



**Analyst Meet Q2 F21**  
Automotive & Farm Sectors

**RAJESH JEJURIKAR**

**10<sup>th</sup> November 2020**

## **WALK**

April - August

**PROTECT THE BUSINESS TODAY**

### **Manage Cash**

- Core WC back to normal
- Capex optimization

### **Manage Margin**

- Improve NVM
- Stringent Cost management

### **Manage Safety**

- Ramp-up with Safety
- Financial health of dealers & suppliers

*Conserve today for a  
secure tomorrow*

## **RUN**

Sept - March

**RAMP UP WITH FOCUS**

- Focus on Domestic Core
- Capex and Investment prioritization
- Build a Moat through Krish-e (FaaS)
- Simplifying the business

## **FLY**

F22 & beyond...

**DIFFERENTIATED & PROFITABLE  
GROWTH**

- SUV Core brand differentiation
- Launch New Yuvo Star and K2
- Digital transformation
- Leverage Platform synergy to optimise capex

# Q2 Performance Highlights



## Farm Equipment Segment

Highest ever PBIT: **1,180 Crs**

Highest ever PBIT %: **24.4%**

Highest ever Quarterly ROCE\*: **197%**

**First time negative WC** leading to high cash generation



## Automotive Segment

**PBIT Growth\*\* of 4%** (YoY) despite revenue degrowth

OPM improvement vs PY

YoY reduction in fixed expenses

**High negative WC** leading to strong cash generation

Based on Published Results

\* ROCE based upon annualized PBIT of Q2 F21 and average of Opening and closing Capital employed of Q2 F21

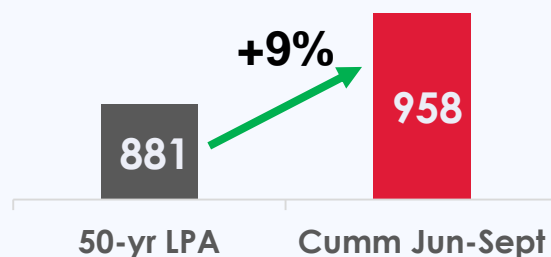
\*\* including one-off gains Rs. 68 Crs

# Rural Growth Story

Monsoon boost to kharif output and high reservoir levels which augurs well for Rabi crops...

3<sup>rd</sup> highest cumulative rainfall in 25 years

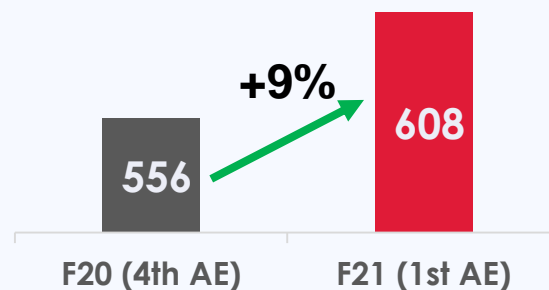
Monsoon (in mm)



- Good temporal & spatial distribution
- ~85% area under Normal & above

Kharif output is estimated to be at record high

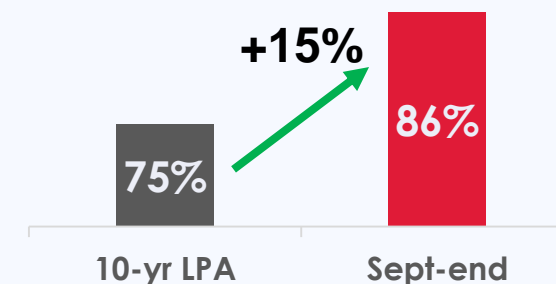
Prod (in mn tonnes)



- Increased output and higher MSP for Kharif marketing season
- Expected **growth of ~13% YoY in farm revenue**

Good monsoon led to high reservoir levels (86% at FRL)

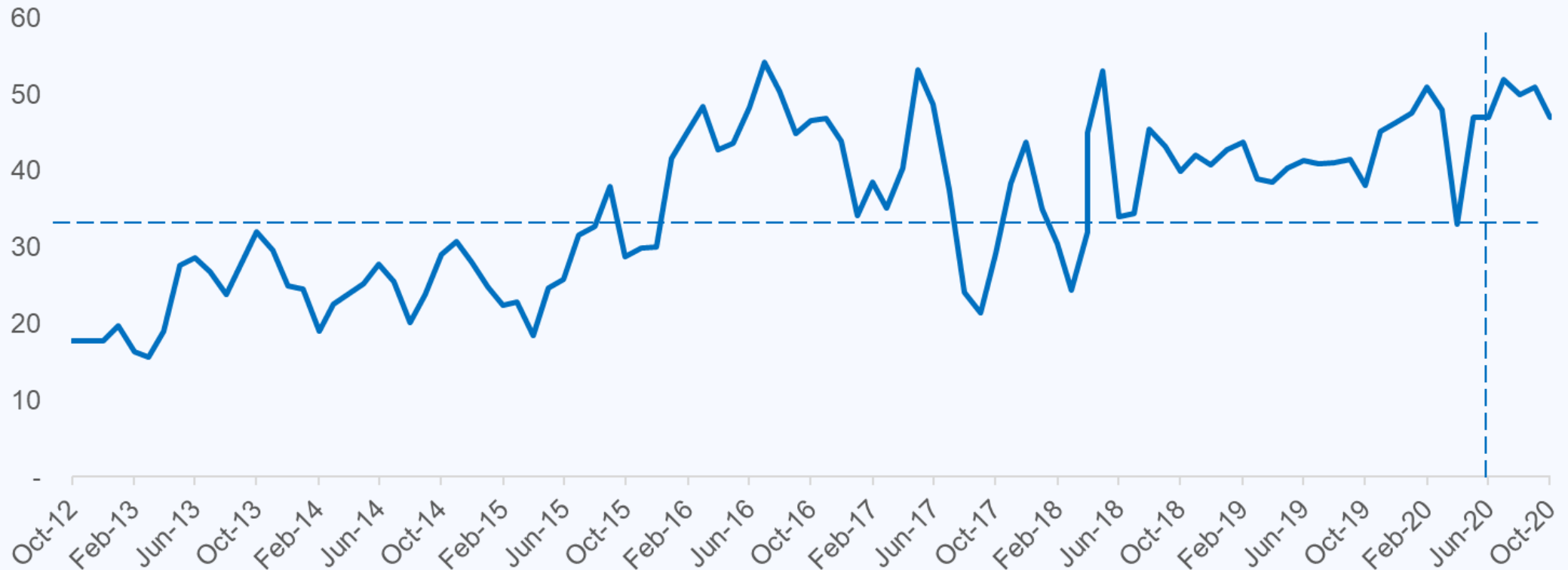
Reservoir levels (% of live capacity)



- Good reservoir levels and the **announcement of MSP one month prior** to the season augurs well for Rabi crops

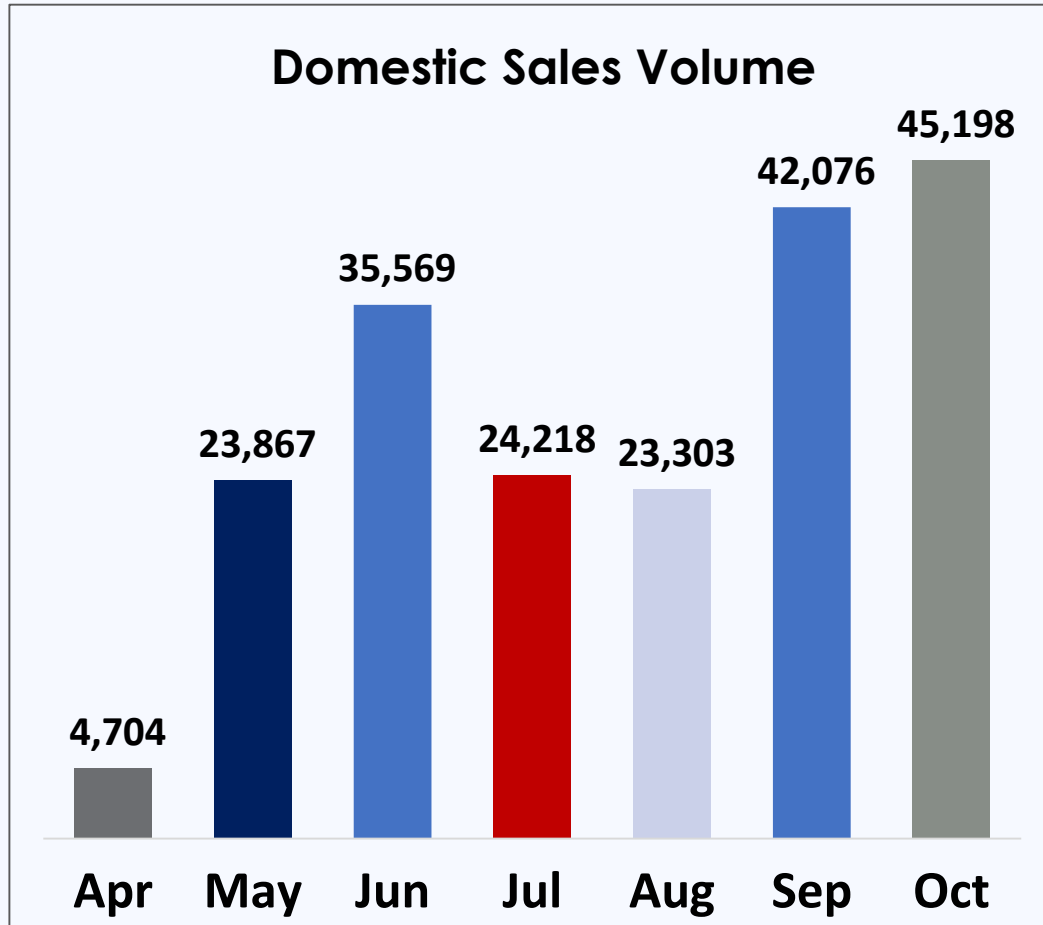
# Rural Growth Story

**Rural – Govt Spend Index\***: Gov spending on Agriculture & Rural Development continue to be on the positive side

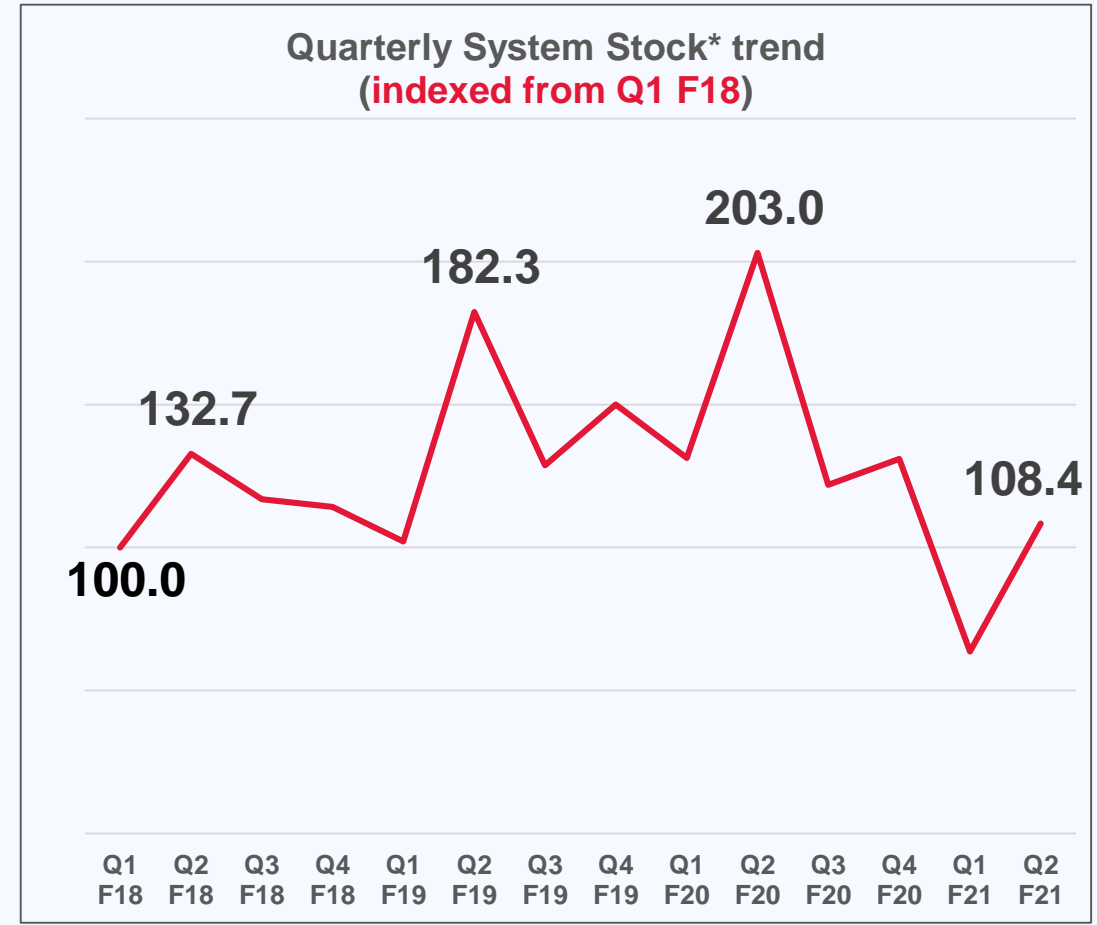


\* M&M internal index to measure Government spending on Agriculture & Rural Development

# FES – Sales and Stock Trajectory



**Strong sales trajectory**



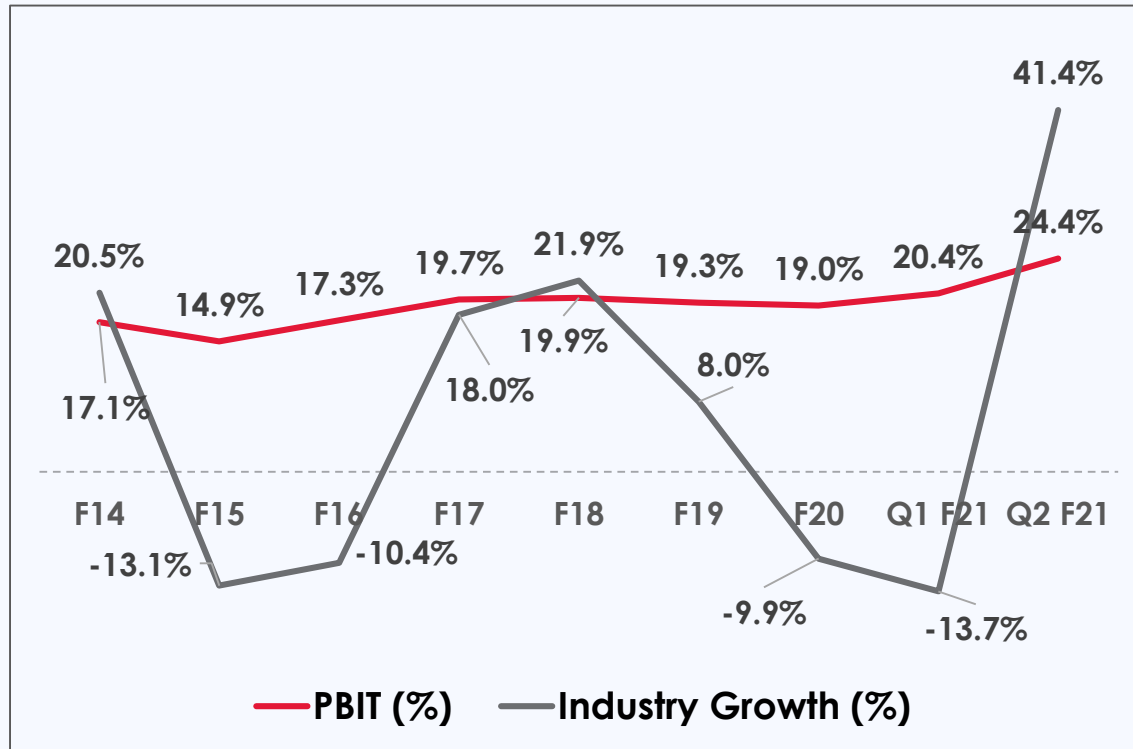
**Low System Stock\***

\* System Stock includes FG Inventory with M&M and Dealers

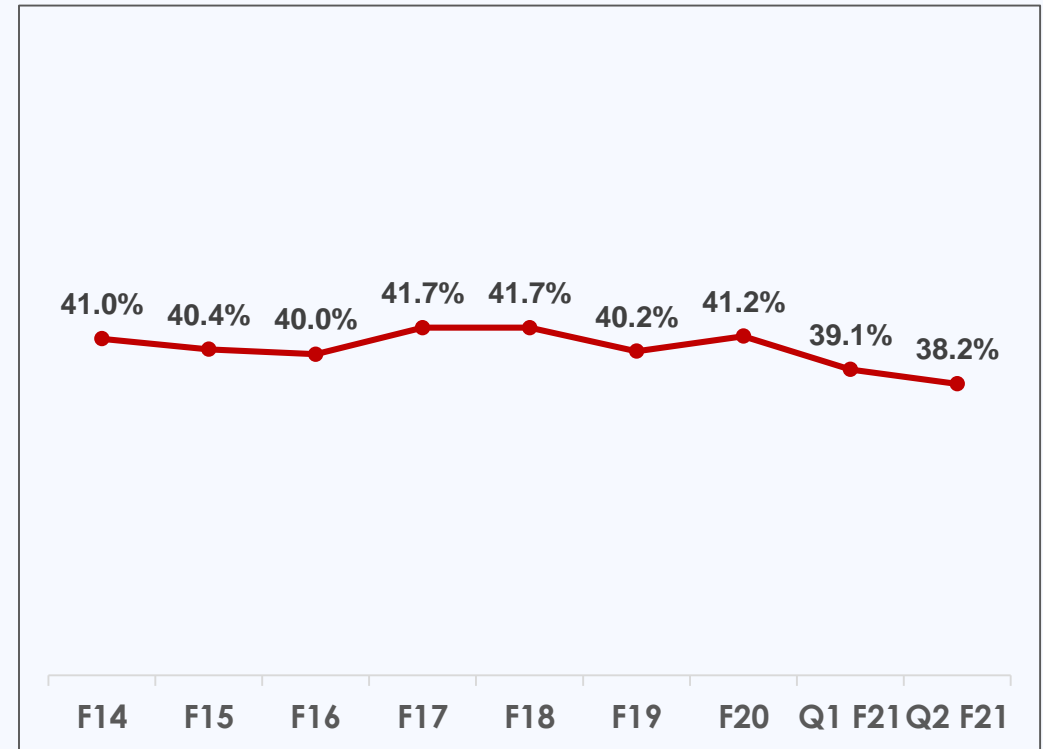
# FES – Performance Highlights



## Stability in Volatility



## Continued Domestic Leadership\*



\*Includes 5 new Players added in the TMA Data from F16

\*Market Share for Q2 F21 is not a good indicator of performance due to supply side issues

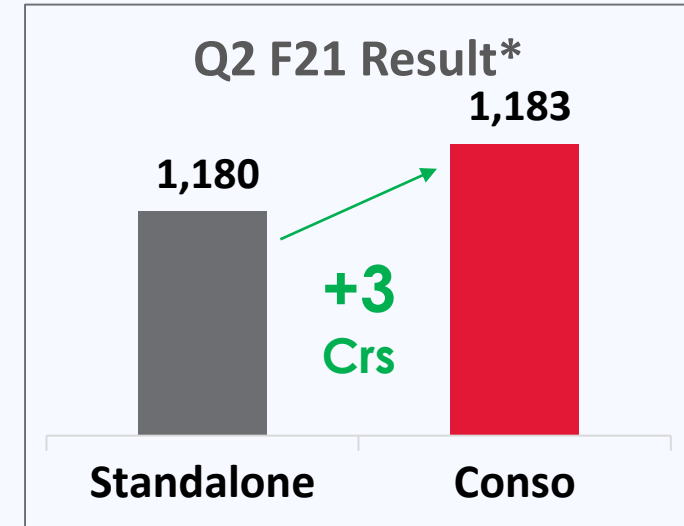
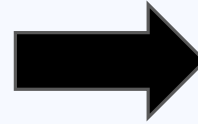
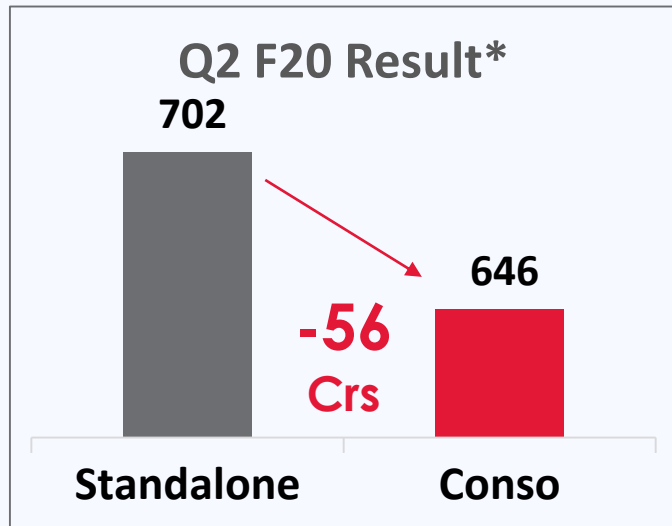
\*Based on Published Results



## HIGHEST EVER Quarterly production in Q2 F21 and Monthly production in Oct '20

- Market share impacted due to inadequate stock build up in Q1
- That was due to challenges faced in Q1 on supply side:
  - **Localized lockdowns** esp. in Maharashtra where we have plants and large supplier base
  - **Labour migration** impacting overall labour availability
- We will build back inventory post festive leading into Q4

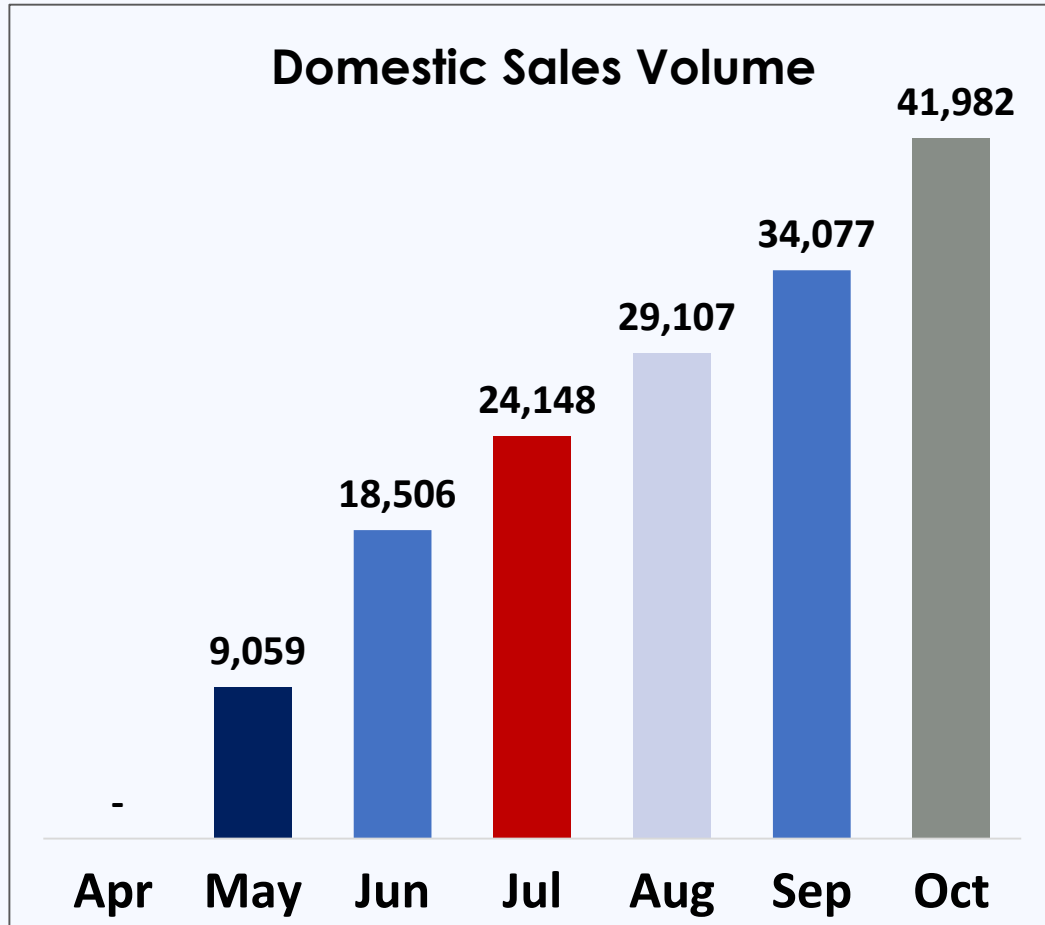




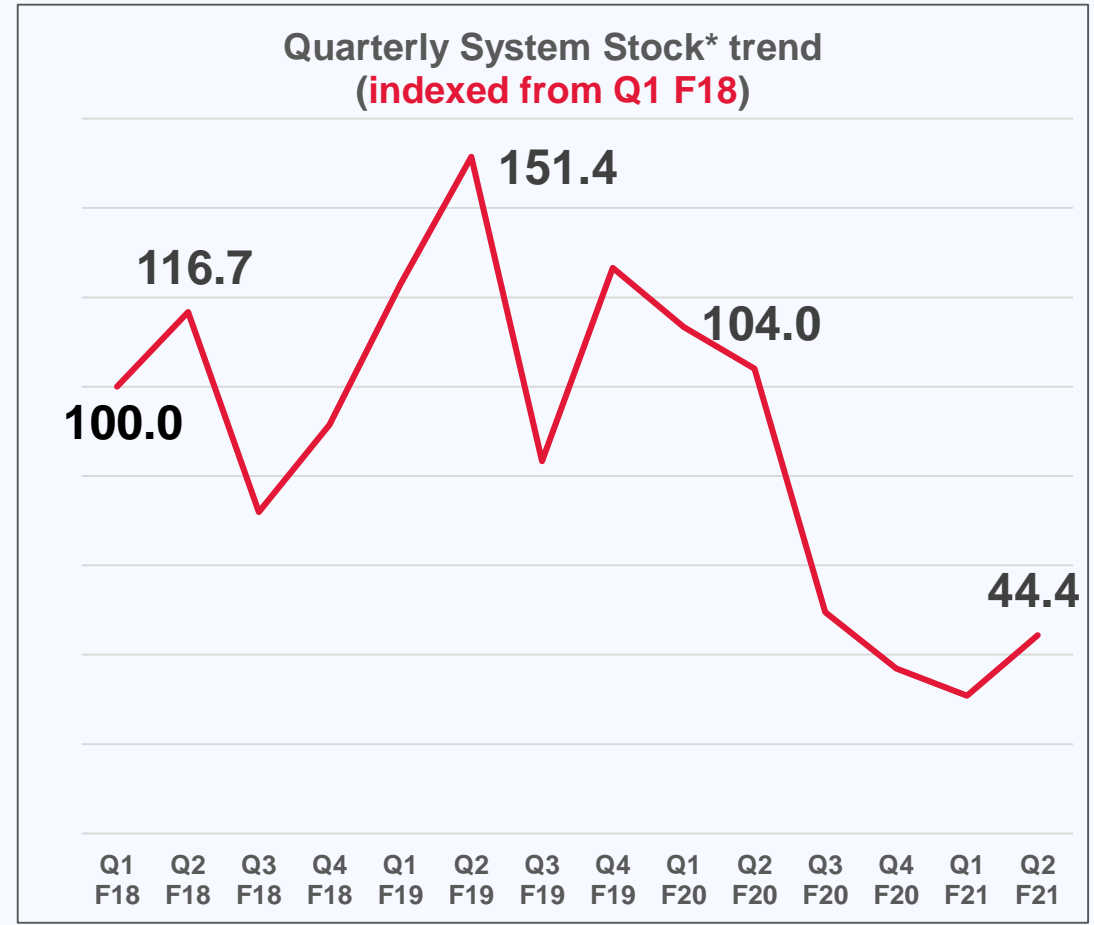
## FES International Operations – PBIT Positive in Q2 F21

- MAgNA – MS improvement by 80 bps; retail volume up by 41%
- Brazil – Retail Volume up by 31%
- Mexico – MS improvement of 380 bps YoY (Jan-Sept)
- Turkey Operations seeing a turnaround

# Automotive – Sales and Stock Trajectory



Sequentially improving sales trajectory



Low System Stock\*

\* System Stock includes FG Inventory with M&M and Dealers

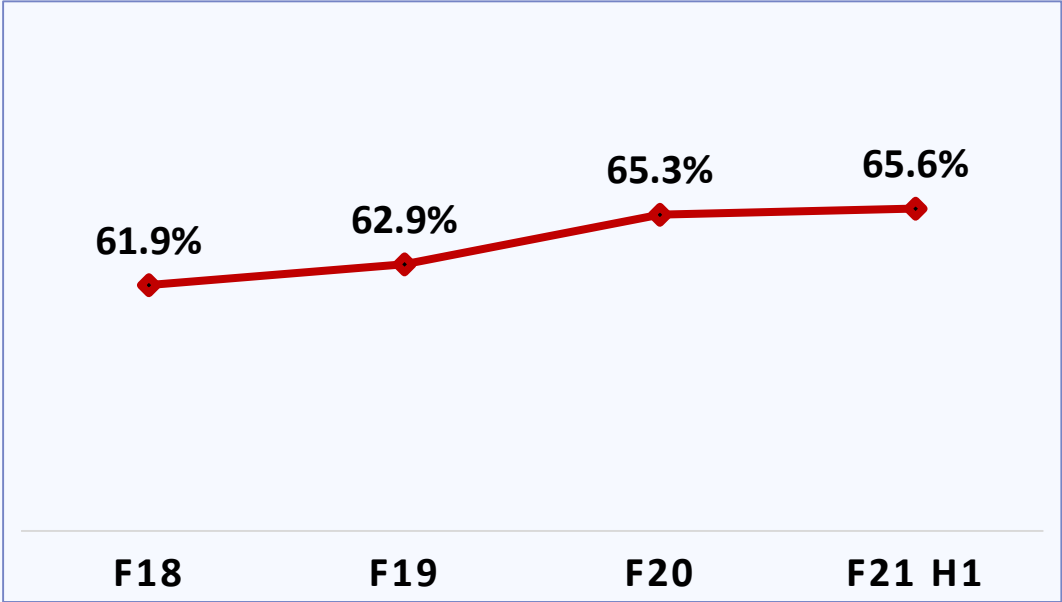
# Automotive – Performance Highlights



## Domestic Volumes

Segment	Q2 F21	YoY	Market Share YoY
PV	39,533	-11%	▼
- UV	38,968	-9%	▼
CV	47,309	-5%	▲
3W	490	-97%	▼
<b>Domestic Volume</b>	<b>87,332</b>	<b>-21%</b>	

## LCV 2 – 3.5T Market Share\*



\*Market Share in F21 is not a good indicator of performance due to supply side issues



- We had low pipeline inventory due to BS 6 transition in February and March
- Faced challenges in ramping up due to:
  - **High Maharashtra** dependence which had higher COVID impact
  - Overall shortage of manpower
  - Few specific single source suppliers having ramp up challenges
- Post festive season, we will do stock build up and expect greater stability going forward

# Automotive – Financial Performance



	Q2 F21*	Growth YoY (vs Q2 F20)	Growth QoQ (vs Q1 F21)
Total Volume	91,536	-22.9%	>3x
Revenue (Rs. Crs)	6,357	-7.8%	>3x
PBIT (Rs. Crs)	412	3.6% ↑	~1,000 crs
PBIT (%)	6.5%	0.7% pts ↑	'-'ve to '+'ve

\*Based on Published Results  
including one-off gains Rs. 68 Crs

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- Simplifying the business

Turnaround Global Businesses,  
Manage cash

## FLY

F22 & beyond...

DIFFERENTIATED & PROFITABLE  
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Turnaround Global Businesses,  
New Auto Launches

# FOCUS ON DOMESTIC CORE

Build a Moat through  
Launch of Krish-e



Launch of the All-New Thar  
strengthening SUV Core  
brand differentiation



# Krish-e Launch

**KRISH-e PROVIDES PROGRESSIVE INTERVENTIONS ACROSS THE CROP CYCLE THAT HELP IMPROVE FARMER OUTCOMES AND ARE AFFORDABLE AND ACCESSIBLE.**



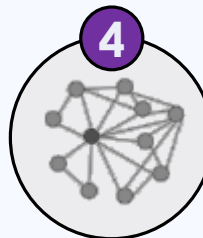
**Agri Advisory**  
Physical and Digital



**Farming Services**  
Machine Rentals and Precision  
Farming Solutions



**Products**  
Farm Equipment, Agri Inputs  
and Micro Irrigation

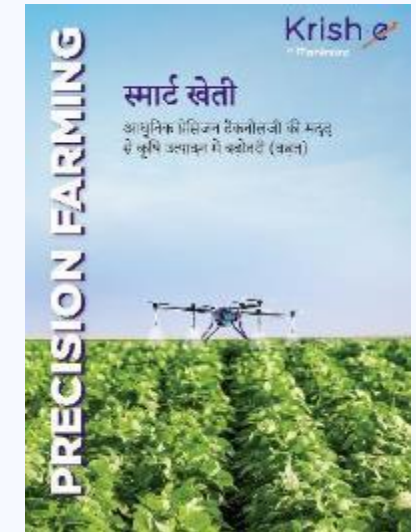
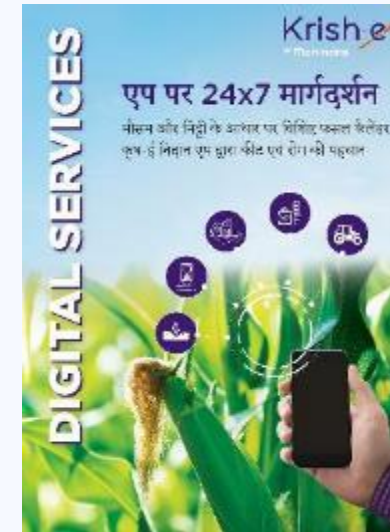


**Ecosystem Services**  
Partnerships for Financing, Insurance,  
Market Linkage, Healthcare





# Krish-e Launch



- Launched across **7 centres in Maharashtra** in October, followed by **3 centres each in AP and Telangana** in November
- Digital campaigns:
  - Krish-e launch videos garnered **4 lac+ views**

Theme: Digital Savera – The e-revolution in Indian Agriculture

# New PLUS Series: Tough Har Dum

**75 Mahindra**  
Trac.

PRESENTING  
**NEW MAHINDRA XP PLUS SERIES**

MAHINDRA TRACTORS  
**TOUGH  
HARDUM**

MAHINDRA XP PLUS SERIES:

Mahindra <b>265DI</b> XP PLUS 24.8kW (33 HP)	Mahindra <b>275DI</b> XP PLUS 27.8kW (37 HP)	Mahindra <b>275DI 79</b> XP PLUS 28.7kW (39 HP)	Mahindra <b>415DI</b> XP PLUS 35.8kW (49 HP)	Mahindra <b>475DI</b> XP PLUS 32.8kW (44 HP)	Mahindra <b>575DI</b> XP PLUS 36.0kW (47 HP)	Mahindra <b>585DI</b> XP PLUS 36.8kW (50 HP)
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FIRST TIME IN INDUSTRY  
**6 YEARS**  
WARRANTY  
LONGER DURATION

Scan QR Code to watch TVC

Positive customer response on the enhanced value proposition of new Plus Series

# Launch of The All-New Thar



# Pre-Reveal Hype & Reveal on 15<sup>th</sup> August



Reveal on 15<sup>th</sup> Aug



Product-Content Films



Pre-reveal Brand Chatter



PR - Freedom Drive



Media Drives



Incredible 'Her' Drive



Celebrity Buzz



Thar Playlist

# #GiveToGet – The All-New Thar #1 Auction



- Auction of the 1<sup>st</sup> Thar for cause: **Fight Covid-19**
- ~**5500** registrations (550 locations)
- **37 bids > Rs. 50 Lacs** (4 bids > Rs. 1 Cr.)
- Top Bid For **Rs. 1.11 Crs**
- Mahindra contributed an **equivalent amount**

## Response from 15<sup>th</sup> August till date

**78,000+**  
dealer enquiries

**20,000+**  
bookings since 2<sup>nd</sup>  
Oct

**Innovative Launch  
Campaign**  
5.5 Mn launch  
webcast views

**2.5+ Mn**  
website visits

**10+ Mn**  
media review  
views

**New Consumer  
Archetype**  
First Time Buyer: 55%  
Automatic: 44%

**8.2+ Mn**  
Google Search queries in  
Aug-Sep

**900k**  
Thar pageviews on  
**CarWale** on 15<sup>th</sup> Aug

# TO SUMMARIZE

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Turnaround Global Businesses,  
New Auto Launches 

 On cruise  On-going, long-term initiative



**THANK YOU**



# Reigniting Value Creation



**Analyst Meet**

Dr Anish Shah | 10<sup>th</sup> November 2020

# KEY MESSAGES

- Strong performance for Domestic Farm ... Highest OPM ever
- Industry-leading OPM for both Auto and Farm
- Int'l subsidiaries ... positive trajectory for farm subsidiaries
- Strong cash generation

# DEFINITIONS



## Domestic Farm

Farm equipment business in M&M & domestic subsidiaries



## Domestic Auto

Automotive business in M&M & domestic subsidiaries



## Intl. subsidiaries

International subsidiaries - Auto & Farm



## Investments

All investments (excl. Auto and Farm)

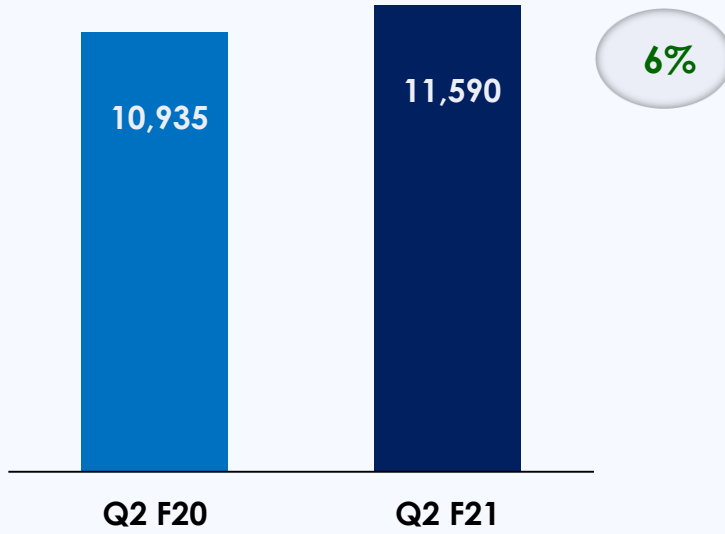
*The numbers in this presentation have been arrived by aggregating performance of businesses across segments and as a result the aforementioned disclosures are not in line with (or do not correspond to) the segment disclosures in the standalone / consolidated financial results for the quarter and half year ended 30 September 2020.*

# FINANCIALS (STANDALONE): Q2 F21

M&M + MVML

Rs Cr

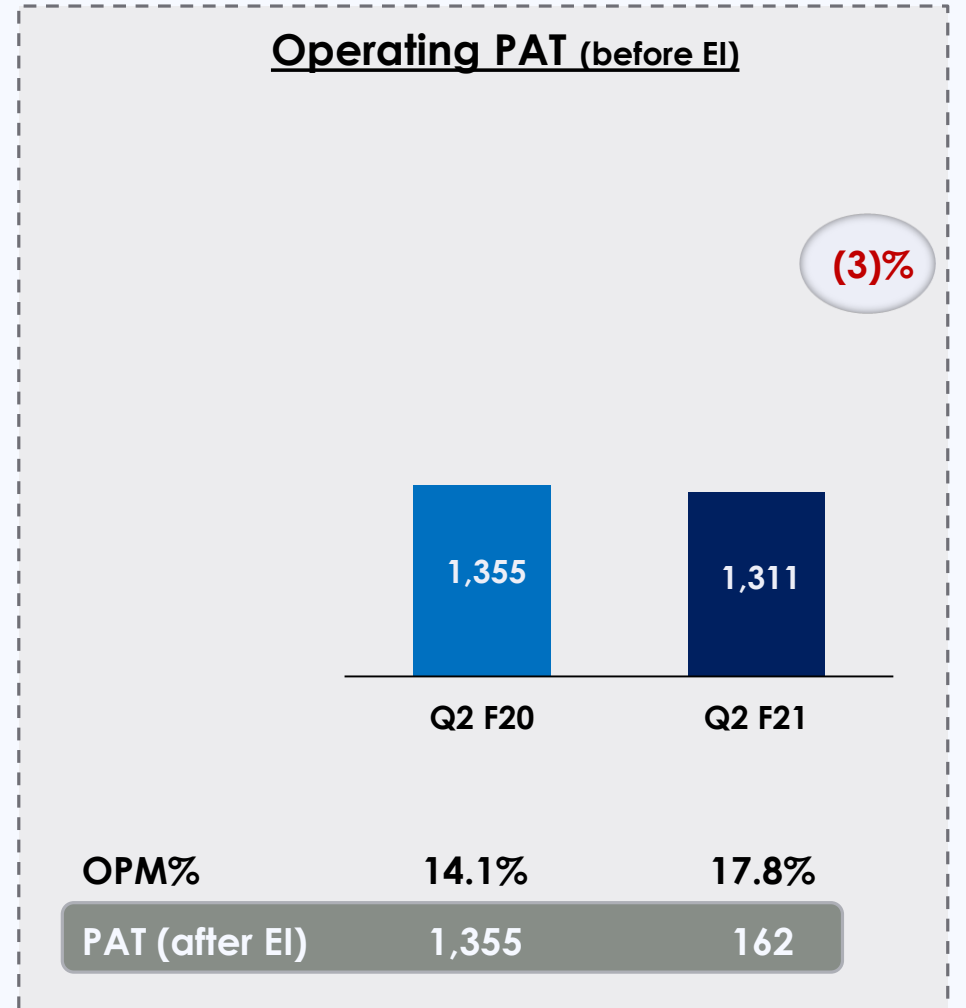
## Revenue



## Volume (#)

FES	71,073	92,496
Auto	118,650	91,536

## Operating PAT (before EI)







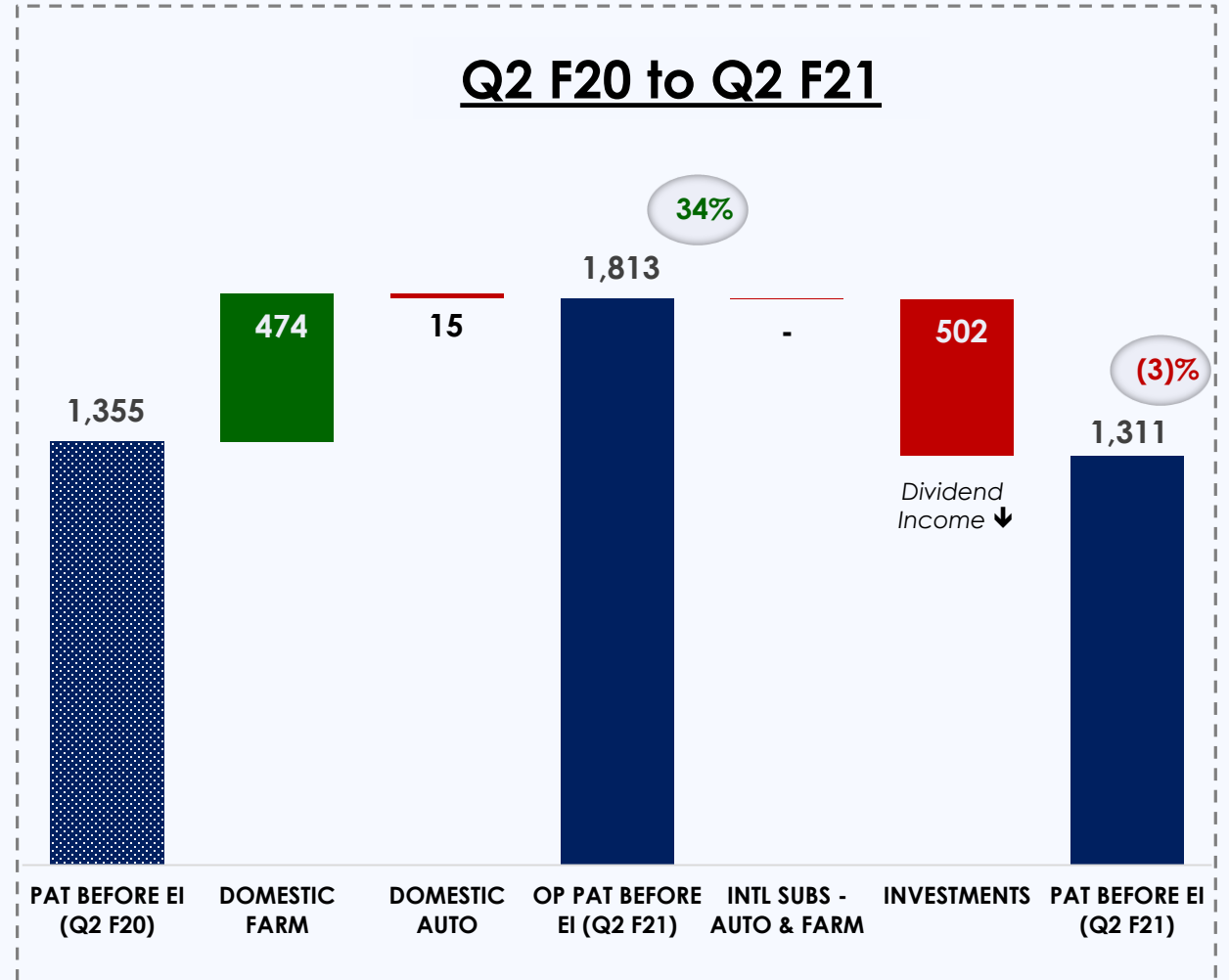
OPM%	14.1%	17.8%
PAT (after EI)	1,355	162

# OPERATING PAT (BEFORE EI): Q2 F21

M&M + MVML

Rs Cr

	Q2 F20	Q2 F21
 Domestic Farm	418	892
 Domestic Auto	308	293
 Intl. Subsidiaries	(8)	(9)
 Investments	637	135
<b>Total</b>	<b>1,355</b>	<b>1,311</b>

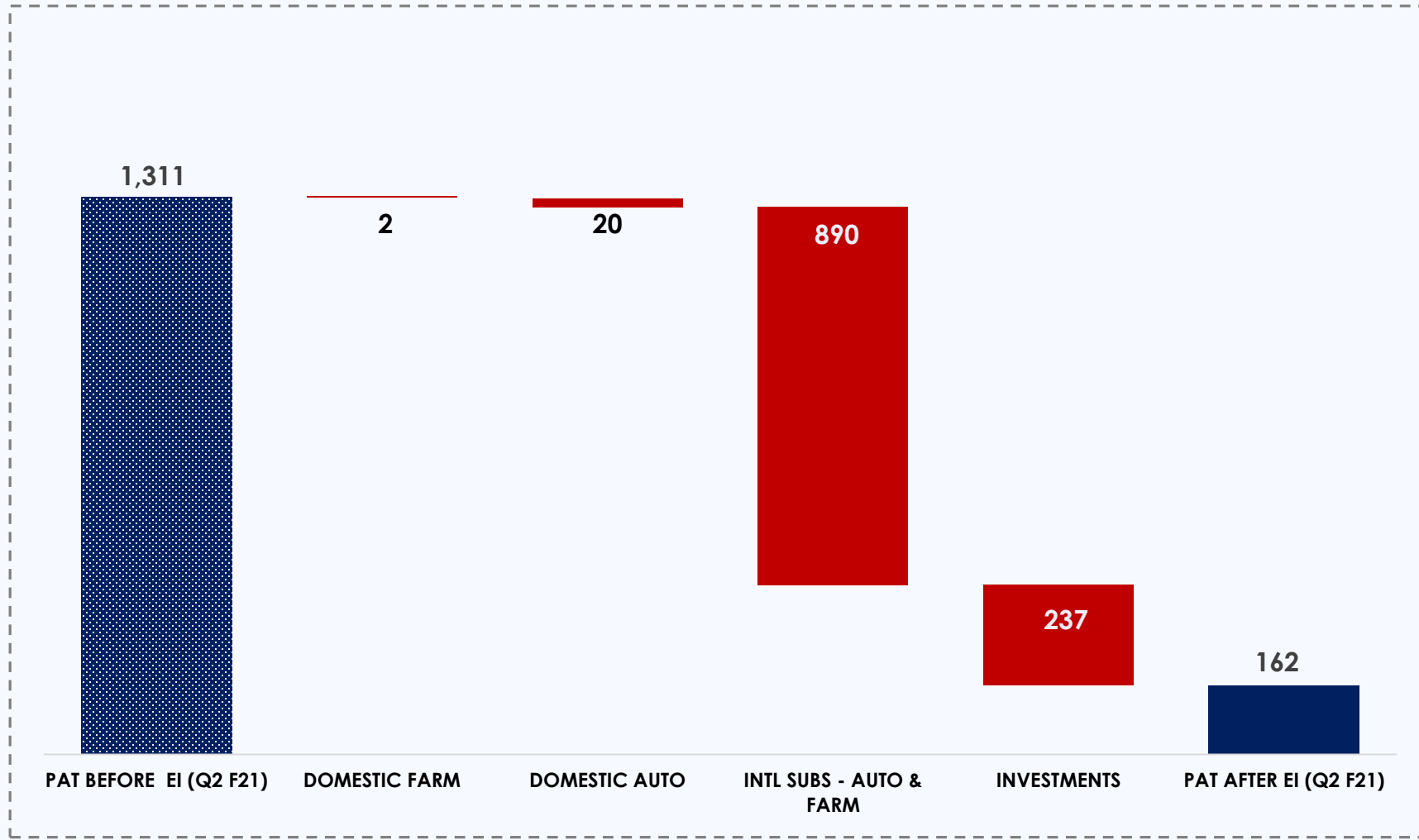


Two Wheeler, Powerol and SBU included in Domestic Auto

# PAT (AFTER EI): Q2 F21

M&M + MVML

Rs Cr

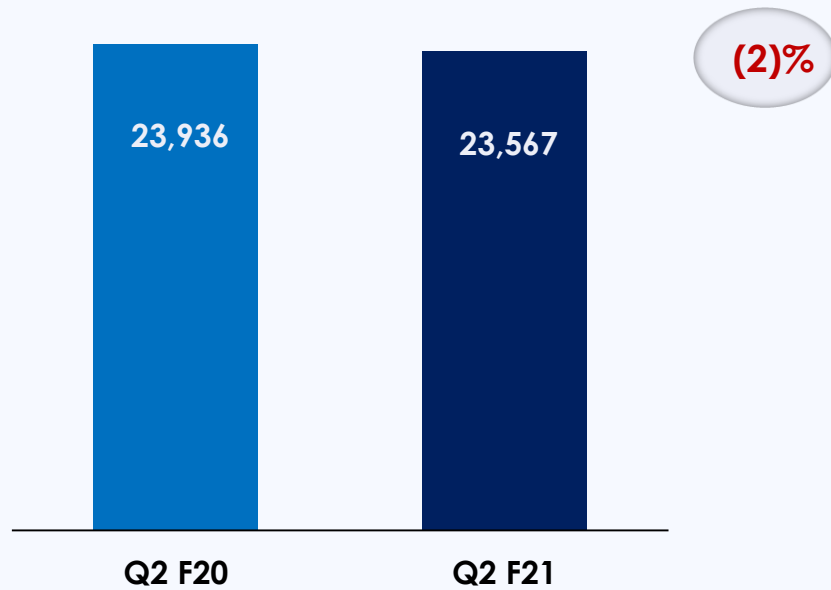


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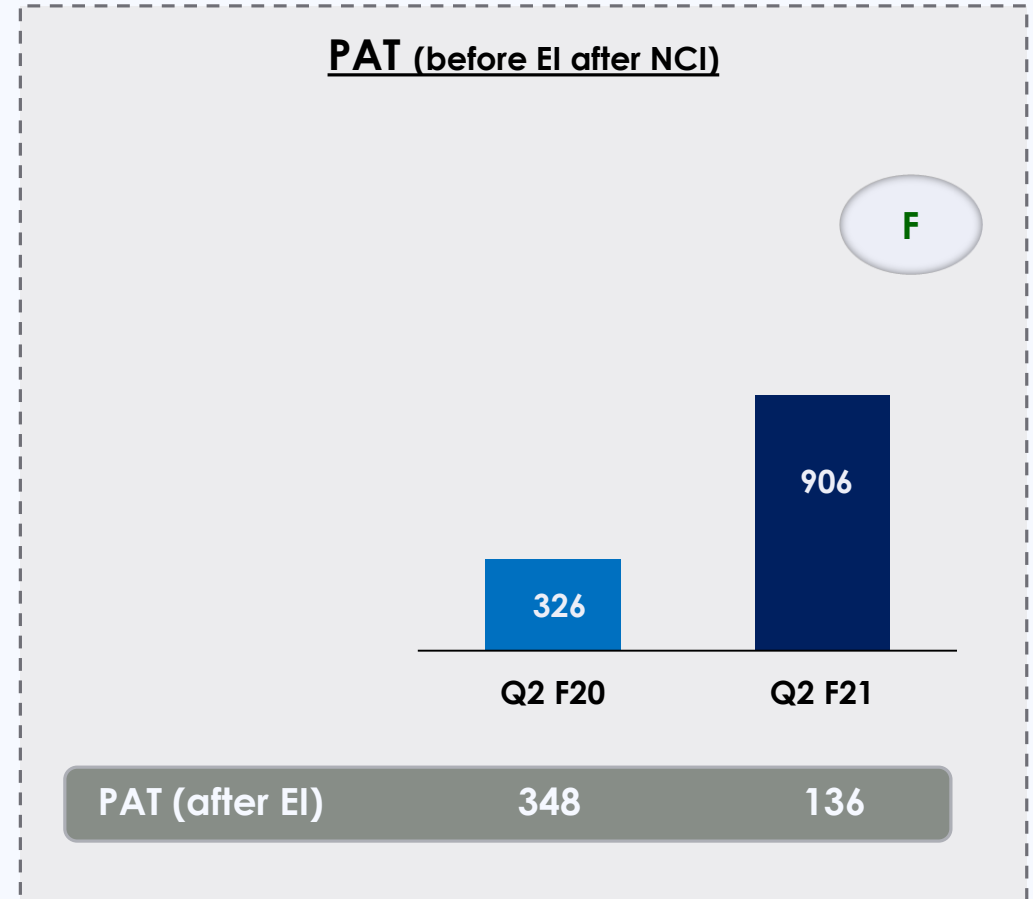
# FINANCIALS (CONSOLIDATED): Q2 F21

Rs Cr

## Revenue



## PAT (before EI after NCI)



PAT (after EI)

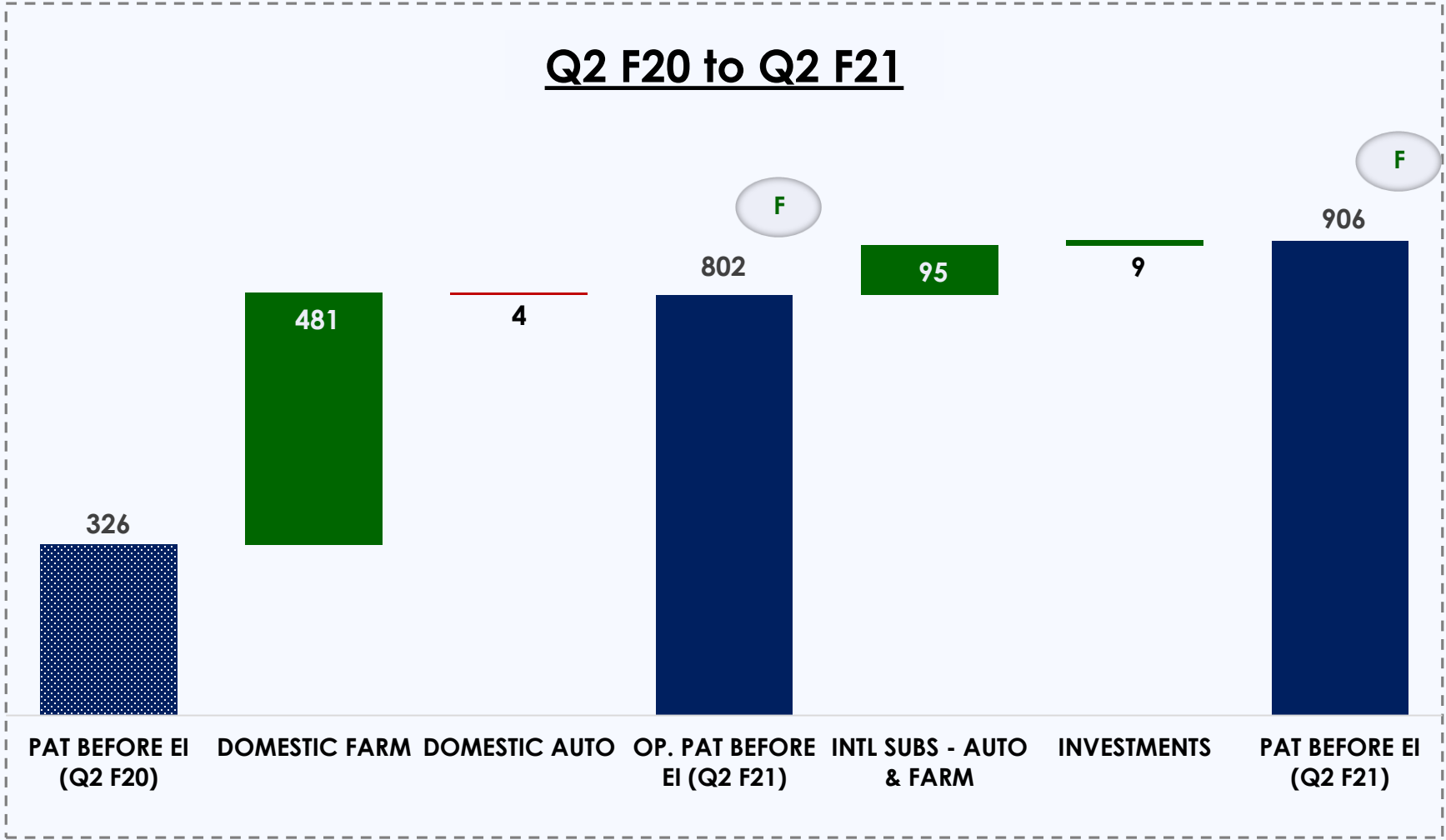
348

136

# OPERATING PAT (BEFORE EI): Q2 F21

CONSOLIDATED M&M

Rs Cr



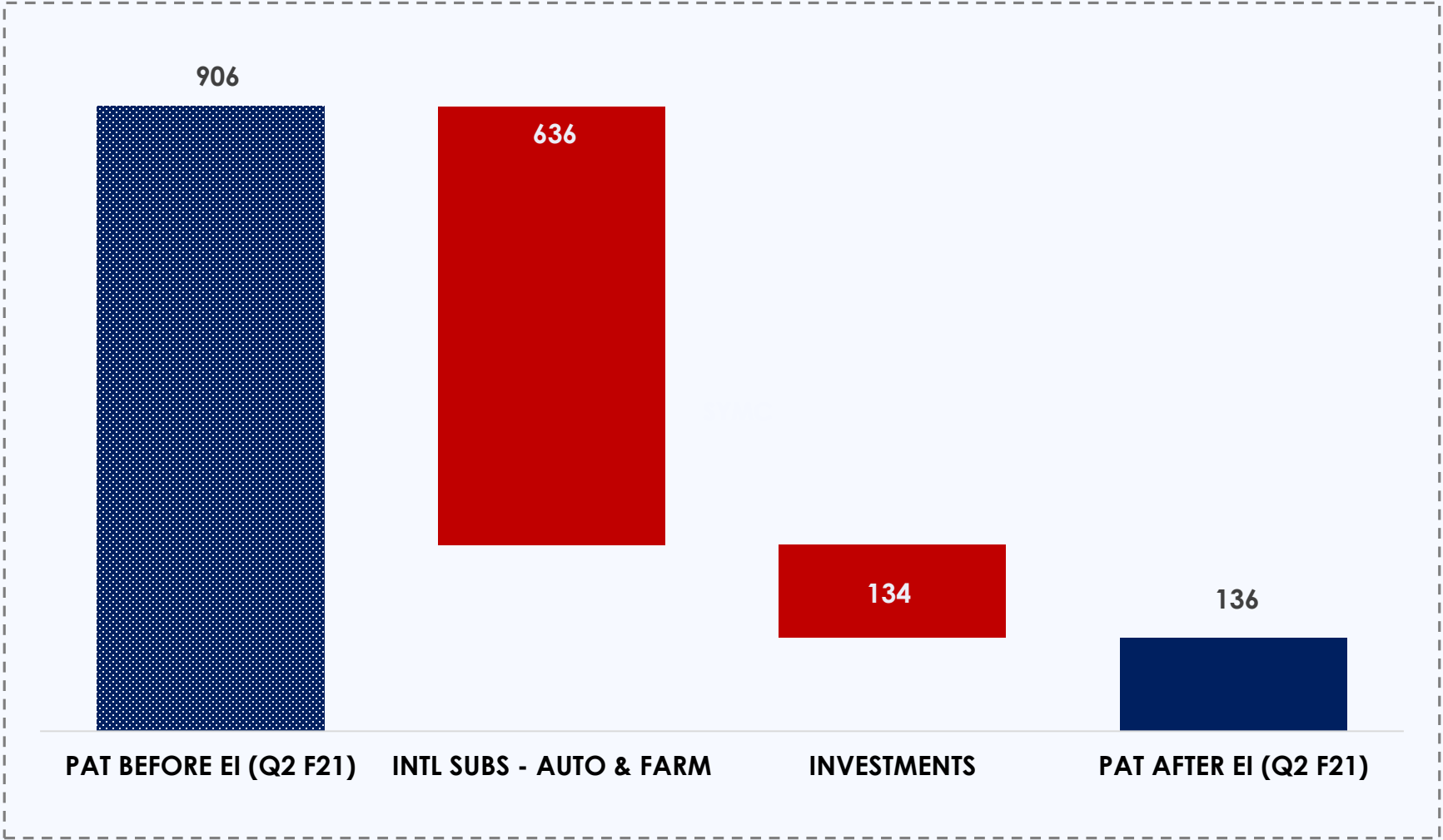
Two Wheeler, Powerol and SBU included in Domestic Auto



# PAT (AFTER NCI & EI): Q2 F21

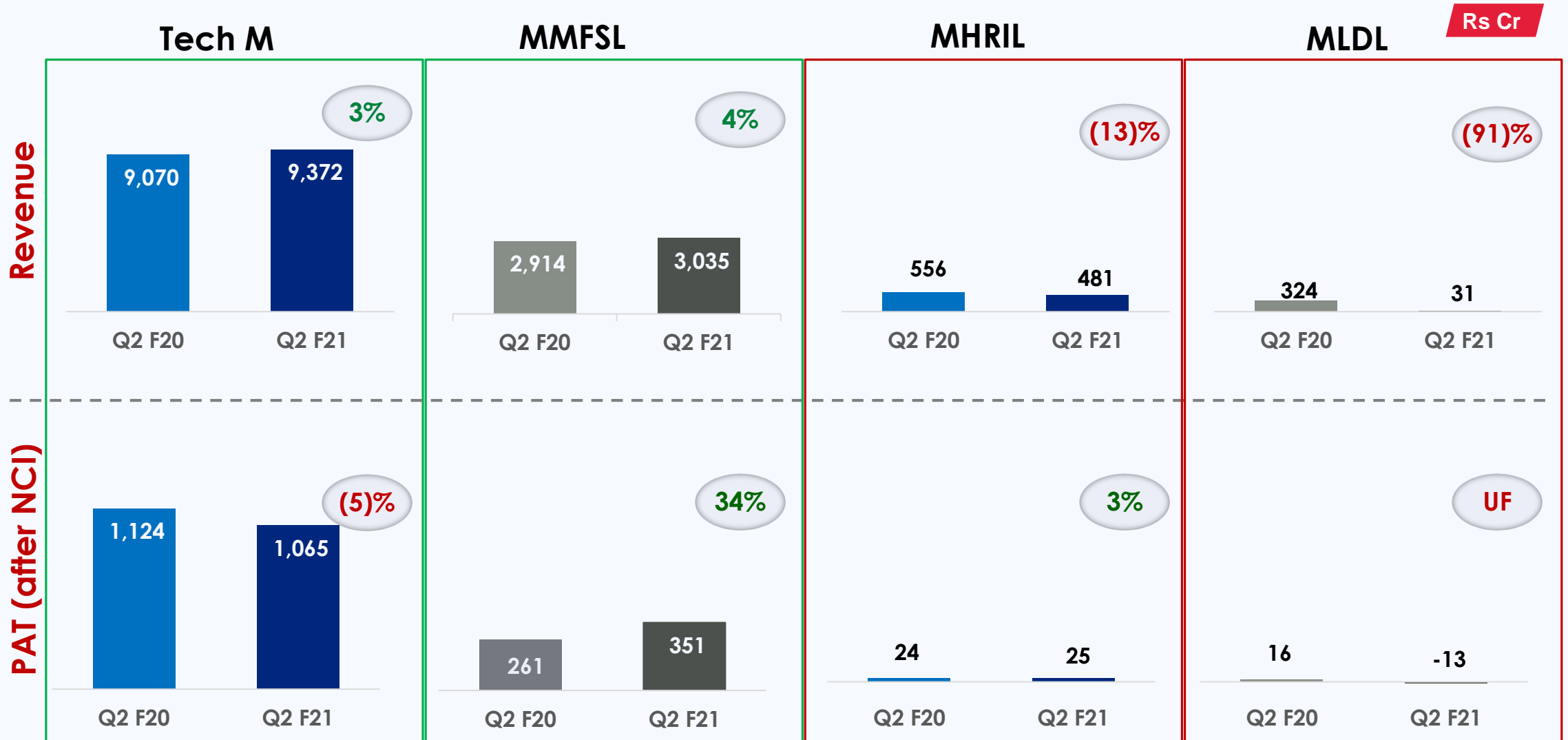
CONSOLIDATED M&M

Rs Cr



Two Wheeler, Powerol and SBU included in Domestic Auto

# INVESTMENT PERFORMANCE



Based on consolidated Results

# ACTION PLAN

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- Stay firm on capital allocation
- Drive growth
- Continued improvement in International Farm subsidiaries
- Define a clear narrative for Auto

# PATH TO 18% ROE



**SYMC ...**

**No further investment**



**GENZE ...**  
(Mahindra Tractor Assembly)

**Exit announced**



**MANA ...**  
(Mahindra Automotive NA)

**No USPS Bid**







**Gipps Aerospace ...**

**Exit announced**

# DRIVE GROWTH

Rs Cr

		F20 Revenue	F20 PAT
<b>Clean Energy</b>			
	Susten Group	2,231	20
<hr/>			
<b>Rural &amp; Fin Services</b>			
	Rural Housing Finance	1,528	149
	Agri Sector	1,277	(51)
<hr/>			
<b>Infra &amp; Technology</b>			
	Powerol	1,517	102
	Accelo Group	1,361	26
	Bristlecone Group	701	40
<hr/>			
<b>Mobility</b>			
	Aftermarket Group	491	(39)
	Classic Legends	411	(6)
	Electric	279	(55)
	Shared mobility Group	506	(14)
<hr/>			
	<b>Total</b>	<b>10,302</b>	<b>172</b>

# GROWTH DRIVERS ... OUR GEMS



**On track to Re-Ignite Value Creation**

*#FUTURise*