

Maruti Suzuki India Ltd

NSE: MARUTI | Sector: Automobile — Passenger Vehicles | Market Cap: 3.8L Cr

Coverage Initiated: June 2026 | Analyst: Kamal Arora, CFA Level II

BUY
Target Price

Upside: +18%

CMP	52W High/Low	P/E (TTM)	EV/EBITDA	Revenue (FY25)	EBITDA Margin	ROE	Debt/Equity
12,050	13,680 / 9,870	26.4x	18.2x	1,47,082 Cr	12.8%	17.3%	0.02x

Investment Thesis

Maruti Suzuki remains India's dominant passenger vehicle OEM with a ~42% market share, supported by a wide distribution network, strong brand equity, and a diversified product portfolio spanning entry-level hatchbacks to SUVs. The company's transition to CNG and hybrid powertrains positions it well ahead of regulatory tightening, while its upcoming EV launches (e-Vitara, Q1 FY26) provide a credible long-term growth catalyst. We initiate coverage with a BUY rating and a 12-month target price of ₹14,200, implying 18% upside from current levels.

SIAM Volume Analysis

Segment	FY23	FY24	FY25	YoY %
PV Total	38.9L	41.1L	43.0L	+4.6%
Maruti Vol.	16.2L	17.3L	18.1L	+4.6%
Mkt Share	41.6%	42.1%	42.1%	Stable
SUV Mix	18%	28%	35%	+7pp

Source: SIAM Monthly Data, Company Filings

DCF Valuation Summary

Our DCF model assumes revenue CAGR of 10.5% over FY25-28E, EBITDA margin expansion to 13.5% by FY27E (driven by operating leverage and premiumisation), WACC of 11.2%, and terminal growth rate of 5.0%. Base case DCF yields intrinsic value of ₹13,850/share. Adding holding company value (Suzuki Motor Corp stake) of ₹350/share, we arrive at our target price of ₹14,200.

DCF Assumption	Value
Revenue CAGR (FY25-28E)	10.5%
EBITDA Margin (FY27E)	13.5%
WACC	11.2%
Terminal Growth Rate	5.0%
DCF Value / Share	₹13,850
Holding Co. Premium	₹350
Target Price	₹14,200

Comparable Company Analysis

Company	P/E	EV/EBITDA	ROE	Rating
Maruti Suzuki	26.4x	18.2x	17.3%	BUY
Tata Motors	12.1x	6.8x	28.4%	BUY
M&M;	30.2x	22.1x	19.1%	HOLD
Hero MotoCorp	21.8x	14.6x	24.2%	HOLD
Bajaj Auto	28.4x	19.3x	26.8%	BUY
Sector Median	26.1x	18.0x	22.2%	—

Source: Bloomberg, NSE Filings, Analyst Estimates

Financial Summary (₹ Cr)

Metric	FY24A	FY25A	FY26E	FY27E
Revenue	1,36,699	1,47,082	1,60,200	1,75,800
EBITDA	15,820	18,827	21,200	23,730
EBITDA %	11.6%	12.8%	13.2%	13.5%
PAT	13,489	14,870	16,400	18,200
EPS (₹)	421	464	512	568
P/E (x)	28.6x	26.4x	23.5x	21.2x

E = Analyst Estimates | A = Actuals

Key Risks

- **EV Disruption:** Delayed EV transition could cede market share to Tata Motors and new entrants
- **Commodity Costs:** Steel and aluminium price spikes could compress EBITDA margins
- **JPY Appreciation:** Royalty payments to Suzuki Motor in JPY — currency risk to profitability
- **Rural Slowdown:** Weakness in rural income could impact entry-level vehicle demand

EV Transition Watch

OEM	EV Model	Launch	Price Range
Maruti	e-Vitara	Q1 FY26	₹17-23L
Tata Motors	Nexon EV	Launched	₹14-20L
M&M;	BE 6e	Q4 FY25	₹19-27L

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