JM FINANCIAL

Samvardhana Motherson International | BUY

SAMIL Vision 2030: Driving growth beyond automotive

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Samvardhana Motherson International (SAMIL) recently conducted its Vision 2030 investor meet, outlining its long-term aspirations for the next 5 years. The company has set four clear targets: 1) gross revenue of USD 108bn (vs. from USD 25bn in FY25), 2) maintain group RoCE at 40%, 3) 3CX10 diversification principle (no country, customer, or component should account for >10% of revenue), and 4) distribute up to 40% of consolidated profit as dividend. While automobiles remain its core - with management planning to address white spaces (Exhibit 3) and its aspiration to assemble a full car for its customers by 2030 - SAMIL sees significant opportunities in non-automotive sectors, particularly aerospace and consumer electronics. Expansion in product portfolio, acquisitions, and rising content and value in both automotive and non-automotive segments will be the key drivers for top line growth. On the margin front, operational efficiency measures, rising contribution from the non-auto business, and the turnaround of 70 acquired units are expected to enhance profitability. We have not updated our estimates and wait for execution progress before revising estimates. We maintain BUY rating with a Mar'27 TP of INR 110 (19x FY27E EPS). Recovery of global auto demand / production remains a key monitorable.

- **Automotive business:** The automotive segment will remain the backbone of SAMIL's growth strategy. By 2030, the company aims to achieve significant revenue expansion by addressing the white spaces (Exhibit 3) in the global automotive business and expanding partnerships with key customers, including Chinese and Japanese customers. Further, developing new capabilities and vertical integration are expected to enhance content per vehicle. The long-term aspiration is to assemble a full car for its customers by 2030, giving it access to the full vehicle supply chain.
- **Non-automotive business:** SAMIL is actively diversifying beyond automotive, and identifies huge growth opportunties in the aerospace and consumer electronics segemnts. In aerospace, the company aims to broaden its portfolio across a wider range of products and increase content and value per aircraft. In consumer electronics, SAMIL has secured a large order from a global player and is setting up a new facility in Chennai, equivalent in size to 33 football fields, which is expected to be operational in 12–18 months. Growth in the non-automotive segments will help the company to achieve its diversification goal of no country, customer or component contributing more than 10% to its revenue.
- **Profitability outlook:** SAMIL is targeting 40% RoCE at the group level by 2030. The company plans to achieve this by 1) operational efficiency improvements, including expanding lifetime of assets and flexible capex, 2) higher content per vehicle, and 3) growing contribution from non-automotive businesses such as aerospace and consumer. Further, the turnaround of 70 units acquired through 23 acquisitions is expected to drive significant improvement in margins and returns.
- **Unlocking value:** SAMIL has also highlighted its focus on unlocking shareholder value through listing of individual entities, similar to the earlier demerger and listing of Motherson Wiring.

Recommendation and Price Target	
Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	110
Upside/(Downside)	16.3%
Previous Price Target	110
Change	0.0%

Key Data – MOTHERSO IN	
Current Market Price	INR95
Market cap (bn)	INR998.4/US$11.3
Free Float	42%
Shares in issue (mn)	10,164.6
Diluted share (mn)	10,554.8
3-mon avg daily val (mn)	INR1,619.7/US$18.4
52-week range	145/72
Sensex/Nifty	80,711/24,741
INR/US$	88.3

Price Performance

%	1M	6M	12M
Absolute	-2.9	14.5	-26.5
Relative*	-3.9	5.4	-26.1

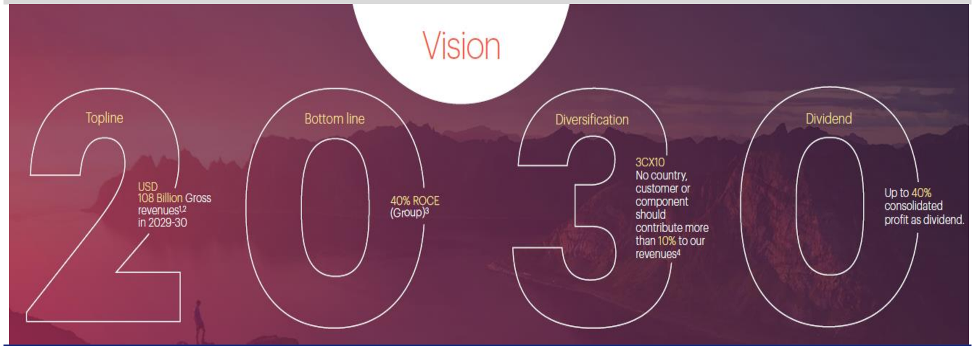
* To the BSE Sensex

Financial Summary (INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	986,917	1,136,626	1,249,928	1,362,768	1,488,554
Sales Growth (%)	25.3	15.2	10.0	9.0	9.2
EBITDA	92,866	105,519	124,993	143,091	160,764
EBITDA Margin (%)	9.4	9.3	10.0	10.5	10.8
Adjusted Net Profit	29,660	38,030	49,411	61,276	73,500
Diluted EPS (INR)	2.9	3.6	4.7	5.8	7.0
Diluted EPS Growth (%)	86.0	23.5	29.9	24.0	19.9
ROIC (%)	13.9	12.2	12.8	15.6	19.7
ROE (%)	12.2	12.5	13.2	14.2	14.7
P/E (x)	32.6	26.4	20.3	16.4	13.6
P/B (x)	3.7	2.9	2.5	2.2	1.9
EV/EBITDA (x)	12.0	10.4	8.7	7.2	6.0
Dividend Yield (%)	0.5	0.6	0.5	0.6	0.6

Source: Company data, JM Financial. Note: Valuations as of 05/Sep/2025

Exhibit 1. SAMIL vision 2030

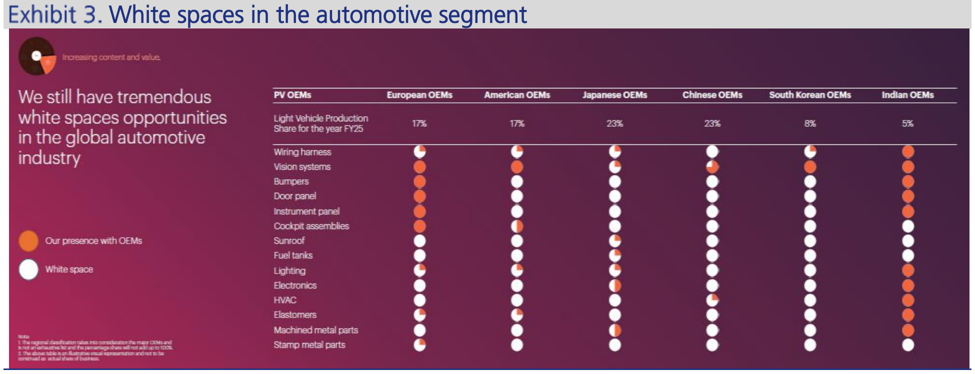


Source: Company, JM Financial

Exhibit 2. Aspiration to assemble full car by 2030

Source: Company, JM Financial

Exhibit 3. White spaces in the automotive segment

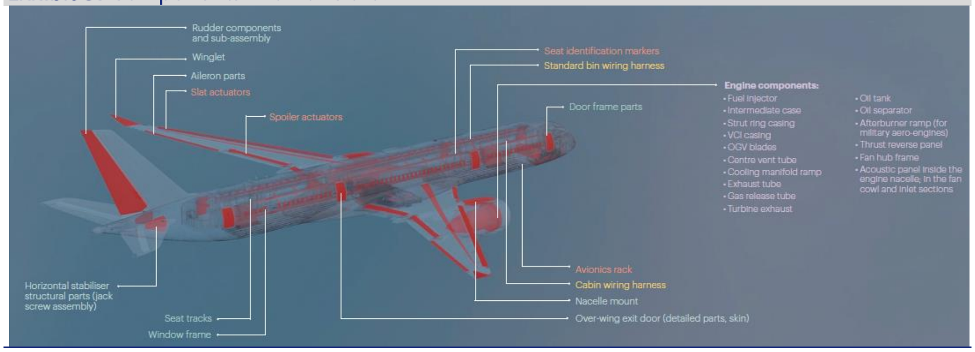


Source: Company, JM Financial

Exhibit 4. Increasing content and value

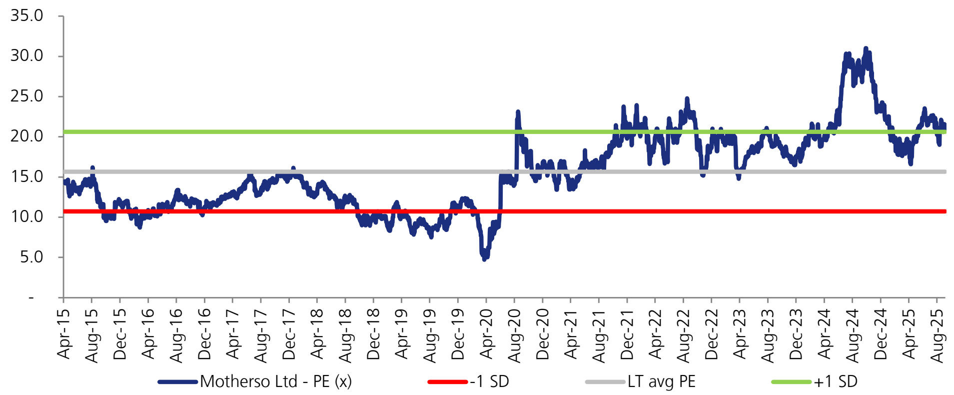
Source: Company, JM Financial

Exhibit 5. Components in an aircraft



Source: Company, JM Financial

Exhibit 6. 1-year forward PE chart



Source: Bloomberg, JM Financial

Financial Tables (Consolidated)

Income Statement (INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	986,917	1,136,626	1,249,928	1,362,768	1,488,554
Sales Growth	25.3%	15.2%	10.0%	9.0%	9.2%
Other Operating Income	0	0	0	0	0
Total Revenue	**986,917**	**1,136,626**	**1,249,928**	**1,362,768**	**1,488,554**
Cost of Goods Sold/Op. Exp	544,147	610,522	671,211	727,718	791,911
Personnel Cost	235,385	283,870	308,732	336,604	367,673
Other Expenses	114,519	136,715	144,992	155,356	168,207
EBITDA	**92,866**	**105,519**	**124,993**	**143,091**	**160,764**
EBITDA Margin	9.4%	9.3%	10.0%	10.5%	10.8%
EBITDA Growth	47.5%	13.6%	18.5%	14.5%	12.4%
Depn. & Amort.	38,105	44,934	51,477	57,440	61,178
EBIT	54,761	60,585	73,516	85,650	99,586
Other Income	1,876	5,577	4,549	6,909	8,653
Finance Cost	18,112	18,824	12,777	10,977	9,377
PBT before Excep. & Forex	38,525	47,338	65,287	81,582	98,862
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	38,525	47,338	65,287	81,582	98,862
Taxes	8,206	11,156	18,281	22,844	27,683
Extraordinary Inc./Loss(-)	-2,499	0	0	0	0
Assoc. Profit/Min. Int.(-)	5,409	8,702	10,255	12,021	13,694
Reported Net Profit	27,162	38,030	49,411	61,276	73,500
Adjusted Net Profit	**29,660**	**38,030**	**49,411**	**61,276**	**73,500**
Net Margin	3.0%	3.3%	4.0%	4.5%	4.9%
Diluted Share Cap. (mn)	10,164.6	10,554.8	10,554.8	10,554.8	10,554.8
Diluted EPS (INR)	**2.9**	**3.6**	**4.7**	**5.8**	**7.0**
Diluted EPS Growth	86.0%	23.5%	29.9%	24.0%	19.9%
Total Dividend + Tax	4,405	5,981	5,277	5,981	5,981
Dividend Per Share (INR)	0.4	0.6	0.5	0.6	0.6

Source: Company, JM Financial

Balance Sheet (INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	261,549	348,804	401,732	463,009	536,509
Share Capital	6,776	7,037	10,555	10,555	10,555
Reserves & Surplus	254,773	341,767	391,178	452,454	525,954
Preference Share Capital	0	0	0	0	0
Minority Interest	20,606	22,482	22,482	22,482	22,482
Total Loans	199,218	172,218	147,218	127,218	107,218
Def. Tax Liab. / Assets (-)	-12,308	-14,637	-14,637	-14,637	-14,637
Total - Equity & Liab.	**469,066**	**528,867**	**556,796**	**598,072**	**651,572**
Net Fixed Assets	326,192	358,265	389,958	372,214	352,321
Gross Fixed Assets	425,419	493,183	579,250	617,420	657,117
Intangible Assets	79,513	86,995	86,995	86,995	86,995
Less: Depn. & Amort.	203,046	247,981	299,457	356,898	418,075
Capital WIP	24,306	26,068	23,170	24,697	26,285
Investments	65,215	65,997	108,097	150,197	192,297
Current Assets	438,065	479,798	510,184	579,791	666,872
Inventories	91,386	107,873	110,336	119,625	130,177
Sundry Debtors	171,943	193,284	222,590	242,685	265,085
Cash & Bank Balances	69,858	62,888	52,245	82,468	125,795
Loans & Advances	104,878	115,753	125,013	135,014	145,815
Other Current Assets	0	0	0	0	0
Current Liab. & Prov.	360,405	375,193	451,443	504,131	559,918
Current Liabilities	226,172	236,692	292,167	320,963	349,276
Provisions & Others	134,233	138,501	159,276	183,168	210,643
Net Current Assets	77,659	104,605	58,741	75,661	106,954
Total – Assets	**469,066**	**528,867**	**556,796**	**598,072**	**651,572**

Source: Company, JM Financial

Cash Flow Statement (INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	40,900	52,613	71,617	88,862	106,869
Depn. & Amort.	38,105	44,934	51,477	57,440	61,178
Net Interest Exp. / Inc. (-)	18,112	18,824	12,777	10,977	9,377
Inc (-) / Dec in WCap.	9,330	-33,916	35,221	13,303	12,034
Others	-4,180	-1,551	-3,925	-4,741	-5,687
Taxes Paid	-8,206	-11,156	-18,281	-22,844	-27,683
Operating Cash Flow	**94,061**	**69,749**	**148,886**	**142,997**	**156,089**
Capex	-118,049	-77,007	-83,170	-39,697	-41,285
Free Cash Flow	-23,988	-7,258	65,716	103,300	114,804
Inc (-) / Dec in Investments	-2,316	-782	-42,100	-42,100	-42,100
Others	-18,112	-18,824	-12,777	-10,977	-9,377
Investing Cash Flow	**-138,477**	**-96,613**	**-138,047**	**-92,774**	**-92,762**
Inc / Dec (-) in Capital	0	260	0	0	0
Dividend + Tax thereon	-4,405	-5,981	-5,277	-5,981	-5,981
Inc / Dec (-) in Loans	61,295	-27,001	-25,000	-20,000	-20,000
Others	10,396	52,616	8,795	5,981	5,981
Financing Cash Flow	**67,287**	**19,895**	**-21,482**	**-20,000**	**-20,000**
Inc / Dec (-) in Cash	**22,871**	**-6,969**	**-10,643**	**30,223**	**43,327**
Opening Cash Balance	46,987	69,858	62,888	52,245	82,468
Closing Cash Balance	69,858	62,888	52,245	82,468	125,795

Source: Company, JM Financial

Dupont Analysis

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	3.0%	3.3%	4.0%	4.5%	4.9%
Asset Turnover (x)	1.4	1.3	1.3	1.3	1.3
Leverage Factor (x)	3.0	2.9	2.6	2.5	2.3
RoE	12.2%	12.5%	13.2%	14.2%	14.7%

Key Ratios

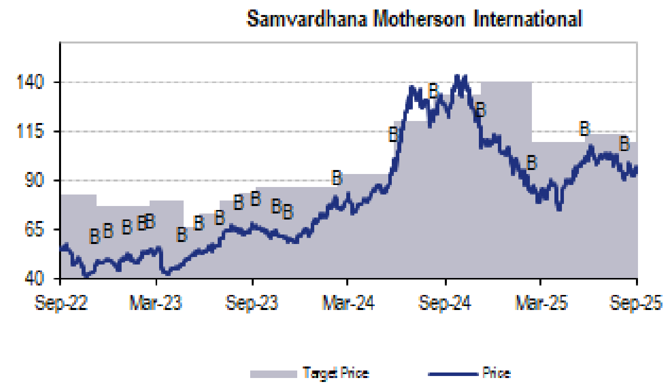
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	25.7	33.0	38.1	43.9	50.8
ROIC	13.9%	12.2%	12.8%	15.6%	19.7%
ROE	12.2%	12.5%	13.2%	14.2%	14.7%
Net Debt/Equity (x)	0.5	0.3	0.2	0.1	0.0
P/E (x)	32.6	26.4	20.3	16.4	13.6
P/B (x)	3.7	2.9	2.5	2.2	1.9
EV/EBITDA (x)	12.0	10.4	8.7	7.2	6.0
EV/Sales (x)	1.1	1.0	0.9	0.8	0.7
Debtor days	64	62	65	65	65
Inventory days	34	35	32	32	32
Creditor days	92	84	95	96	96

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
9-Aug-22	Buy	82	
10-Nov-22	Buy	77	-6.8
4-Dec-22	Buy	77	0.0
9-Jan-23	Buy	77	0.0
8-Feb-23	Buy	77	0.0
20-Feb-23	Buy	80	4.3
24-Apr-23	Buy	67	-16.7
27-May-23	Buy	73	10.0
4-Jul-23	Buy	80	9.1
10-Aug-23	Buy	83	4.2
10-Sep-23	Buy	87	4.0
22-Oct-23	Buy	87	0.0
10-Nov-23	Buy	87	0.0
12-Feb-24	Buy	93	7.7
29-May-24	Buy	120	28.6
13-Aug-24	Buy	133	11.1
12-Nov-24	Buy	140	5.0
16-Feb-25	Buy	110	-21.4
29-May-25	Buy	113	3.0
13-Aug-25	Buy	110	-3.0

Recommendation History



APPENDIX I

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Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
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