

# On the Runway...

V S Parthasarathy  
Group CFO  
Mahindra & Mahindra





**Turbulent  
World**



**India**



**Auto and  
Tractor  
Industry**



**Financial  
Results**



**Ready for take  
off:  
*futurise***



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# *A Turbulent World....*



**Year of Brexit,  
Activation of  
article 50**

**Change of Leaders  
(US, UK, France, NZ,  
Brazil,  
S Korea, Philippines)**

**The Trans Pacific  
partnership flops  
the largest regional  
trade deal**

**Geo – political worries**

# ***Matters of Interest***

***Interest Rate  
Increasing in  
the USA***



***Negative  
Interest Rate in  
Europe***

***Japan Slowly  
Coming Back into  
Growth Mode***





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# INDIA HAS ITS OWN RHYTHM



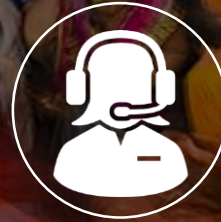
Lower Utilisation of Industrial Capacities



Slower IIP growth



Rising cost of production - WPI



Muted Service Sector Growth



Stressed Balance sheets of Banks



RBI adopting 'Neutral' Stance

# STILL, GROWTH TRAJECTORY MAINTAINED



Even with Odds, fastest growing economy



Reforms push continues



Political Stability & Rural Focus



Faster execution & implementation



Health Indicators in Comfort Zone



GST closer to implementation date



Stronger FII inflow & domestic investment





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# AUTO INDUSTRY HAS A 'WHY ME?' EFFECT



NGT Ban



Odd Even



Short term impact of demonetisation



BS III to BS IV



Line between UV and PV vanishing



Surge in sharing



Uncertainty about GST

# TRACTOR PREPPING THE FIELD



**Doubling farm income by 2022**



**MSP increase in FY17**



**Budget rural focussed**



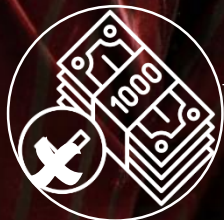
**Normal monsoons**



**Irrigation Focussed**



**Investments in Infrastructure**

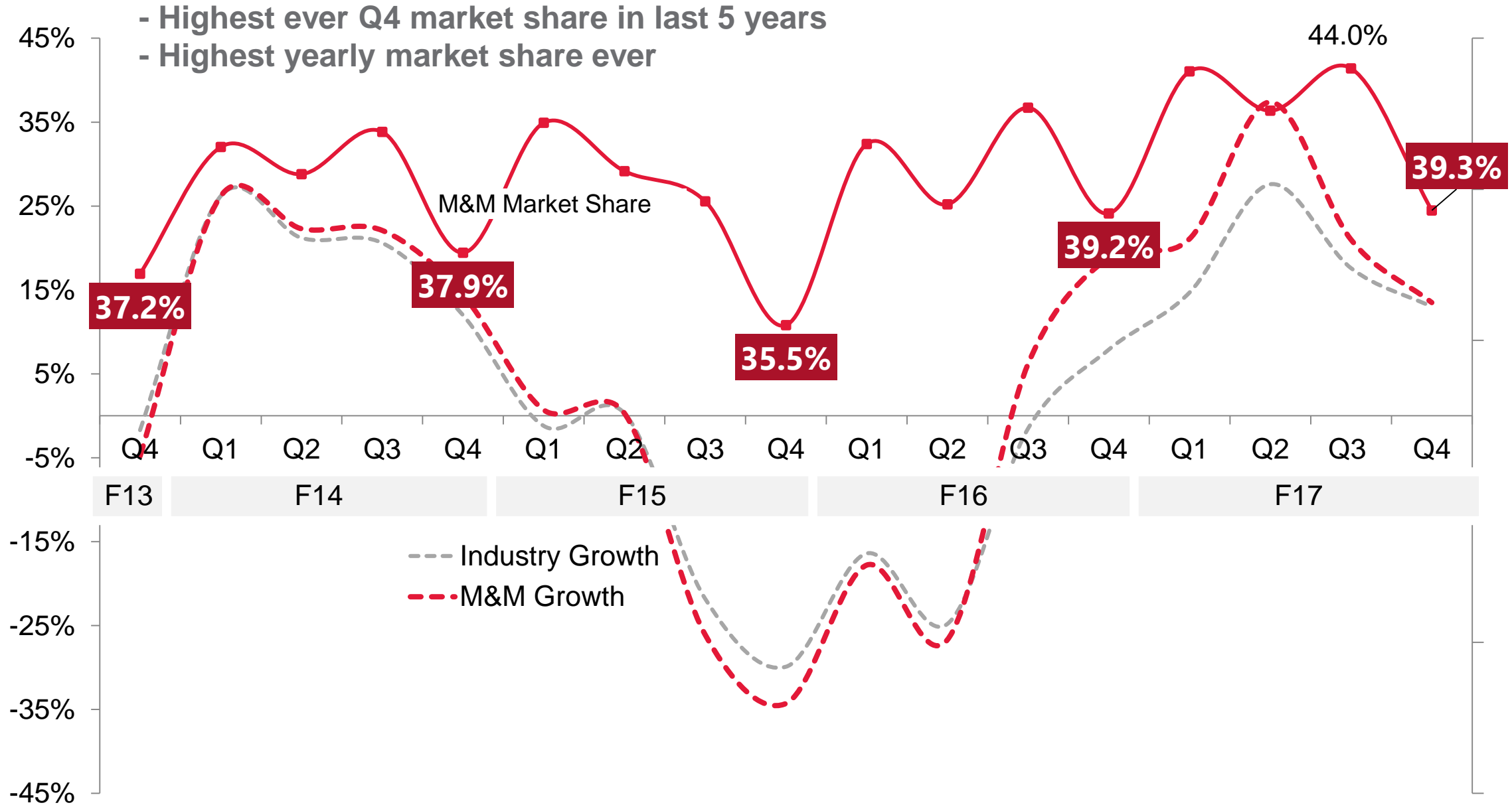


**Growth lowered due to demonetisation**

## CV carrying the load, UV had a bumpy ride

Segment	M&M			M&M		
	Q4 F17	Q4 F16	Growth	F17	F16	Growth
Utility Vehicles	62,573	69,082	-9.4%	222,541	222,324	● 0.1%
Vans & Cars	3,480	3,609	-3.6%	13,589	13,983	● -2.8%
LCV < 3.5T	48,165	41,945	14.8%	166,607	154,653	● 7.7%
LCV > 3.5T	2,211	1,773	24.7%	7,626	6,425	● 18.7%
HCV Goods (>16.2T)	2,805	1,969	42.5%	6,715	5,705	● 17.7%
3W	11,544	12,630	-8.6%	52,306	54,975	● -4.9%
<b>AS (Dom) Total</b>	<b>130,778</b>	<b>131,008</b>	<b>-0.2%</b>	<b>469,384</b>	<b>458,065</b>	<b>● 2.5%</b>

# Tractors had a bumper crop





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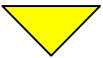

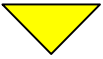




# Standalone Financials



# Quarterly performance

## M&M + MVML SNAPSHOT

Rs Crs


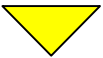



	Q4 FY 17	Q4 FY 16		
<b>Volume – FES</b>	50,145 nos.	43,415 nos.		<b>15.5%</b>
<b>Volume - Auto</b>	1,38,047 nos.	1,40,509 nos.		<b>1.8%</b>
<b>Net Sales &amp; Operating Inc.</b>	10,612	10,175		<b>4.3%</b>
<b>EBITDA</b>	1,237	1,294		<b>4.4%</b>
<b>OPM</b>	11.7%	12.7%		<b>100 bps</b>
<b>PBT Before EI</b>	1,085	960		<b>13.1%</b>
<b>PAT Before EI</b>	780	685		<b>13.8%</b>
<b>PAT After EI</b>	874	691		<b>26.3%</b>



# Quarterly performance

## M&M + MVML SNAPSHOT

Rs Crs

<b>Without BS III impact</b>	<b>Q4 FY 17</b>	<b>Q4 FY 16</b>		
<b>Volume – FES</b>	50,145 nos.	43,415 nos.		<b>15.5%</b>
<b>Volume - Auto</b>	1,38,047 nos.	1,40,509 nos.		<b>1.8%</b>
<b>Net Sales &amp; Operating Inc.</b>	10,691	10,175		<b>5.1%</b>
<b>EBITDA</b>	1,408	1,294		<b>8.8%</b>
<b>OPM</b>	13.2%	12.7%		<b>50 bps</b>

# SEGMENT REVENUE & RESULT – Q4

## AS

### SEGMENT REVENUE

Q4 F 17	7,613
Q4 F 16	7,477
% Inc/ (Dec)	1.8%

### SEGMENT RESULT

Q4 F 17	546
Q4 F 16	722
% Inc/ (Dec)	(24.4%)

## FES

### SEGMENT REVENUE

Q4 F 17	2,767
Q4 F 16	2,345
% Inc/ (Dec)	18.0%

### SEGMENT RESULT

Q4 F 17	467
Q4 F 16	357
% Inc/ (Dec)	30.8%









Other segment revenue is at Rs 371 Crs with Segment result of Rs 24 Crs in Q4 F17



# Yearly performance

## M&M + MVML SNAPSHOT

Rs Crs

	FY 17	FY 16		
<b>Volume – FES</b>	2,63,021 nos.	2,14,173 nos.		<b>22.8%</b>
<b>Volume - Auto</b>	5,06,624 nos.	4,94,096 nos.		<b>2.5%</b>
<b>Net Sales &amp; Operating Inc.</b>	41,895	38,888		<b>7.7%</b>
<b>EBITDA</b>	5,656	5,246		<b>7.8%</b>
<b>OPM</b>	13.5%	13.5%		<b>Same</b>
<b>PBT Before EI</b>	5,158	4,561		<b>13.1%</b>
<b>PAT Before EI</b>	3,706	3,338		<b>11.0%</b>
<b>PAT After EI</b>	3,889	3,344		<b>16.3%</b>

# SEGMENT REVENUE & RESULT – F17

## AS

### SEGMENT REVENUE

F 17	27,181
F 16	26,345
% Inc/ (Dec)	3.2%

### SEGMENT RESULT

F 17	2,162
F 16	2,623
% Inc/ (Dec)	(17.6%)

## FES

### SEGMENT REVENUE

F 17	13,786
F 16	11,294
% Inc/ (Dec)	22.1%

### SEGMENT RESULT

F 17	2,562
F 16	1,956
% Inc/ (Dec)	31.0%

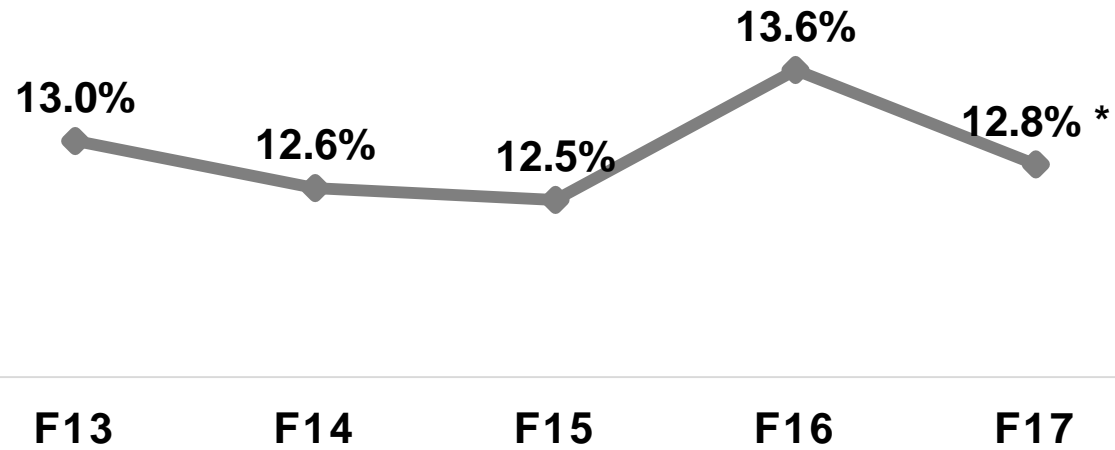
Other segment Revenue is at Rs 1447 Crs with Segment result of Rs 73 Crs in Q4 F17



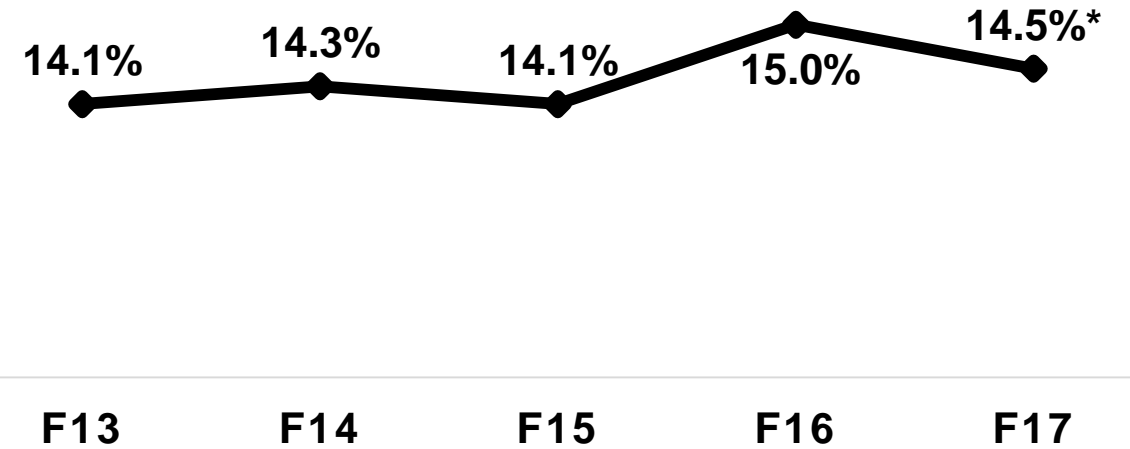
Rs Crs

# Auto Margin

## AD + MVML EBITDA Margin



## AD + MVML EBITDA without MTB



*MTB – Mahindra Trucks & Bus Division*

\*EBITDA excluding one-time impact of BS III

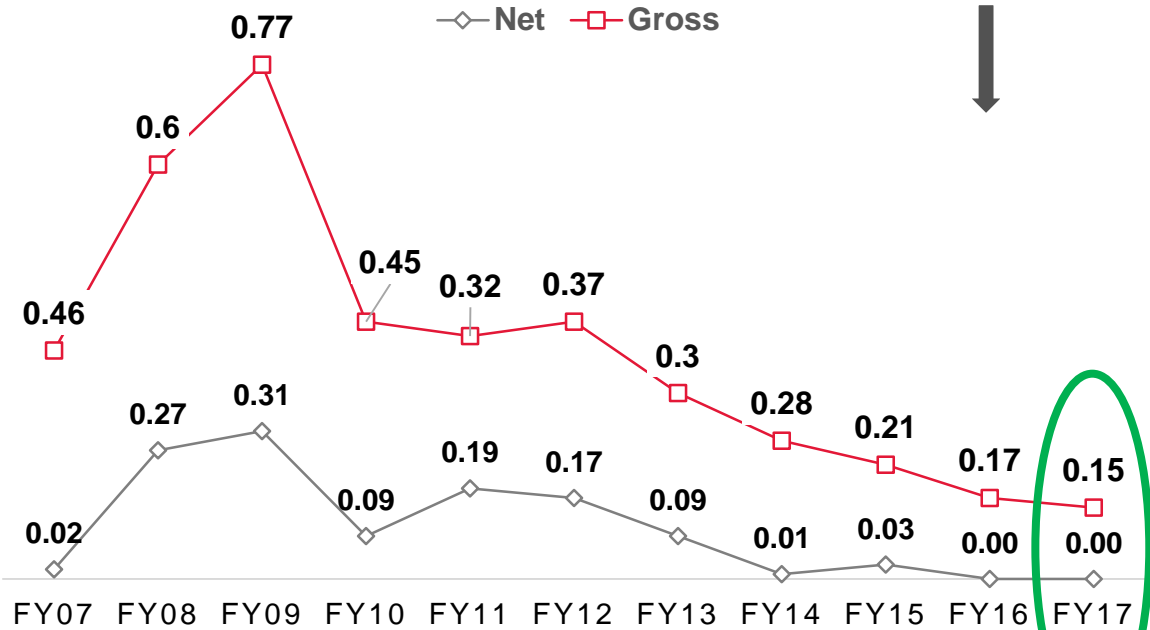
# Performance Indicators

Particulars	F – 17	F – 16
OPM (%)	13.5	13.5
ROCE (%)	18.3	18.0
EPS (Basic)(Rs / share)	63	55

# Robust Financial Risk Profile

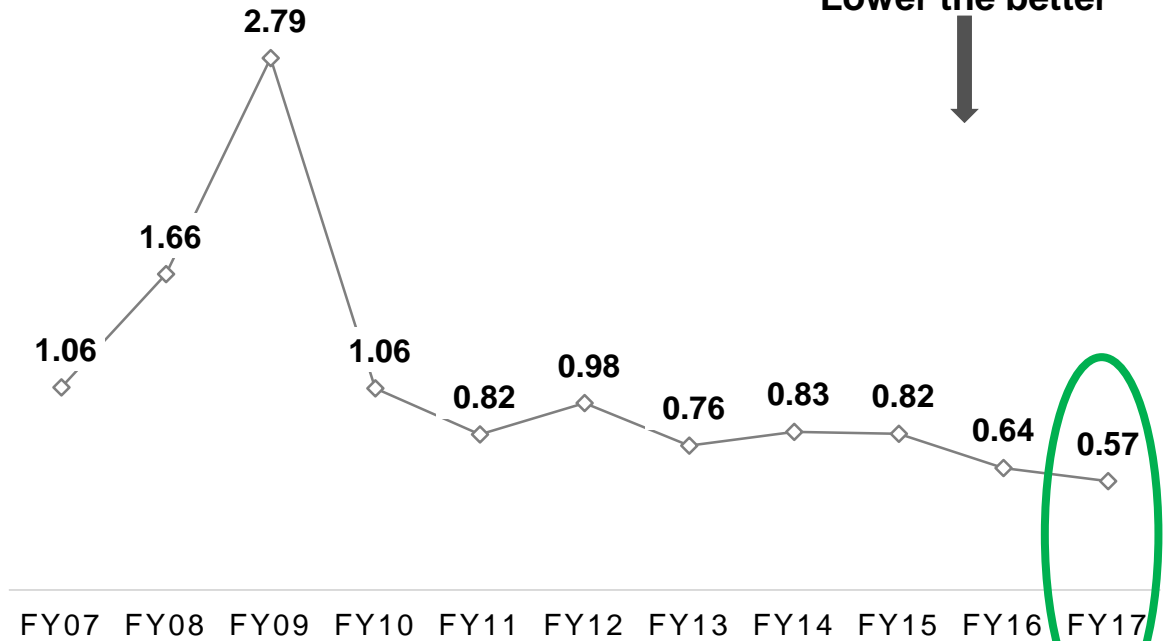
## DE Ratio M&M + MVML

Lower the better



## Gearing Multiple M&M + MVML

Lower the better





**The Bigger Picture  
Group View**



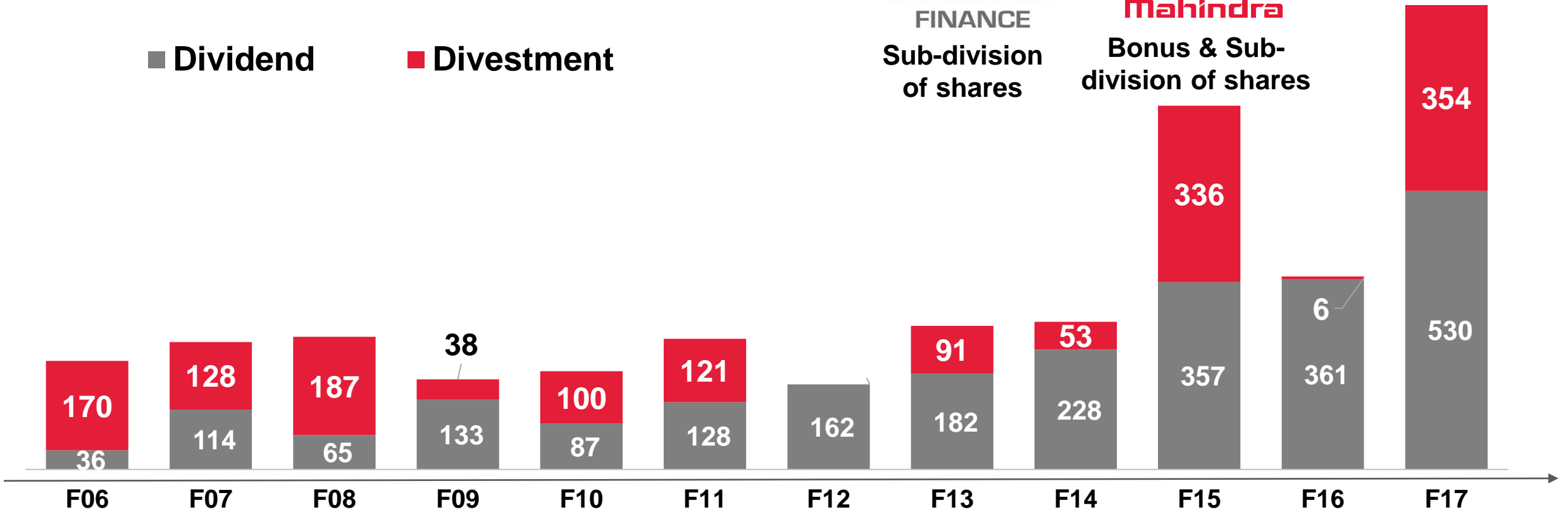
# More than the sum of its parts

Rs Crs

■ Dividend    ■ Divestment

**Mahindra**  
FINANCE  
Sub-division  
of shares

**Tech**  
**Mahindra**  
Bonus & Sub-  
division of shares



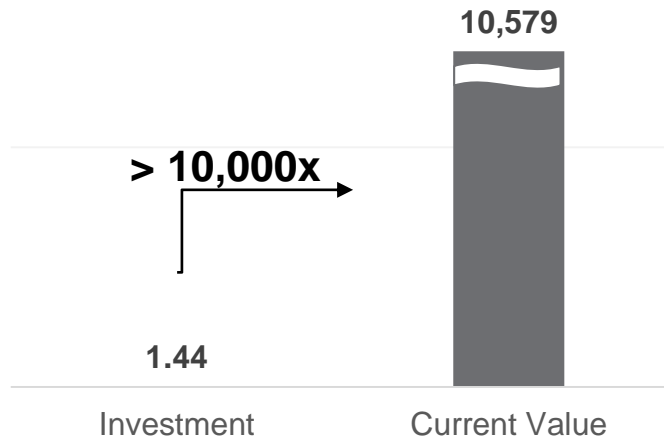
\* Above excludes gain on transfer of investment to group companies

## Fruits at regular intervals

# Great gains from small beginnings

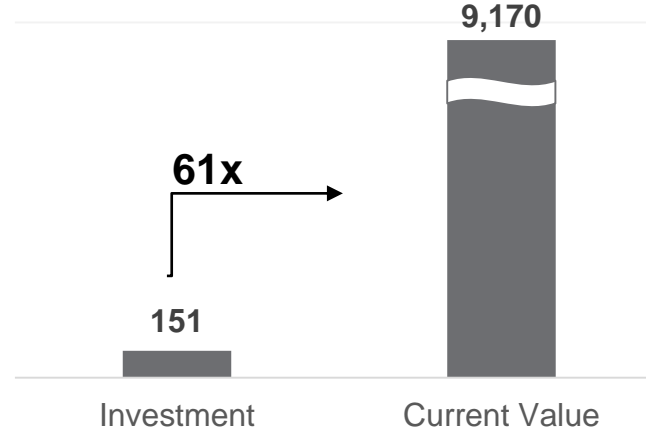
Rs Crs

## Tech Mahindra\*

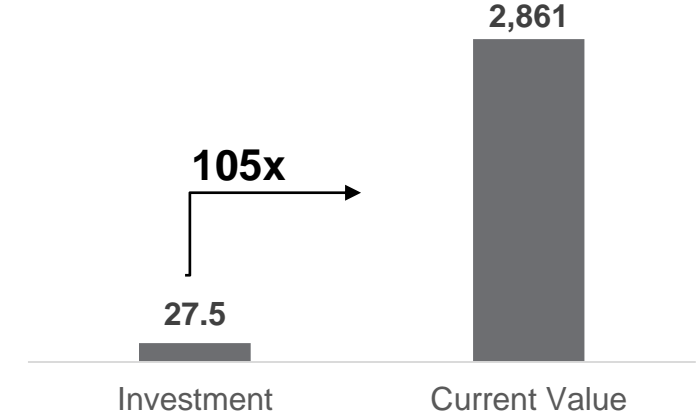


\* Against original investment of Rs 1.44 Crs

## MMFSL

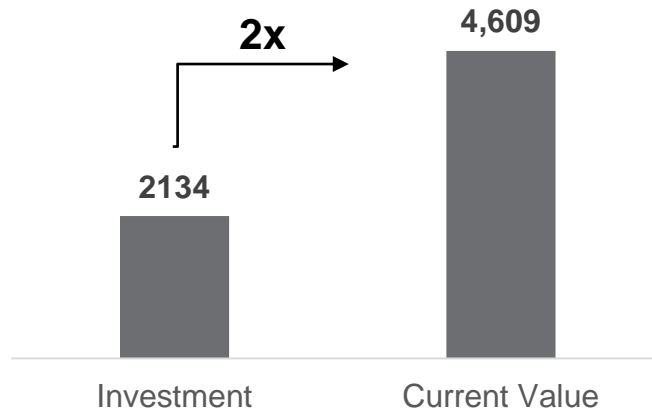


## Mahindra Holidays\*\*

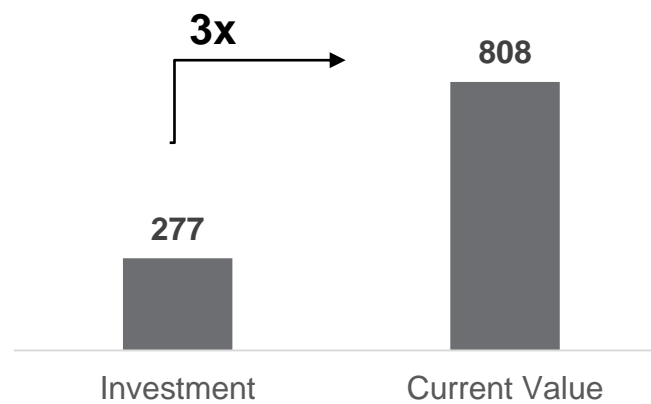


\*\* Includes value of 7.5% stake sale

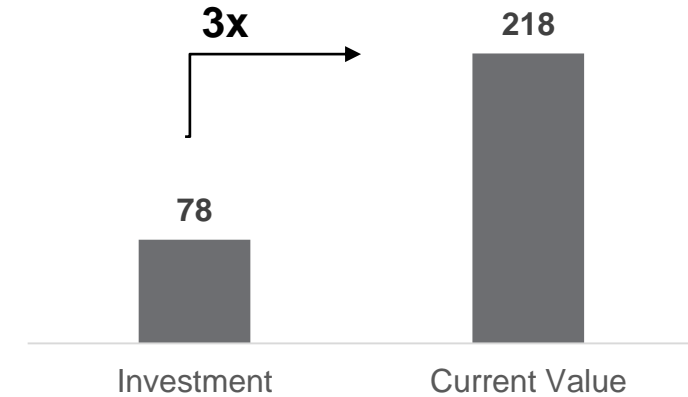
## Ssangyong



## Mahindra Lifespaces



## EPC Industries



\*\* Includes recent stake sale of 7.5% at market price

Note: Market Price as on 31<sup>st</sup> March 2017

*And list can go on and on.....*

**Delivering Farm Tech Prosperity**

**\$ 1 bn**

**108 mn**

**154 mn**

**144 mn**



**F15**

**F16**

**F17**

**.....**

***On the Top Gear***

**\$ 1 bn**

**357 mn**



**F15**

**504 mn**



**F16**

**544 mn**



**F17**



**.....**

***Building scale + GST will be booster***

**\$ 1 bn**



***Future is Renewable***

**\$ 1 bn**

**75 mn**

**126 mn**

**80 mn**



**F15**

**F16**

**F17**

**.....**

# Shifting gears



Two wheeler

Shift in Strategy

From 'Mass Player' to 'Niche and Premium two wheeler Player'

Re-sizing and cut down of losses



Mahindra Retail

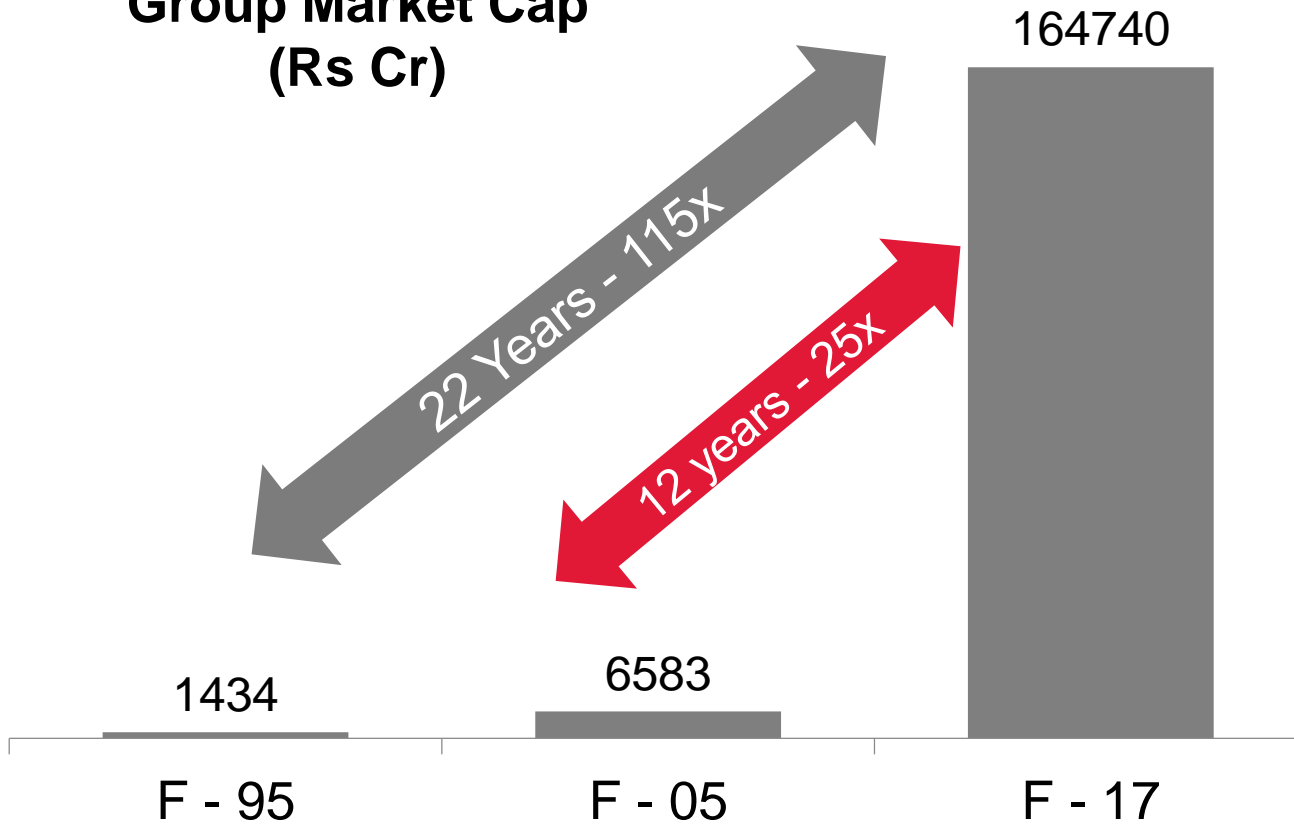
Strategic Partnership with FirstCry

Adopted Click + Brick model

Opens up huge opportunities

# Value Creation

## Group Market Cap (Rs Cr)



Prices as on 31<sup>ST</sup> March  
\$ = INR 64.88

Market Cap (31st Mar17)	F -17 Rs Crs
Mahindra & Mahindra	79,928
Tech Mahindra	44,725
MMFSL	17,910
Ssangyong	6,364
Mahindra Holidays	3,845
Mahindra Lifespaces	1,689
Swaraj Engines	1,842
Mahindra CIE	8,034
EPC Industries	399
<b>Total</b>	<b>1,64,740</b>

**\$ 25.4 bn**



# F-2017 Consolidated Result



# Financial Highlights

M&M Consolidated – FY 17 vs FY 16



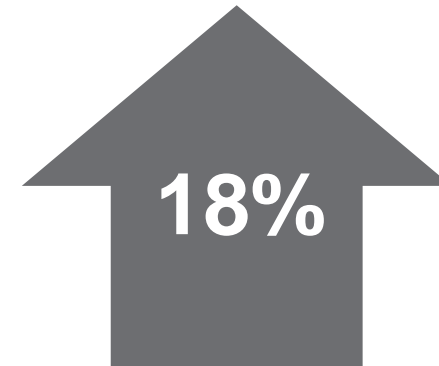
**Rs. 89,713 crs**



**Rs. 80,983 crs**



**Rs. 3,698 crs**



**Rs. 3,148 crs**

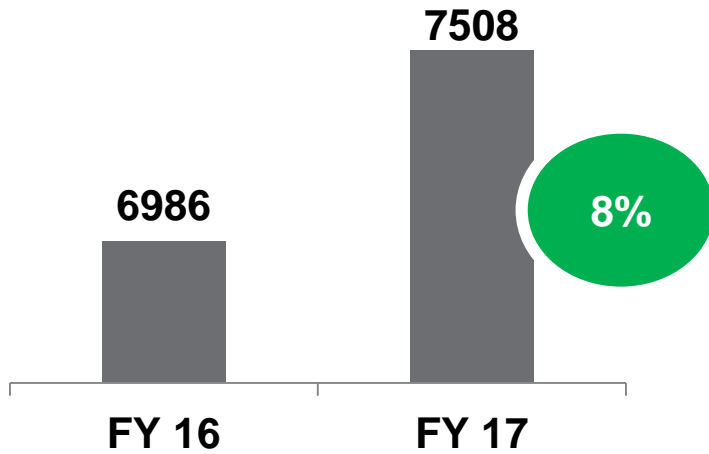
# Consolidated Segment Report



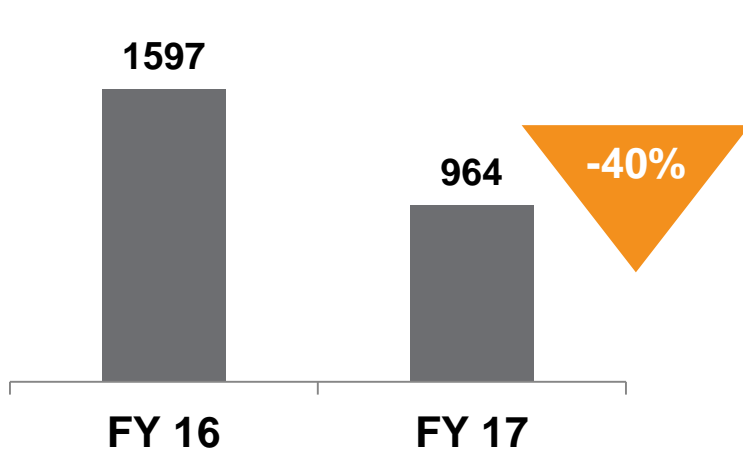
# Segment Revenue

## Financial Services

### Segment Revenue



### Segment Result



## Automotive

53769

50464

FY 16

FY 17

7%

2283

2138

FY 16

FY 17

-6%

## Real Estate

620

783

FY 16

FY 17

+26%

105

72

FY 16

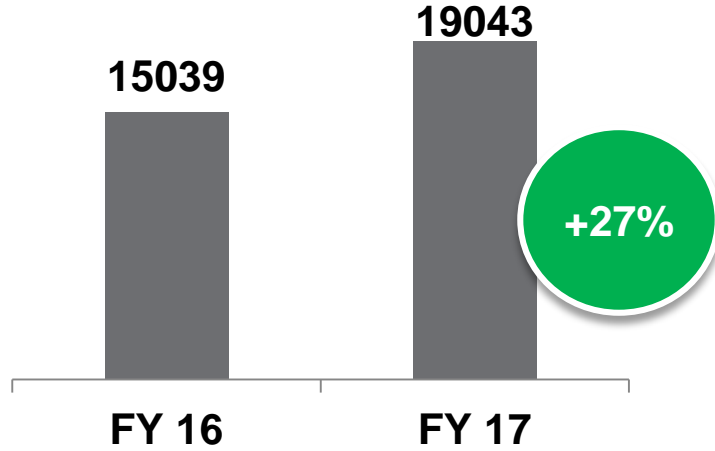
FY 17

-31%

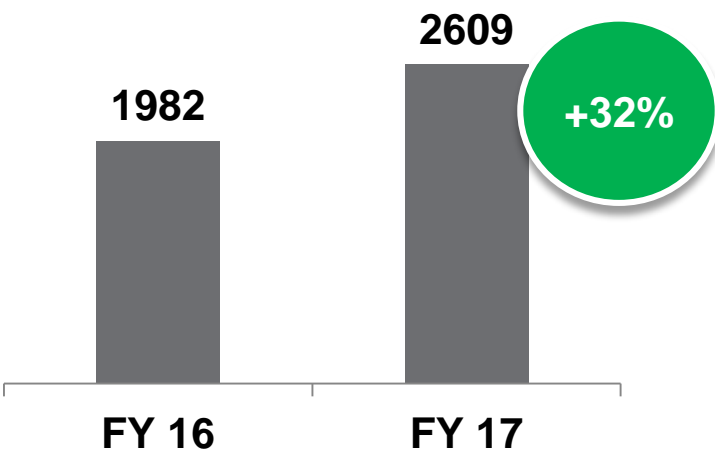
# Segment Revenue

## Farm Equipment

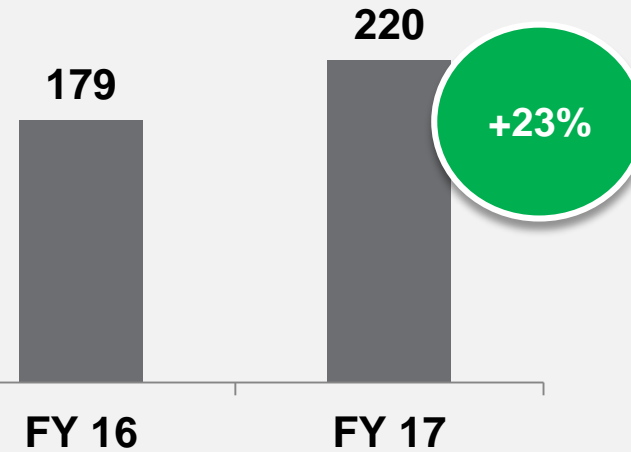
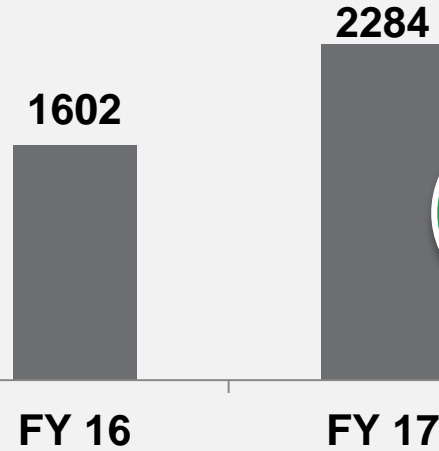
### Segment Revenue



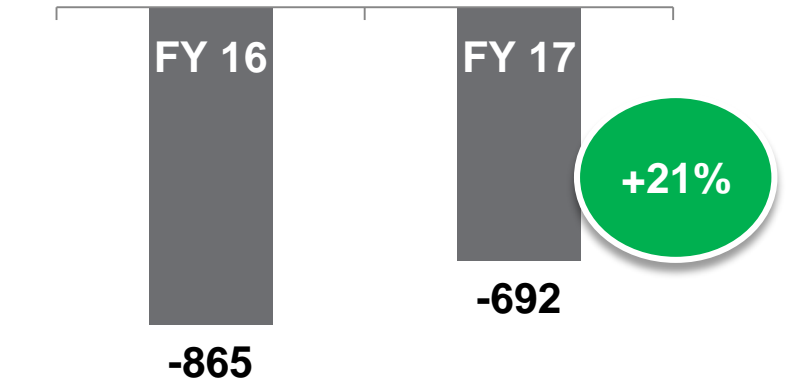
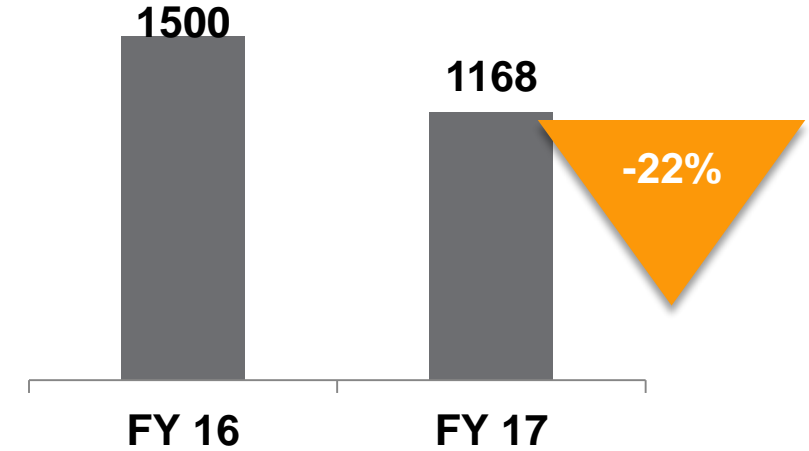
### Segment Result



## Hospitality



## Two Wheeler



Other segment Revenue is at Rs 5,521 Crs with Segment result of Rs 117 Crs loss in F17

# Beating the Benchmark - Result Speaks

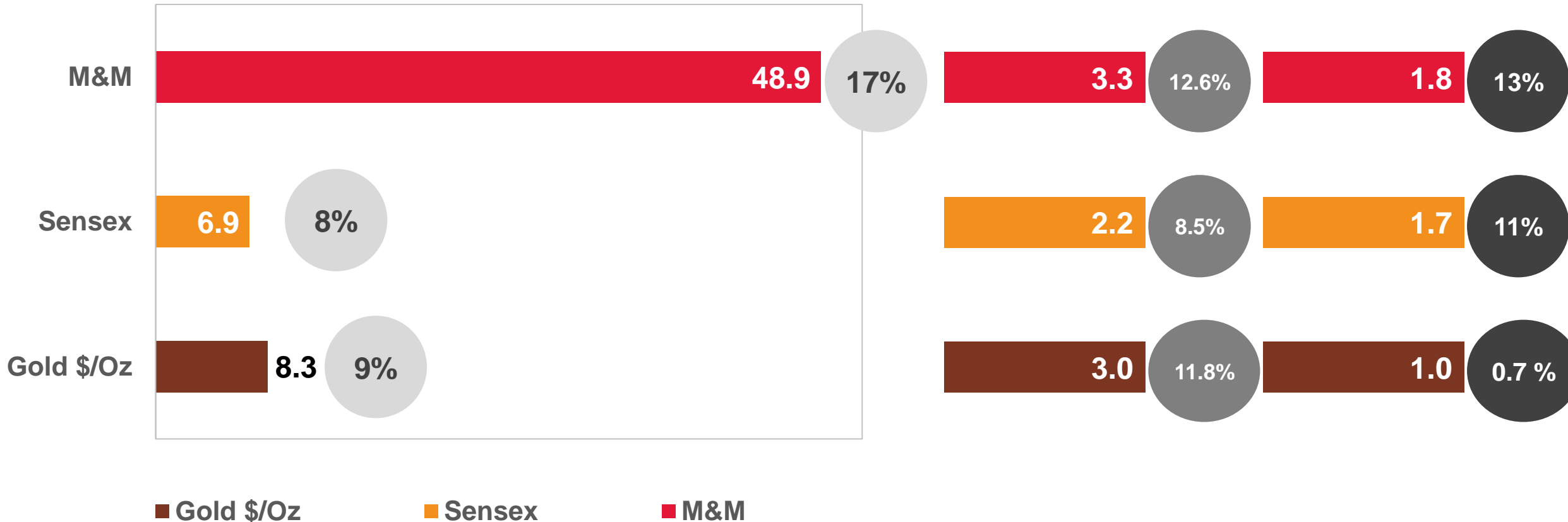
Returns in No. of times & CAGR %

As at 31st March 2017

LAST 25 YEARS

Last 10 years

Last 5 years





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*futurise***

# Leading the Change – Auto – “Try me”

## Continue

### Focus on power brands

- Bolero Powerplus
- Scorpio
- Technically sophisticated XUV500

### Strengthening of LCV & SCV portfolio

- Jeeto continues to perform
- New products in ‘Supro’ brand
- Success of Bolero big pickup

### Ssangyong turnaround

## Innovate

Participation in Rental Car Aggregator ecosystem

Launch of ‘Digisense’ for commercial vehicles

Unique value proposition for ‘Blazo’ truck customers

Working on launching ICV range of CVs.

Platform level synergies with Ssangyong for new products

## Build for Future

Electric Vehicles

Introducing gasoline option for all our products

New business models – Smart Shift

Focus on Global Market

Global design & Development capabilities



# Leading the Change – Farm Segment

## Continue

- Highest Market Share Growth
- Leadership in existing product markets
- Double digit market share at USA

## Innovate

- Technologically sophisticated, versatile tractors
- Expanding the range – 24 HP JIVO tractors
- Investing in on-line tractor rental model – Trringo
- Introduction of 'Digisense' in tractors

## Build for Future

- Globalisation - New markets (Mexico, Brazil, Turkey, Japan)
- Enlarging the product domain
  - Strategic stake in MAM
  - Sampo Roselnew
  - Hisalrar
- Exploring areas like precision farming
- Innovation in motion
  - Driverless Tractor
  - Artificial Intelligence

# *Mahindra is a microcosm of business models*

## **Rural Play**

Farm Mechanisation  
Auto (Partly)  
Mahindra EPC  
Agri business  
Mahindra Rural Hsg. Fin.

## **'Make in India'**

Mahindra Defence  
Mahindra Aerospace

## **Disruptive Business Models**

Mahindra First Choice Wheel  
The Bio Agency (TechM)  
Mahindra Rural Hsg. Fin.

## **Services play**

Tech Mahindra  
Mahindra Holidays  
Mahindra Finance

## **Enablers of Economic growth**

Mahindra Logistics  
Mahindra Lifespaces

## **Emerging Industries**

Healthcare  
Mahindra Solar

*Internet of Things*

*Driverless tractors*

*Smartshift*

*Trringo*

*Solar Power*

*Sampo Rosenlew*

*Pininfarina*

*E2o plus*

*Smart Cities*

*Electric Racing*

*Blockchain*

*Hirsarlar*

*BSA/Java*

*Blazo*

*MRV / MNATC*

*GenZe*

*Peugeot Motocycles*

*Bio*

*Rise Prize*

*Tivoli*

*Aerospace*

*Rise for Good*

*EP100*

*Delivering tomorrow's future*

*We want to make “Mahindra” a globally admired brand...*

*Thank You*



**Thank you**