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

MANAGEMENT:

- Mr. Deepak Jain – Chairman and Managing Director
- Mr. Anmol Jain – Joint Managing Director
- Mr. Sanjay Mehta – Group Chief Financial Officer
- Mr. Ravi Teltia – Chief Financial Officer
- Mr. Naval Khanna – Corporate Head, Taxation
- Ms. Surabhi Chandna – Group Head of Investor Relations and Value Creation

Moderator: Ladies and gentlemen, good day, and welcome to the Q1 FY 27 Earnings Conference Call of Lumax Industries Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions at the end of today's presentation. Should you need assistance during this conference, please signal an operator by pressing "*" then "0" on your touch-tone phone. Please note that this conference is being recorded.

Before we begin, a brief disclaimer. This conference call may contain forward-looking statements about the Company, which are based on beliefs, opinions and expectations of the Company as of the date of this call. These statements are not the guarantees of future performance and may involve risks and uncertainties that are difficult to predict.

I would now like to hand the conference over to Mr. Deepak Jain, Chairman and Managing Director of Lumax Industries Limited. Thank you, and over to you, sir.

Deepak Jain: A very good morning, everyone. I hope everyone is doing well. Along with me, there is on this call today, Mr. Anmol Jain, the Joint Managing Director of the Company; Mr. Sanjay Mehta, Group Chief Financial Officer; Mr. Ravi Teltia, the CFO of the Company; Mr. Naval Khanna, the Corporate Head of Taxation; and Ms. Surabhi Chandna, the Group Head of Investor Relations and Value Creation, along with the Investor Relations Advisor, SGA.

We have updated our financial results and earnings presentation on the stock exchange and the Company's website. I hope everybody has had an opportunity to go through the same.

The economic environment during the Q1 FY 27 was influenced significantly by the ongoing crisis in West Asia. Its effects were felt across multiple parts of the Indian economy from high crude oil prices to disruptions in shipping and freight movement to periods of rupee volatility. Despite these headwinds, FY 27 began on a strong note for the Indian automotive industry with demand remaining resilient across vehicle segments.

Cost and availability pressures on key imported inputs did not meaningfully disrupt production for the Indian automotive sector through the quarter, a testament to the underlying strength of the domestic demand and supply chain discipline across the ecosystem.

According to SIAM (Society of Indian Automobile Manufacturers), during the first quarter, overall, the Indian auto industry production stood at 93.5 lakh units, up 22% year-on-year (y-o-y). The Passenger Vehicle (PV) production grew by 17% y-o-y to 14.5 lakh units, driven by sustained demand for utility vehicles, premiumization trends and continued new model launches.

The 2-Wheeler production increased by 23% to 72.5 lakh units, supported by improving rural demand and easier retail financing. The 3-Wheeler production recorded the strongest growth of 39%, reaching 3.5 lakh units, led by healthy replacement demand, growth in last mile mobility and improving urban transportation activity. The Commercial Vehicle (CV) production also remained robust, growing 15% to 3 lakh units, supported by continued infrastructure spending, construction activity and healthy freight movement.

The strong production growth across all segments underscores the resilience of the Indian automotive industry. The lower GST (Goods and Services Tax) rates, improved financing availability, resilient customer confidence and continued export momentum supported demand during the quarter. OEMs (Original Equipment Manufacturers) have adopted a calibrated approach towards passing the cost increases to customers, encouraged by strong order visibility and a favourable midterm outlook, several OEMs have also announced capacity expansion plans across vehicle segments.

This not only reinforces the confidence in the long-term growth trajectory of the industry, but also creates significant opportunities for auto component manufacturers like us, to deepen our partnerships, expand product offerings and increase content per vehicle through technology-led and value-added solutions.

Speaking on automotive lighting, the nature of the customer demand is evolving. OEMs in India are seeking increasingly advanced lighting solutions while maintaining a sharp emphasis on cost efficiency and local value creation. The key priorities we hear from them today include evolving safety compliance, improved energy efficiency, stronger styling differentiation, deep integration with ADAS (Advanced Driver Assistance Systems) and vehicle software and faster development cycles. While cost competitiveness remains important, the conversation has evolved beyond being purely cost driven.

At Lumax, we're responding to this shift with a dual-track approach, where program requirements demand rapid to time market or aggressive cost targets, we actively collaborate with leading standard module suppliers. Simultaneously, we are investing in the development of proprietary Lumax standard lighting modules, which are engineered specifically for the Indian market requirements, validated for local operating conditions and manufactured in India. This approach will enable us to balance global technology benchmarks with localization, cost competitiveness and long-term value creation for OEM partners.

Now coming to key updates for the Company during the quarter. Our consolidated revenue stood at INR 1,223 crore, marking a healthy 32.6% year-on-year (y-o-y) growth. EBITDA for the quarter came in at INR 113 crore, up 34% y-o-y and EBITDA margins of 9.2%.

During the quarter, we have won orders for multiple products from one of the key 2-wheeler OEMs. The order book stands at around INR 2,500 crore with LED (Light Emitting Diode) lighting composition of approximately 90%. The key launches during the quarter have been in the Passenger Vehicle segment, the Tata Motors Tiago where we are supplying head lamps and the Volkswagen Taigun, where we are supplying the rear lamps.

In the 2-Wheeler segment, we have also won an order from Suzuki Motors for Burgman Street for supplying front turning signal lamps. And in Commercial Vehicles, we have won orders from Force Motors to supply head lamps for Traveller 2.

Q1 brought recognition from industry bodies and sustainable certifiers across dimensions from LIL (Lumax Industries Limited) operations. The notable awards included the Lumax Group recognized as A Most Preferred Workplace 26-27 by Marksmen Daily and 5 products each from Bawal, Dharuhera, Haridwar, Pantnagar and Sanand plants have been awarded the GreenPro Ecolabel Certification.

From a capacity point of view, our Bengaluru plant expansion to support Maruti and Toyota's upcoming models is progressing satisfactorily and is expected to be commissioned from Q4 of FY 27. We also have a brownfield project underway at Sanand and Bawal to support new order wins with customers at respective locations.

Coming to the outlook for the year. As we move into the festive season, demand is expected to remain healthy, although the industry continues to closely monitor commodity prices, input cost inflation and geopolitical developments.

Now I will hand over to our CFO, Mr. Ravi Teltia for updates on operational and financial performance.

Ravi Teltia: Thank you, sir. Good morning, everyone. Let me take you through the key highlights of our operational and financial performance for the quarter. Starting with the financials. As CMD mentioned, we delivered strong top line growth this quarter yet again. Our consolidated revenue stood at INR 1,223 crore, marking a healthy 32.6% y-o-y growth.

This growth was primarily driven by robust performance in our manufacturing business, where the revenue growth was 36.8% y-o-y to INR 1,160 crore. EBITDA for the quarter came in at INR 113 crore, up from INR 85 crore in Q1 FY 26, reflecting a growth of 34%. EBITDA margin stands at 9.2%, in line with Q1 FY 26 despite external headwinds.

There is approximately 120 to 130 bps (basis points) net impact of commodity and other costs in Q1 FY 27. This is a result of continued focus on cost discipline, operational efficiencies and growing contribution from our premium product portfolio.

Moving to the profitability. Our consolidated Profit After Tax (PAT), including share of associates for Q1 FY 27 stood at INR 51 crore compared to INR 36 crore in the same quarter last year, registering a growth of 41.2%. PAT margin stood at 4.2%, up 30 bps y-o-y. The effective tax rate for the quarter stood at 20.3%.

Now turning to the operations side. We are seeing strong traction in the LED lighting segment, which continues to be a key growth driver. In Q1 FY 27, LED lighting accounted for 63% of our total revenue, up from 61% in the same quarter last year. Importantly, approximate 90% of our current order book is now LED based, which gives us strong visibility and confidence in further expanding this segment and increasing our market share in the quarters ahead.

Looking at our segment mix for the quarter, revenue contribution stood at 64% from Passenger Vehicles, 31% from 2 and 3-Wheelers and 5% from Commercial Vehicles and others. This well-diversified mix underscores our solid positioning across multiple segments of the automotive lighting. From a product standpoint, front lighting contributed 68% of total revenue, followed by rear lighting at 23% with other products making up the remaining 9%.

From a customer perspective, revenues from Maruti and Tata Motors witnessed strong growth of 43% and 68% y-o-y, respectively, driven by multiple new models SOPs (Start of Production). Our engagement continues to deepen and we remain in active discussions for upcoming vehicle platform as well. At the same time, we also witnessed healthy business growth from TVS Motors, reflecting focus on customer diversification.

Coming to capex, as mentioned earlier, our ongoing capex plans are progressing well and remain aligned with future growth requirements and customer commitments. For FY 27, our capex guidance updated to INR 200 to 250 crore, mainly due to new order wins. Our net long-term debt as on 30 June, 2026, stands at INR 209 crore.

With that, we now open the floor for questions. Thank you once again.

Moderator: Thank you very much, sir. We will now begin with the question-and-answer session. We have our first question from the line of Anubhav Mukherjee from Prescient Capital.

Anubhav Mukherjee: Congrats on a great set of numbers. Sir, my first question is that in the revenue mix by customers, the others segment has grown significantly, almost doubled y-o-y. Can you please share which are the OEMs in this others segment?

Ravi Teltia: Sorry, your voice was not clear. Can you repeat, please?

Anmol Jain: Ravi, the customers which are classified under the others category, that y-o-y has grown by 133%, which are the key customers which incorporate the others category.

Anubhav Mukherjee: Yes, sir, if you can share that, that would be very helpful.

Ravi Teltia: So mainly this is consisting of our Škoda, Volkswagen business, which we started from our Chakan 3 facility. So that is the key customer here. Of course, there are many multiple other customers.

Anubhav Mukherjee: Okay, sir. And sir, in the 2-Wheeler segment...

Moderator: Sorry to interrupt you, Anubhav. Can you please use your handset? Your voice is quite muffled.

Anubhav Mukherjee: Actually, I'm using my handset. Hello? Is it better?

Moderator: Yes. Please go ahead with the questions.

Anubhav Mukherjee: Sir, apart from like HMSI (Honda Motorcycle and Scooter India) and Hero, sir, which are our key like 2-Wheeler customers? I'm asking this because the overall growth in 2-wheeler seems to be higher than the growth combined from these 2 OEMs.

Anmol Jain: So, the Company is catering to almost all the 2-wheeler manufacturers. Apart from HMSI and Hero, which are significant customers, the Company also continues to cater to Suzuki 2-Wheelers, Yamaha Motors as well as TVS as the entire landscape of 2-Wheelers, but a significant growth is expected to come from HMSI going forward, which is also reflected in our order book.

Moderator: We have our next question from the line of Sanjay Shah from KSA Securities. Please go ahead.

Sanjay Shah: Sir, congratulating on the numbers and the growth what we have shown in this Q1. My question was regarding our last call when you highlighted upon some strategic shift that is trying to prepone recoveries via monthly amendment.

Can you highlight upon, because still even our penetration on LED is moving higher, our tech-led approach, localization approach, economies of scale, still our margins -- we are not that satisfied because we are still below 10%, which we highlighted to grow from here on. So, what is the strategy, sir, about that?

Anmol Jain: So, let me come in here. I think number one, when it comes to realizations, we had talked that we are hoping that some of the OEMs, because there was a massive volatility on specifically the electronics buying and the commodity prices went through the roof, we were hoping that monthly amendments is something which the OEMs agree upon.

However, that has not happened for most of the industry. I believe only commodities like aluminium was something they were willing to give, which does not affect this company. So as of now, we are still looking at quarterly or six monthly amendments.

And, as a result of that, as Ravi mentioned, when it comes to the margin, there is almost a 150 bps margin reduction in Q1, primarily due to these recoveries not having realized in Q1. So, we have obviously passed on the price increase to our suppliers, but we are hoping this realization comes in, in Q2. And if you look at that, then the margins would be close to about 10.5% to 11% at a total EBITDA level, which is in line with our guidance for FY 27 in the full year.

Sanjay Shah: That's helpful. Sir, my next question was regarding our future green shoots. Deepak, sir, since a veteran of this industry and you know this industry much better, so which are the green shoots we see for our company penetrating over and above LED? Is there a vertical shift, even commercial vehicle penetration or anything else which we need to understand?

Deepak Jain: Thank you very much for this question. I think see right now, we have a very diversified customer mix. We are well penetrated in the passenger cars. And fortunately, the 2-Wheeler industry, if you see, has started to really recover and really boost, especially over the last 12 months and continues to do so.

Also, we do feel that lighting will continue to be a very value-added product where the value creation, particularly when trends are coming towards EV conversion, there will be more basically value content because of not just LEDs, but more features which are coming in.

Well, it probably would be too premature to pre-empt. But if I look at global lighting trends, LED has become basically now a hygiene. Going forward, there are multiple other technologies on the lighting front, both interiors as well as exteriors, which are into laser, which are into more dynamic lighting, which are also more towards comfort lighting. And the vehicle lighting contribution is going up and up. So, we are actually in a much more-sweet spot. We are seeing that as premiumization is taking place, we will do that.

We continue to focus on right now certain underpenetrated customers for us, like, for example, TVS, we do feel that in future will be a big growth driver for the Company. We also probably look at SMIPL (Suzuki Motorcycle India Private Limited), which is the Suzuki Motors 2-wheelers. We think that also will become growth drivers for the Company in the 2-Wheeler segment. Passenger car, I think we are well entrenched.

And of course, there is traction now in the Commercial Vehicle as well as the tractor segment. So we are feeling that going forward, and you see the order book of the Company, I think Ravi mentioned that our order book stood at about INR 2,500 crore. I think that's a very healthy sign for the growth of the Company, irrespective of how the industry will grow.

Moderator: We have our next question from the line of Jyoti Singh from Haitong Investments.

Jyoti Singh: A few questions from my side, sir. Like from earlier participant, you mentioned like CV good traction and tractor good traction. And along with TVS and Suzuki, going forward we'll see more growth from there. So just wanted to clarify on this thing, why we are not getting order till now from these customers? And also, CV side, we are not seeing industries doing really well competitively earlier the way it used to. So wanted your view on those side?

And another, apart from this, how much our product is powertrain agnostic? Because currently, only 12% of the order book is from EV (Electric Vehicle). So, given broader industry EV push and Lumax is underweight on EV OEM wins, so what's the strategy to grow EV content per vehicle going forward?

Deepak Jain: Okay. Thanks, Jyoti. I'll just take this question. So first and foremost, the lighting is powertrain agnostic. So irrespective, you make EV, ICE (Internal Combustion Engine), CNG (Compressed Natural Gas), I mean the lighting goes in. But in the EV space, as vehicles continue to become more and more electric, be it passenger cars or 2-wheelers, they would need more energy efficiencies and light weighting. And hence, the value creation on the lighting product on the vehicle has a much bigger opportunity. And you can see that on the BEVs (Battery Electric Vehicle), you can see that on also our EV portfolio.

Second point you mentioned on the SMIPL, TVS, I think these were already customers. However, now we are seeing a much higher penetration with their growth, and we are continuously engaged with them for it. So we will continue to do this in terms of all OEM manufacturers within India. And we continue to basically seek new opportunities.

Particularly on CV, you mentioned, why it has not been as heavily growth. Please also do understand that on the CV side, there is a very, very standardized product. And still, the tech on the lighting front, it is not equivalent to the passenger car phase. So we are basically discussing with various OEMs on their new platforms on CVs. And when the technology comes in, we would try to create certain values in orders with them.

Anmol Jain: Just to add and supplement to that, Jyoti, I think if you look at our total pie from CV, it has remained unchanged at about 5% of the total revenue pie on a y-o-y Q1, which also means that CV business for us has also grown by 30% to 35% on an annualized basis, which is much more than what the CV industry has grown.

Jyoti Singh: Understood, sir. But currently, as per my channel check, what I'm seeing that CV is not doing very well compared to the 2-Wheeler and 4-Wheeler, we are getting the traction. But yes, understood well. And another, sir, on the revenue mix side, like major revenue, 56% of revenue, we are getting MSIL (Maruti Suzuki India Limited), M&M (Mahindra & Mahindra) and HMSI side.

So what's being done to diversify further? And are there any specific new OEM that we are in active discussion or targeting? And Hero, again, share slightly declined y-o-y basis, while MG and Toyota has done really well for us. So, any read on the underlying customer value dynamic or 2-Wheeler softness versus PV strength in your portfolio?

Anmol Jain: I think for me, what is important is our wallet share across the customers. The quarter-on-quarter (q-o-q) changes with respect to the revenue are just an outcome of the product mix. It is not that the wallet share has increased. On the contrary, specifically for 3 or 4 customers, Maruti Suzuki, our wallet share is likely to go up, significantly, which is reflected into the order book. From less than 30% today, we are looking at probably a 35% to 40%. And also, on the HMSI, specifically on the tail lamps, the wallet share is likely to exponentially increase by almost 2 to 3 times in FY 28. As a part of the order book, as you mentioned, 60% of our order book will be in SOP in FY 28.

So again, I don't see any significant shifts across OEMs in terms of business share. But again, specifically, you talked about MG or specifically you talked about certain other OEMs, it is largely an outcome of a product mix.

Jyoti Singh: Understood, sir. And sir, also, if you want to comment on M&M because another company of ours, is doing really well driven largely by M&M. So, what kind of traction we are seeing from M&M side?

Anmol Jain: I think M&M, we continue to have a very strong wallet share for the lighting. I was not clear what was the comparison you were trying to draw with other company, but Mahindra & Mahindra continues to be a key customer for the Group. And specifically for this company, we continue to maintain almost close to a 40% to 50% wallet share of Mahindra's overall lighting requirements.

Deepak Jain: I'll just try to add one thing. Jyoti, if you're looking at a strategy point of view, please understand that all the segments of the automotive sector in India is largely concentrated by 4 to 5 key players. And fortunately, Lumax has a top wallet share with mostly the 4 to 5 in almost all the segments. And hence, we would like to focus on that when the growth momentum is coming in very strongly. And of course, wherever there are opportunities to figure out if there are any new order wins from a new customer or we are underpenetrated, we are continuing to do that.

So, case in point, Mahindra, Maruti will continue to remain our focus in this space, along with, of course, Tata. And as you know, associate company SL Lumax already caters to Hyundai Kia. That covers 92% of the passenger car market in India currently. And same way, if you look at HMSI, we look at Hero, we look at also TVS is catering from this company, Bajaj, of course, from the other group company. So, we actually again cater almost about 85% from catering to this vehicle maker. So, we are in a very strong position. Of course, Commercial Vehicle, as I said, has different lead cycles, have different type of technology. So, we will see wherever the opportunity comes in on those off-roaders, 3-Wheelers and Commercial Vehicles.

Jyoti Singh: Great, sir. Understood. Just one last question, sir, on the capex side. So, like in FY 26, it was INR 410 crore. So, what's the capex guidance for FY 27?

Ravi Teltia: Yes. Ravi this side. So, as I mentioned, basically this year, we are expecting capex of somewhere around INR 200 crore to INR 250 crore. And in the previous call we mentioned INR 100 crore to INR 150 crore. So, the reason of increase is we have won good business over the last 4 months. So therefore, we are expanding it. So, it would be close to INR 200 crore to INR 250 crore.

Jyoti Singh: And sir, any bifurcation of it?

Ravi Teltia: Bifurcation is the maintenance capex, as we mentioned, would continue to be some INR 40 crore to INR 50 crore. The rest would go to the new business wins or capacity expansion for new business.

Moderator: We have our next question from the line of Saurabh Jain from Sunidhi Securities.

Saurabh Jain: Congratulations to the team. We have outperformed the expectations yet another time. Sir, my first question, I would like to ask, as it was touched by the previous participant. So, we have showcased strong growth across Maruti, HMSI and all, while M&M for the last couple of quarters has been kind of flattish.

Of course, we have done pretty well over the last 2 years, but having a wallet share of 40% to 50% and yet the revenue for last almost 3 quarters is around 200 or less, for 4 quarters. So, if you can just explain a bit, we have good wallet share over there, but yet for the last few quarters, that number is not growing?

Anmol Jain: I think it's just an outcome of the product mix. Certain platforms, for example, the new model, I'm not sure what the model name is, but the XUV700 EV is a platform which we are not on, but that has significantly pulled the volumes and the growth of Mahindra in Q1. So again, it's an outcome of product mix.

Unfortunately, for this quarter, perhaps the other 50% of the models did a lot better than the 40 -50% where we are present on. So again, strategically, there is no shift. Strategically, we are still a key supplier partner to Mahindra for the lighting needs, but it's just a 1 quarter. If you look at it from a full year perspective, we should be in line with Mahindra's overall growth.

Saurabh Jain: Okay. And sir, my second question is on mould revenue. On the previous call, you had mentioned that we can see steep rise in FY 27 revenue from mould business. So, should we expect this current run rate of this quarter to continue for the rest or maybe it can go much higher? And this is important because that will help us to steer the course of margin trajectory as well.

Ravi Teltia: Yes. So, Ravi this side. So, this year, as you mentioned, yes, we are expecting healthy growth of mould sale compared to last financial year on a full year basis. But as we already shared in previous calls, it all depends on the SOP timelines from our respective customer. But we are hopeful that we will register good growth compared to last financial year.

Anmol Jain: But as part of our visibility, I think majority of these mould revenues will be planned for H2, specifically in Q3 or Q4.

Saurabh Jain: Any ballpark number would you be able to give?

Ravi Teltia: So, on a full year basis, like last year?

Saurabh Jain: Yes, full year.

Ravi Teltia: On a full year basis, like last year, our mould sale was somewhere around INR 180 crore to INR 185 crore. And this year, we are hopefully targeting INR 250 crore to INR 300 crore.

Saurabh Jain: Okay. And sir, last question about the FY 28 capex.

Ravi Teltia: FY 28 capex will depend how the business wins will happen, but our guidance would be in line with what we mentioned earlier, somewhere INR 150 crore to INR 200 crore at this moment.

Anmol Jain: I think it's too premature to give FY 28 capex guidance. But for the current year, we are revising it to upwards to INR 200 crore to INR 250 crore, largely because of a strong order book. And as I mentioned, 60% of the order book or roughly almost INR 1,500 crore will get into SOP in FY 28.

Moderator: We have our next question from the line of Aditya Kondawar from Complete Circle Capital.

Aditya Kondawar: Congrats on a great quarter. My first question was, if we have any guidance for the next 2-3-4 years, what kind of revenue growth rate or a PAT growth rate we are looking at?

And my second question was, I was just looking at this new car, 2027 Audi Q9, and basically the lights have built-in projectors**.** So, for example, if you give a right indicator, you would see the exterior ground projectors or exterior ground figures coming up. So, this is what you had hinted towards in the future of lighting, and just wanted more colour on that. What are the various technologies that are working around the world and some of the technologies that we are working on?

Anmol Jain: So, I'll take the first part of the question, which is more of a 3 to 4 year horizon. I think we are quite confident to deliver an almost above industry growth over the next 3 to 5 years. Our CAGR continues to be between 15% to 20%. Largely, this growth will be not just volume led, but also, as you mentioned, new technology driven. So, from a current base of, let's say, INR 4,500 crore to INR 5,000 crore, we should be looking at probably a INR 9,000 crore or upwards revenue in FY 30-31.

Again, in terms of margins, I think we are safe to say that current year forecast remains intact, which is anywhere between 10.5% to 11% EBITDA. And 3 to 4 years, I think our endeavour is to hit the 'teen' EBITDA upwards of 13% or so.

Deepak Jain: Regarding the second question?

Anmol Jain: So that's my take on the first part of the question. On the second part of the question, again, my only 2 cents is that, yes, these are very advanced technologies in the lighting. Do we have access to these technologies? The answer is yes. Our Czech centre is working on these technologies with Stanley as our lighting partner. They also have these technologies.

However, these technologies, for it to come into the Indian context at a reasonable price point, we still feel that it's a little far-fetched. Usually, the technology of lighting goes from the top-end premium segments going down to a more mass-market segment. So, while we have access to these technologies, I do believe it will still be a couple of years before we start seeing them on the Indian models.

Moderator: We have our next question from the line of Apurva Mehta from AM Investments.

Apurva Mehta: Congratulations on great set of numbers. Sir, just wanted to know about the localization thing, we were at 30-35% of localization. Where do we see in next 2 years our localization thing to happen? And this would help us to be more resilient and it would be more predictive about margins also. So, can you throw some light on that?

Ravi Teltia: Yes. Ravi this side, Mr. Apurva. So, in localization, primarily the focus is on the electronics. And as we shared, electronics has primarily the 4 key components. One is the LED module. On that side, some of the projectors are getting localized gradually, which we see that in next 2 to 3 years.

The second part is the SMT which is already 100% localized which we are running our independent plant over here. The bare PCB (Printed Circuit Board), which is also started localizing and we foresee that in next 2 to 3 years down the line, this will further increase from current 40-50% to say 70-80%.

And the last one is the connector which is still at a very small number of localization, around 24%, which we foresee that will also further go to somewhere around 40-50%. So, with this, the localization in next 2 to 3 year down the line we are expecting. And based on the currency and the import benefits, we foresee that somewhere around 70 to 90 bps gain will definitely flow into the business.

Apurva Mehta: On the localization ground, it will be all in-house or we would be outsourcing all this localization.

Deepak Jain: So, it's a great question. As technology and lighting will shift, particularly driven by higher electronic content, I think the localization will continue to remain, although a key priority, but also a challenge. I'm hoping that the next 4 years, there will be certain, let's say, ecosystems on electronics in India, which will be done.

We cannot do everything in-house. We will be doing mostly assemblies and certain critical processes in-house. However, when it comes to electronics, ICDs (Integrated Circuit Devices), all that, we continue to do that. And a classic example is the PCB, bare boards, which was basically done a very, very big localization effort by the Government of India.

However, as the technology changed, we had to go through complex 7-8, even now we're talking 9 layers. And in that, again, the import dependency came about. And I think the laminates, if you have heard recently, is on an acute shortage. And because of that, again, there is a lot of imports.

So, it will continue to do that, but the Company is prioritizing localization along with customers. To your question, we will continue not to keep on doing in-sourcing. We will continue to work with supplier partners who will be having a much more localized capability. And our processes, certain technology interventions and certain processes which we do on injection, surface treatment or assemblies, we'll continue to do a lot of localization.

Last point being on tooling, there is although impetus to try and be into tool localization, as you know, all our tooling are imported right now. But currently, we are finding a challenge in the

Indian tooling ecosystem, and we're trying to look at it. We'll have to look at it maybe a 2030 kind of a visibility where definitely we will continue to focus on our localization improvement content.

Apurva Mehta: Any sourcing from China, which is everybody is trying to source from China, tools or stuff like that, which is far cheaper than what we want to source from any other place?

Deepak Jain: Yes. So, we actually do source a lot from China and as the whole supply chain does. But we are also cognizant of the fact of the risks. We continue to actually now in our engineering drawing, look at alternatives than to China, but the cost competitiveness of China continues to be one of the key highlights why we source from there.

Rather, the Group has actually recently opened office in China, it's a global resource centre to see how we can do a lot more kind of diligent trading with China. But that's one part of it. But the intent for us is to become more and more cost competitive, either by sourcing more competitively, importing competitively or by localizing. But in the future, we will be localizing more and more as a priority.

Apurva Mehta: And on the competition side, how do we see intensity? Because of new technologies, are there fewer competitors or the competition is still intense?

Deepak Jain: No, the competition intensity will increase and will enhance. As Bharat goes through that Viksit Bharat journey, as India market will continue to become the number 3 market in the world for the auto sector, the economy will grow. There will be more players which will be coming in. However, as I said, our strategy is very simple. We want to dominate the industry by being very, very embedded with the top 4-5 of every sector OEMs.

And as you see the auto industry, I mentioned before, they're highly concentrated. The 80%, 90% market share. So even if new players come in, it will be very difficult for them to actually gain. They may take a few percentages depending on that. So that's our strategy, the competition intensity will increase in this product line.

Apurva Mehta: And on the HVACs (Heating, Ventilation and Air Conditioning), can we throw some light? where do we stand currently? Honda was one of our customers, are we going for any other customers or do you think this can be a bigger like a revenue stream for us, over a period of time?

Deepak Jain: Anmol, do you want to comment?

Anmol Jain: Yes. So, Apurva, HVAC, we got for Honda, I think we did about close to INR 18 - 20 crore revenue in an annualized basis. I think the peak revenue for that one particular customer was expected to be around between INR 35 - 40 crore. Unfortunately, the volumes of Honda itself have taken a beating, not in line with what was estimated.

I think it's a long-ish game. I think right now, we want to focus on the lighting. There could be some opportunities in other OEMs, but I would not like to comment on that because I still feel it's quite distinct for HVAC to become something materially significant.

Moderator: We have our next question from the line of Viraj Kacharia from SiMPL. As there is no response, we'll move on to the next participant from the line of Utkarsh Somaiya from Eiko Quantum.

Utkarsh Somaiya: I think you already spoke about your margins being 10.5% in Q1, barring the commodity price inflation. Given that these will be passed on, can we expect that number in Q2 and Q2 onwards?

Anmol Jain: Ravi, you want to comment?

Ravi Teltia: Yes. So basically, as we mentioned, there is a very high commodity impact in the market primarily due to the West Asia conflict. And we are having discussion with our OEM partners about this. There were some recoveries, some recoveries are underway. So therefore, we are maintaining our full year guidance of 10.5% to 11% EBITDA. It is under discussion with the respective OEMs. So accordingly, things will move in the q-o-q basis.

Anmol Jain: In Q2, we do expect the margins to be higher because a lot of the Q1 realizations will actually get realized in Q2. So yes, I'm not sure whether it will be 10.5%, but it definitely should be above 10% for Q2.

Utkarsh Somaiya: Okay. And earlier, you had guided that every year you will probably expand by 50 to 100 bps. It is still intact, right?

Anmol Jain: Yes. I think for the full year FY 26, we were just short of 10%, I think 9.8% was more specific. As Ravi mentioned, this year, we are looking at a 10.5% to 11% total full year EBITDA, which is about 100 bps increase. And as I mentioned, the 3 to 4 year horizon, we do expect to touch close to 13% EBITDA. That is our endeavour. So, if you were to calculate it on an annualized basis, it will come to roughly about 100 bps increase every year.

Utkarsh Somaiya: So, the last 2 quarters, you've been growing at a higher rate of 30% compared to the last 10 or 12 quarters. Can we expect this 30% to be the new normal for the Company, for the next 4 to 5 quarters?

Anmol Jain: I think if you look at the industry, last year, H1 was at a much smaller base. And hence, we are looking at a significant growth. While the industry volumes continue to be robust, in H2, I do foresee that because of a high base from last year post the GST rationalization, the growth rates of the industry overall will reduce.

Today, you are looking at a 20%, 25%, 17% growth across different segments. This growth will slow down, not because of the demand going away, but purely because of a high base effect. So, to that extent, I don't think that we will continue to report a 30 - 35% each quarter. But I think on a full year basis, the growth revenue forecast is still about a 15 - 20% growth, which is again better than what the industry is expected to clock.

Moderator: We have our next question from the line of Radha from Motilal Oswal Financial Services.

Radha: Sir, with reference to your presentation, Page number 12, where the technology road map is provided for lighting, I wanted to understand what is the current content per vehicle for lighting products that you supply to a passenger car? And where do you see this content move in the next 5 years, as per the road map?

Anmol Jain: The content per vehicle would differ model to model based on the technology being utilized. However, on a full platform, all the lamps, if I were to consolidate, the current level would be anywhere between INR 15,000 to INR 20,000 on an average per vehicle. There will be some outliers where there are higher technologies, which would also go to almost INR 30,000 a vehicle.

So that would be the content per vehicle as on today on a passenger car. I do foresee that going forward this should at least go up by 50% over a more 4 to 5-year horizon. And again, the logic of that is purely based on new technologies. But again, those new technologies will not come at the same price points as it is globally available today.

There will be a lot of push towards reducing those prices. So again, the INR 15,000 to INR 20,000 may become somewhere around INR 22,000 to INR 25,000 in my best estimate over the next 4-5 years.

Radha: Understood, sir. That's helpful. Sir, secondly, given Stanley's global portfolio beyond lighting, so HMI (Human Machine Interface), automotive, sensors, BMS (Battery Management System), what products does Lumax Industries Limited currently have in India? And can we expect any of these products to keep coming in Lumax Industries? And any revenue contribution from this can be expected?

Anmol Jain: Deepak, do you want to take that?

Deepak Jain: Yes. So, if you see currently, we have a 42-year relationship with Stanley. It actually is on all lighting products that Stanley makes. Stanley actually, if you see majority of its revenues, actually close to about 75% is coming in from automotive lighting.

Over the time, they have also kind of diversified and got into LED manufacturing, consumer lighting, street lighting and certain sensors as well as certain applications, which are more towards the UV lighting. This is a very different domain for India, although we have our joint venture agreement for all the products. But we will continue to evaluate based on Stanley's India guidance for the global businesses.

So currently, we are doing only lighting. HVAC was one of the products which we were just discussing on the call, which had come in for Honda's particularly 4-Wheeler requirement. We continue to evaluate that. But I think our focus, given the order book, given the pull in the industry, given our leadership in the lighting industry, we continue to maintain and grow our market share.

Radha: Sure, sir. That's helpful. But within this lighting, there is this ambient lighting that is picking up. And I believe Lumax Auto Tech also will be catering to ambient lighting. So how will that be divided between both the companies?

Deepak Jain: Strategically, first and foremost, the ambient lighting has also many layers to it. We are not going ahead with a very, very simple ambient lighting. But going forward, if it becomes more and more complex, depending on customers, we will be going through it. Yes, IAC, which is in the other company, has one advantage that it does a complete interior design and cabin design.

So that's why we are also looking at supporting from a Group perspective, customers, who actually request for. And in this company, if there is any order opportunity, particularly certain customer requests following Stanley's customer leads, we will continue to do that. So, we want to focus on this, but I think this company right now continues to focus and strengthen more on the exterior lighting.

Radha: Understood, sir. Sir, lastly, you mentioned that 90% of your order book is from LED. So, I wanted to understand that once the LED penetration approaches 100%, then what are the key specific levers that you see that will help us in maintaining the double-digit growth?

Deepak Jain: So, I think 2 things are there. Number one, when and as LED penetration continues to increase, our focus will continue to be on how to make sure that we are more cost competitive and localization comes in, because as more and more electronic conversion comes, it has a different kind of challenges on localization.

Second point is that if you look at a much more long-term road map, India is still underpenetrated if I look at the more developed markets. And the LED penetration will continue. But with the LEDs, there will be dynamic lighting, there are different projector lighting.

There are many multiple technologies which are already prevalent in developed countries and developed auto industries. If you look at China, you look at U.S., the top 2 markets of the world, they have gone beyond LED. So, I think this trend will continue in India.

And the group is already working on software, on embedded electronics and on certain POCs (Proof of Concept) to make sure that we get the technologies right. And some customers are already evaluating this technology. So, we are very bullish that after even LED penetration grows at a higher level, we will continue to have more value-driven content per vehicle.

Radha: Sir, lastly, is there any global company that we can refer to in terms of how we see this evolution happen in technology within the lighting space so that to get an understanding as to how the Company looks, maybe 5 years, 10 years down the line?

Deepak Jain: Well, you can benchmark any global I think this thing. If you see, there's one more trend which has happened in lighting. There is a merger of all the interior players with the lighting players, case in point, Forvia, which was basically Faurecia and HELLA. Case in point, then Varroc was being bought over, which was originally Visteon Lighting was bought over by OP, which is OPmobility, which is Plastic Omnium. So, this is a global trend. And if you actually take any of these trends and you take any of these lighting players, you can see a very global trend defined. Europeans are dominated by 2 or 3, HELLA, Marelli's, the OPs and the Forvias. The Japanese are with the Stanley, with Koito. You can benchmark any of these players.

Moderator: We have our last question from the line of Viraj Kacharia from SiMPL.

Viraj Kacharia: Sir, just extending on the previous participant question, if you have to look at this company say in next 5 to 7 years, would the primary segment be majorly lighting solutions driven or you think over a period of time, just how we had seen in our another group company, Lumax Auto Tech, we would see a range of other products being added?

Why I am asking this is, if you look at Stanley Electric Mobility, they have launched these ECUs (Electronic Control Unit) not just for LED control unit, but you also have ECU for air conditioner, you have ECU for heated and cooled seats. There are range of other products also they have come out with. I'm just trying to understand in terms of orientation of the two promoters for this company. How should one look at it over the next 5 to 7-year kind of horizon or more?

Deepak Jain: So, let's talk about 2031, Anmol just talked about the revenue opportunity and the margin opportunity of what this company can do. This has primarily been driven by lighting products, which are there. If the market evolves to various other products, we will continue to do that as we have a very good relationship with Stanley**.** We have access to that technology. I think the key will be to make sure that we meet the customer needs through their localizations.

A very small start was on HVAC, which was a Honda-driven need. Stanley supported that. It was a new product line. We made the investments. However, unfortunately, the Honda, where we were on that model did not do well. These opportunities will come along, but the focus will continue to remain in lighting, because we also do see a large opportunity for the lighting itself to grow in the Indian market.

Viraj Kacharia: And just a related question, right? See, one of the interesting points you made is that the ecosystem will keep on evolving. When the technology further evolves, there's a limit to which you can do localization. But is there a possibility where as your scale increases, complexity increases, you want to capture a part of the component value-add in terms of electronic subsystems, not just for the local market, maybe also for the global market. Any thoughts on those lines?

Deepak Jain: Again, very premature to say. As I said, about 6 years ago, this company actually started with the SMT (Surface Mount Technology) lines. We didn't have that orders. And now if you see, we are doing sizable revenues coming in through in-source from electronics from this plant, which is in Bawal. These opportunities will continue to do so.

As I said, the Company and the group is very clearly and closely working with customers. We do see that there will be more software, more embedded electronics coming in, in lighting. There will be more dynamic lighting, which will be coming through. And we will work on to get the best value creation within India. And again, as I said, it's a very open-ended question. The way ecosystem of electronics involves in India is still premature. OSATs (Outsourced Semiconductor Assembly and Test) are coming in. Those are still again premature. So, we'll see basically 5 to 7 years. I don't think currently the Company has planned to get into small electronic components for the market.

Viraj Kacharia: Okay. And just 2 more questions. See, on the competitive landscape, if I look at 2-Wheeler specifically, if we look at own journey for the last few years, we've been able to get a sizable share from HMSI and we are talking on similar lines with say, TVS and Suzuki now. Can you give some colour in terms of competitive landscape, whom are we gaining share from? Any colour on the markets there?

Deepak Jain: So, competition intensity, as I mentioned, will continue to increase. We all know that, let's say, 2-Wheelers, there are 2 or 3 incumbent players. That basically, we depending on the customer, we'll continue to basically gain some market share, particularly, as I mentioned, HMSI and TVS.

So, these are the basically 2 things. And of course, as I said, 4-Wheelers is very, very highly dominated by global players, not too many localized players here, and they are all basically putting up aggressive plans. So, it will become a very, very intense competition going forward.

Moderator: Ladies and gentlemen, that was the last question of the day. And I now hand the conference over to the management for closing comments.

Deepak Jain: Well, thank you very much for joining today's conference call and your continued participation and guidance. We look forward to continue to answer your questions. If you have any further queries, you may get in touch with Surabhi or our Investor Advisors. Have a great day. Thank you for your support.

Moderator: Thank you. On behalf of Lumax Industries Limited, that concludes the conference. Thank you for joining us, and you may now disconnect your lines.