

# Samvardhana Motherson International

Refer to important disclosures at the end of this report

## Q2 EBITDA above estimates; Sales ramp-up and cost pass-through to aid growth ahead

For Q2FY23, consolidated revenue grew by 27% yoy to Rs182.6bn, marginally above our estimates. Consolidated EBITDA grew by 30% yoy to Rs14bn, 27% above estimates, due to cost savings and partial cost pass-throughs. As the remaining cost pass-throughs are achieved, management expects further margin improvement. We expect a 12% revenue CAGR over FY22-25E, driven by industry upcycle across regions and better wallet share due to premiumization/ electrification. We expect EBITDA margin to expand from 7% in FY22 to 9.8% in FY25E driven by better scale, improved net pricing, and cost savings. We retain Buy with an SOTP-based TP of Rs94 (Rs90 earlier), based on Dec-24E estimates (Sep-24E earlier). Our target P/E multiples for the standalone operations stand at 30x, Motherson Wiring at 35x, and SMR PBV at 15x, based on DCF valuation. Key downside risks: Demand contraction in target markets, weak performance of large clients, and adverse commodity/currency rates.

**Q2 consolidated EBITDA came in above estimates:** For Q2FY23, the company's consolidated revenue grew 27% yoy to Rs182.6bn (est.: Rs178.3bn), marginally above our estimates. Consolidated EBITDA grew by 30% to Rs14bn (est.: Rs11.1bn), 27% above estimates, due to cost savings and partial cost pass-throughs. EBITDA was above estimates in both SMRPBV and standalone divisions. Overall, consolidated adjusted PAT grew by 290% to Rs3.2bn on a low base (est.: Rs2bn), above estimates owing to higher operating profit. **SMRPBV's results were above estimates.** SMRPBV's revenue witnessed 35% growth to EUR1.48bn. EBITDA grew at a stronger pace of 36% to EUR95mn. **Standalone results were also above estimates.** Revenue grew by 42% to Rs18.1bn and EBITDA grew by 65% to Rs2.1bn. **What we liked:** 1) Strong margin performance and expectations of further improvement ahead. 2) Increased SMR PBV order book to EUR18.2bn, with EV share of 37%. **What we did not like:** Increased net debt (excluding lease liability) to Rs85.5bn in Sep-22 vs. Rs82.7bn in Jun-22, owing to higher working capital. However, management expects improvement in supply chain situation to aid reduction ahead.

**Earnings Call KTAs:** 1) Q2FY23 industry production volumes for global light vehicles grew by 11% yoy and that for commercial vehicles grew by 3% yoy. Management expects further improvement in production, though the pace of improvement is uncertain. 2) Premiumization: In global light vehicles, the share of premium vehicles has increased in Europe from 26% in Mar-21 to 28% in Sep-22, and that in North America has increased from 14% in Mar-21 to 18% in Sep-22. Increasing premiumization would positively support content/vehicle. 3) SMRPBV's order book increased from EUR16.1bn in Mar-22 to EUR18.2bn in Sep-22, with dedicated EV platform order book from 27% in Mar-22 to 37% in Sep-22. EV share in revenue stands at ~5% currently, which would increase with the execution of the order book. 4) FY23 capex could be below the earlier plan of Rs25bn. Capex in H1FY23 stands at Rs8.5bn.

Please see our sector model portfolio (Emkay Alpha Portfolio): [Automobiles & Auto Ancillaries \(Page 7\)](#)

### Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	573,699	635,360	714,218	803,032	891,414
EBITDA	43,590	44,614	54,031	72,399	87,546
EBITDA Margin (%)	7.6	7.0	7.6	9.0	9.8
APAT	11,014	7,934	13,822	26,932	35,316
EPS (Rs)	1.6	1.2	2.0	4.0	5.2
EPS (% chg)	7.0	(28.0)	74.2	94.9	31.1
ROE (%)	10.4	5.1	6.6	12.1	14.4
P/E (x)	43.3	60.2	34.5	17.7	13.5
EV/EBITDA (x)	12.8	13.0	10.6	7.6	5.9
P/BV (x)	4.5	2.3	2.2	2.1	1.9

Source: Company, Emkay Research

### CMP

Rs 70

as of (November 10, 2022)

### Rating

BUY (■)

### Target Price

Rs 94 (▲)

12 months

### Upside

34.0 %

### Change in Estimates

EPS Chg FY23E/FY24E (%)	(1.5)/ (1.5)
Target Price change (%)	4.9
Target Period (Months)	12
Previous Reco	BUY

### Emkay vs Consensus

EPS Estimates	
	FY23E FY24E
Emkay	2.0 4.0
Consensus	2.6 4.7
Mean Consensus TP (12M)	Rs 93

### Stock Details

Bloomberg Code	MOTHERSO IN
Face Value (Rs)	1
Shares outstanding (mn)	6,776
52 Week H/L	145 / 62
M Cap (Rs bn/USD bn)	477 / 5.84
Daily Avg Volume (nos.)	18,535,980
Daily Avg Turnover (US\$ mn)	16.6

### Shareholding Pattern Sep '22

Promoters	68.2%
FII's	8.8%
DII's	10.6%
Public and Others	12.5%

### Price Performance

(%)	1M	3M	6M	12M
Absolute	(7)	(13)	(13)	(48)
Rel. to Nifty	(11)	(16)	(22)	(48)

### Relative price chart



Source: Bloomberg

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**Exhibit 1: Key revenue assumptions; Expect revenue/EBITDA CAGRs at 12%/25% over FY22-25E**

(Rs mn)	FY22	FY23E	FY24E	FY25E	
<b>Revenue</b>					<b>CAGR FY22-25E (%)</b>
Standalone (excl. MSUMI)	53,448	69,858	81,422	91,019	19
SMRPBV	437,556	475,213	548,301	607,126	12
PKC	106,085	108,888	107,679	121,896	5
Others	50,334	67,474	73,741	80,377	17
Less intersegmental	(12,062)	(7,214)	(8,111)	(9,004)	
<b>Total</b>	<b>635,360</b>	<b>714,218</b>	<b>803,032</b>	<b>891,414</b>	<b>12</b>
<b>EBITDA</b>					<b>CAGR FY22-25E (%)</b>
Standalone	6,018	7,614	10,259	12,561	28
SMRPBV	29,725	32,019	44,504	58,176	25
PKC	4,417	5,444	7,538	8,655	25
Others	4,454	8,954	10,098	8,154	22
<b>Total</b>	<b>44,614</b>	<b>54,031</b>	<b>72,399</b>	<b>87,546</b>	<b>25</b>
<b>EBITDA margin (%)</b>					<b>FY22-25E chg (bps)</b>
Standalone	11.3	10.9	12.6	13.8	254
SMRPBV	6.8	6.7	8.1	9.6	279
PKC	4.2	5.0	7.0	7.1	294
Others	8.8	13.3	13.7	10.1	130
<b>Total</b>	<b>7.0</b>	<b>7.6</b>	<b>9.0</b>	<b>9.8</b>	<b>280</b>

Source: Company, Emkay Research

**Exhibit 2: Changes in estimates**

Rs mn	FY23E				FY24E				FY25E			
	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY
Revenue	721,196	714,218	-1	12	824,825	803,032	-3	12	889,430	891,414	0	11
EBITDA	51,546	54,031	5	21	73,302	72,399	-1	34	87,947	87,546	-0	21
Margin (%)	7.1	7.6	42 bps	54 bps	8.9	9.0	13 bps	145 bps	9.9	9.8	-7 bps	81 bps
APAT	14,034	13,822	-2	148	27,350	26,932	-2	95	35,521	35,316	-1	31
EPS (Rs)	2.1	2.0	-2	65	4.0	4.0	-2	95	5.2	5.2	-1	31

Source: Company, Emkay Research

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

(Rs mn)	Actual	Estimates		% Variation		Comment
		Emkay	Consensus	Emkay	Consensus	
Total Revenue	182,608	178,251	170,877	2.4	6.9	Marginally above estimates
EBITDA	14,031	11,089	11,503	26.5	22.0	Above estimates due to cost savings and partial cost pass-through
EBITDA Margin (%)	7.7	6.2	6.7	146 bps	95 bps	
Adjusted net profit	3,248	1,967	3,000	65.1	8.3	Above estimates due to higher operating profit

Source: Bloomberg, Company, Emkay Research

**Exhibit 4: Consolidated quarterly performance**

Rs mn	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	YoY (%)	QoQ (%)	FY23 YTD	FY22 YTD	YoY (%)
<b>Revenue</b>	<b>140,764</b>	<b>161,175</b>	<b>171,848</b>	<b>176,147</b>	<b>182,608</b>	<b>29.7</b>	<b>3.7</b>	<b>358,755</b>	<b>302,337</b>	<b>18.7</b>
<b>Expenditure</b>	<b>131,326</b>	<b>150,410</b>	<b>159,741</b>	<b>165,379</b>	<b>168,577</b>	<b>28.4</b>	<b>1.9</b>	<b>333,956</b>	<b>280,700</b>	<b>19.0</b>
as a % of sales	93.3	93.3	93.0	93.9	92.3			93.1	92.8	
Consumption of RM	80,876	94,194	100,328	103,550	107,173	32.5	3.5	210,723	172,841	21.9
as a % of sales	57.5	58.4	58.4	58.8	58.7			58.7	57.2	
Employee Cost	35,045	38,457	40,592	42,725	41,002	17.0	(4.0)	83,727	74,697	12.1
as a % of sales	24.9	23.9	23.6	24.3	22.5			23.3	24.7	
Other expenditure	15,405	17,759	18,821	19,104	20,402	32.4	6.8	39,506	33,162	19.1
as a % of sales	10.9	11.0	11.0	10.8	11.2			11.0	11.0	
<b>EBITDA</b>	<b>9,438</b>	<b>10,765</b>	<b>12,108</b>	<b>10,768</b>	<b>14,031</b>	<b>48.7</b>	<b>30.3</b>	<b>24,799</b>	<b>21,637</b>	<b>14.6</b>
<b>EBITDA margin (%)</b>	<b>6.7</b>	<b>6.7</b>	<b>7.0</b>	<b>6.1</b>	<b>7.7</b>			<b>6.9</b>	<b>7.2</b>	
Depreciation	7,373	7,334	7,362	7,324	7,487	1.5	2.2	14,811	14,886	(0.5)
<b>EBIT</b>	<b>2,064</b>	<b>3,431</b>	<b>4,746</b>	<b>3,444</b>	<b>6,544</b>	<b>217.0</b>	<b>90.0</b>	<b>9,988</b>	<b>6,751</b>	<b>47.9</b>
Other Income	871	1,227	1,412	978	940	7.9	(3.9)	1,919	2,419	(20.7)
Interest	1,313	1,294	1,612	1,694	1,837	39.9	8.5	3,531	2,521	40.1
<b>PBT</b>	<b>1,622</b>	<b>3,364</b>	<b>4,547</b>	<b>2,729</b>	<b>5,647</b>	<b>248.1</b>	<b>106.9</b>	<b>8,376</b>	<b>6,650</b>	<b>26.0</b>
Total Tax	856	1,010	2,674	928	1,914	123.5	106.3	2,841	2,404	18.2
<b>Adjusted PAT</b>	<b>766</b>	<b>2,354</b>	<b>1,873</b>	<b>1,801</b>	<b>3,733</b>	<b>387.3</b>	<b>107.2</b>	<b>5,535</b>	<b>4,246</b>	<b>30.4</b>
(Profit)/loss from JV's/Ass/MI	(67)	1,422	196	389	485	(819.7)	24.6	874	1,300	
<b>Adj. PAT after MI</b>	<b>834</b>	<b>932</b>	<b>1,677</b>	<b>1,412</b>	<b>3,248</b>	<b>289.7</b>	<b>130.0</b>	<b>4,660</b>	<b>2,946</b>	<b>58.2</b>
Extraordinary items	-	-	(461)	-	(784)			(784)	(5)	
<b>Reported PAT</b>	<b>834</b>	<b>932</b>	<b>1,216</b>	<b>1,412</b>	<b>2,464</b>	<b>195.7</b>	<b>74.5</b>	<b>3,876</b>	<b>2,942</b>	<b>31.8</b>
<b>Adjusted EPS (Rs)</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>	<b>0.5</b>	<b>289.7</b>	<b>130.0</b>	<b>0.7</b>	<b>0.4</b>	<b>58.2</b>
<b>Margins (%)</b>						<b>(bps)</b>	<b>(bps)</b>			<b>(bps)</b>
EBIDTA	6.7	6.7	7.0	6.1	7.7	98	157	6.9	7.2	(24)
EBIT	1.5	2.1	2.8	2.0	3.6	212	163	2.8	2.2	55
EBT	1.2	2.1	2.6	1.5	3.1	194	154	2.3	2.2	14
APAT	0.6	0.6	1.0	0.8	1.8	119	98	1.3	1.0	32
Effective Tax rate	52.8	30.0	58.8	34.0	33.9	(1,889)	(10)	33.9	36.1	(223)

Source: Company, Emkay Research

**Exhibit 5: Standalone quarterly performance**

Rs mn	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	% YoY	% QoQ
Sales	12,789	13,214	16,306	16,182	18,107	41.6	11.9
EBITDA	1,288	1,320	2,157	1,440	2,065	60.4	43.4
EBITDA margin (%)	10.1	10.0	13.2	8.9	11.4	133 bps	250 bps
Adj. PAT	2,442	564	4,448	1,200	2,139	(12.4)	78.3

Source: Company, Emkay Research

**Exhibit 6: SMR quarterly performance**

Rs mn	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	% YoY	% QoQ
Sales (Eur mn)	289	335	359	374	396	37.0	5.9
Sales	25,230	28,703	30,289	30,732	31,807	26.1	3.5
EBITDA	1,921	2,570	2,700	2,465	2,811	46.4	14.0
EBITDA margins (%)	7.6	9.0	8.9	8.0	8.8	123 bps	82 bps

Source: Company, Emkay Research

**Exhibit 7: SMP quarterly performance**

Rs mn	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	% YoY	% QoQ
Sales (Euro mn)	801	975	967	1,040	1,081	35.0	3.9
Sales	69,927	83,538	81,586	85,457	86,826	24.2	1.6
Adj. EBITDA	4,452	5,912	3,797	4,273	4,980	11.8	16.5
Adj. EBITDA margin (%)	6.4	7.1	4.7	5.0	5.7	(63) bps	74 bps

Source: Company, Emkay Research

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**Key Financials (Consolidated)****Income Statement**

Y/E March (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
<b>Revenue</b>	<b>573,699</b>	<b>635,360</b>	<b>714,218</b>	<b>803,032</b>	<b>891,414</b>
<b>Expenditure</b>	<b>530,109</b>	<b>590,746</b>	<b>660,187</b>	<b>730,633</b>	<b>803,868</b>
<b>EBITDA</b>	<b>43,590</b>	<b>44,614</b>	<b>54,031</b>	<b>72,399</b>	<b>87,546</b>
Depreciation	29,261	29,582	29,871	31,067	32,999
<b>EBIT</b>	<b>14,329</b>	<b>15,032</b>	<b>24,160</b>	<b>41,332</b>	<b>54,546</b>
Other Income	2,293	3,672	4,160	4,482	4,704
Interest expenses	5,115	5,426	6,678	6,170	6,014
<b>PBT</b>	<b>15,903</b>	<b>18,123</b>	<b>21,642</b>	<b>39,644</b>	<b>53,236</b>
Tax	435	7,272	5,955	10,224	14,506
Extraordinary Items	(623)	805	0	0	0
Minority Int./Income from Assoc.	(4,454)	(2,917)	(1,866)	(2,487)	(3,414)
<b>Reported Net Income</b>	<b>10,391</b>	<b>8,738</b>	<b>13,822</b>	<b>26,932</b>	<b>35,316</b>
<b>Adjusted PAT</b>	<b>11,014</b>	<b>7,934</b>	<b>13,822</b>	<b>26,932</b>	<b>35,316</b>

**Balance Sheet**

Y/E March (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Equity share capital	3,158	4,518	6,776	6,776	6,776
Reserves & surplus	122,448	201,365	208,781	227,365	251,380
<b>Net worth</b>	<b>125,606</b>	<b>205,883</b>	<b>215,558</b>	<b>234,141</b>	<b>258,156</b>
<b>Minority Interest</b>	<b>40,233</b>	<b>17,763</b>	<b>19,927</b>	<b>23,892</b>	<b>29,215</b>
<b>Loan Funds</b>	<b>137,665</b>	<b>151,849</b>	<b>119,722</b>	<b>113,722</b>	<b>103,722</b>
Net deferred tax liability	(6,861)	(8,322)	(8,322)	(8,322)	(8,322)
<b>Total Liabilities</b>	<b>296,643</b>	<b>367,172</b>	<b>346,884</b>	<b>363,432</b>	<b>382,770</b>
<b>Net block</b>	<b>199,710</b>	<b>208,869</b>	<b>197,938</b>	<b>187,421</b>	<b>176,451</b>
<b>Investment</b>	<b>9,747</b>	<b>69,859</b>	<b>69,859</b>	<b>69,859</b>	<b>69,859</b>
<b>Current Assets</b>	<b>234,610</b>	<b>257,107</b>	<b>256,189</b>	<b>304,079</b>	<b>354,122</b>
Cash & bank balance	59,062	49,994	23,382	42,322	63,556
Other Current Assets	52,999	62,124	69,834	78,518	87,160
<b>Current liabilities &amp; Provision</b>	<b>173,983</b>	<b>181,760</b>	<b>190,198</b>	<b>211,024</b>	<b>230,759</b>
<b>Net current assets</b>	<b>60,628</b>	<b>75,347</b>	<b>65,991</b>	<b>93,055</b>	<b>123,363</b>
Misc. exp	17,790	0	0	0	0
<b>Total Assets</b>	<b>296,643</b>	<b>367,172</b>	<b>346,884</b>	<b>363,432</b>	<b>382,770</b>

**Cash Flow**

Y/E March (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
<b>PBT (Ex-Other income) (NI+Dep)</b>	<b>13,836</b>	<b>14,131</b>	<b>17,482</b>	<b>35,162</b>	<b>48,532</b>
Other Non-Cash items	0	0	0	0	0
Chg in working cap	6,432	(20,785)	(18,281)	(8,124)	(9,074)
<b>Operating Cashflow</b>	<b>48,218</b>	<b>19,670</b>	<b>27,930</b>	<b>51,564</b>	<b>60,552</b>
Capital expenditure	(19,325)	(24,363)	(18,940)	(20,550)	(22,030)
<b>Free Cash Flow</b>	<b>28,894</b>	<b>(4,693)</b>	<b>8,990</b>	<b>31,014</b>	<b>38,522</b>
Investments	(45)	(1,204)	0	0	0
Other Investing Cash Flow	436	2,448	0	0	0
<b>Investing Cashflow</b>	<b>(16,641)</b>	<b>(18,162)</b>	<b>(14,780)</b>	<b>(16,068)</b>	<b>(17,326)</b>
Equity Capital Raised	37	0	0	0	0
Loans Taken / (Repaid)	(11,324)	2,456	(28,938)	(2,036)	(4,676)
Dividend paid (incl tax)	(1,612)	(6,457)	(4,146)	(8,349)	(11,301)
Other Financing Cash Flow	(4,264)	(1,047)	0	0	0
<b>Financing Cashflow</b>	<b>(21,305)</b>	<b>(10,576)</b>	<b>(39,762)</b>	<b>(16,555)</b>	<b>(21,992)</b>
<b>Net chg in cash</b>	<b>10,273</b>	<b>(9,068)</b>	<b>(26,612)</b>	<b>18,941</b>	<b>21,234</b>
Opening cash position	48,789	59,062	49,994	23,382	42,322
<b>Closing cash position</b>	<b>59,062</b>	<b>49,994</b>	<b>23,382</b>	<b>42,322</b>	<b>63,556</b>

Source: Company, Emkay Research

**Key Ratios**

<b>Profitability (%)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23E</b>	<b>FY24E</b>	<b>FY25E</b>
EBITDA Margin	7.6	7.0	7.6	9.0	9.8
EBIT Margin	2.5	2.4	3.4	5.1	6.1
Effective Tax Rate	2.7	40.1	27.5	25.8	27.2
Net Margin	2.7	1.7	2.2	3.7	4.3
ROCE	5.8	3.5	5.8	9.6	11.6
ROE	10.4	5.1	6.6	12.1	14.4
RoIC	6.1	3.8	7.0	12.2	15.9

<b>Per Share Data (Rs)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23E</b>	<b>FY24E</b>	<b>FY25E</b>
EPS	1.6	1.2	2.0	4.0	5.2
CEPS	5.9	5.5	6.4	8.6	10.1
BVPS	15.7	30.1	31.6	34.3	37.9
DPS	1.5	0.7	0.6	1.2	1.7

<b>Valuations (x)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23E</b>	<b>FY24E</b>	<b>FY25E</b>
PER	43.3	60.2	34.5	17.7	13.5
P/CEPS	11.9	12.7	10.9	8.2	7.0
P/BV	4.5	2.3	2.2	2.1	1.9
EV / Sales	1.0	0.9	0.8	0.7	0.6
EV / EBITDA	12.8	13.0	10.6	7.6	5.9
Dividend Yield (%)	2.1	0.9	0.9	1.7	2.4

<b>Gearing Ratio (x)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23E</b>	<b>FY24E</b>	<b>FY25E</b>
Net Debt/ Equity	0.7	0.5	0.5	0.3	0.2
Net Debt/EBIDTA	1.8	2.3	1.8	1.0	0.5
Working Cap Cycle (days)	1.0	14.6	21.8	23.1	24.5

<b>Growth (%)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23E</b>	<b>FY24E</b>	<b>FY25E</b>
Revenue	NA	10.7	12.4	12.4	11.0
EBITDA	NA	2.3	21.1	34.0	20.9
EBIT	NA	4.9	60.7	71.1	32.0
PAT	NA	(15.9)	58.2	94.9	31.1

<b>Quarterly (Rs mn)</b>	<b>Q2FY22</b>	<b>Q3FY22</b>	<b>Q4FY22</b>	<b>Q1FY23</b>	<b>Q2FY23</b>
Revenue	140,764	161,175	171,848	176,147	182,608
EBITDA	9,438	10,765	12,108	10,768	14,031
<b>EBITDA Margin (%)</b>	<b>6.7</b>	<b>6.7</b>	<b>7.0</b>	<b>6.1</b>	<b>7.7</b>
PAT	834	932	1,677	1,412	3,248
<b>EPS (Rs)</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>	<b>0.5</b>

Source: Company, Emkay Research

<b>Shareholding Pattern (%)</b>	<b>Dec-21</b>	<b>Mar-22</b>	<b>Mar-22</b>	<b>Jun-22</b>	<b>Sep-22</b>
Promoters	61.7	68.2	68.2	68.2	68.2
FII	16.4	9.8	10.8	9.5	8.8
DII	13.9	10.5	9.9	10.5	10.6
Public and Others	8.0	11.5	11.1	11.9	12.5

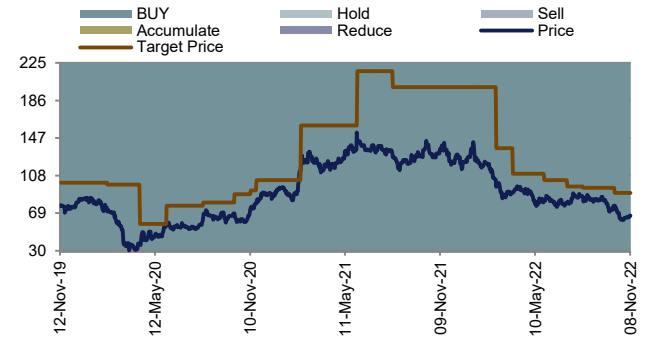
Source: Capitaline

## RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
09-Oct-22	77	90	12m	Buy	Raghunandhan NL
09-Aug-22	86	95	12m	Buy	Raghunandhan NL
10-Jul-22	79	97	12m	Buy	Raghunandhan NL
27-May-22	82	103	12m	Buy	Raghunandhan NL
06-Apr-22	96	110	12m	Buy	Raghunandhan NL
28-Mar-22	90	110	12m	Buy	Raghunandhan NL
24-Feb-22	96	137	12m	Buy	Raghunandhan NL
09-Jan-22	136	200	12m	Buy	Raghunandhan NL
13-Nov-21	139	200	12m	Buy	Raghunandhan NL
08-Oct-21	135	200	12m	Buy	Raghunandhan NL
10-Aug-21	127	200	12m	Buy	Raghunandhan NL
02-Jul-21	139	217	12m	Buy	Raghunandhan NL
18-Jun-21	135	217	12m	Buy	Raghunandhan NL
03-Jun-21	142	217	12m	Buy	Raghunandhan NL
01-Jun-21	135	160	12m	Buy	Raghunandhan NL
30-May-21	134	160	12m	Buy	Raghunandhan NL
15-Feb-21	120	160	12m	Buy	Raghunandhan NL
22-Nov-20	79	103	12m	Buy	Raghunandhan NL
11-Nov-20	75	93	12m	Buy	Raghunandhan NL
11-Oct-20	69	89	12m	Buy	Raghunandhan NL
28-Sep-20	64	80	12m	Buy	Raghunandhan NL
12-Aug-20	66	80	12m	Buy	Raghunandhan NL
05-Jul-20	56	77	12m	Buy	Raghunandhan NL
29-Jun-20	54	77	12m	Buy	Raghunandhan NL
03-Jun-20	57	77	12m	Buy	Raghunandhan NL
04-May-20	44	58	12m	Buy	Raghunandhan NL
13-Apr-20	36	58	12m	Buy	Raghunandhan NL
27-Feb-20	62	99	12m	Buy	Raghunandhan NL
14-Feb-20	70	99	12m	Buy	Raghunandhan NL
11-Feb-20	71	99	12m	Buy	Raghunandhan NL
27-Dec-19	84	101	12m	Buy	Raghunandhan NL
27-Nov-19	76	101	12m	Buy	Raghunandhan NL
12-Nov-19	76	101	12m	Buy	Raghunandhan NL

Source: Company, Emkay Research

## RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research

## Emkay Alpha Portfolio – Automobiles & Auto Ancillaries



**Analyst: Raghunandhan NL**

### Contact Details

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+91 22 6624 2428

### Sector

Automobiles and Ancillaries

### Analyst bio

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

### EAP sector portfolio

Company Name	BSE200 Weight	EAP Weight	OW/UW (%)	OW/UW (bps)	EAP Weight based on Current NAV	Change vs last published EAP (bps)
<b>Auto &amp; Auto Ancillaries</b>	<b>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	0.03	NA	3	0.50	0
Ashok Leyland	0.20	0.21	8%	2	4.22	0
Atul Auto	0.00	0.02	NA	2	0.47	0
Bajaj Auto	0.45	0.25	-45%	-20	4.97	0
Bharat Forge	0.21	0.12	-42%	-9	2.39	0
Eicher Motors	0.48	0.48	0%	0	9.60	0
Escorts	0.00	0.02	NA	2	0.44	0
Exide Industries	0.00	0.00	NA	0	0.00	0
Hero Motocorp	0.32	0.34	7%	2	6.79	0
Mahindra & Mahindra	1.18	1.21	2%	2	24.05	0
Maruti Suzuki India	1.14	1.16	2%	2	23.02	0
Minda Industries*	0.00	0.02	NA	2	0.48	0
Motherson Sumi Wiring India	0.00	0.02	NA	2	0.45	0
Samvardhana Motherson International	0.00	0.02	NA	2	0.45	0
Suprajit Engineering	0.00	0.02	NA	2	0.46	0
Tata Motors	0.71	0.72	2%	1	14.28	0
Tata Motors DVR*	0.10	0.11	7%	1	2.17	0
TVS Motor	0.24	0.26	9%	2	5.26	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 1-Apr-19	10-Nov-21	11-May-22	10-Aug-22	7-Oct-22	Latest 9-Nov-22
EAP - Auto & Auto Ancillaries	100.0	142.1	124.4	156.6	153.2	161.4
BSE200 Neutral Weighted Portfolio (ETF)	100.0	141.0	124.1	156.3	152.4	160.9

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

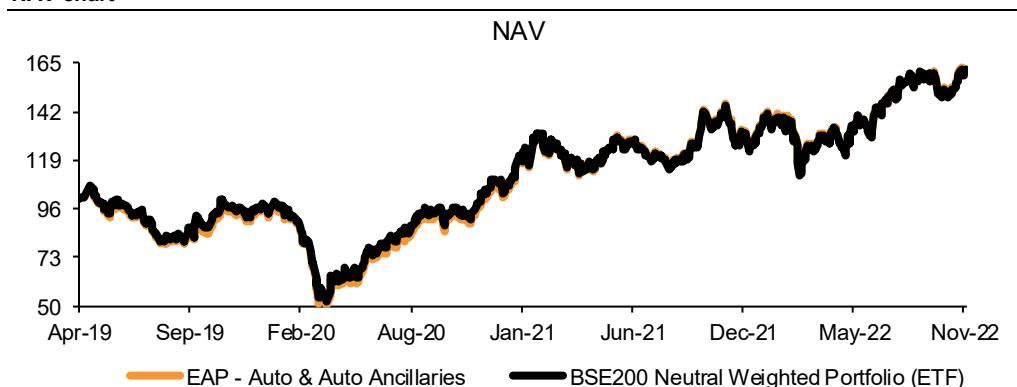
Source: Emkay Research

### Price Performance (%)

	1m	3m	6m	12m
EAP - Auto & Auto Ancillaries	5.4%	3.1%	29.8%	13.6%
BSE200 Neutral Weighted Portfolio (ETF)	5.6%	3.0%	29.7%	14.1%

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”



## Emkay Rating Distribution

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

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