



Analyst Meet F20

Automotive & Farm Sectors

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12th June 2020

FES AWARDS – “BEING CONSUMER FOCUSED IS WHAT INSPIRES US”



**M&M 1ST IN THE
WORLD TO WIN TPM
ADVANCED
SPECIAL AWARD**



**TRA'S MOST TRUSTED
AND MOST
CONSUMER FOCUSED
TRACTOR BRAND 2019**



**CSI #1 FOR MAHINDRA
TRACTORS AND
#2 FOR SWARAJ TRACTORS
(JD POWER)**

CONTINUED DOMESTIC LEADERSHIP,
WITH 1% MARKET SHARE GAIN

41.2%

Industry down by 9.9%

CONSISTENT PROFITABILITY –
PBIT OF INR 2926 CRORES

PBIT 19%

LAUNCH OF NEW PLUS SERIES
WITH 1ST IN INDUSTRY 6YR WARRANTY



MAGNA BILLING GROWTH 9.3%
WITH VOLUMES AT

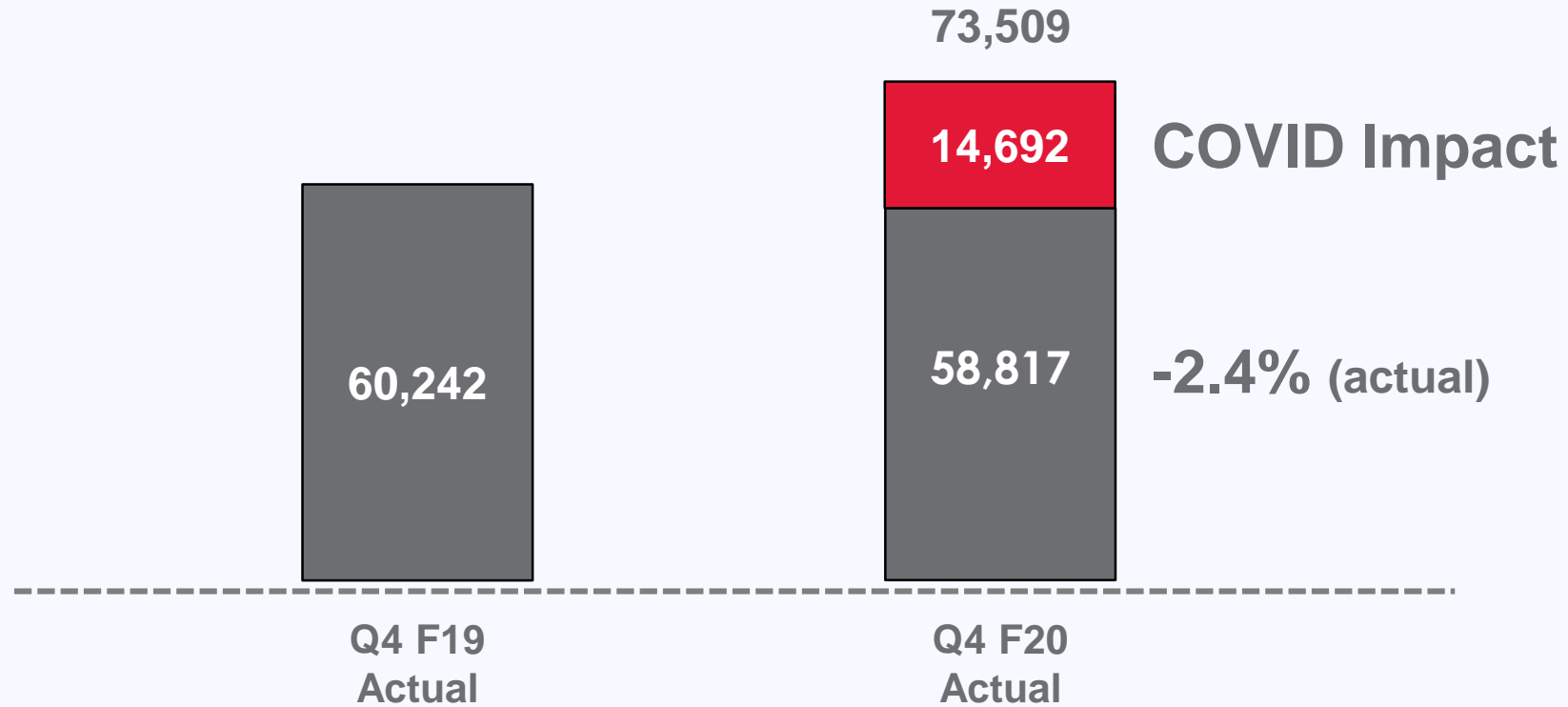
15,642

ERKUNT MARKET SHARE GAIN OF
0.9% TO 7.3% (#4 PLAYER)



FES COVID19 IMPACT

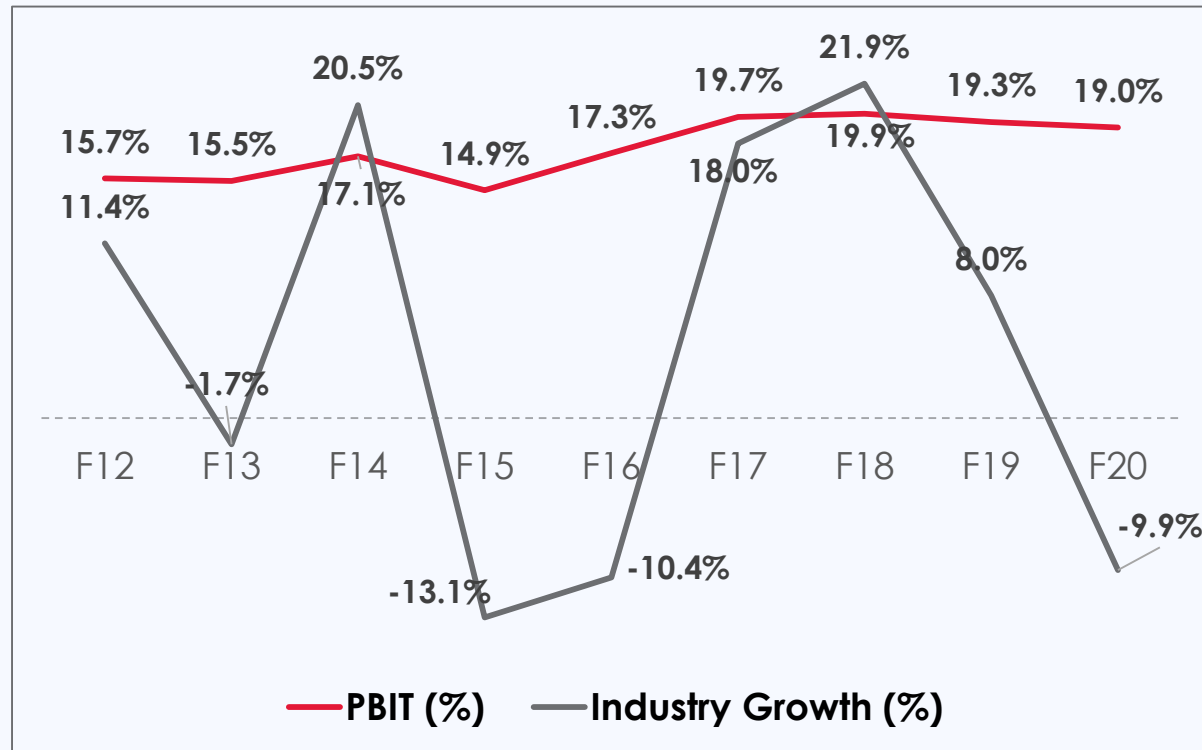
Volume : Loss in Domestic Sale of 13.7K tractors and Export Sale of 1K



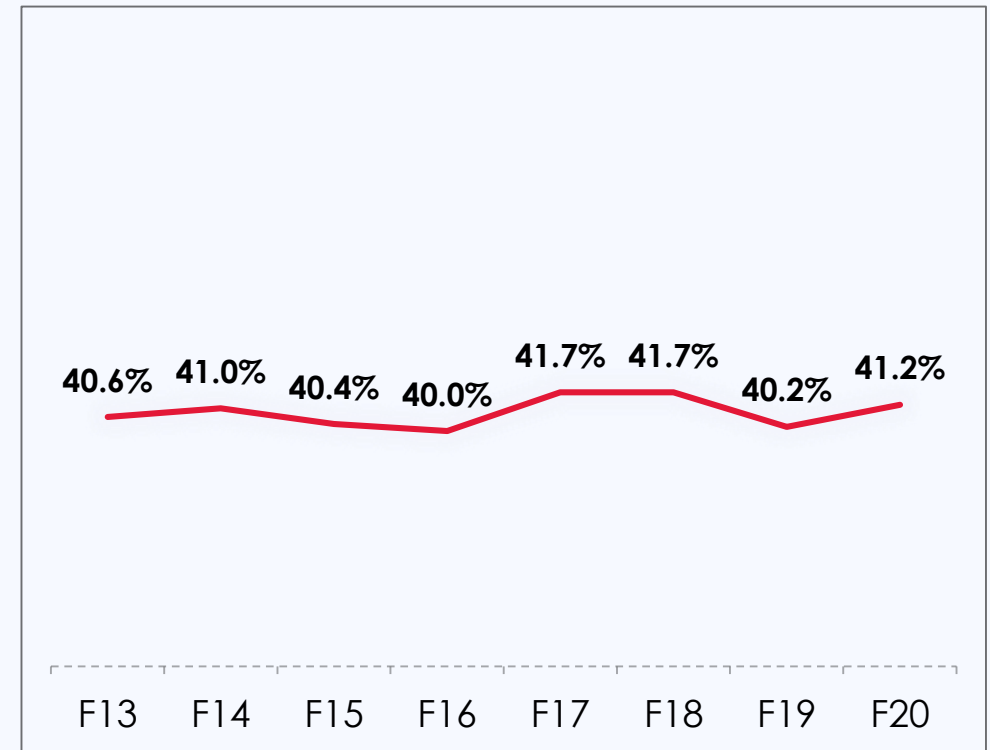
COVID-19 Impact on PBIT **~194 Crs**

RESILIENCE IN PERFORMANCE

Stability in Volatility



Continued Domestic Leadership



**Includes 5 new Players added in the TMA Data from F16*

AS HIGHLIGHTS F20

CV* MARKET SHARE

27.7%

CV MS ▲ 3.1% pts

UV MS 19.0%

RESILIENT MARGIN PERFORMANCE[^]

OPM 13%

COMPLETE READINESS OF

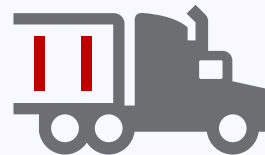
BSVI 

M. ELECTRIC
EBITDA BREAK EVEN IN F20



Treo crosses **4K** nos
70+ cities

RETAIL BETTER THAN BILLING



Dealer stock
only **10K** nos

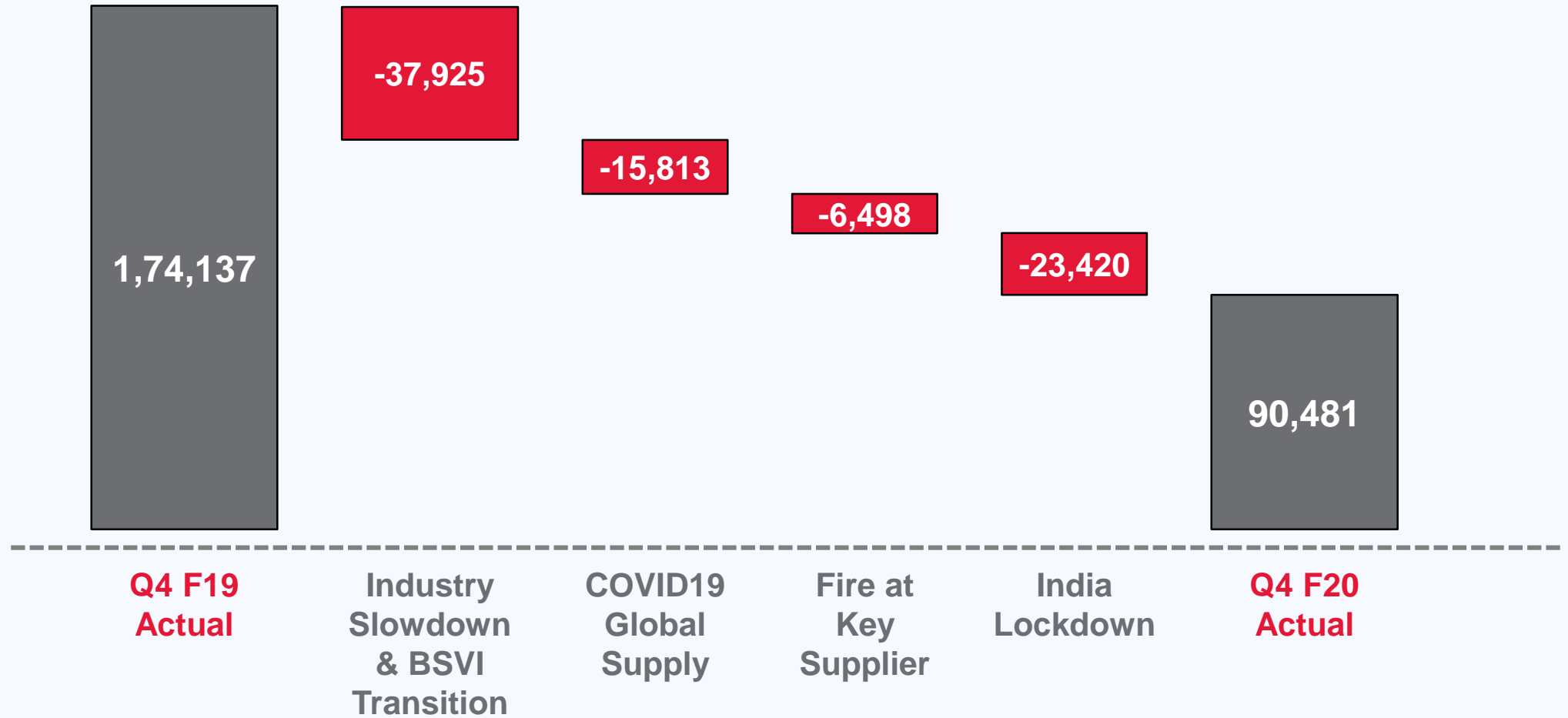
#2 IN SSI; #3 IN CSI
BIC IQS SCORE FOR MARAZZO



*CV includes all commercial 4W from LCV <2T to M&HCV

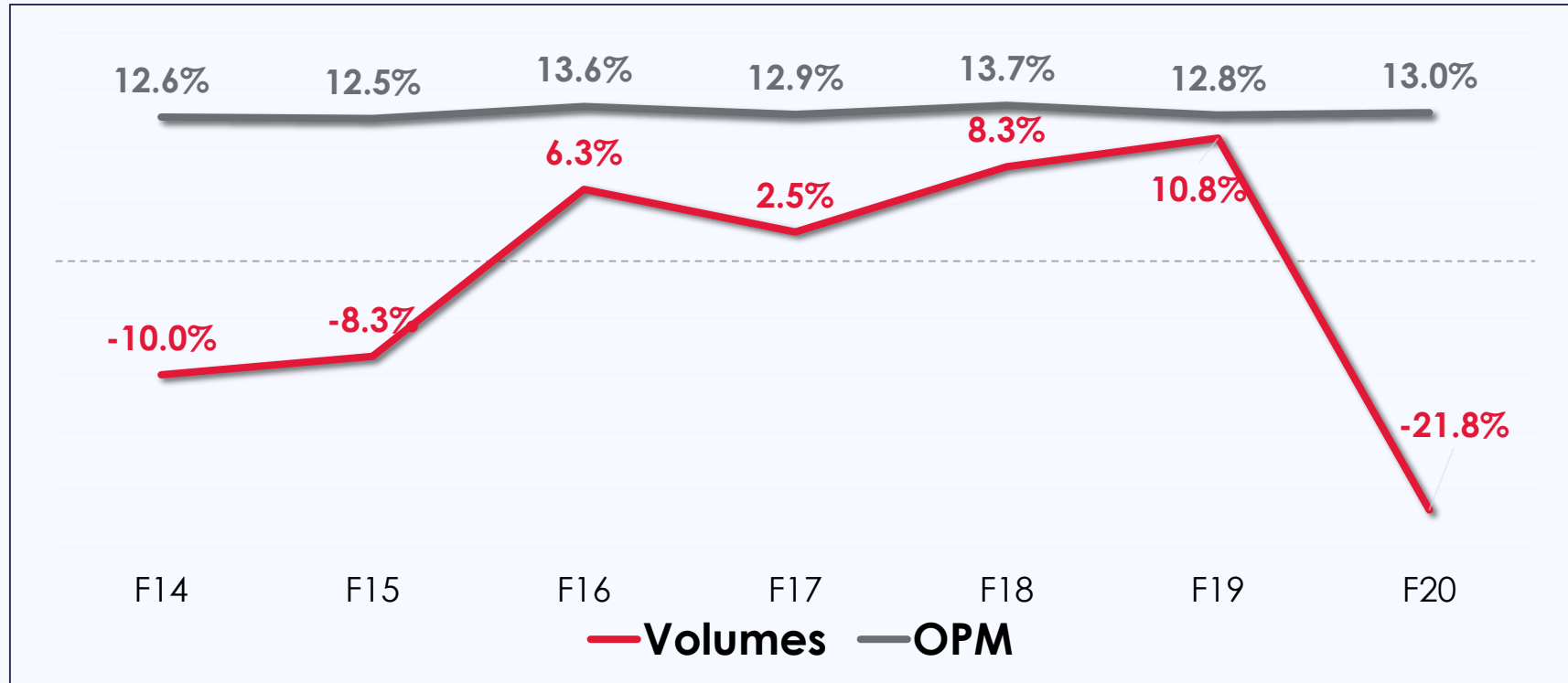
[^]OPM maintained between 12% – 14% since F13

AS Q4 VOLUME WALK



COVID-19 Impact on PBIT **~471 Crs**

Resilient OPM performance for Auto Sector despite volatility in volume / revenue



Progress so far...

Agreements signed

- Development of C-Segment SUV for Ford
- Joint development of connected vehicle solutions
- Supply of BS-VI compliant engines and powertrains for Ford

Agreements under discussion

- Co-development of Battery Electric Vehicle
- Joint Product Development of BSUV

Potential benefits..

Potential Benefits of Alliance

- Co-sharing of investments & technology
- Economies of Scale in Joint Sourcing
- Joint product development & capacity utilization
- Exports to Emerging Markets

JV start date delayed due to COVID

FUTURE DIRECTION

FARM EQUIPMENT SECTOR

DOMESTIC BUSINESS – CURRENT STATUS

Leverage strong rural opportunity by

- **Managing ramp up:**
 - >90% dealer started
 - Plants operating at > 80% capacity
 - Aligning financiers
- **Leveraging new products**
- **Mechanisation opportunity eg Rice transplantors , harvesters**



FARM EQUIPMENT SECTOR – KEY PRIORITIES



**Strengthen Core
Domestic Business**



**Build Farm Machinery
India Business**



**Turnaround
Global Businesses**



**Build a Moat through
Farming as a Service(FaaS)**



K2 Project



“Krish-e” : FARMING as a SERVICE

Krish-e provides progressive interventions across the crop cycle that help improve farmer outcomes and are affordable and accessible.



PROJECT K2

4 Geographies, 4 Platforms, 38 Models

Light Weight Compact Global Tractor Project



**Large Utility - 11 Models
41 – 70 HP**



**Small Utility - 11 Models
25 – 40 HP**



**Compact - 10 Models
18 – 35 HP**



**Sub Compact - 6 Models
13 – 26 HP**

SE Asia & India



USA



Japan



MAGNA – TURNAROUND ACTIONS

Break even in F22 by

- Price and Value proposition
- Cost structure optimization:
 - Financing cost reduction
 - Manpower costs
 - Inventory reduction at plant/dealer
- More digital marketing



FUTURE DIRECTION

AUTOMOTIVE SECTOR

A WALK – RUN – FLY APPROACH

WALK (April – August)

- **Conserve Cash**
- **Segment Focus – rural, goods mobility, B2B**
- **Dealer and Supplier financial health**

Ramp up operations with safety first

- **Manufacturing at ~30% capacity**
- **100% Suppliers operational**
- **Dealers Operational >80%**



RUN (September – March)

- Launch of New Thar
- Bolero, XUV300 to be volume drivers
- Dealer business model redefined

- Strategic re-prioritization of capex
- Aggressive cost optimisation
- Synergy Projects with Ford JV



FLY (F22...)

- **Build distinctive SUV brand**
 - **Digital transformation of customer experience**
 - **Leverage:**
 - 2 new models W601, Z101
 - New Pick up and Supro focus
 - EV Portfolio
- **Path to profitability for Global subsidiaries**
 - **Platform synergy to optimize capex**
 - **Improve Margin of Safety**



AUTOMOTIVE AND FARM SECTORS

WALK

April - August

PROTECT THE BUSINESS TODAY

Manage Cash

- Core WC back to normal
- Capex optimization

Manage Margin

- Improve NVM
- Stringent Cost management

Manage Safety

- Ramp-up with Safety
- Financial health of dealers & suppliers

Conserve today for a secure tomorrow

RUN

Sept - March

RAMP UP WITH FOCUS

- Focus on Domestic Core
- Capex and Investment prioritization
- Build a Moat through Krish-e(FaaS)
- Simplifying the business

Turnaround Global Businesses, Manage cash

FLY

F22 & beyond...

DIFFERENTIATED & PROFITABLE GROWTH

- SUV Core brand differentiation
- Launch New Yuvo Star and K2
- Digital transformation
- Leverage Platform synergy to optimise capex

Turnaround Global Businesses, New Auto Launches

THANK YOU

