

September 17, 2018

Asst. Vice President, Listing Deptt.
National Stock Exchange of India Ltd.,
Exchange Plaza, Plot C/1, G Block
Bandra Kurla Complex,
Bandra (E),
MUMBAI - 400 051
Scrip Code: HEROMOTOCO

The Secretary,
BSE Limited
25th Floor,
Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI - 400 001
Scrip Code: 500182

Sub: Investors/Analysts Presentation

Dear Sirs,

This is in furtherance to our letter dated September 5, 2018, wherein we had given you an advance intimation of the upcoming Analyst/Investor meeting, pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.


In this regard, please find enclosed herewith a copy of the Presentation made to Investors/Analysts.

This is submitted for your information and records.

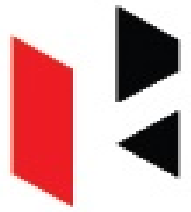
Thanking you.

For Hero MotoCorp Limited


(Neerja Sharma)
Company Secretary


Encl.: As above





Hero

Investor Presentation

UK Meetings

September 2018

Safe Harbor Statement

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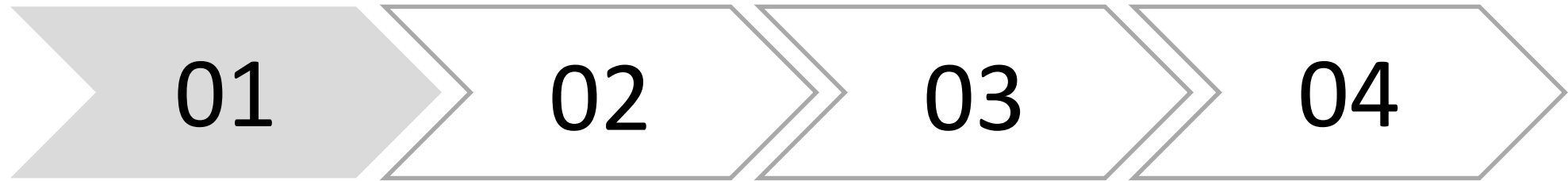
This presentation, except for the historical information may contain statements, including the words or phrases such as “expects”, “anticipates”, “intends”, “will”, “would”, “should”, “undertakes”, “aims”, “estimates”, “contemplates”, “projects”, “believes”, “seeks to”, “objective”, “goal”, and similar expressions or variations of these expressions or negatives of these terms indicating future performance or results, financial or otherwise, which are forward looking statements. Although, we believe that the expectations reflected in these forward – looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. In addition, estimates of future operating results are based on our current expectation of businesses, which is subject to change.

Statements in this presentation speak only as of the date of this presentation, and we disclaim any responsibility to update or revise such statements.

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The Flow



**Macro Economic
Overview**



**Two Wheeler
Industry**

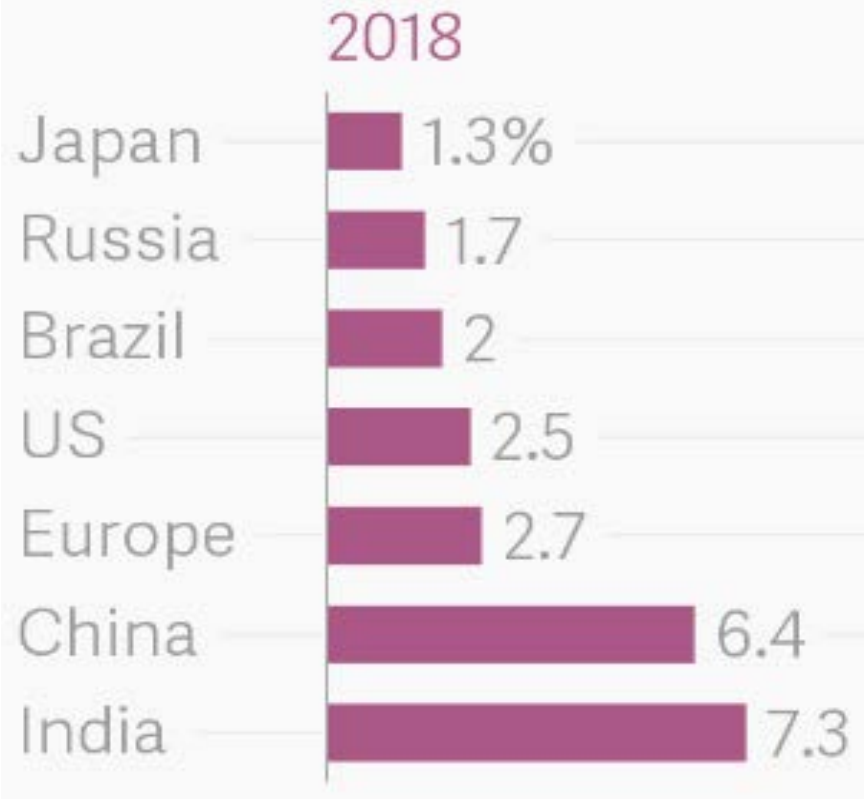


Our Story



Key Takeaways

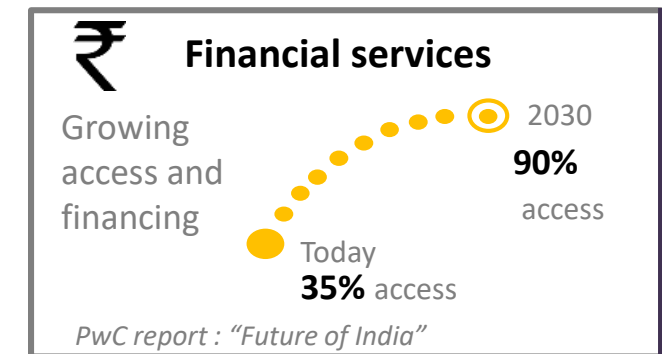
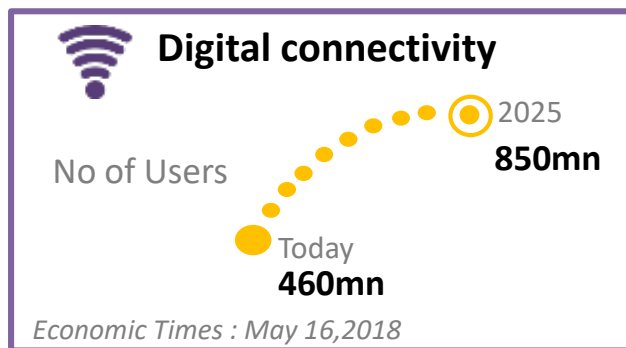
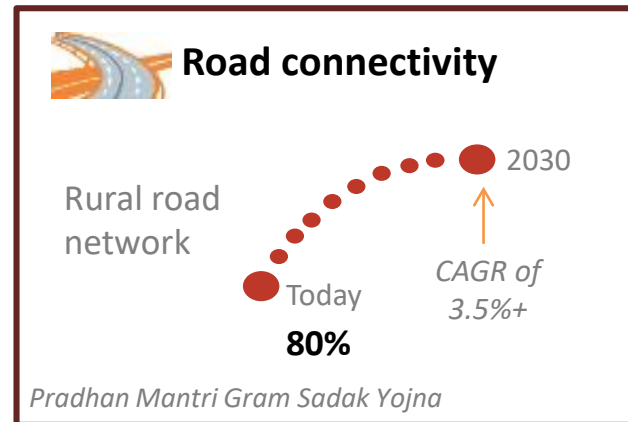
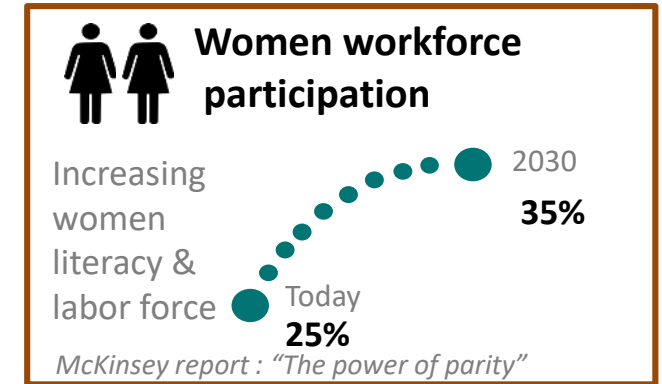
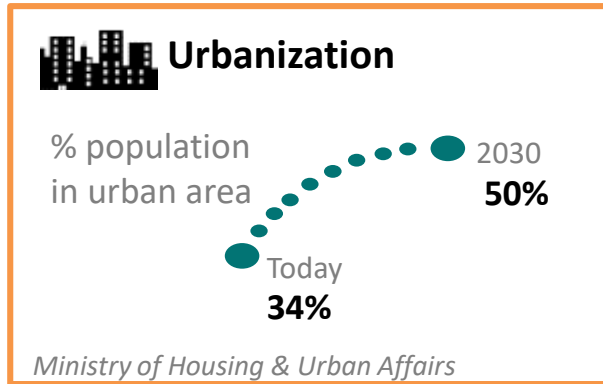
India: Leading economic growth



Q1 Growth
8.2%

GDP Growth %
Source: World Bank, Centre for Economics and Business Research (CEBR), FICCI-Ernst & Young

Multiple levers exist for future growth of Indian economy...



Source: World Bank, Centre for Economics and Business Research (CEBR), FICCI-Ernst & Young

Reform agenda creating solid platform

Bankruptcy Code: NDA's Biggest Reform

The Insolvency and Bankruptcy Code, 2015, passed by Parliament is possibly the single biggest reform by the NDA government—one that could be a panacea for NPA-ridden banks. ET takes a look

ONE LAW TO DEAL WITH BANKRUPTCY

- 2 laws repealed
- 11 amended

TIME-BOUND PROCESS

- 180 days to resolve insolvency
- 270 days in some circumstances

EVERYONE GETS THEIR DUE

Order of priority

1. Cost of insolvency process
2. Workers, secured creditors
3. Employee wages
4. Unsecured creditors
5. Government dues
6. Any remaining debt
7. Shareholders

COMPREHENSIVE COVERAGE

- Companies
- Partnerships
- Limited liability partnerships
- Individuals
- More can be included

NO DEADLOCK

- Bankruptcy resolved in prescribed time
- If not resolved in time—assets to be sold to pay debtors

REGULATOR TO PROTECT EVERYONE

- The Insolvency and Bankruptcy Board of India to keep watch
- 10-member board to have RBI and government representation



Realising the Goal of One Nation - One Tax - One Market

- GST rolled out on the midnight of 30 June, 2017 and came into effect from 1 July, 2017
- Bringing transparency and accountability in business transactions along with ensuring ease of doing business & rationalization in tax rates
- 22 States abolished their check posts for smooth movement of goods across the country
- Cabinet approved establishment of National Anti-profiteering Authority to ensure that full benefits of input tax credits and reduced GST rates flow to the consumer
- GST rates slashed from 28% to 18% on 178 items



WHAT THE REALTY BILL HOLDS

FOR BUYERS

- Buyer-friendly model contract
- Disclosure of carpet area must
- Consent of 2/3rd allottees for any change in project plans
- Penalty on builders same as penalty on buyers for payment delays

FOR BUILDERS

- All project details to be public
- Imprisonment for violations
- Penalty includes project de-registration
- Liable for structural defects for 5 years
- Provision for insurance of land title—will benefit buyers & sellers
- 70% of sales income must be for building & land cost
- Real estate agents to register with regulator
- Non-compliance with tribunal order could mean jail



Standing With Farmers in Times of Need



- Relief to farmers in distress given in case of 33% and more damage to the crop, earlier it was for 50%
- For food grains damaged due to excessive rainfall, full minimum support price to be paid
- Families of the deceased persons to be given an assistance of Rs.4 lakhs, up from Rs.2.5 lakhs
- 82% rise in provision under SDRF** during 2015-20, as compared to 2010-15. It went up to Rs. 61,220 crores from Rs. 33,580.93 crore

*State Disaster Relief Fund

**As on 31st Aug. 2018



Swachh Bharat Mission

Heralding a revolution in sanitation



Construction of toilets to prevent open defecation & ensure dignity of women



Over 8.84 crore toilets built, over 4.35 lakh villages & over 19 States/UTs declared ODF



Sanitation coverage goes up from 38% in 2014 to 92%



*As on 09 September 2018

From Women Development to Women-led development

Pradhan Mantri Ujjwala Yojana



Over 5.4 Cr women have got LPG connections



Target enhanced to provide LPG connections to 8 Cr women



Designed to improve lives of women by abolishing consumption of unhealthy fuels

**As on 09 September 2018

Source: Economic Times, Transforming India



Investor Relations

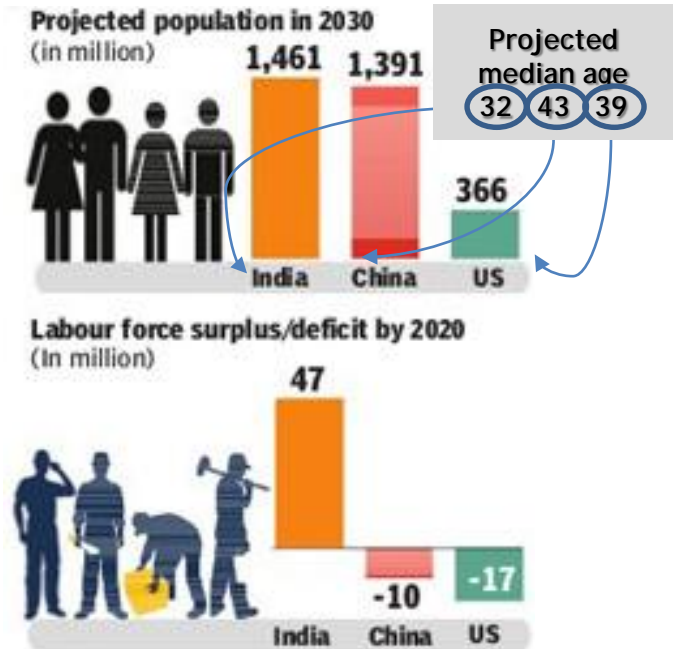
Investor Meetings: Sep. 2018

Poised for sustained growth

Rank 2017	Country	Rank 2018
1	US	1
2	China	2
3	Japan	3
4	Germany	4
5	France	5
6	UK	6
7	India	7
8	Brazil	8
9	Italy	9
10	Canada	10

China will overtake US as the world's largest economy by 2030

India will be the world's third largest economy by 2027



Source: World Bank, Centre for Economics and Business Research (CEBR), FICCI-Ernst & Young



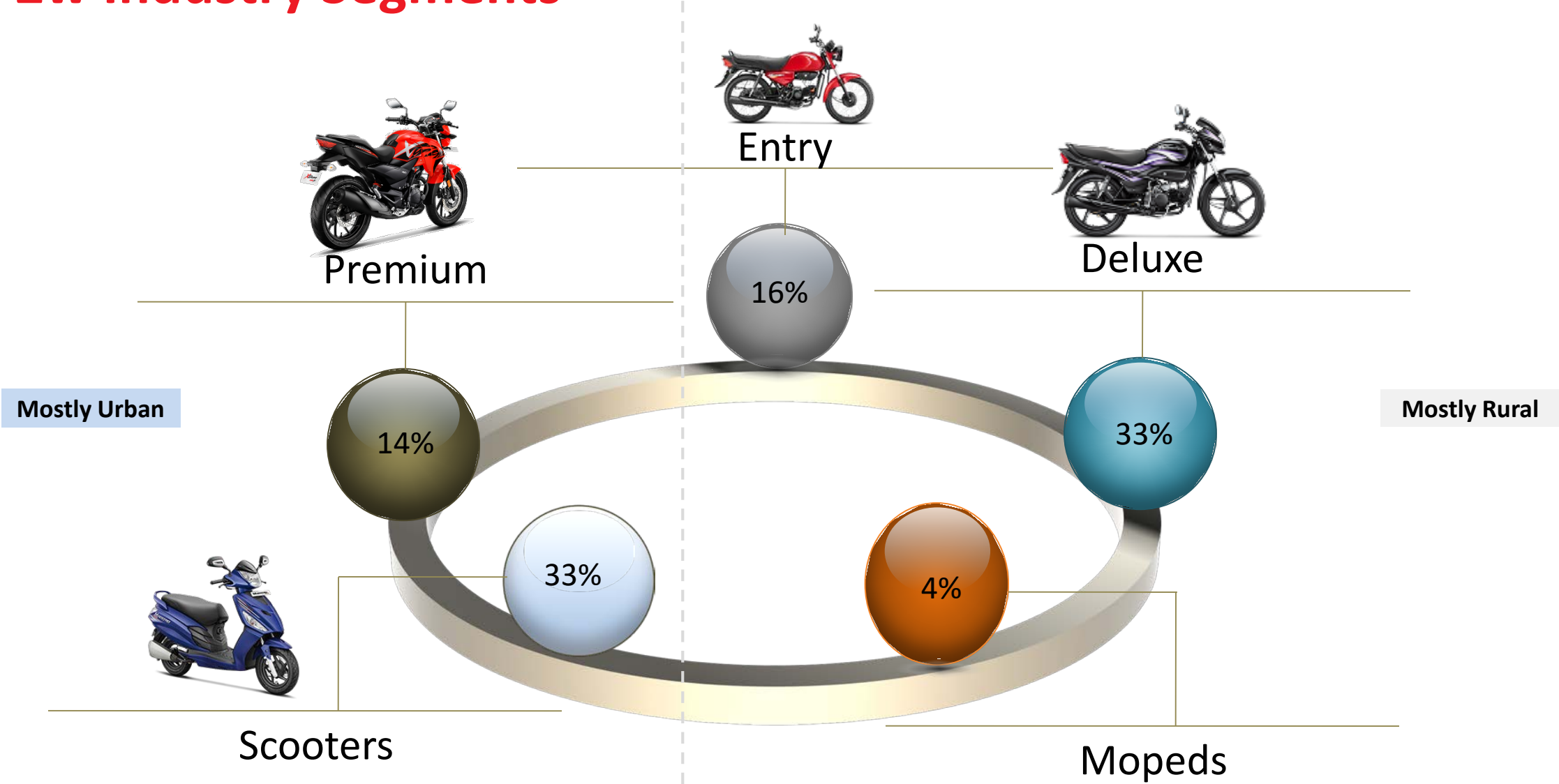
 **Macro Economic
Overview**

 **Two Wheeler
Industry**

 **Our Story**

 **Key Takeaways**

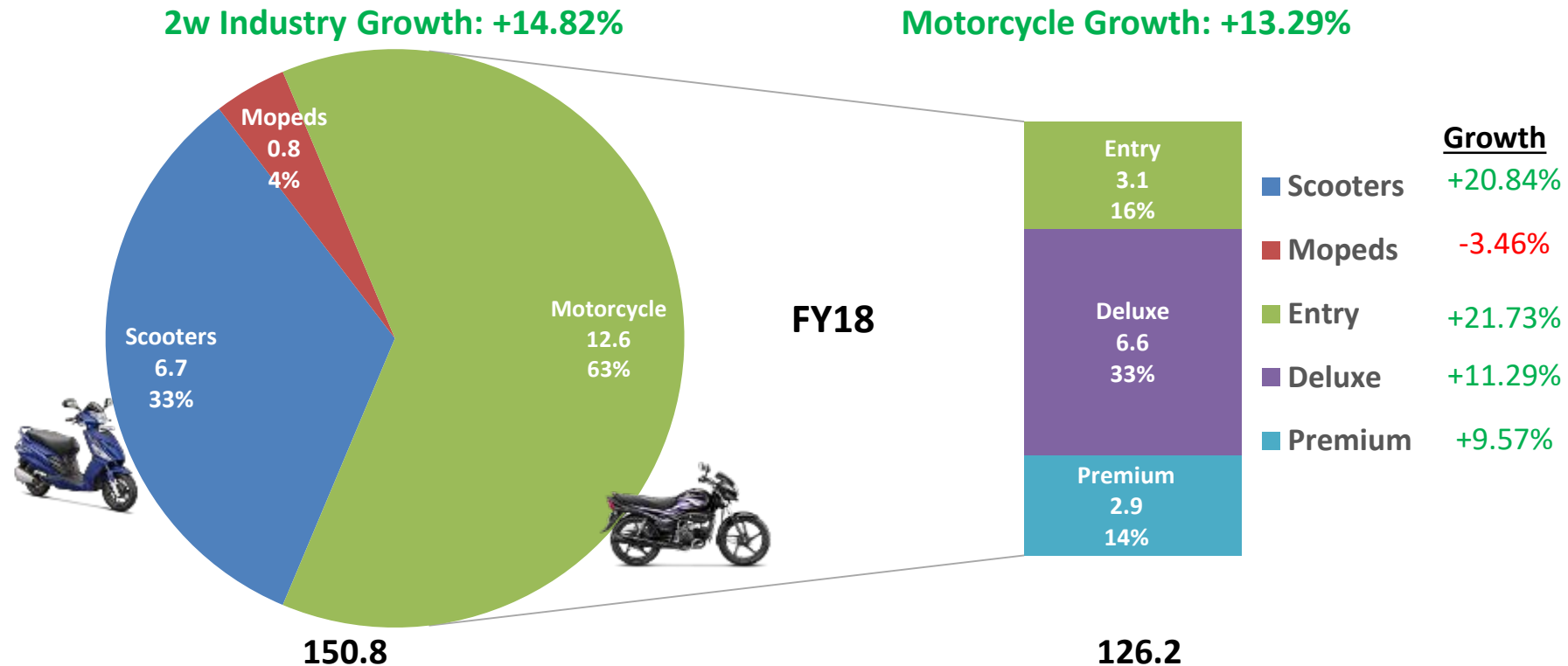
2w Industry Segments



Domestic 2w Segments
Source: Internal Industry Data



Strong growth in each segment is powered by different levers: The story of many Indias...

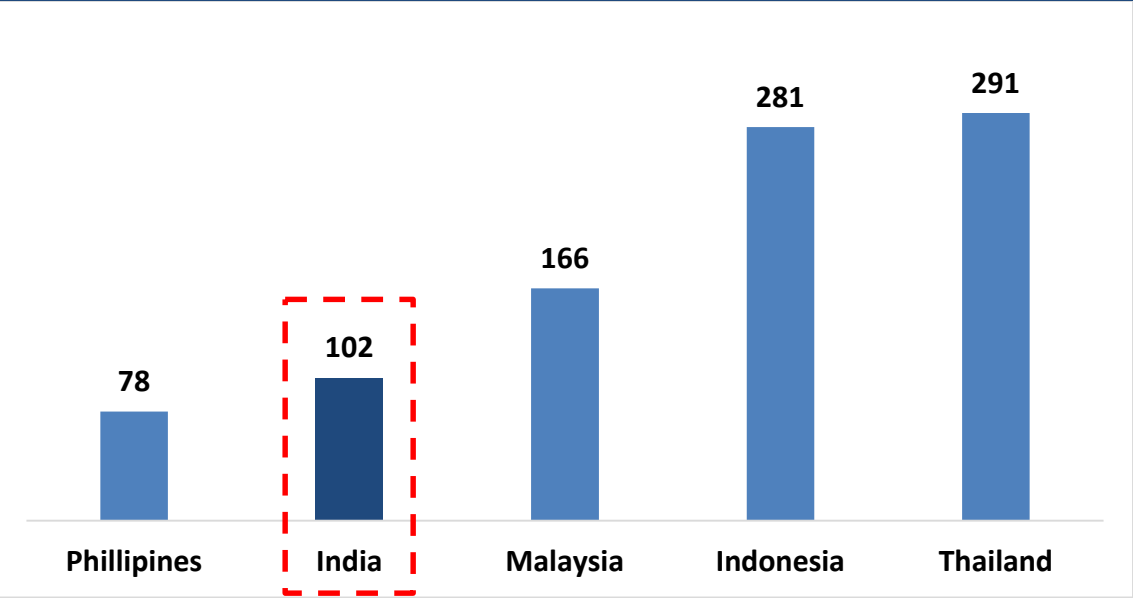


Volume in Mn units

Source: Internal Industry Data, HMCL Analysis

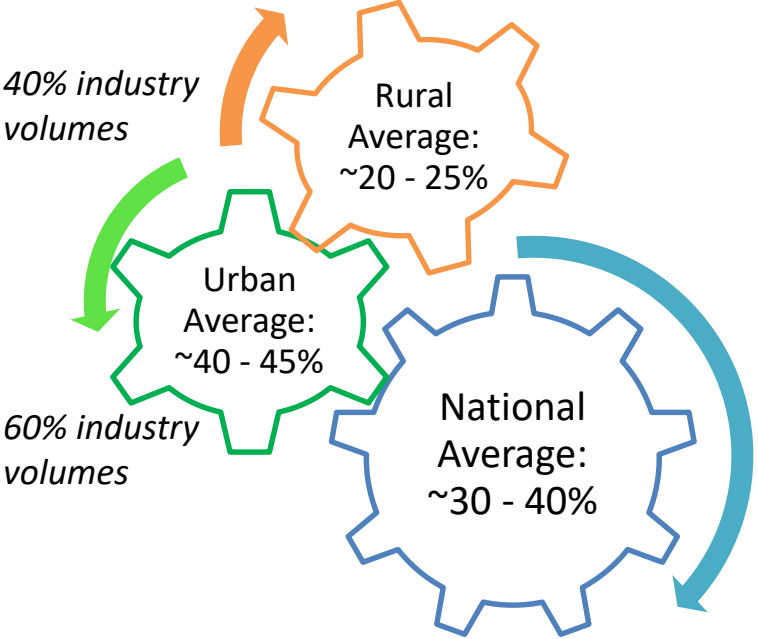
Penetration still significantly lower than asian peers: will continue to drive growth

2w penetration per '000 people: Well below Asian peers



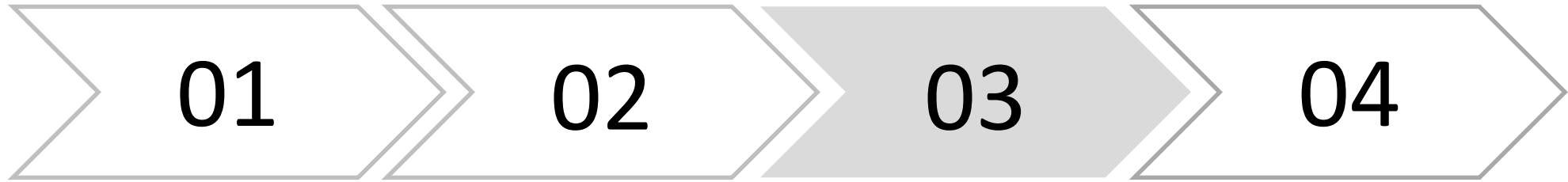
Source: Reproduced from Sellside Research

2w penetration levels in India



Excludes bottom of the pyramid households, including which, current penetration is even lower

Source: Company Financial Reports and Analysis



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 **Key Takeaways**

Hero: Strong, successful track record



World's # 1 Two Wheeler Company



\$5 Bn Revenue;
~\$9 Bn Market Cap



50% motorcycle market share in India



World class R&D Centre



Presence in 37 Countries



Volume 2x; Revenue 3x;
Profit 4x in 10 years

Over the years and across segments



#1 Two-wheeler company in the world for 17 consecutive years



~35% market share in the domestic two-wheeler market



9Mn+ units cumulative installed capacity across five world-class facilities; one of the largest in the world



>20 Products comprising 100cc, 110cc, 125cc and 200cc premium motorcycles + scooters for a wide customer spectrum across genders



Global presence: 37 countries



30+ Years of experience of catering to varied customer aspirations in the two-wheeler industry



>50% Market share in the domestic motorcycle market



>6,500 pan-India touch points and presence in over a 100,000 villages

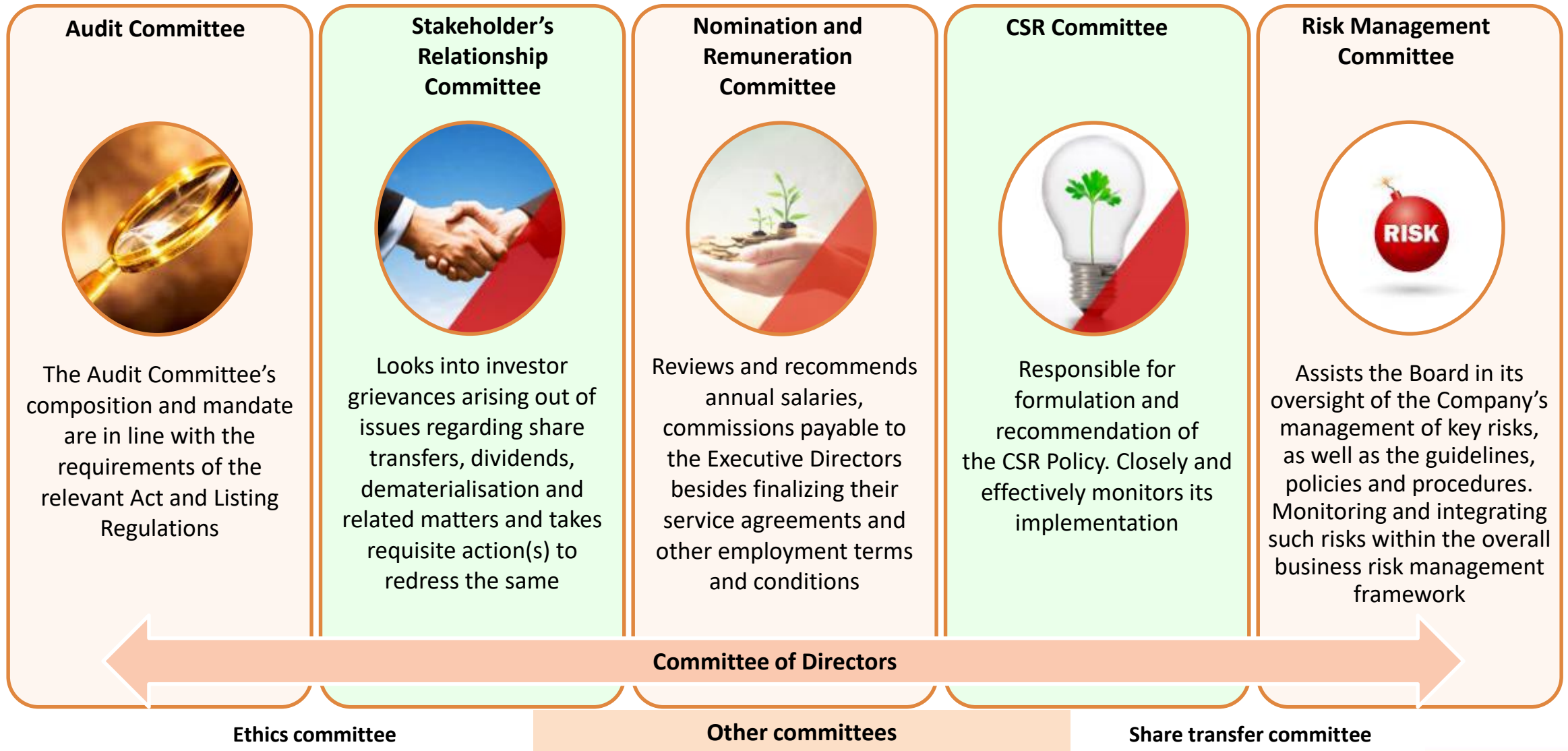


85Mn units cumulative sales achieved since inception. Only company in the world to have achieved the milestone



>8,000 team members driving Hero's progress

Based on a strong governance framework



Under the guidance of an eminent Board



From Left to Right

4. Ravi Nath

Non-Executive & Independent Director

Advocate of Supreme Court of India and a Partner at India's leading legal firms, RNClegal. Commerce and law from Delhi and International & Comparative Laws at King's College, London, and PIL at Harvard

5. Gen V. P. Malik (Retd.)

Non-Executive & Independent Director

Retired as the chief of Indian Army in 2000. Long distinguished military career- decorated with the Ati Vishisht and the Param Vishisht Seva Medals - the highest National award for distinguished military services

6. Pawan Munjal

Chairman, MD & CEO

A visionary leader he is one of India's highly respected business leaders. Under his leadership, Hero MotoCorp achieved the coveted title of world's No. 1 2w Company in 2001 a position it has retained this position till date

7. Shobana Kamineni

Non-Executive & Independent Director

Ms. Kamineni heads Apollo Pharmacy and is the Executive Vice Chairperson of Apollo Hospitals. She is the Founder & Director of Apollo Munich Health Insurance

1. M. Damodaran

Non-Executive & Independent Director

Ex-SEBI Chairman, a retired IAS officer serves as a governance consultant with various government & regulatory bodies. Founder Chairman of IIM, Tiruchirappalli. Graduated with distinction in Economics and in Law from the Universities of Madras and Delhi, respectively

2. Anand Burman

Non-Executive & Independent Director

Chairman of Dabur India + member in the Council of Governors at Birkbeck College, University of London. Doctorate in Pharmaceutical Chemistry from University of Kansas, USA

3. Pradeep Dinodia

Non-Executive & Independent Director

Fellow member of the ICAI, is Chairman & Managing Partner at a leading CA firm - S.R. Dinodia and Co.

8. Vikram Kasbekar

Executive Director Operations (Plants)

Responsible for operations, catering to the domestic, exports and after sales market demand. He has been a part of the Company for ~14 years

9. Suman Munjal

Non-Executive Director

Managing Director of Rockman Industries, a leading supplier of aluminium die casting, machined & painted assemblies to Hero

10. Dr. Pritam Singh

Non-executive & Independent Director

A pioneer of Management Education in India, is the author of 10 academically reputed books and 75+ research papers. He received the Padam Shri Award in 2003

11. Paul Edgerley

Non-Executive & Independent Director

Senior Advisor at Bain Capital and MD at VantEdge, a private investment firm. He received an MBA with distinction from HBS and a BS from Kansas State University

Professional management team drives Hero's growth agenda



Sanjay Bhan, Head Sales & After Sales

Sanjay joined Hero in Jan 1991 in Sales based out of Vadodara and worked his way up to as the Marketing Head in 2008. He has been responsible for the launch of the new brand "Hero" with the successful corporate campaign "Hum mein hai Hero". He holds an MBA from South Gujarat University



Niranjana Gupta, Chief Financial Officer

Niranjana served as CFO for the Aluminium & Power vertical of Vedanta Group. He has also worked with Unilever in various capacities including Global Finance Director of Household care & Hair category at Unilever, London. He also served as Procurement Head of Unilever, South Asia driving supply chain synergies and competitive sourcing. Mr. Gupta is a B.Com. (Hons), CA, Cost Accountant & CS



Mr. Vikram Kasbekar, Executive Director Operations (Plants)

Vikram brings over 4 decades of experience in Operations, Supply Chain, Manufacturing and Project Engineering. He has been with Hero for ~14 years in two stints. His work at Birla Copper as 'Business Head' gave him exposure to the copper business & during this period the Mitsubishi and auto component smelter technology was stabilised & the business was turned profitable. He graduated from IIT, Madras in Mechanical Engineering



Mr. Vijay Sethi, Chief Information Officer, Chief Human Resources Officer & Head Corporate Social & Head CSR

Vijay leads innovation efforts at Hero and held interim charge for HR. He also serves as a Board Member of HMC MM Auto (JV of HMCL & Magneti Marelli, Italy) and has 25+ years of experience in manufacturing and in consulting at TCS & Ranbaxy. An MBA in Materials Management, a Master's in Industrial Engineering, a Bachelor's in Mechanical Engineering. Mr. Sethi has also attended leadership programs at HBS and ISB



Malo Le Masson, Head - Global Product Planning

In his earlier role, Malo was the Global Head of Infiniti Product Long Term Strategy. His significant experience in Product Planning has been with Nissan across- Japan, France, HK, Netherlands and Switzerland. His most prominent projects were the global launches of Nissan March/ Micra, Juke and the EV model - Nissan Leaf. He graduated from National Engineering School of Tarbes, France and earned his Masters in Fluid Dynamics from Aix-Marseille, France



Neerja Sharma, Company Secretary & Chief Compliance Officer

Neerja joined Ballarpur Industries as an MT and steadily climbed the corporate ladder to become the VP & CS. she worked with Fortis Healthcare and Cairn India. At Hero, she ensures the highest standards of ethics and transparency working closely with the Board, Hero leadership, external stakeholders, shareholders, and regulatory bodies. A Commerce Honours graduate from Delhi University, she is also a qualified Company Secretary



Rajat Bhargava, Head- Strategy & Performance Transformation & Global Business

Rajat worked at McKinsey & Co. where he was a Senior Partner co-leading Operations and Industrial Practices in India and Purchasing & Supply Management Practice in APAC serving companies across India, Australia, EMEA. Rajat completed his B Tech in CS&E from IIT Delhi, and MBA from IIM Ahmedabad, with gold medal for academic excellence



Ashok Bhasin, Head Digitization

Previously, Mr Bhasin was the GM and MD, Reckitt Benckiser, Nigeria. Prior to that he worked with Whirlpool Corp where he was VP Marketing, South Asia and then as Global Director, Whirlpool Corp, USA. He is an MBA from FMS, Delhi



Dr. Markus Braunsperger, Chief Technology Officer

Markus joined Hero from BMW, Germany, where he worked for 25 years in several senior roles in R&D, Production and Strategy including heading the R&D function for BMW motorcycles. He was responsible for project management for key product lines such as 5/6/7 series and X3, X5 and X6 (4 wheelers)



Neeraj Mathur, VP - Strategic Sourcing & SCM

Prior to joining Hero MotoCorp in 2009, Neeraj worked with Escorts Yamaha, Maruti Suzuki, GM and Delphi. He is responsible for purchases of over \$4Bn. Mr. Mathur is a BE in Mechanical Engineering from Delhi College of Engineering

Our Strengths

Research & Development



World class Manufacturing Capabilities



Industry Leading Brands



Vast Distribution Network

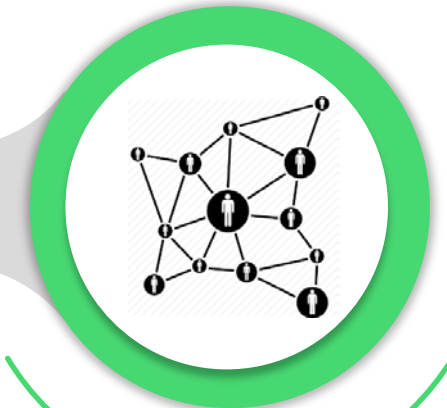


Image Credit: Google Images

Best in class R&D capabilities at Jaipur CIT leads our product development



Led by Dr Markus Braunsperger (CTO)/ 25 years of R&D experience in **BMW, Germany**

Engaged **700+** automotive experts with global, regional expertise across 6 nationalities

World class **16-KM – long Test track/ 45 different** surfaces to simulate road conditions worldwide

11-storey ‘Iconic Tower’ each floor plate orientation is different to have maximum view and light

Multiple laboratories for part, function and vehicle verification and validation

Concept design studios equipped with latest design software and clay modelling/ milling facility

Committed to create a sustainable future, CIT has imbibed advanced green technologies in its design, ensuring eco-friendly operations. **Platinum** rating by the Indian Green Building Council (IGBC)



Building and partnering to institute world class R&D capabilities

The Global Centre of Innovation & Technology (CIT) at Jaipur, Rajasthan was commissioned with an investment of \$125Mn; Operations began in March 2016



- More recently, our R&D efforts led to the introduction “i3s” technology. Improves mileage and reduces emissions



Key R&D Focus

Build Premium Portfolio

Enhance Scooter Offerings

Address Regulatory Changes (viz. BS VI)

Prepare for EVs & Other evolving trends



Multiple international partnerships for design and development

Source: FY18 AR data

Image Credit: Indiamart.com, CarBikeTech.com

Highest R&D spends in the industry: ~\$57 Mn

We continue to focus on building brands for long term ...



Then...



& Now

Source: FY18 AR data
Video Credit: Youtube

Brand Hero credited with some iconic advertisements including the “Fill it. Shut it. Forget it” and the “Hero salutes” campaigns!



Highest A&P spends in the industry: \$130 Mn

World-class manufacturing facilities in India and overseas



Dharuhera
2.1Mn



Gurgaon
2.1Mn



Haridwar
2.7Mn



Neemrana
1.1Mn



Halol
1.2Mn



Bangladesh
0.12Mn



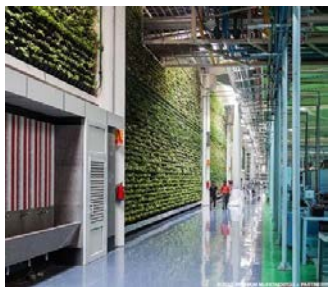
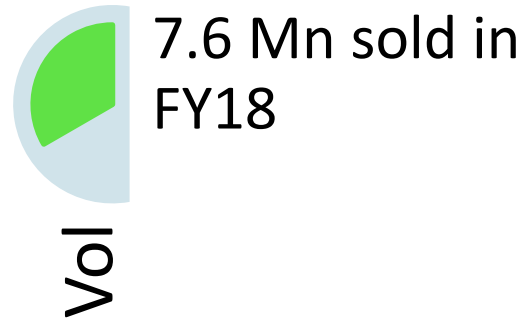
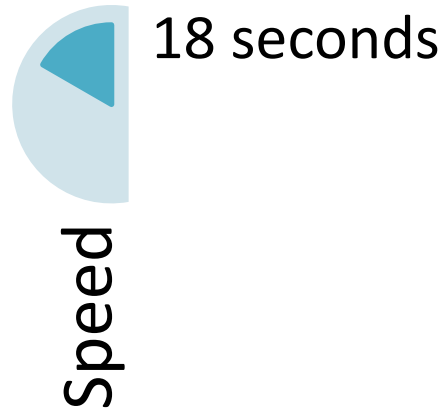
Villa Rica, Colombia
0.08Mn



Chittor
Future Plans
1.1 Mn

Overseas Manufacturing facility
 Indian Manufacturing facilities

Massive scale...but with green philosophy



O2 (green) wall



Greenhouses



Skylight



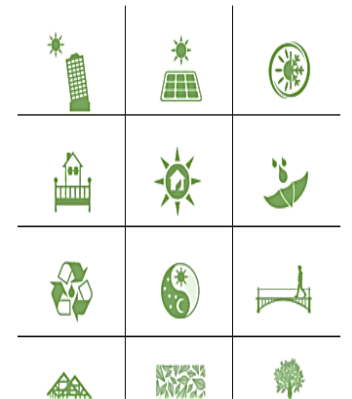
Bigfoot



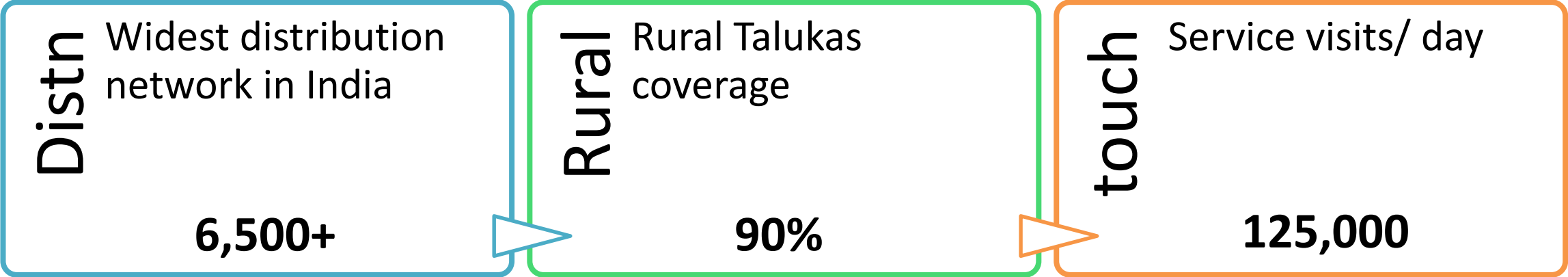
GreenCo Platinum



IGBC Platinum



Sold through wide distribution network



While we have the largest footprint in the country, we continue to experiment with new distribution channels









Brick & Mortar

Online



Strong financial performance: FY18

Volume & Growth % 7.6 Mn 14% 	Revenue \$5 Bn 	EBITDA Margin % 16 % 
Net Profit Margin % 11.5% 	Cash generation \$0.5 Bn 	RESERVES \$1.5 Bn 

Source: HMCL Annual Report, FY18
Nos rounded off

And further opportunities moving forward...



Industry leading brands in our stable to capitalise on penetration opportunity



2.8 Mn



1.9 Mn

4 out of 5

Largest selling 2 wheeler brands are Hero brands



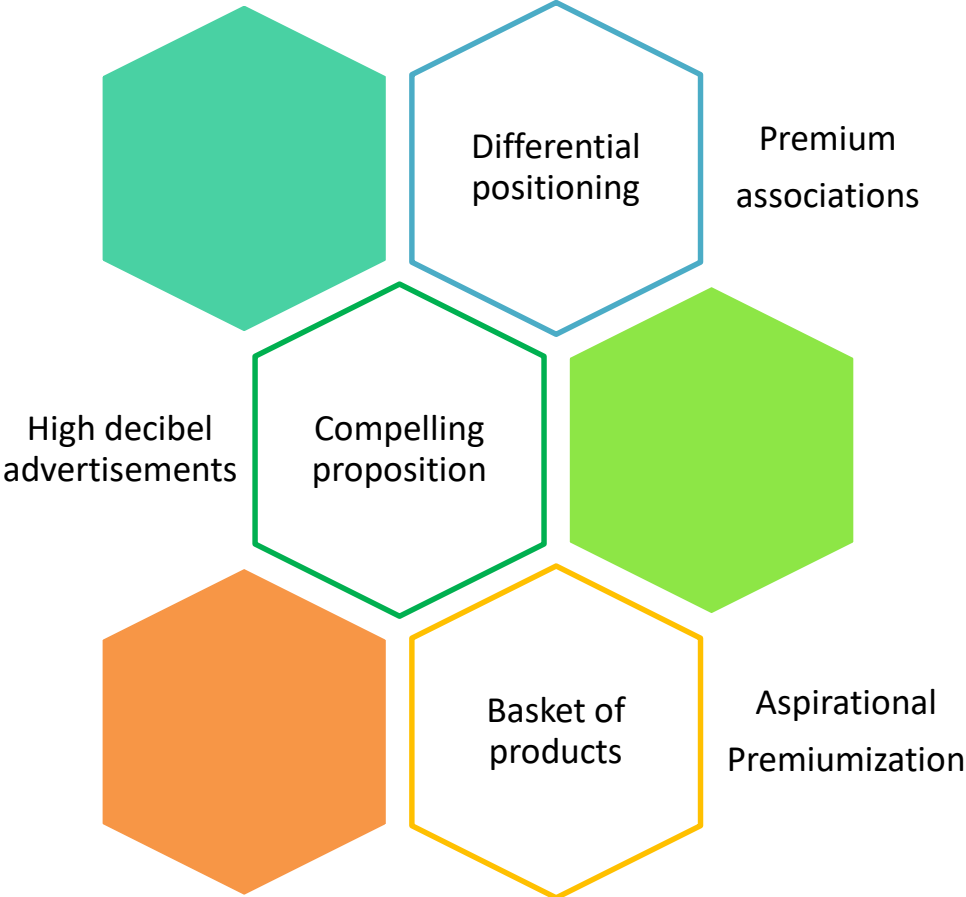
0.9 Mn



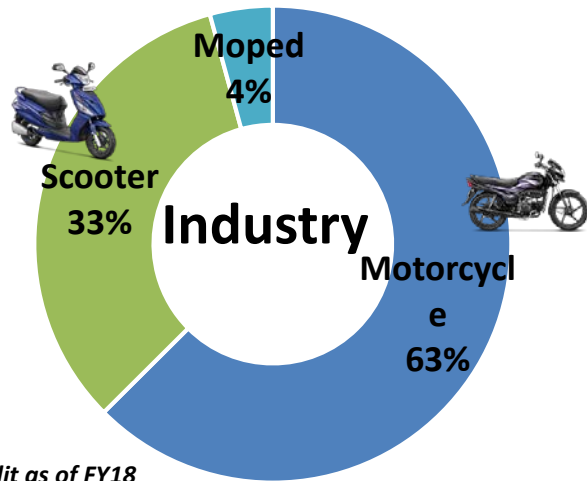
0.9 Mn

2 Brand franchises sell over a million+ units per annum

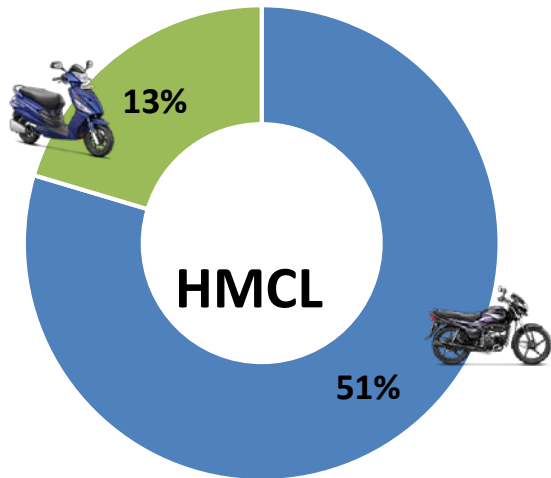
Building premium portfolio: 2 launches this year - more to come in future



Enhance our share in scooters...



Industry Split as of FY18



Hero Market Share as of FY18



2 new products planned in the faster growing 125cc scooter segment

Sharp positioning



360° communication campaigns including digital



[Maestro Edge Advert](#)

Scale up Global business

Global Expansion

Expanded presence to
37 countries



Early Success

Strong success in few
markets; 25%+ market
share in Bangladesh



Scale

Focus on building scale
in each key market



Product Portfolio

Expanding premium
and scooter portfolio to
help further



Twin strategy on EV...

1. Investment in Ather energy- a start up

Oct. 2016 \$31Mn for a ~30% stake

Jul. 2018 \$19Mn in a bridge - CCD;

stake: To be based on Series C Valuation

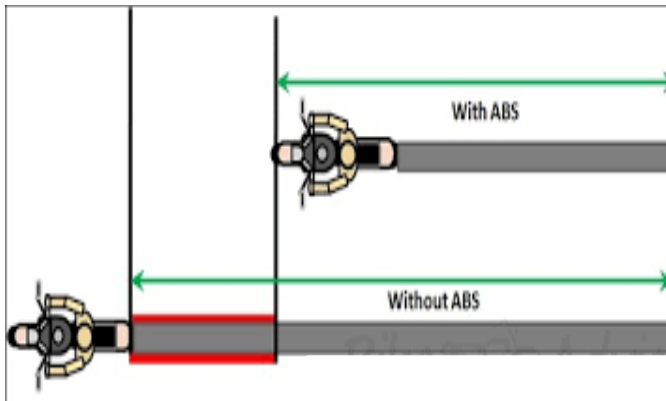
2. Inhouse development of EV

Project started at our R&D Centre



Source: Company Financial Reports and Analysis

We will deliver on our growth agenda, while caring for safety, environment, and community



▪ Safety norms: ABS/ CBS regulations preparedness

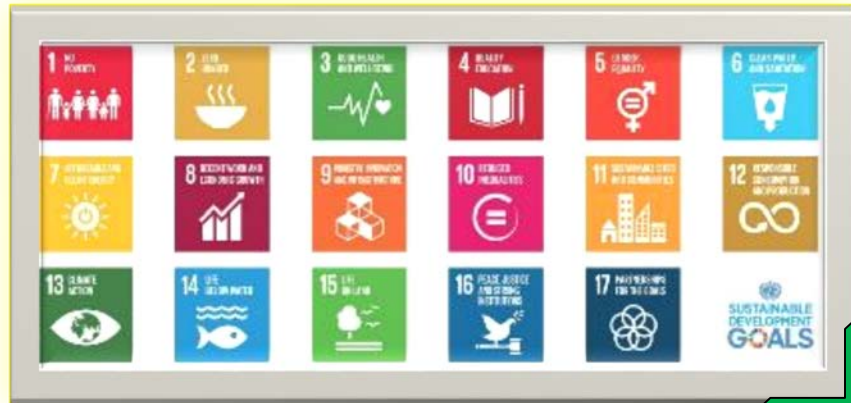
- All Hero scooters already CBS equipped
- Most motorcycles will come with CBS by end of 2018
- Xtreme 200R launched with ABS as standard



▪ Emission norms: BSVI norms

- BSVI effective by April 2020
- India moving ahead vs many other countries
- 90% reduction in emissions

Our sustainability vision is “We must give back to the society from whose resources we generate wealth”



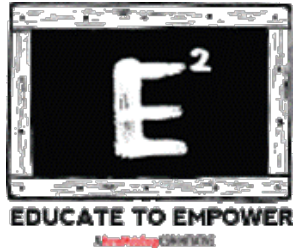
1st Sustainability report to be published by FY 2019



Source: Company Financial Reports and Analysis

We play our part in building communities through various CSR programmes

Flagship Programs

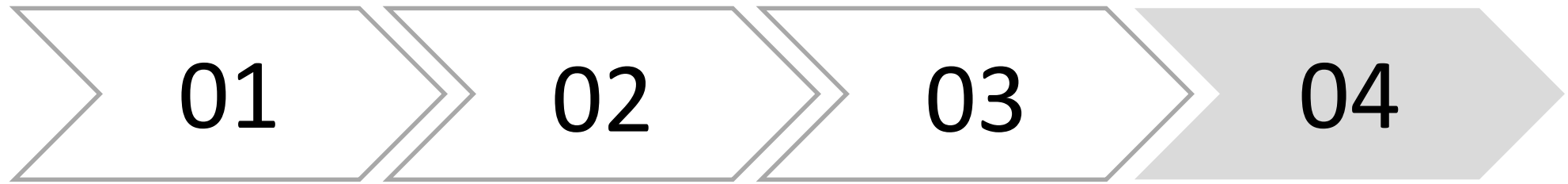


75 + Million views on social media campaigns on road safety and women empowerment

Key challenges...being addressed suitably



Challenges	Scooter segment	Navigating regulatory landscape	Commodity & Currency	Expiry of fiscal benefits
Measures	<ul style="list-style-type: none">• Sustained investments• Sharp positioning• New launches	<ul style="list-style-type: none">• R&D investments• Partnerships• Vendor development	<ul style="list-style-type: none">• Hedge• Cost optimization• Product pricing	<ul style="list-style-type: none">• Capacity expansion• New plants with similar benefits• Operating leverage



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 **Key Takeaways**

In summary...





Thank You

