SBI Securities
Investment aur Trust, Dono

10th March, 2026

Mahindra & Mahindra Ltd.

BSE: 500520 | NSE: M&M
M-Cap (Rs cr): 4,06,671

Recommendation	Time Period	Current Price	Target Price	Potential Upside
BUY	**12 months**	**3,270/-**	**3,760/-**	**15.0%**

Mahindra & Mahindra Ltd (M&M) is a diversified automobile company in India with presence across SUVs, commercial vehicles, tractors, farm equipment such as harvesters & transplanters and 3 wheelers for passenger and cargo movement. Besides, it holds stakes in other listed Mahindra group entities such as Tech Mahindra, M&M Financial Services, Mahindra Holidays & Resorts, Swaraj Engines and Mahindra Lifespace Developers. M&M has recently also acquired majority stake in SML Isuzu, a CV OEM with focus in the medium commercial vehicle segment.

Key Investment Rationale:

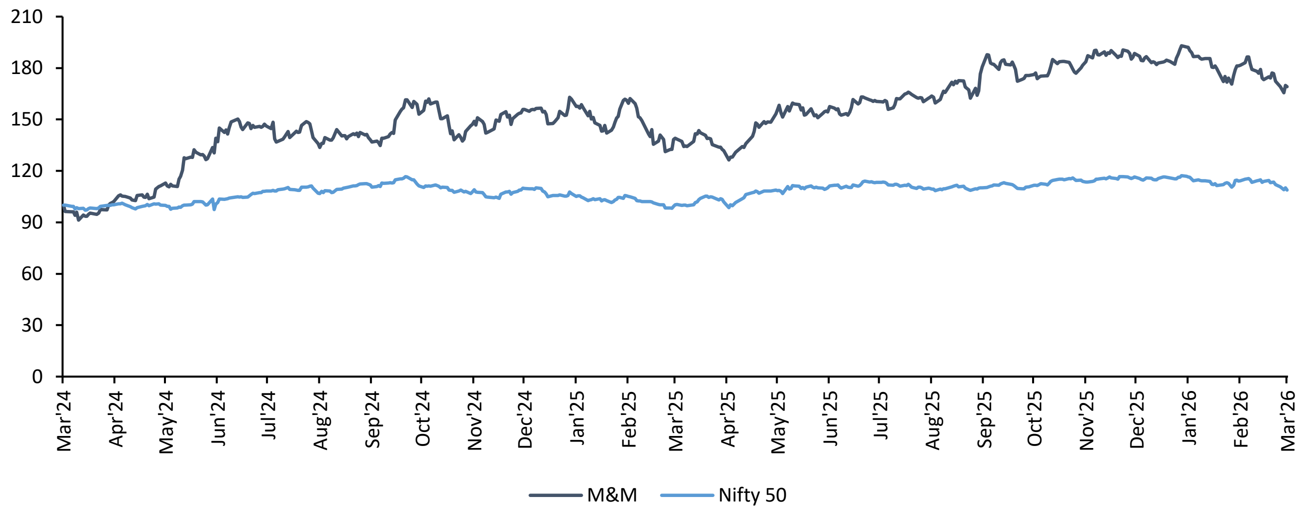
- **Benefit of GST rate cut across vehicle segments:** The overall demand in the Indian automotive industry has been boosted post the GST rate rationalization which has reduced vehicle prices and improved consumer sentiment. Other measures such as cumulative 125 bps interest rate cut from the RBI and income tax cuts as well as improving rural sentiment have led to robust demand across PV, CV and tractor segments. The CV industry upcycle has begun with OEMs witnessing demand recovery across LCV and MHCV due to start of the replacement demand.
- **Robust SUV portfolio:** The company enjoys strong brand recall in the SUV segment. All the new launches over the last few years such as the XUV 700, Thar Roxx, XUV 3XO, Scorpio N and Bolero Neo have received encouraging response from customers. The Indian Passenger Vehicle (PV) industry has pivoted towards SUVs which now account for ~60% of the total PV volumes. The company has been consistently outperforming the domestic PV industry growth and its own internal guidance over the last few years.
- **Rapid market share gains in the EV segment:** M&M unveiled 2 new Born Electric SUVs - BE 6 and XEV 9E at the start of 2025. The company has received a stellar response to these new launches. Its EV market share has increased from 5% before the launch of these 2 BEVs to ~20% currently. The company has further launched a new 7 seater electric SUV – XEV 9S recently which should help the company gain further market share.
- **Farm equipment segment in an uptrend:** The domestic tractor industry has posted strong double digit growth in YTD FY26 with factors such as healthy monsoon and strong rabi season aiding farmer sentiment. M&M commands a leading market share of 44% in the domestic tractor industry and has fortified its presence in the lower HP segment through the Oja brand.
- **Valuation:** At CMP of Rs 3,270, the stock is trading at 25.6x/22.6x/20.3x FY26E/FY27E/FY28E consensus Bloomberg earnings
- **Key Risks:** Loss in market share; Slowdown in the auto industry; Supply chain dislocation

Financial Summary

Particulars (Rs cr)	FY25A	FY26E	FY27E	FY28E
Net Sales	1,18,625	1,43,500	1,61,200	1,78,600
EBITDA	18,416	20,842	23,524	26,375
Adj. Net Profit	11,855	15,466	17,476	19,499
EBITDA Margin (%)	15.5	14.5	14.6	14.8
EPS (Rs)	95.3	127.7	144.8	161.1
RoE (%)	20.8	22.2	21.1	19.9
P/E (x)	34.3	25.6	22.6	20.3
P/BV (x)	6.5	5.2	4.4	3.7

Source: Bloomberg, SSL Research

Stock Performance – Indexed to 100



Source: ACE Equity, SSL Research

Recommendation History

Date	Stock Price	Target Price	Recommendation	Status
06/05/2025	3,121	3,625	BUY	Booked Profit on 8th Sep'25 at Rs 3,613.5

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