

PROJECT 3

Financial Forecasting for Tata Motors Ltd.

Objective:

The goal of this project was to forecast important financial measures, notably sales, EBITDA, and earnings per share, for Tata Motors Ltd. Using the financial information from the previous project, I employed the linear regression forecasting approach to anticipate future performance to assist in financial decision-making.

Methodology:

Data used: Historical financial statements generated during Project 1.
Forecasting Method: Each metric's future trends are estimated using linear regression with Excel's FORECAST tool.

Results:

Tata Motors' forecasting predicts a rebound from historical instability, with continuous rise in sales, EBITDA, and profits per share (EPS) beyond 2023. Despite substantial hurdles in previous years, the company's financial performance appears to have stabilised. Sales growth is forecast to peak in 2024 before gradually stabilising, while EBITDA and EPS are likely to recover and rise steadily beginning in 2026. This points to a healthy long-term future, with enhanced operational efficiency and financial health.

Forecasting for Sales, EBITDA, and EPS

TATA MOTORS LTD - Sales Forecasting			
Year Weight	Year	Sales	Sales Growth
1	2015A	263159.0	
2	2016A	273045.6	3.76%
3	2017A	269692.5	-1.23%
4	2018A	291550.5	8.10%
5	2019A	301938.4	3.56%
6	2020A	261068.0	-13.54%
7	2021A	249794.8	-4.32%
8	2022A	278453.6	11.47%
9	2023A	345967.0	24.25%
10	2024A	437927.8	26.58%
11	2025E	362627.6	-17.19%
12	2026E	374512.7	3.28%
13	2027E	386397.7	3.17%
14	2028E	398282.8	3.08%
15	2029E	410167.9	2.98%

TATA MOTORS LTD - EBITDA Forecasting			
Year Weight	Year	EBITDA	EBITDA Growth
1	2015A	22961.6	
2	2016A	34454.4	50.05%
3	2017A	24898.8	-27.73%
4	2018A	30277.3	21.60%
5	2019A	42507.0	40.39%
6	2020A	19888.5	-53.21%
7	2021A	8715.0	-56.18%
8	2022A	-362.2	-104.16%
9	2023A	105218.0	-29153.72%
10	2024A	145862.6	38.63%
11	2025E	89703.6	-38.50%
12	2026E	98114.8	9.38%
13	2027E	106526.0	8.57%
14	2028E	114937.1	7.90%
15	2029E	123348.3	7.32%

TATA MOTORS LTD - Earnings Per Share Forecasting			
Year Weight	Year	EBITDA	EBITDA Growth
1	2015A	-0.2	
2	2016A	29.9	-12846.11%
3	2017A	-15.6	-152.05%
4	2018A	6.8	-143.78%
5	2019A	43.8	543.58%
6	2020A	-13.0	-129.76%
7	2021A	-82.6	532.92%
8	2022A	-118.2	43.16%
9	2023A	286.0	-341.91%
10	2024A	408.8	42.94%
11	2025E	209.1	-48.85%
12	2026E	237.2	13.44%
13	2027E	265.3	11.85%
14	2028E	293.4	10.59%
15	2029E	321.5	9.58%

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=FORECAST(B14,\$D\$4:\$D\$13,\$B\$4:\$B\$13)