



“Motherson Sumi Wiring India Limited  
Q1 FY'26 Results Conference Call”  
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**Moderator:** Ladies and gentlemen, good day, and welcome to the Q1 FY '26 Results Conference Call hosted by Motherson Sumi Wiring India Limited.

As a reminder, all participants' 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 '\*', then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. V. C. Sehgal from Motherson Sumi Wiring India Limited. Thank you and over to you, sir.

**Vivek Chaand Sehgal:** Thank you. Good evening, ladies, and gentlemen. Thank you for joining the Results Conference Call of MSWIL.

I am pleased to announce that the board has approved the results for the 1st Quarter of the Fiscal Year 2026. The Company has delivered a strong revenue of Rs. 2,494 crores during the quarter, out of which the new Greenfields contributed approximately Rs. 156 crores. EBITDA for the quarter stood at Rs. 244 crores, which is 15% growth year-on-year.

MSWIL has significantly outpaced the industry, demonstrating a favorable volume and content mix further bolstered by our presence across the majority of the new models launched by the OEMs. I would like to highlight that one more Greenfield has come on stream in the quarter. Production lines in Navagam and Pune are now in ramp-up mode as per evolving customer schedules.

With this, I would like to conclude my remarks. I have Pankaj, Anurag, and Gulshan with me to answer any questions. Over to you. Thank you.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Gunjan Prithyani from Bank of America. Please go ahead.

**Gunjan Prithyani:** Yes, hi. Thanks for taking my question. Just a couple of queries on the results. Firstly, on the cost side, can you just give us some sense on what led to the sharp jump in the staff cost this quarter and directionally, how should we be thinking? Is there more to come from the new plants in terms of the increase in this line item?

**Vivek Chaand Sehgal:** Go ahead, Gulshan. Can you take this question?

**Gulshan:** So largely, the manpower cost in the current quarter has got increased due to expansion units. There are a lot of manpower which have been hired just to train them and up-skill them before getting into the production line. And as you have already seen that some of the plants on the customer side have been deferred. So that is all the manpower costs have been incurred in the current quarter.

**Gunjan Prithyani:** And is there more to go on account of these new plants? Or should we sort of assume that cost more or less remains in this range and we should see the revenue kicking in as the new programs commissioned?

**Gulshan:** So as the programs are commissioned and the new production orders have come in, you will find it consistent when we were there earlier. It is just that in the current quarter, you see a jump because of that expansion units and the plants have already been deferred from the customer side.

- Pankaj Mital:** I think if we understand your question right also, as the volumes will kick in, it is over a period of time. So the staff cost will go up slightly more as more and more volumes will come in in the next quarters over a period of time.
- Gunjan Prithyani:** Got it. And on the copper side, you did do point out that there is some inflation, I have, is there an element of copper inflation also reflecting in this quarter?
- Gulshan:** So in terms of the copper, sorry, is the question complete now? Is the question complete? Should I answer?
- Gunjan Prithyani:** Yes, please go ahead.
- Gulshan:** So in terms of the copper prices, if you always see that there is always a lag of quarter in terms of the adjustments. So there is a marginal impact as the copper prices are upward. But if you see a longer term of like 3 or 4 quarters, the impact always get neutralised. So it is a pass-through arrangement with our customers.
- Gunjan Prithyani:** Got it. And just last question on the EV side. Now, the revenue contribution from EVs is starting to reflect more, it is inching up, can you share your thoughts on how the content value in the programmes that you have now, how does it differ from the ICE model, some color around it?
- Vivek Chaand Sehgal:** Pankaj, Anurag.
- Anurag Gahlot:** I think if you see from the EV to the ICE, you will find we have done some study in the past also, and it is approximately increasing by 1.5-1.7 times in passenger vehicles.
- Gunjan Prithyani:** And profitability, it is fair to assume should be neutral or lower?
- Anurag Gahlot:** Why should be lower? I think profitability is something which is, from the, start with some number and then over a period of time, it get improved as the volumes take a shape and more changes comes in the vehicle.
- Gunjan Prithyani:** Got it. Thank you so much. I will join back the queue.
- Moderator:** Thank you. The next question is from the line of Raghunandan from Nuvama Wealth Management. Please go ahead.
- Raghunandan:** Thank you so very much for the opportunity. Firstly, on ramp-up of green fields, there is some delay in ramp-up in Gujarat plant. How do you see the timeline for achieving optimal utilisation, earlier the target was at end of FY '26?
- Vivek Chaand Sehgal:** I think with the relation of the magnets and things like rare-earth, really, we can't be the right people to guide you. But Anurag, Pankaj, if you want to if you can add some more color.
- Pankaj Mital:** You very rightly said, sir, that there would be certain uncertainties and we do expect that there will be solutions to those issues at the moment. And if we do not consider them as constraints, then usually customers take 2-3 quarters to come to a good utilisation levels.

- Raghunandan:** Fair point. Thank you. For Greenfields, currently, we have a revenue of Rs. 156 crore and EBITDA, there is a cost in fact of around Rs. 30 odd crores. So at approximately, what level of utilization would we be closer to breakeven?
- Vivek Chaand Sehgal:** Pankaj, Anurag, Gulshan, if you can try to help it.
- Anurag Gahlot:** I think these plants are going to take, because as we have seen on one of the slides on the project, that there are few volumes has to be ramped up as well as the project has got delayed by a few quarters. So there is some lag into that. But I think as if these volumes met what customer has forecasted and if they are able to perform it on those timeline, which they have suggested and no further delay in that, I think subject to that, you will see a good improvement in that area. So it is very hard to say because we have seen this in previous quarters also that there is a delay or volume ramp up has not happened, what has been projected because of X, Y, Z reasons, but I think the time it should improve.
- Raghunandan:** Understood, sir. And all three Greenfields put together, employee requirement was about 7,000-7,500 employees, assuming 2,000-2,500 plant. Just was trying to understand how many have already been employed and trying to understand whether there can be a further increase in employee cost from current level of Rs. 476 crores?
- Vivek Chaand Sehgal:** Raghuji, it is very difficult to answer these questions in exact. Even if a small increase or decrease might be there, but we have to employ the people before to make sure that the plants are optimally used when we have to train them, there is a little bit of wastage and all that thing is there. Those all things are part of life in our kind of business. But I don't think the substantial decision will be there, but Anurag will guide you more on these situations. Anurag, can you tell them on how many people have been guess working on people and the cost of that? Can you help them out on that?
- Anurag Gahlot:** Yes, currently there are two plants which are all 3 plants has started the ramp up, but obviously in between some of these projects have got deferred by few quarters. So manpower, yes, as you rightly said, Raghunandan, it is approximately 7000, it should be, but as the volumes grow, then it will go and touch to 7000. So it is not yet the complete 7000 and it is in between of the figure somewhere and it will grow as you will see the SOP will ramp up, then you will see it will come to 7000 and then it should normalise over there.
- Raghunandan:** Thank you, sir. That is very helpful. I will fall back to the queue before I come back.
- Moderator:** Thank you. The next question is from the line of Mumuksh Mandlesha from Anand Rathi Institutional Equities. Please go ahead.
- Mumuksh Mandlesha:** Thank you so much for the opportunity and congratulations on the healthy topline performance. Sir, I just want to understand for FY '27 for next year, how do you see the order pipeline and any plans for the CAPEX for the next year? And can you share more lights on how you see the orders pipeline for two-wheelers and CV segment as well?
- Vivek Chaand Sehgal:** Go ahead, Anurag.
- Anurag Gahlot:** Yes. See, these projections will get clear as we move forward in this year. Because it will be very difficult to say right now that what will be the projections of 2027, but it should be in a positive way. Obviously, for Q1, you have seen there is a 3% is the total passenger vehicle growth has happened

and I think it is a single digit number, but it will be more get once you are reaching in H2, then you have a better clarity for FY '27. As soon as these new models get ramped up, their volumes will come and the market will respond and then you will see FY '27 with a more better clear picture that how the volumes will look.

**Mumuksh Mandlesha:** Sir, any flavor on the orders for the two-wheeler and CV also? How do you see the orders there, sir?

**Anurag Gahlot:** I think two-wheeler and CVs also, obviously, there are some ups and downs. You can see two-wheeler remain a flat, but obviously Q1 always remain a little subdued and you don't see a big growth because now in Q2 and Q3 more festivals are coming and things will happen. So you will see a good growth over there in two-wheeler side. Commercial vehicle obviously, has not grown in a very significantly, but I think important is for MSWIL is to be ready to serve the customer as soon as these volumes comes up in case it comes up. Let this H2 happen and then you have a more clear picture that how it is going to make a change into that. Obviously, for the new models, even in two-wheeler as well as in commercial vehicle, we are working very closely with the customers and we will find there will be new launches as well in both segments.

**Mumuksh Mandlesha:** And lastly, sir, what is the CAPEX expectations for the FY '26 and FY '27, sir?

**Gulshan:** See, generally for this year end, we have our CAPEX around Rs. 200 crores and it is based on the projections which we have received from the customers. So as we are progressing further, we will have an update on that.

**Mumuksh Mandlesha:** Thank you, sir. Thank you so much for the opportunity.

**Moderator:** Thank you. The next question is from the line of Siddhartha Bera from Nomura. Please go ahead.

**Siddhartha Bera:** Yes. Hi, sir. Thanks for the opportunity. Sir, first question is on the ex-Greenfield numbers which we have disclosed, we do see that margins there also have come down a bit from the 12.5% levels we have been doing in the last couple of quarters to 11.8% in the current quarter. So possible to highlight, why has it also probably moved downwards? Any particular thing to call out that and how should we sort of see that going ahead?

**Gulshan:** So there is no unusual thing which had happened, which are impacting our costs, our margins are pretty consistent. The changes are only on account of the product mix which kept on changing. So as we mentioned earlier also that we have a space, we have a role in our new models as well, so it is largely on account of product mix.

**Siddhartha Bera:** Sir, product mix by mix, you mean EV share or is it between PV or two-wheeler per mix has changed? What exactly is that?

**Gulshan:** It could be anything. There are a lot of models we are already in. So it could be on the ground of EV, ICE, or any kind of, because we are manufacturing a lot of models into it, supplying to a lot of models.

**Vivek Chaand Sehgal:** Also in the 1st Quarter, there is no possibility of the movement of copper and yen and all these particular things. So 1st Quarter is 1st Quarter and 3rd Quarter, 2nd Quarter, 4th Quarter, all quarters have their own unique, this thing, if you understand what I am saying.

- Siddhartha Bera:** Got it, sir. Thank you. And in terms of the green field, so right now, will it be fair to say that, I think Gujarat and Maharashtra are operational and Haryana will come up in the current year or all three are operational as of now?
- Anurag Gahlot:** See, for the Maharashtra one, it has been operational. For the Haryana one, it is going to be operational now. And the Gujarat one is also operational. Obviously, you have seen on the slide also that there are a few projects which has gone delayed in that.
- Siddhartha Bera:** Understood. And sir lastly, for these delayed projects, is there some sort of compensation which we sort of get in case the project gets delayed, or the numbers are lower than what the Company has targeted, so in any case, is there any sort of compensation for us in these scenarios?
- Vivek Chaand Sehgal:** Please understand, our relationship with the customer is not a one-off in a quarter or something like that. So what compensation should we ask? I think we are all in this industry, we were together. So compensation is not coming like that, but only once after finding that they had committed a particular number for the year and that has not come about. If there is a need, then we will broach the subject. But it is not that you said that. They are making also predictions to the market. So it is a long-term relationship, not a day-night operation kind of a thing. Pankaj, you want to add something over there?
- Pankaj Mital:** No, I think exactly that this is right. And of course, there are always discussions with the customers and they also take care. So as Mr. Sehgal said, it is a long-term partnership and considering that partnership, the decisions get made jointly and mutually.
- Siddhartha Bera:** Got it. Thanks a lot. I will come back in the queue.
- Moderator:** Thank you. As there are no further questions from the participants, I now hand the conference over to Mr. V. C. Sehgal for closing comments.
- Vivek Chaand Sehgal:** Yes, I think it is very obvious that MSWIL has outperformed the market. We think that the 1st Quarter and the new plants that are coming in will come in at the speed at which the government is going through with the import of rare earths and magnets and all that. The government is trying its best also. The customers are doing their best also. So it is a work in progress according to me. And I think we have to be a bit patient. But the good news is very clear that we are outperforming the market. Thank you all very much and wish you a very good week up ahead. Thank you. Bye-bye.
- Moderator:** Thank you. On behalf of Motherson Sumi Wiring India Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

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