

## Escorts

Refer to important disclosures at the end of this report

## Positive customer sentiment aiding tractor volumes; Retain Buy

CMP: Rs 972  
as of (June 1, 2020)TP: Rs 1,103 (▲)  
12 months

Rating: BUY (■)

Upside: 13.5 %

We appreciate your support in the [Asiamoney Brokers Poll 2020](#)

- Tractor volumes have recovered with a flat performance in May'20 on positive customer sentiment, owing to pent-up demand, healthy Rabi output and expectations of good monsoon in 2020.
- Led by expectations of a strong recovery, we increase ESC's FY21 tractor volume estimate by 10% to 85,765 units and FY22 volume forecast by 3% to 98,226 units. We expect volumes to grow at a 7% CAGR over FY20-22E.
- ESC is likely to sustain the market share in domestic tractors going ahead, led by the continuation of aggressive marketing efforts, the success of its dual-brand strategy – Farmtrac and Powertrac series – and the focus on network expansion.
- We expect a 9% CAGR in revenues and a 20% CAGR in earnings over FY20-22E, driven by volume up-cycle and margin expansion. Retain OW stance in EAP and Buy rating, with a TP of Rs1,103 (Rs898 earlier), based on 16x FY22E core EPS (14x earlier).

**Positive customer sentiment aiding tractor volumes:** May'20 tractor volumes have recovered with a flat performance, owing to a partial recovery of lost volumes in March/April and positive customer sentiment. Rural customer sentiment has been aided by strong cash flows due to bumper Rabi harvest and procurement. Also, the anticipation of good monsoon in 2020 is supporting sentiment. Demand is expected to be strong during upcoming festive seasons during Dusshera and Diwali, which also coincide with the field preparation period. Overall, Escorts' tractor volume is likely to grow at a 7% CAGR over FY20-22E.

**ESC is preferred pick with a TP of Rs1,103:** We expect Escorts to sustain the market share in domestic tractors going ahead, led by the continuation of aggressive marketing efforts, the success of its dual-brand strategy – Farmtrac and Powertrac, and the focus on network expansion. Recently, ESC has strengthened its tie-up with Kubota Japan, which took a 10% equity stake in Escorts. Led by higher volume and margin assumption, we increase our FY21E/22E EPS estimate by 20%/8% to Rs48.7/Rs69.8. We expect a 9% CAGR in revenues and a 20% CAGR in earnings over FY20-22E, with an average ROCE of 17% and FCF of Rs3bn/year. Net cash position is strong at Rs9.5bn in FY20, which is expected to increase to Rs23.9bn by FY22E. Retain OW stance in EAP and Buy rating, with a TP of Rs1,103 (Rs898 earlier), based on 16x FY22E core EPS (14x earlier). We apply a higher multiple factoring impending tractor upcycle and benefits of strategic alliance with Kubota. Key downside risks include a deficient or weak spread of monsoon, delay in macro recovery, rise in competition, and adverse movement in currency/commodity prices.

Please see our sector model portfolio (Emkay Alpha Portfolio): [Automobiles & Auto Ancillaries \(page 10\)](#)

## Financial Snapshot (Standalone)

(Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	61,964	57,610	55,887	68,025	77,434
EBITDA	7,333	6,758	6,307	8,698	10,240
EBITDA Margin (%)	11.8	11.7	11.3	12.8	13.2
APAT	4,728	4,924	4,924	7,062	8,646
EPS (Rs)	53.2	55.4	48.7	69.8	85.5
EPS (% chg)	34.5	4.2	(12.1)	43.4	22.4
ROE (%)	17.0	15.2	11.7	13.4	14.5
P/E (x)	18.3	17.5	20.0	13.9	11.4
EV/EBITDA (x)	11.3	11.4	12.4	8.5	6.7
P/BV (x)	2.9	2.5	2.0	1.8	1.5

Source: Company, Emkay Research



## Change in Estimates

EPS Chg FY21E/FY22E (%)	20.3/7.5
Target Price change (%)	22.8
Target Period (Months)	12
Previous Reco	BUY

## Emkay vs Consensus

	EPS Estimates	
	FY21E	FY22E
Emkay	48.7	69.8
Consensus	45.6	60.9
Mean Consensus TP (12M)	Rs 908	

## Stock Details

Bloomberg Code	ESC IN
Face Value (Rs)	10
Shares outstanding (mn)	123
52 Week H/L	987 / 423
M Cap (Rs bn/USD bn)	119 / 1.58
Daily Avg Volume (nos.)	3,743,280
Daily Avg Turnover (US\$ mn)	36.6

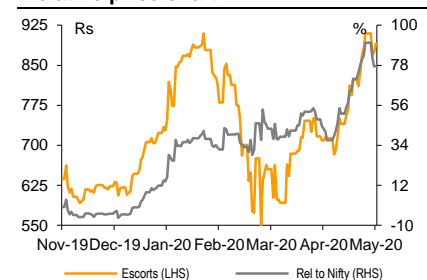
## Shareholding Pattern Mar '20

Promoters	40.3%
FIIs	19.3%
DIIIs	10.0%
Public and Others	30.5%

## Price Performance

(%)	1M	3M	6M	12M
Absolute	36	25	52	62
Rel. to Nifty	37	42	87	97

## Relative price chart



Source: Bloomberg

This report is solely produced by Emkay Global. The following person(s) are responsible for the production of the recommendation:

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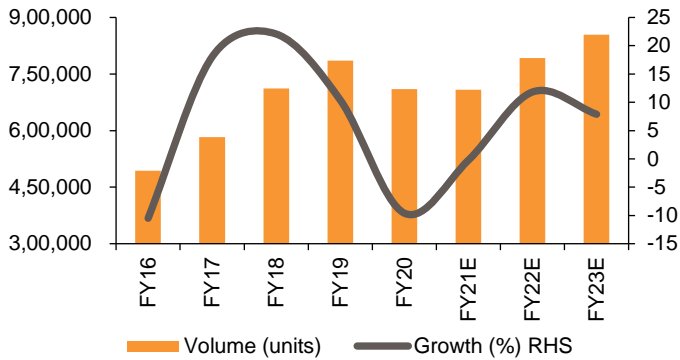
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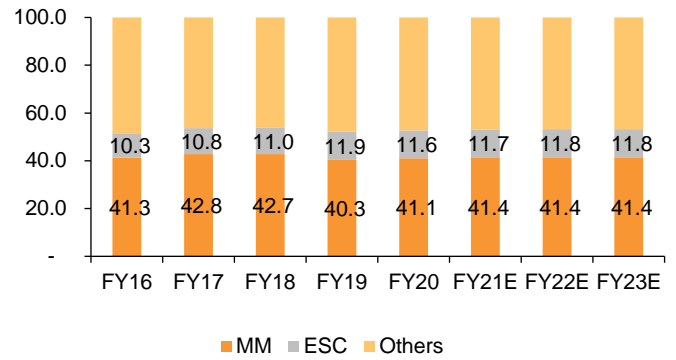
## Story in Charts

**Exhibit 1: We expect Domestic Tractor volume growth at 6% CAGR over FY20-22E**



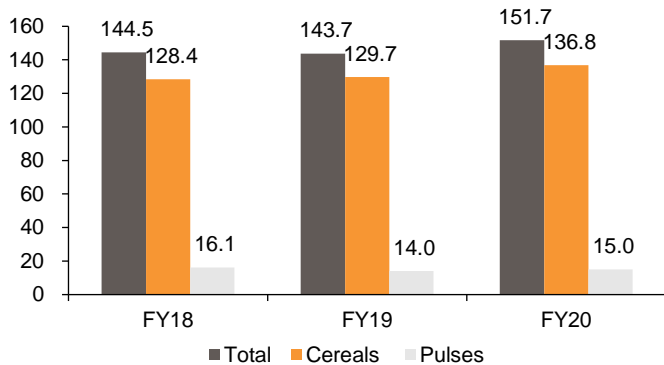
Source: Industry, Emkay Research

**Exhibit 2: M&M and Escorts to sustain share over next 2-3 years (%)**



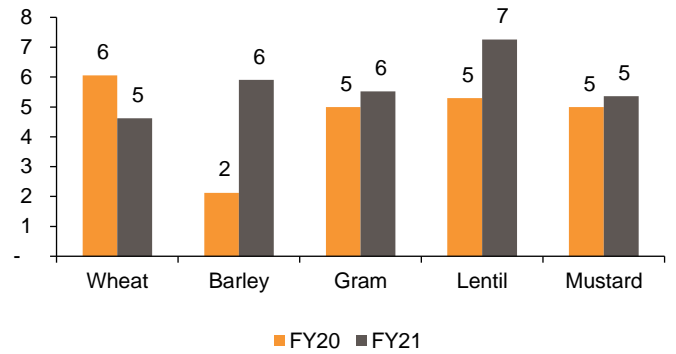
Source: Industry, Emkay Research

**Exhibit 3: Better Rabi output in FY20 (mn tonnes)**



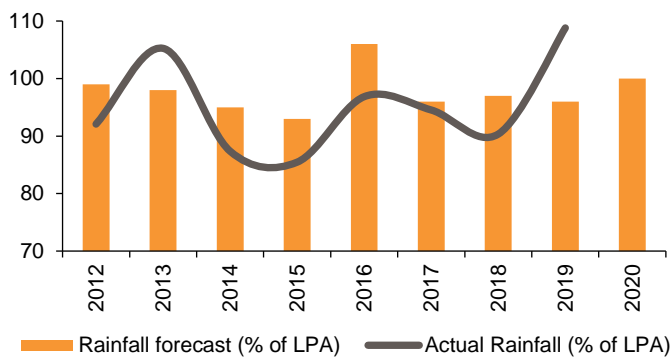
Source: CMIE, Emkay Research; Note: FY20 data as per third advance estimates

**Exhibit 4: MSP price increase for Rabi crop higher than previous season (%)**



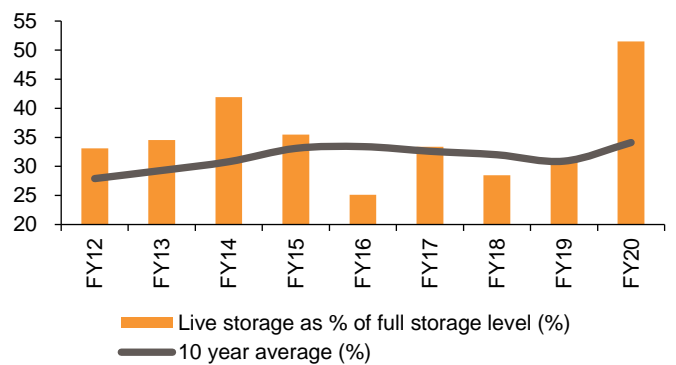
Source: CMIE, Emkay Research

**Exhibit 5: Good monsoon expected in 2020**



Source: IMD, Emkay Research

**Exhibit 6: Healthy reservoir levels**

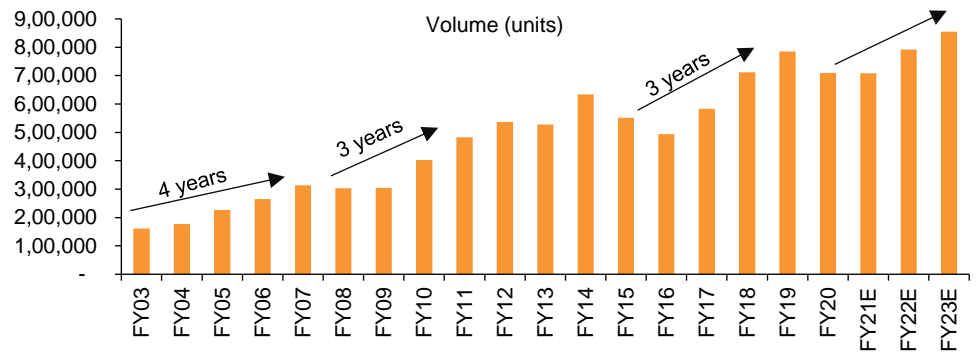


Source: CMIE, Emkay Research

### Tractor volumes to improve ahead; Escorts to sustain share

May'20 tractor volumes have recovered with a flat performance, owing to a partial recovery of lost volumes in March/April and positive customer sentiment. Rural sentiment has been aided by strong cash flows due to bumper Rabi harvest and procurement. Also, the anticipation of good monsoon in 2020 is supporting sentiment. Demand is expected to be strong during upcoming festive seasons (during Dusshera and Diwali festivals), which also coincide with field preparation period. Overall, the tractor industry volume is likely to be flat in FY21E and grow 12% in FY22E.

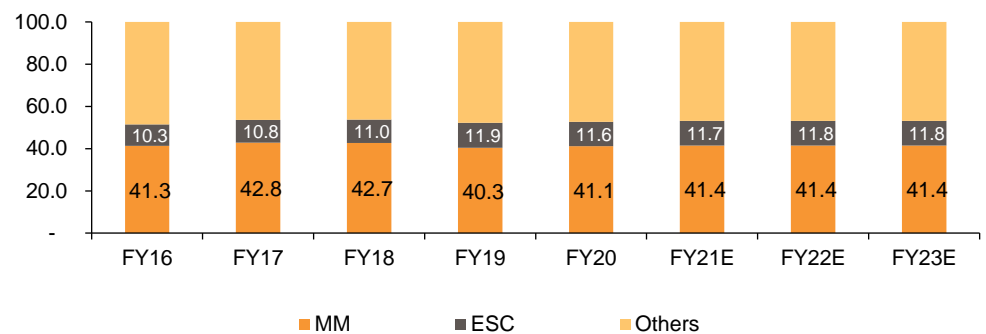
**Exhibit 7: Tractor volumes expected to be flat in FY21E and grow in FY22E**



Source: Industry, Emkay Research

ESC is expected to sustain the share on channel expansion for both the brands (Farmtrac and Powertrac), sales promotion initiatives in focus markets, expansion in product offerings and financing support from Escorts Credit (Rabo Bank).

**Exhibit 8: Escorts to sustain share over next 2-3 years (%)**



Source: Industry, Emkay Research

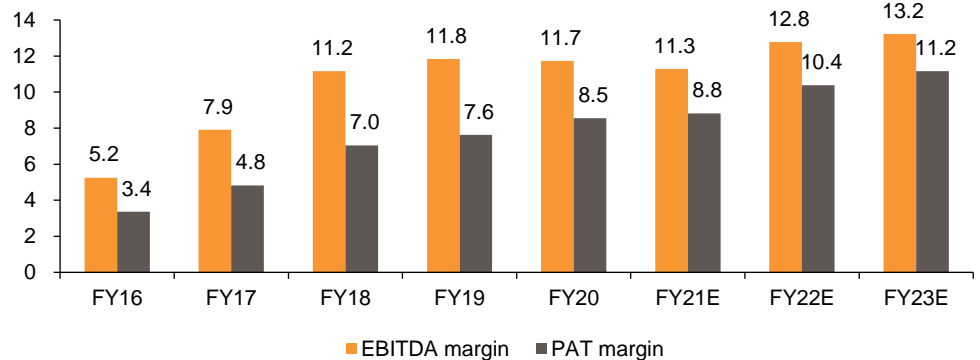
ESC revenue to grow at a 9% CAGR over FY20-22E, led by a recovery in the Tractors segment (7% volume CAGR) and continuing robust growth in the Railways segment (14% CAGR). Growth in the Railways segment should be supported by a healthy order book and focus on new products.

**Exhibit 9: Key assumptions**

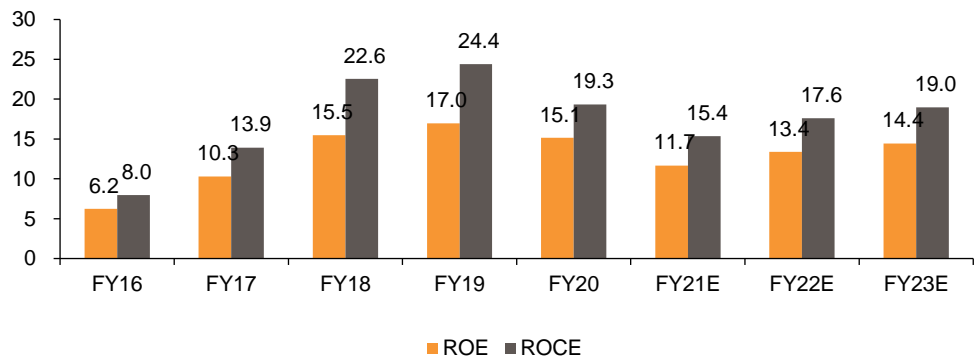
Volume (units)	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Tractors	51,455	63,786	80,417	96,404	86,018	85,765	98,226	107,103
YoY %	(13.9)	24.0	26.1	19.9	(10.8)	(0.3)	14.5	9.0
Construction Equipments	2,555	3,315	4,486	5,544	4,042	2,621	4,163	4,974
YoY %	(15.0)	29.7	35.3	23.6	(27.1)	(35.2)	58.8	19.5
<b>Revenue (Rsmn)</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
Agri Machinery Products	27,343	33,460	39,579	47,440	44,376	44,884	52,741	58,921
Growth (%)	(14.7)	22.4	18.3	19.9	(6.5)	1.1	17.5	11.7
Auto Ancillary Products	1,005	513						
Growth (%)	(2.8)	(48.9)						
Railway Equipments	2,278	2,425	2,866	3,941	4,772	5,370	6,221	7,466
Growth (%)	24.2	6.5	18.2	37.5	21.1	12.5	15.8	20.0
Construction Equipment	4,965	6,068	7,803	10,541	8,396	5,633	9,063	11,047
Growth (%)	(2.9)	22.2	28.6	35.1	(20.4)	(32.9)	60.9	21.9
Less: Other items	1,923	1,534	297	(43)	0	0	0	0
<b>Revenue</b>	<b>33,668</b>	<b>40,932</b>	<b>49,951</b>	<b>61,964</b>	<b>57,544</b>	<b>55,887</b>	<b>68,025</b>	<b>77,434</b>
Growth (%)	(11.2)	19.2	22.0	24.0	(7.1)	(2.9)	21.7	13.8

Source: Company, Emkay Research

EBITDA margin is likely to expand from 11.7% in FY20 to 12.8% in FY22E, supported by better margins in Tractors and Railways segments. EBIT margin should expand by 280bps in the Tractor segment on a better scale and cost reduction efforts. Overall, earnings will see a 20% CAGR over FY20-22E. Average ROE/ROCE are expected at 13%/17% over FY20-22E.

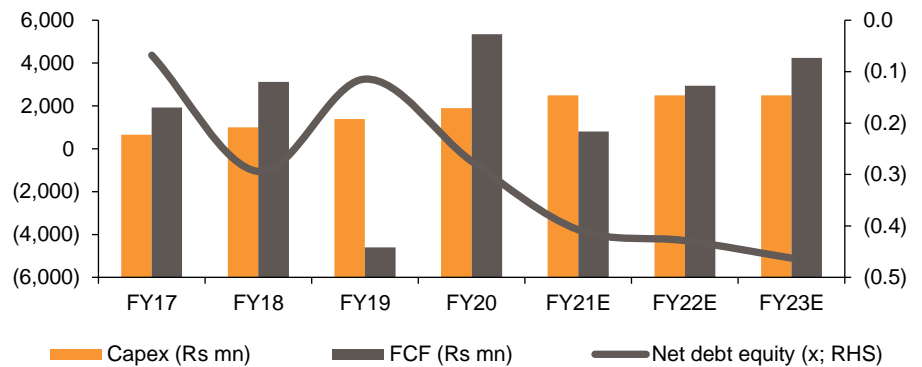
**Exhibit 10: Margins to improve on better scale, cost-reduction efforts (%)**

Source: Company, Emkay Research

**Exhibit 11: Healthy return ratios to sustain (%)**

Source: Company, Emkay Research

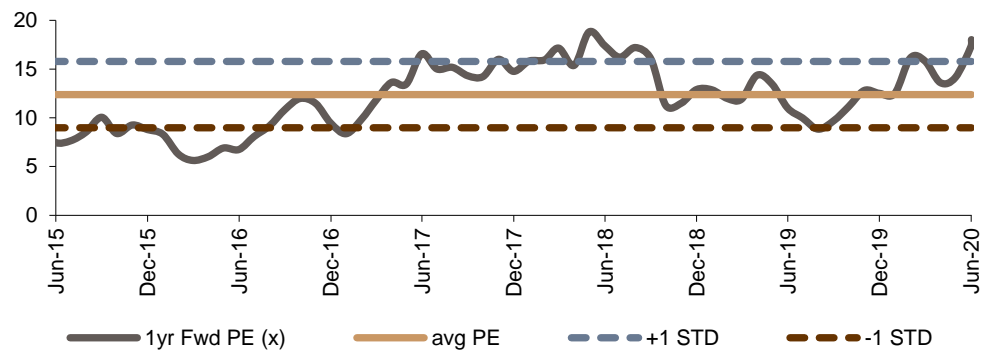
Average FCF generation is expected to be strong at Rs3bn/year over FY20-22E. Driven by strong cash flows, net debt equity is expected to improve from -0.3x in FY20 to -0.4x in FY22E.

**Exhibit 12: Improving leverage position on healthy FCFs**

Source: Company, Emkay Research

### Retain Buy, with a TP of Rs1,103

Escorts is one of our top picks in the Automobile sector, with a TP of Rs1,103 (Rs898 earlier), based on 16x FY22E core EPS (14x earlier). Retain OW stance in sector EAP. We apply a higher multiple on expectations for a recovery in the tractor sales cycle. Key downside risks include a deficient or weak spread of monsoon, delay in macro recovery, increase in competition, and adverse movement in currency/commodity prices.

**Exhibit 13: P/E: Valuations reasonable in light of growth prospects**

Source: Company, Emkay Research

**Exhibit 14: Revision in estimates**

Rs mn	FY21E				FY22E				FY23E			
	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY
Volumes	78,073	85,765	9.9	(0.3)	95,670	98,226	2.7	14.5	104,346	107,103	2.6	9.0
Net Sales	52,732	55,887	6.0	(3.0)	67,059	68,025	1.4	21.7	76,417	77,434	1.3	13.8
EBITDA	5,199	6,307	21.3	(6.7)	8,080	8,698	7.6	37.9	9,551	10,240	7.2	17.7
Margin (%)	9.9	11.3	139 bps	(45) bps	12.0	12.8	79 bps	150 bps	12.5	13.2	72 bps	44 bps
APAT	4,092	4,924	20.3	(0.0)	6,568	7,062	7.5	43.4	8,044	8,646	7.5	22.4
EPS (Rs)	40.5	48.7	20.3	(12.1)	64.9	69.8	7.5	43.4	79.5	85.5	7.5	22.4

Source: Company, Emkay Research

## Exhibit 15: Peer Comparison

	CMP (Rs)	Target (Rs)	Mcap (Rs.bn)	Reco	EPS (Rs)		PE (x)		ROE (%)		ROCE (%)	
					FY21E	FY22E	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E
Ashok Leyland	46	76	136	Buy	1.1	3.4	43.4	13.5	3.7	11.5	5.6	14.2
Atul Auto	167	250	4	Buy	17.7	25.0	9.4	6.7	12.4	15.6	16.7	20.9
Bajaj Auto	2,758	2,629	798	Hold	129.5	184.8	21.3	14.9	18.1	23.8	23.3	30.6
Eicher Motors	16,986	16,955	464	Buy	707.7	893.2	24.0	19.0	17.2	18.8	21.7	22.9
<b>Escorts Ltd</b>	<b>972</b>	<b>1,103</b>	<b>119</b>	<b>Buy</b>	<b>48.7</b>	<b>69.8</b>	<b>20.0</b>	<b>13.9</b>	<b>11.7</b>	<b>13.4</b>	<b>15.4</b>	<b>17.8</b>
Hero Motocorp	2,326	2,313	465	Hold	138.6	157.7	16.8	14.8	18.9	20.0	24.5	26.0
Mahindra & Mahindra	461	490	573	Buy	28.5	36.2	16.2	12.8	8.6	10.2	10.8	12.8
Maruti Suzuki India	5,794	6,173	1750	Buy	128.5	268.4	45.1	21.6	7.8	15.4	10.2	19.9
Tata Motors	90	78	296	Hold	-13.2	12.6	-6.8	7.1	-8.7	8.1	2.3	7.5
TVS Motor	352	296	167	Sell	5.7	13.8	61.9	25.5	7.3	16.4	8.1	16.8
Amara Raja Batteries	654	732	112	Buy	33.6	48.8	19.4	13.4	15.0	19.4	19.5	25.3
Apollo Tyres	105	95	60	Hold	4.0	10.6	26.2	9.9	2.4	6.0	3.6	6.3
Exide Industries	174	189	148	Buy	9.7	10.7	17.9	16.2	12.4	12.6	16.3	16.6
Motherson Sumi	97	87	305	Buy	3.3	4.8	29.5	20.0	8.8	12.1	6.8	10.6
Bharat Forge	334	348	156	Buy	11.0	17.2	30.5	19.4	8.5	12.4	8.6	12.1

Source: Company, Emkay Research

**Key Financials (Standalone)****Income Statement**

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
<b>Revenue</b>	<b>61,964</b>	<b>57,610</b>	<b>55,887</b>	<b>68,025</b>	<b>77,434</b>
<b>Expenditure</b>	<b>54,631</b>	<b>50,851</b>	<b>49,580</b>	<b>59,327</b>	<b>67,194</b>
<b>EBITDA</b>	<b>7,333</b>	<b>6,758</b>	<b>6,307</b>	<b>8,698</b>	<b>10,240</b>
Depreciation	854	1,046	1,131	1,218	1,314
<b>EBIT</b>	<b>6,479</b>	<b>5,713</b>	<b>5,176</b>	<b>7,479</b>	<b>8,926</b>
Other Income	809	923	1,367	1,884	2,533
Interest expenses	185	155	65	71	83
<b>PBT</b>	<b>7,103</b>	<b>6,481</b>	<b>6,478</b>	<b>9,292</b>	<b>11,376</b>
Tax	2,375	1,556	1,555	2,230	2,730
Extraordinary Items	121	(69)	0	0	0
Minority Int./Income from Assoc.	0	0	0	0	0
<b>Reported Net Income</b>	<b>4,849</b>	<b>4,855</b>	<b>4,924</b>	<b>7,062</b>	<b>8,646</b>
<b>Adjusted PAT</b>	<b>4,728</b>	<b>4,924</b>	<b>4,924</b>	<b>7,062</b>	<b>8,646</b>

**Balance Sheet**

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Equity share capital	1,226	1,226	1,226	1,226	1,226
Reserves & surplus	29,003	33,575	48,321	54,703	62,517
<b>Net worth</b>	<b>30,229</b>	<b>34,801</b>	<b>49,547</b>	<b>55,929</b>	<b>63,743</b>
<b>Minority Interest</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Loan Funds</b>	<b>2,769</b>	<b>66</b>	<b>64</b>	<b>78</b>	<b>89</b>
Net deferred tax liability	529	303	335	382	439
<b>Total Liabilities</b>	<b>33,526</b>	<b>35,170</b>	<b>49,946</b>	<b>56,389</b>	<b>64,270</b>
<b>Net block</b>	<b>16,074</b>	<b>16,651</b>	<b>17,784</b>	<b>19,066</b>	<b>20,252</b>
<b>Investment</b>	<b>8,797</b>	<b>11,892</b>	<b>24,711</b>	<b>29,211</b>	<b>34,711</b>
<b>Current Assets</b>	<b>24,195</b>	<b>23,194</b>	<b>21,496</b>	<b>25,439</b>	<b>29,175</b>
Cash & bank balance	2,301	3,185	2,395	2,190	2,709
Other Current Assets	3,243	3,099	3,006	3,659	4,166
<b>Current liabilities &amp; Provision</b>	<b>16,443</b>	<b>17,951</b>	<b>15,665</b>	<b>18,947</b>	<b>21,487</b>
<b>Net current assets</b>	<b>7,751</b>	<b>5,243</b>	<b>5,831</b>	<b>6,492</b>	<b>7,688</b>
Misc. exp	139	139	139	139	139
<b>Total Assets</b>	<b>33,526</b>	<b>35,170</b>	<b>49,946</b>	<b>56,389</b>	<b>64,270</b>

**Cash Flow**

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
<b>PBT (Ex-Other income) (NI+Dep)</b>	<b>6,422</b>	<b>5,466</b>	<b>5,111</b>	<b>7,408</b>	<b>8,842</b>
Other Non-Cash items	0	0	0	0	0
Chg in working cap	(7,512)	3,436	(1,462)	(1,063)	(803)
<b>Operating Cashflow</b>	<b>(3,215)</b>	<b>7,244</b>	<b>3,301</b>	<b>5,442</b>	<b>6,738</b>
Capital expenditure	(1,391)	(1,898)	(2,500)	(2,500)	(2,500)
<b>Free Cash Flow</b>	<b>(4,606)</b>	<b>5,345</b>	<b>801</b>	<b>2,942</b>	<b>4,238</b>
Investments	909	(2,831)	(12,819)	(4,500)	(5,500)
Other Investing Cash Flow	346	431	0	0	0
<b>Investing Cashflow</b>	<b>672</b>	<b>(3,375)</b>	<b>(13,952)</b>	<b>(5,116)</b>	<b>(5,467)</b>
Equity Capital Raised	0	0	0	0	0
Loans Taken / (Repaid)	2,268	(2,735)	(2)	14	11
Dividend paid (incl tax)	(222)	(260)	(474)	(680)	(832)
Other Financing Cash Flow	(192)	98	10,402	206	152
<b>Financing Cashflow</b>	<b>1,725</b>	<b>(2,984)</b>	<b>9,861</b>	<b>(531)</b>	<b>(752)</b>
<b>Net chg in cash</b>	<b>(818)</b>	<b>884</b>	<b>(790)</b>	<b>(205)</b>	<b>519</b>
Opening cash position	3,119	2,301	3,185	2,395	2,190
<b>Closing cash position</b>	<b>2,301</b>	<b>3,185</b>	<b>2,395</b>	<b>2,190</b>	<b>2,709</b>

Source: Company, Emkay Research

**Key Ratios**

<b>Profitability (%)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
EBITDA Margin	11.8	11.7	11.3	12.8	13.2
EBIT Margin	10.5	9.9	9.3	11.0	11.5
Effective Tax Rate	33.4	24.0	24.0	24.0	24.0
Net Margin	7.6	8.5	8.8	10.4	11.2
ROCE	24.5	19.4	15.4	17.7	19.0
ROE	17.0	15.2	11.7	13.4	14.5
RoIC	37.4	28.4	25.9	33.5	36.7

<b>Per Share Data (Rs)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
EPS	53.2	55.4	48.7	69.8	85.5
CEPS	62.8	67.2	59.9	81.9	98.5
BVPS	338.5	390.0	488.5	551.6	628.9
DPS	3.4	3.4	3.9	5.6	6.8

<b>Valuations (x)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
PER	18.3	17.5	20.0	13.9	11.4
P/CEPS	15.5	14.5	16.2	11.9	9.9
P/BV	2.9	2.5	2.0	1.8	1.5
EV / Sales	1.3	1.3	1.4	1.1	0.9
EV / EBITDA	11.3	11.4	12.4	8.5	6.7
Dividend Yield (%)	0.4	0.4	0.4	0.6	0.7

<b>Gearing Ratio (x)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
Net Debt/ Equity	(0.1)	(0.3)	(0.4)	(0.4)	(0.5)
Net Debt/EBIDTA	(0.5)	(1.4)	(3.2)	(2.7)	(2.9)
Working Cap Cycle (days)	32.1	13.0	22.4	23.1	23.5

<b>Growth (%)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
Revenue	24.0	(7.0)	(3.0)	21.7	13.8
EBITDA	31.6	(7.8)	(6.7)	37.9	17.7
EBIT	33.7	(11.8)	(9.4)	44.5	19.3
PAT	40.7	0.1	1.4	43.4	22.4

<b>Quarterly (Rs mn)</b>	<b>Q4FY19</b>	<b>Q1FY20</b>	<b>Q2FY20</b>	<b>Q3FY20</b>	<b>Q4FY20</b>
Revenue	16,317	14,230	13,239	16,334	13,807
EBITDA	1,898	1,424	1,267	2,123	1,944
<b>EBITDA Margin (%)</b>	<b>11.6</b>	<b>10.0</b>	<b>9.6</b>	<b>13.0</b>	<b>14.1</b>
PAT	1,214	875	1,115	1,531	1,404
<b>EPS (Rs)</b>	<b>13.7</b>	<b>9.8</b>	<b>12.5</b>	<b>17.2</b>	<b>15.8</b>

Source: Company, Emkay Research

<b>Shareholding Pattern (%)</b>	<b>Mar-19</b>	<b>Jun-19</b>	<b>Sep-19</b>	<b>Dec-19</b>	<b>Mar-20</b>
Promoters	40.1	40.3	40.3	40.3	40.3
FII	24.6	20.4	21.8	20.4	19.3
DII	3.3	5.5	4.8	6.5	10.0
Public and Others	32.0	33.8	33.2	32.8	30.5

Source: Capitaline

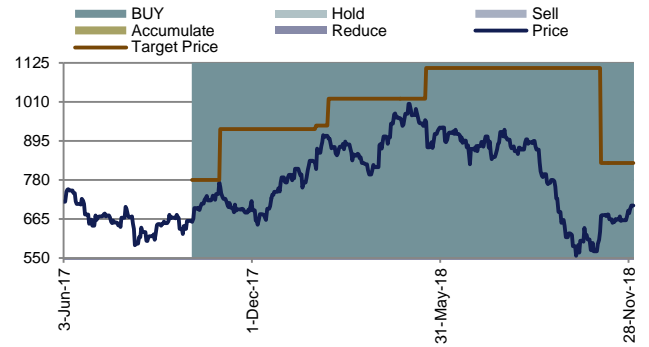


## RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
15-May-20	824	898	12m	Buy	Raghunandhan NL
15-May-20	824	898	12m	Buy	Raghunandhan NL
4-May-20	683	815	12m	Buy	Raghunandhan NL
4-May-20	683	815	12m	Buy	Raghunandhan NL
13-Apr-20	690	815	12m	Buy	Raghunandhan NL
13-Apr-20	690	815	12m	Buy	Raghunandhan NL
20-Mar-20	675	954	12m	Buy	Raghunandhan NL
20-Mar-20	675	954	12m	Buy	Raghunandhan NL
27-Feb-20	818	1,000	12m	Buy	Raghunandhan NL
27-Feb-20	818	1,000	12m	Buy	Raghunandhan NL
30-Jan-20	818	1,000	12m	Buy	Raghunandhan NL
30-Jan-20	818	1,000	12m	Buy	Raghunandhan NL
27-Dec-19	623	613	12m	Hold	Raghunandhan NL
27-Dec-19	623	613	12m	Hold	Raghunandhan NL
27-Nov-19	648	613	12m	Hold	Raghunandhan NL
27-Nov-19	648	613	12m	Hold	Raghunandhan NL
4-Nov-19	649	613	12m	Hold	Raghunandhan NL
4-Nov-19	649	613	12m	Hold	Raghunandhan NL
1-Nov-19	658	560	12m	Hold	Raghunandhan NL
1-Nov-19	658	560	12m	Hold	Raghunandhan NL
30-Oct-19	666	560	12m	Hold	Raghunandhan NL
30-Oct-19	666	560	12m	Hold	Raghunandhan NL
1-Oct-19	610	560	12m	Hold	Raghunandhan NL
1-Oct-19	610	560	12m	Hold	Raghunandhan NL
26-Sep-19	610	560	12m	Hold	Raghunandhan NL
26-Sep-19	610	560	12m	Hold	Raghunandhan NL
23-Sep-19	627	560	12m	Hold	Raghunandhan NL
23-Sep-19	627	560	12m	Hold	Raghunandhan NL
3-Sep-19	492	433	12m	Sell	Raghunandhan NL
3-Sep-19	492	433	12m	Sell	Raghunandhan NL
28-Aug-19	493	433	12m	Sell	Raghunandhan NL
28-Aug-19	493	433	12m	Sell	Raghunandhan NL
30-Jul-19	460	433	12m	Sell	Raghunandhan NL
30-Jul-19	460	433	12m	Sell	Raghunandhan NL
1-Jul-19	570	660	12m	Hold	Raghunandhan NL
1-Jul-19	570	660	12m	Hold	Raghunandhan NL
27-Jun-19	548	660	12m	Hold	Raghunandhan NL
27-Jun-19	548	660	12m	Hold	Raghunandhan NL
3-Jun-19	606	660	12m	Hold	Raghunandhan NL
3-Jun-19	606	660	12m	Hold	Raghunandhan NL
29-May-19	618	660	12m	Hold	Raghunandhan NL
29-May-19	618	660	12m	Hold	Raghunandhan NL
8-May-19	628	660	12m	Hold	Raghunandhan NL
8-May-19	628	660	12m	Hold	Raghunandhan NL
2-May-19	681	660	12m	Hold	Raghunandhan NL
2-May-19	681	660	12m	Hold	Raghunandhan NL
4-Feb-19	679	660	12m	Hold	Raghunandhan NL
4-Feb-19	679	660	12m	Hold	Raghunandhan NL
28-Jan-19	675	660	12m	Hold	Raghunandhan NL
28-Jan-19	675	660	12m	Hold	Raghunandhan NL
1-Nov-18	674	830	12m	Buy	Raghunandhan NL
1-Nov-18	674	830	12m	Buy	Raghunandhan NL
30-Jul-18	908	1,110	12m	Buy	Raghunandhan NL
30-Jul-18	908	1,110	12m	Buy	Raghunandhan NL
17-May-18	952	1,110	12m	Buy	Raghunandhan NL
17-May-18	952	1,110	12m	Buy	Raghunandhan NL
12-Feb-18	902	1,020	12m	Buy	Raghunandhan NL
12-Feb-18	902	1,020	12m	Buy	Raghunandhan NL
31-Jan-18	812	940	12m	Buy	Raghunandhan NL
31-Jan-18	812	940	12m	Buy	Raghunandhan NL
31-Oct-17	760	930	12m	Buy	Raghunandhan NL
31-Oct-17	760	930	12m	Buy	Raghunandhan NL
4-Oct-17	657	780	12m	Buy	Raghunandhan NL
4-Oct-17	657	780	12m	Buy	Raghunandhan NL

Source: Company, Emkay Research

## RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research

## Emkay Alpha Portfolio – Automobiles & Auto Ancillaries



### Analyst: Raghunandhan NI

#### Contact Details

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#### Sector

Automobiles and Ancillaries

#### Analyst bio

Raghu holds an MBA and comes with total 11 years of research experience. His team currently covers 14 stocks in the Indian Automobiles and Ancillaries space.

### EAP sector portfolio

Company Name	BSE200 Weight	EAP Weight	OW/UW (%)	OW/UW (bps)	EAP Weight (Normalised)
<b>Auto &amp; Auto Ancillaries</b>	<b>5.30</b>	<b>5.30</b>	<b>0%</b>	<b>0</b>	<b>100.00</b>
Amara Raja Batteries	0.10	0.10	0%	0	1.86
Apollo Tyres	0.06	0.00	-100%	-6	0.00
Ashok Leyland	0.12	0.24	100%	12	4.50
Atul Auto	0.00	0.12	NA	12	2.20
Bajaj Auto	0.69	0.36	-47%	-33	6.87
Bharat Forge	0.16	0.28	76%	12	5.35
Eicher Motors	0.45	0.57	27%	12	10.80
Escorts	0.00	0.12	NA	12	2.30
Exide Industries	0.15	0.15	0%	0	2.76
Hero Motocorp	0.60	0.32	-47%	-28	6.00
Mahindra & Mahindra	0.82	0.82	0%	0	15.40
Maruti Suzuki India	1.46	1.58	8%	12	29.80
Motherson Sumi	0.22	0.22	0%	0	4.23
Tata Motors	0.30	0.30	0%	0	5.74
Tata Motors DVR	0.04	0.04	0%	0	0.68
TVS Motor	0.13	0.08	-39%	-5	1.50
<b>Cash</b>	<b>0.00</b>	<b>0.00</b>	<b>NA</b>	<b>0</b>	<b>0.00</b>

Source: Emkay Research

■ High Conviction/Strong Over Weight ■ High Conviction/Strong Under Weight

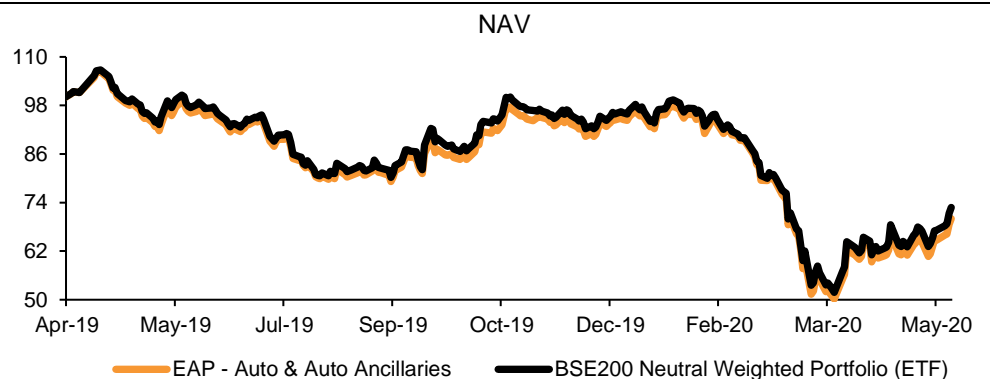
### Sector portfolio NAV

	Base					Latest
	01-Apr-19	28-Aug-19	29-Nov-19	27-Feb-20	29-Apr-20	29-May-20
EAP - Auto & Auto Ancillaries	100.0	82.9	93.5	83.0	62.3	70.0
BSE200 Neutral Weighted Portfolio (ETF)	100.0	83.7	95.5	83.9	64.2	72.8

\*Performance measurement base date 1<sup>st</sup> April 2019

Source: Emkay Research

### NAV chart



Source: Emkay Research

Please see our model portfolio (Emkay Alpha Portfolio): [SMID](#)

Please see our model portfolio (Emkay Alpha Portfolio): [Nifty](#)

“Emkay Alpha Portfolio – SMID and Nifty are a supporting document to the Emkay Alpha Portfolios Report and is updated on regular intervals”

## Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	Over 15%
HOLD	Between -5% to 15%
SELL	Below -5%

Completed Date: 02 Jun 2020 04:22:36 (SGT)

Dissemination Date: 02 Jun 2020 04:23:36 (SGT)

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