

ASHOK LEYLAND

Ashok Leyland Investor Presentation

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Contents

- Company
- Challenge
- Transformation
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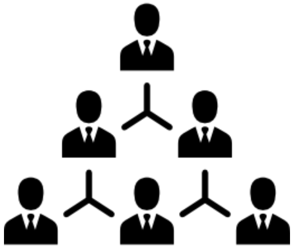
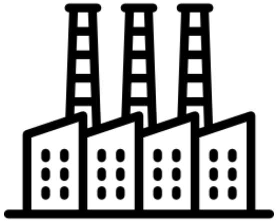
Company

Hinduja Group

Presence in 37 countries



More than 70,000 employees



Business interests across several verticals

Ashok Leyland- flagship of Hinduja Group

Hinduja Group: Businesses

Global Investments

- Automotive
- Oil & Gas
- Power
- Information Technology
- Media
- Real Estate
- Healthcare
- Project Development

BFSI

- Hinduja Bank, Switzerland
- Indus Ind Bank
- Hinduja Leyland Finance

International Trading

- British Metal Corporation Pvt. Ltd.

Initiatives

- Healthcare
- Education
- Social Welfare
- Arts & Culture
- Sports

Ashok Leyland
Leading MHCV player in India

67 years of continuous profits

History of innovation
- Multi-axle trucks
- Articulated buses
- Air brakes
- CNG vehicles
- Tractor Trailers

Presence in Trucks, Buses, Defence and Power solutions

4th largest Bus and 14th largest Truck maker in the world

History & milestones

1948

Started on
7th Sep

1950

Ashok Motors &
Leyland UK
collaborate

1967

India's first
double decker

1970

Vehicles for
Indian Army

1987

HINDUJA

Acquires jointly with
Iveco majority stake
in Ashok Leyland

1993

First auto co.
to receive
ISO 9002

2002

First
hybrid vehicle

2010

Pant Nagar
begins operations

2013

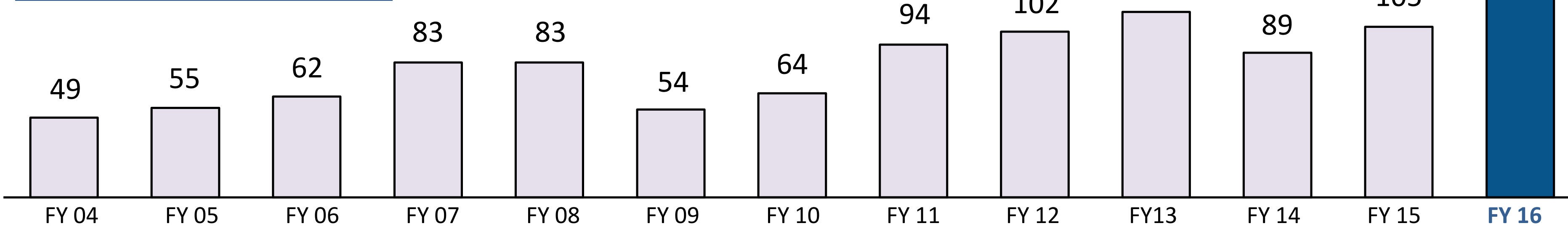
Boss
ICV launched

2014

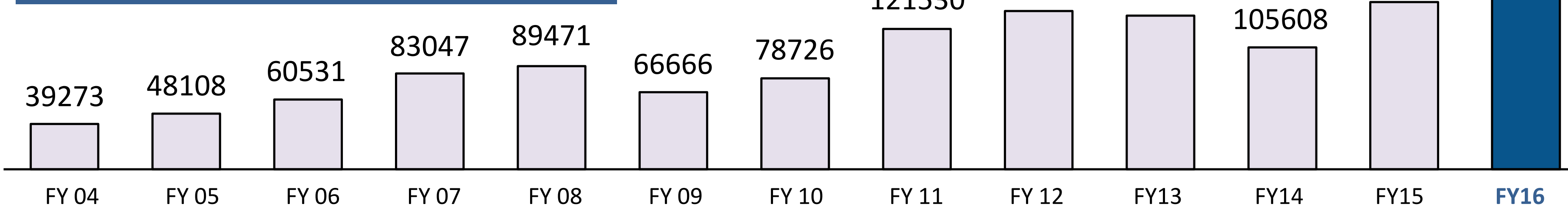
Captain trucks
launched

Profitable since inception

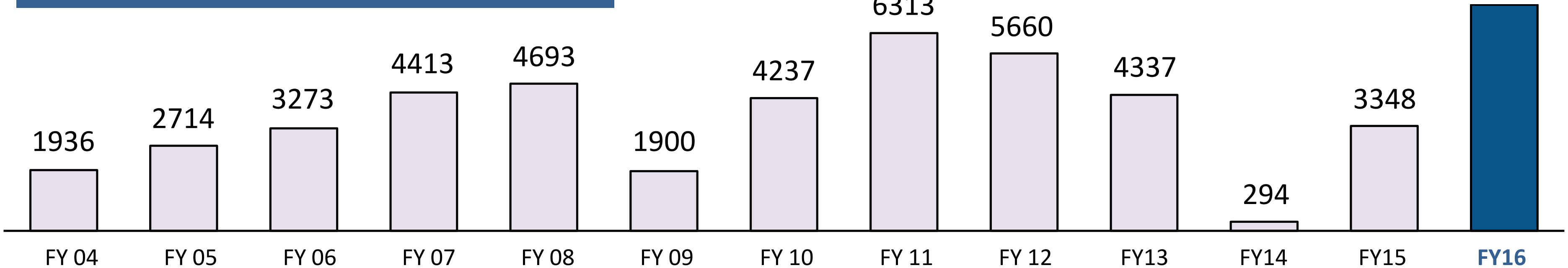
Sales volume ('000s)



Sales revenue (gross) - Rs. Million

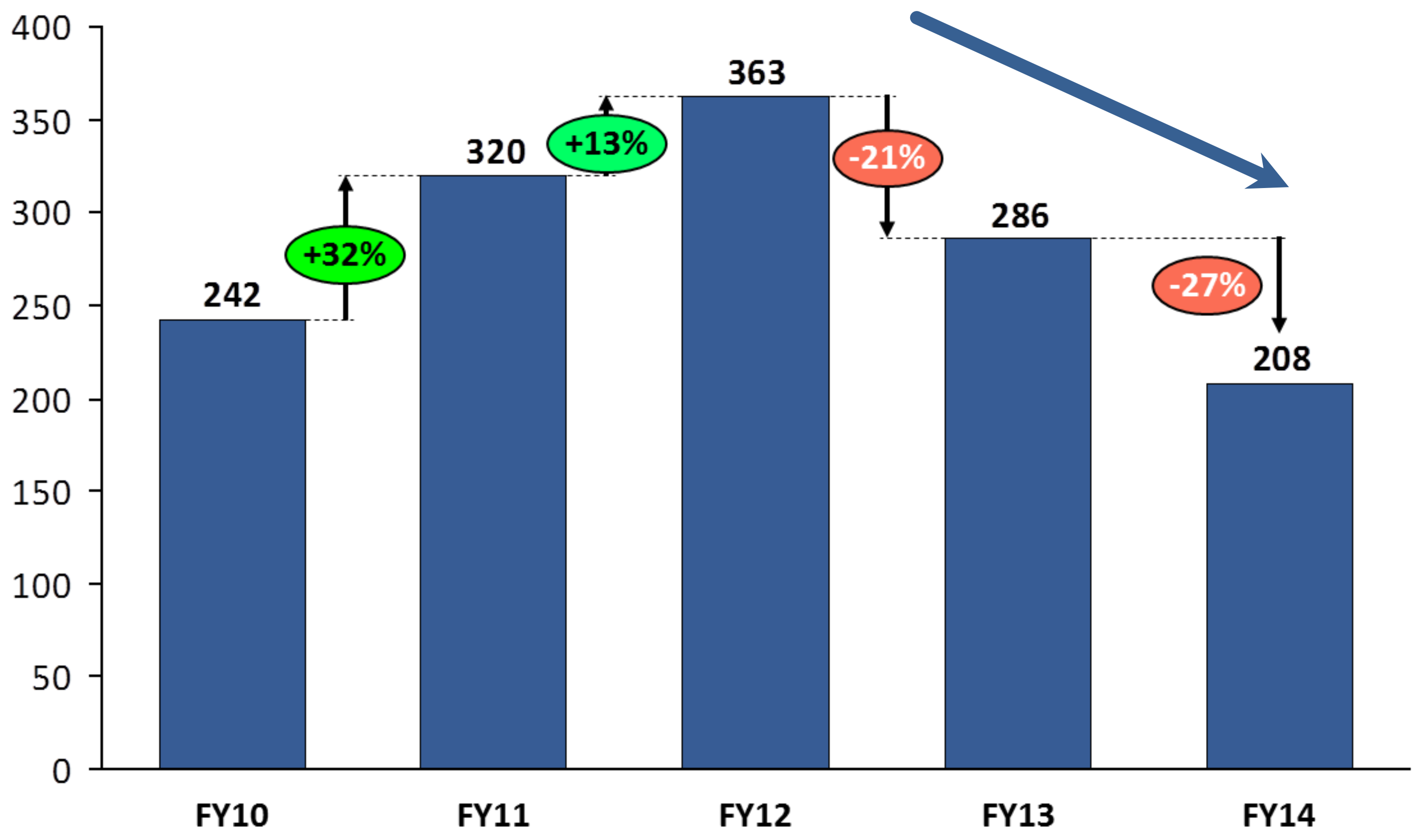


Profit After Tax (PAT) – Rs. Million



Challenge: 2012-2014

Industry collapsed

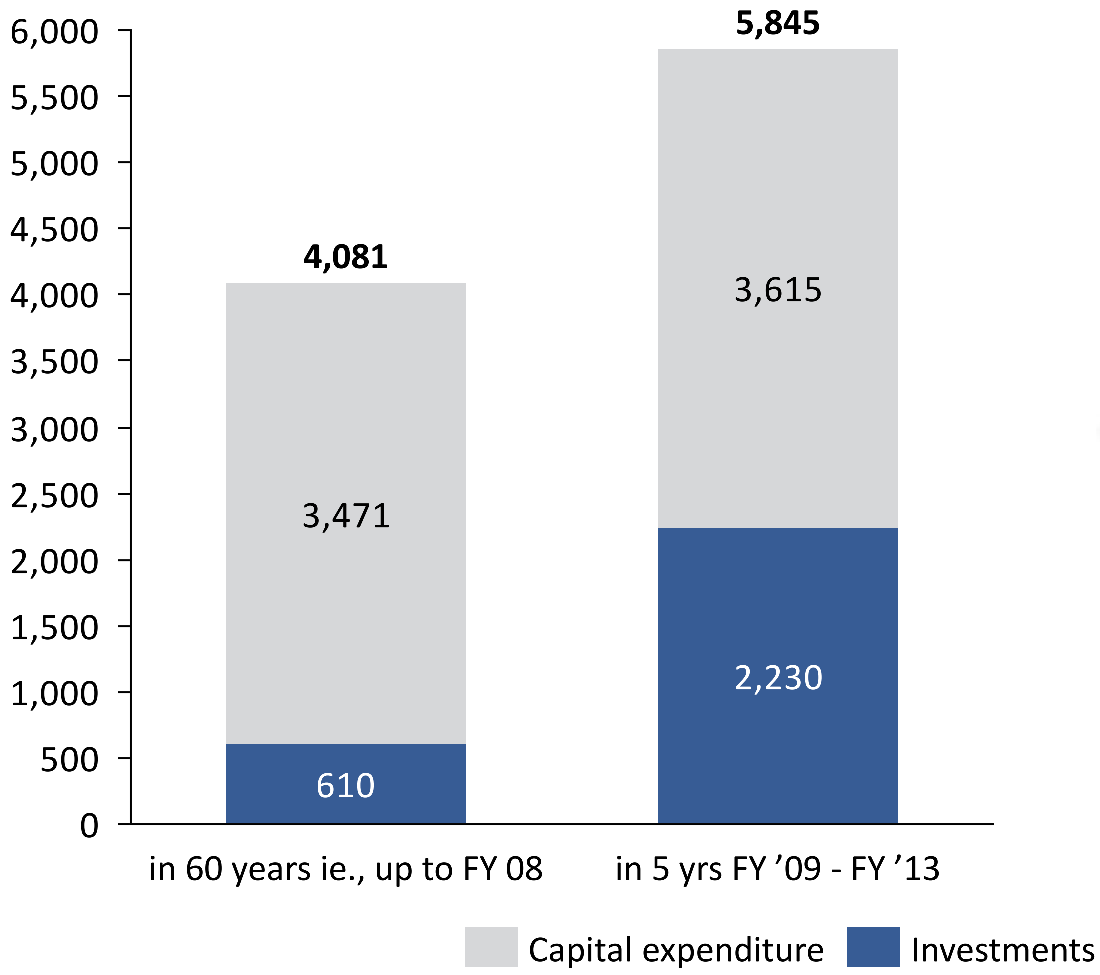


New competitors arrived

	<1997	1997 - 2010	>2010
TIV	99,000	244,000	265,000
Players	2	5	9

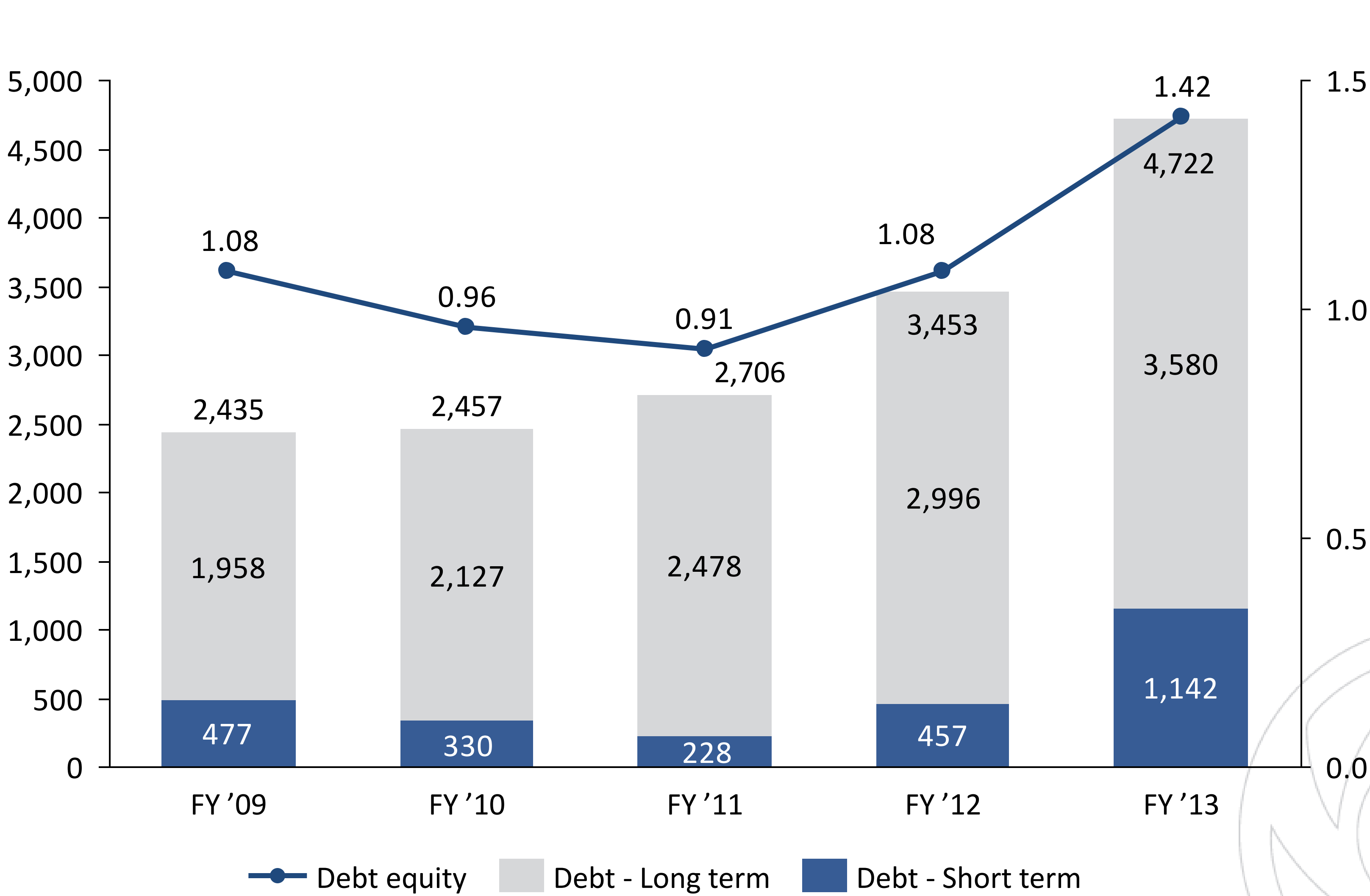
High investments leading to high breakeven

Rs. Crore



Ashok Leyland

Huge debt



Transformation

"Restructure for growth"

RESTRUCTURE:

- Manpower
- Fixed costs
- Working Capital
- Debt
- Non-core assets

GROWTH:

- New products
- Network
- Exports
- New business
- Capabilities

Focus on operational efficiency

2013-14	2014-15	2015-16
K54 Fixed cost reduction	achieVE500 Material cost reduction	
PRISM Sales and Marketing Excellence	LEAD Leverage analytics to drive decisions	GenMod V2 The right way to the right products
TQM Plan Do Check Act	REACH 90 Warranty cost reduction	MaXIT Customer vehicle configurator

New Products contributed to our growth

JanBus

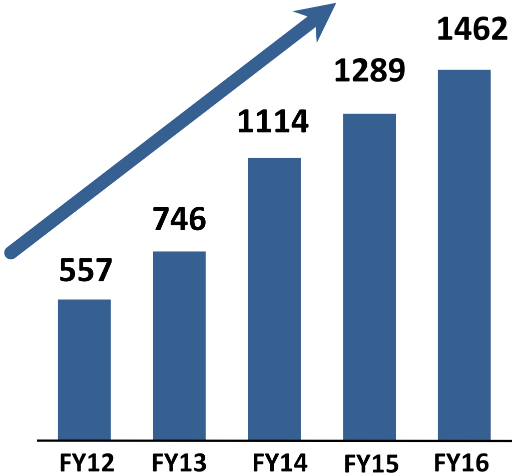
U3718

Boss

Captain

40-iT

Enhanced our network for sales and service

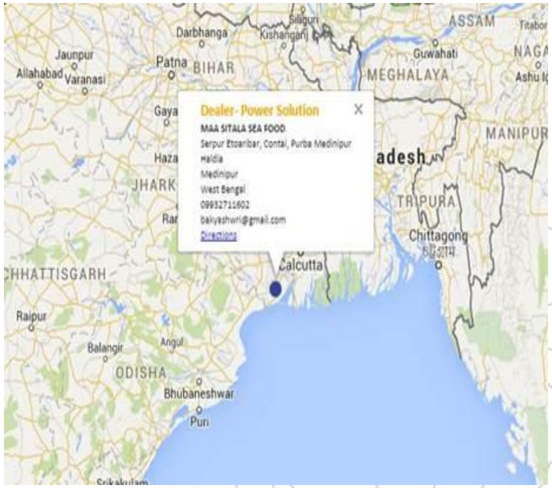


Dealership

SASSY

Workshop on wheels

Authorised Service Center

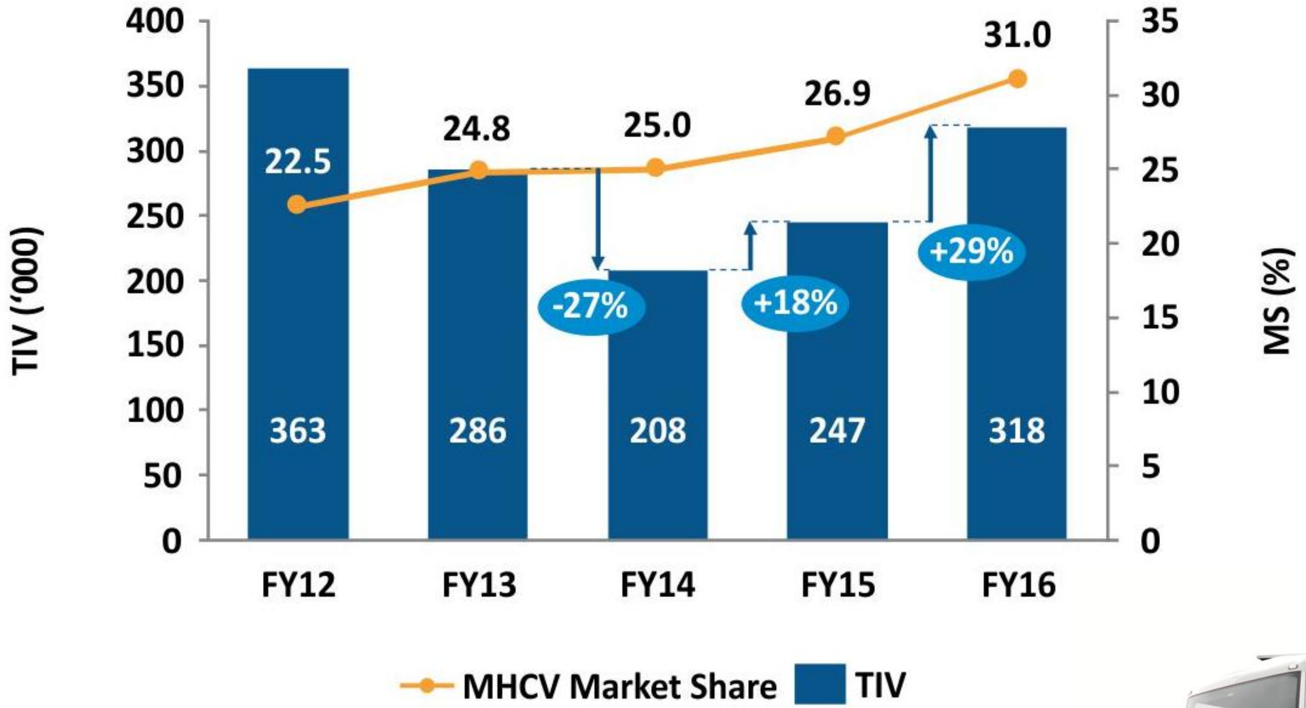


Network Locator

Restructuring made us leaner

Initiatives	September 2013	March 2016
Manpower	12536	10352
Other expenses (% of Sale revenue)	11.6%	10.5%
Working capital (Rs. Cr)	1372 (44 days)	-22 (0 days)
Debt (net) (Rs. Cr) Debt Equity (times)	6051 2.2: 1	1151 0.24:1
Non-core assets disposed (Rs. Cr) cumulative	--	1618

New products and expanded network enhanced market share



FY 2015-16: A record year of growth

- MHCV sales 109762 Nos
- MHCV production 112537 nos
- Revenue 18822 crores
- Operating PAT 1111 crores

Road ahead

Environment trends

- GDP growth in India to be steady
- Growth in road projects, smart cities, mining
- Regulations on emissions and safety
- Guidelines on voluntary fleet modernization

Growing customer expectations

- Driver comfort and safety
- Rigorous duty cycles
- Enhanced product reliability
- Digitally connected vehicles

Transformation initiatives

1	2	3	
Defend domestic market share	Set foundation for international expansion	Grow acyclical businesses faster	Strategies for growth

4	Enhance productivity and asset utilization	Strategic enablers
5	Build culture of performance & innovation	
6	Win together with all our stakeholders	

1. Defend domestic market share

- Build and enhance product portfolio
- Expand network of touch-points
- Enhance customer engagement

1. Defend domestic market share (contd.)

- Drive 2nd hemisphere innovation
- Leverage digital technology
- Develop Electric & Hybrids

MaXIT
Guided Selling initiative

i-ALERT
Intelligent. Innovative. Intuitive

2. Set foundation for international expansion

3. Grow acyclical businesses faster

LEYPARTS®

4. Enhance productivity and asset utilization

Enhance supply-chain productivity

Reduce Variable costs

Reduce Warranty costs

Reduce Overheads

5. Build culture of performance and innovation

ELP

Emerging Leaders Program

Developing future leaders

CHAIRMAN'S AWARDS 2015-16

Rewards & recognition

ignite

Innovation program

LEAPS

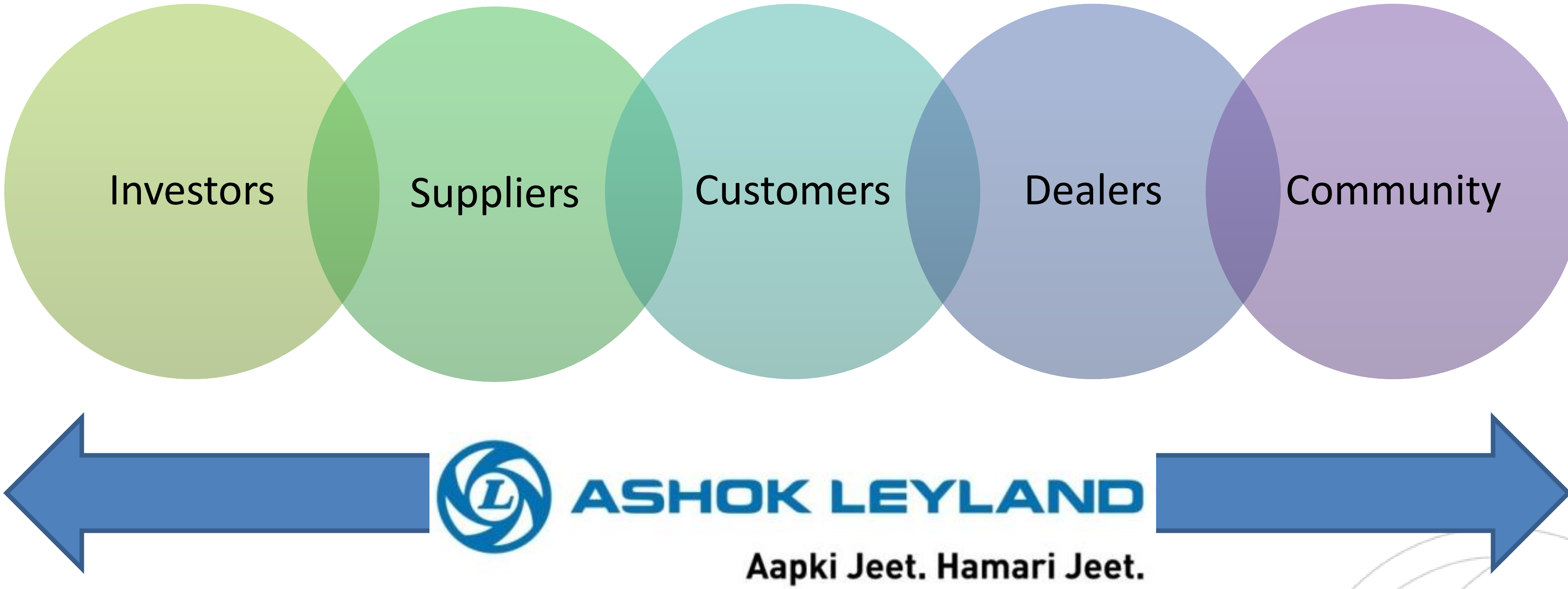
Leadership Excellence Awards for Problem Solving

6-sigma problem solving

TECHNOLOGY DAY

Research Papers and Patents

6. Win together with all stakeholders



THANK YOU