

Samvardhana Motherson International Ltd.

BUY

Sector: Auto Ancillary

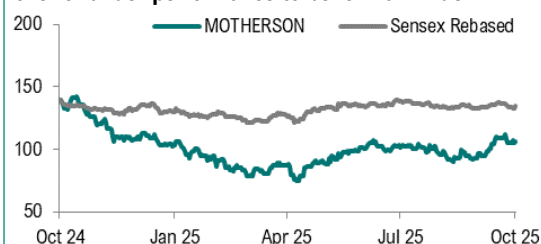
01st October, 2025

Key Changes		Target		Rating		Earnings		Target	Rs. 120
Stock Type	Bloomberg Code	Sensex		NSE Code		BSE Code	Time Frame	CMP	Rs. 106
Large Cap	MOTHERSO:IN	80,983		MOTHERSON		517334	12 Months	Return	+13%

Data as of: 01-October-2025, 16:00 hrs

Company Data			
Market Cap (Rs.cr)	111,873		
52 Week High — Low (Rs.)	144 - 72		
Enterprise Value (Rs. cr)	122,810		
Outstanding Shares (cr)	1,055.4		
Free Float (%)	42.0		
Dividend Yield (%)	0.8		
6m average volume (cr)	2.3		
Beta	1.4		
Face value (Rs.)	1.0		
Shareholding (%)	Q3FY25	Q4FY25	Q1FY26
Promoters	58.1	58.1	48.6
FII's	14.3	12.4	12.7
MFs/Institutions	19.3	21.0	20.7
Public	7.5	7.7	7.8
Others	0.8	0.7	10.3
Total	100.0	100.0	100.0
Promoter Pledge	2.4	2.4	2.9
Price Performance	3 Month	6 Month	1 Year
Absolute Return	3.1%	34.0%	-24.1%
Absolute Sensex	-2.7%	7.5%	-3.9%
Relative Return	5.8%	26.6%	-20.2%

*over or under performance to benchmark index



Y.E March (cr)	FY25A	FY26E	FY27E
Sales	113,663	124,897	135,564
Growth (%)	15.2	9.9	8.5
EBITDA	10,552	11,744	13,189
EBITDA Margin (%)	9.3	9.4	9.7
PAT Adjusted	3,803	4,393	5,274
Growth (%)	28.2	15.5	20.0
Adjusted EPS	3.7	4.0	5.0
Growth (%)	23.5	15.5	20.0
P/E	23.8	27.1	21.8
P/B	2.6	3.0	2.6
EV/EBITDA	10.1	10.4	8.8
ROE (%)	11.9	11.3	12.5
D/E	0.5	0.3	0.1

Revenue up, PAT down; prospects bright

Samvardhana Motherson International Ltd (SAMIL) manufactures and distributes automotive parts. The company's products include heating, ventilation and air conditioning systems; air intake manifolds; highway vehicle cabins; air compressors; and pedal box assembly.

- Consolidated total revenue from operations in Q1FY26 rose 5.0% YoY to Rs. 29,943cr, driven by contribution from Atsumitec, recent acquired assets and resilient performance across business divisions.
- Emerging businesses grew 27.5% YoY to Rs. 6,521cr and wiring harness divisions 3.8% YoY to Rs. 8,640cr.
- Meanwhile, the modules and polymer products segment fell 2.8% YoY to Rs. 15,008cr.
- EBITDA declined 9.2% YoY to Rs. 2,270cr due to higher raw material costs and employee benefits expenses. EBITDA margin contracted 120bps YoY to 7.6%.
- Profit after tax (PAT) decreased 44.8% YoY to Rs. 606cr owing to higher cost of sales, and exceptional item related to operational restructuring at certain units primarily located in Europe.

Outlook & Valuation

The Atsumitec acquisition supported the revenue growth for SAMIL. However, structural costs and greenfield-related start-up expenses impacted margin and profitability. Despite this, emerging markets performed well, while developed markets faced pressures due to structural challenges. Nevertheless, the company says these challenges are in line with its plans and expects developed markets to contribute positively in Q3 and Q4 driven by higher demand. With strategic investments, a well-diversified business model and a strong order book, the company is poised for better performance going forward. Furthermore, recent structural changes would help it mitigate the impact of higher US tariffs. Therefore, **we upgrade our rating on the stock to 'BUY' with a revised target price of Rs. 120, based on 24x FY27E adjusted EPS.**

Quarterly Finance Consol.

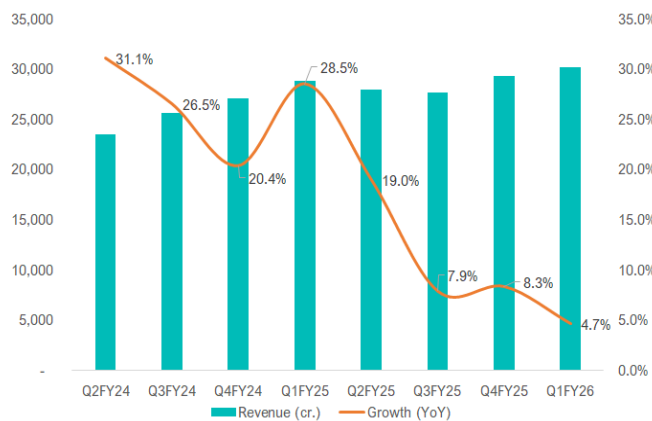
Rs.cr	Q1FY26	Q1FY25	YoY Growth (%)	Q4FY25	QoQ Growth (%)
Sales	29,943	28,522	5.0	29,119	2.8
EBITDA	2,270	2,500	-9.2	2,562	-11.4
Margin (%)	7.6	8.8	-120bps	8.8	-120bps
EBIT	1,040	1,435	-27.5	1,348	-22.9
PBT	872	1,445	-39.7	1,252	-30.4
Rep. PAT	606	1,097	-44.8	1,115	-45.7
Adj PAT	648	994	-34.8	1,051	-38.3
Adj. EPS (Rs)	0.6	1.0	-37.2	1.0	-38.3



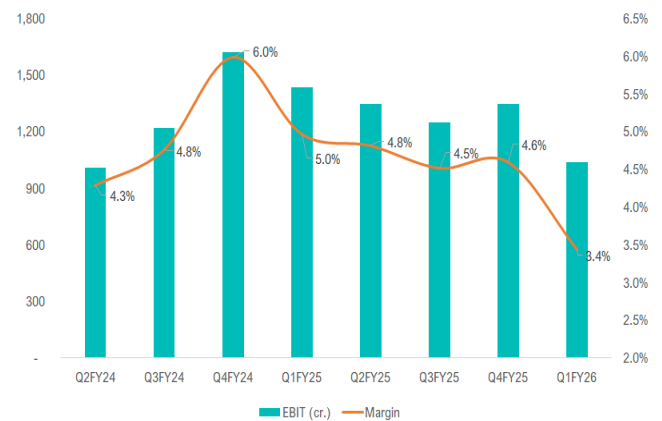
Key concall highlights

- Net debt, including lease liabilities, rose to Rs. 11,228cr in Q1FY26 from Rs. 9,791cr in FY25.
- Leverage increased slightly during the quarter, with a net effective debt-to-EBITDA ratio of 1.1x. The rise was primarily attributed to the expansion of working capital due to the significant uncertainty in the supply chain. Additionally, the sharp volatility in foreign exchange resulted in a translation impact of approximately Rs. 600cr on debt.
- The company has spent about half of its anticipated capex, with the largest piece to come with the larger facility. Additionally, the company plans to incur capex for the new business in Taiwan.
- The acquisition of Atsumitec contributed approximately Rs. 700cr to the total revenue in Q1FY26. Excluding this, the company achieved an organic growth of 2%.
- The company is targeting premiumisation in India and globally, catering to global OEMs.
- It has signed a partnership in Taiwan for sunshade and roof systems, which is expected to drive growth.

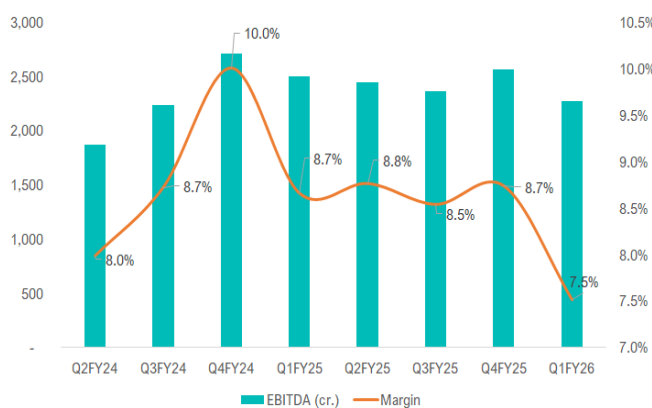
Revenue



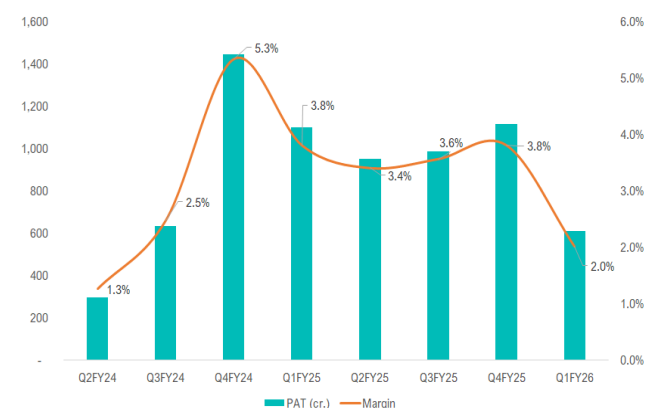
EBIT



EBITDA



PAT



Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change -%	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	120,686	131,935	124,897	135,564	3.5	2.8
EBITDA	11,905	13,500	11,744	13,189	-1.4	-2.3
Margins (%)	9.9	10.2	9.4	9.7	-50bps	-47bps
Adj. PAT	4,857	5,960	4,393	5,274	-9.5	-11.5
EPS	4.6	5.7	4.0	5.0	-12.3	-12.3



Consolidated Financials

Profit & Loss

Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Sales	78,958	98,692	113,663	124,897	135,564
% change	23.3	25.0	15.2	9.9	8.5
EBITDA	6,465	9,287	10,552	11,744	13,189
% change	29.9	46.8	22.5	19.0	16.1
Depreciation	3,136	3,811	4,493	4,875	5,269
EBIT	3,329	5,476	6,058	6,869	7,919
Interest	781	1,811	1,882	2,027	2,027
Other Income	-143	175	1,085	1,010	1,357
PBT	2,405	3,840	5,261	5,851	7,249
% change	68.9	59.7	37.0	11.2	23.9
Tax	735	821	1,116	1,463	1,812
Tax Rate (%)	30.6	21.4	21.2	25.0	25.0
Reported PAT	1,670	3,020	4,146	4,388	5,437
PAT att. to common shareholder-	1,496	2,716	3,803	4,257	5,274
Adj.*	99	250	-	136	-
Adj. PAT	1,595	2,966	3,803	4,393	5,274
% change	73.0	86.0	28.2	15.5	20.0
No. of shares (cr)	1016.5	1016.5	1055.4	1055.4	1055.4
Adj EPS (Rs.)	1.5	2.4	3.7	4.0	5.0
% change	-10.9	86.0	23.5	15.5	20.0
DPS (Rs.)	0.4	0.5	0.4	0.5	0.6

Cashflow

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
Net inc. + Depn.	4,805	6,830	8,639	9,263	10,706
Non-cash adj.	-216	80	-768	2,872	2,331
Other adjustments	-	-	-	-	-
Changes in W.C	53	659	-1,585	1,173	-742
C.F. Operation	4,643	7,569	6,286	13,309	12,295
Capital exp.	-2,183	-4,010	-4,433	-3,569	-3,873
Change in inv.	-326	-3,005	-821	-323	-388
Other invest.CF	264	353	392	242	254
C.F - Investment	-2,245	-6,662	-4,862	-3,650	-4,006
Issue of equity	-	-	-	352	-
Issue/repay debt	-1,450	3,442	17	-6,892	-4,997
Dividends paid	-331	-675	-746	-562	-659
Other finance.CF	-954	-1,486	-1,821	-2,027	-2,027
C.F - Finance	-2,734	1,281	-2,551	-9,130	-7,683
Chg. in cash	-336	2,188	-1,126	529	605
Closing Cash	4,699	6,986	6,289	6,818	7,423

Balance Sheet

Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Cash	4,699	6,986	6,289	6,818	7,423
Accts. Receivable	8,513	15,637	17,431	18,859	20,610
Inventories	7,823	9,139	10,787	11,118	11,832
Other Cur. Assets	5,744	8,511	8,801	9,036	10,860
Investments	6,786	7,007	7,222	7,671	8,209
Gross Fixed As-	30,311	42,590	47,023	50,592	54,466
sets					
Net Fixed Assets	17,563	21,654	23,829	22,653	21,381
CWIP	1,422	2,431	2,607	2,476	2,353
Intangible Assets	5,141	7,951	8,700	8,672	8,646
Def. Tax -Net	1,227	1,567	1,932	2,382	3,025
Other Assets	2,934	4,141	5,251	5,752	6,336
Total Assets	61,852	85,022	92,847	95,438	100,674
Current Liabilities	21,547	33,704	34,865	40,016	45,291
Provisions	77	126	161	206	264
Debt Funds	14,384	20,982	18,215	11,322	6,326
Other Liabilities	1,467	1,995	2,478	2,587	2,709
Equity Capital	678	678	704	1,055	1,055
Res. & Surplus	21,774	25,477	34,177	37,872	42,486
Shareholder Funds	22,452	26,155	34,880	38,927	43,542
Minority Interest	1,925	2,061	2,248	2,380	2,543
Total Liabilities	61,852	85,022	92,847	95,438	100,674
BVPS	22	26	33	37	41

Ratios

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
Profitab. & Return					
EBITDA margin (%)	8.2	9.4	9.3	9.4	9.7
EBIT margin (%)	4.2	5.5	5.3	5.5	5.8
Net profit mgn.(%)	1.9	2.8	3.3	3.4	3.9
ROE (%)	7.4	11.5	11.9	11.3	12.5
ROCE (%)	8.6	11.1	10.9	13.1	15.1
W.C & Liquidity					
Receivables (days)	39.4	57.8	56.0	55.1	55.5
Inventory (days)	63.0	61.3	64.5	59.5	60.2
Payables (days)	113.9	151.7	141.5	142.4	144.2
Current ratio (x)	1.0	1.0	1.0	1.0	1.0
Quick ratio (x)	0.5	0.5	0.6	0.5	0.5
Turnover & Leverage					
Gross asset T.O (x)	2.8	2.7	2.5	2.6	2.6
Total asset T.O (x)	1.3	1.3	1.3	1.3	1.4
Int. covge. ratio (x)	4.3	3.0	3.2	3.4	3.9
Adj. debt/equity (x)	0.6	0.7	0.5	0.3	0.1
Valuation					
EV/Sales (x)	1.0	1.0	0.9	1.0	0.9
EV/EBITDA (x)	12.3	10.2	10.1	10.4	8.8
P/E (x)	45.6	31.8	23.8	27.1	21.8
P/BV (x)	3.0	3.0	2.6	3.0	2.6



Recommendation Summary - (last 3 years)



Dates	Rating	Target
16-Feb-22	HOLD	83
31-May-22	BUY	64
13-Feb-23	HOLD	57
31-May-23	HOLD	57
05-Sep-23	BUY	89
30-Aug-24	HOLD	140
08-Apr-25	HOLD	82
01-Oct-25	BUY	120

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%
Not rated/Neutral			

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:

▲ Upgrade ● No Change ▼ Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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GRIEVANCES

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