

REF:NS:SEC:
11th February, 2020

National Stock Exchange of India Limited
"Exchange Plaza", 5th 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 8th February, 2020 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 conducted M&M Q3 FY20 Earnings Con-call with Several Funds/Investors/Analysts, at Mumbai and the Presentation which was sent to the Stock Exchanges vide letter bearing REF:NS:SEC dated 11th February, 2020 has been uploaded on the Company's website with the link <https://www.mahindra.com/resources/investor-reports/FY20/Earnings%20Update/Investor-Presentation-post-Q3FY20-results.pdf>

Further, an IR Flash being issued based on the discussions on the above Con-call is attached.

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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Mahindra & Mahindra Limited

IR Flash – Q3F20 – Earnings Call

Date & Time	February 11, 2020; 2:00 pm IST
Event	Earnings Call – Q3FY20
Participants from M&M	<ul style="list-style-type: none"> ➤ Dr. Pawan Goenka - Managing Director; ➤ Mr. V.S. Parthasarathy - Group CFO, Group CIO ➤ Senior Management of the company including the IR team
Results Pack/Conference Call Audio	Available on: https://www.mahindra.com/investors/reports-and-filings under Investor Relations/2019-2020/Earnings Update
<p>Certain statements in this document with regard to our future growth prospects are forward-looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements.</p>	

Key Highlights:

- The company achieved the highest OPM (14.8%) in the last 5 quarters, despite drop in volumes
- Good fiscal prudence and discipline helped the company generate good cashflows
- For Q3F20, for a major listed subsidiary of M&M, there has been a substantial fall in market price which led to recognition of an impairment charge in the current quarter for that subsidiary. This is a non-cash charge
- The operational performance of the company was robust and saw expansion in both profit (after adjusting for exceptional items and one-offs) and profitability at an EBITDA level

FES Highlights (M&M + MVML):

- Revenue at INR 4,278 crs is lower by 7.7% Vs Q3FY19 (INR 4,634 crs)
- Segment Result at INR 831 crs is lower by 6.4% Vs Q3FY19 (INR 888 crs)
- OPM for FES came in at 19.9%, which is 80 bps lower compared to Q3F19 (20.7%)
- Dealer inventory is at normal levels
- Industry could see a growth of 5-7% in Q4FY20 leading to a 7% degrowth in FY20. Industry growth in FY21 would be in the range of 5% (± 2%)
- Company has initiated work on K2; it's the most ambitious product development platform for tractor yet. It has been designed to build products across 4 different HP ranges. New products on K2 would be launched mid-2021 onwards
- FES witnessed balance-sheet improvement in Q3FY20 and highest ever quarterly FCF generation in 5 years

Auto Highlights (M&M + MVML):

- Revenue at INR 7,424 cr is lower by 6.2% Vs Q3FY19 (INR 7,915 crs)
- Segment Result at INR 542 cr is higher by 17.6% Vs Q3FY19 (INR 461 crs)
- Auto segment OPM came in at 13.7% vs 11.2% last year. This was achieved through robust cost focus, material cost management and favourable model mix
- Dealer inventory is below normal levels
- In FY21, PV industry could grow at 2-4%, CV industry (incl. MHCV) could grow at 4-6% leading to an overall industry growth of around 3-5%
- Transition to BS6 is on track

- New Products launch timeline:
 - eKUV100- Q1FY21
 - New Thar- Q1FY21
 - Atom- Q2FY21
 - W601 (which would be a crossover SUV)- Q4FY21
 - Z101- Q1FY22
 - eXUV300- Q2FY22
- 3W is currently taking the lead in terms of electric adoption in the market. Mahindra Electric is expected to become EBTDA positive from FY21

Others:

- Ssangyong
 - 3-year business plan has been approved by the SYMC board to achieve breakeven in CY2022 through material cost reduction of 3-4% (90 bn krw per year), synergy with M&M for new product development, increase in volumes through new export markets like Russia and Vietnam, personnel cost reduction through negotiation of compensation with labour union and increase in operational efficiency
 - The approximate funding requirement over a period of 3 years is 450-500 bn krw, of which ~50% is needed for loan repayment and the rest is needed for new product development
 - The source of funding would be a combination of external borrowing, investment from third parties and/ or Investment from the parent company
- Ford Alliance/JV
 - CCI approval has been received and the process of formation of JV is expected by end of May2020
 - Connected Vehicle solution would be launched soon – Ford to launch in February 2020 and M&M to launch it by April2020
 - C-SUV development is on track and would result in saving of Rs 1000 crore
 - B-SUV development is in planning stage and would result in similar saving.
 - M&M would leverage Ford India's manufacturing unit capacity resulting in savings of about Rs 400 crore.
 - M&M's G12 engine would be supplied for Ford vehicles from Q1FY21
- Capital Expenditure and Investments
 - From the earlier stated position of Rs 18,000 cr of capex + investments over FY20-22, the company would try to bring it down to Rs 15,000 cr
 - The planned capex + investments for FY20-22 shall not exceed Rs 17,000 crores, under any circumstances, owing to savings from the Ford alliance. This is inclusive of required funding, if any, for Ssangyong
- MAgNA (Mahindra USA)- Dealer inventory was reduced by 20% and plant inventory was reduced by 40% in the last 12 months. Work is in progress to reduce inventory further. MAgNA is expected to achieve profitability in CY2021

Financials at a glance (Figures in INR crs)			
(M&M + MVML)	Q3F20	Q3F19	Change
Net Sales & Operating Income	12,120	12,893	-6.0%
EBITDA	1,789	1,703	5.0%
OPM	14.8%	13.2%	155bps
As Reported:			
PBT (before EI)	1,383	1,505	-8.1%
PAT (before EI)	981	1,476	-33.8%
PBT (after EI)	782	1,425	-45.1%
PAT (after EI)	380	1,396	-72.8%
Adjusted for one-offs & EI:			
PBT (before one-offs & EI)	1,323	1,301	1.7%
PAT (before one-offs & EI)	934	877	6.5%