MARATHON TRENDS ADVISORY

PORTFOLIO OVERVIEW

MARATHON TRENDS

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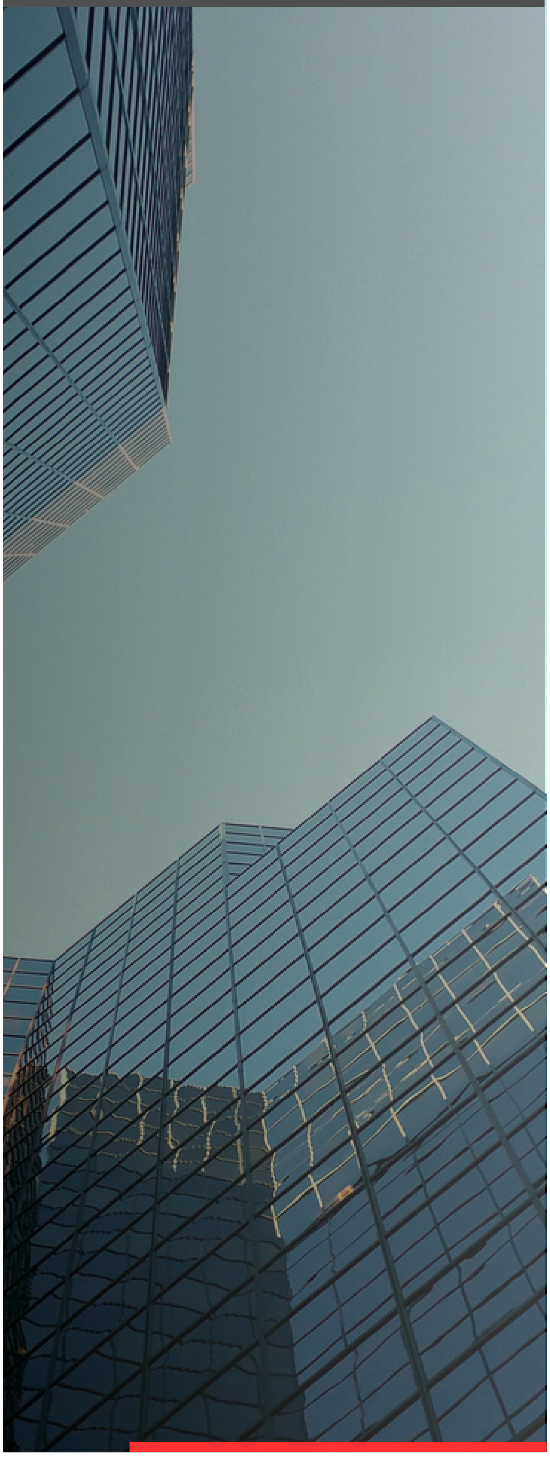
MARATHON TRENDS

COMBINING LONG TERM TREND FOLLOWING WITH AN OVERLAY OF FUNDAMENTAL ANALYSIS



Investment Approach

At Marathon Trends, our core philosophy revolves around "BUYING STRENGTH and SELLING WEAKNESS." Trend Following PMS aims to provide investors with superior returns by actively navigating India's dynamic equity markets. Our approach is a harmonious blend of fundamental and technical analysis, enabling us to discern and capitalize on evolving market dynamics. With the Trend Following PMS, we offer clients a dynamic investment approach that blends the art of trend interpretation with the science of risk management, aiming to secure and maximize returns in an ever-changing market landscape.

Investment Strategy

Our investment strategy is a carefully crafted three-step process that aims to capture and capitalize on market trends, providing our investors with optimal risk-adjusted returns.

- **Trending Earnings:** It involves deploying robust fundamental analysis to identify stocks with strong earnings and growth potential with good corporate governance for informed decision-making.
- **Trending Price:** The strategy prioritizes stocks for sustained upward momentum and actively seeks those outperforming the broader market, aiming for significant returns.
- **Exit Strategy:** We take into account the rate of change in both earnings and prices, ensuring a comprehensive evaluation of our holdings. Thereby, selling weakness in stocks.

Holding Strategy

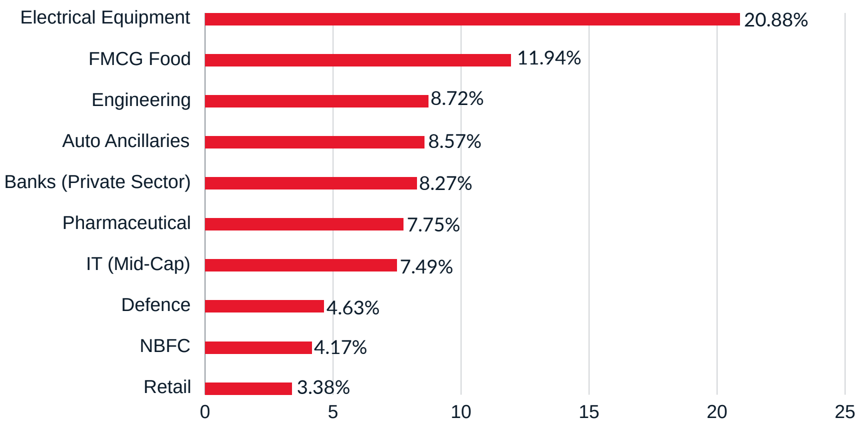
- Scheme Inception: Launched in 2023, our "Trend Following PMS" is designed to hold a curated selection of approximately 20 stocks, ensuring a diversified yet focused approach.
- Diversification: We remain sector-agnostic to spread risk and potential for reward, ensuring that investments are aligned with the market's movements

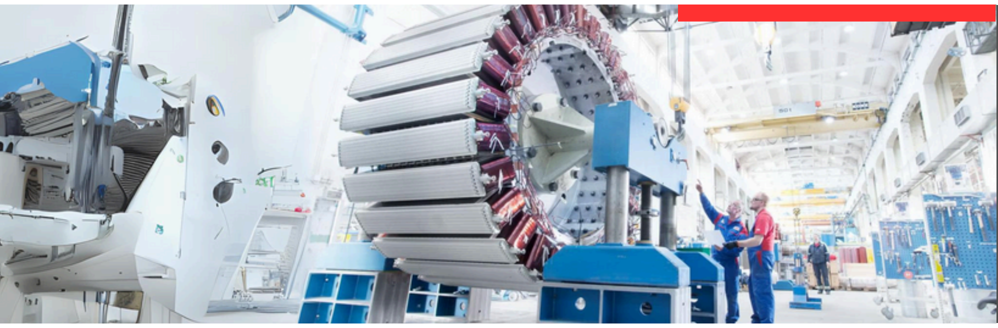
Porfolio Allocation

Top Holdings:

1. ABB India
2. Action Construction Equipment (ACE)
3. BEL
4. Cholamandalam
5. ICICI Bank
6. KEI
7. KPIT
8. Siemens India
9. SUN Pharmaceuticals
10. Varun Beverages (VBL)

Top Sectors:





ABB

About | ABB

ABB India is a part of ABB group. With a rich history of 130+ years, ABB has 105,000+ skilled employees in 100+ countries. ABB has been in India for over a century and manufacturing for over 70 years. The company has a presence in four areas:

1. Electrification: ABB makes electricity safe, smart, and eco-friendly, from power stations to sockets.
2. Motion: ABB deals with electric movement (like motors), mechanical systems, and digital solutions for smoother operations.
3. Process Automation: ABB helps industries run better using tech for efficient processes, measurement, and analysis.
4. Robotics & Automation: ABB creates smart machines (robots) and automation for factories, making things work without as much human help.

Quarterly Performance:

- **Revenue** increased by 27.8% YoY.
- **EBITDA** margins increased by 650 bps YoY.
- **PAT** increased by 87.5% YoY.

Future Outlook:

We hold a bullish stance on ABB, driven by its enhanced geographical penetration, steadfast commitment to execution excellence, and robust profit margins, all bolstered by a consistent and sustainable influx of orders.

Narration Amt.Cr.	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Sales	2411.21	2508.63	2769.19	2757.49	3080.36
QoQ % Ch	-0.60%	4.00%	10.40%	-0.40%	11.70%
YoY % Ch	22.50%	22.20%	30.60%	13.60%	27.80%
Expenses	2125.9	2159.91	2330.66	2340.27	2515.18
Expenses %	88.20%	86.10%	84.20%	84.90%	81.70%
Operating Profit	285.3	348.7	438.5	417.2	565.2
QoQ % Ch	-21.70%	22.20%	25.80%	-4.90%	35.50%
YoY % Ch	51.90%	75.40%	107.90%	14.50%	98.10%
OPM %	11.80%	13.90%	15.80%	15.10%	18.30%
QoQ % Ch	-21.20%	17.50%	13.90%	-4.50%	21.30%
YoY % Ch	24.00%	43.50%	59.10%	0.80%	55.10%
Other Income	71.97	74.85	77.69	71.05	86.83
Depreciation	27.48	29.23	30.29	32.92	31.42
Interest	2.2	1.4	0.9	8.2	3.8
Profit before tax	327.6	393	485.1	447.2	616.8
Tax	82.68	97.32	122.18	108.53	157.49
Net profit	244.9	295.6	362.9	338.7	459.3
QoQ % Ch	-19.80%	20.70%	22.70%	-6.70%	35.60%
YoY % Ch	-34.40%	110.70%	83.70%	10.90%	87.50%
PAT Margin %	10.20%	11.80%	13.10%	12.30%	14.90%
QoQ % Ch	-19.30%	16.00%	11.20%	-6.30%	21.40%
YoY % Ch	-46.40%	72.40%	40.60%	-2.40%	46.80%
EPS (Rs.) Qtr.	11.56	13.95	17.12	15.98	21.67
QoQ % Ch	-19.80%	20.70%	22.70%	-6.70%	35.60%
YoY % Ch	-34.40%	110.70%	83.70%	10.90%	87.50%

SWOT Analysis

Strengths

- **Margin expansion:** Margin outperformance is driven by
  - 1) operating leverage on higher volumes,
  - 2) seamless execution of cost improvement initiatives,
  - 3) positive price impact to pass on inflation and cost increase,
  - 4) higher share of service and export revenues,
  - 5) stable currency and commodity price level.

Weaknesses

- **Inflows declined in Motion and Robotics:** Order inflows declined YoY in motion and robotics on delays in decision-making on system orders.

Opportunities

- **Order Inflow:** The order inflow amounted to INR3610 Cr, marking a significant 15% YoY increase, while the order book soared to INR8930 Cr, reflecting a robust 25% YoY growth. Notably, electrification and process automation segments experienced notable improvements in order inflow, with increases of 34% and 17% YoY respectively

Threats

- **Dependence on Capex Cycle:** ABB's growth in traditional segments relies on the capex cycle. The slowdown in the capex cycle could impact growth.
- **Inflationary Pressures:** Inflationary pressures in raw materials can impact the company's profitability.
- **Macro Factors:** In the global geopolitical and macro landscape, persistently high crude prices, supply chain challenges, shifts in global trade dynamics, currency fluctuations, and escalating inflation, particularly core inflation, will remain critical factors to monitor closely.

ACE

About | ACE

Action Construction Equipment (ACE) is a premier player in India's Material Handling and Construction Equipment manufacturing sector. A market leader in both Mobile Cranes and Tower Cranes segments, ACE offers a diverse product portfolio including Mobile/Fixed Tower Cranes, Electric Cranes, Crawler Cranes, Truck Mounted Cranes, and more.

Q4FY24 Performance:

- Quarterly **Revenue:** INR 836 crore, **up 36% YoY**.
- Quarterly **EBITDA:** INR 130 crore, **up 77% YoY.**
- Quarterly **PAT**: INR 98 crore, **up 107% YoY.**

Future Outlook:

Government's infrastructure push and improved financing from non-banking financial companies (NBFCs) are driving construction equipment demand. ACE's strong market presence positions it to capitalize on this trend.

Narration Amt.Cr.	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Sales	613.84	651.61	673.24	753.11	835.84
QoQ % Ch	10.30%	6.20%	3.30%	11.90%	11.00%
YoY % Ch	20.20%	30.90%	36.90%	35.40%	36.20%
Expenses	540.55	569.96	584.06	650.37	706.16
Expenses %	88.10%	87.50%	86.80%	86.40%	84.50%
Operating Profit	73.3	81.7	89.2	102.7	129.7
QoQ % Ch	18.50%	11.40%	9.20%	15.20%	26.20%
YoY % Ch	55.20%	100.50%	98.00%	66.10%	76.90%
OPM %	11.90%	12.50%	13.20%	13.60%	15.50%
QoQ % Ch	7.40%	4.90%	5.70%	3.00%	13.70%
YoY % Ch	29.10%	53.10%	44.60%	22.70%	29.90%
Other Income	3.12	16.24	16.97	22.97	20.92
Depreciation	4.99	5.21	5.43	5.89	6.71
Interest	3.4	3.1	3.8	5.5	10.7
Profit before tax	68	89.5	96.9	114.3	133.2
Tax	20.89	21.97	22.97	26.06	34.74
Net profit	47.7	67.6	73.9	88.3	98.4
QoQ % Ch	2.50%	41.80%	9.40%	19.40%	11.50%
YoY % Ch	34.50%	55.30%	117.60%	89.80%	106.60%
PAT Margin %	7.80%	10.40%	11.00%	11.70%	11.80%
QoQ % Ch	-7.10%	33.50%	5.90%	6.70%	0.50%
YoY % Ch	11.90%	18.60%	59.00%	40.20%	51.70%
EPS (Rs.) Qtr.	4	5.67	6.21	7.41	8.27
QoQ % Ch	2.50%	41.80%	9.40%	19.40%	11.50%
YoY % Ch	34.50%	55.30%	117.60%	89.80%	106.60%

SWOT Analysis

Strengths

- **Strong Topline Growth:** Revenue surged by 36% year-on-year, driven by robust performance in cranes and construction equipment segments. Cranes revenue, grew 37% YoY, while construction equipment revenue, increased by 55% YoY.
- **Strong Market Share:** The company already has a market share of over 60% in the mobile and tower cranes segment in India.
- **Growth expectation:** Going forward, in the first few months of FY25, muted growth is anticipated due to the general election and upcoming monsoon season. At the current juncture, 15-20% revenue growth is expected for FY 25.
- **Margin Improvement:** Driven by better capacity utilisation, product mix, improved price realizations along with efficient cost control measures and softening of commodity prices.

Weaknesses

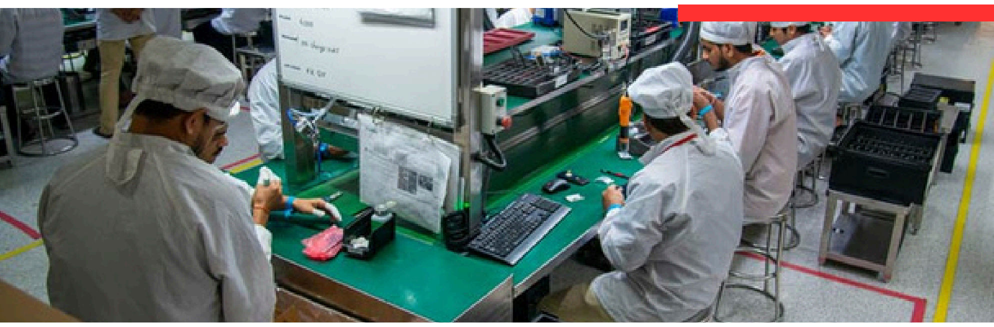
- **Muted growth in Material Handling Segment:** Material Handling segment grew by 8%YoY.

Opportunities

- **Market Growth:** The market is projected to reach USD 12.4 billion by 2029, with an 8.9% CAGR.
- **Government Initiatives:** Initiatives like the National Infrastructure Pipeline, PM Gati Shakti scheme, and Industrial Corridors drive growth.
- **Company Targets:** The company aims for Rs 4400 crore revenue by FY26 and Rs 5500–5600 crore by FY27.
- **Defence Segment Strategy:** Supplying cranes, forklifts, and tractors to the armed forces, targeting 5% revenue share, and expanding into larger cranes.

Threats

- **Economic Slowdown:** ACE's growth may stall due to an economic downturn, affecting demand.
- **Project Management Risks:** Inadequate management can lead to financial and legal challenges.
- **Raw Material Prices:** Volatile costs may impact margins.
- **Financing Challenges:** Constraints in lending and non-performing assets could limit funding.



Bharat Electronics (BEL)

About | BEL

Bharat Electronics Limited (BEL), a Navratna PSU under the Ministry of Defence, Government of India, is a distinguished manufacturer of cutting-edge electronic products and systems for the Army, Navy, and Air Force. Beyond its military contributions, BEL has ventured into diverse sectors like homeland security, smart cities, e-governance solutions, space electronics, energy storage products, solar technology, network & cybersecurity, and more.

Q4FY24 Performance:

- Quarterly **Revenue** at Rs 8564 Cr, up 32.2% YoY.
- Quarterly **EBIDTA** at Rs 2287 Cr, up 25% YoY.
- Quarterly **PAT** at Rs 1797 Cr, up 30% YoY.

Future Outlook:

Bharat Electronics Limited (BEL) excels in advanced electronic systems for the Armed Forces and has successfully diversified into thriving sectors including homeland security, smart cities, space electronics, energy storage, cyber security, railways, airports, and beyond. This promising expansion trajectory is poised to drive significant growth for the company. Additionally, BEL's substantial order book adds to our keen interest in the company.

Narration Amt.Cr.	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Sales	6479.12	3532.94	4009.06	4162.16	8564.08
QoQ % Ch	56.00%	-45.50%	13.50%	3.80%	105.80%
YoY % Ch	2.20%	12.50%	1.20%	0.20%	32.20%
Expenses	4647.28	2860.43	2994.89	3089.66	6276.85
Expenses %	71.70%	81.00%	74.70%	74.20%	73.30%
Operating Profit	1831.8	672.5	1014.2	1072.5	2287.2
QoQ % Ch	112.20%	-63.30%	50.80%	5.80%	113.30%
YoY % Ch	16.10%	28.70%	16.80%	24.20%	24.90%
OPM %	28.30%	19.00%	25.30%	25.80%	26.70%
QoQ % Ch	36.00%	-32.70%	32.90%	1.90%	3.60%
YoY % Ch	13.60%	14.40%	15.40%	23.90%	-5.50%
Other Income	66.16	140.23	137.06	167.42	225.43
Depreciation	113.98	108.94	108.26	107.46	118.54
Interest	2.5	1.1	1.5	0.5	4.1
Profit before tax	1781.6	702.7	1041.5	1132	2390.1
Tax	415.18	174.13	260.73	283.83	604.41
Net profit	1382	538.5	789.4	859.6	1797.1
QoQ % Ch	125.40%	-61.00%	46.60%	8.90%	109.10%
YoY % Ch	19.70%	47.30%	26.60%	40.20%	30.00%
PAT Margin %	21.30%	15.20%	19.70%	20.70%	21.00%
QoQ % Ch	44.50%	-28.50%	29.20%	4.90%	1.60%
YoY % Ch	17.20%	30.90%	25.10%	39.90%	-1.60%
EPS (Rs.) Qtr.	1.89	0.74	1.08	1.18	2.46
QoQ % Ch	125.40%	-61.00%	46.60%	8.90%	109.10%
YoY % Ch	-60.10%	-50.90%	26.60%	40.20%	30.00%

SWOT Analysis

Strengths

- **Strong Revenue Growth:** Revenue grew by 32.2% YoY in Q4FY24

Weaknesses

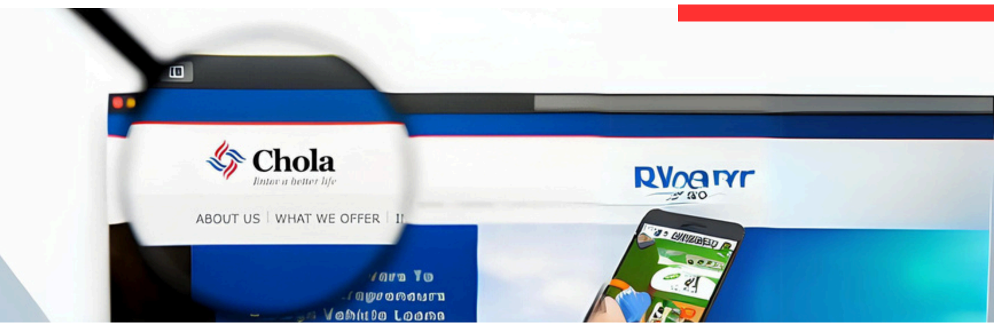
- **Margins Decline:** Margins decline by 160 bps YoY.

Opportunities

- **Robust Order Book and Pipeline:** The closing order book stands at a healthy level of INR 76000 Cr. Received orders of Rs 35000 cr in FY24. Key defence orders were electronic fuses, EW systems, communication systems for naval warships, fire control systems, Akash prime weapon/system, radars, sonars, software-defined radios, night vision devices, tactical communication systems, and other projects in the non-defence sector.
- **Strengthening Market Share:** The share of indigenization in the Indian defense sector has been steadily increasing, and Bharat Electronics Limited (BHE) is expected to maintain a high revenue market share of around 12-13%. The company is actively taking initiatives to boost its share of exports and non-defense revenues.

Threats

- **Defence Budget Cuts Impact:** Any reduction in the defence budget could negatively impact the company's revenue growth.
- **Execution Delays:** Potential threats lie in potential delays in executing the order book, affecting project timelines and revenue recognition.
- **Delay in Payments:** Delays in payments from the Ministry of Defence (MoD) can adversely impact revenues, margins and cash flows.



Cholamandalam

About | Cholamandalam

Cholamandalam, established in 1978 as the financial services division of the Murugappa Group, Cholamandalam Investment and Finance Company Limited (Chola) began its journey as an equipment financing entity.
Over time, it has evolved into a comprehensive financial services provider, presenting a wide array of offerings such as vehicle finance, home loans, loan against property, SME loans, secured business personal loans (SBPL), consumer & small enterprises loans (CSEL), and various other financial solutions to its clientele. With a vast presence spanning 1204 branches throughout India, Chola manages assets exceeding Rs 1,33,794 Crores.

Future Outlook:

Anticipating the continuation of CIFC's growth trajectory, we foresee strong support primarily stemming from its non-vehicle financing sectors. Company will continue to grow due to strong tailwinds emerging from the consumption growth in India

Narration Amt.Cr.	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Sales	3741.11	4082.06	4622.58	5007.42	5427.56
QoQ % Ch	11.50%	9.10%	13.20%	8.30%	8.40%
YoY % Ch	43.60%	47.40%	53.20%	49.20%	45.10%
Expenses	902.31	1173.64	1390.79	1411.59	1416.62
Expenses %	24.10%	28.80%	30.10%	28.20%	26.10%
Operating Profit	2838.8	2908.4	3231.8	3595.8	4010.9
QoQ % Ch	16.10%	2.50%	11.10%	11.30%	11.50%
YoY % Ch	43.80%	53.80%	55.60%	47.10%	41.30%
OPM %	75.90%	71.20%	69.90%	71.80%	73.90%
QoQ % Ch	4.20%	-6.10%	-1.90%	2.70%	2.90%
YoY % Ch	0.10%	4.40%	1.60%	-1.40%	-2.60%
Other Income	93.47	88.73	72.58	47.34	87.81
Depreciation	35.5	38.58	38.51	45.79	75.18
Interest	1734.2	2006.2	2204.2	2441	2579.4
Profit before tax	1162.6	952.4	1061.7	1156.4	1444.2
Tax	307.37	242.43	288.83	284.37	378.94
Net profit	855.2	709.9	772.9	872	1065.2
QoQ % Ch	24.90%	-17.00%	8.90%	12.80%	22.20%
YoY % Ch	24.50%	26.30%	37.30%	27.30%	24.60%
PAT Margin %	22.90%	17.40%	16.70%	17.40%	19.60%
QoQ % Ch	12.00%	-23.90%	-3.90%	4.20%	12.70%
YoY % Ch	-13.30%	-14.30%	-10.40%	-14.70%	-14.10%
EPS (Rs.) Qtr.	10.4	8.63	9.39	10.6	12.95
QoQ % Ch	24.90%	-17.00%	8.90%	12.80%	22.20%
YoY % Ch	24.40%	26.20%	37.30%	27.30%	24.60%

SWOT Analysis

Strengths

- **Strong Profitability growth:** The company reported Q4FY24 PAT growth of 2.64% YoY. NII grew ~33% YoY to ~INR2,350 Cr.
- **Strong Disbursements Growth:** Disbursements remained robust at approximately INR 24,800 Cr, and saw a year-on-year increase of 18%. Newer lines of businesses maintained their contribution at around 23% of the disbursement mix.

Weaknesses

- **Decrease in Core Spread:** The Net Interest Margin (NIM), remained stable quarter-on-quarter. However, core spreads experienced a decrease of approximately 15 basis points to 6.2%. This decline was primarily attributed to a reduction in yields.

Opportunities

- **Management Guidance for FY25:** Disbursement growth target of approximately 20-25%. Asset Under Management (AUM) growth goal of around 25-30%.
- **Management commentary on PBT & RoTA:** To achieve a Profit Before Tax Return on Total Assets (PBT-RoTA) of about 3.7% in the next two years.
- **Demand for LCV:** Increased demand for Light commercial vehicle (LCV) will help them garner higher volumes.
- **Faster growth expected in Chola's New Business Segment**s: Chola's new business segments include CSEL (7% of AUM) for personal and business loans, SME (3% of AUM) providing supply-chain financing, and SBPL (1% of AUM) offering secured business loans in southern and western markets.

Threats

- **Volatility in Vehicle Finance Business:** The vehicle finance business is susceptible to fluctuations due to its cyclical nature.
- **Higher Cost of Borrowing:** The elevated cost of borrowing may result in reduced Net Interest Margins (NIMs) and consequently impact Chola's profitability.

ICICI Bank

About | ICICI Bank

ICICI Bank, India's second-largest private sector bank, boasts an extensive network comprising over 6,500 branches and more than 17,000 ATMs across India. Notably, around 50% of its branches are strategically located in semi-urban and rural areas, showcasing a wide-reaching presence.

Future Outlook:

ICICI Bank is positioned for sustainable growth, marked by robust performance across key metrics such as Net Interest Income (NII), core operating profits, earnings, advances, and deposits. The bank has demonstrated strong achievements, complemented by healthier asset-quality trends and minimal core credit costs. This positive performance underscores an optimistic outlook and promises continued success for the bank.

Narration Amt.Cr.	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Sales	**34438.91**	**37105.89**	**38938.08**	**40865.23**	**42606.72**
QoQ % Ch	8.90%	7.70%	4.90%	4.90%	4.30%
YoY % Ch	37.80%	41.80%	35.00%	29.20%	23.70%
Expenses	25959.14	21401.71	24560.02	24929.14	30604.33
Expenses %	75.40%	57.70%	63.10%	61.00%	71.80%
Operating Profit	**8479.8**	**15704.2**	**14378.1**	**15936.1**	**12002.4**
QoQ % Ch	-2.20%	85.20%	-8.40%	10.80%	-24.70%
YoY % Ch	163.00%	95.80%	120.70%	83.70%	41.50%
OPM %	**24.60%**	**42.30%**	**36.90%**	**39.00%**	**28.20%**
QoQ % Ch	-10.20%	71.90%	-12.80%	5.60%	-27.80%
YoY % Ch	90.90%	38.00%	63.50%	42.20%	14.40%
Other Income	19734.91	15229.15	18689.63	18874.49	24802.3
Interest	14479.5	16367.7	17908	19408.8	20423.7
Profit before tax	**13735.2**	**14565.7**	**15159.7**	**15401.8**	**16381**
Tax	3498.92	3551.22	3808.82	3886.67	4180.91
Net profit	**9852.7**	**10636.1**	**10896.1**	**11052.6**	**11671.5**
QoQ % Ch	12.10%	8.00%	2.40%	1.40%	5.60%
YoY % Ch	27.60%	44.00%	36.10%	25.70%	18.50%
PAT Margin %	**28.60%**	**28.70%**	**28.00%**	**27.00%**	**27.40%**
QoQ % Ch	2.90%	0.20%	-2.40%	-3.30%	1.30%
YoY % Ch	-7.30%	1.50%	0.80%	-2.70%	-4.20%
EPS (Rs.) Qtr.	**14.11**	**15.23**	**15.6**	**15.83**	**16.71**
QoQ % Ch	12.10%	8.00%	2.40%	1.40%	5.60%
YoY % Ch	27.00%	43.30%	36.10%	25.70%	18.50%

SWOT Analysis

Strengths

- **Financial Performance in Q4FY24:** ICICI Bank reported a healthy performance in Q4FY24, with 17% YoY growth in net earnings. This growth was achieved amid contained operating expenses and provisions.
- **Credit Growth:** Credit growth remained robust at 16% YoY and 3% QoQ, driven by healthy traction in the Retail, SME, and BB (Business Banking) segments.
- **Deposit Growth:** Strong Deposit growth, registering a positive surprise at 20% YoY and 6% QoQ.
- **Asset Quality Improvement:** On the asset quality side, slippages declined QoQ, particularly notable as Q3FY24 had witnessed KCC (Kisan Credit Card) slippages. Gross Non-Performing Assets (GNPA) and Net Non-Performing Assets (NNPA) ratios decreased by 14 basis points (bp) and 2 basis points (bp) QoQ respectively.
- **Prudent Contingency Buffer: The** bank maintains a prudent contingency buffer of INR 131 billion, equivalent to 1.1% of loans, ensuring resilience in the face of potential risks and uncertainties.

Weaknesses

- **NIM contraction:** The pace of Net Interest Margin (NIM) contraction decelerated, down by 3 basis points (bp) quarter-on-quarter at 4.4%, compared to a decrease of 10bps in the previous quarter.

Opportunities

- **Strategic Acquisitions:** ICICI Bank's increased stake in ICICI Lombard to above 50%, along with the decision to make ICICI Securities a wholly owned subsidiary, presents synergistic benefits.
- **Focus on Technological Infrastructure Enhancement:** The bank is prioritizing operational efficiency and implementing corrective actions to enhance its technological infrastructure, aiming to modernize operations and improve customer experiences.
- **Focus on Financial Inclusion:** By intensifying efforts towards financial inclusion initiatives, ICICI Bank can tap into underserved segments, fostering inclusive growth while capturing new markets and bolstering its market share.

Threats

- **Economic Slowdown Impact:** The company is exposed to the potential risk of a slowdown in the overall economy, which could influence its growth trajectory.

KEI

About | KEI

KEI Industries Limited is a prominent player within India's Wires & Cables industry, catering to both domestic and international markets across various sectors including retail, institutional, private, and public segments. With a specialization in power cables, KEI effectively fulfils cabling needs for diverse industries like power, oil refineries, railways, automobiles, cement, steel, and real estate. The company strategically positions itself to capitalize on opportunities in power utilities, core infrastructure, and national construction projects, leveraging its expertise in Extra High Voltage (EHV) cables for the power sector.

Q4FY24 Performance:

- Quarterly Consolidated **Revenue** at Rs. 2319 Cr, up 19% YoY
- Quarterly Consolidated **EBITDA** at Rs. 245 Cr, up 21% YoY.
- Quarterly Consolidated **PAT** at Rs. 169 Cr, up 22% YoY.

Future Outlook:

KEI Industries Limited charts a solid growth trajectory by effectively serving diverse industries, strengthening its retail focus, enhancing high-margin EHV offerings, and strategically investing in capex to cater to the escalating demand. These proactive measures ensure that KEI is well-poised for sustained growth in the foreseeable future.

Narration Amt.Cr.	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Sales	1952.93	1782.57	1946.58	2059.37	2319.28
QoQ % Ch	9.40%	-8.70%	9.20%	5.80%	12.60%
YoY % Ch	9.00%	13.90%	21.10%	15.40%	18.80%
Expenses	1750.71	1604.3	1742.72	1844.81	2074.72
Expenses %	89.60%	90.00%	89.50%	89.60%	89.50%
Operating Profit	202.2	178.3	203.9	214.6	244.6
QoQ % Ch	11.00%	-11.80%	14.40%	5.20%	14.00%
YoY % Ch	17.60%	11.70%	27.00%	17.80%	20.90%
OPM %	10.40%	10.00%	10.50%	10.40%	10.50%
QoQ % Ch	1.40%	-3.40%	4.70%	-0.50%	1.20%
YoY % Ch	8.00%	-1.90%	4.90%	2.00%	1.80%
Other Income	6.66	8.33	7.66	14.16	15.16
Depreciation	14.32	14.66	15.56	15.37	15.76
Interest	10.1	8.9	7.5	10.9	16.5
Profit before tax	184.5	163	188.4	202.4	227.4
Tax	46.36	41.62	48.22	51.75	58.65
Net profit	138.1	121.4	140.2	150.7	168.8
QoQ % Ch	7.40%	-12.10%	15.50%	7.50%	12.00%
YoY % Ch	19.20%	17.00%	31.20%	17.20%	22.20%
PAT Margin %	7.10%	6.80%	7.20%	7.30%	7.30%
QoQ % Ch	-1.90%	-3.70%	5.80%	1.60%	-0.50%
YoY % Ch	9.40%	2.70%	8.40%	1.50%	2.90%
EPS (Rs.) Qtr.	15.31	13.46	15.55	16.71	18.71
QoQ % Ch	7.40%	-12.10%	15.50%	7.50%	12.00%
YoY % Ch	19.10%	16.90%	31.20%	17.20%	22.20%

SWOT Analysis

Strengths

- **Strong Revenue Growth:** Revenue surged by 19% year-on-year. This growth was primarily driven by robust expansions in the cables & wires and EPC (Engineering, Procurement, and Construction) segments, which saw impressive year-on-year growth rates of 18% and 53% respectively.
- **Strong Volume Growth:** Volume growth was more than 22% in FY24.

Weaknesses

- **Revenue Decline:** Stainless steel wires segment revenue declined by 11% YoY.

Opportunities

- **Capex outlook:** Capex of Rs 900-1000 Cr is planned for greenfield expansion in Gujarat in FY25. It will further spend INR500-600 Cr capex in FY26, which help maintain a CAGR of 15-16% in the coming three to four years.
- **Market Size and Growth:** The cable & wires market size is currently INR 75,000 Cr. It is expected to exhibit a Compound Annual Growth Rate (CAGR) of approximately 15% over the next few years. It is poised for substantial growth, driven by a confluence of factors such as solar power initiatives, power distribution projects, government reforms, robust capex in power T&D, and sustained demand from the real estate sector.

Threats

- **Economic Downturn Impact:** An economic downturn can potentially impact the company's growth trajectory, particularly as KEI Industries' exposure to sectors like Infrastructure, Railways, and Real Estate makes it susceptible to their slowdown during economic contractions.
- Volatility in Raw Material Prices: Unstable raw material (RM) costs, particularly in copper and aluminium, crucial components in W&C with a composition of approximately 70% of total expenses, may introduce variations in operating margins, presenting a significant risk to our projections.

KPIT

About | KPIT

KPIT is an ER&D (Engineering, Research, and Development) company that creates advanced software solutions for cars and transportation. They have over 10,000 experts globally who are really passionate about what they do. These experts specialize in making software that helps cars become self-driving, environmentally friendly, smart, and always connected to the internet. KPIT operates development centers in Europe, USA, Japan, China, Thailand, and India.

Quarterly Performance:

- **Revenue** increased by 29.5% YoY.
- **EBITDA** increased by 49.4% YoY.
- **PAT** increased by 47.3% YoY.

Future Outlook:

The investment outlook for KPIT is bullish, driven by growth opportunities in ER&D for automobiles, sustainable operating margins, a strong balance sheet, efficient execution capabilities, and successful new deal wins. These factors position KPIT for long-term growth, making it an attractive investment choice.

Narration Amt.Cr.	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Sales	1017.37	1097.62	1199.16	1256.96	1317.8
QoQ % Ch	10.90%	7.90%	9.30%	4.80%	4.80%
YoY % Ch	56.10%	60.10%	61.00%	37.10%	29.50%
Expenses	835.02	883.74	959.23	998.45	1045.45
Expenses %	82.10%	80.50%	80.00%	79.40%	79.30%
Operating Profit	182.4	213.9	239.9	258.5	272.4
QoQ % Ch	7.40%	17.30%	12.20%	7.70%	5.40%
YoY % Ch	50.20%	60.60%	73.70%	52.20%	49.40%
OPM %	17.90%	19.50%	20.00%	20.60%	20.70%
QoQ % Ch	-3.20%	8.70%	2.70%	2.80%	0.50%
YoY % Ch	-3.80%	0.30%	7.90%	11.00%	15.30%
Other Income	6.72	21.51	9.47	18.79	16.63
Depreciation	42.21	45.04	48.09	49.96	52.7
Interest	10.7	13.7	13.6	15.8	11.8
Profit before tax	136.2	176.6	187.7	211.6	224.5
Tax	24.62	42.2	46.33	54.83	58.56
Net profit	111.6	134	140.9	155.3	164.4
QoQ % Ch	11.10%	20.10%	5.10%	10.30%	5.80%
YoY % Ch	41.50%	56.90%	68.70%	54.60%	47.30%
PAT Margin %	11.00%	12.20%	11.70%	12.40%	12.50%
QoQ % Ch	0.10%	11.30%	-3.80%	5.20%	0.90%
YoY % Ch	-9.40%	-2.00%	4.80%	12.80%	13.70%
EPS (Rs.) Qtr.	4.13	4.96	5.21	5.75	6.08
QoQ % Ch	11.10%	20.10%	5.10%	10.30%	5.80%
YoY % Ch	41.30%	56.70%	68.70%	54.60%	47.30%

SWOT Analysis

Strengths

- **Growth across segments:** Sequential constant currency (CC) Growth of 5.1% led by Middleware, Connected and Autonomous domains. Growth was broad-based across geographies, led by Asia. Both passenger cars and commercial vehicle verticals had healthy growth.
- **Margins Improved:** EBITDA Margins improved by 240 bps on a YoY basis.

Weaknesses

- **Weakness in Commercial Vehicles Segment:** Commercial vehicle segment de-grew by 9.7% YoY in USD terms

Opportunities

- **Guidance:** FY25 Outlook - revenue growth of 18% - 22%, EBITDA margin at 20.5%+
- **Quarterly Wins:** KPIT closed engagements worth $261M in the quarter, reflecting robust performance and a healthy pipeline across various practices.

Threats

- **Market Competition:** Headwinds could emerge as vehicle platform architecture development nears an end, posing challenges in maintaining a competitive edge.
- **Technological Disruptions:** Rapid advancements in technology might render current services obsolete, necessitating significant investments in research and development to stay competitive.
- **Global Economic Instability:** Economic downturns, recessions, or geopolitical tensions in key markets could impact client spending, potentially affecting company revenue and growth.
- **Talent Retention:** The IT sector faces challenges in retaining skilled professionals, and the loss of key talent could impact project delivery and innovation capabilities.
- **Dependency on Key Clients:** Reliance on a few major clients for a significant portion of revenue makes KPIT vulnerable to financial instability if these clients reduce or terminate contracts.

Siemens

About | Siemens

Siemens Ltd. benefits from strong parentage under Siemens Germany. The company offers a comprehensive range of products and integrated solutions tailored for diverse industrial applications, encompassing manufacturing, process industries, and oil & gas. With a focus on intelligent infrastructure, Siemens Ltd. facilitates efficient power generation from fossil fuels, while also excelling in transmission and distribution for transportation sectors such as rail vehicles.
Its expertise in rail automation and electrification systems further solidifies its position as a key player in driving innovation and sustainability across multiple sectors.

Quarterly Performance:

- **Revenue** increased **by 19% YoY.**
- **EBITDA** margins increased by **240 bps YoY.**
- **PAT** increased by **74% YoY.**

Future Outlook:

Siemens stands poised to capitalize on robust growth in the domestic market, buoyed by expansive opportunities in semiconductors, batteries, and electric vehicles (EVs). With a strategic focus on transmission, HVDC, renewables, and railway projects, the company is primed to be a significant beneficiary of increased spending in these sectors, underscoring our bullish outlook on its future prospects.

Narration Amt.Cr.	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Sales	4465.2	4473.1	5381.5	4435.8	5313.8
QoQ % Ch	22.50%	0.20%	20.30%	-17.60%	19.80%
YoY % Ch	28.50%	14.30%	24.20%	21.70%	19.00%
Expenses	3910.3	3968.2	4750.3	3912.8	4525.3
Expenses %	87.60%	88.70%	88.30%	88.20%	85.20%
Operating Profit	554.9	504.9	631.2	523	788.5
QoQ % Ch	1.00%	-9.00%	25.00%	-17.10%	50.80%
YoY % Ch	29.00%	33.20%	34.40%	-4.80%	42.10%
OPM %	12.40%	11.30%	11.70%	11.80%	14.80%
QoQ % Ch	-17.50%	-9.20%	3.90%	0.50%	25.90%
YoY % Ch	0.40%	16.60%	8.20%	-21.70%	19.40%
Other Income	188	126.5	139.3	155.7	460.6
Depreciation	53.8	63.9	54.3	54.1	55.6
Interest	7.4	3.4	4.5	2.9	30.2
Profit before tax	681.7	564.1	711.7	621.7	1163.3
Tax	165.7	140.4	177.7	158.3	266.9
Net profit	516	423.7	534	463.4	896.4
QoQ % Ch	17.90%	-17.90%	26.00%	-13.20%	93.40%
YoY % Ch	56.90%	44.30%	-19.40%	5.90%	73.70%
PAT Margin %	11.60%	9.50%	9.90%	10.40%	16.90%
QoQ % Ch	-3.70%	-18.00%	4.80%	5.30%	61.50%
YoY % Ch	22.10%	26.30%	-35.20%	-13.00%	46.00%
EPS (Rs.) Qtr.	14.49	11.9	14.99	13.01	25.17
QoQ % Ch	17.90%	-17.90%	26.00%	-13.20%	93.40%
YoY % Ch	56.90%	44.30%	-19.40%	5.90%	73.70%

SWOT Analysis

Strengths

- **Robust Revenue Growth:** Revenue grew by 19% YoY driven by majority of the business segments.
- **Segmental Performance:** Smart Infra grew by 26%, Mobility by 56%, Digital Industries by 16%, and Energy by 5% YoY.
- **Gross Margin Expansion:** Gross Margin Expanded by approximately 100 bps YoY to 32.5%. Margin outperformance was driven by an improved revenue mix, pricing gains and productivity measures taken by the company.

Weaknesses

- **Weak Order Inflows:** Overall order inflows were INR5180, down 13% QoQ, due to delays in finalization. However, the enquiry pipeline remains strong. Order Book stands at 46,200 Cr.

Opportunities

- **Future outlook:** The company foresees growth opportunities from higher government infrastructure spending (rail, roads, energy) and increased investments across diverse private sectors including pharma, data centres, automotive, electronics, metals, intra-logistics, chemicals, water, and cement.
- **Capex:** The company announced a capex of INR 333 Cr in Goa for GIS and Clean Air GIS technologies, serving industries such as data centres, metro rail, oil & gas, steel, and T&D. Additionally, SIEM is investing approximately INR 186 Cr in a state-of-the-art metro train manufacturing facility in Aurangabad.

Threats

- **Slowdown in Government-Focused Segments:** Order inflows from key government-focused segments like transmission and railways have slowed down due to the election schedule.
- **Aggressive Bidding Impact:** Aggression in bids to secure large-sized projects is expected to negatively affect margins.
- **Related-Party Transactions Concern:** Related-party transactions with parent group entities at lower-than-market valuations are anticipated to exert downward pressure on stock performance

Sun Pharma

About | Sun Pharma

Sun Pharmaceutical Industries Ltd. (Sun Pharma) is the world's fourth-largest speciality generic pharmaceutical company, boasting global revenues exceeding US$ 5.1 billion. Their product portfolio includes generics, branded generics, speciality, difficult-to-make technology-intensive products, over-the-counter (OTC), antiretrovirals (ARVs), Active Pharmaceutical Ingredients (APIs) and intermediates. Supported by a network of over 40 manufacturing facilities, it provides high-quality, affordable medicines to over 100 countries worldwide. Some well-known brands of Sun Pharma are Volini, Revital, Pearls, etc.

Q4FY24 Performance:

- Quarterly **Revenue** of Rs 11983 Cr up 9.6% YoY.
- **EBITDA** of Rs 3035 Cr up 8.3% YoY.
- **PAT** of Rs 2655 Cr, up 33.8% YoY.

Future Outlook:

We maintain a positive outlook for the company for several reasons:

1. Increasing revenue in the branded/speciality business segment within the US.
2. Ongoing expansion of the India business.
3. The possibility for strategic acquisitions, leveraging our robust balance sheet.
4. The company continues to exhibit superior growth in the branded generics markets, further bolstering our confidence in its prospects.

Narration Amt.Cr.	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Sales	10930.67	11940.84	12192.41	12380.7	11982.9
QoQ % Ch	-2.80%	9.20%	2.10%	1.50%	-3.20%
YoY % Ch	15.70%	11.00%	11.30%	10.10%	9.60%
Expenses	8128.54	8609.07	9013.03	8903.87	8947.75
Expenses %	74.40%	72.10%	73.90%	71.90%	74.70%
Operating Profit	2802.1	3331.8	3179.4	3476.8	3035.2
QoQ % Ch	-6.70%	18.90%	-4.60%	9.40%	-12.70%
YoY % Ch	19.70%	15.50%	7.50%	15.80%	8.30%
OPM %	25.60%	27.90%	26.10%	28.10%	25.30%
QoQ % Ch	-4.10%	8.80%	-6.50%	7.70%	-9.80%
YoY % Ch	3.50%	4.10%	-3.40%	5.10%	-1.20%
Other Income	201.83	-118.43	293.61	180.39	504.3
Depreciation	671.53	651.32	632.82	622.14	650.36
Interest	92.7	80.9	49.3	34.7	73.6
Profit before tax	2239.7	2481.1	2790.9	3000.4	2815.5
Tax	222.91	468.1	390.1	432.32	148.93
Net profit	1984.5	2022.5	2375.5	2523.8	2654.6
QoQ % Ch	-8.40%	1.90%	17.50%	6.20%	5.20%
YoY % Ch	187.10%	-1.90%	5.00%	16.50%	33.80%
PAT Margin %	18.20%	16.90%	19.50%	20.40%	22.20%
QoQ % Ch	-5.80%	-6.70%	15.00%	4.60%	8.70%
YoY % Ch	175.30%	-11.60%	-5.70%	5.80%	22.00%
EPS (Rs.) Qtr.	8.27	8.43	9.9	10.52	11.06
QoQ % Ch	-8.40%	1.90%	17.50%	6.20%	5.20%
YoY % Ch	187.10%	-1.90%	5.00%	16.50%	33.80%

SWOT Analysis

Strengths

- **Sales Growth:** SUN's Q4 FY24 sales grew by 10% year-over-year to Rs 11,983 crore.
- **Improved Gross Margins:** Gross margins improved by 70 basis points year-over-year to 80.1%.
- **Strong growth in Global Ilumya Sales:** SUNP experienced strong growth in global Ilumya sales, which increased by 21.7% year-over-year in FY24.
- **Guidance:** Management guided for high single-digit sales growth in FY25E; R&D at 8-10% of sales.

Weaknesses

- **EBITDA Margins:** EBITDA margins declined by 30 basis points YoY, settling at 25.3%.

Opportunities

- **Growth Drivers:** New product launches and the focus on speciality medications are expected to drive further growth in the US market. The existing speciality portfolio is nearing breakeven, and as sales continue to scale up, it is poised for further profitability.

Threats

- **Regulatory Changes:** Adverse government regulations can impact the company's profitability.
- **US FDA Observations:** Any observations from the US FDA can have a negative impact on the company.

Varun Beverages

About | Varun Beverages

Varun Beverages Ltd (VBL), operates as a franchisee of PepsiCo. It produces and distributes a range of carbonated soft drinks with brands like Pepsi, Diet Pepsi, Seven Up, Mirinda, Mountain Dew, and Gatorade as well as a selection of non-carbonated beverages like Tropicana, Nimbooz, and packaged drinking water under the brand Aquafina.

Q4FY24 Performance:

- Quarterly Consolidated **Revenue**: Rs. 4317 cr, up 10.9% YoY
- Quarterly Consolidated **EBITDA**: Rs. 988 cr, up 23.9% YoY.
- Quarterly Consolidated **PAT**: Rs. 537 cr, up 25% YoY.

Future Outlook:

Varun Beverages Ltd (VBL) is poised to sustain its earnings momentum through nationwide and international expansion, innovative product launches, market diversification, capacity scaling, and market share gains.

Narration Amt.Cr.	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Sales	3892.98	5611.4	3870.52	2667.69	4317.31
QoQ % Ch	75.80%	44.10%	-31.00%	-31.10%	61.80%
YoY % Ch	37.70%	13.30%	21.80%	20.50%	10.90%
Expenses	3094.97	4100.62	2988.8	2249.4	3328.7
Expenses %	79.50%	73.10%	77.20%	84.30%	77.10%
Operating Profit	798	1510.8	881.7	418.3	988.6
QoQ % Ch	159.50%	89.30%	-41.60%	-52.60%	136.30%
YoY % Ch	50.30%	20.80%	26.10%	36.00%	23.90%
OPM %	20.50%	26.90%	22.80%	15.70%	22.90%
QoQ % Ch	47.60%	31.30%	-15.40%	-31.20%	46.00%
YoY % Ch	9.20%	6.70%	3.50%	12.90%	11.70%
Other Income	10.14	41.6	18.51	9.32	8.35
Depreciation	172.2	171.93	170.81	165.97	187.52
Interest	62.6	69.4	62.5	73.7	93.7
Profit before tax	573.4	1311.1	666.9	188	715.8
Tax	134.8	305.66	152.86	44.22	167.77
Net profit	429.1	993.8	501.1	132	537.3
QoQ % Ch	474.00%	131.60%	-49.60%	-73.70%	307.10%
YoY % Ch	68.80%	26.20%	31.50%	76.50%	25.20%
PAT Margin %	11.00%	17.70%	12.90%	4.90%	12.40%
QoQ % Ch	226.50%	60.70%	-26.90%	-61.80%	151.60%
YoY % Ch	22.60%	11.40%	7.90%	46.50%	12.90%
EPS (Rs.) Qtr.	6.61	15.3	7.71	2.03	8.27
QoQ % Ch	474.00%	131.60%	-49.60%	-73.70%	307.10%
YoY % Ch	12.50%	-15.90%	31.50%	76.50%	25.20%

SWOT Analysis

Strengths

- **Improved Realization:** Realization increased 3.5% YOY to Rs 179.7, owing to better product and geography mix.
- **Gross Margin Expansion:** GM expanded by 385 bps YoY, driven by softening PET prices, lower sugar content, and lightweight packaging.
- **Capacity Expansion:** Commissioned three greenfield facilities in MH, UP, and OD this year (YTD2024) as planned, completed the South Africa acquisition effective March 27, 2024.

Weaknesses

- **Muted Volume Growth:** VBL reported 7% volume growth and 11% value growth in Q4FY24, slightly soft due to the late onset of summer in India.

Opportunities

- **International Expansion:** Entered into an exclusive agreement to manufacture and package Cheetos in Morocco, while also incorporating Varun Foods (Zimbabwe) to operate the food products business in Zimbabwe.
- **Growth Expectation in FY25:** Management anticipates a robust peak season and a strong Q1FY25, given the intense heat waves across India, and is making all arrangements to meet demand and avoid stockouts. VBL is operating at near-100% capacity utilization and can potentially deliver 30% domestic volume growth in Q1FY25.

Threats

- **Intensifying Competition:** The market's steep rise in competitive rivalry poses a notable threat to VBL's market position.
- **Inflation Impact:** Elevated inflation rates could negatively impact the company's earnings potential.
- **Product Launch Risks:** The company faces risks related to potential delays or failures in the launch of new products.

About Marathon Trends

Marathon Trends Advisory Private Limited is a SEBI-approved portfolio management services (PMS) firm, led by market veteran Atul Suri.
With over 30 years of deep-rooted experience in Indian equities, Marathon Trends specializes in the “TREND FOLLOWING” approach. This strategy underscores the integration of long-term market trends with thorough fundamental analysis, ensuring optimized returns while emphasizing risk management.
The company's expertise is further highlighted by its consistent performance across market cycles. Marathon's philosophy revolves around recognizing Mega Trends and adhering to the adage, "Ride your winners, Cut your losers," ensuring wealth maximization for its clientele.

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