

**Auto Preview for Q4FY24**

Ashok Leyland (Mn)	Q4FY24E	Q3FY24A	Q4FY23A	YoY	QoQ
Net Revenue	1,13,440	92,730	1,16,257	-2%	22.3%
EBITDA	15,020	11,139	12,757	18%	35%
EBITDA Margin	13.2%	12.0%	11.0%	227bps	123bps
PAT	9,075	5,804	7,137	27%	56%
<b>Rating: Buy</b>	<b>CMP : INR 176</b>	<b>TP: INR 208</b>	<b>PE:15.8x (FY26e)</b>		

We expect revenue to decline by 2% YoY in Q4FY24 led by 5% YoY decline in volume. It is expected that the EBITDA margin expansion led by softer RM cost and cost cutting initiatives.

Bajaj Auto (INR Mn.)	Q4FY24E	Q3FY24A	Q4FY23A	YoY	QoQ
Net Revenue	1,10,955	1,21,135	89,047	25%	-8%
EBITDA	21,915	24,299	17,166	28%	-10%
EBITDA Margin	19.8%	20.1%	19.3%	47bps	-31bps
PAT	17,350	20,419	14,329	21%	-15%
<b>Rating: Accumulate</b>	<b>CMP : INR 9006</b>	<b>TP: INR 8096</b>	<b>PE:28.7x (FY26e)</b>		

In Q4FY24, Despite favourable volume growth and stable RM cost, the mix of EV has increased in the portfolio which could suppress the EBITDA margin expansion to 47bps YoY.

Hero Motocorp INR (Mn)	Q4FY24E	Q3FY24A	Q4FY23A	YoY	QoQ
Net Revenue	93,550	94,454	83,068	13%	-1%
EBITDA	13,252	13,283	10,830	22%	0%
EBITDA Margin	14.2%	14.1%	13.0%	113bps	10bps
PAT	10,315	10,538	8,589	20%	-2%
<b>Rating: Accumulate</b>	<b>CMP : INR 4495</b>	<b>TP: INR 5603</b>	<b>PE:17.9x (FY26e)</b>		

In Q4FY24, a projected 13% YoY revenue increase is driven by an ~10% YoY volume growth, propelled by High ASP. However, the EBITDA margin is anticipated to increase by 10 bps QoQ, primarily due to a favorable product mix and, partially offset by operating leverage benefits, price hikes, and reduced advertising spending.

Mahindra & Mahindra (Mn)	Q4FY24E	Q3FY24A	Q4FY23A	YoY	QoQ
Net Revenue	2,43,512	2,52,885	2,25,714	8%	-4%
EBITDA	30,514	32,364	27,974	9%	-6%
EBITDA Margin	12.5%	12.8%	12.4%	14bps	-27bps
PAT	21,812	24,540	20,680	5%	-11%
<b>Rating: Accumulate</b>	<b>CMP : INR 1630</b>	<b>TP: INR 2143</b>	<b>PE:19.7x (FY26e)</b>		

Expecting a 8% YoY revenue increase in Q4FY24, driven by a >13.4% YoY surge in automotive segment revenues partially offset by Tractor volume. Projected stable overall EBITDA margin is influenced by a more lucrative segmental mix and operating leverage benefits.

Maruti Suzuki (Mn)	Q4FY24E	Q3FY24A	Q4FY23A	YoY	QoQ
Net Revenue	3,88,382	3,33,087	3,20,480	21%	17%
EBITDA	49,265	39,079	33,503	47%	26%
EBITDA Margin	12.7%	11.7%	10.5%	223bps	95bps
PAT	38,840	31,300	26,236	48%	24%
<b>Rating: Accumulate</b>	<b>CMP : INR 12683</b>	<b>TP: INR 14611</b>	<b>PE: 22.5x (FY26e)</b>		

Anticipating a 21% YoY revenue upswing in Q4FY24, driven by an 13.4% YoY volume rise. However, we estimate a 150 bps QoQ decline in EBITDA margins to 11.5%, influenced by negative operating leverage, increased festive season discounts, reversal of finished goods inventory, and a less favorable product mix, including a 200 bps decline in the SUV segment's contribution in 3QFY24.

TVS Motors (INR Mn.)	Q4FY24E	Q3FY24A	Q4FY23A	YoY	QoQ
Net Revenue	80,260	82,450	66,048	22%	-3%
EBITDA	9,040	9,244	6,798	33%	-2%
EBITDA Margin	11.3%	11.2%	10.3%	97bps	5bps
PAT	5,380	5,204	4,103	31%	3%
<b>Rating: Neutral</b>	<b>CMP : INR 2011.9</b>	<b>TP: INR 1,661</b>	<b>PE: 32x (FY26e)</b>		

In Q4FY24, we foresee a 22% YoY revenue boost, propelled by a 22.4% volume surge. We also expect a expansion of 97bps YoY in EBITDA margin, driven by operating leverage benefits and a more profitable product mix.

Source: Arihant Research

## Auto & Auto Ancillary Sector Q4FY24 Preview

### Auto Ancillary Preview for Q4FY24

Sandhar Technologies	Q4FY24E	Q3FY24A	Q4FY23A	YoY	QoQ
Net Revenue	9,231	8,895	7,650	21%	4%
EBITDA	972	886	675	44%	10%
EBITDA Margin	10.53%	9.96%	8.82%	170bps	57bps
PAT	353	254	247	43%	39%

**Rating: Buy**      **CMP : INR 513**      **TP: INR 573**      **PE:12.04x (FY26e)**

We anticipate a 4% QoQ revenue growth. The company is focusing on development of EV product such as DC-DC converters, EV chargers, and motor controllers. New products in the EV space are set to launch in the Q1FY25. There is a focus on margin improvement, aiming for double-digit margins in FY25.

Suprajit Engineering	Q4FY24E	Q3FY24A	Q4FY23A	YoY	QoQ
Net Revenue	7,731	7,242	6,990	11%	7%
EBITDA	960	873	871	10%	10%
EBITDA Margin	12.42%	12.05%	12.46%	-4bps	37bps
PAT	464	402	410	13%	15%

**Rating: Buy**      **CMP : INR 431**      **TP: INR 475**      **PE:22.20x (FY26e)**

We anticipate a 7% QoQ revenue growth, driven by strong performance in the passenger vehicle business for the Domestic Cable Division. The Phoenix Lamps Division is targeting double-digit EBITDA margins and margin improvement. There is a focus on braking systems, actuator systems, and digital clusters.

Gabriel India	Q4FY24E	Q3FY24A	Q4FY23A	YoY	QoQ
Net Revenue	8,318	8,154	7,370	13%	2%
EBITDA	722	702	524	38%	3%
EBITDA Margin	8.68%	8.61%	7.11%	157bps	7bps
PAT	441	412	338	31%	7%

**Rating: Buy**      **CMP : INR 368**      **TP: INR 481**      **PE:18.51x (FY26e)**

We anticipate a 2% QoQ revenue growth. The company foresees sustained growth in the two-wheeler industry, targeting double-digit revenue growth in FY25. Regarding OEM partnerships, Gabriel is presently concentrated on supplying sunroof components for Hyundai Creta and Kia's new platform, with potential expansion into additional models in the future.

Sansera Engineering	Q4FY24E	Q3FY24A	Q4FY23A	YoY	QoQ
Net Revenue	7,235	7,126	6,186	17%	2%
EBITDA	1,230	1,207	962	28%	2%
EBITDA Margin	17.0%	16.9%	15.5%	146bps	6bps
PAT	495	484	354	40%	2%

**Rating: Buy**      **CMP : INR 1046**      **TP: INR 1198**      **PE:15.7x (FY26e)**

We expect to revenue grow by 11% YoY for the Q2FY24 is a remarkable 20% YoY surge in consolidated revenues. This surge will primarily be propelled by a substantial single-digit upturn in domestic 2W production volumes. Notably, the expected increase in production volumes by Bajaj Auto in the upcoming quarter will play a pivotal role in driving this growth.

CIE Automotive	Q1CY24E	Q4CY23A	Q1CY23A	YoY	QoQ
Net Revenue	23,623	22,400	24,400	-3%	5%
EBITDA	3,529	3,270	3,810	-7%	8%
EBITDA Margin	14.9%	14.6%	15.6%	-68bps	34bps
PAT	1,878	1,770	2,203	-15%	6%

**Rating: Accumulate**      **CMP : INR 476**      **TP: INR 601**      **PE: 15x (CY25e)**

Anticipating a 6% increase in consolidated revenues in 4QCY23, driven by higher EU PV production and Metalcastello business growth. Expecting a 74 bps rise in consolidated EBITDA margin to 17.6%, mainly attributed to operating leverage benefits. This projection factors in increased 2W and tractor production volumes, partially offset by lower PV production.

Mayur Uniquoters	Q4FY24E	Q3FY24A	Q4FY23A	YoY	QoQ
Net Revenue	2,026	1,783	1,932	5%	14%
EBITDA	404	354	249	62%	14%
EBITDA Margin	19.94%	19.84%	12.88%	707bps	11bps
PAT	327	273	234	40%	19.9%

**Rating: Accumulate**      **CMP : INR 520**      **TP: INR 612**      **PE: 13.29x (FY26e)**

We anticipate a 14% QoQ revenue growth, with an anticipated gradual increase in exports in Q4. New orders have been received for OEM supplies for new models, reflecting efforts to capture new customers and expand market reach. Additionally, there is a focus on diversifying the customer base and entering new markets.

Source: Arianth Research

## Auto & Auto Ancillary Sector Q4FY24 Preview

Rane Holdings	Q4FY24E	Q3FY24A	Q4FY23A	YoY	QoQ
Net Revenue	9,121	8,370	9,377	-3%	9%
EBITDA	1,076	900	1,038	4%	20%
EBITDA Margin	11.80%	10.75%	11.06%	74bps	105bps
PAT	548	480	-81	780%	14%
CMP : INR 1,130		TP: INR 1,323		PE: 8.37x (FY26e)	

We anticipate a 9% QoQ revenue growth. The company is focusing on expanding its export business in segments such as ball joints, rack and pinion, hydraulic components, and aluminum die casting. Additionally, the company is gradually expanding into the brake shoe market, initially focusing on the aftermarket segment.

Alicon Castalloy	Q4FY24E	Q3FY24A	Q4FY23A	YoY	QoQ
Net Revenue	4,426	4,050	3,193	39%	9%
EBITDA	577	522	317	82%	11%
EBITDA Margin	13.04%	12.89%	9.94%	310bps	15bps
PAT	288	167	97	197%	72%
Rating: Buy		CMP : INR 849		TP: INR 1,479	
				PE: 9.4x (FY26e)	

In Q4FY24, we expect a growth of 9% QoQ led by strong growth outlook. The EBITDA margin is expected to expand by 15 basis points YoY, primarily due to the easing of raw material costs and good demand.

SSWL	Q4FY24E	Q3FY24A	Q4FY23A	YoY	QoQ
Net Revenue	11,392	11,103	10,049	13%	3%
EBITDA	1,220	1,167	1,085	12%	5%
EBITDA Margin	10.71%	10.51%	10.79%	-8bps	20bps
PAT	565	594	473	19%	-5%
Rating: Buy		CMP : INR 275		TP: INR 410	
				PE: 13.15x (FY26e)	

In Q4FY24, we expect a growth of 13% YoY led by performance improvement. The EBITDA margin is expected to expand by 20 YoY, primarily due to the easing of raw material costs.

SJS Enterprise	Q4FY24E	Q3FY24A	Q4FY23A	YoY	QoQ
Net Revenue	1,069	1,068	1,066	0.3%	0.1%
EBITDA	246	249	240	2%	-1%
EBITDA Margin	23.02%	23.32%	22.52%	50bps	-30bps
PAT	127	154	193	-34%	-17%
Rating: Buy		CMP : INR 477		TP: INR 601	
				PE:12.35x (FY26e)	

In Q4FY24, we expect a flattish growth YoY. The EBITDA margin is expected to expand by 50 basis points YoY, primarily due to the easing of raw material costs.

Source: Arianth Research

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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