BP Wealth | STOXBOX

Result Update

Q2 FY26

Maruti Suzuki India Ltd.

Institutional Research

Maruti Suzuki India Ltd.

BP WEALTH

Automobile | Q2FY26 Result Update | **03rd November 2025**

Topline momentum remains strong; Discounts weigh on margins

Maruti Suzuki registered healthy revenue of Rs. 42,101 crores during the quarter (up 9.6% QoQ / up 13.2% YoY), beating street estimates of 37,229 crores. The growth was primarily driven by higher volumes, improved mix and better realization. Export volume growth (up 42.2% YoY) also supported topline expansion. Gross Profit stood at Rs. 11,393 crores (up 5.8% QoQ / up 8.2% YoY), with gross margin declining to 27.1% (down 98 bps QoQ / down 124 bps YoY), driven by adverse commodity prices. EBITDA stood at Rs. 4,434 crores (up 11.0% QoQ / up 0.4% YoY). The EBITDA margin contracted to 10.5% (up 13 bps QoQ / down 134 bps YoY), attributed to higher advertising expenses, unfavourable foreign exchange movements, and a high discount level, partially offset by lower operating expenses and improved leverage. PAT for the quarter stood at Rs. 3,293 crores (down 11.3% QoQ / up 7.3% YoY), aided by higher non-operating income. PAT margin declined 184 bps QoQ / 43 bps YoY to 7.8%. The quarter's volumes stood at 5,50,874 units (up 4.4% QoQ / up 1.7% YoY). The overall domestic volumes declined by 5.1% YoY to 4,40,387 units. The export volumes registered a robust 42.2% YoY growth, reaching 1,10,487 units.

Valuation and Outlook

Maruti Suzuki delivered a decent performance in Q2FY26, with revenues beating estimates, while margins were under some pressure. The pressure was anticipated, given the higher discount level across its portfolio and the lower concentration of SUVs, although some cushion was provided by higher export penetration. Going forward, the company is positioned to deliver steady performance backed by a strong SUV portfolio, expanding export markets, and a renewed push on premiumization. The financial performance in H2FY26 is expected to reflect a steady recovery in topline growth, supported by the festive-led demand boost, the GST cut on small cars, and sustained momentum in exports. Volume growth is likely to improve sequentially as affordability improves in the entry-level segment and new SUV models continue to gain traction. Realizations should remain stable, aided by a richer product mix and higher contribution from premium and hybrid models. However, higher promotional intensity and elevated advertising spends amid intensifying competition in the SUV and hybrid categories may cap the extent of margin recovery. Nonetheless, the company's broad-based product mix, strong export momentum, and disciplined cost management provide a cushion against cyclicality. With supportive policy measures and festive-driven rural recovery, we maintain an optimistic stance on Maruti Suzuki's growth outlook.

Key Highlights

Particulars (Rs. Cr)	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)
Net Sales	42,101	37,203	13.2%	38,414	9.6%
Gross profit	11,393	10,529	8.2%	10,772	5.8%
Gross margin (%)	27.1%	28.3%	-124 bps	28.0%	-98 bps
EBITDA	4,434	4,417	0.4%	3,995	11.0%
OPM (%)	10.5%	11.9%	-134 bps	10.4%	13 bps
Adj. PAT	3,293	3,069	7.3%	3,712	-11.3%
PAT (Rs.)	7.8%	8.2%	-43 bps	9.7%	-184 bps

Source: Company, BP Equities Research

Sector Outlook	Positive

Stock

CMP (Rs.)	15,640
BSE code	532500
NSE Symbol	MARUTI
Bloomberg	MSIL IN
Reuters	MRTI.BO

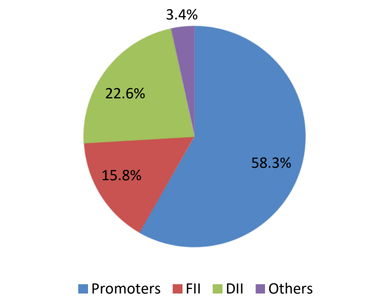
Key Data

Nifty	25,763
52 Week H/L (Rs,)	16,674/10,725
O/s Shares (Cr)	31.4
Market Cap (Rs. Cr)	4,91,732
Face Value (Rs.)	5

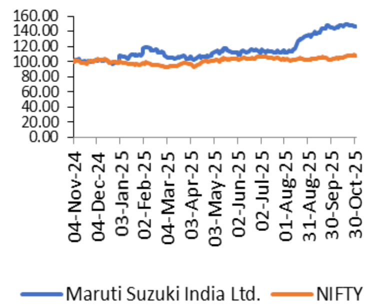
Average Volume

3 months	478,660
6 months	400,170
1 year	416,820

Share Holding Pattern (%)



Relative Price Chart



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Maruti Suzuki India Ltd.

Key Concall Highlights

Industry Commentary

A notable industry development in Q2FY26 was the significant growth of the sedan segment. This growth meant that, for the first time in a long while, the growth in the sedan segment outpaced that of SUVs at the industry level.

"Maruti Suzuki commanded nearly 45.4% share of India's total passenger vehicle exports in Q2FY26."

The company believes that small cars, particularly those in the 18% GST bracket, should grow faster than other segments on this current base.

The management offered a preliminary estimate for future growth, stating that they believe the total industry growth across all segments should see about 6% year-on-year on a sustainable basis, covering the second half of the fiscal year and beyond.

Operational Highlights

Domestic sales were 440,387 units, a decline of 5.1%. This temporary impact was attributed to very low sales from mid-August until September 22nd due to the anticipated price reduction on account of GST. Exports were strong at 110,487 units, growing by a robust 42.2%.

"Realization during the quarter continued to trend higher ."

Starting September 22nd, retail sales took off sharply, and festive-season sales were "exceptionally good".

Inventory was at about 38 days at the end of September. This level is expected to be "much lower by the end of October".

The company recorded 500,000 bookings from September 22nd (the first day of Navratri/GST increase) to date, compared to 350,000 in the previous year's corresponding period.

Retail sales during the same period reached 400,000 units, compared to 211,000 in the previous year.

Retail growth in the small car segment (18% GST bracket) was 30% in October, while for vehicles in the 40% bracket, the growth was observed at 5%. The share of small cars increased from about 16.5% to 20.5% in the smallest four vehicle categories before and after September 22nd.

Bookings from non-top 100 cities grew by 65%, outpacing the 50% growth seen in the top 100. Anecdotally, the company sees a "lot of helmets coming into our showrooms," indicating a broad-based recovery and increasing consideration from first-time buyers.

"Increased depreciation was noted, stemming from the new plant."

Margin Movement

Leverage added about 110 bps, and lower operating expenses added about 50 bps. These gains were partially offset by higher sales promotion expenses (-75 bps), a limited-time price correction in some models (-20 bps), marketing expenses (-15 bps, largely for the new Victorius model), and forex and commodities (-30 bps), primarily due to PGM (Platinum Group Metals) and the Japanese yen.

Margin and Export Guidance

Management has adopted Suzuki Motor Corporation's aspiration of 50% market share and a 10% EBIT margin as its "guiding light".

The company should be exceeding its guidance of 400,000 units this fiscal year, having achieved an all-time high half-yearly export figure of over 200,000 units.

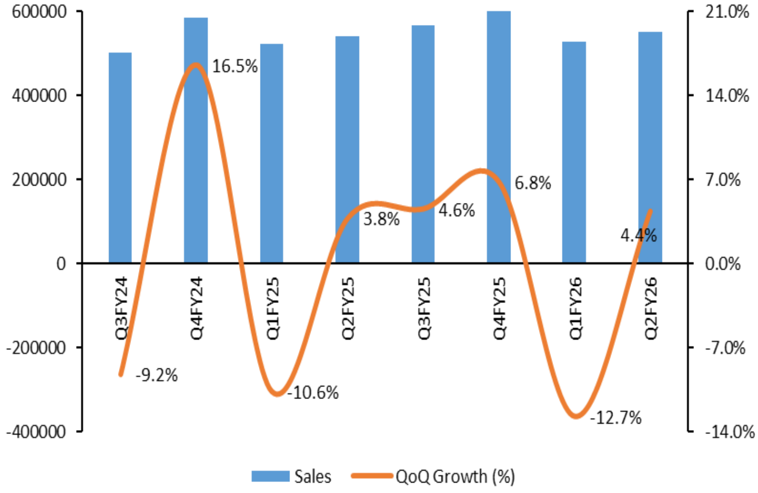
Product Launches and Initiatives

The company announced plans to launch eight more SUVs in India by the turn of the decade (by 2030-2031). These new launches, along with the brand's usual strengths, such as its service network, are expected to drive incremental market share gains.

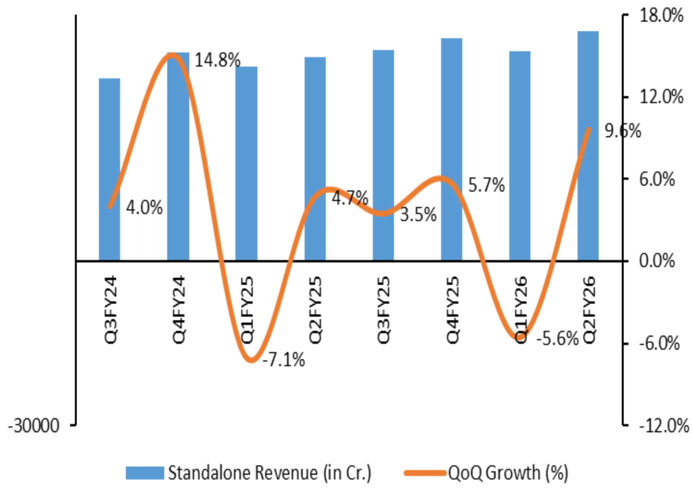
Maruti Suzuki India Ltd.

Quarterly Snapshot

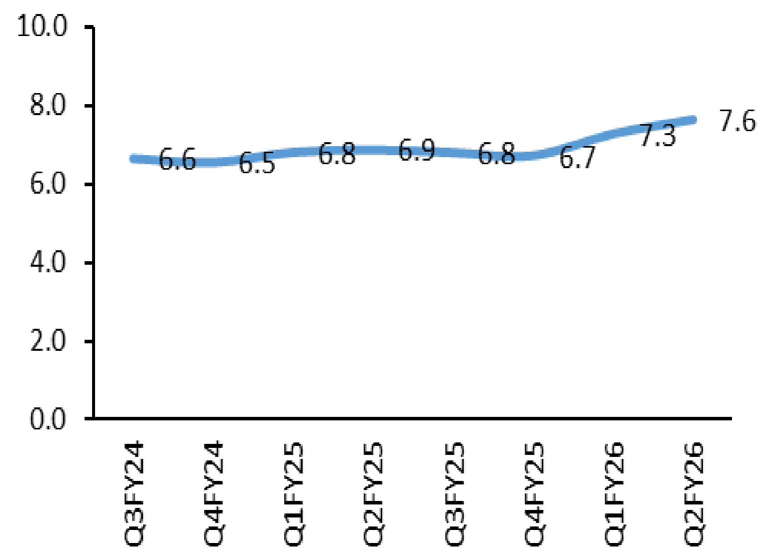
Export continue to offset domestic weakness



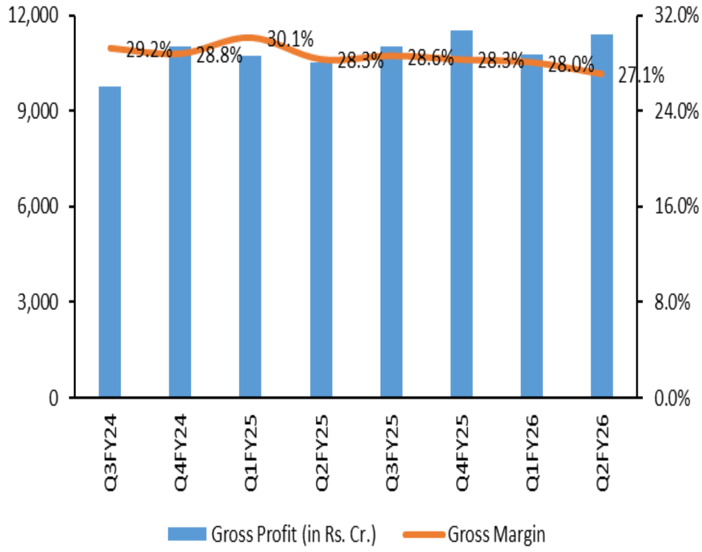
Higher realization drives growth



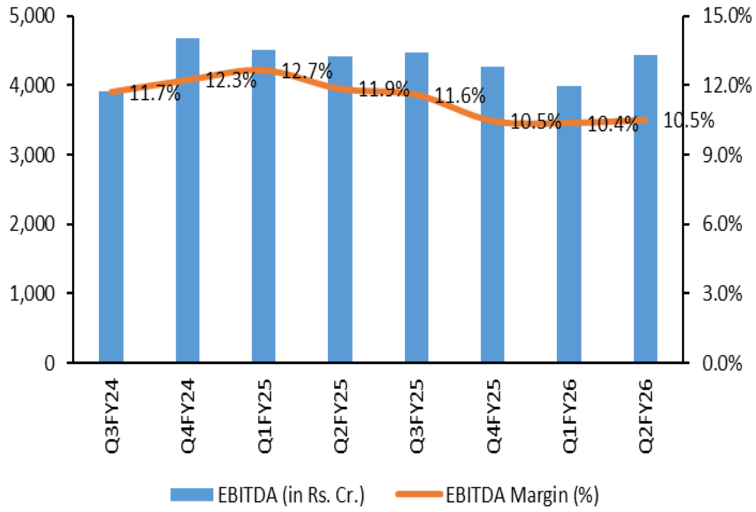
Product mix led uptick in realization (in Rs. Lakhs)



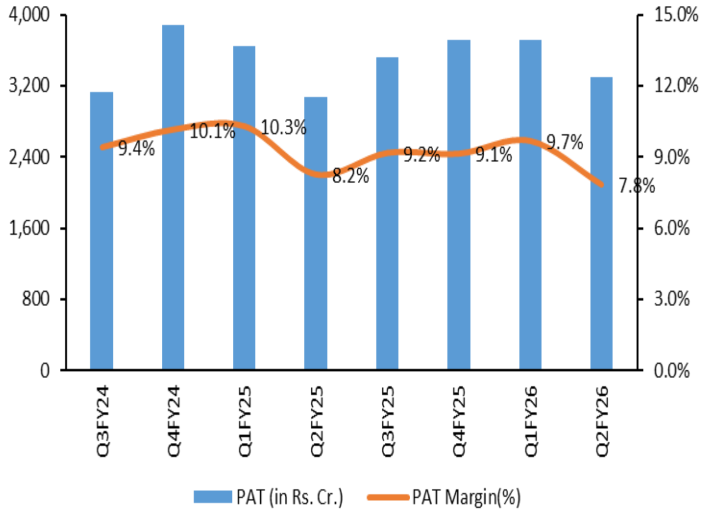
Adverse commodity prices weigh on gross margin



EBITDA shows sequential stability



Profit margin weakened



Source: Company, BP Equities

Maruti Suzuki India Ltd.

Key Financials						
YE March (Rs. mn)	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**
Revenue	**88,296**	**1,17,523**	**1,40,933**	**1,51,900**	**1,67,090**	**1,85,470**
Revenue Growth (Y-o-Y)	*25.5%*	*33.1%*	*19.9%*	*7.8%*	*10.0%*	*11.0%*
EBITDA	**5,747**	**11,019**	**16,449**	**17,785**	**19,550**	**23,184**
EBITDA Growth (Y-o-Y)	*6.3%*	*91.7%*	*49.3%*	*8.1%*	*9.9%*	*18.6%*
Net Profit	**3,766**	**8,049**	**13,209**	**13,955**	**16,208**	**19,660**
Net Profit Growth (Y-o-Y)	*-11.0%*	*113.7%*	*64.1%*	*5.6%*	*16.1%*	*21.3%*
Diluted EPS	**124.7**	**266.5**	**420.1**	**443.9**	**515.5**	**625.3**
Profitability Ratios						
EBITDA (%)	**6.5%**	**9.4%**	**11.7%**	**11.7%**	**11.7%**	**12.5%**
NPM (%)	4.3%	6.8%	9.4%	9.2%	9.7%	10.6%
ROE (%)	**7.1%**	**14.1%**	**18.3%**	**15.7%**	**16.2%**	**17.4%**
ROCE (%)	5.6%	14.3%	18.6%	16.4%	16.0%	17.4%
Valuation Ratios						
P/E (x)	**125.4x**	**58.7x**	**37.2x**	**35.2x**	**30.3x**	**25.0x**
EV/EBITDA (x)	85.0x	44.6x	29.9x	27.6x	25.1x	21.2x
Market Cap/Sales (x)	5.6x	4.2x	3.5x	3.2x	2.9x	2.7x

Source: Company, BP Equities

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Analyst (s) holding in the Stock : Nil

Analyst (s) Certification:

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