

Apollo Tyres

Refer to important disclosures at the end of this report

Q1 EBITDA beats estimates; Expect benefits of commodity price easing in Q3

- Apollo Tyres' Q1FY23 revenue increased by 7% qoq (3-year CAGR at 11%) to Rs59.4bn, in line with estimates. EBITDA increased by 10% qoq (3-year CAGR at 13%) to Rs6.9bn, 7% above estimates, due to better gross profit and lower employee costs. APMEA's EBIT margin expanded by 70bps to 4.8%, while Europe's EBIT margin was flat at 4.9%. Management expects benefits of commodity price easing in Q3.
- We expect a 17% CAGR in APMEA revenue over FY22-24E, led by strong recovery in the OEM segment and stable replacement demand. We believe European revenue should register an 8% CAGR with pick-up in replacement demand and market share gains.
- We have increased our FY23E-24E EBITDA by 3-5%, mainly due to better gross margin assumptions and cost savings. Following the revision, we expect revenue/EBITDA CAGRs of 15%/19% over FY22-24E.
- With strong FCFs of Rs13bn/year over FY23-24E, we expect Net Debt-to-EBITDA to drop to 1.3x in FY24E from 2.1x in FY22. We maintain our Buy rating with a revised TP of Rs275 (Rs245 earlier), applying 13x Sep'24E EPS (Jun'24E earlier).

- **Q1 EBITDA above estimates:** Apollo Tyres' Q1FY23 revenue grew by 7% qoq (3-year CAGR at 11%) to Rs59.4bn, in-line with estimates. APMEA revenue grew by 11%, while Europe revenue (Euro terms) was slightly lower by 2%. Gross profit grew by 6% (3-year CAGR at 8%) to Rs23.6bn, 1% above estimates. EBITDA grew by 10% (3-year CAGR at 13%) to Rs6.9bn, 7% above estimates, owing to better gross profit and lower-than-expected employee expenses. Beat in EBITDA was supported by APMEA region (mainly India business). EBITDA margin expanded by 40bps to 11.6%. APMEA's EBIT margin expanded by 70bps to 4.8%. In comparison, Europe's EBIT margin was flat at 4.9%. Depreciation was lower by 8% to Rs3.4bn. Interest cost was lower by 8% to Rs1.2bn. Gross Debt/Equity stands at 0.51x as of June 2022 vs. 0.53x as of March 2022. Overall, adjusted PAT grew by 68% (3-year CAGR at 10%) to Rs1.9bn (estimate: Rs1.25bn), above estimates due to better operating profit and lower depreciation/interest expenses.
- **Retain Buy:** Our positive stance is underpinned by expectations of strong volume growth in both domestic and European regions. We maintain Buy with a revised TP of Rs275, applying 13x Sep'24E EPS. **Key downside risks:** Lower-than-expected demand in key geographies, higher competitive intensity, further increase in commodity prices, and adverse currency movements.

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

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	173,970	209,476	253,615	277,982	301,245
EBITDA	27,975	25,741	28,931	36,219	39,687
EBITDA Margin (%)	16.1	12.3	11.4	13.0	13.2
APAT	9,580	6,445	6,993	12,334	14,576
EPS (Rs)	15.1	10.1	11.0	19.4	23.0
EPS (% chg)	81.1	(32.7)	8.5	76.4	18.2
ROE (%)	9.0	5.6	5.8	9.7	10.6
P/E (x)	16.6	24.6	22.7	12.9	10.9
EV/EBITDA (x)	7.6	8.3	7.3	5.7	5.0
P/BV (x)	1.4	1.4	1.3	1.2	1.1

Source: Company, Emkay Research

CMP	Target Price
Rs 250 as of (August 16, 2022)	Rs 275 (▲) 12 months
Rating	Upside
BUY (■)	10.1 %

Change in Estimates

EPS Chg FY23E/FY24E (%)	8.9/8.5
Target Price change (%)	12.4
Target Period (Months)	12
Previous Reco	BUY

Emkay vs Consensus

EPS Estimates		
	FY23E	FY24E
Emkay	11.0	19.4
Consensus	12.9	18.6
Mean Consensus TP (12M)	Rs 241	

Stock Details

Bloomberg Code	APTY IN
Face Value (Rs)	1
Shares outstanding (mn)	635
52 Week H/L	257 / 165
M Cap (Rs bn/USD bn)	159 / 1.99
Daily Avg Volume (nos.)	2,978,654
Daily Avg Turnover (US\$ mn)	7.7

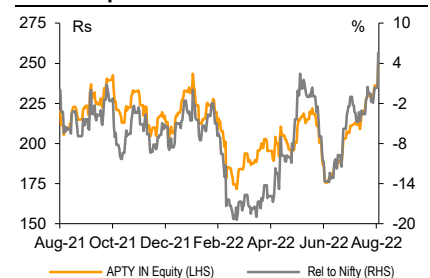
Shareholding Pattern Jun '22

Promoters	37.3%
FIIs	20.7%
DIIIs	17.5%
Public and Others	24.5%

Price Performance

(%)	1M	3M	6M	12M
Absolute	18	19	17	11
Rel. to Nifty	7	8	13	3

Relative price chart



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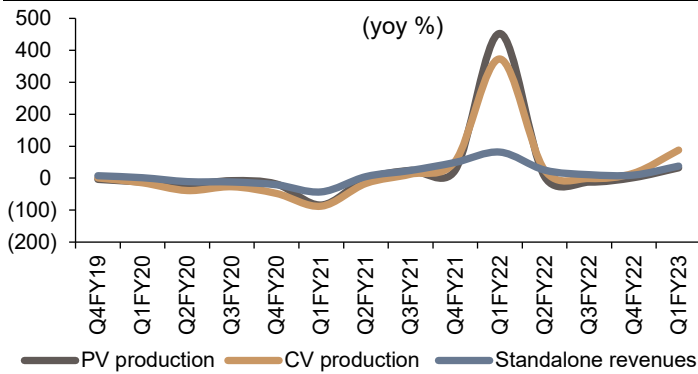
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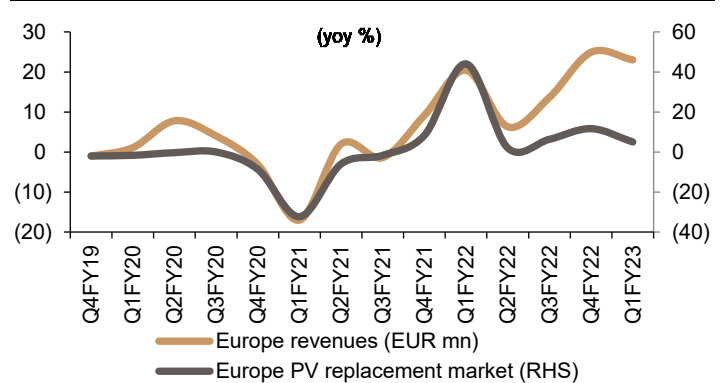
Story in Charts

Exhibit 1: Standalone revenue grew by 11% qoq; Expect a 17% CAGR over FY22-24E



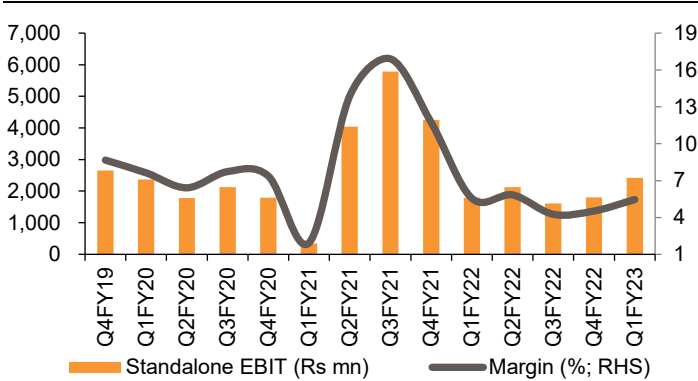
Source: SIAM, Company, Emkay Research

Exhibit 2: European revenue declined by 2% qoq; Expect a 9% CAGR over FY22-24E (EUR terms)



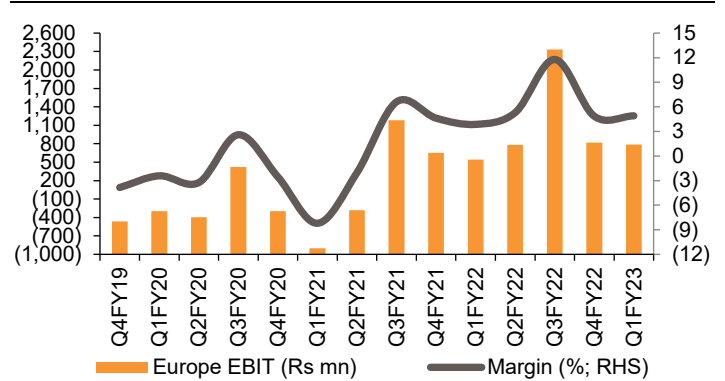
Source: Michelin, Company, Emkay Research

Exhibit 3: Standalone EBIT margin expanded to 5.5%; Expect improvement to 6.8% in FY24E



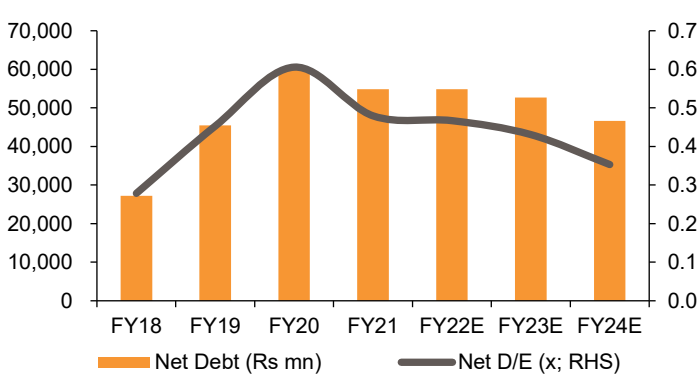
Source: Company, Emkay Research

Exhibit 4: Europe's EBIT margin stood at 4.9%; Expect improvement to 7.5% in FY24E



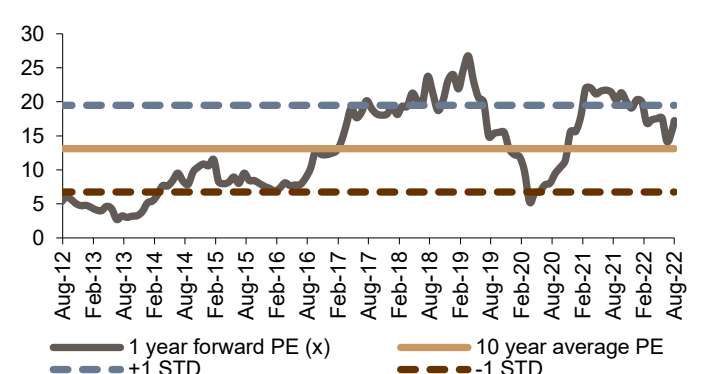
Source: Company, Emkay Research

Exhibit 5: Net Debt/Equity to come down to 0.4x by FY24E



Source: Company, Emkay Research

Exhibit 6: One-year forward P/E (10-yr avg. at 13x)



Source: Company, Emkay Research

Earnings Call Highlights

Standalone

- Standalone segmental revenue mix Q1FY23 (FY22) – Truck and Bus: 60% (58%), PCR: 20% (21%), OHT: 9% (10%), LCV: 8% (7%), and Others: 4% (4%).
- Standalone channel revenue mix Q1FY23 (FY22) – Replacement: 60% (63%), OEM: 23% (22%), and Exports: 17% (16%).
- Q1 total volumes grew 21% yoy. Of this, PCR growth stood at 35% and TBR growth was at 30%. Within truck and bus, share of TBR has increased to two-thirds of volumes and TBB has reduced to one-third of volumes.
- Q1 replacement volumes grew at 13%. Management expects positive growth in the remaining quarters on a yoy basis. Management expects truck and bus replacement demand to pick-up in H2.
- In Q1, the company undertook replacement price increase up to ~8% in TBR and 3-4% in other categories. Raw-material cost increase sequentially was at 7-8%, which was offset by price increases.
- The company has undertaken another price increase of ~3% in July 2022. Q2 raw-material cost increase is expected at ~3%. Q2 is expected to be the peak quarter for raw-material cost, and there could be reduction from Q3.
- To address the EV segment, the company has launched special tyres in 2Ws and PVs. To improve presence in the farm segment, the company has launched a new brand, Virat.
- Capacity utilization stands at 85%. The company's focus is on improving productivity by 10-15% through use of IOT and AI technologies.
- Capex for FY23 is expected at <Rs9bn.

Europe

- PCLT's market grew in mid single digits, in line with historical trends. All season tyre segment continued to outgrow overall market with strong double-digit growth.
- Demand conditions remain healthy, as supplies from Russia to Central Europe are notably lower. Russia used to supply 8-10mn car tyres, which has been impacted.
- It undertook price hikes of 6-9% during the quarter (PCR, TBR, and OHT). This has largely offset raw-material and energy cost inflation.
- Energy cost inflation has been restrained by hedges. The company has hedged 80% of exposure.
- In the sales mix, the UHP/UUHP category accounted for ~41% of PCLT sales (volumes) in Q1FY23 (~43% in FY22).
- It gained market share in the PCLT, TBR, and OHT segment. More importantly, it continues to gain market share in the PCLT UHP segment.

Consolidated

- Marginal increase in net debt from Rs47bn in March 2022 to Rs51bn in June 2022.

Exhibit 7: Change in estimates

Rs mn	FY23E				FY24E				FY25E			
	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY
Revenue	249,749	253,615	1.5	21.1	275,613	277,982	0.9	9.6	298,625	301,245	0.9	8.4
EBITDA	27,967	28,931	3.4	12.4	34,368	36,219	5.4	25.2	37,804	39,687	5.0	9.6
Margin (%)	11.2	11.4	21 bps	(88) bps	12.5	13.0	56 bps	162 bps	12.7	13.2	51 bps	15 bps
APAT	6,419	6,993	8.9	8.5	11,366	12,334	8.5	76.4	13,629	14,576	6.9	18.2
EPS (Rs)	10.1	11.0	8.9	8.5	17.9	19.4	8.5	76.4	21.5	23.0	6.9	18.2

Source: Company, Emkay Research

Exhibit 8: Revenue assumptions

Revenue (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E	CAGR (FY22-24E)
APMEA	119,187	148,265	182,206	202,903	223,083	17
Growth (%)	5.9	24.4	22.9	11.4	9.9	
Europe	56,754	65,543	73,409	77,079	80,162	8
Growth (%)	7.6	15.5	12.0	5.0	4.0	
Others	25,443	40,972	47,117	53,714	60,697	14
Growth (%)	(1.3)	61.0	15.0	14.0	13.0	
Inter-segmental	(27,415)	(45,305)	(49,117)	(55,714)	(62,697)	
Total	173,970	209,476	253,615	277,982	301,245	15
Growth (%)	6.4	20.4	21.1	9.6	8.4	

Source: Company, Emkay Research

Exhibit 9: EBIT assumptions

EBIT	FY21	FY22	FY23E	FY24E	FY25E	CAGR (FY22-24E)
APMEA	14,695	7,151	8,853	13,697	15,608	38
Margins %	12.3	4.8	4.9	6.8	7.0	
Europe	649	4,481	4,432	5,809	6,122	14
Margins %	1.1	6.8	6.0	7.5	7.6	
Others	775	1,347	1,649	1,987	2,246	21
Margins %	3.0	3.3	3.5	3.7	3.7	
Other un-allocatable	-	-	-	-	-	
Total	16,135	12,994	14,948	21,512	23,994	29
Margins %	9.3	6.2	5.9	7.7	8.0	

Source: Company, Emkay Research

Exhibit 10: Actual vs. Estimates (Q1FY23)

(Rs mn)	Actual	Estimate		% Variation		Comment
		Emkay	Consensus	Emkay	Consensus	
Revenue	59,420	59,514	56,819	(0.2)	4.6	In-line with estimates
EBITDA	6,898	6,472	6,380	6.6	8.1	Above estimates, owing to better gross profit and lower-than-expected employee expenses
EBITDA Margin (%)	11.6	10.9	11.2	73 bps	38 bps	
Adj. Net profit	1,907	1,248	1,307	52.7	45.9	Above estimates due to better operating profit and lower depreciation/interest expenses

Source: Bloomberg, Company, Emkay Research

Exhibit 11: Consolidated quarterly performance trend

Rs mn	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	YoY (%)	QoQ (%)
Revenue	45,845	50,773	57,075	55,783	59,420	29.6	6.5
Expenditure	40,177	44,393	49,645	49,520	52,522	30.7	6.1
<i>as % of sales</i>	87.6	87.4	87.0	88.8	88.4		
Consumption of RM	26,245	29,731	34,271	33,608	35,840	36.6	6.6
<i>as % of sales</i>	57.2	58.6	60.0	60.2	60.3		
Employee Cost	6,536	6,391	6,432	6,383	6,453	(1.3)	1.1
<i>as % of sales</i>	14.3	12.6	11.3	11.4	10.9		
Other expenditure	7,396	8,271	8,942	9,528	10,229	38.3	7.4
<i>as % of sales</i>	16.1	16.3	15.7	17.1	17.2		
EBITDA	5,668	6,380	7,429	6,264	6,898	21.7	10.1
Depreciation	3,404	3,397	3,443	3,753	3,437	1.0	(8.4)
EBIT	2,264	2,983	3,987	2,510	3,461		52.8
Other Income	405	289	170	372	106		
Interest	1,046	1,036	1,083	1,279	1,182	13.1	(7.6)
PBT	1,623	2,236	3,073	1,603	2,384	46.9	48.8
Minority interest	0	1	0	-1	0		
Total Tax	336	454	833	467	478	42.3	2.2
Adjusted PAT after MI	1,287	1,783	2,241	1,135	1,907	48.1	68.1
Extra ordinary items Loss/(Gain)	9	44	5	0	0		
Reported PAT	1,278	1,738	2,235	1,135	1,907	49.2	68.1
Adjusted EPS (Rs)	2.0	2.8	3.5	1.8	3.0	48.1	68.1

Margins (%)						(bps)	(bps)
EBIDTA	12.4	12.6	13.0	11.2	11.6	(75)	38
EBIT	4.9	5.9	7.0	4.5	5.8	89	132
EBT	3.5	4.4	5.4	2.9	4.0	47	114
PAT	2.8	3.5	3.9	2.0	3.2	40	118
Effective Tax rate	20.7	20.3	27.1	29.2	20.0	(65)	(913)

Source: Company, Emkay Research

Exhibit 12: Standalone quarterly performance trend

Rs mn	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	YoY (%)	QoQ (%)
Revenue	32,200	36,497	37,917	39,880	44,362	37.8	11.2
Expenditure	28,864	32,735	34,467	36,120	40,074	38.8	10.9
as % of sales	89.6	89.7	90.9	90.6	90.3		
Consumption of RM	21,192	24,604	26,452	27,672	31,211	47.3	12.8
as % of sales	65.8	67.4	69.8	69.4	70.4		
Employee Cost	2,623	2,600	2,555	2,462	2,604	(0.8)	5.7
as % of sales	8.1	7.1	6.7	6.2	5.9		
Other expenditure	5,049	5,531	5,460	5,986	6,259	24.0	4.6
as % of sales	15.7	15.2	14.4	15.0	14.1		
EBITDA	3,336	3,762	3,450	3,760	4,288	28.6	14.0
Depreciation	1,924	1,951	2,027	2,338	2,155	12.0	(7.8)
EBIT	1,412	1,811	1,423	1,423	2,133	51.1	49.9
Other Income	378	318	190	383	289	(23.7)	(24.7)
Interest	893	896	951	1,081	1,058	18.4	(2.1)
PBT	896	1,232	663	725	1,364	52.1	88.1
Total Tax	210	331	171	182	320	52.7	76.1
Adjusted PAT	687	902	492	543	1,043	51.9	92.2
Extra ordinary items Loss/(Gain)	8	5	0	0	0		
Reported PAT	679	897	492	543	1,043	53.6	92.2
Adjusted EPS (Rs)	1.1	1.4	0.8	0.9	1.6	51.9	92.2

Margins (%)						(bps)	(bps)
EBIDTA	10.4	10.3	9.1	9.4	9.7	(69)	24
EBIT	4.4	5.0	3.8	3.6	4.8	42	124
EBT	2.8	3.4	1.7	1.8	3.1	29	126
PAT	2.1	2.5	1.3	1.4	2.4	22	99
Effective Tax rate	23.4	26.8	25.8	25.1	23.5	9	(161)

Source: Company, Emkay Research

Exhibit 13: Segmental quarterly performance trend

Segmental Details (Rs mn)	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	YoY(%)	QoQ (%)
APMEA							
Net Sales	32,725	36,948	38,342	40,250	44,600	36.3	10.8
EBIT	1,795	2,061	1,626	1,670	2,145	19.5	28.5
Margins (%)	5.5	5.6	4.2	4.1	4.8	(68) bps	66 bps
Europe							
Net Sales	14,071	14,802	19,824	16,847	16,042	14.0	(4.8)
EBIT	544	784	2,336	818	786	44.7	(3.9)
Margins (%)	3.9	5.3	11.8	4.9	4.9	104 bps	5 bps
Other							
Net Sales	10,079	8,150	11,382	11,361	12,968	28.7	14.1
EBIT	330	428	195	394	635	92.6	61.0
Margins (%)	3.3	5.3	1.7	3.5	4.9	162 bps	142 bps

Source: Company, Emkay Research

Key Financials (Consolidated)**Income Statement**

Y/E March (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	173,970	209,476	253,615	277,982	301,245
Expenditure	145,995	183,735	224,683	241,763	261,558
EBITDA	27,975	25,741	28,931	36,219	39,687
Depreciation	13,150	13,997	14,967	15,736	16,740
EBIT	14,825	11,744	13,965	20,483	22,947
Other Income	1,294	1,235	969	1,011	1,028
Interest expenses	4,430	4,444	5,732	5,265	4,797
PBT	11,689	8,535	9,202	16,229	19,178
Tax	2,110	2,091	2,208	3,895	4,603
Extraordinary Items	(6,077)	(59)	0	0	0
Minority Int./Income from Assoc.	0	1	0	0	0
Reported Net Income	3,502	6,386	6,993	12,334	14,576
Adjusted PAT	9,580	6,445	6,993	12,334	14,576

Balance Sheet

Y/E March (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Equity share capital	635	635	635	635	635
Reserves & surplus	113,796	116,886	121,660	131,436	142,973
Net worth	114,431	117,521	122,296	132,072	143,608
Minority Interest	0	0	0	0	0
Loan Funds	77,214	70,190	64,690	59,190	53,690
Net deferred tax liability	7,020	7,968	7,968	7,968	7,968
Total Liabilities	198,665	195,679	194,954	199,229	205,266
Net block	164,196	175,913	172,747	174,810	178,871
Investment	1,096	4,905	4,905	4,905	4,905
Current Assets	81,807	79,004	92,872	100,678	107,597
Cash & bank balance	21,458	10,807	11,999	12,545	12,480
Other Current Assets	13,356	10,539	11,066	11,619	12,200
Current liabilities & Provision	59,496	70,322	81,750	87,344	92,286
Net current assets	22,312	8,681	11,122	13,334	15,311
Misc. exp.	0	0	0	0	0
Total Assets	198,665	195,679	194,954	199,229	205,266

Cash Flow

Y/E March (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
PBT (Ex-Other income) (NI+Dep)	4,318	7,300	8,232	15,218	18,150
Other Non-Cash items	0	0	0	0	0
Chg in working cap	4,616	3,927	(1,248)	(1,667)	(2,041)
Operating Cashflow	21,881	21,153	25,475	30,658	33,043
Capital expenditure	(11,563)	(15,545)	(11,800)	(17,800)	(20,800)
Free Cash Flow	10,318	5,608	13,675	12,858	12,243
Investments	(12,550)	(3,809)	0	0	0
Other Investing Cash Flow	1,964	7,539	0	0	0
Investing Cashflow	(20,855)	(10,580)	(10,831)	(16,789)	(19,772)
Equity Capital Raised	10,800	0	0	0	0
Loans Taken / (Repaid)	(3,222)	(7,024)	(5,500)	(5,500)	(5,500)
Dividend paid (incl tax)	0	(2,064)	(2,219)	(2,558)	(3,039)
Other Financing Cash Flow	8,765	(7,691)	0	0	0
Financing Cashflow	12,936	(21,224)	(13,451)	(13,323)	(13,337)
Net chg in cash	13,962	(10,651)	1,193	546	(65)
Opening cash position	7,496	21,458	10,807	11,999	12,545
Closing cash position	21,458	10,807	11,999	12,545	12,480

Source: Company, Emkay Research

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Key Ratios

Profitability (%)	FY21	FY22	FY23E	FY24E	FY25E
EBITDA Margin	16.1	12.3	11.4	13.0	13.2
EBIT Margin	8.5	5.6	5.5	7.4	7.6
Effective Tax Rate	18.1	24.5	24.0	24.0	24.0
Net Margin	5.5	3.1	2.8	4.4	4.8
ROCE	6.5	4.9	5.7	8.2	8.9
ROE	9.0	5.6	5.8	9.7	10.6
RoIC	7.7	5.2	6.1	9.0	9.8

Per Share Data (Rs)	FY21	FY22	FY23E	FY24E	FY25E
EPS	15.1	10.1	11.0	19.4	23.0
CEPS	35.8	32.2	34.6	44.2	49.3
BVPS	180.2	185.0	192.6	208.0	226.1
DPS	3.5	3.3	3.5	4.0	4.8

Valuations (x)	FY21	FY22	FY23E	FY24E	FY25E
PER	16.6	24.6	22.7	12.9	10.9
P/CEPS	7.0	7.8	7.2	5.7	5.1
P/BV	1.4	1.4	1.3	1.2	1.1
EV / Sales	1.2	1.0	0.8	0.7	0.7
EV / EBITDA	7.6	8.3	7.3	5.7	5.0
Dividend Yield (%)	1.4	1.3	1.4	1.6	1.9

Gearing Ratio (x)	FY21	FY22	FY23E	FY24E	FY25E
Net Debt/ Equity	0.5	0.5	0.4	0.4	0.3
Net Debt/EBIDTA	2.0	2.1	1.8	1.3	1.0
Working Cap Cycle (days)	1.8	(3.7)	(1.3)	1.0	3.4

Growth (%)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	6.4	20.4	21.1	9.6	8.4
EBITDA	44.3	(8.0)	12.4	25.2	9.6
EBIT	85.2	(20.8)	18.9	46.7	12.0
PAT	(26.5)	82.3	9.5	76.4	18.2

Quarterly (Rs mn)	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23
Revenue	45,845	50,773	57,075	55,783	59,420
EBITDA	5,668	6,380	7,429	6,264	6,898
EBITDA Margin (%)	12.4	12.6	13.0	11.2	11.6
PAT	1,287	1,783	2,241	1,135	1,907
EPS (Rs)	2.0	2.8	3.5	1.8	3.0

Source: Company, Emkay Research

Shareholding Pattern (%)	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22
Promoters	37.6	37.3	37.3	37.3	37.3
FIs	22.9	20.5	19.7	19.4	20.7
DIs	15.7	18.0	18.4	18.6	17.5
Public and Others	23.9	24.1	24.6	24.7	24.5

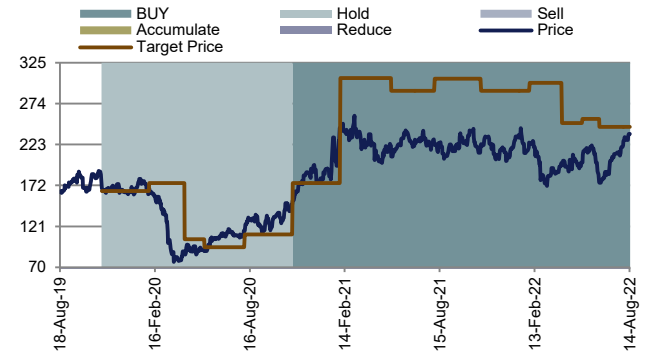
Source: Capitaline

RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
10-Jul-22	203	245	12m	Buy	Raghunandhan NL
17-Jun-22	176	245	12m	Buy	Raghunandhan NL
15-May-22	201	255	12m	Buy	Raghunandhan NL
06-Apr-22	197	250	12m	Buy	Raghunandhan NL
24-Feb-22	179	300	12m	Buy	Raghunandhan NL
03-Feb-22	225	300	12m	Buy	Raghunandhan NL
02-Nov-21	223	290	12m	Buy	Raghunandhan NL
05-Aug-21	222	305	12m	Buy	Raghunandhan NL
02-Jul-21	227	290	12m	Buy	Raghunandhan NL
29-Jun-21	226	290	12m	Buy	Raghunandhan NL
18-Jun-21	227	290	12m	Buy	Raghunandhan NL
01-Jun-21	222	290	12m	Buy	Raghunandhan NL
30-May-21	224	290	12m	Buy	Raghunandhan NL
14-May-21	208	290	12m	Buy	Raghunandhan NL
05-Feb-21	242	306	12m	Buy	Raghunandhan NL
06-Nov-20	153	175	12m	Buy	Raghunandhan NL
11-Oct-20	138	111	12m	Hold	Raghunandhan NL
28-Sep-20	128	111	12m	Hold	Raghunandhan NL
06-Aug-20	116	111	12m	Hold	Raghunandhan NL
29-Jun-20	108	95	12m	Hold	Raghunandhan NL
21-May-20	92	95	12m	Hold	Raghunandhan NL
04-May-20	89	105	12m	Hold	Raghunandhan NL
13-Apr-20	86	105	12m	Hold	Raghunandhan NL
27-Feb-20	150	175	12m	Hold	Raghunandhan NL
14-Feb-20	159	175	12m	Hold	Raghunandhan NL
05-Feb-20	168	175	12m	Hold	Raghunandhan NL
27-Dec-19	164	165	12m	Hold	Raghunandhan NL
27-Nov-19	172	165	12m	Hold	Raghunandhan NL
06-Nov-19	169	165	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

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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	5.04	5.04	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	0.20	0.23	14%	3	4.57	0
Atul Auto	0.00	0.03	NA	3	0.60	0
Bajaj Auto	0.50	0.28	-44%	-22	5.63	0
Bharat Forge	0.19	0.19	0%	0	3.84	0
Eicher Motors	0.43	0.43	0%	0	8.51	0
Escorts	0.00	0.03	NA	3	0.56	0
Exide Industries	0.00	0.00	NA	0	0.00	0
Hero Motocorp	0.34	0.37	7%	2	7.29	0
Mahindra & Mahindra	1.15	1.19	3%	4	23.61	0
Maruti Suzuki India	1.11	1.14	3%	3	22.61	0
Minda Industries	0.00	0.00	NA	0	0.00	0
Motherson Sumi Wiring India	0.00	0.00	NA	0	0.00	0
Samvardhana Motherson International	0.00	0.00	NA	0	0.00	0
Tata Motors	0.80	0.82	2%	1	16.21	0
Tata Motors DVR*	0.10	0.13	23%	2	2.53	0
TVS Motor	0.20	0.20	0%	0	4.04	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	12-Aug-21	11-Feb-22	12-May-22	12-Jul-22	12-Aug-22
EAP - Auto & Auto Ancillaries	100.0	121.5	139.4	121.6	146.2	156.4
BSE200 Neutral Weighted Portfolio (ETF)	100.0	120.8	138.3	121.4	145.7	156.2

*Performance measurement base date 1st April 2019

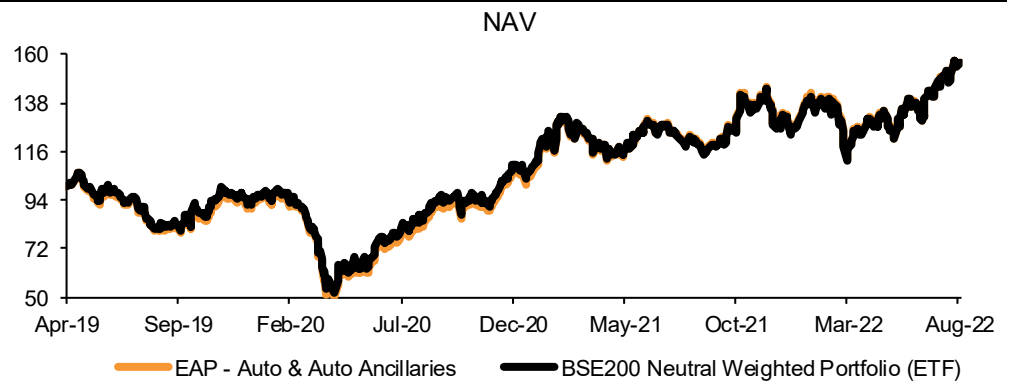
Source: Emkay Research

Price Performance (%)

	1m	3m	6m	12m
EAP - Auto & Auto Ancillaries	7.0%	28.6%	12.2%	28.7%
BSE200 Neutral Weighted Portfolio (ETF)	7.1%	28.6%	12.9%	29.3%

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: 17 Aug 2022 00:17:41 (SGT)

Dissemination Date: 17 Aug 2022 00:18:41 (SGT)

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