

Equity Research Analysis Report
ASHOK LEYLAND LMT
 Automotive industry

52 Week High -
 169.45

52 Week Low -
 93.20

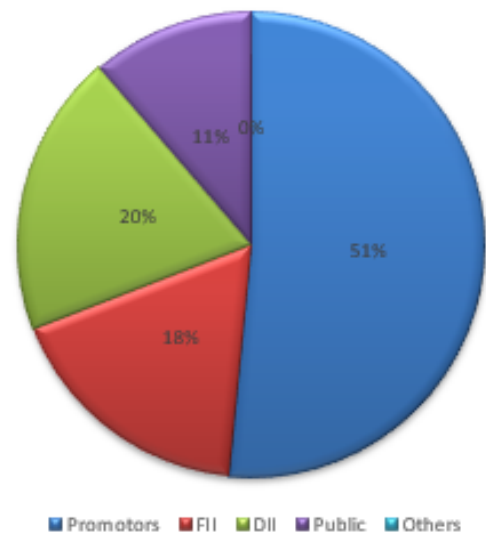
Intrinsic Value-164.5

Ashok Leyland is an Indian transnational automotive manufacturer, headquartered in Chennai. It's possessed by the Hinduja Group. It was innovated in 1948 as Ashok Motors and came Ashok Leyland in the time 1955. Ashok Leyland is the second-most successful manufacturer of marketable vehicles in India the third-most successful manufacturer of motorcars in the world, and the tenth-most successful manufacturer of exchanges.

Economic Outlook

- Expecting a better GDP growth ,there is a higher resilience of Indian economy to global shocks.
- Expecting a better investment both domestic and foreign.
- Better value for Indian rupee.
- Rising middle class income.

Shareholding Pattern



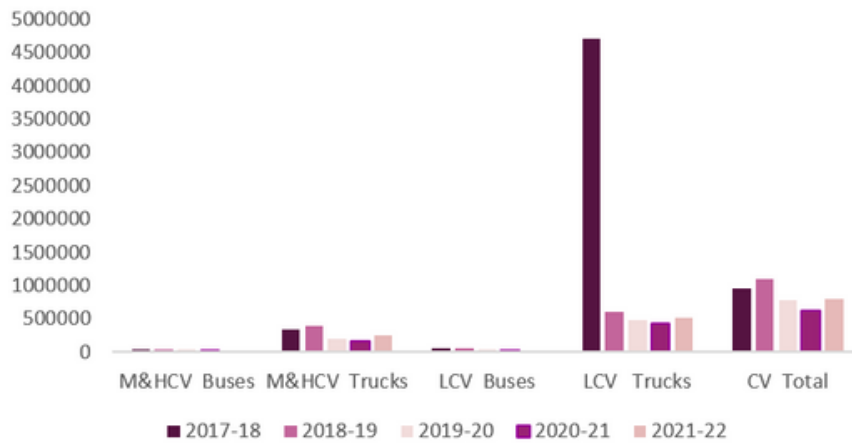
Industry Review

- Domestic automobile sale volume expected to grow 6-9%.
- slow increase in cost can be expected.
- can expect a hike in demand for CV robust of 10 %.
- most demand expected for two wheelers .
- focus on shifting to EV's.
- in October 2022 total production of passenger vehicle ,two wheelers and quadricycles was 2,191,090 units.

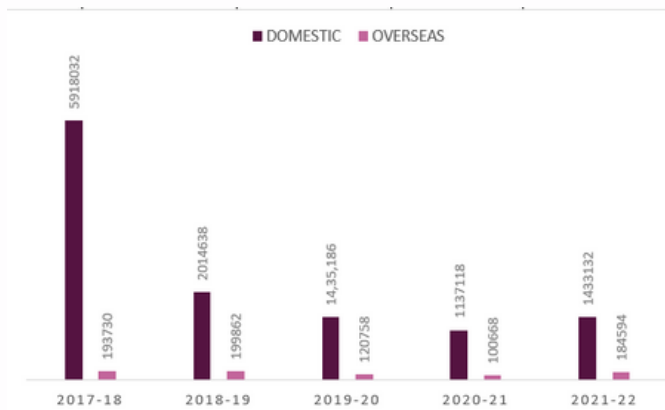
Concall Review

- Increase in market share(domestic truck sale with 32% that is almost 10%).
- LCV is on growth phase impacted by semiconductors shortage.
- operation sales have registered a 25% year on year growth in Q2 domestic.
- increase in net debt about 400 cr.
- MHCV trucks are expected grow by 21%-23%, buses by 103%-105% and LCV truck by 18%-20% .
- Softening commodity prices in particular steel could have a great impact in margins.

PRODUCT SEGMENTATION



Geographical Segmentation



Margin, Ratios and Multiples

PARTICULARS	2020	2021	2022
EBITDA MARGIN	6.7	3.5	4.6
EBIT MARGIN	2537	1834	1661
PAT MARGIN	456	-69	-292
ROE	4.32	-2.1	-4.9
ROCE	11.1	6.8	7.94
Debt to Equity	2.31	2.31	3.28
Quick Ratio	0.93	0.83	0.86
Current Ratio	1.03	0.98	1
Inventory Turn over	14.29	7.79	6.96
Asset Turnover	57.57	46.24	0.7

Financial Statements

	2021 A	2022 A	2023 E
Revenue from operations	51,193.00	45,996.00	49,675.68
Total Income	51,586.00	46,509.00	50,669.19
Cost of materials and services consumed	15,869.00	14,951.00	16,392.97
Purchases of stock-in-trade	9,274.00	7,117.00	7,451.35
Changes in inventories of finished goods, stock-in-trade and work-in-progress	-19.00	-391	248.38
Employee benefits expense	2,399.00	2,229.00	2,483.78
Finance costs	98	108.00	248.38
Depreciation and amortisation expense	1,025.00	1,012.00	993.51
Other expenses	11167.00	10766.00	12418.92
Total Expenses	39813.00	35792.00	40237.3
Profit / (Loss) before exceptional items and tax	11,773.00	10,717.00	10,431.89
Exceptional items	-34.00	-227.00	0.00
Profit / (Loss) before tax	11,739.00	10,490.00	10,431.89
Tax expense:			
Profit / (Loss) for the year	8,818.00	7,954.00	7,823.92

	2018	2019	2020	2021	2022
		8.54%	1.47%	31.99%	-10.15%
	110.42%	93.62%	101.89%	100.77%	101.12%
	35.47%	34.64%	29.84%	31.00%	32.51%
	10.82%	12.32%	16.35%	18.12%	15.47%
	-0.20%	0.03%	-0.31%	-0.04%	-0.85%
	4.95%	4.57%	4.36%	4.69%	4.85%
	0.06%	0.07%	0.27%	0.19%	0.23%
	1.36%	1.37%	2.42%	2.00%	2.20%
	26.33%	25.85%	25.01%	21.81%	23.41%
	80.75%	78.85%	77.94%	77.77%	77.82%
	24.84%	19.22%	23.95%	23.00%	23.30%
	-0.18%	-0.59%	-0.51%	-0.07%	-0.49%
	20.69%	22.29%	23.44%	22.93%	22.81%

	2021 A	2022 A	2023 E
EPS	33.85	37.53	33.29
PE	3.65	3.68	3.66

Du Point Analysis



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