

November 10, 2022

Q2FY23 Result Update

Change in Estimates | Target | Reco

Change in Estimates

	Current		Previous	
	FY24E	FY25E	FY24E	FY25E
Rating	BUY		BUY	
Target Price	520		570	
Sales (Rs. m)	37,58,377	42,36,893	38,33,232	41,88,005
% Chng.	(2.0)	1.2		
EBITDA (Rs. m)	4,74,056	5,60,588	5,19,158	5,76,922
% Chng.	(8.7)	(2.8)		
EPS (Rs.)	15.9	30.3	22.2	32.8
% Chng.	(28.5)	(7.6)		

Key Financials - Consolidated

Y/e Mar	FY22	FY23E	FY24E	FY25E
Sales (Rs. bn)	2,785	3,100	3,758	4,237
EBITDA (Rs. bn)	340	337	474	561
Margin (%)	12.2	10.9	12.6	13.2
PAT (Rs. bn)	(104)	(52)	61	116
EPS (Rs.)	(27.2)	(13.6)	15.9	30.3
Gr. (%)	(385.8)	(50.3)	(217.0)	91.0
DPS (Rs.)	-	-	-	-
Yield (%)	-	-	-	-
RoE (%)	(20.9)	(12.3)	14.1	22.4
RoCE (%)	0.0	(0.2)	6.1	9.0
EV/Sales (x)	0.9	0.8	0.6	0.5
EV/EBITDA (x)	7.3	7.4	5.1	4.0
PE (x)	(15.9)	(32.0)	27.3	14.3
P/BV (x)	3.7	4.2	3.6	2.9

Key Data

TAMO.BO | TTMT IN

52-W High / Low	Rs.537 / Rs.366
Sensex / Nifty	61,034 / 18,157
Market Cap	Rs.1,559bn/ \$ 19,141m
Shares Outstanding	3,321m
3M Avg. Daily Value	Rs.6544.17m

Shareholding Pattern (%)

Promoter's	46.40
Foreign	13.71
Domestic Institution	15.17
Public & Others	24.71
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	5.1	7.2	(15.0)
Relative	0.2	(3.7)	(15.7)

Mansi Lall

mansilall@plindia.com | 91-22-66322391

Improved product mix at JLR benefit margins

Quick Pointers:

- JLR ASPs improved 14% QoQ due to improved supplies of New RR/RR Sport.
- Chip supply issue is now sorted out and JLR management expects volumes >160k units in 2H (147k in 1H); supplies should step-up in FY23.

Tata Motors' 2QFY23 consolidated revenue surprised at Rs 796bn (+11% QoQ, PLe: 762mn) largely led by improved product mix at JLR. Though JLR reported merely 5% QoQ growth in wholesales, ASPs improved 14% on the back of improved supplies of New RR/RR Sport (current production of 2.4k/week vs 1.1k/week in Jun-22). This also led to ~400bps QoQ of EBITDAM (10.3%) improvement. We expect margins to further improve in 2H led by improved realizations and product mix (Defender, RR and RR Sport account for 72% of the order book 205k units). Chip supply issue is now sorted out and management expects volumes >160k units in 2H (147k in 1H); supplies should step-up in FY23. For the PV and CV business, 70bps of impact came on EBITDAM from residual high commodity costs – PV/CV EBITDAM contracted 70/50bps QoQ.

We maintain our positive stance on TTMT as the (1) Likely market share gains in PV segment (14.2% vs 6.9% in FY19) led by revamped portfolio, customer preference for SUVs and rising EV penetration, (2) CV volumes gains from cyclical upturn, improving fleet utilization and freight rates and (3) revival in JLR and strong order book to benefit and drive FCF generation. We trim our EBITDA estimates by 9/3% for FY24/25 to factor in moderation in volume growth at JLR and cost pressures. Maintain BUY, with revised SoTP based Sep-24 TP of Rs 520 at 11.5x EV/EBITDA for standalone operations, 2x EV/EBITDA for JLR and 8x for PV business.

- 2QFY23 financials: (1) Standalone:** Revenue at Rs 149.5bn was flat QoQ, in line with our estimates. CV volumes were flat 100.5k units, however, ASPs improved 1%. EBITDA margin came in at 5.7%, flat QoQ led by higher RM cost (77.2% of sales vs 75.7% sequentially). **(2) JLR:** Volumes grew 5% QoQ to 75.3k units. However, improved product mix led to a 14% increase in realization (GBP 69.8k). EBITDAM surprised at 10.3% (+400bps QoQ). **(3) Consolidated:** Revenue at Rs 796bn grew 11% QoQ vs PLe: Rs 762bn. EBITDA margin came at 11% and expanded 280bps QoQ led by operating leverage. Company reported adj. loss of Rs 12.5bn.
- Key takeaways: (1) JLR:** Wholesales in 2Q were lower than planned by JLR (at 75k vs 90k expectation) due to a shortage in supply of specialised chips from a specific supplier. However, vendor issue is now sorted out and management expects volumes >160k units in 2H (147k in 1H); supplies should step-up in FY23. We expect realizations to further improve as supplies for New RR and RR Sport ramp-ups up (current production of 2.4k/week vs 1.1k/week in Jun-22) – premium model Defender, RR and RR Sport account for 72% of the order book (205k units). **(2) CV segment:** Segmental EBITDA contracted 50bps QoQ to 5%. Owing to seasonality and residual commodity cost impact from previous months. Management highlighted that contribution from CNG is coming down in the mix owing to narrowing gap between fuel and gas prices. **(3) PV business:** Domestic market share has improved to 14.1% vs 12.1% in FY22 led by revamped portfolio (especially in the SUV space) and rising EV penetration. (EV market share stands ~88% vs 87% in FY22). Posted highest EV sales of 20.8k units in 1H (19.1k in FY22). PV margins at 5.4%, -70bps QoQ.

Exhibit 1: SOTP valuation

SoTP value (Rs bn)	Valuation	Multiple (x)	Sep-24
Standalone business	EV/EBITDA	11.5	683
JLR	EV/EBITDA	2	626
PV subsidiary	P/E	8	304
China JV	P/E	8	27
Tata Motors Finance	P/BV	1	48
Total EV			1,686
(-) Net automotive debt (ex TMFL)			196
Total Equity Value			1,461
Fair value/sh			362
EVCo value/sh			158
Target price			520

Source: PL

Exhibit 2: Q2FY23 Result Overview - Consolidated (Rs m)

Y/e March	2QFY23	2QFY22	YoY gr.	1QFY23	QoQ gr.	1HFY23	1HFY22	YoY gr.
Net Revenues	7,96,114	6,13,788	29.7%	7,19,347	10.7%	15,15,460	12,77,853	18.6%
Raw Materials	5,25,950	4,10,905	28.0%	4,82,217	9.1%	10,08,167	8,36,406	20.5%
<i>% of Net Sales</i>	<i>66.1%</i>	<i>66.9%</i>		<i>67.0%</i>		<i>66.5%</i>	<i>65.5%</i>	
Personnel	78,979	71,334	10.7%	77,864	1.4%	1,56,843	1,51,281	3.7%
<i>% of Net Sales</i>	<i>9.9%</i>	<i>11.6%</i>		<i>10.8%</i>		<i>10.3%</i>	<i>11.8%</i>	
Manufacturing & Other Exp	1,04,007	69,843	48.9%	1,00,542	3.4%	2,04,548	1,55,447	31.6%
<i>% of Net Sales</i>	<i>13.1%</i>	<i>11.4%</i>		<i>14.0%</i>		<i>13.5%</i>	<i>12.2%</i>	
Total Expenditure	7,08,936	5,52,081	28.4%	6,60,623	7.3%	13,69,558	11,43,134	19.8%
EBITDA	87,178	61,707	41.3%	58,724	48.5%	1,45,902	1,34,718	8.3%
<i>EBITDA Margin (%)</i>	<i>11.0%</i>	<i>10.1%</i>		<i>8.2%</i>		<i>9.6%</i>	<i>10.5%</i>	
Depreciation	84,189	82,442	2.1%	85,329	-1.3%	1,69,519	1,64,899	2.8%
EBIT	2,989	-20,735	NA	-26,605	NA	-23,616	-30,180	NA
Interest Expenses	24,873	23,273	6.9%	24,207	2.7%	49,080	45,306	8.3%
Non-operating income	10,385	8,669	19.8%	8,874	17.0%	19,259	14,485	33.0%
Forex gain	-6,239	668	NA	-7,678	-18.7%	-13,917	519	NA
Exceptional gain/(loss)	3,126	-45	NA	14,936	-79.1%	18,063	-19	NA
PBT	-14,612	-34,716	NA	-34,680	NA	-49,292	-60,502	NA
Tax-Total	-4,571	10,051	NA	15,190	NA	10,619	27,470	-61.3%
<i>Tax Rate (%) - Total</i>	<i>31.3%</i>	<i>-29.0%</i>		<i>-43.8%</i>		<i>-21.5%</i>	<i>-45.4%</i>	
Reported PAT	-10,041	-44,766	NA	-49,870	NA	-59,911	-87,972	NA
Share of profit of joint ventures and associates	1,057	611	73.1%	360	193.3%	1,418	-685	NA
Minority interest	463	260	77.7%	556	-16.8%	1,019	268	279.8%
Adj. PAT	-12,572	-44,371	NA	-65,002	NA	-77,575	-88,906	NA
<i>PAT Margin</i>	<i>-1.6%</i>	<i>-7.2%</i>		<i>-9.0%</i>		<i>-5.1%</i>	<i>-7.0%</i>	

Source: Company, PL

Exhibit 3: Q4FY22 Result Overview - JLR (GBP m)

Y/e March	2QFY23	2QFY22	YoY gr.	1QFY23	QoQ gr.	1HFY23	1HFY22	YoY gr.
Net Revenues	5,260	3,871	35.9%	4,406	19.4%	9,666	8,837	9.4%
Raw Materials	3,212	2,500	28.5%	2,762	16.3%	5,974	5,649	5.8%
<i>% of Net Sales</i>	<i>61.1%</i>	<i>64.6%</i>		<i>62.7%</i>		<i>61.8%</i>	<i>63.9%</i>	
Personnel	604	513	17.7%	570	6.0%	1,174	1,105	6.2%
<i>% of Net Sales</i>	<i>11.5%</i>	<i>13.3%</i>		<i>12.9%</i>		<i>12.1%</i>	<i>12.5%</i>	
Manufacturing & Other Exp	903	575	57.0%	795	13.6%	1,698	1,351	25.7%
<i>% of Net Sales</i>	<i>17.2%</i>	<i>14.9%</i>		<i>18.0%</i>		<i>17.6%</i>	<i>15.3%</i>	
Total Expenditure	4,719	3,588	31.5%	4,127	14.3%	8,846	8,105	9.1%
EBITDA	541	283	91.2%	279	93.9%	820	732	12.0%
<i>EBITDA Margin (%)</i>	<i>10.3%</i>	<i>7.3%</i>		<i>6.3%</i>		<i>8.5%</i>	<i>8.3%</i>	
Depreciation	493	467	5.6%	477	3.4%	970	952	1.9%
EBIT	48	-184	NA	-198	NA	-150	-220	-31.8%
Interest Expenses	112	91	23.1%	107	4.7%	219	169	29.6%
Non-operating income	0	0		0		0	0	
Forex gain	-115	-30	NA	-221	NA	-336	-16	NA
Exceptional gain/(loss)	0	0	0.0%	155	NA	155	0	NA
China JV profit	6	3		2		8	-7	
PBT	-173	-302	NA	-369	NA	-542	-412	31.6%
Tax-Total	-75	79	-194.9%	113	-166.4%	38	255	-85.1%
<i>Tax Rate (%) - Total</i>	<i>43.4%</i>	<i>-26.2%</i>		<i>-30.6%</i>		<i>-7.0%</i>	<i>-61.9%</i>	<i>-88.7%</i>
Reported PAT	-98	-381	NA	-482	NA	-580	-667	-13.0%
<i>PAT Margin</i>	<i>-1.9%</i>	<i>-9.8%</i>		<i>-10.9%</i>		<i>-6.0%</i>	<i>-7.5%</i>	

Source: Company, PL

Exhibit 4: Q1FY23 Result Overview – Standalone (Rs m)

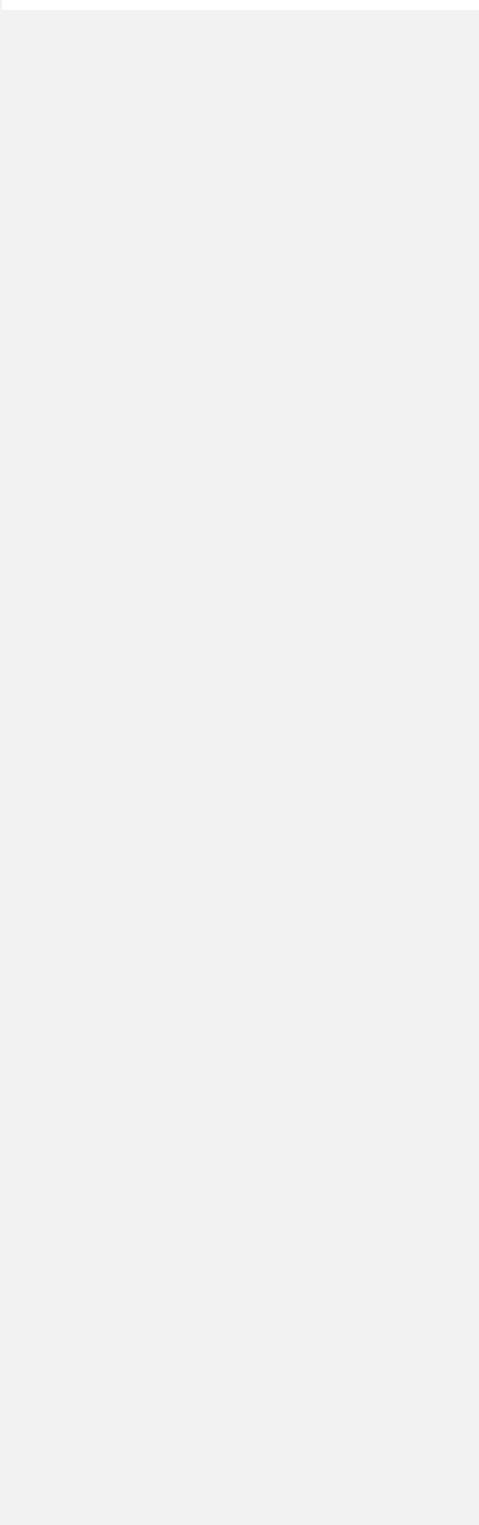
Y/e March	2QFY23	2QFY22	YoY gr.	1QFY23	QoQ gr.	1HFY23	1HFY22	YoY gr.
Net Revenues	1,49,468	1,09,960	35.9%	1,48,744	0.5%	2,98,212	1,75,726	69.7%
Raw Materials	1,15,372	84,130	37.1%	1,12,626	2.4%	2,27,998	1,31,525	73.3%
<i>% of Net Sales</i>	<i>77.2%</i>	<i>76.5%</i>		<i>75.7%</i>		<i>76.5%</i>	<i>74.8%</i>	
Personnel	9,644	8,863	8.8%	10,629	-9.3%	20,273	18,078	12.1%
<i>% of Net Sales</i>	<i>6.5%</i>	<i>8.1%</i>		<i>7.1%</i>		<i>6.8%</i>	<i>10.3%</i>	
Manufacturing & Other Exp	15,936	13,393	19.0%	16,795	-5.1%	32,732	21,859	49.7%
<i>% of Net Sales</i>	<i>10.7%</i>	<i>12.2%</i>		<i>11.3%</i>		<i>11.0%</i>	<i>12.4%</i>	
Total Expenditure	1,40,953	1,06,386	32.5%	1,40,050	0.6%	2,81,003	1,71,463	63.9%
EBITDA	8,515	3,575	138.2%	8,695	-2.1%	17,210	4,264	303.7%
<i>EBITDA Margin (%)</i>	<i>5.7%</i>	<i>3.3%</i>		<i>5.8%</i>		<i>5.8%</i>	<i>2.4%</i>	
Depreciation	6,463	5,488	17.8%	6,007	7.6%	12,470	10,590	17.7%
EBIT	2,052	-1,913	NA	2,688	-23.7%	4,740	-6,327	NA
Interest Expenses	5,494	5,309	3.5%	5,288	3.9%	10,782	10,944	-1.5%
Non-operating income	1,951	2,013	-3.1%	2,108	-7.5%	4,058	3,259	24.5%
Forex gain	-984	-178	NA	-891	10.5%	-1,875	-532	NA
Exceptional gain/(loss)	-40	-332	NA	-14	NA	-55	-581	NA
PBT	-2,516	-5,719	NA	-1,397	NA	-3,913	-15,125	NA
Tax-Total	410	38	NA	414	-0.8%	824	46	NA
<i>Tax Rate (%) - Total</i>	<i>-16.3%</i>	<i>-0.7%</i>		<i>-29.6%</i>		<i>-21.0%</i>	<i>-0.3%</i>	
Reported PAT	-2,926	-5,757	NA	-1,810	NA	-4,736	-15,171	NA
Adj. PAT	-2,885	-5,425	NA	-1,796	NA	-4,681	-14,591	NA
<i>PAT Margin</i>	<i>-1.9%</i>	<i>-4.9%</i>		<i>-1.2%</i>		<i>-1.6%</i>	<i>-8.3%</i>	

Source: Company, PL

Exhibit 5: Operating Metrics

Y/e March	2QFY23	2QFY22	YoY gr.	1QFY23	QoQ gr.	1HFY23	1HFY22	YoY gr.
Sales Volume (nos)	1,00,536	86,887	15.7%	1,00,921	-0.4%	2,01,457	1,37,032	47.0%
Net Realisation/Vehicle	14,86,709	12,65,554	17.5%	14,73,870	0.9%	14,80,277	12,82,374	15.4%
Material cost / vehicle	11,47,573	9,68,271	18.5%	11,15,979	2.8%	11,31,746	9,59,814	17.9%
Gross Profit / vehicle	3,39,136	2,97,283	14.1%	3,57,891	-5.2%	3,48,531	3,22,560	8.1%
Employee cost /vehicle	95,929	1,02,000	-6.0%	1,05,315	-8.9%	1,00,631	1,31,926	-23.7%
Other expenses / vehicle	1,58,513	1,54,140	2.8%	1,66,420	-4.8%	1,62,474	1,59,520	1.9%
EBITDA/vehicle	84,694	41,142	105.9%	86,156	-1.7%	85,426	31,113	174.6%
Net Profit/vehicle	-28,700	-62,440	-54.0%	-17,796	61.3%	-23,238	-1,06,475	-78.2%

Source: Company, PL



Financials

Income Statement (Rs m)

Y/e Mar	FY22	FY23E	FY24E	FY25E
Net Revenues	27,84,536	30,99,846	37,58,377	42,36,893
YoY gr. (%)	11.5	11.3	21.2	12.7
Cost of Goods Sold	18,08,858	20,44,673	24,51,510	27,41,524
Gross Profit	9,75,678	10,55,173	13,06,866	14,95,369
Margin (%)	35.0	34.0	34.8	35.3
Employee Cost	3,08,085	3,14,826	3,76,474	4,21,158
Other Expenses	3,27,510	4,03,316	4,56,336	5,13,623
EBITDA	3,40,083	3,37,030	4,74,056	5,60,588
YoY gr. (%)	(5.0)	(0.9)	40.7	18.3
Margin (%)	12.2	10.9	12.6	13.2
Depreciation and Amortization	3,40,452	3,41,372	3,58,279	3,81,451
EBIT	(369)	(4,342)	1,15,776	1,79,137
Margin (%)	0.0	(0.1)	3.1	4.2
Net Interest	93,119	97,889	81,901	74,247
Other Income	29,750	25,780	50,018	57,521
Profit Before Tax	(70,034)	(58,388)	83,893	1,62,411
Margin (%)	(2.5)	(1.9)	2.2	3.8
Total Tax	42,313	(17,516)	25,168	48,723
Effective tax rate (%)	(60.4)	30.0	30.0	30.0
Profit after tax	(1,12,347)	(40,871)	58,725	1,13,688
Minority interest	1,327	1,340	1,354	1,367
Share Profit from Associate	(741)	2,962	3,331	3,601
Adjusted PAT	(1,04,315)	(51,894)	60,702	1,15,922
YoY gr. (%)	-	-	-	-
Margin (%)	(3.7)	(1.7)	1.6	2.7
Extra Ord. Income / (Exp)	(10,100)	12,644	-	-
Reported PAT	(1,14,415)	(39,250)	60,702	1,15,922
YoY gr. (%)	(14.9)	(65.7)	(254.7)	91.0
Margin (%)	(4.1)	(1.3)	1.6	2.7
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	-	-
Equity Shares O/s (m)	3,829	3,829	3,829	3,829
EPS (Rs)	(27.2)	(13.6)	15.9	30.3

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY22	FY23E	FY24E	FY25E
Non-Current Assets				
Gross Block	33,63,826	35,98,375	38,39,398	40,84,295
Tangibles	33,63,826	35,98,375	38,39,398	40,84,295
Intangibles	-	-	-	-
Acc: Dep / Amortization	19,83,343	22,23,410	24,82,372	27,62,518
Tangibles	19,83,343	22,23,410	24,82,372	27,62,518
Intangibles	-	-	-	-
Net fixed assets	13,80,483	13,74,964	13,57,027	13,21,776
Tangibles	13,80,483	13,74,964	13,57,027	13,21,776
Intangibles	-	-	-	-
Capital Work In Progress	1,02,511	1,12,762	1,24,038	1,36,442
Goodwill	8,072	8,072	8,072	8,072
Non-Current Investments	66,703	70,038	73,540	77,217
Net Deferred tax assets	(15,584)	(16,987)	(18,516)	(20,182)
Other Non-Current Assets	-	-	-	-
Current Assets				
Investments	2,27,092	2,38,447	2,50,369	2,75,406
Inventories	3,52,403	3,82,173	4,63,362	5,22,357
Trade receivables	1,24,421	1,27,391	2,05,938	2,32,159
Cash & Bank Balance	4,06,692	4,05,814	4,52,585	6,09,727
Other Current Assets	6,37,822	6,95,997	7,59,541	8,28,955
Total Assets	33,06,199	34,15,657	36,94,472	40,12,111
Equity				
Equity Share Capital	7,659	7,659	7,659	7,659
Other Equity	4,37,954	3,91,144	4,51,847	5,67,769
Total Networkth	4,45,612	3,98,803	4,59,506	5,75,428
Non-Current Liabilities				
Long Term borrowings	14,64,490	14,64,490	14,64,490	14,64,490
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	5,99,704	6,79,418	8,13,457	9,22,830
Other current liabilities	7,38,098	8,11,908	8,93,098	9,82,408
Total Equity & Liabilities	33,06,199	34,15,657	36,94,472	40,12,111

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY22	FY23E	FY24E	FY25E
PBT	(70,775)	(55,426)	87,224	1,66,013
Add. Depreciation	2,48,357	2,40,068	2,58,961	2,80,147
Add. Interest	93,119	97,889	81,901	74,247
Less Financial Other Income	29,750	25,780	50,018	57,521
Add. Other	(23,454)	(43,843)	(50,018)	(57,521)
Op. profit before WC changes	2,47,247	2,38,688	3,78,068	4,62,885
Net Changes-WC	(2,93,911)	62,610	(8,051)	44,054
Direct tax	(42,287)	18,919	(23,639)	(47,057)
Net cash from Op. activities	(88,951)	3,20,217	3,46,378	4,59,882
Capital expenditures	(1,42,707)	(2,44,800)	(2,52,300)	(2,57,300)
Interest / Dividend Income	-	-	-	-
Others	(24,139)	29,153	34,594	28,807
Net Cash from Inv. activities	(1,66,846)	(2,15,647)	(2,17,706)	(2,28,493)
Issue of share cap. / premium	33,209	(7,559)	-	-
Debt changes	2,54,474	-	-	-
Dividend paid	-	-	-	-
Interest paid	(93,119)	(97,889)	(81,901)	(74,247)
Others	-	-	-	-
Net cash from Fin. activities	1,94,564	(1,05,448)	(81,901)	(74,247)
Net change in cash	(61,233)	(878)	46,771	1,57,142
Free Cash Flow	(2,31,658)	75,417	94,078	2,02,582

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q3FY22	Q4FY22	Q1FY23	Q2FY23
Net Revenue	7,22,293	7,84,391	7,19,347	7,96,114
YoY gr. (%)	(4.5)	(11.5)	8.3	29.7
Raw Material Expenses	4,60,488	5,11,964	4,82,217	5,25,950
Gross Profit	2,61,805	2,72,426	2,37,129	2,70,164
Margin (%)	36.2	34.7	33.0	33.9
EBITDA	90,568	1,14,796	58,724	87,178
YoY gr. (%)	(29.0)	(21.5)	(19.6)	41.3
Margin (%)	12.5	14.6	8.2	11.0
Depreciation / Depletion	83,707	91,846	85,329	84,189
EBIT	6,861	22,950	(26,605)	2,989
Margin (%)	0.9	2.9	(3.7)	0.4
Net Interest	24,007	23,805	24,207	24,873
Other Income	10,164	4,582	1,196	4,146
Profit before Tax	(6,121)	(3,411)	(34,680)	(14,612)
Margin (%)	(0.8)	(0.4)	(4.8)	(1.8)
Total Tax	7,261	7,582	15,190	(4,571)
Effective tax rate (%)	(118.6)	(222.3)	(43.8)	31.3
Profit after Tax	(13,382)	(10,993)	(49,870)	(10,041)
Minority interest	651	408	556	463
Share Profit from Associates	(1,129)	1,073	360	1,057
Adjusted PAT	(16,023)	(3,190)	(65,002)	(12,572)
YoY gr. (%)	(148.1)	(105.6)	46.0	(71.7)
Margin (%)	(2.2)	(0.4)	(9.0)	(1.6)
Extra Ord. Income / (Exp)	862	(7,138)	14,936	3,126
Reported PAT	(15,161)	(10,328)	(50,066)	(9,446)
YoY gr. (%)	(152.2)	(86.4)	12.5	(78.7)
Margin (%)	(2.1)	(1.3)	(7.0)	(1.2)
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	-	-
Avg. Shares O/s (m)	3,829	3,829	3,829	3,829
EPS (Rs)	(4.2)	(0.8)	(17.0)	(3.3)

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY22	FY23E	FY24E	FY25E
Per Share(Rs)				
EPS	(27.2)	(13.6)	15.9	30.3
CEPS	61.7	75.6	109.4	129.9
BVPS	116.4	104.1	120.0	150.3
FCF	(60.5)	19.7	24.6	52.9
DPS	-	-	-	-
Return Ratio(%)				
RoCE	0.0	(0.2)	6.1	9.0
ROIC	0.0	(0.2)	6.8	11.4
RoE	(20.9)	(12.3)	14.1	22.4
Balance Sheet				
Net Debt : Equity (x)	1.9	2.1	1.7	1.0
Net Working Capital (Days)	(82)	(85)	(73)	(72)
Valuation(x)				
PER	(15.9)	(32.0)	27.3	14.3
P/B	3.7	4.2	3.6	2.9
P/CEPS	7.0	5.7	4.0	3.3
EV/EBITDA	7.3	7.4	5.1	4.0
EV/Sales	0.9	0.8	0.6	0.5
Dividend Yield (%)	-	-	-	-

Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY22	FY23E	FY24E	FY25E
Volume (units)	3,56,972	4,20,003	4,83,004	5,31,304
Net realisation (Rs/unit)	12,78,177	14,10,584	14,71,669	15,18,738

Source: Company Data, PL Research

Price Chart
Recommendation History


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	06-Oct-22	BUY	570	408
2	28-Jul-22	BUY	535	444
3	08-Jul-22	BUY	555	431
4	13-May-22	BUY	600	372
5	11-Apr-22	BUY	656	452
6	01-Feb-22	BUY	632	518
7	12-Jan-22	BUY	611	480

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Ashok Leyland	BUY	200	156
2	Bajaj Auto	Hold	3,865	3,571
3	Bharat Forge	BUY	875	707
4	CEAT	Accumulate	1,775	1,617
5	Eicher Motors	BUY	4,225	3,548
6	Endurance Technologies	BUY	1,600	1,394
7	Exide Industries	UR	-	157
8	Hero Motocorp	BUY	3,175	2,598
9	InterGlobe Aviation	Accumulate	2,015	1,798
10	Mahindra & Mahindra	BUY	1,500	1,262
11	Maruti Suzuki	BUY	10,230	9,493
12	Tata Motors	BUY	570	408
13	TVS Motors	BUY	1,275	1,114

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

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