



For Immediate Release

EICHER MOTORS LIMITED RE-APPOINTS SIDDHARTHA LAL AS MANAGING DIRECTOR

Monday, August 23, 2021: The Board of Directors of Eicher Motors Limited today discussed the outcome of the 39th Annual General Meeting held on Aug 17, 2021. The matter pertaining to the appointment of Siddhartha Lal as Managing Director and the remuneration proposal was discussed comprehensively, and the Board unanimously decided to reappoint Siddhartha Lal as Managing Director, with effect from May 1, 2021. The Board will now go back to shareholders for approval through postal ballot.

Speaking about the outcome of the Annual General Meeting and specifically about the remuneration issue, **Mr. S Sandilya, Chairman of Eicher Motors Ltd** said, "The Nomination and Remuneration Committee (NRC) of the Company has considered all the factors, including inputs from various stakeholders including institutional investors before recommending remuneration for key managerial persons. The primary concern with investors was not Siddhartha's reappointment as Managing Director or the proposed compensation; it was the lack of clarity regarding the enabling provision that potentially allowed payment of remuneration upto 3% of profits. Over the last four years, we have had the same limit of 3%, but in reality have paid only a fraction of that amount. The actual remuneration during FY2021 was at 1.04% of profits, with the preceding years being at a lower percentage"

Given the background of actual remuneration paid to the Managing Director in preceding years, the Board has now approved a revised remuneration structure for the Managing Director, with a maximum cap of 1.5% of profits as per Section 198 of the Companies Act. Specific details of the remuneration are being shared via the postal ballot.

Clarifying the MD's remuneration increase for FY 2021, Ms. Manvi Sinha, Independent Director, and Chairperson of the Nomination and Remuneration Committee at Eicher Motors Ltd., said, "The remuneration increase in FY2021 is in line with the average 9.7% increment given to all company employees for the year. The median, which is a measure of central tendency, is impacted by entry and exits of employees. During FY 2021, 267 employees joined the company, out of which 77% were hired at below the median salary and 284 employees exited the company out of which 66% were drawing higher than the median salary. Owing to this, despite there being a 9.7% average increase in salaries at EML in FY2021, the median shows an increase of just 1%. The board fully supports Siddhartha's appointment as Managing Director and his proposed compensation, and we are confident that our shareholders will support these resolutions as well"

Speaking about Eicher Motors' performance for FY 2020-21, Mr. S Sandilya, observed, "Eicher Motors Ltd has done extremely well by posting strong financial results and has generated ample cash accrual, despite a tough few years for the automobile industry, followed by a pandemic that presented unprecedented business challenges. The company recorded consolidated revenues of INR 8,720 crores for FY 2021, closing the year with all-time high revenues of INR 2,940 crores in the fourth quarter. The company has been consistently generating cash over many years, with consolidated surplus cash of INR 7,806 crores as of FY 2021. The company continued to push forward on its strategic business plans and expansion plans, both in India and internationally. Increasing the exclusive store count significantly in international markets from 77 stores in 21 countries to 132 stores in 26 countries, FY 2021 saw Royal

Enfield debut its first standalone store in Japan. Markets like the Americas, Europe and the Asia-Pacific region are increasingly seeing excellent growth. The company launched its first CKD facility in Argentina in FY 2021 and a second one in Colombia earlier this month - FY 2022. New products launched by the company in the year saw tremendous positive response across geographies and have raked in several awards. In line with the excellent financial performance in FY 2020-21, the company has distributed a record 1700% dividend to its shareholders”

Also commenting on the long term performance of Eicher Motors Ltd., Mr. S Sandilya added, “Eicher Motors Ltd. has posted enormous growth over the last many years, and this has been possible due to strong business fundamentals of the company, which have been laid down over time. Since taking over as MD & CEO of EML in 2006, Siddhartha has been instrumental in building this foundation and a razor sharp business focus for EML. His first major initiative was to shed a wide number of under-performing businesses in the portfolio, and to focus on Royal Enfield motorcycles and Eicher trucks and buses. Subsequently, the company has grown from INR 375 crores revenues in CY2009 to INR 8,720 crores consolidated revenues in FY2021, while the subsidiary JV with Volvo - VE Commercial Vehicles Ltd had a revenue of INR 8,676 crores. This has resulted in unprecedented shareholder value growth of over 17,500% in 12 years; from a market capitalization of INR 400 crores in Oct 2008 to INR 70,753 crores today”

Making specific note of Siddhartha’s contribution to the growth of the company, Mr. S Sandilya observed, “Siddhartha has been the architect of Eicher Motors’ growth story over the last two decades. When he took over as CEO of Royal Enfield in 2000, the division was making large losses and was slated for closure. Siddhartha has transformed Royal Enfield into a formidable premium motorcycling brand in India, pioneering the leisure riding segment. Royal Enfield grew the premium >250cc market in India exponentially, and has maintained a >90% market share in it for the last decade, resulting in EBITDA margins for EML at over 30% during the pre-pandemic peak. Subsequently Siddhartha moved to the UK in 2015 to personally drive the company’s ambition of becoming the first global premium consumer brand to emerge from India; there he was directly overseeing the product development and international expansion”

“In the last few years, Royal Enfield has had enormous success with its new products starting with the 650 Twin motorcycles and more recently, with the all-new Meteor 350, gaining top accolades in India and international markets. As a result, Royal Enfield has emerged as the number 1, and among the top 3 mid-segment brands in many of its focussed international markets such as the UK, Thailand, and New Zealand. It has already surpassed the Japanese, American, European, Chinese and other Indian brands to become the largest mid-size brand globally, and has become an Indian manufacturing and brand champion. In the first quarter of FY2022, Royal Enfield clocked a record international sales of 17,493 units, which is a 400% increase over Q1 of FY 2021, and an 83% increase over Q1 of FY 2020”

“Going forward, Siddhartha and his team at EML have charted out exciting and robust plans for the future. Royal Enfield, already the global leader in middleweight motorcycles (250cc-750cc), is on the path to growing this segment multi-fold globally and becoming the first global consumer brand to emerge from India. Also, under the chairmanship of Siddhartha, VE Commercial Vehicles is all set to attain new heights by leading the modernization and transformation of India’s commercial vehicle sector”, added Mr. Sandilya.

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About Eicher Motors Limited:

Eicher Motors Limited (EML) (Bloomberg: EIM IN Reuters: EICH.NS) is the listed parent of Royal Enfield, global leader in the middleweight motorcycles segment (250cc - 750cc). The world’s oldest motorcycle brand in continuous production, Royal Enfield has made its distinctive motorcycles since 1901. Focussed on bringing back simple, yet engaging and accessible motorcycling, Royal Enfield operates in India and over 60+ countries around

the world. With modern development facilities in Leicestershire, UK, and Chennai, India, Royal Enfield makes its motorcycles in Tamil Nadu for the world. In addition to motorcycles, EML has a joint venture with Sweden's AB Volvo - VE Commercial Vehicles Limited (VECV) - which is driving modernization in India's commercial vehicle space, and in other developing countries. VECV includes the complete range of Eicher branded trucks and buses, Volvo trucks in India, engine manufacturing and exports for Volvo Group, non-automotive engines, and Eicher component business. Its integrated manufacturing plant in Pithampur, Madhya Pradesh is also the global hub for medium-duty 5 and 8-liter engines for Volvo Group. In November 2020, VECV acquired the business of Volvo Buses India including manufacture, assembly, distribution, and sale of Volvo Buses in India.

For FY '21, Eicher Motors Ltd recorded a total consolidated income of INR 8,720 crores which is approximately USD 1.1 billion. In addition, VECV reported a total revenue of INR 8,676 crores in FY '21; this revenue is not consolidated in EML's income. EML is listed on the Bombay and National Stock Exchanges. As of April 1st, 2016, Eicher Motors Limited became a part of the Nifty 50 Index. Please visit our website: www.eichermotors.com.

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