



TATA TECHNOLOGIES LTD

IPO OUTLOOK

IPO TIMELINE

Events	Date
IPO Opening Date	Nov 22, 2023
IPO Closing Date	Nov 24, 2023
Allotment Date	Nov 30, 2023
Initiation of Refunds	Dec 1, 2023
Credit of Shares to Demat	Dec 4, 2023
IPO Listing Date	Dec 5, 2023

IPO LOT SIZE

Application	Lots	Shares	Amount
Retail (Min)	1	30	15,000
Retail (Max)	13	390	1,95,000
S-HNI (Min)	14	420	210,000
B-HNI (Max)	66	1980	990,000

IPO KEY DETAILS

Price Band	₹475 to ₹500
Face Value	₹2 per share
Issue Size	₹ 3042.51 crore
Reservation	QIB 50%, Retail 35%, NII 15%
Listing	BSE, NSE

FINANCIAL PERFORMANCE (Rs. Cr)

Y/E March	FY21	FY22	FY23
Revenue from Op.	2380.91	3529.58	4414.18
Other Income	44.83	48.80	87.75
Total Income	2,425.74	3,578.38	4,501.93
Income growth (%)	-12.5%	47.5%	25.8%
EBITDA	430.53	694.46	908.69
EBITDA margin	17.75%	19.41%	20.18%
PAT	239.17	436.99	624.04
PAT growth	9.50%	82.71%	42.80%
EPS	5.89	10.77	15.38
Total Assets	3572.73	4217.99	5201.48
Borrowings	1430.58	1937.83	2212.01
RoE (%)	12	19.8	23.7
RoCE(%)	9.8	16.7	19.5

PEER COMPARISONS (Rs. Cr)

Company Name	Revenue	EPS	P/E(x)
LTTS	8013.6	110.80	37.47
KPIT Tech	3365	80.3	80.3
Tata Elxsi	3144.7	121.26	61.55
Tata Technology	4414.18	15.4	32.53

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Our Recommendation: *Tata Technologies reported strong revenue and profit growth of 15.83% and 35.37% CAGR respectively in the last three years. Company's EBITDA margin has also improved from 17% to 20%. The IPO is fairly priced at 32.5x its FY23 earnings while its peers like KPIT Tech and Tata Elxsi are trading at the P/E of 80x and 61.55x respectively. Investors may subscribe this IPO for long-term gains.*

About Company: Tata Technologies Limited is a global engineering services company that specializes in product development and digital solutions. They focus on providing comprehensive solutions for international original equipment manufacturers (OEMs) and their tier-1 suppliers, aiming to create safer, cleaner products that improve overall quality of life. With expertise in the automotive sector, Tata Technologies also serves clients in aerospace, transportation, and heavy construction machinery. Operating globally, the company encourages collaboration among diverse teams with varied skills to address real-time challenges and solve complex engineering problems.

IPO Objectives: The Company proposes to utilize the Net Proceeds to fund the following objects:

- Achieve the benefits of listing the Equity Shares on the Stock Exchanges.
- Carry out the Offer for Sale of up to 95,708,984 Equity Shares by the Selling Shareholders.

Strong Financial Performance: The company's revenue has been growing since 2020. In the last 4 years, revenue has increased by 55% from Rs. 2897 crores in 2020 to Rs. 4502 crores in 2023. Company's net profit increased to Rs. 624 crores in 2023 from 251 crores in 2020. Operating margin is hovering around 17 to 20%. EPS has been consistently growing from Rs. 6.2 in 2020 to Rs.15.38 in 2023.

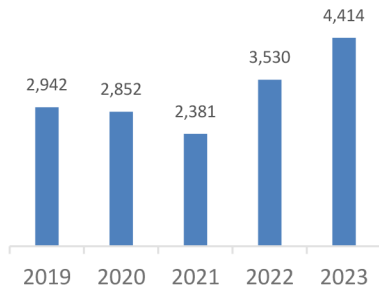
Key Strength:

- The company has deep expertise in the automotive industry.
- It also has differentiated capabilities in new-age automotive trends such as electric vehicles ("EVs").
- The company has a diversified clientele spread across the globe.
- Its delivery centres are located globally to ensure client engagement and scalability.
- It also has a proprietary e-learning platform to tap into the large upskilling and reskilling market.
- Brand value and recognition are well-established.
- The management team and board are quite experienced.

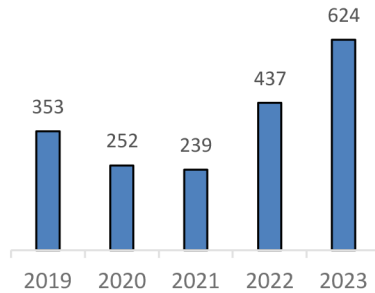
Key Weaknesses:

- The company's major is automotive sector and top five clients.
- Negative cash flow in the past.
- Exposed to foreign exchange rate fluctuations.
- The company operates in a very competitive industry.
- The company claims deductions under special tax holidays for units set up in special economic zones in India. thus, any changes in that can impact the business.

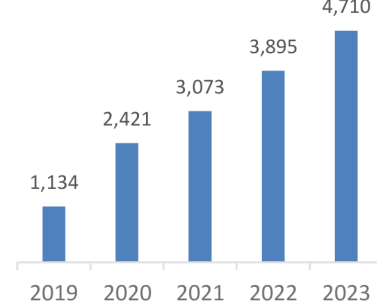
Revenues (INR Cr)



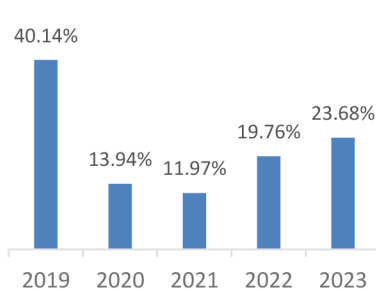
Net Profit (INR Cr)



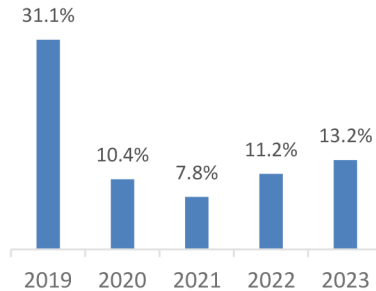
Total Assets (INR Cr)



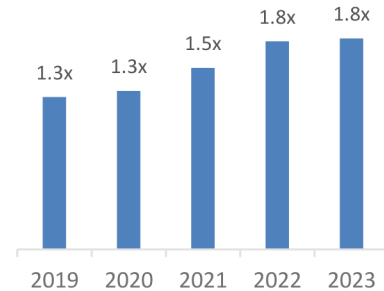
Return on Equity (%)



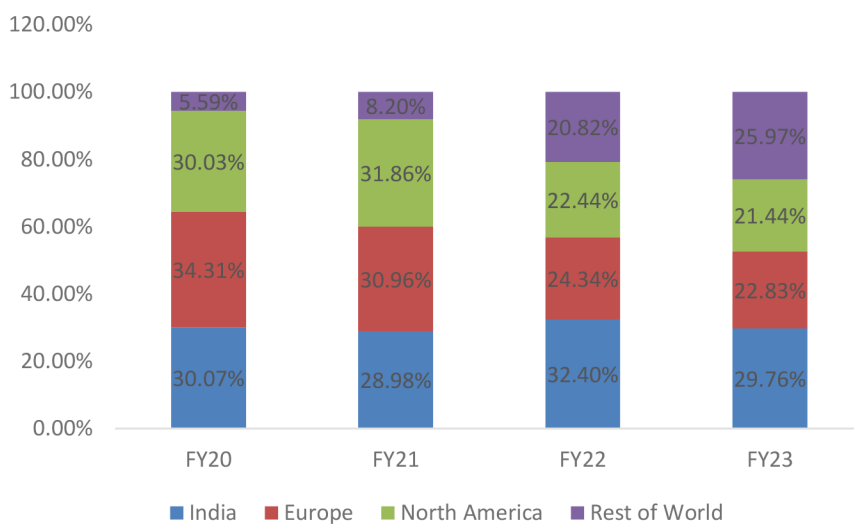
Return on Assets (%)



Financial Leverage



Revenue Geographical Breakup



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