motherson
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August 13, 2026

BSE Limited
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Dalal Street,
Mumbai – 400001,
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National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G-Block
Bandra-Kurla Complex, Bandra (E)
Mumbai – 400051, Maharashtra, India

Scrip Code: 517334

Symbol: MOTHERSON

Ref: **Transcript of earning conference call for the quarter and three months ended June 30, 2026**

Dear Sir (s) / Madam (s),

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 conference call for the quarter and three months ended June 30, 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

ALOK GOEL
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Date: 2026.08.13 19:46:05 +05'30'

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Company Secretary

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"Samvardhana Motherson International Limited

Q1 FY '27 Results Conference Call"

August 06, 2026

Management:

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 and Vehicle Systems Business Division

Moderator: Ladies and gentlemen, good day, and welcome to the Q1 FY '27 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.

Please note this conference is being recorded. I now hand the conference over to Mr. Laksh Vaaman Sehgal from Motherson. Thank you, and over to you, sir.

Laksh Vaaman Sehgal: Thank you, and good evening, everyone, and thank you for joining us for the Q1 FY '27 earnings call of Samvardhana Motherson International Limited.

We are pleased to report our highest-ever quarterly revenue in Q1 FY '27, driven by robust performance across our businesses. Revenue grew by 17% year-on-year and 3% sequentially during the quarter. It is worth noting that historically, Q1 has always seen a sequential decline in revenue over Q4. This year, however, Q1 revenues came in higher than Q4 FY '26, underscoring the strength of the momentum across our businesses.

The growth was driven by healthy performance across all our core businesses as well as our emerging businesses, particularly those built using our D.E.M.A.L. capabilities, namely consumer electronics and aerospace.

Within wiring harness, there was strong momentum in India, combined with the recovery in the North American commercial vehicle business, which drove 31% year-on-year revenue growth. The modules and polymer, vision systems as well as integrated assemblies businesses grew in-line with the industry.

Our consumer electronics business continues to scale meaningfully. The third facility remains on track for commissioning in the third quarter of FY '27 and will bring added upstream integration capabilities. Capex for this third facility is expected to be approximately INR 65 billion spread over a period of 3 years, building manufacturing capacity of 40 million units annually at full scale. Our Aerospace business delivered revenue growth of over 20% year-on-year, while the order book grew by more than 17% since FY '26 end, giving us strong visibility on future growth.

EBITDA grew by 26% during the quarter, ahead of revenue growth, with EBITDA margin improving by 60 basis points year-on-year. This improvement was primarily driven by the modules and polymer business, wherein the restructuring initiatives undertaken over the last 1.5 years to breathe with the market helped absorb input cost inflation and deliver year-on-year margin improvement.

Normalized PAT grew by 55% in the first quarter of FY '27, driven by the scale-up across our businesses. There were no one-off items impacting PAT this quarter. Adjusted for the normalization in the base quarter, the Q1 FY '27 PAT grew 102% on a reported basis. These results were delivered against a genuinely tough external business environment, which makes this performance all the more meaningful.

Globally, the light vehicle industry de-grew by 1.8% year-on-year during the quarter, led by weaknesses in China, the largest automotive market, which de-grew by 3.1%. South Asia, led by India, was a clear bright spot and continued to see strong growth. Planned European OEM launches are expected to support industry growth in the quarters and years ahead.

On the commercial vehicle side, a recovery in North American market has sustained the CV industry's growth momentum, which is estimated to have grown 5.4% year-on-year. The outlook for the CV industry remains favorable through FY '27.

That said, certain developments did weigh on the business during the quarter. Copper prices continued to rise up 4% sequentially, following increases of 13% and 16% sequentially in the third quarter of FY '26 and the fourth quarter of FY '26, respectively. On a year-on-year basis, copper prices are now up 40%, creating near-term input cost pressures, as these costs are typically passed on to the customers with a lag of 1 or 2 quarters.

Geopolitically driven crude price inflation also pushed polymer prices in Germany up by 55% year-on-year and 66% sequentially. This primarily affected our MPP and Vision Systems divisions. Nonetheless, both divisions held flat to improving margins aided by ongoing cost optimization initiatives.

We continue to work with our customers to pass on these higher input costs. Freight costs were similarly affected, with the World Container Index up 40% year-on-year and 83% sequentially. In certain instances, we incurred additional costs to ensure timely delivery to our customers.

Detailed divisional performance and the underlying drivers of revenue and profitability are covered on Slide 15 to 18 of the presentation.

With that, I will now hand over to our CFO, Gandharv, to take you through the key highlights on capital allocation, our balance sheet and recent M&A activity. Gandharv.

Gandharv Tongia: Thank you, Vaaman.

We continued to invest heavily in capex during the quarter to build future revenue streams. We spent INR 1,614 crores on capex in the first quarter, in-line with our full year guidance of INR 6,000 crores, plus/minus 10%. This represented 52% of the quarter's EBITDA invested across growth, backward integration and maintenance capex and should support both business expansion and margin improvement going forward.

3 plants were operationalised during the quarter, and we currently have 13 facilities at various stages of development, of which 10 are expected to become operational during the course of this year. Despite this continued investment in growth, we further improved our leverage position. Our leverage ratio is now at an all-time low of 0.8x, well within our financial policy ceiling of 2.5x and our internal aspiration of staying below 1.5x. This reflects the financial discipline we continue to maintain across the organization.

We also made further progress on the inorganic growth front during the quarter. We announced the acquisition of Shenzhen Autocruis, a company primarily engaged in interior and exterior digital vision and monitoring systems. This acquisition broadens Motherson's technology offering and competitiveness in interior and exterior digital vision systems and strengthen our position in next-generation mobility. Key products include camera monitoring system, full display mirrors, 360-degree around view monitoring system, driver monitoring system and dashcam with video recording.

We also completed the acquisition of Nexans Autoelectric and Yutaka Giken in July. Nexans Autoelectric acquisition increases our addressable market through the addition of passenger vehicle and commercial vehicle wiring harness capabilities globally, improves our relationship with large OEMs and opens up cross-selling possibilities. Key products include PV and CV wiring harness, specialty harness, safety components and body harness. Yutaka Giken marked our third acquisition of our Honda-san linked asset. It will be housed under a new vertical within our emerging businesses called 'Vehicle Systems' with a product range spanning exhaust systems, brake discs and others. This acquisition expands our product portfolio and unlocks new growth opportunities for the Company.

Overall, this was a very good quarter for the Company. We remain very positive on the Company's growth prospects through increasing content per vehicle, deepening relationships with our OEM partners and serving new opportunities across powertrains. We will continue to leverage our D.E.M.A.L. capabilities to scale up our non-automotive businesses. As always, our focus remains on financial prudence.

Thank you, and we will now open the floor for questions.

Moderator: Our first question comes from the line of Binay Singh with Morgan Stanley.

Binay Singh: Two questions. One on the existing business. We are adding 2 companies this quarter, Yutaka and Nexans. Could you remind us again about the annualized run-rate and the margin that these businesses are at?

And the second one on consumer electronics, the capex number that we have disclosed, as I understand, it's only for what Motherson will do INR 65 billion. What is the full capex of this project? Like is the other partner also bringing in capital? And any sort of trajectory on how to think about revenue potential from this 40 million annual capacity?

Laksh Vaaman Sehgal: Gandharv, you can take the first one on the sales and what we have for the acquisitions on Nexans and I will take the consumer electronics one.

Gandharv Tongia: Sure. Thanks Binay, for your question. Both of these businesses put together, Yutaka and Nexans should contribute almost close to USD 2 billion to our top-line on annualized basis. Over the midterm, the margin profile should broadly reflect the comparable margins in this particular industry.

And as you know, in general, our aspiration is that all of our businesses, whether the recently acquired businesses or the existing businesses should meet our internal expectation of 40% ROCE. And we believe that over the period, all the acquisitions should contribute and move in that direction. On the second part of the question as Vaaman mentioned I will defer to him. Vaaman, over to you.

Laksh Vaaman Sehgal: Yes, for the consumer electronics business, our joint venture partner does have 10%. So they are bringing 10% of their equity. They do have an opportunity to go up to 49%, but at the moment they are holding that 10%. So, we are funding 90% of the equity. The complete capex requirement of Phase 1 would be finished in this year and it will ramp very close to the facilities to be ready. We will have a formal inauguration in a couple of months as well for that facility, It should be the largest facility in Motherson. So, historic moment for us. The size and scale of that facility is first, hopefully of many that will come. And I request for another 2 quarters for you to really see the impact of that and what sort of revenue run-rate that will come. It does ramp much faster unlike the automotive business, which ramps as the customer program launches and it takes about 2 years to really get to the height of the program. There you see a much faster launch that will happen in the next couple of months. These orders are also currently in negotiation and you can imagine that consumer electronics does not have such long order tails. It happens more in the same year itself. So, all that is happening as we speak and I think you will see that impact in the next couple of quarters as these plants launch. There could be a quarter here and there.

But like I said, we are pretty excited in the next 2 quarters. It will launch in a very meaningful way.

Binay Singh: Just one follow-up on the first question. So even Nexans in wiring harness, is it now closer to our EBITDA margin of 11% also?

Gandharv Tongia: See, as of now, not necessarily the newly acquired businesses are meeting the comparable industry benchmark. But as we have done in several of the acquisitions over the period, the objective is to transform and we believe that the new acquisition, including Nexans and Yutaka, we should be able to transform over the period and improve their margin profile in times to come.

Laksh Vaaman Sehgal: Just to add on that, look, I think these are meaningful and strategic acquisitions for us. The size and scale of our wire harness business is, of course, much larger than what we have acquired from Nexans. So, we are very much excited about the possibilities of clubbing together our purchasing and driving synergies together, which we have done, if you have seen with how we did with MWSI, PKC. So, I am sure that the wire harness team is extremely excited about this opportunity. Yutaka brings in completely new products for us. So, it perhaps will take slightly longer as we get more comfortable and understand how to drive more synergies with this. But again, opening up new customers, opening up new locations for this business and bringing in vital capability to increase our product portfolio that we can bring to all the other customers as well. Of course, that takes a little bit of time, but that should grow up nicely. So, we're very excited about these 2 acquisitions.

Binay Singh: Great, thanks team. Thanks for that. I will come back in the queue.

Moderator: The next question comes from the line of Gunjan Prithyani with Bank of America.

Gunjan Prithyani: Thanks for taking my question. Just a quick follow-up again on the consumer electronics. Looking for a bit more clarity, there was this INR 26 billion that you called out earlier in terms of investment. So, this INR 65 billion is on top of that? So, just trying to understand the cumulative business is INR 65 billion plus INR 26 billion? The INR 26 billion is already done - is that fair to assume?

And what would be the cumulative units that you have called out 40 million for third plant? Is there a cumulative number for the business that you can share on the consumer electronics?

Gandharv Tongia: Vaaman, you want me to clarify that?

Laksh Vaaman Sehgal: Yes, please I will add on.

Gandharv Tongia: So, thanks a lot for your question. The overall capex, including what we have already incurred in this facility, including GF 1, GF 2 and GF 3, should be around INR 7,500 crores. As of now, we have more or less incurred 1/3rd of it, 1/3rd of INR 7,500 crores, and balance is expected to be incurred in the next 2 to 3 years. As far as the third plant capacity is concerned, it should be around 40 million units annually at full capacity, and this will be achieved over the period.

And as Vaaman mentioned in the response to the first question, we are trying our best to commission this facility later in the current calendar year. I hope I have clarified, but happy to attend your follow-up question.

Gunjan Prithyani: Okay. No, that's helpful. Okay. And the second question that I had was on the margins. There's a fair bit of benefit that we are getting from the restructuring program or optimization program. Is there a way you can give us some sense of what was the commodity or metal I mean, all these pressures that you are seeing, what was that headwind in this quarter and the offset that we saw from the restructuring program?

And how do we think, is there a way that we can think through more pressure in quarter 2? Is there more to come through in terms of the headwind on the RM side? So, some color on the margins, if you can focus a bit more on the modules because that's where the restructuring bit was?

Laksh Vaaman Sehgal: Sure. I will see how I can help with that. Look, the restructuring of the European footprint, if you look at what we have been saying for the last few years, we have acquired a lot of businesses as well, a lot of businesses the customer requested us to look into. So, we actually added a lot of footprint in Europe with the acquisitions that we had done. The restructuring was done so that to keep in-line with these new facilities that we had acquired.

And of course, some of the distressed assets in these facilities were not running at full capacity, so to speak, because the EVs did not come out as expected by a lot of these suppliers who invested heavily.

So, restructuring the footprint required that we were able to drive some of these units that were not driving, if they are not producing at full capacity to merge them, combine them and also, of course, trim some headcount at these locations and focus and combine more locations together. So that the locations are now able to sustain and add decent capacity levels with headroom for future growth as we do believe that the new programs that the customers are now launching, the new state of EVs definitely have a much better response from the customers.

And it's evident that the erstwhile ones didn't perform as expected. So, this headcount restructuring in-tune with the market as our customers were also rebalancing their lines. You saw a lot of news coming from the general OEMs that they were also reducing, ours was done in-line with that and to make our footprint more optimized.

Right now, we believe, of course, that it is at a decent level. Of course, there are new programs that are still coming. Customers are still asking us to do more acquisitions. We are constantly looking at balancing this whole thing up. There is also an opportunity perhaps to do more in this financial year, which we are focusing on to try to be the most efficient producer.

But of course, the commodity pressures, which are happening, those are negotiations that we continue to have with the customers, which are out of our control, and we try to get, of course, compensation if it goes either which way. And of course, in the last couple of quarters, it's only been going in a negative manner. So, there is a lag for us to be able to go and claim that.

But I think the reduction in the headcount and the optimization of the footprint, you're seeing those benefits which are meaningful that even with such high impact of the commodity prices and logistics for all the issues that are happening in the world that we've been able to maintain, and of course, improve some of our performance in the margins. And again, as a Company, we're not really focused on just the EBITDA margins. We believe that the whole program should deliver 40% ROCE, that takes time.

So of course, margins have a contribution to that. So, we are tracking it. But overall, the idea is to have an extremely efficient footprint in the region; I mean that is profitable and then, of course, get back the lost contribution for the margin pressures towards the end of the year when we see the entire volume play out of the customers of these programs. I hope that was there.

I mean there's a tremendous amount of programs, customers, locations. So, to get into final details of all of that only happens towards the end of the year as we go customer by customer, program by program, and we're in the middle of a lot of launches that are happening right now as well. So, really difficult to quantify it in the first quarter.

Gunjan Prithyani: Got it. That's pretty useful color. I mean just a follow-up; is there any way to break up the benefit that we have in terms of, just to understand, how much were we able to offset? Or maybe if you can give us a color on how much was the commodity impact, RM impact in this quarter, just to think through, how do we think about the normalized margin, if there is a number that you guys can share?

Laksh Vaaman Sehgal: Ma'am, I would love to give you a number. The thing is that each customers have different grades of engineered plastics. So, these do not move exactly in-line with just how crude prices move. Some moves higher, some moves lower, some are fairly static. And as you know, we're not making one product. It's not just a bumper, it's dashboards, blue prints, claddings, mirrors. There are hundreds of different products that we are supplying.

So, each program is actually what we look at towards, again, the end of the year only with the whole year going through, because some quarters, there might be lower pickup, but then that it picks up later in the year. So, we don't have that kind of a mechanism where we're doing it every month or something like that. I think with the wiring harness for copper, that's a more direct one because it's a direct commodity. But with the plastics and what we have in Europe, it's a lot more complicated and the relationship is not exactly 1:1. So that happens only towards the end of the year

That's why you see most of our Q4 are the ones where we have the strongest kind of performance because all the nettings and all of that kind of happen in that quarter. And the volume also is enough time for the customer to understand that it's a meaningful impact over the year, and we're not going back every single month for something like that.

Of course, if the impact is there is something that is really out of the extraordinary in terms of some of the logistics costs because of what happened with Strait of Hormuz and stuff like that, we look for immediate support on things like that. But mostly, these volume compensations and what happens on commodity price happens, it doesn't happen in every month or so.

Usually there is a little bit of lag in time that the customer needs and also some time for them to catch up on their models. So, we'll really be able to talk more about that in Q4 and what kind of numbers that kind of impacted. I think that will be the right time to discuss that. I think what you should take out is, look, even in probably one of the most difficult quarters in terms of fluctuation of commodity prices and logistics and what's happening in the world, we were able to hold margins, improve margins, which means that the other actions which we have taken to rightsize our operations has really worked and helped us in our favor.

And again, the customers are really appreciating us because there are not so many strong suppliers with a strong balance sheet and performance like us. And hence, we're also getting a lot more growth opportunities. And we have just announced 2 more acquisitions and our balance sheet is again at one of the strongest point. So, I think you should really take a lot of strength from the kind of report that we are making that we're in good shape.

Gunjan Prithyani: Got it. No, that's really helpful. Best wishes. I'll join back in the queue.

Laksh Vaaman Sehgal: Thank you.

Moderator: The next question comes from the line of Amyn Pirani with JP Morgan. Please go ahead.

Amyn Pirani: Two questions. One related to the quarter on wiring harness. Now you mentioned that obviously, copper prices went up and margins were impacted by the denominator effect and the pass-through. But if I look at the numbers, honestly, it doesn't look like there has been any impact. And I just wonder how much higher the margins could have been if the commodity was not there?

So are there any like you have spoken at length about the polymer, is there any structural cost changes, any mix changes which are helping the underlying margins for wiring harness because given the commodity and the copper inflation, a 30-basis points margin impact is, at least in our view, not really anything material. So, what's going on there, if you could help us?

Laksh Vaaman Sehgal: Pankaj Sir, do you want to take that and I can support later on.

Pankaj Mital: I can explain that. So basically, while copper has gone up, there is an impact, as we've explained that on an overall basis, we have a pass-through, which has a lag of 3 to 6 months. If you see quarter-on-quarter, there's a 4%-5% impact if you look at a global thing. So, the impact has been very, very high in India because the impact is also having the currency factor with the rupee depreciation. However, globally, if you look at it, the impact is not so much because if we are in Europe, the impact has been in dollar terms, but in euro terms has been much less.

Secondly, on an overall basis, some of the facilities globally, since we are in so many geographies and there are multiple businesses, some of them which were not doing so well in the first quarter of last year have fared better. And the US market has also started to rise. So that has also given us a very improved performance compared to the last year.

Laksh Vaaman Sehgal: If I could add, I think this is really fantastic performance by the wiring harness team. In the last few years, the China volumes were significantly impacted and the US also saw slowdown. So, we really worked hard at, again, chipping away at the cost base that we have for these businesses. And now that those markets are coming back, I think you're seeing that the impact of what happened in India with the wage rate increases and the copper hitting harder here.

Overall, it was fairly muted because of the diversification, the cost improvement actions taken by the team. So really, we are really quite impressed with how hard the team has worked during these tough times. And those steps which were taken in the last couple of years for the international wiring harness business is really helping us to show this kind of a performance. So, it was well done by the team.

Amyn Pirani: Yes. I mean a very good performance here as well. My second question is slightly more medium term. In your automotive business, obviously, Europe is a large part of revenues across segments and even China is an important part. How should we think about the Chinese OEM engagement in China because in China also, I think most of your engagement is with European OEMs. So, is there an engagement happening with Chinese OEMs in China?

And the medium-term question is with respect to Europe because as these Chinese are already gaining market share in Europe and planning to put up facilities in Europe, do you think that there will be engagement for you with Chinese OEMs? How should we think about the medium-term opportunity here? Because it looks like the European OEMs at the margin are losing some share to this new competition?

Laksh Vaaman Sehgal: Look, our entire business in China is balanced well. I think, of course, we started the business in China with the international OEMs, but the local market is also transitioning more towards the local OEMs, which we are also reflecting in our business. Of course, we are being extremely picky because we are very focused on the top-line and bottom-line.

So, we do not chase top-line where we cannot make the profitability margins. So, we have seen a lot of the local Chinese OEMs also been added to our product mix in China. However, we still are the largest share of the business with the international OEMs with the local JV partnerships in China, which I think is still holding on and doing well.

Yes, the numbers have come down, and we have seen a little bit of shift towards the Chinese OEMs, which our businesses are also making that shift. Now because we already have those good relationships with those local Chinese OEMs that we have over time and selectively built, I think that gives us good strength for us as these businesses -- as these OEMs move to Europe and other locations.

We do, we've already been visited by them. We already have those relationships with them. And we're also discussing supplies with them. So Motherson is, as you know, an independent supplier. We supply to all OEMs. So, wherever we do see that we could make the returns as a profitable business, we will surely supply.

And I think we're probably in one of the best place because of our international presence, because of our local presence in China, our numerous local Chinese JV partners, which we have a very strong relationship with. So, wherever these OEMs are going outside, we're definitely getting the opportunity to supply to them first because we're already supplying to them in China.

But like I said, I think when you're talking about market share loss and things like that for the OEMs, I would be careful and look at the numbers a little bit more in detail going on over there. And the situation is not as bad. I think the international OEMs are, of course, holding ground in their regions, and we're seeing some OEMs also have growth with their new program launches that are competing head on with the EV launches of the Chinese OEMs.

So, and like I said, for us, the more customers there are, the more opportunities for us to supply. So, for us, we don't really, we are fairly balanced, and we will continue to grow even with the Chinese OEMs that are coming into Europe because of our deep relationships already established with them in the local market.

Amyn Pirani: That's really good to know. Thanks for that, Vaaman. I'll come back in the queue.

Moderator: The next question comes from the line of Kapil Singh with Nomura.

Kapil Singh: The question is a bit strategic in nature. Just wanted to understand there are several new areas which are throwing up substantial opportunities, for example, robotics or industrial automation, AI-related areas or semiconductors. So, which of these areas are of interest for you or you are studying? And do you think there is a match in terms of ability for Motherson to tap those opportunities?

Laksh Vaaman Sehgal: Great question. Answer is all of them. Look, we haven't really spoken about some of the other businesses because we are in building block of these businesses because these are new growth opportunities. And again, with our D.E.M.A.L., the design, engineering, manufacturing, assembly, logistics framework and core competence that we have developed at Motherson.

We are being looked at many of these companies that are looking for meaningful partnerships, of course, in India, but globally also to be able to take advantage of the progress that we have in the operational excellence of manufacturing and be able to supply to them. So, we are definitely doing stuff in semi-conductor. We are supplying already to some of the players in that field, of course, in the B2B kind of segment for manufacturing and supporting there and their ambitions in India and in their countries.

So, there is some opportunities there, which we will again come back to once it reaches a size of scale. That is currently being reflected in a small way in the numbers that you are seeing. But again, I'm really positive about what we're going to be doing in the semi-conductor. You will also hear more about potential joint ventures that we are discussing with at the moment.

Of course, I cannot disclose until they are signed, but we are very much a JV specialist. So, with these partners that are looking to, again, expand in India, we become a partner of choice with our track record on that. I'm also really glad to tell you that we already have won small orders for actually supporting production.

Again, I cannot really disclose too much on that because as you know, the market right now is extremely niche and only growing, but we have already targeted those kinds of customers and to bring new solutions from our product portfolio to be able to supply to that. Again, the numbers are extremely small right now.

But I think, again, as this business grows, we are setting ourselves and sowing the seeds to be in a great position to be able to supply to these businesses because if you look at some of the volume projections, they're absolutely mind-boggling. But again, we cannot comment on any of that right now because it really hasn't happened.

So, we will wait for that to happen. But we are positioning ourselves that if these businesses do take off in the future, we are well positioned to take advantage and supply from our complete solution suite in terms of plastics, electronics, wiring harness, everything that is required in these businesses to be able to go after them.

And our own use of robotics is also really increasing. We have our own Company inside called ROBIS, which has done some stellar work to be able to help manufacturing and automation drive that we are putting in all our facilities globally. And our strategy of producing locally, source locally, produce locally, supply locally.

Now with AI, automation, the labor arbitrage and everything really becomes really miniscule because if you're able to really automate and bring all of these kinds of cost synergies or drive, you can really be competitive in any location because now with logistics costs being so high and so much volatility in currencies and logistics, I think local production is being preferred everywhere by a lot of our customers.

So that really gives us upper-hand to be able to supply, again, our D.E.M.A.L. capabilities to these customers for all bunch of different things, everything that means manufacturing, and we're really going after these businesses to get to 108, you will see that some of these things will help us to get there.

Kapil Singh: Thanks, Vaaman. That's very exciting to hear about. Few of the questions on consumer electronics. Just wanted to know what is our current capacity and the utilization level?

Laksh Vaaman Sehgal: So, it's again, I can't tell you too much about those numbers. The current 2 facilities are a fraction of what the new facility is going to be at. And these were just to prove it out that we could do it, and we have experience because this is the largest facility in Motherson Group. So, you can understand the size and scale of this, the factory is the size of thirty-three football fields in a row. So, in that sense, the first two facilities were just prototypes and I think small batch production just with the process. It's a very, it's a 17-stage process to get the glass products that we do. So highly technical, requires a lot of engineering, a lot of getting used to and the scrap rates and everything are like even a small fraction one is a meaningful impact.

So, to really get it right to understand the chemistry, to understand how to deal with glass, extremely fragile, scratches very, very easily and gets completely rejected. So very different to what we've been doing in some of the other products portfolio.

So again, I think you guys have to be just a little bit more patient with us. I think two quarters, you will see, you will see that. And like I said, we can give you a volume kind of growth, but what kind of revenues and all that generate depends on the programs, it depends on the future, depends on what we finally win, which is all happening as we speak.

So please just be a little bit more patient. I know we've kept you guys waiting for some of this, but please believe me, it's worth it. It's going to be great for our Company to be able to upstream into this new business and create something a complete new line of business for the group that will be meaningful. And we will share a lot of these things with you in a couple of quarters as we ourselves learn and understand how this business is fully ramped up and how it goes.

Kapil Singh: Okay. And just lastly on emerging businesses, because it involves a lot of new businesses and probably we don't understand it so well. So, what I'm noticing is that the margins, at least on a quarter-on-quarter basis have been moving up and down a lot. So, can you just help us understand what is causing this? Is there some kind of seasonality here we should keep in mind? Or is the mix changing? Just any color here to help understand this will be helpful.

Laksh Vaaman Sehgal: Yes. Look, and I think Gandharv can support me. If you look in the emerging businesses, we are clubbing a lot of different businesses together right now because they're all at the infancy stage. There are facilities that are ramping up. There are new programs that are launching over there.

And again, once these become meaningful in size, we will bifurcate them so that you will get a more detailed picture on, for example, consumer electronics itself, we will look to see, to give you a lot more clarity because that is obviously one of our largest facilities with the capex, etcetera. So right now, you see some of that clubbing effort, which is happening with some of those emerging businesses all coming together to give you a more consolidated view.

And like I said, we are in the middle of ramp-ups, new facilities that have come to support what the orders are going to come. But I think again, in coming quarters, you will see a lot more detailed view of that. But you can see that there's tremendous amount of growth there, a lot of the electronics piece that we are doing in consumer electronics, not just with this facility of glass, but also other capabilities that we are building for what we want to do with SMT lines and things like that.

We have a lot of use of PCBs ourselves. So, there are a lot of things that we are thinking and we are trying out ourselves, which is there. But again, I think, in a couple of quarters, by the end of this year, you will see a lot more clarity on that as some of these things come up to full swing, and we are kind of fully ready to present to you what we are doing in some of these new growth areas.

Kapil Singh: Thank you so much and look forward to that. Best wishes

Moderator: The next question comes from the line of Raghunandhan N. L. with Nuvama Research.

Raghunandhan N. L.: Good evening team, in the investor presentation thank you for sharing the quarterly region-wise revenue mix. That was very helpful. On my first question, with the Nexans acquisition, will the existing India business, for instance, Motherson and Motherson Sumi Wiring India, benefit from the support like technology support? Can there be synergy?

Laksh Vaaman Sehgal: Pankaj, will you take that?

Pankaj Mital: Yes. Raghunandhan, obviously, wherever we do business, we always support. So, if there is something which is required in the Indian market, that will always be available. So, at the moment, both SAMIL's continuous knowledge gain and the company in India is supported by Sumitomo and MSWIL, and Kyungshin is supported by Kyungshin's technical knowledge because that's dedicated to Hyundai and Kia businesses. Whatever we gain knowledge anywhere in the world is obviously available to our child companies.

Raghunandhan N. L.: Noted Sir, going back to consumer electronics for FY '26, it is great to see INR 1,300 crores revenue and 8% EBITDA margin. This increase in capex to INR 7,500 crores, I assume 2.5x asset turnover, it can do as much as INR 20,000 crores revenue by 2030 with double-digit margins. Do you think something like that is realistic and achievable?

Laksh Vaaman Sehgal: Look, we cannot give you any forward projections. But of course, you have to understand that these facilities and things that we are putting in will be one-time kind of investments for this facility, and we will hopefully be able to reap the rewards of it for the next 20 years in the facility that we do put in. It's not, it's not something that is only for this program or something for that.

So please do have heart. These are flagship kind of investments that we are making in these things. And then, of course, over the years, we do see this business also being able to give us 40% ROCEs as we grow. How do we have to get there, of course, it's uphill climb. But I think the most important thing is to be able to show to the customer that we can ramp very, very large facilities in new product lines, with new customers, with new quality specs and do that very successfully.

And I think this is just first of many. And hopefully, with the launch of this, we will be able to showcase to this customer and to other customers that we could now perhaps attempt to double the size of this facility with our capabilities, with the learnings and everything that we have got. So, definitely looking to ramp from here.

Of course, a lot depends on the product actually that we win because it's a fairly diversified kind of a product. Applications are very, very large. We're only focusing on one side as we are proving ourselves in this business. But yes, we are very, very hopeful that this capacity will give us returns for many, many years.

And this product is definitely not going anywhere. Glass will continue to be used in a meaningful way, a lot of consumer electronics. And we hope to give you a lot better returns, this what you're seeing right now at the startup phase when it's that ramp.

Moderator: Mr. Raghunandan, does that answer your question?

Raghunandhan N. L. Yes, yes. Thank you very much. That's very helpful.

Moderator: The next question comes from the line of Siddhanth from ASK Investments.

Siddhanth: Yes. Sir, my first question is just a clarification. When we say that 38% of the wiring harness revenue came from India, we are including 100% of the Motherson wiring business. And then later on, we are deducting the 100% under the JV method. Is it right?

Laksh Vaaman Sehgal: Gandharv?

Gandharv Tongia: Vaaman, yeah. I'll take this, whatever is of MSWIL, that is accounted as associate or joint venture and what we have explained, that is what we do. But we also have export business that is included in SAMIL.

Siddhanth: Yes. But my understanding was correct, right, including 100% of the Motherson wiring and then we are deducting 100%?

Gandharv Tongia: That's right. And the profit is then accounted for as a share of JV and Associates.

Siddhanth: Right. Sir, my second question is regarding the GF-3 facility. Right now, the JV share is 90-10. So how should we model the revenue going forward? Will it be like 90-10 or it will be 50-50 once they convert the shares?

Laksh Vaaman Sehgal: Right now, we don't have any indication that they want to go up. So, I cannot really comment on that. They have the opportunity to do so, but they are currently quite happy at that 10%. So, if that changes, we will definitely come back to you. But currently, it is what it is.

Siddhanth: Okay. Thank you, sir. I'll get back in the queue.

Moderator: The next question comes from the line of Chandramouli Muthiah with Goldman Sachs.

Chandramouli Muthiah: My first question is just around the upcoming facility, the third facility under the consumer electronics business. Just given the scale and size of the plant, is this being planned to have maybe fungible lines and capabilities to have products beyond the glass products that we're already making today?

And just related to this, I wanted to understand in your own sort of internal models, when do you expect the consumer electronics business to fund its own capex? What is the sort of time frame that you have on that? And in a steady state, what sort of asset turns would you aspire for in the consumer electrics business? That's my first question.

Laksh Vaaman Sehgal: Thanks for that. Look, in the consumer electronics business, like I said, this current product is glass and the applications are large. But what we are doing and the capacities that we are setting up in this facility are already completely taken by the customer that we have. It's Motherson's prerogative always to diversify and make sure that, again, not facility is only or no company is only focused on concentrated customer.

We want to bring in more and more customers. And I think those opportunities will definitely come as we're able to show, again, that we are fully capable to ramp large programs in this industry, which is a new industry for us.

And definitely, with the profits of this, we are looking to reinvest that and further grow this industry and to be on its own in the investor conference, we also spoke about how some of these incubations as they become young adults, we would like them to hive off and become standing on their own feet. And I think that's what we are following with all of our new businesses, the aspirations for all the new businesses to be completely standing on their own feet.

So again, depending on how this thing performs, which we are very hopeful and positive about, this should be good candidates for these companies to be standing on their own feet, funding their own capex and growing up on their own. I think SAMIL has done its bit with this first facility. After that, everything that we need to do is hopefully, this Company is able to stand on its own and drive its own future. And that was the whole strategy behind incubating all the new verticals in SAMIL.

Chandramouli Muthiah: Got it. That's helpful. Second question is just around the emerging opportunities in the industrial space globally around some of the topics that were earlier discussed, robotics, humanoids, physical AI and so on. So, I just want to understand from your standpoint, how long does it typically take potentially to develop parts in-house for sale into these supply chains?

And are there also products just given your scale globally and your variety of SKUs, are there some products in the basket at some of your plants globally that you think can be cross-sold into the supply chain? Just trying to understand what is the breadth of products and the time taken to develop products for this emerging growth opportunity?

Laksh Vaaman Sehgal I'm not able to grasp the question completely, but I'll probably start and maybe my team can help if they understood it better. Look, the idea from developing new products and things like that, I mean, all the companies that we are acquiring, we are obviously adding to the product portfolio and the customer wants this company to survive because it has good technology and it needs to be serviced in their growth plans.

Our idea is always to be able to take the existing products, can we show them to more customers? Can we take them to more geographies. We did that very successfully when we acquired SMR, for example, there were numerous technologies on the rearview mirror that we were able to bring into the Indian customers that saw a lot of value in these new attributes that were coming out in, let's say, the European cars.

And we had a lot of success with things like that. So it's not just about, of course, we're continuing to spend money on our development of our feature-rich content because if you look at the key real estate in the car and look at all the electronics and the features and the attributes that are coming, we own that real estate. If you're looking at all the electronics for exterior environment that comes in the front bumper, back bumper, exterior mirrors, that's our real estate.

If you look at all the features that are coming in the interior, it's coming on the dashboard, it's coming on the doors, that's our real estate. So, the huge opportunity there to be able to, again, continually develop more and more features. And that's why we say that we're not producing something like static like cement or something like that, which is the same with perhaps small changes that go into the compound, but actual features and the amount of products that go inside our product continuously changes with every new program, which allows us to bring in, again, new electronics, new touch and feel, new materials new ways of processing.

And all of that kind of is our core competence which we are able to go to the customers and help them achieve their goals of driving the value up in their products and also better ways and sustainability drives to be able to change the way that some of these things have been done historically. So, a lot of avenues of growth. That's what really excites us. I think we've always told you that, look, our engine exposure is minimal. We are engine-agnostic company.

We do have a very small product line that is only focused on ICE, but our majority of our product portfolio is applicable to the entire car, no matter what, whether it's ICE or hybrid or hydrogen in the future or whatever that comes, we're fully capable to ramp up to that. And with that also, you can also take these kind of products to not just passenger car. We are seeing synergies that we can drive in the aerospace. We are seeing synergies that we can drive in the rolling stock business. So, a lot of opportunity for growth.

And now space is, of course, something that's heating up and something that we're also looking to go after. We've seen the amount of money that is being spent, again, globally on these kind of programs and how quickly this is going to also ramp up. So, it's a mixture of all of these things.

We allow the autonomy to the companies to go after their products and see the development that they want to make and the industries and the customers that they want to go after, but extremely exciting because we are very relevant in the age of mobility where mobility is only increasing and the number of options for the consumer and the number of customers are also increasing who are providing new mobility solutions, even stuff like, the new age mobility stuff that you're seeing short-term transportation. So, a lot of exciting stuff is coming.

Again, these are all things which are niche industries, which are growing. I can't name some of the customers that we are talking to, they are completely new age. But again, very exciting opportunities. And even if one of these things click, it's really meaningful. I think when EVs were just coming out, we were one of the first companies to support the large ones that were coming out internationally.

And building those strong relationships really helped us to grow meaningfully in the EV space as well, we're providing all our platform of products, especially SMR did a wonderful job at that time because they were global. So, I think that continues, that kind of ethos continues. And we see a lot of opportunity for our products to grow with the new age customers, the new age mobility that's coming, and we will stay focused on growing that.

Chandramouli Muthiah: Got it. That's helpful. Thank you very much and all the best.

Moderator: Thank you. The next question comes from the line of Manpreet Arora with Northern Lights Wealth. Please go ahead.

Manpreet Arora: Yes. Thank you for the opportunity. Just a clarification, we said the GF-3 is 40 million units eventual capacity in around, let's say, FY 29. And in FY 26, the exit run rate was 16 million units. So, is it fair to assume that the total capacity will be like 56 million units at the end of FY 29 is that the correct assumption?

Laksh Vaaman Sehgal: Again, yes and thereabouts. I think, again, depending on the program that we win and the number of processes that, that product has, we could definitely do a little bit more than that or less depending again on the programs. But yes, it's going to be significantly more than what we are doing right now.

And again, like I said, we have to wait a couple of quarters to really get more idea on that. I think trying to piece together more numbers and stuff like that, I don't think we will give you the best view of that. So please be patient for another couple of quarters. We will have all the information we need to understand this business.

Manpreet Arora: Sure, sure. I mean I was just trying to get an idea of the size of the expansion that we're doing. So, my next question, I mean, you mentioned about some of these businesses that we are incubating will be ready to stand on their own. And I think you also talked about that in the Investor Day, on the Investor Day.

Laksh Vaaman Sehgal: Yes.

Manpreet Arora: Now does it also mean that at some point of time, we will look at separately listing them some of these businesses and unlock value?

Laksh Vaaman Sehgal: Yes, absolutely. I think how we do it, what are the semantics, that's something that will depend on what the structure of that business is, what is the best way to create value. But our drive is to create a lot of value for all the investors that have incubated these businesses and supported them together in SAMIL and for them to drive their own path and to grow up. So yes, everything is on the cards. I can't tell you exactly what happens because they're still -- right now, we're really focused on execution and making sure that these companies become extremely valuable and stand-alone on their own.

And how and what shape that will happen will again come in this 5-year plan. We will come back to you and tell you how exactly we're doing it. But that's definitely a drive for us to create independent because if you look at SAMIL, we are doing a lot of different industries incubating it in SAMIL.

And I think the way to unlock that value will be that once they’re of a certain size and scale to give them that independence to be able to grow and stand on their own feet and that dependence of SAMIL be cut off and have their own trajectory of growth, which is slightly different to where the automotive business is in that scenario, that is something that we are more mature in. And these are more new growth, high-growth areas and something that's very exciting and will require like I said, complete independence from SAMIL once they are able to stand up on their own feet, which is not far away.

Manpreet Arora: Great, thanks. So should we look at something happening in FY 28, some value unlocking or would be beyond that?

Laksh Vaaman Sehgal: Look, it's definitely in this 5-year plan. For us, the faster, the better. It depends on, again, how they ramp and how the market perceives that they are valuable as well. But from our side, we are taking all the steps for as soon as possible that these things happen. For us, it's better faster than later. But definitely, we have set up plans internally and everything depends on the execution for the next couple of years.

For that to, of course, happen as we need to have some performance of these companies so that people understand that what's really happening over there. So good news is that everything is on track. It's as we had imagined. Of course, there's headwinds in terms of geopolitical and all those kinds of things which affect the market. But in terms of our performance, in terms of what we are winning in terms of customer confidence, in terms of our execution, we are very much on track.

Manpreet Arora: One final question, this is more specific to our vision systems vertical. Are there regulatory tailwinds that we're seeing, especially in India, we have this AIS 184 Regulation about driver drowsiness detection that is probably coming in and this requires a lot of sensors, maybe camera for monitoring the driver and some software to detect and all that. So is it a meaningful growth opportunity for us because we are present in the CV space. And do we have capability across the stack across central camera software? And is it a meaningful opportunity for our vision systems vertical? Just want to.

Laksh Vaaman Sehgal: Thank you so much for asking the question. My friend, Rajat, on the call, unfortunately, does not get a lot of airtime because everybody is asking about the consumer electronics business, where the mirror business has been one of the most resilient, one of the highest cash generators for us in terms of free cash flow and is doing phenomenal things under his leadership.

So really, I'm so glad that someone asked this question and recognize that the mirror business is also in a very, very good trajectory. So Rajat, please, the stage is yours. And finally, somebody has asked about the Mirror business.

Rajat Jain: Thank you so much. So yes, I think good question. And yes, we are seeing these new regulatory tailwinds helping us. And if you see what we've done in this new acquisition, Autocruis, this is exactly in that direction because they have a good product portfolio. They are already doing interior digital mirrors. They're also doing driver monitoring systems for buses. They are also doing other products, which then we can scale up in China itself. And we can also then add these products in India.

So of course, there will be work that will have to be done. because these would require homologation. They would have to clear all the requirements that we have from the regulators. But clearly, it provides us a very strong platform to then build upon and catch up. So, I think these things are still in the starting phase, and we are just in time to bring in these technologies and then ride on the growth that the market would see with these regulations coming in more and more.

Manpreet Arora: Great. Can I ask one more, if possible?

Laksh Vaaman Sehgal: Sure. Please go ahead.

Manpreet Arora: Yes. This is more on the health and medical side. Our revenues have degrown over the last 3 years, making our losses have increased. So, what is the brand vision with the health and vertical side of the emerging business? And I mean, do we see ourselves becoming like the GE health care of India. Just want to know the grand vision there and what are we doing to grow our capabilities in that vertical?

Laksh Vaaman Sehgal: Yes. Look, the vision remains the same for the rest of our business. We do not have any ambitions to become an OEM of that size and scale. We definitely want to be supplying to customers like that, and that's the idea. Yes, you're right, the business is slightly slower to get off the blocks, but that happens. There were extreme high valuations in this industry. So, to try to do a large acquisition or something, we didn't see any path to delivering 40% ROCEs if you were paying those kinds of multiples.

But I think now under the leadership of Sachin Nene, we are really looking at a much sounder way of driving this business. We've opened up our first plant in Chennai, which is the largest plant that we have for health and medical, which is gaining orders. And hopefully, this trend that you see of the negative should reverse in coming quarters because that's fully up and ready now and commissioned.

And I think we're also looking at some strategic plays globally. And with, again, our competence now in the other product groups, I think there's a lot to add to that vertical. We have also partnered and done some of our own stuff in terms of partnership for ultrasound kind of machines. I think that's seeing some traction now. We did it was a startup that we are working with. So, there's a lot of stuff that we needed to do to bring the manufacturing, global sales, etcetera to sync all of that up. I think that's happened.

So, we should see meaningful growth there also. So yes, I think that is, please wait and watch. The vision is exactly the same. It's been slightly slower. But when the things will click, I'm pretty sure that, that will happen fairly quickly and this will grow also rapidly at the right time and also looking at cementing some good joint ventures to bring some really good technology into India to support the needs of the health and medical industry in India because most of the stuff that we see in India is also, a lot of it is imported.

So huge growth opportunities there. And like I said, I think just because of the nature of that business, we were not able to get global traction on that very, very quickly. But I think now in this 5-year plan, you will see meaningful growth that comes over there. And I'm sure the teams will show you a good performance by the end of this 5-year plan.

Manpreet Arora: Great, great. Thank you. Appreciate your time.

Moderator: Ladies and gentlemen, that was the last question for today. I now hand the conference over to Mr. Vaaman for closing comments.

Laksh Vaaman Sehgal: Thank you so much and thank you for all your questions. I think, again, we've seen a really resilient performance by our group in really tough challenging conditions. I think the operating teams are completely flat out combating all of these things and yet showing you these impressive performances is one of our strongest performance in Q1.

So, we are extremely proud of what we have built. I think you're seeing the full engine of Motherson running now with the D.E.M.A.L. capabilities that we've been hopping on and building on as a platform for the last so many years. And we're really excited of upcoming quarters and extremely bullish about where we go from here. So, look forward to your support and see you all in the next quarter. Thank you all very much for your time. All the best. Thank you. Bye-bye.

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