

# Bajaj Auto

Refer to important disclosures at the end of this report

## Muted export outlook remains a concern; Maintain Hold

- BJAUT's Q1 EBITDA fell 5% qoq (3-yr CAGR: 3%) to Rs13bn but was 4% above our estimate due to the revenue beat. Though revenue was flat (3-yr CAGR: 1%) at Rs80bn, it also came in 4% above estimates on higher revenues from spares and better model mix.
- We expect a 7% volume CAGR in FY22-24, which is lower than the 12-13% CAGR for peers such as TVSL and HMCL, mainly due to subdued exports. We expect exports to decline by 2% in FY23, owing to adverse currency movements, high inflation and unfavorable government policies in Africa and the Middle East.
- We expect domestic volumes to see an FY22-24 CAGR of 13%, driven by the reopening of offices/educational institutions, better finance availability and favorable base effect. EV sales should improve in subsequent quarters on new products (3Ws, swappable battery vehicles, etc.), improving product availability in more cities and production ramp-up.
- We increase FY22-25 EPS estimates by 2%, factoring a decline in share capital by ~2% (assuming buy-back at ~Rs3,900/share). Maintain Buy with a TP of Rs4,200 (Rs4,100 earlier), based on 17x Sep'24E Core EPS (Jun'24E earlier), value of investments at Rs178/share and cash reserves of Rs639/share.

- **EBITDA beat of 4%:** Revenues were flat qoq (3-yr CAGR: 1%) at Rs80bn but came in 4% above our estimates, thanks to better-than-expected spare-part revenues and a favorable variant mix within models. Spare-part revenue as a percentage of total revenue rose to 13% from 12% in Q4FY22 and 10% in Q1FY22. EBITDA declined by 5% (3-yr CAGR: 3%) to Rs13bn, but was 4% above estimates on revenue beat. EBITDA margin stood at 16.2%, in line with expectations. Other income grew by 11% to Rs3.2bn, while depreciation fell by 3% to Rs673mn. Thus, adjusted PAT declined by 4% to Rs11.7bn, but was 5% above estimates. Cash reserves stood at Rs205.1bn in Jun'22 vs. Rs190.9bn in Mar'22. A portion of the cash reserves is being utilized for the ongoing Rs25bn share buyback. Q1 results of associate company Pierer Bajaj AG were not available, and they will henceforth be accounted for on a half-yearly basis. This is due to the difference in regulations in India and Europe relating to the frequency of disclosure of results.

- **Maintain Hold:** BJAUT remains a key beneficiary of the domestic 2W/3W upcycle, but we expect its total volume growth to be lower than peers due to subdued exports. We retain Hold with a TP of Rs4,200. Key downside risks: lower-than-expected demand in key geographies, failure of new products, rise in competitive intensity and adverse movement in commodity/currency rates.

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

### Financial Snapshot (Standalone)

(Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	277,411	331,447	365,897	418,904	465,370
EBITDA	49,285	52,586	62,022	73,675	82,421
EBITDA Margin (%)	17.8	15.9	17.0	17.6	17.7
APAT	45,546	47,761	54,148	62,365	68,821
EPS (Rs)	157.4	165.1	191.4	220.4	243.2
EPS (% chg)	(10.7)	4.9	15.9	15.2	10.4
ROE (%)	20.2	18.4	21.1	24.9	26.8
P/E (x)	24.7	23.5	20.3	17.6	16.0
EV/EBITDA (x)	18.6	17.3	14.8	12.5	11.2
P/BV (x)	4.5	4.2	4.4	4.3	4.2

Source: Company, Emkay Research

CMP	Target Price
Rs 3,884 as of (July 27, 2022)	Rs 4,200 (▲) 12 months
Rating	Upside
HOLD (■)	8.1 %

### Change in Estimates

EPS Chg FY23E/FY24E (%)	2.0/1.9
Target Price change (%)	2.4
Target Period (Months)	12
Previous Reco	HOLD

### Emkay vs Consensus

EPS Estimates		
	FY23E	FY24E
Emkay	191.4	220.4
Consensus	196.2	230.3
Mean Consensus TP (12M)	Rs 4,187	

### Stock Details

Bloomberg Code	BJAUT IN
Face Value (Rs)	10
Shares outstanding (mn)	289
52 Week H/L	4,092 / 3,027
M Cap (Rs bn/USD bn)	1,124 / 14.07
Daily Avg Volume (nos.)	607,605
Daily Avg Turnover (US\$ mn)	28.8

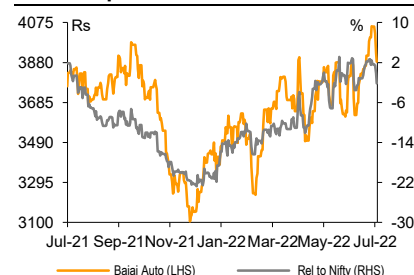
### Shareholding Pattern Jun '22

Promoters	53.8%
FIIs	11.2%
DIIIs	12.4%
Public and Others	22.7%

### Price Performance

(%)	1M	3M	6M	12M
Absolute	1	(1)	11	2
Rel. to Nifty	(4)	2	14	(4)

### Relative price chart



Source: Bloomberg

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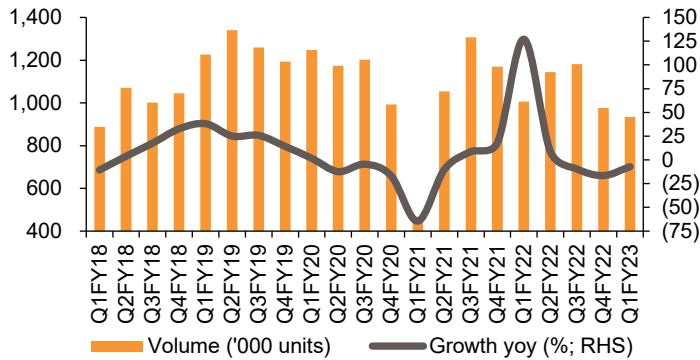
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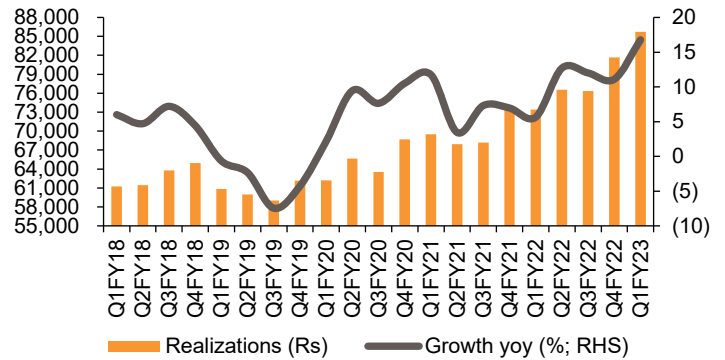
# Story in Charts

**Exhibit 1: Q1 volume declined by 4% qoq to 933,646 units; Expect volume CAGR of 7% over FY22-24E**



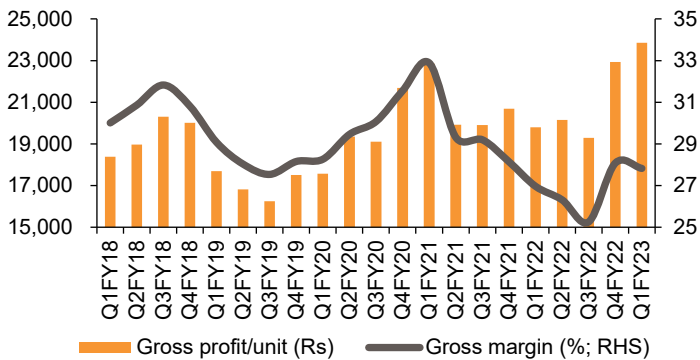
Source: Company, Emkay Research

**Exhibit 2: Revenue/unit grew by 5% to Rs85,739, above estimates due to higher spares and better mix within models**



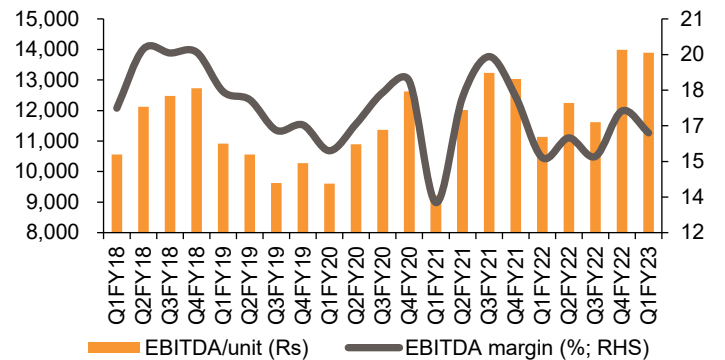
Source: Company, Emkay Research

**Exhibit 3: Gross margin declined by 30bps due to commodity inflation, partially negated by price hikes and currency depreciation benefits**



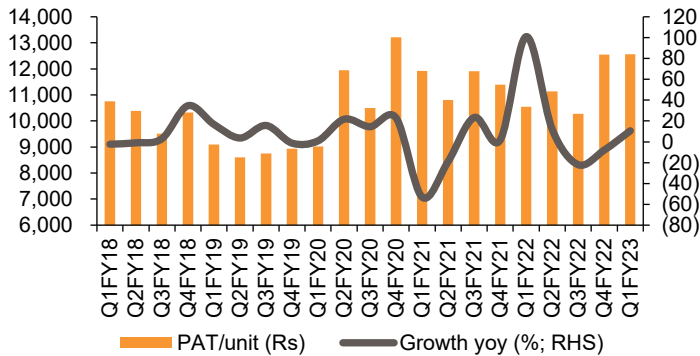
Source: Bloomberg, Emkay Research

**Exhibit 4: EBITDA margin at 16.2%, in line with estimates**



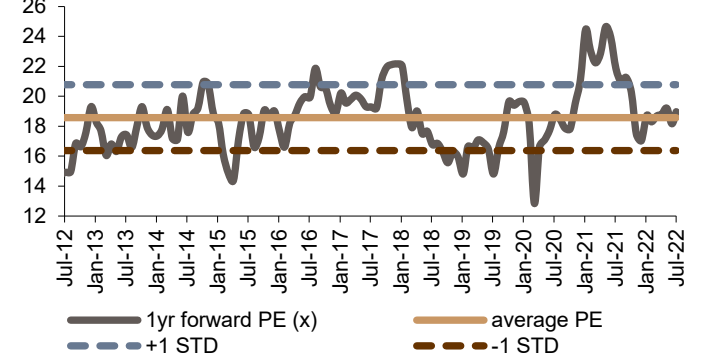
Source: Company, Emkay Research

**Exhibit 5: PAT was flat qoq; Expect earnings CAGR of 14% over FY22-24E**



Source: Company, Emkay Research

**Exhibit 6: One-year forward P/E (average at 19x, +1 sd at 21x, -1 sd at 16x)**



Source: Company, Emkay Research

## Earnings call highlights

- Demand Outlook:** The company expects positive growth in comparison to normalized historical volumes in the domestic market. Growth is expected to be better in the 125cc category in comparison with the 100cc category. The exports are likely to be soft in Q2FY23 due to weak demand in Africa, which contributes to 50-55% of volumes.
- Margin outlook for Q2FY23:** Commodity hit of 100-150bps qoq is expected, as the complete impact was not taken in Q1FY23 and prices of crude derivatives and precious metals remain firm.
- Electric Vehicles:** 1) E-3W product trials are underway in Pune and Delhi, and the launch may happen in the next quarter; 2) E-2W availability has been expanded to 27 cities, and further expansion to 100 cities is expected with production ramp-up; 3) Production in the E-2W plant in Akurdi will be ramped up over next 18-24 months. Capacity stands 0.5mn units per annum; 4) The company is working on new products with a focus on B2B and swappable batteries, which will be rolled out in 3 months; and 5) TCO of E-3W is comparable or lower than that of CNG vehicles, whereas it is at 50-75% levels of diesel vehicles.

### Q1FY23 highlights

- Supply issues** have impacted domestic dispatches by 40% and exports were hit by a small extent. Due to the ECU supply shortfall, there was a 20-25% impact on total dispatches. Supplies have improved in Jul'22 and further improvement is expected ahead.
- Exports have grown in ASEAN and Latin America regions, but have declined in Africa due to adverse currency movements and forex availability issues.
- Exports declined ~5% yoy to Rs42.7bn. USD-INR exchange rate was at Rs77.4/USD.
- Dealer inventories** have reduced to 3 weeks as of Jun'22. Inventories will increase in the coming months. The normal level of inventory is 6 weeks.
- Premiumization:** The company continues to work toward increasing the share of high-margin models in its product portfolio.
- Spare-part revenues** grew 40% yoy to Rs10.35bn, with the domestic market contributing 75% of it.
- Competitors** have started offering discounts to support vehicle sales.
- Financing ratio** stands at 56%, with 37% of it from Bajaj Finance.

### Exhibit 7: Key revenue assumptions; Expect revenue CAGR of 12% over FY22-24E

Volumes (units)	FY20	FY21	FY22	FY23E	FY24E	FY25E	CAGR (%) FY22-24E
Domestic 2Ws	2,078,348	1,809,375	1,641,084	1,789,452	2,068,081	2,214,204	12
Growth (%)	(18.2)	(12.9)	(9.3)	9.0	15.6	7.1	
Export 2Ws	1,869,220	1,796,518	2,195,772	2,199,603	2,375,572	2,565,617	4
Growth (%)	10.2	(3.9)	22.2	0.2	8.0	8.0	
Domestic 3Ws/Quadracycles	365,759	109,292	160,723	197,013	240,329	276,359	22
Growth (%)	(8.4)	(70.1)	47.1	22.6	22.0	15.0	
Export 3Ws/Quadracycles	301,885	257,729	310,854	264,698	285,874	308,744	(4)
Growth (%)	(21.2)	(14.6)	20.6	(14.8)	8.0	8.0	
<b>Total volumes</b>	<b>4,615,212</b>	<b>3,972,914</b>	<b>4,308,433</b>	<b>4,450,766</b>	<b>4,969,855</b>	<b>5,364,924</b>	<b>7</b>
Growth (%)	(8.1)	(13.9)	8.4	3.3	11.7	7.9	
Realizations (Rs/unit)	64,826	69,826	76,930	82,210	84,289	86,743	5
Growth (%)	7.2	7.7	10.2	6.9	2.5	2.9	
<b>Revenues (Rsmn)</b>	<b>299,187</b>	<b>277,411</b>	<b>331,447</b>	<b>365,897</b>	<b>418,904</b>	<b>465,370</b>	<b>12</b>
Growth (%)	(1.4)	(7.3)	19.5	10.4	14.5	11.1	

Source: Company, Emkay Research

## Exhibit 8: Changes in estimates

Rs mn	FY23E				FY24E				FY25E			
	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY
Volumes (Units)	4,504,064	4,450,766	(1.2)	3.3	5,027,417	4,969,855	(1.1)	11.7	5,427,090	5,364,924	(1.1)	7.9
Revenues	364,405	365,897	0.4	10.4	417,288	418,904	0.4	14.5	463,636	465,370	0.4	11.1
EBITDA	61,471	62,022	0.9	17.9	72,471	73,675	1.7	18.8	81,065	82,421	1.7	11.9
Margin (%)	16.9	17.0	8 bps	108 bps	17.4	17.6	22 bps	64 bps	17.5	17.7	23 bps	12 bps
Net Profit	54,313	54,148	(0.3)	13.4	62,558	62,365	(0.3)	15.2	68,912	68,821	(0.1)	10.4
EPS	187.7	191.4	2.0	15.9	216.2	220.4	1.9	15.2	238.1	243.2	2.1	10.4

Source: Emkay Research

## Exhibit 9: SOTP at Rs4,200

	Basis of Valuation	Equity Value (Rs mn)
Core business	17x Sep'24E EPS	958,279
Investment in Pierer Mobility/KTM	20% holding discount to Mcap	50,419
Cash reserves		180,949
<b>Total Equity value</b>		<b>1,189,647</b>
<b>Total Equity value/ share</b>		<b>4,204</b>
<b>Target Price (Rounded off)</b>		<b>4,200</b>

Source: Emkay Research

## Exhibit 10: Actual vs. Estimates (Q1FY23)

(Rs mn)	Actual	Estimates		% Variation		Comment
		Emkay	Consensus	Emkay	Consensus	
Total Revenue	80,050	76,744	78,654	4.3	1.8	Above estimates due to higher spares and better mix within models.
EBITDA	12,970	12,447	12,096	4.2	7.2	Above estimates owing to revenue beat
EBITDA Margin (%)	16.2	16.2	15.4	(2) bps	82 bps	
Adjusted net profit	11,733	11,175	10,882	5.0	7.8	Above estimates owing to higher operating profit

Source: Bloomberg, Company, Emkay Research

## Exhibit 11: Quarterly performance

Rs mn	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	YoY (%)	QoQ(%)
<b>Revenue</b>	<b>73,860</b>	<b>87,622</b>	<b>90,217</b>	<b>79,748</b>	<b>80,050</b>	<b>8.4</b>	<b>0.4</b>
<b>Expenditure</b>	<b>62,663</b>	<b>73,611</b>	<b>76,495</b>	<b>66,092</b>	<b>67,080</b>	<b>7.0</b>	<b>1.5</b>
as % of sales	84.8	84.0	84.8	82.9	83.8		
Consumption of RM	53,944	64,565	67,433	57,357	57,776	7.1	0.7
as % of sales	73.0	73.7	74.7	71.9	72.2		
Employee Cost	3,615	3,516	3,399	3,059	3,796	5.0	24.1
as % of sales	4.9	4.0	3.8	3.8	4.7		
Other expenditure	5,103	5,530	5,664	5,677	5,507	7.9	(3.0)
as % of sales	6.9	6.3	6.3	7.1	6.9		
<b>EBITDA</b>	<b>11,198</b>	<b>14,011</b>	<b>13,721</b>	<b>13,656</b>	<b>12,970</b>	<b>15.8</b>	<b>(5.0)</b>
Depreciation	641	656	698	697	673	5.1	(3.4)
<b>EBIT</b>	<b>10,557</b>	<b>13,355</b>	<b>13,023</b>	<b>12,959</b>	<b>12,297</b>	<b>16.5</b>	<b>(5.1)</b>
Other Income	3,293	3,183	2,728	2,889	3,193	(3.0)	10.5
Interest	23	17	18	29	43	89.5	50.7
<b>PBT</b>	<b>13,827</b>	<b>16,521</b>	<b>15,733</b>	<b>15,819</b>	<b>15,447</b>	<b>11.7</b>	<b>(2.4)</b>
Total Tax	3,215	3,776	3,591	3,557	3,714	15.5	4.4
<b>Adjusted PAT</b>	<b>10,612</b>	<b>12,746</b>	<b>12,142</b>	<b>12,262</b>	<b>11,733</b>	<b>10.6</b>	<b>(4.3)</b>
Extra ordinary items Loss/(Gain)	0	0	0	-2,428	0		
<b>Reported PAT</b>	<b>10,612</b>	<b>12,746</b>	<b>12,142</b>	<b>14,690</b>	<b>11,733</b>	<b>10.6</b>	<b>(20.1)</b>
<b>Adjusted EPS</b>	<b>36.7</b>	<b>44.0</b>	<b>42.0</b>	<b>42.4</b>	<b>40.5</b>	<b>10.6</b>	<b>(4.3)</b>

Margins (%)						(bps)	(bps)
EBITDA	15.2	16.0	15.2	17.1	16.2	104	(92)
EBIT	14.3	15.2	14.4	16.3	15.4	107	(89)
EBT	18.7	18.9	17.4	19.8	19.3	58	(54)
PAT	14.4	14.5	13.5	15.4	14.7	29	(72)

Source: Company, Emkay Research. Email: emkay@whitemarquesolutions.com use and downloaded at 07/28/2022 01:48 PM

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

Y/E Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
<b>Revenue</b>	<b>277,411</b>	<b>331,447</b>	<b>365,897</b>	<b>418,904</b>	<b>465,370</b>
<b>Expenditure</b>	<b>228,126</b>	<b>278,861</b>	<b>303,875</b>	<b>345,229</b>	<b>382,949</b>
<b>EBITDA</b>	<b>49,285</b>	<b>52,586</b>	<b>62,022</b>	<b>73,675</b>	<b>82,421</b>
Depreciation	2,593	2,692	2,860	3,147	3,448
<b>EBIT</b>	<b>46,692</b>	<b>49,895</b>	<b>59,161</b>	<b>70,528</b>	<b>78,973</b>
Other Income	12,765	12,092	11,715	11,099	11,104
Interest expenses	67	87	95	105	115
<b>PBT</b>	<b>59,390</b>	<b>61,901</b>	<b>70,782</b>	<b>81,522</b>	<b>89,962</b>
Tax	13,844	14,139	16,634	19,158	21,141
Extraordinary Items	0	2,428	0	0	0
Minority Int./Income from Assoc.	0	0	0	0	0
<b>Reported Net Income</b>	<b>45,546</b>	<b>50,189</b>	<b>54,148</b>	<b>62,365</b>	<b>68,821</b>
<b>Adjusted PAT</b>	<b>45,546</b>	<b>47,761</b>	<b>54,148</b>	<b>62,365</b>	<b>68,821</b>

**Balance Sheet**

Y/E Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Equity share capital	2,894	2,894	2,830	2,830	2,830
Reserves & surplus	249,129	263,794	244,273	250,510	257,392
<b>Net worth</b>	<b>252,023</b>	<b>266,688</b>	<b>247,103</b>	<b>253,339</b>	<b>260,221</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>1,215</b>	<b>1,228</b>	<b>1,228</b>	<b>1,228</b>	<b>1,228</b>
Net deferred tax liability	5,221	4,033	3,679	3,272	2,822
<b>Total Liabilities</b>	<b>258,459</b>	<b>271,949</b>	<b>252,010</b>	<b>257,839</b>	<b>264,271</b>
<b>Net block</b>	<b>16,126</b>	<b>17,829</b>	<b>21,969</b>	<b>28,381</b>	<b>34,932</b>
<b>Investment</b>	<b>226,833</b>	<b>238,699</b>	<b>213,699</b>	<b>213,799</b>	<b>213,899</b>
<b>Current Assets</b>	<b>72,183</b>	<b>61,923</b>	<b>68,079</b>	<b>71,836</b>	<b>76,181</b>
Cash & bank balance	5,274	5,883	5,263	3,523	3,047
Other Current Assets	14,032	16,859	15,094	15,101	15,108
<b>Current liabilities &amp; Provision</b>	<b>56,843</b>	<b>47,270</b>	<b>53,504</b>	<b>58,386</b>	<b>62,950</b>
<b>Net current assets</b>	<b>15,340</b>	<b>14,653</b>	<b>14,574</b>	<b>13,450</b>	<b>13,231</b>
Misc. exp	0	0	0	0	0
<b>Total Assets</b>	<b>258,459</b>	<b>271,949</b>	<b>252,010</b>	<b>257,839</b>	<b>264,271</b>

**Cash Flow**

Y/E Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
<b>PBT (Ex-Other income) (NI+Dep)</b>	<b>46,625</b>	<b>52,961</b>	<b>59,066</b>	<b>70,423</b>	<b>78,858</b>
Other Non-Cash items	0	0	0	0	0
Chg in working cap	(5,105)	6,009	(1,082)	(1,309)	(957)
<b>Operating Cashflow</b>	<b>18,374</b>	<b>29,983</b>	<b>36,271</b>	<b>46,099</b>	<b>54,763</b>
Capital expenditure	(2,509)	(5,176)	(8,000)	(10,000)	(10,000)
<b>Free Cash Flow</b>	<b>15,865</b>	<b>24,807</b>	<b>28,271</b>	<b>36,099</b>	<b>44,763</b>
Investments	(26,808)	1,787	25,000	(100)	(100)
Other Investing Cash Flow	663	2,430	0	0	0
<b>Investing Cashflow</b>	<b>(15,889)</b>	<b>11,133</b>	<b>28,715</b>	<b>999</b>	<b>1,004</b>
Equity Capital Raised	0	0	(64)	0	0
Loans Taken / (Repaid)	(53)	0	0	0	0
Dividend paid (incl tax)	(87)	(40,490)	(48,733)	(56,128)	(61,939)
Other Financing Cash Flow	(99)	57	(16,715)	7,395	5,811
<b>Financing Cashflow</b>	<b>(294)</b>	<b>(40,506)</b>	<b>(65,607)</b>	<b>(48,838)</b>	<b>(56,243)</b>
<b>Net chg in cash</b>	<b>2,191</b>	<b>610</b>	<b>(621)</b>	<b>(1,739)</b>	<b>(476)</b>
Opening cash position	3,083	5,274	5,883	5,263	3,523
<b>Closing cash position</b>	<b>5,274</b>	<b>5,883</b>	<b>5,263</b>	<b>3,523</b>	<b>3,047</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	17.8	15.9	17.0	17.6	17.7
EBIT Margin	16.8	15.1	16.2	16.8	17.0
Effective Tax Rate	23.3	22.8	23.5	23.5	23.5
Net Margin	16.4	14.4	14.8	14.9	14.8
ROCE	15.2	14.3	17.1	20.9	22.8
ROE	20.2	18.4	21.1	24.9	26.8
RoIC	162.8	145.8	156.4	155.1	144.8

<b>Per Share Data (Rs)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23E</b>	<b>FY24E</b>	<b>FY25E</b>
EPS	157.4	165.1	191.4	220.4	243.2
CEPS	166.4	174.4	201.5	231.5	255.4
BVPS	870.9	921.6	873.3	895.3	919.6
DPS	140.0	140.0	172.2	198.4	218.9

<b>Valuations (x)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23E</b>	<b>FY24E</b>	<b>FY25E</b>
PER	24.7	23.5	20.3	17.6	16.0
P/CEPS	23.6	22.5	19.5	17.0	15.4
P/BV	4.5	4.2	4.4	4.3	4.2
EV / Sales	3.3	2.8	2.5	2.2	2.0
EV / EBITDA	18.6	17.3	14.8	12.5	11.2
Dividend Yield (%)	3.6	3.6	4.4	5.1	5.6

<b>Gearing Ratio (x)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23E</b>	<b>FY24E</b>	<b>FY25E</b>
Net Debt/ Equity	(0.8)	(0.8)	(0.7)	(0.7)	(0.7)
Net Debt/EBIDTA	(4.2)	(4.0)	(3.0)	(2.4)	(2.1)
Working Cap Cycle (days)	13.2	9.7	9.3	8.6	8.0

<b>Growth (%)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23E</b>	<b>FY24E</b>	<b>FY25E</b>
Revenue	(7.3)	19.5	10.4	14.5	11.1
EBITDA	(3.3)	6.7	17.9	18.8	11.9
EBIT	(3.7)	6.9	18.6	19.2	12.0
PAT	(10.7)	10.2	7.9	15.2	10.4

<b>Quarterly (Rs mn)</b>	<b>Q1FY22</b>	<b>Q2FY22</b>	<b>Q3FY22</b>	<b>Q4FY22</b>	<b>Q1FY23</b>
Revenue	73,860	87,622	90,217	79,748	80,050
EBITDA	11,198	14,011	13,721	13,656	12,970
<b>EBITDA Margin (%)</b>	<b>15.2</b>	<b>16.0</b>	<b>15.2</b>	<b>17.1</b>	<b>16.2</b>
PAT	10,612	12,746	12,142	12,262	11,733
<b>EPS (Rs)</b>	<b>36.7</b>	<b>44.0</b>	<b>42.0</b>	<b>42.4</b>	<b>40.5</b>

Source: Company, Emkay Research

<b>Shareholding Pattern (%)</b>	<b>Jun-21</b>	<b>Sep-21</b>	<b>Dec-21</b>	<b>Mar-22</b>	<b>Jun-22</b>
Promoters	53.7	53.7	53.7	53.8	53.8
FIs	11.8	11.2	10.2	10.5	11.2
DIs	12.7	12.8	13.2	13.2	12.4
Public and Others	21.8	22.3	22.8	22.6	22.7

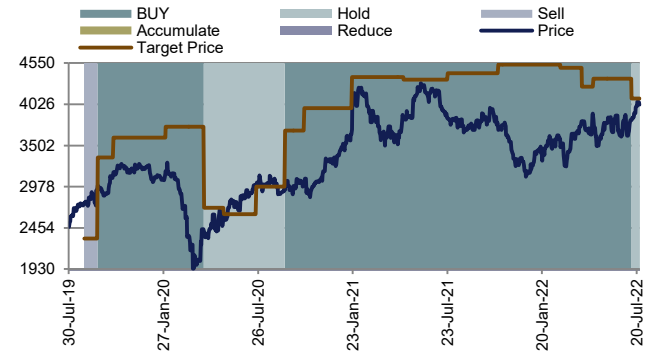
Source: Capitaline

## RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
10-Jul-22	3,825	4,100	12m	Hold	Raghunandhan NL
10-May-22	3,593	4,350	12m	Buy	Raghunandhan NL
28-Apr-22	3,834	4,350	12m	Buy	Raghunandhan NL
6-Apr-22	3,802	4,250	12m	Buy	Raghunandhan NL
24-Feb-22	3,479	4,490	12m	Buy	Raghunandhan NL
28-Oct-21	3,701	4,530	12m	Buy	Raghunandhan NL
23-Jul-21	3,842	4,420	12m	Buy	Raghunandhan NL
2-Jul-21	4,175	4,340	12m	Buy	Raghunandhan NL
18-Jun-21	4,167	4,340	12m	Buy	Raghunandhan NL
1-Jun-21	4,239	4,340	12m	Buy	Raghunandhan NL
30-May-21	4,200	4,340	12m	Buy	Raghunandhan NL
30-Apr-21	3,834	4,340	12m	Buy	Raghunandhan NL
21-Jan-21	3,703	4,370	12m	Buy	Raghunandhan NL
22-Oct-20	3,006	3,976	12m	Buy	Raghunandhan NL
11-Oct-20	3,060	3,691	12m	Buy	Raghunandhan NL
29-Sep-20	2,898	3,691	12m	Buy	Raghunandhan NL
15-Sep-20	2,937	3,691	12m	Buy	Raghunandhan NL
28-Aug-20	3,014	2,978	12m	Hold	Raghunandhan NL
22-Jul-20	2,985	2,978	12m	Hold	Raghunandhan NL
29-Jun-20	2,860	2,629	12m	Hold	Raghunandhan NL
21-May-20	2,640	2,629	12m	Hold	Raghunandhan NL
4-May-20	2,442	2,708	12m	Hold	Raghunandhan NL
13-Apr-20	2,398	2,708	12m	Hold	Raghunandhan NL
27-Feb-20	2,937	3,740	12m	Buy	Raghunandhan NL
31-Jan-20	3,180	3,740	12m	Buy	Raghunandhan NL
30-Jan-20	3,146	3,600	12m	Buy	Raghunandhan NL
27-Dec-19	3,242	3,600	12m	Buy	Raghunandhan NL
27-Nov-19	3,212	3,600	12m	Buy	Raghunandhan NL
1-Nov-19	3,233	3,600	12m	Buy	Raghunandhan NL
30-Oct-19	3,223	3,600	12m	Buy	Raghunandhan NL
23-Oct-19	3,163	3,600	12m	Buy	Raghunandhan NL
1-Oct-19	2,910	3,350	12m	Buy	Raghunandhan NL
26-Sep-19	2,970	3,350	12m	Buy	Raghunandhan NL
23-Sep-19	2,995	3,350	12m	Buy	Raghunandhan NL
3-Sep-19	2,764	2,320	12m	Sell	Raghunandhan NL
28-Aug-19	2,767	2,320	12m	Sell	Raghunandhan NL

Source: Company, Emkay Research

## RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research

## Emkay Alpha Portfolio – Automobiles & Auto Ancillaries



### Analyst: Raghunandhan NL

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#### 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>5.12</b>	<b>5.12</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	0.21	0.21	0%	0	4.19	0
Atul Auto	0.00	0.00	NA	0	0.00	0
<b>Bajaj Auto</b>	<b>0.53</b>	<b>0.40</b>	<b>-23%</b>	<b>-12</b>	<b>7.87</b>	<b>0</b>
Bharat Forge	0.19	0.18	0%	0	3.62	0
Eicher Motors	0.43	0.43	0%	0	8.47	0
Escorts	0.00	0.02	NA	2	0.37	0
Exide Industries	0.00	0.00	NA	0	0.00	0
Hero Motocorp	0.37	0.39	4%	2	7.61	0
Mahindra & Mahindra	1.12	1.12	0%	0	21.83	0
Maruti Suzuki India	1.16	1.19	2%	2	23.19	0
Minda Industries	0.00	0.02	NA	2	0.44	0
Motherson Sumi Wiring India	0.00	0.02	NA	2	0.44	0
Samvardhana Motherson International	0.00	0.00	NA	0	0.00	0
Tata Motors	0.80	0.81	2%	1	15.83	0
Tata Motors DVR*	0.11	0.12	10%	1	2.27	0
TVS Motor	0.20	0.20	0%	0	3.88	0
<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	26-Jul-21	25-Jan-22	26-Apr-22	27-Jun-22	26-Jul-22
EAP - Auto & Auto Ancillaries	100.0	120.6	138.1	134.6	142.0	147.8
BSE200 Neutral Weighted Portfolio (ETF)	100.0	120.1	137.1	134.1	141.7	147.4

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

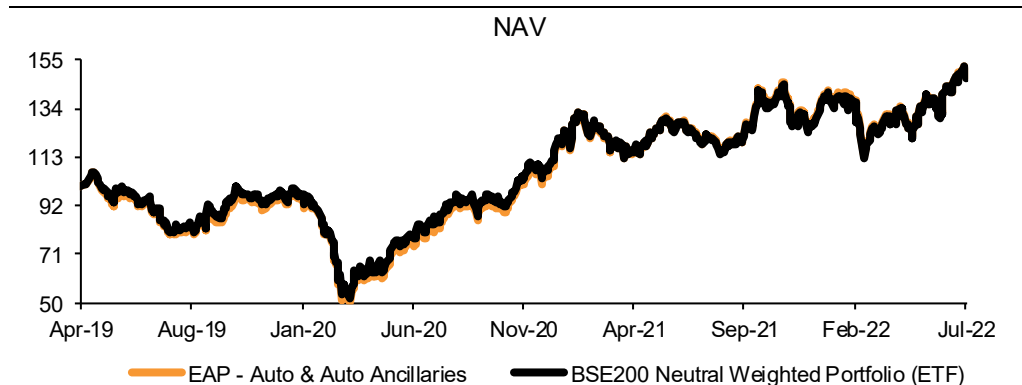
Source: Emkay Research

### Price Performance (%)

	1m	3m	6m	12m
EAP - Auto & Auto Ancillaries	4.1%	9.8%	7.0%	22.6%
BSE200 Neutral Weighted Portfolio (ETF)	4.0%	9.9%	7.5%	22.7%

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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SELL	Below -5%

Completed Date: 28 Jul 2022 03:37:52 (SGT)

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