

Q2FY2025 Results Preview

Sector: Automobile

Sector View: Positive

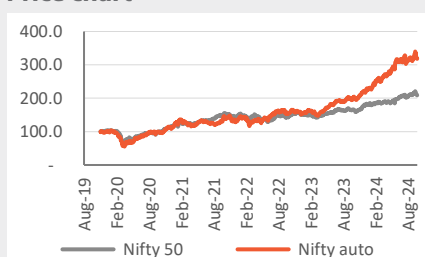
Our coverage universe

Companies	CMP (Rs)	Reco.	PT (Rs)
Alicon Castalloy Limited	1,258	BUY	1,634
Amara Raja Energy & Mobility Ltd	1,319	BUY	1,967
Apollo Tyres	508	BUY	563
Ashok Leyland	224	BUY	285
Bajaj Auto	11,614	BUY	12,584
Balkrishna Industries	2,962	BUY	3,195
Bharat Forge	1,434	Positive	1,859
Bosch	37,775	BUY	UR
Eicher Motors	4,667	BUY	5,307
Escorts Kubota	3,849	Neutral	4,008
Exide Industries	480	BUY	585
Gabriel India	463	BUY	558
Hero Motocorp	5,501	BUY	6,057
Landmark Cars	623	Positive	941
Lumax Auto Technologies	544	BUY	682
M&M	3,061	BUY	3,490
CIE Automotive India	528	Positive	713
Maruti Suzuki	12,537	BUY	14,712
Ramkrishna Forgings	904	BUY	1,029
Rolex Rings	2,302	Positive	2,961
Schaeffler India	3,767	BUY	4,764
Subros	666	Positive	824
Sundram Fasteners	1,417	BUY	1,576
Suprajit Engineering	500	BUY	728
Sterling Tools	534	Positive	607
Tata Motors	928	BUY	1,319
TVS Motor	2,632	BUY	3,203
VST Tillers and Tractors Limited	4,322	Neutral	2,445

Source: Company data, Sharekhan estimates

Note: @ MM & MVML; # Consolidated; \$ core business valuation; UR Under Review

Price chart



Source: NSE India, Sharekhan Research

Summary

- While the automobile sector's growth is expected to slow in Q2FY25, EBITDA growth is continuing to be higher than that of the revenue growth.
- Two-wheeler OEMs to outperform the pack and battery players are expected to perform well in the ancillary space.
- All eyes are now on festive sales as OEMs have already build up inventory ahead of festive season.
- Preferred picks: OEMs:** Tata Motors, M&M, Bajaj Auto, Maruti Suzuki and Hero MotoCorp; **Auto Ancillaries:** Bosch, Bharat Forge, Lumax Auto Technologies, Apollo Tyres, Schaeffler India, Sterling Tools, Subros, Exide Industries, Ramkrishna Forgings, and Sundram Fasteners.

The automobiles sector is expected to display a moderation in growth owing to a high base and lacklustre performance in the PV and CV segment. We assume that the two-wheeler segment has delivered low double-digit volume growth, while tractor players delivered low single digit volume growth in Q2FY25 y-o-y. For our automobile universe, we continue to expect a higher growth in EBITDA than topline growth and EBITDA margin expansion to drive earnings. Our universe is expected to report a 2.0% y-o-y growth in revenue, 4.7% y-o-y growth in EBITDA and ~36 bps y-o-y expansion in EBITDA margin to 14.2% in Q2FY25. Tyre players are expected to register significant contraction in margins due to rising input costs. Two-wheeler players are expected to perform better in OEM space. Similarly, battery players are expected to deliver better performance in ancillary space.

Mixed bag retails in H1FY25: While the retail sales in September were impacted across the segments due to Sharaddh and heavy rain in certain parts of the country retailer sales in H1FY25 was mixed bag. with 2W, 3W and PV growing by 9.08%, 7.58% and 1.07% YoY. However, CV and tractor players fell by 0.65% and 8.82% respectively. Overall, two-wheeler segment outperformed the auto pack in terms of volume growth in H1FY25. As per the FADA - (1) Two-wheeler segment registered 9.08% growth in retail sales, (2) PV segment registered mere 1.07% growth in retail sales, (3) CV segment registered 0.65% decline in retail sales and (4) Tractor segment registered 8.8% decline in retail sales. Though retail sales during Ganesh and Onam were not up to the mark, dealers are hoping for a healthy uptick in retails during the festive period beginning from Navratri. Along with that dealers are raising concerns on rising inventories in PV segment and hence recovery in retails during the October is crucial for the PV segment as the inventory levels have reached to 80-85 days.

OEMs: Two-wheeler players have outperformed the auto pack in volume growth terms. On y-o-y basis, in wholesales volumes terms, (1) Our two-wheeler universe has registered 11.2% growth, (2) our tractor universe has registered 4.5% growth, (3) Our PVs universe has registered 0.3% growth and (4) our universe for CVs has registered 13.1% decline in Q2FY25. We expect our universe for OEMs to report 1.2% y-o-y growth in revenue and 5.3% y-o-y growth in EBITDA and EBITDA margin to expand by 58 bps y-o-y to 14.0%. OEM performance is expected to be largely driven by strong performance in the two-wheeler segment. Our universe for two-wheeler players is expected to report 7.8% y-o-y growth in revenue, 8.2% growth in EBITDA and 51bps y-o-y expansion in EBITDA margin to 17.3%, while our universe for four-wheelers is expected to report 1.5% y-o-y decline in revenue, 2.0% y-o-y increase in EBITDA and 45 bps y-o-y expansion in EBITDA margin to 13.3%.

One-offs due to high provisions are warranted: Along with the result the cash-rich players having investments in debt mutual fund may provide for rise in deferred tax liability on withdrawal of indexation benefit. In a latest budget the indexation benefit on long-term capital gains (LTCG) on debt mutual funds which were purchased prior to 1 April 2023 has been withdrawn. With withdrawal of indexation benefit and change in tax rate, the accounting provision for deferred tax on investment income would be likely to be restated by the players who have investment in debt mutual funds. Bajaj Auto and Maruti Suzuki have indicated for a probable increase in provision for deferred tax liability by around Rs 211 crore and Rs 850 crore respectively in Q2FY25.

Ancillaries: Our universe for ancillary players is expected to report 6.8% y-o-y increase in revenue, 1.5% y-o-y increase in EBITDA and 79 bps contraction in EBITDA margin to 15.1% as the tyre segment is expected to witness margin pressure on rise in input cost and CV/PV segment have registered lacklustre volume performance in Q2FY25. Our universe for battery players is expected to report 13.7% growth in revenue and 41 bps expansion in EBITDA margin to 13.1%, while our universe for tyres players are expected to report 365 bps y-o-y contraction in EBITDA margin to 16.1%. while excluding the tyre and battery players, our auto-ancillary universe is expected to register mere 9 bps y-o-y improvement in EBITDA margins.

Outlook

Two wheelers and tractor segment performed relatively better in Q2FY25, while CVs remain laggard. The PV segment showed muted performance due to high inventories as slow retails has restricted wholesale volume growth. Wholesale volumes are largely reflecting expectations of healthy festive sales of auto eco system given the trailing retails sales trend so far. Retail sales trend in H1FY25 indicates that a rural segment has witnessed healthy recovery and outpaced the urban segment. Considering that the retail uptick during October is key thing to watch out for as OEMs have already build up inventory in expectation of healthy festive sales. As volume growth is expected to moderate in FY25 due to a high base, we believe that earnings growth would be driven by an improvement in operating performance led by a rise in premiumisation, efficient cost control, and a better product mix. As we advanced, the demand momentum would follow a recovery in rural sentiments and response to product launches. Besides that, the legacy players are expected to be more aggressive on premiumisation and EV roadmap in coming quarters. Hence, we maintain our positive stance on the automobile sector.

Leaders: Bajaj Auto, Escorts Kubota, Exide Industries, M&M

Laggards: Apollo Tyres, Ashok Leyland, Bosch, Lumax Auto Technologies, Tata Motors

Q2FY2025 result estimates

Company	Sales (Rs cr)				EBITDA margins (%)				PAT (Rs cr)			
	Q2 FY25E	Q2 FY24	YoY %	QoQ %	Q2 FY25E	Q2 FY24	YoY %	QoQ %	Q2 FY25E	Q2 FY24	YoY %	QoQ %
Alicon Castalloy Limited #	462	381	21.2	5.0	14.5	13.1	140	29	27	18	48.4	12.1
Amara Raja Energy & Mobility Ltd	3,291	2,811	17.1	5.1	14.1	14.1	1	38	268	224	19.6	9.7
Apollo Tyres #	6,447	6,280	2.7	1.8	14.3	18.5	-418	-6	337	483	-30.2	1.8
Ashok Leyland	8,759	9,638	-9.1	1.9	10.6	11.2	-56	5	540	584	-7.6	2.7
Bajaj Auto	13,353	10,777	23.9	11.9	20.4	19.8	65	19	2,228	1,836	21.4	12.1
Balkrishna Industries	2,256	2,226	1.4	-16.1	21.2	23.3	-210	-299	325	316	2.6	-31.3
Bharat Forge	2,350	2,249	4.5	0.5	27.9	27.4	48	-25	391	355	10.4	3.1
Bosch	4,216	4,130	2.1	-2.3	11.0	11.9	-93	-107	418	404	3.6	-10.1
Eicher Motors	4,473	4,115	8.7	1.8	26.7	26.4	31	19	1,131	1,016	11.3	2.6
Escorts Kubota	2,359	2,046	15.3	2.9	13.7	12.9	81	-59	285	235	21.1	-1.7
Exide Industries	4,572	4,107	11.3	6.0	12.4	11.8	64	94	332	287	15.7	18.7
Gabriel India	897	864	3.8	3.8	9.1	8.5	54	5	54	47	15.6	6.1
Hero Motocorp	10,192	9,445	7.9	0.5	14.4	14.1	38	5	1,136	1,054	7.8	1.2
Landmark Cars	867	771	12.6	4.3	6.4	7.1	-72	51	12	21	-42.4	204.2
Lumax Auto Technologies #	774	700	10.5	2.4	11.8	12.9	-102	20	35	27	29.8	11.7
M&M @ #	27,201	24,310	11.9	0.6	14.4	12.6	178	-48	4,028	3,556	13.3	54.2
CIE Automotive	2,293	2,320	-1.2	-5.5	15.7	16.0	-26	84	216	214	1.3	1.3
Maruti Suzuki	36,503	37,062	-1.5	2.7	13.0	12.9	9	32	3,696	3,717	-0.6	1.2
Ramkrishna Forgings	898	865	3.8	3.3	23.6	22.9	75	52	95	80	19.0	4.5
Rolex Rings	323	321	0.8	4.0	23.8	21.0	275	89	54	47	15.1	8.3
Schaeffler India	2,129	1,848	15.2	2.8	18.0	18.5	-46	-28	256	235	9.1	1.1
Subros	838	813	3.0	3.5	9.6	8.6	99	8	48	27	79.3	51.3
Sundram Fasteners	1,489	1,422	4.7	-0.6	17.2	16.2	93	65	148	133	11.4	3.9
Suprajit Engineering #	744	709	5.0	1.2	11.6	9.8	180	-10	41	35	18.1	7.6
Sterling Tools	255	210	21.1	-9.6	12.5	12.1	38	104	19	12	55.8	1.6
Tata Motors #	1,01,070	1,05,128	-3.9	-6.5	13.4	13.1	31	-98	4,807	3,845	25.0	-8.4
TVS Motors	9,538	8,145	17.1	13.9	11.5	11.0	42	0	655	537	22.1	17.7
VST Tillers & Tractors	322	279	15.7	69.1	16.3	15.5	80	926	47	36	28.2	104.5
AUTO UNIVERSE	2,48,871	2,43,972	2.0	-1.1	14.2	13.8	36	-39	21,628	19,379	11.6	6.9
AUTO UNIVERSE - excl Tata Motors	1,47,801	1,38,843	6.5	3.0	14.7	14.4	34	0	16,821	15,534	8.3	12.2

Source: Company, Sharekhan Research; Note: @ MM & MVML; # Consolidated; \$ Core business valuation; UR: Under Review, ^ Calendar year

Valuations

Company	CMP (Rs)	Reco	PT (Rs.)	EPS (Rs)			P/E (x)		
				FY24	FY25E	FY26E	FY24	FY25E	FY26E
Alicon Castalloy Limited	1,258	BUY	1,634	38.1	59.7	81.7	33.0	21.1	15.4
Amara Raja Energy & Mobility Ltd	1,319	BUY	1,967	49.5	57.9	65.6	26.6	22.8	20.1
Apollo Tyres	508	BUY	563	28.3	27.0	33.1	17.9	18.8	15.3
Ashok Leyland	224	BUY	285	9.1	10.3	11.7	24.5	21.7	19.2
Bajaj Auto	11,614	BUY	12,584	266.2	309.2	370.1	43.6	37.6	31.4
Balkrishna Industries	2,962	BUY	3,195	72.2	79.8	118.3	41.0	37.1	25.0
Bharat Forge	1,434	Positive	1,859	30.7	36.5	42.1	46.7	39.3	34.1
Bosch	37,775	BUY	UR	558.7	749.5	877.3	67.6	50.4	43.1
Eicher Motors	4,667	BUY	5,307	146.3	168.8	189.5	31.9	27.7	24.6
Escorts Kubota	3,849	Neutral	4,008	93.4	113.9	133.6	41.2	33.8	28.8
Exide Industries	480	BUY	585	12.4	15.4	18.6	38.7	31.2	25.9
Gabriel India	463	BUY	558	12.9	15.2	19.3	35.9	30.5	24.0
Hero Motocorp	5,501	BUY	6,057	206.7	234.0	274.7	26.6	23.5	20.0
Landmark Cars	623	Positive	941	13.7	23.3	36.2	45.5	26.8	17.2
Lumax Auto Technologies	544	BUY	682	19.1	23.6	32.5	28.5	23.1	16.8
M&M	3,061	BUY	3,490	87.8	101.5	117.7	34.9	30.2	26.0
CIE Automotive India	528	Positive	713	21.0	23.9	27.4	25.1	22.1	19.3
Maruti Suzuki	12,537	BUY	14,712	420.1	471.4	555.2	29.8	26.6	22.6
Ramkrishna Forgings	904	BUY	1,029	18.0	25.2	31.7	50.2	35.9	28.5
Rolex Rings	2,302	Positive	2,961	69.0	77.8	99.8	33.4	29.6	23.1
Schaeffler India	3,767	BUY	4,764	58.5	67.4	83.6	64.4	55.9	45.1
Subros	666	Positive	824	15.0	22.3	27.0	44.5	29.8	24.7
Sundram Fasteners	1,417	BUY	1,576	24.8	36.2	47.0	57.1	39.1	30.1
Suprajit Engineering	500	BUY	728	12.1	15.0	21.4	41.4	33.4	23.4
Sterling Tools	534	Positive	607	15.3	21.2	27.4	34.9	25.2	19.5
Tata Motors	928	BUY	1,319	56.0	66.0	82.0	16.6	14.1	11.3
TVS Motor	2,632	BUY	3,203	43.8	55.9	72.8	60.1	47.1	36.2

Source: Company data, Sharekhan estimates

Note: @ MM & MVML; # Consolidated; \$ Core business valuation; UR: Under Review.

Q2FY2025 Automobiles earnings preview

Company-wise key expectations

Company	Q2FY25E	YoY (%)	QoQ (%)	Comment
Alicon Castalloy				
Revenue (Rs crore)	462.0	21.2	5.0	Revenue is expected to increase by 21.2% y-o-y on account of 20.1% y-o-y increase in revenue from automotive segment. EBITDA margin is expected to expand by 140 bps y-o-y on account of healthy topline performance.
EBITDA margin (%)	14.5	140	29	
APAT (Rs crore)	27.0	48.4	12.1	
Amara Raja Batteries				
Revenue (Rs crore)	3,290.9	17.1	5.1	With expectations of an increase in replacement demand in automotive segment and continued traction in industrial segment, we expect revenue to grow by 17.1% y-o-y and EBITDA margin to remain flat on y-o-y.
EBITDA margin (%)	14.1	1	38	
APAT (Rs crore)	268.2	19.6	9.7	
Apollo Tyres				
Revenue (Rs crore)	6,447.4	2.7	1.8	With 3% y-o-y growth in European business and 2% y-o-y increase in APMEA business, Revenue is expected to increase by 2.7% y-o-y and EBITDA margin is expected to contract by 420 bps y-o-y.
EBITDA margin (%)	14.3	-418	-6	
APAT (Rs crore)	336.8	(30.2)	1.8	
Ashok Leyland				
Revenue (Rs crore)	8,758.9	(9.1)	1.9	With 8.5% y-o-y increase in volumes, Revenue is expected to decline by 9.1% y-o-y and EBITDA margin is expected to contract by 60 bps y-o-y.
EBITDA margin (%)	10.6	-56	5	
APAT (Rs crore)	539.6	(7.6)	2.7	
Bajaj Auto				
Revenue (Rs crore)	13,353.1	23.9	11.9	With 15.9% y-o-y increase in volumes, revenue is expected to increase by 23.9% y-o-y and EBITDA margin is expected to expand by 60 bps y-o-y.
EBITDA margin (%)	20.4	65	19	
APAT (Rs crore)	2,228.5	21.4	12.1	
Balkrishna Industries				
Revenue (Rs crore)	2,256.0	1.4	(16.1)	With 4.8% y-o-y increase in volumes, Revenue is expected to increase by 1.4 % y-o-y and EBITDA margin is expected to shrink by 210 bps y-o-y.
EBITDA margin (%)	21.2	-210	-299	
APAT (Rs crore)	324.8	2.6	(31.3)	
Bharat Forge				
Revenue (Rs crore)	2,349.5	4.5	0.5	Revenue is expected to increase by 4.5% y-o-y in expectation of 24% y-o-y increase in domestic revenue and 9% y-o-y decline in export revenue. EBITDA margin is expected to expand by 50 bps y-o-y.
EBITDA margin (%)	27.9	48	-25	
APAT (Rs crore)	391.3	10.4	3.1	
Bosch				
Revenue (Rs crore)	4,216.2	2.1	(2.3)	Revenue is expected to increase by 2.1% y-o-y and AEBITDA margin is expected to contract by 90 bps y-o-y to 11.0%.
EBITDA margin (%)	11.0	-93	-107	
APAT (Rs crore)	418.3	3.6	(10.1)	
Eicher Motors				
Revenue (Rs crore)	4,473.3	8.7	1.8	With 0.7% y-o-y decline in volumes, Revenue is expected to increase by 7.1% y-o-y and EBITDA margin is expected to expand by 100 bps y-o-y.
EBITDA margin (%)	26.7	31	19	
APAT (Rs crore)	1,130.6	11.3	2.6	
Escorts Kubota				
Revenue (Rs crore)	2,359.2	15.3	2.9	With 0.9% y-o-y decline in volumes, EBITDA margin is expected to be at 13.7%.
EBITDA margin (%)	13.7	81	-59	
APAT (Rs crore)	284.7	21.1	(1.7)	
Exide Industries				
Revenue (Rs crore)	4,571.5	11.3	6.0	Revenue is expected to grow by 11.3% y-o-y on rise in replacement demand and EBITDA margin is expected to expand by 60 bps y-o-y.
EBITDA margin (%)	12.4	64	94	
APAT (Rs crore)	331.9	15.7	18.7	

Company-wise key expectations

Company	Q2FY25E	YoY (%)	QoQ (%)	Comment
Gabriel India				
Revenue (Rs crore)	897.3	3.8	3.8	With assumption of 10.5% % y-o-y increase in revenue from 2W/3W segment and 10/6% y-o-y decline in revenue from CV/ PV segment, total revenue is expected to increase in by 3.8% y-o-y and EBITDA margin is expected to expand by 50 bps y-o-y.
EBITDA margin (%)	9.1	54	5	
APAT (Rs crore)	54.3	15.6	6.1	
Hero Motocorp				
Revenue (Rs crore)	10,192.1	7.9	0.5	With a 13.5% y-o-y rise in volumes, Revenue is expected to increase by 15% y-o-y and EBITDA margin is expected to expand by 120 bps y-o-y.
EBITDA margin (%)	14.4	38	5	
APAT (Rs crore)	1,135.9	7.8	1.2	
Landmark Cars				
Revenue (Rs crore)	867.5	12.6	4.3	Revenue is expected to grow by 12.6% y-o-y on increase in number of stores and EBITDA margin is expected to contract by 70 bps y-o-y.
EBITDA margin (%)	6.4	-72.0	51.0	
APAT (Rs crore)	11.8	(42.4)	204.2	
Lumax Auto Technologies				
Revenue (Rs crore)	773.8	10.5	2.4	With 6.5 % y-o-y increase in IACI's revenue and 12.3% y-o-y increase in Ex-IACI revenue the total revenue is expected to grow by 10.5% y-o-y and EBITDA margin is expected to contract by 100 bps y-o-y.
EBITDA margin (%)	11.8	-102	20	
APAT (Rs crore)	35.4	29.8	11.7	
M&M				
Revenue (Rs crore)	27,201.4	11.9	0.6	With 9% y-o-y increase in automotive volumes and 4% y-o-y increase in tractor volumes, Revenue is expected to increase by 11.9% y-o-y and EBITDA margin is expected to expand by 180 bps y-o-y.
EBITDA margin (%)	14.4	178	-48	
APAT (Rs crore)	4,027.8	13.3	54.2	
CIE Automotive				
Revenue (Rs crore)	2,292.7	(1.2)	(5.5)	With 6.5% y-o-y increase in Indian business and 4.7% y-o-y growth in European business, the total revenue is expected to decline by 1.2% y-o-y. EBITDA margin is expected to contract by 30 bps y-o-y.
EBITDA margin (%)	15.7	-26	84	
APAT (Rs crore)	216.4	1.3	1.3	
Maruti Suzuki				
Revenue (Rs crore)	36,502.7	(1.5)	2.7	With 4.8% y-o-y increase in volumes, Revenue is expected to increase by 6.9% y-o-y and EBITDA margin is expected to expand by 120 bps y-o-y.
EBITDA margin (%)	13.0	9	32	
APAT (Rs crore)	3,695.5	(0.6)	1.2	
Ramkrishna Forgings				
Revenue (Rs crore)	897.5	3.8	3.3	With 2.2 y-o-y increase in Indian business and 4.2% y-o-y increase in export business the total revenue is expected to increase by 3.8% y-o-y. EBITDA margin is expected to expand by 70 bps y-o-y.
EBITDA margin (%)	23.6	75	52	
APAT (Rs crore)	94.7	19.0	4.5	
Rolex Rings				
Revenue (Rs crore)	323.2	0.8	4.0	Revenue is expected to increase by 0.8% y-o-y and EBITDA margin is expected to expand by 270 bps on y-o-y.
EBITDA margin (%)	23.8	275	89	
APAT (Rs crore)	54.0	15.1	8.3	
Schaeffler India				
Revenue (Rs crore)	2,129.1	15.2	2.8	Revenue is expected to grow by 15.2% y-o-y on healthy traction in automotive segment and EBITDA Margin is expected to expand by 50 bps y-o-y.
EBITDA margin (%)	18.0	-46	-28	
APAT (Rs crore)	256.4	9.1	1.1	

Company-wise key expectations

Company	Q2FY25E	YoY (%)	QoQ (%)	Comment
Subros				
Revenue (Rs crore)	838.2	3.0	3.5	Revenue is expected to increase by 3.0% y-o-y and EBITDA margin is expected to expand by 100 bps y-o-y in support of introduction of new programs.
EBITDA margin (%)	9.6	99	8	
APAT (Rs crore)	47.9	79.3	51.3	
Sundram Fasteners				
Revenue (Rs crore)	1,488.9	4.7	(0.6)	With a 2.3 % y-o-y increase in domestic revenue and 30.4 % y-o-y increase in overseas revenue (due to a low base) the total revenues are expected to rise by 8.2% y-o-y. EBITDA margins are likely expand by 40 bps y-o-y.
EBITDA margin (%)	17.2	93	65	
APAT (Rs crore)	148.2	11.4	3.9	
Suprajit Engineering				
Revenue (Rs crore)	744.0	5.0	1.2	Revenues would grow by 5% y-o-y and EBITDA margin is expected to expand by 180 bps y-o-y.
EBITDA margin (%)	11.6	180	-10	
APAT (Rs crore)	41.0	18.1	7.6	
Sterling Tools				
Revenue (Rs crore)	254.6	21.1	(9.6)	With 5% y-o-y increase in fastener business and 65% y-o-y increase in non-fastener business, total revenue is expected to increase by 21.1% y-o-y. EBITDA margin is expected to expand by 100 bps y-o-y.
EBITDA margin (%)	12.5	38	104	
APAT (Rs crore)	18.7	55.8	1.6	
Tata Motors				
Revenue (Rs crore)	1,01,070.3	(3.9)	(6.5)	With a 9.8 % y-o-y decline in JLR volumes, 6% y-o-y increase in CVs volumes and 1% y-o-y decline in PVs volumes, Revenue is expected to increase by 7.4% y-o-y and EBITDA margin is expected to expand by 40 bps y-o-y.
EBITDA margin (%)	13.4	31	-98	
APAT (Rs crore)	4,806.5	25.0	(8.4)	
TVS Motors				
Revenue (Rs crore)	9,537.9	17.1	13.9	With 14.1% y-o-y increase in volumes, Revenue is expected to increase by 16.0% y-o-y and EBITDA margin is expected to expand by 60 y-o-y.
EBITDA margin (%)	11.5	42	0	
APAT (Rs crore)	655.1	22.1	17.7	
VST Tillers & Tractors				
Revenue (Rs crore)	322.2	15.7	69.1	With 30.3% y-o-y decline in volumes, Revenue is expected to decline by 15.2% y-o-y and EBITDA margin is expected to contract by 240 bps y-o-y.
EBITDA margin (%)	16.3	80	926	
APAT (Rs crore)	46.7	28.2	104.5	

Source: Company, Sharekhan Research

Note: @ MM & MVML; # Consolidated; \$ Core business valuation; UR: Under Review

Sharekhan Limited, its analyst or dependant(s) of the analyst might be holding or having a position in the companies mentioned in the article.

DISCLAIMER

This information/document has been prepared by Sharekhan Ltd. (SHAREKHAN) and is intended for use only by the person or entity to which it is addressed to. This Document may contain confidential and/or privileged material and is not for any type of circulation and any review, retransmission, or any other use is strictly prohibited. This information/ document is subject to changes without prior notice.

Recommendation in reports based on technical and derivatives analysis is based on studying charts of a stock's price movement, trading volume, outstanding positions, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals. However, this would only apply for information/document focused on technical and derivatives research and shall not apply to reports/documents/information focused on fundamental research.

This information/document does not constitute an offer to sell or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. Though disseminated to all customers who are due to receive the same, not all customers may receive this report at the same time. SHAREKHAN will not treat recipients as customers by virtue of their receiving this information/report.

The information contained herein is obtained from publicly available data or other sources believed to be reliable and SHAREKHAN has not independently verified the accuracy and completeness of the said data and hence it should not be relied upon as such. While we would endeavour to update the information herein on reasonable basis, SHAREKHAN, its subsidiaries and associated companies, their directors and employees ("SHAREKHAN and affiliates") are under no obligation to update or keep the information current. Also, there may be regulatory, compliance, or other reasons that may prevent SHAREKHAN and affiliates from doing so. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. Recipients of this report should also be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved) and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. We do not undertake to advise you as to any change of our views. Affiliates of Sharekhan may have issued other recommendations/ reports that are inconsistent with and reach different conclusions from the information presented in this recommendations/report.

This information/recommendation/report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject SHAREKHAN and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

The analyst certifies that the analyst might have dealt or traded directly or indirectly in securities of the company and that all the views expressed in this document accurately reflect his or her personal views about the subject company or companies and its or their securities and do not necessarily reflect those of SHAREKHAN. The analyst and SHAREKHAN further certifies that either he or his relatives or Sharekhan associates might have direct or indirect financial interest or might have actual or beneficial ownership of 1% or more in the securities of the company at the end of the month immediately preceding the date of publication of the research report. The analyst and SHAREKHAN encourages independence in research report/ material preparation and strives to minimize conflict in preparation of research report. The analyst and SHAREKHAN does not have any material conflict of interest or has not served as officer, director or employee or engaged in market making activity of the company. The analyst and SHAREKHAN has not been a part of the team which has managed or co-managed the public offerings of the company, and no part of the analyst's compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this document. Sharekhan Ltd or its associates or analysts have not received any compensation for investment banking, merchant banking, brokerage services or any compensation or other benefits from the subject company or from third party in the past twelve months in connection with the research report.

Either SHAREKHAN or its affiliates or its directors or employees / representatives / clients or their relatives may have position(s), make market, act as principal or engage in transactions of purchase or sell of securities, from time to time or may be materially interested in any of the securities or related securities referred to in this report and they may have used the information set forth herein before publication. SHAREKHAN may from time to time solicit from, or perform investment banking, or other services for, any company mentioned herein. Without limiting any of the foregoing, in no event shall SHAREKHAN, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind.

Forward-looking statements (if any) are provided to allow potential investors the opportunity to understand management's beliefs and opinions in respect of the future so that they may use such beliefs and opinions as one factor in evaluating an investment. These statements are not a guarantee of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or result expressed or implied by such forward-looking statements. Sharekhan/its affiliates undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader/investors are cautioned not to place undue reliance on forward-looking statements and use their independent judgement before taking any investment decision.

Investment in securities market are subject to market risks, read all the related documents carefully before investing. The securities quoted are for illustration only and are not recommendatory. Registration granted by SEBI, and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Client should read the Risk Disclosure Document issued by SEBI & relevant exchanges and the T&C on www.sharekhan.com

Registration and Contact Details: Name of Research Analyst - Sharekhan Limited, Research Analyst Regn No.: INH000006183. CIN: - U99999MH1995PLC087498.

Registered Office: The Ruby, 18th Floor, 29 Senapati Bapat Marg, Dadar (West), Mumbai – 400 028, Maharashtra, INDIA. Tel: 022-6115000.

Correspondence/Administrative Office Address - Gigaplex IT Park, Unit No 1001, 10th Floor, Building No.9, TTC Industrial Area, Digha, Airoli-West, Navi Mumbai – 400708. Tel: 022 61169000 / 61150000, Fax No. 61169699.

Other registrations of Sharekhan Ltd.: SEBI Regn. Nos.: BSE / NSE (CASH / F&O / CD) / MCX - Commodity: INZ000171337; BSE – 748, NSE – 10733, MCX – 56125, DP: NSDL/CDSL-IN-DP-365-2018; PMS: INP000005786; Mutual Fund: ARN 20669 (date of initial registration: 03/07/2004, and valid till 02/07/2026); IRDAI Registered Corporate Agent (Composite) License No. CA0950, valid till June 13, 2027.

Compliance Officer: Ms. Binkle R. Oza; Tel: 022-62263303; email id: complianceofficer@sharekhan.com

For any complaints/grievance, email us at igc@sharekhan.com or you may even call Customer Service desk on - 022- 41523200/022-69920600.