



www.eichermotors.com

February 6, 2020

**Online intimation/submission**

**The Secretary**  
**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai-400 001  
**Security Code: 505200**

**The Secretary**  
**National Stock Exchange of India Ltd**  
Exchange Plaza, 5<sup>th</sup> Floor  
Plot No.C/1, G Block  
Bandra Kurla Complex, Bandra (E)  
Mumbai-400 051  
**Symbol: EICHERMOT**

**Ref: Disclosure under Regulation 30 of SEBI (LODR) Regulations, 2015**

Dear Sir/ Madam

Pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015, please find attached a copy of investor presentation being issued today.

Thanking you,  
**For Eicher Motors Limited**

**Manhar Kapoor**  
**General Counsel & Company Secretary**

Encl.: a.a.



# Investor Presentation

February 2020





## EICHER MOTORS LIMITED - OVERVIEW

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## ROYAL ENFIELD

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## VE COMMERCIAL VEHICLES

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## FINANCIALS

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## APPENDIX

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**Note:** The Company followed “January-December” as its reporting year till December 2014. The Board of Directors in its meeting held on February 13, 2015 decided to align the reporting year of the Company with the requirements of Companies Act, 2013. Therefore the reporting year for 2015-16 commenced on January 1, 2015 and ended on March 31, 2016, being a period of 15 months.

However, to have comparability in the numbers from previous reported years, the presentation captures un-audited financials for FY15-16 (April 1st 2015 to March 31st 2016).

# EICHER MOTORS LIMITED - OVERVIEW

# Key Milestones



India's first tractor rolls out of Eicher factory in Faridabad

1959



Royal Enfield motorcycles acquired

1991



Enters heavy duty trucks segment

2002



Forms JV\* with AB Volvo of Sweden; transfers commercial vehicle business to the JV\*

2008



Shutdown of operations of Eicher Polaris

2018

JV\* with Mitsubishi Motors to make 'Canter' trucks



1984

JV\* with Mitsubishi ended, enters medium duty bus segment



1993

Divests tractor & allied businesses to focus on commercial vehicle & motorcycle businesses



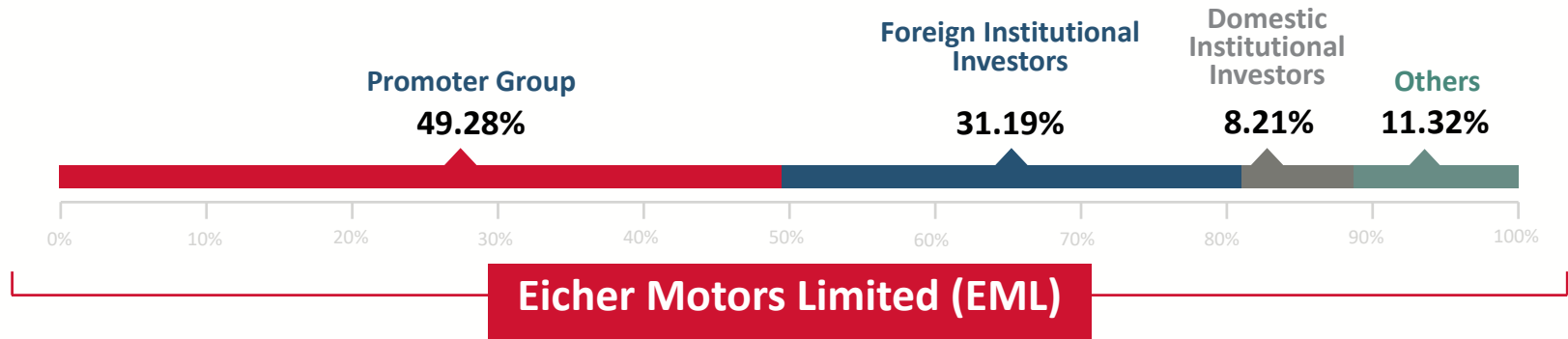
2005

Forms JV\* with Polaris Industries Inc. USA, to design, manufacture & market personal vehicles

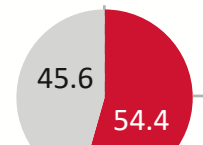


2012

# Shareholding Pattern (31<sup>st</sup> December 2019)



**Volvo Group**

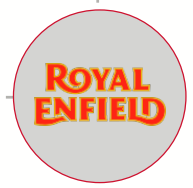


**VE Commercial Vehicles (VECV)**



**Eicher Trucks & Buses  
Volvo Trucks**

**Business Unit**



**Royal Enfield (RE)**

**RENA (Royal Enfield North America Ltd.)**

**Royal Enfield (Thailand) Ltd**

**RE Brazil (Royal Enfield Brasil Comercio de Motocicletas Ltda)**

**Motorcycles Business**



# Eicher Management Philosophy

## Break-through emerging market business model

- An evolved business model with 50+ years of experience in automotive space in India
- In-depth customer insights & market understanding
- Best-in-class capital optimization :
  - Frugal engineering practices
  - Extensive knowledge of suppliers
  - Operational excellence
  - Global quality standards
- Low cost supply chain & distribution – value chain

## Established Corporate Governance

- Fully empowered management teams
- Annual 3 year rolling business plan
- Strategic quarterly board meetings – full review with management
- Strategic quarterly reviews & regular monthly operations review
- Product board, Quality board, Customer satisfaction board, Soft product board (after-market) held every quarter along with other statutory meetings

## Strong Values

- Corporate conduct rooted in highest standards of ethics, integrity & transparency
- Highly professional work ethic based on mutual respect
- Very strong HR & IR culture and brand
- Long-term orientation
- Long history of institutionalized CSR & community activities



## Eicher Motors Limited

- **S Sandilya**  
Non-executive Chairman

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- **Siddhartha Lal**  
Managing Director

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- **Vinod K. Dasari**  
Whole Time Director & CEO - Royal Enfield

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- **Vinod Aggarwal**  
Non-Executive Director

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- **Inder Mohan Singh**  
Independent Director

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- **Manvi Sinha**  
Independent Director



## VE Commercial Vehicles

- **Hakan Karlsson**  
Chairman

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- **Siddhartha Lal**  
Director

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- **Vinod Aggarwal**  
Managing Director & CEO

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- **Jan Gurander**  
Additional Director

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- **Philippe Divry**  
Director

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- **Raul Rai**  
Director

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- **Lila Poonawalla**  
Independent Director

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- **Inder Mohan Singh**  
Independent Director



# Business Highlights – FY 2018-19<sup>^</sup>



**0**

EML continues to be  
Debt free company



**823,828**

Motorcycles sold in FY19,  
7x in last 7 years



**>90%**

Royal Enfield's market  
share in the mid-size  
motorcycles\* segment



**30.1%**

Royal Enfield EBITDA  
margin in FY19, benchmark  
in automobile industry



**29.4%**

VE Commercial Vehicles  
market share in domestic  
LMD# segment

# ROYAL ENFIELD



# Product Portfolio – Motorcycles

Royal Enfield range of motorcycles is able to address a unique mix of appeals – from its traditional customer base to urban, aspiration-driven youth

## Bullet

- ▶ Longest production motorcycle
- ▶ Resolute, unchanged form
- ▶ Pride of the armed forces
- ▶ Iconic cues – thump, pinstripes, road presence

## Classic

- ▶ Sense of distinctiveness
- ▶ Post-war styling
- ▶ Timeless design

## Thunderbird

- ▶ Definitive highway tourer
- ▶ Long range & load-bearing capabilities
- ▶ For the free-spirited explorer

## Himalayan

- ▶ Purpose-built for exploring the Himalayas
- ▶ Versatile for riding on- & off-road
- ▶ Fully ground-up with all-new engine
- ▶ Touring capabilities

## Continental GT

- ▶ Authentic café racer
- ▶ Powered by modern Twin cylinder engine
- ▶ Perfect for high speed blasts on twisty backroads or as a stylish motorcycle for the city

## Interceptor

- ▶ The quintessential roadster with commanding and comfortable riding position
- ▶ Powered by modern twin cylinder engine
- ▶ Fun and practical to ride in almost all terrains



Traditional & Iconic

Urban, Lifestyle and now Adventure

# Launch of BS VI Compliant Motorcycles

Enhanced riding experience

Lowered servicing cost by extending warranty and roadside assistance to 3 years



**Classic 350 BS VI**

- First motorcycle under the Unit Construction Engine (UCE) platform to become BS VI compliant.
- Added two new premium variants (Stealth Black and Chrome Black) and 6 new sensors to BS VI motorcycles.



**Himalayan BS VI**

- Himalayan BS VI comes with Switchable ABS that allows a more engaging and exciting adventure touring experience, letting the rider drift or slide when off-roading.
- Available in three new dual-toned colors with hazard switch.

# “Make Your Own” - Personalisation of Motorcycles with Factory Fitted Accessories

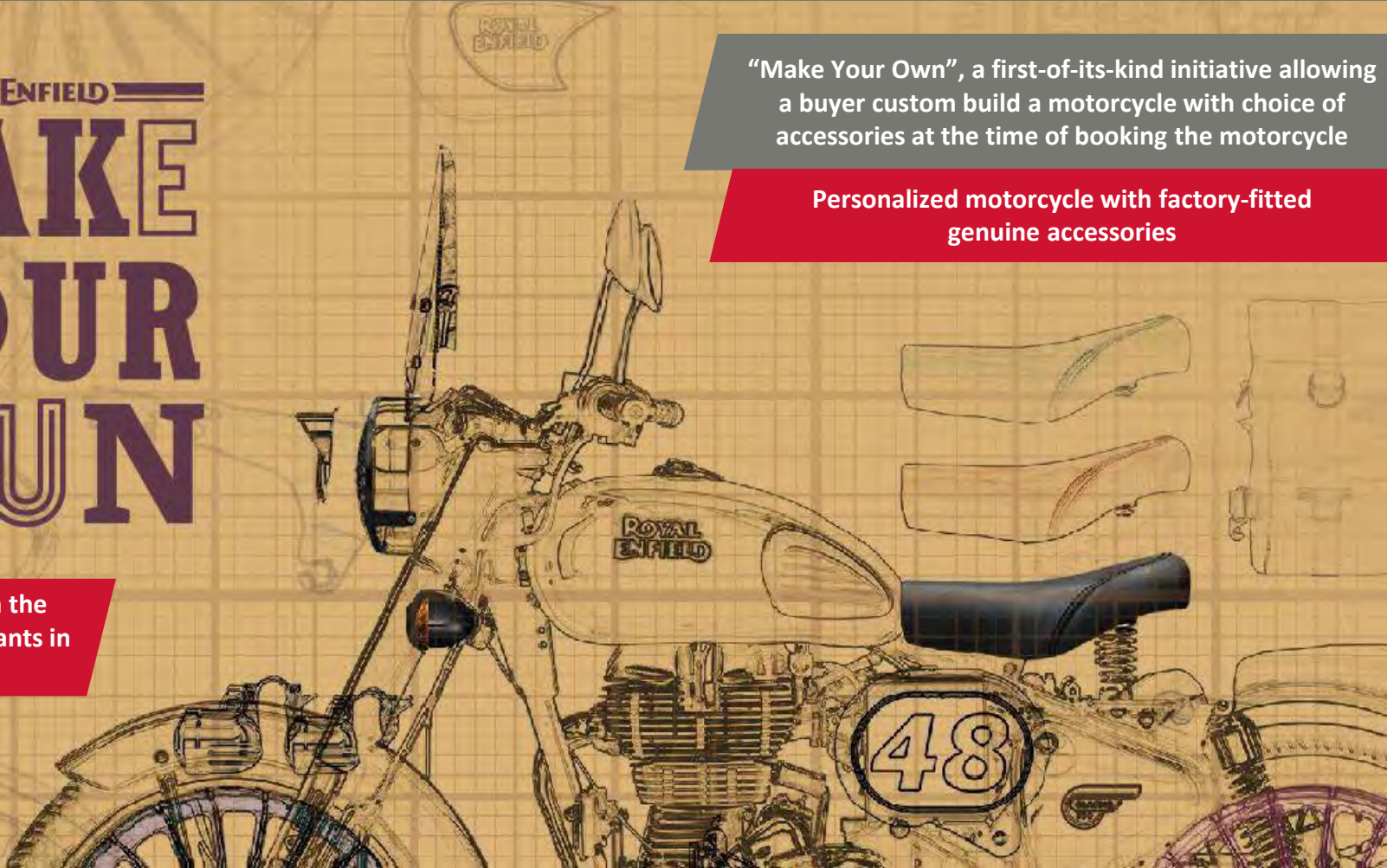
Customisation and personalisation at the core of a ‘Pure Motorcycling’ experience

ROYAL ENFIELD  
**MAKE  
YOUR  
OWN**

“Make Your Own”, a first-of-its-kind initiative allowing a buyer custom build a motorcycle with choice of accessories at the time of booking the motorcycle

Personalized motorcycle with factory-fitted genuine accessories

Initially available on the select Classic 350 variants in 6 cities



# Product Portfolio – Apparel Business

## Extension of One's Personality



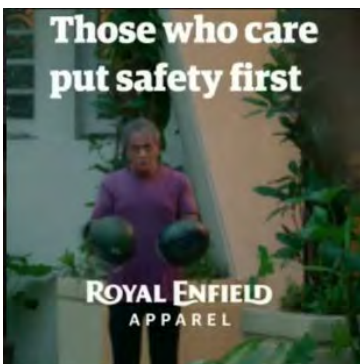
Royal Enfield Apparels aim to become an extension of the owners' personality. Inspired by the motorcycling way of life, the range is built to help riders explore and express themselves, on and off the motorcycle.

## The Madras Stripes

One brush, two strokes and a distinctive identity that has made Royal Enfield Bullet stand out for years. Launched a collector's edition - collection of 200 helmets, each with the hand-painted stripes, the original way like the classic Royal Enfield Bullet tanks are painted by the Kumar Brothers. The collection got sold out within 3 minutes through the Royal Enfield Apparel Online Store.

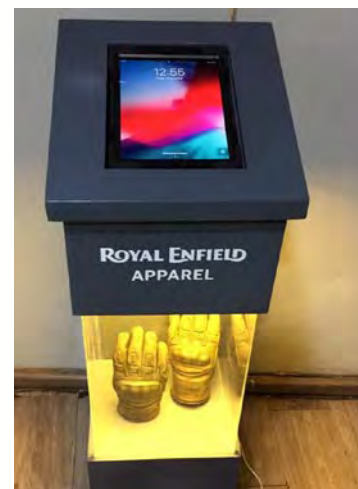


## The Thumbstoppers: Royal Enfield Apparel



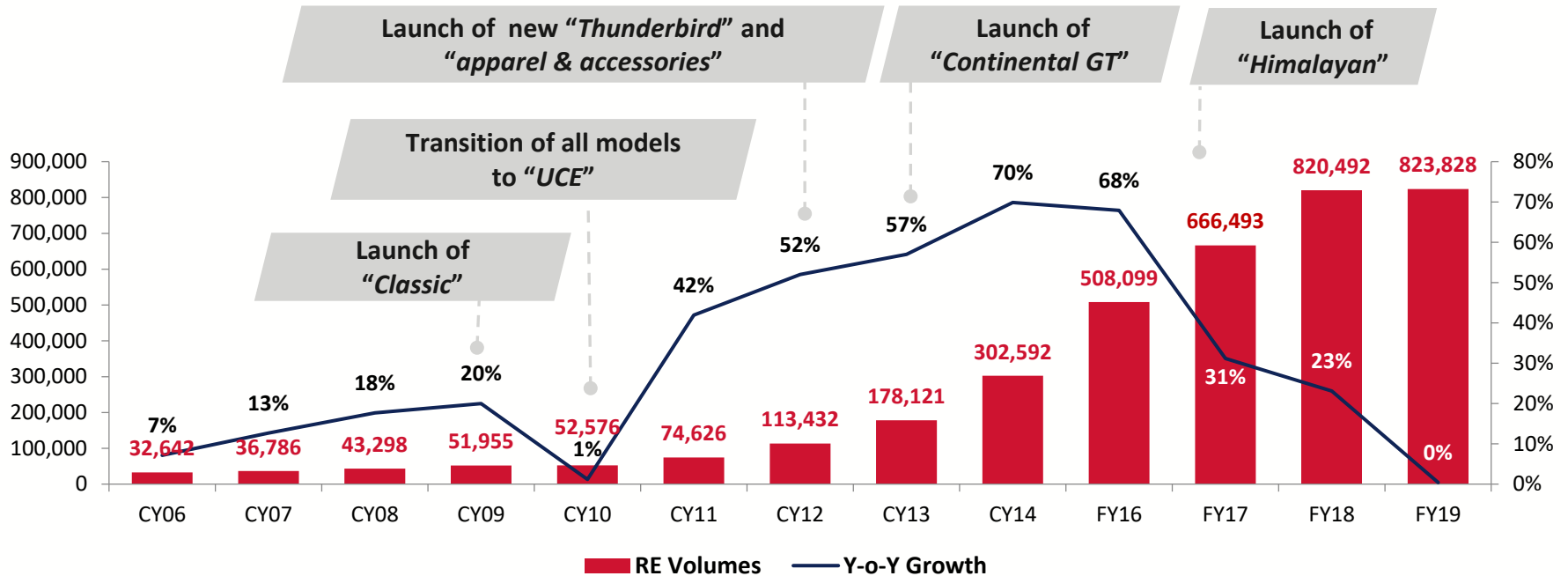
Facebook recently announced the Thumbstoppers Challenge - short stories that stop thumbs and move hearts in under 10 seconds. Royal Enfield Apparel script was the winner in the category "Little Big Moments". Out of more than 3,500 entries received, only 16 were produced. The RE Apparel 10-second video script was directed by renowned ad film maker Prakash Verma and produced by Facebook.

## Increasing the Footprint



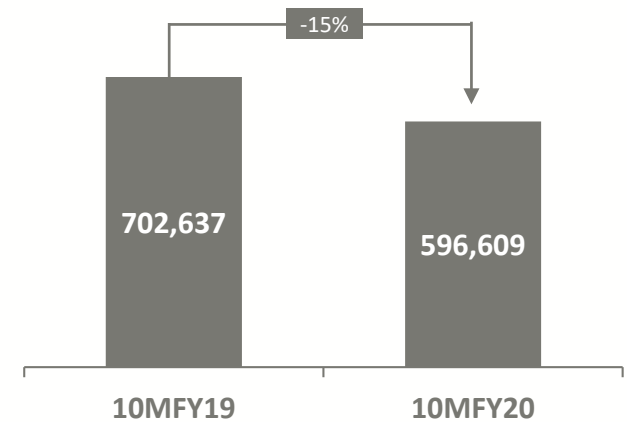
Launched a new touch point for Royal Enfield Apparel at the service stations across India. This will help us grow the customer base and articulate the message of motorcycling way of life through these newly launch 10 service centres. These centres were chosen basis the traffic recorded in the number of job cards.

# Launch of "Classic" in 2009 was an Inflection Point



Note: Standalone volumes for Eicher Motors Limited

▶ Volumes grew by 40% CAGR during the period CY10 to FY19



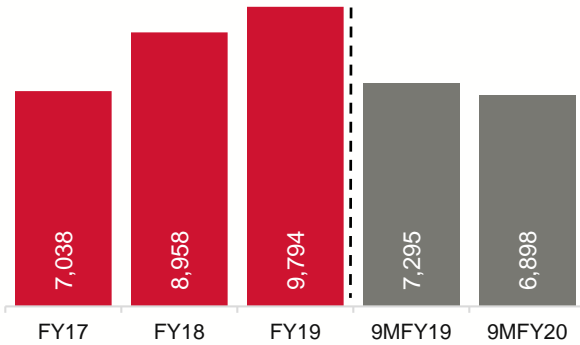


# Financial Highlights – Eicher Motors Ltd. (Standalone)

All figures are for Eicher Motors Limited Standalone (in Rs. cr unless specified)

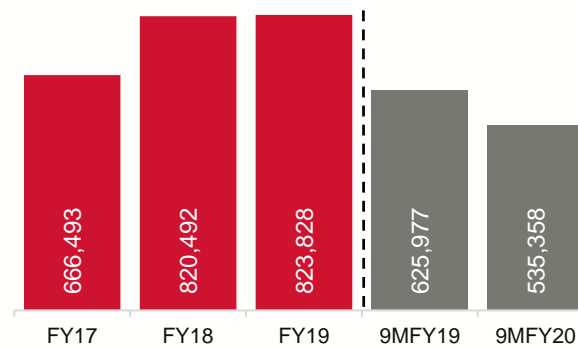
## Total Revenue

Total revenue from operations (net of excise duty)

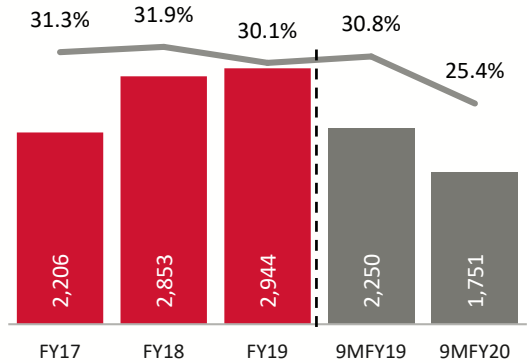


## Sales Volume

(in Nos)

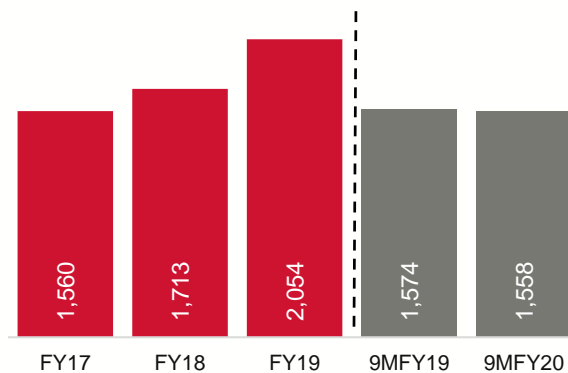


## EBITDA & Margins

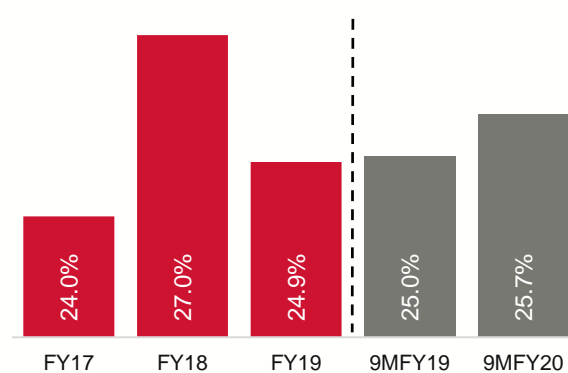


The figures in % indicate EBITDA Margins  
EBITDA Margin = EBITDA/Total revenue from operations (net of excise duty)

## Profit After Tax



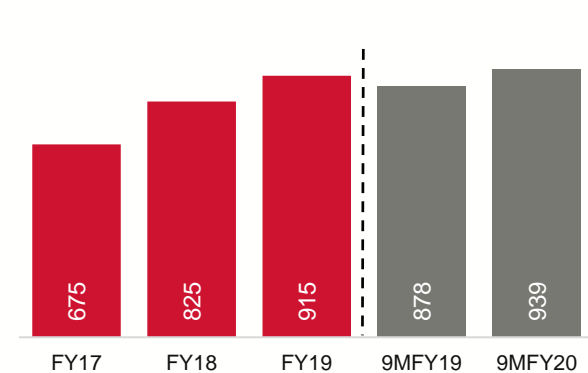
## Market share\* (India)



## Dealer Network (India)

(in nos)

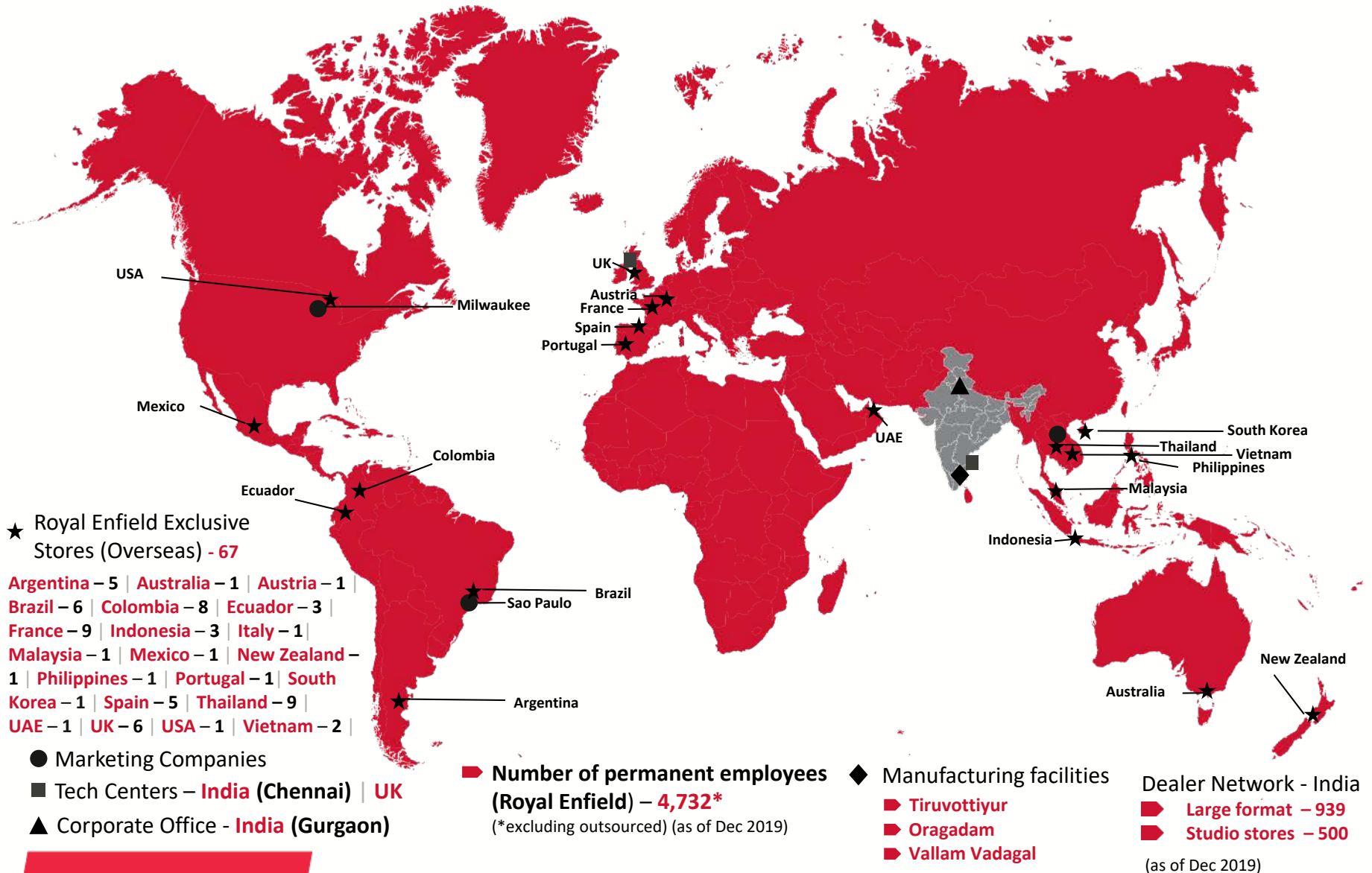
Additional 500 studio stores across India



Note: PAT for FY18 and FY19 includes an impairment loss of Rs. 311.98 crores and Rs. 17.52 crores respectively on the company's investment in its joint venture, EPPL subsequent to winding down of operations of EPPL.

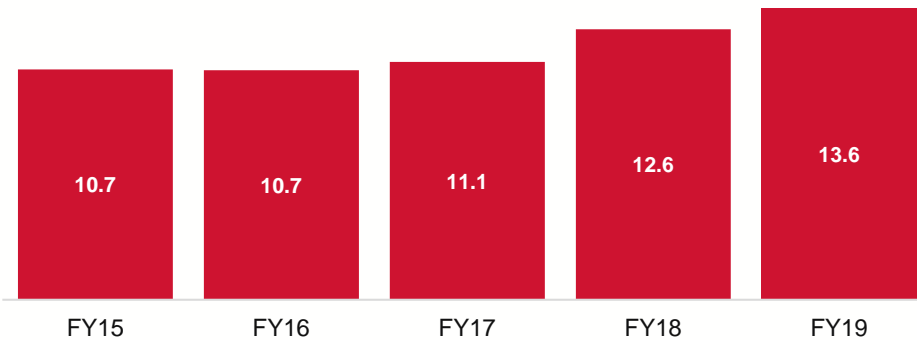


# Our Footprint



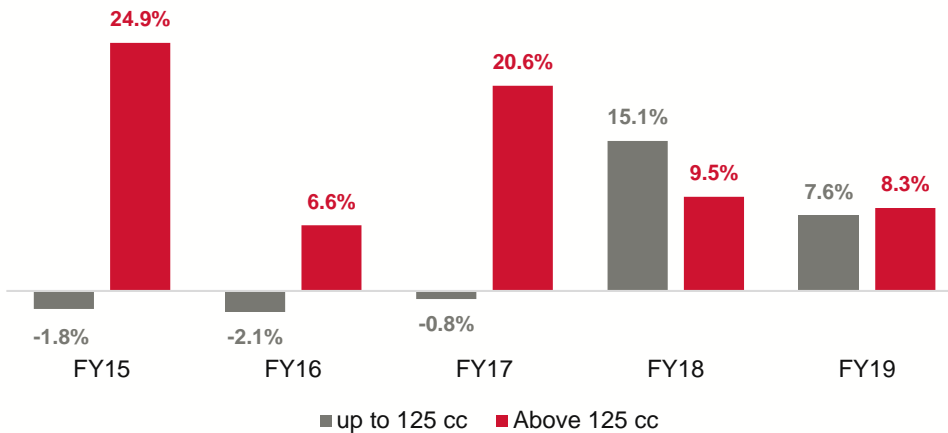
# Industry Overview

## Motorcycle Volumes (India) (in mn)



India - largest motorcycle market in world

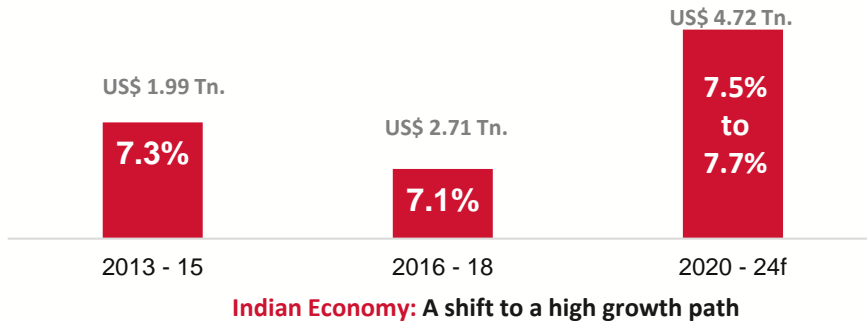
## Growth rate of various motorcycle segments



Indicates growing premiumisation of motorcycle market

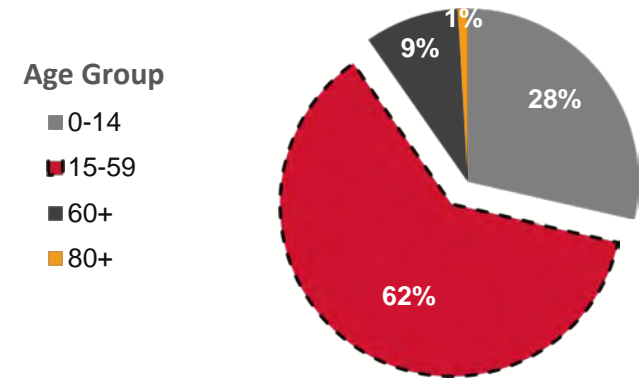
# Opportunity – Domestic Market

India to become a **US\$4.72 trillion** (current market price) economy by 2024



Source: IMF, Statista 2019

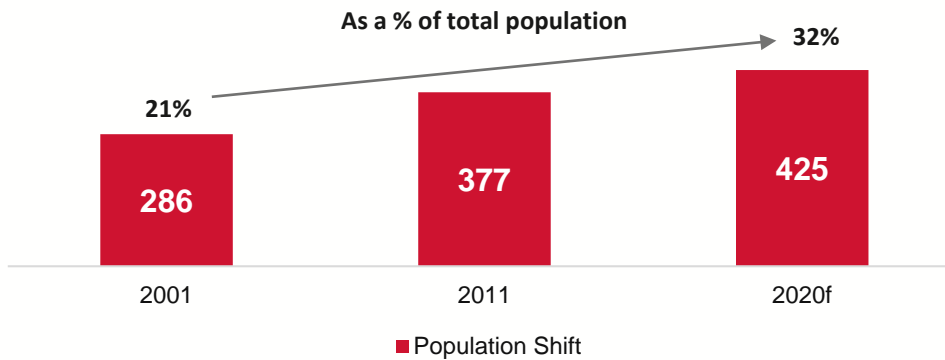
India's demographic profile (year-2015)



Source: United Nations report "World Population Prospects: The 2015 Revision"

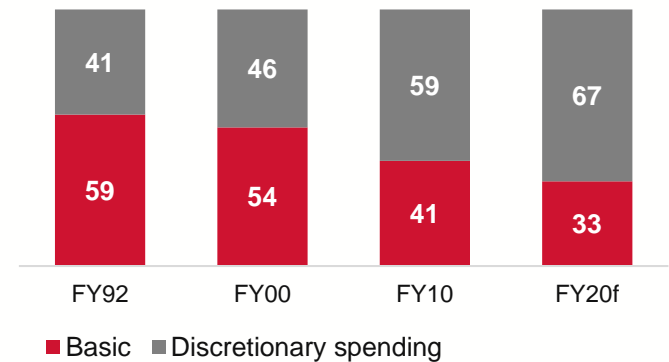
Growth in urbanization

(In mn)



Source: Census of India 2001 and 2011, population projection 2001-2016

Rising share of discretionary spending over the year (%)

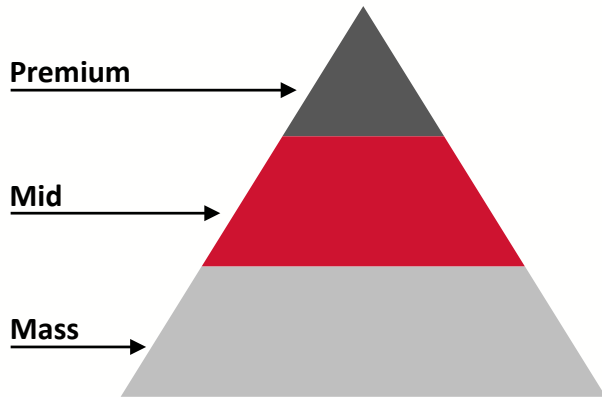


F: D&B forecast | Source: Mospi, D&B India

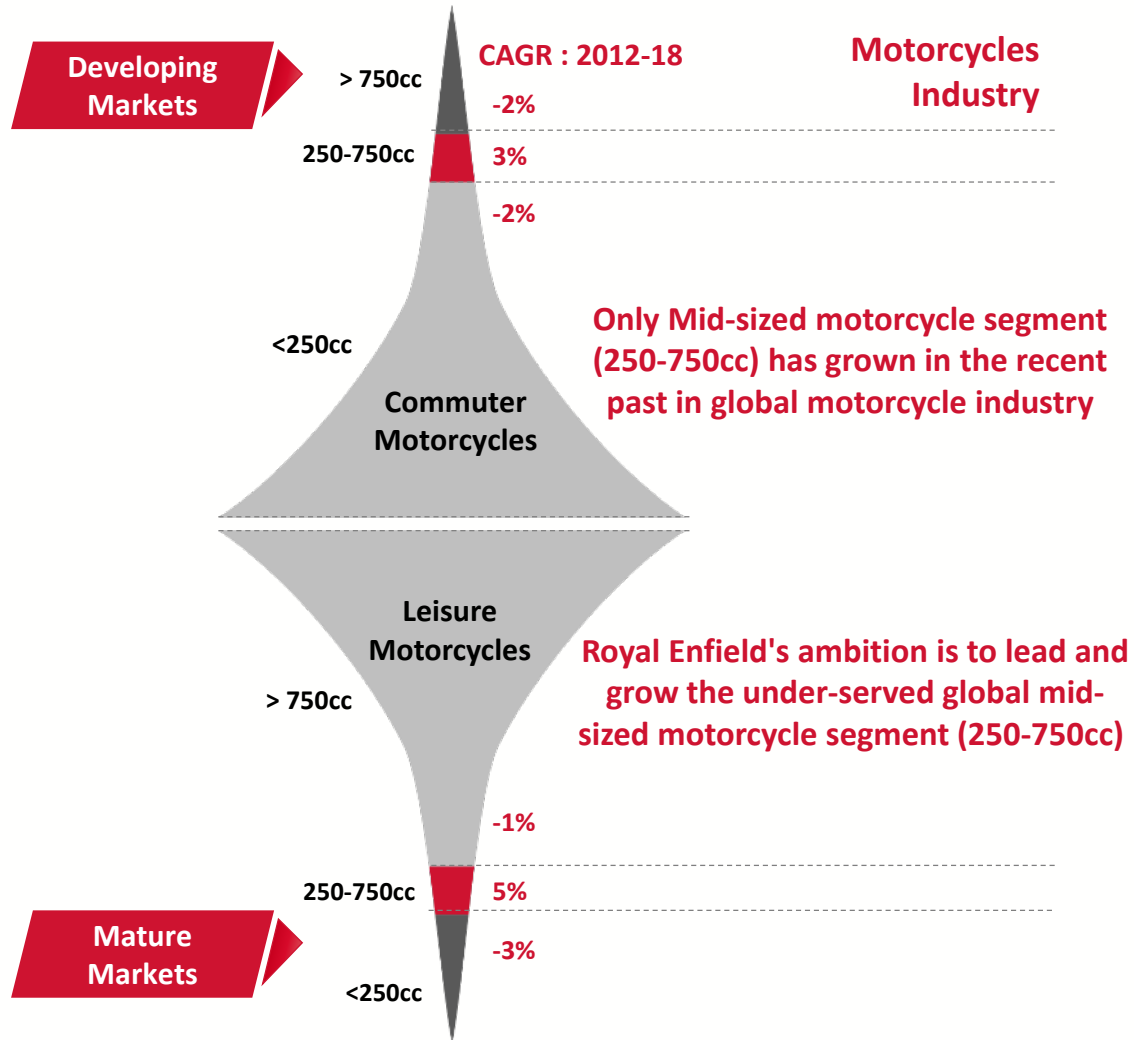
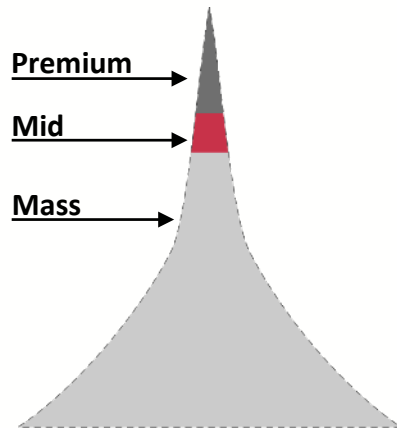
# Opportunity – International Business

The Oddity of the Motorcycle Industry Globally... is an opportunity

## Most Industries



## Motorcycle Industry



Note: Numbers are as per Royal Enfield's research for its priority international markets

# Preparing for Future Growth

## Capacity



- All the manufacturing facilities upgraded to produce BS VI compliant motorcycles
- Production ramp-up is underway at Phase-2 of plant at Vallam Vadagal near Chennai

## Product Development



- Technology centres in Chennai and the UK
- New Product Introduction (NPI) framework in place to develop best-in-class products in a minimal timeframe
- Five years of product pipeline

## Distribution



- Opened 500 studio stores till December 2019
- Plan to increase retail footprint in India to 1,400 towns with 1,700 stores (including studio format) by end of FY20
- Plan to increase exclusive international store count from 67 now to ~90 over next 12 months

***Capital expenditure planned for FY20 upto Rs. 700 crs for Phase-2 of Vallam Vadagal plant, construction of the Technology Centre, development of new products and to expand RE's portfolio for global markets***

# Technology Centres

UK



- UK Tech Centre at Bruntingthorpe to be a hub for the product development and research activities, driving the mid-range motorcycle platforms.
- A team of over 120 employees comprising of engineers and designers with a wide range of international experience in all aspects of motorcycle design and development, from concept to pre-production.
- Spread across ~36,000 sq ft, the facility employs state-of-the-art industrial design studio, testing & validation equipment and workshop facilities.

Chennai



- The Chennai facility will have the engineering and design teams working under one roof and will house state-of-the-art engine, chassis and component test equipment and will be fully integrated with the Technology Centre in the UK.
- The world-class facilities at these two technology centres enable Royal Enfield to take full ownership of all aspects of motorcycle design and development.

# Brand Building Activities and Initiatives

## Rider Mania 2019



- Rider Mania is Royal Enfield's most definitive motorcycle festival and largest gathering of RE enthusiast in the world.
- The 11<sup>th</sup> edition was held in Goa which saw highest ever gathering of 8,000 participants.
- The event saw launch of the Royal Enfield Slide School to encourage and bring back the culture of flat-track racing .
- The first edition of flat-track racing will be conducted in Bangalore in month of February.

## Himalayan Odyssey 2019



- The 16<sup>th</sup> edition of Royal Enfield 'Himalayan Odyssey' saw 60 motorcyclists ride for 15 days over 2,200 Km from Chandigarh to Khardung-La, one of the worlds highest motorable road.
- The 2019 Himalayan Odyssey takes a step toward eco-sustainability by promoting zero 'single-use-plastic-ride'. The riders eliminated the use of bottled water by using RE installed water purifiers for public.



# Brand Building Activities and Initiatives

## Royal Enfield Himalayan Adventure Rongbuk 2019



- First-of-its-kind Indian manufacturer led expedition that is designed to take the riders to the base camp of three of the eight thousand-meter peak -Mount Everest, Shishapangma, and Cho Oyu in Tibet, China.
- The 11-day ride was flagged off from Kathmandu with 11 riders to cover a distance of 1,111 Kilometers covering the Nepal -Tibet border at Syabrubesi at the altitude of 4,000 metres and above.

## Australian Motorcycle Festival 2019



- The annual Australian Motorcycle Festival was held at Lang Park, Wollongong, Australia.
- Limited edition of Royal Enfield Bullet Trails range and Himalayan New Colours were launched at the event.
- Busted knuckles customisation contest to be held across Royal Enfield dealerships in Australia and New Zealand was announcement at the event.
- The event saw gathering of key Australian media and influencers in the region along with a strong customer base.

# Brand Building Activities and Initiatives

## Kustomfest 2019 - Indonesia



- Kustomfest is Asia's largest customization event, held every year in Jogjakarta (Indonesia). It is a weekend dedicated to customization and exciting builds by key Indonesian builders.
- Under the Global Custom Program, Royal Enfield unveiled its latest custom build based on the Continental GT 650 at the event.
- Over 40 key media and influencers attended the unveiling of this build and were joined by over 30 International builders and brands catering to motorcycling ecosystem.

## Hot Rod and Moto Expo 2019 - Thailand



- Unveiled two new Twin based custom motorcycles at Hot Rod, the biggest custom motorcycle event in Thailand.
- Royal Enfield was recognized as the "Most Influential Brands" to participate in the Hot Rod event.
- Royal Enfield also unveiled the new Himalayan colour ways and the first set of Euro IV compliant motorcycle range in Thailand at Moto Expo 2019.

# Brand Building Activities and Initiatives

## The Bike Shed Festival 2019



- Bike Shed Festival, a event that celebrates motorcycles on the move; on track and on the dirt was held in October 2019 in UK.
- Both gold and silver medals won by Royal Enfield Motorcycle Riders - Paul Young and Curtis at the prestigious festival.
- The event saw introduction of the “Nought Tea GT version 2.0” which is the outcome of development and collaboration between the Royal Enfield and Harris Performance Bikes.
- Built on the Continental GT 650 cc, this project sees Royal Enfield return to the race track for the first time in 54 years.

## International Motorcycle Shows - Long Beach and New York



- Royal Enfield participated at Long Beach and New York International Motorcycle Shows (IMS) which saw attendance of over 100,000 visitors between the two shows.
- Himalayan and Interceptor 650 saw interest from participants. S&S Cycles, USA custom built Himalayan Flat Track was also showcased in the unique shift area.
- The show also offered opportunity to work with dealers to sell apparel.

# Brand Building Activities and Initiatives

## EICMA 2019



- Royal Enfield participated in the 77th edition of International Motorcycle and Accessories Exhibition (EICMA). Six new custom motorcycles and new Himalayan colourways were showcased.
- Over 120 media from across the globe visited the Royal Enfield booth at EICMA 2019
- 100+ news stories published across print, online and social media.
- 98% of the visitors at our EICMA stall were aware of Royal Enfield beforehand.

## Salao Duas Rodas – Sao Paulo, Brazil



- Salao Duas Rodas - one of the two largest motorcycle events in all of Brazil which happens once in 2 years.
- Royal Enfield Brazil unveiled the 650 Twins and announced pricing and project availability date for consumers in the event.
- Event lasted 7 days including both indoor and outdoor riding activation.

# Passion with Responsibility



## Committed to drive an active agenda towards the sustainability and the environment at large

- Successfully organised Rider Mania and Himalayan Odyssey with zero single-use plastics.
- With a focus on 'Leave every place better', the team collected over 3,000 kgs of recyclable waste and 450 kgs of biodegradable waste for recycling at Rider Mania.
- Zero single-use plastics was observed at these events.
- Working on conserving and harvesting water at the manufacturing facilities to turn them 'Water Positive'.
- Planted over 3,000 saplings around the manufacturing facilities.
- Organised several 'Cause Rides' across the country to try and leave every place better.

# Awards



The recently launched Royal Enfield Interceptor 650 won the Indian Motorcycle of The Year ("IMOTY") 2019 award - the most prestigious award of the Indian 2-Wheeler Industry

The Interceptor 650 won the Best Modern Classic Middle-Weight award at Thailand Bike of the Year 2019



Royal Enfield Interceptor 650 won the Best Retro category bike award by MCN - the top automotive weekly trade magazine in the UK



*The Interceptor 650 was also adjudged as the motorcycle of the year by Bike India, Autocar and BBC Top Gear, India's leading automotive publications with a global presence*

# Royal Enfield Vintage – Opportunity in Pre-owned Motorcycle Segment



## Vintage Store opened in Chennai, Bangalore, Delhi, Mumbai, Patna, Kanpur, Indore, Patiala, Hyderabad

- Pre-owned, refurbished and restored motorcycles - a first-of-its-kind in two-wheeler industry
- Accessible, hassle-free, transparent sale and purchase of pre-owned Royal Enfield motorcycles
- Quality tested and refurbished by trained Royal Enfield technicians



# Royal Enfield – Studio Stores

- A unique compact store format
- 3S store offering Sales, Service and Spares
- Fully compliant with RE's brand identity



- Provide greater accessibility to sales and service in up-country markets
- 500 studio stores opened till October 2019





# Royal Enfield Garage Café, Goa



**A celebration of exploration - through motorcycling, food, entertainment and personal expression**



- Royal Enfield has set up its first Royal Enfield Garage Cafe in Arpora - Baga, Goa.
- The cafe is an inclusive and engaging space that reflects Royal Enfield motorcycling way of life and is designed to be a catalyst to deepen closer association with riding enthusiasts and customers.
- The Garage Cafe is a massive 120-seater cafe and also has a Royal Enfield motorcycle museum-and-exhibition area, an exclusive gear store, a motorcycle customization area and a service bay.

# Royal Enfield Garage Café, Goa



A unique space that embodies the pure motorcycling culture and lifestyle

# Royal Enfield Opens Store in Milan, Italy



Royal Enfield expanded its footprint in Europe with the opening of its first exclusive store in Italy

# Royal Enfield in Argentina, its Third Country in Latin America

Flagship store in the heart of Buenos Aires



# Royal Enfield Store in Chiang Mai, Thailand



Royal Enfield's 3<sup>rd</sup> store in Thailand and 1<sup>st</sup> outside of Bangkok

# Royal Enfield store in South Korea

Flagship store in Seoul



# Royal Enfield's Store in Saket, New Delhi



The Saket store is our finest example of Pure Motorcycling yet

A fusion between a living room and a garage, the store stands testament to the union of man, machine and terrain

# VE COMMERCIAL VEHICLES



# VECV was Established in 2008 with Strong Parentage



## EICHER STRENGTHS

- ▶ Strong player in LMD segment
- ▶ Specialist skills and experience in developing low cost, better performance products
- ▶ Wide dealer network
- ▶ After sales infrastructure
- ▶ Cost effective operations

Eicher transferred its CV, components and engineering solutions businesses into VECV



## VOLVO STRENGTHS

- ▶ Global expertise
- ▶ Leadership in product technology
- ▶ Good infrastructure facilities
- ▶ Well-defined processes and controls
- ▶ Brand image and customer relationships

Volvo demerged Volvo Truck India's sales & distribution business from Volvo India Pvt Ltd.

**VECV vision**  
"To be recognised as the industry leader driving modernisation in commercial transportation in India and the developing world"

# Milestones



**AUGUST 2008:** Signing of definitive agreements

Jul-Aug 2008: Commencement of JV



**2009:** Inauguration of the new gear component plant at Dewas



**2009:** Launch of CSI-1 quality improvement initiative



**2012:** VEPCD inauguration



**2012:** CED paint shop inauguration



**2010:** Launch of VE-series of Eicher HD trucks



**2013:** VEPT Pithampur inauguration



**2013:** Pro Series launch



**2013:** Start of production at Bus body plant at Baggad (MP)



# Milestones



**2013:** EEC gear plant, Dewas Unit II inauguration



**2014:** Volvo Trucks launch of new range of products comprising FH, FM and FMX



**2014:** Inauguration of Eicher retail excellence center (VECV academy)



**2017:** Inauguration of Transmission Assembly Line at EEC, Dewas



**2017:** Pro 5000 Series launch



**2016:** Launch of Eicher Pro 1049 (Sub 5 Ton mini truck)



**2015:** Inauguration of 'Customer Experience Center' and 'Vehicle display zone'



**2018:** Ground Breaking Ceremony of EEC II expansion facility at Dewas



**2018:** Launch of Eicher Pro 6049 & Eicher Pro 6041

**2018:** Successful 10 years of partnership between Eicher and Volvo

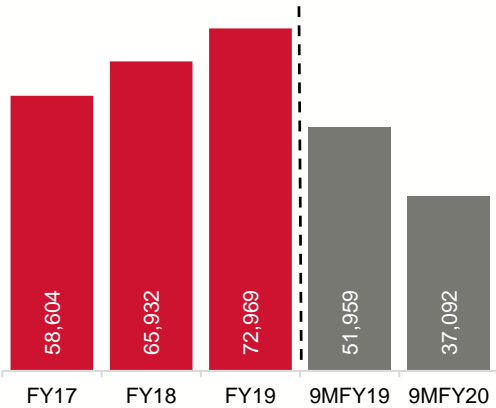


**2019:** Eicher Pro 2000 series launch in Mumbai

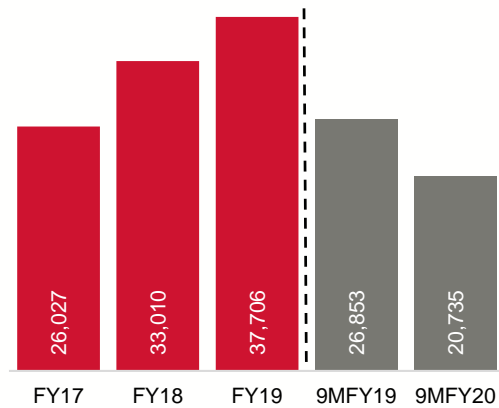


# Volumes

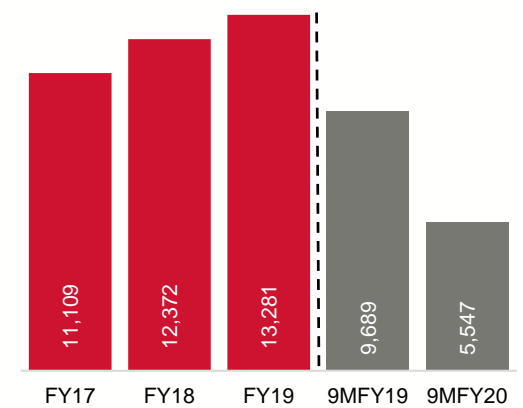
## Total CV\* Volumes (in nos)



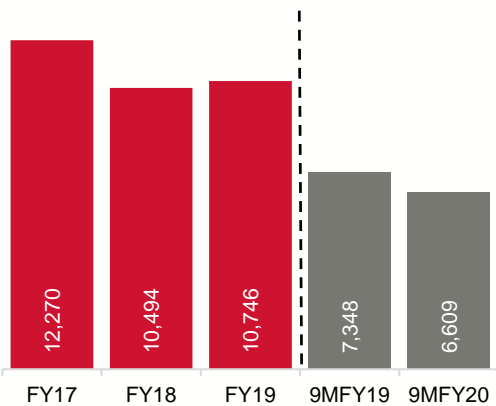
## Eicher Light to Medium Duty Trucks (3.5-15 tonne) (in nos)



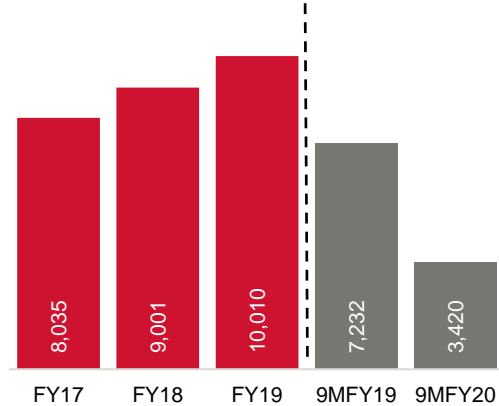
## Eicher Heavy Duty Trucks (16 tonne +) (in nos)



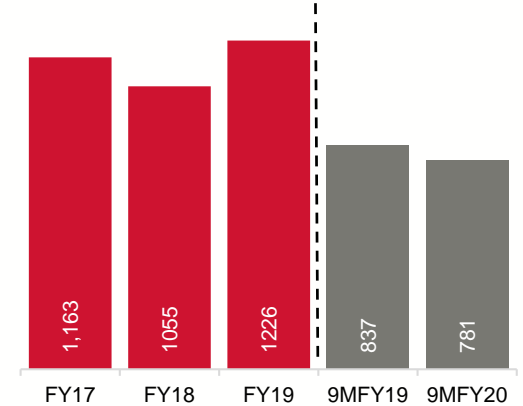
## Buses (in nos)



## Exports (in nos)



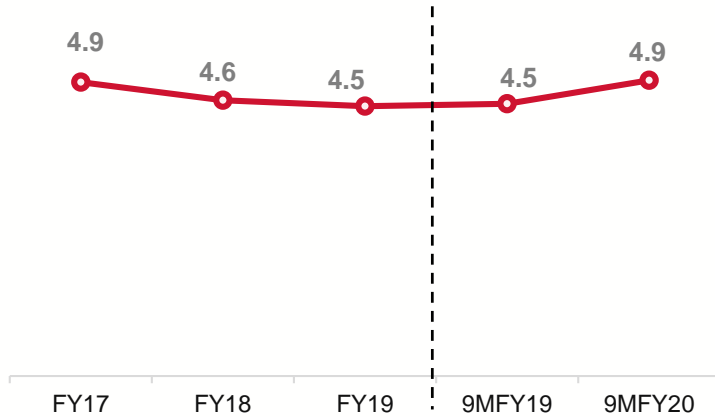
## Volvo Trucks (in nos)



# Market Share

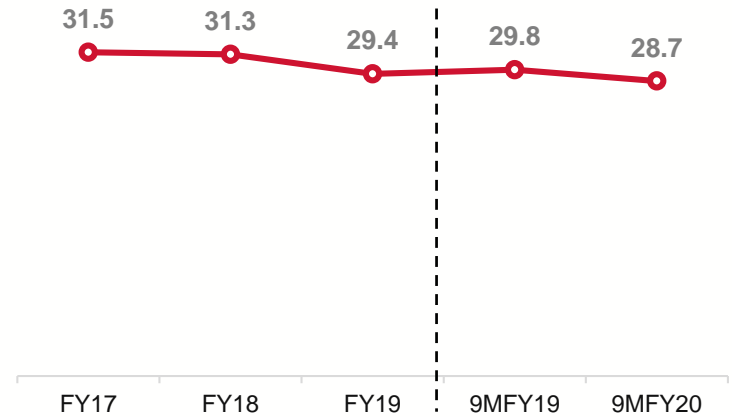
## Eicher Heavy Duty Trucks (excluding exports)

In %



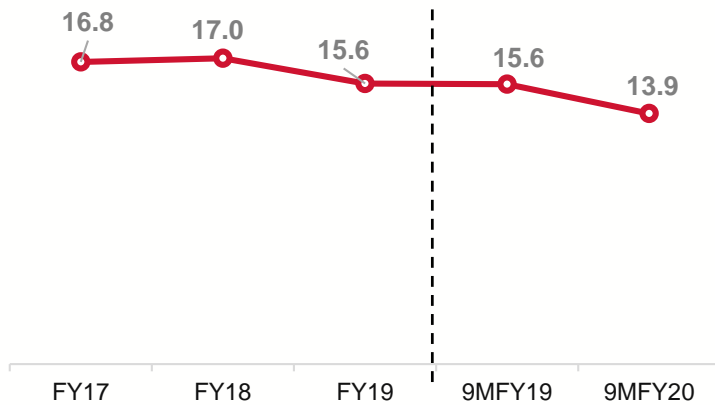
## Eicher Light and Medium Duty Trucks (excluding exports)

In %



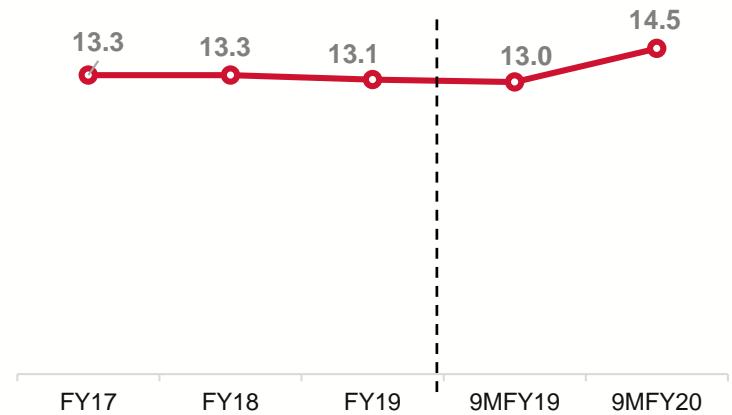
## Buses (excluding exports)

In %



## VECV market share (including exports)

In %

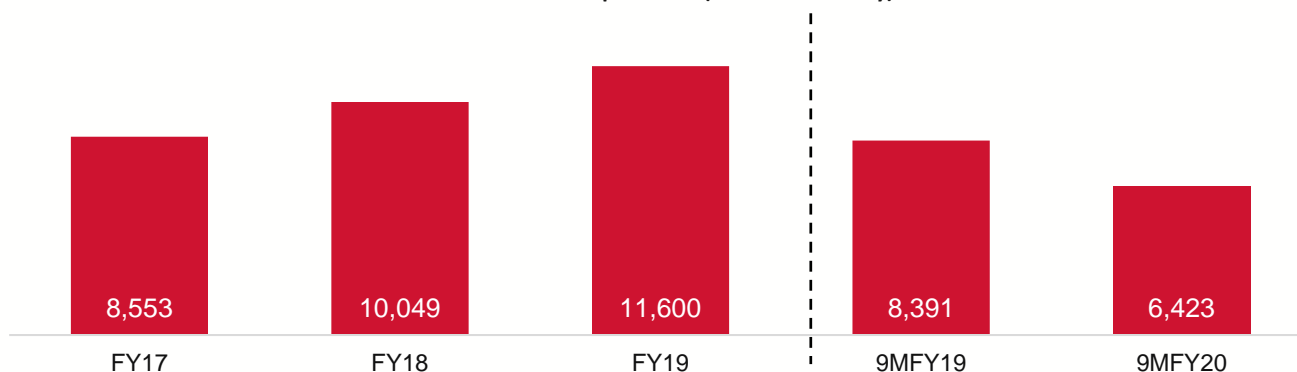


# Financial Highlights – VE Commercial Vehicles

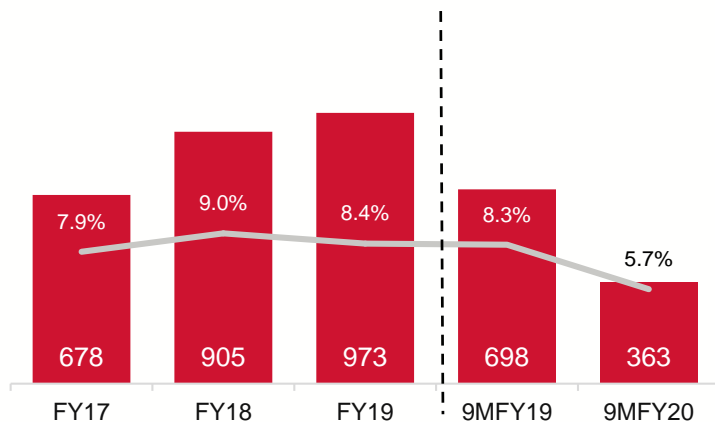
All figures are for VE Commercial Vehicles  
(in Rs. Crore unless specified)

## Total Revenue\*

Total revenue from operations (net of excise duty)

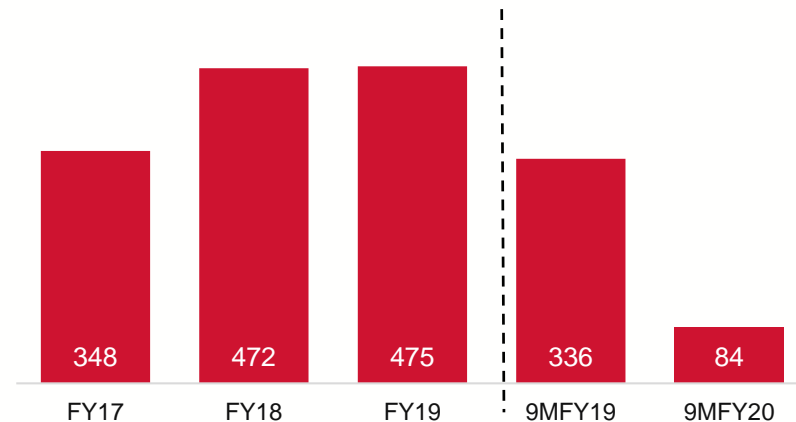


## EBITDA & Margin\*



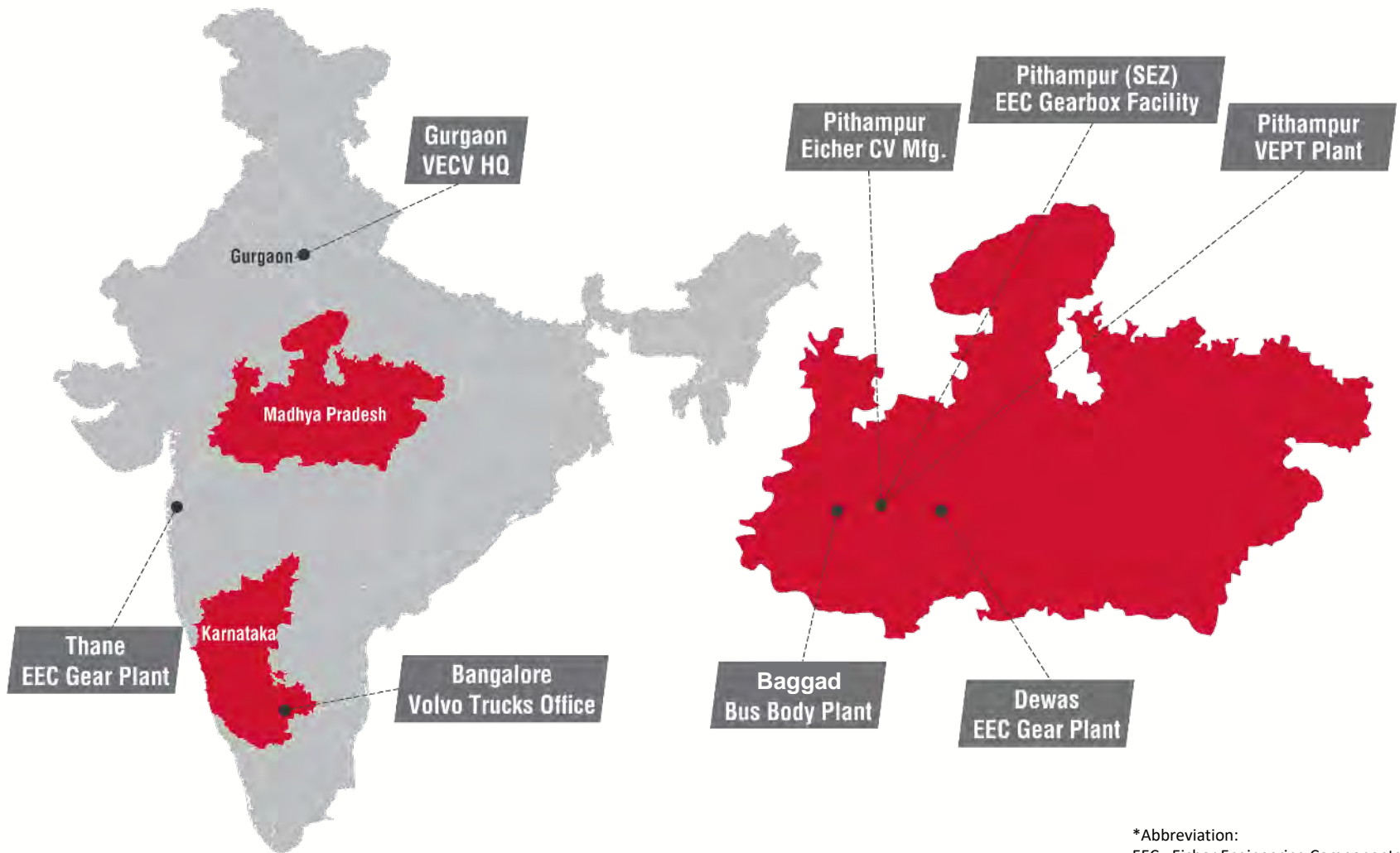
The figures in % indicate EBITDA Margins  
EBITDA Margin = EBITDA/Total revenue from operations (net of excise duty)

## Profit After Tax



Note: Figures for FY16 onwards are as per IND AS. Figures from CY11 and CY12 are as per IGAAP.  
EBITDA – Earning Before Interest, Tax, Depreciation and Amortisation  
\*Excludes Other Income

# India Facilities – Manufacturing and Operations



**Number of employees(VE Commercial Vehicle) – 5,079\***

(\*permanent) (as of December 2019)

\*Abbreviation:  
EEC - Eicher Engineering Components  
VEPT - VE Power Train  
SEZ - Special Economic Zone  
HQ - Head Quarter

# VECV Trucks and Buses Distribution network

## Eicher Truck & Bus Network



- Dealer network 296 nos. including 14 COCO\* outlets
- 25 distributors, 98 Eicher Genuine Parts Shoppe and 1,904 multi-brand parts retailers
- 280+ GPS enabled Vans and 52 Container Set up sites

## Volvo Truck & Bus Network



- Hub and spoke network model
- Sets benchmarks in the industry for vehicle uptime and productivity

\* COCO – Company owned company operated



## Opportunities / Discontinuities

**Stricter emission & Safety**

**Stronger regulations for overloading**

**Better infrastructure leading to higher speeds & mileage**

**Increasing influence of drivers in purchase decision**

**Professionalization of transportation & logistics**

**Growing demand in “premium domestic” segment**

## VECV EDGE

**Investing early in fully-built vehicles & emission norms**

**Building products apt for right-load & mild over-load conditions**

**Building more reliable engines & driveline**

**Better comfort & features for drivers**

**Value-selling, more efficient premium products, continued leadership in FE.**

**Vehicle quality & after market excellence**

## Opportunities / Discontinuities

## VECV EDGE

**Availability of trained drivers**

**Driver training and regional academy**

**Higher dependence on logistics**

**Developing products aligned with evolving customer needs – Pro series**

**Increased pressure on initial acquisition cost**

**Institutionalization of cost reduction program, Frugal approach**

**Increasing need for safe, ergonomic, superior aesthetics in Buses**

**Frugal approach and inclusive innovation with Volvo collaboration**

**Modern technologies, features at mass market prices**

**World-class state of the art integrated Bus plant**

# Eicher LMD Trucks: A Significant Player

## Eicher Pro 1000 series (3.5-15 Ton GVW)



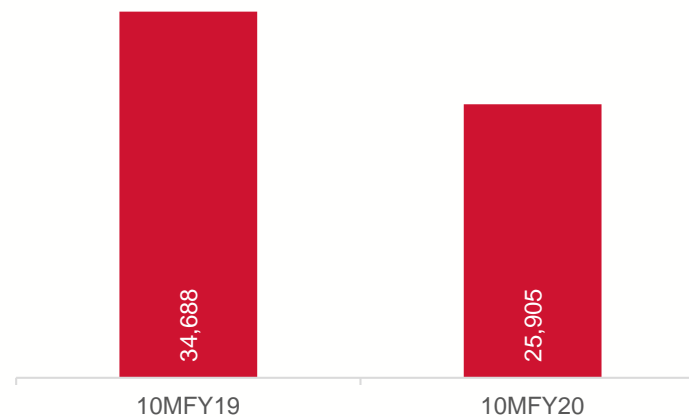
**Mileage ka Badshah**



## Eicher Pro 3000 series (12-15 Ton GVW)

**Volumes**

(in nos)



# Eicher LMD Trucks: Launch of Pro 2000 Series

Unveiled India's first BS VI compliant CV range

Commercial launch of existing BS IV range in June 2019

Designed to deliver significantly higher profitability, enhanced reliability, safety, comfort and efficiency



Introduction of many industry-first features such as all-wheel disc brakes, touch-screen infotainment, steering mounted controls and advanced telematics

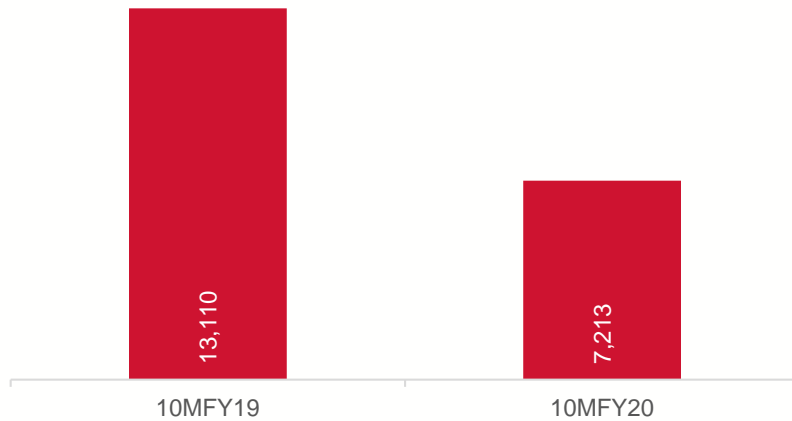
Additional features like low turning radius, longer body options, fuel coaching and a new cabin for better comfort



# Eicher HD Trucks: To Leverage Full Potential.....

## Volumes

(in nos)



## Pro 6000 series



## Pro 8000 series



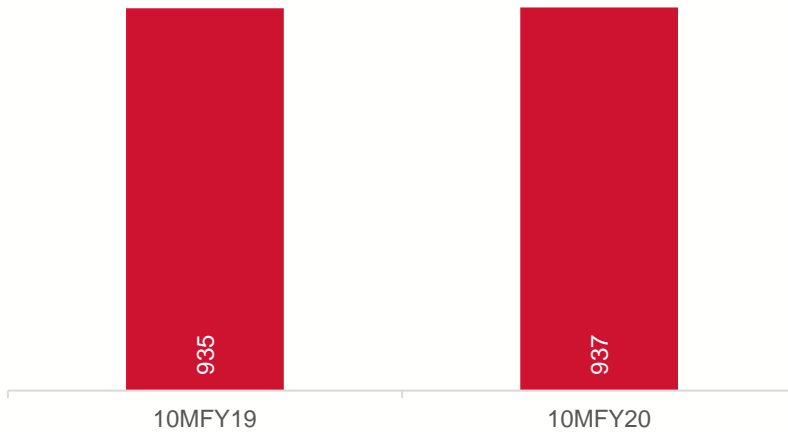
## Steadily growing market share

- ▶ The 'Pro' series is gaining more traction with increased interest in technologically advanced trucks. The Value Trucks are witnessing good acceptance in the market.
- ▶ Higher base effect, new axle load norms & liquidity crunch affecting the sales.

# Volvo Trucks: Market leader in Premium Truck segment

## Volumes

(in nos)



## Leadership in niche segments



**FMX 10X4 (55 Ton dump trucks)**



**Mining tipper**



**Tunnel tipper**

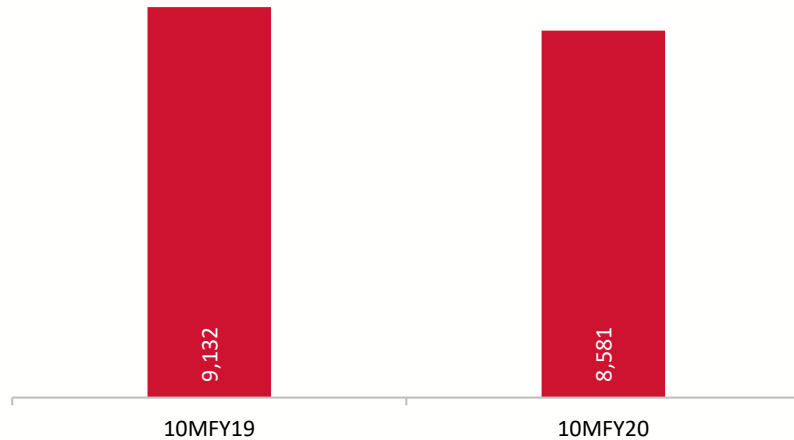


**FH 520 is the  
flagship model  
of the Volvo  
truck range**

**Over dimensional cargo**

# Eicher Buses: Steady Market Share in a Challenging Environment

Volumes (including exports) (in nos)



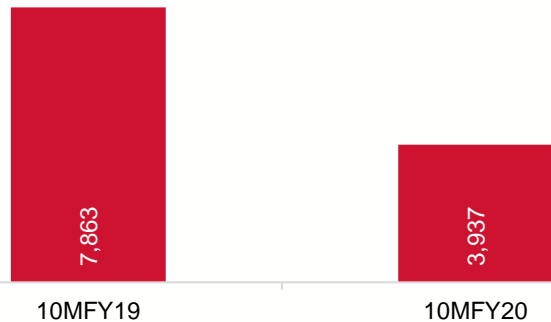
Electric Pro E



# Tapping Global Potential

## Exports

(in nos)



- ▶ Market share gain across all regions of international business.
- ▶ Over 22 new products/variants introduced including completion of BS IV migration in Sri Lanka. Dispatched first ever left hand drive Heavy Duty product – Pro 6025T.
- ▶ Volume gain in Middle East region aided by Heavy Duty Bus. Introduction of Low and Medium Duty Bus should help continue the momentum.



Pro 2000 series- Mauritius Auto Show



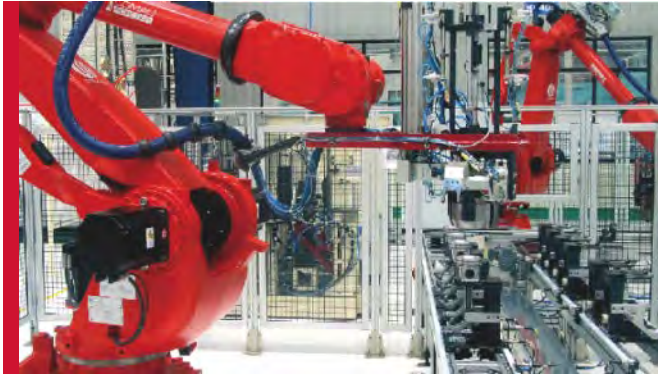
Pro 6025T LHD



# World Class Manufacturing set up...

- ▶ Capacity to produce up to 90,000 trucks from single plant; new plant establishment under progress to take capacity to 130,000 per annum
- ▶ Highest ever production of 73,619 vehicles in FY19, a growth of 12.7% over FY18
- ▶ Highly flexible vehicle assembly lines with right blend of technology to control critical parameters catering over 800+ variants
- ▶ All aggregate lines, Body in White (BIW), paint shop, main chassis lines, machine shop, engine testing & painting, new export line established with enhanced capacities
- ▶ New body shop for Pro 2000 and Pro 8000 installed & commissioned successfully
- ▶ Complex and critical sub assemblies by robots/manipulators ensuring consistent quality levels, fit and finish
- ▶ State-of-art bus plant spread over 46 acres set up under VECV's overriding vision of driving modernization of the Indian CV market





- First engine plant in India producing Euro-6 compliant base engine
- Exclusive manufacturing hub for medium duty engine requirements of Volvo Group
- Current capacity of 50,000 engines, scalable up to 100,000 engines
- Best executed project with Volvo Group technology with frugal approach
- The 5 and 8 liter engines of this platform delivers power ranging from 180 to 350 HP

# New Plant in Bhopal, Madhya Pradesh

## Current Status

- ETB plant capacity 90,000, deliverable 80,000 with seasonal variations.

## Proposed

- Project commenced in October 2018 with proposed capacity of 40,000 per annum
- Overall project on track for 2020-21 start
- Planned capital outlay of around Rs. 400 crores
- All long lead contracts and purchase orders released; civil construction in full swing



Master Layout



Engine line building

# Other VECV Business Areas

## Eicher Engineering Components (EEC)

- ▶ Strategic supplier of drive line components and aggregates for VECV, The Volvo group, exports and strategic domestic OEM customers
- ▶ Production facilities at: Thane, Dewas and SEZ, Pithampur
- ▶ Annual turnover of Rs.1,008 Crores in FY19



# Other VECV Business Areas

## Eicher Non - Automotive Engines

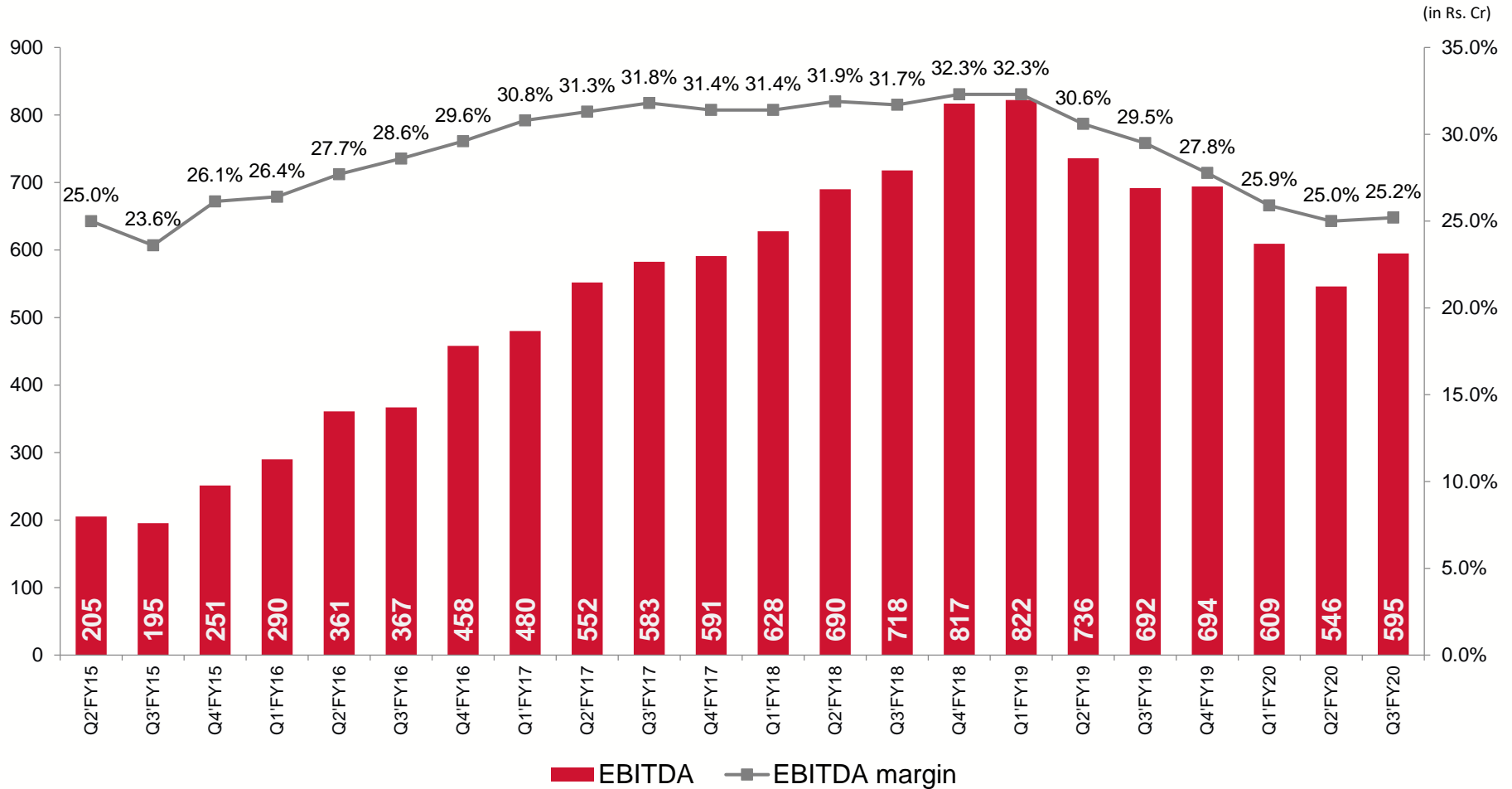
- ▶ Presence in 10 countries, Genset Assembly in UAE & South Africa, pan India presence in Genset segment
- ▶ Reputed as most reliable and lowest operating cost engines, established in material handling segment
- ▶ Engines and drivelines for power, industrial and other off-highway applications
- ▶ Providing customised power drive solutions to equipment manufacturers in agro, fire-fighting & earthmoving segment



# FINANCIALS

# Quarterly Financial Highlights (Standalone)

## Eicher Motors – Standalone\* performance in last 5 years...



\* Excludes any income/expenses from Treasury operations, dividend from subsidiary company  
 EBITDA Margin = EBITDA/Total revenue from operations (net of excise duty)  
 Note: All numbers post Q4FY16 are as per Ind AS

# Thank You



Get Social :



Royal Enfield



Royal Enfield



VE Commercial Vehicles



# APPENDIX

# Balance Sheet (Consolidated)

(In Rs. Cr.)

| Particulars   | Mar'18       | Mar'19       | Sept'19      |
|---|--------------|--------------|--------------|
| Net Fixed Assets (including CWIP and Pre-operative Expenditure) | 1,835        | 2,324        | 2,592        |
| Investments   | 5,581        | 4,923        | 5,263        |
| Other Non Current Assets  | 186          | 180          | 108          |
| <b>Current Assets</b>   |              |              |              |
| Inventories   | 395          | 633          | 638          |
| Debtors   | 68           | 90           | 126          |
| Cash and Bank Balances  | 1,212        | 2,965        | 2,966        |
| Other Current Assets  | 227          | 271          | 304          |
| Current Liabilities and Provisions                              | 2,265        | 2,098        | 2,071        |
| <b>Net Current Assets</b>                                       | <b>(364)</b> | <b>1,862</b> | <b>1,962</b> |
| <b>Total</b>  | <b>7,257</b> | <b>9,289</b> | <b>9,925</b> |
| Share Capital   | 27           | 27           | 27           |
| Reserves & Surplus  | 7,003        | 8,891        | 9,504        |
| <b>Net Worth</b>  | <b>7,030</b> | <b>8,919</b> | <b>9,531</b> |
| <b>Minority Interest</b>  | -            | -            | -            |
| Deferred Tax Liability (net)                                    | 142          | 274          | 216          |
| Other Non Current Liabilities & Provisions                      | 85           | 96           | 178          |
| Borrowings  | -            | -            | -            |
| <b>Total</b>  | <b>7,257</b> | <b>9,289</b> | <b>9,925</b> |

# Profit & Loss Statement (Consolidated)

(In Rs. Cr.)

| Profit & Loss Account   | FY18         | FY19         | 9MFY20       |
|---|--------------|--------------|--------------|
| <b>Sales Volume:</b>  |              |              |              |
| Two Wheelers (Nos.)   | 820,121      | 822,724      | 534,499      |
| <b>Total revenue from operations (net of excise)</b>                                    | <b>8,965</b> | <b>9,797</b> | <b>6,945</b> |
| Manufacturing and other expenses  | 6,157        | 6,894        | 5,197        |
| <b>Earnings before interest, depreciation &amp; tax (EBIDTA)</b>                        | <b>2,808</b> | <b>2,903</b> | <b>1,748</b> |
| <b>EBIDTA to Net Revenue (%)</b>  | <b>31.3%</b> | <b>29.6%</b> | <b>25.2%</b> |
| Depreciation  | 223          | 300          | 273          |
| <b>Earnings before interest &amp; tax (EBIT)</b>  | <b>2,584</b> | <b>2,603</b> | <b>1,476</b> |
| <b>EBIT to Net Revenue (%)</b>  | <b>28.8%</b> | <b>26.6%</b> | <b>21.2%</b> |
| Finance Cost  | 5            | 7            | 13           |
| Other Income  | 280          | 443          | 400          |
| <b>Share of profit of joint venture</b>   | <b>257</b>   | <b>258</b>   | <b>46</b>    |
| <b>Profit before tax</b>  | <b>3,116</b> | <b>3,297</b> | <b>1,908</b> |
| Provision for taxation  | 936          | 1,077        | 385          |
| <b>Profit after tax and share of profit of Joint Venture from continuing operations</b> | <b>2,180</b> | <b>2,220</b> | <b>1,523</b> |
| <b>Discontinued Operations: Share of loss of Joint Venture*</b>                         | <b>(220)</b> | <b>(18)</b>  | <b>-</b>     |
| <b>Profit After Tax</b>   | <b>1,960</b> | <b>2,203</b> | <b>1,523</b> |
| <b>PAT to Net Revenue (%)</b>   | <b>21.9%</b> | <b>22.5%</b> | <b>21.9%</b> |

\*NOTE: On March 9, 2018, the Board of Directors of Eicher Polaris Private Ltd. (EPPL), Eicher Motors' 50:50 joint venture with Polaris Inc., US, decided to wind down the operations of the EPPL



# Glossary

- **7M** – 7 months starting April to October
- **9M** – 9 Months starting April to December
- **10M** – 10 Months starting April to January
- **15M** – 15 months ended on 31st March 2016
- **12M** – 12 months ended on 31st March 2016
- **CAGR** – Compounded Annual Growth Rate
- **Consolidated** – Consolidated includes financials of Royal Enfield, VE Commercial Vehicles & 50% of Eicher Polaris Pvt. Ltd.
- **CV** – Commercial Vehicles
- **CY** – Calendar Year
- **BS IV** – Bharat Stage IV
- **DIIs** – Domestic Institutional Investors
- **E** – Estimated
- **EBIT** – Earnings Before Interest and Tax
- **EML** – Eicher Motors Limited
- **EPPL** – Eicher Polaris Private Limited
- **FIIs** – Foreign Institutional Investors
- **GVW** – Gross Vehicle Weight
- **HD** – Heavy Duty
- **IGAAP** – Indian Generally Accepted Accounting Principles
- **IND AS** – Indian Accounting Standards
- **JV** – Joint Venture
- **LCV** – Light Commercial Vehicles
- **LMD** – Light to Medium Duty
- **M&HCV** – Medium and Heavy Commercial Vehicles
- **Market Share** – Market share in India calculated ex-exports volumes
- **MD** – Medium Duty
- **MDE** – Medium Duty Engine
- **Mid Size segment** – 250cc-750cc
- **PUV** – Personal Utility Vehicles
- **RE** – Royal Enfield
- **ROA** – Return on Assets = Profit After Tax / Avg Assets
- **ROCE** – Return on Capital Employed = EBIT/Avg Capital Employed\*  
\* Capital Employed includes Shareholder Funds + Non Current Liability only (i.e.. Total Assets - Current Liability)
- **Standalone** – 100% Business of Royal Enfield
- **SIAM** – Society of Indian Automobile Manufactures
- **Stores** – Exclusive Royal Enfield Stores in India
- **Total Revenue** – Revenue from Operations (excluding other income)
- **UCE** – Unit Construction Engine
- **VECV** – VE Commercial Vehicles