

Mahindra First Choice Wheels Raises \$15 Million valuing the company at \$265 Million

Emerging

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- Funds are primary infusion into the company to fund growth over the next 18 months
- Existing investors participating in this round
- Over the last five years, monthly revenue growth for the company at 3.5% with annual growth rate of over 50%
- Last primary raise for the company was in March 2015 at a valuation of \$115 Million

Mumbai, February 2, 2018: Mahindra First Choice Wheels Ltd. (MFCWL), India's largest and most diversified used vehicle automotive services provider has raised a new round of \$15 Million (Rs. 100 Crores). The entire investment is in the form of primary capital and will be used to fund its growth over the next 18 months and values the company at \$250 Million pre money and \$265 Million post money. The last primary fund raise was in March 2015.

MFCWL has been the fastest growing automotive products and services provider and over a 5 year period has achieved a monthly growth rate of nearly 3.5% making it the fastest growing automotive products and services provider in India. The company revenues have grown nearly 8 times in the last 5 years.

"MFCWL is a company founded on the principles of innovation and entrepreneurship and as one of the fastest growing companies in the Mahindra Group it is testament to both its own performance as well as the Group's ability to create and nurture ventures with a focus on shareholder value", said **Anand Mahindra, Chairman, Mahindra & Mahindra**.

As the leading organized used car company in India, MFCWL has 1,650 franchise dealers in 800 plus towns (mahindrafirstchoice.com). It is also India's leading provider of technology enabled platforms in the areas of used vehicle auctions (eDiig.com), inspections (autoinspekt.com) and pricing analytics (indianbluebook.com). More recently it has launched a new remote inventory management solution (Yard Management Solution – YMS) which is an innovative wholesale inventory management platform with nearly 600 yards under management.

"MFCWL's primary mission is to organize the used vehicle automotive industry ecosystem. MFCWL's products and services are providing unprecedented transparency in all aspects of the used vehicle ecosystem – retail and wholesale. MFCWL is the only company which is truly hybrid with presence both on the ground and in the cloud and this hybrid strategy forms the underpinning of its mission", said **Rajeev Dubey, Group President & CEO (After-Market Sector) Mahindra & Mahindra Ltd.**

"We are excited about the latest primary investment in the company. Our plan in March 2015 was to achieve a network of 1,800 dealerships by 2020 but we have reached that network size in 2018, nearly 2 years ahead of the plan. With GST rates being rationalized, we want to utilize our deep technology expertise for retail and wholesale solutions to grow to a network of 5,000 dealers in the next five years", said **Dr. Nagendra Palle, CEO and MD, Mahindra First Choice Wheels**

The company will use the funds to grow its franchise dealer network and invest in new technology enabled products and services for the consumer online.

About Mahindra First Choice Wheels

Mahindra First Choice Wheels is a dominant player in the Indian used vehicle eco system providing products and services to cater to the needs of retail and wholesale customers utilizing its “on-the-ground” and “in-the-cloud” capabilities.

The company’s business model is based on 4 key building blocks:

Vehicle retail – Under the “Mahindra First Choice” brand name the company has created a unique franchisee driven business model and is on a mission to transform the way used cars are retailed in the country. The company has a network of 1650 plus outlets spread across 800 plus cities, which include metros, mini metros and smaller towns. The cumulative retail footprint under the Mahindra First Choice brand is over a million sq feet.
(www.mahindrafirstchoice.com)

Vehicle auctions – The company is the market leader in the online auction space, having sold in excess of 3 lakh vehicles through the ‘eDiig’ auction platform (www.ediig.com). eDiig is a classic wholesale marketplace where multiple sellers and buyers compete in a transparent online environment. With over 20,000 registered buyers and sellers, eDiig aims to leverage its ‘True time bids’ solution, to seamlessly bridge the requirements of offline and online participants, thus enabling transparency and superior vehicle price discovery. eDiig Auctions take place across 1000 locations in India and over 85000 vehicles were sold through its platform in FY 17. With its mobile auction application eDiig Now, the company will provide buyers on-the-go auction and bidding services.

The company has extended its auction solution to vehicle yards through the Yard Management System (YMS), a one-of-a-kind mobile application that supports auction clients with their vehicle life cycle management processes. All these have made eDiig, India's most trusted Automobile Exchange Platform.

Vehicle inspections – Autoinspekt is a comprehensive used vehicle inspection and valuation service for lenders, dealers, OEMs and consumers. By combining the use of technology and assurance of physical inspection, Autoinspekt has built capabilities to service inspection and valuation needs across categories and purposes. (www.autoinspekt.com)

Vehicle pricing - Access to used car transactions data across retail and wholesale channels gave the company an opportunity to develop the IndianBlueBook.com, which is also referred to as IBB. Having started out as a used car pricing widget, Indianbluebook.com has transformed into a full-fledged online research platform for customers to buy and sell their car. (www.indianbluebook.com)

The company's unique business model has also been acknowledged by external investors. The company has raised funding from Silicon Valley based Hedge Fund, Valiant Capital and Cox Automotive, a \$17 Billion US based enterprise providing digital marketing, classifieds, software, wholesale and eCommerce solutions to dealers, consumers, manufacturers and financial institutions. Its brands include Manheim®, Autotrader®, Kelley Blue Book®, Dealertrack®, vAuto®, Xtime®.

About Mahindra

The Mahindra Group is a USD 19 billion federation of companies that enables people to rise through innovative mobility solutions, driving rural prosperity, enhancing urban living, nurturing new businesses and fostering

communities. It has a leadership position in utility vehicles, information technology, financial services and vacation ownership in India and is the world's largest tractor company, by volume. It also enjoys a strong presence in agribusiness, aerospace, commercial vehicles, components, defence, logistics, real estate, renewable energy, speedboats and steel, amongst other businesses. Headquartered in India, Mahindra employs over 2,40,000 people across 100 countries.

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