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BSE Limited Listing & Compliance Department Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001	The National Stock Exchange of India Limited Listing & Compliance Department Exchange Plaza, C-1 Block G, Bandra Kurla Complex, Bandra (E), Mumbai-400051
Security Code : 532796	Symbol : LUMAXTECH

Subject: Transcript of Analysts/Investor Earnings Conference Call- Q3 & 9M FY 2022-23.

Dear Sir/Ma'am,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable Regulations, please find enclosed herewith the Transcript of Analysts/Investor Earnings Conference Call which was held on Tuesday, February 14, 2023 to discuss the Operational and Financial performance of the Company for the 3rd Quarter and Nine Months ended on December 31, 2022.

The Transcript will also be made available on the website of the Company at www.lumaxworld.in/lumaxautotech

You are requested to take the same on records and oblige.

Yours faithfully,

For Lumax Auto Technologies Limited

Raajesh Kumar Gupta
Vice President & Group Head
(Secretarial, Legal & Internal Audit)
Membership No. A8709

Encl: As stated above



“Lumax Auto Technologies Limited
Q3 FY 2023 Earnings Conference Call”

February 14, 2023



Disclaimer: E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 14th February 2022 will prevail.

MANAGEMENT: **MR. ANMOL JAIN – MANAGING DIRECTOR – LUMAX AUTO TECHNOLOGIES LIMITED**
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MS. PRIYANKA SHARMA – HEAD CORPORATE COMMUNICATIONS – LUMAX AUTO TECHNOLOGIES LIMITED
SGA INVESTOR RELATIONS ADVISORS

Moderator:

Ladies and gentlemen, good day, and welcome to the Q3 FY '23 Earnings Conference Call of Lumax Auto Technologies Limited. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees to future performance of the company, and it may involve risks and uncertainties that are difficult to predict.

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. Please note that this conference is being recorded. Now I'll hand over the conference to Mr. Anmol Jain, Managing Director of Lumax Auto Technologies Limited. Thank you, and over to you, sir.

Anmol Jain:

Thank you. Good afternoon, ladies and gentlemen. A very warm welcome to our Q3 and 9 months FY '23 Earnings Conference Call. Along with me on this call, I have Mr. Deepak Jain, Director; Mr. Sanjay Mehta, Director and Group CFO; Mr. Vikas Marwah, CEO; Mr. Naval Khanna, Director, LMS; Mr. Ashish Dubey, CFO; Mr. Ankit Thakral from the Corporate Finance team; Ms. Priyanka Sharma, Head, Corporate Communications; and SGA, our Investor Relations Advisors.

The results and presentations have been uploaded on the stock exchange and the company's website. I hope everybody has had a chance to go through the same. I'll start by sharing some insights on the economy and industry. Then we'll go over the operational and financial performance for the third quarter of FY '23 before opening the floor for questions and answers.

India is projected to be the fastest-growing major economy in the world with growth rates projected to be upwards of 6% for the coming years by IMF, indicating a strong resilience despite global headwind. It continues to remain a bright spot in the global economy on the basis of support by export opportunities as a result of India's emergence as a manufacturing hub and the government initiative to Make in India.

On the industry front, past 2 years have been tough, and the road to recovery was not smooth beginning with COVID-19, followed by supply chain issues, chip shortages and the Russia-Ukraine war. However, amidst rising inflation and interest rates, the growth momentum has been solid. The domestic auto industry has recovered well in the last few quarters, and the semiconductor shortages are also going to abate in 2023.

Despite all the challenges, the passenger vehicle segment achieved record sales of crossing 37.92 lakh units in calendar year 2022, which is about 4 lakhs higher than its previous peak in 2018. The FADA numbers for January 2023 also show a 22% growth in sales of passenger vehicles compared on a year-over-year basis. However, there is a shift towards premium models in the market, which was previously known for small affordable cars.

After struggling for the better part of the year, the 2-wheeler market has also begun to experience some signs of buoyancy. The January figures show a 10% growth year-on-year. As per the

economic survey, 2022-'23 tabled in the parliament, the wages at rural levels are expected to rise and inflation will be softening going ahead. This should help the rise in sales of 2-wheelers.

3-wheeler sales are up by a good 60% year-on-year, and commercial vehicle sales are up by 16% year-on-year for the month of January. The adoption of electric vehicles, which had already begun to take route by 2022, particularly in the segment of 2-wheelers will accelerate in 2023 and continue to do so in the years that follow. We are continuously modernizing our products to accommodate the changing dynamics of the industry, and we continue our significant investments in research and development in order to develop products with a focus on the future.

In the union budget, Honourable Finance Minister had announced an extension on customs duty exemption for the import of goods and machinery required to produce lithium-ion cells for electric vehicle batteries. This will increase local production and manufacturing of lithium ion batteries, thereby preserving the affordability of electric vehicles.

Since automakers are importing a large number of electric vehicles to the country, this action was widely important. This would help them launch more electric vehicles with high local content. The changes proposed by the finance ministry will have a considerable impact on the prices of automobiles, 2-wheelers and fuel throughout the country. With the introduction of new models, more electric vehicles and other cutting-edge technologies, coupled with more income in the hands of people as a result of lower direct taxes, the automotive industry should continue to expand at a steady state.

Let me now move on to the operational highlights for this quarter. During the quarter, we have made the following new launches, the gear shifter system and the antenna feeder cable assembly for Toyota HyCross and the gear shifter for Maruti EECO in the passenger vehicle segment, along with Force Motors, Urbania, in the commercial vehicle segment.

In the 2-wheeler segment, we have been able to add plastic products for Pulsar P150 model. With continuous new launches by the OEM, we have also been able to grab new business and build a robust order book. Our content per vehicle and per OEM has been increasing due to our presence across multiple product categories and long-standing relationships with all the major OEMs in India.

Speaking of entity wise, the stand-alone entity caters to Integrated Plastic Modules, aftermarket business, chassis and swing arm for 2-wheelers, trailing arm for 3-wheelers under the metallic business and 2-wheeler lighting. The stand-alone entity has contributed 71% of the total consolidated revenues for 9 months FY '23.

Lumax Mannoh Allied Technologies, the 55% subsidiary, which manufactures manual, AMT and automatic gear shifter systems and has the market leadership position, contributed 16% to total consolidated revenue. Exports business of automatic gear shifters for a global platform is on track and is performing well. We are also working in tandem with a JV partner to increase our reach to newer markets.

Lumax Cornaglia Auto Technologies, the 50% subsidiary, manufacturing air intake system and urea tank commanding 100% share of business with Volkswagen and Tata Motors, contributed

7% to the consolidated revenue. This joint venture holds a strong order book, and we are very bullish for its future growth.

Lumax Metallics Private Limited, the 100% subsidiary, manufacturing seat frames, contributed 4% to the total consolidated revenues. The company's application of merger with Lumax Auto Technologies Limited has been approved by the Honourable NCLT, the order of the same is . awaited.

Lumax Alps Alpine India Private Limited, a 50% subsidiary for the manufacturing and sale of electric devices and components, including software related to the automotive industry, has contributed 2% to the consolidated revenues. We have aggressive targets for this joint venture.

Now I would like to hand it over to Mr. Sanjay Mehta, Director and Group CFO, to update you on the operational and financial performance of the company.

Sanjay Mehta:

Good afternoon, everyone. I will brief on the operational and the financial performance. For 9 months FY '23 Integrated Plastic Modules contributed 24% of overall revenue, followed by aftermarket at 20%, gear shifter at 16%, fabrication at 14%, lighting products at 8%, emission at 7% and others at 11%. 2 and 3 wheelers contributed 38% to overall revenue, passenger car at 25%, aftermarket at 20%, CVs at 9% and others at 8%. For more detailed operational highlights, one can refer our investor presentation uploaded on exchanges and company's website.

With respect to financial highlights, the consolidated revenue stood at INR 445 crores for Q3 FY '23 as against INR 424 crores last year, up by 4%. For 9 months FY '23, consolidated revenue were up by 24% at INR 1,354 crores. EBITDA margins stand at 12.2% for quarter 3 FY '23 as against 11.2% for quarter '22, up by 100 bps, whereas for 9 months EBITDA margin is at 12%, up by 150 bps point from 9 year last year -- 9 months last year.

PAT after minority interest for the quarter stood at INR 23 crores as compared to INR 21 crores in Q3 FY '22, a growth of 8%. PAT for 9 months stood at INR 74 crores, up by 53% from 9 months FY '22. PAT margin is at 5.2% and 5.5% for Q3 and 9 months, respectively. The capex incurred during 9 months is INR 40 crores.

With this, we open the floor for questions.

Moderator:

The first question is from the line of Abhishek from Dolat Capital.

Abhishek:

Sir, there is an increase in revenue from the lighting business quarter-on-quarter basis despite fall in the Bajaj Auto volumes. So have you won any new business?

Anmol Jain:

So on -- when you say quarter-on-quarter, you're talking of consecutive quarters or you're talking about on a year-on-year basis?

Abhishek:

Just quarter-on-quarter basis, consecutive quarters.

Anmol Jain:

Yes. So it's pretty much flat quarter-on-quarter, it's only 6%. So there have been certain new models. But again, since Bajaj's overall volumes are down, we've taken an impact of that as well.

So lighting again, it's pretty defined. It's only for Bajaj Auto, and we continue to maintain our volume share within Bajaj Auto.

Abhishek: Okay. And aftermarket, that is continuing on a strong footing. Quarterly run rate is now INR 98 crores. So will this run rate is sustainable in FY '24?

Anmol Jain: Absolutely. I think I have always maintained and since the last 12 to 15 months that aftermarket, our endeavour is to double the revenue in a period of about 3 to 4 years. And hence, you see the strong growth rate. And we are pretty confident that this growth would continue in the coming year as well.

Abhishek: And in aftermarket business, how much is network expansion in last 1 year?

Anmol Jain: So we have done about close to 15% new channel partners expansion across the length and breadth of the country. So -- and we will continue to do so as and when we feel necessary to expand our reach for the end consumers.

Abhishek: Sir, in plastic moulded part, there's a sharp degrowth in the revenue. Is it because of the degrowth in the Honda 2-wheelers only?

Anmol Jain: So the plastics module degrowth is on account of Bajaj Auto, as well as HMSI. As you know, the 2-wheelers specifically in quarter 3, was slightly struggling, and that's the result of the downfall in production for both HMSI and Bajaj Auto. These are the 2 primary customers, which cater under the plastic module business.

Abhishek: And the plastic module, sir, how is the correct mix in 2-wheelers versus 4-wheelers? And how do we shift in the coming quarters because of new business in from the 4-wheelers' OEM?

Anmol Jain: So right now, the mix would be almost close to 90% of the revenue would come from 2-wheelers, largely driven by Bajaj and then HMSI, and about 10% of the revenue bioplastic would be coming in 4-wheelers. These are certain products of kinematics, which the company had secured orders for recently from as a Tier 2 for Kia and Hyundai as well as direct for Maruti Suzuki. But I think strategically, as I've always mentioned, the endeavour is to grow the passenger car side of the plastics business in the forthcoming years.

Abhishek: And what is the quantum of these new orders in the 4-wheelers side?

Anmol Jain: So the total -- were you talking about the new orders with respect to company as a whole or only with respect to plastics?

Abhishek: Respect to plastics.

Anmol Jain: So we have right now close to about INR 50 crores -- INR 40 crores to INR 50 crores of new order book of plastics per se, which is there.

Abhishek: And in the seat metal business sir you have seen impressive growth in the last 2 years, but the now metal prices are pulling up. So how do you see a positive or negative impact on your business in terms of the revenue and EBITDA?

- Anmol Jain:** So, on the seat frame business?
- Abhishek:** Seat frame and chassis, both.
- Anmol Jain:** Yes, so I think majorly there the business is driven by the chassis business for Bajaj Auto. I think we saw a handsome growth. Right now, if I look at 9 months, there is a slight degrowth largely because of Bajaj Auto volumes. But I think strategically, we are very well positioned. The export trade is what has caused this slight degrowth because we know the export volumes of Bajaj Auto have taken a meeting based on the demand in the overseas market.
- But I think we are very strategically well positioned. We are now in the KTM space as well as in other premium space for the frame business. So going forward, we anticipate this business to continue to grow and also add to the margins. And I also mentioned earlier that we've also secured certain EV platform businesses for future models for the frame business.
- Abhishek:** And Air Intake Systems, sir, you are showing impressive growth. Is it because of the incremental revenue from the urea tank? Or urea tank revenue will start to reflect on FY '24 only?
- Anmol Jain:** So I think majorly because of Tata volumes going up, if you see Tata Motors, they have had a significant run almost a 42% growth in their own volumes on a 9-month basis. So it's just a result of that because we are very strong on our presence in Tata Motors with respect to the emission products.
- Abhishek:** So is it because of the exhaust system revenue or the urea tank revenues?
- Anmol Jain:** We don't do exhaust systems. We do air intake systems and we do the urea tank, both of them have increased based on the volumes of Tata Motors.
- Abhishek:** And how is the outlook for FY '24 from this business?
- Anmol Jain:** Well, we are still bullish on all the joint ventures with respect to Lumax Cornaglia per se. We are sitting also on an order book of about INR 20 crores to INR 25 crores.
- Abhishek:** And my last question is regarding your capex plan for FY '23 and '24.
- Anmol Jain:** So as you see, in the 9 months, we've done a capex of about INR 40 crores. For the full year, we expect this capex to be roughly around INR 60 crores give or take. This is slightly downward from the earlier guidance of around INR 75 crores to INR 80 crores, which I provided largely because of certain models or certain launches, the sector having deferred to next year. I do not have a next year capex plan yet, but I don't see any significant incremental expansion on any of the specific businesses. So it would probably be in a similar ballpark as this year.
- Moderator:** The next question is from the line of Dipti Kothari from Kothari Securities.
- Dipti Kothari:** My first question was that, what is our current order book?

- Anmol Jain:** So our current order book is roughly around INR 500 crores, which is different business lines. And again, out of the INR 500 crores, majority, almost more than 90% would be new business and the remaining 7% to 10% would be the replacement business.
- Dipti Kothari:** And what is the current capacity utilization level?
- Anmol Jain:** Are you talking about any particular business because it usually differs from one business to the other?
- Dipti Kothari:** No, I was talking about on a blended basis
- Anmol Jain:** So let's say, give or take around 65%, 70% would be on an average. It would differ across businesses. But if I were to give you an overall, it would be close to 70%.
- Dipti Kothari:** And sir, what is your outlook for the EV business? And are we seeing any increase in demand for this category?
- Anmol Jain:** Well, EV, as I said in my opening remarks, will continue to grow specifically in the 2-wheeler industry. There have been -- the growth has been significant from a percentage basis, and I'm sure the penetration will go deeper. As I mentioned, we already have certain secured businesses for EV models of one of our OEMs for the metallic frame businesses.
- Moderator:** The next question is from the line of Jyoti Singh from Arihant Capital Markets.
- Jyoti Singh:** So most of my question is already answered. But overall, I want to know like what the growth rate that we are targeting? And what's your overview on the margin trend going forward FY '24 and Q4?
- Anmol Jain:** As you see, I mean, the growth rate of 9 months is already at about 24% compared to last year. And I would assume that a similar growth rate, if all goes well in quarter 4. And as of now, we don't see any signs of why not. Similar growth rate would be reported for the full year. I'm still very bullish about next year prospects. So we do expect a double-digit growth for next year as well.
- When it comes to our margins, I think currently, the company is strong at a margin of over 12% at an EBITDA level. But I think we will continue to sustain that. And going forward, we -- our endeavour has always been to come towards the teen margins close to 13% and then further enhance going forward. So I think we are on track with the expansion of EBITDA margins as well.
- Moderator:** The next question is from the line of Apurva Mehta from A M Investments.
- Apurva Mehta:** Any specific reason why the quarter was muted compared to Q2? Any specific reason where we can throw some highlight on it?
- Anmol Jain:** Sure. I think one of the major reasons is Bajaj Auto. I think Bajaj Auto specifically in the quarter had almost 18%, 20% decline in their volumes. Also, HMSI showed a close to 28% decline in their volumes. Also, if you look at Maruti Suzuki, also showed about a 17% decline in their

volumes. So specific to the quarter, I think a majority of the OEMs, and as you know, that these Maruti, HMSI as well as Bajaj Auto would contribute close to almost 40% of the business.

So because their production volumes were down, Q3 particularly did not have a very strong buoyant growth. Part of it was offset with the aftermarket, which continue to at least grow on a sequential quarter-on-quarter basis. And on a year-on-year basis, in quarter 3, it grew almost double digits. So part of that was neutralized. But answering to your question, Apurva ji, I think majority of it was related to volumes down of OEMs.

Apurva Mehta:

And can we throw highlight on the JVs like where we are currently, what are the prospects of seat changing next year? See, for example, Cornaglia, Mannoh, which I think are doing pretty well. So what is your target for next year for Cornaglia, Mannoh and a few JVs which are not doing okay, means like Ituran, JOPP, Yokowo and Alps, all these JVs can you throw some highlights of all of these JVs where we see next year on the revenue front from all these JVs?

Anmol Jain:

Sure. So I'll let Vikas expand more on that, but I will just give you an opening that on our order book of INR 500 crores, which we are sitting on, which is distributed across different, different joint ventures, expect almost 50% of that revenue or that order book to come into the revenue in FY '24 itself. So that is the kind of growth we are looking at from these new orders, but I will let Vikas also expand on the JVs.

Vikas Marwah:

And in terms of the joint venture, of course, the 2 mature joint ventures, which have been there for quite some time, which is Lumax Mannoh and Lumax Cornaglia will continue their upward journey in terms of the order books and the new programs that get into production even in the coming year FY '24. We are expecting both the joint ventures to be clocking between 15% to 20% growth rate going ahead in FY '24.

Some very exciting news for us is that the new JVs, absolutely new cases like Lumax Yokowo, Lumax Ituran, both of them get into prestigious SOPs starting from the month of April and May 2024, which is where they start supplying to Honda Cars in terms of Lumax Yokowo and to Daimler in terms of Lumax Ituran.

These are very prestigious launches and they have a capacity of high traction and higher revenue. So FY '24 is going to be their almost 1 full year of revenue. So we are anticipating definitely a very good percentage in terms of growth as far as we need to give you a concern and some decent volume on both the joint ventures.

Again, Lumax FAE continues to be a little bit muted because of the regulation for the second auction sensor having shifted to 2025, but we are in advanced stages of discussion with one leading OEM and hoping to secure that business even on a single heat sensor business also for their motorcycles. By June 2024, we should get into the SOP for that. So the revenues are expected to definitely double our Lumax FAE also.

Then we come to Lumax Jopp. Lumax Jopp has secured some prestigious orders from Tata Motors, and we get into the SOP for that along with some new programs for Mahindra, looking for almost 30% jump in revenues for Lumax Jopp next year, which then brings to the last one, Lumax Alps. The Lumax Alps business wins have been significant, but they are linked to the

customer program and the customer programs are right now scheduled for FY '25 launch. So pretty much the same kind of revenues what we see in FY '23 for Lumax Alps will continue as much in FY '24 because we are now sitting on a very secure, very healthy order book that kicks in, in FY '25.

Apurva Mehta: So can you throw some light on numbers of Alps, what kind of order book we are setting in Alps, what kind of revenue we can see for '24 also?

Vikas Marwah: So for Alps, already it is currently at a revenue size of INR 25 crores, INR 30 crores per year basis, but we have already secured close to INR 90 crores order book. And as we speak, we are in the RFQ for another about INR 70 crores right now. And the traction is extremely good. It is getting into a regulatory products also. And Alps has got certain products. There is more or less only 1 or maximum 2 competitors in the areas of the products that it is in. So we have a high level of customer confidence there.

Apurva Mehta: So this order will start reflecting on FY '25 kind of thing?

Vikas Marwah: Yes. So out of the INR 90 crores order book that we have got for FY '25 onwards, so in terms of a full year, there is almost INR 60 crores that will kick in. Prior to that, the customer is already evaluating the other opportunities also where we can be a running change or the second change to the existing suppliers. And if that comes in, then definitely the revenues could be higher.

Apurva Mehta: And on the Ituran side, what kind of revenue we can expect on next year?

Vikas Marwah: So good news, as we made the investors aware that there is one particular product, the telematics control unit that we intend to kick in with FY '24. After that, there is another product that we have developed, and that is also now going to come into revenue. So we are expecting about INR 45 crores additional revenue coming in for Lumax Ituran, which is going to just get off the block because currently, we decided not to cater to the aftermarket channels there being a very high technology product. So that's how the OEM business will run.

Apurva Mehta: So broadly speaking, the next year, what we look is around more than 20% kind of growth we can expect because all these JVs will start kicking in and the revenue stream will start coming in. So can we expect that broadly we will go past 22% to 25% growth.

Anmol Jain: So Apurva ji, this is Anmol again. So I think we do not anticipate any reason why not. Definitely, a double-digit growth will continue, and it is backed on 3 specific things. Number one, there is almost INR 250 crores of the order book, which will get into the revenue stream next year. Number two, based on whatever conversations we've had with our top 3 customers, they are pretty optimistic about the next year recovery, even from Bajaj Auto's export standpoint.

And of course, number three is the -- as you saw, the aftermarket growth will continue even in the next year FY '24. So considering all of those, yes, I would not say that this kind of numbers would be challenging to achieve in FY '24. But we will have more clarity perhaps by the next investor call.

- Apurva Mehta:** And on the margin front that our endeavour to have 100 bps point of margin expense that is on track, seeing next year we see at the high -- at the teens levels from next year onwards?
- Anmol Jain:** Absolutely. I think that is the endeavour. I mean, right now, we are already sitting at 12.2% in Q3 of FY '23. And I think it's sustainable. So definitely, we are looking at another maybe 100 bps expansion going forward. Whether it happens in FY '24, specifically or part of it comes in FY '25, I can't say. But clearly, our goal is to achieve a 13% EBITDA or thereabout.
- Apurva Mehta:** And any other JVs in pipeline related to EV or something which is really exciting, which you are looking forward? Are any new products which you are trying to get into it and we are close to it and any excitement which you can share with us?
- Anmol Jain:** Yes. The company is always engaged in opportunities for growth with respect to new technologies, new products, the new partnerships as and when they fructify, we will surely make announcements.
- Apurva Mehta:** And any acquisition where we were looking around or bought them, anything on card.
- Anmol Jain:** The company is always looking at inorganic growth opportunities as well. And as and when they fructify, shortly, we will make announcements to the market.
- Moderator:** The next question is from the line of Aditya Shah from PG Securities.
- Aditya Shah:** You have been mentioning about increasing focus on the PV front. So if you could give any guidance on what kind of our revenue mix are we looking ahead 2 years down the line?
- Anmol Jain:** So clearly, I think, number one, most of the recent joint ventures, whether it is the Lumax Alps joint venture or the Lumax Jopp or Lumax Yokowo, they continue to be dominating in the passenger vehicle space. And of course, the 2 mature joint ventures, Lumax Mannoh and Lumax Cornaglia are also predominantly in the passenger car space. So with the order book, we do expect a significant contribution from the joint ventures in the coming quarters, and that's how we are planning to expand our presence in the 4-wheeler space.
- I think I have always mentioned, if you see for 9 months now, we are at almost 25% of our consolidated revenues coming from passenger car space, which in 12 months, 21-22 was at 20%. So there has been an incremental increase. But our long-term strategy is to get 1/3 of the revenues from passenger cars, 1/3 from 2 and 3 wheelers and the remaining between aftermarket and commercial vehicles.
- Moderator:** The next question is from the line of Sameer Chaddha from Chaddha Securities.
- Sameer Chaddha:** I have two questions. What is the outlook for the 2-wheeler segment. And the 2-wheeler segment has been lagging in terms of growth due to various factors. So given that majority of our revenues come from this segment, which has clearly affected us. So how are we planning on mitigating this risk?
- Anmol Jain:** So there are two things which we are trying to do as a company. You're right. I mean if I look at the 2-wheeler as a segment, on a 9-month current year basis, we are up as an industry, 13% on

a year-on-year basis. However, Q3 was down. And again, if I look at a much more long-term perspective, we are still almost 20% down from the peak volumes of FY '18-19.

However, if I were to dissect that further, I would say that within the 2-wheelers, the 4 key customers in the industry, there is Bajaj, HMSI, Hero and TVS. Bajaj and HMSI are our current customers. And I think both of them are positioned quite strongly to overcome the 2-wheeler headwinds in the market. Bajaj is largely export dependent. I do feel that in FY '24, there will be certain corrections in the export demand, and we are very strong on the export models as well. So that's how I see a slight uptick on the 2-wheeler for Bajaj.

Also in the domestic industry, please note that Bajaj is mostly dominant in the premium segment. And the company has a presence across the premium models as well, whether it is for the metallic business or the plastic business. So Bajaj should be reasonably doing okay in FY '24.

In terms of the overall strategy, as I mentioned, most of the future growth across joint ventures and the order book is largely catered towards the passenger car segment. So the objective is to continue to de-risk our dependability on 2-wheelers, which is definitely more vulnerable compared to passenger car space. And I think passenger car will continue to lead the growth for the industry over the next 2 years.

So on a strategic level, we continue to grow the passenger car products and businesses much faster. And of course, from 2-wheelers, we want to continue to protect any further slide, which through Bajaj is the incremental volumes in FY '24, we should be able to address it.

- Moderator:** The next question is from the line of Riya Verma from NR Securities.
- Riya Verma:** My first question is on the integrated plastics module. We saw good growth in Q2 over Q1 FY 23, but the number has come down again. Could you please throw some light on that?
- Anmol Jain:** You're talking about Q1 of FY '23?
- Riya Verma:** Yes.
- Anmol Jain:** Well, if I look at Q1, I'm not sure what the number in Q1 goes. But if I look at Q2 to Q3, there definitely is a downfall of 20%. And as I had mentioned before, the plastic module business is largely dependent on the 2-wheeler segment, which is driven by Bajaj and HMSI. And if you look at both these customers' volumes, it has shown a downfall with respect to the quarter 3 per se.
- Riya Verma:** And what is the contribution of the 2-wheeler and 4-wheelers out of the total plastic integrated modules?
- Anmol Jain:** 90% is coming from 2-wheelers and almost just about 10% is coming from the 4-wheeler in the plastic module space.
- Moderator:** The next question is from the line of Apurva Mehta: from A M Investments.

- Apurva Mehta:** Sir, just a clarification that we told that we would end with 24% growth last year. So we should -- in Q4, we should clock around more than INR 500 crores, is it right assumption?
- Anmol Jain:** So I said that 24% is the growth which we've already envisaged in 9 months. And I think I would still say that, I mean, I'm not sure 24%, but yes, we should be between 20% to 24% for the full year. So quarter 4, yes, I mean, whatever numbers you mentioned, that seems to be what we should be doing in quarter 4 as well. I mean anywhere between INR 450 crores to INR 475 crores of revenues is what I would expect to clock in quarter 4.
- Moderator:** The next question is from the line of Devendra Pandey from DP Financial Advisory Services.
- Devendra Pandey:** Sir, my question is on guidance. Can you please provide the capex guidance for the upcoming quarters? And what percentage of it would be the maintenance capex versus the actual capex?
- Anmol Jain:** So the 9-month actual capex is at INR 40 crores. I mentioned earlier, the full year guidance earlier was around INR 75 crores to INR 80 crores. We would be pruning it down maybe to about INR 60 crores. So there is almost about give or take, INR 20 crores in Q4. Most of this INR 60 crores would be towards new products and expansions in line to deliver the new order book and only very small part of it would be towards maintenance capex.
- Moderator:** The next question is from the line of Naitik Mohata from Sequent Scientific.
- Naitik Mohata:** Just one question from my side. Could you give a guidance on what the JVs have clocked in 9 months as revenue and where do we see them ending in FY '23?
- Anmol Jain:** So the revenues of JVs in 9 months is at about 25% to the total consolidated revenues. Going forward, I think earlier, I had given a guidance that about 1/3 of the total consolidated revenues would be from the JVs and subsidiaries and about 2/3 would be from the stand-alone entity. And I think that is exactly the direction in which we are headed. As I mentioned before, that out of the INR 500 crores order book, significant part of it is towards the joint ventures and subsidiaries.
- Naitik Mohata:** Yes. I followed that, but I was just hoping if you could give some numbers regarding Mannoh and Cornaglia in particular for 9 months?
- Anmol Jain:** So for 9 months, Mannoh did a 16% share and Cornaglia did a 7% share and followed by, as I mentioned, Lumax Alps Alpine, which is at about 2% of the consolidated revenues. So this total put together is at about 25% of the consolidated revenues.
- Moderator:** Ladies and gentlemen, this was the last question for today. I would now like to hand the conference over to the management for closing comments.
- Anmol Jain:** Well, I take this opportunity to thank everyone for joining the call. We will keep updating the investor community on a regular basis for any incremental updates on your company. I hope we have been able to address all your queries. For any further information, please get in touch with us or Strategic Growth Advisors, our Investor Relations advisors. Thank you once again.
- Moderator:** Thank you. On behalf of Lumax Auto Technologies Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.