

TATA MOTORS

RESULT UPDATE

KEY DATA

Rating	REDUCE
Sector relative	Underperformer
Price (INR)	640
12 month price target (INR)	610
52 Week High/Low	1,142/536
Market cap (INR bn/USD bn)	2,333/26.6
Free float (%)	53.0
Avg. daily value traded (INR mn)	9,349.8

SHAREHOLDING PATTERN

	Jun-25	Mar-25	Dec-24
Promoter	42.57%	42.58%	42.58%
FII	17.17%	17.84%	18.66%
DII	16.93%	16.88%	16.54%
Pledge	0.00%	0.00%	0.00%

FINANCIALS

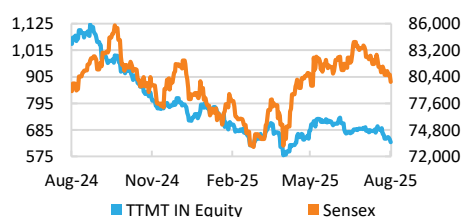
(INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Revenue	4396950	4500913	4831064	5120461
EBITDA	552,160	474,450	549,210	612,496
Adjusted profit	274,580	180,300	215,554	245,402
Diluted EPS (INR)	74.6	49.0	58.6	66.7
EPS growth (%)	(11.6)	(34.3)	19.6	13.8
RoAE (%)	27.7	14.6	15.4	15.4
P/E (x)	8.6	13.1	10.9	9.6
EV/EBITDA (x)	5.0	5.6	4.8	4.1
Dividend yield (%)	0.9	1.4	1.5	1.5

CHANGE IN ESTIMATES

	Revised estimates		% Revision	
Year to March	FY26E	FY27E	FY26E	FY27E
Revenue	4500913	4831064	5	4
EBITDA	474,450	549,210	-7	-6
Adjusted profit	180,300	215,554	-4	-2
Diluted EPS (INR)	49.0	58.6	-4	-2

PRICE PERFORMANCE



A cold start: weak quarter; outlook subdued

TTMT's Q1FY26 EBITDA fell 35% YoY to INR97.2bn (estimate: INR99.7bn) led by a 46% drop in JLR due to weak volumes, US tariffs and forex losses. India PV EBITDA fell 36% YoY due to lower scale, higher discounts and transition to new models. A lower margin assumption in JLR/India PV pares our FY26E/27E EBITDA by 6%/7%.

We build in a revenue/EBITDA CAGR of 5%/4% over FY25–28E. For JLR, we expect muted volume growth (1% CAGR) due to discontinuation of 'Jaguar' models, weak China/Europe sales and tariffs in US. Moreover, we expect a muted showing in India CV (1% CAGR) on a high base, reasonable utilisation for transporters and competition from Railways. Retain 'REDUCE' with a Sep-26E TP of INR610 (earlier Mar-26E INR670).

Q1FY26 EBITDA slightly above estimate

Consolidated revenue declined 3% YoY to INR1,044.1bn (estimate: INR1,011.1bn), above estimate due to better realisations at the JLR and India CV divisions. Consolidated EBITDA fell 35% to INR97.2bn (estimate: INR99.7bn), slightly below our estimate, owing to softer-than-expected EBITDA in the India PV segment. EBITDA margin contracted 470bp YoY to 9.3%. **JLR** revenue fell 9% YoY to GBP6.6bn led by a volume decline of 11% and realisation growth of 2%. EBITDA fell 46% YoY to GBP616mn (estimate: GBP621mn), in line with estimate. EBITDA was impacted due to US trade tariff and forex losses. **Standalone (India CV)** revenue dipped 7% YoY to INR156.8bn led by a decline in volume/realisation of 6%/1% YoY. EBITDA dipped 3% to INR18.6bn (estimate: INR17.7bn), above estimate owing to a better-than-expected gross margin. **India PV** revenue fell 7% to INR110.0bn led by a volume drop of 10% and realisation growth of 3%. EBITDA fell 36% YoY to INR4.3bn (estimate: INR8.1bn), below estimates due to lower scale, higher discounts and transition to new models.

JLR and India CV volume growth to moderate going ahead

We are building in a moderate 5% revenue CAGR over FY25–28E owing to muted volume growth at JLR (1% CAGR) and in India CV (1% CAGR). In JLR, discontinuance of 'Jaguar' models, loss of market share in the China region and imposition of tariffs in the US region shall lead to volume contraction ahead. Furthermore, we reckon a muted performance in the India CV division owing to reasonable utilisation levels with transporters, increasing competition from Railways (with commencement of the western DFC) and a high base. Although the company is focusing on cost savings, a muted demand outlook and increasing marketing/sales promotion spends in the global and domestic markets, would lead to a moderate 4% EBITDA CAGR over FY25–28E.

Financials

Year to March	1Q FY26	1Q FY25	YoY (%)	4Q FY25	QoQ (%)
Net Revenue	1,044,070	1,071,020	-2.5	1,195,030	-12.6
EBITDA	97,240	149,720	-35.1	166,440	-41.6
Adjusted Profit	34,800	53,240	-34.6	88,620	-60.7
Diluted EPS (INR)	9.5	26.6	-64.4	24.1	-60.7

Financial Statements

Income Statement (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Total operating income	4,396,950	4,500,913	4,831,064	5,120,461
Gross profit	1,679,090	1,683,341	1,811,649	1,920,173
Employee costs	477,670	508,603	531,417	563,251
Other expenses	649,260	700,288	731,022	744,426
EBITDA	552,160	474,450	549,210	612,496
Depreciation	232,560	237,770	271,559	303,466
Less: Interest expense	50,830	40,561	35,647	31,675
Add: Other income	62,440	63,689	64,326	64,969
Profit before tax	334,080	261,399	308,530	345,178
Prov for tax	105,020	77,909	89,786	96,586
Less: Other adj	52,430	0	0	0
Reported profit	278,300	180,300	215,554	245,402
Less: Excp.item (net)	0	0	0	0
Adjusted profit	274,580	180,300	215,554	245,402
Diluted shares o/s	3,680	3,680	3,680	3,680
Adjusted diluted EPS	74.6	49.0	58.6	66.7
DPS (INR)	6.0	9.1	9.4	9.6
Tax rate (%)	31.4	29.8	29.1	28.0

Important Ratios (%)

Year to March	FY25A	FY26E	FY27E	FY28E
Gross profit margin (%)	38.2	37.4	37.5	37.5
Staff cost % sales	10.9	11.3	11.0	11.0
Other expenses % sales	14.8	15.6	15.1	14.5
EBITDA margin (%)	12.6	10.5	11.4	12.0
Net profit margin (%)	6.2	4.0	4.5	4.8
Revenue growth (% YoY)	1.3	2.4	7.3	6.0
EBITDA growth (% YoY)	(4.5)	(14.1)	15.8	11.5
Adj. profit growth (%)	(15.1)	(34.3)	19.6	13.8

Assumptions

Year to March	FY25A	FY26E	FY27E	FY28E
JLR (ex CJLR) Vol (units in 000s)	400.9	380.2	398.2	418.5
JLR Growth (%)	(0.1)	(5.2)	4.7	5.1
India CV Vol (units in 000s)	384.7	389.0	396.8	399.4
India CV Growth (%)	(5.1)	1.1	2.0	0.7
India PV Vol (units in 000s)	556.3	584.8	625.3	645.2
India PV Growth (%)	(3.0)	5.1	6.9	3.2

Valuation Metrics

Year to March	FY25A	FY26E	FY27E	FY28E
Diluted P/E (x)	8.6	13.1	10.9	9.6
Price/BV (x)	2.0	1.8	1.6	1.4
EV/EBITDA (x)	5.0	5.6	4.8	4.1
Dividend yield (%)	0.9	1.4	1.5	1.5

Source: Company and Nuvama estimates

Balance Sheet (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Share capital	7,360	7,360	7,360	7,360
Reserves	1,154,080	1,300,866	1,481,663	1,691,908
Shareholders funds	1,161,440	1,308,226	1,489,023	1,699,268
Minority interest	66,100	69,290	72,480	75,670
Borrowings	790,940	683,994	612,250	539,561
Trade payables	1,362,130	1,319,164	1,376,220	1,416,574
Other liabs & prov	334,050	351,733	370,227	386,118
Total liabilities	3,714,660	3,732,406	3,920,200	4,117,190
Net block	563,464	681,358	763,987	820,364
Intangible assets	593,506	623,182	654,341	687,058
Capital WIP	658,060	559,114	566,328	566,328
Total fixed assets	1,815,030	1,863,653	1,984,655	2,073,749
Non current inv	356,560	346,560	336,560	326,560
Cash/cash equivalent	408,340	360,633	352,222	395,434
Sundry debtors	132,480	135,612	145,560	154,279
Loans & advances	216,640	221,762	238,029	252,288
Other assets	785,610	804,185	863,174	914,881
Total assets	3,714,660	3,732,406	3,920,200	4,117,190

Free Cash Flow (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Reported profit	325,110	197,710	244,204	280,209
Add: Depreciation	232,560	237,770	271,559	303,466
Interest (net of tax)	26,100	40,561	35,647	31,675
Others	(56,840)	0	0	0
Less: Changes in WC	81,560	(64,846)	(12,427)	(20,552)
Operating cash flow	568,580	334,584	450,728	499,923
Less: Capex	(370,680)	(286,393)	(392,560)	(392,560)
Free cash flow	197,900	48,191	58,168	107,363

Key Ratios

Year to March	FY25A	FY26E	FY27E	FY28E
RoE (%)	27.7	14.6	15.4	15.4
RoCE (%)	18.0	14.7	16.1	16.7
Inventory days	64	62	61	61
Receivable days	13	11	11	11
Payable days	170	174	163	159
Working cap (% sales)	(14.0)	(12.5)	(11.4)	(10.4)
Gross debt/equity (x)	0.6	0.5	0.4	0.3
Net debt/equity (x)	0.1	0.1	0	0
Interest coverage (x)	6.3	5.8	7.8	9.8

Valuation Drivers

Year to March	FY25A	FY26E	FY27E	FY28E
EPS growth (%)	(11.6)	(34.3)	19.6	13.8
RoE (%)	27.7	14.6	15.4	15.4
EBITDA growth (%)	(4.5)	(14.1)	15.8	11.5
Payout ratio (%)	7.9	18.6	16.1	14.3

Q1FY26 conference call: Key takeaways

Jaguar Land Rover

- **Guidance and outlook:** Despite Q1 being the weakest quarter, JLR has maintained its FY26 EBIT margin guidance of 5–7% (including the impact of revised tariffs) and expects full-year free cash flow to be close to zero, with Q2FY26 anticipated to see a gradual recovery as tariff-related uncertainty subsides.
- **Tariff impact:** At the start of Q1, US tariffs on vehicles exported from the UK and Europe increased to 27.5%, which JLR fully accounted for amounting to GBP254mn. With tariff payments made a month after shipment arrival, the company incurred two months of payments in Q1. Under the US-UK tariff quota, 100,000 units qualify for a reduced 10% rate, comfortably covering JLR's expected volumes.
- **US emission norms:** The reset of US federal CAFE targets to zero delivered a favourable GBP76mn P&L impact, while a separate reversal of emission-related provisions improved the balance sheet by GBP120mn.
- **Regional demand:** Europe is weak and China is subdued following the luxury tax change, while US remains positive, UK is stable and the Middle East continues to show strong demand despite conflict-related disruption.
- **China market:** Following the reduction of the luxury tax threshold from RMB1.3mn to RMB0.9mn, all Range Rover models will now be attracting 10% tax on list price. JLR will absorb the cost in the short term to safeguard volumes, while formulating a medium-term strategy to address the impact.
- **Q1 average selling price** reached a record ~GBP76,000, with ~77% of the mix comprising Range Rover, Range Rover Sport and Defender, underscoring the strategic focus on high-margin nameplates.
- **Model performance** in Q1FY26 was mixed. Range Rover, Range Rover Sport, and Defender gained strong momentum, while Evoque and Discovery volumes declined due to Halewood plant system upgrades and a strategic shift toward a premium mix. Jaguar production was confined to the F-Pace.
- **BEV:** Range Rover BEV launch remains on track for next year, alongside continued execution of Jaguar's electrification roadmap.
- **Inventory:** Retail inventory remains at the top end of the desired range, and no significant divergence is expected between retail and wholesale volumes going forward.

Commercial Vehicles

- **FY26 outlook:** CV segment is expected to grow by 3–5% in FY26. HCV segment is expected to grow by 3–5%, ILCV is expected to be a bit lower growth, SCV/Buses are expected to be flat.
- **Q2FY26 outlook:** TIV is likely to improve YoY on a lower base in Q2FY25 with normalization of monsoon, festive season build-up, and anticipated recovery in rural and infrastructure-led demand.
- **Volume** in Q1FY26 was weak owing to purchase postponement by customers and the early onset of monsoon.

- **EBITDA** has grown YoY due to better realization and material cost reduction.
- **CV market share** improved by 50bp QoQ to 36.1%.
- **New product launch:** The company launched the new ACE Pro in Q1FY26. While SCVPU volume stabilized at a lower level, the company expects the new model to drive growth and market share gains. Production is slated to ramp up beginning this month.
- Fleet indicators and transported profitability remain healthy; however, customer sentiments are muted.
- **PLI:** The company has received PLI certification for Ace Pro EV. PLI incentive received in Q1FY26 stood at INR250mn.
- **Delinquencies** remain low for buses, vans and ILCVs. However, they are elevated in the SCV and pickup segments.
- **AC cabin regulation:** The company has transitioned its entire truck portfolio to air-conditioned cabins. Notably, the enforcement of the AC cabin regulation in the HCV and ILCV segments has not led to any pre-buying activity.

Passenger Vehicles

- **Outlook:** Management expects the PV industry to remain muted, with domestic PV growth likely to stay below 5% in FY26. Post weak Q1, H2FY26 is projected to improve on the back of strengthening rural demand post-monsoon and festive season.
- **Rare earth disruption:** The company is insulated from rare earth magnet shortages for the next two–three months while actively developing alternative sourcing outside China and pursuing ongoing initiatives to reduce its reliance on rare earth materials.
- **New product:** Sierra launch is on track for H2FY26E, with curated variants and competitive pricing aimed at improving volumes and model mix during the festive season.
- **PLI incentives** for Q1 stood at INR870mn and are expected to rise with the inclusion of Nexon EV and Harrier EV.
- **Margin: ICE margins** remained under pressure from steel cost inflation, adverse mix, and high discounting. However, cost reductions, curated variants of Harrier/Safari, and festive-led price hikes are expected to drive a 300–400bp margin improvement over the near term. **EV margins** improved YoY, even without PLI, driven by significant cost reductions. Including PLI benefits, the EV business broke even on EBITDA in Q1, with margins expected to rise further as the Harrier EV and other PLI-eligible models ramp up.
- **EV:** EV mix is expected to increase sharply to ~17% in Q2FY26 (from 13% in Q1FY26) driven by Harrier EV deliveries while Vahan-based market share is projected to rise from 36.7% in Q1 to about 40% in Q2, supported by the same.

Exhibit 1: Changes in estimates; FY26E/27E EBITDA cut by 6–7% due to lower margins in JLR and India PV business

INR mn	Old estimates		New estimates		Variance (%)		Introducing:	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY28E	
Net revenues	4,286,142	4,634,788	4,500,913	4,831,064	5	4	5,120,461	
EBITDA	511,016	583,476	474,450	549,210	-7	-6	612,496	
Adjusted Profit	187,595	220,488	180,300	215,554	-4	-2	245,402	
Diluted EPS (INR)	51.0	59.9	49.0	58.6	-4	-2	66.7	

Source: Nuvama Research

Exhibit 2: Key volume assumptions: Growth to moderate to single digits over FY25–28E

Volume (units in 000s)	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	FY25-28E CAGR (%)
JLR	294	321	401	401	380	398	418	1
Growth (%)	(15)	9	25	(0)	(5)	5	5	
India CVs	368	423	405	385	389	397	399	1
Growth (%)	37	15	(4)	(5)	1	2	1	
India PVs	375	547	574	556	585	625	645	5
Growth (%)	67	46	5	(3)	5	7	3	

Source: Company, Nuvama Research

Exhibit 3: Key revenue assumptions: 8% CAGR for India PV, 4% for JLR and 2% for India CV over FY25–28E

(GBP/INR bn)	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	FY25-28E Change
JLR revenue	18	23	29	29	28	30	33	4% CAGR
JLR EBIT (%)	-0.9	2.1	8.8	8.5	5.5	6.0	6.0	-251bps
India CV revenue	473	658	733	694	706	722	728	2% CAGR
India CV EBIT (%)	-0.3	4.6	8.0	8.7	9.1	8.9	8.5	-24bps
India PV revenue	326	489	510	490	539	590	619	8% CAGR
India PV EBIT (%)	-3.5	1.1	3.1	1.3	1.4	2.3	3.5	221bps

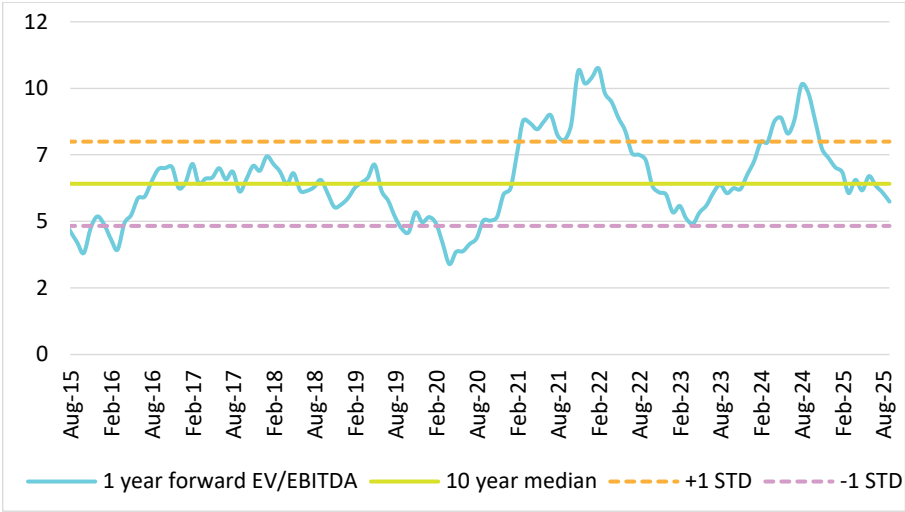
Source: Company, Nuvama Research

Exhibit 4: SotP at INR610/share

	Basis of valuation	Equity value (Rsmn)	Equity value (Rs/share)	Contribution to SOTP (%)	Remarks
India CV	EV/EBITDA 9x	812,331	221	36	multiple is at 30% discount to AL's historical valuations
India ICE-PV	EV/EBITDA 7x	285,290	78	13	multiple is at 40% discount to MSIL's historical valuations
India E-PV	Transaction value	258,125	70	11	transaction valuation with 50% holdco discount
JLR	EV/EBITDA 2x	700,067	190	31	multiple at premium to European peers
JLR China JV	EV/EBITDA 4x	60,451	16	3	
Tata Capital	P/B 3x FY25	37,440	10	2	applying 20% holdco discount
Tata Technologies	Current market cap	106,780	29	5	applying 20% holdco discount
Total			614		
Total (Rounded off)			610		

Source: Nuvama Research

Exhibit 5: One-year forward EV/EBITDA; 10-year median at 6x



Source: Bloomberg, Nuvama Research

Exhibit 6: Quarterly snapshot Consolidated (INRmn); EBITDA slightly below estimate

Year to March	1Q FY26	1Q FY25	YoY (%)	4Q FY25	QoQ (%)
Net revenues	1,044,070	1,071,020	(2.5)	1,195,030	(12.6)
Raw material	668,900	659,130	1.5	742,170	(9.9)
Staff costs	124,910	116,570	7.2	126,630	(1.4)
Other expenses	153,020	145,600	5.1	159,790	(4.2)
Total expenditure	946,830	921,300	2.8	1,028,590	(7.9)
EBITDA	97,240	149,720	(35.1)	166,440	(41.6)
Depreciation	53,200	65,650	(19.0)	52,950	0.5
EBIT	44,040	84,070	(47.6)	113,490	(61.2)
Less: Interest Expense	9,380	14,710	(36.2)	10,760	(12.8)
Add: Other income	15,190	15,100	0.6	15,090	0.7
Profit before tax	49,850	84,460	(41.0)	117,820	(57.7)
Less: Provision for Tax	15,580	31,780	(51.0)	29,480	(47.2)
Less: Minority Interest	(530)	(560)	(5.4)	(280)	89.3
Add: Exceptional items	4,440	3,190	39.2	(3,920)	(213.3)
Reported Profit	39,240	56,430	(30.5)	84,700	(53.7)
Adjusted Profit	34,800	53,240	(34.6)	88,620	(60.7)
P/(L) from discontinued ops before Tax	0	49,750		0	
Tax on discontinued ops	0	1,040		0	
P/(L) from discontinued ops after Tax	0	48,710		0	
Net profit for the period (adjusted)	34,800	101,950	(65.9)	88,620	(60.7)
No. of Diluted shares outstanding	3,680	3,835		3,680	
Adjusted Diluted EPS	9.5	26.6	(64.4)	24.1	(60.7)
As a % revenues					
Year to March	1Q FY26	1Q FY25	bps change (YoY)	4Q FY25	bps change (QoQ)
Gross margins	35.9	38.5	(252)	37.9	(196)
Raw material	64.1	61.5	252	62.1	196
Staff costs	12.0	10.9	108	10.6	137
Other expenses	14.7	13.6	106	13.4	128
EBIDTA	9.3	14.0	(467)	13.9	(461)
Adjusted net profit	3.3	5.0	(164)	7.4	(408)
Tax rate (% PBT)	31.3	37.6	(637)	25.0	623

Source: Company, Nuvama Research

Exhibit 7: Quarterly estimates standalone (INRmn)

Year to March	1Q FY26	1Q FY25	YoY (%)	4Q FY25	QoQ (%)
Net revenues	156,820	168,620	(7.0)	199,990	(21.6)
Raw material	105,210	115,560	(9.0)	137,130	(23.3)
Staff costs	11,630	11,510	1.0	11,100	4.8
Other expenses	21,380	22,390	(4.5)	26,780	(20.2)
Total expenditure	138,220	149,460	(7.5)	175,010	(21.0)
EBITDA	18,600	19,160	(2.9)	24,980	(25.5)
Depreciation	4,310	4,770	(9.6)	5,420	(20.5)
EBIT	14,290	14,390	(0.7)	19,560	(26.9)
Less: Interest Expense	2,200	3,440	(36.0)	2,520	(12.7)
Add: Other income	51,590	19,890	159.4	2,070	2,392.3
Profit before tax	63,680	30,840	106.5	19,110	233.2
Less: Provision for Tax	11,000	8,450	30.2	2,530	334.8
Less: Minority Interest					
Add: Exceptional items	820	(490)	(267.3)	(2,760)	(129.7)
Reported Profit	53,500	21,900	144.3	13,820	287.1
Adjusted Profit	52,680	22,390	135.3	16,580	217.7
No. of Diluted shares outstanding	3,680	3,832		3,680	
Adjusted Diluted EPS	14.3	5.8	145.0	4.5	217.7
As a % revenues					
Year to March	1Q FY26	1Q FY25	bps change (YoY)	4Q FY25	bps change (QoQ)
Gross margins	32.9	31.5	144	31.4	148
Raw material	67.1	68.5	(144)	68.6	(148)
Staff costs	7.4	6.8	59	5.6	187
Other expenses	13.6	13.3	36	13.4	24
EBIDTA	11.9	11.4	50	12.5	(63)
Adjusted net profit	33.6	13.3	2,031	8.3	2,530
Tax rate (% PBT)	17.3	27.4	(1,013)	13.2	403
Per unit analysis					
Volumes	85,606	91,209	(6)	105,643	(19)
NS/unit	1,815,994	1,834,468	(1)	1,880,768	(3)
NRV/unit	1,831,881	1,848,721	(1)	1,893,074	(3)
RM/unit	1,229,003	1,266,980	(3)	1,298,051	(5)
Emp/unit	135,855	126,194	8	105,071	29
Other exps/unit	249,749	245,480	2	253,495	(1)
EBITDA/unit	217,274	210,067	3	236,457	(8)
Adj PAT/unit	615,377	245,480	151	156,944	292

Source: Company, Nuvama Research

Exhibit 8: Quarterly snapshot JLR (GBP mn)

Year to March	1Q FY26	1Q FY25	YoY (%)	4Q FY25	QoQ (%)
Net revenues	6,604	7,273	(9.2)	7,727	(14.5)
Raw material	4,096	4,228	(3.1)	4,524	(9.5)
Staff costs	847	848	(0.1)	912	(7.1)
Other expenses	1,045	1,048	(0.3)	1,108	(5.7)
Total expenditure	5,988	6,124	(2.2)	6,544	(8.5)
EBITDA	616	1,149	(46.4)	1,183	(47.9)
Depreciation	356	510	(30.2)	356	-
EBIT	260	639	(59.3)	827	(68.6)
Less: Interest Expense	10	43	(76.7)	30	(66.7)
Add: Other income	0	0		0	
Profit before tax	250	596	(58.1)	797	(68.6)
Less: Provision for Tax	99	199	(50.3)	212	(53.3)
Less: Minority Interest	(5)	(6)	(16.7)	3	(266.7)
Add: Exceptional items	92	99	(7.1)	58	58.6
Reported Profit	248	502	(50.6)	640	(61.3)
Adjusted Profit	156	403	(61.3)	582	(73.2)
As a % revenues					
Year to March	1Q FY26	1Q FY25	bps change (YoY)	4Q FY25	bps change (QoQ)
Gross margins	38.0	41.9	(389)	41.5	(348)
Raw material	62.0	58.1	389	58.5	348
Staff costs	12.8	11.7	117	11.8	102
Other expenses	15.8	14.4	141	14.3	148
EBIDTA	9.3	15.8	(647)	15.3	(598)
Adjusted net profit	2.4	5.5	(318)	7.5	(517)
Tax rate (% PBT)	39.6	33.4	621	26.6	1,300
Per unit analysis					
Volumes	87,286	97,755	(10.7)	111,413	(22)
NS/unit	75,659	74,400	1.7	69,355	9
NRV/unit	75,659	74,400	1.7	69,355	9
RM/unit	46,926	43,251	8.5	40,606	16
Emp/unit	9,704	8,675	11.9	8,186	19
Other exps/unit	11,972	10,721	11.7	9,945	20
EBITDA/unit	7,057	11,754	(40.0)	10,618	(34)
Adj PAT/unit	1,787	4,123	(56.6)	5,224	(66)

Source: Company, Nuvama Research

Company Description

TTMT is India's largest commercial vehicle company and fourth-largest PV player. In PV, the company has products in the compact cars and utility vehicle segments. Through subsidiaries and associates, the company operates globally. The key among them is Jaguar Land Rover, the business comprising two iconic British brands – Jaguar and Land Rover (JLR).

Investment Theme

Tata Motors has witnessed robust growth over past four years, driven by cyclical upturn in JLR and domestic PVs/CVs, improving product mix, and margin expansion emanating from rising scale and cost-cutting measures. This has also supported in strengthening of balance sheet.

Going forward, we are building in a moderate 5% revenue CAGR over FY25–28E, owing to muted volume growth at JLR (1% CAGR) and in the India CV (1% CAGR) division. In JLR, discontinuation of 'Jaguar' models, loss of market share in China region and imposition of tariffs in US region, shall lead to volume contraction ahead. Furthermore, we expect a muted performance in the India CV division owing to reasonable utilization levels with transporters, increasing competition from Railways (with commencement of western DFC) and a high base. Although company is focussing on cost savings, muted demand outlook, and increasing marketing / sales promotion spends in global and domestic markets, should lead to a subdued 4% EBITDA CAGR over FY25-28E. Retain 'REDUCE' with SoTP at INR610.

Key Risks

- Higher than expected luxury-car demand in target markets
- Higher-than-expected growth in India, leading to increase in revenue estimates and lower marketing spends
- Reduction in commodity prices
- Benign currency movement

Additional Data

Management

Chairman	N. Chandrasekaran
CFO	Pathamadai B Balaji
ED - CV	Girish Wagh
MD - TMPVL & TPEML	Shailesh Chandra
Auditor	BSR & Co LLP

Holdings – Top 10*

% Holding		% Holding	
LIC	3.89	HDFC	1.34
SBI Funds	2.78	Jhunjhunwala Re	1.30
Vanguard Group	2.35	UTI AMC	0.83
BlackRock Inc	2.03	Franklin Resources	0.79
ICICI Pru	1.88	Nippon Life AMC	0.78

*Latest public data

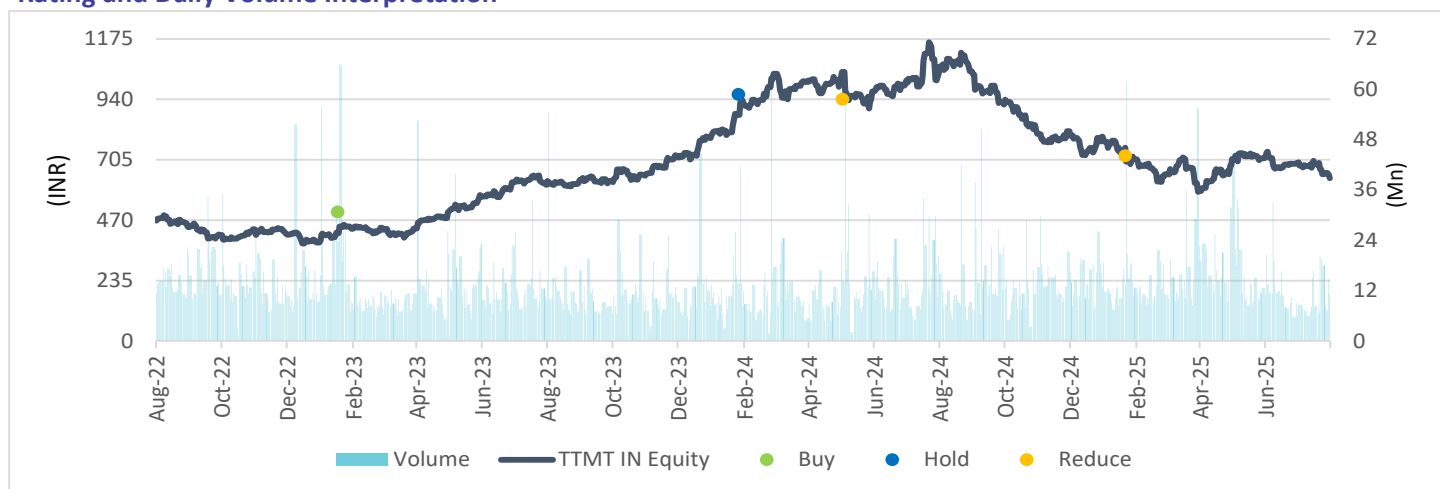
Recent Company Research

Date	Title	Price	Reco
31-Jul-25	Iveco acquisition at 2x CY24 EV/EBITDA; <i>Nuvama Flash</i>	668	Reduce
30-Jul-25	Iveco buyout to cement global CV footpri; <i>Nuvama Flash</i>	669	Reduce
16-Jun-25	JLR – Driving through tough times; <i>Company Update</i>	686	Reduce

Recent Sector Research

Date	Name of Co./Sector	Title
07-Aug-25	Hero Motocorp	Launches, rural sales to aid growth ahea; <i>Result Update</i>
07-Aug-25	SKF India	Q1 in-line; auto, industrials growth to ; <i>Result Update</i>
06-Aug-25	UNOMINDA	Q1 in-line; outlook remains positive; <i>Result Update</i>

Rating and Daily Volume Interpretation



Source: Bloomberg, Nuvama research

Rating Rationale & Distribution: Nuvama Research

Rating	Expected absolute returns over 12 months	Rating Distribution
Buy	15%	202
Hold	<15% and >-5%	66
Reduce	<-5%	36

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