

Mahindra & Mahindra (MM) - BUY

Company Update

Current Market Price (CMP)

Rs.2729

Target Price

Rs.3150

Rationale:

- Tractor industry poised for recovery during H2FY25E.
- Well-positioned despite slowdown in domestic passenger vehicle segment.
- Co. continuing to execute well in all three segments; improvement in return ratios.
- We expect M&M to outperform across all the segments driven by newer launches.
- We are upgrading the stock to BUY (from ADD) post recent correction.
- Stock is trading at attractive valuation; M&M remains our top pick.

Company update:

Positives:

- Tractor: The company has gained 130 bps yoy market share in H1FY25.
- M&M retail PV volumes grew 15% yoy in H1FY25 vs flat growth in overall PV industry volumes.
- M&M LCV market share improved by 180 bps on a yoy basis in H1FY25.

Negatives

- Domestic LCV segment volumes declined by 6% on a yoy basis in H1FY25.
- We have cut our FY25-26 EPS estimates by 1-4%.

(EPS: Earnings Per Share; PV: Passenger Vehicle; LCV: Light Commercial Vehicle)

[Click here](#)

For detailed report dated 31st Oct 2024. Note: CMP & valuation may differ due to difference in dates.



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