BUY Tata Motors

Accelerating CV volumes; prefer to play the upcycle with TMCV

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Auto & Auto Ancillaries ▸ Result Update ▸ **January 30, 2026** | **CMP (Rs): 470 | TP (Rs): 650**

Tata Motors CV (TMCV) posted a steady Q3, with revenue up ~20% YoY to Rs204bn, driven by market-share gains in domestic MHCVs (up by 96bps QoQ at ~47.9%). However, it missed our estimates by ~3% due to ~2% decline in ASP QoQ, primarily owing to an unfavorable volume mix shift (lean bus quarter and higher SCV volumes). PAT beat our estimate by ~11% (~Rs19bn) mainly on account of lower-than-expected tax expense. Per the management, underlying demand remains robust, led by improving freight rates (+2-5% post GST 2.0), rising E-way bill volumes (+23% YoY), and improving transporter profitability, thus accelerating replacement demand. Commodity headwinds (~50bps margin impact each in Q3/Q4) have largely been mitigated via ~1% portfolio-wide price hikes taken in Jan-26, with continued focus on margins with price hikes and sustained reduction in discounts. We believe the overall CV demand environment remains constructive, with double-digit growth likely to sustain till H1FY27 – TMCV should lead this multi-year upcycle in our view (A turning CV cycle; TMCV to lead). We keep FY26E-28E EPS and TP of Rs650 (16x Dec-27E EV/EBITDA and Iveco at Rs80/sh) unchanged, and retain BUY.

Steady Q3 with healthy margins; volume mix shift led to decline in ASP

Revenue was up 20% YoY to Rs204bn (Emkay: Rs210bn; a 3% miss), mainly on account of a ~2% fall in ASP. Gross margin (GM) was down by ~95bps QoQ at ~30.1% in Q3, on account of RM pressure. EBITDA was up 30% YoY to Rs26.1bn, with margin at 12.8%; overall, PAT though beat consensus'/our estimates by ~11% (~Rs19bn), mainly on account of lower-than-expected tax expense. Exceptional items include impact from the New Labor Code (of Rs6bn), demerger (Rs10bn), acquisition cost (Rs820mn).

KTAs

1) MHCVs (trucks) saw sharp recovery in Q3 after a flat H1, with HCV at +23% YoY and ICV at +26% YoY, led by replacement demand post GST 2.0 (on lower upfront cost) and better transporter cash flows. Double-digit growth is likely to sustain till H1FY27 due to a low base effect. 2) ASPs saw a dip in Q3 QoQ, despite higher HCV mix, mainly due to a leaner bus quarter and higher small vans/SCVs volumes. 4) A ~50bps margin headwind in Q3 from commodity pressure was offset by the ~1% price hike in Jan-26. However, steel prices are rising and are likely to pose headwinds in Q4FY26. 5) The mgmt stated some casting suppliers were facing capacity bottlenecks; however, debottlenecking is underway. 6) Freight rates are up ~2-5% post GST 2.0, improving transporter profitability while e-Way bill volume is up 23% YoY, indicating strong freight movement. 7) Q4/Q1 are seasonally the strongest for buses; expects a high single-digit growth in FY27. TMCV is participating in the ~Rs63bn CESL tender, smaller state-level tenders, and Smart City projects (~3.6k buses). 8) Financier data shows stabilization with better underwriting discipline and improvement in laggard states such as UP/AP/Karnataka. 9) Exports are below the FY17 peak volumes. Demand is seen across markets like Sri Lanka, SAARC, Middle East, Africa with a strong FY27 double-digit growth guidance. 10) Iveco deal + EU FTA could unlock cross-selling, sourcing synergies (products + components).

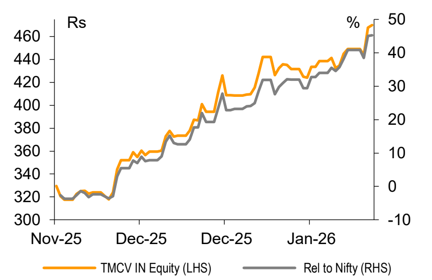
Target Price – 12M	Dec-26
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	38.3

Stock Data	**TMCV IN**
52-week High (Rs)	476
52-week Low (Rs)	306
Shares outstanding (mn)	3,682.3
Market-cap (Rs bn)	1,731
Market-cap (USD mn)	18,829
Net-debt, FY26E (Rs mn)	(18,739.0)
ADTV-3M (mn shares)	0.0
ADTV-3M (Rs mn)	0.0
ADTV-3M (USD mn)	0.0
Free float (%)	0.0
Nifty-50	25,418.9
INR/USD	92.0
Shareholding,	
Promoters (%)	42.6
FPIs/MFs (%)	18.3/16.9

Price Performance

(%)	1M	3M	12M
Absolute	14.8	0.0	0.0
Rel. to Nifty	17.2	0.0	0.0

1-Year share price trend (Rs)



Tata Motors: Financial Snapshot (Standalone)

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	733,031	694,190	779,479	861,260	952,872
EBITDA	78,701	80,820	102,940	114,602	127,268
Adj. PAT	53,486	58,480	67,935	76,332	84,830
Adj. EPS (Rs)	14.0	15.3	18.5	20.7	23.1
EBITDA margin (%)	10.7	11.6	13.2	13.3	13.4
EBITDA growth (%)	0	2.7	27.4	11.3	11.1
Adj. EPS growth (%)	0	9.3	20.9	12.4	11.1
RoE (%)	0	137.9	68.5	50.3	36.5
RoIC (%)	0	941.4	653.4	956.1	6,274.9
P/E (x)	22.8	33.0	16.1	22.7	20.4
EV/EBITDA (x)	22.9	22.5	16.6	14.2	12.1
P/B (x)	0	21.2	15.2	9.1	6.3
FCFF yield (%)	0	0	2.4	5.4	6.4

Source: Company, Emkay Research

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Exhibit 1: TMCV snapshot – TMCV continues to gain market share in domestic MHCVs; however, ASPs took a 2% dip QoQ owing to an unfavorable shift in the overall volume mix

Volumes (no of units)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)
Domestic MHCVs	**53,105**	**44,023**	*20.6*	**41,461**	*28.1*
--Trucks	48,934	38,606	*26.8*	36,864	*32.7*
--Buses	4,171	5,417	*-23.0*	4,597	*-9.3*
Domestic LCVs	51,100	47,237	*8.2*	41,470	*23.2*
Exports	7,629	4,457	*71.2*	7,574	*0.7*
Total Volumes	**111,834**	**95,717**	***16.8***	**90,505**	***23.6***
ASP (Rs)	1,825,126	1,780,248	*2.5*	1,862,991	*-2.0*
Domestic MHCV Market Share (%)	**47.9**	**48.6**	***(65) bps***	**46.9**	***96 bps***

Source: Company, Emkay Research

Exhibit 2: Revenue was up ~20% YoY/21% QoQ with EBITDAM at ~12.8% (vs 11.8% in Q3FY25)

Particulars (Rs mn)	Q2FY25	Q3FY25	Q1FY26	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
Revenue	155,180	170,400	156,820	168,610	204,040	*19.7*	*21.0*
RM Costs	105,290	117,170	105,210	116,320	142,710	*21.8*	*22.7*
% of revenue	*67.9*	*68.8*	*67.1*	*69.0*	*69.9*		
Gross Profit	49,890	53,230	51,610	52,290	61,330	*15.2*	*17.3*
Gross margin (%)	*32.1*	*31.2*	*32.9*	*31.0*	*30.1*		
Employee Costs	11,410	11,120	11,640	11,600	11,520	*3.6*	*-0.7*
% of revenue	*7.4*	*6.5*	*7.4*	*6.9*	*5.6*		
Product development expenses	2,740	2,680	1,730	2,030	1,590	*-40.7*	*-21.7*
% of revenue	*1.8*	*1.6*	*1.1*	*1.2*	*0.8*		
Other expenses	19,330	19,380	18,370	17,890	22,160	*14.3*	*23.9*
% of revenue	*12.5*	*11.4*	*11.7*	*10.6*	*10.9*		
EBITDA	**16,410**	**20,050**	**19,870**	**20,770**	**26,060**	*30.0*	*25.5*
EBITDA Margin (%)	***10.6***	***11.8***	***12.7***	***12.3***	***12.8***		
Depreciation	4,840	4,880	4,230	4,120	4,170	*-14.5*	*1.2*
EBIT	11,570	15,170	15,640	16,650	21,890	*44.3*	*31.5*
EBIT Margin (%)	***7.5***	***8.9***	***10.0***	***9.9***	***10.7***		
Interest	2110	2200	1740	1860	1430	*-35.0*	*-23.1*
Other Income	1760	3060	2450	2780	2720	*-11.1*	*-2.2*
PBT	11,220	16,030	16,350	17,570	23,180	*44.6*	*31.9*
Tax	4460	1620	2140	4120	2120	*30.9*	*-48.5*
Tax Rate (%)	*39.8*	*10.1*	*13.1*	*23.4*	*9.1*		
Adj PAT	**6,760**	**14,410**	**14,210**	**13,450**	**21,060**	*46.1*	*56.6*
PAT Margin (%)	***4.4***	***8.5***	***9.1***	***8.0***	***10.3***		
Exceptional Items	-330	-240	-100	-23660	-15450		
Report PAT	**6,430**	**14,170**	**14,110**	**-10,210**	**5,610**		
PAT Margin (%)	***4.1***	***8.3***	***9.0***	***-6.1***	***2.7***		

(%)	Q2FY25	Q3FY25	Q1FY26	Q2FY26	Q3FY26	YoY bps	QoQ bps
Gross Margin	32.1	31.2	32.9	31.0	30.1	*-118*	*-95*
EBITDAM	10.6	11.8	12.7	12.3	12.8	*101*	*45*
EBITM	7.5	8.9	10.0	9.9	10.7	*183*	*85*
PATM	4.4	8.5	9.1	8.0	10.3	*186*	*234*
Effective Tax Rate	39.8	10.1	13.1	23.4	9.1	*-96*	*-1,430*

Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions

Exhibit 3: TMCV's volume mix has tilted toward higher tonnage trucks following the axle-norm changes in FY19; TMCV has gained share in the HCV space, wherein its market share in the >25MT category has risen by ~600bps in the last 1Y

TMCV - Volume (no of units)	FY19	FY20	FY21	FY22	FY23	FY24	1QFY25	2QFY25	Q3FY25	4QFY25	1QFY26	2QFY26	3QFY26
MHCV - Goods	**181,265**	**97,419**	**79,782**	**123,810**	**159,008**	**158,370**	**34,793**	**33,342**	**38,606**	**44,885**	**32,135**	**36,864**	**48,934**
ICV	**49,273**	**27,221**	**21,507**	**35,769**	**30,981**	**19,057**	**4,274**	**4,027**	**4,225**	**4,683**	**3,899**	**5,073**	**6,736**
7.5 - 12 MT	*30,160*	*19,616*	*11,868*	*16,984*	*14,883*	*13,873*	*3,171*	*3,542*	*3,584*	*3,873*	*3,468*	*4,518*	*6,012*
>12- 14.5 MT	*0*	*1,666*	*5,355*	*1,784*	*1,669*	*1,269*	*366*	*384*	*569*	*620*	*394*	*459*	*716*
>14.5- 16.2 MT	*19,113*	*5,939*	*4,284*	*17,001*	*14,429*	*3,915*	*737*	*101*	*72*	*190*	*37*	*96*	*8*
HCV	**102,711**	**58,199**	**49,396**	**69,713**	**93,022**	**97,673**	**20,848**	**20,624**	**24,369**	**28,323**	**19,642**	**23,136**	**31,908**
>16.2 - 18.5 MT	*0*	*10,633*	*8,628*	*3,028*	*8,796*	*20,317*	*5,818*	*6,411*	*7,107*	*8,252*	*6,057*	*7,100*	*8,047*
>18.5 - 25 MT	*45,443*	*19,290*	*4,915*	*10,864*	*8,670*	*2,644*	*24*	*12*	*195*	*212*	*446*	*645*	*774*
>25 MT	*57,268*	*28,276*	*35,853*	*55,821*	*75,556*	*74,712*	*15,006*	*14,201*	*17,067*	*19,859*	*13,139*	*15,391*	*23,087*
Tractor trailers	**29,281**	**11,999**	**8,879**	**18,328**	**35,005**	**41,640**	**9,671**	**8,691**	**10,012**	**11,879**	**8,594**	**8,655**	**10,290**
MHCV - Passenger	**14,447**	**14,809**	**2,514**	**4,523**	**11,452**	**16,068**	**5,556**	**4,030**	**5,417**	**6,666**	**5,235**	**4,597**	**4,171**
Domestic MHCVs	**195,712**	**112,228**	**82,296**	**128,333**	**170,460**	**174,438**	**40,349**	**37,372**	**44,023**	**51,551**	**37,370**	**41,461**	**53,105**
Domestic LCVs	**251,611**	**192,062**	**158,110**	**191,083**	**217,106**	**191,842**	**42,138**	**38,605**	**44,786**	**44,086**	**36,672**	**41,470**	**59,599**
Exports (MHCVs + LCVs)	**50,456**	**27,192**	**20,071**	**34,599**	**20,112**	**17,677**	**3,540**	**4,293**	**4,457**	**5,874**	**5,969**	**7,574**	**7,373**
Total CV Volumes	**497,779**	**331,482**	**260,477**	**354,015**	**407,678**	**383,957**	**86,027**	**80,270**	**93,266**	**101,511**	**80,011**	**90,505**	**120,077**

TMCV - Volumes mix (%)	FY19	FY20	FY21	FY22	FY23	FY24	1QFY25	2QFY25	Q3FY25	4QFY25	1QFY26	2QFY26	3QFY26
MHCV - Goods	**36.4**	**29.4**	**30.6**	**35.0**	**39.0**	**41.2**	**40.4**	**41.5**	**41.4**	**44.2**	**40.2**	**40.7**	**40.8**
ICV	**9.9**	**8.2**	**8.3**	**10.1**	**7.6**	**5.0**	**5.0**	**5.0**	**4.5**	**4.6**	**4.9**	**5.6**	**5.6**
7.5 - 12 MT	*6.1*	*5.9*	*4.6*	*4.8*	*3.7*	*3.6*	*3.7*	*4.4*	*3.8*	*3.8*	*4.3*	*5.0*	*5.0*
>12- 14.5 MT	*0.0*	*0.5*	*2.1*	*0.5*	*0.4*	*0.3*	*0.4*	*0.5*	*0.6*	*0.6*	*0.5*	*0.5*	*0.6*
>14.5- 16.2 MT	*3.8*	*1.8*	*1.6*	*4.8*	*3.5*	*1.0*	*0.9*	*0.1*	*0.1*	*0.2*	*0.0*	*0.1*	*0.0*
HCV	***20.6***	***17.6***	***19.0***	***19.7***	***22.8***	***25.4***	***24.2***	***25.7***	***26.1***	***27.9***	***24.5***	***25.6***	***26.6***
>16.2 - 18.5 MT	*0.0*	*3.2*	*3.3*	*0.9*	*2.2*	*5.3*	*6.8*	*8.0*	*7.6*	*8.1*	*7.6*	*7.8*	*6.7*
>18.5 - 25 MT	*9.1*	*5.8*	*1.9*	*3.1*	*2.1*	*0.7*	*0.0*	*0.0*	*0.2*	*0.2*	*0.6*	*0.7*	*0.6*
>25 MT	*11.5*	*8.5*	*13.8*	*15.8*	*18.5*	*19.5*	*17.4*	*17.7*	*18.3*	*19.6*	*16.4*	*17.0*	*19.2*
Tractor trailers	**5.9**	**3.6**	**3.4**	**5.2**	**8.6**	**10.8**	**11.2**	**10.8**	**10.7**	**11.7**	**10.7**	**9.6**	**8.6**
MHCV Passengers	**2.9**	**4.5**	**1.0**	**1.3**	**2.8**	**4.2**	**6.5**	**5.0**	**5.8**	**6.6**	**6.5**	**5.1**	**3.5**
Domestic MHCVs	**39.3**	**33.9**	**31.6**	**36.3**	**41.8**	**45.4**	**46.9**	**46.6**	**47.2**	**50.8**	**46.7**	**45.8**	**44.2**
Domestic LCVs	**50.5**	**57.9**	**60.7**	**54.0**	**53.3**	**50.0**	**49.0**	**48.1**	**48.0**	**43.4**	**45.8**	**45.8**	**49.6**
Exports (MHCVs + LCVs)	**10.1**	**8.2**	**7.7**	**9.8**	**4.9**	**4.6**	**4.1**	**5.3**	**4.8**	**5.8**	**7.5**	**8.4**	**6.1**

TMCV - Market share (%)	FY19	FY20	FY21	FY22	FY23	FY24	1QFY25	2QFY25	Q3FY25	4QFY25	1QFY26	2QFY26	3QFY26
MHCV Goods	**51.6**	**52.8**	**52.0**	**54.1**	**49.6**	**49.5**	**50.7**	**47.9**	**50.4**	**48.5**	**49.1**	**49.7**	**51.2**
ICV	**42.1**	**40.2**	**40.7**	**46.2**	**40.5**	**33.8**	**35.4**	**32.9**	**33.8**	**32.3**	**34.7**	**35.8**	**37.6**
7.5 - 12 MT	*39.5*	*47.6*	*42.4*	*48.8*	*42.2*	*36.8*	*34.1*	*37.0*	*36.4*	*33.9*	*36.7*	*37.7*	*40.2*
>12- 14.5 MT		*26.8*	*57.2*	*35.1*	*30.8*	*25.5*	*34.7*	*31.3*	*35.9*	*36.8*	*38.1*	*33.8*	*38.8*
>14.5- 16.2 MT	*47.0*	*29.2*	*27.5*	*45.4*	*40.2*	*28.4*	*43.0*	*7.1*	*6.8*	*13.6*	*4.8*	*11.8*	*0.7*
HCV	***63.1***	***59.9***	***57.1***	***56.4***	***50.0***	***50.2***	***50.9***	***48.2***	***51.1***	***49.6***	***49.2***	***51.1***	***52.9***
>16.2 - 18.5 MT		*77.2*	*69.3*	*32.6*	*32.7*	*46.3*	*48.8*	*48.1*	*50.9*	*49.2*	*50.0*	*49.2*	*46.3*
>18.5 - 25 MT	*58.6*	*57.2*	*36.7*	*51.4*	*36.8*	*10.4*	*0.5*	*0.2*	***3.7***	***2.8***	***7.5***	***9.8***	***10.0***
>25 MT	*67.3*	*56.9*	*59.0*	*59.9*	*55.8*	*59.7*	*62.5*	*59.7*	***60.0***	***60.8***	***60.1***	***63.6***	***65.6***
Tractor trailers	**41.0**	**61.5**	**64.0**	**66.1**	**60.3**	**60.3**	**62.2**	**59.5**	**61.0**	**56.5**	**60.4**	**58.5**	**59.6**
MHCV Passengers	**36.5**	**37.0**	**34.3**	**38.3**	**29.8**	**29.9**	**32.7**	**29.6**	**39.9**	**29.5**	**28.9**	**32.9**	**27.6**
Domestic MHCVs	**50.1**	**50.0**	**51.2**	**53.3**	**47.5**	**46.7**	**47.2**	**44.9**	**48.8**	**44.7**	**44.7**	**47.0**	**48.0**
Domestic LCVs	**40.8**	**39.0**	**38.8**	**40.1**	**36.0**	**32.2**	**30.4**	**27.8**	**30.4**	**27.9**	**26.3**	**27.3**	**33.1**
Exports (MHCVs + LCVs)	**98.4**	**46.2**	**39.9**	**37.5**	**25.6**	**26.9**	**22.5**	**21.8**	**20.2**	**25.0**	**30.7**	**31.5**	**29.9**
Overall CV market share	**47.0**	**42.7**	**42.1**	**43.8**	**39.2**	**37.1**	**35.8**	**33.2**	**35.9**	**34.2**	**33.0**	**34.3**	**38.1**

Source: Company, Emkay Research

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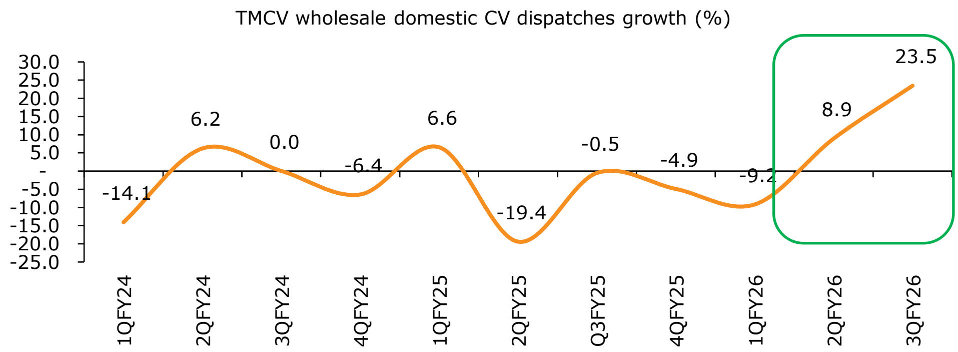
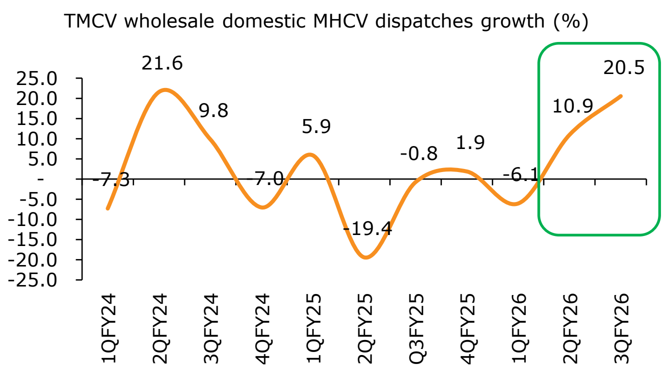
Exhibit 4: Post GST rate cut, TMCV's wholesale CV dispatches have started gathering speed…



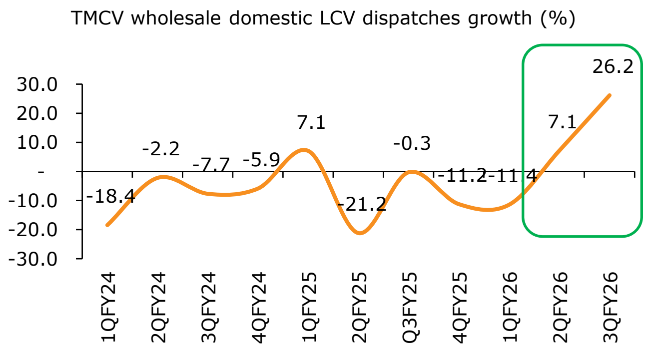
Source: Company, Emkay Research

Exhibit 5: …with growth being led by both MHCV (up 10.9%/20.5% in Nov/Dec-25)…



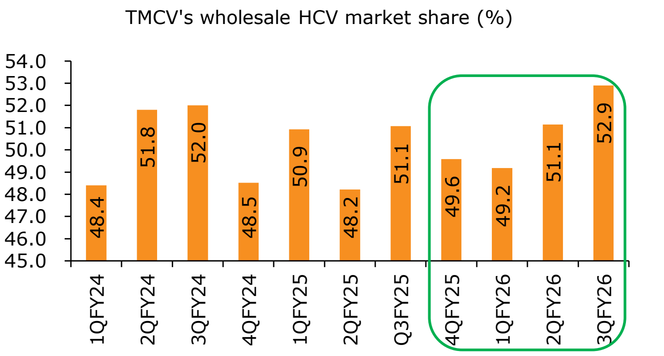
Source: Company, Emkay Research

Exhibit 6: …and LCV (up ~7.1/26.2% in Nov/Dec-25) dispatches



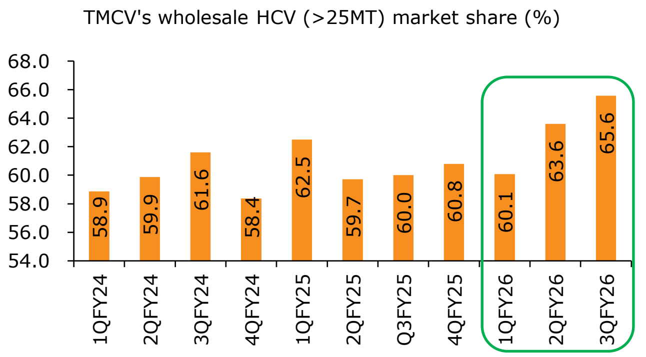
Source: Company, Emkay Research

Exhibit 7: MHCV's wholesale HCV market share has seen share gain…



Source: SIAM, Emkay Research

Exhibit 8: …led by substantial share gains by TMCV in the >25MT trucks



Source: SIAM, Emkay Research

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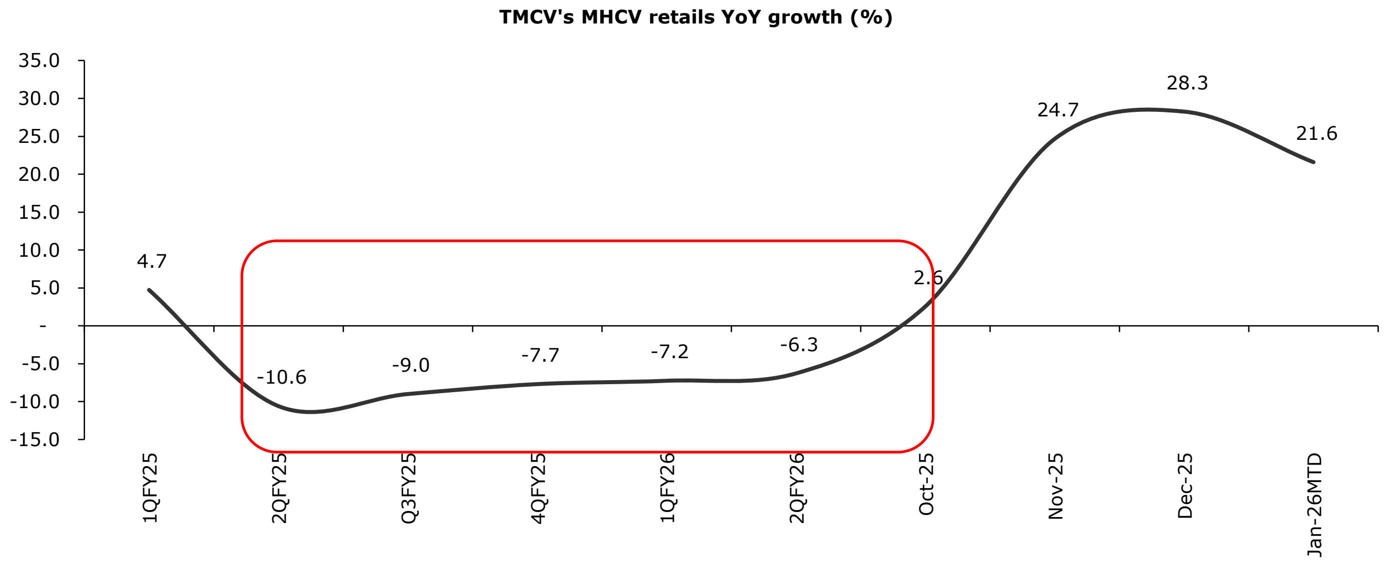
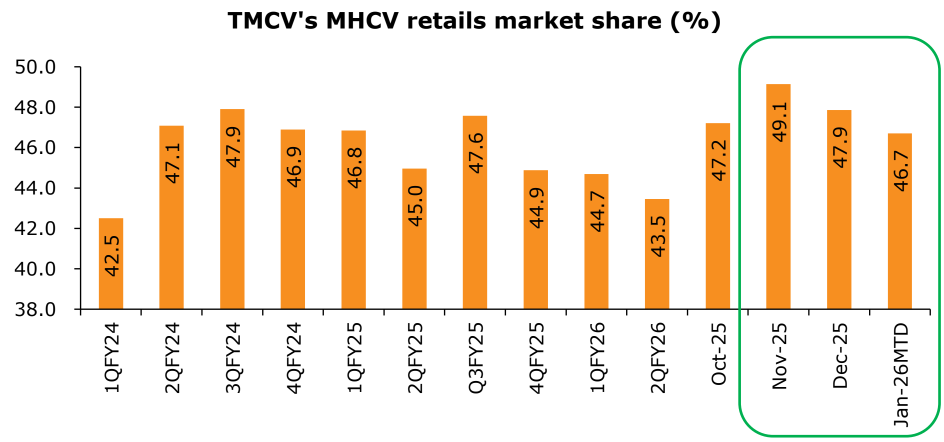
Exhibit 9: TMCV's retail momentum is also picking up, with MHCV (goods) retails growing ~24.7%/28.3%/21.6% YoY in Nov/Dec-25/Jan-26MTD, after steady de-growth in the past 5 quarters...



Source: Vahan, Emkay Research

Exhibit 10: ...with the retail MHCV market share also up, by ~320bps over last year, after a gradual decline earlier



Source: Vahan, Emkay Research

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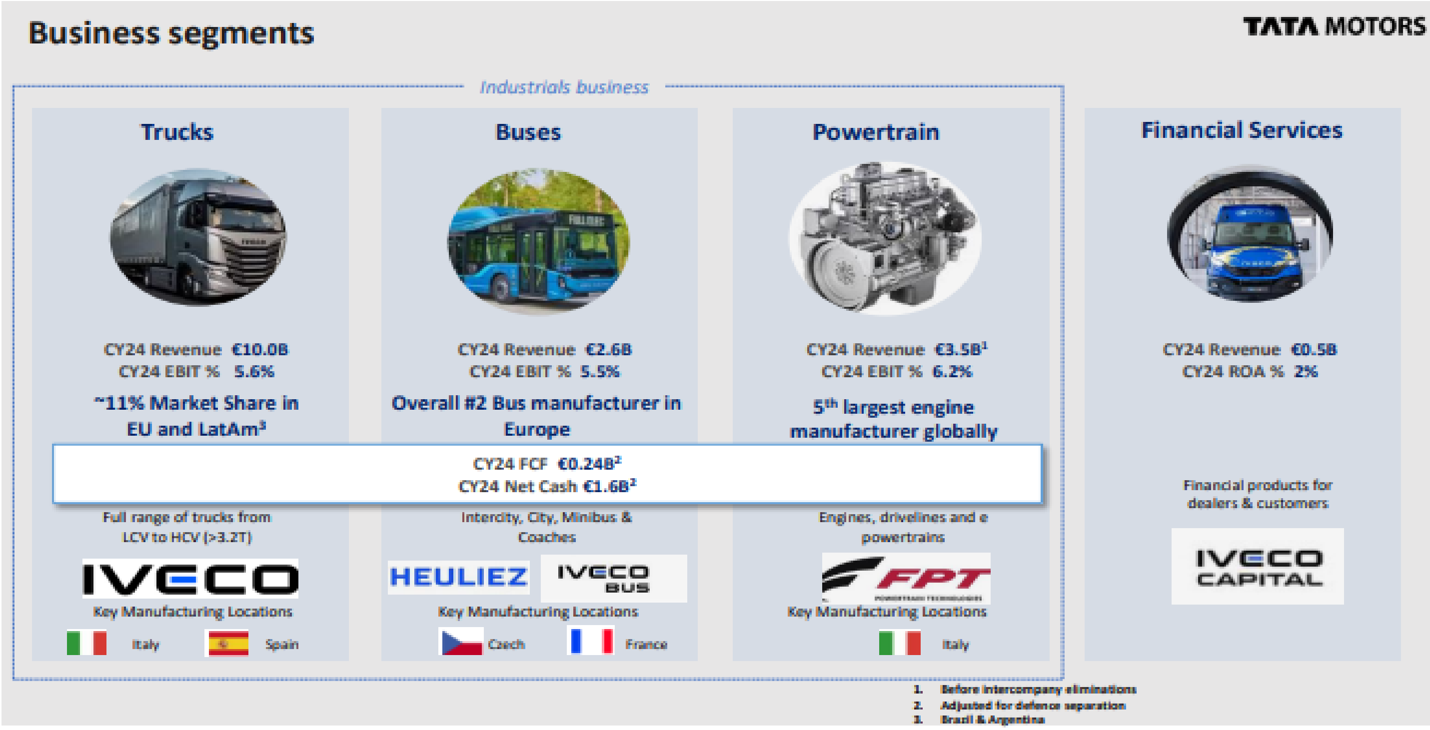
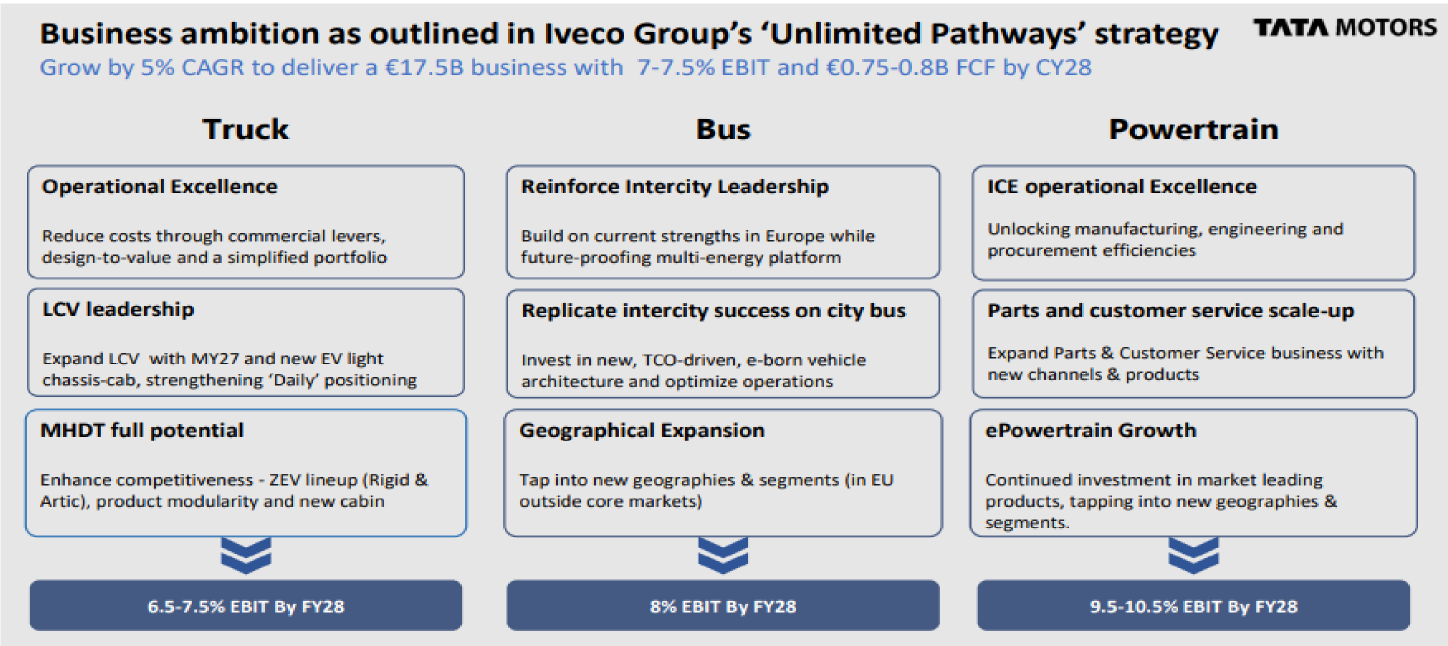
Exhibit 11: Italy-based Iveco operates across core segments like trucks/buses/powertrains, and holds 11% trucks market share in the EU and LatAm; is the #2 bus manufacturer in Europe and the #5 engine manufacturer globally



Source: Company, Emkay Research

Exhibit 12: Iveco's 'Unlimited Pathways' strategy targets revenue CAGR of ~5% over CY24-28P, with ~7-7.5% EBITM and €0.75-0.88bn FCF by CY28



Source: Company, Emkay Research

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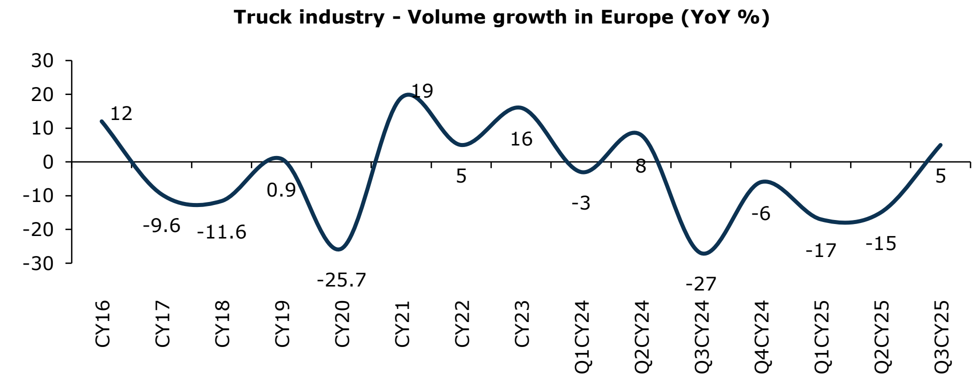
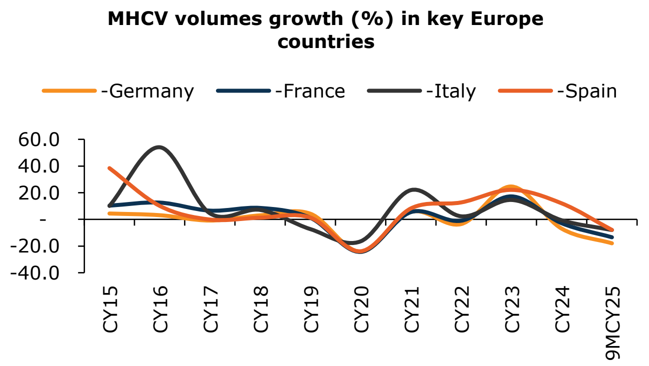
Exhibit 13: European MHCV demand appears to have moved past the trough and entered an early post-downcycle recovery phase…



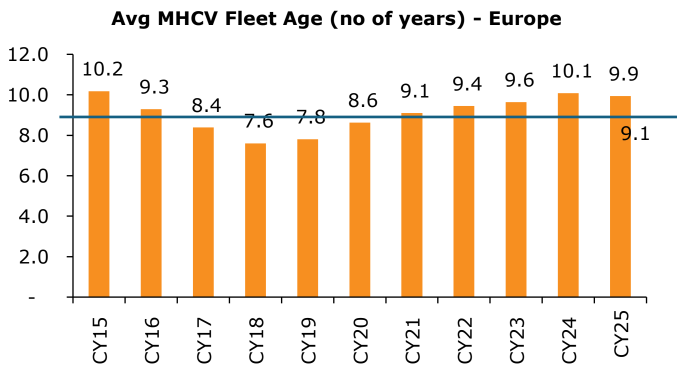
Source: ACEA, Emkay Research

Exhibit 14: …although a few regions like Germany and France are still not showing any major signs of recovery, as of 9MCY25



Source: ACEA, Emkay Research

Exhibit 15: Average Fleet age in Europe is above its 10Y LTA, at 9.9Y



Source: ACEA, Emkay Research

Exhibit 16: The recent global OEM commentary points to stabilization and selective regional improvement, particularly on the orders front

OEM	Segment / Region	Management and official commentary (Verbatim)	Demand implication (Europe CVs)	Source	Date	Source
Daimler Truck	Trucks (EU30)	"Group incoming orders in Q3 2025 were at the previous year's level… supported by a positive momentum in Europe… The Mercedes-Benz Trucks segment reported an increase in both adjusted EBIT and adjusted return on sales (adj. ROS), supported by higher unit sales in Europe.	Europe is a **relative support market**; orders holding up vs other regions	Q3 2025 disclosure / results hub	Nov-25	Link
Daimler Truck	Trucks (EU30)	"…in the EU30 region, unit sales increased significantly…"	**Improved deliveries in Q3; reflects earlier order intake**	Interim Report Q3 2025	Nov-25	Link
Volvo Group	Heavy Trucks (Europe)	"European demand remains stable, driven by replacement needs…"	**Stable, replacement-led demand** (not a sharp upcycle)	Reuters – Volvo Group Q3 coverage	Oct-25	Link
Volvo Group	Trucks (Europe)	"Net sales increased in Europe…"	Directionally **supportive Europe environment**	Q3 2025 report	Oct-25	Link
TRATON	Trucks – Scania (Europe)	"In Europe, Scania benefited from the high level of incoming orders of the past quarters."	**Backlog conversion** supporting Europe volumes	Q3CY25 Press release	Oct-25	Link
Scania	Heavy Trucks (Europe)	"Challenging market conditions weigh on profitability, while order intake improves in the third quarter of 2025."	**Orders improving**, but environment remains challenging	Q3 2025 performance update	Oct-25	Link
Scania	Heavy Trucks (Europe)	"Incoming orders increased by 20%…" (alongside reference to a contracting market)	**Strong order momentum** despite market contraction	Q3 2025 performance update	Oct-25	Link
Iveco Group	Trucks & Buses (Europe)	"Q3 2025 European order intake +17% vs Q3 2024, with a book-to-bill ratio at 1.05x."	Clear sign of demand improvement / backlog build	Q3 2025 results presentation	Nov-25	Link
DAC	Heavy Trucks (Europe)	"…European truck industry registrations in the 16+ ton market… 270,000–300,000 trucks…"	**Range-bound / stable** market-sizing	DAC Trucks – Facts and Figures	2025 outlook	Link

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions

Source: Company, Emkay Research

Exhibit 17: Remainder run-rate – We build in ~8.3-8.5% volume growth of FY27E and FY28E

TTMT - CVs (no of units)	9MFY25	9MFY26	Growth YoY (%)	Q4FY25	Q4FY26E	Growth YoY (%)	FY25	FY26E	Growth YoY (%)	FY27E	Growth YoY (%)	FY28E	Growth YoY (%)
Domestic MHCVs	**121,744**	**131,936**	***8.4***	**51,551**	**57,414**	***11.4***	**173,295**	**189,350**	***9.3***	**200,476**	***5.9***	**212,481**	***6.0***
Domestic Trucks	***106,741***	***117,933***	***10.5***	***44,885***	***51,482***	***14.7***	***151,626***	***169,415***	***11.7***	***179,145***	***5.7***	***189,657***	***5.9***
ICV	***12,526***	***15,708***	***25.4***	***4,683***	***5,549***	***18.5***	***17,209***	***21,257***	***23.5***	***22,958***	***8.0***	***24,794***	***8.0***
7.5 - 12 MT	*10,297*	*13,998*	*35.9*	*3,873*	*4,706*	*21.5*	*14,170*	*18,704*	*32.0*	*20,201*	*8.0*	*21,817*	*8.0*
12 - 16.2 MT	*2,229*	*1,710*	*-23.3*	*810*	*843*	*4.0*	*3,039*	*2,553*	*-16.0*	*2,757*	*8.0*	*2,978*	*8.0*
HCV	***65,841***	***74,686***	***13.4***	***28,323***	***33,782***	***19.3***	***94,164***	***108,468***	***15.2***	***115,307***	***6.3***	***122,756***	***6.5***
16.2 - 25 MT	*19,567*	*23,069*	*17.9*	*8,464*	*10,008*	*18.2*	*28,031*	*33,077*	*18.0*	*35,392*	*7.0*	*38,046*	*7.5*
25 MT	*46,274*	*51,617*	*11.5*	*19,859*	*23,775*	*19.7*	*66,133*	*75,392*	*14.0*	*79,915*	*6.0*	*84,710*	*6.0*
Tractor trailers	***28,374***	***27,539***	***-2.9***	***11,879***	***12,150***	***2.3***	***40,253***	***39,689***	***-1.4***	***40,880***	***3.0***	***42,107***	***3.0***
-- Buses	*15,003*	*14,003*	*-6.7*	*6,666*	*5,932*	*-11.0*	*21,669*	*19,935*	*-8.0*	*21,331*	*7.0*	*22,824*	*7.0*
Domestic LCVs	**125,529**	**137,741**	***9.7***	**44,086**	**52,228**	***18.5***	***169,615***	***189,969***	***12.0***	***208,966***	***10.0***	***229,862***	***10.0***
CV Exports	**12,290**	**20,916**	***70.2***	**5,874**	**7,238**	***23.2***	***18,164***	***28,154***	***55.0***	***31,955***	***13.5***	***36,429***	***14.0***
Total	**259,563**	**290,593**	***12.0***	**101,511**	**116,880**	***15.1***	**361,074**	**407,473**	***12.9***	**441,397**	***8.3***	**478,772**	***8.5***

TTMT's market share (%)	9MFY25	9MFY26	Change (bps)	Q4FY25	Q4FY26E	Change (bps)	FY25	FY26E	Change (bps)	FY27E	Change (bps)	FY28E	Change (bps)
Domestic MHCVs	**47.0**	**46.7**	*(28)*	**44.9**	**44.2**	*(75)*	**46.4**	**45.9**	*(45)*	**45.9**	*(0)*	**45.9**	*(6)*
Domestic trucks	***49.7***	***50.2***	***47***	***48.5***	***48.4***	***(1)***	***49.3***	***49.6***	***31***	***49.7***	***5***	***49.6***	***(4)***
ICV	***34.0***	***36.3***	***221***	***32.3***	***31.5***	***(78)***	***33.6***	***34.9***	***133***	***34.9***	***5***	***35.0***	***5***
7.5 - 12 MT	*35.8*	*38.5*	*267*	*33.9*	*32.6*	*(132)*	*35.3*	*36.8*	*153*	*36.8*	*0*	*36.8*	*(0)*
12 - 16.2 MT	*27.7*	*24.6*	*(312)*	*26.3*	*26.6*	*31*	*27.3*	*25.2*	*(210)*	*25.4*	*24*	*25.7*	*24*
HCV	***50.1***	***51.3***	***124***	***49.6***	***50.7***	***107***	***49.9***	***51.1***	***118***	***51.3***	***21***	***51.4***	***7***
16.2 - 25 MT	*35.4*	*35.9*	*48*	*34.6*	*35.5*	*89*	*35.2*	*35.8*	*61*	*35.8*	*0*	*35.6*	*(17)*
25 MT	*60.7*	*63.5*	*280*	*60.8*	*61.8*	*94*	*60.7*	*62.9*	*221*	*63.5*	*60*	*64.1*	*61*
Tractor trailers	***60.9***	***59.5***	***(144)***	***56.5***	***55.3***	***(122)***	***59.6***	***58.2***	***(142)***	***58.2***	***(0)***	***58.2***	***0***
-- Buses	*34.0*	*29.7*	*(431)*	*30.1*	*25.0*	*(511)*	*32.7*	*28.1*	*(458)*	*28.1*	*0*	*28.1*	*0*
Domestic LCVs	**29.6**	**29.2**	*(33)*	**27.9**	**29.5**	*166*	**29.1**	**29.3**	*21*	**29.3**	*0*	**29.3**	*0*
CV exports	21.4	30.7	*931*	25.0	26.4	*141*	22.4	29.5	*703*	29.4	*(6)*	29.5	*7*
Total	**35.0**	**35.4**	*34*	**34.2**	**35.0**	*73*	**34.8**	**35.2**	*45*	**35.1**	*(17)*	**34.9**	*(16)*

TTMT's Volume mix (%)	9MFY25	9MFY26	Change (bps)	Q4FY25	Q4FY26E	Change (bps)	FY25	FY26E	Change (bps)	FY27E	Change (bps)	FY28E	Change (bps)
Domestic MHCVs	**46.9**	**45.4**	*(150)*	**50.8**	**49.1**	*(166)*	**48.0**	**46.5**	*(152)*	**45.4**	*(105)*	**44.4**	*(104)*
Domestic trucks	**41.1**	**40.6**	***(54)***	**44.2**	**44.0**	***(17)***	**42.0**	**41.6**	***(42)***	**40.6**	***(99)***	**39.6**	***(97)***
ICV	**4.8**	**5.4**	***58***	**4.6**	**4.7**	***13***	**4.8**	**5.2**	***45***	**5.2**	***(2)***	**5.2**	***(2)***
7.5 - 12 MT	**4.0**	**4.8**	*85*	**3.8**	**4.0**	*21*	**3.9**	**4.6**	*67*	**4.6**	*(1)*	**4.6**	*(2)*
12 - 16.2 MT	**0.9**	**0.6**	*(27)*	**0.8**	**0.7**	*(8)*	**0.8**	**0.6**	*(22)*	**0.6**	*(0)*	**0.6**	*(0)*
HCV	**25.4**	**25.7**	***34***	**27.9**	**28.9**	***100***	**26.1**	**26.6**	***54***	**26.1**	***(50)***	**25.6**	***(48)***
16.2 - 25 MT	**7.5**	**7.9**	*40*	**8.3**	**8.6**	*22*	**7.8**	**8.1**	*35*	**8.0**	*(10)*	**7.9**	*(7)*
25 MT	**17.8**	**17.8**	*(7)*	**19.6**	**20.3**	*78*	**18.3**	**18.5**	*19*	**18.1**	*(40)*	**17.7**	*(41)*
Tractor trailers	**10.9**	**9.5**	***(145)***	**11.7**	**10.4**	***(131)***	**11.1**	**9.7**	***(141)***	**9.3**	***(48)***	**8.8**	***(47)***
-- Buses	**5.8**	**4.8**	*(96)*	**6.6**	**5.1**	*(149)*	**6.0**	**4.9**	*(111)*	**4.8**	*(6)*	**4.8**	*(7)*
Domestic LCVs	**48.4**	**47.4**	*(96)*	**43.4**	**44.7**	*126*	**47.0**	**46.6**	*(35)*	**47.3**	*72*	**48.0**	*67*
CV exports	**4.7**	**7.2**	*246*	**5.8**	**6.2**	*41*	**5.0**	**6.9**	*188*	**7.2**	*33*	**7.6**	*37*
Total	**100.0**	**100.0**	*0*	**100.0**	**100.0**	*0*	**100.0**	**100.0**	*0*	**100.0**	*0*	**100.0**	*0*

Source: Company, Emkay Research

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Exhibit 18: TMCV's revenue model – We factor in ~10%/11%/15% volume/revenue/EPS CAGR over FY25-28E

Volume (no of units)	FY24	FY25	FY26E	FY27E	FY28E	FY25-28E CAGR
Domestic MHCVs	**174,438**	**173,295**	**189,350**	**200,476**	**212,481**	7%
Growth YoY (%)	*2.3*	*-0.7*	*9.3*	*5.9*	*6.0*	
-- Trucks	*158,370*	*151,626*	*167,092*	*175,446*	*187,728*	7%
Growth YoY (%)	*-0.4*	*-4.3*	*10.2*	*5.0*	*7.0*	
-- Buses	*16,068*	*21,669*	*20,802*	*22,466*	*24,264*	4%
Growth YoY (%)	*40.3*	*34.9*	*-4.0*	*8.0*	*8.0*	
Domestic LCVs	**191,662**	**169,615**	**189,969**	**208,966**	**229,862**	**11%**
Growth YoY (%)	*-11.7*	*-11.5*	*12.0*	*10.0*	*10.0*	
Domestic CVs	**366,100**	**342,910**	**379,319**	**409,442**	**442,344**	**9%**
Growth YoY (%)	*-5.5*	*-6.3*	*10.6*	*7.9*	*8.0*	
Exports	**17,677**	**18,164**	**28,154**	**31,955**	**36,429**	**26%**
Growth YoY (%)	*-12.1*	*2.8*	*55.0*	*13.5*	*14.0*	
Total Volumes	**383,777**	**361,074**	**407,473**	**441,397**	**478,772**	**10%**
Growth YoY (%)	*-5.9*	*-5.9*	*12.9*	*8.3*	*8.5*	

Particulars (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E	FY25-28E CAGR
ASP (Rs/unit)	**1,910,043**	**1,922,570**	**1,912,957**	**1,951,216**	**1,990,241**	**1%**
Growth YoY (%)		***0.7***	***-0.5***	***2.0***	***2.0***	
Revenue	**733,031**	**694,190**	**779,479**	**861,260**	**952,872**	**11%**
Growth YoY (%)		***-5.3***	***12.3***	***10.5***	***10.6***	
EBITDA	**78,701**	**80,820**	**102,940**	**114,602**	**127,268**	**16%**
EBITDA margin (%)	***10.7***	***11.6***	***13.2***	***13.3***	***13.4***	
EBITDA Growth YoY (%)		*2.7*	*27.4*	*11.3*	*11.1*	
EBITDA/unit (Rs)	205,069	223,832	252,631	259,635	265,822	
EBIT	58,532	60,740	86,252	96,578	107,074	**21%**
EBIT margin (%)	*8.0*	*8.7*	*11.1*	*11.2*	*11.2*	
PBT	52,974	77,480	90,007	101,132	112,392	**13%**
Tax	-513	19,000	22,072	24,800	27,561	**13%**
Tax rate (%)	*-1.0*	*24.5*	*24.5*	*24.5*	*24.5*	
PAT	**53,486**	**58,480**	**67,935**	**76,332**	**84,830**	**13%**
Adj PAT Margin (%)	***7.3***	***8.4***	***8.7***	***8.9***	***8.9***	
EPS (Rs)	14.0	15.3	18.5	20.7	23.1	**15%**

Source: Company, Emkay Research; Note: EPS CAGR differs from PAT CAGR owing to the difference in share capital, post independent listing of TMCV

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Exhibit 19: Our estimates are largely unchanged

Standalone (Rs mn)	FY25	FY26E				FY27E				FY28E			
	Actual	Earlier	Revised	% chg	% YoY	Earlier	Revised	% chg	% YoY	Earlier	Revised	% chg	% YoY
Volume	361,074	407,473	407,473	-	12.9	441,397	441,397	-	8.3	478,772	478,772	-	8.5
ASP	1,922,570	1,912,957	1,912,957	-	(0.5)	1,951,216	1,951,216	-	2.0	1,990,241	1,990,241	-	2.0
Revenue	694,190.0	779,479	779,479	-	12.3	861,260	861,260	-	10.5	952,872	952,872	-	10.6
EBITDA	80,820.0	102,940	102,940	-	27.4	114,602	114,602	-	11.3	127,268	127,268	-	11.1
EBITDA margin (%)	*11.6*	*13.2*	*13.2*	*0 bps*	*156 bps*	*13.3*	*13.3*	*0 bps*	*10 bps*	*13.4*	*13.4*	*0 bps*	*5 bps*
PAT	58,480.0	67,935	67,935	-	16.2	76,332	76,331.9	-	12.4	84,830	84,830.5	-	11.1
Adj EPS (Rs)	15.3	18.5	18.5	-	20.9	20.7	20.7	-	12.4	23.1	23.1	-	11.1

Source: Company, Emkay Research

Exhibit 20: Iveco Revenue Model – Basis the management guidance, we build in CY28E revenue of €17.5bn…

Iveco - Revenue Model	CY21	CY22	CY23	CY24	CY25E	CY26E	CY27E	CY28E
Revenue	**12,651**	**14,357**	**15,978**	**15,289**	**13,986**	**14,963**	**16,227**	**17,501**
YoY (%)		***13.5***	***11.3***	***(4.3)***	***(8.5)***	***7.0***	***8.5***	***7.8***
EBITDA	**1,087**	**1,245**	**2,306**	**1,724**	**1,487**	**1,742**	**2,057**	**2,404**
EBITDAM (%)	***8.6***	***8.7***	***14.4***	***11.3***	***10.6***	***11.6***	***12.7***	***13.7***
Depreciation	792	779	1,440	905	880	945	1,020	1,097
% of Gross Block	*8.6*	*8.2*	*14.7*	*9.2*	*8.5*	*8.7*	*8.9*	*9.1*
Gross Block	9,188	9,474	9,787	9,858	10,358	10,858	11,458	12,058
EBIT	**295**	**466**	**866**	**819**	**607**	**797**	**1,037**	**1,307**
EBITM (%)	**2.3**	**3.2**	**5.4**	**5.4**	**4.3**	**5.3**	**6.4**	**7.5**
Interest	115	206	443	211	223	254	288	327
% of Debt	*14.7*	*16.0*	*7.3*	*3.3*	*3.6*	*3.8*	*4.0*	*4.2*
Total Debt	**783**	**1,284**	**6,100**	**6,306**	**6,106**	**6,606**	**7,106**	**7,706**
PAT	**76**	**159**	**268**	**538**	**319**	**424**	**585**	**764**
PATM (%)	***0.6***	***1.1***	***1.7***	***3.5***	***2.3***	***2.8***	***3.6***	***4.4***

Revenue break-up (€ mn)	CY21	CY22	CY23	CY24	CY25E	CY26E	CY27E	CY28E
Truck	7,262	9,018	10,617	9,960	9,265	9,728	10,215	10,725
Bus	1,377	1,999	2,260	2,561	2,987	3,394	3,700	3,996
Defense	751	1,143	984	1,133	-	-	-	-
Powertrain	3,130	3,716	4,258	3,546	3,370	3,707	3,966	4,204
Eliminations and Other	-	(1,712)	(2,479)	(2,252)	(1,955)	(2,248)	(2,135)	(2,029)
Total of Industrial Activities	12,520	14,165	15,640	14,948	13,667	14,581	15,745	16,896
Financial Services	195	281	494	558	473	544	653	784
Eliminations and Other	(64)	(89)	(156)	(217)	(155)	(162)	(171)	(179)
Total for the Group	**12,651**	**14,357**	**15,978**	**15,289**	**13,986**	**14,963**	**16,227**	**17,501**

Revenue mix (%)	CY21	CY22	CY23	CY24	CY25E	CY26E	CY27E	CY28E
Truck	57.4	62.8	66.4	65.1	66.2	65.0	62.9	61.3
Bus	10.9	13.9	14.1	16.8	21.4	22.7	22.8	22.8
Defense	5.9	8.0	6.2	7.4	-	-	-	-
Powertrain	24.7	25.9	26.6	23.2	24.1	24.8	24.4	24.0
Eliminations and Other	-	(11.9)	(15.5)	(14.7)	(14.0)	(15.0)	(13.2)	(11.6)
Total of Industrial Activities	**99.0**	**98.7**	**97.9**	**97.8**	**97.7**	**97.4**	**97.0**	**96.5**
Financial Services	1.5	2.0	3.1	3.6	3.4	3.6	4.0	4.5
Eliminations and Other	(0.5)	(0.6)	(1.0)	(1.4)	(1.1)	(1.1)	(1.1)	(1.0)
Total for the Group	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

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Source: Emkay Research

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Exhibit 21: …and ~7.5% EBIT margin, with FCF from industrials at ~€775mn

EBIT (€ mn)	CY21	CY22	CY23	CY24	CY25E	CY26E	CY27E	CY28E
Truck	NA	289	618	556	361	438	562	697
Bus	NA	86	108	140	134	221	259	300
Defense	NA	87	76	113	-	-	-	-
Powertrain	NA	186	252	211	185	222	278	345
Eliminations and Other	NA	(271)	(310)	(332)	(209)	(220)	(231)	(242)
Total - Industrial Activities	**302**	**376**	**744**	**688**	**472**	**661**	**868**	**1,099**
Financial Services	74	90	122	131	135	136	170	208
Eliminations and Other	-	-	-	-	-	-	-	-
Total for the Group	**295**	**466**	**866**	**819**	**607**	**797**	**1,037**	**1,307**
EBITM (%)	**CY21**	**CY22**	**CY23**	**CY24**	**CY25E**	**CY26E**	**CY27E**	**CY28E**
Truck	NA	3.2	5.8	5.6	3.9	4.5	5.5	6.5
Bus	NA	4.3	4.8	5.5	4.5	6.5	7.0	7.5
Defense	NA	7.6	7.7	10.0	-	-	-	-
Powertrain	NA	4.7	5.9	6.0	5.5	6.0	7.0	8.2
Total - Industrial Activities	2.4	2.7	4.8	4.6	3.5	4.5	5.5	6.5
Financial Services	37.9	32.0	24.7	23.5	28.5	25.0	26.0	26.5
Eliminations and Other	-	-	-	-	-	-	-	-
Total for the Group	**2.3**	**3.2**	**5.4**	**5.4**	**4.3**	**5.3**	**6.4**	**7.5**
(€ bn)	**CY21**	**CY22**	**CY23**	**CY24**	**CY25E**	**CY26E**	**CY27E**	**CY28E**
Adjusted Industrial EBIT	**302**	**376**	**744**	**688**	**472**	**661**	**868**	**1,099**
Depreciation	792	779	1440	905	880	945	1,020	1,097
Cash interest and tax	(155)	(150)	(226)	(273)	(288)	(374)	(452)	(543)
Changes in provision	(159)	(160)	(388)	(109)	-	-	-	-
Changes in working capital	(303)	505	357	(49)	(185)	(141)	(182)	(279)
OCF from Industrial	**470**	**1440**	**2049**	**1,162**	**879**	**1,092**	**1,253**	**1,375**
Capex	(563)	(775)	(958)	(932)	(500)	(500)	(600)	(600)
Others	-39	67	-9	9				
FCF from Industrial	**-132**	**732**	**1082**	**370**	**379**	**592**	**653**	**775**
FCF Yield from Industrial activities (%)	**(1.1)**	**5.2**	**6.9**	**2.5**	**2.8**	**4.1**	**4.1**	**4.6**

Source: Emkay Research

Exhibit 22: We hoist our SOTP based TP by ~71% to Rs650 from Rs380, and value TMCV's SA business at 16x EV/EBITDA, in line with AL's 1YF EV/EBITDA

SOTP-based value	Basis of valuation	Equity value (Rs mn)	Equity value (Rs/sh)	Contribution to SOTP (%)	Remarks
Tata Motors Commercial Vehicles	16x Dec-27E EV/ EBITDA (x)	2,118,463	576	85.5	In line with AL's 1YF EV/EBITDA of 16x; it currently trades at a discount of 16% at implied FY28E valuations
Tata Capital	On Market Cap basis	63,131	17	2.5	Based on TMCV's stake in Tata Capital
Iveco	Basis 4.6x C27E EV/EBITDA (15% premium to the historical average of 3.8x) after factoring in the SPV debt (assumed 70% of transaction value with interest of Euribor + 3%)	571,471	80	12.0	We have built in €17.5bn revenue by CY28E with FCF of ~€0.8bn by CY28E, in line with the management guidance. We ascribe 50% probability-weighted valuation to Iveco, reflecting the early stage of the European CV recovery and execution risks around margin and FCF delivery.
TP (Rs)		**2,753,065**	**673**		
TP - Rounded off (Rs)			**650**		

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Source: Company, Emkay Research

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Exhibit 23: Iveco's valuation rationale – We assign TP of Rs155 to Iveco, given 4.4x EV/EBITDA, a modest 15% premium to historical multiples vs global peers trading at ~6-10x, and reflects early-cycle normalization in Europe

Iveco - Valuation	Basis of Valuation	Comment
Historical avg - EV/EBITDA (x)	3.8	**Iveco has traded at historical valuations of ~3.8x, much lower than that of peers like Volvo/Daimler (~4-9x), given the heavy exposure to Europe (75%) and structurally lower margins; however, we apply a modest 15% premium to Iveco's historical multiple, which is conservative vs global peers trading at ~6-10x, and reflects normalization in European CVs**
15% premium to historical Valuation	4.4	
CY28E EBITDA	2,404	
Iveco - EV (€ mn)	**10,506**	
Less: Net Debt CY28E	(1,794)	**We have assumed incremental FCF generation of ~€2.4bn over CY25E-28E via industrials, to be added to the overall cash; we have then deducted debt, which we have incrementally increased to fund Iveco's capex requirements (~€2.2bn over CY25E-28E) over CY25E-28E**
Equity Value - Iveco (€ mn)	**8,712**	
Exchange rate (Rs/€)	105	
Equity Value - Iveco (Rs mn)	**914,776**	
Number of TAMO shares	3,680	
Equity Value – Iveco (Rs)	**249**	
Less: SPV debt - Assumed 70% **(Rs)**	(88)	
Net Equity Value - Iveco (Rs)	**161**	
Less: 50% probability weight (Rs)	**80**	
Net Equity Value , per Emkay (Rs)	**80**	
Historical avg - EV/EBITDA (x)	3.8	

Source: Emkay Research

Exhibit 24: We have built in €17.5bn revenue with FCF of ~€0.75bn by CY28E, in line with the management guidance, with our bull case value for TMCV at Rs750 with Iveco's value at Rs161/share (ie without the probability weighted cut of 50%)

SOTP-based value	Basis of valuation	Equity value (Rs mn)	Equity value (Rs/sh)	Contribution to SOTP (%)	Remarks
Tata Motors Commercial Vehicles	16x Dec-27E EV/ EBITDA (x)	2,118,463	576	85.5	In line with AL's 1YF EV/EBITDA of 16x - it currently trades at a discount of 16% at implied FY28E valuations
Tata Capital	On Market Cap basis	63,131	17	2.5	Based on TMCV's stake in Tata Capital
Iveco	Basis 4.6x CY27E EV/EBITDA (20% premium to the historical avg of 3.8x) after factoring in SPV debt (assumed 70% of transaction value with interest of Euribor + 3%) with bull case TP of Rs161	571,471	161	12.0	We have built in €17.5bn revenue with FCF of ~€0.75bn by CY28E, in line with the management guidance. Our fully valued bull case TP for Iveco is Rs161
TP (Rs)		2,753,065	**754**		
TP - Rounded off (Rs)			**750**		

Source: Emkay Research

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Tata Motors: Standalone Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	**733,031**	**694,190**	**779,479**	**861,260**	**952,872**
Revenue growth (%)	0	(5.3)	12.3	10.5	10.6
EBITDA	**78,701**	**80,820**	**102,940**	**114,602**	**127,268**
EBITDA growth (%)	0	2.7	27.4	11.3	11.1
Depreciation & Amortization	20,168	20,080	16,688	18,024	20,194
EBIT	**58,532**	**60,740**	**86,252**	**96,578**	**107,074**
EBIT growth (%)	0	3.8	42.0	12.0	10.9
Other operating income	-	-	-	-	-
Other income	11,499	27,960	11,184	12,302	13,533
Financial expense	17,057	11,220	7,429	7,748	8,215
PBT	**52,974**	**77,480**	**90,007**	**101,132**	**112,392**
Extraordinary items	25,534	(3,960)	39,210	0	0
Taxes	(513)	19,000	22,072	24,800	27,561
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
Reported PAT	**79,021**	**54,520**	**107,145**	**76,332**	**84,830**
PAT growth (%)	0	(31.0)	96.5	(28.8)	11.1
Adjusted PAT	**53,486**	**58,480**	**67,935**	**76,332**	**84,830**
Diluted EPS (Rs)	**14.0**	**15.3**	**18.5**	**20.7**	**23.1**
Diluted EPS growth (%)	0	9.3	20.9	12.4	11.1
DPS (Rs)	**0**	**0**	**0**	**0**	**0**
Dividend payout (%)	**0**	**0**	**0**	**0**	**0**
EBITDA margin (%)	10.7	11.6	13.2	13.3	13.4
EBIT margin (%)	8.0	8.7	11.1	11.2	11.2
Effective tax rate (%)	(1.0)	24.5	24.5	24.5	24.5
NOPLAT (pre-IndAS)	**59,099**	**45,845**	**65,101**	**72,895**	**80,817**
Shares outstanding (mn)	3,830	3,830	3,680	3,680	3,680

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	-	7,360	7,360	7,360	7,360
Reserves & Surplus	0	77,450	106,175	182,507	267,337
Net worth	**0**	**84,810**	**113,535**	**189,867**	**274,697**
Minority interests	-	-	-	-	-
Non-current liab. & prov.	0	6,350	6,350	6,350	6,350
Total debt	**0**	**58,550**	**60,318**	**63,654**	**67,790**
Total liabilities & equity	**0**	**159,770**	**191,499**	**272,352**	**362,646**
Net tangible fixed assets	-	117,780	131,502	139,103	145,815
Net intangible assets	-	-	-	-	-
Net ROU assets	-	-	-	-	-
Capital WIP	-	17,910	12,500	13,125	13,781
Goodwill	-	-	-	-	-
Investments [JV/Associates]	-	71,530	71,530	71,530	71,530
Cash & equivalents	**0**	**44,360**	**79,057**	**162,500**	**257,542**
Current assets (ex-cash)	0	104,320	117,137	129,427	143,194
Current Liab. & Prov.	0	212,360	238,451	263,469	291,494
NWC (ex-cash)	**0**	**(108,040)**	**(121,314)**	**(134,042)**	**(148,300)**
Total assets	**0**	**159,770**	**191,499**	**272,352**	**362,646**
Net debt	0	14,190	(18,739)	(98,846)	(189,752)
Capital employed	0	159,770	191,499	272,352	362,646
Invested capital	**0**	**9,740**	**10,188**	**5,061**	**(2,485)**
BVPS (Rs)	0	22.1	30.9	51.6	74.6
Net Debt/Equity (x)	0	0.2	(0.2)	(0.5)	(0.7)
Net Debt/EBITDA (x)	0	0.2	(0.2)	(0.9)	(1.5)
Interest coverage (x)	4.1	7.9	13.1	14.1	14.7
RoCE (%)	**0**	**123.7**	**61.4**	**51.0**	**40.5**

Source: Company, Emkay Research

Cash flows

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
PBT (ex-other income)	-	-	50,797	101,132	112,392
Others (non-cash items)	-	-	-	-	-
Taxes paid	-	-	(22,072)	(24,800)	(27,561)
Change in NWC	-	-	12,516	12,001	13,444
Operating cash flow	**0**	**0**	**65,358**	**114,105**	**126,684**
Capital expenditure	-	-	(25,000)	(26,250)	(27,563)
Acquisition of business	-	-	-	-	-
Interest & dividend income	-	-	-	-	-
Investing cash flow	**0**	**0**	**(30,000)**	**(31,250)**	**(32,563)**
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	-	-	1,768	3,336	4,136
Payment of lease liabilities	-	-	-	-	-
Interest paid	-	-	(7,429)	(7,748)	(8,215)
Dividend paid (incl tax)	-	-	-	-	-
Others	-	-	-	-	-
Financing cash flow	**0**	**0**	**(5,661)**	**(4,413)**	**(4,079)**
Net chg in Cash	0	0	29,697	78,443	90,042
OCF	0	0	65,358	114,105	126,684
Adj. OCF (w/o NWC chg.)	0	0	52,842	102,104	113,240
FCFF	0	0	40,358	87,855	99,121
FCFE	(17,057)	(11,220)	32,929	80,107	90,906
OCF/EBITDA (%)	0	0	63.5	99.6	99.5
FCFE/PAT (%)	(21.6)	(20.6)	30.7	104.9	107.2
FCFF/NOPLAT (%)	**0**	**0**	**62.0**	**120.5**	**122.6**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	22.8	33.0	16.1	22.7	20.4
P/CE(x)	24.5	22.9	20.4	18.3	16.5
P/B (x)	0	21.2	15.2	9.1	6.3
EV/Sales (x)	2.5	2.6	2.2	1.9	1.6
EV/EBITDA (x)	22.9	22.5	16.6	14.2	12.1
EV/EBIT(x)	30.8	29.9	19.8	16.9	14.4
EV/IC (x)	0	186.4	168.0	322.4	(620.0)
FCFF yield (%)	0	0	2.4	5.4	6.4
FCFE yield (%)	(1.0)	(0.6)	1.9	4.6	5.3
Dividend yield (%)	0	0	0	0	0
DuPont-RoE split					
Net profit margin (%)	7.3	8.4	8.7	8.9	8.9
Total asset turnover (x)	0	8.7	4.4	3.7	3.0
Assets/Equity (x)	0	1.9	1.8	1.5	1.4
RoE (%)	**0**	**137.9**	**68.5**	**50.3**	**36.5**
DuPont-RoIC					
NOPLAT margin (%)	8.1	6.6	8.4	8.5	8.5
IC turnover (x)	0	142.5	78.2	113.0	739.8
RoIC (%)	**0**	**941.4**	**653.4**	**956.1**	**6,274.9**
Operating metrics					
Core NWC days	0	(56.8)	(56.8)	(56.8)	(56.8)
Total NWC days	**0**	**(56.8)**	**(56.8)**	**(56.8)**	**(56.8)**
Fixed asset turnover	0	5.0	2.7	2.7	2.7
Opex-to-revenue (%)	18.1	19.9	17.9	17.7	17.7

Source: Company, Emkay Research

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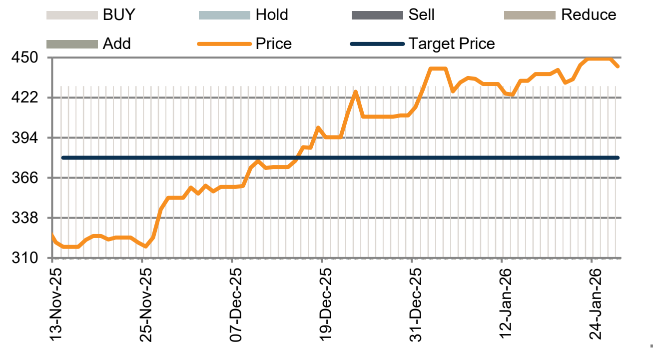
RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
14-Nov-25	318	380	Buy	Chirag Jain

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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Ratings	Expected Return within the next 12-18 months.
BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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