



Investor Presentation

September
2016



All statements included or incorporated by reference in this presentation, other than statements or characterizations of historical fact, are forward-looking statements. These forward-looking statements are based on our current expectations, estimates and projections about our industry, management's beliefs and certain assumptions made by us. Although Eicher Motors Limited believes that the expectations reflected in such forward looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Any forward-looking statement speaks only as of the date on which such statement was made, and Eicher Motors Limited undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. No assurance can be given that actual results, performance or achievement expressed in, or implied by, forward looking statements within this disclosure will occur, or if they do, that any benefits may be derived from them.



EICHER MOTORS LIMITED - OVERVIEW

ROYAL ENFIELD

VE COMMERCIAL VEHICLES

EICHER POLARIS

FINANCIALS

IMPACT OF IND-AS ON FINANCIALS

APPENDIX

Note: The Company followed “January-December” as its financial year. The Board of Directors in its meeting held on February 13, 2015 decided to align the financial year of the Company with the requirements of Companies Act, 2013. Therefore the financial year under review 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 FY14-15 (April 1st 2014 to March 31st 2015) and 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



Commencement of business by Eicher Polaris

2015

JV* with Mitsubishi Motors to make 'Canter' trucks



JV* with Mitsubishi ended, enters medium duty bus segment



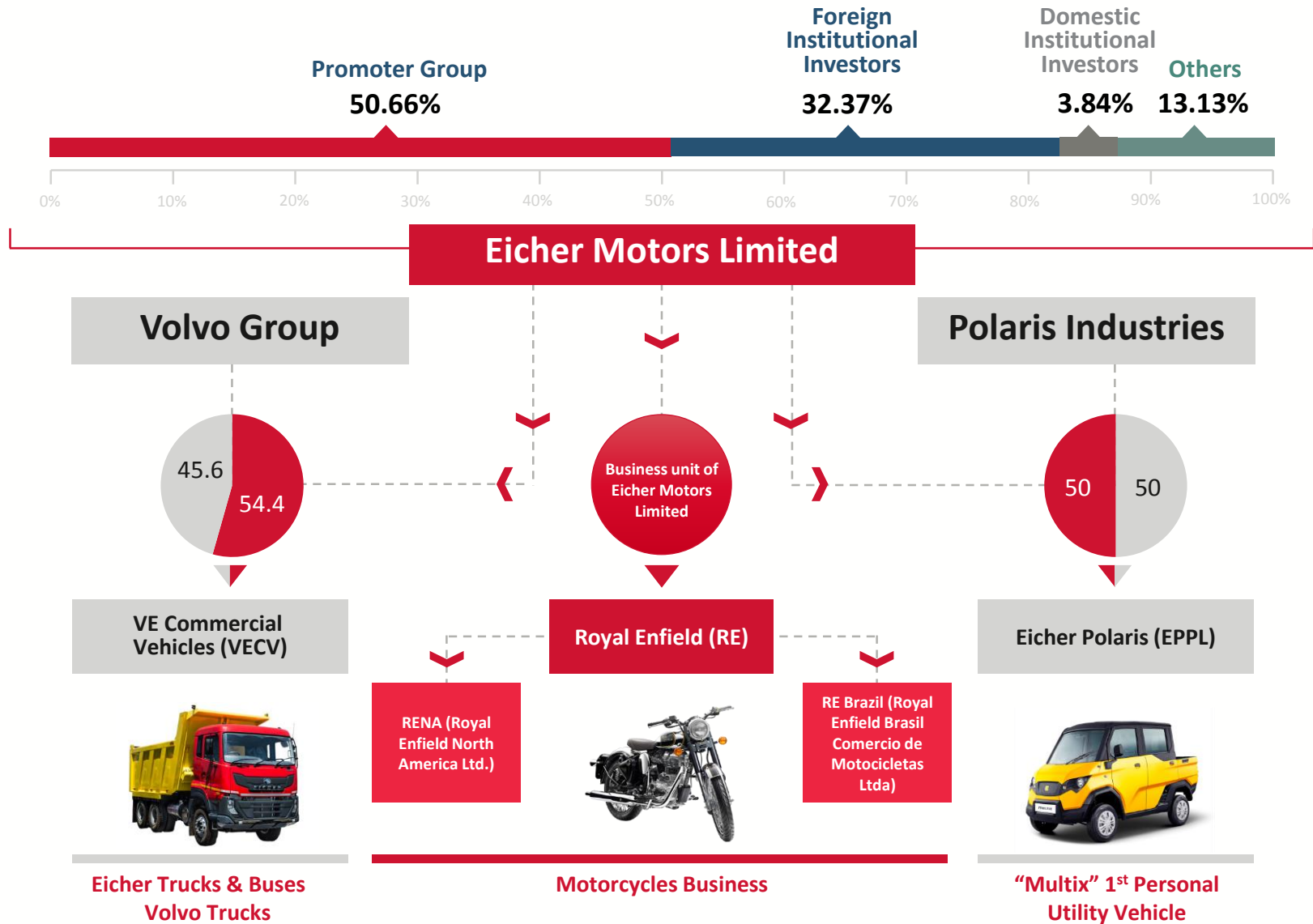
Divests tractor & allied businesses to focus on commercial vehicle & motorcycle businesses



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



Shareholding Pattern (30th June 2016)



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

Board



Eicher Motors Limited

- **S Sandilya**
Non-executive Chairman
- **Siddhartha Lal**
Managing Director & CEO
- **Priya Brat**
Independent Director
- **MJ Subbaiah**
Independent Director
- **Prateek Jalan**
Independent Director
- **Manvi Sinha**
Independent Director



VE Commercial Vehicles

- **Siddhartha Lal**
Chairman & Managing Director
- **Christophe Martin**
Volvo nominated Director
- **Philippe Divry**
Volvo nominated Director
- **Raul Rai**
Eicher nominated Director
- **Prateek Jalan**
Independent Director
- **Lila Poonawalla**
Independent Director



Eicher Polaris Pvt. Ltd

- **Michael Dougherty**
Chairman
- **Siddhartha Lal**
Eicher nominated Director
- **Lalit Malik**
Eicher nominated Director
- **B Govindarajan**
Eicher nominated Director
- **Pankaj Dubey**
Polaris nominated Director
- **Michael Speetzen**
Polaris nominated Director

Business Highlights – FY 2015-16[^]



0

EML continues to be
Debt free company



508,099

Motorcycles sold in FY16,
6x in last 5 years



96%

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



28.3%

Royal Enfield EBITDA
margin in FY16, benchmark
in automobile industry



33.9%

VE Commercial Vehicles
market share in domestic
LMD# segment



8.1%

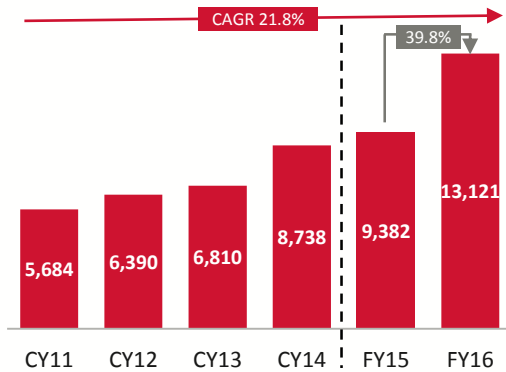
VE Commercial Vehicles
EBITDA margin in FY16,
Best in Class

Financial Highlights – Eicher Motors Ltd. (Consolidated)*

All figures are for Eicher Motors Limited consolidated (in Rs. Crore unless specified)

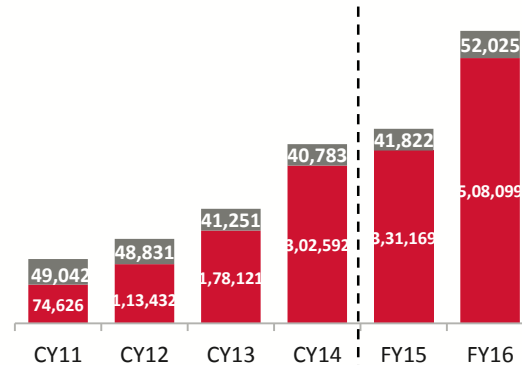
Total Revenue

Total revenue from operations



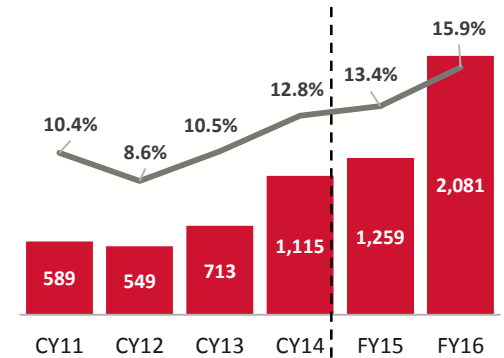
Sales Volume

(in nos)



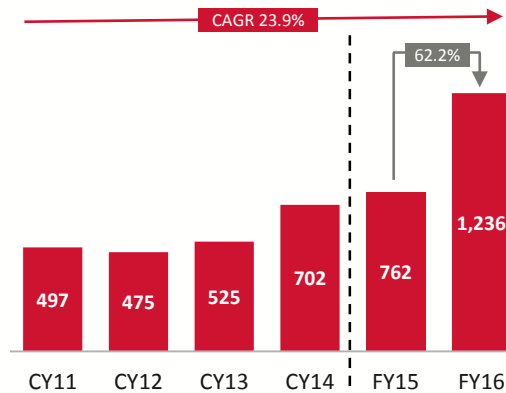
■ RE ■ VECV

EBITDA



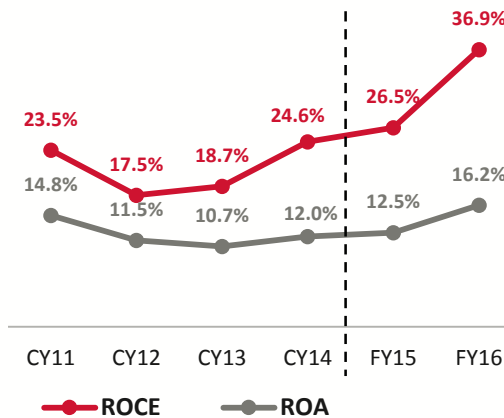
The figures in % indicate EBITDA Margins

Profit After Tax

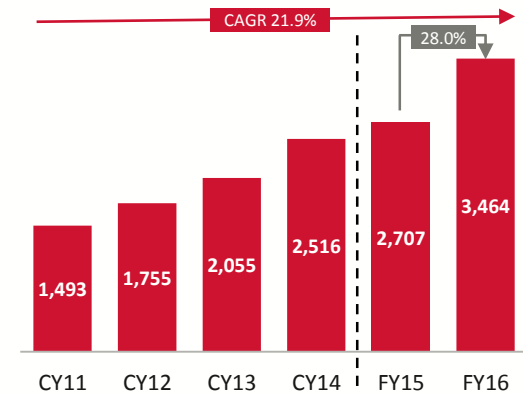


Ratios

(in %)



Networth



INVESTOR PRESENTATION
SEPTEMBER 2016

*As per old accounting standards
EBITDA – Earning Before Interest, Tax, Depreciation & Amortisation
Profit After Tax is before minority interest

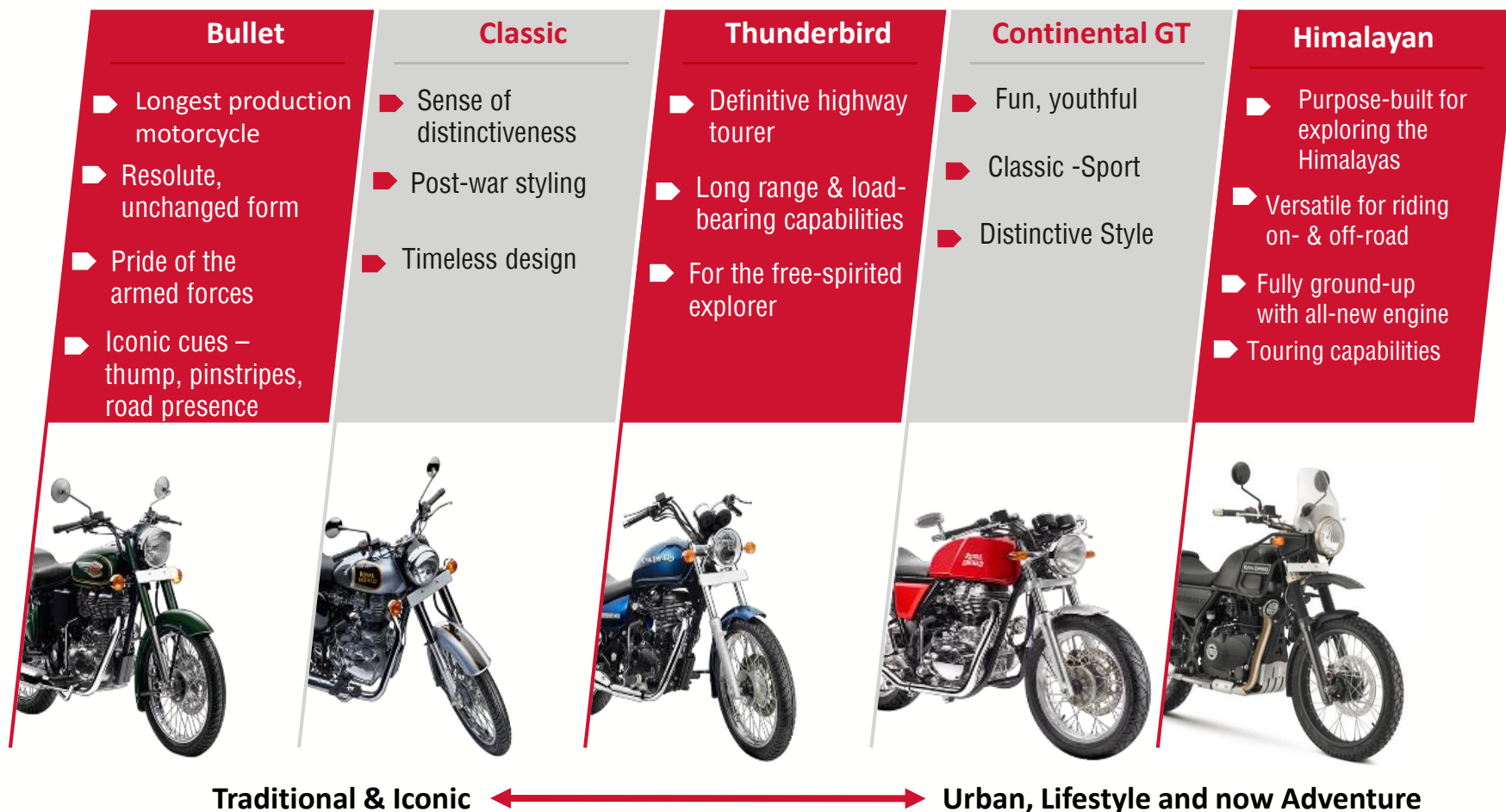
ROYAL ENFIELD

Oldest motorcycle brand in continuous production

| | | | | | |
|---|--|---|---|---|---|
| 1891  <p>R.W. Smith and Albert Butler take over the Townsend Cycle Company in Redditch, UK. Soon after, they start supplying production motorcycles to the Royal Enfield Small Arms Factory in Enfield, Middlesex. Their undertaking is renamed the Enfield Manufacturing Company Limited.</p> | 1893  <p>Royal Enfield's first job involves Royal Enfield - Royal Small Arms Company. The 'victims' made like a goat is slaughtered.</p> | 1898  <p>R.W. Smith designs a prototype motorcycle, a four-wheeled bicycle known as a quadricycle. It has a proprietary 1 1/2 hp De Dion engine.</p> | 1900  <p>Royal Enfield enters motorcycle market when one of its quadricycles enters a 1000 Mile Trial. The event does much to persuade the British public about the viability of motorised transport.</p> | 1901  <p>The first Royal Enfield motorcycle is produced. Designed by R. W. Smith and Frankham Jones Gutter, it has a 1 1/2 hp 300 cc engine and is mounted in front of the steering wheel. The final drive is to the rear by means of a long axle drive belt.</p> | 1909  <p>Royal Enfield's first export is launched at the Stanley Cycle Show. The engine is a 2 1/4 hp and made by the Swiss company, Motocycle.</p> |
| 1914  <p>Royal Enfield's first 2-stroke motorcycle goes into full production. As Britain becomes more deeply involved in World War I, production ceases on all other Royal Enfield motorcycles bearing this machine and the company's biggest motorcycle, the 770cc 6 hp V-twin.</p> | 1924  <p>Continuum development results in a range of 4 models, including the launch of the Sports Model 20, the Royal Enfield 350cc GSV 4-stroke motorcycle with foot operated gear change. It is powered by a 147 cc engine. A 2-stroke step-through Ladies Model is also released.</p> | 1926  <p>A major fire breaks out at the 18-acre Redditch factory. The company's own fire brigade manages to fight flames that threaten to engulf the entire plant.</p> | 1928  <p>Royal Enfield adopts saddle tanks in place of outboard fuel tanks. It is also one of the first manufacturers to change to front link system from a chain drive to centre spring guide forks.</p> | 1930  <p>The decade begins with a diverse eleven model range, from the 250cc 2-stroke Model A to the 730cc V-twin Model X. Also, the new 350 and 500cc side-valve and overhead valve machines with dry-sump lubrication are also produced.</p> | 1933  <p>The legendary 'Bullet' motorcycle is born. It is first displayed in November 1932 at the important India Count Motorcycle Show in London. Three versions, 250, 350 and 500cc are available. All with inclined 'V'port engines, twin-spaced cylinder heads, foot operated gear change and high compression pistons.</p> |
| 1935  <p>Cord begins riding a 500cc Bullet at the Isle of Man TT. He takes to his feet averaging 24 mph. It is Royal Enfield's last factory sponsored entry in the event. The 500cc Bullet radically changed the following year with the release of a new sporting version, the Model 17, featuring a 4-valve cylinder head.</p> | 1939  <p>Royal Enfield produces large quantities of motorcycles and cycles during the Second World War. The most iconic military model is the 250cc 'Autumn' motorcycle known as the Flying Flea. This 250cc 2-stroke can be loaded into a specially fabricated parachute crate and dropped with paratroopers behind enemy lines.</p> | 1948  <p>The 350cc Bullet prototype, with radial engine and new suspension, is previewed in the Colborne Cup Trial of March 1948. Two Bullets from part of the victorious British team in the 1948 1947 International Six Day Trial, held in Italy. Both the new and old models.</p> | 1949  <p>The new 500cc Bullet and 500cc twin models are launched in the UK. Both bikes share the same frame, swinging arm suspension, telescopic front forks and gearbox. R. W. Smith's type licensees, Madras Motors to import British motorcycles into India, Messrs. Noyes and Mathew machines, he sells Royal Enfield.</p> | 1952  <p>Madras Motors receives an order from the Indian Army for 400 350cc Bullets. The motorcycles arrive from Redditch in early 1952 and prove to be a great success, being both hardy and easy to maintain. Johnny Britton wins the prestigious Scottish Six Days Trial on his 350cc Bullet, 'The Bull'.</p> | 1955  <p>The Redditch company partners Madras Motors, India to form 'Enfield India'. Work commences on the construction of a purpose-built factory at Thiruvattur, near Madras.</p> |
| 1956  <p>The Thiruvattur factory opens and Bullets begin to be manufactured under license. Early production is based on machines that come from England in kit form which are then assembled in Madras. A total of 363 Bullets are built by the end of the year.</p> | 1957  <p>Johnny Britton wins the Scottish Six Days Trial on a Bullet for the second time and also finishes top of the British Trials Championship. The 250cc Crusader model is launched in Britain. Following it up, the motorcycle features a front construction engine and alternator electric with coil ignition.</p> | 1964  <p>The iconic Continental GT café racer is launched to great acclaim when a team of photographers ride it from John to Gilling to Leeds and in under 24 hours, by way of 7 laps at the Silverstone circuit. The GT features a racing petrol tank, clip-on handlebars, rear sets, a humped race seat, rev counter and a swept back exhaust.</p> | 1967  <p>With only two models left in production at the start of the year, the 250cc Continental GT and the 730cc Interceptor - Royal Enfield's Redditch factory closes down. Production of the Interceptor continues at Enfield's underground facility in Bradford on Avon.</p> | 1970  <p>The Enfield Cycle Company to the UK goes out of business. The remaining Interceptor bikes are sold to the Rickman Brothers and to its proprietor, Martin James. Approximately 90 of these machines are built. Production in India continues without interruption.</p> | 1977  <p>Royal Enfield India begins exporting the 350cc Bullet to the UK and Europe. Sales grow rapidly as the bikes develop a following amongst classic British motorcycle enthusiasts.</p> |
| 1993  <p>Enfield India produces the world's first and only mass-manufactured diesel motorcycle. Known as the Enfield Desert, it used a highly fuel efficient 350cc power unit installed in the standard Bullet riding chassis.</p> | 1994  <p>The Fisher Group acquires Enfield India Limited. The company is renamed Royal Enfield Motors Limited.</p> | 2002  <p>The Thunderbolt, a stylish twin, born cruiser is launched in India. It features the first 6-speed gearbox used on a Royal Enfield since '76 in Redditch. More than a 3000 Royal Enfield motorcycles have been sold since its launch for the Royal Enfield Owner's Club Redditch Revisited event.</p> | 2003  <p>The Thunderbolt, a stylish twin, born cruiser is launched in India. It features the first 6-speed gearbox used on a Royal Enfield since '76 in Redditch. More than a 3000 Royal Enfield motorcycles have been sold since its launch for the Royal Enfield Owner's Club Redditch Revisited event.</p> | 2004  <p>The Enfield X, an export Bullet with a 500cc version of the all alloy twin born engine, goes on sale. The new-style 'Bullet Mechanic' is rated the 'No. 1 Cruiser' in a TNS Autocar survey.</p> | 2005  <p>Royal Enfield celebrates 10th anniversary in India.</p> |
| 2009  <p>The 500cc UCI engine is launched in India. The semi-cyclist design version achieves 60 km/h instantly and sales grow rapidly.</p> | 2011  <p>The company launches its first annual 'The Ride', where all Royal Enfield riders across the world are encouraged to go for a ride on the first Sunday in April. Royal Enfield acquired 50 km of land at Oragadam near Chennai for its new plant. A factory designed trip crosses the border with 'Tour of Nepal'.</p> | 2012  <p>Royal Enfield launches its first highway cruiser, the all-black Thunderbolt 500. Work on the new Oragadam factory continues briskly while the Thiruvattur plant gets new production records.</p> | 2013  <p>The first Royal Enfield motorcycle with out of the new Oragadam plant near Chennai. 49 years after it launched the first Continental GT, Enfield rolls out the all new Continental GT, a motorcycle built on a new race frame chassis that is, through and through, a race racer.</p> | 2014  <p>Royal Enfield introduces a new retail experience with the opening of the first of its kind exclusive gear store at Icon Market, New Delhi.</p> | 2015  <p>Royal Enfield acquires worldwide collaborations. Harts Performance of the UK, a motorcycle engineering and design firm to enhance its engineering and product design capabilities.</p> |
| 2016  <p>Royal Enfield celebrates 125th anniversary in India.</p> | 2017  <p>Royal Enfield celebrates 125th anniversary in India.</p> | 2018  <p>Royal Enfield celebrates 125th anniversary in India.</p> | 2019  <p>Royal Enfield celebrates 125th anniversary in India.</p> | 2020  <p>Royal Enfield celebrates 125th anniversary in India.</p> | 2021  <p>Royal Enfield celebrates 125th anniversary in India.</p> |

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



New Product launch- Himalayan



Bringing together 60 years of Himalayan riding experiences in a completely ground-up design, and powered by a new LS 410 engine, the Royal Enfield Himalayan paves the way for a purer, non-extreme and more accessible form of adventure touring in India

- 411cc air cooled 4 stroke engine
- 300mm front & 240 mm rear disc brakes
- 220 mm ground clearance

Product Portfolio – Gear

In October 2012, Royal Enfield launched its range of meticulously designed, purpose-built Accessories & Apparel inspired by the motorcycling way of life



Protective gear launched with Himalayan

Introduced meticulously designed, purpose-built protective riding gear that caters to the long range tourer travelling to unpredictable places, terrains and climates. The protective gear range includes the 4-season Royal Enfield Darcha riding suit made in collaboration with REV'IT; versatile touring jackets and trousers with Cordura, protective armour, removable thermal liners and breathable waterproof lining. The collection also has riding gloves, riding trousers and riding boots.

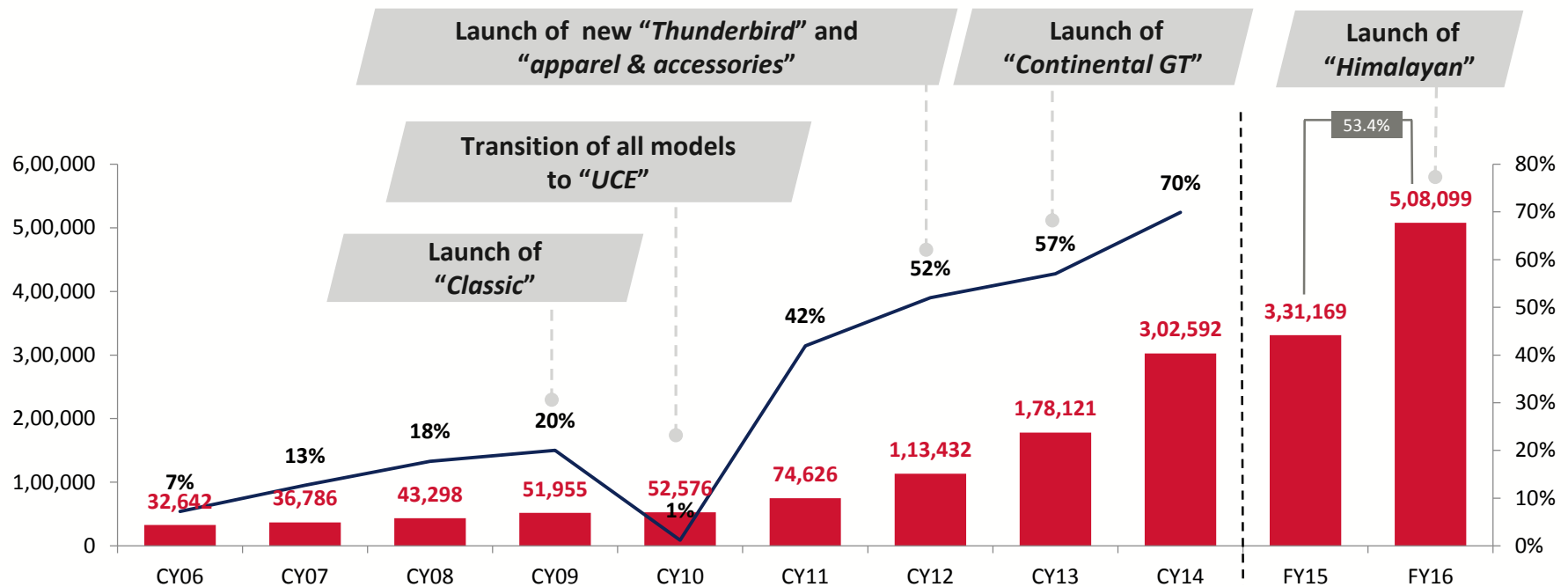


Despatch Rider Range

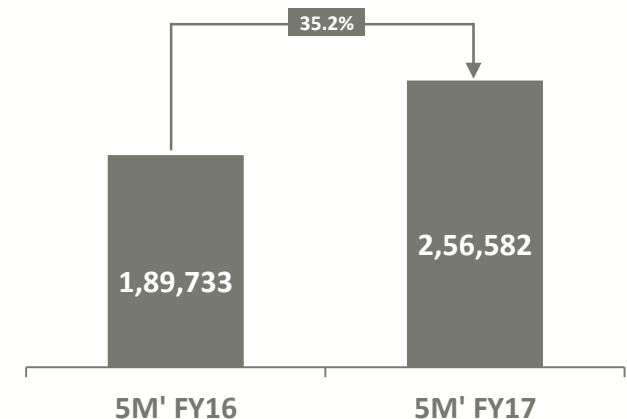
Launched on 30th May 2015 this collection was inspired by the Despatch riders of the world wars and the kit they served in. The Gear blends classic military detailing with modern silhouettes. The range consisted of canvas, twill & leather jackets, urban riding boots, coated canvas bags, raw & selvedge denims, t-shirts and a host of leather accessories.



Robust sales growth post transition to UCE



- ▶ Launch of “Classic” in 2009 and transition to UCE were key drivers for sales growth
- ▶ Volumes grew by 54% CAGR during the period CY10 to FY15-16, mainly due to high demand for “Classic”

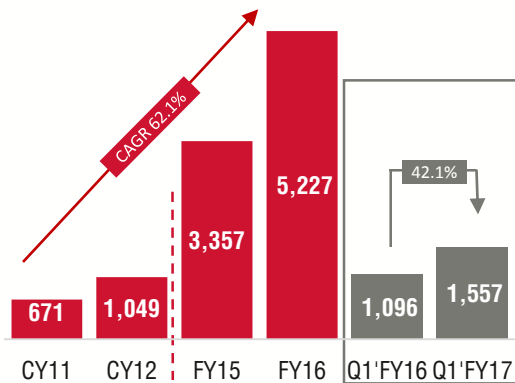


Financial Highlights – Eicher Motors Ltd. (Standalone)

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

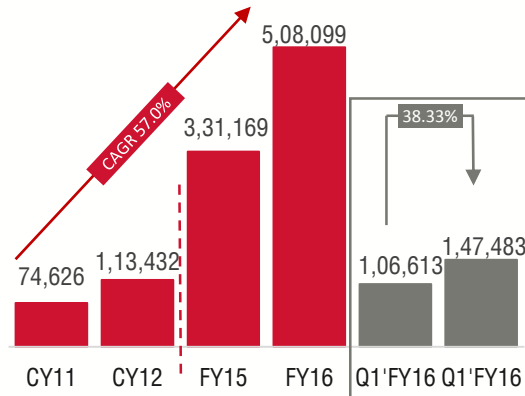
Total Revenue

Total revenue from operations

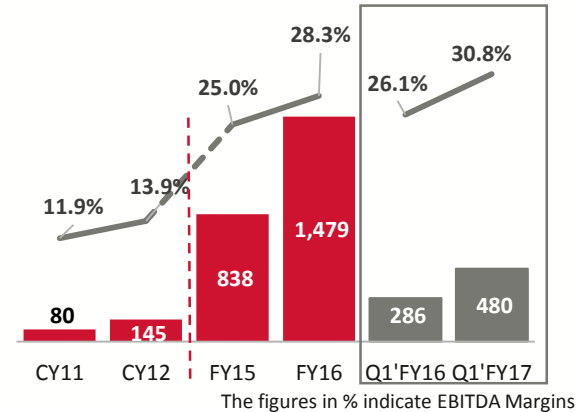


Sales Volume

(in nos)

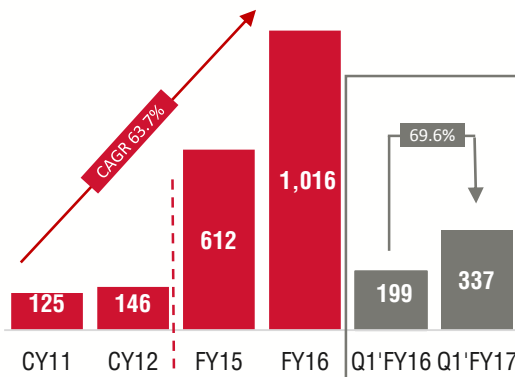


EBITDA

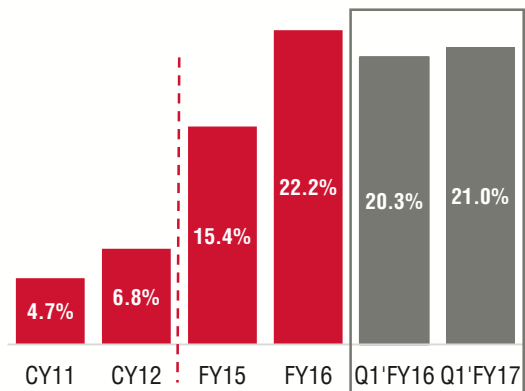


The figures in % indicate EBITDA Margins

Profit After Tax

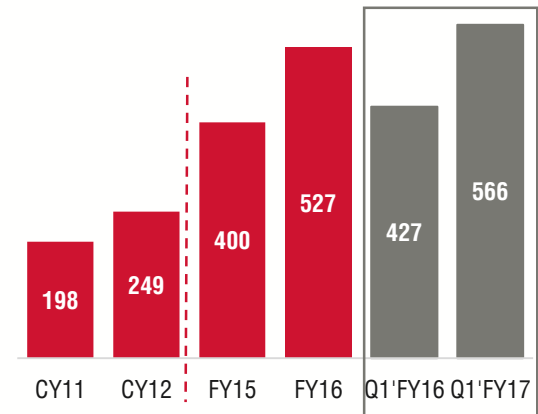


Market share* (India)

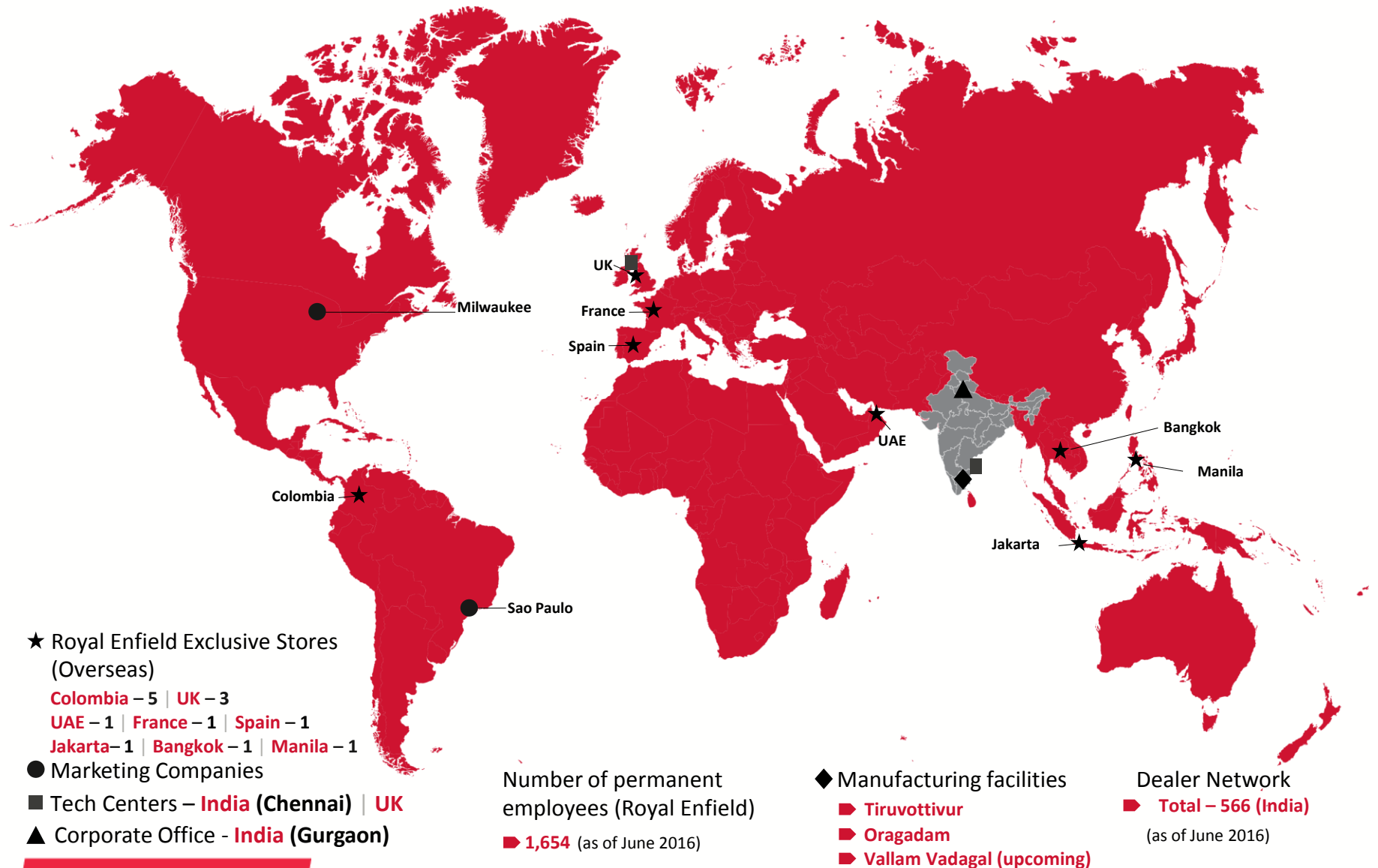


Dealer Network (India)

(in nos)

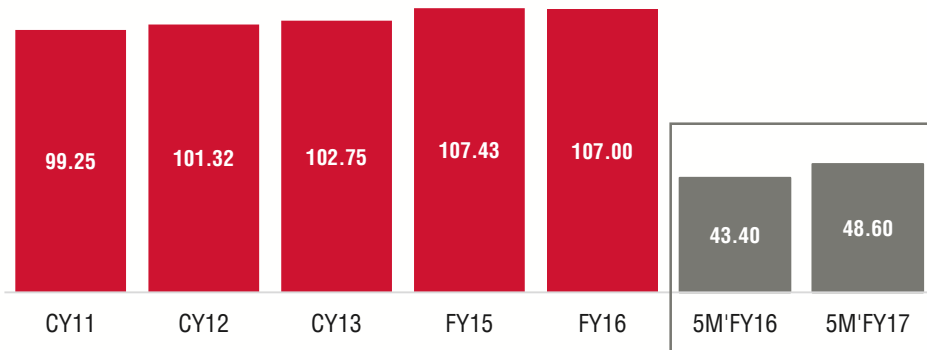


Our Footprint



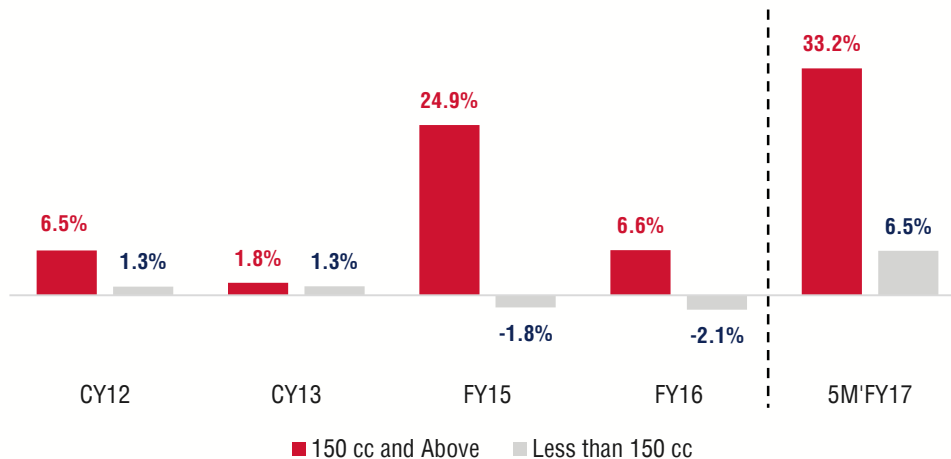
Industry Overview

Motorcycle Volumes (India) (in lacs)



India - largest motorcycle market in world

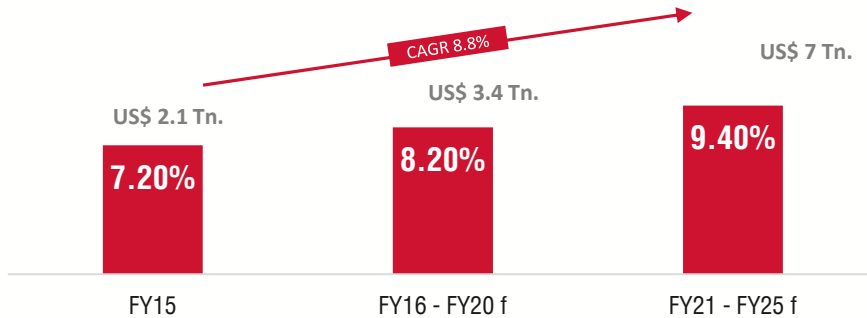
Growth rate of various motorcycle segments



Indicates growing premiumisation of motorcycle market

Opportunity – Domestic Market

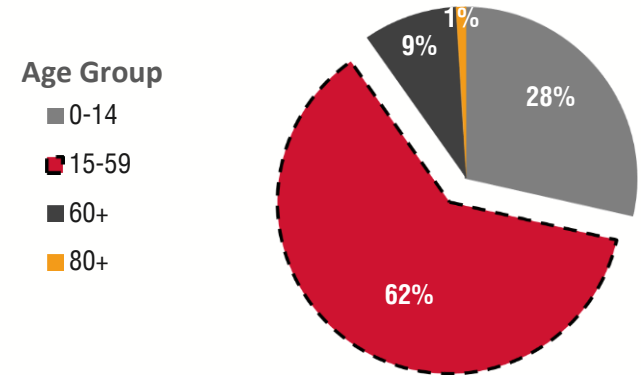
India to become a **US\$7 trillion** (current market price) economy by 2025



Indian Economy: A shift to a high growth path

Note: Figures in the circles denotes nominal GDP in the terminal year
f: D&B forecasts, data from FY16 are forecast | Source: Mospi

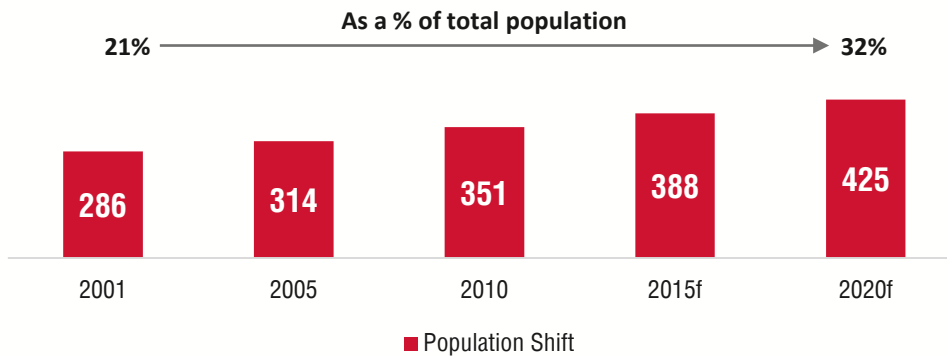
India's demographic profile (year-2015)



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

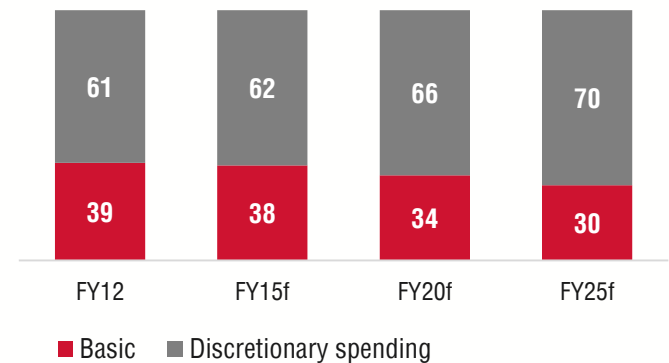
Growth in urbanization

(In mn)



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

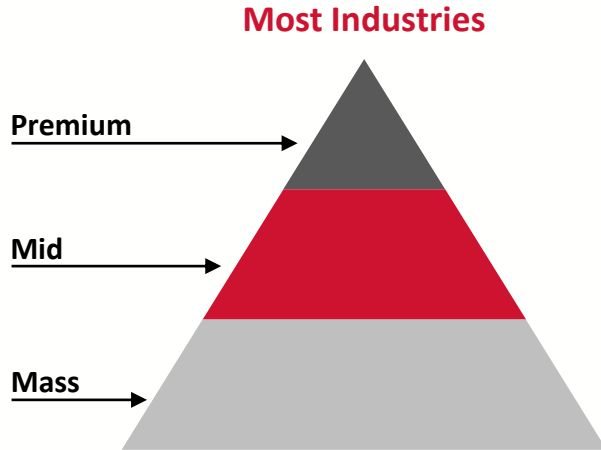
Rising share of discretionary spending over the year (%)



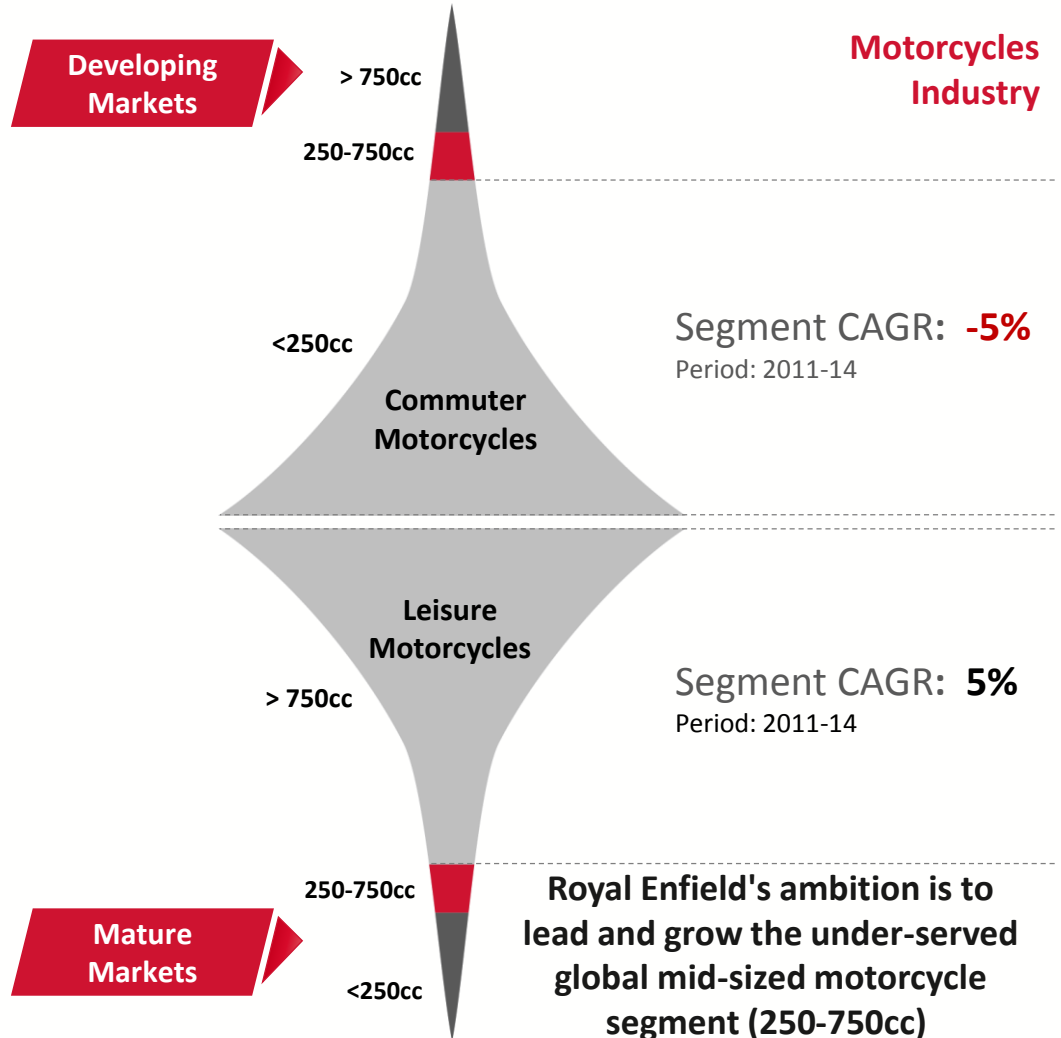
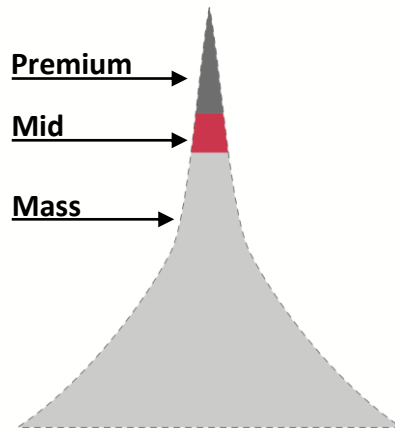
F: D&B forecast | Source: CSO, D&B India

Opportunity – International Business

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



Motorcycle Industry



Preparing for future growth

Capacity



- Phase II of Oragadam plant commissioned
- Capacity to increase to 6,75,000 in FY17
- Ground breaking ceremony of Vallam Vadagal land happened; start of production likely in Q3'FY18
- Peak capacity to ramp up to 9,00,000 by FY19

Product Development



- 2 Technology centres in Chennai and UK
- 1 new product platform in development stage in 250cc-750cc range, likely to roll out by the end of FY18

Distribution



- New exclusive stores format introduced in India & International Market
- No. of dealers in India to increase to 600 by end the of this year

Capital expenditure planned for ~Rs. 600 cr for Capacity Expansion, Technology Centre, Infrastructure, Product Development and expanding distribution network

Brand - Recent Milestones

Exclusive brand stores –
expanding our global
footprint

- In nodal cities across the world like London, Madrid, Paris, Bogota, Dubai, Jakarta, Bangkok & Manila
- Bringing alive machine-love and showcasing motorcycling at its purest

DESPATCHED! our
Limited Edition tribute

- Limited edition run of the Classic; inspired by our association with the Despatch Riders of the world wars
- Design details such as imported camouflage finish, imported leather seats, and an chrome-engraved limited edition plate
- Offered for booking only on royalenfield.com , this special range of 200 motorcycles was sold out in just 23 minutes!

Wheels and Waves festival
8th-12th June, 2016
Biarritz, France

- Royal Enfield participated in One of the most anticipated events in the custom motorcycling scene for the third time displaying its full range of motorcycles along with two exclusive renditions called Mo' Powa' and Dirty Duck.

Organised first ever
women's only edition of
Himalayan Odyssey

- Powered by STRE (She Travels on a Royal Enfield), the maiden edition of Himalayan Odyssey - Women (HO-W) featured women participants who rode on the 'holy grail' of motorcycling during 9th to 23rd July, 2016.



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



September 2008: Signing of definitive agreements

Jul-Aug 2008: Commencement of JV



2011: Reliability Lab Inauguration



2012: CED paint shop inauguration



2009: Inauguration of the new gear component plant at Dewas



2010: Launch of VE-series of Eicher HD trucks



2012: VEPDC inauguration



2009: Launch of CSI-1 quality improvement initiative



2010: VTI launched FH 520 - the most powerful Volvo truck on Indian road



2013: VEPT Pithampur inauguration

Milestones



2013: Pro Series launch



2013: Start of cabin production in body shop



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



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



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



2013: EEC gear plant, Dewas Unit II inauguration



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



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

New Product launches

LMD Range



Eicher trucks & buses (ETB) forays into the sub 5t category with Eicher Pro 1049

Offers longest cargo body (10ft) & highest payload (4.9T GVW) in the segment.

Provides spacious and comfortable cabin area (0.5 x 2 m) for best in class visibility

Boasts of proven, high performance E-483 engine for best-in-class fuel mileage, high pickup & acceleration and turnaround time

HD Range



ETB launches Eicher Pro 6031 with BSIV technology



ETB launches 20.16XP R Cowl with 113kw 6 Speed Engine

BUS Range



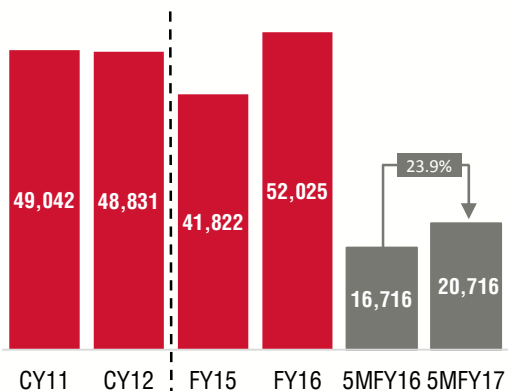
ETB launched Skyline Pro AC BSIII & BSIV ranges buses in School / Staff & Route Permit segment.



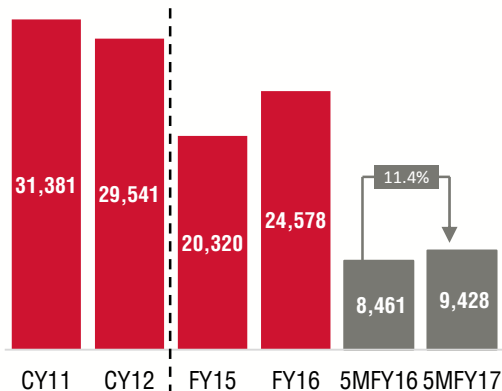
ETB launched 10.75 CNG ranges buses in school / staff segment in for Delhi NCR & other metro cities

Volumes

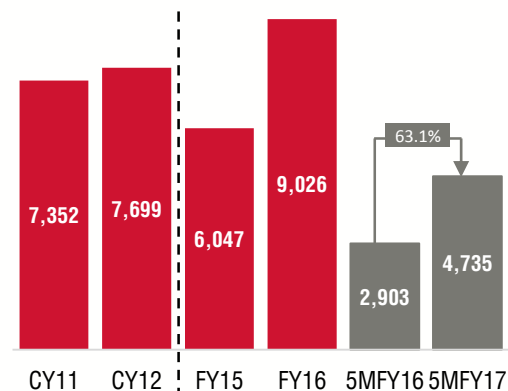
Total CV* Volumes (in nos)



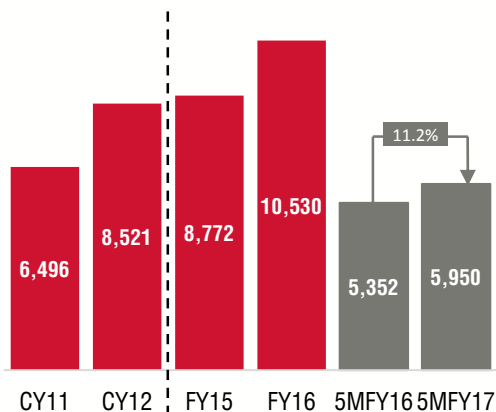
Eicher Light to Medium Duty Trucks (5 -15 ton) (in nos)



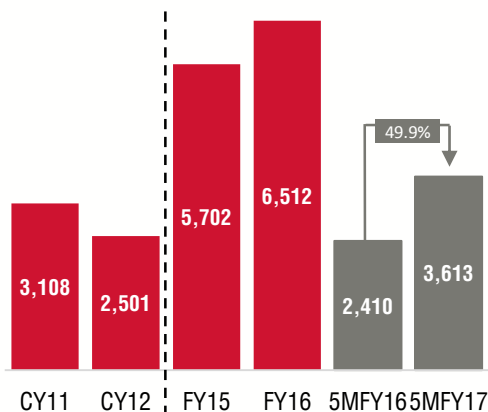
Eicher Heavy Duty Trucks (16 ton +) (in nos)



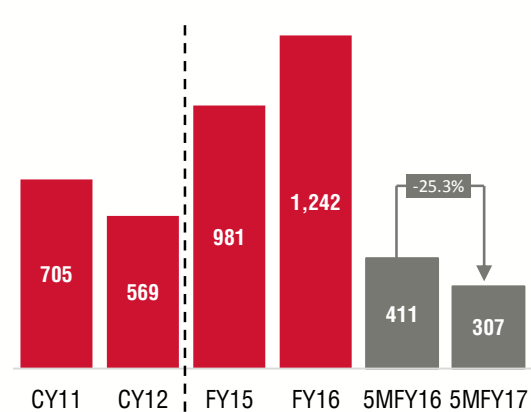
Buses (in nos)



Exports (in nos)



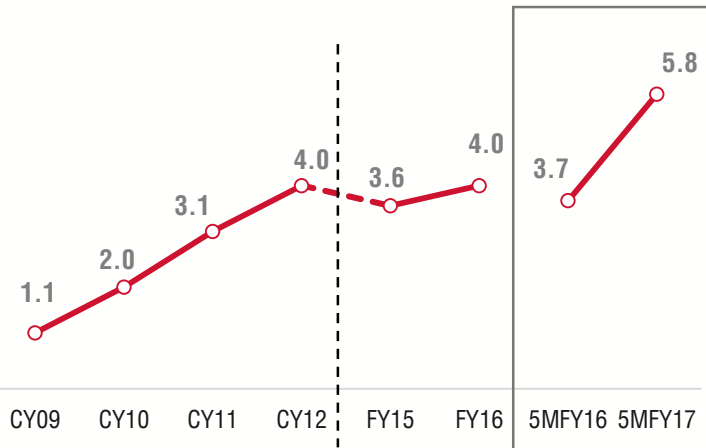
Volvo Trucks (in nos)



Market Share

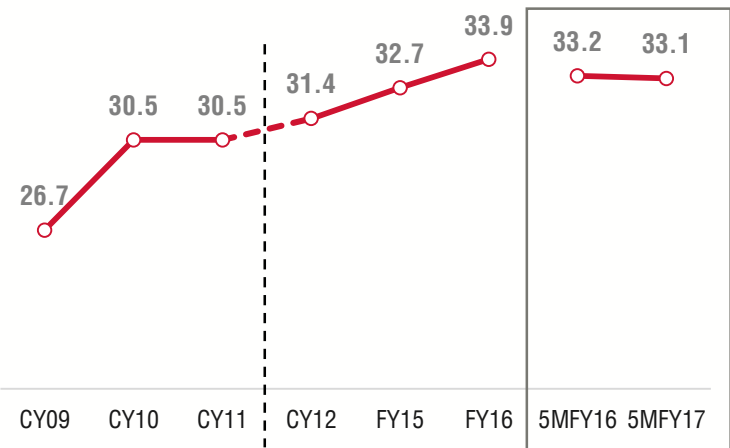
Eicher Heavy Duty Trucks

In %



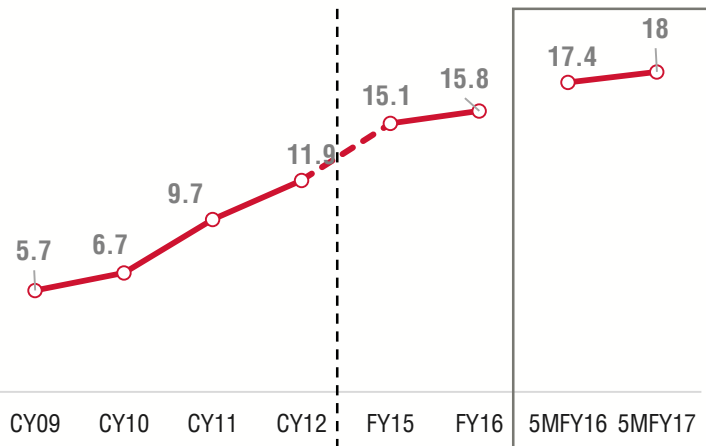
Eicher Light and Medium Duty Trucks

In %



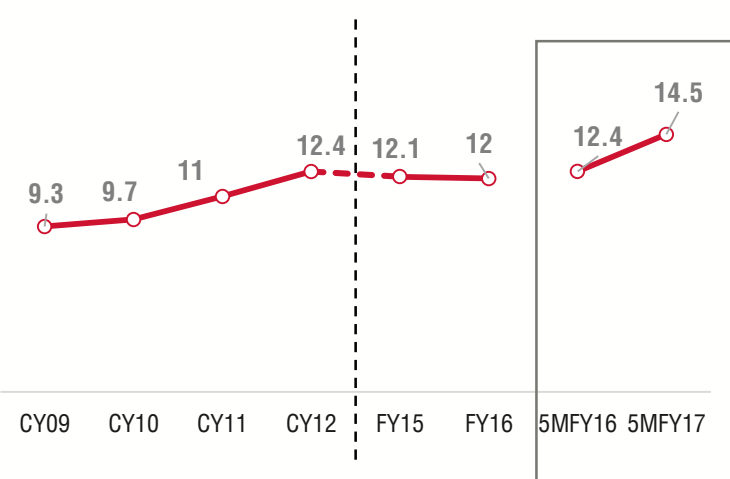
Buses

In %



VECV market share(including exports)

In %

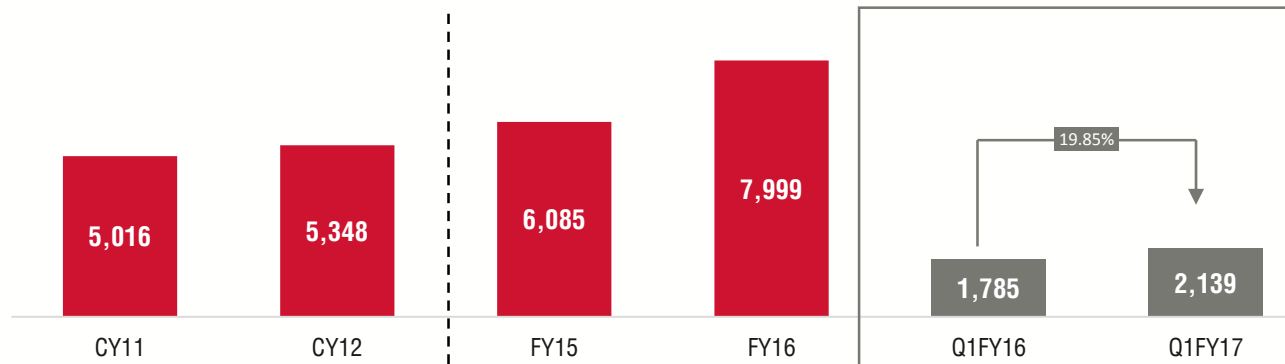


Financial Highlights – VE Commercial Vehicles

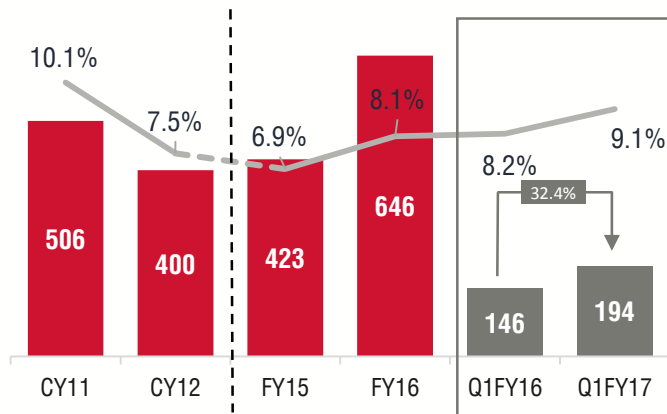
All figures are for VE Commercial Vehicles
(in Rs. Crore unless specified)

Total Revenue*

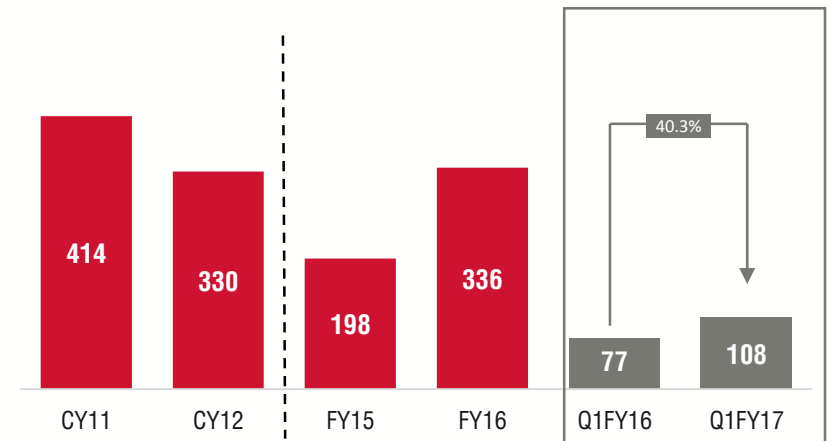
Total income from operations



EBITDA and EBITDA Margin*

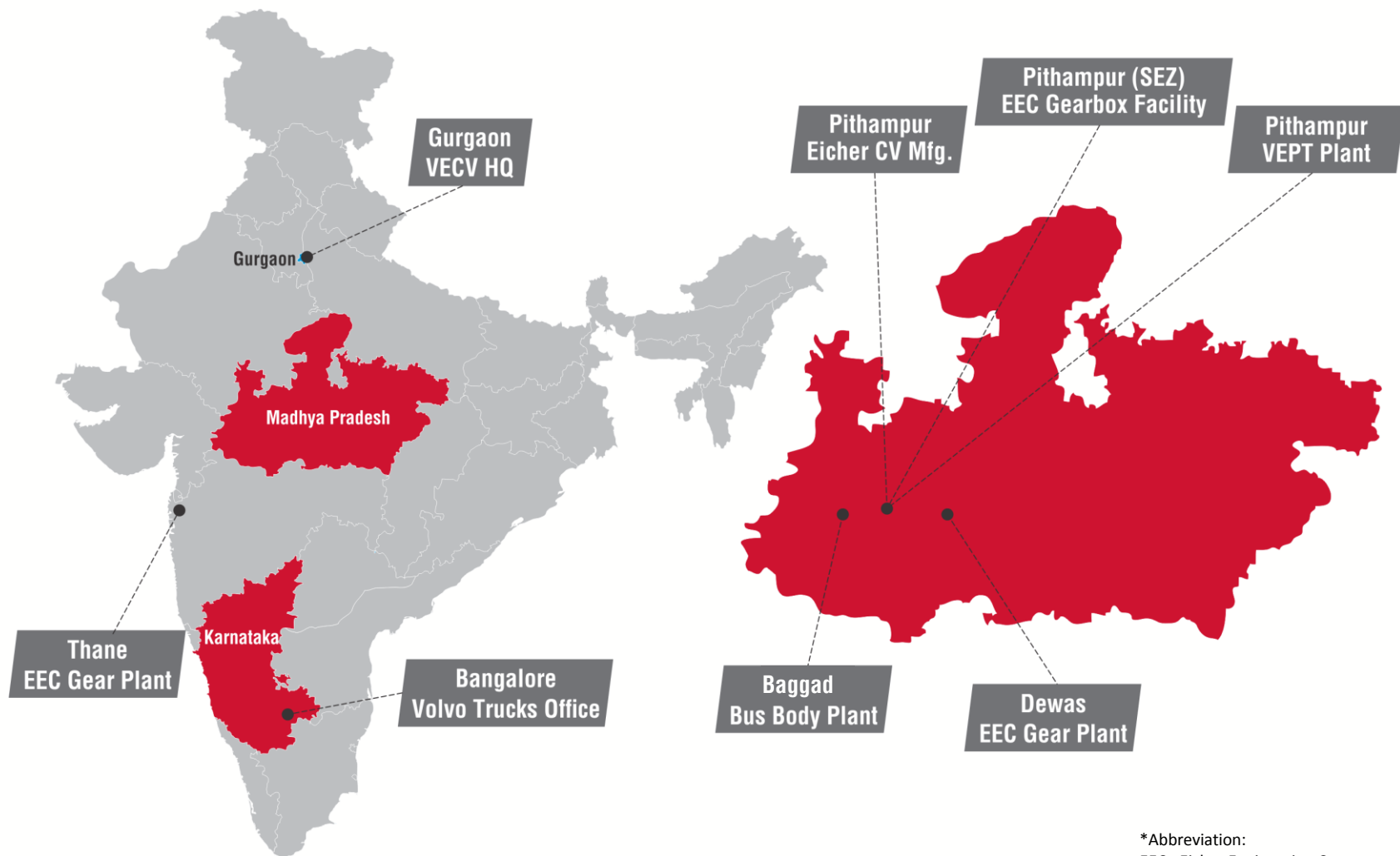


Profit After Tax



EBITDA – Earning Before Interest ,Tax, Depreciation and Amortisation
*Excludes Other Income

India Facilities – Manufacturing and Operations



Number of permanent employees(VE Commercial Vehicle) – 14,246*

(*Including outsourced but excluding EES, US) (as of June 2016)

*Abbreviation:

EEC - Eicher Engineering Components

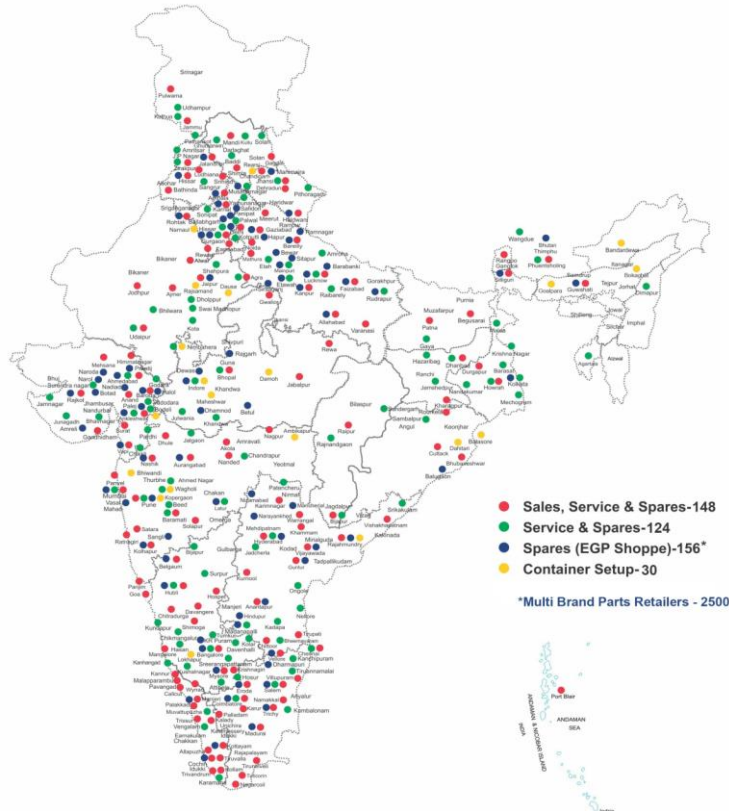
VEPT - VE Power Train

SEZ - Special Economic Zone

HQ - Head Quarter

VECV Trucks and Buses Distribution network

Eicher Truck & Bus Network



- Dealer network 272 nos. including 10 COCO outlets
- Additional 40+ site support facilities
- 23 distributors, 156 Eicher Genuine Parts Shoppe and >2500 multi-brand parts retailers.

Volvo Truck & Bus Network



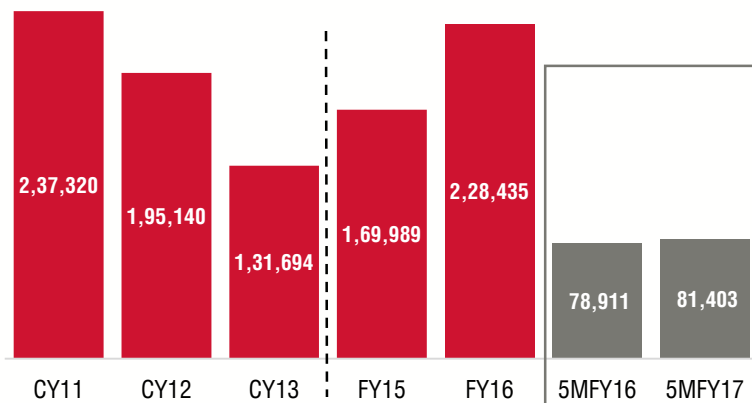
- Over 150 touch points.
- Hub and spoke network model
- Sets benchmarks in the industry for vehicle uptime and productivity

* COCO – Company owned company operated

CV Industry on recovery path - led by HD trucks & exports

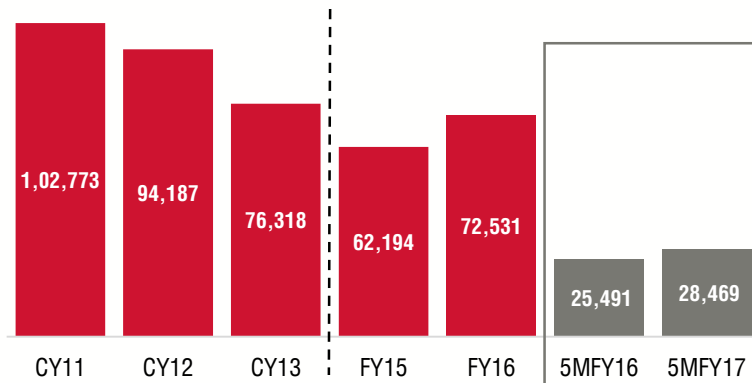
Heavy Duty Trucks (>16 Ton)

(in nos)



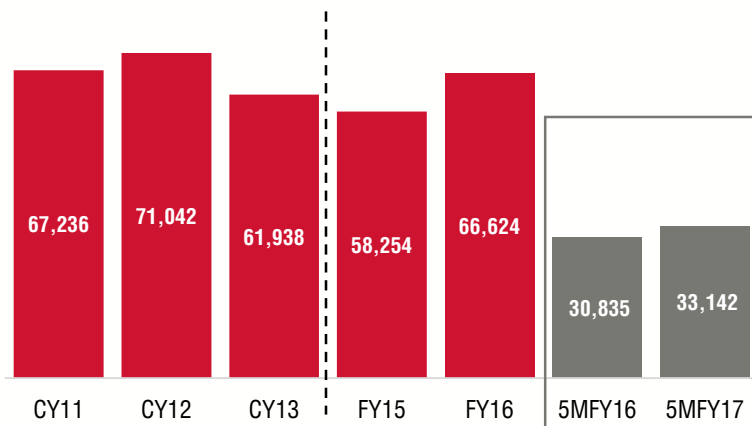
LMD Trucks (5-15 Ton)

(in nos)



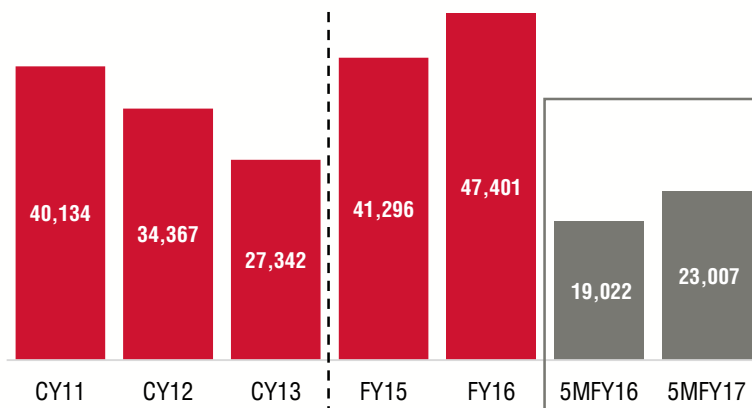
Buses

(in nos)



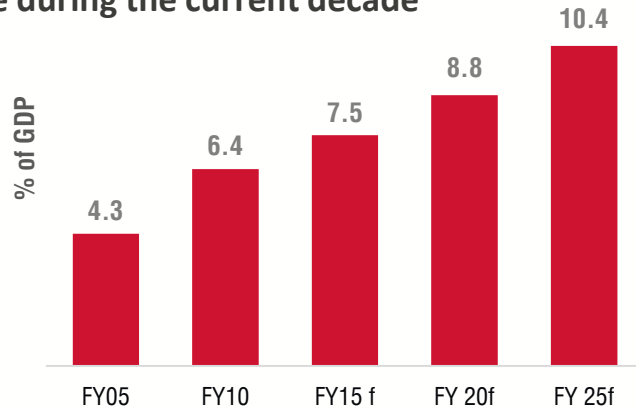
Exports

(in nos)



Opportunity – Infrastructure investments to boost CV industry

Investment in infrastructure expected to rise during the current decade



f: D&B forecasts

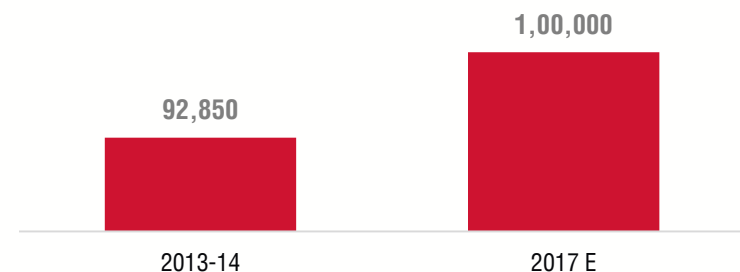
Source: Planning Commission, D&B India

- ▶ India Nominal GDP @ ~2 trillion USD (2014) is 9th largest; 3rd largest by PPP at ~7.4 trillion USD
- ▶ USD 75 Billion investment in 12th five year plan '2012-17
- ▶ Continued reform, re-starting of stalled projects, favorable monetary policy and consistently low inflation expected to take India's GDP to ~8% growth level in FY17

- ▶ Road construction target of 30kms per day from 2016
- ▶ Thrust on cement roads to improve life of roads
- ▶ Several steps being taken to improve road construction execution
- ▶ Govt. plans to increase production capacity of coal to 1 billion ton by 2020 compared to present levels of ~ 600 MT in FY15
- ▶ Traffic at ports across India projected to grow at 11% CAGR during 2011-20

Length of National Highways

In. km



The National Highway Development Project (NHDP), a USD 60 Billion, seven-phase programme – one of the largest in the world – focuses on the widening, upgradation and rehabilitation of 47,054 kms of National Highways

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: steadily gaining market share

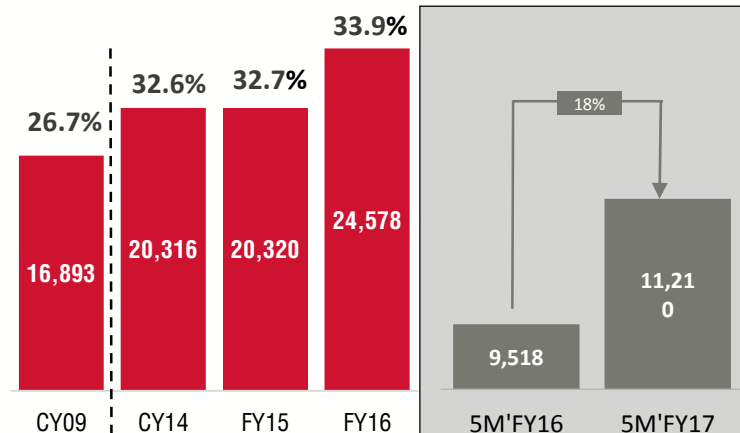
Eicher Pro 1000 series (5-15 Ton GVW)

Mileage ka Badshah



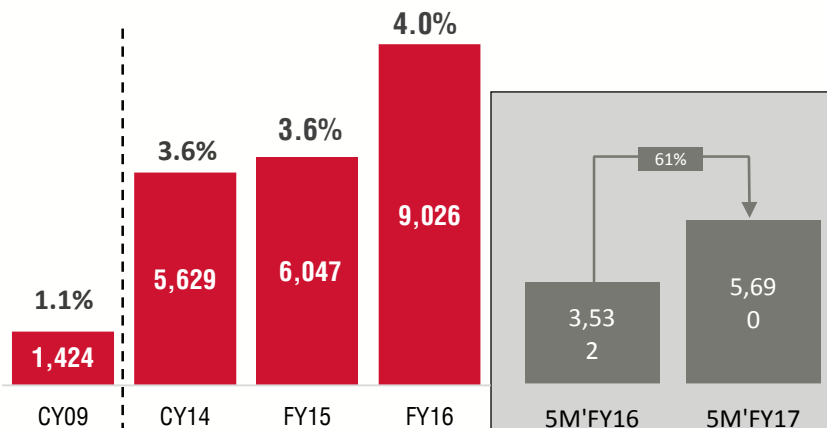
Eicher Pro 3000 series (10-15 Ton GVW)

Volumes and market share



Eicher HD Trucks: to leverage full potential.....

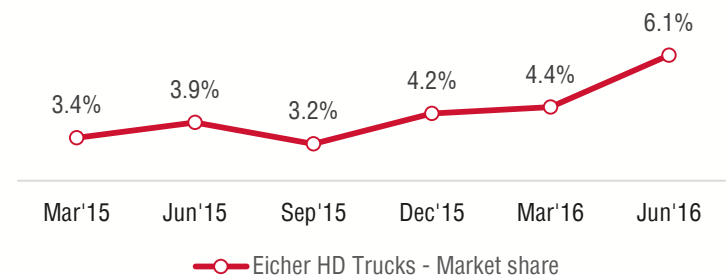
Volumes and market share



Pro 8000 series



Steadily growing market share



Pro 6000 series

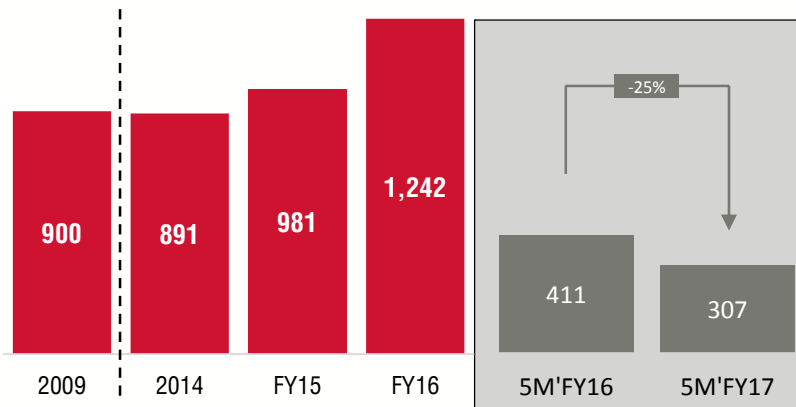


- Eicher HD trucks have been consistently growing more than the HD trucks market in India. Volumes grew by 72% from Mar'15 to Mar'16.
- Favorable macro economic factors, availability of wider range of power trains coupled with aggressive expansion helped Eicher HD trucks to nearly double its market share in last 5 quarters

Volvo Trucks Range of Products

Market leader in Premium Truck segment...
Pushing the limits on what premium trucks can offer

Volumes



Leadership in niche segments



FMX 10X4 (55 Ton dump trucks)



Mining tipper



Tunnel tipper

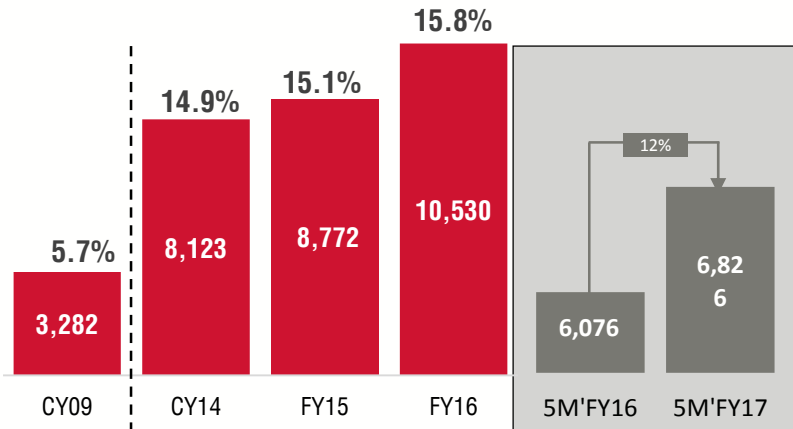


**FH 520 is the
flagship model
of the Volvo
truck range**

Over dimensional cargo

Eicher Buses: strong growth...

Volumes and market share



Skyline Pro

World Class Manufacturing set up....

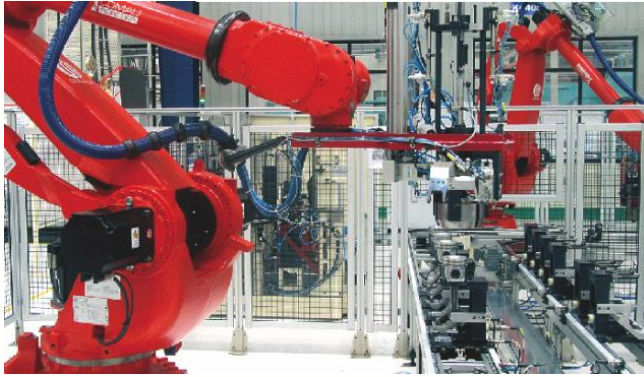
- Most productive plant to produce upto 66,000 trucks and buses, scalable to 100,000 trucks and buses.
- Cab weld shop with robotic welding and integrated testing facilities
- CED paint shop - best in class e-Rodip German technology with robotic painting
- Highly flexible vehicle assembly lines with 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. 400 cr in FY16-17



VE Powertrain



- First engine plant in India producing Euro-6 compliant engine.
- Exclusive manufacturing hub for medium duty automotive engine requirements of Volvo Group.
- Capacity 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 1500 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 INR Rs. 402.8 Cr in 2015



EICHER POLARIS PRIVATE LIMITED

Eicher Polaris Private Ltd. was established in 2012 with strong parentage



EICHER

- ▶ Prominent player in Indian commercial vehicle space
- ▶ Iconic “Royal Enfield” motorcycle brand
- ▶ Proven expertise in frugal engineering and lean manufacturing



POLARIS

- ▶ Leader in power sports industry
- ▶ Proven track record of creating categories
- ▶ Excellent product development capabilities and world class reliability

Eicher Polaris Pvt. Ltd.

**50:50 JV signed on
July 24, 2012**

**Investment till date:
~INR 511 Cr**

**Launched India’s First
personal utility vehicle
(PUV) Multix, an
extremely adaptable
3 in 1 solution**

Consumer: The Independent Businessman



Independent Businessmen

Factory owner, Construction contractor, Caterer, Fancy store owner, Farm house owner, Grower/ sellers of perishable products, Technical service providers etc

Owns a 2 wheeler. Regularly hires various kinds of 4 Wheelers to meet his day to day business/ family needs

Current 4 wheeler options are sub-optimal

Some work for family & others for business. None works for both

What does he need

One Vehicle solution for both Family + Business Needs

Estimated Population:
5.8 crores

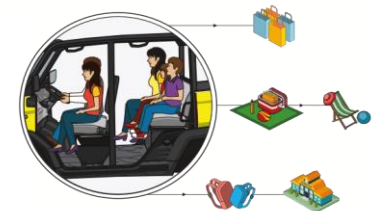
MULTIX – A ground up innovation

Multix

- Extremely adaptable 3 - in - 1 Solution
 - Comfortable seating for family of 5
 - 1918 litres of space
 - Power Generation capacity of 3KW
- Especially designed Pro-ride™ Independent Suspension & High ground clearance 225 mm delivers best in class riding experience on all kinds of roads
- Safety: Tubular frame structure and Roll-Over Protection System (ROPS) provides structural stability and reinforced safety
- Powered by proven and reliable diesel engine delivering Fuel Efficiency of 28.45 Km/ ltr
- With starting price of Rs.2.32 lacs (ex showroom Jaipur), Multix offers unmatched value

3 in 1

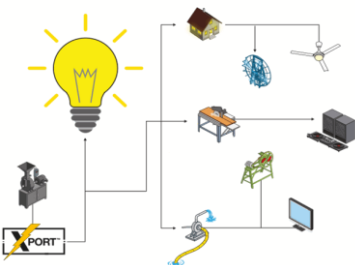
FAMILY



BUSINESS



POWER



Journey: So Far



50:50 JV signed between
Eicher Motors & Polaris
Industries Inc.

July 2012



National Media Launch & Plant Inauguration in Jaipur.
Followed by 1st showroom launch in Jaipur (29th June).
Brand “Multix” is born

June 2015

Ground-breaking
ceremony at Jaipur
Plant



Aug 2015

SOP/ Retail commence
across dealerships in 7
states

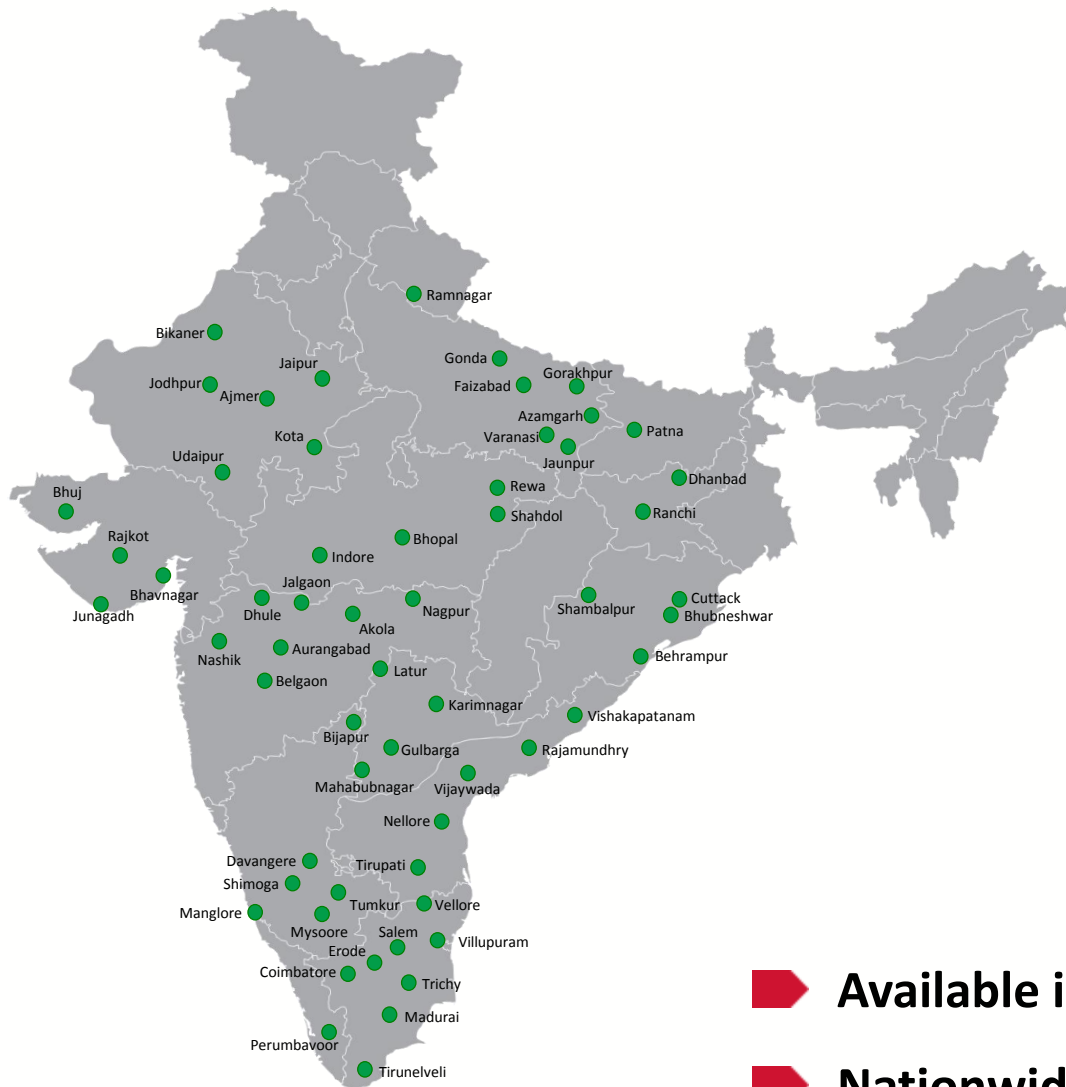


World Class Manufacturing Facility @ Jaipur



Capacity: 60,000 units per annum. Can be scaled up to 1,20,000 units
Equipped with robotic weld lines and in-house paint system

Multix Distribution



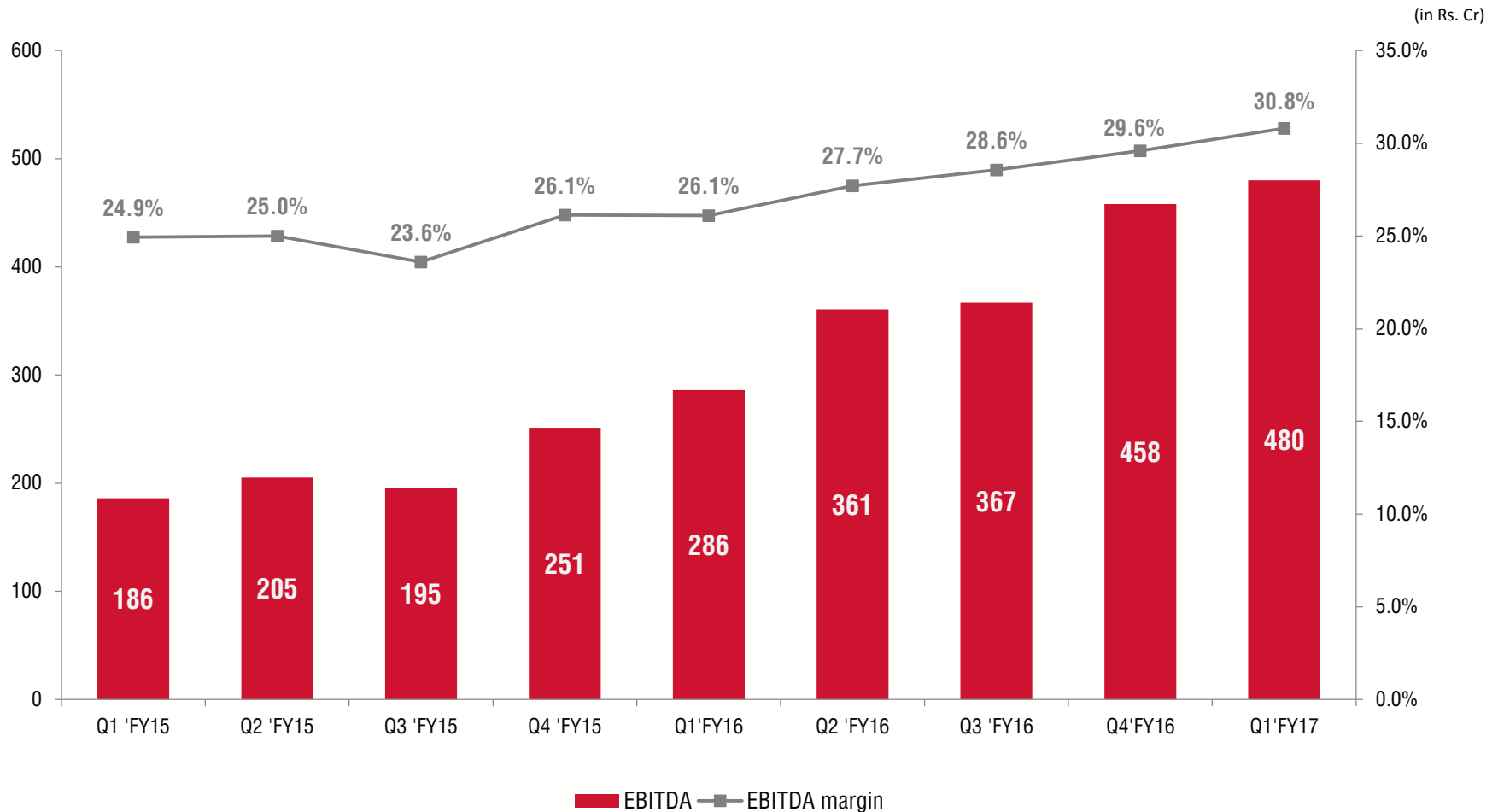
➤ Available in 60 locations

➤ Nationwide in 2 years

FINANCIALS

Quarterly Financial Highlights (Standalone)

Eicher Motors – Standalone* performance in last 2 years...



* Excludes any income/expenses from Treasury operations, dividend from subsidiary company

Introduction & impact of Ind – AS on financials

- Ind AS (Indian Accounting Standards) is a set of 39 accounting standards fully converged with International Financial Reporting Standards (IFRS)
- Under the road map laid out by Ministry of Corporate Affairs (MCA), from 1 April 2016, Ind AS would be mandatory for (a) companies having a net worth of INR500 crore or more and (b) associate companies, holding, subsidiaries, joint ventures or associate companies of such companies.
- As per the regulations, interim reporting as per Ind AS is applicable from the quarter ending 30th June 2016 while the date of transition and comparative period reporting is effective from 1st April 2015.

Key Impact Areas – Ind AS

- Key transitions impacted

| Impacted Item | Impact |
|----------------------------|--|
| Consolidation | VECVL, a subsidiary under Indian GAAP would now be accounted for using the equity method in the consolidated financial statements. |
| Investment in Mutual Funds | To be measured at fair value and mark to market gain/loss recorded as other income in profit and loss account |
| Revenue | Deferral of Income from services over the service period. |
| Employee benefits | Cost of the employee stock option scheme to be recognised at fair value |
| | Actuarial (gain)/loss arising in respect of defined benefit plan to be reclassified to "Other Comprehensive Income" |
| Discounting of provisions | Discounting of provisions to their present value where the effect of time value of money is material. |

Quarterly Financial Highlights (Consolidated) – as per Ind AS

(in Rs. Cr)

| | Q1 FY 16-17 | Q1 FY 15-16 | % growth |
|---|-------------|-------------|----------|
| Total Income from operations | 1,555.7 | 1,095.9 | 42.0% |
| EBIDTA | 470.2 | 285.7 | 64.6% |
| EBIDTA % | 30.2% | 26.1% | |
| Operating Profit (EBIT) | 430.8 | 263.3 | 63.6% |
| Operating Margin (EBIT %) | 27.7% | 24.0% | |
| Profit After Tax | 329.6 | 198.8 | 65.8% |
| PAT (%) | 21.2% | 18.2% | |
| Share of EML in profit/(loss) of Joint ventures | 46.7 | 38.5 | 21.4% |
| Consoildated Profit After Tax | 376.3 | 237.2 | 58.6% |
| | | | |

Impact of Ind – AS on company's financials

(in Rs. Cr)

| Particulars | Quarter ended | | For the fifteen months ended |
|--|---------------|---------------|------------------------------|
| | 31.03.2016 | 30.06.2015 | 31.03.2016 |
| PAT and minority interest as reported under previous GAAP | 334.5 | 221.83 | 1277.88 |
| Impact of change in consolidation method | -13.15 | | -21.31 |
| Fair value gain on investments | 45.81 | 22.31 | 104.69 |
| Impact of discounting of provisions as per Ind AS 37 | 0.88 | 0.47 | 5.27 |
| Actuarial (gain)/loss on defined benefit plan | 0.94 | 0.37 | 1.67 |
| Deferral of revenue on future performance | 0.04 | -0.39 | -0.86 |
| Fair value of employee stock options | -5.88 | -4.25 | -23.29 |
| Tax adjustments | -3.28 | -3.11 | -5.45 |
| PAT as reported under Ind AS | 359.86 | 237.23 | 1338.6 |
| Other comprehensive income/(expense) (net of tax) | -0.61 | -0.24 | -1.09 |
| Total comprehensive income as reported under Ind AS | 359.25 | 236.99 | 1337.51 |

Thank You

Get Social :

-  Royal Enfield
-  Royal Enfield
-  VE Commercial Vehicles
-  Eicher Polaris Private Limited



APPENDIX

Balance Sheet (Consolidated)

(In Rs. Cr.)

| Particulars | Dec'11 | Dec'12 | Dec'13 | Dec'14 | Mar'16 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net Fixed Assets (including CWIP and Pre-operative Expenditure) | 856.71 | 1,496.17 | 2,119.73 | 2,738.68 | 3,322.93 |
| Investments | 512.62 | 638.50 | 825.46 | 1,067.14 | 1,628.93 |
| Other Non Current Assets | 254.75 | 336.66 | 305.56 | 485.74 | 602.68 |
| Current Assets | | | | | |
| Inventories | 427.96 | 488.84 | 526.80 | 645.52 | 1,014.31 |
| Debtors | 344.58 | 445.87 | 512.50 | 562.17 | 833.61 |
| Cash and Bank Balances | 1,191.51 | 803.50 | 682.56 | 480.58 | 591.43 |
| Other Current Assets | 205.25 | 261.94 | 363.98 | 427.74 | 484.86 |
| Current Liabilities and Provisions | 1,327.19 | 1,571.23 | 1,987.62 | 2,477.60 | 3,367.14 |
| Net Current Assets | 842.11 | 428.92 | 98.22 | -361.59 | -442.93 |
| Total | 2,466.19 | 2,900.25 | 3,348.97 | 3,929.97 | 5,111.61 |
| Share Capital | 26.99 | 27.00 | 27.04 | 27.10 | 27.16 |
| Reserves & Surplus | 1,466.14 | 1,727.89 | 2,028.38 | 2,488.76 | 3,437.14 |
| Net Worth | 1,493.13 | 1,754.89 | 2,055.42 | 2,515.86 | 3,464.30 |
| Minority Interest | 837.65 | 948.46 | 1,039.72 | 1,085.06 | 1,156.85 |
| Deferred Tax Liability (net) | 64.46 | 123.19 | 180.45 | 239.35 | 338.18 |
| Other Non Current Liabilities & Provisions | 70.37 | 73.71 | 73.38 | 89.70 | 152.28 |
| Borrowings | 0.58 | - | - | - | - |
| Total | 2,466.19 | 2,900.25 | 3,348.97 | 3,929.97 | 5,111.61 |

Profit & Loss Statement (Consolidated)

(In Rs. Cr.)

| Profit & Loss Account | CY11 | CY12 | CY13 | CY14 | FY16(15M) | FY15 (12M) | FY16 (12M) |
|--|-----------------|-----------------|-----------------|-----------------|------------------|-----------------|------------------|
| Sales Volume: | | | | | | | |
| Commercial Vehicles (Nos.) | 49,042 | 48,831 | 41,251 | 40,783 | 63,045 | 41,822 | 52,025 |
| Two Wheelers (Nos.) | 74,626 | 113,432 | 178,121 | 302,592 | 600,944 | 331,169 | 508,099 |
| Total revenue from operations (net of excise) | 5,684.42 | 6,389.89 | 6,809.80 | 8,738.32 | 15,688.66 | 9,382.11 | 13,120.65 |
| Manufacturing and other expenses | 5,095.07 | 5,840.87 | 6,096.61 | 7,623.54 | 13,241.44 | 8,123.34 | 11,039.38 |
| Earnings before interest, depreciation & tax (EBIDTA) | 589.35 | 549.02 | 713.19 | 1,114.78 | 2,447.22 | 1,258.77 | 2,081.27 |
| EBIDTA to Net Income (%) | 10.4% | 8.6% | 10.5% | 12.8% | 15.6% | 13.4% | 15.9% |
| Depreciation | 63.96 | 82.17 | 130.04 | 219.82 | 451.66 | 248.82 | 374.92 |
| Earnings before interest & tax (EBIT) | 525.39 | 466.85 | 583.15 | 894.96 | 1,995.56 | 1,009.95 | 1,706.35 |
| EBIT to Net Income (%) | 9.2% | 7.3% | 8.6% | 10.2% | 12.7% | 10.8% | 13.0% |
| Finance Cost | 7.67 | 3.79 | 7.88 | 9.78 | 9.04 | 5.16 | 7.81 |
| Other Income | 142.48 | 136.64 | 95.29 | 107.44 | 111.98 | 85.79 | 78.29 |
| Profit before tax | 660.20 | 599.70 | 670.56 | 992.62 | 2,098.50 | 1,090.58 | 1,776.83 |
| Provision for taxation | 162.80 | 124.85 | 145.18 | 290.88 | 646.56 | 328.72 | 541.17 |
| Profit after taxation (PAT) | 497.40 | 474.85 | 525.38 | 701.74 | 1,451.94 | 761.86 | 1,235.66 |
| PAT to Net Income (%) | 8.8% | 7.4% | 7.7% | 8.0% | 9.3% | 8.1% | 9.4% |
| Minority Interest | 188.63 | 150.59 | 131.44 | 86.38 | 174.06 | 90.34 | 153.06 |
| Profit after taxation and minority interest | 308.77 | 324.26 | 393.94 | 615.36 | 1,277.88 | 671.52 | 1,082.60 |

Glossary

5M – 5 months starting April to August

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

DIIs – Domestic Institutional Investors

E – Estimated

EBITDA – Earnings Before Interest, Tax, Depreciation & Ammortisation

EML – Eicher Motors Limited

EPPL – Eicher Polaris Private Limited

FIIs – Foreign Institutional Investors

GVW – Gross Vehicle Weight

HD – Heavy Duty

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 (ie. Total Assets - Current Liability)

Standalone – 100% Business of Royal Enfield

Stores – Exclusive Royal Enfield Stores in India

Total Revenue – Revenue from Operations (excluding other income)

UCE – Unit Construction Engine

VECV – VE Commercial Vehicles