

MOTHERSON SUMI

Reydel buy: Good fit; attractive price

India Equity Research | Automobiles

Motherson Sumi (MSS), via its 51% owned subsidiary SMRPBV, has executed the transaction documents for the proposed acquisition of Reydel Automotive (Reydel; all cash deal). Prima facie, the deal is favorable as: (a) businesses & customer profiles of both companies are complementary. In fact, the acquisition will bolster MSS' capabilities; (b) valuations at ~0.1x CY17E EV/sales & ~2x CY17E EV/EBITD (~5-6x for SMRPBV) render it value accretive (similar to SMR in 2009) given RoCE of ~25%; and (c) capex needs of ~USD30mn indicates adequate FCF. We revise down FY20E EPS ~4% to INR15.3 to factor in lower growth across business. However, we upgrade to 'BUY' post the recent stock price correction with revised TP of INR375 (earlier INR 404).

Reydel buy: Key takeaways:

- **Reydel a strategic fit:** The acquisition provides MSS access to a diverse set of capabilities (versus SMP) in similar line of products (cockpit modules, instrument & door panels, consoles, etc). Also, it widens its customer base. Post the acquisition, revenue share from Renault/PSA to rise to 8%/5% from 5%/1% currently. Similarly, MSS will gain access to Indonesia, Croatia, Philippines, Morocco and Argentina where currently it has limited presence.
- **Valuations attractive:** At USD201mn, Reydel will be acquired at attractive valuation of EV/sales of ~0.1x and EV/EBITD of ~2x (EBITD of USD68mn, net cash at USD53mn). Management indicated that Reydel's capex need will be well funded by its operations. Ample cross leverage opportunities for MSS and Reydel on best practices, accessing new locations and new platforms. Management indicated that it has been mulling the Reydel buy since a year and has the support of all the latter's customers.

Outlook and valuations: Well placed; upgrade to 'BUY'

We like MSS' strong India franchise (~65% market share; >50% RoCE) as well as SMR (~25% market share; >40% RoCE). We expect SMP to also follow this trajectory driven by revenue traction and lower capex. We estimate 28% FY18-20E EPS CAGR. Post the recent correction, we upgrade to 'BUY' from HOLD with TP of INR375 (India business 30x, SMR: 20x, SMP/PKC: 18x FY20E PER). At CMP, the stock trades at 21x FY20E PER.

Financials

(INR mn)

Year to March	FY17	FY18E	FY19E	FY20E
Revenues	424,752	572,230	654,321	745,295
Rev. growth (%)	14.1	34.7	14.3	13.9
Adjusted Profit	16,211	19,690	27,772	32,233
Basic shares outstanding (mn)	2,105	2,105	2,105	2,105
Adjusted diluted EPS (INR)	7.7	9.4	13.2	15.3
EPS Growth (%)	11.9	21.5	41.0	16.1
EV/EBITDA (x)	1.6	1.4	0.8	0.4
ROAE (%)	27.2	23.2	28.1	27.3

EDELWEISS 4D RATINGS

Absolute Rating	BUY
Rating Relative to Sector	Outperform
Risk Rating Relative to Sector	High
Sector Relative to Market	Underweight

MARKET DATA (R: MOSS.BO, B: MSS IN)

CMP	: INR 323
Target Price	: INR 375
52-week range (INR)	: 396 / 247
Share in issue (mn)	: 2,105.1
M cap (INR bn/USD mn)	: 681 / 8,113
Avg. Daily Vol.BSE/NSE('000)	: 3,361.9

SHARE HOLDING PATTERN (%)

	Current	Q2FY18	Q1FY18
Promoters *	61.7	63.1	63.1
MF's, FI's & BK's	8.4	7.6	6.5
FII's	20.1	19.7	20.0
Others	9.7	9.6	10.4
* Promoters pledged shares (% of share in issue)	:	NIL	

PRICE PERFORMANCE (%)

	Stock	Nifty	EW Auto Index
1 month	1.4	(2.7)	(1.0)
3 months	(14.4)	(3.0)	(8.1)
12 months	30.8	11.7	12.1

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Key conference call takeaways

Reydel: Brief profile

- Reydel is an established global supplier of instrument panels, door panels, console modules, decorative parts and cockpit modules. It is present across Europe, South America and Asia. The company is headquartered in the Netherlands.
- The company has 20 manufacturing facilities with presence across 16 countries including Philippines, Indonesia, Morocco, Argentina etc., and about 5,650 employees as of Jan 2018. 66% revenue comes from Europe, while Asia contributes 28% (~12% from Korea); South America contributes the balance 6%.
- Top customers include PSA, Renault, RSM, Ssangyong/ Mahindra, VW and GM.
- For CY17, Reydel clocked revenue of USD1,048mn and EBITDA of USD68mn. The company has USD25mn of gross debt and USD88mn of cash on books. In CY17 revenue grew ~18% driven by uptick in car volumes as well as currency benefit.

Acquisition details and rationale

- MSS' subsidiary SMRPBV has executed the transaction documents for proposed acquisition of Reydel Automotive Holdings B.V and Reydel Automotive Management B.V. on April 02, 2018. Management expects the deal to be completed in around four-six months.
- Aggregate equity purchase price of USD201mn will be paid by SMRPBV for 100% stake in target entities. The consideration is expected to be financed using existing cash and banking limits at SMRPBV.
- The acquisition is expected to help consolidate MSS' position as an interiors supplier through access to Reydel's complementary portfolio and capabilities.
- MSS, through SMP and SMIA, is already present in most of the interior products being manufactured by Reydel. However, technology and capabilities are different for both the companies, which will be cross-leveraged.
- MSS management has interacted with Reydel's customers and has received positive feedback about Reydel's capabilities.
- The buy will help MSS diversify its customer profile and geography, in line with the company's strategy of 3CX15 (customer diversification targets to be achieved on closure of transaction).
- It also provides MSS stronger growth potential with French OEMs (PSA and Renault group are key Reydel customers) and ability to bid for global platforms.
- Additionally, the company can use Reydel's footprint to service key MSS customers along with synergies across different functions such as capex, procurement, tax savings, etc.

Financials

- Reydel is currently cash flow positive. Capex requirements (USD25-30mn annually) are funded by internal operations.
- CY17 revenues were at USD1,048mn (up 18% YoY) driven by strong growth for customer programmes and models. No extra capex was done.

- No funded pension liabilities on books. ~USD9mn of unfunded pension liabilities. Nature of these is such that payments are required to be made only if an employee retires at Reydel (similar to gratuity payment in India).
- Acquisition RoCE is ~25%. Management is confident of improving it to ~40%.
- Book value of Reydel as of Dec 31, 2017, is close to the acquisition price being paid.
- Net working capital as of Dec 31, 2017, is a small positive number. Business is not working capital heavy.
- The company has a JV in Korea. 12% of revenue comes from Korea.
- Reydel is in the process of acquiring a plant. Management expects this to be completed by the time the deal is closed.

Details of the deal

- **Lockbox arrangement:** As per this arrangement, effective 1st Jan, 2017, all business cash flows will accrue to the buyer. In case the cash flow is used to pay dividend in the intermittent, the acquisition price reduces to that extent.
- No competitive bidding will be possible for the deal. Deal is exclusively between MSS and Reydel.
- MSS expects to close the deal in four-six months post getting approval for anti-trust regulators (Reydel is present in 16 countries) and employee council approvals. However, it remains confident of closing the deal without any issues.

Table 1: SOTP

	FY20E EPS	Target Multiple (PE)	Value per share
India	6.7	30.0	200
SMR	2.4	20.0	49
SMP	3.6	18.0	64
PKC	1.9	18.0	35
Others	0.7	30.0	21
Reydel*		11.0	6
Total	15.3	24.5	375

Source: Edelweiss research

*Valued at CY17 PAT (EBIT of USD 48mn less 30% tax)

Table 2: Reydel acquisition – at valuations similar to SMR (of 2009)

	SMR	SMP	PKC	Reydel
Acquisition date	Mar-09	Jul-11	Jan-17	Apr-18
Key Financials	2010	2010	2017E	2017
Revenues	660	1,400	919	1,048
EBITDA	35	67	84	68
EBITDA margin	5.3%	4.8%	9.1%	6.5%
Valuations				
EV/Sales	0.1	0.2	0.7	0.1
EV/EBITDA	1.6	4.5	7.3	2.0

Source: Bloomberg, Company, Edelweiss research

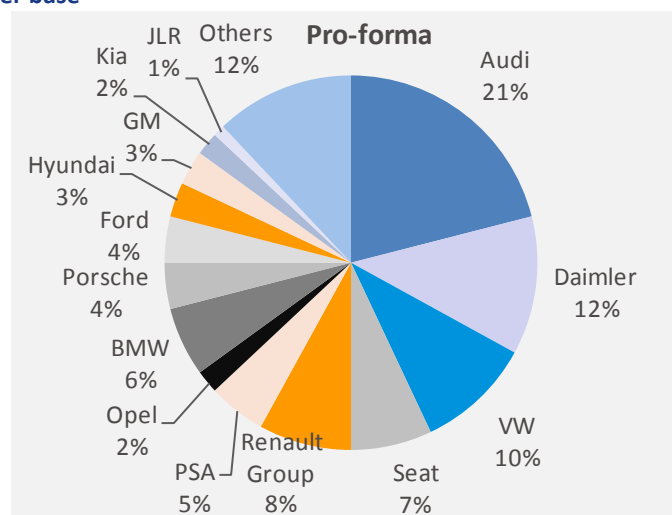
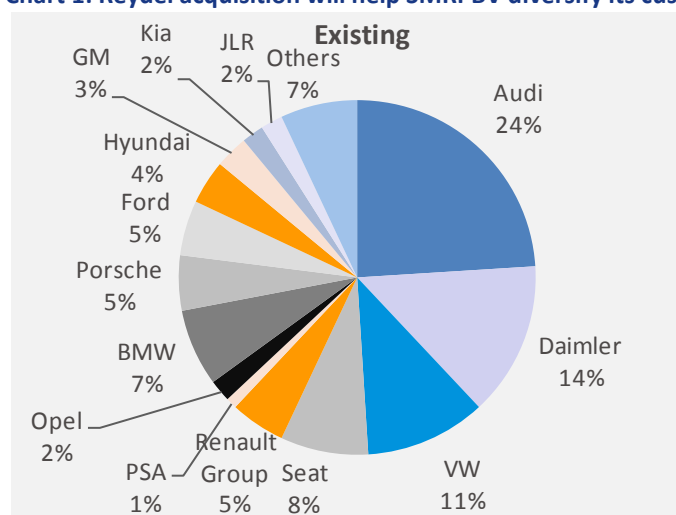
Note: Reydel financials are in USD mn. Rest are in Euro Mn. PKC financials for 2017 based on Bloomberg estimates at the acquisition date

Table 3: Reydel Financial snapshot

USD Mn	CY17P
Revenues	1,048
EBITDA	68
EBIT	48
Gross Debt	25
Cash	88

Source: Company, Edelweiss research

Chart 1: Reydel acquisition will help SMRPBV diversify its customer base



Source: Company, Edelweiss research

Table 4: Key assumptions

(INR mn)	FY17	% YoY	FY18E	% YoY	FY19E	% YoY	FY20E	% YoY
Net Sales	424,752	14.1	572,230	34.7	654,321	14.3	745,295	13.9
MSS	63,129	19.5	74,242	17.6	86,863	17.0	103,801	19.5
SMR	117,081	16.3	123,785	5.7	138,742	12.1	156,778	13.0
SMP	223,363	18.2	261,283	17.0	303,563	16.2	346,062	14.0
PKC	0	n/a	77,774	n/a	87,196	12.1	97,659	12.0
Others	21,179	(28.8)	35,146	65.9	37,958	8.0	40,994	8.0
EBITDA	42,847	17.5	53,071	23.9	68,568	29.2	82,262	20.0
MSS	12,760	23.8	14,136	10.8	17,680	25.1	21,024	18.9
SMR	12,780	21.4	14,235	11.4	16,649	17.0	19,597	17.7
SMP	14,213	31.2	15,419	8.5	23,678	53.6	29,415	24.2
PKC	0	n/a	5,902	n/a	8,284	40.4	9,766	17.9
Others	3,095	(35.4)	3,379	9.2	2,277	(32.6)	2,460	8.0
Margin (%)	10.1		9.3		10.5		11.0	
MSS	20.2		19.0		20.4		20.3	
SMR	10.9		11.5		12.0		12.5	
SMP	6.4		5.9		7.8		8.5	
PKC	n/a		7.6		9.5		10.0	
Others	14.6		9.6		6.0		6.0	
APAT#	16,211	18.7	19,690	21.5	27,772	41.0	32,233	16.1
MSS	8,273	15.1	9,059	9.5	11,635	28.4	14,057	20.8
SMR	3,252	25.5	3,612	11.1	4,276	18.4	5,142	20.3
SMP	2,285	58.9	2,803	22.7	5,519	96.9	7,478	35.5
PKC	0	n/a	2,591	n/a	3,432	32.5	4,072	18.7
Others	2,401	(1.8)	1,626	(32.3)	2,909	78.9	1,484	(49.0)

Source: Company, Edelweiss research

Note: #concerned share

Company Description

Motherson Sumi Systems (MSS), is a JV between Samvardhana Motherson International (SMIL) and Sumitomo Wiring Systems, Japan (SWS). It is the flagship company of Samvardhana Motherson Group (SMG). With presence in 25 countries and turnover of ~USD6.5 bn as of FY17, the group supplies to all major automobile manufacturers across the world.

MSS can be regarded as inorganic growth specialist. Pertinently, the company has successfully turned around its recent two key acquisitions, SMR and SMP. Its latest acquisition of PKC, a Finland based M&HCV wiring harness player remains well placed to capitalised on growth across US and Europe geographies

Investment Theme

Historically, MSS's revenue and profits have catapulted ~5x every 5 years driven by rising content per vehicle, diversified geography & clients and acquisitions. Our analysis of successful global leaders—Bosch, Johnson Control, Magna—indicates acquisitions have been integral to growth; MSS is treading the same path.

We believe the India business is well placed to benefit from rising content per vehicle with upcoming safety and BS-VI emission norms. Though revenue visibility for the SMR and SMP business is improving, the pace of ramp up at new plants remains key to margin improvement.

Key Risks

Complex structure raises concerns

MSS has too many subsidiaries/JVs, which complicates the ownership structures.

Weaker global demand

The company's key subsidiaries (SMR/SMP) are highly dependent on demand from the luxury car segment. Weakness in global premium car demand can impact order books of SMR/SMP. This in turn could delay expected turnaround in these subsidiaries.

Execution risks

Delays in turnaround of subsidiaries and/or lower-than-anticipated group synergies remain a concern for SMR/SMP.

Financial Statements

Key Assumptions

Year to March	FY17	FY18	FY19E	FY20E
Macro				
GDP(Y-o-Y %)	6.6	6.5	7.1	7.6
Inflation (Avg)	4.5	3.8	4.5	5.0
Repo rate (exit rate)	6.3	6.0	6.0	6.5
USD/INR (Avg)	67.1	64.5	65.0	66.0
Sector				
4W - domestic vol (% YoY)	4.0	9.0	12.0	12.0
2W - domestic vol (% YoY)	8.0	9.0	10.0	10.0
Company				
Cost assumptions				
Financial assumptions				
Capex (INR mn)	(28,086)	(17,835)	(15,339)	(15,339)
Net borrowings (INR mn)	47,013	45,162	17,189	(17,549)
Variable expenses (% sales)	2.9	4.6	4.6	4.6
Fixed expenses (% sales)	4.0	3.4	3.3	3.2
Cash conversion cycle	(48)	(40)	(34)	(35)
Avg. Interest rate (%)	3.7	3.5	2.8	2.8
Depreciation rate (%)	11.2	12.1	11.5	10.9
Dividend payout (%)	35.0	35.0	35.0	35.0
B/S assumptions				
Debtor days	53	50	49	50
Inventory days	38	35	35	35
Payable days	139	124	119	120
Tax rate (%)	31.4	31.0	30.0	30.0

Income statement

(INR mn)

Year to March	FY17	FY18	FY19E	FY20E
Profit Before Tax	28,996	34,519	50,099	63,603
Less: Provision for Tax	9,103	10,701	15,030	19,081
Diluted shares o/s (mn)	2,105	2,105	2,105	2,105
Dividend per share (DPS)	2.2	2.8	4.0	4.6
Dividend Payout Ratio(%)	35.0	35.0	35.0	35.0
Income from operations	424,752	572,230	654,321	745,295
Materials costs	257,507	349,028	399,283	451,059
Employee costs	80,909	108,724	117,778	134,153
Total SG&A expenses	43,490	61,408	68,693	77,821
Total operating expenses	381,905	519,159	585,753	663,033
EBITDA	42,847	53,071	68,568	82,262
Depreciation	10,590	16,375	17,572	18,301
EBIT	32,257	36,695	50,996	63,962
Add: Other income	1,463.1	1,372.96	1,942.95	2,481.12
Less: Interest Expense	3,749	3,550	2,840	2,840
Add: Exceptional items	(974)	-	-	-
Less: Minority Interest	6,181	6,278	9,548	12,289
Associate profit share	1,831	2,150	2,250	-
Reported Profit	15,543	19,690	27,772	32,233
Exceptional Items	(668)	-	-	-
Adjusted Profit	16,211	19,690	27,772	32,233
Shares o/s (mn)	2,105	2,105	2,105	2,105
Adjusted Basic EPS	7.7	9.4	13.2	15.3
Adjusted Diluted EPS	7.7	9.4	13.2	15.3
Adjusted Cash EPS	12.7	17.1	21.5	24.0

Common size metrics

Year to March	FY17	FY18	FY19E	FY20E
Operating expenses	89.9	90.7	89.5	89.0
Materials costs	60.6	61.0	61.0	60.5
Staff costs	19.0	19.0	18.0	18.0
S G & A expenses	10.2	10.7	10.5	10.4
Depreciation	2.5	2.9	2.7	2.5
Interest Expense	0.9	0.6	0.4	0.4
EBITDA margins	10.1	9.3	10.5	11.0
Net Profit margins	5.3	4.5	5.7	6.0

Growth ratios (%)

Year to March	FY17	FY18	FY19E	FY20E
Revenues	14.1	34.7	14.3	13.9
Adjusted Profit	18.7	21.5	41.0	16.1
EBITDA	17.5	23.9	29.2	20.0
PBT	34.5	19.0	45.1	27.0
EPS	11.9	21.5	41.0	16.1

Balance sheet (INR mn)				
As on 31st March	FY17	FY18	FY19E	FY20E
Share capital	1,404	2,105	2,105	2,105
Reserves & Surplus	81,334	88,265	106,330	127,298
Shareholders' funds	82,737	90,370	108,435	129,403
Minority Interest	22,322	28,600	38,147	50,436
Total Borrowings	101,418	101,418	101,418	101,418
Def. Tax Liability (net)	(5,024)	(5,024)	(5,024)	(5,024)
Sources of funds	201,453	215,363	242,976	276,233
Gross Block	108,986	126,821	142,159	157,498
Net Block	80,750	84,324	84,178	83,304
Capital work in progress	19,376	19,376	19,376	19,376
Intangible Assets	40,253	38,166	36,078	33,990
Total Fixed Assets	140,379	141,865	139,632	136,670
Uses of funds	201,453	215,363	242,976	276,233
BVPS (INR)	39.3	42.9	51.5	61.5
Short term borrowings	6,978	6,978	6,978	6,978
Long term borrowings	94,440	94,440	94,440	94,440
Cash and Equivalents	54,404	56,255	83,628	117,106
Inventories	30,716	36,082	41,259	46,995
Sundry Debtors	72,597	83,172	95,104	108,326
Loans & Advances	710	737	843	960
Other Current Assets	19,867	21,691	24,802	28,251
Current Assets (ex cash)	123,891	141,682	162,008	184,532
Trade payable	115,593	122,285	139,828	159,268
Other Current Liab	1,628	2,155	2,464	2,807
Total Current Liab	117,221	124,440	142,292	162,075
Net Curr Assets-ex cash	6,670	17,243	19,716	22,457

Free cash flow (INR mn)				
Year to March	FY17	FY18	FY19E	FY20E
Reported Profit	15,543	19,690	27,772	32,233
Add: Depreciation	10,590	16,375	17,572	18,301
Interest (Net of Tax)	2,572	2,449	1,988	1,988
Others	11,687	7,378	10,400	13,141
Less: Changes in WC	2,395	10,573	2,474	2,741
Operating cash flow	37,998	35,320	55,258	62,921
Less: Capex	28,086	17,835	15,339	15,339
Free Cash Flow	9,912	17,485	39,919	47,583

Peer comparison valuation

Name	Market cap (USD mn)	Diluted P/E (X)		EV / EBITDA (X)		P/B (X)	
		FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
Motherson Sumi Systems	-	-	-	0.8	0.4	-	-
Amara Raja Batteries	-	23.7	19.7	12.5	10.6	4.0	3.4
Exide Industries	-	22.7	19.5	12.9	11.0	3.1	2.8
Maruti Suzuki India Ltd	-	26.6	22.2	15.6	12.8	5.6	4.7
Suprajit Engineering	-	-	-	0.2	(0.1)	-	-
Median	-	22.7	19.5	12.5	10.6	3.1	2.8
AVERAGE	-	14.6	12.3	8.4	7.0	2.5	2.2

Source: Edelweiss research

Cash flow metrics				
Year to March	FY17	FY18	FY19E	FY20E
Operating cash flow	37,998	35,320	55,258	62,921
Investing cash flow	(68,078)	(17,835)	(15,339)	(15,339)
Financing cash flow	55,993	(10,431)	(12,546)	(14,105)
Net cash Flow	25,913	7,054	27,373	33,477
Capex	(28,086)	(17,835)	(15,339)	(15,339)
Dividend paid	(5,432)	(6,882)	(9,706)	(11,265)

Profitability and efficiency ratios

Year to March	FY17	FY18	FY19E	FY20E
ROAE (%)	27.2	23.2	28.1	27.3
ROACE (%)	20.9	17.8	22.6	25.1
Debtors Days	53	50	50	50
Payable Days	139	124	120	121
Cash Conversion Cycle	(48)	(40)	(35)	(35)
Current Ratio	1.5	1.6	1.7	1.9
Gross Debt/EBITDA	2.4	1.9	1.5	1.2
Gross Debt/Equity	1.0	0.9	0.7	0.6
Adjusted Debt/Equity	1.0	0.9	0.7	0.6
Net Debt/Equity	0.4	0.4	0.1	(0.1)
Interest Coverage Ratio	8.6	10.3	18.0	22.5

Operating ratios

Year to March	FY17	FY18	FY19E	FY20E
Total Asset Turnover	2.7	2.7	2.9	2.9
Fixed Asset Turnover	4.4	4.7	5.4	6.3
Equity Turnover	5.2	5.1	4.9	4.6

Valuation parameters

Year to March	FY17	FY18	FY19E	FY20E
Adj. Diluted EPS (INR)	7.7	9.4	13.2	15.3
Y-o-Y growth (%)	11.9	21.5	41.0	16.1
Adjusted Cash EPS (INR)	12.7	17.1	21.5	24.0
EV / Sales (x)	3.0	2.5	2.1	1.8
EV / EBITDA (x)	1.6	1.4	0.8	0.4

Additional Data

Directors Data

Vivek Chaand Sehgal, Chairman	Non-Executive Director	Laksh Vaaman Sehgal	Non-Executive Director
Toshimi Shirakawa	Non-Executive Director	Hideaki Ueshima	Non-Executive Director
Pankaj Mittal	Whole-time Director	Maj. Gen. Amarjit Singh (retd.)	Independent Director
S.C. Tripathi, IAS (retd.)	Independent Director	S.P. Talwar	Independent Director
Arjun Puri	Independent Director	Gautam Mukherjee	Independent Director

Auditors - Price Waterhouse

**as per last annual report*

Holding – Top10

	Perc. Holding		Perc. Holding
Samvardhana motherso	33.43	Sumitomo wiring syst	25.1
Icici prudential ass	2.8	Sehgal vivek chaand	2.32
Capital group compan	1.93	Axis asset managemen	1.48
Sbi funds management	1.21	Blackrock	1.12
Vanguard group	1.06	Icici prudential lif	0.78

**in last one year*

Bulk Deals

Data	Acquired / Seller	B/S	Qty Traded	Price
21 Dec 2017	Samvardhana Motherson International Ltd	Sell	28790000	375.02

**in last one year*

Insider Trades

Reporting Data	Acquired / Seller	B/S	Qty Traded
No Data Available			

**in last one year*

Company	Absolute reco	Relative reco	Relative risk	Company	Absolute reco	Relative reco	Relative Risk
Amara Raja Batteries	BUY	None	None	Ashok Leyland	BUY	SO	H
Bajaj Auto	HOLD	SU	L	Ceat Ltd	BUY	SO	L
Eicher Motors	BUY	SO	M	Exide Industries	BUY	None	None
Hero MotoCorp	HOLD	SU	H	Mahindra & Mahindra Ltd	BUY	SO	M
Maruti Suzuki India Ltd	BUY	SO	H	Minda Corporation	BUY	SO	M
Motherson Sumi Systems	HOLD	SU	H	Suprajit Engineering	BUY	SO	H
Tata Motors Ltd	HOLD	SP	H				

ABSOLUTE RATING

Ratings	Expected absolute returns over 12 months
Buy	More than 15%
Hold	Between 15% and - 5%
Reduce	Less than -5%

RELATIVE RETURNS RATING

Ratings	Criteria
Sector Outperformer (SO)	Stock return > 1.25 x Sector return
Sector Performer (SP)	Stock return > 0.75 x Sector return
	Stock return < 1.25 x Sector return
Sector Underperformer (SU)	Stock return < 0.75 x Sector return

Sector return is market cap weighted average return for the coverage universe within the sector

RELATIVE RISK RATING

Ratings	Criteria
Low (L)	Bottom 1/3rd percentile in the sector
Medium (M)	Middle 1/3rd percentile in the sector
High (H)	Top 1/3rd percentile in the sector

Risk ratings are based on Edelweiss risk model

SECTOR RATING

Ratings	Criteria
Overweight (OW)	Sector return > 1.25 x Nifty return
Equalweight (EW)	Sector return > 0.75 x Nifty return
	Sector return < 1.25 x Nifty return
Underweight (UW)	Sector return < 0.75 x Nifty return

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Coverage group(s) of stocks by primary analyst(s): Automobiles

Ashok Leyland, Amara Raja Batteries, Bajaj Auto, Ceat Ltd, Eicher Motors, Exide Industries, Hero MotoCorp, Minda Corporation, Mahindra & Mahindra Ltd, Maruti Suzuki India Ltd, Motherson Sumi Systems, Suprajit Engineering, Tata Motors Ltd

Recent Research

Date	Company	Title	Price (INR)	Recos
15-Mar-18	Mahindra & Mahindra	Utility Vehicles: FY19 a turning point?; <i>Company Update</i>	728	Buy
12-Mar-18	Mahindra & Mahindra	Eventful FY19 – Success of UVs critical; <i>Visit Note</i>	728	Buy
01-Mar-18	Ashok Leyland	Demand - Strong undercurrents; <i>Company Update</i>	142	Buy

Distribution of Ratings / Market Cap

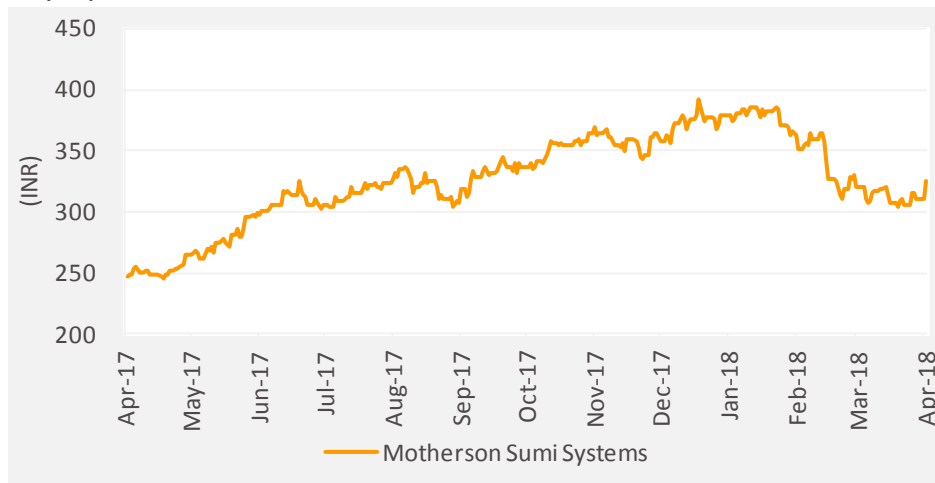
Edelweiss Research Coverage Universe

	Buy	Hold	Reduce	Total
Rating Distribution*	161	67	11	240
* 1stocks under review				
	> 50bn	Between 10bn and 50 bn	< 10bn	
Market Cap (INR)	156	62	11	

Rating Interpretation

Rating	Expected to
Buy	appreciate more than 15% over a 12-month period
Hold	appreciate up to 15% over a 12-month period
Reduce	depreciate more than 5% over a 12-month period

One year price chart



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