



Pick of the week

Mahindra & Mahindra

Recommendation: **BUY**

Current Price: ₹860

Potential Upside: **37.2%**

Dated: **13th Dec 2021**

Time Period: **12 Month**

Target Price: ₹1180

Why invest?

- In tractor segment, the company will launch new products and will expand the dealer network in order to further consolidate its market share. Overall, the company remains optimistic about medium-term growth prospects led by (1) strong product pipelines, (2) scale-up in exports and farm implement revenues and (3) channel expansion.
- With successful launches in the utility vehicle (UV) segment, we expect strong recovery in automotive segment volumes once the chip shortage situation resolves. The company intends to launch differentiated and profitable products. The company intends to launch 13 new products by CY27E.
- In the light commercial vehicle (LCV) business, the company will launch 17 new products by CY26E to strengthen its leadership position.
- The company has been successful in turning around international farm and auto subsidiaries in challenging times, which is impressive.
- Over the next two-three years, the company will provide electric vehicle (EV) offerings from its current sports utility vehicle (SUV) portfolio with the help of relevant partnerships and its research arm.
- Maintain BUY rating on attractive valuations; our fair value is based on sum-of-the-parts valuation.