

1. VERDICT & BUSINESS QUALITY SNAPSHOT

Result: Strong Beat (Revenue & Margins) **One-line:** The long-term thesis is significantly reinforced as Uniparts transitions from a cyclical agriculture play to a diversified "near-shore" manufacturing partner, delivering 21% revenue growth (beating mid-teens guidance) and expanding EBITDA margins to 24% in Q4.

Dimension	This Quarter	Signal / Evidence	Sentiment
Beat/Miss vs Guidance / Prior Quarter	Strong Beat	FY26 Revenue grew 21% YoY vs guidance of mid-teens; Q4 EBITDA margin of 24% significantly beat the 20% floor.	☐
Earnings Quality	High (Core driven)	CFO/PAT at 1.09x; Growth driven by volume-led execution of new business wins (₹225 Cr pipeline) rather than just industry recovery.	☐
Guidance Confidence	Strong	Re-iterated FY27 growth in line with FY26 (20%+); EBITDA margins expected "comfortably above" 20%.	☐
Management Credibility	Strong	Swiftly mitigated Ludhiana fire disruption (interim sourcing); delivered on Mexico warehouse launch; exceeded conservative revenue guidance.	☐
Business Quality Signal	Improving	Diversification away from Ag; CFM (Construction) and PMP segments scaling; Mexico/US dual-shore model creating high switching costs for OEMs.	☐
Key Q&A Exchange	Q9 (Acquisitions)	Mgmt admitted two failed M&A attempts but insisted on ROCE-accretive discipline over "growth at any cost."	☐
The Street's Primary Anxiety	Margin Sustainability	Analysts questioned if 24% is the "new normal." Mgmt hedged, pointing to delivery channel mix as the primary driver.	☐
Capital Cycle Stage	Harvesting / Growth	High dividend payout (₹170 Cr) while sustaining ₹200Cr+ annual new business intake via balancing Capex.	☐
Margin / Return Ratio Trajectory	Improving	EBITDA margins expanded from 16.9% (FY25) to 22.3% (FY26); ROCE surged to 24.9% (annualized).	☐
Pricing Power	Stable	Contractual pass-throughs for RM and freight are functioning; currency depreciation providing additional cushion.	☐
FCF Conversion & Quality	Strong	FY26 CFO of ₹173.6 Cr vs PAT of ₹158.3 Cr; disciplined working capital management (136 days vs 155 days in H1).	☐
Competitive Moat Signals	Widening	Expanding into Mexico near-shoring; increasing wallet share with Top 3 global CFM players who are now JIT dependent.	☐
Balance Sheet Strength	Strong	Net Cash ₹160 Cr post-special dividend; Net Debt Free.	☐
Working Capital Efficiency	Improving	Inventory days reduced to 134 days from 146 days in FY25 through conscious inventory discipline.	☐
Mgmt Guidance Track Record	Reliable	Consistently under-promises on revenue (mid-teens) and over-delivers (21%).	☐
Key Vulnerability / Red Flag	Large Ag Trough	North American Large Ag volumes still tracking down mid-to-high teens; recovery expected to lag Small Ag/CFM.	☐
Management Tone	Confident	Bullish on "industry cycle turning" and the stickiness of the warehousing model.	☐

Sentiment: ☐Positive

Key Takeaways (Positives & Negatives): * **Positives:** The company **materially outperformed its own FY26 revenue guidance** (21% actual vs 15% guided), proving that its ₹200 Cr+ new business pipeline is successfully offsetting the cyclical trough in Large Ag. **Margin expansion is structural**, driven by a higher mix of warehousing/near-shoring sales (51% of mix) which command superior pricing for JIT delivery. The **Mexico facility is now a growth engine**, with two customers already in the ramp-up phase. **Financial discipline is exceptional**, with 1.09x CFO/PAT conversion and a net-debt free balance sheet despite paying out nearly 100%

of PAT as dividends in FY26. * **Negatives: Large Agriculture remains a drag**, with North American volumes down 15-20% and no immediate V-shaped recovery in sight. **Customer concentration remains high**, with Top 5 customers contributing 64% of sales, though management argues this reflects deeper wallet share. **M&A momentum has stalled**, with two potential deals falling through, leaving the company reliant on organic "balancing Capex" growth. * **Forward Watchpoint: FY27 Monsoon/India Ag Impact**. While global markets are recovering, the India tractor market (14% of revenue) is sensitive to the upcoming monsoon, which could swing domestic linkage volumes in H1FY27.

2. BUSINESS PERFORMANCE

2A. KEY METRICS DATA SOURCE: PPT primary. Concall used for commentary.

Metric	Current Qtr (Q4FY26)	YoY Change	QoQ Change	Trend	Mgmt Commentary
Volume (units)	Not in document	N/A	N/A	N/A	Batch manufacturing model; volume data not consolidated.
ASP (₹/unit)	Not in document	N/A	N/A	N/A	Pricing stable; revenue growth driven by volume & mix.
Domestic Revenue	₹48.5 Cr	↑ 44.8%	↑ 15.8%	↑	India tractor demand stable; inventory replenishment active.
Export Revenue	₹290.4 Cr	↑ 32.4%	↑ 21.5%	↑	Driven by Small Ag recovery in US and CFM strength.
Key OEM Conc.	64% (Top 5)	↑ 300 bps	→	↓	Driven by deeper wallet share in Construction segment.
Revenue (Ops)	₹338.9 Cr	↑ 34.1%	↑ 20.6%	↑	Exceeded mid-teens guidance; FY26 revenue ₹1,170.4 Cr.
Gross Margin (%)	64.7%	↑ 290 bps	↓ 280 bps	▢	Normalized levels; Q3 was an outlier due to FX gains.
EBITDA	₹1.3 Cr	↑ 95.4%	↑ 31.8%	↑	Strong operating leverage as volumes hit peak levels.
EBITDA Margin %	24.0%	↑ 790 bps	↑ 250 bps	↑	20% is the cycle floor; high mix of warehousing aided Q4.
PAT	₹51.1 Cr	↑ 124.0%	↑ 53.5%	↑	Includes ₹3.41 Cr one-time exceptional labor code cost.
ROCE (%)	24.9%	↑ 1120 bps	↑ 540 bps	↑	Sharp recovery in capital efficiency as assets sweat.
Cash Flow (OCF)	₹52.0 Cr	Not stated	↑ 44.4%	↑	Strong conversion; FY26 total OCF ₹173.6 Cr.
Net Debt / (Cash)	(₹160.0 Cr)	↑ Cash	↑ 4.6%	↑	Net cash position post-₹170 Cr dividend distribution.
Interest Coverage	27.2x	↑ 128%	↑ 22%	↑	Minimal debt; finance costs negligible (₹10.4 Cr FY26).
Working Capital	136 Days	↓ 12.2%	↓ 5.5%	↑	Driven by inventory reduction from 146 to 134 days.

2B. SEGMENT BREAKDOWN

Segment	Revenue (FY26 ₹Cr)	YoY Growth (FY)	Margin	Trend	vs Co. Avg	Key Development
Agriculture	₹17.5 (61.3%)	↑ 17.9%	Stable	□	Below	Small Ag recovering (5% US growth); Large Ag troughing.
CFM (Const.)	₹452.9 (38.7%)	↑ 27.2%	Higher	↑	Above	Driven by US data center and infrastructure spending.
3PL (Linkage)	₹545.4 (46.6%)	↑ 16.0%	20%	→	In-line	Growth in large tractor linkage program wins in Europe.
PMP (Precision)	₹602.8 (51.5%)	↑ 28.6%	22-24%	↑	Above	Scaling with Top 3 construction OEMs; share gains.
Aftermarket	₹175.6 (15.0%)	↓ 5.9%	Highest	↓	Superior	Stabilizing; H2FY27 expected to be stronger than H1.

3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate / Mathematical Feasibility	Historical Delivery	Risk Flag
Guidance	Revenue	FY27 growth "in line with FY26" (i.e. ~20%+).	High; depends on Large Ag recovery in H2FY27.	Exceeded	Medium
Guidance	Margins	Sustainable 20% EBITDA through the cycle.	FY26 ended at 22.3%; comfortably achievable with operating leverage.	Delivered	Low
Guidance	Volume / Capacity	Reach peak revenue with 2.5-3.5% balancing Capex.	Current utilization allows for ~₹200-300 Cr head room before major expansion.	Delivered	Low
Strategy	Mexico Ops	Operationalize and ramp up with 3 major customers.	2 customers already in ramp-up; first revenues visible in Q4.	Delivered	Low
Strategy	M&A	Acquire complementary third platform (e.g. Hydraulics).	No deals in 2 years despite evaluating 12 targets; disciplined but slow.	Missed	Medium
Macro	Industry Status	US Small Ag growth ~5% in FY27.	Industry data (Deere/CNH) supports gradual replenishment.	Verified	Low
Balance	Cash Return	High dividend payout/ Disciplined allocation.	₹170 Cr distributed in FY26; confirmed commitment to returns.	Delivered	Low

4. ANALYST Q&A

Q#	Relevance	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded / Not Addressed	Credibility	Verdict
1	3.5	Madhur Rath	Product Strategy	Business Overview	"Is there any new product or SKU that you expect to supply to the OEMs going forward?"	Management confirmed that growth is coming from new project wins including high-feature 3PL and PMP parts for Large Ag and Construction. Implies market share gains rather than just riding the replacement cycle.	Specific SKUs not named	4.0	Directional with evidence
2	4.5	Madhur Rath	Margins	Financials	"Is 24% EBITDA margin sustainable going forward?"	Management stated that 20% is sustainable through the cycle but operating leverage is now working in their favor as volumes increase. Investors should model 21-22% as the "new normal" at current volume levels.	Exact EBITDA target for FY27	3.0	Vague but consistent
3	4.0	Madhur Rath	Cost Pass-thru	Financials	"Now our rupee has significantly depreciated... are we passing on the benefit... steel prices also near-about?"	Management clarified that FX pass-throughs are netted off against inflation increases in customer negotiations. Protects margin percentage but limits absolute windfall gains from currency.	None	4.0	Specific and logical
5	3.0	Madhur Rath	Capital Allocation	Capex and Allocation	"Suggestion: Share buyback has become far more tax efficient... could you kindly consider that suggestion."	Management noted the feedback but emphasized the recent ₹101 Cr special dividend. Signals no immediate shift from dividend-first policy but	None	3.0	Acknowledged feedback

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						acknowledgement of tax efficiency.			
6	4.0	Sunil Jain	Fire Impact	Business Overview	"Was there any impact on the margin because of [Ludhiana fire] outsourcing... how much was the impact?"	Management confirmed the incident was fully covered by Loss of Profit (LOP) insurance, neutralizing margin impact. Rebuilding will be complete by year-end; risk to Q1/Q2 margins is minimal.	None	5.0	High transparency
9	4.5	Sujal Jain	M&A	Capex and Allocation	"Is there any update on the acquisition that we have been talking about?"	Management admitted evaluating 12 targets with two failed attempts; they paid a special dividend because a specific opportunity didn't meet ROE/ROCE criteria. Demonstrates extreme capital discipline, avoiding "empire building."	None	5.0	Specific and candid
10	4.0	Viraj, SIMPL	Delivery Channel	Business Overview	"Gain from forex in Q4 and revenue mix by delivery channel?"	Management reported warehousing sales at 51%, direct exports at 26%, and local deliveries (US/ India) at 22%. High warehousing share validates the structural shift toward higher-margin near-shoring.	Specific FX gain □ figure	3.5	Qualitative lead
13	4.0	Anubhav Mukherjee	Order Book	Management Commentary	"What is the total order book outstanding... has the	Management explained the □225 Cr "wins" is a rolling TTM window;	Absolute order book total	3.0	Contextual explanation

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					translation improved?"	conversion is improving as OEMs move out of the trough. Confirms that "wins" are turning into "revenue" in the 18-24 month lifecycle.			
14	4.5	Prolin Nandu	Margin One-offs	Financials	"Is there anything one-off in this 23.9% EBITDA margin... currency, tariff refunds?"	Management attributed the expansion to 18% QoQ volume growth (operating leverage) and a higher mix of warehousing sales. Dispels fears that margins were purely FX-led.	None	4.5	Clear forensic detail
15	4.0	Abhishek Shah	Cost Inflation	Financials	"Sea freights are higher... employee costs in North India up 20-25%... how do you see margins?"	Management noted freight and RM are direct pass-throughs; volume expansion and FX depreciation help mitigate fixed cost inflation. Supports the 20%+ margin sustainability thesis.	None	4.0	Directional with evidence
18	3.5	Vipul Kumar Shah	Capacity	Business Overview	"Capacity utilization at your both ag division and this PMP division... is capacity fungible?"	Management explained capacity is measured by bottlenecks; investment focuses on "balancing capex" to keep spending low. Confirms the asset-light nature of their current growth phase.	Specific % utilization	3.0	Logical hedge
21	3.5	Sujal Jain	Segment Growth	Management Commentary	"Do you see 3PL growing faster than the PMP in FY27?"	Management expects 5% Small Ag growth but Large Ag still "working through	Specific segment growth %	3.0	Hedged outlook

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						lowest cycle." CFM remains more stable and visible, suggesting PMP may still lead 3PL in H1FY27.			

PATTERN FLAGS & SENTIMENT * **M&A Discipline vs. Frustration:** Analysts are clearly frustrated by the lack of M&A progress, but management's response—paying a special dividend when a deal failed the ROCE test—successfully framed the delay as a strength of governance rather than a failure of strategy. The sentiment remains "wait and watch" for the Hydraulics/PTO expansion. * **Margin Forensic Interest:** There is a recurring skepticism about the "durability" of 24% EBITDA margins. Management's consistent pivot to "operating leverage" and "warehousing mix" as the drivers (rather than one-off FX gains) has largely convinced the street that the floor has shifted from 18% to 20%+. * **Analyst Sentiment Verdict:** Analysts were **strongly positive**, buoyed by the significant revenue beat and high capital returns. Management's credibility is at a peak following their agile response to the Ludhiana fire and the successful launch of Mexico. The only unresolved friction is the specific timeline for a "third platform" acquisition, which management refuses to rush.

GUIDANCE GAPS REVEALED IN Q&A | Topic | What Mgmt Claimed (Opening / Prior Q) | What Q&A Revealed | Gap / Walk-back | Risk to Thesis | | :--- | :--- | :--- | :--- | :--- | | **Revenue Guidance** | Mid-teens (15-17%) for FY26. | 21.4% Actual. | Conservative bias; Mgmt significantly under-guided. | Low; positive surprise. | | **M&A Strategy** | Actively hunting targets for 1-2 years. | Two deals failed; evaluating 12+. | Slower execution than implied by IPO-era commentary. | Medium; diversification delay. | | **Large Ag Recovery** | Expect stabilization in Q4FY26. | Volumes still tracking down mid-to-high teens. | Trough is "deeper and longer" than initially projected. | High; impacts 3PL segment. |

5. WHAT CHANGED vs PRIOR QUARTER

What Changed	Prior Quarter (Q3FY26)	This Quarter (Q4FY26)	Direction
Revenue Growth	17% (9M Cumulative)	21.4% (Full Year)	↑
EBITDA Margin	21.5%	24.0%	↑
ROCE	22.4% (9M Annualized)	24.9% (FY Actual)	↑
New Business Wins	₹200 Cr TTM	₹225 Cr TTM	↑
Inventory Efficiency	144 Days	136 Days	↑
Mexico Status	Launching/Operational.	Two customers in ramp-up phase.	↑
Ludhiana Risk	Active disruption (Fire).	Mitigated via insurance/interim sourcing.	↑
Cash Position	₹153 Cr	₹160 Cr	↑
Management Tone	Cautiously optimistic.	Confident/Assertive on industry turn.	↑

INVESTOR NOTES: * **The Conversion Factor:** CFO/PAT of 1.09x is the gold standard for auto ancillaries. This proves the revenue growth is not being "bought" by extending credit to OEMs but is high-quality, cash-generative

growth. * **Operating Leverage is Real:** Revenue grew 21% while EBITDA grew 59%. For every 1% of top-line growth, Uniparts is generating ~2.8% of EBITDA growth—this is the primary reason the 20% margin guidance is likely conservative. * **Thesis Verdict: Thesis Reinforced.** Uniparts is no longer just a "tractor part exporter." It has successfully pivoted to Construction (40% of mix), PMP (51% of mix), and Near-shoring (51% warehousing). This diversification makes the company far more resilient to the current Large Ag downturn than it was in previous cycles.