




Mahindra & Mahindra Limited

BUY

Sector: Automobile

10th June, 2026

Key Changes	Target 	Rating 	Earnings 	Target	Rs. 3,508		
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	CMP	Rs. 2,991
Large Cap	MM:IN	73,919	M&M	500520	12 Months	Return	+17%

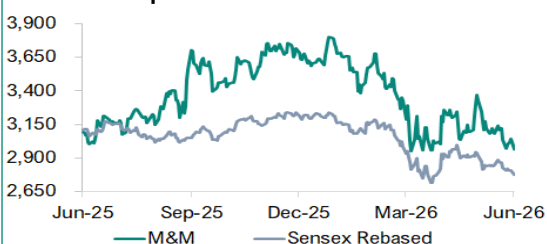
Data as of: 09-Jun-2026, 18:00 hrs

Company Data	
Market Cap (Rs.cr)	371,983
52 Week High — Low (Rs.)	3,840 - 2,896
Enterprise Value (Rs. cr)	353,934
Outstanding Shares (cr)	124.4
Free Float (%)	71.6
Dividend Yield (%)	0.8
6m average volume (cr)	0.3
Beta	1.7
Face value (Rs.)	5.0

Shareholding (%)	Q2FY26	Q3FY26	Q4FY26
Promoters	18.4	18.4	18.5
FII's	38.0	37.5	36.2
MFs/Institutions	30.0	30.4	31.4
Public	9.9	10.0	10.3
Others	3.6	3.6	3.7
Total	100.0	100.0	100.0
Promoter Pledge/Encumbrance	0.003	0.003	0.003

Price Performance	3 Month	6 Month	1 Year
Absolute Return	-11.1%	-19.5%	-4.5%
Absolute Sensex	-6.8%	-13.6%	-10.5%
Relative Return	-4.2%	-5.9%	6.0%

*over or under performance to benchmark index



Y.E March (Rs.cr)	FY26A	FY27E	FY28E
Sales	145,576	163,773	183,425
Growth (%)	25.0	12.5	12.0
EBITDA	20,977	22,946	26,066
EBITDA Margin (%)	14.4	14.0	14.2
PAT Adjusted	15,737	17,147	19,325
Growth (%)	32.7	9.0	12.7
Adjusted EPS	126.6	137.9	155.4
Growth (%)	32.7	9.0	12.7
P/E	26.7	21.5	19.1
P/B	5.7	4.2	3.6
EV/EBITDA	19.2	15.2	13.4
ROE (%)	21.0	19.6	18.9
D/E	0.0	0.0	0.0

Strong Growth and Strategic Progress Continues

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

- Standalone revenue from operations rose 26.2% YoY to Rs. 39,554cr, led by growth in the automotive and farm equipment segments.
- In Q4FY26, the automotive segment's revenue increased 24.6% YoY to Rs. 31,116cr. The key reasons for growth in the automotive segment were volume growth, SUV share gains and better mix.
- The farm equipment business grew 32.0% YoY to Rs. 8,483cr in the quarter, aided by increased sales in both domestic and export markets.
- Higher revenue led to a 18.8% YoY increase in EBITDA to Rs. 5,564cr. However, EBITDA margin declined 80bps to 14.1% in Q4FY26.
- Reported profit after tax (PAT) for the quarter rose 53.3% YoY to Rs. 3,737cr, owing to a robust performance by the automotive and farm equipment businesses.

Outlook & Valuation

The company is now demonstrating a rare combination of growth, margin resilience and portfolio optionality. The core SUV franchise is strengthening structurally through market share gains, premium mix improvement and capacity-backed growth visibility, while the farm business remains a dependable earnings anchor with disciplined profitability. Importantly, the investment case is no longer dependent only on the core auto cycle; financial services, technology and the growth businesses are all contributing more meaningfully to earnings quality. The EV business reaching operating profitability is a major strategic positive and reduces execution risk around future mobility investments. With the management showing consistent execution, improving return ratios and a diversified profit engine, M&M remains well placed to compound earnings and sustain positive re-rating support. Therefore, **we retain the BUY rating on the stock, with a rolled forward target price of Rs. 3,508 based on SOTP valuation.**

Quarterly Finance Standalone

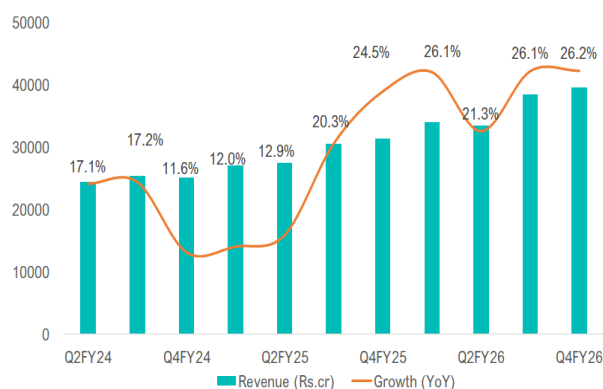
Rs.cr	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)
Sales	39,554	31,353	26.2	38,517	2.7	145,576	116,484	25.0
EBITDA	5,564	4,683	18.8	5,668	-1.8	20,977	17,123	22.5
Margin (%)	14.1	14.9	-80bps	14.7	-60bps	14.4	14.7	-30bps
EBIT	4,364	3,377	29.2	4,616	-5.5	16,685	12,896	29.4
PBT	4,881	3,345	45.9	5,202	-6.2	20,624	15,650	31.8
Rep. PAT	3,737	2,437	53.3	3,931	-4.9	15,639	11,855	31.9
Adj PAT	3,737	2,437	53.3	4,029	-7.3	15,737	11,855	32.7
Adj. EPS (Rs)	30.1	19.6	53.3	32.4	-7.3	126.6	95.3	32.7



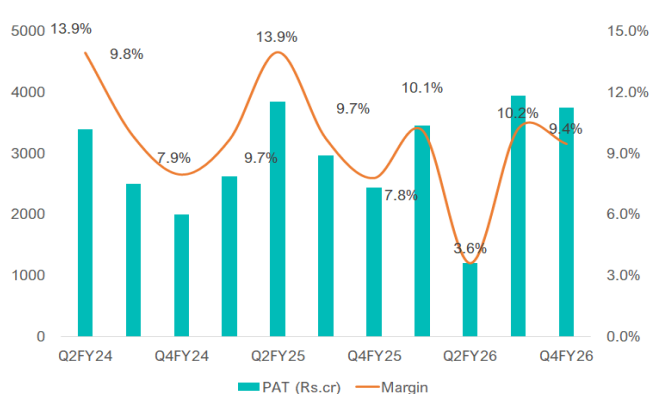
Key concall highlights

- Shareholder value creation has been exceptional. The management highlighted 57% annualised EPS growth over the last five years, far above its earlier stated aspiration of 15–20%, while RoE reached 20%, beating the 18% target.
- The Auto business remains the biggest strength. Volumes rose 19%, profit grew 33%, and revenue market share improved by 260 basis points. This points to strong product acceptance, better mix and market positioning.
- Mahindra's EV story is becoming increasingly important. EV penetration reached 9.6% for the year and crossed 10% in the last two months, while the company became the market leader in EV revenue share. This is strategically important because EV leadership can strengthen future growth and brand relevance.
- The Farm business also posted solid growth, with volumes up 24%. However, reported profit growth was only 13%, albeit rising to 36% excluding impairments.
- Mahindra Finance has turned into a major positive. Profit increased 60%, AUM grew 12%, and GS3 improved to 3.41%. The business is also diversifying into mortgage and SME lending, which could support more balanced long-term growth if asset quality remains controlled.
- Other group businesses are contributing better than before. TechM delivered 14% profit growth, logistics saw a strong turnaround, advanced technologies benefitted from higher Indian defence spending, and Trucks & Buses gained market share while integrating the SML acquisition.

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	19x	100.0%	340,115	2,953
Investments					793
- Tech Mahindra	Geojit TP	-	25.3%	47,640	486
- Mahindra & Mahindra Financial Services Ltd	Geojit TP	-	52.5%	26,849	193
- Mahindra Lifespace Developers Ltd	Market Price	-	52.4%	3,738	30
- Mahindra Holidays & Resorts India Ltd	Market Price	-	66.7%	2,839	23
- Mahindra Logistics Ltd	Market Price	-	59.6%	1,994	16
- SML Mahindra Ltd	Market Price	-	59.0%	3,168	25
- Swaraj Engines Ltd	Market Price	-	52.1%	2,359	19
30% holding discount to investments					-238
Target price					3,508

Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change -%	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue	155,366	-	163,773	183,425	5.4	-
EBITDA	23,237	-	22,946	26,066	-1.3	-
Margins (%)	15.0	-	14.0	14.2	-100bps	-
Adj. PAT	16,482	-	17,147	19,325	4.0	-
EPS	132.5	-	137.9	155.4	4.1	-



Standalone Financials

Profit & Loss

Y.E March (Rs. cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Sales	99,098	116,484	145,576	163,773	183,425
% change	16.6	17.5	25.0	12.5	12.0
EBITDA	13,145	17,123	20,977	22,946	26,066
% change	25.9	30.3	22.5	9.4	13.6
Depreciation	3,488	4,227	4,293	4,995	5,656
EBIT	9,657	12,896	16,685	17,951	20,410
Interest	140	250	250	261	304
Other Income	3,941	3,005	4,189	4,608	5,024
PBT	13,458	15,650	20,624	22,298	25,129
% change	65.5	16.3	31.8	8.1	12.7
Tax	2,815	3,795	4,985	5,151	5,805
Tax Rate (%)	20.9	24.3	24.2	23.1	23.1
Reported PAT	10,642	11,855	15,639	17,147	19,325
PAT att. to common shareholders	10,642	11,855	15,639	17,147	19,325
Adj.*	-	-	98	-	-
Adj. PAT	10,642	11,855	15,737	17,147	19,325
% change	33.4	11.4	32.7	9.0	12.7
No. of shares (cr)	124.4	124.4	124.4	124.4	124.4
Adj EPS (Rs.)	85.6	95.3	126.6	137.9	155.4
% change	33.4	11.4	32.7	9.0	12.7
DPS (Rs.)	21.1	25.3	33.0	34.5	34.8

Cashflow

Y.E March (Rs. cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Net inc. + Depn.	14,130	16,082	19,932	22,142	24,981
Non-cash adj.	-3,540	-2,067	-3,352	1,836	-2,416
Other adjustments	-	-	-	-	-
Changes in W.C	883	2,602	6,178	652	2,139
C.F. Operation	11,474	16,617	22,758	24,630	24,704
Capital exp.	-4,846	-4,649	-6,079	-7,959	-8,942
Change in inv.	-2,248	-10,848	-17,971	-13,514	-12,275
Other invest.CF	1,709	1,622	4,316	2,663	2,413
C.F - Investment	-5,384	-13,874	-19,733	-18,810	-18,803
Issue of equity	-	-	-	-	-
Issue/repay debt	-3,223	-617	-278	84	92
Dividends paid	-2,021	-2,620	-3,142	-4,104	-4,290
Other finance.CF	-302	-118	-110	-115	-134
C.F - Finance	-5,547	-3,355	-3,529	-4,134	-4,332
Chg. in cash	543	-612	-504	1,686	1,569
Closing Cash	5,665	10,791	18,480	20,166	21,735

Balance Sheet

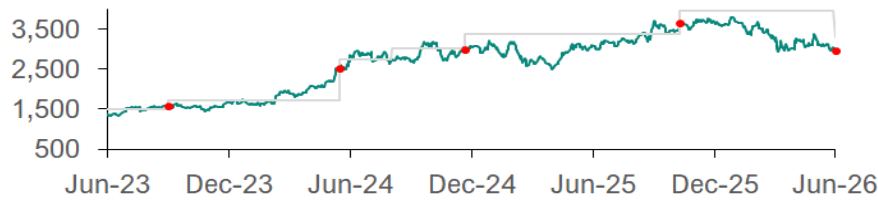
Y.E March (Rs. cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Cash	5,665	10,791	18,480	20,166	21,735
Accts. Receivable	4,568	5,726	6,486	7,779	8,804
Inventories	9,718	10,333	10,306	12,093	14,192
Other Cur. Assets	15,570	20,814	24,083	33,918	42,220
Investments	20,728	22,379	27,547	35,905	44,491
Gross Fixed Assets	26,784	29,508	35,586	43,545	52,487
Net Fixed Assets	13,989	15,962	16,716	18,352	20,093
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 -Net	934	1,046	936	1,288	1,451
Other Assets	4,959	5,004	7,769	6,632	5,511
Total Assets	83,709	99,649	120,603	145,736	169,640
Current Liabilities	25,492	32,001	39,908	51,145	58,858
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	3,809	4,277
Equity Capital	600	600	601	601	601
Res. & Surplus	51,692	60,985	73,724	86,768	101,802
Shareholder Funds	52,291	61,585	74,325	87,369	102,403
Minority Interest	-	-	-	-	-
Total Liabilities	83,709	99,649	120,603	145,736	169,640
BVPS	421	495	598	703	823

Ratios

Y.E March	FY24A	FY25A	FY26A	FY27E	FY28E
Profitab. & Return					
EBITDA margin (%)	13.3	14.7	14.4	14.0	14.2
EBIT margin (%)	9.7	11.1	11.5	11.0	11.1
Net profit mgn.(%)	10.7	10.2	10.7	10.5	10.5
ROE (%)	20.4	19.2	21.0	19.6	18.9
ROCE (%)	17.9	20.6	22.1	20.3	19.7
W.C & Liquidity					
Receivables (days)	16.8	17.9	16.3	17.3	17.5
Inventory (days)	47.9	43.7	34.0	36.5	38.3
Payables (days)	91.7	98.9	97.2	100.3	104.0
Current ratio (x)	1.4	1.5	1.5	1.4	1.5
Quick ratio (x)	0.7	0.9	1.0	1.0	1.0
Turnover & Leverage					
Gross asset T.O (x)	3.8	4.1	4.5	4.1	3.8
Total asset T.O (x)	1.2	1.3	1.3	1.2	1.2
Int. covge. ratio (x)	68.7	51.5	66.9	68.7	67.0
Adj. debt/equity (x)	0.0	0.0	0.0	0.0	0.0
Valuation					
EV/Sales (x)	2.4	3.1	2.8	2.1	1.9
EV/EBITDA (x)	17.9	20.9	19.2	15.2	13.4
P/E (x)	22.5	31.0	26.7	21.5	19.1
P/BV (x)	4.6	6.0	5.7	4.2	3.6



Recommendation Summary - (last 3 years)



Dates	Rating	Target
06-Sep-23	HOLD	1,728
22-May-24	HOLD	2,754
08-Aug-24	BUY	3,026
27-Nov-24	BUY	3,382
17-Oct-25	BUY	3,975
10-Jun-26	BUY	3,508

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

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:

▲ Upgrade

● No Change

▼ Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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

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