

January 17, 2023

Players showcase products, capabilities at Auto Expo

We recently attended the prestigious biennial event in the domestic auto space, **Auto Expo 2023**, held in Delhi-NCR. It had various players showcasing their existing product offerings as well as capabilities developed in the new energy space like **electrification, fuel cells, hydrogen powered vehicles, CNG**, etc. New model launches by OEMs, however, was limited given the near absence of European players. It had a great mix of existing marquee players as well as new age players both in the listed as well as unlisted space. **We were highly impressed by the technological advancement achieved by OEM players and their readiness to adopt environment friendly powertrain options along with readiness of the auto ancillary pack helping OEMs traverse this tectonic technological shift.** We also got a chance to meet promoters of some auto ancillary names that would have been hard to do in normal course. Hence, we rate our visit a success.

Key highlights of Auto OEM Expo are:

- Maruti Suzuki (MSIL) unveiling its first concept EV SUV – “eVX”. It will be powered by 60 Kwh battery with ~550 km of certified range
- MSIL also launched new SUVs i.e. FRONX & 5 door JIMNY. Fronx is powered by 1.2 litre K-Series dual jet engine and 1L Turbo booster Jet Engine. It boasts of all new age tech and safety features. Jimny will be powered by K-series 1.5-litre engine with all grip technology. MSIL has opened pre-bookings for both models at Nexa dealership
- Tata Motors unveiling a range of concept vehicles powered by various technologies like BEV, fuel cell, CNG, hydrogen cell ICE powered, etc, in commercial domain (trucks, buses and LCVs)
- Tata Motors also unveiled EV variants Harrier & Sierra in the PV domain along with other concepts like Avinya and Curvv
- VECV arm at Eicher Motors showcased Intercity electric bus, electric truck, fuel cell truck along with premium Volvo bus
- Ashok Leyland showcased fuel Cell EV truck, CNG bus, hydrogen powered truck (H2-ICE), EV buses & trucks of various tonnages, LNG truck and double decker EV bus by Switch mobility among others
- JBM Auto showcased its electric buses largely offered to STUs
- Atul Auto’s subsidiary i.e. Atul Greentech unveiled EV-3-Ws i.e. Atul Mobili and Atul Energie. Mobili is a passenger 3-W & Energie is a Cargo 3-W with driving range of 110 km & 195 km, respectively
- Hyundai launched an electric vehicle Ioniq 5 at a price of ~₹ 45 lakh. It is powered by 72.6 Kwh with certified ARAI range of 631 km. It is equipped with Level 2 ADAS, a head-up display among others
- In 2-W space, on display were electric offerings -Bajaj Chetak, Hero Vida V1, Motorcycle offerings by Tork Motors (Bharat Forge backed), 2-Ws from Ampere by Greaves Cotton and other new age OEMs
- Expo also had an Ethanol Pavilion wherein existing 2-W OEMs showcased flex fuel prototype vehicle (capable of running on E85 fuel) and also included Maruti Suzuki Wagon R & Toyota Corolla Altis

Our sector view

With an underpenetrated PV category domestically, government spend on infrastructure, improved fleet utilisation, strong order book aided by a slew of new launches, we expect PV, CV space, in particular, to witness healthy growth in sales volume, going forward. We remain positive on the auto sector given the expectation of double digit volume growth coupled with benign commodity price outlook leading to healthy margin recovery. Our top bets in the OEM space are Maruti Suzuki (TP: ₹ 11,200), M&M (TP: ₹ 1,590), Eicher Motors (TP: ₹ 4,310) and Ashok Leyland (TP: ₹ 185).

Visited OEM’s include

Within Coverage

- Maruti Suzuki India
- Tata Motors
- Ashok Leyland
- VECV- Eicher Motors
- Atul Auto

Outside our coverage or unlisted

- Hyundai Motors
- Kia Motors
- BYD India
- MG Motors
- JBM Auto
- Toyota Kirloskar Motor
- Lexus
- Tork Motors

Visited Auto Ancillary’s include

Within Coverage

- Minda Industries
- Endurance Technologies
- Pricol Ltd
- Gabriel India (Anand Group)
- Jamna Auto

Outside our coverage or unlisted

- Tata AutoComp
- Sona BLW Precision Forgings Ltd.
- Varroc Engineering
- Sterling tools
- GNA Axles
- Subros Ltd.
- Talbros Auto Components
- Sundaram Fasteners (TVS group)

Top Picks in Auto OEM Space

Maruti Suzuki
Mahindra & Mahindra
Eicher Motors
Ashok Leyland

Research Analyst

Shashank Kanodia, CFA
shashank.kanodia@icicisecurities.com

Raghvendra Goyal
raghvendra.goyal@icicisecurities.com

Key debuts in passenger vehicle domain

Maruti Suzuki

Market leader Maruti Suzuki unveiled its first Concept E-SUV Emotional Versatile Cruiser i.e. "eVX". It was followed by launches in the SUV domain powered by petrol engines i.e. five door **Jimny & Fronx**. MSIL also unveiled Wagon R Flex Fuel Prototype capable of working on E85 Fuel.

Exhibit 1: Concept eVX



Source: Company, ICICI Direct Research

Key specifications for eVX:

- Battery capacity: 60 kWh battery pack with safe battery technology
- Driving range: up to 550 km
- Dimensions: L x W x H: 4,300 mm x 1,800 mm x 1,600 mm
- Platform: All-new dedicated EV platform developed by Suzuki Motor Corporation
- Expected to be launched by 2025

Exhibit 2: Jimny (5 Door)



Source: Company, ICICI Direct Research

Jimny is built on – Ladder Frame Chassis, Ample Body Angles, three- link rigid axle suspension and ALLGRIP PRO (4WD) with low range transfer gear (4L mode)

Jimny comes with 22.86 cm (9") Smart Play Pro+ infotainment system with HD display and wireless Apple CarPlay and Android Auto connectivity

Jimny comes loaded with safety features like six-airbags, Brake (LSD) Limited Slip Differential, ESP with hill hold assist, hill decent control, rear-view camera, and ABS with EBD.

Key Specifications:

- Engine: 1.5 litre K-series engine providing 104.8 Ps & 134.2 Nm torque.
- Fuel Type; Capacity: Petrol; 40 litre
- Dimensions: L x W x H: 3985 mm x 1645 mm x 1720 mm.

Off-road specification:

- Approach Angle: 36°
- Ramp Breakover Angle: 24°
- Departure Angle: 50°

Exhibit 3: Off-roading capabilities of Jimny



Source: Company, ICICI Direct Research

Exhibit 4: MSIL - Fronx



Source: Company, ICICI Direct Research

Fronx is defined by its aerodynamic silhouette and proud stance with upright front and rear facia, roof rails and a wide bonnet to give it a commanding road presence

Fronx will be powered by 1.0 L Turbo & 1.2 L K-Series engine and will be available with the choice of five-speed manual transmission and a six-speed automatic with paddle shifters

It comes with a host of advanced features like Head Up Display, 360 view camera, wireless charger, 22.86 cm (9") HD Smart Play Pro+ infotainment system with wireless Apple CarPlay and Android Auto connectivity

Fronx will be equipped with six airbags (top variants), three-point ELR seatbelts, ESP with Hill Hold Assist & roll over mitigation, ABS with EBD & brake assist (BA), ISOFIX child seat anchorages, among others

Key Dimensions: L x W x H: 3995 mm x 1765 mm x 1550 mm

Exhibit 5: MSIL - Fronx



Source: Company, ICICI Direct Research

Exhibit 6: MSIL – Wagon R – flex fuel prototype



Source: Company, ICICI Direct Research

S. No.	Specifications	Details
1	Model Name	WagonR FFV Prototype
2	Length	3655 mm
3	Width	1620 mm
4	Height	1675 mm
5	Wheel base	2435 mm
6	Wheel Track	1430 mm
7	Kerb Weight	855 – 850 Kg
8	Gross Weight	1340 Kg
9	Engine Type	PFI NA
10	Engine CC	1197 CC
11	Power	66.0KW @ 4800rpm
12	Torque & Power	113.0Nm @ 4400rpm
13	Transmission Type	Manual
14	Fuel tank capacity	32 L
15	Flex fuel usage range	E20 – E85

MSIL was confident of adhering to the regulatory timelines for launch of flex fuel vehicles with first vehicle launch in this domain likely in 2025

Tata Motors

Leading the electrification charge in the domestic PV space with ~50,000 EVs already on Indian roads and market share in excess of 80%, Tata Motors showcased Harrier and Sierra EV and concepts like Curvv and Avinya.

Exhibit 7: Harrier EV and Sierra EV respectively



Source: Company, ICICI Direct Research

Exhibit 8: Concepts - Avinya EV & Curvv EV (futuristic models)



Source: Company, ICICI Direct Research

It also showcased turbocharged and CNG powered Altroz and CNG Punch.

Exhibit 9: Turbocharged Altroz Racer, Dual Cylinder based Tata Punch CNG



Source: Company, ICICI Direct Research

Exhibit 10: Hyundai – Ioniq 5 – Electric Passenger Vehicle



Source: Company, ICICI Direct Research

Hyundai launched an electric vehicle i.e. Ioniq 5 at ex-showroom price of ~₹ 45 lakh. It is powered by 72.6 Kwh with certified ARAI range of 631 km. It will be equipped with Level 2 ADAS, a head-up display among others

Exhibit 11: Hyundai – Ioniq 6 Unveiled – Electric Passenger Vehicle



Source: Company, ICICI Direct Research

Hyundai Ioniq 6 is powered by 77.4 Kw Li On battery. It has a permanent magnet synchronous motor and is a two-wheel drive. It is 4855 mm in length, 1880 mm in width and 1500 mm in height

Exhibit 12: Kia – EV 6 – Electric passenger vehicle



Source: Company, ICICI Direct Research

Kia EV6 is powered by 77.4 Kw Li On battery. It is offered in automatic transmission. It has permanent magnet synchronous motor. It has a certified range of ~708 km and is currently being imported and sold in India at a price tag of ~₹ 60-65 lakh/unit

It is 4695 mm in length, 1890 mm in width and 1550 mm in height

It was launched in India around mid CY22

Exhibit 13: BYD India – ATTO 3 – Electric passenger vehicle



Source: Company, ICICI Direct Research

BYD India had in the very recent past launched its ATTO 3 at ex-showroom price of ~₹ 34 lakh. It is powered by 60.5 Kwh with certified ARAI range of 521 km. It will be equipped with Level 2 ADAS & clocks 0-100 kmph in 7.3 seconds

It is 4455 mm in length, 1875 mm in width and 1615 mm in height

Exhibit 14: MG Motors – Next Gen Hector – SUV



Source: Company, ICICI Direct Research

At the Auto Expo, MG Motors launched the next Gen Hector in the SUV space. It is being offered at a starting price of ₹ 14.72 lakh/unit. It is equipped with ADAS Level 2. It will be offered in 5,6,7 seating configuration and is equipped with 35.56 cm (14 inch) HD infotainment screen as well as possesses 75+ connected car features. It is powered by 1.5L turbocharged petrol engine

Apart from this, MG Motors at its pavilion also showcased other models especially in the EV domain. Few notable names were EUNIQ 7, MG eHS, MG 4, Marvel R, MIFA 9, eRX 5 among others

Exhibit 15: Toyota Kirloskar Motor India – models showcased



Source: Company, ICICI Direct Research

Toyota also showcased its existing line of products sold globally with notable one being BZ4X - an electric SUV crossover and hydrogen fuel cell powered Toyota Mirai

Vehicles showcased - Commercial vehicle (CV) space

On the CV front, Tata Motors showcased vehicles across categories (trucks, buses and LCVs) powered by various fuel like BEV, hydrogen fuel cell, LNG, hydrogen ICE powered engine, etc.

Exhibit 16: Tata Motor's M&HCV Offerings



Source: Company, ICICI Direct Research

Exhibit 17: Tata Motors LCV offerings



Source: Company, ICICI Direct Research

Exhibit 18: Ashok Leyland offerings across powertrain types including double decker electric bus



Source: Company, ICICI Direct Research

Exhibit 19: VECV- Eicher Motors offerings across powertrain types



Source: Company, ICICI Direct Research

Exhibit 20: Atul Auto – Electric 3-W unveiled, launch expected in coming months



Source: Company, ICICI Direct Research

Innovative Concepts

Exhibit 21: Vayve Mobility develops concept- EVA – Compact EV (Driver + 2 passenger in rear). It also offers solar roof



Source: Company, ICICI Direct Research

Exhibit 22: Pravaig Veer – Electric passenger vehicle (SUV)



Source: Company, ICICI Direct Research

Pravaig Veer showcased a sturdy electric vehicle initially designed for patrolling by police and armed forces. It is also developing a general consumer centric electric PV as well. It is powered by 90 Kwh battery with 0-100 kmph in 4.9 seconds and top speed of 210 kmph. It offers a certified range of over 500 km. On the dimensions front, it is 4940 mm in length, 1650 mm height and 1950 mm in width

Exhibit 23: Repos Energy – Fuel on the go/fuel at doorstep – Portable & mobile fuel vehicles (diesel, AdBlue, electric charging)



Source: Company, ICICI Direct Research

Auto Ancillary Expo 2023

Exhibit 24: Uno Minda- tech offerings (ADAS, sensors, camera, touch switches) & traditional products (lighting, alloy wheels)



Source: Company, ICICI Direct Research

Exhibit 25: Endurance Technologies – Disc brakes and suspension products



Source: Company, ICICI Direct Research

Exhibit 26: Pricol Ltd – Instrument Clusters



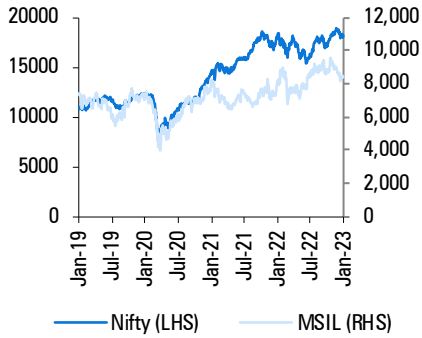
Source: Company, ICICI Direct Research

Auto Ancillary Expo 2023 was also an interesting composition with key positive surprise being capabilities developed by players in the area of electrification with lot many auto ancillaries offering motors, motor control units, dc-to-dc converter, etc. for application in electric vehicles. Notable presence was also felt of players supplying consumables only for aftermarket sales

Pavilions of Uno Minda, Endurance Technologies, Sona BLW Precision Forging, Tata Auto Comp, TVS group and Anand group need special mention as they showcased detailed product portfolio as well as their developed capabilities in new technologies including ADAS, EVs, sensors, etc

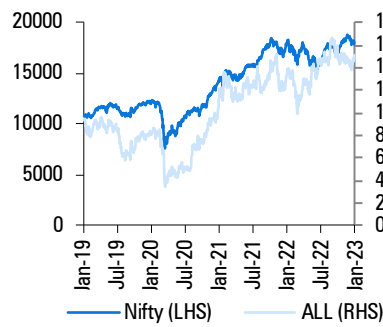
Price Performance for major OEM's & Ancillary players

Maruti Suzuki (MSIL)



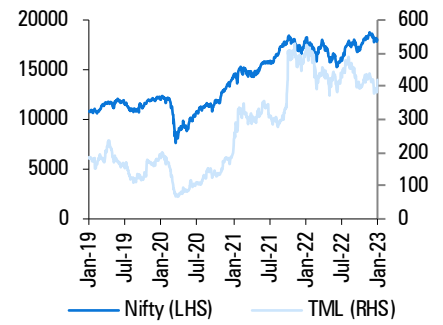
Source: Company, ICICI Direct Research

Ashok Leyland (ALL)



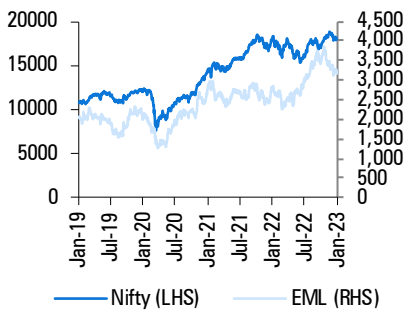
Source: Company, ICICI Direct Research

Tata Motors (TML)



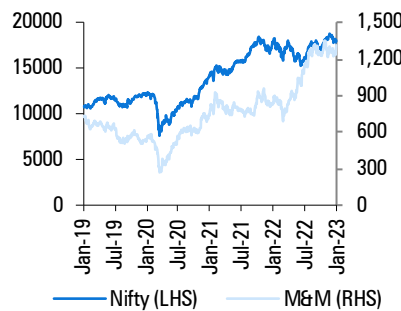
Source: Company, ICICI Direct Research

Eicher Motors (EML)



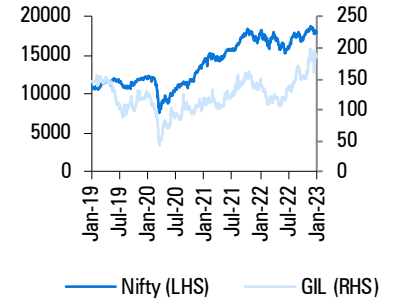
Source: Company, ICICI Direct Research

Mahindra & Mahindra (M&M)



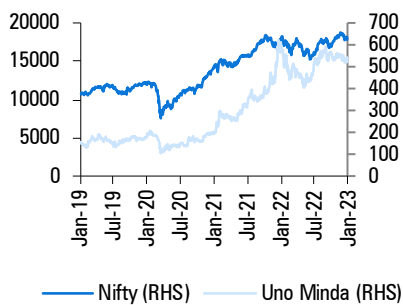
Source: Company, ICICI Direct Research

Gabriel India (GIL)



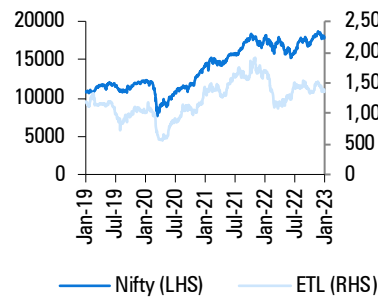
Source: Company, ICICI Direct Research

Uno Minda



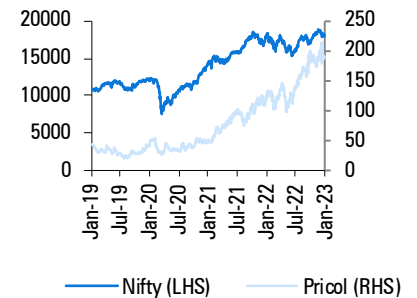
Source: Company, ICICI Direct Research

Endurance Technologies (ETL)



Source: Company, ICICI Direct Research

Pricol



Source: Company, ICICI Direct Research

Key Risks: (i) Covid led disruption in supply chain and subdued retail footfalls impacting volumes (ii) sustained spike in key commodity prices thereby limiting the anticipated gross margin expansion

RATING RATIONALE

ICICI Direct endeavours to provide objective opinions and recommendations. ICICI Direct assigns ratings to its stocks according to their notional target price vs. current market price and then categorizes them as Buy, Hold, Reduce and Sell. The performance horizon is two years unless specified and the notional target price is defined as the analysts' valuation for a stock

Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

**ICICI Direct Research Desk,
ICICI Securities Limited,
1st Floor, Akruti Trade Centre,
Road No 7, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com**

ANALYST CERTIFICATION

I/We, Shashank Kanodia, CFA, MBA (Capital Markets) & Raghvendra Goyal, CA, Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Retail Research. 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 Institutional Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

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 customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. 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. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or actual/ beneficial ownership of one percent or more or other material conflict of interest various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed 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, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.