

Reigniting Value Creation



Analyst Meet

Dr Anish Shah | 12th June 2020

KEY MESSAGES

- Resilient performance of Domestic Auto & Farm in a tough year
- Ssangyong and other International subsidiaries drive significant reduction in profits
- Strong cash position to tackle COVID
- Tough actions underway to re-ignite value creation

F20 Results



Rs Cr

	F20	Vs F19	Excl COVID, BSVI
Revenue	44,866	-15%	-8%
EBITDA	6,351	-16%	-5%
PBT (before EI)	5,402	-23%	-12%

- Operating margins maintained at 14.2%
- Cash Generated Rs 3,946 cr
- Farm Market Share up 1%
- Auto LCV < 3.5T Market Share up 1.2%

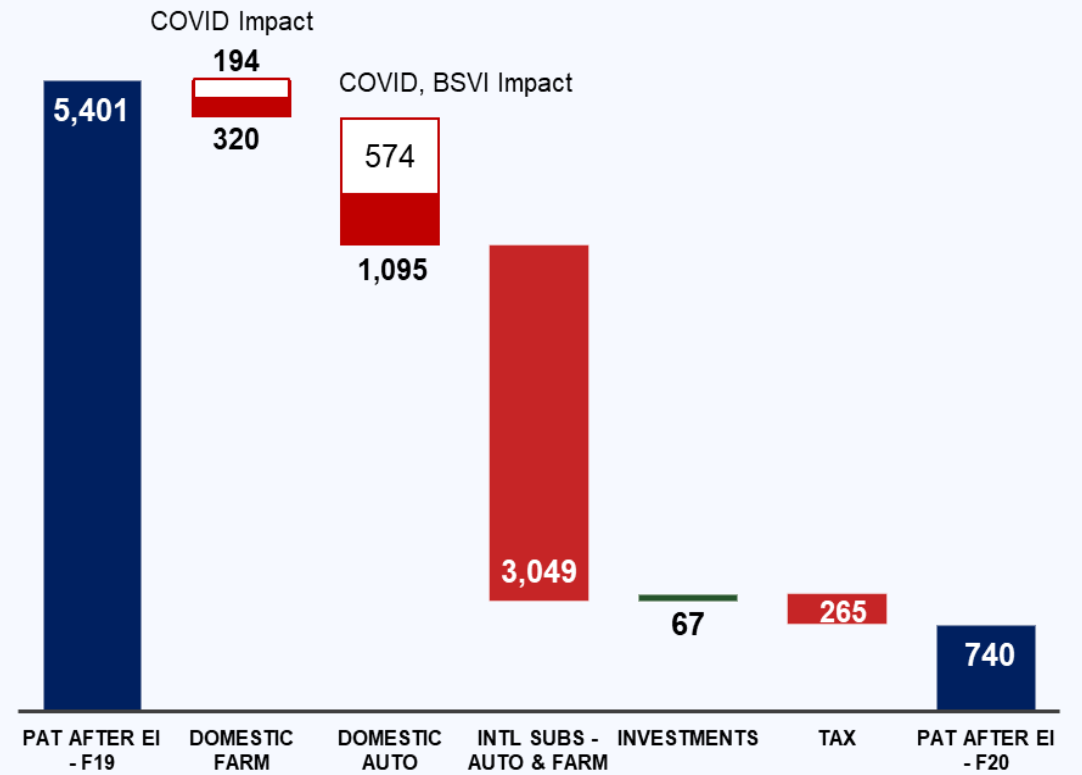
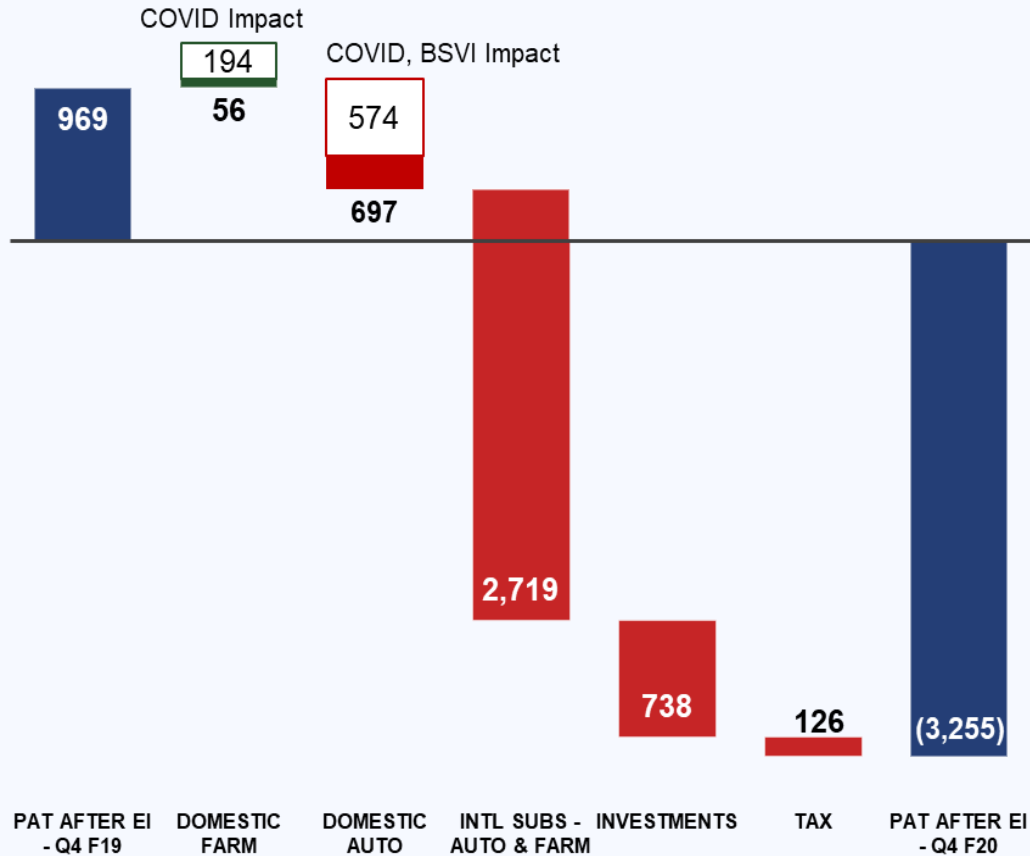
PAT (AFTER EI)

Standalone

Q4 F19 to Q4 F20

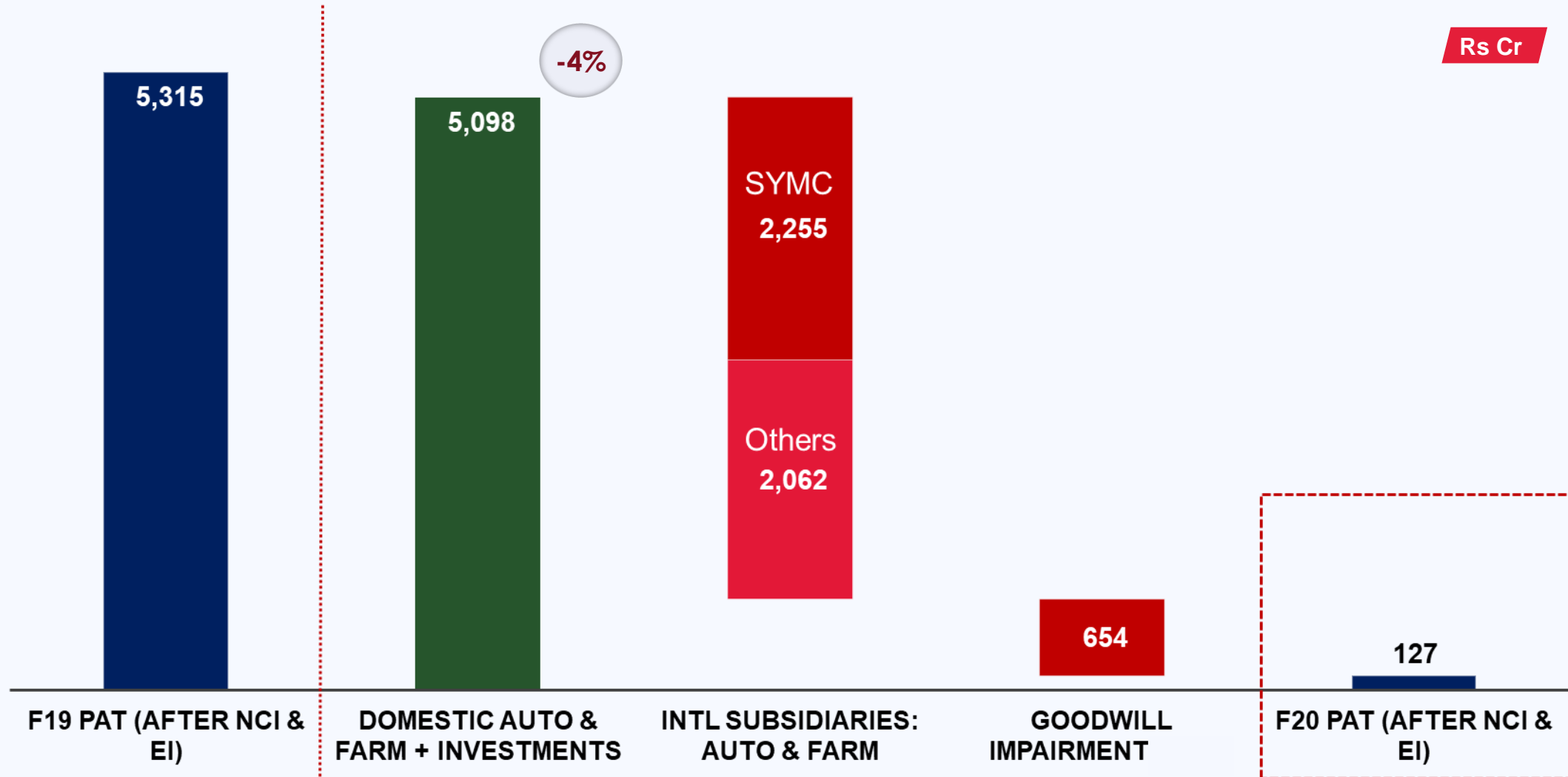
F19 to F20

Rs Cr



PAT (AFTER NCI & EI): F20

Consolidated

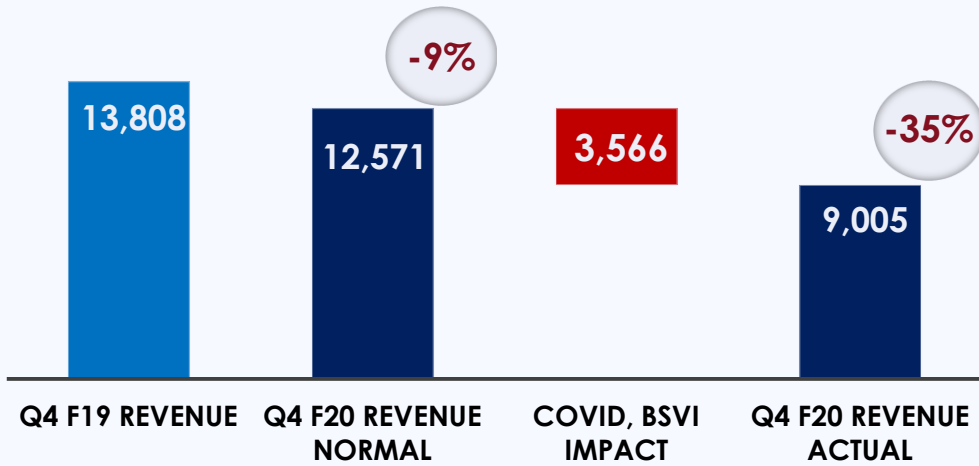


Consolidated basis

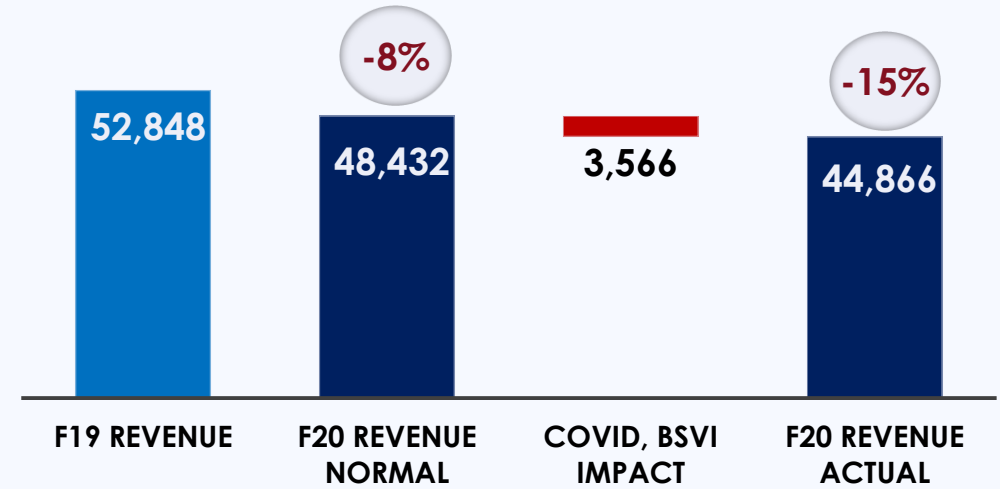
PMTC and Genze are included in International Auto and Farm

Rs Cr

Q4 F19 to Q4 F20



F19 to F20

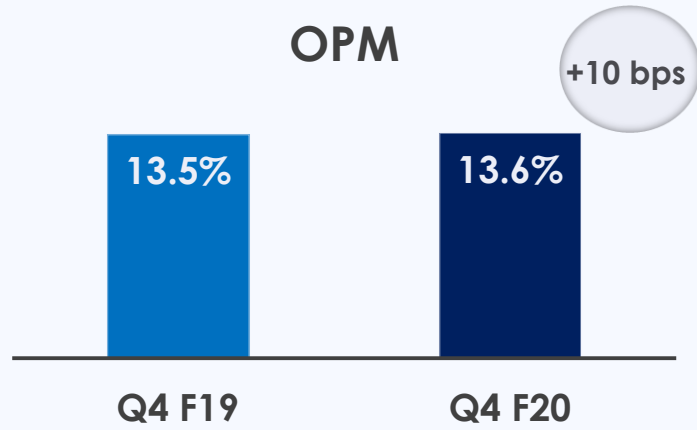


OPERATING PROFIT MARGIN

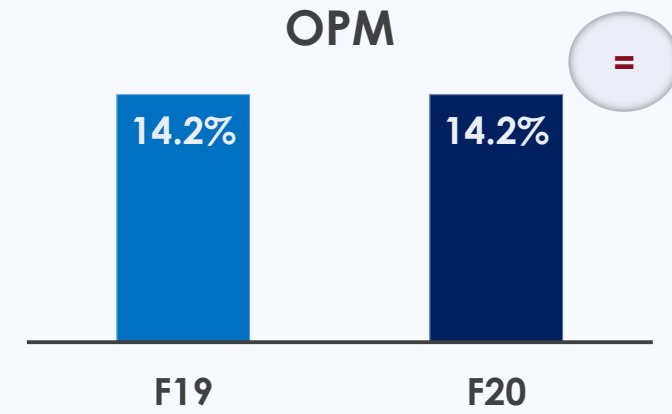
Standalone

Rs Cr

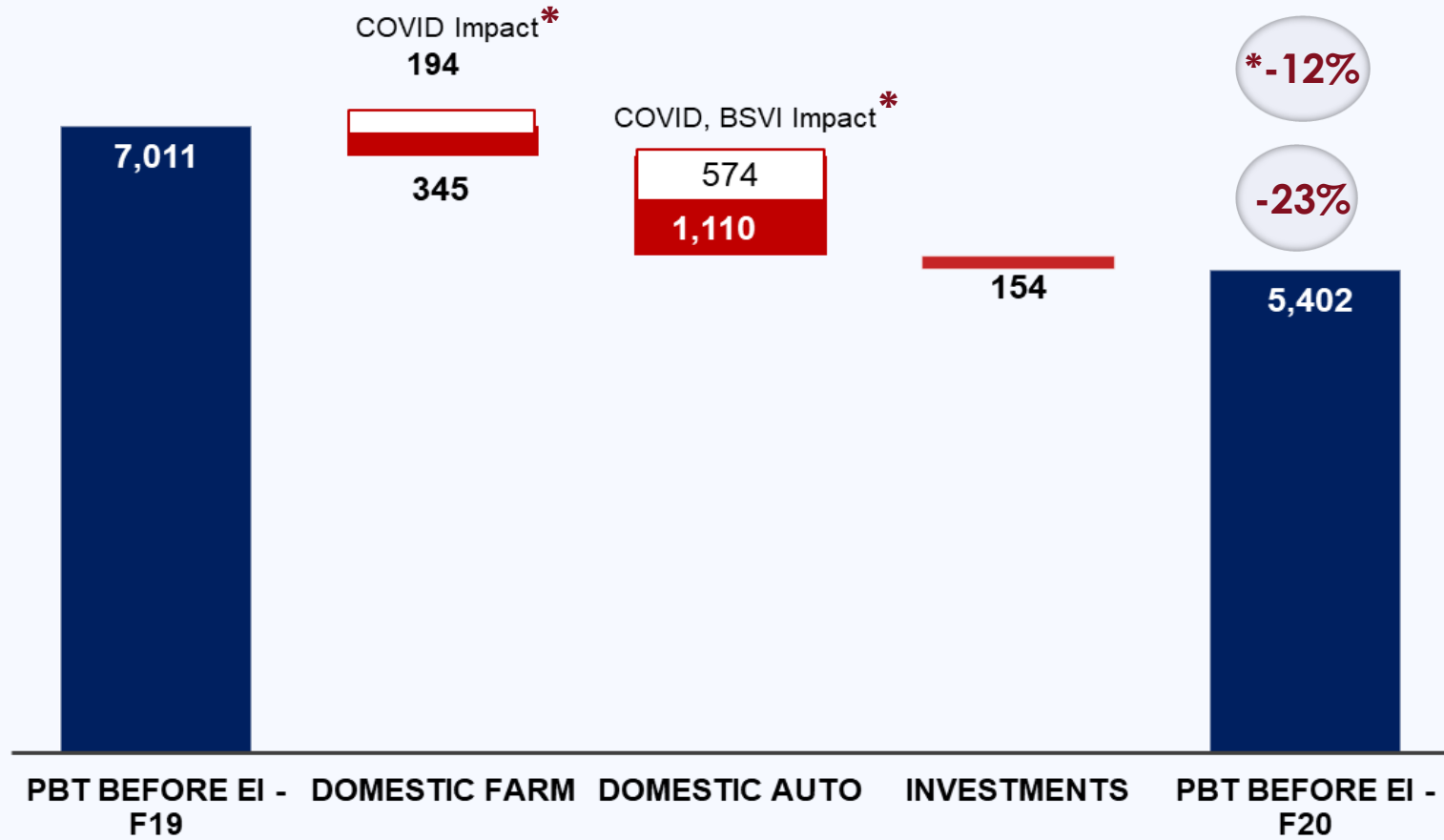
Q4



Full Year

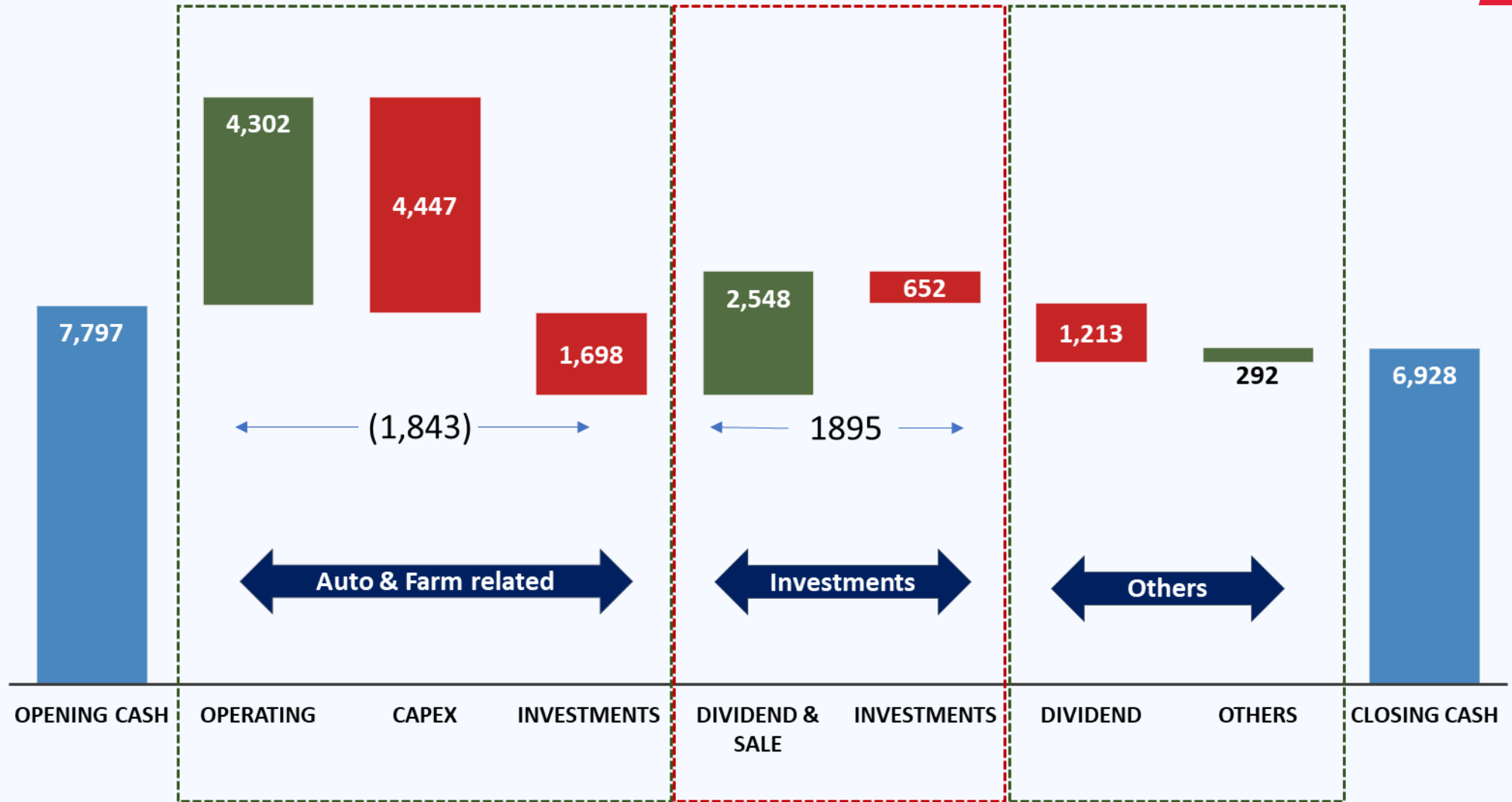


Rs Cr



CASH INFLOWS & OUTFLOWS: F20 Standalone

Rs Cr



Standalone M&M + MVML
 PMTC is included in Auto & Farm related

SUMMARY

- Resilient performance of Domestic Auto & Farm in a tough year
 - Market share gains: Farm up 1%, Auto LCV<3.5T up 1.2%
 - Operating Margins maintained for both Farm and Auto
 - Profits lower due to BSVI transition & COVID impact
- Ssangyong and other International subsidiaries drive significant reduction in profits
- Strong cash position to tackle COVID
 - Current Cash Balance of Rs 10,300 cr
 - Additional Committed Borrowing line of Rs 2,250 cr

Actions to Reignite Value Creation



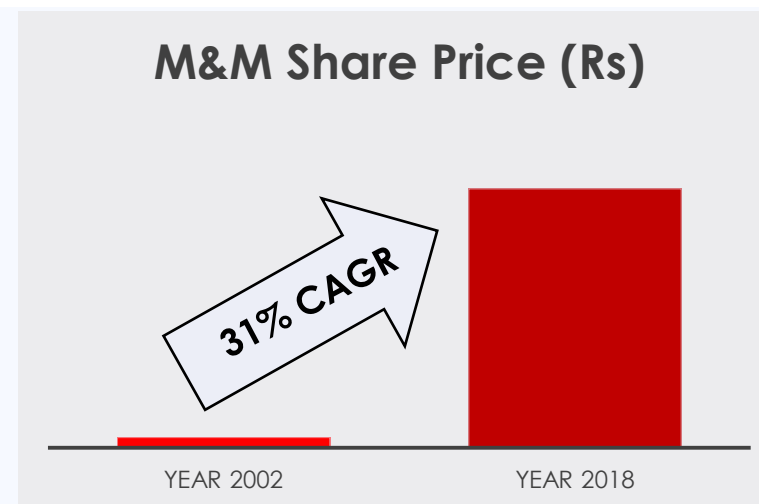
NOT LONG AGO...



anand mahindra  @anandmahindra · Aug 21

In 2002, we began our annual Group conference labelled "BlueChip" because we vowed we would lift our performance & make the stock price reflect our genuine potential. So forgive us for being emotional today. The Nifty hit a high & our stock proved to be the best performer since 2002..

***Aug 2018:** NIFTY scales new high and M&M leads the Year 2002 NIFTY pack with highest returns @ 31% CAGR



M&M highest performer in NIFTY since its inception...fill Aug 2018

LEGACY OF VALUE CREATION



F02-F18

F18-F20

Operating Cash Flow pre Capex (Rs Cr)

2,433

5,210

EPS CAGR

34%

(87%)

Avg RoE

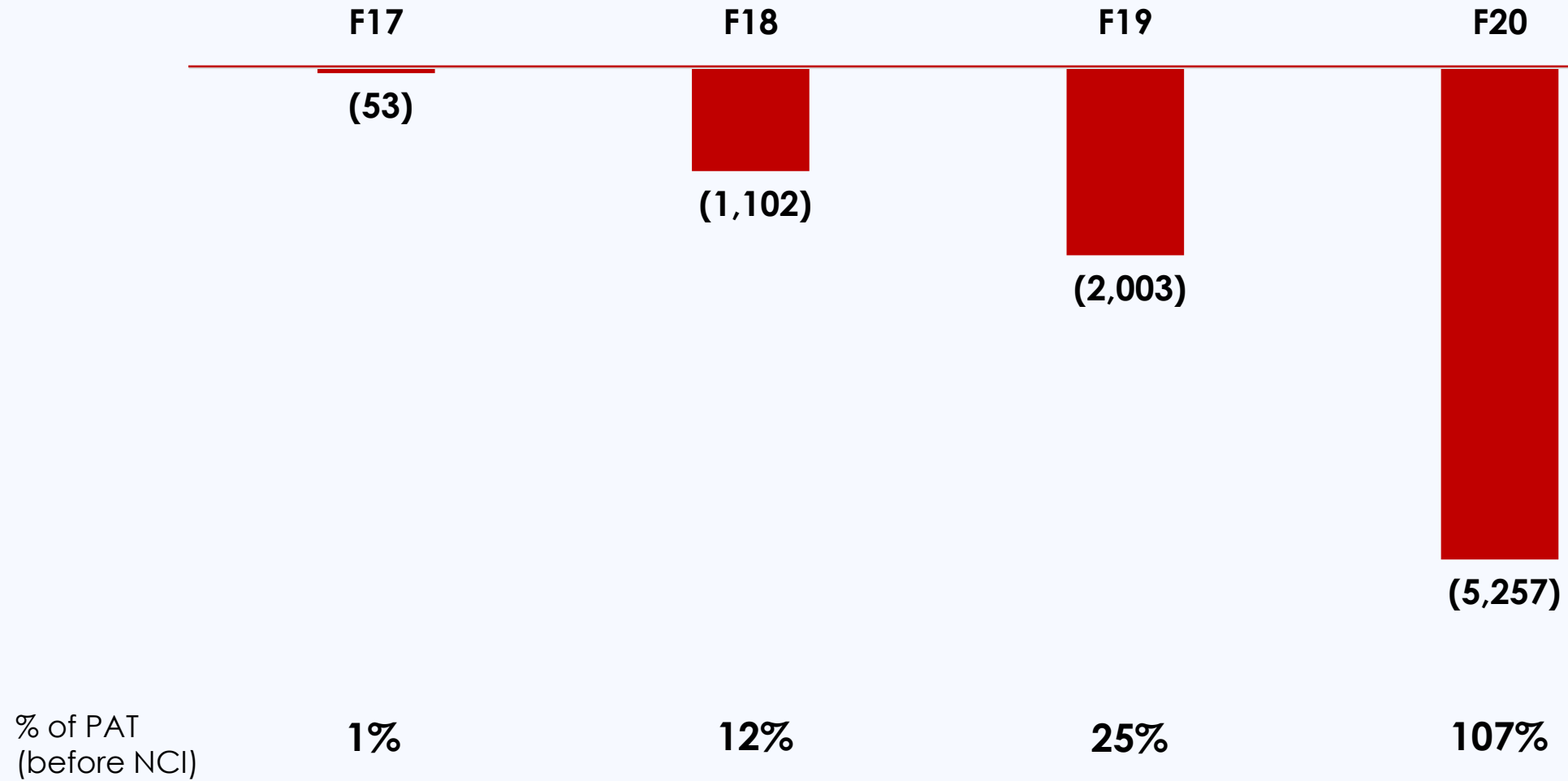
22%

12%

EPS and RoE on consolidated basis
Cash Flow is Average per annum on standalone basis for M&M

LOSSES OF INTERNATIONAL SUBS

Rs Cr



ACTION ON LOSS-MAKING SUBS

Tighter Capital Allocation Norms

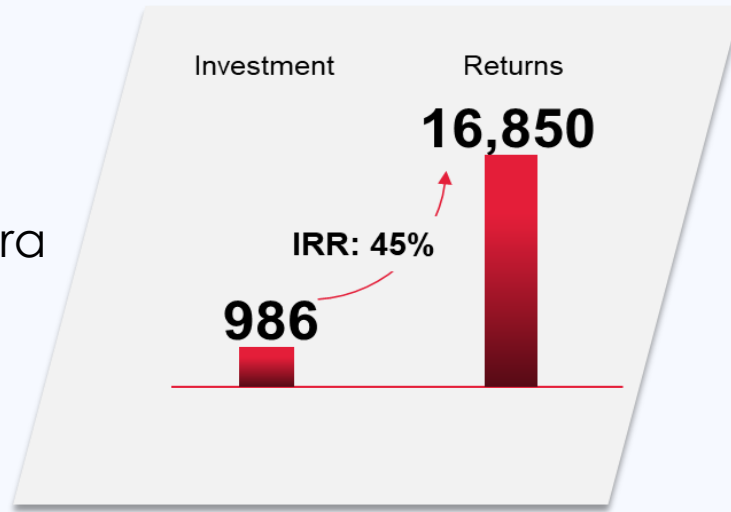
Loss-making businesses/entities to be closely scrutinized & put under 3 categories, viz. A, B and C

Category	A	B	C
Logic	Entities with clear path to 18% RoE	<i>Delayed or unclear path to profitability but quantifiable strategic impact</i>	Unclear path to profitability
Action	Continue	Continue	Exit (Explore partnership, alliance or shut-down)

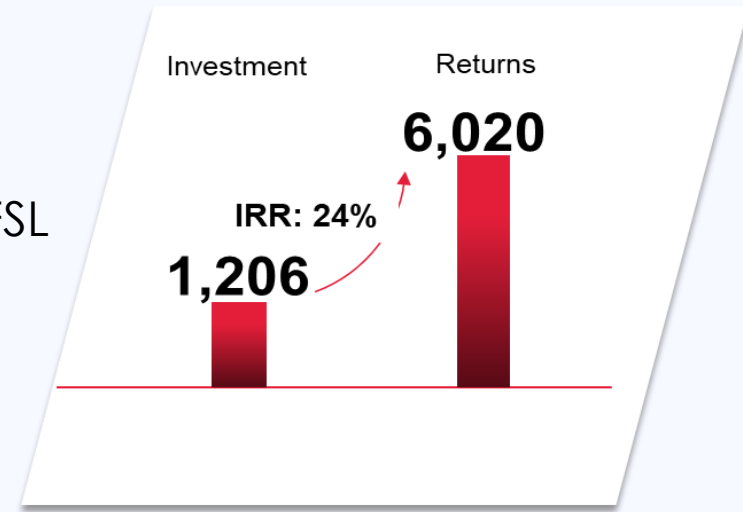
VALUE CREATION IN LISTED COMPANIES

Rs Cr

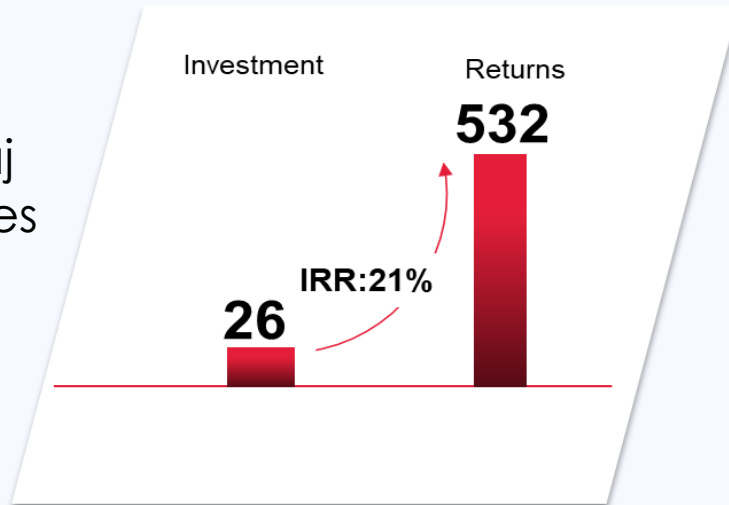
Tech
Mahindra



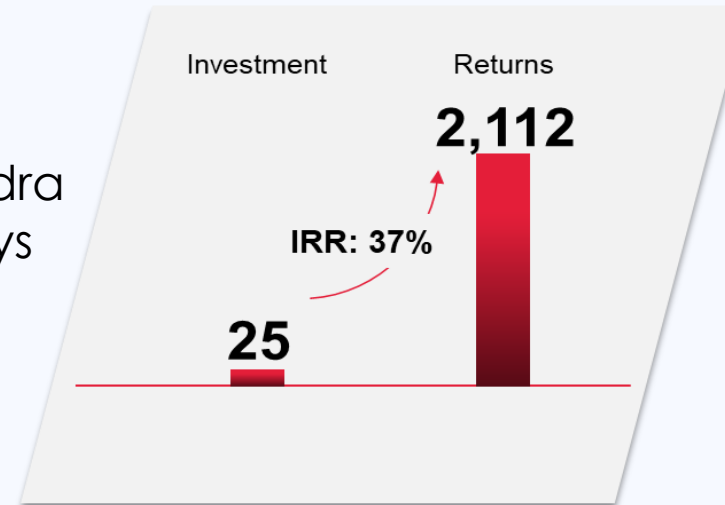
MMFSL



Swaraj
Engines



Mahindra
Holidays



Returns include dividends, sale & market value of the holding on 31st Mar, 2020. Investment include both original cost and subsequent investments

HARNESS VALUE FROM POTENTIAL BILLION \$ CANDIDATES



Aftermarket



Powerol



Mahindra Rural
Housing Finance



Mahindra
Susten

Make in India...
Supply to the World



Agri



Mobility



Mahindra
Accelo



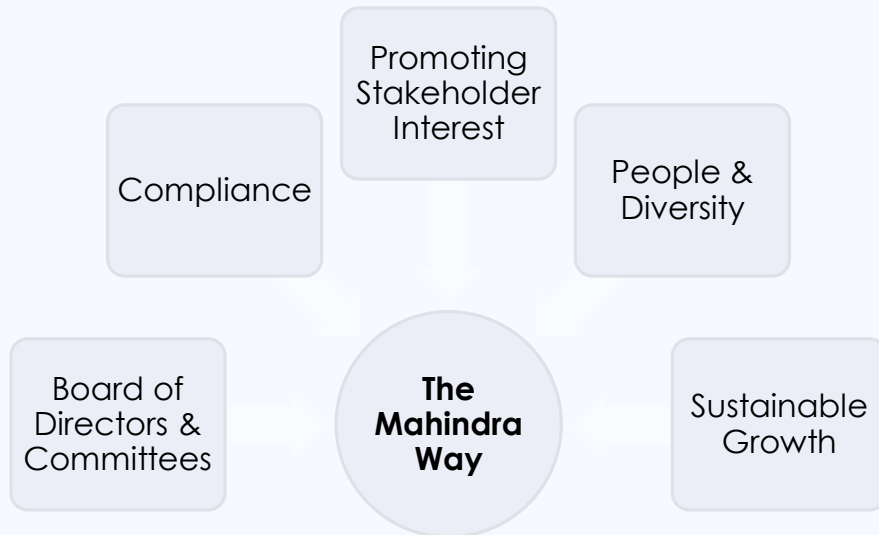
Classic
Legends



Mahindra
Electric

Mahindra: A gateway to
the largest and fastest
growing themes in India

GOVERNANCE IS OUR BEDROCK



Growth, Governance & Social Focus



M&M: Golden Peacock Global Award for 'Excellence in Corporate Governance for 2019'



M&M: 'Best Corporate Governance – India 2019' award from Business Vision



Award winner
India 2019

M&M: IR Magazine Award 2019 for 'Best financial reporting (large cap)'



M&M: ICSI 'National Award for Excellence in Corporate Governance in Listed Segment: Large Category' for 2019



Mahindra Annual Report 2019 wins Gold at the MARCOM Awards, USA

M&M: **AAA rating for 6 years** in a row, from four key Credit Rating Agencies



PATH FORWARD

- Tightened Capital Allocation norms
- Act on all loss making subsidiaries
- Define clear narrative for Auto
- Harness value from unlisted gems

On track to Re-Ignite Value Creation

#FUTURise