Dated: 30 June 2026

Mahindra & Mahindra (MM) - BUY

Q4FY26 Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs.3069	Rs.4050

Rationale:

- Q4FY26 EBITDA was 0.5% above our estimates due to better-than-expected ASP.
- Company guides for domestic tractor industry to grow in mid-single digit in FY27E.
- We expect the company's SUV volumes to grow by low double digit in FY27E.
- Company has guided for high single-digit growth for the industry LCV segment.
- M&M continues to execute well by maintaining leadership in all three segments.
- We expect M&M to continue to outperform industry growth across tractors and CVs.
- Strong product-launch cycle till CY30E should help sustain SUV segment leadership.
- We retain BUY rating with a revised FV of Rs4,050 based on SoTP methodology.

Positives:

- Net revenues increased by 26% yoy, driven by 25% yoy increase in volumes.
- Auto EBIT margin was 9.5% (+30 bps yoy), 10 bps higher than our estimates.
- Tractor: company's market share grew 80 bps yoy to 42% in Q4FY26 and 43.6% in FY26.
- M&M maintains the first position in SUV in terms of revenue market share, which has improved by 60 bps yoy in Q4FY26.

Negatives:

- EBITDA margin was 14.1% (-80 bps yoy and -60 bps qoq), 40 bps below estimates.
- Tractor EBIT margin was 19.4% (flat yoy and -110 bps qoq), 70 bps below our estimates.

(EBIT: Earnings Before Interest and Tax; EBITDA: Earnings Before Interest, Tax, Depreciation and Amortization; ASP: Average Selling Price; SUV: Sports Utility Vehicle; Light Commercial Vehicle; SoTP: Sum-of-the-Parts; CV: Commercial Vehicle)

Holding Period: 12 months