

Jaguar Land Rover (JLR) posted 3% YoY/20% QoQ higher wholesales in Q3 to 104K units (despite the temporary discontinuation of Jaguar in UK), along with the best-ever model mix; share of Range Rover, Range Rover Sport, and Defender rose to 70% (vs 67%/62% in Q2FY25/Q3FY24). Refer to our note 'Strong pickup expected at JLR in H2'; largely normalized production and strong mix are seen driving sharp QoQ margin improvement at JLR (15% vs 11.7%/15.8% in Q2/Q1). Elsewhere, India CV outlook is improving (albeit gradually, amid slower than anticipated public capex uptick), while India PV outlook remains soft despite the recent Curvv SUV launch, with emerging EV competition slated to impact TTMT's positioning. We trim India PV EPS by ~4.5%/2.5% for FY26E/27E (driving 1.6% lower FY27E consol EPS), and introduce 20% discount in the target multiple for India PVs (~1.3x Dec-26E EV/S vs ~1.7x for MSIL); after roll-over to Dec-26E, our revised SoTP-based TP is Rs950. We retain BUY, amid JLR staying on track for ~£1bn FCF this year with net-cash balance sheet, and India CV outlook gradually improving with better profitability.

Tata Motors: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Revenue	3,459,670	4,379,278	4,689,046	4,873,741	5,084,687
EBITDA	318,296	595,603	602,484	627,088	652,693
Adj. PAT	7,336	323,981	221,279	261,979	281,644
Adj. EPS (Rs)	1.9	84.5	60.1	71.2	76.6
EBITDA margin (%)	9.2	13.6	12.8	12.9	12.8
EBITDA growth (%)	28.3	87.1	1.2	4.1	4.1
Adj. EPS growth (%)	0.0	1,199.7	(26.6)	18.4	7.5
RoE (%)	1.6	49.8	23.2	22.3	19.7
RoIC (%)	3.0	42.7	28.0	28.8	27.5
P/E (x)	415.0	9.4	13.2	11.2	10.4
EV/EBITDA (x)	11.7	5.7	5.6	5.2	4.8
P/B (x)	6.7	3.6	2.8	2.3	1.9
FCFF yield (%)	4.7	10.8	0.7	6.6	5.1

Source: Company, Emkay Research

Strong come back at JLR accompanied by best-ever model mix

JLR posted 3% YoY/20% QoQ higher wholesales in Q3 at 104.4K units amid improved supplies following a disrupted Q2, despite reportedly temporarily halting Jaguar sales in the UK from Nov-24. Volumes of Range Rover/Range Rover Sport/Defender rose 22%/17%/13% YoY, respectively, taking the combined contribution in overall JLR volumes to 70% vs 67%/62% in Q2FY25/Q3FY24, in line with our expectation of sharp improvement in H2 amid the company's continued focus on power brands/mix improvement. In terms of geographies, North America sales rose 44% YoY, with Europe up 6%, China down 38%, UK down 17%, and other regions down 1%. Retail volumes at JLR were down 3% YoY/up 3% QoQ.

Q3FY25E: Higher volumes, better mix at JLR to drive healthy consolidated Q3

We expect higher volumes and improved mix to drive a sharp ~330bps QoQ margin uptick at JLR in Q3, at 15% (vs 15.8% in Q1FY25, 16.2% in Q2FY24). In the standalone business, we build-in ~80bps QoQ margin improvement to 11.5% driven by ~12% higher sequential volumes and better mix (share of MHCVs at 19% vs 17% in Q2). We factor in the flattish QoQ margin performance for India PVs at 6%, with higher volumes being offset by elevated discounting levels in the industry. At the consolidated level, we build-in ~10% YoY revenue growth and ~110bps higher margins QoQ at 12.6%.

India PVs: Outlook soft; we trim PV EPS by ~4.5%/2.5% in FY26E/27E

Notably, the India PV industry outlook remains soft, amid a) elevated inventory levels even post-festive (55-60 days as of Dec-24, as per FADA – refer to [press release](#)), b) sharply-higher discounts, and c) major new ICE launches being behind (including for TTMT); TTMT's recently-launched Curvv SUV has seen a subdued response. Moreover, rising competition in EVs (amid upcoming model launches by incumbents as well as new OEMs like JSW-MG) is likely to impact market leader TTMT's positioning (albeit TTMT also has launches of its own). Amid the rising uncertainty, we trim FY26E/27E EPS for the India PV business by ~4.5%/~2.5%, leading to 1.6% lower EPS for consolidated operations in FY27E. We also introduce 20% discount in our target multiple for India PVs (~1.3x Dec-26E EV/Sales vs ~1.7x for MSIL).

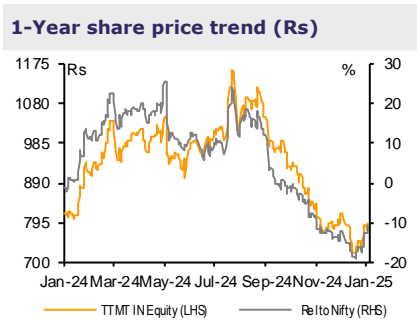
We maintain BUY, driven by improvement at JLR and India CVs

For TTMT, a) JLR improvement continues along expected lines, with the company on track for ~£1bn FCF this year, along with a net-cash balance sheet, b) India CV space is also seen recovering (albeit gradually, amid delay in public capex uptick), further accompanied by better profitability, and c) India PV outlook is soft amid growth concerns and rising EV competition. We maintain BUY on TAMO, with revised SoTP-based TP of Rs950, after roll-over to Dec-26E.

Target Price – 12M	Dec-25
Change in TP (%)	(5.0)
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	19.5
CMP (8-Jan-25) (Rs)	795.0

Stock Data	Ticker
52-week High (Rs)	1,179
52-week Low (Rs)	718
Shares outstanding (mn)	3,681.1
Market-cap (Rs bn)	3,331
Market-cap (USD mn)	38,793
Net-debt, FY25E (Rs mn)	440,522
ADTV-3M (mn shares)	14
ADTV-3M (Rs mn)	11,201.0
ADTV-3M (USD mn)	130.5
Free float (%)	57.4
Nifty-50	23,689
INR/USD	85.9
Shareholding, Sep-24	
Promoters (%)	41.9
FPIs/MFs (%)	18.1/13.4

Price Performance			
(%)	1M	3M	12M
Absolute	(2.7)	(13.6)	1.1
Rel. to Nifty	1.4	(8.7)	(8.2)



Chirag Jain

chirag.jain@emkayglobal.com
+91 22 6624 2428

Jaimin Desai

jaimin.desai@emkayglobal.com
+91 22 6612 1334

Nandan Pradhan

nandan.pradhan@emkayglobal.com
+91 22 6612 1238

Omkar Rane

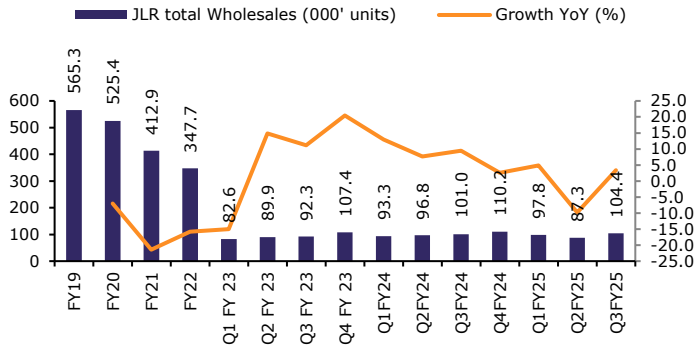
omkar.rane@emkayglobal.com
+91 22 6624 2414

Exhibit 1: Q3FY25E Preview – We expect the strong margin improvement at JLR to drive a healthy consolidated performance

Tata Motors - Consolidated (Rs mn)	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25E
Revenue	1,022,361	1,051,282	1,105,771	1,199,863	1,080,480	1,014,500	1,212,873
EBITDA	135,595	136,741	153,333	169,933	155,090	116,710	152,822
PAT	42,216	37,949	70,284	173,532	52,470	28,560	67,252
EPS (Rs)	11.0	9.9	18.4	45.3	13.7	7.5	17.6
EBITDA margin	13.3	13.0	13.9	14.2	14.4	11.5	12.6
PAT margin	4.1	3.6	6.4	14.5	4.9	2.8	5.5
JLR (£ mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25E
Volumes	93,253	96,817	101,043	110,190	97,755	87,303	104,427
Revenue	6,903	6,857	7,375	7,860	7,273	6,475	7,900
ASP (£)	74,024	70,824	72,989	71,331	74,400	74,167	75,650
EBITDA	1,123	1,021	1,192	1,284	1,149	759	1,185
PAT	385	247	549	1,395	403	168	525
EBITDA margin	16.3	14.9	16.2	16.3	15.8	11.7	15.0
PAT margin	5.6	3.6	7.4	17.7	5.5	2.6	6.7
Tata Motors - Standalone (Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25E
Volumes	86,125	105,074	96,526	110,080	91,787	85,104	95,770
Revenue	158,326	185,417	186,686	202,602	168,620	155,180	178,718
ASP (Rs)	1,838,325	1,764,633	1,934,045	1,840,501	1,837,079	1,823,416	1,866,117
EBITDA	13,283	19,800	21,333	24,284	19,160	16,530	20,553
PAT	6,339	14,317	10,590	22,240	22,390	5,180	11,678
EPS (Rs)	1.7	3.7	2.8	5.8	5.8	1.4	3.0
EBITDA margin	8.4	10.7	11.4	12.0	11.4	10.7	11.5
PAT margin	4.0	7.7	5.7	11.0	13.3	3.3	6.5
TTMT India (no of Units)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25E
Domestic PVs	140,120	137,950	137,875	155,010	138,104	129,930	139,424
Domestic CVs	82,225	99,178	91,735	104,922	87,615	79,931	91,260
MHCVs	34,751	46,374	44,365	50,643	36,790	37,372	44,023
LCVs	47,474	54,004	47,370	54,279	50,825	42,559	47,237
Exports	3,900	5,896	5,371	5,158	4,172	5,173	4,915
Total	226,245	243,024	234,981	265,090	229,891	215,034	235,599
TTMT India - Product Mix (%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25E
PVs	62%	57%	59%	58%	60%	60%	59%
CVs	36%	41%	39%	40%	38%	37%	39%
MHCVs	15%	19%	19%	19%	16%	17%	19%
LCVs	21%	22%	20%	20%	22%	20%	20%
Exports	2%	2%	2%	2%	2%	2%	2%
Total	100%	100%	100%	100%	100%	100%	100%
JLR (No of units)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25E
RR, RRS, and Defender	59,660	61,515	62,881	67,661	66,283	58,486	73,099
Total	93,253	96,817	101,043	110,190	97,755	87,303	104,427
RR, RRS, and Defender share	64%	64%	62%	61%	68%	67%	70%

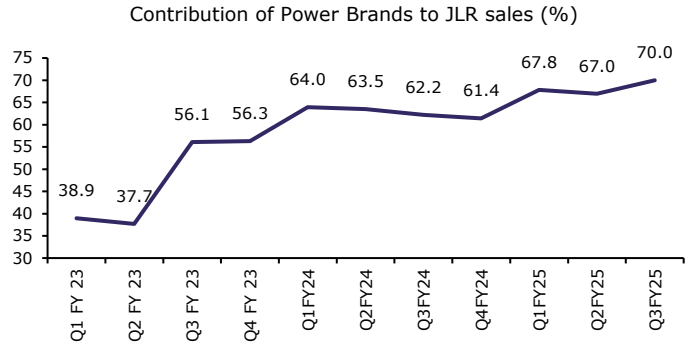
Source: Company, Emkay Research

Exhibit 2: JLR wholesales grew ~3% YoY on the back of largely normalized supplies



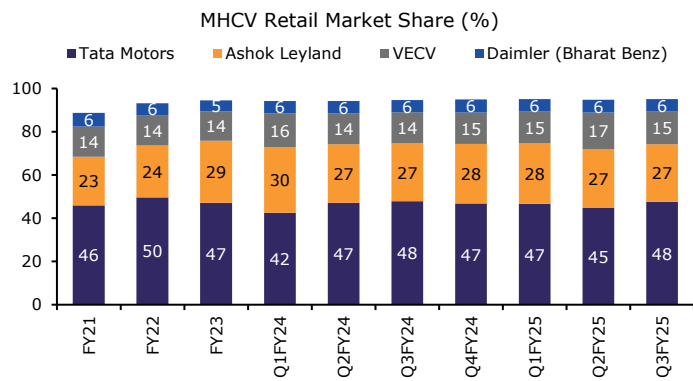
Source: Company, Emkay Research

Exhibit 3: Contribution from power brands is at an all-time high



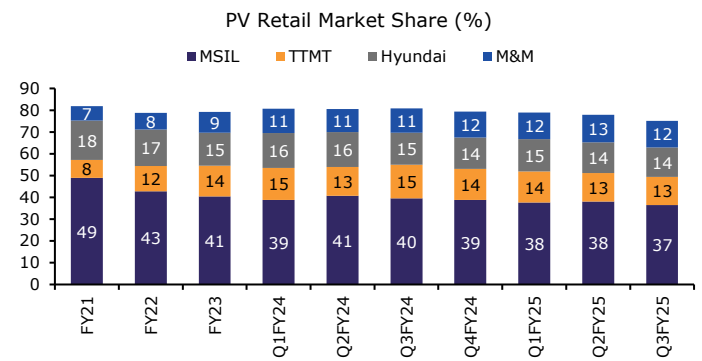
Source: Company, Emkay Research; Power brands are Range Rover, Range Rover Sport, and Defender

Exhibit 4: TTMT has gained retail market share in MHCVs...



Source: Vahan, Emkay Research

Exhibit 5: ...while its PV market share has seen a dip



Source: Vahan, Emkay Research

Exhibit 6: Revenue Model – We build in 4%/5% FY25E-27E revenue/PBT CAGR

Revenue Model (Rs mn)	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
CV revenues	301,750	472,637	657,573	733,031	695,076	781,190	841,196
Growth (%)	-31.3	56.6	39.1	11.5	-5.2	12.4	7.7
PV revenues	167,148	325,722	488,671	526,850	515,250	545,570	587,028
Growth (%)		94.9	50.0	7.8	-2.2	5.9	7.6
Total India business revenues (Rs mn)	468,899	798,359	1,146,244	1,259,881	1,210,327	1,326,760	1,428,224
Growth (%)	6.7	70.3	43.6	9.9	-3.9	9.6	7.6

CV EBITDA	14,870	16,357	48,108	78,701	82,367	100,774	110,617
EBITDA margin (%)	4.9	3.5	7.3	10.7	11.9	12.9	13.2
PV EBITDA	(4,020)	9,150	27,862	33,770	31,422	34,248	36,827
EBITDA margin (%)	(2.4)	2.8	5.7	6.4	6.1	6.3	6.3

CV EBIT	(2,437)	(1,248)	30,440	58,532	62,128	74,758	79,882
EBIT margin (%)	(0.8)	(0.3)	4.6	8.0	8.9	9.6	9.5
PV EBIT	(20,723)	(11,265)	5,552	10,270	5,220	5,425	5,698
EBIT margin (%)	(12.4)	(3.5)	1.1	1.9	1.0	1.0	1.0

JLR Business (£ mn)	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
JLR Revenues	19,731	18,320	22,809	28,995	29,888	30,382	31,247
Growth (%)	-14.2	-7.2	24.5	27.1	3.1	1.7	2.8
JLR EBITDA (£ mn)	2,531	1,896	2,571	4,620	4,380	4,489	4,689
EBITDA margin (%)	12.8	10.3	11.3	15.9	14.7	14.8	15.0
JLR EBIT (incl China JV)	555	(48)	529	2,445	2,561	2,501	2,479
EBIT margin (%)	2.8	-0.3	2.3	8.4	8.6	8.2	7.9

JLR PAT (£ mn)	(1,100)	(822)	(60)	2,578	1,624	1,897	1,908
----------------	---------	-------	------	-------	-------	-------	-------

Consolidated Financials (Rs mn)	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
India revenues	468,899	798,359	1,146,244	1,259,881	1,210,327	1,326,760	1,428,224
JLR revenues	1,913,907	1,864,976	2,213,460	2,870,505	3,213,007	3,266,115	3,359,066
Consolidated revenues (Rs mn)	2,497,948	2,784,536	3,459,670	4,379,278	4,689,046	4,873,741	5,084,687
Growth (%)	-4.3	11.5	24.2	26.6	7.1	3.9	4.3

India EBITDA	10,850	25,507	75,971	112,471	113,789	135,021	147,444
JLR EBITDA	198,074	107,603	173,804	339,768	405,594	358,749	378,921
Consolidated EBITDA	305,553	248,132	318,296	595,603	602,484	627,088	652,693
Growth (%)	54.9	-18.8	28.3	87.1	1.2	4.1	4.1

EBITDA margin (%)							
India	2.3	3.2	6.6	8.9	9.4	10.2	10.3
JLR	12.8	10.3	11.3	15.9	14.7	14.8	15.0
Consolidated EBITDA margin (%)	12.2	8.9	9.2	13.6	12.8	12.9	12.8

Consolidated EBIT	70,086	(225)	69,692	322,901	351,460	358,551	353,281
Consolidated PBT	15,546	(62,807)	13,769	282,543	330,060	341,834	362,845
Consolidate EPS (Rs)	(3.7)	(28.0)	1.9	84.5	60.1	71.2	76.6

Source: Company, Emkay Research

Exhibit 7: Change in Estimates – We raise FY25E EPS, driven by margin upgrade at JLR; FY27E consolidated EPS is cut on account of softness in India PVs

Consolidated (Rs mn)	FY25E				FY26E				FY27E			
	Earlier	Revised	Change %	YoY %	Earlier	Revised	Change %	YoY %	Earlier	Revised	Change %	YoY %
JLR Volume (excl China JV)	390,390	395,596	1.3	(1.4)	391,052	396,192	1.3	0.2	396,563	401,445	1.2	1.3
Standalone Volume (India CV)	387,849	374,951	(3.3)	(2.3)	409,130	396,735	(3.0)	5.8	431,299	419,476	(2.7)	5.7
Consol Revenue	4,614,747	4,689,046	1.6	7.1	4,792,620	4,873,741	1.7	3.9	4,999,913	5,084,687	1.7	4.3
Consol EBITDA	573,042	602,484	5.1	1.2	615,324	627,088	1.9	4.1	651,795	652,693	0.1	4.1
Consol Margin (%)	12.4	12.8	43bps	(75)bps	12.8	12.9	3bps	0bps	13.0	12.8	(20)bps	(0)bps
Consol PAT	215,824	221,279	2.5	(31.7)	260,582	261,979	0.5	18.4	286,108	281,644	(1.6)	7.5
Consol Diluted Adjusted EPS (Rs)	58.7	60.1	2.5	(28.9)	70.8	71.2	0.6	18.4	77.8	76.6	(1.6)	7.5

Source: Emkay Research

Exhibit 8: Emkay Vs Consensus

(Rs mn)	Emkay Estimates			Bloomberg estimates			Difference		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Net revenue	4,689,046	4,873,741	5,084,687	4,554,477	4,960,531	5,340,657	3.0%	-1.7%	-4.8%
EBITDA	602,484	627,088	652,693	627,373	704,762	768,309	-4.0%	-11.0%	-15.0%
EBITDA margin (%)	12.8	12.9	12.8	13.8	14.2	14.4	(93) bps	(134) bps	(155) bps
EBIT	351,460	358,551	353,281	347,968	388,501	423,871	1.0%	-7.7%	-16.7%
EBIT margin (%)	7.5	7.4	6.9	7.6	7.8	7.9	(14) bps	(48) bps	(99) bps
EPS (Rs)	60.1	71.2	76.6	59.7	71.6	81.1	0.8%	-0.5%	-5.6%

Source: Bloomberg, Emkay Research

Exhibit 9: Our SoTP based TP stands at Rs950

	Basis of valuation	Equity value (Rs mn)	Equity value (Rs/share)	Contribution to SOTP (%)	Remarks
India CVs	12.5x EV/EBITDA	1,341,960	365	38	Similar to EV/EBITDA multiple for AL
India PVs, incl EVs	1.3x EV/Sales	787,366	214	22	20% discount to MSIL's multiple of ~1.7x EV/Sales
JLR	1.5x EV/EBITDA	1,083,227	294	30	In line with EV/EBITDA valuation of European peers
JLR China JV	4x EV/EBITDA	8,458	2	0	Stake stands at 50%
Tata Sons	1x NAV	72,692	20	2	Holding company discount at 80% as stake may not be monetized
Tata Motors Finance	1.5x FY26E P/B	131,860	36	4	Holding company discount at 20%
Tata Technologies	M-cap	152,823	42	4	20% discount to CMP
Total (Rounded off)			950		

Source: Bloomberg, Emkay Research

Tata Motors: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Revenue	3,459,670	4,379,278	4,689,046	4,873,741	5,084,687
Revenue growth (%)	24.2	26.6	7.1	3.9	4.3
EBITDA	318,296	595,603	602,484	627,088	652,693
EBITDA growth (%)	28.3	87.1	1.2	4.1	4.1
Depreciation & Amortization	248,604	272,701	251,024	268,537	299,412
EBIT	69,692	322,901	351,460	358,551	353,281
EBIT growth (%)	0.0	363.3	8.8	2.0	(1.5)
Other operating income	0	0	0	0	0
Other income	46,332	59,499	59,499	58,309	65,889
Financial expense	102,255	99,858	80,899	75,027	56,325
PBT	13,769	282,543	330,060	341,834	362,845
Extraordinary items	0	0	0	0	0
Taxes	7,041	(38,516)	107,926	82,122	84,861
Minority interest	2,756	4,077	4,750	2,000	1,000
Income from JV/Associates	3,364	6,998	3,895	4,267	4,660
Reported PAT	24,143	313,991	221,279	261,979	281,644
PAT growth (%)	0.0	1,200.6	(29.5)	18.4	7.5
Adjusted PAT	7,336	323,981	221,279	261,979	281,644
Diluted EPS (Rs)	1.9	84.5	60.1	71.2	76.6
Diluted EPS growth (%)	0.0	1,199.7	(26.6)	18.4	7.5
DPS (Rs)	2.0	6.0	4.3	5.1	5.4
Dividend payout (%)	31.7	7.3	7.1	7.1	7.1
EBITDA margin (%)	9.2	13.6	12.8	12.9	12.8
EBIT margin (%)	2.0	7.4	7.5	7.4	6.9
Effective tax rate (%)	51.1	(13.6)	32.7	24.0	23.4
NOPLAT (pre-IndAS)	34,056	366,920	236,536	272,413	270,657
Shares outstanding (mn)	3,830.1	3,832.5	3,679.2	3,679.2	3,679.2

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
PBT	13,769	282,543	330,060	341,834	362,845
Others (non-cash items)	383,002	371,514	331,924	343,564	355,738
Taxes paid	(31,790)	(45,163)	(210,594)	(188,453)	(197,727)
Change in NWC	(31,271)	73,252	(50,944)	92,312	15,773
Operating cash flow	353,880	679,154	404,340	593,524	541,288
Capital expenditure	(178,107)	(311,825)	(380,000)	(380,000)	(380,000)
Acquisition of business	(134)	58,150	0	0	0
Interest & dividend income	10,199	0	0	0	0
Investing cash flow	(168,042)	(228,281)	(380,000)	(380,000)	(380,000)
Equity raised/(repaid)	34,737	819	0	0	0
Debt raised/(repaid)	(202,397)	(266,965)	(43,824)	(96,000)	(349,270)
Payment of lease liabilities	(15,166)	0	0	0	0
Interest paid	(93,360)	(93,323)	(80,899)	(75,027)	(56,325)
Dividend paid (incl tax)	(1,409)	(10,591)	(23,014)	(15,792)	(18,654)
Others	15,166	0	0	0	0
Financing cash flow	(262,429)	(370,060)	(147,738)	(186,818)	(424,250)
Net chg in Cash	(76,591)	80,813	(123,397)	26,705	(262,962)
OCF	353,880	679,154	404,340	593,524	541,288
Adj. OCF (w/o NWC chg.)	385,151	605,902	455,284	501,212	525,516
FCFF	175,774	367,328	24,340	213,524	161,288
FCFE	83,717	267,471	(56,559)	138,497	104,963
OCF/EBITDA (%)	111.2	114.0	67.1	94.6	82.9
FCFE/PAT (%)	346.8	85.2	(25.6)	52.9	37.3
FCFF/NOPLAT (%)	516.1	100.1	10.3	78.4	59.6

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Share capital	7,660	7,665	7,665	7,665	7,665
Reserves & Surplus	445,558	841,515	1,047,002	1,290,327	1,551,954
Net worth	453,218	849,180	1,054,667	1,297,992	1,559,619
Minority interests	72,777	81,759	86,509	88,509	89,509
Deferred tax liability (net)	(37,777)	(119,557)	(222,225)	(328,555)	(441,422)
Total debt	1,256,605	985,001	941,177	845,177	495,907
Total liabilities & equity	1,744,823	1,796,384	1,860,128	1,903,122	1,703,613
Net tangible fixed assets	729,760	621,620	749,466	860,929	941,517
Net intangible assets	504,621	504,621	504,621	504,621	504,621
Net ROU assets	78,010	78,010	78,010	78,010	78,010
Capital WIP	142,745	356,984	358,114	358,114	358,114
Goodwill	8,406	8,603	8,603	8,603	8,603
Investments [JV/Associates]	60,725	60,725	63,725	66,725	69,725
Cash & equivalents	573,222	627,053	500,655	524,360	258,399
Current assets (ex-cash)	1,211,477	1,318,033	1,569,485	1,631,305	1,701,911
Current Liab. & Prov.	1,564,145	1,779,266	1,972,551	2,129,546	2,217,287
NWC (ex-cash)	(352,667)	(461,233)	(403,067)	(498,241)	(515,376)
Total assets	1,744,823	1,796,384	1,860,128	1,903,122	1,703,613
Net debt	683,383	357,948	440,522	320,816	237,508
Capital employed	1,744,823	1,796,384	1,860,128	1,903,122	1,703,613
Invested capital	968,130	751,622	937,634	953,922	1,017,375
BVPS (Rs)	118.3	221.6	286.7	352.8	423.9
Net Debt/Equity (x)	1.5	0.4	0.4	0.2	0.2
Net Debt/EBITDA (x)	2.1	0.6	0.7	0.5	0.4
Interest coverage (x)	0.9	0.3	0.2	0.2	0.1
RoCE (%)	3.6	18.2	19.2	19.1	19.6

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY23	FY24	FY25E	FY26E	FY27E
P/E (x)	415.0	9.4	13.2	11.2	10.4
P/CE(x)	11.9	5.1	6.2	5.5	5.0
P/B (x)	6.7	3.6	2.8	2.3	1.9
EV/Sales (x)	1.1	0.8	0.7	0.7	0.6
EV/EBITDA (x)	11.7	5.7	5.6	5.2	4.8
EV/EBIT(x)	53.5	10.5	9.6	9.1	9.0
EV/IC (x)	3.9	4.5	3.6	3.4	3.1
FCFF yield (%)	4.7	10.8	0.7	6.6	5.1
FCFE yield (%)	2.7	8.8	(1.9)	4.7	3.6
Dividend yield (%)	0.3	0.8	0.5	0.6	0.7
DuPont-RoE split					
Net profit margin (%)	0.2	7.4	4.7	5.4	5.5
Total asset turnover (x)	1.8	2.5	2.6	2.6	2.8
Assets/Equity (x)	4.3	2.7	1.9	1.6	1.3
RoE (%)	1.6	49.8	23.2	22.3	19.7
DuPont-RoIC					
NOPLAT margin (%)	1.0	8.4	5.0	5.6	5.3
IC turnover (x)	3.6	5.8	5.0	5.1	5.0
RoIC (%)	3.0	42.7	28.0	28.8	27.5
Operating metrics					
Core NWC days	(37.2)	(38.4)	(31.4)	(37.3)	(37.0)
Total NWC days	(37.2)	(38.4)	(31.4)	(37.3)	(37.0)
Fixed asset turnover	1.0	1.2	1.2	1.2	1.1
Opex-to-revenue (%)	25.3	24.1	25.9	24.6	24.7

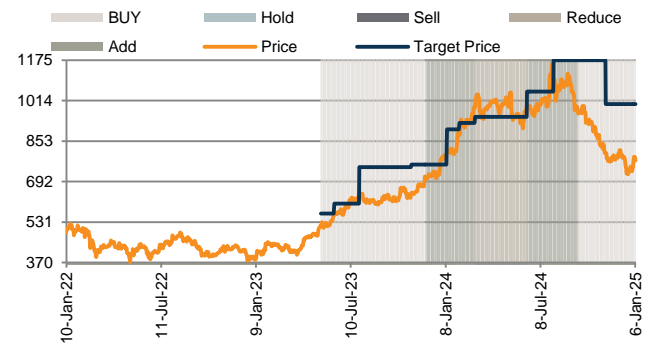
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
18-Dec-24	756	1,000	Buy	Chirag Jain
10-Nov-24	805	1,000	Buy	Chirag Jain
08-Oct-24	920	1,175	Buy	Chirag Jain
18-Sep-24	962	1,175	Buy	Chirag Jain
02-Aug-24	1,097	1,175	Add	Chirag Jain
10-Jul-24	1,006	1,050	Add	Chirag Jain
12-Jun-24	989	1,050	Add	Chirag Jain
11-May-24	1,047	950	Reduce	Chirag Jain
18-Apr-24	971	950	Reduce	Chirag Jain
04-Mar-24	987	950	Reduce	Chirag Jain
03-Feb-24	879	925	Add	Chirag Jain
10-Jan-24	808	900	Add	Chirag Jain
30-Nov-23	706	760	Add	Chirag Jain
03-Nov-23	648	760	Buy	Chirag Jain
26-Jul-23	641	750	Buy	Chirag Jain
08-Jun-23	560	605	Buy	Chirag Jain
13-May-23	516	565	Buy	Chirag Jain

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Ltd (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) (hereinafter referred to as "Stock Exchange(s)"). EGFSL along with its [affiliates] offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.emkayglobal.com.

EGFSL is registered as Research Analyst with the Securities and Exchange Board of India ("SEBI") bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any Stock Exchange nor its activities were suspended by any Stock Exchange with whom it is registered in last five years. However, SEBI and Stock Exchanges had conducted their routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to its existing clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

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 clients simultaneously, not all clients may receive this report at the same time. 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.

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. EGFSL may have issued or may issue other reports (on technical or fundamental analysis basis) of the same subject company that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Users of this report may visit www.emkayglobal.com to view all Research Reports of EGFSL. 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 research published by any other analyst or by associate entities of EGFSL; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its affiliates. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

This report has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research report relating to any issuer/subject company.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Disclaimer for U.S. persons only: Research report is a product of Emkay Global Financial Services Ltd., under Marco Polo Securities 15a6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of Financial Institutions Regulatory Authority (FINRA) or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors. Emkay Global Financial Services Ltd. has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

RESTRICTIONS ON DISTRIBUTION

This report is not directed to, 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 or regulation. Except otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom.

ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associated persons¹ may have served as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate may have Financial Interests² in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

¹ An associated person is defined as (i) who reports directly or indirectly to such a research analyst in connection with the preparation of the reports; or (ii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

² Financial Interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her associate/relative's may have Financial Interest/proprietary positions in the securities recommended in this report as of January 9, 2025
- EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Report
Disclosure of previous investment recommendation produced:
- EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's may have material conflict of interest in the securities recommended in this report as of January 9, 2025
- EGFSL, its affiliates and Research Analyst or his/her associate/relative's may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the January 9, 2025
- EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
- EGFSL, its affiliates and Research Analyst or his/her associate may have received compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
- EGFSL, its affiliates and/or and Research Analyst or his/her associate may have received any compensation or other benefits from the subject company or third party in connection with this research report.

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	<15% downside

Emkay Global Financial Services Ltd.

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India
Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

OTHER DISCLAIMERS AND DISCLOSURES:**Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) :-**

EGFSL or its associates may have financial interest in the subject company.

Research Analyst or his/her associate/relative's may have financial interest in the subject company.

EGFSL or its associates and Research Analyst or his/her associate/ relative's may have material conflict of interest in the subject company. The research Analyst or research entity (EGFSL) have not been engaged in market making activity for the subject company.

EGFSL or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst or his/her associate/relatives may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst may have served as an officer, director or employee of the subject company.

EGFSL or its affiliates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. . Emkay may have issued or may issue other reports that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Emkay Investors may visit www.emkayglobal.com to view all Research Reports. 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 research published by any other analyst or by associate entities of Emkay; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. EGFSL or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. EGFSL or its associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. EGFSL or its associates may have received compensation from the subject company in the past twelve months. Subject Company may have been client of EGFSL or its affiliates during twelve months preceding the date of distribution of the research report and EGFSL or its affiliates may have co-managed public offering of securities for the subject company in the past twelve months.