

Retail Equity Research

Mayur Uniquoters Ltd

Leather

CMP Rs. 601

Rating: Overweight

NSE CODE: MAYURUNIQ BSE CODE: 522249

Mayur Uniquoters delivered a robust Q2 FY '25 performance with stand-alone revenue of ₹216.36 crores, growing 11% Q-o-Q, supported by improved operating profit of ₹47.95 crores (+13% Q-o-Q). The company reported a PAT of ₹41.43 crores, reflecting a solid 16% growth, driven by higher operational efficiency and a rise in other income (₹14.34 crores).

Despite earlier challenges in Q1, the company maintained profitability growth, supported by effective cost management as expenses remained proportionate to sales. Export sales contributed 40% of revenue, showcasing Mayur's expanding global footprint, particularly in OEM exports.

Strategically, Mayur's planned ₹250 crore Mexico plant will mitigate geopolitical risks and expand capacity, while ongoing efforts in PU and branded footwear aim to capture high-margin markets. With export revenue projected to hit ₹1,000 crores by FY26, Mayur is poised for sustained growth.

Company Data

Market Cap (cr)	Rs.	2,639.79
Enterprise Value (cr)	Rs.	1,982.96
Outstanding Shares (cr)		4.40
52 week high	Rs.	700.00
52 week low	Rs.	454.00
1m average volume (lacs)		1.06
Face value	Rs.	5.00

	FY22	FY23	FY24
Sales	630.95	764.09	764.24
Growth(%)	26%	21%	0%
EBITDA	133.95	159.8	186.59
EBITDA Margin(%)	21.2%	20.9%	24.4%
PAT	84.34	107.48	119.55
Growth(%)	-5%	27%	11%
EPS	18.9	24.4	27.2
P/E	18.9	17.2	16.8
P/B	2.3	2.4	2.3
EV/EBITDA	11.9	11.4	10.6
ROE(%)	12%	14.2%	14%
ROCE(%)	15%	17.6%	17.8%
ROIC(%)	15%	17.1%	17.7%
D/E	0.04	0.03	0.02

1. Financial Performance and Revenue Breakdown In Q2 FY '25, Mayur Uniquoters reported stand-alone revenue of ₹216.36 crores, up 11% Q-o-Q, with PBT at ₹54.71 crores (+20% Q-o-Q) and PAT at ₹41.43 crores (+19% Q-o-Q). Consolidated revenue stood at ₹208 crores, with export sales forming 40% of total revenue. Key segments included OEM exports (₹60 crores), auto OEM (₹40 crores), and footwear (₹43 crores). Despite a 2% dip in consolidated revenue, PAT grew by 7%, reflecting robust profitability.

2. Strategic Market Positioning and Growth Outlook A market leader in synthetic leather, Mayur focuses on expanding in U.S. and European OEM markets. New export model supplies have begun, with OEM export revenue expected to grow substantially by FY26, targeting ₹1,000 crores. Despite domestic challenges from competitive pricing, the focus on high-margin products and PU segment growth through foreign brand approvals underpins future prospects.

3. Capex Initiatives and CSR Efforts Mayur plans a ₹250 crore plant in Mexico to address geopolitical risks and meet demand, alongside domestic capex for upgrades. CSR efforts include planting 15,000 trees and supporting education for underprivileged children, earning state recognition and reinforcing a commitment to sustainability.

Key Highlights

Diversified Client Base: Mayur Uniquoters Limited (MUL) serves a diverse clientele across various industries, meeting synthetic leather requirements for reputed brands like Maruti Suzuki, Tata Motors, Mahindra & Mahindra, MG Motors, Honda Motorcycles, Bata, Relaxo, VKC, Paragon, and Baggit. It predominantly supplies through approved vendors to global automotive OEMs like Ford (US), Chrysler (US), and Mercedes Benz (South Africa).

Geographical and Revenue Split

Geographical Split FY22: Domestic operations accounted for 74% of revenues, with exports contributing approximately 26%.

Revenue Mix FY21: 31% of revenues came from the footwear segment, 21% from automobile replacement, 15% from domestic OEMs, 20% from export OEMs, and 8% from general exports, with the remaining balance from other sources.

Manufacturing Capabilities: Mayur boasts the largest synthetic leather manufacturing capacity in India's organized sector, with an annual production capacity of 48.60 million linear meters of PVC-coated fabric and 5 million linear meters of PU-coated fabric. The company is expanding its Dhodsar plant by adding a seventh coating line, primarily serving the automotive sector, which contributes ~54% of revenues.

Integration Initiatives

Backward Integration: Plans for a warp knitting segment to support PU production and a future PU resin plant aim to improve quality and pricing.

Forward Integration: Recent installations include a perforation machine, with another in the pipeline, and plans for foam lamination to enhance margins significantly.

Market Opportunity: The target market for Mayur is valued at ₹6000-₹7000 crores, split between the domestic market (₹3500 crores) and export opportunities (₹3000-₹4000 crores). Additionally, ₹700 crores of Chinese imports add to the total addressable market. Despite the market's fragmentation—50% unorganized and the rest shared by organized players like Jasch Industries and Fenoplast—Mayur leads with an annual capacity of 30 million meters.

New Client Acquisition: MUL established its subsidiary, Mayur Uniquoters SA (Pty) Ltd, to support exports to Mercedes Benz's South African plant. The company has secured product approvals from BMW for a new car model, with supplies commencing in Q4FY23, and Volkswagen India, which now sources synthetic leather fabric domestically. Approvals from additional domestic OEMs for upcoming car models further expand its client base.

Buyback Strategy: Consistent with its shareholder-friendly policies, MUL conducted a buyback of 6.25 lakh equity shares in FY22, aggregating ₹40.62 crores.

Focus on PU Business: Mayur is strategically concentrating on medium- and high-grade PU leather. It has onboarded experienced Chinese and Taiwanese professionals to drive this initiative. The company is also targeting 300 distributors for its B2C business and aims to grow its presence in the furnishing segment, which is currently a small but emerging area of focus.

Quarterly Financial Consolidated

Profit and loss account

(Rs Cr)

	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24
Sales	181.58	174.64	216.10	194.74	216.36
Growth(%)	-5%	-4%	24%	-10%	11%
Expenses	143.95	136.86	174.30	152.18	168.41
Operating Profit	37.63	37.78	41.80	42.56	47.95
Growth(%)	-3%	0%	11%	2%	13%
Other Income	7.85	9.07	5.86	10.78	14.34
Depreciation	7.29	7.45	7.35	7.14	7.14
Interest	0.59	0.53	0.60	0.45	0.44
Profit before tax	37.60	38.87	39.71	45.75	54.71
Tax	9.22	9.62	7.73	11.03	13.28
Net profit	28.37	29.25	31.98	34.73	41.43
Growth(%)	-6%	3%	9%	8%	16%

Financial Consolidated

Profit & Loss

(Rs Cr)

	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Sales	516.46	500.81	630.95	764.09	764.24
Growth(%)	-10%	-3%	26%	21%	0%
Expenses	409.58	380.35	517.35	619.83	608.42
Operating Profit	106.88	120.46	113.60	144.26	155.82
Growth(%)	-16%	13%	-6%	27%	8%
Other Income	19.07	19.56	20.35	15.54	30.77
Depreciation	18.42	18.41	20.44	22.20	29.16
Interest	1.67	3.43	2.28	2.26	2.33
Profit before tax	105.86	118.18	111.23	135.34	155.10
Tax	25.22	29.14	26.89	27.86	35.56
Net profit	80.64	89.04	84.34	107.48	119.55
Growth(%)	-7%	10%	-5%	27%	11%

Balance Sheet

(Rs Cr)

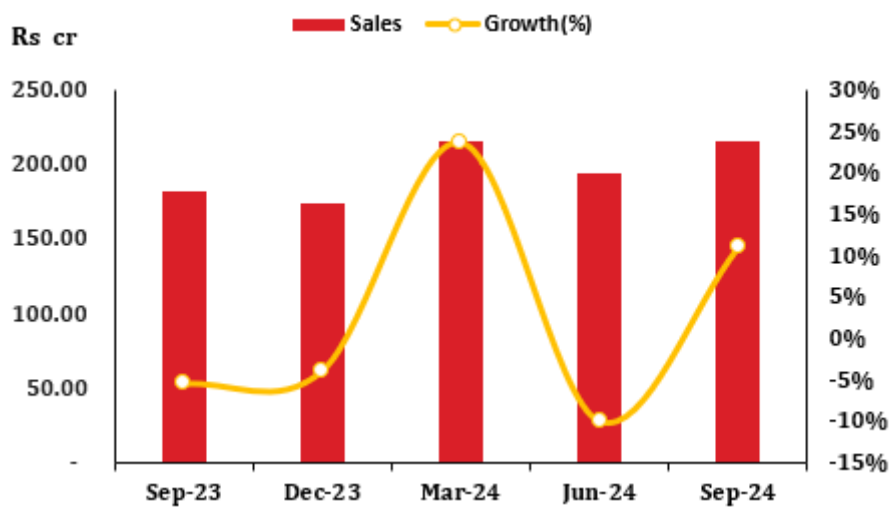
Report Date	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Equity Share Capital	22.66	22.29	22.29	21.98	21.98
Reserves	564.50	613.13	686.81	735.59	845.77
Borrowings	34.13	40.68	30.46	25.11	15.18
Other Liabilities	83.98	93.28	80.81	91.01	78.85
Total	705.27	769.38	820.37	873.69	961.78
Net Block	161.03	194.21	219.63	241.31	231.61
Capital Work in Progress	39.34	14.96	11.83	1.19	1.05
Investments	172.16	212.06	160.50	143.60	197.51
Other Assets	332.74	348.15	428.41	487.59	531.61
Total	705.27	769.38	820.37	873.69	961.78

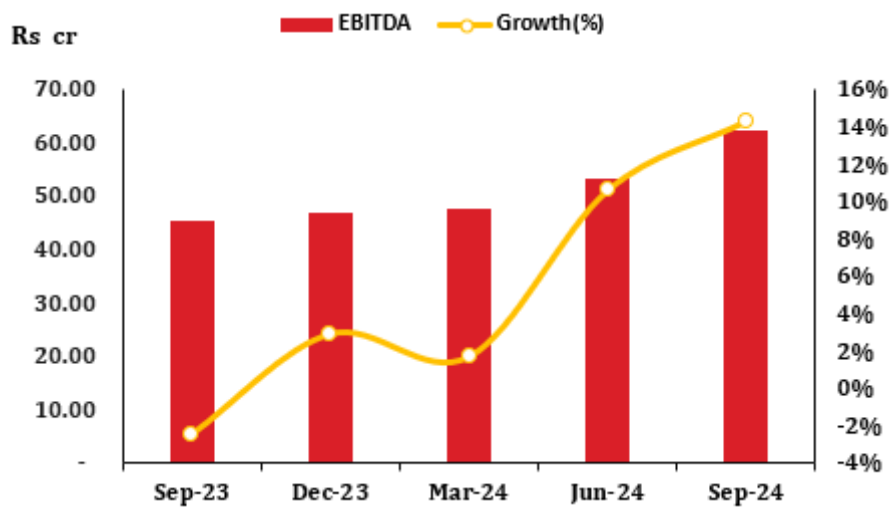
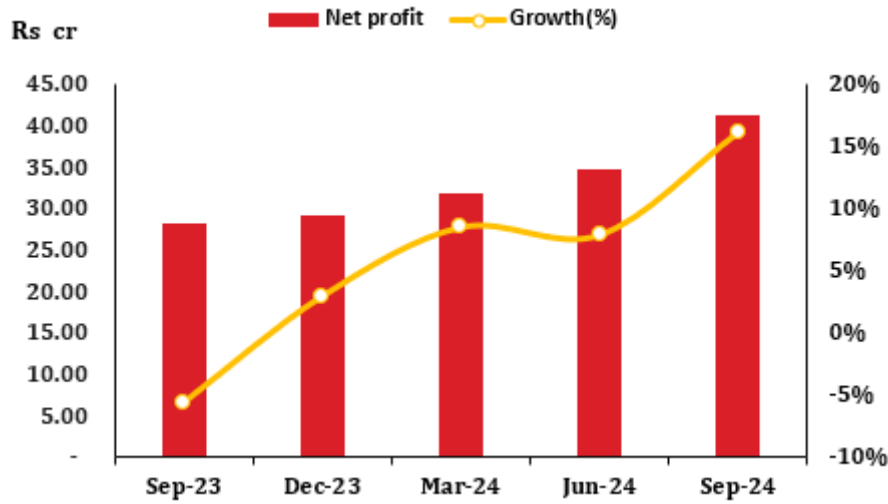
Cash Flow

(Rs Cr)

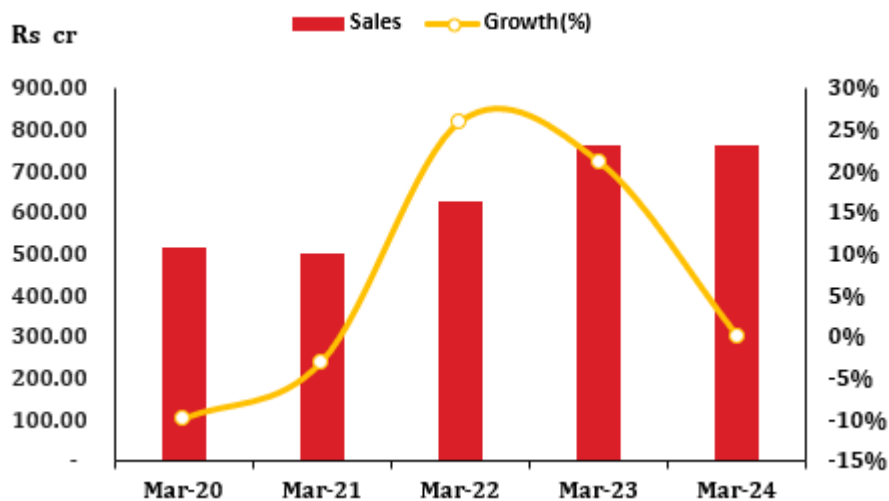
	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Cash from Operating Activity	58.08	56.74	12.01	114.75	92.24
Cash from Investing Activity	-47.75	-18.62	16.83	-31.58	-77.88
Cash from Financing Activity	-6.69	-36.9	-21.19	-66.49	-20.87
Net Cash Flow	3.64	1.22	7.65	16.68	-6.51

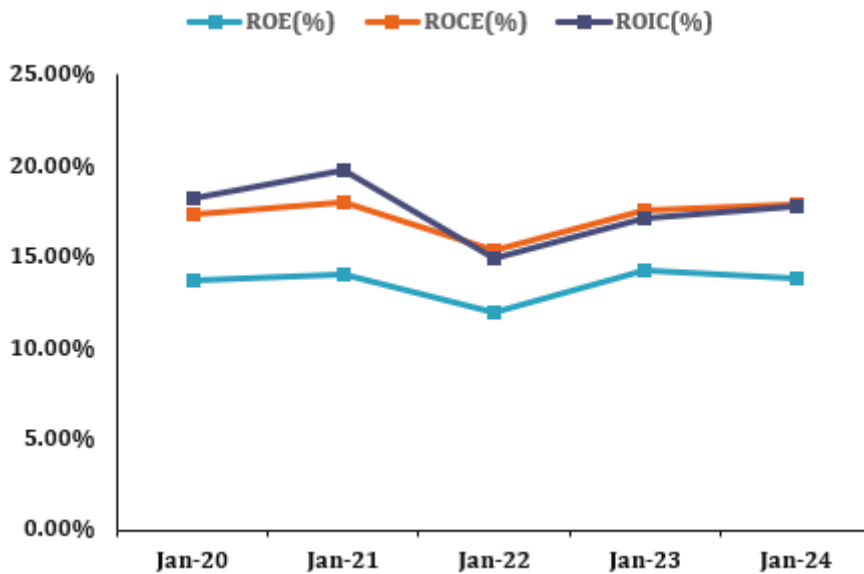
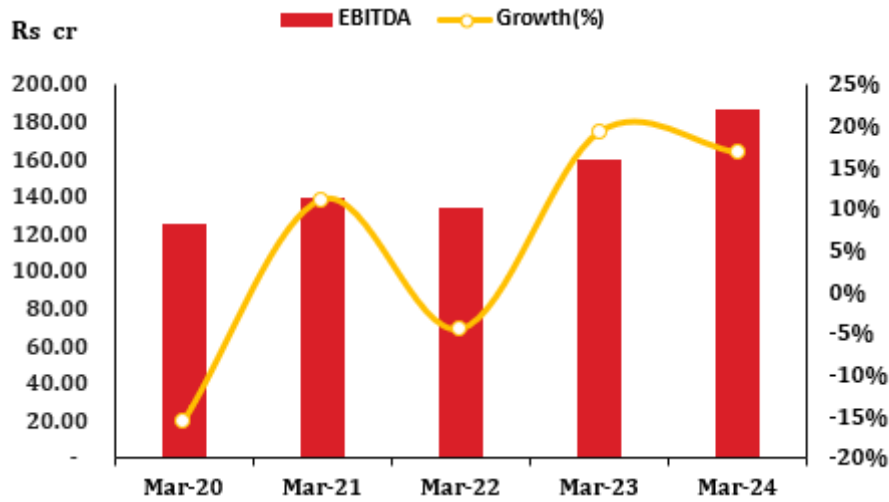
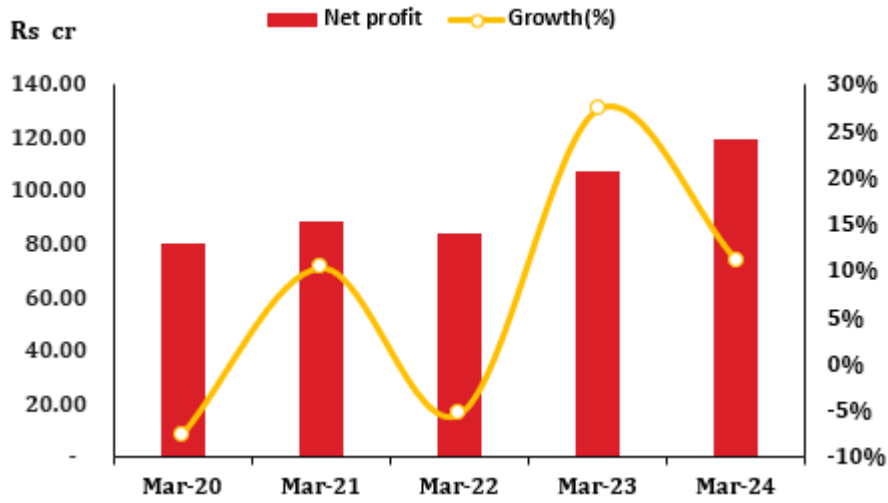
Key Metrics: Quarterly





Key Metrics: Yearly





Key Ratio:

Leverage Ratios	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
D/E	0.06	0.06	0.04	0.03	0.02
Debt/Assets	0.05	0.05	0.04	0.03	0.02
Debt/Ebitda	0.27	0.29	0.23	0.16	0.08
Debt/Capital Ratio	5%	6%	4%	3%	2%
Cash flow/Debt	1.70	1.39	0.39	4.57	6.08
Interest coverage ratio	64.39	35.45	49.79	60.88	67.57
Sales Change	-10%	-3%	26%	21%	0%
Ebit Change	-18%	13%	-7%	21%	14%
Operating Leverage	1.63	-4.19	-0.22	1.28	408.19
Financial Leverage	1.20	1.21	1.16	1.15	1.11

Efficiency ratios					
Receivable days	98	113	90	93	112
Receivable turnover	3.73	3.22	4.04	3.93	3.26
Inventory days	0.00	0.00	0.00	0.00	0.00
Inventory turnover	4	3	3	3	4
Net Fixed assets turnover	3.21	2.58	2.87	3.17	3.30
Sales/capital employed	0.83	0.74	0.85	0.98	0.87
Total Asset Turnover	0.73	0.65	0.77	0.87	0.79

Profitability ratios					
Ebitda	125.95	140.02	133.95	159.8	186.59
Ebitda margin	24%	28%	21%	21%	24%
Gross Profit	169.49	182.75	189.94	229.49	238.38
Gross Profit Margin	33%	36%	30%	30%	31%
EBIT	107.53	121.61	113.51	137.6	157.43
EBIT Margin	21%	24%	18%	18%	21%
ROE	14%	14%	12%	14%	14%
Net profit margin	16%	18%	13%	14%	16%
EPS	17.80	19.96	18.91	24.43	27.17
DU Pont ROE	14%	14%	12%	14%	14%
Net Profit Margin	16%	18%	13%	14%	16%
Sales/Total assets	0.73	0.65	0.77	0.87	0.79
Financial Leverage	1.20	1.21	1.16	1.15	1.11
DU PONT ROA	11%	12%	10%	12%	12%
Net Profit Margin	16%	18%	13%	14%	16%
Sales/Total assets	0.73	0.65	0.77	0.87	0.79

Capital Allocation Ratios	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
ROCE	15%	16%	12%	15%	13%
EBIT Margin	21%	24%	18%	18%	21%
Sales/cap employed	0.83	0.74	0.85	0.98	0.87
NOPAT	81.91	91.62	86.07	109.27	121.34
Capital employed	621.29	676.1	739.56	782.68	882.93
ROIC	13%	14%	12%	14%	14%

Valuation Ratios					
Price/Earnings	8.42	20.88	18.93	17.20	16.77
Price/Book	1.16	2.93	2.25	2.44	2.31
Marketcap	679.05	1,858.93	1,596.46	1,848.22	2,005.08
Enterprise Value	694.64	1,880.19	1,599.94	1,816.30	1,982.96
EV/EBITDA	5.52	13.43	11.94	11.37	10.63

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