



Investor Presentation

November 2019





EICHER MOTORS LIMITED - OVERVIEW

ROYAL ENFIELD

VE COMMERCIAL VEHICLES

FINANCIALS

APPENDIX

Note: The Company followed “January-December” as its reporting year till December 2014. The Board of Directors in its meeting held on February 13, 2015 decided to align the reporting year of the Company with the requirements of Companies Act, 2013. Therefore the reporting year for 2015-16 commenced on January 1, 2015 and ended on March 31, 2016, being a period of 15 months.

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

EICHER MOTORS LIMITED - OVERVIEW

Key Milestones



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

1959



Royal Enfield motorcycles acquired

1991



Enters heavy duty trucks segment

2002



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

2008



Shutdown of operations of Eicher Polaris

2018

1984

JV* with Mitsubishi Motors to make 'Canter' trucks



1993

JV* with Mitsubishi ended, enters medium duty bus segment



2005

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

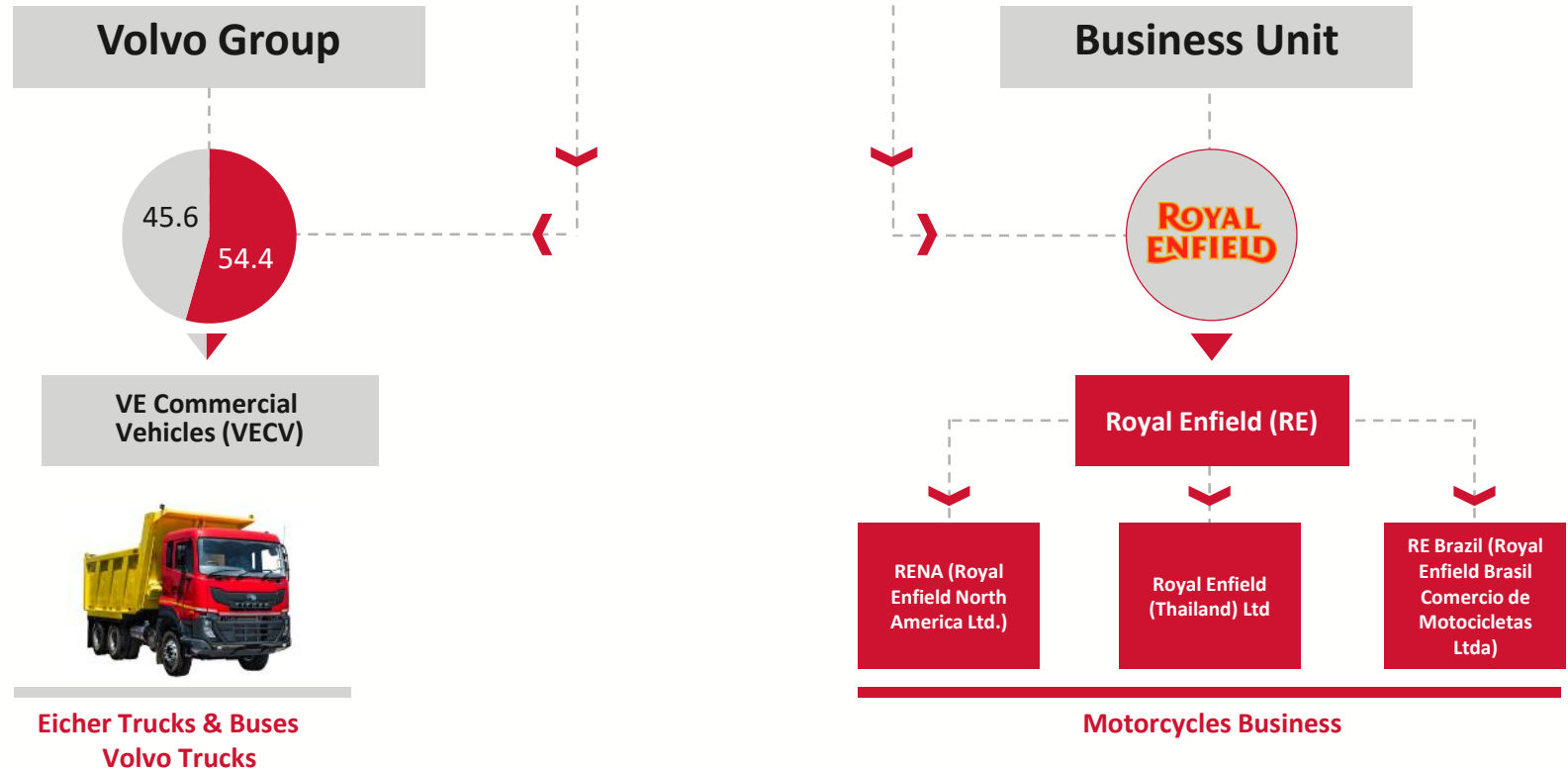
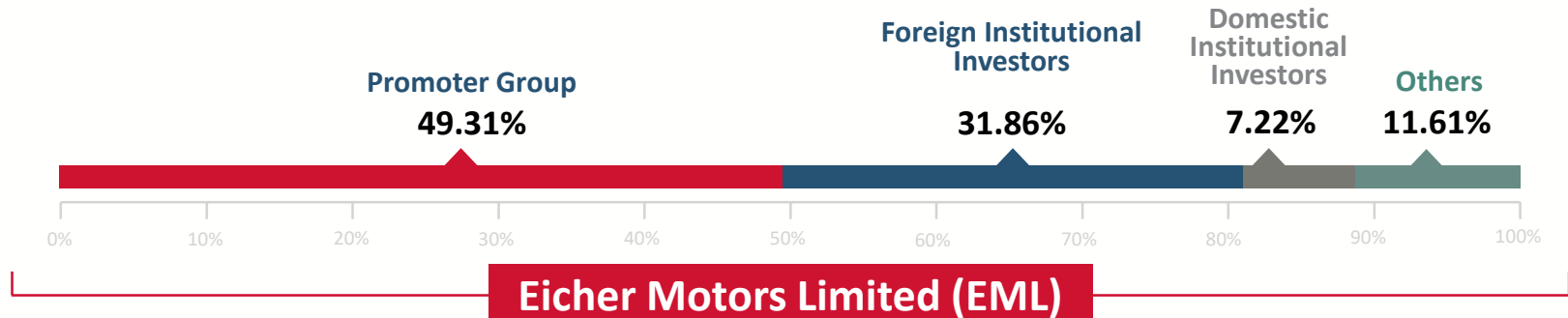


2012

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



Shareholding Pattern (30th September 2019)



Eicher Management Philosophy

Break-through emerging market business model

- An evolved business model with 50+ years of experience in automotive space in India
- In-depth customer insights & market understanding
- Best-in-class capital optimization :
 - Frugal engineering practices
 - Extensive knowledge of suppliers
 - Operational excellence
 - Global quality standards
- Low cost supply chain & distribution – value chain

Established Corporate Governance

- Fully empowered management teams
- Annual 3 year rolling business plan
- Strategic quarterly board meetings – full review with management
- Strategic quarterly reviews & regular monthly operations review
- Product board, Quality board, Customer satisfaction board, Soft product board (after-market) held every quarter along with other statutory meetings

Strong Values

- Corporate conduct rooted in highest standards of ethics, integrity & transparency
- Highly professional work ethic based on mutual respect
- Very strong HR & IR culture and brand
- Long-term orientation
- Long history of institutionalized CSR & community activities



Eicher Motors Limited

➤ **S Sandilya**

Non-executive Chairman

➤ **Siddhartha Lal**

Managing Director

➤ **Vinod K. Dasari**

Whole Time Director & CEO - Royal Enfield

➤ **Vinod Aggarwal**

Non-Executive Director

➤ **Inder Mohan Singh**

Independent Director

➤ **Manvi Sinha**

Independent Director

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

VE Commercial Vehicles

➤ **Hakan Karlsson**

Chairman

➤ **Siddhartha Lal**

Director

➤ **Vinod Aggarwal**

Managing Director & CEO

➤ **Jacques Michel**

Director

➤ **Philippe Divry**

Director

➤ **Raul Rai**

Director

➤ **Lila Poonawalla**

Independent Director

➤ **Inder Mohan Singh**

Independent Director

Business Highlights – FY 2018-19[^]



0

EML continues to be
Debt free company



823,828

Motorcycles sold in FY19,
7x in last 7 years



>90%

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



30.1%

Royal Enfield EBITDA
margin in FY19, benchmark
in automobile industry



29.4%

VE Commercial Vehicles
market share in domestic
LMD# segment

ROYAL ENFIELD

Oldest Motorcycle Brand in Continuous Production



Product Portfolio – Motorcycles

Royal Enfield range of motorcycles is able to address a unique mix of appeals – from its traditional customer base to urban, aspiration-driven youth

Bullet

- ▶ Longest production motorcycle
- ▶ Resolute, unchanged form
- ▶ Pride of the armed forces
- ▶ Iconic cues – thump, pinstripes, road presence

Classic

- ▶ Sense of distinctiveness
- ▶ Post-war styling
- ▶ Timeless design

Thunderbird

- ▶ Definitive highway tourer
- ▶ Long range & load-bearing capabilities
- ▶ For the free-spirited explorer

Himalayan

- ▶ Purpose-built for exploring the Himalayas
- ▶ Versatile for riding on- & off-road
- ▶ Fully ground-up with all-new engine
- ▶ Touring capabilities

Continental GT

- ▶ Authentic café racer
- ▶ Powered by modern Twin cylinder engine
- ▶ Perfect for high speed blasts on twisty backroads or as a stylish motorcycle for the city

Interceptor

- ▶ The quintessential roadster with commanding and comfortable riding position
- ▶ Powered by modern twin cylinder engine
- ▶ Fun and practical to ride in almost all terrains



Traditional & Iconic

Urban, Lifestyle and now Adventure

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

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

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



Continental GT 650

Interceptor 650

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

Parallel Twin Cylinder Engine



Interceptor 650 & Continental GT 650



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

▶ Attractive Proposition

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

Royal Enfield Bullet 350 – New Variant



The Bullet 350

Available in three additional new colours - Silver, Sapphire Blue and Onyx Black

The Bullet 350 ES

Launched in Jet Black, Regal Red, Royal Blue colour options in addition to the current Maroon and Silver variants



Royal Enfield - Thunderbird X

A new custom-inspired motorcycle for urban explorers

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



Royal Enfield - The Himalayan Sleet

Inspired by the mountains

Built to inspire the explorer within

New colourway



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

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



CLASSIC 350 AIRBORNE BLUE

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



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

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

Product Portfolio – Apparel Business

Extension of One's Personality



Royal Enfield Apparels aim to become an extension of the owners' personality. Inspired by the motorcycling way of life, the range is built to help riders explore and express themselves, on and off the motorcycle.

Make Your Own

In an effort to make the brand more accessible and personal, Royal Enfield Apparel introduced a feature "MAKE YOUR OWN", which allows consumers to customise/personalise their helmets up to 500 options. These options include configuring decals, shell base colour, finish, visor, peak, peak colour and the inside lining.



Extending the Footprint



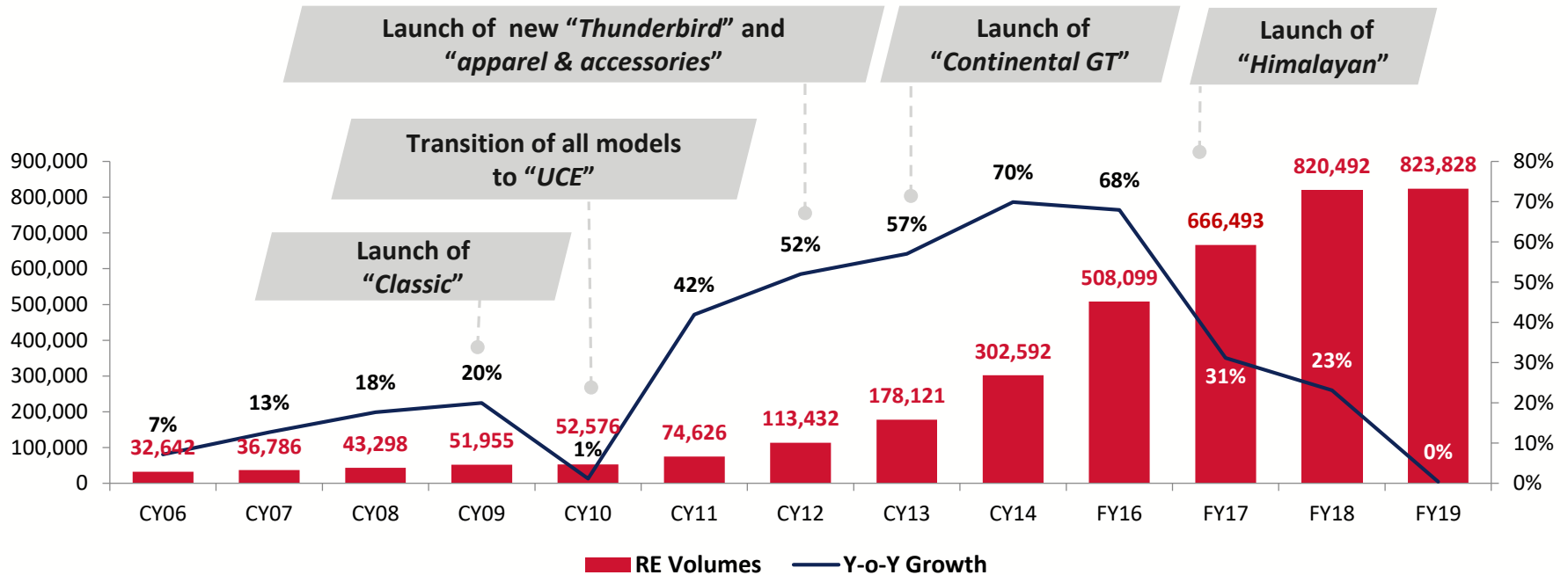
As a part of being available at more touch points for consumers, Royal Enfield Apparel Business successfully launched 9th Shop-in-Shop at CENTRAL, a leading multi-brand showroom. With this outlet, Royal Enfield apparel is now available across CENTRAL in Delhi, Kochi, Pune, Hyderabad, Bangalore and Kolkata.

On and Off the Saddle



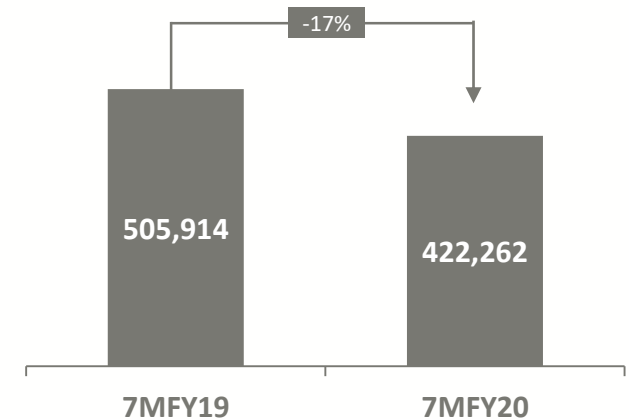
Introduced **STREETWIND** riding jacket that keeps one cool and protected, suitable for all-day rides. With the introduction of this jacket, the endeavour is to make Royal Enfield apparel accessible to more people.

Launch of “Classic” in 2009 was an Inflection Point



Note: Standalone volumes for Eicher Motors Limited

► Volumes grew by 40% CAGR during the period CY10 to FY19

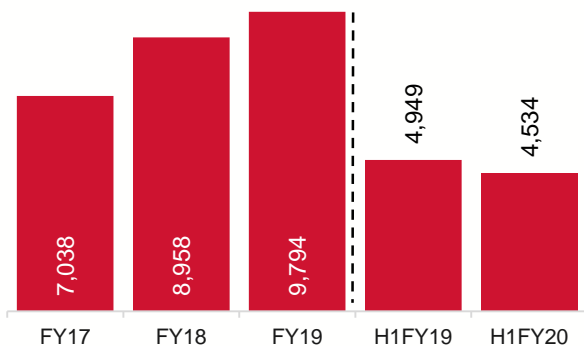


Financial Highlights – Eicher Motors Ltd. (Standalone)

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

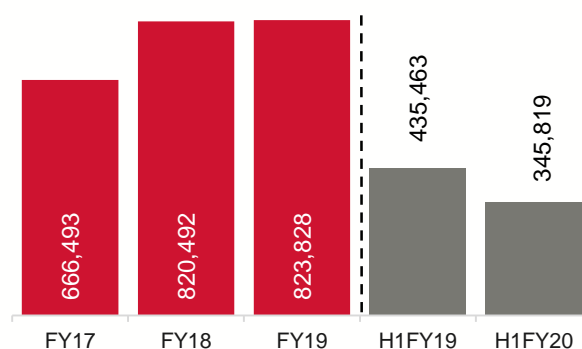
Total Revenue

Total revenue from operations (net of excise duty)

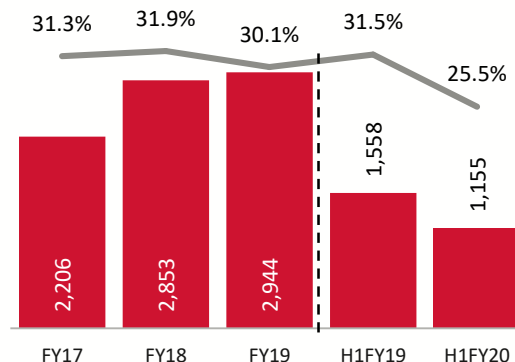


Sales Volume

(in Nos)

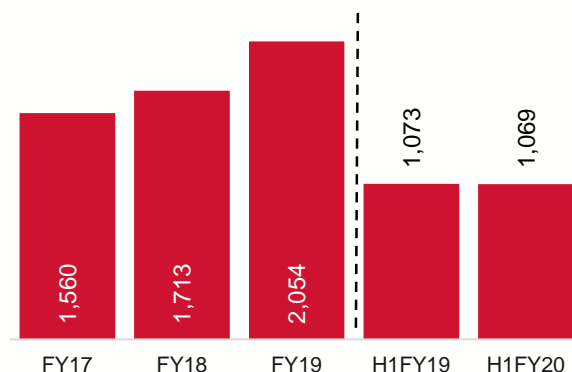


EBITDA & Margins

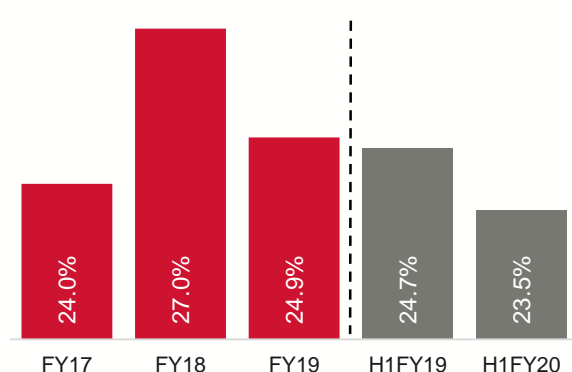


The figures in % indicate EBITDA Margins
EBITDA Margin = EBITDA/Total revenue from operations
(net of excise duty)

Profit After Tax

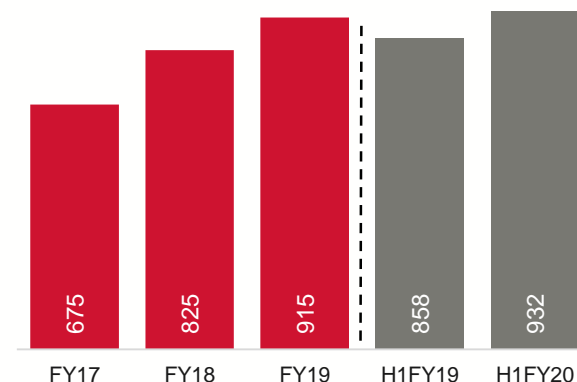


Market share* (India)



Dealer Network (India)

(in nos)



Note: PAT for FY18 and FY19 includes an impairment loss of Rs. 311.98 crores and Rs. 17.52 crores respectively on the company's investment in its joint venture, EPPL subsequent to winding down of operations of EPPL.



INVESTOR PRESENTATION
November 2019

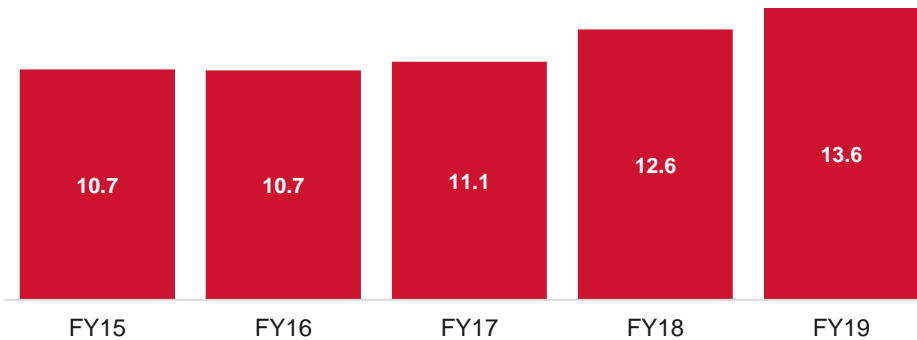
* Market share in 150cc and above segment
Source - SIAM

Our Footprint



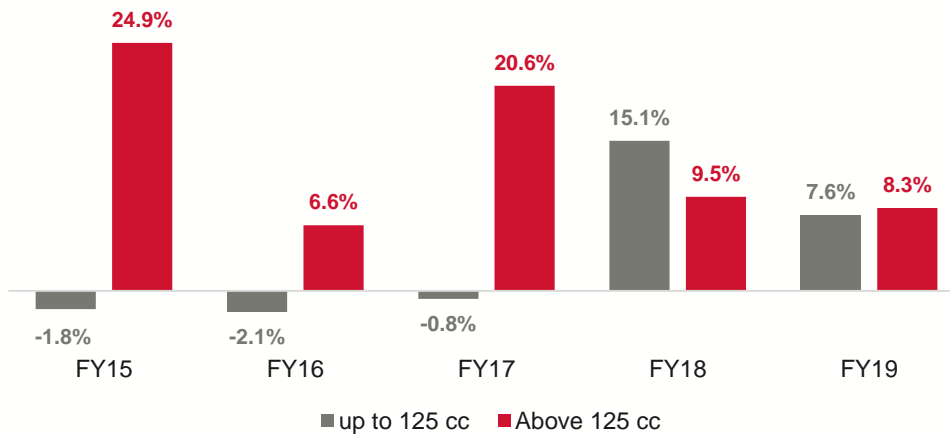
Industry Overview

Motorcycle Volumes (India) (in mn)



India - largest motorcycle market in world

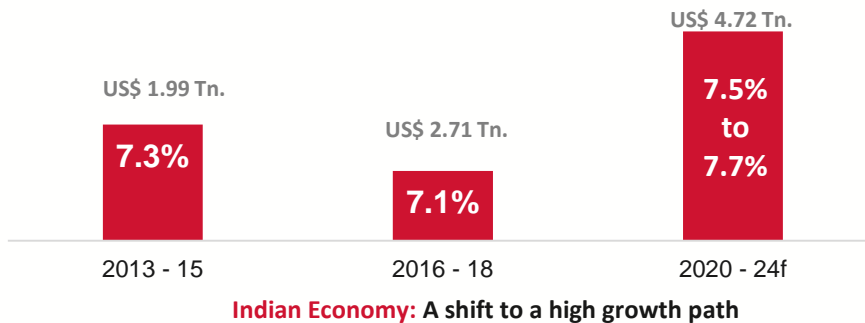
Growth rate of various motorcycle segments



Indicates growing premiumisation of motorcycle market

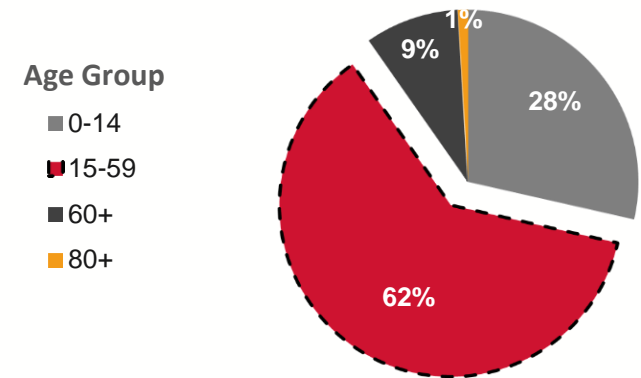
Opportunity – Domestic Market

India to become a **US\$4.72 trillion** (current market price) economy by 2024



Source: IMF, Statista 2019

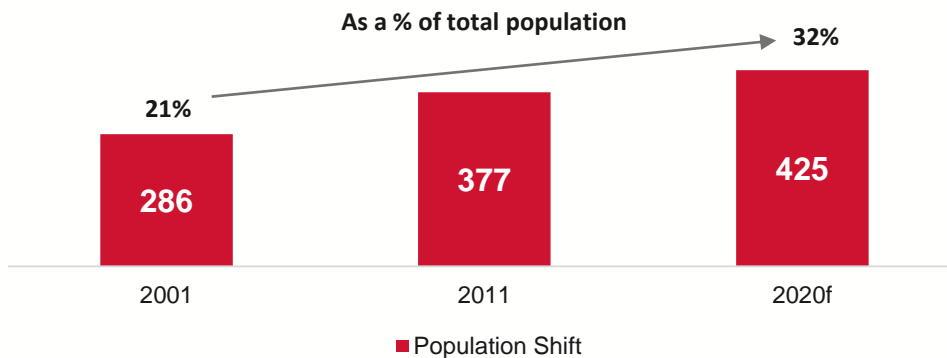
India's demographic profile (year-2015)



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

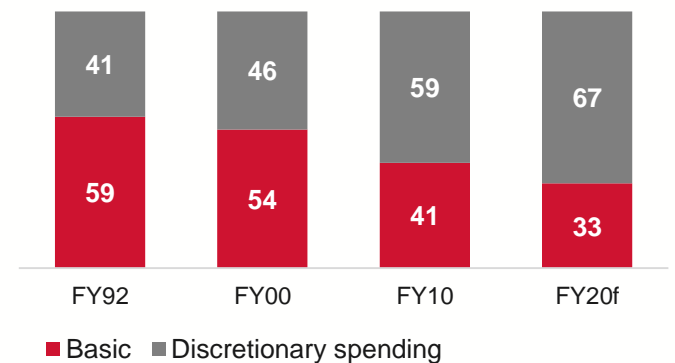
Growth in urbanization

(In mn)



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

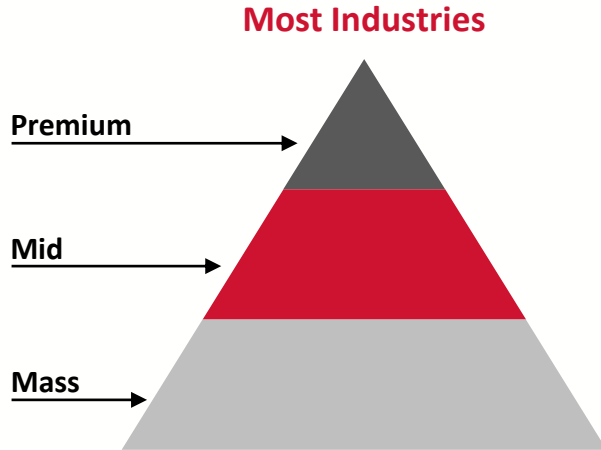
Rising share of discretionary spending over the year (%)



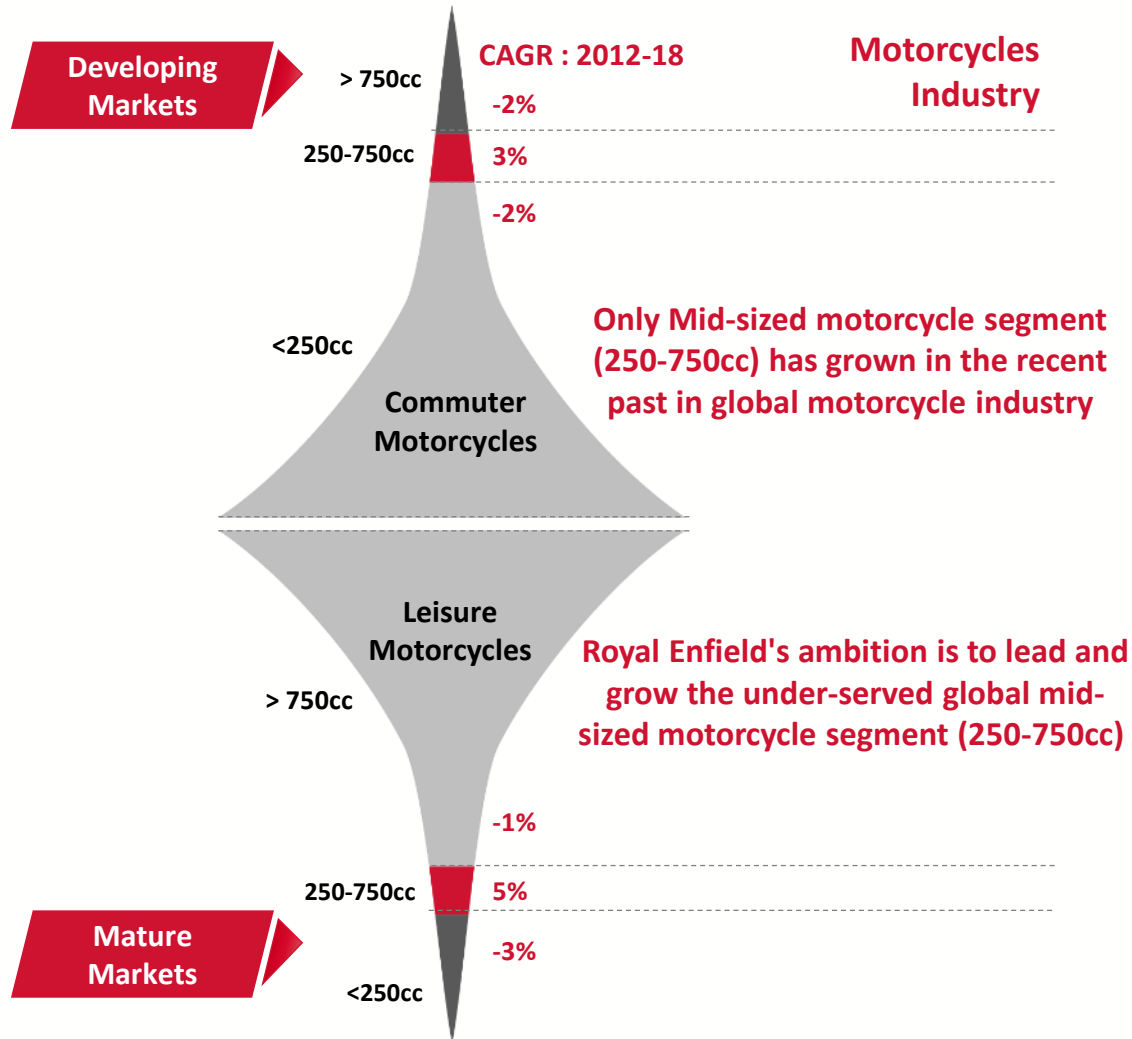
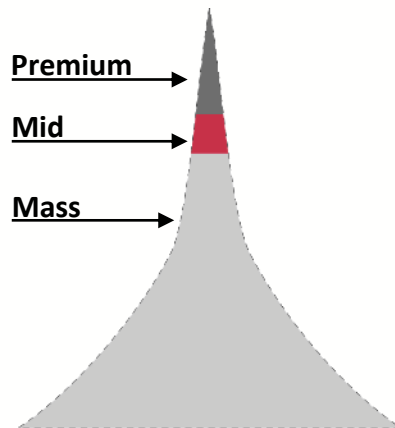
F: D&B forecast | Source: Mospi, D&B India

Opportunity – International Business

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



Motorcycle Industry



Note: Numbers are as per Royal Enfield's research for its priority international markets

Preparing for Future Growth

Capacity



- Production commenced from Phase-2 of plant at Vallam Vadagal near Chennai
- Production ramped-up for the new Twin motorcycles “Interceptor 650 and Continental GT 650”

Product Development



- Technology centres in Chennai and the UK
- Preparedness for BS VI transition on track
- Five years of product pipeline

Distribution



- Opened 500 studio stores till October 2019
- Plan to increase retail footprint in India to 1,200 towns with 1,500 stores (including studio format) by end of FY20
- Plan to increase exclusive international store count from 57 now to 80 over next 12 -18 months

Capital expenditure planned for FY20 upto Rs. 700 crs for Phase-2 of Vallam Vadagal plant, construction of the Technology Centre, development of new products and to expand RE's portfolio for global markets

UK Technology Centre



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



- A team of over 120 employees comprising of engineers and designers with a wide range of international experience in all aspects of motorcycle design and development, from concept to pre-production
- Spread across ~36,000 sq ft, the facility employs state-of-the-art industrial design studio, testing & validation equipment and workshop facilities, and is now fully operational

Brand Building Activities and Initiatives

Royal Enfield Himalayan Adventure Rongbuk 2019



- First-of-its-kind Indian manufacturer led expedition that is designed to take the riders to the base camp of three of the eight thousand-meter peak -Mount Everest, Shishapangma, and Cho Oyu in Tibet, China.
- The 11-day ride was flagged off from Kathmandu with 11 riders to cover a distance of 1,111 Kilometers covering the Nepal -Tibet border at Syabrubesi at the altitude of 4,000 metres and above.

Royal Enfield Astral Ride 2019



- Royal Enfield organised the first edition of Astral Ride 2019 in September 2019, a first-of-its-kind ride that combines the passion for photography with the spirit of motorcycling, in Spiti.
- This ride-cum-workshop provided an orientation to riders who were intrigued by the Astro-landscape. The objective was to provide an opportunity to the occasional hobbyist to ride a Royal Enfield motorcycle as well as learn and develop developing camera handling and editing skills in some of the most beautiful locations the Himalayas have to offer.

Brand Building Activities and Initiatives

Himalayan Odyssey EXPLORE 2019



- Himalayan Odyssey – Xplore gave an opportunity to riders to rediscover the Himalayan landscape through 10 days of adventure riding.
- It involved riding through some of the most challenging terrains, water crossings and uncharted roads, offering an experience like no other in the untouched region of Zaskar.

Royal Enfield Tour of Uttarakhand 2019



- The 9-day tour of Uttarakhand was designed to give an opportunity to explore the lesser-known side of the Himalaya through its forest reserves, wildlife and rich cultural and spiritual heritage.
- It offered some of the most awe-inspiring views and the thrill of riding through varied terrain.

Brand Building Activities and Initiatives

Royal Enfield at GLEMSECK 101- Germany



- The Glemseck 101 is the largest biker gathering in Europe with visitors from all over the world. Every year, thousands of visitors head to Leonberg near Stuttgart with their modified custom bikes and delightfully arranged Café Racers.
- There was a fabulous response to the RE at the event. The comment from quite a few people was to the effect of "RE has arrived."

Himalayan Odyssey July 2019



- The 16th edition of Royal Enfield 'Himalayan Odyssey' saw 60 motorcyclists ride for 15 days over 2,200 Km from Chandigarh to Khardung-La, one of the worlds highest motorable road
- The 2019 Himalayan Odyssey takes a step toward eco-sustainability by promoting zero 'single-use-plastic-ride'. The riders eliminated the use of bottled water by using RE installed water purifiers for public

Brand Building Activities and Initiatives

Wheels & Waves 2019



- Wheels and Waves is one of Europe's iconic motorcycling festivals, centred on classic as well as custom motorcycles
- Royal Enfield unveiled the all new BAAK Motocyclette build and 'Nought Tea GT' along with 5 other exciting custom motorcycles at the 8th edition of Wheels and Waves 2019, held in June
- Royal Enfield perfectly epitomizes this year's theme of Wheels and Waves – 'Back to roots' as it has always taken inspiration from its legendary past

Royal Enfield Moto Himalaya 2019



- The 3rd edition of Royal Enfield Moto Himalaya was organized from 11-19 August with participation from 21 riders across the globe.
- The riders crossed picturesque highways, pristine lakes, some of the highest motorable passes in the world besides camping under starlit skies in the Himalayan ranges. The ride was flagged off in Leh, making way to Nubra Valley, Pangong Lake, Tso Moriri and back to make 8 days of riding like no other.

Awards



The recently launched Royal Enfield Interceptor 650 won the Indian Motorcycle of The Year ("IMOTY") 2019 award - the most prestigious award of the Indian 2-Wheeler Industry

The Interceptor 650 won the Best Modern Classic Middle-Weight award at Thailand Bike of the Year 2019



Royal Enfield Interceptor 650 won the Best Retro category bike award by MCN - the top automotive weekly trade magazine in the UK



The Interceptor 650 was also adjudged as the motorcycle of the year by Bike India, Autocar and BBC Top Gear, India's leading automotive publications with a global presence

Royal Enfield Vintage – Opportunity in Pre-owned Motorcycle Segment



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

- Pre-owned, refurbished and restored motorcycles - a first-of-its-kind in two-wheeler industry
- Accessible, hassle-free, transparent sale and purchase of pre-owned Royal Enfield motorcycles
- Quality tested and refurbished by trained Royal Enfield technicians



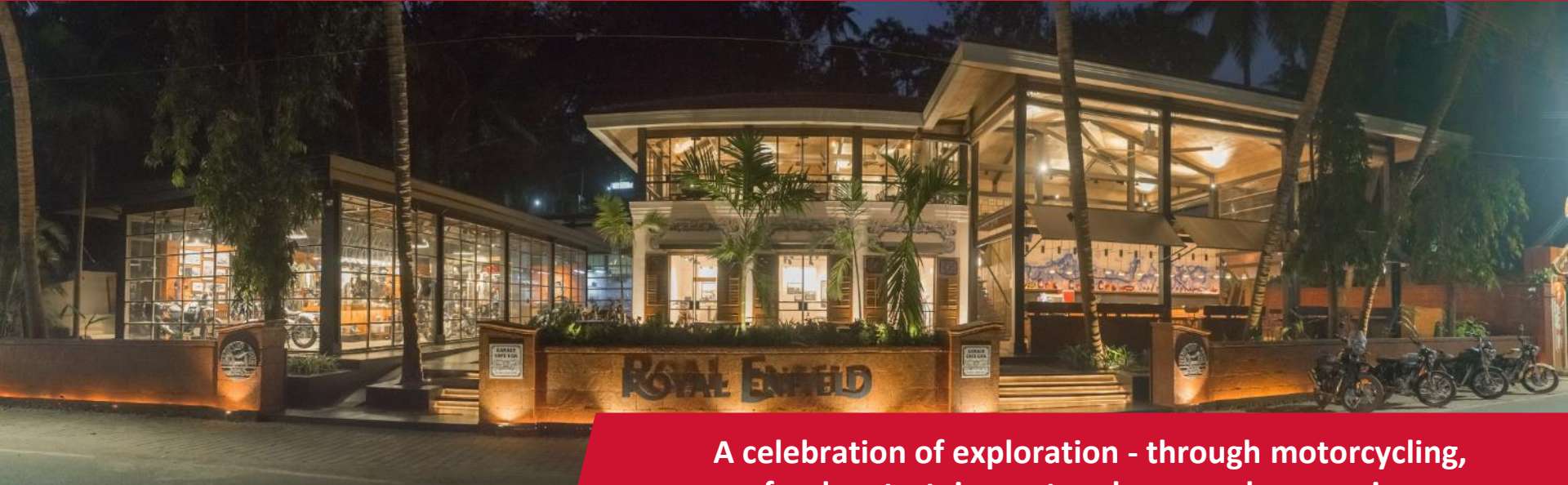
Royal Enfield – Studio Stores

- A unique compact store format
- 3S store offering Sales, Service and Spares
- Fully compliant with RE's brand identity



- Provide greater accessibility to sales and service in up-country markets
- 500 studio stores opened till October 2019

Royal Enfield Garage Café, Goa



A celebration of exploration - through motorcycling, food, entertainment and personal expression



- Royal Enfield has set up its first Royal Enfield Garage Cafe in Arpora - Baga, Goa.
- The cafe is an inclusive and engaging space that reflects Royal Enfield motorcycling way of life and is designed to be a catalyst to deepen closer association with riding enthusiasts and customers.
- The Garage Cafe is a massive 120-seater cafe and also has a Royal Enfield motorcycle museum-and-exhibition area, an exclusive gear store, a motorcycle customization area and a service bay.

Royal Enfield Garage Café, Goa



A unique space that embodies the pure motorcycling culture and lifestyle

Royal Enfield Opens Store in Milan, Italy



Royal Enfield expanded its footprint in Europe
with the opening of its first exclusive store in Italy

Royal Enfield in Argentina, its Third Country in Latin America

Flagship store in the heart of Buenos Aires



Royal Enfield Store in Chiang Mai, Thailand



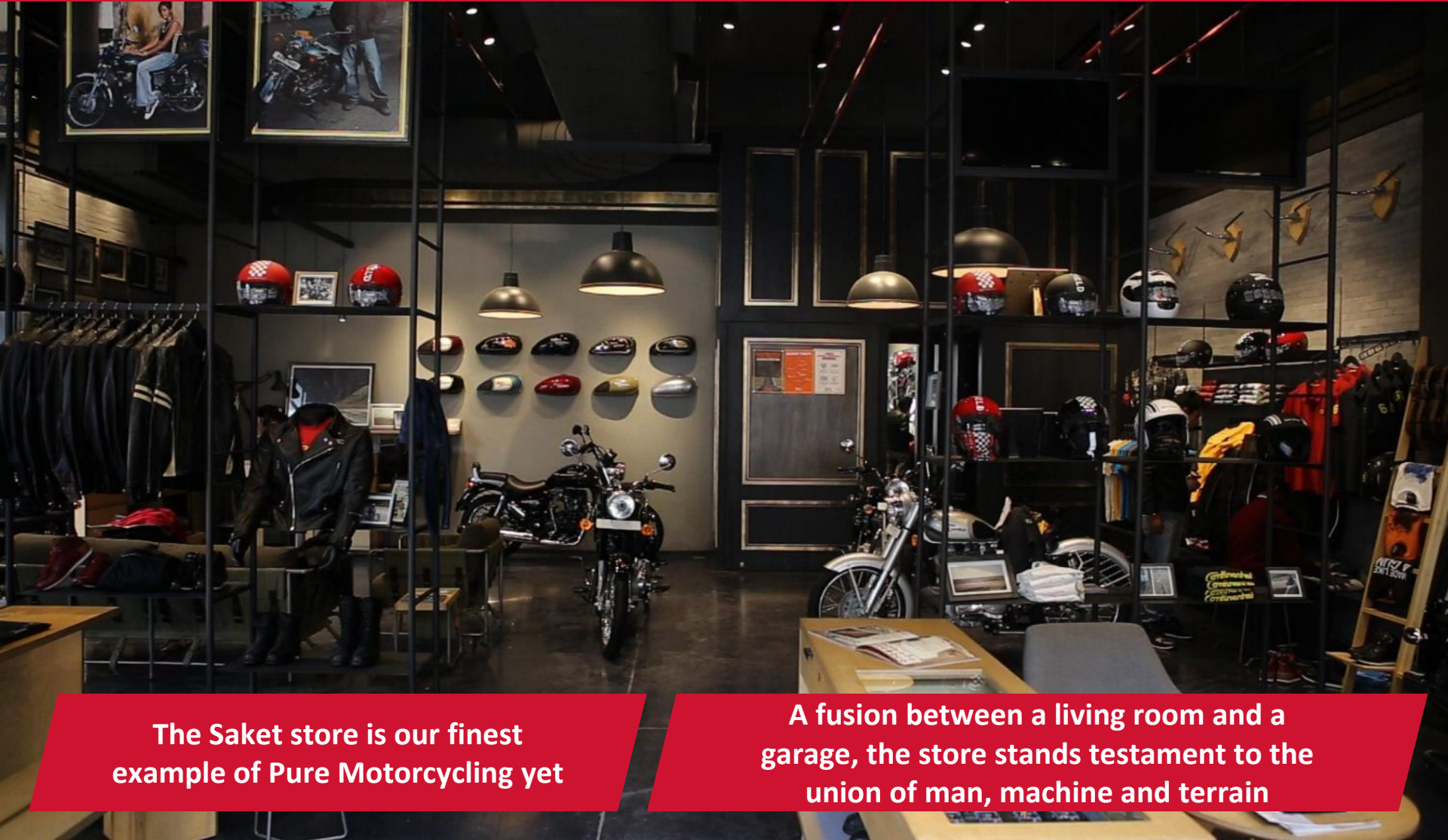
Royal Enfield's 3rd store in Thailand and 1st outside of Bangkok

Royal Enfield store in South Korea

Flagship store in Seoul



Royal Enfield's Store in Saket, New Delhi



The Saket store is our finest example of Pure Motorcycling yet

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

VE COMMERCIAL VEHICLES

VECV was Established in 2008 with Strong Parentage



EICHER STRENGTHS

- ▶ Strong player in LMD segment
- ▶ Specialist skills and experience in developing low cost, better performance products
- ▶ Wide dealer network
- ▶ After sales infrastructure
- ▶ Cost effective operations

Eicher transferred its CV, components and engineering solutions businesses into VECV



VOLVO STRENGTHS

- ▶ Global expertise
- ▶ Leadership in product technology
- ▶ Good infrastructure facilities
- ▶ Well-defined processes and controls
- ▶ Brand image and customer relationships

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

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

Milestones



AUGUST 2008: Signing of definitive agreements

Jul-Aug 2008: Commencement of JV



2009: Inauguration of the new gear component plant at Dewas



2009: Launch of CSI-1 quality improvement initiative



2012: VEPDC inauguration



2012: CED paint shop inauguration



2010: Launch of VE-series of Eicher HD trucks



2013: VEPT Pithampur inauguration



2013: Pro Series launch



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



Milestones



2013: EEC gear plant, Dewas Unit II inauguration



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



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



2017: Inauguration of Transmission Assembly Line at EEC, Dewas



2017: Pro 5000 Series launch



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



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



2018: Ground Breaking Ceremony of EEC II expansion facility at Dewas



2018: Launch of Eicher Pro 6049 & Eicher Pro 6041

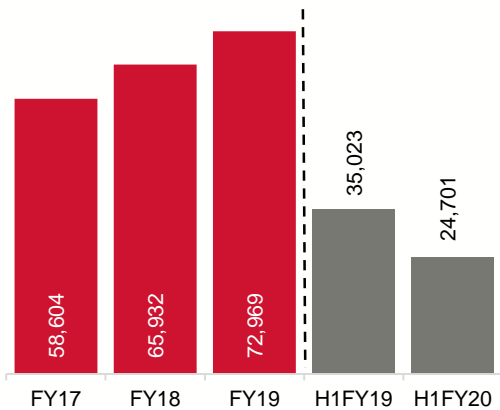
2018: Successful 10 years of partnership between Eicher and Volvo



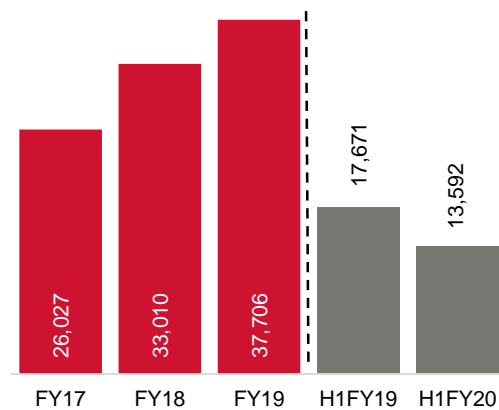
2019: Eicher Pro 2000 series launch in Mumbai

Volumes

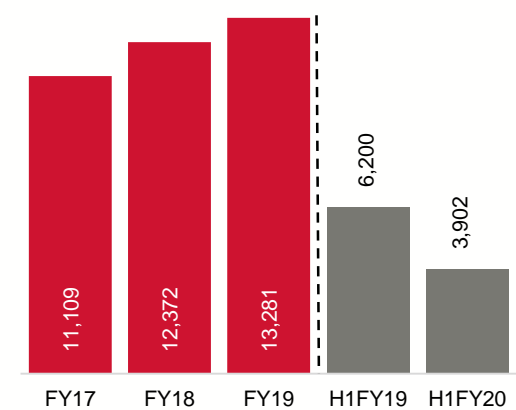
Total CV* Volumes (in nos)



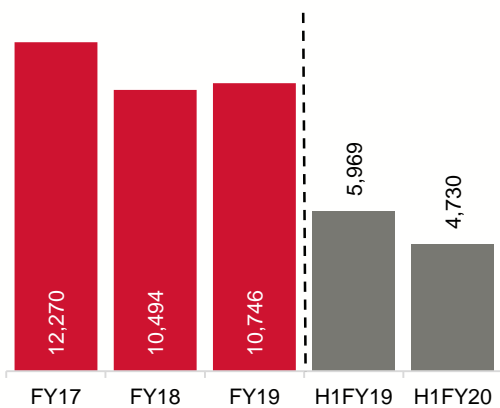
Eicher Light to Medium Duty Trucks (3.5-15 tonne) (in nos)



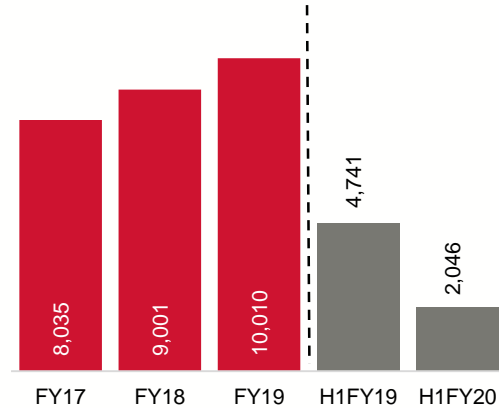
Eicher Heavy Duty Trucks (16 tonne +) (in nos)



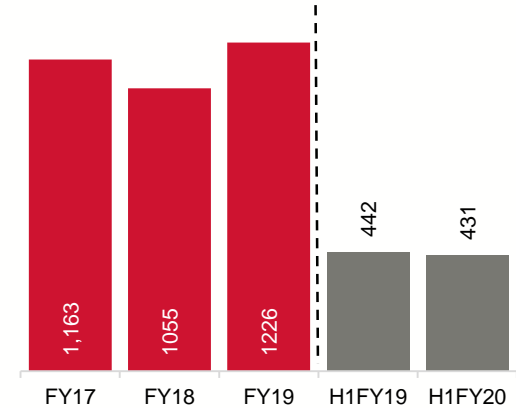
Buses (in nos)



Exports (in nos)



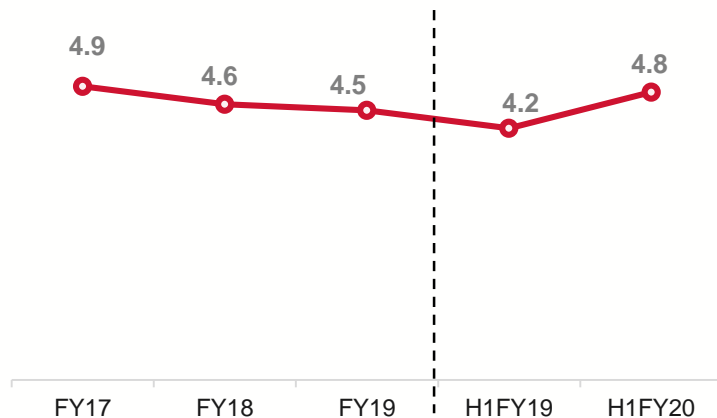
Volvo Trucks (in nos)



Market Share

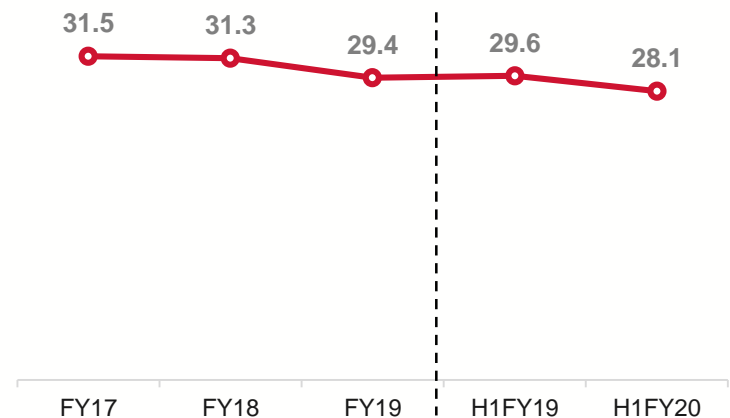
**Eicher Heavy Duty Trucks
(excluding exports)**

In %



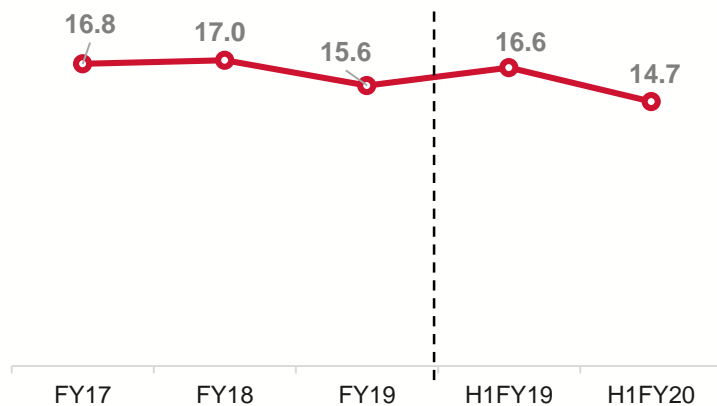
**Eicher Light and Medium Duty Trucks
(excluding exports)**

In %



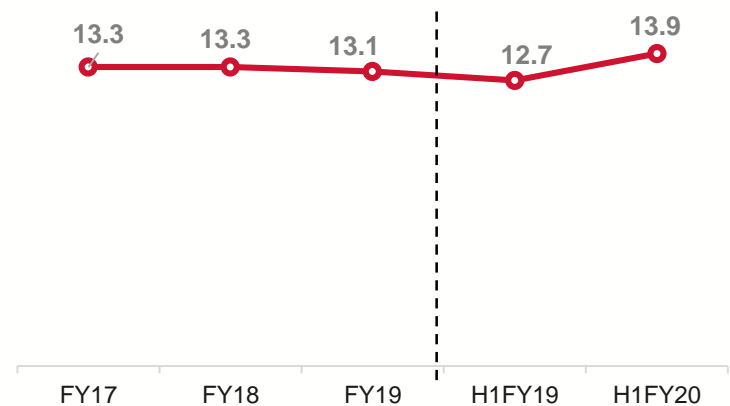
Buses (excluding exports)

In %



VECV market share (including exports)

In %

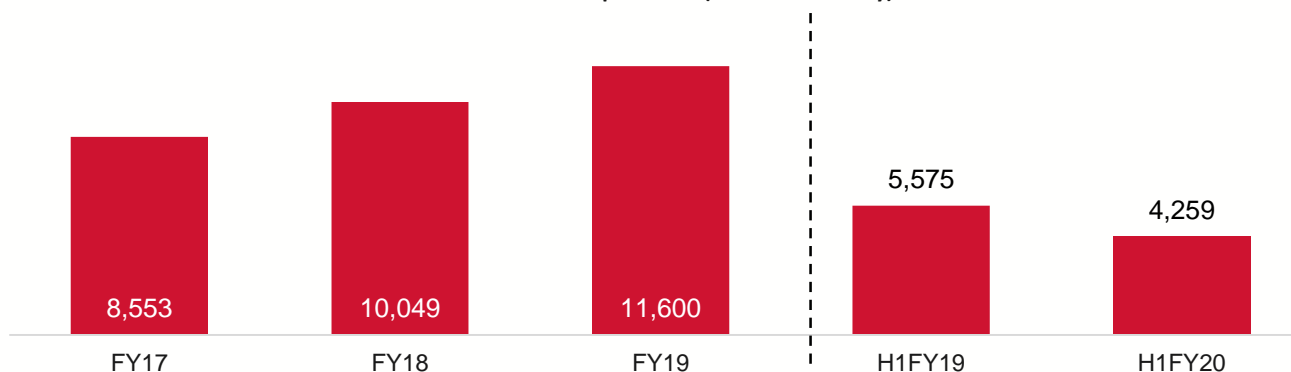


Financial Highlights – VE Commercial Vehicles

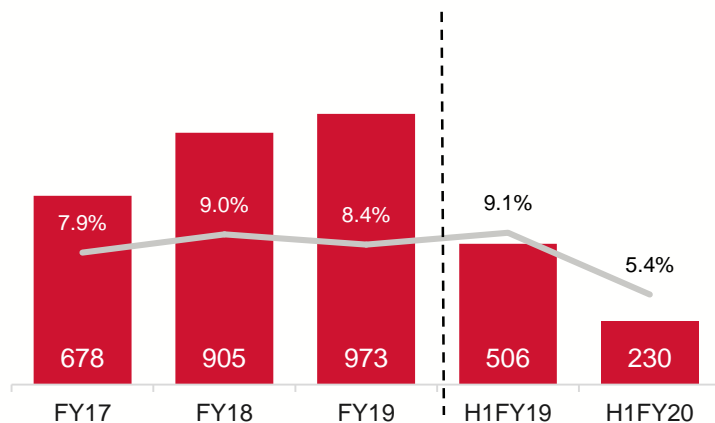
All figures are for VE Commercial Vehicles
(in Rs. Crore unless specified)

Total Revenue*

Total revenue from operations (net of excise duty)



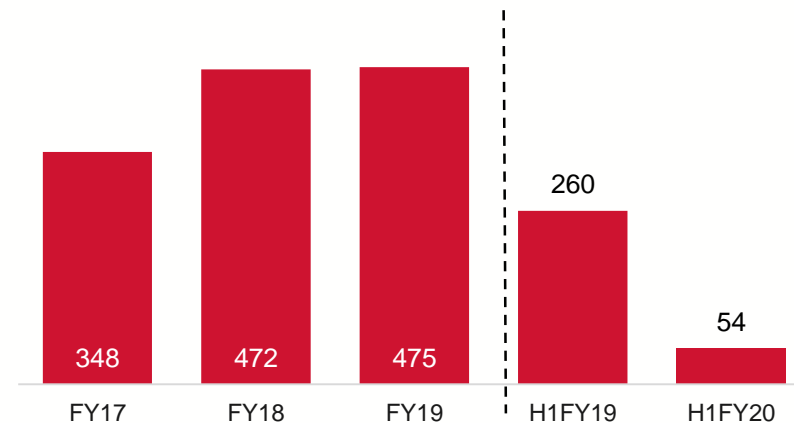
EBITDA & Margin*



The figures in % indicate EBITDA Margins

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

Profit After Tax

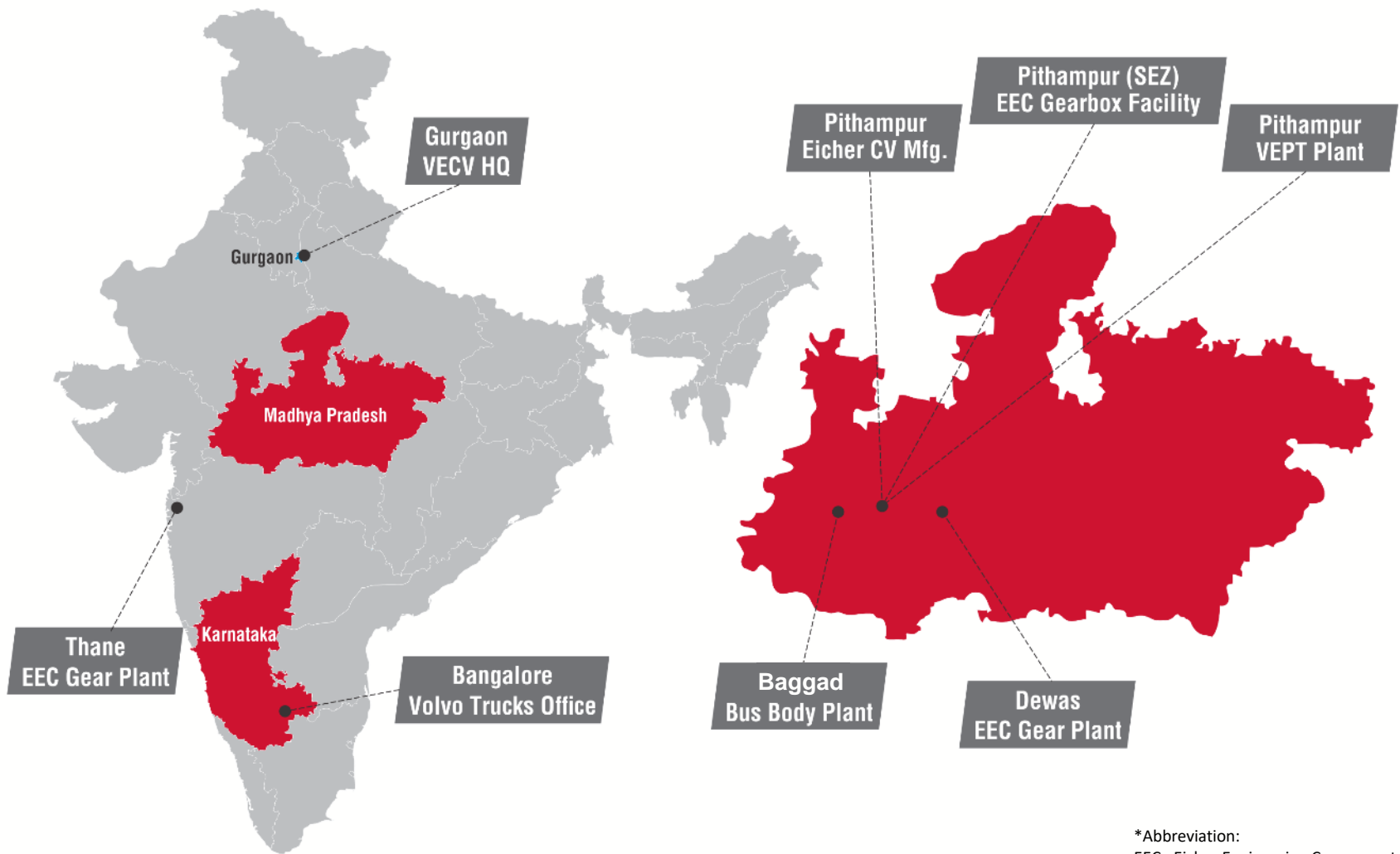


Note: Figures for FY16 onwards are as per IND AS. Figures from CY11 and CY12 are as per IGAAP.

EBITDA – Earning Before Interest, Tax, Depreciation and Amortisation

*Excludes Other Income

India Facilities – Manufacturing and Operations

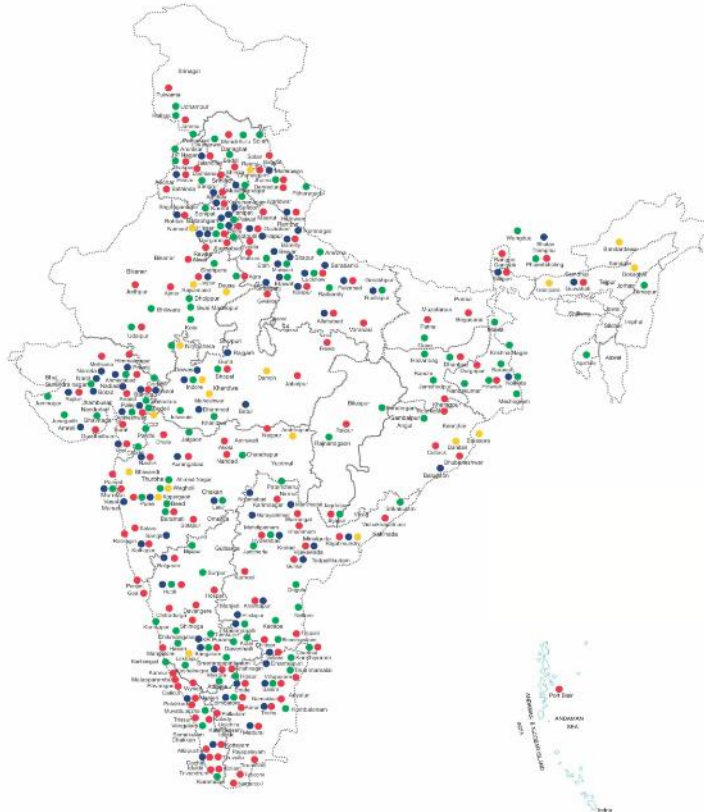


Number of employees(VE Commercial Vehicle) – 5184*
(*permanent) (as of September 2019)

*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 286 nos. including 14 COCO* outlets
- 23 distributors, 98 Eicher Genuine Parts Shoppe and 2,500+ multi-brand parts retailers
- 225 GPS enabled Vans and 52 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 (3.5-15 Ton GVW)



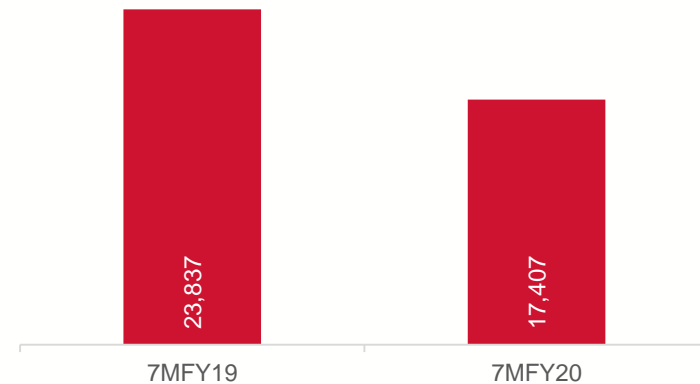
Mileage ka Badshah



Eicher Pro 3000 series (12-15 Ton GVW)

Volumes

(in nos)



Eicher LMD Trucks: Launch of Pro 2000 Series

Unveiled India's first BS VI compliant CV range

Commercial launch of existing BS IV range in June 2019

Designed to deliver significantly higher profitability, enhanced reliability, safety, comfort and efficiency



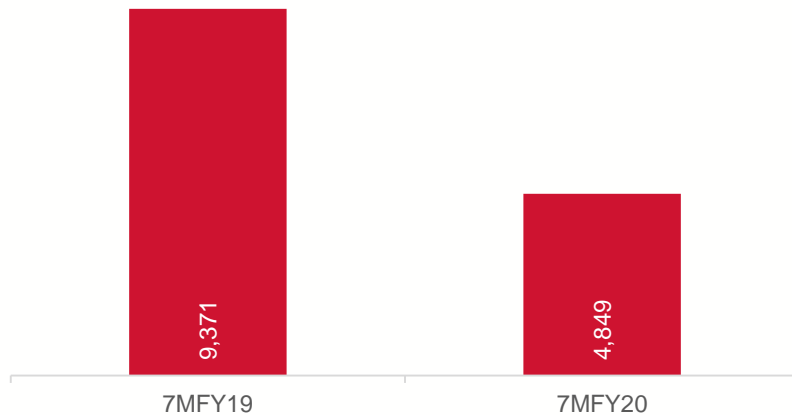
Introduction of many industry-first features such as all-wheel disc brakes, touch-screen infotainment, steering mounted controls and advanced telematics

Additional features like low turning radius, longer body options, fuel coaching and a new cabin for better comfort

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

Volumes

(in nos)



Pro 6000 series



Pro 8000 series



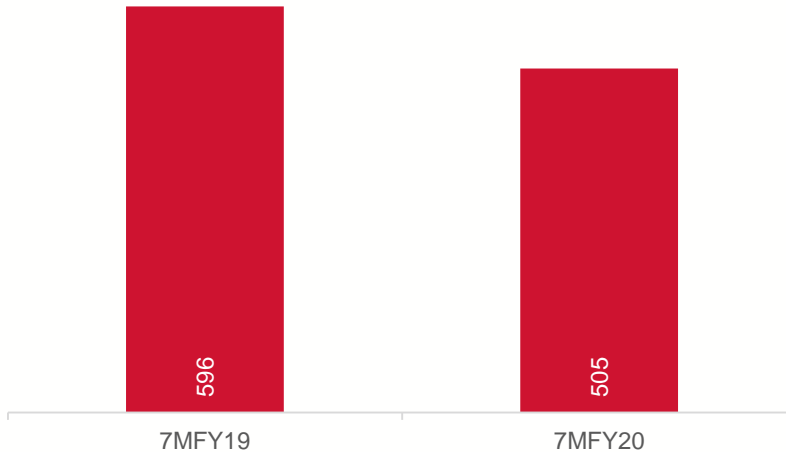
Steadily growing market share

- ▶ The 'Pro' series is gaining more traction with increased interest in technologically advanced trucks. The Value Trucks are witnessing good acceptance in the market.
- ▶ Higher base effect, new axle load norms & liquidity crunch affecting the sales.

Volvo Trucks: Market leader in Premium Truck segment

Volumes

(in nos)



Leadership in niche segments



FMX 10X4 (55 Ton dump trucks)



Mining tipper



Tunnel tipper



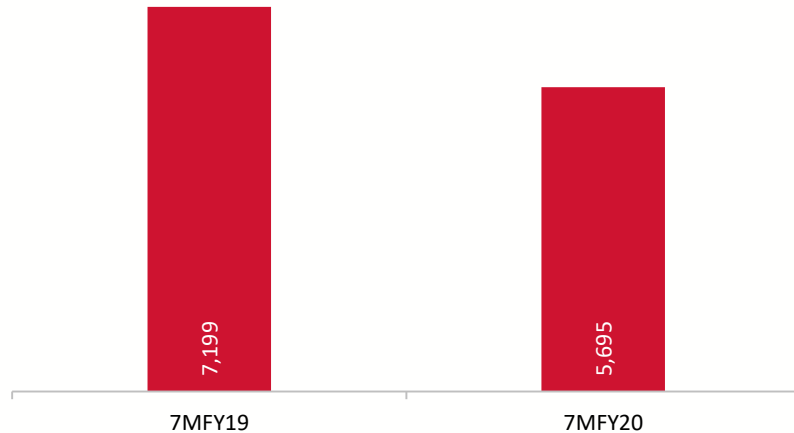
FH 520 is the flagship model of the Volvo truck range

Over dimensional cargo

Eicher Buses: Steady Market Share in a Challenging Environment

Volumes

(in nos)



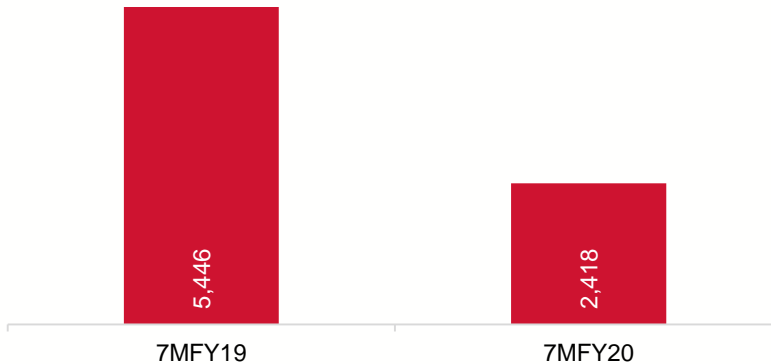
Electric Pro E



Tapping Global Potential

Exports

(in nos)



- Over 12 new products/variants introduced including completion of BIV migration in Sri Lanka to gain access across new segments in target markets
- Spare parts sales continued on the growth trajectory
- Volume growth in Middle East aided by the new heavy commercial bus
- Next Gen Product – Pro 2000 series unveiled in Mauritius

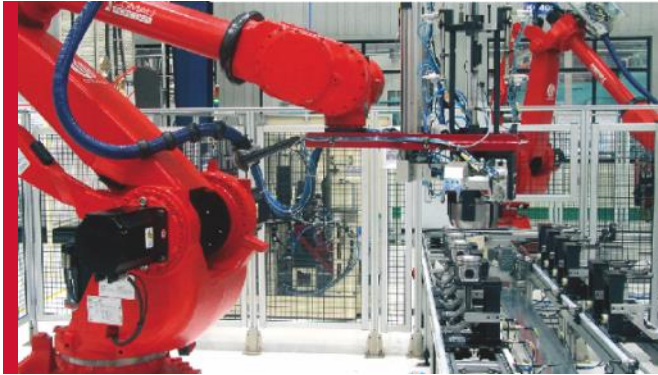


Pro 2000 series- Mauritius Auto Show

World Class Manufacturing set up...

- Capacity to produce up to 90,000 trucks from single plant; new plant establishment under progress to take capacity to 130,000 per annum
- Highest ever production of 73,619 vehicles in FY19, a growth of 12.7% over FY18
- Highly flexible vehicle assembly lines with right blend of technology to control critical parameters catering over 800+ variants
- All aggregate lines, Body in White (BIW), paint shop, main chassis lines, machine shop, engine testing & painting, new export line established with enhanced capacities
- New body shop for Pro 2000 and Pro 8000 installed & commissioned successfully
- Complex and critical sub assemblies by robots/manipulators ensuring consistent quality levels, fit and finish
- State-of-art bus plant spread over 46 acres set up under VECV's overriding vision of driving modernization of the Indian CV market





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

New Plant in Bhopal, Madhya Pradesh

Current Status

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

Proposed

- Project commenced in October 2018 with proposed capacity of 40,000 per annum
- Overall project on track for 2020-21 start
- Planned capital outlay of around Rs. 400 crores
- All long lead contracts and purchase orders released; civil construction in full swing



Other VECV Business Areas

Eicher Engineering 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.1,008 Crores in FY19



Other VECV Business Areas

Eicher Non - Automotive Engines

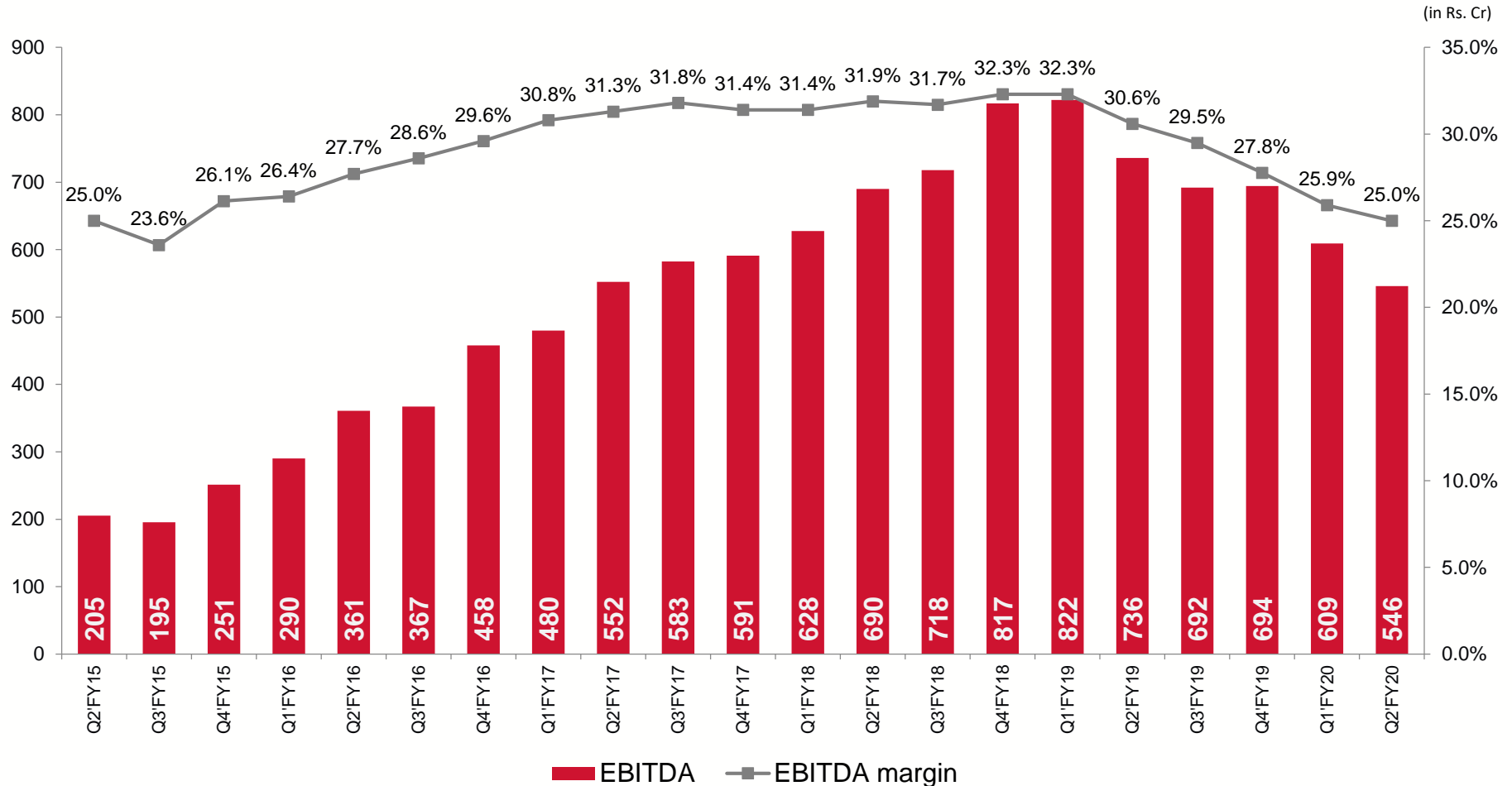
- ▶ Presence in 10 countries, Genset Assembly in UAE & South Africa, pan India presence in Genset segment
- ▶ Reputed as most reliable and lowest operating cost engines, established in material handling segment
- ▶ Engines and drivelines for power, industrial and other off-highway applications
- ▶ Providing customised power drive solutions to equipment manufacturers in agro, fire-fighting & earthmoving segment



FINANCIALS

Quarterly Financial Highlights (Standalone)

Eicher Motors – Standalone* performance in last 5 years...



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Royal Enfield



Royal Enfield



VE Commercial Vehicles

APPENDIX

Balance Sheet (Consolidated)

(In Rs. Cr.)

Particulars	Mar'18	Mar'19	Sept'19
Net Fixed Assets (including CWIP and Pre-operative Expenditure)	1,835	2,324	2,592
Investments	5,581	4,923	5,263
Other Non Current Assets	186	180	108
Current Assets			
Inventories	395	633	638
Debtors	68	90	126
Cash and Bank Balances	1,212	2,965	2,966
Other Current Assets	227	271	304
Current Liabilities and Provisions	2,265	2,098	2,071
Net Current Assets	(364)	1,862	1,962
Total	7,257	9,289	9,925
Share Capital	27	27	27
Reserves & Surplus	7,003	8,891	9,504
Net Worth	7,030	8,919	9,531
Minority Interest	-	-	
Deferred Tax Liability (net)	142	274	216
Other Non Current Liabilities & Provisions	85	96	178
Borrowings	-	-	-
Total	7,257	9,289	9,925

Profit & Loss Statement (Consolidated)

(In Rs. Cr.)

Profit & Loss Account	FY18	FY19	H1FY20
Sales Volume:			
Two Wheelers (Nos.)	820,121	822,724	345,356
Total revenue from operations (net of excise)	8,965	9,797	4,574
Manufacturing and other expenses	6,157	6,894	3,418
Earnings before interest, depreciation & tax (EBIDTA)	2,808	2,903	1,156
EBIDTA to Net Revenue (%)	31.3%	29.6%	25.3%
Depreciation	223	300	177
Earnings before interest & tax (EBIT)	2,584	2,603	978
EBIT to Net Revenue (%)	28.8%	26.6%	21.4%
Finance Cost	5	7	9
Other Income	280	443	265
Share of profit of joint venture	257	258	29
Profit before tax	3,116	3,297	1,264
Provision for taxation	936	1,077	240
Profit after tax and share of profit of Joint Venture from continuing operations	2,180	2,220	1,024
Discontinued Operations: Share of loss of Joint Venture*	(220)	(18)	-
Profit After Tax	1,960	2,203	1,024
PAT to Net Revenue (%)	21.9%	22.5%	22.4%

*NOTE: On March 9, 2018, the Board of Directors of Eicher Polaris Private Ltd. (EPPL), Eicher Motors' 50:50 joint venture with Polaris Inc., US, decided to wind down the operations of the EPPL

Glossary

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