Mahindra & Mahindra Financial Results- 2Q, FY-2019

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Q2 M&M + MVML Revenue at Rs. 12790 crores up by 6%

Q2 M&M + MVML PAT after (EI) at Rs.1779 crores up by 26%

Mumbai, 14th November 2018: The Board of Directors of Mahindra & Mahindra Limited today announced the financial results for the quarter ended 30th September 2018 of the Company and the consolidated Mahindra Group.

Q2 F2019 – M&M + MVML* Results

Rs. crores

	Q2 F2019	Q2 F2018	Growth % YoY
Revenues and Other Income	13,638	12,574	8%

Profit from ordinary activities Before Tax (before EI)	2,161	2,035	6%
Profit from ordinary activities Before Tax (after EI)	2,298	2,035	13%
Profit from ordinary activities After Tax (after EI)	1,779	1,411	26%
Operating margin (OPM)	14.5%	16.0%	
Vehicles sold (Nos)	1,41,163	129,754	9%
Tractors sold (Nos)	73,012	76,984	-5%
Exports (vehicles and tractors) (Nos)	13,377	11,755	14%

For Q2 F2019, the Indian auto industry (excluding two wheelers) posted a moderate growth of 4.8%. This moderation in growth was due to a high base from Q2 F2018, shift of the festive season to Q3 F2019 and partial slowing down of demand for passenger vehicles especially in urban parts of the country. The passenger vehicle industry reported a de-growth of 3.6%, with the utility vehicle de-growing 8.1%. The commercial vehicle goods industry

posted a robust growth of 29.8%, with LCV < 3.5T goods segment growing 31.3% and the MHCV goods segment grew 29.5%. The demand in the LCV < 3.5T segment was driven by a strong rural demand coming from the agri sector and sustained efforts for rural development coupled with affordable finance. The MHCV segment growth is driven by sustained investment in road, infra projects and an uptick in IIP. In Q2 F2019, the total domestic automotive volume for the Company grew by 8.8% and the HCV volume with sales of 3078 trucks grew by 48.1%. The Company exported 9,244 vehicles during the current quarter, a growth of 18.9% over the corresponding quarter previous year.

The domestic tractor industry witnessed a decline of 2.6% in Q2 F2019 on account of shift in festive season to Q3 F2019 which resulted in the company's domestic tractor sales also declining by 5.2% in Q2 F2019. With the healthy reservoir levels, progress on rabi sowing and increase in minimum support prices of Rabi crops we expect the growth momentum to pick up in the coming months.

Outlook:

Real GDP growth, according to the RBI's estimates, is projected to improve from 6.7 per cent in 2017-18 to 7.4 per cent in 2018-19. Rising gross fixed capital formation, driven by the government's focus on the road sector and affordable housing along with higher private spending has helped buoy growth so far. The monsoon was marked by an overall deficit of 9 per cent

but distribution of precipitation remained conducive along with higher water reservoir levels. Therefore, the first advance estimates of production of kharif crops for 2018-19 have placed food grains production being 0.6 per cent higher than last year's level.

Going forward, growth will be a function of evolving liquidity conditions as well as private and government spending. Among global factors, crude oil price behaviour and US-China trade policy maneuvering will be the key factors to watch out for.

H1 F2019 – M&M + MVML Results

Rs. crores

	H1 F2019	H1 F2018	Growth % YoY
Revenues and Other Income	27,189	23,580	15%
Profit from ordinary activities Before Tax (before EI)	3,991	3,165	26%
Profit from ordinary activities Before Tax (after EI)	4,153	3,165	31%

Profit from ordinary activities After Tax (after EI)	3,036	2,163	40%
Operating margin (OPM)	15.1%	14.7%	

Q2 & H1 F2019 – M&M Standalone Results

Rs. crores

	Q2 F2019	Q2 F2018	H1 F2019	H1 F2018
Revenues and Other Income	13,835	12,745	27,620	25,326
Profit from ordinary activities After Tax (after EI)	1,649	1,332	2,870	2,081

Q2 & H1 F2019 – Group Consolidated Results

Rs. crores

	Q2 F2019	Q2 F2018	Growth % YoY	H1 F2019	H1 F2018	Growth % YoY

Revenues and Other Income	26,125	22,725	15%	52,386	45,937	14%
Profit after tax after Non-Controlling Interest (before EI and one-off items)	1,075	988	9%	2,456	1,845	33%
Profit after tax after Non-Controlling Interest (after EI and one-off items)	1,633	2,029	-20%	3,363	2,886	17%

A full summation of Gross Revenues and other income of all the group companies taken together for the half year ended 30th September 2018 is **Rs. 70,934 crores (USD 10.6 billion).**

Note: Translation of rupee to dollar is a convenience translation at the average exchange rate for the twelve-month period ended 30th September 2018.

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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