

# Amara Raja Batteries

**Refer to important disclosures at the end of this report**

## Q2 EBITDA-beat on price hikes, lower commodity prices

AMRJ's Q2FY23 EBITDA grew by 34% YoY (3-yr CAGR: 7%) to Rs3.6bn, coming in 21% above our estimates as benefits from easing commodity prices and product price increases were higher than our expectations. Revenue increased by 19% (3-yr CAGR: 17%) to Rs27bn, standing at a 5% beat due to higher than estimated growth in the auto segment. Factoring-in better revenue & margin assumptions, we increase our FY23-25E EPS by 2-8%. Despite losing out in the PLI-ACC scheme, AMRJ plans to commence construction work on lithium-ion cell manufacturing facility and production may commence after two years. However, as we do not see any near-term triggers, we retain HOLD with TP of Rs550/share, based on 11x Dec-24E EPS (Sep-24E earlier). Key downside risks: Lower-than-expected demand in key geographies, increased competitive intensity, and adverse movement in commodity prices/currency rates.

**Q2 EBITDA notably above estimates:** Revenue grew by 19% YoY (3-yr CAGR: 17%) to Rs27bn, above our estimates of Rs25.7bn, due to higher growth in the auto segment. Within auto, two-wheelers (2Ws) have seen higher growth. Within industrials, the telecom segment has witnessed better growth. EBITDA grew by 34% (3-yr CAGR: 7%) to Rs3.6bn, standing 21% above our estimates, led by higher-than-expected revenue and gross margin. EBITDA margin expanded by 150bps to 13.3% (Emkay est.: 11.6%). Gross margin improved by 80bps YoY (+390bps QoQ) to 30.5%, on price hikes of 2-2.5% in the aftermarket and notable correction in prices of lead. Accordingly, PAT grew 40% (3-yr CAGR: -3%) to Rs2bn, above our estimate of Rs1.6bn, on higher operating profit. **What we liked:** 1) Strong revenue performance in the auto & industrial segments; 2) Improvement in gross margin. **What we did not like:** 1) Company's selection under the PLI-ACC scheme is not foreseeable, despite exit of players like Hyundai. 2) Work on the lithium-ion cell manufacturing facility project will commence soon. However, commissioning of the project is not expected for the next 2 years.

**Management-Call KTAs:** 1) Q2FY23 volume performance: PV segment volume grew by 13-14%, led by growth of 18-20% in OEM and 10% in the aftermarket segments. The 2W segment grew by 10%, led by growth of 7-8% in OEM and 10-11% in aftermarket. The telecom segment grew by 15%, and other industrial segments grew by 8-10%. The home inverter segment witnessed a 10% decline. 2) INR depreciation may affect gross margins ahead. 3) FY23 capex is expected to be Rs5-6bn.

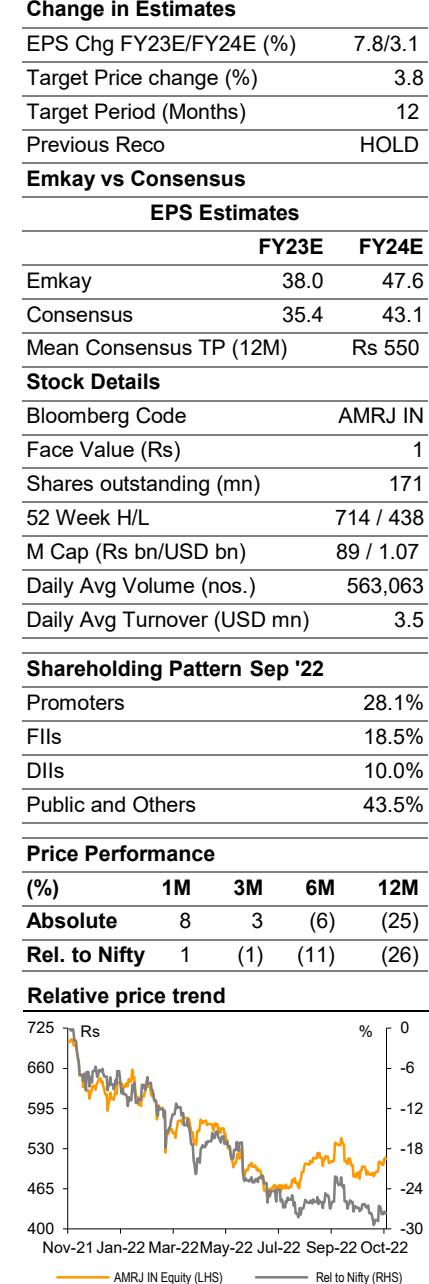
Please see our sector model portfolio (Emkay Alpha Portfolio): [Automobiles & Auto Ancillaries \(Page 6\)](#)

## Financial Snapshot (Standalone)

| (Rs mn)           | FY21   | FY22   | FY23E   | FY24E   | FY25E   |
|-------------------|--------|--------|---------|---------|---------|
| Revenue           | 71,497 | 86,958 | 104,149 | 113,449 | 122,443 |
| EBITDA            | 11,157 | 10,226 | 12,342  | 15,032  | 16,407  |
| EBITDA margin (%) | 15.6   | 11.8   | 11.9    | 13.3    | 13.4    |
| APAT              | 6,468  | 5,112  | 6,483   | 8,131   | 8,744   |
| EPS (Rs)          | 37.9   | 29.9   | 38.0    | 47.6    | 51.2    |
| EPS (% chg)       | (2.1)  | (21.0) | 26.8    | 25.4    | 7.5     |
| ROE (%)           | 16.4   | 11.7   | 13.6    | 15.4    | 14.9    |
| P/E (x)           | 13.7   | 17.4   | 13.7    | 10.9    | 10.2    |
| EV/EBITDA (x)     | 7.6    | 8.6    | 7.2     | 5.8     | 5.3     |
| P/BV (x)          | 2.1    | 2.0    | 1.8     | 1.6     | 1.4     |

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**Exhibit 1: Key revenue assumptions; expect revenue CAGR of 12% over FY22-25E**

| Revenue mix                     | FY21          | FY22          | FY23E          | FY24E          | FY25E          | CAGR - FY22-25E (%) |
|---------------------------------|---------------|---------------|----------------|----------------|----------------|---------------------|
| <b>Automotive (2W &amp; 4W)</b> | <b>42,656</b> | <b>50,578</b> | <b>61,221</b>  | <b>67,516</b>  | <b>73,754</b>  | <b>13</b>           |
| growth (%)                      | 6.2           | 18.6          | 21.0           | 10.3           | 9.2            |                     |
| <b>-OEM</b>                     | <b>6,281</b>  | <b>7,365</b>  | <b>9,226</b>   | <b>10,663</b>  | <b>11,739</b>  | <b>17</b>           |
| growth (%)                      | 0.4           | 17.3          | 25.3           | 15.6           | 10.1           |                     |
| <b>-Aftermarket</b>             | <b>36,375</b> | <b>43,213</b> | <b>51,995</b>  | <b>56,853</b>  | <b>62,015</b>  | <b>13</b>           |
| growth (%)                      | 7.2           | 18.8          | 20.3           | 9.3            | 9.1            |                     |
| <b>Industrial</b>               | <b>28,841</b> | <b>36,380</b> | <b>42,928</b>  | <b>45,933</b>  | <b>48,689</b>  | <b>10</b>           |
| growth (%)                      | 2.2           | 26.1          | 18.0           | 7.0            | 6.0            |                     |
| <b>Total Revenue</b>            | <b>71,497</b> | <b>86,958</b> | <b>104,149</b> | <b>113,449</b> | <b>122,443</b> | <b>12</b>           |
| growth (%)                      | 4.5           | 21.6          | 19.8           | 8.9            | 7.9            |                     |

Source: Company, Emkay Research

**Exhibit 2: Changes in estimates**

| (Rs mn)    | FY23E   |         |        |       | FY24E   |         |        |         | FY25E   |         |        |        |
|------------|---------|---------|--------|-------|---------|---------|--------|---------|---------|---------|--------|--------|
|            | Earlier | Revised | % Chg  | % YoY | Earlier | Revised | % Chg  | % YoY   | Earlier | Revised | % Chg  | % YoY  |
| Net Sales  | 101,248 | 104,149 | 2.9    | 19.8  | 110,301 | 113,449 | 2.9    | 8.9     | 119,056 | 122,443 | 2.8    | 7.9    |
| EBITDA     | 11,542  | 12,342  | 6.9    | 20.7  | 14,394  | 15,032  | 4.4    | 21.8    | 15,715  | 16,407  | 4.4    | 9.1    |
| Margin (%) | 11.4    | 11.9    | 45 bps | 9 bps | 13.1    | 13.3    | 20 bps | 140 bps | 13.2    | 13.4    | 20 bps | 15 bps |
| APAT       | 6,014   | 6,483   | 7.8    | 26.8  | 7,886   | 8,131   | 3.1    | 25.4    | 8,570   | 8,744   | 2.0    | 7.5    |
| EPS (Rs)   | 35.2    | 38.0    | 7.8    | 26.8  | 46.2    | 47.6    | 3.1    | 25.4    | 50.2    | 51.2    | 2.0    | 7.5    |

Source: Company, Emkay Research

**Exhibit 3: Actual vs. Estimates (Q2FY23)**

| (Rs mn)             | Actual | Estimates |           | % Variation |           | Comment   |
|---------------------|--------|-----------|-----------|-------------|-----------|---|
|                     |        | Emkay     | Consensus | Emkay       | Consensus |   |
| Total Revenue       | 26,995 | 25,708    | 25,756    | 5.0         | 4.8       | Above estimates due to higher growth in the auto segment              |
| EBITDA              | 3,602  | 2,970     | 2,809     | 21.3        | 28.2      | Above estimates due to higher-than-expected revenues and gross margin |
| EBITDA margin (%)   | 13.3   | 11.6      | 10.9      | 179 bps     | 244 bps   |   |
| Adjusted net profit | 2,022  | 1,567     | 1,448     | 29.0        | 39.6      | Above estimates due to higher operating profit                        |

Source: Bloomberg, Company, Emkay Research

**Exhibit 4: Quarterly performance**

| (Rs mn)                          | Q2FY22        | Q3FY22        | Q4FY22        | Q1FY23        | Q2FY23        | YoY (%)     | QoQ (%)      | FY23 YTD      | FY22 YTD      | YoY (%)     |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|-------------|--------------|---------------|---------------|-------------|
| <b>Revenue</b>                   | <b>22,642</b> | <b>23,651</b> | <b>21,807</b> | <b>26,200</b> | <b>26,995</b> | <b>19.2</b> | <b>3.0</b>   | <b>53,195</b> | <b>41,501</b> | <b>28.2</b> |
| <b>Expenditure</b>               | <b>19,953</b> | <b>20,811</b> | <b>19,608</b> | <b>23,591</b> | <b>23,393</b> | <b>17.2</b> | <b>(0.8)</b> | <b>46,984</b> | <b>36,313</b> | <b>29.4</b> |
| as % of sales                    | 88.1          | 88.0          | 89.9          | 90.0          | 86.7          |             |              | 88.3          | 87.5          |             |
| Consumption of RM                | 15,868        | 16,619        | 15,729        | 19,243        | 18,766        | 18.3        | (2.5)        | 38,009        | 28,865        | 31.7        |
| as % of sales                    | 70.1          | 70.3          | 72.1          | 73.4          | 69.5          |             |              | 71.5          | 69.6          |             |
| Employee Cost                    | 1,313         | 1,293         | 1,203         | 1,337         | 1,506         | 14.7        | 12.7         | 2,843         | 2,492         | 14.1        |
| as % of sales                    | 5.8           | 5.5           | 5.5           | 5.1           | 5.6           |             |              | 5.3           | 6.0           |             |
| Other expenditure                | 2,772         | 2,899         | 2,677         | 3,012         | 3,120         | 12.6        | 3.6          | 6,132         | 4,956         | 23.7        |
| as % of sales                    | 12.2          | 12.3          | 12.3          | 11.5          | 11.6          |             |              | 11.5          | 11.9          |             |
| <b>EBITDA</b>                    | <b>2,689</b>  | <b>2,840</b>  | <b>2,199</b>  | <b>2,609</b>  | <b>3,602</b>  | <b>33.9</b> | <b>38.1</b>  | <b>6,211</b>  | <b>5,188</b>  | <b>19.7</b> |
| <b>EBITDA margin (%)</b>         | <b>11.9</b>   | <b>12.0</b>   | <b>10.1</b>   | <b>10.0</b>   | <b>13.3</b>   |             |              | <b>11.7</b>   | <b>12.5</b>   |             |
| Depreciation                     | 986           | 1,021         | 987           | 963           | 1,019         | 3.4         | 5.8          | 1,983         | 1,949         | 1.7         |
| <b>EBIT</b>                      | <b>1,703</b>  | <b>1,819</b>  | <b>1,211</b>  | <b>1,646</b>  | <b>2,583</b>  | <b>51.6</b> | <b>57.0</b>  | <b>4,228</b>  | <b>3,239</b>  | <b>30.5</b> |
| Other Income                     | 264           | 190           | 160           | 170           | 237           | (10.5)      | 39.3         | 407           | 431           | (5.6)       |
| Interest                         | 36            | 38            | 46            | 46            | 54            | 52.5        | 18.6         | 100           | 67            | 49.2        |
| <b>PBT</b>                       | <b>1,932</b>  | <b>1,971</b>  | <b>1,325</b>  | <b>1,770</b>  | <b>2,765</b>  | <b>43.1</b> | <b>56.3</b>  | <b>4,535</b>  | <b>3,603</b>  | <b>25.9</b> |
| Total Tax                        | 491           | 524           | 340           | 455           | 744           | 51.4        | 63.4         | 1,199         | 922           | 30.0        |
| Adjusted PAT                     | 1,441         | 1,447         | 985           | 1,315         | 2,022         | 40.3        | 53.8         | 3,336         | 2,681         | 24.5        |
| Extra ordinary items Loss/(Gain) | 0             | 0             | 0             | 0             | 0             |             |              | 0             | 0             |             |
| <b>Reported PAT</b>              | <b>1,441</b>  | <b>1,447</b>  | <b>985</b>    | <b>1,315</b>  | <b>2,022</b>  | <b>40.3</b> | <b>53.8</b>  | <b>3,336</b>  | <b>2,681</b>  | <b>24.5</b> |
| <b>Adjusted EPS (Rs)</b>         | <b>8.4</b>    | <b>8.5</b>    | <b>5.8</b>    | <b>7.7</b>    | <b>11.8</b>   | <b>40.3</b> | <b>53.8</b>  | <b>19.5</b>   | <b>15.7</b>   | <b>24.5</b> |

Source: Company, Emkay Research

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

| Y/E Mar (Rs mn)                  | FY21          | FY22          | FY23E          | FY24E          | FY25E          |
|----------------------------------|---------------|---------------|----------------|----------------|----------------|
| <b>Revenue</b>                   | <b>71,497</b> | <b>86,958</b> | <b>104,149</b> | <b>113,449</b> | <b>122,443</b> |
| <b>Expenditure</b>               | <b>60,340</b> | <b>76,732</b> | <b>91,808</b>  | <b>98,417</b>  | <b>106,036</b> |
| <b>EBITDA</b>                    | <b>11,157</b> | <b>10,226</b> | <b>12,342</b>  | <b>15,032</b>  | <b>16,407</b>  |
| Depreciation                     | 3,192         | 3,957         | 4,231          | 4,732          | 5,295          |
| <b>EBIT</b>                      | <b>7,965</b>  | <b>6,269</b>  | <b>8,110</b>   | <b>10,300</b>  | <b>11,112</b>  |
| Other Income                     | 874           | 780           | 808            | 854            | 879            |
| Interest expenses                | 105           | 151           | 159            | 166            | 175            |
| <b>PBT</b>                       | <b>8,733</b>  | <b>6,898</b>  | <b>8,760</b>   | <b>10,987</b>  | <b>11,816</b>  |
| Tax                              | 2,265         | 1,786         | 2,278          | 2,857          | 3,072          |
| Extraordinary Items              | 0             | 0             | 0              | 0              | 0              |
| Minority Int./Income from Assoc. | 0             | 0             | 0              | 0              | 0              |
| <b>Reported Net Income</b>       | <b>6,468</b>  | <b>5,112</b>  | <b>6,483</b>   | <b>8,131</b>   | <b>8,744</b>   |
| <b>Adjusted PAT</b>              | <b>6,468</b>  | <b>5,112</b>  | <b>6,483</b>   | <b>8,131</b>   | <b>8,744</b>   |

**Balance Sheet**

| Y/E Mar (Rs mn)                            | FY21          | FY22          | FY23E         | FY24E         | FY25E         |
|--|---------------|---------------|---------------|---------------|---------------|
| Equity share capital                       | 171           | 171           | 171           | 171           | 171           |
| Reserves & surplus                         | 41,932        | 45,343        | 49,881        | 55,572        | 61,693        |
| <b>Net worth</b>                           | <b>42,103</b> | <b>45,514</b> | <b>50,052</b> | <b>55,743</b> | <b>61,864</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>343</b>    | <b>234</b>    | <b>115</b>    | <b>65</b>     | <b>15</b>     |
| Net deferred tax liability                 | 407           | 314           | 314           | 314           | 314           |
| <b>Total Liabilities</b>                   | <b>42,853</b> | <b>46,062</b> | <b>50,481</b> | <b>56,122</b> | <b>62,193</b> |
| <b>Net block</b>                           | <b>24,548</b> | <b>24,923</b> | <b>26,692</b> | <b>28,960</b> | <b>31,665</b> |
| <b>Investment</b>                          | <b>2,805</b>  | <b>778</b>    | <b>3,278</b>  | <b>5,278</b>  | <b>7,778</b>  |
| <b>Current Assets</b>                      | <b>26,625</b> | <b>29,761</b> | <b>33,048</b> | <b>36,180</b> | <b>38,758</b> |
| Cash & bank balance                        | 1,758         | 536           | 156           | 797           | 1,010         |
| Other Current Assets                       | 1,204         | 1,227         | 1,289         | 1,353         | 1,421         |
| <b>Current liabilities &amp; Provision</b> | <b>15,117</b> | <b>17,697</b> | <b>20,833</b> | <b>22,592</b> | <b>24,304</b> |
| <b>Net current assets</b>                  | <b>11,508</b> | <b>12,064</b> | <b>12,215</b> | <b>13,588</b> | <b>14,454</b> |
| Misc. exp                                  | 0             | 0             | 0             | 0             | 0             |
| <b>Total Assets</b>                        | <b>42,853</b> | <b>46,062</b> | <b>50,481</b> | <b>56,122</b> | <b>62,193</b> |

**Cash Flow**

| Y/E Mar (Rs mn)                       | FY21           | FY22           | FY23E          | FY24E          | FY25E          |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>PBT (Ex-Other income) (NI+Dep)</b> | <b>7,860</b>   | <b>6,118</b>   | <b>7,952</b>   | <b>10,134</b>  | <b>10,937</b>  |
| Other Non-Cash items                  | 0              | 0              | 0              | 0              | 0              |
| Chg in working cap                    | (1,301)        | (2,406)        | (530)          | (733)          | (653)          |
| <b>Operating Cashflow</b>             | <b>7,147</b>   | <b>5,550</b>   | <b>9,515</b>   | <b>11,424</b>  | <b>12,664</b>  |
| Capital expenditure                   | (4,964)        | (7,598)        | (6,000)        | (7,000)        | (8,000)        |
| <b>Free Cash Flow</b>                 | <b>2,183</b>   | <b>(2,048)</b> | <b>3,515</b>   | <b>4,424</b>   | <b>4,664</b>   |
| Investments                           | (1,147)        | 2,505          | (2,500)        | (2,000)        | (2,500)        |
| Other Investing Cash Flow             | (239)          | 273            | 19             | 19             | 19             |
| <b>Investing Cashflow</b>             | <b>(5,476)</b> | <b>(4,039)</b> | <b>(7,673)</b> | <b>(8,127)</b> | <b>(9,602)</b> |
| Equity Capital Raised                 | 0              | 0              | 0              | 0              | 0              |
| Loans Taken / (Repaid)                | (125)          | (110)          | (119)          | (50)           | (50)           |
| Dividend paid (incl tax)              | (854)          | (1,708)        | (1,945)        | (2,439)        | (2,623)        |
| Other Financing Cash Flow             | 261            | (848)          | 0              | 0              | 0              |
| <b>Financing Cashflow</b>             | <b>(758)</b>   | <b>(2,733)</b> | <b>(2,222)</b> | <b>(2,656)</b> | <b>(2,848)</b> |
| <b>Net chg in cash</b>                | <b>913</b>     | <b>(1,222)</b> | <b>(380)</b>   | <b>641</b>     | <b>213</b>     |
| Opening cash position                 | 845            | 1,758          | 536            | 156            | 797            |
| <b>Closing cash position</b>          | <b>1,758</b>   | <b>536</b>     | <b>156</b>     | <b>797</b>     | <b>1,010</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            | 15.6        | 11.8        | 11.9         | 13.3         | 13.4         |
| EBIT Margin              | 11.1        | 7.2         | 7.8          | 9.1          | 9.1          |
| Effective Tax Rate       | 25.9        | 25.9        | 26.0         | 26.0         | 26.0         |
| Net Margin               | 9.0         | 5.9         | 6.2          | 7.2          | 7.1          |
| ROCE                     | 16.0        | 11.3        | 13.3         | 15.2         | 14.8         |
| ROE                      | 16.4        | 11.7        | 13.6         | 15.4         | 14.9         |
| RoIC                     | 19.4        | 13.1        | 16.0         | 18.9         | 18.9         |

| <b>Per Share Data (Rs)</b> | <b>FY21</b> | <b>FY22</b> | <b>FY23E</b> | <b>FY24E</b> | <b>FY25E</b> |
|----------------------------|-------------|-------------|--------------|--------------|--------------|
| EPS                        | 37.9        | 29.9        | 38.0         | 47.6         | 51.2         |
| CEPS                       | 56.6        | 53.1        | 62.7         | 75.3         | 82.2         |
| BVPS                       | 246.5       | 266.5       | 293.0        | 326.3        | 362.2        |
| DPS                        | 11.0        | 4.5         | 11.4         | 14.3         | 15.4         |

| <b>Valuations (x)</b> | <b>FY21</b> | <b>FY22</b> | <b>FY23E</b> | <b>FY24E</b> | <b>FY25E</b> |
|-----------------------|-------------|-------------|--------------|--------------|--------------|
| PER                   | 13.7        | 17.4        | 13.7         | 10.9         | 10.2         |
| P/CEPS                | 9.2         | 9.8         | 8.3          | 6.9          | 6.3          |
| P/BV                  | 2.1         | 2.0         | 1.8          | 1.6          | 1.4          |
| EV / Sales            | 1.2         | 1.0         | 0.8          | 0.8          | 0.7          |
| EV / EBITDA           | 7.6         | 8.6         | 7.2          | 5.8          | 5.3          |
| Dividend Yield (%)    | 2.1         | 0.9         | 2.2          | 2.7          | 3.0          |

| <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)       | 0.0         | 0.0          | 0.0          | 0.0          |
| Net Debt/EBITDA          | (0.4)       | (0.1)       | 0.0          | (0.1)        | (0.1)        |
| Working Cap Cycle (days) | 49.8        | 48.4        | 42.3         | 41.2         | 40.1         |

| <b>Growth (%)</b> | <b>FY21</b> | <b>FY22</b> | <b>FY23E</b> | <b>FY24E</b> | <b>FY25E</b> |
|-------------------|-------------|-------------|--------------|--------------|--------------|
| Revenue           | 4.5         | 21.6        | 19.8         | 8.9          | 7.9          |
| EBITDA            | 1.6         | (8.3)       | 20.7         | 21.8         | 9.1          |
| EBIT              | (0.2)       | (21.3)      | 29.4         | 27.0         | 7.9          |
| PAT               | (2.1)       | (21.0)      | 26.8         | 25.4         | 7.5          |

| <b>Quarterly (Rs mn)</b> | <b>Q2FY22</b> | <b>Q3FY22</b> | <b>Q4FY22</b> | <b>Q1FY23</b> | <b>Q2FY23</b> |
|--------------------------|---------------|---------------|---------------|---------------|---------------|
| Revenue                  | 22,642        | 23,651        | 21,807        | 26,200        | 26,995        |
| EBITDA                   | 2,689         | 2,840         | 2,199         | 2,609         | 3,602         |
| <b>EBITDA Margin (%)</b> | <b>11.9</b>   | <b>12.0</b>   | <b>10.1</b>   | <b>10.0</b>   | <b>13.3</b>   |
| PAT                      | 1,441         | 1,447         | 985           | 1,315         | 2,022         |
| <b>EPS (Rs)</b>          | <b>8.4</b>    | <b>8.5</b>    | <b>5.8</b>    | <b>7.7</b>    | <b>11.8</b>   |

Source: Company, Emkay Research

| <b>Shareholding Pattern (%)</b> | <b>Sep-21</b> | <b>Dec-21</b> | <b>Mar-22</b> | <b>Jun-22</b> | <b>Sep-22</b> |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|
| Promoters                       | 28.1          | 28.1          | 28.1          | 28.1          | 28.1          |
| FII's                           | 20.8          | 19.8          | 18.1          | 18.3          | 18.5          |
| DII's                           | 14.5          | 11.7          | 11.4          | 10.8          | 10.0          |
| Public and Others               | 36.6          | 40.5          | 42.5          | 42.8          | 43.5          |

Source: Capitaline

## RECOMMENDATION HISTORY (Rs/share)

| Date      | Closing Price | TP  | Period | Rating | Analyst         |
|-----------|---------------|-----|--------|--------|-----------------|
| 09-Oct-22 | 501           | 530 | 12m    | Hold   | Raghunandhan NL |
| 08-Aug-22 | 510           | 530 | 12m    | Hold   | Raghunandhan NL |
| 10-Jul-22 | 466           | 520 | 12m    | Hold   | Raghunandhan NL |
| 21-May-22 | 529           | 610 | 12m    | Hold   | Raghunandhan NL |
| 06-Apr-22 | 574           | 655 | 12m    | Hold   | Raghunandhan NL |
| 24-Feb-22 | 524           | 710 | 12m    | Hold   | Raghunandhan NL |
| 11-Feb-22 | 608           | 710 | 12m    | Hold   | Raghunandhan NL |
| 14-Nov-21 | 697           | 775 | 12m    | Hold   | Raghunandhan NL |
| 15-Aug-21 | 729           | 830 | 12m    | Hold   | Raghunandhan NL |
| 02-Jul-21 | 747           | 850 | 12m    | Hold   | Raghunandhan NL |
| 18-Jun-21 | 748           | 850 | 12m    | Hold   | Raghunandhan NL |
| 16-Jun-21 | 772           | 850 | 12m    | Hold   | Raghunandhan NL |
| 01-Jun-21 | 739           | 850 | 12m    | Hold   | Raghunandhan NL |
| 30-May-21 | 744           | 850 | 12m    | Hold   | Raghunandhan NL |
| 23-May-21 | 792           | 850 | 12m    | Hold   | Raghunandhan NL |
| 16-Feb-21 | 908           | 860 | 12m    | Hold   | Raghunandhan NL |
| 28-Oct-20 | 746           | 863 | 12m    | Buy    | Raghunandhan NL |
| 11-Oct-20 | 741           | 803 | 12m    | Buy    | Raghunandhan NL |
| 28-Sep-20 | 747           | 803 | 12m    | Buy    | Raghunandhan NL |
| 07-Aug-20 | 718           | 803 | 12m    | Buy    | Raghunandhan NL |
| 29-Jun-20 | 641           | 732 | 12m    | Buy    | Raghunandhan NL |
| 02-Jun-20 | 665           | 732 | 12m    | Buy    | Raghunandhan NL |
| 04-May-20 | 551           | 624 | 12m    | Buy    | Raghunandhan NL |
| 29-Apr-20 | 540           | 624 | 12m    | Buy    | Raghunandhan NL |
| 13-Apr-20 | 499           | 624 | 12m    | Buy    | Raghunandhan NL |
| 27-Feb-20 | 681           | 856 | 12m    | Buy    | Raghunandhan NL |
| 14-Feb-20 | 756           | 856 | 12m    | Buy    | Raghunandhan NL |
| 03-Feb-20 | 786           | 856 | 12m    | Buy    | Raghunandhan NL |
| 27-Dec-19 | 716           | 784 | 12m    | Buy    | Raghunandhan NL |
| 27-Nov-19 | 763           | 784 | 12m    | Buy    | Raghunandhan NL |
| 10-Nov-19 | 654           | 784 | 12m    | Buy    | Raghunandhan NL |

Source: Company, Emkay Research

## RECOMMENDATION HISTORY (Rs/share)



## Emkay Alpha Portfolio – Automobiles & Auto Ancillaries

### EAP sector portfolio



#### Analyst: Raghu Nandan 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.

| 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>5.03</b>   | <b>5.03</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          | 0.02        | NA        | 2           | 0.49                            | 0                                  |
| Ashok Leyland                       | 0.20          | 0.22        | 8%        | 2           | 4.27                            | 0                                  |
| Atul Auto                           | 0.00          | 0.02        | NA        | 2           | 0.48                            | 0                                  |
| Bajaj Auto                          | 0.45          | 0.25        | -45%      | -20         | 4.98                            | 0                                  |
| Bharat Forge                        | 0.20          | 0.12        | -42%      | -9          | 2.31                            | 0                                  |
| Eicher Motors                       | 0.48          | 0.48        | 0%        | 0           | 9.61                            | 0                                  |
| Escorts                             | 0.00          | 0.02        | NA        | 2           | 0.45                            | 0                                  |
| Exide Industries                    | 0.00          | 0.00        | NA        | 0           | 0.00                            | 0                                  |
| Hero Motocorp                       | 0.32          | 0.34        | 7%        | 2           | 6.78                            | 0                                  |
| Mahindra & Mahindra                 | 1.20          | 1.23        | 2%        | 2           | 24.38                           | 0                                  |
| Maruti Suzuki India                 | 1.14          | 1.16        | 2%        | 2           | 23.03                           | 0                                  |
| Minda Industries*                   | 0.00          | 0.02        | NA        | 2           | 0.46                            | 0                                  |
| Motherson Sumi Wiring India         | 0.00          | 0.02        | NA        | 2           | 0.45                            | 0                                  |
| Samvardhana Motherson International | 0.00          | 0.02        | NA        | 2           | 0.42                            | 0                                  |
| Suprajit Engineering                | 0.00          | 0.02        | NA        | 2           | 0.45                            | 0                                  |
| Tata Motors                         | 0.69          | 0.70        | 2%        | 1           | 13.96                           | 0                                  |
| Tata Motors DVR*                    | 0.11          | 0.12        | 7%        | 1           | 2.34                            | 0                                  |
| TVS Motor                           | 0.24          | 0.26        | 9%        | 2           | 5.13                            | 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 | 2-Nov-21 | 2-May-22 | 2-Aug-22 | 30-Sep-22 | 2-Nov-22 |
| EAP - Auto & Auto Ancillaries           | 100.0    | 137.9    | 131.1    | 157.3    | 152.8     | 161.0    |
| BSE200 Neutral Weighted Portfolio (ETF) | 100.0    | 136.9    | 130.6    | 156.9    | 151.8     | 160.5    |

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

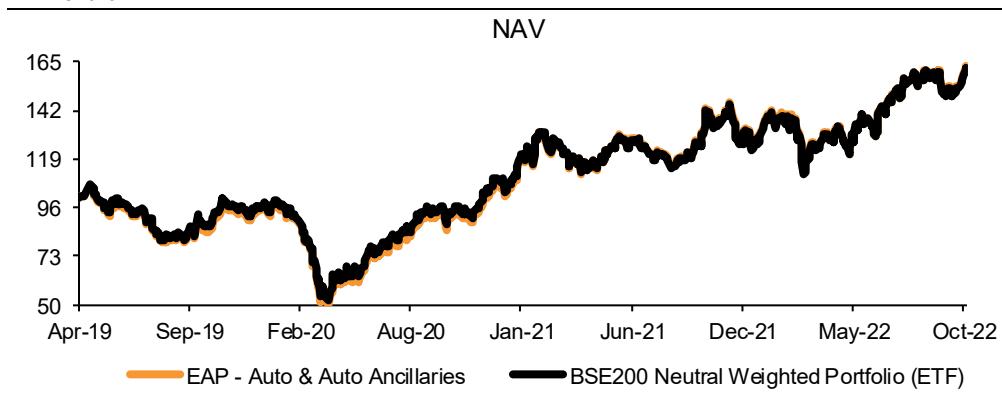
Source: Emkay Research

### Price Performance (%)

|   | 1m   | 3m   | 6m    | 12m   |
|---|------|------|-------|-------|
| EAP - Auto & Auto Ancillaries           | 5.4% | 2.3% | 22.8% | 16.8% |
| BSE200 Neutral Weighted Portfolio (ETF) | 5.7% | 2.3% | 22.9% | 17.2% |

Source: Emkay Research

### NAV chart



Source: Emkay Research

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

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“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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|-------------|---|
| <b>BUY</b>  | Over 15%                                      |
| <b>HOLD</b> | Between -5% to 15%                            |
| <b>SELL</b> | Below -5%                                     |

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