

## India

**REDUCE** (no change)

Consensus ratings\*: Buy 17 Hold 11 Sell 6

Current price: Rs699  
 Target price: ▼ Rs642  
 Previous target: Rs661  
 Up/downside: -8.2%  
 InCred Research / Consensus: -14.8%

Reuters: TAMO.NS  
 Bloomberg: TTMT IN  
 Market cap: US\$30,173m  
 Rs2,573,079m  
 Average daily turnover: US\$128.4m  
 Rs10951.8m  
 Current shares o/s: 3,680.0m  
 Free float: 53.6%

\*Source: Bloomberg

**Key changes in this note**

- Con. sales cut by 3-5% for FY26F-27F.
- Con. EBITDA cut by ~6% for FY26F-27F.
- Con. PAT cut by 3-4% for FY26F-27F.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	17.5	2.7	(27.3)
Relative (%)	10.8	(4.1)	(34.8)

Major shareholders	% held
Tata Group	46.4
LIC	3.0
SBI Mutual Fund	2.4

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# Tata Motors

## Car division challenges to prevail

- Seasonally strong 4Q, posting a 70% qoq rise in normalized EPS to Rs23.9, aided by a 25% rise in EBITDA & the rest from a dip in interest & depreciation.
- Tariff turbulence in the US, JLR's largest market, led to a consolidated EPS cut of 3-4% for FY26F-27F.
- Forward P/BV valuation takes support at -1SD of the 10-year mean. However, considering macro headwinds for its car division, we maintain REDUCE rating.

**CV division and JLR drive 4QFY25 EBITDA**

4QFY25 consolidated EBITDA of Tata Motors dipped 7% yoy to Rs188.6bn, which was a 11% beat to our/ Bloomberg estimates, driven by just a 3% beat in the commercial vehicle (CV) division and JLR each, while the car division was in line. The CV division continues to scale new high EBITDA margin (Fig.3) aided by pricing discipline and cost control. However, the car division improved profitability with the help of production-linked incentive or PLI scheme inflow, while ASP weakness disappoints. Normalized EPS dipped 7% yoy to Rs23.9, beating our estimate by 30%, aided by a 30% yoy decline in depreciation and a 52% yoy dip in interest costs. JLR delivered on its net debt and FCF guidance.

**PLI benefit helps car division and limits profitability risk**

Management plans to refresh hatchback car models in FY26F and introduce top-end E-SUV to revive volume momentum. However, considering the intense competition and entry of Maruti Suzuki in the electric vehicle or EV segment, we feel its volume recovery will be back-ended in FY26F. Higher reliance on the passenger vehicle or PV division profits on PLI incentive (26% of FY25 PBT) is an area of concern, as it may be passed on to customers to sustain EV momentum in the coming quarters, with more OEMs availing it. We have marginally cut the CV division's EBITDA for the new air-conditioned cabin norm.

**JLR weakness leads to consolidated FY26F-27F EBITDA cut of ~6%**

Considering that the US is the largest volume market for JLR (32%), where imported tariffs are set to rise from 2.5% to the 10-25% range, we expect volume impact, leading to a 4-6% cut in sales volume estimates. Management guidance to protect the EBITDA margin from cost-cutting looks ambitious in the short term and so we have cut FY25F-26F EBITDA by 14-15%. This led to the consolidated entity's FY25F-26F EPS cut of 3-4%.

**Maintain REDUCE rating with a lower SOTP-based TP of Rs642**

We roll forward our target price and benchmark valuation to reflect the weakness in valuations, which led to a marginal decline in our sum-of-the-parts or SOTP-based target price to Rs642 (Rs661 earlier) and maintain REDUCE rating on the stock. Considering the macroeconomic headwinds for the car division from demand slowdown in India, & tariff pass-through challenge in the US market, we feel the stock price will remain range-bound at current low levels for a few quarters, as it tests support level close to -1SD below the 10-year mean P/BV. Upside risk: New product success benefit on the volume front.

**Financial Summary**

	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Revenue (Rsm)	4,379,278	4,422,980	4,994,120	5,753,126	6,505,525
Operating EBITDA (Rsm)	688,893	701,110	752,185	876,007	1,005,673
Net Profit (Rsm)	318,865	261,822	258,816	311,022	374,230
Core EPS (Rs)	63.6	67.7	70.3	84.5	101.7
Core EPS Growth	(759.3%)	6.4%	3.9%	20.2%	20.3%
FD Core P/E (x)	8.07	9.82	9.94	8.27	6.87
DPS (Rs)	4.0	6.0	8.0	8.0	0.0
Dividend Yield	0.60%	0.89%	1.19%	0.00%	0.00%
EV/EBITDA (x)	4.62	4.07	3.68	2.95	2.51
P/FCFE (x)	24.92	(94.07)	23.54	12.18	24.99
Net Gearing	56.6%	17.6%	9.1%	(2.6%)	(4.9%)
P/BV (x)	3.03	2.21	1.85	1.55	1.30
ROE	36.0%	24.8%	20.3%	20.4%	20.5%
% Change In Core EPS Estimates			(3.61%)	(2.90%)	
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

## Car division challenges to prevail

### Management conference-call highlights ►

#### Jaguar Land Rover (JLR)

- **Region-wise performance:** The UK region witnessed a 60% qoq wholesale volume growth on the back of improved demand for luxury cars. Europe witnessed demand recovery aided by a resilient Germany. While the US and China remained under pressure, the dealer-leaving rate in China eased recently. In overseas markets, management hopes for significant growth.
- **Outlook:** 1QFY26F is likely to see muted volume growth due to strong performance in 4QFY25. US volume shipment ahead of tariff concerns to ease in 1QFY26F and, similarly, working capital requirement to rise.
- **Financial performance:** The EBIT margin improved from 9.2% in FY24 to 10.7% in 4QFY25 led by a rich volume mix, and a decline in commodity costs and working capital.
- **Capex and investments:** Full-year investments stood atn £3.8bn, while 67% of R&D investments have been capitalized. Increased investments ahead of new product launches. Gave guidance of similar capex sustaining.
- **Tariff challenges:** The company will partly benefit from the US-UK trade agreement, which brings down tariff to 10%, from the earlier proposed 25%, but it is still sharply higher than 2.5% that prevailed till Mar 2025. Details of the effective date of implementation and quantitative restrictions are awaited. However, Slovakia plant exports will face 25% duty, which is an area of concern.

#### Tata Motor commercial vehicles

- **Industry performance and outlook:** Total industry volume improved by 1% yoy in 4QFY25 led by heavy duty truck and bus segments. Management gave guidance of growth in overall CV volume on the back of favourable commodity price movement, stable agri sector sentiment, seasonal demand from the white goods sector, and sustained infrastructure sector growth and mining activity.
- **Input cost outlook:** Commodity prices remained range-bound. The impact of safeguarding duty on steel is being assessed. The entire truck portfolio is in the final stage for upgradation to meet the air-conditioned cabin regulation to be effective from Jun 2025, which is likely to have a cost impact of 0.5-1.2%.
- **Company performance:** The company lost market share in FY25 to 37%, from 39% in FY24, mainly on account of the high ongoing discounts in the market. The EBITDA margin improved by 20bp yoy in 4Q, despite the decline in revenue, driven by better realization and cost savings. Pricing discipline continues to be maintained.
- **Electric mobility:** 89 EV buses were registered in 4QFY25 and started EV bus supply to private accounts. Saw expansion in new segments for ACE EVs (milk, LPG).
- **Segment outlook:** Management's endeavour is to improve Vahan market share in all segments. Also to regain SCV (Small Commercial Vehicle) share by increasing penetration in the pick-up segment through Intra repositioning and establishing the Gold series. Preparing for commercial launch of Ace Pro in 2QFY26F. The endeavour is to deliver double-digit EBITDA margin with strong cash flow and RoCE.

#### Tata Motors passenger vehicles

- **Industry highlights:** In FY25, industry recorded a modest 2% yoy growth, which is likely to continue in FY26F, in line with macroeconomic consumption, industry demand remaining muted & driven by discounts across OEMs.
- **Performance and outlook:** Lost market share from 13.9% in FY24 to 13.2% in FY25, but the company gained market share in the SUV segment on the

back of Punch and the newly launched Curvv model, which was offset by market share loss in the hatchback segment. Management plans to refresh small cars to drive volume growth (launch a facelift version of Altroz recently).

- **EV portfolio:** The overall EV volume declined by 13% yoy in FY25, which led to market share decline from 73% in FY24 to 55% in FY25 due to new launches by competitors. The company has ~75% market share in (Rs1.2m price category), with models like Tiago and Punch.ev. In the mid (Rs1.2-2m) category, the company has a market share of ~30% and faces intense competition (multiple launches from rivals) while the above Rs2m price category is where the market is expanding. Management will undertake product launches in CY27F to maintain above 50% market share in the highly competitive mid-size segment, while price reduction and range expansion in entry-level cars has been planned.
- **Financial performance:** The ICE segment's EBITDA margin was at 8.2% on the back of cost-reduction initiatives. The PLI scheme benefit in 4Q was Rs1.8bn, nearly 50% of PBT. Management's target is to achieve a 10% EBITDA margin on the back of cost reduction, pricing action and a rich mode mix.
- **CAFÉ-III norms:** Industry required EV penetration of 10% to meet CAFE-III norms to be implemented in FY27. Tata Motor's portfolio EV mix is already 11% in FY25, which the company plans to increase to 30% by FY30F.
- **Capex and investments:** Future investments to be around the previous levels and to remain well funded.

**Figure 1: Quarterly results comparison**

Y/E Mar (Rs m)	4QFY25	4QFY24	yoy % chg	3QFY25	qoq % chg	FY25	FY24	yoy % chg	Comments for the quarter
Revenue	11,95,030	11,99,863	(0.4)	11,32,970	5.5	44,22,980	43,79,278	1.0	3% above our estimate.
Raw material costs	7,42,170	7,37,849	0.6	6,94,220	6.9	27,17,870	27,27,557	(0.4)	
RM costs as a % of revenue	62.1	61.5	61	61.3	83.0	61.4	62.3	(83)	
EBITDA	1,88,640	2,02,474	(6.8)	1,55,270	21.5	6,72,750	7,04,548	(4.5)	11% above our estimate.
<b>EBITDA margin (%)</b>	<b>15.8</b>	<b>16.9</b>	<b>(108.9)</b>	<b>13.7</b>	<b>208.1</b>	<b>15.2</b>	<b>16.1</b>	<b>(87.8)</b>	114bp above our estimate.
Depreciation & amortization	52,950	71,505	(25.9)	54,080	(2.1)	2,32,820	2,72,701	(14.6)	2% below our estimate.
Product development cost write-off	22,390	32,541	(31.2)	27,730	(19.3)	1,07,160	1,09,587	(2.2)	-
EBIT	1,13,300	98,428	15.1	73,460	54.2	3,32,770	3,22,260	na	
Interest expenses	10,760	22,338	(51.8)	17,250	(37.6)	69,230	99,858	(30.7)	32% below our estimate.
Interest & investment income	15,090	14,598	3.4	17,900	(15.7)	64,400	59,499	8.2	-
Pre-tax profit	1,17,630	90,688	29.7	74,110	58.7	3,27,940	2,81,901	na	-
Tax	29,480	(2,725)	1,181.8	20,960	40.6	1,05,390	40,351	161.2	
Tax rate (%)	25	(3)	na	28	(11.4)	32	14	124.5	
Net profit	88,150	93,413	(6)	53,150	65.9	2,22,550	2,41,550	(7.9)	-
Minority interest/ profits of associate cos	(260)	1,297	(120.1)	(1,308)	(80.1)	(1,788)	8,324	(121.5)	
<b>Net profit after minority interest</b>	<b>87,890</b>	<b>94,710</b>	<b>(7.2)</b>	<b>51,842</b>	<b>69.5</b>	<b>2,20,762</b>	<b>2,49,874</b>	<b>(11.7)</b>	31% above our estimate.
Exceptional items	1,740	79,407	(97.8)	3,530	na	12,700	84,647	na	
Adjusted EPS (Rs)	23.9	25.8	(7.2)	14.1	69.7	60.0	65.2	na	

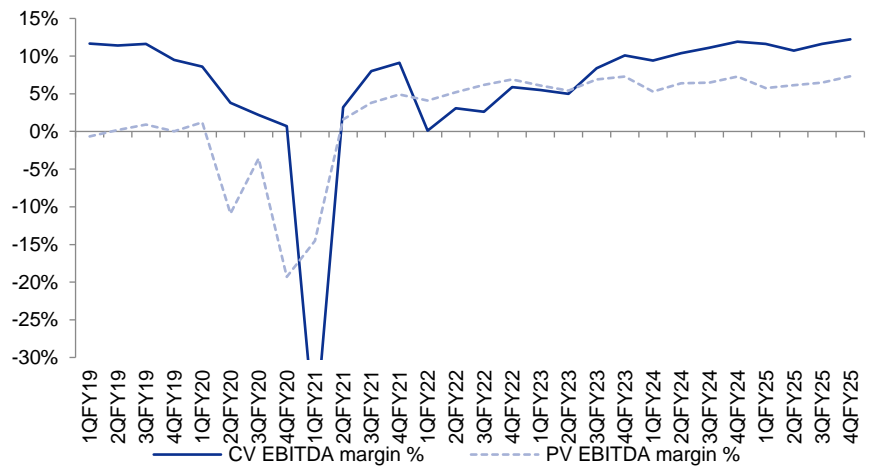
SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 2: Wholesale volume mix (units) - weakness across segments except in SUV**

Segment (units)	4QFY25	4QFY24	yoy (%)	3QFY25	qoq (%)	FY25	FY24	yoy (%)
M&HCVs	51,551	50,643	2%	44,023	17%	1,73,295	1,74,438	-1%
LCVs	48,213	54,279	-11%	47,237	2%	1,85,275	2,03,622	-9%
UVs	1,14,624	1,14,444	0%	1,14,978	0%	4,32,667	3,88,418	11%
Cars	31,503	40,566	-22%	24,446	29%	1,20,918	1,82,537	-34%
Total commercial vehicles	99,764	1,04,922	-5%	84,281	18%	3,58,570	3,78,060	-5%
Total passenger vehicles	1,46,127	1,55,010	-6%	1,30,753	12%	5,53,585	5,70,955	-3%
<b>Total vehicle volume</b>	<b>2,45,891</b>	<b>2,59,932</b>	<b>-5%</b>	<b>2,15,034</b>	<b>14%</b>	<b>9,12,155</b>	<b>9,49,015</b>	<b>-4%</b>

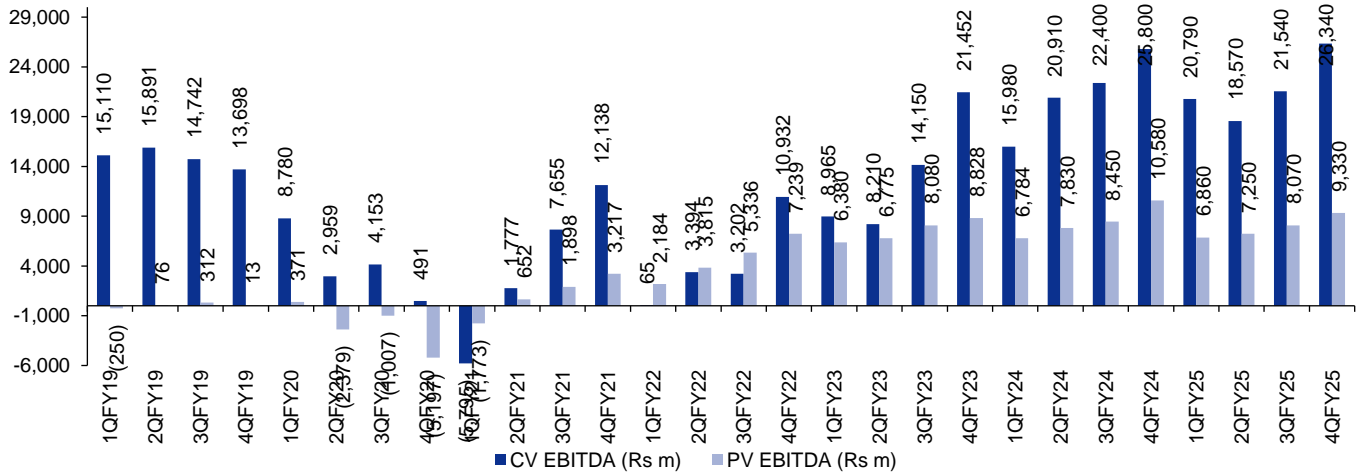
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 3: Tata Motors' India CV division EBITDA margin continues to scale a new high



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: Tata Motors' commercial and passenger vehicle segments' EBITDA levels



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 5: JLR's retail trend for the quarter was weak, barring IPACE and the RR family

Jaguar Retails	4QFY25	4QFY24	%yoy	3QFY25	%qoq	FY25	FY24	%yoy
XE	944	2,157	-56%	2,153	-56%	8,190	11,552	-29%
XF	793	2,864	-72%	2,389	-67%	9,389	13,782	-32%
F-TYPE	211	1,041	-80%	391	-46%	2,123	3,719	-43%
E-PACE	679	2,413	-72%	1,107	-39%	5,259	9,076	-42%
F-PACE	2,548	7,613	-67%	3,612	-29%	16,134	23,351	-31%
I-PACE	2,102	1,971	7%	1,962	7%	7,350	5,386	36%
<b>Total Jaguar</b>	<b>7,277</b>	<b>18,060</b>	<b>-60%</b>	<b>15,324</b>	<b>-53%</b>	<b>48,445</b>	<b>66,866</b>	<b>-28%</b>
LandRover Retails	4QFY25	4QFY24	%yoy	3QFY25	%qoq	FY25	FY24	%yoy
Defender	30,240	27,901	8%	28,321	7%	1,12,635	1,14,646	-2%
Discovery Sport	7,172	7,957	-10%	3,332	115%	28,241	29,043	-3%
Discovery	3,994	4,226	-5%	6,798	-41%	14,486	17,390	-17%
Range Rover Evoque	13,984	13,163	6%	11,260	24%	50,161	47,421	6%
Range Rover Velar	5,967	7,944	-25%	5,473	9%	24,028	26,570	-10%
Range Rover Sport	20,924	16,800	25%	17,402	20%	74,992	63,598	18%
Range Rover	18,674	17,988	4%	22,134	-16%	75,866	66,199	15%
<b>Total LandRover</b>	<b>1,00,955</b>	<b>95,979</b>	<b>5%</b>	<b>95,856</b>	<b>5%</b>	<b>3,80,409</b>	<b>3,64,867</b>	<b>4%</b>
<b>Total JLR Retails</b>	<b>1,08,232</b>	<b>1,14,039</b>	<b>-5%</b>	<b>1,11,180</b>	<b>-3%</b>	<b>4,28,854</b>	<b>4,31,733</b>	<b>-1%</b>

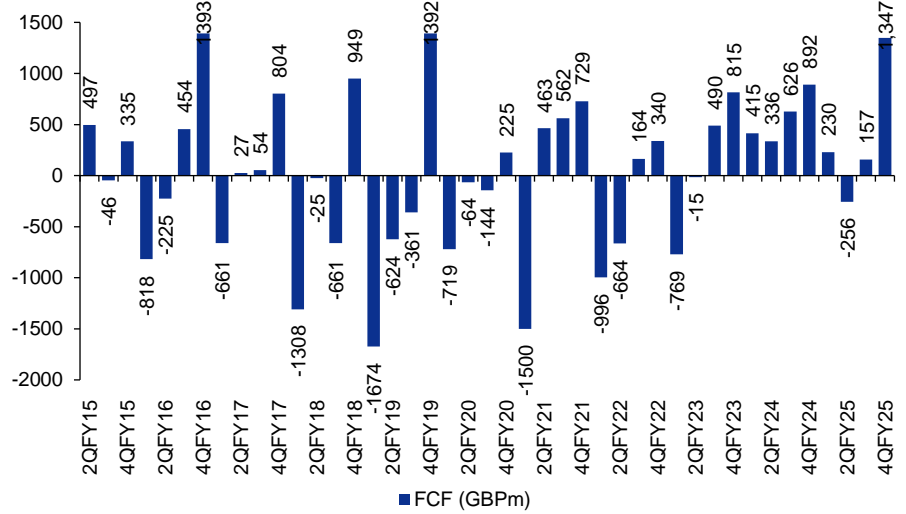
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 6: JLR's financials

£m	4QFY25	4QFY24	% yoy	3QFY25	% qoq	FY25	FY24	% yoy
IFRS								
Net sales	7,727	7,860	-2%	7,486	3%	28,961	28,995	0%
EBITDA	1,183	1,284	-8%	1,060	12%	4,151	4,620	-10%
<b>EBITDA margin (%)</b>	<b>15.3%</b>	<b>16.3%</b>	<b>-102.6</b>	<b>14.2%</b>	<b>115</b>	<b>14.3%</b>	<b>15.9%</b>	<b>-160.1</b>
Reported profit	640	1391	-54%	375	71%	1826	8,505	-79%

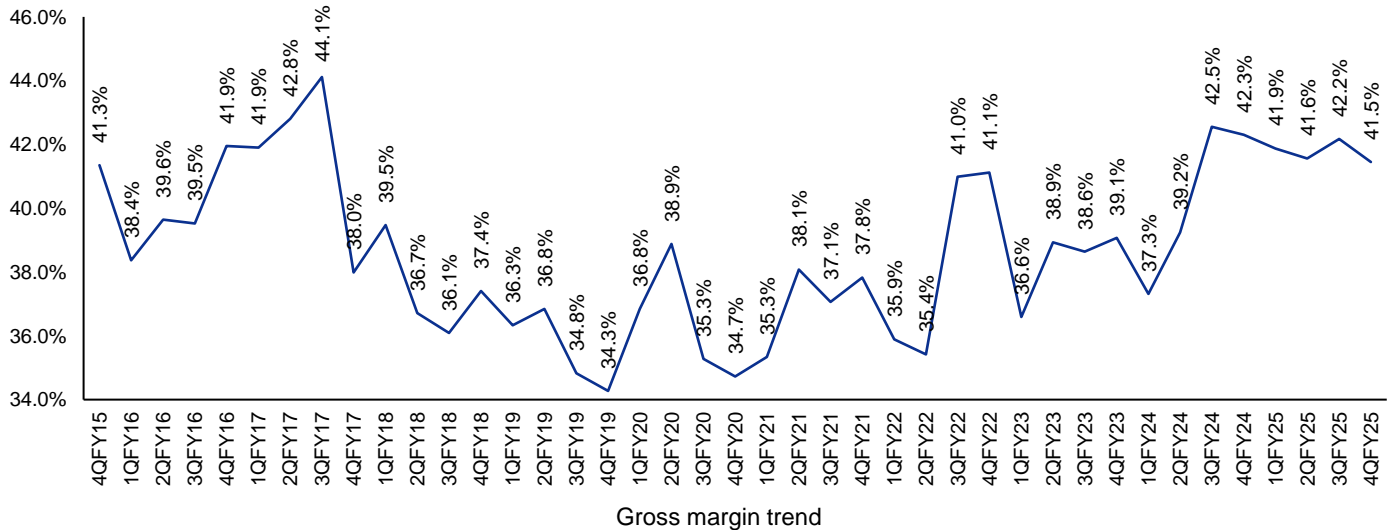
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 7: JLR saw a seasonal jump in FCF in 4QFY25



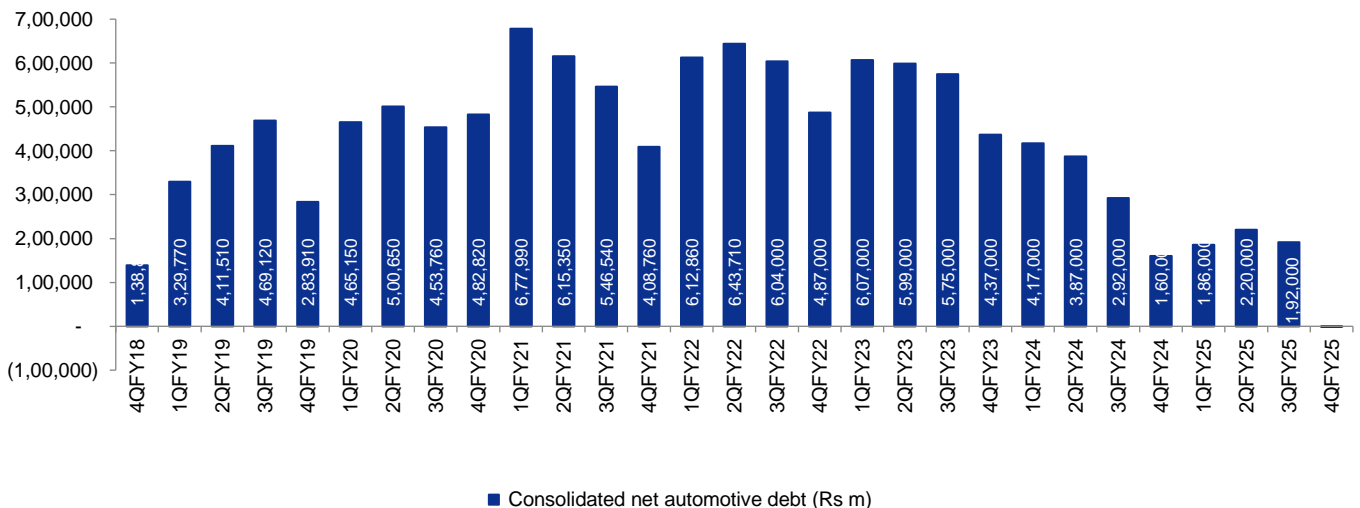
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 8: JLR's quarterly gross margin trend remains healthy



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 9: Net automotive segment turns marginally cash positive



SOURCE: INCRED RESEARCH, COMPANY REPORTS

	Rs. Crore		
Particulars	Tata CV	Tata PV	Consol
FY24	40	102	142
FY25	135	250	385
<b>Total Claim accounted</b>	<b>175</b>	<b>352</b>	<b>527</b>
<b><u>Impact on EBITDA margins</u></b>			
FY25	20 bps	70 bps	10 bps

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 14: Our revised earnings estimates**

	FY26F		FY27F	
	Old	New	Old	New
<b>Tata Passenger Vehicle</b>				
Volume	6,13,043	6,09,601	6,79,327	6,72,552
Change (%)		-0.6%		-1.0%
Net sales	5,49,403	5,56,390	6,27,276	6,32,671
Change (%)		1.3%		0.9%
EBITDA	39,134	39,415	46,234	46,504
Change (%)		0.7%		0.6%
PBT	14,634	14,715	20,834	21,004
Change (%)		0.6%		0.8%
<b>Tata Commercial Vehicle</b>				
Volume	4,27,579	4,27,219	4,75,549	4,75,811
Change (%)		-0.1%		0.1%
Net sales	8,57,845	8,61,806	9,77,950	9,83,759
Change (%)		0.5%		0.6%
EBITDA	1,02,576	1,01,151	1,19,408	1,17,039
Change (%)		-1.4%		-2.0%
PBT	80,393	78,797	96,157	93,730
Change (%)		-2.0%		-2.5%
<b>JLR (Rs m)</b>				
Net sales	32,998	31,683	38,208	35,815
Change (%)		-4.0%		-6.3%
EBITDA	5,145	4,444	6,056	5,138
Change (%)		-13.6%		-15.2%
<b>Consolidated (Rs m)</b>				
Net sales	51,30,251	49,94,120	60,29,002	57,53,126
Change (%)		-2.7%		-4.6%
EBITDA	7,95,176	7,52,185	9,31,371	8,76,007
Change (%)		-5.4%		-5.9%
Normalized PAT	2,68,499	2,58,816	3,20,307	3,11,022
Change (%)		-4%		-3%
EPS (Rs)	73.0	70.3	87.0	84.5
Change (%)		-4%		-3%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 15: Key assumptions**

	FY23	FY24	FY25	FY26F	FY27F	FY28F
<b>Domestic Sales Volume (units)</b>						
Medium & Heavy Commercial Vehicles	1,77,137	1,81,115	1,81,841	1,98,760	2,22,057	2,37,604
Growth yoy (%)	22.6	2.2	0.4	9.3	11.7	7.0
Light Commercial Vehicles	2,33,965	2,14,618	1,95,224	2,20,201	2,45,332	2,69,986
Growth yoy (%)	10.2	-8.3	-9.0	12.8	11.4	10.0
Utility Vehicles	3,58,749	3,92,475	4,34,267	4,72,926	5,22,907	5,80,648
Growth yoy (%)	57.7	9.4	10.6	8.9	10.6	11.0
Cars	1,81,749	1,84,556	1,23,918	1,36,675	1,49,645	1,63,441
Growth yoy (%)	25.6	1.5	-32.9	10.3	9.5	9.2
Total Volumes	9,51,600	9,72,764	9,35,250	10,28,561	11,39,941	12,51,679
Growth yoy (%)	30.5	2.2	-3.9	10.0	10.8	9.8
Exports From Above	19,616	21,017	22,764	35,800	43,000	43,000
Growth yoy (%)	-46.1	7.1	8.3	57.3	20.1	0.0
Domestic Volumes	9,31,984	9,51,747	9,12,486	9,92,761	10,96,941	12,08,679
Growth yoy (%)	34.6	2.1	-4.1	8.8	10.5	10.2
<b>Per Vehicle Assumptions (Rs)</b>						
Net ASP	12,48,262	12,90,136	13,35,711	13,66,786	14,02,690	14,26,998
Growth yoy (%)	15.1	3.4	3.5	2.3	2.6	1.7
Gross profit per vehicle	2,99,583	3,22,534	3,36,599	3,34,863	3,43,659	3,49,615
Growth yoy (%)	21.6	7.7	4.4	(0.5)	2.6	1.7
EBITDA per vehicle	87,418	94,526	87,738	71,753	73,342	71,894
Growth yoy (%)	87.8	8.1	(7.2)	(18.2)	2.2	(2.0)
Profit per vehicle	18,414	23,838	16,745	9,987	23,617	25,039
Growth yoy (%)	(14.6)	29.5	(29.8)	(40.4)	136.5	6.0
<b>For JLR</b>						
In Units						
Jaguar	42,726	49,561	26,862	10,000	12,000	15,000
Growth yoy (%)	(13.7)	16.0	(45.8)	(62.8)	20.0	25.0
Land Rover	2,78,642	3,51,742	3,74,036	4,07,699	4,56,623	4,93,153
Growth yoy (%)	13.9	26.2	6.3	9.0	12.0	8.0
Total JLR	3,21,368	4,01,303	4,00,898	4,17,699	4,68,623	5,08,153
Growth yoy (%)	9.2	24.9	(0.1)	4.2	12.2	8.4
EBITDA margin (IND-AS)	11.4%	18.4%	14.2%	14.0%	14.3%	14.7%
ASP per vehicle (£)	71,054.6	72,153.2	72,240.3	75,852.3	76,426.9	77,863.2
Rs/£	100.5	100.0	97.5	97.2	97.8	97.8

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 16: SOTP-based target price**

	Peer set	Peer set valuation	Valuation Multiple	Value/share (Rs)	Comment
India CV business	Ashok Leyland	FY27F EV/EBITDA multiple	9.5	290	Discount to Ashok Leyland valuation or market share challenges
India Car business	Maruti Suzuki	FY27F PE multiple	14.7	65	Discount to Maruti valuation for peaking market share
India EV division	PV of TPG valuation	PV of FY27F EV valuation		65	15% discount rate to FY27 valuation of USD7bn and 20% holding disc
Jaguar Land Rover	NA	1-year forward EV/EBITDA multiple	1.2	192	Lower band of historical trend for peak profitability from product cycle
China JV	NA	1-year forward P/E	4.0	3.4	In line with Global premium car maker valuation
<b>Subsidiaries</b>					
Tata Daewoo	Ashok Leyland	18.1x FY27F P/E	10.0	2.3	Discount Valuation for its international operations
Telco Construction				5.9	10% discount to stake exchange valuation with Hitachi
Tata Technologies		Mark to market to listed price		41.6	Listed market price
TACO	Bharat Forge	32.3x FY27F P/E consolidate	18.0	0.2	Discount valuations for dependence on Tata Motors
Tata Cummins	Cummins India	37.9x FY27F P/E	20.0	3.1	Discount valuations for dependence on Tata Motors
TML Financial Services	Shriram Transport Finance	10.5x FY27F P/E	6.0	5.7	Discount valuations for dependence on Tata Motors
Sub Total				59	
Subsidiaries value post 20% holding company discount				47	
Less TML Holding company net debt				21	Rs.78bn holding company net debt
<b>Target Price based on SOTP</b>				<b>642</b>	

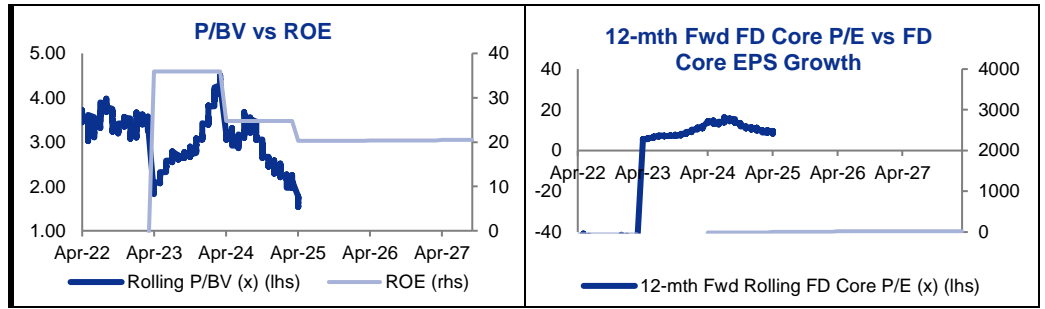
SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 17: Forward P/BV valuation is attractive close to -1SD of the 10-year mean level**



SOURCE: INCRED RESEARCH, COMPANY REPORTS

## BY THE NUMBERS



### Profit & Loss

(Rs mn)	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
<b>Total Net Revenues</b>	<b>4,379,278</b>	<b>4,422,980</b>	<b>4,994,120</b>	<b>5,753,126</b>	<b>6,505,525</b>
<b>Gross Profit</b>	<b>1,636,065</b>	<b>1,733,470</b>	<b>1,897,507</b>	<b>2,192,829</b>	<b>2,490,633</b>
<b>Operating EBITDA</b>	<b>688,893</b>	<b>701,110</b>	<b>752,185</b>	<b>876,007</b>	<b>1,005,673</b>
Depreciation And Amortisation	(382,289)	(339,980)	(383,178)	(424,679)	(468,792)
<b>Operating EBIT</b>	<b>306,605</b>	<b>361,130</b>	<b>369,007</b>	<b>451,328</b>	<b>536,881</b>
Financial Income/(Expense)	(99,858)	(69,230)	(45,679)	(43,437)	(37,125)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	59,499	64,400	59,798	63,130	64,323
<b>Profit Before Tax (pre-EI)</b>	<b>266,246</b>	<b>356,300</b>	<b>383,126</b>	<b>471,021</b>	<b>564,079</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>266,246</b>	<b>356,300</b>	<b>383,126</b>	<b>471,021</b>	<b>564,079</b>
Taxation	(40,351)	(105,390)	(122,600)	(160,147)	(191,787)
Exceptional Income - post-tax	84,647	12,700			
<b>Profit After Tax</b>	<b>310,542</b>	<b>263,610</b>	<b>260,525</b>	<b>310,874</b>	<b>372,292</b>
Minority Interests	1,326	(5,000)	(5,500)	(4,400)	(3,520)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax	6,998	3,212	3,790	4,548	5,458
<b>Net Profit</b>	<b>318,865</b>	<b>261,822</b>	<b>258,816</b>	<b>311,022</b>	<b>374,230</b>
Recurring Net Profit	234,219	249,122	258,816	311,022	374,230
<b>Fully Diluted Recurring Net Profit</b>	<b>234,219</b>	<b>249,122</b>	<b>258,816</b>	<b>311,022</b>	<b>374,230</b>

### Cash Flow

(Rs mn)	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
<b>EBITDA</b>	<b>688,893</b>	<b>701,110</b>	<b>752,185</b>	<b>876,007</b>	<b>1,005,673</b>
Cash Flow from Invt. & Assoc.					
Change In Working Capital	64,800	76,126	(149,590)	1,748	11,036
(Incr)/Decr in Total Provisions	169,568	218,263	(131,192)		(195,000)
Other Non-Cash (Income)/Expense	(81,780)	64,487	3,760	2,000	2,000
Other Operating Cashflow	84,647	12,700			
Net Interest (Paid)/Received	(40,358)	(4,830)	14,118	19,693	27,198
Tax Paid	(40,351)	(105,390)	(122,600)	(160,147)	(191,787)
<b>Cashflow From Operations</b>	<b>845,419</b>	<b>962,465</b>	<b>366,681</b>	<b>739,300</b>	<b>659,120</b>
Capex	(480,110)	(584,824)	(145,684)	(419,308)	(450,115)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	9,428	(45,062)	(106,799)	(103,841)	(101,172)
<b>Cash Flow From Investing</b>	<b>(470,682)</b>	<b>(629,886)</b>	<b>(252,482)</b>	<b>(523,149)</b>	<b>(551,286)</b>
Debt Raised/(repaid)	(271,514)	(359,922)	(4,911)	(4,911)	(4,911)
Proceeds From Issue Of Shares	5	(305)			
Shares Repurchased					
Dividends Paid	(15,316)	(22,080)	(29,440)	(40,480)	(51,520)
Preferred Dividends					
Other Financing Cashflow					
<b>Cash Flow From Financing</b>	<b>(286,826)</b>	<b>(382,307)</b>	<b>(34,351)</b>	<b>(45,391)</b>	<b>(56,431)</b>
Total Cash Generated	87,911	(49,727)	79,848	170,761	51,403
<b>Free Cashflow To Equity</b>	<b>103,222</b>	<b>(27,342)</b>	<b>109,288</b>	<b>211,241</b>	<b>102,923</b>
<b>Free Cashflow To Firm</b>	<b>474,594</b>	<b>401,810</b>	<b>159,878</b>	<b>259,589</b>	<b>144,959</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS

## BY THE NUMBERS...cont'd

### Balance Sheet

(Rs mn)	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Total Cash And Equivalents	458,067	408,340	488,188	658,949	710,352
Total Debtors	169,518	132,480	164,190	204,906	267,350
Inventories	477,883	472,690	574,666	598,956	712,934
Total Other Current Assets	625,331	596,180	630,000	685,000	720,000
<b>Total Current Assets</b>	<b>1,730,799</b>	<b>1,609,690</b>	<b>1,857,044</b>	<b>2,147,810</b>	<b>2,410,637</b>
Fixed Assets	1,201,592	1,553,760	1,568,586	1,563,215	1,544,538
Total Investments	363,792	463,792	563,792	663,792	763,792
Intangible Assets	8,603	8,950	8,450	7,950	7,450
Total Other Non-Current Assets					
<b>Total Non-current Assets</b>	<b>1,573,986</b>	<b>2,026,502</b>	<b>2,140,828</b>	<b>2,234,957</b>	<b>2,315,780</b>
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	939,785	973,680	957,776	1,024,529	1,211,988
Other Current Liabilities	508,989	677,952	600,000	630,000	570,000
<b>Total Current Liabilities</b>	<b>1,448,774</b>	<b>1,651,632</b>	<b>1,557,776</b>	<b>1,654,529</b>	<b>1,781,988</b>
Total Long-term Debt	985,001	624,990	619,990	614,990	609,990
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities					
<b>Total Non-current Liabilities</b>	<b>985,001</b>	<b>624,990</b>	<b>619,990</b>	<b>614,990</b>	<b>609,990</b>
Total Provisions	299,715	384,350	368,690	395,690	297,690
<b>Total Liabilities</b>	<b>2,733,490</b>	<b>2,660,972</b>	<b>2,546,457</b>	<b>2,665,209</b>	<b>2,689,668</b>
Shareholders Equity	849,180	1,161,440	1,390,816	1,661,358	1,984,068
Minority Interests	81,759	66,100	60,600	56,200	52,680
<b>Total Equity</b>	<b>930,939</b>	<b>1,227,540</b>	<b>1,451,416</b>	<b>1,717,558</b>	<b>2,036,748</b>

### Key Ratios

	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Revenue Growth	26.6%	1.0%	12.9%	15.2%	13.1%
Operating EBITDA Growth	82.7%	1.8%	7.3%	16.5%	14.8%
Operating EBITDA Margin	15.7%	15.9%	15.1%	15.2%	15.5%
Net Cash Per Share (Rs)	(143.19)	(58.87)	(35.82)	11.95	27.27
BVPS (Rs)	230.76	315.61	377.94	451.46	539.15
Gross Interest Cover	3.07	5.22	8.08	10.39	14.46
Effective Tax Rate	15.2%	29.6%	32.0%	34.0%	34.0%
Net Dividend Payout Ratio	6.5%	9.2%	11.8%		
Accounts Receivables Days	13.62	12.46	10.84	11.71	13.25
Inventory Days	58.91	64.50	61.73	60.16	59.63
Accounts Payables Days	115.25	129.84	113.83	101.61	101.66
ROIC (%)	20.5%	23.4%	22.2%	21.8%	25.6%
ROCE (%)	16.5%	19.0%	18.6%	20.3%	21.4%
Return On Average Assets	9.6%	8.7%	7.7%	8.2%	8.8%

### Key Drivers

	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
ASP (% chg, main prod./serv.)	3.4%	3.5%	2.3%	N/A	N/A
Unit sales grth (% , main prod./serv.)	2.2%	(3.9%)	10.0%	5.9%	N/A

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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## Recommendation Framework

### Stock Ratings

Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

*The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.*

### Sector Ratings

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

### Country Ratings

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.