

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	TTMT IN
Equity Shares (m)	3681
M.Cap.(INRb)/(USDb)	3152.7 / 36.4
52-Week Range (INR)	1179 / 708
1, 6, 12 Rel. Per (%)	3/-26/-17
12M Avg Val (INR M)	12623

## Financials & Valuations (INR b)

Y/E March	2025E	2026E	2027E
Net Sales	4,480	4,666	4,942
EBITDA	583.8	603.6	644.5
Adj. PAT	241.0	227.8	222.0
Adj. EPS (INR)	65.6	61.9	60.4
EPS Gr. (%)	12	-6	-3
BV/Sh. (INR)	292.2	350.0	406.2

## Ratios

Net D/E (x)	0.1	0.1	0.0
RoE (%)	25.1	19.3	16.0
RoCE (%)	15.4	13.8	12.4
Payout (%)	6.4	6.8	6.9

## Valuations

P/E (x)	11.5	12.1	12.5
P/BV (x)	2.6	2.1	1.9
EV/EBITDA (x)	5.1	4.8	4.3
Div. Yield (%)	0.6	0.6	0.6

## Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	42.6	42.6	46.4
DII	16.9	16.4	17.4
FII	18.7	20.6	18.6
Others	21.9	20.4	17.6

FII Includes depository receipts

**CMP: INR753**

**TP: INR755**

**Neutral**

## Growth outlook remains weak across all key segments

### JLR likely to see persistent margin pressure ahead

- In 3QFY25, while JLR's EBIT margins improved YoY to 9%, we note here that the bulk of its margin improvement has been driven by a reduction in depreciation. Further, margins in India CV and PV businesses were boosted by PLI accruals for 9M, which aided margins by 90bp and 150bp for these segments, respectively.
- We expect margin pressure to persist at JLR over FY24-27E, given: 1) weak demand in key regions, 2) rising cost pressure as it invests in demand generation, and 3) EV ramp-up, which is likely to be margin-dilutive. Even in India, both CV and PV businesses are seeing a moderation in demand. We cut our EBITDA estimates for Tata Motors (TTMT) by 3%/5% over FY25/FY26 to factor in the weakness in JLR business. For lack of any triggers, **we reiterate our Neutral rating with a Dec'26E SoTP-based TP of INR755.**

### JLR's EBIT margin expansion primarily led by reduced depreciation

- **Consolidated business:** 3QFY25 consol. revenue grew 3% YoY at INR1.13t (in line), while EBITDA/PAT declined 15%/23% YoY to INR130.3b/54.7b (est. INR147.5b/65.5b). Its 9MFY25 revenue grew 2% YoY, but EBITDA/PAT dipped 5.5%/3.0% YoY. Net auto debt declined to INR192b as of Dec'24 vis-à-vis INR220b as of Sep'24.
- **JLR:** Volumes (incl. JV) declined 2% YoY to 111.2k (est. 114k units). Net realization was down 2% YoY/3% QoQ at GBP71.7k/unit (est. GBP74.5k). EBITDA margin dipped 200bp YoY to 14.2% (est. 13.5%), while EBIT margin expanded 20bp YoY to 9% (est. 7.6%). However, we note here that the bulk of its EBIT margin expansion was due to lower depreciation and higher capitalization rates. Depreciation is likely to remain stable at these levels for the next three quarters. It will again start rising with the launch of their new EVs from 4QFY26 onwards.
- **TTMT's CV business:** Revenue declined 8% YoY to INR186.6b (est. INR202.1b), led by an ASP decline of 7% YoY to INR1.89m (est. INR2.05m), while volumes were largely flattish YoY. CV segment margins have improved 130bp YoY (+150bp QoQ) to 12.2% (est. 11.6%), 90bp of which was driven by the accrual of PLI benefits for 9M.
- **TTMT's PV business:** Revenue declined 3% YoY to INR126.2b (in line), led by 1% YoY volume growth, offset by a 4% YoY decline in ASP at INR902.2k (est. INR906.7k). EBITDA margin expanded 110bp YoY (+140bp QoQ) to 7.6% (est. 6.4%). PV ICE segment's margin was down 100bp YoY due to a decline in ASP. PLI benefits accrued in the EV segment had a 150bp positive impact in 3Q. Without this, the EV segment would have been EBITDA break-even in 3Q.

## Highlights from the management commentary

- **JLR:** Management has maintained its EBIT margin guidance for FY25 at 8.5%. This translates into a 10.2% (vs. 9.2% YoY) EBIT margin for 4Q – which we think is a tough ask, especially in the current adverse macro in its key markets. Management may have, however, lowered its revenue and RoCE guidance for FY25E due to the ongoing slowdown in China. It intends to reaffirm its FY26 guidance at the annual event post-4QFY25.

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**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

Motilal Oswal research is available on [www.motilaloswal.com/Institutional-Equities](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

- **Indian CV:** 4Q CV volumes are expected to be flat YoY after a decline posted for 9MFY25. This itself is expected to be a positive outcome and would set a good base for growth for FY26. Management believes there are positive tailwinds for the sector, which include improving fleet operator profitability led by improving utilization levels and higher freight rates.
- **Indian PV:** Management expects the PV industry to post 2% YoY growth in FY25E, in line with the trend for 9M. TTMT PV business was able to improve market share by 70bp on a QoQ basis in retail terms in 3Q. Dealer inventory has now been reduced to less than 25 days.
- The demerger of PV and CV businesses is on track with the appointed date for the same as 1<sup>st</sup> Jul'25, subject to all approvals.

### Valuation and view

- While management has maintained its guidance for JLR for FY25E, we believe the asking rate of 10.2% EBIT margin for 4QFY25 is tough to achieve, given the current adverse macro environment. We expect margin pressure to persist at JLR over FY24-27, given: 1) weak demand in key regions, 2) rising cost pressure as it invests in demand generation, and 3) EV ramp-up, which is likely to be margin-dilutive.
- Even in India, both CV and PV businesses are seeing a moderation in demand. We have lowered our EBITDA estimates for TTMT by 3%/5% over FY25/FY26 to factor in weakness in the JLR business. For lack of any triggers, **we reiterate our Neutral rating with a Dec'26E SoTP-based TP of INR755.**

### Quarterly Performance [Consol]

INR b	FY24				FY25E				FY24	FY25E	3QE	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
JLR Volumes (incl JV; '000 units)	106.3	109.1	113.9	120.6	110.5	97.2	111.2	122.5	450.0	441.4	113.6	-2.1
JLR Realizations (GBP/unit)	74,024	70,824	72,989	71,331	74,400	74,167	71,686	72,008	72,252	72,975	74,538	
JLR EBITDA Margins (%)	16.3	14.9	16.2	16.3	15.8	11.7	14.2	14.7	15.9	14.2	13.5	
India CV Volumes ('000 units)	88.6	106.8	98.8	111.3	93.7	86.0	98.4	108.9	405.5	386.9	98.4	0.0
India CV Realizations (INR '000/unit)	1925.4	1887.2	2042.9	1943.9	1910.1	2014.9	1896.6	2062.9	1949.5	1969.0	2,055	
India CV EBITDA Margins (%)	9.4	10.4	11.1	11.9	11.6	10.7	12.2	12.4	10.8	11.8	11.6	
India PV Volumes ('000 units)	140.4	139.0	138.6	155.6	138.8	130.5	139.8	143.9	573.6	553.0	139.8	0.0
India PV Realizations (INR '000/unit)	921.8	880.9	938.1	931.7	856.8	903.1	902.2	910.4	918.7	892.9	907	
India PV EBITDA Margins (%)	5.2	6.4	6.5	7.3	5.8	6.2	7.6	7.1	6.4	6.7	6.4	
<b>Net Consol. Op Income</b>	<b>1022.4</b>	<b>1051.3</b>	<b>1105.8</b>	<b>1199.9</b>	<b>1080.5</b>	<b>1014.5</b>	<b>1135.8</b>	<b>1249.3</b>	<b>4379.3</b>	<b>4480.0</b>	<b>1149.7</b>	<b>-1.2</b>
Growth (%)	42.1	32.1	25.0	13.3	5.7	-3.5	2.7	4.1	26.6	2.3	4.0	
<b>Consol. EBITDA</b>	<b>135.6</b>	<b>137.2</b>	<b>153.3</b>	<b>169.9</b>	<b>155.1</b>	<b>117.4</b>	<b>130.3</b>	<b>181.0</b>	<b>596.1</b>	<b>583.8</b>	<b>147.5</b>	<b>-11.6</b>
EBITDA Margins (%)	13.3	13.1	13.9	14.2	14.4	11.6	11.5	14.5	13.6	13.0	12.8	
Depreciation	66.3	66.4	68.5	71.5	65.7	60.1	54.1	55.9	272.7	235.7	61.0	-11.3
Other Income	13.6	16.3	15.0	14.6	15.8	15.7	17.9	14.3	59.5	63.6	15.2	17.8
Interest Expenses	26.2	27.0	24.8	22.3	20.9	20.3	17.3	18.7	100.3	77.1	22.0	-21.6
<b>PBT before EO</b>	<b>53.3</b>	<b>61.1</b>	<b>75.8</b>	<b>92.1</b>	<b>87.0</b>	<b>56.9</b>	<b>77.4</b>	<b>120.7</b>	<b>282.3</b>	<b>341.9</b>	<b>79.7</b>	<b>-2.9</b>
EO Exp/(Inc)	6.8	1.2	0.9	-87.0	-0.4	0.0	0.3	0.0	-78.12	-0.16	0.00	
<b>PBT after EO Exp</b>	<b>46.5</b>	<b>59.9</b>	<b>74.9</b>	<b>179.1</b>	<b>87.4</b>	<b>56.9</b>	<b>77.1</b>	<b>120.7</b>	<b>360.4</b>	<b>342.1</b>	<b>79.7</b>	<b>-3.2</b>
Tax rate (%)	33.6	36.8	7.2	3.5	36.4	40.8	27.2	18.4	13.7	28.7	18.0	
<b>PAT</b>	<b>30.9</b>	<b>37.8</b>	<b>69.5</b>	<b>172.8</b>	<b>55.6</b>	<b>33.7</b>	<b>56.2</b>	<b>98.6</b>	<b>311.1</b>	<b>244.0</b>	<b>65.3</b>	<b>-14.0</b>
Minority Interest	-1.0	-0.7	-1.2	-1.2	-1.3	-1.1	-1.3	-1.4	-4.1	-5.0	-1.0	27.0
Share in profit of Associate	2.1	0.5	1.9	2.5	1.3	0.8	-0.4	0.4	7.0	2.1	1.2	-131.7
<b>Reported PAT</b>	<b>32.0</b>	<b>37.6</b>	<b>70.3</b>	<b>174.1</b>	<b>55.7</b>	<b>33.4</b>	<b>54.5</b>	<b>97.5</b>	<b>314.0</b>	<b>241.1</b>	<b>65.5</b>	<b>-16.8</b>
<b>Adj PAT</b>	<b>37.9</b>	<b>38.7</b>	<b>71.0</b>	<b>77.3</b>	<b>55.4</b>	<b>33.4</b>	<b>54.7</b>	<b>97.5</b>	<b>224.9</b>	<b>241.0</b>	<b>65.5</b>	<b>-16.5</b>
Growth (%)	-158.3	-407.9	140.1	37.4	46.2	-13.6	-23.0	26.2	2629.7	7.2	-7.7	

E: MOFSL Estimates



### JLR: Key takeaways from the management commentary

- North America has seen 25% YoY growth on a YTD basis and 48% YoY growth in 3Q. The 3Q sales were boosted by timing issues on the homologation of certain models on a QoQ basis.
  - However, China sales have been noticeably weak with contribution from the region down to 9% of mix from 15% YoY.
  - In terms of models, RR, RRS, and Defender mix improved to 70% in 3Q from 62% YoY. This has more than offset the impact of weak sales offtake in China.
- JLR ASP declined to GBP72k per unit from GBP74k per unit QOQ as benefits from a strong model mix were offset by a weak China mix, adverse forex impact, and rise in VME.
- EBIT margin for the quarter has improved to 9% (vs. 8.8% YoY) with the bulk of the benefits being driven by a reduction in depreciation. Depreciation is likely to remain stable at these levels for the next three quarters. It will again start rising with the launch of the new EVs from 4QFY26 onwards.
  - VME has increased to 4.2% from 1.7% YoY. Management expects VME to marginally rise in coming quarters due to weak demand macro.
  - Warranty provision has increased in 3Q due to a rise in costs. However, management expects the same to have peaked in 3Q and expects the same to start reducing in FY26.
- Management has maintained its EBIT margin guidance for FY25 at 8.5%. This translates into a 10.2% (vs. 9.2% YoY) EBIT margin for 4Q – which we think is a tough ask, especially in the current adverse macro in its key markets. Management may have, however, lowered its revenue and RoCE guidance for FY25E due to the ongoing slowdown in China. It intends to reaffirm its FY26 guidance at the annual event post-4QFY25.
- On a YTD basis, FCF stands lower at GBP 151mn due to increased capex (GBP 2.9bn) and increased working capital requirement.
- If the US and UK regulators do not revisit the stated mandates for EV transition in their regions, JLR's cost for emission compliance is likely to rise in the future.
- **BEV launch pipeline:** RR EV is expected to commence deliveries from Q4CY25 followed by 1st BEV from EMA architecture in mid-2026. The Jag EV is expected to be launched in late summer of 2026. In Jag EV, the company would not focus on market share but have a strong presence in the premium end of the EV segment.

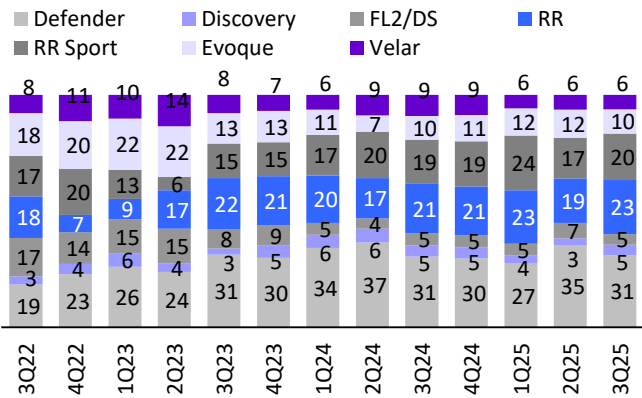
JLR Quarterly Performance (IFRS)

(GBP m)

Y/E March (GBP m)	FY24				FY25E				FY24	FY25E	3QE
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			
<b>Total Volumes (Incl JV)</b>	<b>1,06,253</b>	<b>1,09,117</b>	<b>1,13,943</b>	<b>1,20,640</b>	<b>1,10,454</b>	<b>97,223</b>	<b>1,11,237</b>	<b>1,22,455</b>	<b>4,49,953</b>	<b>4,41,368</b>	<b>1,13,575</b>
Growth (%)	28.7	21.4	23.4	12.3	4.0	-10.9	-2.4	1.5	20.9	-1.9	-0.3
<b>Realization (GBP/unit)</b>	<b>74,024</b>	<b>70,824</b>	<b>72,989</b>	<b>71,331</b>	<b>74,400</b>	<b>74,167</b>	<b>71,686</b>	<b>72,008</b>	<b>72,252</b>	<b>72,975</b>	<b>74,538</b>
Change YoY (%)	20.7	1.4	-3.8	-4.9	0.5	4.7	-1.8	0.9	1.8	1.0	2.1
<b>Revenues</b>	<b>6,903</b>	<b>6,857</b>	<b>7,375</b>	<b>7,860</b>	<b>7,273</b>	<b>6,475</b>	<b>7,486</b>	<b>8,112</b>	<b>28,995</b>	<b>29,346</b>	<b>7,483</b>
Growth (%)	56.7	30.4	22.1	10.7	5.4	-5.6	1.5	3.2	27.1	1.2	1.5
RM/Sales (%)	58.3	60.8	57.5	57.7	58.1	58.4	57.8	57.9	58.5	58.1	58.8
Staff Costs/Sales (%)	10.4	10.4	11.0	10.5	11.7	12.5	11.3	11.0	10.6	11.6	11.7
Other Exp/Sales (%)	15.0	14.0	15.4	15.5	14.4	17.3	16.7	16.4	15.0	16.2	16.0
<b>EBITDA</b>	<b>1,123</b>	<b>1,021</b>	<b>1,192</b>	<b>1,284</b>	<b>1,149</b>	<b>759</b>	<b>1,060</b>	<b>1,191</b>	<b>4,620</b>	<b>4,159</b>	<b>1,011</b>
EBITDA Margins (%)	16.3	14.9	16.2	16.3	15.8	11.7	14.2	14.7	15.9	14.2	13.5
Depreciation & Amortization	538	525	547	565	510	434	377	397	2,175	1,718	450
Fx loss/(gain)	62	-25	-43	4	-91	-115	118	0	-2	-88	0
Net Finance Cost	98	84	64	59	43	45	33	38	305	159	60
Share of JV's PAT	10	5	3	5	6	3	-9	-8	23	-8	5
<b>PBT before EO Exp</b>	<b>435</b>	<b>442</b>	<b>627</b>	<b>661</b>	<b>693</b>	<b>398</b>	<b>523</b>	<b>748</b>	<b>2,165</b>	<b>2,362</b>	<b>506</b>
EO Exp/(Inc)	0	0	0	-659	-8	0	0	0	-659	-8	0
<b>PBT after EO Exp</b>	<b>435</b>	<b>442</b>	<b>627</b>	<b>1,320</b>	<b>701</b>	<b>398</b>	<b>523</b>	<b>748</b>	<b>2,824</b>	<b>2,370</b>	<b>506</b>
Tax rate (%)	25.7	38.5	5.6	-5.4	28.4	28.9	28.3	26.7	8.7	27.9	27.9
<b>Adj PAT</b>	<b>323</b>	<b>272</b>	<b>592</b>	<b>789</b>	<b>496</b>	<b>283</b>	<b>375</b>	<b>549</b>	<b>1,919</b>	<b>1,703</b>	<b>365</b>
Growth (%)	-183.7	-377.6	126.8	200.5	53.6	4.0	-36.7	-30.5	4747.5	-11.3	-38.4

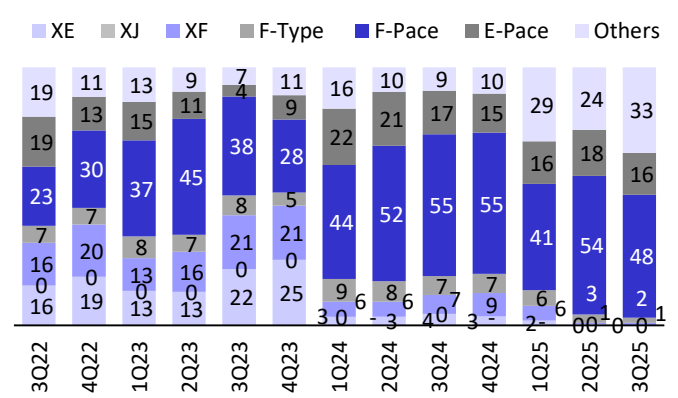
E: MOFSL Estimates

Exhibit 1: Wholesale product mix for Land Rover (%)



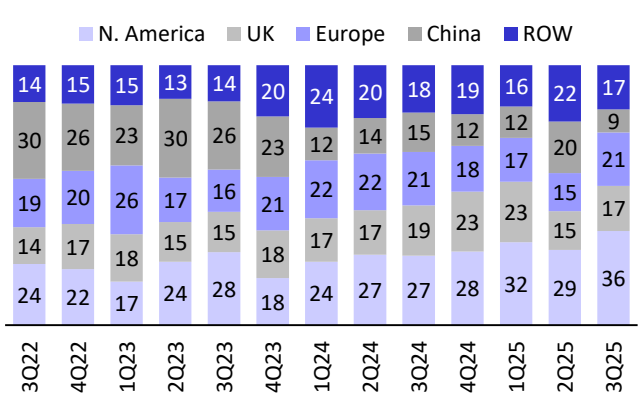
Source: Company, MOFSL

Exhibit 2: Wholesale product mix for Jaguar (%)



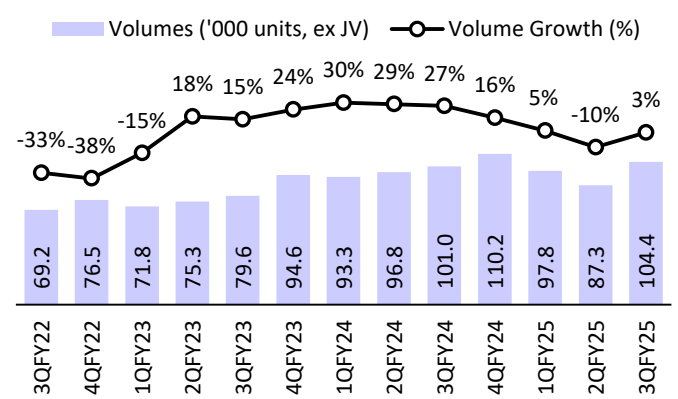
Source: Company, MOFSL

Exhibit 3: Wholesale market mix for JLR (%)



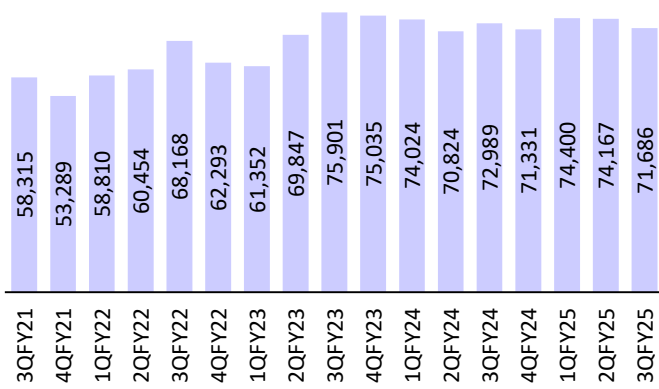
Source: Company, MOFSL

Exhibit 4: Trend in volumes (excluding JVs) for JLR



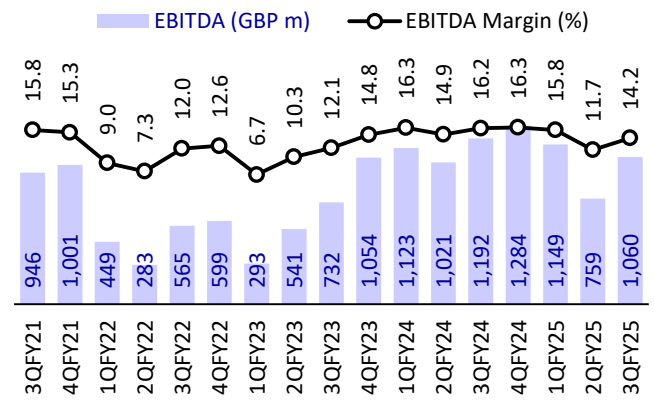
Source: Company, MOFSL

Exhibit 5: Trend in realizations (GBP/unit) for JLR



Source: Company, MOFSL

Exhibit 6: Trends in EBITDA and EBITDA margin for JLR



Source: Company, MOFSL

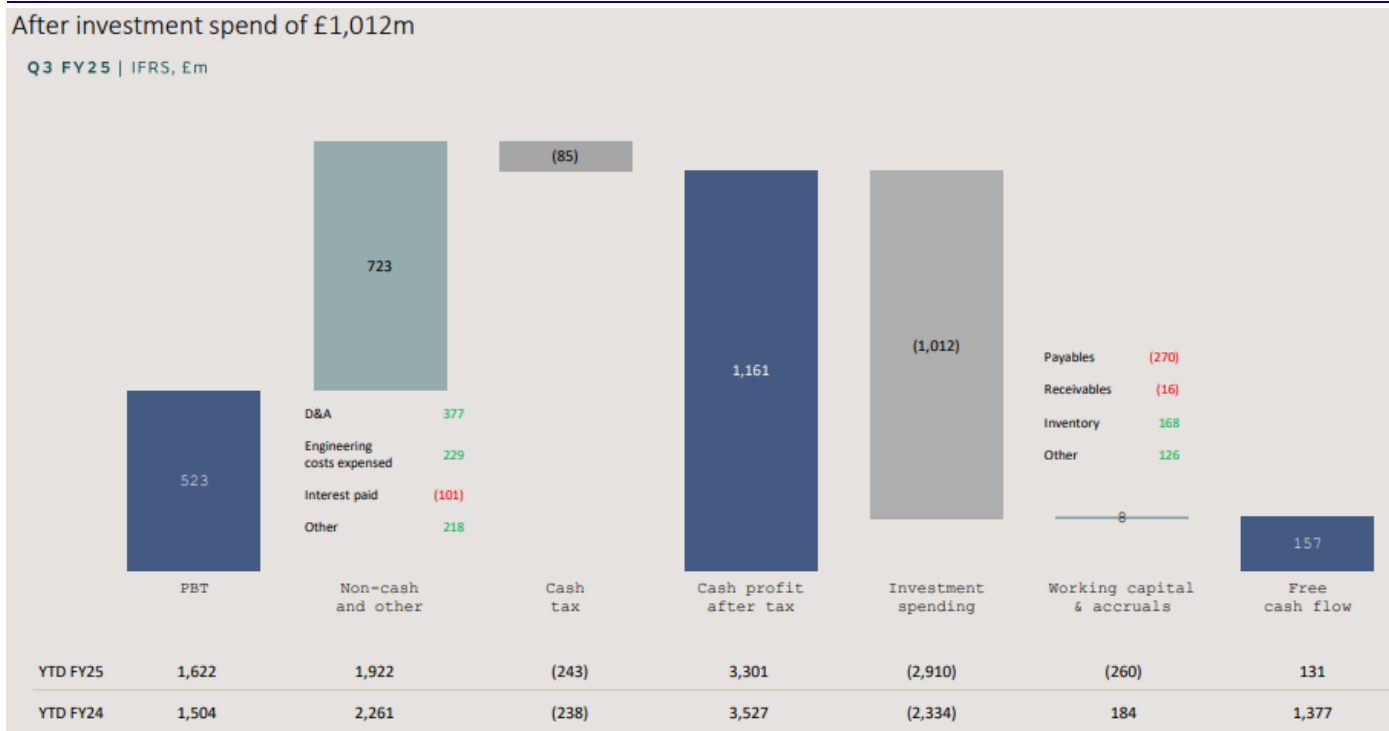
Exhibit 7: 3QFY25 EBIT margin improved to 9%, largely led by reduced depreciation

Higher volumes, improved mix and reduced D&A, offset by increases in VME, warranty costs and unfavourable FX revaluation



Source: Company, MOFSL

**Exhibit 8: JLR delivered GBP157m of FCF during the quarter**



Source: Company, MOFSL



**India: Key takeaways from the management commentary**

**TTMT’s CV business**

- 4Q CV volumes are expected to be flat YoY after a decline posted for 9MFY25. This itself is expected to be a positive outcome and would set a good base for growth for FY26. Management believes there are positive tailwinds for the sector, which include improving fleet operator profitability led by improving utilization levels and higher freight rates.
- TTMT’s CV market share has declined 150bp to 37.7% for YTD FY25.
- There are some signs of stress in financing in segments like SCVs, especially for first-time buyers.
- CV segment margins have improved 130bp YoY to 12.4%, 90bp of which was driven by the accrual of PLI benefits for 9M.
- RoCE for the CV business stands at 38.1%.

**TTMT’s PV business:**

- Management expects the PV industry to post 2% YoY growth in FY25E, in line with the trend for 9M.
- TTMT PV business was able to improve market share by 70bp on a QoQ basis in retail terms in 3Q.
- Dealer inventory has now been reduced to less than 25 days.
- Punch was the No 1 model in the industry in 2024 and continues to be the No 1 model in FY25YTD.
- The supply-side issues on the Tata Curvv have been addressed in Jan’25. Of the automatic variants, one of them is likely to be available from 4Q itself, following which one can expect the full benefit of this model. One other factor that is impeding the ramp-up of this model is the new body style of the vehicle, which

customers are taking time to adapt. However, management is confident that once its visibility on the road rises, its sales will pick up.

- While the EV mix has reduced to 11% for YTD from 13% for FY24, the CNG mix has improved to 24% from 16% in FY24.
- They have managed to maintain a 53% market share in EVs despite a significant increase in competition.
- PV ICE segment margin is down 100bps YoY due to a decline in ASP.
- PLI benefits accrued in the EV segment had a 150bp positive impact in 3Q. Without this, the EV segment would have been EBITDA break even in 3Q.
- All of TTMT's products are expected to qualify for PLI as they meet the 50%+ DVA criteria. Currently, TTMT has PLI certifications for Tiago and Tigor. The company expects to receive the same for Punch in the coming quarters followed by the Nexon. TTMT will receive 13% of revenue as a PLI incentive, net of vendor claims. This can go up to 18% as the revenue keeps rising.

#### Consolidated:

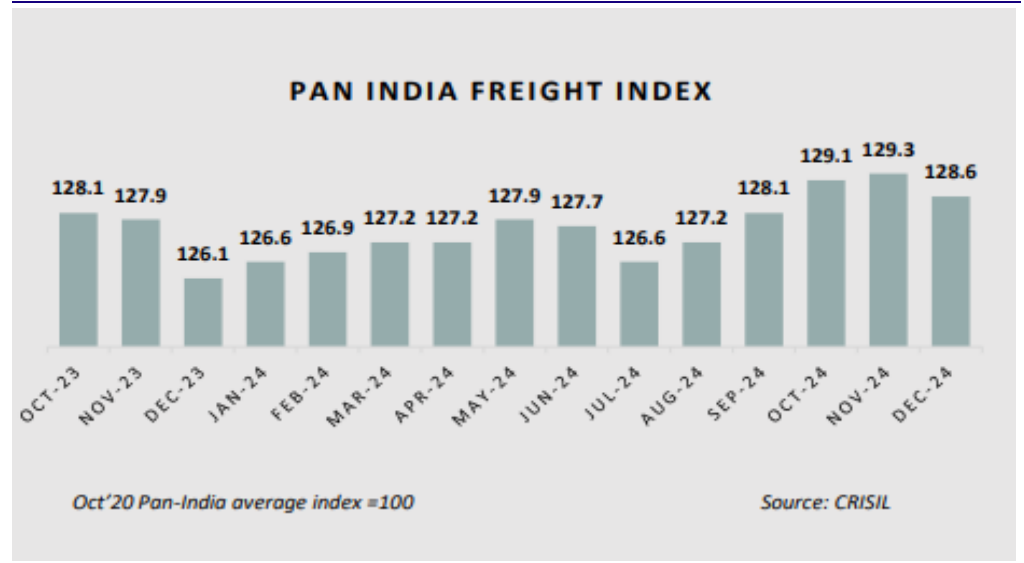
- At a consolidated level, net auto debt stands at INR 192b. TTMT India has a net cash of INR700m. While JLR has a net debt of INR 123b, TML Holdings has a net debt of INR75b
- The demerger of PV and CV businesses is on track with the appointed date for the same as 1<sup>st</sup> Jul'25, subject to all approvals.
- The CV and PV businesses have delivered a strong FCF of INR25.2b in 3Q. The company has invested about INR60b on a YTD basis and is on track to meet its capex guidance of INR80b for FY25E.

#### Key Performance Indicators (India businesses)

Volumes (units)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
M&HCVs	36,577	47,045	46,534	50,959	41,974	39,433	46,108	49,769	1,81,115	1,77,284
Contribution (%)	16.2	19.4	19.8	46.6	18.3	18.3	19.6	46.8	45.8	47.0
LCVs	49,218	57,040	49,992	58,480	49,235	44,848	49,662	56,561	2,14,730	2,00,306
Contribution (%)	21.8	23.5	21.3	53.4	21.4	20.9	21.1	53.2	54.2	53.0
<b>Total CVs</b>	<b>85,795</b>	<b>1,04,085</b>	<b>96,526</b>	<b>1,09,439</b>	<b>91,209</b>	<b>84,281</b>	<b>95,770</b>	<b>1,06,330</b>	<b>3,95,845</b>	<b>3,77,590</b>
Contribution (%)	37.9	42.8	41.1	41.3	39.7	39.2	40.6	42.5	40.8	40.6
Cars	51,283	55,491	36,581	41,201	38,153	27,769	24,677	27,300	1,84,556	1,17,899
Contribution (%)	22.7	22.8	15.6	15.5	16.6	12.9	10.5	10.9	19.0	12.7
UVs	89,167	83,448	1,01,874	1,14,450	1,00,529	1,02,984	1,15,152	1,16,581	3,88,939	4,35,246
Contribution (%)	39.4	34.3	43.4	43.2	43.7	47.9	48.9	46.6	40.1	46.8
<b>Total Volumes</b>	<b>2,26,245</b>	<b>2,43,024</b>	<b>2,34,981</b>	<b>2,65,090</b>	<b>2,29,891</b>	<b>2,15,034</b>	<b>2,35,599</b>	<b>2,50,211</b>	<b>9,69,340</b>	<b>9,30,735</b>
<b>Realizations (INR '000/unit)</b>										
CVs	1,925	1,887	2,043	1,944	1,910	2,015	1,897	2,063	1,949	1,910
PVs	922	881	938	932	857	903	902	910	919	857
<b>EBITDA Margin (%)</b>										
CVs	9.4	10.4	11.1	11.9	11.6	10.7	12.2	12.4	10.8	11.8
PVs	5.2	6.4	6.5	7.3	5.8	6.2	7.6	7.1	6.4	6.7
<b>EBIT Margins</b>										
CVs	6.5	7.8	8.6	9.5	8.9	7.8	9.5	10.1	8.2	9.1
PVs	0.9	1.7	2.0	2.9	0.3	0.2	1.6	1.3	1.9	0.9
<b>Net Debt (S/A) (INR b)</b>	<b>82.0</b>	<b>75.6</b>	<b>35.5</b>	<b>(9.9)</b>	<b>9.7</b>	<b>7.3</b>	<b>(7.0)</b>	-	-	<b>82.0</b>

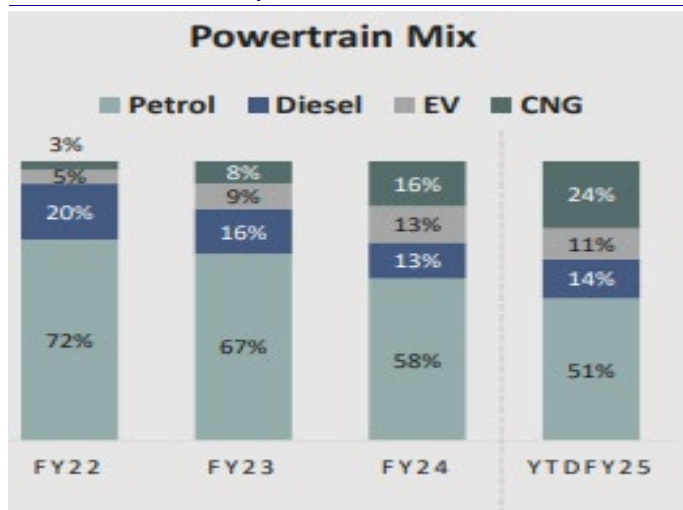
E: MOFSL Estimates

Exhibit 9: Pan-India freight index



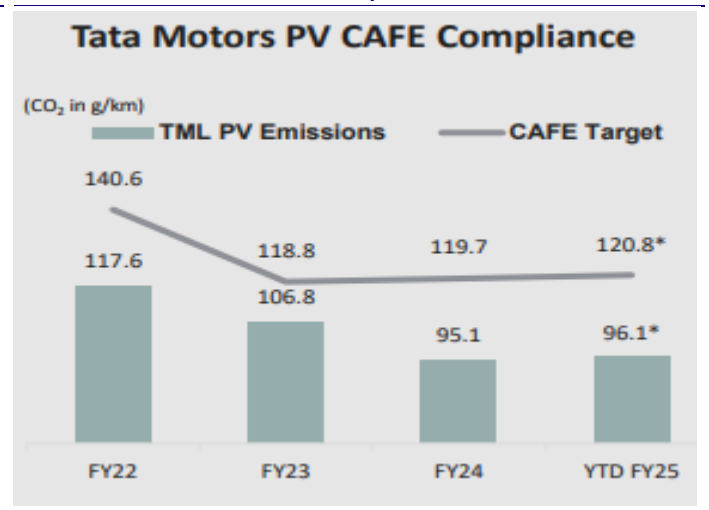
Source: Company, MOFSL

Exhibit 10: TTMT's PV powertrain mix



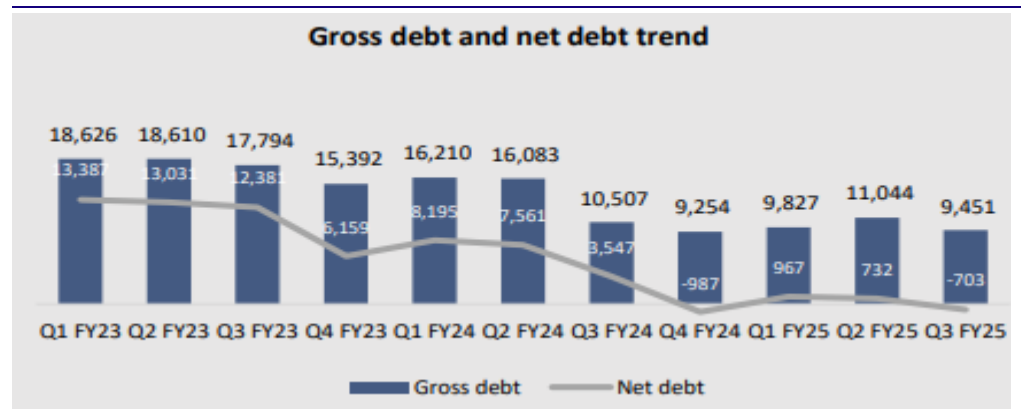
Source: Company, MOFSL

Exhibit 11: TTMT's PV CAFÉ compliance



Source: Company, MOFSL

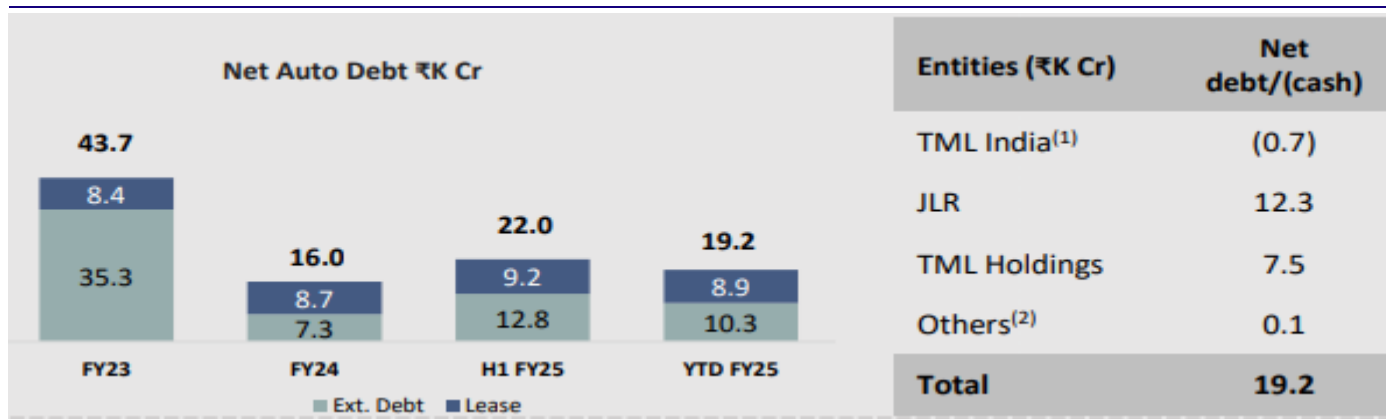
Exhibit 12: Domestic business debt trend



Source: Amount in INR crore, Company, MOFSL



Exhibit 13: Net auto debt trend



Source: Company, MOFSL

### Valuation and view

- Volume growth likely to remain muted for JLR:** PV demand continues to be weak in Europe. China is also now facing a severe slowdown in PV demand, which is likely to hurt sales for JLR in the coming quarters. While the management has refrained from giving volume growth guidance for FY25, they have now marginally lowered their revenue guidance for FY25E to GBP29b (from GBP30b earlier). We expect JLR to post a 2% YoY decline in volumes in FY25, which is likely to remain stable over our forecast period.
- EBIT margin guidance maintained:** While the mix has improved at JLR, the benefit of this has been largely offset by rising VME and warranty costs over the last few quarters. We note here that the bulk of JLR's EBIT margin expansion is driven by reduced depreciation and a higher capitalization rate, both of which are not sustainable in the long run. Further, management has indicated that given continued weak demand in key regions, VME is likely to inch up in coming quarters. We hence expect JLR margins to remain under pressure over our forecast period. We expect margins to decline ~170bp for JLR over FY24-27E.
- India CV and PV – weak near-term growth prospects:** While CV demand in 9MFY25 was weak, demand in 4Q is also likely to be flat on a YoY basis. Over a corrected base, we expect TTMT's India CV business to see a 5% volume CAGR (FY25-27E). Even in PVs, the industry is likely to grow at just 2% in Q4. We expect TTMT to post a much slower 5% revenue CAGR, which is too back-ended over FY25-27E. We expect margins to largely remain stable for both businesses going forward.
- Focuses on leveraging EV disruption to its advantage in the PV segment:** TTMT has emerged as a significant market leader in PV EVs in India, thereby leveraging the disruption in the PV segment in India to its advantage. It is looking to strengthen its position further by launching several EVs over the next two to three years. After fundraising from the TPG Group, TTMT is well capitalized for the required investment in the EV business, in our view.
- Valuation and view:** While management has maintained its guidance for JLR for FY25E, we believe the asking rate of 10.2% EBIT margin for 4QFY25 is tough to achieve, given the current adverse macro environment. We expect margin pressure to persist at JLR over FY24-27, given: 1) weak demand in key regions, 2) rising cost pressure as it invests in demand generation, and 3) EV ramp-up,

which is likely to be margin-dilutive. Even in India, both CV and PV businesses are seeing a moderation in demand. We have lowered our EBITDA estimates for TTMT by 3%/7% over FY25/FY26 to factor in weakness in the JLR business. For lack of any triggers, **we reiterate our Neutral rating with a Dec'26E SoTP-based TP of INR755.**

**Exhibit 14: Summary of our revised estimates**

Key Assumptions (INR b)	FY25E			FY26E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
<b>Consolidated</b>						
Net Sales	4,480	4,530	-1.1	4,666	4,955	-5.8
EBITDA	584	600	-2.7	604	636	-5.1
EBITDA Margins (%)	13.0	13.2	-20bp	12.9	12.8	10bp
Net Profit	241	241	0.0	228	219	4.1
Cons EPS	65.6	65.6	0.0	61.9	59.5	4.1

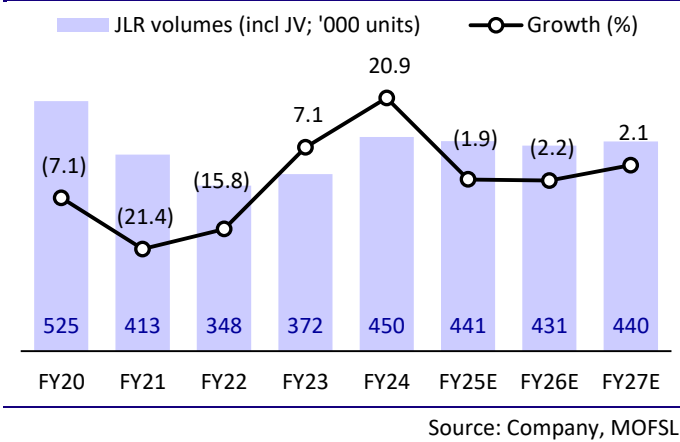
Source: MOFSL

**TTMT: Sum-of-the-parts valuation**

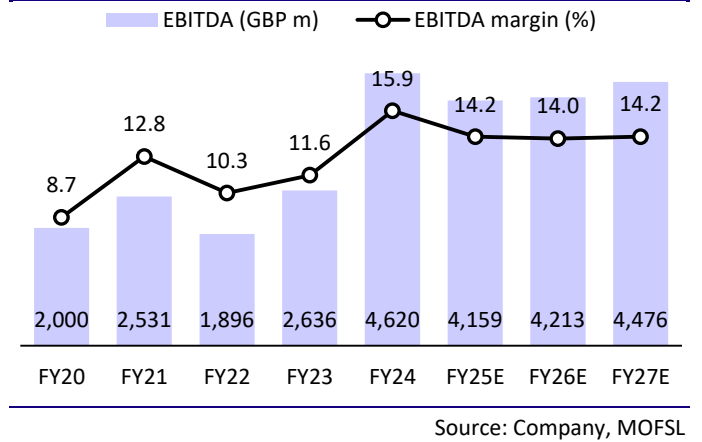
INR B	Valuation Parameter	Multiple (x)	FY25E	FY26E	FY27E
Tata Motors	SoTP		1,485	1,602	1,727
CVs	EV/EBITDA	11	990	1,076	1,169
PVs	EV/EBITDA	15	495	527	558
JLR (Adj for R&D capitalization)	EV/EBITDA	2.5	838	854	912
JLR - Chery JV EBITDA Share	EV/EBITDA	2.5	22	18	19
Tata Motors Finance	P/BV	1.2	50	49	48
<b>Total EV</b>			<b>2,395</b>	<b>2,523</b>	<b>2,705</b>
Less: Net Debt (Ex TMFL)			126	77	7
Add: TataTech @ INR317b Mcap	20% discount	53.39% stake	135	135	135
<b>Total Equity Value</b>			<b>2,404</b>	<b>2,582</b>	<b>2,834</b>
<b>Fair Value (INR/Sh) - Ord Sh</b>	<b>Fully Diluted</b>		<b>654</b>	<b>702</b>	<b>771</b>

## Story in charts

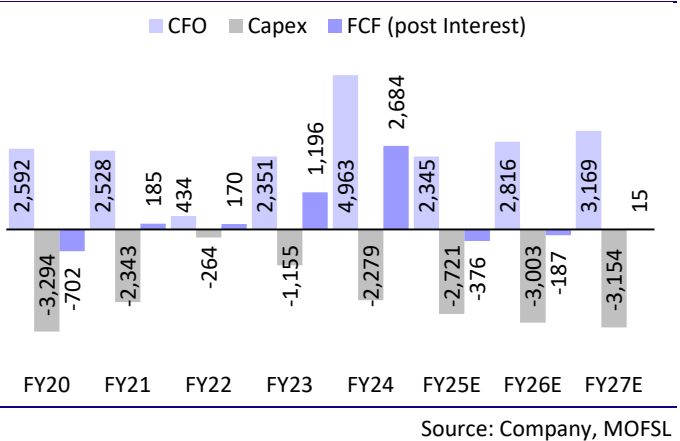
**Exhibit 15: Volume growth trajectory for JLR**



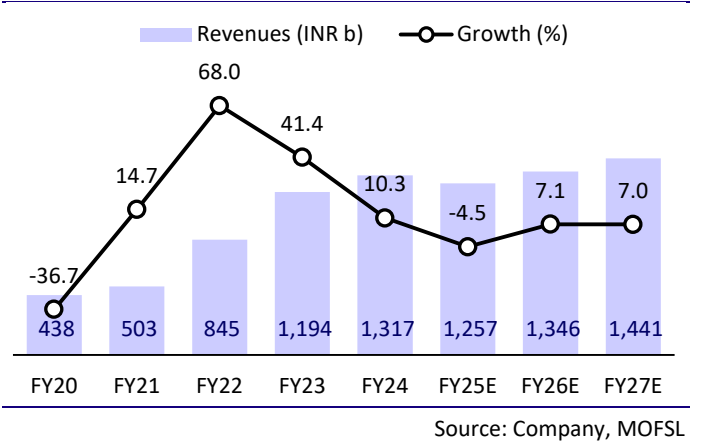
**Exhibit 16: EBITDA and EBITDA margin trends for JLR**



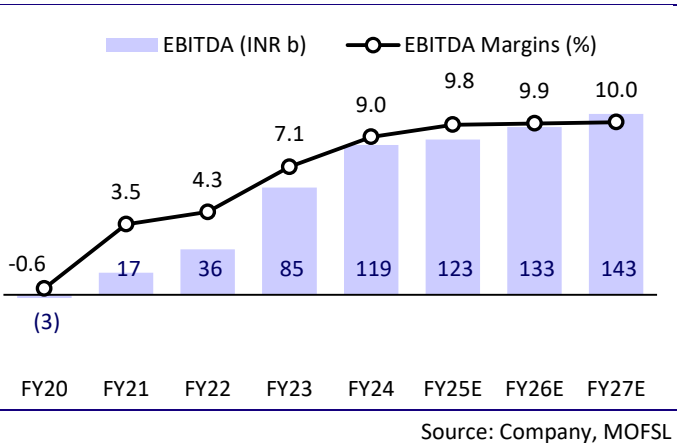
**Exhibit 17: CFO/capex/FCF trends for JLR (GBP m)**



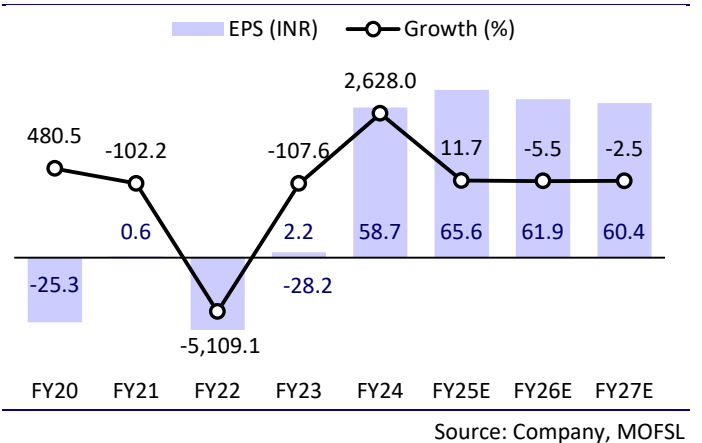
**Exhibit 18: India business growth trajectory over FY24-27E**



**Exhibit 19: India EBITDA and margin trends**



**Exhibit 20: Consolidated earnings trajectory**



## Key operating metrics

### Snapshot of Revenue model

000 units	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>JLR</b>								
<b>Jaguar</b>	<b>144</b>	<b>90</b>	<b>68</b>	<b>63</b>	<b>71</b>	<b>42</b>	<b>13</b>	<b>1</b>
Growth (%)	-18.7	-37.3	-24.4	-7.9	12.3	-41.1	-70.0	-90.0
% of Total JLR Vols	27.5	21.9	19.7	16.9	15.7	9.4	2.9	0.3
<b>Land Rover</b>	<b>381</b>	<b>322</b>	<b>279</b>	<b>309</b>	<b>379</b>	<b>400</b>	<b>419</b>	<b>439</b>
Growth (%)	-1.7	-15.4	-13.4	10.7	22.6	5.4	4.8	4.8
% of Total JLR Vols	72.5	78.1	80.3	83.1	84.3	90.6	97.1	99.7
<b>Total JLR Volumes (incl JV)</b>	<b>525</b>	<b>413</b>	<b>348</b>	<b>372</b>	<b>450</b>	<b>441</b>	<b>431</b>	<b>440</b>
Growth (%)	-7.1	-21.4	-15.8	7.1	20.9	-1.9	-2.2	2.1
<b>ASP (GBP '000/unit)</b>	<b>48</b>	<b>57</b>	<b>62</b>	<b>71</b>	<b>72</b>	<b>73</b>	<b>74</b>	<b>76</b>
Growth (%)	1.3	17.5	9.7	14.0	1.8	1.0	2.0	2.0
<b>Net JLR Sales (GBP b)</b>	<b>23</b>	<b>20</b>	<b>18</b>	<b>23</b>	<b>29</b>	<b>29</b>	<b>30</b>	<b>32</b>
Growth (%)	-5.1	-14.2	-7.2	24.5	27.1	1.2	2.2	5.2
<b>INDIA</b>								
MH&CVs	124	90	145	179	181	177	187	196
Growth (%)	-44.7	-27.6	60.3	23.6	1.4	-2.1	5.2	5.1
LCVs	216	173	210	235	215	200	212	223
Growth (%)	-20.8	-20.2	21.4	12.1	-8.6	-6.7	5.7	5.3
<b>Total CVs</b>	<b>341</b>	<b>263</b>	<b>354</b>	<b>413</b>	<b>396</b>	<b>378</b>	<b>398</b>	<b>419</b>
Growth (%)	-31.6	-22.9	34.7	16.8	-4.3	-4.6	5.4	5.2
Total PVs	133	223	372	541	573	553	565	578
Growth (%)	-37.3	67.8	67.2	45.4	6.0	-3.5	2.1	2.3
<b>Total Volumes</b>	<b>473</b>	<b>485</b>	<b>726</b>	<b>955</b>	<b>969</b>	<b>931</b>	<b>963</b>	<b>997</b>
Growth (%)	-33.3	2.5	49.6	31.4	1.6	-4.0	3.5	3.5
<b>ASP (INR 000/unit)</b>	<b>926</b>	<b>1,036</b>	<b>1,163</b>	<b>1,251</b>	<b>1,359</b>	<b>1,351</b>	<b>1,398</b>	<b>1,446</b>
<b>Net S/A Sales (INR b)</b>	<b>438</b>	<b>503</b>	<b>845</b>	<b>1,194</b>	<b>1,317</b>	<b>1,257</b>	<b>1,346</b>	<b>1,441</b>
Growth (%)	-36.7	14.7	68.0	41.4	10.3	-4.5	7.1	7.0

## Financials and valuations

Income Statement (Consolidated)						(INR b)		
Y/E March	2020	2021	2022	2023	2024	2025E	2026E	2027E
<b>Total Income</b>	<b>2,610.7</b>	<b>2,497.9</b>	<b>2,784.5</b>	<b>3,459.7</b>	<b>4,379.3</b>	<b>4,480.0</b>	<b>4,665.7</b>	<b>4,942.3</b>
Change (%)	-13.5	-4.3	11.5	24.2	26.6	2.3	4.1	5.9
<b>EBITDA</b>	<b>197.3</b>	<b>305.6</b>	<b>248.1</b>	<b>318.3</b>	<b>596.1</b>	<b>583.8</b>	<b>603.6</b>	<b>644.5</b>
% of Net Sales	7.6	12.2	8.9	9.2	13.6	13.0	12.9	13.0
Depreciation	214.3	235.5	248.4	248.6	272.7	235.7	253.0	299.8
<b>EBIT</b>	<b>-17.0</b>	<b>70.1</b>	<b>-0.2</b>	<b>69.7</b>	<b>323.4</b>	<b>348.0</b>	<b>350.6</b>	<b>344.6</b>
Product Dev. Exp.	41.9	52.3	92.1	106.6	109.6	122.4	128.5	134.5
Interest	72.4	81.0	93.3	102.4	100.3	77.1	88.3	91.2
Other Income	29.7	26.4	30.5	46.3	59.5	63.6	65.5	66.1
EO Exp/(Inc)	28.7	137.6	6.3	-15.9	-78.1	-0.2	0.0	0.0
Forex Gain/ (Loss)	-17.4	17.3	-0.8	1.0	-0.2	7.5	0.0	0.0
<b>PBT</b>	<b>-105.8</b>	<b>-104.7</b>	<b>-70.0</b>	<b>30.6</b>	<b>360.4</b>	<b>342.1</b>	<b>327.8</b>	<b>319.6</b>
Effective Rate (%)	-3.7	-24.3	-60.4	23.0	13.7	28.7	29.1	28.9
<b>Reported PAT</b>	<b>-109.8</b>	<b>-130.2</b>	<b>-112.3</b>	<b>23.5</b>	<b>311.1</b>	<b>244.0</b>	<b>232.6</b>	<b>227.2</b>
Change (%)	-62.1	18.6	-13.7	-120.9	1,221.7	-21.6	-4.7	-2.3
Minority Interest	-0.96	-0.56	-1.3	-2.8	-4.1	-5.0	-6.1	-6.8
Share of profit of associate	-10.00	-3.79	-0.7	3.4	7.0	2.1	1.3	1.5
<b>Net Profit</b>	<b>-120.7</b>	<b>-134.5</b>	<b>-114.4</b>	<b>24.1</b>	<b>314.0</b>	<b>241.1</b>	<b>227.8</b>	<b>222.0</b>
<b>Adj. PAT</b>	<b>-90.9</b>	<b>2.2</b>	<b>-108.1</b>	<b>8.2</b>	<b>224.9</b>	<b>241.0</b>	<b>227.8</b>	<b>222.0</b>
Change (%)	515.0	-102.4	-5,109.7	-107.6	2,629.7	7.2	-5.5	-2.5

Balance Sheet (Cons.)						(INR b)		
Y/E March	2020	2021	2022	2023	2024	2025E	2026E	2027E
<b>Sources of Funds</b>								
Share Capital	7.2	7.7	7.7	7.7	7.7	7.4	7.4	7.4
Reserves	623.6	544.8	438.0	445.6	841.5	1,067.2	1,279.6	1,486.1
<b>Net Worth</b>	<b>630.8</b>	<b>552.5</b>	<b>445.6</b>	<b>453.2</b>	<b>849.2</b>	<b>1,074.6</b>	<b>1,286.9</b>	<b>1,493.5</b>
Loans	996.8	1,147.8	1,396.8	1,256.6	985.0	985.0	985.0	985.0
Deferred Tax	-35.2	-29.6	-23.1	-37.8	-119.6	-119.6	-119.6	-119.6
<b>Capital Employed</b>	<b>1,600.5</b>	<b>1,686.3</b>	<b>1,862.0</b>	<b>1,744.8</b>	<b>1,796.4</b>	<b>2,026.8</b>	<b>2,245.3</b>	<b>2,458.6</b>
Gross Fixed Assets	2,698.0	3,128.9	3,232.9	3,303.0	3,336.2	3,818.0	4,225.9	4,650.5
Less: Depreciation	1,434.7	1,749.8	1,852.4	1,990.6	2,132.0	2,367.7	2,620.7	2,920.6
<b>Net Fixed Assets</b>	<b>1,263.3</b>	<b>1,379.0</b>	<b>1,380.5</b>	<b>1,312.4</b>	<b>1,204.3</b>	<b>1,450.3</b>	<b>1,605.1</b>	<b>1,729.9</b>
Capital WIP	356.2	209.6	102.5	142.7	357.0	250.0	250.0	250.0
Goodwill	7.8	8.0	8.1	8.4	8.6	8.6	8.6	8.6
Investments	163.1	246.2	293.8	263.8	229.7	301.8	453.2	504.7
<b>Curr.Assets</b>	<b>1,376.3</b>	<b>1,543.1</b>	<b>1,482.6</b>	<b>1,581.6</b>	<b>1,776.1</b>	<b>1,918.6</b>	<b>1,909.7</b>	<b>2,064.1</b>
Inventory	374.6	360.9	352.4	407.6	477.9	552.3	575.2	609.3
Sundry Debtors	111.7	126.8	124.4	157.4	169.5	196.4	204.5	216.6
Cash & Bank Bal.	337.3	467.9	406.7	370.2	458.1	464.2	389.3	462.5
Loans & Advances	539.7	568.8	584.5	628.4	641.6	671.6	701.6	731.6
<b>Current Liab. &amp; Prov.</b>	<b>1,566.1</b>	<b>1,699.7</b>	<b>1,405.5</b>	<b>1,564.1</b>	<b>1,779.3</b>	<b>1,902.5</b>	<b>1,981.3</b>	<b>2,098.8</b>
Sundry Creditors	664.0	681.8	599.7	720.6	880.4	920.6	958.7	1,015.5
Other Liabilities	651.5	753.4	568.6	593.5	610.6	675.1	703.1	744.7
<b>Net Current Assets</b>	<b>-189.8</b>	<b>-156.6</b>	<b>77.1</b>	<b>17.5</b>	<b>-3.2</b>	<b>16.1</b>	<b>-71.6</b>	<b>-34.7</b>
<b>Appl. of Funds</b>	<b>1,600.5</b>	<b>1,686.3</b>	<b>1,862.0</b>	<b>1,744.8</b>	<b>1,796.4</b>	<b>2,026.8</b>	<b>2,245.3</b>	<b>2,458.6</b>

## Financials and valuations

### Ratios (Con.)

Y/E March	2020	2021	2022	2023	2024	2025E	2026E	2027E
<b>Basic (INR)</b>								
EPS	-25.3	0.56	-28.2	2.2	58.7	65.6	61.9	60.4
EPS Fully Diluted	-25.3	0.6	-28.2	2.2	58.7	65.6	61.9	60.4
EPS Growth (%)	NA	NA	NA	NA	-	11.7	-5.5	-2.5
Cash EPS	34.3	62.1	36.6	67.1	129.8	129.7	130.8	141.9
Book Value (INR/Share)	175.3	144.3	116.4	118.3	221.6	292.2	350.0	406.2
DPS	0.0	0.0	0.0	2.0	6.0	4.2	4.2	4.2
Payout (Incl. Div. Tax) %	0.0	0.0	0.0	93.6	10.3	6.4	6.8	6.9
<b>Valuation (x)</b>								
Consolidated P/E	-29.8	1,335.0	-26.7	349.9	12.8	11.5	12.1	12.5
EV/EBITDA	16.2	10.8	14.4	11.0	5.3	5.1	4.8	4.3
EV/Sales	1.2	1.3	1.3	1.0	0.7	0.7	0.6	0.6
Price to Book Value	4.3	5.2	6.5	6.4	3.4	2.6	2.1	1.9
Dividend Yield (%)	0.0	0.0	0.0	0.3	0.8	0.6	0.6	0.6
<b>Profitability Ratios (%)</b>								
RoE	-14.8	0.4	-21.7	1.8	34.5	25.1	19.3	16.0
RoCE (Post-tax)	0.9	7.3	2.7	5.0	18.7	15.4	13.8	12.4
RoIC	-2.5	11.6	0.0	5.3	32.5	28.2	23.0	20.5
<b>Turnover Ratios</b>								
Debtors (Days)	16	19	16	17	14	16	16	16
Inventory (Days)	52	53	46	43	40	45	45	45
Creditors (Days)	93	100	79	76	73	75	75	75
Asset Turnover (x)	1.6	1.5	1.5	2.0	2.4	2.2	2.1	2.0
<b>Leverage Ratio</b>								
Net Auto Debt/Equity (x)	0.8	0.7	1.1	1.0	0.2	0.1	0.1	0.0

### Cash Flow Statement

(INR b)

Y/E March	2020	2021	2022	2023	2024	2025E	2026E	2027E
OP/(Loss) before Tax	-119.8	-134.0	-113.1	26.9	318.1	241.1	227.8	222.0
Int/Div. Received	-11.9	-5.1	-6.6	-13.0	-26.6	63.6	65.5	66.1
Depreciation	214.3	235.5	248.4	248.6	272.7	235.7	253.0	299.8
Direct Taxes Paid	-17.5	-21.0	-19.1	-31.8	-45.2	-98.1	-95.2	-92.4
(Inc)/Dec in WC	50.6	-0.9	-104.7	-31.3	73.3	-13.1	12.8	36.2
Other Items	125.1	234.0	144.3	138.5	8.7	5.0	6.1	6.8
<b>CF from Op Activity</b>	<b>240.8</b>	<b>308.5</b>	<b>149.1</b>	<b>338.0</b>	<b>601.0</b>	<b>434.3</b>	<b>469.9</b>	<b>538.5</b>
Extra-ordinary Items	25.5	-18.5	-6.3	15.9	78.1	0.2	0.0	0.0
<b>CF after EO Items</b>	<b>266.3</b>	<b>290.0</b>	<b>142.8</b>	<b>353.9</b>	<b>679.2</b>	<b>434.5</b>	<b>469.9</b>	<b>538.5</b>
(Inc)/Dec in FA+CWIP	-295.3	-198.5	-149.4	-178.1	-311.8	-374.8	-407.9	-424.6
<b>Free Cash Flow</b>	<b>-29.0</b>	<b>91.5</b>	<b>-6.6</b>	<b>175.8</b>	<b>367.3</b>	<b>59.7</b>	<b>62.1</b>	<b>113.9</b>
(Pur)/Sale of Invest.	-35.8	-58.2	104.9	23.9	84.0	-72.1	-151.3	-51.5
<b>CF from Inv Activity</b>	<b>-331.1</b>	<b>-256.7</b>	<b>-44.4</b>	<b>-154.2</b>	<b>-227.8</b>	<b>-446.9</b>	<b>-559.2</b>	<b>-476.2</b>
Issue of Shares	38.9	26.0	37.7	37.7	0.8	-0.3	0.0	0.0
Inc/(Dec) in Debt	70.8	154.5	22.0	-205.4	-274.7	0.0	0.0	0.0
Interest Paid	-75.2	-81.2	-92.5	-93.4	-93.3	-77.1	-88.3	-91.2
Dividends Paid	-0.6	-0.3	-1.0	-1.4	-2.9	-15.4	-15.4	-15.4
<b>CF from Fin Activity</b>	<b>33.9</b>	<b>99.0</b>	<b>-33.8</b>	<b>-262.4</b>	<b>-370.1</b>	<b>-92.9</b>	<b>-103.7</b>	<b>-106.6</b>
<b>Inc/(Dec) in Cash</b>	<b>-30.9</b>	<b>132.3</b>	<b>64.6</b>	<b>-62.7</b>	<b>81.3</b>	<b>-105.3</b>	<b>-192.9</b>	<b>-44.2</b>
Add: Beginning Bal.	215.6	184.7	317.0	381.6	318.9	400.1	294.8	101.9
<b>Closing Balance</b>	<b>184.7</b>	<b>317.0</b>	<b>381.6</b>	<b>318.9</b>	<b>400.1</b>	<b>294.8</b>	<b>101.9</b>	<b>57.6</b>

E: MOFSL Estimates

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