

Eicher Motors

Refer to important disclosures at the end of this report

Volume recovery expected ahead; retain Buy

CMP: Rs 21,673
as of (August 13, 2020)TP: Rs 26,727 (▲)
12 months

Rating: BUY (■)

Upside: 23.3 %

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- Q1FY21 revenue declined 66% yoy to Rs8.2bn (estimate: Rs8.6bn). Net loss stood at Rs552mn, better than the estimate of -Rs1.3bn due to lower-than-expected losses in the CV division.
- We expect 2W volume recovery ahead, supported by a healthy order-book, new products and focus on network expansion. We expect a volume CAGR of 10% over FY20-23E. The market share in domestic 2Ws is likely to improve from 3.8% in FY20 to 4.4% in FY23E.
- New products remain a focus area, with expectation of one new model or major refresh every quarter for the next three years to support the widening of addressable customer base in domestic and overseas markets.
- We estimate revenue/earnings CAGR of 14%/17% over FY20-23, with average ROCE of 29%. We retain Buy with a TP of Rs26,727 (Rs19,954 earlier), based on 25x P/E for motorcycle business (20x earlier) on Sep'22E (20x Mar'22E earlier).

What we like? 1) Order-bookings at almost pre-Covid-19 levels. 2) Order backlog at ~45,000 units, and low system inventory of 10,000 units. Wholesales to improve notably over the next few months, supported by a ramp-up in production. 3) Network expansion continues with the addition of 38 studio stores, and target addition remains at least 600 stores in FY21. 4) New product launch is expected around the festive season.

What we did not like? Margin performance was weak in Q1FY21, owing to low scale. Margins are likely to improve ahead, supported by the increase in volumes.

Focus continues on new products: The launch of a new model or major refresh is expected every quarter, in 250-750cc categories over the next three years. Led by introduction of new platforms, there would be opportunity to launch new models, variants and limited editions ahead. A wide bouquet of options have been planned, including cruisers, adventure tourers, bobbers and sporty looking retro bikes, etc.

Increasing domestic reach: Network stands at 1,559 outlets, split between 921 regular stores and 638 studio stores. In the past quarter, 38 new outlets have been added. Expect at least 600 stores to be added in FY21. Presence in rural areas is expected to support brand awareness and sales volumes. Most studio stores are situated 30-60kms from city. Break-even point stands at 6-8 units per month for these stores.

Maintain Buy: We estimate volume/revenue/earnings CAGR of 10%/14%/17% over FY20-23E, with average ROCE of 29% and FCF/year of Rs19bn. We retain Buy with a TP of Rs26,727 (Rs19,954 earlier), based on 25x P/E for motorcycle business on Sep'22E (20x Mar'22E earlier). We apply a higher valuation multiple, factoring in volume upcycle and market share gains. We have OW stance in sector EAP. Key downside risks include weak macro-economic environment, higher competitive intensity and adverse commodity/currency rates.

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

Financial Snapshot (Consolidated)

(Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	97,971	91,536	80,047	119,044	135,641
EBITDA	29,031	21,804	18,154	32,370	37,456
EBITDA Margin (%)	29.6	23.8	22.7	27.2	27.6
APAT	22,203	18,274	14,383	27,150	32,630
EPS (Rs)	813.3	669.0	526.5	993.9	1,194.5
EPS (% chg)	1.8	(17.7)	(21.3)	88.8	20.2
ROE (%)	27.8	19.3	13.7	22.4	22.6
P/E (x)	26.6	32.4	41.2	21.8	18.1
EV/EBITDA (x)	18.4	24.1	28.5	15.2	12.4
P/BV (x)	6.6	5.9	5.4	4.5	3.8

Source: Company, Emkay Research



Change in Estimates

EPS Chg FY21E/FY22E (%)	1.2/(0.2)
Target Price change (%)	33.9
Target Period (Months)	12
Previous Reco	BUY

Emkay vs Consensus

	EPS Estimates	
	FY21E	FY22E
Emkay	526.5	993.9
Consensus	537.7	800.1
Mean Consensus TP (12M)	Rs 18,500	

Stock Details

Bloomberg Code	EIM IN
Face Value (Rs)	10
Shares outstanding (mn)	27
52 Week H/L	23,450 / 12,450
M Cap (Rs bn/USD bn)	592 / 7.91
Daily Avg Volume (nos.)	286,611
Daily Avg Turnover (US\$ mn)	68.6

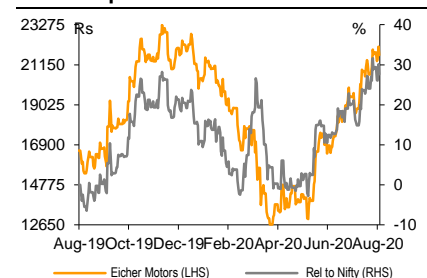
Shareholding Pattern Jun '20

Promoters	49.3%
FIIIs	27.0%
DIIIs	11.9%
Public and Others	11.8%

Price Performance

(%)	1M	3M	6M	12M
Absolute	10	52	12	30
Rel. to Nifty	5	26	21	26

Relative price chart



Source: Bloomberg

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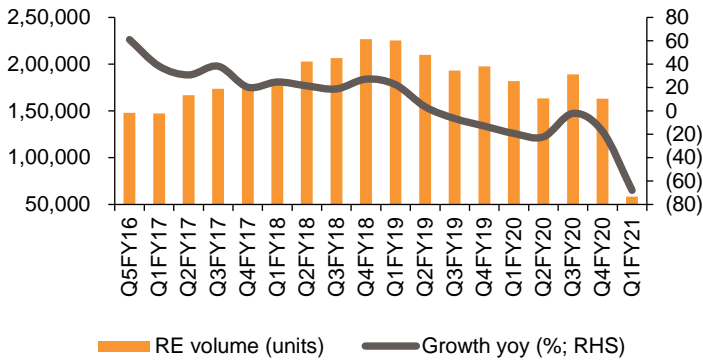
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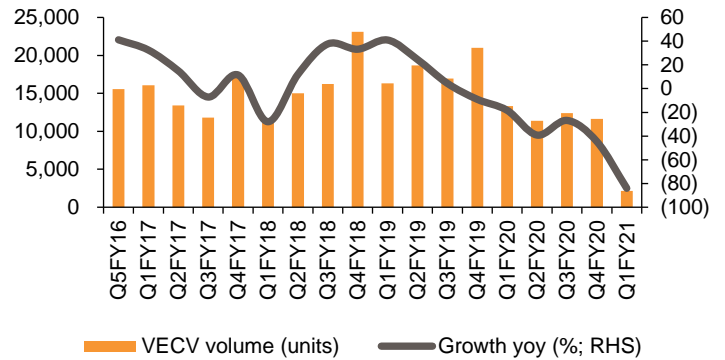
Story in Charts

Exhibit 1: RE volumes declined 68% yoy to 58,383 units; Expect strong recovery ahead on healthy order-book



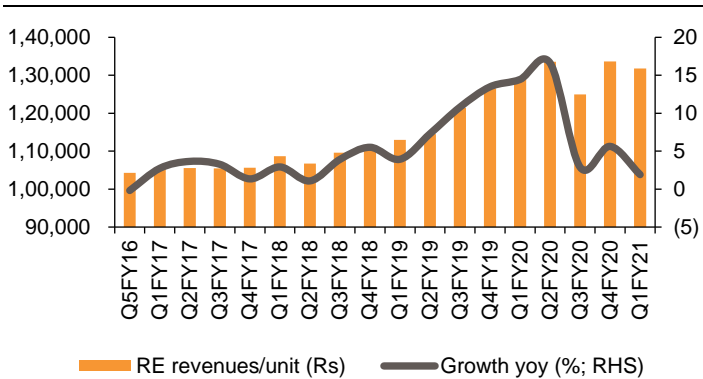
Source: Company, Emkay Research

Exhibit 2: VECV volumes declined 84% yoy to 2,129 units; Expect gradual revival ahead



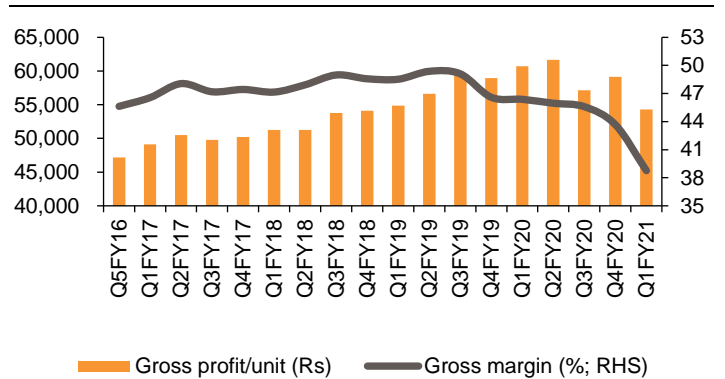
Source: Company, Emkay Research

Exhibit 3: RE realizations grew 2% yoy to Rs131,752



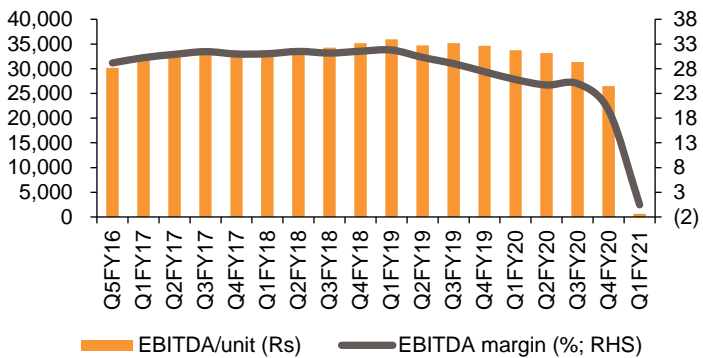
Source: Company, Emkay Research

Exhibit 4: Gross profit contracted 760bps yoy due to incentives, BS6 transition and cost inflation



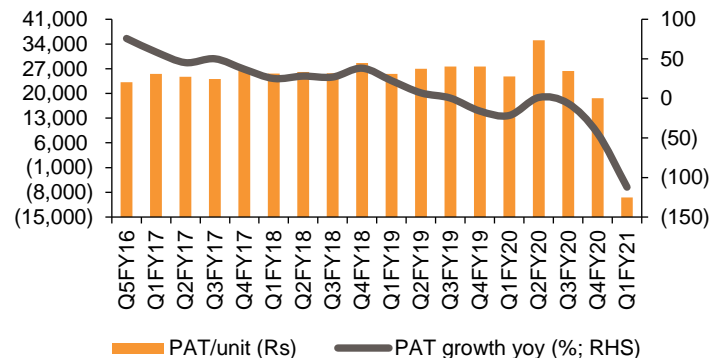
Source: Company, Emkay Research

Exhibit 5: EBITDA margins contracted to 0.5% due to lower gross margin and lower scale



Source: Company, Emkay Research

Exhibit 6: PAT growth was further impacted due to losses in VECV



Source: Company, Emkay Research

Earnings Call Highlights

Royal Enfield

- Enquiries are at pre-Covid levels, and the order booking is also at almost pre-Covid levels. Strong demand was witnessed in Tier 2/3 cities and rural areas, while demand in larger cities is still below peak levels.
- Most dealers (~90%) are operational. Dealer inventory levels are low at ~10,000 units (below 1 week). Expect to increase dealer inventory to at least 3 weeks in coming months.
- Outstanding order-book is at ~45,000 units. Ramp-up in production has been impacted by supply chain issues. Capacity utilization stands at 40-45%. Current installed capacity of plants at 100,000 units.
- Dealership network stands at 1,559 outlets, including 921 normal outlets and 638 studio stores. In the last quarter, 38 studio stores have been added.
- Overseas store count stands at 82, and expectation is to increase to 100 by FY21-end. It has presence in 617 multi brand outlets. In Q1. It has added 5 exclusive stores and 32 multi branded outlets.
- The focus has been on increasing digital engagements with customers. The share of digital enquiries have increased notably over the past few months.
- Financing ratio stands at 45% vs. 52-55% earlier, owing to strong demand in smaller towns and rural areas.
- Management expects the share of exports to increase from 6% in FY20 to 20% over the long term, supported by network expansion and new products. It is focusing on specific segments in emerging, developed and moon-shot markets (such as Africa). Network penetration is at nascent levels, and has the potential to increase.

VECV

- VECV has signed a definitive agreement with Volvo Group India Pvt. Ltd. for the acquisition of its bus business under Volvo Buses India. The agreement will cover the manufacturing, assembling, distribution and sale of Volvo Buses India and other rights forming part of the business. Acquired entity does not have any debt. Post the acquisition, VECV would have a complete range of buses.
- VECV has recently launched: 1) 16 foot haulage truck in the LMD segment, 2) 54T tractor trailers, and 3) Wider Skyline bus with new Volvo engine.
- VECV plants are operation, but utilization levels are low at 25%, owing to muted demand conditions.

Exhibit 7: Key assumptions

Royal Enfield	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Volume (units)							
Domestic	651,107	801,229	805,273	658,394	544,287	784,579	867,575
YoY %	38.3	23.1	0.5	(18.2)	(17.3)	44.1	10.6
Exports	15,383	19,264	20,825	39,188	31,050	55,234	65,197
YoY %	64.3	25.2	8.1	88.2	(20.8)	77.9	18.0
Total	666,490	820,493	826,098	697,582	575,337	839,813	932,773
YoY %	38.8	23.1	0.7	(15.6)	(17.5)	46.0	11.1
Realisation /unit (Rs)	105,598	109,172	118,563	130,128	139,131	141,751	145,417
YoY %	2.4	3.4	8.6	9.8	6.9	1.9	2.6
Revenue (Rs mn)	70,380	89,575	97,945	90,775	80,047	119,044	135,641
YoY %	42.2	27.3	9.3	(7.3)	(11.8)	48.7	13.9
VECV							
Domestic MHCV (units)	34,584	39,188	43,381	28,884	17,330	28,595	33,742
YoY %	12.8	13.3	10.7	(33.4)	(40.0)	65.0	18.0
Domestic LCV (units)	14,822	16,684	18,351	14,162	9,807	13,633	14,970
YoY %	18.0	12.6	10.0	(22.8)	(30.8)	39.0	9.8
Exports (units)	8,035	9,001	10,010	4,568	3,468	4,908	5,671
YoY %	33.7	12.0	11.2	(54.4)	(24.1)	41.6	15.5
Volume (units)	58,604	65,928	72,968	48,721	31,269	48,199	55,658
YoY %	16.2	12.5	10.7	(33.2)	(35.8)	54.1	15.5
Realisation /unit (Rs)	1,449,765	1,521,762	1,587,888	1,749,556	2,095,175	1,972,843	1,982,602
YoY %	(1.1)	5.0	4.3	10.2	19.8	(5.8)	0.5
Revenue (Rs mn)	84,962	100,327	115,865	85,240	65,514	95,090	110,347
YoY %	14.9	18.1	15.5	(26.4)	(23.1)	45.1	16.0

Source: Company, Emkay Research

Exhibit 8: Actual vs. Estimates (Q1FY21)

(Rs mn)	Actual	Estimates		% Variation		Comment
		Emkay	Consensus	Emkay	Consensus	
Total Revenue	8,182	8,620	7,816	(5.1)	4.7	Below estimates due to lower than expected realizations
EBITDA	38	534	899	(92.9)	(95.8)	
EBITDA Margin (%)	0.5	6.2	11.5	(574) bps	(1,103) bps	Below estimates due to lower gross margin on account of higher incentives and BS6 transition
Reported Net profit	(552)	(1,311)	863			Above estimates supported by lower than expected losses in CV division

Source: Bloomberg, Company, Emkay Research

Exhibit 9: Quarterly Financial Summary (Consolidated)

Rs mn	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	YoY (%)	QoQ (%)
Volume	181,966	163,390	189,143	163,083	58,383	(67.9)	(64.2)
Revenue	23,819	21,925	23,710	22,082	8,182	(65.7)	(62.9)
Expenditure	17,675	16,510	17,787	17,760	8,144	(53.9)	(54.1)
as % of sales	74.2	75.3	75.0	80.4	99.5		
Consumption of RM	12,772	11,849	12,900	12,439	5,011	(60.8)	(59.7)
as % of sales	53.6	54.0	54.4	56.3	61.2		
Employee Cost	2,116	1,860	1,846	2,136	1,769	(16.4)	(17.2)
as % of sales	8.9	8.5	7.8	9.7	21.6		
Other expenditure	2,787	2,802	3,042	3,185	1,364	(51.0)	(57.2)
as % of sales	11.7	12.8	12.8	14.4	16.7		
EBITDA	6,145	5,414	5,923	4,322	38	(99.4)	(99.1)
Depreciation	876	898	952	1,089	982	12.1	(9.8)
EBIT	5,269	4,516	4,971	3,233	(944)	(117.9)	(129.2)
Other Income	1,204	1,450	1,347	1,431	1,142	(5.1)	(20.2)
Interest	47	44	43	55	51	9.0	(8.0)
PBT	6,426	5,922	6,275	4,609	147	(97.7)	(96.8)
Minority interest	(209)	(83)	(166)	140	654	(413.7)	366.8
Total Tax	2,117	278	1,454	1,426	45	(97.9)	(96.8)
Adjusted PAT	4,518	5,727	4,987	3,043	(552)	(112.2)	(118.1)
Extra ordinary items	-	-	-	-	-		
Reported PAT	4,518	5,727	4,987	3,043	(552)	(112.2)	(118.1)
Adjusted EPS	165.5	209.8	182.6	111.4	(20.2)	(112.2)	(118.1)

Margins (%)						(bps)	(bps)
EBIDTA	25.8	24.7	25.0	19.6	0.5	(2,533)	(1,911)
EBIT	22.1	20.6	21.0	14.6	(11.5)	(3,366)	(2,618)
EBT	27.0	27.0	26.5	20.9	1.8	(2,518)	(1,907)
PAT	19.0	26.1	21.0	13.8	(6.7)	(2,571)	(2,052)
Effective Tax rate	32.9	4.7	23.2	30.9	30.6	(232)	(32)

Source: Company, Emkay Research

Exhibit 10: VECV Financial Performance

Rs mn	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	YoY (%)	QoQ (%)
Volume	13,331	11,370	12,391	11,629	2,129	(84.0)	(81.7)
Revenue	22,550	20,040	21,640	21,010	6,410	(71.6)	(69.5)
EBITDA	1,370	1,050	1,330	380	(720)	(152.6)	(289.5)
Reported PAT	380	150	300	(260)	(1,200)	(415.8)	

Margins (%)						(bps)	(bps)
EBIDTA	6.1	5.2	6.1	1.8	(11.2)	(1,731)	(1,304)
PAT	1.7	0.7	1.4	(1.2)	(18.7)	(2,041)	(1,748)

Source: Company, Emkay Research

Exhibit 11: Changes in estimates

Consolidated	FY21E				FY22E				FY23E			
	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY
Royal Enfield (Units)	542,058	575,337	6.1	(17.5)	836,196	839,813	0.4	46.0	928,671	932,773	0.4	11.1
VECV (Units)	28,819	31,269	8.5	(35.8)	45,304	48,199	6.4	54.1	53,656	55,658	3.7	15.5
Revenue	77,749	80,047	3.0	(12.6)	118,261	119,044	0.7	48.7	134,759	135,641	0.7	13.9
EBITDA	17,219	18,154	5.4	(16.7)	31,328	32,370	3.3	78.3	36,357	37,456	3.0	15.7
Margin (%)	22.1%	22.7%	58 bps	(114) bps	26.5%	27.2%	69 bps	451 bps	27.0%	27.6%	61 bps	42 bps
APAT	14,215	14,383	1.2	(21.3)	27,204	27,150	(0.2)	88.8	32,273	32,630	1.1	20.2
EPS	520.4	526.5	1.2	(21.3)	995.9	993.9	(0.2)	88.8	1,181.5	1,194.5	1.1	20.2

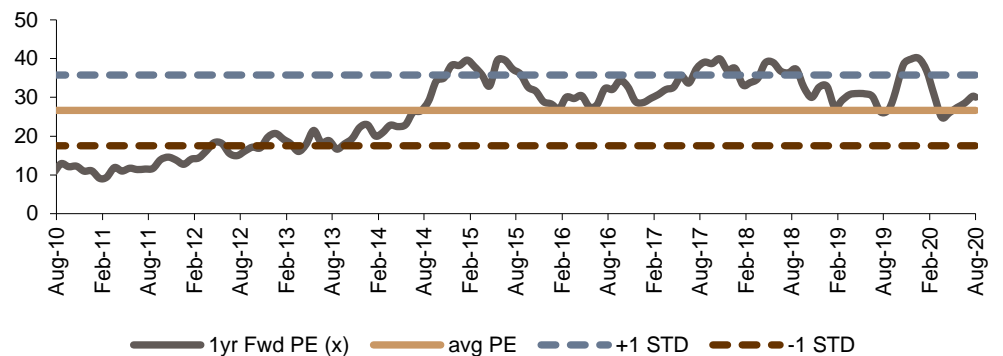
Source: Company, Emkay Research

Exhibit 12: SOTP valuation

	Basis of Valuation	Equity value	Equity value/share
Standalone (Motorcycles)	25x Sep'22 EPS	697,291	25,527
VECV (CVs)	15x Sep'22 EPS	32,786	1,200
Total		730,077	26,727

Source: Company, Emkay Research

Exhibit 13: One-year forward P/E



Source: Company, Emkay Research

Exhibit 14: Peer comparison

	CMP (Rs)	Target (Rs)	Mcap (Rs.bn)	Reco	EPS (Rs)			PE (x)			ROE (%)			ROCE (%)		
					FY20	FY21E	FY22E	FY20	FY21E	FY22E	FY20	FY21E	FY22E	FY20	FY21E	FY22E
Ashok Leyland	61	89	179	Buy	1.3	0.0	3.4	48.1	2070.0	18.0	4.8	0.1	13.2	6.3	1.8	14.0
Atul Auto	179	238	4	Buy	23.9	9.6	23.8	7.5	18.5	7.5	18.6	6.8	15.3	23.9	9.3	20.3
Bajaj Auto	3,018	2,978	873	Hold	176.2	136.6	192.2	17.1	22.1	15.7	24.5	19.1	24.6	30.7	24.5	31.6
Eicher Motors	21,673	26,727	592	Buy	669.0	526.5	993.9	32.4	41.2	21.8	19.3	13.7	22.4	23.7	17.8	27.0
Escorts Ltd	1,121	1,256	151	Buy	55.4	53.2	72.0	20.2	21.0	15.6	15.2	12.7	13.7	19.4	16.8	17.8
Hero Motocorp	2,810	2,530	561	Hold	159.4	112.4	171.4	17.6	25.0	16.4	23.6	15.7	22.7	28.1	19.7	29.2
Mahindra & Mahindra	631	718	785	Buy	30.0	24.0	38.1	21.1	26.3	16.6	10.3	8.0	11.8	14.2	10.0	14.5
Maruti Suzuki India	6,732	6,910	2033	Buy	187.1	133.4	268.8	36.0	50.5	25.0	11.9	8.1	15.4	15.0	10.5	19.8
Tata Motors	131	120	429	Hold	-20.7	-28.0	12.6	-6.3	-4.7	10.4	-12.1	-18.2	8.4	0.8	-2.0	8.1
TVS Motor	430	331	204	Sell	13.0	5.8	13.6	33.1	74.3	31.6	17.7	7.4	16.2	16.5	8.4	16.8
Amara Raja Batteries	744	803	127	Buy	38.7	34.4	48.9	19.2	21.6	15.2	18.9	15.3	19.4	23.7	20.0	25.3
Apollo Tyres	132	111	75	Hold	8.3	4.1	10.9	15.8	32.3	12.1	4.8	2.5	6.1	5.0	3.8	6.5
Exide Industries	166	205	141	Buy	9.9	8.2	10.8	16.8	20.3	15.3	13.7	10.7	13.1	17.0	14.0	17.1
Motherson Sumi	121	120	381	Buy	3.7	2.5	5.4	32.6	48.7	22.6	10.7	6.9	14.2	10.3	4.5	14.3
Bharat Forge	503	537	234	Buy	12.2	8.0	18.1	41.2	62.8	27.8	10.6	6.8	14.4	9.7	7.1	13.7

Source: Company, Emkay Research

Key Financials (Consolidated)**Income Statement**

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	97,971	91,536	80,047	119,044	135,641
Expenditure	68,940	69,732	61,893	86,674	98,185
EBITDA	29,031	21,804	18,154	32,370	37,456
Depreciation	3,003	3,815	4,270	4,787	5,381
EBIT	26,028	17,988	13,884	27,583	32,075
Other Income	4,434	5,433	5,589	6,001	7,724
Interest expenses	73	189	219	231	245
PBT	30,389	23,232	19,254	33,352	39,554
Tax	10,770	5,275	4,621	8,005	9,493
Extraordinary Items	(175)	0	0	0	0
Minority Int./Income from Assoc.	2,584	317	(250)	1,802	2,570
Reported Net Income	22,027	18,274	14,383	27,150	32,630
Adjusted PAT	22,203	18,274	14,383	27,150	32,630

Balance Sheet

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Equity share capital	273	273	273	273	273
Reserves & surplus	88,914	99,536	110,344	131,258	156,485
Net worth	89,187	99,809	110,617	131,531	156,758
Minority Interest	0	0	0	0	0
Loan Funds	1,868	1,444	1,200	1,200	1,200
Net deferred tax liability	2,739	2,522	2,344	2,037	1,672
Total Liabilities	93,794	103,775	114,161	134,768	159,630
Net block	18,711	21,866	22,902	23,115	22,734
Investment	49,260	57,519	67,519	92,519	117,519
Current Assets	41,400	41,990	38,721	44,895	49,763
Cash & bank balance	29,653	29,506	27,804	28,659	31,263
Other Current Assets	2,623	2,523	2,206	3,281	3,738
Current liabilities & Provision	20,075	20,722	17,797	28,576	33,201
Net current assets	21,325	21,268	20,924	16,319	16,562
Misc. exp	0	0	0	0	0
Total Assets	93,794	103,775	114,161	134,768	159,630

Cash Flow

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
PBT (Ex-Other income) (NI+Dep)	25,955	17,799	13,665	27,351	31,830
Other Non-Cash items	0	0	0	0	0
Chg in working cap	(4,569)	862	(1,535)	5,153	1,996
Operating Cashflow	11,321	11,509	12,281	28,661	31,360
Capital expenditure	(7,899)	(5,445)	(5,000)	(5,000)	(5,000)
Free Cash Flow	3,422	6,064	7,281	23,661	26,360
Investments	(254)	(12,361)	(10,000)	(25,000)	(25,000)
Other Investing Cash Flow	1,555	2,721	0	0	0
Investing Cashflow	(2,165)	(9,652)	(9,411)	(23,999)	(22,276)
Equity Capital Raised	361	289	0	0	0
Loans Taken / (Repaid)	247	(311)	(244)	0	0
Dividend paid (incl tax)	(3,482)	(8,087)	(3,575)	(6,235)	(7,404)
Other Financing Cash Flow	11,300	6,180	(533)	2,659	1,169
Financing Cashflow	8,377	(2,004)	(4,572)	(3,807)	(6,479)
Net chg in cash	17,533	(147)	(1,702)	855	2,604
Opening cash position	12,120	29,653	29,506	27,804	28,659
Closing cash position	29,653	29,506	27,804	28,659	31,263

Source: Company, Emkay Research

Key Ratios

Profitability (%)	FY19	FY20	FY21E	FY22E	FY23E
EBITDA Margin	29.6	23.8	22.7	27.2	27.6
EBIT Margin	26.6	19.7	17.3	23.2	23.6
Effective Tax Rate	35.4	22.7	24.0	24.0	24.0
Net Margin	20.0	19.6	18.3	21.3	22.2
ROCE	36.5	23.7	17.9	27.0	27.0
ROE	27.8	19.3	13.7	22.4	22.6
RoIC	422.7	149.8	93.7	205.9	341.1

Per Share Data (Rs)	FY19	FY20	FY21E	FY22E	FY23E
EPS	813.3	669.0	526.5	993.9	1,194.5
CEPS	923.3	808.7	682.9	1,169.1	1,391.5
BVPS	3,267.0	3,653.8	4,049.5	4,815.1	5,738.6
DPS	124.9	125.0	108.8	189.6	225.2

Valuations (x)	FY19	FY20	FY21E	FY22E	FY23E
PER	26.6	32.4	41.2	21.8	18.1
P/CEPS	23.5	26.8	31.7	18.5	15.6
P/BV	6.6	5.9	5.4	4.5	3.8
EV / Sales	5.5	5.7	6.5	4.1	3.4
EV / EBITDA	18.4	24.1	28.5	15.2	12.4
Dividend Yield (%)	0.6	0.6	0.5	0.9	1.0

Gearing Ratio (x)	FY19	FY20	FY21E	FY22E	FY23E
Net Debt/ Equity	(0.6)	(0.7)	(0.7)	(0.8)	(0.8)
Net Debt/EBIDTA	(2.0)	(3.1)	(4.1)	(3.1)	(3.4)
Working Cap Cycle (days)	(31.0)	(32.8)	(31.4)	(37.8)	(39.6)

Growth (%)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	9.3	(6.6)	(12.6)	48.7	13.9
EBITDA	3.4	(24.9)	(16.7)	78.3	15.7
EBIT	0.7	(30.9)	(22.8)	98.7	16.3
PAT	12.4	(17.0)	(21.3)	88.8	20.2

Quarterly (Rs mn)	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21
Revenue	23,819	21,925	23,710	22,082	8,182
EBITDA	6,145	5,414	5,923	4,322	38
EBITDA Margin (%)	25.8	24.7	25.0	19.6	0.5
PAT	4,518	5,727	4,987	3,043	(552)
EPS (Rs)	165.5	209.8	182.7	111.4	(20.2)

Source: Company, Emkay Research

Shareholding Pattern (%)	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20
Promoters	49.3	49.3	49.3	49.3	49.3
FIs	33.2	31.9	31.2	27.7	27.0
DIs	4.7	7.2	8.2	11.1	11.9
Public and Others	12.8	11.6	11.3	11.9	11.8

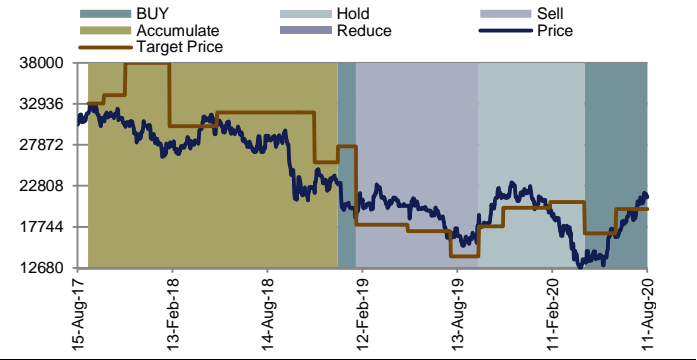
Source: Capitaline

RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
29-Jun-20	18,114	19,954	12m	Buy	Raghunandhan NL
12-Jun-20	16,857	19,954	12m	Buy	Raghunandhan NL
4-May-20	13,749	16,955	12m	Buy	Raghunandhan NL
13-Apr-20	13,401	16,955	12m	Buy	Raghunandhan NL
27-Feb-20	17,053	20,800	12m	Hold	Raghunandhan NL
7-Feb-20	19,736	20,800	12m	Hold	Raghunandhan NL
30-Jan-20	20,340	20,100	12m	Hold	Raghunandhan NL
27-Dec-19	22,222	20,100	12m	Hold	Raghunandhan NL
27-Nov-19	23,022	20,100	12m	Hold	Raghunandhan NL
9-Nov-19	21,690	20,100	12m	Hold	Raghunandhan NL
1-Nov-19	21,976	17,800	12m	Hold	Raghunandhan NL
30-Oct-19	22,512	17,800	12m	Hold	Raghunandhan NL
1-Oct-19	17,827	17,800	12m	Hold	Raghunandhan NL
26-Sep-19	17,912	17,800	12m	Hold	Raghunandhan NL
23-Sep-19	19,239	17,800	12m	Hold	Raghunandhan NL
3-Sep-19	15,776	14,100	12m	Sell	Raghunandhan NL
28-Aug-19	16,297	14,100	12m	Sell	Raghunandhan NL
31-Jul-19	16,348	14,100	12m	Sell	Raghunandhan NL
1-Jul-19	19,625	17,200	12m	Sell	Raghunandhan NL
27-Jun-19	19,479	17,200	12m	Sell	Raghunandhan NL
11-Jun-19	20,132	17,200	12m	Sell	Raghunandhan NL
3-Jun-19	19,948	17,200	12m	Sell	Raghunandhan NL
29-May-19	20,424	17,200	12m	Sell	Raghunandhan NL
10-May-19	20,354	17,200	12m	Sell	Raghunandhan NL
2-May-19	20,565	18,000	12m	Sell	Raghunandhan NL
27-Mar-19	20,974	18,000	12m	Sell	Raghunandhan NL
22-Mar-19	21,447	18,000	12m	Sell	Raghunandhan NL
19-Feb-19	20,410	18,000	12m	Sell	Raghunandhan NL
11-Feb-19	20,753	18,000	12m	Sell	Raghunandhan NL
4-Feb-19	20,128	18,000	12m	Sell	Raghunandhan NL
31-Jan-19	19,006	18,000	12m	Sell	Raghunandhan NL
27-Dec-18	22,995	27,700	12m	Buy	Raghunandhan NL
12-Nov-18	21,934	25,700	12m	Accumulate	Raghunandhan NL
6-Jul-18	27,626	31,900	12m	Accumulate	Raghunandhan NL
9-May-18	30,316	31,900	12m	Accumulate	Raghunandhan NL
7-Feb-18	28,010	30,200	12m	Accumulate	Raghunandhan NL
14-Nov-17	30,090	38,000	12m	Accumulate	Raghunandhan NL
4-Oct-17	30,885	34,000	12m	Accumulate	Raghunandhan NL
4-Sep-17	31,754	33,000	12m	Accumulate	Raghunandhan NL

Source: Company, Emkay Research

RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research

Emkay Alpha Portfolio – Automobiles & Auto Ancillaries



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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)
Auto & Auto Ancillaries	5.57	5.57	0%	0	100.00
Amara Raja Batteries	0.10	0.10	-1%	0	1.78
Apollo Tyres	0.07	0.07	-1%	0	1.25
Ashok Leyland	0.13	0.25	93%	12	4.40
Atul Auto	0.00	0.12	NA	12	2.13
Bajaj Auto	0.64	0.30	-53%	-34	5.39
Bharat Forge	0.18	0.30	67%	12	5.36
Eicher Motors	0.50	0.62	23%	11	11.08
Escorts	0.00	0.00	NA	0	0.00
Exide Industries	0.13	0.13	-1%	0	2.25
Hero Motocorp	0.59	0.32	-46%	-27	5.70
Mahindra & Mahindra	0.99	1.10	10%	10	19.71
Maruti Suzuki India	1.46	1.57	7%	10	28.19
Motherson Sumi	0.23	0.23	-1%	0	4.09
Tata Motors	0.37	0.36	-1%	0	6.55
Tata Motors DVR*	0.04	0.04	-1%	0	0.64
TVS Motor	0.14	0.08	-39%	-5	1.49
Cash	0.00	0.00	NA	0	0.00

Source: Emkay Research

* Not under coverage: Equal Weight

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

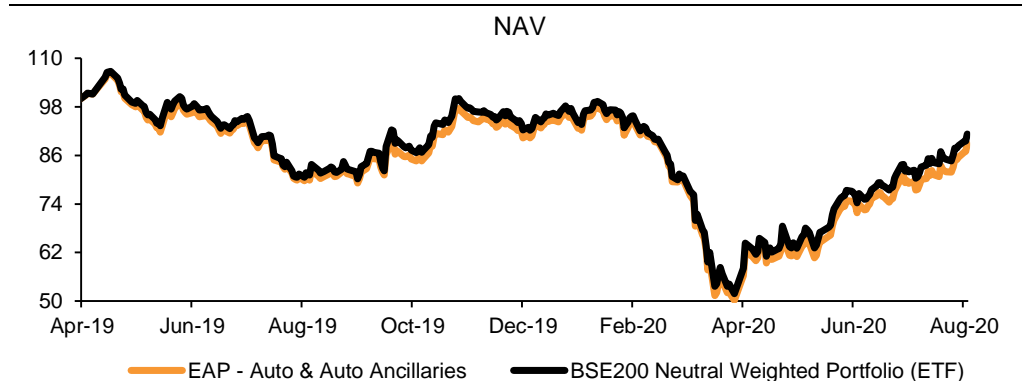
Sector portfolio NAV

	Base					Latest
	1-Apr-19	11-Nov-19	12-Feb-20	13-May-20	13-Jul-20	12-Aug-20
EAP - Auto & Auto Ancillaries	100.0	94.3	92.1	65.3	79.5	88.8
BSE200 Neutral Weighted Portfolio (ETF)	100.0	96.7	93.2	68.0	82.4	91.3

*Performance measurement base date 1st 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: 14 Aug 2020 04:24:42 (SGT)

Dissemination Date: 14 Aug 2020 04:25:42 (SGT)

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