



Duration: 6-9 Months

CMP (Rs)	Target (Rs)	Potential Upside (%)
456	502	10%

**MARKET DATA**

No. of Shares	23.9 Cr
Market Cap (Rs Cr)	Rs. 10,901
52-week High / Low	469/276
BSE Code	538962
NSE Code	MINDACORP

**Why Minda Corporation Ltd?**

- ✓ **Reasonable Valuations**
- ✓ **Strong EV order Wins**
- ✓ **Company-specific Triggers**

**About the Company**

Minda Corporation is one of India's leading manufacturers of automotive components, including Electronic & Mechanical Security Systems, Die Casting, Key Solutions, Telematics, ITS & IoT, Wiring Harnesses, SRCs, Components, Instrument Clusters, Sensors, and Interior Plastics. These products cater to leading Passenger Vehicle, Commercial Vehicle, Motorcycle & Scooter, and Off-road Vehicle manufacturers. The \$610 Mn Group, with a workforce of more than 16,000, has several JVs with leading companies from the USA, Japan, Italy, Uzbekistan, and China.

**Investment Rationale**

- A. New order wins:** During Q4FY24, the company secured lifetime orders worth ~Rs. 2,000 Cr, with EVs constituting over 30% of the orders won. As of Mar'24, the total new lifetime orders amount to Rs 10,000 Cr across various product segments, including vehicle access, driver information systems, die casting parts, electrical distribution systems, and new EV technologies.
- B. EBITDA margin improvement:** We expect EBITDA margins to improve from ~11.1% in FY24 to around 12.7% by FY26E. This improvement will be driven by a richer product mix led by premium 2Ws (both ICE and EV), increased wallet share among 4W/CV OEMs, gradual recovery in exports, better operating efficiencies, streamlining of fixed costs, and component localization initiatives.
- C. EV:** The potential EV kit value stood at ~Rs 22k-27k in Q4FY24, with Rs 8k-10k coming from new power electronic product lines commercially launched during FY24. In FY24, EVs constituted 5-6% of total revenues. The company has begun commercial production of smart keys in Vietnam, strategically positioned to serve customers in the ASEAN region. In India, new facilities are under construction for manufacturing smart keys, die casting parts, clusters, and sensors.
- D. Outlook & Valuation:** We continue to like the company's growth story driven by new order wins, increasing kit value per vehicle, and its focus on EV. With a strong order book and the management's confidence in outpacing industry growth (both organic and non-organic), we estimate a CAGR of 17%/26%/38% in Revenue/EBITDA/Adj PAT over FY24-26E.
- E. Recommendation:** We recommend a **BUY** rating on the stock with a target price of Rs 502/share, implying an upside of 10% from the CMP

**Financial Summary**

Y/E March	Sales (Rs Cr)	EBITDA (Rs Cr)	PAT (Rs Cr)	EPS (Rs)	P/E (X)	EV/ EBITDA	P/BV	RoE (%)
FY23A	4,300	462	219	11.9	18.1	11.5	3.2	19.4
FY24A	4,651	514	227	9.5	43.9	19.6	5.0	12.6
FY25P	5,492	635	312	13	34.3	16.4	4.3	13.9
FY26E	6,382	813	435	18.2	24.6	12.6	3.7	16.1

 Source: Axis Securities; CMP as on 14<sup>th</sup> June 2024

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