

Tata Motors Consolidated Q1 FY24 Results:

Revenue ₹102.2K Cr (up 42.1% vs PY), EBITDA at ₹14.7K Cr (up 177% vs PY), PBT (bei) ₹5.3K Cr (up ₹10.3K Cr vs PY), Auto FCF ₹2.5K Cr (up ₹12.3K Cr vs PY)

- JLR Revenue £6.9b up 57.0%, EBITDA at 16.3% (+960 bps), EBIT at 8.6% (+1300 bps)
- Tata CV Revenue ₹17.0K Cr, up 4.4%, EBITDA at 9.4% (+390 bps), EBIT at 6.5% (+370 bps)
- Tata PV Revenue ₹12.8K Cr, up 11.1%, EBITDA at 5.3% (-80 bps), EBIT at 1.0% (+10 bps)

Mumbai, July 25, 2023: Tata Motors Ltd. (TML) announced its results for quarter ending June 30, 2023.

Q1 FY24		Consolidated (₹ Cr Ind AS)		Jaguar Land Rover (£m, IFRS)		Tata Commercial Vehicles (₹Cr, Ind AS)		Tata Passenger Vehicles (₹Cr, Ind AS)	
		FY24	Vs. PY	FY24	Vs. PY	FY24	Vs. PY	FY24	Vs. PY
		Revenue	102,236	42.1 %	6,903	57.0 %	16,991	4.4%	12,839
EBITDA (%)	14.4	700 bps	16.3	960 bps	9.4	390 bps	5.3	(80) bps	
EBIT (%)	8.1	880 bps	8.6	1,300 bps	6.5	370 bps	1.0	10 bps	
PBT (bei)	5,330	₹10,292crs	435	£959m	937	₹635 crs	186	₹172 crs	

Tata Motors Consolidated:

TML continued its strong performance in Q1 FY24 with Revenues at ₹102.2K Cr (up 42% yoy), EBITDA at ₹14.7K Cr (up 177% yoy) and EBIT of ₹8.3KCr (higher by ₹8.8KCr), all showing a sharp improvement driven by JLR and CV businesses whilst the PV business was steady. JLR revenues improved by 57% to £6.9b on strong wholesales and improved mix resulting in EBIT margins of 8.6% (+1,300bps). CV volumes were lower by 15% over prior year due to transition to BS6 Phase 2. However, the EBIT margins improved to 6.5% (+370bps) benefiting from the demand-pull strategy and richer mix. PV business was steady with 11.1% revenue growth and EBIT of 1.0% (+10bps). Overall PBT (bei) improved by ₹10.3KCr to ₹5.3KCr and Net Profit was ₹3.3KCr.

Looking Ahead:

We remain optimistic on the demand situation despite near term uncertainties and expect a moderate inflationary environment to continue in the near term. We aim to deliver a strong performance in the rest of the year too, thanks to a healthy order book coupled with low-break-even in JLR, a steady improvement in demand whilst we continue to drive our demand-pull strategy in CV, a set of exciting launches ahead of the festive season in PV and continued aggression in EVs.

PB Balaji, Group Chief Financial Officer, Tata Motors said:

"FY24 has begun on the right note with all automotive verticals delivering strong performances. The distinct strategy employed by each business is now delivering consistent results and making them structurally stronger. We remain confident of sustaining this momentum in the rest of the year and achieve our stated goals."

JAGUAR LAND ROVER (JLR)

Highlights

- Revenues in Q1 FY24 of £6.9 billion, up 57% (y-o-y).
- PBT (bei) in Q1 FY24 was £435 million, up £67 million from Q4 FY23 and up nearly £1 billion from Q1 FY23.
- EBIT margin in the quarter was 8.6%, up from 6.5% in Q4 FY23.
- The higher profitability year-on-year reflects favourable volume, mix, pricing and foreign exchange revaluation offset partially by higher inflation and supplier claims.
- FCF of £451 million, the highest JLR Q1 cash flow on record; cumulative FCF over the last three quarters is £1.8 billion.
- Cash on hand increased to £4 billion and net debt reduced to £2.5 billion at June 30, 2023.
- Order book strong at 185k units with Range Rover, Range Rover Sport and Defender representing 76% of the order book.
- Adrian Mardell and Richard Molyneux confirmed as Chief Executive Officer and Chief Financial Officer respectively.
- Tata's newly announced £4bn UK gigafactory will provide JLR with stable and secure supply of battery cells to electrify JLR's next generation modern luxury vehicles.

Reimagine Transformation

- Our first Reimagined modern luxury electric vehicle to go on sale will be Range Rover BEV, available for pre-order later this year and on sale in 2024.
- Range Rover Sport named the 2023 Auto Express Large Premium SUV of the year 2023.
- JLR's Jaguar and Land Rover (Range Rover, Defender, Discovery) brands placed top of a J.D. Power US 'Automotive Performance, Execution and Layout (APEAL)' based on client perceptions of design, performance, safety, comfort and quality.
- Model year refreshes of Discovery Sport and Range Rover Evoque with significant interior upgrades. Outbound Edition of Defender 130 launched.
- Limited edition *New Range Rover Sport SV EDITION ONE*, with pricing ranging from £168,800 to more than £190,000 in the UK, was fully reserved ahead of its launch in May, following exclusive Range Rover House preview events.
- Digital transformation continues with Tata Technologies to support Enterprise Risk Management (ERM) across the business and with Everstream to use AI to monitor our global supply chains.

Looking ahead

Q2 production and cashflow is expected to be lower than Q1 reflecting the annual summer plant shutdown while wholesales and profitability are expected to be more in line with recent quarters.

Adrian Mardell, JLR Chief Executive Officer, said:

"I am pleased to report a third consecutive quarter of strengthening financial performance for JLR. We have had a strong start to the financial year and delivered our highest production levels in nine quarters and our highest Q1 cashflow on record. This is testament to the thousands of determined people in the business working tirelessly to deliver every aspect of our Reimagine strategy."

TATA COMMERCIAL VEHICLES (TATA CV)

Highlights

- Q1 revenue at ₹ 17.0KCr, (+4.4%), EBITDA 9.4% (+390 bps), EBIT 6.5% (+370 bps), PBT (bei) ₹ 0.9K Cr.
- Q1 CV domestic wholesales at 82.4 K units (-14.1% yoy), domestic retails at 77.6K units (-14.3% yoy).
- Domestic CV market share (based on Vahan) at 39.1% in Q1 FY24. HGV+HMV 45.4%, MGV 34.0%, LGV 36.3%, Passenger 35.6%.
- Started deliveries of CESL tender Electric Buses. Expect to ramp up supplies in the coming months.

Financials

Apart from seasonality, Q1 FY24 for the commercial vehicles industry was impacted by the transition to BS 6 Phase 2 emission norms. Domestic CV volumes were 82.4K units, down 14.1% yoy. Exports were at 3.6K units, down 32% yoy because of subdued economic conditions in overseas markets as well. However, HCV volumes grew 9% yoy driven by the strong infrastructure push by the Government, as well as increased activity in e-commerce, construction, and replacement demand in auto logistics and petroleum sector. Despite the drop in volumes, the revenues improved by 4.4% to ₹ 17.0KCr on account of improved mix and better market operating price. The business witnessed strong EBITDA and EBIT margins of 9.4% and 6.5% respectively in Q1 FY24 and reported strong PBT (bei) of ₹ 0.9 K Cr led by improved pricing, superior mix, stable commodity costs.

Looking ahead

We expect demand to sequentially improve in FY24. The promising monsoon and continuing infrastructure thrust by the Government auger well for the CV industry, even as it faces the headwinds of high interest rates, fuel prices and inflation. We will continue to drive our demand-pull strategy and drive customer preference through innovation, service quality and thematic brand activation. In the coming quarters, we aim to step up Vahan market shares and revenue growth through innovation, service quality and thematic brand activation and deliver double digit EBITDA in FY24 by improving realisations and cost savings.

Girish Wagh, Executive Director Tata Motors Ltd said:

“The Indian commercial vehicles sector made a promising start to FY24 in Q1, enabled by a strong infrastructure push from the Government as well as increased economic activity. At Tata Motors, we successfully upgraded our entire portfolio beyond the mandatory requirements for BS6 Phase 2 transition to offer more features, value-adds and benefits to customers. We were impacted in the earlier part of the quarter with availability issues due to this large transition but delivered sequentially improved performance as the quarter progressed. Looking ahead, we remain optimistic on the demand environment even as it continues to face the headwinds of high interest rates, fuel prices and inflation. We will continue to drive our demand-pull strategy and step up our competitiveness with improved availability of our exciting range of products as the year progresses.”

TATA PASSENGER VEHICLES (TATA PV)

Highlights

- Q1 revenue at ₹ 12.8KCr, (+11.1%), EBITDA 5.3% (-80 bps), EBIT 1.0% (+10 bps), PBT (bei) ₹ 0.2 K Cr.
- Q1 PV domestic wholesales at 140.1K units (+7.6% yoy), domestic retails at 132.5K units (+ 6.1% yoy).
- Q1 EV volumes (incl. exports) highest at 19.3 K units (+105% yoy).
- EV penetration at 14%, CNG penetration at 8% in Q1 FY24.
- VAHAN registration market share improves by 70 bps to 14.2% in Q1 FY24. EV registration shares at 76%
- Strong response to Tiago EV, 10K deliveries completed in less than 4 months.
- Launched Altroz iCNG equipped with India's first twin-cylinder CNG technology, with advanced features and no compromise on boot space.

Financials

Tata PV business continued to witness robust demand in Q1 FY24. The PV volumes grew to 140.4K units (+7.7% improvement yoy). Revenues grew by 11.1% to ₹ 12.8K crs driven by improved pricing. The EBITDA margins were lower by 80 bps yoy at 5.3%, impacted by higher mix of EV's and higher fixed expenses. The EV profitability is likely to improve H2 onwards. EBIT margins improved by 10 bps yoy to 1.0% and PBT(bei) improved by ₹ 172 crores yoy to ₹ 186 crores driven by impact of operating leverage.

Looking ahead

The Passenger Vehicle industry in Q1 FY24 witnessed robust demand driven by new launches, especially in the SUV segment and EVs. Going forward, we expect the demand to remain steady with the onset of the festive season whilst the electrification trend is set to strengthen further. We will continue to leverage our aspirational portfolio and alternate powertrains to maintain market leadership and drive EV penetration further. We will also focus on advanced technologies to deliver premium customer experience. A structured margin improvement program has also been institutionalized. With these, the business is confident of delivering market beating growth and achieving its financial targets.

Shailesh Chandra, Managing Director TMPV and TPEM said:

"The Passenger Vehicle industry in Q1 FY24 witnessed robust demand driven by new launches, especially in the SUV segment and EVs. At Tata Motors, we continued the growth trajectory by registering quarterly sales of 140,450 cars and SUVs in Q1 FY24 (up 8% over Q1 FY23). In line with industry trend, SUVs continued to spearhead sales contributing ~64% while sales of cars were buoyed by the multi-power train offerings of the Tiago and Altroz. We launched Altroz iCNG during the quarter and it has received much acclaim and an excellent response from customers. Continuing with our thrust on EVs, in Q1 FY24, we recorded the highest ever quarterly sales of 19,346 vehicles (up~105% over Q1 FY23). The excellent market response to Tiago EV catalysed this growth while demand for other EVs remained consistent. Going forward, we expect a stable supply chain and robust demand with the onset of the festive season in the second half of Q2 FY24."

ADDITIONAL COMMENTARY ON FINANCIAL STATEMENTS

(CONSOLIDATED NUMBERS, IND AS)

FINANCE COSTS

Finance costs increased by ₹195 Cr to ₹2,615 Cr in Q1 FY24, owing to impact of interest rate increase.

JOINT VENTURES, ASSOCIATES AND OTHER INCOME

For Q1 FY24, net profit from joint ventures and associates amounted to ₹211 Cr compared with a profit of ₹36 Cr in Q1 FY23. Other income (excluding grants) was ₹ 677 Cr in Q1 FY24 versus ₹ 340 Cr in Q1 FY23.

FREE CASH FLOWS

Free cash flow (automotive) for Q1 FY24, was positive at ₹2.5K Cr driven by strong improvement in cash profits. Net automotive debt reduced to ₹41.7KCr.

[For further information contact](#)

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