

BUY **Tata Motors****EBIT guidance for JLR raised; deleveraging on track**Auto & Auto Ancillaries ▶ Result Update ▶ **November 3, 2023****TARGET PRICE (Rs): 760**

TTMT's consol. 2Q results missed our estimates due to weakness in JLR (on temporary production constraints for RR driving the poor mix/lower margin). Guidance for JLR EBIT margin, though, has been raised to 8% for FY24 (6% earlier; 8% in 1H), as the production run-rate is likely to gradually improve in 3Q/4Q with normalizing mix and FCF of GBP1.25bn in 2H. We believe domestic CV volume will peak in FY24, but our margin outlook stays resilient, given pricing discipline/benign commodity prices. Also, two new SUV launches are expected to drive performance in the India PV business 1QFY25 onwards. TTMT reiterated guidance for deleveraging the balance sheet (BS), to be net-debt-free for India business by FY24-end and for JLR by FY25-end. We maintain BUY, with new SOTP-based TP of Rs760 (Rs750 earlier) and unchanged estimates.

Tata Motors: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Revenue	2,784,536	3,459,670	4,260,094	4,620,996	4,956,518
EBITDA	248,132	318,296	580,972	599,116	655,702
Adj. PAT	(107,188)	7,336	200,498	210,824	250,842
Adj. EPS (Rs)	(28.0)	1.9	52.3	57.3	68.2
EBITDA margin (%)	8.9	9.2	13.6	13.0	13.2
EBITDA growth (%)	(18.8)	28.3	82.5	3.1	9.4
Adj. EPS growth (%)	0.0	0.0	762.3	9.5	19.0
RoE (%)	(21.5)	1.6	36.4	28.1	25.8
RoIC (%)	0.0	3.0	27.1	28.6	31.7
P/E (x)	(22.7)	332.3	12.2	11.1	9.3
EV/EBITDA (x)	13.9	9.8	4.9	4.4	3.5
P/B (x)	5.5	5.4	3.8	2.7	2.1
FCFF yield (%)	(0.2)	5.6	12.8	9.1	16.8

Source: Company, Emkay Research

2Q miss due to weak JLR: Consolidated revenue grew strongly at 32% YoY/3% QoQ, mainly driven by JLR. EBITDA margin at 13% rose by 520bps YoY, but declined by 30bps QoQ. JLR's FCF stood at GBP300mn vs GBP451mn in 1Q, as production guidance was lower. Both, India CV and PV businesses, logged sequential margin improvement, aided by softer commodity prices. Consol net automotive debt reduced by Rs30bn to Rs387bn.

Earnings Call KTAs: **i) JLR:** Expects 3Q/4Q production run-rate to gradually improve further; 2Q mix was impacted by the lower RR/RRS production; expects mix to improve 3Q onwards (~77% of the order book comprises of RR/RRS/Defender); guides to a sustained order-book run-down of 5k units/mth, from 168k (2Q-end) to 110k units by FY24-end/early-FY25 (pre-Covid levels); marketing spends to grow, and drive new bookings; however, material cost benefits to offset higher marketing costs; raises FY24 EBIT margin guidance to 8% (vs 6% earlier; 8% in 1H); maintains guidance of 10% EBIT by FY26; guides to Net Debt reducing to <GBP1mn by FY24-end, led by working capital benefits (on higher production during 2H). **ii) India CV business:** Expects double-digit growth in MHCVs in 3Q, but a flat 4Q (on a high base); expects double-digit CV margins to sustain; continues to focus on improving realizations (taken price hike in Oct to tackle some headwinds on commodities, i.e. steel); pricing discipline has largely sustained, barring a dip in May; SCV demand impacted by the steep cost hikes (on regulatory interventions). **iii) India PV business:** Product cycle better in 2H (with facelifts of major brands) and mid-size Curvv SUV launch in CY24, Sierra SUV launch in CY25; response to the new Nexon (incl. EV variant) has been strong, with 3-4mth waiting period; continues to aspire for double-digit margins for ICE-PVs; expects EV segment to expand with product launches across price-points/formats; expects EV-PV margins to improve further, with cell cost reduction, localization, cost-effective new generation and compact aggregates; no fund-raise plans for the EV business; received PLI approval for Tiago, ACE EV—approval expected for the new Nexon as well; expects PLI incentive in 4Q.

Target Price – 12M	Sep-24
Change in TP (%)	1.3
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	19.4
CMP (02-Nov-23) (Rs)	636.5

Stock Data	Ticker
52-week High (Rs)	678
52-week Low (Rs)	375
Shares outstanding (mn)	3,322.3
Market-cap (Rs bn)	2,334
Market-cap (USD mn)	28,037
Net-debt, FY24E (Rs mn)	428,690
ADTV-3M (mn shares)	12
ADTV-3M (Rs mn)	7,216.7
ADTV-3M (USD mn)	86.7
Free float (%)	53.6
Nifty-50	19,133
INR/USD	83.3
Shareholding, Sep-23	
Promoters (%)	46.4
FPIs/MFs (%)	18.4/17.5

Price Performance

(%)	1M	3M	12M
Absolute	1.0	2.2	50.8
Rel. to Nifty	3.7	4.3	42.5

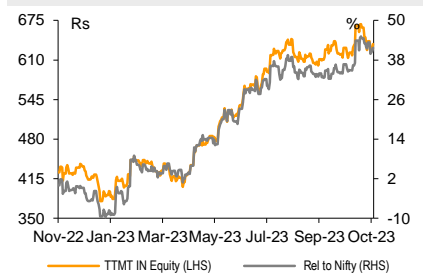
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Exhibit 1: Actual vs Estimates (Q2FY24)

(Rs mn)	Actual	Emkay Est	% var	Consensus	% var
Net revenue	10,51,282	10,73,479	(2.1)	10,81,096	(2.8)
EBITDA	1,36,741	1,50,775	(9.3)	1,37,663	(0.7)
- Margin (%)	13.0	14.0	(104) bps	12.7	27 bps
Adj net income	37,949	50,435	(24.8)	45,196	(16.0)
FDEPS (Rs)	9.9	13.2	(24.8)	11.8	(16.0)

Source: Company, Emkay Research

Exhibit 2: Consolidated Quarterly Snapshot

(Rs mn)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	YoY (%)	QoQ (%)
Revenue	7,96,114	8,84,886	10,59,324	10,22,361	10,51,282	32.1	2.8
Expenditure	7,34,151	7,88,456	9,31,225	8,86,766	9,14,541	24.6	3.1
as % of sales	92.2	89.1	87.9	86.7	87.0		
Consumption of RM	5,25,950	5,74,585	6,81,944	6,37,835	6,69,097	27.2	4.9
as % of sales	66.1	64.9	64.4	62.4	63.6		
Employee Cost	78,979	85,929	93,775	98,518	1,00,989	27.9	2.5
as % of sales	9.9	9.7	8.9	9.6	9.6		
Other expenditure	1,29,222	1,27,942	1,55,506	1,50,413	1,44,455	11.8	(4.0)
as % of sales	16.2	14.5	14.7	14.7	13.7		
EBITDA	61,962	96,430	1,28,098	1,35,595	1,36,741	120.7	0.8
EBITDA margin (%)	7.8	10.9	12.1	13.3	13.0		
Depreciation	58,973	60,718	70,502	66,332	66,364	12.5	0
EBIT	2,989	35,712	57,596	69,264	70,377	2,254.5	1.6
Other Income	10,385	11,304	15,769	13,605	16,307	57.0	19.9
Interest	24,873	26,758	26,417	26,154	26,517	6.6	1.4
PBT	-11,498	20,257	46,949	56,715	60,168		
Total Tax	-4,571	2,628	-6,207	15,630	22,028	(581.9)	40.9
Adjusted PAT	-6,928	17,629	53,155	41,085	38,139		
MI and Income from JV	-595	-179	-30	-1,131	190	(132.0)	(116.8)
Adjusted PAT after MI	-6,333	17,808	53,185	42,216	37,949		
Extra ordinary items (Loss)/Gain	-3,113	11,769	893	-10,188	-309	(90.1)	(97.0)
Reported PAT	-9,446	29,577	54,078	32,028	37,640		
Adjusted EPS (Rs)	(1.7)	4.6	13.9	11.0	9.9		
(%)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	YoY (bps)	QoQ (bps)
EBITDAM	7.8	10.9	12.1	13.3	13.0	522	-26
EBITM	0.4	4.0	5.4	6.8	6.7	632	-8
EBTM	(1.4)	2.3	4.4	5.5	5.7	717	18
PATM	(0.8)	2.0	5.0	4.1	3.6	441	-52
Effective Tax rate	39.8	13.0	(13.2)	27.6	36.6	-314	905

Source: Company, Emkay Research

Exhibit 3: Standalone – Quarterly Snapshot (India CV business)

(Rs mn)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	YoY (%)	QoQ (%)
Revenue	1,49,468	1,57,940	2,01,421	1,58,326	1,85,417	24.1	17.1
Expenditure	1,42,955	1,44,065	1,80,619	1,45,043	1,65,617	15.9	14.2
as % of sales	95.6	91.2	89.7	91.6	89.3		
Consumption of RM	1,15,372	1,16,337	1,48,393	1,14,371	1,33,244	15.5	16.5
as % of sales	77.2	73.7	73.7	72.2	71.9		
Employee Cost	9,644	9,723	10,221	10,645	10,859	12.6	2.0
as % of sales	6.5	6.2	5.1	6.7	5.9		
Other expenditure	17,938	18,005	22,005	20,027	21,513	19.9	7.4
as % of sales	12.0	11.4	10.9	12.6	11.6		
EBITDA	6,513	13,874	20,803	13,283	19,800	204.0	49.1
EBITDA margin (%)	4.4	8.8	10.3	8.4	10.7		
Depreciation	4,461	4,302	4,676	4,959	5,090	14.1	2.6
EBIT	2,052	9,573	16,127	8,324	14,710		76.7
Other Income	1,951	1,732	2,419	2,991	5,798	197.2	93.9
Interest	5,494	5,034	4,659	4,117	4,715	(14.2)	14.5
PBT	-1,491	6,270	13,887	7,197	15,794		
Total Tax	410	540	-16,097	859	1,476	260.0	72.0
Adjusted PAT	-1,901	5,730	29,984	6,339	14,317		125.9
Extra ordinary items (Loss)/Gain	-1,025	-668	-3,028	-6,979	-1,621		
Reported PAT	-2,926	5,062	26,956	-640	12,696		
Adjusted EPS (Rs)	(0.5)	1.5	7.8	1.7	3.7		
PAT from discontinued operations (PV)	0	0	0	0	0		
Adjusted PAT incl discontinued ops	-1,901	5,730	29,984	6,339	14,317		
Reported PAT incl discontinued ops	-2,926	5,062	26,956	-640	12,696		

(%)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	YoY (bps)	QoQ (bps)
EBITDAM	4.4	8.8	10.3	8.4	10.7	632	229
EBITM	1.4	6.1	8.0	5.3	7.9	656	268
EBTM	(1.0)	4.0	6.9	4.5	8.5	952	397
PATM	(1.3)	3.6	14.9	4.0	7.7	899	372
Effective Tax rate	(27.5)	8.6	(115.9)	11.9	9.3	3,684	-258

Source: Company, Emkay Research

Exhibit 4: JLR – Quarterly Snapshot

(GBP mn)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	YoY (%)	QoQ (%)
Revenue	5,260	6,041	7,102	6,903	6,857	30.4	(0.7)
Expenditure	4,719	5,325	6,067	5,780	5,836	23.7	1.0
as % of sales	89.7	88.1	85.4	83.7	85.1		
Consumption of RM	3,212	3,707	4,327	4,026	4,166	29.7	3.5
as % of sales	61.1	61.4	60.9	58.3	60.8		
Employee Cost	604	654	696	716	713	18.0	(0.4)
as % of sales	11.5	10.8	9.8	10.4	10.4		
Other expenditure	903	964	1,044	1,038	957	6.0	(7.8)
as % of sales	17.2	16.0	14.7	15.0	14.0		
EBITDA	541	716	1,035	1,123	1,021	88.7	(9.1)
EBITDA margin (%)	10.3	11.9	14.6	16.3	14.9		
Depreciation	493	494	578	538	525	6.5	(2.4)
EBIT	48	222	457	585	496	933.3	(15.2)
Interest	112	117	104	98	84	(25.0)	(14.3)
Share of JV	6	3	4	10	5		(50.0)
PBT	-58	108	357	497	417		
Total Tax	-75	4	115	112	170	(326.7)	
Adjusted PAT	17	104	242	385	247		(35.8)
Extra ordinary items (Loss)/Gain	-115	157	17	-62	25	(121.7)	
Reported PAT	-98	261	259	323	272		

(%)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	YoY (bps)	QoQ (bps)
EBITDAM	10.3	11.9	14.6	16.3	14.9	460	-138
EBITM	0.9	3.7	6.4	8.5	7.2	632	-124
EBTM	(1.1)	1.8	5.0	7.2	6.1	718	-112
PATM	0.3	1.7	3.4	5.6	3.6	328	-198
Effective Tax rate	129.3	3.7	32.2	22.5	40.8	-8,854	1,823

Source: Company, Emkay Research

Exhibit 5: Tata Motors – SOTP-based Valuation

	Basis of valuation	Equity value (Rs mn)	Equity value (Rs/share)	Contribution to SOTP (%)	Remarks
India CV	EV/EBITDA 9x	6,73,089	183	24	In line with AL multiple
India ICE-PV	EV/Sales 1.2x	6,78,342	184	24	20% discount to MSIL's multiple of ~1.5x EV/Sales
India E-PV	Transaction value	3,09,750	84	12	Taking Pre-money transaction valuation, fixed during the TPG deal, at 40% discount
JLR	EV/EBITDA 1.75x	8,84,215	240	29	EV/EBITDA multiple is at ~50% premium to the current valuation of European peers amid significantly-higher earnings growth
JLR China JV	EV/EBITDA 4x	5,009	1	2	Stake stands at 50%
Tata Sons	NAV 1x	67,692	18	3	Holding company discount at 80%, as stake may not be monetized
Tata Motors Finance	P/B 1x FY22	45,905	12	2	Holding company discount at 20%
Tata Technologies	P/E 30x FY22	1,21,305	33	5	Taking TPG Rise's recent transaction valuation post 40% discount
Total			758		

Source: Company, Emkay Research

Exhibit 6: TTMT – Revenue model

(Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
CV revenues	4,72,637	6,57,573	7,28,961	7,98,595	8,31,602
- Growth (%)	56.6	39.1	10.9	9.6	4.1
PV revenues	3,25,722	4,88,671	5,11,319	5,91,529	6,54,891
- Growth (%)	94.9	50.0	4.6	15.7	10.7
CV EBITDA	16,357	48,108	70,345	82,255	86,902
- EBITDA margin (%)	3.5	7.3	9.6	10.3	10.5
PV EBITDA	9,150	27,862	35,889	43,579	50,250
- EBITDA margin (%)	2.8	5.7	7.0	7.4	7.7
CV EBIT	5,351	38,649	59,009	67,924	68,930
- EBIT margin (%)	1.1	5.9	8.1	8.5	8.3
PV EBIT	(9,324)	7,571	17,960	23,783	28,780
- EBIT margin (%)	(2.9)	1.5	3.5	4.0	4.4

JLR business (GBP mn)	FY22	FY23	FY24E	FY25E	FY26E
JLR Revenues	18,320	22,809	29,154	30,890	33,191
- Growth (%)	-7.2	24.5	27.8	6.0	7.4
JLR EBITDA	1,896	2,571	4,383	4,543	4,882
- EBITDA margin (%)	10.3	11.3	15.0	14.7	14.7
JLR EBIT (incl China JV)	(48)	529	2,182	2,178	2,272
- EBIT margin (%)	-0.3	2.3	7.5	7.1	6.8
JLR PAT	-793	(53)	1,374	1,460	1,624

Consolidated Financials (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
India revenues	798,359	1,146,244	1,240,280	1,390,124	1,486,493
JLR revenues	1,864,976	2,213,460	2,886,211	3,089,012	3,319,142
Consolidated revenues	2,784,536	3,459,670	4,260,094	4,620,996	4,956,518
Growth (%)	11.5	24.2	23.1	8.5	7.3

India EBITDA	25,507	75,971	106,234	125,834	137,153
JLR EBITDA	193,013	249,498	433,903	454,259	488,208
Consolidated EBITDA	248,132	318,296	580,972	599,116	655,702
Growth (%)	-18.8	28.3	82.5	3.1	9.4

EBITDA margin (%)

India	3.2	6.6	8.6	9.1	9.2
JLR	10.3	11.3	15.0	14.7	14.7
Consolidated EBITDA margin (%)	8.9	9.2	13.6	13.0	13.2

India EBIT	(3,973)	46,220	76,969	91,707	97,711
JLR EBIT	(4,886)	51,336	216,064	217,815	227,186
Consol EBIT	30,312	116,024	357,624	356,936	382,864
Consol EBIT margin (%)	1.1	3.4	8.4	7.7	7.7

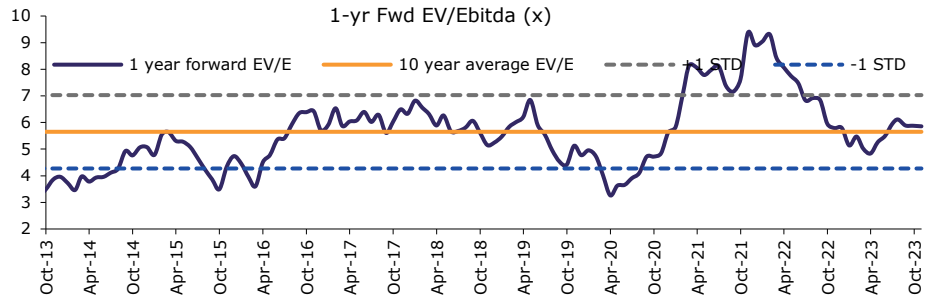
Consol PAT	(107,188)	7,336	200,498	210,824	250,842
No of shares (mn)	3,829	3,830	3,830	3,677	3,677
Consol EPS	-28.0	1.9	52.3	57.3	68.2
Consol Net Debt/(Cash)	1,008,381	698,066	440,374	293,715	(20,430)
Consol FCF	(6,555)	175,774	367,828	239,001	388,865
ROE (%)	(21.5)	1.6	27.3	21.1	19.3
ROCE (%)	0.7	4.0	14.5	13.7	13.6

Source: Company, Emkay Research

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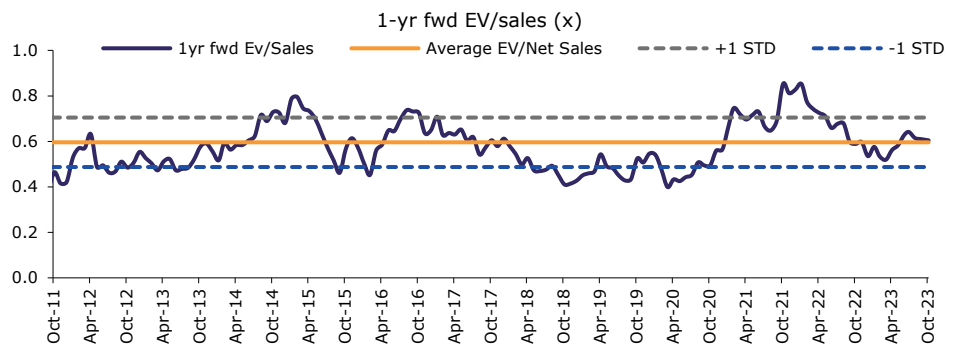
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Exhibit 7: Tata Motors – One-year forward EV/EBITDA at 5.9x; above its 10-year average of 5.7x, albeit below its 5-year average of 6.1x



Source: Company, Emkay Research

Exhibit 8: Tata Motors – One-year forward EV/sales at 0.6x; at par with its 10-yr avg EV/sales



Source: Company, Emkay Research

Tata Motors: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Revenue	2,784,536	3,459,670	4,260,094	4,620,996	4,956,518
Revenue growth (%)	11.5	24.2	23.1	8.5	7.3
EBITDA	248,132	318,296	580,972	599,116	655,702
EBITDA growth (%)	(18.8)	28.3	82.5	3.1	9.4
Depreciation & Amortization	248,357	248,604	267,363	288,396	320,441
EBIT	(225)	69,692	313,609	310,720	335,261
EBIT growth (%)	(100.3)	0.0	350.0	(0.9)	7.9
Other operating income	0	0	0	0	0
Other income	30,536	46,332	44,015	46,216	47,602
Financial expense	93,119	102,255	102,476	87,767	67,254
PBT	(62,807)	13,769	255,148	269,169	315,610
Extraordinary items	0	0	0	0	0
Taxes	42,313	7,041	60,413	64,083	70,849
Minority interest	1,327	2,756	(2,000)	(2,000)	(2,000)
Income from JV/Associates	(741)	3,364	3,762	3,738	4,082
Reported PAT	(114,415)	23,250	200,498	210,824	250,842
PAT growth (%)	0.0	0.0	762.3	5.2	19.0
Adjusted PAT	(107,188)	7,336	200,498	210,824	250,842
Diluted EPS (Rs)	(28.0)	1.9	52.3	57.3	68.2
Diluted EPS growth (%)	0.0	0.0	762.3	9.5	19.0
DPS (Rs)	0.0	2.0	1.2	2.0	2.1
Dividend payout (%)	0.0	32.9	2.3	3.5	3.1
EBITDA margin (%)	8.9	9.2	13.6	13.0	13.2
EBIT margin (%)	0.0	2.0	7.4	6.7	6.8
Effective tax rate (%)	(67.4)	51.1	23.7	23.8	22.4
NOPLAT (pre-IndAS)	(376)	34,056	239,354	236,745	260,001
Shares outstanding (mn)	3,829.4	3,830.1	3,830.1	3,676.9	3,676.9

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
PBT	(62,807)	13,769	255,148	269,169	315,610
Others (non-cash items)	337,436	383,002	369,839	376,163	387,695
Taxes paid	(19,096)	(31,790)	(60,413)	(64,083)	(70,849)
Change in NWC	(104,737)	(31,271)	179,492	34,015	31,623
Operating cash flow	142,828	353,880	747,828	619,001	668,159
Capital expenditure	(149,383)	(178,107)	(380,000)	(380,000)	(279,294)
Acquisition of business	94,783	(134)	0	0	0
Interest & dividend income	6,913	10,199	0	0	0
Investing cash flow	(47,751)	(168,042)	(380,000)	(380,000)	(279,294)
Equity raised/(repaid)	37,686	34,737	0	0	0
Debt raised/(repaid)	22,026	(202,397)	(102,007)	(115,022)	(397,800)
Payment of lease liabilities	(15,590)	(15,166)	0	0	0
Interest paid	(92,514)	(93,360)	(102,476)	(87,767)	(67,254)
Dividend paid (incl tax)	(999)	(1,409)	(7,660)	(4,576)	(7,466)
Others	(106,919)	55,220	0	0	0
Financing cash flow	(156,310)	(222,375)	(212,143)	(207,365)	(472,520)
Net chg in Cash	(61,233)	(36,537)	155,685	31,637	(83,655)
OCF	142,828	353,880	747,828	619,001	668,159
Adj. OCF (w/o NWC chg.)	247,565	385,151	568,337	584,987	636,537
FCFF	(6,555)	175,774	367,828	239,001	388,865
FCFE	(92,761)	83,717	265,352	151,234	321,611
OCF/EBITDA (%)	57.6	111.2	128.7	103.3	101.9
FCFE/PAT (%)	81.1	360.1	132.3	71.7	128.2
FCFF/NOPLAT (%)	1,743.0	516.1	153.7	101.0	149.6

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Share capital	7,659	7,660	7,660	7,354	7,354
Reserves & Surplus	437,954	445,558	641,480	845,144	1,088,275
Net worth	445,612	453,218	649,140	852,498	1,095,629
Minority interests	42,711	72,777	70,777	68,777	66,777
Deferred tax liability (net)	(23,124)	(37,777)	(37,777)	(37,777)	(37,777)
Total debt	1,642,165	1,256,605	1,154,598	1,039,576	641,776
Total liabilities & equity	2,107,364	1,744,823	1,836,738	1,923,073	1,766,404
Net tangible fixed assets	809,001	729,760	739,416	831,020	789,874
Net intangible assets	504,621	504,621	504,621	504,621	504,621
Net ROU assets	66,860	78,010	78,010	78,010	78,010
Capital WIP	102,511	142,745	245,726	245,726	245,726
Goodwill	8,072	8,406	8,406	8,406	8,406
Investments [JV/Associates]	60,725	60,725	63,725	66,725	69,725
Cash & equivalents	639,762	573,222	725,907	754,544	667,889
Current assets (ex-cash)	1,075,938	1,211,477	1,456,778	1,580,191	1,694,926
Current Liab. & Prov.	1,160,127	1,564,145	1,985,852	2,146,170	2,292,773
NWC (ex-cash)	(84,188)	(352,667)	(529,074)	(565,979)	(597,847)
Total assets	2,107,364	1,744,823	1,836,738	1,923,073	1,766,404
Net debt	1,002,403	683,383	428,690	285,032	(26,114)
Capital employed	2,107,364	1,744,823	1,836,738	1,923,073	1,766,404
Invested capital	1,304,366	968,130	801,379	856,078	783,064
BVPS (Rs)	116.4	118.3	169.5	231.9	298.0
Net Debt/Equity (x)	2.2	1.5	0.7	0.3	0.0
Net Debt/EBITDA (x)	4.0	2.1	0.7	0.5	0.0
Interest coverage (x)	3.1	0.9	0.3	0.2	0.2
RoCE (%)	0.7	4.0	14.5	13.7	13.6

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY22	FY23	FY24E	FY25E	FY26E
P/E (x)	(22.7)	332.3	12.2	11.1	9.3
P/CE(x)	17.3	9.5	5.2	4.7	4.1
P/B (x)	5.5	5.4	3.8	2.7	2.1
EV/Sales (x)	1.2	0.9	0.7	0.6	0.5
EV/EBITDA (x)	13.9	9.8	4.9	4.4	3.5
EV/EBIT(x)	(15,307.6)	44.8	9.1	8.4	6.9
EV/IC (x)	2.6	3.2	3.6	3.1	3.0
FCFF yield (%)	(0.2)	5.6	12.8	9.1	16.8
FCFE yield (%)	(3.8)	3.4	10.9	6.5	13.7
Dividend yield (%)	0.0	0.3	0.2	0.3	0.3
DuPont-RoE split					
Net profit margin (%)	(3.8)	0.2	4.7	4.6	5.1
Total asset turnover (x)	1.3	1.8	2.4	2.5	2.7
Assets/Equity (x)	4.2	4.3	3.2	2.5	1.9
RoE (%)	(21.5)	1.6	36.4	28.1	25.8
DuPont-RoIC					
NOPLAT margin (%)	0.0	1.0	5.6	5.1	5.2
IC turnover (x)	0.0	0.0	0.0	0.0	0.0
RoIC (%)	0.0	3.0	27.1	28.6	31.7
Operating metrics					
Core NWC days	(11.0)	(37.2)	(45.3)	(44.7)	(44.0)
Total NWC days	(11.0)	(37.2)	(45.3)	(44.7)	(44.0)
Fixed asset turnover	0.9	1.0	1.2	1.2	1.2
Opex-to-revenue (%)	26.1	25.3	24.4	24.5	24.3

Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
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

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