

# Ratings Monitor

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

## Mahindra Logistics (MAHLOG)

Current Market Price	Potential Returns	Fair Value (FV)
Rs.457	5.9%	Rs.430

Date: 3<sup>rd</sup> February, 2023

Previous Rating: **ADD**

Current Rating: **REDUCE**

Change: **Downgrade**

### Ratings Rationale

- Q3 results were impacted by demand slowdown & Rivigo's acquisition.
- We expect demand environment to remain weak for next few quarters.
- Slowdown seen in segments such as e-commerce, consumer durable & FMCG.
- Consolidated revenues are flat qoq despite a seasonally strong quarter of Q3.
- Operating profit (EBITDA) margin at 4.7% came below our estimate of 5.7%
- Rivigo's acquisition will impact margins until H1FY24.

### Valuation

Downgrade to REDUCE; value using DCF.

### Read Full Report

**Note:** The performance horizon is 12 months unless specified.

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