“Lumax Industries Limited

Q2 & H1 FY 27 Earnings Conference Call”

October 27, 2026

MANAGEMENT:

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

Moderator: Ladies and gentlemen, good day, and welcome to the Q2 and H1 FY 27 Earnings Conference Call of Lumax Industries 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 may involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Deepak Jain, Chairman. Thank you, and over to you, sir.

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

We have updated our financial results and earnings presentation on stock exchanges and the Company's website, and I hope everybody has had an opportunity to go through the same. The global economy continues to face a very challenging environment with the conflict in the Middle East keeping markets uncertain. It has inflated energy and commodity prices, strained shipping lanes and supply chains and raised logistics costs for businesses adding to inflation and weighing down on global growth.

How long the conflict lasts and how it affects energy supplies and global trade will shape the outlook from here. India has not been insulated from these developments with high energy costs feeding into prices. That said, the domestic economy has stayed resilient, supported by a healthy consumption, sustained public investments in infrastructure and steady private investment activity. Despite the external uncertainty, the strength of domestic demand gives us confidence in India's growth trajectory.

Turning to the automotive industry. The sector sustained its growth momentum in Q2 FY 27. This was supported by better affordability after GST (Goods and Services Tax) 2.0, resilient demand in both rural and urban markets, strong freight activity, infrastructure-led growth and a gradual pickup in the replacement cycle. However, on the cost side, crude-linked polymer prices, freight, rupee depreciation remains a key monitorable, putting the industry margins under pressure.

SIAM (Society of Indian Automobile Manufacturers) production data for Q2 FY 27 shows year-on-year (y-o-y) growth across every vehicle segment, partly helped by a low base in the previous year. Overall, the Indian auto production stood at 106 lakh units, up 19% y-o-y. Passenger Vehicle (PV) production rose 25% y-o-y to about 17 lakh units, aided by better affordability after GST 2.0 and multiple new model launches.

The 2-Wheeler production rose 17% to around 81 lakh units, led by scooters, and the 3-Wheeler production was up 25% at about 4.5 lakh units with electric 3-Wheelers and last-mile mobility needs driving the growth. The Commercial Vehicle (CV) production also rose 34% to around 3.5 lakh units on the back of infrastructure spending and strong freight movement.

For H2 FY 27, we expect the growth rates to ease as the industry moves beyond the low base of the first half, and the GST rate cuts are fully reflected in the demand. How this festive season demand plays out will be a key indicator of whether the current momentum holds or not.

Now coming to the key updates for the Company during the quarter. The Q2 FY 27 revenue stood at INR 1,342 crore, up 33% y-o-y and 10% quarter-on-quarter (q-o-q), outpacing broader industry trends. For H1 FY 27, the revenue stood at INR 2,565 crore, up 33% y-o-y.

This growth was driven by new program launches, sustained growth with our leading OEM (Original Equipment Manufacturer) customers and a rapid scale-up with smaller customers and a rising share of LED (Light Emitting Diode) lighting, which has reached 63% of revenue in H1 FY 27, up 200 bps (basis points) y-o-y.

Our order book is at INR 2,580 crore, and LED lighting accounts for approximately 80% of the order book, while EV (Electric Vehicle) program accounts for approximately 11%. By segment, the passenger car vehicles account for 63% and the 2/3-Wheelers for 37%.

The key launches during the quarter were in the Passenger Vehicle segment, the Tata Motors Aeris, where we are supplying the tail lamps, both for high and base versions, and Mahindra & Mahindra Thar Refresh, where we are supplying the headlamp, fog lamp and the cornering lamps and also the side repeater lamp.

We're also now gaining share of business with OEMs such as TVS, Suzuki 2-Wheelers, Yamaha Motors as well as Toyota, which is an important step in our customer base expansion.

During the quarter, we have received the following recognitions, Launch Excellence Award at the Tata Motors Passenger Vehicle Annual Supplier Conference. For the Chakan II plant, we have the CII (Confederation of Indian Industry) National Award for the Best Environment practices. And for Bengaluru plant, we have the UBS Forums Award for best practices in sustainability.

To conclude, in the near term, we remain watchful of the geopolitical developments and energy prices, which could further put pressure on input costs and weigh on margins.

We continue to work with our customers on cost recovery while staying focused on cost discipline and operational efficiency. Beyond these near-term challenges, the long-term story remains intact. Rising LED and advanced lighting content per vehicle, the OEM capacity additions and a robust order book gives us confidence in sustaining growth ahead of the industry.

I would now like to hand over the call to our CFO, Mr. Ravi Teltia, for updates on the financial and operational performance of the Company.

Ravi Teltia: Thank you, sir. Good morning, everyone. Let me take you through the key highlights of our financials and operational performance for the quarter. As the Chairman mentioned, Q2 FY 27 consolidated revenue stood at INR 1,342 crore, up 33% y-o-y. Manufacturing revenue grew 33% y-o-y to INR 1,300 crore.

Consolidated EBITDA for the quarter stood at INR 110 crore, up 21% y-o-y with a margin of 8.2% compared with 9% in Q2 FY 26. Material cost impact continued in Q2 FY 27 due to West Asia conflict and elevated prices for electronic components.

We are constantly engaging with our customers for recovery. However, typically, these come with a lag. There is approximately 100-120 bps impact in H1 FY 27 due to the material cost increases. We continue to maintain our full year margin trajectory to the double-digit number.

Also, on the top line, we are revising our guidance from earlier 20% plus to 25% plus for the full year. Profit After Tax (PAT), including share of associates, stood at INR 52 crore, up 46% y-o-y with PAT margin at 3.9%, up 40 bps y-o-y. The effective tax rate for the quarter was 25.3%.

On the operational side, LED lighting continued to lead our growth, contributing 63% of revenue in H1 FY 27 compared with 61% in H1 FY 26. Around 88% of our current order book is LED based. On capex, our projects are progressing as planned. Our capex guidance for FY 27 remains at INR 200-250 crore.

Our net long-term debt as on 30th September 2026 stood at INR 188 crore compared with INR 291 crore as on 31st March 2025, and our net debt to EBITDA has improved to 2.2 as on 30th September 2026 versus 3.0 as on 31st March 2025.

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

Moderator: Thank you very much, sir. We will now begin with the question-and-answer session. The first question is from the line of CA Garvit Goyal from Serene Alpha.

Garvit Goyal: Congrats for the good set of numbers. The question is on the margins. While at one place we are speaking about the challenges that we are facing, particularly in the terms of the rising cost of the electronics that we are using. At the same time, we have provided the intact margin guidance for full year. So, what is giving you the confidence?

Like you also mentioned there will be some lag in passing on the increased cost. So, what exactly is giving you the confidence of better margins in H2 that your full-year margins will be double digits? So that's my first question.

Anmol Jain: This is Anmol Jain. So clearly, the H1 margins are a bit subdued, primarily because of the raw material escalations. And there are 2 parts to it. One is the recovery of the escalations, which came into effect in Q1, which also have not yet been fully recovered in Q2. There is still a remaining part pertaining to Q1 to be recovered.

Second, over and above the Q1 escalations, there have been further escalations impacting the Q2. These will get into the P&L perhaps in Q3. We do not anticipate significant price increases further to what the current base is already established in H2. And once we are able to recover the Q1 and Q2 impact, they will definitely improve our margins, specifically for H2. And hence, the guidance, which Ravi had mentioned for the full year, is still intact to deliver a double-digit EBITDA margin.

Garvit Goyal: Got it, sir. And secondly, are you expecting any slowdown in the relative growth due to the higher base post this festive season, which may like the kind of growth we are currently witnessing. On that base, what kind of growth you people are internally targeting maybe in FY 28 and onwards? If you can put some colour, not that with numbers, but if you can put some direction on that?

Anmol Jain: So, for FY 27, H2, the revenue guidance on a q-o-q basis will continue to be better than what was reported in, let us say, Q2 as an absolute amount. However, because of the higher base in H2 of FY 26, the growth rate for H2 will be relatively lower than what the Company has reported in H1, which is about 35%-odd.

So, for H2, we will not be definitely looking at a 35% growth. But for the full year, I do believe that the guidance earlier of about 20% growth is now revised to slightly upwards towards more of a 25% growth for the full year as for FY 27. For FY 28, we continue to remain quite bullish because if I look at the order book, almost 60% of the order book gets delivered in FY 28, which is almost close to INR 1,500 crore revenue.

Garvit Goyal: Understood, sir. And lastly, on the export front, particularly after the FTA (Free Trade Agreement) scheme and looking at the global scenario where the geographical de-risking is happening. Are we looking to export as a driver going forward in any of our areas or any of our product portfolio?

Anmol Jain: So, for the lighting, again, we are engaged with some of the IPOs, the International Purchasing Offices in India of the OEMs. These typically take a couple of years to fructify into something meaningful. Again, having said that, largely, the priority and the focus of the Company remains to deliver the growth of the Indian market and see how we can expand our wallet share with respect to across OEMs.

And I'm happy that based on the current order book, we will actually be expanding our wallet share in almost 4 to 5 OEMs over the next 2 years. So, the focus and priority is the domestic market. However, export engagements are continuing. And probably in the next 2 to 3 years, we can see some export revenue to come in. But again, it will be a minuscule number compared to the domestic.

Moderator: The next question is from the line of Radha from Motilal Oswal Financial Services Limited.

Radha: My question was that in the Adaptive Driving Beam (ADB) system, typically, it combines of the front camera, ADB modules, lighting control modules, etc. And OEMs are increasingly preferring suppliers who can deliver more of an integrated system. In this scenario, there are global companies such as Hella, Valeo, Marelli that can combine the lighting along with the ADAS (Advanced Driver Assistance Systems) sensors and electronics and provide it as a solution to the OEMs.

So, as ADB and other ADAS linked lighting spread in the Indian cars over the next few years, what is our right to win against global players who can provide integrated solutions? And is there a roadmap where we can draw on further technology from Stanley or the in-house capabilities in the electronics or partnership with other ADAS suppliers and supply more of an integrated solution?

Anmol Jain: So firstly, on the technology of ADB, it's an intelligent headlamp system, which is largely talking about getting into higher pixel resolution and a smarter beam control. As of now, we do not have any camera integration on the ADB lamp technology.

Having said that, again, we are proud to say that we were actually the first company in Indian automotive lighting landscape, which introduced the ADB despite these global giants and the global lighting makers, which you mentioned having presence in India.

In terms of a technology roadmap, I think there is a very clear 2-pronged approach; number one, Stanley, which is the world leader for lighting technologies, continues to have a very deep presence and support to Indian markets.

And again, there is a very clear roadmap how Stanley will be able to enhance the technology for the Indian market by more and more localized solutions, local engineering capabilities for the future needs of the OEMs. And second, the Company has its own Czech and Taiwan advanced engineering centres, and this is where all the advanced technologies are being developed.

A lot of the engagement is also there from the Czech and Taiwan offices with OEMs and some of the technologies, which are more on projection technologies and more on, let us say, the OLEDs (Organic Light Emitting Diodes) and surface illumination technologies on the rear lighting and also things like DLP (Digital Light Processing), multi-pixel LEDs, laser-based lighting.

These are all technologies which are being currently developed at Czech Advanced Lighting Centre and with the help of Stanley. So, we have the access to technology, which is both the European technology as well as, let's say, more of the Japanese technologies, and they do differ.

Radha: Understood, sir. Secondly, sir, what is the penetration of this ADB in 2-Wheelers and 4-Wheelers currently? And where do you see the penetration inch up in the next 3 years? Also, do you expect the penetration to happen only in the EVs or across the powertrain?

Anmol Jain: Are you talking about penetration of ADB? I didn't understand that.

Radha: Yes, sir. Yes, sir.

Anmol Jain: So, the penetration of ADB is very right now limited to just about a couple of models. However, please do note that for any new technology to become mass market and to drive the price down with the volumes going up, it usually takes about 5 years for that to happen. And again, if I were to go back 5 to 7 years, the LED penetration was a mere close to 30%.

And today, it is sitting at ~65% for the Company. And again, it's a sizable number for the lighting industry at large. So, we do believe that ADB as a technology, perhaps over the next 3 to 5 years, will gain traction. However, currently, it remains limited to a couple of models, but we do see a lot more interest from the OEMs to evaluate this technology for their future needs.

However, as of now, largely, it is driven by Passenger Vehicle segment. We do have some conversations with 2-Wheeler OEMs, but it probably will be a faster adoption in the Passenger Vehicle space.

Radha: And sir, is it specific to only EVs or across powertrains?

Anmol Jain: It is powertrain agnostic. It can go on any vehicle run on any powertrain.

Radha: Understood, sir. Sir, thirdly, on localization, you are targeting over 50% LED localization from 30 - 35% today, led by LED driver modules. So, as you localize these modules, will they be made in-house or sourced from other domestic suppliers, possibly group company, Lumax Auto Tech electronics facility?

Anmol Jain: So as of now, the first and foremost emphasis is on to try and localize parts of the LED system. And again, I'm not getting too technical, but first is the LED light source itself. And then, thereafter, there are these intelligent modules, which is like the light control modules, etc., which control the lamp and the brightness and the LED performance.

So, we will have localization plans on both. As of now, it's too premature to state whether we will be making them in-house or we will be making them in certain other group companies or maybe we start with an outsourcing activity. So again, those are things which are still in the discussion phases, but we would like to be the first one in India to localize some of these technologies.

Radha: Understood, sir. And sir, the LED chips are likely to stay imported across the country.

Moderator: Sorry to interrupt you, Radha. Can you please rejoin for a follow-up question? We have a long queue.

Radha: Yes, sure.

Moderator: The next question is from the line of Viraj Kacharia from SiMPL.

Viraj Kacharia: You said in the call earlier that given the order book we have, especially among the 4-5 OEMs over the next 2 years, we expect a considerable share increase. So, can you give some colour which are those OEMs we are talking about? And what will be our share now? And based on the order book we have, how do you see this evolving over the next 2 years?

Anmol Jain: Sure. we've got a strong order book across pretty much all OEMs. But again, I will talk about just the 4-5 names, which notably the wallet share will increase. Let's say, we'll start with Maruti Suzuki, which is the largest pie of our order book.

Currently, the wallet share at Maruti Suzuki on a headlamp, tail lamp put together is anywhere between 25-30%, and this wallet share will be increasing to anywhere between 35-40% over the next 2 to 3 years.

Also, Honda Motorcycle and Scooter India, we've got a significant order win, specifically on the tail lamps, where the current wallet share was less than 20%, and we are expected to increase our wallet share near to 50% on the tail lamp.

Toyota Kirloskar, traditionally, the Company had never been engaged to deliver the front lighting system for Toyota Kirloskar. We were only present on the rear lighting. The order book has been attained for the headlamp business for one of the forthcoming models. And with that, we should be about close to 15-20% of the front lighting share.

Apart from these, Suzuki 2-Wheelers India, we've also gained some strong traction, both on headlamp, tail lamp. Wallet share is likely to go up by almost double, from 15 - 20% currently to upwards of 30%.

And Volkswagen India or Škoda India, where currently we are at about 30% of the tail lamp wallet share, this is likely to go up to close to about 70% or so over the next 2 to 3 years. So, these are some of the 3, 4, 5 notable names. Rest, there has not been any wallet share contraction in any other OEMs.

Viraj Kacharia: Okay. Just on HMSI, when you say sums up 20% to 50% on tail lamps, whom would we be gaining share from? And in terms of headlamps, whether the content is much higher, how would have share been evolved there?

Anmol Jain: Headlamp share in HMSI remains unchanged, which is quite high between 60-70%. The tail lamp wallet share largely would be on account of one particular competition. I would not like to name the competition. But again, there are only 2 or 3 lighting makers of HMSI for tail lamps, but one of the major other lighting players, we've been able to win some significant orders in the future from them.

Viraj Kacharia: Okay. Just one more question I have. See, if I look at a group company, they just announced that they are setting up Body Control Modules (BCMs) under Mechatronics, right? And I think even in the last quarter, I was just trying to understand because Stanley globally also have this mobility electronics initiative where they are going really big in terms of body electronics and other electronic component value chain.

So, in terms of the opportunity landscape, when I look at the Lumax Industries, what are the factors you would look internally to capitalize on this opportunity? Or you think between the two entities, the larger part of the opportunity will be routed through Lumax Auto Technologies?

Anmol Jain: Well, I think fundamentally, Lumax Industries continues to remain focused on automotive lighting solutions. We will expand our relationship with Stanley in whatever way possible to bring more and more competitiveness for Lumax Industries in the Indian market with future technologies, maybe with automotive lighting, electronic technologies and more and more localization as we go ahead in the future.

The other company, which is not part of the call today, however, is a wider canvas. And again, you talked specifically about body control module, it's a very, very different product and a very different technology compared to a light control module. So light control module, should we get into that domain for the future, will still be within the Lumax-Stanley relationship. Anything outside of the lighting domain, we will capture in the other group company.

Moderator: The next question is from the line of Anubhav Mukherjee from Prescient Capital.

Anubhav Mukherjee: Sir, in your investor presentation, it was mentioned that we have achieved 70% PCB (Printed Circuit Board) localization at one of our plants. So, could you give some more colour on what does that mean? Like does it mean 70% of surface mounting on PCBs we do or something else? That will be helpful. Yes.

Ravi Teltia: Yes, hi, Anubhav, Ravi, this side. So, as we explained in our previous calls also, typically, electronics is having 4 key areas to look at. One is the bare PCB. That is, you are right, the bare PCB is localized around 60-70%. SMT (Surface Mount Technology), which is our own in-house captive unit, is 100% localized.

And there are 2 other things which are very important. One is about the connectors. This is roughly around 30-35% localization at this stage. And the LED module, which MD also talked about, other some specific projectors only can be localized at this moment. And in next 2 to 3 years, the ecosystem in India, how the things will evolve, we'll see this. So, the reference which you are giving is mostly for the bare PCB part.

Anubhav Mukherjee: Okay. So, 70% bare PCB, we are manufacturing in-house, that is like the right interpretation?

Ravi Teltia: No. Localization means the supplies are happening from the local suppliers. SMT is our in-house captive, yes.

Anubhav Mukherjee: And you also mentioned about PLI (Production Linked Incentive) incentives. So is my understanding correct that you are already approved for PLI benefits for advanced lighting and the target is to achieve 50% localization so that we start receiving the benefits. Is that the correct understanding?

Sanjay Mehta: So, Anubhav, this is Sanjay Mehta. So lighting is not in PLI scheme.

Anubhav Mukherjee: Okay. But some advanced lighting is under like approved or not?

Sanjay Mehta: No, it is not lighting. What we are manufacturing, auto lighting, is not in PLI scheme. A lot of other schemes, maybe other electric parts, but we are not covered in that.

Moderator: Mr. Mukherjee, sorry to interrupt you, but can you please rejoin for a follow-up question? There is a long queue.

Anubhav Mukherjee: Okay. Sure, sure.

Moderator: The next question is from the line of Ajit Sethi from Eiko Quantum Solutions.

Ajit Sethi: Hyundai Motor Group has announced a USD 15.5 billion investment in India over the next 7 years to expand their manufacturing and strengthen its local supply chain. Since SL Lumax has significant exposure to Hyundai and Kia, how do you see this investment creating new order opportunities and drive revenue growth for the Company over the next 2 years?

Anmol Jain: Well, Hyundai account is managed from the associate company SL Lumax. Hence, per se for Lumax Industries Limited as of now, there is no direct impact in terms of investments or the revenue growth because of Hyundai Motors actions. Of course, there is a little bit of a PAT consolidation of the associate company.

However, the Company is engaging with Hyundai Motor directly to see based on the future capacity expansions, if there could be any possibilities for us to also serve Hyundai as a customer directly as a part of de-risking of the supply chain. So that's the only opportunity which we are

currently working on from Lumax Industries perspective. However, to service the expansions of Hyundai India currently, the associate company will continue to deliver on that.

Utkarsh Somaiya: This is Utkarsh Somaiya from Eiko Quantum Solutions. I had a question on your margins. If you were to do double-digit margins in FY 27, so let's assume a minimum of 10%, that would imply an 11.4% margin in H2 since H1 is approximately 8.6%. So, can you please confirm if that is possible, one? And two, you were to do a 100 bps EBITDA margin expansion every year. So, for FY 28, can we assume 100 bps, yes? And if yes, then on what base, on the base of H1, H2 or all of FY 27? Thank you.

Anmol Jain: So, on the margins, first and foremost, your understanding is correct that for H2 specifically, we would be expecting a margin of, let's say, anywhere between 10.5-11% for H2. And again, it might be lower for Q3 and a higher number for Q4.

However, for the full year, we are still optimistic that we should be able to deliver a double-digit EBITDA margin. Now the reason for that is purely, as I mentioned, that some of the price escalations, which have happened, we do expect to recover most of them in H2.

And despite the continued growth momentum, the operational efficiencies and leverage will also start kicking in. However, there is a caveat that I'm hoping that there is no significant further volatility based on the ongoing West Asia crisis. If these were to continue, then I would probably have to relook at the guidance. But as of whatever visibility we have as of today, this should definitely be doable and achievable for H2.

Moderator: The next question is from the line of Richa Agrawal from Equitymaster.

Richa Agrawal: My question is related to industry. I just wanted to get a sense of what kind of LED penetration is there in PV as well as 2-Wheelers in the domestic auto industry as of now?

Ravi Teltia: Yes. So, Richa, I will say our estimate is that as we are close to 63-65% of LED penetration collectively, and out of that, our PV is close to 55-60% and 2-Wheeler, 3-Wheeler is in the range of 75-80%. And the market is also close to 50-55%. That's the estimate we have, and that's the way the market is moving towards there.

Richa Agrawal: Okay. And sir, going forward, like there used to be a differential between LED and halogen. But are you seeing it compressing and the margin expansion will basically come from incremental penetration, but also is expected to come down on LED, like is that a valid assumption?

Anmol Jain: So, I think the content per vehicle, which will continue to increase based on the lighting technologies evolution, and it's not specific to an LED, but post localization, some of the price points would change. But also, as we talked about adaptive driving beam and certain digital projection technologies going forward, I think the content per vehicle will continue to enhance.

With the new content per vehicle at a raw material consumption percentage, we may see a slight further increase. However, at the EBITDA margin, we will be able to still grow it based on the rationalization of the topline growing significantly higher than some of the other direct or

indirect expenses. So, we do believe that content per vehicle expansion will be one of the key margin growth drivers going forward.

Richa Agrawal: Okay. That's helpful. And sir, lastly, could you just give some guidance on the capex for this year and coming years?

Ravi Teltia: Yes. So, Richa, as I mentioned in my opening remarks, this year, we are seeing the maintaining INR 200 crore to INR 250 crore of capex. Out of that, in H1, we have already done around INR 80 crore of capex, and the remaining will happen for the project which we are progressing in the H2.

Moderator: The next question is from the line of Sanjay Shah from KSA Securities Private Limited.

Sanjay Shah: Congratulations, and most of my questions have been answered.

Moderator: The next question is from the line of Aaryan Doshi from Divitiae Investments.

Aaryan Doshi: Yes, I wanted to ask about the import cost. Now, about 25-30% of your materials are imported, right, and mostly LED chips and electronics. So, is there a plan to make it in India by FY 29 or FY 28? Does the Government electronic component scheme help us here because rupee is falling and margin pressure?

Anmol Jain: So currently, as I mentioned earlier, we are engaged in discussions with Stanley in terms of how soon can we try and localize some of these technologies to serve the growing Indian market needs. However, any such localization would also need scale and not just for Lumax Industries' captive needs, but we will also have to service the other ecosystem of the lighting in India.

So again, there are conversations, but I do not have a firm plan. But clearly, the endeavour of the Company is that over the next 3 years, we should be able to enhance our localization on account of the whole LED and certain electronic devices like the light control module and other devices for the automotive lighting needs in India.

Aaryan Doshi: Okay. Understood. And I'm sorry if this is asked, this, before, but I also want to ask that lighting value per car is rising with the full LED and light bars and EVs. So, my question is how much higher is your lamp value in a new launch rather than an older model? And with the Uno Minda and Marelli expanding in India, is your share in the new models from your top customers going up or down?

Anmol Jain: So, there are 2 questions which you've asked. Number one, I don't think the content per vehicle has anything to do with a new model versus old model. It really depends on the kind of technology the new model is coming with.

If the new model is launched with an older technology, the content per vehicle will remain essentially the same or lower than the present level and vice versa if the new technologies were to be brought in, in a facelift or a full model change.

However, we do see that the more and more trend is towards a higher technology level. And at least most of the models today, which are coming and being launched, there is a vertical difference in the variants the offering has.

The lower end of the variant still probably has a halogen technology and maybe a non-LED technology, and the same model on a higher-end variant will have an LED or maybe a projector technology. So, it's very difficult to ascertain on a model basis. But again, lamp being very, very specific, it differs hugely with respect to new models and present models.

The second part of your question with respect to other, some of the lighting names, I think I substantiated this before that despite the intense and hypercompetition in the Indian automotive lighting market, the Company continues to enjoy a leadership position and the order book clearly demonstrates that in the 4 or 5 OEMs I mentioned earlier, the wallet share is significantly going to get enhanced over the next 2 years.

Moderator: The next question is from the line of Sarthak Talekar from Smith & Thompsons Capital Advisory.

Sarthak Talekar: So, my question is that as the sales number has improved, so what has been the primary reason behind that? Is there a volume increase or a better pricing? That's my first.

Anmol Jain: There are multiple reasons. Maybe Ravi can throw a little bit more light. Number one, obviously, there is a volume growth. First and foremost, that is one of the key reasons. If you look at the industry, almost all the segments for H1 have performed remarkably well in terms of the growth numbers as far as volumes go.

Number two, with the higher penetration of LEDs and certain new technologies like the ADB coming into SOP (Start of Production), we do see on certain models and certain segments, a higher content per vehicle realization.

Number three, there is also a huge price increase on account of the raw material cost escalations, which have kicked in, in Q1 and some of it in Q2, which also raises the top line, but it actually has a negative effect on the EBITDA margin because the numerator and denominator is growing at the same rate. So, these are primarily the 3 reasons why you are looking at the top line growth or what are rather the contributors of the top line growth.

Ravi Teltia: And just to add it here in certain OEMs, as we mentioned, we are gaining the wallet share. So that is also adding a better top line for us compared to the market growth.

Sarthak Talekar: Okay, sir. And the second question that I had, as our current capex plan go live by the end of this fiscal year, so how much is the growth and the margins management expecting to grow beyond the capex? And is there any future capex plan beyond the current one?

Ravi Teltia: On the capex side, as you mentioned, current financial year, we are looking at around INR 200 crore to INR 250 crore of capex. And definitely, since our order book is already at INR 2,500 crore plus, which includes the project which we are executing now and will go for SOP somewhere by end of this fiscal year or maybe early next fiscal year.

So accordingly, the business will come up. And also, as we mentioned, next financial year, we see around 60% of our order book will go for SOP. So roughly around INR 1,500 crore plus will be added to the revenue.

Moderator: Next, we have a follow-up question from Anubhav Mukherjee from Prescient Capital.

Anubhav Mukherjee: Sir, the LED localization that you have mentioned 30-35% for the like other players in the Indian automotive lighting industry, like what will be the kind of localization for them?

Anmol Jain: We would not have the exact information or data what would be the localization percentage for some of the other lighting makers, and I would refrain from commenting on that. However, I think the industry at large still has a very similar landscape in terms of the localization percentage.

Again, if there were certain technologies and certain parts which had been localized, the OEMs would ensure that the full advantage of that localized technology or the localized part would go to all the lighting makers and not just specific to one.

So, as I mentioned earlier, I think it is pretty much a similar landscape for all the lighting players in India currently, but we do foresee that with some enhanced localization plans, we would like to be one of the front runners to localize some of these in the future.

Anubhav Mukherjee: Yes, sir. And sir, in like the revenue from different OEMs, the other segment is now very substantial at 12% of your revenue in this quarter, and it has also grown...

Anmol Jain: Sorry, Anubhav, I think you're on a speaker phone. Can I request you to switch off your speaker and use the handset, please? There is a lot of echo.

Anubhav Mukherjee: Sure. Is this better now?

Anmol Jain: Yes, maybe.

Anubhav Mukherjee: Yes. Sir, I was asking that the other, like the contribution from others is now significant at 12% of your revenue. And it has also grown very substantially y-o-y. So sir, can you give some colour on which are the key OEMs in this other segment? And what has driven this very like strong growth here?

Ravi Teltia: Yes. So basically, this includes customer like JD (John Deere), customer like Škoda Volkswagen, Volkswagen, yes, I also mentioned about that, and TVS, Ashok Leyland, etc. So, these are the main customers in this list.

Moderator: The next question is from the line of Radha from Motilal Oswal Financial Services Limited.

Radha: Sir, as lighting becomes more electronics-led and intelligent solutions, so smaller and unorganized players with fragmented product offerings may find it harder to keep it up, so which could create opportunities for organized players like yourself, especially in the aftermarket. So how large an unorganized aftermarket opportunity do you see opening up for us? And would Lumax consider addressing it directly or through Autotech's aftermarket network?

Anmol Jain: So, Radha, the aftermarket for the Group is handled by Lumax Auto Technologies. Lumax Industries Limited is purely an OEM supplier of lighting solutions, and that will continue to be on an as-is basis. Yes, there are opportunities in the aftermarket, but please be mindful that the aftermarket works on the population of the current vehicles on the road and not necessarily on the new technologies that are being introduced on the new models.

For these technologies and parts to have a replacement demand, it will typically take 5, 7, 8 years. And hence, right now, the aftermarket needs are still being serviced largely based on the older technologies of halogen across different segments. But again, this is being addressed not by Lumax Industries. We are an OEM company, and we would like to stay as is.

Radha: Understood. Sir, at the same time, some smaller players that were earlier present only in aftermarket have recently started receiving OE approvals in the lighting, so do you see this leading to greater segmentation in the OEM market, which would disrupt the pricing discipline in the industry? Or is this not the right way to look at it?

Anmol Jain: No, we do not anticipate or foresee any significant changes with respect to some of the new entrants. These could be strategic players only in 1 or 2 customers or 1 or 2 models, also maybe for smaller lamps. However, the large part of the market would still be controlled by the top 5 automotive lighting companies in India, and I don't see any significant change over the next 5 years in the top 5 players.

Moderator: The next question is from the line of Jyoti from Haitong Securities.

Jyoti: Sir, 2, 3 questions. Sorry if I'm repeating it. So, one is around the Maruti, SMG, M&M and HMSI. And along with Tata, we are contributing 66% of Q2 sales. So, which of these customers dual source lighting? And what share of their requirement do you currently hold?

And another on the Hero MotoCorp side, the sales that has declined almost 2% from 8% to 6%, but as even revenue has grew. So over there, did you lose share there and to whom? And third question is around which new OEM that you are targeting? And are you competing against global supplier for them?

And fourth question is around the tech side. So currently, I think we are doing the co-development with Stanley versus how much we are doing independent. And also, are we targeting to set up any tech or R&D? I mean, if we are already doing it, so just wanted your understanding around the tech part for the lighting.

Anmol Jain: So, Jyoti, most of the questions have been answered before. But again, I will just be very quick in responding to each one of them. Number one, mostly all the OEMs presently in India have a dual or a more lighting source. Nobody has a single lighting source.

Number two, most of the OEMs, which I mentioned, we have either gained wallet share or we have maintained the present wallet share. There has not been any OEM where there has been a wallet share decline.

Number three, specific to Hero, it is just a resultant of the product mix, whereas some of the models where we are not present, perhaps were the volume growth drivers vis-a-vis some of the models where we are present.

Lastly, on the technology piece, I think I mentioned before, we do get a lot of technology support from Stanley. But more than Stanley, we also have our own advanced lighting engineering centre in the Czech Republic, and that is expanding very rapidly.

A lot of the needs of the OEMs in India, specifically the likes of Tata Motors and Mahindra & Mahindra, are being serviced from the Czech Advanced Lighting Centre. So overall, we are pretty confident on our technology landscape today, and we are building it for the future ready as well.

Moderator: Next, we have a follow-up question from the line of Ajit Sethi from Eiko Quantum Solutions.

Ajit Sethi: So, given the current geopolitical uncertainties and supply chain disruptions, are we seeing any impact on our customer production plans or order schedules?

Anmol Jain: So, we are not seeing any major pullback on production plans. However, yes, the situation on the supply chain is extremely volatile based on availability on imports and specifically on electronics. And hence, we do see some short-term, let's say, disruptions in terms of they not being able to produce as much as the demand or the expected output. But we do not anticipate any change or pullback on their production schedules for H2 based on the current volatility.

Ajit Sethi: Okay. So, what is the current contribution of EV to our total revenue? And given the Company's existing EV order book and upcoming vehicle launches, how do you expect this EV contribution to change over the next 2 to 3 years?

Ravi Teltia: Yes. Currently, the contribution of EV in our business is close to 10-12%. And as we mentioned, since our product is like technology and powertrain agnostic, so per se, it does not has any significant impact on our business. But any specific model, which is dedicatedly for the EV, we are definitely looking at. Just to give a context, like Tata's model of Punch and Nexon, they are in both powertrain of ICE (Internal Combustion Engine) and EV.

Moderator: Thank you. Ladies and gentlemen, due to the time constraints, that was the last question. I would now like to hand the conference over to the management for closing comments. Over to you, sir.

Deepak Jain: Okay. Thank you once again for joining us for the Q2 H1 FY 27 earnings call and for your continued interest in Lumax Industries. We truly appreciate your time and engagement today. Should you have any further questions or require any additional information, please feel free to reach out to the Lumax Group Investor Relations team or the SGA. We are also committed to keep the investor community regularly updated on your progress. Thank you, and we also wish you a very, very happy festive season.

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

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