

Temasek funding drives M&M EV arm valuation to ₹80,000 cr

Singapore investment firm to pump in ₹1,200 cr, hold 1.49–2.97% stake

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Mahindra & Mahindra (M&M) announced on Thursday that Singapore-based investment firm Temasek Holdings will invest ₹1,200 crore in M&M's four-wheeler passenger electric vehicle (EV) subsidiary, Mahindra Electric Automobile (MEAL), at a valuation of up to ₹80,580 crore (\$9.8 billion). This is 15 per cent more than the ₹70,070 valuation MEAL fetched last year when British International Investment (BII) had invested.

At a valuation of around \$9.8 billion, this is one of the highest valuations fetched by any EV company in recent times. It assumes significance as M&M's electric portfolio is yet to launch apart from the XUV400 electric, said an analyst. "In contrast, Tata Motors already has the highest market share in the electric passenger vehicle space. M&M has differentiated its play by choosing to focus only on electric SUVs," the analyst added.

M&M and Temasek have executed the binding agreement for Temasek to invest ₹1,200 crore in the form of compulsorily convertible preference shares, valuing MEAL at ₹80,580 crore, resulting in Temasek's ownership of a 1.49-2.97 per cent stake in MEAL.

Temasek will join BII as an investor in MEAL. BII had invested ₹1,925 crore mid-last year at a valuation of ₹70,070 crore. BII had invested through compulsorily convertible instruments that gave it 2.75 per cent to 4.76 per cent ownership of MEAL.

M&M said that the amount invested is consistent with the Mahindra Group's plan to minimise dilution. Anish Shah, managing director and chief executive officer (CEO), M&M, said that having Temasek as a partner, known for its strong governance globally, is a step forward in executing its strategy towards future leadership in electric sport utility vehicles (SUVs).

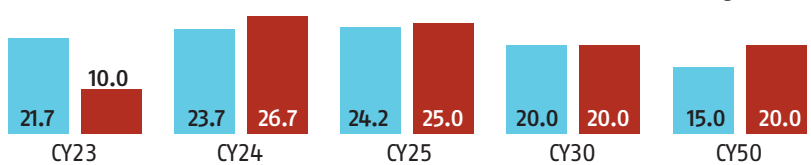
Rajesh Jejurikar, executive director and CEO (auto and farm Sector) at M&M, commented, "We demonstrated Mahindra's ambition to build a desirable global brand with the reveal of our Born EV portfolio based on the INGLO (IN for India and GLO for Global) platform in August 2022 in the



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	CY23	CY24	CY25	CY30	CY50
Total volume	368,552	442,307	488,672	740,677	4,948,693
IC engine	362,552	418,307	452,672	518,474	781,373
Electric vehicle	6,000	24,000	36,000	222,203	4,167,320

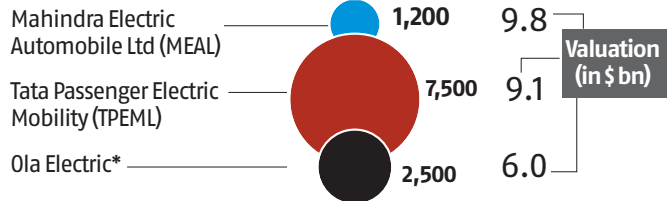
SUV market share (%)



Source: Company, CLSA

Major EV deals in recent times

Amount invested (in ₹ cr)



Note: *According to reports

Source: Companies

UK, which is on track for execution. By having Temasek as an investor, we have strengthened our global strategic partnerships and are targeting 20 per cent to 30 per cent of Mahindra SUV sales from EVs by 2027."

M&M's peer Tata Motors had secured an investment of ₹7,500 crore from TPG Rise Climate and ADQ in 2021 for its EV

business, which is housed under Tata Passenger Electric Mobility, valuing the EV arm at \$9.1 billion.

According to reports, Tata was also out in the market to raise funds as it planned to retire a part of its outstanding debt.

M&M had indicated in December that it is investing ₹10,000 crore towards setting up an EV manufacturing facility in Pune.