

Maruti Suzuki | BUY

MSIL Victoris launched with aggressive pricing

MSIL has launched the Victoris SUV at an introductory price of INR 1.05mn (ex-showroom), placing it in competition with segment leaders like the Hyundai Creta and Kia Seltos. By retailing it through the Arena network, Maruti aims to expand its reach across tier-2 and tier-3 cities, while avoiding overlap with the Nexa-sold Grand Vitara. Victoris stands out with a 5-star Global NCAP rating, Level-2 ADAS, and is the only SUV in its class to offer both strong hybrid and factory-fitted CNG options with an underbody tank. Additionally, with the commencement of MSIL's battery plant, we expect a series of new hybrid launches. The integration of in-house battery production is also likely to support higher margins. Furthermore, the Victoris will be manufactured exclusively in India and is expected to be exported globally, reinforcing MSIL's ambitions for international competitiveness and growth. Moreover, the recent GST rate cut (from 29–31% to 18%) on small cars (in the INR 0.8mn–1.0mn range) is a major positive for MSIL, which has ~69% of its portfolio in this segment. Hence, we have revised our volume estimates upward by 4.1%/8.8% for FY26E/FY27E. Correspondingly, EBITDA margin estimates have been adjusted upwards from 11.4% / 12.0% to 12.1% / 12.8% for FY26E / FY27E and our EPS estimates have been revised upwards by 9.1% / 17.5% for FY26E / FY27E. We ascribe a 27x PE multiple to arrive at a March'27 fair value of INR 18,050. We maintain BUY.

- **Victoris – a promising launch:** Maruti Suzuki's Victoris marks a turning point in the brand's safety and tech narrative. Once seen as lagging in safety, MSIL now leads with the Victoris earning a 5-star Global NCAP rating. The Victoris comes equipped with six airbags, electronic stability control, and is the first Arena model to feature Level-2 ADAS. It also brings advanced features such as premium infotainment such as Dolby Atmos, comfort and connected features. With petrol, strong-hybrid, and factory-fitted CNG variants - featuring an innovative underbody tank - and plans to export to over 100 markets, the Victoris signals MSIL's intent to be both tech-forward and globally competitive. Victoris is offered across six trims and is priced between INR 1.05mn and INR 2.00mn.
- **Its position vis-à-vis competition:** The MSIL's Victoris stands out in the mid-size SUV segment with a compelling mix of pricing, powertrain diversity, safety, and premium features. Priced between INR 1.05mn and INR 2.00mn, it is competitively positioned against rivals like the Grand Vitara, Hyundai Creta, and Kia Seltos. While all four offer similar petrol engine capacities, the Victoris and Grand Vitara are the only ones to feature strong hybrid and factory-fitted CNG options. The Victoris also leads on safety with a 5-star Global NCAP rating, compared to the 3-star ratings of Creta and Seltos, and it is the first Arena model to offer Level-2 ADAS. Overall, Victoris offers a well-rounded package that blends affordability, innovation, and safety - making it a strong contender in its class.
- **Our view:** The launch of the Victoris marks a significant shift in Maruti Suzuki's strategy - moving decisively toward safety-first engineering and premium feature offerings, all while maintaining a competitive price point. In our view, the Victoris is well-positioned to gain strong traction in the mid-size SUV segment. Additionally, with the commencement of MSIL's battery plant, we expect a series of new hybrid launches. The integration of in-house battery production is also likely to support higher margins. Furthermore, India is expected to become a key export hub for MSIL, reinforcing its global ambitions.

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	13,49,378	14,51,152	16,79,460	20,05,763	21,68,688
Sales Growth (%)	19.9	7.5	15.7	19.4	8.1
EBITDA	1,64,011	1,77,852	2,12,166	2,66,402	2,86,163
EBITDA Margin (%)	11.6	11.7	12.1	12.8	12.7
Adjusted Net Profit	1,32,094	1,39,552	1,70,286	2,10,273	2,24,155
Diluted EPS (INR)	420.1	443.9	541.6	668.8	713.0
Diluted EPS Growth (%)	57.6	5.6	22.0	23.5	6.6
ROIC (%)	71.6	62.0	60.6	63.8	58.5
ROE (%)	18.3	15.7	17.0	18.4	17.2
P/E (x)	36.3	34.4	28.2	22.8	21.4
P/B (x)	5.7	5.1	4.5	3.9	3.5
EV/EBITDA (x)	24.0	25.6	21.4	16.9	15.6
Dividend Yield (%)	0.8	0.9	1.0	1.1	0.0

Source: Company data, JM Financial. Note: Valuations as of 15/Sep/2025



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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	18,050
Upside/(Downside)	18.2%
Previous Price Target	14,250
Change	26.7%

Key Data – MSIL IN

Current Market Price	INR15,265
Market cap (bn)	INR4,799.4/US\$54.4
Free Float	37%
Shares in issue (mn)	302.0
Diluted share (mn)	314.4
3-mon avg daily val (mn)	INR5,671.7/US\$64.3
52-week range	15,400/10,725
Sensex/Nifty	81,786/25,069
INR/US\$	88.2

Price Performance

%	1M	6M	12M
Absolute	18.0	32.6	23.9
Relative*	16.3	19.7	25.8

* To the BSE Sensex

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Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Exhibit 1. MSIL Victoris peer comparison

Parameters	MSIL Victoris	MSIL GV	Hyundai Creta	Kia Seltos
Ex-showroom price (adjusted for new GST rates)	INR 1.05mn-2.00mn	INR 1.10mn-1.99mn	INR 1.07mn-2.01mn	INR 1.08mn-1.98mn
Powertrain	1.5L Petrol (1462cc) 1.5L Strong Hybrid (1492 cc) 1.5L CNG (1462 cc)	1.5L Petrol (1462cc) 1.5L Strong Hybrid (1492 cc) 1.5L CNG (1462 cc)	1.5L Petrol (1497cc) 1.5L Turbo Petrol (1482cc) 1.5L Diesel (1493cc)	1.5L Petrol (1497cc) 1.5L Turbo Petrol (1482cc) 1.5L Diesel (1493cc)
Max Torque	1.5L Petrol (139 Nm) 1.5L Strong Hybrid (141 Nm) 1.5L CNG (122 Nm)	1.5L Petrol (139 Nm) 1.5L Strong Hybrid (141 Nm) 1.5L CNG (122 Nm)	1.5L Petrol (144 Nm) 1.5L Turbo Petrol (253 Nm) 1.5L Diesel (250 Nm)	1.5L Petrol (144Nm) 1.5L Turbo Petrol (253 Nm) 1.5L Diesel (250 Nm)
Dimension in mm (L * W * H)	4360*1795*1655	4345*1795*1645	4330*1790*1635	4365*1800*1620
Global NCAP	5	NA	3	3
Adas	Level 2	NA	Level 2	Level 2
Airbags	6	6	6	6
Other key features:				
360 Degree Camera	✓	✓	✓	✓
Blind Spot Monitor	✓	✗	✓	✓
Alexa voice control	✓	✓	✓	✓

Source: Company, JM Financial

Exhibit 2. Maruti Suzuki Victoris (ex-showroom price in INR mn)

Variant / Fuel		Lxi	Vxi	Zxi	Zxi (O)	Zxi+	Zxi+ (O)
Smart Hybrid (Petrol)	5MT	1.05	1.18	1.36	1.41	1.52	1.58
	6AT	-	1.34	1.51	1.56	1.72	1.78
	All grip select (6AT)	-	-	-	-	1.86	1.92
Strong Hybrid	e-CVT	-	1.64	1.78	1.84	1.95	2.00
S-CNG		1.15	1.28	1.46	-	-	-

Source: Company, JM Financial

Exhibit 3. Victoris - Got it All



Source: Company

Exhibit 4. Victoris



Source: Company

Exhibit 5. 1-year forward PE Chart



Source: Company, Bloomberg, JM Financial

Exhibit 6. MSIL – change in assumptions

Particulars	New assumption			Old assumption			% Change		
	FY25A	FY26E	FY27E	FY25A	FY26E	FY27E	FY25A	FY26E	FY27E
Volume (units)	2,234,266	2,413,234	2,681,025	2,234,266	2,319,234	2,465,000	0.0%	4.1%	8.8%
Revenue (INR mn)	1,519,001	1,751,752	2,085,612	1,519,001	1,700,490	1,878,252	0.0%	3.0%	11.0%
EBITDA (INR mn)	177,852	212,166	266,402	177,852	193,880	225,958	0.0%	9.4%	17.9%
EBITDAM (%)	11.7%	12.1%	12.8%	11.7%	11.4%	12.0%	0 bps	70 bps	80 bps
PAT (INR mn)	139,552	170,286	210,273	139,552	156,114	178,929	0.0%	9.1%	17.5%
EPS (INR)	444	542	669	444	497	569	0.0%	9.1%	17.5%

Source: Company, JM Financial

Financial Tables (Standalone)

Income Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	13,49,378	14,51,152	16,79,460	20,05,763	21,68,688
Sales Growth	19.9%	7.5%	15.7%	19.4%	8.1%
Other Operating Income	59,948	67,849	72,292	79,849	88,714
Total Revenue	14,09,326	15,19,001	17,51,752	20,85,612	22,57,401
Cost of Goods Sold/Op. Exp	10,06,067	10,84,708	12,49,584	14,77,008	15,95,168
Personnel Cost	54,784	61,370	69,962	82,555	89,159
Other Expenses	1,84,464	1,95,071	2,20,040	2,59,647	2,86,910
EBITDA	1,64,011	1,77,852	2,12,166	2,66,402	2,86,163
EBITDA Margin	11.6%	11.7%	12.1%	12.8%	12.7%
EBITDA Growth	49.0%	8.4%	19.3%	25.6%	7.4%
Depn. & Amort.	30,223	31,593	39,746	46,523	53,898
EBIT	1,33,788	1,46,259	1,72,420	2,19,878	2,32,265
Other Income	38,548	47,504	50,054	54,442	59,967
Finance Cost	1,932	1,931	2,750	3,000	3,000
PBT before Excep. & Forex	1,70,404	1,91,832	2,19,724	2,71,320	2,89,232
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	1,70,404	1,91,832	2,19,724	2,71,320	2,89,232
Taxes	38,310	52,280	49,438	61,047	65,077
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	1,32,094	1,39,552	1,70,286	2,10,273	2,24,155
Adjusted Net Profit	1,32,094	1,39,552	1,70,286	2,10,273	2,24,155
Net Margin	9.4%	9.2%	9.7%	10.1%	9.9%
Diluted Share Cap. (mn)	314.4	314.4	314.4	314.4	314.4
Diluted EPS (INR)	420.1	443.9	541.6	668.8	713.0
Diluted EPS Growth	57.6%	5.6%	22.0%	23.5%	6.6%
Total Dividend + Tax	39,300	42,444	47,160	55,020	0
Dividend Per Share (INR)	125.0	135.0	150.0	175.0	0.0

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	1,70,404	1,91,832	2,19,724	2,71,320	2,89,232
Depn. & Amort.	30,223	31,593	39,746	46,523	53,898
Net Interest Exp. / Inc. (-)	1,932	456	0	0	0
Inc (-) / Dec in WCap.	27,315	-1,052	15,507	30,280	12,457
Others	0	-44,887	0	0	0
Taxes Paid	-38,310	-37,818	-49,438	-61,047	-65,077
Operating Cash Flow	1,91,564	1,40,124	2,25,539	2,87,076	2,90,510
Capex	-73,496	-87,005	-1,12,593	-1,12,593	-1,12,593
Free Cash Flow	1,18,068	53,119	1,12,946	1,74,483	1,77,917
Inc (-) / Dec in Investments	-2,07,573	-17,406	-50,000	-85,000	-85,000
Others	-1,932	1,996	0	0	0
Investing Cash Flow	-2,83,001	-1,02,415	-1,62,593	-1,97,593	-1,97,593
Inc / Dec (-) in Capital	62	0	0	0	0
Dividend + Tax thereon	-39,300	-39,300	-47,160	-55,020	-55,020
Inc / Dec (-) in Loans	-11,287	-529	0	0	0
Others	1,46,185	-1,657	0	0	0
Financing Cash Flow	95,660	-41,486	-47,160	-55,020	-55,020
Inc / Dec (-) in Cash	4,223	-3,777	15,786	34,463	37,897
Opening Cash Balance	377	4,557	780	16,566	51,029
Closing Cash Balance	4,600	780	16,566	51,029	88,926

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	8,39,820	9,40,467	10,63,593	12,18,846	13,87,980
Share Capital	1,572	1,572	1,572	1,572	1,572
Reserves & Surplus	8,38,248	9,38,895	10,62,021	12,17,274	13,86,408
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	1,186	764	764	764	764
Def. Tax Liab. / Assets (-)	5,467	20,905	20,905	20,905	20,905
Total - Equity & Liab.	8,46,473	9,62,136	10,85,262	12,40,515	14,09,649
Net Fixed Assets	2,50,292	3,04,661	3,77,508	4,43,577	5,02,272
Gross Fixed Assets	4,47,684	5,14,105	6,26,698	7,39,291	8,51,884
Intangible Assets	0	0	0	0	0
Less: Depn. & Amort.	2,62,731	2,67,037	3,06,783	3,53,307	4,07,205
Capital WIP	65,339	57,593	57,593	57,593	57,593
Investments	6,85,137	7,45,063	7,95,063	8,80,063	9,65,063
Current Assets	1,60,856	2,01,735	2,16,316	2,64,438	3,19,404
Inventories	41,196	51,230	54,942	65,354	70,682
Sundry Debtors	46,013	65,377	55,143	65,653	71,061
Cash & Bank Balances	4,600	4,464	20,250	54,713	92,610
Loans & Advances	21,859	24,378	25,192	30,086	32,530
Other Current Assets	47,188	56,286	60,789	48,631	52,522
Current Liab. & Prov.	2,49,812	2,89,323	3,03,624	3,47,563	3,77,089
Current Liabilities	1,45,824	1,74,211	1,78,023	2,10,423	2,27,257
Provisions & Others	1,03,988	1,15,112	1,25,602	1,37,140	1,49,833
Net Current Assets	-88,956	-87,588	-87,309	-83,125	-57,686
Total - Assets	8,46,473	9,62,136	10,85,262	12,40,515	14,09,649

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	9.4%	9.2%	9.7%	10.1%	9.9%
Asset Turnover (x)	1.9	1.7	1.7	1.8	1.7
Leverage Factor (x)	1.0	1.0	1.0	1.0	1.0
RoE	18.3%	15.7%	17.0%	18.4%	17.2%

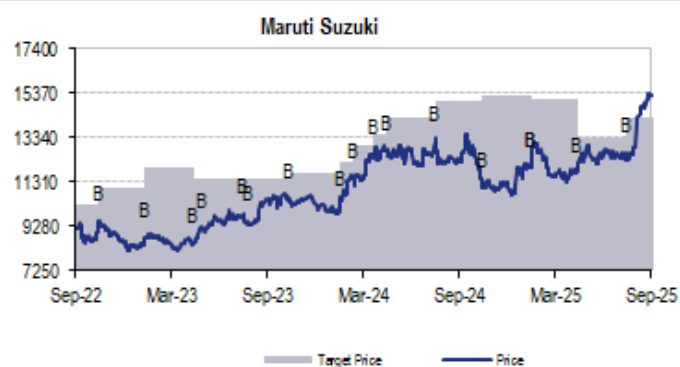
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	2,671.2	2,991.3	3,382.9	3,876.7	4,414.7
ROIC	71.6%	62.0%	60.6%	63.8%	58.5%
ROE	18.3%	15.7%	17.0%	18.4%	17.2%
Net Debt/Equity (x)	-0.8	-0.1	-0.1	-0.1	-0.1
P/E (x)	36.3	34.4	28.2	22.8	21.4
P/B (x)	5.7	5.1	4.5	3.9	3.5
EV/EBITDA (x)	24.0	25.6	21.4	16.9	15.6
EV/Sales (x)	2.8	3.0	2.6	2.2	2.0
Debtor days	12	16	11	11	11
Inventory days	11	12	11	11	11
Creditor days	43	47	42	42	42

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
12-Jul-22	Buy	10,300	
20-Jul-22	Buy	10,300	0.0
28-Jul-22	Buy	10,300	0.0
28-Oct-22	Buy	11,000	6.8
25-Jan-23	Buy	12,000	9.1
26-Apr-23	Buy	11,500	-4.2
15-May-23	Buy	11,500	0.0
31-Jul-23	Buy	11,500	0.0
8-Aug-23	Buy	11,500	0.0
27-Oct-23	Buy	11,750	2.2
31-Jan-24	Buy	12,250	4.3
26-Feb-24	Buy	13,000	6.1
4-Apr-24	Buy	13,500	3.8
28-Apr-24	Buy	14,250	5.6
31-Jul-24	Buy	15,000	5.3
29-Oct-24	Buy	15,250	1.7
27-Jan-25	Buy	15,250	0.0
29-Jan-25	Buy	15,100	-1.0
27-Apr-25	Buy	13,300	-11.9
31-Jul-25	Buy	14,250	7.1

Recommendation History



APPENDIX I

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Corporate Identity Number: U67100MH2017PLC296081

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Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
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