Mahindra and Mahindra Limited financial result

Auto

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Q3 M&M + MVML Revenue at Rs. 12,120 crores down by 6%

Q3 M&M + MVML EBITDA at Rs. 1,793 crores up by 160 bps

Q3 M&M + MVML PAT (before EI) at Rs. 981 crores down by 34%

Q3 M&M + MVML PAT adj. for one-off items and EI at Rs. 934 crores up 7%

Mumbai, 8th February 2020: The Board of Directors of Mahindra & Mahindra Limited today announced the financial results for the quarter ended 31st December 2019 of the Company and the consolidated Mahindra Group.

Q3 F2020 – M&M + MVML* Results

Rs. crores

	Q3 F2020	Q3 F2019	Growth % YoY
Revenue	12,120	12,893	-6%
Profit After Tax **	380	1,396	-73%

Profit After Tax (before EI)	981	1476	-34%
Profit After Tax (excluding one-off items and EI)	934	877	7%
Operating margin (OPM)	14.8%	13.2%	
Vehicles sold (Nos)	1,23,353	1,33,508	-8%
Tractors sold (Nos)	81,435	81,435	-6%
Exports (vehicles and tractors) (Nos)	9,633	12,363	-22%

** The results of Q3 F2020 includes a net loss on account of exceptional and one-off items Rs. 554 crores as compared to a net gain on account of exceptional and one-off items of Rs 519 crores in Q3 F2019.

In Q3 F2020, both the Indian auto and tractor industry has shown some signs of trend reversal and has seen moderation in the double digit de-growth seen in Q1 F2020 and Q2 F2020. Good monsoons, the festive season demand, improved liquidity conditions, new launches, especially in the Utility Vehicle (UV) segment and special schemes offered by OEMs for the auto industry were the key reasons for this moderation in de-growth. The unseasonal rains

in the month of October 2019 did cause some damage to the Kharif crop, but the sentiment in the agri and rural economy is fairly upbeat with good sowing of Rabi crops supported by very good water reservoir levels and government announcement for thrust on infra projects.

For Q3 F2020, the Indian auto industry (excluding two wheelers) posted a decline of 3.0%, as against declines of 15.4% and 26.6% in Q1 F2020 and Q2 F2020 respectively. A growth of 27.9% in the UV industry in Q3 F2020 enabled the Passenger Vehicle (PV) industry to report a flat performance with a marginal decline of 0.6% as compared to Q3 F2019.

The Commercial Vehicles (CV) industry continues to be in pain and posted a reduction of 17.3% and the Heavy Commercial Vehicle (HCV) Goods industry has reduced 56.4% in Q3 F2020. The volumes for the HCV segment have fallen to F 2014 levels of 20000-22000 trucks per quarter.

In Q3 F2020 both the Company's domestic tractor sales and the domestic tractor industry registered a 6% decline as compared to Q3 F2019.

* The combined results of M&M and MVML (manufacturing unit) provide a comprehensive view of the company's performance

9M F2020 – M&M + MVML Results

Rs. crores

	9M F2020	9M F2019	Growth % YoY

Revenue	35,861	39,040	-8%
Profit Before Tax (before EI)	4,512	5,496	-18%
Profit Before Tax (after EI)	5,279	5,578	-5%
Profit After Tax (before EI)	3,254	4,356	-25%
Profit After Tax (after EI)	3995	4,432	-10%
Operating margin (OPM)	14.3%	14.5%	

Q3 & 9M F2020 – M&M Standalone Results

Rs. crores

	Q3 F2020	**Q3 F2019**	**9M F2020**	**9M F2019**
Revenue	12,345	13,070	36,344	39,579
Profit After Tax (after EI)	307	1,077	3,833	3,947

Q3 & 9M F2020 – Group Consolidated Results

Rs. crores

	Q3 F2020	Q3 F2019	Growth % YoY	9M F2020	9M F2019	Growth % YoY
Revenue and Other Income	25,303	26,352	-4%	75,742	78,622	-4%
Profit after tax after Non-Controlling Interest (before EI)	209	1,391	-84%	1,323	4,377	-70%
Profit after tax after Non-Controlling Interest (after EI)	200	1,311	-85%	1,462	4,622	-68%

A full summation of Gross Revenue and other income of all the group companies taken together for the nine months ended 31st December 2019 is **Rs. 106,159 crores (USD 15.1 billion).**

Outlook:

Economic activity weakened further in the last few months and the momentum remained subdued. As a result, India's real GDP growth for 2019-

20 was revised downwards by RBI from 6.1% in the October policy to 5% in December. The RBI further forecasts growth rates of 4.9-5.5% in H2 and 5.9-6.3% per cent for H1 2020-21. However, the cut in corporate tax rate and several sector-specific measures initiated by the Government and the monetary easing should further feed into the real economy. Going forward, the supportive and coordinated interplay of monetary and fiscal policy will be of paramount importance in revival of growth. The Union Budget has reiterated its commitment towards doubling of farm incomes and provided a thrust to Agriculture and the Rural sector. It also endeavours to support consumption by way of Income tax cuts and rationalisation.

Global growth has been projected to rise from an estimated 2.9% in 2019 to 3.3% in 2020 and 3.4% for 2021. These reflect a downward revision of 0.1% for 2019 and 2020 and 0.2% for 2021 compared to earlier forecasts. There are tentative signs that manufacturing activity and global trade are bottoming out. Besides, a broad-based shift toward accommodative monetary policy, US-China trade deal, and diminished uncertainties around Brexit, have boosted market sentiment.

Note: Translation of rupee to dollar is a convenience translation at the average exchange rate for the twelve month period ended 31st December 2019.

About Mahindra

The Mahindra Group is a USD 20.7 billion federation of companies that enables people to rise through innovative mobility solutions, driving rural prosperity, enhancing urban living, nurturing new businesses and fostering communities. It enjoys a leadership position in utility vehicles, information technology, financial services and vacation ownership in India and is the world's largest tractor company, by volume. It also enjoys a strong presence in agribusiness, aerospace, commercial vehicles, components, defense, logistics, real estate, renewable energy, speedboats and steel, amongst other businesses. Headquartered in India, Mahindra employs over 2,40,000 people across 100 countries.

Learn more about Mahindra on www.mahindra.com / Twitter and Facebook: @MahindraRise

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