

Result Preview



Company

Amara Raja Energy Mobility
Ashok Leyland
Bajaj Auto
Bharat Forge
BOSCH
Ceat
Craftsman Automation
Eicher Motors
Endurance Technologies
Escorts
Exide Industries
Hero MotoCorp
Mahindra CIE
Mahindra & Mahindra
Maruti Suzuki
Motherson Sumi Systems
Sona BLW Precision Ltd
Tata Motors
TVS Motor Company
Tube Investments

Gross margin to contract sequentially as RM prices inch up...

...however, volumes to grow across all segments (ex-tractors) in 3QFY24

- The third quarter witnessed healthy demand across the segments, as volumes are expected to grow 18% YoY. The 2Ws outperformed other segments and is likely to rise ~20% YoY. Volumes for 3Ws, PV, and CV are likely to improve ~15%, 12%, and 3% YoY, respectively, while the same should decline 4% YoY for tractors. Overall exports are anticipated to recover gradually as the supply chain situation improves further, followed by improving macro outlook in key geographies.
- Commodity prices have remained favorable over the last few quarters. Inflationary pressures peaked in 3QFY23, following which, prices corrected for most of the commodities. Despite a slight increase in some of the RM prices sequentially, we expect gross margin to improve ~100bp YoY for our OEM coverage universe in 3QFY24.
- We estimate EBITDA margin to improve YoY for the seventh successive quarter, with a 160bp YoY gain (+40bp QoQ) for our Auto OEM Universe (ex-JLR). This will be driven by better gross margin, cost efficiencies, and operating leverage. The benefit of healthy growth in underlying industries coupled with cost efficiencies should also result in strong earnings growth for our Ancillary coverage during the quarter.
- There has not been any material change in the FY24 earnings estimate for our coverage universe. We are already witnessing a reversal in demand patterns, especially in the 2Ws, wherein we anticipate a high growth potential. As compared to other categories, 2Ws have a relatively better scope for growth over FY23-26E. On the other hand, we turn cautious about the PV growth outlook due to a slowdown in demand trends and a high base.

Healthy volume growth across segments with a strong recovery in 2Ws demand

The third quarter witnessed healthy demand across the segments, as volumes are expected to grow 18% YoY. The 2Ws outperformed other segments and is likely to rise ~20% YoY, driven by 24%/9% YoY growth in domestic/exports. Dispatches for SUVs to remain healthy led by order book execution and improvement in supply chain situation. However, the lower-end PVs continued to witness subdued demand. As a result, we expect PV volumes to grow ~12% YoY, with a 30% YoY growth in SUVs and a decline of 7% YoY in lower-end PVs. CV wholesale is likely to grow ~3% YoY driven by better demand in underlying industries and a healthy fleet utilization level. Within CVs, MHCV/LCVs are likely to grow 6%/2% YoY. Tractor wholesale is expected to decline 4% YoY due to lower rainfall and a higher base of last year. The 3W volumes are expected to grow 15% YoY as demand has come back to normal. Overall exports are anticipated to recover gradually as the supply chain situation improves further, followed by improving macro outlook in key geographies.

EBITDA margin expansion continues on a YoY basis

We estimate EBITDA margin to improve YoY for the seventh successive quarter, with a 160bp YoY gain (+40bp QoQ) for our Auto OEM Universe (ex-JLR). This will be driven by better gross margin, cost efficiencies, and operating leverage. Though gross margin is expected to improve ~100bp YoY led by lower RM costs and product mix, it is likely to contract ~30bp sequentially because of a slight increase in the key commodity prices. We are now modeling a slender increase in key commodity prices in the coming quarter. The benefit of a healthy growth in underlying industries

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coupled with cost efficiencies should also result in strong earnings growth for our Ancillary coverage during the quarter.

Expect 2Ws to outperform other segments; MHCV to remain stable

We are already witnessing a reversal in demand patterns, especially in the 2Ws, wherein we anticipate a high growth potential. As compared to other categories, 2Ws have a relatively better scope for growth over FY23-26E. On the other hand, we turn cautious about the PV growth outlook due to a slowdown in demand trends and a high base. However, commodity prices have remained favorable over the last few quarters. Inflationary pressures peaked in 3QFY23, following which, prices corrected for most of the commodities. We expect a volume CAGR of 9-11%/5-7%/3-5% for 2Ws/PVs/Tractors over FY23-26. For 3Ws/LCVs/M&HCVs, we anticipate a volume CAGR of 13-15%/3-5%/6-8% over the same period.

Valuation and view

There has not been any material change in the FY24 earnings estimate for our coverage universe. We maintain HMCL as our top pick in the OEMs, while we have added MM as another preferred pick due to the strong momentum in its core SUV segment, better growth visibility in tractor demand for FY25, and incremental value to its e-PV business. Among Ancillaries, we prefer: i) ENDU, as it is a proxy play to the domestic 2W industry, and ii) CRAFTSMA, due to expectations of strong growth and a superior capital efficiency.

Exhibit 1: Summary of expected quarterly performance (INR m)

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Dec-23	Var % YoY	Var % QoQ	Dec-23	Var % YoY	Var % QoQ	Dec-23	Var % YoY	Var % QoQ
Amara Raja Energy	825	Neutral	28,482	8.0	1.3	3,845	-3.1	-0.6	2,127	-4.6	-0.8
Apollo Tyres	453	Buy	63,500	-1.1	1.1	11,170	22.3	-3.7	4,368	49.6	-9.5
Ashok Leyland	186	Buy	91,800	1.7	-4.8	9,598	20.4	-11.1	4,893	37.1	-15.2
Bajaj Auto	6701	Neutral	1,20,967	29.9	12.2	24,255	36.5	13.7	20,447	37.1	11.4
Balkrishna Inds	2574	Neutral	23,336	5.3	3.9	5,717	35.1	4.3	3,546	256.4	5.9
Bharat Forge	1247	Buy	23,429	20.0	4.2	6,392	29.5	3.7	3,737	30.7	7.5
Bosch	22417	Neutral	42,089	15.0	1.9	4,863	20.5	-1.0	3,830	20.1	-4.8
CEAT	2431	Buy	29,999	10.0	-1.7	4,365	83.7	-4.3	1,778	397.9	-14.5
CIE Automotive	496	Buy	24,570	9.4	7.8	3,797	29.9	9.9	2,212	32.9	18.5
Craftsman Auto	5330	Buy	12,103	61.6	2.6	2,509	58.5	5.6	1,001	94.0	5.9
Eicher Motors	4035	Neutral	40,217	8.1	-2.3	10,899	27.1	0.3	9,646	30.2	-5.1
Endurance Tech.	1915	Buy	26,324	25.6	3.4	3,461	44.5	9	1,758	62.4	13.7
Escorts Kubota	2967	Neutral	24,920	10.1	21.8	3,583	88.2	36.1	3,036	62.9	29.2
Exide Inds.	322	Buy	40,946	20.0	-0.3	4,729	17.9	-2.1	2,699	20.9	-5.9
Hero Motocorp	4116	Buy	96,375	20.0	2.0	13,421	45.2	1.0	10,392	46.2	-1.4
Mahindra & Mahindra	1704	Buy	2,55,002	17.8	4.9	32,426	15.2	5.8	23,316	14.9	-32.5
Maruti Suzuki	10282	Buy	3,34,717	15.2	-9.7	40,678	43.6	-15.0	30,721	30.7	-17.3
Samvardhana Motherson	106	Buy	2,53,565	25.1	8.0	23,570	45.8	24.8	8,623	89.7	91.2
Motherson Wiring	62	Buy	20,415	21.0	-3.0	2,551	42.5	2.8	1,628	53.4	4.5
MRF	129439	Sell	61,438	11.0	0.9	11,208	104.3	-0.7	5,556	228.4	-2.9
Sona BLW Precis.	645	Neutral	7,818	14.1	-1.1	2,173	16.8	-2.7	1,258	17.4	-2.2
Tata Motors	791	Buy	10,73,922	21.4	2.2	1,37,579	42.7	0.2	35,078	18.6	-9.1
Tube Investments	3576	Buy	20,402	19.3	3.6	2,696	25.8	7.3	1,882	36.7	3.7
TVS Motor	2019	Neutral	82,618	26.2	1.4	9,464	43.6	5.2	5,470	55.1	2.0
Automobiles			27,98,953	18.6	1.4	3,74,950	37.9	0.9	1,89,005	35.4	-7.7

Exhibit 2: Volume snapshot 3QFY24 ('000 units)

Volume snapshot ('000 units)	3QFY24E	3QFY23	YoY (%)	2QFY24	QoQ (%)	FY24E	FY23	YoY (%)
Two wheelers	5,666	4,705	20	5,487	3	21,167	19,533	8
Three wheelers	265	230	15	277	-4	1,045	870	20
Passenger cars	495	534	-7	517	-4	2,073	2,161	-4
UVs & MPVs	743	571	30	744	0	2,914	2,392	22
Total PVs	1,237	1,105	12	1,261	-2	4,986	4,553	10
M&HCV	96	91	6	99	-2	412	381	8
LCV	158	155	2	166	-5	652	659	-1
Total CVs	254	246	3	265	-4	1,064	1,040	2
Tractors	249	258	-4	216	15	972	986	-1
Total (ex-Tractor)	7,423	6,287	18	7,290	2	28,262	25,997	9

Source: Company, MOFSL

Exhibit 3: Commodity prices inched up sequentially

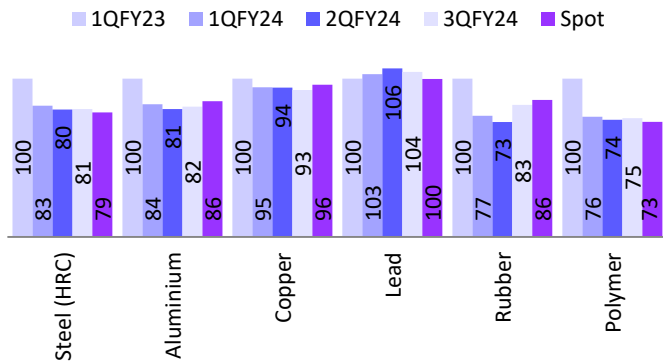


Exhibit 4: Trends in key currencies vs. INR (average, indexed)

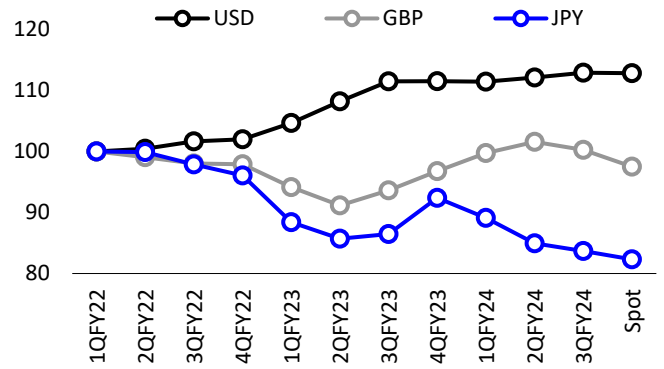
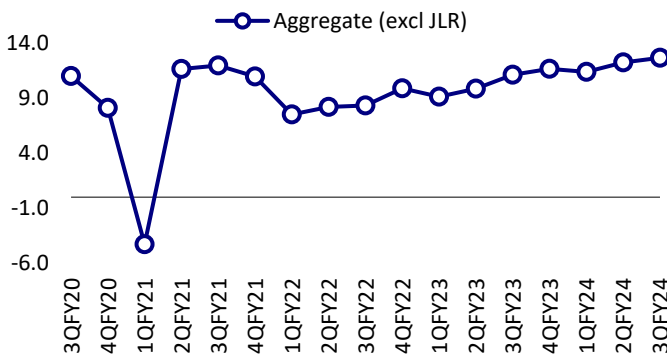
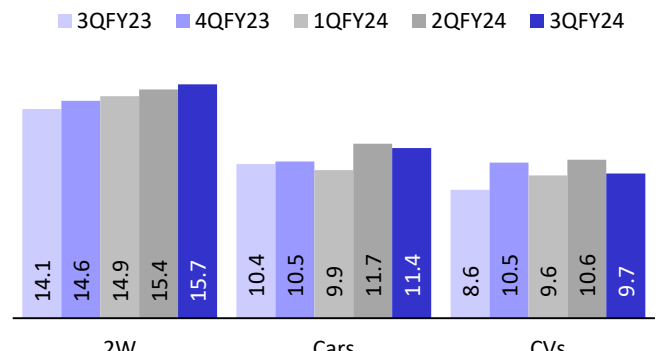


Exhibit 5: EBITDA margin expected to improve 160bp YoY



Source: MOFSL

Exhibit 6: Trends in segment-wise EBITDA margins (%)



Source: MOFSL

Exhibit 7: Operating leverage and cost efficiencies to drive EBITDA margin expansion on a YoY basis

	Volumes ('000 units)					EBITDA Margins (%)					Adj PAT (INR M)				
	3QFY24	3QFY23	YoY (%)	2QFY24	QoQ (%)	3QFY24	3QFY23	YoY (bp)	2QFY24	QoQ (bp)	3QFY24	3QFY23	YoY (%)	2QFY24	QoQ (%)
Bajaj Auto	1,201	983	22.1	1,054	14.0	20.1	19.1	100	19.8	30	20,447	14,914	37.1	18,361	11.4
Hero MotoCorp	1,460	1,240	17.8	1,417	3.1	13.9	11.5	240	14.1	-10	10,392	7,111	46.2	10,538	-1.4
TVS Motor	1,101	879	25.2	1,074	2.5	11.5	10.1	140	11.0	40	5,470	3,527	55.1	5,366	2.0
Maruti Suzuki	501	466	7.6	552	-9.2	12.2	9.8	240	12.9	-80	30,721	23,513	30.7	37,165	-17.3
M&M	313	282	11.1	302	3.6	12.7	13.0	-30	12.6	10	23,316	20,290	14.9	34,519	-32.5
TTMT India CV**	97	95	2.4	107	-8.9	9.4	8.5	80	10.4	-100	11,126	9,380	18.6	15,270	-27.1
TTMT India PV**	138	132	4.6	139	-0.4	7.0	7.0	0	6.4	60	2,908	3,210	-9.4	2,980	-2.4
JLR	113	92	22.7	109	3.8	15.1	11.9	320	14.9	20	317	261	21.5	272	16.6
Tata Motors (Cons)						12.8	10.9	190	13.1	-20	35,078	29,581	18.6	38,592	-9.1
Ashok Leyland	47	48	-0.7	50	-5.2	10.5	8.8	160	11.2	-70	4,893	3,568	37.1	5,769	-15.2
Eicher - RE	228	221	3.0	229	-0.5	27.7	23.9	380	27.9	-20	8,722	6,807	28.1	9,385	-7.1
Eicher - VECV	21	18	14.0	20	5.9	8.3	6.9	140	7.9	40	2,103	1,176	78.8	1,850	13.7
Aggregate **	5,167	4,366	18.4	5,042	2.5	12.7	11.2	160	12.3	40	1,23,137	92,922	32.5	1,33,100	-7.5

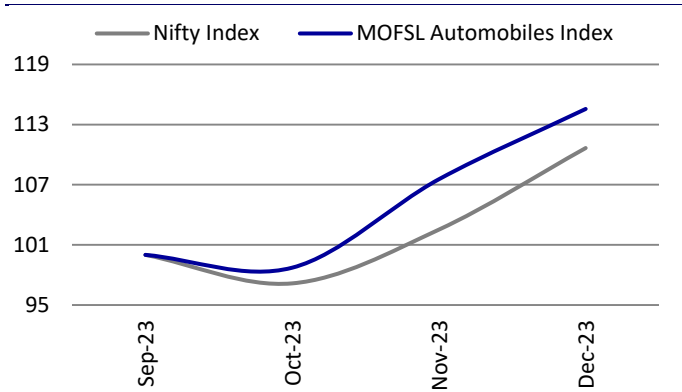
*JLR (in GBP m)

Exhibit 8: Our revised estimates

	FY24E			FY25E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
BJAUT	282.6	276.1	2.3	315.2	309.0	2.0
HMCL	199.7	201.0	-0.6	215.7	213.2	1.2
TVSL	44.2	45.1	-2.1	54.7	53.0	3.1
EIM *	147.5	148.6	-0.8	167.2	168.7	-0.9
MSIL *	450.8	450.8	0.0	460.9	470.7	-2.1
MM	89.4	90.7	-1.4	94.4	95.6	-1.3
TTMT *	43.2	44.4	-2.7	49.5	44.5	11.3
AL	8.8	9.2	-3.6	10.9	11.5	-4.8
ESCORTS	90.3	90.9	-0.6	104.4	106.3	-1.8
AMRJ	47.8	48.7	-2.0	53.7	53.7	0.0
EXID	12.9	12.8	0.9	15.8	15.0	5.8
BOSCH	558	562	-0.8	716	687.4	4.1
ENDU	48.5	47.5	2.1	61.9	60.0	3.1
MACA	26.5	27.1	-2.0	30.7	31.5	-2.6
BHFC	27.7	27.6	0.3	40.2	38.6	3.9
MOTHERSO *	4.3	4.3	-1.1	5.1	5.0	3.8
SONACOMS	8.9	8.9	0.3	11.6	11.6	0.0
CEAT	173.9	162.9	6.8	181.9	186.7	-2.6
APTY *	27.9	28.0	-0.3	33.0	33.3	-1.0
BIL	71.7	71.1	0.9	94.9	95.6	-0.7
MRF	5,385.8	5,331.3	1.0	5,360.8	5,258.1	2.0
MSUMI	1.4	1.4	0.7	1.8	1.8	0.7
TIINDIA	59.2	59.2	0.1	73.2	71.2	2.8
CRAFTSMA	186.8	186.0	0.4	232.4	224.9	3.3

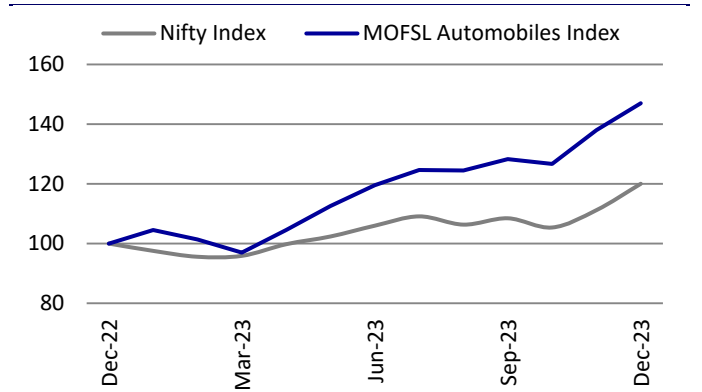
* Consolidated; Source: MOFSL

Exhibit 9: Relative performance – three months (%)



Source: Bloomberg, MOFSL

Exhibit 10: Relative performance – one year (%)



Source: Bloomberg, MOFSL

Exhibit 11: Comparative valuations

Company Name	CMP		EPS (INR)			PE (x)			PB (x)			ROE (%)		
	INR	Reco	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Automobiles						24.2	21.5	18.8	4.8	4.0	3.5	20.0	18.8	18.5
Amara Raja Energy	825	Neutral	47.8	53.7	56.4	17.3	15.4	14.6	2.4	2.2	1.9	14.6	14.8	14.0
Apollo Tyres	453	Buy	27.9	33.0	36.6	16.2	13.7	12.4	1.6	1.4	1.3	13.0	13.8	13.6
Ashok Leyland	186	Buy	8.8	10.9	12.1	21	17	15.3	5.2	4.2	3.4	27.5	27.4	24.6
Bajaj Auto	6,701	Neutral	282.6	315.2	351.2	23.7	21.3	19.1	6.7	6.1	5.6	29.9	30.2	30.6
Balkrishna Inds	2,574	Neutral	71.7	94.9	118.1	35.9	27.1	21.8	5.9	5.2	4.5	17.4	20.5	22.1
Bharat Forge	1,247	Buy	27.7	40.2	44.6	45.0	31.0	27.9	7.5	6.3	5.2	17.9	22.0	20.4
Bosch	22,417	Neutral	557.7	715.6	815.4	40.2	31.3	27.5	5.3	4.9	4.4	14.1	16.3	17.0
CEAT	2,431	Buy	173.9	181.9	202.6	14.0	13.4	12.0	2.4	2.1	1.8	18.7	16.7	16.0
CIE Automotive	496	Buy	22.3	26.5	30.7	22.3	18.7	16.1	3.2	2.9	2.5	15.5	16.3	16.5
Craftsman Auto	5,330	Buy	186.8	232.4	289.2	28.5	22.9	18.4	6.5	5.1	4.1	25.3	24.9	24.7
Eicher Motors	4,035	Neutral	147.5	167.2	195.2	27.4	24.1	20.7	6.2	5.3	4.4	24.6	23.6	23.2
Endurance Tech.	1,915	Buy	48.5	61.9	72.0	39.5	31.0	26.6	5.4	4.7	4.1	14.5	16.3	16.4
Escorts Kubota	2,967	Neutral	90.3	104.4	119.9	32.9	28.4	24.7	4.0	3.5	3.1	12.7	13.1	13.3
Exide Inds.	322	Buy	12.9	15.8	18.4	24.9	20.3	17.5	2.3	2.1	1.9	9.1	10.3	10.9
Hero Motocorp	4,116	Buy	199.7	215.7	242.4	20.6	19.1	17.0	4.4	4.0	3.5	22.7	22.0	22.0
Mahindra & Mahindra	1,704	Buy	89.4	94.4	104.7	19.1	18.1	16.3	3.9	3.4	2.9	22.5	20.2	19.3
Maruti Suzuki	10,282	Buy	443.3	460.9	508.2	23.2	22.3	20.2	4.4	3.4	3.0	18.7	15.1	14.8
Motherson Wiring	62	Buy	1.4	1.8	2.1	44.2	34.6	30.0	16.5	13.2	10.9	41.5	42.3	39.7
MRF	1,29,439	Sell	5,385.8	5,360.8	5,929.5	24.0	24.1	21.8	3.2	2.9	2.5	14.4	12.6	12.4
Samvardhana Mot.	106	Buy	4.3	5.1	5.7	24.7	20.6	18.5	2.9	2.7	2.4	12.4	13.5	13.6
Sona BLW Precis.	645	Neutral	8.9	11.6	13.8	72.2	55.8	46.7	14.2	12.1	10.3	21.1	23.4	23.8
Tata Motors	791	Buy	43.2	49.5	61.1	18.3	16.0	12.9	5.0	3.8	3.0	31.4	26.6	25.7
Tube Investments	3,576	Buy	59.2	73.2	83.6	60.4	48.8	42.7	14.0	11.3	9.2	25.8	25.6	23.7
TVS Motor	2,019	Neutral	43.9	53.5	62.5	46.0	37.7	32.3	12.2	9.5	7.5	30.0	28.4	26.0

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

Amara Raja Energy Mobility

Neutral

CMP: INR825 | TP: INR780 (-6%)

EPS CHANGE (%): FY24|25E: -2|0

- Revenue growth of 8% YoY to be driven by the OEM demand from 2Ws/4Ws and the aftermarket division. Industrial division would see an uptick due to the 5G expansion by telecom players.
- EBITDA margin should see a sequential contraction due to a lag effect of lead prices that remained elevated in 2Q, but softened in 3Q despite operating leverage benefits.
- We have raised our target multiple to 14x from 12x to factor in better demand from the underlying segments.

Quarterly Performance

(INR m)

Y/E March (INR m)	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	26,200	26,995	26,372	24,292	27,699	28,108	28,482	27,744	1,03,859	1,12,034
YoY Change (%)	38.9	19.2	11.5	11.4	5.7	4.1	8.0	14.2	19.4	7.9
RM Cost (% of sales)	73.4	69.5	66.6	67.0	71.1	68.4	69.0	68.9	69.2	69.4
Staff Cost (% of sales)	5.1	5.6	6.1	6.0	5.8	5.8	5.7	5.9	5.7	5.8
Other Exp (% of sales)	11.5	11.6	12.2	13.1	10.3	12.1	11.8	12.2	12.1	11.6
EBITDA	2,609	3,602	3,969	3,373	3,535	3,870	3,845	3,617	13,552	14,867
Margins (%)	10.0	13.3	15.0	13.9	12.8	13.8	13.5	13.0	13.0	13.3
Depreciation	963	1,019	1,145	1,145	1,111	1,148	1,155	1,163	4,272	4,577
Interest	46	54	58	62	56	62	65	62	221	245
Other Income	170	237	261	226	216	275	220	229	893	940
PBT before EO expense	1,770	2,765	3,026	2,392	2,584	2,935	2,845	2,622	9,952	10,985
Extra-Ord expense	0	0	0	477	0	0	0	0	477	0
PBT after EO	1,770	2,765	3,026	1,915	2,584	2,935	2,845	2,622	9,476	10,985
Tax	455	744	798	535	659	791	718	660	2,532	2,829
Tax Rate (%)	25.7	26.9	26.4	28.0	25.5	27.0	25.3	25.2	26.7	25.8
Adj PAT	1,315	2,022	2,228	1,729	1,925	2,143	2,127	1,962	7,293	8,156
YoY Change (%)	6.1	40.3	54.0	75.5	46.4	6.0	-4.6	13.4	42.7	11.8

E: MOFSL Estimates

Apollo Tyres

Buy

CMP: INR453 | TP: INR535 (+18%)

EPS CHANGE (%): FY24|25E: 0|-1

- Overall revenue growth is expected to remain flat YoY. While standalone business revenue is expected to grow 3.5% YoY, revenue from the EU operations is expected to decline 10% YoY. For India business, demand momentum is expected to be driven by stable OEM demand.
- Rubber prices in 3Q remained at elevated levels and spot prices have also started inching up, which would lead to a 90bp contraction in EBITDA margin to 17.6% sequentially. The EU business margin is likely to expand 60bp QoQ to 14.7%.

Consol. Quarterly Performance

(INR m)

Y/E March	FY23				FY24E				FY23	FY24E	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		3QE	
Net Revenues	59,420	59,560	64,228	62,473	62,446	62,797	63,500	65,631	2,45,681	2,54,374	66,779
YoY Change (%)	29.6	17.3	12.5	12.0	5.1	5.4	-1.1	5.1	17.3	3.5	4.0
Total Expenditure	52,522	52,440	55,094	52,489	51,931	51,198	52,331	54,157	2,12,545	2,09,616	54,993
EBITDA	6,898	7,120	9,134	9,985	10,515	11,599	11,170	11,475	33,137	44,758	11,786
Margins (%)	11.6	12.0	14.2	16.0	16.8	18.5	17.6	17.5	13.5	17.6	17.6
Depreciation	3,437	3,485	3,544	3,724	3,620	3,603	3,650	3,688	14,191	14,560	3,650
Interest	1,182	1,320	1,420	1,390	1,355	1,328	1,340	1,356	5,312	5,379	1,340
Other Income	106	69	67	169	355	253	220	222	411	1,051	220
PBT before EO expense	2,384	2,383	4,237	5,039	5,896	6,922	6,400	6,653	14,044	25,870	7,016
Extra-Ord expense	0	0	0	-226	132	122	0	0	-226	254	0
PBT	2,384	2,383	4,237	5,265	5,764	6,800	6,400	6,653	14,269	25,616	7,016
Tax Rate (%)	20.0	24.8	31.1	22.1	31.1	30.3	31.7	32.7	22.6	31.5	30.6
Reported PAT	1,907	1,794	2,921	4,103	3,969	4,744	4,368	4,474	11,046	17,555	4,866
Adj PAT	1,907	1,794	2,921	3,928	4,059	4,826	4,368	4,474	10,872	17,747	4,866
YoY Change (%)	48.4	1.6	30.5	245.9	112.9	169.0	49.6	13.9	69.0	63.2	66.6
Margins (%)	3.2	3.0	4.5	6.3	6.5	7.7	6.9	6.8	4.4	7.0	7.3

E: MOFSL Estimates

Ashok Leyland**Buy****CMP: INR186 | TP: INR215 (+16%)****EPS CHANGE (%): FY24 | 25E: -4 | -5**

- Overall volumes remained flat YoY (-5% QoQ) in 3Q partly due to increased competitive intensity and high base effect.
- Net price realization is likely to improve, led by stable discounts during the quarter.
- EBITDA margin is likely to contract sequentially by 70bp to 10.5% due to operating deleverage and slightly higher RM costs.
- We downgrade our FY24E/FY25E EPS to factor in lower-than-expected MHCV demand.

Quarterly Performance (S/A)**(INR m)**

	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Total Volumes (nos)	39,651	45,295	47,562	59,697	41,329	49,846	47,241	64,411	1,92,205	2,02,827
Growth %	120.4	64.5	39.6	22.5	4.2	10.0	-0.7	7.9	49.8	5.5
Realizations (INR '000)	1,822	1,825	1,899	1,947	1,981	1,934	1,943	2,058	1,880	1,985
Change (%)	11.0	12.8	16.9	8.5	8.8	6.0	2.4	5.7	11.3	5.6
Net operating revenues	72,229	82,660	90,297	1,16,257	81,893	96,380	91,800	1,32,581	3,61,441	4,02,655
Change (%)	144.8	85.4	63.1	33.0	13.4	16.6	1.7	14.0	66.7	11.4
RM/sales %	79.3	78.0	76.3	75.6	73.7	73.5	73.7	74.0	77.1	73.8
Staff/sales %	6.2	6.4	6.1	5.1	6.6	5.9	6.3	4.8	5.8	5.8
Other exp/sales %	10.1	9.1	8.8	8.3	9.7	9.3	9.5	8.6	9.0	9.2
EBITDA	3,203	5,373	7,973	12,757	8,208	10,798	9,598	16,794	29,307	45,398
EBITDA Margins(%)	4.4	6.5	8.8	11.0	10.0	11.2	10.5	12.7	8.1	11.3
Interest	689	771	804	628	699	587	620	619	2,891	2,525
Other Income	256	200	316	389	512	475	400	434	1,161	1,820
Depreciation	1,824	1,768	1,890	1,838	1,794	1,803	1,850	1,878	7,320	7,325
PBT before EO Item	946	3,035	5,596	10,681	6,227	8,883	7,528	14,731	20,258	37,369
EO Exp/(Inc)	-130	-82	-69	-564	6	229	0	0	-846	235
PBT after EO	1,077	3,117	5,665	11,245	6,221	8,654	7,528	14,731	21,104	37,134
Effective Tax Rate (%)	36.8	36.1	36.2	33.2	7.3	35.2	35.0	35.6	34.6	30.7
Adj PAT	595	1,939	3,568	7,145	5,768	5,769	4,893	9,485	13,248	25,906
Change (%)	-121.2	-333.0	-1,054.2	70.8	868.8	197.5	37.1	32.7	7,587.8	95.5

E: MOFSL Estimates

Bajaj Auto**Neutral****CMP: INR6,701 | TP: INR6,160 (-8%)****EPS CHANGE (%): FY24 | 25E: 2 | 2**

- Export volumes, despite declining 3% YoY (+2% QoQ), are showing a gradual recovery due to improvement in global macros.
- The festival season and the low base of last year (due to early festival inventory stocking in 2Q) led 2W domestic volumes to grow 44% YoY.
- Margin to expand 30bp QoQ (+100bp YoY) majorly led by improved mix and operating leverage.
- We have upgraded our target multiple to 18x from 16x to factor in the success of Triumph in the premium segment category and export recovery.

Quarterly Performance**(INR m)**

	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Volumes ('000 units)	934	1,151	983	860	1,027	1,054	1,201	1,201	3,928	4,483
Growth YoY (%)	-7.2	0.6	-16.8	-12.0	10.0	-8.4	22.1	39.7	(8.8)	14.1
Realization (INR/unit)	85,739	88,642	94,720	1,03,573	1,00,347	1,02,256	1,00,722	1,03,878	92,742	1,01,842
Growth YoY (%)	16.8	17.7	24.0	26.8	17.0	15.4	6.3	0.3	21.1	9.8
Net Sales	80,050	1,02,028	93,151	89,047	1,03,098	1,07,773	1,20,967	1,24,736	3,64,276	4,56,573
Change (%)	8.4	18.4	3.3	11.7	28.8	5.6	29.9	40.1	10.4	25.3
EBITDA	12,970	17,587	17,768	17,166	19,539	21,329	24,255	25,211	65,491	90,334
EBITDA Margins (%)	16.2	17.2	19.1	19.3	19.0	19.8	20.1	20.2	18.0	19.8
Other Income	3,193	3,332	2,691	2,598	3,463	3,614	3,700	3,813	11,814	14,590
Interest	43	109	85	157	121	65	100	114	395	400
Depreciation	673	670	740	742	835	876	880	886	2,824	3,477
PBT after EO	15,447	20,140	19,635	18,865	22,046	24,000	26,975	28,025	74,086	1,01,047
Effective Tax Rate (%)	24.0	24.0	24.0	24.0	24.5	23.5	24.2	24.2	24.0	24.1
Adj. PAT	11,733	15,300	14,914	14,329	16,648	18,361	20,447	21,232	56,276	76,688
Change (%)	10.6	31.3	22.8	16.9	41.9	20.0	37.1	48.2	20.6	36.3

E: MOFSL Estimates

Balkrishna Industries**Neutral****CMP: INR2,574 | TP: INR2,475 (-4%)****EPS CHANGE (%): FY24|25E: 1|-1**

- Revenue is expected to grow 5% YoY driven by 10% YoY growth in volumes, while ASPs are likely to see a 4% YoY decline. Volume growth to be driven by domestic markets and a gradual recovery in export markets.
- Gross margin is expected to remain flat on a sequential basis but would see a 320bp improvement YoY. Overall, EBITDA margin would remain range bound at ~24.5% levels.

Quarterly Earning Model (Standalone)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Volumes (Ton)	83,153	78,872	66,480	72,676	67,209	70,585	73,128	79,278	3,01,181	2,90,200
YoY Change (%)	21.2	8.4	-5.5	-5.8	-19.2	-10.5	10.0	9.1	4.3	-3.6
Realizations (INR '000/ton)	327.9	355.8	333.2	319.9	314.7	318.3	319.1	320.3	334.4	318.2
YoY Change (%)	23.0	24.5	12.7	1.4	-4.0	-10.5	-4.2	0.1	14.7	-4.8
Net Revenues	27,263	28,063	22,153	23,246	21,150	22,468	23,336	25,396	1,00,725	92,351
YoY Change (%)	49.1	34.9	6.6	-4.4	-22.4	-19.9	5.3	9.2	19.6	-8.3
EBITDA	5,470	5,640	4,233	4,942	4,863	5,480	5,717	6,387	20,284	22,447
Margins (%)	20.1	20.1	19.1	21.3	23.0	24.4	24.5	25.1	20.1	24.3
Depreciation	1,262	1,341	1,449	1,515	1,537	1,586	1,590	1,618	5,566	6,331
Interest	27	43	136	250	208	229	200	176	456	813
Forex loss/(gain)	-260	-490	1,660	-30	-330	-250	-250	-250	880	-1,080
Other Income	-150	580	430	280	660	520	520	527	1,140	2,227
PBT before EI	4,290	5,327	1,417	3,487	4,108	4,435	4,697	5,370	14,521	18,610
Extra-Ord expense	0	0	0	23	0	0	0	0	23	0
PBT	4,290	5,327	1,417	3,465	4,108	4,435	4,697	5,370	14,499	18,610
Rate (%)	25.4	24.1	29.8	26.1	23.9	24.5	24.5	24.7	25.7	24.4
Reported PAT	3,199	4,043	995	2,559	3,125	3,350	3,546	4,043	10,774	14,065
Adj PAT	3,199	4,043	995	2,576	3,125	3,350	3,546	4,043	10,791	14,065
YoY Change (%)	-10.5	1.2	-69.7	-30.5	-2.3	-17.1	256.4	57.0	-25.9	30.3
Margins (%)	11.7	14.4	4.5	11.1	14.8	14.9	15.2	15.9	10.7	15.2

E: MOFSL Estimates

Bharat Forge**Buy****CMP: INR1247 | TP: INR1385 (+11%)****EPS CHANGE (%): FY24|25E: 0|4**

- Tonnage growth is expected to be at 15% YoY led by stable domestic market demand with expectation of some weakness in the overseas market, especially in autos.
- EBITDA margin is expected to improve 200bp YoY (-10bp QoQ) to 27.3% led by operating leverage benefits.
- Non-autos, in both domestic and export markets, to see high growth on a YoY basis.
- We have upgraded our target multiple to 28x from 27x to factor in better demand from the underlying segments.

S/A Quarterly

	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Tonnage	57,915	61,149	62,755	64,648	67,780	70,316	72,168	75,637	2,46,467	2,85,902
Change (%)	8.2	7.1	17.6	12.3	17.0	15.0	15.0	17.0	11.3	16.0
Realization (INR '000/ton)	303.8	304.8	311.1	308.9	313.9	319.9	324.6	331.1	307.3	322.6
Change (%)	18.5	9.1	3.6	6.2	3.3	4.9	4.4	7.2	9.0	5.0
Net operating income	17,594	18,639	19,521	19,973	21,273	22,494	23,429	25,042	75,727	92,238
Change (%)	28.2	16.8	21.8	19.3	20.9	20.7	20.0	25.4	21.3	21.8
EBITDA	4,600	4,522	4,936	5,226	5,530	6,163	6,392	6,742	19,284	24,827
EBITDA Margins (%)	26.1	24.3	25.3	26.2	26.0	27.4	27.3	26.9	25.5	26.9
Non-Operating Income	259	477	377	391	472	424	450	477	1,505	1,824
Interest	263	357	849	658	705	726	720	674	2,127	2,825
Depreciation	1064	1066	1079	1051	1089	1128	1140	1152	4,260	4,509
Fx loss/(gain)	250	-8	-415	347	43	95	0	0	173	138
PBT after EO items	3,252	3,579	3,844	3,154	4,165	4,616	4,982	5,394	13,827	19,157
Eff. Tax Rate (%)	25.1	25.1	24.8	22.5	25.2	25.0	25.0	25.0	24.4	25.0
Rep. PAT	2,436	2,681	2,892	2,445	3,115	3,460	3,737	4,047	10,454	14,359
Change (%)	46.2	-14.0	-14.3	-6.7	27.9	29.0	29.2	65.5	-3.0	37.3
Adj. PAT	2,460	2,686	2,859	2,754	3,115	3,476	3,737	4,047	10,776	14,375
Change (%)	14.8	-11.5	8.6	4.4	26.7	29.4	30.7	46.9	3.1	33.4

E: MOFSL Estimates

Bosch**Neutral****CMP: INR22,417 | TP: INR20,115 (-10%)****EPS CHANGE (%): FY24|25E: -1|4**

- We expect ~15% YoY revenue growth led by growth in underlying CV and 2W industries; however, tractor volumes would remain muted.
- EBITDA margin likely to expand driven by benefit of RM cost pass through, which comes with a quarter lag. However, higher other expenses due to spending on the new business would limit this expansion.

Quarterly performance (S/A)

Y/E March									(INR m)	
	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	35,444	36,616	36,599	40,634	41,584	41,301	42,089	46,048	1,49,293	1,71,022
YoY Change (%)	45.1	25.5	17.7	22.7	17.3	12.8	15.0	13.3	26.7	14.6
RM Cost (% of sales)	64.6	64.9	60.0	64.0	64.5	66.8	66.3	64.5	63.4	65.5
Staff Cost (% of sales)	7.6	7.5	7.4	8.1	7.4	8.1	7.4	7.3	7.7	7.6
Other Expenses (% of sales)	15.6	16.4	23.3	15.9	17.9	13.2	14.7	15.7	16.8	15.1
EBITDA	4,495	4,311	4,037	5,224	4,679	4,913	4,863	5,778	18,067	20,233
Margins (%)	12.7	11.8	11.0	12.9	11.3	11.9	11.6	12.5	12.1	11.8
Depreciation	648	919	1,083	1,206	921	1,013	1,150	1,222	3,856	4,306
Interest	36	19	20	46	308	122	110	110	121	650
Other Income	566	1,497	1,312	1,359	1,875	1,542	1,450	1,496	4,734	6,363
PBT before EO expense	4,377	4,870	4,246	5,331	5,325	5,320	5,053	5,941	18,824	21,639
Extra-Ord expense	0	0	0	0	0	-7,850	0	0	0	-7,850
PBT after EO Expense	4,377	4,870	4,246	5,331	5,325	13,170	5,053	5,941	18,824	29,489
Tax	1,035	1,146	1,057	1,341	1,235	3,181	1,223	1,439	4,579	7,077
Tax Rate (%)	23.6	23.5	24.9	25.2	23.2	24.2	24.2	24.2	24.3	24.0
Reported PAT	3,342	3,724	3,189	3,990	4,090	9,989	3,830	4,503	14,245	22,412
Adj PAT	3,342	3,724	3,189	3,990	4,090	4,023	3,830	4,503	14,245	16,042
YoY Change (%)	28.7	0.1	35.7	13.8	22.4	8.0	20.1	12.8	17.0	12.6

E: MOFSL Estimates

Ceat**Buy****CMP: INR2,431 | TP: INR2,960 (+22%)****EPS CHANGE (%): FY24|25E: 7|-3**

- Healthy 2W/PV domestic OEM demand coupled with a gradual recovery in exports would drive revenue growth.
- The RM basket during 3QFY24 has seen a slight uptick. This, coupled with operating deleverage, would drag EBITDA margin by 40bp sequentially to 14.6%.
- We upgrade our FY24E EPS to factor in lower-than-estimated RM costs.

Consol. Quarterly Performance

Y/E March									(INR m)	
	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	28,184	28,945	27,272	28,748	29,352	30,533	29,999	30,444	1,13,149	1,20,328
YoY Change (%)	47.8	18.1	13.0	10.9	4.1	5.5	10.0	5.9	20.8	6.3
RM cost (%)	68.3	67.5	65.5	59.9	58.9	56.7	56.9	57.4	65.3	57.5
Employee cost (%)	6.1	5.8	6.7	7.4	6.7	7.1	7.2	7.0	6.5	7.0
Other expenses (%)	19.7	19.7	19.2	19.9	21.2	21.3	21.4	21.3	19.6	21.3
EBITDA	1,653	2,031	2,376	3,678	3,871	4,561	4,365	4,350	9,738	17,147
Margins (%)	5.9	7.0	8.7	12.8	13.2	14.9	14.6	14.3	8.6	14.3
Depreciation	1,114	1,151	1,175	1,253	1,209	1,245	1,260	1,304	4,693	5,018
Interest	521	577	657	666	701	717	700	690	2,421	2,809
Other Income	28	98	20	24	33	105	45	63	169	245
PBT before EO expense	45	401	565	1,783	1,993	2,704	2,450	2,418	2,793	9,565
Exceptional item	7	237	5	86	0	0	0	0	334	0
PBT	38	164	560	1,698	1,993	2,704	2,450	2,418	2,459	9,565
Tax Rate (%)	31.0	64.6	26.7	26.5	26.5	25.3	26.2	26.2	29.2	26.0
MI & Profit of Asso. Cos.	-67	-20	57	-90	18	-59	30	56	-120	45
Reported PAT	92	78	354	1,337	1,446	2,080	1,778	1,729	1,862	7,033
Adj PAT	98	246	357	1,398	1,446	2,080	1,778	1,729	2,098	7,033
YoY Change (%)	-59	-42	-325	382	1,383	745	398	24	164	235

CIE Automotive**Buy****CMP: INR496 | TP: INR555 (+12%)****EPS CHANGE (%): CY23|24E: -1|-2**

- Standalone business growth of 17% YoY to be driven by strong volume growth of its customers, MM & TTMT. However, the EU business is expected to remain muted due to weakness in Metalcastello.
- Softening RM costs combined with operational efficiencies to drive margin expansion by 30bp QoQ to 15.5%.

Quarterly performance (Consol.)**(INR m)**

(INR m)	CY22				CY23E				CY22	CY23E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Y/E December										
Net Sales	20,608	22,160	22,294	22,468	24,402	23,203	22,794	24,570	87,530	94,970
YoY Change (%)	-5.9	8.5	6.6	34.6	18.4	4.7	2.2	9.4	29.4	8.5
EBITDA	2,804	3,058	2,934	2,924	3,806	3,704	3,454	3,797	11,720	14,762
Margins (%)	13.6	13.8	13.2	13.0	15.6	16.0	15.2	15.5	13.4	15.5
Depreciation	717	747	731	767	825	833	783	822	2,962	3,263
Interest	40	-1	109	79	240	221	310	250	227	1,020
Other Income	107	98	134	244	160	195	200	226	583	781
Share of profit from associates	4	11	3	4	3	-3	-2	9	22	7
PBT before EO expense	2,155	2,409	2,229	2,321	2,901	2,846	2,561	2,952	9,114	11,260
EO Exp/(Inc)	0	0	0	-379	0	0	0	0	-379	0
PBT after EO exp	2,155	2,409	2,229	2,700	2,901	2,846	2,561	2,952	9,492	11,260
Tax Rate (%)	23.9	23.8	24.9	28.0	24.2	24.9	27.0	25.4	25.3	25.3
Adj. PAT	1,643	1,847	1,676	1,664	2,203	2,136	1,867	2,212	6,829	8,418
YoY Change (%)	7.7	35.6	12.4	96.5	34.1	15.7	11.4	32.9	69.3	23.3

Craftsman Auto**Buy****CMP: IN5,330 | TP: INR6,050 (+14%)****EPS CHANGE (%): FY24|25E: 0|3**

- Standalone revenue is expected to grow ~15% YoY led by 40%/26% growth in AL products/industrial segments. DR Axion is likely to grow sequentially led by stable PV OEM demand.
- AL costs stayed at elevated levels in 3Q and spot prices are moving upwards. However, operating leverage is expected to drive EBITDA margin expansion of 60bp sequentially in the consolidated business.

Quarterly (Consol)**(INR m)**

	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net operating income	6,758	7,713	7,490	9,804	10,376	11,791	12,103	13,279	31,826	47,549
Change (%)	56.6	35.6	35.8	49.8	53.5	52.9	61.6	35.5	44.2	49.4
Total Cost	5,124	6,012	5,907	7,919	8,234	9,416	9,594	10,404	24,990	37,647
RM/Sales (%)	47.8	51.2	50.4	54.3	52.5	53.2	53.4	53.0	51.2	53.0
Staff Cost (% of Sales)	8.4	7.4	7.8	6.2	6.5	6.1	6.0	6.0	7.3	6.1
Other Exp. (% of Sales)	19.6	19.3	20.6	20.3	20.4	20.6	19.9	19.3	20.0	20.0
EBITDA	1,634	1,701	1,583	1,884	2,142	2,375	2,509	2,875	6,836	9,902
EBITDA Margins (%)	24.2	22.1	21.1	19.2	20.6	20.1	20.7	21.7	21.5	20.8
Non-Operating Income	13	17	46	49	37	47	50	47	125	182
Interest	254	233	296	419	424	416	430	440	1202	1710
Depreciation	532	547	538	599	683	668	680	691	2216	2722
Minority Int/Share of Profit	0	0	-2	-1	62	97	88	89	21	340
PBT after EO items	861	939	797	916	1,011	1,241	1,361	1,702	3,522	5,311
Eff. Tax Rate (%)	35.5	35.4	35.3	12.4	26.3	23.8	26.5	26.0	29.5	25.7
Rep. PAT	556	606	516	802	745	945	1,001	1,259	2,484	3,945
Change (%)	143.3	22.7	40.2	56.2	34.0	56.0	94.0	56.9	54.8	58.8
Adj. PAT	556	606	516	802	745	945	1,001	1,259	2,484	3,945
Change (%)	143.3	22.7	40.2	56.2	34.0	56.0	94.0	56.9	54.8	58.8

E: MOFSL Estimates

Eicher Motors**Neutral****CMP: INR4,035 | TP: INR3,815 (-6%)****EPS CHANGE (%): FY24 | 25E: -1|-1**

- Overall RE volumes inched up 3% YoY (flat QoQ). Domestic volumes grew 6% YoY but export volumes declined 24% YoY, indicating a stress in these markets.
- Weaker mix (lower contribution from exports) would hurt margins.
- VECV margins likely to improve YoY led by higher CV volumes and moderating discounts.

Consol. Quarterly Performance

INR m	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Y/E March										
Net Operating income	33,975	35,194	37,210	38,043	39,864	41,145	40,217	42,417	1,44,422	1,63,643
Growth (%)	72.1	56.4	29.2	19.1	17.3	16.9	8.1	11.5	40.2	13.3
EBITDA	8,311	8,216	8,572	9,337	10,208	10,872	10,899	11,608	34,436	43,588
EBITDA Margins (%)	24.5	23.3	23.0	24.5	25.6	26.4	27.1	27.4	23.8	26.6
PAT	5,769	6,127	6,770	7,322	8,179	9,146	8,502	9,096	25,988	34,923
Share of JV Loss/(PAT)/ Min. Int.	-338	-441	-639	-1,734	-1,004	-1,016	-1,144	-2,247	-3,152	-5,412
Recurring PAT	6,107	6,569	7,408	9,056	9,183	10,163	9,646	11,343	29,139	40,335
Growth (%)	157.5	76.0	62.4	48.4	50.4	54.7	30.2	25.3	73.8	38.4
Standalone (Royal Enfield)										
Royal Enfield ('000 units)	187	208	221	219	228	229	228	237	835	922
Growth (%)	51.4	68.3	30.6	17.7	21.6	10.4	3.0	8.5	38.6	10.4
Net Realn (INR '000/unit)	173	164	162	175	171	171	172	175	168	172
Change - YoY (%)	12.4	-7.5	-3.1	1.9	-1.3	4.8	6.0	-0.3	0.2	2.3
Net operating income	32,479	33,972	35,902	38,314	39,012	39,307	39,217	41,418	1,40,666	1,58,954
Growth (%)	70.2	55.7	26.5	19.9	20.1	15.7	9.2	8.1	73.7	41.3
EBITDA	7,882	8,036	8,569	9,448	10,127	10,974	10,862	11,686	33,935	43,649
EBITDA Margins (%)	24.3	23.7	23.9	24.7	26.0	27.9	27.7	28.2	24.1	27.5

Endurance Technologies**Buy****CMP: INR1,915 | TP: INR2,160 (+13%)****EPS CHANGE (%): FY24 | 25E: 2|3**

- Consolidated revenue growth of 26% YoY to be driven by 29% YoY growth in the S/A business due to a recovery in domestic 2W business and a low base of last year. The EU business outlook has remained weak while Maxwell operations are expected to ramp-up.
- Expect QoQ EBITDA margin expansion to be driven by operating leverage and RM cost pass through.

Consolidated – Quarterly performance

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
INR m										
Net Sales	21,138	23,606	20,952	22,343	24,500	25,450	26,324	26,659	88,040	1,02,933
YoY Change (%)	24.8	25.1	10.9	7.5	15.9	7.8	25.6	19.3	16.6	16.9
RM Cost (% of sales)	60.4	62.3	59.9	59.3	59.1	60.2	60.0	59.5	60.5	59.7
Staff Cost (% of sales)	8.8	7.4	9.2	9.4	8.9	8.3	8.1	8.3	8.7	8.4
Other Exp. (% of sales)	19.4	18.8	19.4	18.5	18.8	19.0	18.8	18.7	19.0	18.8
EBITDA	2,398	2,716	2,395	2,854	3,213	3,183	3,461	3,593	10,363	13,449
Margins (%)	11.3	11.5	11.4	12.8	13.1	12.5	13.1	13.5	11.8	13.1
Depreciation	991	993	1,016	1,216	1,129	1,184	1,195	1,211	4,216	4,719
Interest	19	61	46	80	90	98	92	91	206	371
Other Income	47	84	115	208	166	155	165	179	454	665
PBT before EO expense	1,434	1,747	1,448	1,767	2,159	2,056	2,339	2,471	6,395	9,024
Exceptional Item	103	0	0	0	0	0	0	0	103	0
PBT after EO	1,331	1,747	1,448	1,767	2,159	2,056	2,339	2,471	6,293	9,024
Eff. Tax Rate (%)	22.3	24.7	25.3	22.8	24.3	24.8	24.8	24.0	23.8	24.5
Rep. PAT	1,034	1,315	1,082	1,365	1,635	1,546	1,758	1,878	4,796	6,817
Adj. PAT	1,112	1,315	1,082	1,365	1,635	1,546	1,758	1,878	4,875	6,817
YoY Change (%)	-8.3	-1.4	14.4	0.2	47.0	17.5	62.4	37.6	0.4	39.8

Escorts**Neutral****CMP: INR2,967 | TP: INR2900 (-2%)****EPS CHANGE (%): FY24 | 25E: -1 | -2**

- 3Q witnessed ~3% YoY decline in tractor volumes led by irregular rainfall and weak rural sentiments.
- EBITDA margin is likely to expand 150bp QoQ to 14.4% on the back of better operational efficiencies despite slight uptick in RM costs.

Standalone Quarterly Performance**(INR m)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3QE	4Q	1Q	2Q	3QE	4QE		
Net Sales	20,149	18,835	22,637	21,830	23,277	20,462	24,920	24,850	83,450	93,509
YoY Change (%)	20.5	12.2	15.6	16.8	15.5	8.6	10.1	13.8	16.0	12.1
Total Expenditure	18,133	17,308	20,733	19,471	20,008	17,829	21,337	21,431	75,645	80,605
EBITDA	2,016	1,527	1,903	2,358	3,269	2,633	3,583	3,420	7,804	12,904
Margins (%)	10.0	8.1	8.4	10.8	14.0	12.9	14.4	13.8	9.4	13.8
Depreciation	364	365	376	380	402	407	415	423	1,484	1,646
Interest	26	23	26	28	27	24	28	32	103	110
Other Income	354	776	913	763	945	950	925	950	2,806	3,770
PBT	1,981	1,187	2,414	2,470	3,786	3,152	4,065	3,915	8,051	14,918
Rate (%)	25.6	26.1	22.8	24.9	25.3	25.4	25.3	25.2	24.6	25.3
Adj. PAT	1,475	1,425	1,864	2,039	2,828	2,350	3,036	2,929	6,802	11,144
YoY Change (%)	-20.4	-19.4	-7.5	0.8	91.8	64.9	62.9	43.7	-11.2	63.8

E: MOFSL Estimates

Exide Industries**Buy****CMP: INR322 | TP: INR355 (+10%)****EPS CHANGE (%): FY24 | 25E: 1 | 2**

- Expect revenue growth of 20% YoY to be driven by recovery in 2W OE demand and ramp-up in the industrial division.
- Despite softening of lead prices in 3Q by 2% sequentially, gross margin would contract due to the lag effect. Lower other expenses would lead to better cost-control measures.

S/A Quarterly Performance**(INR m)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	38,994	37,189	34,121	35,430	40,726	41,067	40,946	42,428	1,45,919	1,65,166
Growth YoY (%)	56.8	13.0	6.7	3.7	4.4	10.4	20.0	19.8	17.6	13.2
Gross operating income	38,994	37,189	34,121	35,430	40,726	41,067	40,946	42,428	1,45,919	1,65,166
Growth YoY (%)	56.8	13.0	6.7	3.7	4.4	10.4	20.0	19.8	17.6	13.2
RM(%)	72.1	69.5	67.7	70.2	71.7	68.9	69.4	69.2	69.9	69.8
Employee cost (%)	5.5	5.9	6.3	6.2	5.8	6.2	6.3	6.1	6.0	6.1
Other Exp(%)	12.5	13.5	14.3	13.3	11.8	13.1	12.8	12.7	13.4	12.6
Total Cost	35,127	33,065	30,111	31,758	36,404	36,235	36,216	37,312	1,30,239	1,46,168
EBITDA	3,866	4,124	4,010	3,672	4,322	4,831	4,729	5,116	15,680	18,998
EBITDA Margin(%)	9.9	11.1	11.8	10.4	10.6	11.8	11.6	12.1	10.7	11.5
Change (%)	48.4	-0.2	7.6	4.9	11.8	17.1	17.9	39.3	12.1	21.2
Non-Operating Income	322	356	234	412	192	392	250	274	1,324	1,108
Interest	64	62	82	83	98	115	115	112	295	440
Depreciation	1,091	1,120	1,153	1,193	1,194	1,259	1,265	1,288	4,558	5,005
PBT after EO Exp	3,034	3,298	3,009	2,808	3,222	3,849	3,599	3,990	12,151	14,660
Effective Tax Rate (%)	25.4	25.3	25.8	26.0	24.9	25.4	25.0	24.7	25.6	25.0
Adj. PAT	2,263	2,462	2,232	2,078	2,419	2,870	2,699	3,007	9,036	10,995
Change (%)	80.5	5.1	9.4	-24.7	6.9	16.6	20.9	44.7	7.5	21.7

Hero MotoCorp

Buy
CMP: INR4,116 | TP: INR4,590 (+12%)
EPS CHANGE (%): FY24 | 25E: -1 | 1

- Volumes grew ~18% YoY due to healthy recovery in the domestic market, while discounts during the festival season restricted realizations growth to 2% YoY.
- Margin would see a 20bp QoQ contraction (+240bp YoY) due to slightly higher RM costs offset by lower other expenses on LEAP savings.

Quarterly Performance (S/A)

(INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Total Volumes ('000 nos)	1,390	1,428	1,240	1,270	1,353	1,417	1,460	1,376	5,329	5,605
Growth YoY (%)	35.7	-0.7	-4.1	6.9	-2.7	-0.8	17.8	8.3	7.8	5.2
Net Realization	60,370	63,545	64,782	65,382	64,819	66,680	66,013	66,911	63,443	66,114
Growth YoY (%)	12.7	8.1	6.2	4.7	7.4	4.9	1.9	2.3	7.3	4.2
Net Op Revenues	83,925	90,754	80,310	83,068	87,673	94,454	96,375	92,091	3,38,057	3,70,593
Growth YoY (%)	53.0	7.4	1.9	11.9	4.5	4.1	20.0	10.9	15.6	9.6
RM Cost (% sales)	72.8	72.0	69.4	68.0	69.4	68.6	68.8	68.9	70.6	68.9
Staff Cost (% sales)	6.4	6.0	6.8	6.7	6.6	6.1	6.2	6.4	6.5	6.3
Other Exp (% sales)	9.6	10.6	12.3	12.3	10.3	11.2	11.1	11.2	11.2	11.0
EBITDA	9,408	10,383	9,241	10,830	12,063	13,283	13,421	12,503	39,862	51,270
EBITDA Margins (%)	11.2	11.4	11.5	13.0	13.8	14.1	13.9	13.6	11.8	13.8
Other Income	530	921	1,832	2,369	2,222	2,483	2,200	2,135	5,652	9,040
Interest	70	33	49	47	47	48	50	56	199	200
Depreciation	1,630	1,634	1,620	1,686	1,690	1,749	1,770	1,812	6,570	7,020
PBT before EO Exp/(Inc)	8,238	9,637	9,404	11,467	12,548	13,970	13,801	12,771	38,746	53,090
Effective Tax Rate (%)	24.2	25.7	24.4	25.1	24.7	24.6	24.7	24.8	24.9	24.7
Adj. PAT	6,245	7,161	7,111	8,589	9,452	10,538	10,392	9,606	29,106	39,989
Growth (%)	70.9	-9.9	3.6	37.0	51.4	47.2	46.2	11.8	17.7	37.4

MRF

Sell
CMP: INR1,29,439 | TP: INR1,04,185 (-20%)
EPS CHANGE (%): FY24 | 25E: 1 | 2

- Expect revenue growth on a low base with stable demand from both OEM and replacements.
- EBITDA margin is expected to contract 20bp sequentially led by a slight uptick in RM costs.

Standalone - Quarterly Earning Model (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	55,989	57,190	55,349	57,254	63,233	60,876	61,438	63,109	2,25,782	2,48,655
YoY Change (%)	35.6	18.4	14.6	10.1	12.9	6.4	11.0	10.2	18.9	10.1
Total Expenditure	51,207	52,517	49,863	48,823	52,091	49,589	50,230	52,600	2,02,409	2,04,509
EBITDA	4,783	4,673	5,486	8,431	11,142	11,286	11,208	10,509	23,373	44,145
Margins (%)	8.5	8.2	9.9	14.7	17.6	18.5	18.2	16.7	10.4	17.8
Depreciation	2,969	3,083	3,149	3,285	3,317	3,500	3,650	3,741	12,486	14,208
Interest	635	704	802	839	780	749	760	763	2,981	3,052
Other Income	341	764	700	678	739	696	650	647	2,482	2,732
PBT before EO expense	1,519	1,650	2,235	4,985	7,783	7,734	7,448	6,652	10,389	29,617
Extra-Ord expense	0	0	0	-803	0	0	0	0	-803	0
PBT	1,519	1,650	2,235	5,788	7,783	7,734	7,448	6,652	11,192	29,617
Tax	395	410	543	1,682	1,969	2,015	1,892	1,676	3,030	7,552
Rate (%)	26.0	24.9	24.3	29.1	25.3	26.1	25.4	25.2	27.1	25.5
Reported PAT	1,123	1,240	1,692	4,106	5,814	5,719	5,556	4,975	8,162	22,065
Adj PAT	1,123	1,240	1,692	3,537	5,814	5,719	5,556	4,975	7,576	22,065
YoY Change (%)	-30.4	-32.4	16.0	125.6	417.6	361.3	228.4	40.7	17.0	191.2
Margins (%)	2.0	2.2	3.1	6.2	9.2	9.4	9.0	7.9	3.4	8.9

E: MOFSL Estimates

Mahindra & Mahindra**Buy****CMP: INR1,704 | TP: INR2,005 (+18%)****EPS CHANGE (%): FY24 | 25E: -1|-1**

- Strong volume growth in autos (improving supply chain); but tractors declined on a high base of last year and uneven rainfall.
- A sequential improvement of ~10bp in EBITDA margin, despite a weaker mix, to be largely led by operating leverage. PBIT margin is likely to contract 70bp QoQ to 8.3% for autos due to lower volumes sequentially, while FES' margin is likely to improve 40bp QoQ to 16.4% due to higher volumes QoQ.

Quarterly Performance**(INR m)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Total Volumes (nos)	2,71,971	2,73,223	2,81,859	2,78,948	3,01,147	3,02,139	3,13,115	3,21,982	11,05,375	12,38,383
Growth YoY (%)	45.6	43.3	31.6	21.9	10.7	10.6	11.1	15.4	34.8	12.0
Net Realization	7,25,262	7,68,974	7,68,247	8,09,160	7,98,814	8,04,593	8,14,403	8,30,178	7,68,610	8,12,320
Growth YoY (%)	15.2	10.2	7.2	7.4	10.1	4.6	6.0	2.6	9.1	5.7
Revenue from Operations	1,97,250	2,10,101	2,16,537	2,25,714	2,40,561	2,43,099	2,55,002	2,67,303	8,49,603	10,05,964
Growth YoY (%)	67.7	57.9	41.1	30.9	22.0	15.7	17.8	18.4	47.0	18.4
RM Cost (% of sales)	76.6	76.5	76.0	75.0	75.3	75.6	75.7	75.8	76.0	75.6
Staff (% of sales)	4.3	4.4	4.2	4.2	4.3	4.8	4.7	4.5	4.3	4.5
Oth. Exp. (% of Sales)	7.3	7.2	6.7	8.4	6.9	7.2	6.9	7.2	7.4	7.0
EBITDA	23,335	24,973	28,142	27,974	32,351	30,660	32,426	33,680	1,04,424	1,29,117
EBITDA Margins (%)	11.8	11.9	13.0	12.4	13.4	12.6	12.7	12.6	12.3	12.8
Other income (incl Inc. from Invest)	2,279	13,134	6,700	3,339	9,699	21,500	6,500	3,194	25,452	40,893
Interest	703	641	686	698	323	329	345	379	2,728	1,377
Depreciation	6,955	7,913	8,292	8,385	8,281	8,158	8,300	8,340	31,545	33,080
EBIT	16,381	17,060	19,850	19,589	24,070	22,502	24,126	25,340	72,879	96,037
EO Income/(Exp)	-410	-2,479	-6,289	-5,118	0	0	0	0	-14,295	0
PBT after EO	17,547	27,074	19,576	17,111	33,445	43,672	30,281	28,154	81,308	1,35,553
Tax	3,511	6,394	4,296	1,621	5,708	9,153	6,965	6,640	15,821	28,466
Effective Tax Rate (%)	20.0	23.6	21.9	9.5	17.1	21.0	23.0	23.6	19.5	21.0
Reported PAT	14,036	20,680	15,281	15,490	27,737	34,519	23,316	21,514	65,486	1,07,087
Adj PAT	14,040	23,380	20,290	19,750	27,737	34,519	23,316	21,514	77,700	1,07,087
Change (%)	50.3	38.6	52.0	66.7	97.6	47.6	14.9	8.9	51.8	37.8

Maruti Suzuki**Buy****CMP: INR10,282 | TP: INR12,055 (+17%)****EPS CHANGE (%): FY24 | 25E: -2|-2**

- Volume growth of 8% YoY was driven by visible traction in UVs (60% YoY growth), while entry-level models declined 48% YoY.
- EBITDA margin likely to contract 70bp QoQ to 12.2%, due to uptick in RM costs coupled with operating deleverage
- We have slightly tweaked our FY24E/FY25E volumes to account for the weakness in the entry-level segment.

S/A Quarterly Performance**(INR m)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Volumes ('000 units)	467.9	517.4	465.9	514.9	498.0	552.2	501.2	583.4	1,966.2	2,134.9
Change (%)	32.3	36.3	8.2	5.4	6.4	6.7	7.6	13.3	19.0	8.6
Realizations (INR/car)	5,66,319	5,78,490	6,23,387	6,22,379	6,49,095	6,71,178	6,67,822	6,92,313	5,97,727	6,71,014
Change (%)	12.7	6.9	15.5	13.7	14.6	16.0	7.1	11.2	11.9	12.3
Net operating revenues	2,64,998	2,99,308	2,90,443	3,20,480	3,23,269	3,70,621	3,34,717	4,03,920	11,75,229	14,32,527
Change (%)	49.1	45.7	24.9	19.9	22.0	23.8	15.2	26.0	33.1	21.9
RM Cost (% of sales)	74.6	73.1	72.7	73.3	72.8	70.6	70.9	71.0	73.4	71.3
Staff Cost (% of sales)	4.4	3.8	4.1	3.5	4.5	3.5	3.9	3.3	3.9	3.8
Other Cost (% of sales)	13.8	13.9	13.4	12.8	13.5	12.9	13.0	12.6	13.3	13.0
EBITDA	19,121	27,689	28,331	33,503	29,830	47,842	40,678	52,602	1,10,077	1,70,952
EBITDA Margins (%)	7.2	9.3	9.8	10.5	9.2	12.9	12.2	13.0	9.4	11.9
Depreciation	6,514	7,226	7,101	7,392	7,475	7,941	8,000	8,120	28,233	31,536
EBIT	12,607	20,463	21,230	26,111	22,355	39,901	32,678	44,482	81,844	1,39,416
EBIT Margins (%)	4.8	6.8	7.3	8.1	6.9	10.8	9.8	11.0	7.0	9.7
Interest	274	305	296	991	465	351	410	424	1,866	1,650
Non-Operating Income	885	6,125	8,608	7,428	10,012	8,436	7,500	7,697	21,613	33,645
PBT	13,218	26,283	29,542	32,548	31,902	47,986	39,768	51,754	1,01,591	1,71,411
Effective Tax Rate (%)	23.4	21.6	20.4	19.4	22.1	22.6	22.8	23.0	20.8	22.7
Adjusted PAT	10,128	20,615	23,513	26,236	24,851	37,165	30,721	39,846	80,492	1,32,583

Motherson Wiring India**Buy****CMP: INR62 | TP: INR70 (+14%)****EPS CHANGE (%): FY24 | 25E: 1 | 1**

- Healthy YoY growth driven by: 1) traction for new models and premium category in PVs, and 2) stability in CV demand.
- EBITDA margin would expand as there would be pass through of RM costs with customers operating with a quarter lag and ramp-up of new models where there is a potential of increased efficiencies.

Quarterly performance**(INR m)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	16,709	18,352	16,868	18,644	18,588	21,046	20,415	21,817	70,574	81,866
YoY Change (%)	50.0	31.1	15.6	12.2	11.2	14.7	21.0	17.0	25.2	16.0
RM Cost (% of sales)	64.9	66.2	64.3	66.9	65.7	66.2	65.0	65.2	65.6	65.5
Staff Cost (% of sales)	16.4	17.3	17.8	15.6	17.6	16.3	16.6	16.1	16.8	16.6
Other Expenses (% of sales)	6.6	6.6	7.3	6.2	6.3	5.7	5.9	5.9	6.5	5.9
EBITDA	2,028	1,808	1,790	2,093	1,941	2,481	2,551	2,802	7,814	9,775
Margins (%)	12.1	9.9	10.6	11.2	10.4	11.8	12.5	12.8	11.1	11.9
Depreciation	277	295	317	348	338	364	360	375	1,237	1,437
Interest	69	59	65	86	77	74	75	74	278	300
Other Income	77	107	7	127	136	56	70	60	223	321
PBT before EO expense	1,759	1,562	1,415	1,786	1,661	2,100	2,186	2,413	6,522	8,359
PBT after EO Expense	1,759	1,562	1,415	1,786	1,661	2,100	2,186	2,413	6,522	8,359
Tax Rate (%)	28	25	25	22	26	26	26	25	25	26
Reported PAT	1,260	1,165	1,062	1,385	1,231	1,559	1,628	1,801	4,871	6,219
Adj PAT	1,260	1,165	1,062	1,385	1,231	1,559	1,628	1,801	4,871	6,219
YoY Change (%)	106.5	2.1	-19.6	-13.2	-2.2	33.9	53.4	30.1	4.3	27.7

E: MOFSL Estimates

Samvardhana Motherson Sumi**Buy****CMP: INR106 | TP: INR120 (+13%)****EPS CHANGE (%): FY24 | 25E: -1 | 4**

- Execution of healthy order book combined with contribution from recent acquisitions is expected to drive revenue growth of 25% YoY.
- EBITDA margin is expected to see 130bp QoQ expansion to 9.3% mainly due to operating leverage benefits.
- FY25E EPS upgrade to factor in global PV recovery.

Consolidated – Quarterly performance**(INR m)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	1,76,545	1,82,608	2,02,672	2,24,769	2,24,622	2,34,738	2,53,565	2,58,883	7,87,007	9,71,808
YoY Change (%)	7.6	26.7	23.3	31.0	27.2	28.5	25.1	15.2	22.2	23.5
EBITDA	11,166	14,031	16,163	20,205	19,246	18,888	23,531	25,766	62,077	87,431
Margins (%)	6.3	7.7	8.0	9.0	8.6	8.0	9.3	10.0	7.9	9.0
Depreciation	7,324	7,487	8,150	8,397	8,389	8,674	8,850	9,046	31,358	34,958
Interest	1,694	1,837	1,494	2,784	2,526	4,879	3,250	3,177	7,809	13,833
Other income	581	940	811	751	529	1,654	1,000	617	2,570	3,800
PBT after EO Expense	2,729	4,663	7,320	9,773	8,860	4,495	12,431	14,161	24,485	39,946
Tax Rate (%)	34.0	30.3	29.6	26.0	29.5	32.8	30.0	29.3	28.9	30.1
Min. Int & Share of profit	389	485	609	695	241	188	106	88	2,178	623
Reported PAT	1,412	2,464	4,539	6,540	6,009	2,015	8,595	9,921	14,956	26,541
Adj PAT	1,412	3,153	4,546	6,540	6,009	4,509	8,595	9,921	15,652	29,035
YoY Change (%)	-55.1	123.6	100.3	362.1	325.5	43.0	89.1	51.7	90.0	85.5

E: MOFSL Estimates

Sona Comstar**Neutral**

CMP: INR645 | TP: INR595 (-8%)

EPS CHANGE (%): FY24 | 25E: 1 | 0

- Revenue growth YoY was driven by execution, ramp-up of new orders and recovery in global PV production.
- Sequentially, EBITDA margin would decline 40bp to 27.8% due to operating deleverage despite benefits of lower RM costs.

Consol. Quarterly Performance

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net operating revenues	5,892	6,574	6,850	7,440	7,322	7,908	7,818	9,266	26,756	32,314
Change (%)	17.7	12.2	38.6	35.3	24.3	20.3	14.1	24.5	25.6	20.8
EBITDA	1,425	1,657	1,862	2,014	2,034	2,233	2,173	2,636	6,958	9,076
EBITDA Margins (%)	24.2	25.2	27.2	27.1	27.8	28.2	27.8	28.4	26.0	28.1
Depreciation	400	429	470	481	511	534	540	591	1,780	2,176
EBIT	1,025	1,228	1,392	1,533	1,523	1,699	1,633	2,044	5,178	6,900
EBIT Margins (%)	17.4	18.7	20.3	20.6	20.8	21.5	20.9	22.1	19.4	21.4
Interest	29	43	51	46	53	60	50	47	169	210
Non-Operating Income	10	28	33	45	54	61	50	25	116	190
PBT	1,006	1,213	1,373	1,498	1,495	1,641	1,633	2,023	5,091	6,793
Effective Tax Rate (%)	24.6	23.7	22.0	20.0	25.1	24.4	23.0	23.7	22.4	24.0
Adjusted PAT	758	925	1,071	1,232	1,142	1,286	1,258	1,544	3,979	5,229
Change (%)	5.4	4.9	23.9	35.1	50.6	39.0	17.4	25.3	17.1	31.4

Tata Motors**Buy**

CMP: INR791 | TP: INR900 (+14%)

EPS CHANGE (%): FY24 | 25E: -3 | 11

- India business performance was a mixed bag as CV volumes remained flat YoY while PVs saw a slight growth of 5% YoY.
- CV's EBIT margin is likely to contract 70bp QoQ to 6.5% due to lower volumes sequentially. However, PV's EBIT margin is likely to see a slight improvement of 20bp to 1.9% due to stable volumes and better cost-control measures.
- JLR volumes to grow YoY due to easing chip shortages and traction towards newer models. We estimate an EBIT margin of 7.4% (+10bp QoQ) for JLR supported by improved mix, stable RM costs, and operating leverage.
- We raise our EPS for FY25E by 11% to factor in improved visibility in global PV demand.

Consol. Quarterly Performance**(INR b)**

INR b	FY23				FY24				FY23	FY24
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
JLR Volumes (incl JV; '000 units)	82.6	89.9	92.3	107.4	106.3	109.1	113.3	126.9	372.2	455.6
JLR Realizations (GBP/unit)	61,352	69,847	75,901	75,035	74,024	70,824	73,657	72,541	70,976	72,750
JLR EBITDA Margins (%)	6.7	10.3	11.9	14.8	16.3	14.9	15.1	16.4	11.3	15.7
India CV Volumes ('000 units)	103.7	100.5	95.0	118.7	88.6	106.8	97.3	119.1	417.9	411.8
India CV Realizations (INR '000/unit)	1575.7	1642.6	1784.5	1798.4	1925.4	1887.2	1909.4	1983.6	1721.9	1928.5
India CV EBITDA Margins (%)	5.4	5.1	8.5	10.2	9.4	10.4	9.4	11.8	7.5	7.5
India PV Volumes ('000 units)	130.4	142.8	132.3	135.5	140.4	139.0	138.4	147.4	541.0	565.2
India PV Realizations (INR '000/unit)	894.6	885.7	893.0	898.2	921.8	880.9	916.2	922.8	892.8	910.6
India PV EBITDA Margins (%)	6.2	5.7	7.0	7.3	5.2	6.4	7.0	8.2	6.5	6.5
Net Consol. Op Income	719.3	796.1	884.9	1059.3	1022.4	1051.3	1073.9	1190.8	3459.7	4338.4
Growth (%)	8.3	29.7	22.5	35.1	42.1	32.1	21.4	12.4	24.2	25.4
Consol. EBITDA	31.8	62.0	96.4	128.1	135.6	137.2	137.6	171.4	318.3	581.8
EBITDA Margins (%)	4.4	7.8	10.9	12.1	13.3	13.1	12.8	14.4	9.2	13.4
Depreciation	58.4	59.0	60.7	70.5	66.3	66.4	70.0	78.7	248.6	281.4
Other Income	8.9	10.4	11.3	15.8	13.6	16.3	13.0	14.0	46.3	57.0
Interest Expenses	24.2	24.9	26.8	26.6	26.2	27.0	27.0	27.4	102.4	107.6
PBT before EO	-49.6	-17.7	32.0	50.0	53.3	61.1	48.6	74.5	14.7	237.4
EO Exp/(Inc)	-14.9	-3.1	0.0	2.2	6.8	1.2	0.0	0.0	-15.91	8.01
PBT after EO Exp	-34.7	-14.6	32.0	47.8	46.5	59.9	48.6	74.5	30.6	229.4
Tax rate (%)	-43.8	31.3	8.2	-13.0	33.6	36.8	27.0	27.4	23.0	31.0
PAT	-49.9	-10.0	29.4	54.0	30.9	37.8	35.5	54.0	23.5	158.2
Minority Interest	-0.6	-0.5	-0.9	-0.9	-1.0	-0.7	-0.8	-0.9	-2.8	-3.4
Share in profit of Associate	0.4	1.1	1.0	0.9	2.1	0.5	0.4	2.0	3.4	5.0
Reported PAT	-50.1	-9.4	29.6	54.1	32.0	37.6	35.1	55.1	24.1	159.8
Adj PAT	-65.0	-12.6	29.6	56.2	37.2	38.6	35.1	55.1	8.2	165.4
Growth (%)	46.0	-71.7	-284.6	-1862.6	-157.3	-407.0	18.6	-2.0	-107.6	1907.3

Tube Investments

Buy
CMP: INR3,576 | TP: INR3,945 (+10%)
EPS CHANGE (%): FY24 | 25E: 0 | 3

- Sequential recovery in 2W business, along with exports, to drive QoQ growth in engineering business. The company has also been gaining market share from peers.
- Metal-formed business to see 12% YoY growth led by tenders from railways and expected new order wins.
- EBIT margin for the mobility business is likely to expand to 1.2% (vs. -1.7% in 2QFY24); engineering business/metal-formed business/other business margins likely to see a slight decline of 30bp/20bp/20bp QoQ to 13%/13.2%/8.2%.

Quarterly performance (S/A)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	(INR m)	(INR m)
Net Sales	19,570	19,059	17,097	16,634	17,801	19,696	20,402	20,956	72,360	78,855
YoY Change (%)	55.7	14.4	0.5	-4.1	-9.0	3.3	19.3	26.0	13.8	9.0
EBITDA	2,040	2,512	2,144	2,106	2,160	2,514	2,696	2,983	8,803	10,353
Margins (%)	10.4	13.2	12.5	12.7	12.1	12.8	13.2	14.2	12.2	13.1
Depreciation	325	346	337	448	331	346	360	475	1,456	1,511
Interest	36	52	60	68	70	77	70	62	216	279
Other Income	120	145	171	1,717	219	358	250	1,844	2,152	2,671
PBT before EO expense	1,800	2,258	1,919	3,306	1,979	2,448	2,516	4,290	9,283	11,233
Tax	457	599	542	507	502	634	634	1,082	2,104	2,852
Tax Rate (%)	25.4	29.6	28.2	16.8	25.4	25.9	25.2	25.2	24.0	25.4
Adj PAT	1,343	1,603	1,377	2,729	1,477	1,814	1,882	3,208	7,053	8,382
YoY Change (%)	38.5	32.0	14.3	100.2	10.0	13.2	36.7	17.5	46.7	18.8

TVS Motor Company

Neutral
CMP: INR2,019 | TP: INR1,780 (-12%)
EPS CHANGE (%): FY24 | 25E: -3 | 3

- In 3QFY24, domestic 2W volumes witnessed a sharp growth (+34% YoY), while exports showed a slight improvement of 4% YoY on a low base.
- Sequential EBITDA margin expansion of 50bp to be aided by benefits of operating leverage despite a slight uptick in RM costs.
- We have raised our multiple to 25x from 22x to factor in the growth in EVs and better product development.
- We have tweaked our FY24 estimates a bit to account for slightly lower volumes.

S/A Quarterly Performance

Y/E March (INR m)	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	(INR m)	(INR m)
Vols ('000 units)	906.8	1,027.4	879.4	866.5	953.2	1,074.4	1,100.8	1,090.7	3,680	4,219
Growth (%)	37.9	12.1	0.1	1.2	5.1	4.6	25.2	25.9	11.2	14.6
Realn (INR '000/unit)	66.3	70.3	74.4	76.2	75.7	75.8	75.0	75.9	71.7	75.6
Growth (%)	10.8	15.1	14.6	18.0	14.3	7.9	0.8	(0.4)	14.2	5.5
Net Sales	60,087	72,192	65,454	66,048	72,179	81,446	82,618	82,807	2,63,781	3,19,050
Growth (%)	52.7	29.0	14.7	19.4	20.1	12.8	26.2	25.4	27.0	21.0
RM (% of sales)	76.1	76.2	75.5	75.4	74.6	74.0	74.1	74.0	75.8	74.2
Emp cost (% of sales)	5.3	4.8	5.2	5.1	5.2	4.8	4.7	4.8	5.1	4.9
Other exp (% of sales)	8.6	8.9	9.2	9.2	9.6	10.1	9.7	9.8	9.0	9.8
EBITDA	5,995	7,365	6,589	6,798	7,638	8,998	9,464	9,475	26,747	35,574
EBITDA Margin(%)	10.0	10.2	10.1	10.3	10.6	11.0	11.5	11.4	10.1	11.2
Interest	376	352	316	363	474	523	500	467	1,407	1,964
Depreciation	1,520	1,535	1,583	1,674	1,636	1,701	1,730	1,775	6,312	6,841
Other Income	222	14	65	88	576	462	60	53	389	1,151
PBT before EO Exp	4,321	5,492	4,755	4,849	6,104	7,237	7,294	7,285	19,417	27,919
EO Exp	0	0	0	-617	0	0	0	0	-617	
PBT after EO Exp	4,321	5,492	4,755	5,466	6,104	7,237	7,294	7,285	20,034	27,919
Tax rate (%)	25.8	25.8	25.8	24.9	23.4	25.9	25.0	24.7	25.6	24.8
Reported PAT	3,205	4,075	3,528	4,103	4,677	5,366	5,470	5,483	14,910	20,995
Adjusted PAT	3,205	4,075	3,527	3,640	4,677	5,366	5,470	5,483	14,451	20,995
Growth (%)	325.3	56.1	22.4	32.6	45.9	31.7	55.1	50.6	60.7	45.3

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