

# Mahindra & Mahindra Ltd.

ISIN: INE101A01026

BSE: 500520

NSE:M&M

CMP: Rs.896

Tue, 25<sup>th</sup> Oct, 21

## OVERVIEW

- Mahindra & Mahindra Ltd founded in 1945 as a steel trading company, Mahindra is today a diversified industrial and services conglomerate with headquarters in Mumbai, India.
- It has a presence in the automotive, farm equipment, IT Services, aerospace and defence, and financial services industries, among others.
- India is its home market, making up the majority revenue and its manufacturing core.

## STRENGTHS

- Mahindra & Mahindra is the Market leader in multiple automotive segments
- Strong research and development
- Low after sales cost
- Excellent products according to Indian road conditions
- It is India's largest maker of SUV

## BUSINESS STRATEGY

- Company brings down the breakeven point from 54000 units to 35000 units.
- The Company Partnering with local universities for new technology development
- More focus on global market In spite of only 2.5% domestic share
- Easy entry to Chinese market with the help of local partner.

## OPPORTUNITIES

- The Indian automotive industry is growing year on year with over 12% growth from the previous 3 years. The industry is expected to grow at a CAGR of 13% in the next 4 years. This growth can be beneficial for M&M.
- M&M should look forward to tapping the emerging nations around the world which have high potential. M&M should build over its global footprint to tap the emerging markets.

## FUTURE PROSPECTS

- Mahindra has now confirmed that they are planning to bring 9 SUVs by 2026 and yes, in their launch plan they also confirmed that out of these 9 SUVs, a few of them will be facelifted versions too
- Mahindra has also confirmed two products - W620 and V201. As per the reports, they might bring the XUV900 in the coupe avatar that was showcased at the 2020 Auto Expo.
- Mahindra also plans to launch electric vehicles but that will be in 2025.

## SUMMARY OF FINANCIALS

- Revenue / turnover of Mahindra & Mahindra Ltd is Over INR 1000 crs
- Net worth of the company has increased by 0.98 %
- EBITDA of the company has increased by 3.5 %
- Total assets of the company has decreased by 0.32%
- Liabilities of the company has decreased by 2.9 %

Growth Rates (Compound Annual)	1 Yr	3 Yr	5 Yr	10yr
Revenue %	-2.1	6.9	0.4	-7.1
Operating Income %	4.8	1.2	6.2	5.7
Earnings/Share %	39.4	(24.3)	1.2	1.6
Dividends %	-72.4	-28.8	-17	-6.0
Book Value/Share %	4.0	4.2	8.4	10.7
Stock Total Return	50.7	7.3	7.0	9.2
Market +/-	16.3	-7.3	-3.6	0

Valuation Analysis	Current	5Yr Avg	Ind	Mkt.
Price/Earning	26.3	32.9	33.2	15.2
Forward P/E	23.0	-	-	-
Price/Cash Flow	5.6	409	-	9.9
Price/Free Cash Flow	8.5	18.1	-	-
Dividend Yield %	1.0	0.9	1.1	2.8
Price/Book	2.7	2.5	4.0	2.1
Price/Sales	1.3	0.9	2.3	-

Profitability Analysis	Current	5Yr Avg	Ind.	Mkt.
Return on Equity %	-	10.9	12.3	15.4
Return on Asset %	-	2.8	5.5	5.6
Gross Margin %	45.9	44	30.7	-
Operating Margin %	11.4	11.7	11.8	-
Net Margin %	2.9	4.1	7.0	21.4
Inventory Turns	-	4.8	10.4	-
Fixed Asset Turns	-	3.7	4.7	-

Financial Position (INR)	03-20(Mil.)	03-21 (Mil.)
Cash	47,450	33,746
Inventories	111,119	96,154
Receivables	-	-
Current Assets	640,454	721,379
Fixed Assets	269,689	220,892
Intangibles	95,768	71,630
Total Assets	1,670,067	1,664,625
Payables	175,974	197,789
Short-Term Debt	297,942	251,800
Current Liabilities	540,095	514,460
Long-Term Debt	499,992	527,784
Total Liabilities	1,193,456	1,158,103
Total Equity	399,693	415,819

Source: Company filings & Analyst research