

Apollo Tyres

Refer to important disclosures at the end of this report

Q2 EBITDA beats estimates; expect benefits of commodity deflation in Q3

Apollo Tyres' Q2FY23 revenue increased by 17% YoY (3-yr CAGR at 14%) to Rs59.6bn, slightly below our estimates. EBITDA increased by 12% YoY (3-yr CAGR at 18%) to Rs7.1bn, in line with our estimate. Management expects Q3 RM-cost to reduce by 3% QoQ, owing to commodity deflation. We increase FY23-25E EPS by 2-6%, to account for the higher margin assumptions. Following the revision, we expect FY23E revenue growth to be robust at 18%; this uptrend is likely to endure, with FY23-25E revenue CAGR at 9%, led by robust growth in the OEM segment, stable replacement demand and market-share gains in Europe. Driven by better scale and improved net pricing, we expect EBITDA margin to expand, from 12.3% in FY22 to 12.7% in FY23E and to 14.7% in FY25E. We maintain our BUY rating, with a revised TP of Rs345/share (Rs325 earlier), applying 13x Dec-24E EPS (Sep-24E earlier). **Key downside risks:** Lower-than-expected demand in key geographies, higher competitive intensity and adverse movement in currency/commodity prices.

Q2 EBITDA in-line: Revenue grew by 17% YoY (3-yr CAGR at 14%) to Rs59.6bn, at 4% below estimate of Rs61.8bn, owing to lower-than-expected India replacement and Americas' revenue. Within this, revenue for the APMEA region (mainly India) grew by 16% to Rs42.8bn and by 29% for Europe (in Euro terms) to EUR219mn. In India, domestic OEM and export volumes grew in double-digits, while replacement volumes saw a slight decline due to price hikes and the erratic rainy season. Management expects replacement volume growth to turn positive in H2FY23, supported by better demand in the Truck & Bus segment and continuing growth in the PCR segment. Europe volume growth was in double-digits, supported by market-share gains. EBITDA grew by 12% (3-yr CAGR at 18%) to Rs7.12bn, in line with our estimate. EBITDA margin contracted by 60bps to 12%. APMEA EBIT margin contracted by 80bps to 4.8%, while Europe EBIT margin expanded by 40bps to 5.7%. Overall, adj. PAT grew by 9% YoY (3-yr CAGR at 33%) to Rs1.95bn, broadly in line with our estimate. **What we liked:** 1) Strong margin performance. 2) Continual market-share gains in Europe and improving mix of premium tyres. **What we did not like:** 1) Volume decline in the India replacement segment in Q2.

Earnings-Call KTAs: 1) FY23 volume growth expected in a single digit in India. 2) Market-share loss in Q2, in the India replacement segment; Management expects recovery in H2 supported by marketing efforts and new products. 3) Europe volume growth in double digits in Q2, owing to market-share gains. Expects growth to taper in H2 due to the mild winter. 4) Premiumization continues in Europe, with Q2 UHP share increasing to 42% vs. 39% in the corresponding quarter last year. 5) In Q2, increase in tyre-prices stood at 5% and in RM cost at 3%. Expect improvement in margins in Q3, due to reduction of 3% in RM cost.

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

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	1,73,970	2,09,476	2,47,678	2,69,779	2,92,620
EBITDA	27,975	25,741	31,418	39,062	43,132
EBITDA Margin (%)	16.1	12.3	12.7	14.5	14.7
APAT	9,580	6,445	9,466	14,848	17,556
EPS (Rs)	15.1	10.1	14.9	23.4	27.6
EPS (% chg)	81.1	(32.7)	46.9	56.8	18.2
ROE (%)	9.0	5.6	7.8	11.4	12.3
P/E (x)	19.7	29.3	20.0	12.7	10.8
EV/EBITDA (x)	8.7	9.5	7.7	6.0	5.2
P/BV (x)	1.7	1.6	1.5	1.4	1.3

Source: Company, Emkay Research

CMP	Target Price
Rs 298	Rs 345 (▲)
as of (November 15, 2022)	12 months
Rating	Upside
BUY (■)	15.9 %

Change in Estimates

EPS Chg FY23E/FY24E (%)	6.3/2.1
Target Price change (%)	6.2
Target Period (Months)	12
Previous Reco	BUY

Emkay vs Consensus

EPS Estimates		
	FY23E	FY24E
Emkay	14.9	23.4
Consensus	14.4	20.8
Mean Consensus TP (12M)	Rs 293	

Stock Details

Bloomberg Code	APTY IN
Face Value (Rs)	1
Shares outstanding (mn)	635
52 Week H/L	303 / 165
M Cap (Rs bn/USD bn)	189 / 2.33
Daily Avg Volume (nos.)	42,90,075
Daily Avg Turnover (USD mn)	14.5

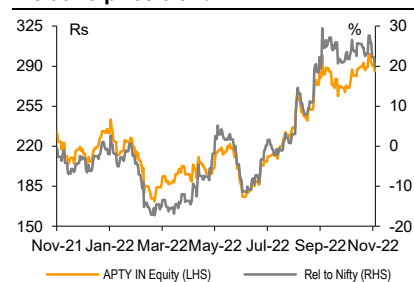
Shareholding Pattern Sep '22

Promoters	37.3%
FIIIs	21.6%
DIIIs	18.0%
Public and Others	23.0%

Price Performance

(%)	1M	3M	6M	12M
Absolute	10	26	48	28
Rel. to Nifty	3	21	27	26

Relative price trend



Source: Bloomberg

This report is solely produced by Emkay Global. The following person(s) are responsible for the production of the recommendation:

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Exhibit 1: Revenue assumptions – Expect 12% revenue CAGR over FY22-25E

Revenue (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E	CAGR (FY22-25E)
APMEA	119,187	148,265	179,580	199,518	219,389	14
Growth (%)	5.9	24.4	21.1	11.1	10.0	
Europe	56,754	65,543	72,098	74,261	77,231	6
Growth (%)	7.6	15.5	10.0	3.0	4.0	
Others	25,443	40,972	53,263	66,579	82,558	26
Growth (%)	(1.3)	61.0	30.0	25.0	24.0	
Inter-segmental	(27,415)	(45,305)	(57,263)	(70,579)	(86,558)	
Total	173,970	209,476	247,678	269,779	292,620	12
Growth (%)	6.4	20.4	18.2	8.9	8.5	

Source: Company, Emkay Research

Exhibit 2: EBIT assumptions – Expect 29% EBIT CAGR over FY22-25E

EBIT	FY21	FY22	FY23E	FY24E	FY25E	CAGR (FY22-25E)
APMEA	14,695	7,151	10,601	15,555	17,644	35
Margins (%)	12.3	4.8	5.9	7.8	8.0	
Europe	649	4,481	5,119	5,941	6,256	12
Margins (%)	1.1	6.8	7.1	8.0	8.1	
Others	775	1,347	2,131	2,996	3,715	40
Margins (%)	3.0	3.3	4.0	4.5	4.5	
Other un-allocable	-	-	-	-	-	
Total	16,135	12,994	17,868	24,512	27,635	29
Margins (%)	9.3	6.2	7.2	9.1	9.4	

Source: Company, Emkay Research

Exhibit 3: Changes in estimates

(Rs mn)	FY23E				FY24E				FY25E			
	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY
Revenue	252,304	247,678	(1.8)	18.2	273,722	269,779	(1.4)	8.9	296,814	292,620	(1.4)	8.5
EBITDA	31,434	31,418	(0.0)	22.1	39,098	39,062	(0.1)	24.3	43,129	43,132	0.0	10.4
Margin (%)	12.5	12.7	23 bps	40 bps	14.3	14.5	20 bps	179 bps	14.5	14.7	21 bps	26 bps
APAT	8,908	9,466	6.3	46.9	14,546	14,848	2.1	56.8	17,242	17,556	1.8	18.2
EPS (Rs)	14.0	14.9	6.3	46.9	22.9	23.4	2.1	56.8	27.1	27.6	1.8	18.2

Source: Company, Emkay Research

Exhibit 4: Actual vs. Estimates (Q2FY23)

(Rs mn)	Actual	Estimates		% Variation		Comment
		Emkay	Consensus	Emkay	Consensus	
Total Revenue	59,560	61,822	60,269	(3.7)	(1.2)	Below estimates owing to lower-than-expected India replacement and Americas' revenue
EBITDA	7,120	7,105	6,773	0.2	5.1	In line our estimates
EBITDA Margin (%)	12.0	11.5	11.2	46 bps	72 bps	
Adjusted net profit	1,945	1,917	1,748	1.4	11.2	Broadly in line our estimates

Source: Bloomberg, Company, Emkay Research

Exhibit 5: Consolidated quarterly performance trend

(Rs mn)	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	YoY (%)	QoQ (%)	FY23 YTD	FY22 YTD	YoY (%)
Revenue	50,773	57,075	55,783	59,420	59,560	29.9	0.2	118,980	96,618	23.1
Expenditure	44,393	49,645	49,520	52,522	52,440	30.5	(0.2)	104,962	84,570	24.1
as % of sales	87.4	87.0	88.8	88.4	88.0			88.2	87.5	
Consumption of RM	29,731	34,271	33,608	35,840	36,406	38.7	1.6	72,246	55,976	29.1
as % of sales	58.6	60.0	60.2	60.3	61.1			60.7	57.9	
Employee Cost	6,391	6,432	6,383	6,453	6,141	(6.0)	(4.8)	12,593	12,927	(2.6)
as % of sales	12.6	11.3	11.4	10.9	10.3			10.6	13.4	
Other expenditure	8,271	8,942	9,528	10,229	9,893	33.8	(3.3)	20,123	15,667	28.4
as % of sales	16.3	15.7	17.1	17.2	16.6			16.9	16.2	
EBITDA	6,380	7,429	6,264	6,898	7,120	25.6	3.2	14,018	12,048	16.4
EBITDA margin (%)	12.6	13.0	11.2	11.6	12.0			11.8	12.5	
Depreciation	3,397	3,443	3,753	3,437	3,485	2.4	1.4	6,923	6,800	1.8
EBIT	2,983	3,987	2,510	3,461	3,635	60.5	5.0	7,096	5,248	35.2
Other Income	289	170	372	106	69	(83.1)	(35.4)	175	693	(74.8)
Interest	1,036	1,083	1,279	1,182	1,320	26.2	11.6	2,502	2,082	20.2
PBT	2,236	3,073	1,603	2,384	2,383	46.9	(0.0)	4,768	3,859	23.5
Minority interest	1	0	-1	0	1			1	1	
Total Tax	454	833	467	478	440	31.0	(7.9)	918	790	16.1
Adjusted PAT after MI	1,783	2,241	1,135	1,907	1,945	51.0	2.0	3,851	3,070	25.5
Extra ordinary items Loss/(Gain)	44	5	0	0	0			0	54	
Reported PAT	1,738	2,235	1,135	1,907	1,945	52.2	2.0	3,851	3,016	27.7
Adjusted EPS (Rs)	2.8	3.5	1.8	3.0	3.1	51.0	2.0	6.1	4.8	25.5
Margins (%)						(bps)	(bps)			
EBITDA	12.6	13.0	11.2	11.6	12.0	(41)	35	11.8	12.5	(69)
EBIT	5.9	7.0	4.5	5.8	6.1	116	28	6.0	5.4	53
EBT	4.4	5.4	2.9	4.0	4.0	46	(1)	4.0	4.0	1
PAT	3.5	3.9	2.0	3.2	3.3	46	6	3.2	3.2	6
Effective Tax rate	20.3	27.1	29.2	20.0	18.5	(223)	(158)	19.2	20.5	(123)

Source: Company, Emkay Research

Exhibit 6: Standalone quarterly performance trend

(Rs mn)	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	YoY (%)	QoQ (%)	FY23 YTD	FY22 YTD	YoY (%)
Revenue	36,497	37,917	39,880	44,362	42,519	32.0	(4.2)	86,882	68,697	26.5
Expenditure	32,735	34,467	36,120	40,074	38,146	32.2	(4.8)	78,220	61,599	27.0
as % of sales	89.7	90.9	90.6	90.3	89.7			90.0	89.7	
Consumption of RM	24,604	26,452	27,672	31,211	29,901	41.1	(4.2)	61,112	45,796	33.4
as % of sales	67.4	69.8	69.4	70.4	70.3			70.3	66.7	
Employee Cost	2,600	2,555	2,462	2,604	2,480	(5.5)	(4.8)	5,083	5,223	(2.7)
as % of sales	7.1	6.7	6.2	5.9	5.8			5.9	7.6	
Other expenditure	5,531	5,460	5,986	6,259	5,765	14.2	(7.9)	12,024	10,580	13.6
as % of sales	15.2	14.4	15.0	14.1	13.6			13.8	15.4	
EBITDA	3,762	3,450	3,760	4,288	4,374	31.1	2.0	8,662	7,097	22.0
EBITDA margin (%)	10.3	9.1	9.4	9.7	10.3			10.0	10.3	
Depreciation	1,951	2,027	2,338	2,155	2,225	15.7	3.2	4,380	3,875	13.0
EBIT	1,811	1,423	1,423	2,133	2,149	52.2	0.7	4,282	3,223	32.9
Other Income	318	190	383	289	192	(49.3)	(33.5)	480	696	(30.9)
Interest	896	951	1,081	1,058	1,206	35.0	14.0	2,264	1,790	26.5
PBT	1,232	663	725	1,364	1,135	26.6	(16.8)	2,498	2,129	17.4
Total Tax	331	171	182	320	327	55.9	2.1	647	540	19.7
Adjusted PAT	902	492	543	1,043	808	17.6	(22.6)	1,851	1,588	16.6
Extra ordinary items Loss/(Gain)	5	0	0	0	0			0	13	
Reported PAT	897	492	543	1,043	808	19.0	(22.6)	1,851	1,576	17.5
Adjusted EPS (Rs)	1.4	0.8	0.9	1.6	1.3	17.6	(22.6)	2.9	2.5	16.6

Margins (%)						(bps)	(bps)			
EBITDA	10.3	9.1	9.4	9.7	10.3	(7)	62	10.0	10.3	(36)
EBIT	5.0	3.8	3.6	4.8	5.1	67	25	4.9	4.7	24
EBT	3.4	1.7	1.8	3.1	2.7	(11)	(40)	2.9	3.1	(22)
PAT	2.5	1.3	1.4	2.4	1.9	(23)	(45)	2.1	2.3	(18)
Effective Tax rate	26.8	25.8	25.1	23.5	28.8	542	532	25.9	25.4	51

Source: Company, Emkay Research

Exhibit 7: Segmental quarterly performance trend

Segmental Details (Rs mn)	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	YoY (%)	QoQ (%)	FY23 YTD	FY22 YTD	YoY (%)
APMEA										
Net Sales	36,948	38,342	40,250	44,600	42,821	30.9	(4.0)	87,421	69,673	25.5
EBIT	2,061	1,626	1,670	2,145	2,049	14.1	(4.5)	4,195	3,856	8.8
Margins (%)	5.6	4.2	4.1	4.8	4.8	(70) bps	(2) bps	4.8	5.5	(74) bps
Europe										
Net Sales	14,802	19,824	16,847	16,042	17,613	25.2	9.8	33,655	28,872	16.6
EBIT	784	2,336	818	786	998	83.6	26.9	1,784	1,327	34.5
Margins (%)	5.3	11.8	4.9	4.9	5.7	180 bps	76 bps	5.3	4.6	71 bps
Other										
Net Sales	8,150	11,382	11,361	12,968	15,132	50.1	16.7	28,100	18,229	54.2
EBIT	428	195	394	635	656	98.9	3.3	1,291	758	70.4
Margins (%)	5.3	1.7	3.5	4.9	4.3	106 bps	(56) bps	4.6	4.2	44 bps

Source: Company, Emkay Research

Key Financials (Consolidated)**Income Statement**

Y/E Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	1,73,970	2,09,476	2,47,678	2,69,779	2,92,620
Expenditure	1,45,995	1,83,735	2,16,260	2,30,717	2,49,489
EBITDA	27,975	25,741	31,418	39,062	43,132
Depreciation	13,150	13,997	14,391	15,434	16,418
EBIT	14,825	11,744	17,027	23,628	26,714
Other Income	1,294	1,235	824	864	901
Interest expenses	4,430	4,444	5,395	4,955	4,515
PBT	11,689	8,535	12,456	19,536	23,099
Tax	2,110	2,091	2,989	4,689	5,544
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	9,466	14,848	17,556
Adjusted PAT	9,580	6,445	9,466	14,848	17,556

Balance Sheet

Y/E Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Equity share capital	635	635	635	635	635
Reserves & surplus	1,13,796	1,16,886	1,23,502	1,35,380	1,49,416
Net worth	1,14,431	1,17,521	1,24,137	1,36,015	1,50,051
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	1,98,665	1,95,679	1,96,795	2,03,173	2,11,709
Net block	1,64,196	1,75,913	1,73,322	1,75,689	1,80,071
Investment	1,096	4,905	4,905	4,905	4,905
Current Assets	81,807	79,004	92,367	1,01,364	1,10,408
Cash & bank balance	21,458	10,807	13,128	15,488	17,664
Other Current Assets	13,356	10,539	11,066	11,619	12,200
Current liabilities & Provision	59,496	70,322	79,978	84,963	89,855
Net current assets	22,312	8,681	12,388	16,400	20,553
Misc. exp	0	0	0	0	0
Total Assets	1,98,665	1,95,679	1,96,795	2,03,173	2,11,709

Cash Flow

Y/E Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
PBT (Ex-Other income) (NI+Dep)	4,318	7,300	11,632	18,673	22,198
Other Non-Cash items	0	0	0	0	0
Chg in working cap	4,616	3,927	(1,386)	(1,652)	(1,977)
Operating Cashflow	21,881	21,153	27,043	32,721	35,611
Capital expenditure	(11,563)	(15,545)	(11,800)	(17,800)	(20,800)
Free Cash Flow	10,318	5,608	15,243	14,921	14,811
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)	(10,976)	(16,936)	(19,899)
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)	(2,851)	(2,969)	(3,520)
Other Financing Cash Flow	8,765	(7,691)	0	0	0
Financing Cashflow	12,936	(21,224)	(13,746)	(13,424)	(13,536)
Net chg in cash	13,962	(10,651)	2,321	2,360	2,176
Opening cash position	7,496	21,458	10,807	13,128	15,488
Closing cash position	21,458	10,807	13,128	15,488	17,664

Source: Company, Emkay Research

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Key Ratios

Profitability (%)	FY21	FY22	FY23E	FY24E	FY25E
EBITDA Margin	16.1	12.3	12.7	14.5	14.7
EBIT Margin	8.5	5.6	6.9	8.8	9.1
Effective Tax Rate	18.1	24.5	24.0	24.0	24.0
Net Margin	5.5	3.1	3.8	5.5	6.0
ROCE	6.5	4.9	6.8	9.2	10.0
ROE	9.0	5.6	7.8	11.4	12.3
RoIC	7.7	5.2	7.5	10.3	11.3

Per Share Data (Rs)	FY21	FY22	FY23E	FY24E	FY25E
EPS	15.1	10.1	14.9	23.4	27.6
CEPS	35.8	32.2	37.6	47.7	53.5
BVPS	180.2	185.0	195.5	214.2	236.3
DPS	3.5	3.3	4.5	4.7	5.5

Valuations (x)	FY21	FY22	FY23E	FY24E	FY25E
PER	19.7	29.3	20.0	12.7	10.8
P/CEPS	8.3	9.2	7.9	6.2	5.6
P/BV	1.7	1.6	1.5	1.4	1.3
EV / Sales	1.4	1.2	1.0	0.9	0.8
EV / EBITDA	8.7	9.5	7.7	6.0	5.2
Dividend Yield (%)	1.2	1.1	1.5	1.6	1.9

Gearing Ratio (x)	FY21	FY22	FY23E	FY24E	FY25E
Net Debt/ Equity	0.5	0.5	0.4	0.3	0.2
Net Debt/EBITDA	2.0	2.1	1.6	1.1	0.8
Working Cap Cycle (days)	1.8	(3.7)	(1.1)	1.2	3.6

Growth (%)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	6.4	20.4	18.2	8.9	8.5
EBITDA	44.3	(8.0)	22.1	24.3	10.4
EBIT	85.2	(20.8)	45.0	38.8	13.1
PAT	(26.5)	82.3	48.2	56.8	18.2

Quarterly (Rs mn)	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23
Revenue	50,773	57,075	55,783	59,420	59,560
EBITDA	6,380	7,429	6,264	6,898	7,120
EBITDA Margin (%)	12.6	13.0	11.2	11.6	12.0
PAT	1,783	2,241	1,135	1,907	1,945
EPS (Rs)	2.8	3.5	1.8	3.0	3.1

Source: Company, Emkay Research

Shareholding Pattern (%)	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22
Promoters	37.3	37.3	37.3	37.3	37.3
FII	20.5	19.7	19.4	20.7	21.6
DII	18.0	18.4	18.6	17.5	18.0
Public and Others	24.1	24.6	24.7	24.5	23.0

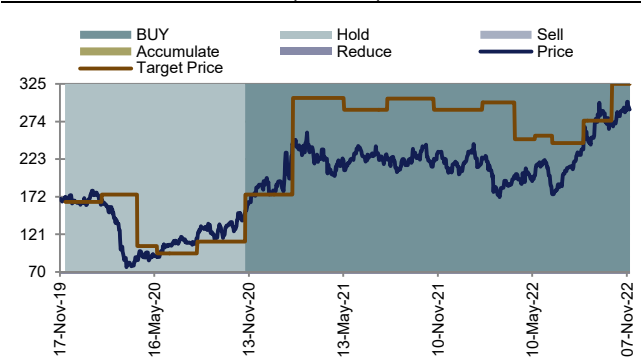
Source: Capitaline

RECOMMENDATION HISTORY (Rs/share)

Date	Closing Price	TP	Period	Rating	Analyst
09-Oct-22	271	325	12m	Buy	Raghunandhan NL
16-Aug-22	250	275	12m	Buy	Raghunandhan NL
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

Source: Company, Emkay Research

RECOMMENDATION HISTORY (Rs/share)



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	4.90	4.90	0%	0	100.00	
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	4.45	0
Atul Auto	0.00	0.02	NA	2	0.48	0
Bajaj Auto	0.45	0.25	-45%	-20	5.05	0
Bharat Forge	0.20	0.12	-42%	-9	2.39	0
Eicher Motors	0.45	0.45	0%	0	9.22	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	7.02	0
Mahindra & Mahindra	1.13	1.15	2%	2	23.44	0
Maruti Suzuki India	1.12	1.14	2%	2	23.24	0
Minda Industries*	0.00	0.02	NA	2	0.47	0
Motherson Sumi Wiring India	0.00	0.02	NA	2	0.46	0
Samvardhana Motherson International	0.00	0.02	NA	2	0.49	0
Suprajit Engineering	0.00	0.02	NA	2	0.47	0
Tata Motors	0.70	0.71	2%	1	14.59	0
Tata Motors DVR*	0.10	0.11	7%	1	2.15	0
TVS Motor	0.23	0.25	9%	2	5.15	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	15-Nov-21	16-May-22	16-Aug-22	14-Oct-22	14-Nov-22
EAP - Auto & Auto Ancillaries	100.0	140.5	127.6	160.5	150.2	158.3
BSE200 Neutral Weighted Portfolio (ETF)	100.0	139.4	127.3	160.0	149.3	157.7

*Performance measurement base date 1st April 2019

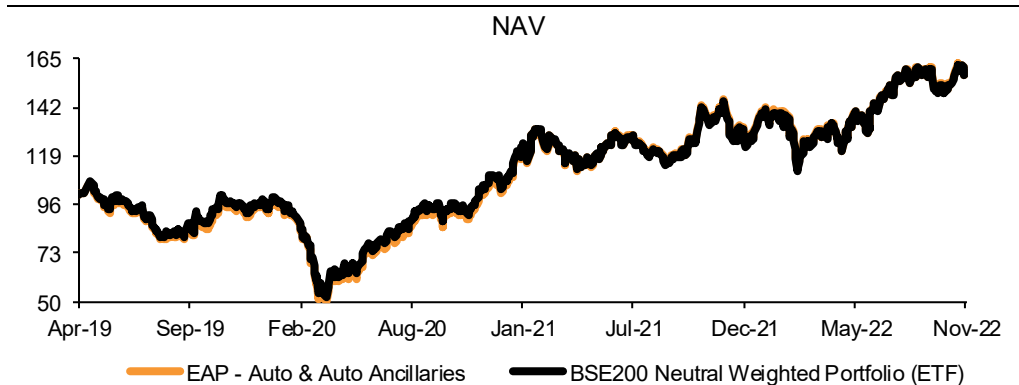
Source: Emkay Research

Price Performance (%)

	1m	3m	6m	12m
EAP - Auto & Auto Ancillaries	5.4%	-1.4%	24.0%	12.6%
BSE200 Neutral Weighted Portfolio (ETF)	5.7%	-1.4%	23.9%	13.2%

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: 16 Nov 2022 01:14:37 (SGT)

Dissemination Date: 16 Nov 2022 01:15:37 (SGT)

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