

Mahindra & Mahindra: India's Dual Engine Growth Story

Mahindra & Mahindra Limited (M&M) is one of India's most established industrial conglomerates, with dominant positions in both the automotive and farm equipment sectors. The company is the world's largest tractor manufacturer by volume and has emerged as the number two passenger vehicle manufacturer in India by revenue, driven by a renewed SUV portfolio. M&M's business model is supported by deep rural and semi urban distribution, brand trust built over nearly 80 years, and a growing electric vehicle platform that positions the company at the centre of India's mobility transition.

- Market leader in tractors: World's largest tractor company by volume with 43.3% domestic market share held consistently for over 35 years.¹
- Strong SUV franchise: Positioned in high growth utility and lifestyle segments with strong demand visibility.
- Diversified earnings base: Automotive and farm equipment supported by financial services and technology businesses.
- Strong exposure to both rural and urban demand cycles, providing balanced growth drivers.
- Increasing focus on higher value SUV models and electric vehicle platforms to drive margin expansion and future growth.

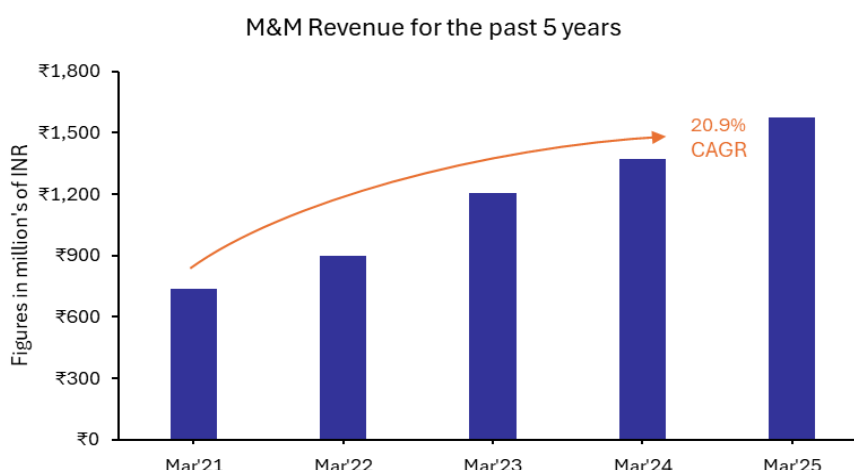


Figure 1: Source - FactSet, Mahindra & Mahindra– Revenue Data, FY21-FY25

INR 1,000,000 = NZD 18,419 (based on Mar 2026 average FX rate)

¹ Mahindra and Mahindra – Annual Report 2024-2025

Differentiators & Strategic Strengths

M&M benefits from a set of structural advantages that differentiate it from peers across both the automotive and agricultural equipment industries.

- **Balanced rural and urban exposure:** Leadership in tractors and SUVs provides diversified exposure to rural income and urban consumption cycles, reducing earnings volatility across economic conditions.
- **Market leadership in farm equipment:** Scale and distribution strength position M&M to benefit from rising rural income, mechanisation, and productivity trends.
- **Consistent SUV franchise:** Successful new launches and a product mix shifting toward higher margin models have driven share gains, with long order backlogs underpinning near term revenue visibility.
- **Integrated ecosystem advantage:** Synergies across automotive, financial services and technology platforms enhance customer acquisition, financing penetration and lifecycle value.
- **EV and future mobility:** Early investments in electric SUVs and partnerships provide strategic optionality as India's EV adoption accelerates.

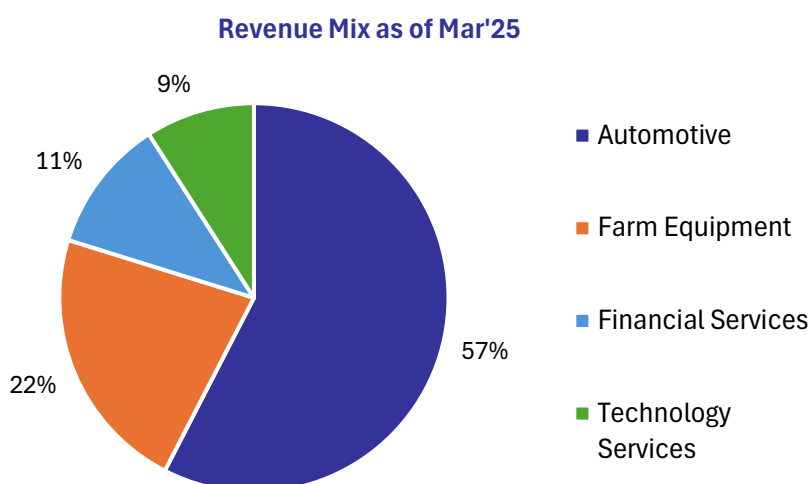


Figure 2: Source – Mahindra & Mahindra Annual Report – FY25

Mahindra & Mahindra's financial services come from its stake in Mahindra & Mahindra Financial Services (52% owned) - India's leading rural-focused NBFC providing vehicle, SME and consumer financing nationwide. Its technology services revenue comes from Tech Mahindra (25% owned) - Global IT services leader delivering digital transformation, cloud, and telecom solutions – building on the diversity theme!

Industry Landscape & Structural Trends

India's automotive and agricultural sectors are undergoing structural shifts, creating a favourable backdrop for M&M.

- Rising rural income: Supported by higher MSPs (minimum support price), favourable monsoons and government policies, with 39.6% of rural households reporting income growth and over 76% reporting increased consumption in the past year.²
- Premiumisation trend: Consumers are shifting toward higher value vehicles, supporting margins across the industry.
- SUV-isation of the PV market: SUV share has doubled from c.33% in 2019 to c.66% in 2025, reflecting a structural shift toward utility vehicles.³
- EV transition: Government incentives such as PLI schemes are accelerating EV adoption over the medium term.
- Low vehicle penetration: India remains underpenetrated compared to its global peers, providing a long runway for growth.
- Infrastructure and construction cycle: Supports demand for farm equipment and utility vehicles.

Investment Rationale

The India Avenue team views M&M as a high-quality business offering exposure to multiple long term growth drivers in India.

- Strong revenue track record: Revenue has compounded c.21% annually over the past five years, driven by sustained demand across SUVs, tractors and commercial vehicles.¹
- Lower cyclicalities than peers: Combined tractors and SUV earnings provide balanced exposure to rural and urban demand, resulting in more stable performance relative to single segment competitors.
- Margin expansion runway: A richer SUV mix, strong order backlog, and favourable industry dynamics position M&M for continued margin improvement.
- Early EV traction: Mahindra has delivered over 30,000 electric SUVs within seven months of launch, indicating strong early demand and validating its premium EV strategy.

Taken together, M&M offers exposure to two of India's most durable growth themes – rising vehicle ownership and farm mechanisation, through a business with scale, pricing power and a clear pathway into electric mobility.

² Press Information Bureau – Rising Rural Incomes and Upbeat Sentiments (2025)

³ SIAM – Passenger Vehicle Industry Data (2025)

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