

ASHOK LEYLAND

Recommendation	Buy
CMP	Rs. 217
Target Price	Rs. 325
Time Frame	12-15 Months
Risk	Medium
Sector	Auto

Price & Ratio Analysis

% Change from previous Day	-1.04%
% Change from previous Month	0.11%
52 Week High/ Low	264.7/157.65
Market Cap (Rs. CR)	63737.32
Book Value / Share	36.95
% of Deliverable Qty to Traded Qty	18.22%
EPS	10.07
ROCE	35.65%
P/E	21.55

Company Description

Incorporated in 1948, Ashok Leyland (AL), the flagship company of the Hinduja Group is the second-largest Commercial Vehicle (CV) manufacturer in India, the 4th largest manufacturer of buses in the world, and 19th largest manufacturers of trucks, 9 manufacturing plants across the globe, a footprint that extends across 50 countries and commanding a market cap of Rs 63,671 Crore.

Support, Resistance & Trend Analysis

Support	177
Resistance	351
Moving Average 50 days/200 days	353/379
Pivot Level	181
ADX (14d)	15.17
Bollinger Band (Weekly)	201/237.8
MACD Weekly	-3.41
RSI (14, E9) Monthly	58.05
Stochastic oscillator monthly (1,3,3)	56.57

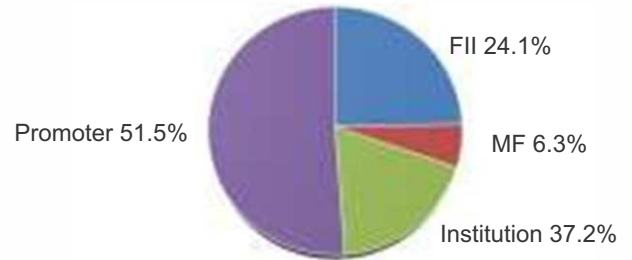
Technical Analysis

Technically, brace yourselves for a rebound play from a probable classic 'corrective declines pattern' on the weekly charts amidst overbought technical conditions. An impulse uptrend is seen forming on the intraday and daily time scale, with positive SAR series, with recent sequence of higher high/low intact on the intraday charts.

Add to that a bullish divergence and a rising stochastic signal (on daily charts) with recent increase in volumes signaling a larger rebound. The 200 days Exponential Moving Average (EMA) of the stock on the daily chart is currently at 226-227 zone. The level of Rs 227 zone will act as a strong resistance zone.

Look to buy at CMP (219), and on any corrective dips between 175-180 zone, targeting 227-230 zone and then at 251 mark. Aggressive bigger 12-15 months targets at 321 mark. Stop at 167.

Shareholding Pattern



Quarterly Result

Rs. Crs	Q3FY24-25	Q2FY24-25	Q3FY23-24	Q-o-Q% change	Y-o-Y% Change
Net Sales	9503	8866	9303	7	2
EBIT	1044	1057	965	-1	8
EBIT Margin (%)	11.0%	11.92	10.37	-	-
EBITDA	1236.0	1115	1144	11	8
EBITDA Margin (%)	13.0%	12.58	12.30	-	-
Net Profit	762	580	770	31	-1
Net Profit Margin	8.0%	6.54	8.28	-	-
EPS (Rs.)	2.59	2	3	31	-1

Peer Comparison

Company	ASHOKLEY	MARUTI	M&M	TATAMOTORS	BAJAJ AUTO	HYUNDAI
CMP	217	12660.00	2978.20	684.0	8665.0	1798.0
Market Cap (Rs. CR)	63737.32	398036.80	370347.76	251664.50	241978.11	146082.70
Book Value/ Share	36.95	2889.73	475.48	87.02	1054.04	515.90
EPS	10.07	449.17	92.13	16.84	287.84	73.28
Dividend Yield (%)	2.28%	0.99%	0.71%	0.88%	0.92%	7.38%
P/E	19.50	28.19	32.33	40.61	30.10	24.53
P/B	5.87	4.38	6.26	7.86	8.22	3.48
52W H	264.7	13675.0	3276.3	1179.05	12772.15	1968.80
52W L	157.7	10725.0	1666.0	667.4	7892.0	1610.2

Chart



Valuation & Outlook

We remain bullish on Ashok Leyland amidst recent softening in metal prices, firms' new launches, gaining on market share (Avtar, Bada Dost, Partner) and most importantly, on expectation of improvement in core economic activities, higher influx of infra projects, especially, the Govt. reform action to support growth momentum. Defence, power solutions and aftermarket businesses continue to perform well and are expected to post good growth in Fy25.



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HPMG SHARES & SEC. P. LTD

B-201/202, Rajkamal,
S.V Road Next to Shreeji Arcade,
Kandivali (West),
Mumbai - 400 067.

☎ +91 022 62317600

✉ info@hpmgshares.com

🌐 www.hpmgshares.com

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POTENTIAL CONFLICT OF INTEREST DISCLOSURE (as on date of report)

Disclosure of interest statement – • Analyst interest of the stock /Instrument(s): - No. • Firm interest of the stock / Instrument (s): - No.