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Scrip Code: 517334

Symbol: MOTHERSON

Ref.: Transcript of earning conference call for the quarter and financial year ended March 31, 2026

Dear Sir/ Madam,

Pursuant to Regulation 30(6) read with Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Transcript of the earnings call for the quarter and financial year ended March 31, 2026, for your information and records.

The transcript of earnings call is also available on the Company's website at www.motherSON.com.

The above is for your information and records.

Thanking you,

Yours truly,
For Samvardhana MotherSON International Limited

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Company Secretary

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“Samvardhana Motherson International Limited”

Q4 FY 26 Earnings Conference Call

May 20, 2026



Management:

Mr. Vivek Chaand Sehgal,
Chairman

Mr. Laksh Vaaman Sehgal,
Director

Mr. Pankaj Mital,
Whole Time Director and President- SAMIL

Mr. Gandharv Tongia
Group Chief Financial Officer

Mr. Rajat Jain
Chief Operating Officer, Vision Systems Business Division

Moderator: Ladies and gentlemen, good day, and welcome to the Q4 FY26 Results Conference Call, hosted by Samvardhana Motherson International Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. I now hand the conference over to Mr. V.C. Sehgal from Motherson. Thank you, and over to you, Mr. Sehgal.

V.C. Sehgal: Thank you. Good evening, everyone, and Thank you for joining us in the Quarter 4 and the Full Year '26 Financial Year Earnings call of Samvardhana Motherson International Limited. FY 26 has been a year of strong execution and steady progress. We delivered our highest ever quarterly and annual revenues alongside steady profitability and further strengthening of our balance sheet.

Our performance reflects the resilience of our diversified business model and disciplined execution across businesses. These results were achieved despite elevated commodity prices, especially copper, inflationary pressures and ongoing geopolitical uncertainties. Our continued focus on execution, cost discipline and operational excellence helped us navigate these headwinds effectively.

For the full year FY'26, we maintained capex discipline in line with the guidance, with investments largely directed towards future growth and new capabilities. I am pleased with further improvement in our leverage position, which now stands at its lowest level. Even as we continue to invest in our growth, these provide us with flexibility to support future expansion.

Our book business value of USD 96 billion remains strong and diversified, providing a good visibility for the coming year. We are making steady progress on our Vision 2030 road map. With that, I conclude my opening remarks. For in-depth details on results, I would request and would hand over to Vaaman and team for a walk-through of the business insights. Thank you, and over to you, Vaaman.

Laksh Vaaman Sehgal: Thank you, Papa. FY 26 has been another defining year for Motherson. We continue to demonstrate the strength of our diversified business model, the resilience of our operating structure and our ability to consistently outperform underlying industry growth despite an increasingly volatile macroeconomic environment.

I'm pleased to share that we achieved our highest ever quarterly as well as annual revenues during the fourth quarter and the year. These milestones are not only a reflection of the strong execution across our businesses, but also validates the strategic direction that we have taken over the last several years, building a globally diversified, multi-technology and increasingly non-automotive platform through our 3CX10 strategy and D.E.M.A.L. capabilities.

Starting with the quarterly performance, Q4 FY 26 was our highest ever revenue quarter with revenues growing 17% year-on-year. Growth was broad-based across businesses and geographies and was further supported by the successful integration and scale-up of Atsumitec. What is encouraging for us is that the growth was not dependent on any single customer geography platform or technology, but came from the strength of our diversified portfolio.

EBITDA for the quarter grew by 42%. EBITDA margins improved by 200 basis points year-on-year in the fourth quarter. Margin expansion was supported by improving profitability in our emerging businesses, particularly lighting and electronics and also aerospace. Over the years, we have consistently communicated that several of our newer businesses initially investment heavy, but once scale is achieved, they begin to meaningfully contribute to our profitability. FY26 is another example of that strategy translating into results. Normalized PAT for Q4 FY 26 grew by 66%, driven primarily by scale-up in operations, operating leverage and improving business mix.

As you are aware, the reported PAT includes exceptional adjustments pertaining to provisions made in respect of business transformative measures in Central and Western Europe, which amounted to INR 177 Crores post-tax. These measures are aligned with our ongoing efforts to optimize our footprint, improve our competitiveness and structurally strengthen operations in the region over the medium term.

For the full year, we crossed another major milestone with annual revenues exceeding INR 1.25 Lakh Crores, growing by 11% year-on-year. Growth was driven by strong momentum in emerging businesses, complemented by resilient performance across our core automotive businesses as well.

FY 26 EBITDA grew by 11%, while margins remained resilient at 9.5% despite significant inflationary pressures in the commodities during the year. This demonstrates the effectiveness of our operational excellence initiatives, cost optimization programs and improving efficiencies across plants, particularly within the modules and polymer business.

Normalized PAT for FY 26 grew by 17%, supported by improved operating performance and lower finance costs. The reported PAT for the year includes adjustments related to transformative measures in Europe, amounting to INR 328 Crores post tax, the impact of the new Labor Code of approximately INR 25 Crores post-tax and accelerated amortization of certain intangible assets amounting to around INR 45 Crores post tax.

Importantly, these results were delivered in a reasonably supportive external environment. Passenger vehicle industry growth globally FY 26 is estimated to be around 2%, primarily driven by emerging markets such as India and China. We also expect planned European OEM launches in FY 27 to support passenger vehicle growth going

forward. On the commercial vehicle side, the developed markets ended FY 26 positively with an estimated annual growth of 5.4%. We continue to remain constructive and bullish on the CV outlook for FY 27.

However, the operating environment was far from easy. Copper prices increased sharply by about 16% sequentially during the fourth quarter and were nearly up 38% year-on-year. In addition, geopolitical tensions in the Middle East led to crude-linked inflationary pressures towards the end of the quarter. Polymer prices in Germany also increased significantly following the escalation of the conflict while global freight and container costs also moved up meaningfully.

That said, Motherson's business model is designed to navigate such cycles. We have long-term pass-through arrangements with our major customers for raw material price variations. While there may be a timing lag of one or two quarters before settlements are realized, these mechanisms provide structural protection over the medium term. Similarly, our globally local manufacturing strategy continues to be one of our biggest strengths. We manufacture in or near the markets we serve, which substantially reduces dependence on long-distance supply chains. As a result, disruptions arising from Red Sea shipping challenges and broader geopolitical tensions have had minimal impact on our operations. For customer nominated components, we also maintain back-to-back supply arrangements to mitigate cost escalation risks.

Coming to the businesses highlights for the year. Our Automotive business division achieved an all-time high in revenues supported by strong execution across divisions. Detailed divisional performance has been covered in the presentation. But what is particularly exciting is the accelerating contribution from businesses built using our D.E.M.A.L. platform and capabilities.

Our consumer electronics business scaled up significantly during the year with revenues increasing approximately 7.5x year-on-year. Q4 revenues further grew around 46% sequentially, supported by operationalization of the second facility in Q3 FY 26. During Q4, we achieved production run rates in line with our targeted annual guidance of 14 million to 16 million units. Importantly, the business achieved EBITDA profitability during FY 26, a major milestone in our scale-up journey. The third facility remains on track for commissioning in the Q3FY27 and will include additional upstream integration capabilities, which should support both growth and the margin enhancement.

Similarly, our Aerospace business continued to demonstrate strong momentum. Revenues grew 40% year-on-year, taking the top-line expansion to nearly 10x over the last 3 years. The order book increased by over 20% to USD1.6 Billion, providing strong term -- strong long-term visibility. We also expanded our product portfolio across multiple platforms, securing orders for metallic parts, subassemblies and wire harness across business jets and rotary wing aircraft programs. Aerospace remains an excellent example

of how our core manufacturing, engineering and system integration capabilities can be leveraged beyond automotive into high-value adjacencies.

On the inorganic growth front, we continue to deepen our relationships with global OEMs and strategic partners. FY 26 marked the full first year of Atsumitec integration and we are pleased with the progress. We also completed the acquisition of another Honda San asset, further strengthening our strategic relationship with that customer group. The acquisition of Yutaka Giken will mark our third Honda San related acquisition and remains on track for completion by the end of first half FY 27.

The proposed acquisition of Nexon's automotive harness business will also significantly enhance our passenger vehicle and commercial vehicle wiring harness capabilities globally, deepen relationships with large OEMs and create meaningful cross-selling opportunities for the group.

In logistics, our partnership with Hellmann represents another big strategic step allowing us to evolve from 3PL to 4PL capabilities and provide increasingly integrated solutions to customers. Before we move ahead, I would now like to invite Gandharv to take you through some of the key financial highlights and performance metrics for the quarter and the year. Over to you, Gandharv.

Gandharv Tongia:

Thank you, Vaaman. Another major highlight for the year was our all-time high book business of USD 96 Billion. This gives us strong visibility for future growth. Around 22% of the book business comes from EV programs, while non-automotive contributes around 3% and continues to grow steadily.

Importantly, the book business remains highly diversified across passenger vehicles, commercial vehicles, off-highway, rolling stock, 2-wheelers and other segments. It is also diversified across geographies and business divisions with a growing share of higher-margin businesses expected over time.

Emerging economies continue to increase their contribution within the order book. These geographies not only offer superior growth potential, but also provide efficient manufacturing ecosystem that can support exports to adjacent developed markets under our globally local strategy.

Another key enabler of our long-term growth continues to be sustained investment in capex. Fiscal '26 capex stood at INR 5,911 Crores, representing 49% of yearly EBITDA. Investments were directed towards growth projects, backward integration and maintenance initiatives aimed at supporting future expansion and improving profitability. For FY27, we expect capex of approximately INR 6,000 Crores plus/minus 10%, of this 50% will be growth capex and 50% maintenance capex.

Within growth capex, we will continue to allocate disproportionately higher investment towards emerging businesses, especially consumer electronics, where we see substantial long-term opportunity. Currently, 16 facilities are at various stages of development globally, with 13 scheduled to come on stream during fiscal '27.

We also announced 4 new facilities post last update, 2 for wiring harness and 2 for logistics business. Notably, all 16 facilities currently under development are located in emerging markets, reflecting our continued focus on these fast-growing manufacturing and consumption hubs.

Despite continuous investment in growth, our leverage ratio improved further and reached an all-time low of 0.8x. This remains well within our long-standing financial policy of maintaining leverage below 2.5x and our internal aspiration of staying below 1.5x. This reflects the financial discipline embedded within the organization.

ROCE, return on capital employed moderated slightly to 16.1% this year from 17.2% in the previous year, largely reflecting record capex investments towards capacity creation and future growth platforms. As scale improves, synergies from acquisitions are realized, backward integration increases and operational efficiencies continue to strengthen, we expect ROCE to progressively improve.

We remain committed to our Vision 2030 aspiration of achieving 40% ROCE across businesses over time. Our diversification strategy under 3CX10 also continues to strengthen risk management capabilities. Diversification across customers, geographies and components remains one of the biggest structural strengths of Motherson.

Overall, FY26 has been a very strong year for the Company. Gross revenues stood at USD 22.9 Billion. As FY 26 marks the first year under Vision 2030, FY 25 revenue have been reinstated to USD 21.2 Billion using a constant exchange rate of INR 84.55 by per USD in line with the Vision 2030 reporting methodology to ensure better comparability across periods.

We continue to move steadily towards our Vision 2030 aspiration of reaching USD 108 billion in gross revenues, while simultaneously improving diversification, strengthening returns and maintaining financial discipline. In line with this progress, the Board has approved a final dividend of INR 0.25 per share, taking the total FY 26 dividend to INR 0.60 per share.

This translates into a payout ratio of 16.4%, an improvement of approximately 1% over fiscal '25 and reflects our commitment towards progressively moving closer to our Vision 2030 dividend payout aspiration of up to 40%. As we look ahead, we remain very positive about Motherson's growth prospects, supported by increasing content per vehicle, electrification, electronic integration and supply chain localization trends.

Backed by our deep OEM relationships, diversified technology portfolio, global footprint and our proven D.E.M.A.L. capabilities, we will continue scaling both automotive and non-automotive businesses, while maintaining strong financial discipline and operational excellence. We are fully charged up and excited about the opportunities ahead as we continue building a stronger, more diversified and future-ready Motherson. Thank you and we will now open the floor for questions.

Moderator: Thank you very much. We will now begin the question and answer session. We will take our first question from the line of Raghunandhan NL from Nuvama Research. Please go ahead.

Raghunandhan NL: Congratulations on strong numbers to the entire team and thank you so much for sharing the segment-wise geography breakup along with the results. My first question was on integrated assemblies. Can you talk a bit directionally about the outlook for FY 27? You have highlighted 2x new program launches in comparison to '26, would that mean that this segment can have a strong growth in double-digits, high-teens for next year?

V.C. Sehgal: Go ahead, Vaaman.

Laksh Vaaman Sehgal: Yes. Look, I think it was very important year for MSAS. I think you've seen that Motherson has very strong capability in integrating large sized acquisitions and, of course, you can see the hard work done by the entire MSAS team and how they've been able to, of course, leverage on Motherson ecosystem and our customer relationships, our purchasing and the entire ability to look into more opportunities of growth within the customer group.

So look, we are extremely pleased. I think Frederic and the team have done a fantastic job over there. They have really looked at all the places where we had leakages in terms of small red units and converted those, work closely with the customers winning new programs and also diversifying the base and bringing different product groups also in with meaningful discussions.

So definitely, we see growth to happen this year as well. Of course, it all depends on how many cars the customers sell. That's not in our control. But I think in terms of program wins and where we are looking at in terms of diversification of the things that they are doing and the growth opportunities, we should definitely see meaningful growth come in MSAS. Of course, I can't guide you exactly on the numbers because, like I said, a lot depends on the customer sales that happens since they are completely correlated to that. But we're extremely hopeful and positive that they will continue to grow from here.

Moderator: Thank you. We will take our next question from the line of Joseph George from IIFL Capital. Please go ahead.

Joseph George: Hi, thank you for the opportunity. I had three questions. I'll take them one by one. The first question is on the cost increases that you highlighted. So, for example, overheads going up, energy costs, polymer prices going up, etcetera. So from the past, I recall that during the Russia-Ukraine crisis, when the same thing had happened, gas prices, polymer prices, etcetera, had shot up, there was a lag in getting the pass-throughs from the customers.

And if I recall right, while copper is contractually arranged in terms of the pass-through overheads and costs such as polymers etcetera, are negotiated. Can you please help us understand what the situation is now? Is it contractual with respect to these overheads and polymer or is it negotiated?

Laksh Vaaman Sehgal: Yes, it depends on customer to customer. There is a mix of both, because all customers follow their own styles. And definitely, the partnership with the customers is only getting stronger with the volatility and everything that there is in the market because they want meaningful supplier partnerships and no one is really looking to pull each other under the table just because of one macroeconomic event, which benefits one over the other.

So, I think in times like this, the partnership and the things that are the relationships that we have with our customers really comes to the front. As you know, we have done numerous acquisitions, turned around companies for them, entered new products and they also understand that there are some things that are out of our control.

So yes, in some customers, there definitely is a lag. Some customers follow the contracted approach. But there are always meaningful conversations to be had, and there is definitely a lag also that happens depending on the commodity. But if you remember, even through the entire year, we were also putting a lot of reorganization kind of measures in and driving operational efficiencies and also trying to reduce some of our red units.

And we've also had a very strong order book win. So, a lot of those things are all playing off. Some of the new units have also launched, which are now taking businesses. So those fixed costs are being covered. So, it's a combination of all those things that you're seeing that strong performance has led to and definitely a lot is to do with close communication and relationship management with our customers.

Joseph George: A couple of other questions. One is when is the Nexon's deal going to be completed and when will we start booking revenues?

Pankaj Mital: This is Pankaj here. We expect the closure sometime in the end of June, beginning of July. And that's the time when it should get consolidated with the regulatory approvals being in place. Some of them are currently in progress, so that's our expected timing.

Joseph George: Sure. Thanks. And the last one that I had was when we look world over, we are seeing that yields are going up across the board. So want to understand your debt, is it protected from

short-term spike in yields or will we - or should we account for higher interest costs going forward?

Gandharv Tongia: So, we have a combination of both fixed and floating. It's a diversified portfolio. To a certain extent, it's protected and for the balance, it's a conscious call which we have exercised.

Laksh Vaaman Sehgal: But I think Gandharv at the same time, the net debt to EBITDA is probably at the lowest level that we have seen, even though we have had the strongest capex outflow. So, I think we will continue to reduce this number going in the year. So, wherever it is unfavorable or moving in that direction, with the cash flow generation that we are doing, we will have a significant opportunity to actually pay that out through our positive cash flow.

Joseph George: Thank you. That's all I had.

Moderator: Thank you. Next question is from the line of Kapil Singh from Nomura. Please go ahead.

Kapil Singh: Good evening, sir and congratulations on a very good performance. My question was on consumer electronics division. I think the next plant will open in Q3FY27. So just wanted to understand what is the utilization level currently and how the revenues will pace here? Also, when I look at the top customers, consumer electronics customers are not reflecting in that list. So, have we included those customers also or where are they?

Laksh Vaaman Sehgal: Yes. So I'll take some of it and Gandharv will probably support me on this. Look, the third plant utilization is zero right now because it's in start-up phase and then you will do the testing prototypes and all of that and that's when it will really come up, like I said. And once it comes up, actually, the timing is - it goes very fast. So, unlike automotive, which takes a couple of quarters to ramp up or a year or so also to reach the highest volumes, on the consumer electronics side, when the order starts, it really comes at full-fledged levels. So, the timing that we've given you, that's when it will come up and the utilization will go significantly higher at that time.

Right now, it's the smaller units, GF1 and GF2 which we are using, which are almost practically fully used up in what we are doing. So, the meaningful kick will come as soon as the third plant is operational and takes on revenues. And then you will see those numbers as they come because the order book for that only comes immediately before the program kicks off. That's when we get the full visibility. But we think that it will be at very, very good levels better than or as we budgeted for it for what the construction that we have made. So overall, extremely positive on that aspect. And I think that this will really contribute significantly and on the orders, on the customer split, Gandharv, this still fits in other segment.

Gandharv Tongia: That's right. This particular customer is included in others and just to support what Vaaman rightly mentioned, between GF1 and GF2, our annualized production guidance

was around 14 million to 16 million units and which is what we have already achieved in the fourth quarter of the year gone by. And from third quarter of the current fiscal, we should be able to see GF3 going into the stream. And from there, we should be able to take the growth level to the next level as far as this particular business is concerned.

Kapil Singh: Sure. Sir this top 20 customers includes all divisions or it includes only automotive?

Gandharv Tongia: All divisions.

Kapil Singh: Okay. So, there is no consumer electronics customer in top 20?

Gandharv Tongia: And we are not also allowed to talk about a few of those customers and those names have not been included in the reporting.

Kapil Singh: Secondly, just on the restructuring, can you give us an update what percentage of the restructuring is complete? Should we expect more benefits to come through going ahead or are we already seeing most of the benefits?

Laksh Vaaman Sehgal: Are you talking about the European one that we spoke about. Is that the one that you're talking about?

Kapil Singh: Yes.

Laksh Vaaman Sehgal: Yes. Look, I think a big chunk of it is done. Of course, you're seeing the situation that is happening in Europe and a lot of macroeconomic issues continue to plague the region where volumes growth are not as meaningful as we have expected in the past, but yet MotherSON continues to grow through acquisitions and increase in, let's say, the value content that is going up.

But yes, I think we definitely do see more possibility for us to restructure operations. And I think we will also continue to acquire operations and resize them to make them perfect. So, as you can see, we have significant headroom for acquisitions. All the acquisitions that we have done have been integrated really well. You can see the performance of that.

That is what's leading to record top line for us and also the holding of the margins because we brought this diversification and all the businesses in. And I think the customers will continue to look at us for solutions. And at that time, more resizing will be required because that is why those assets have come into problems, right?

So, from that sense, I think we are operating at a fairly strong base. We will further drive efficiencies in our business, but the more meaningful volume growth will definitely come from acquisitions that we envisage will come just like they have in the last few years. And when they come, they will come in quite a bundled manner.

Kapil Singh: Okay. And finally, just one question on EVs. It's 22% of order book. Can we also get an idea of what percentage of revenues are EVs currently and will most of the ramp-up in revenues now come from EVs given the scale of order book?

Laksh Vaaman Sehgal: No, not at all. I think the revenue component is 11% around that. But look, the split - well first, I want to say that, look, we are engine agnostic in the sense that we are not really doing too much parts, which is directly impacted. We are able to support those variants that are both EV and non-EV.

That's the majority of the business, even though we have done some strategic acquisitions to start looking at that, but the majority of the business is still hugely agnostic to what the powertrain is. The customers moving forward into only an electric kind of a mindset, have now shifted and said that they will move in all kind of powertrains. I'm generalizing, but they will offer all solutions. They will also offer ICE. They will also offer electric and they will also offer hybrid -- really to tell you what models get picked up, that's really dependent on the customer preference, how much the governments are supporting, what is being sold by the dealerships.

But we are fully capable to supply the variants of our interiors, exteriors, wiring harness, plastic parts, mirrors. I mean all of these relatively can be picked up depending on what the customer pulls from us. So that will only be determined when the volumes is actually picked up by the customers.

But we do not envisage a huge shift happening in a short period of time. Surely, electric is growing in the portfolio, although it keeps moving up and down and has volatility. But we believe that the market will never be so that it will only be electric or something like that. There are horses for courses.

Different markets will have ICE dominated different markets will move towards hybrids, different markets for example, China are already dominating electric. So, there's no generalization to be had. It will all depend on how the market pulls and what the government support is and again what the customers' preferences are.

Kapil Singh: Thank you Sir, for all the detailed answers and best wishes.

Moderator: Thank you. Next question is from the line of Aryn Pirani from JP Morgan. Please go ahead.

Aryn Pirani: Yes. Hi, good evening and thanks for the opportunity. Just a few clarifications. In your breakup of emerging businesses, if I look at lighting and electronics and I'm assuming that consumer electronics is part of that. Despite the very sharp uptick in consumer electronics, the revenue growth in lighting and electronics is just about, say, 30%. So, is it fair to say that the lighting business has had a fairly tepid year or am I over estimating the impact of consumer electronics here?

Laksh Vaaman Sehgal: I think lighting and electronics definitely had a very strong year. I mean, I think, again, you're not seeing that meaningful rise because GF3 is still to come up. As soon as GF3 comes up, you have to understand that GF1 and GF2 are minute size compared to what we are building at GF3. GF3 is the largest facility that we will have in Motherson. It's a size of 33 football fields that is going to come into commission. So that -- I think you should really look at this number next year. And then you will see the real impact of the electronics business that comes on stream. On top of that, I think we are doing numerous more initiatives.

You've seen some releases also about Motherson Electronics, where we are looking to do our own PCBAs, our SMT lines. We are building a lot of strength on that, even on the wiring harness side, a lot of focus is going into electronics with the new technology that is coming over there and the EVs and things like that. And I think, again, with the Nexans integration, a lot of stuff will more happen towards electronics field. I think it's a wait and watch. Please see what happens in a year or two. We are driving extremely strong in semi-conductors and in consumer electronics. All of these will become really meaningful in a couple of years to come.

Please just be patient and understand that in a very short period of time, we are already supplying to some of the world's biggest names and scaling quite fast, although the automotive business continues to scale itself. So, this growth comes -- becomes a bit minute because you're comparing to what has already been in automotive for the last 50 years and all of this has just come up in the last couple of years. So just be patient, I think we'll be having a very different discussion next year.

Amyr Pirani: Sure. We look forward to that. And just for context, GF1 and GF2, you mentioned that in Q4, you're hitting the annualized run rate of 14 million to 16 million units. So GF3 will be a multiple of this or like any broad indication are you giving right now that GF1 and GF2 is 14% to 16%. So GF3 will be like of 2 to 3x or 5x of this, something like that?

Laksh Vaaman Sehgal: I can't give you, I can't give you, but yes, it will be multiple of it a because that's how designed to be. It was us to prove to the customers that we are capable. And now we are building a big plant to come in. So, wait for a couple of quarters to really see that number because, like I said, I think the most exceptional part of this business is that the order book only runs for that 1 year, right? The next year, you get the next order.

It's not like automotive where it's a gradual increase, then moves into high, then the thing starts to decline. It goes straight 0 to 100 because you have to produce as much as you can as soon as you win the order for the selling season. And then you move a little bit lower into spares and all that, and you already start working on the next program.

So, it's a very difficult different sort of industry, a difficult one because we are obviously more used to be automotive side, but I think the team has done a wonderful job to adapt

and challenge this new industry. And the work you will see in a couple of quarter's time and see how the team has wonderfully adapted and taken on this challenge and you'll see that reflecting in the numbers in a very sharp way. So I'm quite excited to report that to you in coming quarters.

AmyN Pirani: And just on the aerospace business, would it be fair to say that out of the INR 2,400 Crores odd revenue, a large part of this would still be a business which is still being done in Europe, but your expansion is mainly India. So, there should be a large scope for expanding margins here as these revenues go up?

Laksh Vaaman Sehgal: I mean you always hit the nail on the head. Actually, we were looking at the order books and the Indian order book is perhaps even larger than what we have in the European side. So, the growth is coming in a tremendous fashion. I think you all saw on our Investor Day that we had the customers there and how they're looking at MotherSON to partner and grow their order book share in India.

So, it's extremely exciting what's happening on the aerospace side. Not only are we looking at that, we're also looking meaningfully to penetrate the semi conductor business through the capabilities in aerospace because they are complementary and there is also some seeds which we have started, although extremely small right now, but hopefully in coming years that would also scale up in a meaningful size.

But we are extremely pleased with the growth that's come in the aerospace and this is just the first -- this is really the first step, more meaningful acquisitions, more global growth and of course, India being the center of growth in aviation with what's happening with the infrastructure development around it and the Indian consumers growing rapidly, preferring to take more and more airplane routes and more airports being built in India with their infrastructure, we believe it's going to be a lot of many years of growth to come and we are in great shape to take advantage of that growth.

AmyN Pirani: Great. Thanks for answering the questions and I will come back in the queue. Thank you.

Moderator: Thank you. Next question is from the line of Binay Singh from Morgan Stanley.

Binay Singh: Hi, team thanks for the opportunity. Just starting with the consumer electronics Earlier, we had talked about INR 2,600 Crores capex in that business. Where are we on that number and in this capex guidance of next year -- is that -- are we -- have we increased it or is it just that is already included in this?

Gandharv Tongia: Thanks, Binay. You're right. That was the guidance which we gave last year. For the current year, we are in the process of finalizing the numbers. It should be broadly in the range of what we guided in the last year, but allow us a quarter to come back to you with the firmed up numbers.

Binay Singh: And secondly, the 16 million exit number that we talked about, that is unit number. Any guidance on what is the revenue per unit?

Laksh Vaaman Sehgal: Look, we can't guide on that yet. I think, again, let it become meaningful by GF3 and I think that's the time where we will start to talk more about the exact numbers once it's a meaningful size. Right now, again, just GF1, GF2 are too small to be able to disclose those numbers in a meaningful way. Let GF3 come out, and you will see a much clearer picture and that will have the meaningful impact for you as well.

Binay Singh: So even then the lighting and electronics EBITDA that we see. So currently the contribution of this business will be fairly small in that, right? That's a fair way to understand, right?

Laksh Vaaman Sehgal: That's right.

Binay Singh: And then just moving to aerospace. We have two facilities coming up in the first quarter of FY 27, both in India. We had a very strong FY 26. What kind of growth do you see in the coming year?

Laksh Vaaman Sehgal: Look, the order book for the aerospace is at record number for us. I think we are allowed to disclose order book. I think, yes. So that is some number that we have already disclosed, 1.6 Billion is the order book. So, with these two facilities, we'll cater to that additional demand.

I think it doesn't stop there. I think this year, again, we are hungry for more growth and perhaps if we are able to secure some big orders, and also look at some acquisitions, that number will continue to grow. But these two plants are for the new capacity and order book that we already have in hand, which is about 1.6 Billion.

Binay Singh: And what year because your current revenue is USD 250 Million or so in aerospace. So, 1.6 Billion is over how many years?

Laksh Vaaman Sehgal: So usually, in aerospace, it's about 5 to 8 years around that, depending again how much customer pulls. But usually, we have seen that, that gets front ended because like I said, I think the demand in India is extremely strong at the moment. And this will not stop there. I think we are aiming to grow even further from here and have bigger wins this year and hopefully, we'll come back to you in subsequent quarters to tell you how that order book is growing. It has consistently grown. It was at 1.2 Billion, I think, the last time we reported it. So, 1.6 Billion is a meaningful jump on that just in a few quarters. So, as you can see, there is exponential growth happening now. And hopefully, these numbers will only continue to go in that direction.

Binay Singh: Thanks and just last, going back to the auto business. We have this one comment on Slide number 2, where we are saying that European OEM launches in FY 27 expected to support growth. And we know that Europe is it seems like Europe is having a weak summer for auto

production. These launches that you talk about, are they the usual course of business or this year, you have an exceptional number of new launches coming through, which can help you offset the industry weakness?

Laksh Vaaman Sehgal: Yes, it's a very good point. I think, I guess, one, our restructured footprint is going to help us because we are definitely leaner in these locations. And definitely, the new order wins are coming with exciting new attributes in the car. All of them are content heavy and value increasing.

As you can see, a lot of the new EVs are coming with a lot of feature-rich content. So, a lot of the new cars are coming with exciting new technologies, exciting new materials and the way that we are going after these with the content heavy kind of stuff, we definitely believe that these launches will help both meaningfully in top line and bottom line for us.

V. C. Sehgal: Also, I think it's important for people to understand that the customers in Europe are not always the same. Even the new customers in Europe are coming in from outside Europe and they're producing in Europe and the customers have realized, our customers have realized that they thought they could get the mirrors from the normal source in XYZ country, but in Europe, they are doing local manufacturing and then that's where our opportunity is huge. And that's what is there. So, it's a huge mix of new customers, old customers, old models, new models, everything is happening at this time. And we're always at the edge of our capacity? What should I say?

Binay Singh: Great. Thanks team. Thanks for the detailed response.

Moderator: Thank you. Next question is from the line of Raghunandhan NL from Nuvama Research. Please go ahead.

Raghunandhan NL: Thank you Sir, for the opportunity again. In wiring harness division, there is an extremely strong margin expansion of 170 bps Q-o-Q, and this is despite the copper price increase and also some contraction in margin in Motherson Wiring India. So, what is the driving factor for this margin expansion? Is it mainly operating leverage across the global entities like PKC, Stoneridge?

Pankaj Mital: Yes, it's mainly because of the operational improvements. And since it's a global business, so there were some entities in some parts of the world, which had not performed well earlier, which have done better in this quarter. And you're right, there is an impact of copper, which is a lag, which we should be recovering in the coming quarters.

Raghunandhan NL: Thank you. Thank you for that.

Pankaj Mital: And as we move forward, we see also that markets recovery in the North American side will also come in, which should also help us to become even much better.

Raghunandhan NL: Well noted on that point. One clarification, input cost inflation like commodity, there is an automatic pass-through with some lag. On energy gas price, freight cost, there has been some increase in the recent months? Would these higher cost reflect in Q1, is there an automatic pass-through here with customers or would that happen through negotiation?

Gandharv Tongia: So, all these costs in the quarter gone by, the impact was there only for a few weeks, which was not necessarily very significant. But you are right, in the current quarter, most of the industries have incurred these additional costs. In our businesses, generally these are matter of negotiations. We have very strong relationship with our OEM customers and over the period, albeit with the lag, we should be able to recover most of these increase in the cost from the customers.

Raghunandhan NL: Noted, sir. Just a last question. Leverage position is very strong at 0.8x. And there was one comment where you indicated that debt will continue to reduce. Given the uncertainty, wouldn't you be looking at more inorganic opportunities or would there be debt reduction? How do you -- how should we look at that?

Gandharv Tongia: At Motherson, we continue to evaluate inorganic opportunities. Whenever we come across any inorganic opportunity in line with our philosophy, generally, at the behest of the customer, will certainly explore. But as Vaaman mentioned as a response to earlier question, we'll continue to generate healthy cash flows, and we will use these cash flows for supporting our organic growth in the form of capex and wherever required or possible we will also retire debt to ensure that we utilize these cash flows in the meaningful manner.

Laksh Vaaman Sehgal: Thanks, Gandharv. It's a Gandharv's job to return the debt and my job to spend more money. So look, I think you all know, our targets for 108, I think Gandharv and team are doing a superb job to keep tight control on the finances and keep that operating leverage very much favorable.

But we definitely have to keep headroom, if we want to go after that 108 target and we definitely, whenever we are speaking to the customers, we know that there are a lot of issues still out there, a lot of suppliers that are still in trouble. And a lot of factors that are still very much creating chaos in the supply chain and will require investment, will require capex, will require upgradation and we are keeping headroom for that.

So, I think that's something that's around the corner. Of course, we will be disciplined as we always have been. We will wait for the customer to approach us. But our thinking is that, that is around the corner. And that's why keeping this healthy headroom where our operations can continue to grow.

As Gandharv already said, we're looking to spend a considerable amount of capex this year as well to meaningfully grow our top line, but we want to keep money for the

acquisitions that will become a game changer for us, both in terms of products and the customers and the product segments that we serve.

On top of that, the new businesses all are doing extremely well. The customer's confidence is growing on us. And we know that those acquisitions are also around the corner because once you solve the customer's problem and then they're happy with you and the trust goes up, you're the first person they think of when they have the next problem.

So, we're inundated by that. Honestly, our pipeline for possible acquisitions is probably also at quite a high in those terms. And we are patiently waiting. And all we have to do is continue to deliver to these high levels of quality that the customer expects. We are extremely cost conscious and we will be high in their ratings and the opportunity will present themselves and customers are definitely calling us.

And as we talk, we're looking at opportunities of course, we can't disclose. We will only do that once they are meaningful and all the things are sorted out with the customer. But as we speak, we are looking at meaningful opportunities to again change the trajectory of Motherson and get closer to our Vision 2030.

Raghunandhan NL: Thank you Sir for sharing that thought process and looking forward to the announcement. Thank you.

Moderator: Thank you. Next question is from the line of Aditya Ladhada from Stallion Asset. Please go ahead.

Aditya Ladhada: Good evening Sir. Firstly, Congratulations on a great set of number. So we're doing a capex of INR 2,600 Crores in a consumer electronic business, that's probably larger than most of the EMS companies in India. And the kind of growth that we've done 7.5x of this of Y-o-Y is also incredible. It's like we found a new TAM to deploy our D.E.M.A.L. capabilities. So, going forward, this year also, can we expect maybe not 7.5x, at least to 5x growth Y-o-Y for the consumer electronics business?

V. C. Sehgal: Why not 7.5?

Aditya Ladhada: That would be great Sir. That would be great.

Laksh Vaaman Sehgal: Look, this is a very key point for Motherson. We have realized electronics is core to a lot of the products, not only touching the automotive side, but of course, as an independent segment as well. And that's why we are deploying more and more capital to it, building more competency, adding on to the team.

You'll also hear about potential new joint ventures that we are forming, of course, acquisition opportunities that are strategic and inorganic growth. So, all of this will

definitely lead to meaningful multiples of growth in the Electronics division. Now of course, a lot depends on again, our ability to execute and the customers' confidence in us, but we are completely committed to having a lot of growth in this division.

Aditya Ladhah: And secondly Sir, during the Q2 PPT, you had mentioned that our order book for the consumer electronics and aerospace business was close to USD 3 Billion. And today, you mentioned that our aerospace business is close to USD 1.6 Billion order book. So, is it fair to assume that the rest of it is consumer electronics and to be executed in 6 to 12 months?

Laksh Vaaman Sehgal: It's safe to assume that next time I have to be more careful with my words because you are -- but yes, look I think overall and it's not just that one plant that we're looking at. It's complete electronics, like we are buying a lot of our own PCBAs, from our SMTs and things like that as well.

So all of that will meaningfully contribute in this coming year because our own Electronics Company, which is going to be doing a lot of SMT lines that we are setting up that will contribute. And we're going to bring a lot of that purchasing in-house. So that, along with the consumer electronics, along with our increasing focus on electronics and the other segments. That's something that we are targeting. Now it may come plus/minus 10% to that number. But yes, we are hopeful that it is on the positive side and continues to grow from here.

Aditya Ladhah: And Sir, broadly, this consumer electronic business JV, even though it's JV, it'll to be consolidated, right? And what margins are we looking at it close to 20% margins for this business?

Laksh Vaaman Sehgal: Look, I would want even more, but -- look, all I can say right now is that with GF3 scale, I think it's definitely better than what our group is doing at the moment. Of course, I cannot give you an exact because we don't guide on margins, but this should be helping to increase our ROCE because the investments have been done and the returns will start to come.

And like I said, give us some time, I think we are very excited about the business. This is our first step into a business like this. Will we ever hit the number that you're talking about goes to see how things pan out and how much we can build our strength internally. None of these businesses ever start out at that those kind of margins. You have to build up the capability to reach those kind of margins. But like I said, I think the first fundamental step has been made, and it will be in the positive direction and hitting EBITDA positive already at this stage is a wonderful sign. Where it reaches, I think you'll have to wait and see. And like I said, we are more focused on the ROCE rather than just the EBITDA number because that's what's more meaningful to us.

Aditya Ladhah: And Sir, last question is, so you mentioned that order books also we get orders when the facilities are live or something. So, the order book that we have right now, taking out the aerospace, do we expect it to increase by Q3 FY 27. And would the entire execution come in FY 28 for the order book given the order cycles for 6 months to 12 months, as you mentioned?

Laksh Vaaman Sehgal: No. So, for consumer electronics is that much. But the automotive, it's more 2 to 3 years depending on how we have won it and that will go on for the next 5 years. So aerospace is even longer than that. It will come within, again, 2 years or a little bit less than that, but that will go on for maybe 10 years, maybe even longer than that because as you know, the airplane platforms last for sometimes 20 years, even longer than that.

But the order books are generally around that level, there's, of course, upgrades, changes, a lot of those things kind of happen. So now you see that the complete strength of MotherSON, the D.E.M.A.L, you have the fast-moving consumer electronics space where everything is already decided in 1 year, the new product, the order win, the order execution it is all within 1 year to move towards the medical devices, which is perhaps a little bit longer towards more automotive, which is even longer towards aerospace, which is the longest and goes all the way up to order execution of 10 years' time. So again, the whole idea is to diversify the business, to be able to reduce the dependency on any one industry and be able to grow even times of high volatility. And I think that's what's playing out, as you can see, we are in severe macroeconomic turmoil, but the diversification in our business is what's helping us to grow.

Aditya Ladhah: So broadly, I would say it's safe to say USD 1.4 Billion of consumer electronics to be executed in FY 28. And so there's a new CEO that has come at Apple, quite a big change. So first of all, they may be our customers and does that have any impact on our business?

Laksh Vaaman Sehgal: So that's your assumptions. Again, we're not here to talk about our customers or any customers out there. I think that is, again, your assumption of what's going to happen. I think the best person to answer those questions is the customer that you are talking about. We are here to answer questions about our business.

Aditya Ladhah: Got it. So, 1.4 Billion for FY 28, consumer electronics?

Laksh Vaaman Sehgal: With God's grace, we'll do more than that. I hope so, but again it depends on what the customer pulls and what happens.

Aditya Ladhah: Got it.

V. C. Sehgal: I think it was one quarter ago or something like that, we think that's how, that has to happen.

Laksh Vaaman Sehgal: Let's see what happens.

- Aditya Laddad:** Sure. Okay. Thank you Sir.
- Moderator:** Thank you. Next question is from the line of Neel Shah from Purnartha Investment Advisers. Please go ahead.
- Neel Shah:** I just wanted to understand that in terms of net revenue, what would you say your 2030 Vision would be?
- Laksh Vaaman Sehgal:** The net revenue?
- Neel Shah:** Yes.
- Laksh Vaaman Sehgal:** It's gross revenues, it's a gross target because it's a vision for the entire group, and that's a 108 Billion gross revenue target, not net.
- Neel Shah:** So that would imply a CAGR of 47% over the 4 years? Am I understanding that right?
- Laksh Vaaman Sehgal:** Yes. And I think that is something that we have done over the last 50 years as well.
- Neel Shah:** Thank you.
- V. C. Sehgal:** This is the seventh 5-year plan.
- Laksh Vaaman Sehgal:** We have very high ambitions. So the idea is to think, to think out of the box to get ourselves out of the comfort zone and to live our purpose, which we have defined for the Company. So in fact, you might be holding on to that 108 and thinking that, that's the only thing that's driving us. That's not.
- For us, top line is vanity, bottom line is sanity, cash in the bank is reality. That's our dream. That's our ambition. But we will be opportunistic. At the same time, we will be financially disciplined and we will only go after opportunities that the customer wants us to be. So, we are preparing ourselves for 108 and we will be ready for 108. The opportunities have to present themselves.
- Neel Shah:** All right. That's helpful.
- Moderator:** Thank you. Next question is from the line of Jay Kale from Elara Capital. Please go ahead.
- Jay Kale:** Yes. Thanks for taking my question and congrats on a great set of numbers. My first question is regarding our global OEMs or our customers, they have recently kind of given write-downs on their EV investments. And also in recent quarters, they've mentioned of supplier compensation regarding that?
- V. C. Sehgal:** I'll tell you. So I've been saying that for the past 20 years, but you guys were not listening.

Jay Kale: Right. No, absolutely. But just that they were also, they've also mentioned of supplier compensations in the current quarter that they've given which has hit their margins. So have we received some of that in this quarter as per some compensations on that side?

V. C. Sehgal: We don't know what you're talking about. I don't know which guy has given compensation to this in the past for the investments and all that. We were never on that. We were always on the right side of the thinking that everything is not going to become EV. So we were agnostic to the engine right from the beginning.

Laksh Vaaman Sehgal: Yes. And again, like my father saying, we contractually are bound to a contract to supply something. So out of that contract, things happen, that's within the compensation, not because EV didn't really pan out. So that is the customer's prerogative on who they want to give to, who they want to make sure that they survive or not. That's up to them.

MotherSON is a financially strong Company. We have, that's why they're winning business from our customers. They have a deep relationship with them. On our products, whatever our contracts work, that is what we have rightfully taken from our customers and given them what they expected from us, the product and the quality that they expected.

Jay Kale: Great. And second question is on the emerging business. So if you see the precision metal and modules segment. That has seen a stellar growth of 2.7x. If you could just talk a little bit about how is what is driving that and what is the outlook going forward for that segment?

Laksh Vaaman Sehgal: Great question. I think that's another key area for us to grow. I think machining is a core focus for us. You've also seen the growth happen meaningfully there because of Atsumitec acquisition will reflect over there. So, a large part of the growth over there. And I think, again, the team has done a wonderful job to integrate these acquisitions that we have said add meaningfully to the top line and bottom line.

While maintaining all the other ratios and improving them for the rest of the group. So that's what you're seeing. The business itself is also growing. We have done a couple more acquisitions in this also in the past, like Rollon etc, that we had announced. And all of them are firing really well and machining continues to be an area that has growth and has meaningful contribution and something that we are extremely focused on because that does not just pan on the automotive side, but also on the aerospace and potentially consumer electronics in the future when we win those kinds of businesses as well. So, we're looking at machining and precision machining as real core focus moving forward for all our segments.

Moderator: Thank you. Ladies and gentlemen, we will take that as the last question for today. I would now like to hand over the call to Mr. V.C. Sehgal for closing comments. Over to you, Sir.

V. C. Sehgal: I think all of you have been advised a lot about what we are doing and how we are performing. But important for you all to understand that we are a fast-moving Company on to where we want to be. And thank you for your support and thank you for your questions. Thank you very much, and have a great week and months ahead till the next time. Take Care. Bye.

Moderator: Thank you. On behalf of Samvardhana Motherson International Limited, that concludes this conference. Thank you all for joining us today and you may now disconnect your lines.

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