BUY (Maintain)

CMP: **INR 47** Target Price: **INR 60** ▲ 28%

ICICI Securities

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05 November 2025

India | Equity Research | Results update

Motherson Sumi Wiring India

Auto Ancillaries

Strong growth intact; ramp-up of new plants remains key monitorable

Motherson Sumi Wiring India (MSUMI) continued to outperform the underlying industry driven by healthy content growth and new business execution. Reported margins (40bps below I-Sec) were impacted by start-up costs for its new plants. Profitability (ex-greenfields) remained steady YoY. Rising features-led premiumisation and a gradual shift towards EVs (including hybrids) continue to be the key levers for higher content per vehicle over the medium-to-longer term. New capacity addition, in line with customer order wins/new launches (across powertrains), is expected to drive healthy growth. Ramp-up of new plants and cost control (incl. localisation) remain crucial for margin recovery. Maintain **BUY** with a TP of INR 60 (unchanged), based on 35x FY27E EPS.

Q2FY26: Revenue ahead of estimate; profitability (ex-greenfields) remains steady

MSUMI reported revenue of INR 27.6bn (+19% YoY/+11% QoQ), ~6% above our estimate. Reported EBITDAM was at 10.1% (-60bps YoY/+30bps QoQ), 40bps below our estimate. EBITDAM (ex-greenfields) came in at 12.7% (flat YoY/+90bps QoQ). Reported EBITDA came in at ~INR 2.8bn (+12% YoY/+15% QoQ), 2% ahead of our estimate. Adj. PAT stood at INR 1.65bn (+9% YoY/+16% QoQ), broadly in line with our estimate.

Margin outlook

MSUMI has a pass-through arrangement with OEMs for change in copper prices with a quarter/half-yearly lag. EBITDAM (ex-greenfields) stood steady YoY at 12.7%. On a QoQ basis, it improved 90bps due to higher operating leverage. Profitability of new plants remain under pressure (EBITDAM -24%). However, overall losses from these greenfields declined QoQ to INR 390mn (INR 700mn in Q1). Going forward, higher volumes/ ramp-up of new plants, favourable mix and better efficiency are expected to drive profitability.

Demand outlook

MSUMI continues to outperform the underlying industry growth led by higher content per vehicle (e-PV content: 1.5-1.7x of ICE). Share of EV revenue stood at ~6.7% during Q2 (vs. 5.4% in Q1). One of the greenfield plants has started production and the second one operationalised during Q2. Both these plants are expected to ramp-up in the coming quarters. SOP for third plant is Q4FY26. These plants would cater to upcoming launches (revenue potential: INR 21bn).

Financial Summary

Y/E March (INR mn)	FY25A	FY26E	FY27E	FY28E
Net Revenue	93,203	1,08,581	1,28,126	1,48,626
EBITDA	9,971	11,276	14,268	16,920
EBITDA %	10.7	10.4	11.1	11.4
Net Profit	6,059	6,727	8,944	10,908
EPS (INR)	0.9	1.0	1.3	1.6
EPS % Chg YoY	(5.1)	11.0	32.9	22.0
P/E (x)	51.4	46.3	34.8	28.6
EV/EBITDA (x)	31.0	27.4	21.8	18.4
RoCE (%)	36.8	38.0	43.6	45.0
RoE (%)	35.9	37.1	42.8	44.3

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Market Data

Market Cap (INR)	312bn
Market Cap (USD)	3,514mn
Bloomberg Code	MSUMI IN
Reuters Code	MSWI.BO
52-week Range (INR)	51 /31
Free Float (%)	38.0
ADTV-3M (mn) (USD)	4.4

Price Performance (%)	3m	6m	12m
Absolute	22.9	25.9	7.2
Relative to Sensex	19.9	22.2	1.3

ESG Score	2023	2024	Change
ESG score	**68.7**	**68.7**	**0.0**
Environment	48.0	52.9	4.9
Social	70.3	71.9	1.6
Governance	81.5	80.6	(0.9)

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Earnings Revisions (%)	FY26E	FY27E	FY28E
Revenue	2	1	1
EBITDA	0	0	0
EPS	(2)	(2)	(1)

Previous Reports

28-07-2025: Q1FY26 results review

10-05-2025: Q4FY25 results review

Exhibit 1: Q2FY26 result review

Financial Matrices (INR mn)	Q2FY26	Q2FY25	% YoY	Q1FY26	% QoQ	Q2FY26E	Var (%)
Sales	**27,619**	**23,256**	**18.8**	**24,940**	**10.7**	**26,163**	**5.6**
RM	18,288	15,104	21.1	16,132	13.4	17,002	7.6
as a % of sales	66.2	64.9	130bps	64.7	150bps	65.0	120bps
Employee Exp	4,801	4,012	19.7	4,759	0.9	4,709	1.9
as a % of sales	17.4	17.3	10bps	19.1	-170bps	18.0	-60bps
Other Costs	1,732	1,645	5.3	1,607	7.8	1,701	1.9
as a % of sales	6.3	7.1	-80bps	6.4	-20bps	6.5	-20bps
Expenditure	24,822	20,761	19.6	22,498	10.3	23,412	6.0
EBITDA	**2,797**	**2,496**	**12.1**	**2,443**	**14.5**	**2,752**	**1.6**
EBITDA Margin (%)	**10.1**	**10.7**	**-60bps**	**9.8**	**30bps**	**10.5**	**-40bps**
Other Income	8	48	(82.9)	9	(6)	15	(46.0)
Interest	64	72	(11.3)	63	1	70	(9.0)
Depreciation	531	444	19.6	492	8	525	1.2
PBT	2,210	2,027	9.0	1,896	17	2,172	1.8
Tax	557	506	9.9	465	20	532	4.6
Tax rate (%)	*25.2*	*24.98*		*24.5*		*24.5*	-25bps
PAT (Adjusted)	**1,653**	**1,521**	**8.7**	**1,431**	**15.5**	**1,640**	**0.8**
EPS (INR)	**0.2**	**0.2**	**8.7**	**0.2**	**15.5**	**0.2**	**0.8**

Source: Company data, I-Sec research

Exhibit 2: Estimates revision

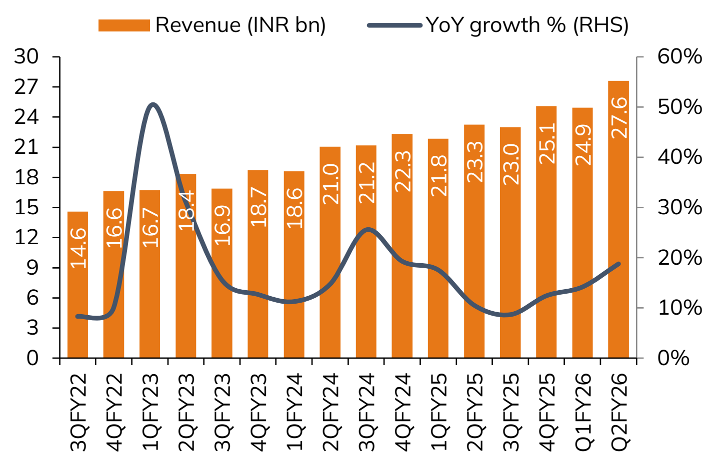
Motherson Sumi Wiring	FY26E			FY27E			FY27E		
	Old	Revised	% Change	Old	Revised	% Change	Old	Revised	% Change
Revenue (INR mn)	1,06,251	1,08,581	2%	1,26,439	1,28,126	1%	1,46,669	1,48,626	1%
EBITDA (INR mn)	11,261	11,276	0%	14,284	14,268	0%	16,933	16,920	0%
EBITDA margin (%)	10.6%	10.4%	-20bps	11.3%	11.1%	-20bps	11.5%	11.4%	-10bps
PAT (INR mn)	6,873	6,727	-2%	9,101	8,944	-2%	11,050	10,908	-1%
EPS (INR)	1.0	1.0	-2%	1.4	1.3	-2%	1.7	1.6	-1%

Source: I-Sec research

Downside risks

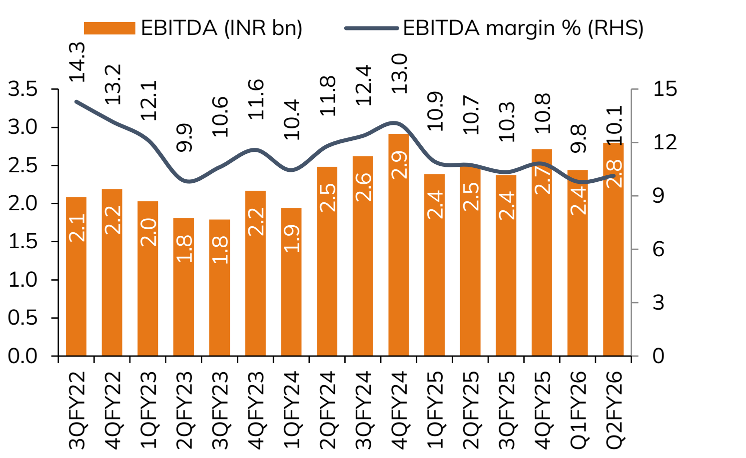
- Technology switches owing to fast-changing global automotive industry, resulting in change in the competitive landscape.
- Inability to maintain wallet share with existing key customers.
- Delay in ramp-up of new plants owing to weak demand / change in OEM schedule may lead to margin drag.

Exhibit 3: Revenue and growth trend



Source: Company data, I-Sec research

Exhibit 4: EBITDA and margin trend



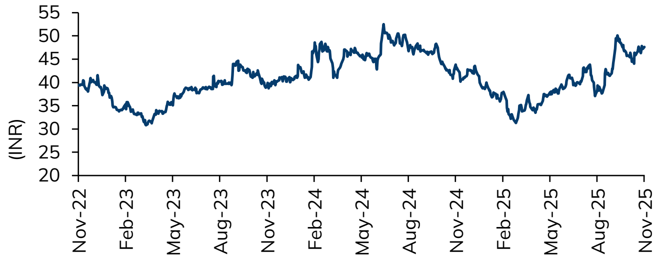
Source: Company data, I-Sec research

Exhibit 5: Shareholding pattern

%	Mar'25	Jun'25	Sep'25
Promoters	61.7	61.7	61.7
Institutional investors	26.4	26.6	26.6
MFs and others	14.5	14.6	14.7
FIs/Insurance	1.4	1.3	1.6
FIIs	10.5	10.7	10.6
Others	11.9	11.7	11.4

Source: Bloomberg, I-Sec research

Exhibit 6: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 7: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Net Sales	93,203	1,08,581	1,28,126	1,48,626
Operating Expenses	**6,434**	**6,841**	**7,816**	**9,066**
EBITDA	9,971	11,276	14,268	16,920
EBITDA Margin (%)	**10.7**	**10.4**	**11.1**	**11.4**
Depreciation & Amortization	**1,789**	**2,147**	**2,190**	**2,233**
EBIT	8,182	9,130	12,078	14,687
Interest expenditure	248	260	273	287
Other Non-operating Income	119	100	120	144
Recurring PBT	8,054	8,970	11,925	14,545
Profit / Loss from Associates	**-**	**-**	**-**	**-**
Less: Taxes	1,996	2,242	2,981	3,636
PAT	6,059	6,727	8,944	10,908
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	6,059	6,727	8,944	10,908
Net Income (Adjusted)	6,059	6,727	8,944	10,908

Source Company data, I-Sec research

Exhibit 8: Balance sheet

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Total Current Assets	28,744	32,784	37,047	42,066
of which cash & cash eqv.	2,375	2,247	1,213	675
Total Current Liabilities & Provisions	20,210	23,297	25,974	28,782
Net Current Assets	**8,534**	**9,487**	**11,073**	**13,283**
Investments	697	2,197	4,197	6,697
Net Fixed Assets	6,906	6,760	6,370	5,937
ROU Assets	-	-	-	-
Capital Work-in-Progress	367	367	367	367
Total Intangible Assets	-	-	-	-
Other assets	-	-	-	-
Deferred Tax assets	574	574	574	574
Total Assets	**17,078**	**19,384**	**22,581**	**26,857**
Liabilities				
Borrowings	95	95	95	95
Deferred Tax Liability	-	-	-	-
Provisions	-	-	-	-
Other Liabilities	-	-	-	-
Equity Share Capital	6,632	6,632	6,632	6,632
Reserves & Surplus	10,351	12,658	15,854	20,131
Total Net Worth	**16,983**	**19,289**	**22,486**	**26,763**
Minority Interest	-	-	-	-
Total Liabilities	**17,078**	**19,384**	**22,581**	**26,857**

Source Company data, I-Sec research

Exhibit 9: Quarterly trend

(INR mn, year ending March)

	Dec-24	Mar-25	Jun-25	Sep-25
Net Sales	23,003	25,095	24,940	27,619
% growth (YOY)	8.6	12.4	14.2	18.8
EBITDA	2,376	2,712	2,443	2,797
Margin %	10.3	10.8	9.8	10.1
Other Income	6	16	9	8
Extraordinaries	-	-	-	-
Adjusted Net Profit	1,400	1,649	1,431	1,653

Source Company data, I-Sec research

Exhibit 10: Cashflow statement

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Operating Cashflow	**8,627**	**7,953**	**8,667**	**10,536**
Working Capital Changes	651	(1,081)	(2,620)	(2,748)
Capital Commitments	(2,827)	(2,000)	(1,800)	(1,800)
Free Cashflow	**5,799**	**5,953**	**6,867**	**8,736**
Other investing cashflow	51	(1,400)	(1,880)	(2,356)
Cashflow from Investing Activities	**(2,776)**	**(3,400)**	**(3,680)**	**(4,156)**
Issue of Share Capital	-	-	-	-
Interest Cost	(248)	(260)	(273)	(287)
Inc (Dec) in Borrowings	9	-	-	-
Dividend paid	(3,758)	(4,421)	(5,747)	(6,632)
Others	-	-	-	-
Cash flow from Financing Activities	**(3,997)**	**(4,681)**	**(6,020)**	**(6,918)**
Chg. in Cash & Bank balance	1,854	(128)	(1,034)	(538)
Closing cash & balance	4,536	2,246	1,213	675

Source Company data, I-Sec research

Exhibit 11: Key ratios

(Year ending March)

	FY25A	FY26E	FY27E	FY28E
Per Share Data (INR)				
Reported EPS	0.9	1.0	1.3	1.6
Adjusted EPS (Diluted)	0.9	1.0	1.3	1.6
Cash EPS	1.2	1.3	1.7	2.0
Dividend per share (DPS)	0.6	0.7	0.9	1.0
Book Value per share (BV)	2.6	2.9	3.4	4.0
Dividend Payout (%)	62.0	65.7	64.3	60.8
Growth (%)				
Net Sales	11.9	16.5	18.0	16.0
EBITDA	(1.6)	13.1	26.5	18.6
EPS (INR)	(5.1)	11.0	32.9	22.0
Valuation Ratios (x)				
P/E	51.4	46.3	34.8	28.6
P/CEPS	39.7	35.1	28.0	23.7
P/BV	18.3	16.2	13.9	11.6
EV / EBITDA	31.0	27.4	21.8	18.4
EV / Sales	3.3	2.9	2.4	2.1
Profitability Ratios				
Gross Profit Margins (%)	17.6	16.7	17.2	17.5
EBITDA Margins (%)	10.7	10.4	11.1	11.4
EBIT Margins (%)	8.8	8.4	9.4	9.9
Net Profit Margins (%)	6.5	6.2	7.0	7.3
RoCE (%)	36.8	38.0	43.6	45.0
RoE (%)	35.9	37.1	42.8	44.3
Dividend Yield (%)	1.2	1.4	1.8	2.1
Operating Ratios				
Fixed Asset Turnover (x)	12.8	15.2	19.0	23.6
Inventory Turnover Days	50	50	50	50
Receivables Days	49	49	49	49
Payables Days	52	56	56	56
Effective Tax Rate (%)	24.8	25.0	25.0	25.0
Net Debt / Equity (x)	(0.1)	(0.1)	0.0	0.0
Net Debt / EBITDA (x)	(0.2)	(0.2)	(0.1)	0.0

Source Company data, I-Sec research

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