

# TVS Motor

Refer to important disclosures at the end of this report

## Domestic volume recovery to drive future growth

- Q4FY22 EBITDA rose 4% yoy to Rs5.6bn, but was below our estimate of Rs6.1bn due to lower-than-expected gross margin. Revenues grew by 4% to Rs55.3bn, broadly in line with estimates.
- We retain our view of a turnaround in the domestic 2W industry in FY23E, with growth of 11%, and TVSL should gain share owing to its lower exposure to entry-level motorcycles. Our channel checks indicate that Q1FY23 volumes should see support from festive/marriage season demand and a recovery in student demand.
- Led by a recovery in domestic 2W volumes (14% CAGR), we expect a 13% CAGR in total volumes over FY22-24E. TVSL is aggressively focusing on the EV space, with multiple launches lined up in 2Ws/3Ws in the next two years, R&D collaboration with BMW and investment in electric bike maker Ultraviolette.
- We build in revenue/earnings CAGRs of 15%/27% for FY22-24E. Retain Buy with a TP of Rs770 (Rs740 earlier), based on 23x Jun'24E EPS (Mar'24E earlier) and the value of TVS credit services at Rs27/share.

- EBITDA below estimates:** Revenue grew by 4% yoy to Rs55.3bn, broadly in line with our estimate of Rs56.1bn. Volume declined by 8% and realizations grew by 13%. Gross margin contracted by 80bps yoy, though it was up 10bps qoq to 23.8%. Gross margin expansion was higher for other OEMs, such as Maruti Suzuki, Hero MotoCorp and Bajaj Auto. EBITDA grew by 4% to Rs5.6bn, 8% below our estimate, owing to lower-than-expected gross margins. Overall, PAT declined by 5% to Rs2.75bn (est.: Rs3.2bn).
- Increasing focus on EVs:** TVSL has lined up a series of launches in the next two years, targeted at segments such as premium scooters, high-performance sporty motorcycles, commuter space, delivery market and 3Ws. It expects to produce 10,000 units/month from Jun'22, which is set to further increase in the subsequent quarters. It sells iQube electric scooters in 33 cities and is planning to make the model available across the country.
- Retain Buy** with a TP of Rs770. Our positive stance is underpinned by: 1) expectations of a cyclical upturn in domestic 2Ws and the continuation of upward momentum in exports; 2) market share gains in domestic and overseas markets; and 3) margin expansion emanating from rising economies of scale and cost-cutting measures. **Key downside risks:** lower-than-expected demand in key geographies, increase in competitive intensity, failure of new products, further increase in commodity prices and adverse currency rates.

Please see our sector model portfolio (Emkay Alpha Portfolio): [Automobiles & Auto Ancillaries \(Page 9\)](#)

### Financial Snapshot (Standalone)

(Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	167,505	207,905	240,766	277,342	308,620
EBITDA	14,286	19,617	22,182	28,134	31,565
EBITDA Margin (%)	8.5	9.4	9.2	10.1	10.2
APAT	6,120	9,237	10,559	14,802	17,091
EPS (Rs)	12.9	19.4	22.2	31.2	36.0
EPS (% chg)	(0.9)	50.9	14.3	40.2	15.5
ROE (%)	15.7	20.5	20.3	24.3	23.8
P/E (x)	48.9	32.4	28.4	20.2	17.5
EV/EBITDA (x)	21.1	15.9	13.9	10.8	9.4
P/BV (x)	7.2	6.2	5.4	4.5	3.8

Source: Company, Emkay Research

<b>CMP</b>	<b>Target Price</b>
<b>Rs 630</b> as of (May 5, 2022)	<b>Rs 770 (▲)</b> 12 months
<b>Rating</b>	<b>Upside</b>
<b>BUY (■)</b>	<b>22.2 %</b>

### Change in Estimates

EPS Chg FY23E/FY24E (%)	(0.3)/(0.7)
Target Price change (%)	4.1
Target Period (Months)	12
Previous Reco	BUY

### Emkay vs Consensus

	EPS Estimates	
	FY23E	FY24E
Emkay	22.2	31.2
Consensus	26.0	31.7
Mean Consensus TP (12M)	Rs 715	

### Stock Details

Bloomberg Code	TVSL IN
Face Value (Rs)	1
Shares outstanding (mn)	475
52 Week H/L	814 / 495
M Cap (Rs bn/USD bn)	299 / 3.93
Daily Avg Volume (nos.)	2,275,472
Daily Avg Turnover (US\$ mn)	19.0

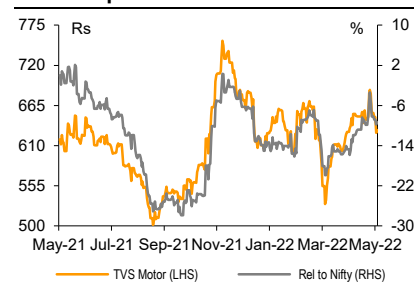
### Shareholding Pattern Mar '22

Promoters	50.8%
FIIIs	12.0%
DIIIs	28.5%
Public and Others	8.7%

### Price Performance

(%)	1M	3M	6M	12M
<b>Absolute</b>	(1)	(4)	(11)	4
<b>Rel. to Nifty</b>	6	1	(5)	(9)

### Relative price chart



Source: Bloomberg

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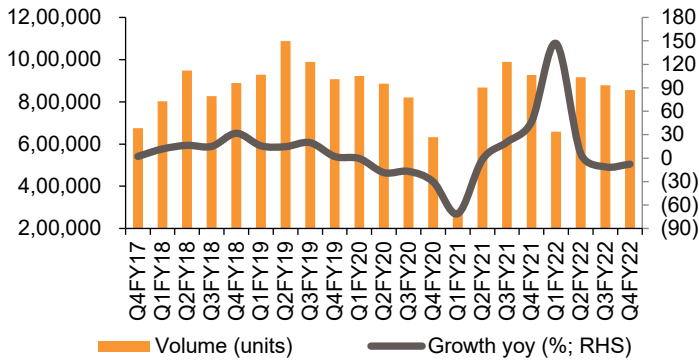
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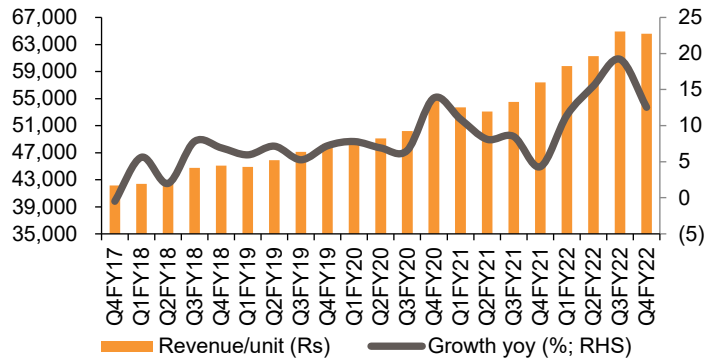
# Story in Charts

**Exhibit 1: Q4 volume stood at 856,446 units. Expect volume to see 13% CAGR in FY22-24E**



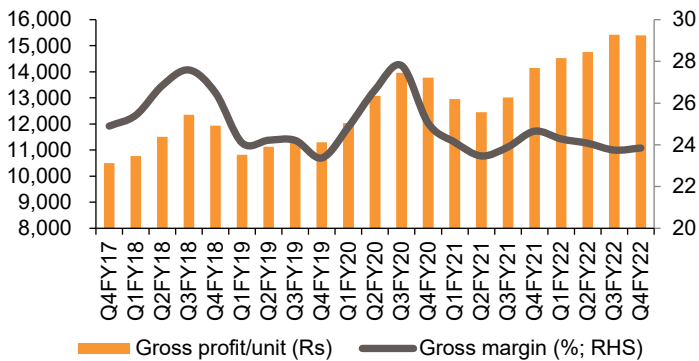
Source: Company, Emkay Research

**Exhibit 2: Revenue/unit grew by 13% to Rs64,573**



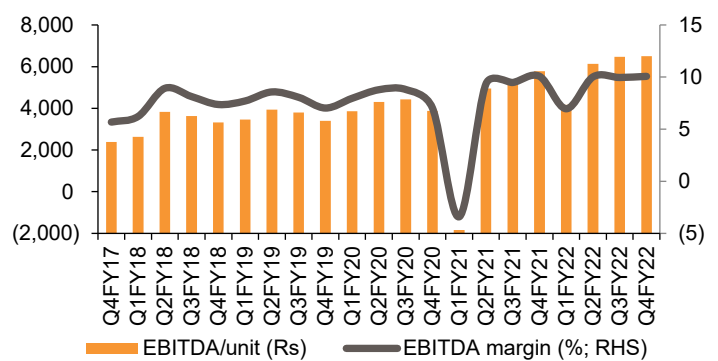
Source: Company, Emkay Research

**Exhibit 3: Gross margin declined by 80bps due to higher input costs**



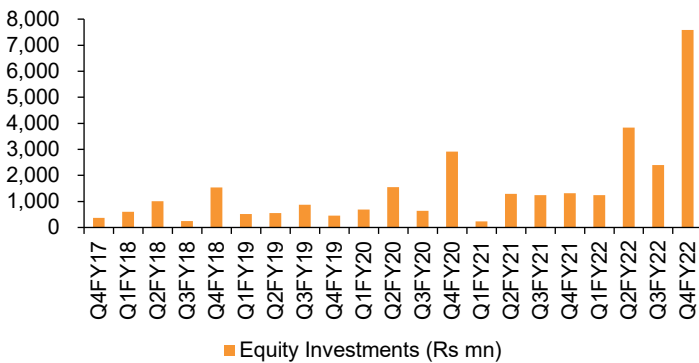
Source: Company, Emkay Research

**Exhibit 4: EBITDA margin stood at 10.1%, below estimates due to lower-than-expected gross margin**



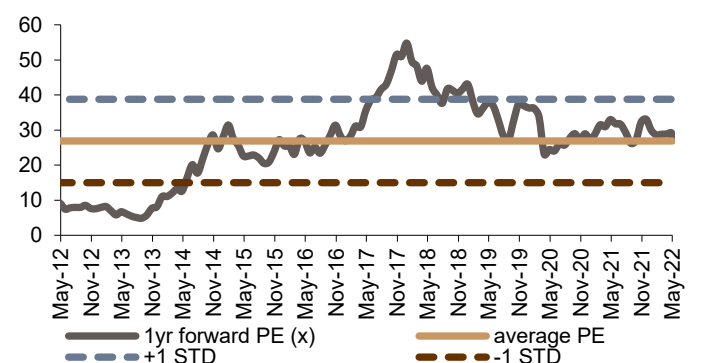
Source: Company, Emkay Research

**Exhibit 5: Investment in subsidiaries/associates stood at Rs7.6bn**



Source: Company, Emkay Research

**Exhibit 6: One-year forward P/E (average at 27x, +1 sd at 39x, -1 sd at 15x)**



Source: Company, Emkay Research

## Con-call highlights

### Outlook

- **FY23 domestic market growth** should be supported by a pick-up in rural demand and the continuation of urban demand. Demand improvement is expected in salaried, student and self-employed segments.
- **Exports:** Upward momentum is expected to continue on healthy demand and forex availability in key markets.
- **TVSL** expects to gain share on improving traction for Raider 125cc, Apache, Ntorq, HLX and Jupiter 125cc models.
- **Commodity inflation** impact is expected in Q1FY23, which should be partially offset by price hikes, INR depreciation benefits and cost savings.
- **Standalone capex** is planned at Rs7bn for FY23. **Investments** are expected to be lower in FY23.
- **Norton Motorcycles:** Expects commencement of production/sales in FY23. TVSL has invested GBP40-50mn, and another GBP50-60mn will be invested in the medium term.
- **E-cycles:** The focus is on the European markets in the near term, and in the medium term, these products are expected to be sold in other countries.

### Electric vehicles

- **TVSL** is planning a series of 2W/3W launches in the next 18 months.
- **iQube** scooter production is expected to increase to 10,000 units/month by Jun'22, and further increase is expected in the subsequent quarters. Currently, it is being sold in 33 cities, and the availability will be expanded to the entire country. The pending order book stands at 12,000 units.

### Q4FY22 highlights

- **Exports** grew by 10% yoy to Rs19bn.
- The **financing ratio** stood at 58%.
- **USD-INR** realization was Rs76/USD vs. Rs75/USD in Q3FY22 and Rs74.2 in Q4FY21.
- **Price hike** stood at 1.5%.
- **PT TVS:** Q4 2W volumes fell 15% yoy to 18,649 units, while 3W volumes grew 16% to 2,669 units. FY22 2W/3W volumes grew 46%/ 88% to 86,025/ 11,043 units. It has been profitable for the last two years, and further improvement is expected ahead.
- **TVS Credit Services:** The book size stands at Rs140bn, net worth at Rs18.7bn and Q4 PAT at Rs0.7bn.

## Exhibit 7: Volume assumptions

	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E	FY22-24E CAGR (%)
<b>Sales volume (units)</b>								
Motorcycles	1,014,923	755,391	627,656	707,563	804,002	936,670	1,015,827	15%
Scooters	1,241,366	1,018,427	919,325	866,851	993,160	1,201,648	1,334,729	18%
Mopeds	880,243	636,940	617,247	473,150	492,076	521,601	552,897	5%
3Ws	16,715	11,934	8,266	8,823	14,903	18,032	20,737	43%
<b>Total Domestic</b>	<b>3,153,247</b>	<b>2,422,692</b>	<b>2,172,494</b>	<b>2,056,387</b>	<b>2,304,141</b>	<b>2,677,952</b>	<b>2,924,190</b>	<b>14%</b>
Exports	761,738	840,768	879,369	1,253,191	1,388,406	1,513,362	1,649,565	10%
<b>Total volume</b>	<b>3,914,985</b>	<b>3,263,460</b>	<b>3,051,863</b>	<b>3,309,578</b>	<b>3,692,547</b>	<b>4,191,314</b>	<b>4,573,755</b>	<b>13%</b>
<b>YoY %</b>								
Motorcycles	10.7	(25.6)	(16.9)	12.7	13.6	16.5	8.5	
Scooters	12.9	(18.0)	(9.7)	(5.7)	14.6	21.0	11.1	
Mopeds	2.4	(27.6)	(3.1)	(23.3)	4.0	6.0	6.0	
3Ws	1.7	(28.6)	(30.7)	6.7	68.9	21.0	15.0	
<b>Total Domestic</b>	<b>9.0</b>	<b>(23.2)</b>	<b>(10.3)</b>	<b>(5.3)</b>	<b>12.0</b>	<b>16.2</b>	<b>9.2</b>	
Exports	32.7	10.4	4.6	42.5	10.8	9.0	9.0	
<b>Total volume</b>	<b>13.0</b>	<b>(16.6)</b>	<b>(6.5)</b>	<b>8.4</b>	<b>11.6</b>	<b>13.5</b>	<b>9.1</b>	
<b>Realization (Rs/unit)</b>								
	<b>46,529</b>	<b>50,327</b>	<b>54,886</b>	<b>62,819</b>	<b>65,198</b>	<b>66,160</b>	<b>67,464</b>	<b>3%</b>
YoY %	6.3	8.2	9.1	14.5	3.8	1.5	2.0	
<b>Revenue (Rs mn)</b>								
	<b>182,099</b>	<b>164,233</b>	<b>167,505</b>	<b>207,905</b>	<b>240,748</b>	<b>277,299</b>	<b>308,566</b>	<b>15%</b>
YoY %	20.0	(9.8)	2.0	24.1	15.8	15.2	11.3	

Source: Company, Emkay Research

## Exhibit 8: Changes in estimates

Rs mn	FY23E				FY24E				FY25E	
	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY	Introducing	% YoY
Volumes (Units)	3,651,921	3,692,547	1.1	11.6	4,173,343	4,191,314	0.4	13.5	4,573,755	9.1
Sales	239,450	240,748	0.5	15.8	276,732	277,299	0.2	15.2	308,566	11.3
EBITDA	22,195	22,179	(0.1)	13.1	28,218	28,128	(0.3)	26.8	31,556	12.2
Margin (%)	9.3	9.2	(6) bps	(22) bps	10.2	10.1	(5) bps	93 bps	10.2	8 bps
Net Profit	10,592	10,557	(0.3)	14.3	14,899	14,797	(0.7)	40.2	17,085	15.5
EPS	22.3	22.2	(0.3)	14.3	31.4	31.1	(0.7)	40.2	36.0	15.5

Source: Company, Emkay Research

## Exhibit 9: Actual vs. Estimates (Q4FY22)

(Rs mn)	Actual	Estimates		% Variation		Comment
		Emkay	Consensus	Emkay	Consensus	
Total Revenue	55,303	56,098	56,026	(1.4)	(1.3)	Broadly in line with estimates
EBITDA	5,568	6,086	5,601	(8.5)	(0.6)	Below estimates due to lower-than-expected gross margins
EBITDA Margin (%)	10.1	10.8	10.0	(78) bps	7 bps	
Adjusted net profit	2,745	3,208	2,832	(14.4)	(3.1)	Below estimates due to lower operating profit

Source: Bloomberg, Company, Emkay Research

**Exhibit 10: Quarterly financial summary**

Rs mn	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	YoY (%)	QoQ (%)	FY22	FY21	YoY (%)
<b>Revenue</b>	<b>53,219</b>	<b>39,344</b>	<b>56,194</b>	<b>57,064</b>	<b>55,303</b>	<b>3.9</b>	<b>(3.1)</b>	<b>207,905</b>	<b>167,505</b>	<b>24.1</b>
<b>Expenditure</b>	<b>47,858</b>	<b>36,606</b>	<b>50,565</b>	<b>51,382</b>	<b>49,735</b>	<b>3.9</b>	<b>(3.2)</b>	<b>188,288</b>	<b>153,220</b>	<b>22.9</b>
as % of sales	89.9	93.0	90.0	90.0	89.9			90.6	91.5	
Consumption of RM	40,098	29,790	42,665	43,512	42,115	5.0	(3.2)	158,082	127,239	24.2
as % of sales	75.3	75.7	75.9	76.3	76.2			76.0	76.0	
Employee Cost	2,681	2,609	2,957	2,957	2,841	6.0	(3.9)	11,364	9,485	19.8
as % of sales	5.0	6.6	5.3	5.2	5.1			5.5	5.7	
Other expenditure	5,079	4,207	4,943	4,912	4,780	(5.9)	(2.7)	18,842	16,497	14.2
as % of sales	9.5	10.7	8.8	8.6	8.6			9.1	9.8	
<b>EBITDA</b>	<b>5,361</b>	<b>2,738</b>	<b>5,629</b>	<b>5,683</b>	<b>5,568</b>	<b>3.9</b>	<b>(2.0)</b>	<b>19,617</b>	<b>14,286</b>	<b>37.3</b>
Depreciation	1,366	1,431	1,544	1,546	1,593	16.6	3.0	6,114	4,937	23.9
<b>EBIT</b>	<b>3,995</b>	<b>1,307</b>	<b>4,084</b>	<b>4,136</b>	<b>3,975</b>	<b>(0.5)</b>	<b>(3.9)</b>	<b>13,503</b>	<b>9,349</b>	<b>44.4</b>
Other Income	69	16	35	57	82	17.9	42.8	190	330	(42.4)
Interest	195	300	350	279	330	69.0	18.3	1,259	1,416	(11.1)
<b>PBT</b>	<b>3,869</b>	<b>1,023</b>	<b>3,769</b>	<b>3,915</b>	<b>3,727</b>	<b>(3.7)</b>	<b>(4.8)</b>	<b>12,434</b>	<b>8,262</b>	<b>50.5</b>
Total Tax	977	190	993	1,031	982	0.5	(4.8)	3,197	2,142	49.2
<b>Adjusted PAT</b>	<b>2,892</b>	<b>833</b>	<b>2,776</b>	<b>2,883</b>	<b>2,745</b>	<b>(5.1)</b>	<b>(4.8)</b>	<b>9,237</b>	<b>6,120</b>	<b>50.9</b>
<b>Extra ordinary items</b>	<b>-</b>	<b>(302)</b>	<b>-</b>	<b>-</b>	<b>-</b>			<b>(302)</b>	<b>-</b>	
<b>Reported PAT</b>	<b>2,892</b>	<b>531</b>	<b>2,776</b>	<b>2,883</b>	<b>2,745</b>	<b>(5.1)</b>	<b>(4.8)</b>	<b>8,936</b>	<b>6,120</b>	<b>46.0</b>
<b>Adjusted EPS</b>	<b>6.09</b>	<b>1.75</b>	<b>5.84</b>	<b>6.07</b>	<b>5.78</b>	<b>(5.1)</b>	<b>(4.8)</b>	<b>19.4</b>	<b>12.9</b>	<b>50.9</b>

<b>Margins (%)</b>						<b>(bps)</b>	<b>(bps)</b>			<b>(bps)</b>
EBIDTA	10.1	7.0	10.0	10.0	10.1	(1)	11	9.4	8.5	91
EBIT	7.5	3.3	7.3	7.2	7.2	(32)	(6)	6.5	5.6	91
EBT	7.3	2.6	6.7	6.9	6.7	(53)	(12)	6.0	4.9	105
PAT	5.4	2.1	4.9	5.1	5.0	(47)	(9)	4.4	3.7	79
Effective Tax rate	25.2	18.6	26.3	26.3	26.3	110	(0)	25.7	25.9	(22)

Source: Company, Emkay Research

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

Y/E Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
<b>Revenue</b>	<b>167,505</b>	<b>207,905</b>	<b>240,766</b>	<b>277,342</b>	<b>308,620</b>
<b>Expenditure</b>	<b>153,220</b>	<b>188,288</b>	<b>218,584</b>	<b>249,208</b>	<b>277,055</b>
<b>EBITDA</b>	<b>14,286</b>	<b>19,617</b>	<b>22,182</b>	<b>28,134</b>	<b>31,565</b>
Depreciation	4,937	6,114	6,824	7,504	8,244
<b>EBIT</b>	<b>9,349</b>	<b>13,503</b>	<b>15,358</b>	<b>20,630</b>	<b>23,321</b>
Other Income	330	190	228	390	514
Interest expenses	1,416	1,259	1,507	1,285	1,047
<b>PBT</b>	<b>8,262</b>	<b>12,434</b>	<b>14,078</b>	<b>19,736</b>	<b>22,788</b>
Tax	2,142	3,197	3,520	4,934	5,697
Extraordinary Items	0	(302)	0	0	0
Minority Int./Income from Assoc.	0	0	0	0	0
<b>Reported Net Income</b>	<b>6,120</b>	<b>8,936</b>	<b>10,559</b>	<b>14,802</b>	<b>17,091</b>
<b>Adjusted PAT</b>	<b>6,120</b>	<b>9,237</b>	<b>10,559</b>	<b>14,802</b>	<b>17,091</b>

**Balance Sheet**

Y/E Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Equity share capital	475	475	475	475	475
Reserves & surplus	41,234	47,745	55,137	65,498	77,462
<b>Net worth</b>	<b>41,710</b>	<b>48,220</b>	<b>55,612</b>	<b>65,973</b>	<b>77,937</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>11,772</b>	<b>17,006</b>	<b>16,487</b>	<b>12,058</b>	<b>11,215</b>
Net deferred tax liability	1,955	1,979	2,101	2,273	2,471
<b>Total Liabilities</b>	<b>55,436</b>	<b>67,205</b>	<b>74,199</b>	<b>80,304</b>	<b>91,622</b>
<b>Net block</b>	<b>30,104</b>	<b>33,066</b>	<b>36,087</b>	<b>36,382</b>	<b>36,139</b>
<b>Investment</b>	<b>33,145</b>	<b>47,160</b>	<b>52,160</b>	<b>57,160</b>	<b>68,160</b>
<b>Current Assets</b>	<b>35,939</b>	<b>34,007</b>	<b>39,923</b>	<b>45,144</b>	<b>49,934</b>
Cash & bank balance	9,298	4,013	5,189	5,133	5,410
Other Current Assets	4,910	7,560	8,755	10,085	11,222
<b>Current liabilities &amp; Provision</b>	<b>46,539</b>	<b>51,273</b>	<b>55,370</b>	<b>59,982</b>	<b>64,210</b>
<b>Net current assets</b>	<b>(10,600)</b>	<b>(17,266)</b>	<b>(15,447)</b>	<b>(14,838)</b>	<b>(14,276)</b>
Misc. exp	0	0	0	0	0
<b>Total Assets</b>	<b>55,436</b>	<b>67,205</b>	<b>74,199</b>	<b>80,304</b>	<b>91,622</b>

**Cash Flow**

Y/E Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
<b>PBT (Ex-Other income) (NI+Dep)</b>	<b>7,933</b>	<b>11,942</b>	<b>13,851</b>	<b>19,346</b>	<b>22,274</b>
Other Non-Cash items	0	0	0	0	0
Chg in working cap	12,918	(962)	(909)	(925)	(456)
<b>Operating Cashflow</b>	<b>25,279</b>	<b>14,786</b>	<b>16,756</b>	<b>21,435</b>	<b>25,095</b>
Capital expenditure	(5,557)	(7,279)	(7,000)	(8,000)	(8,000)
<b>Free Cash Flow</b>	<b>19,722</b>	<b>7,507</b>	<b>9,756</b>	<b>13,435</b>	<b>17,095</b>
Investments	(3,956)	(14,240)	(5,000)	(5,000)	(11,000)
Other Investing Cash Flow	307	109	0	0	0
<b>Investing Cashflow</b>	<b>(8,876)</b>	<b>(21,221)</b>	<b>(11,772)</b>	<b>(12,610)</b>	<b>(18,486)</b>
Equity Capital Raised	0	0	0	0	0
Loans Taken / (Repaid)	(9,615)	4,813	(519)	(4,429)	(844)
Dividend paid (incl tax)	(998)	(1,904)	(3,168)	(4,441)	(5,127)
Other Financing Cash Flow	446	(529)	1,386	1,273	687
<b>Financing Cashflow</b>	<b>(11,296)</b>	<b>1,150</b>	<b>(3,808)</b>	<b>(8,881)</b>	<b>(6,332)</b>
<b>Net chg in cash</b>	<b>5,106</b>	<b>(5,285)</b>	<b>1,176</b>	<b>(56)</b>	<b>278</b>
Opening cash position	4,192	9,298	4,013	5,189	5,133
<b>Closing cash position</b>	<b>9,298</b>	<b>4,013</b>	<b>5,189</b>	<b>5,133</b>	<b>5,410</b>

Source: Company, Emkay Research

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**Key Ratios**

<b>Profitability (%)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23E</b>	<b>FY24E</b>	<b>FY25E</b>
EBITDA Margin	8.5	9.4	9.2	10.1	10.2
EBIT Margin	5.6	6.5	6.4	7.4	7.6
Effective Tax Rate	25.9	25.7	25.0	25.0	25.0
Net Margin	3.7	4.4	4.4	5.3	5.5
ROCE- (post tax)	12.8	16.7	16.5	20.4	20.8
ROE	15.7	20.5	20.3	24.3	23.8
RoIC- (post tax)	34.5	69.9	70.2	88.9	97.2

<b>Per Share Data (Rs)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23E</b>	<b>FY24E</b>	<b>FY25E</b>
EPS	12.9	19.4	22.2	31.2	36.0
CEPS	23.3	32.3	36.6	47.0	53.3
BVPS	87.8	101.5	117.1	138.9	164.0
DPS	3.5	3.8	6.7	9.3	10.8

<b>Valuations (x)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23E</b>	<b>FY24E</b>	<b>FY25E</b>
PER	48.9	32.4	28.4	20.2	17.5
P/CEPS	27.1	19.5	17.2	13.4	11.8
P/BV	7.2	6.2	5.4	4.5	3.8
EV / Sales	1.8	1.5	1.3	1.1	1.0
EV / EBITDA	21.1	15.9	13.9	10.8	9.4
Dividend Yield (%)	0.6	0.6	1.1	1.5	1.7

<b>Gearing Ratio (x)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23E</b>	<b>FY24E</b>	<b>FY25E</b>
Net Debt/ Equity	0.1	0.2	0.2	0.1	0.0
Net Debt/EBIDTA	0.2	0.6	0.5	0.2	0.0
Working Cap Cycle (days)	(43.4)	(37.4)	(31.3)	(26.3)	(23.3)

<b>Growth (%)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23E</b>	<b>FY24E</b>	<b>FY25E</b>
Revenue	2.0	24.1	15.8	15.2	11.3
EBITDA	6.1	37.3	13.1	26.8	12.2
EBIT	9.1	44.4	13.7	34.3	13.0
PAT	3.3	46.0	18.2	40.2	15.5

<b>Quarterly (Rs mn)</b>	<b>Q4FY21</b>	<b>Q1FY22</b>	<b>Q2FY22</b>	<b>Q3FY22</b>	<b>Q4FY22</b>
Revenue	53,219	39,344	56,194	57,064	55,303
EBITDA	5,361	2,738	5,629	5,683	5,568
<b>EBITDA Margin (%)</b>	<b>10.1</b>	<b>7.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.1</b>
PAT	2,892	833	2,776	2,883	2,745
<b>EPS (Rs)</b>	<b>6.1</b>	<b>1.8</b>	<b>5.8</b>	<b>6.1</b>	<b>5.8</b>

Source: Company, Emkay Research

<b>Shareholding Pattern (%)</b>	<b>Mar-21</b>	<b>Jun-21</b>	<b>Sep-21</b>	<b>Dec-21</b>	<b>Mar-22</b>
Promoters	57.4	52.3	52.3	52.3	50.8
FIIs	12.3	14.0	12.8	12.9	12.0
DII	20.9	24.3	25.2	25.5	28.5
Public and Others	9.4	9.5	9.8	9.4	8.7

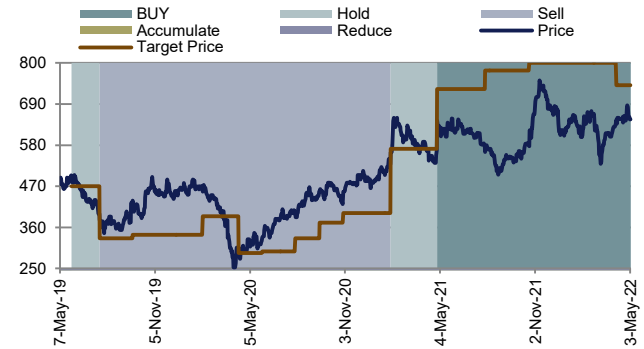
Source: Capitaline

## RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
6-Apr-22	648	740	12m	Buy	Raghunandhan NL
24-Feb-22	619	800	12m	Buy	Raghunandhan NL
8-Feb-22	657	800	12m	Buy	Raghunandhan NL
21-Oct-21	577	800	12m	Buy	Raghunandhan NL
29-Jul-21	562	780	12m	Buy	Raghunandhan NL
16-Jul-21	612	730	12m	Buy	Raghunandhan NL
2-Jul-21	612	730	12m	Buy	Raghunandhan NL
18-Jun-21	610	730	12m	Buy	Raghunandhan NL
1-Jun-21	613	730	12m	Buy	Raghunandhan NL
30-May-21	620	730	12m	Buy	Raghunandhan NL
28-Apr-21	646	730	12m	Buy	Raghunandhan NL
29-Jan-21	561	570	12m	Hold	Raghunandhan NL
30-Oct-20	456	398	12m	Sell	Raghunandhan NL
11-Oct-20	472	373	12m	Sell	Raghunandhan NL
28-Sep-20	471	373	12m	Sell	Raghunandhan NL
15-Sep-20	455	373	12m	Sell	Raghunandhan NL
28-Aug-20	450	331	12m	Sell	Raghunandhan NL
30-Jul-20	402	331	12m	Sell	Raghunandhan NL
29-Jun-20	378	296	12m	Sell	Raghunandhan NL
28-May-20	333	296	12m	Sell	Raghunandhan NL
4-May-20	310	291	12m	Sell	Raghunandhan NL
13-Apr-20	290	291	12m	Sell	Raghunandhan NL
27-Feb-20	440	390	12m	Sell	Raghunandhan NL
4-Feb-20	455	390	12m	Sell	Raghunandhan NL
30-Jan-20	470	340	12m	Sell	Raghunandhan NL
27-Dec-19	465	340	12m	Sell	Raghunandhan NL
27-Nov-19	472	340	12m	Sell	Raghunandhan NL
1-Nov-19	469	340	12m	Sell	Raghunandhan NL
30-Oct-19	495	340	12m	Sell	Raghunandhan NL
17-Oct-19	440	340	12m	Sell	Raghunandhan NL
1-Oct-19	420	340	12m	Sell	Raghunandhan NL
26-Sep-19	418	340	12m	Sell	Raghunandhan NL
23-Sep-19	432	340	12m	Sell	Raghunandhan NL
3-Sep-19	361	331	12m	Sell	Raghunandhan NL
28-Aug-19	360	331	12m	Sell	Raghunandhan NL
22-Jul-19	380	331	12m	Sell	Raghunandhan NL
1-Jul-19	436	470	12m	Hold	Raghunandhan NL
27-Jun-19	429	470	12m	Hold	Raghunandhan NL
3-Jun-19	500	470	12m	Hold	Raghunandhan NL
29-May-19	487	470	12m	Hold	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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+91 22 6624 2428

#### Sector

Automobiles and Ancillaries

#### Analyst bio

Raghu holds an MBA and comes with total 13 years of research experience. His team currently covers 17 stocks in the Indian Automobiles and Ancillaries space.

### EAP sector portfolio

Company Name	BSE200 Weight	EAP Weight	OW/UW (%)	OW/UW (bps)	EAP Weight based on Current NAV	Change vs last published EAP (bps)
<b>Auto &amp; Auto Ancillaries</b>	<b>4.42</b>	<b>4.42</b>	<b>0%</b>	<b>0</b>	<b>100.00</b>	
Amara Raja Batteries	0.00	0.00	NA	0	0.00	0
Apollo Tyres	0.00	0.00	NA	0	0.00	0
Ashok Leyland	0.18	0.18	0%	0	4.09	-31
Atul Auto	0.00	0.00	NA	0	0.00	0
Bajaj Auto	0.48	0.38	-20%	-10	8.64	-296
Bharat Forge	0.18	0.18	0%	0	4.02	-58
Eicher Motors	0.36	0.36	0%	0	8.21	12
Escorts	0.00	0.02	NA	2	0.40	40
Exide Industries	0.00	0.00	NA	0	0.00	0
Hero Motocorp	0.32	0.32	0%	0	7.28	25
Mahindra & Mahindra	0.87	0.89	2%	2	20.20	528
Maruti Suzuki India	1.02	1.04	2%	2	23.47	-63
Motherson Sumi	0.00	0.00	NA	0	0.00	0
Motherson Sumi Wiring India	0.00	0.02	NA	2	0.41	-9
Tata Motors	0.76	0.77	2%	1	17.50	-92
Tata Motors DVR*	0.10	0.11	10%	1	2.50	-16
TVS Motor	0.14	0.14	0%	0	3.27	-40
<b>Cash</b>	<b>0.00</b>	<b>0.00</b>	<b>NA</b>	<b>0</b>	<b>0.0</b>	<b>0</b>

Source: Emkay Research

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

### Sector portfolio NAV

	Base					Latest
	1-Apr-19	5-May-21	3-Nov-21	4-Feb-22	5-Apr-22	4-May-22
EAP - Auto & Auto Ancillaries	100.0	114.7	136.6	138.6	131.2	127.2
BSE200 Neutral Weighted Portfolio (ETF)	100.0	115.2	135.7	137.5	130.4	126.9

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

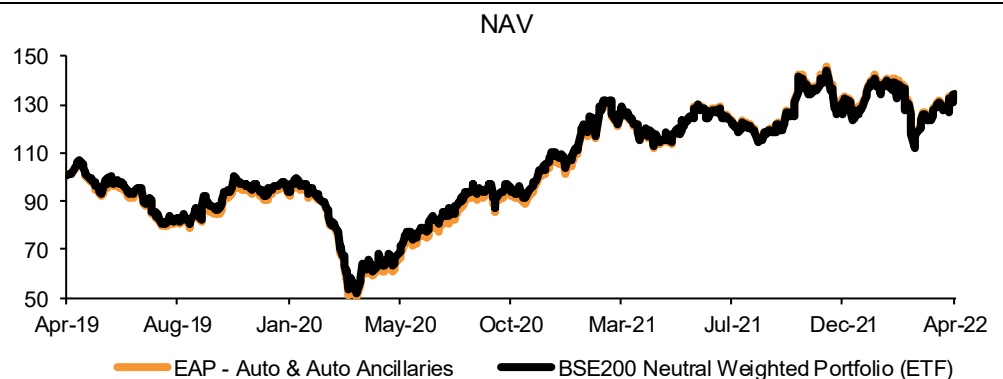
Source: Emkay Research

### Price Performance (%)

	1m	3m	6m	12m
EAP - Auto & Auto Ancillaries	-3.1%	-8.2%	-6.9%	10.9%
BSE200 Neutral Weighted Portfolio (ETF)	-2.7%	-7.7%	-6.5%	10.1%

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”

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

Completed Date: 06 May 2022 01:18:37 (SGT)

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