



Mahindra & Mahindra Limited

REIGNITED VALUE CREATION Investor Presentation

June 2023

mahindra^{Rise}

MAHINDRA & MOHAMMED

A significant combination, which represents what might well be termed a co-operative effort to secure for India that industrial development so indispensable to the full realisation of her future dreams.

You have heard of plans, many plans, in this connection. Now comes a positive, concrete and co-ordinated scheme to develop India's resources and raise the standard of living of the masses.

Devised by an Indian business man after a careful three-year study of American wartime achievements, it has secured the support and ready assistance of a group of business men with long experience and a firm faith in their country's destiny.



In their anxiety to further the industrial and agricultural development of this country, the founders of this co-operative organisation believe that they must have the support of those who will benefit most—the general public—and to secure that support it is essential that their aims and objects should be generally acceptable.

Here, then, are the principles which will guide their future activities —

FIRSTLY, encouragement of private enterprise and the initiative of the individual. SECONDLY, belief in the ability of corporate institutions to oppose anti-social trends, such as monopolies and cartels.

THIRDLY, recognition of the fact that the labourer is worthy of his hire and that in co-operative working lies the dignity of human toil.

FOURTHLY, confidence in the ultimate success of their ventures and in the capacity and aptitude of the people to give effect to them.

FIFTHLY, acceptance of the fact that ability is the sole test of merit and advancement and that neither colour, creed nor caste should stand in the way of harmonious working.



What, you will have asked yourself, do I whom do they represent, and what has all this business moralising got to do with me?

Well, MAHINDRA & MOHAMMED are concerned with what might be termed basic engineering—providing the tools with which to finish the job of India's industrial and agricultural rehabilitation.

That rehabilitation, of course, has a great deal to do with you—for it holds out the promise of a better land for you to live in and a healthier and happier life for you to enjoy.

As to the moralising, it is intended to place on record that MAHINDRA & MOHAMMED, though a business firm, are imbued with a national purpose and a new spirit.

Whom do they represent? As the name implies, this is a joint venture of Hindus and Muslims. The Chairman is Mr. K. C. Mahindra, who has just returned after three years abroad as Head of the Government of India Supply Mission in America.

INITIATIVE

initiative of the individual.

ETHICS

oppose anti-social trends,

MERITOCRACY

ability is the sole test of merit

DIGNITY

dignity of human toil.

DIVERSITY

colour, creed nor caste should stand in the way

OUR REFRESHED PURPOSE

Drive positive change in the lives of our communities.

Only when we enable others to rise will we rise.



#Together we rise

OUR BUSINESSES TAKE PRIDE IN DOING GOOD

DRIVING RURAL PROSPERITY



GREEN LIVING SPACES

FINANCIAL INCLUSIVITY



CLEAN ENERGY



GREEN MOBILITY



- ✓ ~1MM low income houses financed
- ✓ 200 agronomy centers benefiting 800,000+ farmers
- ✓ 2 MM+ farmers empowered through Krish e app
- ✓ 100,000+ e3Wheelers improving lives of communities
- ✓ Haryali Initiative : 22MM+ trees planted
- ✓ 1 MM annual target for women empowerment
- ✓ 550,000+ women educated
- ✓ 50 MM+ Water saved through green army initiative

OUR SUSTAINABILITY COMMITMENT

M&M Auto: Net-Zero by 2040

		F23 (A)	F25	F30	F35	F40
Net Zero Carbon¹						
Scope 1+2 intensity reduction	% vs F19	(-) 43%	(-) 47%	(-) 60%	(-) 70%	(-) 80%
Renewable Electricity Share	% share	49%	50%	>90%	100%	✓
Energy Productivity Improvement	% vs F09	(+) 94%	(+) 95%	>100%	✓	✓
Net Zero Water²						
Water Positivity	%	>100%	✓	✓	✓	✓
Net Zero Waste²						
Zero Waste to Landfill (ZWL)	% sites	87%	100%	✓	✓	✓

Highlights

- Energy productivity: Mahindra Heavy Engines India's 1st co. to double energy productivity ('20); Multiple industry 1st initiatives, e.g., hybrid solar for HVAC
- Water: Water positive at group level since 2014; 70% of total water withdrawn in F23 replenished through groundwater recharge
- Scope 1+2: Internal targets more stringent than publicly committed

Decarbonize Industries

Reduce Scope 3 emissions

- Science Based Target set for 30% reduction in intensity by F34 (vs F19)

Robust pipeline for launch of multiple passenger EVs, presence in electric Last Mile Mobility solutions

- XUV400 launched: **Fastest booked** e-SUV in India (**15k in 13 days**), manufactured at 100% water-positive facility using renewable energy
- Strong Pipeline: 4 more new e-SUV launches planned till 2027
- LMM: 70% market share in e-3 wheelers; New unit in Zaheerabad, ~INR 1,000 Cr. investment planned

Decarbonizing supply chain

- First of its kind India pilot of Sustainable Supplier Impact Program in partnership with United Nations Global Compact
- Active climate advocacy via partners, e.g., WEF's First Movers Coalition

Rejuvenating Nature

- 22M+ trees planted till date as part of afforestation program (Hariyali)
- Biodiversity assessment and conservation underway across sites

M&M

HISTORY OF VALUE CREATION



M&M Best performing stock in NIFTY 50 since 2002*

1st in last 20 years

Company	TSR%	Ranking
Mahindra	27%	1
Britannia	27%	2
Dabur India	26%	3
Bajaj Holdings	26%	4
HCL Tech	25%	5
Sun Pharma	25%	6
NIIT Lim.	25%	7
HDFC Bank	24%	8
L&T	24%	9
Tata Chem.	24%	10

2nd in last 1 year

Company	TSR%	Ranking
ITC	68%	1
Mahindra	57%	2
Coal India	41%	3
NTPC	34%	4
Britannia	32%	5
Eicher Motors	21%	6
IndusInd Bank	18%	7
L&T	17%	8
ICICI Bank	16%	9
HUL	15%	10

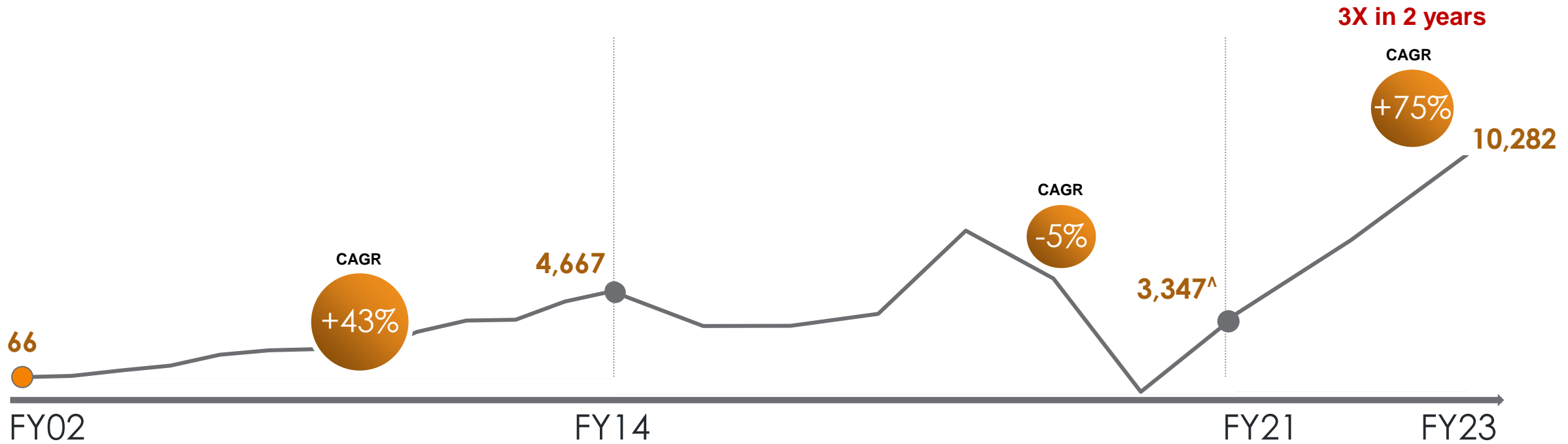
Nifty50 companies considered at the point in time (20, 5, and 1 year back as on 31st March of the corresponding years)

Note: TSR stands for Total Shareholder Returns, calculated as capital gains (increase in stock price) + dividends adjusted for stock splits, bonus issues, etc. TSR returns taken as avg. of monthly closing of Jan, Feb and Mar for the corresponding years.

ACCELERATED TRAJECTORY




PAT Lens: History of value creation with accelerating trajectory

PAT* (Rs. Cr.) FY2002-2023



* After Exceptional Items after Non-Controlling Interest
[^] PAT after EI for continuing operations

ACCELERATED TRAJECTORY

	PAT'02* (Rs. Cr.)	PAT'23* (Rs. Cr.)	CAGR
 Auto	41	1,290 (Core Auto 2,620 Cr**)	18%
 Farm	30	3,950	26%
 Services (IT, Financial, Logistics, Holidays, Real Estate, Etc.)	(5)	5,042	++

Why Services?

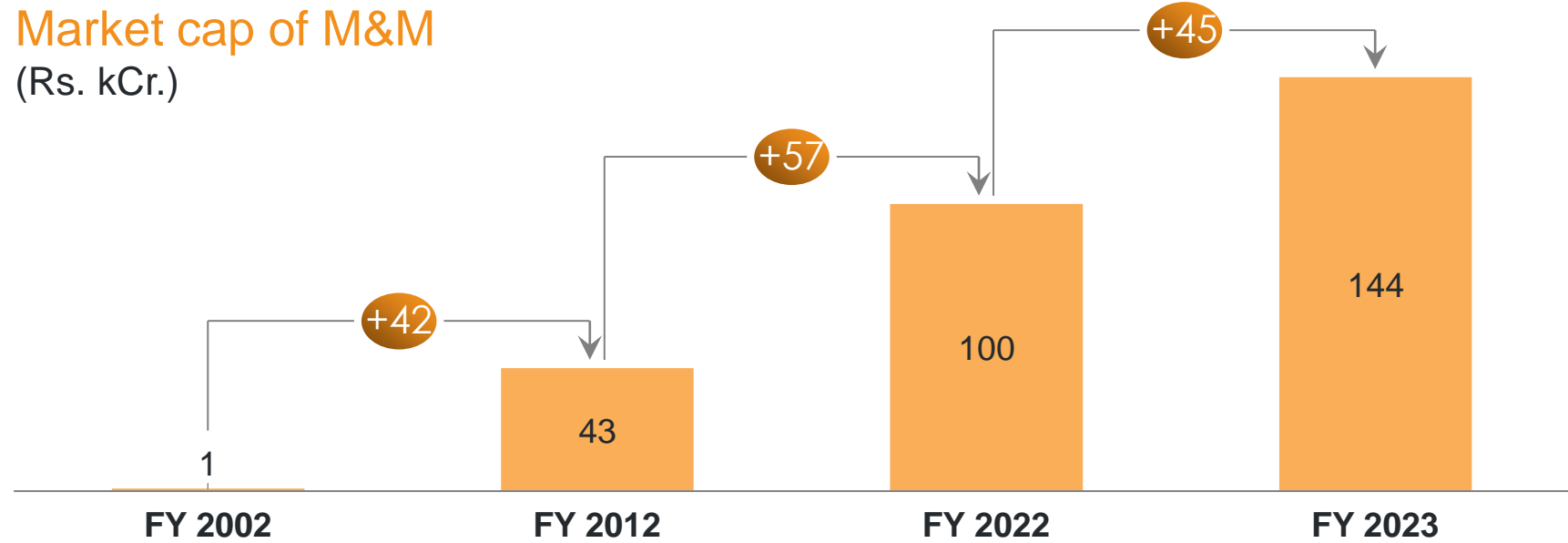
- Brand, Governance premium, Synergies with Core, Market reach and Talent
- Significant value creation[^] of ~ Rs 47K Cr over last 20 years
- Positioned to capitalize on macro trends driving growth in India (& globally)

* After Exceptional Items after Non-Controlling Interest

[^] PAT after EI for continuing operations

** Core Auto here refers to consolidated Auto PAT before EI. EI items such as write-off in trucks and buses division, exit in PMTC result in 1,330 Cr reduction in Auto PAT for F23.

VALUE CREATION... Accelerated in F23



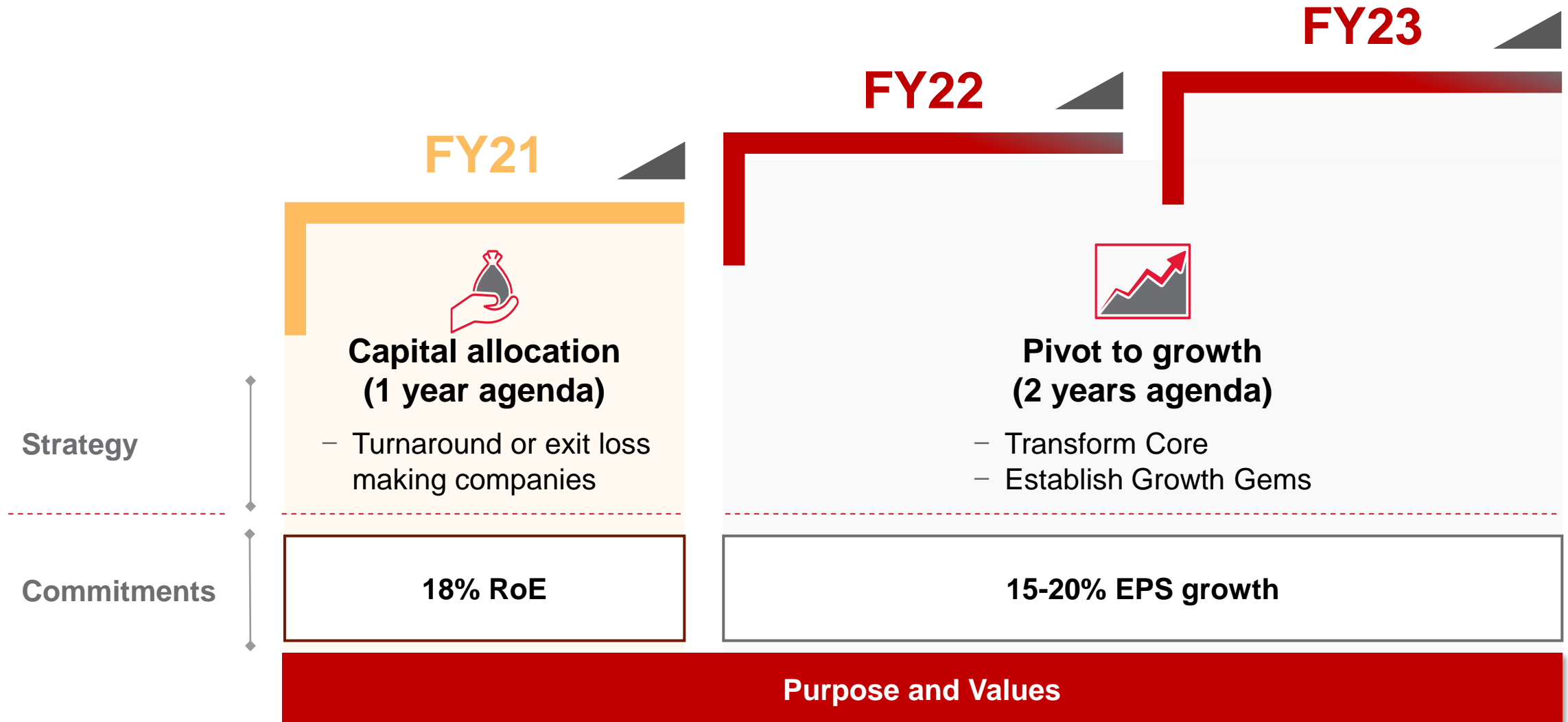
NSE Market Cap*
(Rs. Lac Cr.)



Incremental market cap created by Mahindra Group in F23 is comparable to the incremental market cap created in the last decade

* After Exceptional Items after Non-Controlling Interest
^ PAT after EI for continuing operations

OUR PATH TO VALUE CREATION



CAPITAL ALLOCATION

1

Turnaround

MAGNA
AG NORTH AMERICA

HISARLAR
Ag Machinery

ERKUNT

MITSUBISHI MAHINDRA
AGRICULTURAL MACHINERY CO., LTD.

SAMPO ROSENLEW

In process

MAHINDRA AUTOMOTIVE
NORTH AMERICA

AUTOMOBILI
pininfarina

2

Exit

SSANGYONG

GIPPSAERO

Z
genze

First Choice
ANY CAR SERVICE

Mahindra
CONVEYOR SYSTEMS

MeraKisan

HISARLAR

Mahindra
WASTE TO ENERGY
SOLUTIONS LIMITED

PEUGEOT
MOTOCYCLES

Mahindra
SANYO

Mahindra
Consulting Engineers

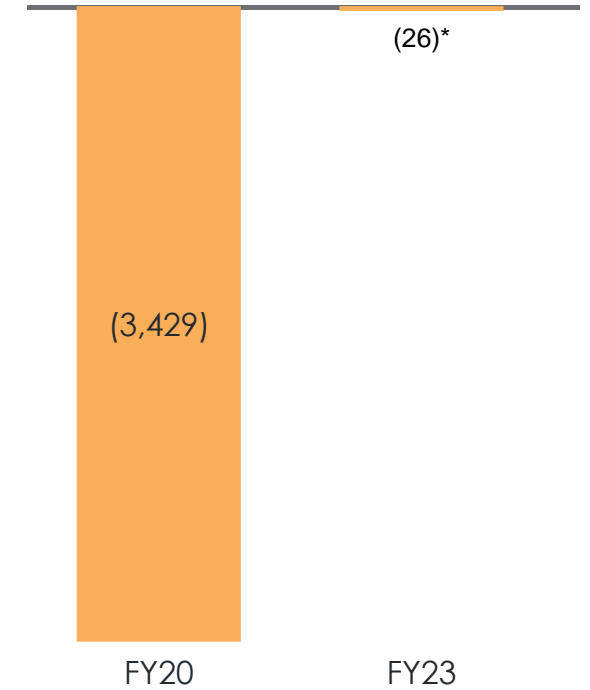
medwellventures

ORIGINFRUITDIRECT
your link to production

Mahindra ODYSSEA



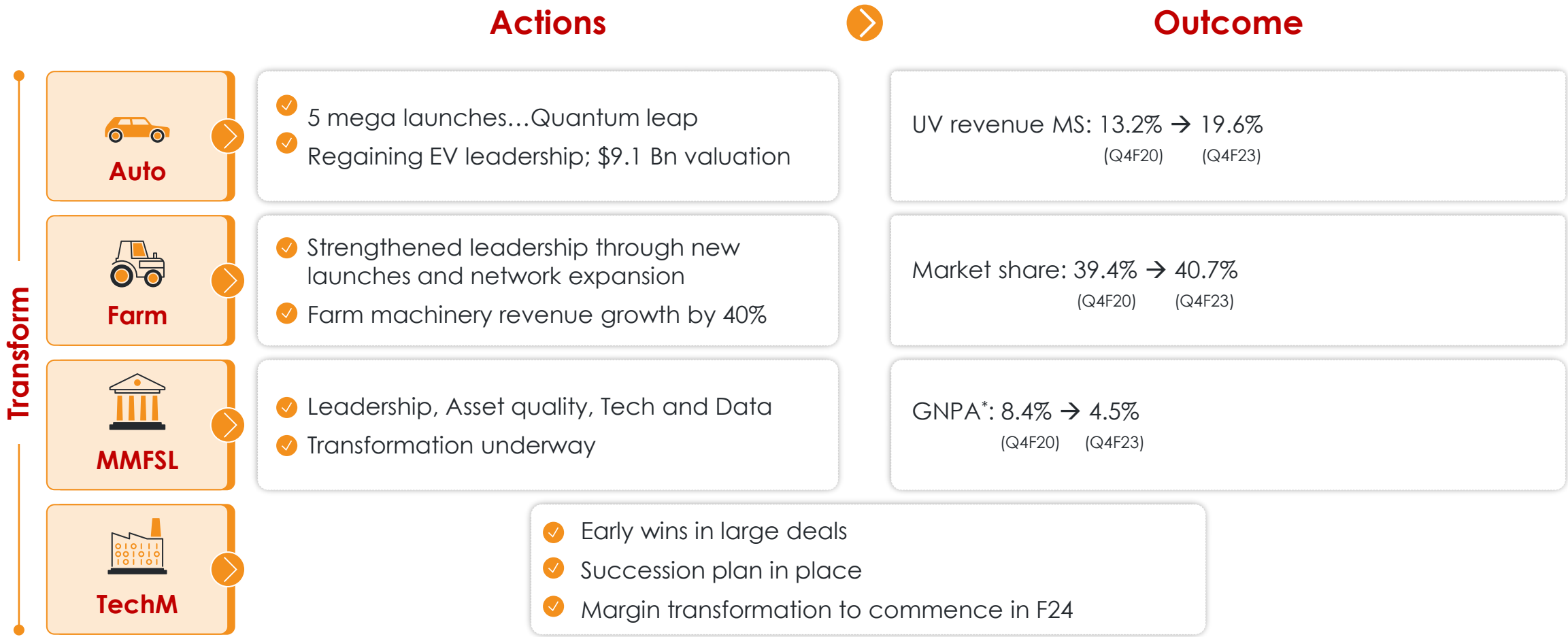
PAT[^] (Rs. Cr.)
Loss making entities



* FY23 PAT is for continuing operations and does not include any losses of exited entities. It excludes hyperinflation accounting impact of Rs 120 Cr for Turkish operations

[^] International Auto & Farm operations; PAT After NCI, before EI









PIVOT TO GROWTH ... Transforming the core



* Refers to gross stage 3 delinquent contracts

PIVOT TO GROWTH ... Gems

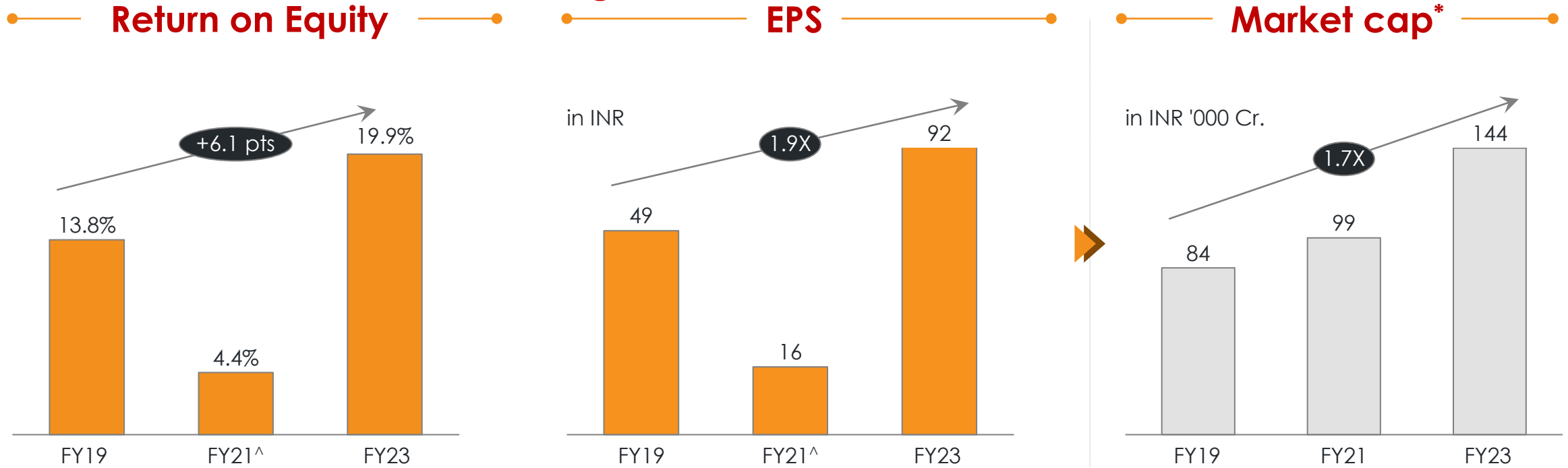
Deep Dive: FY22 & FY23 – ...and establishing growth gems

Growth Gems	Progress made so far	Valuation ¹ (\$ Mn)	
		FY20	FY23
Unlock	 <ul style="list-style-type: none"> ✓ 67% market share in 3W EV; IFC investment 	<100 ²	734
	 <ul style="list-style-type: none"> ✓ OTPP investment to accelerate scale-up 	<200	290
	 <ul style="list-style-type: none"> ✓ Robust launch pipeline with 9 launches; 4000+ Crs GDV acquired 	120	670
Growth Mindset	 <ul style="list-style-type: none"> ✓ Customer & inventory adds, curated customer experience 	230	660
	 <ul style="list-style-type: none"> ✓ Integrated logistics play with multiple acquisitions 	200	320
	 <ul style="list-style-type: none"> ✓ Pivot to decarbonizing of Mobility and Energy 	182	514
Emerging	 <ul style="list-style-type: none"> ✓ Retail scale-up across multiple formats 	50	141
	 <ul style="list-style-type: none"> ✓ New launches, distribution scale up and exports 	56	84

1. Closing value as of 31-March for corresponding years; 2. F20 Valuation based on rough estimate of Jeeto and 3 Wheelers ICE portfolio
 Note: For FY20: \$1 = INR 74.1; For FY23: \$1 = INR 81.7

REIGNITED VALUE CREATION

We delivered, and built foundation for growth



Enablers



*M&M Limited market cap; Closing value as of 31 March for corresponding year for market cap

[^]Considering continuing & discontinued operations

M&M

PATH FORWARD



VALUE CREATION PATH FORWARD

Opportunity today?



India is well positioned
across global
macrotrends



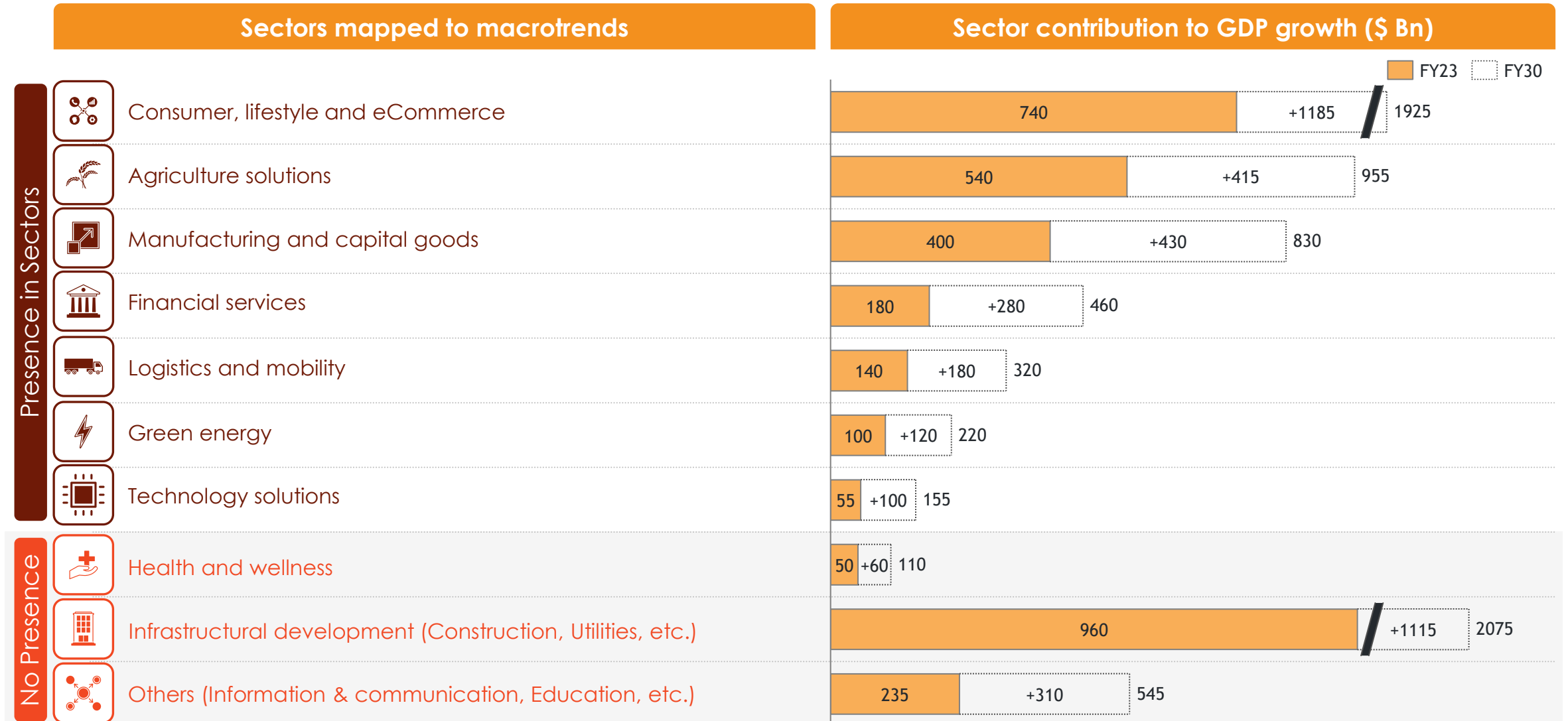
Mahindra portfolio is
aligned with India growth



We are poised to make
world class products
at scale ... Global play

INDIA GROWTH OPPORTUNITIES

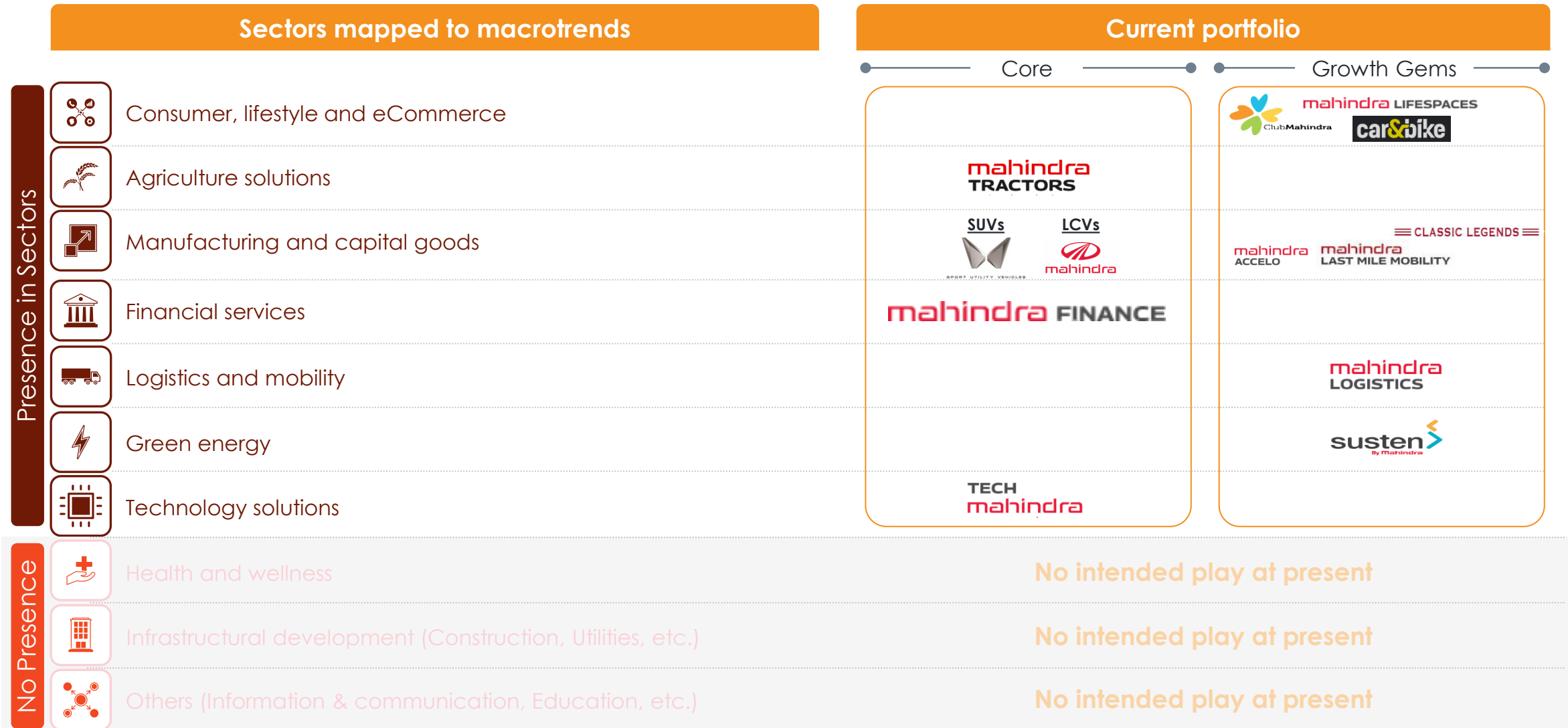
India will add \$4.2 Trillion to its GDP by 2030



Note: Others includes Information and communication (\$132 Bn), Education (\$115 Bn), Extraction (\$33 Bn), Telecommunications (\$26 Bn), Publishing and broadcasting activities (\$7 Bn)

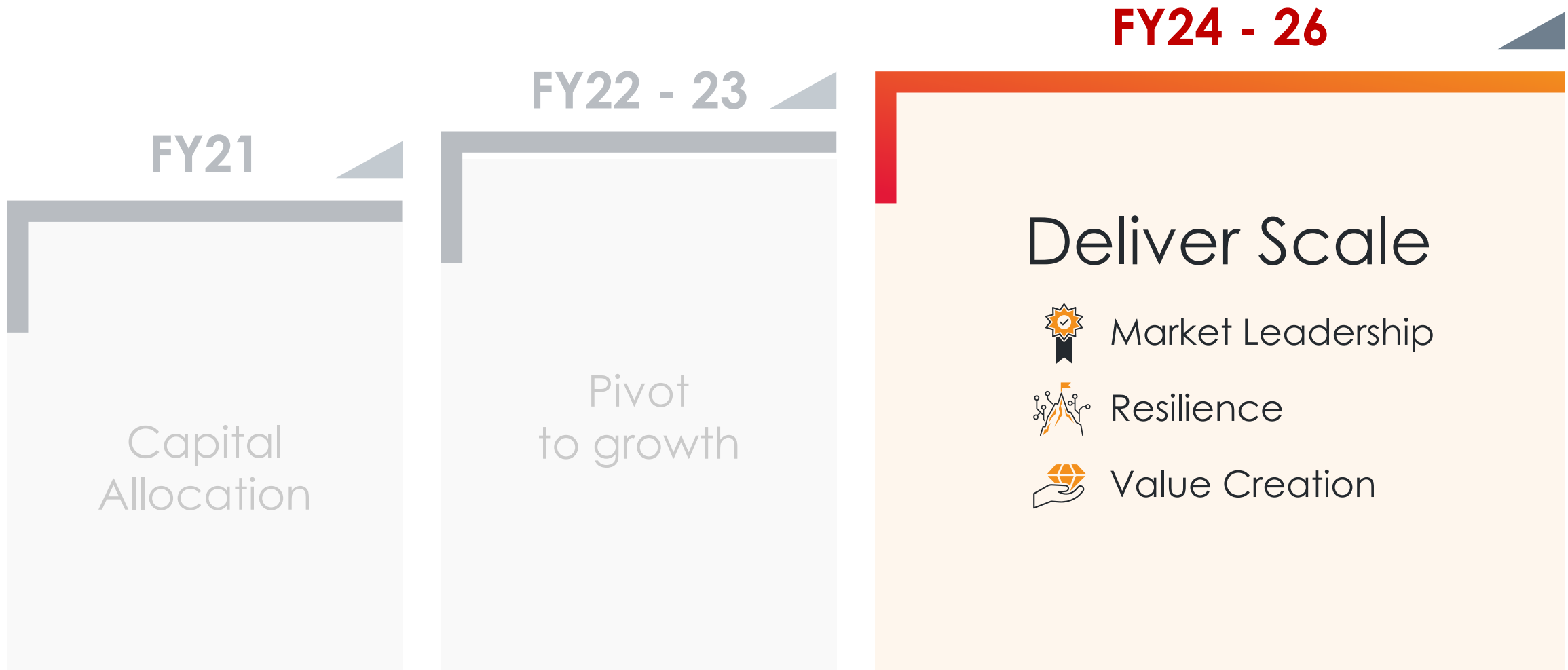
Source: Oxford Economics

MAHINDRA PORTFOLIO ALIGNED WITH INDIA GROWTH



Note: Others includes Extraction, Publishing and broadcasting activities, Education, Telecommunications, Information and communication

MAHINDRA STRATEGIC IMPERATIVES



DELIVER SCALE



Capitalize on
Market Leadership



mahindra
TRACTORS



Unlock
Full Potential

mahindra FINANCE

TECH
mahindra



5X Challenge for
Growth Gems

mahindra
LAST MILE MOBILITY



mahindra
LOGISTICS

CLASSIC LEGENDS

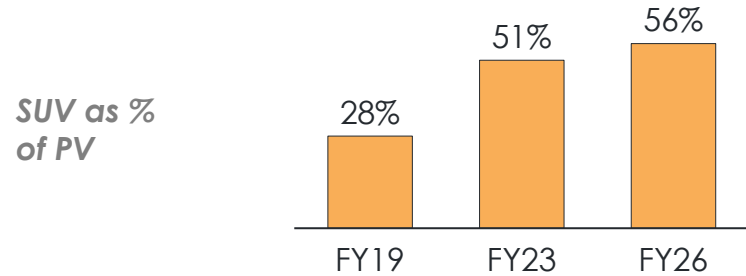
mahindra LIFESPACES mahindra
ACCELO

car&bike

AUTO ... Strategic imperatives

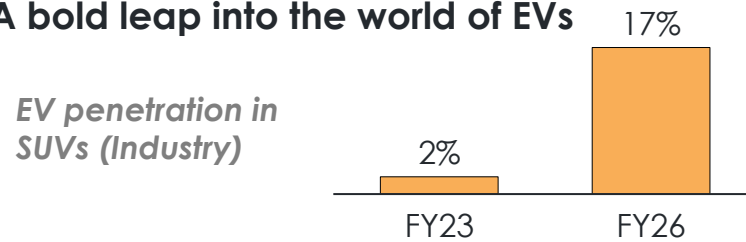
Opportunity

- SUV Love affair**

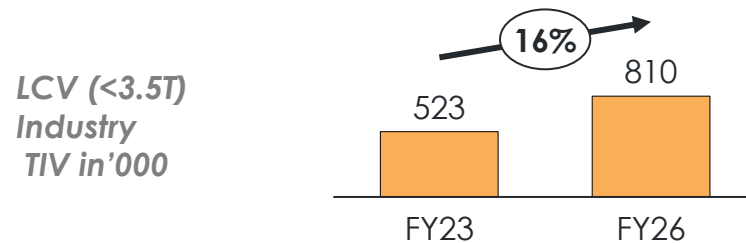


* India PV market is 6% of the global PV market

- A bold leap into the world of EVs**



- LCV (< 3.5T): Capitalizing on the growth potential**



Strategic actions

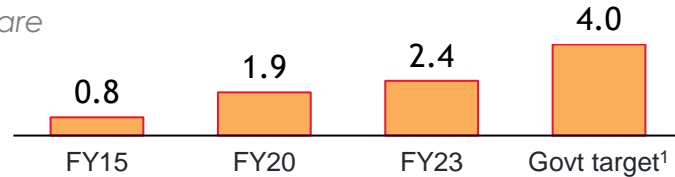
- 1. Customer Obsessed Brands:** Differentiated SUV brand experience, innovative omni-channel models **#1 Brand Power**
- 2. Propel ICE SUVs with cutting edge products:** Turn-on Design, Democratize technology, Class leading Performance, Advanced Safety, Premiumization **#1 Rev MS**
- 3. Pioneering a new era with category creating E-SUVs:** Purpose-built platforms, Software defined architecture, Ecosystem partnership approach **++ MS**
- 4. Build CV Moat:** Higher earnings with Maxx pickup range as Core prop and UPP as disruptive proposition **++ MS**
- 5. Go Global:** Scale up priority markets by leveraging the new Global PU and Electric SUVs **+++ Rev Growth**

FARM ... Strategic imperatives

Opportunity

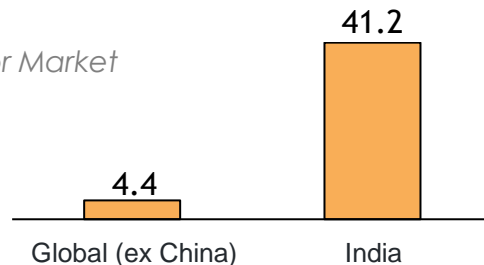
- **Domestic tractor industry will continue to grow**

Hp/ hectare



- **Opportunity to grow our share in global markets**

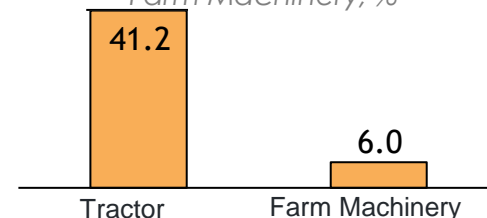
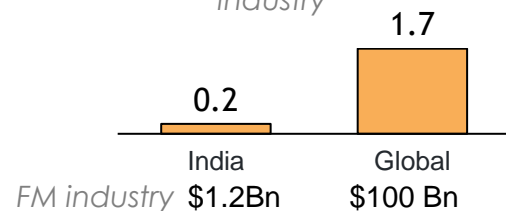
F23 Relevant tractor Market share, %



- **Significant potential for Farm Machinery**

Ratio of FM industry to tractor industry

M&M India market share in Tractor vs Farm Machinery, %



Strategic Actions

1. **Build a domestic fortress** through product launches and channel expansion:
 - Grow market share
 - Industry-best profitability
2. **Significantly grow international business:** with a focus on product launches and new market entry
3. **Pioneering technology leadership:** Bring disruptive change through electrification, automation, IoT devices
4. **Scale FM India exponentially:** by building out product portfolio and channel expansion
5. **Leverage partnerships** for FM and global growth, and for technology solutions

UNLOCK FULL POTENTIAL

MMFSL



Improve asset quality



Digital transformation



Growth through diversification



High-impact Ecosystem partnerships

Tech Mahindra



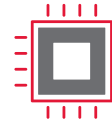
Drive 300 bps margin expansion



Lead the market and drive 5G proliferation



Grow new age offerings













Augment Deep-Tech



Drive synergy from portfolio companies

1. At consolidated level
2. SUV Revenue market share
3. Does not include M&A

5X CHALLENGE FOR GROWTH GEMS

		Strategic Imperatives
Growth Gems	 Unlock	 <ul style="list-style-type: none"> ✓ Launch 10+ products/upgrades with best-in-class powertrain efficiency and design
		<ul style="list-style-type: none"> ✓ Scale-up from 1.5 GW to 7.0 GW by F27 with value unlock through InvIT structure
		<ul style="list-style-type: none"> ✓ Focus on key markets (MMR, Pune and BLR) through bock-bluster launches (15+ annually)
		<ul style="list-style-type: none"> ✓ Double the cumulative room inventory from 5,000 in FY23 to 10,000 by FY30
		<ul style="list-style-type: none"> ✓ Launch integrated Tech stack (LogiOne) to create transformative and differentiated tech capabilities
		<ul style="list-style-type: none"> ✓ Become largest player in organized vehicle recycling with target market share of ~25% by FY28
		<ul style="list-style-type: none"> ✓ Position Car&Bike as India's leading 'content to commerce' brand for cars and bikes
	 Emerging	 <ul style="list-style-type: none"> ✓ New launches, distribution scale up and exports

SUMMARY



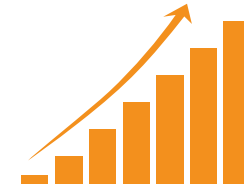
Driven by
Purpose



Re-ignited
**Value
Creation**



Well positioned to
tap **India
Opportunity**



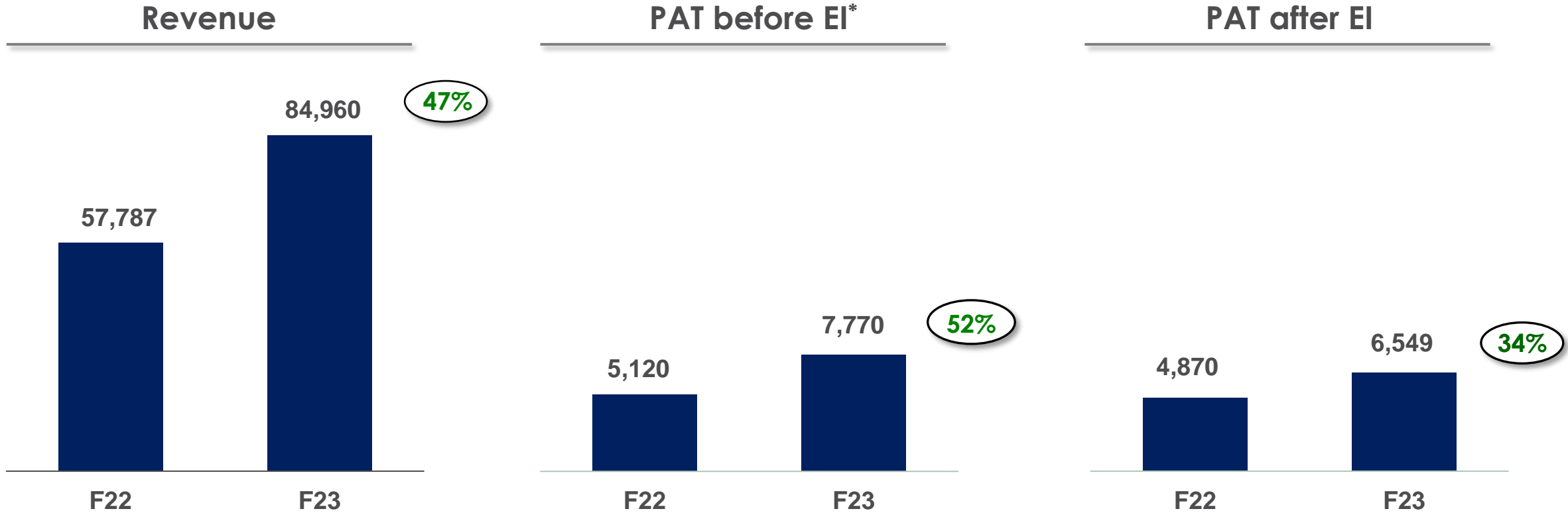
Committed to
Deliver Scale



THANK YOU

M&M STANDALONE F23

Rs Cr



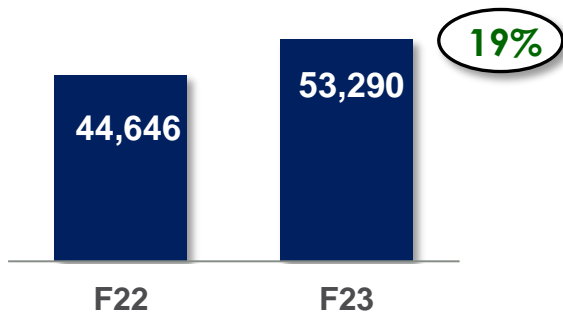
* PAT before EI (net of taxes)

MAHINDRA FINANCE & TECH MAHINDRA

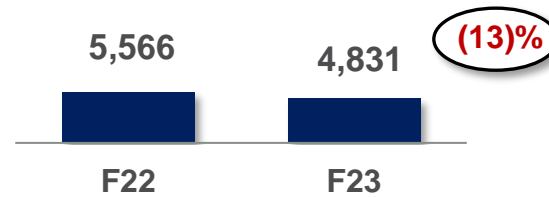
Rs Cr

TechM

Revenue



PAT

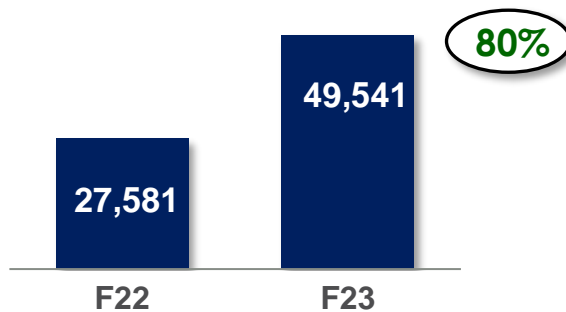


Highlights

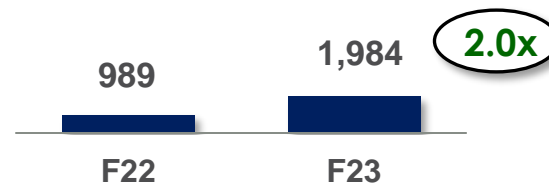
- TCV of \$2.9Bn+ ... soft market demand
- Improved free cash flow conversion
- Margins under pressure

MMFSL

Disbursements



PAT



Highlights

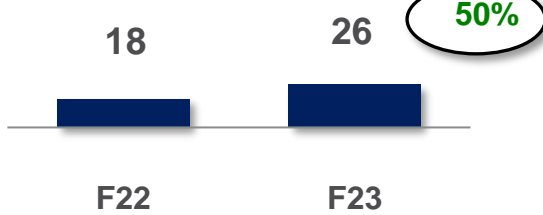
- Highest ever disbursements; AUM ↑ 27%
- Asset quality improvement continues... Stage 3 improved to 4.5% from 7.7%

GROWTH GEMS(LISTED)

Rs Cr

Logistics*

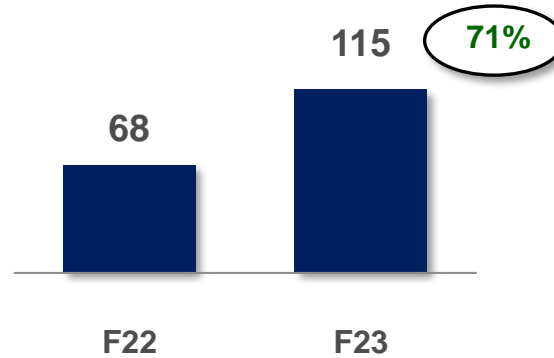
PAT



- Crossed 5K of revenue ↑ 24%; EBITDA margin ↑ 60 bps
- Space under management 19 Mn Sq Ft
- Acquisitions to fuel future growth

Hospitality

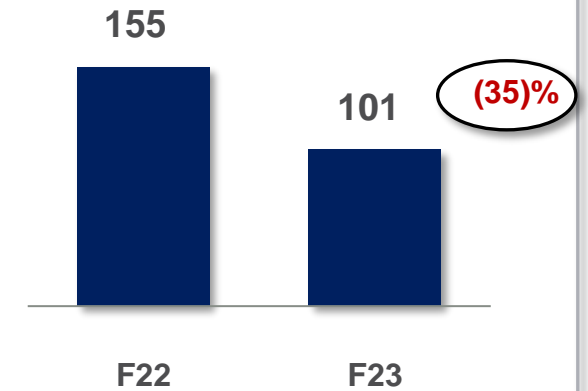
PAT



- Membership sales ↑ 70%; member adds at 17.5K & upgrades
- High resort occupancy of 84%
- HCRO: Recovery in Q4 driving positive financial performance

Real estate

PAT



- Record pre-sales of 1,812 Cr
- Foray into society redevelopment ... 2 deals announced
- Gearing up IC businesses ... Jaipur & Chennai

* F22 financials include impact of new acquisitions

M&M STANDALONE CASH FLOW F23

Rs Cr

	Auto and Farm	Group companies	Total
Opening Balance	6,228		12,099
+ Inflow	9,659	3,018	12,677
- Capex	(3,431)		(3,431)
- Capital deployed	(2,890)	(262)	(3,152)
Net cashflow (incl. invt)	3,338	2,756	6,094
- M&M Debt repayment & others			(2,348)
- Dividend payout			(1,436)
Closing Balance			14,410

Free cashflow post investment in subsidiaries

CASH DEPLOYMENT F22-F24

Rs Cr

	Base Invt	Change	Total	Comments
Auto capex (excl MEAL^)	7,900	+1,600	9,500	Capacity & Regulatory
MEAL Investments	2,075	+1,125	3,200	
Farm capex	3,400	-	3,400	
Auto & Farm Investments*	1,500	+500	2,000	
Group Cos. Investments	2,700	(1,100)	1,600	External investor funding
Monetization & Partnerships	(2,500)	(1,300)	(3,800)	Value creation
Total	15,075	+825	15,900	

SAFE HARBOR STATEMENT: "Certain statements with regard to our future growth prospects are forward-looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements."

Does not include any investments for inorganic growth

^ MEAL stands for Mahindra Electric Automotive Limited

* excluding Ssangyong