ADD

Tata Motors Passenger Vehicles

Strong India PV momentum offset by weaker JLR outlook; d/g to ADD

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Auto & Auto Ancillaries ▸ Result Update ▸ **November 17, 2025** | **CMP (Rs): 391 | TP (Rs): 400**

We downgrade TMPV to ADD (from Buy), with an SOTP-based TP of Rs400. TMPV logged a weak Q2, with consolidated revenue down 14% YoY and a negative EBITDAM (-1.9% vs 11.9% YoY) on a sharp drop in JLR (cyberattack wiped out production of 20k units in Q2), leading to a 24% YoY revenue drop and EBITDAM of -1.6%. The management commentary for JLR is cautious, highlighting that even after the cyber disruption fading by Q3 (production to be impacted by an additional 30k units), structural challenges persist (worsened luxury demand globally, rising VMEs, structural headwinds from US tariffs and China's luxury tax). This has led to a cut in FY26 EBITM guidance to ~0–2% (vs ~5–7% earlier) and a steep revision in the FCF guidance to –£2.2–2.5bn (vs net zero earlier). India PVs continue to build momentum with a favorable product cycle, reflected in record festive retails, a richer ~45% EV+CNG mix, rising EV profitability aided by the Rs32.5bn PLI, strong demand for Harrier.EV (16–18 weeks waiting), and upcoming Sierra/Sierra EV and Harrier–Safari ICE launches that are expected to aid mix/margin recovery from Q4. However, given JLR's dominant contribution (~80% of Q2 topline) and the materially weaker demand, margin, and FCF outlook for FY26–27, we turn cautious despite the constructive India PV setup.

Weak Q2 print dragged by JLR; India PVs managed to sustain the momentum

Consolidated revenue fell 14% YoY to Rs723.4bn. EBITDAM slipped to –1.9% (Q2FY25: 11.9%), entirely driven by JLR, where revenues fell 24% YoY/26% QoQ to £4.9bn due to the month-long production shutdown following the cyber incident, which caused a 24% YoY drop in wholesales to 66.2k units and the EBITDAM decline to –1.6% (Q2FY25: 11.7%). In contrast, Indian PVs delivered a resilient Q2, with revenue up 7% YoY and EBITDAM at 3.9% (up by 50bps QoQ), on strong festive demand.

Earnings call KTAs

1) **JLR:** Q2 operations were disrupted by a cyberattack, resulting in the complete loss of Sep production (~50k units, with ~20k lost in Q2 and ~30k spilling into Q3). FY26 FCF guidance was revised to –£2.2–2.5bn (net zero in Q1); the mgmt does not expect meaningful cash recovery before FY27. US import tariffs and China's higher luxury tax threshold would pressurize margins over 12–18M, while UK/EU duties, though renegotiated lower (10–15%), would drag. TMPV noted weaker luxury demand globally, rising VMEs, and cost pass-through delays, leading to a downward revision in JLR's margin to ~0-2% for FY26 (5-7% earlier). 2) **PVs:** India saw a sharp demand recovery post-GST cut, with record retail volumes during Sep–Oct (up 5% in Sep and 17% in Oct), even as dealer inventories fell to 27 days, one of the lowest in years. EV+CNG models now form ~45% of domestic PVs, with quarterly EV volumes reaching 24k units, led by Nexon EV and Harrier.EV, which significantly boosted realizations (~15% YoY). 3) The mgmt guided for double-digit H2 growth and ~5% YoY growth for FY26, aided by post-GST traction in compact and sub-compact SUVs; it targets double-digit EBITDA margins in the Indian PV business in the near term, driven by product mix enrichment, structural cost-savings (1–2% annually), normalization of commodity costs.

Tata Motors Passenger Vehicles: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	0	3,660,940	3,484,178	4,021,156	4,230,061
EBITDA	0	480,870	244,391	421,024	476,736
Adj. PAT	0	192,720	47,718	143,363	182,542
Adj. EPS (Rs)	0	52.4	13.0	39.0	49.6
EBITDA margin (%)	0	13.1	7.0	10.5	11.3
EBITDA growth (%)	0	0	(49.2)	72.3	13.2
Adj. EPS growth (%)	0	0	(75.2)	200.4	27.3
RoE (%)	0	33.2	4.2	12.1	13.7
RoIC (%)	0	82.2	6.5	15.8	16.4
P/E (x)	0	5.1	1.6	10.0	7.9
EV/EBITDA (x)	0	0	0	0	0
P/B (x)	0	1.2	1.3	1.2	1.0
FCFF yield (%)	0	0	0	0	0

Source: Company, Emkay Research

Target Price – 12M	Sep-26
Change in TP (%)	**NA**
Current Reco.	ADD
Previous Reco.	BUY
Upside/(Downside) (%)	2.3

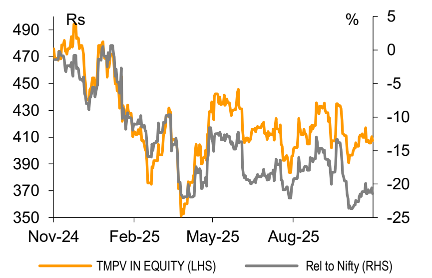
Stock Data	TMPV IN EQUITY
52-week High (Rs)	498
52-week Low (Rs)	324
Shares outstanding (mn)	3,682.3
Market-cap (Rs bn)	1,441
Market-cap (USD mn)	16,233
Net-debt, FY26E (Rs mn)	455,722.3
ADTV-3M (mn shares)	13
ADTV-3M (Rs mn)	8,122.5
ADTV-3M (USD mn)	91.5
Free float (%)	57.4
Nifty-50	25,910.1
INR/USD	88.7

Shareholding,Sep-25	
Promoters (%)	42.6
FPIs/MFs (%)	17.1/17.3

Price Performance

(%)	1M	3M	12M
Absolute	(1.1)	(2.8)	(16.5)
Rel. to Nifty	(4.0)	(7.6)	(24.2)

1-Year share price trend (Rs)



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Key highlights from the earnings call (continued)

- EV profitability improved materially as Nexon EV, Harrier.EV achieved the 50% domestic value-add threshold, triggering PLI benefits. TMPV saw Rs32.5bn of PLI inflow.
- ICE margins remained under pressure due to price realignments and competitive VMEs, though margin recovery is expected from Q4FY26 with upcoming price hikes (Jan), Sierra/Sierra EV launches, and Harrier–Safari's petrol variants.

Exhibit 1: TTMT has seen a major jump in its domestic PV market share to 13.3% in Q2FY26; realizations have also improved by 3% QoQ

Particulars	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)
Volumes	**148,517**	**134,707**	**10.3**	**130,339**	**13.9**
-- Domestic	144,319	133,884	7.8	129,369	11.6
-- Exports	4,198	823	410.1	970	332.8
ASP (Rs/unit)	872,291	894,905	-2.5	846,869	3.0
Domestic PV Market Share (%)	13.3	12.4	*95 bps*	12.1	*118 bps*

Source: Company, Emkay Research

Exhibit 2: India PVs – Revenue rose 7.5% YoY, with EBITDAM also expanding by 50bps QoQ to 3.9% on better operating leverage

Standalone (India PVs) - Rs mn	Q2FY25	Q1FY26	Q2FY26	YoY (%)	QoQ (%)
Revenue	**120,550**	**110,380**	**129,550**	***7.5***	***17.4***
Expenditure	**113,060**	**106,630**	**124,480**	***10.1***	***16.7***
as a % of sales	*93.8*	*96.6*	*96.1*		
Consumption of RM	98,540	91,060	108,110	*9.7*	*18.7*
as a % of sales	*81.7*	*82.5*	*83.5*		
Employee Cost	4,370	4,440	5,000	*14.4*	*12.6*
as a % of sales	*3.6*	*4.0*	*3.9*		
Other expenditure	10,150	11,130	11,370	*12.0*	*2.2*
as a % of sales	*8.4*	*10.1*	*8.8*		
EBITDA	**7,490**	**3,750**	**5,070**	***(32.3)***	***35.2***
EBITDA margin (%)	***6.2***	***3.4***	***3.9***		
Depreciation	6,340	6,370	6,360	*0.3*	*(0.2)*
EBIT	1,150	(2,620)	(1,290)	*(212.2)*	*(50.8)*
Other Income	2,920	50,550	3,320	*13.7*	*(93.4)*
Interest	890	690	650	*(27.0)*	*(5.8)*
PBT	3,180	47,240	1,380		
Total Tax	3,030	8,690	3,750	*23.8*	*(56.8)*
Adjusted PAT	**150**	**38,550**	**(2,370)**	*(1,680.0)*	*(106.1)*
Exceptional items (Loss)/Gain	0	(10)	0		
Reported PAT	**150**	**38,540**	**(2,370)**	*(1,680.0)*	*(106.1)*
Adjusted EPS (Rs)	**0.0**	**10.5**	**(0.6)**	***(1,677.9)***	***(106.1)***
Profit from discontinued operations (net)	**6,460**	**14,120**	**823,180**	***12,642.7***	***5,729.9***
Reported PAT including discontinued ops	6,610	52,660	820,810	*12,317.7*	*1,458.7*
(%)	**Q2FY25**	**Q1FY26**	**Q2FY26**	***YoY (bps)***	***QoQ (bps)***
EBITDAM	6.2	3.4	3.9	*(230)*	*52*
EBITM	1.0	(2.4)	(1.0)	*(195)*	*138*
EBTM	2.6	42.8	1.1	*(157)*	*(4,173)*
PATM	0.1	34.9	(1.8)	*(195)*	*(3,675)*
Effective Tax rate	95.3	18.4	271.7	*17,646*	*25,334*

Source: Company, Emkay Research

Exhibit 3: Consolidated quarterly snapshot: Revenue fell 13% YoY, with EBITDAM declining to -1.9%

(Rs mn)	Q2FY25	Q1FY26	Q2FY26	YoY (%)	QoQ (%)
Revenue	**836,560**	**876,770**	**723,490**	***(13.5)***	***(17.5)***
Expenditure	**737,420**	**795,150**	**737,530**	***0.0***	***(7.2)***
as a % of sales	*88.1*	*90.7*	*101.9*		
Consumption of RM	507,590	557,350	479,460	*(5.5)*	*(14.0)*
as a % of sales	*60.7*	*63.6*	*66.3*		
Employee Cost	101,390	110,400	108,310	*6.8*	*(1.9)*
as a % of sales	*12.1*	*12.6*	*15.0*		
Other expenditure	128,440	127,400	149,760	*16.6*	*17.6*
as a % of sales	*15.4*	*14.5*	*20.7*		
EBITDA	**99,140**	**81,620**	**(14,040)**	***(114.2)***	***(117.2)***
EBITDA margin (%)	***11.9***	***9.3***	***-1.9***		
Depreciation	54,670	48,510	48,710	*(10.9)*	*0.4*
EBIT	**44,470**	**33,110**	**(62,750)**	***(241.1)***	
Other Income	13,630	12,260	14,610	*7.2*	*19.2*
Interest	10,940	6,920	6,860	*(37.3)*	*(0.9)*
PBT	**47,160**	**38,450**	**(55,000)**		
Total Tax	17,520	13,060	(17,020)	*(197.1)*	*(230.3)*
Adjusted PAT	29,640	25,390	(37,980)		
MI and Income from JV (net)	(140)	260	(400)	*185.7*	*(253.8)*
Adjusted PAT after MI	**29,500**	**25,650**	**(38,380)**	*(230.1)*	*(249.6)*
Exceptional items (Loss)/Gain	310	(470)	(26,080)		
Reported PAT	**29,810**	**25,180**	**(64,460)**	*(316.2)*	*(356.0)*
Adjusted EPS (Rs)	**8.0**	**7.0**	**(10.4)**	*(230.1)*	*(249.6)*
Profit from discontinue operations (net)	**4,650**	**14,060**	**826,160**		
Report Profit (including discontinued operations)	**34,460**	**39,240**	**761,700**		

(%)	Q2FY25	Q1FY26	Q2FY26	YoY (bps)	QoQ (bps)
EBITDAM	11.9	9.3	(1.9)	*(1,379)*	*(1,125)*
EBITM	5.3	3.8	(8.7)	*(1,399)*	*(1,245)*
EBTM	5.6	4.4	(7.6)	*(1,324)*	*(1,199)*
PATM	3.5	2.9	(5.3)	*(883)*	*(823)*
Effective Tax rate	37.2	34.0	30.9	*(620)*	*(302)*

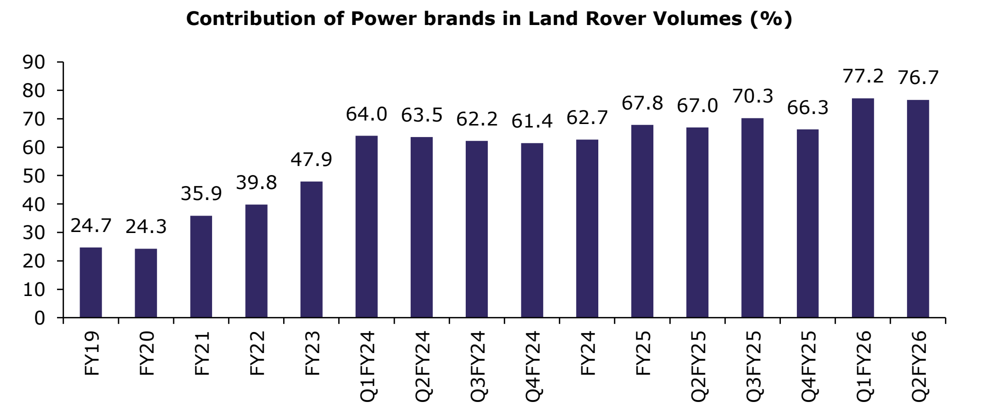
Source: Company, Emkay Research

Exhibit 4: JLR's quarterly snapshot – Revenue declined by 24% YoY, entirely dragged by 24% YoY lower volumes amid flattish ASPs; EBITDA margin declined to -1.6% vs 9.3%/11.7% in Q2, owing to operating deleverage and gross margin contraction

(£ mn)	Q2FY25	Q1FY26	Q2FY26	YoY (%)	QoQ (%)
Volumes	**87,303**	**87,286**	**66,165**	***(24.2)***	***(24.2)***
ASP/ Unit (£/Unit)	**74,167**	**75,659**	**74,057**	***(0.1)***	***(2.1)***
Revenue	6,475	6,604	4,900	*(24.3)*	*(25.8)*
Expenditure	5,716	5,988	4,978	*(12.9)*	*(16.9)*
as a % of sales	*88.3*	*90.7*	*101.6*		
Consumption of RM	3,784	4,096	3,126	*(17.4)*	*(23.7)*
as a % of sales	*58.4*	*62.0*	*63.8*		
Employee Cost	811	847	800	*(1.4)*	*(5.5)*
as a % of sales	*12.5*	*12.8*	*16.3*		
Other expenditure	1,121	1,045	1,052	*(6.2)*	*0.7*
as a % of sales	*17.3*	*15.8*	*21.5*		
EBITDA	**759**	**616**	**(78)**	***(110.3)***	***(112.7)***
EBITDA margin (%)	***11.7***	***9.3***	***-1.6***		
Depreciation	434	356	345	*(20.5)*	*(3.1)*
EBIT	**325**	**260**	**(423)**	***(230.2)***	***(262.7)***
Interest	45	10	23	*(48.9)*	*130.0*
Share of JV	3	5	1	*(66.7)*	*(80.0)*
PBT	**283**	**255**	**(445)**		
Total Tax	115	99	(164)	*(242.6)*	*(265.7)*
Adjusted PAT	**168**	**156**	**(281)**	***(267.3)***	***(280.1)***
Exceptional items Gain/(Loss)	0	(4)	(238)		
Forex Gain/(Loss)	115	96	(40)		
Reported PAT	**283**	**248**	**(559)**	***(297.5)***	***(325.4)***
(%)	**Q2FY25**	**Q1FY26**	**Q2FY26**	***YoY (bps)***	***QoQ (bps)***
EBITDAM	11.7	9.3	(1.6)	*(1,331)*	*(1,092)*
EBITM	5.0	3.9	(8.6)	*(1,365)*	*(1,257)*
EBTM	4.4	3.9	(9.1)	*(1,345)*	*(1,294)*
PATM	2.6	2.4	(5.7)	*(833)*	*(810)*
Effective Tax rate	40.6	38.8	36.9	*(378)*	*(197)*

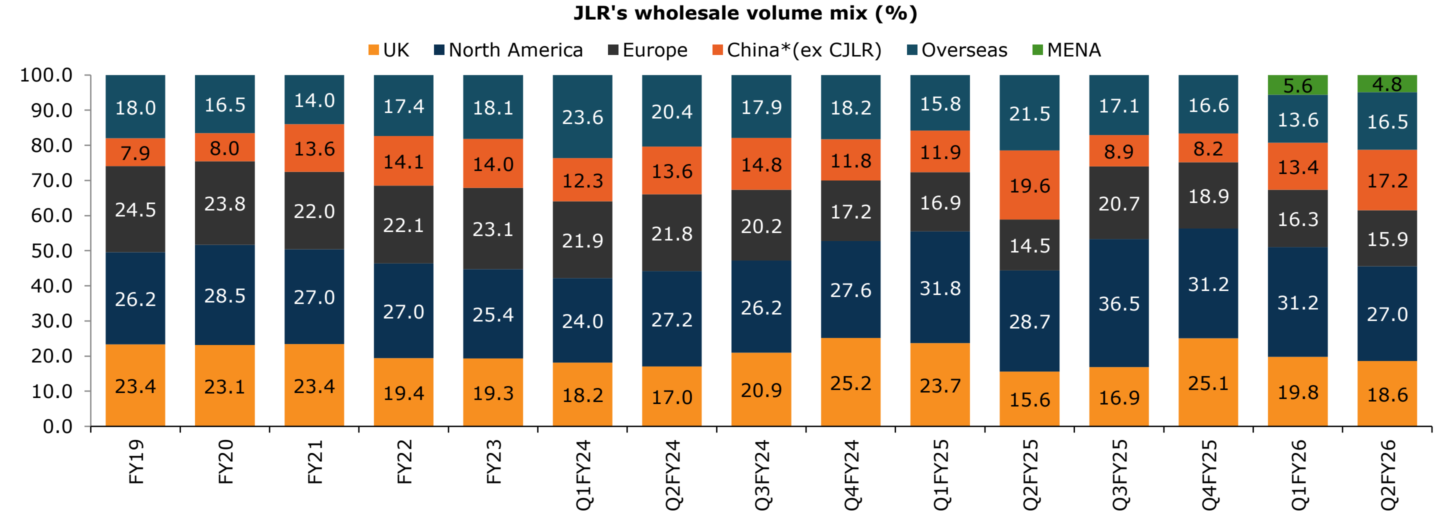
Source: Company, Emkay Research

Exhibit 5: Share of power brands (Range Rover, Range Rover Sport, and Defender) stood at ~77% vs ~67% in Q2FY25



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

Exhibit 6: For JLR, as a whole as well, North America now contributes to 27% of the total volumes



Source: Company, Emkay Research

Exhibit 7: Difference between the fair value of net assets as on 1-Jul-25 and book value of net assets is recorded as a one-time exceptional gain in P/L. This gain is offset in retained earnings as deemed distribution to shareholders

There is no impact on Net Worth.

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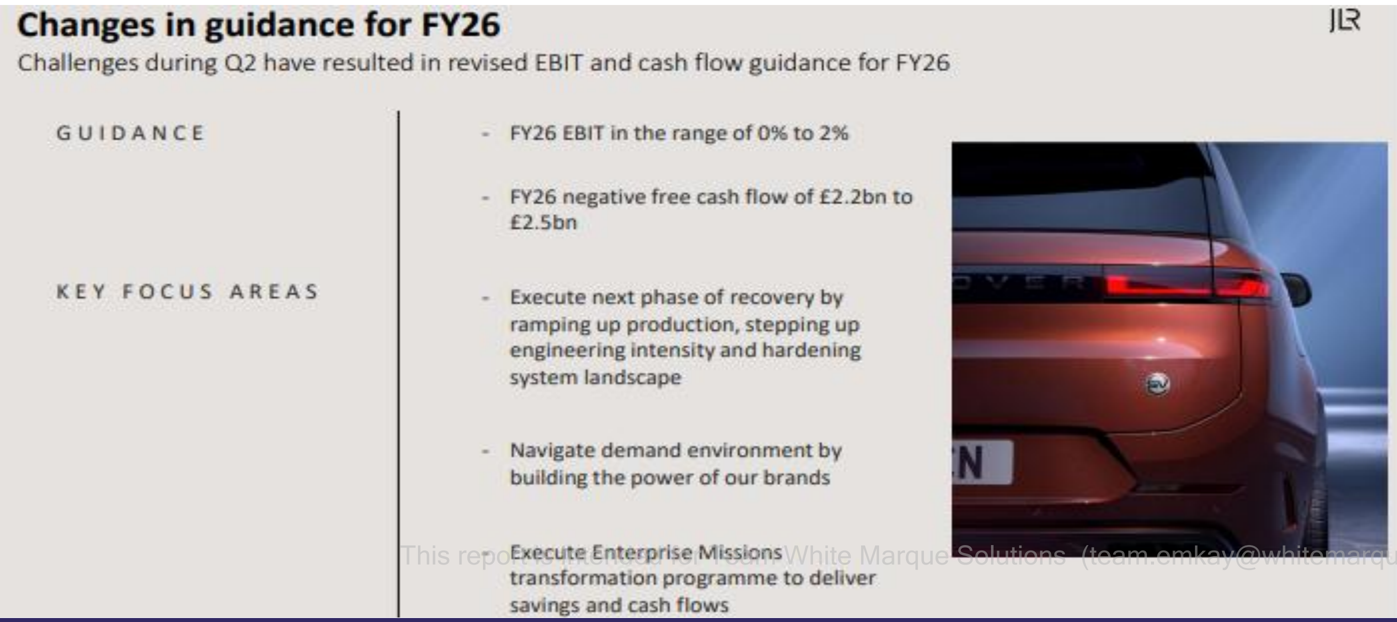
	Standalone (JO)	Consolidated
Profit & Loss (P&L) Statement impact		
Total fair value of CV business undertaking (FV)	93.9	93.9
Net worth of CV undertaking (NW)	11.6	11.3
Gain on disposal of undertaking (FV-NW) considered in P&L	82.3	82.6
Balance sheet impact (retained earnings)		
Profit for the period related to gain on disposal	82.3	82.6
less: distribution of non-cash assets to owners	(82.3)	(82.6)
Net impact in Retained earnings	-	-

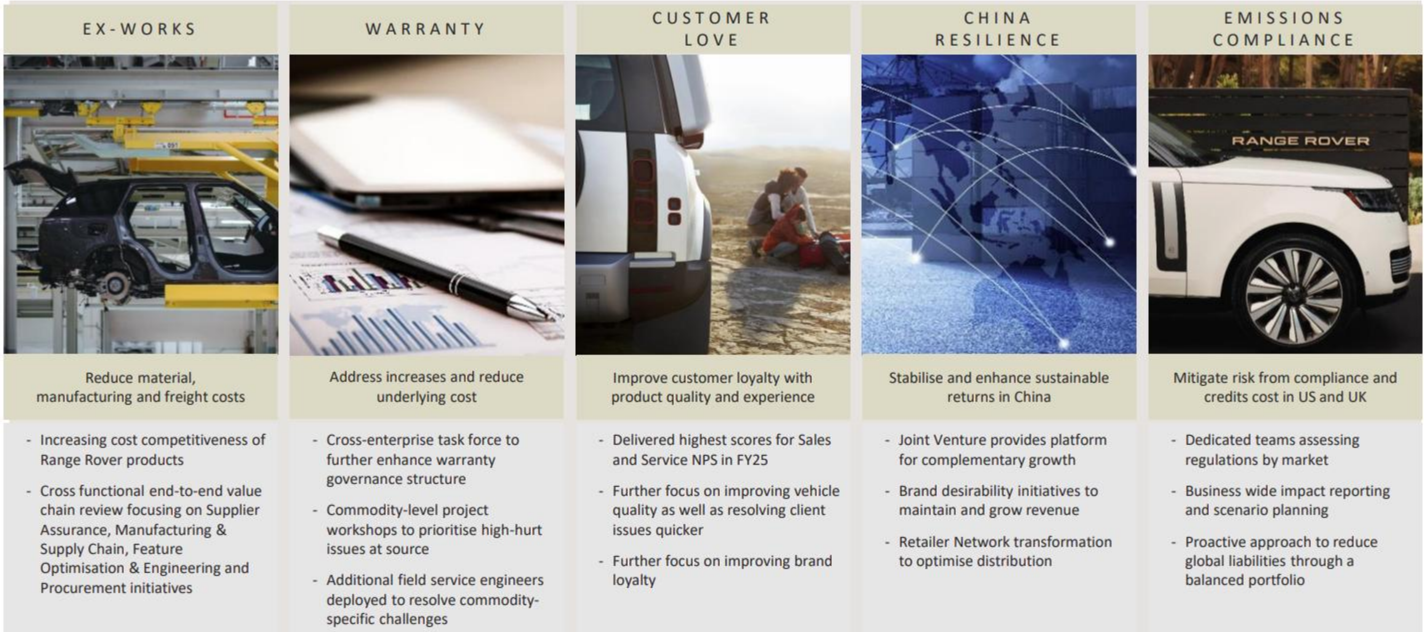
Source: Company, Emkay Research

Exhibit 8: JLR guidance: FY26 EBIT guidance revised down to ~0-2% vs 5-7% earlier and FCF guidance to -£2.2-2.5bn vs net zero earlier



Source: Company, Emkay Research

Exhibit 9: JLR to enact actions across multiple fronts to protect profitability



Source: Company, Emkay Research

Exhibit 10: In Q2, India ICE PV/EV margins stood at 6.4%/4.2%, respectively

	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26	Q2FY26
India PV Revenue (Rs mn)												
ICE PVs	105,000	99,000	109,000	118,000	431,000	98,000	97,000	102,000	106,000	403,000	88,000	98,000
EVs	24,000	23,000	20,000	26,000	93,000	20,000	20,000	22,000	19,000	81,000	21,000	38,000
India PV EBITDA (Rs mn)												
ICE PVs	9,030	9,108	10,246	12,036	40,514	8,330	8,245	7,446	8,692	32,643	4,312	6,272
EVs (excluding PDE)	(1,488)	(161)	40	286	(1,302)	20	348	2,948	2,204	5,508	1,176	3,040
EVs	(2,328)	(1,150)	(1,640)	(1,508)	(6,603)	(1,460)	(1,000)	2,200	1,235	972	42	1,596
India PV EBITDAM (%)												
ICE PVs	8.6%	9.2%	9.4%	10.2%	9.4%	8.5%	8.5%	7.3%	8.2%	8.1%	4.9%	6.4%
EVs (excluding PDE)	-6.2%	-0.7%	0.2%	1.1%	-1.4%	0.1%	1.7%	13.4%	11.6%	6.8%	5.6%	8.0%
EVs	-9.7%	-5.0%	-8.2%	-5.8%	-7.1%	-7.3%	-5.0%	10.0%	6.5%	1.2%	0.2%	4.2%
PBT (before exceptional)												
ICE PVs	3,000	4,000	5,000	6,000	18,000	3,000	3,000	1,000	3,000	10,000	(1,000)	-
EVs	(1,000)	(1,000)	(1,000)	(1,000)	(4,000)	(1,000)	-	2,000	1,000	1,000	-	1,000

Source: Company, Emkay Research; Note: PDE = Product Development Expenditure

Exhibit 11: TTMT has outperformed peers and industry this festive season (Sep-Oct) by delivering a strong 18% YoY growth (vs 10% for the industry)

Vahan retails	Apr-Aug (units)		Sep-Oct (units)		Apr-Aug (YoY %)	Sep-Oct (YoY %)
No of units	**FY25**	**FY26**	**FY25**	**FY26**		
HMIL	221,425	207,366	108,958	101,873	(6)	(7)
M&M	191,880	227,254	98,240	106,986	18	9
MSIL	639,512	637,074	319,600	365,043	(0)	14
TTMT	220,337	204,673	101,115	119,011	(7)	18
PV industry	**1,607,784**	**1,663,966**	**786,351**	**865,027**	**3.5**	**10**

Source: Vahan, Emkay Research

Exhibit 12: TTMT's India PV model mix- Tiago, Nexon, and Punch now account for >70% of TTMT's total domestic volumes

Model	FY22	FY23	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Tiago	58,094	77,415	85,478	17897	14623	15007	21707	20716	19147
Tigor	23,880	46,165	26,921	5622	3537	2839	4501	3160	2739
Nexon	124,130	172,139	171,697	34691	37661	43624	47112	40155	49402
Safari	20,212	20,656	21,944	4771	5704	5034	4525	3371	4731
Harrier	29,093	30,635	24,701	4718	5483	4628	4129	3165	9484
Altroz	62,247	57,811	70,162	14068	9233	6591	5295	8925	12032
Punch	52,716	133,819	170,076	56345	45475	46248	48504	36075	37380
Curvv	0	0	0	0	8218	15446	10355	8272	5274
Vans (All Models)	2,766	5,751	11,960	5,128	3,954	2,451	4,127	5,530	4700
Total	**373,138**	**544,391**	**582,939**	**143,240**	**133,888**	**141,868**	**150,255**	**129,369**	**144,889**

Model Mix (%)	FY22	FY23	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Tiago	15.6	14.2	14.7	12.5	10.9	10.6	14.4	16.0	13.2
Tigor	6.4	8.5	4.6	3.9	2.6	2.0	3.0	2.4	1.9
Nexon	33.3	31.6	29.5	24.2	28.1	30.7	31.4	31.0	34.1
Safari	5.4	3.8	3.8	3.3	4.3	3.5	3.0	2.6	3.3
Harrier	7.8	5.6	4.2	3.3	4.1	3.3	2.7	2.4	6.5
Altroz	16.7	10.6	12.0	9.8	6.9	4.6	3.5	6.9	8.3
Punch	14.1	24.6	29.2	39.3	34.0	32.6	32.3	27.9	25.8
Curvv	-	-	-	-	6.1	10.9	6.9	6.4	3.6
Vans (All Models)	0.7	1.1	2.1	3.6	3.0	1.7	2.7	4.3	3.2

Source: SIAM, Emkay Research

Exhibit 13: Revenue model: We build in 10%/12% revenue/EBITDA CAGR for the India PV business and a 2% revenue CAGR for JLR over FY25-28E; JLR margins are expected to recover to 11%/12% in FY27E/FY28E

Particulars (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
India PVs					
Volumes (no of units)	**585,587**	**572,098**	**619,256**	**689,677**	**724,585**
Growth YoY (%)		*-2.3*	*8.2*	*11.4*	*5.1*
-- Domestic	582,939	569,251	605,021	671,883	702,342
Growth YoY (%)	*7.1*	*-2.3*	*6.3*	*11.1*	*4.5*
-- Exports	2,648	2,847	14,235	17,794	22,242
Growth YoY (%)	*3.6*	*7.5*	*400.0*	*25.0*	*25.0*
ASP (Rs/unit)	899,696	862,754	879,673	897,925	915,967
Growth YoY (%)	*0.7*	*-4.1*	*2.0*	*2.1*	*2.0*
Revenue	**526,850**	**493,580**	**544,743**	**619,278**	**663,695**
Growth YoY (%)	*7.8*	*-6.3*	*10.4*	*13.7*	*7.2*
EBITDA	**33,770**	**30,390**	**28,140**	**36,147**	**42,793**
Margin (%)	*6.4*	*6.2*	*5.2*	*5.8*	*6.4*
EBIT	***10,270***	***3,970***	***954***	***7,330***	***11,382***
Margin (%)	*1.9*	*0.8*	*0.2*	*1.2*	*1.7*
JLR Business (£ mn)					
Volumes (ex-CJLR)	**401,303**	**400,898**	**331,590**	**375,395**	**385,785**
Growth YoY (%)	*24.9*	*-0.1*	*-17.3*	*13.2*	*2.8*
ASP (£/unit)	**72,252**	**72,240**	**74,769**	**76,264**	**77,789**
Growth YoY (%)	*1.8*	*0.0*	*3.5*	*2.0*	*2.0*
Revenues	**28,995**	**28,961**	**24,793**	**28,629**	**30,010**
Growth YoY (%)	*27.1*	*-0.1*	*-14.4*	*15.5*	*4.8*
EBITDA (£ mn)	**4,620**	**4,151**	**1,712**	**3,152**	**3,614**
EBITDA margin (%)	15.9	14.3	6.9	11.0	12.0
EBIT	**2,445**	**2,474**	**291**	**1,434**	**1,894**
EBIT margin (%)	*8.4*	*8.5*	*1.2*	*5.0*	*6.3*
Net debt/ (cash)	732	-278	1,911	1,107	151
Net Debt /EBITDA (x)	0.2	-0.1	1.1	0.4	0.0
Net D/E (x)	0.1	0.0	0.2	0.1	0.0
Capex (£ mn)	-2360	-2837	-3040	-3040	-3040
FCF (£ mn)	**2,269**	**1,478**	**-2,258**	**936**	**1,072**

Source: Company, Emkay Research

Exhibit 14: We build in 5% consolidated revenue CAGR over FY25-28E, with EBITDAM recovering to 11% in FY27E (vs ~7% in FY26E)

Consolidated Financials (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue					
India PVs	526,850	493,580	544,743	619,278	663,695
Growth YoY (%)	7.8	-6.3	10.4	13.7	7.2
JLR	2,870,505	3,097,454	2,851,142	3,292,352	3,451,150
Growth YoY (%)	29.7	7.9	-8.0	15.5	4.8
Consolidated	**4,340,160**	**3,660,940**	**3,484,178**	**4,021,156**	**4,230,061**
Growth YoY (%)			**-4.8**	**15.4**	**5.2**
EBITDA					
India PVs	33,770	30,390	28,140	36,147	42,793
Margin (%)	6.4	6.2	5.2	5.8	6.4
JLR	457,380	443,960	196,868	362,423	415,575
Margin (%)	*15.9*	*14.3*	*6.9*	*11.0*	*12.0*
Consolidated	**578,720**	**480,870**	**244,391**	**421,024**	**476,736**
Margin (%)	***13.3***	***13.1***	***7.0***	***10.5***	***11.3***
Consolidated EBIT	**306,330**	**269,850**	**53,794**	**194,664**	**247,606**
Margin (%)	*7.1*	*7.4*	*1.5*	*4.8*	*5.9*
Consolidated PBT	287,310	285,120	74,696	213,872	270,738
EPS (Rs)					
Consol Net Debt/(Cash)	384,402	-55,340	455,722	339,543	254,426
Consol FCF	367,328	260,340	-366,681	145,424	115,102

Source: Company, Emkay Research

Exhibit 15: Our SoTP-based TP for TMPV stands at Rs400

SOTP Table	Basis of valuation	Equity value (Rs mn)	Equity value (Rs/share)	Contribution to SOTP (%)	Remarks
India PV incl EV	EV/Sales 1.4x	958,158	260	65	20% discount to MSIL's multiple of ~1.7x EV/Sales.
JLR	EV/EBITDA 1x	394,467	107	27	Lower than EV/EBITDA valuation of European peers.
JLR China JV	EV/EBITDA 4x	13,309	4	1	Stake stands at 50%.
Tata Technologies	Mcap	117,808	32	8	20% discount to CMP.
Total (Rounded off)			**400**		

Source: Company, Emkay Research

Tata Motors Passenger Vehicles: Consolidated Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	**0**	**3,660,940**	**3,484,178**	**4,021,156**	**4,230,061**
Revenue growth (%)	0	0	(4.8)	15.4	5.2
EBITDA	**0**	**480,870**	**244,391**	**421,024**	**476,736**
EBITDA growth (%)	0	0	(49.2)	72.3	13.2
Depreciation & Amortization	-	211,020	190,597	226,360	229,130
EBIT	**0**	**269,850**	**53,794**	**194,664**	**247,606**
EBIT growth (%)	0	0	(80.1)	261.9	27.2
Other operating income	-	-	-	-	-
Other income	-	54,370	55,457	56,567	57,698
Financial expense	0	39,100	34,556	37,359	34,566
PBT	**0**	**285,120**	**74,696**	**213,872**	**270,738**
Extraordinary items	0	87,550	840,220	0	0
Taxes	0	90,600	23,735	67,960	86,030
Minority interest	-	(3,190)	(3,190)	(3,190)	(3,190)
Income from JV/Associates	-	1,390	(52)	640	1,024
Reported PAT	**0**	**280,270**	**887,938**	**143,363**	**182,542**
PAT growth (%)	0	0	216.8	(83.9)	27.3
Adjusted PAT	**0**	**192,720**	**47,718**	**143,363**	**182,542**
Diluted EPS (Rs)	**0**	**52.4**	**13.0**	**39.0**	**49.6**
Diluted EPS growth (%)	0	0	(75.2)	200.4	27.3
DPS (Rs)	**0**	**0**	**0**	**0**	**0**
Dividend payout (%)	**0**	**0**	**0**	**0**	**0**
EBITDA margin (%)	0	13.1	7.0	10.5	11.3
EBIT margin (%)	0	7.4	1.5	4.8	5.9
Effective tax rate (%)	0	31.8	31.8	31.8	31.8
NOPLAT (pre-IndAS)	**0**	**184,102**	**36,700**	**132,808**	**168,926**
Shares outstanding (mn)	-	3,680	3,680	3,680	3,680

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	-	7,360	7,360	7,360	7,360
Reserves & Surplus	0	1,154,080	1,113,004	1,242,031	1,406,319
Net worth	**0**	**1,161,440**	**1,120,364**	**1,249,391**	**1,413,679**
Minority interests	-	66,100	66,100	66,100	66,100
Non-current liab. & prov.	0	(55,070)	(117,730)	(117,730)	(117,730)
Total debt	**0**	**624,990**	**797,895**	**740,395**	**682,895**
Total liabilities & equity	**0**	**2,061,290**	**2,075,680**	**2,179,425**	**2,298,747**
Net tangible fixed assets	-	-	-	-	-
Net intangible assets	-	-	-	-	-
Net ROU assets	-	-	-	-	-
Capital WIP	-	658,060	806,590	509,462	509,462
Goodwill	-	8,950	9,500	9,500	9,500
Investments [JV/Associates]	-	84,570	69,150	74,150	79,150
Cash & equivalents	**0**	**680,330**	**342,172**	**400,852**	**428,468**
Current assets (ex-cash)	0	944,360	849,060	960,857	990,725
Current Liab. & Prov.	0	1,653,370	1,569,052	1,810,873	1,904,950
NWC (ex-cash)	**0**	**(709,010)**	**(719,992)**	**(850,016)**	**(914,225)**
Total assets	**0**	**2,061,290**	**2,075,680**	**2,179,425**	**2,298,747**
Net debt	0	(55,340)	455,722	339,543	254,426
Capital employed	0	2,061,290	2,075,680	2,179,425	2,298,747
Invested capital	**0**	**447,960**	**683,559**	**993,903**	**1,070,164**
BVPS (Rs)	0	315.6	304.4	339.5	384.2
Net Debt/Equity (x)	0	-	0.4	0.3	0.2
Net Debt/EBITDA (x)	0	(0.1)	1.9	0.8	0.5
Interest coverage (x)	0	8.3	3.2	6.7	8.8
RoCE (%)	**0**	**35.0**	**5.7**	**12.4**	**14.5**

Source: Company, Emkay Research

Cash flows

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
PBT (ex-other income)	-	387,550	74,696	213,872	270,738
Others (non-cash items)	-	(56,840)	0	0	0
Taxes paid	-	(39,910)	(53,735)	(97,960)	(116,030)
Change in NWC	-	81,560	(27,636)	135,393	66,298
Operating cash flow	**0**	**631,020**	**218,477**	**515,024**	**484,702**
Capital expenditure	-	(370,680)	(585,158)	(369,600)	(369,600)
Acquisition of business	-	-	-	-	-
Interest & dividend income	-	-	-	-	-
Investing cash flow	**0**	**(475,940)**	**(491,088)**	**(384,600)**	**(384,600)**
Equity raised/(repaid)	0	(280)	0	0	0
Debt raised/(repaid)	-	(104,520)	172,905	(57,500)	(57,500)
Payment of lease liabilities	-	-	-	-	-
Interest paid	-	(58,140)	(34,556)	(37,359)	(34,566)
Dividend paid (incl tax)	-	(24,920)	(88,794)	(14,336)	(18,254)
Others	-	(16,947)	(36,452)	27,450	27,834
Financing cash flow	**0**	**(204,807)**	**13,103**	**(81,744)**	**(82,486)**
Net chg in Cash	0	(49,727)	(259,507)	48,679	17,617
OCF	0	631,020	218,477	515,024	484,702
Adj. OCF (w/o NWC chg.)	0	549,460	246,113	379,631	418,404
FCFF	0	260,340	(366,681)	145,424	115,102
FCFE	0	221,240	(401,237)	108,065	80,536
OCF/EBITDA (%)	0	131.2	89.4	122.3	101.7
FCFE/PAT (%)	0	78.9	(45.2)	75.4	44.1
FCFF/NOPLAT (%)	**0**	**141.4**	**(999.1)**	**109.5**	**68.1**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	0	5.1	1.6	10.0	7.9
P/CE(x)	0	3.6	6.0	3.9	3.5
P/B (x)	0	1.2	1.3	1.2	1.0
EV/Sales (x)	0	0	0	0	0
EV/EBITDA (x)	0	0	0	0	0
EV/EBIT(x)	0	0	0	0	0
EV/IC (x)	0	0	0	0	0
FCFF yield (%)	0	0	0	0	0
FCFE yield (%)	0	15.4	(27.9)	7.5	5.6
Dividend yield (%)	0	0	0	0	0
DuPont-RoE split					
Net profit margin (%)	0	5.3	1.4	3.6	4.3
Total asset turnover (x)	0	3.6	1.7	1.9	1.9
Assets/Equity (x)	0	1.8	1.8	1.8	1.7
RoE (%)	**0**	**33.2**	**4.2**	**12.1**	**13.7**
DuPont-RoIC					
NOPLAT margin (%)	0	5.0	1.1	3.3	4.0
IC turnover (x)	0	16.3	6.2	4.8	4.1
RoIC (%)	**0**	**82.2**	**6.5**	**15.8**	**16.4**
Operating metrics					
Core NWC days	0	(70.7)	(75.4)	(77.2)	(78.9)
Total NWC days	**0**	**(70.7)**	**(75.4)**	**(77.2)**	**(78.9)**
Fixed asset turnover	0	1.9	0.9	0.9	0.8
Opex-to-revenue (%)	0	26.4	28.6	27.0	26.5

Source: Company, Emkay Research

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ADD	5-15% upside
REDUCE	5% upside to 15% downside
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