

In-line quarter; growth concerns remain

Auto & Auto Ancillaries ▶ Result Update ▶ May 12, 2024

TARGET PRICE (Rs): 3,400

EIM's results were in line with estimates; revenues/EBITDA/PAT were up 12%/21%/18% YoY with margins up 43bps QoQ to 26.5% on lower RM. For EIM's Royal Enfield (RE) brand, we believe growth remains a challenge with: i) recent launches like Himalayan 450 yet to take off meaningfully, ii) concerns around incremental growth potential from upcoming 450cc launches, given the segment's limited size, and iii) replacement/upgrade demand for RE remaining elusive. We raise FY26E EPS by ~5% on ongoing 2W recovery and consequent margin improvement (build-in 9% PAT CAGR over FY24-26E). We retain SELL with revised TP of Rs3,400 (Rs3,250 earlier) at an unchanged 20x FY26E PER + the stake in VECV. HMCL is our preferred pick in 2Ws given its stronger growth visibility (on new launch success of Xtreme 125R) and much better risk-reward.

Eicher Motors: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Revenue	102,978	144,422	165,358	183,184	194,378
EBITDA	21,723	34,436	43,269	48,525	53,454
Adj. PAT	16,766	29,139	40,010	43,837	47,148
Adj. EPS (Rs)	61.3	106.7	146.5	160.6	172.7
EBITDA margin (%)	21.1	23.8	26.2	26.5	27.5
EBITDA growth (%)	22.0	58.5	25.7	12.1	10.2
Adj. EPS growth (%)	24.4	74.0	37.3	9.6	7.6
RoE (%)	13.9	21.1	24.2	22.5	21.0
RoIC (%)	70.0	115.5	87.5	66.6	69.8
P/E (x)	76.3	43.9	32.0	29.2	27.1
EV/EBITDA (x)	55.0	34.0	27.1	23.6	20.9
P/B (x)	10.1	8.5	7.1	6.1	5.3
FCFF yield (%)	0.7	1.9	2.5	3.5	4.0

Source: Company, Emkay Research

In-line Q4 performance

Consolidated revenues rose by 12% YoY to Rs42.5bn (in line), backed by 4% growth in Royal Enfield (RE) volumes; ASPs were up 2.6% QoQ on the back of better mix (higher share of exports and larger cc motorcycles). Consolidated EBITDA was in line (up 21% YoY to Rs11.3bn), with EBITDA margins at 26.5% (up 43bps QoQ) amid lower RM. Consolidated PAT rose by 18% YoY to Rs10.7bn.

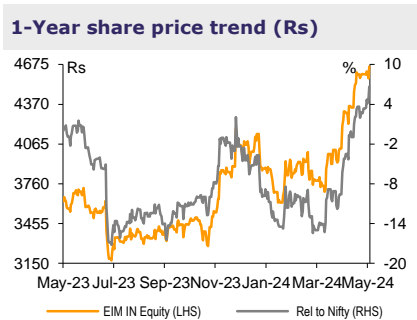
Earnings Call KTAs

1) Management highlighted that the domestic 2W industry is poised for growth, with the middleweight category (RE's addressable market) seen growing in double-digits amid the continuing premiumization trend; RE is expected to outperform the market growth on recent new launches, as well as upcoming product actions planned across platforms (J series, 450cc Sherpa platform, and 650cc platform). 2) Replacement cycle for RE is yet to kick-in and would eventually pan out; in the meantime, the company is focused on attracting natural upgrades from existing buyers with new product actions addressing all categories and customer sets (RE has a 6mn vehicle parc). 3) In international markets, while macros vary by region, Company is focusing on continuing retail performance with market shares intact and visible green shoots. 4) The new Himalayan 450 is registering strong response; current production is at 200units/day; Company is working on increasing supplies to meet demand. 5) In CVs, long-term fundamental drivers (expected economic growth, infra/capex push, replacement demand due to more modern/efficient trucks, transporter profitability) for growth on CAGR basis remain intact, though there could be some disturbances along the way. 6) Margins are seen being supported by operating leverage and mix improvement (with exports, >350cc category, and faster growing non-motorcycles revenues); EIM is watchful of RM but does not see it as a headwind for now. 7) There have been no price hikes in RE recently; it has reduced discounts in VECV to improve realizations. 8) RE finance penetration is at 61%.

Target Price – 12M	Mar-25
Change in TP (%)	4.6
Current Reco.	SELL
Previous Reco.	SELL
Upside/(Downside) (%)	(27.2)
CMP (10-May-24) (Rs)	4,670.0

Stock Data	Ticker
52-week High (Rs)	4,709
52-week Low (Rs)	3,159
Shares outstanding (mn)	273.8
Market-cap (Rs bn)	1,279
Market-cap (USD mn)	15,314
Net-debt, FY25E (Rs mn)	-134,139
ADTV-3M (mn shares)	1
ADTV-3M (Rs mn)	3,232.8
ADTV-3M (USD mn)	38.7
Free float (%)	50.9
Nifty-50	22,055
INR/USD	83.5
Shareholding, Mar-24	
Promoters (%)	49.2
FPIs/MFs (%)	29.0/11.1

Price Performance			
(%)	1M	3M	12M
Absolute	8.2	21.6	36.7
Rel. to Nifty	11.7	20.1	13.5



Chirag Jain
chirag.jain@emkayglobal.com
+91 22 6624 2428

Jaimin Desai
jaimin.desai@emkayglobal.com
+91 22 6612 1334

Nandan Pradhan
nandan.pradhan@emkayglobal.com
+91 22 6612 1238

Exhibit 1: Volumes were up 4% YoY; realizations were up 2% QoQ, owing to pick up in exports and higher cc motorcycles

Year-to-March	4QFY24	4QFY23	% change	3QFY24	% change
RE vols. (units)	227,673	218,525	4.2	228,073	(0.2)
ASPs (Rs/unit)	186,937	174,091	7.4	183,224	2.0

Source: Company, Emkay Research

Exhibit 2: Consolidated Q4 snapshot – Revenue/Volumes up 12%/4% YoY; EBITDA margin rose 40bps sequentially

(Rs mn)	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	YoY (%)	QoQ (%)
Volume	187,205	207,764	221,401	218,525	227,706	229,280	228,073	227,673	4.2	(0.2)
Revenue	33,975	35,194	37,210	38,043	39,864	41,145	41,788	42,560	11.9	1.8
Expenditure	25,664	26,978	28,638	28,707	29,655	30,274	30,886	31,274	8.9	1.3
as % of sales	75.5	76.7	77.0	75.5	74.4	73.6	73.9	73.5		
Consumption of RM	19,030	20,256	21,655	21,178	22,273	22,201	22,579	22,754	7.4	0.8
as % of sales	56.0	57.6	58.2	55.7	55.9	54.0	54.0	53.5		
Employee Cost	2,470	2,435	2,594	2,521	2,927	3,061	3,093	3,276	29.9	5.9
as % of sales	7.3	6.9	7.0	6.6	7.3	7.4	7.4	7.7		
Other expenditure	4,165	4,287	4,389	5,007	4,456	5,012	5,214	5,244	4.7	0.6
as % of sales	12.3	12.2	11.8	13.2	11.2	12.2	12.5	12.3		
EBITDA	8,311	8,216	8,572	9,337	10,208	10,872	10,903	11,286	20.9	3.5
EBITDA margin (%)	24.5	23.3	23.0	24.5	25.6	26.4	26.1	26.5		
Depreciation	1,162	1,271	1,348	1,480	1,423	1,425	1,475	1,653	11.6	12.0
EBIT	7,149	6,945	7,224	7,856	8,786	9,446	9,427	9,634	22.6	2.2
Other Income	487	1,486	1,923	2,055	2,432	2,738	2,537	3,052	48.5	20.3
Interest	52	71	76	82	104	127	124	153	88.0	23.4
PBT	7,583	8,361	9,071	9,830	11,114	12,057	11,840	12,532	27.5	5.8
Minority interest	(338)	(441)	(639)	(1,734)	(1,004)	(1,016)	(1,139)	(1,318)		
Total Tax	1,814	2,233	2,302	2,508	2,935	2,911	3,019	3,146	25.4	4.2
Adjusted PAT	6,107	6,569	7,408	9,056	9,183	10,163	9,960	10,705	18.2	7.5
Extra ordinary items	-	-	-	-	-	-	-	-		
Reported PAT	6,107	6,569	7,408	9,056	9,183	10,163	9,960	10,705	18.2	7.5
Adjusted EPS (Rs)	22.3	24.0	27.1	33.1	33.5	37.1	36.4	39.1	18.2	7.5
(%)	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q3FY24	YoY (bps)	QoQ (bps)
EBIDTAM	24.5	23.3	23.0	24.5	25.6	26.4	26.1	26.5	198	43
EBITM	21.0	19.7	19.4	20.7	22.0	23.0	22.6	22.6	199	8
EBTM	22.3	23.8	24.4	25.8	27.9	29.3	28.3	29.4	361	111
PATM	18.0	18.7	19.9	23.8	23.0	24.7	23.8	25.2	135	132
Effective Tax rate	23.9	26.7	25.4	25.5	26.4	24.1	25.5	25.1	(41)	(40)

Source: Company, Emkay Research

Exhibit 3: Margin Analysis – Margin rose 43bps QOQ (up 198bps YoY) on lower RM and other expenses

Year-to-March	4QFY24	4QFY23	% change	3QFY24	% change
Raw material	53.5	55.7	(221)	54.0	(57)
Staff costs	7.7	6.6	107	7.4	30
Other expenses	12.3	13.2	(84)	12.5	(16)
EBIDTA	26.5	24.5	198	26.1	43
Net profit	25.2	23.8	135	23.8	132
Tax rate	25.1	25.5	(41)	25.5	(40)

Source: Company, Emkay Research

Exhibit 4: VECV Quarterly Snapshot – Volumes/Revenue stable YoY; margins down slightly by 20bps QoQ to 7.8%

(Rs mn)	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	YoY (%)	QoQ (%)
Volume	17,469	17,616	18,162	26,376	19,571	19,551	19,571	26,867	1.9	37.3
Revenue	39,340	42,150	46,039	62,000	49,910	51,290	54,830	62,650	1.0	14.3
EBITDA	2,070	2,490	3,150	6,190	3,870	4,040	4,370	4,870	(21.3)	11.4
PAT	620	810	1,163	3,190	1,810	1,850	2,100	2,470	(22.6)	17.6

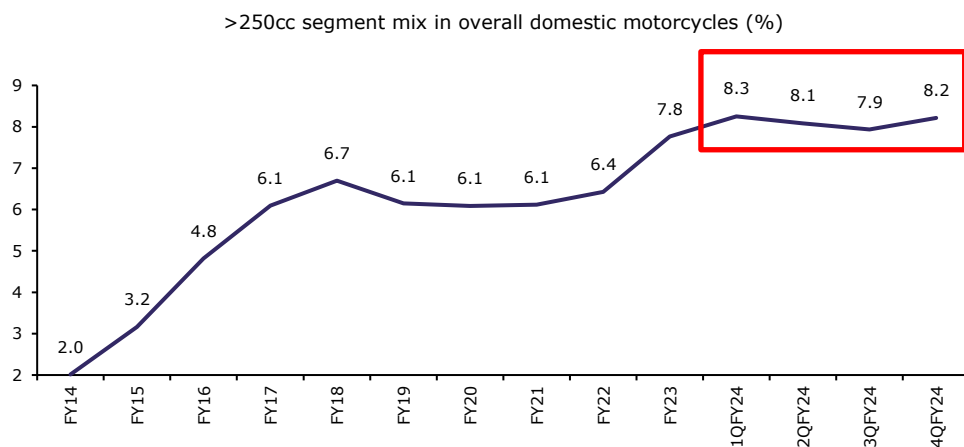
Margins (%)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q3FY24	YoY (bps)	QoQ (bps)
EBITDA	5.3	5.9	6.8	10.0	7.8	7.9	8.0	(221)	(20)
PAT	1.6	1.9	2.5	5.1	3.6	3.6	3.8	(120)	11

Source: Company, Emkay Research

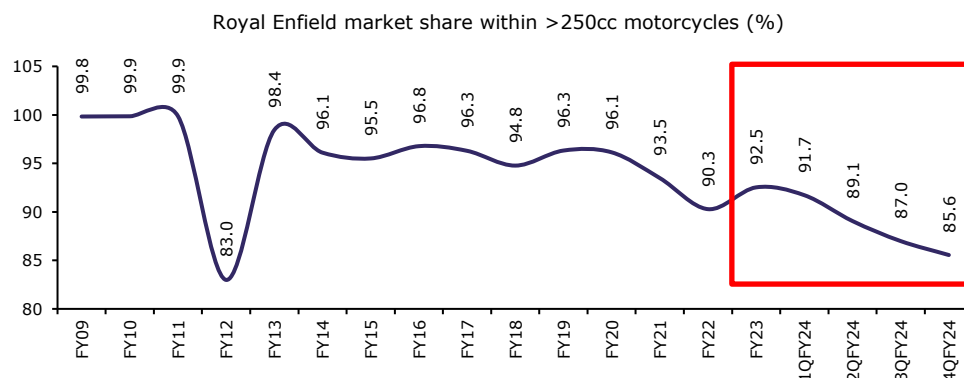
Exhibit 5: Actual vs. Estimates – In-line performance

(Rs mn)	Actual	Estimated	% Variance	Consensus	% Variance
Net sales	42,560	42,741	(0.4)	42,268	0.7
EBITDA	11,286	11,314	(0.2)	11,394	(0.9)
EBITDA margin (%)	26.5	26.3	22 bps	27.0	(44) bps
Adj. net income	10,705	10,915	(1.9)	10,682	0.2
EPS (Rs)	39.1	39.9	(2.0)	40.2	(2.8)

Source: Company, Bloomberg, Emkay Research

Exhibit 6: Segment share of over 250cc motorcycles is stabilizing

Source: SIAM, Emkay Research

Exhibit 7: Royal Enfield's (RE) market share in the over-250cc category has declined sharply

Source: SIAM, Emkay Research

Exhibit 8: BJAUT-Triumph and HMCL-Harley have strong ramp-up plans

Competitor	Ramp-up plan in premium motorcycles
BJAUT	Triumph stores to grow to ~150 by H1FY25 with product portfolio expansion being targeted in the latter half of the year.
HMCL	Capacity for 440cc platform, along with Karizma, to ramp up to 10k units p.m.

Source: Company, Emkay Research

Exhibit 9: Revenue model – We expect 8%/9% Revenue/EPS CAGR over FY24-26E

Revenue Model	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Avg. monthly volumes (units)	58,132	50,784	50,189	69,575	76,061	81,178	85,385
Domestic Volumes (units)	658,394	570,781	521,246	734,840	834,795	884,133	927,423
Growth (%)	-18.2	-13.3	-8.7	41.0	13.6	5.9	4.9
Export Volumes (units)	39,188	38,622	81,022	100,055	77,937	90,000	97,200
Growth (%)	88.2	-1.4	109.8	23.5	-22.1	15.5	8.0
Volumes (units)	697,582	609,403	602,268	834,895	912,732	974,133	1,024,623
Growth (%)	-15.6	-12.6	-1.2	38.6	9.3	6.7	5.2
ASP (Rs/unit)	130,128	141,434	168,079	168,484	176,154	181,889	183,851
Growth (%)	9.8	8.7	18.8	0.2	4.6	3.3	1.1
Revenues	91,536	87,204	102,978	144,422	165,358	183,184	194,378
Growth (%)	-6.6	-4.7	18.1	40.2	14.5	10.8	6.1
EBITDA	21,804	17,813	21,723	34,436	43,269	48,525	53,454
EBITDA margin (%)	23.8	20.4	21.1	23.8	26.2	26.5	27.5
EBITDA growth (%)	-24.9	-18.3	22.0	58.5	25.7	12.1	10.2
EBITDA/unit (Rs)	31,256	29,229	36,068	41,246	47,406	49,813	52,169
EBIT	23,421	17,837	21,611	35,125	48,052	52,923	57,306
EBIT margin (%)	25.6	20.5	21.0	24.3	29.1	28.9	29.5
S/A PAT (Rs)	19,038	13,297	15,862	26,226	37,494	40,616	42,713
Share of profits from JV/overseas subs	317	311	602	3,152	4,477	4,783	4,823
Consol. PAT	18,274	13,469	16,766	29,139	40,010	43,837	47,148
Consol. EPS (Rs)	67	49	61	107	147	161	175

Source: Emkay Research, Company

Exhibit 10: Change in estimates – We raise FY26E EPS by 5% on higher margins

Consolidated	FY24		FY25E				FY26E			
	Actual	% YoY	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY
Royal Enfield (Units)	912,732	9.3	972,317	974,133	0.2	6.7	997,164	1,024,623	2.8	5.2
VECV (Units)	85,560	7.5	89,174	87,572	(1.8)	2.4	90,957	88,522	(2.7)	1.1
Revenue	165,358	14.5	181,485	183,184	0.9	10.8	189,031	194,378	2.8	6.1
EBITDA	43,269	25.7	47,005	48,525	3.2	12.1	48,770	53,454	9.6	10.2
Margin (%)	26.2%	232 bps	25.9%	26.5%	59 bps	32 bps	25.8%	27.5%	170 bps	101 bps
APAT	40,010	37.3	43,846	43,837	0.0	9.6	44,819	47,148	5.2	7.6
Diluted Adj. EPS (Rs)	146.1	37.3	160.1	160.1	0.0	9.6	163.7	172.2	5.2	7.6

Source: Emkay Research

Exhibit 11: Emkay vs. Consensus

Eicher Motors	Emkay Estimates		Bloomberg Estimates		Difference (%)	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Net revenue	183,184	194,378	182,866	202,941	0.2%	-4.2%
EBITDA	48,525	53,454	48,807	54,418	-0.6%	-1.8%
EBITDA margin (%)	26.5	27.5	26.7	26.8	(20) bps	69 bps
EPS (Rs)	161.7	175.8	163.4	180.6	-1.1%	-2.7%

Source: Bloomberg, Emkay Research

This report is intended for team.emkay@whitemarquesolutions.com use and downloaded at 07/08/2024 11:06 AM

Emkay Research is also available on www.emkayglobal.com and Bloomberg EMKAY<GO>. Please refer to the last page of the report on Restrictions on Distribution. In Singapore, this research report or research analyses may only be distributed to Institutional Investors, Expert Investors or Accredited Investors as defined in the Securities and Futures Act, Chapter 289 of Singapore.

Eicher Motors: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Revenue	102,978	144,422	165,358	183,184	194,378
Revenue growth (%)	18.1	40.2	14.5	10.8	6.1
EBITDA	21,723	34,436	43,269	48,525	53,454
EBITDA growth (%)	22.0	58.5	25.7	12.1	10.2
Depreciation & Amortization	4,519	5,262	5,976	6,950	7,915
EBIT	17,203	29,174	37,293	41,575	45,539
EBIT growth (%)	29.3	69.6	27.8	11.5	9.5
Other operating income	0	0	0	0	0
Other income	4,408	5,951	10,759	11,348	11,767
Financial expense	188	280	509	502	493
PBT	21,424	34,845	47,543	52,421	56,813
Extraordinary items	0	0	0	0	0
Taxes	5,259	8,857	12,010	13,367	14,487
Minority interest	(602)	(3,152)	(4,477)	(4,783)	(4,823)
Income from JV/Associates	0	0	0	0	0
Reported PAT	16,766	29,139	40,010	43,837	47,148
PAT growth (%)	24.5	73.8	37.3	9.6	7.6
Adjusted PAT	16,766	29,139	40,010	43,837	47,148
Diluted EPS (Rs)	61.3	106.7	146.5	160.6	172.7
Diluted EPS growth (%)	24.4	74.0	37.3	9.6	7.6
DPS (Rs)	21.0	36.9	50.9	55.2	58.0
Dividend payout (%)	34.2	34.6	34.7	34.4	33.6
EBITDA margin (%)	21.1	23.8	26.2	26.5	27.5
EBIT margin (%)	16.7	20.2	22.6	22.7	23.4
Effective tax rate (%)	24.5	25.4	25.3	25.5	25.5
NOPLAT (pre-IndAS)	12,980	21,758	27,872	30,973	33,926
Shares outstanding (mn)	273.4	273.0	273.0	273.0	273.0

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
PBT	21,424	34,845	47,543	52,421	56,813
Others (non-cash items)	776	(3,153)	23,695	11,127	12,509
Taxes paid	(5,136)	(7,703)	(10,678)	(13,420)	(14,544)
Change in NWC	(1,793)	4,486	(23,322)	(752)	(978)
Operating cash flow	15,270	28,475	37,237	49,375	53,799
Capital expenditure	(6,387)	(6,737)	(8,144)	(8,984)	(9,041)
Acquisition of business	(7,702)	(19,932)	(22,447)	(20,000)	(20,000)
Interest & dividend income	4,256	2,453	0	0	0
Investing cash flow	(9,833)	(24,216)	(28,520)	(28,984)	(29,041)
Equity raised/(repaid)	65	0	0	0	0
Debt raised/(repaid)	(1,046)	1,369	799	177	6
Payment of lease liabilities	(170)	(189)	0	0	0
Interest paid	(142)	(280)	(509)	(502)	(493)
Dividend paid (incl tax)	(4,647)	(10,115)	(13,942)	(15,103)	(15,883)
Others	(30,578)	(13,697)	(2,174)	1,161	779
Financing cash flow	(36,517)	(22,912)	(15,826)	(14,268)	(15,590)
Net chg in Cash	(31,079)	(18,654)	(7,108)	6,124	9,167
OCF	15,270	28,475	37,237	49,375	53,799
Adj. OCF (w/o NWC chg.)	17,064	23,989	60,559	50,128	54,777
FCFF	8,883	21,738	29,094	40,392	44,758
FCFE	12,952	23,910	28,585	39,889	44,264
OCF/EBITDA (%)	70.3	82.7	86.1	101.8	100.6
FCFE/PAT (%)	77.3	82.1	71.4	91.0	93.9
FCFF/NOPLAT (%)	68.4	99.9	104.4	130.4	131.9

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Share capital	273	274	274	274	274
Reserves & Surplus	125,807	149,629	180,182	208,915	240,181
Net worth	126,080	149,903	180,455	209,189	240,454
Minority interests	0	0	0	0	0
Deferred tax liability (net)	2,201	2,913	4,483	4,430	4,374
Total debt	588	1,957	2,756	2,933	2,939
Total liabilities & equity	128,869	154,773	187,694	216,552	247,767
Net tangible fixed assets	19,108	21,765	24,009	25,503	26,588
Net intangible assets	3,298	3,298	3,298	3,298	3,298
Net ROU assets	1,837	1,837	1,837	1,837	1,837
Capital WIP	5,048	4,721	5,551	6,091	6,132
Goodwill	0	0	0	0	0
Investments [JV/Associates]	19,671	22,284	25,785	25,785	25,785
Cash & equivalents	84,759	109,494	110,948	137,072	166,239
Current assets (ex-cash)	27,677	28,578	59,724	66,162	70,738
Current Liab. & Prov.	32,529	37,204	43,457	49,196	52,850
NWC (ex-cash)	(4,852)	(8,626)	16,267	16,966	17,888
Total assets	128,869	154,773	187,694	216,552	247,767
Net debt	(84,171)	(107,537)	(108,192)	(134,139)	(163,300)
Capital employed	128,869	154,773	187,694	216,552	247,767
Invested capital	19,391	18,274	45,410	47,604	49,611
BVPS (Rs)	460.5	547.5	659.0	764.0	878.2
Net Debt/Equity (x)	(0.7)	(0.7)	(0.6)	(0.6)	(0.7)
Net Debt/EBITDA (x)	(3.9)	(3.1)	(2.5)	(2.8)	(3.1)
Interest coverage (x)	0.0	0.0	0.0	0.0	0.0
RoCE (%)	13.1	18.6	21.0	19.6	18.5

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY22	FY23	FY24	FY25E	FY26E
P/E (x)	76.3	43.9	32.0	29.2	27.1
P/CE(x)	60.1	37.2	27.8	25.2	23.2
P/B (x)	10.1	8.5	7.1	6.1	5.3
EV/Sales (x)	11.6	8.1	7.1	6.2	5.7
EV/EBITDA (x)	55.0	34.0	27.1	23.6	20.9
EV/EBIT(x)	69.3	40.0	31.3	27.4	24.4
EV/IC (x)	61.5	63.9	25.7	24.0	22.4
FCFF yield (%)	0.7	1.9	2.5	3.5	4.0
FCFE yield (%)	1.0	1.9	2.2	3.1	3.5
Dividend yield (%)	0.4	0.8	1.1	1.2	1.2
DuPont-RoE split					
Net profit margin (%)	16.3	20.2	24.2	23.9	24.3
Total asset turnover (x)	0.8	1.0	1.0	0.9	0.8
Assets/Equity (x)	1.0	1.0	1.0	1.0	1.0
RoE (%)	13.9	21.1	24.2	22.5	21.0
DuPont-RoIC					
NOPLAT margin (%)	12.6	15.1	16.9	16.9	17.5
IC turnover (x)	5.3	7.9	3.6	3.8	3.9
RoIC (%)	70.0	115.5	87.5	66.6	69.8
Operating metrics					
Core NWC days	(17.2)	(21.8)	35.9	33.8	33.6
Total NWC days	(17.2)	(21.8)	35.9	33.8	33.6
Fixed asset turnover	2.4	3.0	3.0	2.9	2.7
Opex-to-revenue (%)	21.1	19.3	19.5	19.2	18.5

Source: Company, Emkay Research

This report is intended for team.emkay@whitemarquesolutions.com use and downloaded at 07/08/2024 11:06 AM

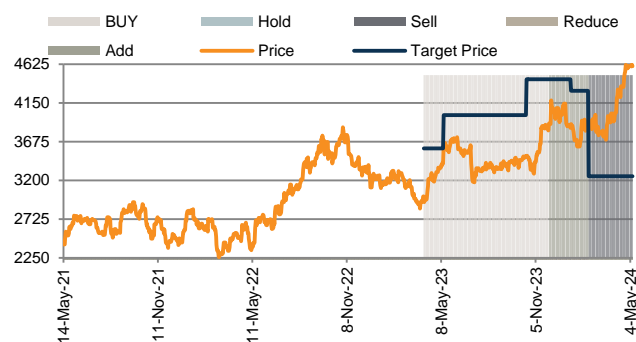
Emkay Research is also available on www.emkayglobal.com and Bloomberg EMKAY<GO>. Please refer to the last page of the report on Restrictions on Distribution. In Singapore, this research report or research analyses may only be distributed to Institutional Investors, Expert Investors or Accredited Investors as defined in the Securities and Futures Act, Chapter 289 of Singapore.

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
14-Feb-24	3,902	3,250	Sell	Chirag Jain
11-Jan-24	3,889	4,300	Add	Chirag Jain
30-Nov-23	3,897	4,440	Add	Chirag Jain
13-Nov-23	3,645	4,440	Buy	Chirag Jain
18-Oct-23	3,496	4,440	Buy	Chirag Jain
03-Aug-23	3,380	4,000	Buy	Chirag Jain
12-May-23	3,626	4,000	Buy	Chirag Jain
04-Apr-23	3,004	3,590	Buy	Chirag Jain

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Ltd (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) (hereinafter referred to as "Stock Exchange(s)"). EGFSL along with its [affiliates] offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.emkayglobal.com.

EGFSL is registered as Research Analyst with the Securities and Exchange Board of India ("SEBI") bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any Stock Exchange nor its activities were suspended by any Stock Exchange with whom it is registered in last five years. However, SEBI and Stock Exchanges had conducted their routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to its existing clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the clients simultaneously, not all clients may receive this report at the same time. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient.

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. EGFSL may have issued or may issue other reports (on technical or fundamental analysis basis) of the same subject company that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Users of this report may visit www.emkayglobal.com to view all Research Reports of EGFSL. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of EGFSL; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its affiliates. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

This report has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research report relating to any issuer/subject company.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Disclaimer for U.S. persons only: Research report is a product of Emkay Global Financial Services Ltd., under Marco Polo Securities 15a6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of Financial Institutions Regulatory Authority (FINRA) or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors. Emkay Global Financial Services Ltd. has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

RESTRICTIONS ON DISTRIBUTION

This report is not directed to, 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 or regulation. Except otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom.

ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associated persons¹ may have served as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate may have Financial Interests² in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

¹ An associated person is defined as (i) who reports directly or indirectly to such a research analyst in connection with the preparation of the reports; or (ii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

² Financial Interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her associate/relative's may have Financial Interest/proprietary positions in the securities recommended in this report as of May 12, 2024
- EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Report
Disclosure of previous investment recommendation produced:
- EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's may have material conflict of interest in the securities recommended in this report as of May 12, 2024
- EGFSL, its affiliates and Research Analyst or his/her associate/relative's may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the May 12, 2024
- EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
- EGFSL, its affiliates and Research Analyst or his/her associate may have received compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
- EGFSL, its affiliates and/or and Research Analyst or his/her associate may have received any compensation or other benefits from the subject company or third party in connection with this research report.

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	<15% downside

Emkay Global Financial Services Ltd.

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India
Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

OTHER DISCLAIMERS AND DISCLOSURES:**Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) :-**

EGFSL or its associates may have financial interest in the subject company.

Research Analyst or his/her associate/relative's may have financial interest in the subject company.

EGFSL or its associates and Research Analyst or his/her associate/ relative's may have material conflict of interest in the subject company. The research Analyst or research entity (EGFSL) have not been engaged in market making activity for the subject company.

EGFSL or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst or his/her associate/relatives may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst may have served as an officer, director or employee of the subject company.

EGFSL or its affiliates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. . Emkay may have issued or may issue other reports that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Emkay Investors may visit www.emkayglobal.com to view all Research Reports. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of Emkay; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. EGFSL or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. EGFSL or its associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. EGFSL or its associates may have received compensation from the subject company in the past twelve months. Subject Company may have been client of EGFSL or its affiliates during twelve months preceding the date of distribution of the research report and EGFSL or its affiliates may have co-managed public offering of securities for the subject company in the past twelve months.