

# EICHER MOTORS

Q1 FY 2023-24 INVESTOR PRESENTATION



AUGUST, 2023

# SAFE HARBOUR STATEMENT



All statements included or incorporated by reference in this presentation, other than statements or characterizations of historical fact, are forward-looking statements. These forward-looking statements are based on our current expectations, estimates, and projections about our industry, management's beliefs, and certain assumptions made by us. Although Eicher Motors Limited (EML) believes that the expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Any forward-looking statement speaks only as of the date on which such statement was made, and EML undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. No assurance can be given that actual results, performance, or achievement expressed in, or implied by, forward-looking statements within this disclosure will occur, or if they do, that any benefits may be derived from them.



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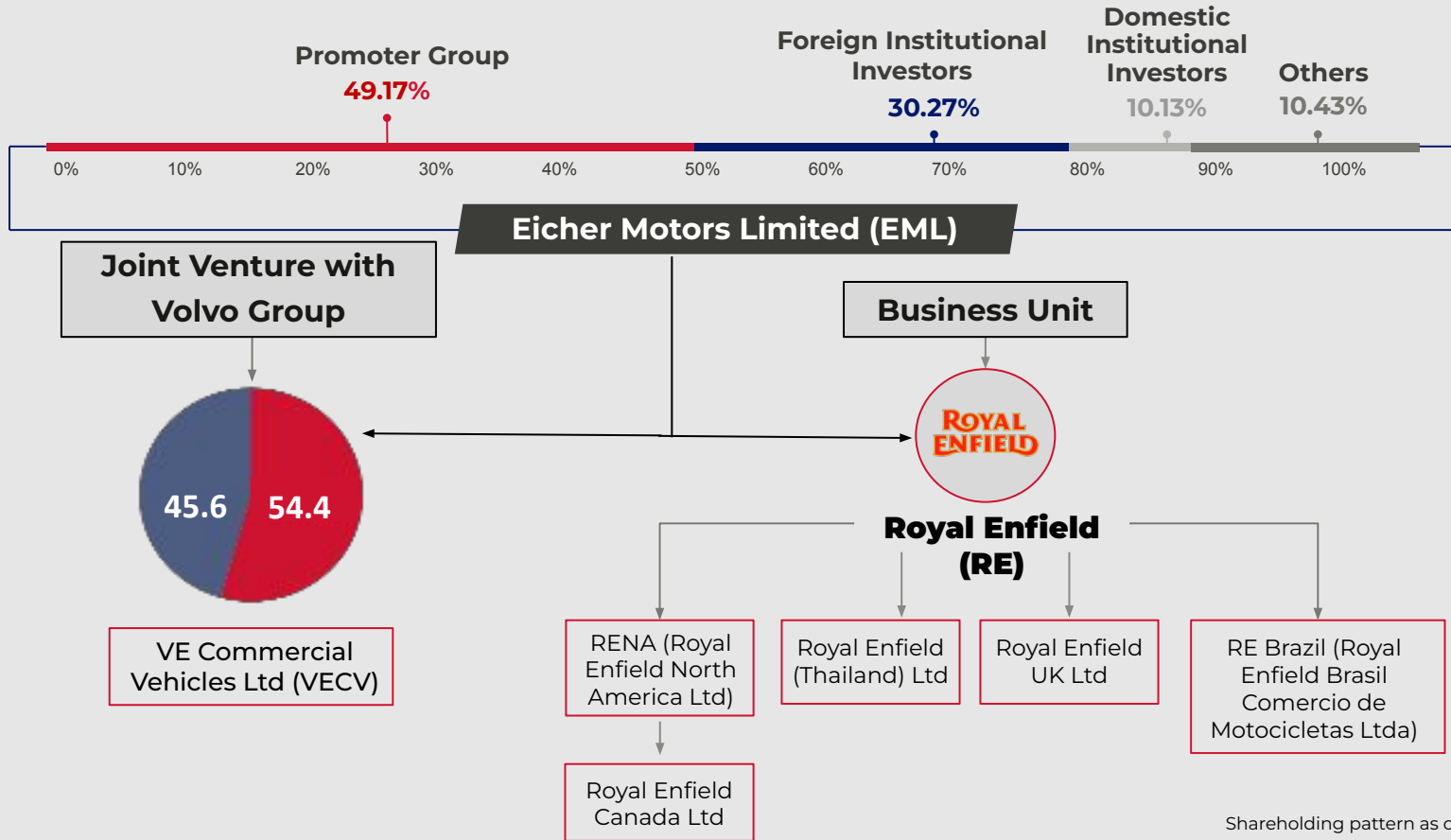
## 2. Royal Enfield

- Product
- Industry
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- Operations Overview
- Brand
- Sustainability

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# GROUP STRUCTURE - EICHER MOTORS LTD.



Shareholding pattern as of 30<sup>th</sup> June 2023

# EML BOARD

Leaders with proven track record



**S Sandilya**  
Chairman, EML



**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



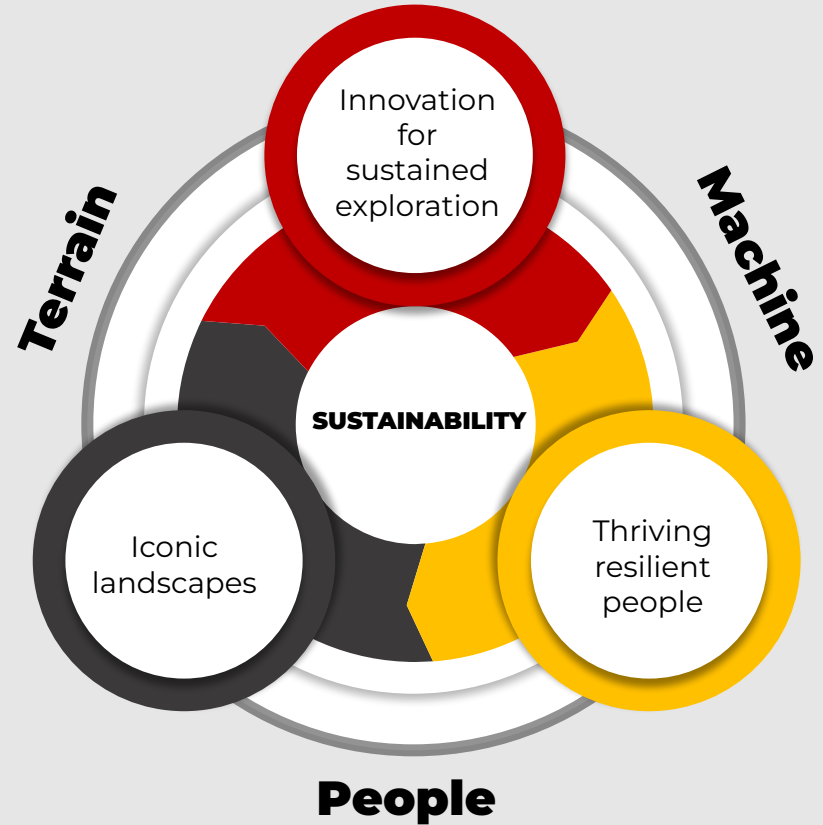
**Manvi Sinha**  
Independent Director

# ROYAL ENFIELD



# OUR PURPOSE

Royal Enfield's philosophy of Pure Motorcycling has always been about a constant search for balance between people, machine and terrain. Today, in a world out of sync with itself, we must extend this quest to our business – so that we can restore equilibrium between commercial objectives, community goals and the collective ecosystem that we all inhabit.

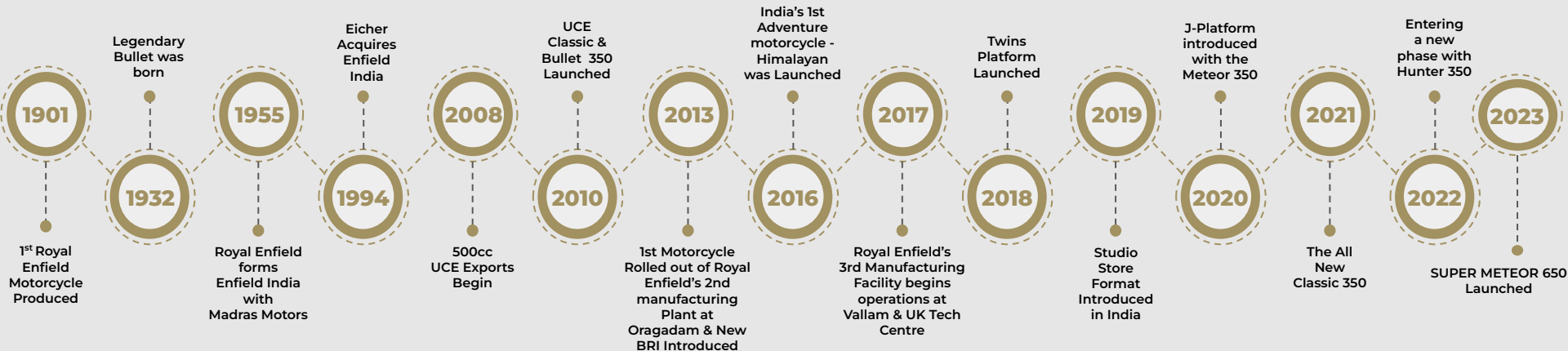


# EVOLUTION OF OUR COMPANY

Royal Enfield is the global leader in the 250cc – 750cc, mid-weight motorcycles segment. With ~90% market share in the Indian mid-weight segment, we have rapidly grown our presence across the world with more than 1,029+ retail touchpoints across 60+ countries. Our world-class motorcycles are among segment leaders, in all key markets across Europe, Americas and the Asia-Pacific.

With a vision to grow the mid-weight 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.

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 a truly premium global consumer brand from India.





# GROWTH FOCUS

Balance - Profit & Profitability

ROYAL ENFIELD

# REBALANCE

# ICE AND EV

Balance - EV as game changer along with ICE

# SUSTAINABILITY

Balance - Social & Commercial objectives

# BRAND LED CX

Brand led Customer Experience versus transactional focus

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# CREATE AGILE, RESILIENT & TIMELESS BUSINESS

STRATEGIC APPROACH

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# ROYAL ENFIELD MANAGEMENT

## Team of Global Professionals



**Siddhartha Lal**

Managing Director & CEO, EML



**B. Govindarajan**

CEO – Royal Enfield



**Mark Wells**

Chief of Design



**Mohit Dhar Jayal**

Chief Brand Officer



**Simon Warburton**

Chief Program Manager



**Paolo Bovedani**

Chief of Product Development



**Mahesh Tripathi**

Chief Operations Officer



**Yadvinder S. Guleria**

Chief Commercial Officer



**Vidhya Srinivasan**

Chief Financial Officer



**Rajeev Sharma**

Chief Human Resource Officer



**Sudhakar Bhagavatula**

Chief Information Officer



**Mario Alvisi**

Chief Growth Officer - EV



**Umesh Krishnappa**

Chief Technology Officer- EV

# PRODUCT PORTFOLIO



# ICONIC



**BULLET 350**

# TIMELESS



**CLASSIC 350**

# CRUISER



**METEOR 350**



**SUPER METEOR 650**

# ROADSTER



**HUNTER 350**



**INTERCEPTOR 650**

# ADVENTURE



**HIMALAYAN**



**SCRAM 411**

# CAFE RACER

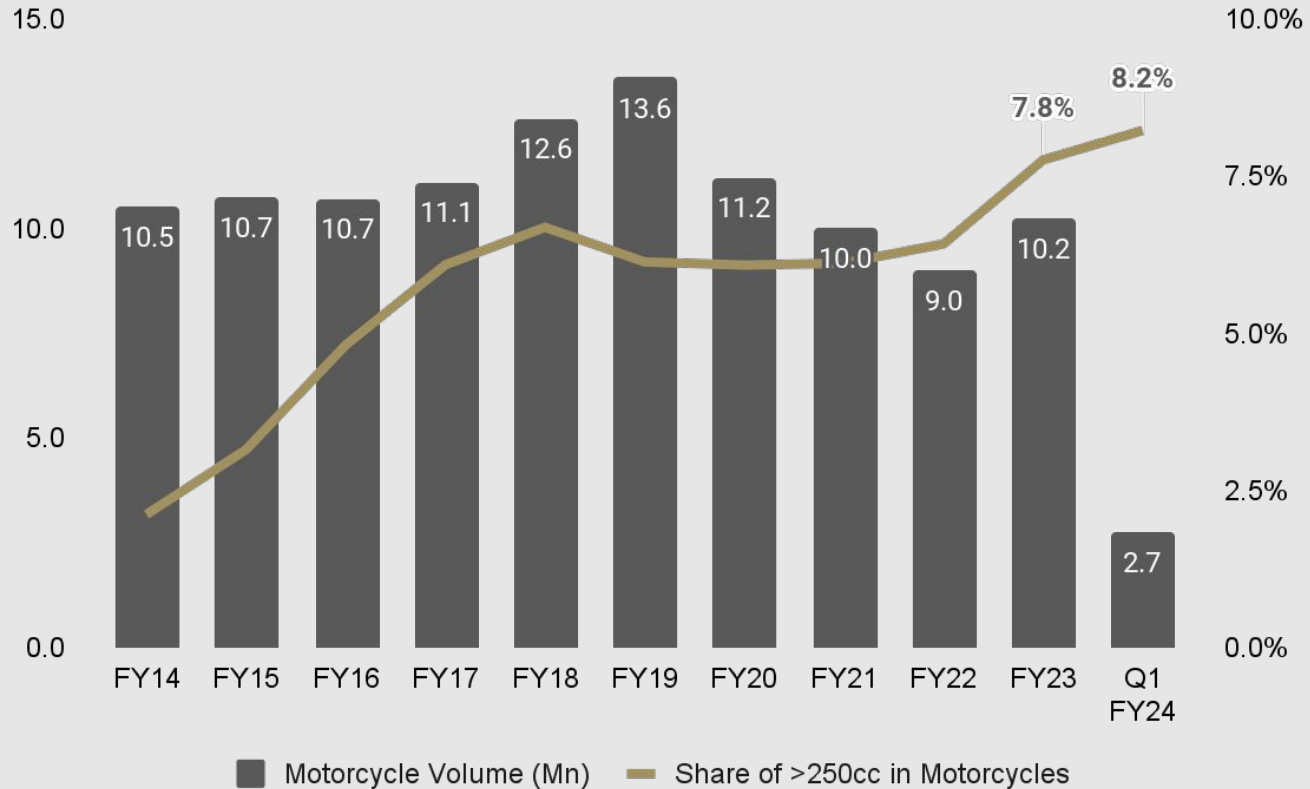


## CONTINENTAL GT 650



**INDUSTRY**

# DOMESTIC MOTORCYCLE MARKET

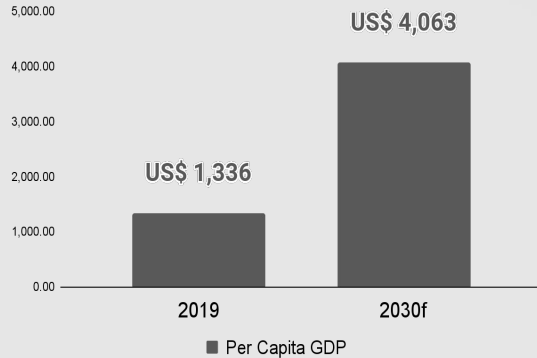


■ Motorcycle Volume (Mn)    — Share of >250cc in Motorcycles

# OPPORTUNITY - DOMESTIC MARKET

## 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



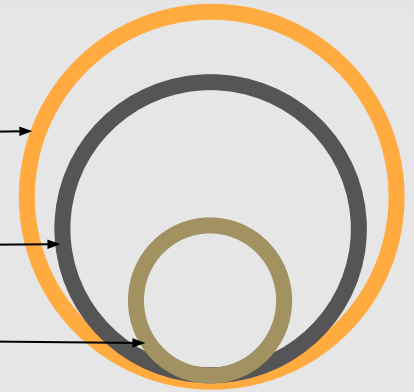
Source: World Economic Forum - Future of Consumption in Fast-Growth Consumer Markets: INDIA, 2019, FICCI; CBRE Research, Q2 2019

## India Opportunity

2 Wheeler: 21M Market

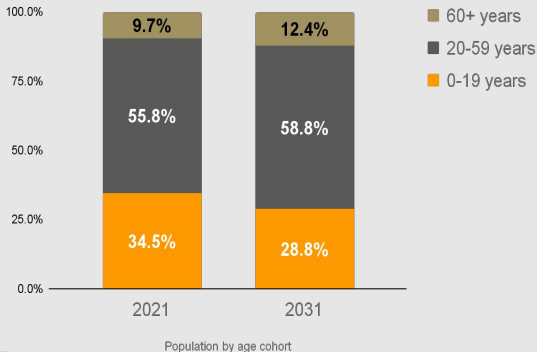
Motorcycles: 13.5 M

>125cc: 3.2M



## India's favorable demographics

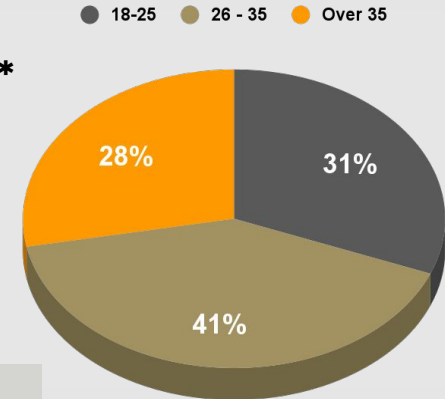
By 2031, the working age population i.e. **20-59 years** is poised to increase by **300 bps**



Source: Economic Survey 2019-20

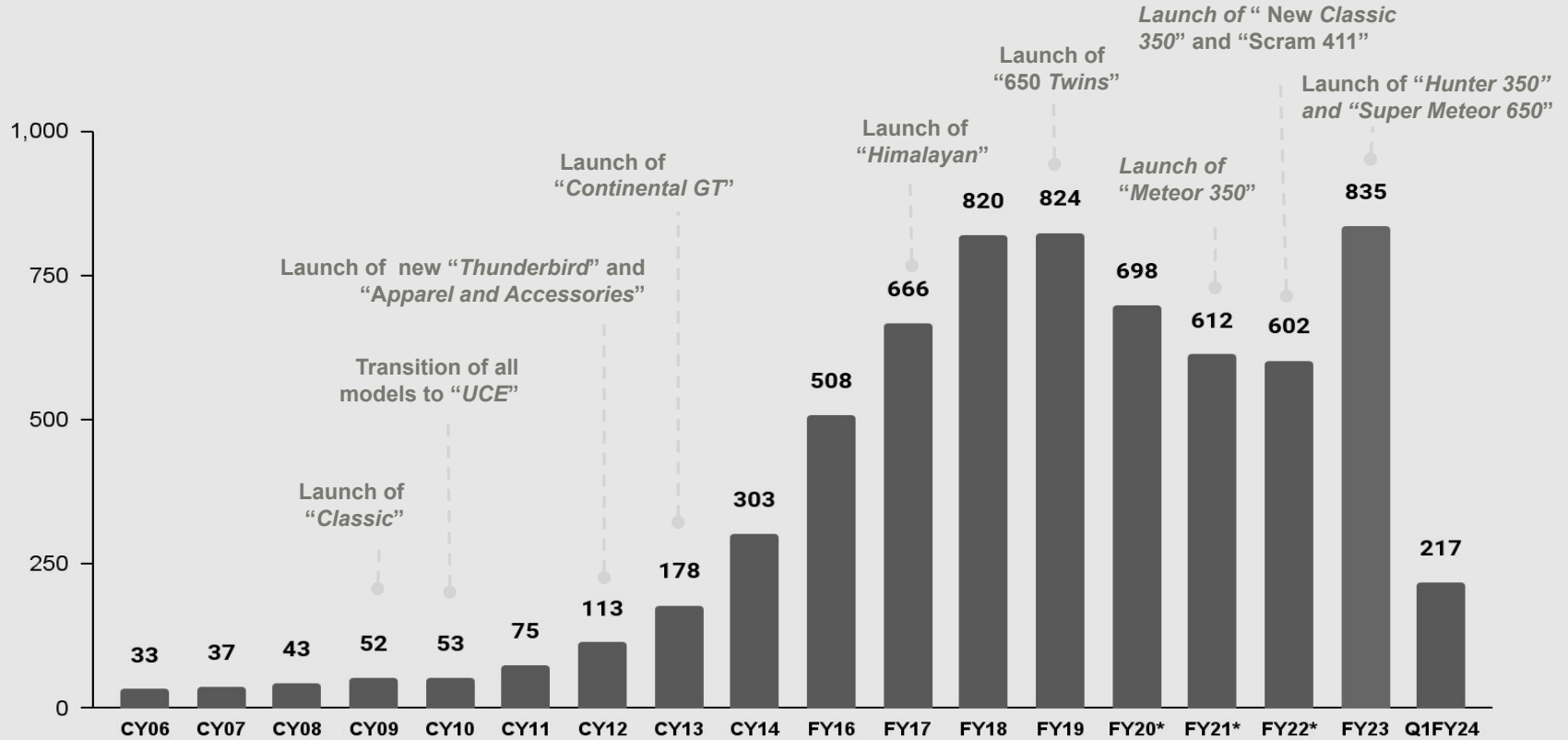
## Royal Enfield's Customer Base\*

Attracting a younger set of customers with our new launches.



\*Data for FY2023

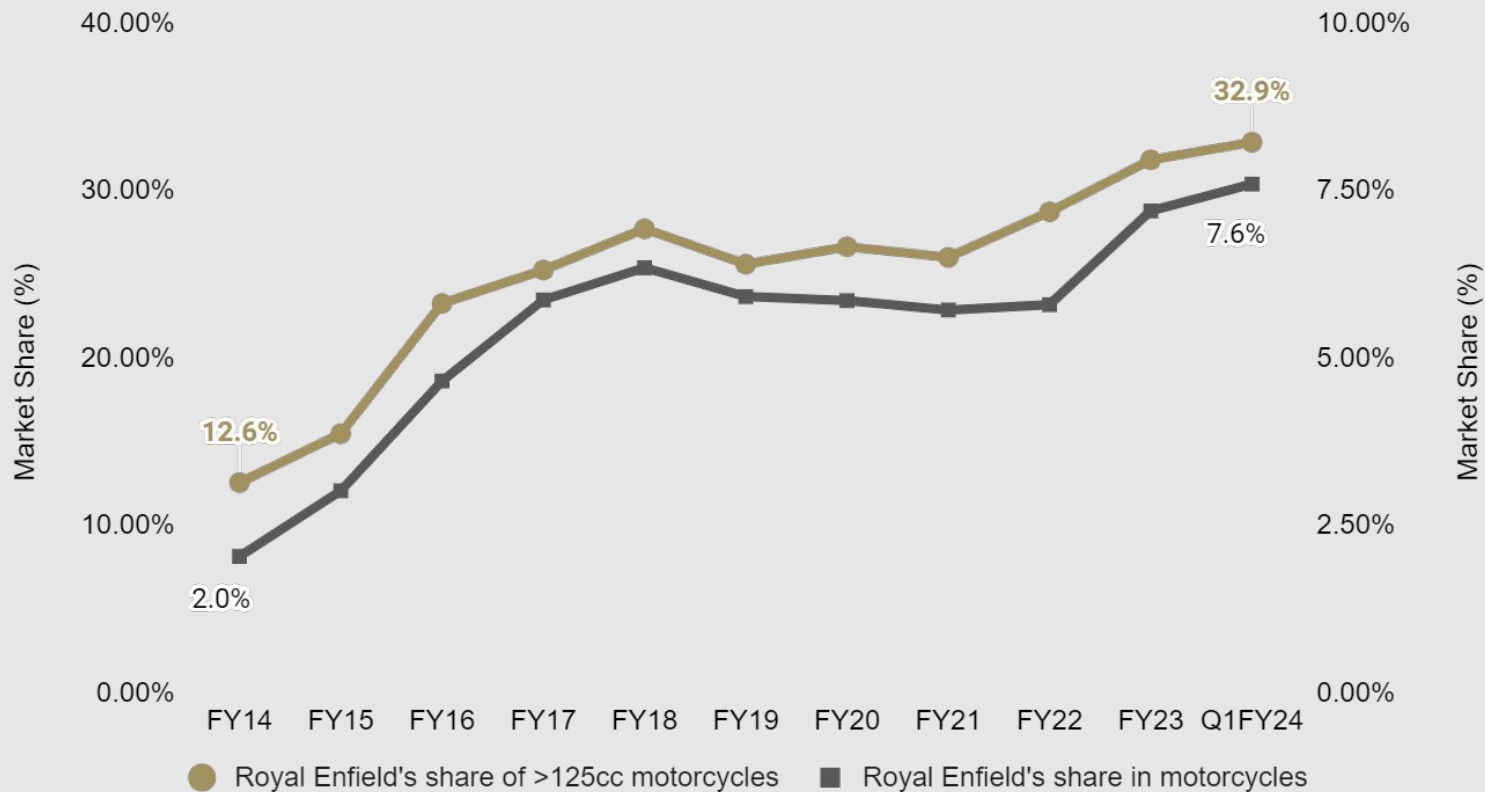
# LAUNCH OF CLASSIC IN 2009 WAS AN INFLECTION POINT



Volumes grew by ~41% CAGR between CY-2010 to FY-2018, prior to significant external headwinds  
 \*FY20, FY21 and FY22 volumes were impacted due to COVID 19 pandemic and supply chain constraints  
 Note: Standalone volumes for Eicher Motors Limited



# GAINING MARKET SHARE IN THE >125cc SEGMENT



# Global Mid-size Market is underserved and is a huge opportunity

Americas Market Share<sup>^</sup>

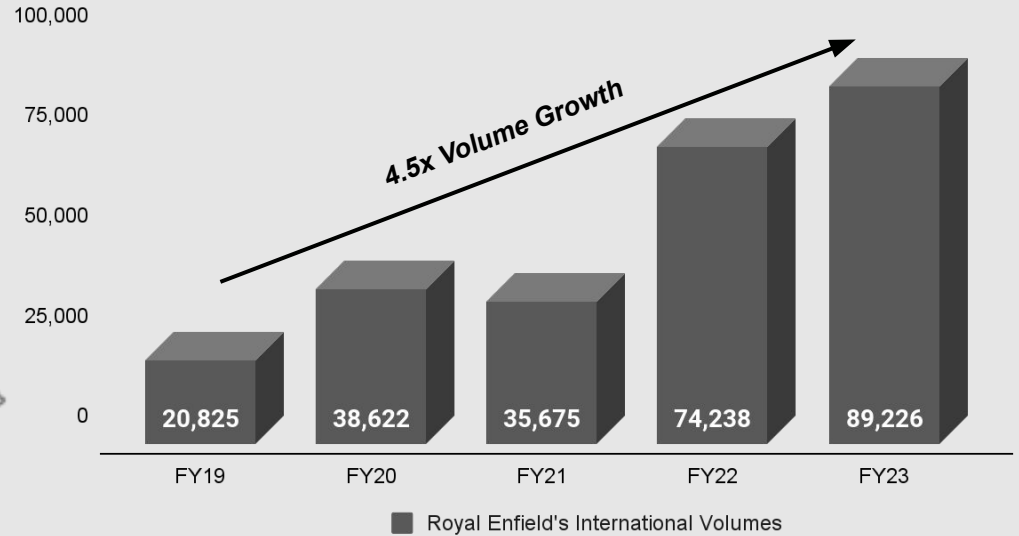
8%

APAC Market Share

9%

EMEA Market Share

9%

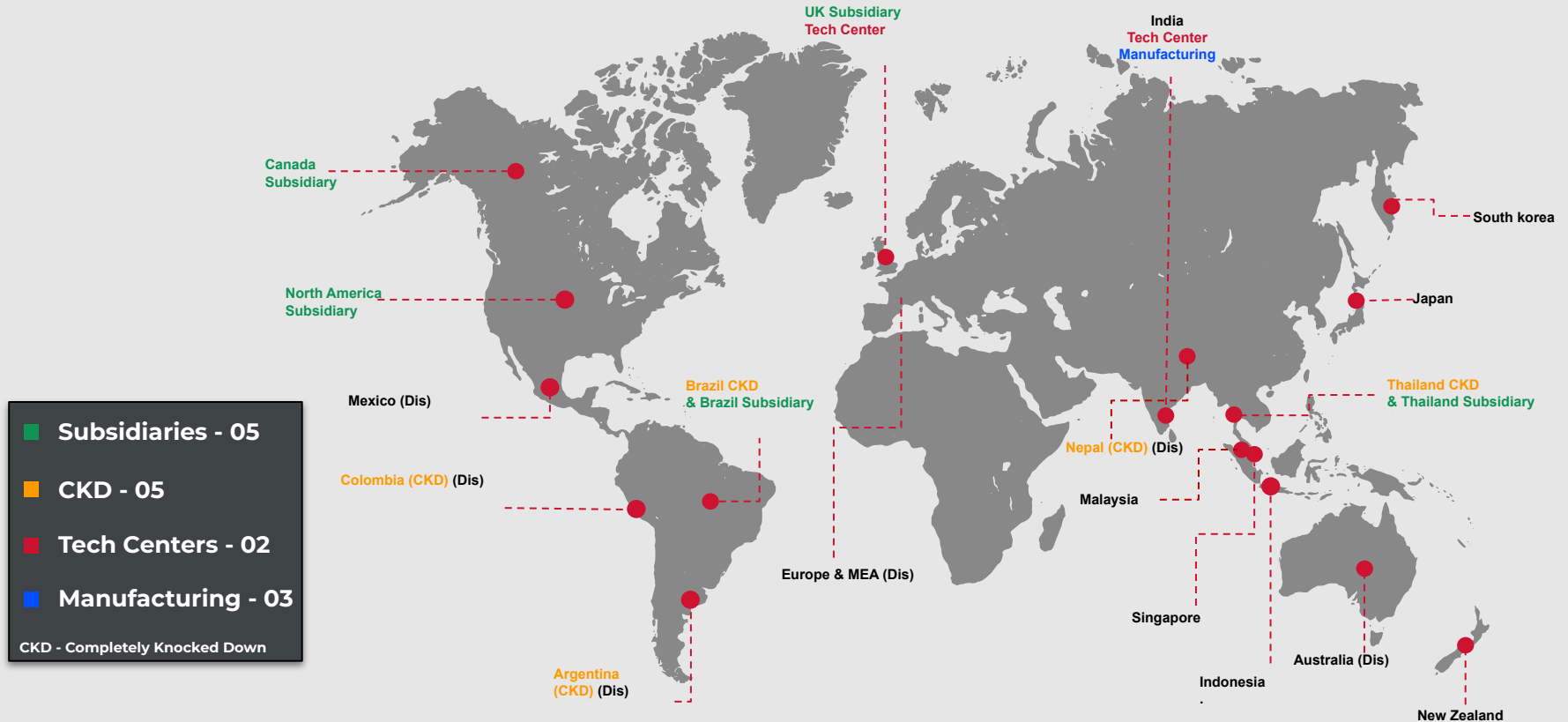


\*Management estimate of the total middleweight motorcycle volumes in the priority markets for Royal Enfield.

<sup>^</sup>Reflects Royal Enfield's market share in the middleweight segment in the countries present as of FY23

# **BUSINESS PERFORMANCE**

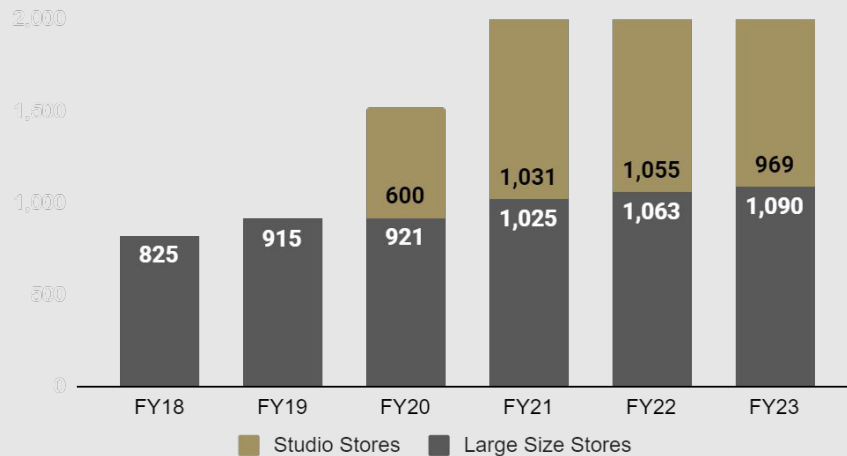
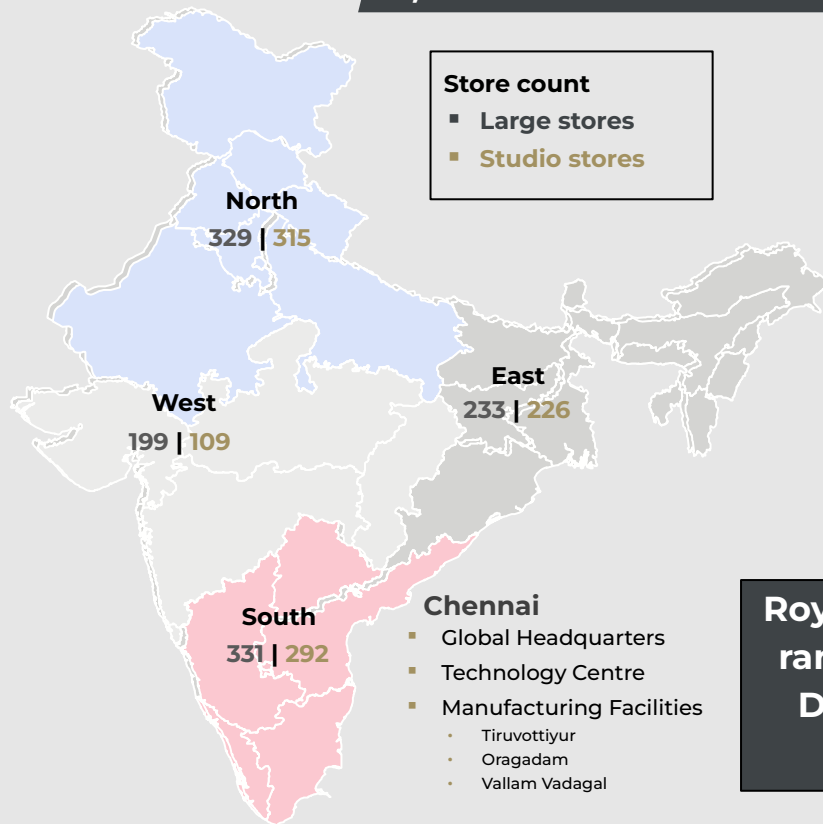
# ROYAL ENFIELD'S GLOBAL FOOTPRINT





# EXPANSIVE PREMIUM DISTRIBUTION NETWORK IN INDIA

1,092 stores and 942 studio stores across ~1,750 cities



Royal Enfield currently ranks #2 in the FADA Dealer Satisfaction Survey 2022

## City Category wise Distribution\*

Category	Store Count
A+, A	259
B, C	379
D, E, R	470
Large Stores	1,092
Studio Stores	942
<b>Total</b>	<b>2,034</b>

\*Data as of June 2023

# RAPIDLY GROWING INTERNATIONAL NETWORK

1,029+ global touchpoints with 210 Exclusive stores & 819+ MBOs



	Exclusive Store	Multi Brand Outlet
Americas	92	214

Subsidiary - **USA**  
 Marketing Company - **Brazil**  
 Assembly Unit – **Argentina, Colombia, Brazil**



	Exclusive Store	Multi Brand Outlet
UK, MEA, Europe,	68	495

Technology Centers – **UK**  
 Marketing Company – **UK**



	Exclusive Store	Multi Brand Outlet
APAC	50	110

Assembly Unit – **Thailand**  
 Subsidiary : **Thailand**

# SHARE OF INTERNATIONAL REVENUE GROWING

## 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

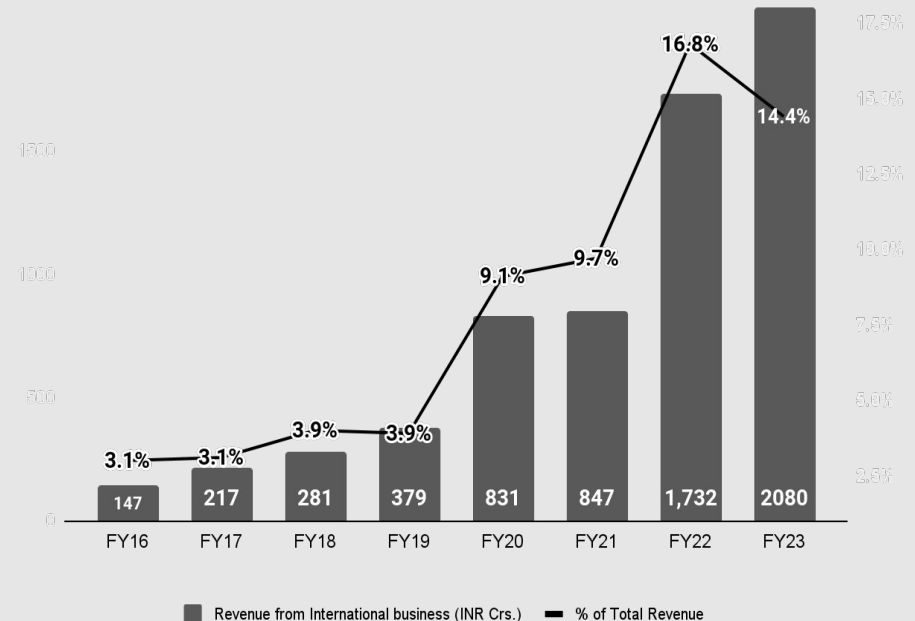
## CKD Setup

Evaluating opportunities to set up CKD facility in priority markets in APAC and LATAM regions. Have set-up a CKD facility in Argentina, Colombia, Thailand, Brazil and Nepal.

## Product Portfolio Expansion

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

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



# NON-MOTORCYCLE BUSINESS

Provide frictionless experience for RE Riders

## In Store Opportunity



Accessories



Apparel



Explore new revenue pool from adjacencies

## In Use Opportunity



Spares



Roadside Assistance

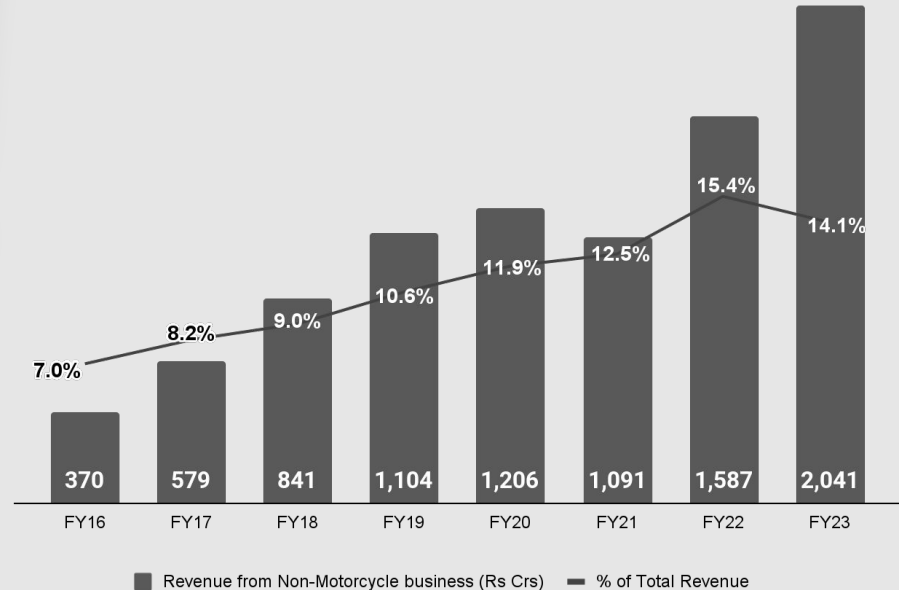


Annual Maintenance Contract



Extended Warranty

Non Motorcycle Business - 4X Revenue growth over the last six years in non motorcycle segment



# BUILDING CAPABILITIES TO CATER TO A GLOBAL AUDIENCE

## Bruntingthorpe, UK

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

Rs 1,462 cumulative R&D spends in the last 5 years

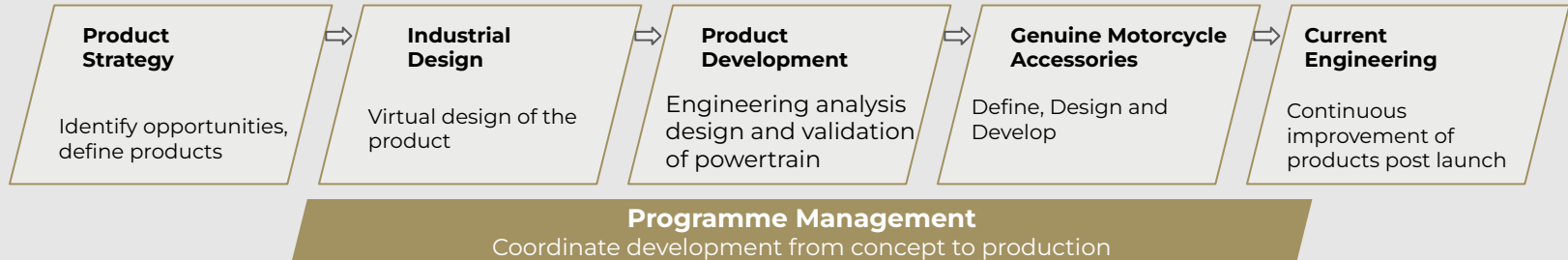


## Chennai, India

World-class facilities with multiple Teams working from concept stage to production Advanced Engineering and EV teams working on future requirements

Total of 450+ dedicated R&D employees

**New Product Introduction (NPI) framework in place to develop best-in-class products in an optimal timeframe**  
**Next five-year product pipeline in place**



# EML - STARK FUTURE PARTNERSHIP



- 01 Common tenets of long term vision
- 02 Deep understanding of EVs and connected - tech
- 03 Technical Collaboration Agreement - potential for joint development and sourcing
- 04 World class team - Faster product development
- 05 Sourcing relationships for electronics, EV parts
- 06 EML Invested €50 mn with a seat on board of Stark Future

# OPERATIONS OVERVIEW

## THIRUVOTTIYUR

## ORAGADAM

## VALLAM



No Assembly  
operations;  
Plating &  
Auto buffing

**600,000**  
Capacity  
motorcycles per  
annum

**600,000**  
Capacity  
motorcycles per  
annum



# NEPAL CKD LAUNCH



126

Stories across  
key publications

116 Million

Potential Reach

30+

Media engaged in  
Nepal

Royal Enfield's plans for Nepal market  
RE's fifth CKD facility was inaugurated in Nepal  
on the sidelines of market launch of the New  
Classic 350 and Scram 411.

Organized **Community Ride X Press Conference  
X Media Round Table** for media followed by  
Press Release dissemination in India, Nepal and  
global markets

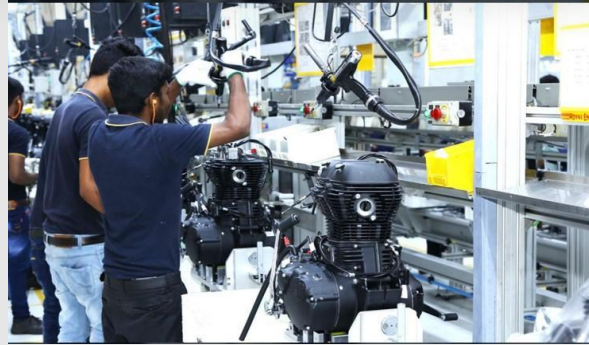
# BEST IN CLASS TECHNOLOGY DELIVERING SUPERIOR QUALITY

## VEHICLE ASSEMBLY



- Assembly line flexibility - 256 SKUs can be produced (including MiY)
- Number of Poka Yoke (mistake proof) in lines - 49
- Direct Current (DC) nutrunners for safety critical tightening joints
- Road test and dynamometer testing done for 100% of vehicles

## ENGINE ASSEMBLY



- Automation of critical sub assembly operations
- 100% of tightening by DC nutrunners with accuracy of  $\pm 3\%$
- Number of Poka Yoke (mistake proofing) in the line - 520
- Semi automatic testing of 100% engines to ensure all the critical parameters

## SURFACE FINISHING



- 46 robots deployed to achieve superior paint finish and better transfer efficiency
- Corrosion protection - 1000 hours
- Weather resistance (QUV) on painted parts - 500 hours
- Sheen appearance measured by gloss - 90 units @60 deg
- Currently painting 39 colours, capable to add 20 more colour

# BEST IN CLASS TECHNOLOGY DELIVERING SUPERIOR QUALITY

## MACHINING



- Total no of machining centers across plants - 340
- Process capability index 1.67 minimum for all critical parameters
- Average part cleanliness < 4 mg achieved by deploying 25 robotic washing
- Data capturing of critical parameters by using online SPCs with line interlocking facility

## FABRICATION



- Improved ride & handling experience achieved by 100% robotic welding of frames
- 98 robots with intelligent power source for welding results in 99.5% gauge answering
- Latest Laser welding process and robotic washing in fuel tanks fabrication

## AUTO BUFFING

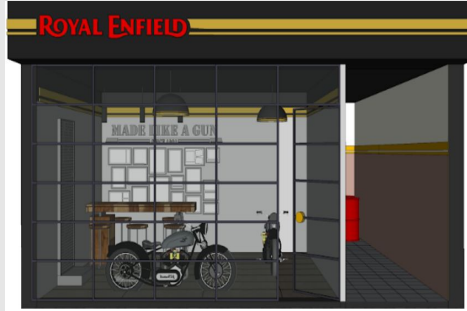


- Two stage automated buffing process enhance the aesthetics of plating components
- Provides uniform and consistent finish throughout the component
- Environmental friendly process with engineered dust extraction system

# DELIVERING THE PURE MOTORCYCLE EXPERIENCE



**Make It Yours** - a unique motorcycle personalization initiative



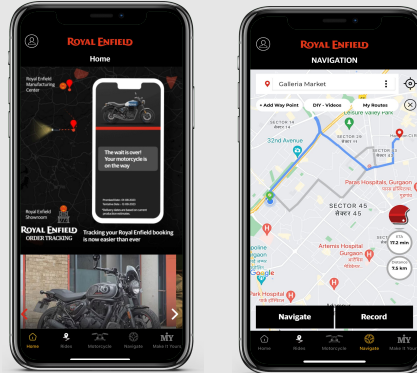
**Studio Stores** - Unique compact store format with 3S store offerings



**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 refreshed with UI/UX improvements



**Royal Enfield Custom Programme** - Curated to build aspiration & nurture the spirit of customisation

# ENHANCING CONSUMER EXPERIENCE

## 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
- Auto order implementation for Oil & Royal Enfield essential

## SERVICE

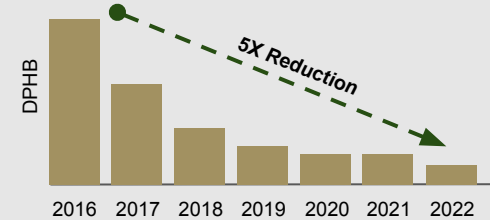


### Service on Wheels & Ride Sure

- 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
- Auto replenishment of spare parts in Thailand implemented

## PRODUCT

### Field Failure – Defects per Hundred Bike



### Product Quality Excellence

- Vallam Vadagal facility received "Smart Factory of the Year" in the 18th edition of the India Manufacturing Excellence Awards (IMEA) by Frost & Sullivan
- Certified for Integrated management system by DNV "Det Norske Veritas"
- Effective implementation of SRK methodology result in Fault frequency 50% reduction model by model over the years
- Successful and seamless establishment of Quality systems in CKD facilities

**BRAND**

**1901**

The first Royal Enfield motorcycle is produced. Designed by R. W. Smith and Frenchman Jules Gotiet, it has a 11/2 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.



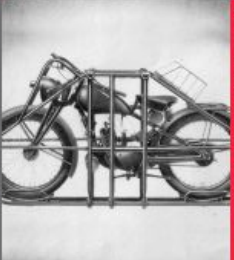
**1932**

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.



**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 331'.



**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 Groats 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.



**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.



**2017**

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



**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.



**2022**

Royal Enfield launched the Hunter 350, an incredibly stylish, joyful, and compact motorcycle that exudes retro-metro style. The motorcycle has received raving reviews from experts across the globe and has also won the most coveted Indian Motorcycle Of The Year 2023 award amongst the several other awards and accolades.



**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.



**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 scalping two prestigious awards - 'The Indian Motorcycle of the Year' & 'The Thailand Bike of the Year'.



**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.



**2023**

After a stunning debut at EICMA 2022, Royal Enfield launched the most anticipated and thoroughbred cruiser - Super Meteor 650. The motorcycle has received unprecedented love and appreciation across the globe.



# LADAKH SCOUTS X ROYAL ENFIELD RIDE | FLAG OFF



**Ladakh Scout's motorcycling expedition to showcase and highlight our connect with the Indian Armed forces**



# APPAREL

## INTERNATIONAL BUSINESS



ROYAL ENFIELD  
APPAREL  
X  
TCX



Gaining momentum with a footprint of over 70 markets overseas

Build Brand Awareness and credibility with established global apparel brands

A new fit to cater to APAC and US regional nuances

## ART OF MOTORCYCLING

### Top 5 Winners of Art Of Motorcycling Season 3



With more than 54,000 registrations, the third season of the #ArtOfMotorcycling saw a 3.5x increase in participation over the previous season



## EXTENSION OF ONE'S PERSONALITY

Inspired by the motorcycling way of life, the range is built to help riders explore and express themselves, on and off the motorcycle aiding them to accentuate their lifestyle and self expression

# ROYAL ENFIELD X ICE HOCKEY



Royal Enfield announced its partnership with the Indian women's Ice Hockey team in an effort to strengthen their Olympic ambitions.

The partnership is an extension of the relationship of Royal Enfield with UT Ladakh in order to develop winter sports in the region.

Royal Enfield is currently working with all stakeholders to grow Ice Hockey, winter sport and winter tourism across the Himalayas.



Royal Enfield X NCW



Himalayan Odyssey



Riders Club Of Europe



Slide School



One Ride



GT Cup - 2022 Finale Round



90° South



The Great Himalayan Exploration



Astral Ladakh



Himalayan Zanskar



Where's The Helmet

## 'Digital First' approach

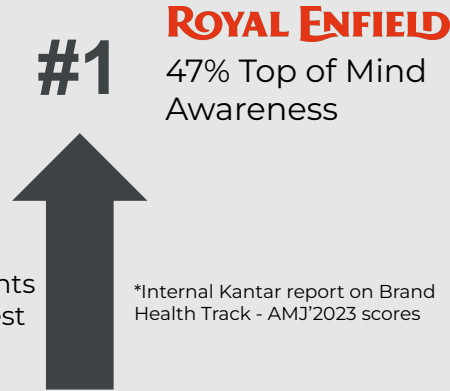
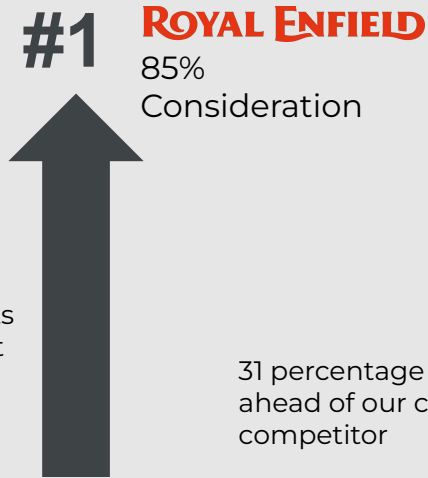
The largest, fastest growing and the most engaged online motorcycle brand community in the world

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



Eastern Escapes

# STRONG BRAND EQUITY



\*Internal Kantar report on Brand Health Track - AMJ'2023 scores

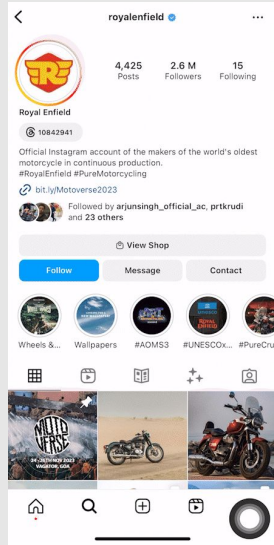
- Among the host of brand health metrics tracked by Royal Enfield, 'Top of Mind Awareness' and 'Top Two Box Consideration' are key metrics.
- Our Top of Mind Awareness (first brand that comes to mind) is the highest in the category of 200cc+ at 47% while the closest competitor is at 16%.
- Our Top Two Box Consideration (purchase intent) is the highest in the category at 85% while the closest competitor is at 54%.



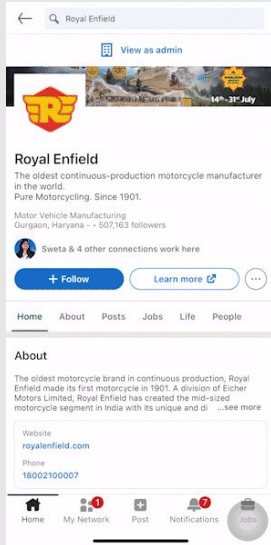
# 10.7

# MILLION

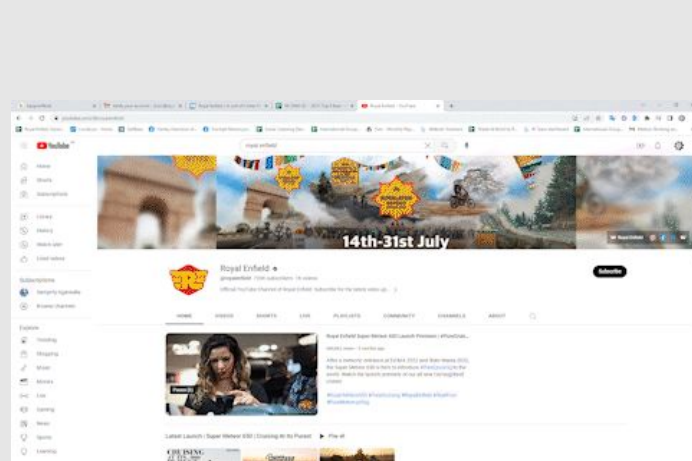
ONE OF THE WORLD'S STRONGEST FULLY ORGANIC SOCIAL MEDIA COMMUNITY



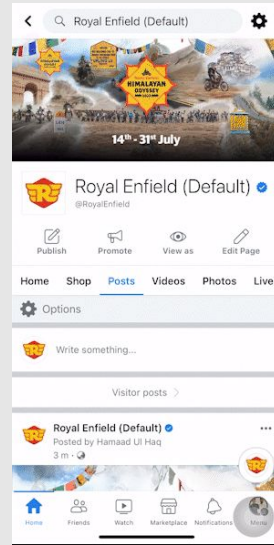
INSTAGRAM



LINKEDIN



YOUTUBE



FACEBOOK



TWITTER

# LEADING PREMIUM CONSUMER BRAND

SHARE OF VOICE\*

42%

NET SENTIMENT

92.3%

VS

SHARE OF MARKET

7.6%

\*Share of Voice in the Global 2W Space  
Royal Enfield's Market Share in the Indian Motorcycle Segment

#IndiaIceHockeyXRoyalEnfield

#RoyalEnfieldTwins

#ThisisScramCity

#ArtOfMotorcyclingS3

#Meteor350

**Total Reach\***  
**56M**

**Total Engagement**  
**3.9M**

**Average Engagement per Brand post**  
**2364**

#CruiseCandid

#BikeShedMotoShow

**Total Views**  
**25M**

**Engagement Rate^**  
**7%**

#DugDugAaweRe  
#WorldMusicDay

#REvault

#HimalayanOdyssey2023

#LadakhScoutsXRoyalEnfield

#RoyalEnfieldRides2023

#WheelsAndWaves2023

**SUSTAINABILITY**



# PILLARS OF SUSTAINABILITY JOURNEY



## 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

# GREEN BUSINESS OPERATIONS

## Optimising Energy Consumption

- Implementation of VFD in EPC AHU, helping reduce frequency (50 hz to 40 hz) and power consumption
- Replacing high energy intensity blowers with coolant tanks in the planetary buffing process



## Water Positive Operations

Prioritises efficient use of water across all its operations and with sustained efforts have been water positive for 5 consecutive years. Water positivity index in FY 2022-23 was 2.6

## Reducing Emissions

Vallam unit has a 13 MW captive solar plant which generated 1,92,87,036 KWh energy in FY 2022-23, meeting 60% of its energy requirement

## Emission Management

- Committed to reducing emissions like PM, SOx, and NOx
- Periodically monitors its ambient air quality to maintain emissions below limits set by Tamil Nadu Pollution Control Board

## Effectively Manage Wastes

Strives to achieve zero waste to landfill by implementing the principles of circular economy and 'Reduce, Reuse and Recycle' across all activities

01

80% targeted emission intensity reduction per motorcycle by FY29-30

02

Ensure zero waste to landfill in FY23-24

03

Increase renewable energy mix from 26% in FY 22-23 to 49% in FY 23-24

04

22% emission intensity reduction (tCO2e/motorcycle)

05

36% water intensity reduction (KL/motorcycle)

## Alignment to sustainable development goals (SDGs)



# PASSION WITH RESPONSIBILITY



## Women's Safety and Gender Equality Awareness with the National Commission of Women

- In an attempt to create a safe space and a gender-neutral society, Royal Enfield partnered with **NCW** and State Police Department for a Gender Equality and Women Safety Awareness Ride across four major cities Delhi, Pune, Chandigarh and Bangalore.
- This drive was a huge success in all locations and saw the presence of senior police officials in all regions. **Rekha Sharma, Chairperson of the National Commission for Women** graced the occasion with her presence in Chandigarh.
- 7 media attended the event (Chandigarh); along with 12 hyper-local creators from all three cities.
- **Impact garnered:**
- **9 print** media exposures, **13** online stories & **59** social media drops



## Helmet and Road Safety Awareness

- To promote the cause of helmet adoption and road safety through a unique initiative where art is used to promote road safety, Royal Enfield came together with MyFM to conduct a ride across various cities in India.
- The ride saw a participation of more than 360+ riders and over 9000 students from different colleges in Chandigarh, Ahmedabad and Jaipur.
- To leverage this event we invited 7 hyper-local creators to be a part of the ride and support the cause as well as issued a local photo release in the respective cities.
- **Impact garnered:**
- **34** media exposures, **24** social media drops

# AMONG THE INDUSTRY LEADERS IN SUSTAINABILITY

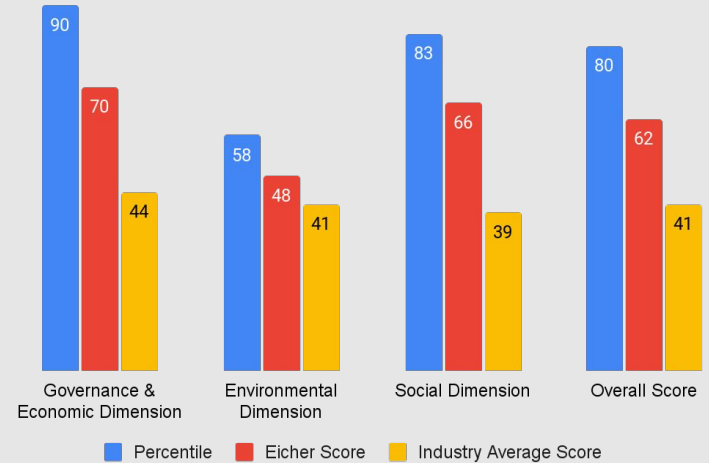
Member of  
**Dow Jones  
Sustainability Indices**

Powered by the S&P Global CSA

ESG Score

# 62.0

Eicher Motors is listed in the **DJSI Emerging Markets Index** for the second year in a row, and has maintained its position **among the top 3** automotive sector leaders in India and **top 10 globally**.



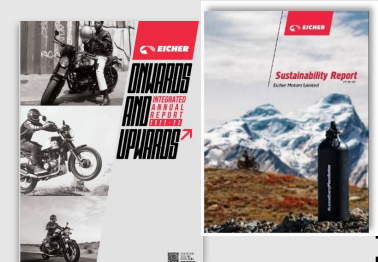
## ESG Reporting

Eicher Motors has been reporting on ESG performance and practices since 2018-19

GRI based Sustainability Report 2019, 2020

Integrated Report Since 2021

Business Responsibility and Sustainability Report in 2022



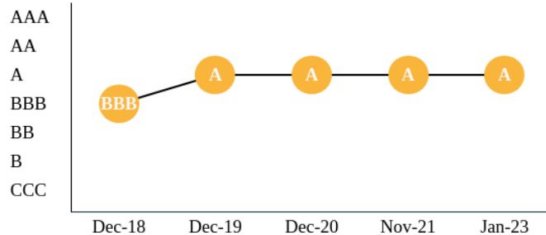
# ESG PERFORMANCE OVERVIEW

Eicher Motors ranks among the sector leaders in major ESG ratings

## Morgan Stanley Capital International (MSCI)

**A** *Among the top 10 auto companies globally in MSCI ratings*

MSCI 



## Sustainalytics

**13.3** *#8 out of 89 in the Automotive Industry Group*

 SUSTAINALYTICS

ESG Risk Rating **COMPREHENSIVE** ?

**13.3** Low Risk



\* Data as on Apr 2023

# VOLVO-EICHER COMMERCIAL VEHICLES



**VE COMMERCIAL VEHICLES**

A VOLVO GROUP AND EICHER MOTORS JOINT VENTURE

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

## VISION AND VALUES

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

**VECV's Governance is based on consensus approach and 50:50 shared control.**



**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

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

# Q1 FY 24 .. Strongest ever first quarter deliveries across segments

- **Highest ever first quarter sales of 19,571 units** exceeding previous record of 17,469 units in Q1-FY'23
- HD Trucks (combined Volvo and Eicher) - **Highest ever first quarter sales of 5,166 units** ( FY23 Q1 – 4,006 units) and market share of 9.4%
- **LMD Trucks - Highest ever first quarter sales of 8,308 units** ( FY23 Q1 – 7,515 units) and market share of 36.9%
- **Bus Division - Highest ever sales of 4,907 units** in first quarter ( FY16 Q1 – 4219 units)
- **Highest ever quarterly parts business** (combined both Eicher and Volvo) of **478 Cr** registering more than 25% growth over Q1 FY23.
- **Highest ever Q1 turnover of 424 Cr by EEC**, registering more than 18.5% growth over Q1 FY22.
- **Highest ever Q1 sales of 14816 units by VE Powertrain**, registering more than 21% growth over Q1 FY23.



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



# Business Outlook: India's economy remains strong; risks from global geo-politics

- World Bank projection of India's FY24 GDP growth at 6.3%
- Jun'23 GST collection at INR 1.62 trillion with 12% YOY growth
- CPI inflation moderated for 4<sup>th</sup> successive month to 4.3% in May'23 led by lower food inflation and favorable base effect
- WPI contracted at -3.5% in May'23 as compared to -0.9% in Apr'23
- Merchandise exports and imports contracted by -10.3% and -6.6% in May'23 reflecting subdued global demand.
- PMI manufacturing increased to a 31-month high of 58.7 on May. PMI services at 61.2 recorded second highest level in 13 years
- CV sales grew by 5.9% in Jun'23 (40,157) over LYM (37,913)
- Avg. crude price fell to a 17-month low of US\$74.1/bbl. in May'23

## Outlook

- Govt spending likely to remain strong this fiscal, with focus on infrastructure investments
- Economic growth driving CV demand across all sectors; likely to continue in near future, with seasonal fluctuations
- Continued weakness expected in Eicher's traditional export markets

# Product range...Seamless transition to new BS VI OBD II emission standards



**VE COMMERCIAL VEHICLES**

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# Creating a Strong & distinct association with Uptime..

## VECV's uptime centre emerges as an integral part to deliver dependable trucks

Updated - June 15, 2023 at 09:37 PM | Channel

The company's Pithampur uptime centre remotely monitors vehicles and provides real-time support to the vehicles being attended by its channel partners and Eicher's certified workshops across the country

By S BALACHANDAR

COMMENTS SHARE

READ LATER



VECV's Uptime Centre, Pithampur, Madhya Pradesh



# MyEicher...14 Million monthly visits by 69,000 customers

## CV Industry Leading App

- **Single Window to monitor all Business KPI's:** Sales, Service, Spares, EOS, My Eicher, Soft Products.
- **Actionable Insights to Review Operations:** Model Wise Reporting, Manpower Productivity etc.
- **On Demand Availability of Insights:** Comparative Analysis, readymade reports.



# Continuing focus on e-mobility...New e-Bus orders under execution in Kerala



Advanced projects for Small Commercial Vehicles, Hydrogen ICE, Fuel Cells, Batteries, LNG and Bio-blends

**VE COMMERCIAL VEHICLES**

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**VOLVO**

**EICHER**

# Strengthened market share in all segments

## Light & Medium Duty Trucks



## Heavy Duty Trucks



## Buses



## Volvo Trucks India\*

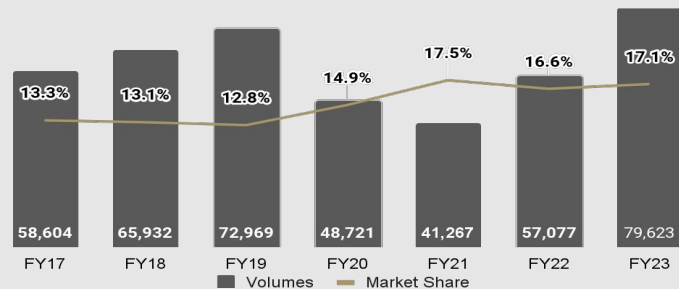


\*Market share in high end premium segment

# CONSISTENT FINANCIAL PERFORMANCE DESPITE HEADWINDS

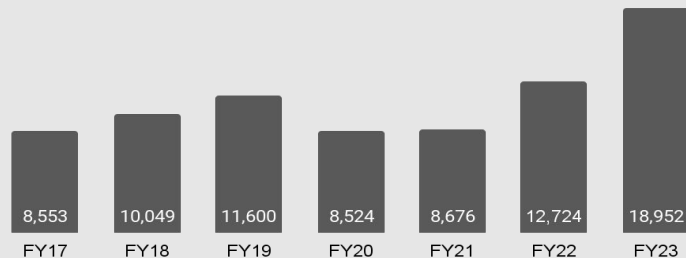
## Total CV# Volumes and Market Share

(in nos and %)

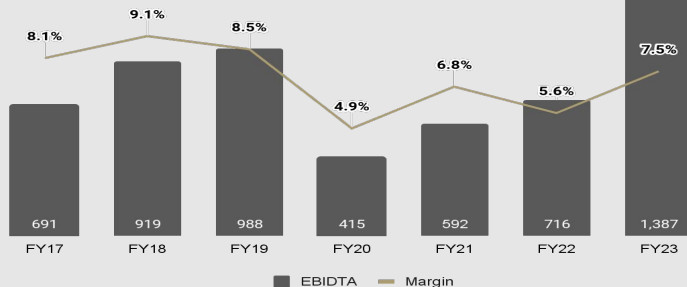


## Total Revenue

Total revenue from operations (net of excise duty)



## EBITDA^ and Margins



## Profit After Tax



CV# - Commercial Vehicles (Domesic sales)

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)

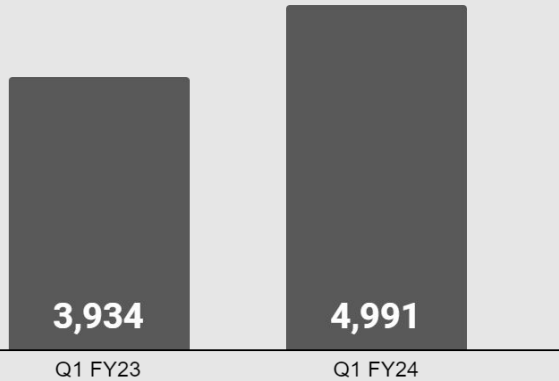
\*FY20, FY21 and FY22 volumes were impacted due to COVID 19 pandemic and supply chain constraints

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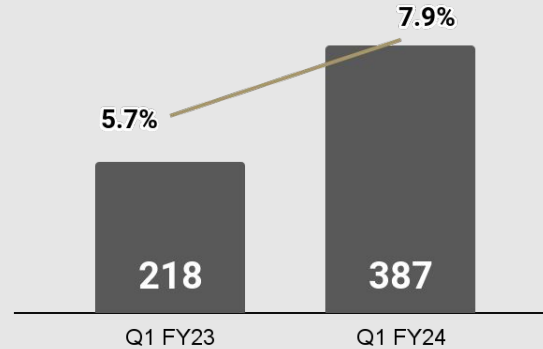
All figures are in INR Crs unless specified

# YTD FINANCIAL HIGHLIGHTS

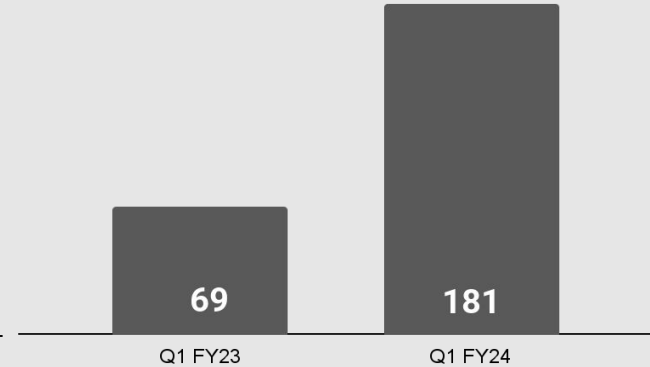
## Total Revenue from Operations



## 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/ Net Sales

All figures are in INR Crs unless specified

**VE COMMERCIAL VEHICLES**  
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# OUR JOURNEY... PERFORMING AND TRANSFORMING

**THINK  
BIG  
GO PLAY  
GRANULAR  
THE INFINITE  
GAME**



**Profitable**

**Sustainable Products &  
Operations**

**Future Ready**

**VE COMMERCIAL VEHICLES**

A VOLVO GROUP AND EICHER MOTORS JOINT VENTURE

# FINANCIAL REVIEW

# INCLUSIVE STAKEHOLDER MANAGEMENT POLICIES

With global operational and retail footprints and social initiatives that span the length and breadth of India and International markets, EML has a diverse stakeholder base



## Gunning for Growth

- Rise in utilization of assets
- High incremental return on investments
- Better throughput for value chain



## Improving Returns

- Significant value engineering initiatives
- Operating leverage and cash accruals
- Unlocking the profit growth potential



## Improving Value Creation

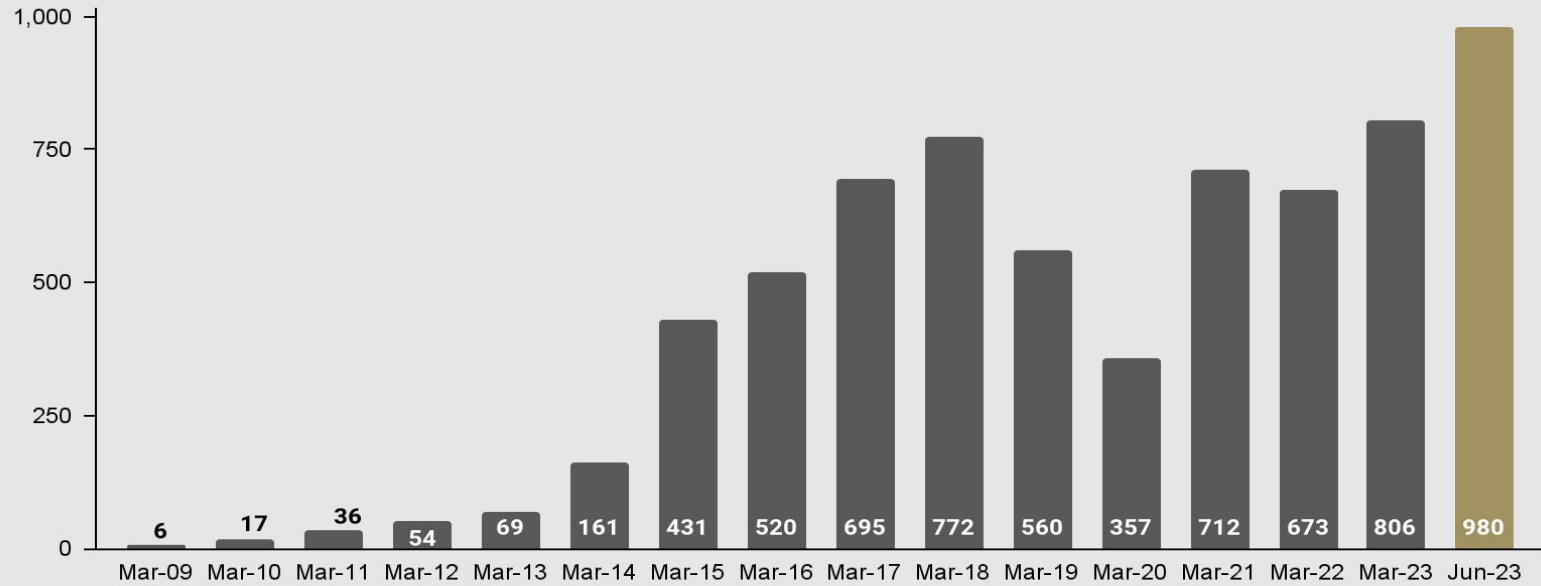
- Rise in absolute profits
- Improvement in holistic returns
- Higher stakeholder value creation

**Customers | Employees | Supplier Partners | Dealer Partners | Financiers | Shareholders |  
Regulatory Authorities | Local Communities**

# SIGNIFICANT VALUE CREATION FOR ALL STAKEHOLDERS

## Market Capitalisation (INR Billions)

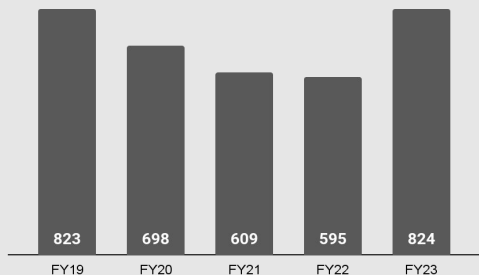
133x returns over last 14 years



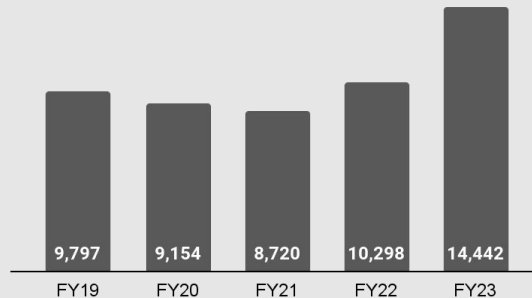
# CONSISTENT DELIVERY LEADING TO STRONG CASH ACCRUALS

## Total Sales

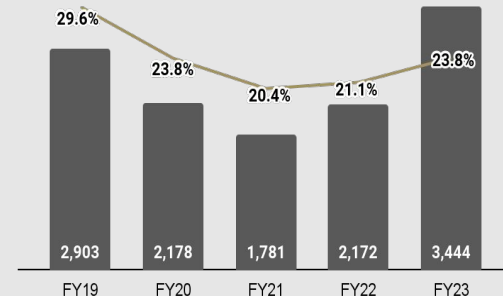
Motorcycle Volumes ('000)



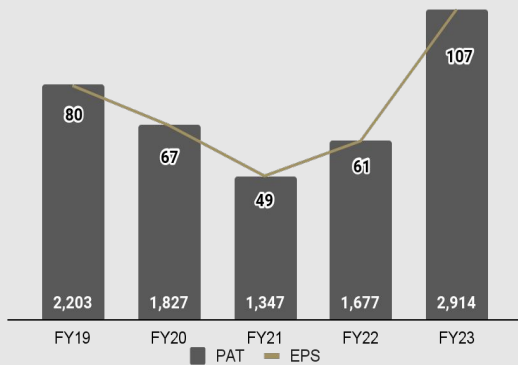
## Total Revenue from operations



## EBITDA and Margin



## PAT



## Net Cash



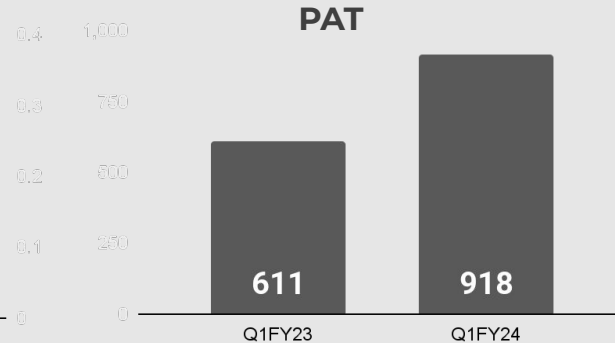
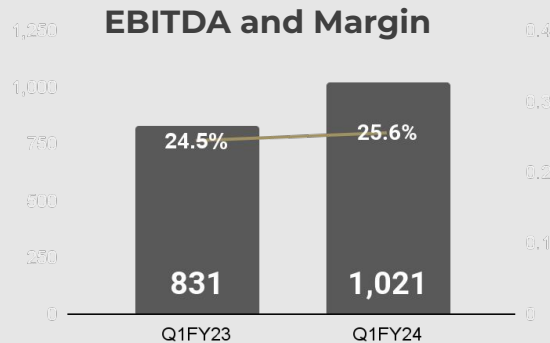
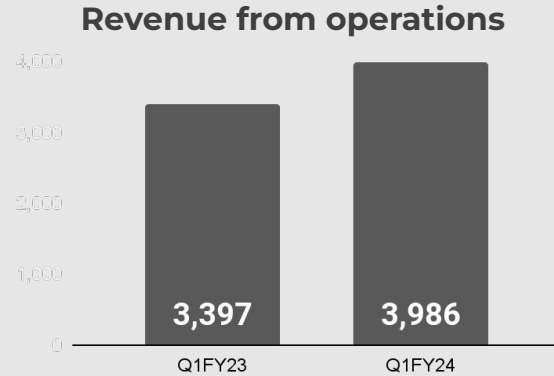
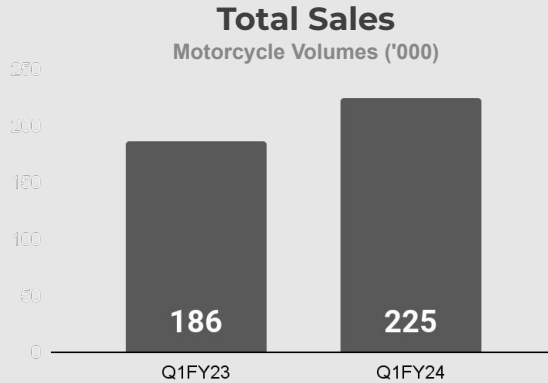
## OCF



Net Cash = Cash and cash equivalent – Total debt

All figures are in INR Crs unless specified

# YTD FINANCIAL HIGHLIGHTS



All figures refer to EML Consolidated numbers and are in INR Crs unless specified

# PROFIT & LOSS STATEMENT (Consolidated)

Profit and Loss Account	FY19	FY20	FY21	FY22	FY23	Q1 FY24
<b>Sales Volume:</b> Two Wheelers (Nos.)	822,724	697,582	609,403	595,474	824,066	225,368
<b>Total revenue from operations (net of excise)</b>	9,797	9,154	8,720	10,298	14,442	3,986.37
Manufacturing and other expenses	6,894	6,973	6,939	8,126	10,999	2,965.53
<b>Earnings before interest, depreciation and tax (EBITDA)</b>	<b>2,903</b>	<b>2,180</b>	<b>1,781</b>	<b>2,172</b>	<b>3,444</b>	<b>1,021</b>
<b>EBITDA to Net Revenue (%)</b>	<b>29.6%</b>	<b>23.8%</b>	<b>20.4%</b>	<b>21.1%</b>	<b>23.8%</b>	<b>25.6%</b>
Depreciation	300	382	451	452	526	142.27
<b>Earnings before interest and tax (EBIT)</b>	<b>2,603</b>	<b>1,799</b>	<b>1,331</b>	<b>1,720</b>	<b>2,917</b>	<b>879</b>
<b>EBIT to Net Revenue (%)</b>	<b>26.6%</b>	<b>19.7%</b>	<b>15.3%</b>	<b>16.7%</b>	<b>20.2%</b>	<b>22.0%</b>
Finance Cost	7	19	16	19	28	10.43
Other Income	443	543	453	441	595	243.21
<b>Share of profit / (loss) of joint venture</b>	<b>258</b>	<b>32</b>	<b>31</b>	<b>60</b>	<b>315</b>	<b>100.44</b>
<b>Profit before tax</b>	<b>3,297</b>	<b>2,355</b>	<b>1,798</b>	<b>2,203</b>	<b>3,800</b>	<b>1,211.79</b>
Provision for taxation	1,077	527	452	526	886	293.45
<b>Profit after tax and share of profit of Joint Venture from continuing operations</b>	<b>2,220</b>	<b>1,827</b>	<b>1,347</b>	<b>1,677</b>	<b>2,914</b>	<b>918</b>
<b>Discontinued Operations: Share of loss of Joint Venture*</b>	<b>(18)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit After Tax</b>	<b>2,203</b>	<b>1,827</b>	<b>1,347</b>	<b>1,677</b>	<b>2,914</b>	<b>918</b>
<b>PAT to Net Revenue (%)</b>	<b>22.5%</b>	<b>20.0%</b>	<b>15.4%</b>	<b>16.3%</b>	<b>20.2%</b>	<b>23.0%</b>

All figures are in INR Crs unless specified

# BALANCE SHEET (Consolidated)

Particulars	FY19	FY20	FY21	FY22	FY23
Net Fixed Assets (including CWIP and Pre-operative Expenditure)	2,324	2,690	2,748	2,929	3,162
Investments	4,923	5,749	3,902	7,721	12,101
Other Non Current Assets	180	102	125	165	252
<b>Current Assets</b>					
Inventories	633	572	875	1,132	1,278
Debtors	90	87	158	302	369
Cash and Bank Balances	2,965	2,951	5,830	2,770	857
Other Current Assets	271	299	921	1,182	1,179
Current Liabilities and Provisions	2,098	2,025	2,629	2,957	3,235
<b>Net Current Assets</b>	<b>1,862</b>	<b>1,884</b>	<b>5,155</b>	<b>2,429</b>	<b>449</b>
<b>Total</b>	<b>9,289</b>	<b>10,425</b>	<b>11,930</b>	<b>13,244</b>	<b>15,963</b>
Share Capital	27	27	27	27	27
Reserves and Surplus	7,003	9,954	11,411	12,581	14,963
<b>Net Worth</b>	<b>7,030</b>	<b>9,981</b>	<b>11,438</b>	<b>12,608</b>	<b>14,990</b>
<b>Minority Interest</b>	-	-	-	-	-
Deferred Tax Liability (net)	274	252	222	220	291
Other Non Current Liabilities and Provisions	96	192	270	415	681
Borrowings - Current	-	-	-	-	-
<b>Total</b>	<b>9,289</b>	<b>10,425</b>	<b>11,930</b>	<b>13,244</b>	<b>15,963</b>

All figures are in INR Crs unless specified



# STATEMENT OF CASH FLOWS (Consolidated)

Particulars	FY19	FY20	FY21	FY22	FY23
<b>Profit before tax and after share of profit of Joint venture</b>	<b>3,297</b>	<b>2,355</b>	<b>1,798</b>	<b>2,203</b>	<b>3,800</b>
Operating profit before changes in working capital	2,941	2,236	1,912	2,172	3,552
Net Changes in working capital	(457)	86	258	(103)	66
Cash generated from operating activities	2,484	2,322	2,170	2,069	3,618
Direct taxes paid	(909)	(628)	(457)	(514)	(770)
<b>Net cash flow from operating activities (A)</b>	<b>1,576</b>	<b>1,694</b>	<b>1,714</b>	<b>1,572</b>	<b>2,847</b>
Payment for property, plant and equipment	(792)	(546)	(555)	(641)	(682)
<b>Net cash used in investing activities (B)</b>	<b>(660)</b>	<b>(1,508)</b>	<b>(1,648)</b>	<b>(1,012)</b>	<b>(2,422)</b>
Dividend paid	(300)	(682)	-	(465)	(574)
<b>Net cash from / (used) in financing activities (C)</b>	<b>(292)</b>	<b>(858)</b>	<b>(15)</b>	<b>(587)</b>	<b>(417)</b>
<b>Net Increase/(decrease) in cash and cash equivalents (A)+(B)+(C)</b>	<b>623</b>	<b>(673)</b>	<b>51</b>	<b>(44)</b>	<b>8</b>
Cash and cash equivalents at the beginning of the period	93	716	43	94	45
<b>Cash and cash equivalents at the end of the period</b>	<b>716</b>	<b>43</b>	<b>94</b>	<b>50</b>	<b>53</b>

All figures are in INR Crs unless specified



[Royal Enfield](#)



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