

Lumax Industries

11 August 2026

Operator: Ladies and gentlemen, good day and welcome to the Q1 FY27 earnings conference call of Lumax Industries Ltd. As a reminder, all participant lines will be in 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 the operator by pressing star and then zero 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 the company's beliefs, opinions, and expectations as of the date of this call. These statements are not 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 Ltd. Thank you, and over to you, sir.

Deepak Jain – Chairman & Managing Director: A very good morning, everyone. I hope everyone is doing well. Joining me on this call today are 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; Ms. Surbhi Chaubey, the Group Head of Investor Relations and Value Creation; and the Investor Relations advisor, SGA.

We have uploaded 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 them. The economic environment during Q1 FY27 was significantly influenced by the ongoing crisis in West Asia. Its effects were felt across multiple parts of the Indian economy, from high crude oil prices and disruptions in shipping and freight movement to periods of rupee volatility. Despite these headwinds, FY27 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 during the quarter, which is a testament to the underlying strength of domestic demand and supply chain discipline across the ecosystem.

According to SIAM, during the first quarter, overall production in the Indian auto industry stood at 93.6 lakh units, up 22.2% year-on-year. Passenger vehicle production grew by 17% year-on-year to 14.5 lakh units, driven by sustained demand for utility vehicles, premiumization trends, and continued new model launches. Two-wheeler production increased by 23% to 72.5 lakh units, supported by improving rural demand and easier retail financing. Three-wheeler production recorded the strongest growth of 39%, reaching 3.6 lakh units, led by healthy replacement demand, growth in last-mile mobility, and improving urban transportation activity. Commercial vehicle production also remained robust, growing 16% 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. Lower GST rates, improved financing availability, resilient customer confidence, and continued export momentum supported demand during the quarter. OEMs have adopted a calibrated approach toward passing cost increases on to customers. Encouraged by strong order visibility and a favorable medium-term outlook, several OEMs have also announced capacity expansion plans across vehicle segments. This not only reinforces confidence in the industry's long-term growth trajectory but also creates significant opportunities for auto

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component manufacturers like us to deepen our partnerships, expand product offerings, and increase content per vehicle through technology-led and value-added solutions.

Speaking of automotive lighting, the nature of 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 and vehicle software, and faster development cycles. While cost competitiveness remains important, the conversation has evolved beyond being purely cost-driven.

At Lumax, we are responding to this shift through a dual-track approach. Where program requirements demand rapid time-to-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 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 crores, representing healthy year-on-year growth of 32.6%. EBITDA for the quarter came in at INR 113 crores, up 34% year-on-year, with an EBITDA margin of 9.2%. During the quarter, we won orders for multiple products from one of the key two-wheeler OEMs. Our order book therefore stands at around INR 2,500 crores, with LED lighting accounting for approximately 90%.

The key launches during the quarter have been as follows. In the passenger vehicle segment, the Tata Motors Tiago, for which we are supplying headlamps, and the Volkswagen Taigun, for which we are supplying rear lamps. In the two-wheeler segment, we have also won an order from Suzuki Motors for the Burgman Street, for supplying front turn-signal lamps. In commercial vehicles, we have won orders from Force Motors to supply headlamps for Traveller 2.

Q1 brought recognition from industry bodies and sustainability certifiers across various dimensions of our operations. The notable awards included the Lumax Group being recognized as a Most Preferred Workplace 26-27 by Marksmen Daily. Five plants, located in Bawal, Dharuhera, Haridwar, Pantnagar, and Sanand, were awarded GreenPro Ecolabel certification. From a capacity perspective, the expansion of our Bengaluru plant to support Maruti and Toyota's upcoming models is progressing satisfactorily and is expected to be commissioned in Q4 FY27. We also have brownfield projects underway at Sanand and Bawal to support new order wins with customers at the 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. I will now hand over to our CFO, Mr. Ravi Teltia, for updates on operational and financial performance.

Ravi Teltia – CFO: Thank you, sir. Good morning, everyone. Let me take you through the key highlights of our operational and financial performance for the quarter.

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Starting with the financials, as the CMD mentioned, we delivered strong top-line growth this quarter once again. Our consolidated revenue stood at INR 1,223 crores, representing healthy year-on-year growth of 32.6%. This growth was primarily driven by robust performance in our manufacturing business, where revenue grew 36.8% year-on-year to INR 1,160 crores. EBITDA for the quarter came in at INR 113 crores, up from INR 85 crores last year.

Ravi Teltia – CFO: This reflects growth of 34% in Q1 FY26. EBITDA margins stood at 9.2%, in line with Q1 FY26 despite external headwinds. There was an approximately 120–130 bps net impact from commodities and other costs in Q1 FY27. This performance was the result of our continued focus on cost discipline, operational efficiencies, and the growing contribution from our premium product portfolio.

Moving to profitability, our consolidated profit after tax, including the share of associates, stood at INR 51 crores in Q1 FY27, compared to INR 36 crores in the same quarter last year, registering growth of 41.2%. PAT margin stood at 4.2%, up 30 basis points year-on-year. 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 FY27, LED lighting accounted for 63% of our total revenue, up from 61% in the same quarter last year. Importantly, approximately 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 two- and three-wheelers, and 5% from commercial vehicles and others. This well-diversified mix underscores our solid positioning across multiple segments of 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% year-on-year, respectively, driven by multiple new model SOPs. Our engagement continues to deepen, and we remain in active discussions for upcoming vehicle platforms as well. At the same time, we also witnessed healthy business growth from TVS Motors, reflecting our 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 FY27, our capex guidance has been updated to INR 200–250 crores, mainly due to new order wins. Our net long-term debt as of June 30, 2026, stood at INR 209 crores. With that, we now open the floor for questions. Thank you once again.

Operator: Thank you very much, sir. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touch-tone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. We have our first question from the line of Anubhav Mukherjee from Precient Capital. Please go ahead.

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Anubhav Mukherjee – Precient Capital: Hello, am I audible?

Operator: Yes.

Anubhav Mukherjee – Precient Capital: Congratulations on a great set of numbers. My first question is regarding the revenue mix by customer. The others segment has grown significantly and has almost doubled year-on-year. Could you please share which OEMs are included in this others segment?

Ravi Teltia – CFO: Could you please repeat the last part? There was a loss of voice.

Anubhav Mukherjee – Precient Capital: The other customers classified under the others category have grown 133% year-on-year. Which are the key customers included in the others category?

Ravi Teltia – CFO: Yes, sir. If you can share that, it would be very helpful.

Ravi Teltia – CFO: This mainly consists of our Skoda Volkswagen business, which we started from our Chakan 3 facility. That is the key customer here. Of course, there are several other customers as well.

Anubhav Mukherjee – Precient Capital: Okay, sir. And, sir, in the two-wheeler segment—

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

Anubhav Mukherjee – Precient Capital: I am using my handset. Hello, is this better?

Operator: Yes, please go ahead with the question.

Anubhav Mukherjee – Precient Capital: Apart from HMSI and Hero, which are our key two-wheeler customers? I am asking this because the overall growth in two-wheelers seems to be higher than the combined growth from these two OEMs.

Deepak Jain – Chairman & Managing Director: The company caters to almost all the two-wheeler manufacturers. Apart from HMSI and Hero, which are significant customers, the company also continues to cater to Suzuki two-wheelers, Yamaha Motors, and TVS. As you know, the entire two-wheeler landscape, significant growth is expected to come from HMSI going forward, which is also reflected in our order book.

Anubhav Mukherjee – Precient Capital: Yes, sir. Thank you. I will get back in the queue.

Operator: Thank you. A reminder to all participants: If you wish to ask any questions, you may press star and one on your touch-tone phone. Anyone who wishes to ask a question may press star and one. We have our next question from the line of Sanjay Shah from KSS Securities. Please go ahead.

Sanjay Shah – KSS Securities: Good morning, gentlemen, and thank you for the opportunity. Congratulations on the numbers and the growth we have shown in Q1. My question is regarding our last call, when you highlighted a strategic shift involving the postponement of recoveries through monthly amendments. Could you elaborate on that? Even though our penetration of LEDs is

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increasing, along with our technology-led approach, localization approach, and economies of scale, our margins are still below 10%, which is not satisfactory, despite our highlighting that they would grow from here. What is the strategy in this regard?

Deepak Jain – Chairman & Managing Director: Let me come in here. Number one, when it comes to realizations, we had said that we were hoping some of the OEMs would agree to monthly amendments because there was massive volatility, specifically in electronics procurement, and commodity prices had gone through the roof. However, that has not happened for most of the industry. I believe that commodities such as aluminum were the only items for which they were willing to provide support, and that does not affect this company.

As of now, we are still looking at quarterly or six-monthly amendments. As a result, as Ravi mentioned, when it comes to margins, there was almost a 150 bps margin reduction in Q1, primarily because these recoveries had not been realized in Q1. We have obviously passed on the price increase to our suppliers, but we are hoping these realizations will come through in Q2. If you look at that, margins would be close to approximately 10.5–11% at the total EBITDA level, which is in line with our full-year guidance for FY27.

Sanjay Shah – KSS Securities: That is helpful, sir. My next question is regarding our future growth opportunities. Deepak, you are a veteran of this industry and know it much better, so which growth opportunities do we see for our company beyond LED? Is there a vertical shift, greater penetration in commercial vehicles, or anything else that we need to understand?

Deepak Jain – Chairman & Managing Director: Thank you very much for this question. As a company, right now we have a very diversified customer mix. We are well penetrated in passenger cars, and fortunately, if you look at the two-wheeler industry, it has started to recover and strengthen, especially over the last 12 months, and continues to do so.

We also believe that lighting will continue to be a very value-added product. As the trend toward EV conversion develops, there will be greater value content because of not only LEDs but also the additional features being introduced. It would probably be premature to predict this, but if I look at global lighting trends, LED has now become a basic requirement.

Going forward, there are multiple other technologies on the lighting front, both interior and exterior, including laser lighting, more dynamic lighting, and comfort lighting. The contribution of vehicle lighting is increasing steadily. We are therefore in a very favorable position. As premiumization takes place, we will benefit from it.

We continue to focus on certain underpenetrated customers for us. For example, we believe TVS will be a major growth driver for the company in the future. We will also look at SMIPL, the Suzuki Motors two-wheeler business, and we believe that it will also become a growth driver for the company in the two-wheeler segment. In passenger cars, I think we are well entrenched, and there is also traction now in commercial vehicles and the tractor segment.

We therefore believe that going forward, as you can see from the company's order book, which Ravi mentioned stood at approximately 2,500 crores, there is a very healthy sign of growth for the company, irrespective of how the industry grows.

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Sanjay Shah – KSS Securities: That is helpful, sir. I will come back in the queue for more questions. Thank you very much.

Operator: Thank you. A reminder to all participants: If you wish to ask any questions, you may press star and one. We have our next question from the line of Jyoti Singh from Heton Investments. Please go ahead.

Jyoti Singh – Heton Investments: Thank you for the opportunity. I have a few questions. In response to the earlier participant, you mentioned good traction in commercial vehicles and tractors, and that along with TVS and Suzuki, you expect to see more growth going forward. I wanted to clarify why we have not received orders until now from these customers. On the commercial vehicle side, we are also not seeing the industry perform as well as it did earlier, so I wanted your view on that.

Apart from this, how much of our product is powertrain-agnostic? Currently, only 12% of the order book is from EVs. Given the broader industry push toward EVs and the fact that Lumax is underweight in terms of EV OEM wins, what is the strategy to grow EV content per vehicle going forward?

Deepak Jain – Chairman & Managing Director: The lighting product is powertrain-agnostic. Irrespective of whether you make an EV, ICE, or CNG vehicle, lighting is required. However, as vehicles continue to become more electric, whether passenger cars or two-wheelers, they will require greater energy efficiency and light-weighting. Hence, there is a much larger opportunity for value creation through the lighting product on the vehicle. You can see that in BEVs as well as in our EV portfolio.

On SMIPL and TVS, these companies were already our customers. However, we are now seeing much higher penetration with their growth, and we are continuously engaging with them. We will continue to do this with all OEM manufacturers in India and continue to seek new opportunities.

Regarding commercial vehicles, as you mentioned, please also understand that the commercial vehicle segment has a very standardized product, and the technology on the lighting front is still not equivalent to the passenger car space. We are discussing new platforms with various commercial vehicle OEMs, and as the technology comes in, we will try to create value and secure orders through it. Thank you.

Ravi Teltia – CFO: Just to add and supplement that, Jyoti, if you look at our total contribution from commercial vehicles, it has remained unchanged at approximately 5% of the total revenue in the year-on-year Q1 comparison. This also means that the commercial vehicle business for us has grown by 30–35% on an annualized basis, which is much more than the growth of the commercial vehicle industry.

Jyoti Singh – Heton Investments: Understood, sir. However, according to my channel checks, commercial vehicles are not performing very well compared with two-wheelers and four-wheelers. We are getting traction, but I understand your point.

On the revenue mix side, a major portion—56% of revenue—comes from MSIL, M&M, and HMSI. What is being done to diversify further? Are there any specific new OEMs with which we are in

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active discussions or that we are targeting? Hero's share has also declined slightly year-on-year, while MG and Toyota have performed very well for us. Do you have any insight into the underlying customer-value dynamics or the relative softness in two-wheelers versus the strength in passenger vehicles?

Jyoti Singh – Heton Investments: The concentration in your portfolio.

Deepak Jain – Chairman & Managing Director: What is important to me is our wallet share across customers. The quarter-on-quarter changes in revenue are simply an outcome of the product mix. It is not that the wallet share has increased. On the contrary, specifically for three or four customers, including Maruti Suzuki, our wallet share is likely to increase significantly, which is reflected in the order book.

From less than 30% today, we are looking at a move to approximately 35–40%. On the HMSI side, specifically for tail lamps, the wallet share is likely to increase exponentially by almost 2–3 times in FY28. As part of the order book, as you mentioned, 60% of our order book will enter SOP in FY28.

Therefore, I do not see any significant shifts across OEMs in terms of business share. However, with respect to MG and certain other OEMs, as you mentioned, it is largely an outcome of the product mix.

Jyoti Singh – Heton Investments: Understood, sir. Also, could you comment on M&M? Another company in our industry is performing very well, driven largely by M&M. What kind of traction are we seeing from M&M?

Management {? Go ahead Ravi ?}: Go ahead, Anmol.

Anmol Jain – Joint Managing Director: M&M continues to represent a very strong wallet share for us in lighting. I was not clear about the comparison you were trying to draw with the other company, but Mahindra and Mahindra continues to be a key customer for the group and specifically for this company. We continue to maintain almost a 40–50% wallet share of Mahindra's overall lighting requirements.

Deepak Jain – Chairman & Managing Director: I would like to add one thing from a strategic point of view. Please understand that all segments of the automotive sector in India are largely concentrated among four or five key players. Fortunately, Lumax has a leading wallet share with most of those four or five players across almost all segments. Therefore, we would like to focus on that as the growth momentum becomes very strong. Wherever there are opportunities to identify new order wins from a new customer or areas where we are underpenetrated, we will continue to pursue them.

Mahindra and Maruti will continue to remain our focus, along with Tata. As you know, the associate company SL Lumax already caters to Hyundai–Kia. That currently covers 92% of the passenger car market in India.

Similarly, if you look at HMSI and Hero, TVS is catered to by this company, and Bajaj is catered to by the other group company. We therefore cater to approximately 85% of this segment. We are in a very strong position.

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Of course, commercial vehicles have different lead cycles and different types of technology. We will pursue opportunities as they arise in off-roaders, three-wheelers, and commercial vehicles.

Jyoti Singh – Heton Investments: Great, sir. Thank you. I understand. Just one last question on the capex side. In FY26, it was 410 {? crores ?}. What is the capex guidance for FY27?

Ravi Teltia – CFO: As I mentioned, this year we are expecting capex of approximately 200–250 {? crores ?}. In the previous call, we had mentioned 100–150 crores. The reason for the increase is that we have won good business over the last 4 months. Therefore, we are expanding the guidance to approximately 200–250 crores.

Jyoti Singh – Heton Investments: Is there any bifurcation of this amount?

Ravi Teltia – CFO: By bifurcation, do you mean maintenance capex? As we mentioned, maintenance capex would continue to be approximately 40–50 {? crores ?}. The remaining amount would go toward new business wins or capacity expansion for new business.

Jyoti Singh – Heton Investments: Great, thank you.

Operator: Thank you. We have our next question from the line of Saurabh Jain from Sunidhi Securities. Please go ahead.

Saurabh Jain – Sunidhi Securities: Congratulations to the team. We have outperformed expectations yet again. My first question was touched upon by the previous participant. We have demonstrated strong growth across Maruti, HMT, and others, while M&M has been somewhat flat for the last couple of quarters. Of course, we have performed very well over the last 2 years, but with a wallet share of 40–50%, and with revenue of approximately 200 crores or less for the last 3–4 quarters, could you explain this? We have a good wallet share there, but the revenue has not grown over the last few quarters.

Anmol Jain – Joint Managing Director: It is simply an outcome of the product mix. Certain platforms, for example, the new {? X–U–V 700 EV ?}, are platforms on which we are not present, but they significantly increased Mahindra's volumes and growth in Q1. Again, this is an outcome of the product mix.

Unfortunately, in this quarter, perhaps the other 50% of the models performed much better than the 40–50% of models on which we are present. Strategically, there has been no shift. We remain a key supplier partner to Mahindra for its lighting needs. It is simply a one-quarter issue; if you look at it from a full-year perspective, we should be in line with Mahindra's overall growth.

Saurabh Jain – Sunidhi Securities: My second question is on mold revenue. In the previous call, you mentioned that we could see a steep rise in FY27 revenue from the mold business. Should we expect the current quarterly run rate to continue for the rest of the year, or could it go substantially higher? This is important because it will also help determine the margin trajectory.

Ravi Teltia – CFO: This year, as we mentioned, we are expecting healthy growth in mold sales compared with the last financial year on a full-year basis. However, as we have already shared in previous calls, it all depends on the SOP timelines of the respective customers. We are hopeful that

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we will register good growth compared with the last financial year.

Anmol Jain – Joint Managing Director: As part of our visibility, the majority of these mold revenues are planned for H2, specifically in Q3 or Q4.

Saurabh Jain – Sunidhi Securities: Would you be able to provide any ballpark number?

Ravi Teltia – CFO: On a full-year basis, our mold sales were approximately 180–185 {? crores ?} last year. This year, we are hopefully targeting 250–300 crores.

Saurabh Jain – Sunidhi Securities: My last question is about FY28 capex.

Ravi Teltia – CFO: Sorry, FY28?

Saurabh Jain – Sunidhi Securities: FY28 capex.

Ravi Teltia – CFO: FY28 capex will depend on how the business wins develop, but our guidance would be in line with what we mentioned earlier, approximately 150–200 crores at this point.

Anmol Jain – Joint Managing Director: I think it is too early to give FY28 capex guidance. For the current year, however, we are revising it upward to 200–250 crores, largely because of a strong order book. As I mentioned, 60% of the order book, or approximately 1,500 crores, will enter SOP in FY28.

Saurabh Jain – Sunidhi Securities: Okay, sir. That is it from my side. Thank you, and all the best.

Operator: Thank you. We have our next question from the line of Aditya Kondawar from Complete Circle Capital. Please go ahead.

Aditya Kondawar – Complete Circle Capital: Congratulations on a great performance. My first question is whether we have any guidance for the next 2, 3, or 4 years. What kind of revenue growth rate or PAT growth rate are we targeting?

My second question relates to the new 2027 Audi Q9. The lights have built-in projectors. For example, if you activate a right indicator, you can see exterior ground projectors or exterior ground figures appearing. This is what you had hinted at regarding the future of lighting. I wanted more detail on the various technologies being developed around the world and some of the technologies we are working on. Thank you.

Anmol Jain – Joint Managing Director: I will take the first part of the question, which relates to a 3–4 year horizon. We are quite confident of delivering growth above the industry rate over the next 3–5 years. Our CAGR continues to be between 15–20%. This growth will be driven not only by volume but also, as you mentioned, by new technology.

From a current base of approximately 4,500–5,000 crores, we should be looking at revenue of approximately 9,000 crores or more in FY30–31. In terms of margins, I think it is safe to say that the current-year forecast remains intact, at between 10.5% and 11% EBITDA. Over a 3–4 year period, our endeavor is to reach EBITDA in the teens, at upwards of approximately 13%.

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Deepak Jain – Chairman & Managing Director: Regarding the second question, that is my response to the first part of the question. On the second part, my view is that these are highly advanced lighting technologies. Do we have access to these technologies? The answer is yes. Our Czech center is working on these technologies with Stanley as our lighting partner, and Stanley also has these technologies.

However, for these technologies to enter the Indian market at a reasonable price point, we still feel that it is somewhat far off. Lighting technology usually moves from the top-end premium segments down to the mass-market segment. While we have access to these technologies, I believe it will still be a couple of years before we start seeing them on Indian models.

Aditya Kondawar – Complete Circle Capital: That was helpful. Thank you.

Operator: Thank you. We have our next question from the line of Apurva Mehta from AM Investments. Please go ahead.

Apurva Mehta – AM Investments: Congratulations on a great set of numbers. I wanted to understand the localization aspect. We were at 30–35% localization. Where do we expect our localization level to be in the next 2 years? This would make us more resilient and make margins more predictable. Could you provide some insight on that?

Ravi Teltia – CFO: The primary focus in localization is on electronics. As we have shared, electronics primarily consists of 4 key components. The first is the LED module. Some of the projectors on that side are gradually being localized, and we expect this to progress over the next 2–3 years.

The second part is SMT, which is already 100% localized. We are operating our own independent plant for this. Bare PCBs have also started to be localized, and we foresee that over the next 2–3 years, this will increase further from the current 40–50% to approximately 70–80%.

The last component is the connector, where the level of localization is still very low, at approximately 20%. We foresee that this will also increase to approximately 40–50%.

With this, over the next 2–3 years, we expect localization to improve. Based on currency movements and import benefits, we foresee that a gain of approximately 70–90 bps will definitely flow into the business.

Apurva Mehta – AM Investments: Regarding localization, will everything be done in-house, or will we outsource all of this localization?

Deepak Jain – Chairman & Managing Director: Let me come in here, Apurva. This is Deepak Jain. It is a very good question. As lighting technology shifts, particularly with higher electronic content, localization will continue to remain a key priority as well as a challenge.

I am hoping that over the next 4 years, certain electronics ecosystems will be established in India. We cannot do everything in-house. We will perform mostly assemblies and certain critical processes in-house. However, when it comes to electronics, ICs, and all those components, we cannot manufacture everything ourselves. A classic example is bare PCB boards, for which the

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Government of India undertook a very significant localization effort. However, as—

Anmol Jain – Joint Managing Director: As the technology changes, we have had to move through complex 7-, 8-, and now even 9-layer designs. As a result, import dependency has increased. Laminates, if you have heard recently, are in significant shortage. Because of that, there is again substantial reliance on imports.

This situation will continue, but the company is prioritizing localization along with its customers. To answer your question, we will not continue to pursue insourcing for everything. We will continue to work with supplier partners that have more localized capabilities. Our processes, certain technology interventions, and certain processes involving injection molding, surface treatment, and assemblies will continue to undergo significant localization.

The last point is tooling. There is also an impetus to move toward tooling localization. As you know, all our tooling is currently imported, but we are facing challenges in the Indian tooling ecosystem and are trying to address them. However, if you look at a {? 2030 ?}-type horizon, we would definitely continue to focus on improving our localization content.

Apurva Mehta – AM Investments: Is there any sourcing from China? Everyone is trying to source tools and other items from China because they are much cheaper than sourcing from elsewhere.

Anmol Jain – Joint Managing Director: We source a significant amount from China, as does the entire supply chain. However, we are also aware of the associated risks. In our engineering drawings, we are now actively looking at alternatives to China. At the same time, China's cost competitiveness remains one of the key reasons we source from there.

The group has recently opened an office in China, essentially as a Global Resource Center, to determine how we can conduct more diligent trading with China. That is one aspect of it. Our intent is to become increasingly cost-competitive, either by sourcing more competitively, importing more competitively, or localizing. In the future, we will increasingly prioritize localization.

Apurva Mehta – AM Investments: On the competition side, how do we see the intensity evolving with new technologies? Are there fewer competitors, or does competition remain intense?

Anmol Jain – Joint Managing Director: Competition intensity will increase and become stronger. As India moves on its {? Developed India ?} journey and the Indian market continues to become the third-largest market in the world for the auto sector, the economy will grow and more players will enter.

However, as I said, our strategy is very simple: We want to dominate the industry by being deeply embedded with the top 4 or 5 OEMs in every sector. As I mentioned earlier, the auto industry is highly concentrated, with the leading players holding 80-90% market share. Therefore, even if new players enter, it will be very difficult for them to gain significant share. They may take a few percentage points in different areas.

That is our strategy, but competition intensity will increase in this product line.

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Apurva Mehta – AM Investments: Could you also provide some insight into HVAC? Where do we currently stand, and are we pursuing any other customers? Could this become a larger revenue stream for us over time? Honda was one of our customers.

Management: Anmol, would you like to come in?

Anmol Jain – Joint Managing Director: Regarding HVAC, {? Prabhu ?}, for Honda, I think we generated approximately {? 18–20 crores ?} in revenue on an annualized basis. The peak revenue from that particular customer was expected to be approximately {? 35–40 crores ?}. Unfortunately, Honda's volumes themselves have declined and have not been in line with the estimates.

I think it is a long-term opportunity. Right now, we want to focus on lighting. There could be opportunities with other OEMs, but I would not like to comment on them because I still feel it is quite far away for HVAC to become materially significant.

Apurva Mehta – AM Investments: Great. Thank you, and I wish you all the best, sir.

Anmol Jain – Joint Managing Director: Thank you.

Operator: Thank you. We have the next question from the line of Viraj Kacharia from Simple. Please go ahead. Viraj Kacharia, are you there? Viraj, are you there? As there is no response, we will move on to the next participant, Utkarsh Somaiya from Emkay Quantums. Please go ahead.

Utkarsh Somaiya – Emkay Quantums: Thank you for the opportunity. You have already spoken about margins being 10.5% in Q1, excluding commodity price inflation. Since these costs will be passed on, can we expect that figure in Q2 and thereafter?

Management: Ravi, would you like to come in?

Ravi Teltia – CFO: As we mentioned, there has been a significant commodity impact in the market, primarily due to the West Asia conflict, and we are discussing this with our OEM partners. Some recoveries have been initiated and are underway. Therefore, we are maintaining our full-year guidance of {? 10.5–11% ?} EBITDA. This is under discussion with the respective OEMs, and the situation will accordingly develop on a quarter-on-quarter basis.

Anmol Jain – Joint Managing Director: We do expect margins to be higher in Q2 because a significant portion of the Q1 realizations will actually be realized in Q2. I am not sure whether it will be 10.5%, but it should definitely be above 10% for Q2.

Utkarsh Somaiya – Emkay Quantums: Earlier, you had guided that margins would expand by 50–100 bps every year. Is that still intact?

Anmol Jain – Joint Managing Director: For the full year FY26, we were just short of 10%. More specifically, as Ravi mentioned, it was 9.8%. This year, we are targeting {? 10.5–11% ?} total full-year EBITDA, which represents an increase of approximately 100 bps.

As I mentioned, over a 3–4 year horizon, we expect to reach close to 13% EBITDA. That is our endeavor. If you calculate this on an annualized basis, it comes to approximately a 100 bps increase every year.

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Utkarsh Somaiya – Emkay Quantums: One more question. For the last 2 quarters, you have been growing at a rate of approximately 30%, which is somewhat—

Operator: Sorry to interrupt you, Utkarsh. Your voice is breaking.

Utkarsh Somaiya – Emkay Quantums: Hello, am I audible now? Hello?

Anmol Jain – Joint Managing Director: Yes.

Utkarsh Somaiya – Emkay Quantums: The last 2 quarters have shown growth of approximately 30%, compared with the last 10 or 12 quarters. Can we expect 30% to become the new normal for top-line growth over the next 4–5 quarters?

Anmol Jain – Joint Managing Director: If you look at the industry, the first half of last year was based on a much smaller base, and therefore we are seeing significant growth. While industry volumes continue to be robust, in H2 I foresee that growth rates across the industry will reduce because of the high base following GST rationalization.

Today, you are seeing growth of 20%, 25%, and 17% across different segments. This growth will slow, not because demand is going away, but purely because of the high base effect. To that extent, I do not think we will continue to report 30–35% growth in every quarter. However, on a full-year basis, the revenue forecast remains approximately 15–20% growth, which is again better than what the industry is expected to achieve.

Utkarsh Somaiya – Emkay Quantums: Okay, thank you. I will get back in the queue.

Operator: Thank you. We have our next question from the line of Radha from Motilal Oswal Financial Services. Please go ahead.

Radha – Motilal Oswal Financial Services: Hello, sir. Am I audible?

Anmol Jain – Joint Managing Director: Yes, ma'am, we can hear you.

Radha – Motilal Oswal Financial Services: Thank you. With reference to page 12 of your presentation, where the technology roadmap for lighting is provided, I wanted to understand the current content per vehicle for the lighting products that you supply to a passenger car, and where you see this content moving over the next 5 years as per the roadmap.

Anmol Jain – Joint Managing Director: Content per vehicle differs from model to model, based on the technology being utilized. However, across a full platform, if I consolidate all the lamps, the current level would be approximately {? 15–20 thousand ?} per vehicle on average. There will be some outliers where higher technologies are used, and the content could reach almost {? 30,000 rupees ?} per vehicle.

That is the current content per vehicle for a passenger car. I foresee that going forward, this should increase by at least 50% over a 4–5 year horizon. The logic for this is purely based on new technologies. However, these new technologies will not be available at the same price points at which they are globally available today. There will be significant efforts to reduce those prices. Therefore, the {? 15–20 thousand ?} may become approximately {? 22–25 thousand ?} based on my

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best estimate over the next 4-5 years.

Radha – Motilal Oswal Financial Services: Understood, sir. That is helpful. Secondly, considering Stanley's global portfolio beyond lighting, including HMI, automotive sensors, and BMS, what products does Lumax Industries Ltd. currently have in India? Can we expect any of these products to be introduced into Lumax Industries Ltd., and can we expect any revenue contribution from them?

Anmol Jain – Joint Managing Director: Deepak, would you like to come in?

Deepak Jain – Chairman & Managing Director: We currently have a 42-year relationship with Stanley. It covers all lighting products manufactured by Stanley. Stanley's revenues are primarily derived from automotive lighting, which accounts for approximately 75% of its total revenues.

Over time, Stanley has also diversified into LED manufacturing, consumer lighting, street lighting, certain sensors, and applications related to UV lighting. This is a very different domain for India. Although our joint venture agreement covers all these products, we will continue to evaluate them based on Stanley's guidance for its global businesses in India.

Currently, we are engaged only in lighting. HVAC was one of the products we were discussing on the call, which was introduced for Honda's four-wheeler requirements. We will continue to evaluate that opportunity. However, given the order book, the pull from the industry, and our leadership in the lighting industry, our focus remains on maintaining and growing our market share in lighting. Thank you.

Radha – Motilal Oswal Financial Services: Thank you, sir. That is helpful. Within lighting, ambient lighting is gaining traction. I believe Lumax Autotech will also cater to ambient lighting. How will this be divided between the two companies?

Deepak Jain – Chairman & Managing Director: Strategically, ambient lighting has many layers. We are not pursuing very simple ambient lighting. Going forward, if it becomes more complex depending on customer requirements, we will pursue it.

Yes, {? IAC ?}, which is part of the other company, has one basic advantage because it handles complete interior and cabin design. From a group perspective, we are therefore looking at supporting customers who request this. In this company, if there is any order opportunity, particularly based on specific customer requests and following Stanley's customer requirements, we will continue to pursue it.

We want to focus on this area, but this company currently continues to focus more strongly on exterior lighting.

Radha – Motilal Oswal Financial Services: Understood, sir. Lastly, you mentioned that 90% of your order book is from LED. Once LED penetration approaches 100%, what are the key specific levers that you see helping us maintain double-digit growth?

Deepak Jain – Chairman & Managing Director: There are two points. Number one, as LED penetration continues to increase, our focus will remain on becoming more cost-competitive and

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increasing localization, because greater electronic content creates different challenges in localization.

Second, if you look at the longer-term roadmap, India is still underpenetrated compared with more developed markets. LED penetration will continue to increase, but along with LEDs there will be dynamic lighting, different types of projector lighting, and multiple other technologies that are already prevalent in developed countries and developed auto industries.

If you look at China and the United States, the top 2 markets in the world, they have moved beyond LEDs. I think this trend will continue in India. The group is already working on software, embedded electronics, and certain {? POCs ?} to ensure that we get the technologies right. Some customers are already evaluating those technologies. Therefore, we are very bullish that—

Management: Even after LED penetration increases to a higher level, we will continue to have more value-driven content per vehicle.

Radha – Motilal Oswal Financial Services: Understood, sir. Lastly, is there any global company that we can refer to in terms of how this evolution in lighting technology is likely to happen, so that we can understand how the company may look 5 or 10 years from now?

Management: You can benchmark any global player. One more trend that has taken place in lighting is the merger of interior players with lighting players. A case in point is Forvia, which was formed through Faurecia and Hella. Another case is when Varroc was acquired. Varroc, which was originally Visteon Lighting, was acquired by OP, which is OP Mobility, formerly Plastic Omnium.

This is a global trend. If you examine any of these trends and any of these lighting players, you can see a clear global pattern. The European market is dominated by 2 or 3 players, including Hella, Marelli, OP, and Forvia. The Japanese market includes Stanley and Koito. You can benchmark any of these players.

Radha – Motilal Oswal Financial Services: Understood, sir. Thank you, and all the best to the team.

Management: Thank you.

Operator: Thank you. We have our last question from the line of Viraj Kacharia from Simple. Please go ahead.

Viraj Kacharia – Simple: Am I audible now?

Operator: Yes.

Viraj Kacharia – Simple: Extending the previous participant's question, if I look at this company over the next 5–7 years, will the primary segment continue to be largely driven by lighting solutions? Or do you think that, over time, as we have seen in another group company, Lumax Autotech, we will add a range of other products?

I ask this because, if you look at Stanley, in electric mobility they have launched ECUs not only for LED control units but also ECUs for air conditioners and heated and cooled seats. They have introduced a range of other products as well. I am trying to understand the orientation of the two

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promoters for this company and how one should view it over the next 5–7 years or longer.

Management: Our visibility, as Jain explained, extends to approximately 2030. Anmol just discussed the revenue and margin opportunity for this company. This opportunity has primarily been driven by the lighting products we currently have.

If the market evolves toward various other products, we will continue to pursue them, as we have a very good relationship with Stanley and have access to its technology. The key will be to ensure that we meet customer needs through localization.

A small beginning was made with HVAC, which was driven by a requirement from Honda. Stanley supported that initiative. It was a new product line, and we made the investments. Unfortunately, the Honda model on which we were present did not perform well.

These opportunities will arise, but the focus will continue to remain on lighting because we also see a significant opportunity for lighting itself to grow in the Indian market.

Viraj Kacharia – Simple: I have a related question. One interesting point you made is that the ecosystem will continue to evolve as technology further develops. There is no limit to the extent of localization possible. As your scale and complexity increase, is there a possibility that you may want to capture a portion of the component value addition in electronic subsystems, not only for the local market but possibly also for the global market? Do you have any thoughts on this?

Management: It is too early to say. As I mentioned, approximately 6 years ago, this company started with SMT lines. We did not have those orders at the time, and now, if you look at it, we are generating sizable revenue by insourcing electronics through this plant in Bawal.

These opportunities will continue to develop. As I said, the company and the group are working very closely with customers. We see that more software and embedded electronics will be introduced into lighting. More dynamic lighting will also be introduced, and we will work to achieve the best value creation within India.

Again, this is a very open-ended question. The way the electronics ecosystem will evolve in India is still uncertain. OSATs are being established, but those developments are also at an early stage. We will see how this develops over the next 5–7 years.

At present, the plant and the company do not have plans to enter small electronic components for the market.

Viraj Kacharia – Simple: I have two more questions. On the competitive landscape, if I look specifically at two-wheelers, our own journey over the last few years shows that we have been able to gain a sizable share from HMSI, and we are now talking along similar lines about TVS and Suzuki. Could you provide some color on the competitive landscape and tell us from whom we are gaining share? What can you say about the market structure?

Management: Competition in this space will continue to increase. We all know that in two-wheelers there are 2 or 3 incumbent players. Depending on the customer, we will continue to gain some market share, particularly from HMSI and TVS. These are the key areas.

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As I said, the four-wheeler segment is highly dominated by global players. There are not many localized players, and all the global players are putting aggressive plans in place. Competition will therefore become very intense going forward.

Viraj Kacharia – Simple: Thank you, and good luck.

Management: Thank you.

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

Management: Thank you very much for joining today's conference call and for your continued participation and guidance. We look forward to continuing to answer your questions. If you have any further queries, you may get in touch with Surbhi or our investor advisors. Have a great day. Thank you for your support. Goodbye.

Operator: Thank you. On behalf of Lumax Industries Ltd., that concludes the conference. Thank you for joining us. You may now disconnect your lines.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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