

# Ratings Monitor

One Report – to monitor stocks and identify triggers to re-evaluate ratings

## TATA CHEMICALS

Current Market Price	Potential Returns	Fair Value (FV)
Rs.941	15.8%	Rs.1,090

**Date:** 17<sup>th</sup> May, 2022

**Previous Rating:** **SELL**

**Current Rating:** **Buy**

**Change:** Upgrade

### Ratings Rationale

- Q4FY22 EBITDA grew 133% yoy to Rs657.4 cr, setting a new benchmark for forthcoming quarters. (Earnings Before Interest, Tax, Depreciation and Amortisation)
- US business EBITDA almost doubled sequentially, as EBITDA per ton reached record levels of US\$59/MT.
- Further capacity expansions announced, given market tightness.
- Considering the near-term strength in earnings and still-reasonable valuations (14x FY23E P/E), we upgrade the stock to BUY.

### Valuation

Rate BUY with a revised FV of Rs1,090 based on Sum of the Parts (SoTP) valuation.

### Read Full Report

**Note:** The performance horizon is 12 months unless specified.

This is a synopsis of the Research report issued by Kotak Securities Limited. This is not a comprehensive report and before taking any investment decision we request you to refer the detailed report including disclaimers by clicking here: <https://www.kotaksecurities.com/swebResearchCall/Fundamental>. Further, the recipient of this material should take their own professional advice before investing. Disclaimer: <http://bit.ly/2n5AxIE>