kotak Securities

Dated: 3rd Nov 2025

Maruti Suzuki (MSIL) - ADD

Q2FY26 Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs.16186	**Rs.17000**

Rationale:

- Q2FY26: Decent quarter, EBITDA 5% above our estimates; gearing up for strong H2.
- GST rationalization and festive season combine for a strong uptick in sales.
- We expect demand trends to pick up in H2FY26E given an uptick in consumer sentiment, coupled with strong momentum in the export segment.
- We expect Maruti Suzuki's market share to improve from H2FY26E onwards.
- Co. reiterated target to reach 50% market share/10% EBIT margin over medium term.
- We expect earnings per share (EPS) growth of 12.6% in FY26E and 24.9% in FY27E.
- We revise FV to Rs17,000 (Rs16,000 earlier), based on 25x December 2027E core EPS.

Positives:

- Revenues were up 13% yoy, 11% yoy increase in ASPs (5% above our estimate).
- Export segment volumes witnessed strong growth (42% yoy) for company in Q2FY26.
- We expect the company to deliver 15% EPS CAGR over FY25-28E.

Negatives:

- EBITDA margin was 10.6% (-140 bps yoy /-10 bps qoq), 10 bps below our estimates.
- Discounts increased qoq to Rs34k per vehicle (75 bps impact on margins) in Q2FY26.
- Net profit was Rs3,293 cr (-11.3% qoq), 10% below estimates.
- Company's market share declined by 280 bps on a yoy basis to 37.3% in Q2FY26.

(CAGR: Compound Annual Growth Rate; EBITDA: Earnings Before Interest, Taxes, Depreciation, and Amortization; ASP: Average Selling Price; EBIT: Earnings Before Interest and Tax)

The content of this document has been derived from KIE research report. Kotak's PCG Research has summarized the report (Research Team: shrikant.chouhan@kotak.com).Readers who wish to access the complete report are kindly requested to contact their respective Relationship Manager. Further, the recipient of this material should take their own professional advice before investing.

Holding Period: 12 months

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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
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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.
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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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