

## New recommendations

Date	Scrip	I-Direct Code	Buying Range	Target	Stoploss	Upside (%)	Duration
18-Jan-23	Siemens	SIEMEN	2990-3025	3,420.00	2,790.00	13%	3 Months

## Open recommendations

Date	Scrip	Avg Rec Price	Target	Stoploss	CMP	Return till date (%)	Duration
16-Jan-23	Punjab National Bank	58	67.00	51.50	57.00	-2%	3 Months
13-Jan-23	National Aluminium	83	94.00	76.00	85.00	2%	3 Months
6-Jan-23	NTPC	170	192.00	159.00	168.00	-1%	3 Months
2-Jan-23	Kirloskar Ferrous Industries	358	418.00	318.00	353.00	-1%	3 Months
6-Oct-22	IndusInd Bank	1,200.00	1,350.00	1,125.00	1,226.00	2%	3 Months

All the recommendations are in Cash segment

January 18, 2023

## Open Recommendations

### Momentum Picks

Scrip	Time Frame
Mahindra CIE	14 days
GMDC	14 days
Balmer lawrie	14 days

[Click here to know more...](#)

## 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

# Siemens (SIEMEN): Breakout above triangular consolidation augurs well for next leg of up move...

Rec. Price

2990-3025

Target

3420.00

Stop loss

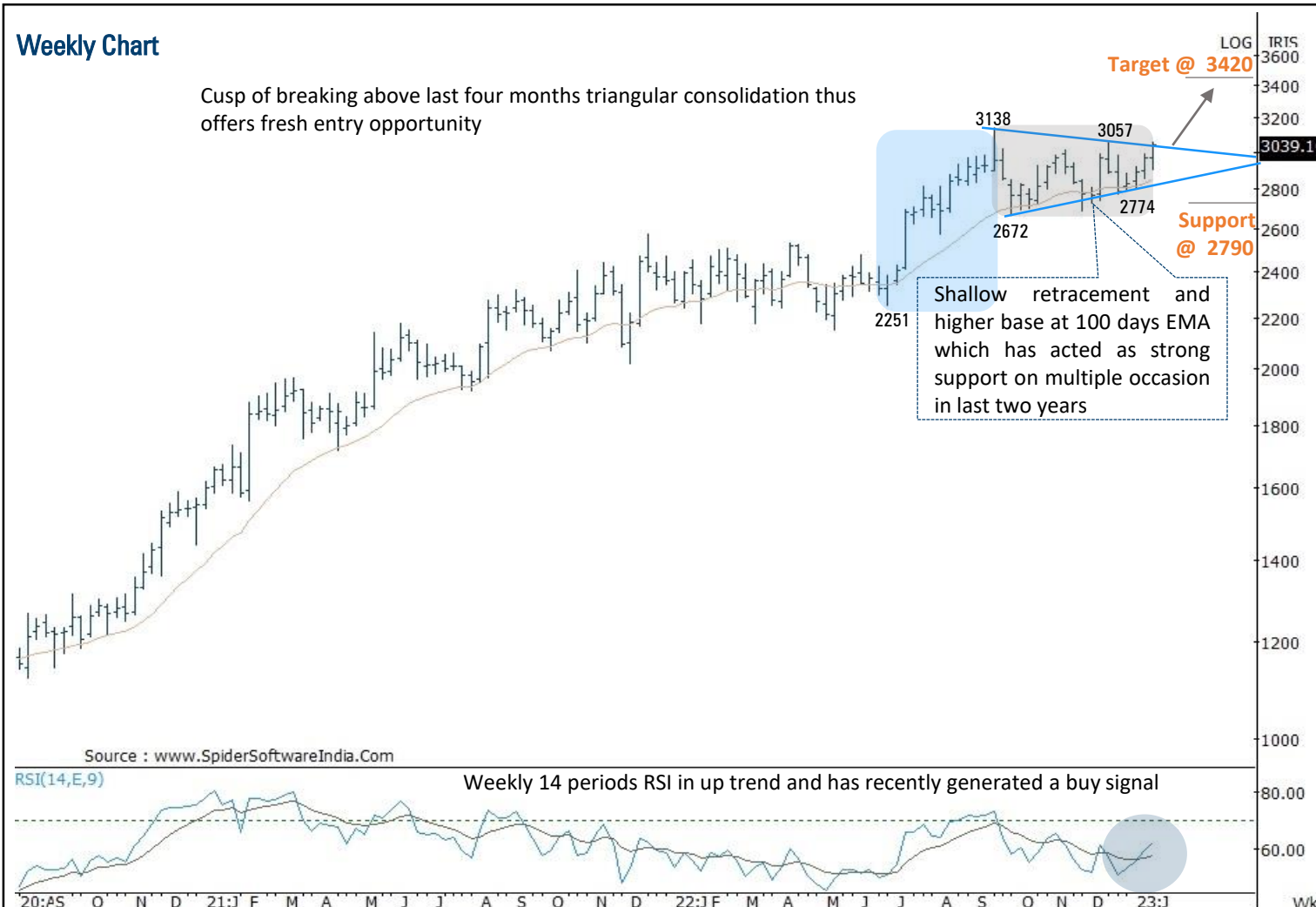
2790.00

Upside

13%

## Weekly Chart

Cusp of breaking above last four months triangular consolidation thus offers fresh entry opportunity



Source: Spider Software, ICICI Direct Research

Recommended on I-click to gain on 18<sup>th</sup> January 2023 at 12:15

January 18, 2023

ICICI Securities Ltd. | Retail Equity Research

- The capital goods sector has been one of the key outperformers of CY22 and is seen extending its up move after last one month's higher base formation. The index has given a breakout from decade long consolidation in CY21. Within the sector, we remain constructive on Siemens as it remains in strong up trend and has generated a breakout above a triangular consolidation of the last four months signalling resumption of up move, thus offering a fresh entry opportunity
- Buying demand has recently emerged from the 100 days EMA (currently placed at ₹ 2835) which has acted as strong support on multiple occasions in the last two years. In the smaller time frame, the stock has witnessed a shallow retracement of just 50% of its preceding 13 week's rally (2251-3138) in the last 18 weeks signalling a robust price structure and a higher base formation
- We expect the stock to extend the current up move and head towards ₹ 3420 levels in the coming months as it is the 161.8% external retracement of recent breather (3138-2672)

# Fundamental View: Siemens Ltd (SIEMEN)

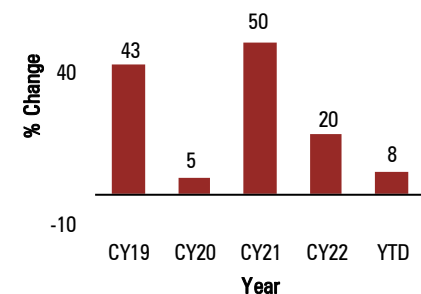
- Siemens Ltd (Siemens) is a leader in technology solutions for smart, intelligent, building technologies, mobility, digital industries and power T&D. It operates mainly in five key segments including energy/gas & power (34%), smart infrastructure (33%), digital industries (22%), mobility (7%). It is well placed to gain from the overall energy market transformation from electrification to automation and digitisation
- In Q4FY22 (\*September ending) Siemens posted a decent set of numbers. Consolidated revenue came in at ₹ 4657.1 crore, up 8.4% YoY. EBITDA came in at ₹ 516 crore with EBITDA margin of 11.1% (vs. 10.4% in Q4FY21). Gross margins expanded 240 bps to 32.9% on a YoY basis and 70 bps on a QoQ basis. Reported PAT came in at ₹ 652.3 crore, up 102.8% YoY
- Gas & power (energy) segment grew 3.9% to ₹ 1631.6 crore. Smart infrastructure segment grew 9.1% to ₹ 1665.8 crore, Mobility segment revenue grew 41.7% YoY to ₹ 441.8 crore and digital industries segment revenue grew 20.5% to ₹ 944.4 crore
- Order inflow wins were decent at ₹ 4009 crore, up 25% YoY led by all business segments. This has resulted in an order backlog at ₹ 17183 crore, which indicates a clear upswing in both public and private capex spending
- With strong demand for short cycle products with clear traction from steel, cement, chemical, pharma, fertiliser industries to drive strong growth and margin expansion in smart infrastructure and digital industries segments. We expect revenue, EBITDA to grow at a CAGR of ~18%, 18.6%, respectively, in FY22-24E owing to strong traction in short cycle products and services

Particulars	
Particular	Amount
Market Capitalization	₹ 108011 Crore
Total Debt (FY22)	₹ 0 Crore
Cash and Inv (FY22)	₹ 6487 Crore
EV (FY22)	₹ 99636 Crore
52 week H/L (₹)	3139 / 2150
Equity capital	₹ 71.2 Crore
Face value (₹)	2.0

Financials				
(₹ Crore)*	FY21	FY22	FY23E	FY24E
Revenue (₹ crore)	13,639.2	16,137.8	19,469.5	22,480.8
EBITDA (₹ crore)	1,518.5	1,757.3	2,141.6	2,472.9
EBITDA margin (%)	11.1	10.9	11.0	11.0
Net Profit (₹ crore)	1,050.1	1,261.9	1,651.6	1,914.9

Valuation				
(₹)	FY21	FY22	FY23E	FY24E
EPS (₹)	29.5	35.4	46.4	53.8
P/E (x)	102.9	84.1	65.4	56.4
Price / Book (x)	10.2	9.5	8.6	7.8
EV/EBITDA (x)	66.5	56.7	46.2	39.6
RoCE (%)	13.9	15.6	18.2	19.1
RoE (%)	10.1	11.3	13.4	14.0

## Price performance of last 5 years



# Follow up summary of Gladiator Stocks

## Summary Performance - Recommendations till date

Total Recommendations	839	Open	5
Closed Recommendations	834	Yield on Positive recommendations	16.0%
Positive Recommendations	628	Yield on Negative recommendations	-8.0%
Closed at cost	24		
Strike Rate	78%		

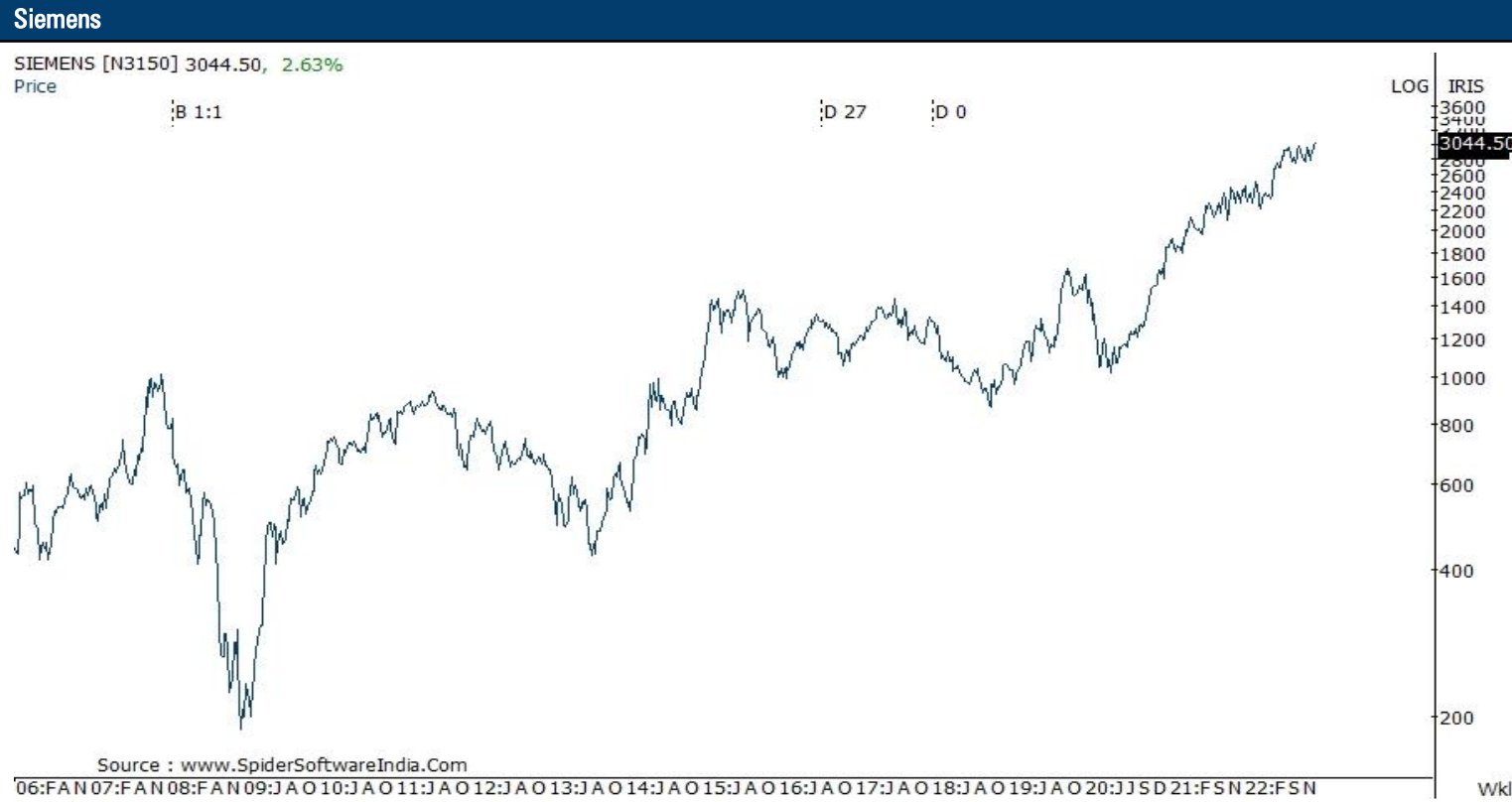
# Momentum Picks open recommendations

Date	Scrip Name	Strategy	Recommendations Price	Target	Stoploss	Time Frame
13-Jan-23	Mahindra CIE	Buy	373-379	408.00	356.00	14 days
13-Jan-23	GMDC	Buy	155-157	169.00	148.50	14 days
30-Dec-22	Gujarat Pipavav Port	Buy	99-102	116.00	94.00	30 days
6-Jan-22	Balmer Lawrie	Buy	128-132	142.00	123.00	14 days

All recommendations are in cash market

[Back to Top](#)

# Price history of past three years



- 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](mailto:research@icicidirect.com)

[pankaj.pandey@icicisecurities.com](mailto:pankaj.pandey@icicisecurities.com)

We/I, Dharmesh Shah, Nitin Kunte, Ninad Tamhanekar, Pabitra Mukherjee, Vinayak Parmar Research Analysts, authors and the names subscribed to this report, here by 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 compensations, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. We 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](http://www.icicibank.com).

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](http://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, 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