Uno Minda (MININD)

ICICI Direct

CMP: ₹ 1,200 Target: ₹ 1,500 (25%) Target Period: 12 months

BUY

Result Update

February 9, 2026

Positive growth thrust amidst demand tailwinds…

About stock: Uno Minda (MIL) is India's largest maker of automotive switches, horns, seats & PV alloy wheels and third largest automotive lighting player.

- FY25 segment mix – 4-W 47%, 2-W 45%; switches, lighting, castings, horns and seats comprised 25%, 23%, 19%, 5% and 7% of sales, respectively
- FY25 Sales Mix: 93% OEM's, 7% aftermarket; Geographical mix: India: 89%

Q3FY26 Result: On the consolidated basis, at Uno Minda, topline for the quarter came in at ₹ 5,018 crore, up by 20% YoY. This is amidst underlying OEM volume growth of ~16%. EBITDA in Q3FY26 came in at ₹ 554 crore with corresponding EBTDA margins at 11%. PAT for the quarter came in at ₹ 277 crore (up 19% YoY).

Investment Rationale

- **GST Rationalization driving volume resilience in otherwise soft Q3:** GST 2.0 have had a positive influence on the auto industry and have resulted in improved sentiments in the domestic market. In Q3FY26 PV volumes delivered a record-breaking performance, with sales hitting an all-time high of 1.27 million units, up 20.6% YoY, making it the strongest Q3 on record on the back of festive demand and GST 2.0. Furthermore, uniform 18% GST rate on all auto parts has been introduced, which improves Uno Minda's cost competitiveness and demand across both OEM & aftermarket.
- **Robust core business momentum with diversified product portfolio:** Over the years, Uno Minda has emerged as a leading player in the domestic auto ancillary space, consistently outperforming its user industry. This success stems from its ability to increase kit value (>~10% of vehicle Asp's), expand its client and product portfolio, and pursue strategic acquisitions. MIL strategy of targeting premiumisation and content enhancement, supported by strong OEM base, has helped it increase kit value and maintain 1.5x – 2x growth over industry. With aggressive capex spend by the company (total capex commitment of ₹3,155 crore including latest capacity expansion of 4W alloy wheels plant), we project revenue at Uno Minda to grow at healthy ~15% CAGR over FY25-28E (one of the best in ancillary space).
- **Strategic focus on EV & Technology-led segments:** Uno Minda proactive approach to EVs is reflected in its ramp up across both 2W and 4W platforms. It has commercialized products like EV chargers, controllers, ADAS modules and initiated high-voltage powertrain work under Innovance JV. In E-2W space, it has potential kit value of ~₹ 37.6k/vehicle vs ~12k in ICE 2W. With an EV-agnostic portfolio, proven execution on JVs, it is well placed to benefit from India's accelerating electrification drive.

Rating and Target Price

- Despite continued outperformance & strategic positioning in EV & premium auto components, margin profile has been a tad tepid at Uno Minda but with GST 2.0 tailwinds meaningfully lifting volumes in the auto space in the near to medium term, and consistent outperformance by Uno Minda in the past by its strength in execution, We maintain **BUY rating** on the stock & value it at **₹ 1,500 i.e. 46x P/E on FY28E EPS (~2x PEG)**

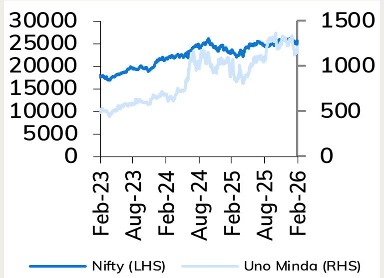
Particulars

Particulars	₹ crore
Market capitalisation	68,760
Total Debt (FY25)	2,294
Cash & Inv. (FY25)	207
EV (₹ crore)	70,848
52 week H/L (₹)	1,382 / 768
Equity capital (FY25)	114.8
Face value (₹)	2.0

Shareholding pattern

	Mar-25	Jun-25	Sep-25	Dec-25
Promoter	68.8	68.7	68.5	68.4
FII	10.1	9.6	10.0	9.8
DII	15.2	15.9	15.8	16.0
Other	6.0	5.9	5.8	5.8

Price Chart



Recent Event & Key risks

- Reports steady performance in Q3FY26. Margins stood at 11%.
- **Key Risk:** (i) negative surprise on margins amidst volatile RM prices (ii) domestic auto industry slowdown impacting growth given the company is OEM heavy

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Key Financial Summary

Key Financials	FY21	FY22	FY23	FY24	FY25	5 year CAGR (FY20-25)	FY26E	FY27E	FY28E	3 year CAGR (FY25-28E)
Net Sales	6,373.7	8,313.0	11,236.5	14,030.9	16,774.6	21.9%	19,526.2	22,454.1	25,812.5	15.4%
EBITDA	725.0	885.4	1,242.0	1,585.3	1,873.8	22.8%	2,234.0	2,627.1	3,097.5	18.2%
EBITDA Margins (%)	11.4	10.7	11.1	11.3	11.2		11.4	11.7	12.0	
Net Profit	206.6	355.8	653.5	880.3	943.0	43.5%	1,180.6	1,496.8	1,870.9	25.7%
EPS (₹)	3.6	6.2	11.4	15.3	16.4		20.6	26.1	32.6	
P/E	332.8	193.3	105.2	78.3	73.1		58.4	46.0	36.8	
RoNW (%)	9.2	10.3	15.7	17.8	16.5		17.5	18.5	19.2	
RoCE (%)	9.1	10.2	13.7	15.1	14.7		15.4	17.4	19.7	

Source: Company, ICICI Direct Research

Key Takeaways of Recent Quarter

Q3FY26 Results: Reported Healthy Performance

- On the consolidated basis, at Uno Minda, topline for the quarter came in at ₹ 5,018 crore, up by 20% YoY. EBITDA in Q3FY26 came in at ₹ 554 crore with corresponding EBTDA margins at 11%.

- Switch segment reported a growth of 19% YoY to ₹ 1,241 crores, thereby contributing 25% of consolidated revenue in the quarter. Additionally, Lightning segment reported ₹ 1,129 crores, up 15% YoY driven by increasing LED penetration in E-2W. Moreover, Casting segment grew by 26% YoY at ₹ 971 crores driven by alloy wheel segment. While, seating business revenues was at ₹ 361 crores (contributing 7% of the consolidated revenue), whereas other product segment reported ₹ 1,106 crores (up 19% YoY, led by robust growth in the sensors, ADAS & controllers).

- PAT for the quarter came in at ₹ 277 crore (up 19% YoY) and was affected by a one-time exceptional loss of ₹28 crores for new labour code.

Q3FY26 Earnings Conference Call Highlights:

- **Market share gains and segment outperformance:** Management highlighted that Uno Minda's blended revenue growth of 20% YoY outpaced the industry's ~16% volume growth, indicating market share gains across both 2W and 4W segments. The company's two-wheeler contributed 42% while four-wheeler segment contributed ~48% of revenue.
- **Strategic updates & Capex:** Uno Minda remains focused on calibrated capacity expansion aligned with OEM growth and EV adoption. The company currently has 11 projects under execution with a total capex commitment of ₹3,155 crore (including a new ₹764 crore greenfield alloy wheel project for addition of 1.8 million Wheels per annum comprising of mix of Gravity Die Casting (GDC) technology and Low Pressure Die Casting (LPDC) technology wheels). Management reiterated its strategy to avoid idle capacity creation by linking further expansion phases to actual customer validation, especially in EV-related projects.
- **Aftermarket:** Aftermarket revenue was ₹374 crore, with total aftermarket + spare parts sales at ₹671 crore, showing increasing importance. International business contributed ~10% of revenue, driven by better exports in switches, seating, and lighting businesses.

- **Other product Business:** Other products grew 19% YoY to ~₹1,106 crore (~22% of revenue). Sensors & ADAS, EV systems, controllers, and alternate fuels drove growth. EV systems grew on 3W charger scale-up, camera modules entered production, and localization efforts reduced rare-earth dependency. The EV powertrain JV plant is progressing toward FY27 commissioning.
- **Seating business progress:** Seating revenue grew 32% YoY to ₹361 crore (~7% of revenue), driven by better customer mix, growth in suspended seats, and scaling bus seating business. Exports recovered, improving diversification.
- **Outlook:** Management remains optimistic on auto demand supported by GST rationalization, improving product mix, and strong order pipeline. Newly commissioned capacities, export opportunities, and investments in EV, ADAS, and electronics are expected to drive sustained long-term growth while maintaining stable margins.

Material Costs: Aluminum prices increased by 6% to 7% in Q3 FY'26, impacting casting domain revenues by approximately 5% to 6%. Commodity price increases are passed on to customers with a time lag (quarterly, half-yearly, or annually), ensuring full pass-through over a full-year period.

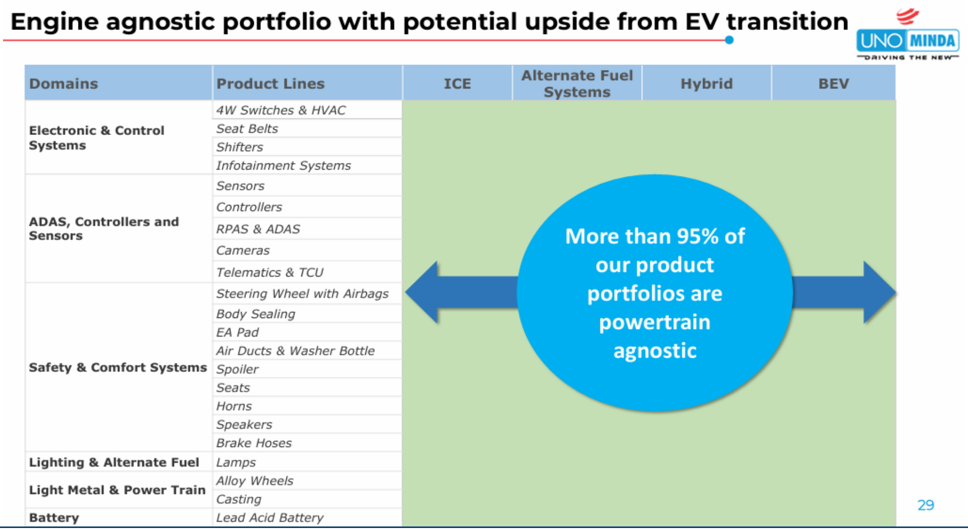
Quarterly Result Analysis and Key Charts from PPT

Exhibit 1: Quarterly Variance Analysis

	Q3FY26	Q3FY25	YoY%	Q2FY26	QoQ%
Total Operating Income	5,018.1	4,184.0	19.9	4,814.0	4.2
Raw Material Expenses	3,218.3	2,739.9	17.5	3,091.9	4.1
Employee Expenses	659.3	533.7	23.5	635.7	3.7
Other Expenses	587.0	453.5	29.4	534.6	9.8
EBITDA	553.5	457.0	21.1	551.8	0.3
EBITDA Margin (%)	11.0	10.9	11 bps	11.5	-43 bps
Depreciation	179.0	157.6	13.6	173.4	3.2
Interest	52.8	47.3	11.6	45.4	16.3
Other Income	3.7	8.5	-55.9	12.9	-71.2
PBT (before exceptional)	325.5	260.5	24.9	345.9	-5.9
Exceptional items	27.6	0.0	NA	0.0	NA
Total Tax	71.4	46.6	53.2	86.5	-17.4
Reported PAT	276.6	232.6	18.9	304.0	-9.0

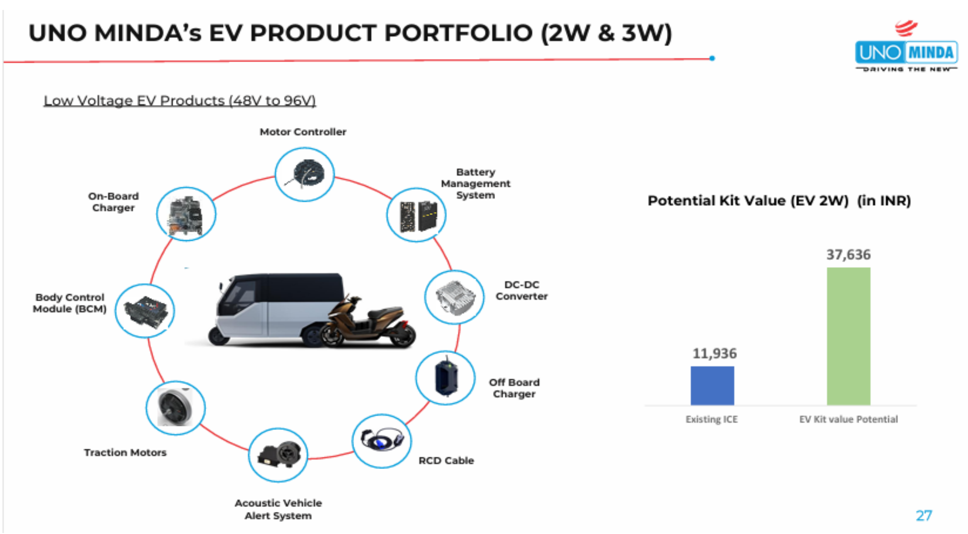
Source: Company, ICICI Direct Research

Exhibit 2: Uno Minda- Engine Agnostic portfolio with potential upside



Source: Company, ICICI Direct Research

Exhibit 3: Uno Minda- Potential Kit Value-2W & 3W



Source: Company, ICICI Direct Research

Financial Summary

Exhibit 4: Profit and loss statement (₹ crore)

(Year-end March)	FY25	FY26E	FY27E	FY28E
Net Sales	16,775	19,526	22,454	25,812
Other Operating Income	0.0	0.0	0.0	0.0
Total Operating Income	16,775	19,526	22,454	25,812
Growth (%)	19.6	16.4	15.0	15.0
Raw Material Expenses	10,868	12,490	14,393	16,520
Employee Expenses	2,165	2,596	2,919	3,330
Other Operating Expense	1,868	2,206	2,515	2,865
Total Operating Expenditure	14,901	17,292	19,827	22,715
EBITDA	1,874	2,234	2,627	3,097
Growth (%)	18.2	19.2	17.6	17.9
Depreciation	615	693	763	839
Interest	170	193	140	61
Other Income	29	32	35	37
PBT	1,118	1,380	1,758	2,235
Others	-111	-139	-183	-202
Total Tax	286	338	445	565
PAT	943	1,181	1,497	1,871
Growth (%)	7.1	25.2	26.8	25.0
EPS (₹)	16.4	20.6	26.1	32.6

Source: Company, ICICI Direct Research

Exhibit 5: Cash flow statement (₹ crore)

(Year-end March)	FY25	FY26E	FY27E	FY28E
Profit after Tax	943	1,181	1,497	1,871
Add: Depreciation	615	693	763	839
(Inc)/dec in Current Assets	-699	-887	-878	-1,007
Inc/(dec) in CL and Provisions	246	512	493	565
Others	141	161	105	24
CF from operating activities	1,247	1,660	1,981	2,292
(Inc)/dec in Investments	99	-50	-50	-50
(Inc)/dec in Fixed Assets	-1,938	-1,650	-1,000	-1,000
Others	149	108	120	131
CF from investing activities	-1,690	-1,592	-930	-919
Issue/(Buy back) of Equity	0	0	0	0
Inc/(dec) in loan funds	721	275	-700	-1,000
Interest and Dividend outgo	-300	-336	-312	-262
Inc/(dec) in Share Cap	0	0	0	0
Others	-29	0	0	0
CF from financing activities	392	-61	-1,012	-1,262
Net Cash flow	-51	7	38	111
Opening Cash	254	204	211	249
Closing Cash	204	211	249	360

Source: Company, ICICI Direct Research

Exhibit 6: Balance Sheet (₹ crore)

(Year-end March)	FY25	FY26E	FY27E	FY28E
Liabilities				
Equity Capital	114.8	114.8	114.8	114.8
Reserve and Surplus	5,612	6,649	7,974	9,644
Total Shareholders funds	5,727	6,764	8,089	9,759
Total Debt	2,294	2,569	1,869	869
Deferred Tax Liability	13	13	13	13
Minority Interest / Others	558	634	719	813
Total Liabilities	8,593	9,981	10,691	11,455
Assets				
Gross Block	7,602	9,783	10,783	11,783
Less: Acc Depreciation	3,201	3,894	4,658	5,497
Net Block	4,401	5,888	6,125	6,286
Capital WIP	730	200	200	200
Total Fixed Assets	5,132	6,088	6,325	6,486
Investments & Goodwill	1,196	1,246	1,296	1,346
Inventory	1,717	2,033	2,338	2,687
Debtors	2,496	2,942	3,383	3,890
Loans and Advances	67	78	90	104
Other Current Assets	687	800	920	1,058
Cash	204	211	249	360
Total Current Assets	5,171	6,064	6,980	8,098
Current Liabilities	2,845	3,300	3,738	4,241
Provisions	306	363	418	480
Current Liabilities & Prov	3,151	3,663	4,156	4,721
Net Current Assets	2,020	2,401	2,824	3,378
Others Assets	245	245	245	245
Application of Funds	8,593	9,981	10,691	11,455

Source: Company, ICICI Direct Research

Exhibit 7: Key ratios

(Year-end March)	FY25	FY26E	FY27E	FY28E
Per share data (₹)				
EPS	16.4	20.6	26.1	32.6
Cash EPS	27.1	32.6	39.4	47.2
BV	99.8	117.8	140.9	170.0
DPS	2.3	2.5	3.0	3.5
Cash Per Share (Incl Invst)	3.6	3.7	4.4	6.3
Operating Ratios (%)				
EBITDA Margin	11.2	11.4	11.7	12.0
PAT Margin	5.6	6.0	6.7	7.2
Inventory days	37.4	38.0	38.0	38.0
Debtor days	54.3	55.0	55.0	55.0
Creditor days	47.1	48.0	48.0	48.0
Return Ratios (%)				
RoE	16.5	17.5	18.5	19.2
RoCE	14.7	15.4	17.4	19.7
RoIC	16.4	16.1	18.2	20.7
Valuation Ratios (x)				
P/E	73.1	58.4	46.0	36.8
EV / EBITDA	37.8	31.8	26.8	22.4
EV / Net Sales	4.2	3.6	3.1	2.7
Market Cap / Sales	4.1	3.5	3.1	2.7
Price to Book Value	12.0	10.2	8.5	7.1
Solvency Ratios				
Debt/EBITDA	1.2	1.2	0.7	0.3
Debt / Equity	0.4	0.4	0.2	0.1
Current Ratio	1.7	1.8	1.8	1.8
Quick Ratio	1.1	1.1	1.2	1.2

Source: Company, ICICI Direct Research

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Sell: <-15%

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