



Mahindra
Rise.



The Upside
of Rise

Nagpur. June 26, 2018



“ EVERYTHING WE DO, WE DO TO PUT THIS ON THE FARMER'S FACE. ”

And when we single-mindedly focus on making the farmer happy, happy things happen to us too. Like the **2018 Porter Prize** for creating shared value. Mind you, we aren't resting on our laurels. We aim to make that smile wider, much wider.

**MAHINDRA FARM EQUIPMENT SECTOR WINS
PORTER PRIZE 2018 FOR CREATING SHARED VALUE.**



The Upside
of Rise





Focus on the majority
550 million
where we can have
impact

Implication:
 ≤ 150 hp
tractors

Global

Financial

Farm
Machinery

PURPOSE

Fortify
the Core

New
Business
Models

Technology

Global

Financial

Farm
Machinery

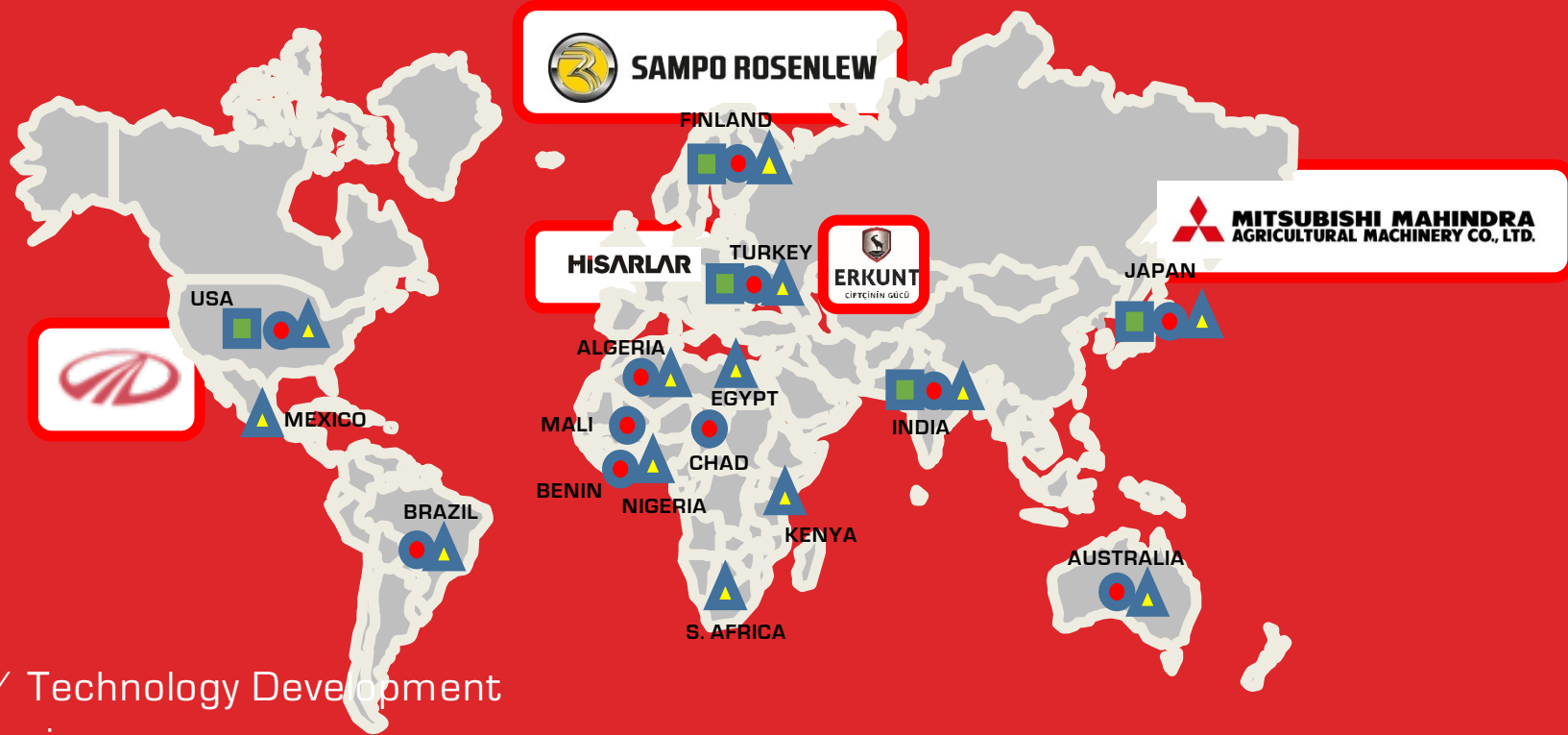
PURPOSE

Fortify
the Core

New
Business
Models

Technology

Globalization Journey



- Product / Technology Development
- Manufacturing
- On-Ground Presence

Note: Distributor sales in other 25+ countries have not been shown



Americas



The Upside of USA

Attractive,
differentiated
category

Strong loyalty and
3
in < 80 Hp

New launches in
80 to 120
Hp

Upside in
UTV



The Upside
of
Americas

Aspiration
US\$ 1 Bn

Mexico & Brazil
Strong Product.
Building team,
brand, channel



The Upside
of Japan

Aspiration
US\$ 1 Bn

Synergies in
Sourcing
Product
Technologies

Rice
Value Chain
equipment

Harvesters and
Planters
Creating
Global Access



The Upside of Turkey

Tolga Saylan - Erkunt Traktor
Dr. Mehmet Evrenosoglu - Hisarlar

US\$
3.5
bn

4th
Largest
Tractor Market



The Upside
of Erkunt

#3 brand in 7
years since
inception

Aspiration
to be #2



The Upside of Hisarlar

Farm Machinery
US\$ 1.3 bn
opportunity

Mechanisation
solutions for
complete
agri-value chain



The Upside of Turkey

Aspiration
US\$ 0.5 bn
3 companies

Poised strategically
between
East and West



Global

Financial

Farm
Machinery

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India
2000
a year

China
1,10,000
a year



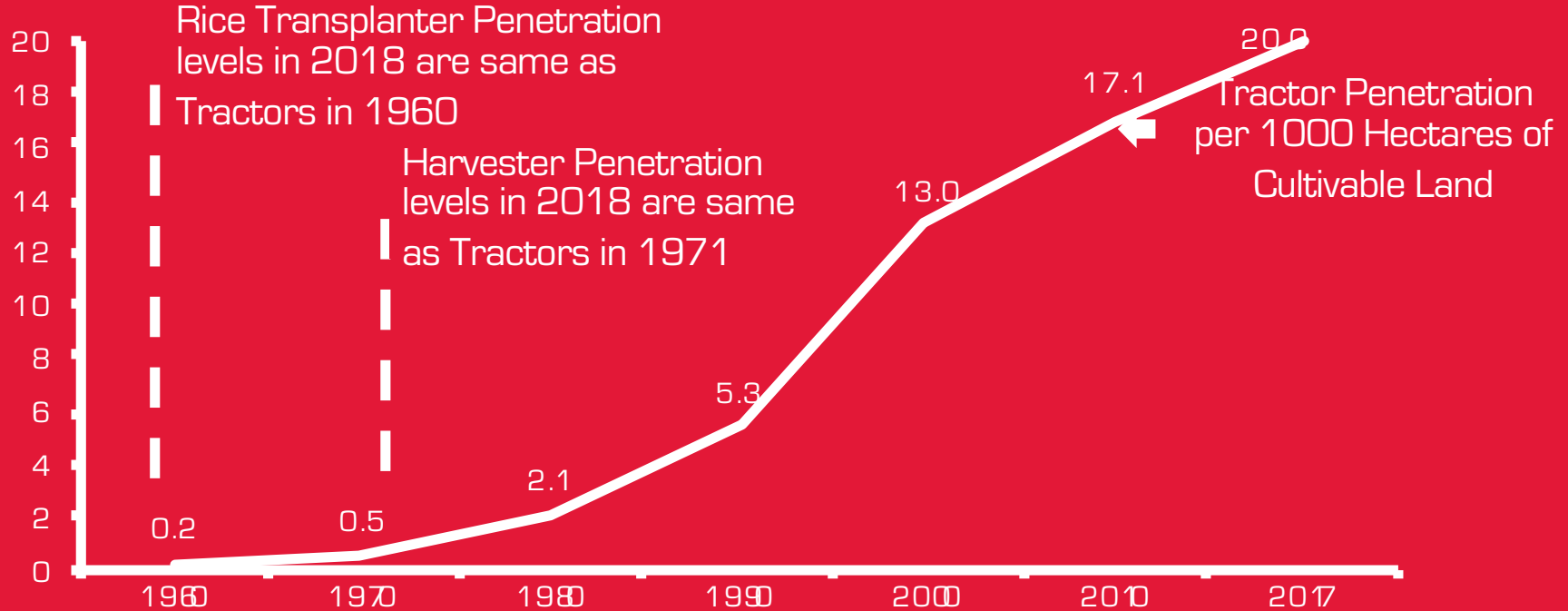
Only 110
a year
sold in India



India's Farm
Machinery
Industry
Rs. 7000 cr

India's Tractor
Industry
Rs. 39000 cr

Back to the Future



Indian Farm Equipment Penetration

Units/1000 Hectares of cultivation



But with a twist

Farm Machinery
US\$ 100
bn

Tractors
US\$ 60
bn

Serving Small Farmers Globally

Rice Value Chain



Transplanters



Rice Harvesters

Harvesters



Grains



Sugarcane



Potato

Farm Implements



Tillage



Sowing/Planting



Crop Care

Sampo: Centre of Excellence for Harvesters



MAM: Centre of Excellence for Rice Machinery



Hisarlar: Centre of Excellence for Farm Implements

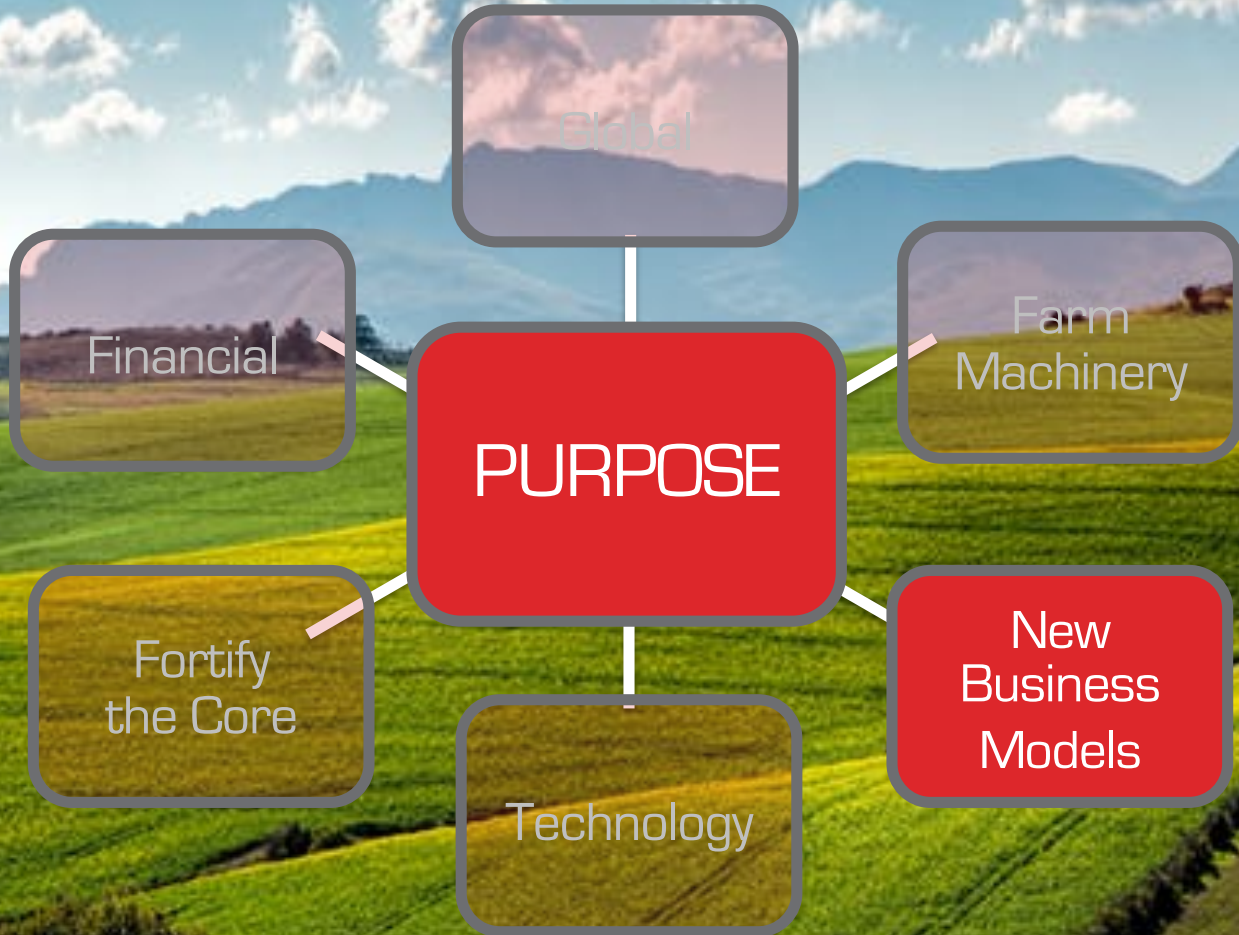


Farm Machinery



From
US\$ 340
mn

Aspiration
US\$ 1
bn





The Upside of Precision Farming

Ramesh Ramachandran

A new way

Right Time +
Right Location +
Right Quantity

=

Better crop growth +
Better yield +
Lower input costs

The big upside

\$240bn
Global
addressable
market for
precision farming



Our right to win

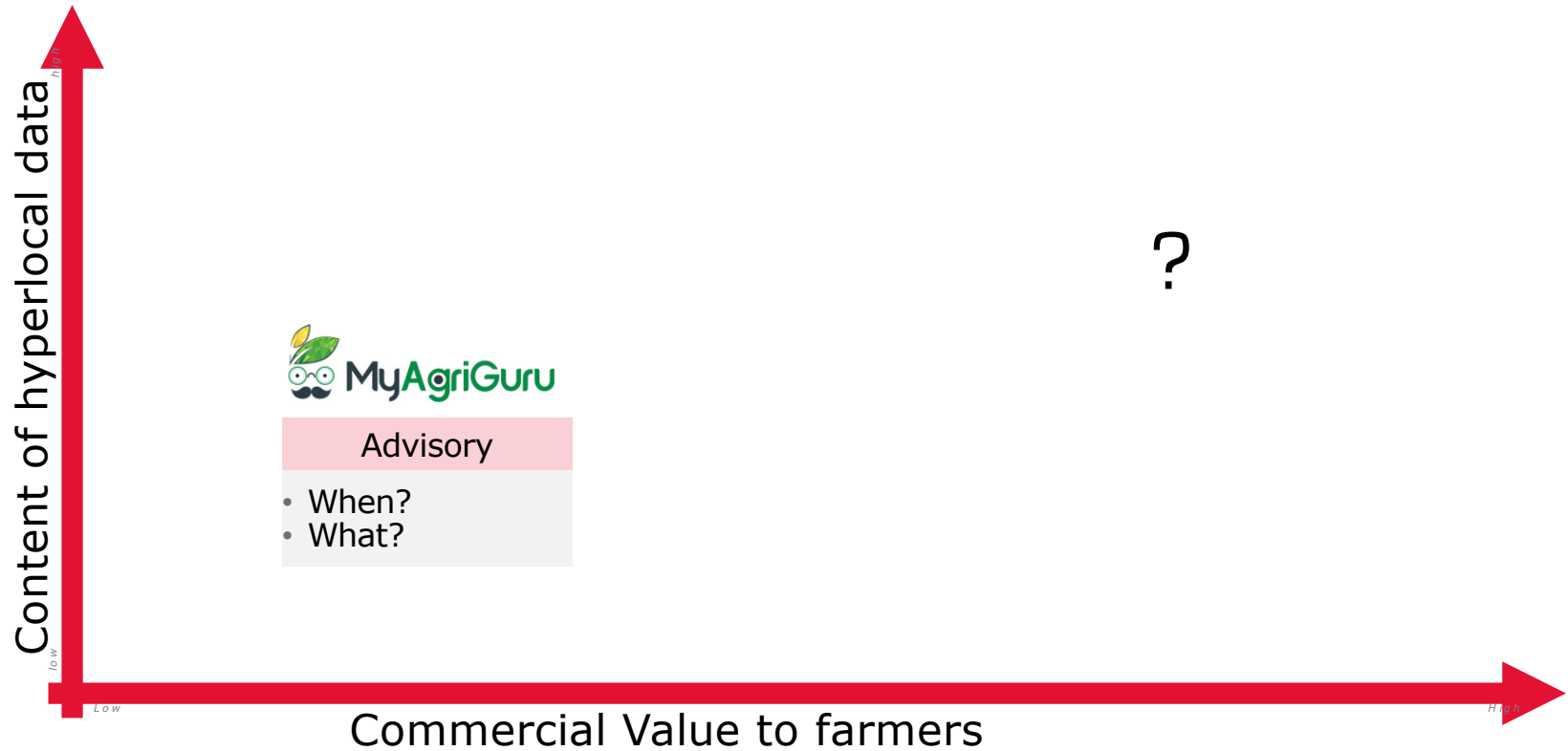


570m

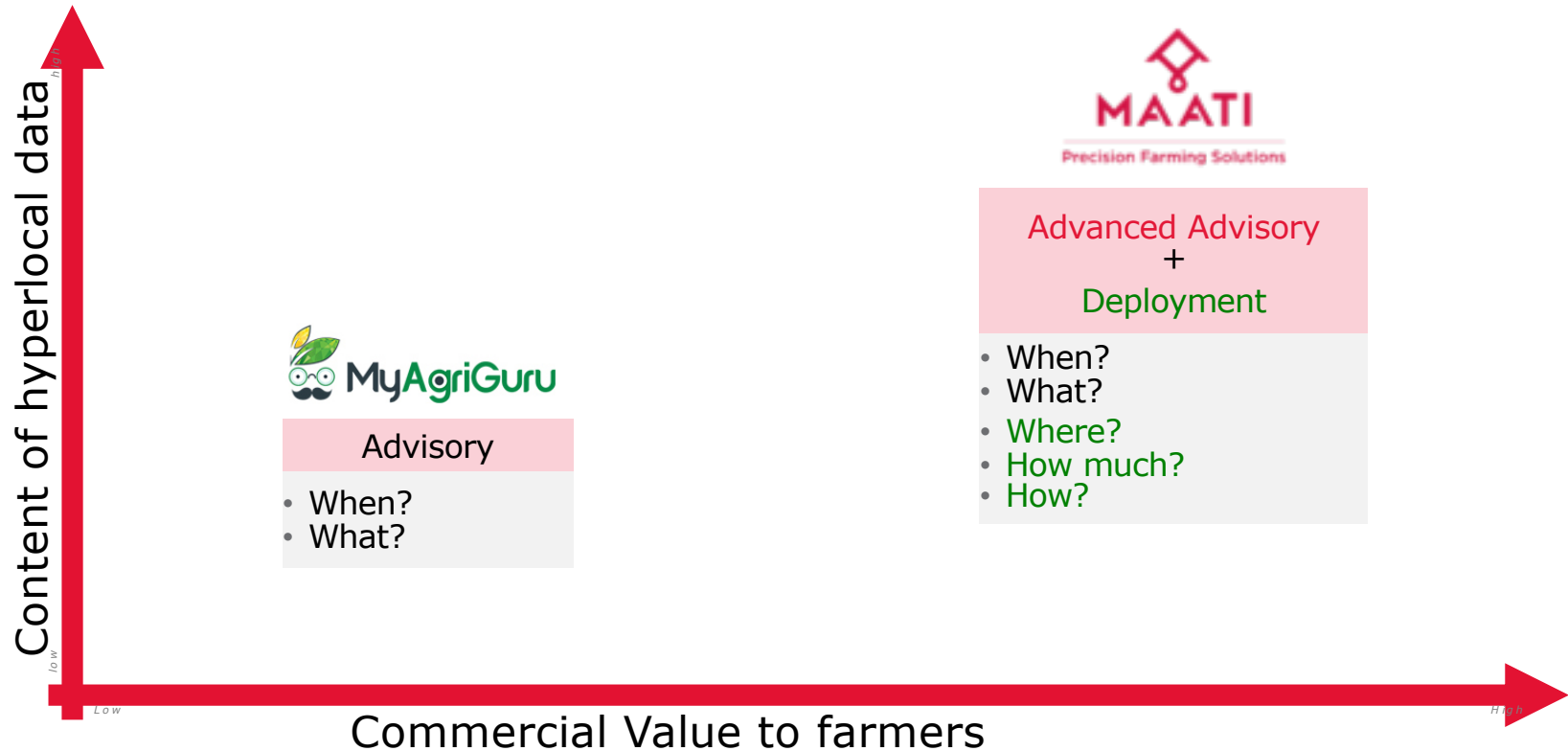
98%

550m

Our Strategy



A force multiplier



Maati - advanced advisory

Intelligent maps



HEALTH MAP

548 ac



17%



8%



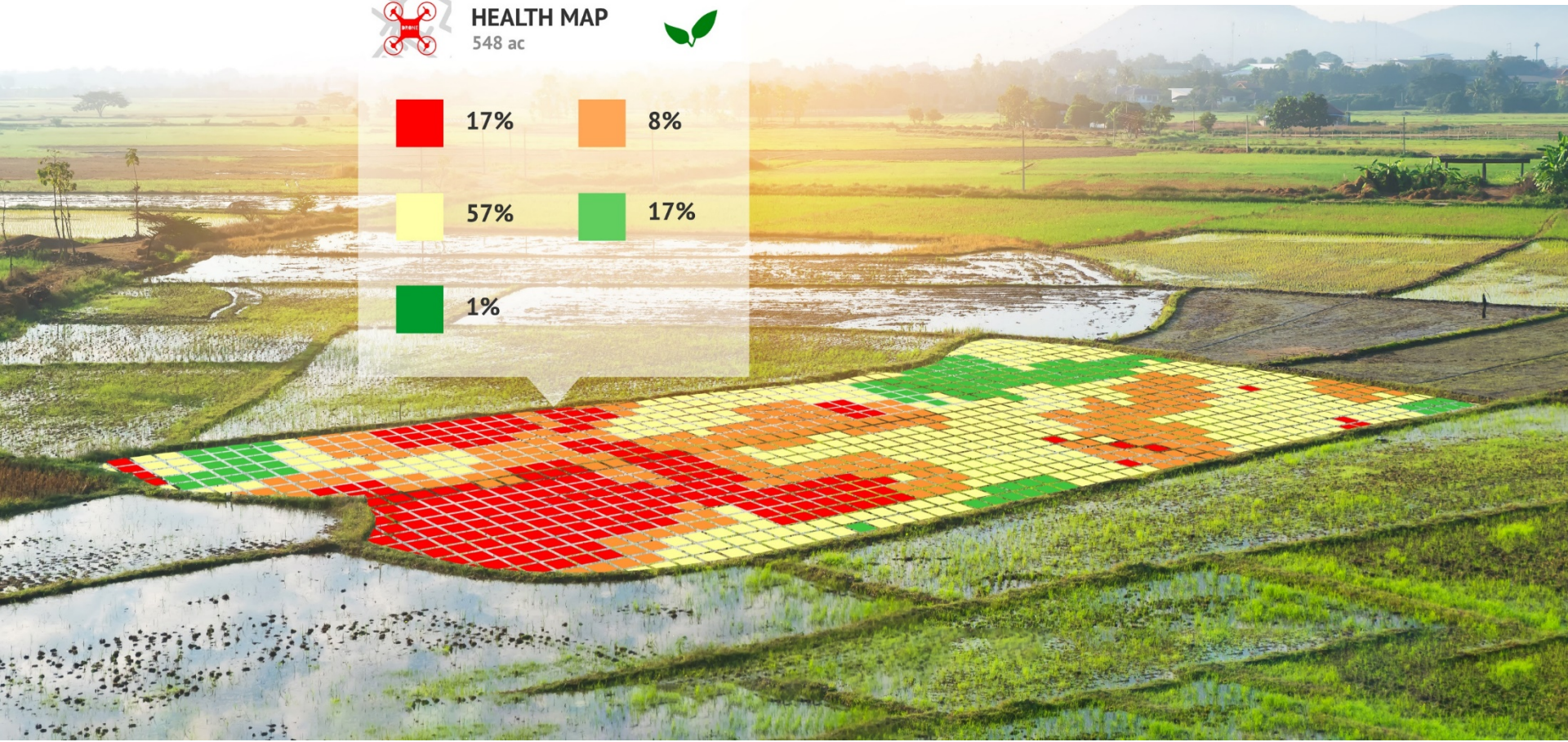
57%



17%



1%



Maati - On field deployment *Intelligent machines*



A partnership ecosystem

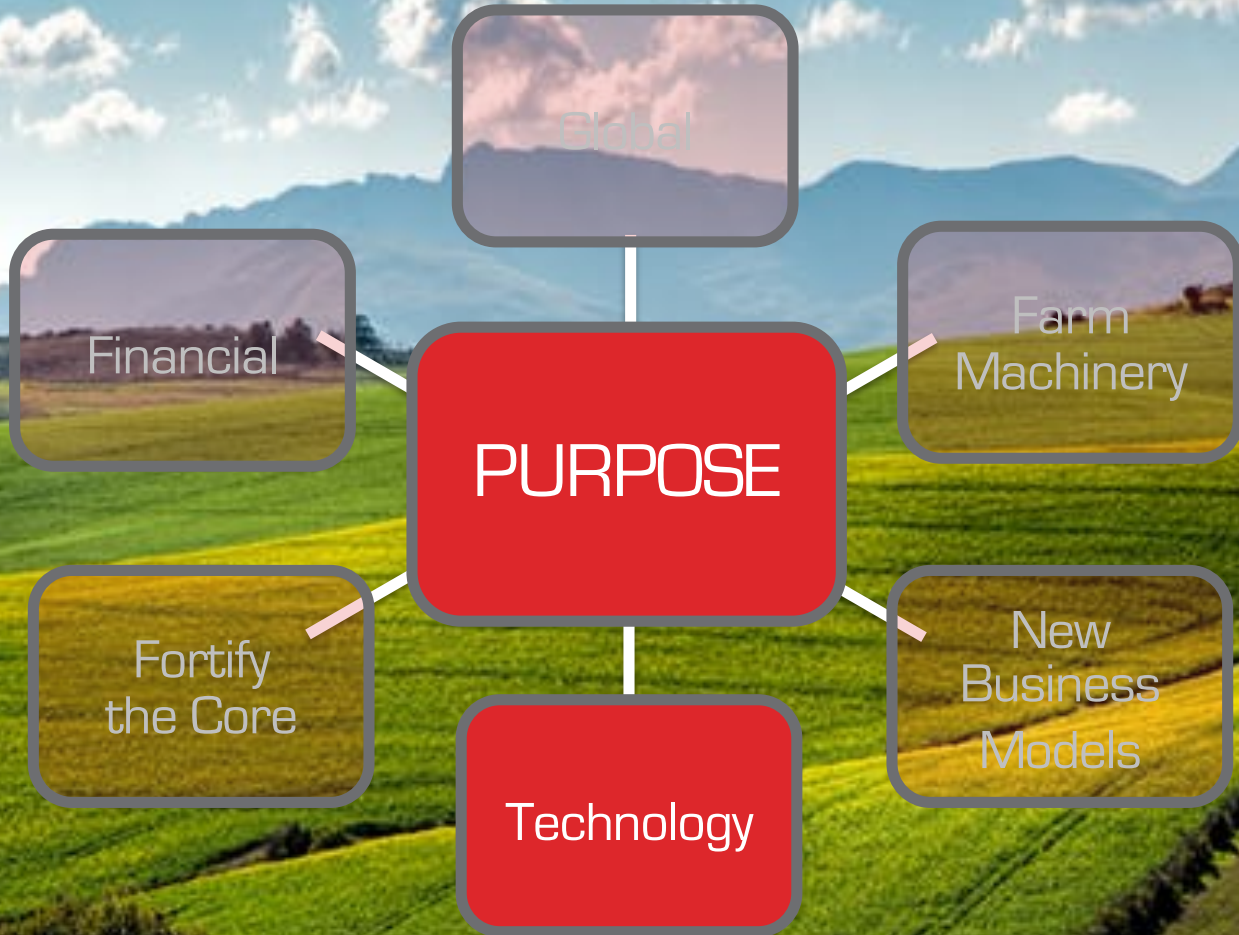


RESSON

Carnot

 VIRGINIA TECH
CORPORATE
RESEARCH CENTER





Global

Financial

Farm Machinery

PURPOSE

Fortify the Core

New Business Models

Technology



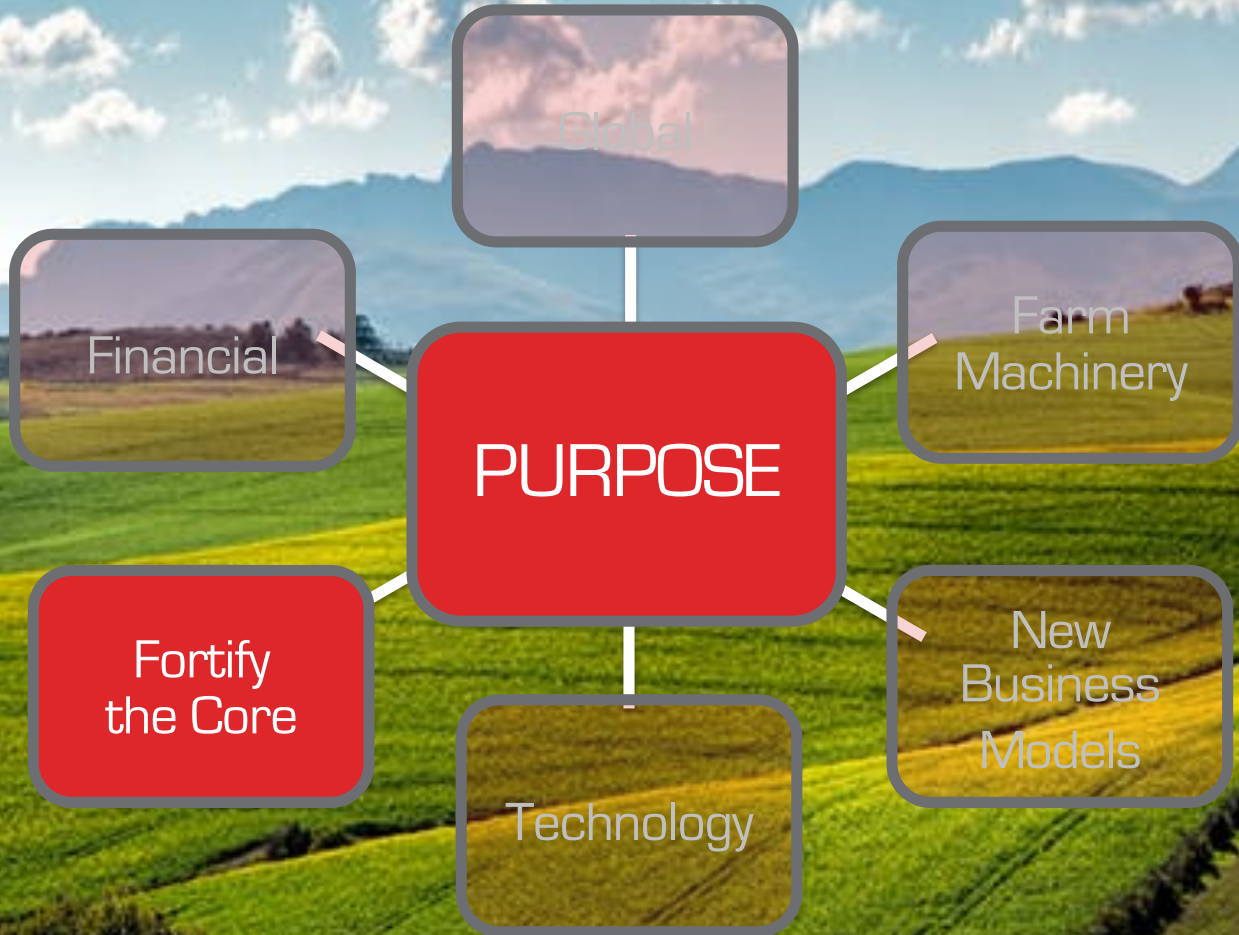
The Upside of Advanced Technology

Aravind Bharadwaj



Virginia
Tech
Corporate
Research
Center

Virginia
Tech





The Upside of
Rural Wealth

Shubhabrata Saha

Rural Prosperity is expected to increase at a faster rate F18 - F23

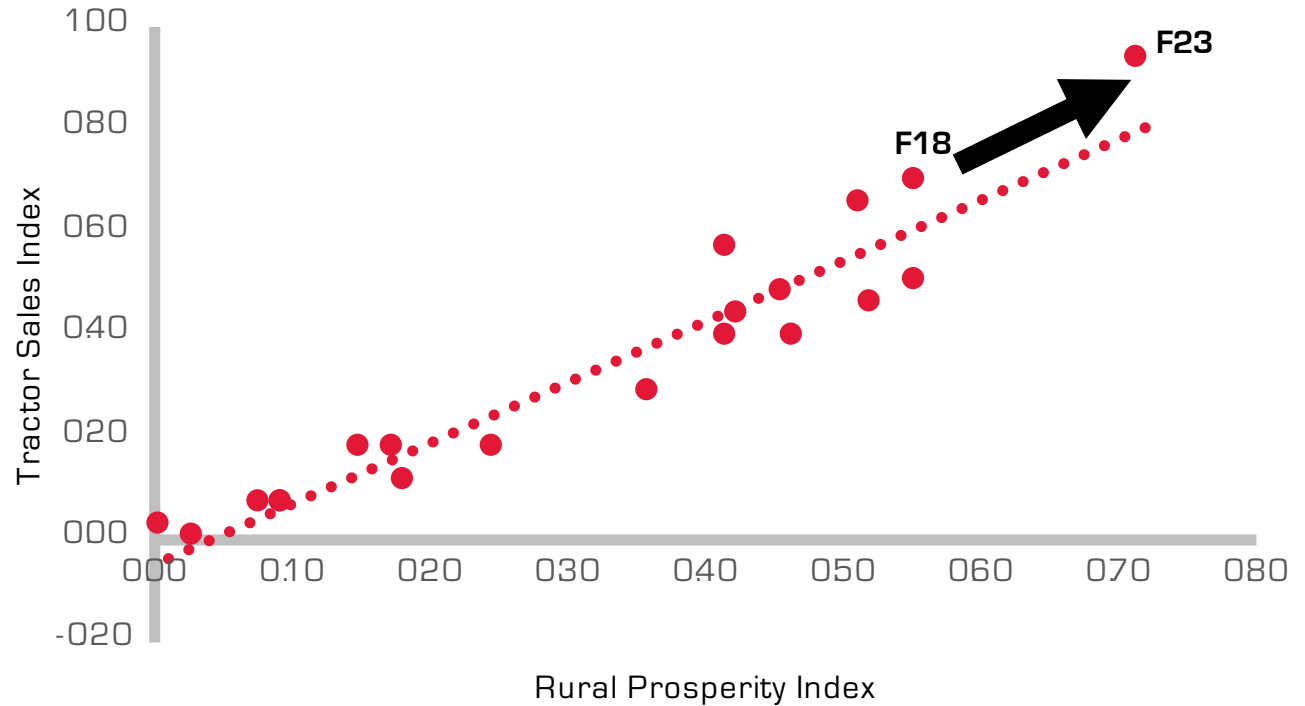
Key driver of Tractor Sales

Structural
Factors

Rural
Income

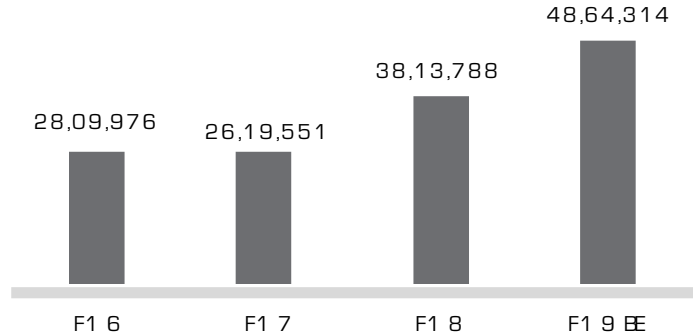
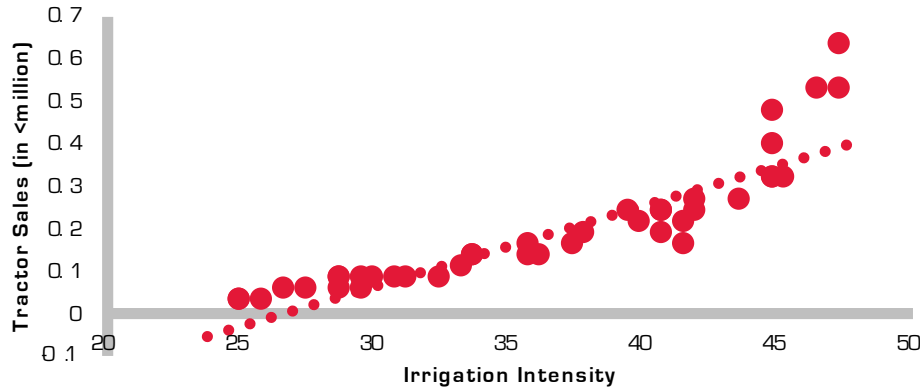
Rural
Purchasing
Power

Policy
Factors



Source: M&M FES analysis

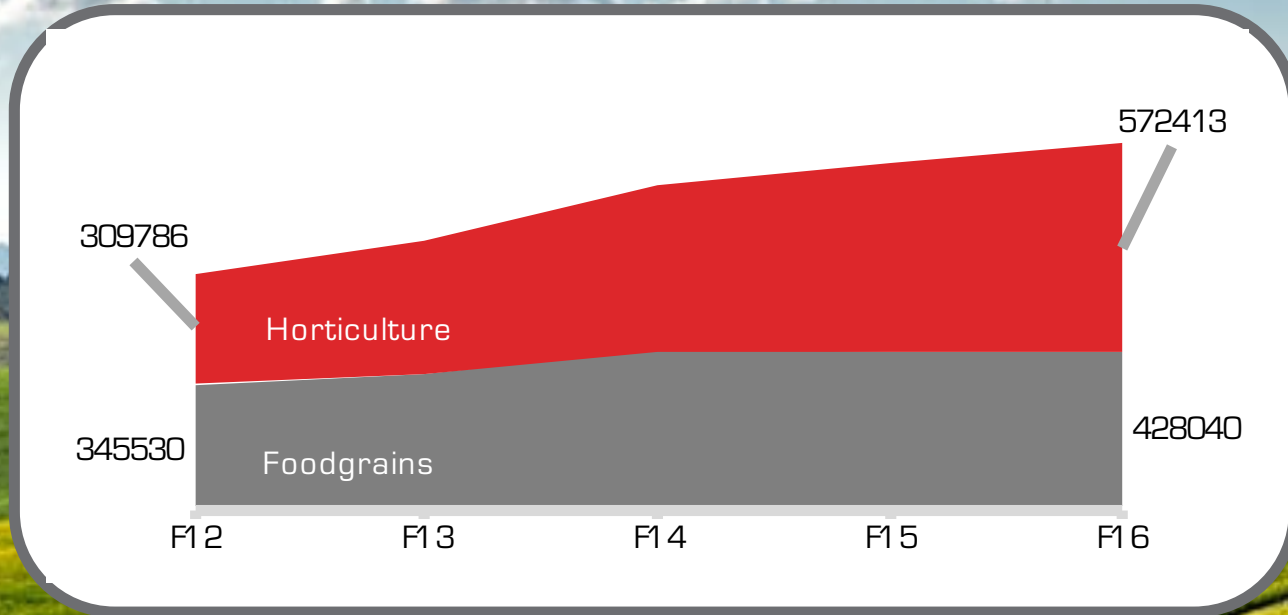
Increasing trend of investment on irrigation has a direct correlation to tractor sales growth



Govt Expenditure on Irrigation – INR Crores

Source:: M&M FES analysis

Increase in Horticulture is driving Agricultural Revenue

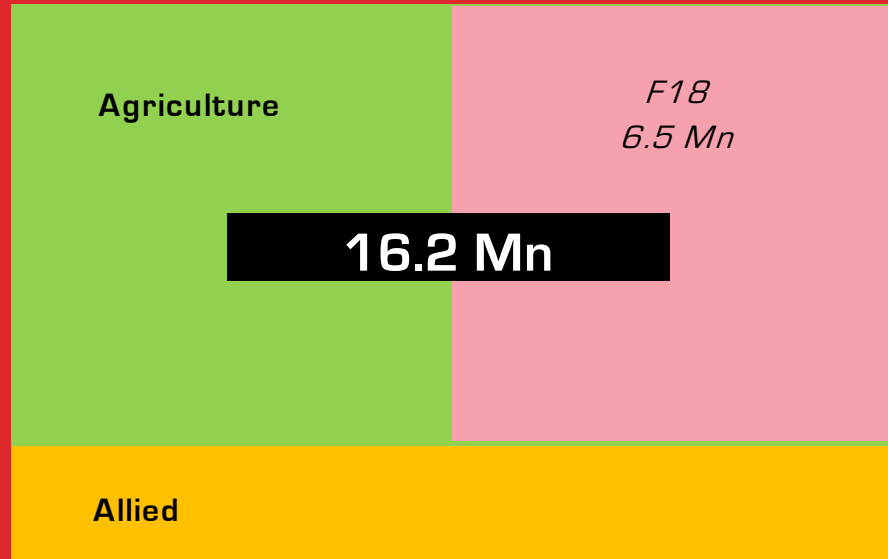


INR Crores

In next 5 years,
Horticulture -> 6%-8%
vs. ~2.5% for Foodgrains

Currently,
Horticulture mechanization is
~50% lower
than Paddy and Wheat

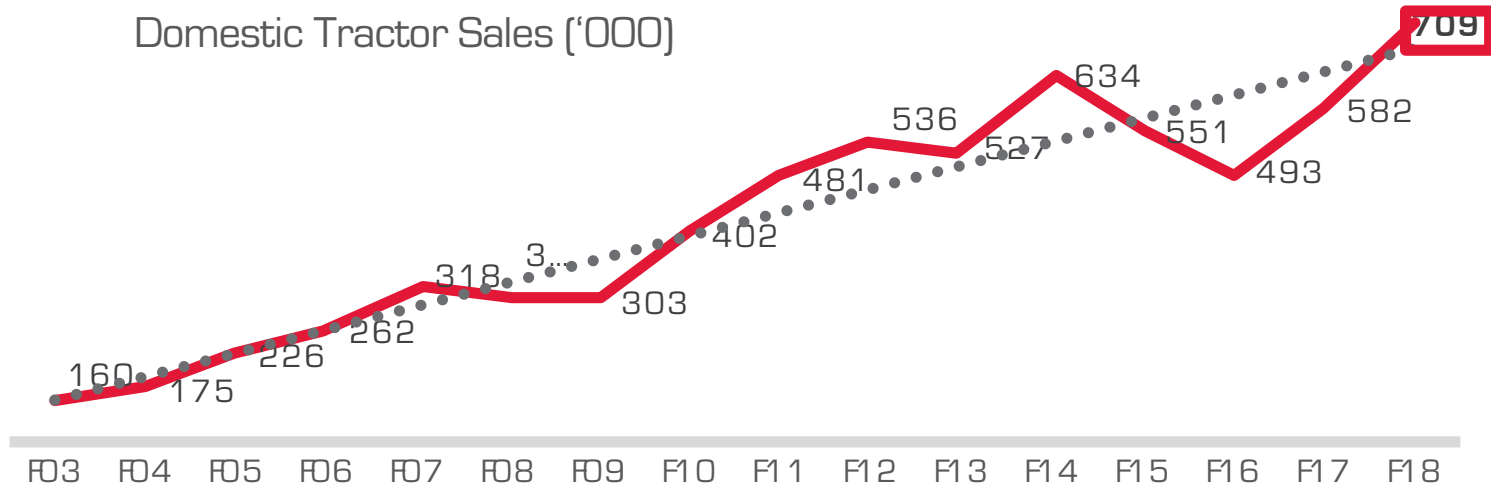
Current tractor population is only 40 % of peak requirement

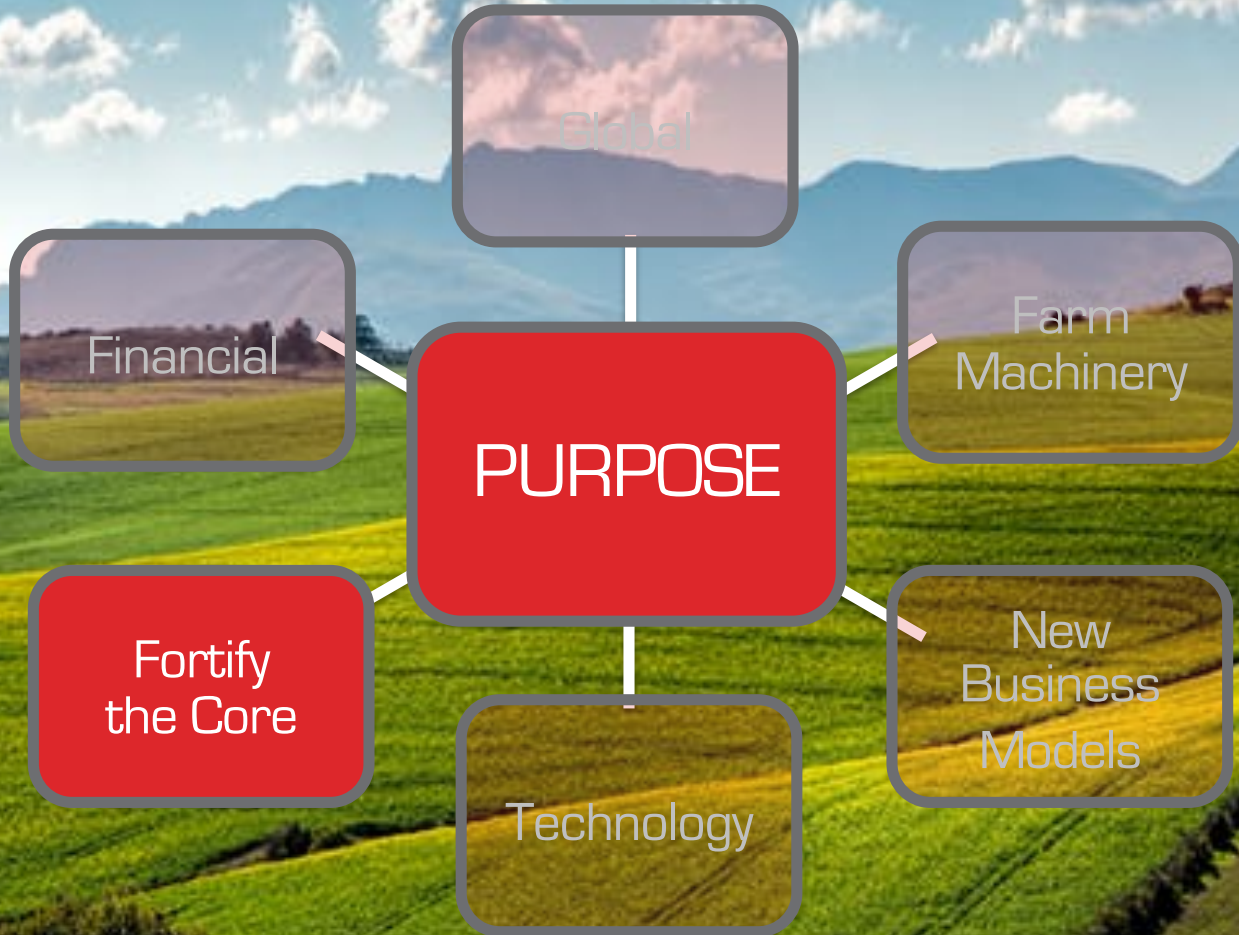


**Net Sown area ~ 350 Mn acres
Land Prep in Kharif season**

Historic Growth Rate ~10%

Domestic Tractor Sales ('000)





3 Brand Strategy

35 years of leadership

42.9% Market Share



Pioneering technology



Reliable, Powerful,
Authentic

TRAKSTAR

TRACTOR JO BADAL DE LIFE KA TRACK

Affordable Mechanization

Gromax



TRAKSTAR
TRACTOR JO BADAL DE LIFE KA TRACK

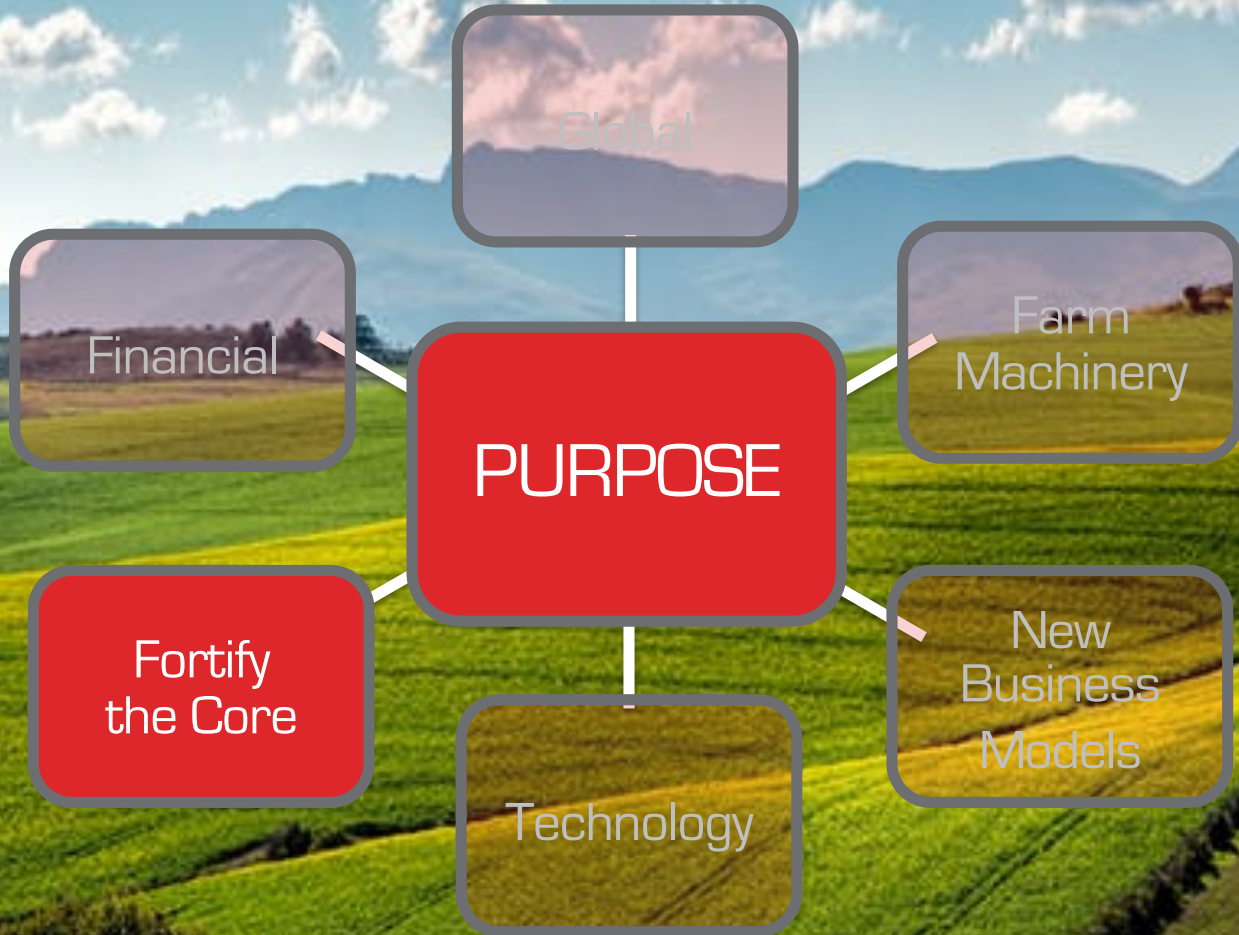
Upside In
Market Share



Aspiration
Domestic Market Share - 50%



Pioneering technology



Pioneering Technology – New Platforms

4 Years ago...



NOVO

Vesatile & Multi
Application tractors in >
50 HP Category

2 Years ago...



YUVO

1 Yuvo sold every 7
minutes in last 2 years in
30-45 HP category

1 Year ago...



JIVO

Powering Orchards in
Sub 36 HP category

All three platforms powered by **DIGI SENSE**

by Mahindra

Need for a higher HP tractor

Sanjay is Looking for a **High Horse Power & High Performance Tractor** which Complements the Implement



Kuldeep Demands **Performance & Precision in Farming & Looks for more productivity & higher Yield**

Srinivas Feels Constrained by the Limited Options in Tractors & **Implements to deliver High Productivity in lesser time spans**

Technology that delivers superior performance & enhances productivity

NOVO 655 (65 HP)

NOVO 755 (75 HP)

2WD & 4WD options



DIGI SENSE
by Mahindra



Presenting

**New Benchmark in Tractors
For
Evolved Indian Farmers
Novo 755 - Integrated CAB**

Vibrant Channel



44%
Mahindra Farm Division
is their only business

Mahindra



મહિન્દ્રા

Samridhi Centre

Vibrant Channel

ZERO

attrition of Dealers
in 2 years

Vibrant Channel



Deepest
Reach

2000+
Sales and
Service points

Covers
4 lakh
villages

A man wearing a red shirt and a white turban is driving a blue Mahindra tractor in a green field. The tractor is moving from left to right, and its large rear wheel is kicking up a cloud of brown soil. The background shows a clear blue sky with scattered white clouds and a line of trees in the distance. In the top left corner, there is a red and white diagonal graphic element.

Mahindra
Rise.

The Upside of
Swaraj

Viren Popli



Changing paradigm

on shop floor



TPM (Total Productive Maintenance) is a systematic approach to equipment maintenance that aims to maximize the operational effectiveness of manufacturing equipment. It is a key component of the Lean Manufacturing system, which focuses on eliminating waste and improving efficiency. TPM is based on the principle of 'autonomous maintenance', where operators are responsible for the basic maintenance of their own machines. This approach has been widely adopted by manufacturing companies around the world, and it has led to significant improvements in equipment reliability, quality, and productivity. In India, the adoption of TPM has been growing rapidly, and it is now being implemented by a wide range of manufacturing companies, from small-scale enterprises to large multinational corporations. The success of TPM in India is a testament to the country's growing manufacturing capabilities and its commitment to continuous improvement.



Changing paradigm on shop floor

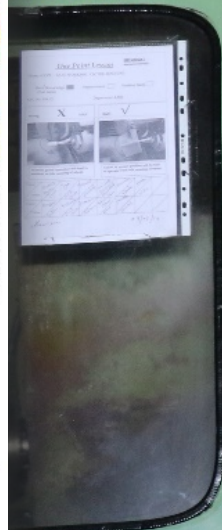
The manufacturing industry in India is undergoing a significant transformation, driven by the need to improve efficiency and reduce costs. One of the key areas of focus is the shop floor, where the majority of manufacturing activities take place. This is where the paradigm is changing, as companies are adopting new technologies and practices to optimize their operations. One of the most prominent changes is the implementation of Total Productive Maintenance (TPM), which has been widely adopted by manufacturing companies across the country. TPM is a systematic approach to equipment maintenance that aims to maximize the operational effectiveness of manufacturing equipment. It is based on the principle of 'autonomous maintenance', where operators are responsible for the basic maintenance of their own machines. This approach has led to significant improvements in equipment reliability, quality, and productivity. In India, the adoption of TPM has been growing rapidly, and it is now being implemented by a wide range of manufacturing companies, from small-scale enterprises to large multinational corporations. The success of TPM in India is a testament to the country's growing manufacturing capabilities and its commitment to continuous improvement.



मेरा **SWARAJ**

Machine Cleaning & TPM MACHINE

9.02







NA SWARAJ RUKHE NA KAAM

SWARAJ SERVICE
SOLID BHAROSA



LEARN TO
MAINTAIN
YOUR TRACTOR
YOURSELF*



SERVICE CENTRE
NOW CLOSER
TO YOU*

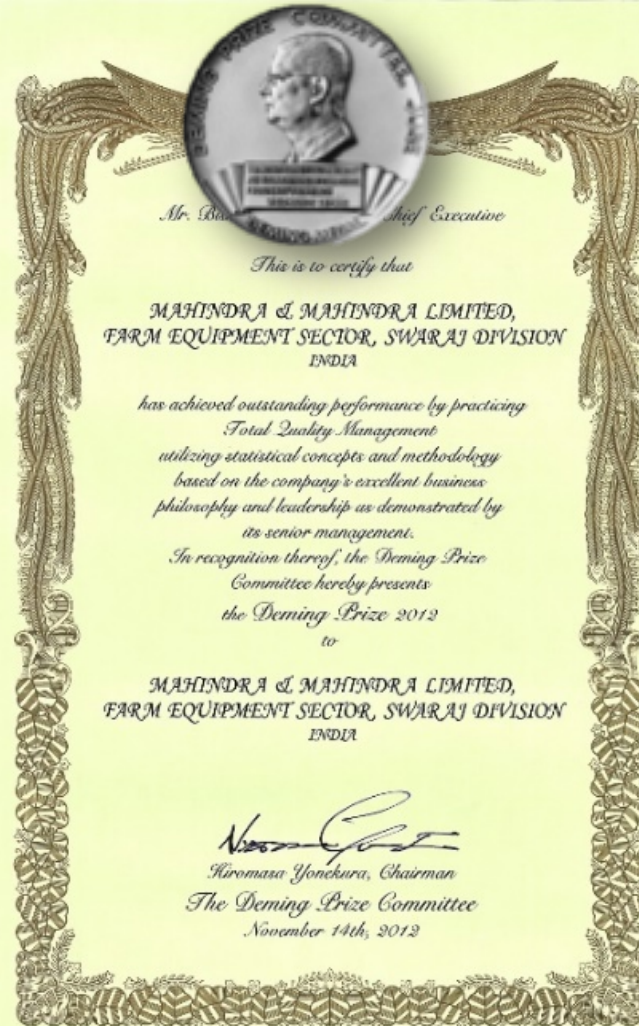


CALL US AT
1800-425-0735*



GET A
REPLACEMENT
TRACTOR IN
THE INTERIM*

मेरा
SWARAJ

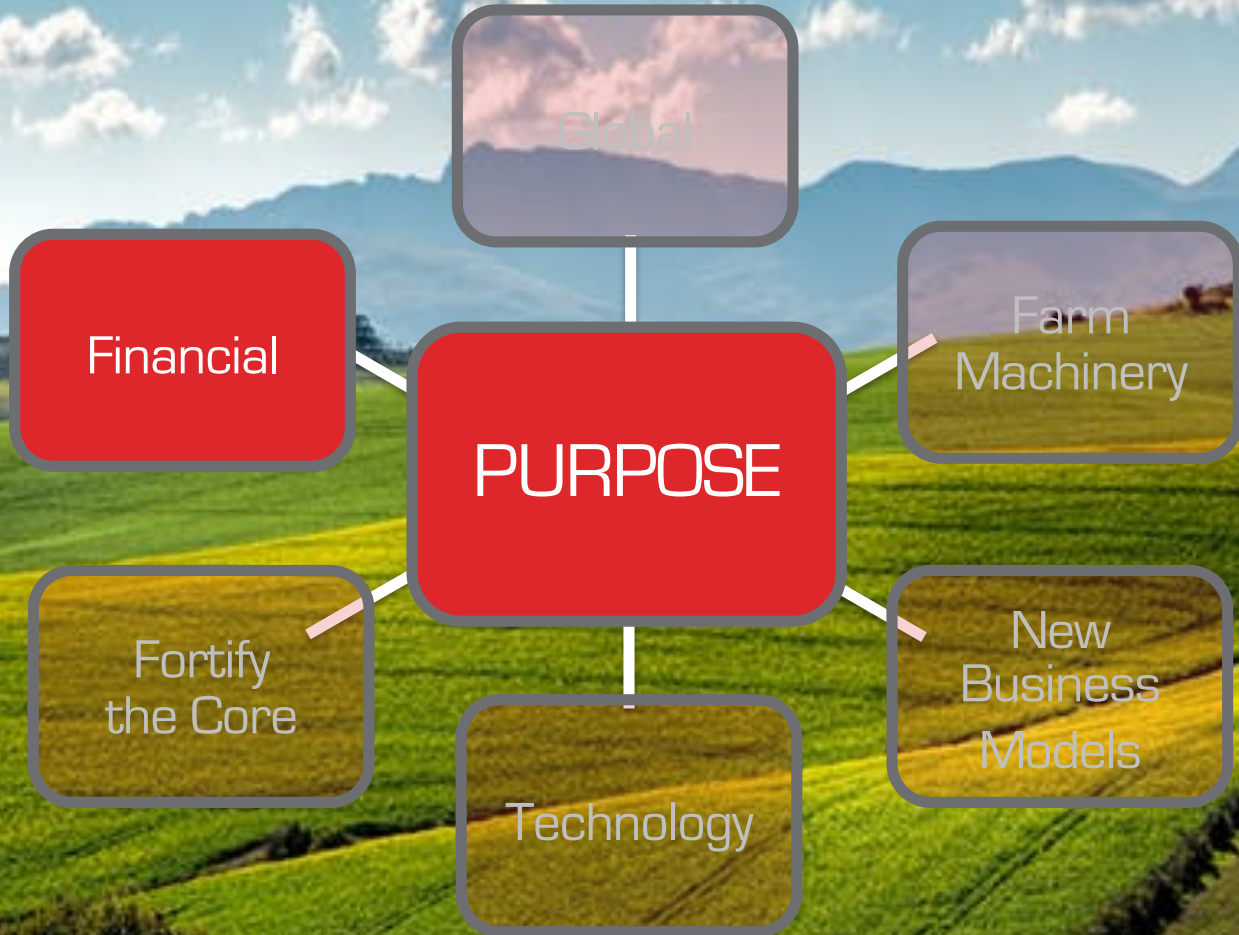


Upside of Swaraj



Expand Geographical Penetration

- No. 1 Rank:
 - 189 Locations
 - 21% of Industry
- No. 2 Rank:
 - 221 Locations
 - 26% of Industry
- No. 3 and below
 - 431 Locations
 - 53% of Industry



The Upside of Value Creation

Nikhil Madgavkar

Maximise
'Return on Capital
Employed'

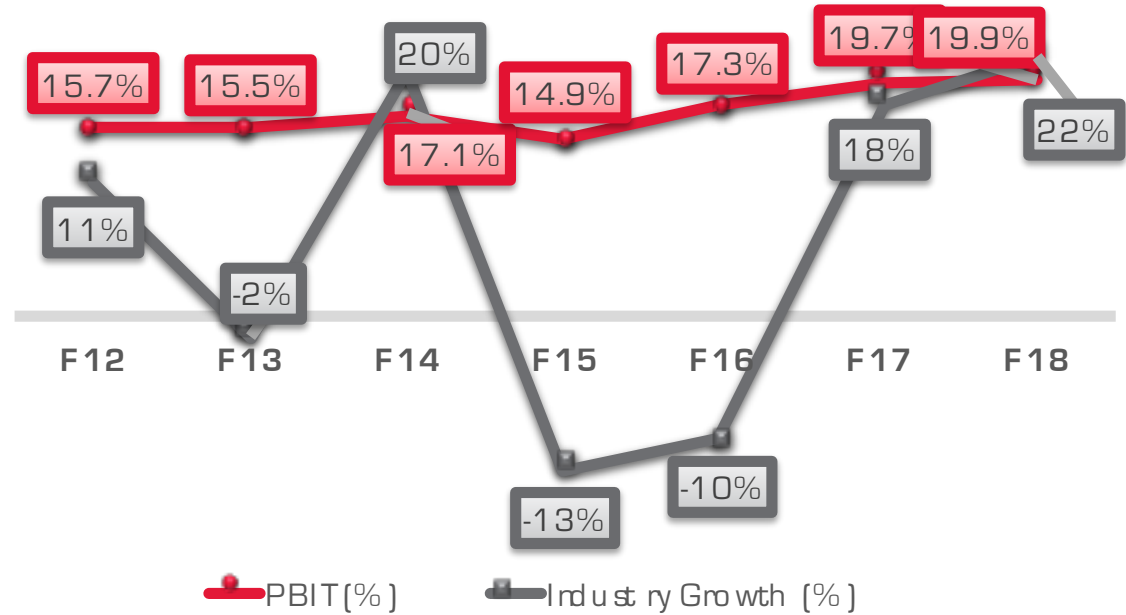
Internal program
branded 'Project
Kuber' to
maximize margins

Improved Financial
performance of
'Global Subsidiaries'



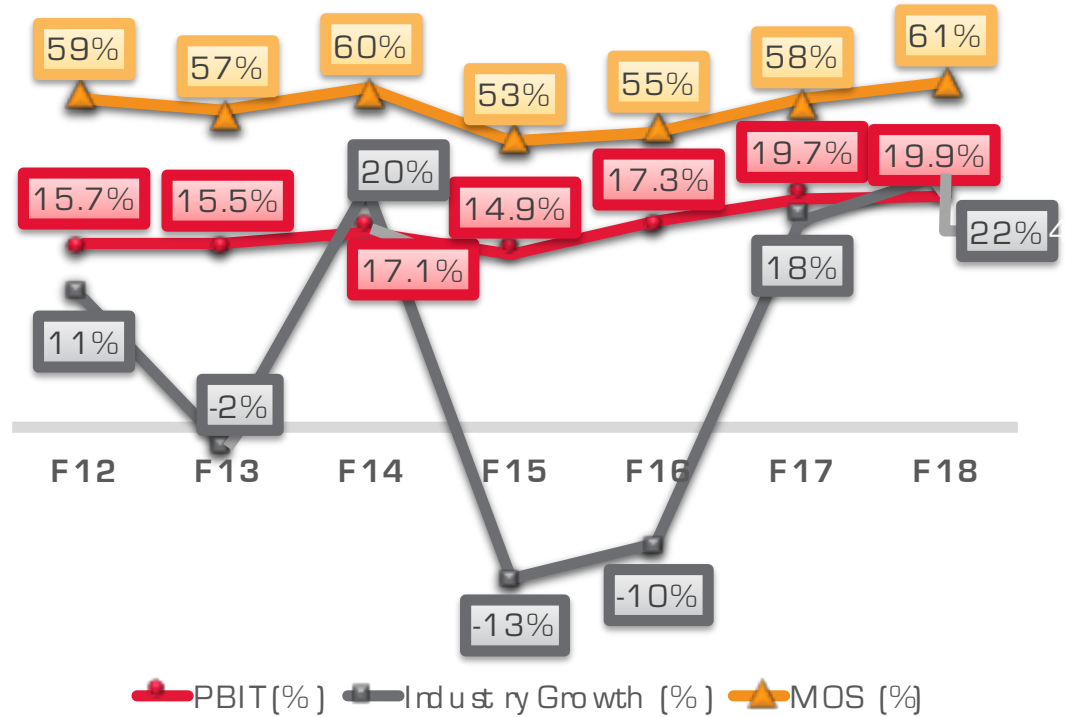
**Maximise
'Return on Capital
Employed'**

Stability in Volatility

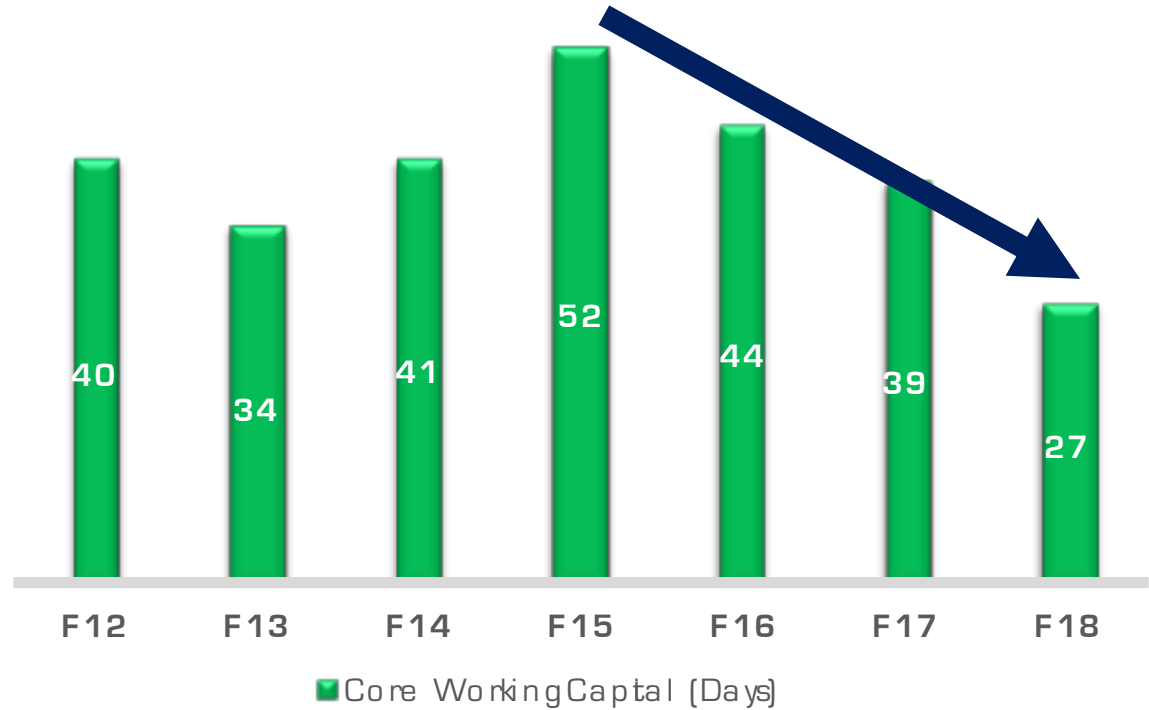


**Stability in
Volatility**

**MOS
Consistently
above 50%**

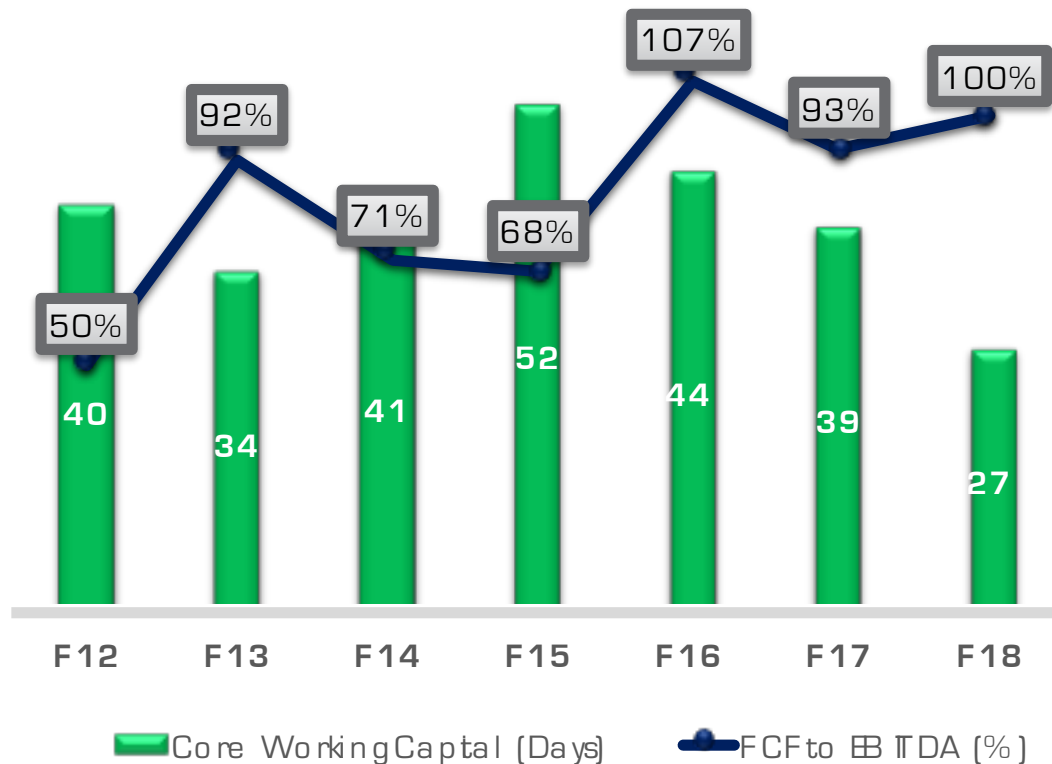


Upside of Capital Management



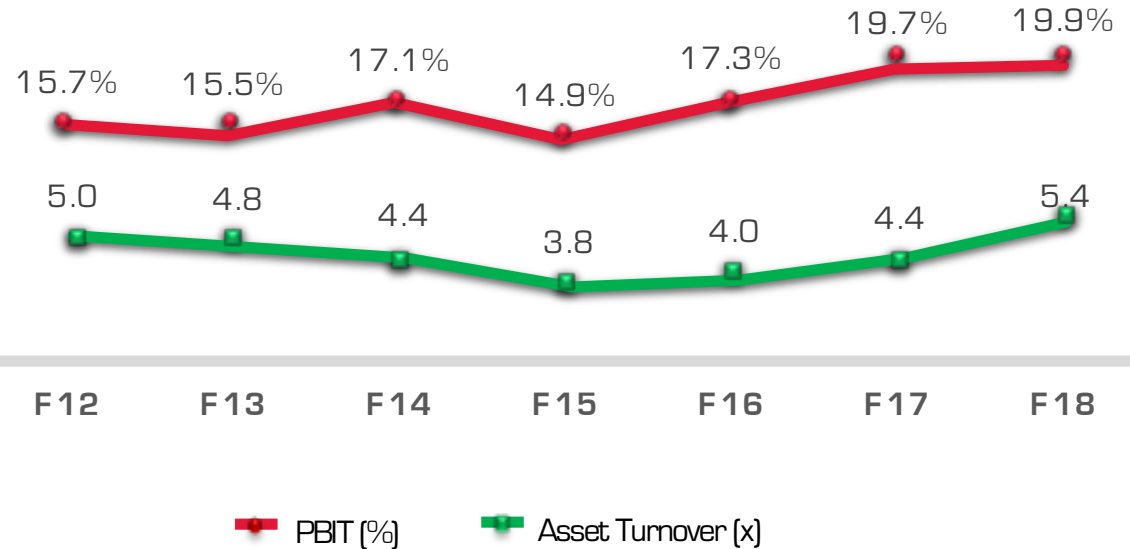
**Upside of
Capital
Management**

**High FCF % to
EBITDA**



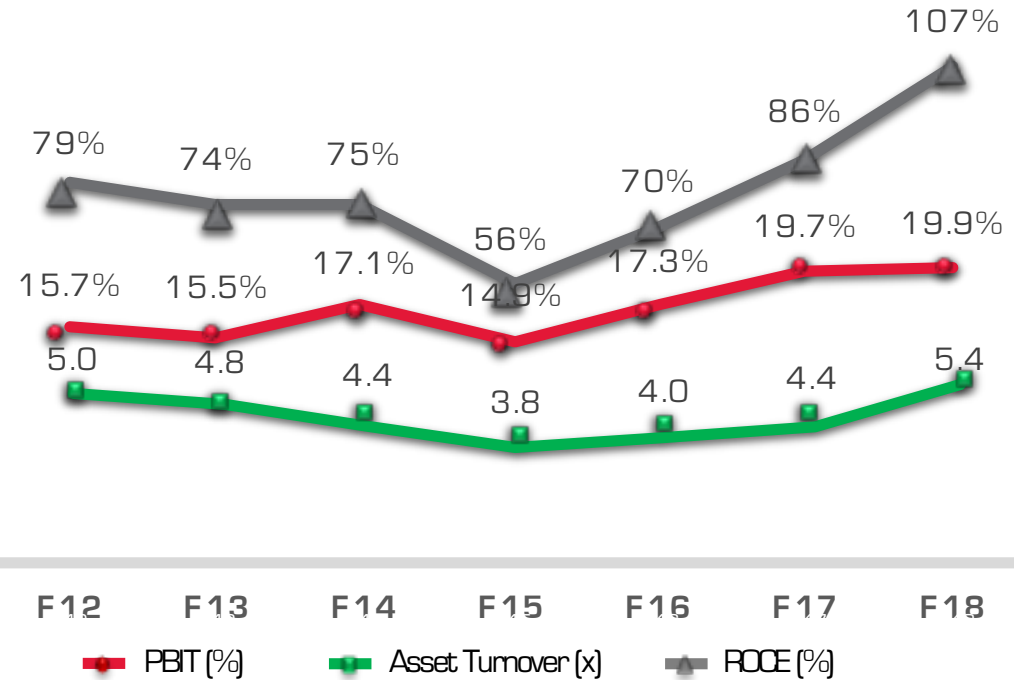
Past Track record...


Value Creation for Shareholders



Past Track record...

**Value Creation
for
Shareholders**



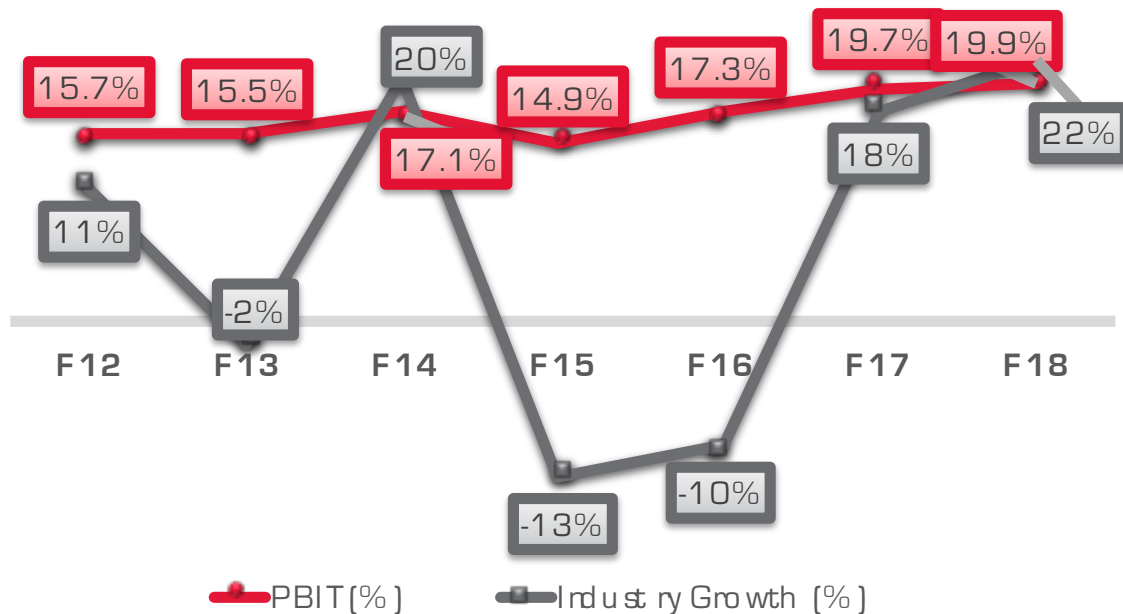


**Internal program
branded 'Project
Kuber' to maximize
margins**

Past Track record.... To Continue

**Project Kuber
Initiated in
F13**

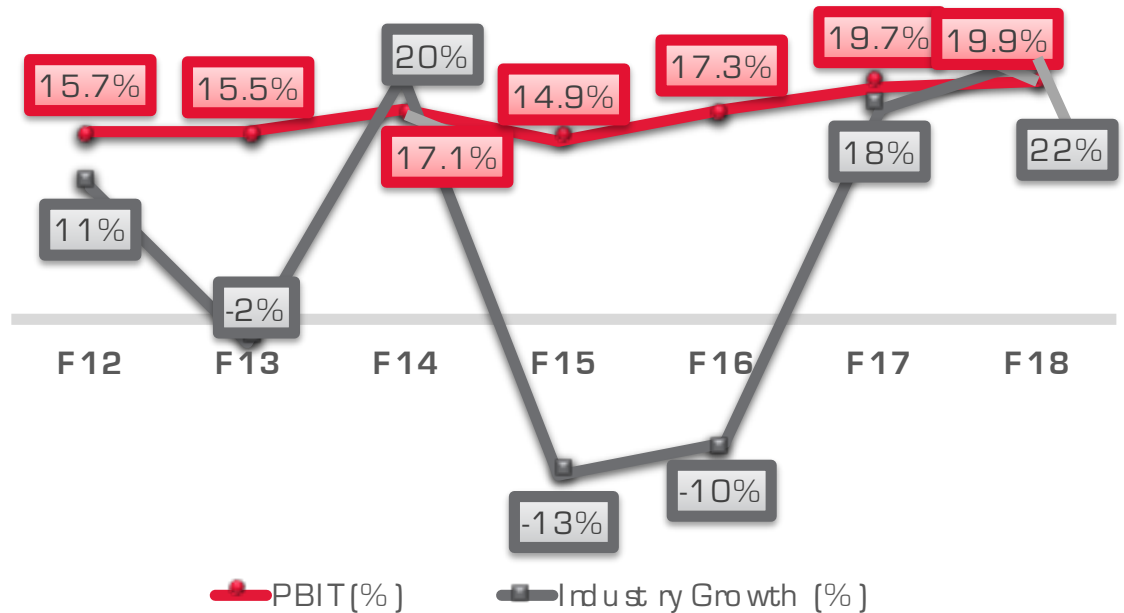
Stability in Volatility



Past Track record.... To Continue

New Ideas of
'Project
Kuber'

Stability in Volatility




Key Parameters- F18

	M&M FES*	Other Listed Player#
Domestic Volume	301,934	77,774
Revenue (Rs Crs)	15,804	3,958
PBIT %	19.9%	13.6%
ROCE %	107.1%	46.3%

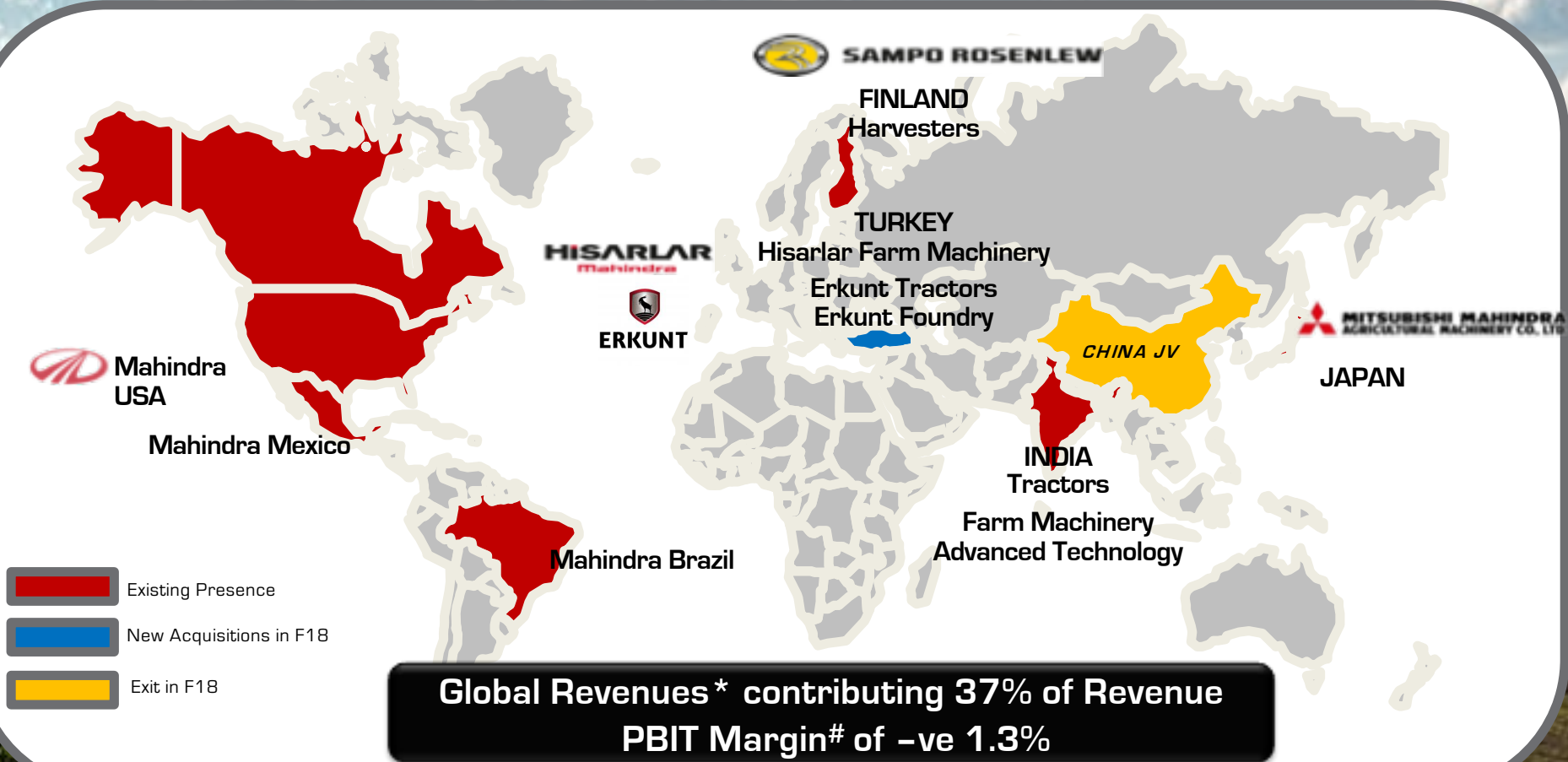
* As per Farm Equipment Sector Segment Information of MSM+MMVL

Comparable Segment Considered



**Improved Financial
performance of
'Global Subsidiaries'**

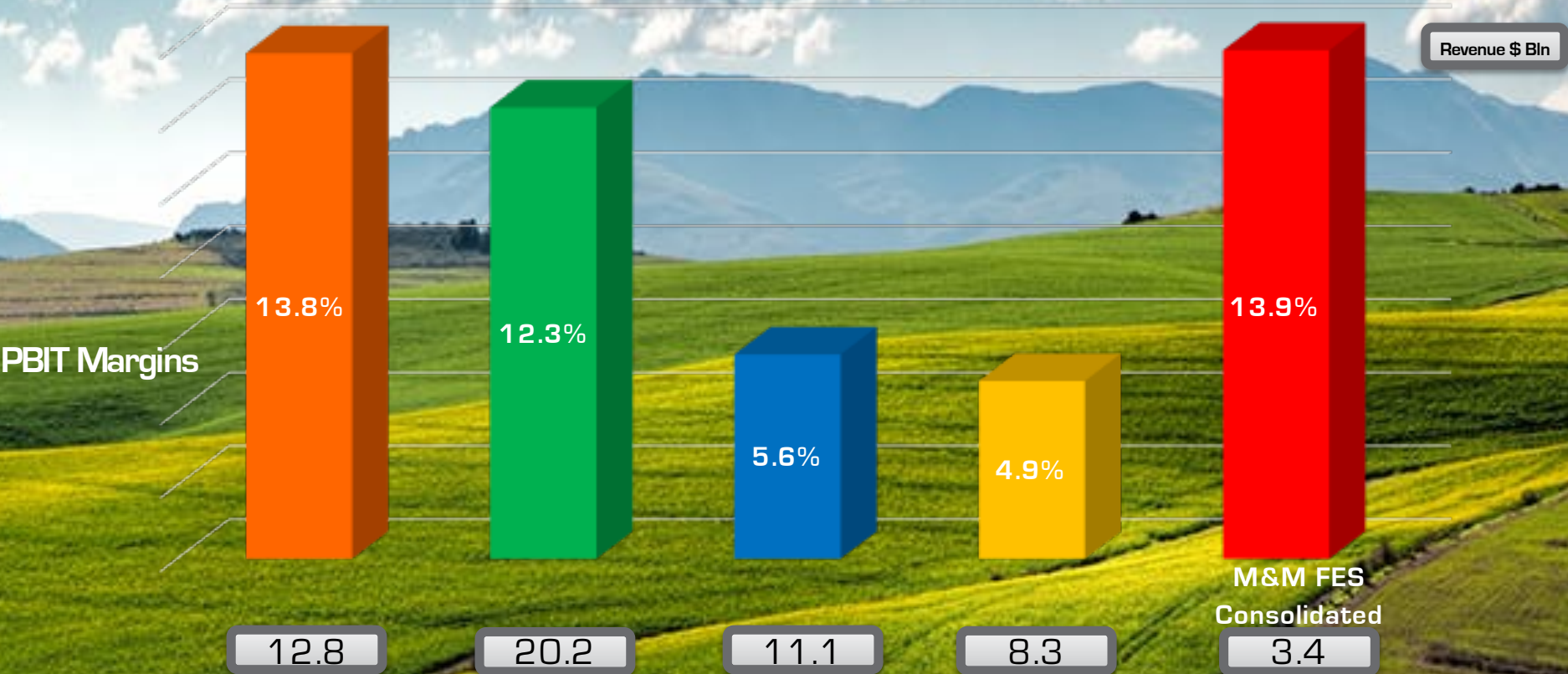
FES : Global Footprint



*Gross without Eliminations incl. Exports from India

For Global Subsidiaries

Globally Best in Class



**Latest Available Annual Reports for their respective Agri Machinery Segments*

Upside of Rise.... Global Subsidiaries

50% of Revenue from Global Operations over next 2-3 years



Upside of Rise.... Global Subsidiaries

50% of Revenue from Global Operations over next 2-3 years



Vision to improve PBIT over the next 3-5 years to 5% leading to :

- **ROCE > Global Cost of Capital**

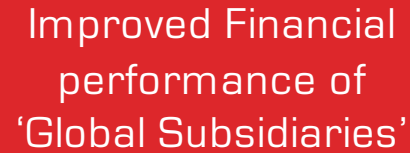




The Upside of
Value Creation



Internal program
branded 'Project
Kuber' to maximize
margins for 'Domestic
Business'



Improved Financial
performance of
'Global Subsidiaries'



Maximise
'Return on Capital
Employed'



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Farm Machinery

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The Upside
of Rise