

Tata Motors

Refer to important disclosures at the end of this report

India biz: cyclical upturn, new products and cost savings to drive earnings performance

CMP	Target Price
Rs 305 as of (February 22, 2021)	Rs 355 (■) 12 months
Rating	Upside
BUY (■)	16.4 %

We attended TTMT's India business analyst meet. Key takeaways:

- Domestic CV industry volumes are expected to turn around with 36-38% growth in FY22 on better macros, government thrust on infra spending, pick-up in replacement demand and possible announcement of the scrappage policy with good incentives. TTMT is working toward strengthening its position, driven by product launches, network expansion and focused market activities. *Our FY22E domestic CV volume growth estimate for TTMT stands at 36%.*
- TTMT's PV market share increased to 7.8% in 9MFY21 from a low of 4.8% in FY20. Management expects the share to increase to double-digits, driven by new products, network expansion and focused marketing activities. Recently, the Safari mid-size SUV has been launched, and another product Hornbill micro SUV is expected to be launched in FY22E. These launches would cover ~75% of the addressable PV market vs. 60% currently. The distribution network will be expanded by 150-200 outlets/year. *We estimate 35% growth in TTMT's domestic PV volumes in FY22E.*
- In PVs, electrification remains a focus area and two more product launches are expected in FY22E. TTMT derives 2% of volumes from EVs currently, but expects to increase this share to ~15% over the next 3-4 years on improving affordability, increase in number of models and the expansion of charging infrastructure.
- In the near term, gross margin is expected to remain under pressure due to increasing commodity prices. To offset the impact, the company is working on cost savings, product mix premiumization and price increases. It has taken price increases in H2FY21, and more price increases are expected in the subsequent quarter.
- EBITDA margin is expected to increase to double-digits in CVs and high-single digits in PVs by FY23E, supported by better scale, improving product mix and cost savings. *We estimate FY23E EBITDA margin at 10%, factoring in double-digit margin in CVs and high-single digit margin in PVs.*
- Capex is expected at Rs18.5bn in FY21. Over the long term, CV capex is expected at 3-4% of revenues and PV capex is expected at 5-6% of revenues. In PVs, EV-related capex would be part of overall capex and not significant, as existing vehicle platforms such as Alfa and Omega are EV-compliant, and the company would leverage eco-system provided by group companies.
- TTMT is targeting to reach almost zero consolidated net-automotive debt by FY24 on positive FCFs, divestments and equity infusion. Positive FCFs are being witnessed in the CV division and FCF breakeven is expected in PV division by FY23E. *We estimate net debt-to-equity to improve in standalone biz/JLR from 1.2x/0.3x in FY21E to 0.7x/0.2x in FY23E.*
- We rate TTMT as a high-conviction Buy with a TP of Rs355, based on an EV/EBITDA of 2x/11x on JLR/standalone estimates on FY23E and the value of investments at Rs55/share. We remain positive on expectations of sales cycle recovery in JLR/India divisions, strong profitability growth on better scale/cost savings and de-leveraging efforts through FCFs/divestments.**

Please see our sector model portfolio (Emkay Alpha Portfolio): [Automobiles & Auto Ancillaries \(page 9\)](#)

Financial Snapshot (Consolidated)

(Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	3,019,384	2,610,680	2,498,294	3,262,519	3,668,194
EBITDA	255,702	197,258	289,258	398,592	475,008
EBITDA Margin (%)	8.5	7.6	11.6	12.2	12.9
APAT	17,312	(74,607)	(37,374)	69,960	118,532
EPS (Rs)	5.1	(20.7)	(9.8)	18.3	31.0
EPS (% chg)	(72.5)	NM	NM	NM	69.4
ROE (%)	2.2	(12.1)	(5.9)	10.6	15.7
P/E (x)	59.7	(14.7)	(31.2)	16.7	9.8
EV/EBITDA (x)	6.5	9.3	6.6	4.6	3.6
P/BV (x)	1.7	1.7	1.9	1.7	1.4

Source: Company, Emkay Research

Change in Estimates

EPS Chg FY22E/FY23E (%)	-/-
Target Price change (%)	NA
Target Period (Months)	12
Previous Reco	BUY

Emkay vs Consensus

	EPS Estimates	
	FY22E	FY23E
Emkay	18.3	31.0
Consensus	15.1	27.0
Mean Consensus TP (12M)	Rs 289	

Stock Details

Bloomberg Code	TTMT IN
Face Value (Rs)	2
Shares outstanding (mn)	3,089
52 Week H/L	342 / 64
M Cap (Rs bn/USD bn)	1,001 / 13.80
Daily Avg Volume (nos.)	106,315,900
Daily Avg Turnover (US\$ mn)	366.8

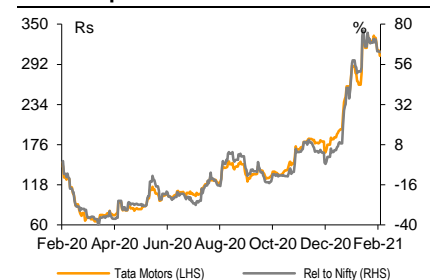
Shareholding Pattern Dec '20

Promoters	42.4%
FIIs	15.6%
DIIIs	12.6%
Public and Others	29.4%

Price Performance

(%)	1M	3M	6M	12M
Absolute	5	80	152	92
Rel. to Nifty	3	58	95	58

Relative price chart



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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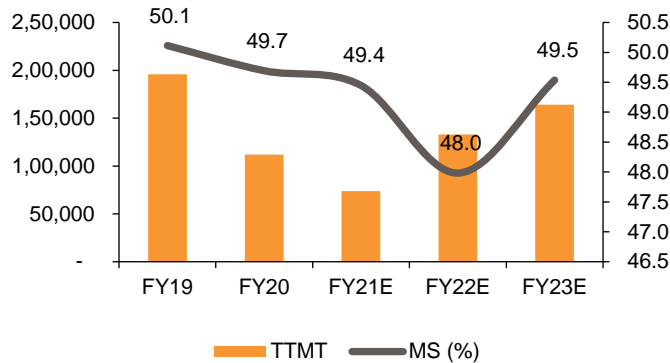
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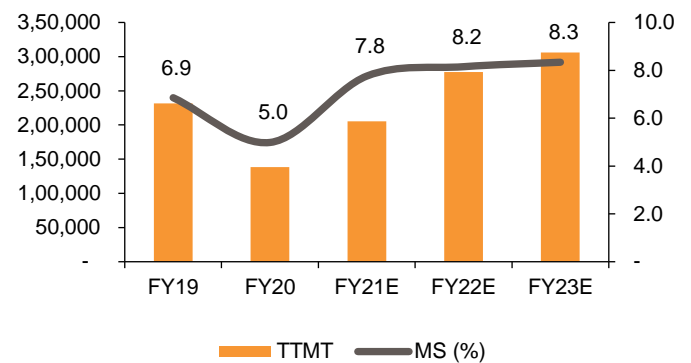
High-Conviction Buy on robust volume and cash-flow prospects

Exhibit 1: TTMT's domestic MHCV volumes to grow strongly at 49% CAGR over FY21-23E; Market share to recover to 50%



Source: SIAM, Emkay Research

Exhibit 2: TTMT's domestic PV volumes to grow strongly at 22% CAGR over FY21-23E; Market share to increase to 8.3%



Source: SIAM, Emkay Research

Exhibit 3: PVs: Aggressive product pipeline to aid performance

Existing models (launch date)	Upcoming models (launch date)
Tiago hatchback (2016)	Altroz Turbo hatchback (2021)
Tigor sedan (2017)	Hornbill micro SUV (2021)
Nexon SUV (2017)	Hexa SUV
Harrier SUV (2018)	Altroz EV hatchback
Altroz hatchback (2020)	
Safari SUV (2021)	

Source: Company, Media reports, Emkay Research

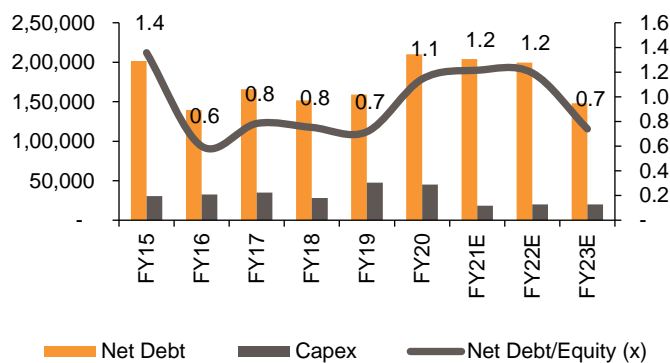
Exhibit 4: Firing on all cylinders: Strong revenue growth and margin expansion expected in both CV and PV divisions

Volume (units in 000s)	FY20	FY21E	FY22E	FY23E	FY21-23E Chg
India CVs	333	257	357	410	26% CAGR
Growth (%)	(33)	(23)	39	15	
India PVs	141	206	278	307	22% CAGR
Growth (%)	(40)	46	35	10	

(Rs bn)	FY20	FY21E	FY22E	FY23E	FY21-23E Chg
India CV revenue	331	259	445	554	46% CAGR
India CV EBIT (%)	(1)	(3)	4	7	950 bps
India PV revenue	108	178	219	243	17% CAGR
India PV EBIT (%)	(26)	(8)	0	4	1,114 bps

Source: Company, Emkay Research

Exhibit 5: Improving FCFs to drive improvement in Net D/E to 0.7x by FY23E



Source: Company, Emkay Research

Exhibit 6: Exhibit 45: SOTP valuation: TP of Rs355, implies upside of 16%

	Basis of valuation	Equity value (Rs mn)	Equity value (Rs/share)	Contribution to SOTP (%)
Standalone	EV/EBITDA 12x	676,350	177	50
JLR	EV/EBITDA 2x	471,871	123	35
Tata Sons	NAV 1x	156,904	41	12
Tata Motors Finance	P/B 1x FY20	23,100	6	2
Tata Technologies	P/E 20x FY20	29,180	8	2
Total		1,357,406	355	100

Source: Company, Emkay Research

Key takeaways from India business analyst meet (continued)

Commercial vehicles

- In SCVs, the share of Petrol and CNG trucks has increased to 25-30%, and the share is higher at 50% in mini-trucks (<2 tonne GVW). In SCVs and pickups, TTMT would strengthen its position by providing petrol/CNG options, product launches, network expansion and focused marketing activities.
- In MHCVs and ILCVs, the focus would remain on new products and value-added services. In passenger CVs, attention would be toward new products and better penetration in STU (State Transport Undertakings) business.
- Value-added services such as uptime guarantee, breakdown assistance, fleet tracking, extended warranties and other add-on services are expected to support revenues.
- TTMT has been working toward improving the cost of ownership for customers through customization of models and fuel-efficient products.
- TTMT's EV buses have been well-accepted and 215 units have been dispatched under the FAME 1 scheme. Pending order-book stands at 500 units. EV penetration is expected to be gradual in LCVs. The company is also working on fuel-cell vehicles.
- Network expansion remains a continuous process with FY21E sales/service touch-points expected at 1,556/2,896 vs. 1,472/2,623 in FY20.
- Dealer profitability has improved in the CV division -- share of profitable dealers has reached FY19 levels.
- Exports are expected to improve on better penetration due to the appointment of local distributors and the expansion of product portfolio. Target markets include SAARC, ASEAN, Latin America and Africa. TTMT is currently among Top-3 brands in 10 African markets. The partnership with local distributors provides better access to financing for customers. It has also consciously exited low-contribution markets such as Australia, Chile and Turkey.
- Cost-reduction efforts include standardization of components, vendor rationalization/negotiation, alternative raw material sourcing, and reduction of other variable/fixed costs. TTMT has achieved ~30% reduction in EBIT breakeven.

Passenger vehicles

- TTMT is likely to complete the de-merger of the PV business into a separate subsidiary by Jun-Jul'21. Led by the induction of a strategic partner, the PV division will benefit in terms of stronger product portfolio and TTMT's incremental investments in this division would be reduced.
- PV production capacity stands at 550,000 units. The company has increased the production of petrol vehicles.
- Dealer profitability has improved in the PV division -- share of profitable dealers has increased to 90% from 40% earlier.
- EVs' contribution to margin is expected to be remain similar to overall margins.
- In EVs, TTMT has largest network with 93 sales touchpoints and 97 service touchpoints, across 51 cities. TTMT's market share stands at 72% with a volume of 3,022 units in FY21 YTD. The public charging network stands at more than 355 chargers. Of this, fast chargers stands at over 100. Group company Tata Power would support the expansion of charging network in the coming years.
- Customer profile for Nexon EV: 1) Business/salaried customers contribute to 56%/30%; 2) Secondary car/Primary car owners contribute to 54%/27%; and 3) Typical daily usage of 50-75kms/ below 50kms contribute to 37%/29%.
- EV ecosystem provided by group companies: 1) Tata Power would support in the expansion of charging infrastructure; 2) Tata Chemicals is evaluating technical partners for establishing a Lithium ion cell manufacturing plant; 3) Tata Autocomp Systems is exploring a motor manufacturing facility; 4) Tata Motor Finance/Tata Capital would provide financing options; and 5) Tata Consultancy Services would provide vehicle tracking and monitoring services. Although these companies will cater to other OEMs, TTMT will benefit as it will remain the Anchor customer.
- Cost savings has been a focus area, and TTMT has achieved ~30% reduction in EBIT breakeven.

Exhibit 7: Standalone: Volume to grow at 24% CAGR over FY21-23E

Volume	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
M&HCV	148,901	168,013	195,712	111,752	73,758	132,990	164,081
YoY %	(5.1)	12.8	16.5	(42.9)	(34.0)	80.3	23.4
LCV	156,719	208,443	251,611	192,062	161,817	186,397	203,214
YoY %	6.4	33.0	20.7	(23.7)	(15.7)	15.2	9.0
PV	172,504	210,200	231,512	138,238	205,327	277,276	306,216
YoY %	15.4	21.9	10.1	(40.3)	48.5	35.0	10.4
Exports	64,199	52,402	53,106	31,325	21,428	37,641	42,972
YoY %	10.6	(18.4)	1.3	(41.0)	(31.6)	75.7	14.2
Total	542,323	639,058	731,941	473,377	462,330	634,305	716,482
YoY %	6.0	17.8	14.5	(35.3)	(2.3)	37.2	13.0
Realizations (Rs/units)	817,158	905,967	945,469	927,974	944,081	1,048,046	1,112,264
YoY %	(2.4)	10.9	4.4	(1.9)	1.7	11.0	6.1
Revenue (Rs/mn)	443,163	578,965	692,028	439,282	436,477	664,780	796,917
YoY %	3.4	30.6	19.5	(36.5)	(0.6)	52.3	19.9

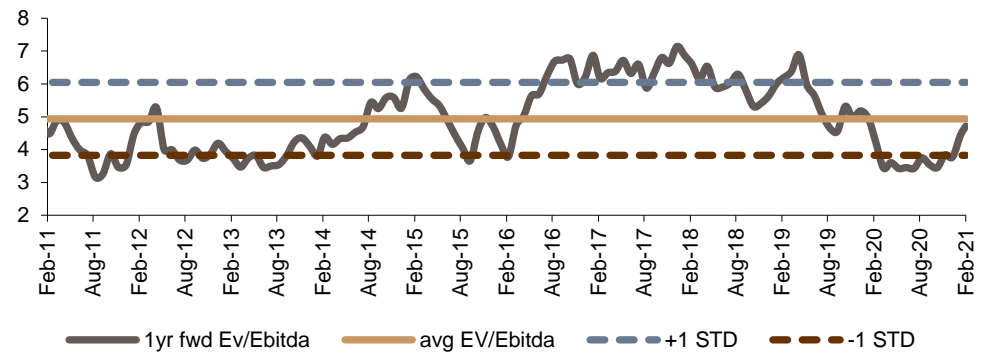
Source: Company, Emkay Research

Exhibit 8: Standalone revenues/EBITDA to witness 35%/158% CAGR over FY21-23E

Key assumptions	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E	CAGR % (FY21-23E)
Volume (units)	542,323	639,058	731,941	473,377	462,330	634,305	716,482	24
y-y growth (%)	6.0	17.8	14.5	(35.3)	(2.3)	37.2	13.0	
Realization/unit	817,158	905,967	945,469	927,974	944,081	1,048,046	1,112,264	9
y-y growth (%)	(2.4)	10.9	4.4	(1.9)	1.7	11.0	6.1	
Revenue	443,163	578,965	692,028	439,282	436,477	664,780	796,917	35
y-y growth (%)	3.4	30.6	19.5	(36.5)	(0.6)	52.3	19.9	
EBITDA	13,577	26,647	51,548	(4,122)	11,930	51,452	79,620	158
EBITDA margin (%)	3.1	4.6	7.4	(0.9)	2.7	7.7	10.0	
Adj. PAT	(23,437)	2,230	24,389	(45,397)	(40,688)	(777)	33,009	
y-y growth (%)	(642)	(110)	994	(286)	(10)	(98)	(4,349)	

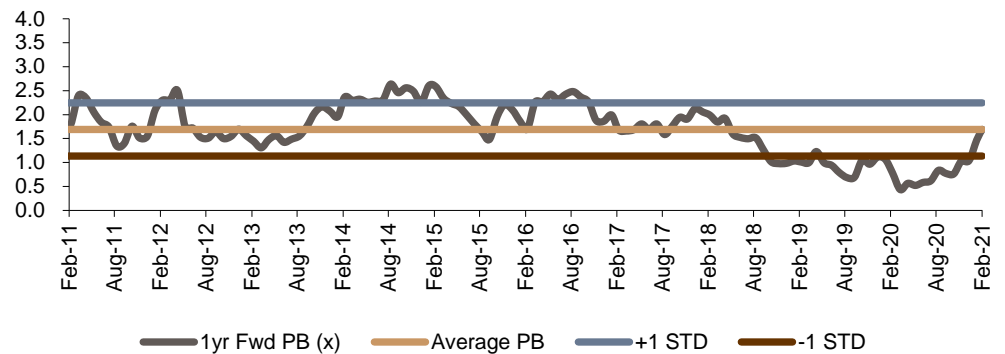
Source: Company, Emkay Research

Exhibit 9: One year forward EV/EBITDA



Source: Company, Emkay Research

Exhibit 10: One year forward P/B



Source: Company, Emkay Research

Exhibit 11: Peer comparison

Companies	CMP (Rs)	Target (Rs)	Mcap (Rs.bn)	Reco	EPS (Rs)			PE (x)			ROE (%)			ROCE (%)		
					FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
Ashok Leyland	122	155	359	Buy	-0.9	3.8	6.7	-133.9	32.3	18.2	-3.8	15.3	24.1	-0.6	15.7	24.6
Atul Auto	179	275	4	Buy	0.0	16.3	27.5	7301.5	11.0	6.5	0.0	11.3	16.9	0.4	14.1	20.8
Bajaj Auto	3,966	4,370	1148	Buy	158.2	203.5	240.4	25.1	19.5	16.5	22.0	25.7	27.3	28.1	33.0	35.2
Eicher Motors	2,482	3,300	679	Buy	54.9	107.6	135.5	45.2	23.1	18.3	14.2	23.8	24.5	17.9	28.5	28.6
Escorts Ltd	1,283	1,500	173	Buy	77.6	88.5	94.9	16.5	14.5	13.5	18.1	15.9	14.9	24.0	21.2	19.8
Hero Motocorp	3,414	4,000	682	Buy	143.4	190.2	213.8	23.8	17.9	16.0	19.7	24.0	24.2	25.3	30.8	31.1
Mahindra & Mahindra	837	1,020	1041	Buy	34.1	45.8	50.7	24.6	18.3	16.5	12.2	15.3	15.1	14.9	18.6	18.5
Maruti Suzuki India	7,086	9,000	2141	Buy	155.3	289.6	368.1	45.6	24.5	19.3	9.4	16.2	18.5	12.1	20.6	23.6
Tata Motors	305	355	1001	Buy	-9.8	18.3	31.0	-31.2	16.7	9.8	-5.9	10.6	15.7	4.1	8.6	11.7
TVS Motor	587	570	279	Hold	10.5	18.5	24.8	56.0	31.7	23.7	13.2	20.8	24.2	13.8	21.2	25.9
Amara Raja Batteries	905	860	155	Hold	36.9	47.4	57.4	24.6	19.1	15.8	16.2	18.5	19.6	21.5	24.4	25.9
Apollo Tyres	228	306	145	Buy	13.6	14.9	19.1	16.7	15.3	12.0	8.1	8.0	9.6	8.1	9.0	10.7
Exide Industries	202	204	172	Hold	8.2	10.3	12.0	24.8	19.7	16.9	10.6	12.4	13.4	14.3	16.7	17.9
Motherson Sumi	216	240	681	Buy	3.4	9.9	12.0	64.0	21.8	17.9	9.3	24.4	25.0	6.3	15.4	17.9
Bharat Forge	589	760	274	Buy	6.6	18.3	27.5	89.1	32.2	21.4	5.7	14.6	19.4	5.5	13.7	18.7

Source: Company, Emkay Research

Key Financials (Consolidated)**Income Statement**

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	3,019,384	2,610,680	2,498,294	3,262,519	3,668,194
Expenditure	2,763,682	2,413,422	2,209,036	2,863,927	3,193,186
EBITDA	255,702	197,258	289,258	398,592	475,008
Depreciation	235,906	214,254	235,466	252,397	271,527
EBIT	19,796	(16,996)	53,791	146,195	203,481
Other Income	29,653	29,732	25,272	26,535	27,862
Interest expenses	57,586	72,433	82,448	85,788	78,937
PBT	(8,137)	(59,698)	(3,386)	86,942	152,407
Tax	(24,375)	3,953	27,372	18,403	38,523
Extraordinary Items	(305,575)	(46,102)	6,887	0	0
Minority Int./Income from Assoc.	1,075	(10,956)	(6,617)	1,421	4,649
Reported Net Income	(288,262)	(120,708)	(30,488)	69,960	118,532
Adjusted PAT	17,312	(74,607)	(37,374)	69,960	118,532

Balance Sheet

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Equity share capital	6,792	7,195	7,658	7,658	7,658
Reserves & surplus	595,003	623,590	618,665	688,625	807,157
Net worth	601,796	630,785	626,323	696,283	814,815
Minority Interest	5,231	8,136	9,092	10,048	11,004
Loan Funds	1,060,019	1,188,105	1,429,307	1,294,123	1,211,805
Net deferred tax liability	(36,601)	(35,160)	(35,194)	(34,325)	(32,801)
Total Liabilities	1,630,444	1,791,866	2,029,527	1,966,129	2,004,824
Net block	1,112,345	1,208,318	1,395,646	1,372,093	1,352,487
Investment	157,707	163,085	153,085	143,085	133,085
Current Assets	1,431,544	1,439,008	1,518,729	1,785,058	2,010,365
Cash & bank balance	326,488	337,270	591,556	538,511	588,717
Other Current Assets	102,380	110,458	84,711	110,624	124,380
Current liabilities & Provision	1,389,990	1,374,768	1,193,266	1,505,630	1,678,709
Net current assets	41,554	64,240	325,462	279,428	331,656
Misc. exp	0	0	0	0	0
Total Assets	1,630,444	1,791,866	2,029,527	1,966,129	2,004,824

Cash Flow

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
PBT (Ex-Other income) (NI+Dep)	(341,270)	(145,531)	(27,432)	62,784	130,150
Other Non-Cash items	0	0	0	0	0
Chg in working cap	(72,123)	50,654	(6,936)	(7,011)	(2,021)
Operating Cashflow	159,254	236,598	256,142	376,424	441,593
Capital expenditure	(352,363)	(295,306)	(221,905)	(245,033)	(267,995)
Free Cash Flow	(193,109)	(58,708)	34,236	131,392	173,598
Investments	145,324	(63,877)	10,000	10,000	10,000
Other Investing Cash Flow	9,928	17,481	0	0	0
Investing Cashflow	(167,458)	(311,971)	(186,634)	(208,497)	(230,133)
Equity Capital Raised	0	38,888	26,025	0	0
Loans Taken / (Repaid)	159,302	84,217	241,201	(135,184)	(82,318)
Dividend paid (incl tax)	(947)	(568)	0	0	0
Other Financing Cash Flow	(99,751)	38,802	0	0	0
Financing Cashflow	(11,447)	86,154	184,778	(220,972)	(161,254)
Net chg in cash	(19,651)	10,782	254,286	(53,045)	50,206
Opening cash position	346,139	326,488	337,270	591,556	538,511
Closing cash position	326,488	337,270	591,556	538,511	588,717

Source: Company, Emkay Research

Key Ratios

Profitability (%)	FY19	FY20	FY21E	FY22E	FY23E
EBITDA Margin	8.5	7.6	11.6	12.2	12.9
EBIT Margin	0.7	(0.7)	2.2	4.5	5.5
Effective Tax Rate	NM	(6.6)	NM	21.2	25.3
Net Margin	0.5	(2.4)	(1.2)	2.1	3.1
ROCE	2.8	0.7	4.1	8.6	11.7
ROE	2.2	(12.1)	(5.9)	10.6	15.7
RoIC	2.3	(1.9)	5.2	13.0	18.4

Per Share Data (Rs)	FY19	FY20	FY21E	FY22E	FY23E
EPS	5.1	(20.7)	(9.8)	18.3	31.0
CEPS	74.6	38.8	51.7	84.2	101.9
BVPS	177.2	175.3	163.6	181.8	212.8
DPS	0.0	0.0	0.0	0.0	0.0

Valuations (x)	FY19	FY20	FY21E	FY22E	FY23E
PER	59.7	NM	NM	16.7	9.8
P/CEPS	3.5	6.8	5.1	3.1	2.6
P/BV	1.7	1.7	1.9	1.7	1.4
EV / Sales	0.6	0.7	0.8	0.6	0.5
EV / EBITDA	6.5	9.3	6.6	4.6	3.6
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Gearing Ratio (x)	FY19	FY20	FY21E	FY22E	FY23E
Net Debt/ Equity	1.1	1.2	1.2	1.0	0.7
Net Debt/EBIDTA	2.5	3.7	2.6	1.7	1.2
Working Cap Cycle (days)	(34.4)	(38.2)	(38.9)	(29.0)	(25.6)

Growth (%)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	3.6	(13.5)	(4.3)	30.6	12.4
EBITDA	(16.8)	(22.9)	46.6	37.8	19.2
EBIT	(78.5)	(185.9)	NM	171.8	39.2
PAT	NM	NM	NM	NM	69.4

Quarterly (Rs mn)	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21
Revenue	716,761	624,930	319,831	535,300	756,538
EBITDA	71,965	23,733	6,356	56,653	115,096
EBITDA Margin (%)	10.0	3.8	2.0	10.6	15.2
PAT	15,422	(54,112)	(84,884)	(7,523)	27,060
EPS (Rs)	4.3	(15.0)	(23.6)	(2.1)	7.5

Source: Company, Emkay Research

Shareholding Pattern (%)	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20
Promoters	42.4	42.4	42.4	42.4	42.4
FIs	18.3	16.8	15.6	15.8	15.6
DIs	14.9	13.4	13.2	13.1	12.6
Public and Others	24.4	27.4	28.8	28.7	29.4

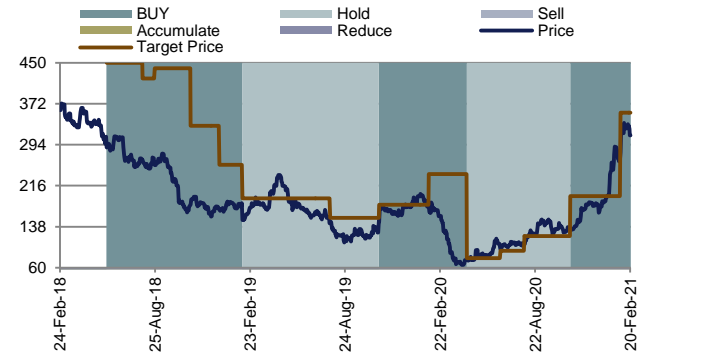
Source: Capitaline

RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
1-Feb-21	280	355	12m	Buy	Raghunandhan NL
28-Oct-20	135	196	12m	Buy	Raghunandhan NL
11-Oct-20	138	120	12m	Hold	Raghunandhan NL
28-Sep-20	133	120	12m	Hold	Raghunandhan NL
1-Aug-20	105	120	12m	Hold	Raghunandhan NL
29-Jun-20	99	92	12m	Hold	Raghunandhan NL
16-Jun-20	95	92	12m	Hold	Raghunandhan NL
4-May-20	84	78	12m	Hold	Raghunandhan NL
13-Apr-20	74	78	12m	Hold	Raghunandhan NL
27-Feb-20	145	238	12m	Buy	Raghunandhan NL
14-Feb-20	169	238	12m	Buy	Raghunandhan NL
9-Feb-20	174	238	12m	Buy	Raghunandhan NL
31-Jan-20	177	238	12m	Buy	Raghunandhan NL
30-Jan-20	186	180	12m	Buy	Raghunandhan NL
27-Dec-19	176	180	12m	Buy	Raghunandhan NL
27-Nov-19	166	180	12m	Buy	Raghunandhan NL
1-Nov-19	175	180	12m	Buy	Raghunandhan NL
30-Oct-19	172	180	12m	Buy	Raghunandhan NL
28-Oct-19	148	180	12m	Buy	Raghunandhan NL
1-Oct-19	115	155	12m	Hold	Raghunandhan NL
26-Sep-19	125	155	12m	Hold	Raghunandhan NL
3-Sep-19	113	155	12m	Hold	Raghunandhan NL
28-Aug-19	116	155	12m	Hold	Raghunandhan NL
26-Jul-19	147	155	12m	Hold	Raghunandhan NL
1-Jul-19	168	192	12m	Hold	Raghunandhan NL
27-Jun-19	166	192	12m	Hold	Raghunandhan NL
3-Jun-19	175	192	12m	Hold	Raghunandhan NL
29-May-19	176	192	12m	Hold	Raghunandhan NL
28-May-19	180	192	12m	Hold	Raghunandhan NL
21-May-19	177	192	12m	Hold	Raghunandhan NL
2-May-19	207	192	12m	Hold	Raghunandhan NL
8-Feb-19	151	192	12m	Hold	Raghunandhan NL
4-Feb-19	180	256	12m	Buy	Raghunandhan NL
26-Dec-18	171	256	12m	Buy	Raghunandhan NL
1-Nov-18	179	330	12m	Buy	Raghunandhan NL
24-Aug-18	256	440	12m	Buy	Raghunandhan NL
1-Aug-18	265	420	12m	Buy	Raghunandhan NL
6-Jul-18	271	450	12m	Buy	Raghunandhan NL
24-May-18	289	450	12m	Buy	Raghunandhan NL

Source: Company, Emkay Research

RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research

Emkay Alpha Portfolio – Automobiles & Auto Ancillaries



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Sector

Automobiles and Ancillaries

Analyst bio

Raghu holds an MBA and comes with total 11 years of research experience. His team currently covers 14 stocks in the Indian Automobiles and Ancillaries space.

EAP sector portfolio

Company Name	BSE200 Weight	EAP Weight	OW/UW (%)	OW/UW (bps)	EAP Weight (Normalised)
Auto & Auto Ancillaries	5.51	5.51	0%	0	100.00
Amara Raja Batteries	0.09	0.00	-100%	-9	0.00
Apollo Tyres	0.00	0.00	NA	0	0.00
Ashok Leyland	0.21	0.30	45%	9	5.46
Atul Auto	0.00	0.00	NA	0	0.00
Bajaj Auto	0.62	0.62	0%	0	11.30
Bharat Forge	0.18	0.18	0%	0	3.29
Eicher Motors	0.43	0.43	0%	0	7.81
Escorts	0.00	0.00	NA	0	0.00
Exide Industries	0.11	0.00	-100%	-11	0.00
Hero Motocorp	0.53	0.53	0%	0	9.54
Mahindra & Mahindra	1.00	1.00	0%	0	18.19
Maruti Suzuki India	1.16	1.16	0%	0	21.12
Motherson Sumi	0.31	0.31	0%	0	5.55
Tata Motors	0.66	0.71	8%	5	12.90
Tata Motors DVR*	0.07	0.12	72%	5	2.22
TVS Motor	0.14	0.14	0%	0	2.61
Cash	0.00	0.00	NA	0	0.00

Source: Emkay Research

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

Sector portfolio NAV

	Base					Latest
	01-Apr-19	20-Feb-20	21-Aug-20	20-Nov-20	20-Jan-21	19-Feb-21
EAP - Auto & Auto Ancillaries	100.0	89.4	91.1	100.4	122.2	125.5
BSE200 Neutral Weighted Portfolio (ETF)	100.0	90.0	93.4	102.6	122.8	126.1

*Performance measurement base date 1st April 2019

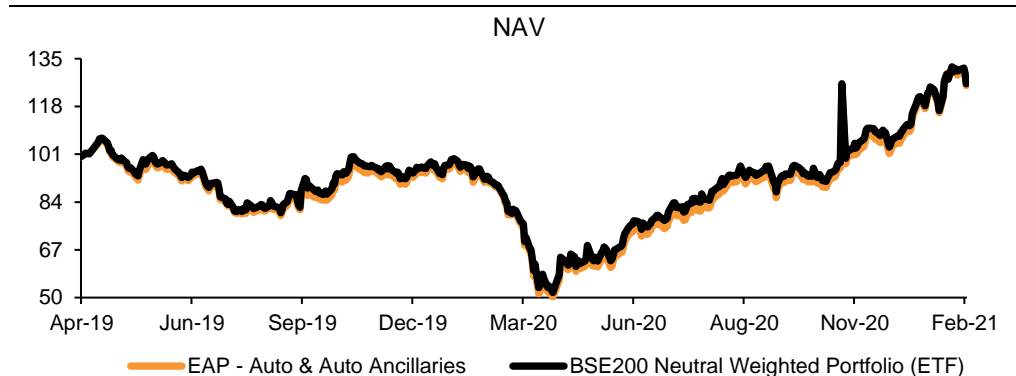
Source: Emkay Research

Price Performance (%)

	1m	3m	6m	12m
EAP - Auto & Auto Ancillaries	2.6%	24.9%	37.8%	40.4%
BSE200 Neutral Weighted Portfolio (ETF)	2.7%	22.9%	35.0%	40.1%

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%

Completed Date: 23 Feb 2021 03:08:49 (SGT)

Dissemination Date: 23 Feb 2021 03:09:49 (SGT)

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