

Minda Corporation Ltd.

Result Update Q1 FY25



CMP: 515

Result Update Q1 FY25

Minda Corporation Limited, a leading entity in the automotive industry, recorded strong financial performance in Q1FY25, with total revenue reaching INR 1,192 Cr, reflecting a substantial YoY growth of 11%. The Net Profit stood at INR 64 Cr a growth 42% YoY from INR 45.2 Cr. This growth was largely fuelled by increased sales across various segments, particularly in the automotive electronics and safety systems, which saw heightened demand.

Minda Corporation has initiated several new projects to bolster its market presence and diversify its product offerings. A significant project includes the development of advanced telematics and connected vehicle solutions, positioning the company at the forefront of the automotive electronics revolution. This initiative aligns with the growing demand for smart and connected vehicles, which is expected to be a key growth driver in the coming years. Additionally, the company is planning to expand its product portfolio in electric vehicle (EV) components, aiming to capture a larger share of this rapidly growing market.

Geographically, Minda Corporation maintains a strong presence in India, accounting for a significant portion of its revenue, while also expanding its operations in Europe and North America.

The company's business segments, including automotive electronics, safety and security systems, and interior systems, all contributed positively to the overall growth. The automotive electronics segment, which includes products like advanced driver assistance systems (ADAS), The interior systems segment also saw significant growth, fueled by rising demand for premium and customized vehicle interiors.

Looking ahead, Minda Corporation plans to continue its focus on innovation and sustainability, with strategic investments aimed at expanding its footprint in the electric vehicle (EV) segment and other emerging technologies. The company is also exploring opportunities in renewable energy to support its manufacturing processes, aiming for a greener and more efficient production model.

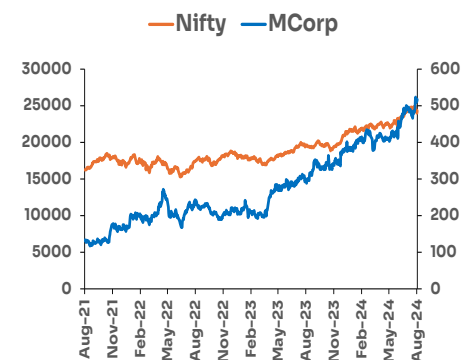
Key Consolidated Financial Data (INR Cr, unless specified)

Particulars	Q1FY24	Q4FY24	Q1FY25	QoQ (%)	YoY (%)	FY23	FY24	YoY (%)
Revenue	1,074.5	1,215.0	1,192.4	(1.9)	11.0	4,300.1	4,651.1	8.2
EBITDA	114.7	138.6	131.8	(4.9)	14.9	463.1	514.4	11.1
EBITDA Margin (%)	10.7	11.4	11.1			10.8	11.1	
Net Profit	45.2	70.8	64.2	(9.3)	42.0	284.5	227.2	(20.1)
Net Margin (%)	4.2	5.8	5.4			6.6	4.9	

Source: Ventura Research & Company update

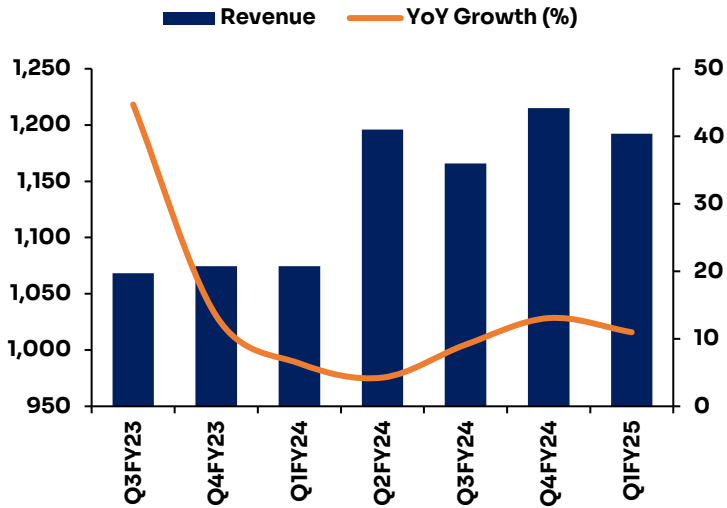
Industry	Auto Ancillaries
Scrip Details	
Face Value (INR)	2.0
Market Cap (INRCr)	12,309
Price (INR)	515
No of Sh O/S (Cr)	332
3M Avg Vol (000)	4241
52W H/L (INR)	536/291
Div. Yield (%)	0.26%
Shareholding (%)	
Promoters	64.84
FII	6.07
DII	20.63
Other	1.59
Public	6.86
TOTAL	100.0

Price chart

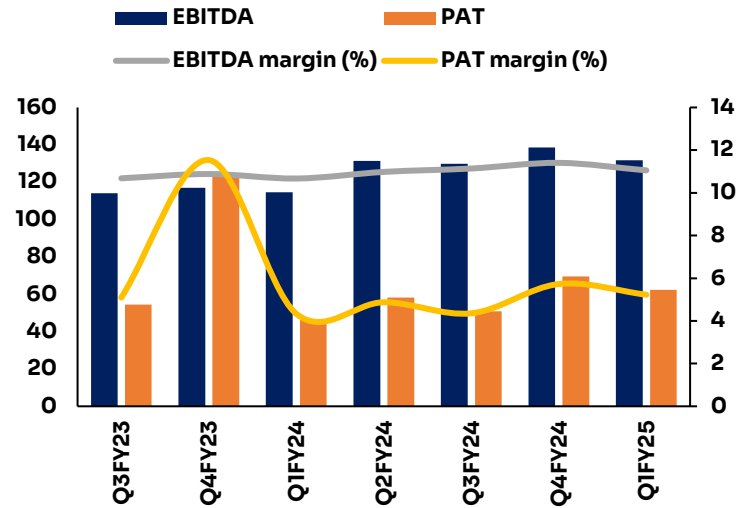


Financial Summary in Charts

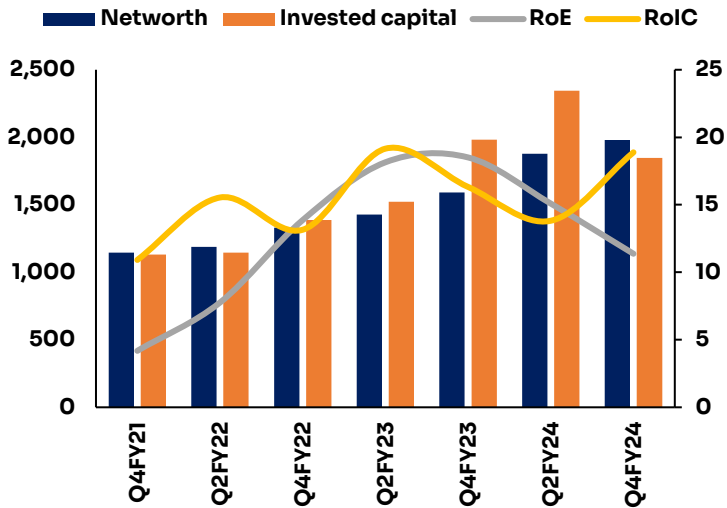
REVENUE



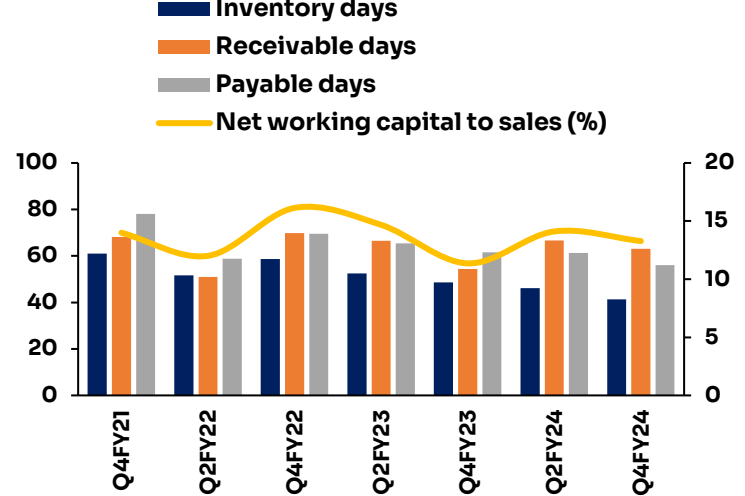
PROFITABILITY MARGINS



RETURN RATIOS



WORKING CAPITAL CYCLE



Source: Ventura Research & Company updates

Key Takeaways from the Conference Call:

- **Strong Financial Performance:** Minda Corporation's Q1FY25 revenue reached INR 1,192 Cr, with a 42% YoY growth in net profit to INR 64 Cr.
- **Growth in Automotive Electronics:** Significant growth in the automotive electronics segment, driven by increased demand for safety systems and ADAS.
- **Expansion in Telematics and Connected Vehicles:** Minda is developing advanced telematics and connected vehicle solutions, aligning with the smart vehicle trend.
- **Focus on Electric Vehicle (EV) Components:** The company is expanding its product portfolio in EV components, targeting a larger share of the EV market.
- **Geographical and Segmental Growth:** Minda Corporation has a strong presence in India, with expanding operations in Europe and North America, and positive contributions from all business segments.

Financial Summary for Minda Corporation Ltd.

Fig in INR Cr (unless specified)	FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25
Revenue from operations	2,975.9	1,010.2	1,147.1	1,068.3	1,074.6	4,300.1	1,074.5	1,195.8	1,165.8	1,215.0	4,651.1	1,192.4
<i>YoY Growth (%)</i>	<i>25.7</i>	<i>80.8</i>	<i>56.9</i>	<i>44.7</i>	<i>13.4</i>	<i>44.5</i>	<i>6.4</i>	<i>4.3</i>	<i>9.1</i>	<i>13.1</i>	<i>8.2</i>	<i>11.0</i>
Raw Material Cost	1,875.8	659.0	752.3	695.5	670.6	2,777.4	675.0	757.5	725.7	765.6	2,923.8	747.2
<i>RM Cost to Sales (%)</i>	<i>63.0</i>	<i>65.2</i>	<i>65.6</i>	<i>65.1</i>	<i>62.4</i>	<i>64.6</i>	<i>62.8</i>	<i>63.3</i>	<i>62.2</i>	<i>63.0</i>	<i>62.9</i>	<i>62.7</i>
Employee Cost	474.2	146.4	154.6	157.3	167.3	625.5	175.4	187.3	186.5	179.4	728.5	187.8
<i>Employee Cost to Sales (%)</i>	<i>15.9</i>	<i>14.5</i>	<i>13.5</i>	<i>14.7</i>	<i>15.6</i>	<i>14.5</i>	<i>16.3</i>	<i>15.7</i>	<i>16.0</i>	<i>14.8</i>	<i>15.7</i>	<i>15.7</i>
Other Expenses	330.3	98.2	116.3	101.4	119.8	434.1	109.4	119.8	123.8	131.5	484.4	125.7
<i>Other Expenses to Sales (%)</i>	<i>11.1</i>	<i>9.7</i>	<i>10.1</i>	<i>9.5</i>	<i>11.1</i>	<i>10.1</i>	<i>10.2</i>	<i>10.0</i>	<i>10.6</i>	<i>10.8</i>	<i>10.4</i>	<i>10.5</i>
EBITDA	295.6	106.6	123.8	114.1	116.9	463.1	114.7	131.3	129.9	138.6	514.4	131.8
<i>EBITDA Margin (%)</i>	<i>9.9</i>	<i>10.6</i>	<i>10.8</i>	<i>10.7</i>	<i>10.9</i>	<i>10.8</i>	<i>10.7</i>	<i>11.0</i>	<i>11.1</i>	<i>11.4</i>	<i>11.1</i>	<i>11.1</i>
Net Profit	191.9	52.5	57.8	52.3	121.9	284.5	45.2	58.8	52.5	70.8	227.2	64.2
<i>Net Margin (%)</i>	<i>6.4</i>	<i>5.2</i>	<i>5.0</i>	<i>4.9</i>	<i>11.3</i>	<i>6.6</i>	<i>4.2</i>	<i>4.9</i>	<i>4.5</i>	<i>5.8</i>	<i>4.9</i>	<i>5.4</i>
Adjusted EPS	8.0	2.2	2.4	2.2	5.1	11.9	1.9	2.5	2.2	3.0	9.5	2.7
<i>P/E (X)</i>	<i>64.8</i>					<i>43.7</i>					<i>54.7</i>	
Adjusted BVPS	55.6					66.5					82.8	
<i>P/BV (X)</i>	<i>9.3</i>					<i>7.8</i>					<i>6.3</i>	
Enterprise Value	12,492.4					12,825.1					12,299.8	
<i>EV/EBITDA (X)</i>	<i>42.3</i>					<i>27.7</i>					<i>23.9</i>	
Net Worth	1,330.1					1,590.8					1,980.6	
<i>Return on Equity (%)</i>	<i>14.4</i>					<i>17.9</i>					<i>11.5</i>	
Capital Employed	1,721.5					2,143.4					2,328.8	
<i>Return on Capital Employed (%)</i>	<i>9.4</i>					<i>15.0</i>					<i>10.9</i>	
Invested Capital	1,388.1					1,981.5					1,846.1	
<i>Return on Invested Capital (%)</i>	<i>13.2</i>					<i>16.4</i>					<i>18.9</i>	
Cash Flow from Operations	166.8					387.4					286.9	
Cash Flow from Investing	(7.3)					(428.1)					116.7	
Cash Flow from Financing	(160.8)					74.3					(358.5)	
Net Cash Flow	(1.3)					33.6					45.1	
Free Cash Flow	87.4					180.3					76.6	
<i>FCF to Revenue (%)</i>	<i>2.9</i>					<i>4.2</i>					<i>1.6</i>	
<i>FCF to EBITDA (%)</i>	<i>29.6</i>					<i>38.9</i>					<i>14.9</i>	
<i>FCF to Net Profit (%)</i>	<i>45.6</i>					<i>63.4</i>					<i>33.7</i>	
<i>FCF to Net Worth (%)</i>	<i>6.6</i>					<i>11.3</i>					<i>3.9</i>	
Total Debt	391.4					552.6					348.2	
Net Debt	58.0					390.7					(134.6)	
<i>Net Debt to Equity (X)</i>	<i>0.0</i>					<i>0.2</i>					<i>(0.1)</i>	
<i>Net Debt to EBITDA (X)</i>	<i>0.2</i>					<i>0.8</i>					<i>(0.3)</i>	
<i>Interest Coverage Ratio (X)</i>	<i>5.7</i>					<i>7.7</i>					<i>6.2</i>	

Source: Ventura Research & Company updates

Financial Analysis

Fig in INR Cr (unless specified)	FY20	FY21	FY22	FY23	FY24	Fig in INR Cr (unless specified)	FY20	FY21	FY22	FY23	FY24
Income Statement						Per share data & Yields					
Revenue	2,222.6	2,367.9	2,975.9	4,300.1	4,651.1	Adjusted EPS (INR)	(8.4)	2.2	8.0	11.9	9.5
YoY Growth (%)	(28.1)	6.5	25.7	44.5	8.2	Adjusted Cash EPS (INR)	(4.7)	6.1	12.7	17.7	16.4
Raw Material Cost	1,338.4	1,492.6	1,875.8	2,777.4	2,923.8	Adjusted BVPS (INR)	40.8	48.0	55.6	66.5	82.8
RM Cost to Sales (%)	60.2	63.0	63.0	64.6	62.9	Adjusted CFO per share (INR)	18.8	3.6	7.0	16.2	12.0
Employee Cost	356.6	382.7	474.2	625.5	728.5	CFO Yield (%)	3.6	0.7	1.3	3.1	2.3
Employee Cost to Sales (%)	16.0	16.2	15.9	14.5	15.7	Adjusted FCF per share (INR)	14.0	(0.7)	3.7	7.5	3.2
Other Expenses	279.8	272.7	330.3	434.1	484.4	FCF Yield (%)	2.7	(0.1)	0.7	1.5	0.6
Other Expt to Sales (%)	12.6	11.5	11.1	10.1	10.4	Solvency Ratio (X)					
EBITDA	247.8	220.0	295.6	463.1	514.4	Total Debt to Equity	0.5	0.4	0.3	0.3	0.2
Margin (%)	11.1	9.3	9.9	10.8	11.1	Net Debt to Equity	0.1	(0.0)	0.0	0.2	(0.1)
YoY Growth (%)	(15.7)	(11.2)	34.4	56.7	11.1	Net Debt to EBITDA	0.2	(0.1)	0.2	0.8	(0.3)
Depreciation & Amortization	86.6	93.6	112.0	138.1	165.8	Return Ratios (%)					
EBIT	161.2	126.4	183.6	325.0	348.6	Return on Equity	(20.5)	4.6	14.4	17.9	11.5
Margin (%)	7.3	5.3	6.2	7.6	7.5	Return on Capital Employed	8.1	5.8	9.4	15.0	10.9
YoY Growth (%)	(21.7)	(21.6)	45.3	77.0	7.3	Return on Invested Capital	15.6	11.2	13.2	16.4	18.9
Other Income	42.6	33.2	24.2	15.8	15.7	Working Capital Ratios					
Bill discounting & other charges	41.3	38.8	32.0	42.3	55.9	Payable Days (Nos)	83.6	78.1	69.6	61.6	56.0
Fin Charges Coverage (X)	3.9	3.3	5.7	7.7	6.2	Inventory Days (Nos)	64.9	61.0	58.7	48.7	41.4
Exceptional Item	0.0	0.0	32.7	0.0	0.0	Receivable Days (Nos)	64.0	68.1	69.8	54.4	63.1
PBT	162.5	120.8	208.5	298.5	308.5	Net Working Capital Days (N)	45.2	51.1	58.9	41.5	48.5
Margin (%)	7.3	5.1	7.0	6.9	6.6	Net Working Capital to Sales	12.4	14.0	16.1	11.4	13.3
YoY Growth (%)	(21.9)	(25.7)	72.6	43.2	3.3	Valuation (X)					
Tax Expense	39.4	31.2	24.0	4.1	83.2	P/E	(62.2)	235.5	64.8	43.7	54.7
Tax Rate (%)	24.2	25.8	11.5	1.4	27.0	P/BV	12.8	10.8	9.3	7.8	6.3
PAT	123.1	89.6	184.5	294.4	225.3	EV/EBITDA	50.4	56.4	42.3	27.7	23.9
Margin (%)	5.5	3.8	6.2	6.8	4.8	EV/Sales	5.6	5.2	4.2	3.0	2.6
YoY Growth (%)	(12.8)	(27.2)	105.9	59.6	(23.5)	Cash Flow Statement					
Min Int/Sh of Assoc	(322.9)	(36.8)	7.4	(9.9)	2.0	PBT	162.5	120.8	208.5	298.5	308.5
Net Profit	(199.8)	52.8	191.9	284.5	227.2	Adjustments	20.2	51.9	131.1	101.4	190.7
Margin (%)	(9.0)	2.2	6.4	6.6	4.9	Change in Working Capital	307.1	(56.0)	(148.8)	(8.4)	(129.1)
YoY Growth (%)	(218.1)	(126.4)	263.4	48.3	(20.1)	Less: Tax Paid	(39.4)	(31.2)	(24.0)	(4.1)	(83.2)
Balance Sheet						Cash Flow from Operations	450.4	85.5	166.8	387.4	286.9
Share Capital	45.4	47.8	47.8	47.8	47.8	Net Capital Expenditure	(146.1)	(130.6)	(107.7)	(248.8)	(251.0)
Total Reserves	929.6	1,098.8	1,282.3	1,543.0	1,932.8	Change in Investments	9.0	(43.6)	100.4	(179.3)	367.7
Shareholders Fund	975.0	1,146.6	1,330.1	1,590.8	1,980.6	Cash Flow from Investing	(137.1)	(174.2)	(7.3)	(428.1)	116.7
Long Term Borrowings	115.0	93.3	84.8	171.6	136.7	Change in Borrowings	(187.8)	28.6	(113.5)	142.9	(272.3)
Deferred Tax Assets / Liabilities	3.1	1.7	12.5	(7.3)	1.1	Less: Finance Cost	(41.3)	(38.8)	(32.0)	(42.3)	(55.9)
Other Long Term Liabilities	41.0	32.9	100.9	139.0	160.9	Proceeds from Equity	0.0	82.4	0.0	0.0	0.0
Long Term Trade Payables	0.0	0.0	0.0	0.0	0.0	Buyback of Shares	0.0	0.0	0.0	0.0	0.0
Long Term Provisions	25.2	24.9	31.9	38.8	45.1	Dividend Paid	(19.9)	(7.0)	(15.3)	(26.3)	(30.4)
Total Liabilities	1,159.3	1,299.4	1,560.2	1,932.9	2,324.4	Cash flow from Financing	(249.0)	65.2	(160.8)	74.3	(358.5)
Net Block	570.1	612.7	887.0	1,025.7	1,212.4	Net Cash Flow	64.3	(23.5)	(1.3)	33.6	45.0
Capital Work in Progress	28.4	17.8	32.5	85.2	57.6	Forex Effect	0.1	0.8	0.0	0.0	0.0
Intangible assets under development	0.0	0.0	0.0	0.0	0.0	Opening Balance of Cash	30.3	94.7	53.1	70.8	107.9
Non Current Investments	176.1	180.5	64.2	451.3	56.9	Closing Balance of Cash	94.7	72.0	51.8	104.4	153.0
Long Term Loans & Advances	24.2	29.0	34.9	55.0	0.0						
Other Non Current Assets	2.2	1.9	3.5	1.2	120.5						
Net Current Assets	358.3	457.5	538.1	314.5	877.1						
Total Assets	1,159.3	1,299.4	1,560.2	1,932.9	2,324.4						

Source: Ventura Research & Company updates

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