

REF:NS:SEC:

22<sup>nd</sup> August, 2019

**National Stock Exchange of India Limited**  
"Exchange Plaza", 5<sup>th</sup> Floor,  
Plot No.C/1, G Block  
Bandra-Kurla Complex  
Bandra (East), Mumbai 400051.

**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai 400001.

**Bourse de Luxembourg**  
Societe de la Bourse de Luxembourg  
Societe Anonyme/R.C.B. 6222,  
B.P. 165, L-2011 Luxembourg.

**London Stock Exchange Plc**  
10 Paternoster Square  
London EC4M 7LS.

**Sub: SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 -  
Presentation made to the Analyst/Institutional Investor**

This is further to our letter bearing REF:NS:SEC dated 14<sup>th</sup> August, 2019 wherein we had given you an advance intimation of the upcoming Analyst or Institutional Investor Interactions in terms of Regulation 30(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We wish to inform that the Company today participated in the ICICI Securities Investor Conference with Several Funds/Investors in Mumbai and the Presentation which was sent to the Stock Exchanges vide letter bearing REF:NS:SEC dated 7<sup>th</sup> August, 2019 has been uploaded on the Company's website with the link <https://www.mahindra.com/resources/investor-reports/FY20/Earnings%20Update/Investor-Presentation-post-Q1FY20-results.pdf> was shared with them.

Further, in addition to above, a Presentation which was made at the Conference is attached herewith for your records.

Kindly take the same on record and acknowledge receipt.

Yours faithfully,  
For MAHINDRA & MAHINDRA LIMITED

  
NARAYAN SHANKAR  
COMPANY SECRETARY  
Encl: a/a

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# ICICI SECURITIES AUTO CONFERENCE

22<sup>nd</sup> August, 2019

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**V S Parthasarathy**

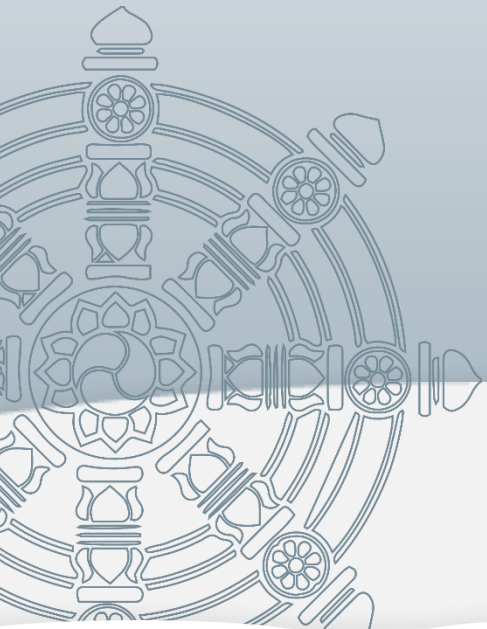
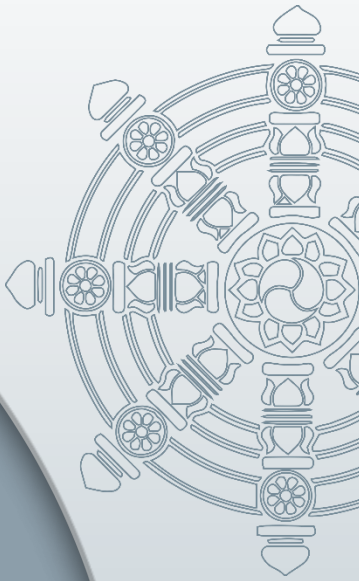
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# **ECONOMY**

## CHALLENGES & OPPORTUNITIES

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## Economic Environment - *Speed Breakers*

### World

- **Weakened Global growth** - IMF projects growth to decelerate to 3.2% in 2019 vs. 3.6% in 2018.
- **US growth outlook modest** - Expected growth of 2.6% in 2019 vs. 2.9% in 2018
- **Chinese economy down tick** - Expected growth of 6.2% in 2019 vs. 6.6% in 2018
- **Risks** - Personalities, trade and tariffs

### India

- **GDP growth sharp slow down** - 20-quarter low of 5.8% in Q4 FY19. Overall FY19 growth fell to 6.8% from 7.1% in the preceding year



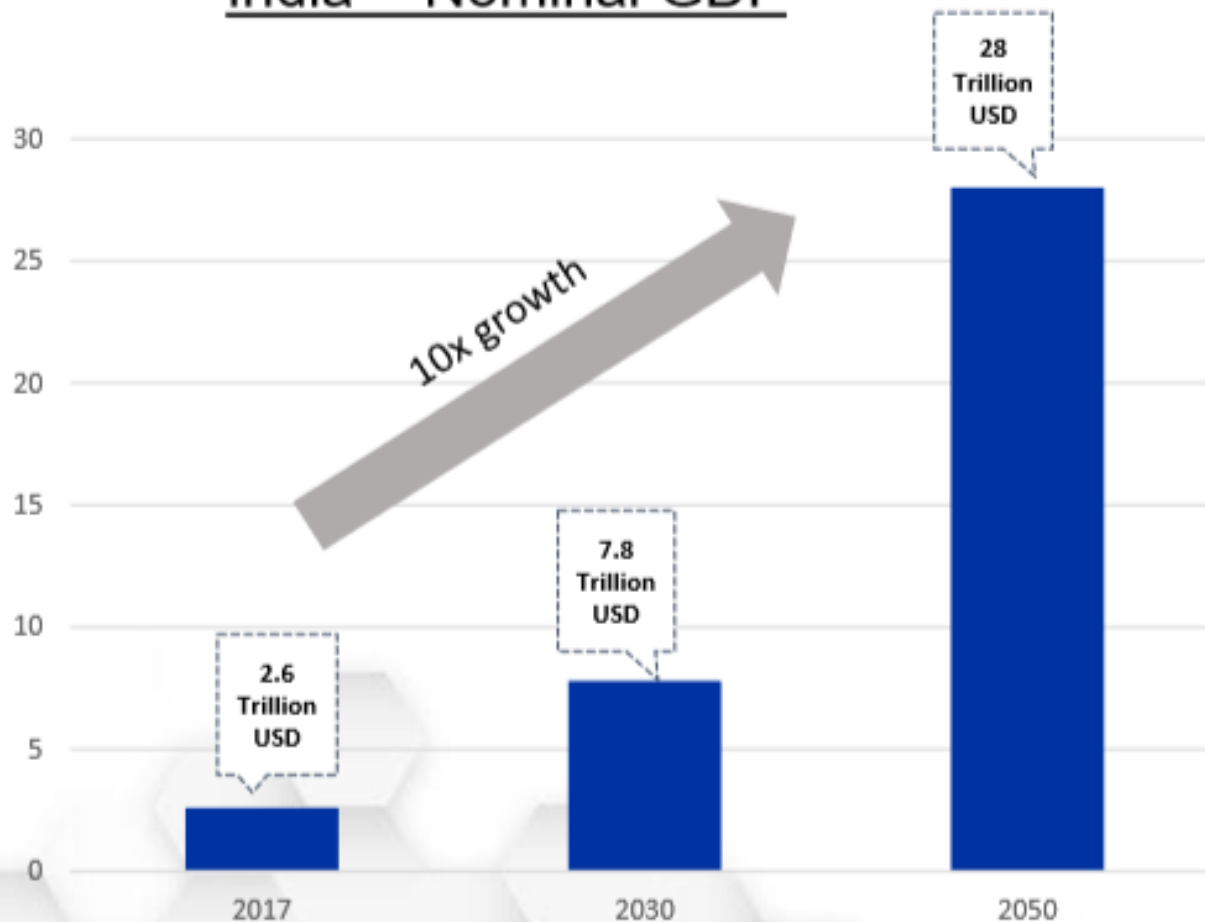
## **Economic Environment – *Green Shoots***

### **Indian Economy**

- **Monsoon deficit wiped away** – deficit turned positive. Sowing picked up
- **Inflation continues downward trend** – remains under 4%
- **Commodity prices remain benign** – Oil price in comfort zone
- **Interest rates lower** – waiting it to trickle down to consumers
- **FY20 GDP expectation @ 6.9%**
- **Globally, accommodating Monetary policies may lead to surge in capital inflows**

# India: Long Term Story Intact

## India - Nominal GDP



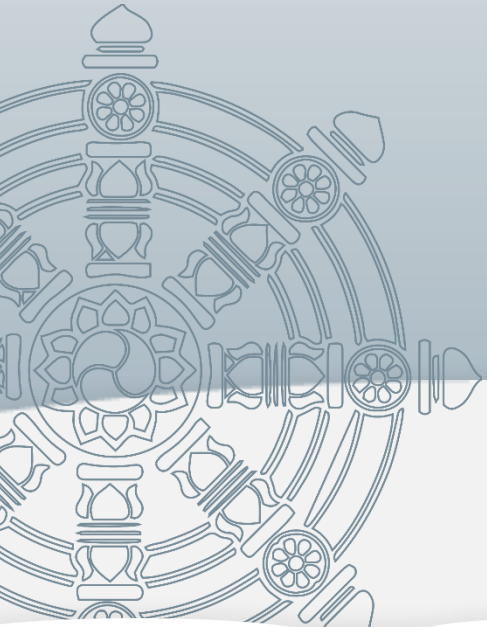
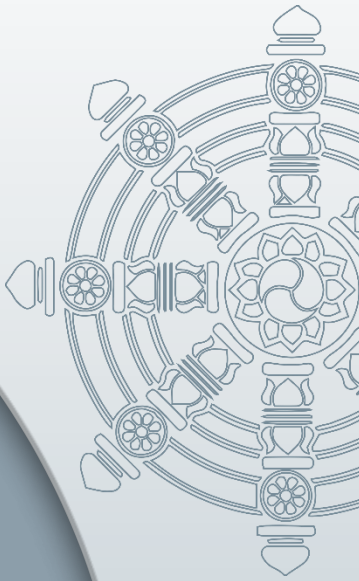
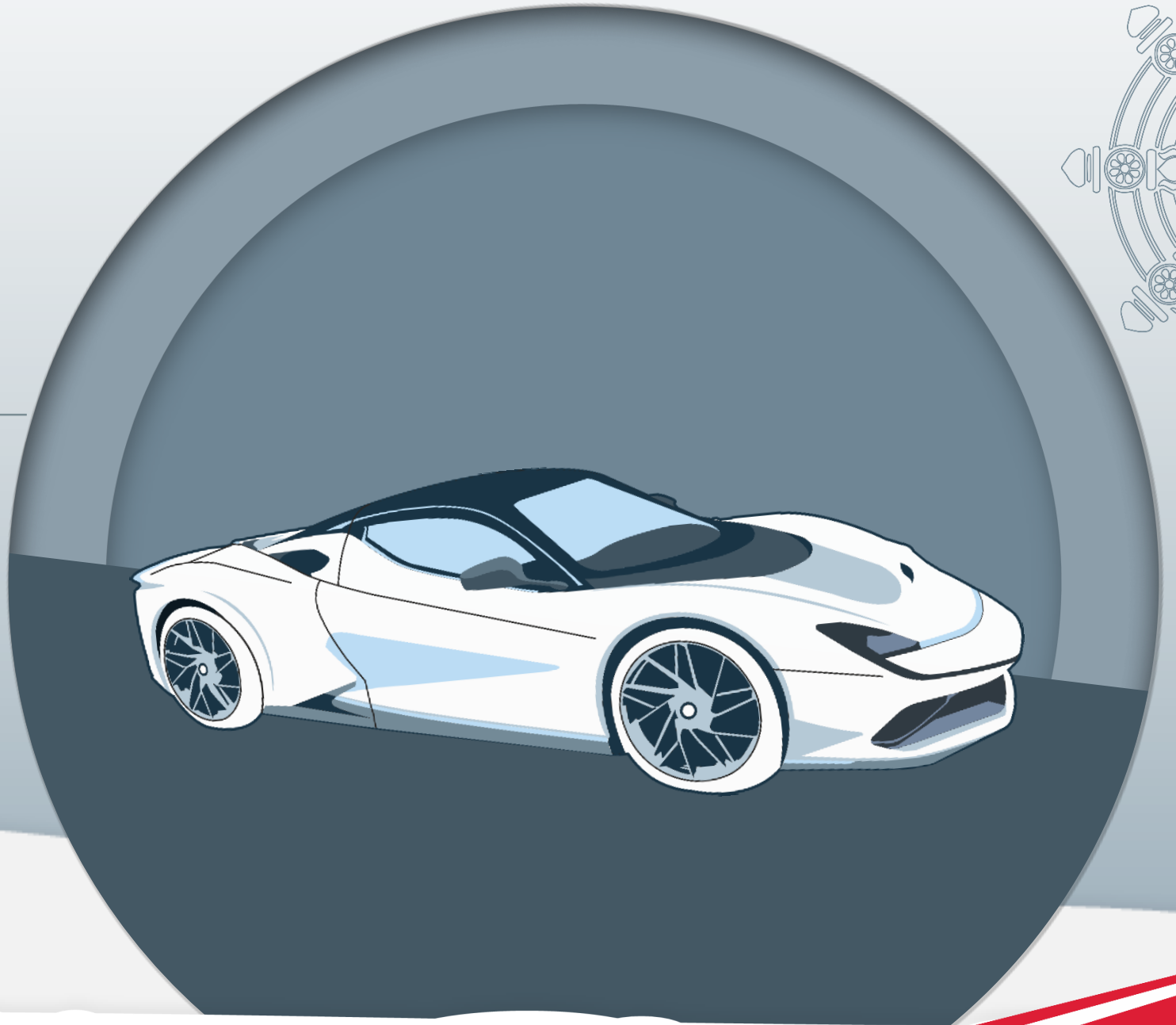
Source: PwC: World in 2050

## India by the numbers

- India's GDP growth at the rate of **7%**
- India is now the world's 7<sup>th</sup> largest economy (Nominal GDP terms) – **Will be 3<sup>rd</sup> largest in 2050**
- **850mn** of the 1.35bn people in India are under the **age of 35**
- Per capita income of around USD 1950 – **Will be USD 13,660 by 2040**

# AUTO INDUSTRY

CHALLENGES &  
OPPORTUNITIES



## ***Q1F20*** Domestic Industry ***Pain***

After a period of six years, all the segments in Auto showed a degrowth

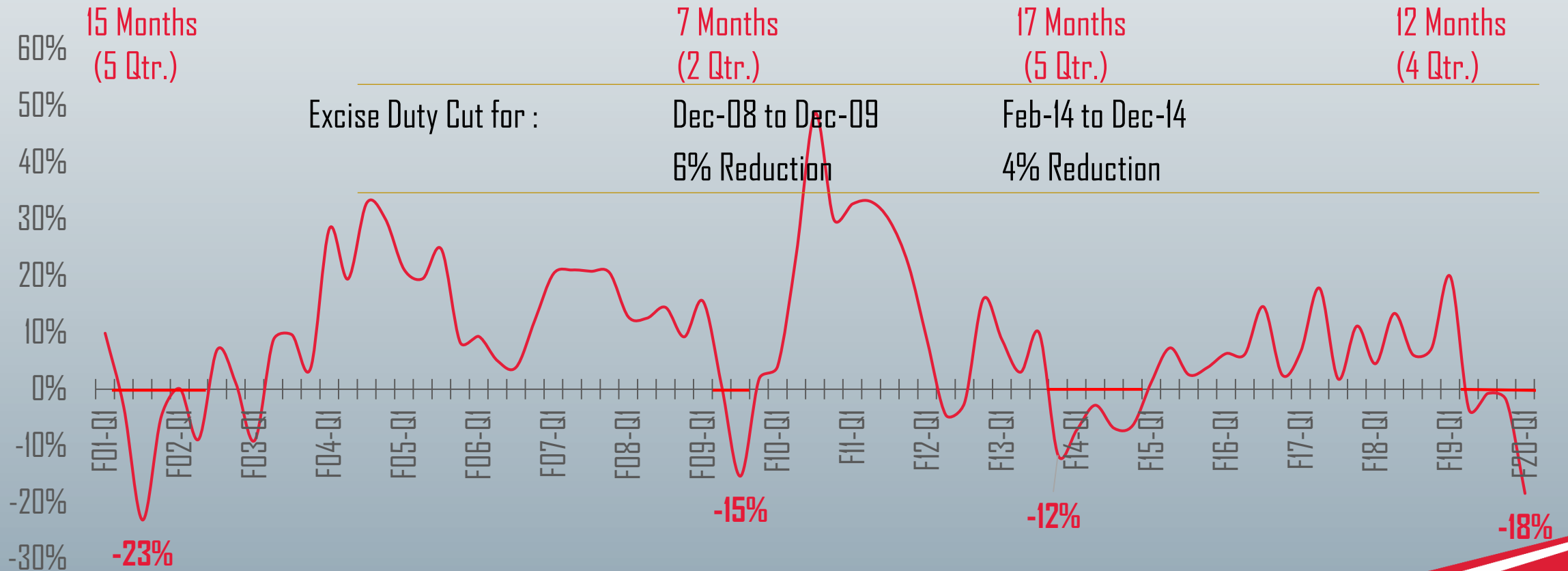
YOY Growth	F18	F19	F19Q1	F19Q2	F19Q3	F19Q4	F20 Apr-July	M&M Growth
PV	7.9%	2.7%	19.9%	-3.6%	-0.8%	-2.0%	-21.6%	-5.0%
CV Total	20.0%	17.6%	51.6%	27.5%	6.7%	0.7%	-13.6%	-11.4%
3W	24.2%	10.3%	54.0%	24.6%	-6.8%	-8.7%	-7.4%	-7.1%
2W	5.7%	4.9%	15.9%	4.9%	8.4%	-9.0%	-12.9%	-
Tractor	21.7%	8.0%	23.9%	-2.6%	19.2%	-8.4%	-14.2%	-14.2%



# ***Pressing Need*** of Domestic Industry

With -32% de-growth in Jul-19, PV has entered 13 months of de-growth patch

## PV Growth and Fiscal Stimulus



# India: A Unique Market

## 2 wheelers



- ~80% of all automotive sales in India are two wheelers – **21m in FY19**
- Close to **2m** are involved in courier services – huge market

## 3 wheelers



- India is one of the largest markets in the world for 3w – **0.7m sales in FY19**
- 3w address one of the most important challenges of urban transportation – Last mile connectivity

## Fleet



- Routes are defined and they operate in a limited geography
- Utilization of vehicle is close to **25-30%**

## Commercial



- **60%** of the overall goods transportation in the country happens on road – Huge market
- High vehicle utilization in the sector

## Personal



Penetration of private passenger cars is still low compared to other developed markets

## ***Mahindra & Mahindra: The Perceptions***

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1. M&M is most affected by the current industry slowdown.
2. M&M's diesel portfolio is most vulnerable to BSVI norms.
3. Does M&M really have a first mover advantage in EVs?
4. M&M's MHCV portfolio is still under the weather.
5. Is it the start of the Tractor market downcycle? Is the Tractor industry saturated?
6. M&M is known for Governance, is it getting governance premium?

Perception 1. M&M is most affected by the current industry slowdown.

**Mahindra & Mahindra: *Performance***

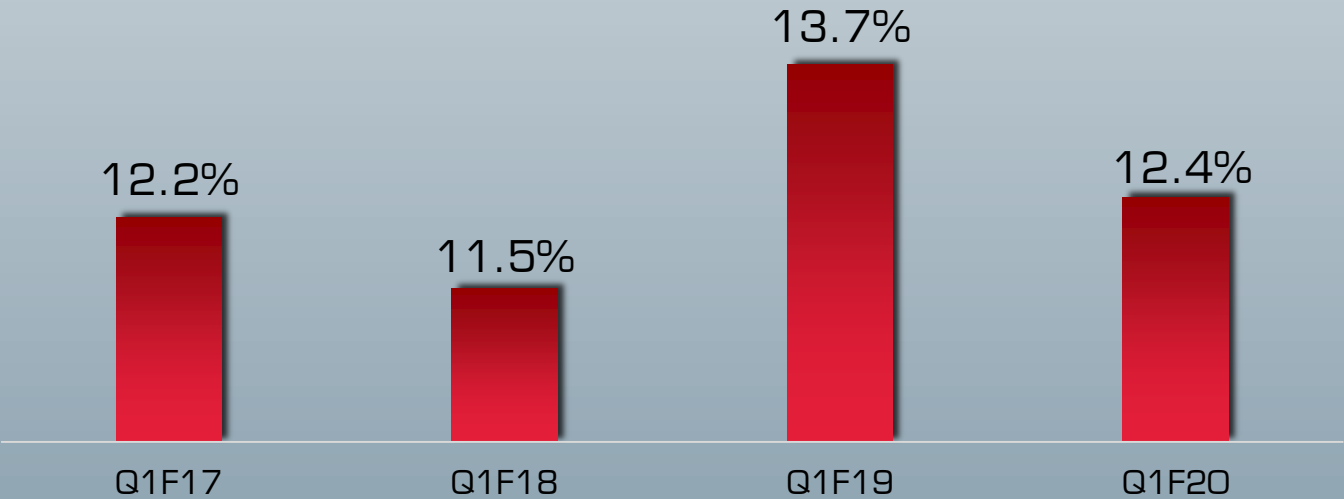
Resilient performance in a tough environment

Gain in market share in all key segments of auto sector

Auto Segment	Q1F20	Q1F19	Growth	Market Share YoY
PV	59,399	60,539	-1.9%	
UV	56,095	56,074	0.0%	
CV	51,594	56,940	-9.4%	
3W	12,697	13,005	-2.4%	
Domestic Total	1,23,690	1,30,484	-5.2%	

Auto Segment

Best in auto industry margins for Q1F20



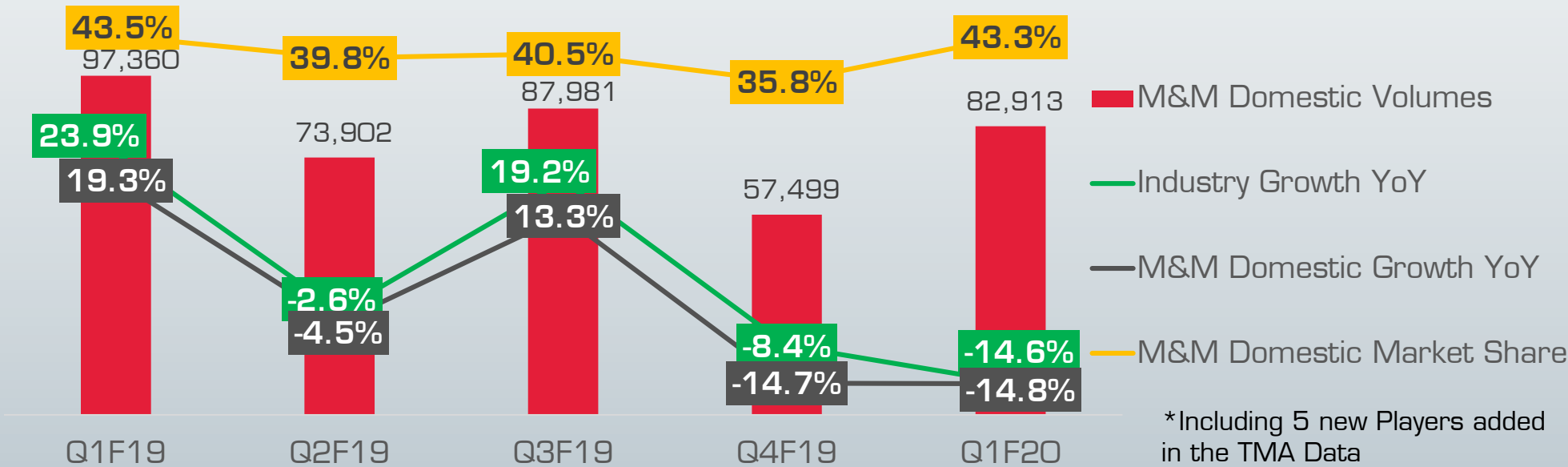
OPM higher than 2 of 3 prior YoY quarters (Q1F19 was an exceptionally good quarter)

Perception 1. M&M is most affected by the current industry slowdown.

Mahindra & Mahindra: *Performance*

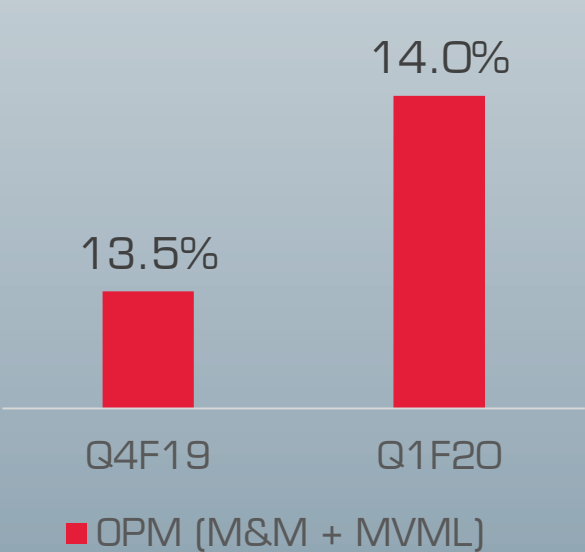
Tractor Segment

Sequential jump in market share, YoY remained stable

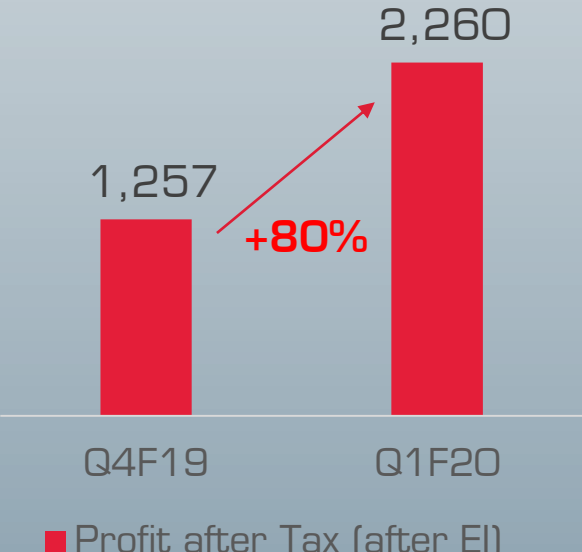


M&M + MVML

Sequential improvement of 50 bps



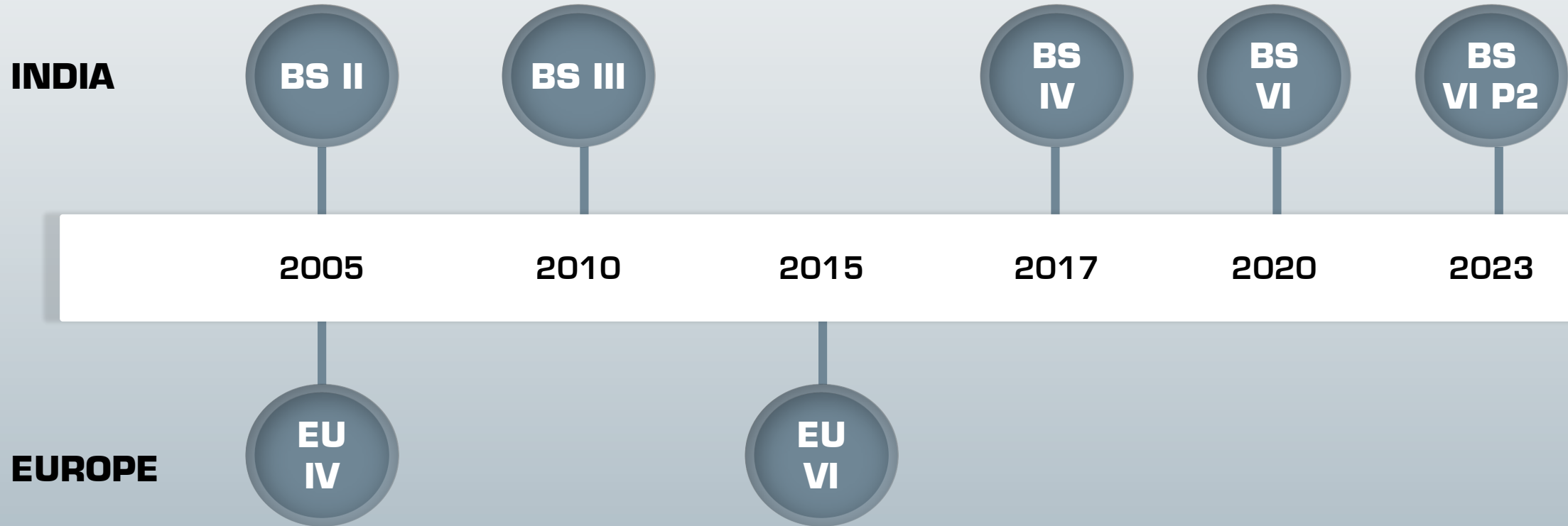
Bottomline enhanced by Investment Portfolio





Perception 2. M&M's diesel portfolio is most vulnerable to BSVI norms.

## **BS VI** *Legislation Roadmap*



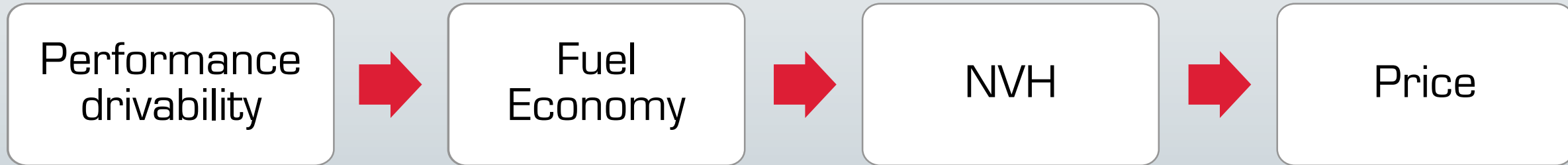
Stage 4 to Stage 6 Emission Migration, Europe in over 10 years and India in 3 Years

India is the first country to skip an emission standard (BS-V)

Perception 2. M&M's diesel portfolio is most vulnerable to BSVI norms.

## **BS VI** *Opportunity*

### Key Challenges



### Creating Opportunities

We are fully prepared to meet the BSVI deadline

- **Global technology standards met** as we transition to BSVI
- **World-class gasoline technology** offering to give customers power of choice
- **Current cost levels better** than internal cost targets
- Leveraging **power of collaboration** (SYMC/Ford)

# Perception 3. Does M&M really have a first mover advantage in EVs?

## Driving Towards An *Electrifying Future*



- Largest fleet of on road EVs
- 135 Mn eKms done
- Full Range Player – Class product for Mass to Best in Class
- Offering of products, technology and manufacturing capability
  - Higher voltage batteries, Drive train, power electronics, connected solutions
  - Leveraging collaborations



New Technology Plant at Bangalore

Perception 4. M&M's MHCV portfolio is still under the weather.

## **Robust** ***MHCV Portfolio***

CRUZIO is a brand-new range of based on the ICV platform.

Bus Portfolio of 15 to 40 seaters



Full range player from 3W to 49T



Completed the CV portfolio with the Launch of FURIO ICV

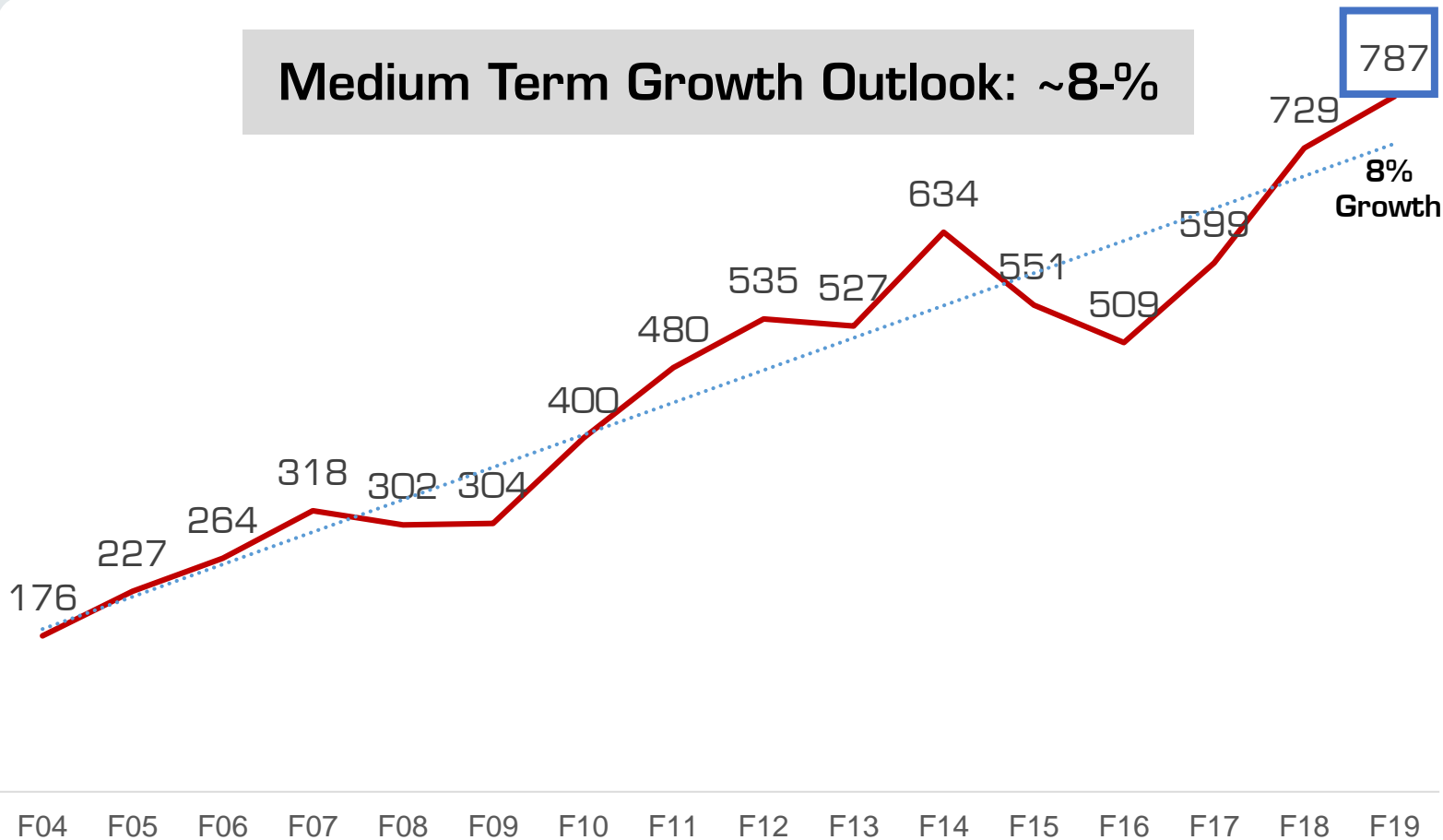
**EBITDA break even at ecosystem level**

**Temporary disruption due to Axle Norms**

# Perception 5. Is it the start of the Tractor market downcycle? Is the Tractor industry saturated?

**Historic Tractor Industry Growth rate ~ 10.5%**

**Medium Term Growth Outlook: ~8-%**



Domestic Tractor Sales ('000)

From F16, Addition of 5 New players in the TMA Data

## Growth Drivers

- Rural prosperity increasing at a faster rate
- Increasing trend of investment on irrigation – direct correlation to tractor growth
- Increase in horticulture leads to higher agri revenue and income
- Current tractor population at 43% of peak requirement (est. 16.2 Mn)



# Perception 5. Is it the start of the Tractor market downcycle? Is the Tractor industry saturated?

## Fortifying The **Core**

### 3 Brand Strategy



**Pioneering  
Technology**

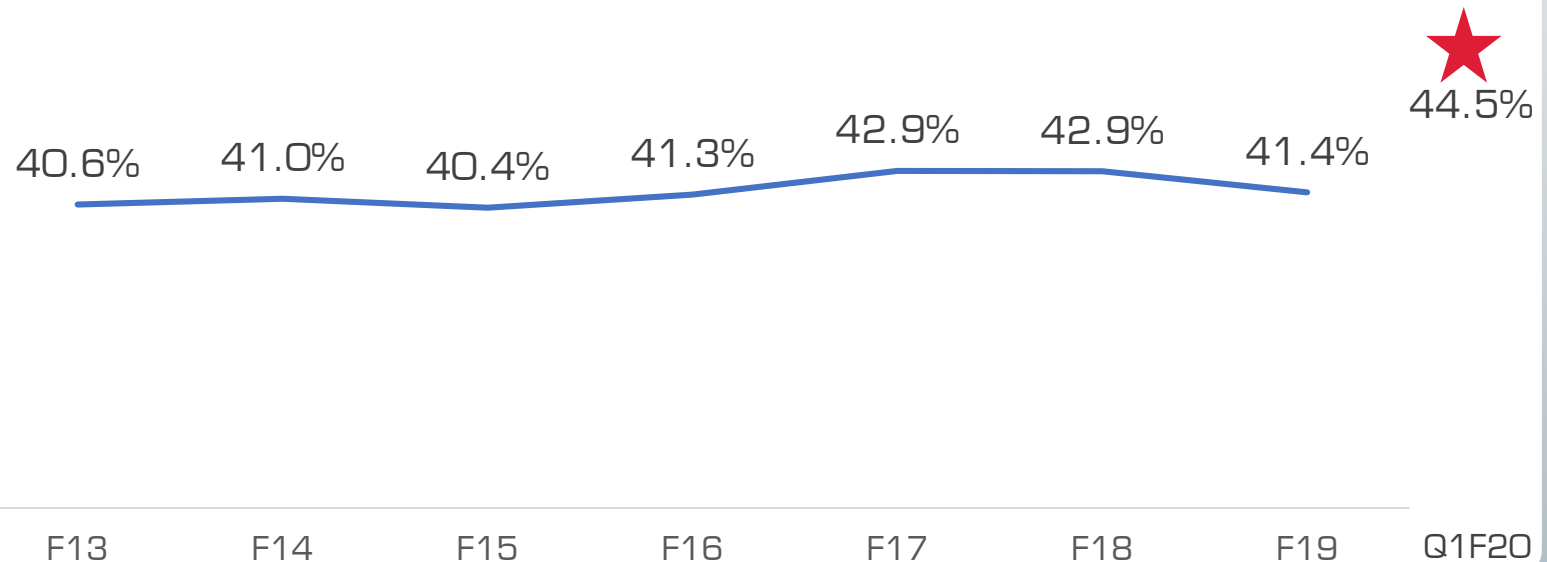


**Reliable,  
Powerful,  
Authentic**



**Affordable  
Mechanization**

### Continuing Leadership



Includes Mahindra, Swaraj and Trakstar brands  
Excluding 5 new Players added in the TMA Data

Perception 5. Is it the start of the Tractor market downcycle? Is the Tractor industry saturated?

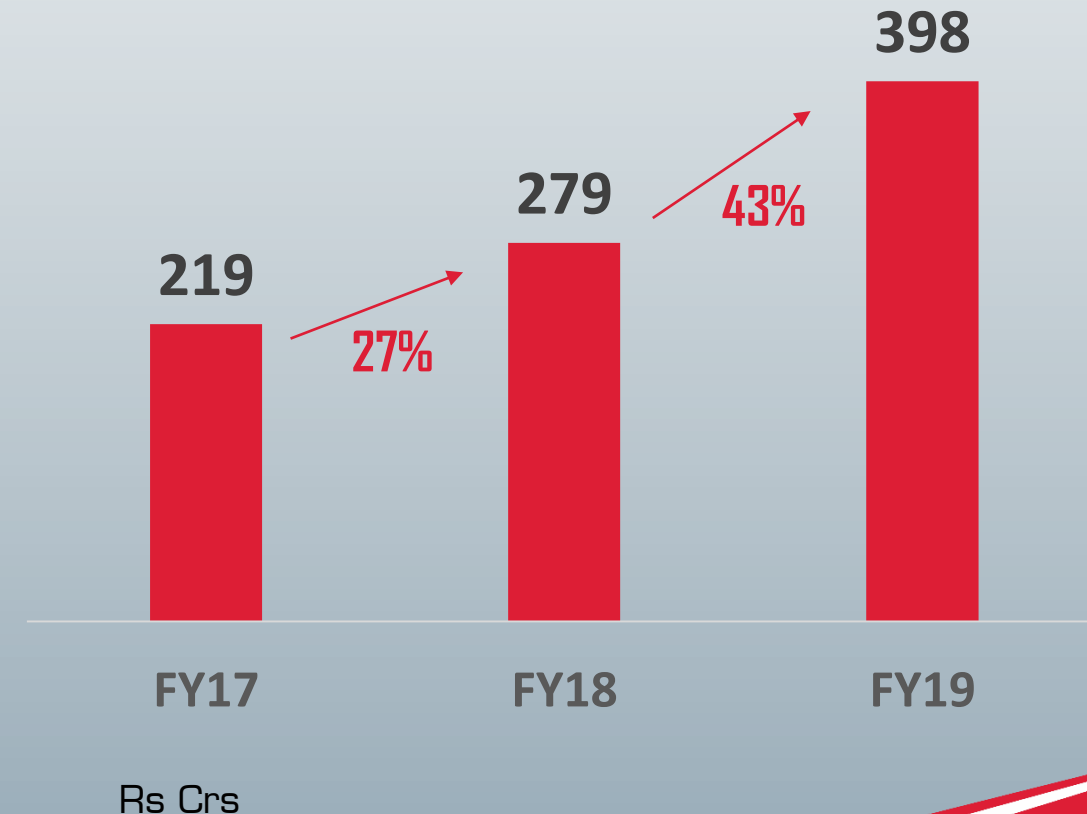
## ***Farm Machinery***

**India is tractorized,  
not mechanized**

	India	Global
Tractor Industry	\$ 5.6 Bn	\$ 60 Bn
Farm Machinery Industry	\$ 1.0 Bn (organized sector)	\$ 100 Bn

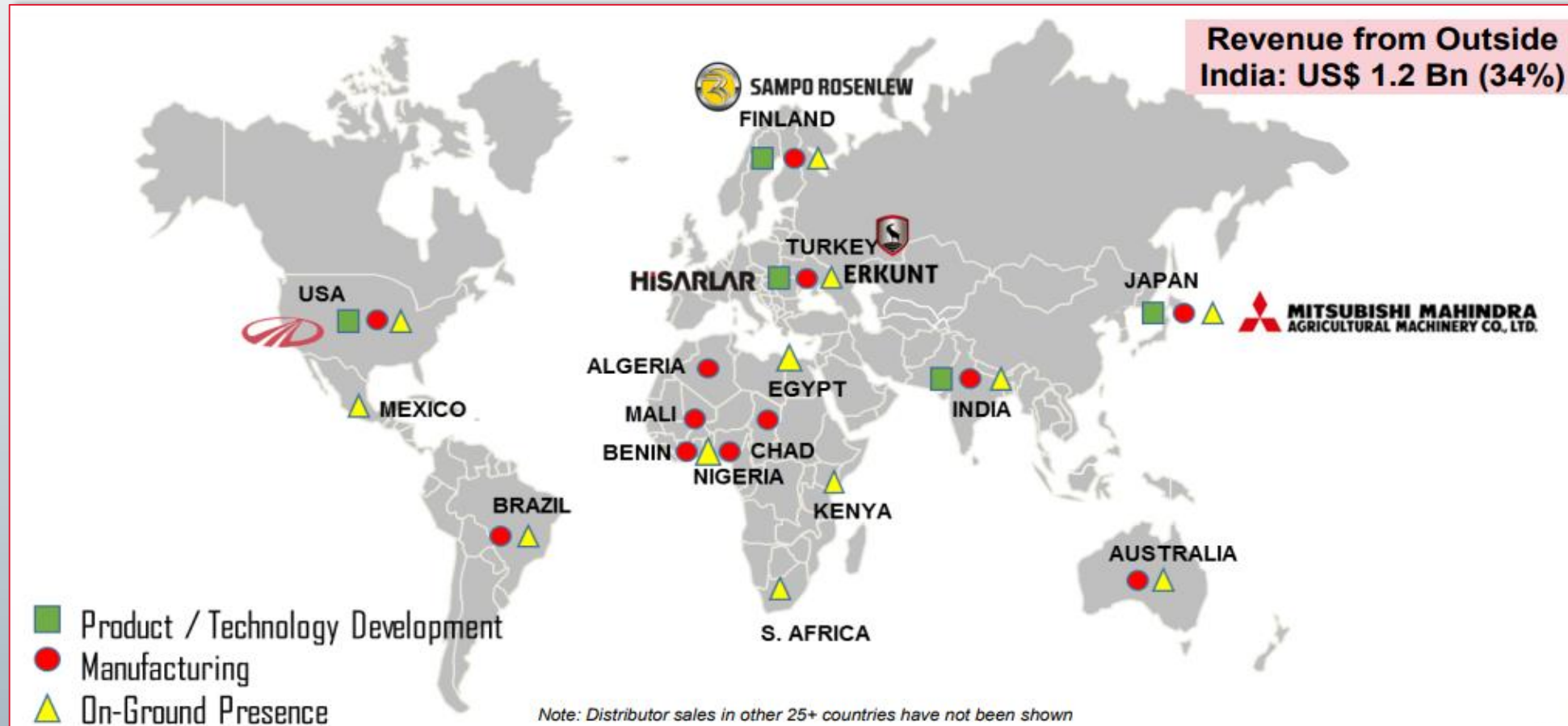
**Current farm machinery penetration level  
similar to that of tractors in 1980's**

Farm Machinery – M&M India  
Journey



Perception 5. Is it the start of the Tractor market downcycle? Is the Tractor industry saturated?

## *Globalization*



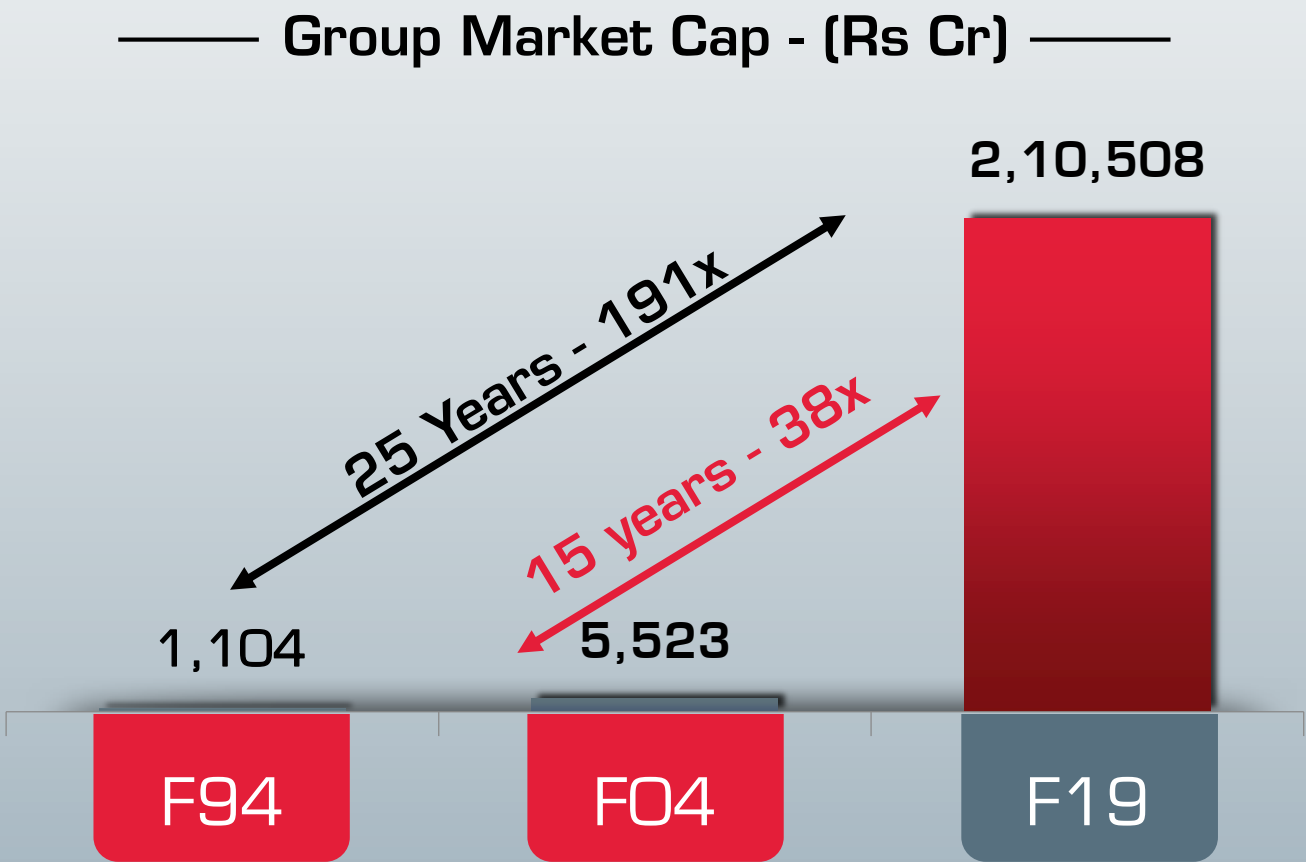
Vision to improve PBIT over the next 3-5 years to 5% by focusing on :

Operating leverage through Volume growth

Profit Improvement plan

Perception 6. M&M is known for Governance, is it getting governance premium?

Group **Value Creation**



Prices as on 31<sup>st</sup> March | \$ = INR 69.32

Mkt. Cap (31 <sup>st</sup> Mar19)	Rs Crs
Mahindra & Mahindra	83,779
Tech Mahindra	76,299
MMFSL	26,020
Mahindra CIE	8,882
Ssangyong	4,656
Mahindra Logistics	3,761
Mahindra Holidays	3,198
Mahindra Lifespaces	1,888
Swaraj Engines	1,709
Mahindra EPC	315
Total	2,10,508

\$ 30.4 bn

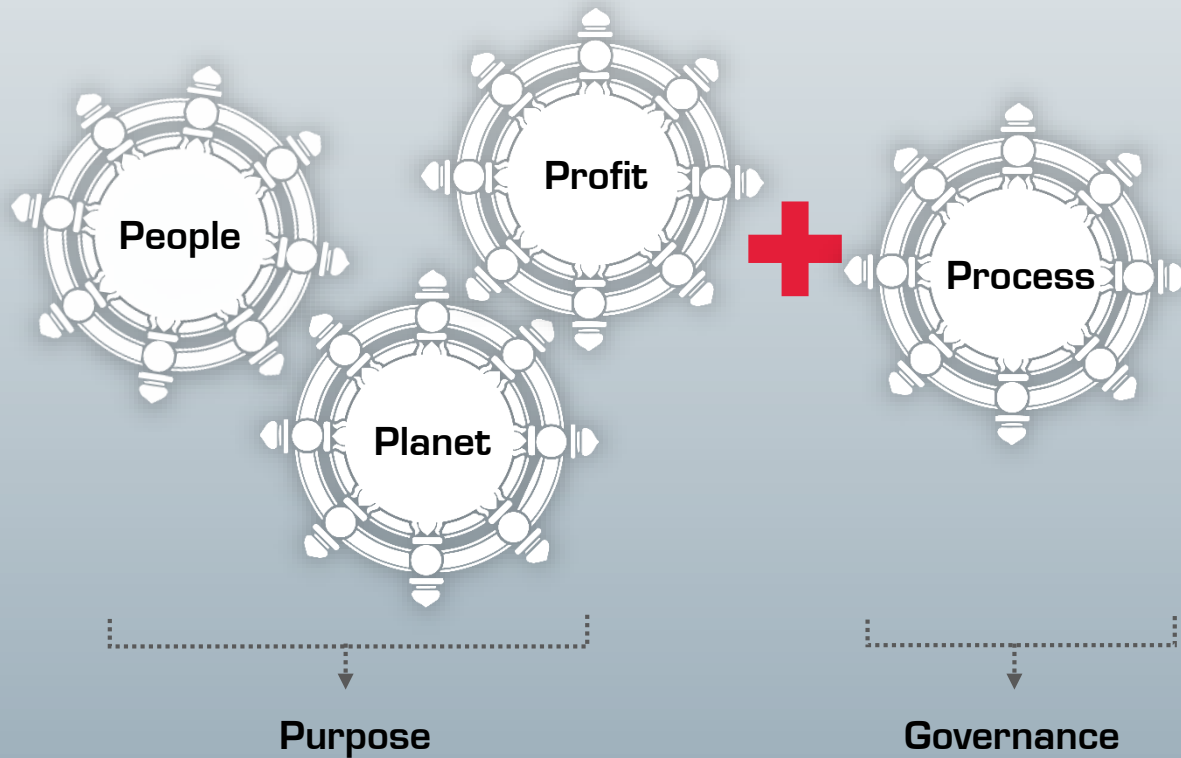
# Perception 6. M&M is known for Governance, is it getting governance premium?

## *Capitalism* Reimagined

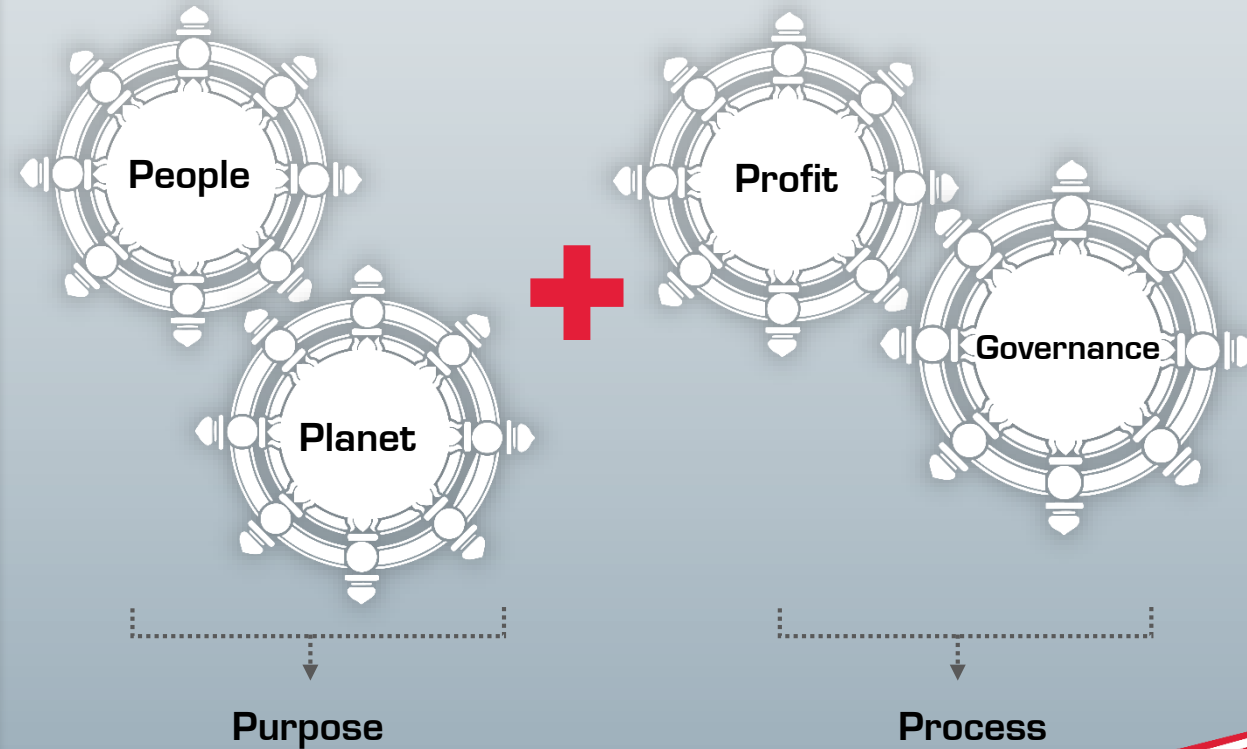
Profit with Purpose - The Mahindra Rise Way

Adding the 4<sup>th</sup> "P" to People, Planet, Profit + Process

Current



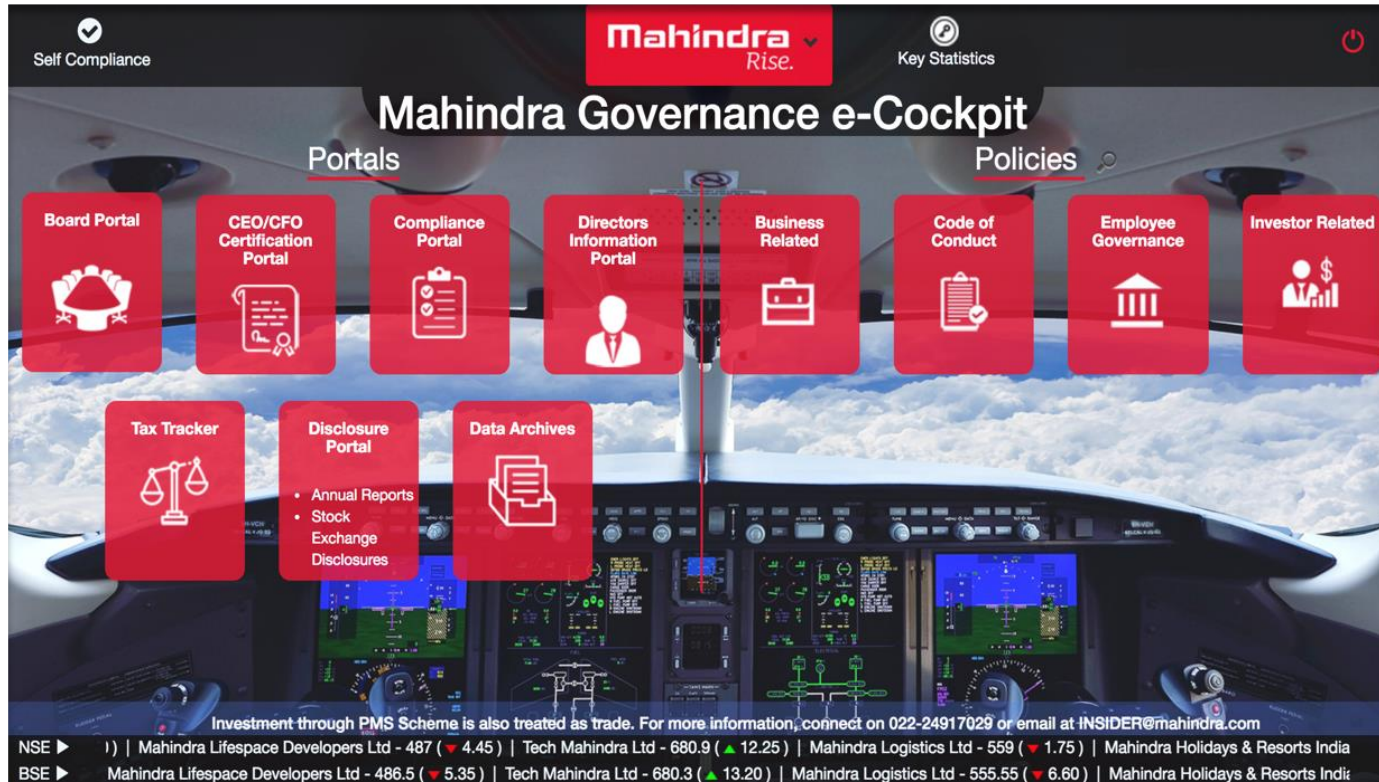
The Mahindra Rise Way





# Perception 6. M&M is known for Governance, is it getting governance premium?

## ***Governance*** in Action



AAA rating for five years in a row by all four leading rating agencies

ESG Calls

Integrated Annual Report

M&M received the Business Vision Award for 'Best Corporate Governance – India 2019'

# In Summary



# Mobility At *Inflection Point*



## Full Range Player

### UV

Full impact of the 3 new launches

### SCV

Continue to be a market leader

### MHCV

Full range player with Furio launch and on path to profitability



## Fully prepared for BSVI

### Diesel

Effective, timely migration

### Gasoline

New range of powertrain

### Costs

Better than internal targets



## Pioneering the Shared Economy

### Smart Sustainable Mobility Solution

#### Glyd

Zoomcar

### Smart-Shift / Porter

Trringo



## Win-win collaborations

### Ford

SYMC

### Global R&D

### e-mobility

EESL

SmartE

Uber

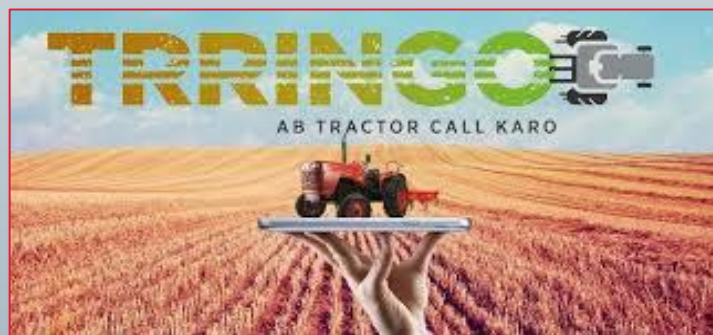
Thane Municipal Corp.  
Govt. of Maharashtra



## Leading the way in EV's

Well equipped for an exciting journey ahead both in India and abroad

# Shared Economy





# ***Collaborations***





# Farm *Tech*



## Fortifying the Core

**Strengthening our leadership**

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**3 Brand Strategy**

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**Sufficient Headroom**



## Farm Machinery

**Domestic business on a strong growth trajectory**

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**Leveraging global reach through 3 key centres of excellence:**

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**Harvestors: Sampo**

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**Rice Value Chain: MAM**

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**Implements: Hisarlar**



## Globalization

**Strengthening Mahindra Brand in Global Markets by tapping the needs of small farmers**

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**Profitable scaling up of global subsidiaries**

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**Targeting 50% of revenues from overseas**



## Technology

**Intelligent Tractors**

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**Precision Farming**

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**Tech-heavy new platforms**

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**Digital Farming Solutions**



Designed by **BELIEF**

Designed with **GOVERNANCE**

Designed for **SHAREHOLDER PROSPERITY**

DESIGNED TO

**RISE!**

**75 | 75++**

**KAL, AAJ AUR KAL**



**THANK  
YOU!**

