participants, I now hand the conference over to Mr. Anmol Jain for closing comments.

Anmol Jain: I would like to thank you all for joining into the call. I really hope that we were able to answer all your questions. If there are any further queries you may please get in touch with



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us or SGA, we will be happy to address all your queries. Thank you and stay safe and healthy.

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.