

Equity Research Analysis Report
Mahindra & Mahindra
 Automobile Industry

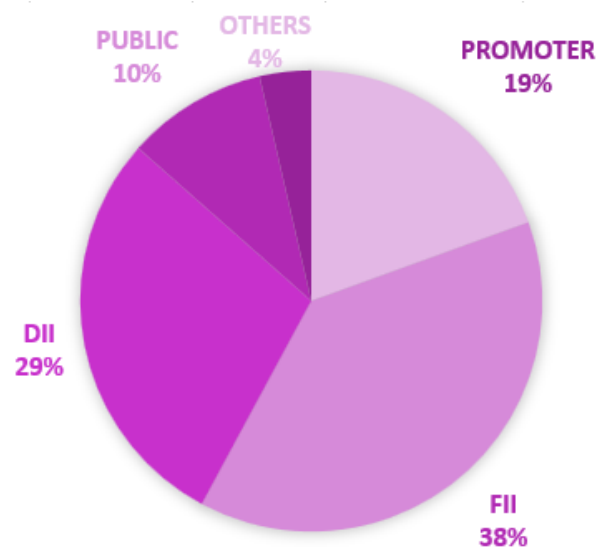
52 Week High	₹ 1,366.55
52 Week Low	₹ 671.15
Intrinsic Value	₹ 1359.78

Mahindra & Mahindra Limited (M&M) is an Indian multinational automotive manufacturing corporation headquartered in Mumbai. It was established in 1945 as Mahindra & Mohammed and later renamed Mahindra & Mahindra. Part of the Mahindra Group, M&M is one of the largest vehicle manufacturers by production in India.

Economic Outlook

- 2023 GDP forecast is around 6-7%
- Inflation is forecast around 5.8-6.3.
- Expected monsoon in India- country expecting a monsoon of above normal which is above 105 indicating GDP growth.
- Indian sales tax rate GST projected to trend around 18.00.
- Rising middle-class income.
- most demand is expected for two-wheelers.

Shareholding Pattern



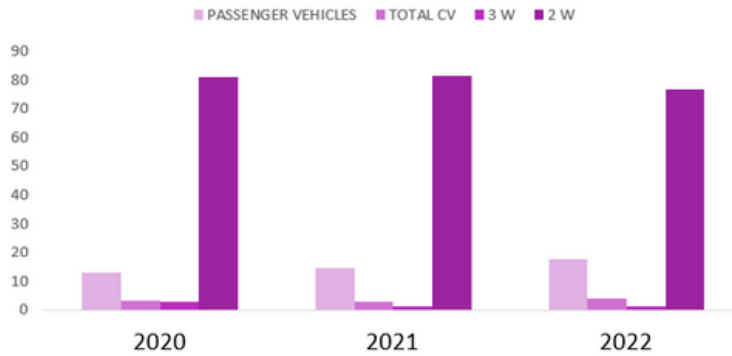
Industry Review

- The automobile sector accounts for 7.1% of India's GDP and 49 % of the manufacturing GDP. Hence, the automobile sector in India is a significant driver of macroeconomic growth and technological advancement.
- Today, there is significant demand for EVs. EVs have a 0.7% market share in India and by 2027, this figure is expected to increase to 3.8%.
- By the end of this decade, the industry will look significantly different than it was at the close of the previous decade.

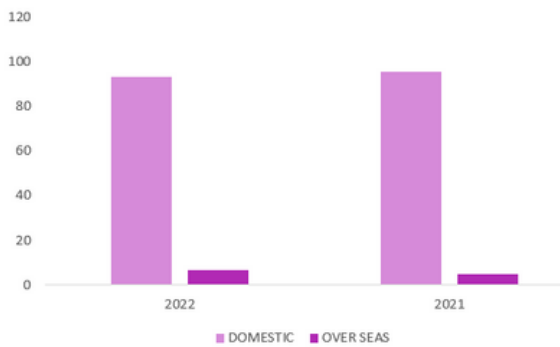
Concall Review

- The ALL-ELECTRIC segment SUV XUV400 is ready for starting manufacturing next month and we will start bookings in January and hopefully start deliveries by end of January.
- The capacity expansion plans- Jan-March calendar year '22 which is Q4 of F'22, our capacity was 29,000, At The end of the current financial quarter which is calendar year Jan-March, the capacities will go up to 39,000. the end of the financial year F'24, which is the calendar year Jan-March '24 before will go up to 49,000. (EXCLUDING EV)
- Scorpio Classic which is the refreshed version of the Scorpio also sees a very-very strong momentum in demand.

Product Segmentation



Geographical Segmentation



Margin, Ratios and Multiples

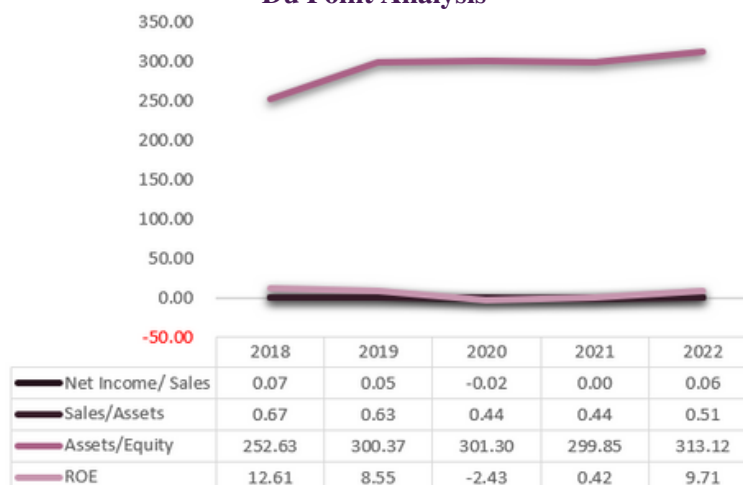
PARTICULARS	2018	2019	2020	2021	2022
EBITDA Margin	0.10	0.07	0.05	0.06	0.08
EBIT Margin	0.14	0.12	0.13	0.14	0.14
PAT Margin	0.07	0.05	-0.02	0.00	0.06
ROE	12.61	8.55	-2.43	0.42	9.71
ROCE	0.15	0.12	0.09	0.09	0.11
Inventory turnover	9.85	8.44	6.69	7.56	7.71
Debt to Equity	62.25	80.02	94.35	98.90	87.45
Quick Ratio	1.01	0.97	0.98	1.22	1.13
Current Ratio	1.20	1.18	1.19	1.40	1.34
Asset Turnover	0.67	0.63	0.44	0.44	0.51

Financial Statements

	2021 A	2022 A	2023 E
Revenue from operations	74,277.78	90,170.57	1,06,401.27
Total Income	75,310.89	91,105.08	1,07,465.29
Cost of materials and services consumed	32,797.56	46,265.48	52,136.62
Purchases of stock-in-trade	5,473.64	6,399.37	7,448.09
Changes in inventories of finished goods, stock-in-trade and work-in-pro	135.59	-861.66	0.00
Employee benefits expense	7,813.26	8,386.74	10,640.13
Finance costs	6102.22	5,018.05	6,384.08
Depreciation and amortisation expense	3,378.11	3,507.50	4,256.05
Other expenses	14541.92	15452.96	21280.25
Total Expenses	70081.56	84013.27	101081.21
Profit / (Loss) before exceptional items and tax	5,229.33	7,091.81	6,384.08
Exceptional items	-1,158.26	414.17	1,064.01
Profit / (Loss) before tax	5,347.73	9,361.77	9,044.11
Tax expense:	-2,014.89	-1,868.10	2,261.03
Profit / (Loss) for the year	1,512.39	7,253.01	6,783.08

	2018	2019	2020	2021	2022
		12.28%	-28.02%	-1.46%	21.40%
	100.68%	101.04%	101.36%	101.39%	101.04%
	51.94%	53.40%	42.88%	44.16%	51.31%
	5.38%	5.69%	7.00%	7.37%	7.10%
	0.09%	-1.65%	1.10%	0.18%	-0.96%
	10.73%	10.74%	10.90%	10.52%	9.30%
	4.28%	4.79%	7.99%	8.22%	5.57%
	3.52%	3.81%	4.47%	4.55%	3.89%
	18.04%	17.64%	21.05%	19.58%	17.14%
	93.61%	94.08%	94.95%	94.35%	93.17%
	7.07%	6.95%	6.41%	7.04%	7.86%
	2.82%	0.21%	-1.55%	-1.56%	0.46%
	11.07%	8.47%	6.22%	7.20%	10.38%

Du Point Analysis



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