

TATA Motors

Estimate change



TP change



Rating change



Bloomberg	TTMT IN
Equity Shares (m)	3,598
M.Cap.(INRb)/(USDb)	1558.7 / 19.1
52-Week Range (INR)	537 / 366
1, 6, 12 Rel. Per (%)	0/-5/-16
12M Avg Val (INR M)	9682

Financials & Valuations (INR b)

Y/E March	2022	2023E	2024E
Net Sales	2,785	3,248	3,880
EBITDA	248.1	299.2	470.3
Adj. PAT	-108.1	-50.1	89.3
Adj. EPS (INR)	-28.2	-13.1	23.3
EPS Gr. (%)	-5,109.1	-53.6	-278.2
BV/Sh. (INR)	116.4	108.0	131.3

Ratios

Net D/E (x)	3.1	3.4	2.8
RoE (%)	-21.7	-11.7	19.5
RoCE (%)	2.7	9.1	8.7
Payout (%)	0.0	0.0	0.0

Valuations

P/E (x)	-15.3	-33.1	18.6
P/BV (x)	3.7	4.0	3.3
EV/EBITDA (x)	9.5	7.8	4.4
Div. Yield (%)	0.0	0.0	0.0
FCF Yield (%)	-0.4	4.2	17.0

Shareholding pattern (%)

As On	Sep-22	Jun-22	Sep-21
Promoter	46.4	46.4	46.4
DII	14.9	15.3	13.4
FII	14.1	13.7	13.4
Others	24.6	24.6	26.8

FII Includes depository receipts

CMP: INR433

TP: INR500 (+15%)

Buy

All round miss; chips shortage and commodity cost hurt

JLR guided at Wholesales of 160k units in 2H, FCF breakeven in FY23

- TTMT's 2QFY23 performance was an all-round miss. JLR continues to struggle with semiconductor shortages, which has been impacting its performance for the last five-to-six quarters. Its India CV and PV businesses were hit by residual commodity cost inflation, which should reverse from 3QFY23. The ramp-up in JLR's production is key as demand is strong, especially in its most profitable products of RR, RR Sport, and Defender (72% of the order book).
- We cut our consolidated EPS estimate for FY23 (to a loss from a profit) and FY24 (by 6%) to account for a slower production ramp-up at JLR. We maintain our Buy rating with a Sep'24E SoTP-based TP of INR500.

JLR hurt by chip shortages; India business hurt by cost pressures

- **Consolidated business:** Consolidated revenue/EBITDA grew 30%/53% YoY to INR796.1b/INR62b. Adjusted loss narrowed to INR12.6b (estimated profit of INR7.5b) from INR44.4b in 2QFY22. Consolidated Automotive FCF was positive at INR10b in 2QFY23 (v/s a deficit of INR32b in 2QFY22), despite working capital being adverse by INR14b. Revenue grew 19% YoY, EBITDA was flat, and adjusted loss narrowed by 13% in 1HFY23.
- **Semiconductor shortages and higher other expenses hurt JLR's performance:** Wholesale volumes (excluding JVs) grew 18% YoY and 5% QoQ. A better mix resulted in a 15.5% YoY and 14% QoQ improvement in net realization to GBP69.85k (est. GBP64k). EBITDA margin expanded by 3pp YoY and 4pp QoQ to 10.3% (est. 13.2%) on account of a better mix. Miss on margin was due to higher than estimated other expenses. EBITDA improved by 91% YoY to GBP541m (est. GBP574m). Adjusted loss stood at GBP98m (estimated loss of GBP4m) as against an adjusted loss of GBP381m in 2QFY22. JLRs had FCF outflow of GBP15m in 2QFY23 (vs outflow GBP664m in 2QFY22).
- **Tata CV business – benefitting from a cyclical recovery:** Volumes (including overseas subsidiaries) grew 15% YoY in 2QFY23, led by a 22%/12% growth in M&HCVs/LCVs. Realizations improved by 18% YoY to INR1.64m (est. INR1.61m), led by price hikes and mix. Revenue grew 35.5% YoY to INR164.2b (est. INR162.6b). EBITDA grew 2x YoY to INR8.35b (est. INR10.3b). EBITDA margin rose 190bp YoY to 5.1% (est. 6.3%). Margin was impacted by the residual impact of commodity cost inflation. Recurring PBT stood at INR2.9b (est. INR4.75b) v/s a loss of INR1.5b in 2QFY22.
- **Tata PV business – ramp-up continues:** Volumes grew 69%, whereas realizations remained flat YoY at INR0.885m (est. INR0.9m). Revenue/EBITDA grew 70%/1.6x YoY to INR126.5b/INR7.2b (est. INR128.4b/INR8.9b). EBITDA margin fell 40bp YoY to 5.7% (est. 6.9%), impacted by residual commodity cost inflation and one-time provisioning for obsolescence (50bp). Recurring PBT stood at INR1.67b (est. INR2.1b) v/s a loss of INR2.1b in 2QFY22.

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Highlights from the management commentary

- The management of JLR has lowered its FY23 guidance. It expects a positive EBIT margin for FY23 v/s its 5% guidance in 1Q and -1.5% in 1H. It aims to break even at the FCF level in FY23 (v/s its GBP1b guidance in 1Q and FCF outflow of GBP784m in 1H). It expects volumes of over 160k/~310k units in 2H/FY23. Its capex guidance stood unchanged at GBP2.3b in FY23.
- JLR has expanded its partnerships with semiconductor suppliers, which will aid an improvement in volumes beyond 2HFY23. The full benefit of various agreements will reflect in CY23.
- A favorable operating exchange rate contributed GBP55 (~1pp) to JLR's EBIT. JLR has deployed forex hedges of GBP20.65b, at an average GBP:USD rate of 1.3 and at an average tenure of four-to-six quarters. It expects net forex (gain on operational forex less hedged losses) benefit to increase gradually as long as the GBP:USD is in a 1.1-1.2 range.
- In the CV business, it is shifting to a 'demand pull' business model for sustainable market share gains. It is focusing on returning back to double-digit EBITDA margin over the next few quarters.
- Net debt stood at INR599b in 2Q v/s INR607b in 1QFY23. Despite a reduction in JLR's FCF guidance, it is maintaining its zero net debt target by FY24, but will revisit this target at the end of FY23.

Valuation and view

- TTMT should witness a gradual recovery as supply-side issues ease (for JLR) and commodity headwinds stabilize (for the India business). It will benefit from: a) a macro recovery in India, b) company-specific volume and margin drivers, and c) a sharp improvement in FCF and leverage in both JLR as well as the India business.
- The stock trades at 18.6x FY24E consolidate P/E and 4.4x EV/EBITDA. We maintain our Buy rating, with a Sep'24E SoTP-based TP of INR500.

Quarterly Performance [Consol]

(INR Billion)

INR b	FY22				FY23E				FY22	FY23E	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE
JLR Volumes (incl JV; '000 units)	97.1	78.3	83.1	89.1	82.6	89.9	95.6	97.6	347.7	365.7	102.0
JLR Realizations (GBP/unit)	58,810	60,454	68,168	62,293	61,352	69,847	70,895	72,281	62,274	68,813	63,960
JLR EBITDA Margins (%)	9.0	7.3	12.0	12.6	6.3	10.3	13.2	14.9	10.3	11.6	13.2
India CV Volumes ('000 units)	49.5	87.4	100.7	119.8	101.1	100.5	104.8	131.0	357.4	437.5	101.1
India CV Realizations (INR '000/unit)	1571.0	1259.9	1230.8	1590.8	1619.1	1640.4	1646.2	1713.4	1405.0	1658.4	1617.7
India CV EBITDA Margins (%)	1.1	3.6	2.6	6.1	5.4	5.1	6.3	8.0	3.9	6.4	6.3
India PV Volumes ('000 units)	64.6	84.4	99.5	123.6	130.4	142.8	123.8	130.3	372.1	527.3	142.9
India PV Realizations (INR '000/unit)	819.9	882.0	863.8	857.0	895.1	885.4	888.0	894.5	858.0	890.7	899.1
India PV EBITDA Margins (%)	4.0	6.1	4.2	7.0	6.2	5.7	6.7	7.8	5.5	6.6	6.9
Net Consol. Op Income	664.1	613.8	722.3	784.4	719.3	796.1	820.1	912.5	2784.5	3248.1	853.5
Growth (%)	107.6	14.7	-4.5	-11.5	8.3	29.7	13.5	16.3	11.5	16.6	39.1
Consol. EBITDA	52.6	40.5	67.6	87.4	31.8	62.0	90.1	115.3	248.1	299.2	95.2
EBITDA Margins (%)	7.9	6.6	9.4	11.1	4.4	7.8	11.0	12.6	8.9	9.2	11.2
Depreciation	62.0	61.2	60.8	64.3	58.4	59.0	60.0	62.2	248.4	239.6	63.0
Other Income	5.8	8.7	7.0	9.0	8.9	10.4	7.5	9.0	30.5	35.8	7.0
Interest Expenses	22.0	23.3	24.0	23.9	24.2	24.9	26.0	26.2	93.3	101.2	25.0
PBT before EO	-25.8	-34.7	-7.0	3.7	-49.6	-17.7	3.6	26.9	-63.7	-36.9	8.7
EO Exp/(Inc)	0.0	0.0	-0.9	7.1	-14.9	-3.1	0.00	0.0	6.30	-18.06	0.0
PBT after EO Exp	-25.8	-34.7	-6.1	-3.4	-34.7	-14.6	3.6	26.9	-70.0	-18.8	8.7
Tax rate (%)	-67.6	-29.0	-118.6	-222.3	-43.8	31.3	15.0	11.2	-60.4	-75.3	15.0
PAT	-43.2	-44.8	-13.4	-11.0	-49.9	-10.0	3.0	23.9	-112.3	-33.0	7.4
Minority Interest	0.0	-0.3	-0.7	-0.4	-0.6	-0.5	-0.3	0.0	-1.3	-1.3	-0.3
Share in profit of Associate	-1.3	0.6	-1.1	1.1	0.4	1.1	0.5	0.3	-0.7	2.2	0.4
Reported PAT	-44.5	-44.4	-15.2	-10.3	-50.1	-9.4	3.2	24.2	-114.4	-32.1	7.5
Adj PAT	-44.5	-44.4	-16.0	-3.2	-65.0	-12.6	3.2	24.2	-108.1	-50.1	7.5
Growth (%)	-47.2	1301.9	-149.6	-105.6	46.0	-71.7	-120.3	-858.2	-5109.7	-53.6	-117.0

E: MOFSL Estimates



JLR: Key takeaways from the management commentary

- JLRs has lower FY23 guidance for a) EBIT margins to be positive (v/s 5% guidance in 1Q v/s -1.5% in 1H) and FCF breakeven in FY23 (vs GBP1b guidance in 1Q vs – GBP784m in 1H). It expects volumes of ~310k units (2H >160k). Capex for FY23 is at GBP2.3b (unchanged).
- JLR has expanded partnership agreements with semiconductor suppliers, which would drive improvement in volumes in 2H and beyond. The full benefit of various agreements will be reflected in CY23.
- Demand remains strong and outstanding orders are at 205k units (vs 200k in 1Q), with 72% of order book made-up by three most profitable products of Defender, RR and RR Sport. This order book accretion is without any marketing efforts as current demand is way above supplies.
- Ramp-up of new RR/RR Sport continues with volumes of ~13.5k units in 2Q (vs 5.8k in 1Q). The production of RR/RR sport in 2Q was at average of ~1.56k/week, which has ramped-up to 2.4k/week in Oct-22 and will see further ramp-up. This will lead to further substantial improvement in mix.
- Fx contributed GBP55 at EBIT level benefitting from favourable operating exchange rate. JLR has Fx hedges of GBP20.65b with average rate of 1.3 against USD and average tenure of 4-6 quarters. It expects net Fx (gain on operational forex minus hedge losses) benefit to gradually increase as long as GBPUSD is in range of 1.1-1.2.

JLR Quarterly Performance (IFRS)

(GBP Million)

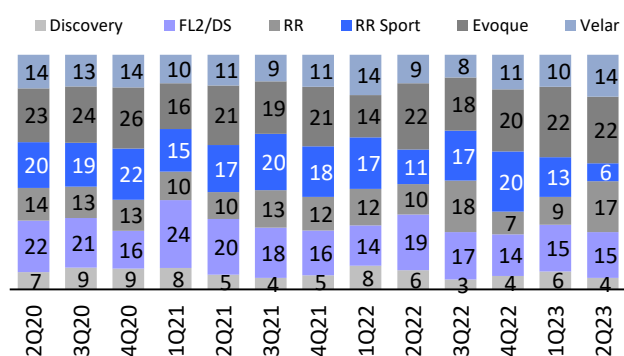
Y/E March (GBP Million)	FY22				FY23E				FY22	FY23E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Total Volumes (Incl JV)	97,141	78,251	83,110	89,148	82,587	89,899	95,637	97,588	3,47,650	3,65,710
Growth (%)	48.5	-14.4	-30.5	-34.7	-15.0	14.9	15.1	9.5	-15.8	5.2
Realization (GBP/unit)	58,810	60,454	68,168	62,293	61,352	69,847	70,895	72,281	62,274	68,813
Change YoY (%)	0.6	2.0	16.9	16.9	4.3	15.5	4.0	16.0	9.7	10.5
Revenues	4,966	3,871	4,716	4,767	4,406	5,260	5,685	6,065	18,320	21,416
Growth (%)	73.7	-11.1	-21.2	-27.1	-11.3	35.9	20.5	27.2	-7.2	16.9
RM/Sales (%)	63.4	64.6	59.0	58.9	62.7	61.1	59.7	59.5	61.3	60.6
Staff Costs/Sales (%)	11.9	13.3	11.9	12.6	12.9	11.5	10.9	10.4	12.4	11.3
Other Exp/Sales (%)	15.6	14.9	17.1	16.0	18.0	17.2	16.2	15.2	15.9	16.5
EBITDA	449	283	565	599	279	541	751	905	1,896	2,476
EBITDA Margins (%)	9.0	7.3	12.0	12.6	6.3	10.3	13.2	14.9	10.3	11.6
Depreciation & Amortization	485	467	483	509	477	493	510	507	1,944	1,987
Fx loss/ (gain)	-14	30	-18	-12	221	115	100	85	-14	521
Net Finance Cost	78	91	95	96	107	112	115	118	360	452
Share of JV's PAT	-10	3	-14	3	2	6	5	3	-18	16
PBT before EO Exp	-110	-302	-9	9	-524	-173	31	198	-412	-468
EO Exp/(Inc)	0	0	0	43	-155	0	0	0	43	-155
PBT after EO Exp	-110	-302	-9	-34	-369	-173	31	198	-455	-313
Tax rate (%)	-160.0	-26.2	-644.4	-179.4	-30.6	43.4	15.0	-1.8	-80.7	-12.5
Adj PAT	-286	-381	-67	-17	-656	-98	26	202	-744	-526
Growth (%)	-55.9	-425.6	-117.3	-103.1	129.5	-74.3	-139.3	-1266.9	-276.0	-29.3

E: MOFSL Estimates

JLR	FY22				FY23E				FY22	FY23E
Key performance Indicator	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Debt (IFRS)	3,020	3,761	3,533	3,199	4,206	4,500			3,199	
CFO	-425	-180	676	809	-280	511			880	
Capex	571	484	512	469	489	526			2,036	
FCF	-996	-664	164	340	-769	-15			-1,156	

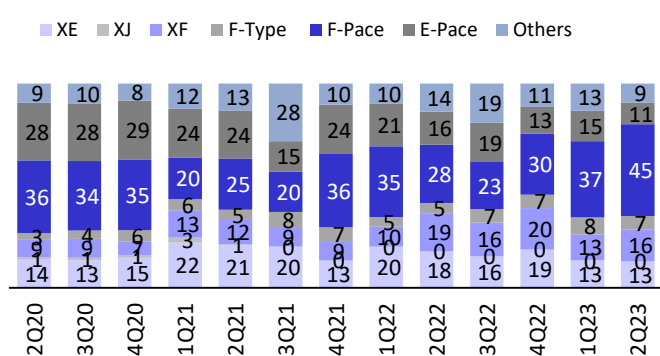
E: MOFSL Estimates

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



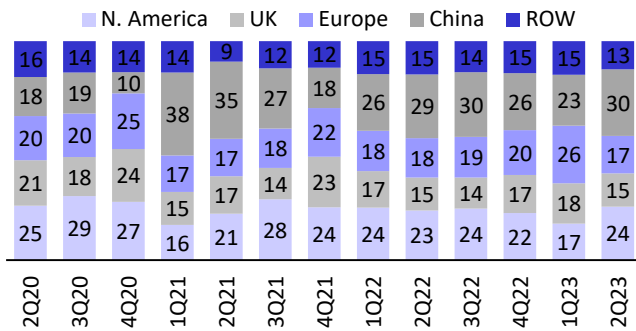
Source: Company, MOFSL

Exhibit 2: Wholesale product mix for Jaguar (%)



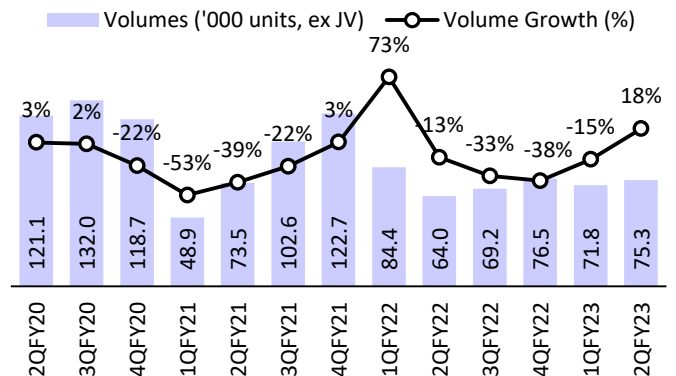
Source: Company, MOFSL

Exhibit 3: Wholesale market mix for JLR (%)



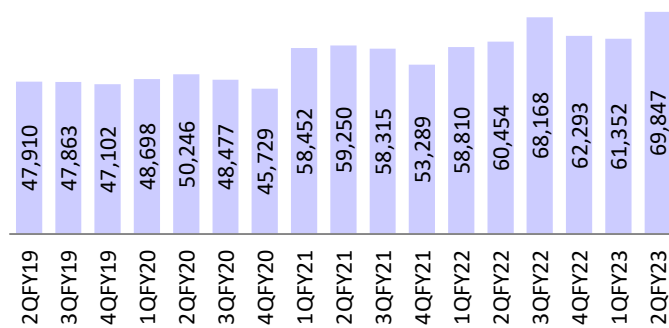
Source: Company, MOFSL

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



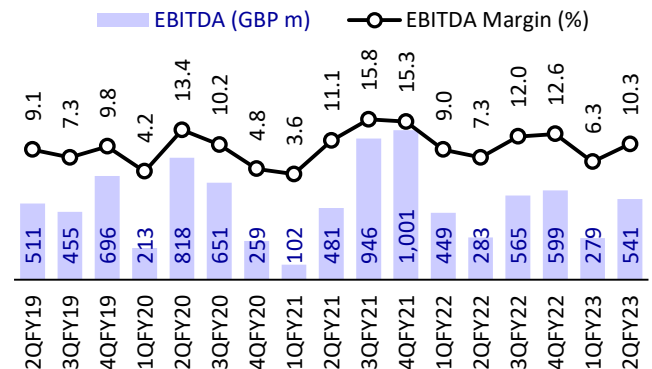
Source: Company, MOFSL

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



India: Key takeaways from the management commentary

Tata CVs business

- Increase in CNG prices has led to drop in CNG fuel mix in ICVs/SCVs to 17%/15% (vs 44%/18% in 2QFY22).
- TTMT is shifting to “Demand Pull” business model for sustainable market share gains and focus is on getting back to double digit EBITDA margins in next few quarters.
- Smart city mobility business continues to witness strong growth and has won contracts from various STU's for over 3,600 e-buses. Revenue attributable to this business in 1HFY23 crossed INR2b.

Tata PVs business

- For TTMT, EV penetration is at 8%, and CNG penetration increased to 10% in 2QFY23.
- The recent festive season (Navratri to Dhanteras) saw 43% growth in retail sales over the previous year's festive season sales.
- Margins for EVs are not materially different than ICE and it should improve from FY24 as PLI benefit comes in.
- Cost increase for BS6 phase-2 would be lower than BS6 (double digit increase), with diesel being the most impacted segment.

Others

- Net debt at INR599b in 2Q (vs INR607b in 1QFY23). Despite reduction in JLRs FCF guidance, it is maintaining target of near net debt zero by FY24 but will revisit this target by end FY23.
- India business (CV+PV) has invested ~INR21.5b in capex and R&D in 1H. It maintained FY23 guidance on capex (incl R&D) of ~INR60b as it expects some of the capex to be back-ended in nature.

Trend in segment mix

Volumes (units)	FY22				FY23E				FY22	FY23E	2QE
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			
M&HCVs	18,783	33,328	37,484	54,905	39,696	40,556	41,920	59,878	1,44,500	1,82,050	40,556
Contribution (%)	16.4	19.5	18.8	47.0	17.2	16.7	18.4	46.8	40.8	42.0	16.7
LCVs	31,362	53,559	62,586	62,008	61,225	59,980	62,153	68,127	2,09,515	2,51,486	59,980
Contribution (%)	27.3	31.3	31.4	53.0	26.5	24.6	27.3	53.2	59.2	58.0	24.6
Total CVs	50,145	86,887	1,00,070	1,16,913	1,00,921	1,00,536	1,04,073	1,28,005	3,54,015	4,33,536	1,00,536
Contribution (%)	43.7	50.7	50.1	100.0	43.6	41.3	45.7	100.0	100.0	100.0	41.3
Cars	33,202	41,330	31,083	39,055	42,236	48,832	38,766	40,841	1,44,670	1,70,675	42,776
Contribution (%)	28.9	24.1	15.6	33.4	18.3	20.1	17.0	31.9	40.9	39.4	17.6
UVs	31,437	43,053	68,480	84,536	88,091	94,019	84,984	89,454	2,27,506	3,56,548	1,00,075
Contribution (%)	27.4	25.1	34.3	72.3	38.1	38.6	37.3	69.9	64.3	82.2	41.1
Total Volumes	1,14,784	1,71,270	1,99,633	2,40,504	2,31,248	2,43,387	2,27,822	2,58,300	7,26,191	9,60,758	2,43,387

E: MOFSL Estimates

Key performance Indicator**Trend in segment mix**

	FY22				FY23E				FY22	FY23E	2QE
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			
Realizations (INR '000/unit)											
CVs	1,571	1,260	1,231	1,591	1,619	1,640	1,646	1,713	1405.0	1658.4	1617.7
PVs	820	882	864	857	895	885	888	895	858.0	890.7	899.1
EBITDA Margin (%)											
CVs	1.1	3.6	2.6	6.1	5.4	5.1	6.3	8.0	3.9	6.4	3.6
PVs	4.0	6.1	4.2	7.0	6.2	5.7	6.7	7.8	5.5	6.6	6.1
EBIT Margins											
CVs	-4.1	-0.5	-0.8	3.6	2.9	2.4	3.6	6.0	0.4	3.9	-0.5
PVs	-6.5	-2.5	-2.6	1.3	1.0	0.7	1.0	2.4	-1.7	1.3	-2.5

Valuation and view

- **Volume growth in JLR to be driven by improving semiconductor supplies and ramp-up in new products:** JLR's volumes have been under pressure since FY19 due to several headwinds. However, there were early signs of a recovery in 2HCY19, which first got derailed due to the COVID-19 outbreak and now due to the semiconductor shortage. While the shortage in semiconductors is impacting wholesale volumes, retail demand is good in all the key markets (reflecting in the order book of over 205k units). JLR should benefit from a ramp-up in Defender as well as from the new RR/RR Sport which constitute 72% of the orderbook. We expect volumes for JLR (including JVs) to grow at 11.5% CAGR over FY22-25E (after a 15% CAGR decline over FY19-22).
- **Profitability to improve for JLR led by mix, Fx, and operating leverage:** JLR has several levers, both cyclical and structural, in the form of: a) cost cutting initiatives in both variable and fixed costs, b) mix improvement (growth in LR and China), c) operating leverage, and d) favorable Fx. The convergence of the multiple factors stated above could drive a recovery in EBIT margin and leave scope for positive surprises on profitability. JLR's targeted transition to 'pull'

from a 'push' strategy for volumes, particularly in China, will be a critical variable for margin expansion. We estimate EBIT margin at 2.4%/5.8% for JLR in FY23E/FY24E (v/s 2.6%/-0.4 in FY21/FY22).

- **India business on a recovery path; PVs are nearing cash breakeven:** The recovery in the India business was severely impacted by the second COVID wave. TTMT's India CV business is on a strong footing and is primed for a strong cyclical recovery in both M&HCVs (17% CAGR over FY22-25E) and LCVs (~15% CAGR). Its refreshed product portfolio will enable a sustained recovery in its PV business (~20% CAGR), aiding market share gains. Further, savings on commodity prices will drive profitability from 2HFY23 onwards.
- **Focused on leveraging EV disruption to its advantage in the PV segment:** TTMT is leveraging the EV disruption to gain a lead in the Electric PV industry. In the nascent e-PV industry, TTMT enjoys over 80% market share. It is looking to further strengthen its position by launching several EVs over the next two-to-three years. With the recent fund raise from the TPG group, it has the wherewithal to invest to support its aspiration. We value TTMT's e-PV business on a DCF basis at INR77/share, assuming 25% market share in the e-PV industry by FY27E, with an EV penetration of 10%.
- **Valuation and view:** We cut our consol. EPS estimates for FY23E (from profit to loss) and FY24E (by 6%) to account for slower production ramp-up at JLR. All three businesses of TTMT are in recovery mode. While the India CV business would see a cyclical recovery, the India PV business is in a structural growth mode. JLR is witnessing a cyclical recovery (curtailed by chip shortages), supported by a favorable product mix and new products. This should aid substantial reduction in net debt (auto) to ~INR305.5b by FY25E (from INR487b in FY22). The stock trades at 18.6x FY24E consolidated EPS and 4.4x EV/EBITDA. We maintain our **Buy** rating with a TP of INR500/share (Sep'24E SoTP-based).

Exhibit 7: Revised Estimates

Key Assumptions	FY23E			FY24E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Consolidated						
Net Sales	3,248	3,388	-4.1	3,880	3,912	-0.8
EBITDA	299	368	-18.6	470	465	1.2
EBITDA Margins (%)	9.2	10.9	-160bp	12.1	11.9	20bp
Net Profit	-50	16	-489.2	89	95	-5.6
Cons EPS	-13.1	4.3	-489.2	23.3	24.7	-5.6
JLR (IFRS, GBP M)						
Volumes ('000 units) incl JV	366	414	-11.6	453	482	-5.9
EBITDA	2,476	3,006	-17.6	3,602	3,560	1.2
EBITDA Margins (%)	11.6	13.1	-160bp	14.0	13.6	40bp
Net Profit	-526	273	-292.4	739	815	-9.3
India CVs (INR b)						
Volumes ('000 units)	437	443	-1.3	494	501	-1.3
EBITDA	46	49	-7.0	67	65	3.4
EBITDA Margins (%)	6.4	6.9	-50bp	8.0	7.8	20bp
PBT	23	26	-11.9	43	41	5.4
India PVs (INR b)						
Volumes ('000 units)	527	528	-0.1	606	607	-0.1
EBITDA	31	33	-5.3	45	45	1.4
EBITDA Margins (%)	6.6	7.0	-30bp	8.2	8.1	10bp
PBT	5	5	0.8	17	16	5.1

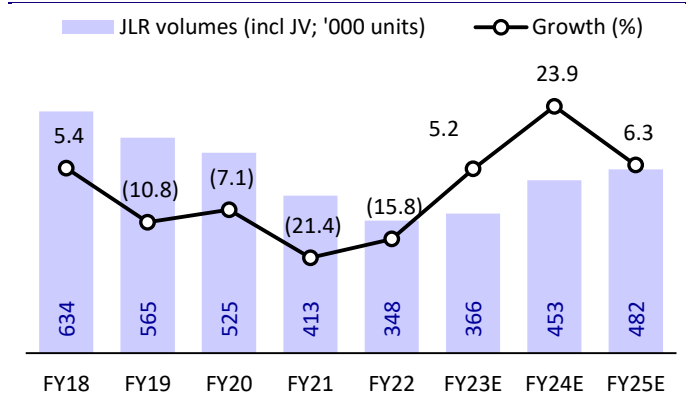
Source: MOFSL

Exhibit 8: SoTP valuation

INR B	Valuation Parameter	Multiple (x)	FY23E	FY24E	FY25E
SOTP Value					
Tata Motors – Standalone	SOTP		1,024	1,417	1,537
CVs	EV/EBITDA	11	502	734	737
ICE PVs	EV/EBITDA	8	248	361	427
EV PVs	DCF		273	322	373
JLR (Adj for R&D capitalization)	EV/EBITDA	2	465	670	733
JLR - Chery JV EBITDA Share	EV/EBITDA	2	23	25	27
Tata Motors Finance	P/BV	1.0	42	46	52
Total EV			1,553	2,158	2,348
Less: Net Debt (Ex TMFL)			457	373	306
Total Equity Value			1,096	1,785	2,043
Fair Value (INR/Sh) - Ord Sh	Fully Diluted		286	466	533
Upside (%)			-33.9	7.7	23.2

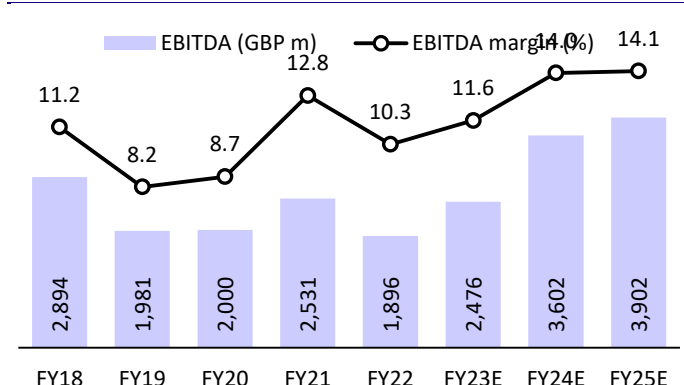
Story in charts

Exhibit 9: Volume growth trajectory for JLR



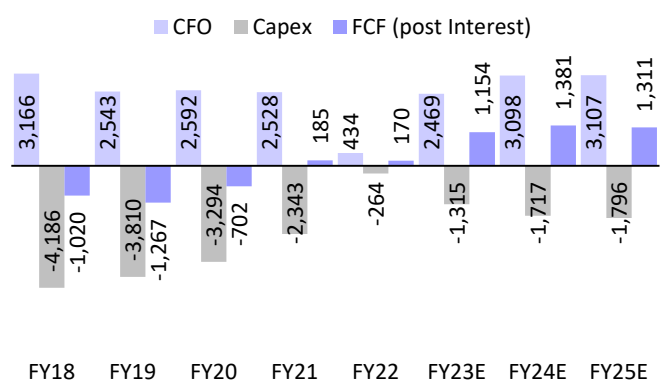
Source: Company, MOFSL

Exhibit 10: EBITDA and EBITDA margin trend for JLR



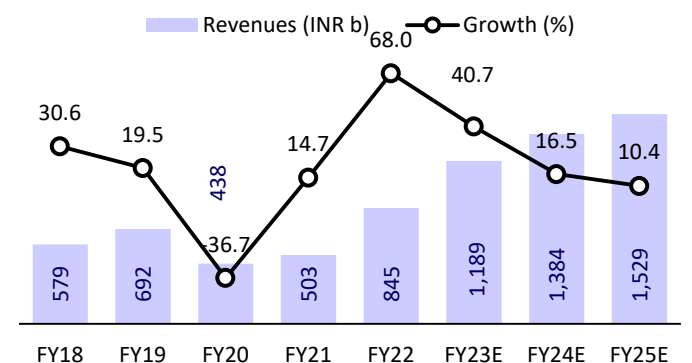
Source: Company, MOFSL

Exhibit 11: CFO/capex/FCF trend for JLR (GBP m)



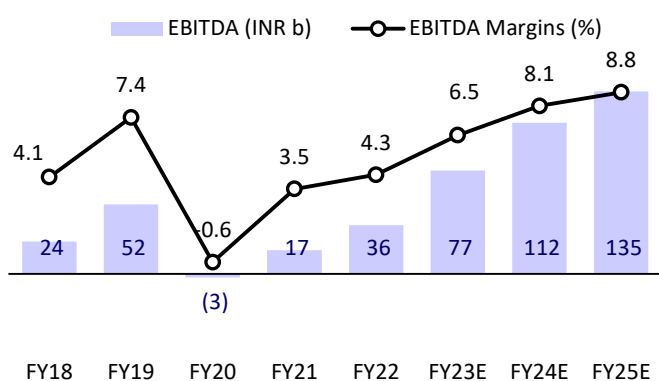
Source: Company, MOFSL

Exhibit 12: Standalone business growth trajectory over FY22-25E



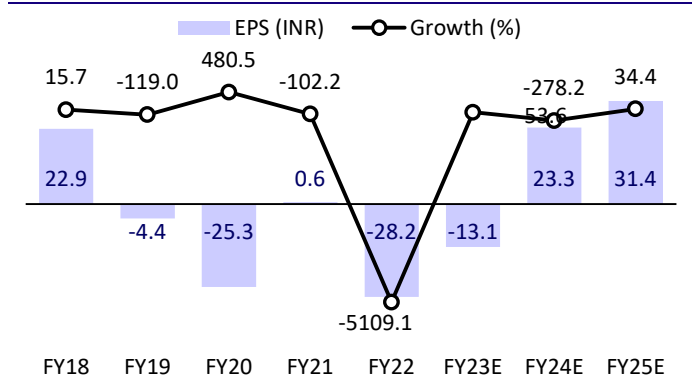
Source: Company, MOFSL

Exhibit 13: Standalone EBITDA and margin trend



Source: Company, MOFSL

Exhibit 14: Consolidated earnings trajectory



Source: Company, MOFSL

Key operating metrics

000 units	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
JLR								
Jaguar	176	177	144	90	68	60	63	65
Growth (%)	-1.4	0.7	-18.7	-37.3	-24.4	-12.5	5.3	3.6
% of Total JLR Vols	27.8	31.4	27.5	21.9	19.7	16.4	13.9	13.5
Land Rover	457	388	381	322	279	306	390	417
Growth (%)	8.3	-15.2	-1.7	-15.4	-13.4	9.5	27.6	6.8
% of Total JLR Vols	72.2	68.6	72.5	78.1	80.3	83.6	86.1	86.5
Total JLR Volumes (incl JV)	634	565	525	413	348	366	453	482
Growth (%)	5.4	-10.8	-7.1	-21.4	-15.8	5.2	23.9	6.3
ASP (GBP '000/unit)	47	48	48	57	62	69	65	66
Growth (%)	3.9	0.8	1.3	17.5	9.7	10.5	-5.0	1.0
Net JLR Sales (GBP b)	26	24	23	20	18	21	26	28
Growth (%)	5.9	-6.1	-5.1	-14.2	-7.2	16.9	20.3	7.6
INDIA								
MH&CVs	192	225	124	90	145	182	208	229
Growth (%)	9.2	17.1	-44.7	-27.6	60.3	26.0	14.5	10.0
LCVs	236	273	216	173	210	251	281	309
Growth (%)	24.1	15.7	-20.8	-20.2	21.4	20.0	11.8	10.0
Total CVs	428	498	341	263	354	434	490	539
Growth (%)	17.0	16.3	-31.6	-22.9	34.7	22.5	13.0	10.0
Total PVs	190	211	133	223	372	527	606	649
Growth (%)	20.8	11.2	-37.3	67.8	67.2	41.7	15.0	7.0
Total Volumes	618	709	473	485	726	961	1,096	1,188
Growth (%)	18.1	14.7	-33.3	2.5	49.6	32.3	14.1	8.4
ASP (INR 000/unit)	936	976	926	1,036	1,163	1,237	1,263	1,287
Net S/A Sales (INR b)	579	692	438	503	845	1,189	1,384	1,529
Growth (%)	30.6	19.5	-36.7	14.7	68.0	40.7	16.5	10.4

Financials and valuations

Income Statement (Consolidated)						(INR b)		
Y/E March	2018	2019	2020	2021	2022	2023E	2024E	2025E
Total Income	2,915.5	3,019.4	2,610.7	2,497.9	2,784.5	3,248.1	3,879.6	4,241.9
Change (%)	8.1	3.6	-13.5	-4.3	11.5	16.6	19.4	9.3
EBITDA	302.7	255.7	197.3	305.6	248.1	299.2	470.3	527.7
% of Net Sales	10.4	8.5	7.6	12.2	8.9	9.2	12.1	12.4
Depreciation	215.5	235.9	214.3	235.5	248.4	239.6	259.3	277.2
EBIT	87.2	19.8	-17.0	70.1	-0.2	59.6	211.0	250.5
Product Dev. Exp.	35.3	42.2	41.9	52.3	92.1	92.6	101.7	106.4
Interest	46.8	57.6	72.4	81.0	93.3	101.2	103.1	109.2
Other Income	39.6	29.7	29.7	26.4	30.5	35.8	29.8	30.8
EO Exp/(Inc)	-19.8	296.5	28.7	137.6	6.3	-18.1	0.0	0.0
Forex Gain/ (Loss)	11.9	-9.1	-17.4	17.3	-0.8	-31.0	-9.5	0.0
PBT	111.6	-313.7	-105.8	-104.7	-70.0	-18.8	128.2	172.1
Tax	43.4	-24.4	4.0	25.4	42.3	14.2	41.1	54.8
Effective Rate (%)	38.9	7.8	-3.7	-24.3	-60.4	-75.3	32.1	31.8
Reported PAT	68.1	-289.3	-109.8	-130.2	-112.3	-33.0	87.1	117.3
Change (%)	12.4	-524.7	-62.1	18.6	-13.7	-70.6	-364.0	34.6
% of Net Sales	2.3	-9.6	-4.2	-5.2	-4.0	-1.0	2.2	2.8
Minority Interest	-1.02	-1.02	-0.96	-0.56	-1.3	-1.3	-0.9	-1.0
Share of profit of associate	22.78	2.10	-10.00	-3.79	-0.7	2.2	3.1	3.8
Net Profit	89.9	-288.3	-120.7	-134.5	-114.4	-32.1	89.3	120.1
Adj. PAT	77.8	-14.8	-90.9	2.2	-108.1	-50.1	89.3	120.1
Change (%)	15.7	-119.0	515.0	-102.4	-5,109.7	-53.6	-278.2	34.4

Balance Sheet (Cons.)

Y/E March	2018	2019	2020	2021	2022	2023E	2024E	2025E
Sources of Funds								
Share Capital	6.8	6.8	7.2	7.7	7.7	7.7	7.7	7.7
Reserves	947.5	595.0	623.6	544.8	438.0	405.9	495.2	615.3
Net Worth	954.3	601.8	630.8	552.5	445.6	413.5	502.9	622.9
Loans	779.9	911.2	996.8	1,147.8	1,396.8	1,396.8	1,396.8	1,396.8
Deferred Tax	19.7	-36.6	-35.2	-29.6	-23.1	-23.1	-23.1	-23.1
Capital Employed	1,759.1	1,481.7	1,600.5	1,686.3	1,862.0	1,831.2	1,921.4	2,042.5
Gross Fixed Assets	2,130.9	2,317.7	2,698.0	3,128.9	3,232.9	3,247.9	3,449.0	3,658.7
Less: Depreciation	918.0	1,212.8	1,434.7	1,749.8	1,852.4	2,092.0	2,351.3	2,628.5
Net Fixed Assets	1,213.0	1,104.9	1,263.3	1,379.0	1,380.5	1,155.9	1,097.6	1,030.2
Capital WIP	400.3	318.8	356.2	209.6	102.5	250.0	250.0	250.0
Goodwill	1.2	7.5	7.8	8.0	8.1	8.1	8.1	8.1
Investments	208.1	157.7	163.1	246.2	293.8	49.0	52.2	56.0
Curr.Assets	1,449.3	1,431.5	1,376.3	1,543.1	1,482.6	1,925.5	2,384.2	2,708.8
Inventory	421.4	390.1	374.6	360.9	352.4	418.2	531.4	581.1
Sundry Debtors	198.9	190.0	111.7	126.8	124.4	195.8	233.8	255.7
Cash & Bank Bal.	346.1	326.5	337.3	467.9	406.7	677.4	949.8	1,168.0
Loans & Advances	395.2	512.9	539.7	568.8	584.5	614.5	644.5	674.5
Current Liab. & Prov.	1,512.8	1,538.8	1,566.1	1,699.7	1,405.5	1,557.3	1,870.7	2,010.6
Sundry Creditors	769.4	716.9	664.0	681.8	599.7	783.1	914.1	999.5
Other Liabilities	554.4	601.3	651.5	753.4	568.6	596.2	744.0	778.7
Net Current Assets	-63.5	-107.2	-189.8	-156.6	77.1	368.2	513.5	698.3
Appl. of Funds	1,759.1	1,481.7	1,600.5	1,686.3	1,862.0	1,831.2	1,921.4	2,042.5

E: MOFSL Estimates

Financials and valuations

Ratios (Con.)

Y/E March	2018	2019	2020	2021	2022	2023E	2024E	2025E
Basic (INR)								
EPS	22.9	-4.4	-25.3	0.6	-28.2	-13.1	23.3	31.4
EPS Fully Diluted	22.9	-4.4	-25.3	0.6	-28.2	-13.1	23.3	31.4
EPS Growth (%)	15.7	-119.0	480.5	-102.2	-5,109.1	-53.6	-278.2	34.4
Cash EPS	86.4	65.1	34.3	62.1	36.6	45.9	91.0	103.7
Book Value (Rs/Share)	281.0	177.2	175.3	144.3	116.4	108.0	131.3	162.7
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout (Incl. Div. Tax) %	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Valuation (x)								
Consolidated P/E	18.9	-99.5	-17.1	768.2	-15.3	-33.1	18.6	13.8
EV/EBITDA	5.6	7.4	10.4	6.8	9.5	7.8	4.4	3.5
EV/Sales	0.6	0.6	0.8	0.8	0.8	0.7	0.5	0.4
Price to Book Value	1.5	2.4	2.5	3.0	3.7	4.0	3.3	2.7
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profitability Ratios (%)								
RoE	10.1	-1.9	-14.8	0.4	-21.7	-14.8	19.5	21.3
RoCE	5.0	2.8	0.9	7.3	2.7	9.1	8.7	9.7
RoIC	8.6	2.5	-2.5	11.6	0.0	10.9	18.8	27.6
Turnover Ratios								
Debtors (Days)	25	23	16	19	16	22	22	22
Inventory (Days)	53	47	52	53	46	47	50	50
Creditors (Days)	96	87	93	100	79	88	86	86
Asset Turnover (x)	1.7	2.0	1.6	1.5	1.5	1.8	2.0	2.1
Leverage Ratio								
Debt/Equity (x)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	0.8	1.5	1.6	2.1	3.1	3.4	2.8	2.2

E: MOFSL Estimates

Cash Flow Statement

Y/E March	2018	2019	2020	2021	2022	2023E	2024E	2025E
OP/(Loss) before Tax	90.9	-287.2	-119.8	-134.0	-113.1	-32.1	89.3	120.1
Int/Div. Received	39.5	-4.4	-11.9	-5.1	-6.6	35.8	29.8	30.8
Depreciation	215.5	235.9	214.3	235.5	248.4	239.6	259.3	277.2
Direct Taxes Paid	-30.2	-26.6	-17.5	-21.0	-19.1	-14.2	-41.1	-54.8
(Inc)/Dec in WC	-64.3	-72.1	50.6	-0.9	-104.7	-20.4	127.1	33.4
Other Items	23.3	65.0	125.1	234.0	144.3	1.3	0.9	1.0
CF from Op Activity	274.8	-89.5	240.8	308.5	149.1	210.0	465.4	407.7
Extra-ordinary Items	-36.2	278.4	25.5	-18.5	-6.3	18.1	0.0	0.0
CF after EO Items	238.6	188.9	266.3	290.0	142.8	228.1	465.4	407.7
(Inc)/Dec in FA+CWIP	-350.5	-352.4	-295.3	-198.5	-149.4	-162.5	-201.1	-209.7
Free Cash Flow	-111.9	-163.5	-29.0	91.5	-6.6	65.6	264.3	197.9
(Pur)/Sale of Invest.	99.1	143.6	-35.8	-58.2	104.9	244.8	-3.1	-3.8
CF from Inv Activity	-251.4	-208.8	-331.1	-256.7	-44.4	82.3	-204.2	-213.5
Issue of Shares	0.0	0.0	38.9	26.0	37.7	0.0	0.0	0.0
Inc/(Dec) in Debt	75.2	159.3	70.8	154.5	22.0	0.0	0.0	0.0
Interest Paid	-54.1	-70.1	-75.2	-81.2	-92.5	-101.2	-103.1	-109.2
Dividends Paid	-1.0	-0.9	-0.6	-0.3	-1.0	0.0	0.0	0.0
CF from Fin Activity	20.1	88.3	33.9	99.0	-33.8	-101.2	-103.1	-109.2
Inc/(Dec) in Cash	7.3	68.4	-30.9	132.3	64.6	209.1	158.1	84.9
Add: Beginning Bal.	139.9	147.2	215.6	184.7	317.0	381.6	590.7	748.8
Closing Balance	147.2	215.6	184.7	317.0	381.6	590.7	748.8	833.7

E: MOFSL Estimates

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SELL	< - 10%
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