

New recommendations

Date	Scrip	I-Direct Code	Buying Range	Target	Stoploss	Upside (%)	Duration
29-Jun-22	Minda Industries	MININD	925-949	1,070.00	852.00	13%	3 Months

Open recommendations

Date	Scrip	Avg Rec Price	Target	Stoploss	CMP	Return till date (%)	Duration
29-Jun-22	Sanghvi Movers	226.00	255.00	203.00	226.00	0%	3 Months
27-Jun-22	Asahi India Glass	535.00	598.00	486.00	540.00	1%	3 Months
3-Jun-22	Trent	1,127.00	1,275.00	1,015.00	1,087.00	-4%	3 Months
26-May-22	State Bank of India	467.00	505.00	428.00	462.00	-1%	3 Months
23-May-22	KSB	1,457.00	1,655.00	1,268.00	1,462.00	0%	3 Months

All the recommendations are in Cash segment

June 29, 2022

Open Recommendations

Momentum Picks

Scrip	Time Frame
Persistent	7 days
Birlasoft	14 days
Havells	30 days

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Research Analysts

Dharmesh Shah

dharmesh.shah@icicisecurities.com

Pabitra Mukherjee

pabitra.mukherjee@icicisecurities.com

Nitin Kunte, CMT

nitin.kunte@icicisecurities.com

Vinayak Parmar

vinayak.parmar@icicisecurities.com

Ninad Tamhanekar, CMT

ninad.tamhanekar@icicisecurities.com

Minda Industries (MININD): Falling channel breakout signals resumption of up move...

Rec. Price

925-949

Target

1070

Stop loss

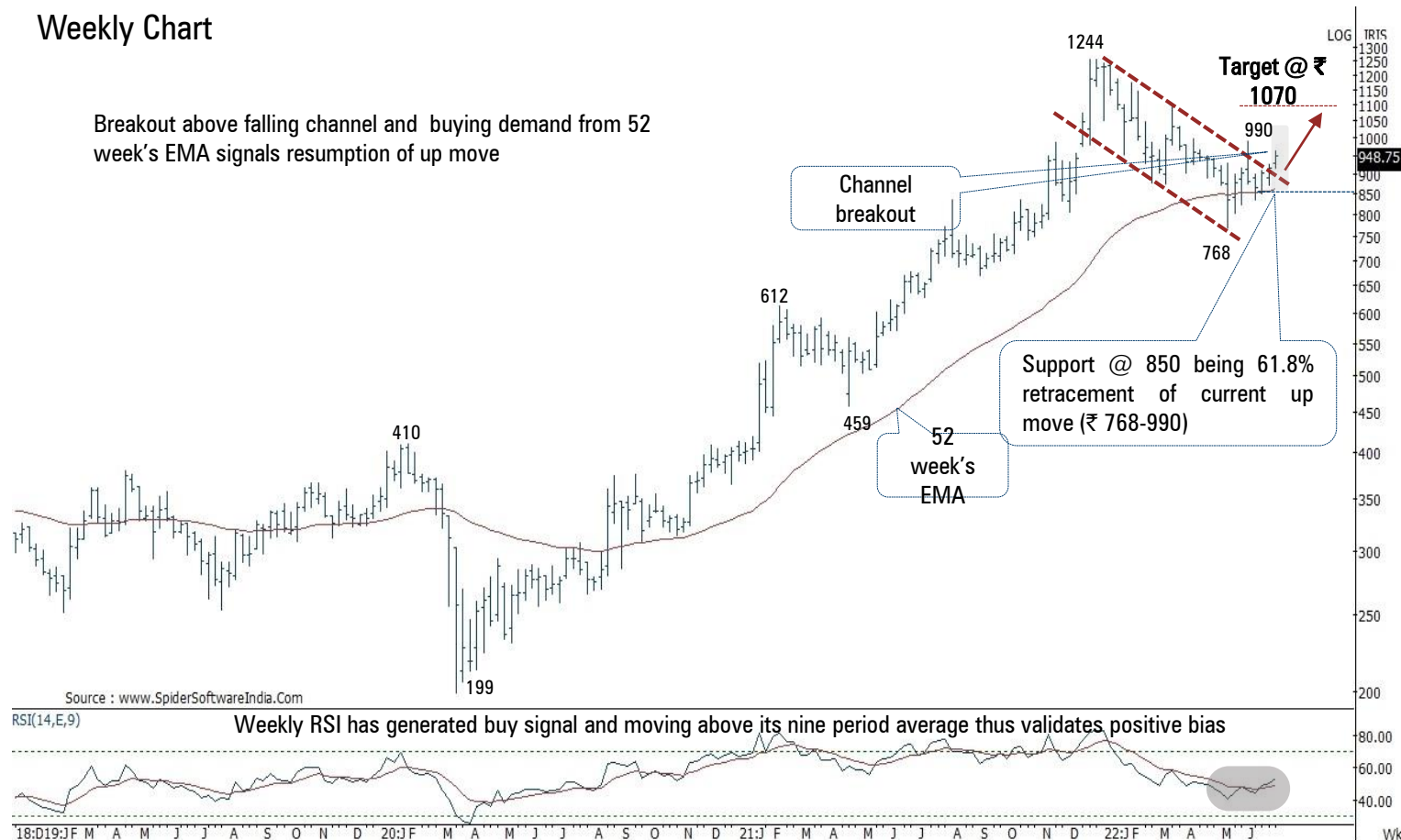
852.00

Upside

13%

Weekly Chart

Breakout above falling channel and buying demand from 52 week's EMA signals resumption of up move



- The auto and auto ancillary space extended its outperformance as the Nifty Auto index is poised for a breakout above its multiyear highs since CY17. Within auto ancillary, we remain positive on Minda Industries, which is offering a favourable risk reward proposition at the current juncture
- The stock witnessed a falling channel breakout after a strong base formation at the major support area around ₹ 860 as it is the rising 52 week's EMA (currently placed at ₹ 860 levels) signalling resumption of up move and offering a fresh entry opportunity
- We expect the stock to extend the current up move and head towards ₹ 1070 levels in the coming months as it is the 61.8% retracement of January-May 2022 decline (₹ 1244-768)
- The weekly RSI recently generated a buy signal moving above its nine period's average. Thus, it validates the positive bias

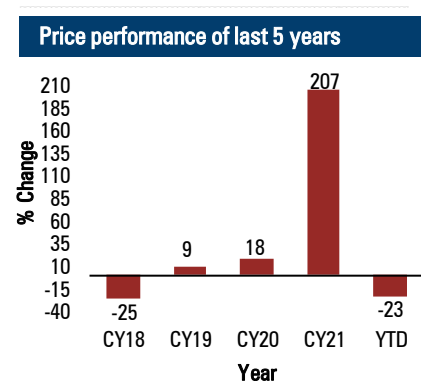
Fundamental View: Minda Industries (MININD)

- Minda Industries (MIL) is the flagship company of the UNO Minda group that has, over the years, evolved from a single-product, single segment player to one of the largest entities in the domestic auto ancillary space, providing solutions in areas of comfort and convenience (automotive switches, interior & exterior lighting, acoustics systems, seating), aesthetics (alloy wheels), safety (airbags, sensors & controllers) and others. MIL is India's largest maker of automotive switches, horns, seats & PV alloy wheels and third largest automotive lighting player. FY22 segment mix – 4-W: 53%, 2-W: 47%; switches, lighting, castings, horns and seats comprised 29%, 22%, 16%, 8% and 11% of sales, respectively
- MIL has a history of vast outperformance vs. user industries riding on growth in kit value, new client and product additions as well as inorganic acquisitions. It counts most major 2-W and PV OEMs as clients, including Hero MotoCorp, M&M, Tata Motors, Maruti Suzuki, Royal Enfield, TVS Motor & Bajaj Auto, among others. OEMs comprise ~88% of sales with aftermarket constituting the rest. MIL is largely domestic-focused with India forming ~85% of its revenues
- MIL posted healthy numbers for Q4FY22 with topline coming in at ₹ 2,415 crore, up 10.7% QoQ. EBITDA came in at ₹ 276 crore with margins at 11.4% up ~60 bps QoQ, Gross margin expanded ~20 bps QoQ with substantial savings realised under other expenses, which were down ~60 bps on a QoQ basis. Consequently PAT was at ₹ 144.4 crore, up 42.5% QoQ (supported by higher other income & higher profit from associates). The Board of directors at MIL have also approved bonus issue of equity shares in the ratio of 1:1 with record date for the same to be notified in due course of time
- Key triggers for future price performance include: (i) Minimal EV risk to its existing product profile with active work on developing EV-specific products, which will substantially improve its kit value per vehicle (ii) Increasing share of new age products (sensors, alloy wheels, airbags, etc.) (iii) Improved product mix and operating leverage to push margins, RoCE to 12.5%, 15.9% by FY24E (iv) b/s strength, with FY22 debt: equity at 0.2x. We expect gross debt to have peaked out with organic growth to be funded through internal accruals
- We build 15.7% FY22-24E net sales CAGR riding on OEM ramp up, focus on premiumisation, expanded capacity, penchant to grow ahead of industry. With operating leverage gains in the offering PAT growth in the aforesaid period is placed at ~42% CAGR with consequent return ratios expected at >15%. Given the recent correction in stock price, MIL now trades at decent valuation of <40x PE and <20x EV/EBITDA on FY24E amidst industry leading growth track record

Particulars	
Particulars	Amount
Market capitalisation (₹ crore)	27,132
Total Debt (FY22P, ₹ crore)	816
Cash & Inv. (FY22P, ₹ crore)	246
EV (₹ crore)	27,702
52 week H/L (₹)	1260 / 630
Equity capital (₹ crore)	57.1
Face value (₹)	2.0

Financials				
Particulars	FY21	FY22P	FY23E	FY24E
Net Sales	6374	8313	9692	11123
EBITDA	725	885	1139	1390
Net Profit	207	356	547	713
EPS	8	12	19	25

Valuation				
Particulars	FY21	FY22P	FY23E	FY24E
P/E (x)	124.9	76.2	49.6	38.0
EV/EBITDA (x)	38.5	31.3	24.2	19.5
P/BV	11.4	7.9	6.9	5.9
RoNW %	9.2	10.3	13.9	15.6
RoCE %	9.1	10.2	13.1	15.9



Summary Performance - Recommendations till date

Total Recommendations	769	Open	5
Closed Recommendations	764	Yield on Positive recommendations	16.0%
Positive Recommendations	569	Yield on Negative recommendations	-8.0%
Closed at cost	22		
Strike Rate	77%		

Momentum Picks open recommendations

Date	Scrip Name	Strategy	Recommendations Price	Target	Stoploss	Time Frame
28-Jun-22	Persistent	Buy	3460-3505	3675.00	3365.00	07 days
27-Jun-22	BirlaSoft	Buy	368-374	402.00	353.00	14 days
21-Jun-22	Havells	Buy	1085-1105	1180.00	1038.00	30 days
24-Jun-22	Samvardhana Motherson	Buy	119-122.5	130.00	113.00	14 days

All recommendations are in cash market

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- It is recommended to enter in a staggered manner within the prescribed range provided in the report
- Once the recommendation is executed, it is advisable to keep strict stop loss as provided in the report on closing basis
- The recommendations are valid for three to six months as specified on first page of report and in case we intend to carry forward the position, it will be communicated through separate mail

Trading portfolio allocation

- It is recommended to spread out the trading corpus in a proportionate manner between the various technical research products
- Please avoid allocating the entire trading corpus to a single stock or a single product segment
- Within each product segment it is advisable to allocate equal amount to each recommendation
- For example: The 'Momentum Picks' product carries 2 intraday recommendations. It is advisable to allocate equal amount to each recommendation

Recommended product wise trading portfolio allocation

Product	Allocations		Number of Calls	Return Objective	Duration
	Product wise allocation	Max allocation In 1 Stock			
Momentum Picks-Intraday	10%	30-50%	2 Stocks	1-2%	Intraday
Momentum Picks-Positional	25%	8-10%	8-10 Per Month	5-8%	14 Days
Gladiator Stocks	35%	10-13%	Opportunity Based	15-20%	6 Months
Yearly Technical	25%	12-15%	7-9 Per Year	20-30%	1 Year
Cash	5%				
	100%				



Pankaj Pandey

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

pankaj.pandey@icicisecurities.com

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