

FINANCIAL MODEL

PLANT VISIT

# Rising Stars 2025

IMPORT  
SUBSTITUTION

ORGANISED  
V/S  
UNORGANISED

MANAGEMENT MEET

EXPORT  
OPPORTUNITY

FAST GROWING  
BUSINESSES

INDUSTRY  
POTENTIAL

CAPACITY  
EXPANSION

PEER ANALYSIS

VALUATION MODEL



## RISING STAR | RESULT UPDATE - 3QFY25

### Lumax Auto Technologies Ltd.

<b>Current Price*</b>	<b>Rs 538.4</b>
<b>Target Price</b>	<b>Rs 857.0</b>
<b>Upside</b>	<b>59.2%</b>

\*Closing Price on 19<sup>th</sup> Feb'25**STOCK DATA**

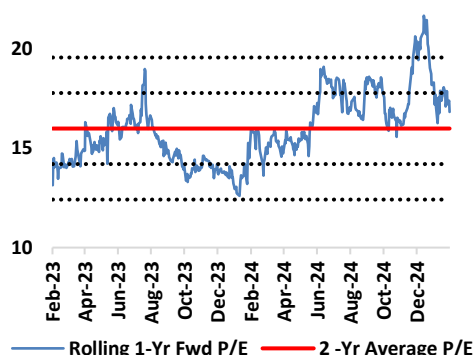
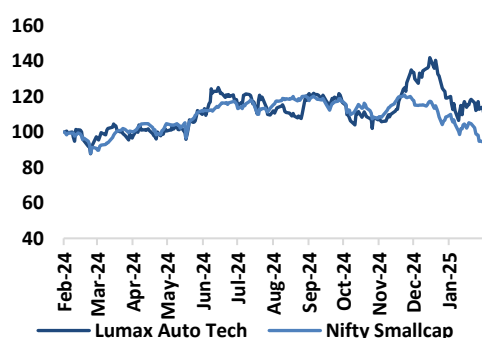
Industry Segment	Auto Anc
BSE Code	532796
NSE Code	LUMAXTECH
Bloomberg Code	LMAX IN
52 Week High / Low (Rs.)	684.8/400.2
Face Value (Rs.)	2.0
Diluted Number of Shares (Crore.)	6.8

**SHAREHOLDING PATTERN (%)**

Particulars	Mar-24	Jun-24	Sep-24	Dec-24
Promoters	56.0	56.0	56.0	56.0
FII	9.0	6.9	5.7	5.9
DII	14.2	15.9	16.2	16.1
Public & Others	20.8	21.2	22.1	22.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**RETURNS STATISTICS (%)**

Particulars	1M	3M	6M	12M
Lumax Auto Tech	-8.1	4.3	-2.9	10.3
Nifty SmallCap	-15.1	-13.8	-20.6	-6.7

**Valuation – Rolling 1 Yr Forward P/E****Stock Performance (Indexed to 100) (1-Yr)****Key Highlights of the 3QFY25 Result**

**Decent quarter:** Consolidated Revenue/EBITDA/PAT grew 24%/11%/25% YoY to Rs 906 cr/Rs 118 cr/Rs 45 cr respectively in 3QFY25. Revenue growth was driven by steady 10% growth in the standalone business of metallic frames and lighting alongwith ramp up in the JVs/subsidiaries. The Advanced Plastics segment revenue grew 20% YoY to Rs 513 cr, contributing 57% to the consolidated revenue. Mechatronics revenue was up 75% YoY led by start of production of new orders in the JVs. Aftermarket segment continued to be weak with tight liquidity and pricing pressure impacting the realisations.

**Presence across key OEMs leading to outperformance over industry:** Revenue from the Passenger Vehicle segment for LATL grew by 32% YoY in 3QFY25 against 5% growth in the domestic PV industry volumes. LATL's revenue from M&M/Maruti Suzuki/Tata Motors grew 37%/60%/24% YoY led by increase in content per vehicle and SOP of new orders. LATL's 2W/3W revenue grew 29% YoY vs industry growth of 3% in 2W and 1% in 3W. Revenue from Bajaj Auto and HMSI each grew 24% YoY.

**Future growth outlook intact:** The company is currently sitting on an order book of Rs 1,350 cr which consists of 90% new orders which will drive revenue growth ahead along with the existing business. The company is a supplier to M&M's EV portfolio which will start contributing from 4QFY25. The implementation of OBD 2 emission norms from 1<sup>st</sup> Apr'25 in the 2W industry will drive growth in the Lumax FAE JV which manufactures oxygen sensors. Lumax FAE has already started production for Royal Enfield and is looking to add another 2W OEM to drive capacity utilization. The other JVs also have started ramping up and will contribute significantly to the overall revenue from FY26.

**Alternate fuels to be key growth driver:** LATL completed the acquisition of 60% stake in the alternate fuels business of Greenfuel Energy during 3QFY25. It recognized Rs 23 cr revenue from the business from 26<sup>th</sup> Nov'24. 4QFY25 will be the first full quarter of consolidation. The order book stands at Rs 200 cr.

**Maintain BUY – Target Price Unchanged**

LATL is expected to outperform the industry growth rate led by scale up of acquisitions and ramp up of JVs. The aftermarket business, dormant for last couple of quarters is expected to start recovering from 4QFY25. This along with the consolidation of Greenfuel Energy should drive margin improvement from FY26. At the current price of Rs 538.4, the stock is currently trading at a P/E of 17.3x/11.9x of its FY25E/FY26E EPS of Rs 31.1/Rs 45.2 respectively. We have also incorporated the estimates for FY27. We continue to value the stock at 20x FY26E EPS of Rs 45.2 and maintain our TP of Rs 857, giving an upside potential of 59.2% in 15-18 months.

**Financial Summary (Rs cr)**

Particulars	FY23A	FY24A	FY25E	FY26E	FY27E
Net Sales	1,847.5	2,821.7	3,544.7	4,436.9	5,239.1
<i>Growth (%)</i>	<i>22.5%</i>	<i>52.7%</i>	<i>25.6%</i>	<i>25.2%</i>	<i>18.1%</i>
EBITDA	200.3	368.1	460.8	607.9	743.9
<i>Growth (%)</i>	<i>32.4%</i>	<i>83.7%</i>	<i>25.2%</i>	<i>31.9%</i>	<i>22.4%</i>
Net Profit	101.7	130.2	211.7	307.7	401.8
<i>Growth (%)</i>	<i>43.0%</i>	<i>28.0%</i>	<i>62.6%</i>	<i>45.3%</i>	<i>30.6%</i>
EPS (Rs)	14.9	19.1	31.1	45.2	59.0
<i>Growth (%)</i>	<i>43.0%</i>	<i>28.0%</i>	<i>62.6%</i>	<i>45.3%</i>	<i>30.6%</i>
DPS (Rs)	4.5	5.5	6.5	8.0	10.0

Source: Company, SSL Research

**3QFY25 Result Summary**

Figures in Rs Cr

Quarter Ended	3QFY25	3QFY24	Y-o-Y % Change	2QFY25	Q-o-Q % Change	Comments
<b>Net Sales</b>	<b>905.6</b>	<b>732.5</b>	<b>23.6</b>	<b>842.3</b>	<b>7.5</b>	Growth driven by standalone business and IAC India
Material Cost	587.1	456.6	28.6	541.9	8.3	
Employee Exp.	120.1	93.9	27.9	113.9	5.4	
Other Exp.	80.5	76.0	5.9	84.2	(4.4)	
Total Operating Exp.	787.7	626.5	25.7	740.0	6.4	
<b>EBITDA</b>	<b>117.9</b>	<b>106.0</b>	<b>11.2</b>	<b>102.3</b>	<b>15.2</b>	
Depreciation	32.7	29.8	9.7	29.3	11.6	
<b>EBIT</b>	<b>85.2</b>	<b>76.2</b>	<b>11.8</b>	<b>73.0</b>	<b>16.7</b>	
Finance Cost	19.8	17.6	12.5	18.5	7.0	
Other Income	8.9	9.9	(10.1)	15.4	(42.2)	
<b>PBT</b>	<b>74.3</b>	<b>68.5</b>	<b>8.5</b>	<b>69.9</b>	<b>6.3</b>	
Tax	18.2	20.5	(11.2)	18.0	1.1	
<b>Net Profit</b>	<b>56.1</b>	<b>48.0</b>	<b>16.9</b>	<b>51.9</b>	<b>8.1</b>	
Minority Interest	11.2	11.5	(2.6)	8.9	25.8	
<b>Net Profit - Owner's Equity</b>	<b>44.9</b>	<b>36.5</b>	<b>23.0</b>	<b>43.0</b>	<b>4.4</b>	
Gross Margin (%)	35.2	37.7		35.7		
EBITDA Margin (%)	13.0	14.5		12.1		
PAT Margin (%)	6.2	6.6		6.2		
Tax Rate (%)	24.5	29.9		25.8		
FV (Rs)	2.0	2.0		2.0		
EPS (Rs)	6.4	5.2		6.1		
Cash EPS (Rs)	11.1	9.5		10.3		

**Estimate Revision**

Particulars (Rs. cr)	New Estimate			Old Estimate			% Change	
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E
Revenue	3,544.7	4,436.9	5,239.1	3,658.3	4,616.9	-	-3.1	-3.9
EBITDA	460.8	607.9	743.9	475.6	600.2	-	-3.1	1.3
EBITDA Margin (%)	13.0	13.7	14.2	13.0	13.0	-	0.0 bps	70.0 bps
PAT	211.7	307.7	401.8	219.4	294.5	-	-3.5	4.5
EPS (Rs. Per share)	31.1	45.2	59.0	32.2	43.2	-	-3.5	4.5

## Financial Statements

### Income Statement

Figures in Rs Cr.

Particulars	FY23	FY24	FY25E	FY26E	FY27E
Revenue from Operations	1,847.5	2,821.7	3,544.7	4,436.9	5,239.1
% YoY growth	22.5%	52.7%	25.6%	25.2%	18.1%
Raw Material Cost (incl Stock Adj)	1,241.1	1,802.7	2,268.6	2,817.5	3,300.6
Gross Profit	606.4	1,019.0	1,276.1	1,619.5	1,938.5
Gross margins	32.8%	36.1%	36.0%	36.5%	37.0%
Employee Cost	198.5	362.2	460.8	567.9	670.6
Other Operating Expenses	207.6	288.7	354.5	443.7	523.9
EBITDA	200.3	368.1	460.8	607.9	743.9
EBITDA margins	10.8%	13.0%	13.0%	13.7%	14.2%
Other Income	23.9	45.0	50.0	60.0	70.0
Interest Exp.	16.3	68.4	59.6	56.5	53.4
Depreciation	52.3	118.0	121.0	124.3	131.8
PBT	146.8	226.8	330.2	487.1	628.8
Tax	35.3	59.8	85.8	126.6	163.5
Reported Net profit	111.5	167.0	244.3	360.5	465.3
Minority interest	18.6	36.8	32.6	52.8	63.5
Adj. Net profit after minority interest	92.9	130.2	211.7	307.7	401.8
Adj. EPS (Rs)	14.9	19.1	31.1	45.2	59.0

### Balance Sheet

Figures in Rs Cr.

Particulars	FY23	FY24	FY25E	FY26E	FY27E
Cash & Bank balances	156.8	75.1	234.8	318.2	476.7
Inventories	161.1	248.8	248.6	308.8	361.7
Receivables	461.2	585.4	631.2	790.1	933.0
Other current assets	206.2	408.5	436.6	485.7	573.5
Net fixed assets	894.0	897.3	877.3	868.0	836.2
Capital WIP	12.9	35.8	65.0	50.0	50.0
Other non-current assets	292.6	347.8	556.9	639.9	714.5
Total assets	2,184.7	2,598.7	3,050.4	3,460.7	3,945.7
Payables	384.0	485.8	549.2	681.9	800.5
Other Current liabilities	214.3	266.1	334.2	418.3	494.0
Borrowings	552.2	680.3	761.0	600.0	450.0
Other non-current liabilities	185.6	153.4	192.6	241.1	284.7
Total liabilities	1,336.1	1,585.5	1,837.0	1,941.4	2,029.2
Share capital	13.6	13.6	13.6	13.6	13.6
Reserves & surplus	648.0	776.0	943.4	1,196.5	1,530.2
Shareholders' funds	661.6	789.6	957.0	1,210.1	1,543.8
Minority interest	187.0	223.7	256.4	309.2	372.6
Total equity & liabilities	2,184.7	2,598.7	3,050.4	3,460.7	3,945.7

## Cash Flow

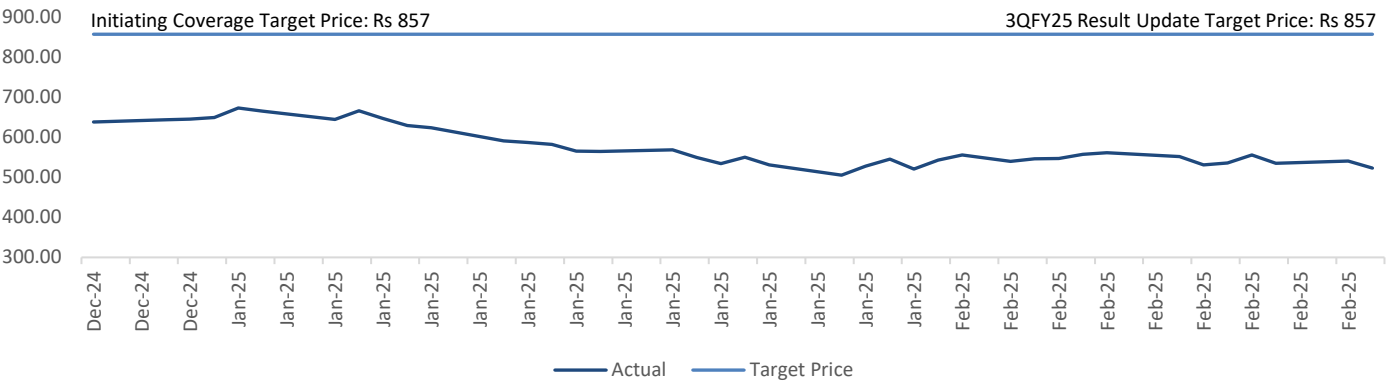
Figures in Rs Cr.

Particulars	FY23	FY24	FY25E	FY26E	FY27E
Pre-Tax profit	146.8	226.8	330.2	487.1	628.8
Depreciation	52.3	118.0	121.0	124.3	131.8
Chg in working capital	(15.1)	(54.6)	89.9	(11.7)	(53.8)
Total tax paid	(38.3)	(63.9)	(85.8)	(126.6)	(163.5)
Other operating activities	(8.5)	39.1	9.6	(3.5)	(16.6)
<b>Operating CF</b>	<b>137.2</b>	<b>265.4</b>	<b>464.8</b>	<b>469.5</b>	<b>526.7</b>
Capital expenditure	(472.2)	(148.0)	(130.0)	(100.0)	(100.0)
Other investing activities	(3.6)	(101.2)	(155.0)	(17.9)	(0.0)
<b>Investing CF</b>	<b>(475.8)</b>	<b>(249.2)</b>	<b>(285.0)</b>	<b>(117.9)</b>	<b>(100.0)</b>
<b>FCF</b>	<b>(335.0)</b>	<b>117.4</b>	<b>161.9</b>	<b>369.5</b>	<b>426.7</b>
Equity raised/(repaid)	0.0	0.0	0.0	0.0	0.0
Debt raised/(repaid)	415.3	101.3	80.7	(161.0)	(150.0)
Dividend (incl. tax)	(14.0)	(69.5)	(59.6)	(56.5)	(53.4)
Other financing activities	(27.1)	(53.7)	(44.3)	(54.5)	(68.2)
<b>Financing CF</b>	<b>(9.4)</b>	<b>(17.9)</b>	<b>3.1</b>	<b>3.8</b>	<b>3.4</b>
<b>Net chg in cash &amp; bank bal.</b>	<b>26.2</b>	<b>(23.6)</b>	<b>159.7</b>	<b>83.4</b>	<b>158.5</b>
Cash and Cash Equi at Beginning	48.4	74.6	51.0	210.7	294.1
Bank balance other than cash	82.2	24.1	24.1	24.1	24.1
Closing cash balance	74.6	51.0	210.7	294.1	452.6
<b>Closing cash &amp; bank bal</b>	<b>156.8</b>	<b>75.1</b>	<b>234.8</b>	<b>318.2</b>	<b>476.7</b>

## Key Ratios

Particulars	FY23	FY24	FY25E	FY26E	FY27E
<b>Profitability</b>					
Return on Equity (%)	16.9	17.9	24.2	28.4	29.2
Return on Capital Employed (%)	15.7	18.6	21.3	27.4	32.2
<b>Margin Analysis</b>					
Gross Margin (%)	32.8	36.1	36.0	36.5	37.0
EBITDA Margin (%)	10.8	13.0	13.0	13.7	14.2
Net Profit Margin (%)	5.4	4.5	5.9	6.8	7.6
<b>Leverage ratios</b>					
Net Debt/Equity (x)	0.6	0.8	0.5	0.2	0.0
Net Debt/EBITDA (x)	2.0	1.6	1.1	0.5	0.0
<b>Turnover and WorkCapital ratios</b>					
Fixed Asset Turnover (x)	1.9	2.1	2.5	2.9	3.2
Receivable Days	71.9	67.7	65.0	65.0	65.0
Inventory Days	40.1	41.5	40.0	40.0	40.0
Payable Days	68.1	64.7	65.0	65.0	65.0
Working Capital Days	43.9	44.5	40.0	40.0	40.0
<b>Valuation Ratios (x)</b>					
PE	36.0	28.1	17.3	11.9	9.1
P/BV	5.5	4.6	3.8	3.0	2.4
EV/EBITDA	20.3	11.6	9.1	6.5	4.9
EV/ Sales	2.2	1.5	1.2	0.9	0.7

Target Price History



## Our recent Rising Star recommendations and price performance

Sr. No.	Company Name	Initiated Date	Initiated Price	CMP*	Return (%) since initiated date	High Price Since Initiation (Rs)	Return (%) based on High price since initiation	Latest reco. date	Latest Target
1	APL Apollo Tubes Ltd.	25-Apr-23	1,219.0	1,379.9	13.2	1,800.0	47.7	21-Jan-25	1,801.0
2	Stylam Industries Ltd.	27-Apr-23	1,150.0	1,660.1	44.4	2,735.0	137.8	11-Feb-25	2,224.0
3	Star Cement Ltd.	05-May-23	123.2	216.3	75.6	256.0	107.8	12-Feb-25	232.0
4	JK Lakshmi Cement Ltd.	24-May-23	705.0	714.0	1.3	999.9	41.8	14-Feb-25	872.0
5	Dhanuka Agritech Ltd.	29-May-23	711.0	1,334.4	87.7	1,925.8	170.9	05-Feb-25	1,694.0
6	Zen Technologies Ltd.	12-Jul-23	520.0	1,069.0	105.6	2,627.0	405.2	19-Feb-25	1,484.6
7	SJS Enterprises Ltd.	05-Oct-23	680.0	860.0	26.5	1,347.0	98.1	20-Feb-25	1,210.0
8	KPI Green Energy Ltd.	17-Nov-23	259.6	395.1	52.2	745.3	187.1	13-Feb-25	549.0
9	Syrma SGS Technology Ltd.	06-Dec-23	590.0	441.5	-25.2	705.0	19.5	31-Jan-25	680.0
10	Senco Gold Ltd.	11-Dec-23	360.8	322.1	-10.7	1,544.0	114.0	19-Feb-25	431.0
11	Hi-Tech Pipes Ltd.	31-Jul-24	149.0	105.8	-29.0	210.9	41.5	12-Nov-24	215.0
12	Aditya Birla Capital Ltd.	31-Oct-24	222.2	155.4	-30.1	244.0	9.8	05-Feb-25	280.0
13	Lumax Auto Tech Ltd	27-Dec-24	625.8	538.4	-14.0	684.8	9.4	20-Feb-25	857.0

\*CMP as on 19<sup>th</sup> Feb 2025

## Moved to Soft Coverage

Sr. No.	Company Name	NSE Symbol	Initiated Date	Initiated Price	Close price	Return (%) since initiated date	High Price Since Initiation	Return (%) based on High price since initiation	Comments
1	Satin Creditcare Network Ltd.	SATIN	10-Jan-24	259.0	198.0	(23.6)	284.0	9.7	Exited on 27 <sup>th</sup> Sep'24 due to Microfinance industry under stress.

**SBICAP Securities Limited**

(CIN): U65999MH2005PLC155485

SEBI Registration No.: Stock Broker: INZ000200032 | DP Registration No.: IN-DP-314-2017

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