

Mahindra & Mahindra (MM) - BUY

Company Update

Current Market Price (CMP)

Rs.3007

Target Price

Rs.3400

Rationale:

- Company continues to execute well by maintaining its leadership position in all three segments and is well-prepared for the EV transition.
- M&M unveiled two new born-electric EVs in the SUV segment (BE 6E and XEV 9E).
- New EV launches priced competitively compared to ICE models in respective segment.
- We expect the earnings per share (EPS) to grow by 11.1% in FY26E and 9.7% in FY27E.
- Increase our FY26-27E standalone EPS by 1-2%; maintain BUY.

Company update:

Positives:

- We believe these launches will accelerate EV adoption in the PV segment and establish M&M as a key challenger brand.
- EV launches are designed to dominate EV market with superior technology/features.
- Company's EV models have superior vehicle dynamics compared to the majority of the global luxury EV models benchmarked by the company.

Negatives

- We believe the pricing of XEV 9E is attractive; however, there can be cannibalization to company's existing product portfolio.

(EV: Electric Vehicle; SUV: Sport Utility Vehicle; ICE: internal Combustion Engine)

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For detailed report dated 27th Nov 2024. Note: CMP & valuation may differ due to difference in dates.



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