

Hero Motocorp

Refer to important disclosures at the end of this report

Strong quarter; demand outlook remains positive

- Q3FY21 OPM contracted 30bps yoy to 14.5%, above the estimate of 13%, owing to higher spare sales, inventory gains and cost savings. Spares grew 29% yoy to Rs10.3bn, led by better penetration with retailers/mechanics, and is likely to sustain growth at high levels.
- Management emphasized positive demand outlook, driven by improving macros and expectations of recovery in replacement demand. In addition, demand recovery in categories such as students and migrant workers is likely to aid volumes.
- We marginally increase FY21-23 earnings estimates by 1-2%, led by higher spares revenue and other income. We expect revenue/earnings CAGR of 15%/22% over FY21-23E, with strong post-tax ROICs (~50%) and healthy FCF generation (~Rs35bn/year).
- The stock trades at a P/E of 16x on FY23E vs. historical average of 18x. Retain Buy with a TP of Rs4,000 (Rs3,839 earlier), based on 18x FY23E P/E and value of investments at Rs95/share. The target multiple implies a core P/E of 19x and net cash/share of Rs496.

Strong revenue/EBITDA performance: Revenue grew 40% yoy to Rs97.8bn, slightly above the estimate of Rs95.6bn, owing to higher spare-parts revenues. Spares grew 29% yoy to Rs10.3bn, led by better penetration with retailers/mechanics. Volume rose 20% to 1.85mn units and realization increased 17% to Rs52,977/unit. EBITDA margin contracted by 40bps yoy to 14.5%, beating the estimate of 13% due to higher spare sales, cost reduction efforts and inventory change. Cost savings (Leap programme) benefits were at over 100bps vs. 50bps last year. Overall, adjusted PAT grew 23% yoy to Rs10.8bn (est.:Rs9.1bn) above estimates, owing to higher operating margin and other income. Other income grew 11% yoy to Rs2bn. Share of loss from associates (Ather Energy and Hero FinCorp) stood at Rs987mn vs. a profit of Rs250mn last year.

Retain Buy: We expect a robust cyclical upturn in domestic 2Ws in FY22, thanks to recovery in economic activity, continuation of positive rural sentiments, resurgence in urban demand, improving finance availability and favorable base effect, among others. HMCL remains a key beneficiary of this uptrend, and we expect revenue/earnings CAGR of 15%/22% for FY21-23E. Valuations are reasonable at P/E of 16x on FY23E vs. historical average of 18x. Reaffirm Buy with a TP of Rs4,000 (Rs3,839 earlier), based on 18x FY23E P/E as well as value of investments for Hero FinCorp and Ather Energy at Rs95/share. The target multiple implies core P/E of 19x and net cash/share of Rs496. Key downside risks include delayed recovery in economic activity, heightened competition, lack of pricing discipline in the industry, higher commodity prices, etc.

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

Financial Snapshot (Standalone)

(Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	336,505	288,361	305,161	368,471	403,431
EBITDA	49,301	39,580	37,889	50,179	55,834
EBITDA Margin (%)	14.7	13.7	12.4	13.6	13.8
APAT	33,849	31,841	28,654	37,994	42,715
EPS (Rs)	169.5	159.4	143.4	190.2	213.8
EPS (% chg)	(8.5)	(5.9)	(10.0)	32.6	12.4
ROE (%)	27.5	23.6	19.7	24.0	24.2
P/E (x)	20.2	21.5	23.9	18.0	16.0
EV/EBITDA (x)	12.9	15.4	15.9	11.7	10.2
P/BV (x)	5.3	4.8	4.6	4.1	3.7

Source: Company, Emkay Research

CMP	Target Price
Rs 3,428 as of (February 5, 2021)	Rs 4,000 (▲) 12 months
Rating	Upside
BUY (■)	16.7 %

Change in Estimates

EPS Chg FY22E/FY23E (%)	1.6/2.0
Target Price change (%)	4.2
Target Period (Months)	12
Previous Reco	BUY

Emkay vs Consensus

	EPS Estimates	
	FY22E	FY23E
Emkay	190.2	213.8
Consensus	179.6	200.3
Mean Consensus TP (12M)	Rs 3,274	

Stock Details

Bloomberg Code	HMCL IN
Face Value (Rs)	2
Shares outstanding (mn)	200
52 Week H/L	3,560 / 1,475
M Cap (Rs bn/USD bn)	685 / 9.39
Daily Avg Volume (nos.)	1,423,786
Daily Avg Turnover (US\$ mn)	61.6

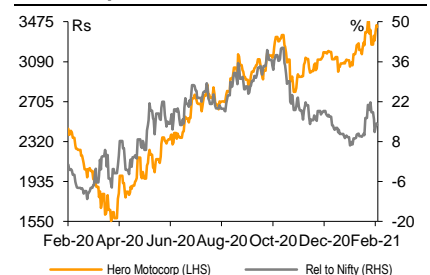
Shareholding Pattern Dec '20

Promoters	34.8%
FIIIs	35.9%
DIIIs	20.0%
Public and Others	9.4%

Price Performance

(%)	1M	3M	6M	12M
Absolute	12	16	27	44
Rel. to Nifty	6	(5)	(5)	17

Relative price chart



Source: Bloomberg

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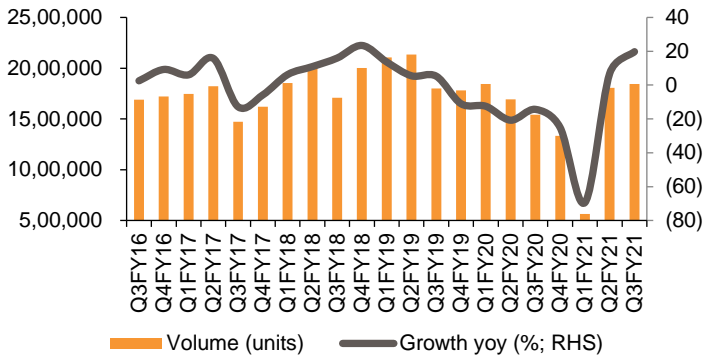
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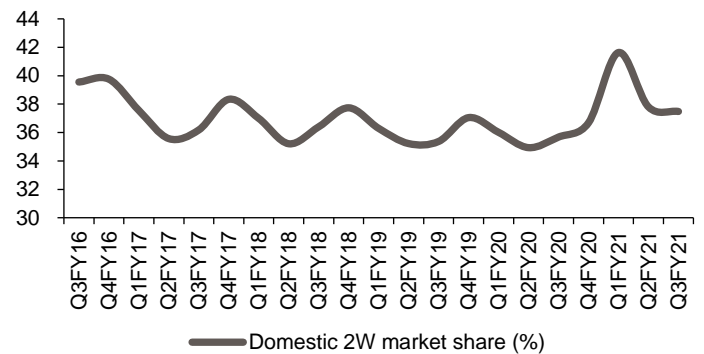
Story in Charts

Exhibit 1: Volume grew strongly by 20% yoy to 1.85mn units



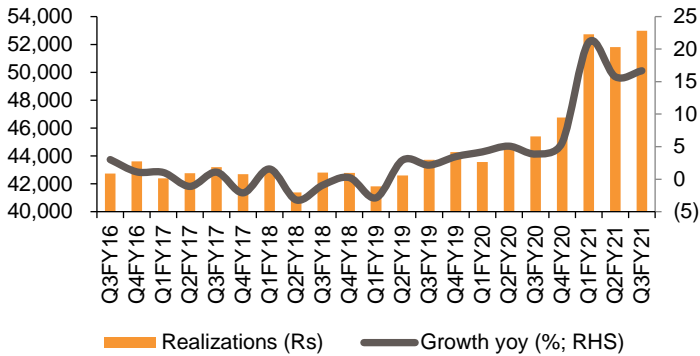
Source: Company, Emkay Research

Exhibit 2: Domestic 2W market share increased by 180bps yoy to 37.5% in Q3FY21



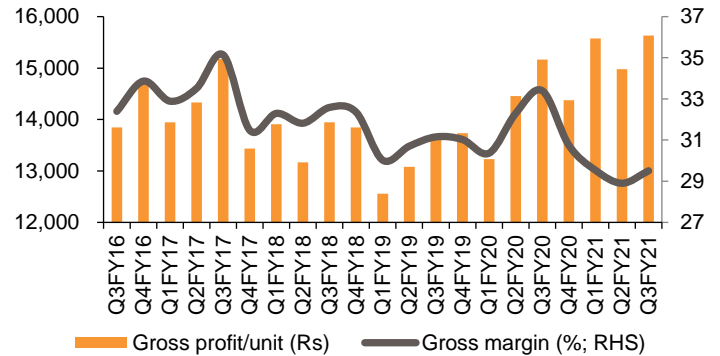
Source: SIAM, Emkay Research

Exhibit 3: Revenue/unit grew 17% yoy to Rs52,977, slightly above estimates



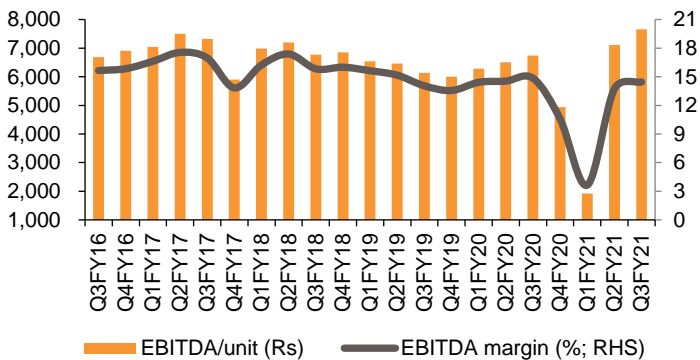
Source: Company, Emkay Research

Exhibit 4: Despite higher input cost, Gross margin was higher by 60bps qoq, owing to inventory gains, price hikes and better mix



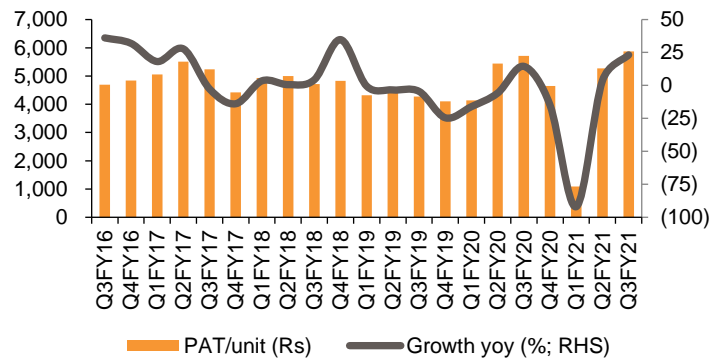
Source: Company, Emkay Research

Exhibit 5: EBITDA margin stood at 14.5%, above estimates



Source: Company, Emkay Research

Exhibit 6: PAT/unit grew yoy, due to better operating performance and higher other income



Source: Company, Emkay Research

Q3FY21 Earnings Call Highlights

- Demand outlook remains positive due to improving macros and expectations of recovery in replacement demand. In addition, demand from categories such as students and migrant workers is expected to recover.
- Commodity prices have been increasing. The company is trying to offset the impact through price hikes, mix improvement and cost savings. The company has retained the medium-term OPM target of 14-16%.
- Q3 revenue/unit improved sequentially, supported by price hikes and higher growth in spares revenue. Spares growth increased by 29% qoq led by expanding penetration with retailers and technicians. Margin improved qoq, led by price increases, better share of spares, cost reduction efforts and inventory change. Cost savings (Leap programme) benefits were at over 100bps vs. 50bps last year.
- Focus areas: 1) Improving presence in Premium motorcycles, Scooters and EVs in the medium term with launch of products; 2) Improving exports through focused product and market strategies.
- Tie-up with Harley Davidson would help in strengthening position in the premium segment.
- Share in loss of associates stood at Rs987mn vs. profit of Rs250mn last year. Associate companies are Hero FinCorp and Ather Energy.
- The company invested Rs900mn in Ather Energy during Q3. Cumulative investments stands at Rs5bn and holding at 38%. Ather is focusing on both increasing presence in EVs through entry into new cities.
- Focus export markets include Columbia, Mexico, Nigeria, Bangladesh, Sri Lanka, etc. HMCL has achieved breakeven in Columbia. It has appointed a new partner in Mexico.
- Finance penetration stands at ~50%. Of this, Fincorp contributes 40%.
- Capex is expected at Rs8-10bn in FY22.

Exhibit 7: Changes in estimates

Rs mn	FY21E				FY22E				FY23E			
	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY
Volumes	5,850,067	5,771,620	(1.3)	(10.0)	6,762,195	6,727,500	(0.5)	16.6	7,264,599	7,227,129	(0.5)	7.4
Net Sales	305,704	305,161	(0.2)	5.8	363,495	368,471	1.4	20.7	398,246	403,431	1.3	9.5
EBITDA	38,560	37,889	(1.7)	(4.3)	50,402	50,179	(0.4)	32.4	56,123	55,834	(0.5)	11.3
Margin (%)	12.6	12.4	(20) bps	(131) bps	13.9	13.6	(25) bps	120 bps	14.1	13.8	(25) bps	22 bps
APAT	28,260	28,654	1.4	(10.0)	37,391	37,994	1.6	32.6	41,873	42,715	2.0	12.4
EPS (Rs)	141.5	143.4	1.4	(10.0)	187.2	190.2	1.6	32.6	209.6	213.8	2.0	12.4

Source: Company, Emkay Research

Exhibit 8: Volume assumptions

Volume (units)	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Domestic Motorcycles	5,693,681	6,499,051	6,893,688	5,828,782	5,151,703	6,019,387	6,460,913
Growth (%)	1.6	14.1	6.1	(15.4)	(11.6)	16.8	7.3
Export Motorcycles	140,579	178,156	187,185	161,567	161,567	200,343	222,381
Growth (%)	5.9	26.7	5.1	(13.7)	0.0	24.0	11.0
Domestic Scooters	789,974	883,667	719,087	402,676	442,944	487,238	521,345
Growth (%)	(3.5)	11.9	(18.6)	(44.0)	10.0	10.0	7.0
Export Scooters	39,812	26,319	20,871	16,694	15,406	20,531	22,490
Growth (%)	(48.6)	(33.9)	(20.7)	(20.0)	(7.7)	33.3	9.5
Total Volume	6,664,046	7,587,193	7,820,831	6,409,719	5,771,620	6,727,500	7,227,129
Growth (%)	0.5	13.9	3.1	(18.0)	(10.0)	16.6	7.4
Realization/unit (Rs)	42,766	42,480	43,027	44,988	52,873	54,771	55,822
Growth (%)	(0.3)	(0.7)	1.3	4.6	17.5	3.6	1.9
Revenue (Rs/unit)	285,005	322,305	336,505	288,361	305,161	368,471	403,431
Growth (%)	0.2	13.1	4.4	(14.3)	5.8	20.7	9.5

Source: Company, Emkay Research

Exhibit 9: SOTP

	Basis of Valuation	Equity value	Equity value/share
Core business	Core P/E of 19x FY23E	680,967	3,409
Hero FinCorp	P/B 1x FY20 (Holdco discount of 20%)	14,915	75
Ather Energy	Investment value (Holdco discount of 20%)	4,037	20
Cash per share	As of FY22E		496
Total			4,000

Source: Company, Emkay Research

Exhibit 10: Actual vs. Estimates (Q3FY21)

(Rs mn)	Actual	Estimates		% Variation		Comment
		Emkay	Consensus	Emkay	Consensus	
Total Revenue	97,758	95,607	95,040	2.2	2.9	Slightly higher than estimates owing to higher spare-part revenues
EBITDA	14,136	12,429	12,452	13.7	13.5	
EBITDA Margin (%)	14.5	13.0	13.1	146 bps	136 bps	Above estimates due to higher share of spares, inventory gains and cost savings
Adjusted net profit	10,845	9,082	9,000	19.4	20.5	Above estimates due to higher operating profit and other income (+11% yoy)

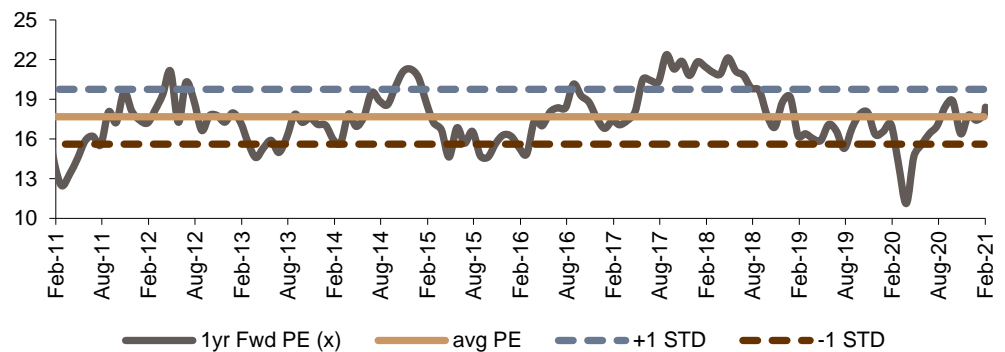
Source: Bloomberg, Company, Emkay Research

Exhibit 11: Quarterly financial summary

Rs mn	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	YoY (%)	QoQ (%)	FY21 YTD	FY20 YTD	YoY(%)
Revenue	69,967	62,384	29,715	93,673	97,758	39.7	4.4	221,147	225,977	(2.1)
Expenditure	59,578	55,785	28,635	80,809	83,621	40.4	3.5	193,066	192,996	0.0
as % of sales	85.2	89.4	96.4	86.3	85.5			87.3	85.4	
Consumption of RM	46,598	43,200	20,939	66,600	68,912	47.9	3.5	156,451	153,775	1.7
as % of sales	66.6	69.2	70.5	71.1	70.5			70.7	68.0	
Employee Cost	4,697	4,354	3,824	5,112	5,167	10.0	1.1	14,103	14,063	0.3
as % of sales	6.7	7.0	12.9	5.5	5.3			6.4	6.2	
Other expenditure	8,282	8,231	3,872	9,097	9,543	15.2	4.9	22,512	25,159	(10.5)
as % of sales	11.8	13.2	13.0	9.7	9.8			10.2	11.1	
EBITDA	10,390	6,599	1,081	12,864	14,136	36.1	9.9	28,081	32,981	(14.9)
Depreciation	2,037	1,747	1,708	1,732	1,698	(16.6)	(1.9)	5,138	6,433	(20.1)
EBIT	8,352	4,852	(627)	11,133	12,438	48.9	11.7	22,943	26,548	(13.6)
Other Income	1,822	1,695	1,485	1,413	2,027	11.2	43.4	4,925	6,089	(19.1)
Interest	59	41	63	46	47	(21.5)	0.2	156	180	(13.4)
PBT	10,115	6,506	795	12,500	14,418	42.5	15.4	27,713	32,457	(14.6)
Total Tax	1,311	299	182	2,965	3,574	172.5	20.5	6,720	6,823	(1.5)
Adjusted PAT	8,804	6,207	613	9,535	10,845	23.2	13.7	20,992	25,634	(18.1)
Extra ordinary items Loss/(Gain)	0	0	0	0	0			0	(4,491)	
Reported PAT	8,804	6,207	613	9,535	10,845	23.2	13.7	20,992	30,126	(30.3)
Adjusted EPS	44.1	31.1	3	48	54	23.2	13.7	105	151	(30.3)

Margins (%)						(bps)	(bps)			(bps)
EBIDTA	14.8	10.6	3.6	13.7	14.5	(39)	73	12.7	14.6	(190)
EBIT	11.9	7.8	(2.1)	11.9	12.7	79	84	10.4	11.7	(137)
EBT	14.5	10.4	2.7	13.3	14.7	29	141	12.5	14.4	(183)
PAT	12.6	9.9	2.1	10.2	11.1	(149)	91	9.5	11.3	(185)
Effective Tax rate	13.0	4.6	22.9	23.7	24.8	1,182	106	24.2	21.0	323

Source: Company, Emkay Research

Exhibit 12: One-year forward P/E

Source: Company, Emkay Research

Key Financials (Standalone)**Income Statement**

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	336,505	288,361	305,161	368,471	403,431
Expenditure	287,205	248,781	267,272	318,292	347,597
EBITDA	49,301	39,580	37,889	50,179	55,834
Depreciation	6,020	8,180	6,871	7,667	8,351
EBIT	43,281	31,400	31,017	42,512	47,483
Other Income	6,913	7,783	6,905	7,744	9,038
Interest expenses	86	220	220	264	317
PBT	50,107	38,963	37,703	49,992	56,204
Tax	16,259	7,122	9,049	11,998	13,489
Extraordinary Items	0	4,491	0	0	0
Minority Int./Income from Assoc.	0	0	0	0	0
Reported Net Income	33,849	36,333	28,654	37,994	42,715
Adjusted PAT	33,849	31,841	28,654	37,994	42,715

Balance Sheet

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Equity share capital	400	400	400	400	400
Reserves & surplus	128,172	140,965	149,561	166,658	185,880
Net worth	128,571	141,364	149,960	167,057	186,279
Minority Interest	0	0	0	0	0
Loan Funds	0	0	0	0	0
Net deferred tax liability	5,365	3,928	4,305	4,805	5,367
Total Liabilities	133,936	145,292	154,266	171,863	191,647
Net block	46,186	57,025	55,034	54,346	55,994
Investment	59,686	82,227	88,227	103,227	121,227
Current Assets	65,121	44,829	49,228	58,362	63,395
Cash & bank balance	1,365	2,419	5,870	6,009	6,075
Other Current Assets	8,931	6,348	6,717	8,111	8,880
Current liabilities & Provision	42,476	42,201	42,755	51,626	56,524
Net current assets	22,646	2,628	6,473	6,736	6,871
Misc. exp	0	0	0	0	0
Total Assets	133,936	145,292	154,266	171,863	191,647

Cash Flow

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
PBT (Ex-Other income) (NI+Dep)	43,195	37,954	30,797	42,248	47,166
Other Non-Cash items	0	0	0	0	0
Chg in working cap	(19,189)	12,027	(173)	(216)	167
Operating Cashflow	2,878	46,318	37,344	45,461	49,280
Capital expenditure	(9,179)	(13,586)	(6,000)	(10,000)	(10,000)
Free Cash Flow	(6,301)	32,732	31,344	35,461	39,280
Investments	18,758	(18,926)	(6,000)	(15,000)	(18,000)
Other Investing Cash Flow	3,633	3,681	(6,905)	(7,744)	(9,038)
Investing Cashflow	20,124	(21,048)	(12,000)	(25,000)	(28,000)
Equity Capital Raised	20	1	0	0	0
Loans Taken / (Repaid)	0	0	0	0	0
Dividend paid (incl tax)	(22,874)	(23,325)	(21,673)	(20,058)	(20,897)
Other Financing Cash Flow	(111)	(672)	0	0	0
Financing Cashflow	(23,051)	(24,216)	(21,893)	(20,322)	(21,214)
Net chg in cash	(49)	1,054	3,451	139	66
Opening cash position	1,413	1,365	2,419	5,870	6,009
Closing cash position	1,365	2,419	5,870	6,009	6,075

Source: Company, Emkay Research

Key Ratios

Profitability (%)	FY19	FY20	FY21E	FY22E	FY23E
EBITDA Margin	14.7	13.7	12.4	13.6	13.8
EBIT Margin	12.9	10.9	10.2	11.5	11.8
Effective Tax Rate	32.4	18.3	24.0	24.0	24.0
Net Margin	10.1	11.0	9.4	10.3	10.6
ROCE	39.1	28.1	25.3	30.8	31.1
ROE	27.5	23.6	19.7	24.0	24.2
RoIC	78.4	50.4	55.0	76.8	84.9

Per Share Data (Rs)	FY19	FY20	FY21E	FY22E	FY23E
EPS	169.5	159.4	143.4	190.2	213.8
CEPS	199.6	200.4	177.8	228.6	255.7
BVPS	643.7	707.7	750.7	836.3	932.6
DPS	87.0	90.0	100.4	104.6	117.6

Valuations (x)	FY19	FY20	FY21E	FY22E	FY23E
PER	20.2	21.5	23.9	18.0	16.0
P/CEPS	17.2	17.1	19.3	15.0	13.4
P/BV	5.3	4.8	4.6	4.1	3.7
EV / Sales	1.9	2.2	2.0	1.6	1.5
EV / EBITDA	12.9	15.4	15.9	11.7	10.2
Dividend Yield (%)	2.5	2.6	2.9	3.1	3.4

Gearing Ratio (x)	FY19	FY20	FY21E	FY22E	FY23E
Net Debt/ Equity	(0.4)	(0.5)	(0.6)	(0.6)	(0.6)
Net Debt/EBIDTA	(1.0)	(1.9)	(2.2)	(2.0)	(2.1)
Working Cap Cycle (days)	23.1	0.3	0.7	0.7	0.7

Growth (%)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	4.4	(14.3)	5.8	20.7	9.5
EBITDA	(6.6)	(19.7)	(4.3)	32.4	11.3
EBIT	(8.4)	(27.5)	(1.2)	37.1	11.7
PAT	(8.5)	7.3	(21.1)	32.6	12.4

Quarterly (Rs mn)	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21
Revenue	69,967	62,384	29,715	93,673	97,758
EBITDA	10,390	6,599	1,081	12,864	14,136
EBITDA Margin (%)	14.8	10.6	3.6	13.7	14.5
PAT	8,804	6,207	613	9,534	10,845
EPS (Rs)	44.1	31.1	3.1	47.7	54.3

Source: Company, Emkay Research

Shareholding Pattern (%)	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20
Promoters	34.6	34.6	34.8	34.8	34.8
FII	35.3	34.3	32.7	33.3	35.9
DII	19.6	19.9	21.7	22.9	20.0
Public and Others	10.5	11.2	10.8	9.1	9.4

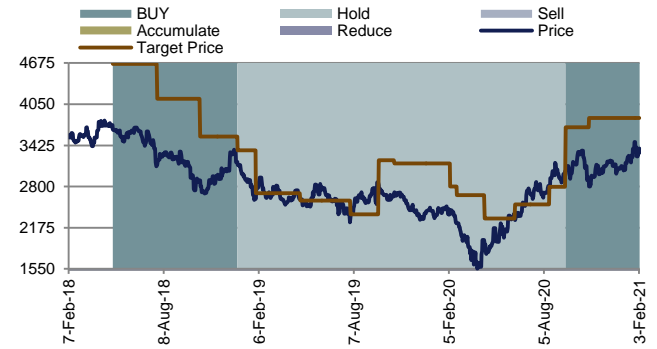
Source: Capitaline

RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
30-Oct-20	2,800	3,839	12m	Buy	Raghunandhan NL
11-Oct-20	3,327	3,701	12m	Buy	Raghunandhan NL
28-Sep-20	3,089	3,701	12m	Buy	Raghunandhan NL
15-Sep-20	3,037	3,701	12m	Buy	Raghunandhan NL
28-Aug-20	3,059	2,798	12m	Hold	Raghunandhan NL
15-Aug-20	2,804	2,798	12m	Hold	Raghunandhan NL
29-Jun-20	2,504	2,530	12m	Hold	Raghunandhan NL
10-Jun-20	2,292	2,530	12m	Hold	Raghunandhan NL
4-May-20	2,001	2,313	12m	Hold	Raghunandhan NL
13-Apr-20	1,919	2,313	12m	Hold	Raghunandhan NL
27-Feb-20	2,110	2,670	12m	Hold	Raghunandhan NL
20-Feb-20	2,240	2,670	12m	Hold	Raghunandhan NL
7-Feb-20	2,443	2,800	12m	Hold	Raghunandhan NL
30-Jan-20	2,482	3,150	12m	Hold	Raghunandhan NL
27-Dec-19	2,442	3,150	12m	Hold	Raghunandhan NL
27-Nov-19	2,523	3,150	12m	Hold	Raghunandhan NL
1-Nov-19	2,707	3,150	12m	Hold	Raghunandhan NL
30-Oct-19	2,685	3,150	12m	Hold	Raghunandhan NL
23-Oct-19	2,713	3,150	12m	Hold	Raghunandhan NL
1-Oct-19	2,688	3,200	12m	Hold	Raghunandhan NL
26-Sep-19	2,760	3,200	12m	Hold	Raghunandhan NL
23-Sep-19	2,820	3,200	12m	Hold	Raghunandhan NL
3-Sep-19	2,557	2,380	12m	Hold	Raghunandhan NL
28-Aug-19	2,569	2,380	12m	Hold	Raghunandhan NL
31-Jul-19	2,356	2,380	12m	Hold	Raghunandhan NL
1-Jul-19	2,617	2,585	12m	Hold	Raghunandhan NL
27-Jun-19	2,598	2,585	12m	Hold	Raghunandhan NL
3-Jun-19	2,840	2,585	12m	Hold	Raghunandhan NL
29-May-19	2,726	2,585	12m	Hold	Raghunandhan NL
2-May-19	2,552	2,585	12m	Hold	Raghunandhan NL
26-Apr-19	2,604	2,585	12m	Hold	Raghunandhan NL
27-Mar-19	2,543	2,700	12m	Hold	Raghunandhan NL
4-Feb-19	2,780	2,700	12m	Hold	Raghunandhan NL
31-Jan-19	2,614	2,700	12m	Hold	Raghunandhan NL
27-Dec-18	3,129	3,350	12m	Hold	Raghunandhan NL
16-Oct-18	2,895	3,560	12m	Buy	Raghunandhan NL
3-Aug-18	3,251	4,130	12m	Buy	Raghunandhan NL
26-Jul-18	3,137	4,130	12m	Buy	Raghunandhan NL
2-May-18	3,664	4,660	12m	Buy	Raghunandhan NL
6-Feb-18	3,542	4,710	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	5.71	5.71	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	0.23	0.39	67%	15	6.75
Atul Auto	0.00	0.00	NA	0	0.00
Bajaj Auto	0.66	0.66	-1%	0	11.54
Bharat Forge	0.19	0.25	30%	6	4.36
Eicher Motors	0.50	0.50	-1%	0	8.67
Escorts	0.00	0.00	NA	0	0.00
Exide Industries	0.11	0.00	-100%	-11	0.00
Hero Motocorp	0.54	0.54	-1%	0	9.39
Mahindra & Mahindra	1.00	1.00	-1%	-1	17.42
Maruti Suzuki India	1.23	1.27	4%	5	22.29
Motherson Sumi	0.23	0.00	-100%	-23	0.00
Tata Motors	0.69	0.82	19%	13	14.39
Tata Motors DVR*	0.08	0.14	85%	6	2.47
TVS Motor	0.16	0.16	-1%	0	2.72
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
	1-Apr-19	6-Feb-20	6-Aug-20	5-Nov-20	5-Jan-21	4-Feb-21
EAP - Auto & Auto Ancillaries	100.0	94.7	85.0	92.3	109.4	129.6
BSE200 Neutral Weighted Portfolio (ETF)	100.0	95.8	87.8	94.4	111.5	129.5

*Performance measurement base date 1st April 2019

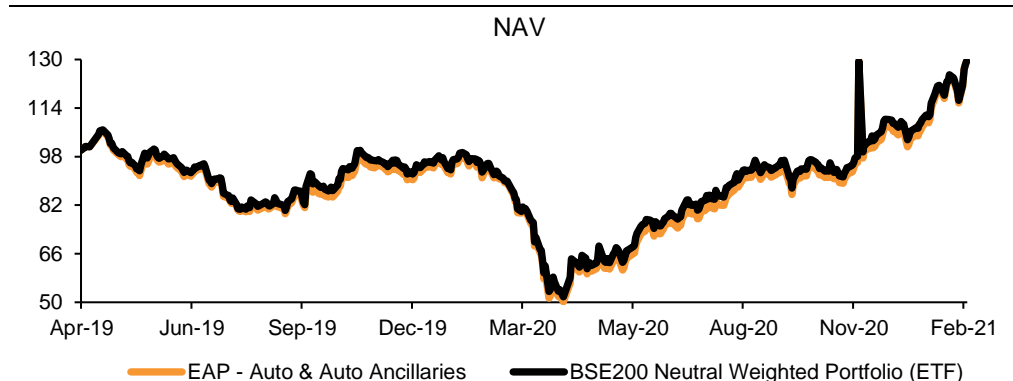
Source: Emkay Research

Price Performance (%)

	1m	3m	6m	12m
EAP - Auto & Auto Ancillaries	18.5%	40.4%	52.5%	36.9%
BSE200 Neutral Weighted Portfolio (ETF)	16.1%	37.1%	47.4%	35.1%

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: 06 Feb 2021 01:09:14 (SGT)

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