

Ebitdad Rajat

Trading Comps Valuation – Tata Motors Ltd.



Executive Summary

Based on the Analysis, Tata Motors Ltd is Fairly based on the Trading Comps Valuation with the price range of INR 270 to 1,850 as on 6th Feb,2024 compared to the current market price of INR 926. However, it important to conduct further research and analysis before making any investment decision.

Details of Comparable Companies

Tata Motors	Tata Motors Group is a leading global automobile manufacturer. Part of the illustrious multi-national conglomerate, the Tata group. it offers a wide and diverse portfolio of cars, sports utility vehicles, trucks, buses and defense vehicles to the world
Maruti Suzuki India Ltd	The Company was established in 1981. A joint venture agreement was signed between the Government of India and Suzuki Motor Corporation (SMC), Japan in 1982. The Company became a subsidiary of SMC in 2002.It is the market leader in passenger vehicle segment in India.
Mahindra & Mahindra	Mahindra & Mahindra Ltd is one of the most diversified automobile company in India with presence across 2-wheelers, 3-wheelers, PVs, CVs, tractors & earthmovers.
Ashok Leyland Ltd	Ashok Leyland is the flagship Company of the Hinduja group, having a long-standing presence in the domestic medium and heavy commercial vehicle (M&HCV) segment. The company has a strong brand and well-diversified distribution and service network across the country and has a presence in 50 countries, it is one of the most fully-integrated manufacturing companies.
Bajaj Auto Ltd	Bajaj Auto, the flagship company of Bajaj Group, is a two-wheeler and three-wheeler manufacturing company that exports to 79 countries across several countries in Latin America, Southeast Asia, and many more. Its headquarter is in Pune, India.
Force Motors Ltd	Force Motors Ltd was established in 1958, is the flagship company of the Abhay Firodia group. The company is in the business of manufacturing fully vertically integrated small and light CVs, multi-utility vehicles, and agricultural tractors, which it supplies to various countries in the Middle East, Asia, Latin America, and Africa.

Source: Company Filings

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Amt In INR (Rs)

Company Name	Ticker	CMP	Market Cap	Total Debt	EV	LTM Financials			FY24F Financials			FY25F Financials		
						Sales	EBITDA	Net Profit	Sales	EBITDA	Net Profit	Sales	EBITDA	Net Profit
Tata Motors	TATAMOTORS	875.75	290,500	125,661	382,884	352,534	38,143	2,414	385,290	46,955	3,815	412,655	58,111	5,345
Maruti Suzuki India Ltd	MARUTI	10638.00	334,033	1216	334,750	119,889	13,335	8,211	137,484	15,558	9,981	164,211	19,484	12,044
Mahindra & Mahindra	M&M	1651.00	204,724	88767	294,475	126,972	24,246	10,281	137,511	31,655	12,672	159,466	43,899	13,892
Ashok Leyland Ltd	ASHOKLEY	175.00	51,450	30921	79,967	42,503.0	5,262	1,240	45,644	5,878	1,884	48,312	6,409	2,203
Bajaj Auto Ltd	BAJAJAUTO	7656.00	216,664	124	215,429	38,172.2	8,167	6,060	42,654	8,805	6,235	46,189	93,054	6,389
Force Motors Ltd	FORCEMOT	3918	5,172	955	5665.85	5399.32	581	133	6519	625	189	7,180	812	225

Company Name	Reported Currency	Exchange Rate	Credit Rating (LT)	Shares Outstanding	EPS	LTM Multiples (x)			FY24 Multiple (x)			FY25 Multiple (x)		
						EV/ Sales	EV/ EBITDA	Price/ Earnings	EV/ Sales	EV/ EBITDA	Price/ Earnings	EV/ Sales	EV/ EBITDA	Price/ Earnings

Tata Motors	INR	1.00	AA/ Crisil	332	7.27	1.09x	10.04x	120.49x	0.99x	8.15x	76.29x	0.93x	6.59x	54.48x
Maruti Suzuki India Ltd	INR	1.00	AAA/ Crisil	31.4	271.80	2.79x	25.10x	39.14x	2.43x	21.52x	32.20x	2.04x	17.18x	26.68x
Mahindra & Mahindra	INR	1.00	AAA/ Care	124	85.82	2.32x	12.14x	19.24x	2.14x	9.30x	15.69x	1.85x	6.71x	14.49x
Ashok Leyland Ltd	INR	1.00	AA/ ICRA	294	43.84	1.88x	15.20x	3.99x	1.75x	13.60x	2.65x	1.66x	12.48x	2.30x
Bajaj Auto Ltd	INR	1.00	AAA/ Crisil	28.3	214.14	5.64x	26.38x	35.75x	5.05x	24.46x	35.36x	4.66x	2.32x	34.51x
Force Motors Ltd	INR	1.00	AA/ Crisil	1.32	101.24	1.05x	9.74x	38.70x	0.87x	9.06x	27.33x	0.79x	6.97x	22.89x

High						5.64x	26.38x	120.49x	5.05x	24.46x	76.29x	4.66x	17.18x	54.48x
75th Percentile						2.67x	22.63x	39.03x	2.36x	19.54x	34.57x	1.99x	11.10x	32.55x
Average						2.46x	16.43x	42.88x	2.21x	14.35x	31.59x	1.99x	8.71x	25.89x
Median						2.10x	13.67x	37.23x	1.95x	11.45x	29.76x	1.75x	6.84x	24.79x
25th Percentile						1.28x	10.56x	23.37x	1.18x	9.12x	18.60x	1.11x	6.62x	16.59x
Low						1.05x	9.74x	3.99x	0.87x	8.15x	2.65x	0.79x	2.32x	2.30x

Source: Own Calculation

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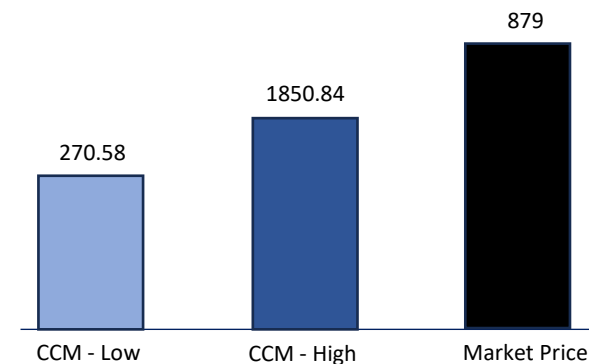
Valuation Metrics	Year	Total Debt	Implied EV	Implied Market Value	Equity Shares Outstanding	Implied Value Per Share
EV/Sales	LTM	125,661.00	740437.36	614,776.36	332.16	1850.84
	FY24	125,661.00	750047.89	624,386.89	332.32	1878.87
	FY25	125,661.00	722531.24	596,870.24	332.48	1795.21
EV/EBITDA	LTM	125,661.00	521,441.31	395,780.31	332.16	1191.54
	FY24	125,661.00	537,775.76	412,114.76	332.32	1240.11
	FY25	125,661.00	397,430.34	271,769.34	332.48	817.40
P/E	LTM	125,661.00	215,535.5	89,874.54	332.16	270.58
	FY24	125,661.00	239,212.8	113,551.81	332.32	341.69
	FY25	125,661.00	258,153.8	132,492.76	332.48	398.50

Conclusion

The Trading Comps Valuation suggest that Tata Motor's stock is Fairly valued in the market. **This shows that Tata Motor's stock is trading between the price range (Rs 270 to Rs 1850) of the Peer comparable companies in the industry.**

Despite trading with the established price range of Peer Comparable Companies, Tata Motors' current market price of 926 showcases a notable investor optimism. Investors are evidently are paying fair value for Tata Motors' shares, underscoring confidence in the company's future business prospects. This Fair valuation is attributed to Tata Motors' robust Goodwill, well-established Brand, and a track record of Consistent Revenue Growth..

Relative Pricing Analysis





Peer Comps

- General Information
- Enterprise Value
- LTM Returns on Investment Ratios
- Reported Income Statement
- Reported Cashflow Statement

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Peers Comps 1: Tata Motors Ltd

General Information

Company Name	Tata Motors
Ticker	TATAMOTORS
BSE Code	500570
Current Price	875.75
Reported Currency	INR
52-Week High Price	875.75
52-Week Low Price	401

Source: Screener

Enterprise Value

Per Share Price	875
Shares Outstanding	332
Market Capitalization	290500
Plus: Total Debt	125661
Plus: Preferred Stock	0
Plus: Minority Interest	7277
Less: Cash and Cash Equivalents	40554
Enterprise Value	382884

Source: Tickertape

LTM Returns on Investment Ratios

Return on Invested Capital	5.93%
Return on Equity	5.62%
Return on Assets	0.85%
Dividend per Share	Rs 2.

Source: Screener

Reported Income Statement

In INR (Rs)

Particulars	Historical			Projected	
	2021	2022	2023	2024	2025
Sales	253,147	281,617	352,534	385,290	412,655
EBITDA	21,170	27,144	38,143	46,955	58,111
Net Income	-13,451	-11,441	2,414	3,815	5,345
Debt	0	139,677	125661	125000	125000
Shares Outstanding	332.06	332.09	332.16	332.32	332.48
EPS	-40.51	-34.45	7.27	11.48	16.08
PE	-21.62	-25.42	120.49	76.29	54.48

Source: Tickertape

Cash Flow Statement Data

In INR (Rs)

Particulars	2021	2022	2023
Cash Flow From Operations	29,001.00	14,283.00	35,388.00
Capital Expenditures	20,205.40	15,168.42	19,230.17
% Sales	-92%	-95%	-95%
Free Cash Flow	8,795.60	-885.42	16,157.83
% Margin	30%	-6%	46%
FCF/Share	10.04	-1.01	18.45
Depreciation & Amortization	1731	1761	1767
% Sales	0.68%	0.63%	0.50%

Source: Screener, Company Filings

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Peers Comps 2: Maruti Suzuki India Ltd

General Information

Company Name	Maruti Suzuki India Ltd
Ticker	MARUTI
BSE Code	532500
Current Price	10,638
Reported Currency	INR
52-Week High Price	10725
52-Week Low Price	8219

Source: Screener

Enterprise Value

Per Share Price	10,638
Shares Outstanding	31.4
Market Capitalization	334033.2
Plus: Total Debt	1216
Plus: Preferred Stock	0
Plus: Minority Interest	0
Less: Cash and Cash Equivalents	499
Enterprise Value	334750.2

Source: Tickertape

LTM Returns on Investment Ratios

Return on Invested Capital	64.90%
Return on Equity	11.50%
Return on Assets	8.47%
Dividend per Share	Rs. 90

Source: Screener

Reported Income Statement

Particulars	In INR (Rs)				
	Historical			Projected	
	2021	2022	2023	2024	2025
Sales	73477.3	90236.4	119889.4	137484	164211
EBITDA	8456.9	7612.8	13335.8	15558	19484
Net Income	4389	3879	8211	9981	12044
Debt	492	382	1216	1216	1216
Shares Outstanding	30.21	30.21	30.21	30.21	30.21
EPS	145.3	128.4	271.8	330.4	398.7
PE	73.22	82.85	39.14	32.20	26.68

Source: Tickertape

Cash Flow Statement Data

Particulars	In INR (Rs)		
	2021	2022	2023
Cash Flow From Operations	8856.00	1840.00	9251.00
Capital Expenditures	2370.00	3459.00	6347.00
% Sales	3.23%	3.83%	5.29%
Free Cash Flow	6486.00	-1619.00	2904.00
% Margin	73.24%	-87.99%	31.39%
FCF/Share	0.61	-0.15	0.27
Depreciation & Amortization	3034	2789	2826
% Sales	4.13%	3.09%	2.36%

Source: Screener, Company Filings

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Peers Comps 3: Mahindra & Mahindra Ltd

General Information

Company Name	Mahindra & Mahindra
Ticker	M&M
BSE Code	500520
Current Price	1651
Reported Currency	INR
52-Week High Price	1734
52-Week Low Price	1128

Source: Screener

Enterprise Value

Per Share Price	1651
Shares Outstanding	124
Market Capitalization	204724
Plus: Total Debt	88767
Plus: Preferred Stock	0
Plus: Minority Interest	10716
Less: Cash and Cash Equivalents	9732
Enterprise Value	294475

Source: Tickertape

LTM Returns on Investment Ratios

Return on Invested Capital	22.20%
Return on Equity	18.10%
Return on Assets	5.51%
Dividend per Share	Rs 16.25

Source: Screener

Reported Income Statement

Particulars	In INR (Rs)				
	Historical			Projected	
	2021	2022	2023	2024	2025
Sales	77077.15	93545.23	126971.91	137511.32	159466.1
EBITDA	12638.53	17887.32	24246.74	31655.24	43899.3
Net Income	1812.49	6577.32	10281.5	12672.5	13892.4
Debt	57525	74667	88467	88467	88467
Shares Outstanding	111.03	111.21	119.81	120.44	121.89
EPS	16.32	59.14	85.82	105.22	113.97
PE	101.14	27.92	19.24	15.69	14.49

Source: Tickertape

Cash Flow Statement Data

Particulars	In INR (Rs)		
	2021	2022	2023
Cash Flow From Operations	17908.83	9247.55	-7074.02
Capital Expenditures	5989.49	6039.8	6304.57
% Sales	7.77%	6.46%	4.97%
Free Cash Flow	11919.34	3207.75	-13378.6
% Margin	0.67%	0.35%	1.89%
FCF/Share	7.22	1.94	-8.10
Depreciation & Amortization	3378	3508	4357
% Sales	4.38%	3.75%	3.43%

Source: Screener, Company Filings

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Peers Comps 3: Bajaj Auto Ltd

General Information

Company Name	Bajaj Auto Ltd
Ticker	Bajaj Auto
NSE Code	532977
Current Price	7656
Reported Currency	INR
52-Week High Price	7655
52-Week Low Price	3639

Source: Screener

Enterprise Value

Per Share Price	7656
Shares Outstanding	28.3
Market Capitalization	216664.8
Plus: Total Debt	124
Plus: Preferred Stock	0
Plus: Minority Interest	0.01
Less: Cash and Cash Equivalents	1360
Enterprise Value	215428.81

Source: Tickertape

LTM Returns on Investment Ratios

Return on Invested Capital	228%
Return on Equity	20.20%
Return on Assets	17%
Dividend per Share	Rs. 140

Source: Screener

Reported Income Statement

Particulars	Historical			Projected	
	2021	2022	2023	2024	2025
Sales	29323.86	35824.89	38172.19	42654.23	46189.55
EBITDA	6507.46	7930.1	8167.34	8805.91	93054.33
Net Income	4857.02	6165.87	6060.21	6235.02	6389.54
Debt	121	123	124	124	124
Shares Outstanding	28.94	28.94	28.3	28.8	28.8
EPS	167.83	213.06	214.14	216.49	221.86
PE	45.62	35.93	35.75	35.36	34.51

Source: Tickertape

Cash Flow Statement Data

Particulars	In INR (Rs)		
	2021	2022	2023
Cash Flow From Operations	3119.88	4197.21	5277.42
Capital Expenditures	259.59	550.75	1110.2
% Sales	0.89%	1.54%	2.91%
Free Cash Flow	2860.29	3646.46	4167.22
% Margin	91.68%	86.88%	78.96%
FCF/Share	0.37	0.48	0.54
Depreciation & Amortization	259	270	286
% Sales	0.88%	0.75%	0.75%

Source: Screener, Company Filings

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Peers Comps 4: Ashok Leyland Ltd

General Information

Company Name	Ashok Leyland Ltd
Ticker	ASHOKLEY
BSE Code	500477
Current Price	175
Reported Currency	INR
52-Week High Price	188.9
52-Week Low Price	134.75

Source: Screener

Enterprise Value

Per Share Price	175
Shares Outstanding	294
Market Capitalization	51450
Plus: Total Debt	30921
Plus: Preferred Stock	0
Plus: Minority Interest	2244
Less: Cash and Cash Equivalents	2404
Enterprise Value	82211

Source: Tickertape

LTM Returns on Investment Ratios

Return on Invested Capital	14.30%
Return on Equity	15%
Return on Assets	2.66%
Dividend per Share	Rs 2.6

Source: Screener

Reported Income Statement

Particulars	In INR (Rs)				
	Historical			Projected	
	2021	2022	2023	2024	2025
Sales	20047	26741.54	42502.99	45644.31	48311.56
EBITDA	2669.18	2535.42	5262.31	5878.44	6409.19
Net Income	-165.23	-358.61	1240.81	1884.23	2203.16
Debt	23900	23939	30923	30923	30923
Shares Outstanding	28.94	28.94	28.3	28.5	28.9
EPS	-5.71	-12.39	43.84	66.11	76.23
PE	-30.65	-14.12	3.99	2.65	2.30

Source: Tickertape

Cash Flow Statement Data

Particulars	In INR (Rs)		
	2021	2022	2023
Cash Flow From Operations	3119.88	4197.21	5277.42
Capital Expenditures	751.67	508.72	929.10
% Sales	3.75%	1.90%	2.19%
Free Cash Flow	2368.21	3688.49	4348.32
% Margin	76%	88%	82%
FCF/Share	13.53	21.08	24.85
Depreciation & Amortization	836	866	900
% Sales	4.17%	3.24%	2.12%

Source: Screener, Company Filings

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Peers Comps 5: Force Motors Ltd

General Information

Company Name	Force Motors Ltd
Ticker	FORCEMOT
BSE Code	500033
Current Price	3918
Reported Currency	INR
52-Week High Price	1098
52-Week Low Price	4282

Source: Screener

Enterprise Value

Per Share Price	3918
Shares Outstanding	1.32
Market Capitalization	5171.76
Plus: Total Debt	955
Plus: Preferred Stock	0
Plus: Minority Interest	2.09
Less: Cash and Cash Equivalents	463
Enterprise Value	5665.85

Source: Tickertape

LTM Returns on Investment Ratios

Return on Invested Capital	2.61%
Return on Equity	1.76%
Return on Assets	0.83%
Dividend per Share	Rs. 140

Source: Screener

Reported Income Statement

In INR (Rs)

Particulars	Historical			Projected	
	2021	2022	2023	2024	2025
Sales	2013.08	3292.3	5399.32	6519.41	7180.87
EBITDA	26.04	102.34	581.56	625.33	812.85
Net Income	-123.63	-91.08	133.64	189.23	225.91
Debt	643	1069	1650	1650	1650
Shares Outstanding	1.32	1.32	1.32	1.32	1.32
EPS	-93.66	-69.00	101.24	143.36	171.14
PE	-41.83	-56.78	38.70	27.33	22.89

Source: Tickertape

Cash Flow Statement Data

In INR (Rs)

Particulars	2021	2022	2023
Cash Flow From Operations	7.34	18.42	531.74
Capital Expenditures	453.24	399.29	259.52
% Sales	22.51%	12.13%	4.81%
Free Cash Flow	-445.9	-380.87	272.22
% Margin	-6075%	-2068%	51%
FCF/Share	-0.11	-0.10	0.07
Depreciation & Amortization	174	191	241
% Sales	8.64%	5.80%	4.46%

Source: Screener, Company Filings

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