

SamvardhanaMotherson

10 February 2026

Operator: Ladies and gentlemen, good day and welcome to the Q3 FY26 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. I now hand the conference over to Mr. V. C. Sehgal from Motherson. Thank you and over to you, Mr. Sehgal.

Management: Thank you. Good evening, ladies and gentlemen, and thank you very much for joining us today. I am pleased to announce that the board has approved the results for the third quarter FY26. Q3 FY26 has been a strong quarter for Motherson, delivering in a dynamic environment. We reported our highest ever quarterly revenues with a double-digit growth.

This performance reinforces our position as a global design, engineering, manufacturing, assembly, and logistics specialist, underpinned by our execution capabilities and a diversified global presence across the automotive and non-automotive industries. We continue to invest in the future. During the quarter, we announced two greenfield projects taking our greenfields to 12 across the emerging markets, spanning both automotive and non-automotive businesses.

We are also seeing strong momentum in our consumer electronics and aerospace business. Importantly, this growth has been achieved while we maintained our financial discipline. Our net leverage stands at 1.1x, well within our stated financial policy. None of this would have been possible without the dedication of our global teams and the workforce and the continued trust of our customers. With this foundation, we remain confident in our ability to deliver long-term sustainable value for all our stakeholders. With that, I conclude my opening statement. For in-depth details on the results, I would like to hand it over to Vaman and the team to provide a walk-through and business insights. Thank you. Over to you, Vaman.

Management: Thank you. Good evening, ladies and gentlemen, and thank you for joining the earnings call for Q3 FY26. Before we begin today's discussion, I am very pleased to introduce all of you to Mr. Gandharv Sanghya, who has recently joined us as the Samvardhana Group Chief Financial Officer. With over two decades of expertise in finance, strategy, capital deployment, technology-enabled transformation, and investor engagement, Gandharv brings the leadership depth that will significantly strengthen Motherson's journey towards Vision 2030. So welcome to the family, Gandharv. Happy to have you here.

Coming to the Q3 FY26 performance, I am pleased to inform that Samvardhana continued to build on its solid growth momentum and delivered the highest ever quarterly revenue of approximately 31,409 crores, and EBITDA of 3,042 crores. The revenue grew 14% year-on-year with multiple drivers at play, including healthy organic growth backed by well-diversified operations, consolidation of the Autotech business, and some favorable foreign exchange movements. Normalized PBT stood at approximately 1,061 crores, reflecting a 21% year-on-year growth, supported by savings from the transformative measures undertaken in Western and Central Europe, reduction in finance cost, and higher contribution from our JVs and other associate companies.

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Normalizations to the reported PAT are on account of post-tax impact of approximately 27 crores, primarily related to the new labor code implementation, which is about 25 crores, and costs for transformative measures being undertaken in Europe, which is about 12 crores. Further details on this are available on slide two and eight. Notably, we have delivered a strong Q3 FY26 performance on both revenue and profitability fronts despite the dynamic industry conditions where global PV production volumes have degrown on a year-on-year basis.

Emerging economies drove healthy production growth, offsetting platform mix driven softness in the developed markets. The latest global PV production outlook remains encouraging, with FY27 production projected to grow to approximately 93 million units, up from around 91 million units expected in FY26. Further details on industry trends are available on slide six.

In addition to delivering financial performance, we continue to maintain disciplined capital allocation, with approximately 1,594 crores being reinvested into the business for capex. We currently have 12 greenfield plants under development across emerging markets to support future growth in both automotive and non-automotive segments. In Q3, we have added two new greenfield facilities, one specialized in vision systems in India, and the other in wiring harness in Morocco. The majority of these greenfields are expected to come on stream by the second half of FY27 and will contribute towards the growth in the FY27 year. More details are available on slide nine and 10.

Our leverage ratio remains comfortable at 1.1x net debt to EBITDA, providing us with the financial strength and flexibility to pursue our 2030 targets. These details are presented on slide 11. Our financial strength is furthered by robust design, engineering, manufacturing, assembly, and logistics capabilities, positioning us towards our Vision 2030 target. These integrated strengths also fuel expansion into the non-automotive sectors which we have been growing recently.

This is evident in the accelerating growth of our consumer electronics and aerospace businesses. You can see that these businesses continue to gain traction, growing at a 21% year-on-year growth rate in the third quarter. The aerospace order book has been consistently growing, supported by product portfolio expansion. We are now supplying to business jets and rotary wing aircraft, thereby further diversifying and increasing content with our customers.

The consumer electronics business is ramping up its plants with two operational plants on track to achieve an annual capacity of approximately 16 million units by end of the current fiscal year. The segment recorded 75% quarter-on-quarter revenue growth along with meaningful margin improvement in Q3, marking an important milestone in its scale-up journey. The third plant is expected to commence operations in the third quarter of FY27. We are very excited about this. It will double the current capacity and enable vertical integration to enhance operating efficiencies.

To meet growing customer demands, we plan incremental investments in further capacity expansion in the coming fiscal year. Additionally, we have also secured government incentives under the ECMS scheme, which will further support scalability, competitiveness, and long-term profitability. More details on this are available on slide 15.

During the quarter, we also signed an agreement to acquire 100% of the wiring harness business of Flexens Auto Electric, which will provide Samvardhana a scalable platform for PV and CE growth

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globally. This acquisition is expected to be completed by the end of H1 FY27. We have also recently signed multiple strategic partnerships, including the development of a dedicated state-of-the-art RoRo terminal at Dighi Port, Maharashtra for end-to-end handling of finished vehicles and a joint venture with Etonics Company Limited focused on manufacturing clean mobility electronics. This is all done to support our customers even further.

The earlier announced acquisition of Yutaka Giken in Japan is expected to close in the first half of FY27 and a tender offer to Yutaka's public shareholding, which is about 30%, has already commenced on February 9. We will keep you updated as we progress through the offer. Finally, I can confidently say that all business developments have been very positive and position us well to realize our 2030 ambitions.

Motherson remains well positioned with its diversified business model backed by strong capabilities, deep customer relationships, and disciplined financial strategy. With the continued trust of our shareholders and the unwavering support of our customers and the commitment of our global teams, we look forward to a promising journey ahead. With this, I conclude my remarks. I have on the call with me Pankaj, Gandharv, Rajat, and the Chairman, and we will be happy to take all your questions now. Moderator, please take over.

Operator: Thank you very much. We will now begin the question and answer session. First question is from the line of Sajal Kapoor from Antique Stockbroking. Please go ahead.

Sajal Kapoor – Antique Stockbroking: Hi, thanks for the opportunity. I would like to acknowledge the scale and depth of Samvardhana Motherson's multi-domain capabilities, starting from automotive, of course, but then spreading into aerospace, consumer electronics, and now health and medical, which is rare globally. I would like to explore how you are leveraging this platform to maximize long-term optionality and capital efficiency across divisions. So my first question is, with your ventures into semiconductors, aerospace, and health and medical CDMO, how do you create cost or capability synergy that enhances the overall ROCE at a group level? And which of these synergies are quantifiable in terms of capital efficiency? Thank you.

Management: Thank you. I will take this question. Look, everything is driven by our focus, which is to be a globally preferred sustainable solution provider. With an open mind and this 'not yet' attitude of Motherson, we get a lot of opportunities, but we are extremely selective about the ones that we go after. They have to show us a possibility to deliver that 40% ROCE down the path.

Of course, there is an investment time where the capacity has to be built up, new greenfields have to come up, and the orders have to be won. But you must remember that we only get into these businesses once the customer support is there and the customer is directing us to be able to do it. We kind of prove it out in a small way, perhaps in India, and then we have global ambitions with that product, technology, or industry. That customer usually is a blue-chip or a leading customer with global spread and depth.

With us being successful on the automotive side, it was actually a platform that was built on operational excellence, financial discipline, and a follow-the-customer mentality. We are using lean strategy to go after these new industries. We have strength in wiring harnesses, plastics, and other areas. We go after those places where we can draw from the group synergy. We also get

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technology partners; for example, in consumer electronics, we have a global partner called Beam who has the technology and our job is to scale that. We derisk that by having a partner who is fully capable.

The business plan has to make sense and show us a path to 40% ROCE. It is the entrepreneurs' job to make sure we are able to get that funding and the team here to make sure the financial discipline is there to execute to perfection. We have shown that in the last 5 years; having zero business in aerospace and consumer electronics, we are now among the fastest growing companies out there with a significantly large order book. As these places scale, you will also see the translation into growth and that the capital promise of returns is maintained.

Sajal Kapoor – Antique Stockbroking: Sure, that is helpful. Just to clarify, because we do a lot of R&D; and experimentation, is it fair to say that we follow a 'fail fast' model where we only scale up the winners that fit the purpose?

Management: For the automotive side where we are quite mature, we are able to do a lot of those things in-house and have those customer relationships for a very long period. For the new ones, we have a relatively more derisked way by joining up with partners. Even in the aerospace side, our entry was through partnering with a company that already had that customer portfolio and technology. We work together to further enhance and scale it. We do not go for any blue ocean technologies where we are burning a lot of money; it is a more consistent and derisked approach where we follow the customer.

Sajal Kapoor – Antique Stockbroking: That is very thoughtful. Thank you. I will rejoin the queue.

Operator: The next question is from the line of Nitesh Mangal from Yes Bank. Please go ahead.

Nitesh Mangal – Yes Bank: Hi, good evening. Thanks for the opportunity. In the modules and polymers division, there is a very good margin improvement. Can you talk about how much of this is sustainable and is there more left in terms of the benefit of the transformative measures we have taken in Europe?

Management: Yes, we have talked about this in previous quarters. We have done many acquisitions and tried to streamline them because growth came in those regions. The customer asked us to do several acquisitions in the last couple of years. It was a good time to streamline, restructure, and ensure all our plants are positioned for the long term. We announced restructuring costs in previous quarters, and you are seeing the benefits.

There is always more to do to drive efficiencies with the onset of AI, more automation, and our focus on robotics. We believe there is a lot more we want to bring in to drive efficiencies. Motherson does not believe in export business; we source locally, produce locally, and supply locally. This is an ongoing process. As you can see, the steps we had taken resulted in positive performance. Customers are getting the quality they deserve while we are recalibrating as the industry clarifies its direction between EV and ICE. We are able to deliver better performance, but more is to come.

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Nitesh Mangal – Yes Bank: Secondly, concerning the pressures European OEMs are facing in China and the potential for Chinese OEMs to become bigger in Europe, how do you assess this risk for your business given your high exposure to Europe?

Management: I do not think we worry about which one is going to do better. In the automotive business, we have seen players go down and return to the top with the next model. Time is on our side. We are sure that the car the customer chooses is going to do well. It is not going to be only Chinese cars that do well. Everybody has a clear focus on the kind of kinematics they need, and that decides the vehicle they choose. I would recommend you look at the Neue Klasse from BMW to understand what they are capable of.

Nitesh Mangal – Yes Bank: Okay, sure. One last question on the electronics side; you mentioned the factory ramp-up and the capacity coming in fiscal 27. Beyond this, is that your ceiling?

Management: This plant that is coming up is already fully spoken for, but this has opened doors for other customers. We will be coming back to you in time as we look to completely diversify this business. Showcasing that you can scale a large plant for a new customer and technology is something we take very seriously. To attract more customers, we have to show them what we are able to do. The customers are extremely interested in our capabilities and how we have expanded this business in a short period. We look to have significant wins of new customer names and product lines as this new plant comes up.

Nitesh Mangal – Yes Bank: Thanks and all the best.

Operator: The next question is from the line of Siddharth Bora from Nomura. Please go ahead.

Siddharth Bora – Nomura: Thanks for the opportunity. On the strong ramp-up of aerospace and consumer electronics, of the 1,000 crore emerging business revenue, what was the contribution from these two segments?

Management: As you know, our emerging business has registered a growth of more than 50%. It has two major components being the businesses you called out. Consumer electronics has grown sequentially by 75% and aero has registered year-on-year growth of 40%. We also consolidated the medical business for the first time. We are not giving a breakup at individual business levels yet, but these will continue to grow rapidly. As called out on page 15, the consumer electronics capacity will be doubled by Q3 FY27, which will help improve its contribution.

Siddharth Bora – Nomura: Understood. For electronics, you mentioned hitting a run rate of 16 million plus by end of FY26. Where are we right now?

Management: I cannot give the exact number, but it is currently a fraction of that.

Siddharth Bora – Nomura: Regarding modules and polymers, specifically the margin improvement; given challenges globally with commodity costs, is this improvement sustainable or do you expect cost pressures in the medium term?

Management: In the modules and polymers segment, engineering plastics is the most dominant commodity. Most of the margin expansion you are seeing is due to operational improvements.

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There could be small impacts from currency, but in majority, the restructuring measures in Europe are playing a part. Our operations globally are stable and growing, especially in India. New model launches and moving away from old programs are helping. It was under pressure for three quarters because we were waiting to implement these changes. From here, we look to push on further.

Operator: The next question is from the line of Sajal Kapoor from Motilal Oswal. Please go ahead.

Sajal Kapoor – Motilal Oswal: Thanks for the follow-up. With aerospace now being Tier 1 for Airbus and semiconductors emerging as a high-margin adjacent space, which metrics over the next 2 years would prove this is a self-reinforcing circle rather than parallel growth or a flash in the pan?

Management: First, look at our customer list. With customers like Airbus and Boeing and their growth plans in India, you can see they are here for the long term. Their order book wins are significant. This is not a fad. We have been feeding this aerospace division since 2017. It took multiple years to break in even as a Tier 2, so it was not easy. Semiconductor is extremely new in India and only a few companies are investing because entry barriers are large.

We are working with some of the top names in this industry, companies with multi-billion dollar market caps that are looking to set up a footprint in India to support global supply chains. These are very strong companies with strong development cycles. If you come in, you make investments and foster partnerships. Our technology partners are putting equity into these companies so they are fully committed.

They have identified us as their partner in India; it is not just us going after them. Five years ago, we were not in consumer electronics, but the customer came and wanted us there. They come to us because they know we have the capability and the wherewithal.

Sajal Kapoor – Motilal Oswal: I appreciate that. On your website, I watched the 5-year investor connect video and the focus on ROCE was impressive. My last question is about the aerospace and semiconductor pivot. What is the single constraint that might hamper the scale? Is it customer trust, engineering depth, capital, or leadership bandwidth?

Management: That is the way Motherson works. We are known as a 'not yet' company. Once we get into something and put in our resources, engineering, and capital, we do not run away. We have not closed plants or walked out of technologies. We sit at the top and agree that a sector is worth entering and we become a player there. We are there for the long haul and will follow it through.

Sajal Kapoor – Motilal Oswal: Very helpful. I wish you the best.

Operator: The next question is from the line of Aniket Matre from Motilal Oswal Securities. Please go ahead.

Aniket Matre – Motilal Oswal: Thank you for the opportunity. In the integrated assemblies facility segment, we have seen a marked improvement in margins. Could you help us understand what's driven this?

Management: Integrated assemblies has been with us for a couple of years and is now fully integrated. They are drawing on the group's strengths and synergies. Our customers appreciate the

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manufacturing depth we bring since integrated assembly previously only did the assembly side. In the last couple of years, we have enhanced their capabilities and brought more manufacturing in-house.

The focus on financial discipline has taken them to the next level. You are seeing a frugal approach to improve margins, which is the Motherson playbook. This was not a sick company, and we saw the synergy strength it would bring to logistics and assembly. That is playing out. I am sure it will continue with focused efforts.

Aniket Matre – Motilal Oswal: Thanks. One final question on capex; we have done about 4,200 crores in the nine months. Where will we end the year and any guidance for next year?

Management: Earlier this year we gave guidance of around 6,000 crores plus or minus 10%. We believe our exit number will be within this guidance. For next year, please allow us a quarter until the March year-end call to provide that update.

Operator: Thank you. I now hand the conference over to Mr. V. C. Sehgal for closing comments.

Management: Thank you. Ladies and gentlemen, thank you very much for attending this call. We are very excited because the outlook is very positive. In the second quarter, we said that the third and fourth quarters would be much better. We are one quarter down and feel the situation will be even better in the fourth quarter. Most of our scenarios will play out as we conclude negotiations with customers. Our teams are working very hard to ensure we have a great financial year. Thank you very much and wish you all the best.

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

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