



# Investor Presentation

August 2022





# Contents

- 1 EICHER MOTORS LIMITED – OVERVIEW
- 2 ROYAL ENFIELD
- 3 VE COMMERCIAL VEHICLES LIMITED
- 4 ESG
- 5 FINANCIALS

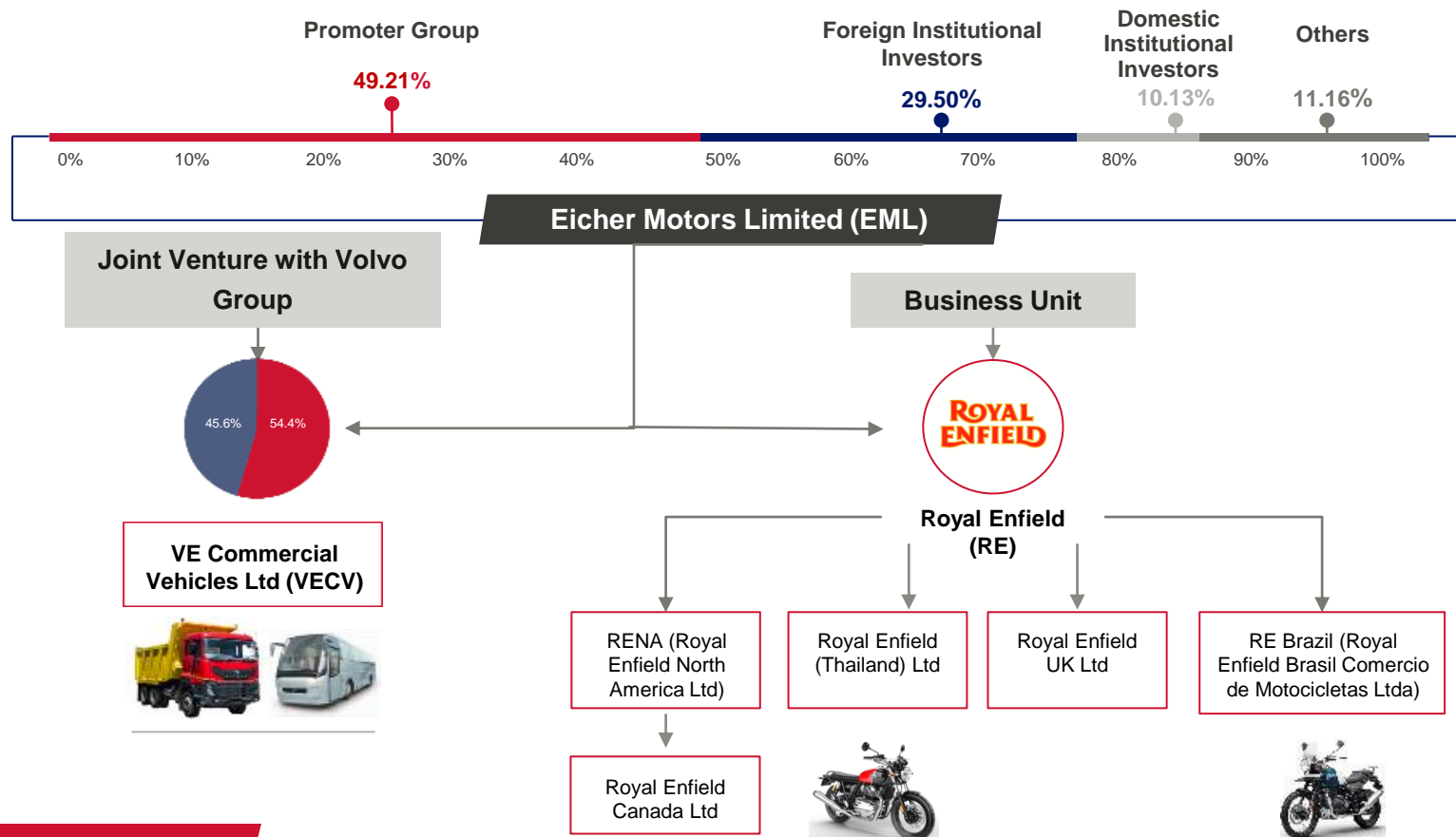
Note: The Company followed “January-December” as its reporting year till December 2014. The Board of Directors in its meeting held on February 13, 2015 decided to align the reporting year of the Company with the requirements of Companies Act, 2013. Therefore, the reporting year for 2015-16 commenced 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).

Maps are not to scale. Representation of maps is for reference purposes only.

# *Eicher Motors Limited*



# Eicher Motors Ltd. (EML) - Group Structure



# ROYAL ENFIELD

# Global leader in the middleweight motorcycle segment; Poised to become the first premium global consumer brand from India



Royal Enfield is the global leader in the 250cc – 750cc, mid-segment motorcycles. With ~90% market share in the Indian mid-size segment, we have rapidly grown our presence across the world with more than 840 retail touchpoints across 60+ countries. Our world-class motorcycles are segment leading across the world, in all key markets across Europe\* and the Asia-Pacific\*\*.

With a vision to grow the middleweight segment, we are focused on bringing a complete ecosystem of pure motorcycling to riding enthusiasts across the world. We have an exciting repertoire of rides and events that have fuelled the leisure riding culture globally. Our wide range of riding apparel, gear, and motorcycle accessories are the means of self-expression, on or off the saddle.

With our line-up of evocative, world-class motorcycles along with several initiatives to grow the pure motorcycling ecosystem, we are well on our way to becoming the first premium global consumer brand from India.

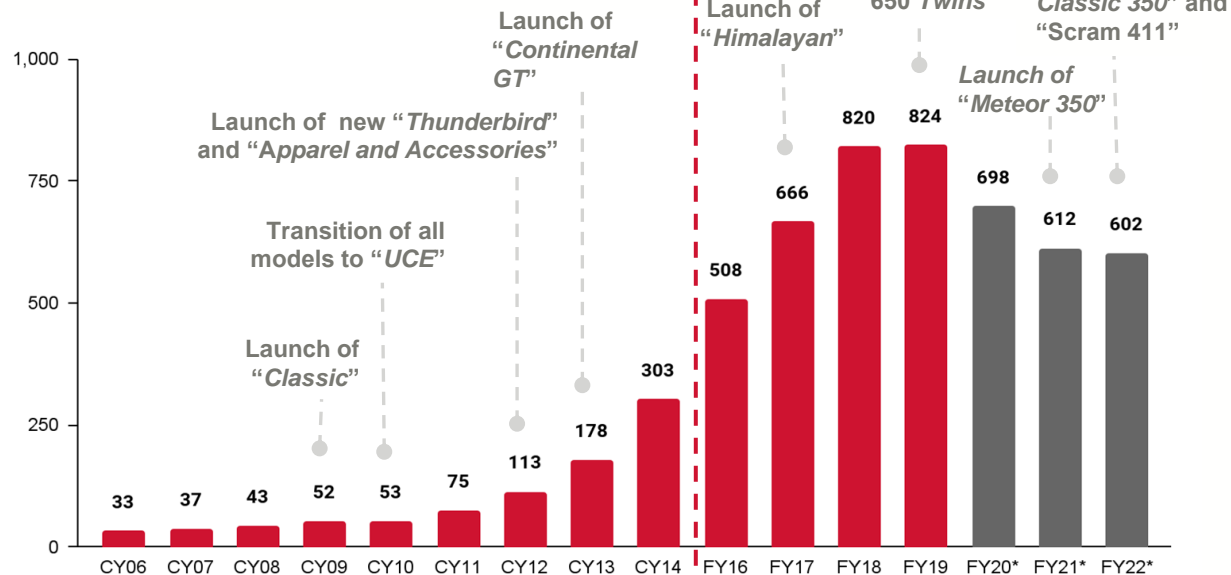
\*No.1 selling brand in the middleweight segment in Europe - Interceptor 650 has the top position for year now

\*\*Top selling motorcycle brand in the middleweight segment in New Zealand | Among top 3 motorcycle brand in the segment in Thailand | No.1 in the middleweight segment in India

# Launch of the Classic in 2009 was an inflection point

Volumes grew by ~22% CAGR between CY-2010 to FY-2018, prior to significant external headwinds

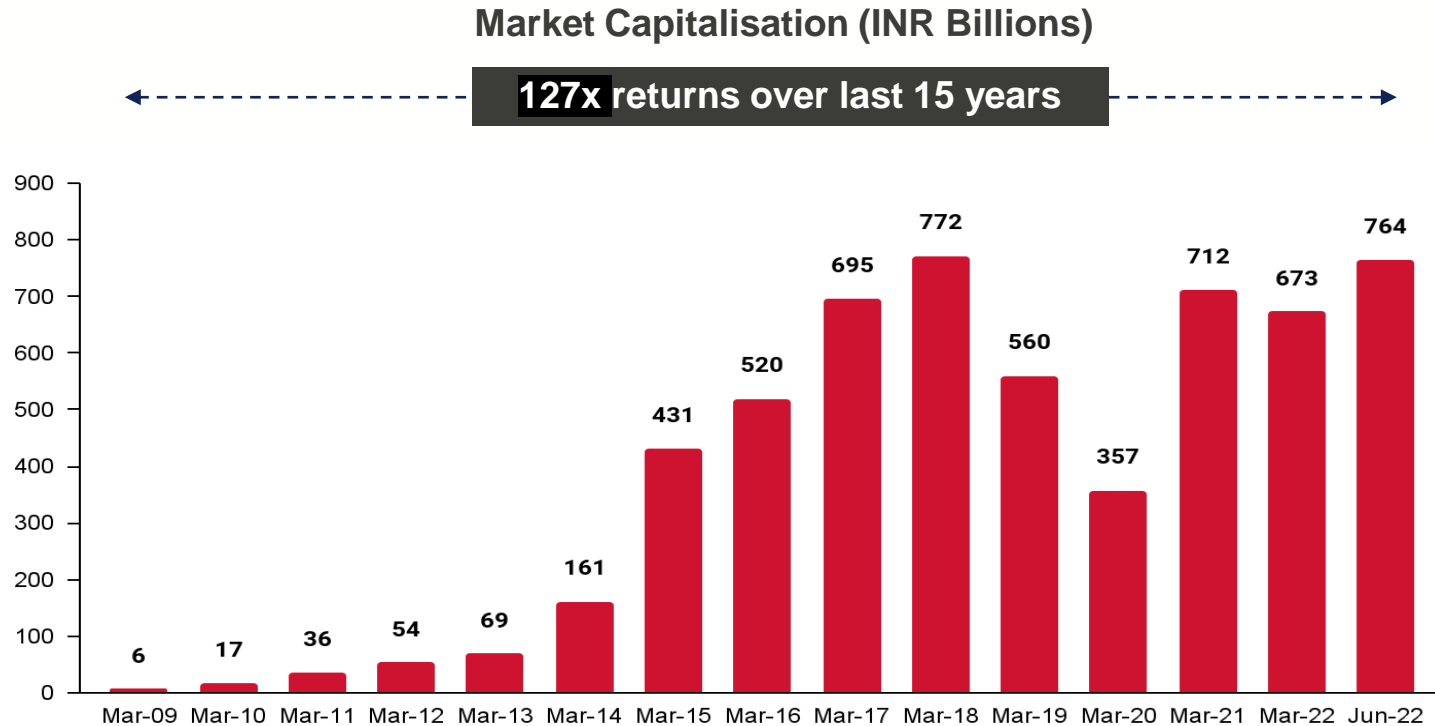
While FY2021-22 volumes were impacted due to COVID-19 and production constraints, our new models including the New Classic 350 received phenomenal response from customers as well as critics and reviewers



Replacement opportunity awaits as most of the sales happened in the past 7 years



# Significant Value Creation for all stakeholders



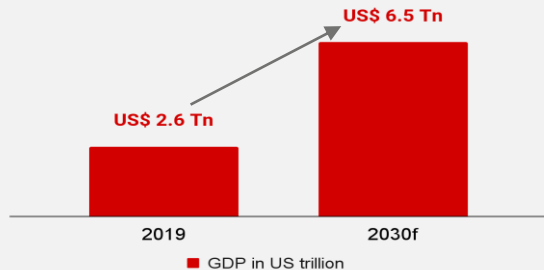






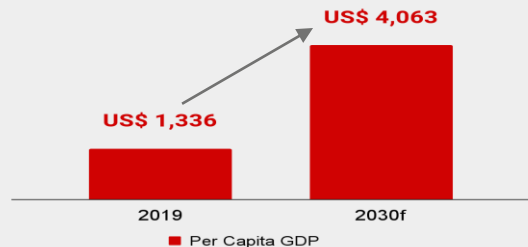
## India to become a **US\$6.5 trillion** economy by 2030

Indian Economy: A shift to a high growth path



## Rising income

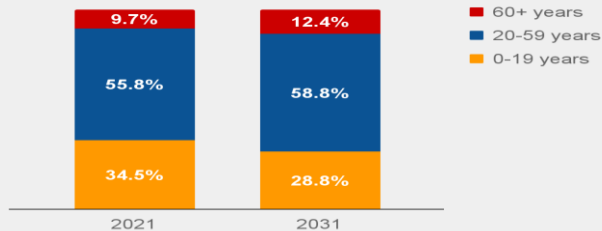
The expansion of the **middle class** and **high-income** segments will reshape future consumption and drive incremental consumption of **US\$ 4 trillion** by 2030



Source: World Economic Forum - Future of Consumption in Fast-Growth Consumer Markets: INDIA, 2019, FICCI; CBRE Research, Q2 2019

## India's favorable demographics

By 2031, the working age population i.e. **20-59 years** is poised to increase by **300bps**

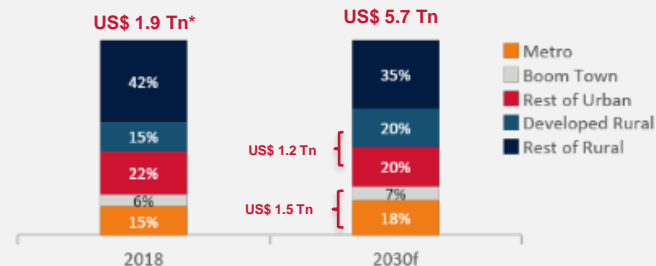


Source: Economic Survey 2019-20

Population by age cohort

## Many India's will drive consumption growth

The **incremental spend** will be led by consumers upgrading to packaged, branded or higher priced offerings

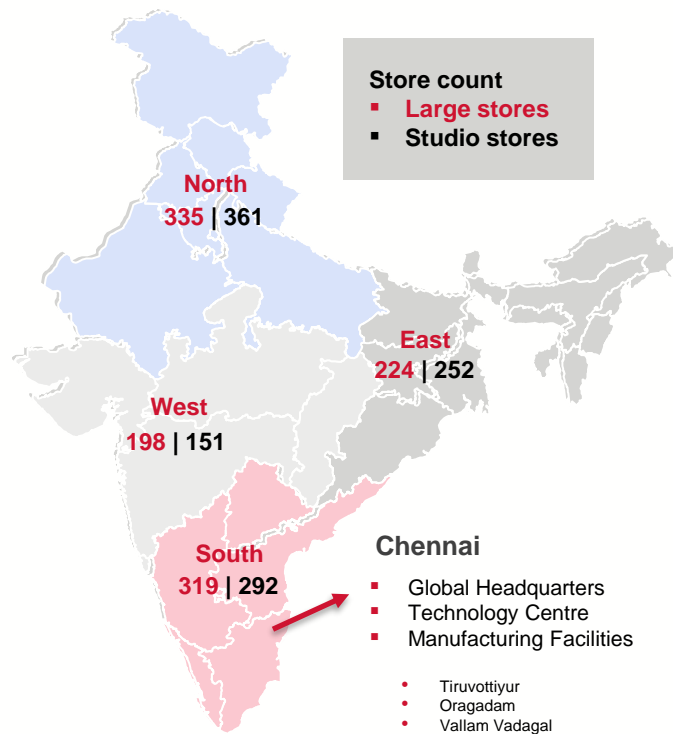


Source: \*Worldbank

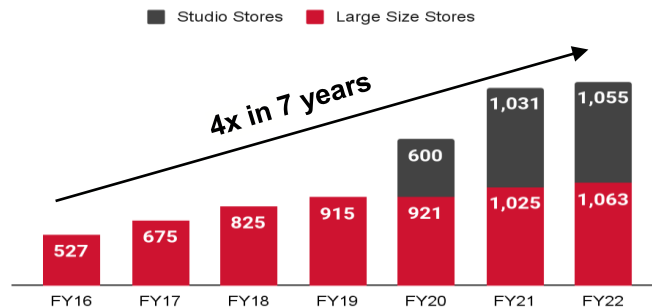
Consumer expenditure across various city types in India



1,076 stores and 1,056 studio stores across ~1,750 cities



## Dealer Network



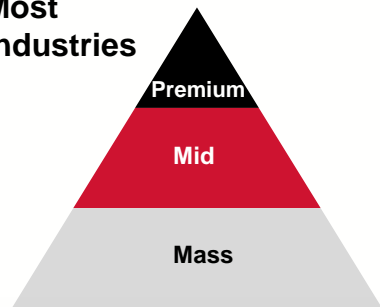
## City Category wise Distribution\*

Category	Store Count
Metro	59
A+, A	185
B, C	355
D, E, R	477
Large Stores	1,076
Studio Stores	1,056
Total	2,132

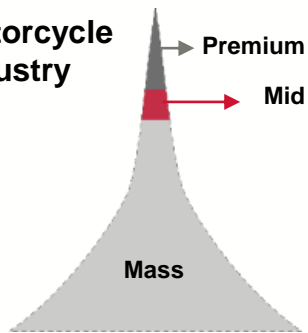


## The Oddity of the Motorcycle Industry Globally... is an opportunity

### Most Industries



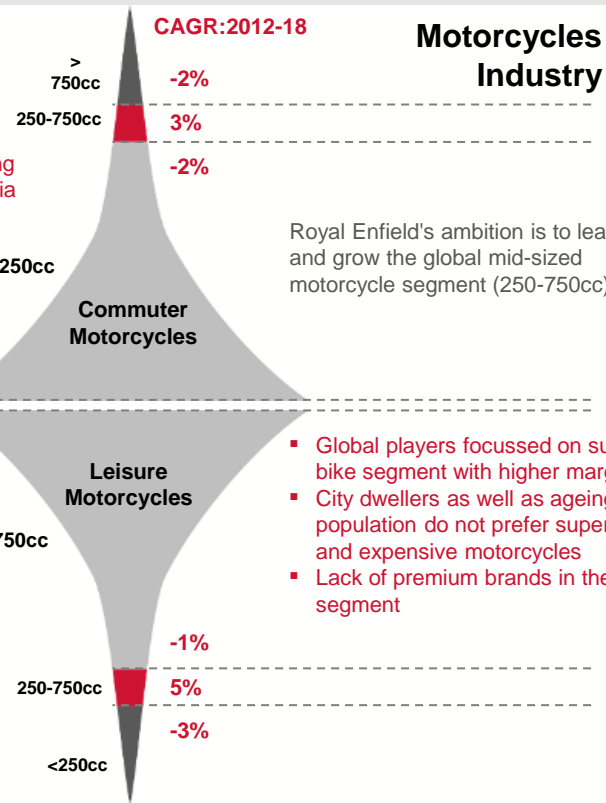
### Motorcycle Industry



### Developing Markets

RE is driving upgrade along with premiumisation in India and increasingly in other developing markets

Huge opportunity both in developed and developing markets



### Motorcycles Industry

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

- Global players focussed on super bike segment with higher margins
- City dwellers as well as ageing population do not prefer super-fast and expensive motorcycles
- Lack of premium brands in the segment



## BRAND

- Strong brand salience coupled with equity as a premium and desirable brand
- Organised motorcycling events and created ecosystem that connects physically and amplifies digitally



## PRODUCT

- Strong pipeline of new products for next 5 years and beyond for the global consumer
- Critically acclaimed products that are highly differentiated; 'Modern, Retro' - premium, yet accessible



## NETWORK

- Focused approach for international market expansion
- Investment in CKD facilities in strategically important markets; currently set-up in Argentina, Colombia and Thailand
- Creating and nurturing strong communities

# Building capabilities to cater to global audience



In English midlands with access to global product development capabilities and ecosystem

154 employees

## Bruntingthorpe, UK



New Product Introduction (NPI) framework in place to develop best-in-class products in an optimal timeframe

Next five-year product pipeline in place

## Chennai, India



World-class facilities

338 employees

### Product Strategy

Identify opportunities, define products

### Industrial Design

Visual design of the product

### Product Development

Engineering analysis, design and validation of powertrain

### Genuine Motorcycle Accessories

Define, design and develop

### Current Engineering

Continuous improvement of products post launch

## Programme Management

Coordinate development from concept to production

- Multiple Teams working from concept stage to production and post launch support
- Advanced Engineering and EV teams working on future requirements
- Product development teams between India and UK have grown over the years
- R&D investments
  - FY 21-22    INR 184 Crs
  - FY 20-21    INR 246 Crs



860+ global touchpoints with 169 Exclusive stores & 690+ MBOs

## Developed Markets



	Exclusive Store	Multi Brand Outlet
North America	1	139

Countries with exclusive stores

- USA – 1

Marketing Company - USA



	Exclusive Store	Multi Brand Outlet
UK, Europe, MEA	48	409

Countries with exclusive stores

- Austria – 1
- Belgium – 2
- France – 17
- Germany – 3
- Israel – 1
- Italy – 3
- Morocco – 1
- Netherlands – 1
- Portugal – 3
- Qatar – 1
- Spain – 6
- UAE – 1

Technology Centers – UK ■ UK – 8  
Marketing Company – UK

## Developing Markets



	Exclusive Store	Multi Brand Outlet
APAC	46	101

Countries with exclusive stores

- Australia\* – 1
- Cambodia – 1
- Indonesia – 6
- Japan – 1
- Malaysia – 2
- New Zealand\* – 1
- Philippines – 2
- Singapore – 1
- South Korea\* – 1
- Thailand – 30

Assembly Unit – Thailand

\*Developed Markets



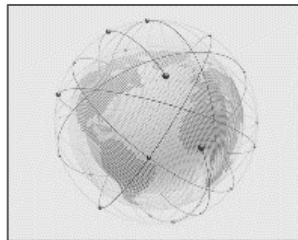
	Exclusive Store	Multi Brand Outlet
LATAM	74	43

Countries with exclusive stores

- Argentina – 14
- Bolivia – 2
- Brazil – 20
- Colombia – 18
- Costa Rica – 1
- Dominican Republic – 2
- Ecuador – 3
- El Salvador – 1
- Mexico – 12
- Peru – 1

Marketing Company - Brazil

Assembly Unit – Argentina, Colombia



## Network Expansion and Touch Points

New Retail formats - Studio stores, Shop-in-shop for apparel, and motorcycle displays to increase customer reach. Network expansion in key developing markets to increase the number of touch points for customers

## CKD Setup

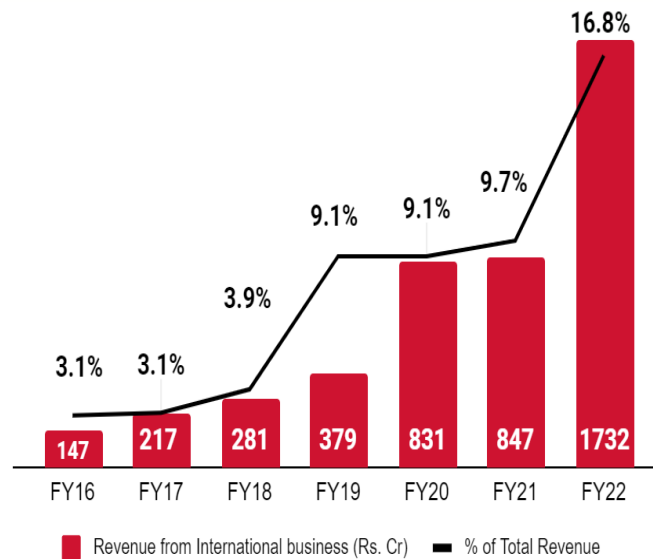
Evaluating opportunities to set up CKD facility in priority markets in APAC and LATAM regions. Recently set-up a CKD facility in Argentina, Colombia and Thailand; **and crossed the milestone of assembling over 5k units in Argentina**



## Product Portfolio Expansion

Launch of new products to expand the global product portfolio and presence in new categories. Launched Meteor 350 and New Classic 350 in key markets of APAC and Europe

## International Business – Stellar Financial Performance over last 7 years





# *Motorcycling*



# Product Portfolio – Expanding presence in mid-weight segment

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

## Hunter 350

- Trend-setter with modern features & trendy colors
- Enjoyable engine performance with Distinctive Sound
- Easy accessibility with low seat height
- Easy-to-manage, confidence inspiring riding dynamics



## Bullet 350

- Oldest brand still in continuous production
- Resolute, unchanged form
- Pride of the armed forces
- Iconic cues – thump, pinstripes, road presence



## Classic 350

- Sense of distinctiveness
- Post-war styling
- Timeless design
- An icon reborn - All-new Classic 350 timeless at heart with modern underpinnings



## Meteor 350

- Easy cruiser with British aesthetic and timeless charm
- Comfortable riding position with easy handling ability
- High torque and smooth power delivery



# Product Portfolio – Expanding presence in mid-weight segment

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

## Scram 411

- Brand's first ADV Crossover – Adventurer DNA with authentic rambler vibes
- Ideal for in-city agility, as well as challenging trails off the urban grid



## Himalayan

- Purpose-built adventure tourer
- Versatile for riding on- and off-road
- Fully ground-up with all-new engine
- Touring capabilities



## Continental GT 650

- 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 650

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





Great “URBAN” motorcycle



**REBEL**



**DAPPER**



**FACTORY**

Accessible,  
modern, classic and  
compact vehicle  
proposition with un-  
intimidating looks

Enjoyable engine  
performance with  
distinctive sound  
better throttle  
response, improved  
pick-up and smooth  
gear shift

Upright comfortable  
ergonomics for  
easy accessibility &  
fun-to-ride

Premium Feel with  
tripper device, digi-  
analog instrument  
cluster and  
premium finished  
engine

# All New Scram 411: The versatile ADV Crossover



Unveiled for global audiences with retail availability in India, and to debut in Europe and APAC by mid of 2022



Expanding Royal Enfield Adventure portfolio, complementing Himalayan ADV

"The SCRAM is a motorcycle that has all the qualities to appeal to a diverse range of customers - vibrant colors, compact size and an attractive price"



"A proper Scrambler and a good one at that. Royal Enfield has done a fabulous job of balancing the city and off-road capabilities."



"Scram 411 is definitely more youthful, and it meets Royal Enfield's objective of being easier and more accessible."



"The Scram 411 is perfect for someone who wants a motorcycle to be used every day and also take it out on weekend adventures."



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# Scram 411: Vibrant colorways and wide range of accessories



What sets the All New Scram 411 apart?



The all new Scram 411 is available in 7 different colour combinations

Style



Comfort



Protection



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## VEHICLE ASSEMBLY



- SRK methodology for new products
- Flexibility - Over 500 SKUs in 5 lines
- One bike every 50 seconds

## ENGINE ASSEMBLY



- Automated critical sub-assemblies
- First-time right with 520 Poka Yokes
- 100% Engine - tested and certified

## SURFACE FINISHING



- Best-in-class European technology
- 46 painting robots
- Handles over 50 different shades

## MACHINING



- 340 high-precision machining centers
- World class process capability index
- Robotic washing for superior cleanliness

## FABRICATION



- 100% Robotic welding for Frames
- Better control in every process parameters
- Improved ride & handling experience

## AUTO BUFFING



- Automated buffing for better aesthetics
- Achieving uniform and consistent finish
- Engineered dust extraction - clean environment



## SALES



### Store and Online experience

- Sales Process excellence
- Brand retail identity
- Digitization of buying experience, interactive app
- Personnel with technical knowledge and understanding of product line-up

## SERVICE

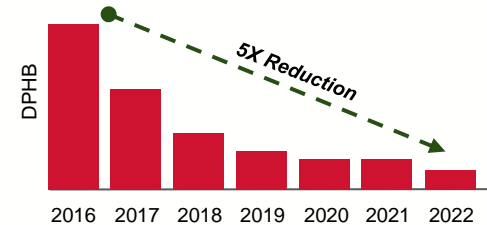


### Service on Wheels & Ride Sure

- The Ride Sure programme with a wide range of packages including - extended warranty, annual maintenance options and extended roadside assistance
- Ensuring anxiety-free ownership experiences.
- Doorstep servicing through launch of "Service on Wheels" initiative
- Focus on overall Turnaround time

## PRODUCT

Field Failure – Defects per Hundred Bike



### Product Quality Excellence

- Vallam Vadagal facility received "Challengers Award 1st Runner up" in the Sustainability 4.0 awards 2021 jointly conducted by Frost & Sullivan
- Certified for Integrated management system by DNV "Det Norske Veritas"
- Effective execution of SRK "Shoki Ryudo Kanri" across product portfolio
- Successful and seamless establishment of Quality systems in CKD facilities
- Recognised with Quality Excellence Award from National Convention on Quality Concepts



# Enhancing the pure motorcycling experience



**MY**  
MAKE IT YOURS

Make It Yours - a unique motorcycle personalization initiative



**Studio Stores**

Unique compact store format with 3S store offerings



**Royal Enfield Vintage**

Transparent sale and purchase of pre-owned RE motorcycles



**Royal Enfield Garage  
Café, Goa**

Catalyst to deepen association with riding enthusiasts & customers



**RE App**

3D configurator motorcycle guide for frictionless service experience



**Royal Enfield  
Custom Programme**

Curated to build aspiration & nurture the spirit of customisation

# Make It Yours - A Royal Enfield. Made by you, for you



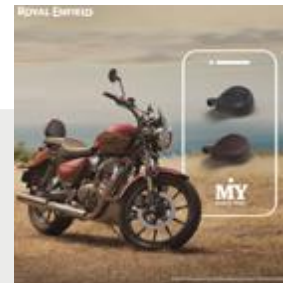
**Personalise your motorcycle from Day 1. Make it the way you want from style, safety to comfort**



**Personalise your motorcycle your way**



**Give it a unique look**



**Cover endless miles with added comfort**



**Cruise your own way.  
From Day 1.**



**Get the joy of a  
personalized ride**

**MY**  
MAKE IT YOURS

# Expanding the Pure Motorcycling Ecosystem



## Provide frictionless experience for RE Riders

### In Store Opportunity



Accessories



Apparel

## Explore new revenue / profit pool from adjacencies

### In Use Opportunity



Spares



Annual Maintenance Contract

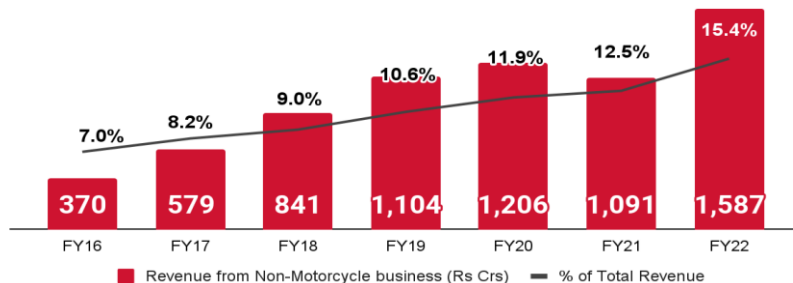


Road Side Assistance



Extended Warranty

## Solutions Business - Financial Performance over past 7 years



4X Revenue growth over the last seven years in non motorcycle segment



## ALPINESTARS x RE

A riding apparel collection created for those who live to chase adventures. The range brings you the motorcycling legacy, expertise and credibility of the two brands in the form of riding jackets, touring pants and riding gloves

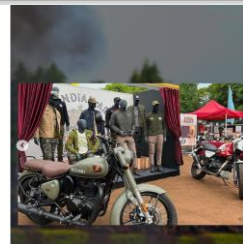


## NEW RIDING JACKETS PREVIEW WITH LEADING MOTORING JOURNALISTS

Partnered with the country's top 7 motoring journalists and experts with an agenda to take them through the product range in exchange for their valuable insights

## LAUNCHED TORNADES COLLECTION

Celebrated our long-standing association with the Indian Army in 1952 by introducing a limited edition apparel range, a tribute to the spirit of Team Tornadoes







# Oldest Motorcycle Brand in Continuous Production



**1901**

The first Royal Enfield motorcycle is produced. Designed by R. W. Smith and Frenchman Jules Gotiet, it has a 1 1/2 hp Minerva engine mounted in front of the steering head. The final drive is at the rear wheel by means of a long rawhide belt.



**1926**

A major fire breaks out at the Redditch factory. The company's own fire brigade manages to fight flames that threaten to engulf the entire 18-acre plant.



**1994**

Eicher acquires Enfield India Limited. The company is renamed Royal Enfield Motors Limited.



**2008**

The 500cc Unit Construction Engine (UCE) is launched in India. The retro-styled Classic version achieves cult status immediately and sales grow rapidly.



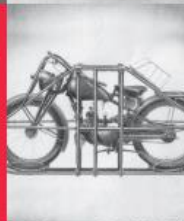
**1932**

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 with inclined 'sloper' engines, twin-ported cylinder heads, foot operated gear change and high compression pistons.



**1943**

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 Flea'. This 125cc 2-stroke can be loaded into a specially fabricated parachute cradle and dropped with paratroopers behind enemy lines.



**2013**

The first Royal Enfield motorcycle rolls out of the new Oragadam plant near Chennai. In the same year, Royal Enfield rolls out the all new Continental GT, a motorcycle built on a new cradle frame chassis that is, through and through, a café racer.



**2016**

Royal Enfield debuts its first purpose-built motorcycle, the Himalayan. With the all-new LS410 engine, a half-duplex split-cradle frame and steadfast suspension, it promises the ride of a lifetime on all roads and no roads.



**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 ISDT (International Six Days' Trials), held in Italy. Both their riders win gold medals.



**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 hardy and easy to maintain. Johnny Brittain wins the prestigious 'Scottish Six Day Trial' on his 350cc Bullet, 'HNP 33Y'.



**2017**

Production commences at Royal Enfield's third manufacturing facility - a new state-of-the-art factory at Vallam Vadagal, Chennai.



**2018**

After premiering at EICMA 2017, Royal Enfield's most anticipated motorcycles, the 650 Twins - Interceptor & Continental GT are launched across all global markets to rave reviews scaling two prestigious awards - 'The Indian Motorcycle of the Year' & 'The Thailand Bike of the Year'.



**1955**

The Redditch company partners with Madras Motors in India to form 'Enfield India'. Work commences on the construction of a purpose-built factory at Tiruvottiyur, near Madras.



**1964**

The iconic Continental GT café racer is launched to great acclaim. To showcase its endurance, a team of photojournalists ride it from John 'o Groat's to Lands End in under 24 hours. The GT features a racing petrol tank, clip-on handlebars, rear sets, a humped race seat, rev counter and a swept-back exhaust.



**2020**

Royal Enfield debuts the all-new Meteor 350, a class-leading, thoroughbred cruiser. With an all new ground-up engine and chassis, the motorcycle delivers a supreme riding experience on open highways and is sublime for city rides.



**2021**

In its 120th year, Royal Enfield re-envisioned its iconic motorcycle, the Classic, with the launch of the All-New Royal Enfield Classic 350. The motorcycle adds a new chapter to Royal Enfield's legacy of building authentic post-war era British motorcycles that are loved by enthusiasts around the world.



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August 2022

# Engage Physically... Propagate Digitally



**Rider Mania**



**Himalayan  
Odyssey**



**Riders Club Of  
Europe**



**Slideschool**



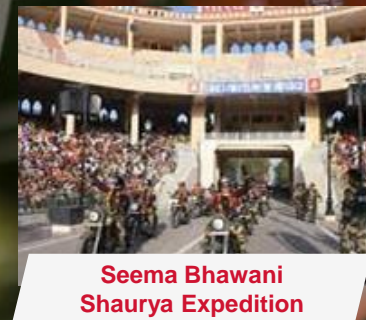
**One Ride**



**Continental GT  
Cup**



**90° South**



**Seema Bhawani  
Shaurya Expedition**

The largest, fastest growing and the most engaged online motorcycle brand community in the world

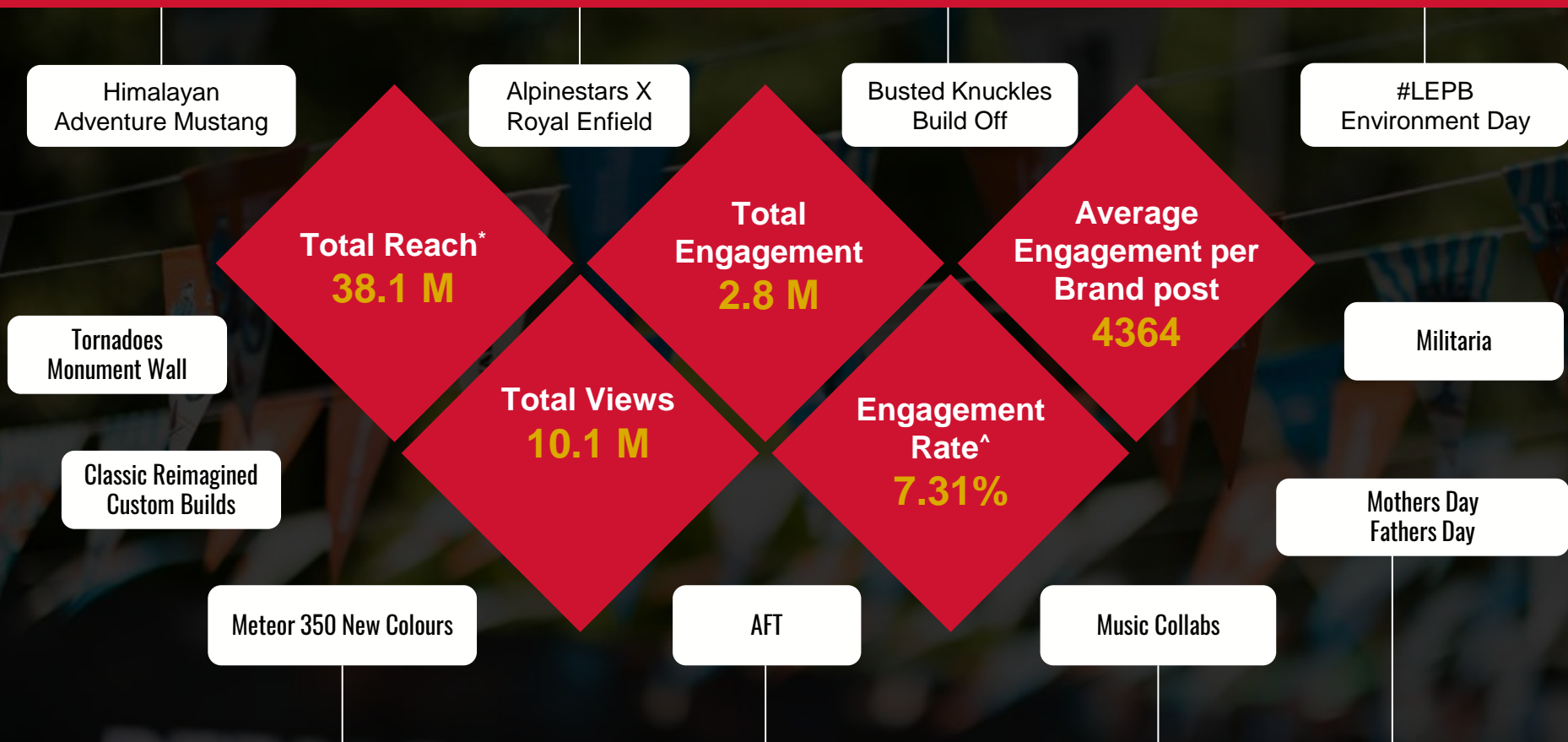
'Digital First' approach

Strong global digital community with very high involvement and engagement

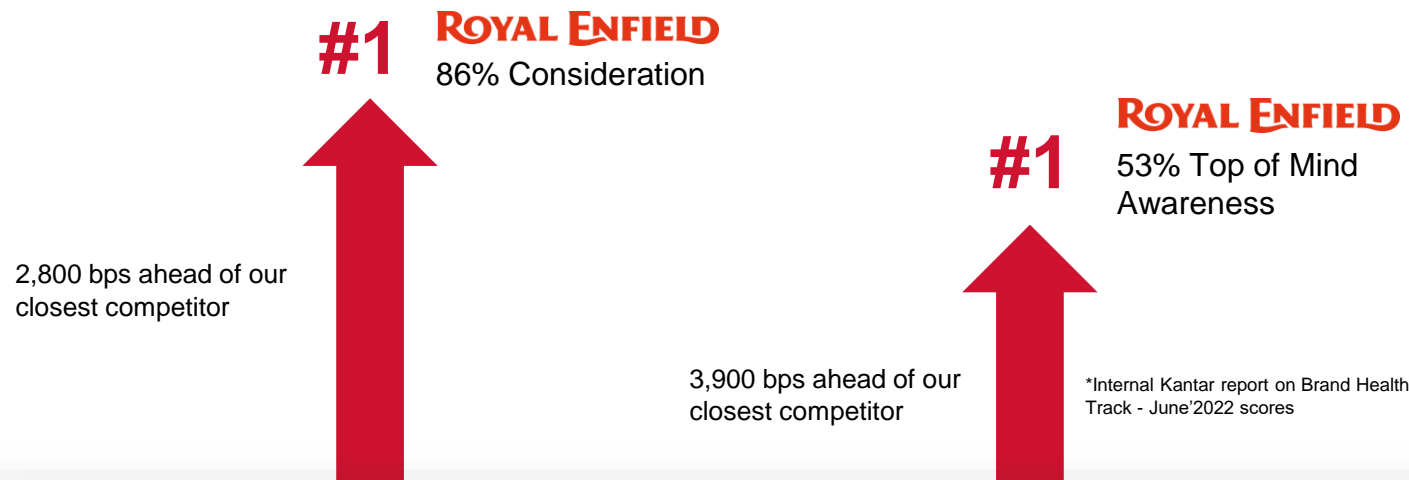
On-ground and on-line communities together make a vibrant and eager audience



# Building a strong digital community







- Among the host of brand health metrics tracked by Royal Enfield, 'Top of Mind Awareness' and 'Top Two Box Consideration' are key metrics.
- Our Top of Mind Awareness (first brand that comes to mind) is the highest in the category of 200cc+ at 53% while the closest competitor is at 14%.
- Our Top Two Box Consideration (purchase intent) is the highest in the category at 86% while the closest competitor is at 58%.

# *Business Performance*



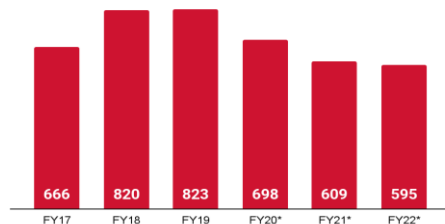
# Consistent Delivery leading to strong cash accruals



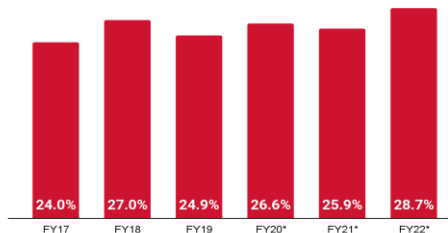
All figures are in INR Crs unless specified

## Sales Volume

(in Thousands)

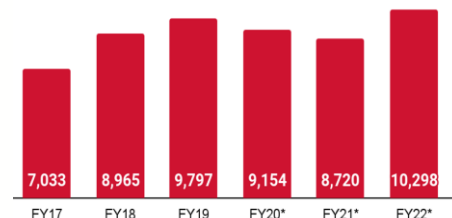


## Market Share\* (India)

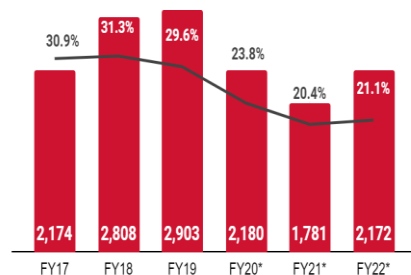


## Total Revenue

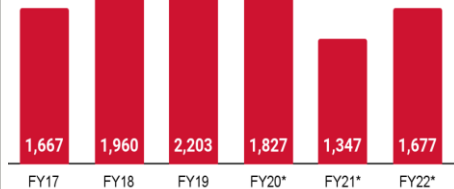
Total revenue from operations (net of excise duty)



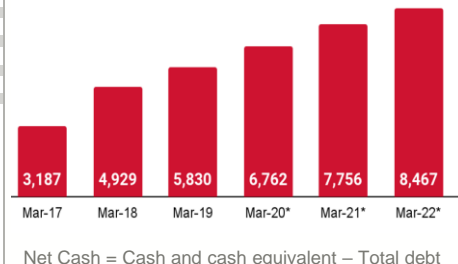
## EBITDA and Margins



## Profit After Tax



## Net Cash



Net Cash = Cash and cash equivalent – Total debt

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



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August 2022

\*FY20, FY21 and FY22 volumes were impacted due to COVID 19 pandemic and supply chain constraints

\* Market share in above 125cc segment  
Source - SIAM

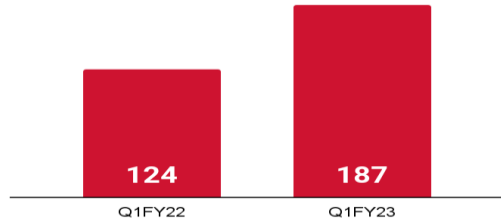
# YTD FY23 Highlights - Eicher Motors Ltd. (Standalone)



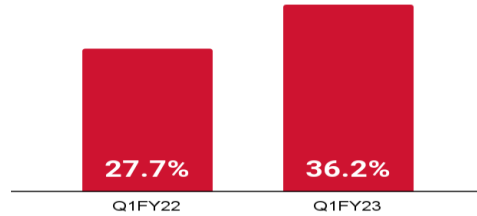
All figures are in INR Crs unless specified

## Sales Volume

(in Thousands)

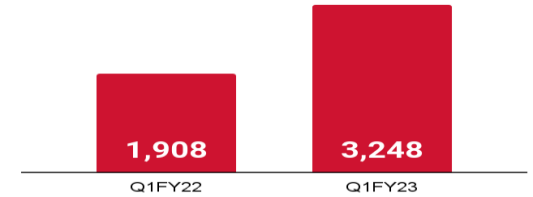


## Market Share\* (India)

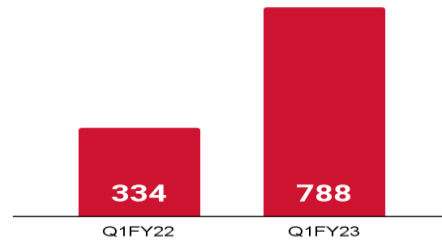


## Total Revenue

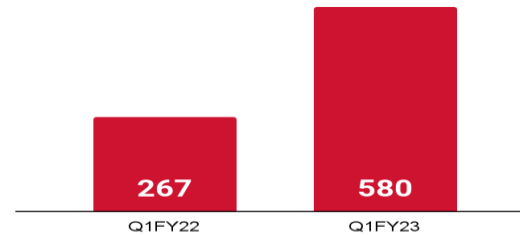
Total revenue from operations (net of excise duty)



## EBITDA and Margin



## Profit After Tax



36



INVESTOR PRESENTATION  
August 2022

\* Market Share in above 125cc segment  
Source - SIAM

36

# Multiple Management Actions Taken to Optimize Cost Base



## Business Top Line

### Selling Price reset actions:

- Initiated quarterly selling price reset framework with an objective to review selling prices to protect gross contribution.
- Price hikes initiated in India and International markets



## Material Cost

### Material Cost control initiatives:

- Initiated CAT\* cost reduction projects by optimising PGM^ loading in CAT across platforms.
- PGM Cost saving thru Negotiation
- Alternate sourcing helped to reduce Material costs further



## Employee Cost

### People Cost Initiatives:

- Review of organisation structure
- Merging Roles/Functions
- Outsource/Automate wherever possible
- Optimized contractual headcount



## Fixed Overhead

- Restricted travel & training resulted in savings
- Professional consultancy optimized
- Factory overhead rationalised led to savings (Spares/ Consumables / Repairs etc)
- IT Spend Optimized
- Wherever possible, exp negotiated/deferred to offset non budgeted spend



## Marketing Spend

- Sharper Digital marketing
- Expense Optimization thru Lead Negotiation
- Leaflets & Folders: moved to digital



## All-New CLASSIC 350



BEST OF 2021

**autoX**

RETRO BIKE OF  
THE YEAR

**MOTOR**  
The Pulsating Tamil Automobile Monthly **VIKATAN**

VIEWER'S CHOICE BIKE  
OF THE YEAR

**INDIA AUTOCAR**

MODERN CLASSIC BIKE  
OF THE YEAR

**carandbike**

MOTORCYCLE OF THE YEAR

**TopGear**  
India

BEST MODERN CLASSIC  
(LIGHTWEIGHT)



## METEOR 350



RETRO BIKE OF  
THE YEAR

**MCN**

BEST MODERN  
CLASSIC (OVER 250CC)



BEST BEGINNER  
MOTORCYCLE

**MOTOR  
CYCLIST**

COOLEST MOTORCYCLE OF  
THE YEAR

**GEAR PATROL**

BEST ENTRY LEVEL  
CRUISER

**CI 17th ANNUAL  
AWARDS**



*Poised to become the first premium  
global consumer brand from India*



**Strong Brand**



**Best-in-Class  
Products**



**Extensive  
Network**



**Non  
Motorcycle  
Solution**

Processes and systems

People

Sustainability: ESG

# **VE COMMERCIAL VEHICLES**

A VOLVO GROUP AND EICHER MOTORS JOINT VENTURE



*To be recognised as  
the industry leader  
driving modernization  
in commercial  
transportation in India  
and the developing  
world*



# Businesses...Eicher Trucks and Buses, Volvo Trucks & Buses in India, Drivelines and Components



**Eicher Trucks**



**VECV Bus Division**



**Engines & Drivetrain**



**Engineering Components**



**Volvo Trucks**

# Joint Venture since 2008... Merging the best of both worlds

## VOLVO

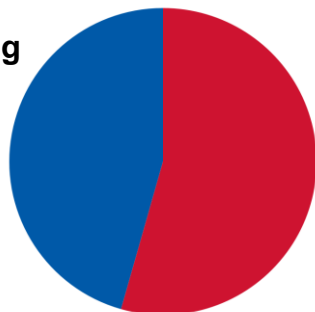
- Global expertise
- Leadership in product technology
- Well defined processes and controls
- Brand image

## EICHER

- Leadership in Light & Medium Duty segments
- Frugal engineering & operations
- After sales infrastructure
- Cost effective operations

### VECV Shareholding

AB Volvo  
45.6%



Eicher Motors  
Limited (EML),  
54.4%

**VECV Governance based on  
consensus approach and 50:50  
shared control**

# VECV JV Capability and Market Position strengthened over past 13 years...

## Successful synergies based on trust, mutual respect & win-win

### 2008-2013 JV formation and initial Synergy projects

- Product development initiatives
  - Condor cab, EMS 3.0, new gen Engines
- VE Powertrain established as global hub for Volvo Group Medium Duty Engines
- Volvo Trucks India – Sales and Service responsibility
- Modernization of industrial infrastructure
  - CED paint shop, Truck plant, new Gear plant
- Adoption of world class processes
  - GDP, sales, aftersales, quality and manufacturing processes

### 2013-2020 Wave 2 Synergy -Commercial focus

- Launched Eicher Pro series with Volvo Group technology
- Light duty product upgraded for delivery from India to select exports market
- Increasing transformation into commercially focused organization with new initiatives and upgrades
  - Enhanced Parts Availability, Uptime Center
  - Analytics and Digital for predictive diagnostics and maintenance
  - Focus on brand and dealer infrastructure
  - Company owned and operated dealerships
- Seamless transition to BS VI
- Bus Division set-up /integration of Volvo Bus India

### 2021 > Next step synergies



# Strengthened market share in all segments driven by modernisation

## Light & Medium Duty Trucks



## Heavy Duty Trucks



## Buses



## Volvo Trucks India\*



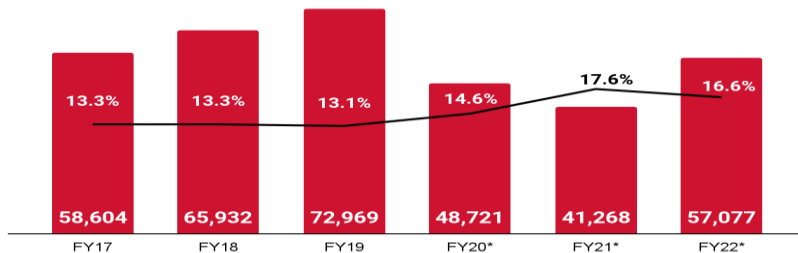
\*Market share in high end premium segment

# Consistent financial performance despite headwinds

All figures are in INR Crs unless specified

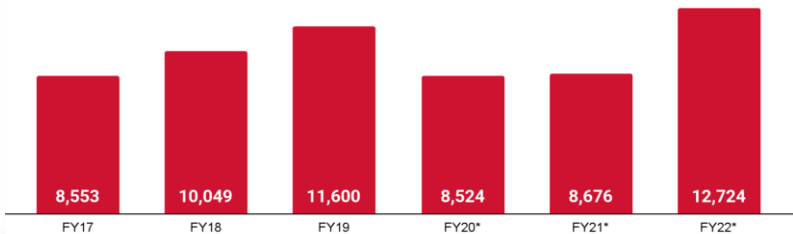
## Total CV# Volumes and Market Share

(in nos and %)

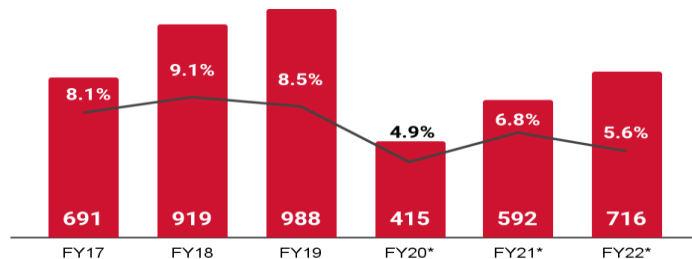


## Total Revenue

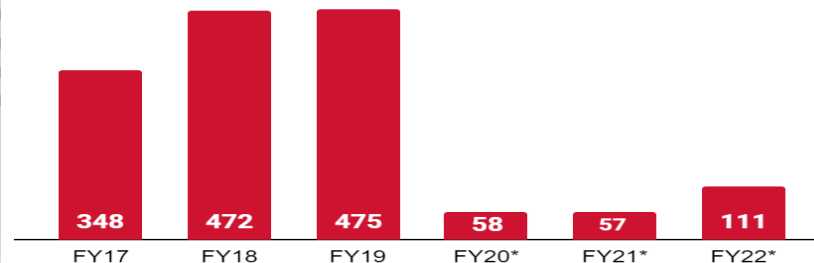
Total revenue from operations (net of excise duty)



## EBITDA^ and Margins



## Profit After Tax



CV# - Commercial Vehicles

EBITDA – Earning Before Interest, Tax, Depreciation and Amortisation

^For the purpose of EBITDA computation, only interest income (part of other income) has been excluded from Total Income

The figures in % indicate EBITDA Margins

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

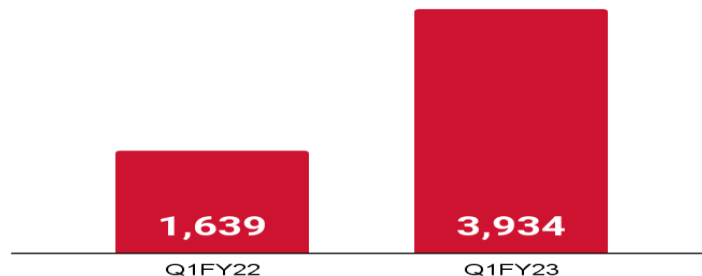
\*FY20, FY21 and FY22 volumes were impacted due to COVID 19 pandemic and supply chain constraints

# YTD Financial Highlights - VE Commercial Highlights

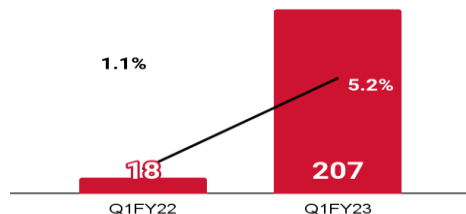
All figures are in INR Crs unless specified

## Total Revenue

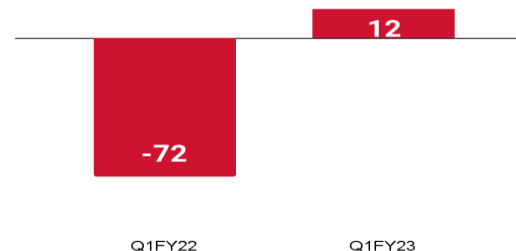
Total revenue from op



## EBITDA<sup>^</sup> and Margins



## Profit After Tax



EBITDA – Earning Before Interest, Tax, Depreciation and Amortisation

<sup>^</sup>For the purpose of EBITDA computation, only interest income (part of other income) has been excluded from Total Income

The figures in % indicate EBITDA Margins

EBITDA Margin = EBITDA/Total revenue from operations



# Eicher BSVI Product Portfolio...Renewed range. Broad application segment coverage

## LMD RANGE



Pro 2000

Pro 2049, Pro 2059XP,  
Pro 2080XP, Pro 2095XP



Pro 2000 MD Range

Pro 2110, Pro 2110XP,  
Pro 2114XP



Pro 2000 CNG Range

Pro 2049, Pro 2059XP,  
Pro 2095XP, Pro 2114XP



Pro 3000 MD Range

Pro 3012, Pro 3014,  
Pro 3015, Pro 3019

## Sub 5T – 16T

4.9T to 16T Haulage  
2.8CuM to 6.5CuM Tippers

## HD RANGE



Pro 6000 Rigid

Pro 6048/42H  
Pro 6019/28/35H



Pro 6000 Tippers

Pro 6028T  
Pro 6019T



Pro 6000 Tractors

Pro 6040/46TT  
Pro 6055TT



Pro 8000 Tippers

Pro 8035 XM  
Pro 8028 XC/XM



Pro 8000 TT

Pro 8055TT

## 18.5T to 55T

18.5T to 47.5T Haulage  
7 CuM to 32 CuM Tippers/  
Tip Trailers  
39.5T to 55T Tractor Trailers

## BUSES



BS VI Diesel

Starline : 2050, 2070 2075, 2090



BS VI Diesel

Skyline : 2075, 2090, 2112



BS VI Diesel

Skyline Pro : 3009, 3010, 3011



BS VI Diesel

HD Skyline : 6016



BS VI Diesel

New Intercity  
Sleeper & Coach

## 12 – 62 Seater

Starline (School, Staff, RP)  
Skyline (School, Staff)  
Skyline Pro (School, Staff, Intercity  
RP, Tourist)  
New Intercity Sleeper & Coach

# VECV Bus Division...Shaping the future of Indian Bus Industry



Volvo Buses  
+  
Eicher Buses



Comprehensive Offer

Distinct  
Eicher & Volvo Brands

New Markets & E-Mobility

Transferred Volvo Buses India operations and people into VECV in 2020 to create an industry leader



INVESTOR PRESENTATION  
August 2022

# Eicher Establishes New Standard In Inter-city Luxury Bus Travel With New Coach & Sleeper Platform



# Electric range... 9m bus for city application ready for commercialization





# Volvo Trucks India Introduced Next Generation Trucks

New Range of Volvo FM and FMX trucks introduced catering to the mining, construction & infrastructure and on-road transportation segments

Volvo FY22 market share ~84%



# Manufacturing... enhanced with Volvo buses and Industry 4.0 Bhopal plant

Truck Plant-Pithampur



Eicher Engineering Components – Unit I & II – Dewas Plant



Truck Plant-Bhopal



Vehicle Assembly plant - Bhopal



Industrial Gear Box for Export (SEZ) – Pithampur



Chassis Assembly Line - Bhopal



VE Powertrain – Pithampur



Eicher Engineering Components- Thane Plant



Volvo Bus Plant, Bangalore



Bus plant-Baggad



VECV Corporate Office  
Gurgaon

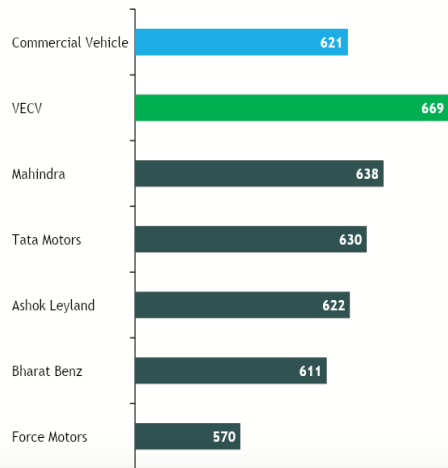
Madhya Pradesh

Thane

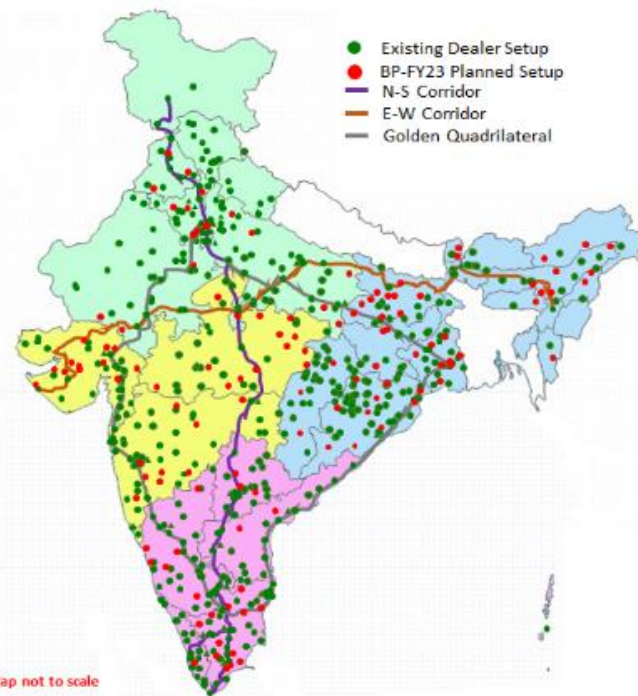
Bangalore

# Strengthening distribution and service reach...#1 in Dealer Satisfaction

## #1 in Dealer Satisfaction\*

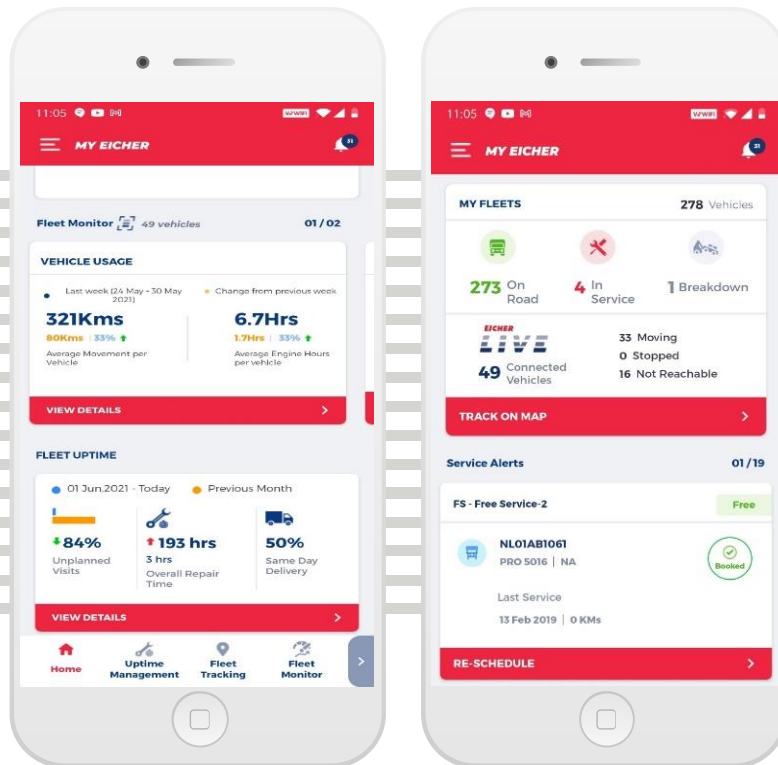


## 660+ network count





# Leading in Digitization...Focus on My Eicher App roll out



- ✓ Digital Customer
- ✓ Digital Business
- ✓ Digital Enterprise

# Awards and Accolades



**CV of the Year ICV Cargo Carrier Of The Year awarded to Eicher Pro 2114 XP CNG**



**Received Apollo CV Award for LCV- ICV People Mover of the Year for Skyline Pro 3010 L CNG staff bus**



**Volvo 9400 B8R 13.5m Coach won the Coach Of The Year at Apollo CV Awards**





## Environmental

- Become water positive
- Attain Carbon neutrality
- Work towards zero liquid discharge
- Eliminate utilisation of single use plastic
- Focus on increasing share of renewable energy (primarily solar)
- Aim for zero wood usage in operations
- Reducing paper usage through digitisation
- Ensure a greater use of recyclable motorcycle parts



## Social

- Ride for a cause
- Disaster relief activities
- Village upgradation programmes
- Road safety and community development programmes
- Vocational training programmes
- Achieve automation of labour-intensive processes
- No engagement of child labour throughout the company's value chain



## Governance

- Strategy, execution and monitoring
- Risk management
- Transparency
- Board composition
- Whistleblower policies



**Dow Jones  
Sustainability Indexes**

## DJSI Inclusion

**In November 2021, Eicher Motors Limited made its debut on Dow Jones Sustainability Index (DJSI) 2021 - Emerging Markets Category. EML has been ranked 8th among global automotive companies for ESG practices.**

A total of 108 global companies feature on the DJSI Emerging Markets Index in 2021; and EML is one among only 15 Indian companies on the list.

The DJSI comprises emerging-market sustainability leaders as identified by S&P Global through the Corporate Sustainability Assessment (CSA). It aims to represent the top 10% of the largest 800 companies in 20 emerging markets based on long-term economic, environmental and social criteria.



## Sustainability 4.0 Award 2021

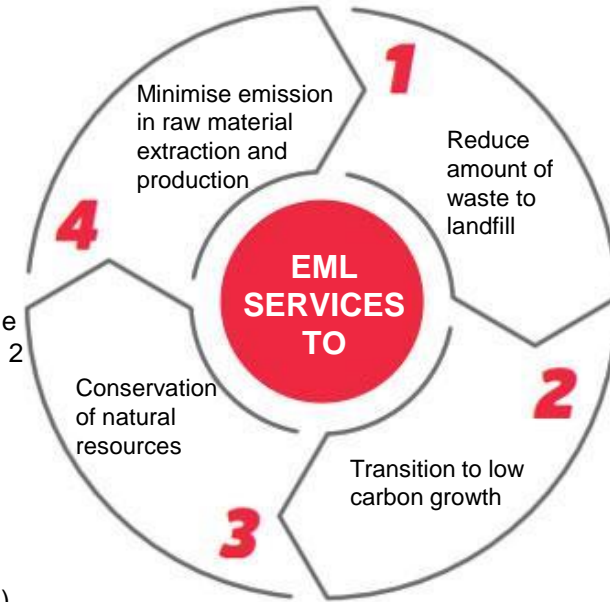
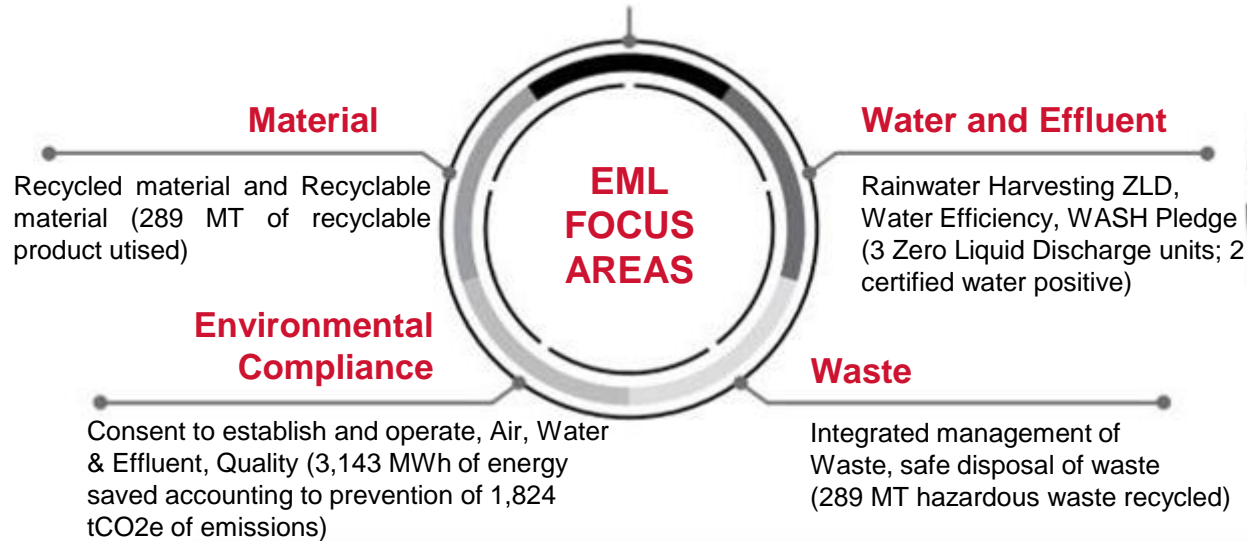
**In December 2021, Royal Enfield (A Unit of Eicher Motors Limited) was recognized with the "Challengers Award 1st Runner up, Mega Large Business, Automotive Sector" at the Frost & Sullivan and TERI Sustainability 4.0 Awards 2021.**

In its thirteenth edition, Frost & Sullivan and TERI present the Sustainability 4.0 Awards 2022 that aims to highlight the need for linkages between an organization's strategy, governance & financial performance and the social, environmental & economic context within which it operates.

This program enables businesses to take more logical & sustainable decisions that ensure long-term stakeholder value.

## Energy and Emissions

Conservation, efficiency, renewable energy,  
reduced emissions



**Alignment to sustainable development goals (SDGs)**





India

## Committed to drive an active agenda towards the sustainability and the environment at large

- Royal Enfield announced its partnership with Helmets For India; aimed at bringing about a positive change in the mass perception of wearing a helmet and improving road safety in India.
- Working on conserving and harvesting water at the manufacturing facilities to turn them 'Water Positive'.
- Responsible Travel project introduced across multiple states
- Ladakh Empower Project: Created an alternative learning space for students of Ladakh



USA

## Committed to support the affected communities during the pandemic

- **India:** INR. 60 Crs were spent during COVID to support community.
- **Thailand and Indonesia:** COVID support was offered to high-need-gap, underprivileged communities.
- **Europe:** A holistic partnership with CALM (Campaign Against Living Miserably) to invite riders to "OPEN IT UP" about Mental Health - helping motorcycle enthusiasts tackle mental health issues.
- **US:** Distributed over 60K masks across the United States. Also delivered 150 Nurse Care package to hospital in Milwaukee.
- **France:** Building on existing partnership with RARE (Breast Cancer Charity) in France.



Europe



# EML Board: Leaders with proven track record



**S Sandilya**  
Chairman- Non-Executive and  
Independent Director



**Siddhartha Lal**  
Managing Director and CEO,  
EML



**B. Govindarajan**  
CEO - Royal Enfield, Whole  
Time Director



**Vinod K. Aggarwal**  
Non-Executive Director



**Inder Mohan Singh**  
Independent Director



**Manvi Sinha**  
Independent Director

# Royal Enfield managed by seasoned professionals



**Siddhartha Lal**  
Managing Director and CEO,  
EML



**B. Govindarajan**  
CEO – Royal Enfield



**Kaleeswaran  
Arunachalam**  
Chief Financial Officer



**Mark Wells**  
Chief of Design



**Mohit Dhar Jayal**  
Chief Brand Officer



**Yadvinder S. Guleria**  
Chief Commercial Officer



**Simon Warburton**  
Chief Program Manager



**Sudhakar  
Bhagavatula**  
Chief Information Officer



**Rajeev Sharma**  
Chief Human Resource Officer



**Paolo Brovedani**  
Chief of Product Development



# VECV Board...Proven track record of value delivery



**Siddhartha Lal**

Chairman of the Board  
MD Eicher Motors Ltd



**Jan Gurander**

Deputy CEO Volvo Group



**Joachim Rosenberg**

EVP Volvo Group  
President Volvo Energy



**Vinod Aggarwal**

Managing Director & CEO  
VECV



**Philippe Divry**

SVP Group Trucks Strategy,  
Volvo Group



**Raul Rai**

Director



**Lila Poonawalla**

Non-executive Director



**Inder Mohan Singh**

Independent Director

**B K Bindiganavile**  
SVP



Strategy, Brand & Communication

**Sudeep Dev**  
SVP & CHRO



Human Resources



**Vinod Aggarwal**  
MD & CEO

Finance, Legal & Audit

Businesses Processes and IT



**Rajesh Mishra**  
CDO



**Technology and Operations**

**India, International Business & Customer Service**



**Boddapati Dinakar**  
SVP



**R S Sachdeva**  
COO



**Vishal Mathur**  
SVP  
LMD S&M



**B Srinivas**  
SVP  
Product Strategy & IS



**Gagandeep S Gandhok**  
SVP  
HD



**Ramesh Rajagopalan**  
SVP  
Aftermarket & Network Development



**SS Gill**  
SVP  
International Business, NA Engines, COCO



**Akash Passey**  
President  
Bus Division



**Gyanendra Das**  
SVP



**Sachin Agarwal**  
SVP  
Powertrain



**Vimal Mulchandani**  
SVP  
Vehicle Engineering



**Pradeep Mishra**  
SVP  
Purchasing



**Aditya Shrivastava**  
SVP  
Manufacturing



**B Srinivas**  
SVP  
Bus S&M (Eicher)



**Suresh Chettiar**  
SVP  
Volvo Buses India

AM: After-Market; IB: Int'l Business; NAEB: Non-Automotive Engine Business  
COCO: Company Owned Company Operated dealerships IS: Institutional Sales

# Strong Governance Principles



EML and VECV are compliant with applicable regulations

Board Sub-committees at EML with majority representation by independent directors and at VECV with Non-Executives

Professional management at CXO level

Separation of roles of Chairman and Managing Director

Internal Audit directly reporting to Audit Committee

Long term cordial relations with JV partners founded on mutual trust

No related party suppliers

No delinquencies towards banks/ institutions

No aggressive structures; no material tax disputes

Cordial labour relations

CSR through separate independent company, INR 60 Crs committed towards Covid-19 relief

# *Financials*



# Profit and Loss Statement (Consolidated)

(In INR Cr.)

Profit and Loss Account	FY17	FY18	FY19	FY20	FY21	FY22	Q1 FY23
<b>Sales Volume: Two Wheelers (Nos.)</b>	666,135	820,121	822,724	697,582	609,403	595,474	186,032
<b>Total revenue from operations (net of excise)</b>	7,033	8,965	9,797	9,154	8,720	10,298	3,397
Manufacturing and other expenses	4,859	6,157	6,894	6,973	6,939	8,126	2,688
<b>Earnings before interest, depreciation and tax (EBIDTA)</b>	<b>2,174</b>	<b>2,808</b>	<b>2,903</b>	<b>2,180</b>	<b>1,781</b>	<b>2,172</b>	<b>831</b>
<b>EBIDTA to Net Revenue (%)</b>	<b>30.9%</b>	<b>31.3%</b>	<b>29.6%</b>	<b>23.8%</b>	<b>20.4%</b>	<b>21.1%</b>	<b>24.5%</b>
Depreciation	154	223	300	382	451	452	116
<b>Earnings before interest and tax (EBIT)</b>	<b>2,020</b>	<b>2,584</b>	<b>2,603</b>	<b>1,799</b>	<b>1,331</b>	<b>1,720</b>	<b>715</b>
<b>EBIT to Net Revenue (%)</b>	<b>28.7%</b>	<b>28.8%</b>	<b>26.6%</b>	<b>19.7%</b>	<b>15.3%</b>	<b>16.7%</b>	<b>21.0%</b>
Finance Cost	4	5	7	19	16	19	5
Other Income	227	280	443	543	453	441	49
<b>Share of profit / (loss) of joint venture</b>	<b>189</b>	<b>257</b>	<b>258</b>	<b>32</b>	<b>31</b>	<b>60</b>	<b>34</b>
<b>Profit before tax</b>	<b>2,433</b>	<b>3,116</b>	<b>3,297</b>	<b>2,355</b>	<b>1,798</b>	<b>2,203</b>	<b>792</b>
Provision for taxation	720	936	1,077	527	452	526	181
<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>1,827</b>	<b>1,347</b>	<b>1,677</b>	<b>611</b>
<b>Discontinued Operations: Share of loss of Joint Venture*</b>	<b>(46)</b>	<b>(220)</b>	<b>(18)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit After Tax</b>	<b>1,667</b>	<b>1,960</b>	<b>2,203</b>	<b>1,827</b>	<b>1,347</b>	<b>1,677</b>	<b>611</b>
<b>PAT to Net Revenue (%)</b>	<b>23.7%</b>	<b>21.9%</b>	<b>22.5%</b>	<b>20.0%</b>	<b>15.4%</b>	<b>16.3%</b>	<b>18.0%</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





# Balance Sheet (Consolidated)

(In INR Cr.)

Particulars	FY17	FY18	FY19	FY20	FY21	FY22
Net Fixed Assets (including CWIP and Pre-operative Expenditure)	1,247	1,835	2,324	2,690	2,748	2,929
Investments	4,987	5,581	4,923	5,749	3,902	7,721
Other Non Current Assets	260	186	180	102	125	165
<b>Current Assets</b>						
Inventories	336	395	633	572	875	1,132
Debtors	50	68	90	87	158	302
Cash and Bank Balances	25	1,212	2,965	2,951	5,830	2,770
Other Current Assets	86	227	271	299	921	1,182
Current Liabilities and Provisions	1,501	2,265	2,098	2,025	2,629	2,957
<b>Net Current Assets</b>	<b>(1,004)</b>	<b>(345)</b>	<b>1,862</b>	<b>1,884</b>	<b>5,155</b>	<b>2,429</b>
<b>Total</b>	<b>5,489</b>	<b>7,257</b>	<b>9,289</b>	<b>10,425</b>	<b>11,930</b>	<b>13,244</b>
Share Capital	27	27	27	27	27	27
Reserves and Surplus	5,318	7,003	7,003	9,954	11,411	12,581
<b>Net Worth</b>	<b>5,345</b>	<b>7,030</b>	<b>7,030</b>	<b>9,981</b>	<b>11,438</b>	<b>12,608</b>
<b>Minority Interest</b>	-	-	-	-	-	-
Deferred Tax Liability (net)	78	142	274	252	222	220
Other Non Current Liabilities and Provisions	66	85	96	192	270	415
Borrowings - Current	-	-	-	-	-	-
<b>Total</b>	<b>5,489</b>	<b>7,257</b>	<b>9,289</b>	<b>10,425</b>	<b>11,930</b>	<b>13,244</b>

# Statement of Cash Flows (Consolidated)

(In INR Cr.)

Particulars	FY17	FY18	FY19	FY20	FY21	FY22
<b>Profit before tax and after share of profit of Joint venture</b>	<b>2,433</b>	<b>3,116</b>	<b>3,297</b>	<b>2,355</b>	<b>1,798</b>	<b>2,203</b>
Operating profit before changes in working capital	2,196	2,851	2,941	2,236	1,912	2,172
Net Changes in working capital	164	438	(457)	86	258	(103)
Cash generated from operating activities	2,360	3,289	2,484	2,322	2,170	2,069
Direct taxes paid	(652)	(807)	(909)	(628)	(457)	(514)
<b>Net cash flow from operating activities (A)</b>	<b>1,708</b>	<b>2,482</b>	<b>1,576</b>	<b>1,694</b>	<b>1,714</b>	<b>1,556</b>
Payment for property, plant and equipment	(548)	(749)	(792)	(546)	(555)	(641)
<b>Net cash used in investing activities (B)</b>	<b>(1,744)</b>	<b>(2,145)</b>	<b>(660)</b>	<b>(1,508)</b>	<b>(1,648)</b>	<b>(1,012)</b>
Dividend paid	–	(272)	(300)	(682)	–	(465)
<b>Net cash from / (used) in financing activities (C)</b>	<b>25</b>	<b>(262)</b>	<b>(292)</b>	<b>(858)</b>	<b>(15)</b>	<b>(587)</b>
<b>Net Increase/(decrease) in cash and cash equivalents (A)+(B)+(C)</b>	<b>(11)</b>	<b>75</b>	<b>623</b>	<b>(673)</b>	<b>51</b>	<b>(44)</b>
Cash and cash equivalents at the beginning of the period	28	17	93	716	43	94
<b>Cash and cash equivalents at the end of the period</b>	<b>17</b>	<b>92</b>	<b>716</b>	<b>43</b>	<b>94</b>	<b>50</b>

- **CAGR** – Compounded Annual Growth Rate
- **Consolidated** – Consolidated includes financials of Royal Enfield, VE Commercial Vehicles and 50% of Eicher Polaris Pvt. Ltd.
- **CV** – Commercial Vehicles
- **CY** – Calendar Year
- **BS IV** – Bharat Stage IV
- **BS VI** – Bharat Stage VI
- **DII**s – Domestic Institutional Investors
- **E** – Estimated
- **EBIT** – Earnings Before Interest and Tax
- **EBITDA** – Earnings before interest Tax Depreciation and Amortization
- **EML** – Eicher Motors Limited
- **EPPL** – Eicher Polaris Private Limited
- **FI**Is – 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 and Medium Duty
- **MHCV** – 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
- **SKU** – Stock Keeping Units
- **Standalone** – 100% Business of Royal Enfield
- **SIAM** – Society of Indian Automobile Manufacturers
- **Stores** – Exclusive Royal Enfield Stores
- **Total Revenue** – Revenue from Operations net of excise duty (excluding other income)
- **UCE** – Unit Construction Engine
- **VECV** – VE Commercial Vehicles

# Thank You

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