

16<sup>th</sup> October, 2018

<b>BSE Limited</b> Corporate Relationship Department, P. J. Towers, Dalal Street, Fort, Mumbai - 400 001.  <b>BSE Scrip Code: 532756</b>	<b>National Stock Exchange of India Limited</b> Corporate Relationship Department, Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.  <b>NSE Scrip Code: MAHINDCIE</b>
--	---

**Subject: Investor Presentation on Q3 CY18 Results**

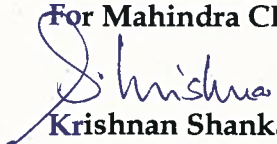
Dear Sir/ Madam,

Please find enclosed herewith Investor Presentation on Q3 CY18 Results.

Kindly acknowledge the receipt of the same.

Thanking you,

Yours faithfully,  
For Mahindra CIE Automotive Limited

  
**Krishnan Shankar**  
Company Secretary & Head - Legal  
Membership No.: F 3482



# Investor Presentation

## Q3 CY18 Results

Mahindra CIE Automotive Limited

16<sup>th</sup> October 2018 | Mumbai



**Mahindra CIE**

**Disclaimer**

Mahindra CIE Automotive Limited, herein referred to as MCAL provides a wide array of presentations and reports, with the contributions of various professionals. These presentations and reports are for informational purposes and private circulation only and do not constitute a prospectus, a statement in lieu of a prospectus, an offering circular, offering memorandum, an advertisement, an offer, or a solicitation of any offer, or an offer document to purchase or sell any securities under the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, or any other applicable law in India. These presentations and reports should not be considered as a recommendation that any investor should subscribe for or purchase any securities of MCAL or its subsidiaries (collectively, the “Group”) and should not be used as a basis for any investment decision.

Further, these presentations and reports do not purport to be a complete description of the markets conditions or developments referred to in the material. While utmost care has been taken in preparing the above, none of the Group or any of its affiliates, advisors or representatives accept any liability whatsoever for any loss howsoever arising from any information presented / contained in these presentations and reports, or the opinions expressed by the presenters. We shall not be liable for any direct or indirect losses arising from the use thereof and the viewers are requested to use the information contained herein at their own risk. Furthermore, no person is authorized to give any information or make any representation which is not contained in, or is inconsistent with, these presentations and reports. Any such extraneous or inconsistent information or representation, if given or made, should not be relied upon as having been authorized by or on behalf of the Group.

These presentations and reports are confidential and should not be copied, reproduced, re-circulated, redistributed, published in any media, website or otherwise, in any form or manner, in part or as a whole, without the express consent in writing of the Group. Any unauthorized use, disclosure or public dissemination of information contained herein is prohibited. The distribution of these presentations and reports in certain jurisdictions may be restricted by law. Accordingly, any persons in possession of the aforesaid should inform themselves about and observe any such restrictions.

Unless specifically noted, MCAL is not responsible for the content of these presentations and/or the opinions of the presenters. Individual situations and local practices and standards may vary, so viewers and others utilizing information contained within a presentation are free to adopt differing standards and approaches as they see fit. You may not repackage or sell the presentation. Products and names mentioned in materials or presentations are the property of their respective owners and the mention of them does not constitute an endorsement by MCAL. Information contained in a presentation hosted or promoted by MCAL is provided “as is” without warranty of any kind, either expressed or implied, including any warranty of merchantability or fitness for a particular purpose.

The information contained in these presentations and reports are only current as of their date and have not been independently verified. The Group will not update you in the event the information in the above becomes stale. You must make your own assessment of the relevance, accuracy and adequacy of the information contained in these presentations and reports and must make such independent investigation as you may consider necessary or appropriate for such purpose. Moreover, no express or implied representation or warranty is made as to, and no reliance should be placed on, the accuracy, fairness or completeness of the information presented or contained in these presentations and reports. Further, past performance is not necessarily indicative of future results. Any opinions expressed in these presentations and reports or the contents of these presentations and reports are subject to change without notice. The presentation should not be construed as legal, tax, investment or other advice.

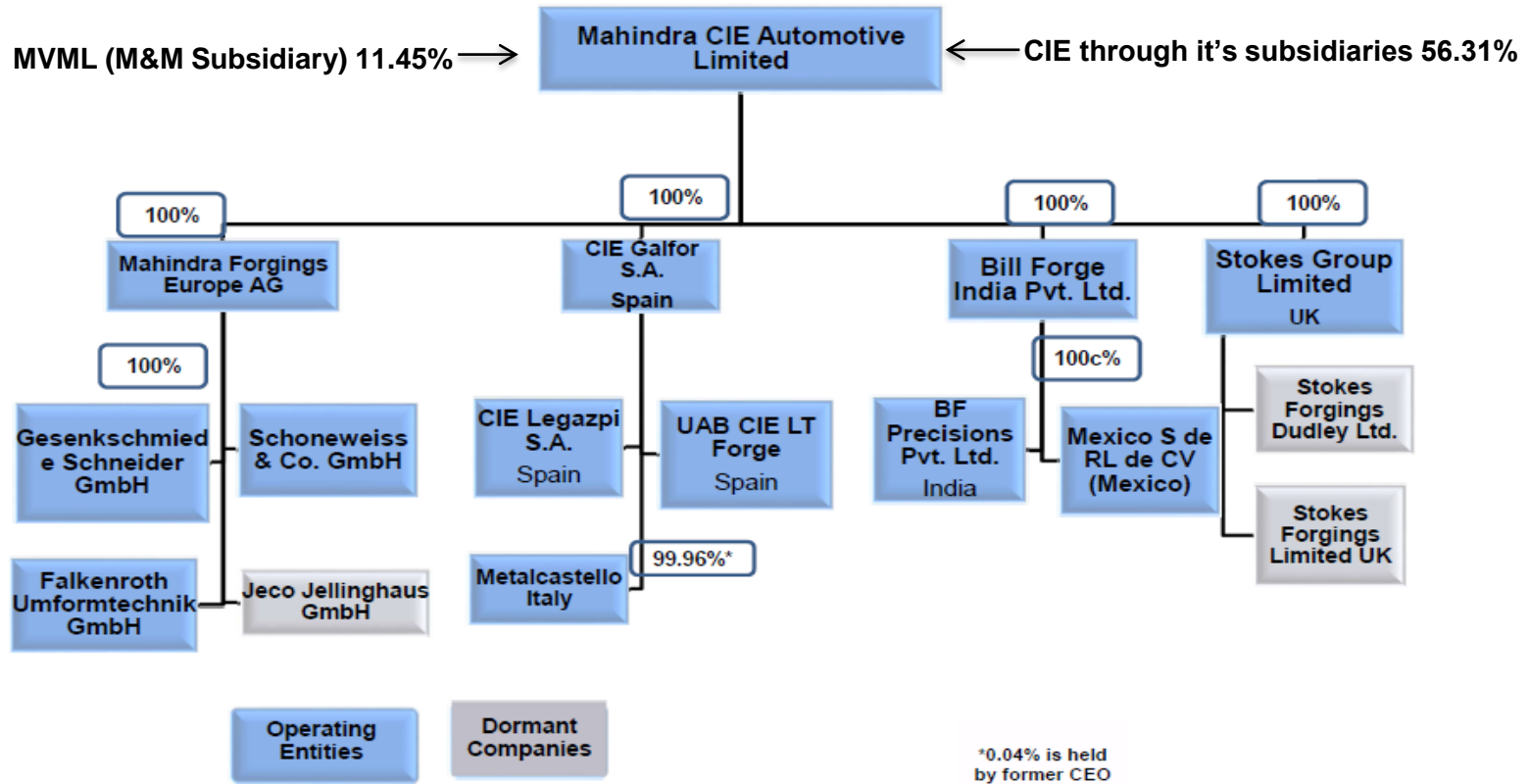
These presentations and reports contain certain statements of future expectations and other forward-looking statements, including those relating to the Group's general business plans and strategy, its future financial condition and growth prospects, and future developments in its sectors and its competitive and regulatory environment. In addition to statements which are forward looking by reason of context, the words ‘may’, ‘will’, ‘should’, ‘expects’, ‘plans’, ‘intends’, ‘anticipates’, ‘believes’, ‘estimates’, ‘predicts’, ‘potential’ or ‘continue’ and similar expressions identify forward looking statements. All forward looking statements are subject to risks, uncertainties and assumptions that could cause actual results, performances or events to differ materially from the results contemplated by the relevant forward looking statement. The factors which may affect the results contemplated by the forward looking statements could include, among others, future changes or developments in (i) the Group's business, (ii) the Group's regulatory and competitive environment, (iii) the information technology service sector, and (iv) political, economic, legal and social conditions in India and the United States.

The information contained herein does not constitute an offer of securities for sale in the United States or in any other jurisdiction. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended.

Certain numbers in these presentations and reports have been subject to routine round off and accordingly figures shown as total in tables and diagrams may not be an arithmetic aggregation of the figures that precede them.

# MCIE Overview

## Legal Structure





# MCIE India

## Q3 CY2018 Results

### Financial Update

(INR Mio)	Jul-Sep 2018	Change	Jul-Sep 2017	Apr-Jun 2018
Sales (without Excise)	8,153	+20%	6,821	8,024
EBITDA (*)	1,240	+26%	984	1,256
EBITDA%	15.2%		14.4%	15.7%
EBIT (*)	934	+37%	683	957
EBIT %	11.5%		10.0%	11.9%
EBT	1,006	+49%	675	842
EBT%	12.3%		9.9%	10.5%

(\*) EBITDA: Net Operating Income + Depreciation , EBIT: Net Operating Income.

### Market Update (Production)

	Jul-Sep 2018 v/s Jul-Sep 2017	Jul-Sep 2018 v/s Apr-Jun 2018
PV	3.6%	7.0%
UV	2.1%	-0.7%
LCV	33.9%	5.2%
MHCV	39.1%	6.3%
Two Wheelers	9.6%	6.4%
Tractors	13.5%	4.3%
Key Customers(#)	11.7%	3.6%

# M&M, Maruti and Tata Motors combined constitute more than 50% of MCIE India business, includes production for which the segments considered are: M&M includes PV+UV+LCV+Tractors but excludes two wheelers and 3Wheelers, while for Tata Motors it includes PV+UV+LCV but excludes MHCV and Maruti includes PV+LCV. The growth of MCIE's customers weighted as per their share of business in MCIE India for Jul-Sep 2018 growth is 9.1% and sequential is 1.5%

As per International classification the segment defined as <6T is equivalent to the Indian segment PV+UV+LCV. The growth rate for <6T for Jul-Sep quarter as compared to previous year is 6.7% and sequential quarters is 4.8%

- Significant Sales Growth in all divisions, Excellent trend in operative EBITDA
- EBT for Jul-Sep 2018 quarter is higher by INR 90 million due to forex gains in Bill Forge Mexico. There was a loss of INR 47 Million in Apr-Jun quarter due to forex.

# MCIE India

## 9M CY2018 Results

## Market Update (Production)

### Financial Update

(INR Mio)	Jan-Sep 2018	Change	Jan-Sep 2017
Sales (without Excise)	23,934	<b>+23%</b>	19,411
EBITDA (*)	3,671	<b>+39%</b>	2,649
EBITDA%	15.3%		13.6%
EBIT (*)	2,766	<b>+57%</b>	1,766
EBIT %	11.6%		9.1%
EBT	2,815	<b>+60%</b>	1,755
EBT%	11.8%		9.0%

(\*) EBITDA: Net Operating Income + Depreciation, EBIT: EBT + financial results.

	Jan-Sep 2018 v/s Jan-Sep 2017
PV	3.1%
UV	15.1%
LCV	38.6%
MHCV	46.4%
Two Wheelers	16.5%
Tractors	20.0%
Key Customers(#)	15.2%

# M&M, Maruti and Tata Motors combined constitute more than 50% of MCIE India business, includes production for which the segments considered are: M&M includes PV+UV+LCV+Tractors but excludes two wheelers and 3Wheelers, while for Tata Motors it includes PV+UV+LCV but excludes MHCV and Maruti includes PV+LCV. The growth of MCIE's customers weighted as per their share of business in MCIE India for Jan-Sep 2018 growth is 15.4%

As per International classification the segment defined as <6T is equivalent to the Indian segment PV+UV+LCV. The growth rate for <6T for Jan-Sep as compared to previous year is 10.0%

- Significant Sales Growth in all divisions
- Continuous Margin Improvement

# MCIE Europe

## Q3 CY2018 Results

### Financial Update

(INR Mio)	Jul-Sep 2018	Change	Jul-Sep 2017	Apr-Jun 2018
Sales (without Excise)	11,263	+26%	8,944	11,632
EBITDA (*)	1,369	+22%	1,119	1,653
EBITDA%	12.2%		12.5%	14.2%
EBIT (*)	984	+28%	772	1,216
EBIT %	8.7%		8.6%	10.5%
EBT	850	+29%	676	1,102
EBT%	7.5%		7.6%	9.5%

(\*) EBITDA: Net Operating Income + Depreciation. EBIT: EBT + financial results.

#### Note

1.Exchange Rates considered for Jul-Sep 2018, Jul-Sep 2017 and Apr-Jun 2018 are 81.19, 71.01 and 79.94 INR/Euro respectively

### Market Update (Production)

	Jul-Sep 2018 v/s Jul-Sep 2017	Jul-Sep 2018 v/s Apr-Jun 2018
Passenger Vehicles	-3.8%	-21.7%

Commercial Vehicle production data is not available on a quarterly basis, however MHCV registration numbers show 3.9% growth for the first half of CY2018 compared to previous year

- Positive exchange rate impact of +10% in sales vs Q3 2017
- Stock reduction due to August holiday impact has affected the EBITDA%

# MCIE Europe

## 9M CY2018 Results

### Financial Update

(INR Mio)	Jan-Sep 2018	Change	Jan-Sep 2017
Sales (without Excise)	34,085	+29%	26,450
EBITDA (*)	4,479	+29%	3,465
EBITDA%	13.1%		13.1%
EBIT (*)	3,254	+37%	2,373
EBIT %	9.5%		9.0%
EBT	2,894	+41%	2,072
EBT%	8.5%		7.8%

(\*) EBITDA: Net Operating Income + Depreciation, EBIT: EBT + financial results.

#### Note

1. Exchange Rates considered for Jan-Sep 2018 and Jan-Sep 2017 are 80.23 and 71.24 INR/Euro respectively

### Market Update (Production)

	Jan-Sep 2018 v/s Jan-Sep 2017
Passenger Vehicles	0.28%

Commercial Vehicle production data is not available on a quarterly basis, however MHCV registration numbers show 3.9% growth for the first half of CY2018 compared to previous year

- Real sales increase 15%. Exchange rate impact = 14%



# MCIE Consolidated

## Q3 CY2018 Results

	Jul-Sep 2018	Change	Jul-Sep 2017	Apr-Jun 2018
Sales (without Excise)	19,326	+23%	15,692	19,547
EBITDA (*)	2,610	+25%	2,093	2,909
EBITDA%	13.5%		13.3%	14.9%
EBIT (*)	1,918	+33%	1,440	2,173
EBIT %	9.9%		9.2%	11.1%
EBT	1,856	+39%	1,347	1,944
EBT%	9.6%		8.6%	9.9%

(\*) EBITDA: Net Operating Income + Depreciation, EBIT: EBT + financial results.

### Note

1.Exchange Rates considered for Jul-Sep 2018, Jul-Sep 2017 and Apr-Jun 2018 are 81.19, 71.01 and 79.94 INR/Euro respectively

- Sales growth due to organic growth in all divisions.

# MCIE Consolidated

## 9M CY2018 Results

(INR Mio)	Jan-Sep 2018	Change	Jan-Sep 2017
Sales (without Excise)	57,753	+26%	45,674
EBITDA (*)	8,150	+34%	6,073
EBITDA%	14.1%		13.3%
EBIT (*)	6,020	+47%	4,084
EBIT %	10.4%		8.9%
EBT	5,709	+52%	3,771
EBT%	9.9%		8.3%

(\*) EBITDA: Net Operating Income + Depreciation, EBIT: EBT + financial results.

### Note

1. Exchange Rates considered for Jan-Sep 2018 and Jan-Sep 2017 are 80.23 and 71.24 INR/Euro respectively
2. Capex already done as on 30<sup>th</sup> September 2018 is INR 4215 Mio

# Other Details

## Q3 CY 2018 Results



(INR Mio)	INDIA			EUROPE			CONSOLIDATED		
	Q3 CY 18	Q3 CY 17	Q2 CY 18	Q3 CY 18	Q3 CY 17	Q2 CY 18	Q3 CY 18	Q3 CY 17	Q2 CY 18
Other Operating Revenue	556	374	664	352	285	394	909	652	1,058
Other Income	23	24	29	82	50	58	67	49	87

# Annexure 1:

- Results Declared to SEBI

# STATEMENT OF PROFIT & LOSS ACCOUNTS

STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2018.

□ In Million

Part-I		STANDALONE					
		Quarter Ended			Nine Months Ended		Year Ended
		September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	December 31, 2017
Particulars		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from operations	6,524	6,500	5,362	19,143	15,539	20,633
II	Other Income	42	52	31	145	92	127
III	Total Revenue (I+II)	6,566	6,551	5,394	19,288	15,631	20,760
IV	Expenses						
	a) Cost of materials consumed	3,685	3,681	2,762	10,784	7,763	10,522
	b) Changes in stock of finished goods, work-in process	(60)	(94)	95	(227)	19	(126)
	c) Employee benefit expense	727	719	668	2,120	1,800	2,425
	d) Finance costs	10	8	27	25	82	98
	e) Depreciation and amortisation expenses	186	184	203	558	556	759
	f) Excise Duty on Sales	-	-	-	-	1,027	1,027
	g) Other expenses	1,370	1,378	1,251	4,107	3,462	4,838
	Total Expenses (IV)	5,917	5,876	5,005	17,367	14,710	19,543
V	Profit before exceptional items and tax (III-IV)	649	675	389	1,921	921	1,217

# STATEMENT OF PROFIT & LOSS ACCOUNTS.. CONT

STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2018.

□ In Million

Part-I		STANDALONE					
		Quarter Ended			Nine Months Ended		Year Ended
		September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	December 31, 2017
Particulars		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
V	Profit before exceptional items and tax (III-IV)	649	675	389	1,921	921	1,217
VI	Exceptional item (Refer Note 6)	-	-	-	-	-	69
VII	Profit before tax (V-VI)	649	675	389	1,921	921	1,148
VIII	Tax expense						
	1) Current tax	223	229	150	642	349	532
	2) Deferred tax	1	7	(6)	29	(15)	(77)
	Total tax expense (VIII)	224	237	144	671	334	455
IX	Profit after tax (VII-VIII)	426	439	245	1,250	588	693



# STATEMENT OF PROFIT & LOSS ACCOUNTS.. CONT.

STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2018.

□ In Million

		STANDALONE					
Part-I		Quarter Ended			Nine Months Ended		Year Ended
Particulars		September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	December 31, 2017
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
X	Other Comprehensive income						
	i) Items that will not be reclassified to profit or loss	-	-	-	-	-	(7)
	ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	3
	Total Other Comprehensive Income	-	-	-	-	-	(5)
XI	Total comprehensive income for the period (IX+X)	426	439	245	1,250	588	688
	Earnings per equity share face value □ 10 each						
	1) Basic	1.12	1.16	0.65	3.30	1.55	1.83
	2) Diluted	1.12	1.16	0.65	3.30	1.55	1.83

# MCIE SEBI RESULT NOTES

STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2018.

Notes:

- 1 The statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (IndAS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.
- 2 The Company has investment of Rs. 6,974.25 million in Mahindra Forgings Europe AG (MFE AG), Germany. After the significant decline in demand due to economic downturn in Europe and some onetime costs due to one plant closure, MFE AG results got impacted in 2015 and 2016. Actions initiated by the management team have shown significant improvement in results for 2017 and 2018. In view of this and the expected improvements, the Company is of the view that, there is no diminution in the Company's investments in MFE AG. The auditors while taking note of the actions initiated by the management, have mentioned this as a "Matter of Emphasis" in their report.
- 3 Pursuant to the Order of Hon'ble National Company Law Tribunal, Mumbai, dated December 13, 2017, four of the Company's subsidiaries, namely, Mahindra Forgings International Limited (MFIL), Mahindra Forgings Global Limited (MFGL), Mahindra Gears & Transmission Private Limited (MGTPPL) and Crest Geartech Private Limited (Crest Geartech) ("Transferor Companies") merged with the Company with effect from July 1, 2017 (being the appointed date as per the Scheme of Amalgamation). Consequently, the Company has accounted for the merger with effect from July 1, 2017 and the results of quarter and nine months ended September 2017 includes the impact of this merger from the said date. Hence, the results for the nine months ended Sept 30, 2018 are not comparable with those of the nine months ended Sept 30, 2017.

# MCIE SEBI RESULT NOTES – Continued

## STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2018.

### Notes:

4 The Board of Directors (in their meeting held on September 25, 2018) have approved the following restructuring plan within the Group subject to obtaining requisite statutory approvals:

(i) Merger of Bill Forge Private Limited (the wholly owned subsidiary) with the Company.

(ii) Transfer of investment in Mahindra Forgings Europe AG (wholly owned subsidiary) to CIE Galfor S.A. (wholly owned subsidiary).

5 Revenue from Operations for nine months ended Sept 30, 2017 and year ended December 31, 2017 includes excise duty which is discontinued w.e.f July 1, 2017 upon implementation of Goods and Services Tax (GST) in India. In accordance with Ind AS 18, Revenue, GST is not included in Revenue from Operations. In view of the aforesaid restructuring of Indirect taxes, Revenue from Operations for the nine months ended Sept 30, 2018 are not comparable.

□ In Million

Particulars	Standalone					
	Quarter Ended			Nine Months ended		Year ended
	Sep-18	Jun-18	Sep-17	Sep-18	Sep-17	December 31, 2017 (Audited)
Revenue from Operations	6,524	6,500	5,362	19,143	15,539	20,633
Less: Excise duty	-	-	-	-	1,027	1,027
Revenue from Operations (Net of Excise duty)	6,524	6,500	5,362	19,143	14,512	19,606

# MCIE SEBI RESULT NOTES – Continued

STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2018.

Notes:

- 6 The exceptional item pertains to Voluntary Retirement Schemes.
- 7 The Company manufactures automotive components and is of the view that it constitutes a single business segment in accordance with IndAS 108 “Operating Segments” notified pursuant to Companies (Accounting Standard) Rules, 2015.
- 8 The above results have been subjected to Limited Review by the auditors of the Company in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on Oct 16, 2018.
- 9 Previous period figures have been regrouped / reclassified, wherever necessary to conform to the current years classification.

For and on behalf of the Board of Directors,

Place : Mumbai

Date : October 16, 2018

Executive Director

# Annexure 2: Market Overview and Outlook

# India Market: Key Segments Update - Quarterly

**Demand Improving**

## Market - Production Numbers

Period	Cars + UV's		CV's		Tractors		Two Wheelers	
	Units	Δ%	Units	Δ%	Units	Δ%	Units	Δ%
9M C18	3,024,240	6.3	850,999	41.6	672,032	20.0	19,326,406	16.5
Q3 C18	1,023,276	3.2	291,806	28.3	246,135	13.5	6,874,426	9.6
Q2 C18	976,523	9.9	271,925	67.7	236,079	18.8	6,462,185	14.6
Q1 C18	1,024,441	6.2	291,806	28.3	189,818	31.3	5,989,795	28.0

Source: SIAM, TMA

\* Δ % - means comparison of Quarter volumes of this financial year with that of the same quarter of the previous financial year. E.g. Q2 C18 Volume is compared to Q2 C17 volume respectively.



# Market Outlook - India

- PVs+ UVs:

*“CRISIL Research expects the domestic passenger vehicle industry is expected to grow at 9-11% on-year in fiscal 2019 on a high base.” ... CRISIL Research report*

- LCVs:

*“CRISIL Research expects LCV goods sales to grow at ~22% on-year in fiscal 2019 aided by higher replacement demand supplemented by improved private consumption.” ... CRISIL Research report*

- MHCVs:

*“CRISIL Research expects sales of medium and heavy commercial vehicles (MHCV) in 2018-19 are expected to grow ~16% over a high base” ... CRISIL Research report*

- Tractors:

*“CRISIL Research expects domestic tractor sales volumes to continue its growth momentum from previous year, and increase by 12-14% in fiscal 2019,” ... CRISIL Research report*

- Two Wheelers:

*“CRISIL Research projects the two-wheeler industry to grow by 10-12% in fiscal 2019 assuming normal monsoons, improved affordability, and positive rural sentiment. Further improvement in government spending is likely to boost demand in the second half of fiscal 2019, pushing demand upwards by 1-3%.” ... CRISIL Research report*

# Europe Market Update - Quarterly

Market picking up



## Market - Production Numbers Passenger Vehicles (Mn Units)

Period	C16	Δ%
9M CY 2018	14.13	0.3%
Q3 CY 2018	4.00	-3.8%
Q2 CY 2018	5.12	5.3%
Q1 CY 2018	5.01	-1.1%

\*Δ% Change means comparison of Quarter volumes of this financial year with that of the same quarter of the previous financial year. E.g. Q2 C18 Volume is compared to Q2 C17 volume respectively.

# Market Outlook - Europe

Growth returning, but gradually

- EU – Cars:
  - *IHS Global has forecasted that the Passenger Vehicle production will grow at a slow but steady pace of 0.1% CAGR between C18 to C23*
- EU - CVs:
  - *IHS Global has forecasted that the Medium and Heavy Commercial Vehicle production will grow at a steady pace of 4.6% CAGR between C18 to C21*



*Thank you*

---

**Mahindra CIE**