



# Investor Presentation

May 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

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### ROYAL ENFIELD

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### VE COMMERCIAL VEHICLES

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### EICHER POLARIS

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### FINANCIALS

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### 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



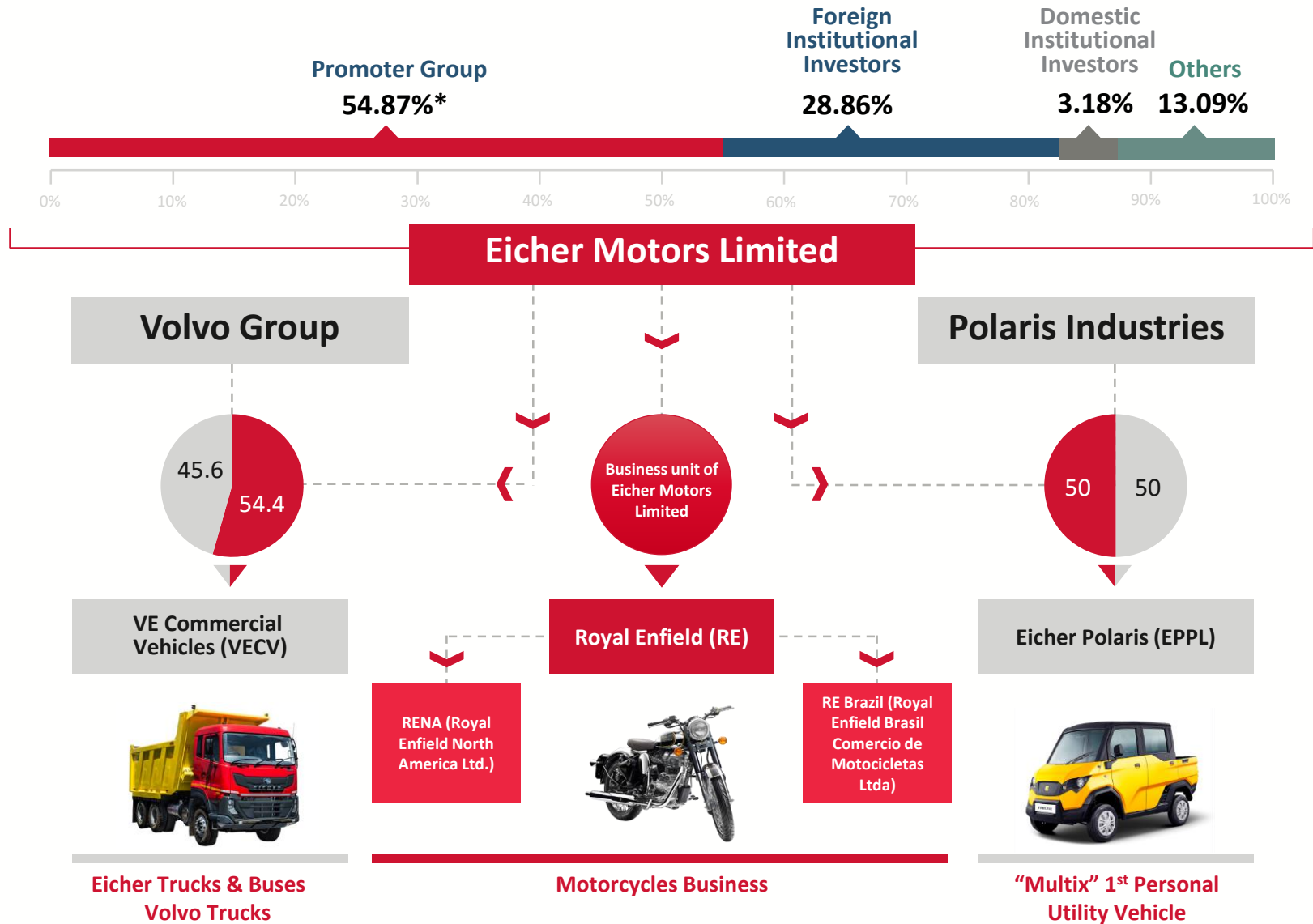
Divests tractor & allied businesses to focus on commercial vehicle & motorcycle businesses



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



# Shareholding Pattern (31<sup>st</sup> March 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

➤ **Siddhartha Lal**  
Chairman

➤ **Bennett Morgan**  
Polaris nominated director

➤ **Pankaj Dubey**  
Polaris nominated director

➤ **Michael Dougherty**  
Polaris nominated director

➤ **B Govindarajan**  
Eicher nominated director

➤ **Lalit Malik**  
Eicher nominated director



# Business Highlights – FY 2015-16<sup>^</sup>



**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



**26.0%**

Royal Enfield EBIT margin  
in FY16, benchmark in  
automobile industry



**33.9%**

VE Commercial Vehicles  
market share in domestic  
LMD<sup>#</sup> (5 - 14 tonne) segment



**5.0%**

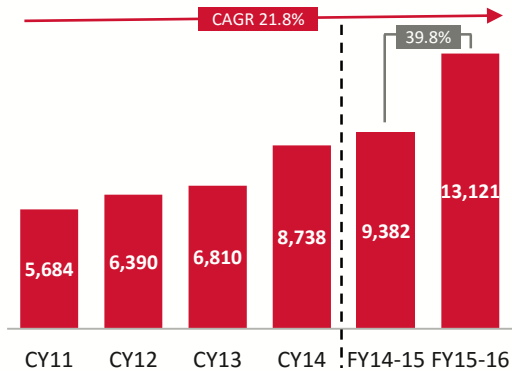
VE Commercial  
Vehicles EBIT margin  
in FY16, Best in Class

# Financial Highlights – Eicher Motors Ltd. (Consolidated)

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

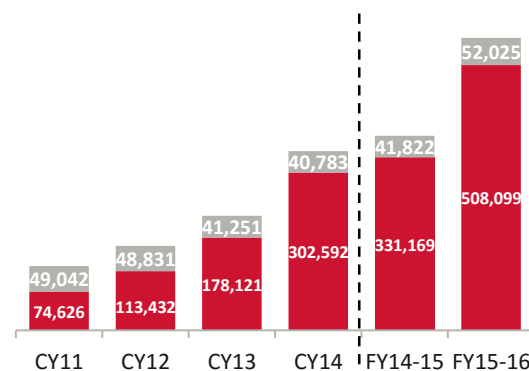
## Total Revenue

Total revenue from operations



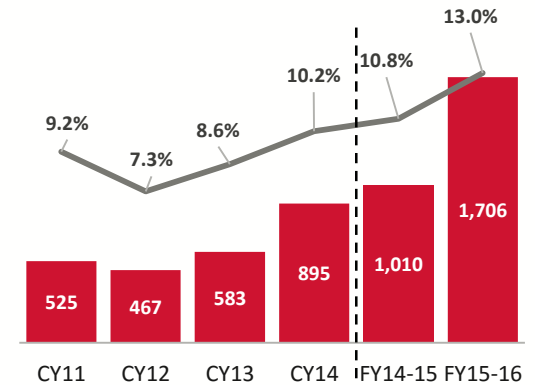
## Sales Volume

(in nos)



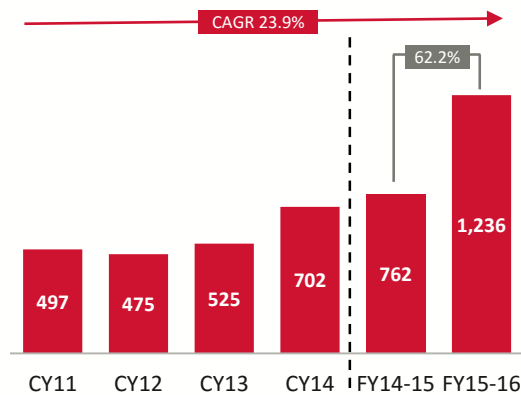
■ RE ■ VECV

## EBIT



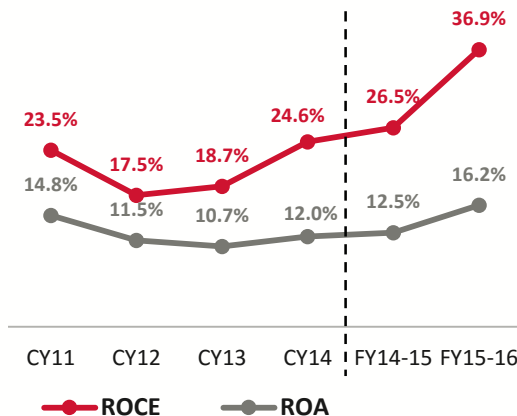
The figures in % indicate EBIT Margins

## Profit After Tax



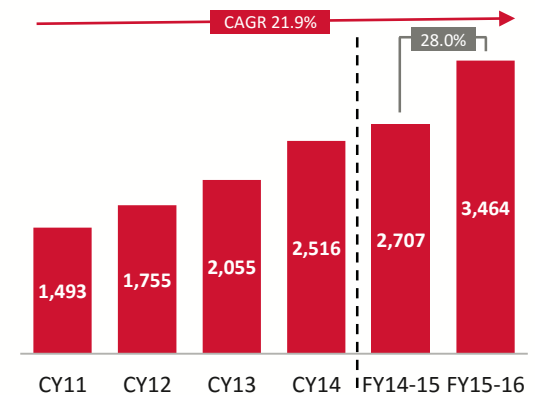
## Ratios

(in %)



—●— ROCE —●— ROA

## Networth



# ROYAL ENFIELD

# Oldest motorcycle brand in continuous production

<b>1891</b>  <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 Small Arms Factory in Enfield, Middlesex. Their undertaking is renamed the Enfield Manufacturing Company Limited.</p>	<b>1893</b>  <p>Enfield Manufacturing Ltd becomes Royal Enfield. Royal Enfield leaves from the Royal Small Arms Company. The trademark 'Red Bull' is introduced.</p>	<b>1896</b>  <p>R.W. Smith designs a prototype motorized vehicle, a four-wheeled bicycle known as a quadricycle. It has a proprietary 1 1/2 hp De Dion engine.</p>	<b>1898</b>  <p>R.W. Smith designs a prototype motorized vehicle, a four-wheeled bicycle known as a quadricycle. It has a proprietary 1 1/2 hp De Dion engine.</p>	<b>1900</b>  <p>Royal Enfield enters motorcycle when one of its quadricycles enters a 1000 Mile Trial. The event does much to persuade the British public about the viability of motorized transport.</p>	<b>1901</b>  <p>The first Royal Enfield motorcycle is produced. Designed by R. W. Smith and Frankman Kees Gutter, it has a 1 1/2 hp 400 cc engine mounted in front of the steering head. The final drive is to the rear wheel by means of a long axle drive belt.</p>	<b>1909</b>  <p>Royal Enfield's first vehicle is launched at the Stanley Cycle Show. The engine is a 2 1/4 hp with valve by the Swiss company, Motocycle.</p>	
<b>1914</b>  <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>	<b>1924</b>  <p>Continued development results in a range of 4 models, including the launch of the Sports Model 35. The Royal Enfield 350cc GSV 4-stroke motorcycle with foot operated gear change. It is powered by a 147 cc engine. A 225cc 2-stroke step-through Ladies Model is also released.</p>	<b>1926</b>  <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>	<b>1928</b>  <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, girder forks.</p>	<b>1930</b>  <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>	<b>1933</b>  <p>Following the demise of Albert Butler, founding partner R.W. Smith passes away. Major Frank Smith assumes control at Enfield.</p>	<b>1935</b>  <p>Lord Howe, riding a 500cc Bullet at the Isle of Man TT, holds a British record 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 TT, featuring a 4-valve cylinder head.</p>	<b>1939</b>  <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>
<b>1948</b>  <p>The 350cc Bullet prototype, with dual swinging arm suspension, is previewed in the Colchester 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 other vintage models.</p>	<b>1949</b>  <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>	<b>1952</b>  <p>The legendary 'Bullet' motorcycle is both. It is first displayed in November 1952 at the important India Cycle Motorcycle Show in London. Three versions, 250, 350 and 500cc are available. All with included 'Vulper' engines, twin-spaced cylinder heads, foot operated gear change and high compression pistons.</p>	<b>1955</b>  <p>Madras Motors receives an order from the Indian Army for 400 350cc Bullets. The motorcycles arrive from Redditch in early 1954 and prove to be a great success, being both hardy and easy to maintain. Johnny Britton wins the prestigious Scottish Six Days Trial on the 350cc Bullet, 'The Bull'.</p>	<b>1956</b>  <p>The Thruway 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>	<b>1957</b>  <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 is the motorcycle designed to suit construction engine and alternator electric with coil ignition.</p>	<b>1959</b>  <p>A new 24 hp 500cc Bullet is released. The bike is primarily aimed at export markets, where it is available in Canada, Deluxe and Superstar trim along with the 350.</p>	
<b>1964</b>  <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>	<b>1967</b>  <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 last factory direct model - are sold to the Rickman Brothers and their proprietary Motorcycles. Approximately 90 of these machines are built. Production in India continues without interruption.</p>	<b>1970</b>  <p>The 350cc Bullet 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>	<b>1977</b>  <p>Royal Enfield India begins exporting the 350cc Bullet to the UK and Europe. Sales grow rapidly as the bike develops a following amongst classic British motorcycle enthusiasts.</p>	<b>1993</b>  <p>Royal Enfield produces the world's first and only mass-manufactured diesel motorcycle. Known as the Enfield Diesel, it used a highly fuel efficient 350cc power unit installed in the standard Bullet riding chassis.</p>	<b>1994</b>  <p>The Fisher Group acquires Enfield India Limited. The company is renamed Royal Enfield Motors Limited.</p>	<b>1997</b>  <p>Pure Royal Enfield motorcycles now dominating the world's highest motorcycle sales, setting a precedent for export sales in some of the world's most difficult to reach.</p>	<b>1999</b>  <p>Utilizing the design skills of Austin experts AVL, production of a revised 350cc 40 aluminium beam-burn Bullet engine, known as the 430i, begins at a new Royal Enfield plant near Jaipur, Rajasthan.</p>
<b>2001</b>  <p>The Thunderbolt, the motorcycle display team of the Indian Army Corps of Signals, Jaipur, forms a human pyramid of 201 men on two 350cc Enfield motorcycles, riding a distance of more than 200 metres.</p>	<b>2002</b>  <p>The Thunderbolt, a stylish from, born cruiser is launched in India. It features the first 6-speed gearbox used on a Royal Enfield since 1963 in Redditch. More than 1000 Royal Enfield motorcycles were sold (based on the numbers for the Royal Enfield Dealer's Club) Redditch Revisited event.</p>	<b>2004</b>  <p>The 500cc 40i, an export Bullet with a 500cc version of the all alloy beam burn engine, goes on sale. The new-style 'Bullet Mechanic' is rated the 'No.1 Cruiser' in a TNS Autocar survey.</p>	<b>2005</b>  <p>Royal Enfield celebrates its 50th anniversary in India.</p>	<b>2008</b>  <p>Royal Enfield begins exporting the classic India's first 500cc 40i, Royal Enfield's first 500cc 40i, to European markets. The 500cc 40i is designed to be launched with the new Unit Construction Engine (UCE) in India.</p>	<b>2009</b>  <p>The 500cc UCE engine is launched in India. The semi-cyclist Cruise version achieves 60 km/h instantly and sales grow rapidly.</p>	<b>2011</b>  <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 acquires 50 acres of land at Gurgaon and Chitradurga in its new plant. A factory integrated trip crosses the border with 'Tour of Nepal'.</p>	<b>2012</b>  <p>Royal Enfield launches its first highway cruiser, the all-black Thunderbird 500. Work on the new Gurgaon factory continues briskly while the Thruway plant gets new production orders.</p>
<b>2013</b>  <p>The first Royal Enfield motorcycle with out of the new Gurgaon 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>	<b>2014</b>  <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>	<b>2015</b>  <p>Royal Enfield sets up its first direct distribution subsidiary outside India. In North America, Royal Enfield's North American headquarters are located in Milwaukee, Wisconsin.</p>	<b>2016</b>  <p>Royal Enfield debuts its first purpose built motorcycle, the Himalayan. With its all-new 450cc engine, a half-shafts side-stand frame and standard suspension, it promises to ride at a distance on all roads and no roads.</p>	<b>2017</b>  <p>Royal Enfield celebrates its 50th anniversary in India.</p>	<b>2018</b>  <p>Royal Enfield celebrates its 50th anniversary in India.</p>	<b>2019</b>  <p>Royal Enfield celebrates its 50th anniversary in India.</p>	<b>2020</b>  <p>Royal Enfield celebrates its 50th 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



## Continental GT Range launched in October 2013

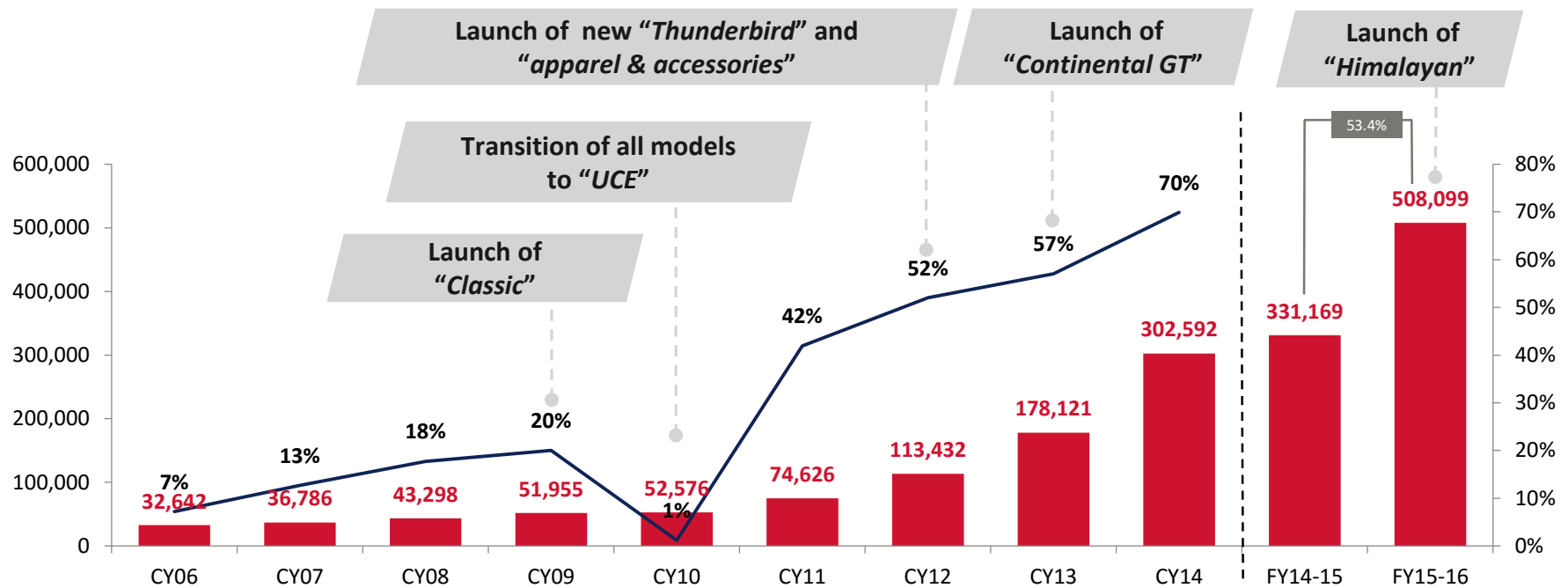
Continental GT range too had riding jackets specifically designed for City riding, it is inspired mainly by the late 50s-early 60s Cafe Racing culture that flourished in the UK. The range consisted of Rockers inspired vintage-style leather jackets, pit-shirts, polo & crew-neck t-shirts with vintage 60s graphics, complete with short city-riding leather gloves, versatile riding-inspired sneakers and open face helmets

## Despatch Rider Range

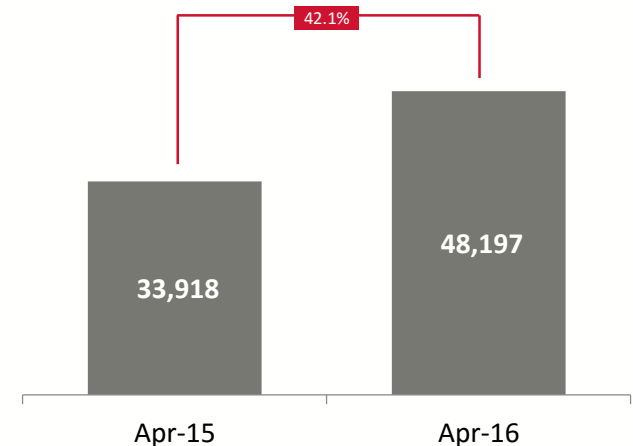
Launched on 30<sup>th</sup> May 2015 this collection was inspired by the Despatch riders of the world wars and the kit they served in. The Gear blends classic military detailing with modern silhouettes. The range consisted of canvas, twill & leather jackets, urban riding boots, coated canvas bags, raw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



# New launches led to surge in sales



- ▶ Launch of "Classic" in 2009 was an inflection point
- ▶ Volumes grew by 54% CAGR from CY10-FY15-16, mainly due to high demand for "Classic"

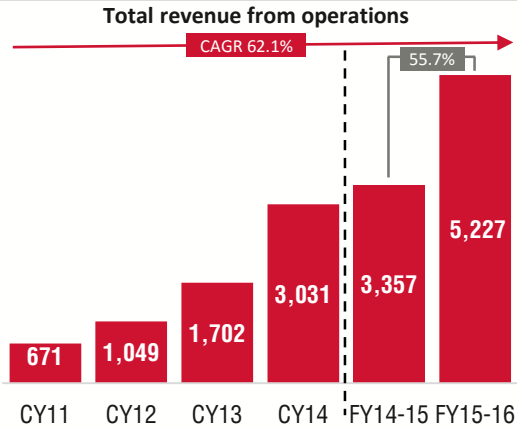




# Financial Highlights – Eicher Motors Ltd. (Standalone)

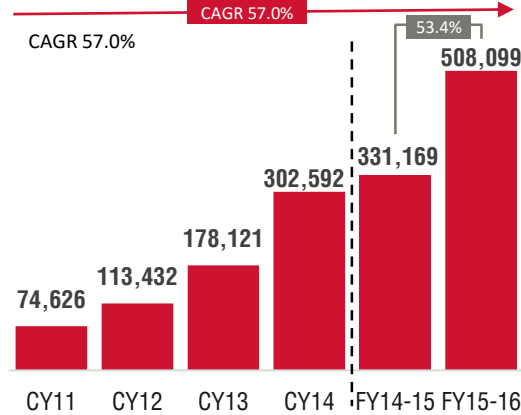
All figures are for Eicher Motors Limited standalone (in Rs. cr unless specified)

## Total Revenue

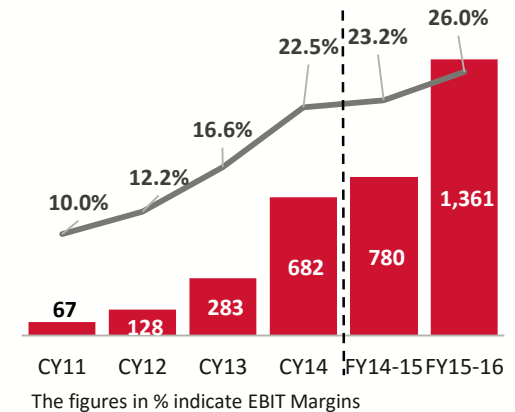


## Sales Volume

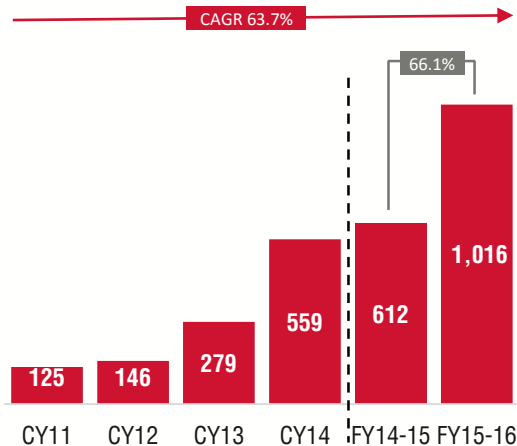
(in nos)



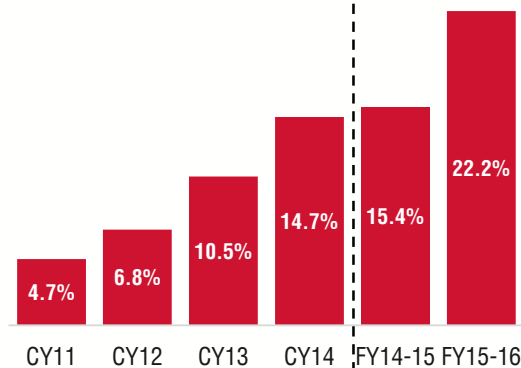
## EBIT & EBIT Margin



## Profit After Tax

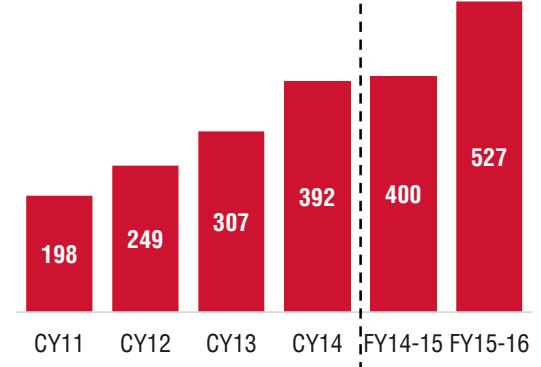


## Market share\* (India)



## Dealer Network (India)

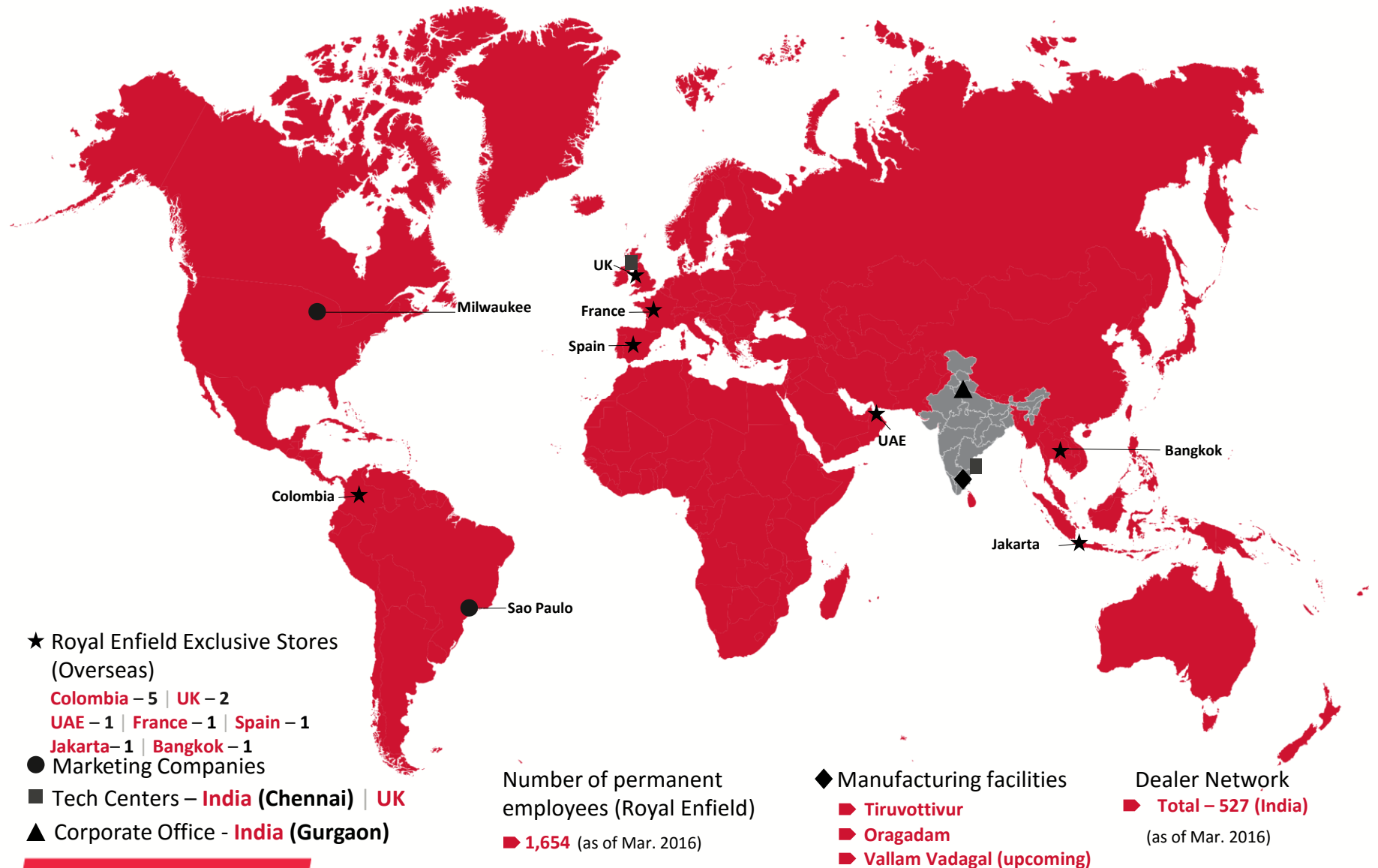
(in nos)



INVESTOR PRESENTATION  
MAY 2016

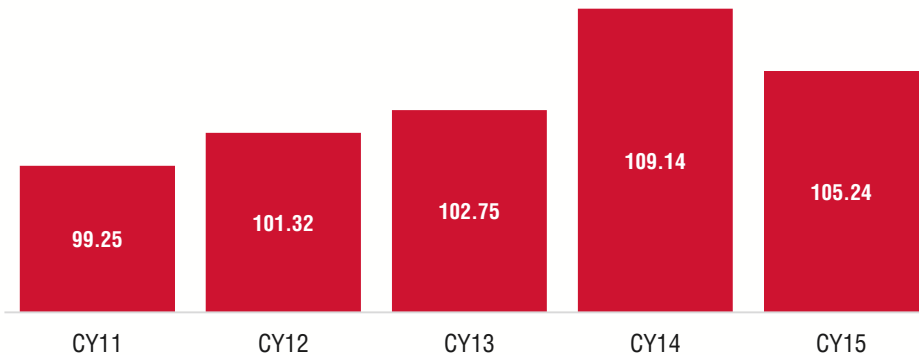
\* Market share in 150cc and above segment  
# Dealer Network India  
EBIT – Earning Before Interest & Tax

# Our Footprint



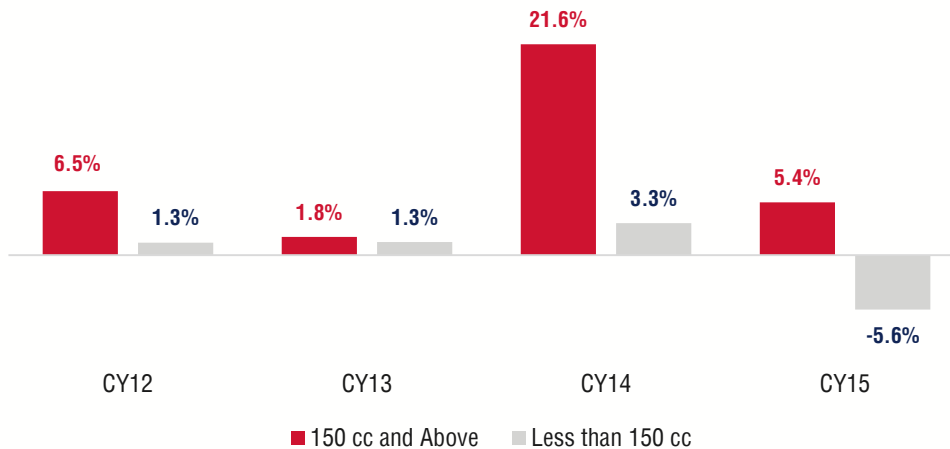
# Industry Overview

## Motorcycle Volumes (India) (in lacs)



India - largest motorcycle market in world

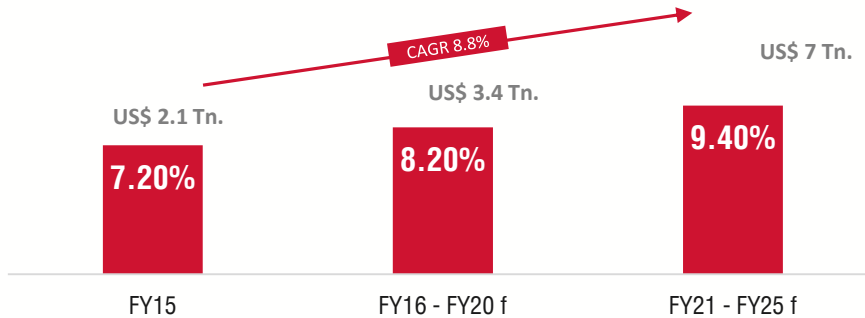
## Growth rate of various motorcycle segments



Indicates growing premiumisation of motorcycle market

# Opportunity – Domestic Market

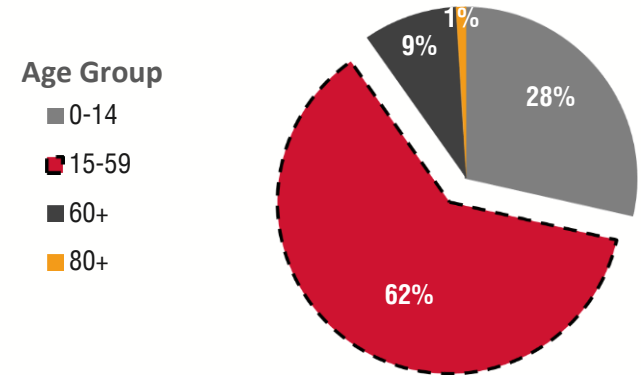
India to become a **US\$7 trillion** (current market price) economy by 2025



**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

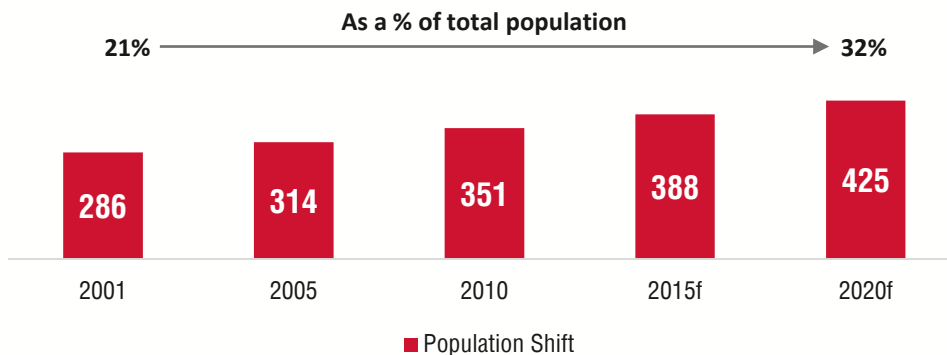
India's demographic profile (year-2015)



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

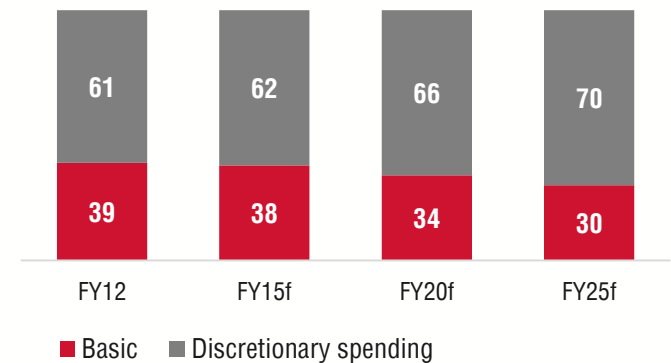
Growth in urbanization

(In mn)



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

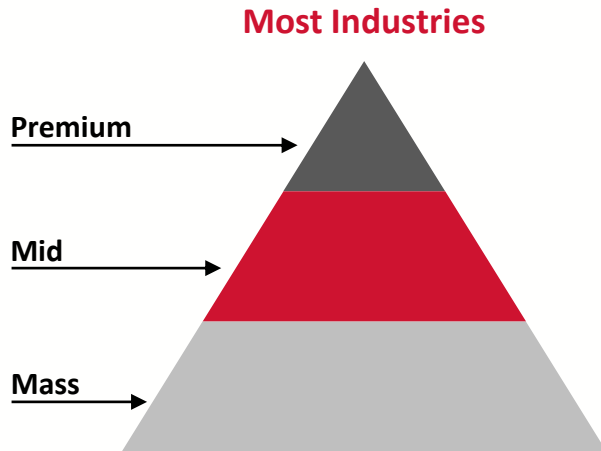
Rising share of discretionary spending over the year (%)



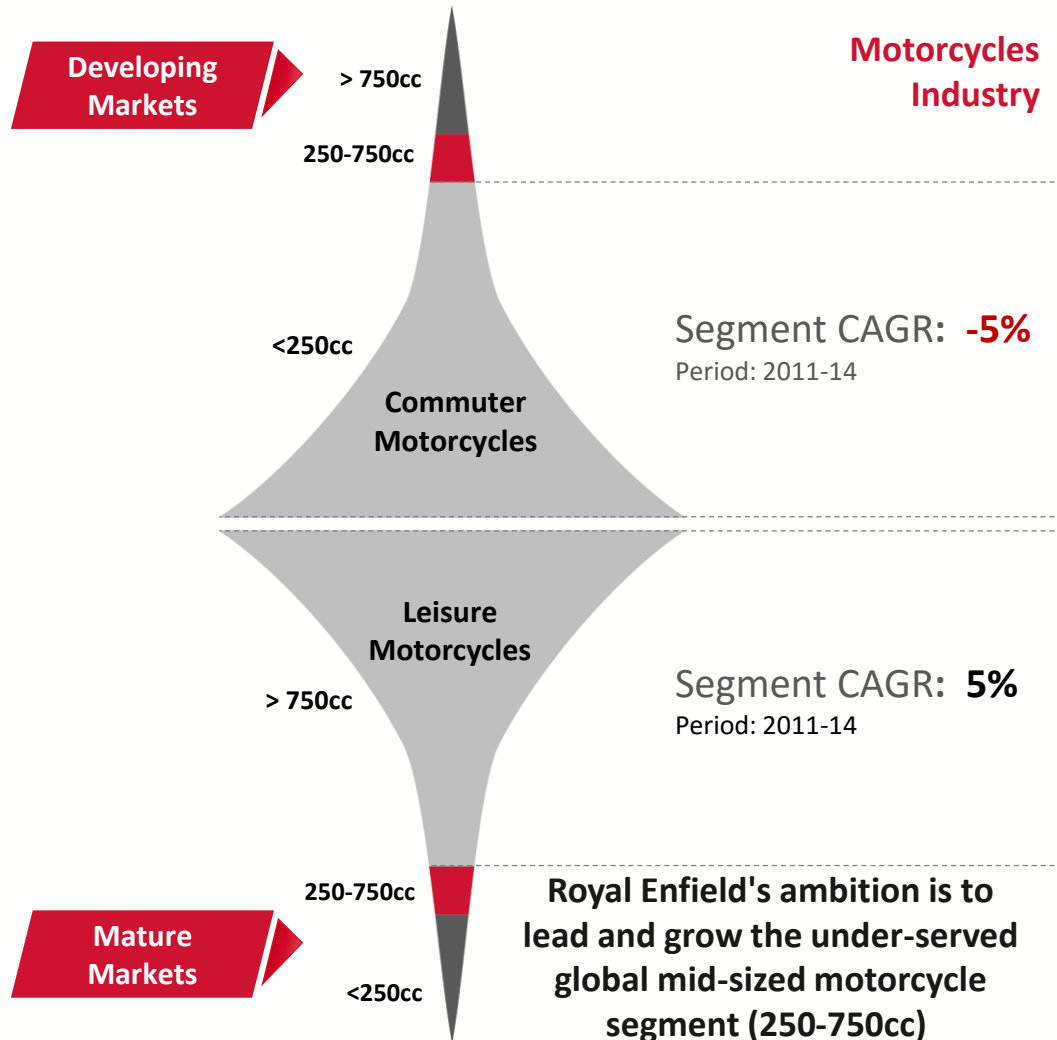
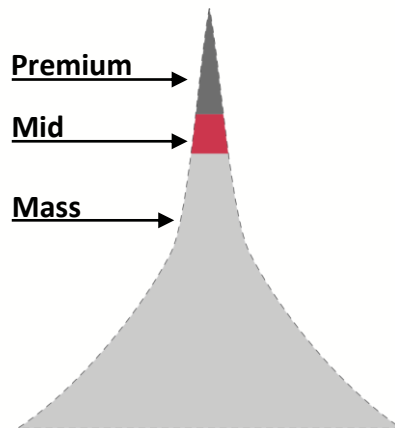
F: D&B forecast | Source: CSO, D&B India

# 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 FY2016-17
- ▶ 3rd plant proposed in Vallam Vadagal to be on stream in FY17-18
- ▶ Peak capacity to ramp up to 9,00,000 by FY2018-19

## 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 FY2017-18

## 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

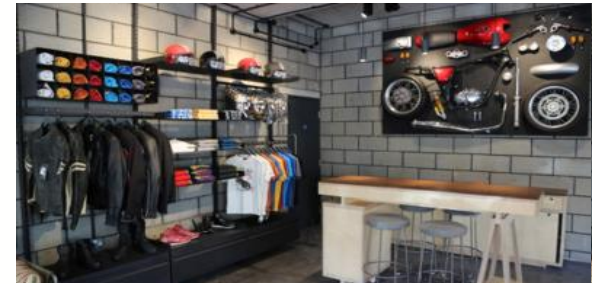
Exclusive brand stores –  
expanding our global  
footprint

Entering e-commerce –  
reaching riders and  
non-riders seamlessly

Goodwood Revival -  
underscoring our heritage

DESPATCHED! our  
Limited Edition tribute

- In nodal cities across the world like London, Madrid, Paris, Bogota, Dubai, Jakarta and Bangkok
- Bringing alive machine-love and showcasing motorcycling at its purest
- [store.royalenfield.com](http://store.royalenfield.com) selling our entire range of meticulously crafted apparel and accessories
- The world's largest heritage automotive extravaganza held in UK; attended by over 170,000 annually; celebrating the best from the heyday of British cars, motorcycles and aircrafts
- Royal Enfield's 60's-styled bikers' café & take on period dealership received an unprecedented response
- 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](http://royalenfield.com), this special range of 200 motorcycles was sold out in just 23 minutes!



# VE COMMERCIAL VEHICLES



# VECV was established in 2008 with strong parentage



## EICHER STRENGTHS

- ▶ Leadership in LD / MD segments
- ▶ Specialist skills and experience in developing low cost, better performance products
- ▶ Wide dealer network
- ▶ After sales infrastructure for LD / MD
- ▶ 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



**May 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 Baggad (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**

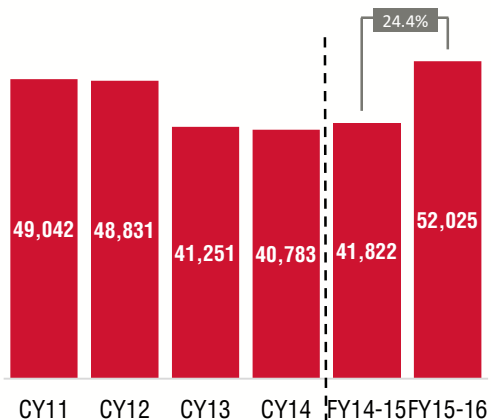


**2015: Inauguration of 'Customer Experience Center' and 'Vehicle display zone'**

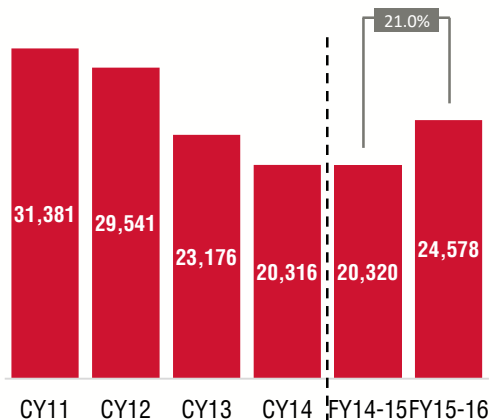


# Volumes

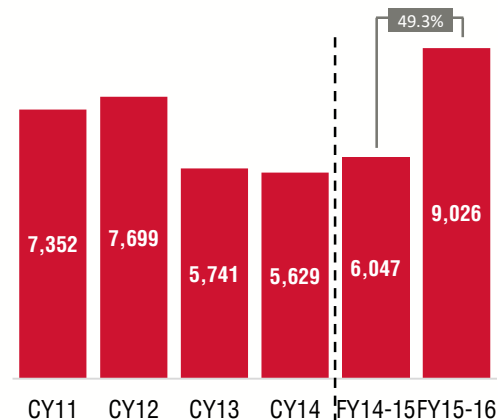
## Total CV\* Volumes (in nos)



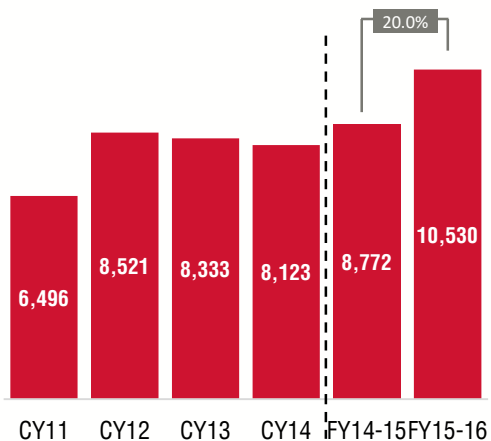
## Eicher Light to Medium Duty Trucks (5-14 tonne) (in nos)



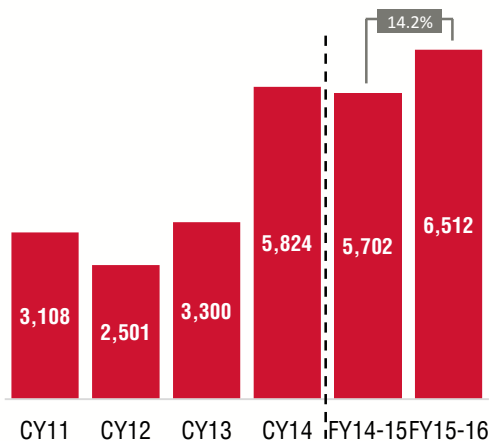
## Eicher Heavy Duty Trucks (16 tonne +) (in nos)



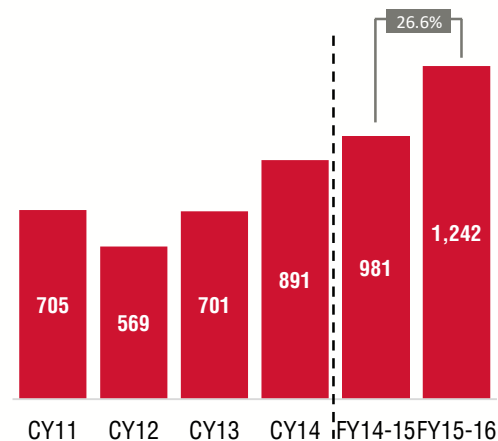
## Buses (in nos)



## Exports (in nos)



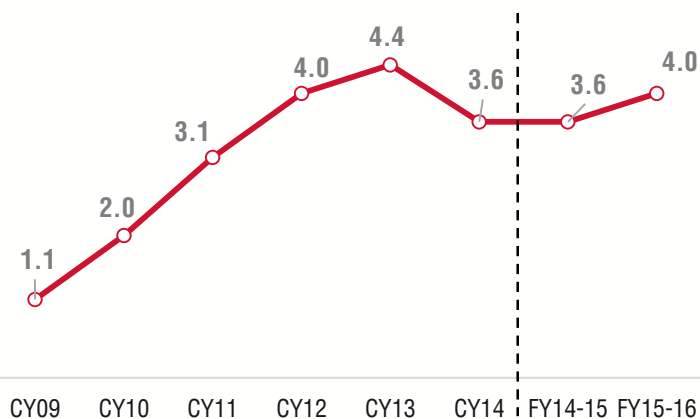
## Volvo Trucks (in nos)



# Market Share

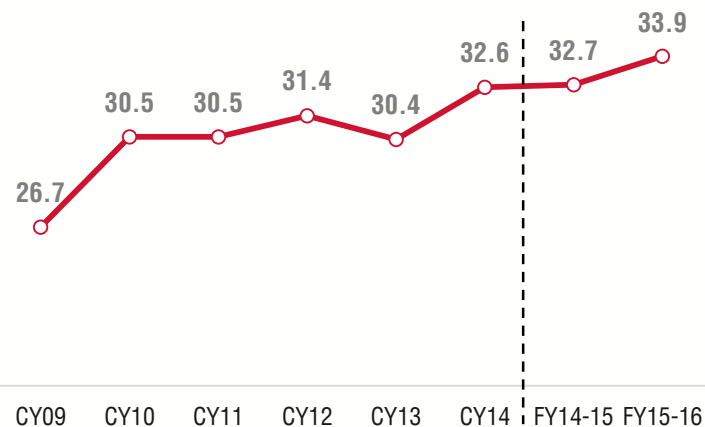
## Eicher Heavy Duty Trucks

In %



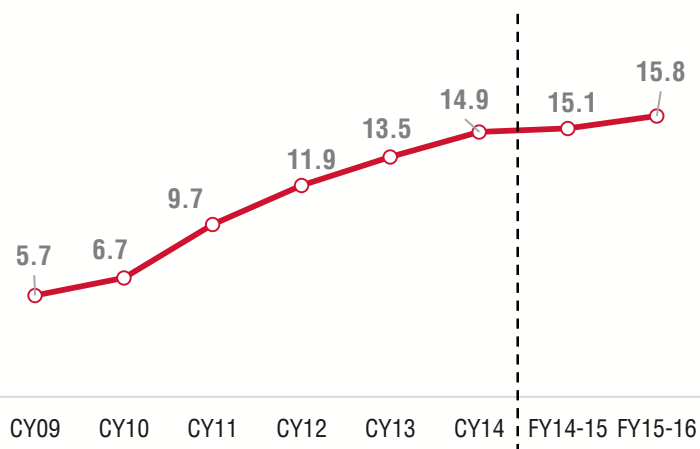
## Eicher Light and Medium Duty Trucks

In %



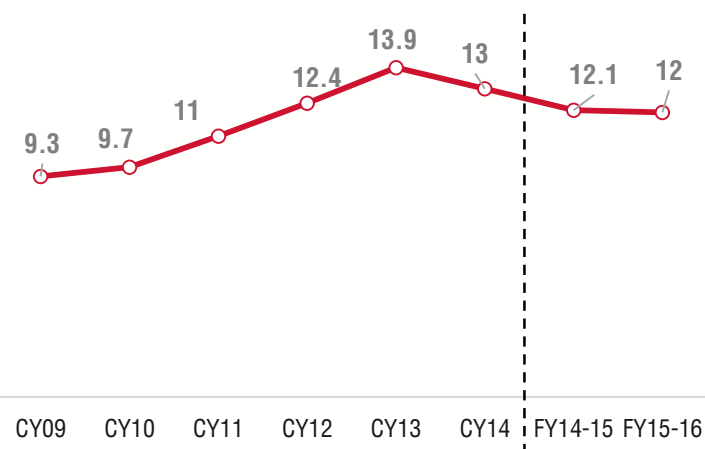
## Buses

In %



## VECV market share(including exports)

In %

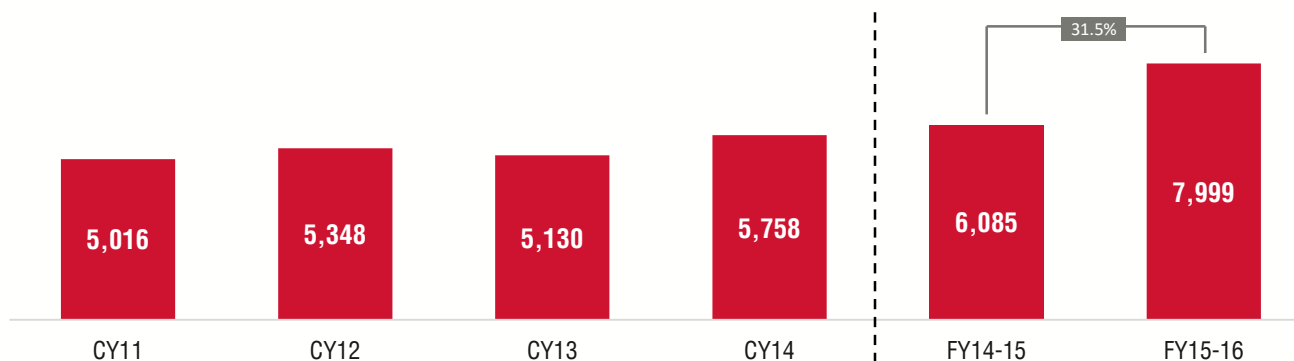


# Financial Highlights – VE Commercial Vehicles

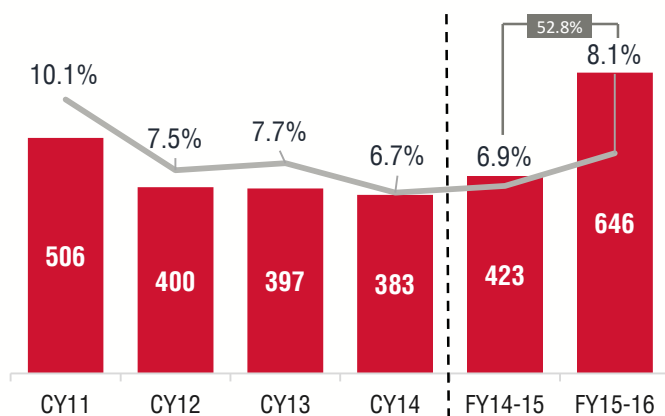
All figures are for VE Commercial Vehicles  
(in Rs. Crore unless specified)

## Total Revenue\*

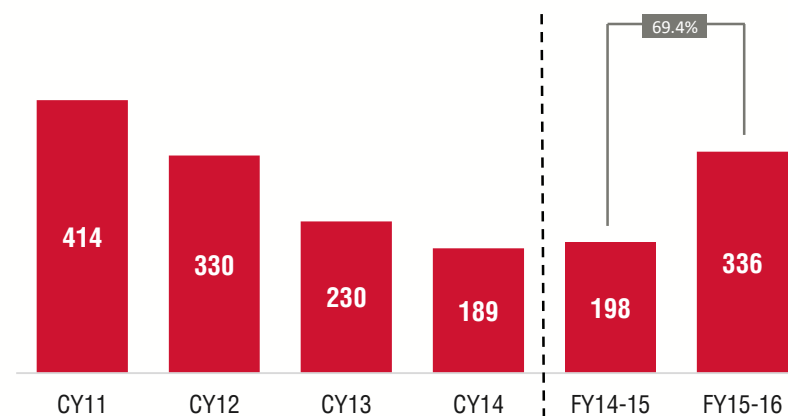
Total income from operations



## EBITDA and EBITDA Margin\*



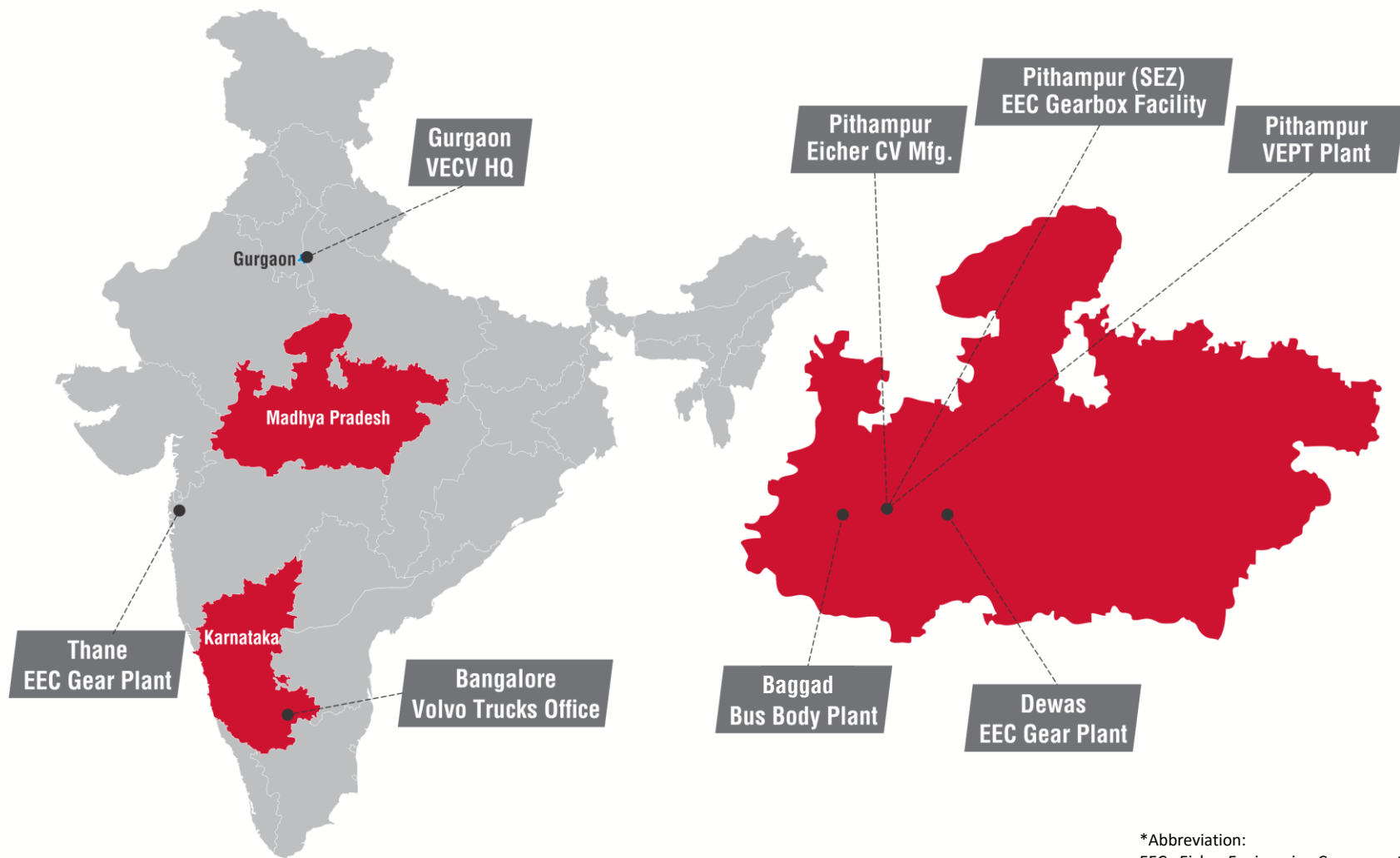
## Profit After Tax



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



# India Facilities – Manufacturing and Operations



**Number of permanent employees(VE Commercial Vehicle) – 13,766\***

(\*Including outsourced but excluding EES, US) (as of Mar. 2016)

\*Abbreviation:

EEC - Eicher Engineering Components

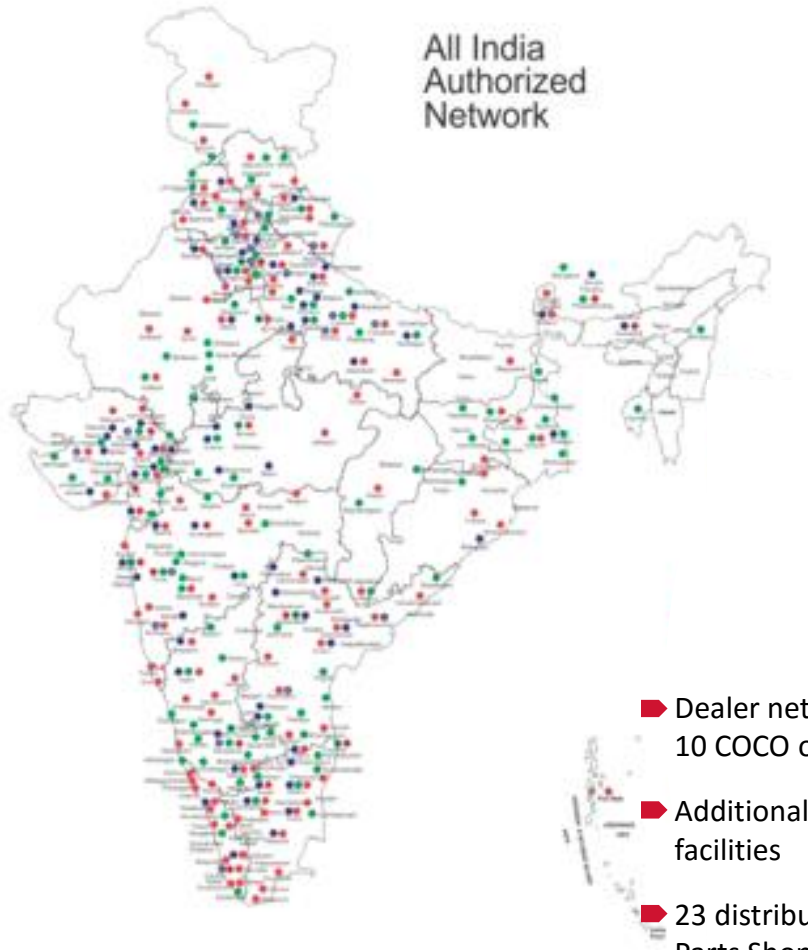
VEPT - VE Power Train

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

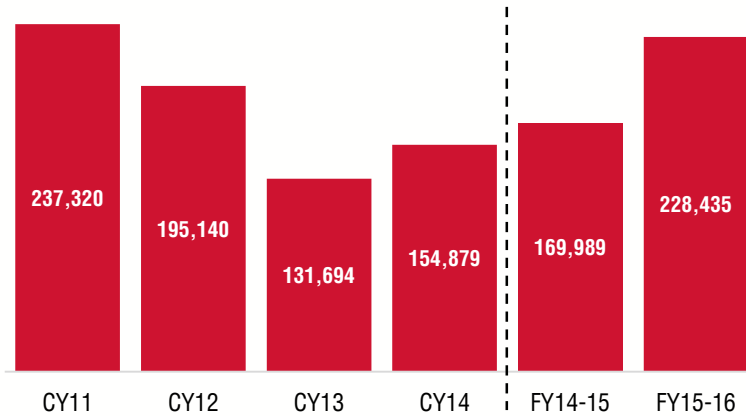


- Over 150 touch points.
- Hub and spoke network model
- Sets benchmarks in the industry for vehicle uptime and productivity

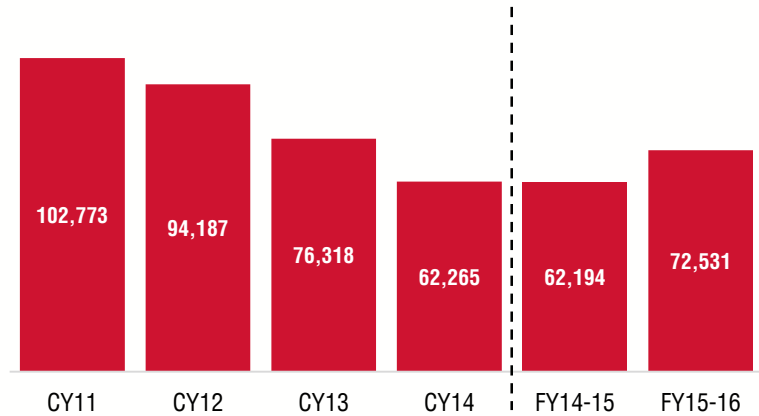


# CV Industry on recovery path - led by HD trucks & exports

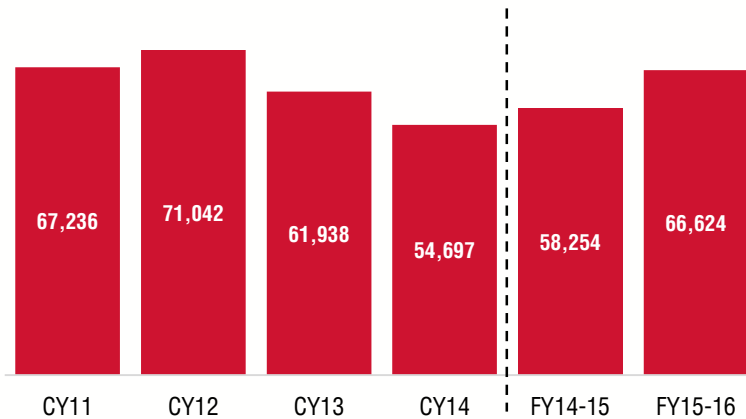
## Heavy Duty Trucks (>16 Tonne) (in nos)



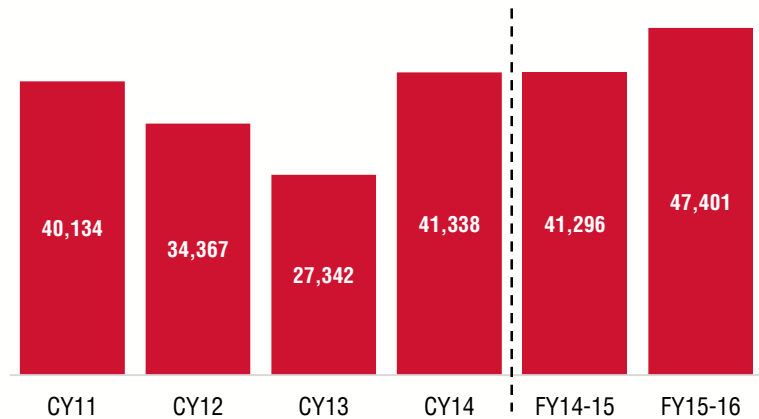
## Trucks Light to Medium Duty (5-15 Tonne) (in nos)



## Buses (in nos)

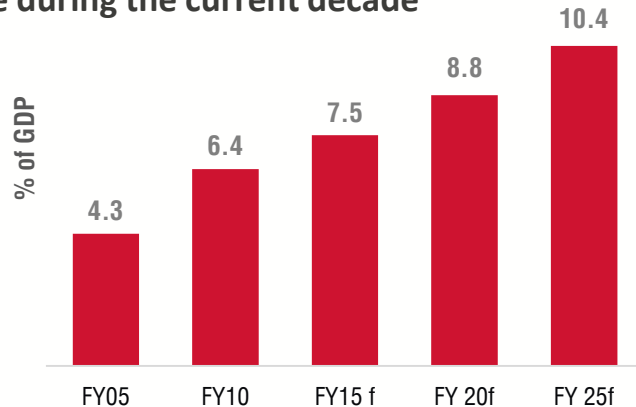


## Exports (in nos)



# Opportunity – Infrastructure investments to boost CV industry

Investment in infrastructure expected to rise during the current decade



f: D&B forecasts

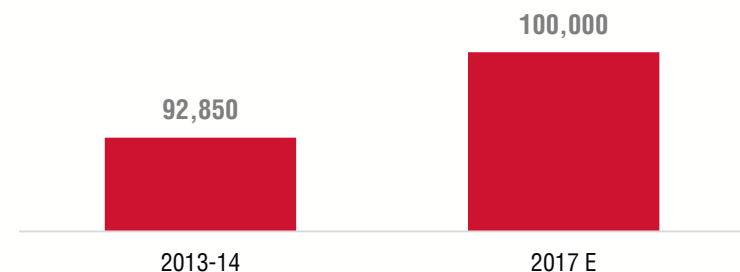
Source: Planning Commission, D&B India

- ▶ 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

## Challenges

**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**

## Challenges

## 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 (5-14 Ton GVW)

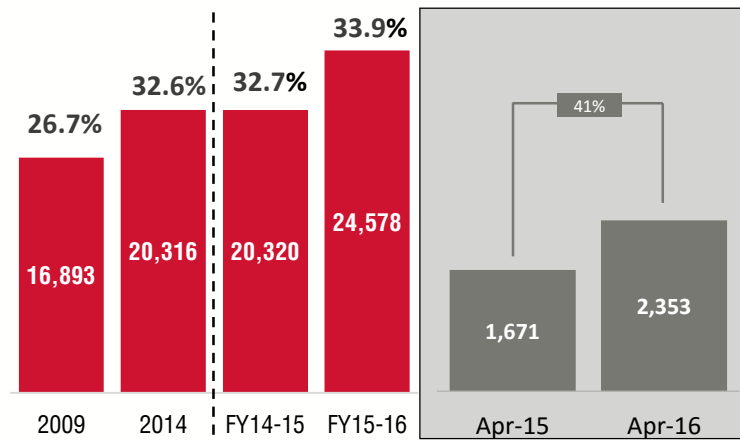


**Mileage ka Badshah**



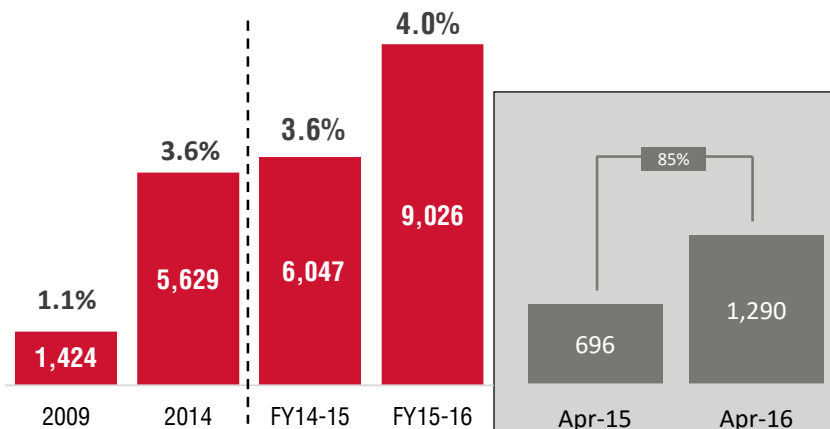
## Eicher Pro 3000 series (10-15 Ton GVW)

## Volumes and market share



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

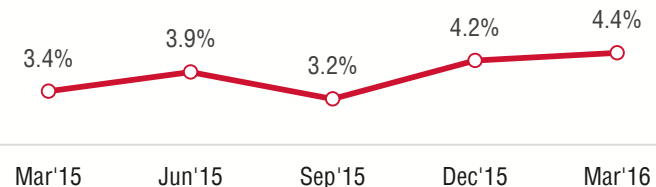
## Volumes and market share



## Pro 8000 series



## Steadily growing market share



—○— Eicher HD Trucks - Market share

- 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 coupled with aggressive expansion helped Eicher HD trucks increase market share by 1% in last 4 quarters

## Pro 6000 series

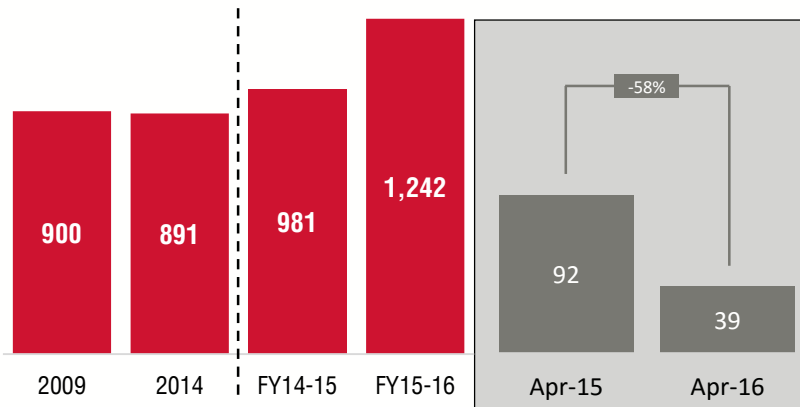




# Volvo Trucks Range of Products

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**

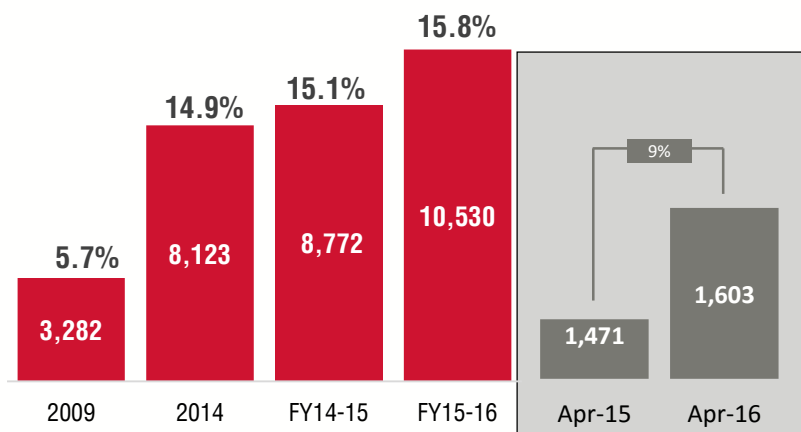


**FH 520 is the  
flagship model  
of the Volvo  
truck range**

**Over dimensional cargo**

# Eicher Buses: strong growth...

## Volumes and market share



**Skyline Pro**



# World Class Manufacturing set up....

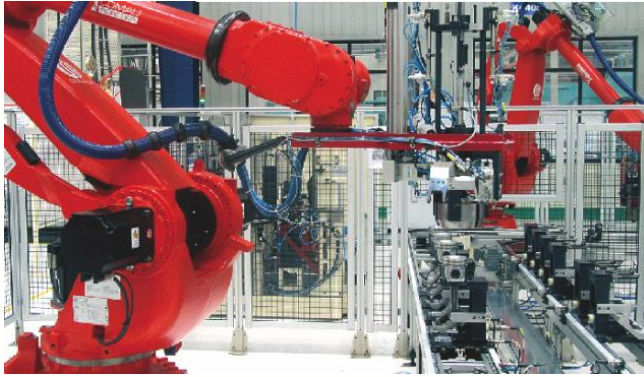
- Most productive plant to produce upto 66,000 trucks scalable to 100,000 trucks.
- Cab weld shop with robotic welding and integrated testing facilities
- CED paint shop - best in class e-Rodip German technology with robotic painting
- Highly flexible vehicle assembly lines with right blend of technology 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 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 1000 per month.
- Best executed project with Volvo technology with frugal approach.

# Other VECV Business Areas

## Components and Engineering Solutions

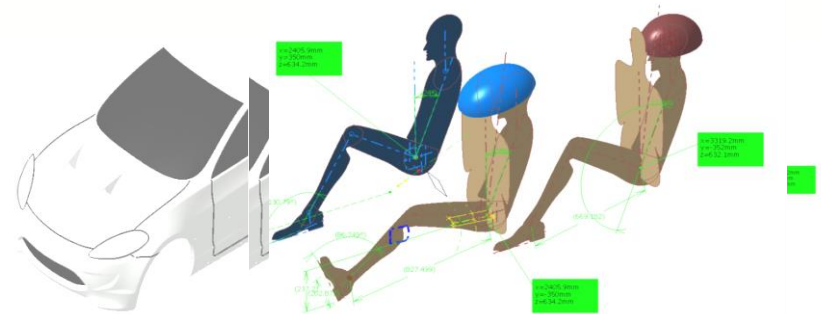
### Eicher Engg Components (EEC)

- Strategic supplier of drive line components to Eicher Trucks and Buses, with ambition to supply to the Volvo Group in the future
- Production facilities at: Thane, Dewas and SEZ, Pithampur



### Eicher Engg Solutions (EES)

- Comprehensive product development services - Class A surfacing, CAD, CAE, prototyping, etc.
- Integrated product development with global engineering solutions delivery centers in Michigan-US, Gurgaon, Indore -INDIA, Beijing, Shanghai - CHINA



# 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 480 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**

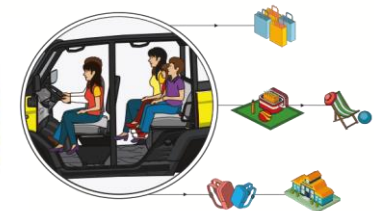
# MULTIX – A ground up innovation

## 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

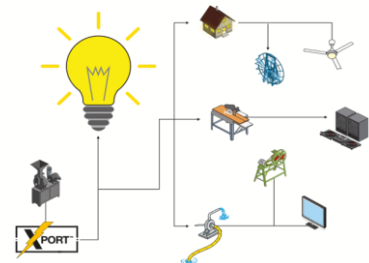
### FAMILY



### 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 1<sup>st</sup> showroom launch in Jaipur (29<sup>th</sup> June).  
Brand “Multix” is born

June 2013

Ground-breaking  
ceremony at Jaipur  
Plant



June 2015

SOP/ Retail commence  
across dealerships in 7  
states



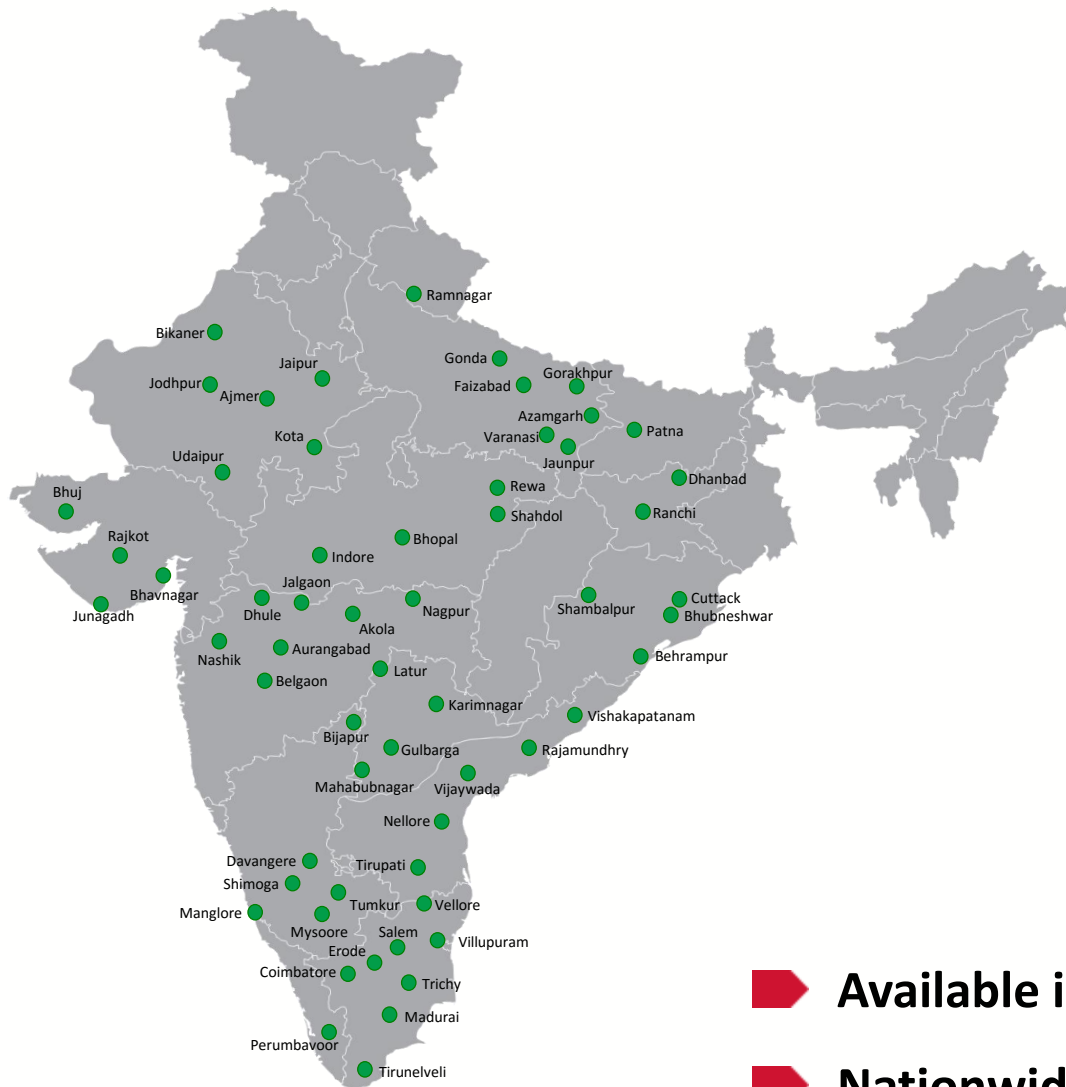


# World Class Manufacturing Facility @ Jaipur



**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

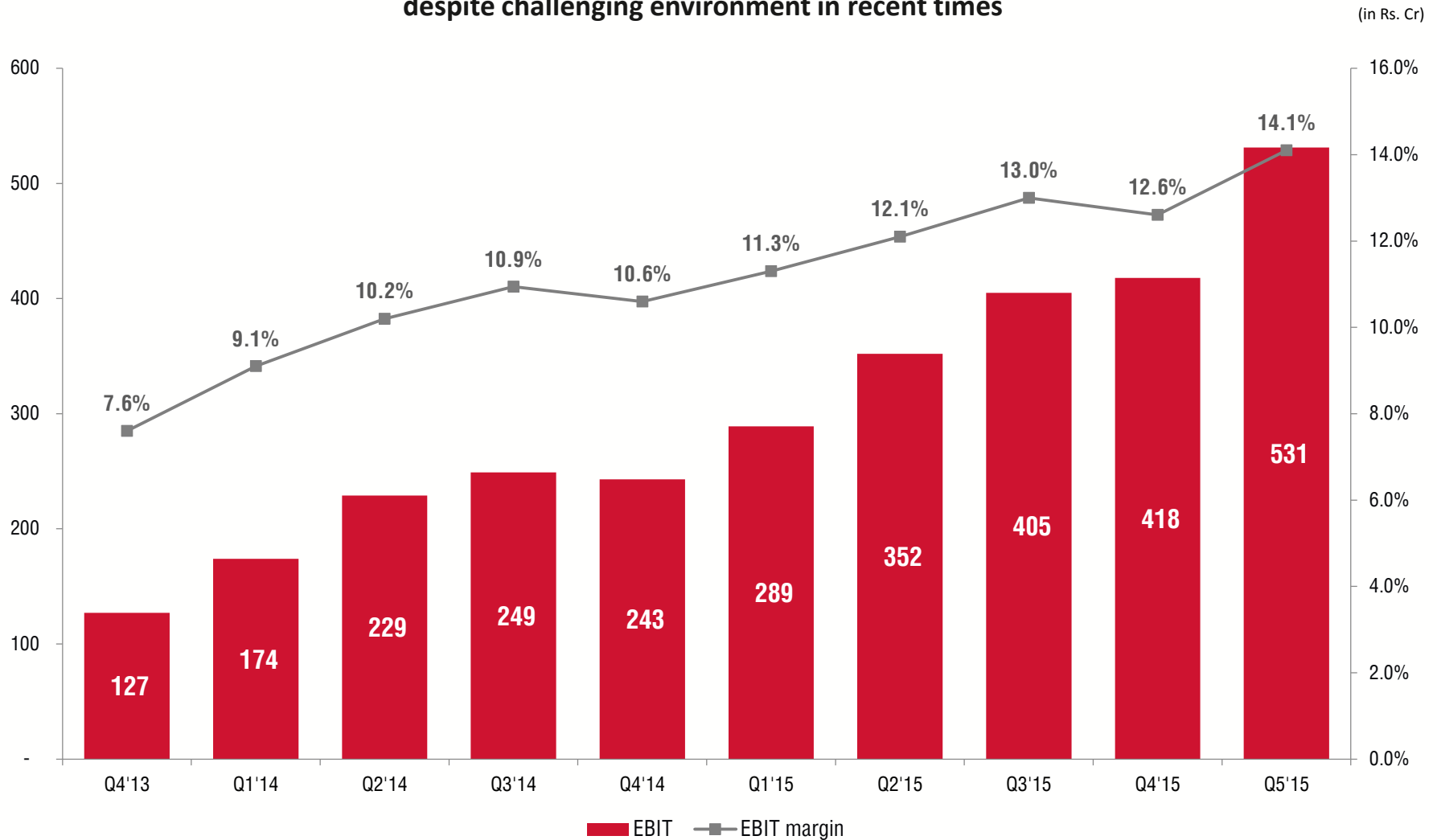
➤ Nationwide in 2 years



# FINANCIALS

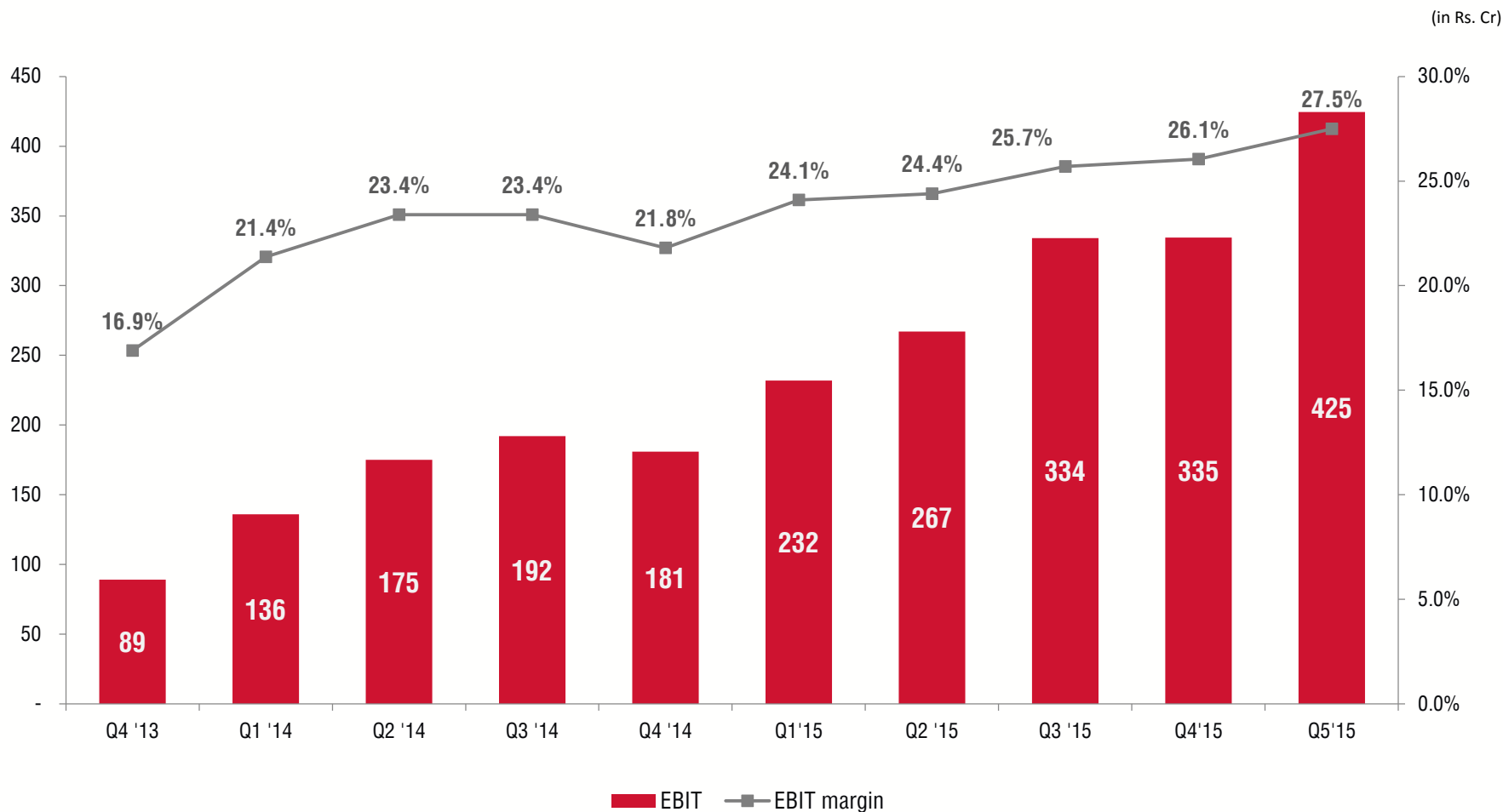
# Quarterly Financial Highlights (Consolidated)

Eicher Motors – Consolidated...Strong financial outcomes, despite challenging environment in recent times



# Quarterly Financial Highlights (Standalone)

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



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

# 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
<b>Net Current Assets</b>	<b>842.11</b>	<b>428.92</b>	<b>98.22</b>	<b>-361.59</b>	<b>-442.93</b>
<b>Total</b>	<b>2,466.19</b>	<b>2,900.25</b>	<b>3,348.97</b>	<b>3,929.97</b>	<b>5,111.61</b>
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
<b>Net Worth</b>	<b>1,493.13</b>	<b>1,754.89</b>	<b>2,055.42</b>	<b>2,515.86</b>	<b>3,464.30</b>
<b>Minority Interest</b>	<b>837.65</b>	<b>948.46</b>	<b>1,039.72</b>	<b>1,085.06</b>	<b>1,156.85</b>
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	-	-	-	-
<b>Total</b>	<b>2,466.19</b>	<b>2,900.25</b>	<b>3,348.97</b>	<b>3,929.97</b>	<b>5,111.61</b>



# Profit & Loss Statement (Consolidated)

(In Rs. Cr.)

Profit & Loss Account	CY11	CY12	CY13	CY14	FY16(15M)	FY15 (12M)	FY16 (12M)
<b>Sales Volume:</b>							
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
<b>Total revenue from operations (net of excise)</b>	<b>5,684.42</b>	<b>6,389.89</b>	<b>6,809.80</b>	<b>8,738.32</b>	<b>15,688.66</b>	<b>9,382.11</b>	<b>13,120.65</b>
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
<b>Earnings before interest, depreciation &amp; tax (EBIDTA)</b>	<b>589.35</b>	<b>549.02</b>	<b>713.19</b>	<b>1,114.78</b>	<b>2,447.22</b>	<b>1,258.77</b>	<b>2,081.27</b>
<b>EBIDTA to Net Income (%)</b>	<b>10.4%</b>	<b>8.6%</b>	<b>10.5%</b>	<b>12.8%</b>	<b>15.6%</b>	<b>13.4%</b>	<b>15.9%</b>
Depreciation	63.96	82.17	130.04	219.82	451.66	248.82	374.92
<b>Earnings before interest &amp; tax (EBIT)</b>	<b>525.39</b>	<b>466.85</b>	<b>583.15</b>	<b>894.96</b>	<b>1,995.56</b>	<b>1,009.95</b>	<b>1,706.35</b>
<b>EBIT to Net Income (%)</b>	<b>9.2%</b>	<b>7.3%</b>	<b>8.6%</b>	<b>10.2%</b>	<b>12.7%</b>	<b>10.8%</b>	<b>13.0%</b>
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
<b>Profit before tax</b>	<b>660.20</b>	<b>599.70</b>	<b>670.56</b>	<b>992.62</b>	<b>2,098.50</b>	<b>1,090.58</b>	<b>1,776.83</b>
Provision for taxation	162.80	124.85	145.18	290.88	646.56	328.72	541.17
<b>Profit after taxation (PAT)</b>	<b>497.40</b>	<b>474.85</b>	<b>525.38</b>	<b>701.74</b>	<b>1,451.94</b>	<b>761.86</b>	<b>1,235.66</b>
<b>PAT to Net Income (%)</b>	<b>8.8%</b>	<b>7.4%</b>	<b>7.7%</b>	<b>8.0%</b>	<b>9.3%</b>	<b>8.1%</b>	<b>9.4%</b>
Minority Interest	188.63	150.59	131.44	86.38	174.06	90.34	153.06
<b>Profit after taxation and minority interest</b>	<b>308.77</b>	<b>324.26</b>	<b>393.94</b>	<b>615.36</b>	<b>1,277.88</b>	<b>671.52</b>	<b>1,082.60</b>

# Glossary

**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

**EBIT** – Earnings Before Interest and Tax

**EML** – Eicher Motors Limited

**EPPL** – Eicher Polaris Private Limited

**FIIs** – Foreign Institutional Investors

**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