

Mahindra & Mahindra Limited

Meeting of CIOs with Mr. Anand Mahindra

Date & Time	February 26, 2018; 3.30 p.m.
Event	Mr. Anand Mahindra’s Interaction with CIOs of Institutional Investors
Participants from M&M	Mr. Anand Mahindra – Executive Chairman; Mr. V.S. Parthasarathy - Group CFO; Mr. Sriram Ramachandran – Sr. VP – Corporate Finance – Investor Relations & Special Projects and IR Team

The Company had organised an interaction of CIOs/ senior personnel from various Institutional Investors with Mr. Anand Mahindra to discuss the strategic issues related to the company.

The key points emerged during the discussion are provided below:

- Global scenario
 - The USA, which is the world’s engine of growth, is seeing a resurgence of confidence in the economy. The Europe which has a tremendous capacity to spend is making a comeback with France leading the way. The increase in commodity prices, especially oil, augurs well for business as the moderate increase in inflation leads to private investment.
- Indian scenario
 - The positive rural sentiment, the normal Rabi season coupled with a FAR-sighted budget focused on Farm, Agri, Rural augurs very well for our line of business. The interest rate and commodity price increases could be a road block to this growth. The agri and rural infrastructure push by the government augurs well for the rural growth.
 - This augurs well for increase in private investment and the automotive sector, particularly the auto component space will lead the way due to capacity constraints in the supply chain.
- M&M businesses
 - The FES business has seen good growth and the company has done well to hold its market share and grow it in spite of tough competition due to the two brands of Mahindra and Swaraj complimenting each other, with Mahindra playing the technology game and Swaraj following a low cost model. The newly formed third brand ‘Trackstar’ from Gromax (formerly MGTL)’ at the bottom of the pyramid is the answer to any new entrant in the industry. FES business has global aspirations and is working towards increasing the global revenues to 50% of the total FES revenue.
 - The MHCV and Construction equipment divisions are seeing a turnaround.
 - The company has been able to maintain its market share in the core SUV segment with strong volumes of Bolero, Scorpio and XUV. In the crossover/ compact segment, the company has made a headway with KUV100 and TUV300. The company is confident of increasing its market share in the UV segment with 4 new launches in FY19 and the repositioning of the TUV300 and KUV100 gaining traction.

- Mahindra's capability in the passenger vehicle to be looked at holistically – MRV at Chennai, Ssangyong and Mahindra North America. Mahindra has the access to product portfolio of Ssangyong, which has some successful launches in the recent years – Tivoli and G4 Rexton. G4 Rexton has been selected as the 4WD Car of the Year in Britain by the 4X4 magazine.
 - The company is creating options in the shared mobility and EV spaces in the form of investments in start-ups (e.g. Mahindra Smart-Shift) and investments in technology (EV technology).
 - The pick-up segment of the Auto business is doing extremely well and with the newly launched schemes on the pickup range and pick-up in rural economy, this business is expected to continue to do well.
 - Mahindra North America (MANA) would be launching ROXOR on March 2, 2018. The launch promotion video can be viewed at <https://www.youtube.com/watch?v=JVaMVDoceGo>
- Group businesses
 - The company feels that its Federation structure is well suited, especially in an environment of uncertainty. The bandwidth issue is taken care by different leaders focusing on different businesses and complete autonomy for running their businesses.
 - Given that the group has built a portfolio of businesses in different stages of life cycles, the company is able to fund most of its investment requirements (other than Auto and Farm Equipment businesses) through dividends received from the group companies and value unlocking of existing investments.
 - The group has been conservative in its approach to acquisitions and has been focusing on strategic acquisitions without stretching its balance sheet. The company has been able to maintain a zero net debt balance sheet, which is indicative of its financial strength.
 - In the past, the company has demonstrated that it is able to create value by taking appropriate decisions at portfolio level, as in the case of Retail and Auto Components. Though the control was ceded in these two cases, the company was able to create value for investors.