BP Wealth | STOXBOX

Result Update

Q1 FY27

Fiem Industries Ltd.

Institutional Research

Fiem Industries Ltd.

BP WEALTH

Auto Ancillary | Q1FY27 Result Update **14th August 2026**

Improving LED penetration and better mix drives robust performance

FIEM Industries reported healthy revenue of Rs. 775 crores during Q1FY27 (up 19.5% YoY / up 3.2% QoQ), driven by strong two-wheeler industry volumes, GST rationalization, improving retail financing and rural demand. The company also benefited from new product launches and increasing EV content. Revenue remained significantly ahead of street estimates of Rs. 659 crores, beating estimates by 17.6%. Gross Profit stood at Rs. 297 crores (up 15.8% YoY / up 0.9% QoQ), with gross margin declining to 38.3% (down 122 bps YoY / down 90 bps QoQ), primarily due to higher raw material costs, adverse currency movements and elevated input costs. EBITDA stood at Rs. 104 crores (up 19.1% YoY / down 4.7% QoQ), significantly ahead of estimates of Rs. 70 crores by 49.1%. EBITDA margin stood at 13.4% (down 4 bps YoY / down 112 bps QoQ), with the sequential moderation largely attributable to higher employee costs and raw material cost pressures. Employee costs were impacted by annual increments and a 35% increase in minimum wages in Haryana, with management expecting the higher employee cost run rate to sustain through the remaining three quarters. Reported PAT stood at Rs. 65 crores (up 16.3% YoY / down 7.7% QoQ), beating estimates of Rs. 55 crores by 17.7%, while PAT margin declined to 8.4% (down 23 bps YoY / down 99 bps QoQ).

Valuation and Outlook

FIEM Industries delivered a strong Q1FY27 performance, with revenue growth remaining healthy. The company continues to benefit from increasing LED penetration and the structural shift towards EVs, with EVs accounting for over 9% of two-wheeler industry volumes in Q1FY27 versus around 6% a year ago. New supplies to Ather's Konarc, River's RX02 and Royal Enfield's EV Flying Flea, along with capacity expansion at Hosur, provide further visibility on the EV opportunity. While EBITDA margin remained broadly stable YoY at 13.5%, sequential margin pressure was visible due to higher raw material and employee costs. Management expects to recover the raw material cost inflation through price pass-through over the next couple of quarters and has maintained its FY27 EBITDA margin guidance of around 14%, providing confidence on margin recovery. However, the key near-term disappointment remains the delayed scaling-up of the four-wheeler business, with meaningful revenue contribution now pushed to FY28 from FY27 due to longer-than-expected customer conversion cycles. Going forward, the company's strong relationships with leading two-wheeler OEMs, a healthy new-model pipeline, rising EV penetration, and capacity expansion should support sustained growth. The company's wallet share with key customers remains stable or better, while the sole-supplier position for Ather's Konarc provides additional opportunity in the EV segment. Overall, we remain cautiously constructive on FIEM's growth outlook, supported by strong two-wheeler demand, increasing EV content and a healthy order pipeline. However, the pace of four-wheeler ramp-up, recovery in margins following input cost inflation and the ability to maintain wallet share amid rising competition remain key monitorables.

Key Highlights

Particulars (Rs. Cr.)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)
Net Sales	775	649	19.5%	751	3.2%
Gross profit	297	257	15.8%	295	0.9%
Gross margin (%)	38.3%	39.5%	-122 bps	39.2%	-90 bps
EBITDA	104	87	19.1%	109	-4.7%
OPM (%)	13.4%	13.5%	-4 bps	14.5%	-112 bps
Reported PAT	65	56	16.3%	71	-7.7%
PAT Margin	8.4%	8.6%	-23 bps	9.4%	-99 bps

Source: Company, BP Equities Research

Sector Outlook **Neutral**

Stock

CMP (Rs.)	2,412
BSE code	500878
NSE Symbol	FIEMIND
Bloomberg	FIEM IN
Reuters	FIIN.BO

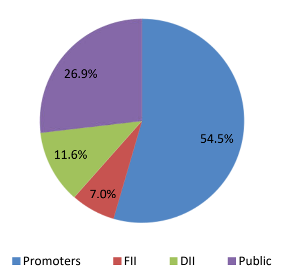
Key Data

Nifty	24,396
52 Week H/L (Rs,)	2,675/1,803
O/s Shares (Cr.)	3
Market Cap (Rs. Cr.)	6,344
Face Value (Rs.)	10

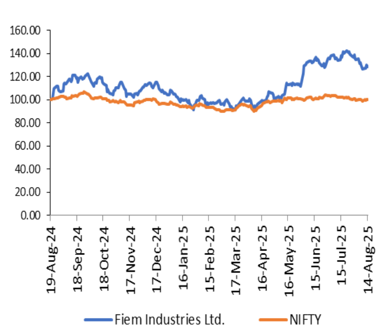
Average Volume

3 months	61,880
6 months	64,910
1 year	79,000

Share Holding Pattern (%)



Relative Price Chart



Research Analyst

Sagar Shetty

Sagar.shetty@bpwealth.com

022-61596158

Key Concall Highlights

FY27 Guidance and Growth Outlook

Management maintained FY27 revenue growth guidance of 15-20%, supported by a strong two-wheeler demand environment, healthy order book and new model launches.

FY27 EBITDA margin guidance stands at around 14%, with management confident of recovering the Q1 cost pressures through the year.

Management remains positive on the upcoming festive season, supported by GST rationalization, easier retail financing, strong rural demand and increasing premium/EV penetration.

Margin Outlook and Cost Pressures

Q1FY27 EBITDA margin remained broadly stable at 13.5% YoY, despite significant cost pressures.

Raw material costs increased by around 80 bps, while the overall cost impact was around 120 bps, partly due to the company's 20% import content and adverse currency movements.

Management expects to pass on raw material cost inflation to customers with a lag of a couple of quarters, supporting the FY27 margin target.

Four-Wheeler Business Update

Meaningful scaling-up of the four-wheeler business has been pushed out to FY28 from FY27, with FY27 contribution expected to remain around 2.5% of revenue.

The delay is primarily due to longer customer conversion cycles and additional qualification processes than initially anticipated.

Management continues to remain committed to the segment, with supplies to Mahindra & Mahindra scaling up and projects with Force Motors and other OEMs progressing.

EV Business

EVs accounted for over 9% of two-wheeler industry volumes in Q1FY27, compared with around 6% a year ago.

FIEM is the sole lighting supplier for Ather's new Konarc model, although existing Ather models continue to be supplied by competitors.

TVS is expanding two-wheeler capacity from 6.8 mn to 8.3 mn units, while Hero is increasing VIDA capacity from 15,000 to 45,000 units per month, providing additional capacity-led growth opportunities for FIEM.

Customer Relationships and Wallet Share

Management indicated that wallet share with the top four two-wheeler customers, Honda, Yamaha, Suzuki and TVS, remains similar or better.

With HMSI, the company remains involved in upcoming models and is hopeful about maintaining its wallet share across the new-launch pipeline.

Hero remains a fast-growing customer, led by the VIDA EV platform, while FIEM will supply VIDA lighting for Hero's new Andhra Pradesh plant from its Hosur facility.

Capacity Expansion and CapEx

Q1FY27 CapEx stood at around Rs. 41 crores, while full-year CapEx is targeted at around Rs. 100 crores, broadly similar to the previous year's Rs. 110 crores.

"Employee costs were impacted by annual increments and a 35% minimum wage hike in Haryana. The higher employee cost run-rate is expected to remain broadly similar for the next three quarters."

"Management also acknowledged that increasing competition and new capacities in the four-wheeler lighting space could make market share gains more challenging."

"FIEM commenced supplies for Ather Konarc, River RX02 and Royal Enfield EV Flying Flea during the quarter."

"FIEM is working on 100+ new models, providing visibility for future business wins."

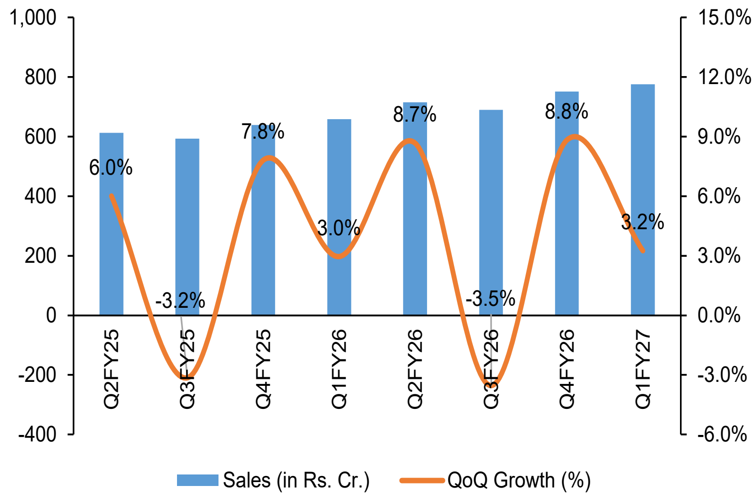
"The recent stagnation in LED mix was partly attributed to strong performance of certain legacy models, but management expects the structural shift towards LED to resume as new models are launched."

"Management expects LED penetration to increase towards around 70% over the next 24-30 months, as new two-wheeler models increasingly adopt LED lighting."

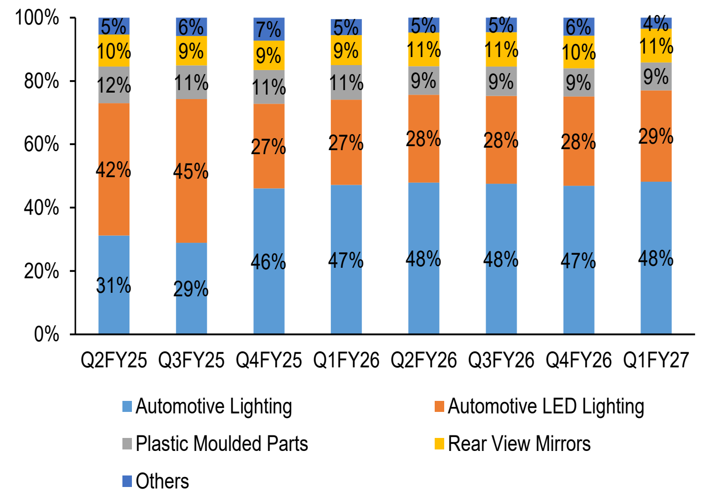
"A significant portion of the planned CapEx will be directed towards Hosur, primarily to cater to EV capacity requirements from TVS and other OEMs.."

Quarterly Snapshot

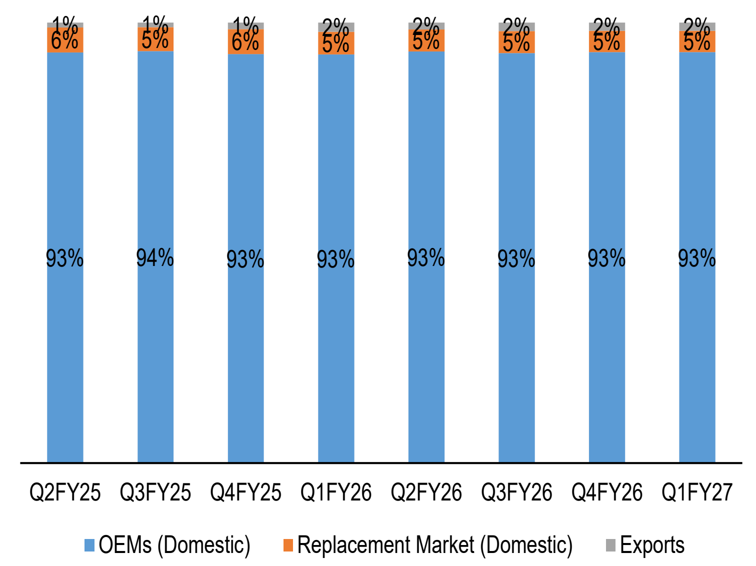
Topline momentum remains steady



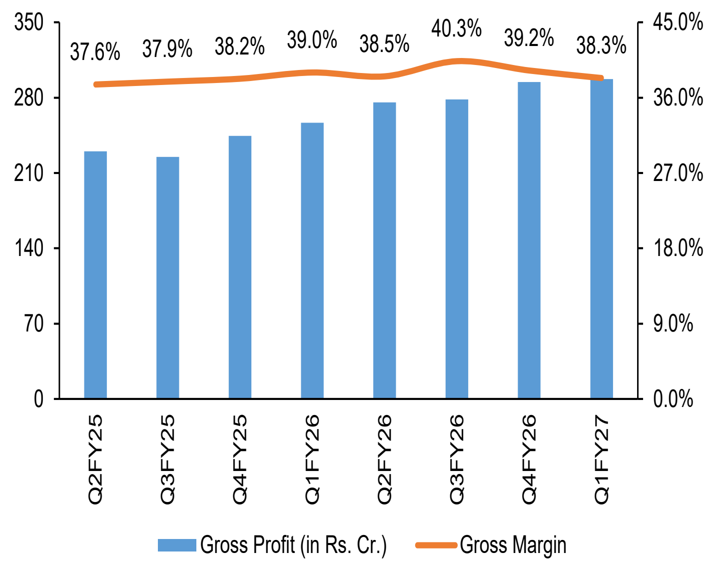
Product Mix



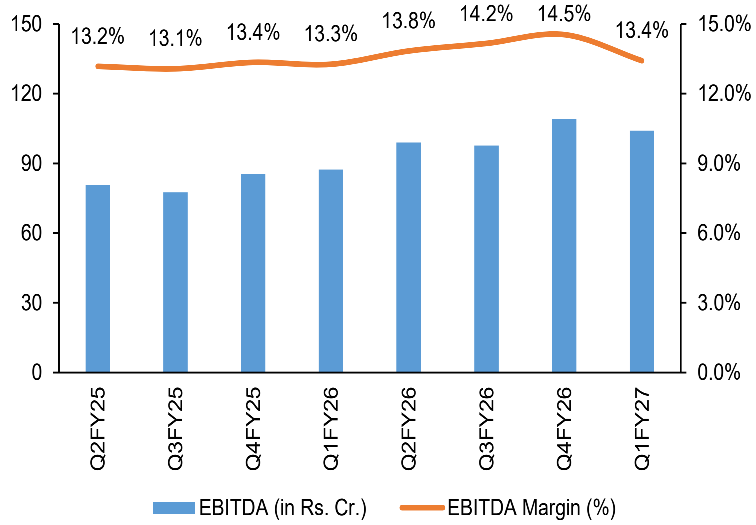
Revenue Breakup



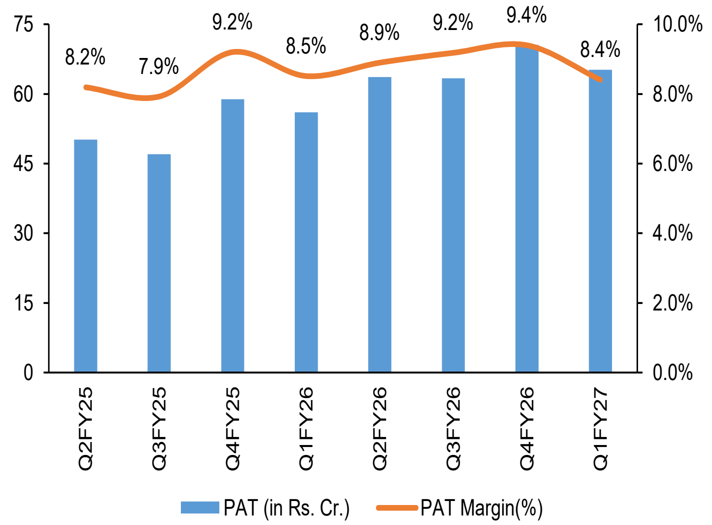
Gross Profit and Gross Margin



EBITDA and EBITDA Margin



PAT and PAT Margin



Source: Company, BP Equities

Key Financials						
YE March (Rs. Cr.)	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Revenue	**1,848**	**2,028**	**2,422**	**2,814**	**3,340**	**3,925**
Revenue Growth (Y-o-Y)	*17.5%*	*9.7%*	*19.4%*	*16.2%*	*18.7%*	*17.5%*
EBITDA	**248**	**268**	**321**	**393**	**464**	**553**
EBITDA Growth (Y-o-Y)	*28.1%*	*8.1%*	*19.7%*	*22.6%*	*18.0%*	*19.2%*
Net Profit	**140**	**166**	**204**	**254**	**297**	**365**
Net Profit Growth (Y-o-Y)	*46.6%*	*18.8%*	*23.1%*	*24.4%*	*17.1%*	*22.8%*
Diluted EPS	**53.1**	**63.1**	**77.6**	**96.5**	**113.0**	**138.8**
Profitability Ratios						
EBIDTA (%)	**13.4%**	**13.2%**	**13.2%**	**13.8%**	**13.9%**	**14.1%**
NPM (%)	7.6%	8.2%	8.4%	9.0%	8.9%	9.3%
ROE (%)	**18.4%**	**18.7%**	**19.7%**	**21.0%**	**21.4%**	**22.7%**
ROCE (%)	23.6%	23.1%	24.3%	25.2%	25.4%	26.7%
Valuation Ratios						
P/E (x)	**45.4x**	**38.3x**	**31.1x**	**25.0x**	**21.3x**	**17.4x**
EV/EBITDA (x)	25.0x	23.0x	18.9x	15.6x	13.1x	10.8x
Market Cap/Sales (x)	3.4x	3.1x	2.6x	2.3x	1.9x	1.6x

Source: Company, BP Equities

Research Desk Tel: +91 22 61596138

Institutional Sales Desk Tel: +91 22 61596403/04/05

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil

Analyst (s) Certification:

We analysts and the authors of this report, hereby certify that all of the views expressed in this research report accurately reflect our personal views about any and all of the subject issuer (s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation (s) or view (s) in this report. Analysts aren't registered as research analysts by FINRA and might not be an associated person of the BP Equities Pvt. Ltd. (Institutional Equities).

General Disclaimer

This report has been prepared by the research department of BP EQUITIES Pvt. Ltd, is for information purposes only. This report is not construed as an offer to sell or the solicitation of an offer to buy or sell any security in any jurisdiction where such an offer or solicitation would be illegal.

BP EQUITIES Pvt. Ltd have exercised due diligence in checking the correctness and authenticity of the information contained herein, so far as it relates to current and historical information, but do not guarantee its accuracy or completeness. The opinions expressed are our current opinions as of the date appearing in the material and may be subject to change from time to time. Prospective investors are cautioned that any forward looking statement are not predictions and are subject to change without prior notice.

Recipients of this material should rely on their own investigations and take their own professional advice. BP EQUITIES Pvt. Ltd or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. BP EQUITIES Pvt. Ltd. or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

BP EQUITIES Pvt. Ltd and/or its affiliates and/or employees may have interests/ positions, financial or otherwise in the securities mentioned in this report. Opinions expressed are our current opinions as of the date appearing on this material only. While we endeavor to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

This report is not directed to or intended for display, downloading, printing, reproducing or for distribution to or use by any person in any locality, state and country or other jurisdiction where such distribution, publication or use would be contrary to the law or regulation or would subject to BP EQUITIES Pvt. Ltd or any of its affiliates to any registration or licensing requirement within such jurisdiction.

Corporate Office:
4th floor,
Rustom Bldg,
29, Veer Nariman Road, Fort,
Mumbai-400001
Phone- +91 22 6159 6138
Fax-+91 22 6159 6160
Website- www.bpwealth.com

Registered Office:
24/26, 1st Floor, Cama Building,
Dalal street, Fort,
Mumbai-400001

BP Wealth Management Pvt. Ltd.
CIN No: U67190MH2005PTC154591

BP Equities Pvt. Ltd.
CIN No: U67120MH1997PTC107392