kotak neo

Ratings Monitor

One Report – to monitor stocks and identify triggers to re-evaluate ratings

Mazagon Dock (MAZDOCKS)

Current Market Price	Fair Value (FV)
Rs.2451	Rs.1950

Date: 9 July 2026

Previous Rating: - NA **Current Rating: SELL** **Change: Initiating Coverage**

Ratings Rationale

- Mazagon Dock Shipbuilders Ltd (MDL) is Indian Navy's primary shipyard for complex, frontline combat platforms such as destroyers and submarines.
- Strong naval pipeline with commercial/export optionality to be growth driver.
- MDL's earnings to grow at 7% CAGR over FY26-30E as short-term decline in revenue is offset by pickup in execution of four marquee orders worth Rs2.4 lakh cr..
- India's strategic push toward building a blue-water navy underpins a sizeable ~Rs4.2 lakhcr pipeline across ships and submarines for Indian shipyards.
- Delay in order finalization to weigh on near-term revenue.
- We expect MDL's revenue to decline over the next two years due to a weak starting order backlog.
- We expect higher execution and cost efficiencies to be partially offset by higher other expenses due to lack of provision reversals.

(CAGR: Compound Annual Growth Rate, DCF: Discounted Cash Flows, PAT: Profit After, P/E Price to Earnings)

Valuation

Our DCF based Fair Value of Rs1,950 implies 42X P/E on March 2028E.

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

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
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
SUBSCRIBE	–	We advise investor to subscribe to the IPO.
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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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