Dated: 23 Dec 2025

Samvardhana Motherson (MOTHERSO) - SELL

Company Update

Current Market Price (CMP)	Fair Value (FV)
Rs.121	Rs.95

Rationale:

- MOTHERSO forays into global PV (Photovoltaic) wiring harness business.
- To acquire 100% stake in AutoElectric for EUR20.7 cr (4.3x EV/EBITDA in CY24).
- AutoElectric serves leading global OEMs like BMW, Mercedes-Benz, Audi & Daimler.
- Acquisition broadens its customer base by leveraging AutoElectric's strong engineering capabilities, OEM proximity & advanced LV/HV harness expertise.
- It operates 22 manufacturing and service facilities across 11 countries.
- SELL stays with an unchanged FV of Rs95.
- The stock is expensive at 31x FY27E consolidated EPS.

Positives:

- AutoElectric specializes in powertrain harnesses across powertrains.
- AutoElectric is a specialist manufacturer of automotive wiring harnesses, offering low-voltage and high-voltage applications for PVs and CVs.
- Transaction aims to strengthen MOTHERSO's wiring harness capabilities by combining its global scale with AutoElectric's deep expertise.

Negatives:

- We expect the acquisition to be marginally EPS dilutive in the near term.

EPS: Earnings Per Share. EV: Enterprise Value. EBITDA: Earnings Before Interest, Depreciation, and Amortization. LV: Low-Voltage. HV: High-Voltage. OEM: Original Equipment Manufacturer. PVs: Passenger Vehicles. CVs: Commercial Vehicles.

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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