TATA MOTORS

NUVAMA FLASH

nuvama institutional equities

KEY DATA

Rating	REDUCE
Sector relative	Underperformer
Price (INR)	707
12 month price target (INR)	680
52 Week High/Low	1,142/536
Market cap (INR bn/USD bn)	2,605/29.6
Free float (%)	53.0
Avg. daily value traded (INR mn)	7,097.0

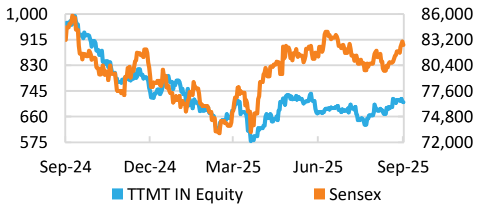
SHAREHOLDING PATTERN

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

FINANCIALS (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Revenue	4396950	4517044	4920206	5283550
EBITDA	552,160	482,883	568,191	641,131
Adjusted profit	274,580	187,177	227,296	260,527
Diluted EPS (INR)	74.6	50.9	61.8	70.8
EPS growth (%)	(11.6)	(31.8)	21.4	14.6
RoAE (%)	27.7	15.1	16.1	16.1
P/E (x)	9.6	14.2	11.7	10.2
EV/EBITDA (x)	5.5	6.1	5.1	4.3
Dividend yield (%)	0.8	1.3	1.4	1.4

PRICE PERFORMANCE



Phased resumption of production at JLR

We attended TTMT's analyst meet. Highlights: i) Post-hit from cyber-attack in Sep-25, JLR to resume production in a phased manner ahead. ii) JLR demand outlook stays challenging in the near-term for Europe, China and US regions. iii) For the India PV and CV industries, GST cuts to aid better growth outlook of high single-digit in H2FY26. iv) Iveco (ex-defence) buyout at 2x CY24 EV/EBITDA to be complete by Apr-26, which is to be EPS accretive initially, and should become meaningfully accretive in two years. v) Led by regulatory approvals, the separate listing of PV and CV businesses is likely in Oct-25 and Nov-25.

Led by muted growth prospects in JLR, we retain 'REDUCE' with a Sep-26E TP of INR680.

Analyst meet highlights

JLR to resume production: Post-production shutdown from cyber-attack in Sep-25, JLR to resume manufacturing in controlled and phased manner in coming days. It continues to work alongside cybersecurity specialists, UK government's NCSC and law enforcement. The company is conducting a forensic study to ascertain comprehensive impact.

JLR demand outlook remains challenging in near-term. Europe is weak and China is subdued following the luxury tax change while US remains resilient.

BEV: Range Rover BEV launch remains on track for next year alongside continued execution of Jaguar's electrification roadmap.

India GST cuts to boost PV demand: For India PV industry, GST cut to aid affordability and improve H2FY26 outlook to 6–8%. Management expects compact SUVs, micro SUVs, hatchbacks to do well. Hatchback demand shall improve on shift in consumer preferences from used to new vehicles. TTMT is aiming to outpace industry growth.

New product: Sierra launch on track for Q4FY26 with curated variants and competitive pricing aimed at improving volumes and model mix. Given the launch of Sierra, the company would cover ~75% of domestic addressable market in PVs.

CAFÉ-3 norms: TTMT-PV business has ~45% top line share from CNG, EVs with further pickup likely. This shall support in complying with upcoming CAFÉ-3 norms.

India CV demand to improve: For the India CV industry, the GST cut to support consumption demand and freight availability for transporters, leading to a pickup in H2FY26 growth outlook to high single digit.

Iveco acquisition: Iveco (ex-defence) buyout at 2x CY24 EV/EBITDA and equity value of EUR3.8bn to be completed by Apr-26. Acquisition to be EPS accretive initially, and shall become meaningfully accretive in two years. Collaboration with TTMT-CV business is likely in areas of platform sharing, R&D efforts, procurement, etc.

Demerger: Post-receipt of regulatory approvals, separate listing of PV/CV businesses is likely in Oct'25/Nov'25.

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