

Reigniting Value Creation



Analyst Meet

Dr Anish Shah | 6 August 2021

KEY MESSAGES

- Significant headwinds in Q1 ... Wave 2 impacted rural (& our people)
- Strong performance in Farm; good recovery in Auto
- Mahindra Finance hit hard, TechM's +ve momentum continues
- Stringent fiscal discipline ... on course for growth & returns



Impact of Wave 2

% of working days (dealers):

Auto : ~50%

Farm : ~75%

% of dealers closed (at peak in mid-May):

Auto : 90%

Farm : 65%

Impact on associates, dealers & their families



Global issues

Commodity price inflation (Mar-20 to Jun-21)

Base Metals : HR Steel 77%, Copper 86%

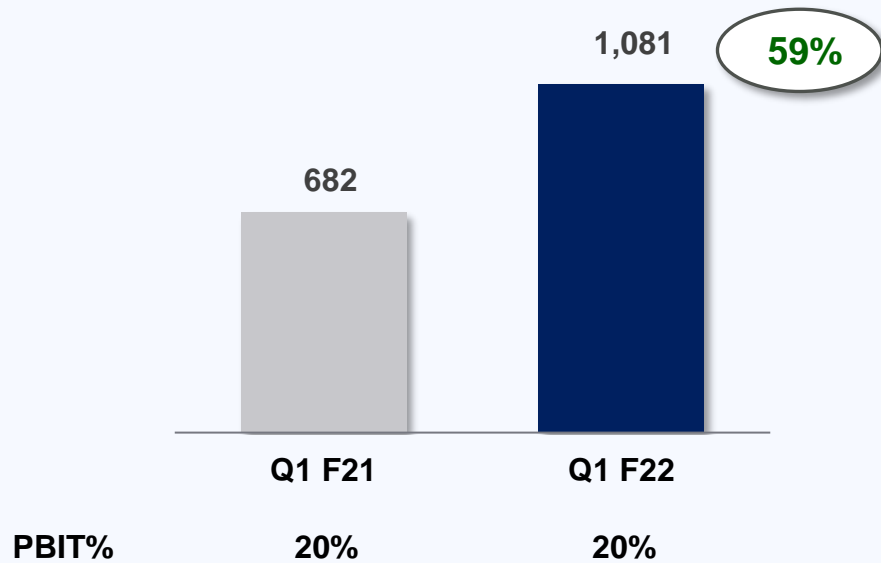
Precious Metals : Platinum 47%, Rhodium 86%

Supply chain semi conductor shortage

Freight costs ↑... imported components

PBIT

(Standalone M&M)



Highlights

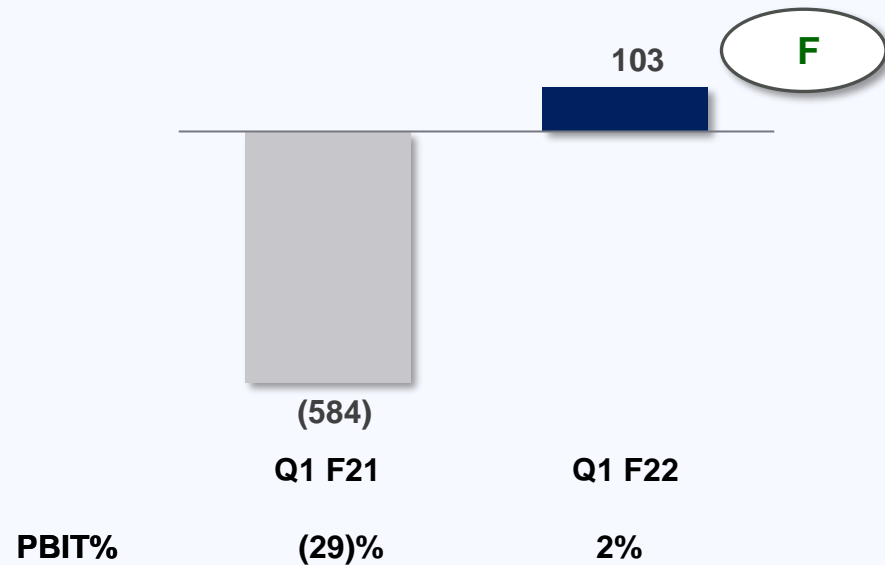
- Volume ↑ 52% YoY and 7% QoQ
... strong momentum despite COVID Wave 2
- Market share up 2.6% pts @ 41.8%*
- Commodity price ↑
... offset by cost management & price increases
- All international subsidiaries profitable in 1Q F22

Good momentum ... volume, cost & market share

* Market share inclusive of Gromax

PBIT

(Standalone M&M)



Highlights

- Market share improvement ... UV and PV segments
- New product launches ... strong booking pipeline
- Commodity price ↑
... offset by cost management & price increases
- Managing supply chain issues

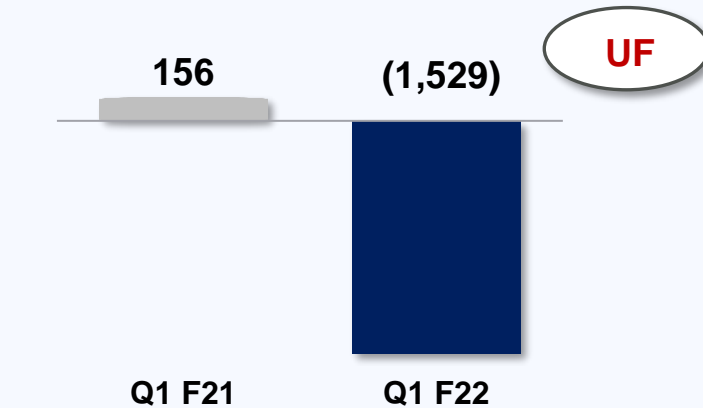
Continued strength with recent launches

MMFSL PERFORMANCE

Rs Cr

Profit after Tax

(Standalone MMFSL)



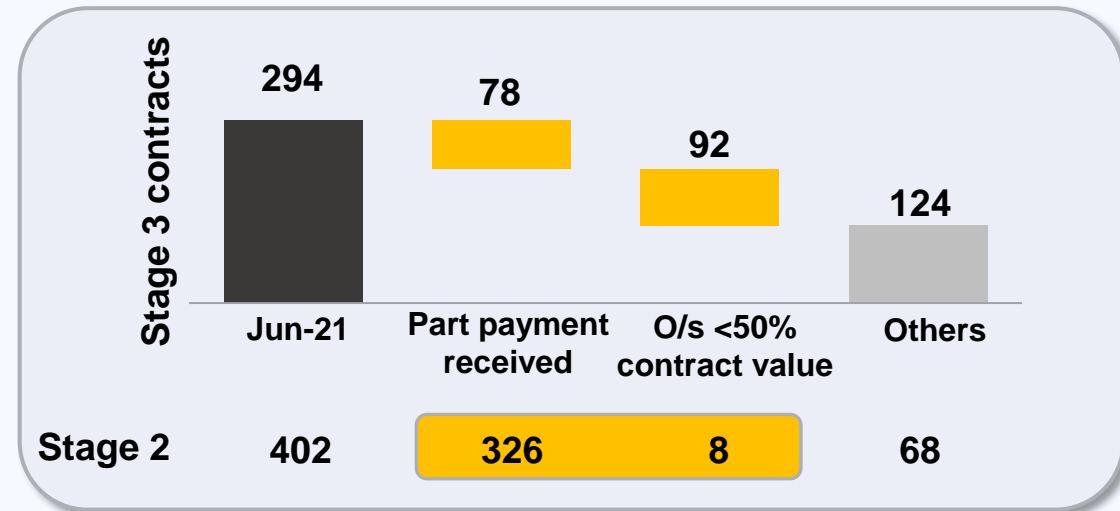
GNPA% 9.2% 15.5%

P&L Provisions 735 2,517

Overlay provisions 1,051 2,709

Capital adequacy 19.6% 23.8%

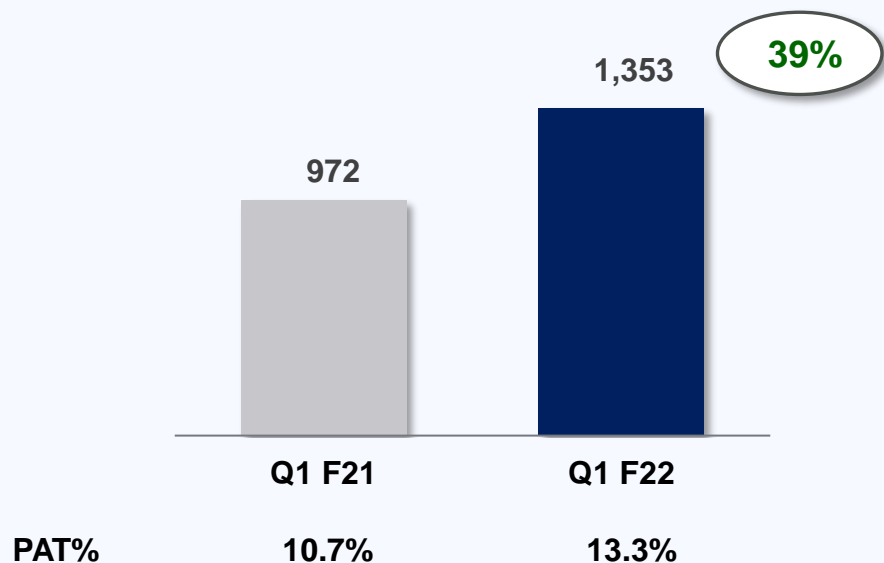
GNPA – deep dive ('000s)



- **Stage 3 + Stage 2 ... 420K contracts solvable**
... Reverse 80-90% of addl. ECL provision of 1Q F22 in Q3/ Q4 F22
- **Similar trends seen in prior periods of economic stress**
... Demonetization – GNPA peak (14.5%), post 3 quarters (9%)

High provision due to covid-related liquidity ... clear path to reversal
Well capitalized and prudent provisions

Profit after Tax



Highlights

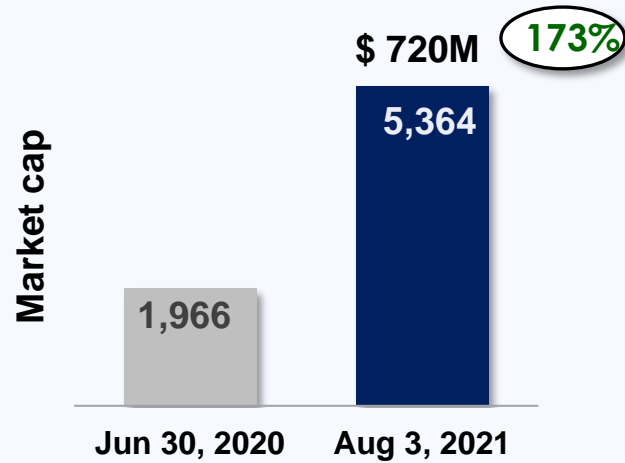
- **Large deal traction** continuing w/ **Healthcare and BPS**
- Sectors driving and on strong growth trajectory ... **Communications, Hi-tech, Manufacturing**
- **TCV to double historical run rate ... \$815M**
- Cloud, data, CX, AI **key tech enablers**
- Utilization and offshoring driving margin improvements

Focus on key technology pillars helps capitalize on strong demand momentum

GROWTH GEMS

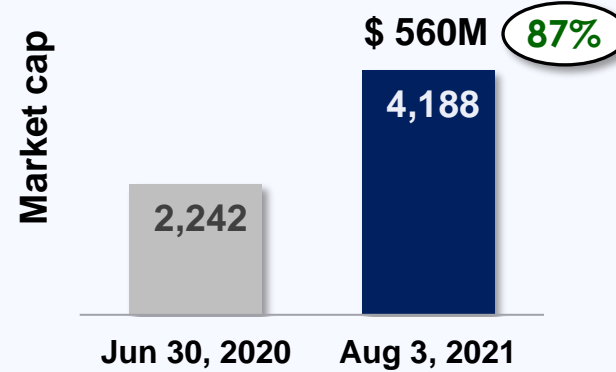
Rs Cr

Logistics



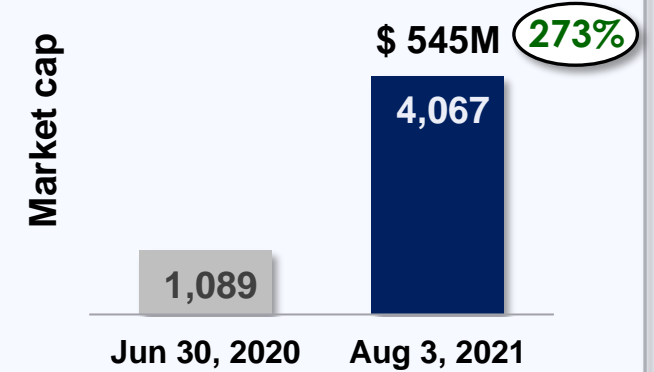
- SCM rev. ↑ 114% YoY
- Warehousing & VAS rev. ↑ 39% YoY
- “EDel” ... strong demand, opportunity for continuing fleet deployment

Hospitality



- Pre-COVID level recovery in 4Q F21
85% occupancy in 4Q F21
51% occupancy in 1Q F22
- Predictable annuity revenue ...
Driving growth with various initiatives

Real estate



- 3 projects announced in 6 months ...
2.32m sq ft.
- Land inventory ... w/ deep value
- Input cost pressure ... value engineering & cost optimization

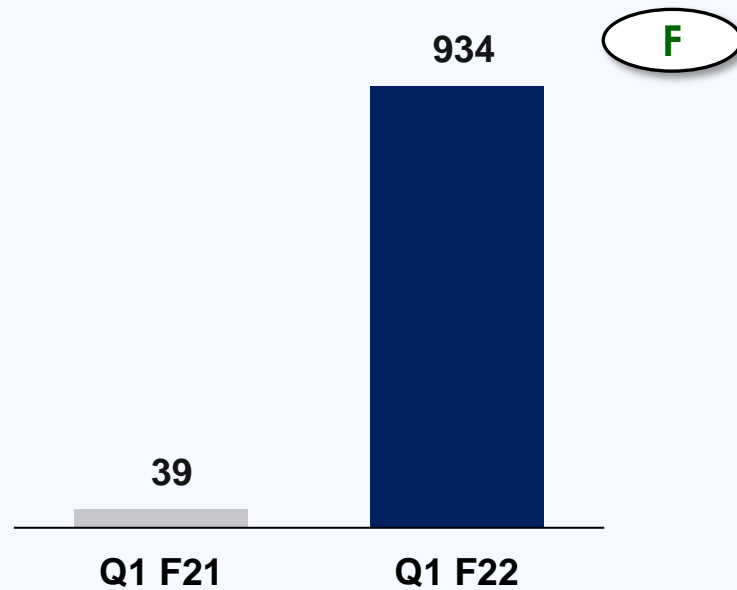
Sensex 54%

FINANCIAL SUMMARY

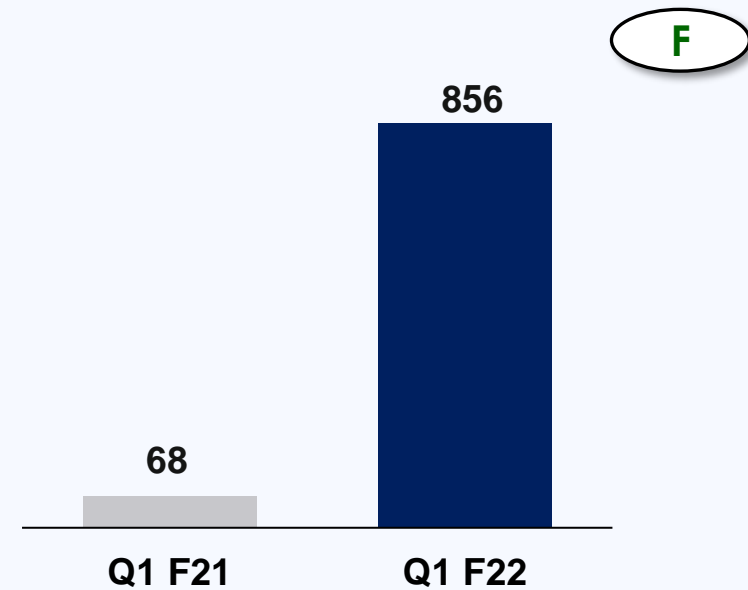
STANDALONE M&M

Rs Cr

Operating PAT



PAT after EI



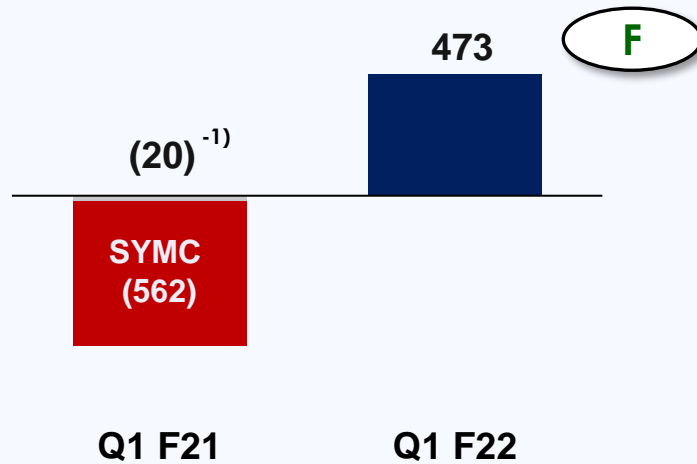
Robust operating performance despite headwinds

CONSOL OPERATING PAT

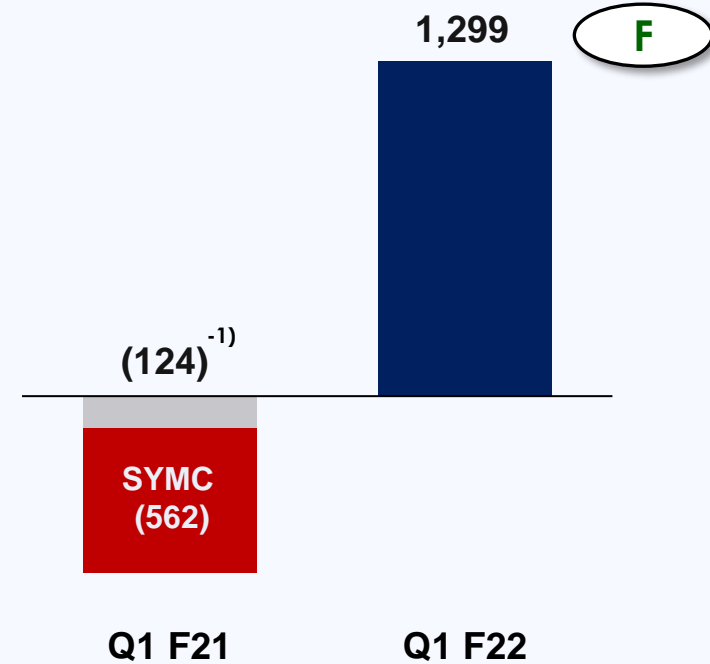
CONSOLIDATED M&M

Rs Cr

As reported – incl. MMFSL



Excl. MMFSL



Capital allocation showing results, despite MMFSL impact

(1- Excludes Ssangyong due to discontinued operations)

Q1 F22 Analyst and Investor Conference

Automotive & Farm Sectors

RAJESH JEJURIKAR

Executive Director, Auto & Farm Sectors

6th August 2021

GEAR UP...

April'21 – June'21

1. Manage Cash, Costs
2. Manage Inventory
3. Enhanced Well being

ACCELERATE TO FLY

AUTO

FARM

- | | |
|---|---|
| <ol style="list-style-type: none">1. Being Fitter - Financial efficiency2. Strong Momentum of Brands3. Differentiated Brand Strategy4. Platform and Product Synergy5. EV Strategy | <ol style="list-style-type: none">1. Grow tractor market share2. Technology: K2 Program, Horticulture, Krish-e3. Quantum growth in Farm Machinery4. Grow Global Businesses |
|---|---|

CAPABILITIES: BRAND STRATEGY, CUSTOMER EXPERIENCE, EV TECH, DIGITAL TRANSFORMATION, DESIGN

ESG (Environment, Social and Governance)

GREAT PLACE TO WORK – RANK 2

Ranked no. 2 in “India’s Best Companies to Work For”



INDIA’S BEST COMPANIES TO WORK FOR 2021

Mahindra & Mahindra Automotive & Farm Equipment Sectors

Rank 02

*For inspiring **trust** among your people, instilling **pride** in them, creating an environment that promotes **camaraderie**, and delivering a great workplace experience **for all** your employees that make your organization one of **India’s Best Companies to Work for**.*

Prasenjit Bhattacharya
Director
Great Place to Work® Institute India



Raj Jain
Chief Executive Officer
Bennett, Coleman & Co. Ltd.

THE ECONOMIC TIMES

GEAR UP - UPDATE



MANAGE CASH, COSTS

- Resilient margins in challenging environment
- Debtors under control



MANAGE INVENTORY

- Building stocks for festive season



ENHANCED WELL BEING

- Vaccination drive: 95%+ employees received 1st dose
- Family Assistance Policy
- M-Protect COVID Plan to ease farmers' worries: **40,000+**
- COVID-19 Relief Package for 80K dealer employees

HIGHLIGHTS

Farm

Market Share Uptick

41.8% MS (Highest in 8 quarters)

FES Global Subs Performance

- Highest ever PBIT overall
- MAgNA PBT positive

Hisarlar Restructuring

- Core Agri machinery Business spun off to Erkunt Traktors
- Exit from non-core Business

Auto

New Products Launches

XUV700 on anvil, Bolero Neo, Supro Profit Truck

Brands In Momentum

Strong booking pipeline in key brands

Auto Subs Performance

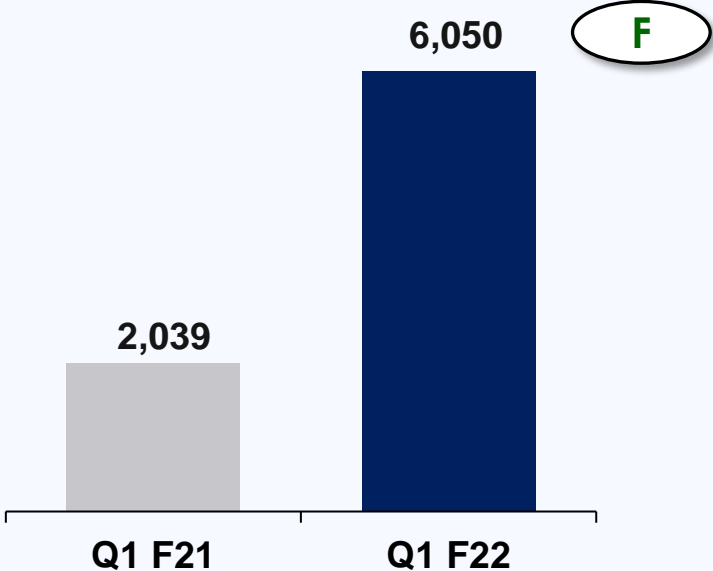
All entities on track

AUTOMOTIVE BUSINESS

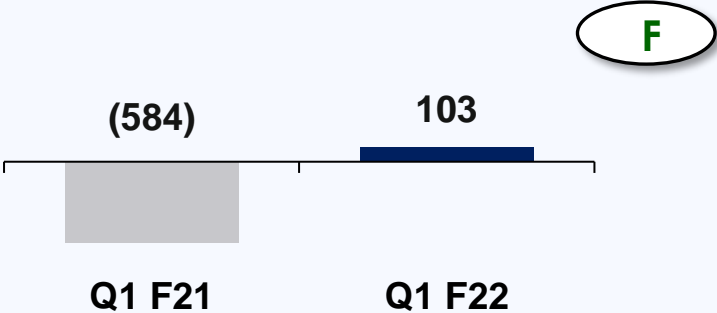
AUTOMOTIVE – STANDALONE SEGMENT FINANCIALS

Rs Cr

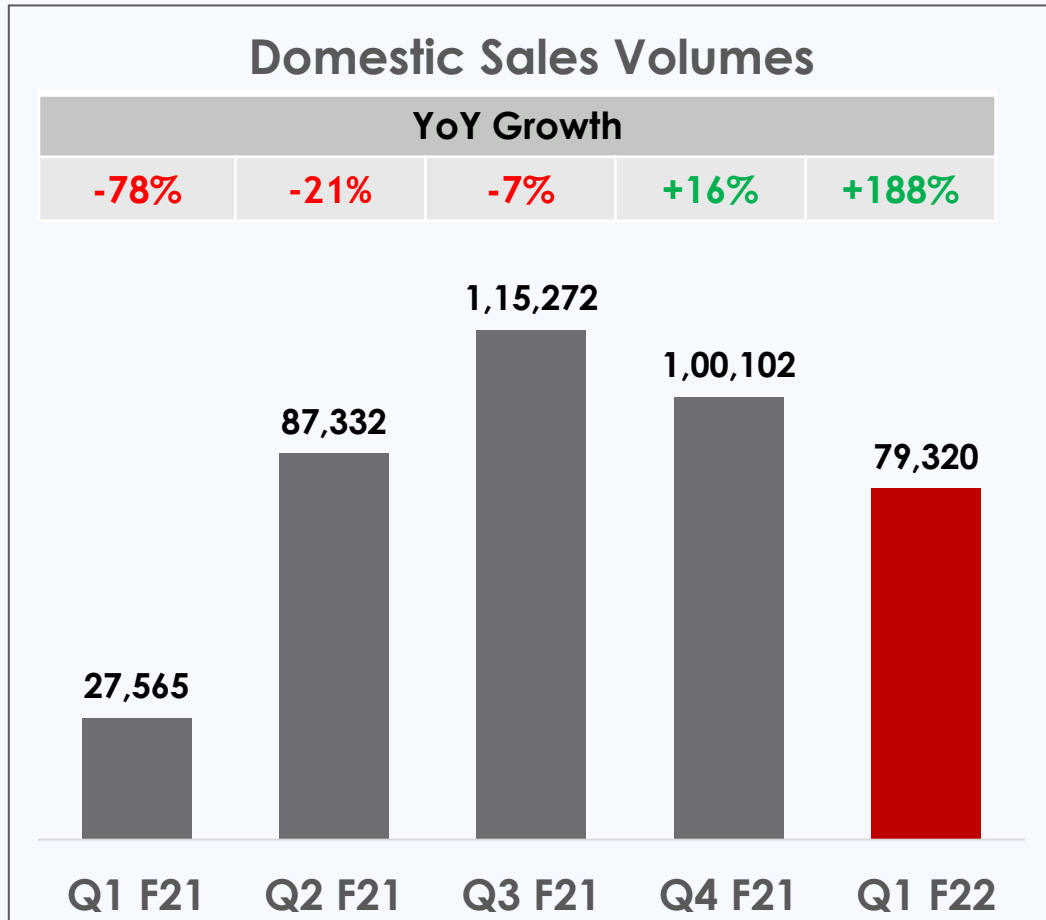
Revenue



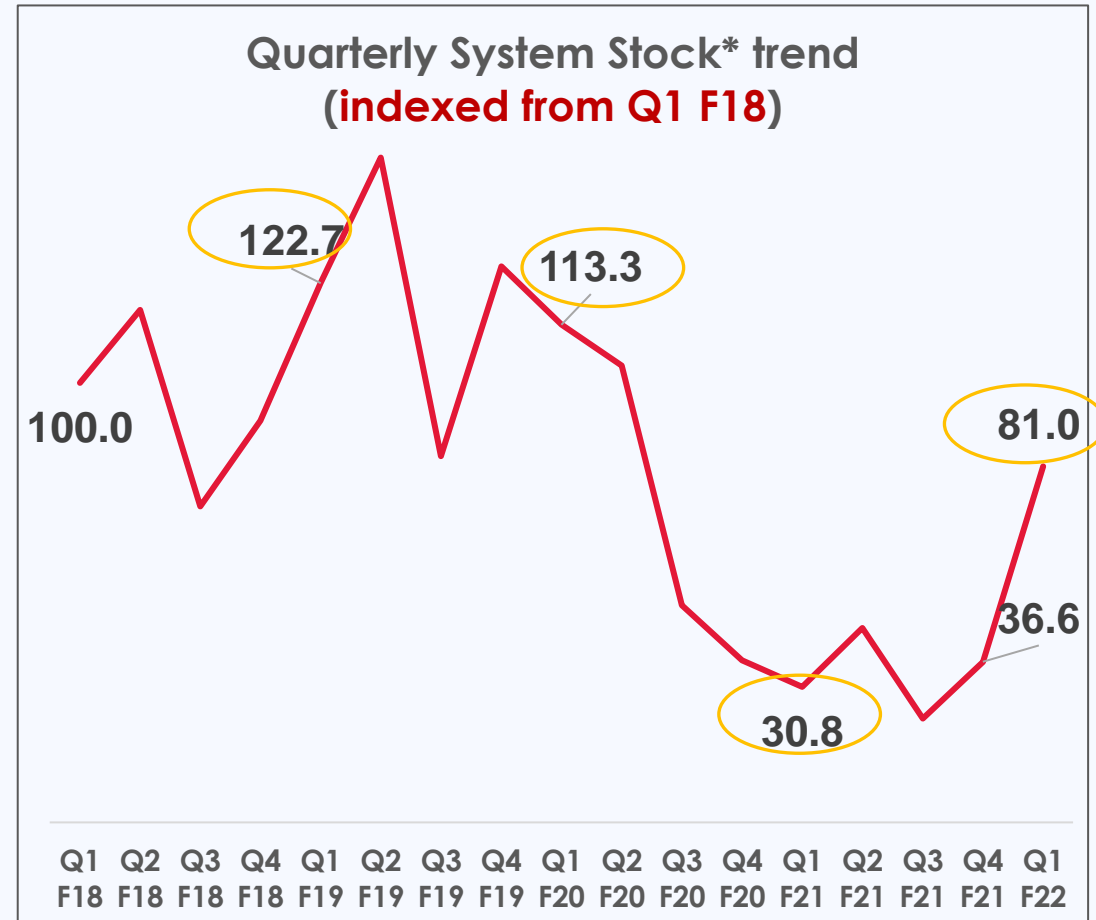
PBIT



AUTOMOTIVE – SALES AND STOCK TRAJECTORY



Continuously improving YoY Trend



Building system stock* ahead of season

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

BRANDS IN MOMENTUM

39k+

Open Bookings
(Waiting period ~10 months)



10k+

Open Bookings
(~2 months pipeline)



4k+

Open Bookings
(~1 month pipeline)



~6k

Open Bookings
(~1.5 months pipeline)



Close to 30k
Bookings in Q1



Bolero Pickup

NEW LAUNCHES – BOLERO NEO

48Mn+

Social Media Views

30,000+

Enquiries

~5,500+

Bookings



- Launched on 13 July'21
- Sub 10L pricing
- Only true blue SUV in Sub 4m. segment
- First in segment semi 4x4 technology
- Positive response from customers & dealers

NEW LAUNCHES – SUPRO PROFIT TRUCK

~400

Media Coverage in
Print Clips

60,000+

Registrations for
FB live events



SUPRO
PROFIT TRUCK

- Launched on 7th July'21
- Competitively priced
- Mileage and payload guarantee
- Very positive initial feedback from dealers

HELLO XUV700



Reveal – 2Q F22

97 Mn

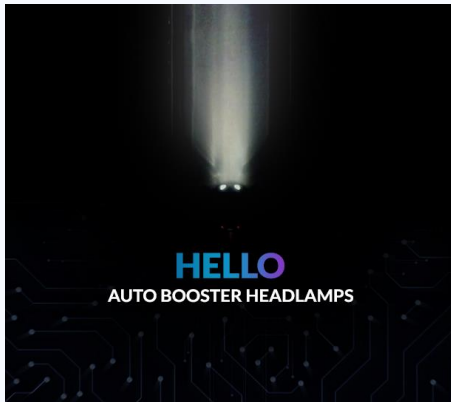
Video views

15.9L

Social Media Engagement

40,000+

Enquiries before Reveal



HELLO
AUTO BOOSTER HEADLAMPS



HELLO
SKYROOF™



HELLO
PERSONALISED SAFETY ALERTS



HELLO
SMART DOOR HANDLES



HELLO
DRIVER DROWSINESS DETECTION

Segment-leading Technology Features

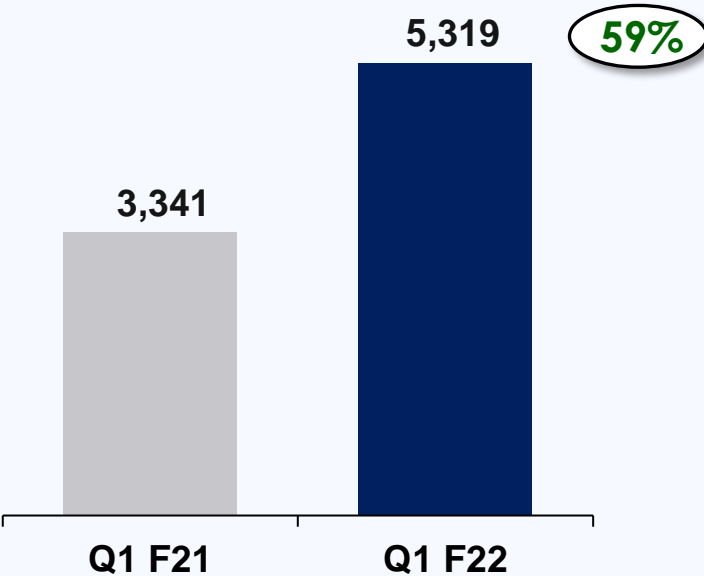
FARM EQUIPMENT

***TRANSFORM FARMING
ENRICH LIVES***

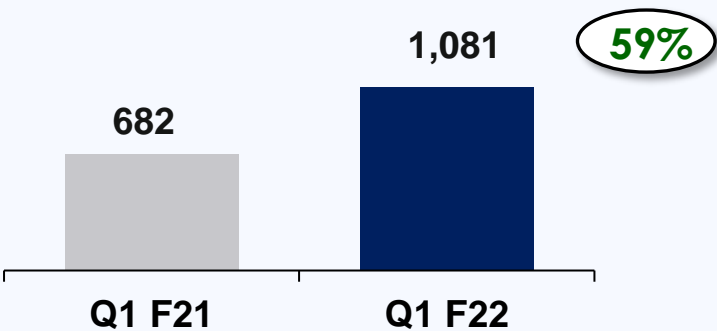
FES – STANDALONE SEGMENT FINANCIALS

Rs Cr

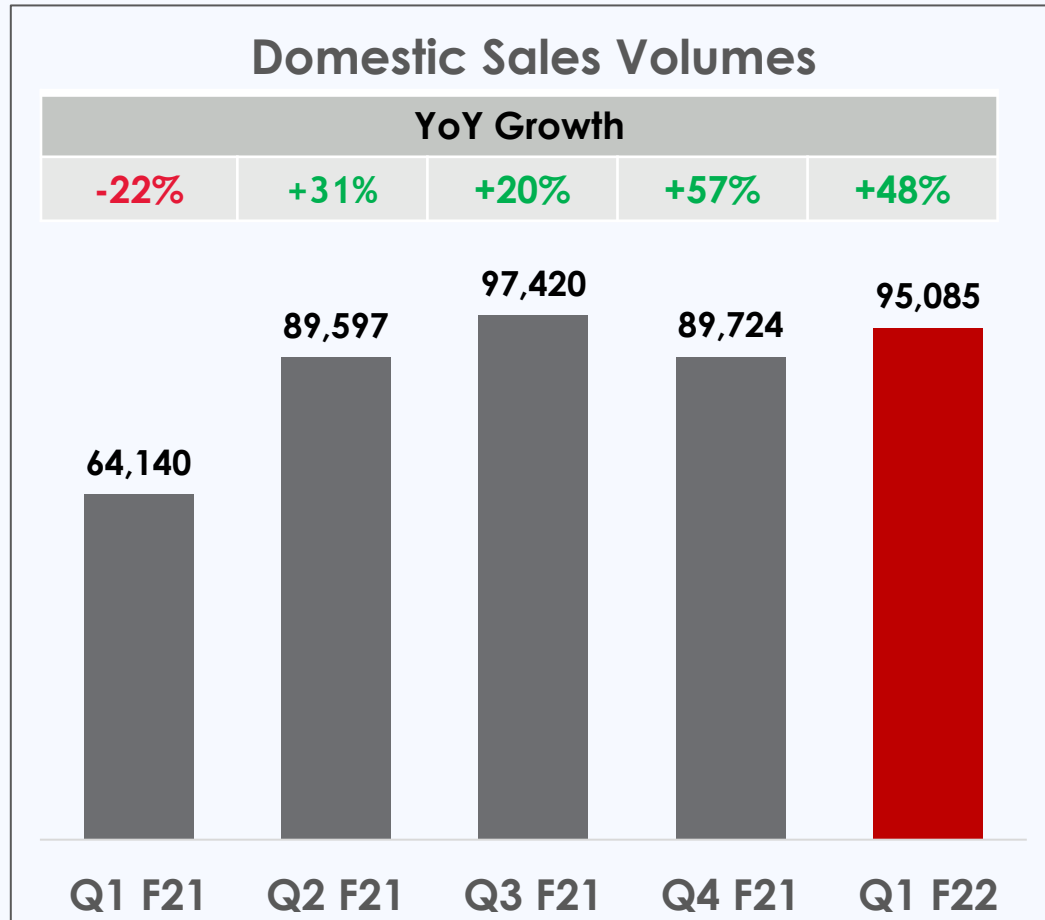
Revenue



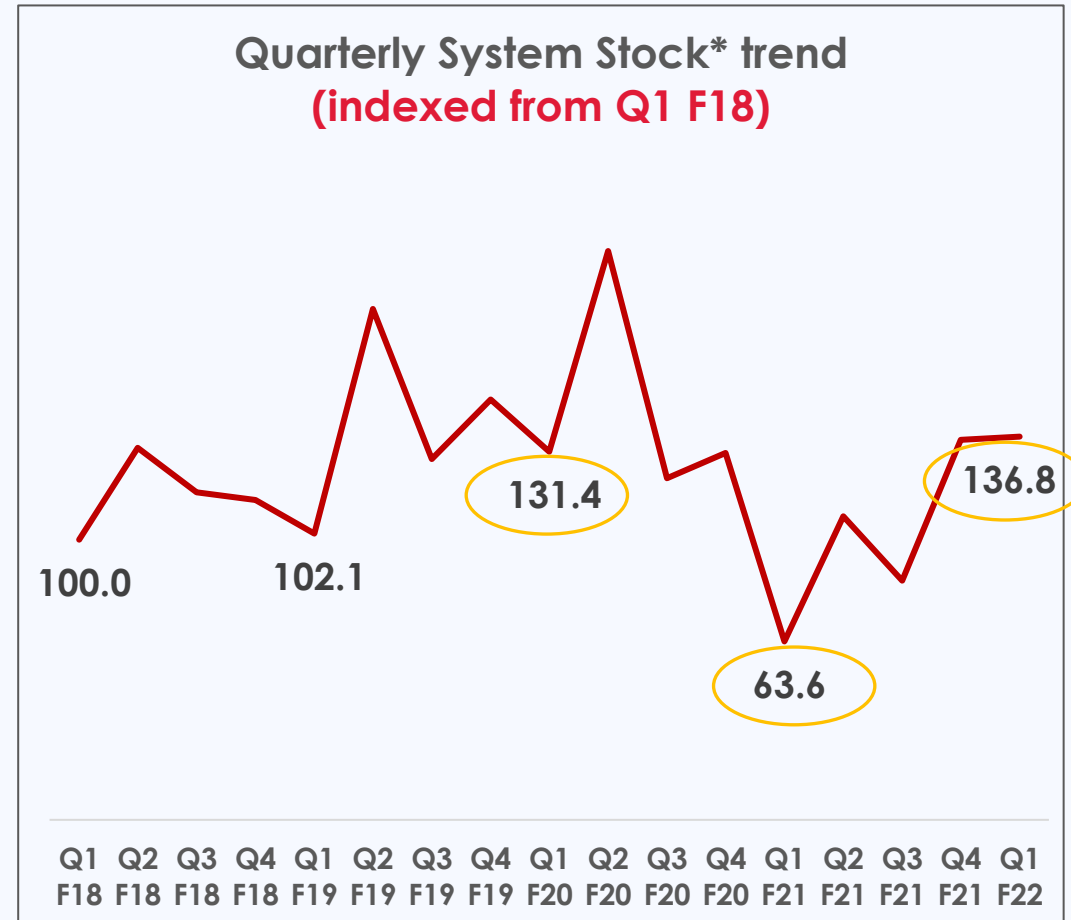
PBIT



FES – SALES AND STOCK TRAJECTORY



2nd Highest ever Q1 sales volume

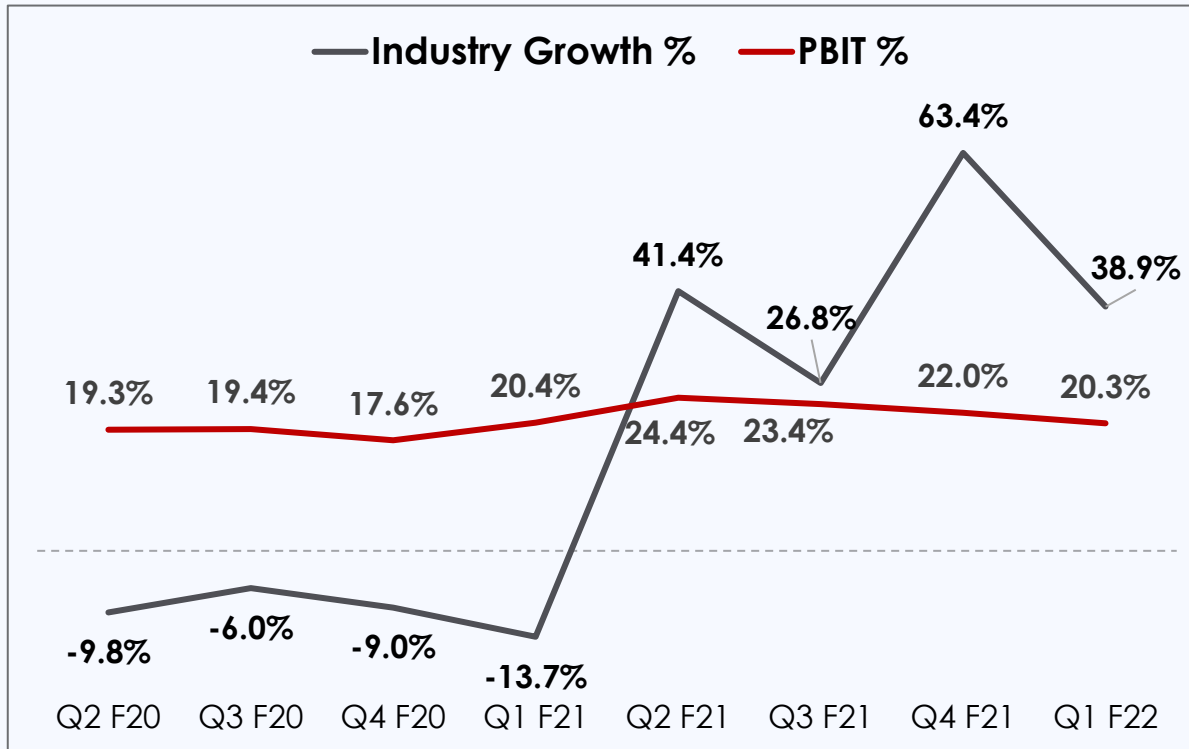


Building system stock* ahead of season

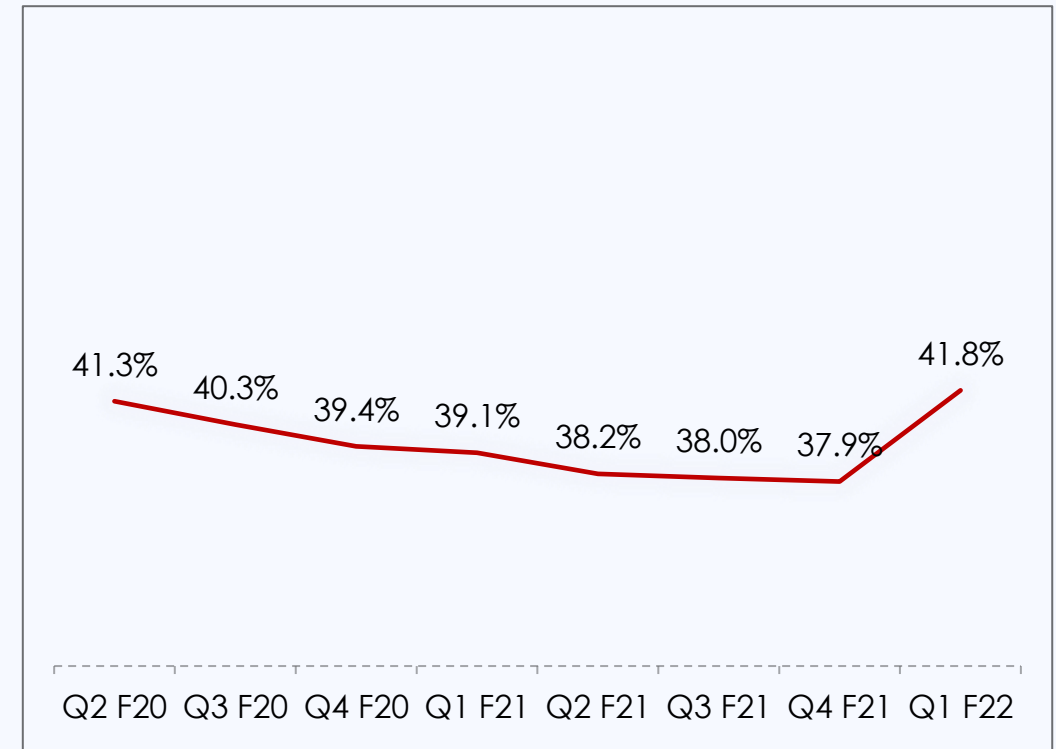
* System Stock includes FG Inventory with M&M and Dealers

FES – PERFORMANCE HIGHLIGHTS

Stability in Volatility



Continued Domestic Leadership



KEY LEVERS



Strengthen Core Domestic Business

Brands, Products, Channel & Krish-e

Domestic Farm Machinery

Scale up focus

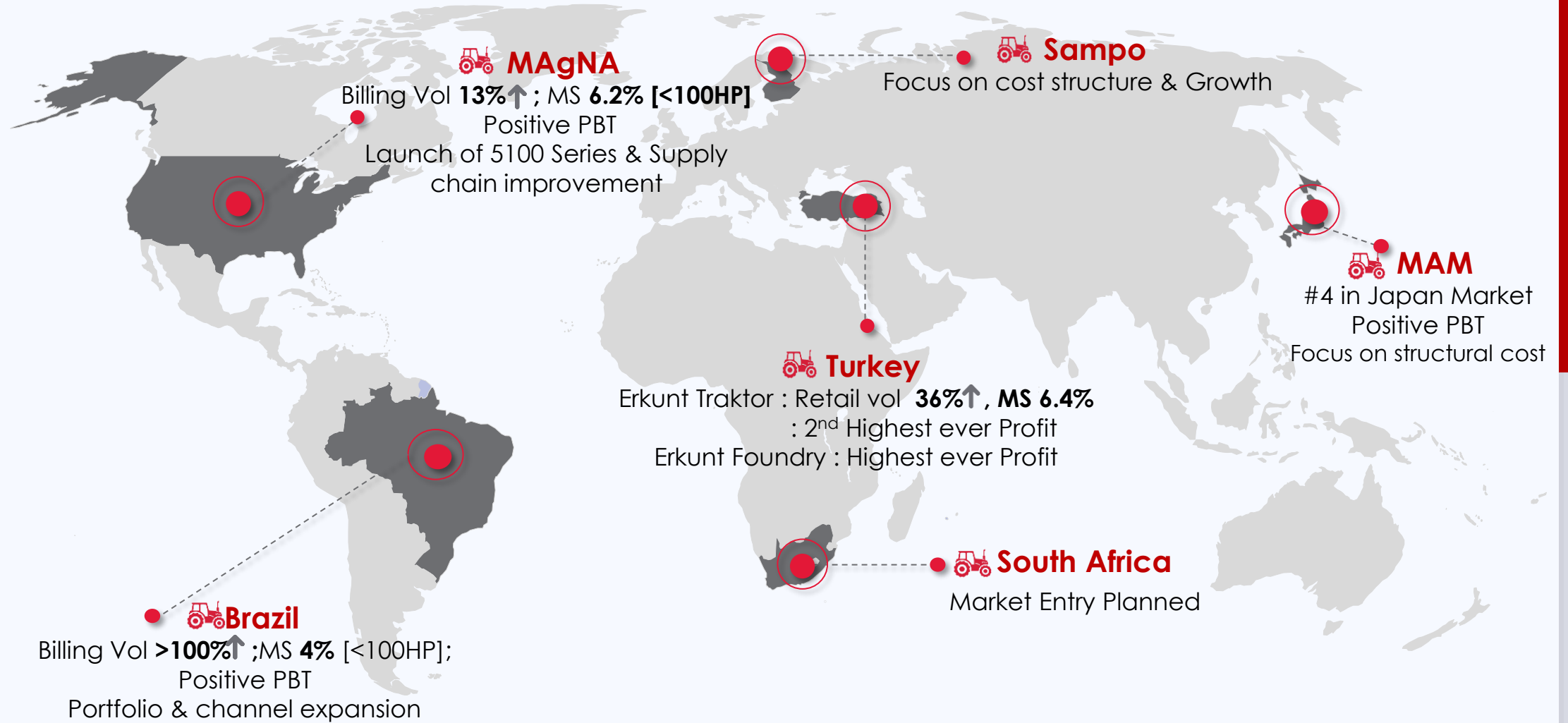
Technology

K2 Program, Global COEs. Precision Ag

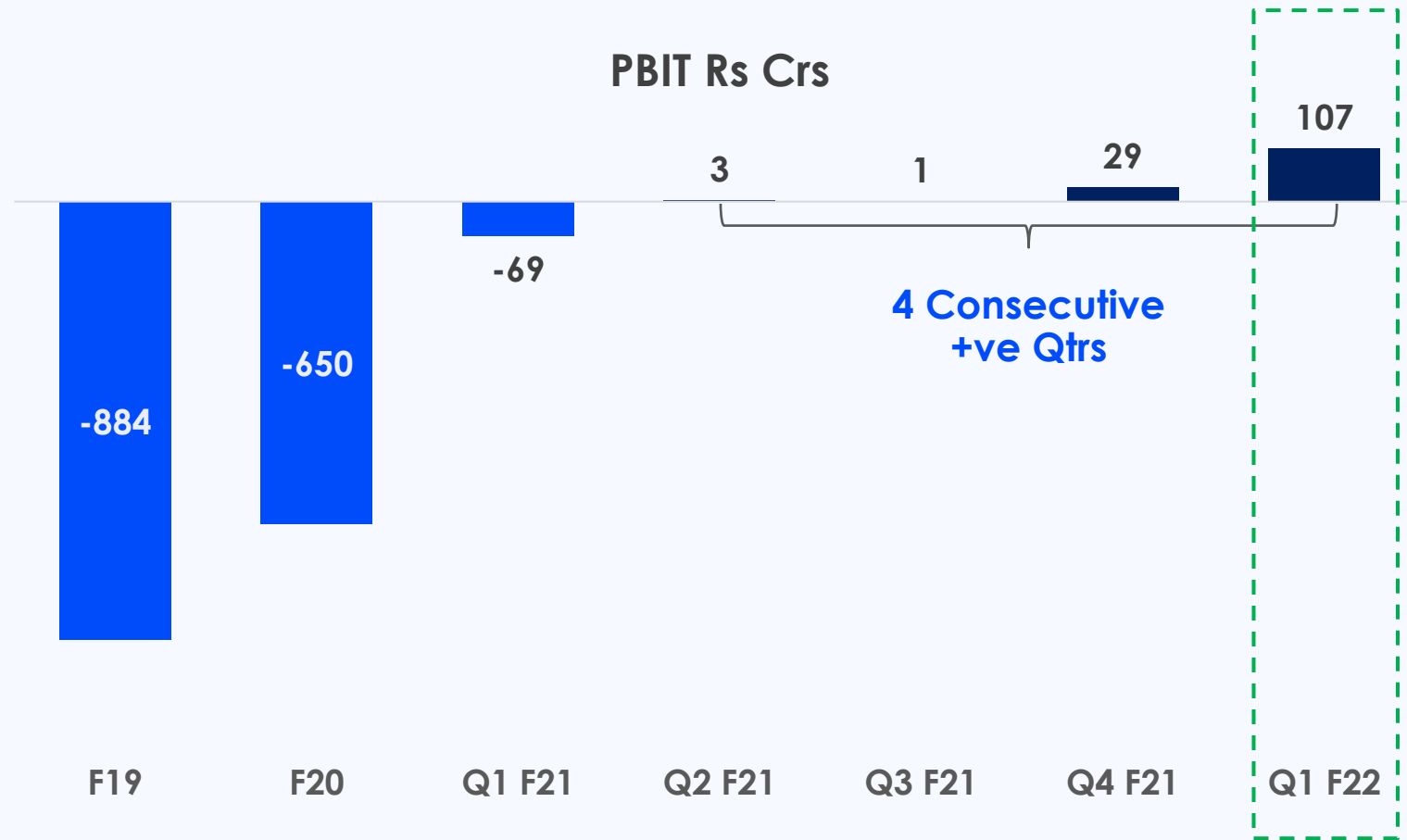
Global Growth

from Consolidation to Growth

FES GLOBAL BUSINESSES – FROM CONSOLIDATION TO GROWTH



FES SUBS* TURNAROUND : HIGHEST EVER PBIT



* FES Global Subsidiaries + Gromax

BOLD & AGGRESSIVE GROWTH TRAJECTORY

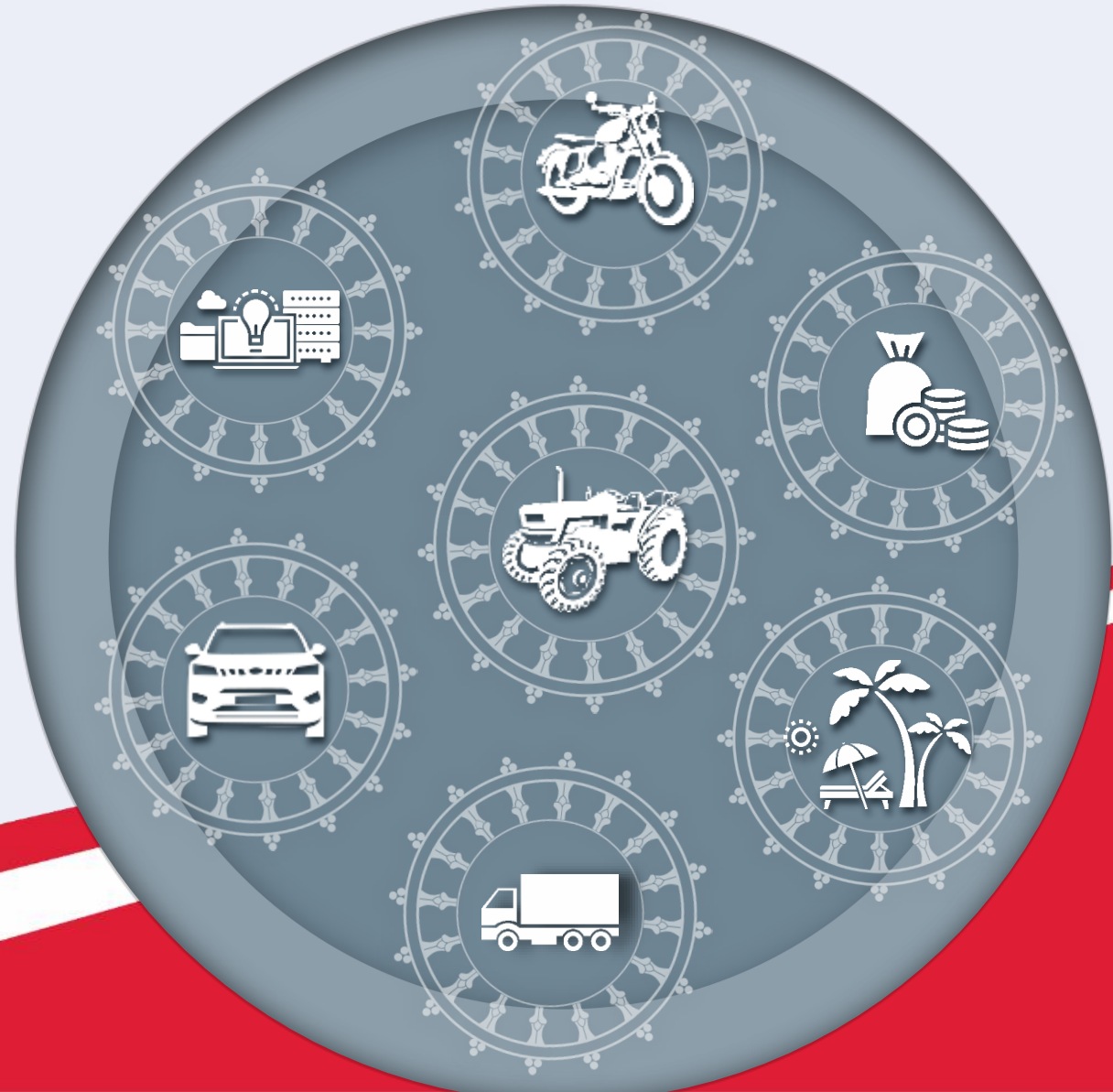
Mahindra
Rise.



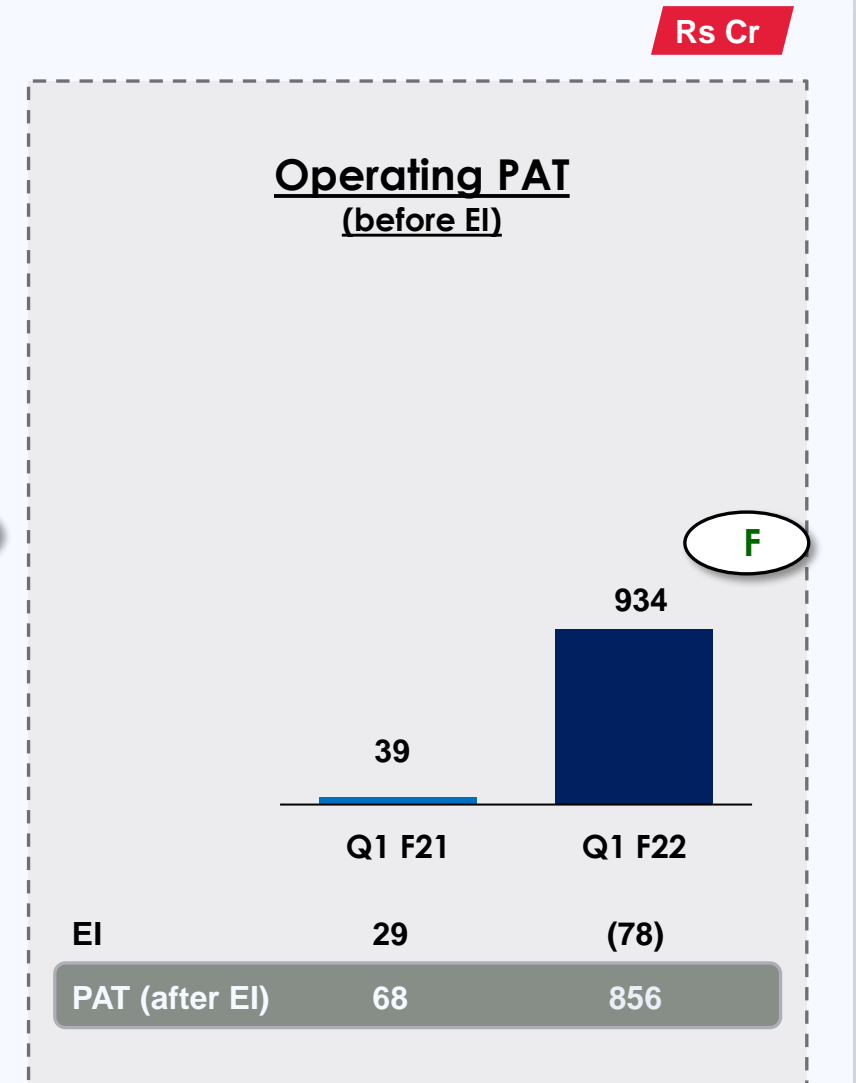
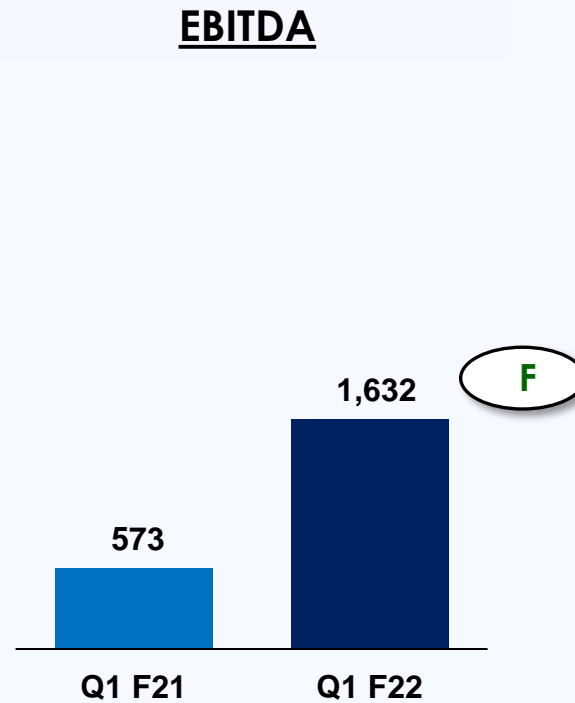
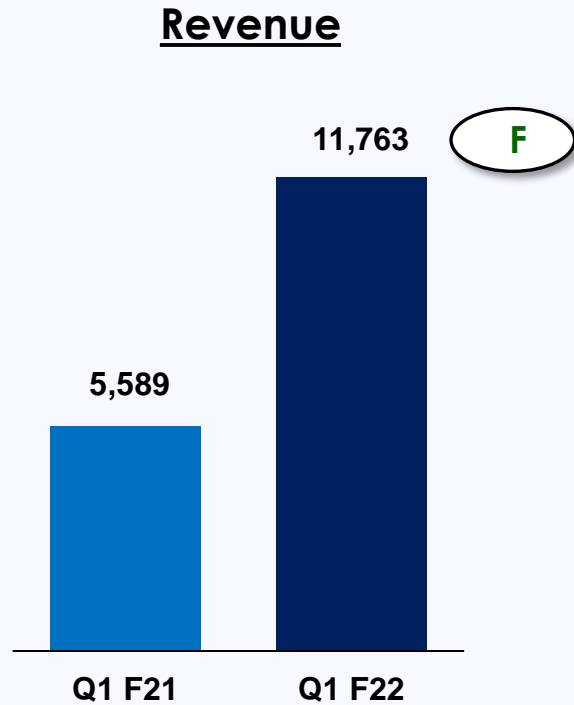
Financials

Analyst Meet

Manoj Bhat | 6 August 2021







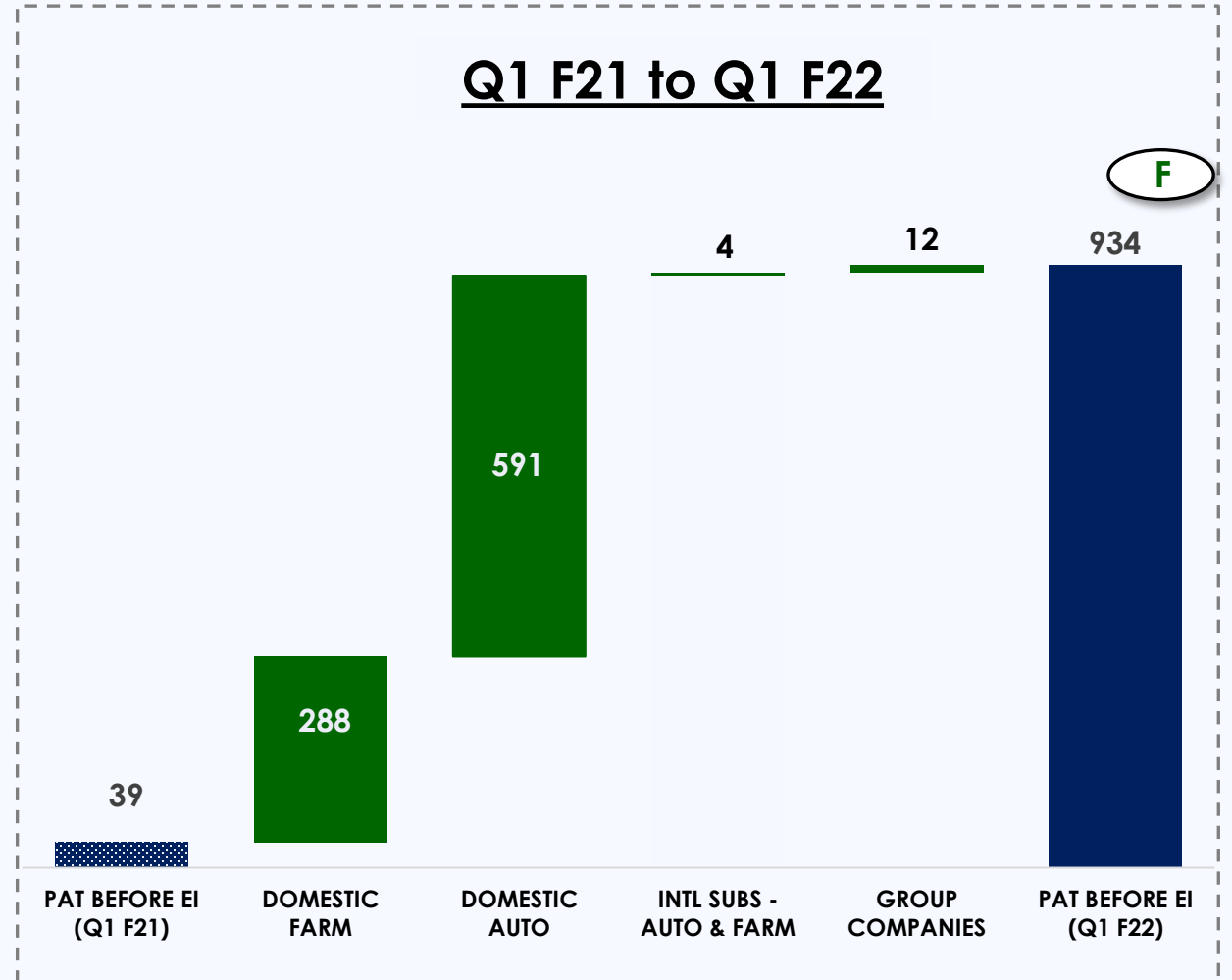
FINANCIALS (STANDALONE): Q1 F22



OPERATING PAT (BEFORE EI): Q1 F22

Rs Cr

	Q1 F21	Q1 F22
 Domestic Farm	556	844
 Domestic Auto	(504)	87
 Intl. Subsidiaries	(9)	(5)
 Group companies	(4)	8
Total	39	934

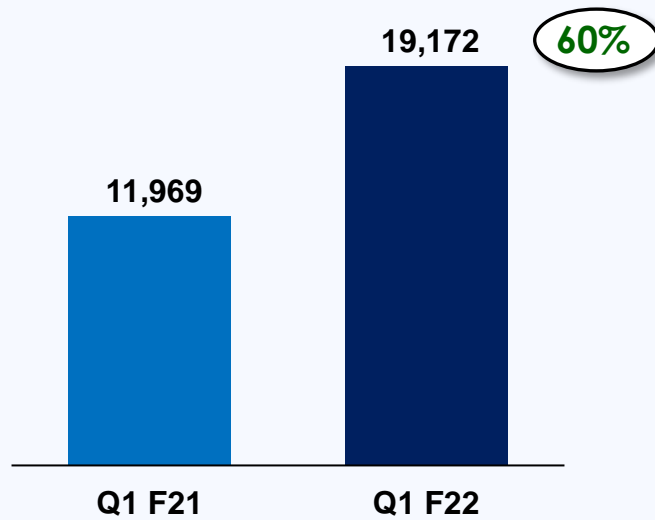


Two Wheeler, Powerol and SBU included in Domestic Auto

FINANCIALS (CONSOLIDATED): Q1 F22

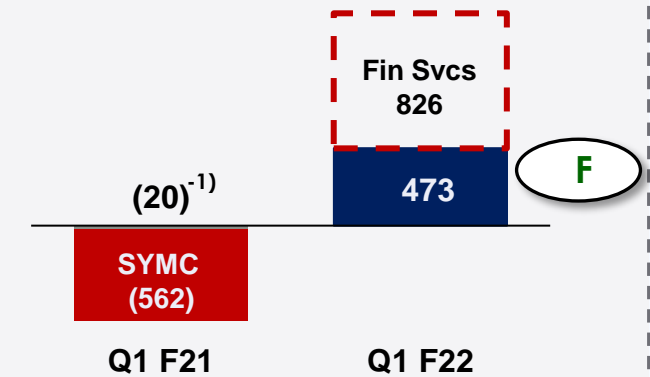
Rs Cr

Revenue ⁻¹⁾



	Q1 F21	Q1 F22
Auto	2,153	6,317
FES	4,907	7,189
Group Cos.	5,111	6,278
Inter-segment	(202)	(612)

Operating PAT (Continuing operations, before EI after NCI)



	Q1 F21	Q1 F22
EI (after NCI)	(29)	(49)
PAT (after EI) ⁻¹⁾	(49)	424
Financial Services ⁻²⁾	104	(826)
PAT (excl. Fin Svcs) ⁻²⁾	(124)	1,299





(1- Excludes Ssangyong due to discontinued operations

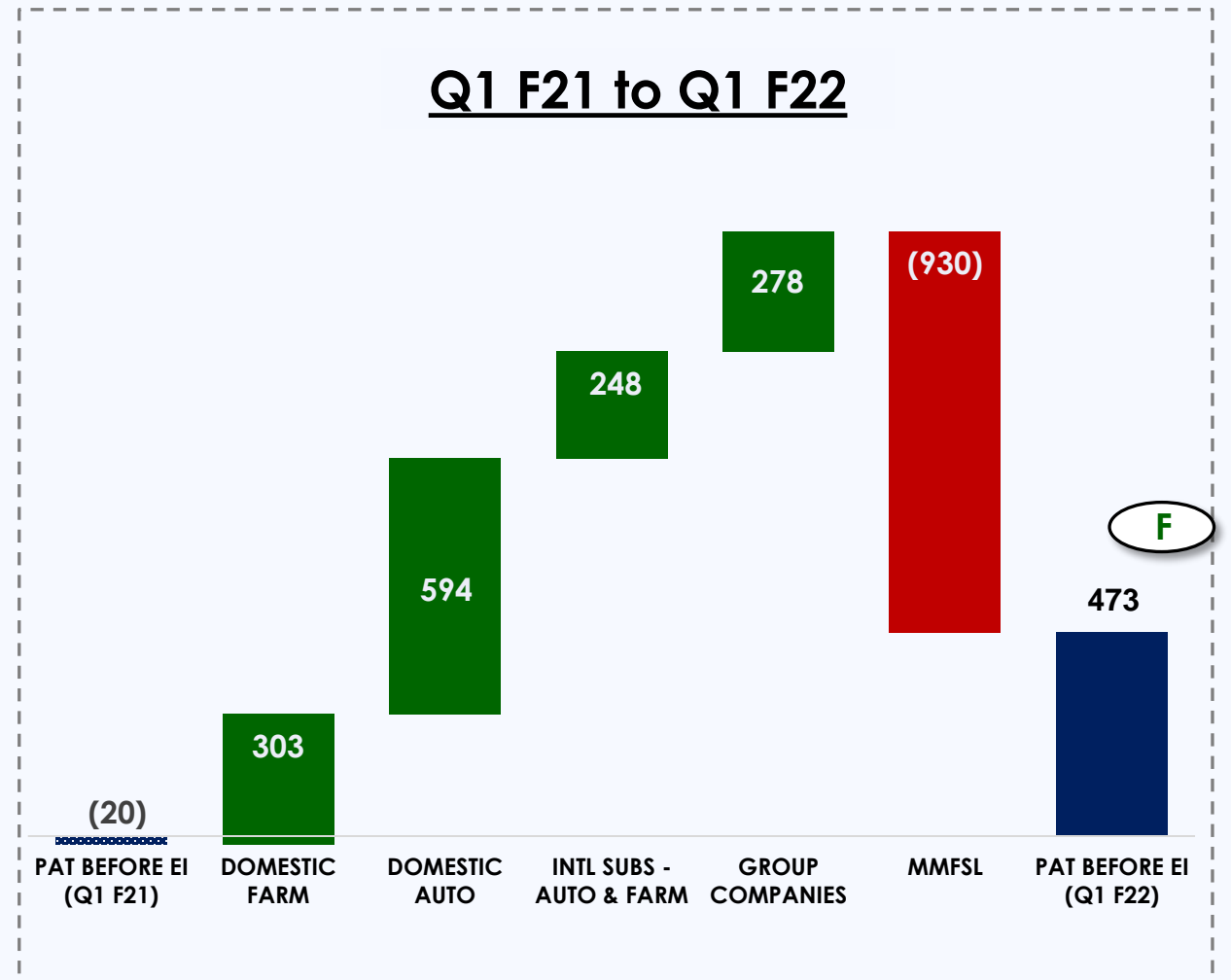
(2- Financial services Operating PAT (before EI) and excludes Ssangyong Tech Mahindra (Associate) revenue not included above

OPERATING PAT (BEFORE EI): Q1 F22

CONSOLIDATED M&M

Rs Cr

	Q1 F21	Q1 F22
 Domestic Farm	553	856
 Domestic Auto	(529)	65
 Intl. Subsidiaries ⁽¹⁾	(248)	-
<i>Ssangyong</i>	<i>(562)</i>	-
 Group companies	100	378
MMFSL	104	(826)
Total⁽¹⁾	(20)	473
<i>Total (incl. Ssangyong)</i>	<i>(582)</i>	<i>473</i>



Two Wheeler, Powerol and SBU included in Domestic Auto
 (1 – Excludes Ssangyong (discontinued operations))

STRATEGIC PRIORITIES



TEN COMMITMENTS



Gold standard in Governance
Compliance and disclosures



Water positive
At Group level



Carbon pricing emphasis
for internal business decisions



RE-100
50% usage target



EP-100
60% improvement in energy productivity



Project Hariyali
Plant 5 million trees/ year



Nanhi Kali
Educate 1 million girl child/ year



Women empowerment
Support 1 million women/ year



0 Waste to Landfill
100% sites certified



Carbon neutrality
Science based targets

FISCAL DISCIPLINE

Rs Cr



Entities with clear path to 18% RoE



Quantifiable strategic impact



Unclear path to profitability ... exit

Updates

PMTC

Volume ↓ w/ COVID impact, fundamentals strong

APF

Gearing up for Battista

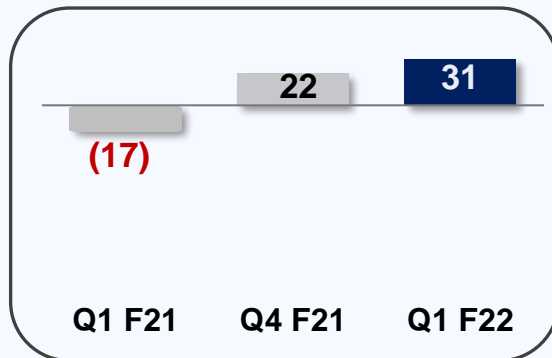
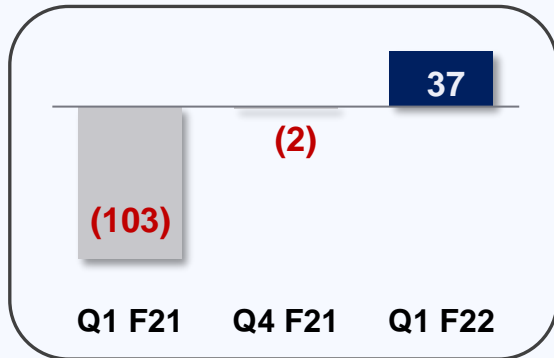
HISARLAR

Metal Fabrication



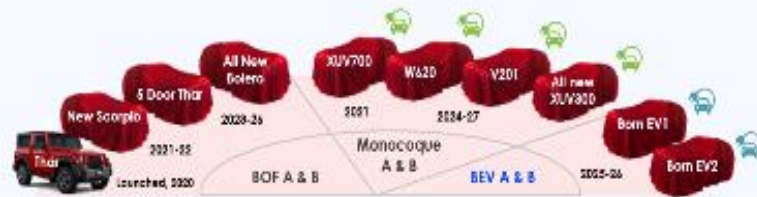
Dairy

Farm subs. (PAT)



23 NEW PRODUCTS BY 2026

CORE SUV



- **Thar** ... Total bookings 66K+
- **XUV 300** ... Monthly booking 4-6K
- **Bolero Neo** ... 5K bookings in 3 weeks
- **XUV700** ... Coming soon

EV



- **30,000+ e-3W sold**
50%+ market share in its category⁻¹⁾
- **300 million EV kms** since 2008
- **Battista** ... EV Hyper car

LCV



- **Market share leadership** ... >50% in pick up segment (2 - 3.5T)
- **Supro Profit Truck ... Launched**
Strengthen offering in 0 - 2T 4W segment
- **Compact Pickup** ... coming soon

(1 – organized lithium-ion battery segment)

TURNAROUND MMFSL



Resolve short term issues

- Sharp focus on collections
- Reverse 80-90% of additional ECL provision booked in 1Q F22 by Q3/ Q4 F22
- Drive growth of disbursements in higher performing segments



Build on MMFSL strengths

- **Wide distribution → local connect & trust ...**
~1,400 branches w/ local talent pool
- **Leader in rural asset-based lending**
42% rural, 35% semi-urban, 23% urban
- **Expertise in financing cyclical products**
Stress periods managed well over decades
- **Diversified into non-captive w/ multiple products**
Strong OEM relationships w/ seasoned operating model
- **Very well capitalized ... CRAR 23.8%**
Industry leading provision coverage 53.7%



Augment business model



Reduce volatility in GNPA's

*Rationalize few micro segments and customer types
Enhance early warning signals ... link to collections*



Leverage data and digital much more

*Sharpen origination and credit underwriting
Unlock value in our proprietary data-sets for 'Bharat'*



Drive Growth










*Capitalize on huge cross-sell opportunity
Carefully target attractive product-market segments*



Strengthen organization w/ specialized talent

*Expand AI, digital & data sciences
Empower our field agents*

PATH TO 18% ROE

		F20	F21	F26 TARGET
	Automotive	+	-	++
	Farm	★	★	★
	Tech Mahindra	+++	+++	+++
	Financial Services	+	+	++
	Hospitality	+	-	++
	Real Estate	-	-	++
	Logistics	+	+	+++
	Unlisted Growth Gems	-	+	++
	Digital platforms	-	+	+++

Appendix

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 31 March 2021.

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.”*

SEGMENT RESULTS: Q1 F22

Rs Cr

	Revenue			PBIT		
	<u>Q1 F21</u>	<u>Q1 F22</u>		<u>Q1 F21</u>	<u>Q1 F22</u>	
Automotive ⁻¹⁾	2,153	6,317	↑	(734)	81	↑
Farm equipment	4,907	7,189	↑	613	1,188	↑
Financial services	3,032	2,530	↓	232	(2,185)	↓
Hospitality	294	394	↑	(33)	(16)	↑
Real estate	17	150	↑	(24)	(24)	=
Others	1,768	3,204	↑	(12)	157	↑
Less: Inter-segment	(202)	(612)		12	8	
Total	11,969	19,172	↑	57	(792)	↓

(1- excludes Ssangyong revenue – discontinued operations)