

Tata Motors (TTMT) - ADD

Result Update

Current Market Price (CMP) Rs.923	Target Price Rs.1100
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Rationale:

- Q4FY24: JLR's performance was in line with our expectations.
- Q4FY24: CV business performance came below expectations; PV business in-line.
- Expect JLR to maintain profitability, led by better mix and cost-cutting measures.
- The company aims to launch first electric Range Rover by end-CY24E.
- We expect earnings per share to decline by 19.0% in FY25E & grow by 11.4% in FY26E.
- Retain ADD; SoTP (sum-of-the-parts) based fair value of Rs1,100.

Q4FY24 Earnings update:

Positives:

- JLR reported EBITDA (24% yoy/6% qoq) was broadly in line with our estimates.
- JLR's overall wholesale volumes (excluding China JV) improved 9% qoq to 110k units.
- JLR generated free cash flow of GBP89.2 cr in Q4FY24.
- Expect market share improvement in domestic PV segment over FY25-26E.

Negatives:

- CV business reported an EBITDA was 15% below our estimates.
- Expect domestic CV segment demand trends to remain muted in the near term.

(EBITDA - Earnings Before Interest, Tax, Depreciation and Amortization; CV – Commercial Vehicle; PV – Passenger Vehicle)

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For detailed report dated 12th May 2024. Note: CMP & valuation may differ due to difference in dates.



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