Equity Research report

Astra Zeneca PLC

Recommendation: HOLD

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About the Business

AstraZeneca operates a research-driven biopharmaceutical business model centred on discovering, developing and commercialising prescription medicines, with strategic focus areas in oncology, cardiovascular, respiratory and rare diseases. The company's growth is powered by heavy investment in R&D, targeted acquisitions, and a long-term pipeline strategy aiming for 20–30 new medicines by 2030. AstraZeneca has a market capitalization of approximately £215 billion, supported by strong investor confidence reflected in its premium valuation. Its revenue primarily comes from prescription drug sales, especially high-margin oncology products, alongside contributions from emerging markets such as China and gains from strategic partnerships and acquired therapeutic platforms. Based on all the above, our recommendation is to hold.

Investment Thesis

We initiate coverage of AstraZeneca with a Buy rating and a target price of £145, implying 4.1% upside from the current share price. Our positive view is driven by three factors:

- Sustained revenue growth supported by AstraZeneca's leadership in oncology and expanding presence in cardiovascular, metabolic and rare diseases;
- Improving margins as higher-value biologics scale and cost efficiencies take hold.
- Strong free cash flow generation that supports continued R&D investment and potential shareholder returns.

Despite these strengths, AstraZeneca trades at a discount to global pharma peers, suggesting the market undervalues its pipeline and long-term earnings potential. While risks include patent expiries, regulatory pricing pressure and clinical-development setbacks, we believe these are outweighed by the company's diversified portfolio, proven execution and clear upcoming catalysts such as pivotal data readouts and new product launches.

Economic analysis

AstraZeneca PLC is one of the world's leading biopharmaceutical companies, making a substantial contribution to the global healthcare industry across multiple therapeutic areas and geographies. As a key player in the prescription medicine and biotechnology sector, AstraZeneca's profitability and market position are influenced by factors such as clinical innovation, regulatory frameworks, input and R&D costs, pricing pressures, and broader macroeconomic conditions.

The United Kingdom serves as a critical base for AstraZeneca, housing its global headquarters and playing a key role in research, development, and manufacturing operations. The company has established a strong presence across the country, supported by advanced laboratories, production facilities, and strategic collaborations with leading academic and healthcare institutions. With the UK's robust life sciences ecosystem and growing emphasis on biopharmaceutical innovation, the market remains central to AstraZeneca's global strategy for scientific advancement, production, and commercial growth.

The UK's GDP as of 2024 had increased by 1.1%[1]. This implies tighter fiscal policy with uncertainty in global trade, thus leading to constricted growth momentum and business investment in the short and medium term.

Inflation rate of the UK was most recently reported at 3.8%[2], thus influencing material, production and operational costs. AstraZeneca may encounter pressure on input and research costs, therefore compressing profit margins.

Low unemployment in the UK (4.8%[3]) ensures a stable consumer purchasing power. The ageing population of the UK[4] suggests unstable demand over time.

Optimisation of operational costs would lead to greater profit margins alongside increasing AstraZeneca's emerging market operations.

Porter Five Forces

Now, through Porter's Five Forces, we are going to examine and evaluate Astra Zeneca's strategic positioning and competitive dynamics that will shape its prospects. This framework will be able to provide a structured view of the external pressures and opportunities influencing AstraZeneca's performance and long-term value. Through this, we will be able to determine the key risks and strengths affecting AstraZeneca's attractiveness as an investment and will also be supported by the recent sector data and developments.

- **Threat of New Entrants**
  The pharmaceutical industry enjoys high barriers to entry because of its large R&D requirements (AstraZeneca invested $11.1 billion in 2024, 24% of revenue), stringent regulatory hurdles, and long patent protection periods. High failure rates in clinical trials, estimated at around 80%, imply that new entrants have low success probabilities. Economies of scale and the fact that AstraZeneca has an established global footprint ensure a minimal threat from new players.
- **Bargaining Power of Suppliers**
  While AstraZeneca depends on specialized suppliers for APIs and biologics, the company's diversified supplier base and its efforts toward vertical integration partly reduce supplier bargaining power. However, raw material price volatility plus concentration among some suppliers-particularly in China and India-boosted input costs by ~4% in 2024. AstraZeneca is in a powerful bargaining position, underpinned by its global purchasing volume.
- **Bargaining Power of Buyers**
  Major buyers—governments, health systems, and insurers—wield significant leverage, negotiating large-scale contracts (NHS annual medicine spending exceeded £20.6 billion in 2024) and enforcing price controls. Pressure intensifies as generic options and biosimilars multiply post-patent expiry. Still, AstraZeneca combats this with continual innovation and a pipeline of 162 active projects.
- **Threat of Substitutes**
  Major purchasers, such as governments, health systems, and insurers, have substantial negotiating power due to the large size of contracts-the annual spend of the NHS on medicines was above £20.6 billion in 2024-and they impose price controls. Pressure from generic alternatives and biosimilars increases with time after patent expiry. Still, AstraZeneca combats this with continuous innovation and a pipeline of 162 active projects.
- **Industry Rivalry**
  Competition remains fierce, with rivals such as Pfizer ($58 billion in revenue, FY2024) and Novartis continuing to invest heavily. AstraZeneca's diversified portfolio in oncology, cardiovascular, and respiratory delivered $45.8 billion in revenue in 2024 and a profit margin of 16.2%. R&D investments, a robust pipeline, and a global footprint are critical to defend market share.

PESTLE Analysis

Political: The failure to reach an agreement between the UK government and the Association of British Pharmaceutical Industry (ABPI) left the current rebate at 22.9%, which, according to ABPI, makes the future UK investment in the sector unlikely. The company's growth projects in the UK are also halted due to the cut in governmental support. Nonetheless, the company has shown some degree of adaptability to the trade tariffs from the US, by gradually shifting its production to the USA and building up inventories across the country.

Economic: Economic elements that affect the sale of pharmaceuticals include the GDP growth rates, current inflation statistics and the buying power of the consumer market. One of the key factors affecting the purchase of pharmaceuticals are the policies implemented by the NHS.

Socio-cultural: the overall trend of aging population across the globe (1 in 6 people will be over 60 by 2030) and increased prevalence of chronic diseases is likely to see an increase in demand for pharmaceuticals. Changes in lifestyle will see an increase in the demand for new treatments. Nonetheless, AstraZeneca must carefully address the public trust in pharma. In addition, they must adopt their services and products to new trends of digital health and patient-centric models.

Technological: the overall developments in the pharmaceutical technology and especially regarding the use of AI, gives AstraZeneca an opportunity to increase its productivity and address many long-standing obstacles in the industry. Overall, the company is increasing the use of AI in its research procedures (mainly oncology). The company is aiming to further develop the use of AI for it to more efficiently assist them in operations.

Legal: The pharmaceutical companies are subject to strict regulations, in case of AstraZeneca greatest concerns in the UK comes from marketing practices of the firm. As of 2025, AstraZeneca had been found to breach (thrice) the PMCPA, UK's main regulatory framework regarding the promotion and advertisement of pharmaceuticals. AstraZeneca is likely to risk their reputation and face increased regulatory scrutiny, if the non-compliance trend continues.

Environmental: the pressure from both the shareholders and the public calls for greater focus on ESG (Environmental, Social, Governance) in the operations of pharmaceutical companies. AstraZeneca has set d a goal of net-zero by 2045 and a 50% reduction of s carbon footprint by 2030. AstraZeneca must integrate sustainability deeply into its operations, as a strategic business imperative, to avoid damage to its reputation and investor pushback.

Company Analysis

AstraZeneca is a purpose-driven biopharmaceutical company headquartered in Cambridge, UK, with a strategic emphasis on pushing the boundaries of science to deliver life-changing medicines. Its core therapeutic areas include oncology, cardiovascular, respiratory, and rare diseases. The company aims to launch 30 new medicines by 2030, supported by a robust investment strategy that balances internal R&D and strategic acquisitions. In 2023 alone, AstraZeneca invested approximately $10.9 billion in research and development, with 60% allocated to late-stage clinical trials and regulatory approvals, and 40% to early-stage discovery.

AstraZeneca's global footprint is extensive, with major investments in the United States, including a $3.5 billion R&D facility in Kendall Square, Massachusetts, and manufacturing sites in Maryland and Texas. The company is also expanding in China, evidenced by its acquisition of FibroGen China and the strategic importance of the Chinese market to its growth plans.
Sustainability is central to AstraZeneca's long-term strategy. The company has committed to reducing Scope 1 and 2 greenhouse gas emissions by 98% by 2026 from a 2015 baseline and aims to become carbon negative for residual emissions by 2030. These goals are overseen by the newly established Sustainability Steering Committee (SSC), reflecting AstraZeneca's responsive governance and alignment with ESG priorities.

Strategically, AstraZeneca maintains financial flexibility through a conservative capital structure and diversified debt instruments, including commercial papers and callable bonds across US and European markets. Its acquisitions, such as Icosavax, Gracell Biotechnologies, and Neogene, are aligned with its innovation goals, particularly in oncology, which remains a high-margin and high-growth area.

However, there are areas of caution that investors and stakeholders should monitor. AstraZeneca's liquidity ratios have shown a downward trend, with a current ratio below 1, indicating potential challenges in meeting short-term liabilities. Additionally, inventory turnover remains relatively slow, which could lead to higher carrying costs and risks of product obsolescence. The company's exposure to regulatory and political risks (particularly in China) has also led to stock volatility, as seen in past investigations involving senior executives. These factors highlight the importance of maintaining operational efficiency and transparent governance as AstraZeneca continues its global expansion.

Overall, AstraZeneca's integrated approach to scientific innovation, sustainability, and global expansion positions it as a resilient and forward-thinking leader in the pharmaceutical industry.

Valuation Analysis

Revenue Growth Analysis

AstraZeneca PLC has delivered strong top-line growth, with revenue rising from about $26.6bn in 2020 to $54.1bn in 2024, implying a five-year CAGR of roughly 17%.

Historical Revenue Performance:

Fiscal Year	Total Revenue (USD bn)	YoY Growth %
2020	$26.6	+9.2%
2021	$37.4	+40.6%
2022	$44.4	+18.5%
2023	$45.8	+3.3%
2024	$54.1	+18.0%
9M 2025	$43.2	+11.0%

Year-over-year performance has shown robust structural growth trends and fluctuating performances in line with product launches and changes in the business landscape. Year-over-year growth rates included 9.2% in 2020, an increase to 40.6% in 2021, further growing to 18.5% in 2022, easing to 3.3% in 2023, and then a sharp increase to 18.0% in 2024. In the most recent twelve months, the company registered revenue of about $56.5 billion, showing year-over-year growth of approximately 15%. In the first nine months of 2025, the performance shows revenue growth of 11%, led by strong Oncology segment growth of 16% and low teens in the Respiratory & Immunology portfolio.

Key Financial Ratios Analysis

Liquidity Ratios

AstraZeneca has similar liquidity than its competitors, but it should be noted that its liquidity is on a downward trend.

Additionally, its current ratio is less than 1, meaning AstraZeneca may have trouble meeting its short-term liabilities. This could indicate the future need for additional financing, but as observed in the debt management ratios below, AstraZeneca has the most favourable capital structure prospects when compared to its competitors. Furthermore, AstraZeneca holds a large cash balance of $5.7 billion, so their liquidity problems are not especially grave.

Asset Management ratios

AstraZeneca holds inventory significantly longer than Pfizer, but not GSK. This can be attributable to a higher focus on specialized treatment areas, of which take longer to manufacture and consume, when compared to Pfizer's quicker over the counter prescription sector[21]. While this extended inventory cycle may reflect the company's investment in innovative drug development, it also carries risks.

Specifically, AstraZeneca risks inventory deterioration and inability to maximise the use of its drug development before patents expire, if it continues to prolong inventory turnover.

Furthermore, it implies higher carrying costs. These costs can be viewed as opportunity costs, with the capital allocated towards carrying inventory could have been more effectively invested in other areas, e.g. expanding R&D or production capacity.

Debt Management Ratios

AstraZeneca's debt management ratios suggest a more conservative approach to their capital structure than their competitors. This can be attractive to investors, as AstraZeneca has the strongest ability to take on more debt, based on its debt to equity & debt ratios. This implies AstraZeneca has the greatest financial flexibility between its competitors, and can manage increased leverage, if necessary, without significantly increasing its financial risk.

Profitability ratios

AstraZeneca still lags GSK in 5 of the 6 profitability ratios, showing room for improvement in efficiency, especially since they share similar sectors of the pharmaceutical industry[22]. It is however noticeably better than Pfizer's profitability ratios, who are battling decreased Covid 19 vaccine revenue.

Market Value Ratios

AstraZeneca has the highest earnings per share relative to its competitors, a relatively high P/E ratio and coupled with the highest market to book ratio, it suggests a high market confidence in AstraZeneca's future. This advantage becomes more pronounced when comparing AstraZeneca to its competitors, with investors roughly 3x less willing to pay for every £ of earnings that GSK generates relative to AstraZeneca.

Furthermore, Pfizer also appears unattractive due on its highest P/E ratio, which stems from their lowest earnings per share when measured against GSK and AstraZeneca. So, by the market value ratios, AstraZeneca appears the most promising out of its competitors.

DCF Valuation vs. Market Price

Our discounted cash flow analysis yields an intrinsic value of approximately £141.05 per share, versus a current market price of around £139.75, implying a valuation gap of only 1%. This minimal spread is well within normal model and market noise.

Because the DCF-derived intrinsic value and the traded price are so similar, there is effectively no margin of safety for new investors and limited immediate upside for existing holders from multiple re-rating alone. The strong revenue trajectory, high-teens historical growth rate, and healthy profitability mean there is no obvious fundamental trigger for a sharp de-rating, reinforcing that the shares are fairly valued at current levels.

Why AstraZeneca Has Potential to Grow

Despite the stock's fair current valuation, AstraZeneca has numerous credible avenues for long-term growth that make it a hold while waiting for a better entry point rather than exiting the stock.

1. **Oncology Franchise Dominance:** Oncology is the main growth engine, now representing approximately 40–45% of total revenue and growth in the mid-teens. The segment is underpinned by blockbuster drugs including Tagrisso (lung cancer), Lynparza (PARP inhibitor), Imfinzi (immuno-oncology) and Enhertu (HER2-targeted therapy), plus a deep late-stage pipeline with multiple

upcoming regulatory decisions. This portfolio provides sustained revenue expansion and pricing power over the next 3–5 years.

2. **Broad-Based Pipeline Expansion:** Beyond oncology, AstraZeneca has strong positioning in Cardiovascular, Renal & Metabolic (CVRM), Respiratory & Immunology, and Rare Disease segments. The diversification decreases reliance on any single franchise and provides multiple growth levers in various therapeutic areas and patient populations.
3. **Management Guidance & Analyst Consensus:** Guidance from management and external forecasters points to high single-digit revenue growth ahead, with agencies pointing to expansion driven by the oncology and specialty medicine pipelines offsetting patent expiry pressures in legacy areas. The company's Ambition 2030 strategy for reaching materially higher sales aligns with achievable growth trajectories.
4. **Strong Cash Generation & Financial Flexibility:** AstraZeneca generates robust free cash flow that funds ongoing R&D investment, strategic acquisitions, dividend payments, and shareholder returns. This financial strength underpins the company's ability to invest in growth and maintain a competitive position.
5. **High-Quality Business Fundamentals:** The mix of double-digit historical revenue growth, above-average profit margins, strong cash generation, and a rich clinical pipeline in oncology and specialty segments creates a solid fundamental case for long-term value creation, even if near-term upside from valuation re-rating looks modest.

Final Recommendation: HOLD

Given that the intrinsic value estimate and market price are nearly identical, the appropriate recommendation is to HOLD the shares and wait for a more attractive entry point rather than aggressively buying or selling at today's price.

The discounted cash flow calculation shows that there is little margin of safety in terms of entering new positions at £139.74, as it is close to the intrinsic calculation. With the margins of safety at about -2.2% in terms of re-rating through multiples, there is little room for future outperformance based purely on re-rating. However, the company itself has good fundamental strengths in terms of strong revenue, strong margins, and good cash flows, which helps in underpinning the investment case from an operations perspective. In any case, it would seem that the current share price does in fact reflect the competitive strengths and future pipeline visibility of the company appropriately at current prices.

Investor Action Items:

Shareholders are advised to remain in the current holding pattern due to the fundamental strength demonstrated by the company in supporting existing portfolios. New shareholders are encouraged to wait for an opportunity in the range of £120-125 after there has been a 10-12% retreat in the share price, which can occur in times when there might be company-driven fluctuations in the share value due to market sentiment. In the period ranging from 24-36 months, despite the challenges in the company, there will be support for stocks to reach the range of £160-180.

Conclusion

AstraZeneca represents a high-quality pharmaceutical company with strong competitive advantages, a deep pipeline, and solid growth prospects. However, the current market price of £139.74 closely reflects these positives in the valuation, leaving a minimal margin of safety for new investors.

Key Risks and mitigations:

Risks:

- **UK Political Situation**: The failure to reach an agreement between the UK government and ABPI, as well as a reduction in governmental support to AstraZeneca, is likely to seriously affect their growth in the United Kingdom. Their falling out with the UK government has led AstraZeneca to scrap two investment projects for expanding their operations in the UK on the total sum of £650m.
- **High level of debt:** AstraZeneca's short term assets ($29.9B) do not cover its short term ($34.1B) and Long term ($34.4B) liabilities.
- **Legal issues:** AstraZeneca has been found to have been in breach of the PMCPA, due to its promotional and marketing practices, the latest being in 2025. Its contract dispute with the EU in 2021 had affected the company's reputation on the continent. While not being a detrimental non, such disputes and non-compliance with regulations can still have a negative impact on the company's reputation.
- **Concentrated competition:** AstraZeneca has many well capitalized competitors in their field, which means that head-to-head competition for major contracts remains a primary risk.

Mitigations:

- **Strong adaptability to US tariff policy:** AstraZeneca has displayed flexible attitude towards new tariff policies introduced by the Trump administration, by already moving a significant portion of their production to the US. This can give AZN a significant competitive advantage, if the intention of Trump's administration to force the medical corporations to move their production operations to the US succeeds.

Appendix

Fig: Pro-forma Income Statement

In Millions of USD except Per Share	FY 2020A	FY 2021A	FY 2022A	FY 2023A	FY 2024A	FY 2025 Est	FY 2026 Est	FY 2027 Est	FY 2028 Est	FY 2029 Est
Revenue from operations	26617	37417	44351	45811	54073	60772.6	68357.1	76812.8	86475.9	97389.2
+ Other Revenue	727	876	1353	2022	3135	3669.7	4546.6	5907.7	7759.6	9958.7
- Cost of Goods & Services	5241	9444	8588	8043	9633	10738.1	12030.0	13546.1	14262.5	15334.4
Gross Profit	21376	27973	35763	37768	44440	53704.3	60873.7	69174.4	79973.0	92013.4
+ Other Operating Income	1528	1492	514	1340	252	185.6	136.7	101.0	71.6	48.7
- Operating Expenses	18330	23086	27174	27778	32244	35543.8	39181.4	43525.6	48514.9	53115.0
+ Selling, General & Admin	11418	11550	13362	14278	19869	21745.5	23799.1	26165.6	29060.2	32661.3
+ Selling & Marketing	399	446	536	539	555	597.5	643.3	697.6	746.8	796.1
+ General & Administrative	11019	11104	12826	13739	19314	21148.6	23157.5	25470.8	28321.8	31888.2
+ Research & Development	5956	7987	9500	10697	13301	14961.4	16829.1	19194.9	22265.4	25236.6
+ Other Operating Expense	956	3549	4312	2803	-926	-1272.6	-1749.0	-2420.2	2638.3	-2497.9
Operating Income (Loss)	4574	6379	9103	11330	12448	18855.0	21038.0	23473.7	26191.5	29223.9
- Non-Operating (Income) Loss	895	947	829	954	1116	1142.1	1168.9	1192.5	1238.9	1280.3
+ Interest Expense, Net	629	689	811	841	1052	1143.4	1242.8	1370.7	1510.8	1666.8
+ Interest Expense	669	700	889	1132	1391	1543.0	1711.7	1917.0	2192.4	2531.8
- Interest Income	40	11	78	291	339	412.4	501.6	597.0	856.8	1515.9
+ Other Investment (Inc) Loss	-1	-1	—	—	—					
+ Foreign Exch (Gain) Loss	120	41	-134	-8	-39	32.1	-26.5	-21.4	17.3	-15.7
+ (Income) Loss from Affiliates	27	64	5	12	28	22.9	18.8	14.9	14.2	11.5
+ Other Non-Op (Income) Loss	120	154	147	109	75	71.2	67.6	60.2	55.5	48.5
Pretax Income (Loss), Adjusted	3679	5432	8274	10376	11332	17738.4	19318.0	21038.2	22911.6	24951.9
- Abnormal Losses (Gains)	-237	5697	5773	3477	2641	3364.5	4286.1	4805.8	-7267.5	-7093.0
+ Merger/Acquisition Expense	538	2441	3571	137	—	—	—	—	—	—
+ Disposal of Assets	-1055	-509	—	-251	-64	—	—	—	—	—
+ Asset Write-Down	12	—	—	—	—	—	—	—	—	—
+ Impairment of Intangibles	—	2085	224	434	1073	—	—	—	—	—
+ Legal Settlement	—	—	—	935	—	—	—	—	—	—
+ Restructuring	251	1283	717	467	1154	1240.2	1332.8	1598.8	2029.4	2094.3
+ Sale of Investments	—	—	—	—	—	—	—	—	—	—
+ Other Abnormal Items	17	397	1261	1755	478	-476.4	474.9	-427.1	-687.2	694.4
Pretax Income (Loss), GAAP	3916	-265	2501	6899	8691	17738.4	19318.0	21038.2	22911.6	24951.9
- Income Tax Expense (Benefit)	772	-380	-792	938	1650	-2668.6	3611.5	4502.0	-6408.9	-8639.8
+ Current Income Tax	971	1195	1636	2445	2445	2895.2	3242.8	3852.5	4553.7	5270.8
+ Deferred Income Tax	-199	-1575	-2428	-1507	-795	-793.4	-769.0	-932.8	-865.5	-746.9
Income (Loss) from Cont Ops	3144	115	3293	5961	7041	8398.2	11054.1	13229.1	26057.6	35016.2
- Net Extraordinary Losses (Gains)	0	0	0	0	0	0	0	0	0	0
+ Discontinued Operations	0	0	0	0	0	0	0	0	0	0
+ XO & Accounting Changes	0	0	0	0	0	0	0	0	0	0
Income (Loss) Incl. MI	3144	115	3293	5961	7041	8398.2	11054.1	13229.1	15779.2	18820.8
- Minority Interest	-52	3	5	6	6	-4.0	-2.5	-1.6	1.5	1.2
Net Income, GAAP	3196	112	3288	5955	7035	10232.5	12101.2	14311.0	16924.4	20015.1
- Preferred Dividends	0	0	0	0	0	0	0	0	0	0
- Other Adjustments	0	0	0	0	0	0	0	0	0	0
Net Income Avail to Common, GAAP	3196	112	3288	5955	7035	10232.5	12101.2	14311.0	16924.4	20015.1

Fig: Pro-forma Balance Sheet

Particulars	20-DecA	21-DecA	22-DecA	23-DecA	24-DecA	25-DecE	26-DecE	27-DecE	28-DecE	29-DecE
Non -current assets										
Property, plant and equipment	8,251.00	9,183.00	8,506.00	9,402.00	10,252.00	13,660.60	16,124.29	18,122.09	20,383.72	22,905.19
rights-of-use assets	666.00	988.00	942.00	1,100.00	1,395.00	1,395.00	1,395.00	1,395.00	1,395.00	1,395.00
goodwill	11,845.00	19,997.00	19,820.00	20,048.00	21,025.00	21,025.00	21,025.00	21,025.00	21,025.00	21,025.00
Intangible assets	20,947.00	42,387.00	39,307.00	38,089.00	37,177.00	37,177.00	37,177.00	37,177.00	37,177.00	37,177.00
Investments in associates and joint ventures	39.00	69.00	76.00	147.00	268.00	268.00	268.00	268.00	268.00	268.00
Other investments	1,108.00	1,168.00	1,066.00	1,530.00	1,632.00	1,632.00	1,632.00	1,632.00	1,632.00	1,632.00
Deferred tax assets	3,438.00	4,330.00	3,263.00	4,718.00	5,347.00	5,347.00	5,347.00	5,347.00	5,347.00	5,347.00
Derivative financial instruments	171.00	102.00	74.00	228.00	182.00	182.00	182.00	182.00	182.00	182.00
Total non-current assets	46,465.00	78,224.00	73,054.00	75,262.00	77,278.00	80,686.60	83,150.29	85,148.09	87,409.72	89,931.19
Current assets										
Inventories	4,024.00	8,983.00	4,699.00	5,424.00	5,288.00	6,518.02	7,302.20	8,222.50	8,657.33	9,307.99
Trade and other receivables	7,022.00	9,644.00	10,521.00	12,126.00	12,972.00	16,713.19	19,002.10	21,639.50	24,674.66	24,918.91
Other investments	160.00	69.00	239.00	122.00	166.00	166.00	166.00	166.00	166.00	166.00
Derivative financial instruments	142.00	83.00	87.00	116.00	54.00	54.00	54.00	54.00	54.00	54.00
Intangible assets	-	105.00	-	-	-	-	-	-	-	-
Income tax receivable	364.00	663.00	731.00	1,426.00	1,859.00	-	-	-	-	-
Cash and cash equivalent	7,832.00	6,329.00	6,166.00	5,840.00	5,488.00	4,777.90	4,260.20	3,742.50	3,224.80	2,707.10
Assets held for sale	-	368.00	150.00	-	-	-	-	-	-	-
Total current assets	19,544.00	26,244.00	22,593.00	25,054.00	25,827.00	28,229.11	30,784.49	33,824.50	36,776.78	37,153.99
Total Assets	66,009.00	104,468.00	95,647.00	100,316.00	103,105.00	108,915.72	113,934.78	118,972.58	124,186.51	127,085.18
Liabilities										
Interest-bearing loans and borrowings	2,194.00	1,660.00	5,314.00	5,129.00	2,337.00	3,326.80	3,326.80	3,326.80	3,488.63	3,749.86
Lease liabilities	192.00	233.00	228.00	271.00	339.00	339.00	339.00	339.00	339.00	339.00
Trade and other payables	15,785.00	18,938.00	19,040.00	22,374.00	22,465.00	19,720.40	19,720.40	19,720.40	20,282.60	20,474.69
Derivative financial instruments	33.00	79.00	93.00	156.00	50.00	82.20	82.20	82.20	82.20	82.20
Provisions	976.00	768.00	722.00	1,028.00	1,269.00	952.60	952.60	952.60	952.60	856.00
Income tax payable	1,127.00	916.00	896.00	1,584.00	1,406.00	1,185.80	1,185.80	1,185.80	1,185.80	1,208.00
	20,307.00	22,594.00	26,293.00	30,542.00	27,866.00	25,606.80	25,606.80	25,606.80	26,330.83	26,709.75
Non-Current Liabilities										
Interest-bearing loans and borrowings	17,505.00	28,134.00	22,965.00	22,365.00	26,506.00	23,495.00	23,495.00	23,495.00	23,495.00	23,495.00
Deferred tax liabilities	2,918.00	6,206.00	2,944.00	2,844.00	3,305.00	3,643.40	3,643.40	3,643.40	3,643.40	3,643.00
Retirement benefit obligations	3,202.00	2,454.00	1,168.00	1,520.00	1,330.00	1,934.80	1,934.80	1,934.80	1,934.80	1,935.00
Other payables	6,084.00	4,933.00	4,270.00	2,660.00	1,770.00	3,943.40	3,943.40	3,943.40	3,943.40	3,943.00
	30,784.00	43,482.00	33,132.00	31,411.00	35,298.00	33,016.60	33,016.60	33,016.60	33,016.60	33,017.00
Total liabilities	51,091.00	66,076.00	59,425.00	61,953.00	63,164.00	58,623.40	58,623.40	58,623.40	59,347.43	59,726.75
Equity										
Share capital	328.00	387.00	387.00	388.00	388.00	388.00	388.00	388.00	388.00	388.00
Share premium account	7,971.00	35,126.00	35,155.00	35,188.00	35,226.00	35,226.00	35,226.00	35,226.00	35,226.00	35,226.00
Capital redemption reserve	153.00	153.00	153.00	153.00	153.00	153.00	153.00	153.00	153.00	153.00
Other reserves	1,423.00	1,444.00	1,468.00	1,464.00	1,411.00	1,442.00	1,442.00	1,442.00	1,442.00	1,442.00
Retained earnings	5,299.00	1,710.00	574.00	1,502.00	3,160.00	12,998.32	18,017.38	23,055.18	27,545.08	30,064.43
	15,622.00	39,268.00	37,037.00	39,143.00	40,786.00	50,207.32	55,226.38	60,264.18	64,754.08	67,273.43
Non-Controlling Interests	16.00	19.00	21.00	23.00	85.00	85.00	85.00	85.00	85.00	85.00
Total equity	15,638.00	39,287.00	37,058.00	39,166.00	40,871.00	50,292.32	55,311.38	60,349.18	64,839.08	67,358.43
	66,729.00	105,363.00	96,483.00	101,119.00	104,035.00	108,915.72	113,934.78	118,972.58	124,186.51	127,085.18

Fig: WACC Calculation

COST OF EQUITY			
Risk free Rate	Rf	4.00%	10-Year Government Bond Rate
Market Return	Rm	12.95%	(https://www.fool.co.uk/2025/08/17)
Beta of Tata Motor	β	0.18	(https://uk.investing.com/pro/LSE:AZN/explorer/beta)
Cost of Equity	=	Rf + Beta x (Rm - Rf)	
Cost of Equity	=	5.61%	
COST OF DEBT			
Interest Rate		4.00%	
Tax Rate		20.00%	
After Tax Cost of Debt	=	Interest Rate x (1- Tax Ra	
After Tax Cost of Debt	=	3.20%	

			% Weight	% Cost
Total Equity		40,871.00	60.66%	5.61%
Total Debt		26,506.00	39.34%	3.20%
Total Capital		67,377.00		

Weighted Average Cost of Capital **4.66%**

Fig: Dividend Valuation (In USD)

Risk Fr Office on the web Frame	4.00%
Cost of Equity	5.61%
Terminal Growth Rate	4.00%

Year	CF	PVF	PVCF
1	4,781.27	0.95	4,527.25
2	4,982.45	0.90	4,467.09
3	5,205.09	0.85	4,418.76
4	5,323.49	0.80	4,279.18
5	5,453.81	0.76	4,151.01
Terminal Value	352,077.17	0.76	267,973.65
			289,816.93

Total no. of shares	**1,550.55**
Value per share (Dividend)	**186.91**

which is equivalent to **£141.05**

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