



# Investor Presentation

February 2019





## 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

1984

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



1993

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



2005

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



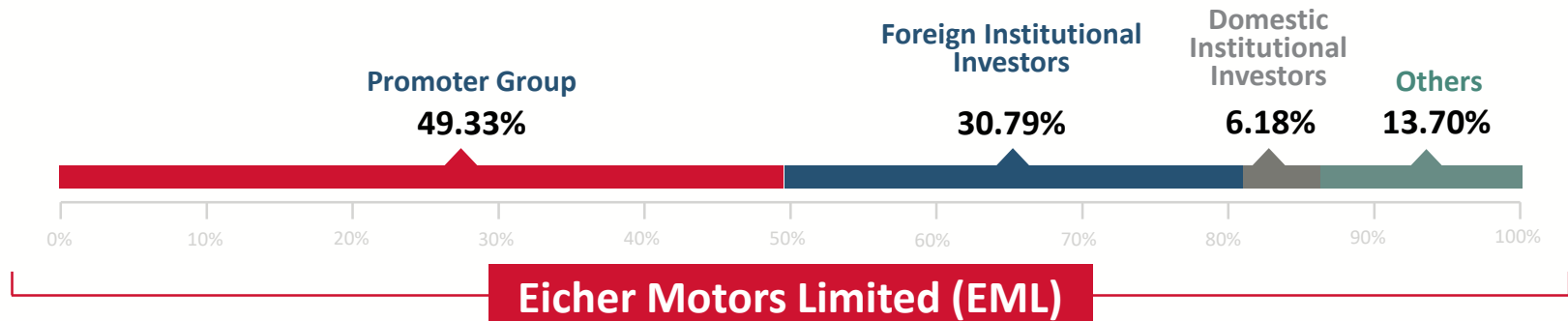
2012

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

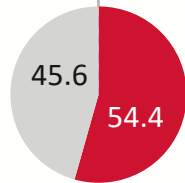




# Shareholding Pattern (31 December 2018)



**Volvo Group**

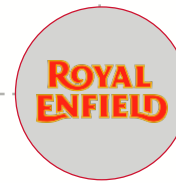


**VE Commercial Vehicles (VECV)**



**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

➤ **Siddhartha Lal**  
Managing Director & CEO

➤ **Inder Mohan Singh**  
Independent Director

➤ **Manvi Sinha**  
Independent Director

 **VE COMMERCIAL VEHICLES**  
A VOLVO GROUP AND EICHER MOTORS JOINT VENTURE

## VE Commercial Vehicles

➤ **Hakan Karlsson**  
Chairman

➤ **Vinod Aggarwal**  
Managing Director & CEO

➤ **Siddhartha Lal**  
Eicher Nominated Director

➤ **Jacques Michel**  
Volvo Nominated Director

➤ **Philippe Divry**  
Volvo Nominated Director

➤ **Raul Rai**  
Eicher Nominated Director

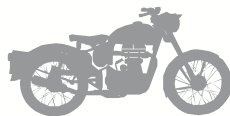
➤ **Lila Poonawalla**  
Independent Director

# Business Highlights – FY 2017-18<sup>^</sup>



**0**

EML continues to be  
Debt free company



**820,492**

Motorcycles sold in FY18,  
7x in last 6 years



**>90%**

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



**31.9%**

Royal Enfield EBITDA  
margin in FY18, benchmark  
in automobile industry



**32.2%**

VE Commercial Vehicles  
market share in domestic  
LMD# segment

# ROYAL ENFIELD



# Oldest Motorcycle Brand in Continuous Production

<b>1892</b> <p>R. W. South and Albert Radcliffe take over the business from the late John Radcliffe. The company has been making motorcycles for over 100 years and has recently begun to produce mopeds. They produce a wide range of products for the Indian market.</p>	<b>1893</b> <p>An order to produce the machine, known as the 'Radcliffe' or 'Radcliffe' motorcycle, is placed with the company. The machine is a 100cc model and is the first of its kind in India.</p>	<b>1898</b> <p>R. W. South designs a prototype motorcycle, known as the 'Radcliffe' or 'Radcliffe' motorcycle, in a workshop. It is a 100cc model and is the first of its kind in India.</p>	<b>1900</b> <p>Royal Enfield takes over the business from the late John Radcliffe. The company has been making motorcycles for over 100 years and has recently begun to produce mopeds. They produce a wide range of products for the Indian market.</p>	<b>1901</b> <p>The first Royal Enfield motorcycle is produced. It is a 100cc model and is the first of its kind in India.</p>	<b>1909</b> <p>Royal Enfield's first works is located in the Indian market. The company has been making motorcycles for over 100 years and has recently begun to produce mopeds. They produce a wide range of products for the Indian market.</p>
<b>1914</b> <p>Royal Enfield's first Indian motorcycle is produced. It is a 100cc model and is the first of its kind in India.</p>	<b>1924</b> <p>Continued development results in a range of products, including the 100cc model. The company has been making motorcycles for over 100 years and has recently begun to produce mopeds. They produce a wide range of products for the Indian market.</p>	<b>1926</b> <p>A major factory is set up in the Indian market. The company has been making motorcycles for over 100 years and has recently begun to produce mopeds. They produce a wide range of products for the Indian market.</p>	<b>1928</b> <p>Royal Enfield takes over the business from the late John Radcliffe. The company has been making motorcycles for over 100 years and has recently begun to produce mopeds. They produce a wide range of products for the Indian market.</p>	<b>1930</b> <p>The company begins with a diverse range of products, including the 100cc model. The company has been making motorcycles for over 100 years and has recently begun to produce mopeds. They produce a wide range of products for the Indian market.</p>	<b>1932</b> <p>The company's first Indian motorcycle is produced. It is a 100cc model and is the first of its kind in India.</p>
<b>1933</b> <p>Three years following the death of Albert Radcliffe, the company is taken over by R. W. South. The company has been making motorcycles for over 100 years and has recently begun to produce mopeds. They produce a wide range of products for the Indian market.</p>	<b>1935</b> <p>Continued development results in a range of products, including the 100cc model. The company has been making motorcycles for over 100 years and has recently begun to produce mopeds. They produce a wide range of products for the Indian market.</p>	<b>1936</b> <p>A major factory is set up in the Indian market. The company has been making motorcycles for over 100 years and has recently begun to produce mopeds. They produce a wide range of products for the Indian market.</p>	<b>1938</b> <p>Royal Enfield takes over the business from the late John Radcliffe. The company has been making motorcycles for over 100 years and has recently begun to produce mopeds. They produce a wide range of products for the Indian market.</p>	<b>1943</b> <p>Royal Enfield takes over the business from the late John Radcliffe. The company has been making motorcycles for over 100 years and has recently begun to produce mopeds. They produce a wide range of products for the Indian market.</p>	<b>1948</b> <p>The company's first Indian motorcycle is produced. It is a 100cc model and is the first of its kind in India.</p>
<b>1949</b> <p>The company's first Indian motorcycle is produced. It is a 100cc model and is the first of its kind in India.</p>	<b>1952</b> <p>Continued development results in a range of products, including the 100cc model. The company has been making motorcycles for over 100 years and has recently begun to produce mopeds. They produce a wide range of products for the Indian market.</p>	<b>1955</b> <p>The company's first Indian motorcycle is produced. It is a 100cc model and is the first of its kind in India.</p>	<b>1956</b> <p>The company's first Indian motorcycle is produced. It is a 100cc model and is the first of its kind in India.</p>	<b>1957</b> <p>The company's first Indian motorcycle is produced. It is a 100cc model and is the first of its kind in India.</p>	<b>1964</b> <p>The company's first Indian motorcycle is produced. It is a 100cc model and is the first of its kind in India.</p>
<b>1967</b> <p>The company's first Indian motorcycle is produced. It is a 100cc model and is the first of its kind in India.</p>	<b>1970</b> <p>The company's first Indian motorcycle is produced. It is a 100cc model and is the first of its kind in India.</p>	<b>1977</b> <p>The company's first Indian motorcycle is produced. It is a 100cc model and is the first of its kind in India.</p>	<b>1989</b> <p>The company's first Indian motorcycle is produced. It is a 100cc model and is the first of its kind in India.</p>	<b>1993</b> <p>The company's first Indian motorcycle is produced. It is a 100cc model and is the first of its kind in India.</p>	<b>1994</b> <p>The company's first Indian motorcycle is produced. It is a 100cc model and is the first of its kind in India.</p>
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# 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



# The Twins are Here – Heritage Inspired Machines that carry the Royal Enfield Legacy and Character into the 21<sup>st</sup> Century

In September 2018, 120 journalists from 13 countries participated in the global media ride of the Interceptor 650 and the Continental GT 650 at Santa Cruz, California

In November 2018, 60 media journalists and influencers attended the India launch and media ride in Goa, India



**Continental GT 650**

**Interceptor 650**

# Royal Enfield aims to Lead and Expand the Mid-Weight Motorcycle Segment Globally

## Parallel Twin Cylinder Engine



## Interceptor 650 & Continental GT 650



- ▶ New platform is a single overhead cam, 8 valve, air/oil-cooled, 648cc parallel twin, producing 47bhp and 52Nm
- ▶ Royal Enfield aims to lead and grow the mid-weight (250-750cc) motorcycle segment globally, and Interceptor 650 and Continental GT 650 will help the company accomplish this

### ▶ Attractive Proposition

- Compelling upgrade for the large base in India
- Opportunity to step-up to the middle weight segment for riders in emerging markets in South East Asia and Latin America
- Evocative option to riders in mature motorcycle markets such as Europe, Australia and North America



# Royal Enfield - Thunderbird X

## A new custom-inspired motorcycle for urban explorers

- Designed to resonate with the new-age motorcyclists' sense of self-expression and individualism
- Boasting a bold yet elegant design treatment with an overall blacked-out theme
- The Thunderbird X sports alloy wheels, tubeless tyres, 'gunslinger' styled seat and the new grab-rail and shortened rear mudguard
- Contemporary design with vibrant colors





# Royal Enfield - The Himalayan Sleet

Inspired by the mountains

Built to inspire the explorer within

New colourway



# Classic Signals 350 - An ode to Enfields in Service & those who ride them

Tribute to Royal Enfield's 65 years of association with the Indian armed forces



## CLASSIC 350 AIRBORNE BLUE

The Classic 350 Airborne Blue paint scheme is inspired by Royal Enfield's long heritage of serving the guardians of our skies



Introducing Dual Channel Anti-lock Braking System (ABS) for better braking efficiency

Available in two colours – “Airborne Blue” and “Stormrider Sand” along with a dedicated collection of gear and over 40 motorcycle accessories



# Product Portfolio – Gear

## 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.

## MAKE YOUR OWN

In an effort to make the brand more accessible and personal, Royal Enfield Apparel launched an offering- MAKE YOUR OWN which allows consumers to customise/ personalise their helmets. These options include configuring decals, shell base colour, finish, visor, peak, peak colour and the inside lining and adding text .



## EXTENDING THE FOOTPRINT



As a part of being available at more touch points for consumers, Royal Enfield Apparel Business successfully launched 9<sup>th</sup> Shop-in-Shop at CENTRAL Kochi, a leading multi-brand showroom. With this outlet, Royal Enfield apparel is now available across CENTRAL in Delhi, Kochi, Pune, Hyderabad, Bangalore and Kolkatta.

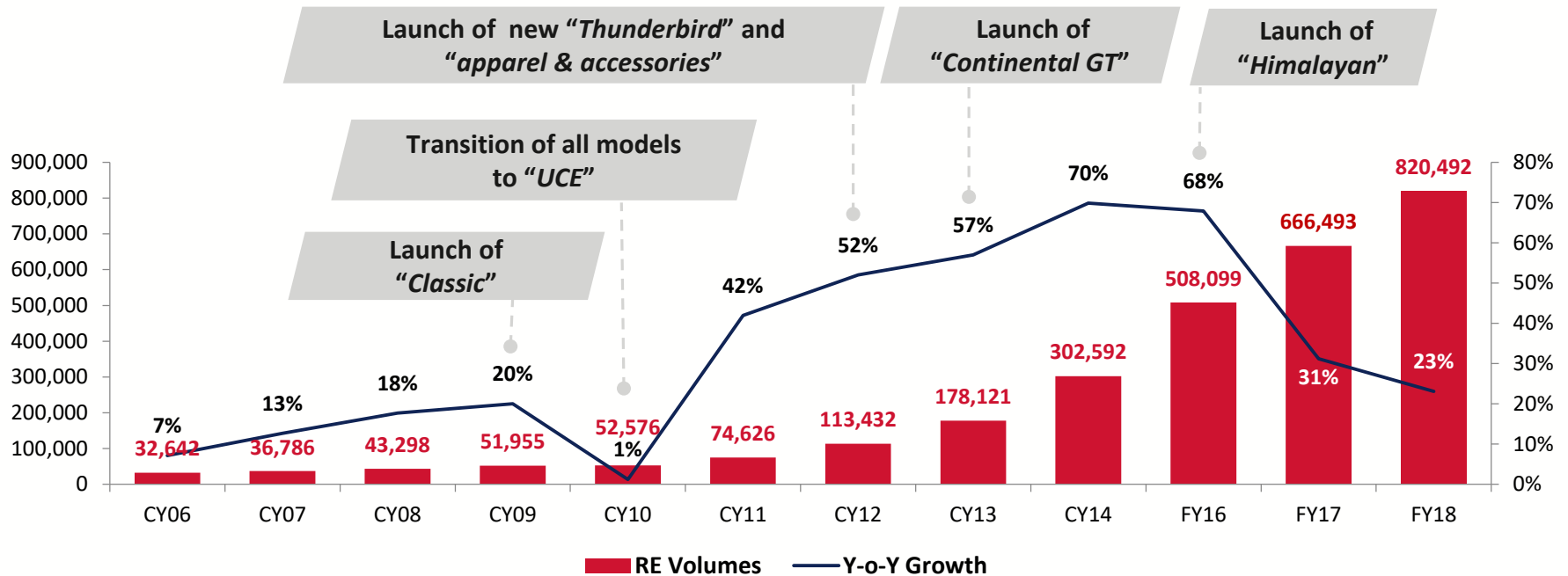
## ON AND OFF THE SADDLE



Introduced the **Apex D1** jacket with emphasis on styling and materials; while retaining the level of protection that a motorcycling jacket should offer.

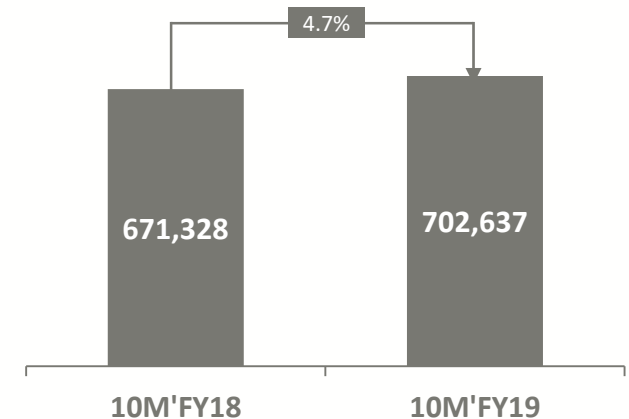
The jacket has been engineered for the urban motorcyclists, with in vogue looks and trims on the outside and up-to-date protection and comfort features on the inside.

# Launch of “Classic” in 2009 was an Inflection Point



Note: Standalone volumes for Eicher Motors Limited

► Volumes grew by 46.1% CAGR during the period CY10 to FY18

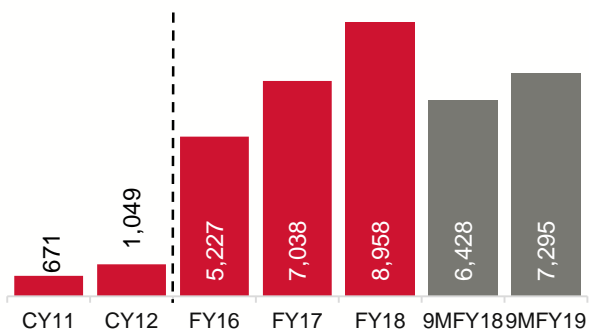


# Financial Highlights – Eicher Motors Ltd. (Standalone)

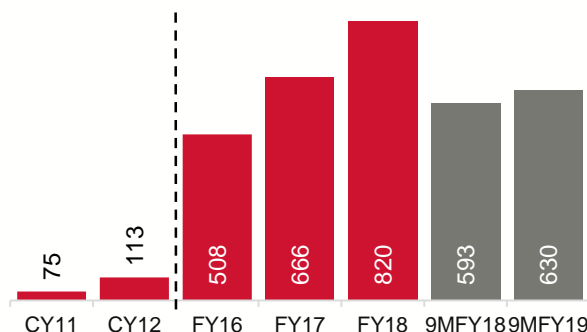
All figures are for Eicher Motors Limited Standalone (in Rs. cr unless specified)

## Total Revenue

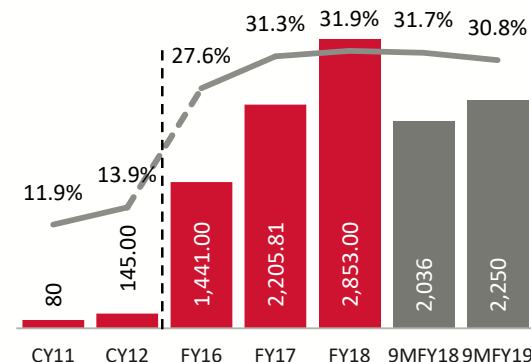
Total revenue from operations (net of excise duty)



## Sales Volume (in Thousands)

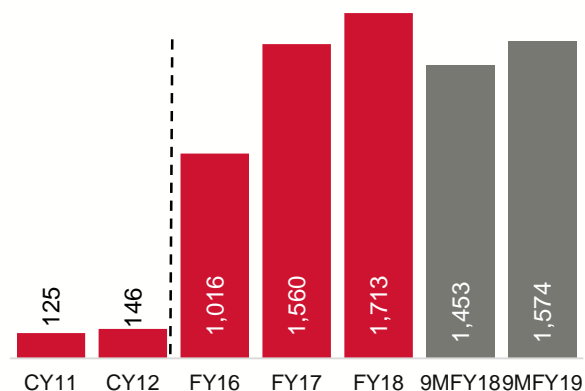


## EBITDA & Margins

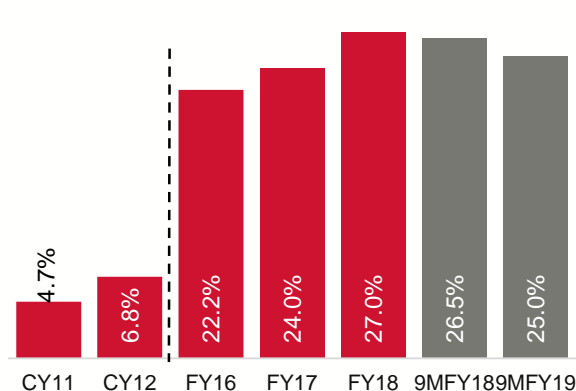


The figures in % indicate EBITDA Margins  
 EBITDA Margin = EBITDA/Total revenue from operations  
 (net of excise duty)

## Profit After Tax

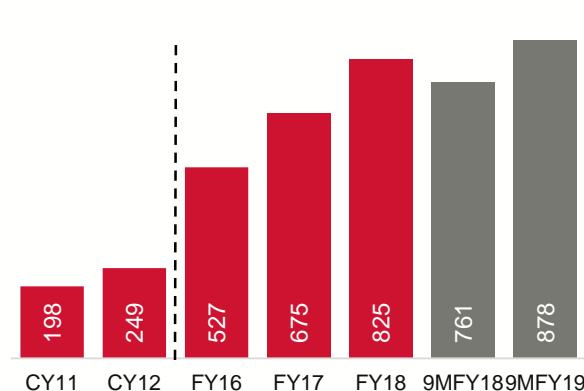


## Market share\* (India)



## Dealer Network (India)

(in nos)



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



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February 2019

Note: Figures for FY16 and FY17 are as per IND AS. Figures from CY11 and CY12 are as per IGAAP.

\* Market share in 150cc and above segment  
Source - SIAM

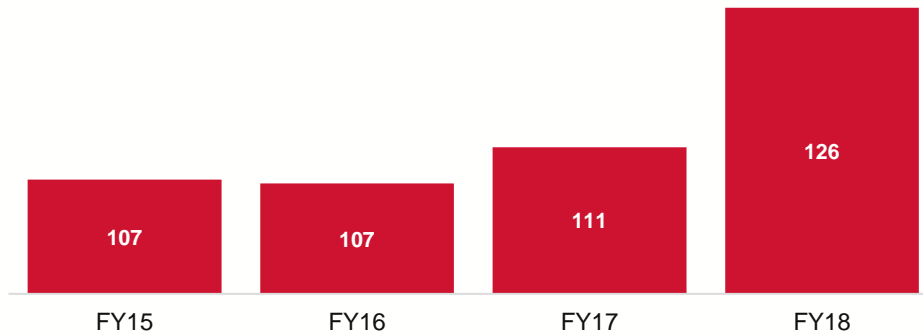


# Our Footprint



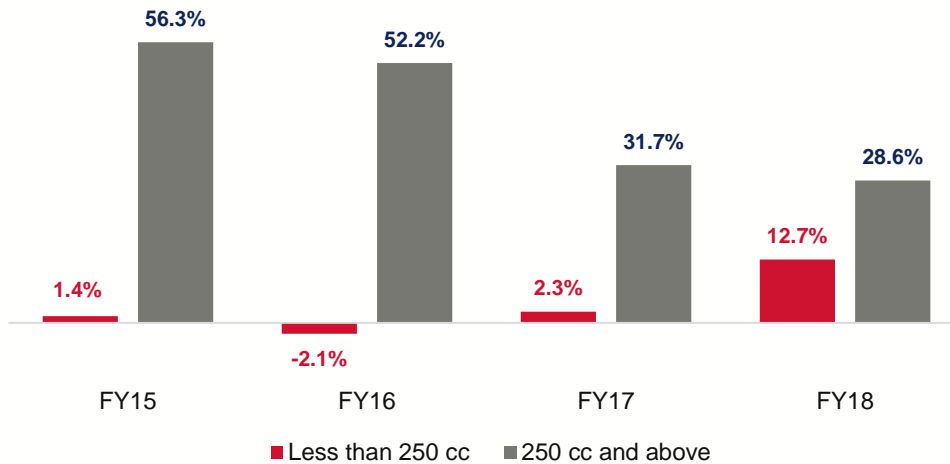
# Industry Overview

## Motorcycle Volumes (India) (in lacs)



India - largest motorcycle market in world

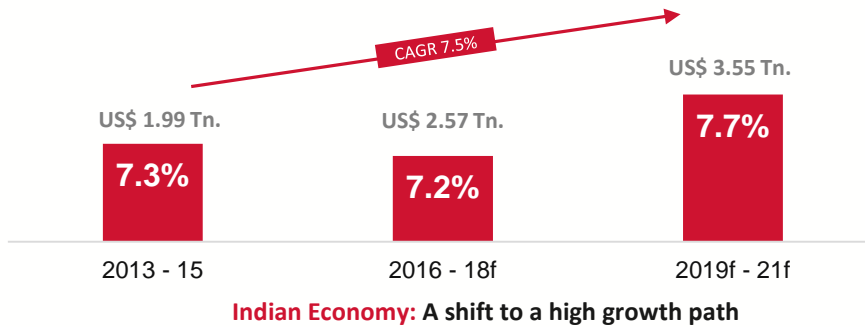
## Growth rate of various motorcycle segments



Indicates growing premiumisation of motorcycle market

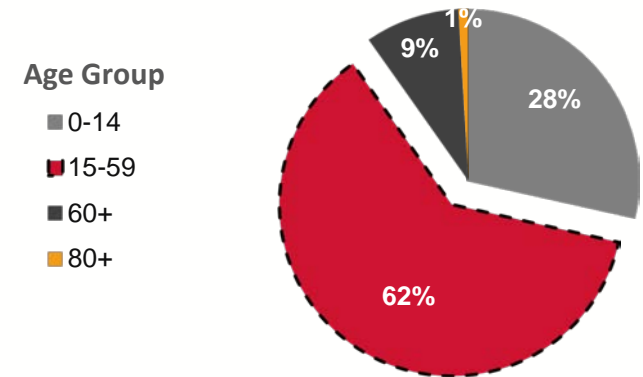
# Opportunity – Domestic Market

India to become a **US\$3.55 trillion** (current market price) economy by 2021



Source: FocusEconomics Consensus Forecast, October 2017

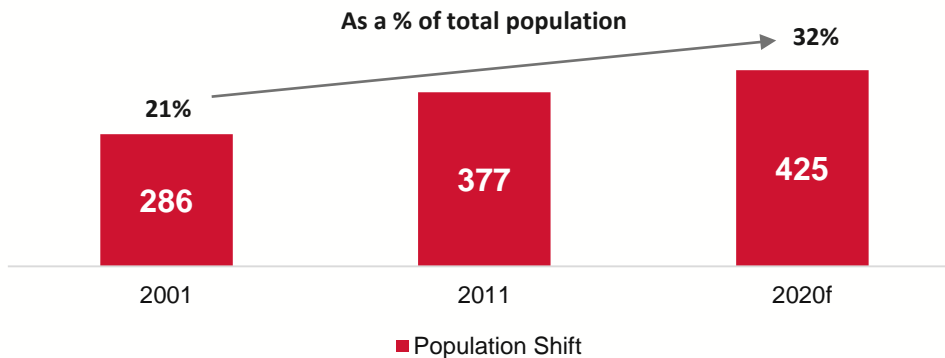
India's demographic profile (year-2015)



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

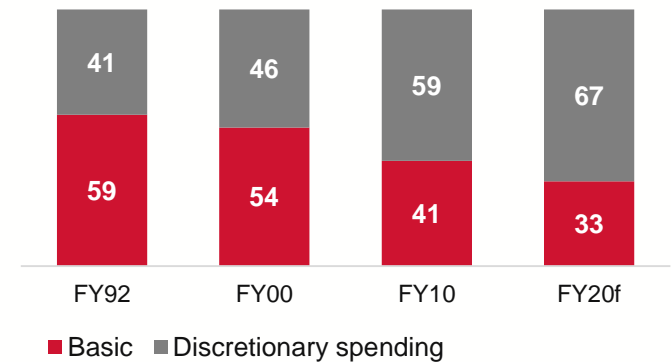
Growth in urbanization

(In mn)



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

Rising share of discretionary spending over the year (%)

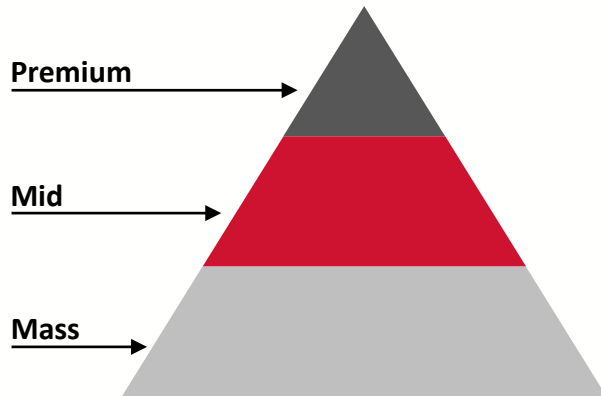


F: D&B forecast | Source: Mospi, D&B India

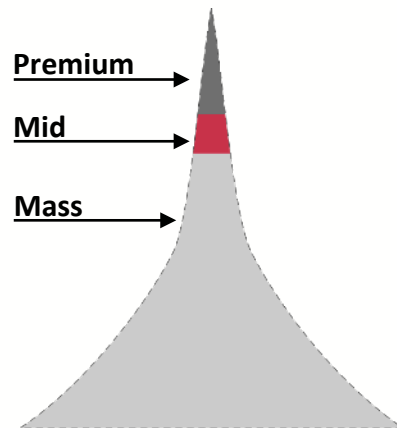
# Opportunity – International Business

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

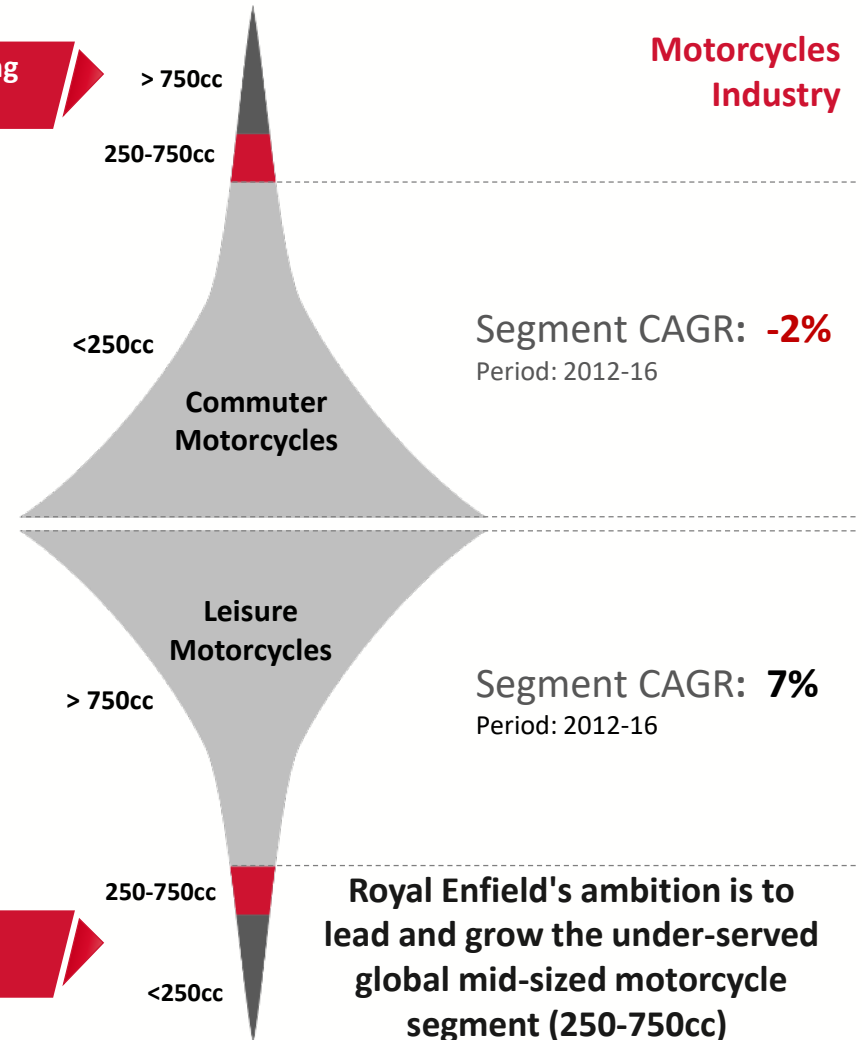
## Most Industries



## Motorcycle Industry



Developing Markets



# Preparing for Future Growth

## Capacity



- Setting up Phase-2 of plant at Vallam Vadagal near Chennai
- Production capacity of 9,50,000 for FY2018-19

## Product Development



- Technology centres in Chennai and UK
- Production of the new Twin motorcycles “Interceptor 650 and Continental GT 650” started in November 2018
- Five years of product pipeline

## Distribution



- New exclusive stores format introduced in India & International Market
- Plans to add 80- 100 dealers in India in FY19

***Capital expenditure planned for FY19 upto Rs. 800 cr 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***

# Preparing for Future Growth - UK Technical Centre



- UK Tech Centre at Bruntingthorpe to be a hub for the product development and research activities, driving the mid-range motorcycle platforms
- A place rich with history, just like Royal Enfield, Bruntingthorpe Proving Ground is one of the largest vehicle test track facilities in the UK



- 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, and is now fully operational



# Brand Building Activities and Initiatives

## Royal Enfield Rider Mania 2018

Rider Mania, Royal Enfield's most definitive motorcycle festival was held from 16<sup>th</sup> to 18<sup>th</sup> November 2018. Rider Mania is the largest gathering of Royal Enfield enthusiasts in the world. This year Rider Mania saw around 20 new custom motorcycles, Dirt track racing, hill climb and several other competitions taking place and more than 8000 Royal Enfield customers and enthusiasts attending the event.





# Brand Building Activities and Initiatives



The second edition of Tour of Thailand was flagged off on 15<sup>th</sup> December, a 7-day adventure driving trip covering more than 1,500 Kms

The second edition of REUNION in Colombia was also organized with more than 130 riders participating in the event





# Brand Building Activities and Initiatives

## Tour of North East 2018



- Tour of North East is a marquee event from Royal Enfield that took the riders to the lesser known part of the country - The North East, through hills, forest, and high altitude passes getting a first hand experience of the landscapes and cultures that imbibe the true spirit of North East India.
- The second edition of Tour of North East witnessed a total participation of more than 40 riders.

## Tour of Rajasthan 2018



- The 10<sup>th</sup> edition of Royal Enfield 'Tour of Rajasthan', is a 9 day ride developed for Royal Enfield owners who wish to break away from the mundane and get closer to the elements of nature, covering the largest state in the Republic of India.
- The 50 riders traversed to some of the most spectacular landscape and enjoyed a first hand experience of sand dune camping.

# Brand Building Activities and Initiatives

## One Ride 2018



- One Ride is a marquee event from Royal Enfield to encourage its enthusiasts from around the world to ride as one
- The 8<sup>th</sup> edition of One Ride was held in 28 countries and 114 cities in India
- The ride witnessed a total participation of more than 12,000 riders all across the world

## Himalayan Odyssey July 2018



- The 15<sup>th</sup> edition of Royal Enfield 'Himalayan Odyssey', considered the holy grail of motorcycling, saw 60 motorcyclists including 10 women riders
- The riders traversed some of the roughest terrains and highest mountain passes in the world, covering a distance of over 2,200 kilometres in 18 days on their Royal Enfield motorcycles.



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

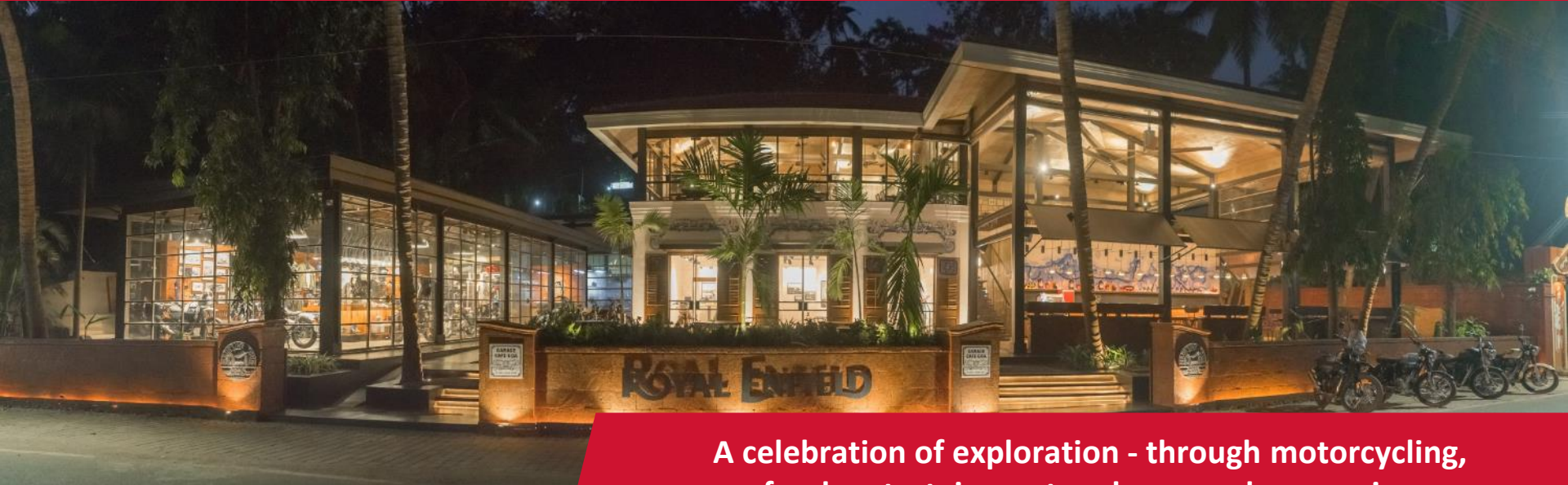


## Vintage Store opened in Chennai, Bangalore, Delhi, Mumbai, Patna, Kanpur, Indore

- 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 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 in Argentina, its Third Country in Latin America

Flagship store in the heart of Buenos Aires





# Royal Enfield Opens Store in Chiang Mai, Thailand

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





# 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:** VEPDC 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:** 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'



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



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



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

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



**10**  
YEARS  
OF DRIVING  
MODERNISATION  
VOLVO GROUP & EICHER MOTORS

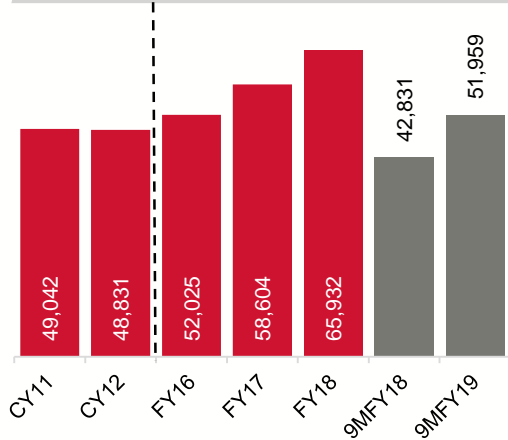


INVESTOR PRESENTATION  
February 2019

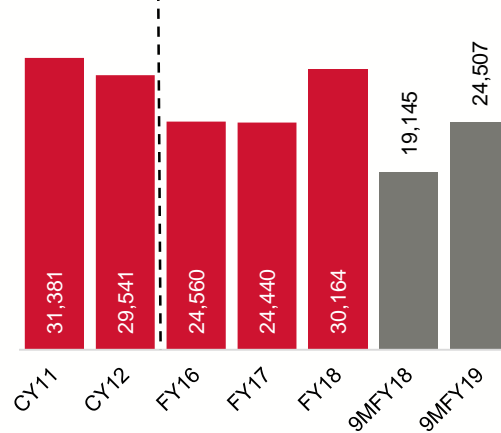


# Volumes

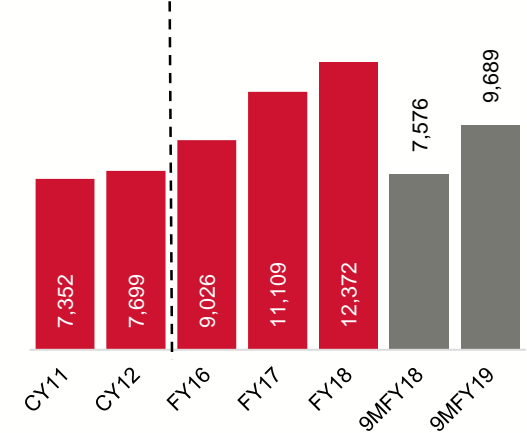
## Total CV\* Volumes (in nos)



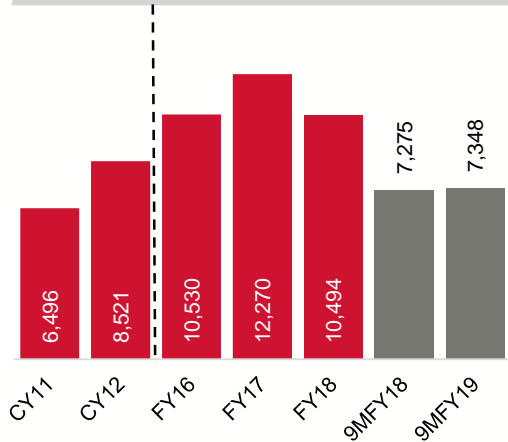
## Eicher Light to Medium Duty Trucks (5-15 tonne) (in nos)



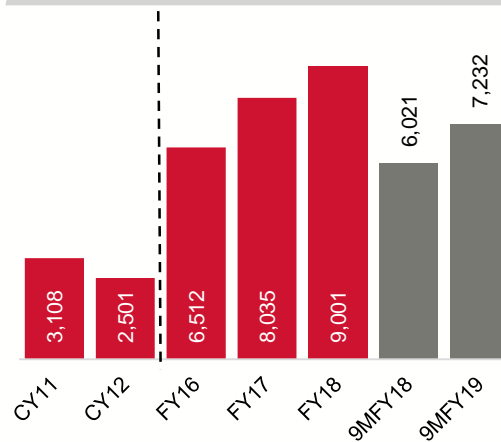
## Eicher Heavy Duty Trucks (16 tonne +) (in nos)



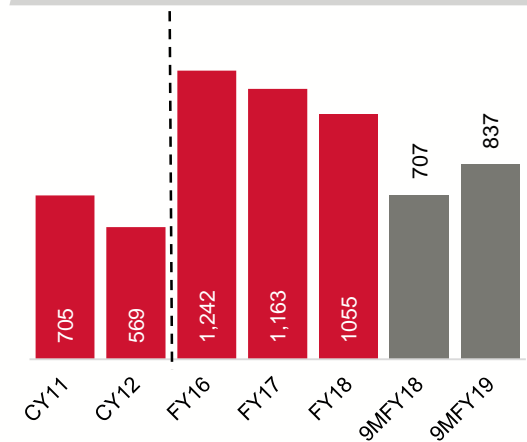
## Buses (in nos)



## Exports (in nos)



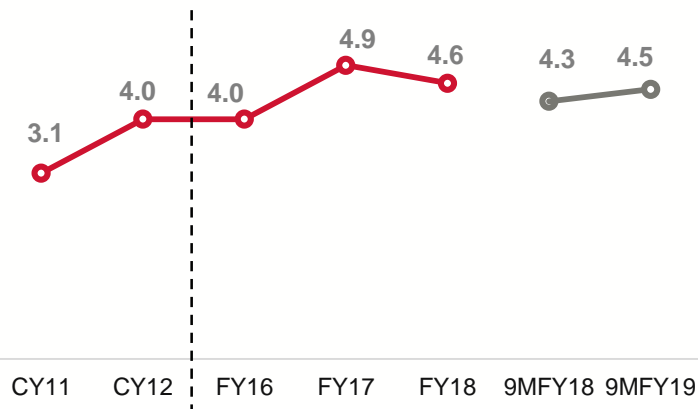
## Volvo Trucks (in nos)



# Market Share

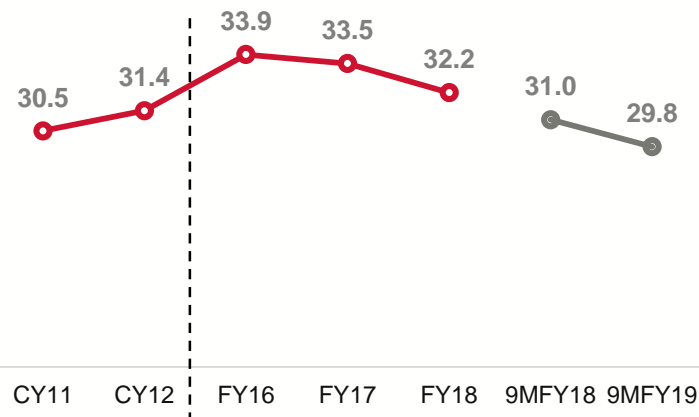
**Eicher Heavy Duty Trucks  
(excluding exports)**

In %



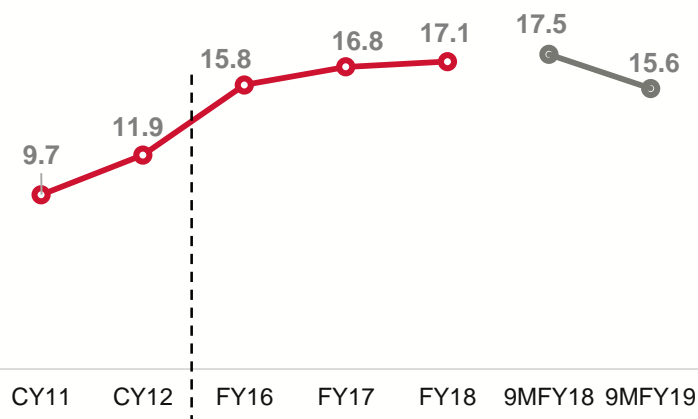
**Eicher Light and Medium Duty Trucks  
(excluding exports)**

In %



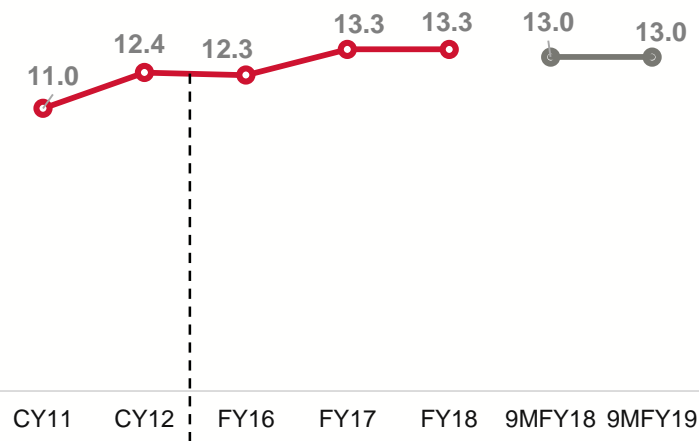
**Buses (excluding exports)**

In %



**VECV market share (including exports)**

In %

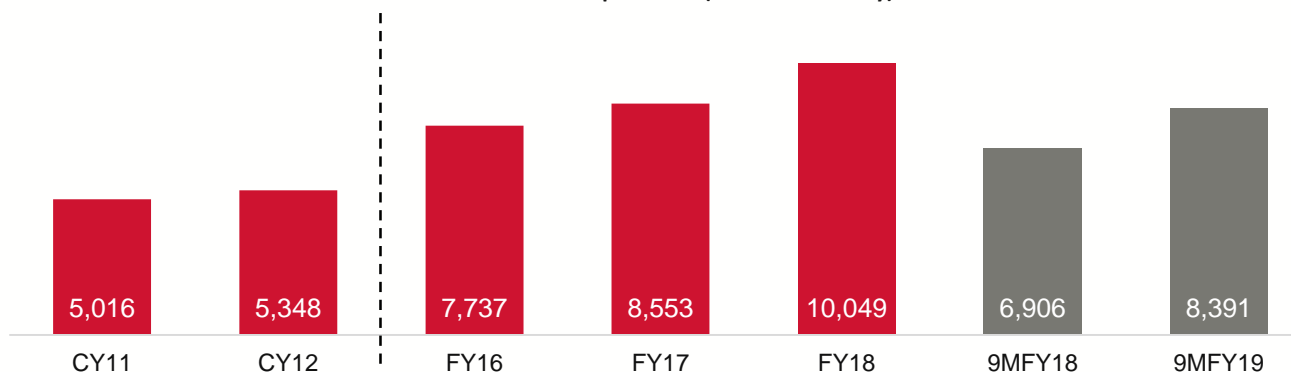


# Financial Highlights – VE Commercial Vehicles

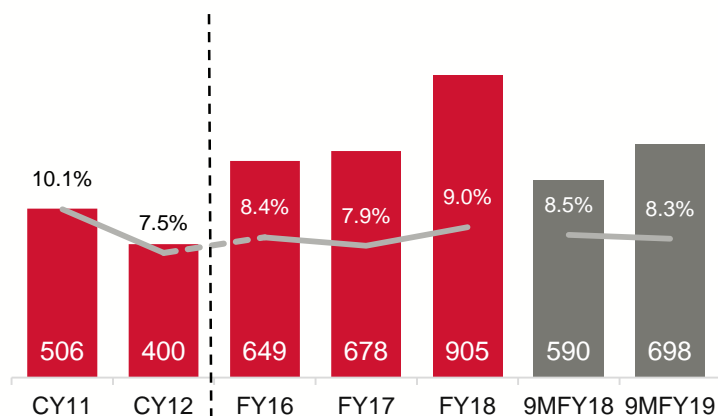
All figures are for VE Commercial Vehicles  
(in Rs. Crore unless specified)

## Total Revenue\*

Total revenue from operations (net of excise duty)



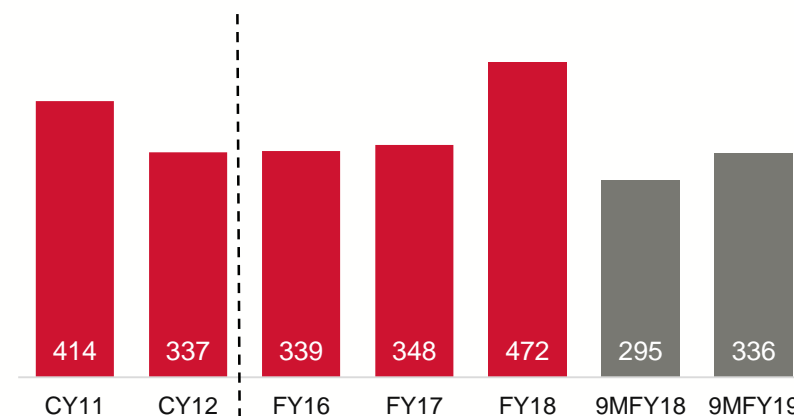
## EBITDA & Margin\*



The figures in % indicate EBITDA Margins

EBITDA Margin = EBITDA/Total revenue from operations (net of excise duty)

## Profit After Tax



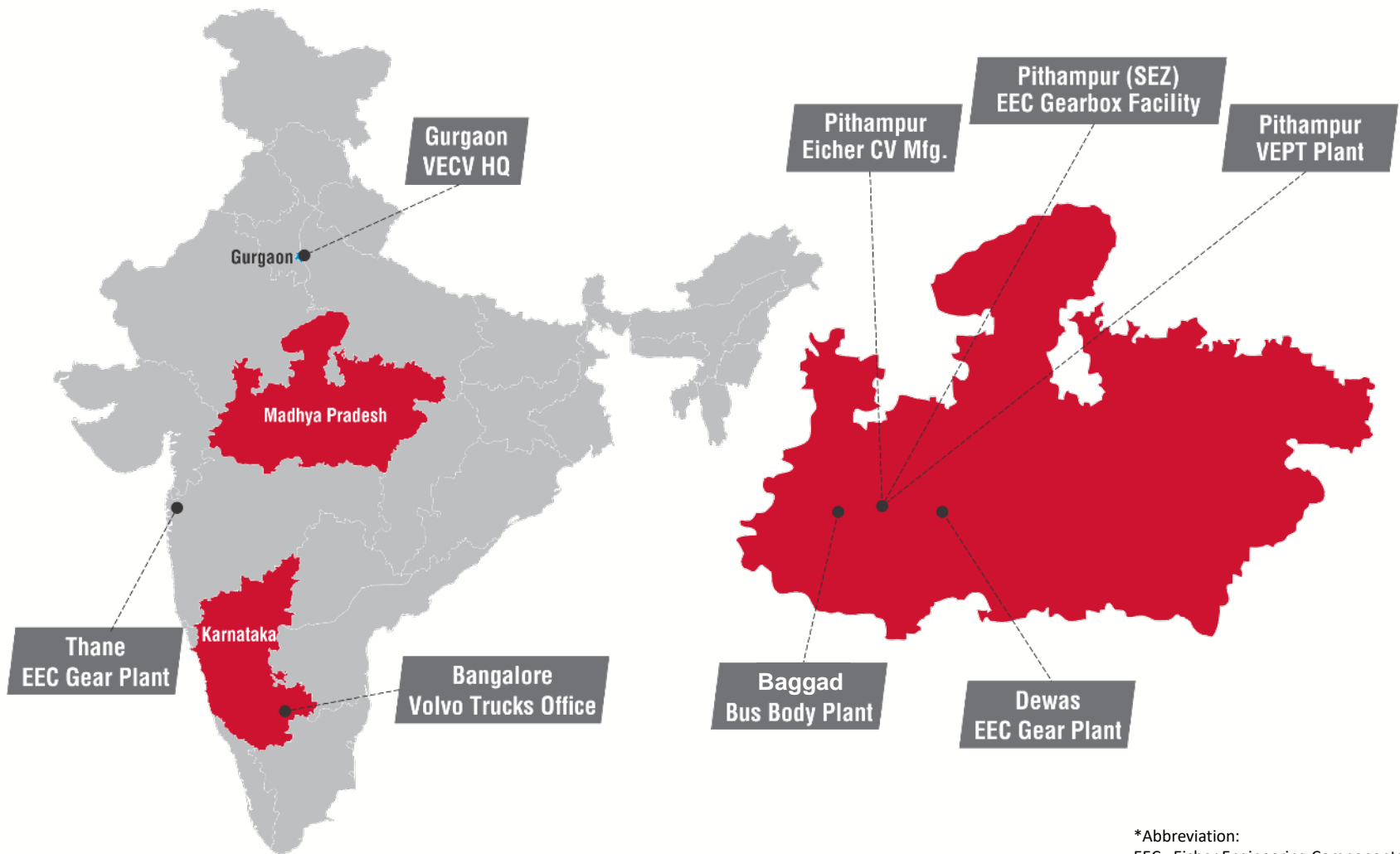
Note: Figures for FY16 and FY17 are as per IND AS. Figures from CY11 and CY12 are as per IGAAP.

EBITDA – Earning Before Interest, Tax, Depreciation and Amortisation

\*Excludes Other Income



# India Facilities – Manufacturing and Operations

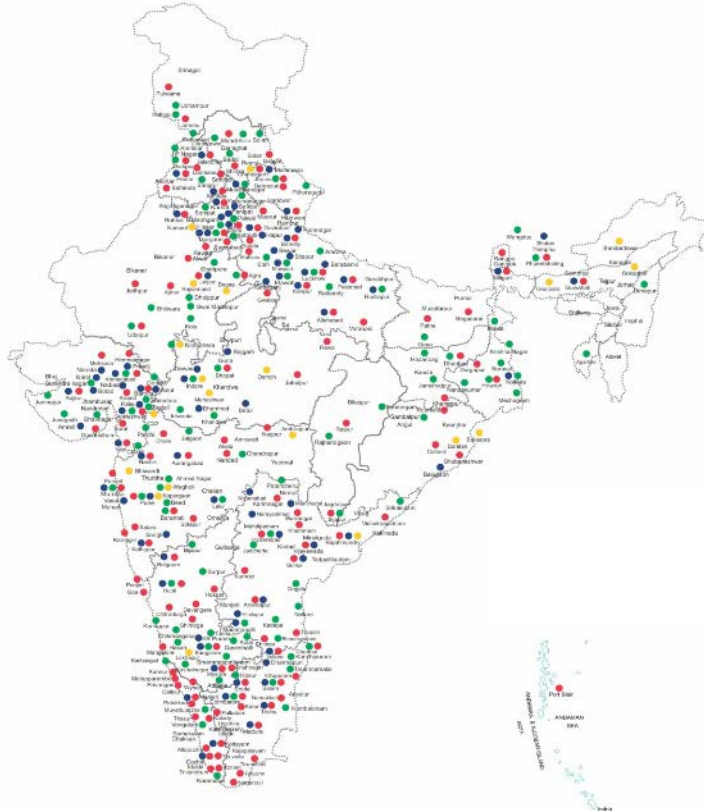


**Number of employees(VE Commercial Vehicle) – 4,887\***  
(\*permanent) (as of Dec 2018)

\*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 298 nos. including 15 COCO\* outlets
- 22 distributors, 93 Eicher Genuine Parts Shoppe and 2,771 multi-brand parts retailers
- 213 GPS enabled Vans and 59 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 (5-15 Ton GVW)



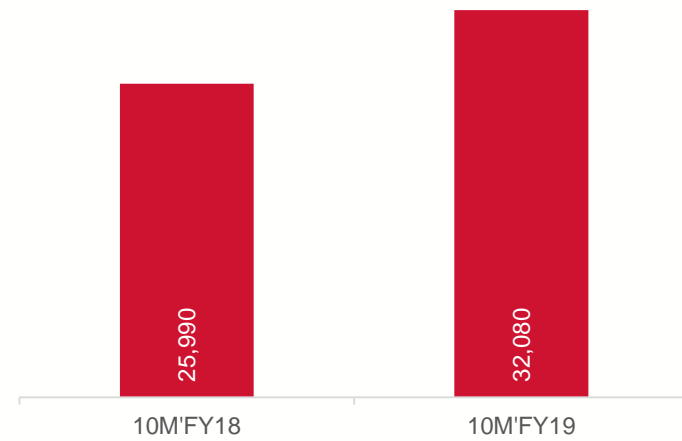
**Mileage ka Badshah**



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

**Volumes**

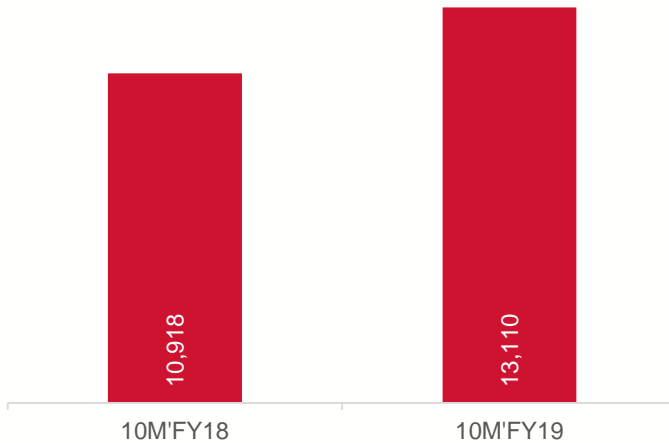
(in nos)



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

## Volumes

(in nos)



## Pro 6000 series



## Pro 8000 series



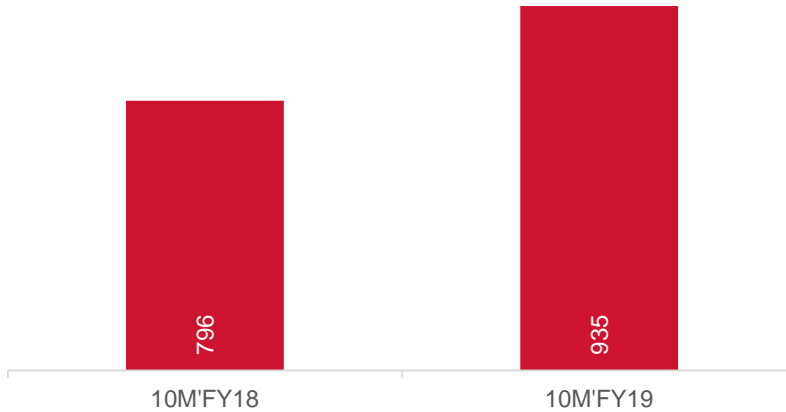
## Steadily growing market share

- ▶ The 'Pro' series is gaining more traction with increased interest in technologically advanced trucks. The Value Trucks are witnessing good acceptance in the market.

# 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**

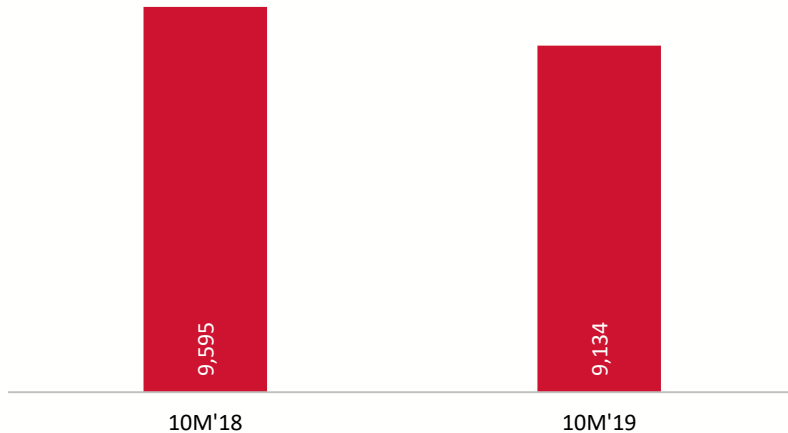
**Over dimensional cargo**



# Eicher Buses: Steady Market Share in a Challenging Environment

## Volumes

(in nos)



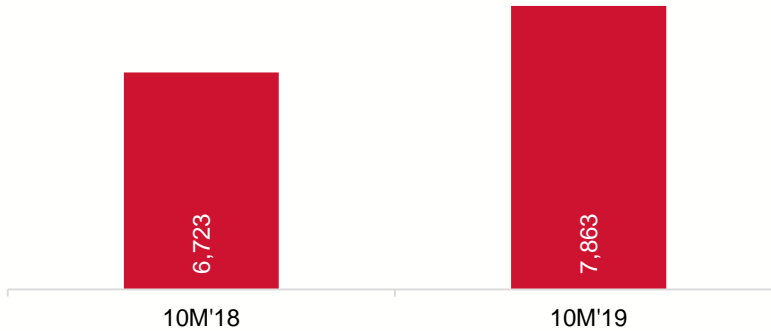
Electric Pro E



# Tapping Global Potential

## Exports

(in nos)



- Major focus markets are Southeast Asia, the Middle East and Africa
- First establish in India-like markets such as Bangladesh, Nepal or Sri Lanka; Share in the overall truck and bus market already at over 20% in Bangladesh and about 17% in Nepal
- Export started to South Africa with a CV market size of 25,000 units; Partnered with strong dealer network across the country
- Initial 300 units supplied in Indonesian market, more ASEAN countries to be tapped in near future



# World Class Manufacturing set up...

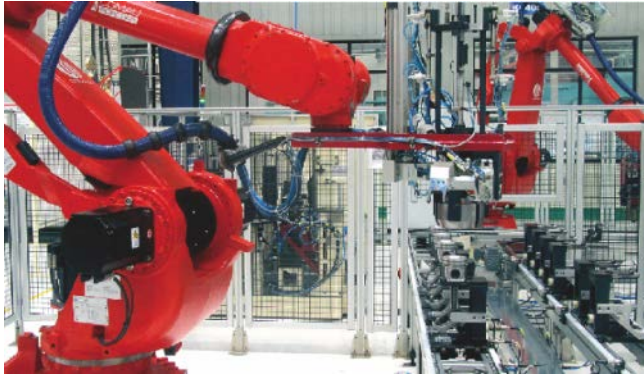
- Most productive plant to produce up to 90,000 trucks and buses, scalable to 100,000 trucks and buses.
- Cab weld shop with robotic welding and integrated testing facilities
- CED paint shop - best in class e-Rodip German technology with robotic painting
- Highly flexible vehicle assembly lines with right blend of technology to control critical parameters catering over 800+ variants.
- State-of-the-art bus plant spread over 46 acre set up under VECV's overriding vision of driving modernization of the Indian CV market.
- Complex and critical sub assemblies by robots, ensuring cabin without leakage and even fit and finish



*Capital expenditure planned for ~Rs. 500 cr in FY18-19*







- First engine plant in India producing Euro-6 compliant engine.
- Exclusive manufacturing hub for medium duty engine requirements of Volvo Group.
- Current capacity of 50,000 engines, scalable up to 100,000 engines
- The 5 and 8 liter engines of this platform delivers power ranging from 180 to 350 HP.
- Already started supplying Euro-6 compliant engines to Europe over 3,000 per month.
- Best executed project with Volvo Group technology with frugal approach.

# Other VECV Business Areas

## Eicher Engg 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. 816 cr in FY2018



# Other VECV Business Areas

## Eicher Non - Automotive Engines

- Presence in 11 countries, 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





# Proposed New Plant in Bhopal

## Current Status

- ETB plant capacity 90,000, deliverable 80,000 with seasonal variations, running at full utilization

## Proposed

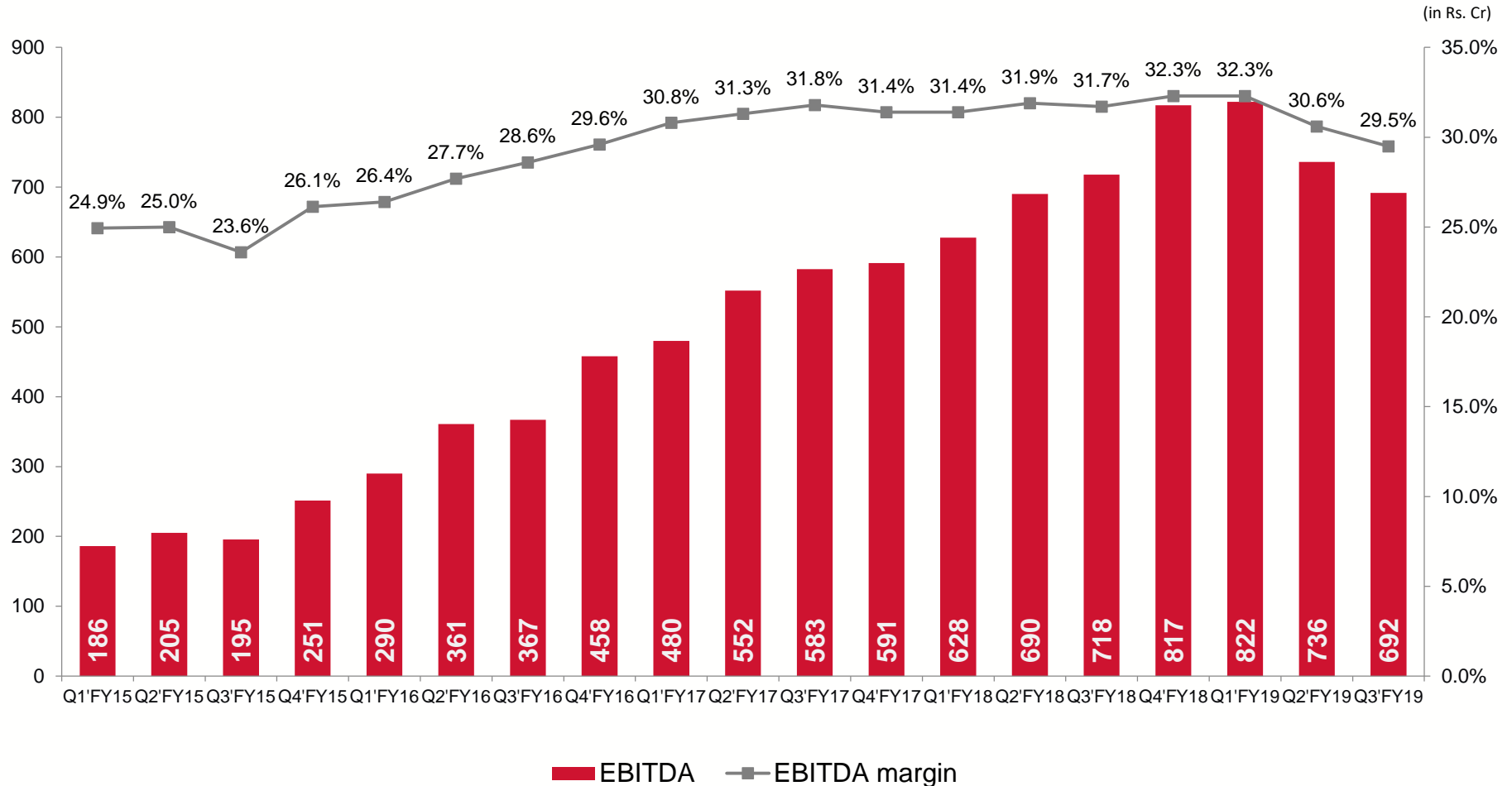
- Proposed new plant in Bhopal with capacity of 40,000, scalable to 1,00,000 in future.
- Land acquired 150 acres at a special fiscal package sanctioned by the Madhya Pradesh State Government
- Planned capital outlay of around Rs 400 crores
- The capacity to come on stream within 18-24 months
- Driving modernization - Robotic weld shop, Most advanced Paint shop and Modern Assembly lines with new range of low emission BSVI ( EURO-VI) engines equipped trucks with Industry 4.0 complaints plant



# FINANCIALS

# Quarterly Financial Highlights (Standalone)

## Eicher Motors – Standalone\* performance in last 4 years...





# Thank You

Get Social :



Royal Enfield



Royal Enfield



VE Commercial Vehicles

# APPENDIX

# Balance Sheet (Consolidated)

(In Rs. Cr.)

Particulars	Mar'17	Mar'18	Sept'18
Net Fixed Assets (including CWIP and Pre-operative Expenditure)	1,247	1,835	2,047
Investments	4,987	5,581	6,023
Other Non Current Assets	260	186	195
<b>Current Assets</b>			
Inventories	336	395	539
Debtors	50	68	47
Cash and Bank Balances	25	1,212	1,240
Other Current Assets	86	227	279
Current Liabilities and Provisions	1,501	2,265	2,264
<b>Net Current Assets</b>	<b>(1,004)</b>	<b>(364)</b>	<b>(177)</b>
<b>Total</b>	<b>5,489</b>	<b>7,257</b>	<b>8,107</b>
Share Capital	27	27	27
Reserves & Surplus	5,318	7,003	7,793
<b>Net Worth</b>	<b>5,345</b>	<b>7,030</b>	<b>7,820</b>
<b>Minority Interest</b>	-	-	-
Deferred Tax Liability (net)	78	142	195
Other Non Current Liabilities & Provisions	66	85	91
Borrowings	-	-	-
<b>Total</b>	<b>5,489</b>	<b>7,257</b>	<b>8,107</b>

# Profit & Loss Statement (Consolidated)

(In Rs. Cr.)

Profit & Loss Account	FY17	FY18	9MFY19
<b>Sales Volume:</b>			
Two Wheelers (Nos.)	666,135	820,121	629,120
<b>Total revenue from operations (net of excise)</b>	<b>7,033</b>	<b>8,965</b>	<b>7,297</b>
Manufacturing and other expenses	4,859	6,157	5,079
<b>Earnings before interest, depreciation &amp; tax (EBIDTA)</b>	<b>2,174</b>	<b>2,808</b>	<b>2,218</b>
<b>EBIDTA to Net Revenue (%)</b>	<b>30.9%</b>	<b>31.3%</b>	<b>30.4%</b>
Depreciation	154	223	219
<b>Earnings before interest &amp; tax (EBIT)</b>	<b>2,020</b>	<b>2,584</b>	<b>1,999</b>
<b>EBIT to Net Revenue (%)</b>	<b>28.7%</b>	<b>28.8%</b>	<b>27.4%</b>
Finance Cost	4	5	5
Other Income	227	280	301
<b>Share of profit of joint venture</b>	<b>189</b>	<b>257</b>	<b>183</b>
<b>Profit before tax</b>	<b>2,433</b>	<b>3,116</b>	<b>2,478</b>
Provision for taxation	720	936	802
<b>Profit after tax and share of profit of Joint Venture from continuing operations</b>	<b>1,713</b>	<b>2,180</b>	<b>1,675</b>
<b>Discontinued Operations: Share of loss of Joint Venture*</b>	<b>(46)</b>	<b>(220)</b>	<b>(18)</b>
<b>Profit After Tax</b>	<b>1,667</b>	<b>1,960</b>	<b>1,658</b>
<b>PAT to Net Revenue (%)</b>	<b>23.7%</b>	<b>21.9%</b>	<b>22.7%</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