

Maruti Suzuki (MSIL) - ADD

Q4FY26 Result Update

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| Current Market Price (CMP) Rs.12,892 | Fair Value (FV) Rs.14,000 |
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Rationale:

- Q4FY26 EBIT was 2% below our estimates due to weaker-than-expected gross margins, offset by better-than-expected ASPs.
- FY26 domestic/export volumes were 19.7 lakh units (+4% yoy)/447.7k units (+35% yoy).
- Company expects the domestic volumes to grow by 10% on a yoy basis in FY27E.
- We expect the company's market share trends to improve, driven by a strong order backlog and market share gains in select segments.
- Commodity will remain a headwind; however, we believe operating leverage, mix and pricing action will gradually offset the same.
- We have cut our FY26-28 EBIT estimates by 1-3%.
- We revise our FV to Rs14,000 (from Rs14,500) based on 23x June 2028E core EPS and Rs2,712 per share of cash and cash equivalents.

👍 Positives:

- Revenues were up 29% yoy, led by 12% yoy volume growth/15% yoy increase in ASPs.
- Export volumes saw a strong growth for the company during Q4FY26 (>60% growth).
- Discount/vehicle as percentage of ASPs declined by 50 bps on a qoq basis in Q4FY26.

👎 Negatives:

- EBIT margin was 8.4% (+10 bps yoy and (-)50 bps qoq), 30 bps below our estimates.
- Company's market share declined sharply by 320 bps yoy in Q4FY26.

(EBIT: Earnings Before Interest and Tax; ASP: Average Selling Price; EPS: Earnings Per Share)



The content of this document has been derived from KIE research report. Kotak's PCG Research has summarized the report (Research Team: shrikant.chouhan@kotak.com). Readers who wish to access the complete report are kindly requested to contact their respective Relationship Manager. Further, the recipient of this material should take their own professional advice before investing.

Holding Period: 12 months

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- BUY** – We expect the stock to deliver more than 15% returns over the next 12 months
- ADD** – We expect the stock to deliver 5% - 15% returns over the next 12 months
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- NA** – **Not Available or Not Applicable.** The information is not available for display or is not applicable
- NM** – **Not Meaningful.** The information is not meaningful and is therefore excluded.
- NOTE** – Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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