



Investor Presentation

November 2017





EICHER MOTORS LIMITED - OVERVIEW

ROYAL ENFIELD

VE COMMERCIAL VEHICLES

EICHER POLARIS

FINANCIALS

APPENDIX

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

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

EICHER MOTORS LIMITED - OVERVIEW

Key Milestones



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

1959



Royal Enfield motorcycles acquired

1991



Enters heavy duty trucks segment

2002



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

2008



Commencement of business by Eicher Polaris

2015

JV* with Mitsubishi Motors to make 'Canter' trucks



JV* with Mitsubishi ended, enters medium duty bus segment



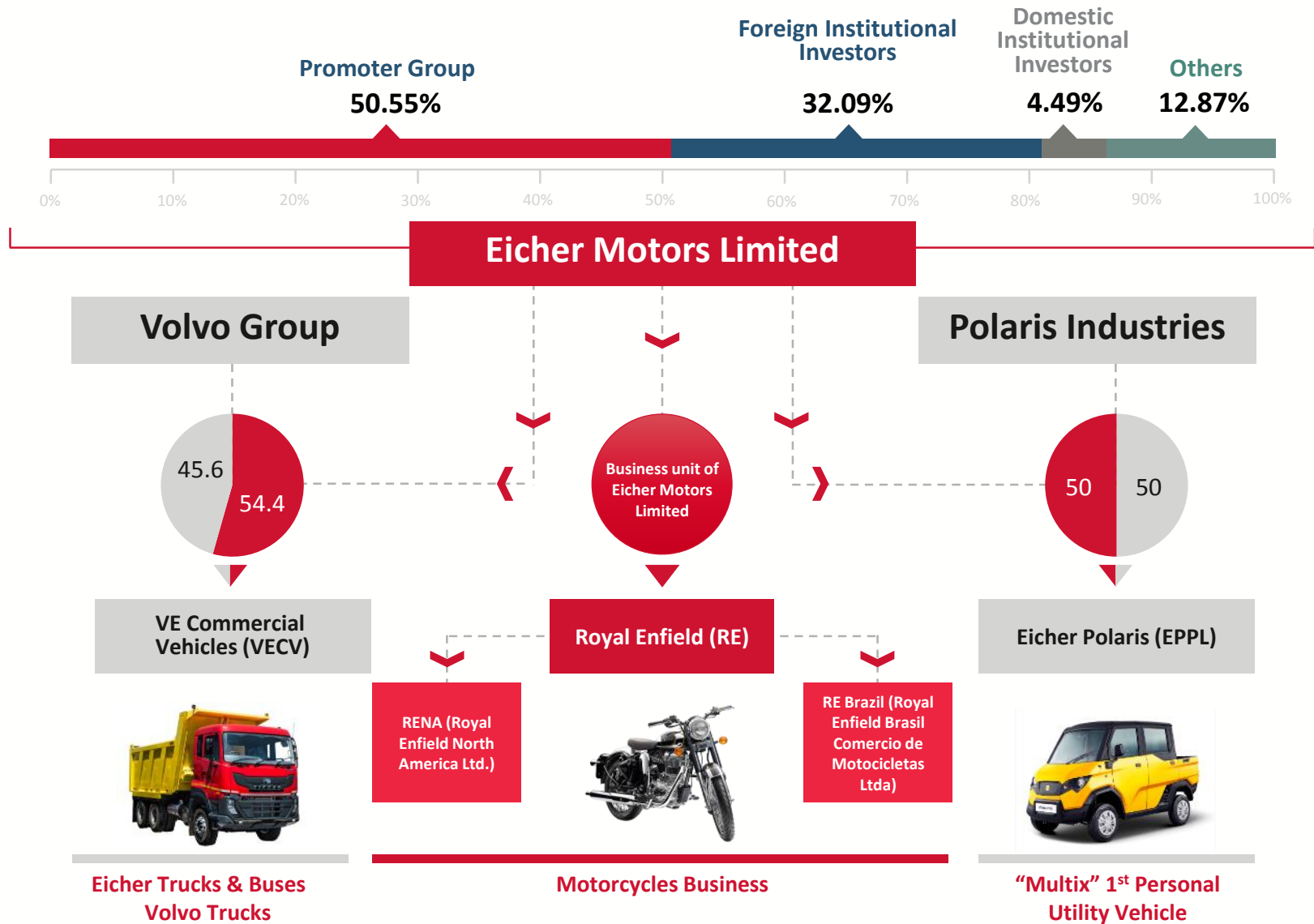
Divests tractor & allied businesses to focus on commercial vehicle & motorcycle businesses



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



Shareholding Pattern (30th September 2017)



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
- **MJ Subbaiah**
Independent Director
- **Prateek Jalan**
Independent Director
- **Manvi Sinha**
Independent Director



VE Commercial Vehicles

- **Hakan Karlsson**
Chairman
- **Vinod Aggarwal**
Managing Director & CEO
- **Siddhartha Lal**
Eicher Nominated Director
- **Jacques Michel**
Volvo Nominated Director
- **Philippe Divry**
Volvo Nominated Director
- **Raul Rai**
Eicher Nominated Director
- **Prateek Jalan**
Independent Director
- **Lila Poonawalla**
Independent Director



Eicher Polaris Pvt. Ltd

- **Michael D. Dougherty**
Chairman
- **Pankaj Dubey**
CEO & Whole Time Director
- **Siddhartha Lal**
Eicher Nominated Director
- **Lalit Malik**
Eicher Nominated Director
- **B Govindarajan**
Eicher Nominated Director
- **Michael Todd Speetzen**
Polaris Nominated Director

Business Highlights – FY 2016-17[^]



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EML continues to be
Debt free company



666,493

Motorcycles sold in FY17,
6x in last 5 years



95%

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



31.3%

Royal Enfield EBITDA
margin in FY17, benchmark
in automobile industry



33.5%

VE Commercial Vehicles
market share in domestic
LMD[#] segment

ROYAL ENFIELD

Oldest motorcycle brand in continuous production

<p>1891 R. W. Smith and Albert Eadie take over the Twentieth Century Cycle Company in Redditch, UK. Soon after, they start supplying precision machine parts to the Royal Enfield Small Arms Factory in Enfield, Middlesex. Their undertaking is rewarded: the Enfield Manufacturing Company Limited.</p> 	<p>1893 Enfield Manufacturing Ltd. becomes Royal Enfield – 'Royal' being taken from the Royal Small Arms Company. The trademark 'Made like a gun' is introduced.</p> 	<p>1898 R. W. Smith designs a motorised vehicle, a four-wheel bicycle known as a quadricycle. It uses a proprietary 1 1/2 hp De Dion engine.</p> 	<p>1900 Royal Enfield enters motorport when one of its quadricycles enters a 1000-lb Trial. The event does much to persuade the British public of the viability of motorised transport.</p> 	<p>1901 The first Royal Enfield motorcycle is produced. Designed by R. W. Smith and Frenchman Jules Gohet, it has a 1/2 hp Minerva engine mounted in front of the steering head. The final drive is at the rear, acted by means of a long outside belt.</p> 	<p>1909 Royal Enfield's first V-twin is launched at the Stanley Cycle Show. The engine is a 2 1/4 hp unit made by the Swiss company, Hubschacher.</p> 	<p>1914 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> 
<p>1924 Continuous development results in a range of 8 models, including the launch of the Sports Model 351, the first Royal Enfield 350cc OHV 4-stroke motorcycle with foot-operated gear change. It is powered by a JAP engine. A 225cc 2-stroke 'Mistral' model is also released.</p> 	<p>1926 A major fire breaks out at the 12-acre Redditch factory. The company's own fire brigade manages to fight the flames that threaten to engulf the entire plant.</p> 	<p>1928 Royal Enfield adopts saddle tanks in place of outboard flat tanks. It is also one of the first manufacturers to change its front fork system from a 'drum design' to a 'come-sprung' rider forks.</p> 	<p>1930 The decade begins with a diverse eleven model range, from the 225cc 2-stroke Model A to the 575cc V-twin Model K. Also, the new 250 and 500cc side-valve and overhead valve machines with dry-sump lubrication are produced.</p> 	<p>1932 The legendary 'Bullet' motorcycle is born. It is first displayed in November 1932 at the important Earls Court Motorcycle Show in London. Three versions 250, 350 and 500cc are available, all with inclined 'sloper' engines, twin-spoked cylinder heads, foot-operated gear change and high compression pistons.</p> 	<p>1933 Two years following the demise of Albert Eadie, founding partner R. W. Smith passes away. Major Frank Smith assumes control at Enfield.</p> 	<p>Royal Enfield Motor Cycles</p> 
<p>1935 Cecil Barrow, riding a 500cc Bullet, finishes in 8th place, averaging 74 mph. It is Royal Enfield's last factory-sponsored entry in the event. The 500cc Bullet is radically changed the following year with the release of a new sporting version, the Model JF, featuring a 4-valve cylinder head.</p> 	<p>1939 Royal Enfield produces large quantities of motorcycles and bicycles during the Second World War. The most iconic military model is the 125cc Airborne motorcycle known as the Flying Pig. This 125cc 2-stroke can be loaded into a specially fabricated parachute crate and dropped with paratroopers behind enemy lines.</p> 	<p>1948 The 350cc Bullet prototype, with radical swinging arm rear suspension, is previewed in the Colmore Cup Trial of March 1948. Two Bullets form part of the victorious British team in the 1948-50 (International Six Days Trial), held in Italy. Both their riders win gold medals.</p> 	<p>1949 The new 350cc Bullet and 500 Tain models are launched in the UK. Both bikes share the same frame, swinging arm suspension, telescopic front forks and gearbox. K. R. Sundaram Iyengar launches Madras Motors to import British motorcycles into India. Besides Norton and Matchless machines, he sells Royal Enfields.</p> 	<p>1952 Madras Motors receives an order from the Indian Army for 800 350cc Bullets. The motorcycles arrive from Redditch in early 1953 and prove to be a great success, being both handy and easy to maintain. Johnny Britton wins the prestigious Scottish Six Days Trial on his 350cc Bullet, 'Hill' 231.</p> 	<p>1955 The Redditch company partners Madras Motors in India to form 'Enfield India'. Work commences on the construction of a purpose built factory at Tiruvottur, near Madras.</p> 	<p>1958 A new 24 bhp 500cc Bullet is released. The bike is primarily aimed at export markets, where it is available in Classic, Deluxe and Superior trim along with the 350.</p> 
<p>1956 The Tiruvottur factory opens and Bullets begin to be manufactured under licence. Early production is based on machines that come from England in kit form which are then assembled in Madras. A total of 163 Bullets are built by the end of the year.</p> 	<p>1957 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. Producing 13 bhp, the motorcycle features a unit construction engine and alternator electric with coil ignition.</p> 	<p>1964 The iconic Continental GT café racer is launched to great acclaim when a team of professional riders led by John A. Grooms to Lands End 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 chopped race seat, rev counter and a swept-back exhaust.</p> 	<p>1967 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 Wharfe.</p> 	<p>1970 The Enfield Cycle Company in the UK goes out of business. The remaining Interceptor engines are sold to the Rickman Brothers, and fit in proprietary Metisse frames. Approximately 50 of these machines are built. Production in India continues without interruption.</p> 	<p>1977 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> 	<p>1989 A new 24 bhp 500cc Bullet is released. The bike is primarily aimed at export markets, where it is available in Classic, Deluxe and Superior trim along with the 350.</p> 
<p>1993 Enfield India produces the world's first and only mass-manufactured diesel motorcycle, known as the Enfield Diesel. It used a highly fuel-efficient 325cc power unit installed in the standard bullet rolling chassis.</p> 	<p>1994 The Fisher Group acquires Enfield India Limited. The company is renamed Royal Enfield Motors Limited.</p> 	<p>1997 Forty Royal Enfield motorcycles tour Khazindar, La, the world's highest motorable pass, setting a precedent for epic rides in some of the world's most difficult terrains.</p> 	<p>1999 Honoring the design skills of Austrian experts AVL, production of a revised 250cc aluminium leanburn bullet engine, known as the A350, begins at a new Royal Enfield plant near Jaipur, Rajasthan.</p> 	<p>2001 The Baredevils, the motorcycle display team of the Indian Army Corps of Signals, Jabalpur, forms a human pyramid of 201 men on ten 350cc Enfield motorcycles, riding a distance of more than 200 metres.</p> 	<p>2002 The Thunderbird, a stylish lean burn cruiser is launched in India. It features the first 5-speed gearbox used on a Royal Enfield since 1965 in Redditch. More than 1000 Royal Enfield motorcycles of all ages descend on Redditch for the Royal Enfield Owner's Club Redditch Revisited event.</p> 	<p>2004 The Kawasaki K, an export bullet with a 500cc version of the all-alloy lean burn engine, goes on sale. The varnished Bullet Heavyweight is rated the 'No.1 Cruiser' in a TNS Autocar survey.</p> 
<p>2005 Royal Enfield celebrates its 50th anniversary in India.</p> 	<p>2008 The Enfield begins exploring the Classic India's first 500cc EFI, Euro III compliant motorcycle, in European markets. The Thunderbird Twinspark is launched with the new Unit Construction Engine (UCE) in India.</p> 	<p>2009 The 500cc UCE engine is launched in India. The retro-styled Classic version achieves cult status immediately and sales grow rapidly.</p> 	<p>2011 The company launches its first annual 'One 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 Oragadam near Chennai for its new plant. A factory organised trip crosses the border with 'Tour of Nepal'.</p> 	<p>2012 Royal Enfield launches its first highway cruiser, the all-black Thunderbird 500. Work on the new Oragadam factory continues briskly, while the Tiruvottur plant sets new production records.</p> 	<p>2013 Royal Enfield celebrates its first purpose-built motorcycle, the Himalayan. With the all-new LS410 engine and terrain-tested suspension, it promises the ride of a lifetime on all roads and no roads.</p> 	<p>2014 Royal Enfield introduces a new retail experience with the opening of the first-of-its-kind exclusive gear store at Khan Market, New Delhi.</p> 
<p>2013 Forty-eight years after developing the world's first production café racer, Royal Enfield rolls out the all-new Continental GT. Rockers, cranks and index cassettes that is the most fun one could ever have on a motorcycle.</p> 	<p>2014 Royal Enfield introduces a new retail experience with the opening of the first-of-its-kind exclusive gear store at Khan Market, New Delhi.</p> 	<p>2015 Royal Enfield acquires exclusive collaboration with Harts Performance of the UK, a motorcycle engineering and design firm to enhance its engineering and product design capabilities.</p> 	<p>2015 Royal Enfield sets up its first direct distribution subsidiary outside India, in North America. Royal Enfield, North America, Royal Enfield's North American headquarters is located in Milwaukee, Wisconsin.</p> 	<p>2016 Royal Enfield debuts its first purpose-built motorcycle, the Himalayan. With the all-new LS410 engine and terrain-tested suspension, it promises the ride of a lifetime on all roads and no roads.</p> 	<p>2017 Royal Enfield moves into its state-of-the-art Tech Centre at Leicester, UK to design and develop new motorcycle platforms for global market.</p> 	<p>2017 Royal Enfield moves into its state-of-the-art Tech Centre at Leicester, UK to design and develop new motorcycle platforms for global market.</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



The Twins are Here

The Interceptor and the Continental GT, powered by the 650 Twin.
Heritage-inspired machines that carry the Royal Enfield legacy and
character into the 21st century

Continental GT



Interceptor

Royal Enfield aims to lead and expand the mid-weight motorcycle segment globally

Parallel Twin Cylinder Engine



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

Interceptor 650 & Continental GT 650



- The new 650 twins offers a compelling upgrade to the large base in India
- An attractive proposition to customers from other developing markets in South East Asia and Latin America to graduate to the middle weight segment
- A very evocative option to customers in mature motorcycle markets such as Europe, Australia and North America

Product Portfolio – Gear

Launched in October 2012, Royal Enfield Gear bears quintessential Royal Enfield hallmarks – craftsmanship, durability and attention to detail.



All Weather, All Terrain Protective Gear

Royal Enfield Protective Gear has continued to expand it's portfolio to support our riders' aspirations of riding out. Whether it is a weekend ride out of the city or an odyssey in the mountains, there is a solution for every situation. Designed exclusively for the tropical Indian climate which is unlike any other in the world, RE Gear is truly distinctive and one-of-its-kind.

This year, we launched our first thematic Royal Enfield Gear campaign, which resonated deeply with the target group, owing to its realistic portrayal of gear, on 3 different extreme riding terrains.

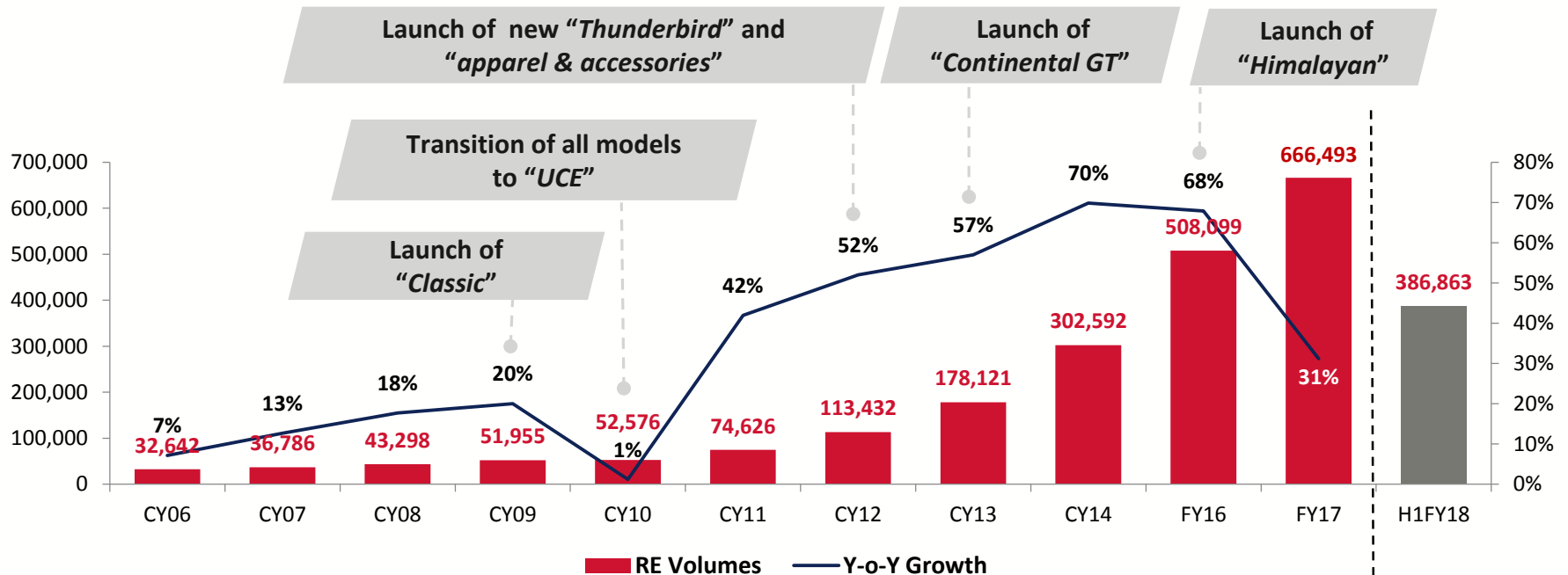
Urban Gear Inspiration

Inspired by a way of life that celebrates the relationship of riders with their machines. Meant to take their passion for motorcycling to places where they can't take their motorcycles, Royal Enfield Urban Gear is designed for riders by riders.

A rich community has grown around the brand transcending one's journey of individuality into a deeper pursuit. Urban Gear from Royal Enfield celebrates this motorcycling way of life.

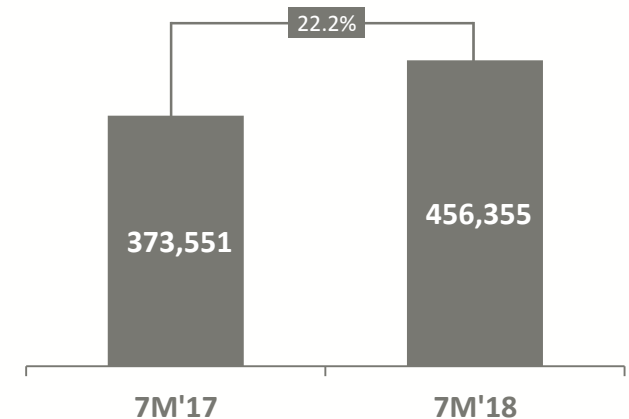


Launch of “Classic” in 2009 was an inflection point



Note: Standalone volumes for Eicher Motors Limited

► Volumes grew by 50% CAGR during the period CY10 to FY17

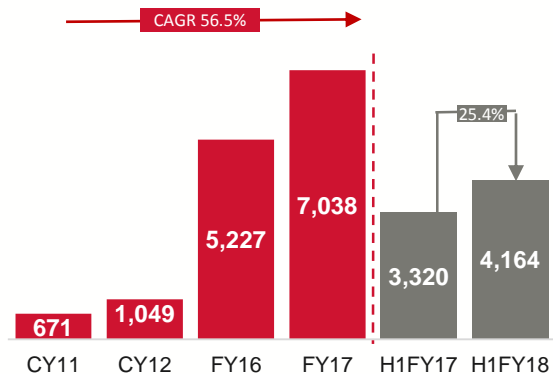


Financial Highlights – Eicher Motors Ltd. (Standalone)

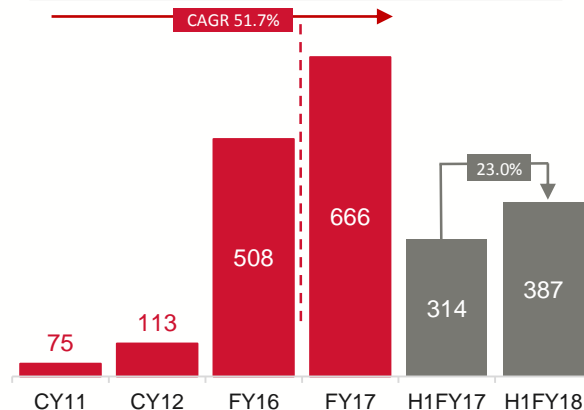
All figures are for Eicher Motors Limited Standalone (in Rs. cr unless specified)

Total Revenue

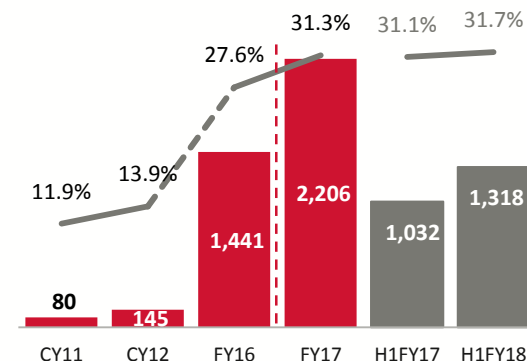
Total revenue from operations (net of excise duty)



Sales Volume (in Thousands)

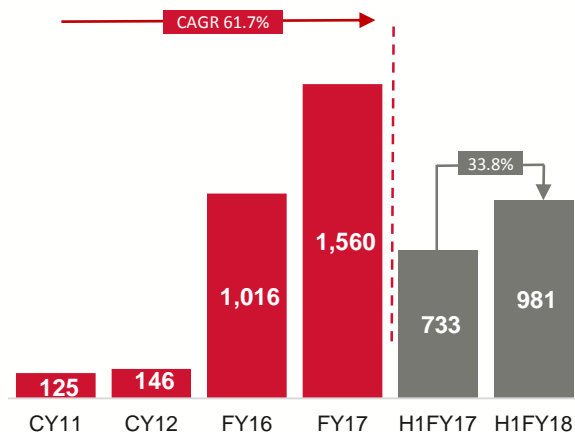


EBITDA & Margins

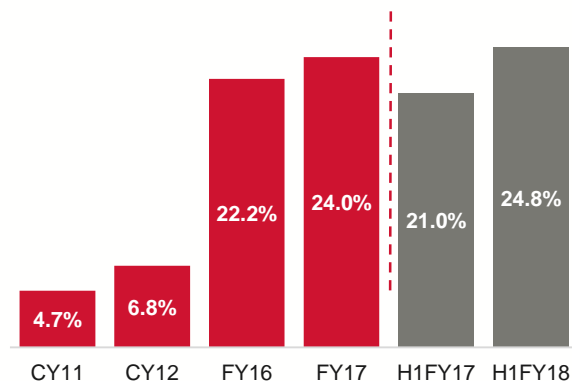


The figures in % indicate EBITDA Margins
EBITDA Margin = EBITDA/Total revenue from operations
(net of excise duty)

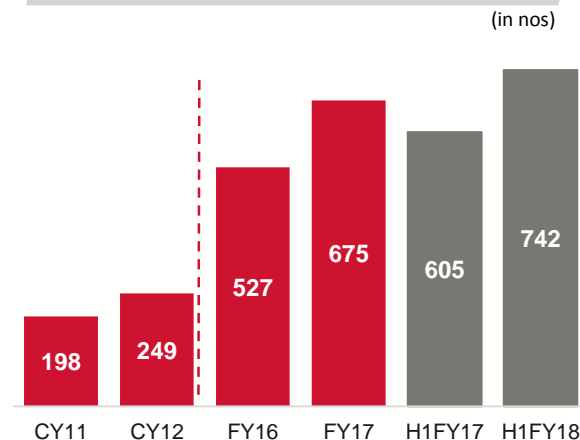
Profit After Tax



Market share* (India)



Dealer Network (India)

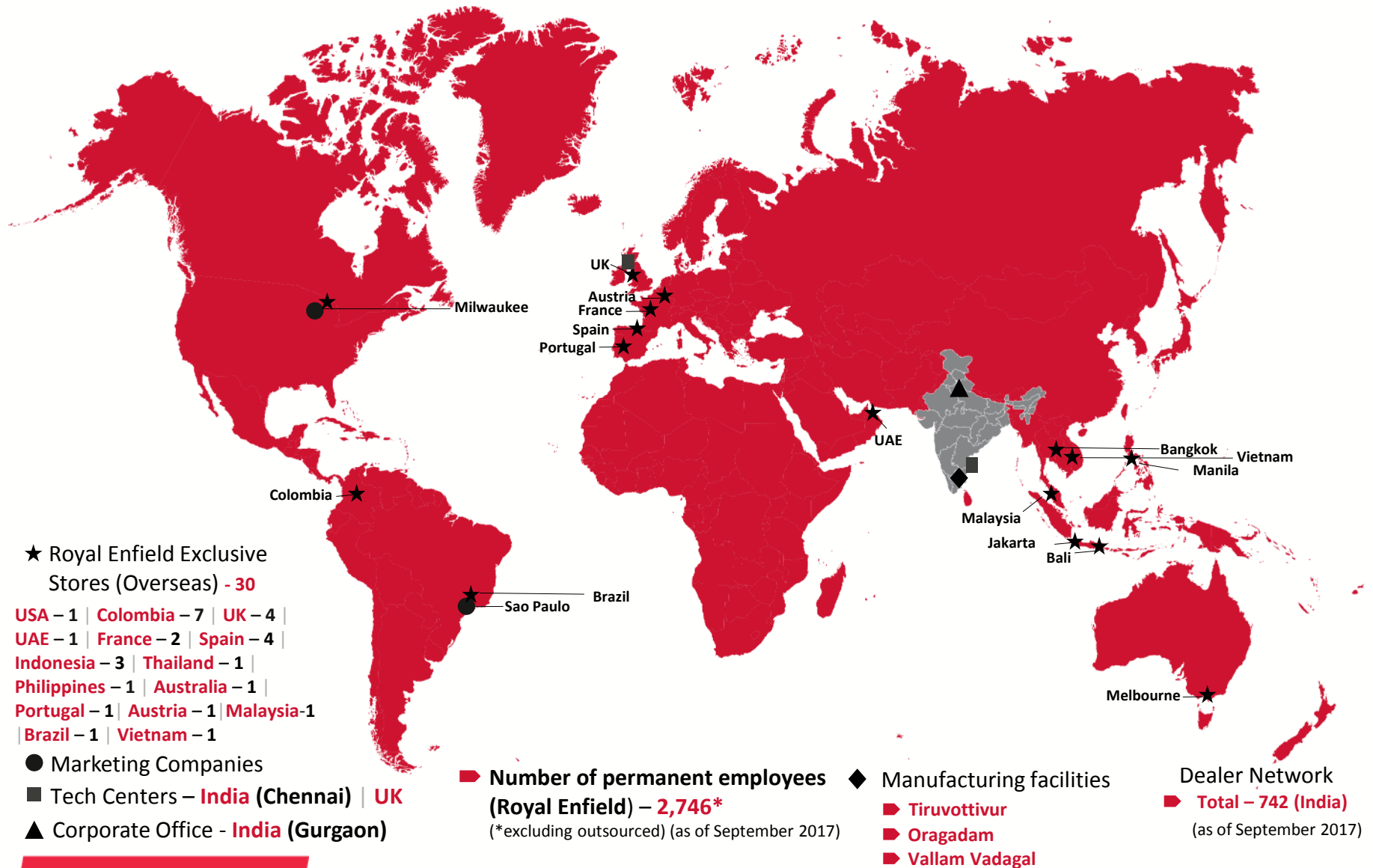


INVESTOR PRESENTATION
November 2017

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

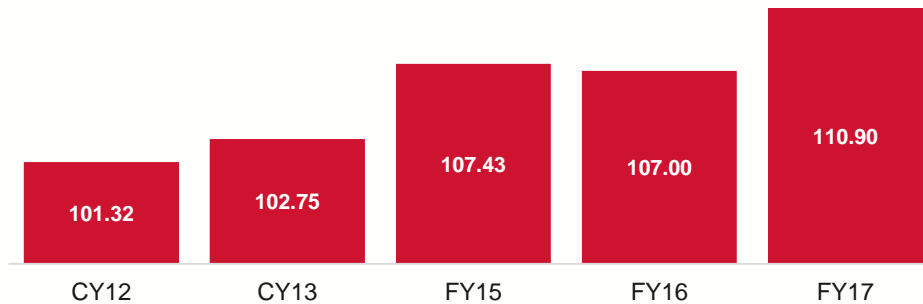
* Market share in 150cc and above segment
Source - SIAM

Our Footprint



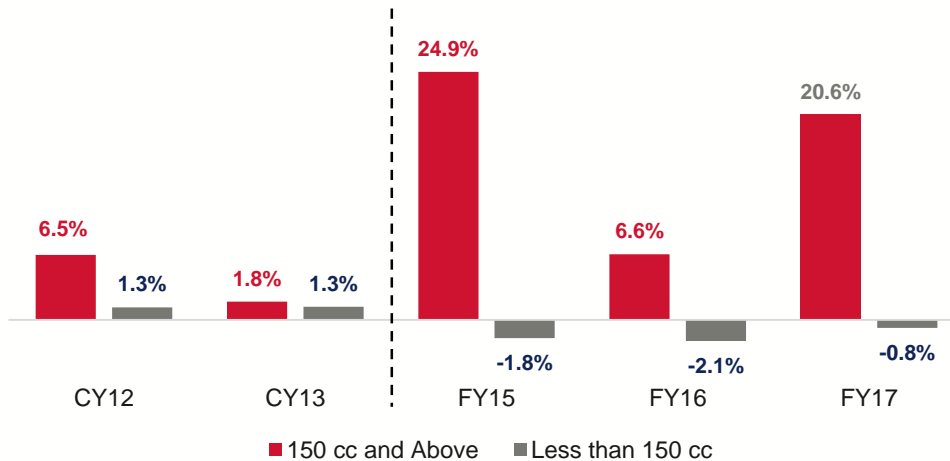
Industry Overview

Motorcycle Volumes (India) (in lacs)



India - largest motorcycle market in world

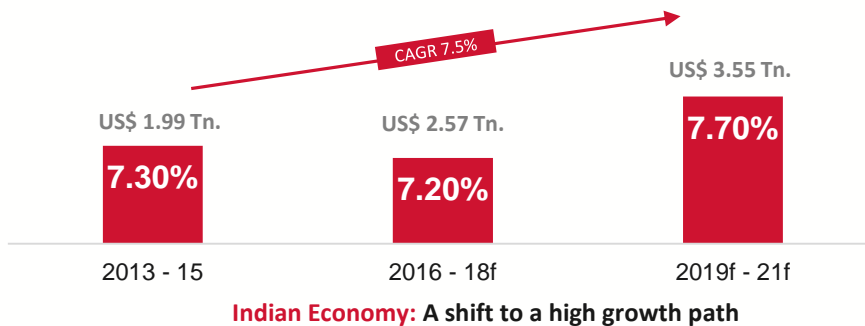
Growth rate of various motorcycle segments



Indicates growing premiumisation of motorcycle market

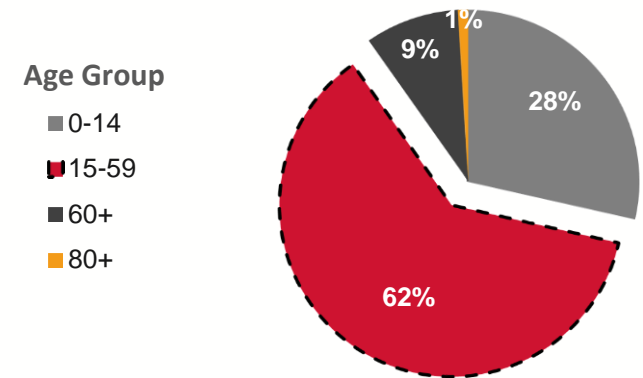
Opportunity – Domestic Market

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



Source: FocusEconomics Consensus Forecast, October 2017

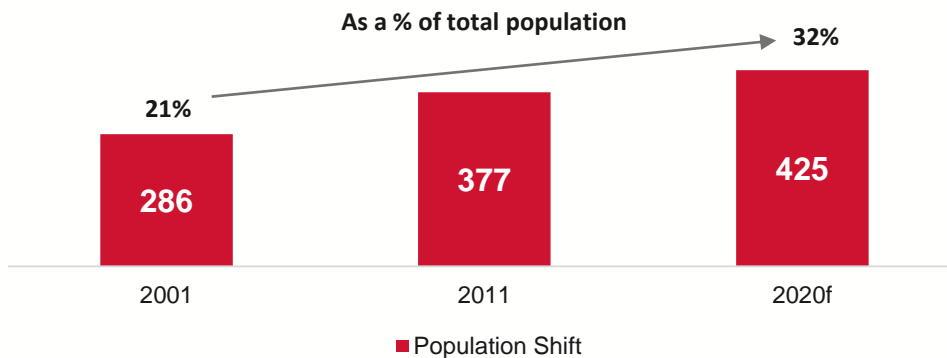
India's demographic profile (year-2015)



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

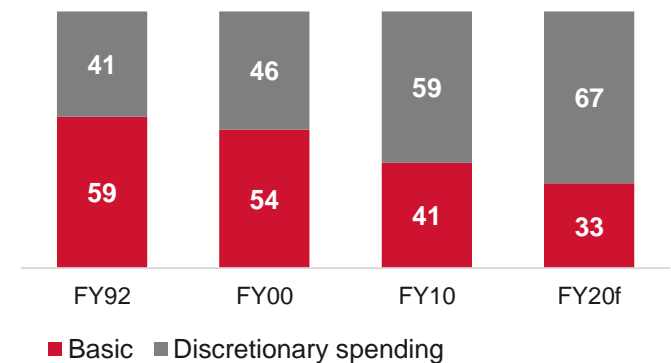
Growth in urbanization

(In mn)



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

Rising share of discretionary spending over the year (%)

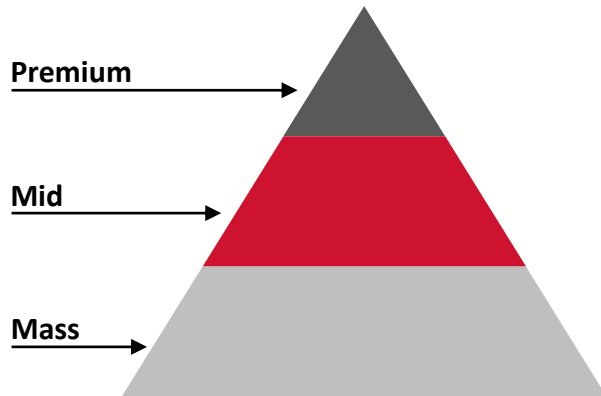


F: D&B forecast | Source: Mospi, D&B India

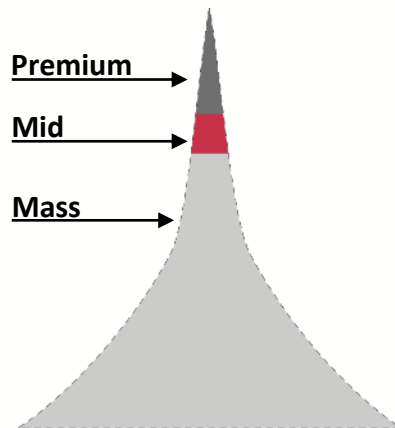
Opportunity – International Business

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

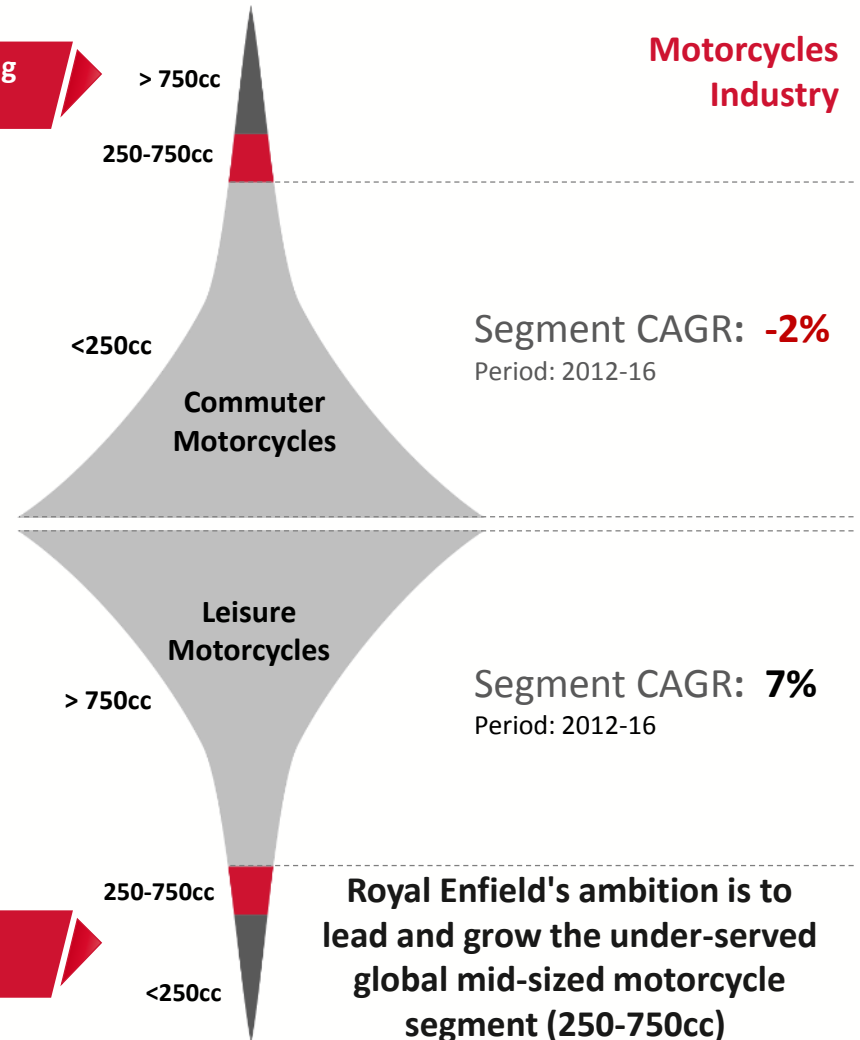
Most Industries



Motorcycle Industry



Developing Markets



Preparing for future growth

Capacity



- Vallam Vadagal plant started production in the month of August 2017
- Total capacity available in FY 17-18 will be 8,25,000
- Peak capacity to ramp up to 9,00,000 by FY2018-19

Product Development



- 2 Technology centres in Chennai and UK
- The new twin engine 650cc platform in development stage, likely to roll out by mid of 2018

Distribution



- New exclusive stores format introduced in India & International Market
- No. of dealers in India to increase to 825 by March '18

Capital expenditure planned for FY17-18 ~Rs. 800 cr for Capacity Expansion, Technology Centre, Infrastructure, Product Development and expanding distribution network

Preparing for future growth - UK Technical Centre



- A team of over 130 engineers with a wide range of international experience in motorcycle design and development, already in place
- Spread across ~36,000 sq ft, the facility employs state-of-the-art industrial design studio, testing & validation equipment and workshop facilities
- Work on 'Dyno Building' nearing completion; the complete centre to be operational by Dec'17



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

Brand - Recent Milestones

Royal Enfield ONE RIDE 2017

- In April 2017, Royal Enfield conducted One Ride - which is one the largest global community rides. One Ride 2017 saw record participation, with more than 500 registered rides attended by over 13,000 registered participants in India. Apart from Delhi, Mumbai, Chennai, Kolkata and Bangalore, communities from more than 50 cities also joined the ride. Globally, Royal Enfield One Ride was celebrated across 23 locations in nodal cities like London, Paris, Madrid, Barcelona, Madrid, Dubai, Jakarta and Bangkok.



Moto Himalaya, Leh

- Royal Enfield introduced a brand new ride format – Moto Himalaya for its international customers. The Moto Himalaya is a shorter format of the Himalayan Odyssey and it begins and ends in Leh
- The first edition of this ride saw 21 participants from 9 different countries. All the participants rode the Bullet 500.



Introduced Classic Stealth Black 500 and Classic Gunmetal Grey 350

- Royal Enfield introduced its best selling model Classic in two new color schemes - Stealth Black in 500cc and Gunmetal Grey in 350cc variants. The contemporary shades bear a stylish matt finish. The motorcycles are also equipped with rear disc brakes.
- The Stealth Black variant also drew interest from National Security Guard as a team of 15 commandos embarked on a 7,000 kms long round-trip expedition across India in the month of September.



Rider Mania 2017

- Rider Mania is the most definitive motorcycling festival and the largest community gathering of Royal Enfield enthusiasts across the globe. The festival takes place at Vagator, Goa
- This year Rider Mania is scheduled from November 17 – 19 and more than 5,000 people are expected to attend.



Royal Enfield's store in Delhi's Khan Market



- Royal Enfield opened a new flagship Gear store in Khan Market, New Delhi, India.
- Built around timelessness, craftsmanship and an unadulterated love for motorcycling, our new range of motorcycling gear and merchandise has been crafted with impeccable attention to detail.

Royal Enfield's store in Saket, New Delhi



The Saket store is our finest example of Pure Motorcycling yet.

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

Royal Enfield marks its presence in the Vietnam market

Royal Enfield's first flagship store
in Ho Chi Minh City, Vietnam



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

VECV vision

“To be recognised as the industry leader driving modernisation in commercial transportation in India and the developing world”

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

Milestones



AUGUST 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 Bagdad (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



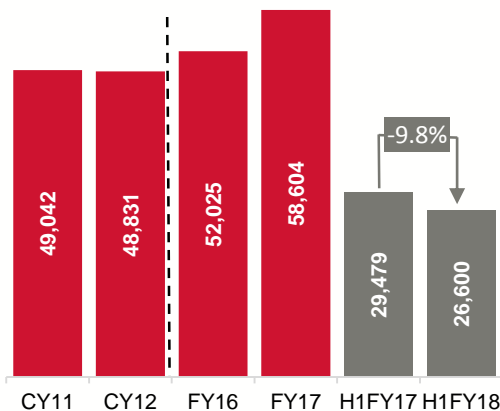
2015: Inauguration of 'Customer Experience Center' and 'Vehicle display zone'



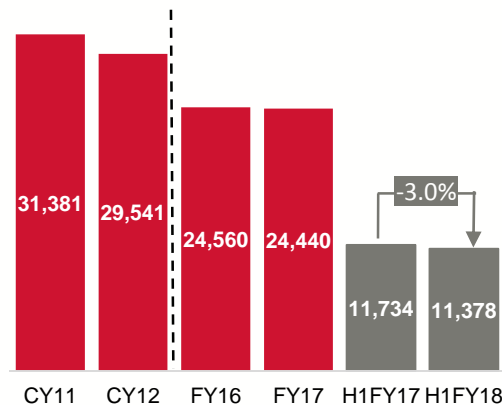
2016: Launch of Eicher Pro 1049 (Sub 5 Ton mini truck)

Volumes

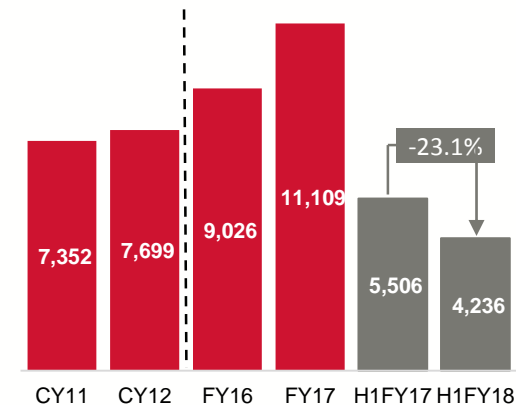
Total CV* Volumes (in nos)



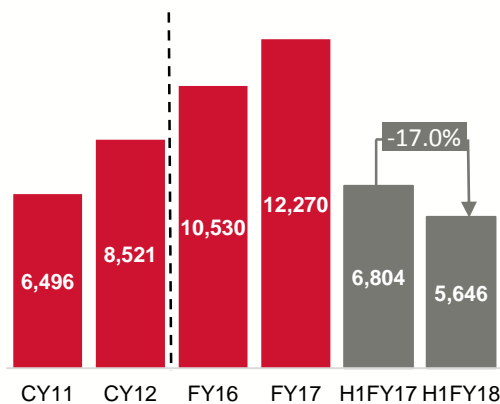
Eicher Light to Medium Duty Trucks (5-15 tonne) (in nos)



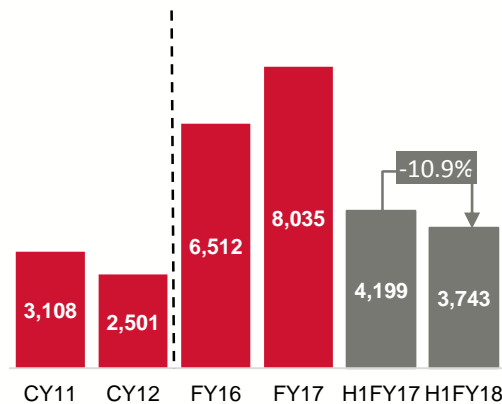
Eicher Heavy Duty Trucks (16 tonne +) (in nos)



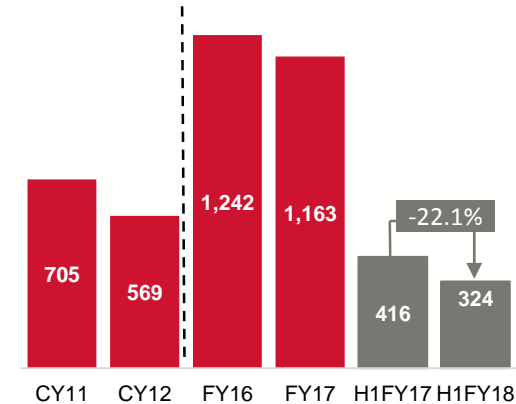
Buses (in nos)



Exports (in nos)



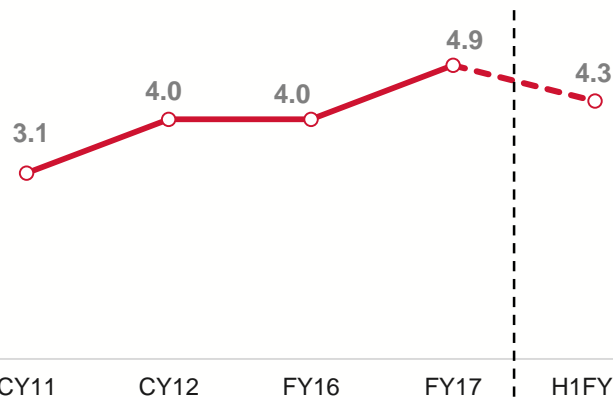
Volvo Trucks (in nos)



Market Share

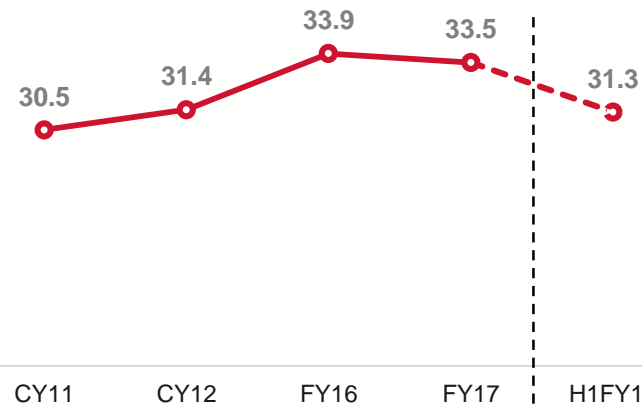
**Eicher Heavy Duty Trucks
(excluding exports)**

In %



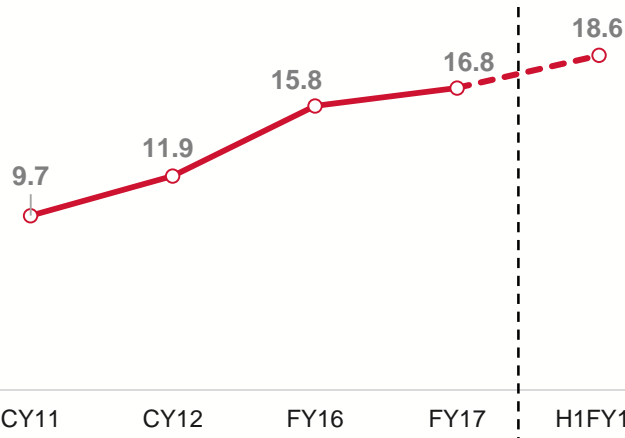
**Eicher Light and Medium Duty Trucks
(excluding exports)**

In %



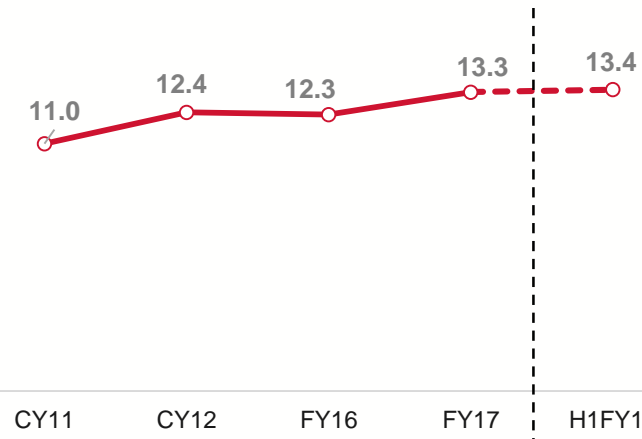
Buses (excluding exports)

In %



VECV market share (including exports)

In %

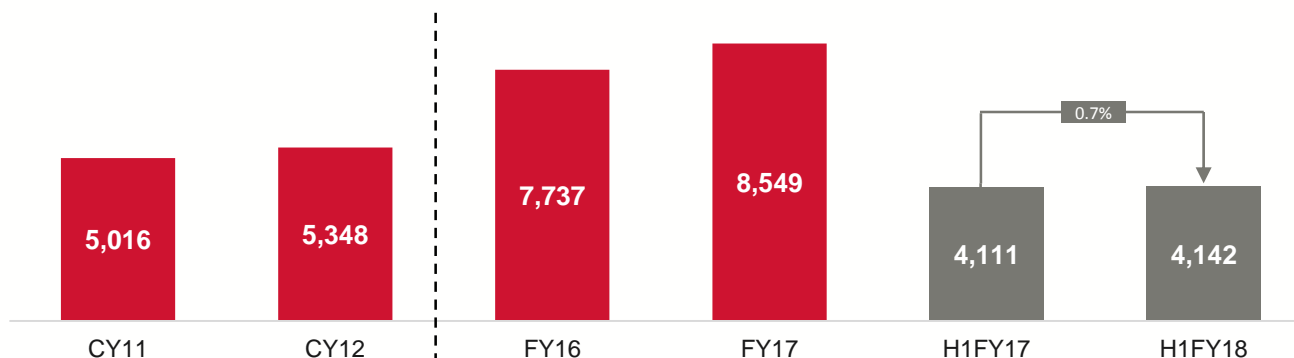


Financial Highlights – VE Commercial Vehicles

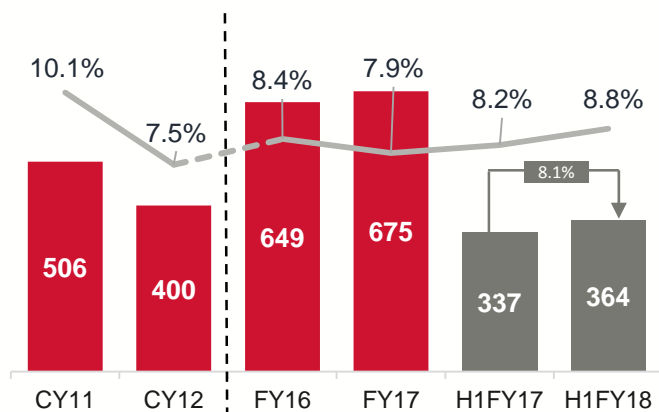
All figures are for VE Commercial Vehicles
(in Rs. Crore unless specified)

Total Revenue*

Total revenue from operations (net of excise duty)

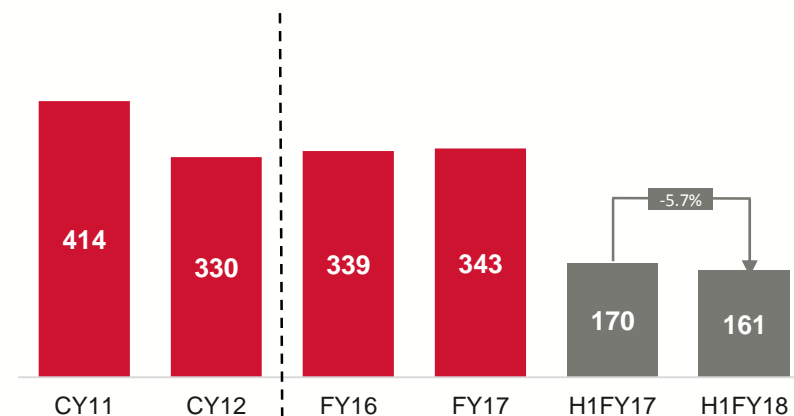


EBITDA & Margin*



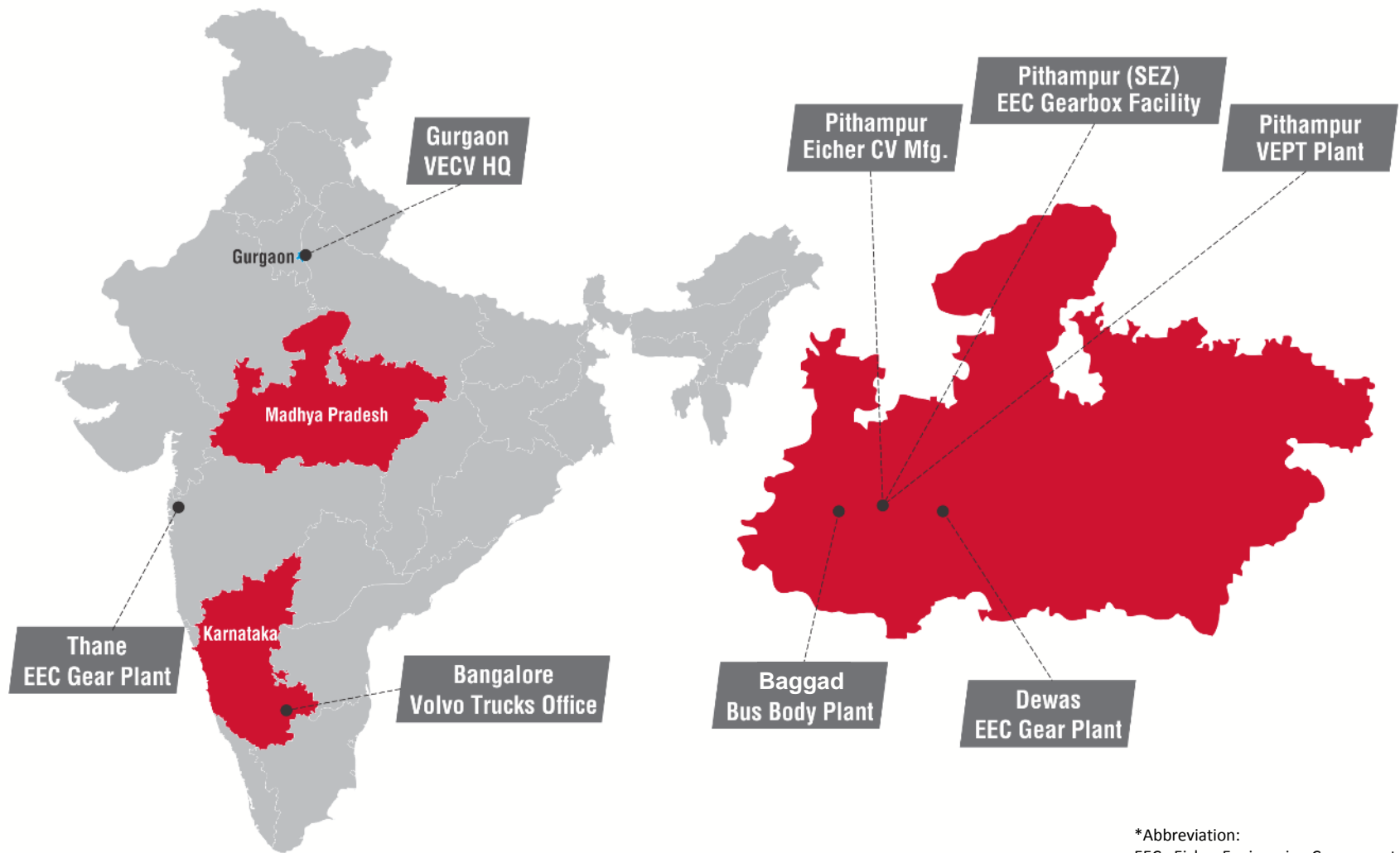
The figures in % indicate EBITDA Margins
EBITDA Margin = EBITDA/Total revenue from operations (net of excise duty)

Total Comprehensive Income



Note: Figures for FY16 and FY17 are as per IND AS. Figures from CY11 and CY12 are as per IGAAP.
EBITDA – Earning Before Interest, Tax, Depreciation and Amortisation
*Excludes Other Income

India Facilities – Manufacturing and Operations

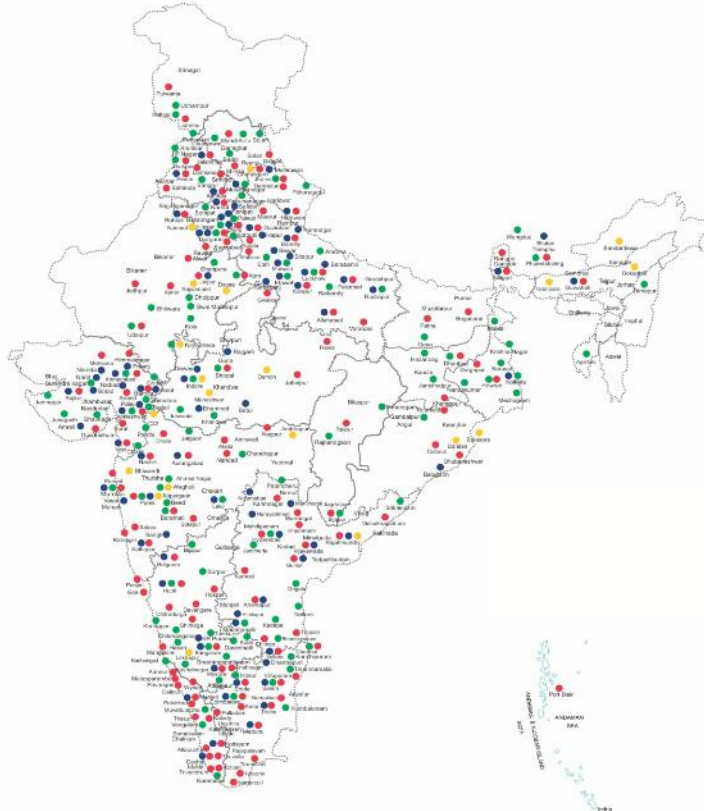


Number of employees(VE Commercial Vehicle) - 4,760*
(*permanent) (as of September 2017)

*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 299 nos. including 15 COCO* outlets
- 22 distributors, 160 Eicher Genuine Parts Shoppe and 2,270 multi-brand parts retailers
- 224 GPS enabled Vans and 29 Container Set up sites

Volvo Truck & Bus Network



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

* COCO – Company owned company operated

Opportunities / Discontinuities

Stricter emission & Safety

Stronger regulations for overloading

Better infrastructure leading to higher speeds & mileage

Increasing influence of drivers in purchase decision

Professionalization of transportation & logistics

Growing demand in “premium domestic” segment

VECV EDGE

Investing early in fully-built vehicles & emission norms

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

Building more reliable engines & driveline

Better comfort & features for drivers

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

Vehicle quality & after market excellence

Opportunities / Discontinuities

VECV EDGE

Availability of trained drivers

Driver training and regional academy

Higher dependence on logistics

Developing products aligned with evolving customer needs – Pro series

Increased pressure on initial acquisition cost

Institutionalization of cost reduction program, Frugal approach

Increasing need for safe, ergonomic, superior aesthetics in Buses

Frugal approach and inclusive innovation with Volvo collaboration

Modern technologies, features at mass market prices

World-class state of the art integrated Bus plant

Eicher LMD Trucks: A Significant Player

Eicher Pro 1000 series (5-15 Ton GVW)

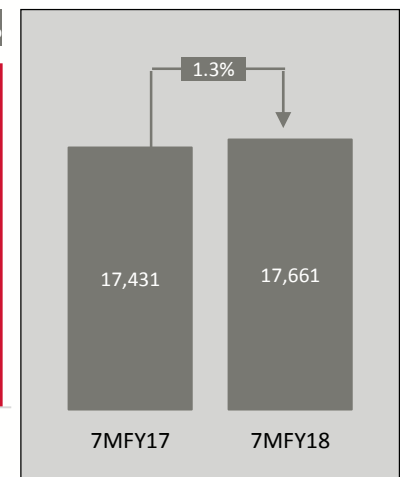
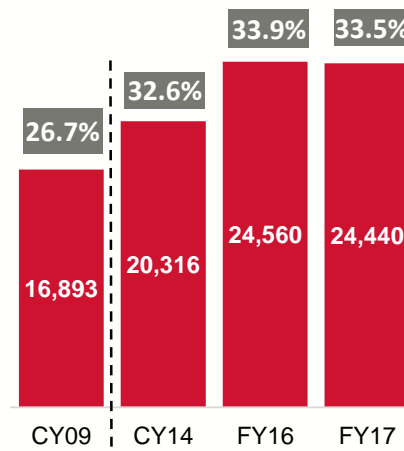


Mileage ka Badshah



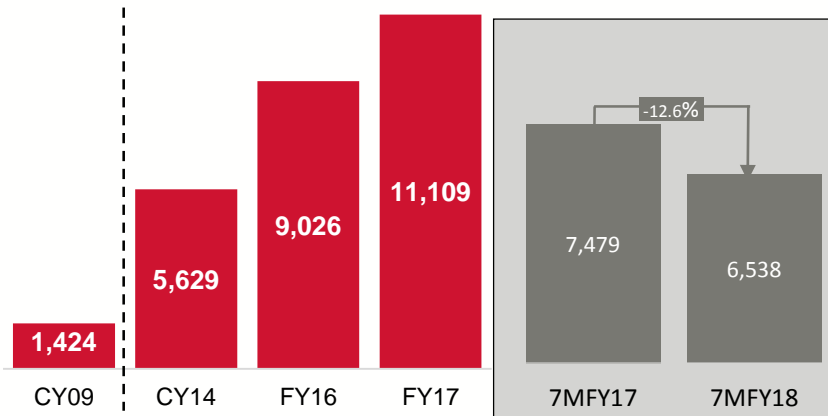
Eicher Pro 3000 series (10-15 Ton GVW)

Volumes and Market share



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

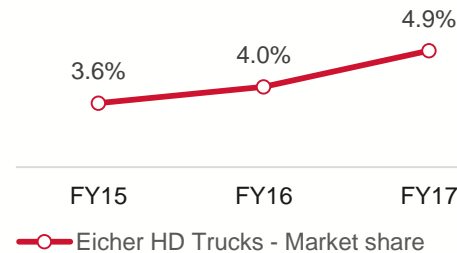
Volumes



Pro 8000 series



Steadily growing market share



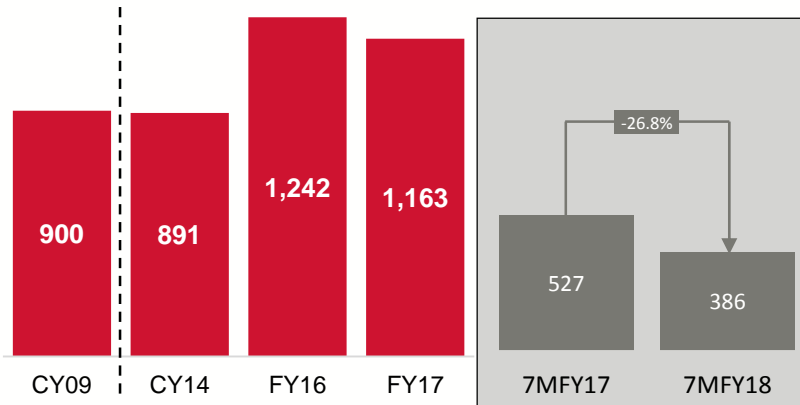
Pro 6000 series



- Eicher HD trucks have been consistently growing more than the HD trucks market in India. Volumes grew by 23.1% from FY16 to FY17.
- Favourable macro economic factors availability of wider range of power trains coupled with aggressive expansion will help Eicher HD trucks to improve its market share.

Volvo Trucks: Market leader in Premium Truck segment

Volumes



Leadership in niche segments



FMX 10X4 (55 Ton dump trucks)



Mining tipper



Tunnel tipper

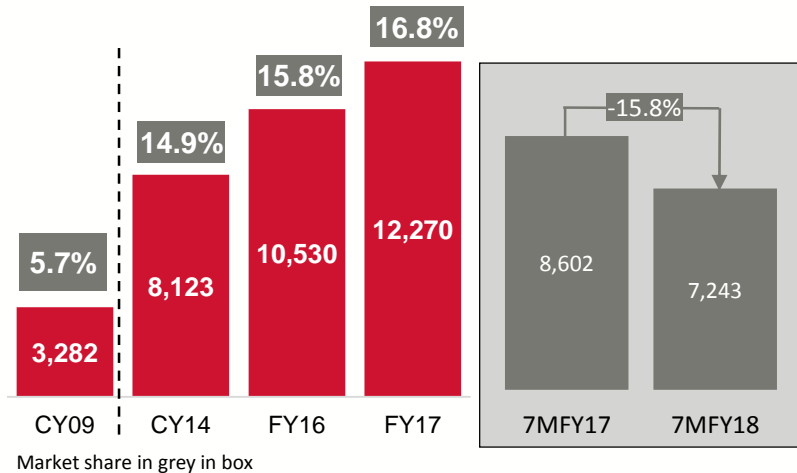


FH 520 is the flagship model of the Volvo truck range

Over dimensional cargo

Eicher Buses: Steady Market Share in a Challenging Environment

Volumes and market share

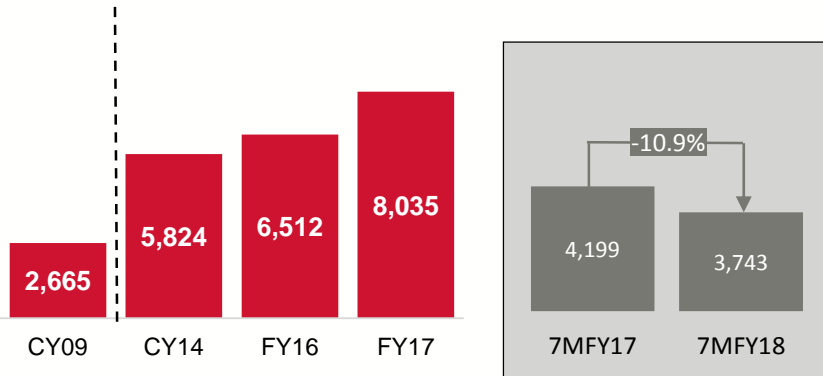


Skyline Pro



Tapping Global Potential

Exports



- Major focus markets are Southeast Asia, the Middle East and Africa
- First establish in India-like markets such as Bangladesh, Nepal or Sri Lanka; Share in the overall truck and bus market already at over 20% in Bangladesh and about 15% in Nepal
- Export started to South Africa with a CV market size of 25,000 units; Partnered with strong distributor groups for sales and aftersales support
- Plans for export to Indonesia underway, huge LMD trucks market size of ~100,000 units



World Class Manufacturing set up...

- Most productive plant to produce up to 75,000 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. 450 cr in FY17-18





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

Other VECV Business Areas

Eicher Engg Components (EEC)

- ▶ Strategic supplier of drive line components and aggregates for VECV, The Volvo group, exports and strategic domestic OEM customers
- ▶ Production facilities at: Thane, Dewas and SEZ, Pithampur
- ▶ Annual turnover of Rs. 531.24 cr in FY2017



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 579 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

- 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 172mm 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 27 Km/ ltr for BS IV variant.
- With starting price of Rs.2.59 lacs (ex showroom Jaipur), Multix offers unmatched value
- Domestic presence through 96 stores

3 in 1

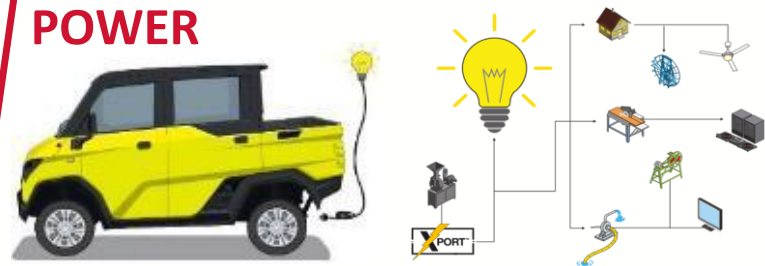
FAMILY



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 2013

Ground-breaking
ceremony at Jaipur
Plant



June 2015

SOP/ Retail commence
across dealerships in 7
states



Aug 2015



Launched
BS IV

Oct 2016

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

Entering SAARC Markets

International Foray - Launch of Multix in Nepal in June 2017



- For international foray, focus is on nearby markets such as Nepal, Bangladesh and Sri Lanka
- Entered Nepal in June 2017. Launch in Bangladesh also planned in December this year.
- The region offers a good business potential for Multix considering the road condition and traffic situation there

Indian Cricket team taking a ride post the ODI series win in Colombo



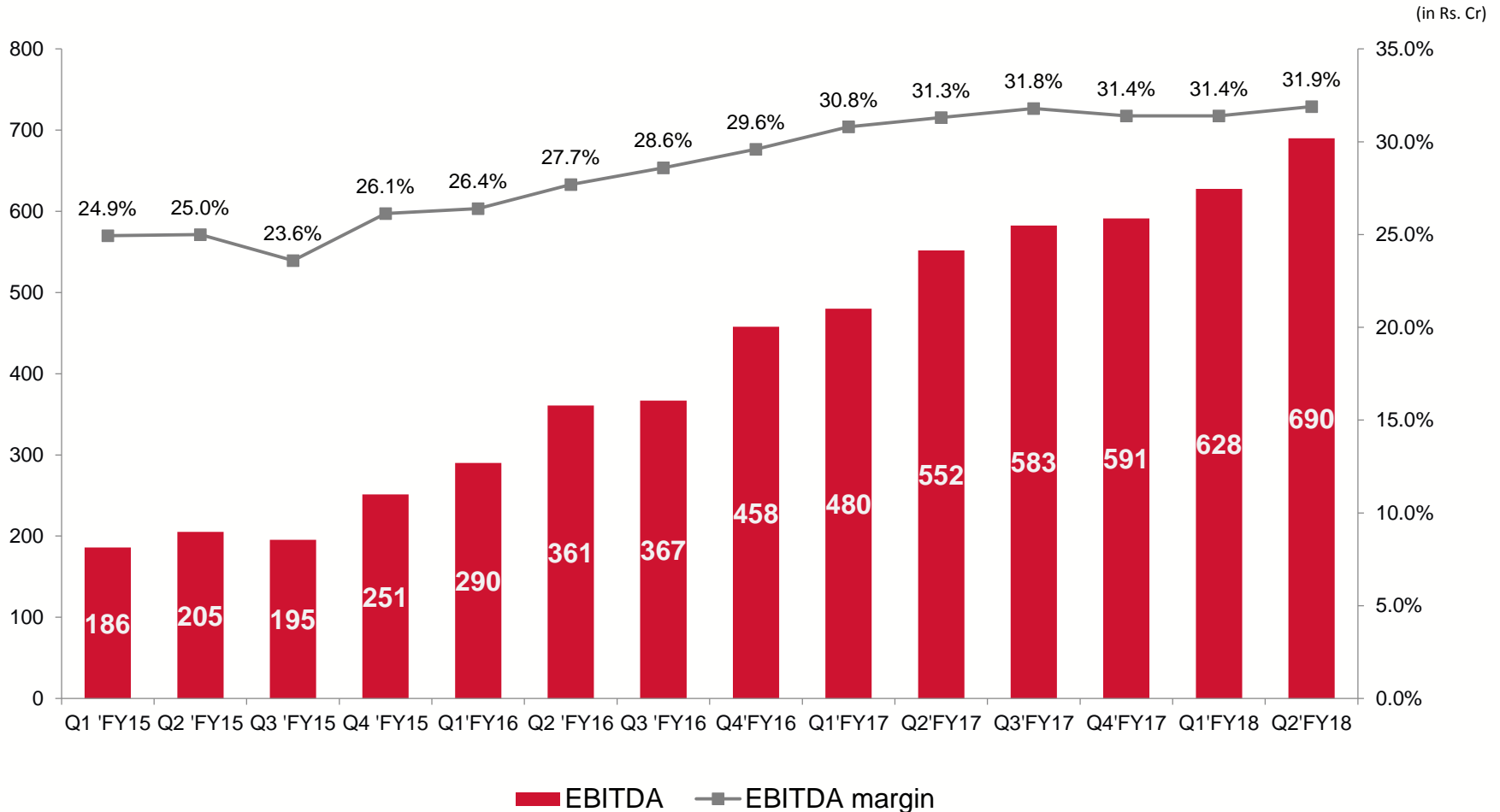
Showcasing the product at International stage by sponsoring the recent India-Sri Lanka cricket series at Colombo. Multix was used as a drinks trolley.

- Witnessing great interest from the local distributors; Partnership with the strong distributors to help tap the market

FINANCIALS

Quarterly Financial Highlights (Standalone)

Eicher Motors – Standalone* performance in last 3 years...



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

Thank You

Get Social :

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



APPENDIX

Balance Sheet (Consolidated)

(In Rs. Cr.)

Particulars	Dec'12	Dec'13	Dec'14	Mar'16*	Mar'17*	Sep'17*
Net Fixed Assets (including CWIP and Pre-operative Expenditure)	1,496.17	2,119.73	2,738.68	888.63	1,246.55	1,589.30
Investments	638.50	825.46	1,067.14	3,383.68	4,987.13	5,559.69
Other Non Current Assets	336.66	305.56	485.74	200.80	259.65	172.60
Current Assets						
Inventories	488.84	526.80	645.52	308.39	335.90	372.41
Debtors	445.87	512.50	562.17	32.64	50.04	40.26
Cash and Bank Balances	803.50	682.56	480.58	49.17	25.06	204.61
Other Current Assets	261.94	363.98	427.74	75.70	86.33	280.82
Current Liabilities and Provisions	1,571.23	1,987.62	2,477.60	1,204.98	1,501.45	2,032.38
Net Current Assets	428.92	98.22	-361.59	-739.08	-1,004.12	-1,134.28
Total	2,900.25	3,348.97	3,929.97	3,734.03	5,489.21	6,187.31
Share Capital	27.00	27.04	27.10	27.16	27.21	27.22
Reserves & Surplus	1,727.89	2,028.38	2,488.76	3,625.93	5,317.86	5,985.39
Net Worth	1,754.89	2,055.42	2,515.86	3,653.09	5,345.07	6,012.61
Minority Interest	948.46	1,039.72	1,085.06	-	-	-
Deferred Tax Liability (net)	123.19	180.45	239.35	35.85	77.77	108.78
Other Non Current Liabilities & Provisions	73.71	73.38	89.70	45.09	66.37	65.92
Borrowings	-	-	-	-	-	-
Total	2,900.25	3,348.97	3,929.97	3,734.03	5,489.21	6,187.31

*Note: Figures for FY16 onwards are as per IND AS. Figures from Dec'11 – Dec'14 are as per IGAAP.

Profit & Loss Statement (Consolidated)

(In Rs. Cr.)

Profit & Loss Account	CY12	CY13	CY14	FY16(15M)*	FY17*	H1FY18*
Sales Volume:						
Two Wheelers (Nos.)	113,432	178,121	302,592	600,944	666,135	386,478
Total revenue from operations (net of excise)	6,389.89	6,809.80	8,738.32	6,173.46	7,033.36	4,167.94
Manufacturing and other expenses	5,840.87	6,096.61	7,623.54	4,483.85	4,859.41	2,864.70
Earnings before interest, depreciation & tax (EBIDTA)	549.02	713.19	1,114.78	1,689.61	2,173.95	1,303.24
EBIDTA to Net Revenue (%)	8.6%	10.5%	12.8%	27.4%	30.9%	31.3%
Depreciation	82.17	130.04	219.82	136.6	153.81	94.39
Earnings before interest & tax (EBIT)	466.85	583.15	894.96	1,553.01	2,020.14	1,208.85
EBIT to Net Revenue (%)	7.3%	8.6%	10.2%	25.2%	28.7%	29.0%
Finance Cost	3.79	7.88	9.78	2.12	3.56	2.41
Other Income	136.64	95.29	107.44	178.09	227.33	147.67
Profit before tax	599.70	670.56	992.62	1,728.98	2,243.91	1,354.11
Provision for taxation	124.85	145.18	290.88	538.88	720.30	441.84
Profit after taxation (PAT)	474.85	525.38	701.74	1,190.10	1,523.61	912.27
PAT to Net Revenue (%)	7.4%	7.7%	8.0%	19.3%	21.66%	21.9%
Minority Interest	150.59	131.44	86.38	-	-	-
Share of Profit/(Loss) of Joint Venture	-	-	-	147.94	143.47	65.37
Profit after taxation and minority interest	324.26	393.94	615.36	1,337.65	1,667.08	977.64

*Note: Figures for FY16 onwards are as per IND AS. Figures from CY11 – CY14 are as per IGAAP.

Glossary

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