



February 14, 2022

**Online intimation/submission**

**The Secretary**  
**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai-400 001  
Security Code: 505200

**The Secretary**  
**National Stock Exchange of India Ltd**  
Exchange Plaza, 5<sup>th</sup> Floor, Plot No.C/1,  
G Block, Bandra Kurla Complex, Bandra (E)  
Mumbai-400 051  
Symbol: EICHERMOT

**Subject: Regulation 30 of the SEBI (LODR) Regulations, 2015 – Investor Presentation**

**Dear Sir/Madam,**

Pursuant to Regulation 30 of the SEBI (LODR) Regulations, 2015, please find attached a copy of the investor presentation being issued today.

You are requested to take the same on your records.

Thanking you,  
For **Eicher Motors Limited**

**Manhar Kapoor**  
**Chief Legal Counsel & Company Secretary**



# Investor Presentation

February 2022





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- 1 EICHER MOTORS LIMITED – OVERVIEW
- 2 ROYAL ENFIELD
- 3 VE COMMERCIAL VEHICLES LIMITED
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- 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).

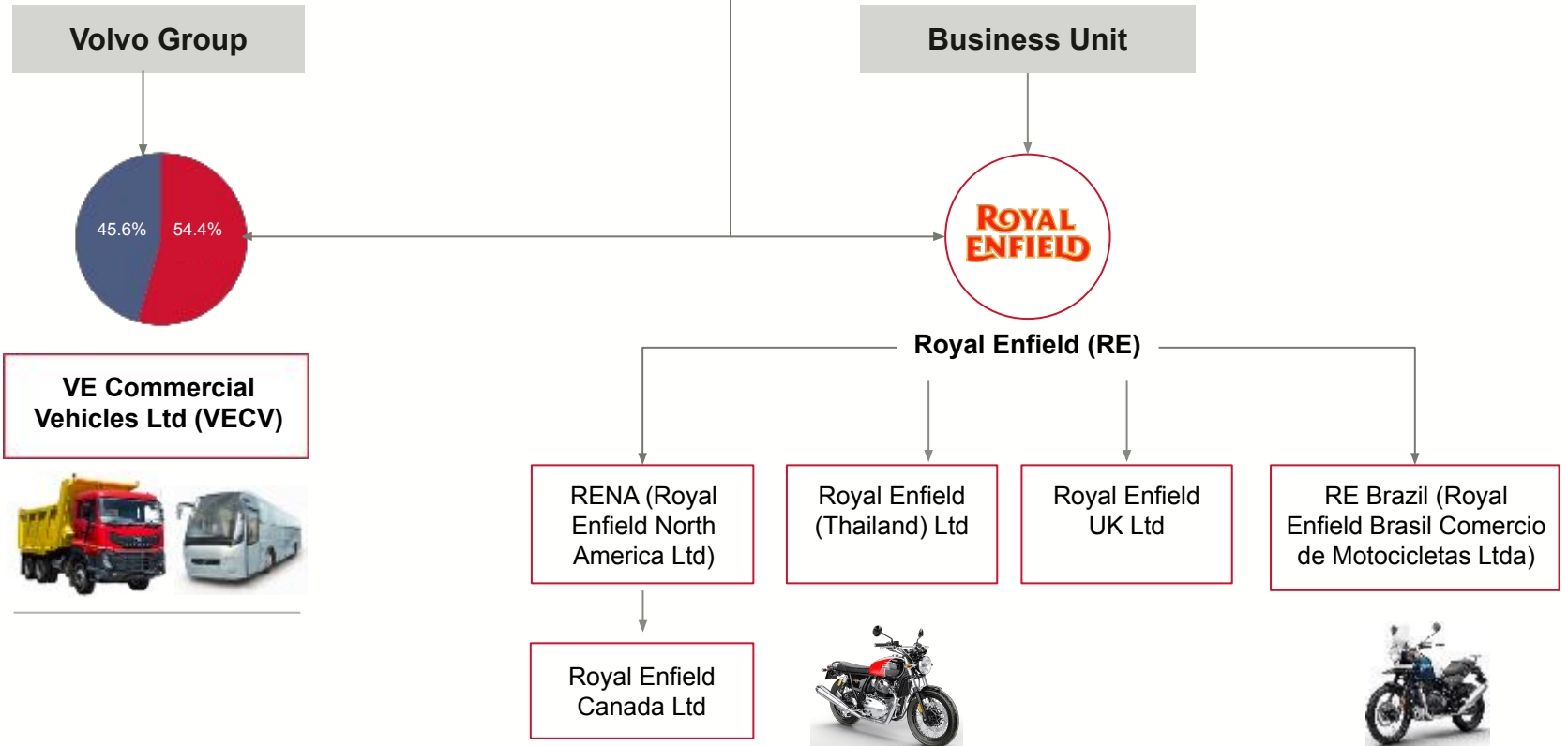
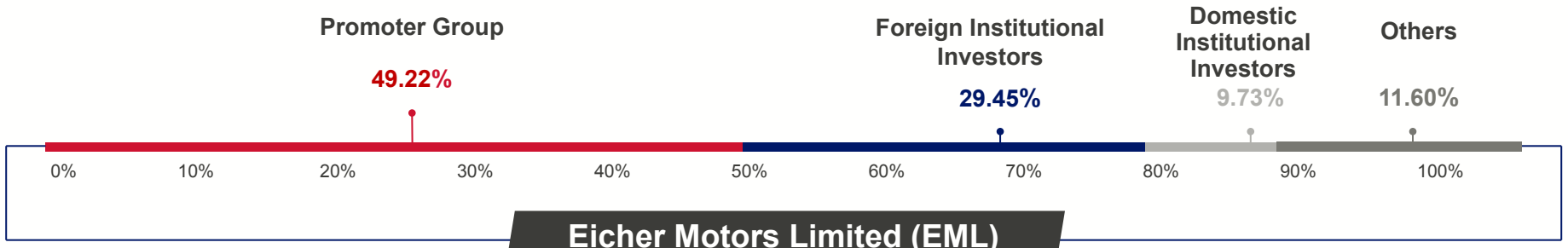
Maps are not to scale. Representation of maps is for reference purposes only.

# *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 790 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

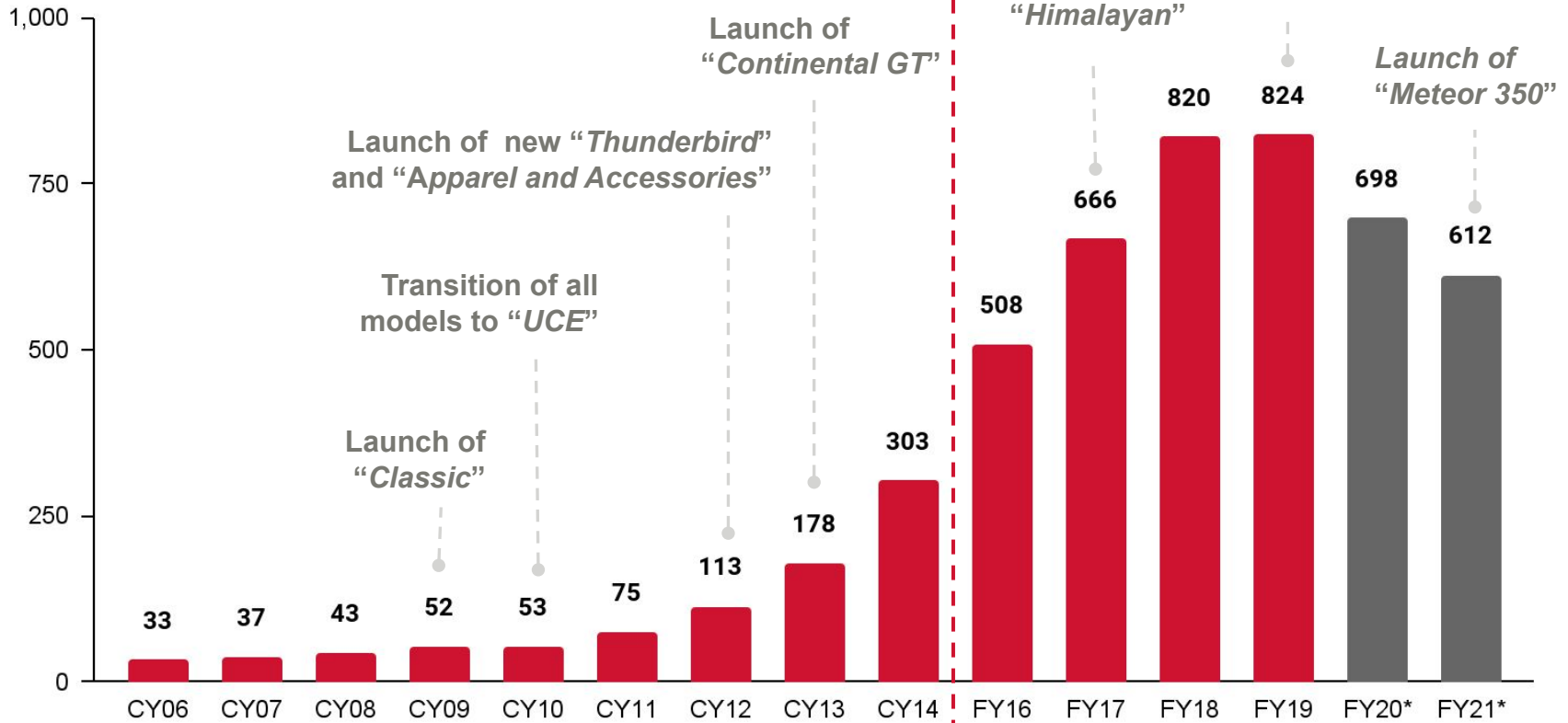
\*\*Top selling motorcycle brand in the middleweight segment in New Zealand | Among top 3 motorcycle brand in the segment in Thailand | No.1 in the middleweight segment in India

# Launch of the Classic in 2009 was an inflection point

Volumes grew by ~40% CAGR between CY-2010 to FY-2018, prior to significant external headwinds

While FY2020-21 volumes were impacted due to COVID-19, our new models including Meteor 350 received phenomenal response from customers as well as critics and reviewers

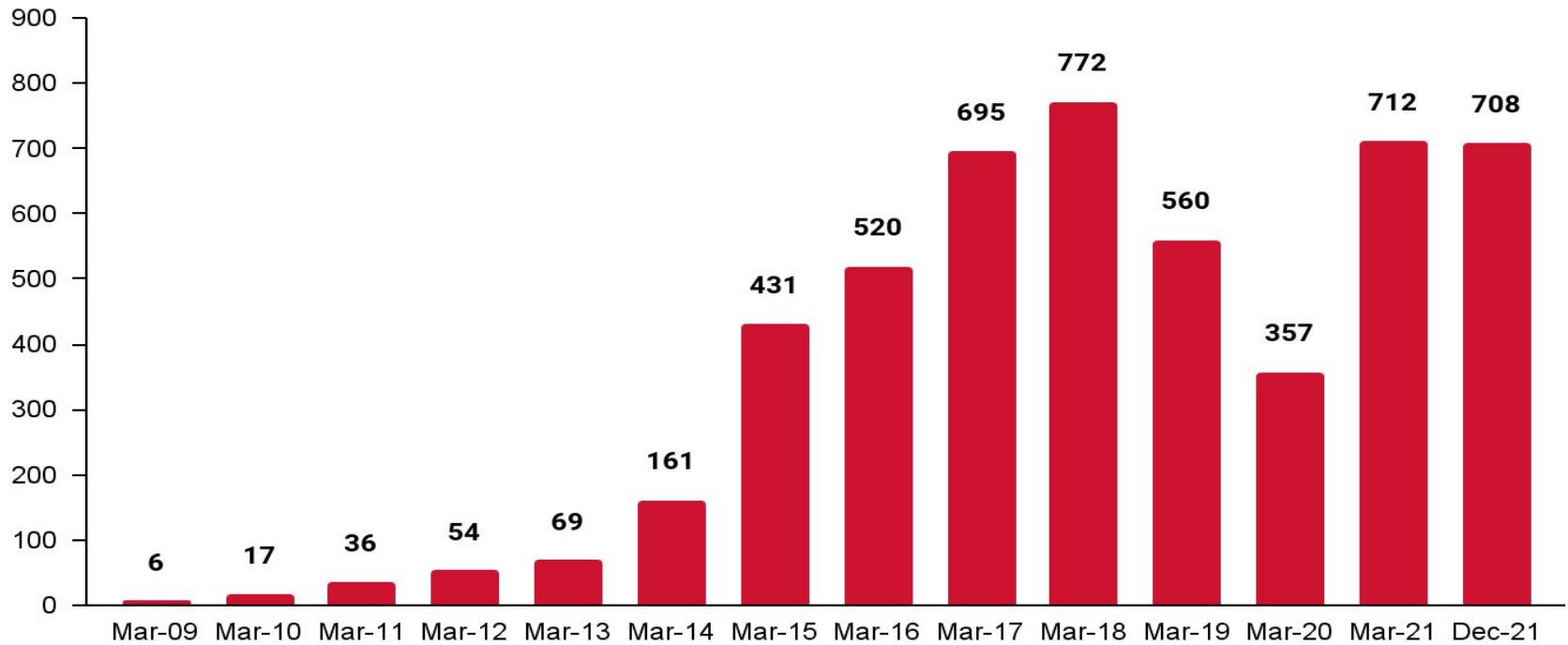
Replacement opportunity awaits as most of the sales happened in the past 6 years



# Significant Value Creation for all stakeholders

## Market Capitalisation (INR Billions)

123x returns over last 13 years





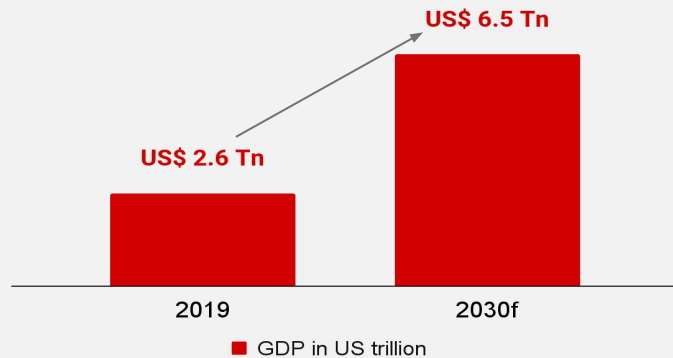


# Opportunity – Domestic Market



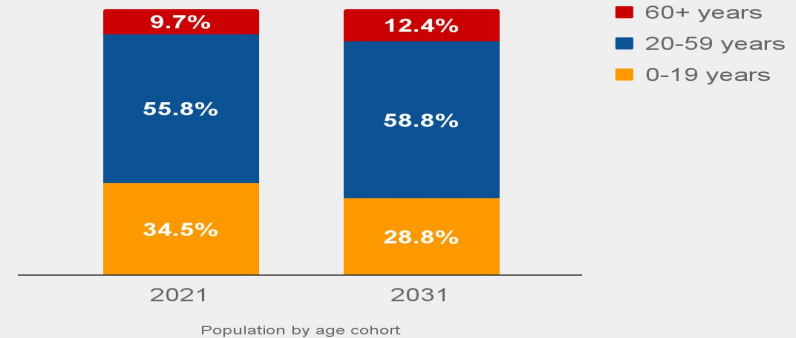
## India to become a **US\$6.5 trillion** economy by 2030

Indian Economy: A shift to a high growth path



## India's favorable demographics

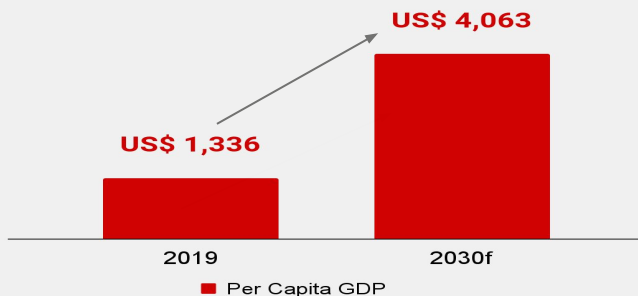
By 2031, the working age population i.e. **20-59 years** is poised to increase by **300bps**



Source: Economic Survey 2019-20

## Rising income

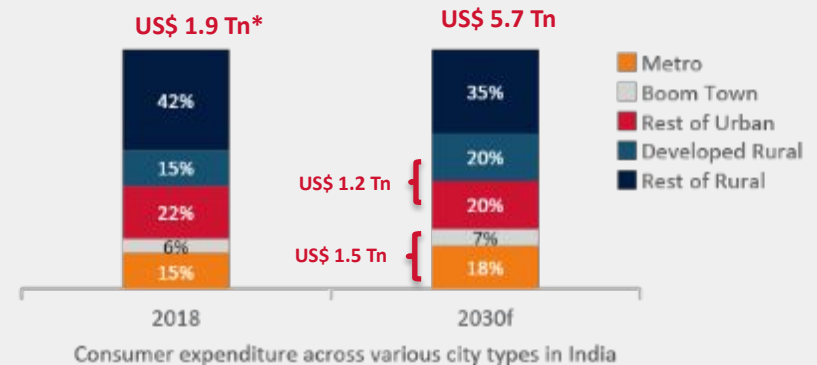
The expansion of the **middle class and high-income** segments will reshape future consumption and drive incremental consumption of **US\$ 4 trillion** by 2030



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

## Many India's will drive consumption growth

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

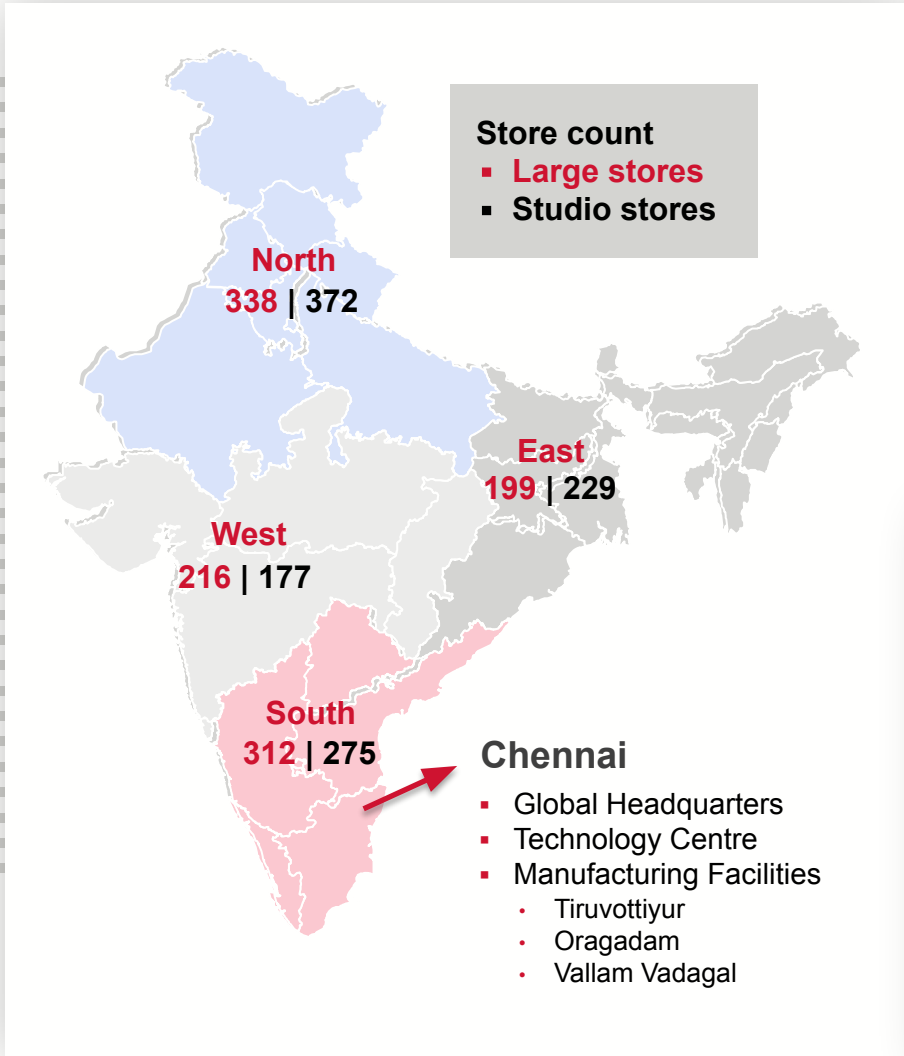


Source: \*Worldbank

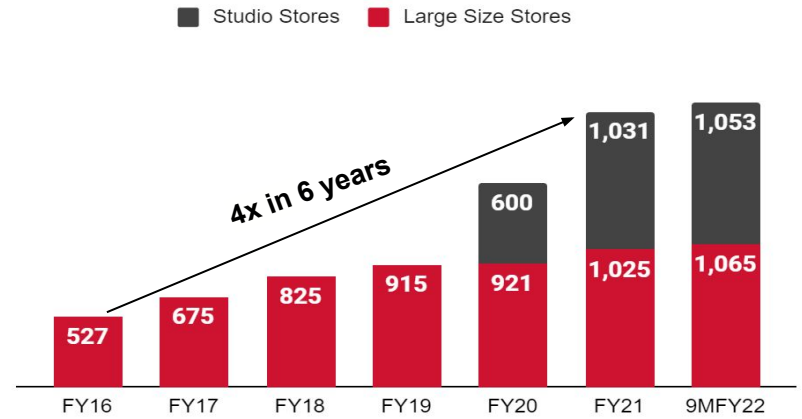
# Established Premium Brand in India with an expansive premium distribution network



**1,065 stores and 1,053 studio stores across ~1,750 cities**



## Dealer Network



## City Category wise Distribution

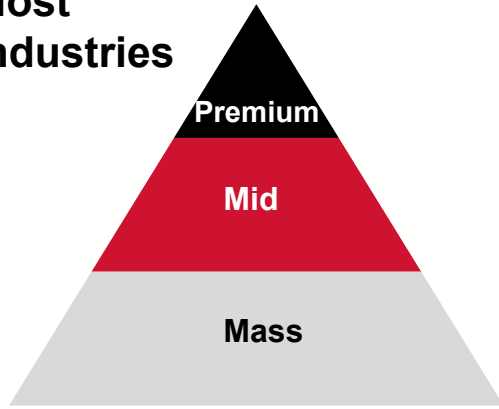
Category*	Store Count
Metro	62
A+, A	174
B, C	350
D, E, R	479
<b>Large Stores</b>	<b>1,065</b>
<b>Studio Stores</b>	<b>1,053</b>
<b>Total</b>	<b>2,118</b>

# Global mid-size motorcycle market is underserved and is a huge opportunity

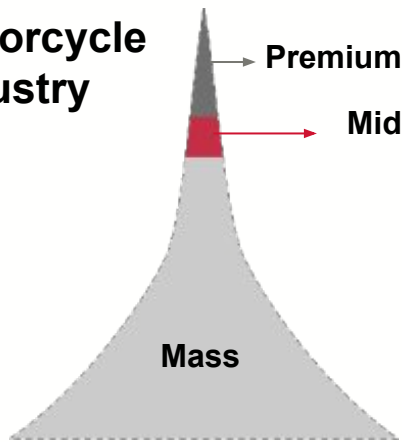


The Oddity of the Motorcycle Industry Globally... is an opportunity

Most Industries



Motorcycle Industry

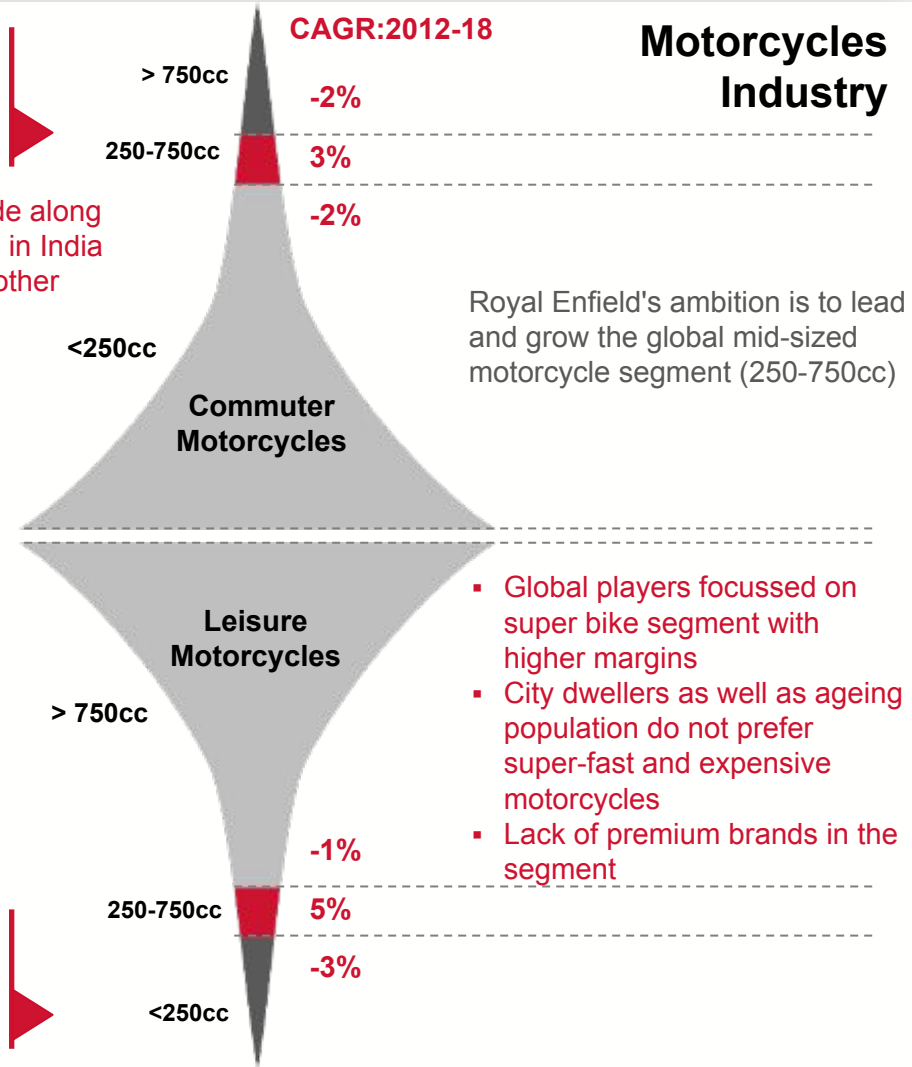


Developing Markets

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

Huge opportunity both in developed and developing markets

Mature Markets



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

Note: Numbers are as per Royal Enfield's research for its priority international markets

# Established brand with profitable business model backed by premium quality product



## 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 markets expansion
- Investment in CKD facilities in strategically important markets
- Creating and nurturing strong communities

# Building capabilities to cater to global audience



## Bruntingthorpe, UK

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

152 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

## Chennai, India

World-class facilities

341 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

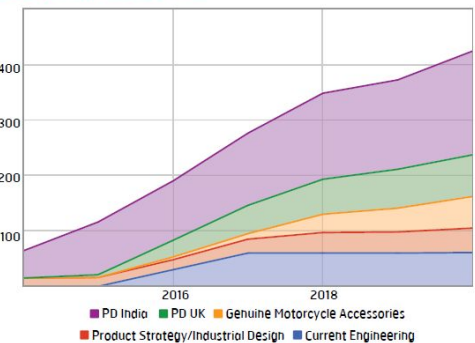
Coordinate development from concept to production

- Multiple Teams working from concept stage to production & 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 20-21 Rs. 2.46 Bn

FY 19-20 Rs. 2.27 Bn

Development Global Growth



# Rapidly growing international network



156 Exclusive stores opened in less than 6 years; 660+ MBO

## Developed Markets

	Exclusive Store	Multi Brand Outlet
North America	1	138

### Countries with exclusive stores

- **USA** – 1  
Marketing Company - **USA**

	Exclusive Store	Multi Brand Outlet
UK, Europe, UAE	44	391

### Countries with exclusive stores

- **Austria** – 1
- **Belgium** – 1
- **France** – 17
- **Germany** – 3
- **Italy** – 3
- **Netherland** – 1
- **Portugal** – 3
- **Spain** – 6
- **UAE** – 1
- **UK** – 8

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

## Developing Markets

	Exclusive Store	Multi Brand Outlet
APAC	49	95

### Countries with exclusive stores

- **Australia\*** – 1
- **Cambodia** – 1
- **Indonesia** – 4
- **Japan** – 1
- **Malaysia** – 1
- **New Zealand\*** – 1
- **Philippines** – 3
- **Singapore** – 1
- **South Korea\*** – 1
- **Thailand** – 33
- **Vietnam** – 2

Assembly Unit – **Thailand**

\*Developed Markets

	Exclusive Store	Multi Brand Outlet
LATAM	62	43

### Countries with exclusive stores

- **Argentina** – 12
- **Brazil** – 20
- **Colombia** – 15
- **Costa Rica** – 1
- **Dominican Republic** – 1
- **Ecuador** – 3
- **Mexico** – 9
- **Peru** – 1

Marketing Company - **Brazil**

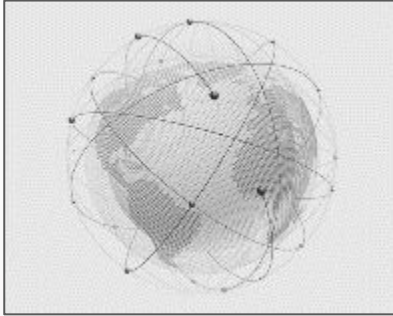
Assembly Unit – **Argentina, Colombia**



# Share of revenue from international markets has grown 3x over the last 5 years



## 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 region. Recently set-up a CKD facility in Argentina, Colombia and Thailand

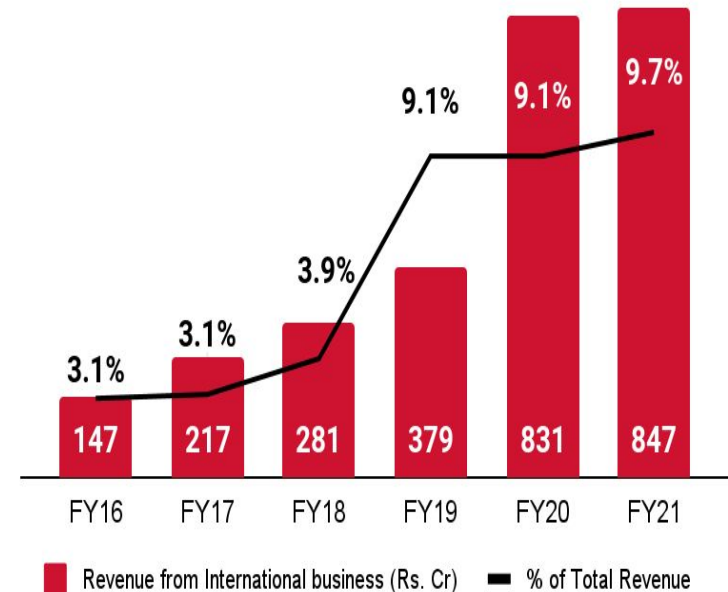


## Product Portfolio Expansion

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



## International Business – Stellar Financial Performance over last 5 years



# *Motorcycling*



# Product Portfolio – Continue to focus on mid-weight segment



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

## Bullet 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



## 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



Traditional and Iconic

Adventure, Urban and Lifestyle



## Positive Adoption and Engagement by Customers

- Gained customer appreciation on Retro look, availability of colour options and variants, refinement levels, comfortable seats, good riding posture and ride quality, inclusion of fuel gauge and alloy wheels in select variants.
- Officially recognised by Guinness World Records for most number of concurrent views during a live launch.

## 100,000th unit rolled out

- The all-new Classic 350, since its debut in India, has been launched in APAC as well as made its debut in Europe at EICMA 2021
- We have rolled out more than 1,00,000 units of the new Classic 350. This reiterates consumers' continuing love for the timeless style and design of the Classic.

## Extended with a host of Accessories Range

- A wide array of 35 bespoke Genuine Motorcycle Accessories designed to complement the versatility along with enhancing comfort levels, utility and style of the motorcycle, available via the MiY platform.





## 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 400 Poka Yokes
- 100% Engine - tested and certified

## SURFACE FINISHING



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

## MACHINING



- 300 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 catalogue
- Personnel with technical knowledge and understanding of product line-up

## SERVICE

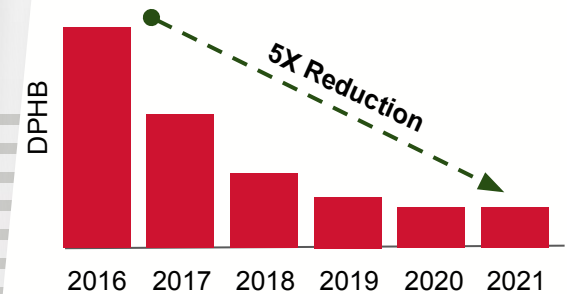


### Service on Wheels

- First time right
- Extended warranty and AMC for better upkeep of motorcycles
- Roadside assistance support in case of a vehicle breakdown
- Doorstep servicing through launch of “Service on Wheels” initiative
- A significant reduction in maintenance cost by change of oil

## 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

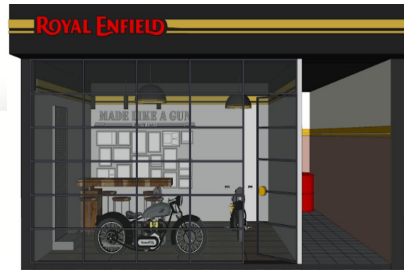


# Variety of initiatives to enhance customer experience



**MY**  
MAKE IT YOURS

Make It Yours - a unique motorcycle personalization initiative



**Studio Stores**

Unique compact store format with 3S store offerings



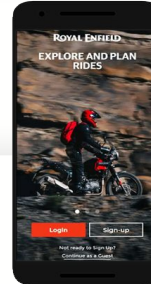
**Royal Enfield Vintage**

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



## Continental GT Cup



- Debut of the Royal Enfield Continental GT Cup 2021 - a unique retro track-racing initiative, aspiring to further nurture niche riding cultures and open new avenues to real-world track racing
- Acquired an overwhelming response across the country, Round 1 was held on 23<sup>rd</sup> and 24<sup>th</sup> October 2021, where 18 shortlisted racers along with two Media wild card participants competed against each other.

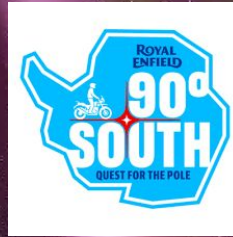
## One Ride



- The 10th edition of One Ride was organised across 35 countries on 26<sup>th</sup> September 2021, with strict adherence to all COVID protocols.
- With an aim to celebrate riders and their passion towards motorcycling, this year Royal Enfield rooted for the adoption of *Responsible Travel* practices, in a bid to #LeaveEveryPlaceBetter.



# 90° South: Our Quest for the South Pole



Successfully completed 90° South - A first-of-its-kind motorcycle expedition to reach the Geographic South Pole

A 28-day journey traversing Antarctica on a 400 km ride from 87° South to the South Pole, on expedition-ready Royal Enfield Himalayans

A tribute to the brand's commitment to pure motorcycling, and to the courage and resilience of enthusiasts who have scripted history with their motorcycling journeys

# Building 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



Road Side Assistance

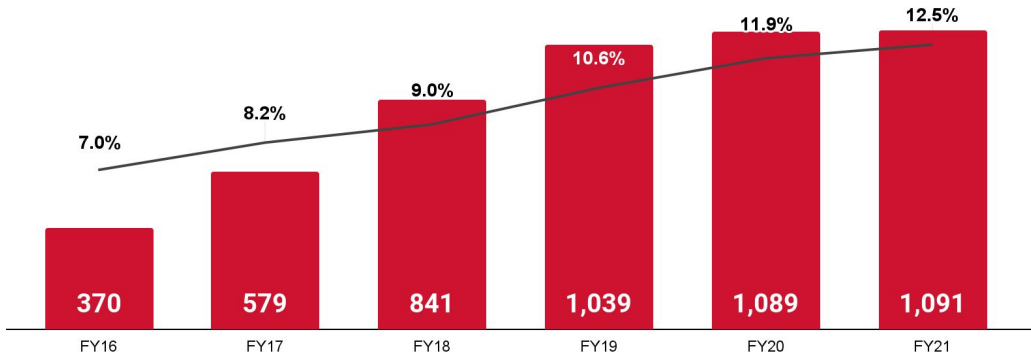


Annual Maintenance Contract



Extended Warranty

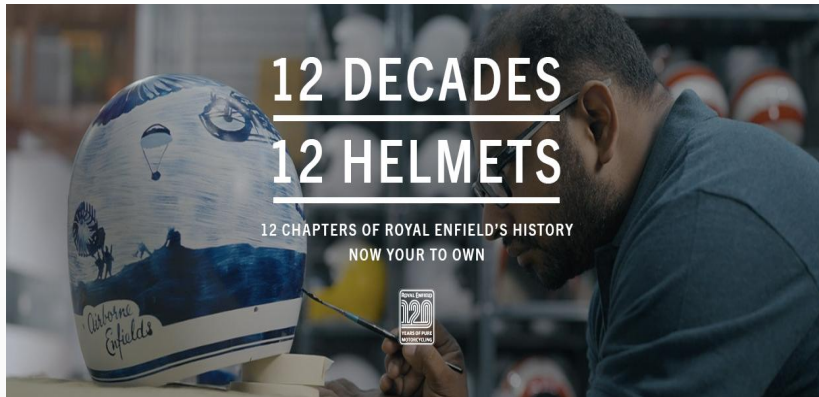
## Solutions Business - Financial Performance over past 6 years



**3X** Revenue growth over the last five years in non motorcycle segment



# Product Portfolio – Apparel



Everything that has defined the brand over the past 120 years of our existence, now expressed in 12 limited edition hand crafted helmets.



Conceptualized a platform catering artists, designers, illustrators and motorcycle enthusiasts to exhibit their love for motorcycling



**ART of MOTORCYCLING**  
SEASON 2

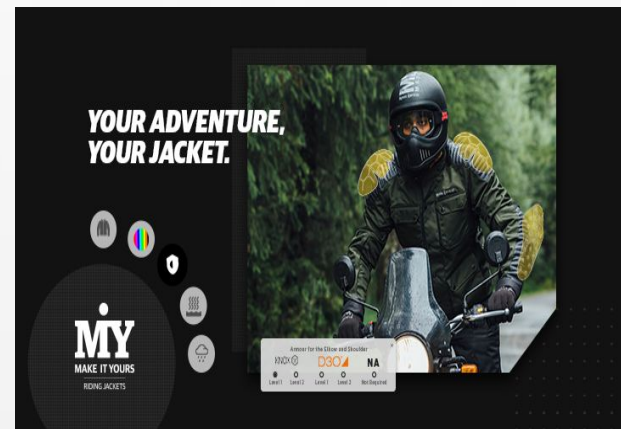
**ART of MOTORCYCLING**  
SEASON 2



**BELSTAFF x RE**

**BELSTAFF X ROYAL ENFIELD**

Introduced a range of heritage-inspired riding jackets, t-shirts, zip-up sweatshirts, caps, enamel mugs and the hero pieces of the collection.



**MiY RIDING JACKETS**



Riding jackets with customisation options from a range of outer shells, armours, thermal and rain liners with added creatives.





## SG 650



## LIMITED EDITION 120 YEAR TWINS



## PROJECT ORIGIN



Opened at EICMA 2021 with an unveiling of the Royal Enfield SG650 Concept motorcycle, marking another chapter in the brand's 120 year old journey

Debuted the 120th Year Anniversary Edition with the flagship models; the 650 Twin, the Interceptor 650 and the Continental GT 650 and received an overwhelming response from the Indian customers as 120 units of these models were sold under 120 seconds record time

Showcased a major centre-piece of our 120 anniversary celebration projects with the unveiling of 'Project Origin'



# Oldest Motorcycle Brand in Continuous Production



**1901**

The first Royal Enfield motorcycle is produced. Designed by R. W. Smith and Frenchman Jules Göttert, 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.



**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.



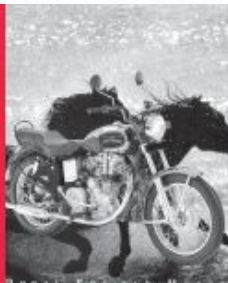
**1964**

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.



**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.



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



**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.





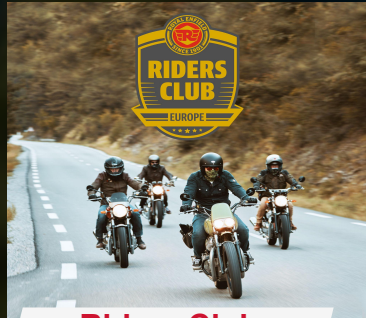
# Engage Physically... Propagate Digitally



**Rider Mania**



**Himalayan  
Odyssey**



**Riders Club  
Of Europe**



**Slideschool**



**One Ride**



**Continental  
GT Cup**



**90° South**

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



#90South

Meteor Turned 1

All New Classic 350

#120YearsOfRoyalEnfield

Total Reach\*  
2,005 M

Total Engagement  
127 M

Average Engagement per Brand post  
8,993

Total Views  
952 M

Engagement Rate^  
6.27%

Royal Enfield Podcasts

Royal Enfield x Belstaff

Classic Guinness World Record Book

120 Years Helmets

120 Year Twins Edition Launch



**#1 ROYAL ENFIELD**  
84% Consideration



2,000 bps ahead of our closest competitor

**#1 ROYAL ENFIELD**  
50% Top of Mind Awareness



2,400 bps ahead of our closest competitor

\*Internal Millward Brown Brand Health Report with sample size of ~3200)

- 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 spontaneously recalled brand) is the highest in the category at 50% while the closest competitor is at 26%.
- Our Top Two Box Consideration (purchase intent) is the highest in the category at 84% while the closest competitor is at 64%.

# *Business Performance*





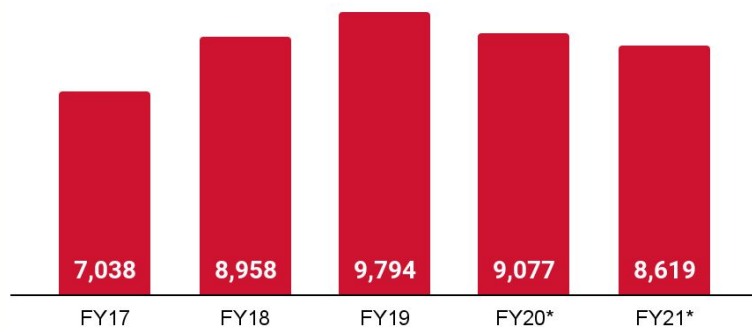
# Consistent Delivery leading to strong cash accruals



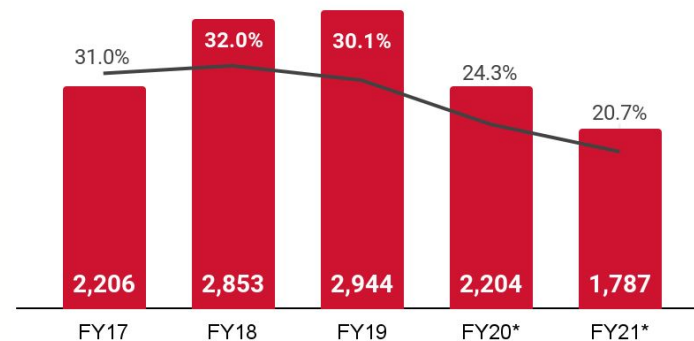
All figures are in Rs. Crs unless specified

## Total Revenue

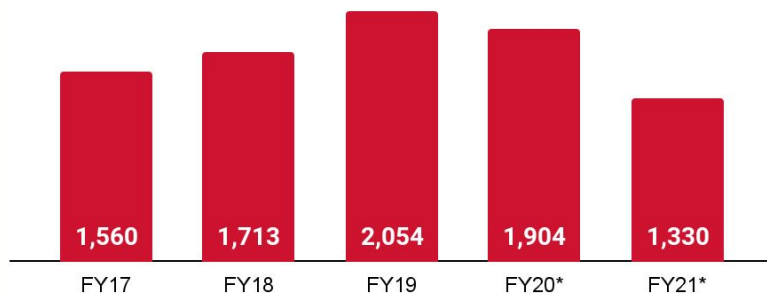
Total revenue from operations (net of excise duty)



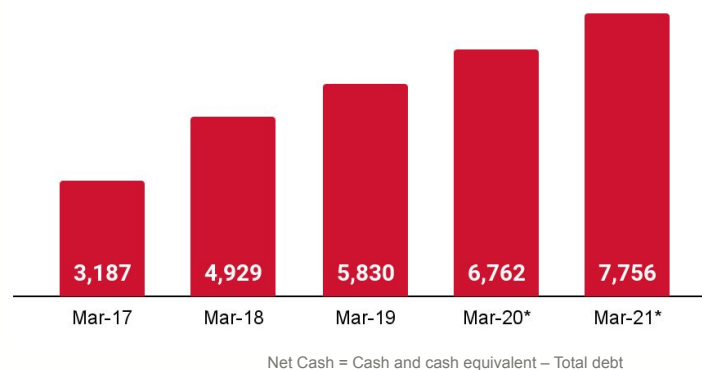
## EBITDA and Margin



## Profit After Tax



## Net Cash



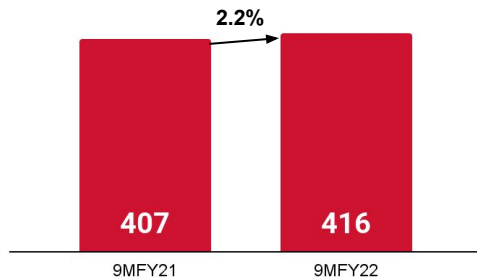
Note: PAT for FY18 and FY19 includes an impairment loss of Rs. 311.98 crores and Rs. 17.52 crores respectively on the company's investment in its joint venture, EPPL subsequent to winding down of operations of EPPL.



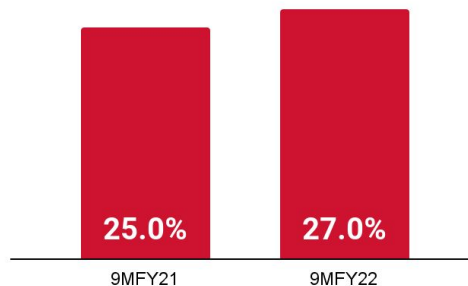
All figures are in Rs. Crs unless specified

## Sales Volume

(in Thousands)

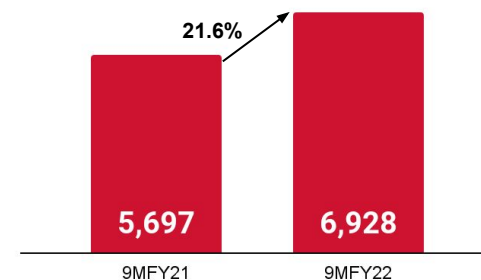


## Market Share\* (India)

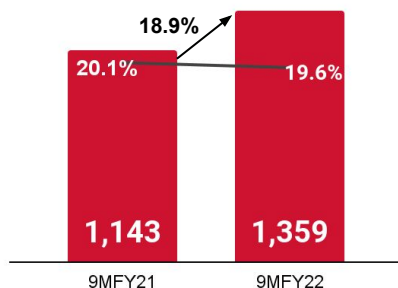


## Total Revenue

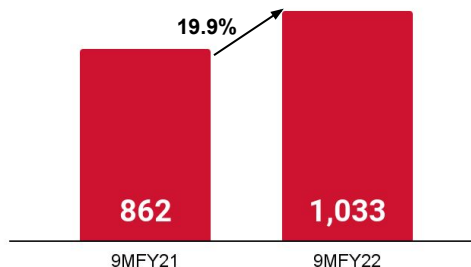
Total revenue from operations (net of excise duty)



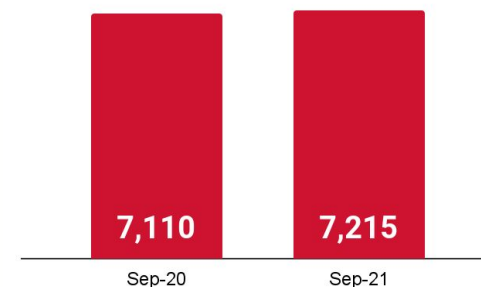
## EBITDA and Margin



## Profit After Tax



## Net Cash

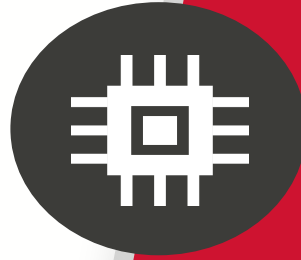




## Challenge

Semiconductor Component Shortage -

Acute shortages of electronic components (ICs, microprocessors, etc.) globally impacting components like ABS (Anti-Lock Brake System), Engine Management System, Instrument Cluster, etc.

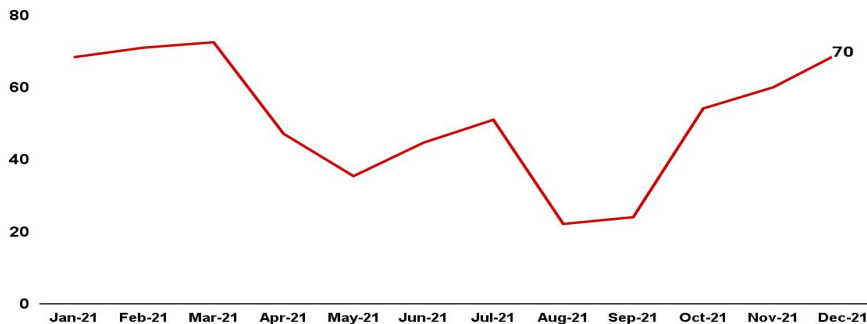


## Mitigation

Working closely with parts and electronic component suppliers to ensure accurate forecast of component deliveries alongside working on multiple parallel sourcing strategy and initiatives.

## Production Performance over past 12 months

**Production**  
(in Thousands)



Despite the supply headwinds, recorded QoQ improvement in production in Q3 FY22, facilitated by active engagement and dialogue with alternate suppliers.



## 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 Overheads

- 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

# Awards and Achievements



Meteor 350 won MCN's 'Best Retro Bike of the Year' Award 2021(UK) and 'Best modern classic over 250cc' Award at the Thailand Bike of the Year Awards 2021 in addition to awards in India

Royal Enfield's Vallam Vadagal facility receives the 'Frost and Sullivan Gold' Award for Manufacturing Excellence



INDIAN MOTORCYCLE OF THE YEAR



ENTRY MODERN CLASSIC MOTORCYCLE OF THE YEAR



MOTORCYCLE OF THE YEAR, PEOPLE'S CHOICE



BEST OF 2021



RETRO BIKE OF THE YEAR



CRUISER OF THE YEAR



MOTORCYCLE OF THE YEAR



COOLEST MOTORCYCLES OF THE YEAR

GEAR PATROL

\*Source: As per MCIA data from January 2021 to December 2021



INVESTOR PRESENTATION  
February 2022





*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

# What drives us....Vision & Values

*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**

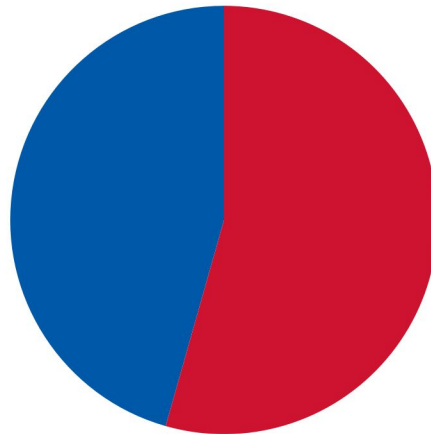
- Global expertise
- Leadership in product technology
- Well defined processes and controls
- Brand image

## **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 with modernisation

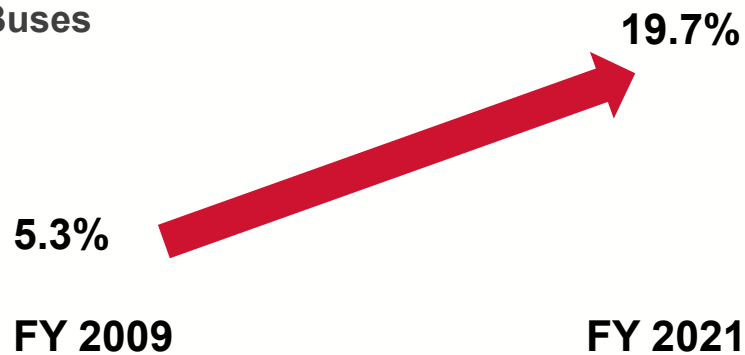
## Light & Medium Duty Trucks



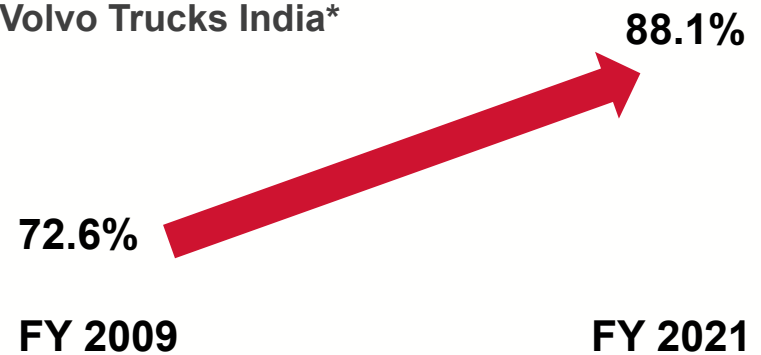
## Heavy Duty Trucks



## Buses



## Volvo Trucks India\*

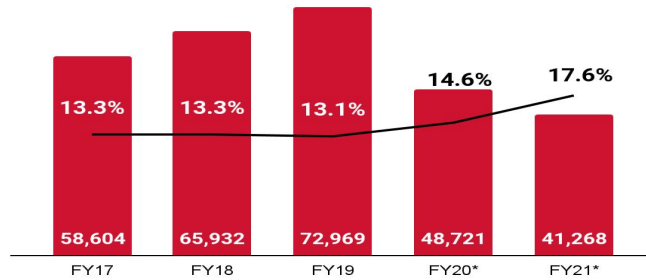


\*Market share in high end premium segment

# Consistent financial performance despite headwinds

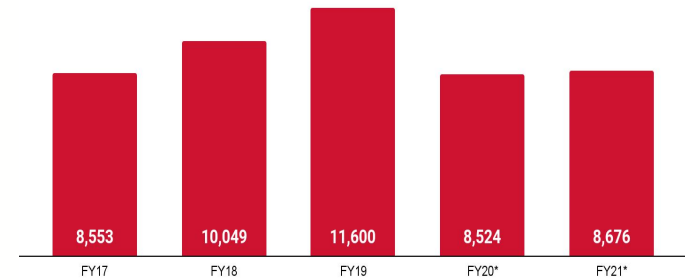
All figures are in Rs. Crs unless specified

## Total CV# Volumes and Market Share (in nos and %)

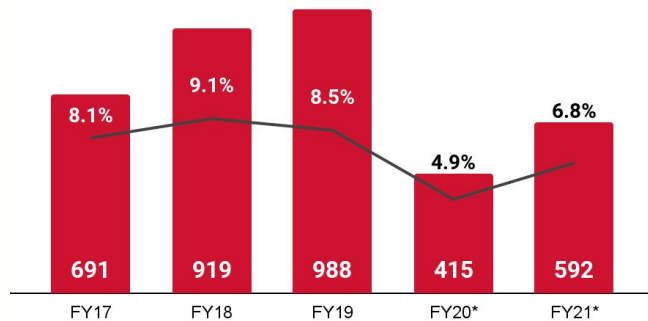


## Total Revenue

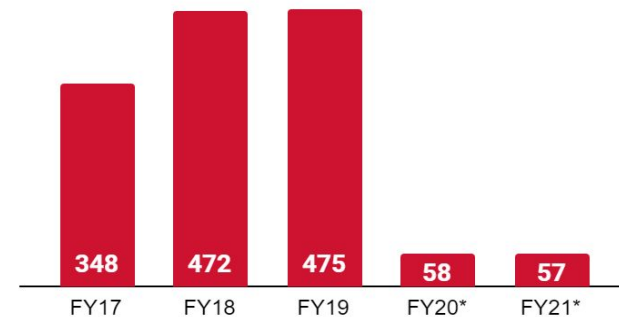
Total revenue from operations (net of excise duty)



## 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)

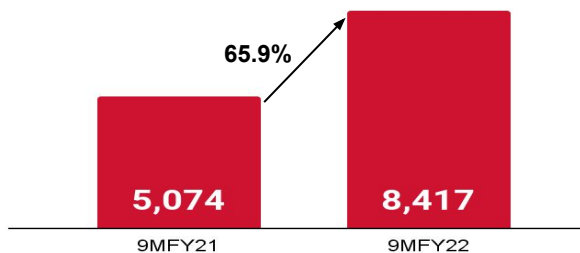
\*FY20 and FY21 volumes were impacted due to COVID 19 pandemic

# YTD Financial Highlights - VE Commercial Highlights

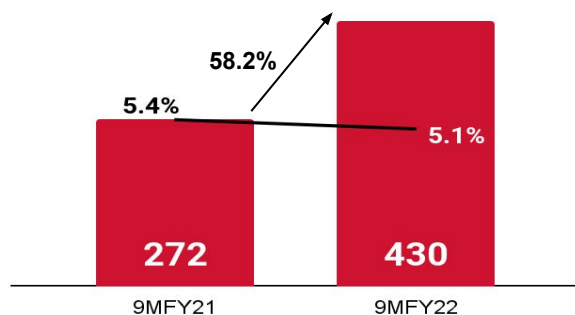
All figures are in Rs. Crs unless specified

## Total Revenue

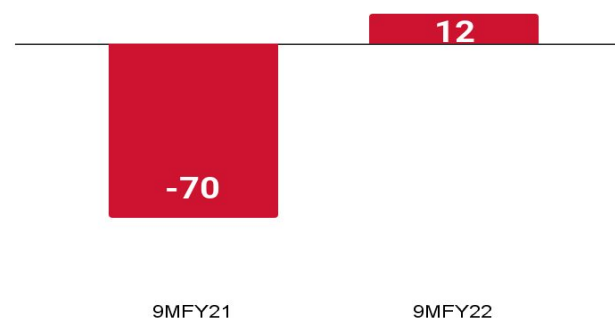
Total revenue from operations



## 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/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 6019T  
Pro 6028T/TM  
Pro 6035T



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**

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



INVESTOR PRESENTATION  
February 2022

# 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



# 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



VE Powertrain – Pithampur



Industrial Gear Box for Export (SEZ) – Pithampur



Chassis Assembly Line - Bhopal



Eicher Engineering Components- Thane Plant



Volvo Bus Plant, Bangalore



Bus plant-Baggad



VECV Corporate Office  
Gurgaon

Madhya Pradesh

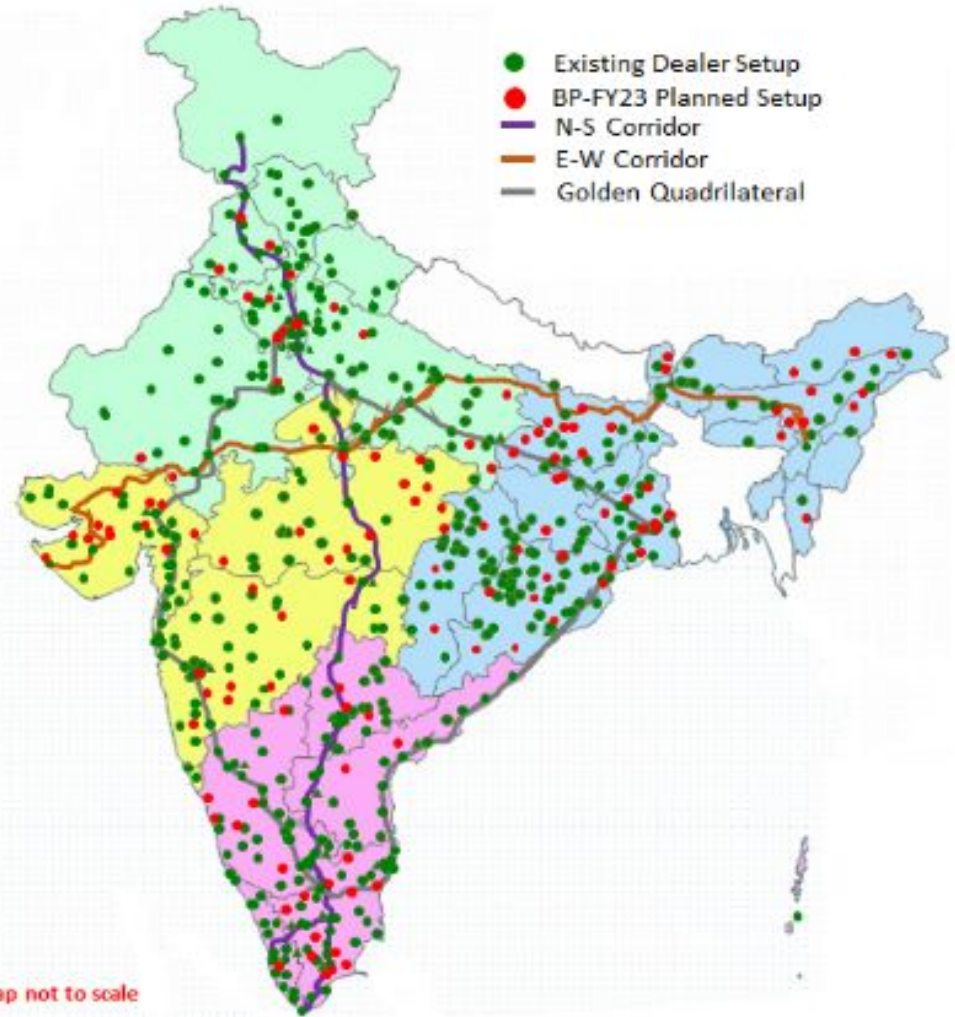
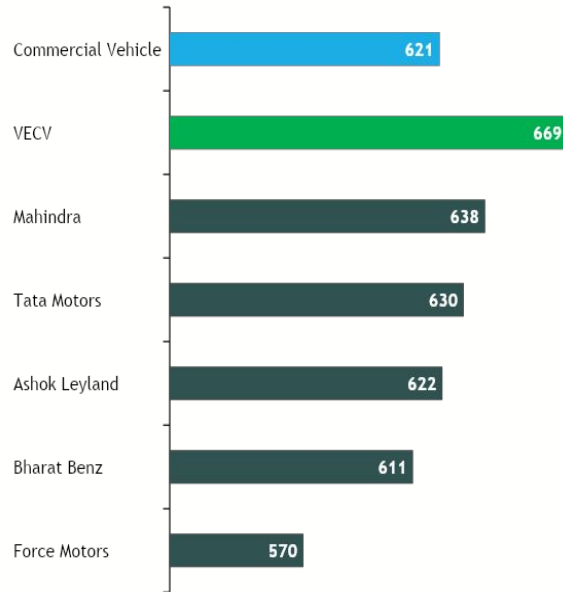
Thane

Bangalore



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

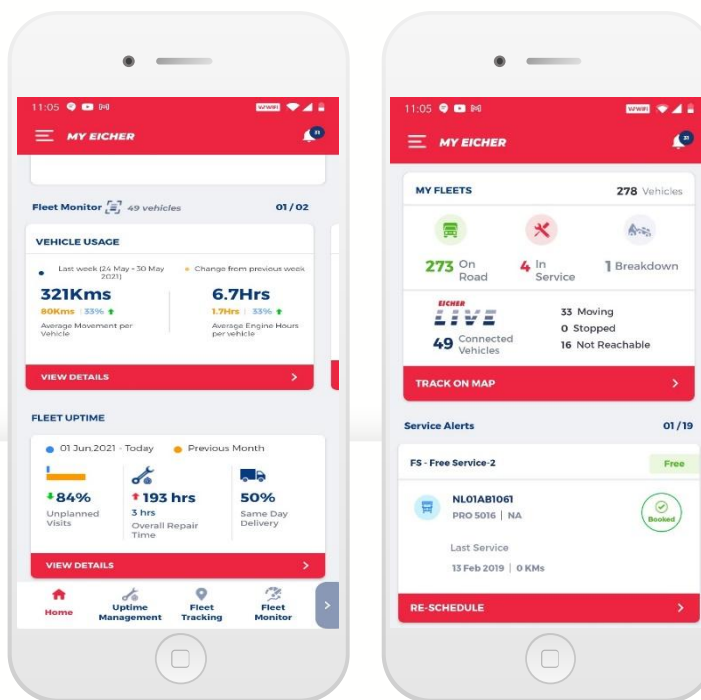
## #1 in Dealer Satisfaction\*



## 600+ network count



# Leading in Digitization...driven by 100% connected vehicle fleet



**Digital  
Customer**



**Digital  
Business**



**Digital  
Enterprise**





## 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

# Sustainability Efforts Gather Steam



**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.

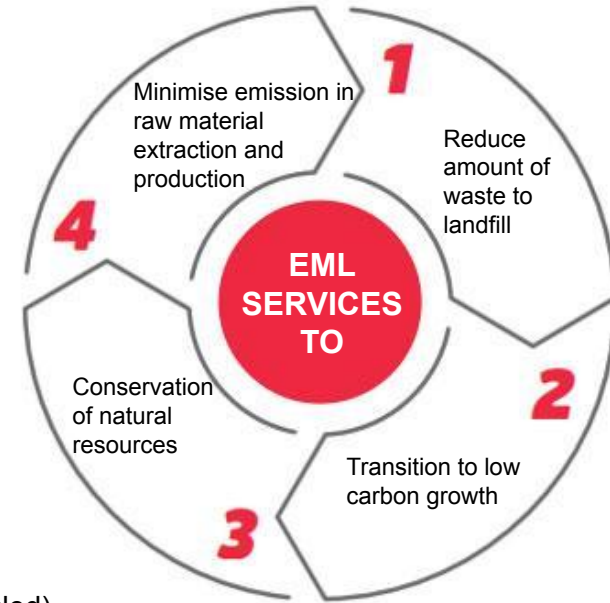
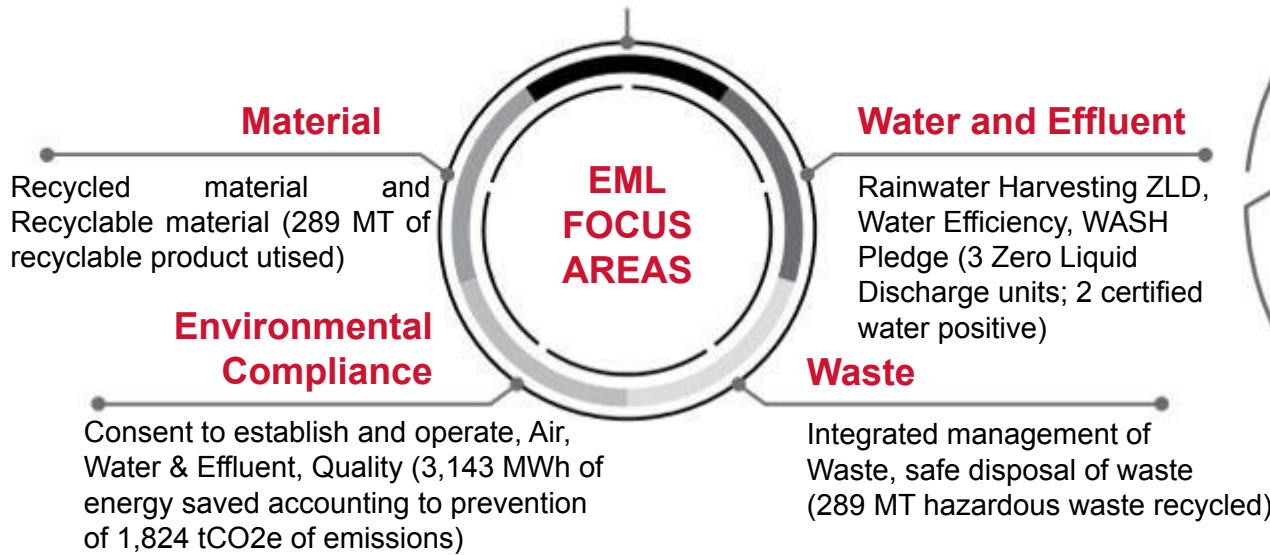


# Greener Business Operations



## Energy and Emissions

Conservation, efficiency, renewable energy, reduced emissions



## Alignment to sustainable development goals (SDGs)





India



USA



Europe

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

- Debut on the Dow Jones Sustainability Indices (DJSI)- Emerging Markets category, as one among only ten global automotive companies to feature on the elite list for 2021.
- 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
- Conducted One Ride across 35 countries including India where all the riders rode together spreading social message of responsible travel by leaving every place better

## Committed to support the affected communities during the pandemic

- **India:** Rs. 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.

# EML Board: Leaders with proven track record



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



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



**B. Govindarajan**  
Executive Director - 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**  
Executive Director -  
Royal Enfield



**Kaleeswaran  
Arunachalam**  
Chief Financial Officer



**Mark Wells**  
Chief of Design



**Mohit Dhar Jayal**  
Chief Brand Officer



**Simon Warburton**  
Chief Program  
Manager



**Sudhakar  
Bhagavatula**  
Chief Information  
Officer



**Manhar Kapoor**  
Chief Legal Counsel  
& Company Secretary



**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



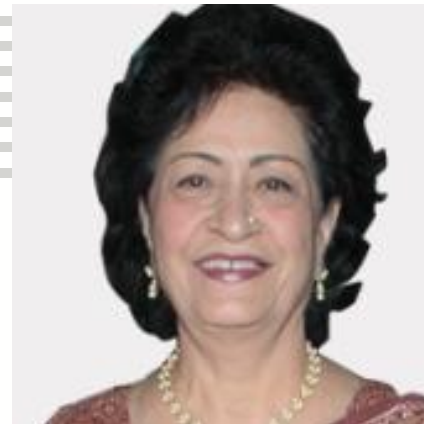
**Vinod Aggarwal**  
Managing Director &  
CEO VECV



**Philippe Divry**  
SVP Group Trucks  
Strategy, Volvo Group



**Raul Rai**  
Director



**Lila Poonawalla**  
Non-executive Director



**Inder Mohan Singh**  
Independent Director



# VECV Management ... Deep experience in Indian & Global CV industry

**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

## Volvo Trucks India

## Eicher Trucks and Buses, VEPT

## Bus Division

## EEC

### Technology and Operations



**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

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



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



**Suresh Chettiar**  
SVP  
Volvo Buses India



# 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, Rs. 60 Crs committed towards Covid-19 relief

# *Financials*



# Profit and Loss Statement (Consolidated)

(In Rs. Cr.)

Profit and Loss Account	FY17	FY18	FY19	FY20	FY21	9MFY22
<b>Sales Volume: Two Wheelers (Nos.)</b>	666,135	820,121	822,724	697,582	609,403	413,349
<b>Total revenue from operations (net of excise)</b>	7,033	8,965	9,797	9,154	8,720	7,105
Manufacturing and other expenses	4,859	6,157	6,894	6,973	6,939	6,037
<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>1,415</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>19.9%</b>
Depreciation	154	223	300	382	451	332
<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>1,083</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>15.2%</b>
Finance Cost	4	5	7	19	16	16
Other Income	227	280	443	543	453	323
<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>6</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>1,396</b>
Provision for taxation	720	936	1,077	527	452	330
<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>1,066</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>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>1,066</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>15.0%</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 Rs. Cr.)

Particulars	FY17	FY18	FY19	FY20	FY21	H1FY22
Net Fixed Assets (including CWIP and Pre-operative Expenditure)	1,247	1,835	2,324	2,690	2,748	2,803
Investments	4,987	5,581	4,923	5,749	3,902	5,691
Other Non Current Assets	260	186	180	102	125	238
<b>Current Assets</b>						
Inventories	336	395	633	572	875	1,113
Debtors	50	68	90	87	158	191
Cash and Bank Balances	25	1,212	2,965	2,951	5,830	3,465
Other Current Assets	86	227	271	299	921	912
Current Liabilities and Provisions	1,501	2,265	2,098	2,025	2,629	2,263
<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>3,418</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>12,150</b>
Share Capital	27	27	27	27	27	27
Reserves and Surplus	5,318	7,003	7,003	9,954	11,411	11,509
<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>11,536</b>
<b>Minority Interest</b>	-	-	-	-	-	-
Deferred Tax Liability (net)	78	142	274	252	222	212
Other Non Current Liabilities and Provisions	66	85	96	192	270	332
Borrowings - Current	-	-	-	-	-	70
<b>Total</b>	<b>5,489</b>	<b>7,257</b>	<b>9,289</b>	<b>10,425</b>	<b>11,930</b>	<b>12,150</b>



# Glossary

- **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
- **DIIs** – 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
- **FIIs** – Foreign Institutional Investors
- **GVW** – Gross Vehicle Weight
- **HD** – Heavy Duty
- **IGAAP** – Indian Generally Accepted Accounting Principles
- **IND AS** – Indian Accounting Standards
- **JV** – Joint Venture
- **LCV** – Light Commercial Vehicles
- **LMD** – Light 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 Manufactures
- **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

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**Thank You**  
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