



**CMP: ₹470-493**

**BUY**

**TP: ₹610**

**Upside: 27%**

- Tata Motors Group is a leading global automobile manufacturer.
- TTMT has taken the lead in this nascent market, with ~70% market-share. Some of the factors that are aiding higher EV penetration are government incentives, launch of relatively affordable models, rise in ICE vehicle prices, sharp rise in fuel costs, etc.
- TTMT's planned passenger car EV subsidiary ('EVCo.') will be asset-light and would house all dedicated EV talent and design capabilities. 'EVCo.' would invest USD2bn over the next five years in products, platforms, charging infrastructure, etc.
- TTMT aims to take the lead in accelerating EV adoption of the industry. Management targets EVs contributing 20% of its PV volumes in the next 5 years, by offering wider India specific products with different body styles and driving ranges.
- Plans to launch EV models by FY26. The growth potential is high, with demand/bookings outpacing supply (large order backlog).
- Tata Group will provide the overall eco-system, namely Tata Power for EV charging infra, Tata Motors Finance for financing, TCS/Tata Elxsi for ADAS and technology, Tata AutoComp for battery assembly plant, Tata Chemicals for Li-ion cell manufacturing and battery recycling.

## Financial Summary

Consolidated (₹mn)	Revenue	EBITDA Margin	EPS	EPS growth (%)	P/E (x)	RoE (%)	RoCE (%)
FY22E	2,850,192	10.2	(9.5)	-	(44.2)	-	-
FY23E	3,809,014	13.8	35.7	-	11.8	-	-



Disclaimer:

## Recommendation Parameters for Fundamental/Technical Reports:

Buy – Absolute return of over +10%

Accumulate – Absolute return between 0% to +10%

Reduce – Absolute return between 0% to -10%

Sell – Absolute return below -10%

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Investment

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