

07 September 2025

India | Equity Research | Company Update

Samvardhana Motherson International

Auto Ancillaries

Aim high, unlock more: The path to value creation

Samvardhana Motherson International (SAMIL), at its analyst meet, presented its Vision 2030 where the company shared its aspiration to grow its gross revenue ~4x to USD 108bn over the next five years. Directionally, this may position Motherson group among top-3 auto ancillaries globally. Over the last two decades, Motherson group has expanded from a single-product/geography to a multi-products/geography auto component player and is now looking to replicate the same in newer segments (aerospace, consumer electronics, semiconductor, etc.). Playbook remains the same: higher content (premiumisation) + cross-selling + acquisitions. SAMIL is our preferred picks among large auto ancillaries. Its diversified business model and expanding product portfolio and customer base presents a multi-year growth and value-unlocking opportunity for investors. Maintain **BUY** with TP of INR 115, based on 20x FY27E EPS.

Vision 2030: More than just numbers, it's a direction

The seventh five-year plan of SAMIL targets to achieve – 1) USD 108bn in gross revenues by FY30 with 40% RoCE; 2) 3CX10 – no country, customer or component should contribute more than 10% of revenue; and 3) up to 40% of consolidated profits as dividends. SAMIL also indicated of unlocking value for shareholders via demerging businesses reaching a certain level of scale and independence (MSWIL for instance).

Drivers: Large M&As + Emerging segments + Organic growth

SAMIL is targeting to grow its gross revenues ~4x, from ~USD 25bn to ~USD 108bn by FY30 led by: 1) customer driven, large acquisitions; 2) rapid growth in emerging businesses like Aerospace, Consumer Electronics, Semiconductors, etc. and 3) higher than industry growth on organic basis. Management indicated that there has been record number of bankruptcies globally in automotive segment, which presents multiple acquisition opportunities, especially with respect to companies owned by PEs or where succession is an issue. With respect to Aerospace business, both the leading OEMs (Airbus and Boeing) are its customers and the company expects strong growth momentum led by: 1) higher India sourcing; 2) new product addition (moving towards system supplier); and 3) acquisitions. With respect to Consumer Electronics, its largest & vertically integrated plant is likely to be operational in FY27 and thus expects further growth acceleration over medium-term. Huge whitespace opportunities in global auto industry are expected to drive organic growth.

Financial Summary

Y/E March (INR mn)	FY24A	FY25A	FY26E	FY27E
Net Revenue	9,86,917	11,36,626	12,47,010	14,07,184
EBITDA	92,866	1,05,519	1,12,658	1,35,086
EBITDA %	9.4	9.3	9.0	9.6
Net Profit	29,661	38,030	42,369	59,422
EPS (INR)	2.9	3.6	4.0	5.6
EPS % Chg YoY	86.0	25.1	11.4	40.2
P/E (x)	32.7	26.2	23.5	16.8
EV/EBITDA (x)	11.4	10.1	9.0	7.2
RoCE (%)	10.3	9.9	9.4	11.5
RoE (%)	12.2	12.5	11.5	14.2

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Market Data

Market Cap (INR)	995bn
Market Cap (USD)	11,293mn
Bloomberg Code	MOTHERSO IN
Reuters Code	SAMD BO
52-week Range (INR)	145 /72
Free Float (%)	42.0
ADTV-3M (mn) (USD)	18.4

Price Performance (%)	3m	6m	12m
Absolute	(7.4)	19.6	(26.8)
Relative to Sensex	(7.0)	9.0	(24.8)

ESG Score	2023	2024	Change
ESG score	64.8	64.3	(0.5)
Environment	41.6	42.3	0.7
Social	63.4	62.6	(0.8)
Governance	81.8	84.6	2.8

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

Source: SES ESG, I-sec research

Previous Reports

13-08-2025: [Q1FY26 results review](#)

30-05-2025: [Q4FY25 results review](#)

Other highlights

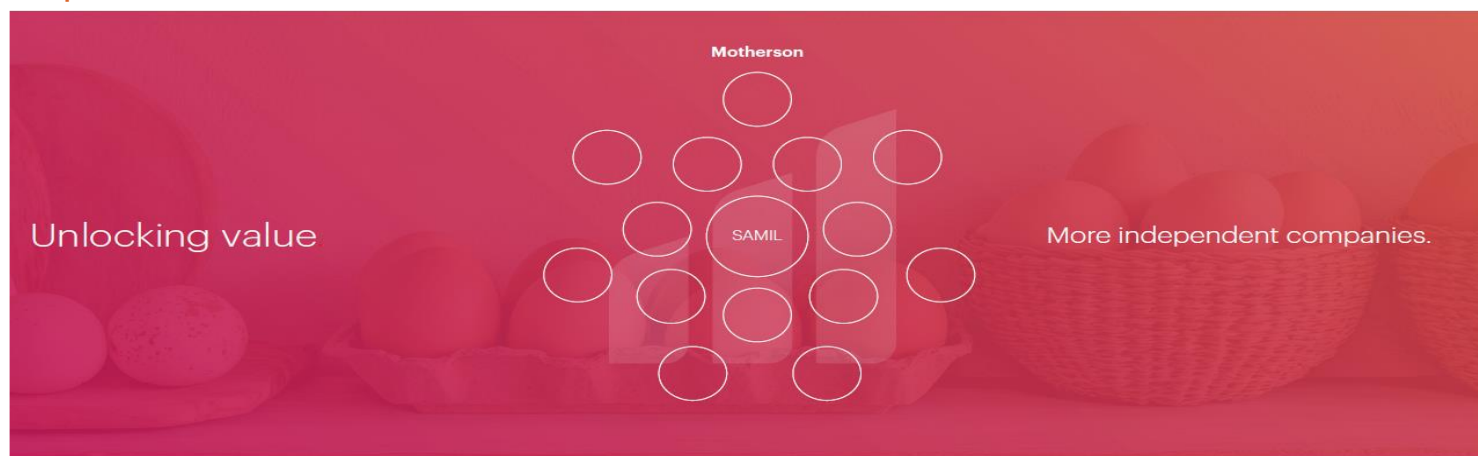
- **Aerospace segment:** An aircraft is manufactured using 1mn+ SKUs and Motherson group is present only in 6,000 SKUs, as of now, implying a large growth opportunity. SAMIL indicated of potential multiple acquisition opportunities in US and EU that would facilitate it to supply complex systems in this segment.
- **Consumer Electronics:** SAMIL indicated that its largest facility under construction is of a size of 33 football fields and can manufacture components in million units per day. This facility shall be fully backward integrated and would employ 10k employees over the next 2–3 years.
- **White spaces in Automotive segment:** SAMIL highlighted that basis the existing product portfolio, there are ample of white spaces among US, Chinese, Japanese and Korean OEMs in terms of cross-selling opportunity and increasing content per vehicle. Management also indicated that SAMIL is already supplying to 7 out of the top-10 local NEV Chinese players and support them in their global expansion.
- The company shared its aspiration of **assembling a full car** on contract manufacturing basis over the next five years.
- **Focused turnaround plan** is in place for 70 red units (as of Jul'25), which may potentially drive EBIT improvement by INR 11bn.

Exhibit 1: Vision 2030 plan – USD 108bn gross revenue with 40% RoCE and 3CX10



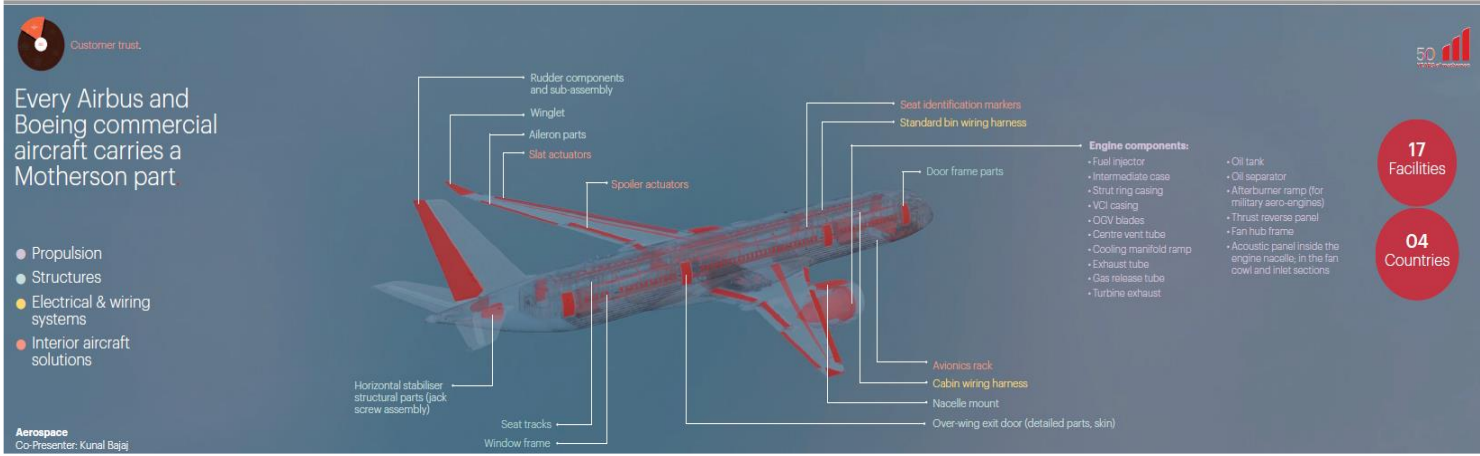
Source: Company data, I-Sec research

Exhibit 2: SAMIL plans unlocking shareholders value by demerging businesses reaching a certain level of scale and independence



Source: Company data, I-Sec research

Exhibit 3: SAMIL is leveraging capabilities to further expand into Aerospace and Semiconductor through higher content + M&A + tapping Maintenance, Repair & Overhaul (MRO) market



Source: Company data, I-Sec research

Exhibit 4: Focus on addressing white spaces among US, Chinese, Japanese and Korean customers in terms of cross-selling opportunity and increasing content per vehicle



Source: Company data, I-Sec research

Exhibit 5: Aspiration to assemble a full car for an OEM on contract manufacturing basis



Source: Company data, I-Sec research

Downside risks

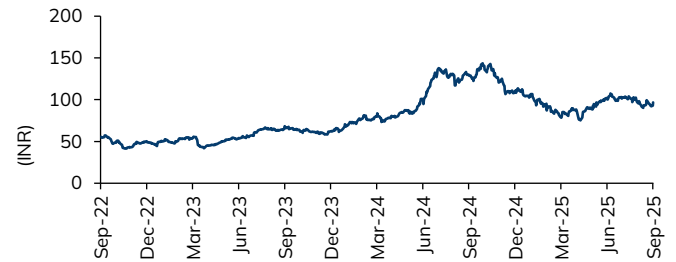
- Longer-than-expected slowdown in demand in key end markets due to global uncertainty/US tariff.
- Large-sized M&A may impact balance sheet health/near-term RoCE.

Exhibit 6: Shareholding pattern

%	Dec'24	Mar'25	Jun'25
Promoters	58.1	58.1	48.6
Institutional investors	33.5	32.7	33.3
MFs and other	14.8	16.5	16.6
Banks/ FIs	0.6	0.5	0.6
Insurance Cos.	3.3	3.3	3.4
FII	14.8	12.4	12.7
Others	8.4	9.2	18.1

Source: Bloomberg, I-Sec research

Exhibit 7: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 8: Profit & Loss

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Net Sales	9,86,917	11,36,626	12,47,010	14,07,184
Operating Expenses	1,14,519	1,36,715	1,49,267	1,66,619
EBITDA	92,866	1,05,519	1,12,658	1,35,086
EBITDA Margin (%)	9.4	9.3	9.0	9.6
Depreciation & Amortization	38,105	44,934	49,317	52,758
EBIT	54,761	60,585	63,341	82,328
Interest expenditure	18,112	18,824	15,173	12,350
Other Non-operating Income	1,876	5,577	6,448	7,564
Recurring PBT	38,525	47,338	54,616	77,542
Profit / Loss from Associates	2,376	5,275	6,066	6,976
Less: Taxes	8,206	11,156	14,200	20,161
PAT	30,319	36,182	40,416	57,382
Less: Minority Interest	3,034	3,427	4,112	4,935
Extraordinaries (Net)	(2,499)	-	(1,365)	-
Net Income (Reported)	27,162	38,030	41,005	59,423
Net Income (Adjusted)	29,661	38,030	42,369	59,422

Source Company data, I-Sec research

Exhibit 9: Balance sheet

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Total Current Assets	4,38,065	4,79,798	5,41,132	6,14,579
of which cash & cash eqv.	69,858	62,888	84,380	1,05,678
Total Current Liabilities & Provisions	3,60,405	3,75,193	4,49,676	5,10,868
Net Current Assets	77,659	1,04,605	91,456	1,03,711
Investments	65,215	65,997	1,08,097	1,50,197
Net Fixed Assets	2,22,373	2,45,202	2,36,953	2,20,565
ROU Assets	-	-	-	-
Capital Work-in-Progress	24,306	26,068	21,370	22,825
Total Intangible Assets	79,513	86,995	86,995	86,995
Other assets	-	-	-	-
Deferred Tax assets	12,308	14,637	14,637	14,637
Total Assets	4,81,374	5,43,503	5,59,507	5,98,930
Liabilities				
Borrowings	1,99,218	1,72,218	1,47,218	1,27,218
Deferred Tax Liability	-	-	-	-
Provisions	-	-	-	-
Other Liabilities	-	-	-	-
Equity Share Capital	10,295	10,554	10,554	10,554
Reserves & Surplus	2,51,255	3,38,249	3,79,253	4,38,675
Total Net Worth	2,61,549	3,48,803	3,89,808	4,49,230
Minority Interest	20,606	22,482	22,482	22,482
Total Liabilities	4,81,374	5,43,503	5,59,507	5,98,930

Source Company data, I-Sec research

Exhibit 10: Quarterly trend

(INR mn, year ending March)

	Sep-24	Dec-24	Mar-25	Jun-25
Net Sales	2,78,119	2,76,659	2,93,168	3,02,120
% growth (YOY)	18.5	7.7	8.3	4.7
EBITDA	24,479	26,858	26,429	24,583
Margin %	8.8	9.7	9.0	8.1
Other Income	2,592	1,112	1,164	805
Extraordinaries	-	-	-	-1,365
Adjusted Net Profit	8,797	8,786	10,505	6,483

Source Company data, I-Sec research

Exhibit 11: Cashflow statement

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Operating Cashflow	94,061	69,749	1,40,136	1,33,573
Working Capital Changes	9,330	(33,916)	34,641	9,043
Capital Commitments	(1,18,049)	(77,007)	(36,370)	(37,825)
Free Cashflow	(23,988)	(7,258)	1,03,766	95,749
Other investing cashflow	(20,428)	(19,606)	(57,273)	(54,450)
Cashflow from Investing Activities	(1,38,477)	(96,613)	(93,643)	(92,274)
Issue of Share Capital	-	260	-	-
Interest Cost	12,683	50,329	7,915	8,970
Inc (Dec) in Borrowings	61,295	(27,001)	(25,000)	(20,000)
Dividend paid	(6,691)	(3,694)	(7,916)	(8,971)
Others	-	-	-	-
Cash flow from Financing Activities	67,287	19,894	(25,001)	(20,001)
Chg. in Cash & Bank balance	22,871	(6,970)	21,492	21,298
Closing cash & balance	69,858	62,888	84,380	1,05,678

Source Company data, I-Sec research

Exhibit 12: Key ratios

(Year ending March)

	FY24A	FY25A	FY26E	FY27E
Per Share Data (INR)				
Reported EPS	2.9	3.6	4.0	5.6
Adjusted EPS (Diluted)	2.9	3.6	4.0	5.6
Cash EPS	6.6	7.9	8.7	10.6
Dividend per share (DPS)	0.6	0.3	0.8	0.9
Book Value per share (BV)	25.4	33.0	36.9	42.6
Dividend Payout (%)	22.6	9.7	18.7	15.1
Growth (%)				
Net Sales	25.3	15.2	9.7	12.8
EBITDA	47.5	13.6	6.8	19.9
EPS (INR)	86.0	25.1	11.4	40.2
Valuation Ratios (x)				
P/E	32.7	26.2	23.5	16.8
P/CEPS	14.3	12.0	10.9	8.9
P/BV	3.7	2.9	2.6	2.2
EV / EBITDA	11.4	10.1	9.0	7.2
EV / Sales	1.1	0.9	0.8	0.7
Profitability Ratios				
Gross Profit Margins (%)	21.0	21.3	21.0	21.4
EBITDA Margins (%)	9.4	9.3	9.0	9.6
EBIT Margins (%)	5.5	5.3	5.1	5.9
Net Profit Margins (%)	3.0	3.3	3.4	4.2
RoCE (%)	10.3	9.9	9.4	11.5
RoE (%)	12.2	12.5	11.5	14.2
Dividend Yield (%)	0.7	0.4	0.8	0.9
Operating Ratios				
Fixed Asset Turnover (x)	4.0	4.2	4.8	5.8
Inventory Turnover Days	34	35	32	32
Receivables Days	64	62	65	65
Payables Days	92	84	93	94
Effective Tax Rate (%)	21.3	23.6	26.0	26.0
Net Debt / Equity (x)	0.5	0.3	0.2	0.0
Net Debt / EBITDA (x)	1.4	1.0	0.6	0.2

Source Company data, I-Sec research

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