6th July ' 2026

Mahindra & Mahinda Limited

Strong Growth - Leading Continue

Despite a challenging macro environment, the Group delivered strong performance in FY26, with PAT growth of over 30%,

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Kantilal Chhaganlal Since 1954

Mahindra & Mahindra Limited, Group Founded in 1945,
The Group is one of the largest and most admired multinational federation of companies with 3,24,000 employees in over 100 countries. It enjoys a leadership position in farm equipment, utility vehicles, and Other Sectors too.

6th July' 2026

Rating: : Buy
Target : 3985
Upside : 27%
CMP : 3137.90(NSE)

Key Data

Bloomberg Code	MM:IN
Mkt Cap (INR)	3,90,207 Crs
Free Float Mkt Cap (INR)	2,79,210Crs
52Wk Range (INR)	3840 / 2896.40
Free Float (%)	71.55%

Shareholding (%)

Promoters	Mar '26	Dec'25	Sep'25
Promoters	18.14%	18.14%	18.14%
FIIs	35.61%	36.88%	37.43%
DIIs	31.04%	30.02%	2955%
Public	8.31%	8.07%	8.00%

Management	
Chairman	Mr. Anand Mahinda
Group CEO and MD	Dr. Anish Shah
ED & CEO Auto & Farm	ED Rajesh Jejurkar
Independent Director	Ms. Shikha Sharma
Independent Director	Ms. Nishaba Godrej

Sales Nos. are Better despite Global Uncertainty.

Company June'2026 Sales Data is **impressive** despite of Global uncertainty Sales Nos are impressive, In June Company achieved SUV sales of 60,393 units and LCV<3.5T segment sales of 26,076 units delivering robust growth of 28% and 35%, respectively. The total vehicle sales stood at 1,06,207, a 37% YoY growth reflecting all-round demand traction across the portfolio."

Strong & Steady Growth Continue

M&M delivered a stable performance in Q4FY26, with standalone revenue increasing 26.2% year-on-year to ₹395 billion. EBITDA margin declined by 140 basis points on both a sequential and annual basis to 14.2%, mainly due to higher commodity costs. Profit before tax (PBT) stood at ₹49.8 billion, registering growth of 22.6% YoY and 11.6% QoQ. Adjusted PAT reached ₹38.4 billion, reflecting an increase of 21.7% YoY and 31.7% QoQ.

From a segment perspective, the Automotive business recorded revenue of ₹311 billion, marking a 25% YoY rise, while the Farm Equipment segment generated revenue of ₹84.4 billion, up 32% YoY. The Automotive segment's EBIT margin improved by 20 basis points YoY to 9.5%, whereas the Farm Equipment segment maintained a stable margin of 19.4% YoY but experienced an 80 basis point decline on a sequential basis.

Value Unlocking Plan ahead for M&M Shareholders

For M&M shareholders, the company is actively pursuing a strong value-unlocking strategy through its portfolio of nine high-potential growth gems, with an ambitious target of achieving 5x growth across each segment over the next 5–7 years. Further strengthening this growth roadmap, M&M is planning to launch the IPO of its Last Mile Mobility business next year. As these businesses scale and unlock their potential, successful execution across one or more segments could create significant incremental value and generate attractive long-term returns for shareholders.

M&M reains well positioned to deliver sustained earnings growth and continue its positive valuation re-rating. We therefore retain our BUY rating on the stock. The company's strong performance is expected to continue, driven by its robust UV portfolio, successful recent product launches, and healthy demand outlook.With early signs of moderation in commodity inflation, margin performance is also likely to improve, supporting earnings growth over the coming quarters. Based on our FY28 EPS estimate of ₹162.42, we maintain a Target Price of ₹3,985.Additionally, the value of M&M's underlying subsidiaries provides further upside and should be considered while assessing the company's intrinsic fair value, offering an additional margin of safety for investors' **3,985 Basis FY28 EPS.**

Key Performance Highlights

Amt. (In Crs.)

Results Summary for Q4 FY26 and Full Year FY26

FY26 Consolidated PAT at Rs 17,099 cr., up 35%* Q4 Consolidated PAT at Rs 4,668 cr., up 42%

F26 Key Highlights

#1 in SUVs with revenue market share at 25.3%, up 260 bps
#1 in LCVs <3.5T: market share at 52.3%^, up 60 bps
#1 in Tractors: market share at 43.6%, up 30 bps
#1 in electric 3 wheelers: market share at 40.0%
MMFSL AUM up 12%; GS3 3.41%; PAT# up 28%
Tech Mahindra EBIT at 12.6% up 290 bps
Growth Gems momentum, PAT# up 50% … Real Estate, Logistics, Accelo

- F26 Consolidated Revenue at Rs 198,639 cr., up 25%
- F26 Consolidated PAT at Rs 17,099 cr., up 35%*

F26 RoE at 20.1%, EPS at Rs 152.2

*Excluding F25 gains of 304 cr. on land sale
^Bolero Max Pickup 2T variant classified under LCV 2-3.5T, includes Jeeto sold by LMM
#M&M share of PAT

Auto

Q4 volumes at 307k (includes sales by LMM & MEAL), up 21%; UV volumes at 184k
Q4 SUV revenue market share at 24.5%, up 60 bps , F26 volumes up 19%; UV volumes up 20%
Standalone Q4 PBIT Rs 2,955 cr., up 28%; PBIT margin 9.5%; excl. eSUV contract mfg. 10.9%, up 80 bps , Standalone F26 PBIT Rs 10,141 cr., up 23%*; PBIT 9.3%*; excl. eSUV contract mfg.10.5%*, up 80 bps ,Consolidated Q4 Revenue Rs 34,294 cr., up 32%, PAT Rs 2,553 cr., up 49%
Consolidated F26 Revenue Rs 117,834 cr., up 30%, PAT Rs 7,842 cr., up 33%

Farm

Q4 volumes at 120K, up 36%
Q4 market share at 42.1%, up 90 bps
Standalone Q4 PBIT Rs 1,643 cr., up 31%; and PBIT margin at 19.4%
Standalone F26 PBIT Rs 7,206 cr., up 35%*; and PBIT margin at 19.9%*, up 150 bps
Consolidated Q4 Revenue Rs 10,022 cr., up 26%, PAT Rs 768 cr., up 1%
Consolidated F26 Revenue Rs 42,568 cr., up 20%, PAT Rs 4,298 cr., up 13%
3 International Farm exits in line with Capital allocation discipline

Services

Consolidated Q4 Revenue Rs 12,147 cr., up 23%, PAT Rs 1,348 cr., up 64%
Consolidated F26 Revenue Rs 43,698 cr., up 17%, PAT Rs 4,960 cr., up 54%
MMFSL Q4 exit AUM up 12%; GS3 at 3.41%
Tech Mahindra Q4 EBIT margin improved by 326 bps
Mahindra Lifespaces Q4 residential pre-sales of Rs 1,633 cr., up 55%
Club Mahindra Q4 resort revenue Rs 120 cr., up 11%, AUR up 83%, Room Inventory up 213 to 6228 keys Mahindra Logistics Q4 revenue Rs 1,791 cr., up 14%, delivered profitability for the full year

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Q4FY26 Earning Con-call KTA

In Q4'FY26, the SUV Revenue share increased by 60 bps YoY, retaining the No 1 position.
M&M is now the 5th largest exporter for PV + CV in F26.
Tractors gained 90 bps in Q4 YoY, with a full year market share of 43.6% gaining 30 bps.
Tractors achieved highest ever billing of 5 lakh+ in FY26.
The market gains have been achieved by delivering strong margin performance
The company expects the LCV industry to grow in high single digits in FY27
Management expects the tractor industry to grow in mid-single digits in FY27.
On capacity, Mahindra's ICE SUV capacity stood at 56.5K units per month as of FY26, while BEV capacity stood at 8K units per month. In FY27,
The company plans to add another 3.5K units per month of ICE capacity. Further, the Chakan plant for the NU-IQ platform is expected to add 10K units per month of ICE capacity and 4K units per month of EVs by the start of FY28.

Farm segment was dragged down by 3 international subsidiaries (INR14bn of impairment). MM has exited one business and is in the process of exiting the remaining two in FY27, which **should improve profitability in next 2 years**. US, Brazil and Turkey, strategic markets, are facing industry slowdown. Once downcycle is over, these markets should add to MM's volumes.

7 new launches and 12 new features are planned for FY27, including 2 major product upgrades – transmission upgrade in Swaraj tractors and a new tractor range on a new platform under Mahindra Tractors

Auto Segment

Nagpur plant is on track to start in mid-2028; land acquisition is underway. The plant will add 500k SUV units p.a. once fully operational

Price hike of ~2.6% has been taken in recent months. Though there is headroom for more hikes, MM will be cautious as to not to impact demand once war and RM inflation subside.

For meet CAFE targets, it will need 13-21% EV penetration over the expected 5 year block (FY28-32). BEV growth will be driven by lower operating cost, lower on-road price, better charging infra as more EV players come in the market, and higher fuel prices.

Others

MM will announce the next capex cycle in Jul'26

MM aspires to be amongst top aerostructure players in the world. **LMM**, which has the been a great value creator for the group, is expected to be listed in CY27

Q4 PLI benefit accrued was INR5bn. All its EV variants are **PLI compliant** now, with most benefit for BE6 expected to accrue in Q1FY27.

FY26 RoE stood at 20.1%, with the management aiming at ~18% in the medium term

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Amt. (In Millions.)

Financial Summary

Income Statement	FY25A	FY26A	FY27E	FY28E
Net Sales	1,164,837	1,455,758	1,652,285	1,850,560
Operating Expenses	81,396	85,420	96,952	108,586
EBITA	171,226	209,775	238,095	266,666
EBITA Margin(%)	15	14	16	18
Depreciation	42,268	42,927	48,722	54,569
EBIT	128,958	166,848	189,372	212,097
Int & Other Finance Chgs	2,505	2,496	2,833	3,173
Other Income	30,048	42,872	48,660	54,499
Profit Before Tax	156,501	206,242	234,085	262,175
Less : Taxes	37,952	49,853	56,583	63,373
PAT	118,549	156,389	177,502	198,802
EPS	103.97	137.16	145.02	162.42

Source : KC Research

Balance Sheet

Amt. (In Millions.)

Y/E March	FY25A	FY26A	FY27E	FY28E
Sources of Funds				
Share Capital	6,004	6,010	6,010	6,010
Reserves	609,847	737,241	866,995	1,022,621
Net Worth	615,851	743,251	873,005	1,028,631
Deferred Tax	16,629	14,510	16,629	16,629
Loans	16,818	16,535	16,818	16,818
Capital Employed	649,298	774,296	906,452	1,062,078
Application of Funds				
Gross Fixed Assets	435,527	478,825	545,861	615,861
Less : Depriciation	239,014	281,941	321,413	363,196
Net Fixed Assets	196,513	196,884	224,448	252,664
Capital WIP	39,046	53,075	39,046	39,046
Investments	489,968	658,532	796,824	926,441
Current Assets , Loans & Advances	270,962	297,535	349,437	388,738
Inventory	103,333	103,059	123,671	140,985
Inventory Days	32	26	36	36
Sundry Debtors	57,256	64,858	74,587	85,029
Debtors Days	18	17	18	18
Cash & Bank Balance	12,644	7,608	7,610	7,610
Loans & Advances	53,560	63,732	99,400	110,945
Others	44,169	58,278	44,169	44,169
Current Liabilities & Provisions	347,192	431,730	503,302	544,810
Sundry Creditors	234,058	294,999	358,657	395,000
Creditor Days	73	74	74	74
Other Liabilities	90,445	108,935	108,935	108,935
Provisions	22,689	27,796	35,710	40,875
Net Current Assets	(76,230)	(134,195)	(153,866)	(156,072)
Working Capital	(88,873)	(141,804)	(144,253)	(157,751)
Total Application OF Funds	649,297	774,296	906,452	1,062,078

Source : KC Research

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