

RECOMMENDATION SNAPSHOT				
*CMP	MCap (Rsbn)	Recommendation	Target	Potential Upside
Rs5526	51.7	Accumulate	Rs7500	36%

*as on 01st June, 2026

About the Company:

Lumax Industries Limited (Lumax) is a part of the Lumax group, founded in 1945, and provides premium quality automotive lighting solutions for 4Ws, 2Ws and CVs to both the automobile companies from India as well as overseas markets. It is a leading player in automotive lighting and gear shifters. It has key partnerships through which it has grown its reach and offerings, like the one with Stanley from Japan since 1984 for lighting, HVAC panels and other electronics and another with SL Corporation for lighting and other automotive parts. The company has ten ultra-modern manufacturing plants in India. The company is one of the leading suppliers of automotive lightings to Maruti Suzuki India Limited (MSIL) and also enjoys a strong share of business with OEMs such as Honda Motors (HMSI) and Hero MotoCorp (HMCL). The company is propelled by SECL Group and Indian promoters (D. K. Jain who is the Chairman Emeritus, while Deepak Jain is the Chairman and Managing Director and Anmol Jain is the Jr. Managing Director).

Results: Quick Glance:

- The net sales reported a growth of 30.0% to Rs12,003mn as compared to Rs9,234mn in the same quarter last year
- The Ebitda margins for the quarter stood at 10.3% as compared to 8.6% in the comparative quarter last year
- The company reported profit of Rs541mn as compared to Rs440mn in the same quarter last year
- The EPS for the quarter stood at Rs57.87 as compared to Rs47.04 in the corresponding period of last year
- For FY26, the revenues came in at Rs41,842mn as compared to Rs34,004mn; growth of 23.0% while the PAT stood at Rs1,725mn as against Rs1,399mn. The EPS came in at Rs184.5 as against Rs149.6 in FY25
- The Board has recommended a dividend of Rs55 per equity share of FV of Rs10 each for FY26

Conference Call Highlights:

- For FY26, IT reforms leading to improved disposable income; was a positive for consumption led sectors. The overall infra development, capex, growth across manufacturing sector has led to a push for the auto industry. The West Asia conflict has led to freight and fuel concerns across industries. The global economy environment has been uncertain, building a cautiously optimistic outlook for FY27E
- In terms of **Auto industry** for FY26; contrasting trend was witnessed with H1 being subdued with slower demand, risings costs and supply chain challenges; which was replaced by the strong recovery in H2 led by GST cuts, lower interest rates, improvement in consumer sentiment and festive demand. It was the strongest performance in the last 7 years with 34.71 million units sold; up by 11.8% y-o-y. For the PV segment, the production units stood at 5.5 million, growth of 9%; 2W grew by 12% with 26.7 million units, 3W grew by 24% at 1.3 million units and CV grew by 13% at 1.2 million units. Q4FY26 witnessed strong production growth, demand momentum and improved capacity utilization across OEMs. There was 19% production growth reported with growth across PV/2W/3W/CV at 11%/21%/32% and 20% respectively
- For FY26, the **share of LED** lighting stands at 61% of total revenues & **conventional** lighting stands at 39%. The **product mix** as a percentage of total revenue stood at 69% for front lighting, 22% for rear lighting & 9% for others. The segment mix as a percentage of total revenues stood at 65% for passenger vehicles, 29% for two wheelers & 6% for commercial vehicles
- For Q4FY26, the total **order book stands** at Rs22,000mn+. Almost 88% of the order book is skewed towards LED lighting. Of this, 11% is EV while 66% is the PV contribution
- With regard to **the top clients** for Lumax; more than 50% of it comes from Maruti; followed by Tata Motors, M&M and Honda Cars at equal proportion. In the 2W, TVS and HMSI are the front runners. In totality, ~79% is from these 5 customers. For **Maruti** there was an increase of 50% in revenues for the year. The company also received sustainability recognition at its vendor conference. There has been healthy business from Tata and HMSI as well. The company has started the SOP for Maruti's 1st EV model at the Sanand facility. The company has indicated of being with Maruti on their export platform for e-Vitara for full lighting system; the model that Maruti plans to export to 100 countries. The company has been focusing on increasing the 2W portfolio gaining market share from the other 3-4 key players in the lighting space
- There were various **new launches** during the quarter in the PV and 2W segment. In the PV segment, there were products across different models of M&M, Tata Motors, Skoda Auto, Volkswagen and Toyota Kirloskar. In the 2W, the company supplied front turning signal lamp & head lamp for the E-Access model of Suzuki Motorcycles

Conference Call Highlights (contd.):

- In terms of localization, the ramp up is good and has reached upwards of 30-35%; although varies according to the product categories like for connectors its 35-40%, PCBs has reached ~70% while the LED modules and projectors are still import based
- With regard to the **planned capex**, expansion of the Bangalore plant (capital outlay of Rs1400mn), that would cater to Maruti and Toyota is on track; expected to be commissioned by Q4FY27. The company has recently commenced operations for the phase-2 of the **Chakan facility** which would cater to requirement of Skoda and Volkswagen
- In terms of **guidance**, revenues for FY27E are expected to grow 2x of the industry growth. Considering the volatility across input costs, manpower, energy prices; the margins are expected to be in the range of 10.5-11% with the midterm goal intact at ~13%
- **Financials:** (i) the capex is aligned with the future requirement. For FY26, the spend was Rs3900-4000mn while for FY27E it is expected to be around Rs1000-1500mn of which Rs400-500mn would be the maintenance capex, (ii) the long-term debt stands at Rs2350mn with Rs850-900mn repayment scheduled for FY27E. There could be increase in the ST borrowings needed for growth plans, (iii) SL Lumax, which is majorly supplying Hyundai, reported revenues of Rs29,000mn and 14% margins for FY26, (iv) there has been a Rs178mn impact of the labour code in FY26, (v) the ETR stands at 22.5% for FY26, (vi) the annual interest outgo was Rs740mn and is expected to be ~Rs800mn for FY27E, (vii) there has been 40bps impact of forex on the margins in FY26, (viii) with the D:E being at comfortable levels, 35% dividend payout ratio is maintained, (ix) the increase in the employee costs has been due to the minimum wage revision done by the Haryana govt.; where the pass on would happen to the customers but with a lag. This is expected to have an impact of 30-35bps on the operational front

Financials:

Performance (Q4&FY26)									
Q4&FY26 Result (Rs mn)	Mar-26	Mar-25	y-o-y	Dec-25	q-o-q	FY26	FY25	y-o-y	FY27E
Total Revenue	12003	9234	30.0%	10527	14.0%	41842	34004	23.0%	47013
EBITDA	1240	793	56.3%	1106	12.1%	4051	2794	45.0%	4513
Other Income	9	59	(84.7%)	11	(21.1%)	69	92	(24.7%)	69
Interest	185	176	5.2%	186	(0.7%)	740	723	2.4%	797
Depreciation	446	333	33.9%	384	16.2%	1517	1133	33.9%	1529
Exceptional Items	20	0	-	159	(87.5%)	178	0	-	0
Tax	182	95	92.4%	82	-	500	379	32.2%	835
Net Profit after share of associates	541	440	23.0%	465	16.2%	1725	1399	23.3%	1962

Outlook and Recommendations:

In the contrasting trends of muted to exponential growth seen in the Auto industry, the company has reported the highest quarterly/annual revenues, strong margins and highest ever annual profits. The company has reported revenue growth of 30% y-o-y with margins of 10.3% and PAT growth of 23% for the quarter under reference. For FY26 as well, the company has reported highest ever revenues with growth of 23% y-o-y. This was led by improved product mix with LED contributing 61% to the overall revenues. The margins also came in strong at 9.68% reflecting executional capabilities and sustained demand momentum across segments. There has been a Rs178mn impact of the labour code in FY26. There was PAT growth of 23.3% reported for FY26. It has been a landmark year with highest performance across all the parameters. The rising LED penetration accounted for 61% of the revenues in FY26 and is expected to increase further, providing better growth visibility ahead. The product mix as a percentage of total revenue stood at 69% for front lighting, 22% for rear lighting & 9% for others. The segment mix as a percentage of total revenues stood at 65% for passenger vehicles, 29% for two wheelers & 6% for commercial vehicles. For Q4FY26, the total order book stands at Rs22,000mn+ with ~88% of the order book skewed towards LED lighting. Of this, 11% is EV while 66% is the PV contribution. Tooling business is related to new product launches; and expected to significantly increase in FY27E. Premiumisation presents immense opportunities for Lumax to benefit from. Furthermore, partnership with Stanley is providing cutting-edge technology for markets introduced by the same.

Outlook and Recommendations (contd.):

In terms of localization, the ramp up is good and has reached upwards of 30-35%; although it varies according to the product categories like for connectors it's 35-40%, PCBs has reached ~70% while the LED modules and projectors are still import based. With regard to the planned capex, expansion of the Bangalore plant (capital outlay of Rs1400mn), that would cater to Maruti and Toyota is on track; expected to be commissioned by Q4FY27. The company has recently commenced operations for the phase-2 of the Chakan facility which would cater to the requirements of Skoda and Volkswagen. In terms of guidance, revenues for FY27E are expected to grow 2x of the industry growth. Considering the volatility across input costs, manpower, energy prices; the margins are expected to be in the range of 10.5-11% with the midterm goal intact at ~13%. There could be some pressure witnessed in Q1. The company has been working towards strengthening its tier-1 relationships with major OEMs and firmly established itself as a trusted partner; deepening its engagement with leading OEMs such as M&M, Hero MotoCorp, HMTI, and Maruti Suzuki, contributing to a diversified and resilient revenue base. Growth is aligned with the OEMs through more LED penetration, deepening of wallet share and compliance. The company continues to strengthen its leadership position in the automotive lighting space and remains a preferred partner for leading OEMs across platforms. The focus on premiumization, higher content per vehicle, and consistent new order wins is translating into a steady increase in revenues & profitability. Backed by strong relationships with customers and continuous investments in technology and product innovation, the company is well positioned to capitalize on emerging opportunities in the automotive sector. We maintain accumulate on the stock for a target of Rs7500.

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