

# Maruti Suzuki

Refer to important disclosures at the end of this report

## Subdued quarter; demand outlook remains intact

- Q2FY22 EBITDA declined by 56% yoy to Rs8.5bn (est.: Rs11.4bn), 25% below estimates due to a lag in the pass-through of commodity inflation and higher marketing spends. Revenue grew by 10% yoy to Rs205bn, above our estimate of Rs192bn, due to the increased share of spare-part revenues.
- The order book is strong at over 200,000 units. Led by a sales upcycle and new products, we expect a 19% CAGR in volumes over FY22-24E. In the next 2-3 years, major launches could include new Brezza, Jimny UV, above 4m UV and new MPV, among others.
- We reduce FY22E/23E/24E EPS by 9%/3%/3% to Rs142.9/Rs293.7/Rs395 due to cost pressures and lower other income. We build in a strong revenue/earnings CAGR of 23%/66% over FY22-24E. Consequently, ROIC (post tax) should increase from 19% in FY22E to 67% in FY24E.
- We remain positive on MSIL due to expectations of a cyclical upturn, which generally lasts for at least three years. Reaffirm Buy with a revised TP of Rs8,750, based on 27x core P/E on Dec'23E EPS (earlier 28x Sep'23E EPS), backed by a DCF model and net cash of Rs1,445/share.

**Subdued quarter:** Revenue grew 10% yoy to Rs205.4bn, above our estimate of Rs191.6bn, due to higher spare-part sales. Volume fell by 3% yoy to 379,541 units. An estimated 116,000 vehicles could not be produced owing to chip shortages. However, chip supplies are improving gradually and production levels are expected to improve ahead on a sequential basis. EBITDA margin contracted by 620bps yoy to 4.2%, below our estimate of 6.0%, due to a lag in the pass-through of commodity inflation and higher marketing spends. Retail volumes were almost 30% higher than wholesales, resulting in increased discounts/marketing spends during the quarter. Consequently, adjusted PAT declined 65% yoy to Rs4.8bn, below our estimate of Rs6.9bn, owing to lower operating profit.

**Retain Buy:** MSIL should retain the pole position as it plans to launch new products to fill white-spaces and network expansion. In the next 2-3 years, new models could include new Brezza, Jimny UV, Above 4m UV and new MPV. The network has increased to over 3,000 touch points, and the expansion continues. Retain Buy with a TP of Rs8,750, based on 27x core P/E on Dec'23E EPS (earlier 28x Sep'23E EPS), backed by a DCF model and net cash of Rs1,445/share. Key downside risks include a delay in economic recovery, failure of new products, increase in competitive intensity and adverse movement in currency/commodity prices.

Please see our sector model portfolio (Emkay Alpha Portfolio): [Automobiles & Auto Ancillaries \(Page 8\)](#)

### Financial Snapshot (Standalone)

(Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
Revenue	756,106	703,325	866,788	1,116,109	1,312,721
EBITDA	73,026	53,453	57,125	115,924	152,756
EBITDA Margin (%)	9.7	7.6	6.6	10.4	11.6
APAT	56,506	42,297	43,161	88,700	119,288
EPS (Rs)	187.1	140.1	142.9	293.7	395.0
EPS (% chg)	(24.7)	(25.1)	2.0	105.5	34.5
ROE (%)	11.9	8.5	8.2	15.6	18.9
P/E (x)	39.3	52.5	51.4	25.0	18.6
EV/EBITDA (x)	25.6	33.5	32.0	15.3	11.1
P/BV (x)	4.6	4.3	4.1	3.7	3.3

Source: Company, Emkay Research

<b>CMP</b>	<b>Target Price</b>
<b>Rs 7,353</b> as of (October 27, 2021)	<b>Rs 8,750 (▲)</b> 12 months
<b>Rating</b>	<b>Upside</b>
<b>BUY (■)</b>	<b>19.0 %</b>

### Change in Estimates

EPS Chg FY22E/FY23E (%)	(9)/(3)
Target Price change (%)	1.7
Target Period (Months)	12
Previous Reco	BUY

### Emkay vs Consensus

	EPS Estimates	
	FY22E	FY23E
Emkay	142.9	293.7
Consensus	179.5	276.8
Mean Consensus TP (12M)	Rs 7,636	

### Stock Details

Bloomberg Code	MSIL IN
Face Value (Rs)	5
Shares outstanding (mn)	302
52 Week H/L	8,400 / 6,301
M Cap (Rs bn/USD bn)	2,221 / 29.60
Daily Avg Volume (nos.)	788,606
Daily Avg Turnover (US\$ mn)	74.4

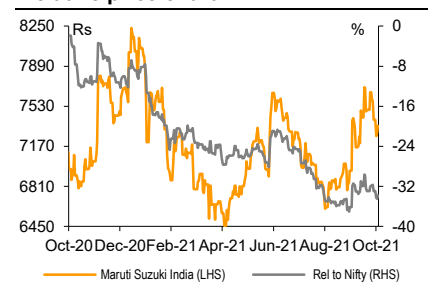
### Shareholding Pattern Sep '21

Promoters	56.4%
FIs	22.5%
DIs	16.0%
Public and Others	5.1%

### Price Performance

(%)	1M	3M	6M	12M
<b>Absolute</b>	(1)	2	12	3
<b>Rel. to Nifty</b>	(3)	(12)	(10)	(33)

### Relative price chart



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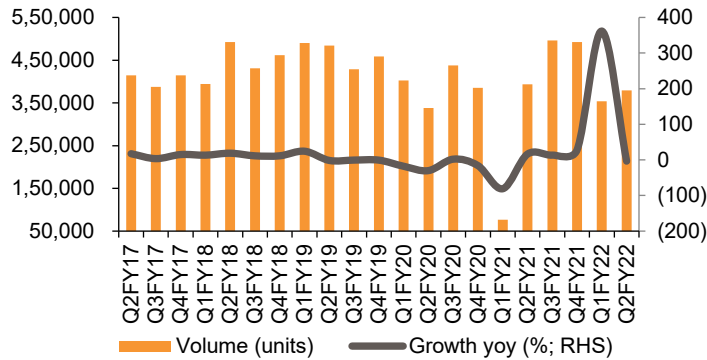
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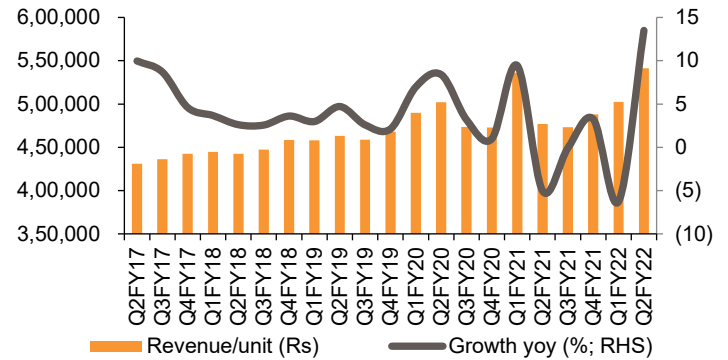
## Story in Charts

**Exhibit 1: Q2FY22 volumes at 379,541 units; Expect robust 19% volume CAGR over FY22-24E**



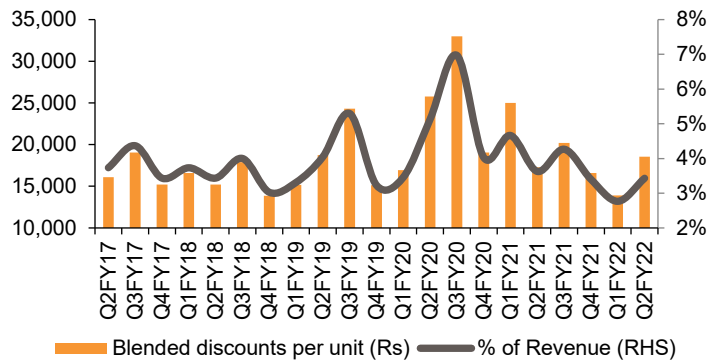
Source: Company, Emkay Research

**Exhibit 2: Revenue/unit grew by 13% yoy to Rs541,151, above estimates due to higher-than-expected spare-part revenues**



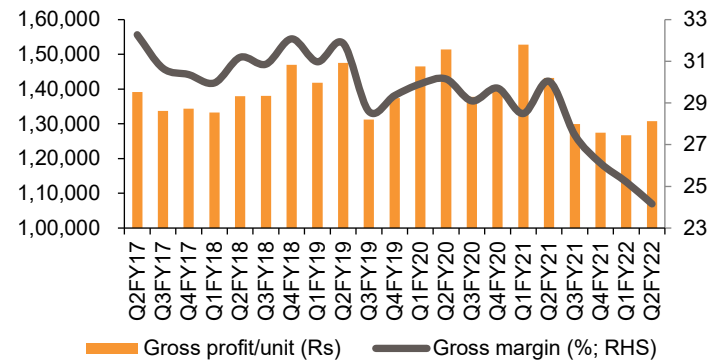
Source: Company, Emkay Research

**Exhibit 3: Blended discounts/revenue lower by 20bps yoy to 3.4%**



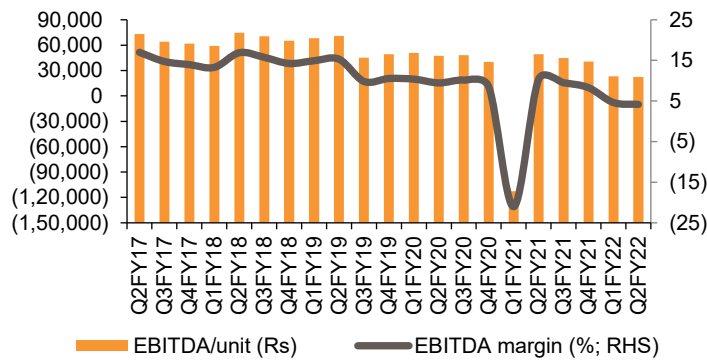
Source: Company, Emkay Research

**Exhibit 4: Gross margin temporarily under pressure due to higher input costs**



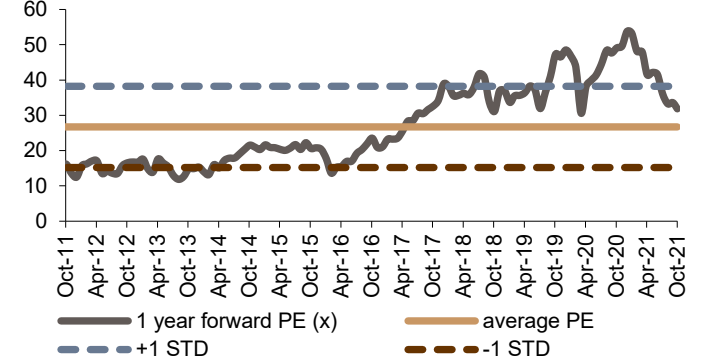
Source: Company, Emkay Research

**Exhibit 5: EBITDA margin at 4.2%; EBITDA margin to expand by 500bps to 11.6% over FY22-24E led by better scale and price hikes**



Source: Company, Emkay Research

**Exhibit 6: One-year forward P/E (average at 27x, +1 std at 38x and -1 std at 15x)**



Source: Company, Emkay Research

## Earnings Call Highlights

- Q2 retails stood at 385,000 units vs. wholesales of 300,030 units. Dealer stocks fell to ~60,000 units.
- Chip shortages impacted production by 116,000 units in Q2. Chip supplies are gradually improving, with Nov'21 production expected to be higher than Oct'21 production.
- The order book is strong at over 200,000 units. The pipeline of new products is strong, and several launches are lined up in coming quarters. With regards to powertrain, focus is on strong hybrids, but the company expects more incentives from the government.
- Q2 CNG share stood at 18% vs. 11% last year. MSIL is targeting volumes of 300,000 units in FY22.
- Q2 retails were higher than wholesales, resulting in increased discounts/marketing spends during the quarter. Blended discounts stood at Rs18,567/unit in comparison to Rs17,300/unit last year.
- Q2 production at the Gujarat plant stood at 120,000 units vs. 96,000 units in Q1. The third assembly line commenced operations, and the depreciation cost is expected to be Rs5bn for FY22.
- Q2 commodity inflation impact stood at ~250bps on a qoq basis. Going forward, the decline in prices of precious metals would be positive, but aluminum and steel prices continue to increase. MSIL has taken a price increase of 1.9% in Sep'21.
- Q2 exports grew 187% yoy to Rs29bn. The Africa region accounted for around 50% of exports and MSIL has strengthened its distribution reach in the region with the support of Toyota. In addition, Jimny exports have also supported volumes.
- Q2 royalty stood at 3.5%. Going forward, it is expected to remain in the range of 3.5-4%.
- Capex is expected to be Rs67bn in FY22 vs. earlier expectation of Rs45bn. Higher capex is due to expenses for strengthening marketing infrastructure.

### Exhibit 7: Key assumptions: Revenue CAGR expected at 23% over FY21-24E

Key revenue assumptions	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E	CAGR FY22-24E
<b>Volume (units)</b>								
Domestic Passenger Cars	1,234,571	1,287,023	1,085,646	981,658	1,003,891	1,245,065	1,404,738	18%
YoY %	12.7	4.2	(15.6)	(9.6)	2.3	24.0	12.8	
Domestic Utility Vehicles	253,759	264,197	235,298	245,427	296,407	383,911	442,751	22%
YoY %	29.6	4.1	(10.9)	4.3	20.8	29.5	15.3	
Domestic Vans	155,137	178,606	118,404	105,081	106,090	133,215	180,952	31%
YoY %	2.1	15.1	(33.7)	(11.3)	1.0	25.6	35.8	
Domestic LCVs	10,033	23,874	21,778	29,556	35,010	38,418	42,260	10%
YoY %	1,014.8	138.0	(8.8)	35.7	18.5	9.7	10.0	
<b>Total Domestic</b>	<b>1,653,500</b>	<b>1,753,700</b>	<b>1,461,126</b>	<b>1,361,722</b>	<b>1,441,397</b>	<b>1,800,610</b>	<b>2,070,702</b>	<b>20%</b>
YoY %	14.5	6.1	(16.7)	(6.8)	5.9	24.9	15.0	
Exports	126,074	108,749	102,171	96,139	209,119	242,764	271,895	14%
YoY %	1.8	(13.7)	(6.0)	(5.9)	117.5	16.1	12.0	
<b>Total</b>	<b>1,779,574</b>	<b>1,862,449</b>	<b>1,563,297</b>	<b>1,457,861</b>	<b>1,650,517</b>	<b>2,043,374</b>	<b>2,342,597</b>	<b>19%</b>
YoY %	13.5	4.7	(16.1)	(6.7)	13.2	23.8	14.6	
<b>Realization (Rs/unit)</b>	<b>448,212</b>	<b>461,867</b>	<b>483,661</b>	<b>482,436</b>	<b>525,162</b>	<b>546,209</b>	<b>560,370</b>	<b>3%</b>
YoY %	3.3	3.0	4.7	(0.3)	8.9	4.0	2.6	
<b>Revenue (Rs mn)</b>	<b>797,627</b>	<b>860,203</b>	<b>756,106</b>	<b>703,325</b>	<b>866,788</b>	<b>1,116,109</b>	<b>1,312,721</b>	<b>23%</b>
YoY %	17.2	7.8	(12.1)	(7.0)	23.2	28.8	17.6	

Source: Company, Emkay Research

**Exhibit 8: Changes in estimates**

(Rs mn)	FY22E				FY23E				FY24E			
	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY
Volumes (Units)	1,638,375	1,650,517	0.7	13.2	2,010,955	2,043,374	1.6	23.8	2,342,992	2,342,597	(0.0)	14.6
Sales	847,245	866,788	2.3	23.2	1,081,513	1,116,109	3.2	28.8	1,292,861	1,312,721	1.5	17.6
EBITDA	60,143	57,125	(5.0)	6.9	115,841	115,924	0.1	102.9	152,556	152,756	0.1	31.8
Margin (%)	7.1	6.6	(51) bps	(101) bps	10.7	10.4	(31) bps	380 bps	11.8	11.6	(16) bps	125 bps
Net Profit	47,436	43,161	(9.0)	2.0	91,463	88,700	(3.0)	105.5	122,351	119,288	(2.5)	34.5
EPS (Rs)	157.1	142.9	(9.0)	2.0	302.9	293.7	(3.0)	105.5	405.1	395.0	(2.5)	34.5

Source: Company, Emkay Research

**Exhibit 9: Actual vs. Estimates (Q2FY22)**

(Rs mn)	Actual	Estimates		% Variation		Comment
		Emkay	Consensus	Emkay	Consensus	
Revenues	205,389	191,576	195,346	7.2	5.1	Above estimates due to higher-than-expected spare-part revenues
EBITDA	8,549	11,469	11,383	(25.5)	(24.9)	
EBITDA Margin (%)	4.2	6.0	5.8	(182) bps	(166) bps	Below estimates due to lag in pass-through of commodity inflation and higher marketing spends
Adjusted net profit	4,753	6,876	6,913	(30.9)	(31.2)	Below estimates due to lower operating profit

Source: Bloomberg, Company, Emkay Research

**Exhibit 10: Quarterly financial summary**

Rs mn	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	YoY (%)	QoQ (%)	FY22 YTD	FY21 YTD	YoY (%)
Revenue	187,445	234,578	240,237	177,707	205,389	9.6	15.6	383,096	228,510	67.6
Expenditure	168,109	212,317	220,326	169,496	196,840	17.1	16.1	366,336	217,808	68.2
as % of sales	89.7	90.5	91.7	95.4	95.8			95.6	95.3	
Consumption of RM	131,143	170,156	177,509	132,905	155,770	18.8	17.2	288,675	160,507	79.9
as % of sales	70.0	72.5	73.9	74.8	75.8			75.4	70.2	
Employee Cost	8,268	9,455	9,003	10,643	9,622	16.4	(9.6)	20,265	15,571	30.1
as % of sales	4.4	4.0	3.7	6.0	4.7			5.3	6.8	
Other expenditure	28,698	32,706	33,814	25,948	31,448	9.6	21.2	57,396	41,730	37.5
as % of sales	15.3	13.9	14.1	14.6	15.3			15.0	18.3	
EBITDA	19,336	22,261	19,911	8,211	8,549	(55.8)	4.1	16,760	10,702	56.6
Depreciation	7,659	7,413	7,410	7,432	7,561	(1.3)	1.7	14,993	15,492	(3.2)
EBIT	11,677	14,848	12,501	779	988	(91.5)	26.8	1,767	(4,790)	(136.9)
Other Income	6,025	9,937	898	5,078	5,227	(13.2)	2.9	10,305	19,208	(46.4)
Interest	224	287	324	222	225	0.4	1.4	447	397	12.6
PBT	17,478	24,498	13,075	5,635	5,990	(65.7)	6.3	11,625	14,021	(17.1)
Total Tax	3,762	5,084	1,414	1,227	1,237	(67.1)	0.8	2,464	2,799	(12.0)
Adjusted PAT	13,716	19,414	11,661	4,408	4,753	(65.3)	7.8	9,161	11,222	(18.4)
Extra ordinary items	-	-	-	-	-			-	-	
Reported PAT	13,716	19,414	11,661	4,408	4,753	(65.3)	7.8	9,161	11,222	(18.4)
Adjusted EPS	45.4	64.3	38.6	14.6	15.7	(65.3)	7.8	30.3	37.2	(18.4)

Margins (%)					(bps)	(bps)			(bps)	
EBIDTA	10.3	9.5	8.3	4.6	4.2	(615)	(46)	4.4	4.7	(31)
EBIT	6.2	6.3	5.2	0.4	0.5	(575)	4	0.5	(2.1)	256
EBT	9.3	10.4	5.4	3.2	2.9	(641)	(25)	3.0	6.1	(310)
PAT	7.3	8.3	4.9	2.5	2.3	(500)	(17)	2.4	4.9	(252)
Effective Tax rate	21.5	20.8	10.8	21.8	20.7	(87)	(112)	0.6	1.2	(58)

Source: Company, Emkay Research

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

Y/E Mar (Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
<b>Revenue</b>	<b>756,106</b>	<b>703,325</b>	<b>866,788</b>	<b>1,116,109</b>	<b>1,312,721</b>
<b>Expenditure</b>	<b>683,080</b>	<b>649,872</b>	<b>809,664</b>	<b>1,000,185</b>	<b>1,159,965</b>
<b>EBITDA</b>	<b>73,026</b>	<b>53,453</b>	<b>57,125</b>	<b>115,924</b>	<b>152,756</b>
Depreciation	35,257	30,315	30,219	32,400	34,760
<b>EBIT</b>	<b>37,769</b>	<b>23,138</b>	<b>26,905</b>	<b>83,525</b>	<b>117,996</b>
Other Income	34,208	29,464	29,437	31,252	36,049
Interest expenses	1,329	1,008	1,008	1,058	1,111
<b>PBT</b>	<b>70,648</b>	<b>51,594</b>	<b>55,335</b>	<b>113,718</b>	<b>152,933</b>
Tax	14,142	9,297	12,174	25,018	33,645
Extraordinary Items	0	0	0	0	0
Minority Int./Income from Assoc.	0	0	0	0	0
<b>Reported Net Income</b>	<b>56,506</b>	<b>42,297</b>	<b>43,161</b>	<b>88,700</b>	<b>119,288</b>
<b>Adjusted PAT</b>	<b>56,506</b>	<b>42,297</b>	<b>43,161</b>	<b>88,700</b>	<b>119,288</b>

**Balance Sheet**

Y/E Mar (Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
Equity share capital	1,510	1,510	1,510	1,510	1,510
Reserves & surplus	482,860	512,158	540,213	593,433	665,005
<b>Net worth</b>	<b>484,370</b>	<b>513,668</b>	<b>541,723</b>	<b>594,943</b>	<b>666,515</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>1,063</b>	<b>4,888</b>	<b>6,024</b>	<b>7,757</b>	<b>9,123</b>
Net deferred tax liability	5,984	3,847	3,570	3,002	2,237
<b>Total Liabilities</b>	<b>491,417</b>	<b>522,403</b>	<b>551,317</b>	<b>605,701</b>	<b>677,876</b>
<b>Net block</b>	<b>157,103</b>	<b>149,570</b>	<b>146,126</b>	<b>175,940</b>	<b>181,180</b>
<b>Investment</b>	<b>364,676</b>	<b>417,867</b>	<b>407,867</b>	<b>467,867</b>	<b>542,867</b>
<b>Current Assets</b>	<b>89,659</b>	<b>118,339</b>	<b>111,347</b>	<b>144,712</b>	<b>170,931</b>
Cash & bank balance	211	30,364	1,627	3,432	4,764
Other Current Assets	35,858	44,477	54,814	70,581	83,014
<b>Current liabilities &amp; Provision</b>	<b>134,104</b>	<b>178,271</b>	<b>169,146</b>	<b>215,727</b>	<b>250,012</b>
<b>Net current assets</b>	<b>(44,445)</b>	<b>(59,932)</b>	<b>(57,799)</b>	<b>(71,015)</b>	<b>(79,081)</b>
Misc. exp	0	0	0	0	0
<b>Total Assets</b>	<b>491,417</b>	<b>522,403</b>	<b>551,317</b>	<b>605,701</b>	<b>677,876</b>

**Cash Flow**

Y/E Mar (Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
<b>PBT (Ex-Other income) (NI+Dep)</b>	<b>36,440</b>	<b>22,130</b>	<b>25,897</b>	<b>82,466</b>	<b>116,885</b>
Other Non-Cash items	0	0	0	0	0
Chg in working cap	(25,659)	43,352	(32,767)	(6,079)	(3,727)
<b>Operating Cashflow</b>	<b>(157)</b>	<b>58,924</b>	<b>12,288</b>	<b>84,986</b>	<b>115,508</b>
Capital expenditure	(33,990)	(23,279)	(67,000)	(40,000)	(40,000)
<b>Free Cash Flow</b>	<b>(34,147)</b>	<b>35,645</b>	<b>(54,712)</b>	<b>44,986</b>	<b>75,508</b>
Investments	27,487	(50,363)	10,000	(60,000)	(75,000)
Other Investing Cash Flow	1,864	803	0	0	0
<b>Investing Cashflow</b>	<b>29,569</b>	<b>(43,375)</b>	<b>(27,563)</b>	<b>(68,748)</b>	<b>(78,951)</b>
Equity Capital Raised	0	0	0	0	0
Loans Taken / (Repaid)	(433)	3,825	1,136	1,733	1,366
Dividend paid (incl tax)	(24,166)	(18,125)	(15,106)	(35,480)	(47,715)
Other Financing Cash Flow	(5,049)	29,910	1,516	20,374	12,235
<b>Financing Cashflow</b>	<b>(30,990)</b>	<b>14,604</b>	<b>(13,462)</b>	<b>(14,432)</b>	<b>(35,225)</b>
<b>Net chg in cash</b>	<b>(1,578)</b>	<b>30,153</b>	<b>(28,737)</b>	<b>1,805</b>	<b>1,332</b>
Opening cash position	1,789	211	30,364	1,627	3,432
<b>Closing cash position</b>	<b>211</b>	<b>30,364</b>	<b>1,627</b>	<b>3,432</b>	<b>4,764</b>

Source: Company, Emkay Research

**Key Ratios**

<b>Profitability (%)</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22E</b>	<b>FY23E</b>	<b>FY24E</b>
EBITDA Margin	9.7	7.6	6.6	10.4	11.6
EBIT Margin	5.0	3.3	3.1	7.5	9.0
Effective Tax Rate	20.0	18.0	22.0	22.0	22.0
Net Margin	7.5	6.0	5.0	7.9	9.1
ROCE	15.0	10.4	10.5	19.8	24.0
ROE	11.9	8.5	8.2	15.6	18.9
RoIC	38.1	26.9	36.9	88.8	118.7

<b>Per Share Data (Rs)</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22E</b>	<b>FY23E</b>	<b>FY24E</b>
EPS	187.1	140.1	142.9	293.7	395.0
CEPS	303.9	240.4	243.0	401.0	510.1
BVPS	1,603.9	1,700.9	1,793.8	1,970.0	2,207.0
DPS	60.0	45.0	50.0	117.5	158.0

<b>Valuations (x)</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22E</b>	<b>FY23E</b>	<b>FY24E</b>
PER	39.3	52.5	51.4	25.0	18.6
P/CEPS	24.2	30.6	30.3	18.3	14.4
P/BV	4.6	4.3	4.1	3.7	3.3
EV / Sales	2.5	2.5	2.1	1.6	1.3
EV / EBITDA	25.6	33.5	32.0	15.3	11.1
Dividend Yield (%)	0.8	0.6	0.7	1.6	2.1

<b>Gearing Ratio (x)</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22E</b>	<b>FY23E</b>	<b>FY24E</b>
Net Debt/ Equity	(0.7)	(0.8)	(0.7)	(0.8)	(0.8)
Net Debt/EBIDTA	(4.8)	(8.1)	(6.9)	(3.9)	(3.4)
Working Cap Cycle (days)	(21.6)	(46.9)	(25.0)	(24.3)	(23.3)

<b>Growth (%)</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22E</b>	<b>FY23E</b>	<b>FY24E</b>
Revenue	(12.1)	(7.0)	23.2	28.8	17.6
EBITDA	(33.6)	(26.8)	6.9	102.9	31.8
EBIT	(52.7)	(38.7)	16.3	210.4	41.3
PAT	(24.7)	(25.1)	2.0	105.5	34.5

<b>Quarterly (Rs mn)</b>	<b>Q2FY21</b>	<b>Q3FY21</b>	<b>Q4FY21</b>	<b>Q1FY22</b>	<b>Q2FY22</b>
Revenue	187,445	234,578	240,237	177,707	205,389
EBITDA	19,336	22,261	19,911	8,211	8,549
<b>EBITDA Margin (%)</b>	<b>10.3</b>	<b>9.5</b>	<b>8.3</b>	<b>4.6</b>	<b>4.2</b>
PAT	13,716	19,414	11,661	4,408	4,753
<b>EPS (Rs)</b>	<b>45.4</b>	<b>64.3</b>	<b>38.6</b>	<b>14.6</b>	<b>15.7</b>

Source: Company, Emkay Research

<b>Shareholding Pattern (%)</b>	<b>Sep-20</b>	<b>Dec-20</b>	<b>Mar-21</b>	<b>Jun-21</b>	<b>Sep-21</b>
Promoters	56.4	56.4	56.4	56.4	56.4
FII	21.9	23.1	23.1	22.9	22.5
DII	16.7	15.7	15.1	15.8	16.0
Public and Others	5.0	4.9	5.4	5.0	5.1

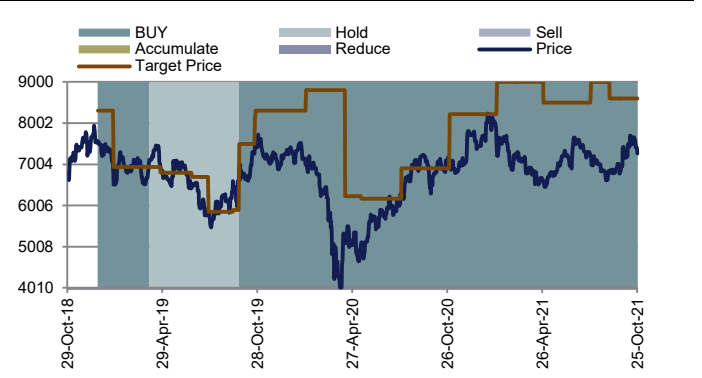
Source: Capitaline

## RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
2-Sep-21	6,793	8,600	12m	Buy	Raghunandhan NL
28-Jul-21	7,165	9,000	12m	Buy	Raghunandhan NL
2-Jul-21	7,574	8,500	12m	Buy	Raghunandhan NL
18-Jun-21	6,959	8,500	12m	Buy	Raghunandhan NL
1-Jun-21	7,091	8,500	12m	Buy	Raghunandhan NL
30-May-21	6,970	8,500	12m	Buy	Raghunandhan NL
28-Apr-21	6,574	8,500	12m	Buy	Raghunandhan NL
29-Jan-21	7,207	9,000	12m	Buy	Raghunandhan NL
30-Oct-20	6,965	8,216	12m	Buy	Raghunandhan NL
11-Oct-20	7,062	6,910	12m	Buy	Raghunandhan NL
28-Sep-20	6,703	6,910	12m	Buy	Raghunandhan NL
28-Aug-20	7,104	6,910	12m	Buy	Raghunandhan NL
30-Jul-20	6,265	6,910	12m	Buy	Raghunandhan NL
29-Jun-20	5,679	6,173	12m	Buy	Raghunandhan NL
14-May-20	5,114	6,173	12m	Buy	Raghunandhan NL
4-May-20	4,886	6,230	12m	Buy	Raghunandhan NL
13-Apr-20	5,283	6,230	12m	Buy	Raghunandhan NL
27-Feb-20	6,290	8,800	12m	Buy	Raghunandhan NL
9-Feb-20	6,972	8,800	12m	Buy	Raghunandhan NL
30-Jan-20	7,020	8,800	12m	Buy	Raghunandhan NL
29-Jan-20	7,010	8,800	12m	Buy	Raghunandhan NL
27-Dec-19	7,345	8,300	12m	Buy	Raghunandhan NL
18-Dec-19	7,241	8,300	12m	Buy	Raghunandhan NL
27-Nov-19	7,294	8,300	12m	Buy	Raghunandhan NL
30-Oct-19	7,557	8,300	12m	Buy	Raghunandhan NL
24-Oct-19	7,391	8,300	12m	Buy	Raghunandhan NL
23-Oct-19	7,440	8,100	12m	Buy	Raghunandhan NL
1-Oct-19	6,782	7,500	12m	Buy	Raghunandhan NL
26-Sep-19	6,857	7,500	12m	Buy	Raghunandhan NL
23-Sep-19	6,898	7,500	12m	Buy	Raghunandhan NL
12-Sep-19	6,392	5,900	12m	Hold	Raghunandhan NL
3-Sep-19	6,050	5,850	12m	Hold	Raghunandhan NL
28-Aug-19	6,103	5,850	12m	Hold	Raghunandhan NL
26-Jul-19	5,806	5,850	12m	Hold	Raghunandhan NL
1-Jul-19	6,508	6,700	12m	Hold	Raghunandhan NL
27-Jun-19	6,487	6,700	12m	Hold	Raghunandhan NL
24-Jun-19	6,460	6,700	12m	Hold	Raghunandhan NL
3-Jun-19	7,023	6,800	12m	Hold	Raghunandhan NL
29-May-19	6,891	6,800	12m	Hold	Raghunandhan NL
2-May-19	6,683	6,800	12m	Hold	Raghunandhan NL
25-Apr-19	6,905	6,800	12m	Hold	Raghunandhan NL
4-Apr-19	7,113	6,940	12m	Hold	Raghunandhan NL
4-Feb-19	6,988	6,940	12m	Buy	Raghunandhan NL
25-Jan-19	6,513	6,940	12m	Buy	Raghunandhan NL
26-Dec-18	7,569	8,300	12m	Buy	Raghunandhan NL

Source: Company, Emkay Research

## RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research

## Emkay Alpha Portfolio – Automobiles & Auto Ancillaries



### Analyst: Raghunandhan NL

#### Contact Details

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#### Sector

Automobiles and Ancillaries

#### Analyst bio

Raghu holds an MBA and comes with total 12 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>4.77</b>	<b>4.77</b>	<b>0%</b>	<b>0</b>	<b>100.00</b>
Amara Raja Batteries	0.05	0.04	-25%	-1	0.85
Apollo Tyres	0.00	0.00	NA	0	0.00
Ashok Leyland	0.20	0.21	10%	2	4.51
Atul Auto	0.00	0.00	NA	0	0.00
Bajaj Auto	0.47	0.47	0%	0	9.84
Bharat Forge	0.19	0.19	0%	0	4.00
Eicher Motors	0.34	0.34	0%	0	7.20
Escorts	0.00	0.00	NA	0	0.00
Exide Industries	0.08	0.06	-22%	-2	1.27
Hero Motocorp	0.33	0.33	0%	0	6.99
Mahindra & Mahindra	0.81	0.81	0%	0	17.06
Maruti Suzuki India	0.92	0.92	0%	0	19.33
Motherson Sumi	0.26	0.26	0%	0	5.43
Tata Motors	0.85	0.86	0%	0	17.94
Tata Motors DVR*	0.12	0.13	12%	1	2.79
TVS Motor	0.13	0.13	0%	0	2.79
<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
	1-Apr-19	27-Oct-20	27-Apr-21	27-Jul-21	24-Sep-21	26-Oct-21
EAP - Auto & Auto Ancillaries	100.0	91.6	115.9	120.3	123.0	137.8
BSE200 Neutral Weighted Portfolio (ETF)	100.0	93.8	116.2	119.7	122.4	136.8

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

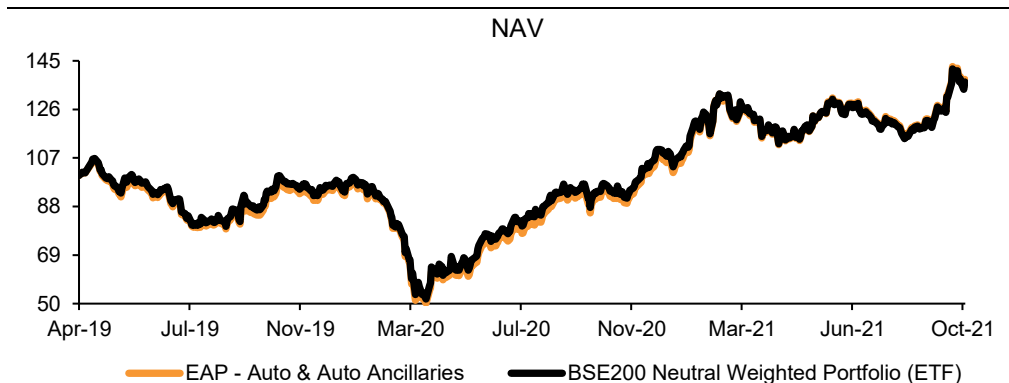
Source: Emkay Research

### Price Performance (%)

	1m	3m	6m	12m
EAP - Auto & Auto Ancillaries	12.0%	14.5%	18.8%	50.3%
BSE200 Neutral Weighted Portfolio (ETF)	11.7%	14.3%	17.7%	45.8%

Source: Emkay Research

### NAV chart



Source: Emkay Research

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

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

“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: 28 Oct 2021 03:06:41 (SGT)

Dissemination Date: 28 Oct 2021 03:07:41 (SGT)

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