

Margins to remain under pressure

We expect a mixed revenue performance from our auto universe in Q4FY21. Barring 2Ws, PVs and tractors all segments – CVs, 3Ws, and LCVs – have reported sequential volume growth. But the spike in prices of commodities, rubber and crude derivatives will put substantial pressure on margins and earnings for most players. Auto stocks have corrected from the peaks seen last month but continue to be richly valued – much ahead of their long-term P/E multiples. We remain negative on the sector.

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OEMs: Although Maruti (MSIL) has posted a 1% QoQ decline in sales volume, we expect a 3% QoQ increase in Q4 revenue on the back of recent price hikes. However, the sharp upswing in commodity prices makes us skeptical on margins. 2W volumes are down 15% QoQ for Hero (HMCL), 12% for Bajaj Auto (BJAUT) and 7% for TVS Motor (TVSL), while Eicher Motors (EIM – RE) reported 3% QoQ improvement in Q4 dispatches. 2W EBITDA margins and PAT are forecast to decline sharply QoQ due to the rising commodity prices.

In the CV segment, while MHCV sales have improved sequentially alongside improving economic activity, resurgence of the pandemic could delay recovery. We expect Ashok Leyland (AL) to report >40% QoQ revenue growth in Q4 but the spike in metal and tyre costs and its inability to take corresponding price hikes could erode margins going forward.

Tractors & Tillers: Tractors growth moderated in Q4. Volumes have fallen 8% QoQ for M&M (MM) while growing 3% for Escorts (ESC). Swaraj Engines (SWE) is expected to post positive growth while volumes for VST tillers were flattish QoQ. Margins for all these agri-related players are projected to decline QoQ given the impact of higher raw material costs, both steel and rubber.

Tyres: OEMs have posted sequential growth in MHCV tyre sales. Our channel checks suggest that replacement demand for truck tyres (radials) remains steady. The farm subsegment (tractors) has clocked flattish growth. We expect steady capacity utilisation in bias tyres and project an overall revenue decline of ~2% QoQ for the tyre pack. The sharp jump in rubber prices (from ~Rs 125/kg to Rs 160/kg) and crude derivative costs (+15% QoQ) is expected to shave 350-400bps off Q4 gross margins. We maintain SELL on our entire tyre coverage – CEAT, Apollo Tyres (APTY), MRF, Balkrishna Industries (BIL), TVS Srichakra (TVSS) and JK Tyre (JKI).

RECOMMENDATION SNAPSHOT

| Ticker | Price | Target | Rating |
|----------|--------|--------|--------|
| AL IN | 123 | 60 | SELL |
| BJAUT IN | 3,650 | 2,800 | SELL |
| EIM IN | 2,553 | 2,200 | SELL |
| ESC IN | 1,271 | 1,150 | SELL |
| HMCL IN | 2,928 | 2,900 | SELL |
| MSIL IN | 6,827 | 6,900 | SELL |
| MM IN | 795 | 630 | SELL |
| TVSL IN | 564 | 350 | SELL |
| VSTT IN | 1,843 | 2,300 | BUY |
| APTY IN | 224 | 140 | SELL |
| BIL IN | 1,680 | 1,340 | SELL |
| CEAT IN | 1,540 | 780 | SELL |
| GNA IN | 378 | 450 | BUY |
| JKI IN | 120 | 70 | SELL |
| MDA IN | 102 | 110 | ADD |
| MRF IN | 82,983 | 67,000 | SELL |
| SWE IN | 1,351 | 1,300 | SELL |
| SRTY IN | 1,816 | 1,200 | SELL |

Price & Target in Rupees | Price as of 8 Apr 2021



Company-wise expectations

FIG 1 – QUARTERLY PREVIEW

| Company (Rs mn) | Q4FY21E | Q4FY20 | YoY (%) | Q3FY21 | QoQ (%) | Remarks |
|--|---------|---------|---------|---------|---------|--|
| Ashok Leyland | | | | | | |
| Sales | 68,007 | 38,385 | 77.2 | 48,135 | 41.3 | Volumes surged 73% YoY/32% QoQ in Q4. MHCVs grew at a strong 58% QoQ, contributing a larger share of the sales mix vs. previous quarters. This should aid better ASPs and revenue growth of 41% QoQ. Operating efficiencies are likely to partly offset RM cost inflation, driving 44% QoQ EBITDA growth; margin is forecast at 5.4% and adj. PAT at Rs 1.1bn. |
| EBITDA | 3,648 | 1,830 | 99.3 | 2,538 | 43.7 | |
| Adj PAT | 1,140 | (573) | NA | (194) | NA | |
| EBITDA margin (%) | 5.4 | 4.8 | - | 5.3 | - | |
| PAT margin (%) | 1.7 | (1.5) | - | (0.4) | - | |
| Maruti Suzuki | | | | | | |
| Sales | 242,564 | 181,987 | 33.3 | 234,578 | 3.4 | Led by flattish QoQ volumes and a 4% rise in ASP from price hikes, we expect 3% QoQ revenue growth. Operating margin is forecast to contract 40bps QoQ given RM cost pressure. We model for further deterioration in adj. PAT by 16% QoQ to Rs 16.3bn. Key monitorable: inventory levels, RM price trend and new launch timelines. |
| EBITDA | 22,050 | 15,464 | 42.6 | 22,261 | (0.9) | |
| Adj PAT | 16,319 | 12,917 | 26.3 | 19,414 | (15.9) | |
| EBITDA margin (%) | 9.1 | 8.5 | - | 9.5 | - | |
| PAT margin (%) | 6.7 | 7.1 | - | 8.3 | - | |
| Bajaj Auto | | | | | | |
| Sales | 81,517 | 68,159 | 19.6 | 89,099 | (8.5) | Volumes fell 10% QoQ in Q4; 3Ws were up 8% while 2Ws declined 12%. We expect ASP to improve ~2% QoQ, restricting the revenue decline to 8%. Operating margin is projected to contract on higher RM costs, partly offset by better efficiencies. Key monitorable: export demand, inventory levels, 3W recovery timeline and any new launch timelines. |
| EBITDA | 13,625 | 12,528 | 8.8 | 17,296 | (21.2) | |
| Adj PAT | 12,558 | 13,103 | (4.2) | 15,563 | (19.3) | |
| EBITDA margin (%) | 16.7 | 18.4 | - | 19.4 | - | |
| PAT margin (%) | 15.4 | 19.2 | - | 17.5 | - | |
| Eicher Motors | | | | | | |
| Sales | 30,887 | 23,257 | 32.8 | 29,282 | 5.4 | RE volumes inched up 3% QoQ in Q4 while timely price hikes should help ASPs improve 2%, aiding revenue growth of 5%. Gross margin is likely to contract 90bps QoQ, leading to an EBITDA decline of 3% and 180bps QoQ lower operating margin. We estimate that adj. PAT will rise to Rs 5bn. Key monitorable: new launch timelines, inventory levels, studio store performance. |
| EBITDA | 6,392 | 4,533 | 41.0 | 6,580 | (2.9) | |
| Adj PAT | 5,000 | 3,462 | 44.4 | 4,885 | 2.4 | |
| EBITDA margin (%) | 20.7 | 19.5 | - | 22.5 | - | |
| PAT margin (%) | 16.2 | 14.9 | - | 16.7 | - | |
| Hero MotoCorp | | | | | | |
| Sales | 85,014 | 62,384 | 36.3 | 97,758 | (13.0) | We expect ASP to rise 2% QoQ given recent price hikes while volumes have fallen 15%, prompting an estimated 13% QoQ fall in revenue. Gross margin is forecast to contract sequentially, weighing on EBITDA margin (-210bps QoQ to 12.4%). Key monitorable: inventory levels, new launches and any vendor-side supply challenges. |
| EBITDA | 10,508 | 6,599 | 59.2 | 14,136 | (25.7) | |
| Adj PAT | 7,566 | 6,207 | 21.9 | 10,845 | (30.2) | |
| EBITDA margin (%) | 12.4 | 10.6 | - | 14.5 | - | |
| PAT margin (%) | 8.9 | 9.9 | - | 11.1 | - | |
| TVS Motor | | | | | | |
| Sales | 51,689 | 34,814 | 48.5 | 53,914 | (4.1) | Revenues are forecast to fall 4% QoQ to Rs 51.7bn (volumes -6% YoY, ASPs +2%) as 3Ws continue to struggle. RM cost pressure would likely compress EBITDA margin to 8.6% (-90bps QoQ). Adj. PAT is projected to fall 15% QoQ to Rs 2.2bn. Key monitorables: 3W demand situation, export market performance and cost-cutting initiatives. |
| EBITDA | 4,430 | 2,449 | 80.9 | 5,111 | (13.3) | |
| Adj PAT | 2,249 | 1,062 | 111.8 | 2,656 | (15.3) | |
| EBITDA margin (%) | 8.6 | 7.0 | - | 9.5 | - | |
| PAT margin (%) | 4.4 | 3.1 | - | 4.9 | - | |
| Mahindra&Mahindra (MM+MVML) | | | | | | |
| Sales | 127,230 | 90,047 | 41.3 | 140,565 | (9.5) | Auto volumes have declined 11% QoQ while tractor sales fell 8% in Q4. Higher revenue share from the auto segment and sequential RM cost inflation could lower operating margin to 14.2% (-280bps QoQ), translating to an EBITDA decline of 24% QoQ. Adj. PAT is likely to drop 40% QoQ to Rs 10.4bn. |
| EBITDA | 18,125 | 12,275 | 47.7 | 23,856 | (24.0) | |
| Adj PAT | 10,380 | 3,226 | 221.8 | 17,448 | (40.5) | |
| EBITDA margin (%) | 14.2 | 13.6 | - | 17.0 | - | |
| PAT margin (%) | 8.2 | 3.6 | - | 12.4 | - | |

| Company (Rs mn) | Q4FY21E | Q4FY20 | YoY (%) | Q3FY21 | QoQ (%) | Remarks |
|------------------------------|---------|--------|---------|--------|---------|--|
| Escorts | | | | | | |
| Sales | 21,541 | 14,085 | 52.9 | 20,647 | 4.3 | Tractor volumes increased marginally by 3% QoQ in Q4 and ASPs are expected to inch 1%, which should support 4% QoQ growth in revenue to Rs 21.5bn. EBITDA margin is forecast to decline 160bps QoQ whereas adj. PAT could move down 7% QoQ to Rs 2.6bn. Key monitorable: supply chain situation and updates on the Kubota deal. |
| EBITDA | 3,449 | 1,944 | 77.4 | 3,641 | (5.3) | |
| Adj PAT | 2,604 | 1,404 | 85.5 | 2,807 | (7.2) | |
| EBITDA margin (%) | 16.0 | 13.8 | - | 17.6 | - | |
| PAT margin (%) | 12.1 | 10.0 | - | 13.6 | - | |
| Swaraj Engines | | | | | | |
| Sales | 3,164 | 1,751 | 80.7 | 2,724 | 16.2 | We expect revenue growth of 16% QoQ to Rs 3.2bn led by volumes (+16% QoQ). Gross margin decline and steady other expenses could compress EBITDA margins sequentially (-50bps QoQ). Adj. PAT is expected at Rs 286mn. Key monitorable: demand outlook and market share gains. |
| EBITDA | 407 | 234 | 73.9 | 366 | 11.2 | |
| Adj PAT | 286 | 158 | 81.0 | 250 | 14.4 | |
| EBITDA margin (%) | 12.9 | 13.4 | - | 13.4 | - | |
| PAT margin (%) | 9.0 | 9.0 | - | 9.2 | - | |
| VST Tillers | | | | | | |
| Sales | 2,015 | 1,198 | 68.2 | 2,029 | (0.7) | Since the restrictions on tiller imports from China, the company has witnessed a sharp jump in tiller demand. However, moderate demand in tractors led to flattish sequential volume growth. Revenues are expected to dip 1% QoQ while gross margin decline is likely to cause EBITDA margin contraction of 300bps QoQ. Adj. PAT is estimated at Rs 193mn. |
| EBITDA | 236 | (65) | (463.1) | 299 | (21.1) | |
| Adj PAT | 193 | (34) | (667.6) | 308 | (37.3) | |
| EBITDA margin (%) | 11.7 | (5.4) | - | 14.7 | - | |
| PAT margin (%) | 9.6 | (2.8) | - | 15.2 | - | |
| Apollo Tyres | | | | | | |
| Sales | 47,177 | 36,101 | 30.7 | 51,538 | (8.5) | With a strong base in Q3FY21, revenues are estimated to moderate sequentially, falling 8% QoQ to Rs 47bn. With the sharp jump in crude and rubber prices over the last few months, we expect gross margin to deteriorate QoQ for most tyre companies, while a higher share of revenue from OEMs would further weigh on margins. |
| EBITDA | 6,713 | 4,750 | 41.3 | 9,894 | (32.2) | |
| Adj PAT | 1,846 | 779 | 137.0 | 4,438 | (58.4) | |
| EBITDA margin (%) | 14.2 | 13.2 | - | 19.2 | - | |
| PAT margin (%) | 3.9 | 2.2 | - | 8.6 | - | |
| Balkrishna Industries | | | | | | |
| Sales | 14,888 | 13,573 | 9.7 | 15,046 | (1.1) | We assume tonnage volumes will decline 2% QoQ (+1% YoY) with ASP improving by 1% QoQ, resulting in flattish revenues. Operating margin is expected to plummet 430bps QoQ as RM costs have spiked. Adj. PAT is projected at Rs 2.3bn (-10% YoY, -28% QoQ). |
| EBITDA | 4,084 | 3,725 | 9.6 | 4,764 | (14.3) | |
| Adj PAT | 2,311 | 2,573 | (10.2) | 3,219 | (28.2) | |
| EBITDA margin (%) | 27.4 | 27.4 | - | 31.7 | - | |
| PAT margin (%) | 15.5 | 19.0 | - | 21.4 | - | |
| CEAT | | | | | | |
| Sales | 21,166 | 15,326 | 38.1 | 22,125 | (4.3) | With weaker 2W OEM sales QoQ, CEAT faces a potential dip in revenues along with higher RM costs, leading to a 360bps QoQ fall in EBITDA margin and a 28% QoQ decline in EBITDA. Adj. PAT is estimated at Rs 838mn (+50% YoY, -34% QoQ). Key monitorable: management's view on demand, direction of RM prices and any hike in product prices. |
| EBITDA | 2,360 | 1,899 | 24.3 | 3,258 | (27.6) | |
| Adj PAT | 838 | 558 | 50.2 | 1,276 | (34.3) | |
| EBITDA margin (%) | 11.1 | 12.4 | - | 14.7 | - | |
| PAT margin (%) | 4.0 | 3.6 | - | 5.8 | - | |
| JK Tyre | | | | | | |
| Sales | 28,773 | 17,948 | 60.3 | 27,693 | 3.9 | We have factored in healthy sequential CV OEM demand growth and steady growth in the replacement market to arrive at our Q4 revenue estimate of Rs 28.8bn. As higher RM costs would act as a headwind, we expect operating margin to fall 430bps QoQ. Key monitorable: further plans of debt reduction, CV demand outlook and capacity utilisation levels. |
| EBITDA | 3,978 | 2,074 | 91.8 | 5,004 | (20.5) | |
| Adj PAT | 1,303 | (470) | (377.2) | 2,307 | (43.5) | |
| EBITDA margin (%) | 13.8 | 11.6 | - | 18.1 | - | |
| PAT margin (%) | 4.5 | (2.6) | - | 8.3 | - | |
| MRF | | | | | | |
| Sales | 47,359 | 36,252 | 30.6 | 45,668 | 3.7 | Revenue is expected to grow 4% QoQ to Rs 47.4bn given positive growth across CVs and stable demand in the replacement segment. RM cost inflation would impact operating margin. MRF is expected to post PAT of Rs 2.6bn. Key monitorable: capacity expansion plans, RM cost trend and demand in the replacement market. |
| EBITDA | 6,740 | 5,699 | 18.3 | 9,632 | (30.0) | |
| Adj PAT | 2,567 | 6,695 | (61.7) | 5,117 | (49.8) | |
| EBITDA margin (%) | 14.2 | 15.7 | - | 21.1 | - | |
| PAT margin (%) | 5.4 | 18.5 | - | 11.2 | - | |

| Company (Rs mn) | Q4FY21E | Q4FY20 | YoY (%) | Q3FY21 | QoQ (%) | Remarks |
|----------------------|---------|---------|---------|--------|---------|--|
| TVS Srichakra | | | | | | |
| Sales | 5,412 | 4,171 | 29.8 | 5,533 | (2.2) | Given full exposure to 2W tyres, we expect volumes to replicate the sequential decline in 2W sales, leading to a revenue fall of 2% QoQ to Rs 5.4bn despite steady replacement demand. Estimated gross margin shrinkage of 460bps QoQ could lead to an EBITDA decline of 22% QoQ to Rs 604mn. Adj. PAT is projected to fall 35% QoQ to Rs 213mn. |
| EBITDA | 604 | 328 | 84.1 | 774 | (22.0) | |
| Adj PAT | 213 | 245 | (13.1) | 329 | (35.3) | |
| EBITDA margin (%) | 11.2 | 7.9 | - | 14.0 | - | |
| PAT margin (%) | 3.9 | 5.9 | - | 5.9 | - | |
| Minda Corp | | | | | | |
| Sales | 7,901 | 6,979 | 13.2 | 7,398 | 6.8 | We expect healthy growth of 7% QoQ in quarterly revenues to Rs 7.9bn. With higher operating efficiencies partially offset by RM cost headwinds, we model for EBITDA margin of 10.5% (lossmaking plastic division hived off) while EBITDA improves marginally by 2% QoQ. Adj. PAT is projected at Rs 428mn. |
| EBITDA | 830 | 385 | 115.6 | 818 | 1.5 | |
| Adj PAT | 428 | (2,998) | (114.3) | 499 | (14.2) | |
| EBITDA margin (%) | 10.5 | 5.5 | - | 11.1 | - | |
| PAT margin (%) | 5.4 | (43.0) | - | 6.7 | - | |
| GNA Axles | | | | | | |
| Sales | 2,818 | 1,807 | 55.9 | 2,760 | 2.1 | Healthy sequential CV sales should support 2% QoQ revenue growth at Rs 2.8bn (+56% YoY). EBITDA margin is however expected to be affected by weaker gross margins, causing EBITDA to fall 11% QoQ to Rs 431mn. Adj. PAT is projected at Rs 219mn (-18% QoQ). |
| EBITDA | 431 | 189 | 128.0 | 482 | (10.6) | |
| Adj PAT | 219 | 47 | 366.0 | 266 | (17.7) | |
| EBITDA margin (%) | 15.3 | 10.5 | - | 17.5 | - | |
| PAT margin (%) | 7.8 | 2.6 | - | 9.6 | - | |

Source: Company, BOBCAPS Research

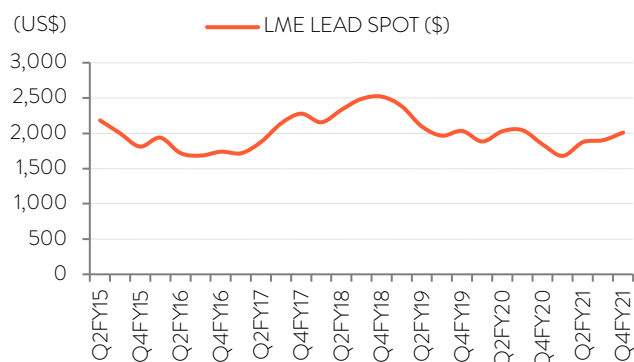
Quarterly commodity and currency trends

FIG 2 – COMMODITY AND CURRENCY TREND

| Particulars | Q1FY19 | Q2FY19 | Q3FY19 | Q4FY19 | Q1FY20 | Q2FY20 | Q3FY20 | Q4FY20 | Q1FY21 | Q2FY21 | Q3FY21 | Q4FY21 |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Key Commodities | | | | | | | | | | | | |
| Aluminium (USD) | 2,264 | 2,054 | 1,966 | 1,862 | 1,794 | 1,765 | 1,756 | 1,691 | 1,501 | 1,704 | 1,916 | 2,096 |
| QoQ (%) | 18.8 | (9.3) | (4.3) | (5.3) | (3.7) | (1.6) | (0.5) | (3.7) | (11.2) | 13.5 | 12.3 | 9.3 |
| Lead (USD) | 2,384 | 2,097 | 1,966 | 2,034 | 1,883 | 2,029 | 2,042 | 1,843 | 1,679 | 1,875 | 1,902 | 2,011 |
| QoQ (%) | 10.6 | (12.0) | (6.2) | 3.5 | (7.4) | 7.7 | 0.6 | (9.8) | (8.9) | 11.7 | 1.6 | 5.7 |
| Brent oil (USD) | 75 | 75 | 68 | 63 | 69 | 62 | 63 | 51 | 31 | 43 | 44 | 61 |
| QoQ (%) | 48.7 | 1.0 | (10.1) | (6.8) | 8.5 | (9.7) | 1.2 | (19.2) | (37.9) | 35.8 | 4.5 | 36.0 |
| Rubber (RS4) (Rs) | 12,382 | 13,071 | 12,357 | 12,565 | 13,899 | 14,265 | 12,749 | 13,423 | 12,066 | 13,088 | 15,219 | 15,841 |
| QoQ (%) | (5.4) | 5.6 | (5.5) | 1.7 | 10.6 | 2.6 | (10.6) | 5.3 | (10.1) | 8.5 | 16.2 | 4.1 |
| Hot rolled steel (CNY) | 4,168 | 4,300 | 3,926 | 3,802 | 3,949 | 3,793 | 3,720 | 3,602 | 3,550 | 3,928 | 4,182 | 4,782 |
| QoQ (%) | 28.7 | 3.2 | (8.7) | (3.2) | 3.8 | (3.9) | (1.9) | (3.2) | (1.4) | 10.6 | 6.5 | 14.4 |
| Cold rolled steel (CNY) | 4,606 | 4,788 | 4,535 | 4,313 | 4,326 | 4,292 | 4,307 | 4,257 | 3,947 | 4,480 | 5,095 | 5,575 |
| QoQ (%) | 21.4 | 4.0 | (5.3) | (4.9) | 0.3 | (0.8) | 0.4 | (1.2) | (7.3) | 13.5 | 13.6 | 9.4 |
| Key Currencies | | | | | | | | | | | | |
| INR/USD | 67.1 | 70.1 | 72.1 | 70.5 | 69.6 | 70.3 | 71.2 | 72.4 | 75.9 | 74.4 | 73.8 | 72.9 |
| QoQ (%) | 4.0 | 4.5 | 2.9 | (2.2) | (1.3) | 1.1 | 1.3 | 1.6 | 4.9 | (2.0) | (0.8) | (1.2) |
| INR/EUR | 79.9 | 81.5 | 82.3 | 80.1 | 78.2 | 78.2 | 78.9 | 79.9 | 83.6 | 86.9 | 88.1 | 87.9 |
| QoQ (%) | 12.4 | 2.1 | 0.9 | (2.6) | (2.4) | 0.1 | 0.9 | 1.2 | 4.7 | 3.9 | 1.3 | (0.2) |
| INR/GBP | 91.2 | 91.4 | 92.8 | 91.7 | 89.4 | 86.7 | 91.7 | 92.7 | 94.2 | 96.1 | 97.5 | 100.5 |
| QoQ (%) | 10.5 | 0.2 | 1.5 | (1.1) | (2.5) | (3.0) | 5.7 | 1.1 | 1.6 | 1.9 | 1.5 | 3.1 |
| INR/JPY | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 |
| QoQ (%) | 5.8 | 2.4 | 1.6 | 0.1 | (1.1) | 3.7 | (0.1) | 1.5 | 6.1 | (0.7) | 0.9 | (2.6) |
| USD/EUR | 1.2 | 1.2 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.2 | 1.2 | 1.2 |
| QoQ (%) | 8.2 | (2.4) | (1.9) | (0.4) | (1.1) | (1.0) | (0.4) | (0.4) | (0.1) | 6.1 | 5.5 | 1.0 |
| USD/GBP | 1.4 | 1.3 | 1.3 | 1.3 | 1.3 | 1.2 | 1.3 | 1.3 | 1.2 | 1.3 | 1.3 | 1.4 |
| QoQ (%) | 6.3 | (4.2) | (1.3) | 1.3 | (1.3) | (4.1) | 4.5 | (0.6) | (3.0) | 4.1 | 2.3 | 4.3 |

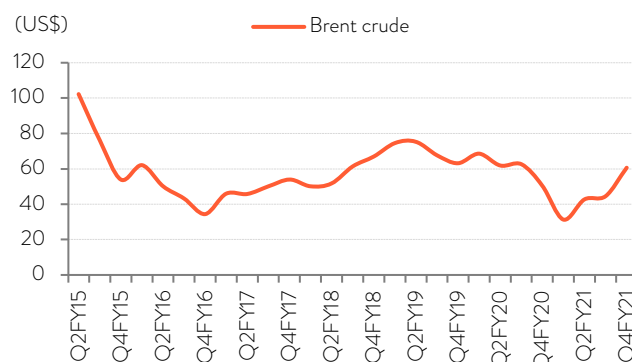
Source: Bloomberg, BOBCAPS Research

FIG 3 – LEAD PRICE TREND



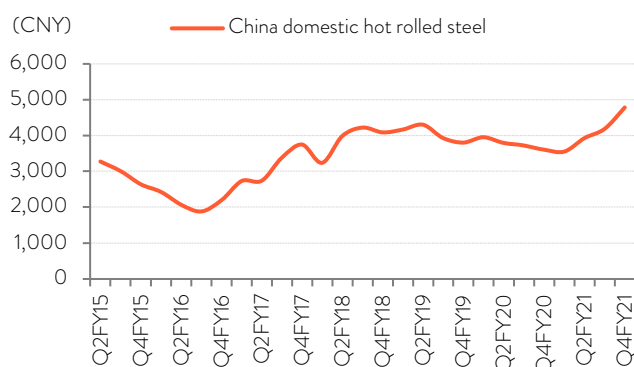
Source: Bloomberg, BOBCAPS Research

FIG 4 – BRENT CRUDE PRICE TREND



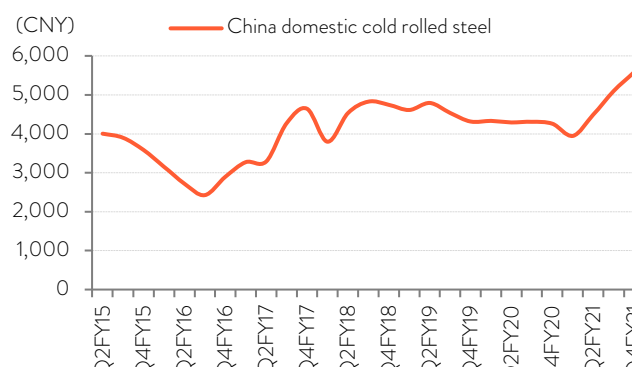
Source: Bloomberg, BOBCAPS Research

FIG 5 – CHINESE HOT ROLLED STEEL PRICE TREND



Source: Bloomberg, BOBCAPS Research

FIG 6 – CHINESE COLD ROLLED STEEL PRICE TREND



Source: Bloomberg, BOBCAPS Research

Quarterly volume trends

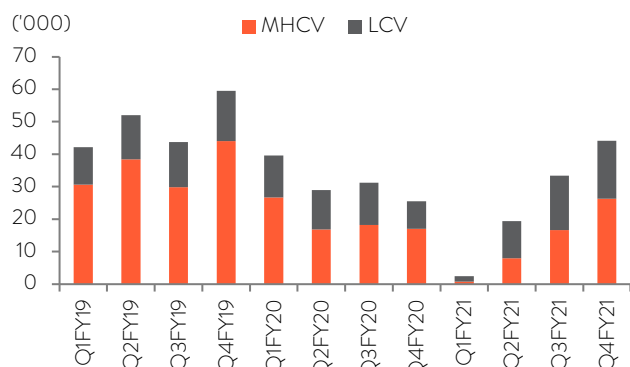
FIG 7 – Q4FY21 VOLUME SNAPSHOT

| Company | Q4FY21 | Q4FY20 | YoY (%) | Q3FY21 | QoQ (%) |
|--------------------------------|------------------|------------------|-------------|------------------|---------------|
| Ashok Leyland | 44,060 | 25,504 | 72.8 | 33,410 | 31.9 |
| HCVs | 26,277 | 16,953 | 55.0 | 16,586 | 58.4 |
| LCVs | 17,783 | 8,551 | 108.0 | 16,824 | 5.7 |
| Atul Auto | 4,993 | 7,741 | (35) | 5,640 | (11.5) |
| Three-Wheelers | 4,993 | 7,741 | (35.5) | 5,640 | (11.5) |
| Bajaj Auto | 1,169,664 | 991,961 | 17.9 | 1,306,810 | (10.5) |
| Motorcycles | 1,047,632 | 853,540 | 22.7 | 1,193,867 | (12.2) |
| 3Ws | 122,032 | 138,421 | (11.8) | 112,943 | 8.0 |
| Exports (of above) | 635,545 | 513,801 | 23.7 | 687,111 | (7.5) |
| Eicher Motors | 204,604 | 162,870 | 25.6 | 199,668 | 2.5 |
| RE | 187,081 | 146,864 | 27.4 | 181,465 | 3.1 |
| VECV | 17,523 | 16,006 | 9.5 | 18,203 | (3.7) |
| Escorts | 32,588 | 20,108 | 62.1 | 31,562 | 3.3 |
| Hero MotoCorp | 1,568,313 | 1,334,511 | 17.5 | 1,845,314 | (15.0) |
| Mahindra & Mahindra | 202,223 | 150,996 | 33.9 | 223,978 | (9.7) |
| Auto | 108,329 | 91,706 | 18.1 | 122,277 | (11.4) |
| Tractors | 93,894 | 59,290 | 58.4 | 101,701 | (7.7) |

| Company | Q4FY21 | Q4FY20 | YoY (%) | Q3FY21 | QoQ (%) |
|----------------------|----------------|----------------|-------------|----------------|--------------|
| Maruti Suzuki | 492,235 | 385,025 | 27.8 | 495,897 | (0.7) |
| Domestic | 456,707 | 360,428 | 26.7 | 467,369 | (2.3) |
| Exports | 35,528 | 24,597 | 44.4 | 28,528 | 24.5 |
| TVS Motor | 927,479 | 632,922 | 46.5 | 989,517 | (6.3) |
| 2Ws | 886,514 | 590,320 | 50.2 | 951,879 | (6.9) |
| 3Ws | 40,965 | 42,602 | (3.8) | 495,897 | (0.7) |

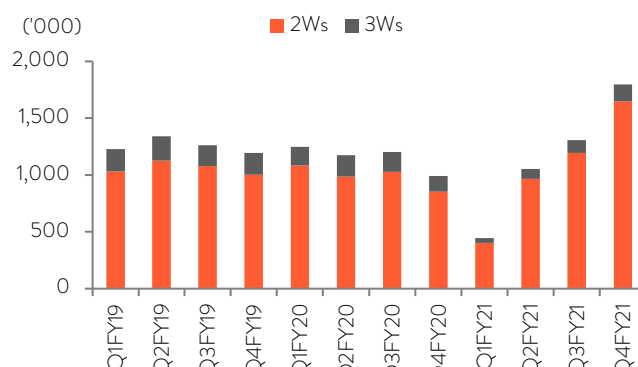
Source: Company, BOBCAPS Research

FIG 8 – ASHOK LEYLAND



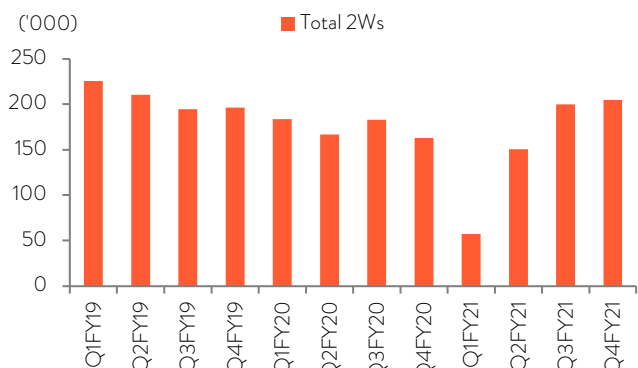
Source: Company, BOBCAPS Research

FIG 9 – BAJAJ AUTO



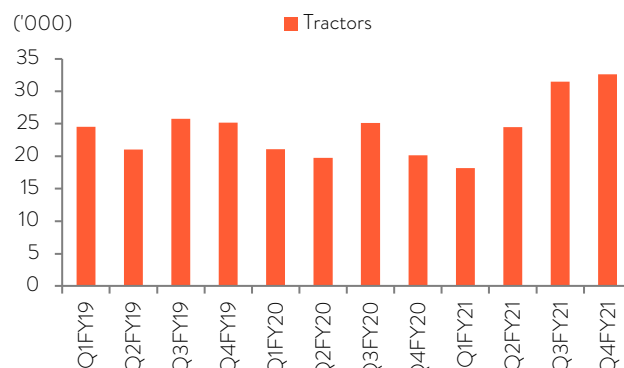
Source: Company, BOBCAPS Research

FIG 10 – ROYAL ENFIELD



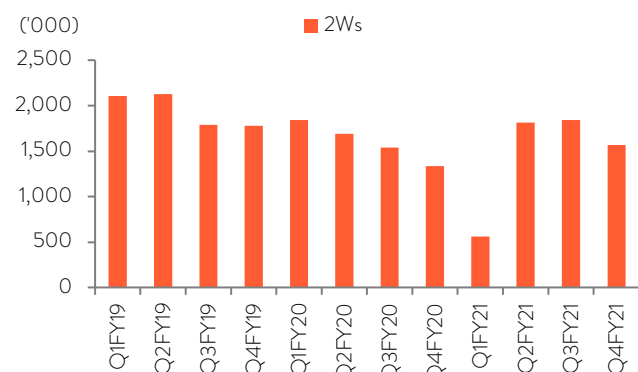
Source: Company, BOBCAPS Research

FIG 11 – ESCORTS



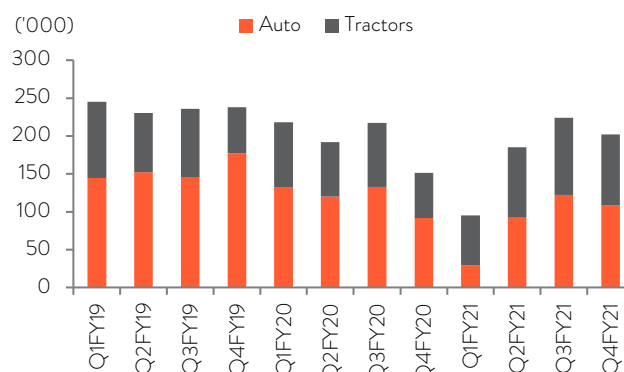
Source: Company, BOBCAPS Research

FIG 12 – HERO MOTOCORP



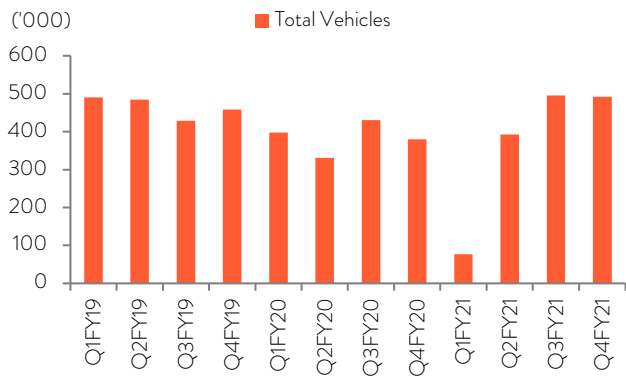
Source: Company, BOBCAPS Research

FIG 13 – MAHINDRA & MAHINDRA



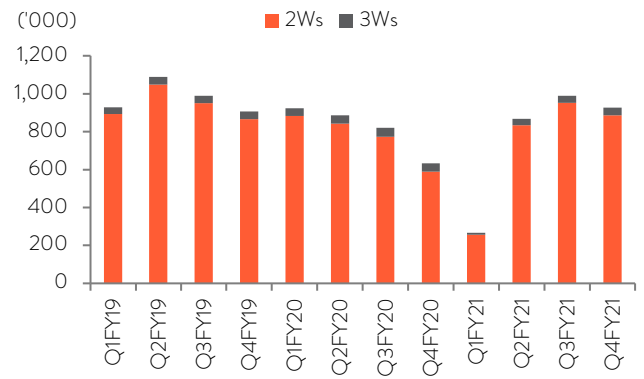
Source: Company, BOBCAPS Research

FIG 14 – MARUTI SUZUKI



Source: Company, BOBCAPS Research

FIG 15 – TVS MOTOR



Source: Company, BOBCAPS Research

Disclaimer

Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

ADD – Expected return from >+5% to +15%

REDUCE – Expected return from -5% to +5%

SELL – Expected return <-5%

Note: Recommendation structure changed with effect from 1 January 2018 (Hold rating discontinued and replaced by Add / Reduce)

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