

# Tata Motors vrooms to new peak

**POWER PACK.** Analysts raise price targets post Q3 show; expect JLR, PV, CV segments to do well

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Shares of Tata Motors closed at ₹929.75 on the NSE, higher by 5.80 per cent on Monday. The stock surged over about 8.1 per cent to hit an all-time high of ₹950, after the carmaker on Friday (after market hours) reported a strong set of financial numbers for the quarter ended December 2023. Besides strong Q3, analysts give thumbs up to Tata Motors on its continued improvement in JLR, PV and CV business and reduced net automotive debt from current levels.

The stock rocketed after the company reported a 137 per cent increase in its net profit with ₹7,025 crore in Q3 as against ₹2,957 crore reported during the corres-

ponding quarter last year. It had recorded strong Jaguar Land Rover (JLR) sales, and posted a 22 per cent uptick in revenue during the quarter. Post strong numbers, most analysts revised the price targets higher.

## IMPROVING MARGINS

Analysts of JM Financial said that improving margins for both domestic CV and PV segments augur well for overall profitability, and the domestic business is on track to turn net debt free. "Maintain BUY with Mar'25 SOTP of ₹1,000 (standalone / JLR valued at 10x / 2.5x EV/EBIDTA). Slowdown in key global markets remains a monitorable," JM Financial report said.

Emkay Research analysts expect that the upcoming model launches of the company in PV sector would aid

## Pitching high

	Call	Target (₹)
Sharekhan	Buy (Buy)	1,026 (840)
Motilal Oswal	Buy (Buy)	1,000 (750)
Prabhudas Lilladher	Buy (Buy)	1,010 (900)
YES Securities	Buy (Buy)	1,060 (789)
Elara Securities	Buy (Accumulate)	935 (779)
Emkay Global	Add (Add)	925 (900)
HDFC Securities	Sell (Sell)	596 (534)
JM Financial	Buy (Buy)	1,000 (730)

Paranthesis represents previous recommendations

outperformance amid weakening industry outlook. Increasing the target price from ₹900 to ₹925, the firm said, "We believe domestic CVs will peak in FY24, though margin expectations remain resilient on pricing discipline. We raise FY24E/25E/26E EPS by 3 per cent/5 per cent/8 per cent (on Q3 beat, lower JLR tax rate assumption) and main-

tain ADD with new SOTP-based TP of ₹925." Meanwhile, brokerage firm Prabhudas Lilladher stated that the company's revenue was largely in line with consensus estimates. The brokerage maintained its positive stance on the stock given that the "JLR's volume ramp-up resulting in strong revenue, profitability, and FCF; India CV benefitting

from underlying economic strength, benign input costs and lower discounts and focus on market share in PV segment (14.6 per cent in Q3 FY24 vs 8 per cent in FY21) led by model launches and rising EV penetration." They retained 'buy' rating for the stock and increased the target price to ₹1,010 from the earlier ₹900.

Reiterating 'buy' rating with a target price of ₹1,000, brokerage Motilal Oswal stated that Tata Motors should witness a healthy recovery as supply-side issues ebb (for JLR) and commodity headwinds stabilise (for the India business).

"The next leg of growth will be driven by JLR, as we expect EBIT margin to reach 9.9 per cent by FY26, in line with the management's guidance," the brokerage said in a report.