



Analyst Meet Q3 F21
Automotive & Farm Sectors

RAJESH JEJURIKAR

5th February 2021

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*

Q3 Performance Highlights



Farm Equipment Segment

Highest ever PBIT: **1,236 Crs**

PBIT %: **23.4%** (improvement of **400 bps** YoY)

Highest ever Quarterly ROCE*: **242%**

2nd Quarter of **negative WC** leading to high cash generation

Revenue: **Rs 8,311 Crs** (grew by **12% vs PY**)

PBIT Growth of 18.9%** (YoY)

YoY reduction in fixed expenses

High negative WC aiding cash generation



Automotive Segment

Based on Published Results

* ROCE based upon annualized PBIT of Q3 F21 and average of Opening and closing Capital employed of Q3 F21

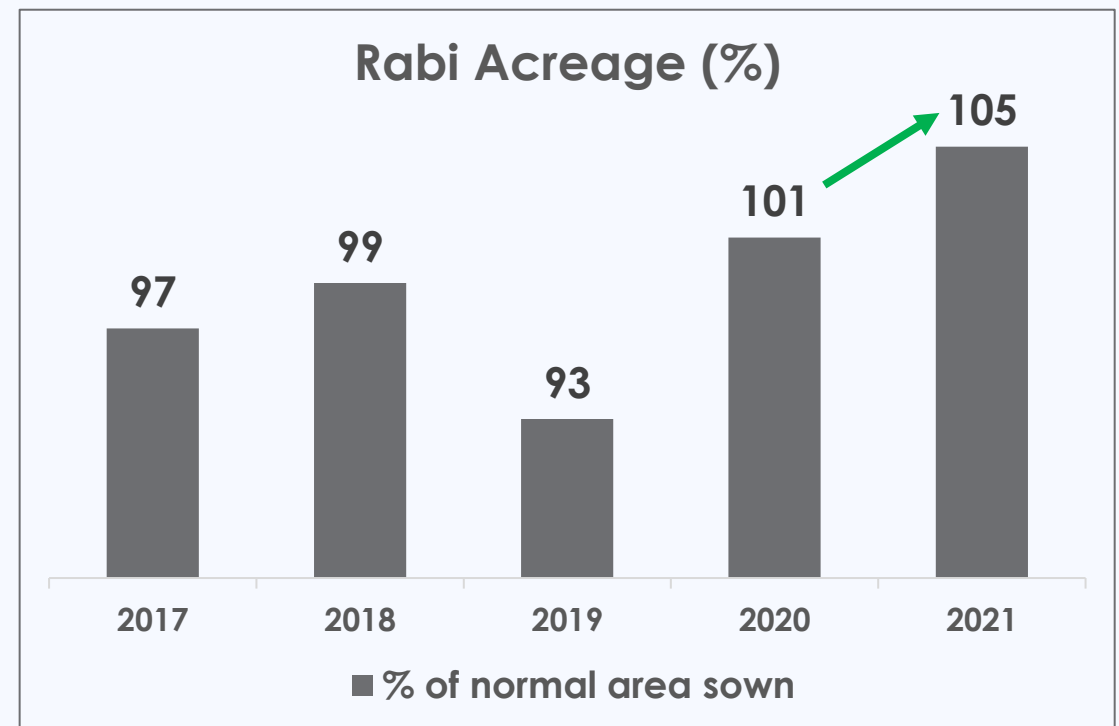
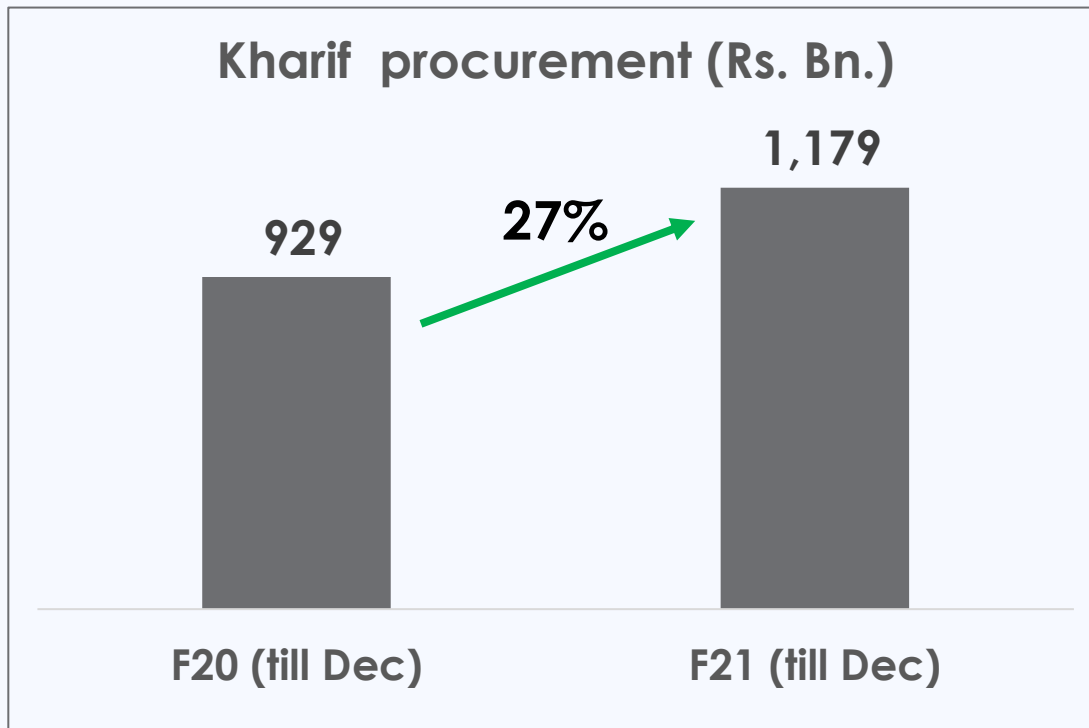
** including one-off gains Rs. 90 Crs and EI gain of Rs 30 Crs

Rural Growth Story

Kharif Procurement and Rabi acreage

Kharif procurement progressing at an encouraging pace. By end of Dec., Kharif procurement was **~27% higher than PY** and estimated to add **~12% to Farm Revenue*** over PY

Rabi acreage at highest level at 65 Mln hectares (as on 15th Jan)



Source: Press Information Bureau

Source: Ministry of agriculture

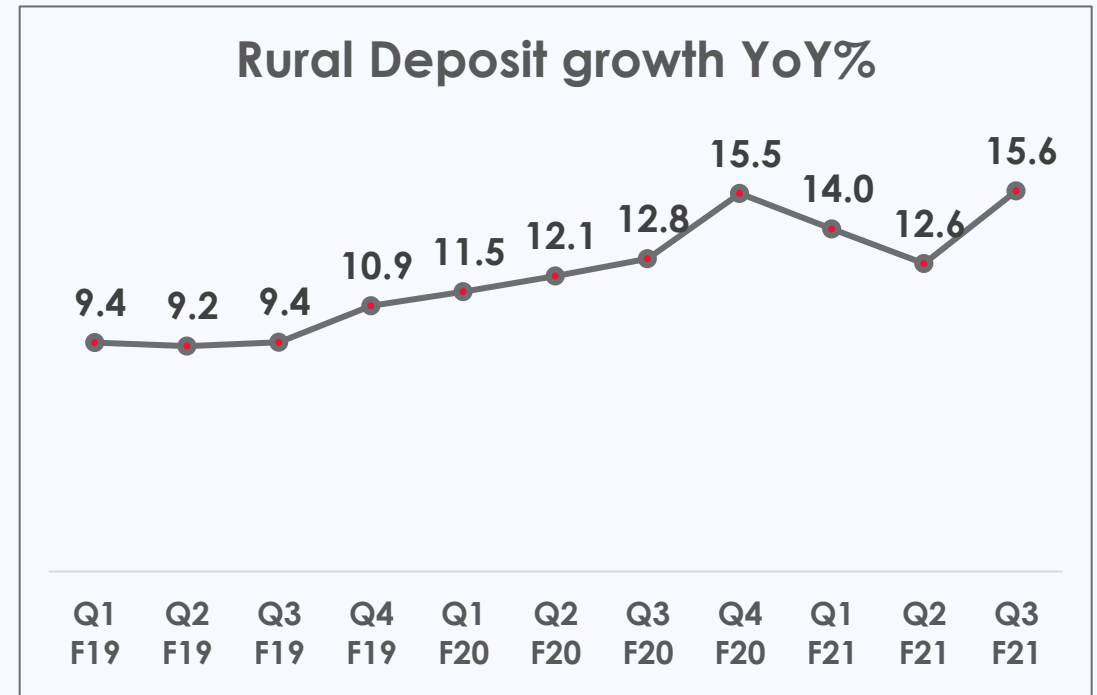
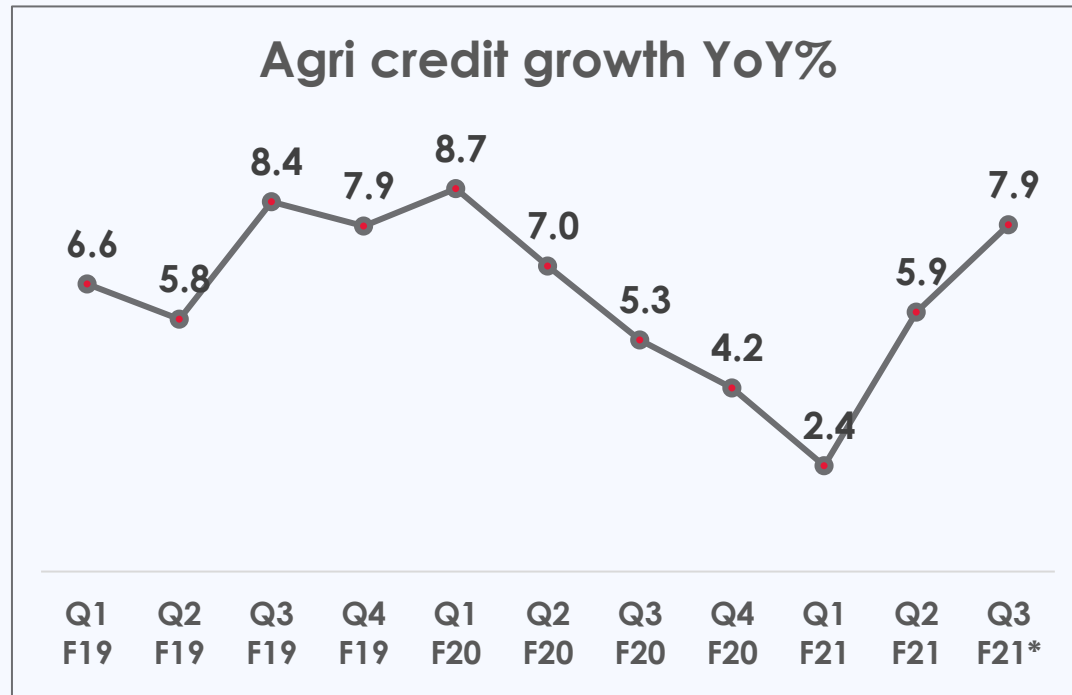
*M&M's internal estimate

Rural Growth Story

Expenditure on productive uses to see growth with increase in agri credit and rural deposits

Agriculture credit growth showed a consistent improvement. Oct-Nov period saw a **growth of ~8% YoY**

Double-digit growth in rural deposits for the **8th consecutive quarter**. Direct cash transfers and increase in Jan Dhan accounts is likely to have supported growth



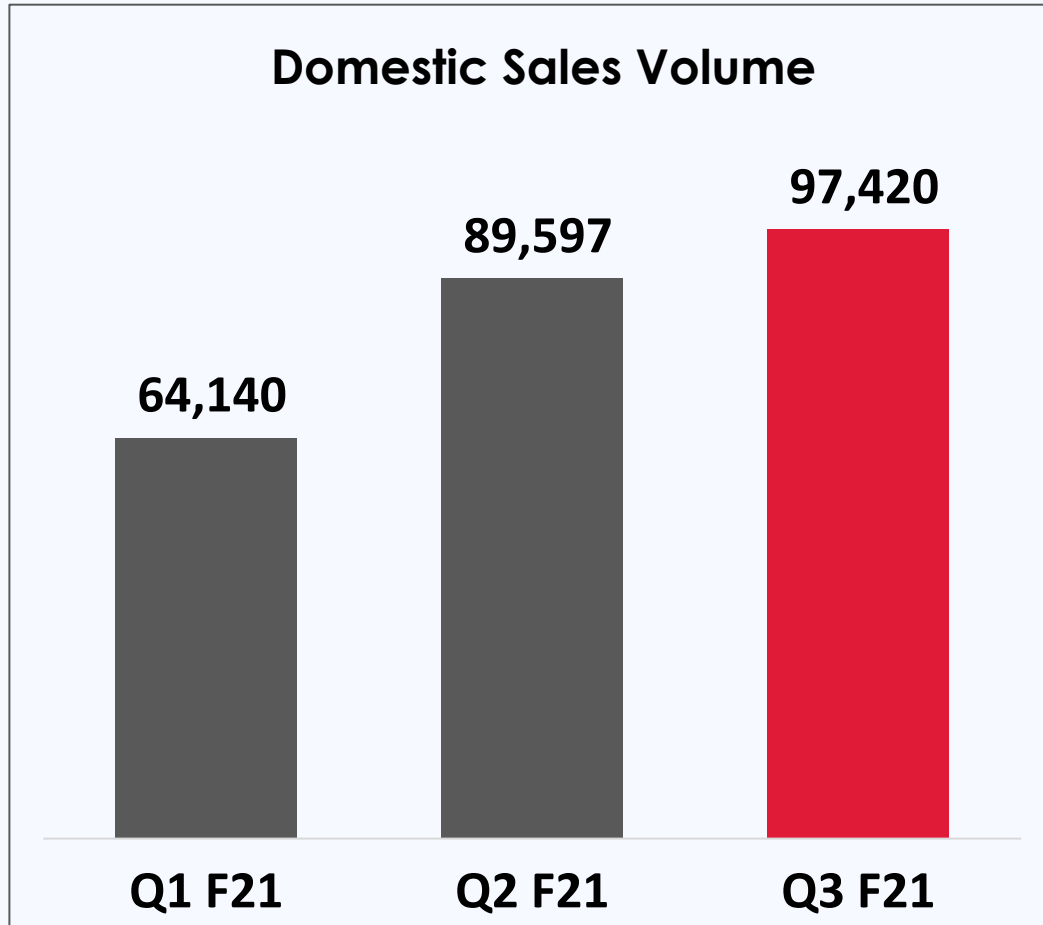
*fill Nov

Source: RBI

FES – Sales and Stock Trajectory

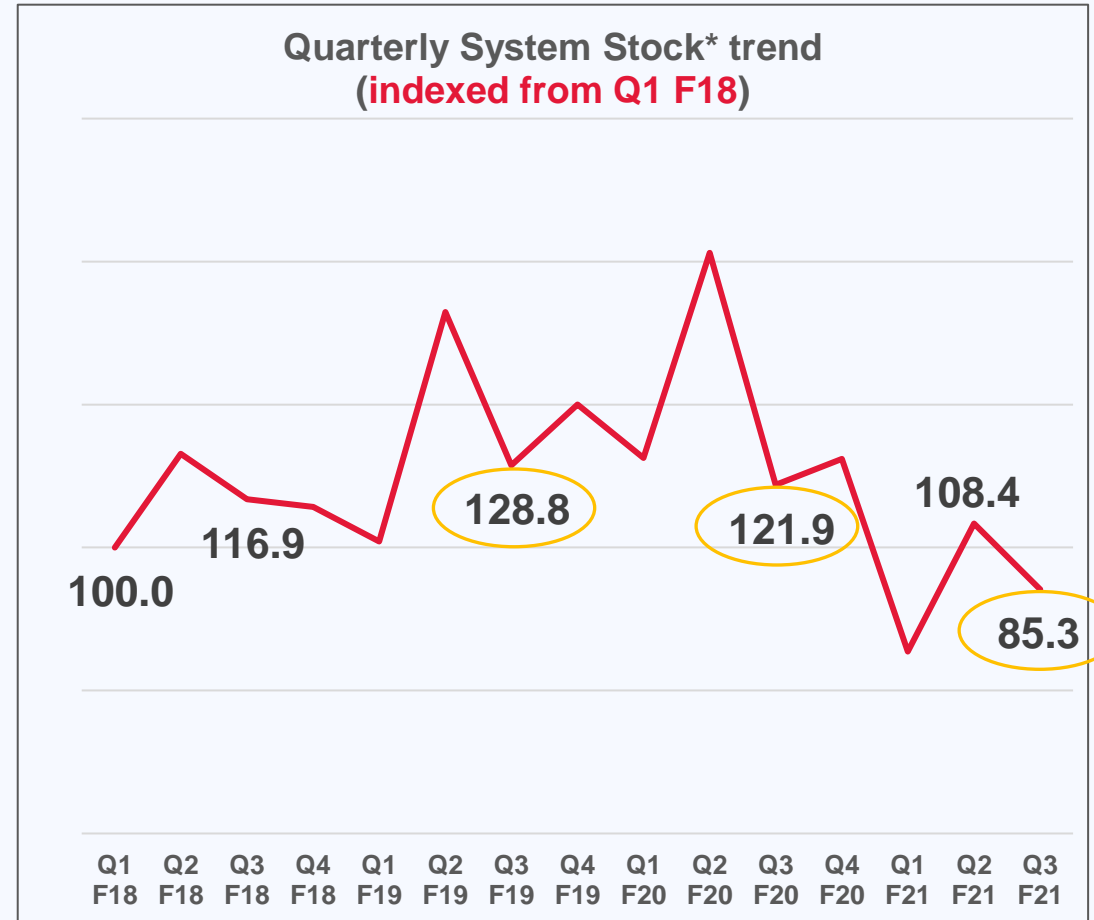


Domestic Sales Volume



Highest ever quarterly sales in Q3 F21

Quarterly System Stock* trend (indexed from Q1 F18)



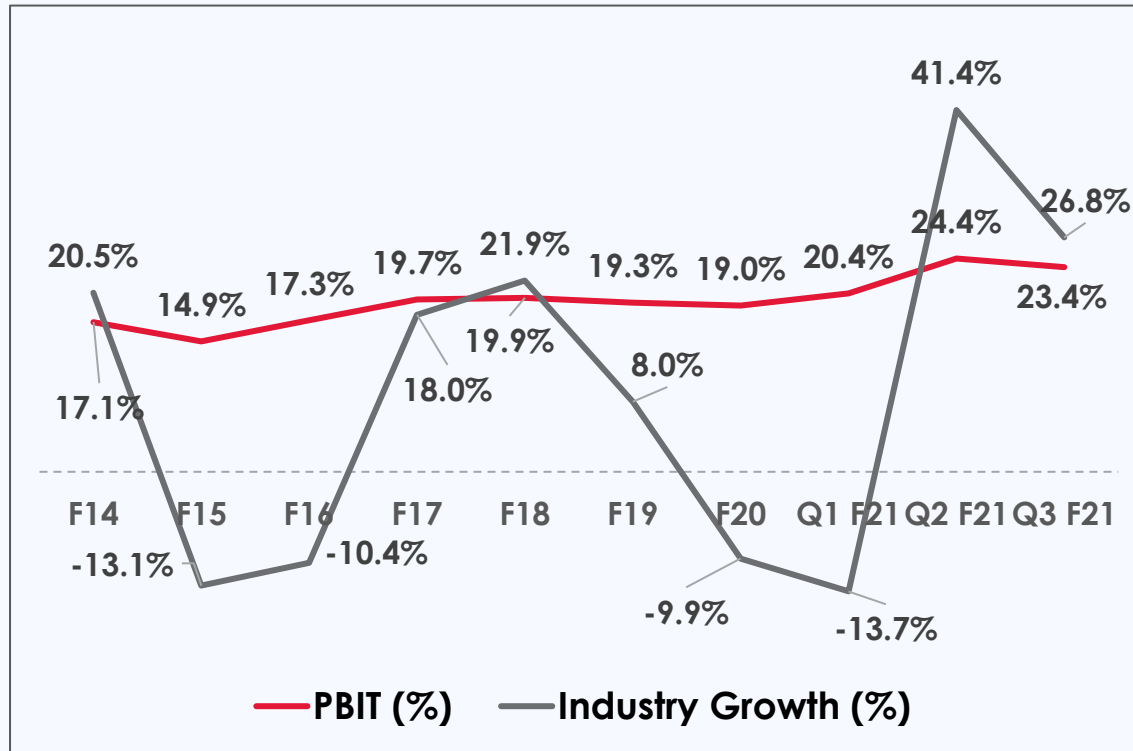
Low System Stock*

* System Stock includes FG Inventory with M&M and Dealers

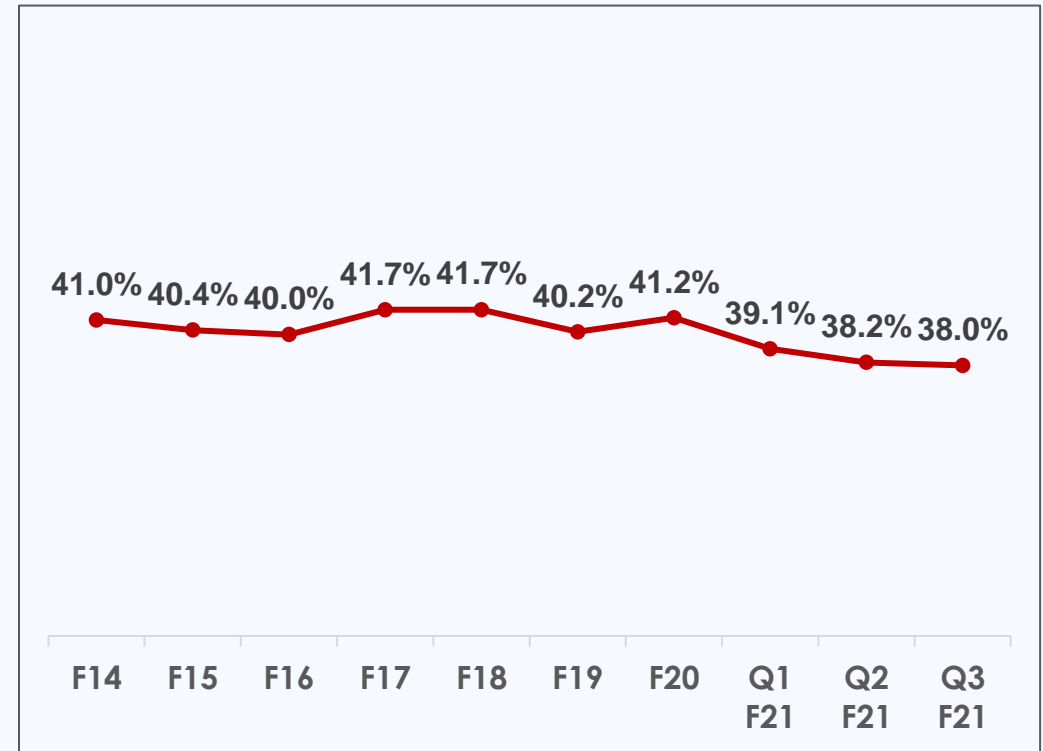
FES – Performance Highlights



Stability in Volatility



Continued Domestic Leadership*



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

*Market Share for Q3 F21 is not a good indicator of performance due to supply side issues

Farm Machinery – High on Growth

KEY ENABLERS

- Leveraging Tractor Dealership
 - Maximizing bundle sales for key products
 - Facilitating easy financing
 - Strong new product pipeline
-

PERFORMANCE HIGHLIGHTS

- Q3 Revenue: 150 Crs (up 36% YoY)
- YTD Dec F21 Revenue: 380 Crs (up 48% YoY)
- Building exports market



TMCH

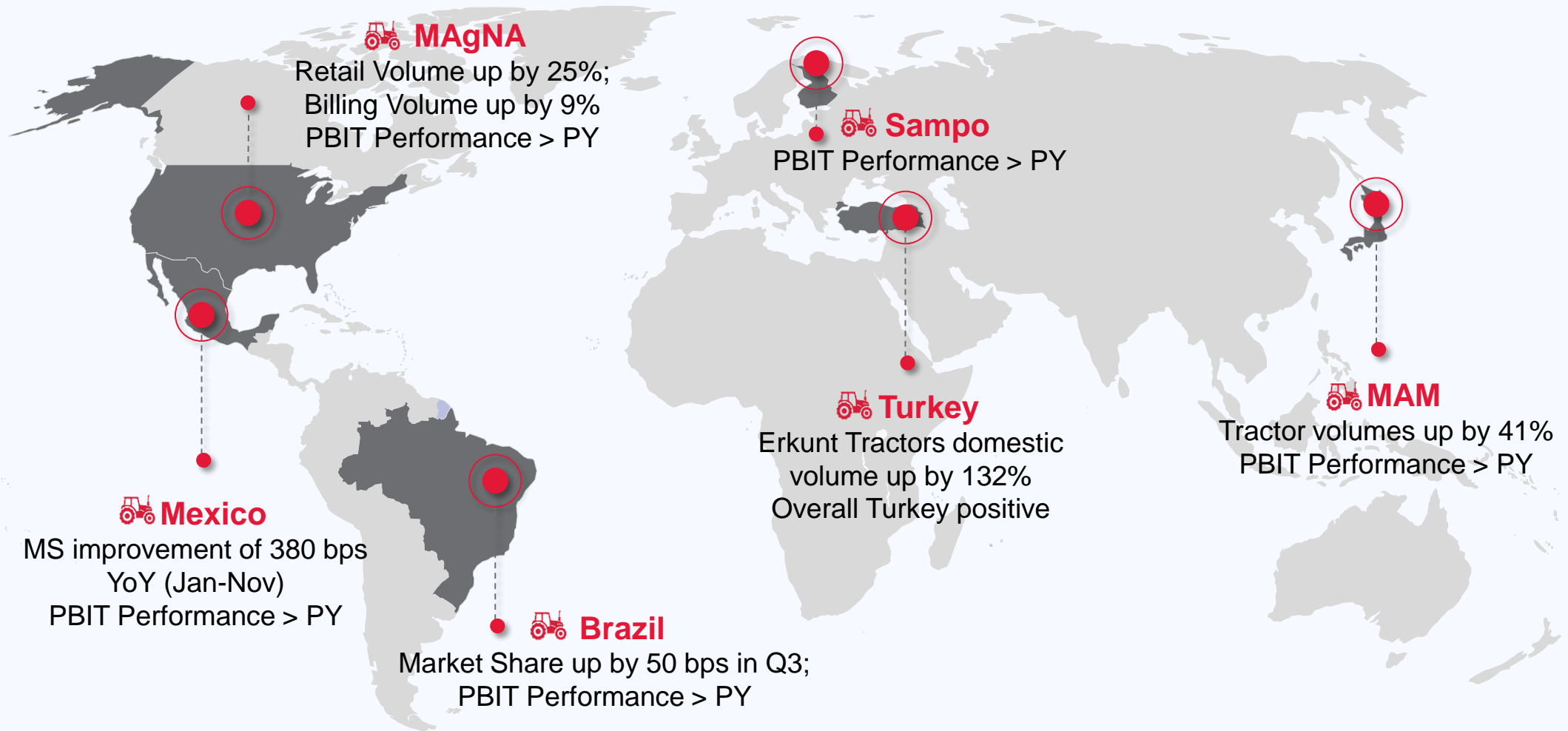


ZLX+ Gyrovator



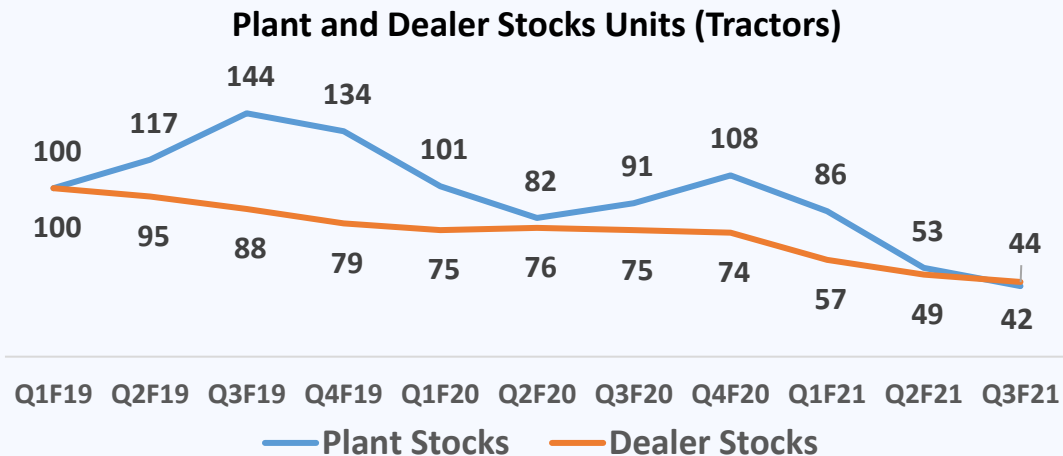
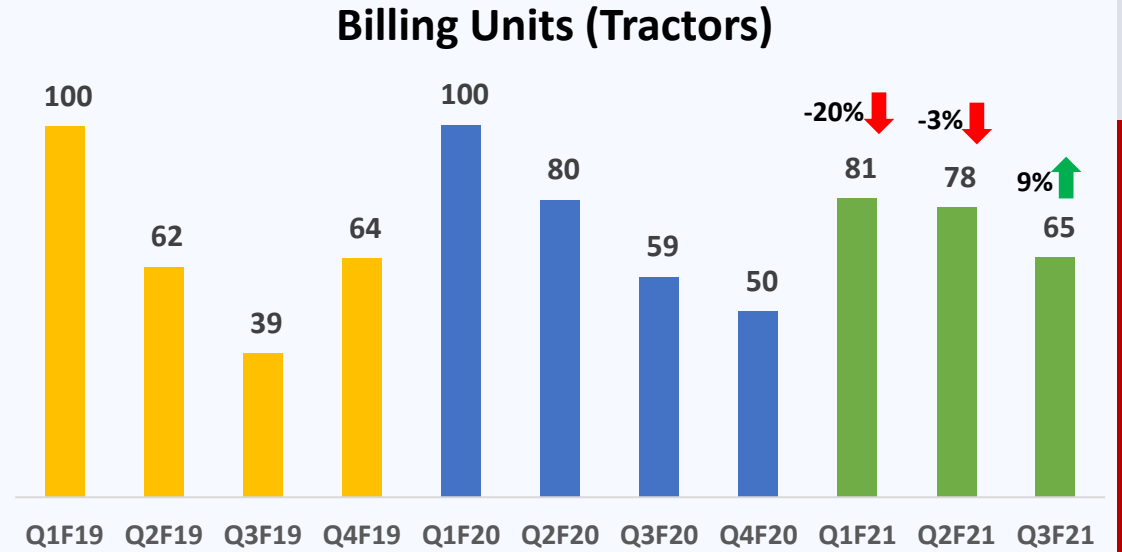
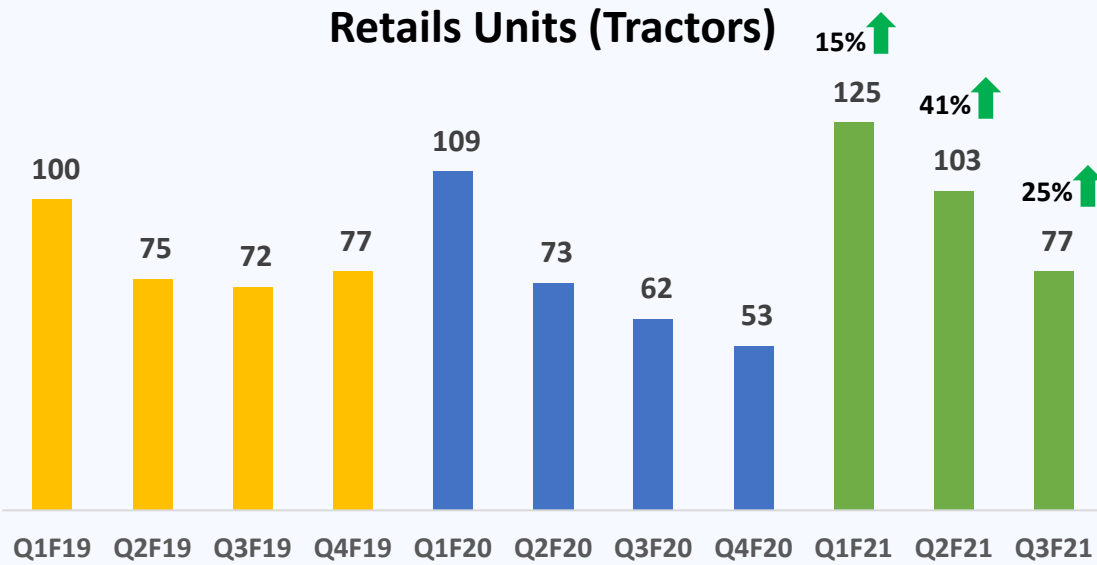
SLX Gyrovator

TURNAROUND – FES Global Businesses

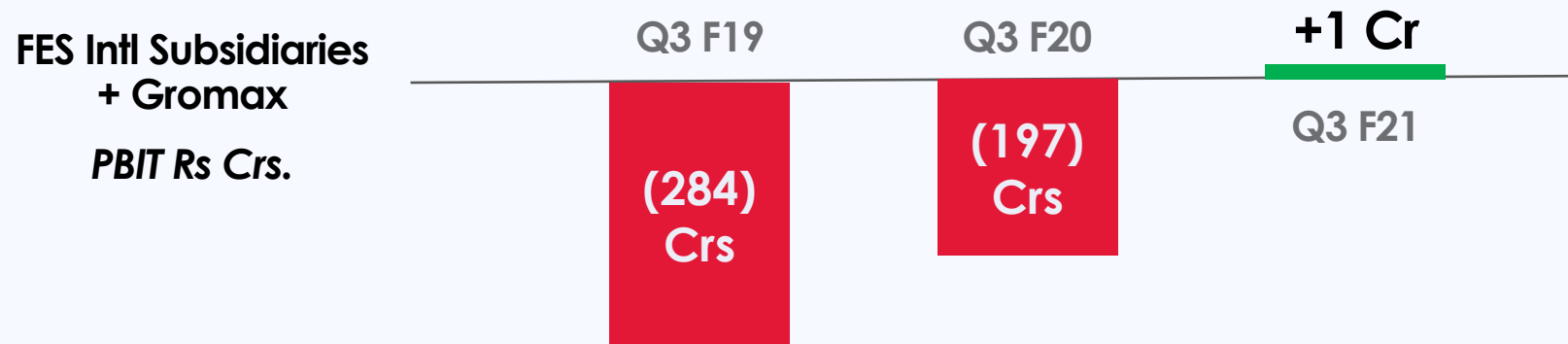
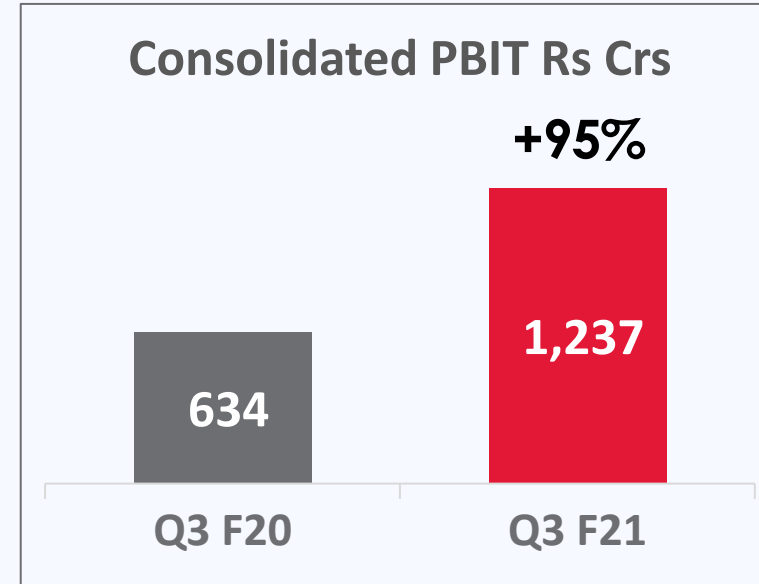
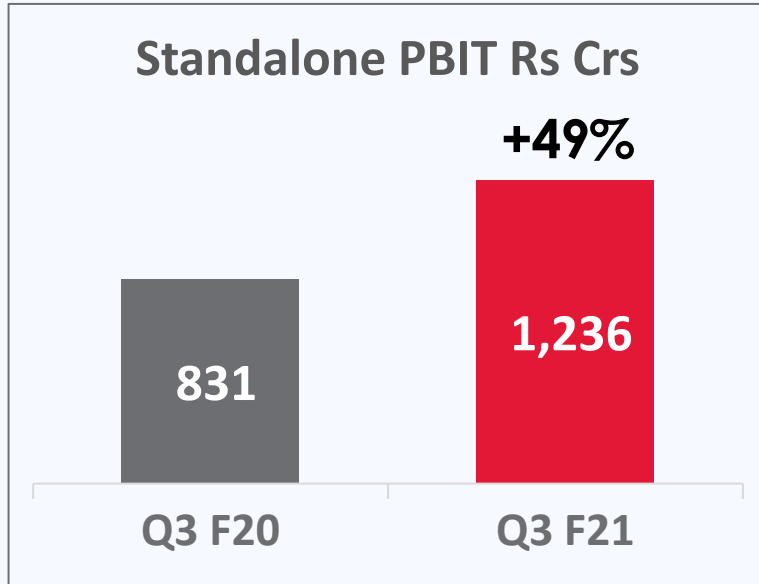


MAGNA: Retails and Billing trend

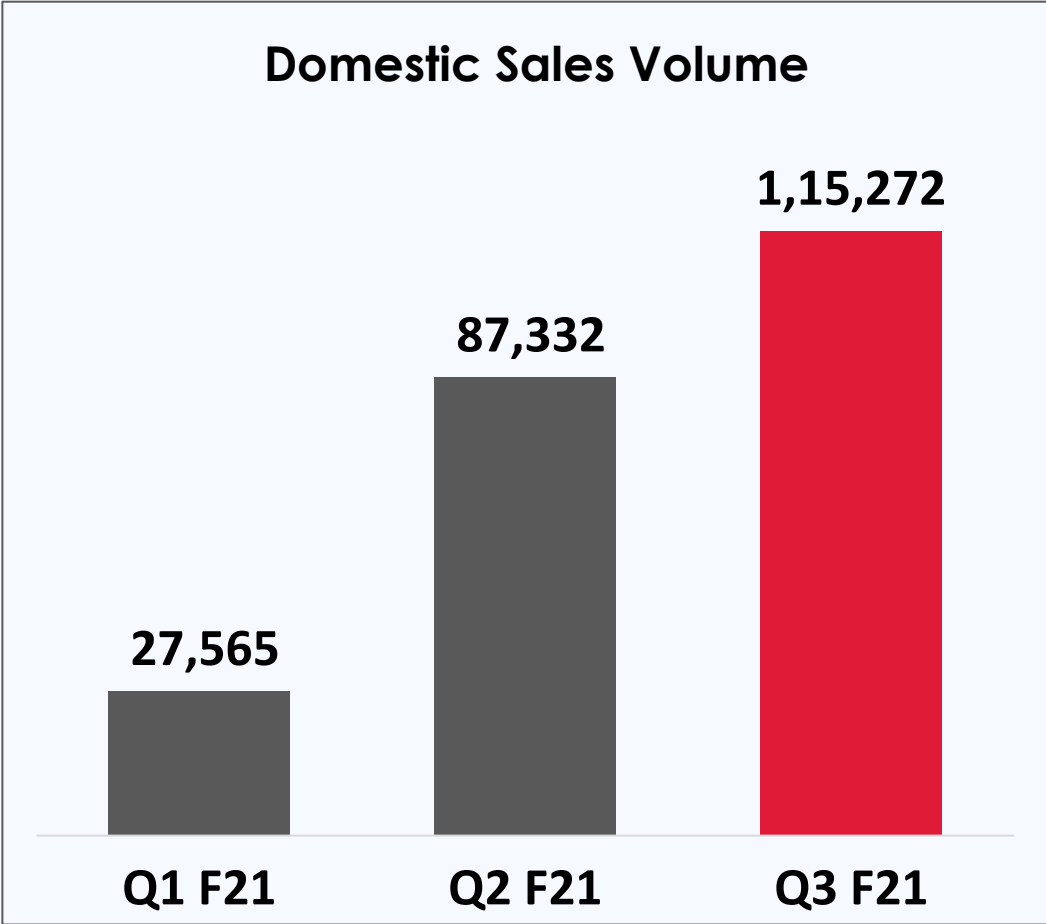
All Numbers indexed from Q1 F19



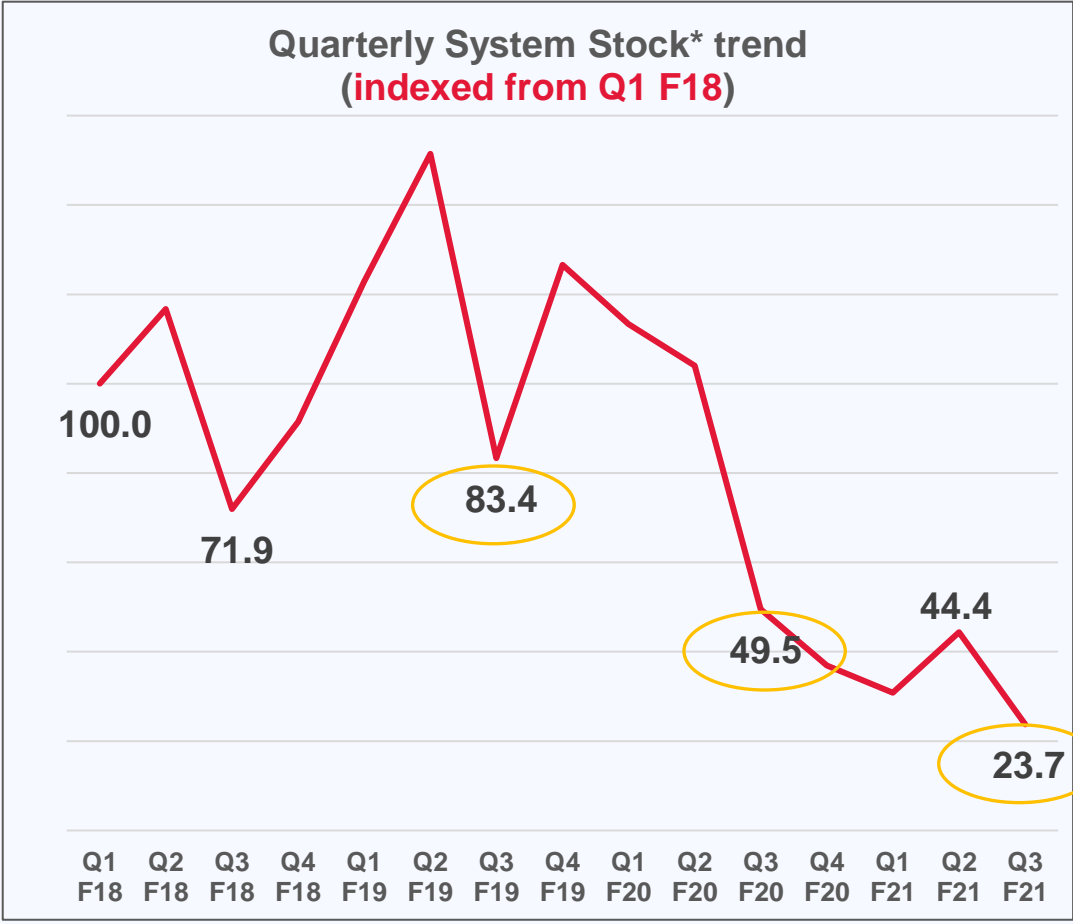
FES: STANDALONE VS CONSO FINANCIALS



Automotive – Sales and Stock Trajectory



Improving Quarterly sales trajectory



Low System Stock*

* System Stock includes FG Inventory with M&M and Dealers

Automotive – Financial Performance



	Q3 F21*	Growth YoY (vs Q3 F20)	Growth QoQ (vs Q2 F21)
UV Volumes	52,338	11.0%	34.3%
Total Volumes	121,133	-7.4%	32.3%
Revenue (Rs. Crs)	8,311	12.0%	30.7%
PBIT (Rs. Crs)	644	18.9%	56.4%
PBIT (%)	7.7%	40 bps	120 bps

*Based on Published Results

including one-off gains Rs. 90 Crs and EI of Rs. 30 Crs

The All-New THAR – The Story So Far

39K+
Bookings

~45%
Bookings for AT

Tested: India's Safest Off-Roader



4-Star Rating for Adult Safety & Child Safety by GNCAP

Thumbs-Up from Customers

- Imposing Look and Street Presence
- Refined & Powerful Engines
- Smooth Gearshifts (esp in AT)
- Significant improvement v/s old Thar

Winner of 6 Awards & Counting!

- **Car of the Year** – Team-BHP
- **SUV of the Year** – Indian Autos Blog/Indian Auto
- **4x4 of the Year** – MotorScribes
- **Readers' Choice Car of the Year** – GaadiWaadi
- **Most Awaited Launch of the Year** – MotorOctane
- **Sensation of the Year** – Motor Vikatan

Continue the momentum: 6000+ Bookings in January 2021

XUV300 Performance



6K+

Consistent Bookings in each month of Q3 F21

- Good Festive demand
- 41% growth in retail volume for Q3 F21
- Consistently increasing enquiries
- Improved traction in retails / bookings
- Three-Digit Dealer stock

TO SUMMARIZE

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April - August

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capex 

Turnaround Global Businesses,
New Auto Launches 

 On cruise  On-going, long-term initiative



THANK YOU

Reigniting Value Creation



Analyst Meet

Dr Anish Shah | 5th February 2021

KEY MESSAGES

- Continued strong performance for Domestic Farm
- Maintained Industry-leading OPM for both Auto and Farm
- Capital allocation actions ... almost completed
- Accelerate growth focus ... Core Biz + Growth Gems

DEFINITIONS



Domestic Farm

Farm equipment business in M&M & domestic subsidiaries



Domestic Auto

Automotive business in M&M & domestic subsidiaries



Intl. subsidiaries

International subsidiaries - Auto & Farm



Group companies

Listed and unlisted entities
(excl. Auto and Farm)

The numbers in this presentation have been arrived by aggregating performance of businesses across segments and as a result the aforementioned disclosures are not in line with (or do not correspond to) the segment disclosures in the standalone / consolidated financial results for the quarter and half year ended 30 September 2020.

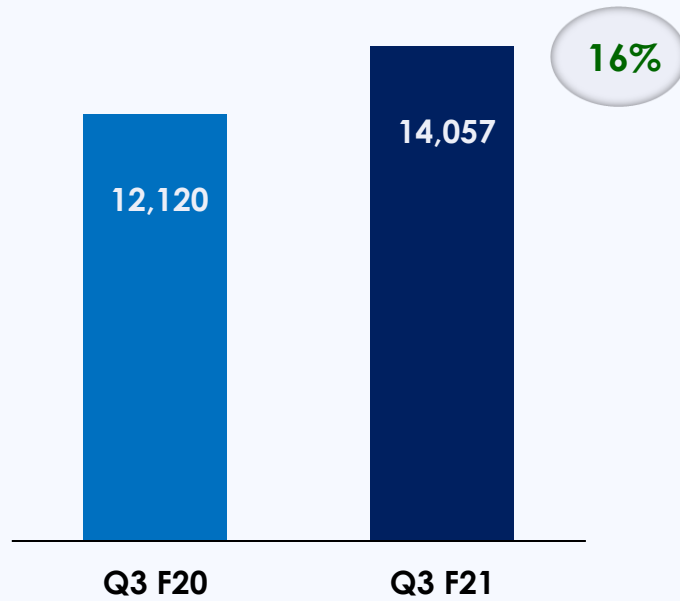
SAFE HARBOR STATEMENT: *“Certain statements with regard to our future growth prospects are forward-looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements.”*

FINANCIALS (STANDALONE): Q3 F21

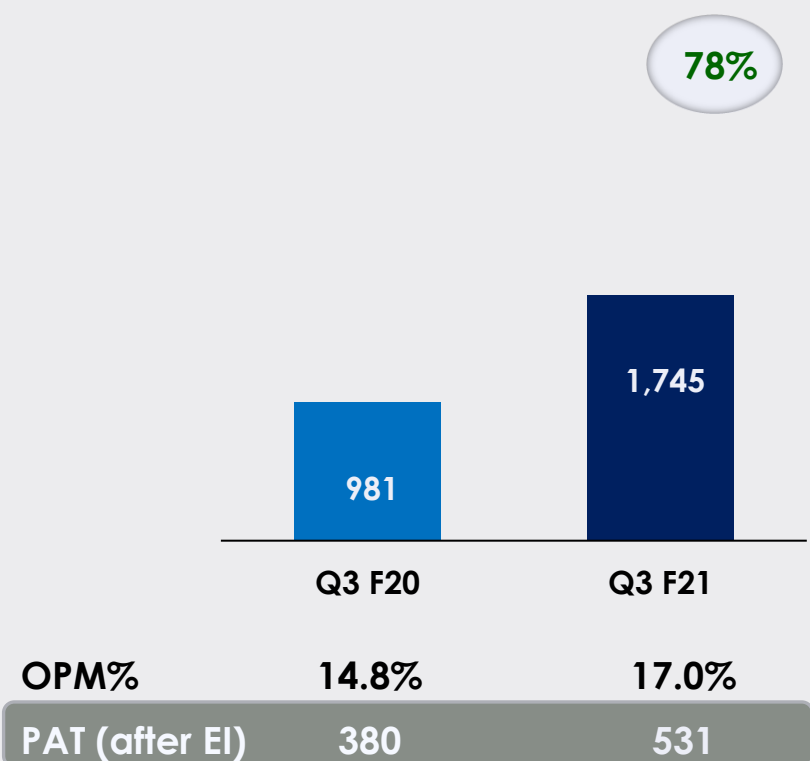
M&M + MVML

Rs Cr

Revenue







Operating PAT (before EI)

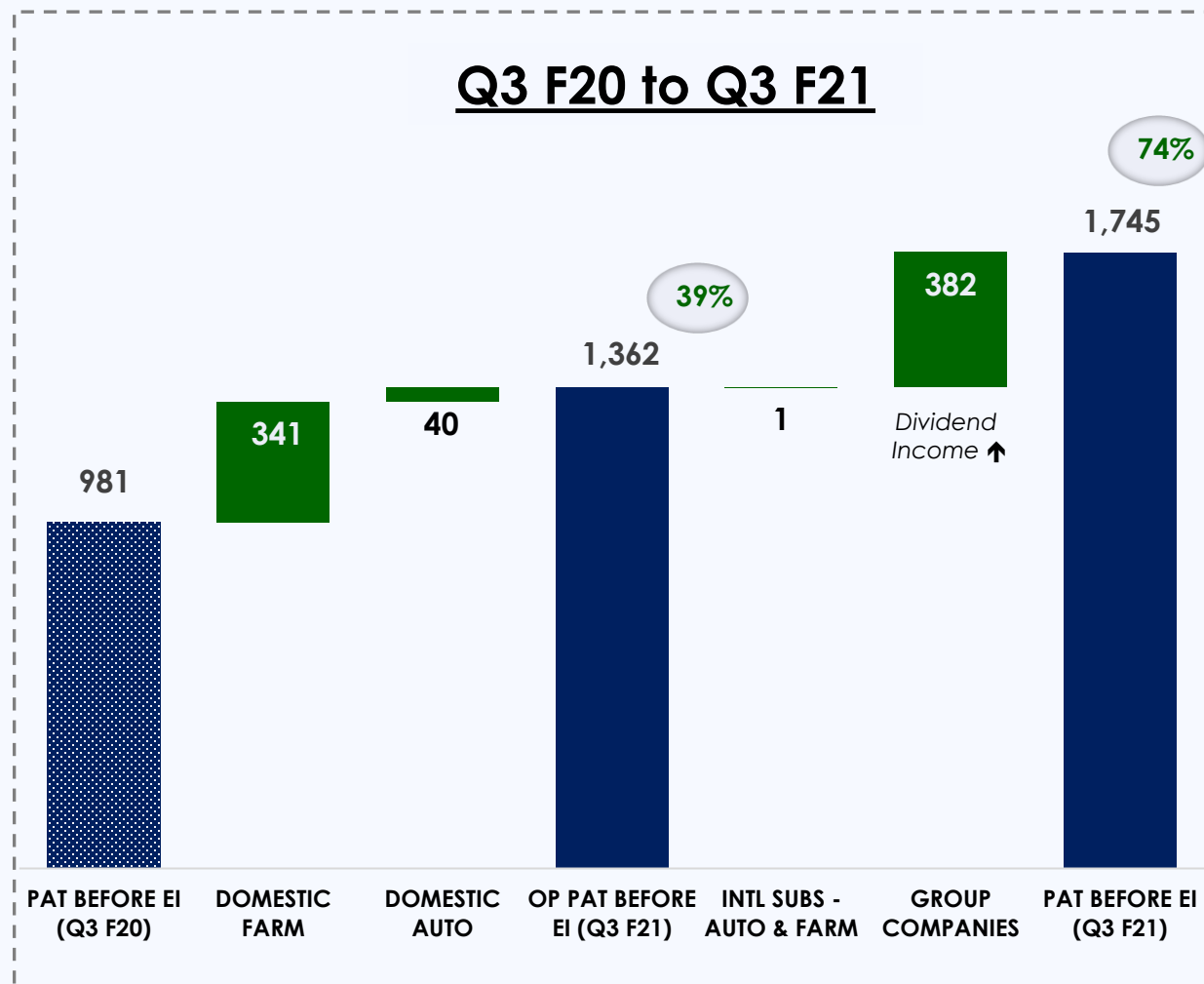


OPERATING PAT (BEFORE EI): Q3 F21

M&M + MVML

Rs Cr

	Q3 F20	Q3 F21
 Domestic Farm	611	952
 Domestic Auto	402	442
 Intl. Subsidiaries	(10)	(9)
 Group companies	(22)	360
Total	981	1,745

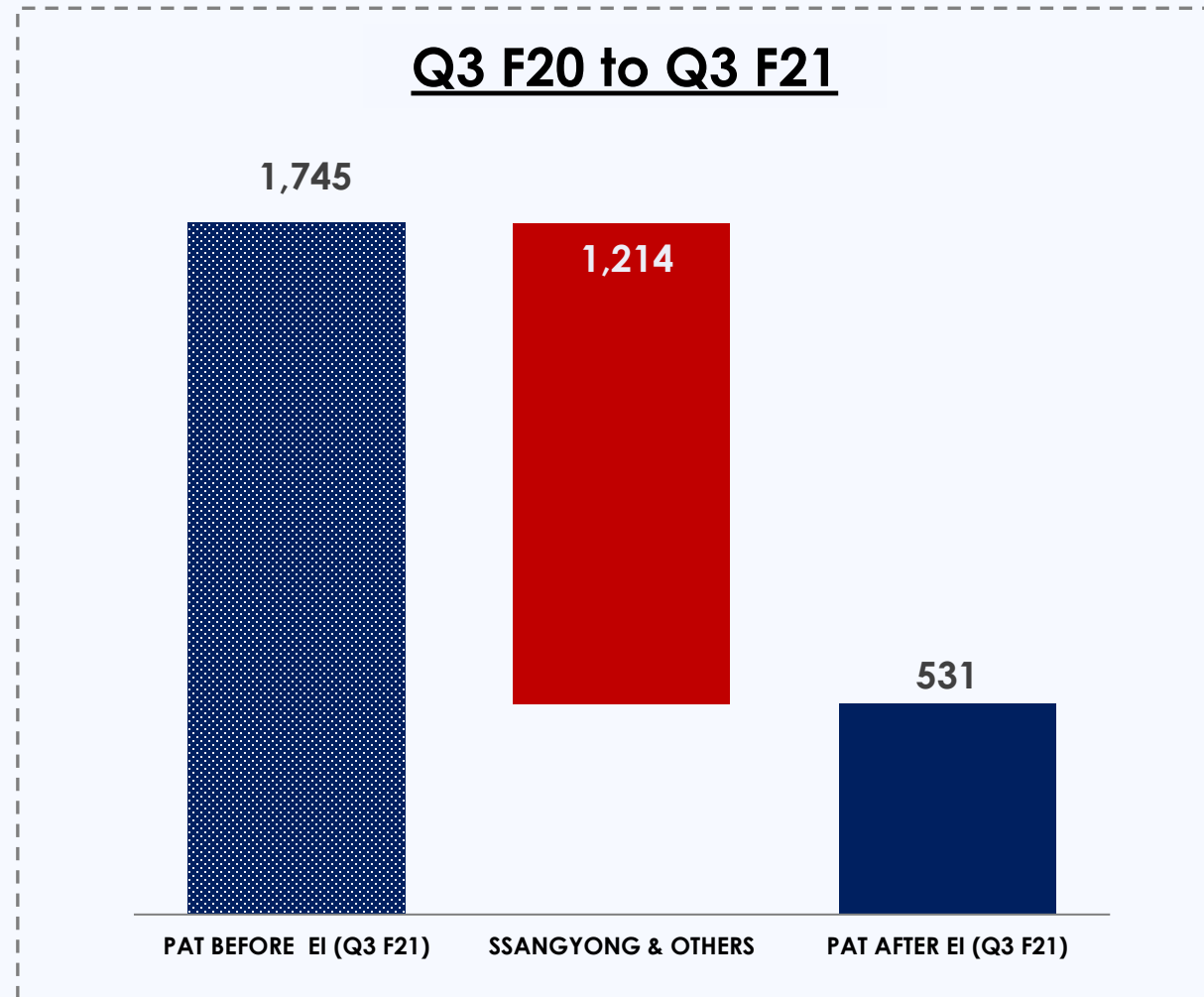


Two Wheeler, Powerol and SBU included in Domestic Auto

PAT (AFTER EI): Q3 F21

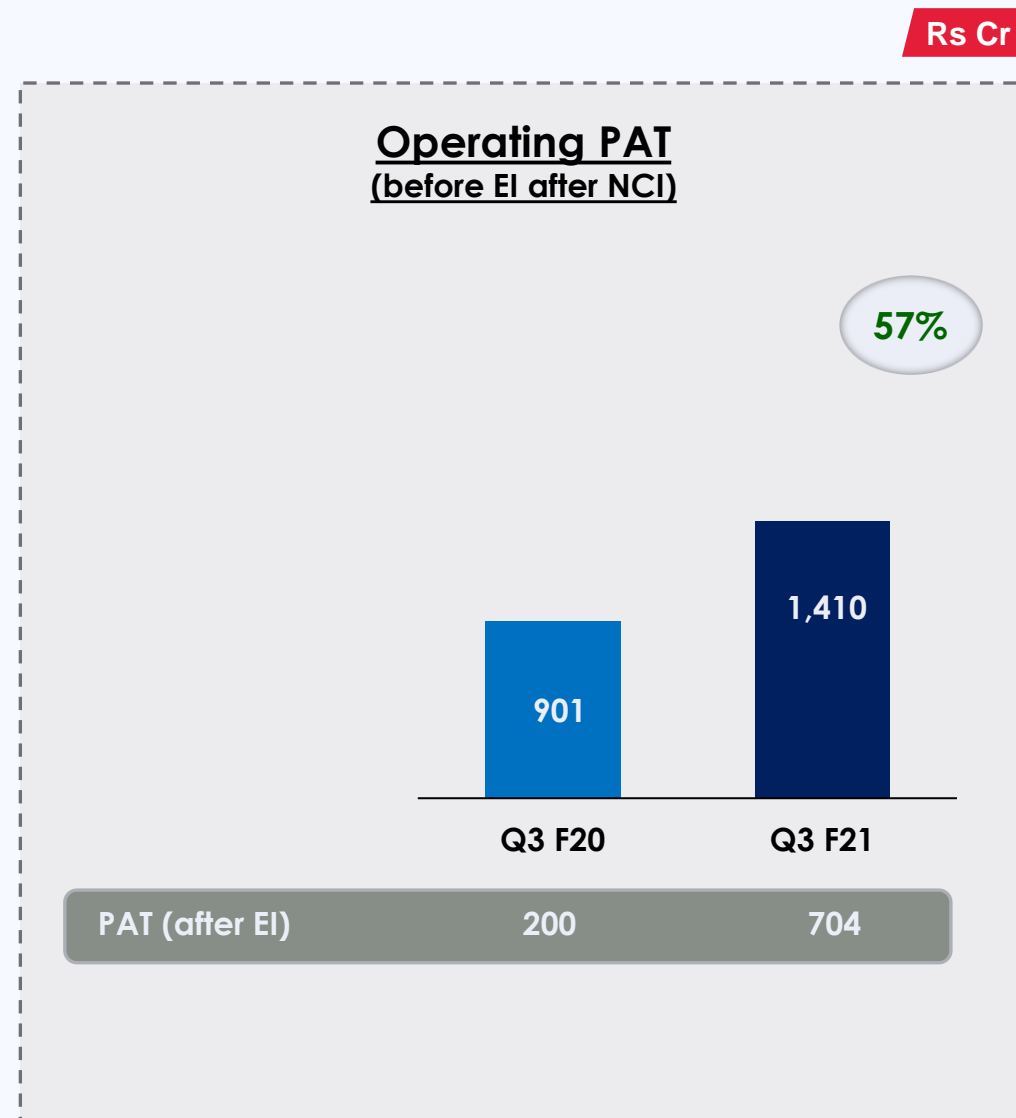
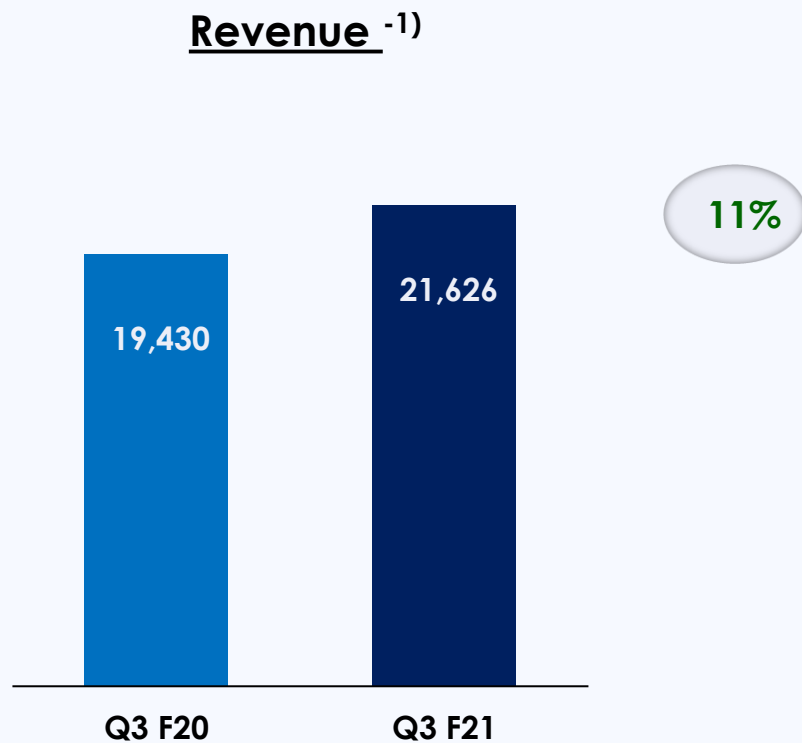
M&M + MVML

Rs Cr



Two Wheeler, Powerol and SBU included in Domestic Auto

FINANCIALS (CONSOLIDATED): Q3 F21







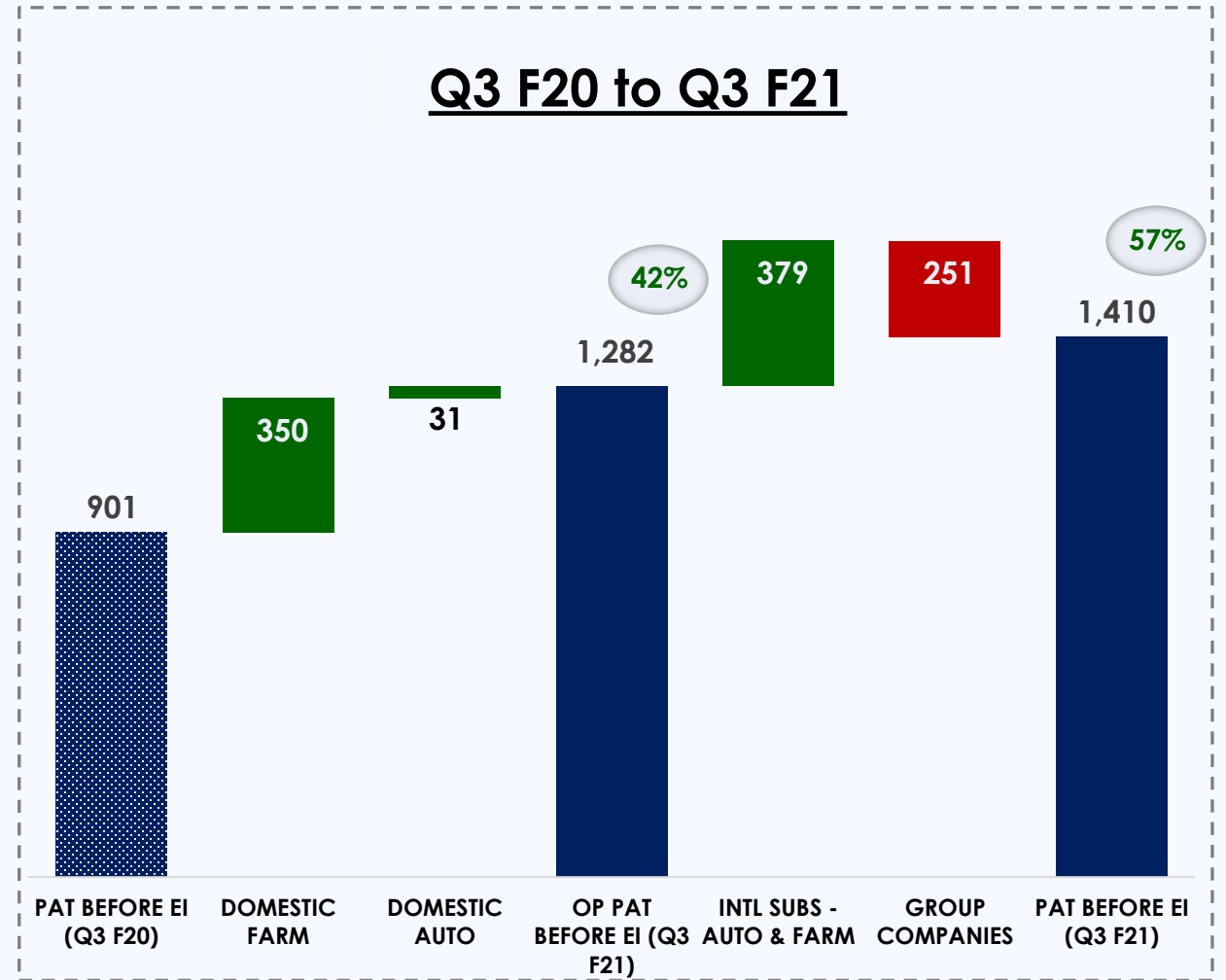
(1- Excludes Ssangyong revenue due to discontinued operations
Tech Mahindra (Associate) revenue not included above

OPERATING PAT (BEFORE EI): Q3 F21

CONSOLIDATED M&M

Rs Cr

	Q3 F20	Q3 F21
 Domestic Farm	612	962
 Domestic Auto	424	455
 Intl. Subsidiaries	(465)	(86)
 Group companies	330	79
Total	901	1,410

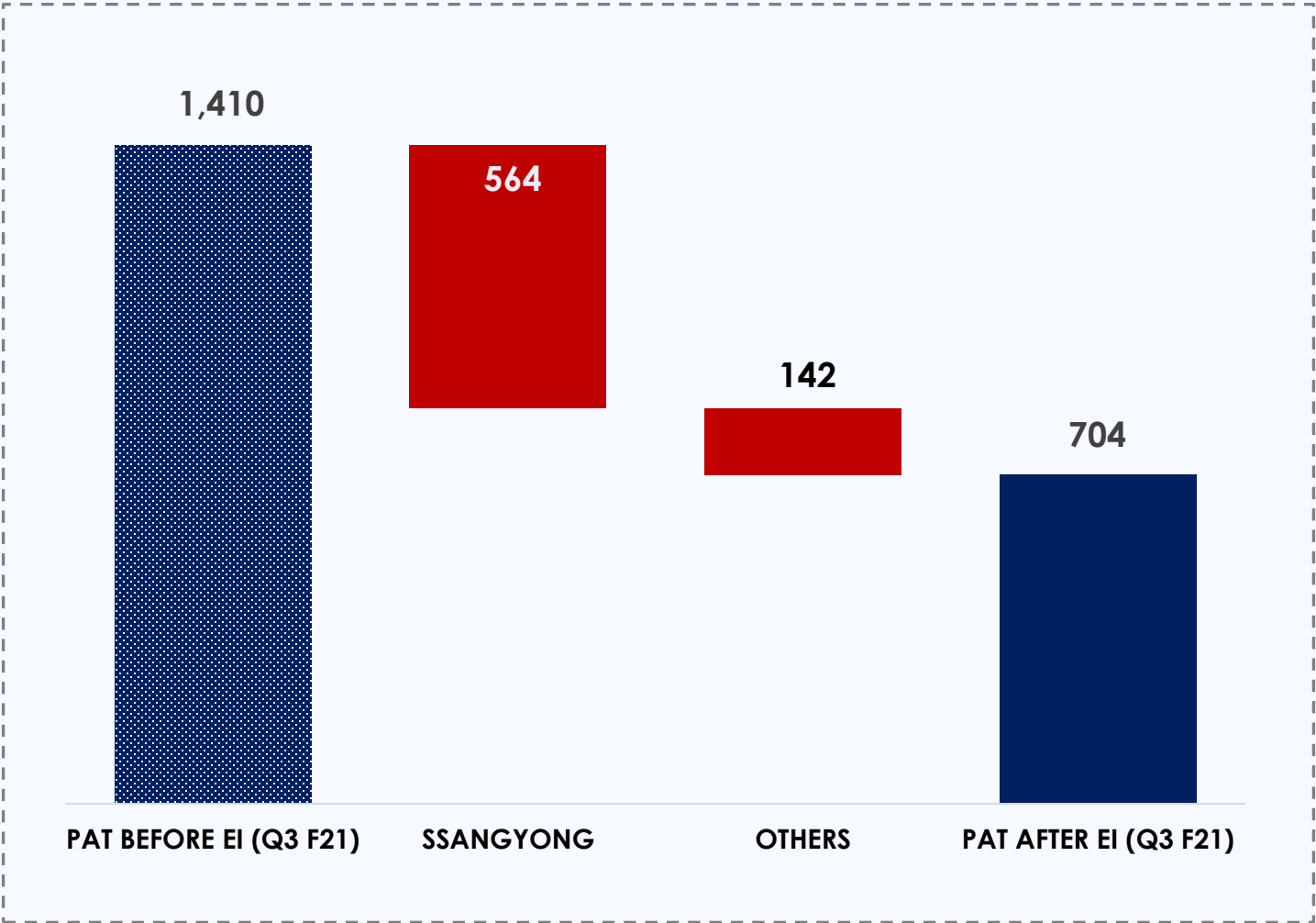


Two Wheeler, Powerol and SBU included in Domestic Auto

PAT (AFTER NCI & EI): Q3 F21

CONSOLIDATED M&M

Rs Cr



Two Wheeler, Powerol and SBU included in Domestic Auto

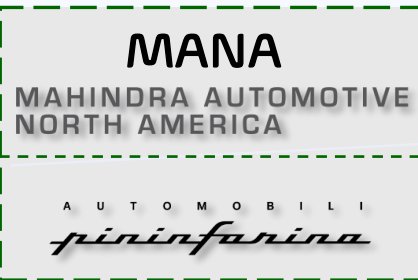
CAPITAL ALLOCATION UPDATE

A

Entities with clear path to 18% RoE



Post restructuring



B

Quantifiable strategic impact



C

Unclear path to profitability ... exit



MFCS

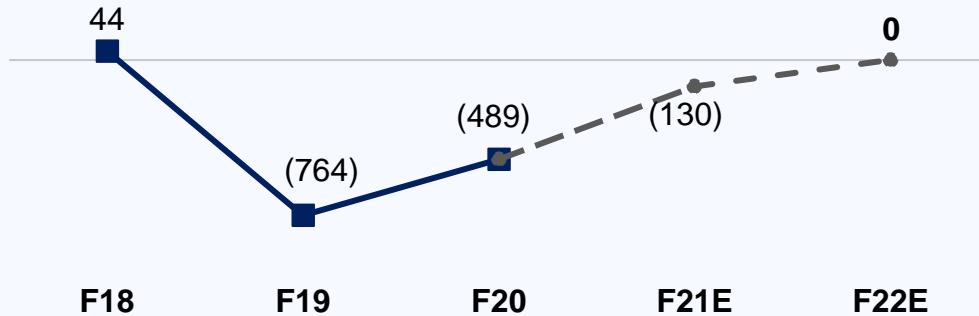
Work in progress

Identification of category ongoing



HISARLAR

Entity PBT ⁻¹⁾



F21: Substantial reduction in losses, F22: Breakeven

Business Turnaround Actions

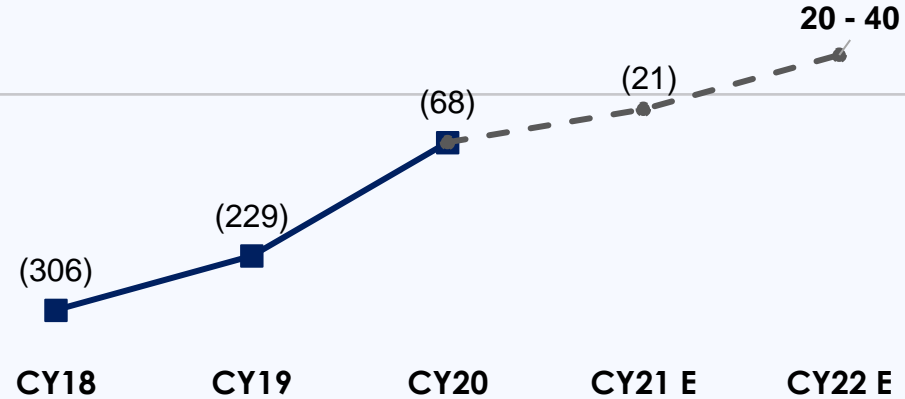
- Model portfolio sharpened, value proposition & pricing
- Margin accretion actions ... price ↑, dealer incentive ↓ supported by low interest rate regime
- Fixed cost reduction via rightsizing & overall control
- Managing dealer and plant inventory

Right to Win

- Strong brand recall – 25 year legacy
- Network of ~500 dealerships network across US/ Canada
- High retail growth momentum

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."

Entity PBT ⁻¹⁾



Business Turnaround Actions

- JQPM: Capitalizing on China growth ... 2X revenue, EBITDA and PAT ↑
- Cost control actions
- New product launches and geographies expansion
- Europe Ops: Volume ↑ and product pricing / mix ↓ impact

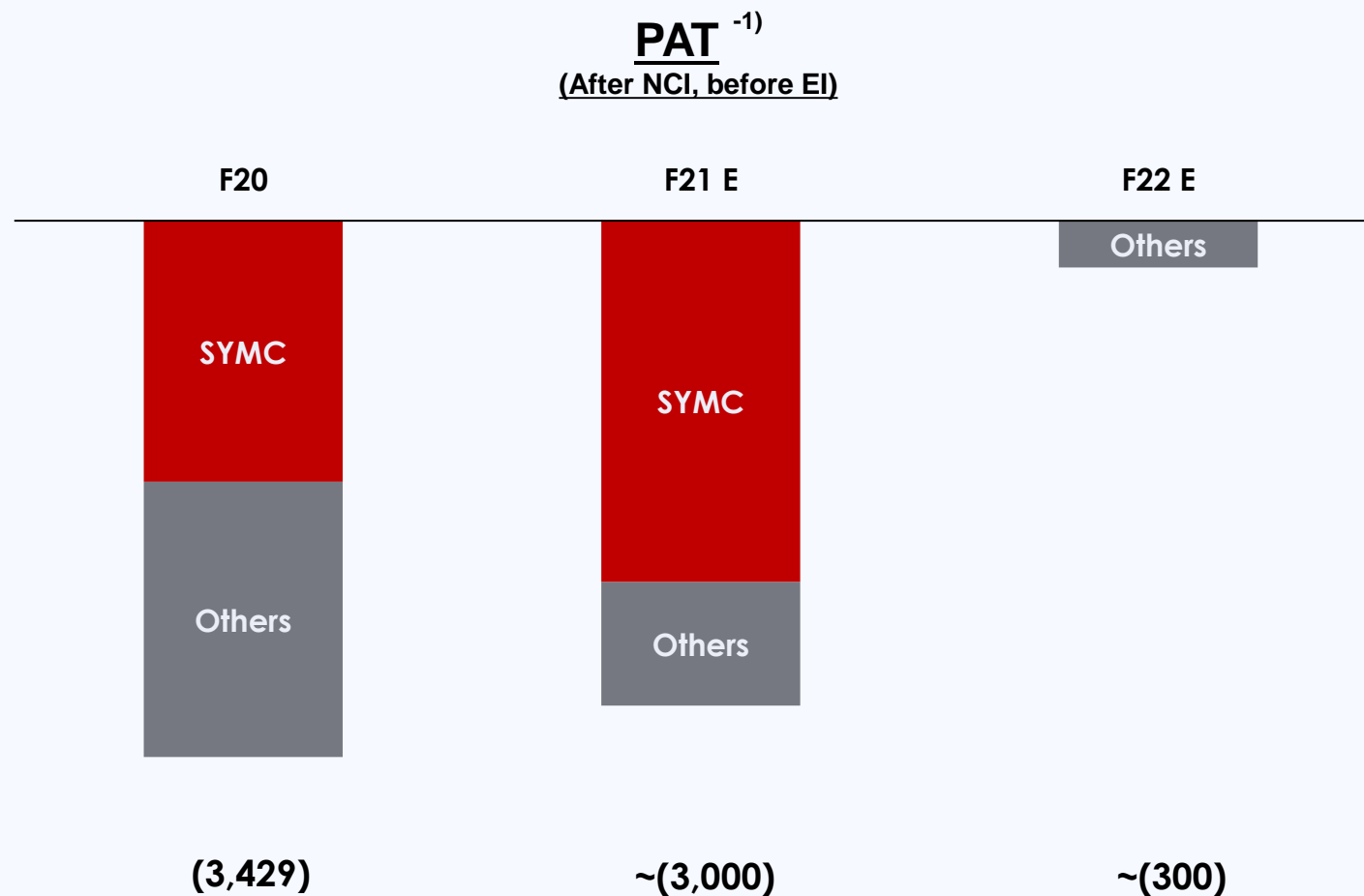
Right to Win

- Personal mobility demand ... 2W & EV
- EV segment seeing significant global interest
- Strong growth in China

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."

INTERNATIONAL SUBS. OUTLOOK

Rs Cr



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."

(1 - Auto and Farm international operations
Ssangyong classified as discontinued operations as of 3Q F21)

ACCELERATE GROWTH

Pillars of Growth



Farm



Financial services



Tech Mahindra



Logistics



Core SUV



Real estate



Hospitality

Growth Gems



High growth sectors and industries

Leverage the Core strength of the M&M Group

New age Platforms



A FirstCry - Mahindra Venture



Entrepreneurs creating scalable ecosystems

M&M as strategic investor

PILLARS OF GROWTH



Farm

- Tractors
- Implements



Auto

- Core SUV
- Electric platform



Tech M

- Telecom capex (5G)
- Next gen tech



Fin Svcs

- Digital FinCo.
- Semi-urban



Hospitality

- Domestic leisure
- Expand Inventory



Real estate

- Affordable housing
- Industrial parks



Logistics

- E-com & consumer
- Freight forwarding



EPC, IPP and Solar Tech

EPC: Marquee customers: SB, Engie, First Solar, Renew
IPP customers: 1.6 GW SECI and state PPA contracts
Solar Tech: Distributed Solar and Teqo Services

Focus areas

Partnerships for EPC/ IPP

Scale solar tech



India's largest independent Steel Service Centre Network

- Market leader in **electrical steel** processing (World No.2)
- Investing in **high end technology driven products** in Automotive & Electrical Steel Segment

Big bets



Cero: Automotive recycling

EV motor cores: High quality motor cores



NEW AGE PLATFORMS

UNICORN

firstcry.com



2009: Mom & me

2015: Rename to BabyOye

2016: Merger w/ FirstCry

2019: Softbank fund raise

- Growth – merchandise categories, own brands, global expansion
- Synergistic adjacent acquisitions

MATURING

PORTER



2016: Launch of Smartshift

2018: Merger w/ Porter

2020: Additional fund raise

- Liquid supply chain platform ... intra-city logistics market
- Marketplace as a one stop solution

MATURING

Mahindra
First Choice



2010: 1st Franchisee dealership

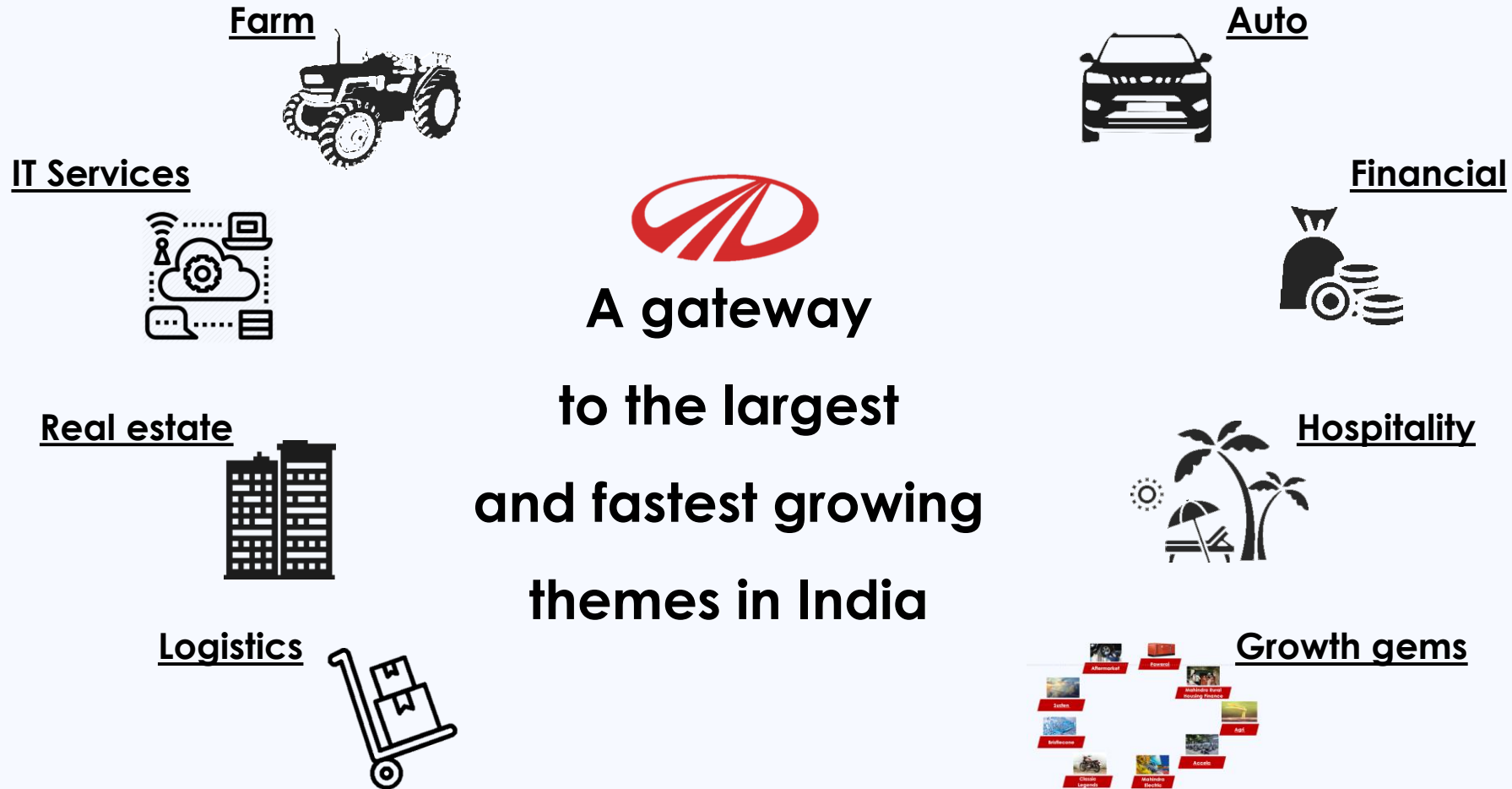
2016: Investment -Cox Automotive

2019: Hybrid auction platform

2020: Carandbike.com

- Used auto sales & access to distribution ecosystems
- Solutions & services for customer groups across value chain

PIVOT FOR GROWTH



On track to Re-Ignite Value Creation

#FUTURise