

M&M + MVML Financial Results- Q3, FY-2019

Auto

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Q3 Revenue at Rs. 13,235 crores up by 14%

Q3 Profit before tax (before EI) at Rs.1,505 crores up by 12%

Q3 Profit after tax (before EI) at Rs.1,476* crores up by 60%

(* including one off gains)

Mumbai, 8th February 2019: The Board of Directors of Mahindra & Mahindra Limited today announced the financial results for the quarter ended 31st December 2018 of the Company and the consolidated Mahindra Group.

Q3 F2019 – M&M + MVML Results**

*** The combined results of M&M and MVML (manufacturing unit) provide a comprehensive view of the company's performance.*

Rs. crores

| | Q3 F2019 | Q3 F2018 | Growth % YoY |
|-----------------------------|---------------------|---------------------|-------------------------|
| Revenue and Other Income | 13,235 | 11,594 | 14% |

| | | | |
|--|----------|---------|-----|
| Profit from ordinary activities Before Tax (before EI) | 1,505 | 1,345 | 12% |
| Profit from ordinary activities After Tax (before EI) | 1,476 | 920 | 60% |
| Profit from ordinary activities After Tax (after EI) | 1,396 | 1,306 | 7% |
| Operating margin (OPM) | 13.2% | 14.7% | |
| Vehicles sold (Nos) | 1,33,508 | 121,786 | 10% |
| Tractors sold (Nos) | 87,036 | 76,943 | 13% |
| Exports (vehicles and tractors) (Nos) | 12,363 | 11,426 | 8% |

For Q3 F2019, the Indian auto industry (excluding two wheelers) posted a flat performance with a de-growth of 0.3%. This flattening of growth is driven by the Passenger Vehicle industry reporting a de-growth of 0.8% (UV segment de-growing 2.9%) and the MHCV goods industry de-growing by 8.2%. The de-growth in the MHCV industry is primarily due to the implementation of new axle loading norms, which has created surplus capacity in the short term, resulting in reduction or temporary suspension of fleet purchase plans by transporters. Passenger vehicle sales for the festive season (Sep+ Oct+ Nov) were not up to industry expectation primarily due to softening of urban demand. The urban sentiment was subdued largely on account of an uncertain economic scenario arising from the dollar rate

movement, fuel prices and stock market performance. At the same time, the rural sentiment was positive, driven by three consecutive years of an almost normal monsoon, five consecutive good harvests, continued government focus on agricultural & rural development and sustained investment in infrastructure and road projects.

In Q3 F2019, the total domestic automotive volume for the Company grew by 9.6% with the LCV 2T (mini truck segment) and the LCV 2-3.5T Pik-Up segment growing by 37.5% and 14.4% respectively over the corresponding quarter previous year. The Company exported 9,652 vehicles during the current quarter, a growth of 36.6% over the corresponding quarter previous year.

The domestic tractor industry witnessed a growth of 19.2% with its highest ever Q3 sales of 2,17,054 tractors in Q3 F2019 against 1,82,133 tractors sold during Q3 F2018 on account of the festive season. The Company sold 87,036 tractors in Q3 F2019 as compared with 76,943 tractors sold in the corresponding quarter previous year, a growth of 13.1%.

Outlook

India's GDP growth slowed down to 7.1 % YoY in Q2 F2019, after four consecutive quarters of acceleration, weighed down by moderation in private consumption and a drag from net exports. However, Gross fixed capital formation has been a redeeming feature and clocked double-digit growth for the third consecutive quarter in Q2, on the back of public spending on highways and rural infrastructure. Growth in government final consumption expenditure, buoyed by higher government spending has been supportive and remains the key driver of growth. Importantly, the interim budget has announced PM-KISAN- an income support scheme for farmers owning up to 2 hectares — about 120 million households — who would receive income support worth ~Rs 6,000 a year. This should buoy farmer

incomes and support rural consumption. Improving credit growth and liquidity conditions should also help give a fillip to growth.

Global expansion has weakened and risks to global growth have tilted to the downside. Escalation of trade tensions beyond those already anticipated and tightening of financial conditions are a key source of risk to the outlook. We must also remain watchful of potential triggers including a "no-deal" Brexit and a greater-than-envisaged slowdown in China.

9 Months F2019 – M&M + MVML Results

| | 9M F2019 | 9M F2018 | Growth % YoY |
|--|-------------|-------------|-----------------|
| Revenue and Other Income | 40,423 | 35,174 | 15% |
| Profit from ordinary activities Before Tax (before EI) | 5,496 | 4,510 | 22% |
| Profit from ordinary activities After Tax (before EI) | 4,356 | 3,083 | 41% |
| Profit from ordinary activities After Tax (after EI) | 4,432 | 3,468 | 28% |
| Operating margin (OPM) | 14.5% | 14.7% | |

Q3 & 9 Months F2019 – M&M Standalone Results

| Q3 F2019 | Q3 F2018 | 9M F2019 | 9M F2018 |
|-------------|-------------|-------------|-------------|
|-------------|-------------|-------------|-------------|

| | | | | |
|--|--------|--------|--------|--------|
| Revenue and Other Income | 13,411 | 11,676 | 41,031 | 37,002 |
| Profit from ordinary activities After Tax (after EI) | 1,077 | 1,216 | 3,947 | 3,297 |

Q3 & 9 Months F2019 – Group Consolidated Results

| | Q3 F2019 | Q3 F2018 | Growth % YoY | 9M F2019 | 9M F2018 | Growth % YoY |
|---|-------------|-------------|-----------------|-------------|-------------|-----------------|
| Revenue and Other Income | 26,236 | 22,623 | 16% | 78,622 | 68,560 | 15% |
| Profit after tax after Non-Controlling Interest (before EI and one-off items) | 1,016 | 1,127 | -10% | 3,471 | 2,973 | 17% |
| Profit after tax after Non-Controlling Interest (after EI and one-off items) | 1,366 | 3,628 | -62% | 4,728 | 6,515 | -27% |

A full summation of Gross Revenue and other income of all the group companies taken together for the nine months ended 31st December 2018

is **Rs. 106,400 crores (USD 15.6 billion)**.

Note: Translation of rupee to dollar is a convenience translation at the average exchange rate for the twelve-month period ended 31st December 2018.

About Mahindra

The Mahindra Group is a USD 20.7 billion federation of companies that enables people to rise through innovative mobility solutions, driving rural prosperity, enhancing urban living, nurturing new businesses and fostering communities. It enjoys a leadership position in utility vehicles, information technology, financial services and vacation ownership in India and is the world's largest tractor company, by volume. It also enjoys a strong presence in agribusiness, aerospace, commercial vehicles, components, defense, logistics, real estate, renewable energy, speedboats and steel, amongst other businesses. Headquartered in India, Mahindra employs over 2,40,000 people across 100 countries.

Learn more about Mahindra on www.mahindra.com / Twitter and Facebook: @MahindraRise

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