

**Price:** 2,802

**Recommendation:** Buy

**Industry:** Passenger Cars Utility

**Sector:** Consumer Discretionary

**Report Date:** 22-Mar-2025

Mahindra & Mahindra Ltd. is a leader in the Auto and Farm sectors, reporting a 16% increase in Auto volume and 20% in Farm volume. With a 23% market share in SUVs and 44.2% in the Farm sector, the company is expanding its electric vehicle segment, launching two BEVs. It leads the E-3W market with a 41.8% share. The company is also investing in real estate and logistics, aiming for growth through diversification and innovation.

Sales		Profit & Loss		Profitability Matrix	
Current Year	112450 Cr	Operating Profit(Year)	17624 Cr	Operating Profit Margin	15.7 %
Previous Year	86645 Cr	Operating Profit(Quarter)	4810 Cr	EBITDA Margin	15.17 %
Current Quarter	30964 Cr	PAT (Year)	10718 Cr	Net Profit Margin	10.6 %
Previous Quarter	28919 Cr	PAT (Quarter)	2964 Cr	EPS	91.8
Revenue (QYoY)	25737 Cr				
Valuation Matrix		Growth(YoY)		Growth(QoQ)	
Trailing P/E	30.5	Sales Growth	14.1 %	Sales Growth	7.07 %
PEG Ratio	1.76	PAT Growth	40.03 %	Sales Growth QYoY	20.31 %
EV/EBITDA	17.9	EPS Growth	6.5 %	PAT Growth	-22.83 %
P/B	6.21	Dividend Yield	0.75	PAT Growth QYoY	19.04 %
Capital Allocation		Holdings		Leverage	
RoE	22.4 %	Promoter	18.5 %	Debt/Equity	0.03
RoA	13.4 %	FII	38.9 %	Debt	1594 Cr
RoCE	26.5 %	DII	29.2 %	Market Cap	348418 Cr
RoIC	57.7 %	Public	9.66 %	Enterprise value	341512 Cr
		No of Shares	124 Cr	Cash Equivalents	8500 Cr

source : Company filings

## Company's Overview Based on Recent Concall and Performance:

In the recent meeting, Mahindra & Mahindra Ltd. highlighted several new initiatives and business strategies aimed at sustaining growth and enhancing market leadership. The company reported consistent growth and margin momentum in its Auto and Farm sectors, with Auto volume increasing by 16% and Farm volume by 20%. The company is capitalizing on its market leadership, with a 23% revenue market share in SUVs and a 44.2% market share in the Farm sector. New initiatives include the launch of two Battery Electric Vehicles (BEVs) and a focus on expanding the electric vehicle (EV) segment, which is expected to drive future growth. The company is also focusing on margin expansion, with Auto PBIT margin improving by 120 basis points and Farm PBIT margin by 260 basis points.

Mahindra & Mahindra is adopting diversification schemes to enhance its business portfolio. The company is making significant strides in the EV market, with the highest-ever quarterly E-3W billing at 21.4K in Q3 F25 and a market leadership in E-3W with a 41.8% market share. The company has received PLI incentive approval and disbursement for F24 amounting to Rs 104 crore. Additionally, the company is focusing on real estate with the largest-ever land acquisition, valued at 12,000 crore GDV in Bhandup, and is on track for planned launches. The logistics sector is also seeing growth with a large quick-commerce partnership, although challenges persist in express services.

Looking ahead, Mahindra & Mahindra is poised for future growth and scaling. The company is focusing on achieving its full potential with a 5X challenge and capitalizing on market leadership. The Tech Mahindra segment is seeing key new deal wins in Telecom and green shoots in BFSI and Healthcare, with a margin recovery on track. The company is also expanding its hospitality sector, with momentum on inventory expansion and an 84% occupancy rate. The Farm sector is expected to grow by over 15% in Q4, driven by strong reservoir levels and favorable terms of trade.

While the company is showing strong growth and market leadership, there are areas for improvement. The international business in the Farm sector faces challenges, and the express logistics sector requires a focus on service and cost improvement. The company is also navigating the transition to electric vehicles, where BEV products may have similar net vehicle margins as ICE products on a matured basis, but on percentage terms, it will always be lower due to a higher denominator. Overall, Mahindra & Mahindra is well-positioned for future growth, with a strong focus on innovation, diversification, and market leadership.

M&M Daily Closing One Year Price Chart



Name	Mar Cap (Rs. Cr.)	P/E	ROE	Sales(G) QoQ	Sales(G) QYoY	PAT(G) QoQ	PAT(G) QYoY
Hindustan Motors	490.56	15.15	16.74%	-25.32%	-56.93%	-31.28%	-70.23%
Maruti Suzuki	368882.25	25.37	16.84%	3.51%	15.67%	20.13%	16.22%
M & M	348418.13	30.52	22.41%	7.07%	20.31%	-22.82%	19.06%
Hyundai Motor I	137936.98	23.18	39.58%	-3.76%	-2.10%	-15.97%	-19.31%
Mercury EV-Tech	1149.91	174.23	3.05%	82.75%	677.29%	167.50%	707.55%

Aspect	Commentary
Revenue	The company shows robust revenue growth with a significant increase from the previous year and quarter. This indicates strong market demand and effective sales strategies, contributing to overall financial health and stability.
Profit & Loss	Operating profit and PAT figures reflect strong profitability, with year-on-year growth. This suggests efficient cost management and successful revenue generation, enhancing shareholder value.
Profitability Matrix	The company maintains healthy profit margins, indicating efficient operations and cost control. High EPS further suggests strong earnings performance, benefiting investors.
Valuation Matrix	Valuation metrics like P/E and EV/EBITDA suggest the company is valued fairly in the market. The PEG ratio indicates growth potential, while P/B reflects asset valuation.
Growth (YoY)	Year-on-year growth metrics show significant improvement in sales and PAT, highlighting the company's ability to expand and capture market share effectively.
Growth (QoQ)	Quarter-on-quarter growth shows positive sales momentum, though PAT decline suggests potential cost pressures or investment in growth initiatives.
Capital Allocation	Strong returns on equity and capital employed indicate effective capital management, maximizing shareholder returns and supporting sustainable growth.
Holdings	The diverse shareholder base with significant FII and DII holdings reflects investor confidence and market credibility, supporting stock stability.
Leverage	Low debt-to-equity ratio and substantial cash reserves indicate strong financial health, providing flexibility for future investments and risk management.

**Analyst viewpoint:** Mahindra & Mahindra exhibits a robust growth trajectory with a 7.07% quarter-on-quarter sales increase, complementing its dynamic market position. The company's focus on diversification, particularly into the electric vehicle segment, with a significant market share of 41.8% in E-3W and new BEV launches, underscores its innovative approach. Strategically, the company capitalizes on a strong foothold in the Auto and Farm sectors, exhibiting a 23% and 44.2% market share, respectively, ensuring continued leadership and expansion. The positive PEG ratio and fair valuation metrics highlight its growth potential and effective capital allocation, reflected in a RoE of 22.41%.

Despite these positive indicators, Mahindra & Mahindra faces challenges, notably in its international Farm sector businesses and express logistics where operational improvements are needed. However, with a solid balance sheet, low debt-equity ratio, and substantial cash reserves, the company maintains strong financial health, providing a cushion for further investments and growth initiatives. Overall, the strategic emphasis on market leadership through innovation, sustainable margin improvement, and portfolio diversification suggest a promising growth outlook.

Please read detailed disclosure on next page.

Explanation of Investment Rating*	
Investment Rating	Expected Return (over 12-month)
BUY	>=15%
SELL	<-10%
NEUTRAL	>-10% to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

\*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

#### Disclosures:

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (hereinafter referred to as the Regulations).

1. GOALZEN CAPITAL SERVICES PRIVATE LIMITED is a SEBI-Registered Research Analyst having SEBI registration number INH000013448. GOALZEN CAPITAL SERVICES PRIVATE LTD ("GoalFi" or "We"), the research entity, is engaged in providing research services on securities and information on personal financial products. This Research Report (called Report) is prepared and distributed by GOALZEN CAPITAL SERVICES PRIVATE LIMITED with brand name 'GoalFi' (brand name trademarked to research analyst and company director 'Robin Arya') and used by GOALZEN CAPITAL SERVICES PRIVATE LIMITED with mutual consent.

2. GOALZEN CAPITAL SERVICES PRIVATE LIMITED, its partners, employees, directors or agents, do not have any material adverse disciplinary history as on the date of publication of this report.

3. I, Robin Arya, author/s and the name/s in this report, hereby certify that all of the views expressed in this research report accurately reflect my/our views about the subject issuer(s) or securities. I/We also certify that no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. I/we or my/our relative or GOALZEN CAPITAL SERVICES PRIVATE LIMITED do not have any financial interest in the subject company.

4. I/we or my/our relative or GOALZEN CAPITAL SERVICES PRIVATE LIMITED do not have beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of the Research Report. I/we or my/our relative or GOALZEN CAPITAL SERVICES PRIVATE LIMITED do not have any material conflict of interest. I/we have not served as director / officer, etc. in the subject company in the last 12-month period.

5. I, Robin Arya, do not hold this stock as part of my investment portfolio at the date of recommendation. I/analysts in the Company have not traded in the subject stock thirty days preceding this research report and will not trade within five days of publication of the research report as required by regulations.

6. GOALZEN CAPITAL SERVICES PRIVATE LIMITED has not received any compensation from the subject company in the past twelve months. GOALZEN CAPITAL SERVICES PRIVATE LIMITED has not been engaged in market making activity for the subject company.

7. In the last 12-month period ending on the last day of the month immediately preceding the date of publication of this research report, GOALZEN CAPITAL SERVICES PRIVATE LIMITED has not received compensation or other benefits from the subject company of this research report or any other third-party in connection with this report.

#### Analyst Certification:

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

**Disclaimers:**

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent.

This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment.

The investment discussed or views expressed may not be suitable for all investors. Certain transactions - including those involving futures, options, another derivative product as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document.

This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of GOALZEN CAPITAL SERVICES PRIVATE LIMITED. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject GOALZEN CAPITAL SERVICES PRIVATE LIMITED to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt GOALZEN CAPITAL SERVICES PRIVATE LIMITED or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold GOALZEN CAPITAL SERVICES PRIVATE LIMITED or any of its affiliates or employees responsible for any such misuse and further agrees to hold GOALZEN CAPITAL SERVICES PRIVATE LIMITED or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of GOALZEN CAPITAL SERVICES PRIVATE LIMITED only.

GOALZEN CAPITAL SERVICES PRIVATE LIMITED has a contractual arrangement with a vendor - Smallcase Technologies Private Limited (STPL) whereby STPL provides technology solutions and related back-end infrastructure along with support for back-office related operations & processes. STPL does not provide any investment advice or recommendation nor does it make any claim of returns or performance with respect to any advice or recommendation.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing. Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

**Terms & Conditions:**

These Terms and Conditions govern the use of the research subscription services provided by GOALZEN CAPITAL SERVICES PRIVATE LTD ("GoalFi" or "We"). By subscribing to our services, you agree to these terms, if you disagree with any part of the terms, you must not use our services.

**Payment and Renewal:**

The subscription fee is non-refundable. No such requests over email or any other channel requesting for refund or for pro-rata refund will be acknowledged if smallcase constituents or research provided is accessed by the user. Please do not subscribe if you disagree with any part of the terms. Subscription renewals will be charged the standard rate unless otherwise notified.

**Limitation of Liability:**

GoalFi provides research based on data and analysis. The subscriber acknowledges that all investment decisions carry inherent risks, and GoalFi shall not be liable for any losses incurred based on our research.

**No Investment Advice:**

The content provided under the subscription is purely for informational purposes and should not be construed as investment advice. GoalFi, being a SEBI Registered Research Analyst (RA), provides research insights and not investment advisory services.

**Termination:**

GoalFi reserves the right to terminate the subscription at any time due to non-compliance with these terms or any other reasons deemed appropriate by us and no refund will be made.

**No Guarantee:** While we strive to provide accurate and reliable research, there is no guarantee on the returns or performance of the recommendations. Investing in securities involves risks, and there's the potential for losing money.

**Review and Update:** Our research products are reviewed and updated periodically to reflect the latest market conditions and insights. However, market conditions can change rapidly, and there's no guarantee that the conditions on which recommendations and insights are based will remain the same.

**Research Analyst Details:**

Name: Robin Arya

Email: [smallcase@goalfi.in](mailto:smallcase@goalfi.in)

Contact: +91-9394306085

GOALZEN CAPITAL SERVICES PRIVATE LIMITED

CIN: U66190TS2023PTC176030

Address: Co ikeva Office 10, Level 3, NSL Centrum, Serene Estate Pvt Ltd, Site No. Phase I and II, Opp KPHB Colony Lane Opp. Forum Mall Kukatpally, HYDERABAD, TELANGANA, 500072

Support Telephone: +91 9063309052, Support Email – [support@goalfi.in](mailto:support@goalfi.in)

Customer having any query/feedback/ clarification/ In case of grievances for any of the services rendered by GOALZEN CAPITAL SERVICES PRIVATE LIMITED, write to [hello@goalfi.app](mailto:hello@goalfi.app)

Website: [goalfiresearch.smallcase.com](http://goalfiresearch.smallcase.com)