ASIAMONEY BROKERS POLL - 2022
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BII deal unlocks value for E-PV business; Buy

CMP	Target Price
Rs 1,134 as of (July 9, 2022)	Rs 1,390 (▲) 12 months
Rating	**Upside**
BUY (■)	23.0 %

- MM has announced that British International Investment Plc (formerly CDC Capital) will invest Rs19.25bn by way of CCPS in its E-PV subsidiary (EVCo) for a post-conversion equity stake of 2.75-4.76% in FY28. The eventual stake will depend on the EVCo's revenue achievements by FY27.
- Investments by BII and MM in the EVCo will be utilized to create an E-UV portfolio. Four products are expected to be launched on new dedicated platforms over FY25-27, while one product (XUV 400) will be launched on the existing platform in Sep'22. The aspirational sales target is 200,000 units, representing a 30% EV share by FY27.
- We remain positive on MM due to the sales upcycle across segments and a large order-book in PVs (~170,000 units). We raise FY23-24E EPS estimates by 5% based on a 3% increase in our volume assumptions. Following the revision, our FY22-24E revenue/earnings CAGRs stand at 22%/24%.
- We retain Buy with a higher SOTP value of Rs1,390 (Rs1,250 earlier), as we add Rs233/sh for the E-PV subsidiary, based on 3.3x FY27E EV/sales, discounted to present value. However, the standalone fair value has reduced by 10% as we factor in the valuation of only ICE-PV business.

Key takeaways from the Analyst Meet

- MM's recent UV launches have been highly successful and have led to a large pending order book – XUV700 (80,000 bookings), Thar (26,000), XUV300 (14,000) and Bolero (15,000). Management hopes to repeat the same in the upcoming E-PVs as well.
- The new subsidiary (EVCo) will carry out the E-PV business and related assets will be transferred to it. MM's total investment in this business as of Mar'22 stands at Rs4bn.
- The parent entity (MM) and group companies will provide support in manufacturing, sourcing, designing, branding and other shared services on an arms-length basis. The EVCo will own pure-EV brands that will be launched in the future. MM will help in leveraging its eco-system of suppliers, dealers and financiers.
- Under MM's agreement with BII, both entities have agreed to invest up to Rs19.25bn each in the EVCo in two tranches. The first tranche would be up to Rs12bn each and would be completed by Jun'23. The second tranche would be Rs7.25bn each and would be completed by FY24, subject to the achievement of certain sales milestones.
- The total investment in the E-PV entity is expected to be Rs100bn, staggered over FY22/23 at Rs20bn, FY24 at Rs20bn and the remaining Rs60bn over FY25-27. MM plans to meet a part of the funding over FY24-27 directly, or through debt/third-party investors.

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	446,299	574,460	756,082	860,632	942,204
EBITDA	69,575	70,423	93,615	113,239	125,660
EBITDA Margin (%)	15.6	12.3	12.4	13.2	13.3
APAT*	35,064	37,809	52,792	65,865	73,849
EPS (Rs)*	28.2	30.4	42.5	53.0	59.4
EPS (% chg)*	37.8	7.8	39.6	24.8	12.1
ROE (%)*	19.0	19.2	21.9	22.4	20.9
P/E (x)*	18.2	16.9	12.1	9.7	8.7
EV/EBITDA (x)*	8.8	8.4	6.3	5.0	4.2
P/BV (x)*	3.6	2.9	2.4	2.0	1.7

Source: Company, Emkay Research. Note: *Relates to Core business excluding dividends and investment for subsidiaries

Change in Estimates	
EPS Chg FY23E/FY24E (%)	4.8/5.1
Target Price change (%)	11.2
Target Period (Months)	12
Previous Reco	BUY

Emkay vs Consensus

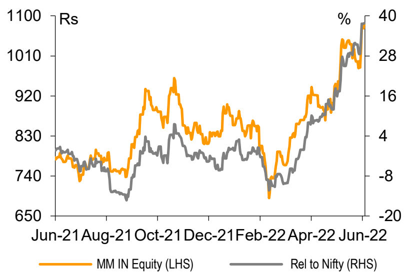
EPS Estimates	FY23E	FY24E
Emkay	52.9	63.9
Consensus	48.3	57.8
Mean Consensus TP (12M)		Rs 1,180

Stock Details	
Bloomberg Code	MM IN
Face Value (Rs)	5
Shares outstanding (mn)	1,243
52 Week H/L	1,195 / 671
M Cap (Rs bn/USD bn)	1,409 / 17.78
Daily Avg Volume (nos.)	4,358,413
Daily Avg Turnover (US$ mn)	54.0

Shareholding Pattern Mar '22	
Promoters	18.9%
FIIs	36.2%
DIIs	27.9%
Public and Others	17.0%

Price Performance (%)	1M	3M	6M	12M
Absolute	8	32	37	46
Rel. to Nifty	9	45	50	42

Relative price chart



Source: Bloomberg

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Key takeaways (continued)

- The funds will be utilized to create an E-UV portfolio with advanced technologies. Four products are likely to be launched on new dedicated platforms over FY25-27 and one product (XUV400) will be launched on the existing platform. The company will share more details on the product, technology and platform strategy on August 15, 2022. The launch of XUV400 is expected in Sep'22, and deliveries should commence in Q4FY23.
- BII will invest through the Compulsorily Convertible Preference Shares (CCPS) route, which would result in BII having a shareholding in the range of 2.75-4.76% of the share capital. CCPS conversion is expected in FY28, but it could happen sooner if certain sales milestones are achieved.
- The implied valuation stands at Rs404-700bn for the EVCo. The valuation has been arrived at on the basis of volume milestones. The upper end of the valuation factors in a volume of 200,000 units by FY27, which represents 30% electric penetration.
- BII's investment has reduced the capex needs of MM, and the capex guidance for FY22-24E has been reduced by Rs19.25bn.
- **Leadership of EVCo:** Mr. Rajesh Jejurikar will lead the EV company, which will operate through a management council and CEO. The management council will comprise 1) President, Automotive, 2) President, Automotive Tech & Product development, 3) President, Purchase and 4) CFO of the Auto and Farm equipment segments.
- BII (formerly CDC Group plc) is the Development Finance Institution of the UK Government and invests GBP1.5-2bn every year to support the UK Government's Clean Green Initiative and to create productive, sustainable and inclusive economies. In the next five years, at least 30% of BII's total new commitments by value will be in climate finance. It was founded in 1948 and is based in London.

Exhibit 1: Revision in estimates; increasing volume/earnings assumptions by 3%/5% each over FY23-25E

	FY23E				FY24E				FY25E			
Rs mn	**Earlier**	**Revised**	**% Change**	**% YoY**	**Earlier**	**Revised**	**% Change**	**% YoY**	**Earlier**	**Revised**	**% Change**	**% YoY**
Volume (units)	975,906	1,004,728	3.0	22.5	1,087,940	1,118,539	2.8	11.3	1,167,128	1,199,729	2.8	7.3
Revenue	728,218	756,082	3.8	31.6	829,227	860,632	3.8	13.8	907,326	942,204	3.8	9.5
EBIDTA	91,197	93,615	2.7	32.9	108,919	113,239	4.0	21.0	120,105	125,660	4.6	11.0
EBIDTA margin (%)	*12.5*	*12.4*	*(14) bps*	*12 bps*	*13.1*	*13.2*	*2 bps*	*78 bps*	*13.2*	*13.3*	*10 bps*	*18 bps*
Adj. PAT	62,714	65,741	4.8	27.8	75,585	79,461	5.1	20.9	83,571	88,125	5.4	10.9
EPS	50.4	52.9	4.8	27.8	60.8	63.9	5.1	20.9	67.2	70.9	5.4	10.9

Source: Company, Emkay Research

Exhibit 2: Key assumptions; expect revenue CAGR of 22% over FY22-24E

	FY21	FY22	FY23E	FY24E	FY25E	CAGR % (FY22-24E)
Volumes (units)						
Domestic tractors	343,833	337,052	364,082	389,568	412,942	8
YoY %	*17.8*	*(2.0)*	*8.0*	*7.0*	*6.0*	
Domestic PVs	157,215	225,895	322,681	371,102	400,788	28
YoY %	*(15.9)*	*43.7*	*42.8*	*15.0*	*8.0*	
Domestic CVs	156,159	177,117	216,134	242,246	261,760	17
YoY %	*(21.6)*	*13.4*	*22.0*	*12.1*	*8.1*	
Domestic 3Ws	16,897	30,079	43,862	52,634	55,792	32
YoY %	*(70.9)*	*78.0*	*45.8*	*20.0*	*6.0*	
Total Domestic	**674,104**	**770,143**	**946,760**	**1,055,550**	**1,131,282**	**17**
YoY %	*(8.4)*	*14.2*	*22.9*	*11.5*	*7.2*	
Exports	**29,015**	**50,156**	**57,969**	**62,989**	**68,447**	**12**
YoY %	*(21.4)*	*72.9*	*15.6*	*8.7*	*8.7*	
Total Sales	**703,119**	**820,299**	**1,004,728**	**1,118,539**	**1,199,729**	**17**
YoY %	*(9.1)*	*16.7*	*22.5*	*11.3*	*7.3*	
Realizations (Rs/unit)	**634,741**	**700,305**	**752,524**	**769,425**	**785,348**	**5**
YoY %	*9.4*	*10.3*	*7.5*	*2.2*	*2.1*	
Revenues (Rsmn)	**446,299**	**574,460**	**756,082**	**860,632**	**942,204**	**22**
YoY %	*(0.5)*	*28.7*	*31.6*	*13.8*	*9.5*	

Source: Emkay Research, Company

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Exhibit 3: MM's EVCo valuation works out to 4x FY27E trailing EV/sales, which is at premium to Tata EVCo; CY22E trailing EV/sales at 4x for Chinese OEMs and 8x for Tesla

Rs bn	Current EV	Mar'27E EV	FY27E Sales (x)	EV/Sales (x)
MM EVCo	552	861	218	4.0
Tata Motors EVCo	668	964	262	3.7
US$ bn	**Current m-cap**	**Current EV**	**CY22E Sales**	**EV/Sales (x)**
Tesla	707	697	84	8.3
Xpeng	26	25	6	4.0
Nio	36	32	9	3.5
Li Auto	39	33	8	4.3

Source: Bloomberg, Company, Emkay Research

Increasing SOTP to Rs1,390: We retain Buy with an increased SOTP value of Rs1,390 (Rs1,250 earlier), as we assign a value of Rs233/share to the E-PV subsidiary, based on 3.3x FY27E EV/sales, which has been discounted to arrive at the present value. The valuation multiple is at a discount to Tata Motors as we account for factors such as funding gap and uncertainties relating to the success of upcoming products.

Exhibit 4: Tata Motors vs. MM: E-PV business funding and progress

Rs bn, unless otherwise stated		
EV business capex and funding	**M&M**	**Tata Motors**
EV incremental capex planned	100.0	150.0
Equity funding tied up	38.5	75.0
Equity funding tied up (%)	39	50
External/PE funding tied up	19.3	75.0
Minimum confirmed equity dilution (%)	2.75	11.00
EV business progress		
Products launched	0	2
FY22 volumes	0	19,106
Upcoming products (by FY27)	5	8

Source: Company, Emkay Research

The fair value of the standalone business has reduced by 10% to Rs915bn or Rs736/share as we factor in the valuation of only ICE-PV business, considering it as a shrinking segment that would cease operations by FY45. We have separately shown valuations for each of the divisions of the standalone business: 1) Tractor business - DCF-based equity value of Rs456/share, which implies a target PE multiple of 16x; 2) CV and 3W businesses - DCF-based equity value of Rs151/share, which implies a target PE multiple of 15x; and 3) PV-ICE business - DCF-based equity value of Rs129/share, which implies a target PE multiple of 8x.

Exhibit 5: SOTP valuation at Rs1,390

Components (Rs bn)	Basis of Valuation	Implied P/E (x)	Equity value	M&M stake (%)	Pro-rata value	Hold-co discount (%)	Contr. To SOTP	SOTP (Rs/share)	SOTP breakdown (%)
Tractor division	DCF	16	567		567		567	456	33
CV and 3W divisions	DCF	15	188		188		188	151	11
PV-ICE division	DCF	8	160		160		160	129	9
PV-EV division	Valuation at 10% discount to TTMT multiple	3.3x EV/S	362		362	20	289	233	17
Tech Mahindra	TP (Emkay)		1,225	25.5	312	20	250	201	14
M&M Financial Services	TP (Emkay)		253	52.2	132	20	106	85	6
Other Subs/investments	Current m-cap/ investment value						175	141	10
Total							**1,735**	**1,395**	**100**
Total (Rounded off)								**1,390**	

Source: Company, Emkay Research; Note: Holdco discount calculated based on factors such as management control, size of free float, listed/unlisted, etc.

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Exhibit 6: SOTP value changes from Rs1,250/share to Rs1,390/share

Components	New SOTP (Rs/share)	Earlier SOTP (Rs/share)	(Change %)
M&M(S/A)	**736**	**821**	**(10)**
Tech Mahindra	201	201	0
M&M Financial Services	85	85	0
Other Subs/investments	373	145	157
Total	**1,390**	**1,250**	**11**

Source: Company, Emkay Research

Exhibit 7: Tractor business DCF-based equity value at Rs456/share, which implies Target PE multiple of 16x

Parameter	Value (Rs mn)	Parameter	Value
Revenue CAGR % (FY22-25E)	11	Revenue CAGR % (FY25-35E)	7
EBIT CAGR % (FY22-25E)	13	EBIT CAGR % (FY25-35E)	8
PV of FCF (FY22-35E)	296,103	Terminal growth rate (%)	5
PV of Terminal value	253,124	Cost of equity (%)	12.5
Enterprise Value	**549,227**	Equity share (%)	100
Equity Value	**567,064**	WACC (%)	12.5

Source: Emkay Research

Exhibit 8: CV and 3W businesses DCF-based equity value at Rs151/share, which implies Target PE multiple of 15x

Parameter	Value (Rs mn)	Parameter	Value
Revenue CAGR % (FY22-25E)	16	Revenue CAGR % (FY25-35E)	7
EBIT CAGR % (FY22-25E)	46	EBIT CAGR % (FY25-35E)	8
PV of FCF (FY22-35E)	80,459	Terminal growth rate (%)	5
PV of Terminal value	86,309	Cost of equity (%)	12.4
Enterprise Value	**166,768**	Equity share (%)	100
Equity Value	**188,106**	WACC (%)	12.4

Source: Emkay Research

Exhibit 9: PV-ICE business DCF-based equity value at Rs129/share, which implies Target PE multiple of 8x

Parameter	Value (Rs mn)	Parameter	Value
Revenue CAGR % (FY22-25E)	19	Revenue CAGR % (FY25-44E)	(8)
EBIT CAGR % (FY22-25E)	49	EBIT CAGR % (FY25-44E)	(17)
PV of FCF (FY22-45E)	128,032	Terminal growth rate (%)	NA
PV of Terminal value	0	Cost of equity (%)	12.4
Enterprise Value	**128,032**	Equity share (%)	100
Equity Value	**159,960**	WACC (%)	12.4

Source: Emkay Research

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Key Financials (Standalone)

Income Statement

Y/E Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	**446,299**	**574,460**	**756,082**	**860,632**	**942,204**
Expenditure	**376,724**	**504,037**	**662,467**	**747,393**	**816,544**
EBITDA	**69,575**	**70,423**	**93,615**	**113,239**	**125,660**
Depreciation	23,699	24,511	24,470	27,581	30,477
EBIT	**45,876**	**45,912**	**69,145**	**85,658**	**95,184**
Other Income	11,995	20,759	21,163	22,965	24,996
Interest expenses	3,963	2,230	2,454	2,434	2,413
PBT	**53,907**	**64,441**	**87,853**	**106,189**	**117,767**
Tax	13,193	13,002	22,113	26,728	29,642
Extraordinary Items	(30,873)	(2,087)	0	0	0
Minority Int./Income from Assoc.	0	0	0	0	0
Reported Net Income	**9,842**	**49,352**	**65,741**	**79,461**	**88,125**
Adjusted PAT	**40,714**	**51,439**	**65,741**	**79,461**	**88,125**

Balance Sheet

Y/E Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Equity share capital	5,974	5,983	5,983	5,983	5,983
Reserves & surplus	343,536	383,627	432,932	492,528	558,622
Net worth	**349,510**	**389,610**	**438,915**	**498,511**	**564,605**
Minority Interest	**0**	**0**	**0**	**0**	**0**
Loan Funds	**83,584**	**70,490**	**69,749**	**69,318**	**68,541**
Net deferred tax liability	14,497	17,008	17,447	17,978	18,567
Total Liabilities	**447,590**	**477,108**	**526,112**	**585,807**	**651,713**
Net block	**120,113**	**145,486**	**224,626**	**263,831**	**286,711**
Investment	**217,826**	**251,098**	**286,098**	**316,098**	**361,098**
Current Assets	**216,451**	**224,537**	**257,993**	**283,538**	**310,795**
Cash & bank balance	63,952	36,505	9,816	1,042	1,524
Other Current Assets	26,570	36,016	47,403	53,958	59,072
Current liabilities & Provision	**168,055**	**194,195**	**255,963**	**291,017**	**316,892**
Net current assets	**48,397**	**30,342**	**2,030**	**(7,479)**	**(6,097)**
Misc. exp	0	0	0	0	0
Total Assets	**447,590**	**477,108**	**526,112**	**585,807**	**651,713**

Cash Flow

Y/E Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
PBT (Ex-Other income) (NI+Dep)	**41,913**	**43,682**	**66,691**	**83,225**	**92,771**
Other Non-Cash items	0	0	0	0	0
Chg in working cap	35,866	(4,661)	(3,439)	(3,824)	(3,774)
Operating Cashflow	**83,942**	**50,178**	**70,949**	**84,348**	**93,540**
Capital expenditure	(33,113)	(179)	(66,785)	(66,785)	(50,000)
Free Cash Flow	**50,829**	**49,999**	**4,163**	**17,563**	**43,540**
Investments	(120,585)	(33,272)	(35,000)	(30,000)	(45,000)
Other Investing Cash Flow	8,338	(10,138)	0	0	0
Investing Cashflow	**(133,365)**	**(22,830)**	**(80,623)**	**(73,821)**	**(70,004)**
Equity Capital Raised	0	9	0	0	0
Loans Taken / (Repaid)	42,115	(13,094)	(741)	(432)	(776)
Dividend paid (incl tax)	(2,936)	(13,821)	(16,435)	(19,865)	(22,031)
Other Financing Cash Flow	35,869	(25,660)	2,614	3,430	2,166
Financing Cashflow	**71,010**	**(54,795)**	**(17,016)**	**(19,301)**	**(23,054)**
Net chg in cash	**21,587**	**(27,447)**	**(26,690)**	**(8,773)**	**481**
Opening cash position	42,365	63,952	36,505	9,816	1,042
Closing cash position	**63,952**	**36,505**	**9,816**	**1,042**	**1,524**

Source: Company, Emkay Research

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Key Ratios

Profitability (%)	FY21	FY22	FY23E	FY24E	FY25E
EBITDA Margin	15.6	12.3	12.4	13.2	13.3
EBIT Margin	10.3	8.0	9.1	10.0	10.1
Effective Tax Rate	24.5	20.2	25.2	25.2	25.2
Net Margin	9.1	9.0	8.7	9.2	9.4
ROCE	10.3	10.8	13.5	14.7	14.6
ROE	11.7	13.9	15.9	17.0	16.6
RoIC	29.8	30.1	29.1	27.2	26.7

Per Share Data (Rs)	FY21	FY22	FY23E	FY24E	FY25E
EPS	32.7	41.4	52.9	63.9	70.9
CEPS	51.8	61.1	72.6	86.1	95.4
BVPS	281.1	313.4	353.1	401.0	454.2
DPS	8.4	11.1	13.2	16.0	17.7

Valuations (x)	FY21	FY22	FY23E	FY24E	FY25E
PER	34.6	27.4	21.4	17.7	16.0
P/CEPS	21.9	18.6	15.6	13.2	11.9
P/BV	4.0	3.6	3.2	2.8	2.5
EV / Sales	3.1	2.4	1.8	1.6	1.4
EV / EBITDA	19.9	19.4	14.5	11.8	10.3
Dividend Yield (%)	0.7	1.0	1.2	1.4	1.6

Gearing Ratio (x)	FY21	FY22	FY23E	FY24E	FY25E
Net Debt/ Equity	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)
Net Debt/EBIDTA	(0.4)	(0.6)	(0.6)	(0.6)	(0.9)
Working Cap Cycle (days)	(12.7)	(3.9)	(3.8)	(3.6)	(3.0)

Growth (%)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	(0.5)	28.7	31.6	13.8	9.5
EBITDA	9.6	1.2	32.9	21.0	11.0
EBIT	15.0	0.1	50.6	23.9	11.1
PAT	33.0	401.5	33.2	20.9	10.9

Quarterly (Rs mn)	Q4FY21	Q4FY21	Q2FY22	Q3FY22	Q4FY22
Revenue	133,559	117,628	133,054	152,428	171,240
EBITDA	19,552	16,317	16,598	18,048	19,455
EBITDA Margin (%)	**14.6**	**13.9**	**12.5**	**11.8**	**11.4**
PAT	9,979	8,556	14,317	13,532	12,919
EPS (Rs)	**8.0**	**6.9**	**11.5**	**10.9**	**10.4**

Source: Company, Emkay Research

Shareholding Pattern (%)	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Promoters	18.9	18.9	18.9	18.9	18.9
FIIs	37.8	38.9	37.8	37.5	36.2
DIIs	26.6	25.5	26.3	27.0	27.9
Public and Others	16.7	16.7	17.1	16.6	17.0

Source: Capitaline

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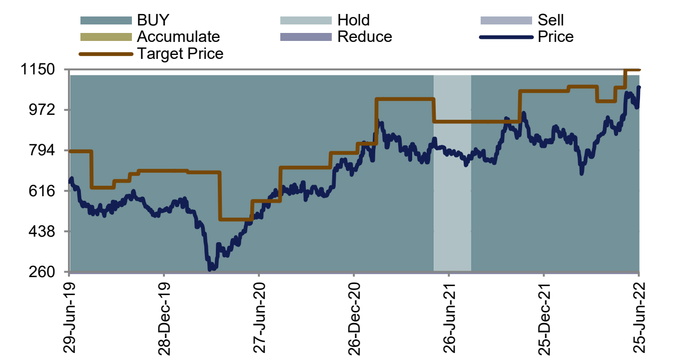
RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
28-June-22	1,083	1,250	12m	Buy	Raghunandhan NL
30-May-22	998	1,150	12m	Buy	Raghunandhan NL
11-May-22	887	1,070	12m	Buy	Raghunandhan NL
06-Apr-22	828	1,010	12m	Buy	Raghunandhan NL
24-Feb-22	796	1,075	12m	Buy	Raghunandhan NL
10-Feb-22	853	1,075	12m	Buy	Raghunandhan NL
09-Nov-21	892	1,055	12m	Buy	Raghunandhan NL
07-Aug-21	758	920	12m	Buy	Raghunandhan NL
02-Jul-21	783	920	12m	Hold	Raghunandhan NL
18-Jun-21	782	920	12m	Hold	Raghunandhan NL
01-Jun-21	806	920	12m	Hold	Raghunandhan NL
30-May-21	846	920	12m	Hold	Raghunandhan NL
28-May-21	846	920	12m	Hold	Raghunandhan NL
07-Feb-21	866	1,020	12m	Buy	Raghunandhan NL
02-Jan-21	732	824	12m	Buy	Raghunandhan NL
11-Nov-20	633	783	12m	Buy	Raghunandhan NL
11-Oct-20	633	718	12m	Buy	Raghunandhan NL
28-Sep-20	615	718	12m	Buy	Raghunandhan NL
28-Aug-20	631	718	12m	Buy	Raghunandhan NL
07-Aug-20	600	718	12m	Buy	Raghunandhan NL
29-Jun-20	507	572	12m	Buy	Raghunandhan NL
14-Jun-20	508	572	12m	Buy	Raghunandhan NL
15-May-20	381	490	12m	Buy	Raghunandhan NL
04-May-20	357	490	12m	Buy	Raghunandhan NL
13-Apr-20	363	490	12m	Buy	Raghunandhan NL
27-Feb-20	494	697	12m	Buy	Raghunandhan NL
11-Feb-20	524	697	12m	Buy	Raghunandhan NL
09-Feb-20	569	705	12m	Buy	Raghunandhan NL
30-Jan-20	568	705	12m	Buy	Raghunandhan NL
27-Dec-19	530	705	12m	Buy	Raghunandhan NL
27-Nov-19	540	705	12m	Buy	Raghunandhan NL
09-Nov-19	580	705	12m	Buy	Raghunandhan NL
01-Nov-19	590	690	12m	Buy	Raghunandhan NL
30-Oct-19	617	690	12m	Buy	Raghunandhan NL
23-Oct-19	592	690	12m	Buy	Raghunandhan NL
01-Oct-19	557	660	12m	Buy	Raghunandhan NL
26-Sep-19	567	660	12m	Buy	Raghunandhan NL
23-Sep-19	565	660	12m	Buy	Raghunandhan NL
03-Sep-19	515	630	12m	Buy	Raghunandhan NL
28-Aug-19	540	630	12m	Buy	Raghunandhan NL
11-Aug-19	546	630	12m	Buy	Raghunandhan NL
01-Jul-19	660	790	12m	Buy	Raghunandhan NL

Source: Company, Emkay Research

RECOMMENDATION HISTORY CHART



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Emkay Alpha Portfolio – Automobiles & Auto Ancillaries

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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)
Auto & Auto Ancillaries	**5.17**	**5.17**	**0%**	**0**	**100.00**	
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	0.22	0.23	2%	1	4.45	0
Atul Auto	0.00	0.00	NA	0	0.00	0
Bajaj Auto	0.52	0.40	-23%	-12	7.73	0
Bharat Forge	0.18	0.18	1%	0	3.49	0
Eicher Motors	0.43	0.42	-2%	-1	8.14	0
Escorts	0.00	0.02	NA	2	0.33	0
Exide Industries	0.00	0.00	NA	0	0.00	0
Hero Motocorp	0.39	0.40	2%	1	7.70	0
Mahindra & Mahindra	1.13	1.13	1%	1	21.91	0
Maruti Suzuki India	1.22	1.24	2%	2	24.00	0
Minda Industries	0.00	0.02	NA	2	0.40	0
Motherson Sumi Wiring India	0.00	0.02	NA	2	0.40	0
Samvardhana Motherson International	0.00	0.00	NA	0	0.00	0
Tata Motors	0.78	0.80	2%	2	15.39	0
Tata Motors DVR*	0.10	0.11	9%	1	2.13	0
TVS Motor	0.20	0.20	4%	1	3.93	0
Cash	**0.00**	**0.00**	**NA**	**0**	**0.0**	**0**

Source: Emkay Research

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

Sector portfolio NAV

	Base					Latest
	1-Apr-19	7-Jul-21	6-Jan-22	7-Apr-22	7-Jun-22	7-Jul-22
EAP - Auto & Auto Ancillaries	100.0	126.2	135.7	130.4	137.7	146.3
BSE200 Neutral Weighted Portfolio (ETF)	100.0	125.6	134.6	129.6	137.3	145.9

**Performance measurement base date 1st April 2019*

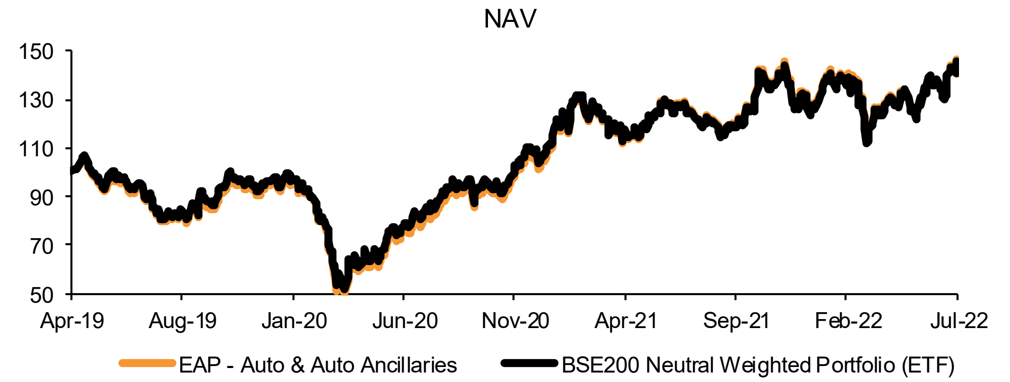
Source: Emkay Research

Price Performance (%)

	1m	3m	6m	12m
EAP - Auto & Auto Ancillaries	6.2%	12.2%	7.8%	15.9%
BSE200 Neutral Weighted Portfolio (ETF)	6.3%	12.6%	8.4%	16.1%

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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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: 11 Jul 2022 11:06:58 (SGT)
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