

## Orderbook execution to support balanced growth...

**About the stock:** CIE Automotive India (CIE), part of the Spain-based CIE Automotive Group, is a multi-technology, multi-product automotive component.

- CY25 consolidated revenue mix –India 65%, Europe 35%. Forging is over 51% of consolidated sales (85% in Europe and 35% in India).

**Q1CY26 Results:** Consolidated revenue for Q1CY26 came in at ₹2,612 crores, up 15% YoY. EBITDA for the quarter stood at ₹402 crores (up 20% YoY) with corresponding EBITDA margins at 15.4% (up 90 bps QoQ). CIE India sales were up 15% YoY at ₹ 1,619 crore and EBITDA margins at 17.6% (down 100 bps YoY wherein Q1CY25 included a one-time positive impact) due to material cost increase amid geopolitical situation, while European operations witnessed a revenue of ₹922 crore (up 17% YoY, forex impact 17%, organic flat numbers) with EBITDA margins at 15.7% (up 180 bps due to recovery after restructuring).

### Investment Rationale:

- **Strong India Growth Engine with Expanding Capacity:** CIE India, is a leading automotive component player, operating across India and Europe. In India it caters to the PV+LCV segment (53% of sales), 2Ws (23%), CV (11%) & off highway (tractor) segments (13%). CIE India's domestic business did well amid healthy end-market growth across PVs, 2Ws & tractors. The recent GST optimisation is a major structural positive, reducing vehicle prices and potentially lifting 3-year CAGRs for PVs and 2Ws. CIE Automotive India appears well positioned to compound earnings through its domestic business, where it combines diversified customer exposure with a strong new order pipeline (~₹350 crores of new orders in Q1CY26). With ₹400-500 crores annual India capex planned and most spending directed toward growth projects, management is clearly preparing for sustained growth. Over the medium term, the company also sees a major opportunity for European OEMs to source more components from India due to cost pressures and supply chain diversification.
- **Europe Recovery + Export Optionality + Balance Sheet Strength:** The European business has quietly transitioned from a concern to a value creator, with restructuring driving margins back to healthy levels even in a weak market. This creates upside if volumes stabilize or industry consolidation benefits stronger suppliers like CIE. Capacity transfers from Europe to India enhance cost competitiveness. Additionally, multiple export-linked new orders are set to commence from Q2 onward, with management expecting export growth to recover meaningfully in the second half of CY26. The combination of a strong India growth engine, disciplined European margin protection, and robust cash reserves positions the company for steady compounding with limited B/S risk.

### Rating and Target Price

- We maintain **BUY** rating on CIE Automotive tracking healthy growth opportunities at its Indian operations and focus on margins & efficiencies at its European business. Our target for CIE is pegged at **₹ 600 i.e. 21x PE on CY27 EPS. Healthy CFO/FCF yield provide good margin of safety.**

### Key Financial Summary

Key Financials (₹ crore)	CY21	CY22	CY23	CY24	CY25	5 year CAGR (CY20-25)	CY26E	CY27E	2 year CAGR (CY25-27E)
Net Sales	6,765	8,753	9,280	8,964	9,406	9.2%	10,478	11,188	9.1%
EBITDA	942	1,172	1,424	1,351	1,376	22.4%	1,582	1,717	11.7%
EBITDA Margins (%)	13.9	13.4	15.3	15.1	14.6		15.1	15.4	
Net Profit	393	(136)	1,125	828	828	50.7%	968	1,062	13.2%
Normalised PAT	395	709	798	818	821		965	1,059	
EPS (₹)	10.4	(3.6)	29.7	21.9	21.9		25.6	28.1	
P/E	46.3	(133.5)	16.2	22.0	21.9		18.8	17.1	
RoNW (%)	7.7	9.2	14.7	12.5	11.2		11.9	12.0	
RoCE (%)	9.4	13.4	15.2	13.4	12.2		13.3	13.5	

Source: Company, ICICI Direct Research



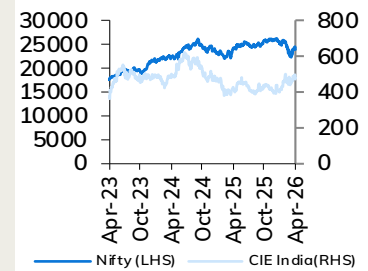
### Particulars

Particular	₹ crore
Market Capitalization	18,170
Total Debt (CY25)	386
Cash & Investments (CY25)	1,660
EV	16,896
52 week H/L (₹)	526 / 381
Equity capital	₹ 379 Crore
Face value	₹ 10

### Shareholding pattern

	Jun-25	Sep-25	Dec-25	Mar-26
Promoter	65.7	65.7	65.7	65.7
FII	4.2	4.2	4.3	4.7
DII	21.5	21.5	21.6	21.3
Other	8.7	8.6	8.3	8.3

### Price Chart



### Recent event & key risks

- Reported healthy Q1CY26.
- Key Risk: (i) Demand uncertainty in Export markets (ii) slower than anticipated sales growth over CY25-27E at Indian operations

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## Q1CY26 Earnings Conference Call Highlights

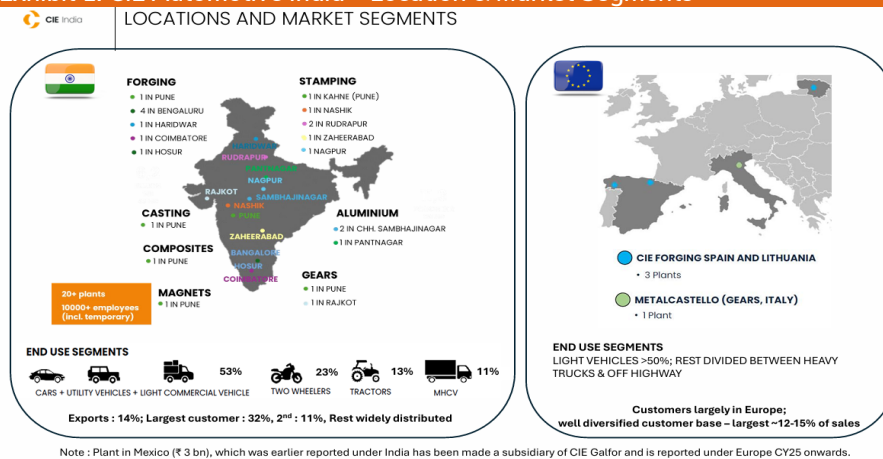
- India operations:** CIE Automotive India reported a strong Q1CY26 performance with India revenues at ~₹1,620 crores, up 15% YoY, broadly in line with domestic auto industry growth and an improvement over prior quarter (12% in Q4CY25). Demand in the domestic market remains healthy across segments, and the company expects growth momentum to continue over the next few months as multiple previously won orders start ramping up. Capacity additions are underway across forgings, stampings, iron castings and other verticals to support incoming demand, with management indicating no structural capacity bottlenecks ahead.
- Europe operations — performance and outlook:** European operations delivered revenues of ~₹920 crores, up 17% YoY, though management clarified that growth was entirely driven by favourable currency translation while revenues in Euro terms were flat. The broader European auto market remains weak but stable, with management expecting only a slight decline in light vehicle demand. EBITDA margin in Europe improved sharply to 15.7% from 13.9% YoY and 12.7% QoQ, aided by restructuring actions undertaken during CY25.
- Exports:** Exports were the only weak spot in Q1, impacted mainly by softer customer schedules in Europe and the US rather than logistics constraints. Management clarified that container availability or shipping disruptions were not the primary issue; instead, end-market demand was subdued. Direct exports form roughly 11% of India sales, with about 3% going to the US and the balance largely to Europe. However, multiple export-linked new orders are set to commence from Q2 onward, with management expecting export growth to recover meaningfully in the second half of CY26.

India margins: India EBITDA margin stood at 17.6% versus 18.6% last year and 16.8% sequentially. The YoY decline was due to three specific factors: higher gas and raw material costs linked to West Asia geopolitical disruptions, higher Maharashtra energy tariffs, and a one-off subsidy benefit in Q1CY25 worth ₹8.7 crore (about 60 bps of sales) that did not recur this quarter. Despite these pressures, margins improved sequentially by 80 bps as the company executed cost-control measures.

Product & EV positioning: Management commentary on order inflow was highly positive. During Q1 alone, the company secured approximately ₹350 crores of annualized new business, of which around 11% came from EV-related programs. Management stated most business verticals are performing well and capacities are being added across segments. They remain confident of outperforming industry growth over time as these projects ramp up over the next several quarters.

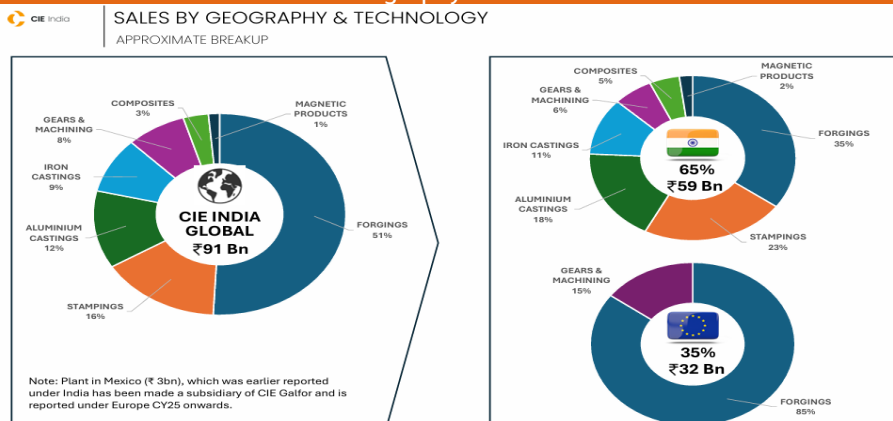
## Key Tables and Charts

Exhibit 1: CIE Automotive India – Location & Market Segments



Source: Company, ICICI Direct Research

Exhibit 2: CIE Automotive India – Geography and Overview



Source: Company, ICICI Direct Research

## Financial Summary (Consolidated)

Exhibit 3: Profit and loss statement		₹ crore			
(Year-end March)	CY24	CY25	CY26E	CY27E	
Total operating Income	8,964	9,406	10,478	11,188	
Growth (%)	-3.4	4.9	11.4	6.8	
Raw Material Expenses	4,670	4,769	5,344	5,706	
Employee Expenses	1,010	1,114	1,205	1,287	
Other Expenses	1,933	2,148	2,347	2,478	
Total Operating Expenditure	7,613	8,031	8,896	9,470	
<b>EBITDA</b>	<b>1,351</b>	<b>1,376</b>	<b>1,582</b>	<b>1,717</b>	
Growth (%)	-5.1	1.9	15.0	8.5	
Other Income	140	101	116	129	
Interest	78	27	24	20	
Depreciation	331	358	388	414	
<b>PBT</b>	<b>1,082</b>	<b>1,079</b>	<b>1,287</b>	<b>1,412</b>	
Total Tax	264	258	322	353	
PAT before Minority Interest	818	821	965	1,059	
Minority Interest	0	0	0	0	
<b>PAT after Minority Interest</b>	<b>828</b>	<b>828</b>	<b>968</b>	<b>1,062</b>	
EPS (₹)	21.9	21.9	25.6	28.1	

Source: Company, ICICI Direct Research

Exhibit 4: Cash flow statement		₹ crore			
(Year-end March)	CY24	CY25	CY26E	CY27E	
Profit after Tax (adj.)	828	828	968	1,062	
Add: Depreciation & Interest	408	385	411	434	
(Inc)/dec in Current Assets	-7	-4	-316	-166	
Inc/(dec) in CL and Provisions	-319	257	190	172	
<b>CF from operating activities</b>	<b>910</b>	<b>1,466</b>	<b>1,253</b>	<b>1,502</b>	
(Inc)/dec in Investments	0	5	-9	-4	
(Inc)/dec in Fixed Assets	-430	-541	-602	-643	
Others	206	-892	-221	-399	
<b>CF from investing activities</b>	<b>-224</b>	<b>-1,429</b>	<b>-833</b>	<b>-1,046</b>	
Interest Paid	-78	-27	-24	-20	
Inc/(dec) in loan funds	-282	-135	-50	-50	
Dividend paid & dividend tax	-265	-265	-303	-341	
Others	-222	-107	-377	-411	
<b>CF from financing activities</b>	<b>-599</b>	<b>-107</b>	<b>-376</b>	<b>-411</b>	
Net Cash flow	87	-70	43	45	
Opening Cash	237	324	254	297	
<b>Closing Cash</b>	<b>324</b>	<b>254</b>	<b>297</b>	<b>343</b>	

Source: Company, ICICI Direct Research

Exhibit 5: Balance Sheet		₹ crore			
(Year-end March)	CY24	CY25	CY26E	CY27E	
<b>Liabilities</b>					
Equity Capital	379	379	379	379	
Reserve and Surplus	6,197	7,080	7,745	8,466	
<b>Total Shareholders funds</b>	<b>6,577</b>	<b>7,459</b>	<b>8,124</b>	<b>8,845</b>	
Total Debt	521	386	336	286	
Minority Interest	0	0	0	0	
<b>Total Liabilities</b>	<b>7,687</b>	<b>8,418</b>	<b>9,047</b>	<b>9,729</b>	
<b>Assets</b>					
Gross Block	9,433	9,911	10,543	11,236	
Less: Acc Depreciation	6,390	6,748	7,136	7,550	
<b>Net Block</b>	<b>3,043</b>	<b>3,163</b>	<b>3,407</b>	<b>3,686</b>	
Capital WIP	66	130	100	50	
Total Fixed Assets	3,109	3,292	3,507	3,736	
Investments	1,038	1,459	1,634	2,004	
Goodwill	2,814	3,038	3,038	3,038	
Inventory	1,091	1,130	1,292	1,379	
Debtors	627	609	718	766	
Other current assets	416	399	445	475	
<b>Cash</b>	<b>324</b>	<b>254</b>	<b>297</b>	<b>343</b>	
Total Current Assets	2,458	2,392	2,752	2,963	
Creditors	1,581	1,863	2,010	2,146	
Provisions	55	67	65	70	
Other Current Liabilities	398	355	395	422	
Total Current Liabilities	2,034	2,284	2,470	2,637	
Net Current Assets	424	107	282	326	
<b>Application of Funds</b>	<b>7,687</b>	<b>8,418</b>	<b>9,047</b>	<b>9,729</b>	

Source: Company, ICICI Direct Research

Exhibit 6: Key ratios					
(Year-end March)	CY24	CY25	CY26E	CY27E	
<b>Per share data (₹)</b>					
EPS	21.9	21.9	25.6	28.1	
Cash EPS	30.6	31.3	35.8	39.0	
BV	173.7	197.0	214.6	233.7	
DPS	7.0	7.0	8.0	9.0	
Cash Per Share	8.6	6.7	7.9	9.0	
<b>Operating Ratios (%)</b>					
EBITDA Margin	15.1	14.6	15.1	15.4	
PAT Margin	9.2	8.9	9.2	9.5	
Inventory days	44.4	43.8	45.0	45.0	
Debtor days	25.5	23.6	25.0	25.0	
Creditor days	64.4	72.3	70.0	70.0	
<b>Return Ratios (%)</b>					
RoE	12.5	11.2	11.9	12.0	
RoCE	13.4	12.2	13.3	13.5	
RoIC	14.2	12.8	14.0	14.1	
<b>Valuation Ratios (x)</b>					
P/E	22.0	21.9	18.8	17.1	
EV / EBITDA	12.8	12.2	10.5	9.4	
EV / Net Sales	1.9	1.8	1.6	1.4	
Market Cap / Sales	2.0	1.9	1.7	1.6	
Price to Book Value	2.8	2.4	2.2	2.1	
<b>Solvency Ratios</b>					
Debt/Equity	0.1	0.1	0.0	0.0	
Current Ratio	1.0	0.9	1.0	1.0	
Quick Ratio	0.5	0.4	0.5	0.5	

Source: Company, ICICI Direct Research

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Reduce: -15% to -5%;

Sell: <-15%

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