Retail Equity Research

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Company Update

Mahindra & Mahindra Ltd.

BUY

Sector: Automobile

26th November, 2026

Key Changes	Target	Rating	Earnings			Target	Rs. 3,990
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	CMP	Rs. 3,488
Large Cap	MM:IN	84,329	M&M	500520	12 Months	Return	+14%

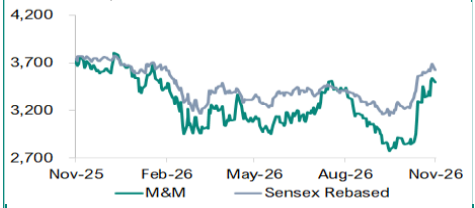
Data as of: 26-11-2026, 16:00hrs

Company Data	
Market Cap (Rs.cr)	433,743
52 Week High — Low (Rs.)	3,840 - 2,743
Enterprise Value (Rs.cr)	402,171
Outstanding Shares (cr.)	124.4
Free Float (%)	71.1
Dividend Yield (%)	0.9
6m average volume (cr)	0.3
Beta	1.6
Face value (Rs.)	5.0

Shareholding (%)	Q4FY26	Q1FY27	Q2FY27
Promoters	18.5	18.5	18.4
FII's	36.2	34.9	33.4
MFs/Institutions	31.5	32.7	34.2
Public	9.2	9.4	9.4
Others	4.7	4.7	4.6
Total	100.0	100.0	100.0
Promoter Pledge/ Encumbrance	0.02	0.02	0.02

Price Performance	3 Month	6 Month	1 Year
Absolute Return	2.4%	13.6%	-6.6%
Absolute Sensex	6.3%	9.3%	-3.3%
Relative Return	-3.9%	4.2%	-3.4%

*over or under performance to the benchmark index



Y.E March (Rs.cr)	FY26A	FY27E	FY28E
Sales	145,576	173,235	191,425
Growth (%)	*25.0*	*19.0*	*10.5*
EBITDA	20,977	21,309	25,385
EBITDA Margin (%)	*14.4*	*12.3*	*13.3*
Adj. PAT	15,737	16,123	19,126
Growth (%)	*32.7*	*2.4*	*18.6*
Adj. EPS	131.1	134.2	159.2
Growth (%)	*32.6*	*2.4*	*18.6*
P/E	26.7	26.1	22.0
P/B	5.7	4.9	4.2
EV/EBITDA	19.2	18.9	15.8
ROE (%)	*21.0*	*18.7*	*18.9*
D/E	0.0	0.0	0.0

Resilient automotive segment momentum drives growth

Mahindra & Mahindra Ltd (M&M) manufactures automobiles, farm equipment, automotive components, and agricultural tractor implements and engines.

- M&M reported standalone revenue of Rs. 42,477cr, up 27.1% YoY, driven by robust SUV demand, higher LCV volumes, favourable product mix and pricing actions across its automotive business.
- Automotive segment revenue rose to Rs. 33,937cr (+36.1% YoY), supported by sustained traction across Scorpio, XUV and Thar portfolios and capacity ramp-up. M&M maintained its leadership in the SUV revenue market share.
- The company strengthened its leadership position with SUV volumes rising 26% YoY and LCV (<3.5T) volumes increasing 19% YoY, reflecting strong customer acceptance and successful portfolio refresh initiatives.
- EBITDA rose 1.8% YoY to Rs. 4,949cr. However, EBITDA margin declined 280bps YoY to 11.7% due to higher cost of sales (+33.1% YoY).
- Reported PAT grew to Rs. 5,102cr, up 12.9% YoY, supported by strong performance by the automotive segment, healthy dividend income, disciplined cost management and sustained profitability across core operating businesses.

Outlook & Valuation

M&M continues to strengthen its position as one of the country's top mobility franchises through consistent execution, premium product positioning and growing participation across multiple automotive categories. The company has successfully expanded beyond its traditional utility vehicle base and is building a meaningful scale in electric mobility, commercial vehicles and last-mile transportation. Capacity expansion plans, ongoing platform investments, a robust launch pipeline and an improving industry outlook provide confidence in future growth visibility. Strategic pricing actions partly offset rising input cost pressures, supporting profitability across businesses. While the near-term farm outlook remains affected by weather-related uncertainty and softness in agricultural demand, the company's broader portfolio and market leadership help mitigate concentration risks. Focus on profitability, disciplined capital deployment and execution excellence positions the business favourably for long term value creation. Therefore, **we retain the BUY rating on the stock, with a revised target price of Rs. 3,990 based on SOTP valuation.**

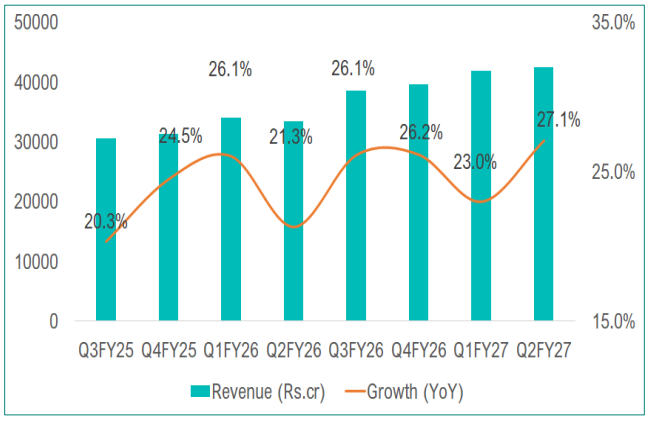
Quarterly Financials Standalone

Rs.cr	Q2FY27	Q2FY26	YoY (%)	Q1FY27	QoQ (%)	H1FY27	H1FY26	YoY (%)
Sales	42,477	33,422	*27.1*	41,920	*1.3*	84,397	67,505	*25.0*
EBITDA	4,949	4,862	*1.8*	5,111	*-3.2*	10,060	9,745	*3.2*
Margin (%)	*11.7*	*14.5*	*-280bps*	*12.2*	*-50bps*	*11.9*	*14.4*	*-250bps*
EBIT	3,875	3,821	*1.4*	4,060	*-4.6*	7,935	7,705	*3.0*
PBT	6,638	6,069	*9.4*	4,776	*39.0*	11,414	10,541	*8.3*
Rep. PAT	5,102	4,521	*12.9*	3,685	*38.4*	8,787	7,970	*10.2*
Adj PAT	5,102	4,521	*12.9*	3,685	*38.4*	8,787	7,970	*10.2*
Adj. EPS (Rs)	42.5	37.7	*12.7*	30.7	*38.4*	73.1	66.4	*10.1*

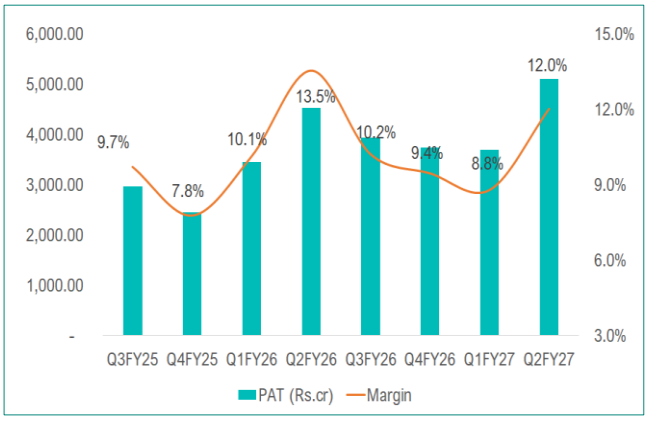
Key Concall Highlights

- SUV demand remained significantly above available capacity, with Scorpio, XUV, Thar and electric vehicle (EV) portfolios experiencing strong traction, low dealer inventory levels and healthy order book momentum.
- Automotive capacity expansion remains on schedule, with monthly capacity expected to reach 82,000 units by FY27-end and 92,000 units by FY28-end, before additional greenfield expansion.
- Management highlighted significant commodity inflation, with steel, copper and rubber prices increasing by 17%, 42% and 40%, respectively.
- Management raised its FY27 LCV industry growth outlook to double-digit growth and reiterated plans to launch five new products by June 2027.
- The company has implemented 5% price increases in Automotive and 4% in the Farm Equipment segment.

Revenue



PAT



Sum-Of-The-Parts (SOTP) Valuation

Particulars	Methodology	Multiple	% Holding	Value (Rs. cr.)	Value Per Share (Rs.)
Mahindra & Mahindra Limited	FY28E P/E	22x	100.0%	435,292	3,501
Investments					699
- Tech Mahindra	Market Price	-	25.3%	44,413	357
- Mahindra & Mahindra Financial Services Ltd	Market Price	-	52.5%	26,848	216
- Mahindra Lifespace Developers Ltd	Market Price	-	52.4%	3,403	27
- Mahindra Holidays & Resorts India Ltd	Market Price	-	66.7%	2,640	21
- Mahindra Logistics Ltd	Market Price	-	59.5%	2,186	18
- SML Mahindra Ltd	Market Price	-	59.0%	5,303	43
- Swaraj Engines Ltd	Market Price	-	52.1%	2,179	18
			30% holding discount to investments		-210
				Target price	**3,990**

Change in Estimates

	Old estimates		New estimates		Change (%)	
Year / Rs. cr	**FY27E**	**FY28E**	**FY27E**	**FY28E**	**FY27E**	**FY28E**
Revenue	163,773	183,425	173,235	191,425	*5.8*	*4.4*
EBITDA	22,946	26,066	21,309	25,385	*-7.1*	*-2.6*
Margins (%)	*14.0*	*14.2*	*12.3*	*13.3*	*-169.9*	*-93.9*
Adj. PAT	17,147	19,325	16,123	19,126	*-6.0*	*-1.0*
Adj. EPS	142.7	160.8	134.2	159.2	*-6.0*	*-1.0*

Standalone Financials

Profit & Loss

Y.E March (Rs. cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Sales	**99,098**	**116,484**	**145,576**	**173,235**	**191,425**
% change	*16.6*	*17.5*	*25.0*	*19.0*	*10.5*
EBITDA	**13,145**	**17,123**	**20,977**	**21,309**	**25,385**
% change	*25.9*	*30.3*	*22.5*	*1.6*	*19.1*
Depreciation	3,488	4,227	4,293	5,032	5,832
EBIT	**9,657**	**12,896**	**16,685**	**16,277**	**19,552**
Interest	140	250	250	261	273
Other Income	3,941	3,005	4,189	5,226	5,920
PBT	**13,458**	**15,650**	**20,624**	**21,242**	**25,199**
% change	*65.5*	*16.3*	*31.8*	*3.0*	*18.6*
Tax	2,815	3,795	4,985	5,119	6,073
Tax Rate (%)	*20.9*	*24.3*	*24.2*	*24.1*	*24.1*
Reported PAT	**10,642**	**11,855**	**15,639**	**16,123**	**19,126**
PAT att. to common shareholders	10,642	11,855	15,639	16,123	19,126
Adj*	-	-	98	-	-
Adj PAT	**10,642**	**11,855**	**15,737**	**16,123**	**19,126**
% change	*33.4*	*11.4*	*32.7*	*2.4*	*18.6*
No. of shares (cr)*	119.8	120.0	120.1	120.1	120.1
Adj EPS (Rs.)	**88.8**	**98.8**	**131.1**	**134.2**	**159.2**
% change	*38.5*	*11.3*	*32.6*	*2.4*	*18.6*
DPS (Rs.)	21.1	25.3	33.0	36.2	39.8

** Number of shares are adjusted with shares held with ESOP Trust*

Balance Sheet

Y.E March (Rs. cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Cash	5,665	10,791	18,480	19,360	21,120
Accounts Receivable	4,568	5,726	6,486	8,142	9,188
Inventories	9,718	10,333	10,306	12,311	13,581
Other Cur. Assets	15,570	20,814	24,083	29,541	36,976
Investments	20,728	22,379	27,547	35,905	44,491
Gross Fixed Assets	26,784	29,508	35,586	44,382	53,437
Net Fixed Assets	13,989	15,962	16,716	19,151	20,829
CWIP	1,853	1,763	1,689	2,027	2,432
Intangible Assets	5,726	5,831	6,591	7,577	8,710
Def. Tax Assets	934	1,046	936	1,280	1,518
Other Assets	4,959	5,004	7,769	7,549	6,520
Total Assets	**83,709**	**99,649**	**120,603**	**142,841**	**165,365**
Current Liabilities	25,492	32,001	39,908	49,284	55,788
Provisions	1,193	1,426	1,800	2,273	2,869
Debt Funds	1,585	1,135	1,056	1,141	1,232
Other Liabilities	3,148	3,502	3,513	3,800	4,355
Equity Capital	600	600	601	601	601
Reserves & Surplus	51,692	60,985	73,724	85,743	100,520
Shareholders' Funds	52,291	61,585	74,325	86,344	101,121
Minority Interest	-	-	-	-	-
Total Liabilities	**83,709**	**99,649**	**120,603**	**142,841**	**165,365**
BVPS	436	513	619	719	842

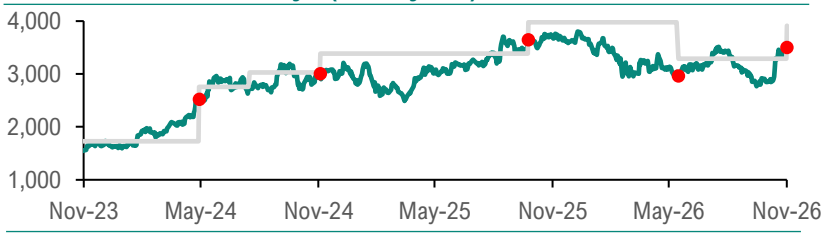
Cash Flow

Y.E March (Rs. cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Net inc. + Depn.	**14,130**	**16,082**	**19,932**	**21,155**	**24,958**
Non-cash adj.	-3,540	-2,067	-3,352	-3,604	-3,438
Other adjustments	-	-	-	-	-
Changes in W.C	883	2,602	6,178	2,651	2,401
C.F. Operation	**11,474**	**16,617**	**22,758**	**20,201**	**23,922**
Capital exp.	-4,846	-4,649	-6,079	-8,796	-9,055
Change in inv.	-2,248	-10,848	-17,971	-9,054	-11,160
Other invest.CF	1,709	1,622	4,316	2,663	2,431
C.F – Investment	**-5,384**	**-13,874**	**-19,733**	**-15,187**	**-17,784**
Issue of equity	-	-	-	-	-
Issue/repay debt	-3,223	-617	-278	84	92
Dividends paid	-2,021	-2,620	-3,142	-4,104	-4,349
Other finance.CF	-302	-118	-110	-115	-120
C.F – Finance	**-5,547**	**-3,355**	**-3,529**	**-4,134**	**-4,378**
Chg. in cash	543	-612	-504	880	1,760
Closing cash	**5,665**	**10,791**	**18,480**	**19,360**	**21,120**

Ratios

Y.E March	FY24A	FY25A	FY26A	FY27E	FY28E
Profitab. & Return					
EBITDA margin (%)	13.3	14.7	14.4	12.3	13.3
EBIT margin (%)	9.7	11.1	11.5	9.4	10.2
Net profit mgn.(%)	10.7	10.2	10.7	9.3	10.0
ROE (%)	20.4	19.2	21.0	18.7	18.9
ROCE (%)	17.9	20.6	22.1	18.6	19.1
W.C & Liquidity					
Receivables (days)	16.8	17.9	16.3	17.2	17.5
Inventory (days)	47.9	43.7	34.0	34.5	34.9
Payables (days)	91.7	98.9	97.2	100.3	104.0
Current ratio (x)	1.4	1.5	1.5	1.4	1.4
Quick ratio (x)	0.7	0.9	1.0	0.9	1.0
Turnover & Leverage					
Gross asset T.O (x)	3.8	4.1	4.5	4.3	3.9
Total asset T.O (x)	1.2	1.3	1.3	1.3	1.2
Int. coverage ratio (x)	68.7	51.5	66.9	62.3	71.5
Adj. debt/equity (x)	0.0	0.0	0.0	0.0	0.0
Valuation					
EV/Sales (x)	4.2	3.5	2.8	2.3	2.1
EV/EBITDA (x)	31.6	24.0	19.2	18.9	15.8
P/E (x)	39.4	35.4	26.7	26.1	22.0
P/BV (x)	8.0	6.8	5.7	4.9	4.2

Recommendation Summary - (Last 3 years)



Dates	Rating	Target
22-May-24	HOLD	2,754
8-Aug-24	BUY	3,026
27-Nov-24	BUY	3,382
17-Oct-25	BUY	3,975
8-Jun-26	BUY	3,290
26-Nov-26	BUY	3,990

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%
Not rated/Neutral			

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Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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