Dated: 10th Nov 2025

Uno Minda (UNOMINDA) - SELL

Q2FY26 Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs.1230	**Rs.1070**

Rationale:

- Q2FY26 consolidated EBITDA came in line with our expectations.
- Company continues to add new products to the PV portfolio in the growing EV space.
- We expect co. to outperform the auto industry, led by an increase in content, addition of newer products and order wins across product segments, including EVs.
- We expect the margin to remain range-bound due to the foray into newer segments (margin dilutive) and higher costs in its greenfield plant.
- An inferior RoCE profile and the lack of FCF generation remain areas of concern.
- We expect earnings per share (EPS) growth of 26.1% in FY26E and 9.0% in FY27E.
- SELL stays with a revised FV of Rs1,070 (from Rs1,000) based on DCF methodology.
- Valuations remain expensive at 54.7x FY27E consolidated EPS.

Positives:

- EBITDA margin was at 11.5% (+10 bps yoy), 30 bps above our expectations.
- Reported PAT stood at Rs304 cr (+27% yoy), 7% above our estimates.
- Company share of JV profit stood at Rs63.4 cr (+31% yoy and +34% qoq) in Q2FY26.

Negatives:

- Revenues stood at Rs4,814 cr in Q2FY26, 2.1% below our estimates.
- The company generated negative FCF of Rs190 cr in H1FY26.

(EBITDA: Earnings Before Interest, Taxes, Depreciation, and Amortization; DCF: Discounted Cash Flow; EV: Electric Vehicle; PV: Passenger Vehicle; RoCE: Return on Capital Employed; PAT: Profit After Tax, JV: Joint Venture; FCF: Free Cash Flow)

Holding Period: 12 months

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
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NA	–	**Not Available or Not Applicable.** The information is not available for display or is not applicable
NM	–	**Not Meaningful.** The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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