

Strong underlying margins; high valuations limit upside

Auto & Auto Ancillaries ▶ Result Update ▶ October 24, 2024

TARGET PRICE (Rs): 2,600

TVSL posted a ~3% miss on consensus EBITDA amid 2% lower ASPs QoQ (due to introduction of the lower-priced E-2W variant as a response to the heavy competition in the industry). Management indicated a healthy 11% industry growth during Navratras (vs 4% in the entire festive so far), and expects improvement during the Dhanteras-Diwali period; Q3 industry growth is seen at ~7-8% YoY, with TVSL's outperformance expected to continue. TVSL has been outperforming peers given its recently launched Jupiter 110cc receiving a fairly strong response. Notably, adjusted for the PLI incentive, the company's margins would be ~13% for Q2 vs ~12.5% in Q1 (reported margins for Q2 at 11.7%), which is commendable considering the hyper price-based competition under way in E-2Ws. We marginally trim FY26E/27E EPS and retain ADD on the stock with SoTP based TP of Rs2,600 (on 30x Sep-26E core PER + Rs174 for the captive finance arm). TVSL's competitive positioning continues to improve, with market-share gains during Q2; however, implied valuations at ~29x core Sep-26E PER limit the upside.

TVS Motor: Financial Snapshot (Standalone)

Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Revenue	263,781	317,764	360,146	416,329	463,988
EBITDA	26,717	35,141	43,405	55,449	64,039
Adj. PAT	14,881	20,830	27,463	36,073	42,204
Adj. EPS (Rs)	31.3	43.8	57.8	75.9	88.8
EBITDA margin (%)	10.1	11.1	12.1	13.3	13.8
EBITDA growth (%)	36.2	31.5	23.5	27.7	15.5
Adj. EPS growth (%)	66.5	40.0	31.8	31.4	17.0
RoE (%)	27.4	30.2	31.6	33.0	30.9
RoIC (%)	77.6	120.1	264.8	285.7	253.1
P/E (x)	81.8	58.5	44.3	33.8	28.9
EV/EBITDA (x)	46.5	34.9	28.0	21.6	18.5
P/B (x)	20.1	15.8	12.6	10.0	8.0
FCFF yield (%)	0.8	2.0	1.9	2.6	3.1

Source: Company, Emkay Research

Revenue miss on lower ASPs driving the 3% miss on EBITDA

Revenue/volume grew 13%/14% YoY (3% below our estimate), with ASPs down 2% QoQ due to introduction of the lower-priced iQube variant. EBITDA was up 20% YoY to ~Rs10.8bn, coming 3.3%/2% below consensus/our estimates. Gross margin was flattish QoQ, amid benign RM costs and a 30bps QoQ decline in staff costs. EBITDA margin grew by 24bps QoQ to 11.7% (below consensus estimate). PAT stood ~6% lower than our estimate amid a miss on EBITDA, a lower than expected other income, and a higher than expected interest cost.

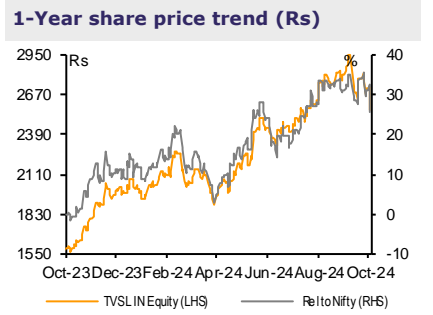
Earnings Call KTAs

1) Management highlighted expectations of 7-8% growth in the 2W industry in Q3 (industry growth during festive so far is 4%, including 11% during Navratras; TVSL has outperformed peers and expects pick-up in the run up to Diwali on the back of good monsoons and reservoir levels amid signs of rural recovery (slightly ahead of urban growth this year; TVSL is hopeful of rural performing in line with urban this year). The company expects to continue outperforming the industry. 2) TVSL believes that the worst is behind for 2Ws in export markets like Africa (~57% contribution in H1FY25), though recovery in 3Ws would begin from Q3/Q4. Other regions like Latin America, Middle East, and Asia (except Bangladesh) are seen doing well, with international retails ahead of wholesales for TVSL. 4) It targets ahead-of-industry growth in the E-2W segment backed by expanding product offerings and distribution (currently at 750 touchpoints); it has launched the 2.2KwH iQube variant from H1; it would be launching a new product in FY25 for addressing the new segment; a new E-3W is also likely to be launched soon; iQube exports to the ASEAN market have commenced; it expects India to be a major export hub. 5) EVs are contribution-margin-positive, with the bottom line expected to grow with increase in EV revenue (which is Rs.16bn for H1); 5) Raider continues to receive good traction; initial response to the new 110cc Jupiter variant has been good. The company has R&D capabilities around other powertrains and would monitor response to CNG 2Ws before going ahead with development. 6) All of TVSL's E-2W products are eligible for PLI, though revenue recognition is yet to take place. 7) TVSL is confident of further margin expansion on the back of volume growth, better product mix, and continued efforts toward cost reduction. 8) Spares/exports revenue was Rs9.3bn and Rs22.3bn, respectively. 9) In Q2, staff costs included an ESOP provision of Rs110mn; other income included fair value gain of Rs230mn. 10) Capex guidance is Rs12-14bn for FY25, with investment at Rs15bn.

Target Price – 12M	Sep-25
Change in TP (%)	-
Current Reco.	ADD
Previous Reco.	ADD
Upside/(Downside) (%)	1.4
CMP (23-Oct-24) (Rs)	2,563.0

Stock Data	Ticker
52-week High (Rs)	2,958
52-week Low (Rs)	1,548
Shares outstanding (mn)	475.1
Market-cap (Rs bn)	1,218
Market-cap (USD mn)	14,482
Net-debt, FY25E (Rs mn)	-3,373
ADTV-3M (mn shares)	1
ADTV-3M (Rs mn)	2,600.9
ADTV-3M (USD mn)	30.9
Free float (%)	49.7
Nifty-50	24,436
INR/USD	84.1
Shareholding, Jun-24	
Promoters (%)	50.3
FPIs/MFs (%)	21.1/20.1

Price Performance			
(%)	1M	3M	12M
Absolute	(9.9)	3.7	61.7
Rel. to Nifty	(4.4)	3.9	27.6



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

Omkar Rane

omkar.rane@emkayglobal.com
+91 22 6624 2414

Exhibit 1: Q2FY25 – Revenue and volume grew 13% and 14% YoY, respectively, while ASPs were down 2% QoQ; margin up by ~20bps QoQ

(Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	YoY (%)	QoQ (%)
Revenue	72,179	81,446	82,450	81,688	83,756	92,282	13.3	10.2
Expenditure	64,542	72,449	73,206	72,427	74,154	81,484	12.5	9.9
as % of sales	89.4	89.0	88.8	88.7	88.5	88.3		
Consumption of RM	53,818	60,276	60,756	59,440	59,804	66,017	9.5	10.4
as % of sales	74.6	74.0	73.7	72.8	71.4	71.5		
Employee Cost	3,789	3,929	4,036	4,205	4,788	4,967	26.4	3.8
as % of sales	5.2	4.8	4.9	5.1	5.7	5.4		
Other expenditure	6,935	8,244	8,414	8,782	9,563	10,499	27.4	9.8
as % of sales	9.6	10.1	10.2	10.8	11.4	11.4		
EBITDA	7,638	8,998	9,244	9,262	9,602	10,799	20.0	12.5
EBITDA margin (%)	10.6	11.0	11.2	11.3	11.5	11.7		
Depreciation	1,636	1,701	1,781	1,887	1,763	1,806	6.2	2.4
EBIT	6,002	7,297	7,464	7,375	7,838	8,993	23.2	14.7
Other Income	576	462	734	(287)	363	299	(35.3)	(17.6)
Interest	474	523	448	372	372	319	(39.0)	(14.3)
PBT	6,104	7,237	7,750	6,716	7,829	8,973	24.0	14.6
Total Tax	1,427	1,871	1,817	1,862	2,056	2,346	25.4	14.1
Adjusted PAT	4,677	5,366	5,934	4,854	5,773	6,627	23.5	14.8
Extra ordinary items	-	-	-	-	-	-		
Reported PAT	4,677	5,366	5,934	4,854	5,773	6,627	23.5	14.8
Adjusted EPS (Rs)	9.8	11.3	12.5	10.2	12.2	13.9	23.5	14.8
(%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	YoY (bps)	QoQ (bps)
EBITDAM	10.6	11.0	11.2	11.3	11.5	11.7	65	24
EBITM	8.3	9.0	9.1	9.0	9.4	9.7	79	39
EBTM	8.5	8.9	9.4	8.2	9.3	9.7	84	38
PATM	6.5	6.6	7.2	5.9	6.9	7.2	59	29
Effective Tax rate	23.4	25.9	23.4	27.7	26.3	26.1	29	(11)

Source: Company, Emkay Research

Exhibit 2: Estimates – Emkay vs Consensus

(Rs mn)	Actual	Estimated	% Variance	Consensus	Variance
Net sales	92,282	94,883	(2.7)	94,191	(2.0)
EBITDA	10,799	11,006	(1.9)	11,170	(3.3)
Margin (%)	11.7	11.6	10 bps	11.9	-16 bps
Adj net income	6,627	7,067	(6.2)	6,955	(4.7)

Source: Company, Bloomberg, Emkay Research

Exhibit 3: RM costs and other expenses flattish, while Staff costs decline by 30bps QoQ

Margin analysis (Rs mn)	Q2FY25	Q2FY24	bps change	Q1FY25	bps change
Raw material costs	71.5	74.0	(247)	71.4	14
Staff costs	5.4	4.8	56	5.7	(33)
Other expenses	11.4	10.1	126	11.4	(4)
EBITDA	11.7	11.0	65	11.5	24
Adjusted net profit	7.2	6.6	59	6.9	29
Tax rate (%)	26.1	25.9	29	26.3	(11)

Source: Company, Emkay Research

Exhibit 4: Volume Analysis – Around 14% growth in overall volumes YoY, with ASPs down 2% QoQ

Volume (no of units)	Q2FY25	Q2FY24	% change	Q1FY25	% change
Total volumes	1,227,923	1,074,378	14.3	1,087,175	12.9
Motorcycles	560,828	493,427	13.7	514,438	9.0
Scooters	490,375	419,969	16.8	418,417	17.2
Mopeds	139,106	117,976	17.9	123,495	12.6
Three-wheelers	37,914	43,006	(11.8)	30,825	23.0
Export volumes	308,572	277,022	11.4	253,548	21.7
Realization (Rs)	75,153	75,808	(0.9)	77,040	(2.4)

Source: Company, Emkay Research

Exhibit 5: As per our workings, TVSL's reported margin of 11.6% in H1 could have been higher by ~120bps, including the PLI incentive benefit

(Rs mn)	Q1FY25	Q2FY25	H1FY25
EV volumes (no of units)	51,936	75,122	127,058
EV ASP (Rs/unit)	125,927	125,927	125,927
EV revenue	6,540	9,460	16,000
PLI incentive assumed at 13% of sales	850	1,230	2,080
Reported EBITDA	9,602	10,799	20,400
Reported revenue	83,756	92,282	176,038
Reported EBITDA margin (%)	11.5	11.7	11.6
EBITDA, incl PLI incentive	10,452	12,028	22,480
EBITDA margin, incl PLI (%)	12.5	13.0	12.8

Source: Company, Emkay Research; Note: Assuming uniform EV ASP through H1; assumed PLI incentive at 13% of EV sales value

Exhibit 6: 2W industry's product mix continues to see a shift toward scooters, amid decline in share of motorcycles

Industry mix (%)	FY21	FY22	FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25
Domestic Motorcycles	54.5	50.2	52.4	55.5	53.0	55.3	53.7	54.1	51.6
Up to 110cc	29.3	27.7	26.8	27.2	25.7	27.2	25.3	25.4	24.2
110-125cc	13.2	12.3	13.8	15.5	14.6	14.8	14.8	15.5	15.5
125-150cc	2.9	2.1	2.1	2.2	1.9	2.7	3.1	3.0	2.9
Over 150cc	9.1	8.0	9.8	10.6	10.7	10.6	10.5	10.3	9.0
Domestic Scooters	24.4	22.4	26.6	26.3	28.5	26.9	27.1	28.2	29.5
Domestic Mopeds	3.4	2.6	2.3	2.1	2.1	2.4	2.3	2.1	2.2
Domestic 2Ws	82.2	75.2	81.3	84.0	83.7	84.7	83.1	84.4	83.3
Export 2Ws	17.8	24.8	18.7	16.0	16.3	15.3	16.9	15.6	16.7
Total 2Ws	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: SIAM, Emkay Research

Exhibit 7: TVSL's 2W product mix – Relatively better vs the industry's, with increasing share of scooters and exports

TVSL mix (%)	FY21	FY22	FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25
Domestic Motorcycles	21.4	22.6	25.9	32.2	28.0	31.6	29.4	30.2	25.9
Up to 110cc	10.2	9.6	9.0	9.4	8.3	9.3	7.0	7.0	8.7
110-125cc	-	2.4	6.8	10.9	12.4	11.9	12.0	11.2	8.0
125-150cc	-	-	-	-	-	-	-	-	-
Over 150cc	11.2	10.5	10.1	11.9	7.3	10.3	10.4	12.0	9.2
Domestic Scooters	31.4	27.6	35.5	34.8	37.4	35.4	35.7	36.6	39.3
Domestic Mopeds	21.1	15.1	12.6	11.5	11.4	12.7	12.0	11.6	11.5
Domestic 2Ws	73.9	65.3	74.0	78.6	76.8	79.7	77.1	78.4	76.7
Export 2Ws	26.1	34.7	26.0	21.4	23.2	20.3	22.9	21.6	23.3
Total 2Ws	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: SIAM, Emkay Research

This report is intended for team.emkay@whitemarquesolutions.com use and downloaded at 11/01/2024 10:17 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.

Exhibit 8: TVSL's Product Mix – Continued shift toward scooters and exports, with decrease in share of domestic motorcycles

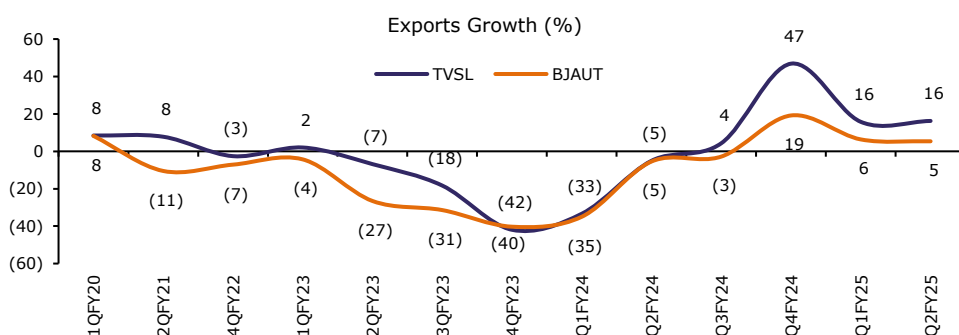
TVSL Mix (%)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25
Domestic 2Ws	70.6	71.5	78.2	75.7	73.7	76.9	74.9	76.2	74.3
Domestic Motorcycles	24.5	27.9	29.9	31.1	26.9	30.5	28.6	29.3	25.1
Domestic Scooters	34.7	31.6	35.7	33.6	35.9	34.2	34.7	35.6	38.0
Domestic Mopeds	11.3	11.9	12.5	11.0	11.0	12.3	11.7	11.3	11.2
Exports 2Ws	24.5	23.5	18.5	20.7	22.2	19.6	22.2	21.0	22.6
Total 2Ws	95.1	95.1	96.7	96.4	96.0	96.5	97.1	97.2	96.9
Domestic 3Ws	0.4	0.5	0.5	0.5	0.5	0.5	0.6	0.5	0.6
Export 3Ws	4.5	4.5	2.9	3.2	3.5	3.0	2.3	2.3	2.5
Total 3Ws	4.9	4.9	3.3	3.6	4.0	3.5	2.9	2.8	3.1
Total domestic	71.0	72.0	78.6	76.1	74.2	77.4	75.5	76.7	74.9
Total exports	29.0	28.0	21.4	23.9	25.8	22.6	24.5	23.3	25.1
Total Volumes	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Company, Emkay Research

Exhibit 9: TVSL's domestic scooters and economy motorcycle market share has improved; amid market share loss in the 125cc segment

TVSL market share (%)	FY21	FY22	FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25
Domestic Motorcycles	6.3	7.9	8.9	10.8	9.9	10.8	10.4	10.0	9.6
Up to 110cc	5.5	6.1	6.1	6.5	6.1	6.5	5.3	4.9	6.9
110-125cc	-	3.5	8.9	13.1	15.9	15.3	15.4	12.9	9.8
125-150cc	-	-	-	-	-	-	-	-	-
Over 150cc	19.6	22.9	18.6	20.9	12.7	18.6	18.9	21.0	19.6
Domestic Scooters	20.5	21.6	24.0	24.7	24.6	25.0	25.1	23.2	25.5
Domestic Mopeds	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Domestic 2Ws	14.3	15.2	16.4	17.4	17.2	17.9	17.7	16.6	17.6
Export 2Ws	23.3	24.5	25.1	24.9	26.7	25.2	25.8	24.7	26.8
Total 2Ws	15.9	17.5	18.0	18.6	18.8	19.0	19.0	17.9	19.2
Domestic 3Ws	3.8	3.4	3.3	3.0	2.6	2.8	3.7	3.2	3.4
Export 3Ws	29.3	32.6	41.9	41.5	46.4	43.8	34.6	35.8	37.5
Total 3Ws	20.2	22.6	19.8	16.0	15.5	14.5	12.9	13.0	13.0

Source: SIAM, Emkay Research

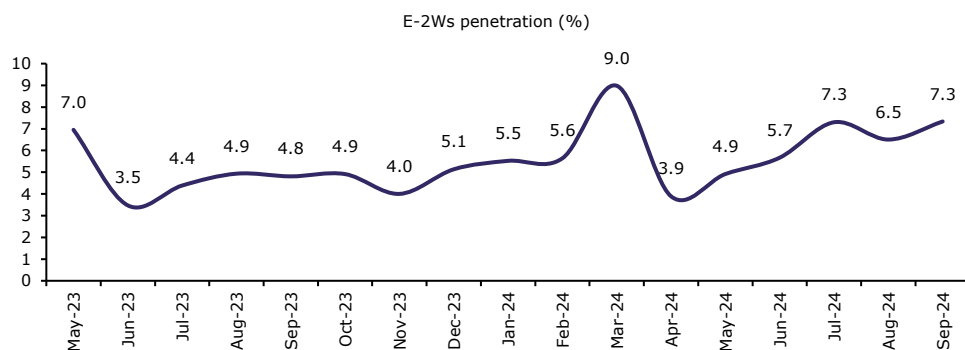
Exhibit 10: TVSL continues to outperform BJAUT in exports

Source: SIAM, Emkay Research

Exhibit 11: TVSL has consistently gained market share over the past two quarters; now converging toward the previous highs

E-2Ws - Mkt Share (%)	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
Ola Electric	29.3	31.7	32.6	40.1	39.3	41.0	37.9	52.0	48.2	45.9	38.6	30.9	27.2
TVS Motor	24.6	22.1	21.0	16.4	18.9	17.8	19.2	12.0	15.6	17.8	18.4	20.0	20.3
Ather Energy	11.3	11.4	10.3	8.7	11.6	11.1	12.6	6.4	8.1	7.9	9.6	12.5	14.3
Bajaj Auto	11.2	12.2	13.1	14.0	13.5	14.4	13.1	11.8	12.2	11.5	16.7	19.1	21.5
Hero MotoCorp	0.8	2.6	3.3	2.1	1.8	2.1	2.9	1.5	3.2	3.8	4.7	5.3	4.7
Okinawa	2.8	1.9	1.7	1.3	0.8	0.8	0.5	0.9	0.6	0.5	0.3	0.2	0.2
Okaya	1.3	1.1	1.3	0.9	0.6	0.8	0.8	0.5	0.6	0.6	0.4	0.4	0.3
Kinetic Green	0.4	0.5	0.5	0.9	1.0	0.8	2.8	0.7	0.6	0.6	0.6	0.4	0.5
Ampere	0.8	0.5	0.3	0.5	0.2	0.1	0.1	0.3	0.1	0.1	0.0	0.1	0.1
Hero Electric	1.3	0.8	0.9	0.7	0.5	0.4	0.2	0.4	0.4	0.3	0.3	0.2	0.2
Greaves Electric Mobility	5.5	5.5	4.5	3.8	2.7	2.8	2.0	3.7	2.4	3.3	2.8	3.0	3.0
Bgauss Auto	1.5	1.6	1.8	1.6	1.8	1.7	2.3	1.1	1.5	1.4	1.7	1.3	1.4
Chetak Technology	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pur Electric	0.8	0.6	0.9	0.8	0.7	0.6	0.3	0.5	0.5	0.4	0.3	0.3	0.3
Wardwizard Innovations	1.0	1.1	1.2	1.6	1.1	0.9	0.7	1.7	1.5	1.0	0.7	0.8	0.7
Others	7.4	6.3	6.6	6.6	5.4	4.6	4.6	6.6	4.5	4.9	4.7	5.5	5.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Vahan, Emkay Research

Exhibit 12: E-2W industry penetration has been stagnant at 7.3%

Source: Vahan, Emkay Research

Exhibit 13: Revenue Model – We build in 13%/27% revenue/EPS CAGR over FY24-27E

Revenue Model	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Domestic 2Ws (units)	3,136,532	2,410,758	2,164,228	2,047,564	2,597,936	3,157,040	3,536,660	3,833,627	4,158,322
Growth (%)	109.1	(23.1)	(10.2)	(5.4)	26.9	21.5	12.0	8.4	8.5
Scooters incl EV (units)	1,241,366	1,018,427	919,325	866,851	1,245,993	1,451,409	1,726,098	1,874,533	2,059,484
Growth (%)	#DIV/0!	(18.0)	(9.7)	(5.7)	43.7	16.5	18.9	8.6	9.9
Motorcycles (units)	1,014,923	755,391	627,656	707,563	910,376	1,223,828	1,280,251	1,396,902	1,508,537
Growth (%)	153.3	(25.6)	(16.9)	12.7	28.7	34.4	4.6	9.1	8.0
Mopeds (units)	880,243	636,940	617,247	473,150	441,567	481,803	530,311	562,192	590,301
Growth (%)	(19.9)	(27.6)	(3.1)	(23.3)	(6.7)	9.1	10.1	6.0	5.0
Domestic 3Ws (units)	16,715	11,934	8,266	8,823	16,075	20,791	24,949	26,197	26,983
Growth (%)	(99.4)	(28.6)	(30.7)	6.7	82.2	29.3	20.0	5.0	3.0
Domestic Total (units)	3,153,247	2,422,692	2,172,494	2,056,387	2,614,011	3,177,831	3,561,610	3,859,824	4,185,305
Growth (%)	(27.9)	(23.2)	(10.3)	(5.3)	27.1	21.6	12.1	8.4	8.4
Export 2Ws (units)	622,019	678,841	764,039	1,090,139	915,018	887,774	1,029,818	1,256,378	1,382,016
Growth (%)	3,472.4	9.1	12.6	42.7	(16.1)	(3.0)	16.0	22.0	10.0
Export 3Ws (units)	139,719	161,927	115,330	163,052	153,039	125,379	112,841	146,693	168,697
Growth (%)	(71.6)	15.9	(28.8)	41.4	(6.1)	(18.1)	(10.0)	30.0	15.0
Export Total (units)	761,738	840,768	879,369	1,253,191	1,068,057	1,013,153	1,142,659	1,403,071	1,550,713
Growth (%)	49.5	10.4	4.6	42.5	(14.8)	(5.1)	12.8	22.8	10.5
Volumes (units)	3,914,985	3,263,460	3,051,863	3,309,578	3,682,068	4,190,984	4,704,269	5,262,895	5,736,018
Growth (%)	(19.9)	(16.6)	(6.5)	8.4	11.3	13.8	12.2	11.9	9.0
ASP (Rs/unit)	46,529	50,327	54,886	62,819	71,639	75,821	76,557	79,106	80,890
Growth (%)	6.3	8.2	9.1	14.5	14.0	5.8	1.0	3.3	2.3
Revenues	182,099	164,233	167,505	207,905	263,781	317,764	360,146	416,329	463,988
Growth (%)	20.0	(9.8)	2.0	24.1	26.9	20.5	13.3	15.6	11.4
EBITDA	14,333	13,459	14,286	19,617	26,717	35,141	43,405	55,449	64,039
EBITDA margin (%)	7.9	8.2	8.5	9.4	10.1	11.1	12.1	13.3	13.8
EBITDA growth (%)	22.0	(6.1)	6.1	37.3	36.2	31.5	23.5	27.7	15.5
EBITDA/unit (Rs)	3,661	4,124	4,681	5,927	7,256	8,385	9,227	10,536	11,164
EBIT	10,415	8,889	9,678	13,693	21,411	29,623	37,764	49,026	57,055
EBIT margin (%)	5.7	5.4	5.8	6.6	8.1	9.3	10.5	11.8	12.3
EPS (Rs)	14.1	13.0	12.9	19.4	31.3	43.8	57.8	75.9	88.8

Source: Company, Emkay Research

Exhibit 14: We trim FY25E EPS by ~5%, on lower ASPs QoQ, with a ~1-2% cut in FY26E/27E EPS

(Rs mn) / No of units	FY25E				FY26E				FY27E			
	Earlier	Revised	% Chg	% YoY	Earlier	Revised	% Chg	% YoY	Earlier	Revised	% Chg	% YoY
Domestic 2Ws	3,481,769	3,536,660	1.6	12.0	3,902,413	3,833,627	(1.8)	8.4	4,239,751	4,158,322	(1.9)	8.5
Domestic 3Ws	23,286	24,949	7.1	20.0	24,450	26,197	7.1	5.0	25,184	26,983	7.1	3.0
Total Domestic	3,505,055	3,561,610	1.6	12.1	3,926,863	3,859,824	(1.7)	8.4	4,264,934	4,185,305	(1.9)	8.4
Export 2Ws	1,029,818	1,029,818	(0.0)	16.0	1,256,378	1,256,378	(0.0)	22.0	1,382,016	1,382,016	(0.0)	10.0
Export 3Ws	119,110	112,841	(5.3)	(10.0)	148,888	146,693	(1.5)	30.0	171,221	168,697	(1.5)	15.0
Total Exports	1,148,928	1,142,659	(0.5)	12.8	1,405,265	1,403,071	(0.2)	22.8	1,553,236	1,550,713	(0.2)	10.5
Total Volumes	4,653,983	4,704,269	1.1	12.2	5,332,128	5,262,895	(1.3)	11.9	5,818,171	5,736,018	(1.4)	9.0
ASP (Rs/unit)	77,708	76,557	(1.5)	1.0	79,498	79,106	(0.5)	3.3	81,295	80,890	(0.5)	2.3
Sales (Rs mn)	361,651	360,146	(0.4)	13.3	423,891	416,329	(1.8)	15.6	472,987	463,988	(1.9)	11.4
EBITDA (Rs mn)	45,023	43,405	(3.6)	23.5	56,463	55,449	(1.8)	27.7	65,294	64,039	(1.9)	15.5
- Margin (%)	12.4	12.1	(40)bps	99bps	13.3	13.3	(0)bps	127bps	13.8	13.8	(0)bps	48bps
Net Profit (Rs mn)	29,016	27,463	(5.4)	31.8	36,661	36,073	(1.6)	31.4	42,687	42,204	(1.1)	17.0
EPS (Rs)	61.1	57.8	(5.4)	31.8	77.2	75.9	(1.6)	31.4	89.8	88.8	(1.1)	17.0

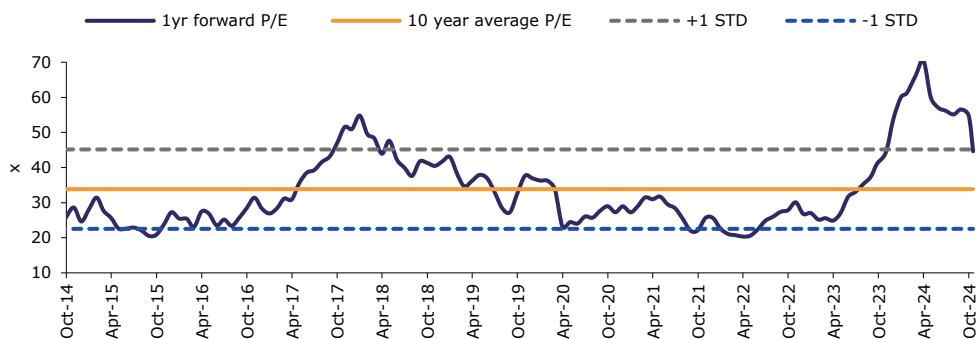
Source: Emkay Research

Exhibit 15: Emkay Vs Consensus

(Rs mn)	Emkay Estimates			Consensus Estimates			Difference		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Net revenue	369,545	431,725	483,819	366,884	420,886	459,052	0.7%	2.6%	5.4%
EBITDA	44,447	57,374	66,645	43,654	52,374	60,899	1.8%	9.5%	9.4%
EBITDA margin (%)	12.0	13.3	13.8	11.9	12.4	13.3			
EPS (Rs)	59.5	79.0	93.0	56.3	69.9	81.8	5.7%	13.0%	13.8%

Source: Bloomberg, Emkay Research

Exhibit 16: TVSL is currently trading at 1SDA above its LTA



Source: Bloomberg, Emkay Research

TVS Motor: Standalone Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Revenue	263,781	317,764	360,146	416,329	463,988
Revenue growth (%)	26.9	20.5	13.3	15.6	11.4
EBITDA	26,717	35,141	43,405	55,449	64,039
EBITDA growth (%)	36.2	31.5	23.5	27.7	15.5
Depreciation & Amortization	6,312	7,004	7,215	8,229	8,994
EBIT	20,405	28,138	36,190	47,219	55,045
EBIT growth (%)	51.1	37.9	28.6	30.5	16.6
Other operating income	0	0	0	0	0
Other income	1,006	1,485	1,574	1,806	2,011
Financial expense	1,407	1,816	1,104	870	716
PBT	20,004	27,807	36,661	48,156	56,339
Extraordinary items	0	0	0	0	0
Taxes	5,123	6,977	9,198	12,082	14,135
Minority interest	0	0	0	0	0
Income from JV/Associates	0	0	0	0	0
Reported PAT	14,881	20,830	27,463	36,073	42,204
PAT growth (%)	66.5	40.0	31.8	31.4	17.0
Adjusted PAT	14,881	20,830	27,463	36,073	42,204
Diluted EPS (Rs)	31.3	43.8	57.8	75.9	88.8
Diluted EPS growth (%)	66.5	40.0	31.8	31.4	17.0
DPS (Rs)	5.0	8.0	17.3	22.8	26.6
Dividend payout (%)	16.0	18.2	30.0	30.0	30.0
EBITDA margin (%)	10.1	11.1	12.1	13.3	13.8
EBIT margin (%)	7.7	8.9	10.0	11.3	11.9
Effective tax rate (%)	25.6	25.1	25.1	25.1	25.1
NOPLAT (pre-IndAS)	15,179	21,078	27,110	35,372	41,234
Shares outstanding (mn)	475.1	475.1	475.1	475.1	475.1

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
PBT	20,004	27,807	36,661	48,156	56,339
Others (non-cash items)	13,621	(1,879)	4,233	6,984	8,220
Taxes paid	(4,826)	(6,162)	(9,083)	(11,932)	(13,959)
Change in NWC	(8,870)	16,407	3,373	(92)	(1,767)
Operating cash flow	19,929	36,173	35,183	43,115	48,833
Capital expenditure	(9,847)	(11,787)	(12,000)	(12,000)	(12,000)
Acquisition of business	(13,222)	(8,601)	(13,000)	(13,000)	(16,000)
Interest & dividend income	0	0	0	0	0
Investing cash flow	(23,118)	(18,963)	(25,000)	(25,000)	(28,000)
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	7,918	(6,622)	(3,825)	(1,775)	(1,809)
Payment of lease liabilities	(692)	(1,068)	0	0	0
Interest paid	(1,407)	(1,816)	(1,104)	(870)	(716)
Dividend paid (incl tax)	(2,376)	(3,801)	(8,239)	(10,822)	(12,661)
Others	(1,890)	(2,457)	4,438	2,583	1,839
Financing cash flow	2,245	(14,696)	(8,729)	(10,884)	(13,348)
Net chg in Cash	(944)	2,515	1,453	7,231	7,485
OCF	19,929	36,173	35,183	43,115	48,833
Adj. OCF (w/o NWC chg.)	28,799	19,766	31,810	43,208	50,599
FCFF	10,081	24,386	23,183	31,115	36,833
FCFE	8,675	22,569	22,079	30,245	36,116
OCF/EBITDA (%)	74.6	102.9	81.1	77.8	76.3
FCFE/PAT (%)	58.3	108.4	80.4	83.8	85.6
FCFF/NOPLAT (%)	66.4	115.7	85.5	88.0	89.3

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Share capital	475	475	475	475	475
Reserves & Surplus	60,003	76,835	96,059	121,311	150,853
Net worth	60,479	77,310	96,534	121,786	151,328
Minority interests	0	0	0	0	0
Deferred tax liability (net)	1,982	1,871	1,985	2,136	2,312
Total debt	28,376	15,134	11,310	9,534	7,725
Total liabilities & equity	90,837	94,315	109,829	133,456	161,365
Net tangible fixed assets	28,901	30,661	35,278	39,048	42,054
Net intangible assets	3,668	3,668	3,668	3,668	3,668
Net ROU assets	3,390	3,390	3,390	3,390	3,390
Capital WIP	6,277	9,301	9,469	9,469	9,469
Goodwill	0	0	0	0	0
Investments [JV/Associates]	54,920	68,281	74,993	81,993	91,993
Cash & equivalents	4,339	6,942	14,682	27,914	41,399
Current assets (ex-cash)	38,429	38,380	43,499	53,707	63,669
Current Liab. & Prov.	49,087	66,307	75,151	85,734	94,277
NWC (ex-cash)	(10,658)	(27,927)	(31,652)	(32,027)	(30,608)
Total assets	90,837	94,315	109,829	133,456	161,365
Net debt	24,037	8,193	(3,373)	(18,379)	(33,674)
Capital employed	90,837	94,315	109,829	133,456	161,365
Invested capital	25,301	9,792	10,684	14,079	18,504
BVPS (Rs)	127.3	162.7	203.2	256.3	318.5
Net Debt/Equity (x)	0.4	0.1	0.0	(0.2)	(0.2)
Net Debt/EBITDA (x)	0.9	0.2	(0.1)	(0.3)	(0.5)
Interest coverage (x)	0.1	0.1	0.0	0.0	0.0
RoCE (%)	20.1	24.0	27.7	30.2	29.0

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY23	FY24	FY25E	FY26E	FY27E
P/E (x)	81.8	58.5	44.3	33.8	28.9
P/CE(x)	57.5	43.7	35.1	27.5	23.8
P/B (x)	20.1	15.8	12.6	10.0	8.0
EV/Sales (x)	4.7	3.9	3.4	2.9	2.6
EV/EBITDA (x)	46.5	34.9	28.0	21.6	18.5
EV/EBIT(x)	60.9	43.6	33.6	25.4	21.5
EV/IC (x)	49.1	125.2	113.7	85.2	64.0
FCFF yield (%)	0.8	2.0	1.9	2.6	3.1
FCFE yield (%)	0.7	1.9	1.8	2.5	3.0
Dividend yield (%)	0.2	0.3	0.7	0.9	1.0
DuPont-RoE split					
Net profit margin (%)	5.6	6.6	7.6	8.7	9.1
Total asset turnover (x)	3.3	3.4	3.5	3.4	3.1
Assets/Equity (x)	1.5	1.3	1.2	1.1	1.1
RoE (%)	27.4	30.2	31.6	33.0	30.9
DuPont-RoIC					
NOPLAT margin (%)	5.8	6.6	7.5	8.5	8.9
IC turnover (x)	10.4	32.5	33.7	29.6	25.1
RoIC (%)	77.6	120.1	264.8	285.7	253.1
Operating metrics					
Core NWC days	(14.7)	(32.1)	(32.1)	(28.1)	(24.1)
Total NWC days	(14.7)	(32.1)	(32.1)	(28.1)	(24.1)
Fixed asset turnover	3.5	3.8	3.8	3.9	3.9
Opex-to-revenue (%)	14.1	15.2	16.5	15.8	15.3

Source: Company, Emkay Research

This report is intended for team.emkay@whitemarquesolutions.com use and downloaded at 11/01/2024 10:17 AM

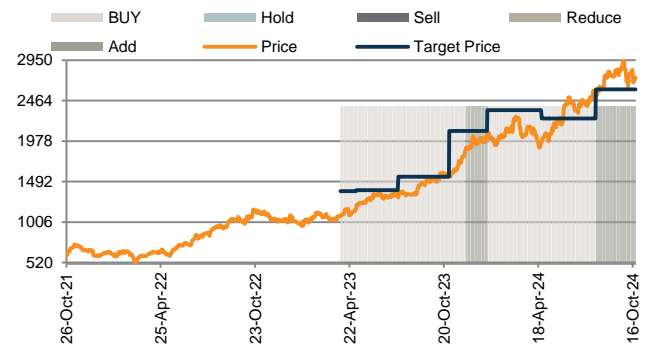
Emkay Research is also available on www.emkayglobal.com and Bloomberg EMKAY<GO>. Please refer to the last page of the report on Restrictions on Distribution. In Singapore, this research report or research analyses may only be distributed to Institutional Investors, Expert Investors or Accredited Investors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

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
06-Aug-24	2,479	2,600	Add	Chirag Jain
09-May-24	2,064	2,250	Buy	Chirag Jain
24-Apr-24	1,964	2,250	Buy	Chirag Jain
24-Jan-24	1,993	2,350	Buy	Chirag Jain
11-Jan-24	2,079	2,350	Buy	Chirag Jain
30-Nov-23	1,857	2,100	Add	Chirag Jain
31-Oct-23	1,585	2,100	Buy	Chirag Jain
30-Oct-23	1,602	2,100	Buy	Chirag Jain
24-Jul-23	1,302	1,550	Buy	Chirag Jain
05-May-23	1,210	1,390	Buy	Chirag Jain
04-Apr-23	1,080	1,380	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 October 24, 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 October 24, 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 October 24, 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.