M&M Q2 net up 13%, beats Street

AKBAR MERCHANT
Mumbai, November 5

MAHINDRA & MAHINDRA (M&M) reported a 12.9% year-on-year (YoY) increase in standalone net profit to ₹5,102 crore in the second quarter of the current financial year, beating *Bloomberg* consensus estimate of ₹4,529 crore.

Earnings before interest, tax, depreciation and amortisation (Ebitda) rose 3.9% to ₹6,718 crore in July-September compared to ₹6,467 crore a year earlier, exceeding the estimate of ₹4,997 crore. Standalone revenue increased 26.2% YoY to ₹44,282 crore in Q2 FY27, against the estimate of ₹41,372 crore.

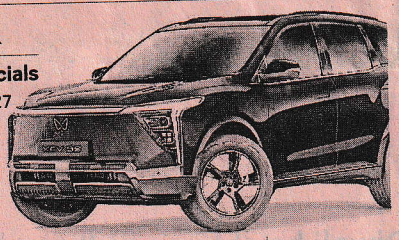
The standalone automotive segment's revenue grew 36.1% to ₹33,937 crore in Q2 FY27, compared with ₹24,929 crore in the year-ago quarter. Farm equipment revenue remained largely flat at ₹8,594 crore.

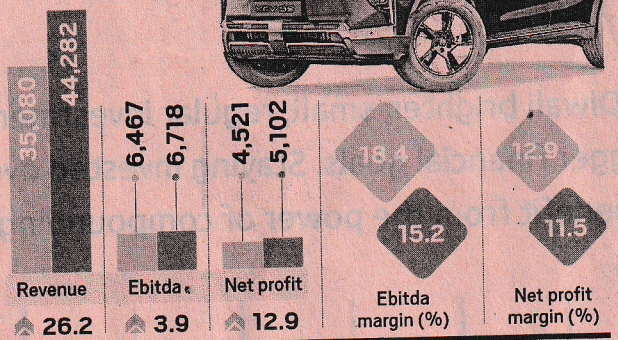
Sequentially, automotive revenue increased from ₹31,033 crore in Q1 FY27, while farm equipment revenue fell from ₹10,947 crore.

IN TOP GEAR

M&M standalone financials

(₹ cr) Q2 FY26 Q2 FY27
% change (y-o-y)





On a consolidated basis, farm equipment revenue fell 6.4% to ₹9,572 crore, while segment profit declined 14.3% to ₹1,376 crore.

Tractor outlook flat

M&M has cut its FY27 tractor industry growth outlook to flat from its earlier estimate of 5%, citing deteriorating monsoon conditions, pressure on farm incomes and rising input costs. The company commands 43% of India's tractor market.

"We are revising our industry outlook to flattish. The big difference is the assumption on rainfall," Rajesh Jejurikar, executive director and CEO, Auto and Farm Sectors at M&M, said.

Tractor volumes declined 6% YoY to around 116,000 units in Q2 FY27, while core tractor margins contracted 300 basis points to 17.6%.

"The reservoir levels are much worse than what we would have thought them to be," Jejurikar said.

SUV capacity expansion

M&M plans to increase its monthly SUV manufacturing capacity by 27% to 82,000 units by March 2027, from 64,500 units at the start of FY27, to meet strong demand and support upcoming launches. Capacity had reached 68,000 units by the end of September. The planned addition of 14,000 units will comprise 10,000 internal combustion engine (ICE) SUVs and 4,000 electric vehicles.

"We are operating at full capacity or a little more than full capacity," Jejurikar said.

Five launches by June

The automaker plans to introduce five major products across its SUV and light commercial vehicle portfolios in the first half of calendar year 2027. These include a model based on its new NU_IQ platform and an all-new electric SUV. The programme will also include the previously unveiled Scorpio Lifestyler pickup, an SUV refresh and a new light commercial vehicle.