



# Investor Presentation

July 2019





## EICHER MOTORS LIMITED - OVERVIEW

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## ROYAL ENFIELD

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## VE COMMERCIAL VEHICLES

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## FINANCIALS

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## APPENDIX

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**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



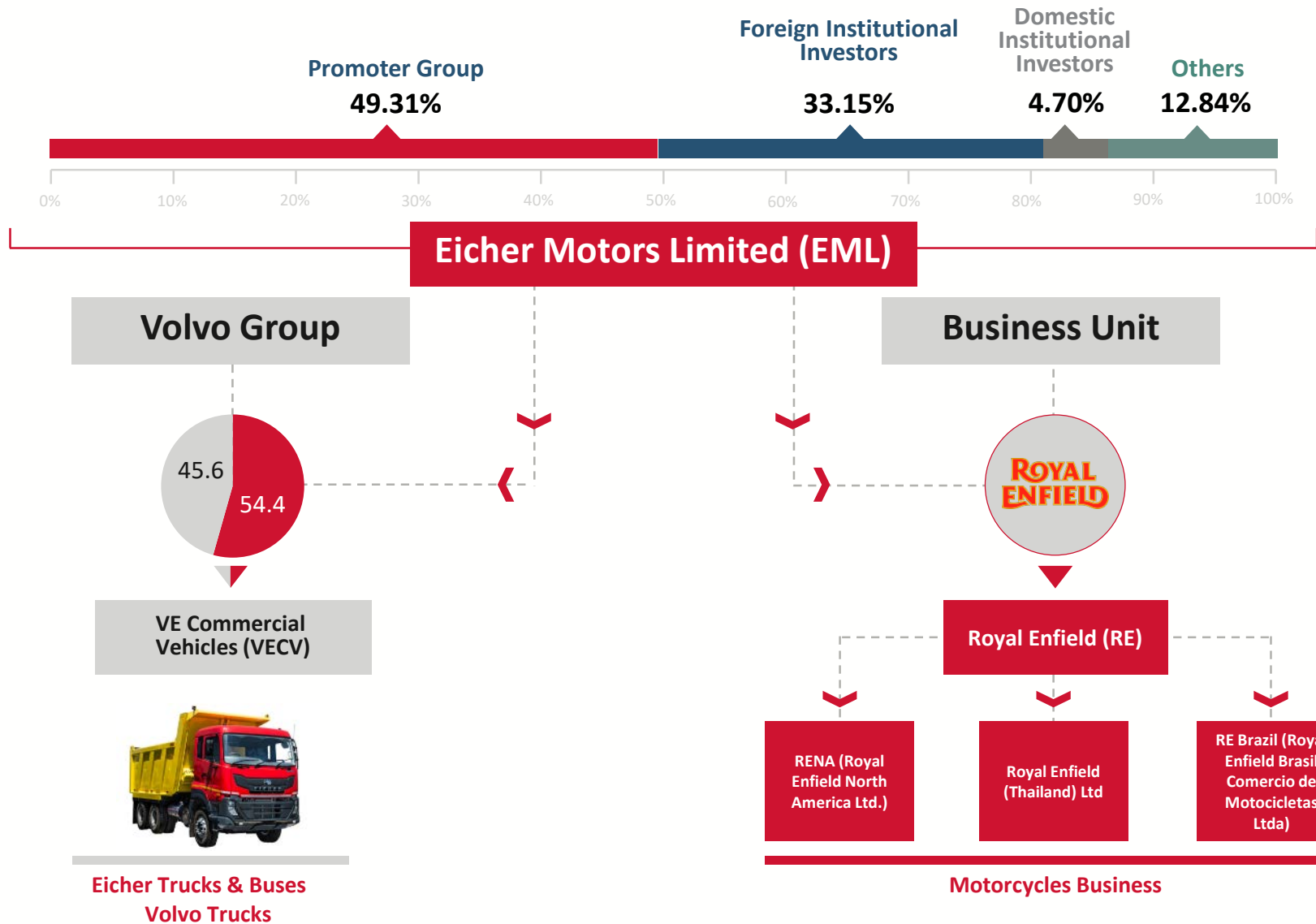
2012

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





# Shareholding Pattern (30<sup>th</sup> June 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<sup>^</sup>



**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 21<sup>st</sup> 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



- ▶ 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

## Interceptor 650 & Continental GT 650



- ▶ 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 Trials Works Replica

The Bullet Trials Works Replica  
launched in 350cc and 500cc variants

Inspired by Royal Enfield's victories at the  
International Six Days Trials Championships

A tribute to Royal Enfield factory rider,  
the legendary Johnny Brittain



Commemorates 87 years of the  
Royal Enfield Bullet (since 1932)



# 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



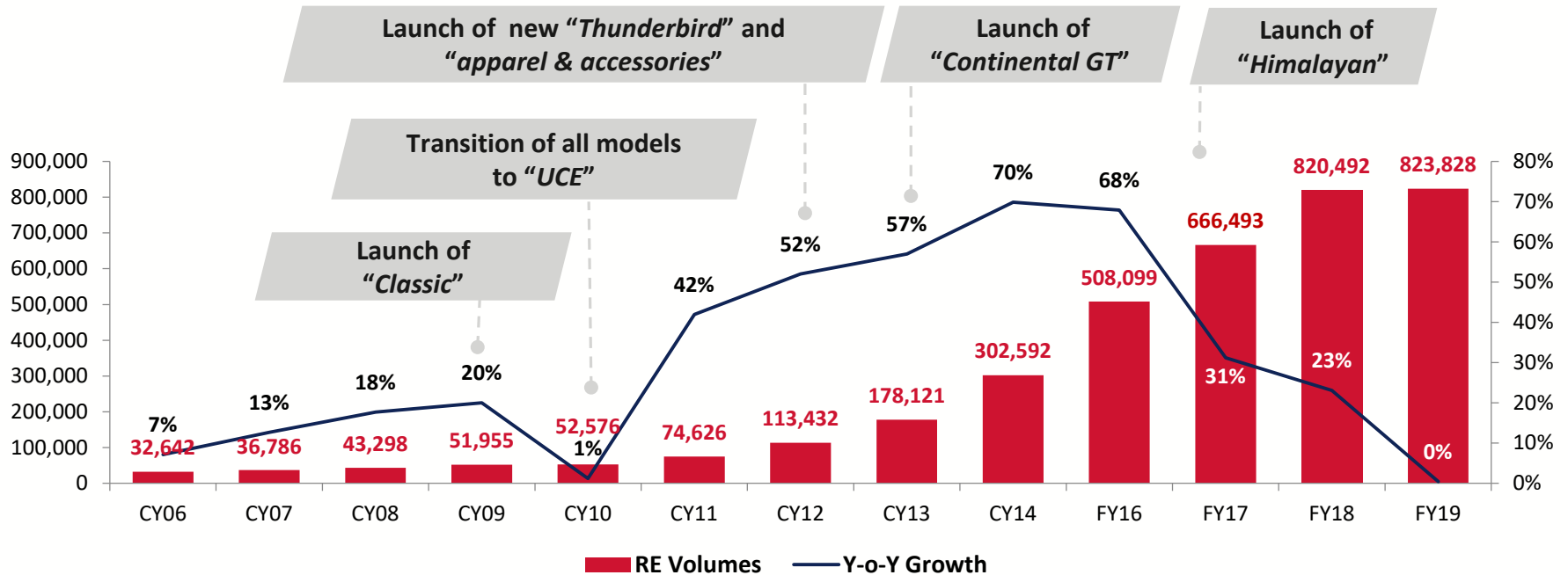
As a part of being available at more touch points for consumers, Royal Enfield Apparel Business successfully launched 9<sup>th</sup> Shop-in-Shop at CENTRAL, a leading multi-brand showroom. With this outlet, Royal Enfield apparel is now available across CENTRAL in Delhi, Kochi, Pune, Hyderabad, Bangalore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

## On and Off the Saddle



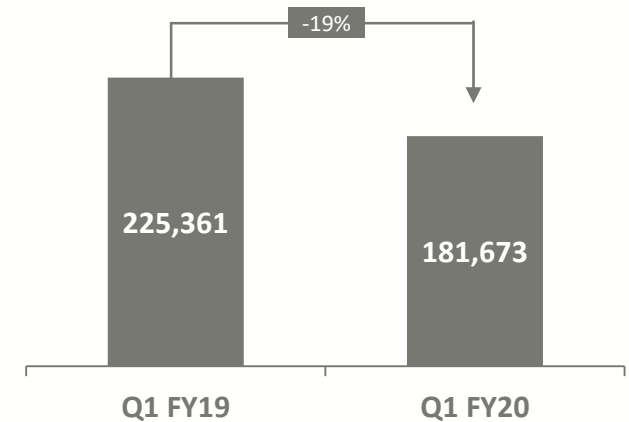
Introduced **STREETWIND** riding jacket that keeps one cool and protected, suitable for all-day rides. With the introduction of this jacket, the endeavour is to make Royal Enfield apparel accessible to more people.

# 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



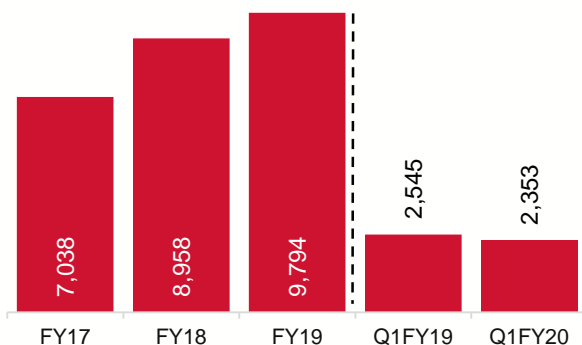


# Financial Highlights – Eicher Motors Ltd. (Standalone)

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

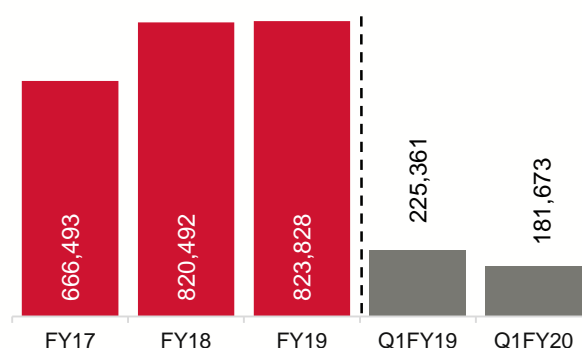
## Total Revenue

Total revenue from operations (net of excise duty)

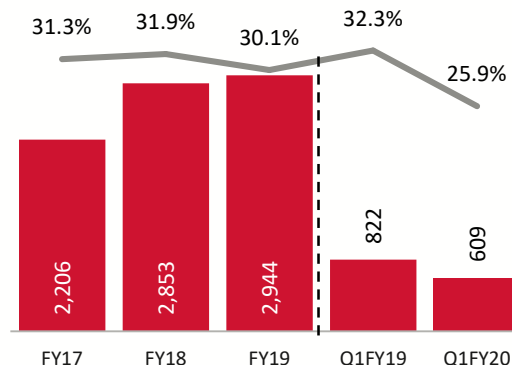


## Sales Volume

(in Nos)

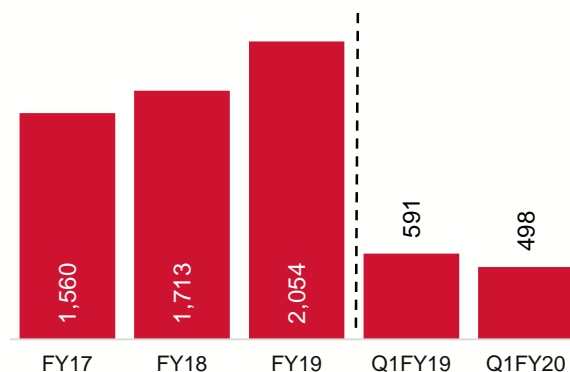


## EBITDA & Margins

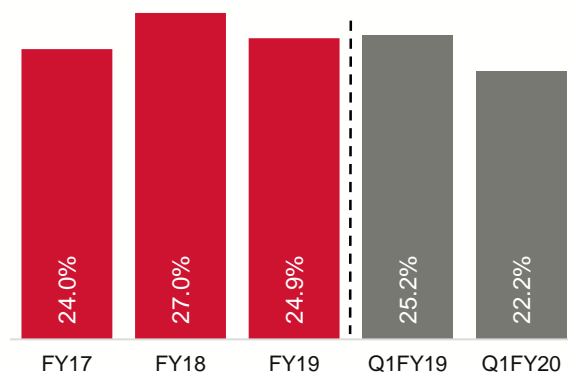


The figures in % indicate EBITDA Margins  
EBITDA Margin = EBITDA/Total revenue from operations  
(net of excise duty)

## Profit After Tax

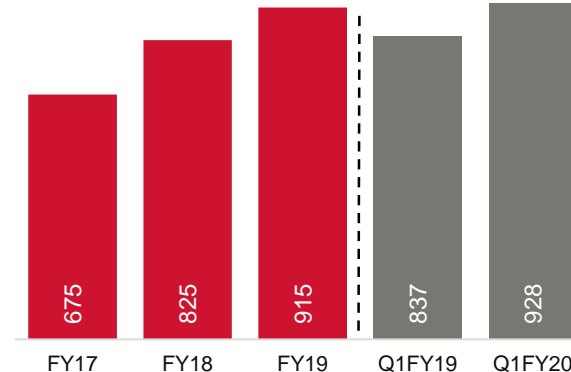


## Market share\* (India)



## Dealer Network (India)

(in nos)



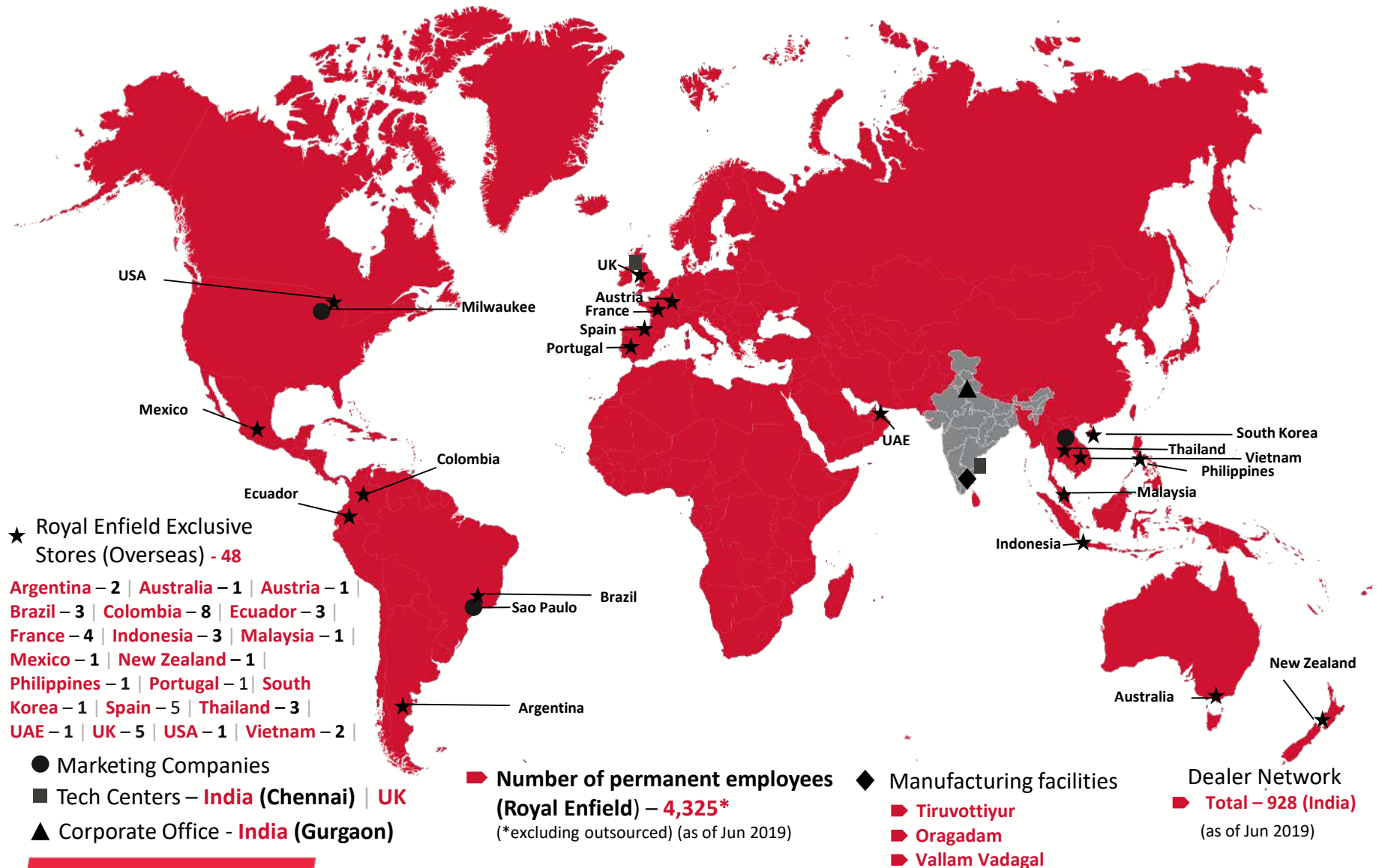
Note: PAT for FY18 and FY19 includes an impairment loss of Rs. 311.98 crores and Rs. 17.52 crores respectively on the company's investment in its joint venture, EPPL subsequent to winding down of operations of EPPL.



INVESTOR PRESENTATION  
July 2019

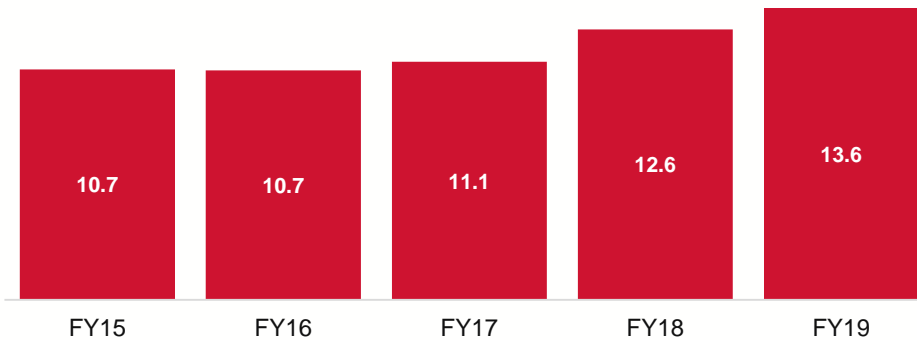
\* Market share in 150cc and above segment  
Source - SIAM

# Our Footprint



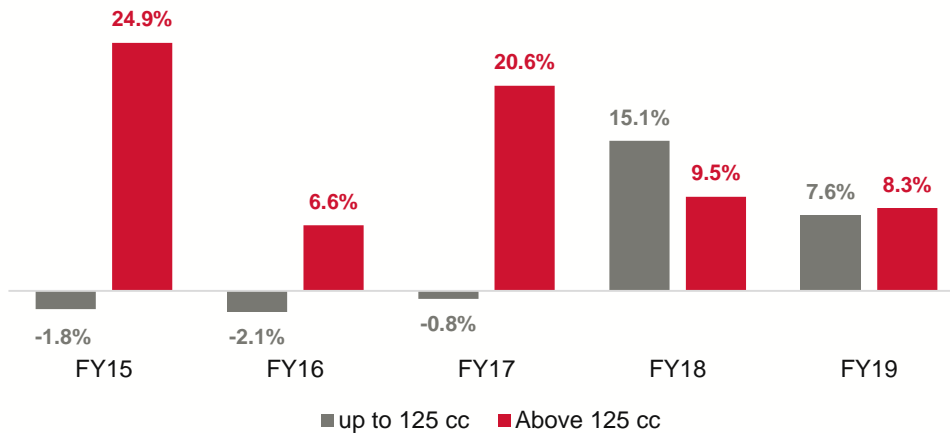
# Industry Overview

## Motorcycle Volumes (India) (in mn)



India - largest motorcycle market in world

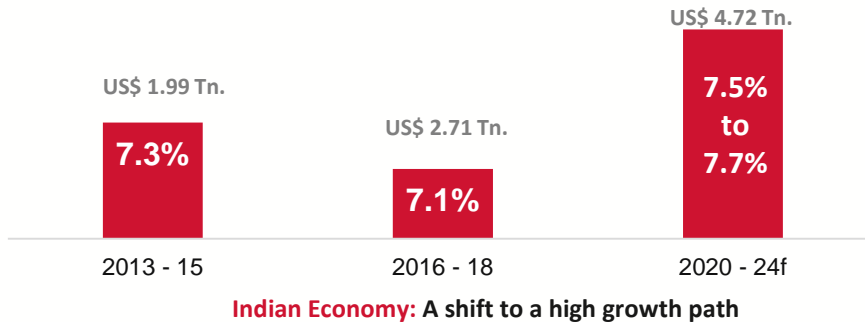
## Growth rate of various motorcycle segments



Indicates growing premiumisation of motorcycle market

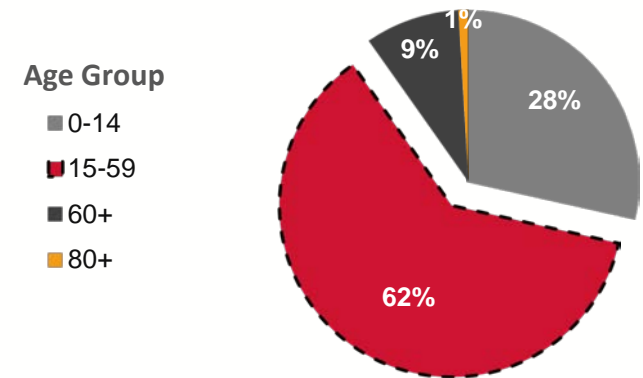
# Opportunity – Domestic Market

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



Source: IMF, Statista 2019

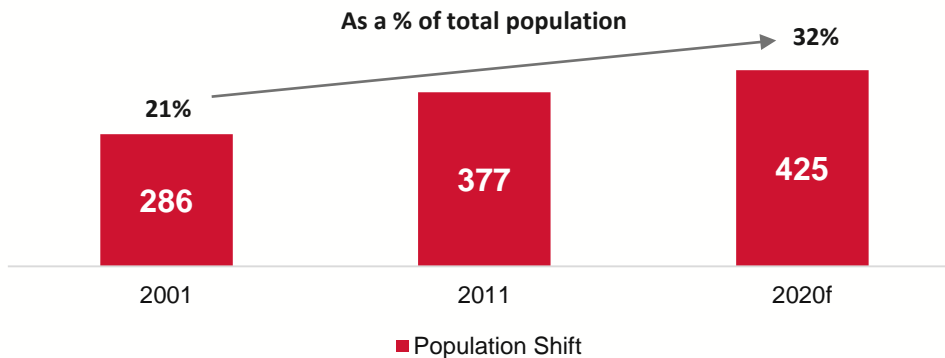
India's demographic profile (year-2015)



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

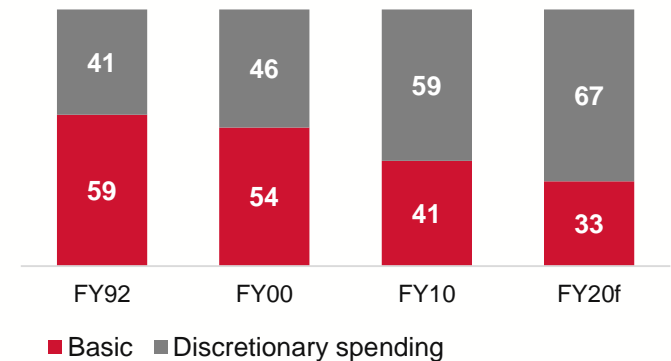
Growth in urbanization

(In mn)



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

Rising share of discretionary spending over the year (%)

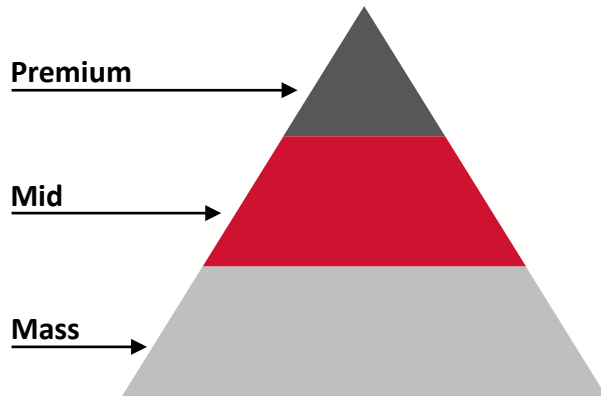


F: D&B forecast | Source: Mospi, D&B India

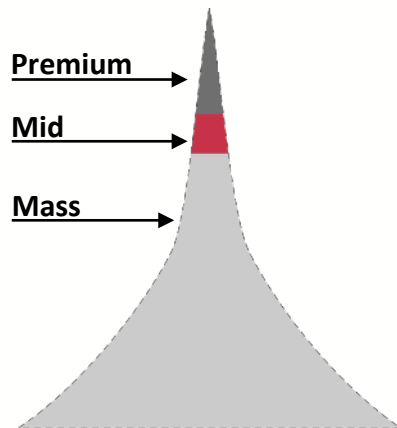
# Opportunity – International Business

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

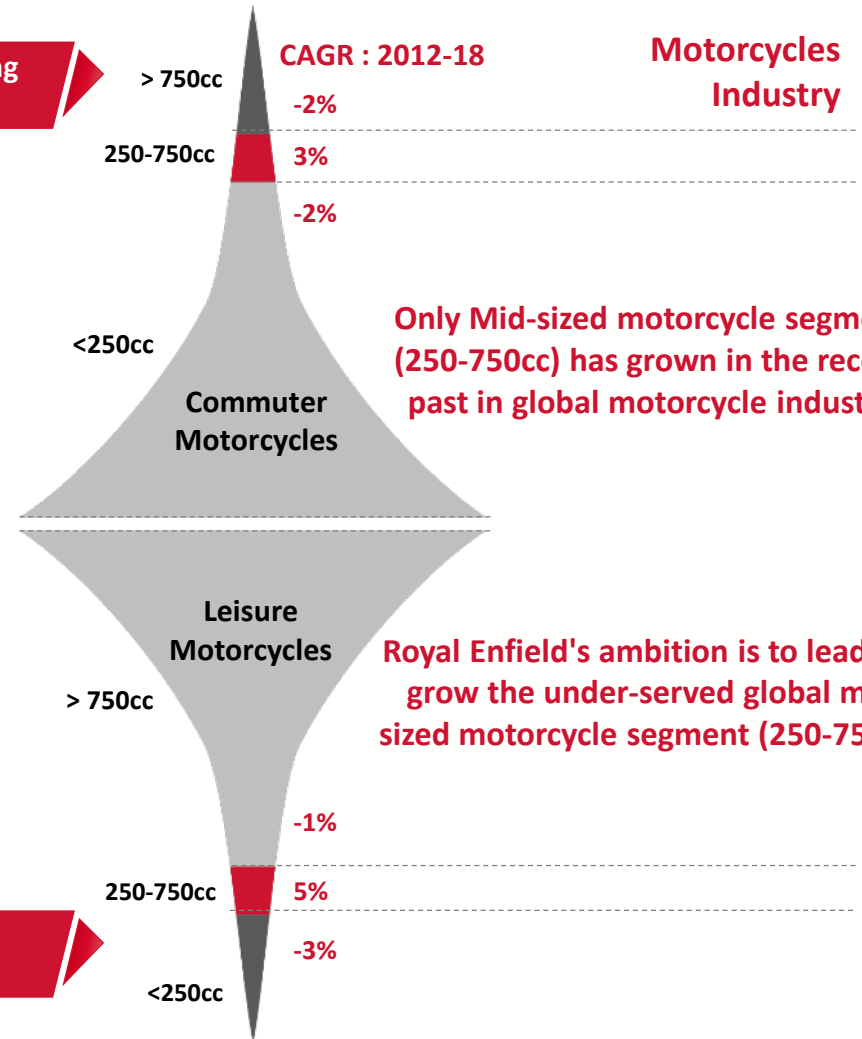
## Most Industries



## Motorcycle Industry



## Developing Markets



## Motorcycles Industry

Only Mid-sized motorcycle segment (250-750cc) has grown in the recent past in global motorcycle industry

Royal Enfield's ambition is to lead and grow the under-served global mid-sized motorcycle segment (250-750cc)



# Preparing for Future Growth

## Capacity



- Setting up Phase-2 of plant at Vallam Vadagal near Chennai
- Production ramup of the new Twin motorcycles “Interceptor 650 and Continental GT 650” underway

## Product Development



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

## Distribution



- Plan to open 350 Studio Stores in FY20 to expand reach across India
- Plan to increase retail footprint in India to 1,100 towns with 1,350 stores by end of FY20
- Plan to increase exclusive international store count from 48 now to 80 over next 18 - 24 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 Rider Mania 2018

Rider Mania, Royal Enfield's most definitive motorcycle festival was held from 16<sup>th</sup> to 18<sup>th</sup> November 2018. Rider Mania is the largest gathering of Royal Enfield enthusiasts in the world. This year Rider Mania saw around 20 new custom motorcycles, Dirt track racing, hill climb and several other competitions taking place and more than 8,000 Royal Enfield customers and enthusiasts attending the event.



# Brand Building Activities and Initiatives

## One Ride 2019



- One Ride is a marquee event from Royal Enfield to encourage its enthusiasts from around the world to ride as one
- The 9<sup>th</sup> edition of One Ride was held in 35 countries and 305 cities including 187 cities in India
- One Ride 2019 saw record participation, where more than 3,500 registered riders attended 511 rides globally, and 15,500 riders across 374 rides in India

## Himalayan Odyssey July 2019



- The 16<sup>th</sup> 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 8<sup>th</sup> 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

## Reunion South March 2019



- Reunion South saw a gathering of the Royal Enfield riders and enthusiasts from the southern states to celebrate a weekend inspired by the motorcycling way of life at Coorg from 15<sup>th</sup> Mar - 17<sup>th</sup> Mar 2019
- Over 330 riders from Karnataka, Tamil Nadu and Kerala participated in the 3 - day celebration which included an array of competitions, activities and more for the like minded

# 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, a first for Royal Enfield in Thailand



*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

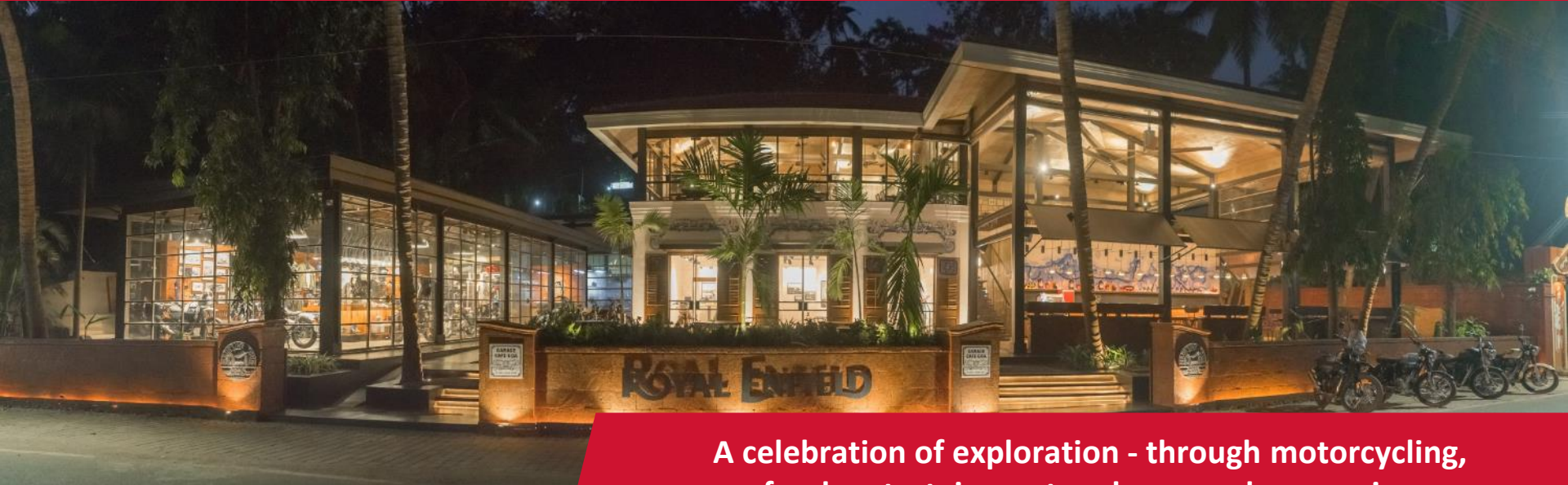


## Vintage Store opened in Chennai, Bangalore, Delhi, Mumbai, Patna, Kanpur, Indore, Patiala

- 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 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 in Argentina, its Third Country in Latin America

Flagship store in the heart of Buenos Aires





# Royal Enfield Opens Store in Chiang Mai, Thailand

Royal Enfield opens 3<sup>rd</sup> store in Thailand and 1<sup>st</sup> outside of Bangkok





# Royal Enfield enters Seoul, 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

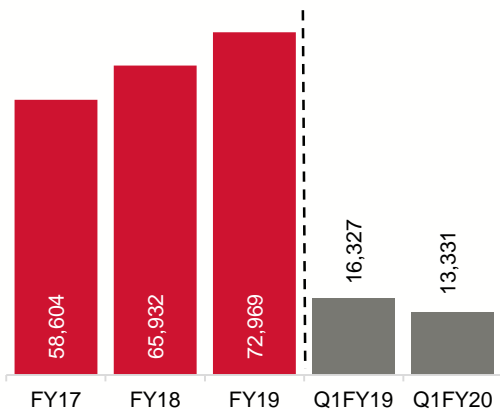
**2018:** Successful 10 years of partnership between Eicher and Volvo



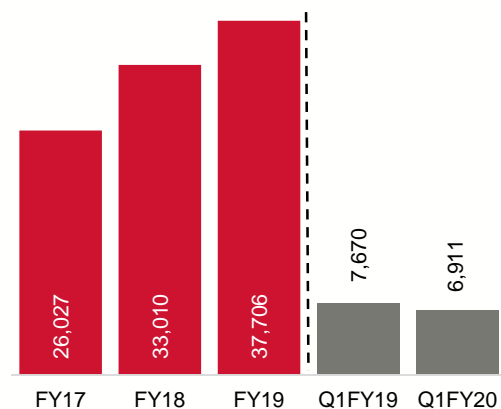
**2019:** Eicher Pro 2000 series launch in Mumbai

# Volumes

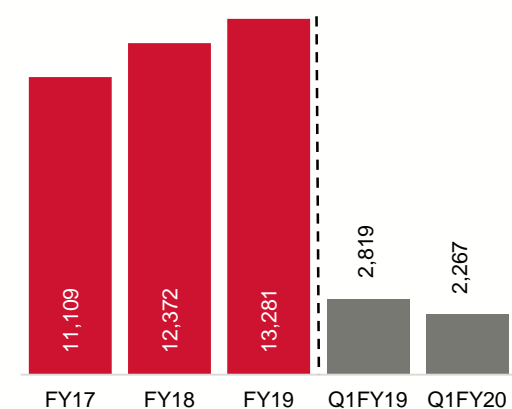
## Total CV\* Volumes (in nos)



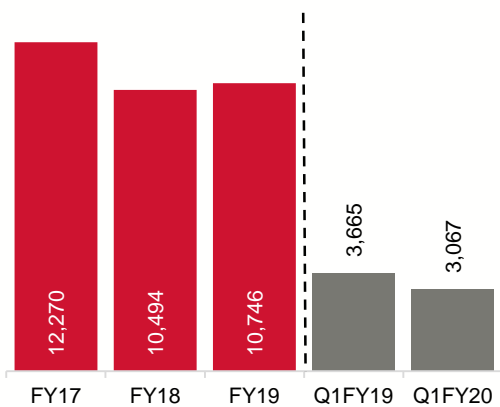
## Eicher Light to Medium Duty Trucks (3.5-15 tonne) (in nos)



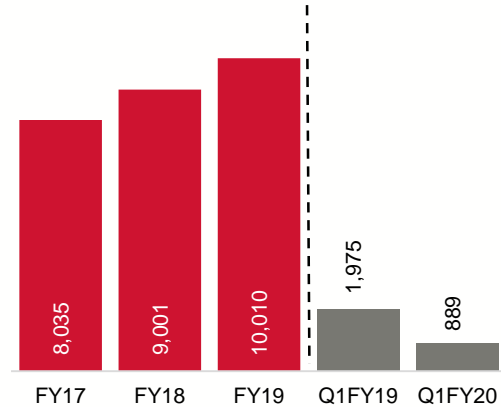
## Eicher Heavy Duty Trucks (16 tonne +) (in nos)



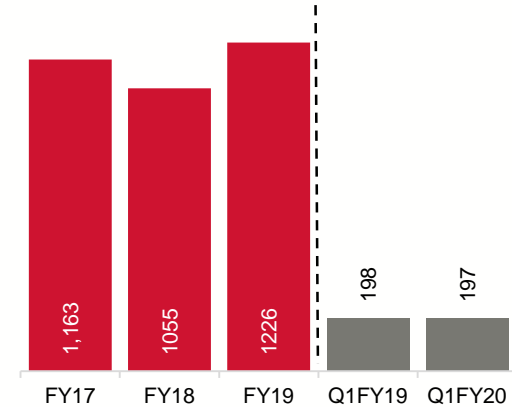
## Buses (in nos)



## Exports (in nos)



## Volvo Trucks (in nos)

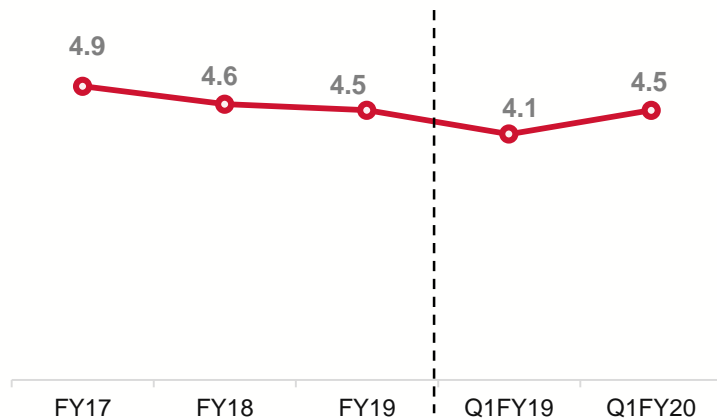




# Market Share

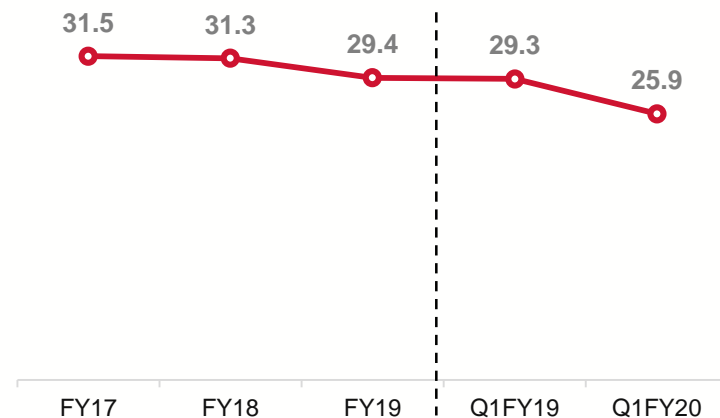
**Eicher Heavy Duty Trucks  
(excluding exports)**

In %



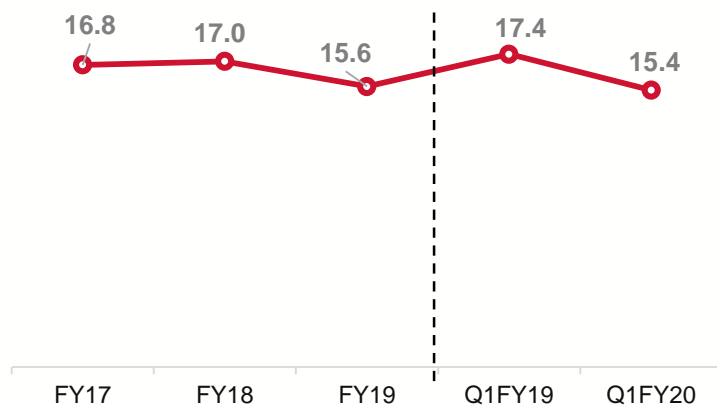
**Eicher Light and Medium Duty Trucks  
(excluding exports)**

In %



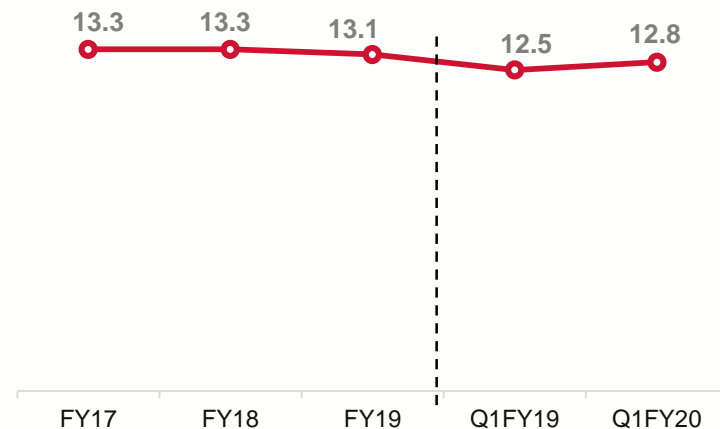
**Buses (excluding exports)**

In %



**VECV market share (including exports)**

In %

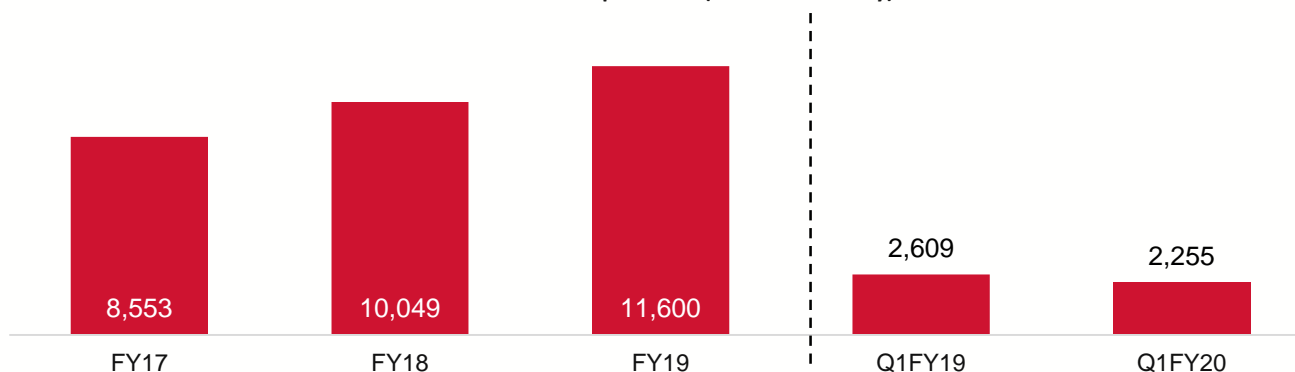


# Financial Highlights – VE Commercial Vehicles

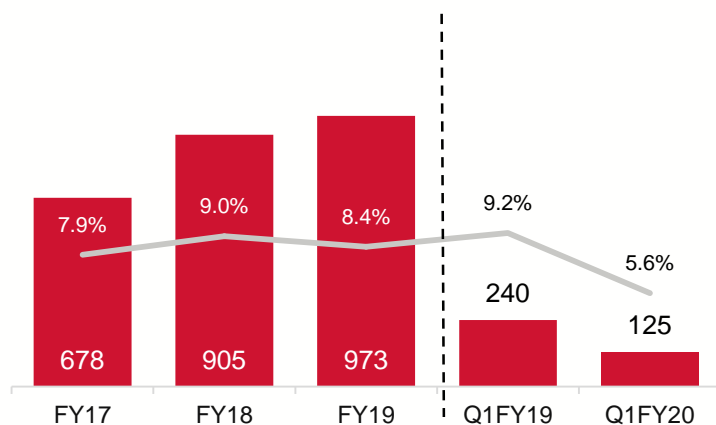
All figures are for VE Commercial Vehicles  
(in Rs. Crore unless specified)

## Total Revenue\*

Total revenue from operations (net of excise duty)



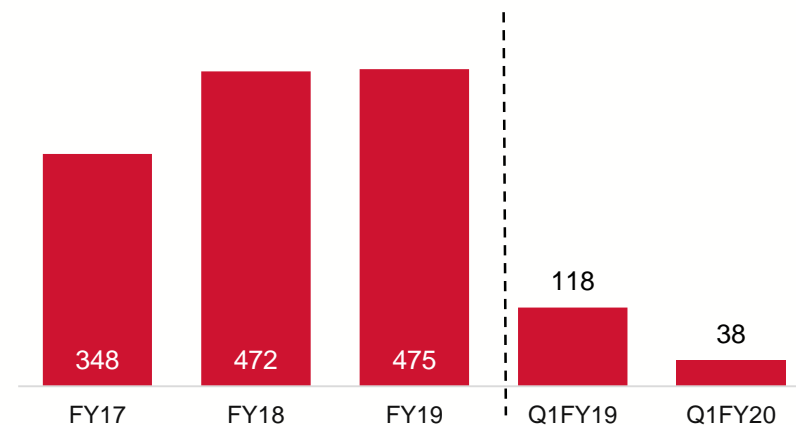
## EBITDA & Margin\*



The figures in % indicate EBITDA Margins

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

## Profit After Tax

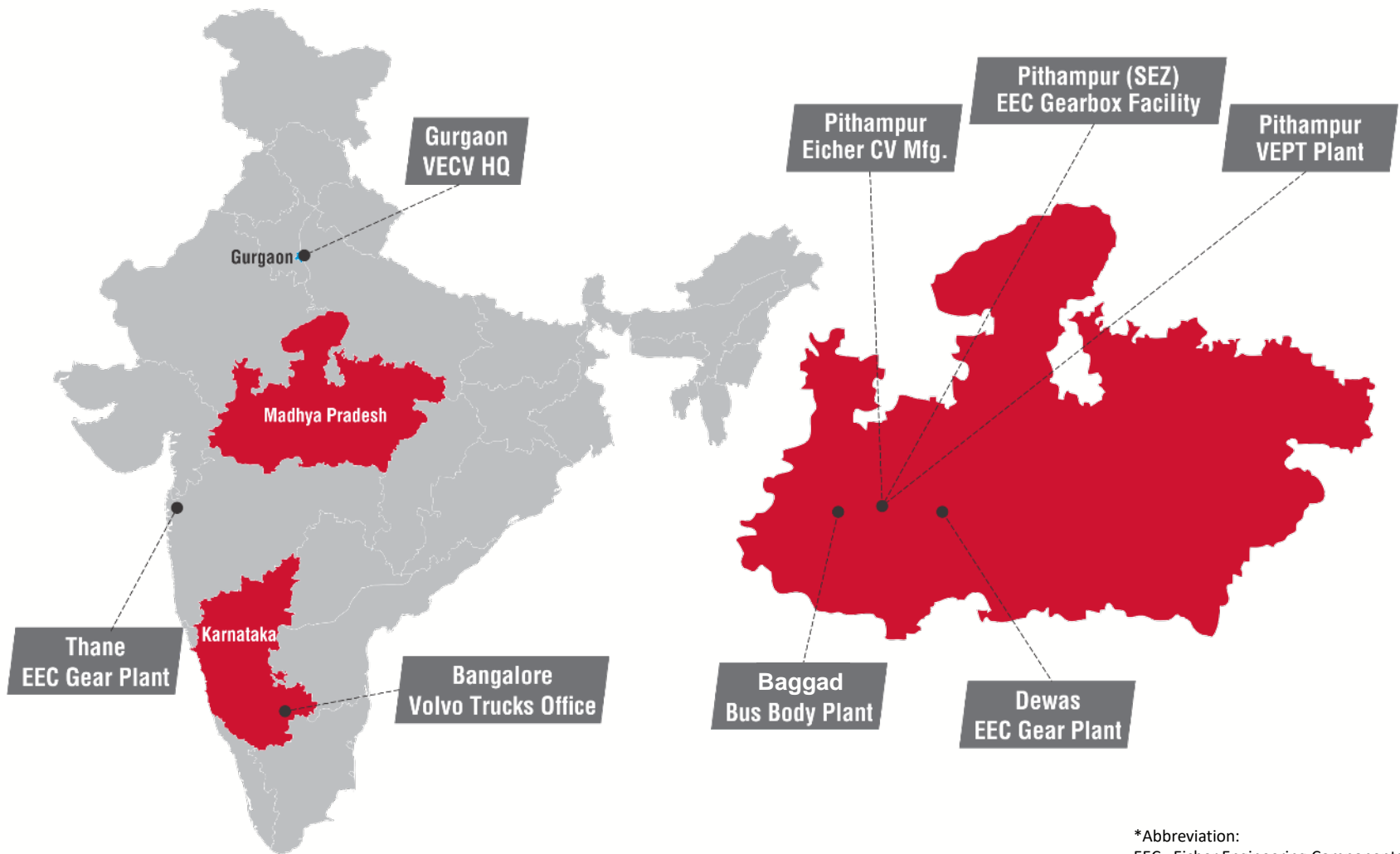


Note: Figures for FY16 onwards are as per IND AS. Figures from CY11 and CY12 are as per IGAAP.

EBITDA – Earning Before Interest, Tax, Depreciation and Amortisation

\*Excludes Other Income

# India Facilities – Manufacturing and Operations



**Number of employees(VE Commercial Vehicle) – 5,009\***  
(\*permanent) (as of June 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 290 nos. including 15 COCO\* outlets
- 23 distributors, 98 Eicher Genuine Parts Shoppe and 2,500+ multi-brand parts retailers
- 225 GPS enabled Vans and 37 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)



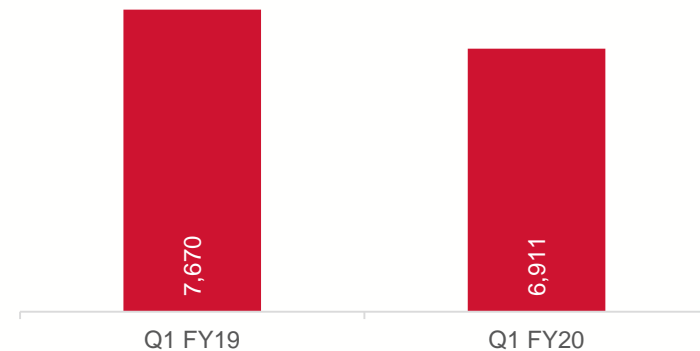
**Mileage ka Badshah**



## 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



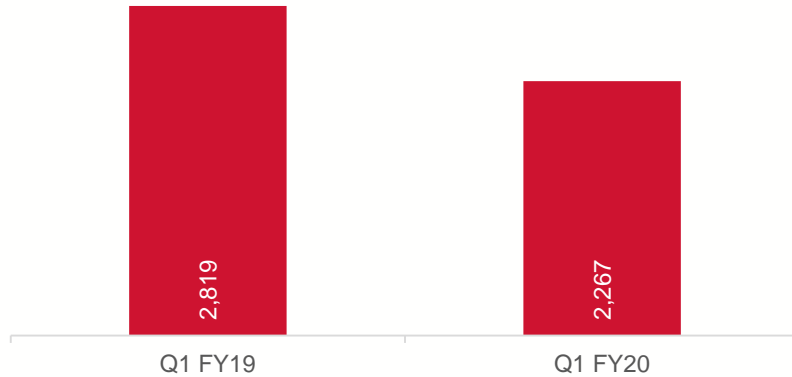
Introduction of many industry-first features such as all-wheel disc brakes, touch-screen infotainment, steering mounted controls and advanced telematics

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

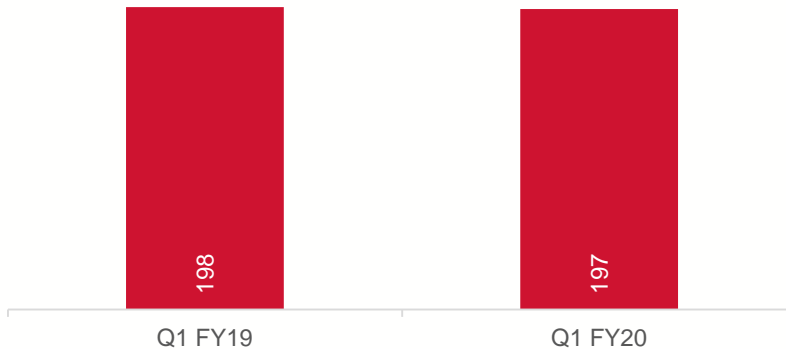
- ▶ The 'Pro' series is gaining more traction with increased interest in technologically advanced trucks. The Value Trucks are witnessing good acceptance in the market.
- ▶ Higher base effect, new axle load norms & liquidity crunch affecting the sales.



# 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**



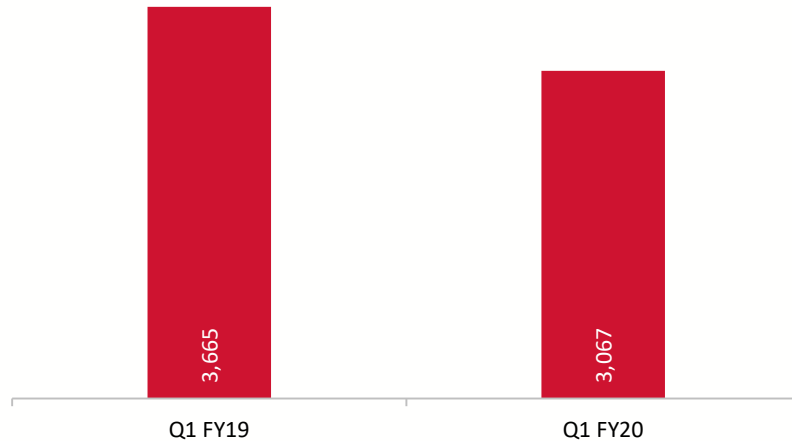
**FH 520 is the flagship model of the Volvo truck range**

**Over dimensional cargo**

# Eicher Buses: Steady Market Share in a Challenging Environment

## Volumes

(in nos)



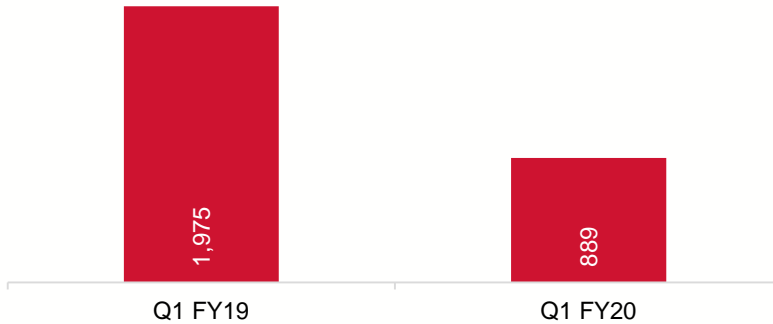
Electric Pro E



# Tapping Global Potential

## Exports

(in nos)



- Over 10 new products/variants introduced to gain access across new segments in target markets
- Continued growth for spare parts business during last 6 years
- “Aftermarket Uptime Promises” rolled out and the design of the same is being deployed across markets for uniform customer experience
- Good progress made in South East Asia markets with ramp up of sales for UD branded trucks

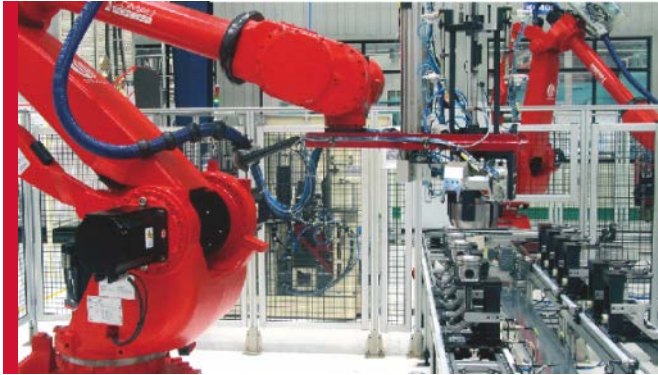




# World Class Manufacturing set up...

- 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; start of production planned in April 2020
- 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

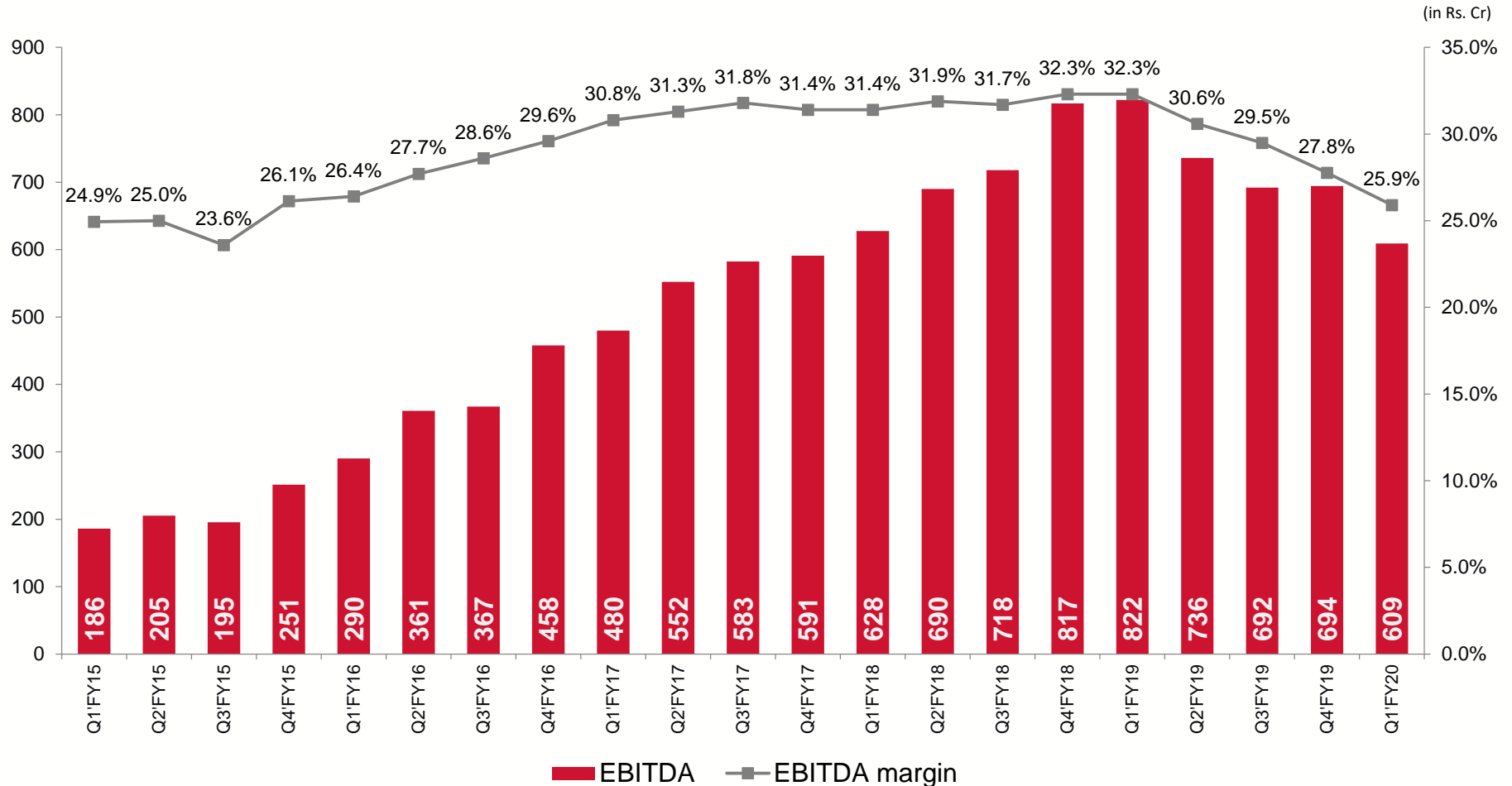




# FINANCIALS

# Quarterly Financial Highlights (Standalone)

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



# Thank You

Get Social :



Royal Enfield



Royal Enfield



VE Commercial Vehicles



# APPENDIX

# Balance Sheet (Consolidated)

(In Rs. Cr.)

Particulars	Mar'17	Mar'18	Mar'19
Net Fixed Assets (including CWIP and Pre-operative Expenditure)	1,247	1,835	2,324
Investments	4,987	5,581	4,923
Other Non Current Assets	260	186	180
<b>Current Assets</b>			
Inventories	336	395	633
Debtors	50	68	90
Cash and Bank Balances	25	1,212	2,965
Other Current Assets	86	227	271
Current Liabilities and Provisions	1,501	2,265	2,098
<b>Net Current Assets</b>	<b>(1,004)</b>	<b>(364)</b>	<b>1,862</b>
<b>Total</b>	<b>5,489</b>	<b>7,257</b>	<b>9,289</b>
Share Capital	27	27	27
Reserves & Surplus	5,318	7,003	8,891
<b>Net Worth</b>	<b>5,345</b>	<b>7,030</b>	<b>8,919</b>
<b>Minority Interest</b>	-	-	-
Deferred Tax Liability (net)	78	142	274
Other Non Current Liabilities & Provisions	66	85	96
Borrowings	-	-	-
<b>Total</b>	<b>5,489</b>	<b>7,257</b>	<b>9,289</b>

# Profit & Loss Statement (Consolidated)

(In Rs. Cr.)

Profit & Loss Account	FY17	FY18	FY19
<b>Sales Volume:</b>			
Two Wheelers (Nos.)	666,135	820,121	822,724
<b>Total revenue from operations (net of excise)</b>	<b>7,033</b>	<b>8,965</b>	<b>9,797</b>
Manufacturing and other expenses	4,859	6,157	6,894
<b>Earnings before interest, depreciation &amp; tax (EBIDTA)</b>	<b>2,174</b>	<b>2,808</b>	<b>2,903</b>
<b>EBIDTA to Net Revenue (%)</b>	<b>30.9%</b>	<b>31.3%</b>	<b>29.6%</b>
Depreciation	154	223	300
<b>Earnings before interest &amp; tax (EBIT)</b>	<b>2,020</b>	<b>2,584</b>	<b>2,603</b>
<b>EBIT to Net Revenue (%)</b>	<b>28.7%</b>	<b>28.8%</b>	<b>26.6%</b>
Finance Cost	4	5	7
Other Income	227	280	443
<b>Share of profit of joint venture</b>	<b>189</b>	<b>257</b>	<b>258</b>
<b>Profit before tax</b>	<b>2,433</b>	<b>3,116</b>	<b>3,297</b>
Provision for taxation	720	936	1,077
<b>Profit after tax and share of profit of Joint Venture from continuing operations</b>	<b>1,713</b>	<b>2,180</b>	<b>2,220</b>
<b>Discontinued Operations: Share of loss of Joint Venture*</b>	<b>(46)</b>	<b>(220)</b>	<b>(18)</b>
<b>Profit After Tax</b>	<b>1,667</b>	<b>1,960</b>	<b>2,203</b>
<b>PAT to Net Revenue (%)</b>	<b>23.7%</b>	<b>21.9%</b>	<b>22.5%</b>

\*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