

Tata Motors | BUY

TMCV Investor Day: Focus remains on profitable growth

Tata Motors Commercial Vehicles (TMCV) hosted its Investor Day, where management outlined its FY28 aspirations and medium-term strategy. Key targets include: i) ~40% domestic CV market share (35.7% in FY26); ii) double-digit EBITDA margin through the cycle and teens margin during upcycles; iii) FCF of 7–9% of revenue; iv) RoCE of 30–35% post the IVECO integration; and v) growing non-cyclical businesses at ~1.5x the cyclical business. While management has guided for high single-digit industry growth in FY27, we continue to factor in 5.5%/7.9% volume growth for FY27E/FY28E and remain watchful of the impact of price hikes (~2% price hike in Apr'26 and 2.5% price hike from Jul'26) and elevated diesel prices on demand. On the margin front, TMCV reiterated its focus on profitable growth. We have tweaked our EBITDA margin estimates and maintain BUY with a revised TP of INR 475 (INR 465 earlier), based on 13x FY28E EV/EBITDA.

- Industry outlook remains constructive; near-term risks manageable:** Management remains positive on the long-term CV outlook, supported by healthy GDP growth, infrastructure spending, rising e-commerce penetration, healthy fleet economics, and an expanding vehicle parc. The MHCV parc has increased to 4.5mn–5mn vehicles and is expected to add another ~1mn vehicles over the next four years, providing a strong demand base even without replacement demand. GST-led freight efficiencies continue to support multi-axle truck demand. Near-term headwinds include elevated diesel prices, commodity inflation, geopolitical disruptions, and potential interest rate hikes; however, management believes these remain manageable. The company also expects EV adoption in CVs to inflect from FY27, aided by improving TCO parity, supportive regulations, dedicated financing, and expanding charging infrastructure.
- Non-cyclical businesses and exports to drive resilience:** Non-cyclical businesses grew ~1.6x faster than the core cyclical business in FY26, supporting margin resilience. The downstream ecosystem continues to strengthen through Tata Genuine Parts, DuraFit, and ProLife, with spare parts and services penetration doubling since FY21. Management remains focused on expanding these businesses given their superior profitability. On exports, the company remains positive on Africa and sees meaningful recovery potential in the Middle East once geopolitical disruptions ease. ASEAN remains relatively underpenetrated, although recent Indonesia orders could provide an entry point for future expansion.
- IVECO acquisition on track; significant synergy opportunities highlighted:** The IVECO transaction remains on track for completion by Q2FY27. Management highlighted strong product and pricing complementarities between the two businesses, with the acquisition providing access to LATAM and strengthening Tata Motors' presence across three of the fastest-growing CV regions globally – LATAM, Africa, and Asia (ex-China). In Q1CY26, IVECO reported healthy growth in buses and FPT, while truck demand improved in Europe but remained weak in LATAM. Management expects CY26 performance to be better than CY25. Synergy opportunities include cross-selling products across markets, sourcing and procurement efficiencies, R&D collaboration, and longer-term engineering and platform-sharing benefits.
- Bus and SCV businesses:** The bus business outlook remains favourable, supported by rising passenger kilometres, urbanisation, low bus penetration, and replacement demand. On SCV, the company plans four new SCV launches and five additional Intra/Pickup variants in FY27.



Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	475
Upside/(Downside)	18.8%
Previous Price Target	465
Change	2.2%

Key Data – TMCV IN EQUITY

Current Market Price	INR400
Market cap (bn)	INR1,473.2/US\$15.6
Free Float (%)	49.5
Shares in issue (mn)	3,682.5
Diluted share (mn)	3,682.5
3-mon avg daily val (mn)	INR5,325.0/US\$56.3
52-week range	INR509/306
Sensex/Nifty	76,201/23,824
INR/US\$	94.7

Price Performance

%	1M	6M	12M
Absolute	4.5	-6.1	0.0
Relative*	3.4	5.2	0.0

*To the NSE Nifty 50

This note marks transfer of coverage of Tata Motors to Nitin Agrawal

Nitin Agrawal

nitin.agrawal@jmfl.com | Tel: (91 22) 66303687

Sahil Malik

sahil.malik@jmfl.com | Tel: (91 22) 66301652

Financial Summary

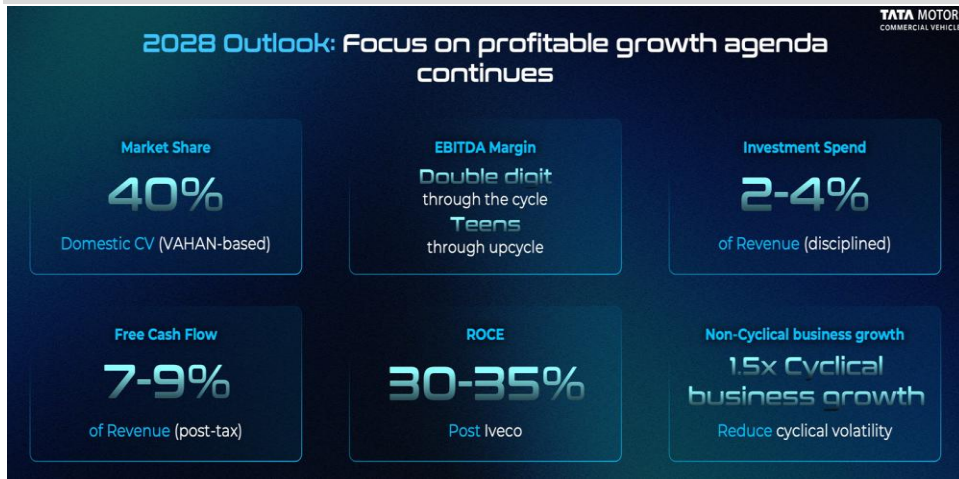
Y/E Mar	FY25A	FY26A	FY27E	FY28E
Net Sales	525,570	773,990	850,403	932,518
Sales Growth (%)	-	47.3	9.9	9.7
EBITDA	60,830	99,780	100,045	119,109
EBITDA Margin (%)	11.6	12.9	11.8	12.8
Adjusted Net Profit	37,640	70,620	65,341	78,184
Diluted EPS (INR)	10.2	19.2	17.8	21.2
Diluted EPS Growth (%)	-	87.6	-7.5	19.7
ROIC (%)	272.3	939.5	-	-
ROE (%)	88.8	64.6	41.0	36.1
P/E (x)	42.3	43.8	22.5	18.8
P/B (x)	17.4	11.0	8.0	5.9
EV/EBITDA (x)	24.5	14.3	13.7	11.0
Dividend Yield (x)	-	1.0	1.0	1.0

Source: Company data, JM Financial. Note: Valuations as of June 23, 2026

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ

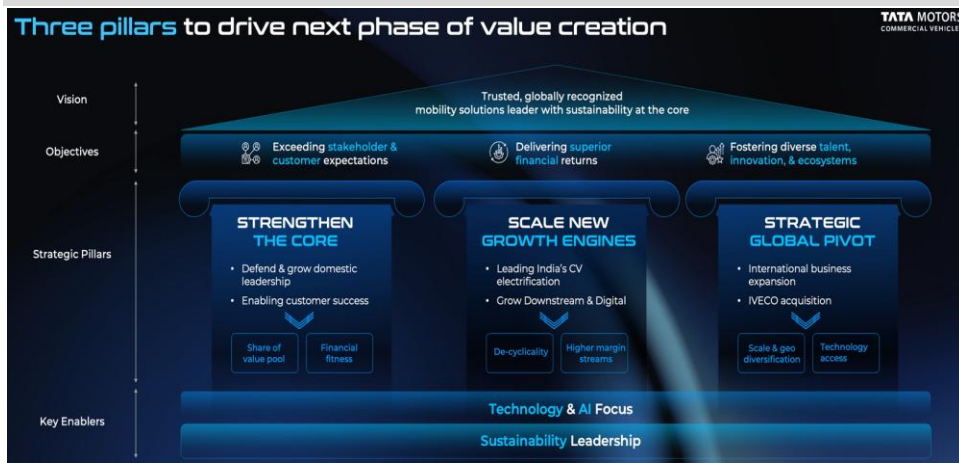
Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Exhibit 1: 2028 outlook



Source: Company

Exhibit 2: Pillars of value creation



Source: Company

Exhibit 3: FY27 priorities



Source: Company

Exhibit 4: Headwinds and tailwinds



Source: Company

Exhibit 5: Change in estimates (standalone including joint operations with Tata Cummins)

TMCV	New assumption			Old assumption			% Change		
	FY26A	FY27E	FY28E	FY26A	FY27E	FY28E	FY26A	FY27E	FY28E
Revenue (INR mn)	777,160	853,573	935,688	777,160	839,210	924,475	0.0%	1.7%	1.2%
EBITDA (INR mn)	102,060	102,325	121,389	102,060	103,067	118,832	0.0%	-0.7%	2.2%
Margin (%)	13.1%	12.0%	13.0%	13.1%	12.3%	12.9%	0bps	-29bps	12bps
PAT (INR mn)	70,640	64,666	77,509	70,640	65,223	75,661	0.0%	-0.9%	2.4%

Source: Company, JM Financial

Exhibit 6: SoTP table

	EBITDA (INR bn)	Multiple	Value (INR bn)	Value per share
Standalone including Cummins	121	13.0	1,578	429
Less: Net debt			-115	-33
Equity value			1,693	462
Stake in Tata Capital			54.869	15
Target Price				475

Source: Company, JM Financial

Financial Tables (Standalone)

Income Statement		(INR mn)			
Y/E Mar	FY25A	FY26A	FY27E	FY28E	
Net Sales	525,570	773,990	850,403	932,518	
Sales Growth (%)	-	47.3	9.9	9.7	
Other Operating Income	-	-	-	-	
Total Revenue	525,570	773,990	850,403	932,518	
Cost of Goods Sold/Op. Exp	359,600	534,730	595,156	645,745	
Personnel Cost	33,620	46,560	51,215	56,336	
Other Expenses	71,520	92,920	103,987	111,329	
EBITDA	60,830	99,780	100,045	119,109	
EBITDA Margin (%)	11.6	12.9	11.8	12.8	
EBITDA Growth (%)	-	64.0	0.3	19.1	
Deprn. & Amort.	15,040	17,020	18,228	20,665	
EBIT	45,790	82,760	81,816	98,444	
Other Income	6,790	10,350	10,493	10,567	
Finance Cost	6,500	6,290	6,078	5,655	
PBT before Excep. & Forex	46,080	86,820	86,231	103,355	
Excep. & Forex Inc./Loss(-)	-	-	890	890	
PBT	46,080	86,820	87,121	104,245	
Taxes	8,440	16,200	21,780	26,061	
Extraordinary Inc./Loss(-)	-2,850	-37,000	-	-	
Assoc. Profit/Min. Int.(-)	-	-	-	-	
Reported Net Profit	34,790	33,620	65,341	78,184	
Adjusted Net Profit	37,640	70,620	65,341	78,184	
Net Margin (%)	7.2	9.1	7.7	8.4	
Diluted Share Cap. (mn)	3,680	3,680	3,680	3,680	
Diluted EPS (INR)	10.2	19.2	17.8	21.2	
Diluted EPS Growth (%)	-	87.6	-7.5	19.7	
Total Dividend + Tax	-	14,720	14,720	14,720	
Dividend Per Share (INR)	-	4.0	4.0	4.0	

Source: Company, JM Financial

Cash Flow Statement		(INR mn)			
Y/E Mar	FY25A	FY26A	FY27E	FY28E	
Profit before Tax	34,790	33,620	87,121	104,245	
Deprn. & Amort.	15,040	17,020	18,228	20,665	
Net Interest Exp. / Inc. (-)	3,470	1,910	-4,415	-4,911	
Inc (-) / Dec in WCap.	31,610	30,600	11,594	9,293	
Others	11,230	39,530	-	-	
Taxes Paid	-770	-9,560	-21,780	-26,061	
Operating Cash Flow	95,370	113,120	90,749	103,231	
Capex	-13,410	-20,100	-21,700	-21,700	
Free Cash Flow	81,960	93,020	69,049	81,531	
Inc (-) / Dec in Investments	-70,020	-67,690	-6,193	-6,480	
Others	3,030	4,380	10,493	10,567	
Investing Cash Flow	-80,400	-83,410	-17,399	-17,613	
Inc / Dec (-) in Capital	-	-	-	-	
Dividend + Tax thereon	-	-	-14,720	-14,720	
Inc / Dec (-) in Loans	-41,990	-24,030	-2,270	-2,270	
Others	30,880	11,030	-5,186	-5,043	
Financing Cash Flow	-11,110	-13,000	-22,176	-22,033	
Inc / Dec (-) in Cash	3,860	16,710	51,173	63,586	
Opening Cash Balance	-	3,860	20,570	71,743	
Closing Cash Balance	3,860	20,570	71,743	135,329	

Source: Company, JM Financial

Balance Sheet		(INR mn)			
Y/E Mar	FY25A	FY26A	FY27E	FY28E	
Shareholders Fund	84,810	133,990	184,611	248,075	
Share Capital	7,360	7,360	7,360	7,360	
Reserves & Surplus	77,450	126,630	177,251	240,715	
Preference Share Capital	-	-	-	-	
Minority Interest	-	-	-	-	
Total Loans	58,550	33,750	31,480	29,210	
Def. Tax Liab. / Assets (-)	6,350	12,170	12,170	12,170	
Other non-current liabilities / Lease Liabilities	10,060	11,880	11,880	11,880	
Total - Equity & Liab.	153,420	179,620	227,971	289,165	
Net Fixed Assets	135,690	140,480	143,952	144,987	
Gross Fixed Assets	319,670	336,470	358,170	379,870	
Intangible Assets	-	-	-	-	
Less: Deprn. & Amort.	201,890	215,690	233,918	254,583	
Capital WIP	17,910	19,700	19,700	19,700	
Investments	112,030	160,310	165,328	170,597	
Current Assets	124,410	136,170	194,902	265,524	
Inventories	31,540	38,020	42,316	45,913	
Sundry Debtors	22,780	18,450	20,271	22,229	
Cash & Bank Balances	3,860	20,570	71,743	135,329	
Loans & Advances	30,600	28,070	28,631	29,204	
Other Current Assets	35,630	31,060	31,939	32,849	
Current Liab. & Prov.	212,360	245,170	264,041	279,773	
Current Liabilities	151,410	162,210	179,147	193,453	
Provisions & Others	60,950	82,960	84,893	86,320	
Net Current Assets	-106,730	-126,750	-87,502	-33,250	
Other Non Current Assets/ROU Assets	18,780	17,750	18,363	19,001	
Total - Assets	153,420	179,620	227,971	289,165	

Source: Company, JM Financial

Dupont Analysis		FY25A	FY26A	FY27E	FY28E
Y/E Mar					
Net Margin (%)		7.2	9.1	7.7	8.4
Asset Turnover (x)		5.8	3.8	3.5	3.1
Leverage Factor (x)		2.1	1.8	1.5	1.4
RoE (%)		88.8	64.6	41.0	36.1

Source: Company, JM Financial

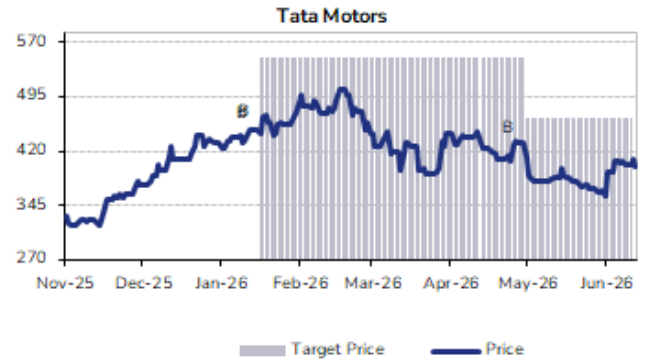
Key Ratios		FY25A	FY26A	FY27E	FY28E
Y/E Mar					
BV/Share (INR)		23.0	36.4	50.2	67.4
ROIC (%)		272.3	939.5	-	-
ROE (%)		88.8	64.6	41.0	36.1
Net Debt/Equity (x)		0.2	-0.3	-0.5	-0.7
P/E (x)		42.3	43.8	22.5	18.8
P/B (x)		17.4	11.0	8.0	5.9
EV/EBITDA (x)		24.5	14.3	13.7	11.0
EV/Sales (x)		2.8	1.8	1.6	1.4
Debtor days		16	9	9	9
Inventory days		22	18	18	18
Creditor days		104	78	78	78

Source: Company, JM Financial

Recommendation History Table

Date	Recommendation	Target Price	% Chg.
13-May-26	Buy	465	-15.5
30-Jan-26	Buy	550	0.0
29-Jan-26	Buy	550	

Recommendation History Chart



APPENDIX I

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Research Analyst(s) Certification

The Research Analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that:

All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and

No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

Rating System: Definition of ratings	
Rating	Meaning
BUY	Expected return \geq 15% over the next twelve months.
ADD	Expected return \geq 5% and $<$ 15% over the next twelve months.
REDUCE	Expected return \geq -10% and $<$ 5% over the next twelve months.
SELL	Expected return $<$ -10% over the next twelve months.

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

Important Disclosures

This research report has been prepared by JM Financial Institutional Securities Limited (JM Financial Institutional Securities) to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its associates solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of JM Financial Institutional Securities. This report has been prepared independent of the companies covered herein.

JM Financial Institutional Securities is registered with the Securities and Exchange Board of India (SEBI) as a Research Analyst and a Stock Broker having trading memberships of the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). No material disciplinary action has been taken by SEBI against JM Financial Institutional Securities in the past two financial years which may impact the investment decision making of the investor. Registration granted by SEBI and certification from the National Institute of Securities Market (NISM) in no way guarantee performance of JM Financial Institutional Securities or provide any assurance of returns to investors.

JM Financial Institutional Securities renders stock broking services primarily to institutional investors and provides the research services to its institutional clients/investors. JM Financial Institutional Securities and its associates are part of a multi-service, integrated investment banking, investment management, brokerage and financing group. JM Financial Institutional Securities and/or its associates might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, broking, financing or any other advisory services to the company(ies) covered herein. JM Financial Institutional Securities and/or its associates might have received during the past twelve months or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services.

JM Financial Institutional Securities and/or its associates, their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) covered under this report or (c) act as an advisor or lender/borrower to, or may have any financial interest in, such company(ies) or (d) considering the nature of business/activities that JM Financial Institutional Securities is engaged in, it may have potential conflict of interest at the time of publication of this report on the subject company(ies).

Neither JM Financial Institutional Securities nor its associates or the Research Analyst(s) named in this report or his/her relatives, own one per cent or more securities of the company(ies) covered under this report, at the relevant date as specified in the SEBI (Research Analysts) Regulations, 2014.

The Research Analyst(s) principally responsible for the preparation of this research report and their immediate relatives are prohibited from buying or selling debt or equity securities, including but not limited to any option, right, warrant, future, long or short position issued by company(ies) covered under this report. The Research Analyst(s) principally responsible for the preparation of this research report or their immediate relatives (as defined under SEBI (Research Analysts) Regulations, 2014); (a) do not have any financial interest in the company(ies) covered under this report or (b) did not receive any compensation from the company(ies) covered under this report, or from any third party, in connection with this report or (c) do not have any other material conflict of interest at the time of publication of this report. Research Analyst(s) are not serving as an officer, director or employee of the company(ies) covered under this report.

While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and JM Financial Institutional Securities does not warrant its accuracy or completeness. JM Financial Institutional Securities may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision.

This research report is based on the fundamental research/analysis conducted by the Research Analyst(s) named herein. Accordingly, this report has been prepared by studying/focusing on the fundamentals of the company(ies) covered in this report and other macro-economic factors. JM Financial Institutional Securities may have also issued or may issue, research reports and/or recommendations based on the technical/quantitative analysis of the company(ies) covered in this report by studying and using charts of the stock's price movement, trading volume and/or other volatility parameters. As a result, the views/recommendations expressed in such technical research reports could be inconsistent or even contrary to the views contained in this report.

The investment discussed or views expressed or recommendations/opinions given herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and JM Financial Institutional Securities reserves the right to make modifications and alterations to this statement as they may deem fit from time to time.

This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction.

This report is not directed or intended for distribution to, or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject JM Financial Institutional Securities and/or its affiliated company(ies) to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions. Please click [here](#) to access our detailed Terms and Conditions, including the Most Important Terms and Conditions.

Additional disclosure only for U.S. persons: JM Financial Institutional Securities has entered into an agreement with JM Financial Securities, Inc. ("JM Financial Securities"), a U.S. registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA") in order to conduct certain business in the United States in reliance on the exemption from U.S. broker-dealer registration provided by Rule 15a-6, promulgated under the U.S. Securities Exchange Act of 1934 (the "Exchange Act"), as amended, and as interpreted by the staff of the U.S. Securities and Exchange Commission ("SEC") (together "Rule 15a-6").

This research report is distributed in the United States by JM Financial Securities in compliance with Rule 15a-6, and as a "third party research report" for purposes of FINRA Rule 2241. In compliance with Rule 15a-6(a)(3) this research report is distributed only to "major U.S. institutional investors" as defined in Rule 15a-6 and is not intended for use by any person or entity that is not a major U.S. institutional investor. If you have received a copy of this research report and are not a major U.S. institutional investor, you are instructed not to read, rely on, or reproduce the contents hereof, and to destroy this research or return it to JM Financial Institutional Securities or to JM Financial Securities.

This research report is a product of JM Financial Institutional Securities, which is the employer of the research analyst(s) solely responsible for its content. The research analyst(s) preparing this research report is/are resident outside the United States and are not associated persons or employees of any U.S. registered broker-dealer. Therefore, the analyst(s) are not subject to supervision by a U.S. broker-dealer, or otherwise required to satisfy the regulatory licensing requirements of FINRA and may not be subject to the Rule 2241 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Any U.S. person who is recipient of this report that wishes further information regarding, or to effect any transaction in, any of the securities discussed in this report, must contact, and deal directly through a U.S. registered representative affiliated with a broker-dealer registered with the SEC and a member of FINRA. In the U.S., JM Financial Institutional Securities has an affiliate, JM Financial Securities, Inc. located at 1177 Avenue of the Americas, 5th Floor, Offices 5045 and 5046, New York, New York 10036. Telephone +1 (646) 452 7004 / +1 (646) 452 7005 which is registered with the SEC and is a member of FINRA and SIPC.

Additional disclosure only for U.K. persons: Neither JM Financial Institutional Securities nor any of its affiliates is authorised in the United Kingdom (U.K.) by the Financial Conduct Authority. As a result, this report is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the matters to which this report relates may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This report is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons.

Additional disclosure only for Canadian persons: This report is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities described herein in Canada or any province or territory thereof. Under no circumstances is this report to be construed as an offer to sell securities or as a solicitation of an offer to buy securities in any jurisdiction of Canada. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the registration requirement in the relevant province or territory of Canada in which such offer or sale is made. This report is not, and under no circumstances is it to be construed as, a prospectus or an offering memorandum. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon these materials, the information contained herein or the merits of the securities described herein and any representation to the contrary is an offence. If you are located in Canada, this report has been made available to you based on your representation that you are an "accredited investor" as such term is defined in National Instrument 45-106 Prospectus Exemptions and a "permitted client" as such term is defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Under no circumstances is the information contained herein to be construed as investment advice in any province or territory of Canada nor should it be construed as being tailored to the needs of the recipient. Canadian recipients are advised that JM Financial Securities, Inc., JM Financial Institutional Securities Limited, their affiliates and authorized agents are not responsible for, nor do they accept, any liability whatsoever for any direct or consequential loss arising from any use of this research report or the information contained herein.

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.

Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfinancial.research@jmfl.com | www.jmfl.com

Compliance Officer: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: ashley.johnson@jmfl.com

Grievance Officer: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: instcompliance@jmfl.com
