



Key Takeaways

- Chips and other supply constraints continued to ease in Q2. Production & wholesale sales volumes are expected to improve.
- EBIT margins are expected to expand as inflation slows.
- Management has indicated, H2 is seasonally stronger than H1

JLR

- Order book for JLR business remains strong with over 168,000 units, management expects this to reduce at a faster pace and come down to 110,000 units.
- Strong cash flow, reducing debt will further strengthen balance sheet.
- The company also plans to invest GBP 15Bn in its transition to EVs over the next five years.
- The new body shop in Solihull went live in Q3 & is expected to increase capacity by 30% over time.
- Upward revision of margin guidance from 6% to 8% will further drive profitability

Commercial Vehicle

- Management expects double digit growth in Q3, however Q4 is expected to be flat, due to higher base.
- The domestic market share for commercial vehicles stood strong at 39.7%, which is still lower on a YoY basis & is expected to improve going forward.
- Margins are also expected to improve as the commodity prices softened in Q2.
- Scaling up EV vehicles i.e. ACE EV & E-buses will be the key focus area.
- ACE EV that was recently launched, the company has already signed up with 5 customers during the launch & already deployed for 4 customers.

Passenger Vehicle

- The PV industry is expected to experience single-digit growth in FY24. This growth is likely attributed to the fact that the industry had a higher base in the previous year.
- The electric vehicle (EV) sector has reported robust growth in terms of volume, with an impressive increase of approximately 55%.
- The launch of the new Nexon and Nexon.ev models has generated strong interest, as indicated by a substantial number of bookings
- The easing of commodity inflation is expected to have a positive effect on the company's profitability.

We recommend BUY with target price of Rs 750 assigning a P/E multiple of 16.8x on an EPS of 44.5 for FY25E.

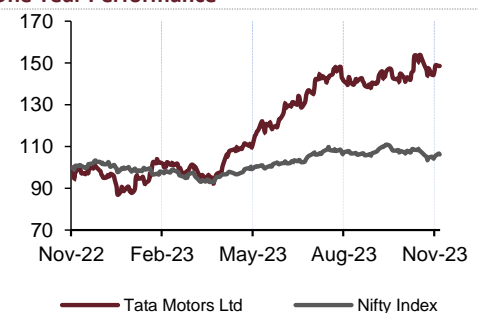
Rating	TP (Rs)	Up/Dn (%)
BUY	750	16

Market data

Current price	Rs	646
Market Cap (Rs.Bn)	(Rs Bn)	2,368
Market Cap (US\$ Mn)	(US\$ Mn)	28,459
Face Value	Rs	2
52 Weeks High/Low	Rs	677.9 / 375.2
Average Daily Volume	('000)	11,701
BSE Code		540173
Bloomberg		TTMT.IN

Source: Bloomberg

One Year Performance



Source: Bloomberg

% Shareholding	Sep-23	Jun-23
Promoters	46.38	46.39
Public	53.62	53.61
Total	100	100

Source: Bloomberg

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