



# INVICTOR DAY 20

ROYAL ENFIELD

AUGUST 12, 2022

# GROWTH FOCUS

Balance - Profit & Profitability

# SUSTAINABILITY

Balance - Social & Commercial objectives

ROYAL ENFIELD

# REBALANCE

# ICE AND EV

Balance - EV as game changer along with ICE

# BRAND LED CX

Brand led Customer Experience versus transactional focus

# CREATE AGILE, RESILIENT & TIMELESS BUSINESS

STRATEGIC APPROACH



# PURE MOTORCYCLING

# 1901

1<sup>st</sup> Royal Enfield  
Motorcycle Produced

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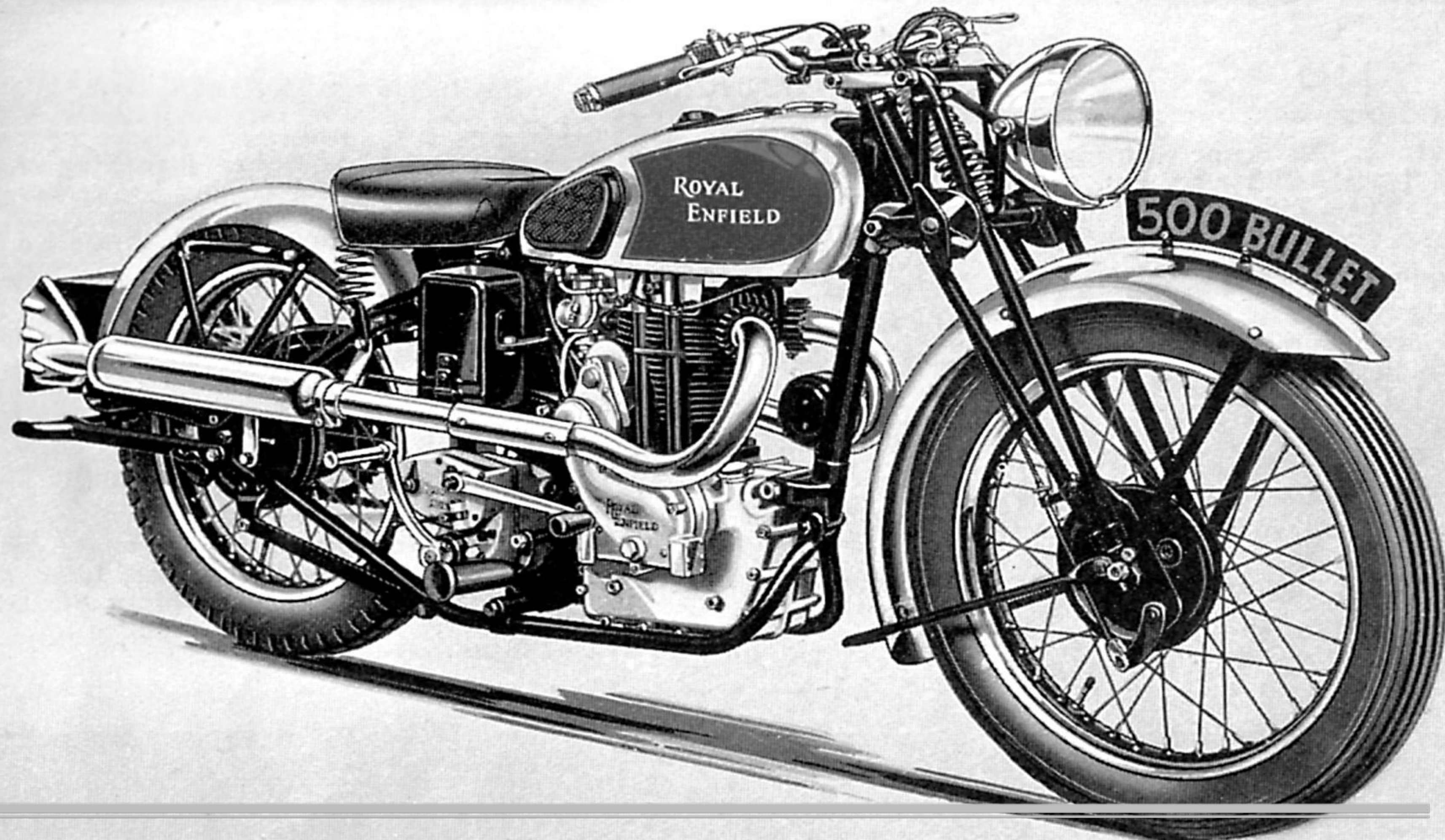
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**1932**

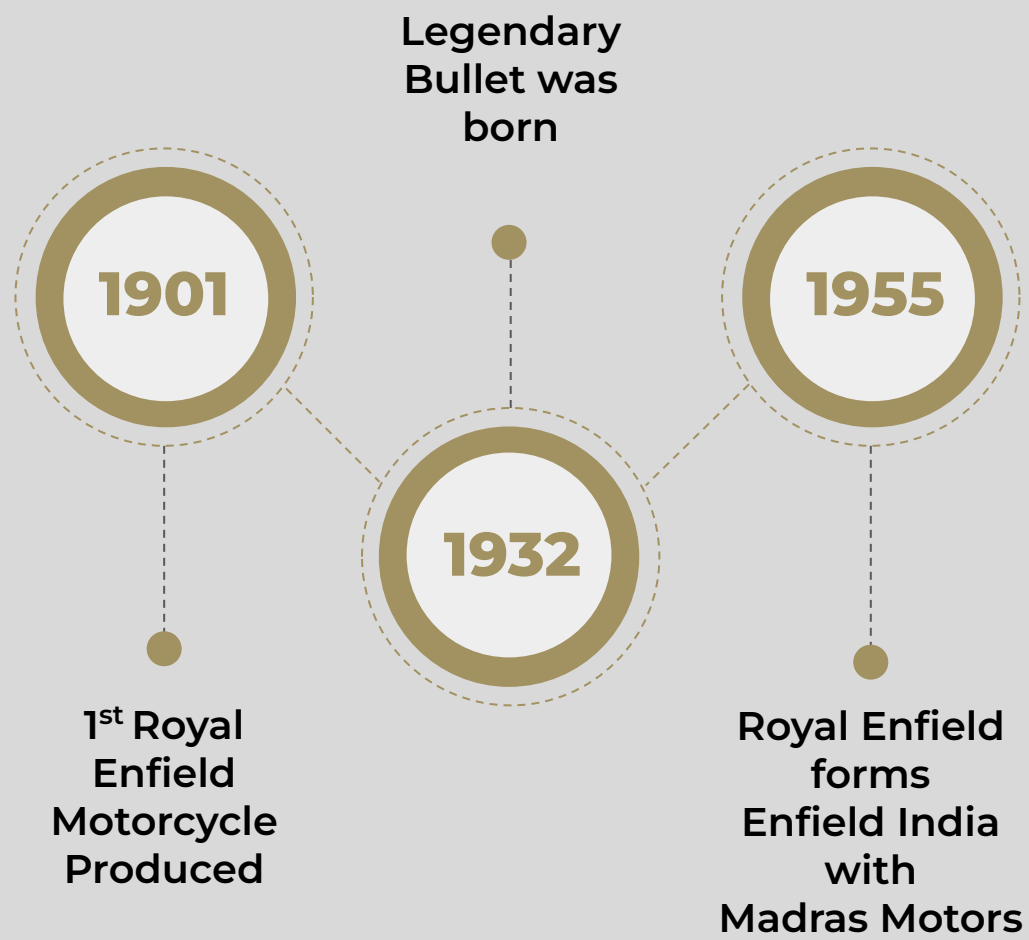
Legendary Bullet  
was born

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# EVOLUTION OF OUR COMPANY

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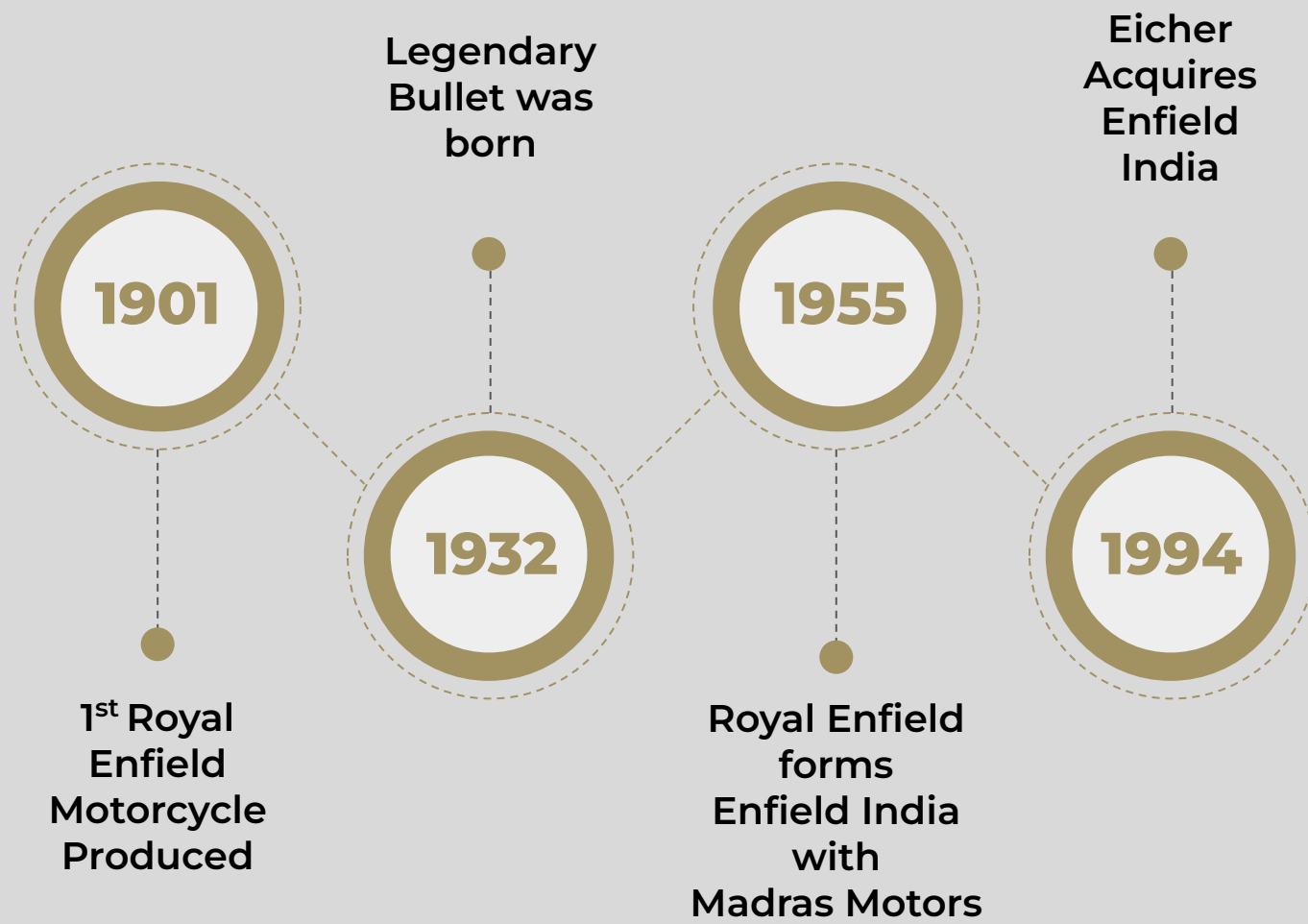
**1955**

Royal Enfield forms Enfield India with Madras Motors



# EVOLUTION OF OUR COMPANY

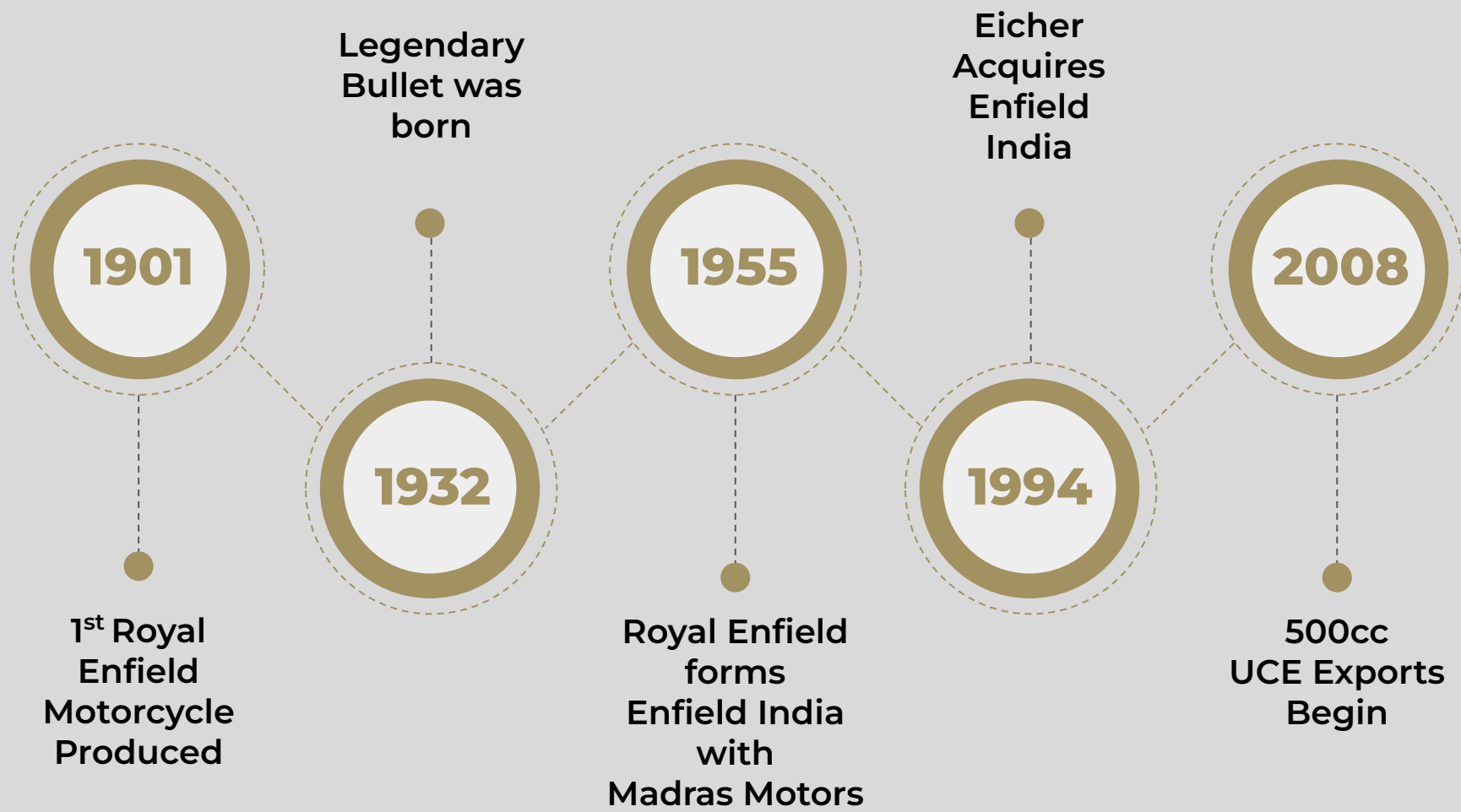
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# EVOLUTION OF OUR COMPANY

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# 2008

Classic 500cc  
Exports start

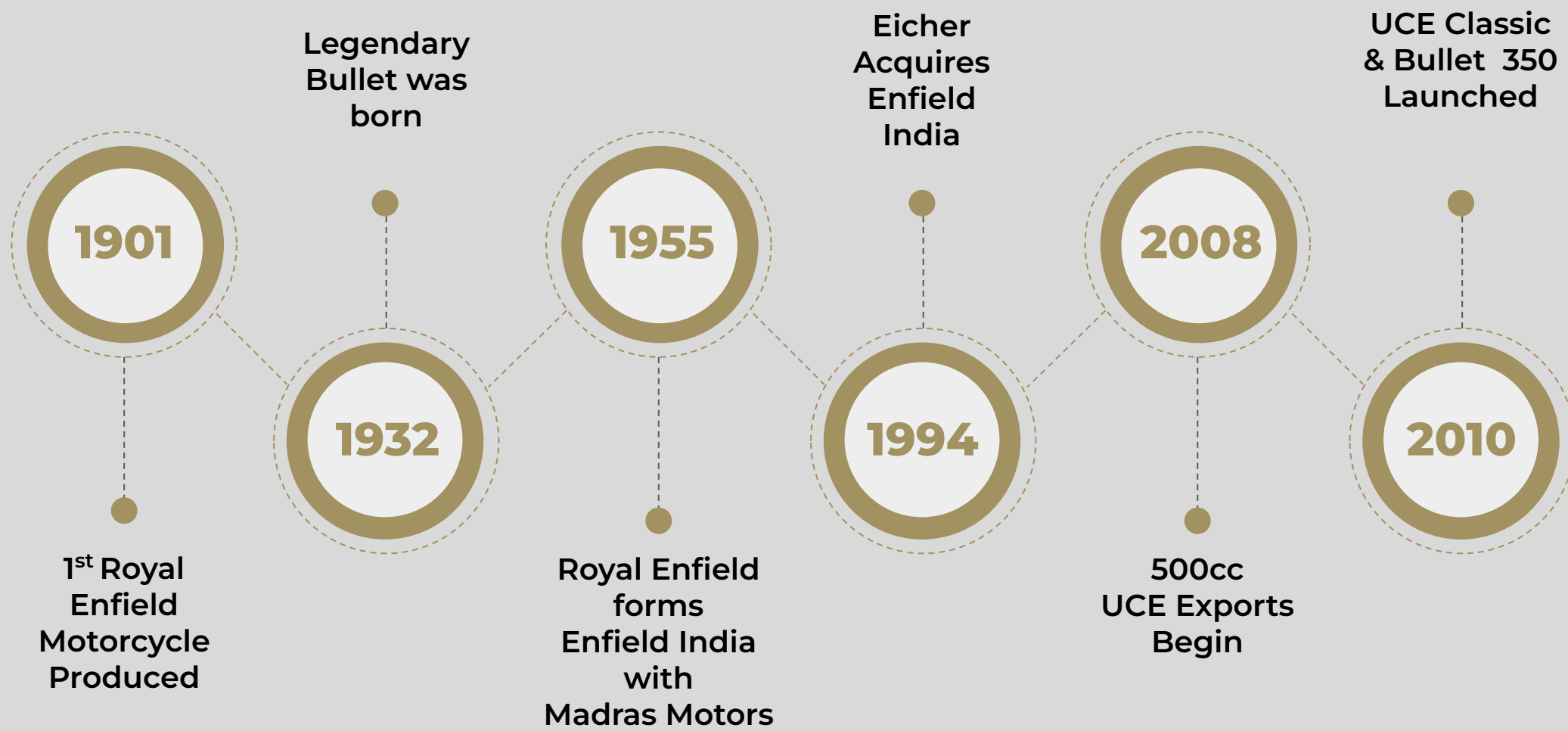
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# EVOLUTION OF OUR COMPANY

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# 2010

UCE Bullet &  
Classic 350 Launched

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**2013**

**PRODUCTION STARTS  
AT ORAGADAM**

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YEAR 2014:  
REFRESHED  
BRAND  
RETAIL  
IDENTITY  
ELEMENTS  
LAUNCHED

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**2016**

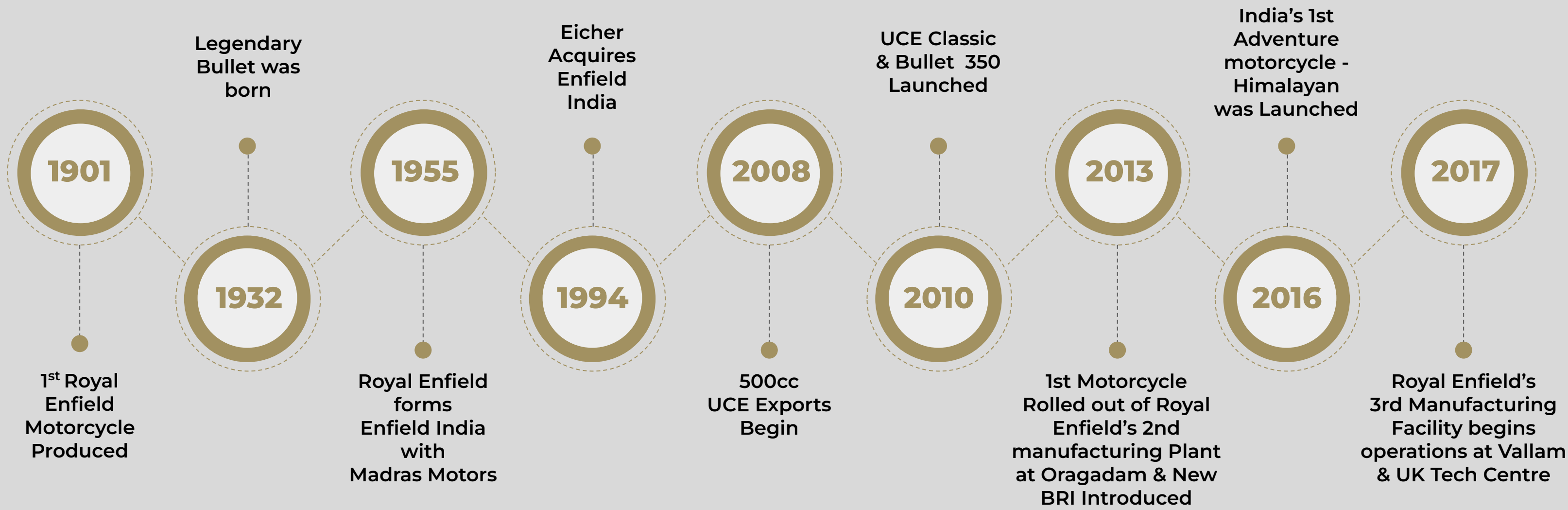
**HIMALAYAN  
LAUNCHED IN INDIA**

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# EVOLUTION OF OUR COMPANY





## THIRUVOTTIYUR



No Assembly  
operations;  
Plating &  
Auto buffing

## ORAGADAM



Capacity  
**600,000**  
motorcycles per  
annum

## VALLAM



Capacity  
**600,000**  
motorcycles per  
annum

**2017**  
PRODUCTION  
BEGINS AT VALLAM

**2017**

**UK TECH CENTRE BECOMES  
OPERATIONAL**

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**2018**

IN TECH CENTRE BECOMES  
OPERATIONAL

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# 2018

TWINS LAUNCHED

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# 2019

## STUDIO STORES INTRODUCED

### ROYAL ENFIELD

- Over half of the studio stores are opened in UP, MP, Rajasthan, Odisha, Bihar, Andhra Pradesh, West Bengal where RE's market share is lower than its India average.

- A unique compact store format
- 3S store offering Sales, Service and Spares
- Fully compliant with RE's brand identity

- Provide greater accessibility to sales and service in up-country markets
- 771 studio stores opened till September 2020

WORKSHOP  
275sqft

SHOWROOM  
225sqft

# 2020

J-PLATFORM INTRODUCED  
WITH METEOR

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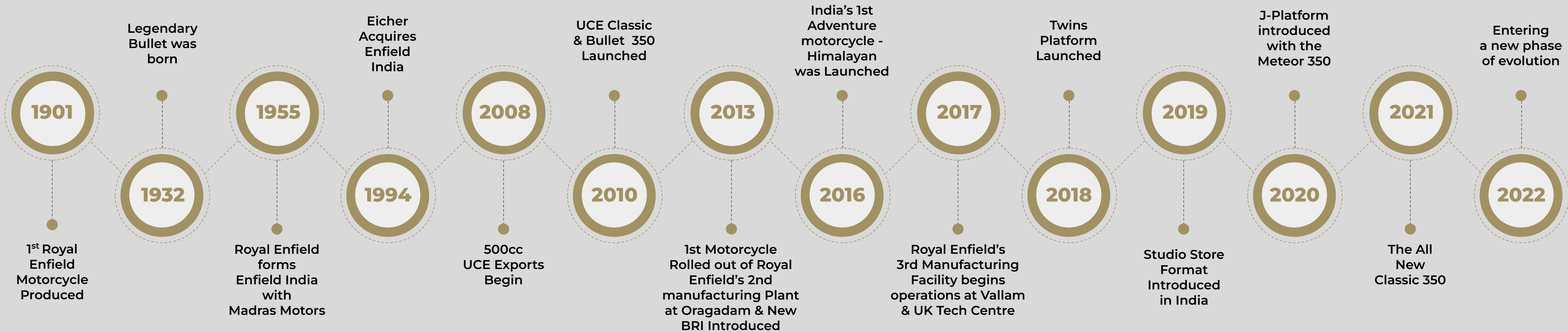
**2021**

**ALL NEW CLASSIC 350  
LAUNCHED**

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# EVOLUTION OF OUR COMPANY





**20**

**22**

**MOTORCYCLING ENTHUSIASTS  
LEADING ROYAL ENFIELD**

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**POSITIONING & PRODUCT  
PORTFOLIO FOR THE FUTURE**

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**OPPORTUNITIES & MARKET  
PERFORMANCE**

# TEAM OF GLOBAL PROFESSIONALS



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



**B. Govindarajan**  
CEO - Royal Enfield



**Mohit Dhar Jayal**  
Chief Brand Officer



**Mark Wells**  
Chief of Design



**Paolo Brovedani**  
Chief of Product Development



**Simon Warburton**  
Chief Program Manager



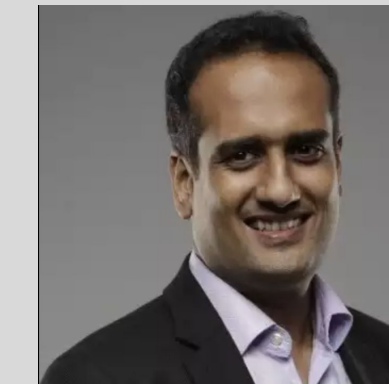
**Yadvinder  
S. Guleria**  
Chief Commercial Officer



**Sudhakar  
Bhagavatula**  
Chief Information Officer



**Rajeev Sharma**  
Chief Human Resource  
Officer



**Kaleeswaran  
Arunachalam**  
Chief Financial Officer

# AT ROYAL ENFIELD

**2022**

**MOTORCYCLING ENTHUSIASTS  
LEADING ROYAL ENFIELD**

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**POSITIONING & PRODUCT  
PORTFOLIO FOR THE FUTURE**

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**OPPORTUNITIES & MARKET  
PERFORMANCE**

# POSITIONING

What do we stand for today?

What will we stand for tomorrow?

**At the intersection of  
WHAT you are good at  
and WHO it's good for  
—there is your purpose.**



**-@stic**

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**‘At the intersection of what  
people want from life and  
what we do best as a brand  
– there is our Positioning.’**

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**DESIGN DNA + PRODUCT PHILOSOPHY + ORG. CULTURE + BRAND BEHAVIOUR**

**+  
CUSTOMER CONTEXT**

**=  
POSITIONING**

# TODAY

WHAT MAKES US A STRONG,  
VALUABLE AND DESIRABLE BRAND TODAY?





**Community**  
**Driven**

**Culture**  
**Builder**

**Craft**  
**Based**

# COMMUNITY DRIVEN

Royal Enfield is powered by a huge,  
highly engaged online and offline community.

# ICONIC RIDES

TRAVERSED

7

CONTINENTS

COVERED

120

COUNTRIES

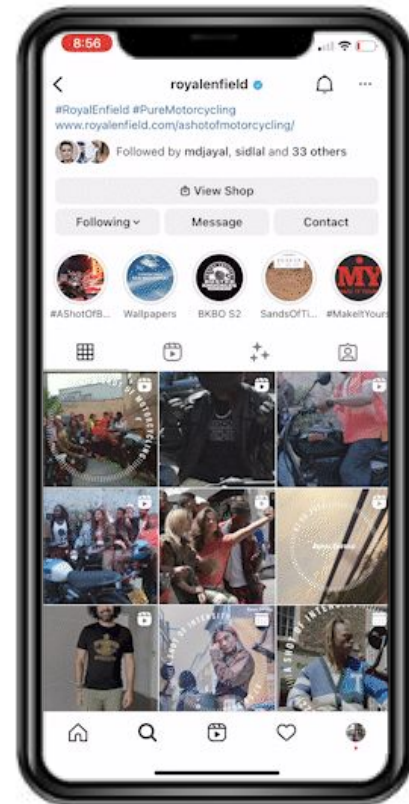
ENGAGED

1.2 MILLION  
RIDERS

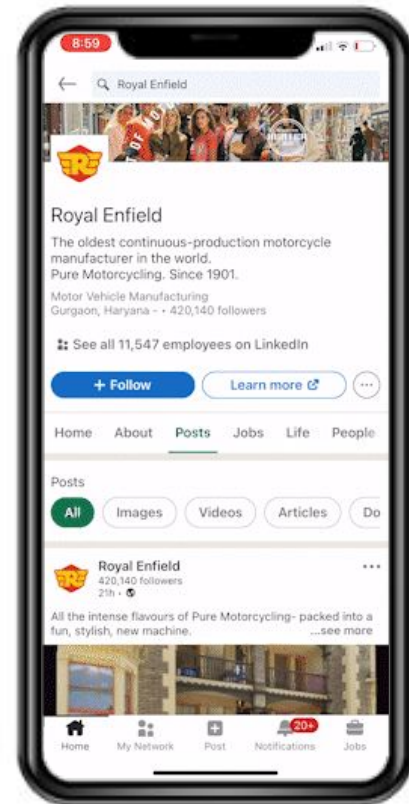
# 10

# STRONG SOCIAL MEDIA COMMUNITY WHICH IS FULLY ORGANIC

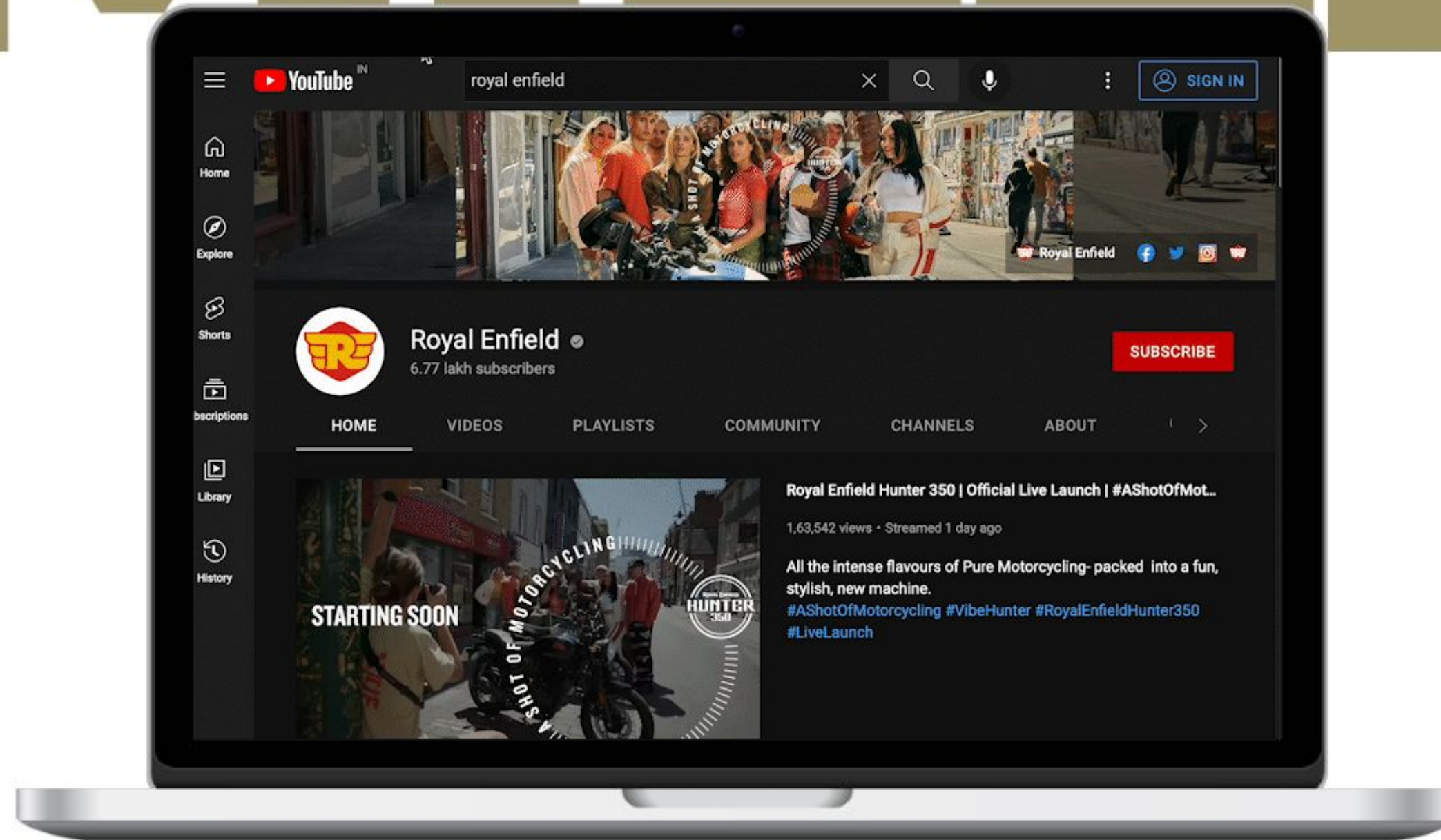
ONE OF THE STRONGEST ONLINE COMMUNITIES IN THE WORLD



INSTAGRAM



LINKEDIN



YOUTUBE



FACEBOOK



TWITTER

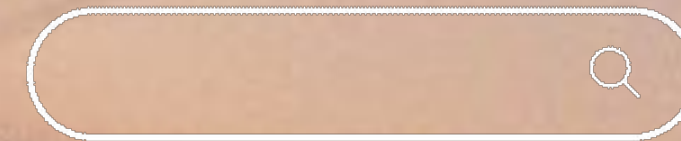


**SHARE OF VOICE**

**32%**



**Google**

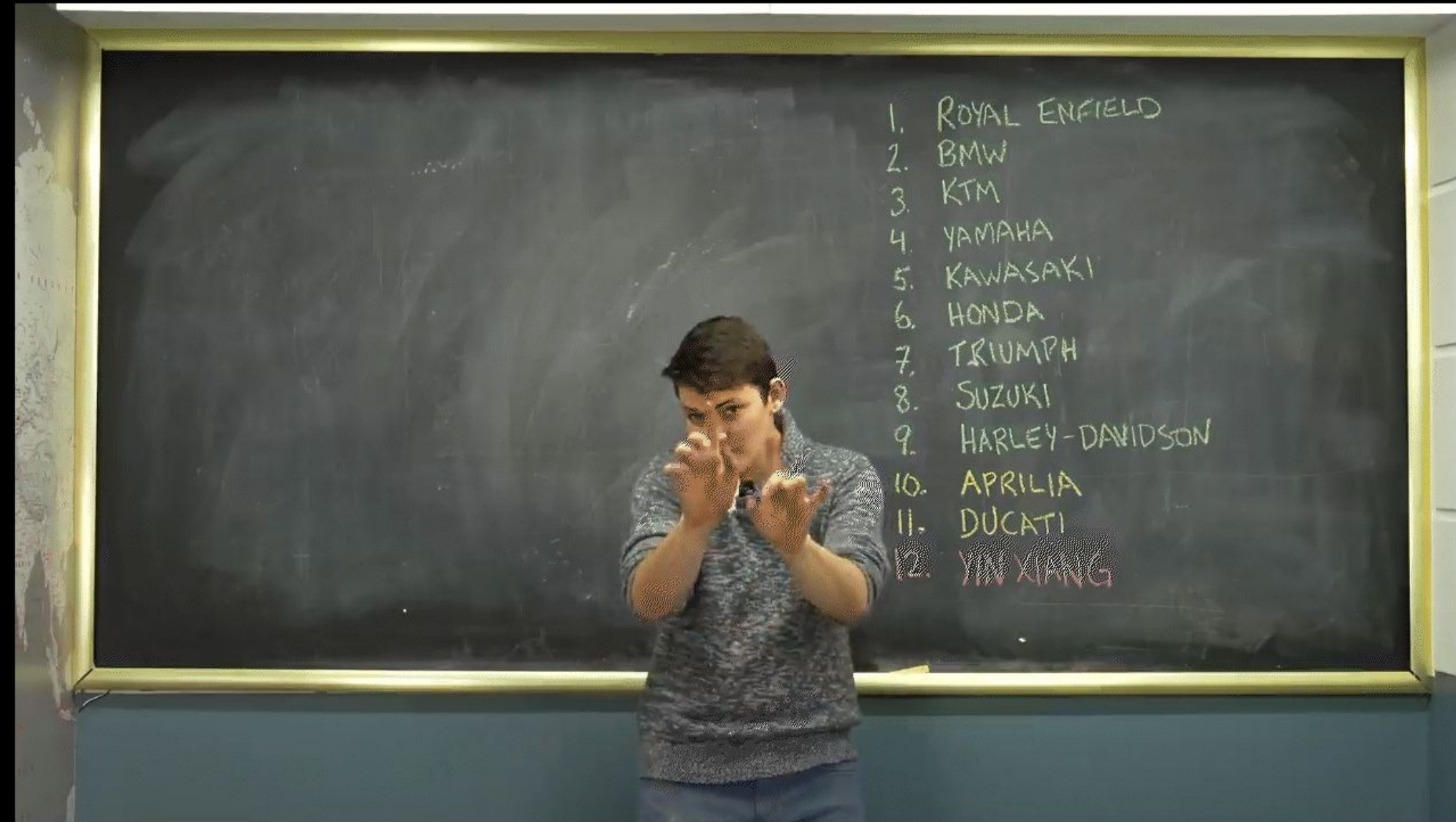


**SHARE OF SEARCH**

**28%**

**VS**

**SHARE OF MARKET 5.8%**



Which Motorcycle Manufacturer is Best? [Laboratory Test]

10,49,959 views • 14-Mar-2021

58K DISLIKE SHARE SAVE ...

FortNine  
15.3 lakh subscribers

SUBSCRIBE

Home News In-depth Reviews Modifications Used Cars Car Life Electric Vehicles Bikes

## ROYAL ENFIELD ENGINES CLEANEST IN THE WORLD



### Royal Enfield engines cleaner than ones built by BMW, Ducati, KTM & more: We explain



Yammie Noob ✓

1.12M subscribers



YouTube

## Do We Owe Royal Enfield an Apology?

Uploaded by: Yammie Noob, 20 Jul 2022

71K Views · 3.11K Likes

Watch



# POWERED BY A DIGITAL COMMUNITY

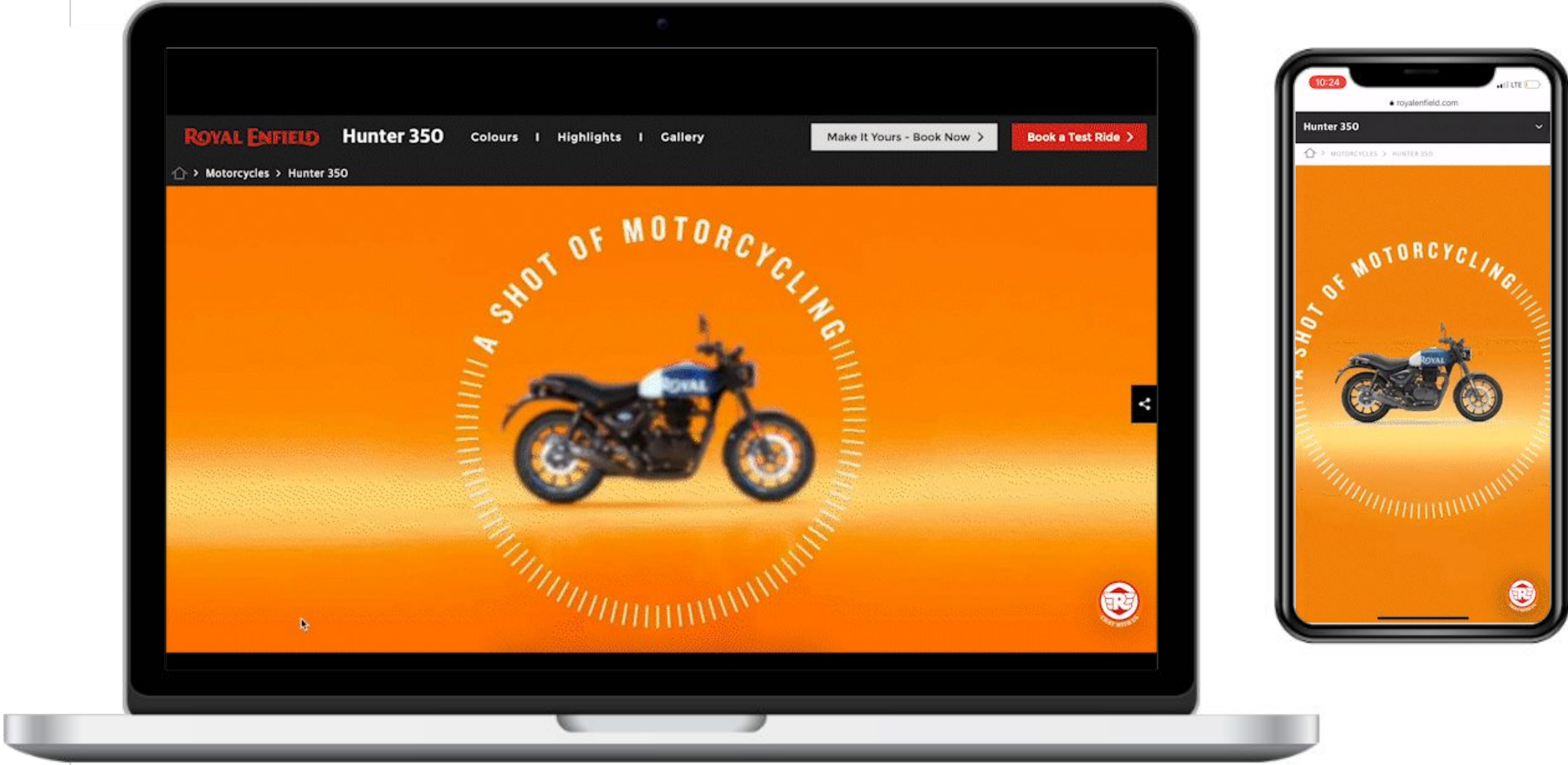
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**56**  
**MILLION**  
**GLOBAL WEB TRAFFIC**

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**10x** OF CLOSEST  
**COMPETITORS**

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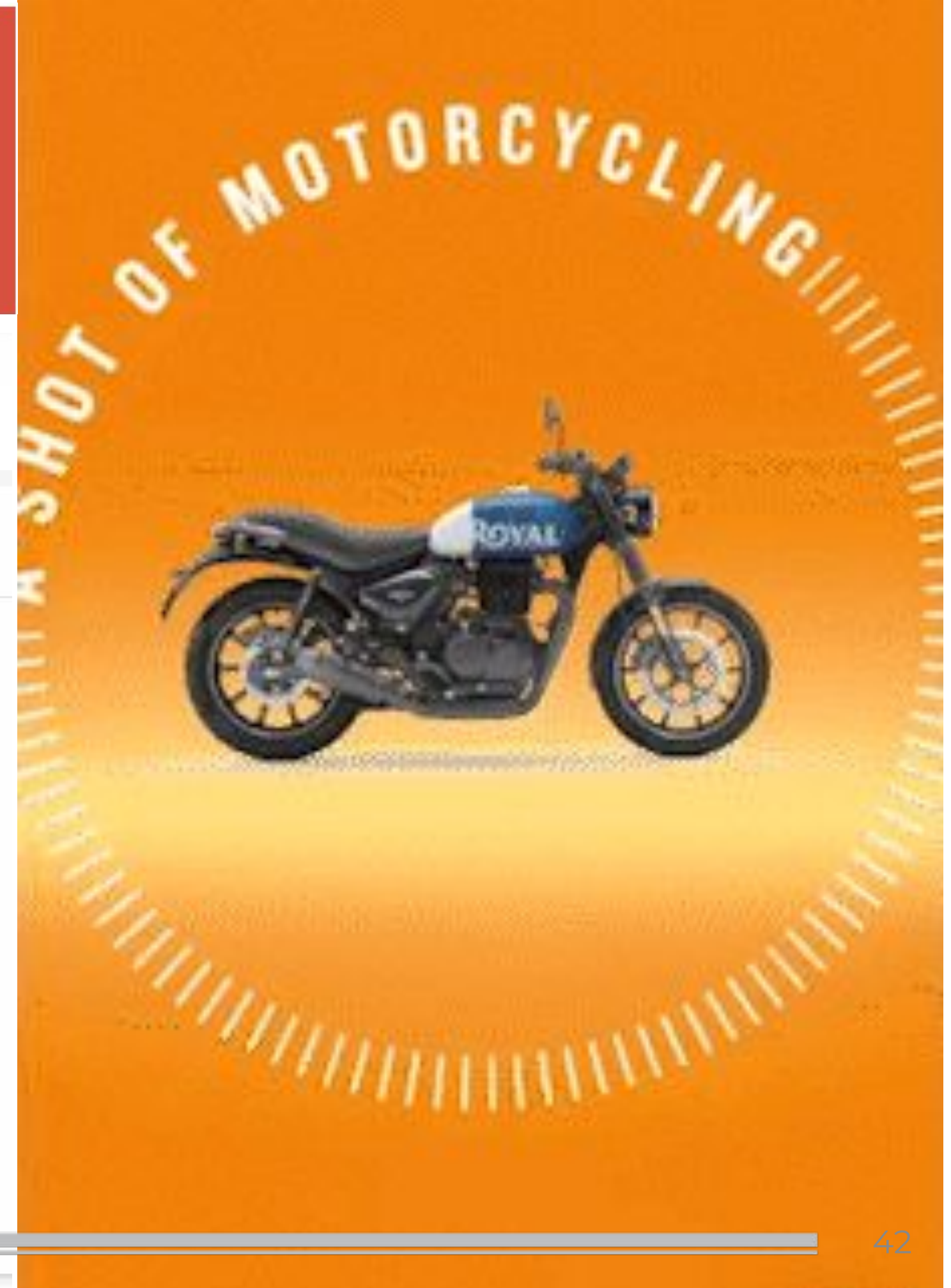
Hunter 350 price amongst the **TOP 10** trending searches in India on **6-7-8 August**

India 7/20/22 - 8/8/22 All categories Web Search

Interest over time

Royal Enfield Automaker company  
Hunter 350 Search term

Download, Compare, Share icons



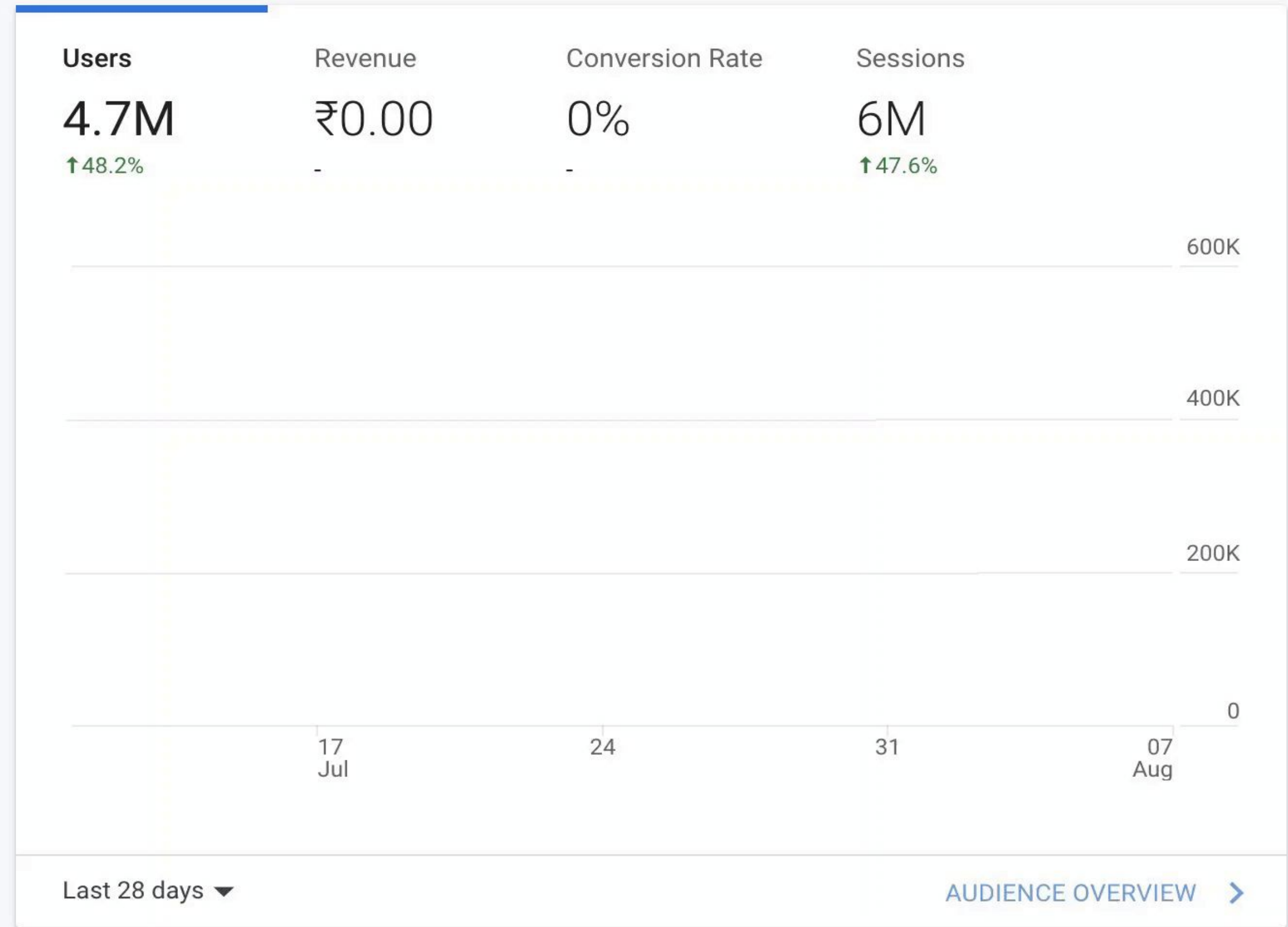


**Royal Enfield Global website visits saw an upward trend of**

**48.2%**

**starting the teaser Go Live!**

**Hunter 350 launch has led to web traffic increase to all time high!**



# Instagram Analytics

Instagram stood-out as the most engaging social media platform

We reached

**54M+**

users on the platform, the engagement increased by

**143%**

during the teaser and the launch phase

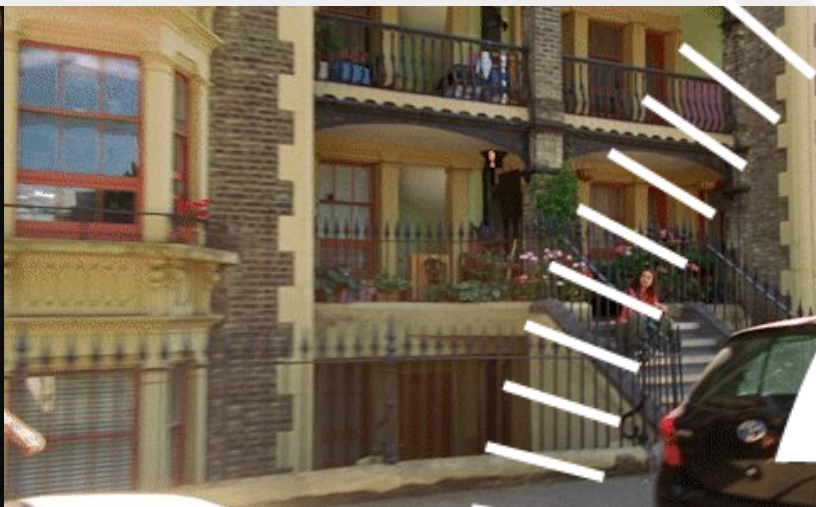


# CULTURE BUILDER

Royal Enfield products, experiences and even brand communications are all expressions of popular culture rather than conventional marketing formulae







ROYAL ENFIELD

HUNTER

ROYAL

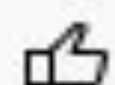
ROYAL ENFIELD  
HUNTER  
350



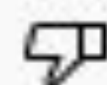


Anand S 2 days ago

For those wondering, this is the lovely BGM - "Tonight The Streets Are Ours" by Richard Hawley



50



REPLY



Niladri Sekhar Roy 2 days ago

This is art. Royal Enfield, what a trajectory!



41



REPLY



Jatin 2 days ago

I've got a feeling FortNine made this. Or if not, it's proly inspired from their conti video



11



REPLY

# **CRAFT BASED**

**Royal Enfield products and experiences are based on an open, un-corporate culture of customisation, modification and accessibility – offering people a user-friendly platform for art, craft and sport.**



# Pure Custom



# Pure Pedigree

# Pure Sport





# TOMORROW

How will we protect and grow this brand value tomorrow?

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**Effective brand strategy is still about creating Desirability. But with the rise of consumer awareness and activism, the drivers of that desirability have switched from slick persuasion tactics to authentic, meaningful brand behaviour.**

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Companies are under the spotlight like never before as they struggle for competitive advantage in the context of this reality. Their customers aren't just making decisions based on the stalwarts of product selection or price. They're now assessing what a brand says. What it does. What it stands for.

**accenture**strategy



***“Brands must remember that consumers are looking to become better people.”***

The Business of Fashion  
**BOF**



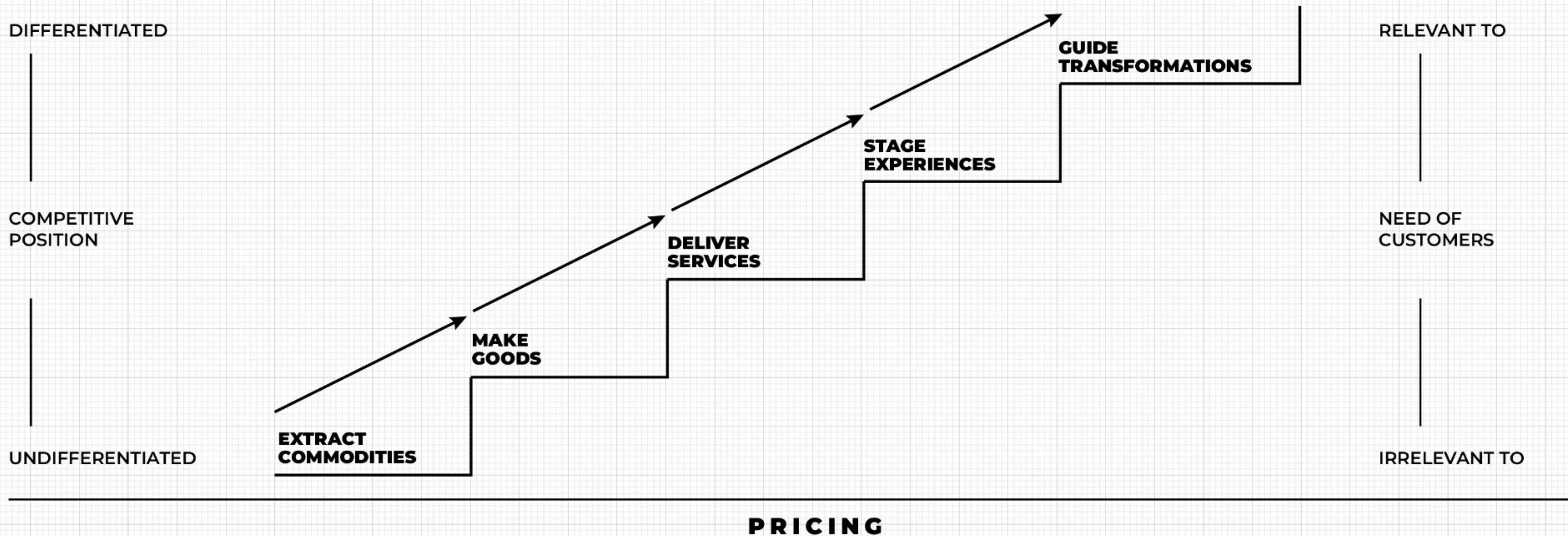
INNOVATION

# Welcome to the Experience Economy

by **B. Joseph Pine II** and **James H. Gilmore**

FROM THE JULY-AUGUST 1998 ISSUE

# THE PROGRESSION OF ECONOMIC VALUE



We have always stood for something  
greater than the sum of our parts:

# MOTORCYCLING CULTURE

VS

# AUTOMOTIVE INDUSTRY



We have always stood for something  
greater than the sum of our parts:

**COMMUNITY**

VS

**CONSUMER**

We have always stood for something  
greater than the sum of our parts:

# CHALLENGER

VS

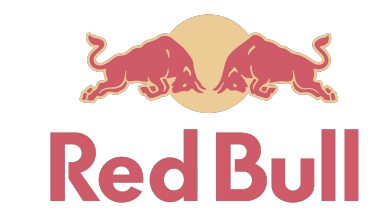
# CONVENTIONAL

We have always stood for something  
greater than the sum of our parts:

# TRANSFORMATIONS

VS

# TRANSACTIONS



**We believe (and so does our community) that we are much more than a motorcycle brand. We belong to a select group of global brands that Inspire and Enable people.**







**More than a brand, we are part of a set of Belief Systems and Lifestyle Movements that help transform people's lives**



**In response to this changing context, we launched a multi-layered initiative to rapidly build:**

**Stronger Connections + Stronger Capabilities = Stronger Positioning**



# STRONGER CONNECTIONS



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**People are looking to become better versions of themselves, and our path intersects with theirs at three places.**

**It is at these points of intersection that we will offer them products, experiences and insights that will enable their quest.**

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**Self  
Expression**

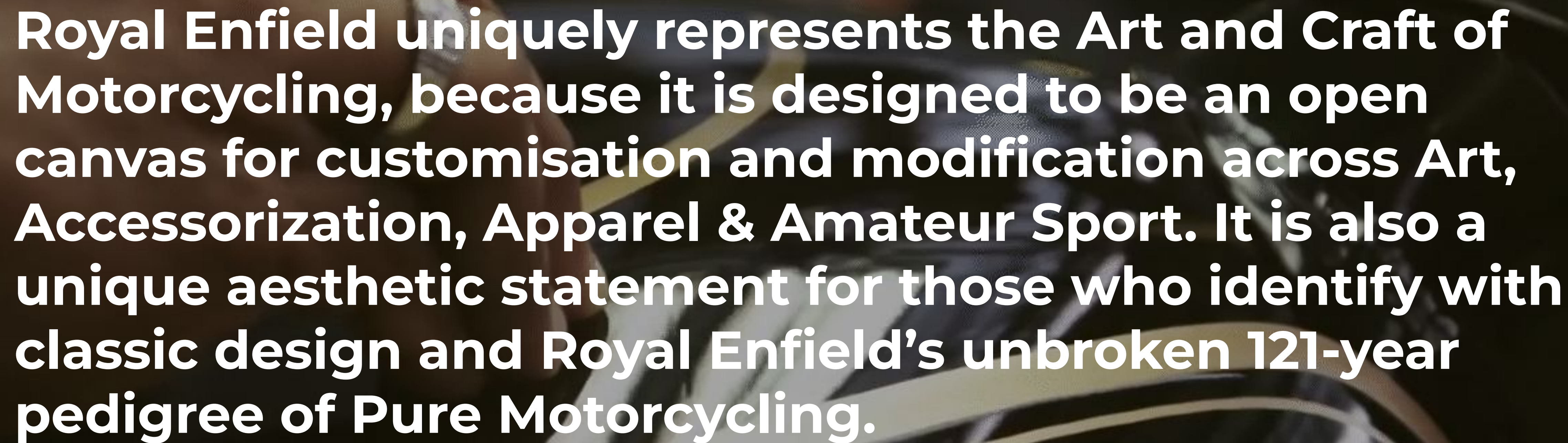
**Self  
Exploration**

**Social  
Self**



# SELF EXPRESSION

12.3 k

A close-up photograph of a person's hands working on a motorcycle engine. The person is wearing a blue plaid shirt. The background is dark and out of focus, showing parts of the motorcycle. The text is overlaid on the image in a bold, white, sans-serif font. The text is framed by two horizontal gold lines at the top and bottom.

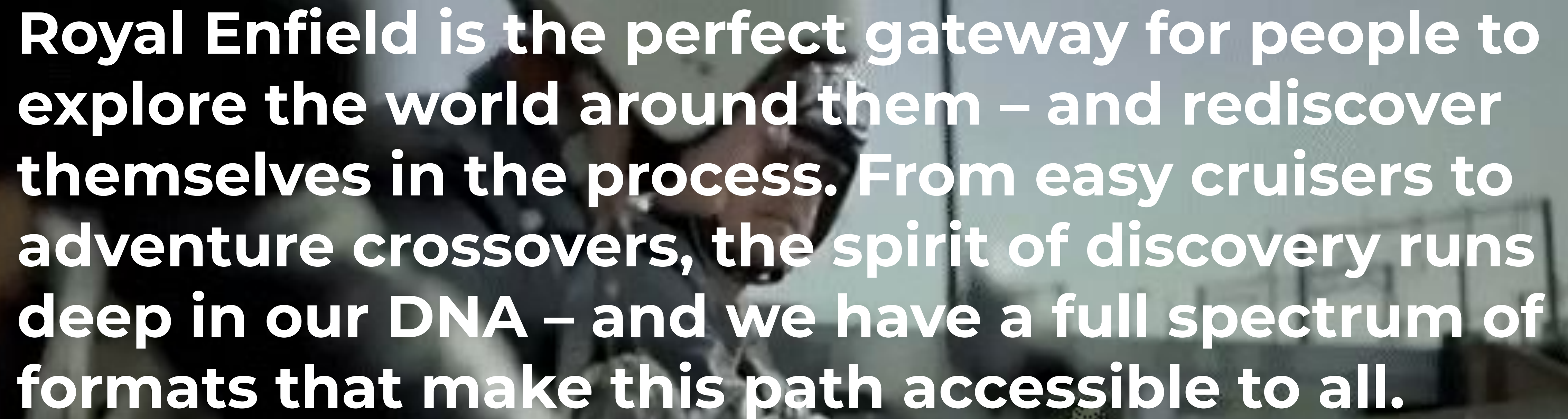
**Royal Enfield uniquely represents the Art and Craft of Motorcycling, because it is designed to be an open canvas for customisation and modification across Art, Accessorization, Apparel & Amateur Sport. It is also a unique aesthetic statement for those who identify with classic design and Royal Enfield's unbroken 121-year pedigree of Pure Motorcycling.**



# SELF EXPLORATION







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**Royal Enfield is the perfect gateway for people to explore the world around them – and rediscover themselves in the process. From easy cruisers to adventure crossovers, the spirit of discovery runs deep in our DNA – and we have a full spectrum of formats that make this path accessible to all.**

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# SOCIAL SELF



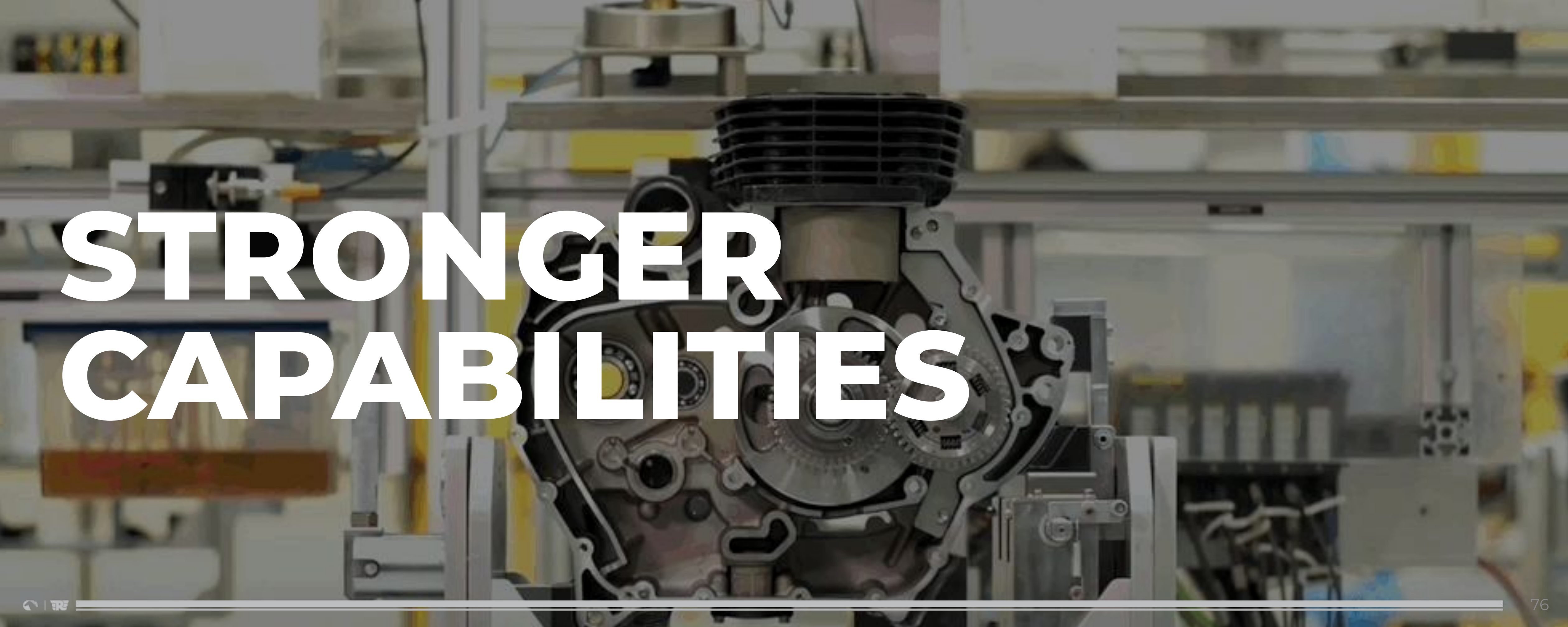
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**Via the Royal Enfield community, individuals can belong to a thriving, global tribe of like-minded people; and through Royal Enfield's extensive social missions and new modes of sustainable exploration, individuals can be part of a greater purpose – a force for good.**

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# STRONGER CAPABILITIES

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**Rebalancing brand strategy and adjusting our positioning to be a global thought leader will also require new capabilities.**

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RELab LDN

CX Unit

Motoverse

A photograph of a modern building with a dark blue facade and large glass windows. The building is illuminated from within, showing a multi-level interior with a staircase and various displays. The sky is a mix of blue and orange, suggesting sunset or sunrise. The overall scene is a professional and modern setting.

ROYAL ENFIELD

# RELab LDN

Set up in June 22, the Lab is tapping into top-tier global talent in the form of in-house specialists, supported by a carefully selected ecosystem of agencies. ReLab's primary mission is to fast-track both innovation as well as upgradation of our global brand system.

# CX Unit

Set up in May 22, the Customer Experience Unit is focused on auditing, unifying and elevating all aspects of CX, including online, offline and everything in between. It will be powered by a best-in-class Customer Data Platform that will precisely track every customer's journey through all touchpoints –and ensure efficiency, engagement and delight at every stage.





# Motoverse

In Nov 2022, Royal Enfield will launch a multi-layered outreach program to deepen the brand's relationships with iconic individuals, events, expeditions and experiences that share similar DNA. These initiatives are much broader than just branding opportunities, because they enable RE to help spread much-needed inspiration and information by providing a platform to some of the world's foremost explorers, creators and sports people.



**STRONGER  
CONNECTIONS  
STRONGER  
CAPABILITIES  
STRONGER  
POSITIONING**

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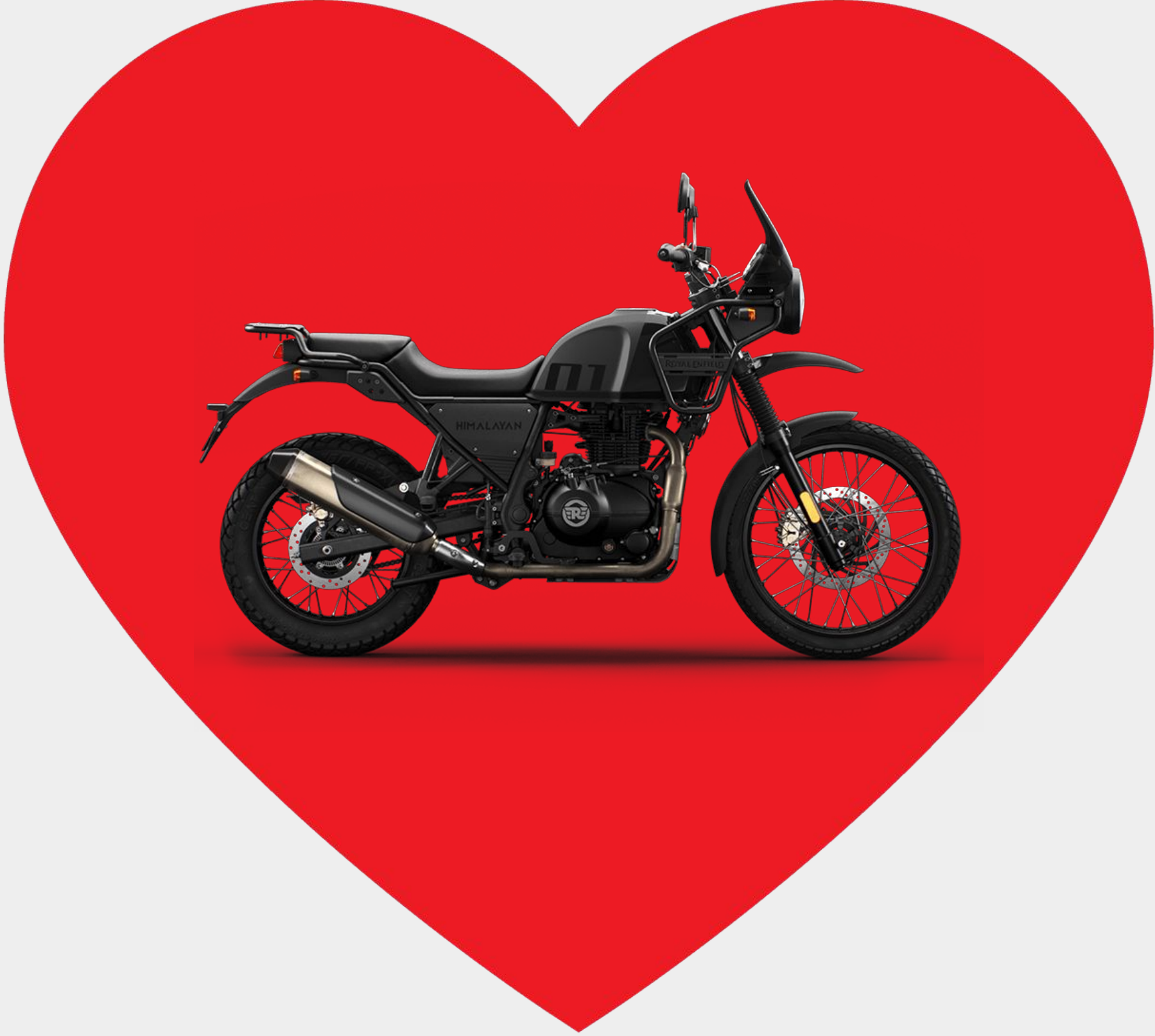
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# Mission 2022-25

Ensure relevance and appeal in an ever-changing socio-economic context - without diluting our DNA and all that we are. And in doing so, we will continue to create ever-increasing socio-economic value for our community and our stakeholders.

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**20**

**22**

**MOTORCYCLING ENTHUSIASTS  
LEADING ROYAL ENFIELD**

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**POSITIONING & PRODUCT  
PORTFOLIO FOR THE FUTURE**

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**OPPORTUNITIES & MARKET  
PERFORMANCE**



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# 2016

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# 2018

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# 2018

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# 2018

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# 2018

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# 2019

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# 2022

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# 2022

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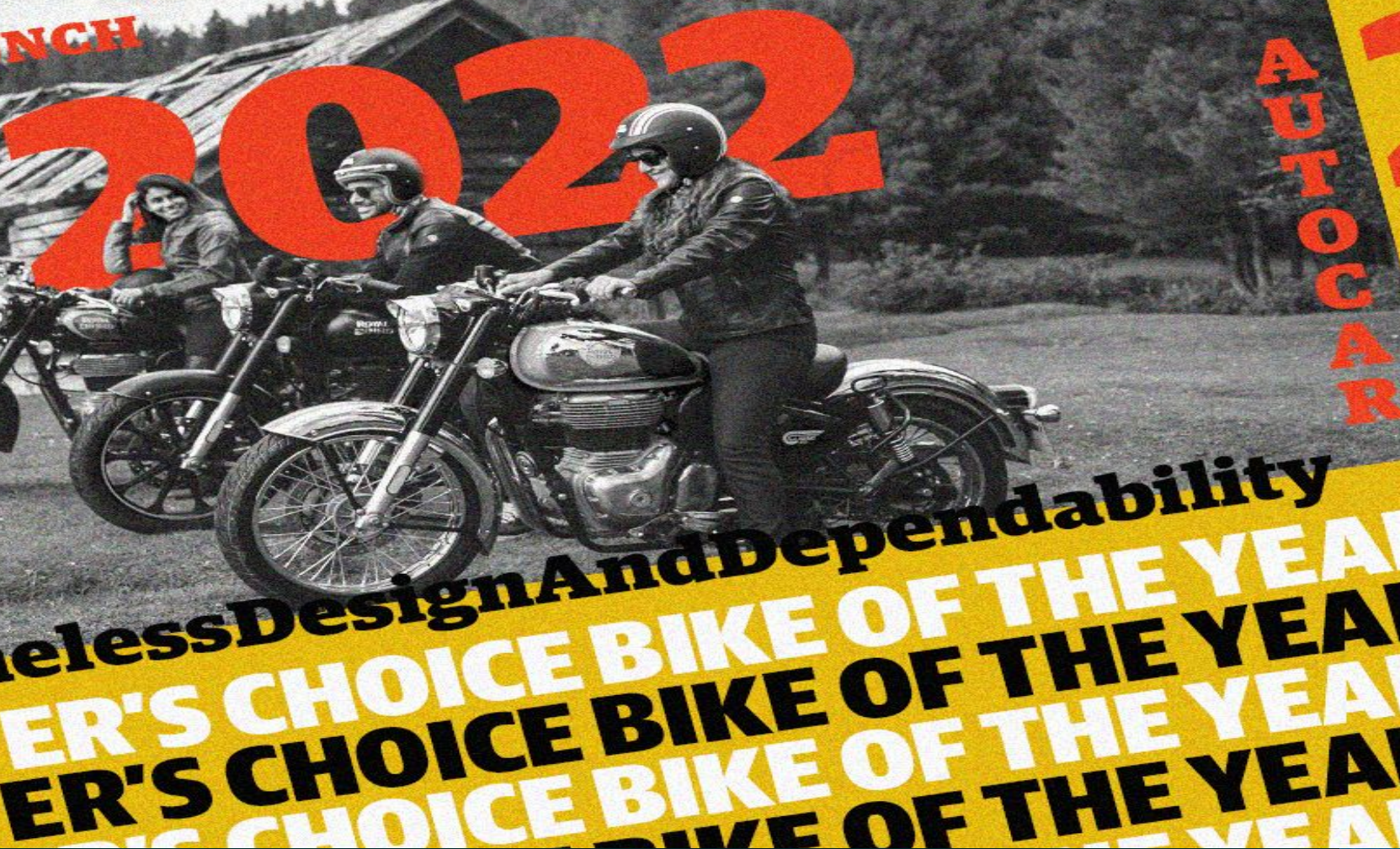


MCN'S BEST RETRO BIKE OF THE YEAR  
2019 & 2020



2020  
awards  
MCN







# BIKE INDIA

## TWO WHEELER OF THE YEAR

### BIKE INDIA 2022

Timeless Design And Dependability

CLASSIC 350 CLASSIC 350 CLASSIC 350

# TopGear

## MOTORCYCLE OF THE YEAR

### 2022

ROYAL ENFIELD

THE ALL-NEW CLASSIC 350

# THAILAND BIKE OF THE YEAR 2020

Presented by Grand Prix Group

Best Modern Classic 2019, 2020

Best Touring Lightweight

# PRÊMIO MOTO DO ANO



METEOR 350



Presents

# AUTOCAR

## AWARDS 2022

Partnered By

**TIMES NETWORK**  
NOW OR NOTHING

Tyre Partner

**Pirelli**  
TYRES

Maps & Mobility Partner

MapmyIndia  
**MAPPLS**

Maps and NCA&E Mobility suite for Automotive

2021  
awards  
MCN



MCN'S BEST RETRO  
2021

autox.com  
autox



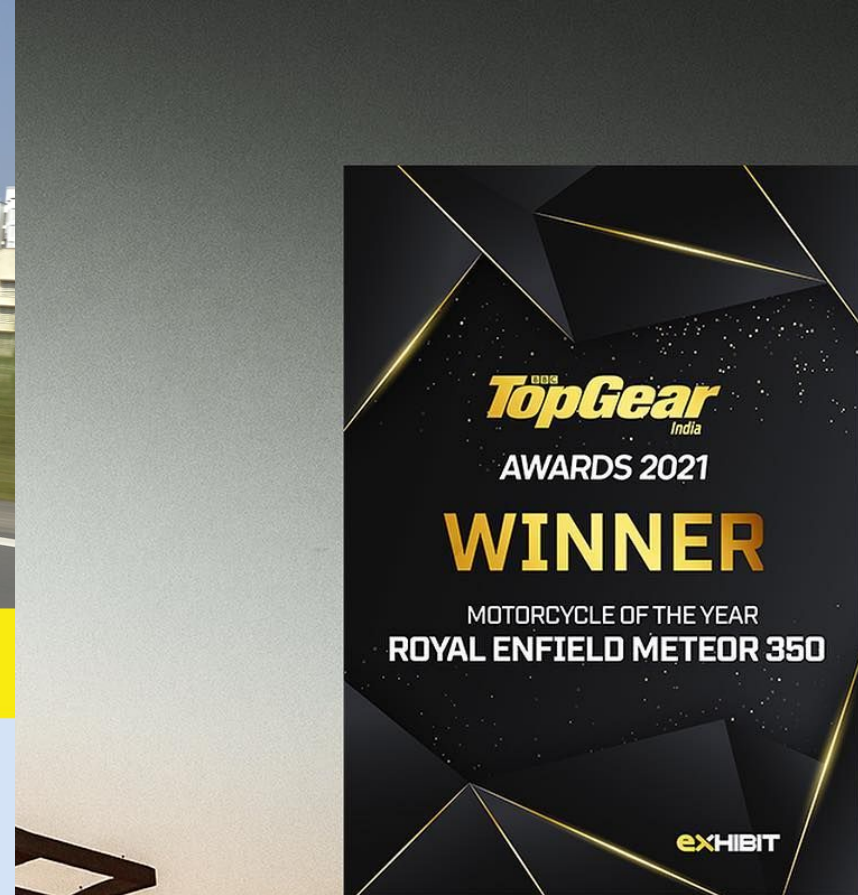
autox.com  
autox



**SIDDHARTHA LAL**  
MD, EICHER MOTORS

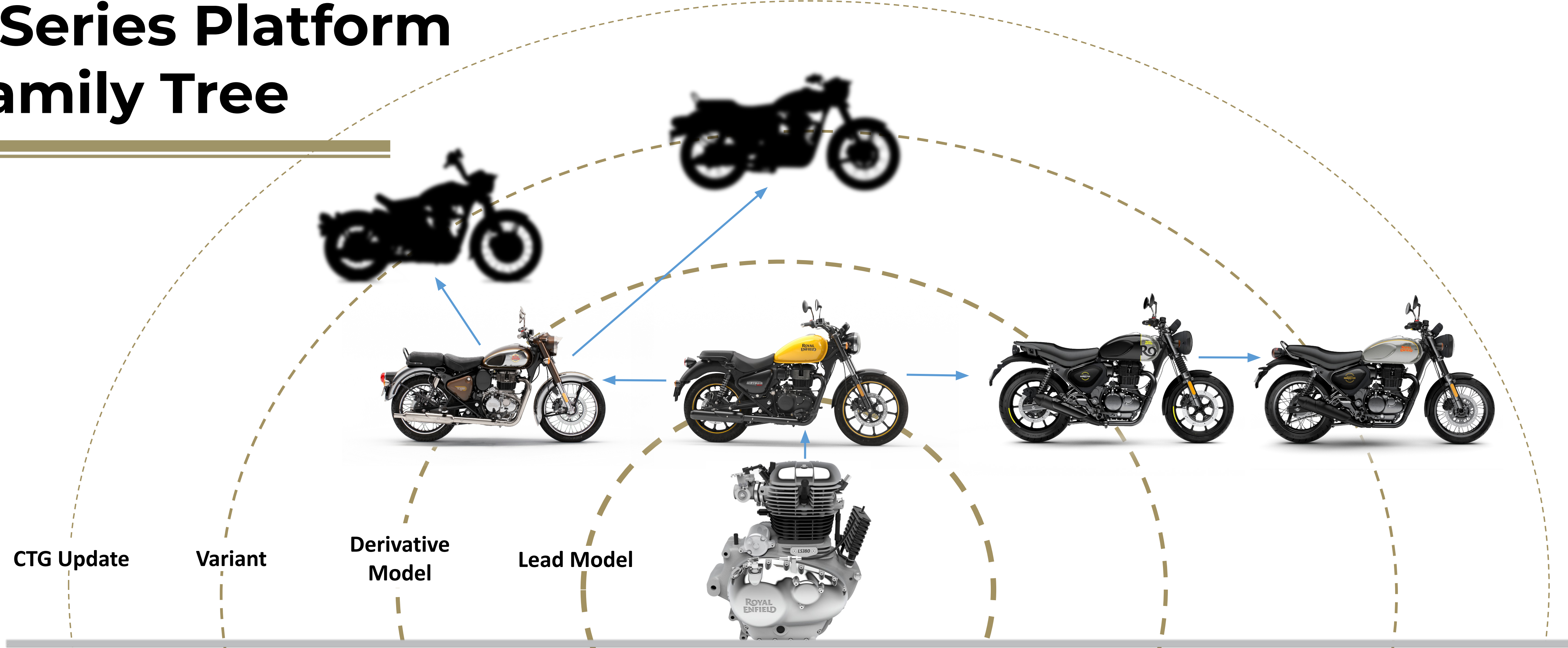




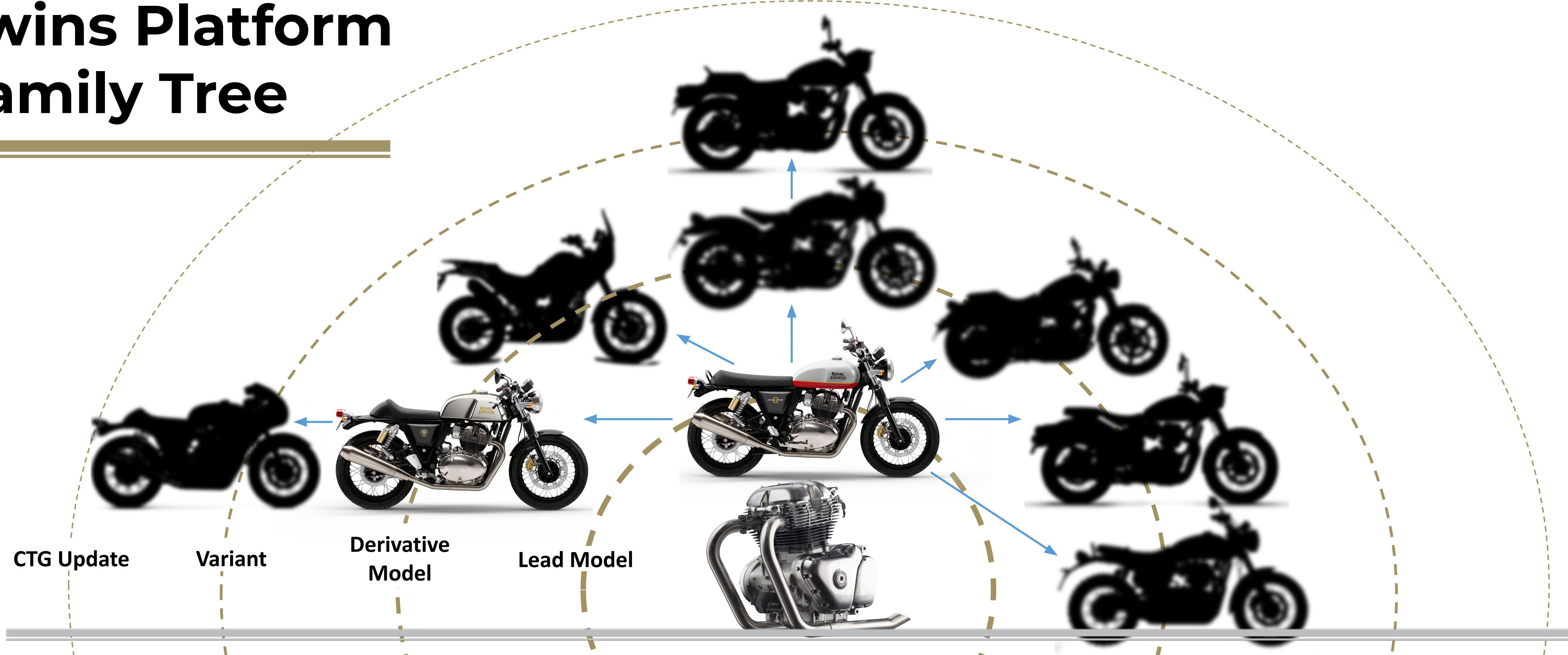




# J-Series Platform Family Tree



# Twins Platform Family Tree



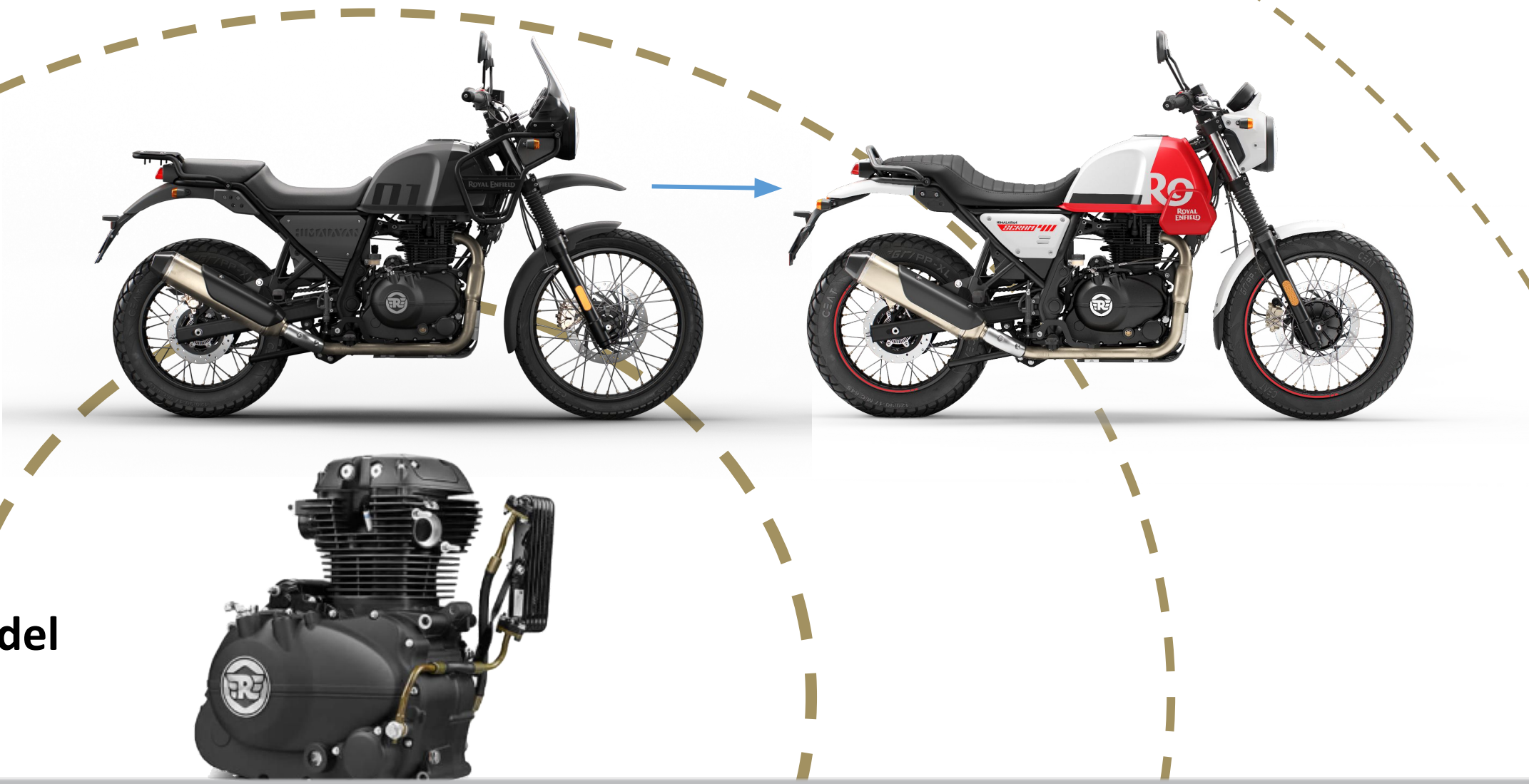
# LS410 Platform Family Tree

CTG Update

Variant

Derivative  
Model

Lead Model



# New Engine Family Tree

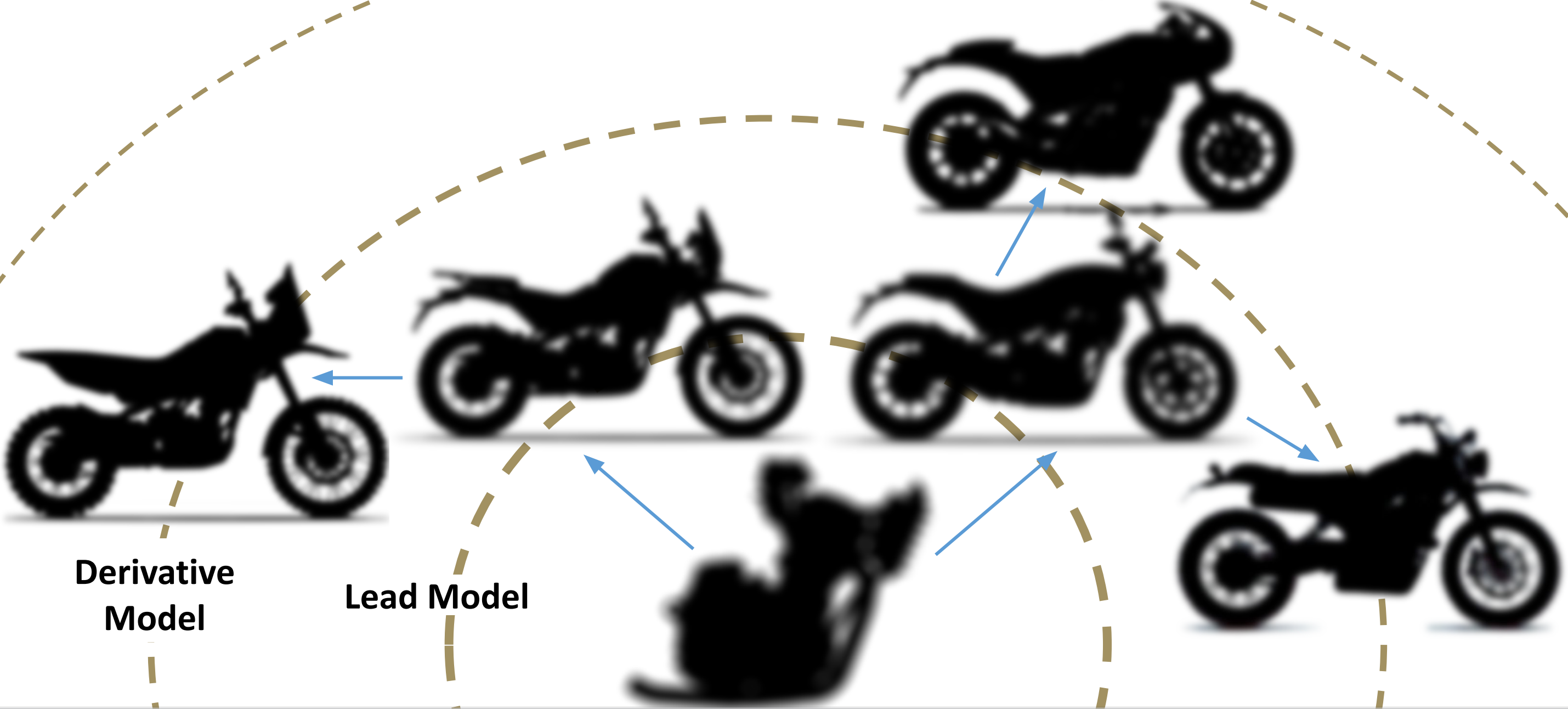


CTG Update

Variant

Derivative Model

Lead Model





# EMPATHY





# EMPATHY



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# EMPATHY

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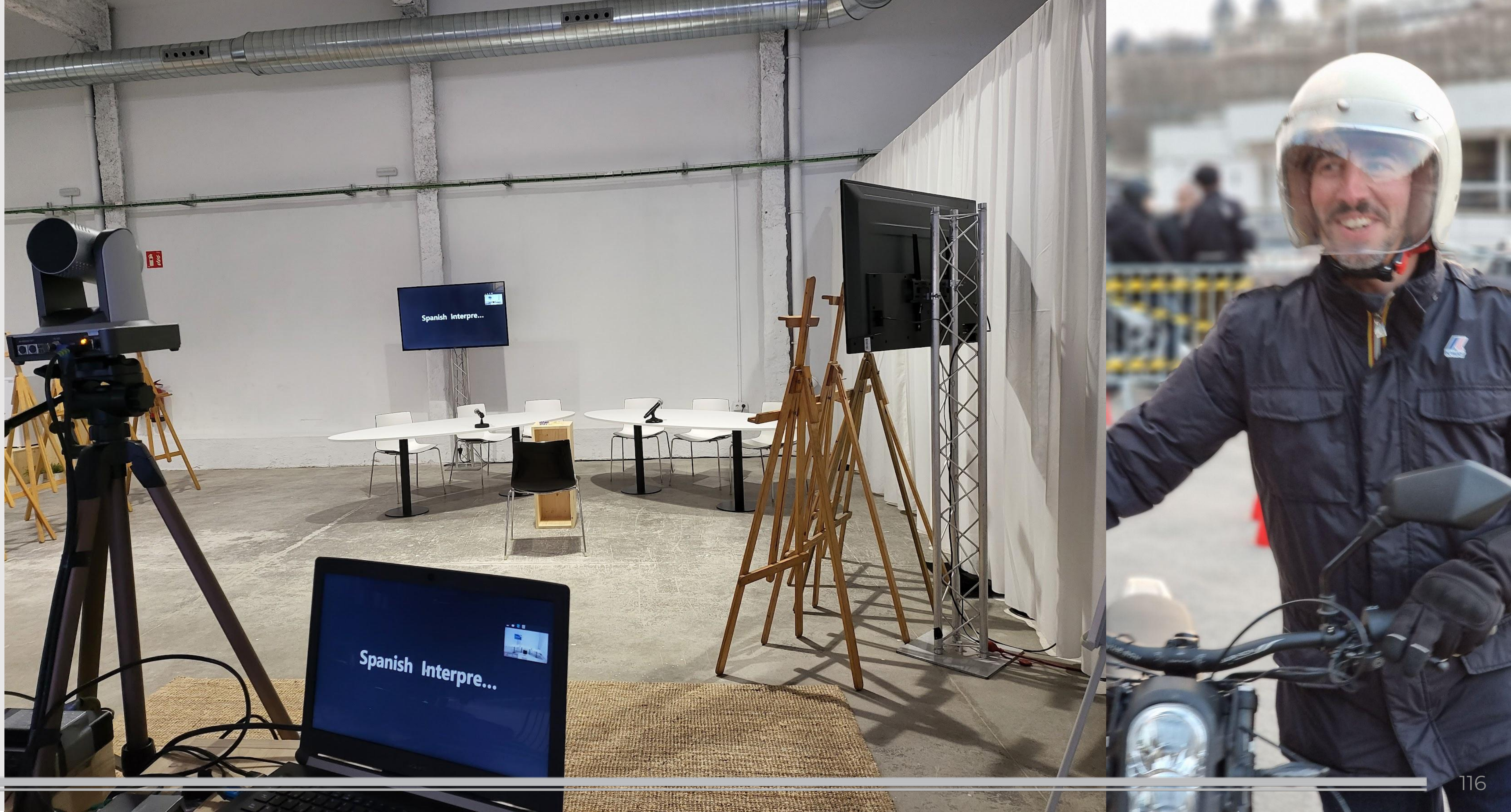
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# EMPATHY



# INVESTIGATE



# INVESTIGATE



# INVESTIGATE



**TEST**



# TEST























# DEFINE



**DEFINE**

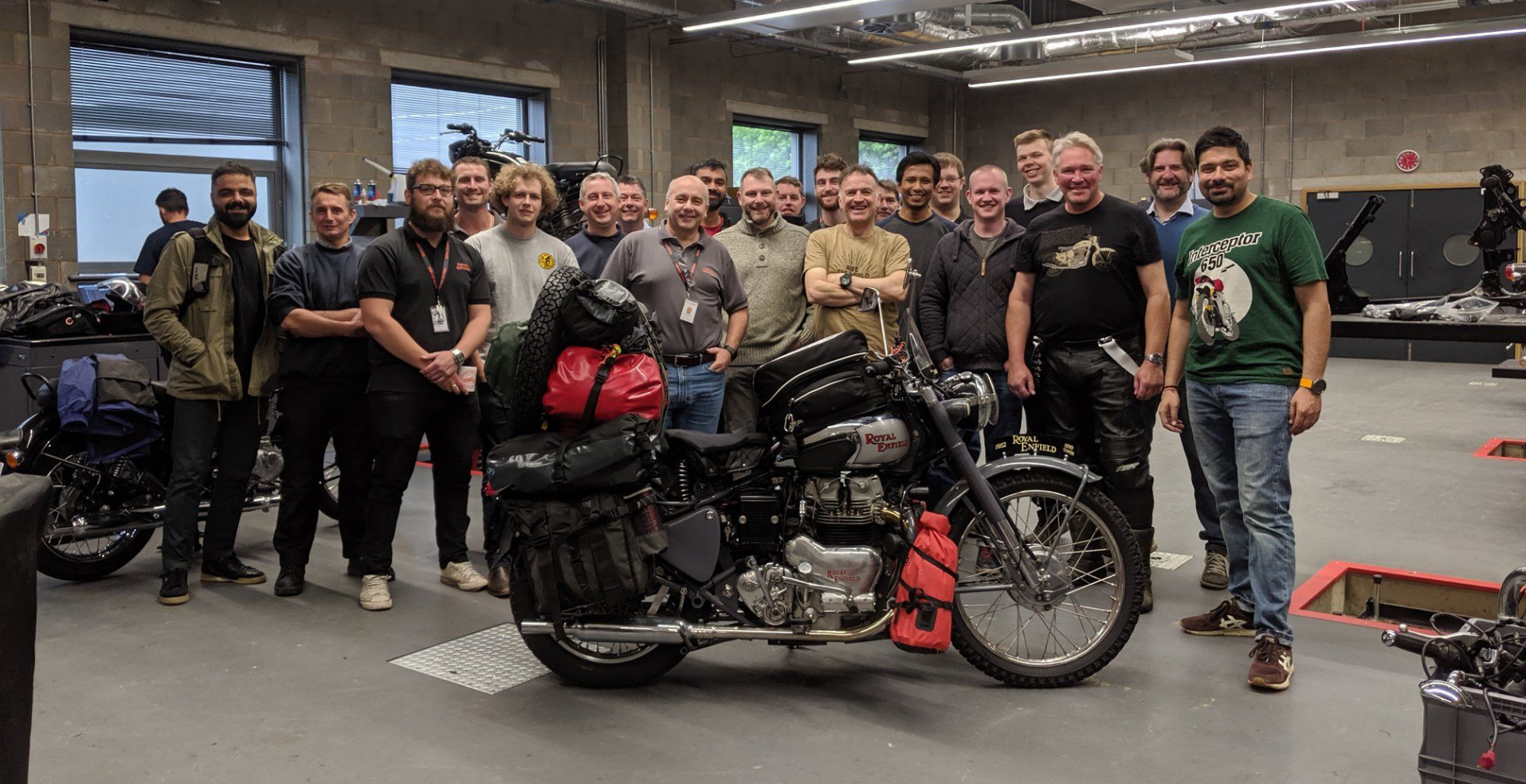



Section A			Section B												
This is a niche product that will inspire curiosity but give them enough functionality to consider to purchase			Required quality level					Must/ Want	Target Level	Plan on how to achieve target					
1st Level	2nd Level	3rd Level	-2	-1	0	+1	+2			Initial response to QFD Concept phase					
This is a luxury investment or Indulgence	Stands Out - something I have never seen before	Wow! Factor											M	<p><b>Original Styling</b> - Standout, Striking - Needs to have same level of response as hardmodel from consumer clinics. Uniqueness such as the girder forks, original neo vintage/classic forms must be the target. Physical proportions, large diameter wheel, elegant lines, narrow body. The subtext from customers descriptions is 'Feminine and Sexy'</p> <p>The beginning of our new future</p> <p>Game changer</p> <p>New category</p>	<p>Be faithful to the hard model intent and ensure that as it evolves the core is still as striking</p> <p>Girder forks</p> <p>High quality, tactile finishes and touch points</p> <p>Proportions and stance</p> <p>Uniqueness - Something that hasn't been seen before</p> <p>Neo vintage/classic</p>
		Looks Good Alone - Lone Wolf									M	<p>Must be 'Non Conformist' - must look good while not <i>trying</i> to fit in to any group or type</p> <p>Be its own thing</p>	<p>Follow own ethos and DNA and not that of the segment</p> <p>Oriented around product function &amp; intent - not trying to adhere to existing categories or styling. Any such resonance is incidental to achieving intent</p>		





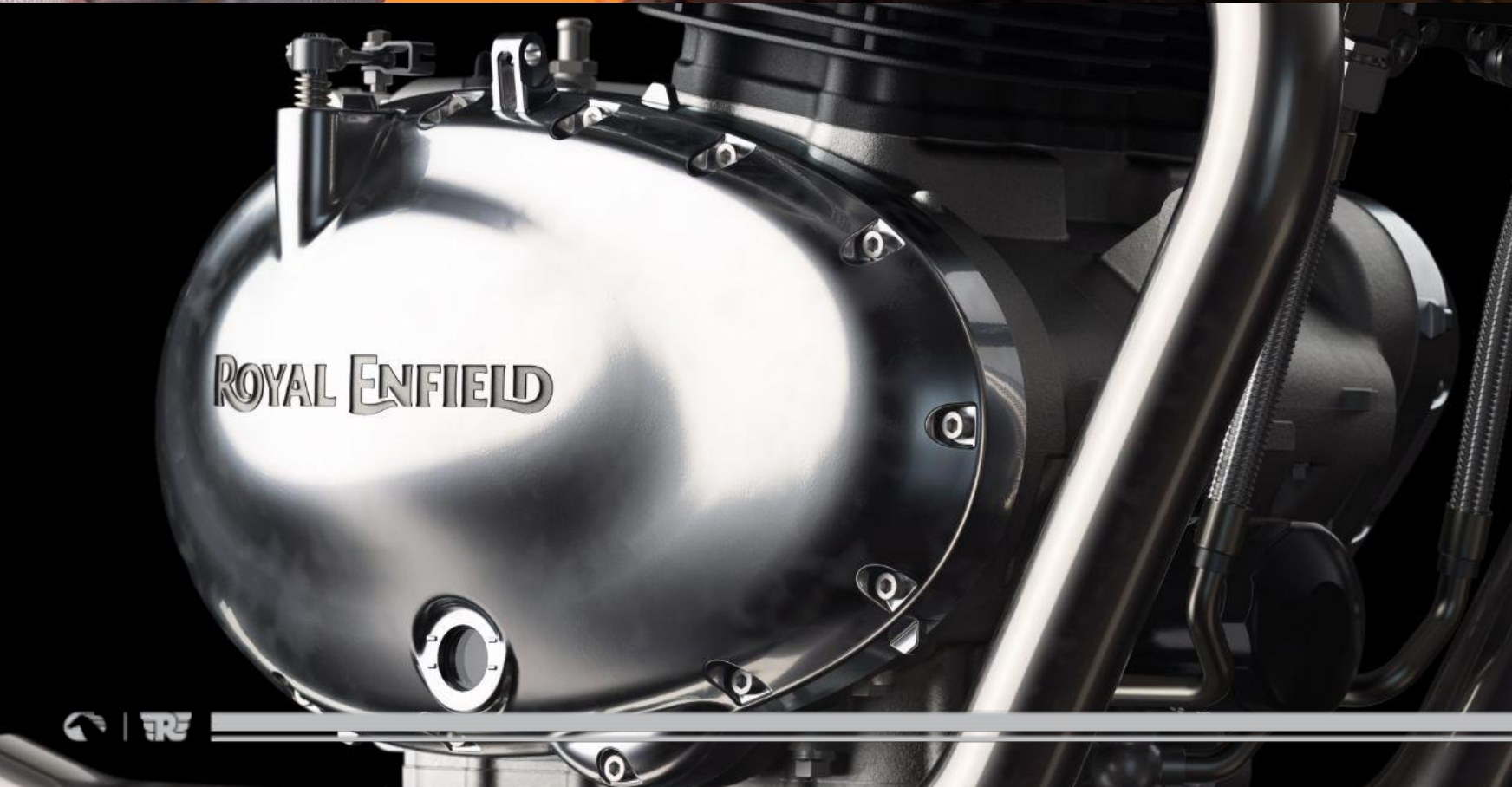






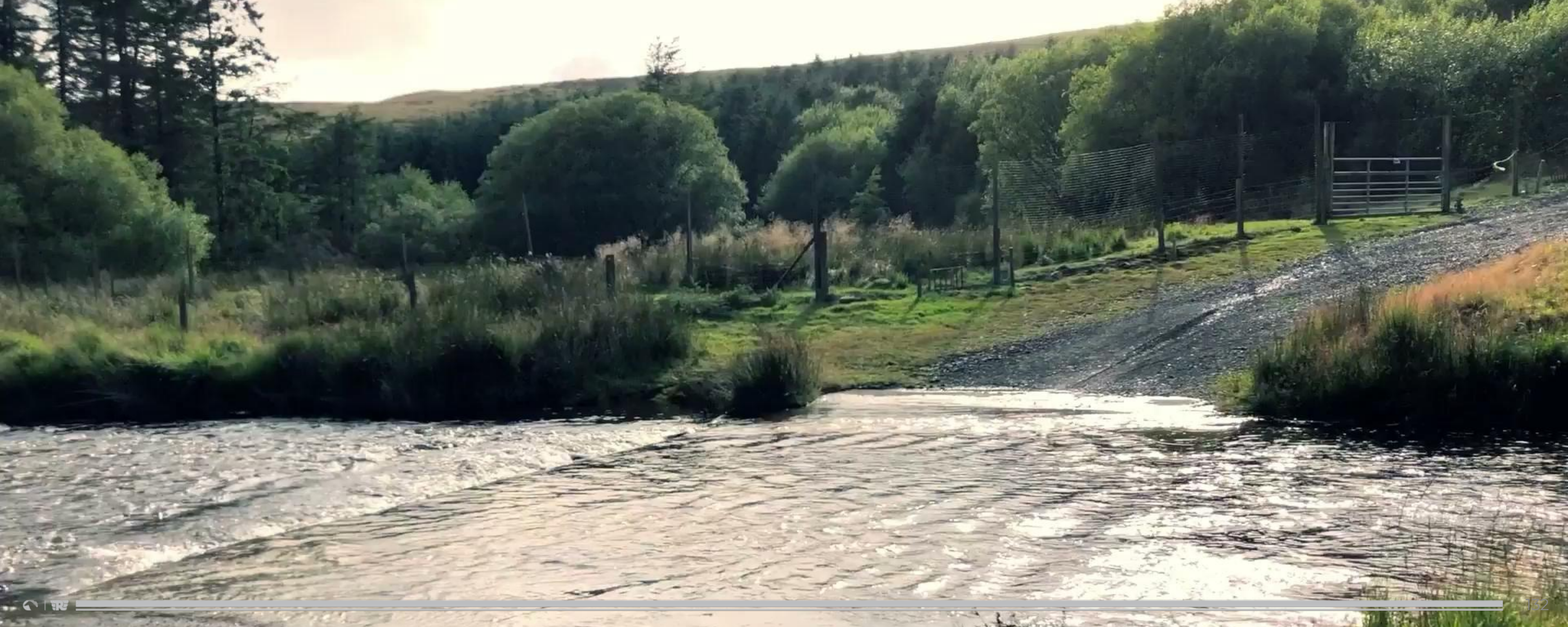
**SIDDHARTHA**  
CEO & MD





















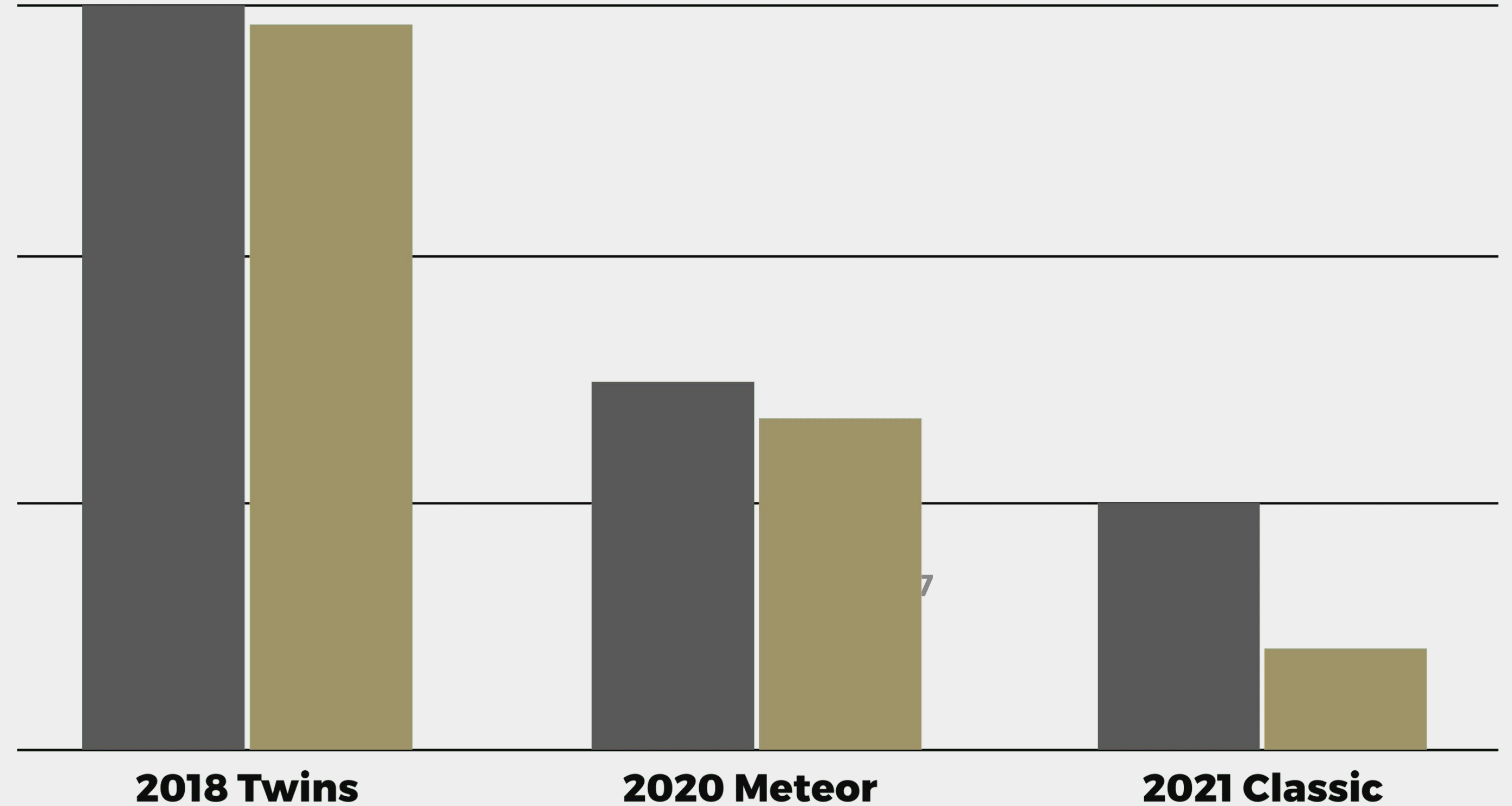
# QUALITY PROGRESS

## FF3 targets for New Model Introduction

- Cross-functional Quick Response team
- Zero tolerance to field issues

## FF3- Target and Achieved

■ Target ■ Achieved



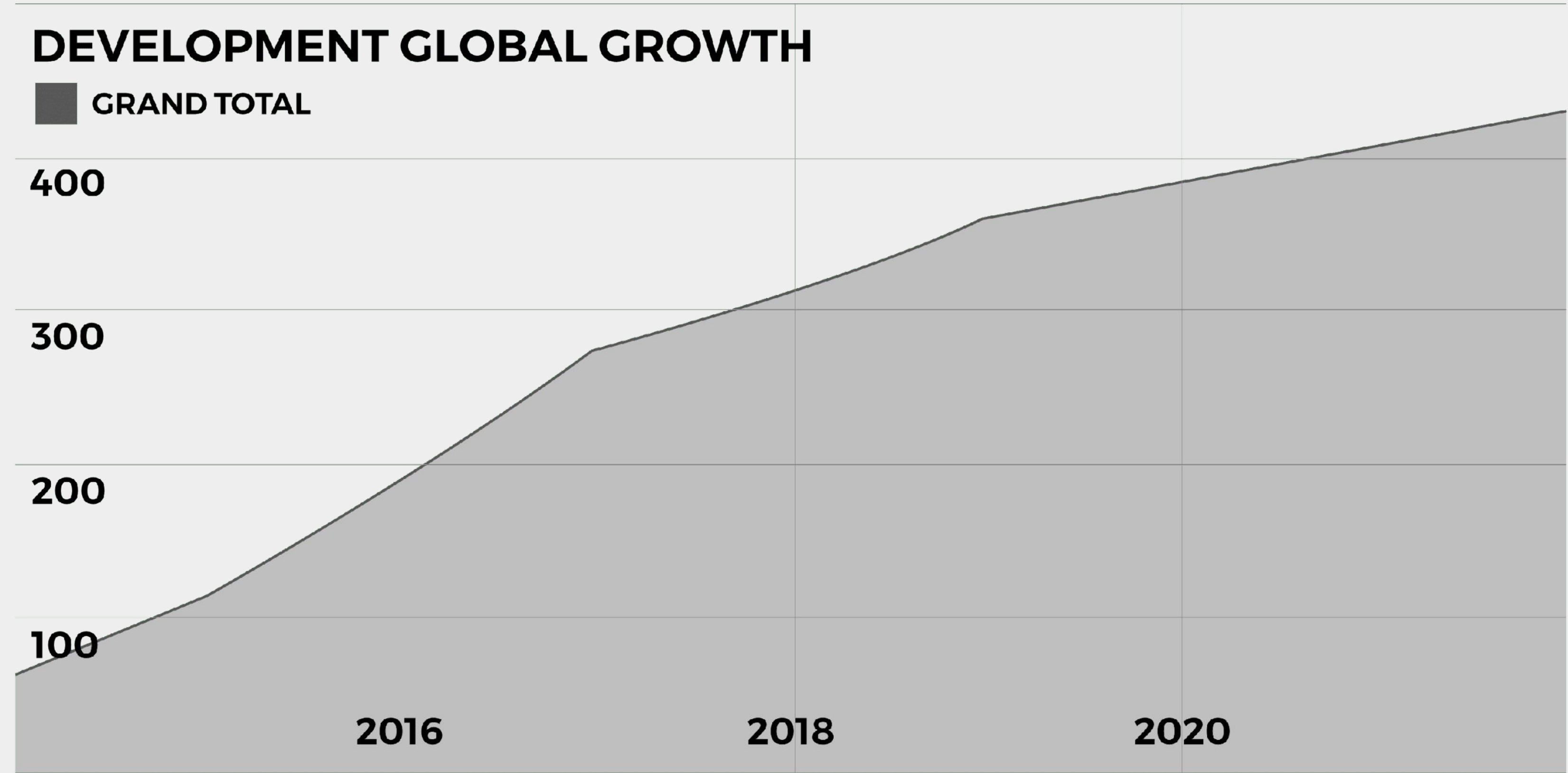


# QUALITY PROGRESS

- Rigorous application of inspection during development - “SRK”
- Developing our supplier base
- Design quality
  - ◆ Establishment of Design Standards, development of Test Standards
  - ◆ Capability of engineering team

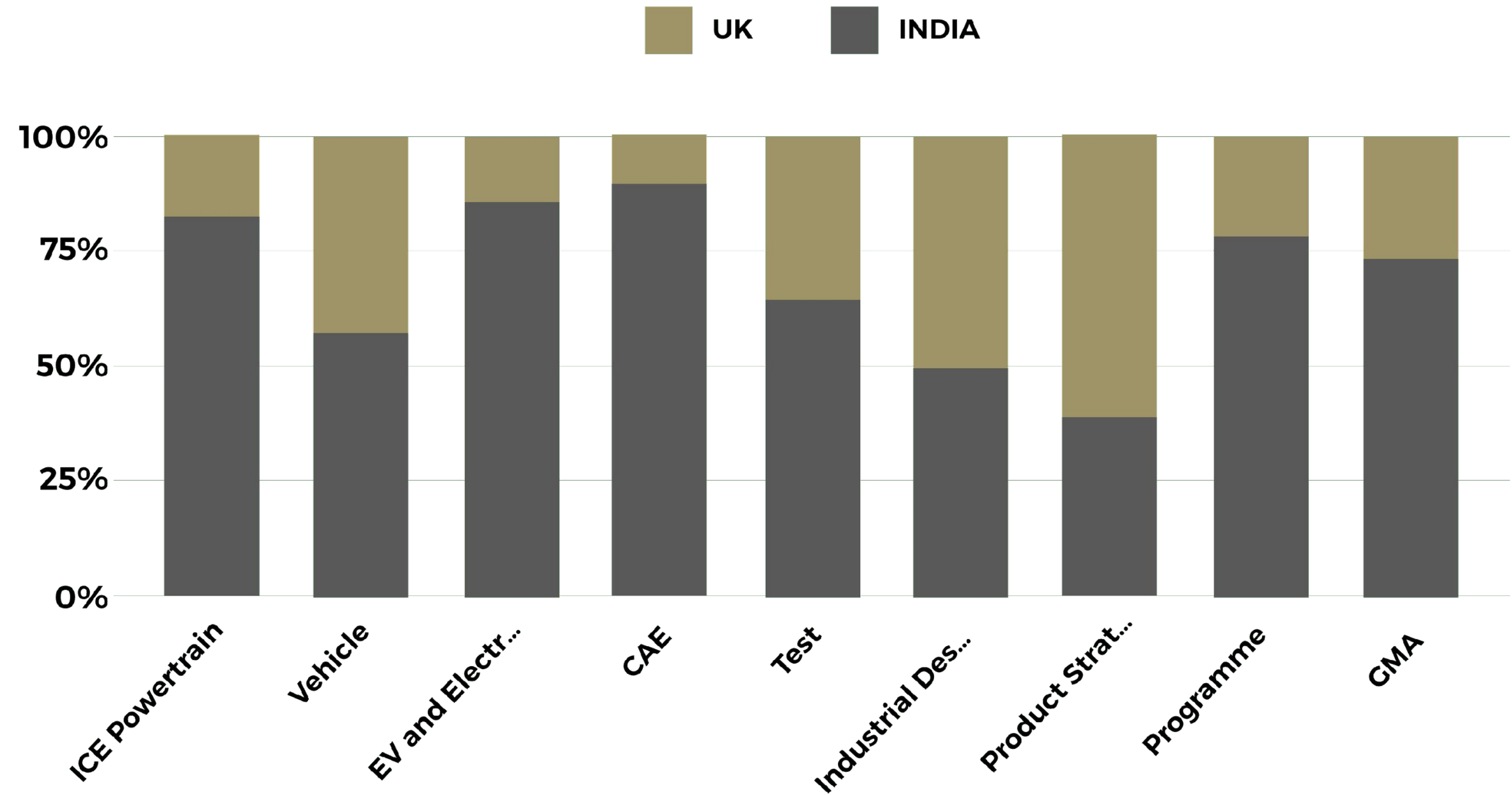
# GROWTH OF DEVELOPMENT TEAM

Expertise brought in from all over the world



# GLOBAL DEVELOPMENT TEAM

Global Collaboration on all projects



# DESIGN COLLABORATION TOOL "GRAVITY SKETCH"

Shiv



Antoine



Gravity sketch



# DESIGN COLLABORATION TOOL - "JAMBOARD"



# ENGINEERING COLLABORATION - WINDCHILL AND CREO

CAD files are replicated across all sites enabling on-demand data synchronization.

Creo CAD files seamlessly transferred over Eicher's network to on-site vaults, where files are made available to all engineers allowing global collaboration across Royal Enfield Product Development teams.

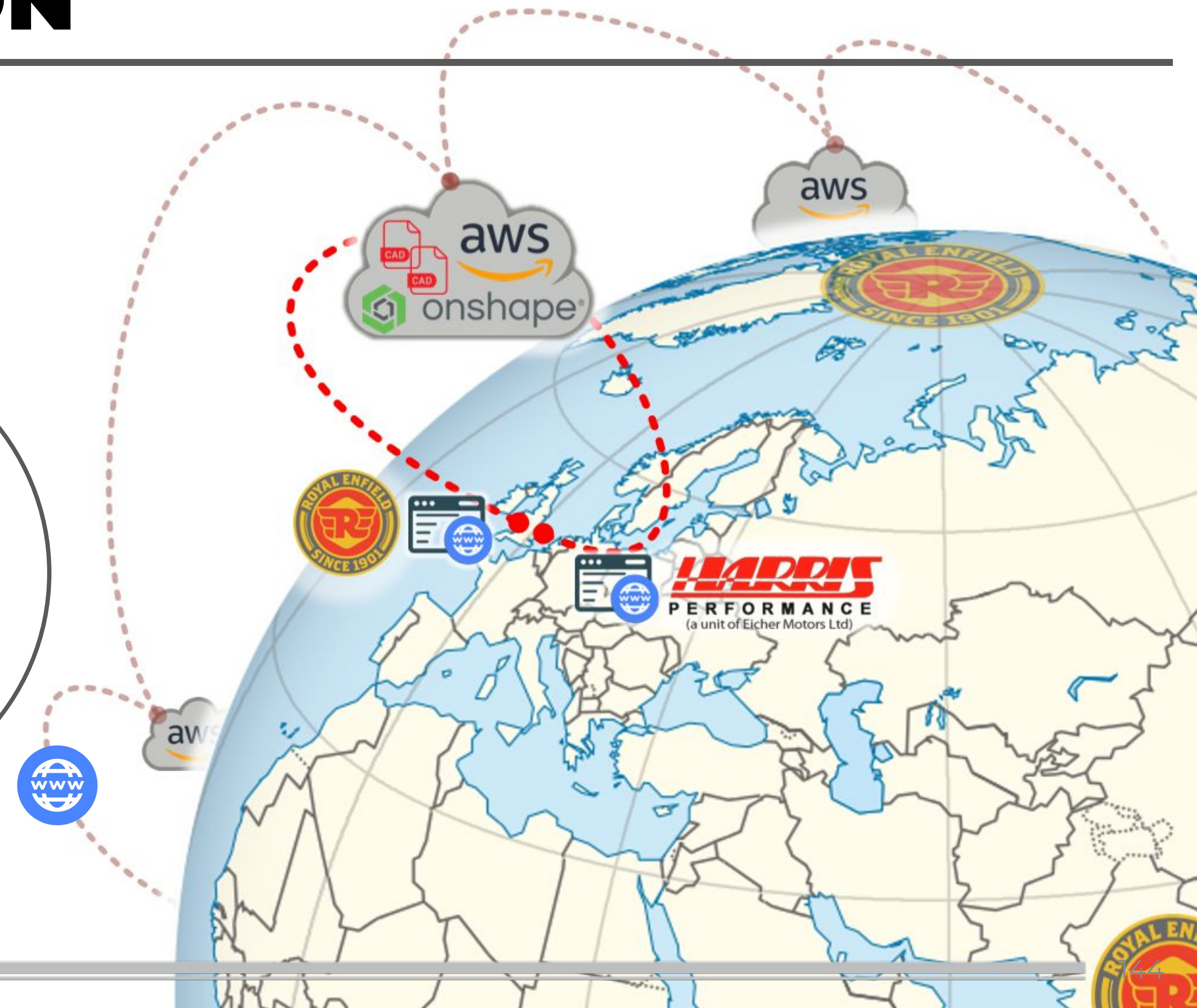
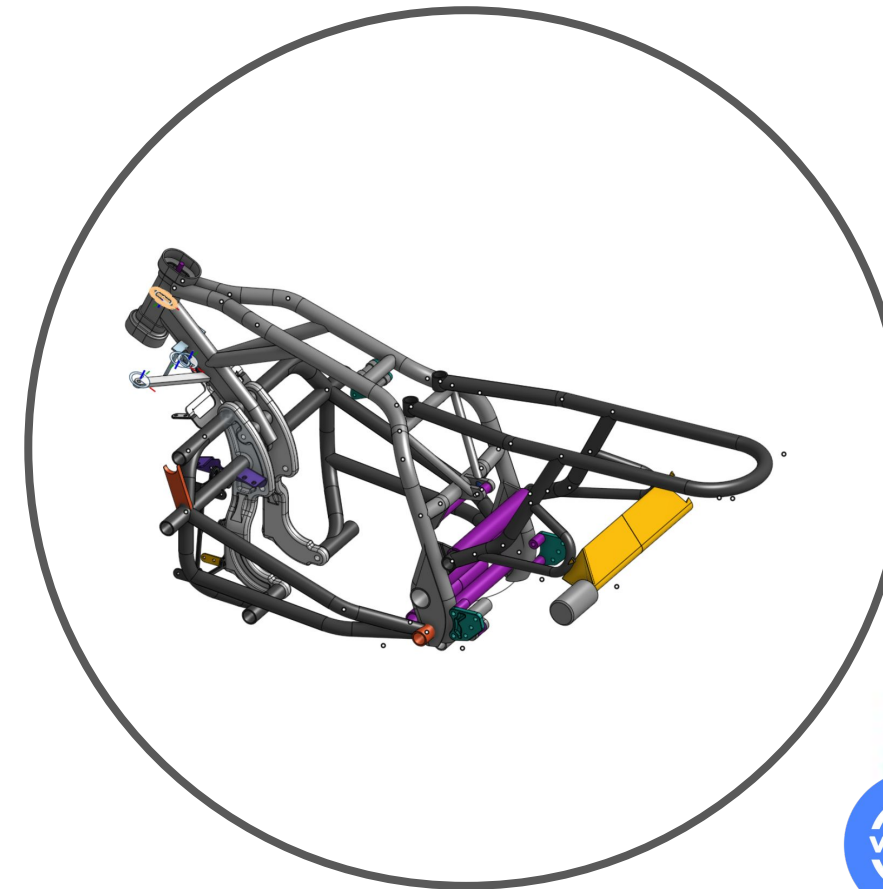


# CLOUD-BASED COLLABORATION

Exploring and utilizing the latest cloud-based CAD technology to facilitate next-level collaboration, where appropriate.

PTC Onshape; secure cloud-based CAD-as-a-service in-browser tool, with data storage and versioning in AWS's trusted cloud architecture.

Paradigm shift providing true real-time simultaneous collaboration with design-branching & concurrent working functionality.



Fully deployed at Harris Performance in 2021.

Adoption at Royal Enfield Chassis Advanced Engineering team 2022.





# RECENT RECORD

- Award Winning Products
- World Class Quality

## BUT

- We can do more!

# NEXT PRIORITY TIME!

# WE HAVE BEEN IN TRANSITION

**2012**

Team of ~60  
One location (TVT)  
One or two  
projects at a time

**2022**

Team of >400  
Four locations (HQ,  
UKTC, ORG, VVL)  
>20 projects in  
parallel

# NEW PRODUCT IMPLEMENTATION

## NPI REVIEW:

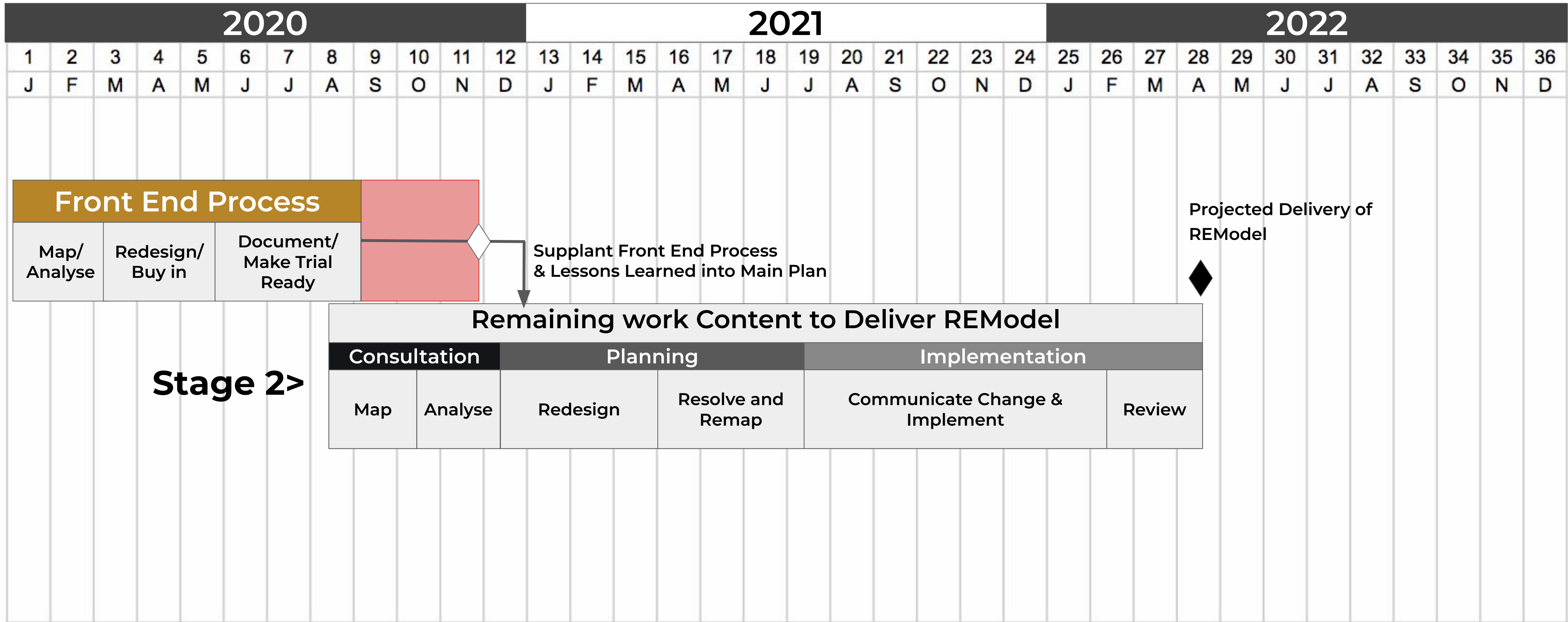
- Review lessons learned from Twins, Meteor and Classic projects
- Benchmark

## CHALLENGE

- Detailed re-mapping of activities of all functions throughout all phases
- Incorporate EV development process
- Reduce development lead time



# REMODEL - NEW PRODUCT IMPLEMENTATION



**Stage 1>**

**Stage 2>**

# Mapping of complete process

- All functions can see their own responsibilities, and those of all other functions

## Reduced timescales - 3 month reduction for complete vehicle, reduced chance of delay

### New Governance Framework

- Monthly “Control Committee” introduced
- Gates more evenly distributed throughout process

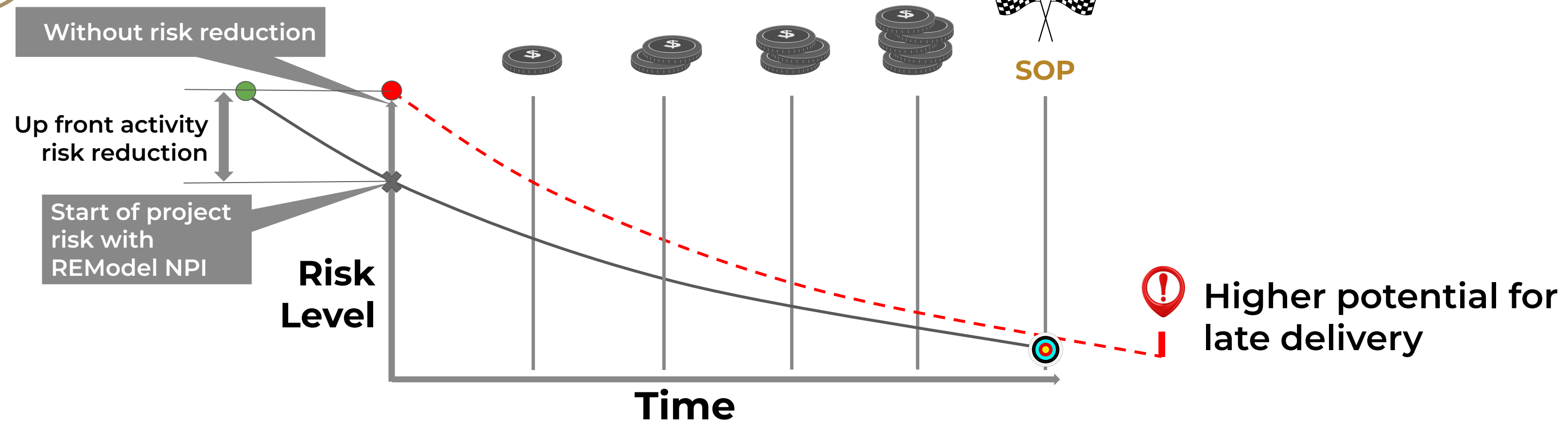
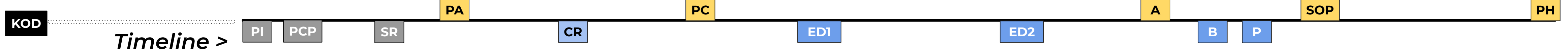
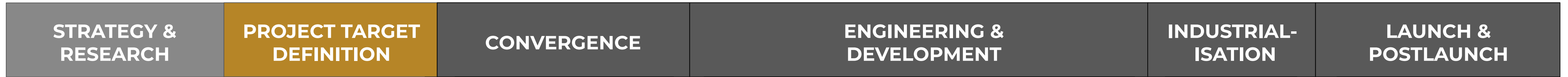
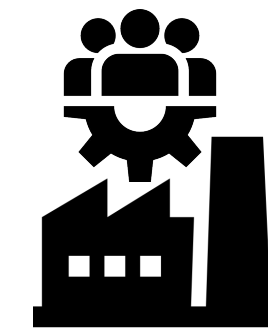
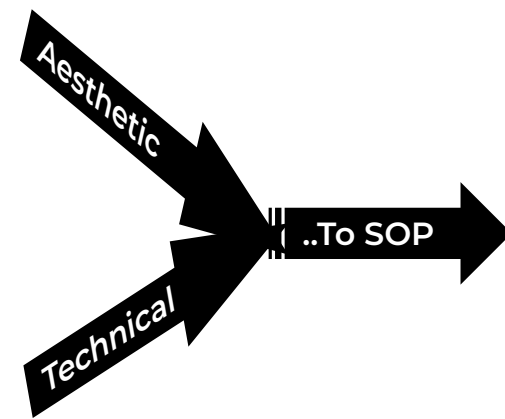
### EV development process defined

- Based on learnings from domain experts integrated with existing RE process

### “Project Assurance” function created to monitor and constantly improve the NPI process

### Now in use on all projects and under constant review

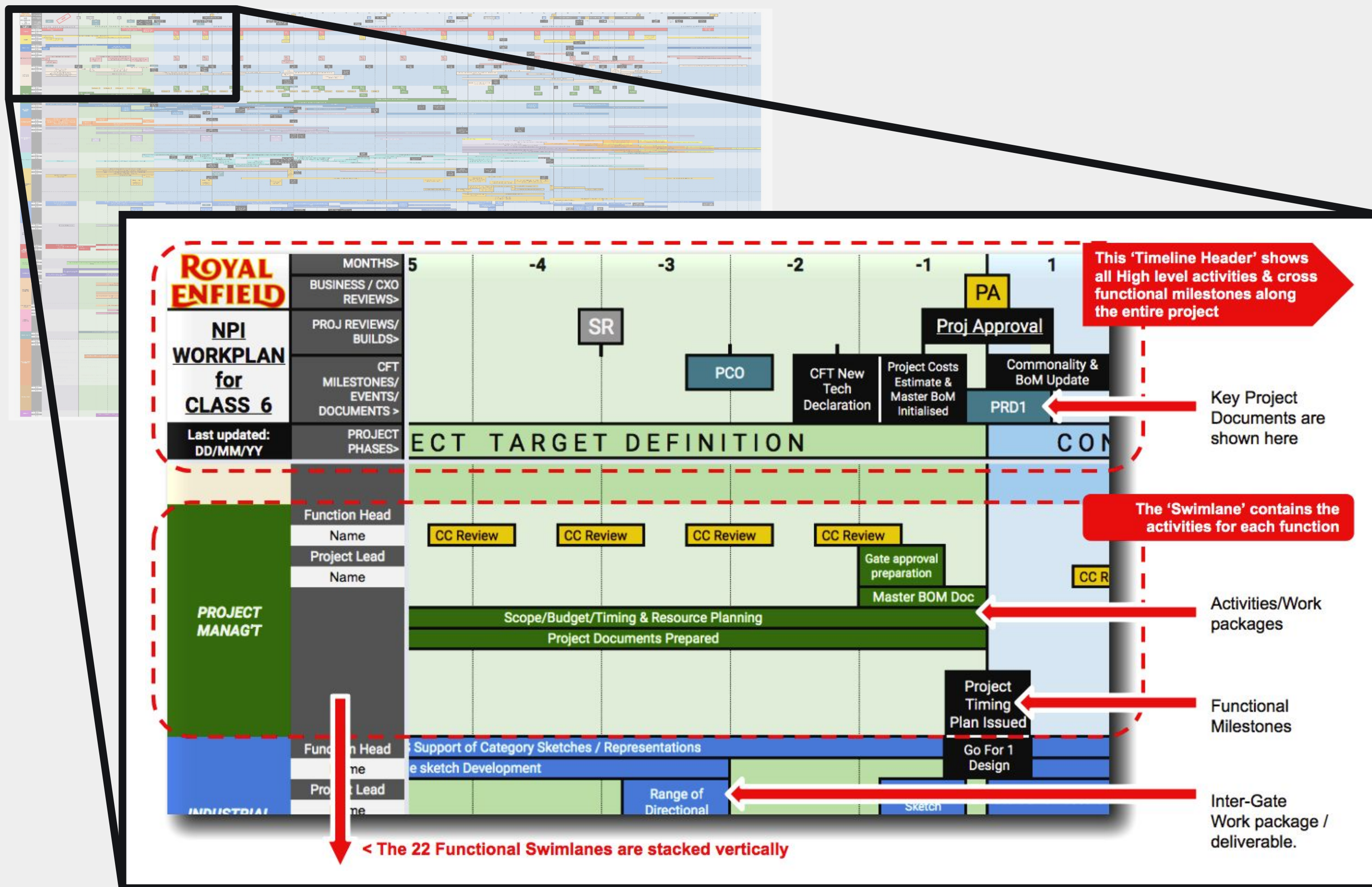




# REMODEL - NEW NPI

## Interactive Work-plans for all project classes

- High level activities
- Milestones
- Gates and Reviews





# NEXT STEPS

KEEP ON  
LEARNING

KEEP ON  
IMPROVING

KEEP ON  
DEVELOPING  
WORLD-CLASS,  
AWARD WINNING  
MOTORCYCLES

**20**

**22**

**MOTORCYCLING ENTHUSIASTS  
LEADING ROYAL ENFIELD**

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**POSITIONING & PRODUCT  
PORTFOLIO FOR THE FUTURE**

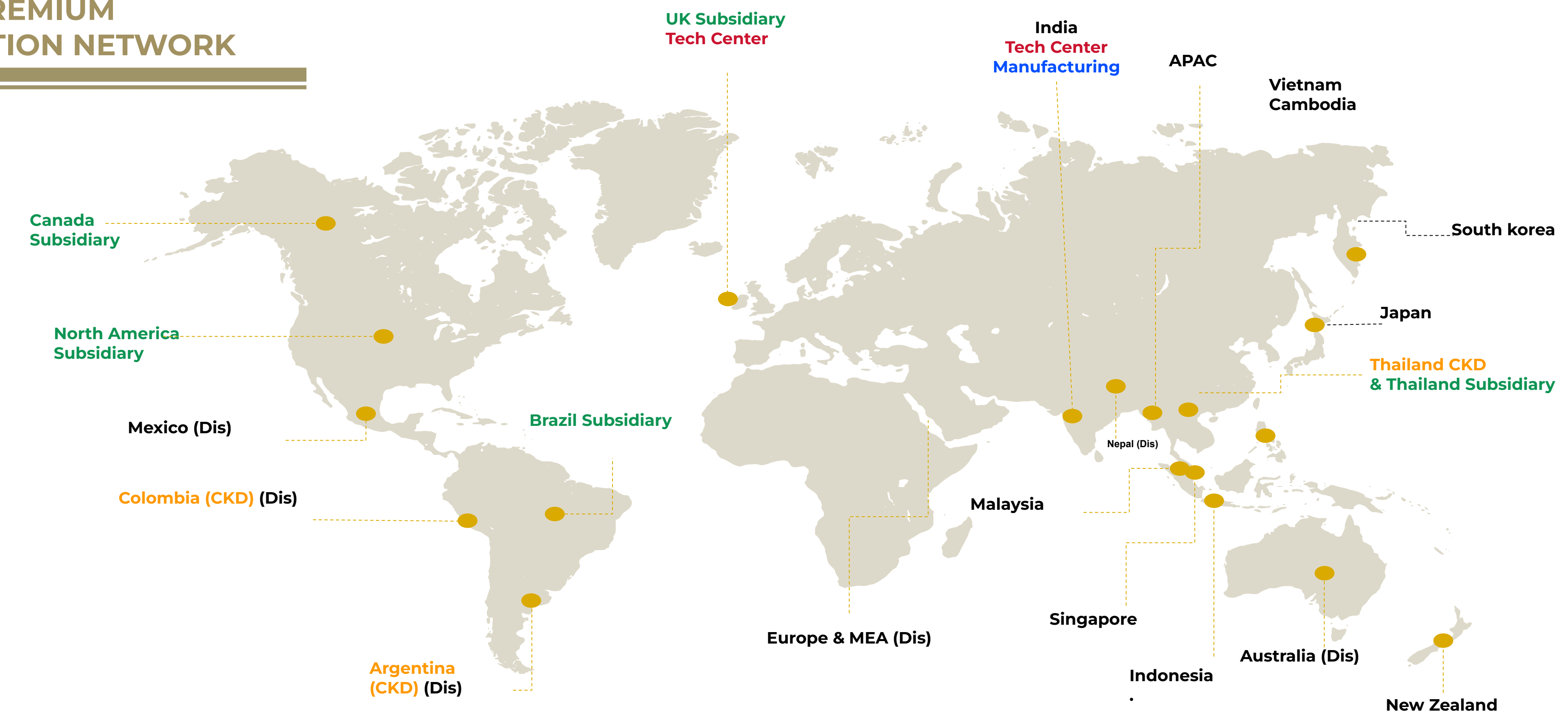
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**OPPORTUNITIES & MARKET  
PERFORMANCE**

# ONE OF THE LARGEST PREMIUM MOTORCYCLE DISTRIBUTION NETWORK



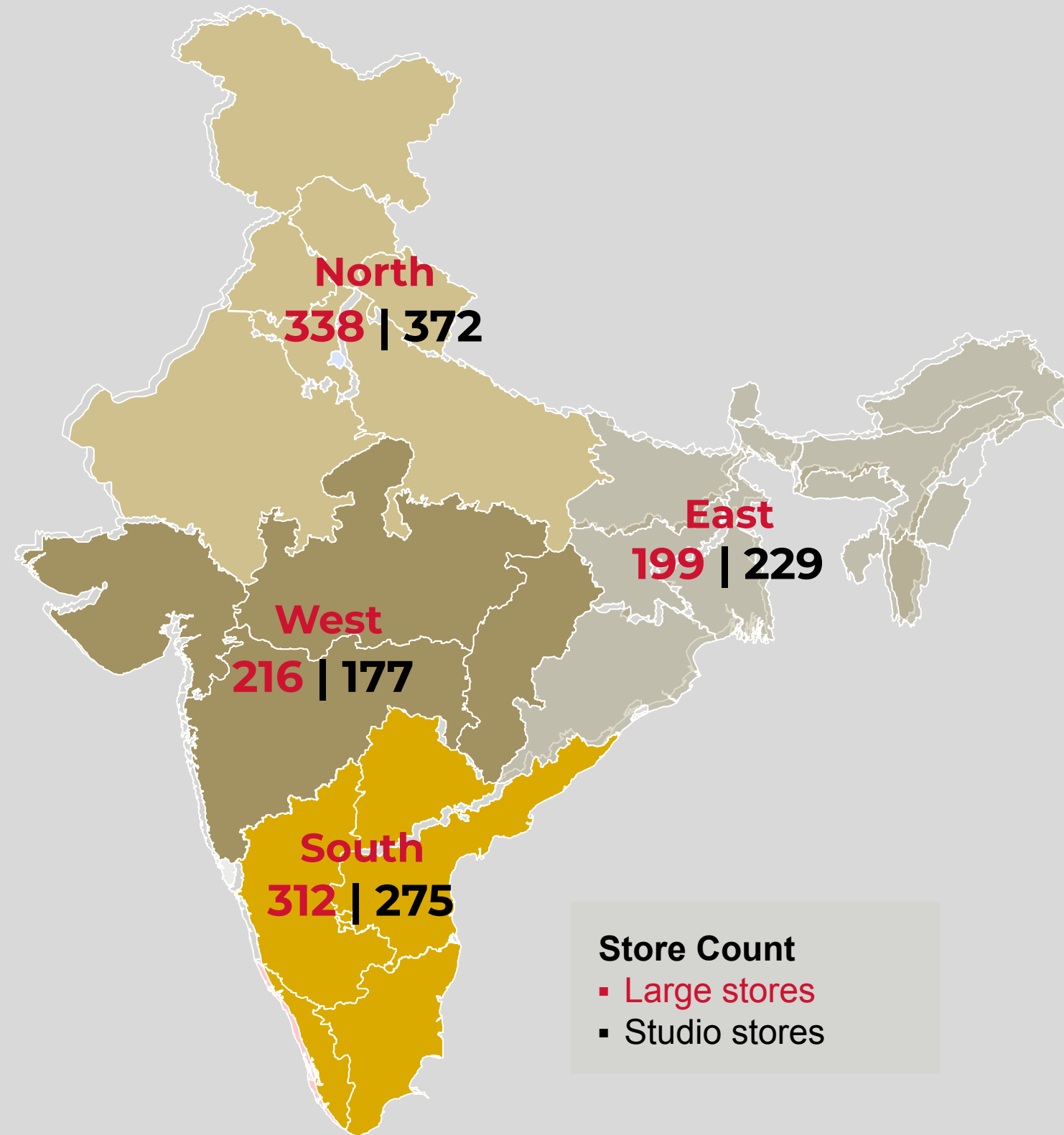
- Subsidiaries - 05
- CKD - 03
- Tech Centers - 02
- Manufacturing - 03



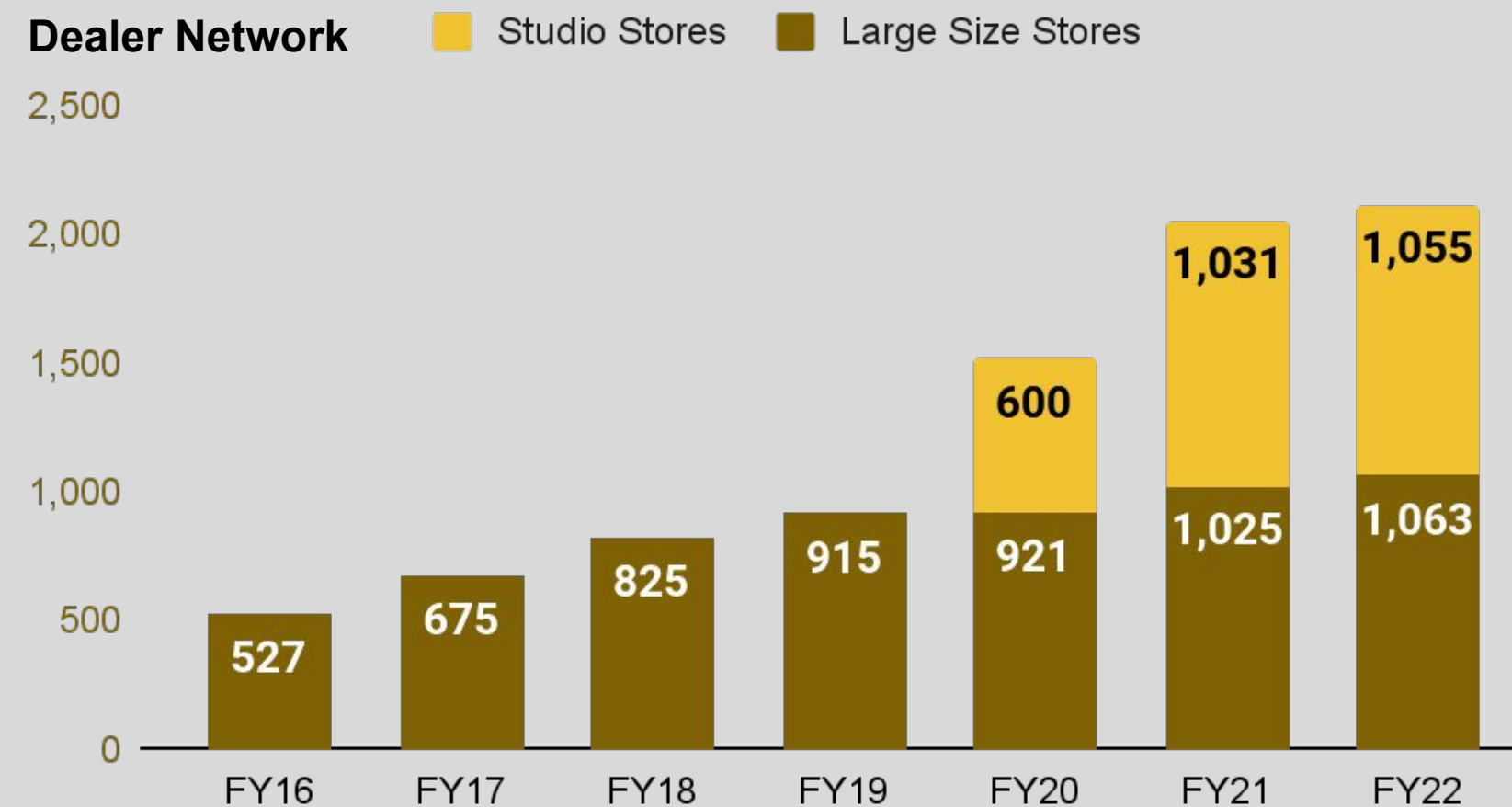
CKD - Completely Knocked Down



# 1,065 STORES | 1,053 STUDIO STORES



Focus on Dealer Viability by optimized network and continue store premiumization



FROM A FEW STORES IN SELECT GEOGRAPHIES. THE COMPANY TODAY HAS

**over 2,100**

touchpoints in India alone

# INDIA OPPORTUNITY

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2-Wheeler:  
**21M**

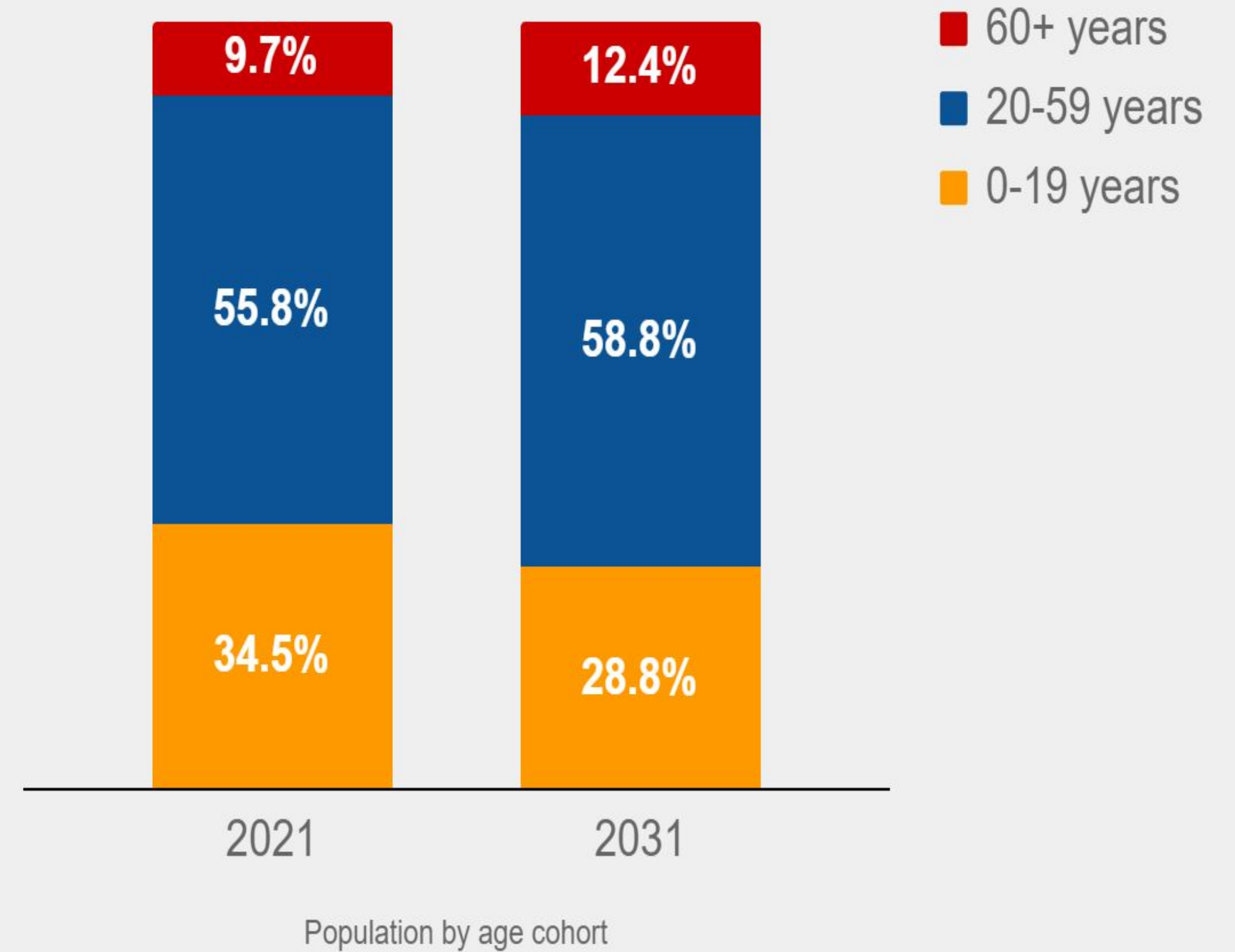
MOTOR  
CYCLES:  
**13.5M**

>125CC:  
**3.2M**

# HOW IS THE DEMOGRAPHY CHANGING?

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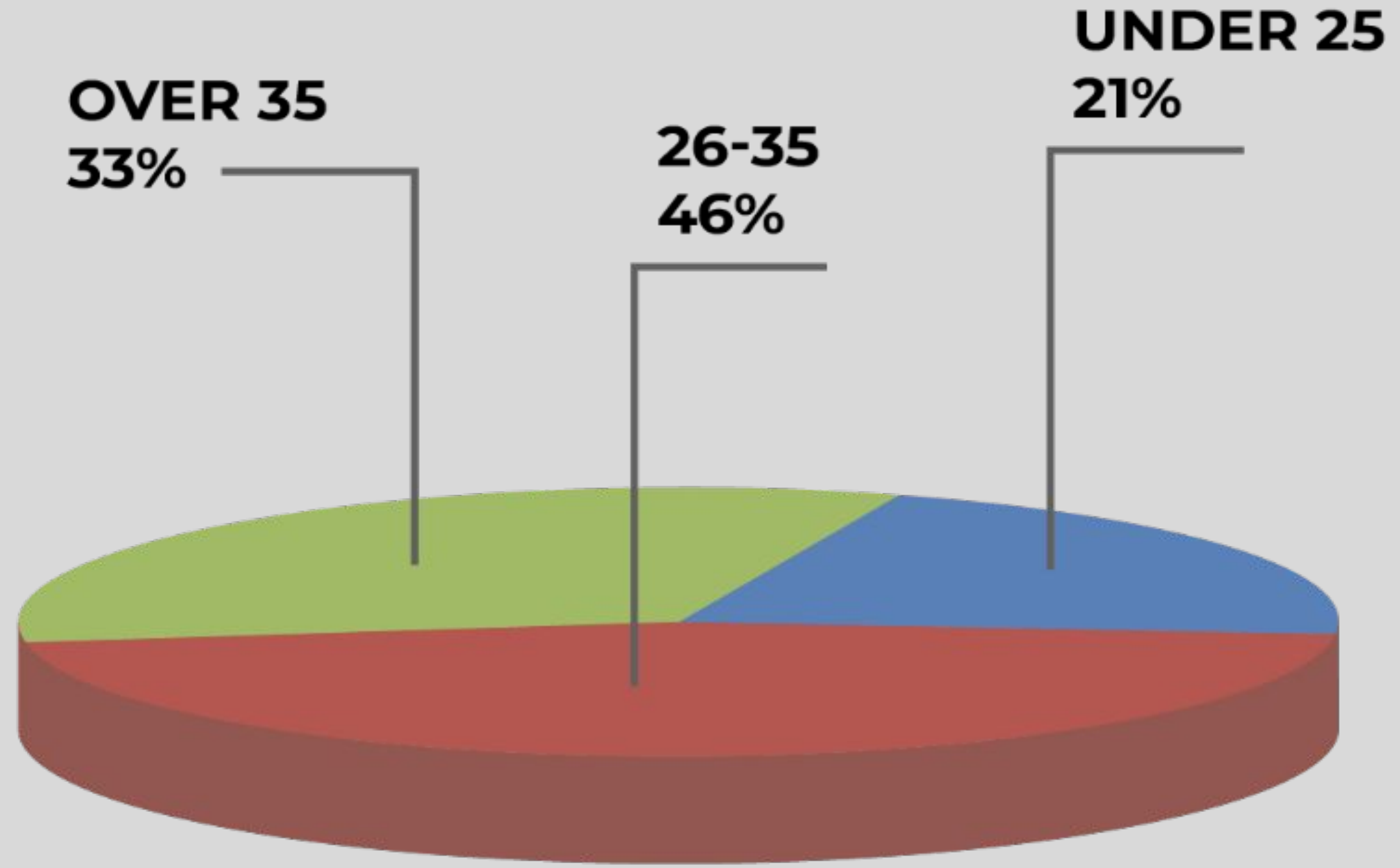


# WHO ARE OUR CONSUMERS?

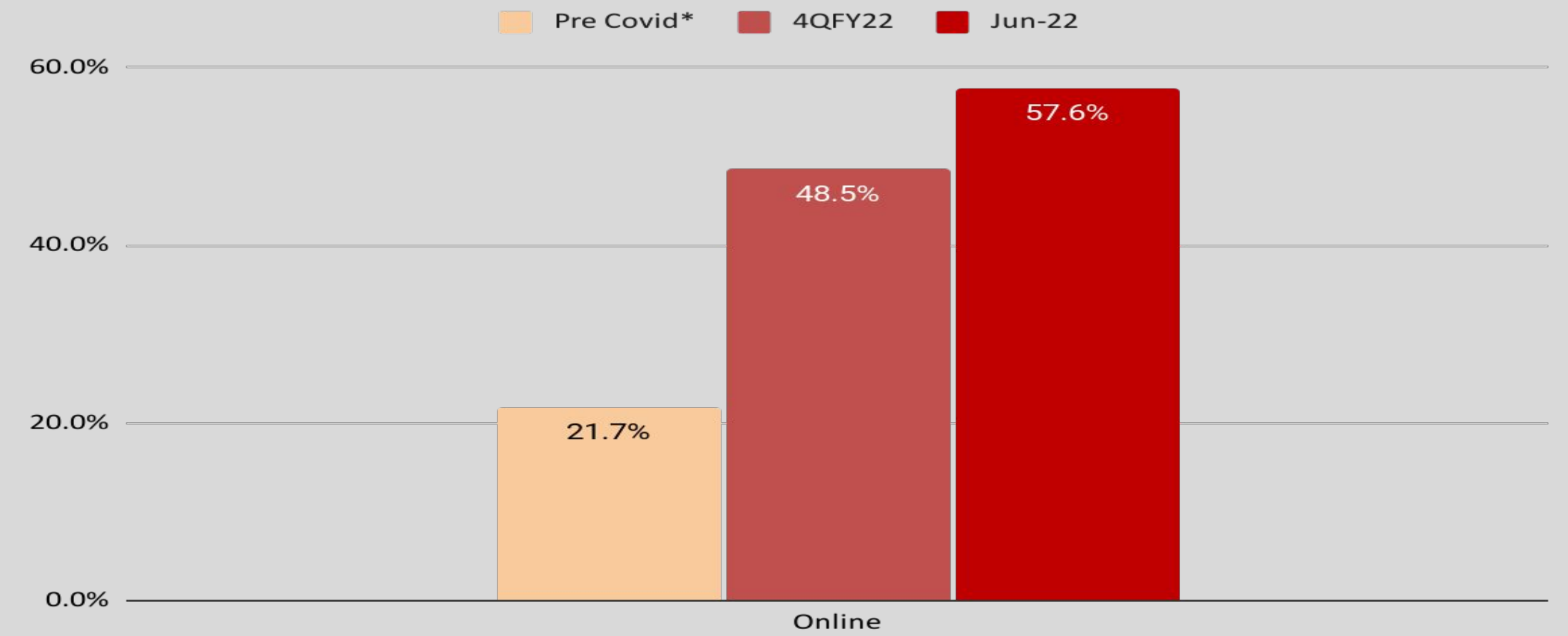
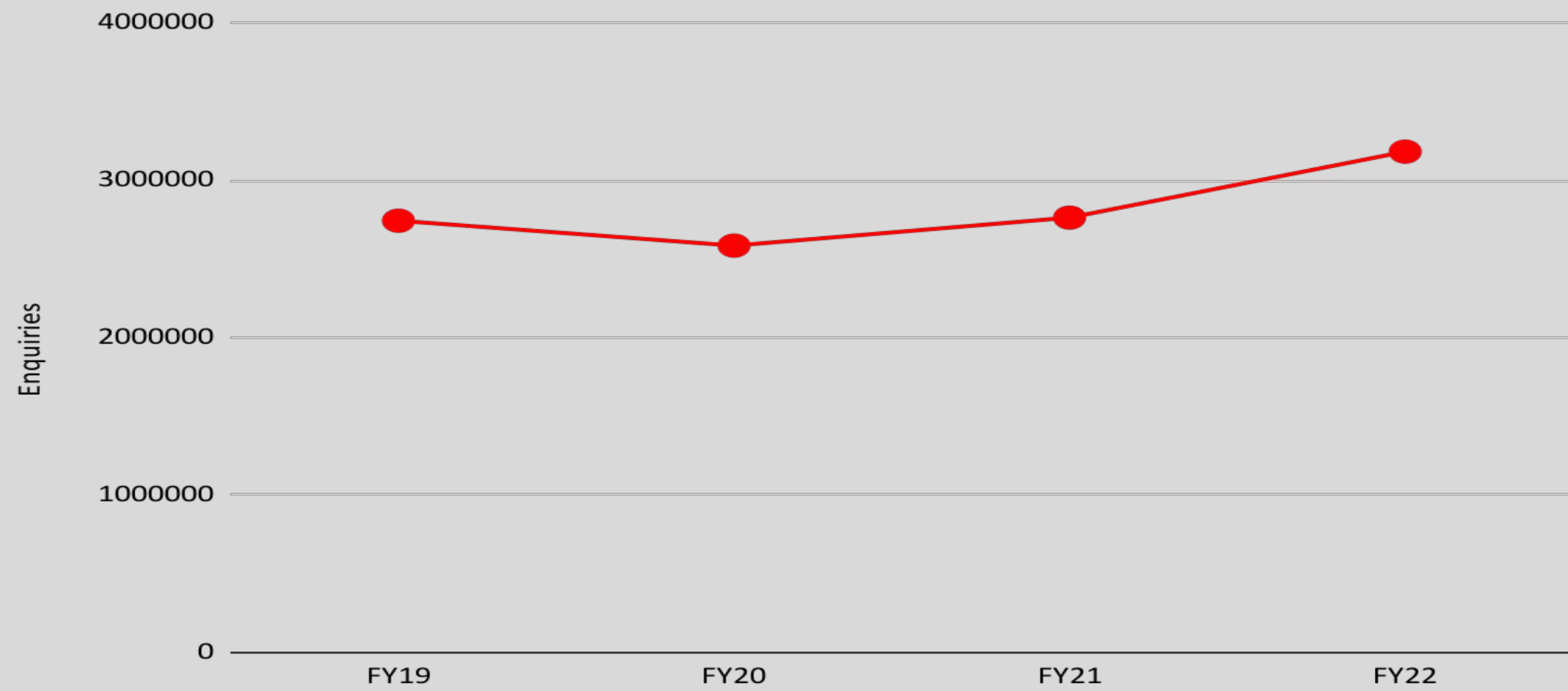
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## Customer base



# WHERE ARE THE ENQUIRIES COMING FROM?







A SHOT OF MOTORCYCLING

161



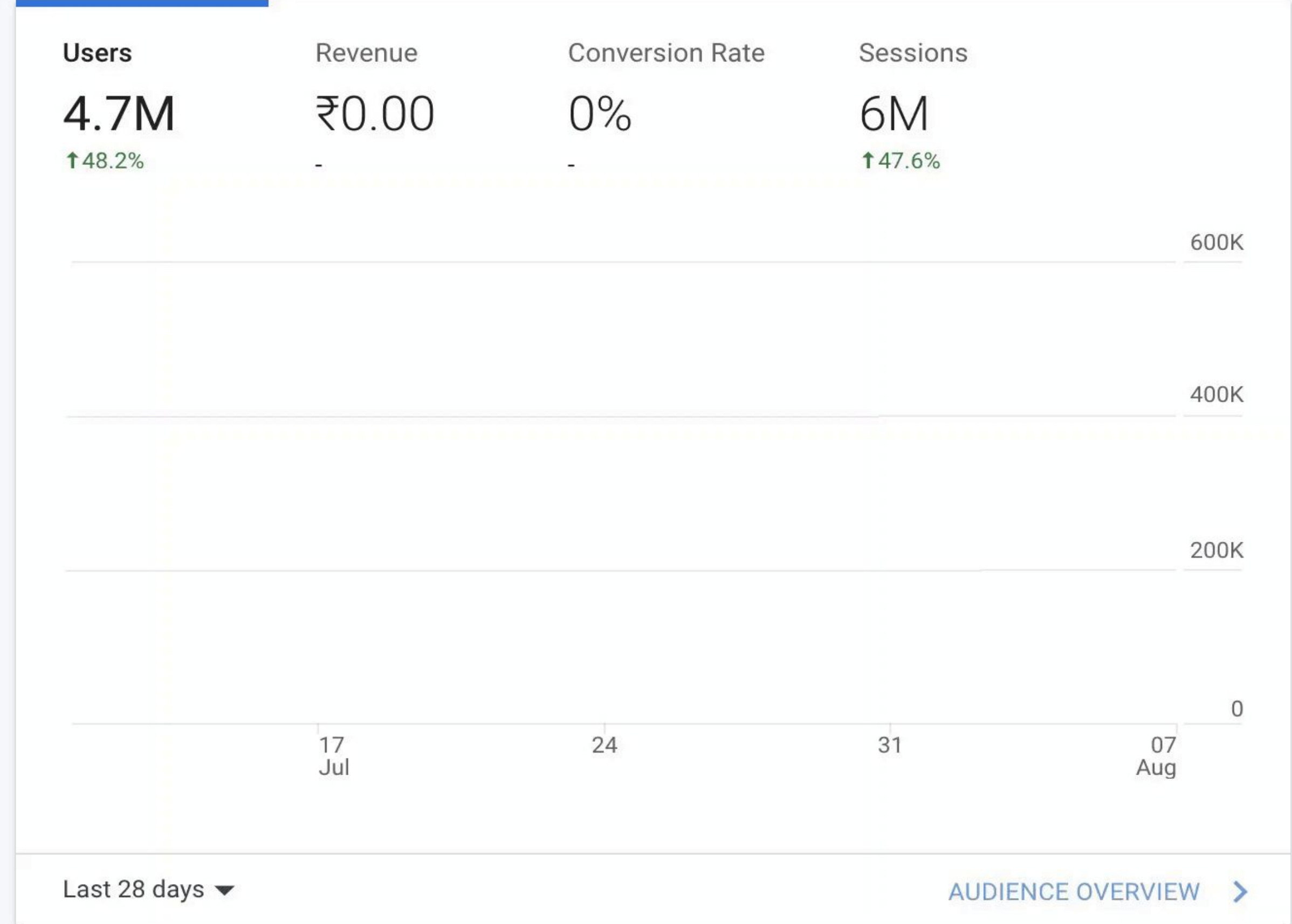


Royal Enfield Global website visits saw an upward trend of

**48.2%**

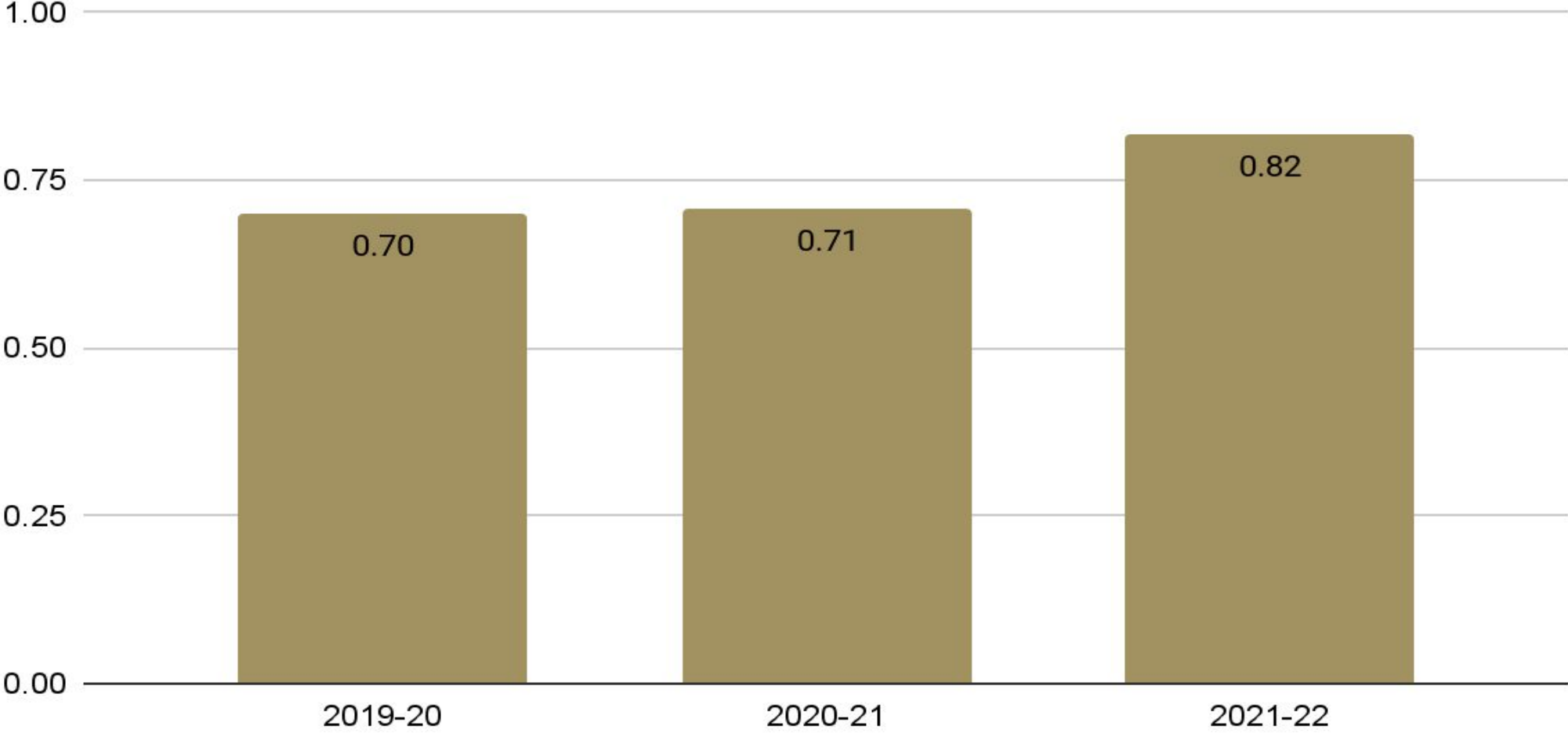
starting the teaser Go Live!

Hunter 350 launch has led to web traffic increase to all time high!



# INTERNATIONAL MARKET OPPORTUNITY

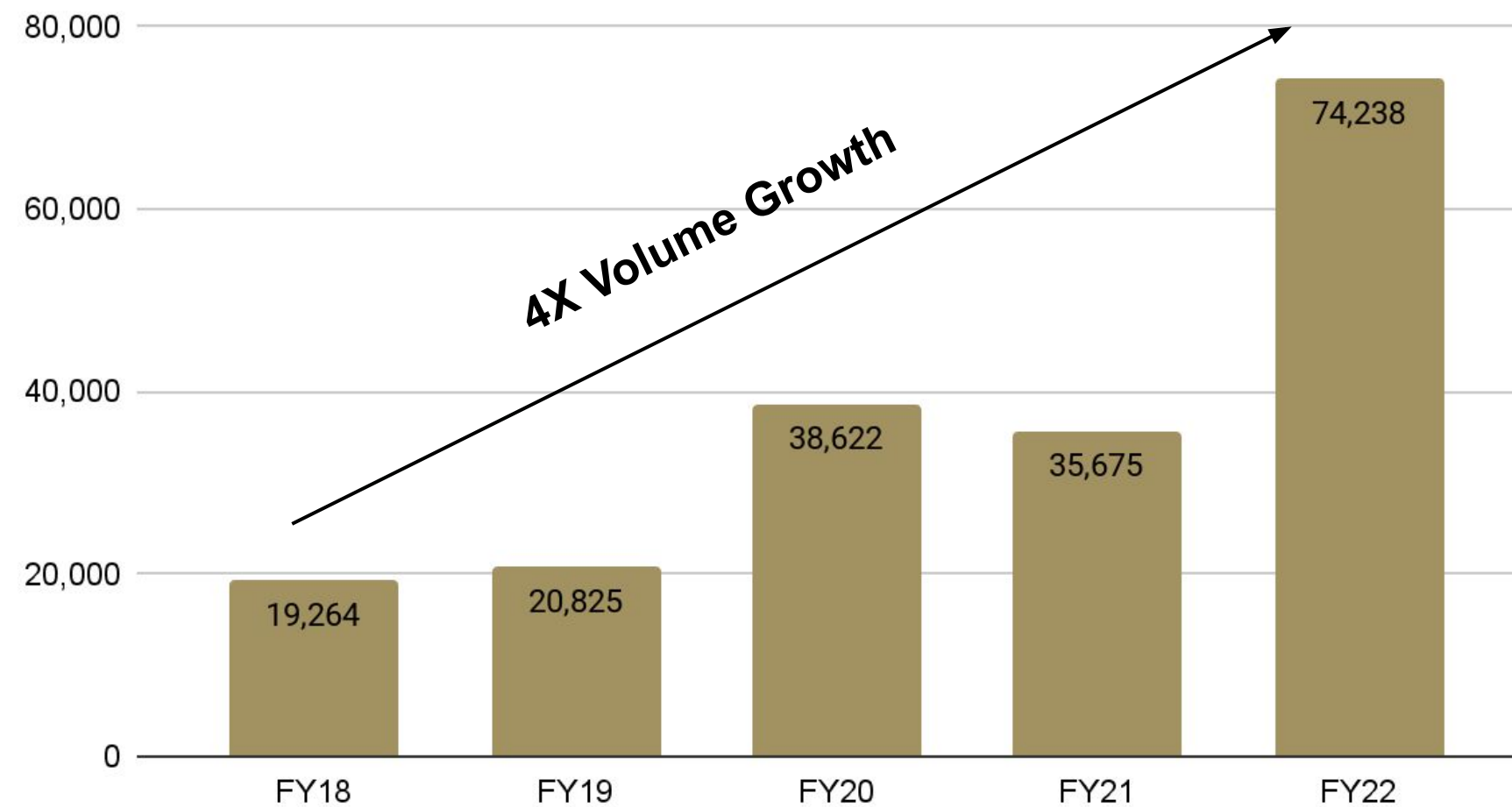
INTERNATIONAL MID SIZE MARKET



# BUSINESS SUMMARY - INTERNATIONAL MARKETS

## International Business – Stellar Performance over last 5 years

INTERNATIONAL VOLUMES



**The Total  
Addressable  
Market outside  
India currently  
stands at  
1 Million units.**

# INTERNATIONAL DISTRIBUTION NETWORK

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**over  
840**

touchpoints in 60+ countries  
worldwide.

The company has also been strategically  
investing in assembly units in critical markets.

# INTERNATIONAL MARKET - AMERICAS

FY 22 WHOLESALSALE (nos)

**26,032**

FY 22 REVENUE

**₹ 598CR**

GROWTH - Wholesales

**120%**

**In North America,**  
we achieved an all  
time high of **8.5%**  
**Mid size share** in  
**June.**

**Brazil: 5.5%, North  
America: 5.2%,  
LATAM: 8.6%**



**262  
STORES**



Womens Flat Track

**BUILD.  
TRAIN.  
RACE.**



**ARGENTINA  
& COLOMBIA  
CKD**

# INTERNATIONAL MARKET - EUROPE

FY 22 WHOLESALSA (nos)

**30,673**

FY 22 REVENUE

**₹ 823CR**

GROWTH - Wholesales

**193%**

In EU, we achieved **9.5% Mid Size** Motorcycle market share in May'22, highest per month share till date. RE's **Mid Size Share is 7.9% CYTD**



**464**  
**STORES**



## Slide School Italy

The Slide School Programme expanded in the EU with the introduction of the SS Italy!



## Riders Club Europe

RCE Celebrated its first birthday surpassing 10000 members and 350+ branches

# INTERNATIONAL MARKET - APAC

FY 22 WHOLESALÉ (nos)

**10,656**

FY 22 REVENUE

**₹ 280CR**

GROWTH

**41%**

In APAC as well we achieved highest ever **Mid Size Market share of 8%** v. 7.3% of last year.



**147  
STORES**

**Thailand CKD operations**

**Customization Projects:  
Busted Knuckles  
Build-Off (ANZ) Season 2  
concluded with 5 exciting  
builds based on  
Himalayan & Twins**





# BRINGING MORE PEOPLE INTO MOTORCYCLING

# NON - MOTORCYCLING BUSINESS: NEW PEAKS UNLOCKED



## Aftermarket

- To ensure Customer satisfaction, spare parts availability is a key driver.
- We implemented Auto replenishment of spare parts to all our channel partners.
- **Spare Parts** has been consistently doing business of over **₹100 Crs** month on month.



## Genuine Motorcycle Accessories - 3X growth at in 3yrs

- More than 250 SKUs on offer



## Apparels - 2X growth in 2yrs

- Diverse product offering to offer maximum options to customers.



**PURE  
ROYAL  
ENFIELD**

# COMMERCIAL PROJECTS

# BUILDING A SCALABLE MODEL

## Pre-owned Motorcycles

- A Royal Enfield motorcycle never retires.
- Build a scalable business model around purchase and sale of pre-owned motorcycles.
- Enable and encourage upgrade via exchange
- Lower the barrier for RE aspirants to own a motorcycle by offering them the pre-owned proposition

## Wanderlust

- Nudge customers at each stage of riding (ride, ride more, ride pure) to move upwards
- Enable immersion in the motorcycling way of life via experiences on a motorcycle
- Leverage Rental and partner with Tour Operators as a medium

## Garage Cafe / Experience Centre

- Beacons of brand offering authentic and engaging experiences of the motorcycling way of life for riders at each stage of evolution
- Build a scalable, sustainable, profitable and impactful model

## Factory Fit Customs

### Build a scalable model to:

- Offer customers a bespoke and truly personalised motorcycle; while still ensuring that it meets the requirement of the law of the land.
- Engage and include the customers in the motorcycle building process by inviting them at the TVT factory while their motorcycle is being built

## Direct to Customer

- Pilot a direct to customer (B2C) model for sales of motorcycle
- End to end control over customer experience
- Create convenience for the customers by building tools for a wow experience at the location and with the medium of the customer's choice

# JOURNEY TOWARDS GREEN OPERATIONS



- Project Commissioned in Jan'22.
- Average monthly power consumption : 16L units.
- 1300 tonnes of Co2e emission / month is eliminated.
- Investment 4.2 Cr. and Cost benefit 3.5 Cr. per annum



- Water positive index is increased from 0.319 (FY19) to 1.98 (FY22).
- Rainwater collection and usage reduces freshwater consumption.
- Water consumption improved from 32 to 28 Litres per person
- Rainwater harvesting structures were put to recharge the groundwater table



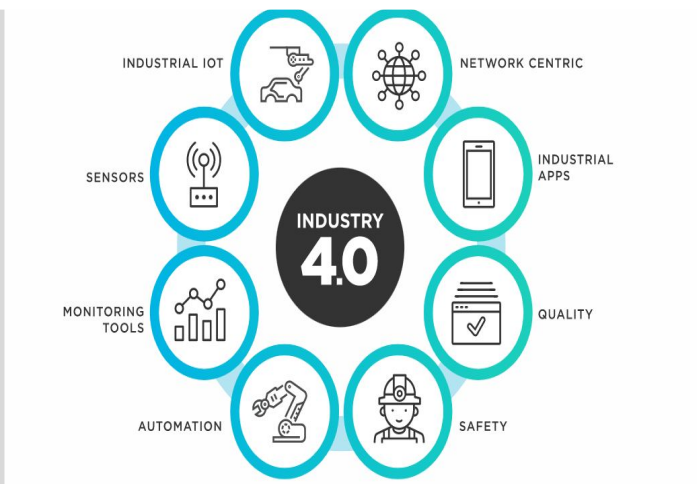
- Environmentally friendly & cleanest fuel.
- LNG's higher flammability range makes it much safer than LPG.



- Miyawaki methodology of forest done in both Vallam and Oragadam, total tree plantation within campus 10,200 nos
- Additionally, we are maintaining around 17,000 trees in OSR land.



- Commissioned in April '21.
- Results in fuel consumption reduction of 105 tonnes / annum.
- Contributes in emission reduction of ~331 tonnes of Co2 /annum
- Investment 0.8 Cr. and Cost benefit 0.5 Cr. per annum



- Digitization to eliminate the usage of history card in Engine assembly
- Other IoT projects such as Centralised system for attendance, payroll & traceability, production metrics, machine shop traceability data, CMM reports, gauge audit reports are in different stages of readiness

**20**

**22**

**MOTORCYCLING ENTHUSIASTS  
LEADING ROYAL ENFIELD**

---

**POSITIONING & PRODUCT  
PORTFOLIO FOR THE FUTURE**

---

**OPPORTUNITIES & MARKET  
PERFORMANCE**

# PROFITABILITY



# ASPIRATIONS & ACCESSIBILITY



# ROYAL ENFIELD: BRINGING ACCESSIBILITY TO ASPIRATIONS

**ASPIRATIONAL**

**48%**

**Top of mind awareness**

**ATTRACTIVE**

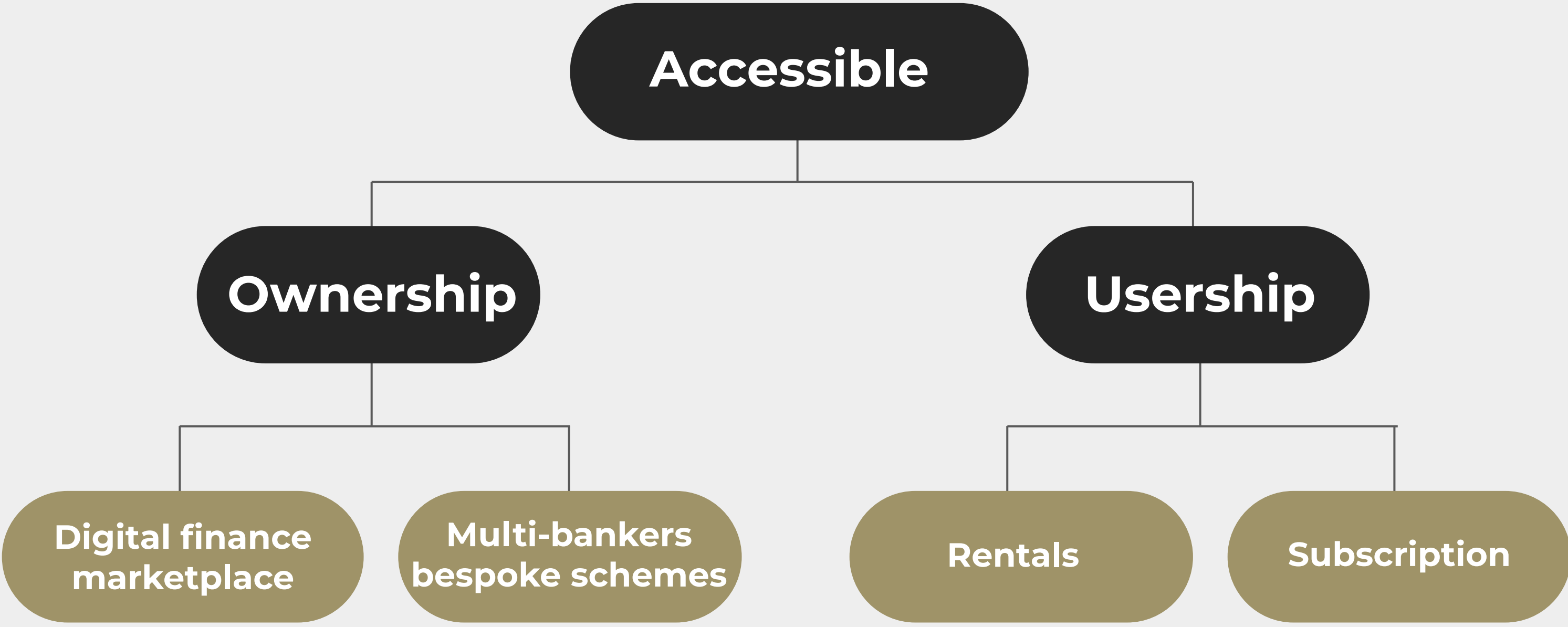
**Royal Enfield Classic  
Top selling >125 cc Model**

**AMAZING**

**98%**

**Net Sentiment**

# BRINGING ACCESSIBILITY TO ASPIRATION, ATTRACTION AND AGILITY.



Partnered with leading banks and financiers\*

Up-to 100% financing options available

Lower rate of interests (starting from 7.95%)

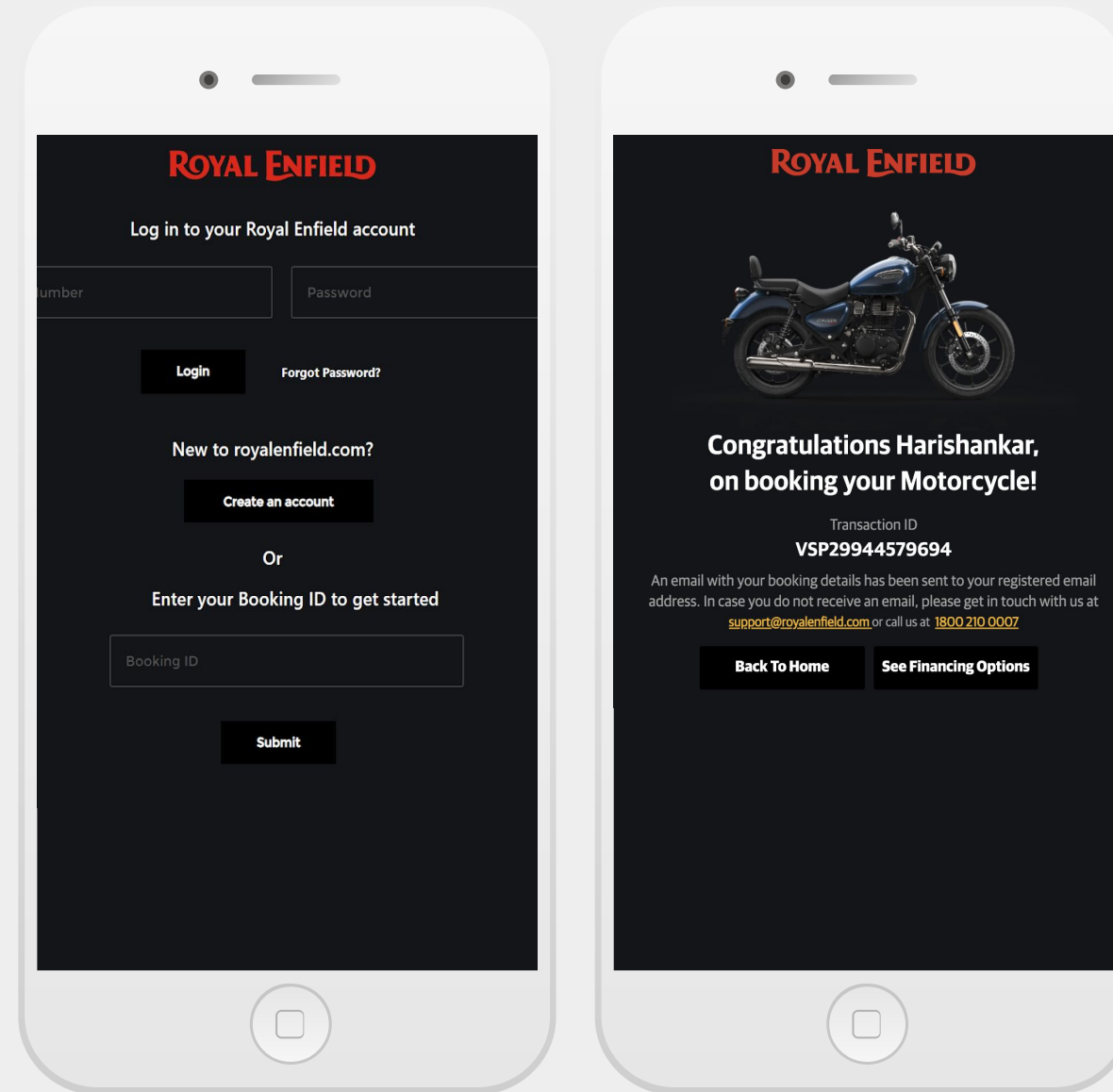
Longer loan tenures (Upto 6 years)

## ACCESSIBLE



# FINANCING - KEY DRIVER OF GROWTH IN COMING YEARS

## DIGITAL FINANCE MARKETPLACE

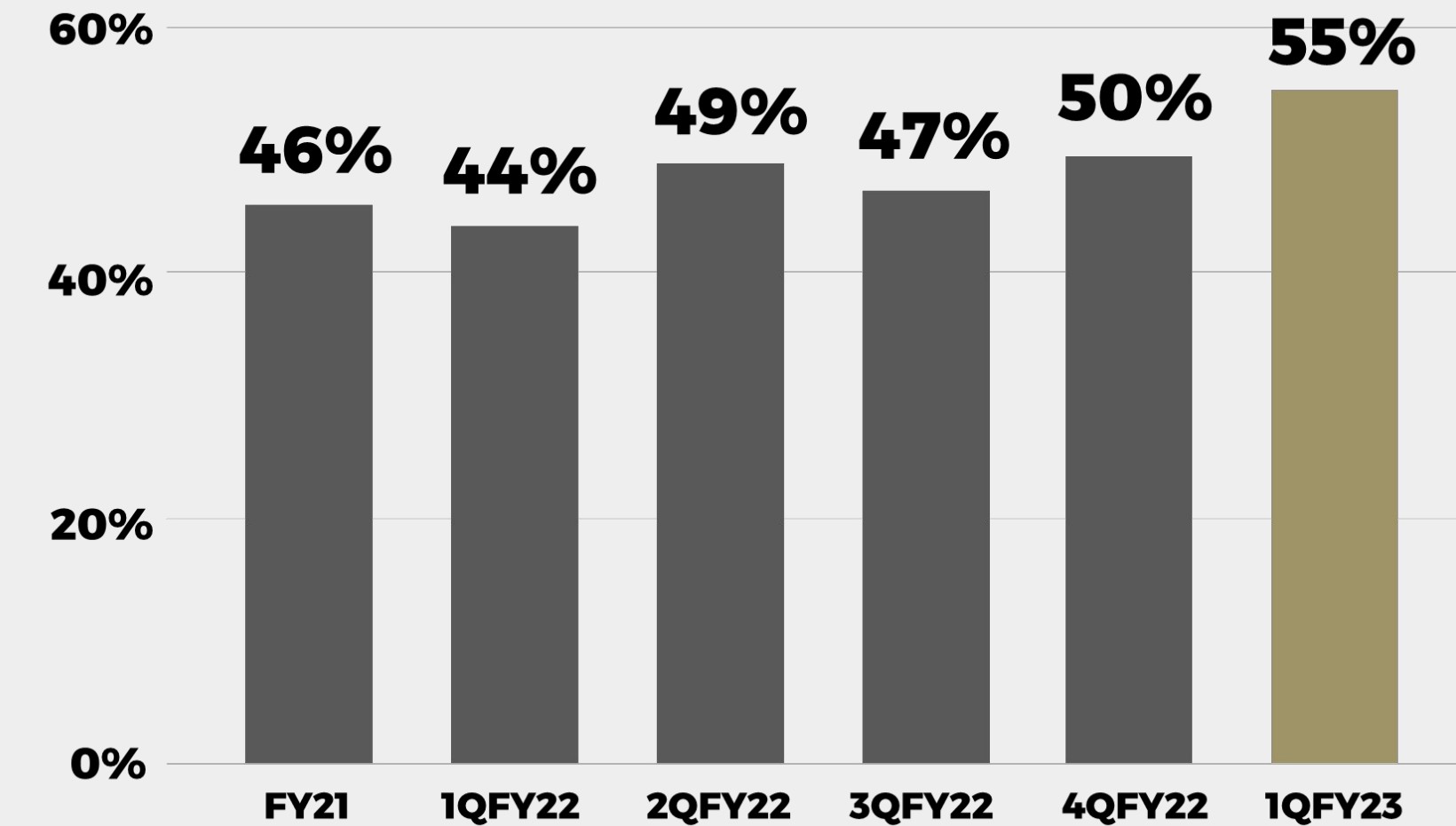


Multiple financier platform – 4 players  
(Pvt Banks / NBFCs / PSU Banks)



Available at an EMI starting ₹1,999/-  
On a down payment of ₹4,999/-

## RISING PENETRATION

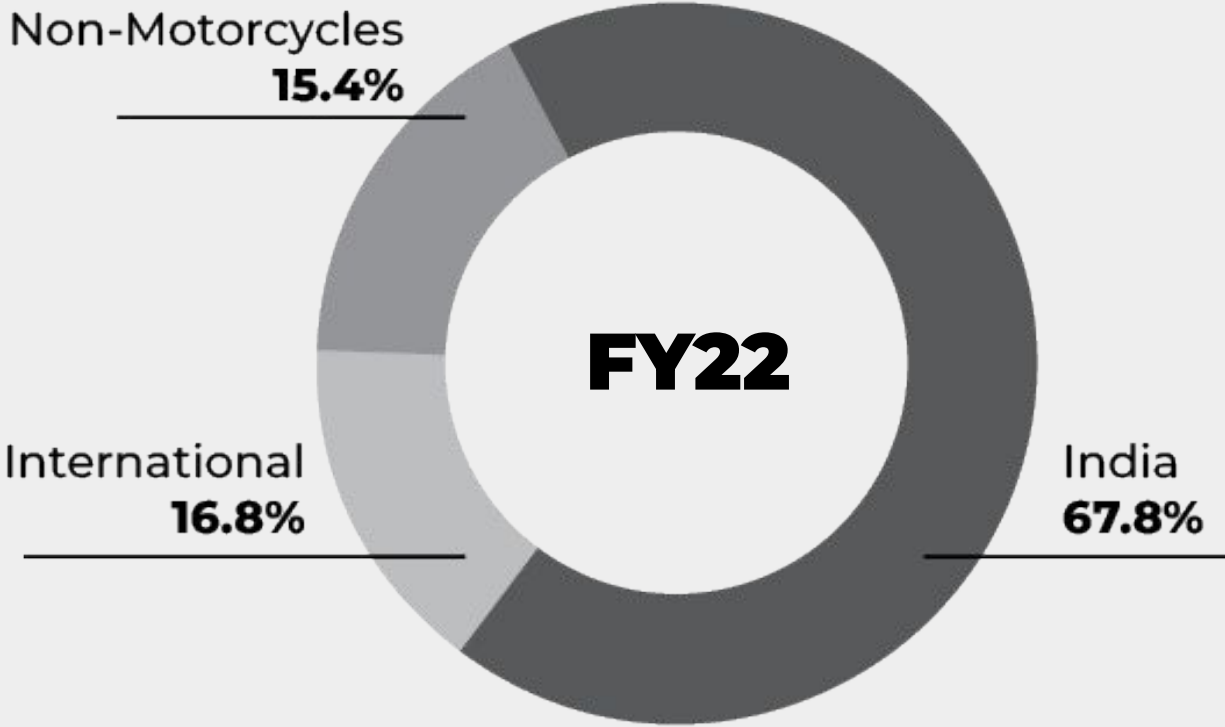


A close-up, slightly blurred photograph of a motorcycle engine, showing various mechanical parts like the cylinder head, valves, and timing belt. The image is dark and serves as a background for the text.

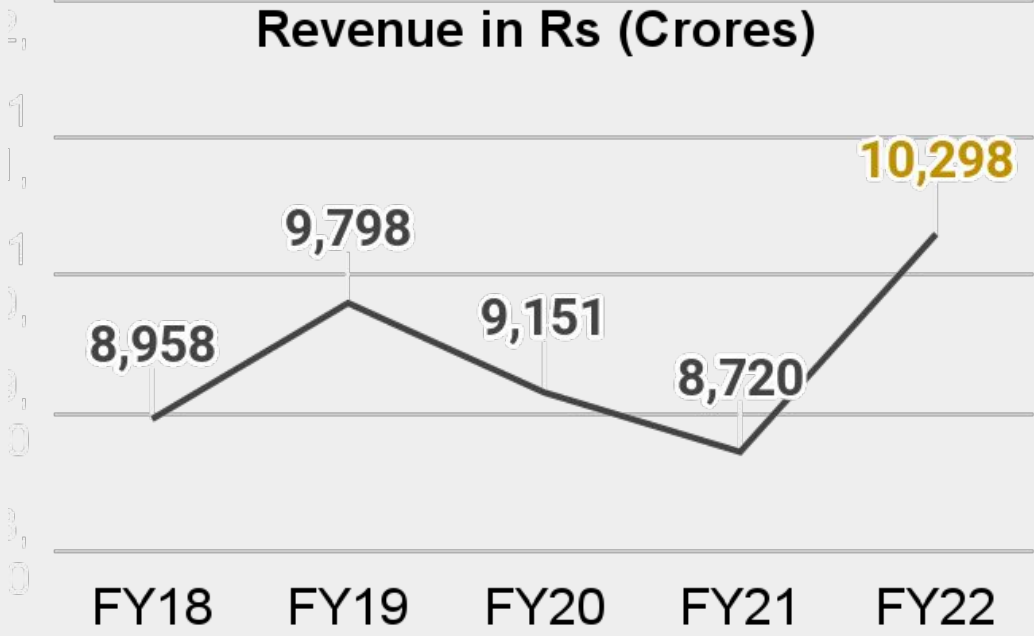
# GUNNING FOR GROWTH THROUGH PURE MOTORCYCLING

# DIVERSIFICATION OF BUSINESS LEADING STRONG REVENUE PERFORMANCE

## PURE MOTORCYCLING



SHARE OF REVENUE

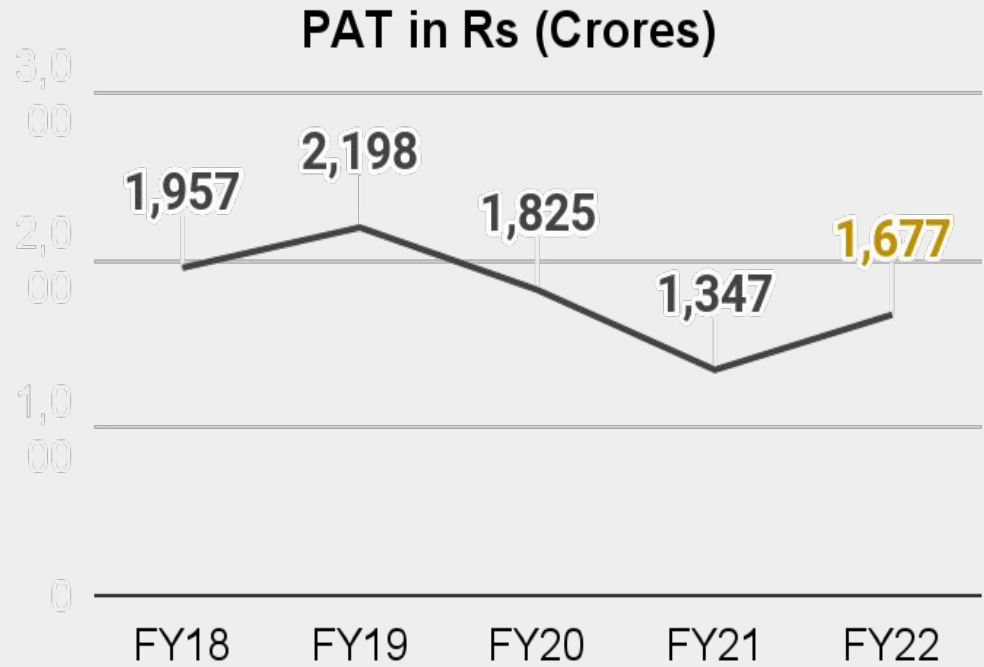


**₹3,397 CR**

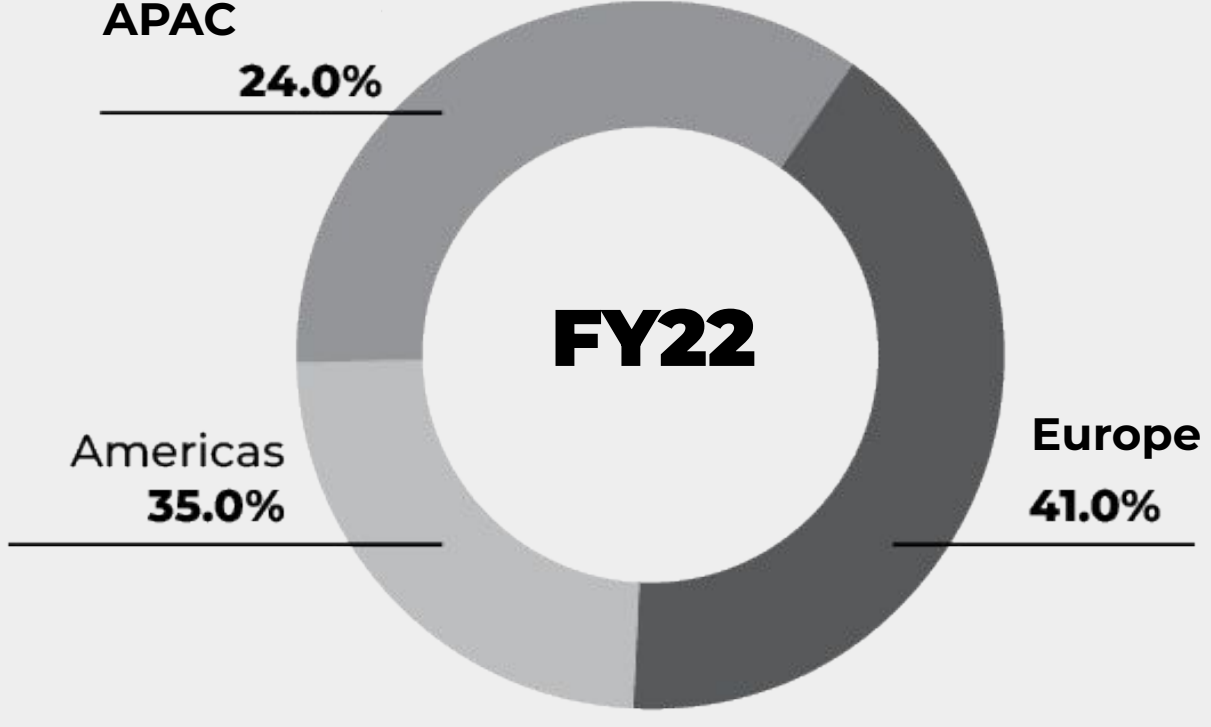
EML Consolidated revenue in Q1 FY 2023 - Highest ever mark

**₹611 CR**

EML Consolidated Reported PAT in Q1 FY 2023



## GLOBAL



SHARE OF INTERNATIONAL VOLUMES

# REVENUE GROWTH AIDED BY PRICING POWER AND PORTFOLIO PREMIUMIZATION AND INCREASING NON-MOTORCYCLE BUSINESS

**₹10,298<sub>CR</sub>**

EML'S HIGHEST EVER REVENUE IN FY 2022 (31% CAGR SINCE 2011)

**₹6,979<sub>CR</sub>**

FROM DOMESTIC MOTORCYCLES IN FY 2022

## PRICE ACTIONS

**>23%**

>23% price increase since FY 2020

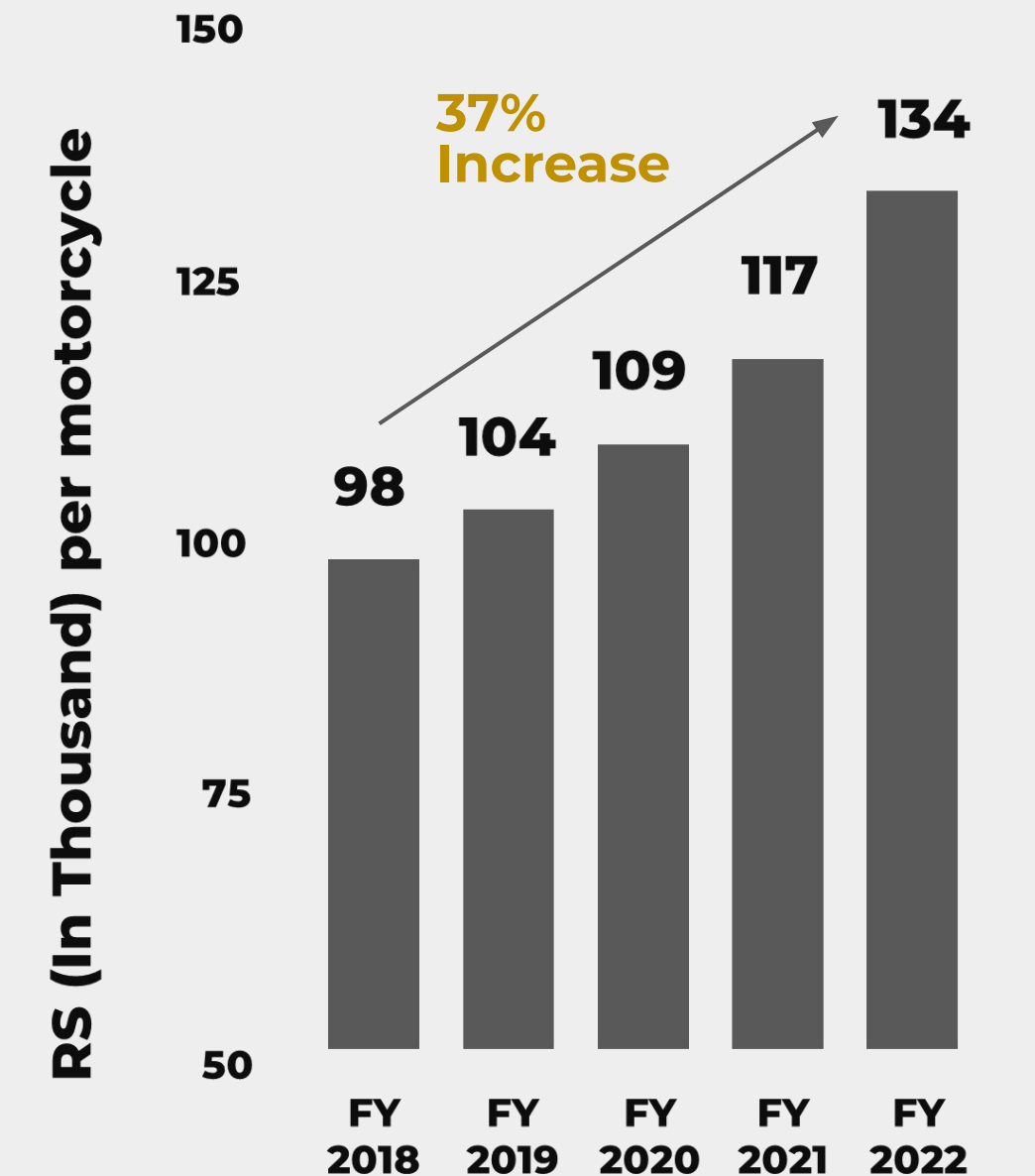


## MODEL MIX

**>9%**

Volume share from over 350cc portfolio in FY 2022

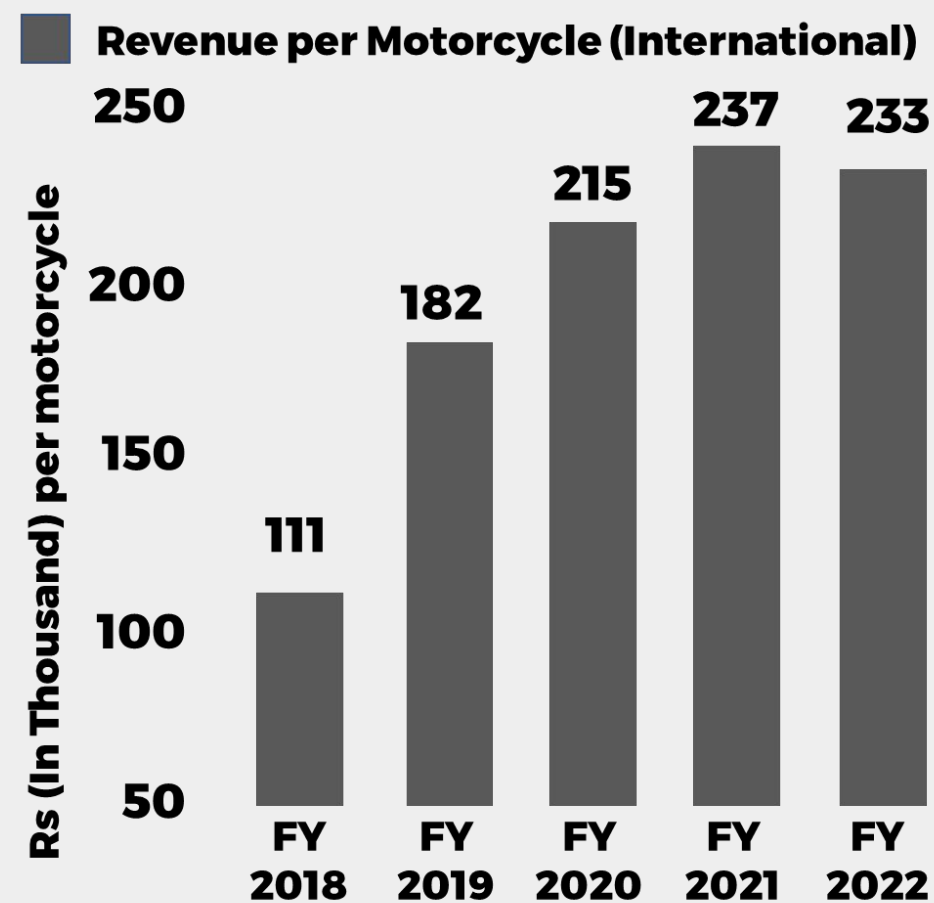
## Revenue per Motorcycle (Domestic)



# INTERNATIONAL BUSINESS OFFER A LONG TERM PROFITABLE GROWTH TRACK

## ₹1,732 CR

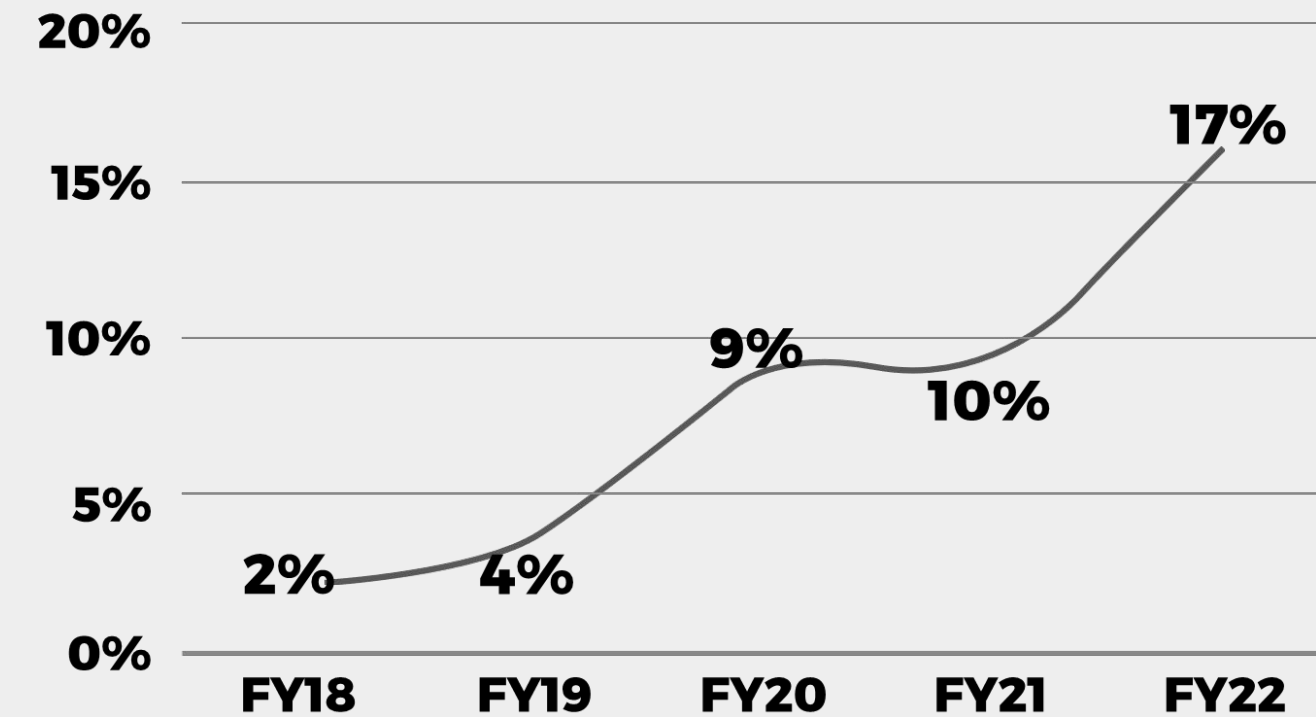
New highs in FY 2022  
69% CAGR since FY 2018



## REVENUE SHARE

# >17%

On the back of 12% volume share in FY 2022



# >65%

Volumes from Developed markets  
(For FY 2022)

## 3 CKD PLANTS

### IMPROVING COST STRUCTURE

# ARGENTINA | COLOMBIA | THAILAND

# NON MOTORCYCLE BUSINESS: COMPLETING PURE MOTORCYCLE ECOSYSTEM

## ₹1,587 CR

New highs in FY 2022  
17% CAGR since FY 2018

### Share of Non Motorcycle revenue



### SPARE PARTS

**53%** Service market share

**74%** Extended warranty penetration

### MIY ACCESSORIZATION

**>2x**

Growth in accessories per bike since MiY

**>80%**

MiY penetration in bookings

### APPAREL BUSINESS

Market leader in multiple lifestyle categories







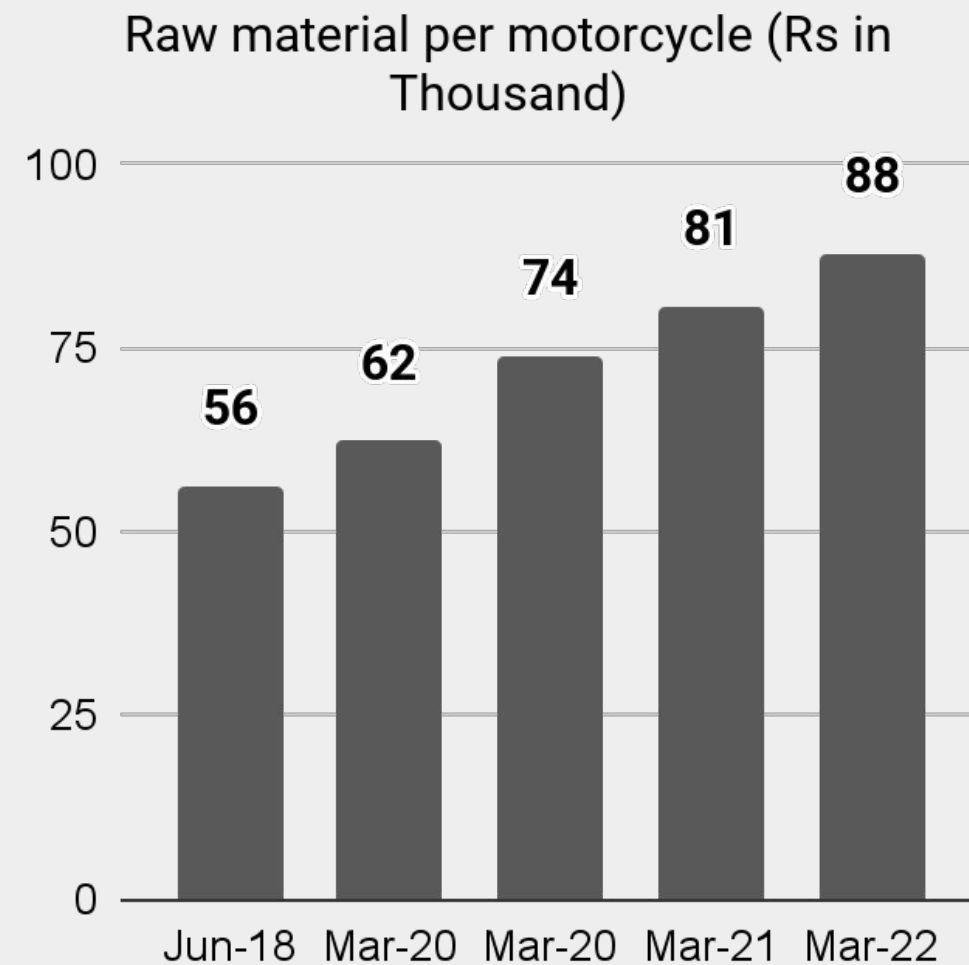
# VALUE ENGINEERING & MARGIN UNLOCK

# MITIGATED UNFORESEEN COMMODITY INFLATION BY SIGNIFICANT VALUE ENGINEERING PROJECTS

## COMMODITY INFLATION

# >40%

Increase in input costs since FY 2020



## STRONG COST REDUCTION INITIATIVES

# 75%

Reduction in PGM usage since launch of BS6 motorcycles

## TECHNICAL LEVERS

- CAT optimisation
- VAVE & Supplier VAVE Program
- Alternate Material & Process
- Standardisation, Commonization & Part Count reduction

## COMMERCIAL LEVERS

- Alternate vendor sourcing
- Make / Buy Restructuring
- Localisation of Imported parts
- Variant optimization
- Best Cost Country Sourcing

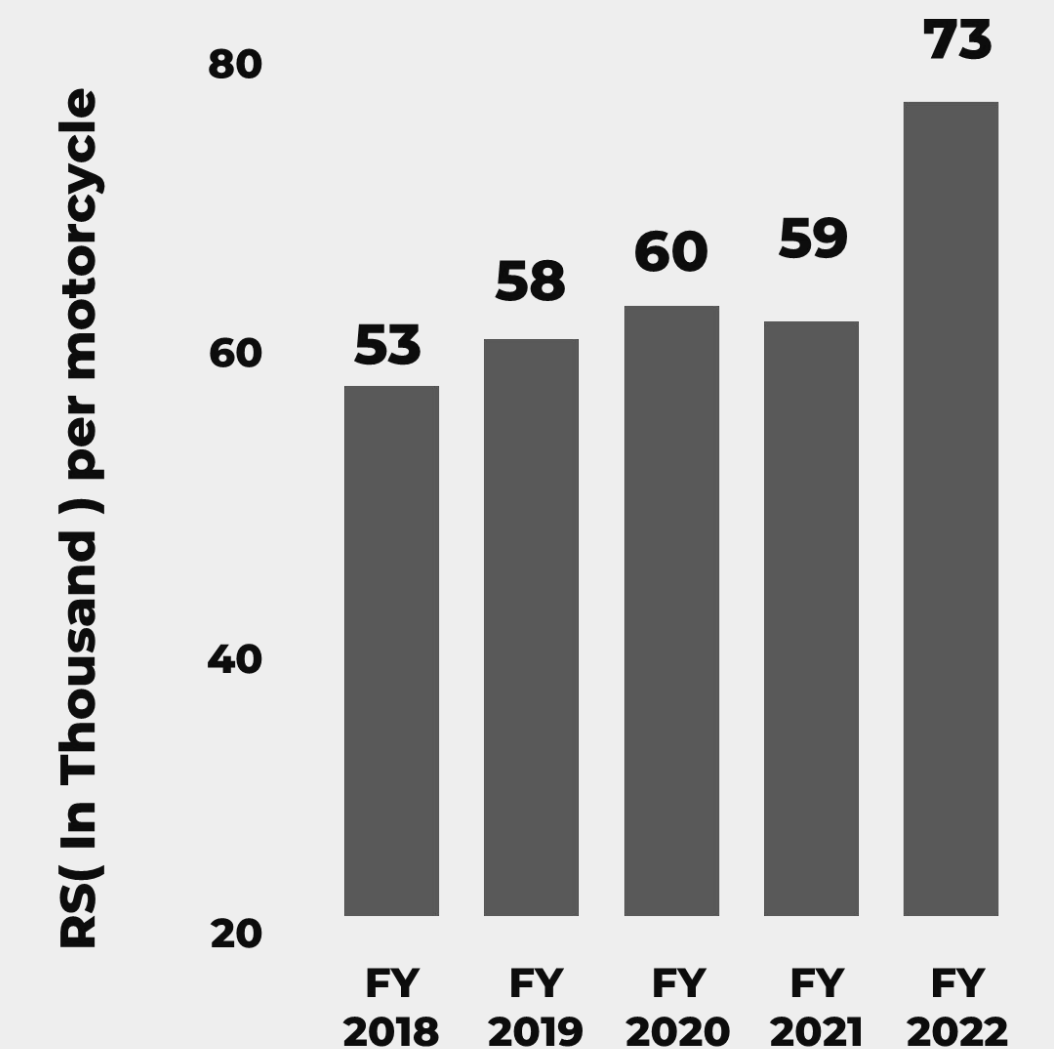
## GROSS MARGIN

# 42.2%

Gross Margin in FY 2022 (+0.8% YoY)

## HIGHEST EVER GROSS PROFIT PER MOTORCYCLE

■ Gross profit per motorcycle (Rs thousand)

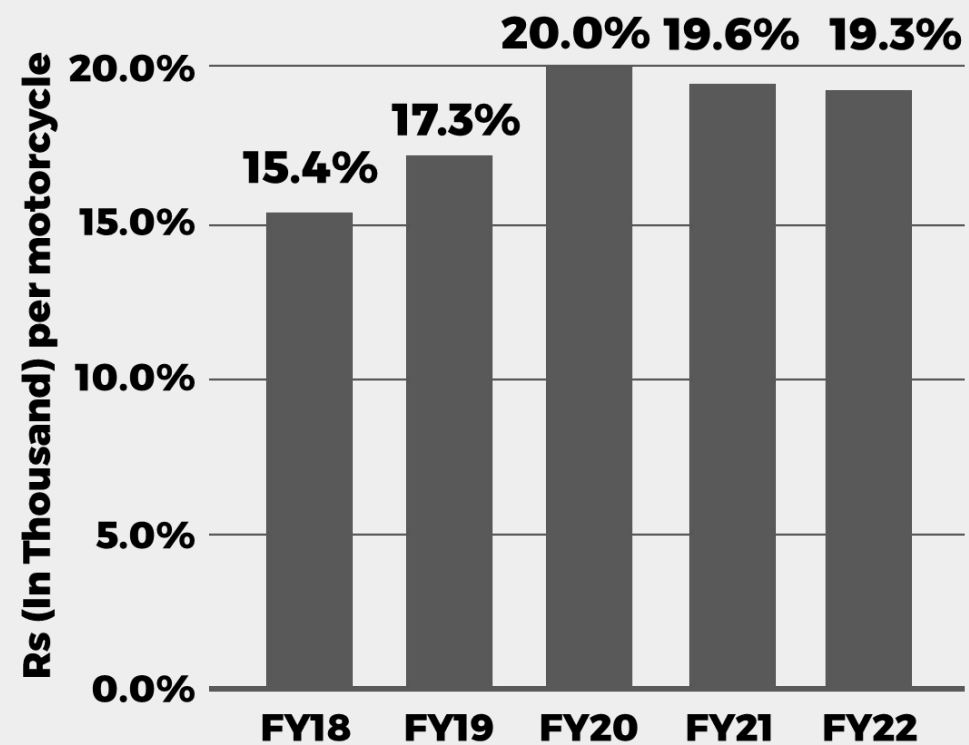


# AT RECORD EBITDA PER MOTORCYCLE SUPPORTED BY COST OPTIMIZATIONS

# 19.3%

(Other + Employee) expenses excluding freight for FY 2022

Overhead expenses (ex. freight)



## FIXED COST OPTIMIZATION

- Optimization of regional business offices
- Lower product warranty expenses
- Reduction in travel expenses
- Improvement in digital lead generation costs

## FOCUS ON SUSTAINABLE OPERATIONS



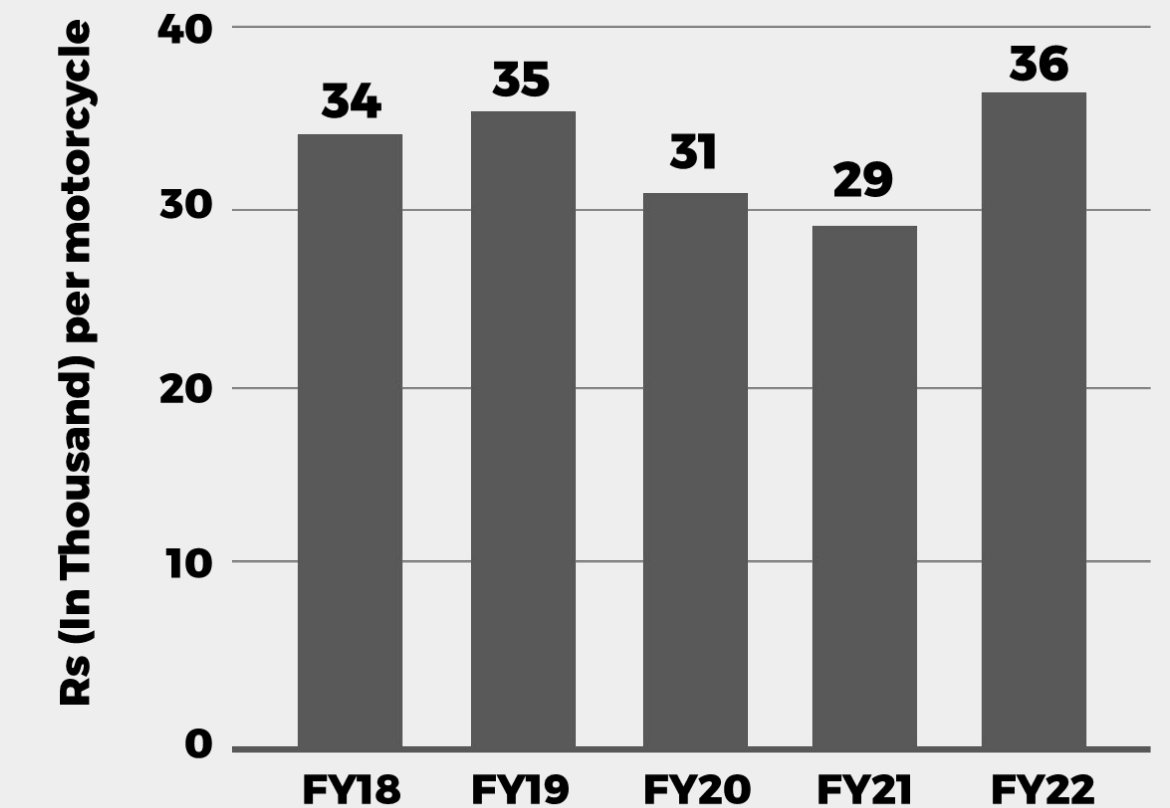
# 20%

Reduction in cost of Electricity at Vallam Vadagal after installation of Solar power plant

# ₹45k

EBITDA per Motorcycle for Q1 FY23

EBITDA per motorcycle





# PROFIT & VALUE CREATION

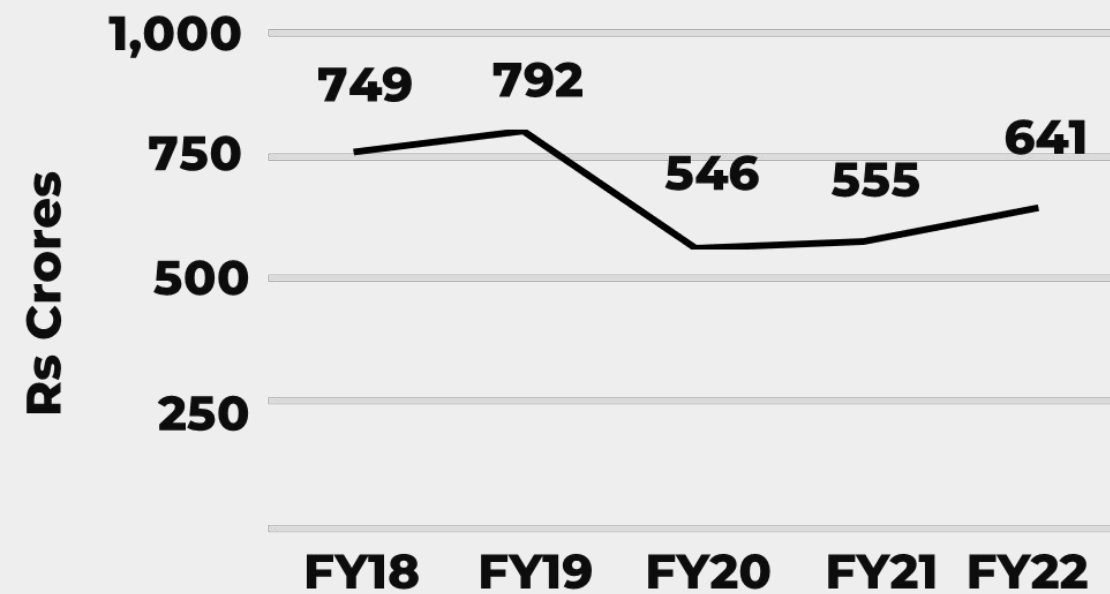
# ROBUST FUNDAMENTALS AND HIGHER PROFITS TO USHER A STRONG CASH ACCRUAL CYCLE

## STEADY CAPEX

~₹600<sub>CR</sub>

Average capex for last 3 years

### Capital Expenditure



>80%

EBITDA conversion to Operating cash flow

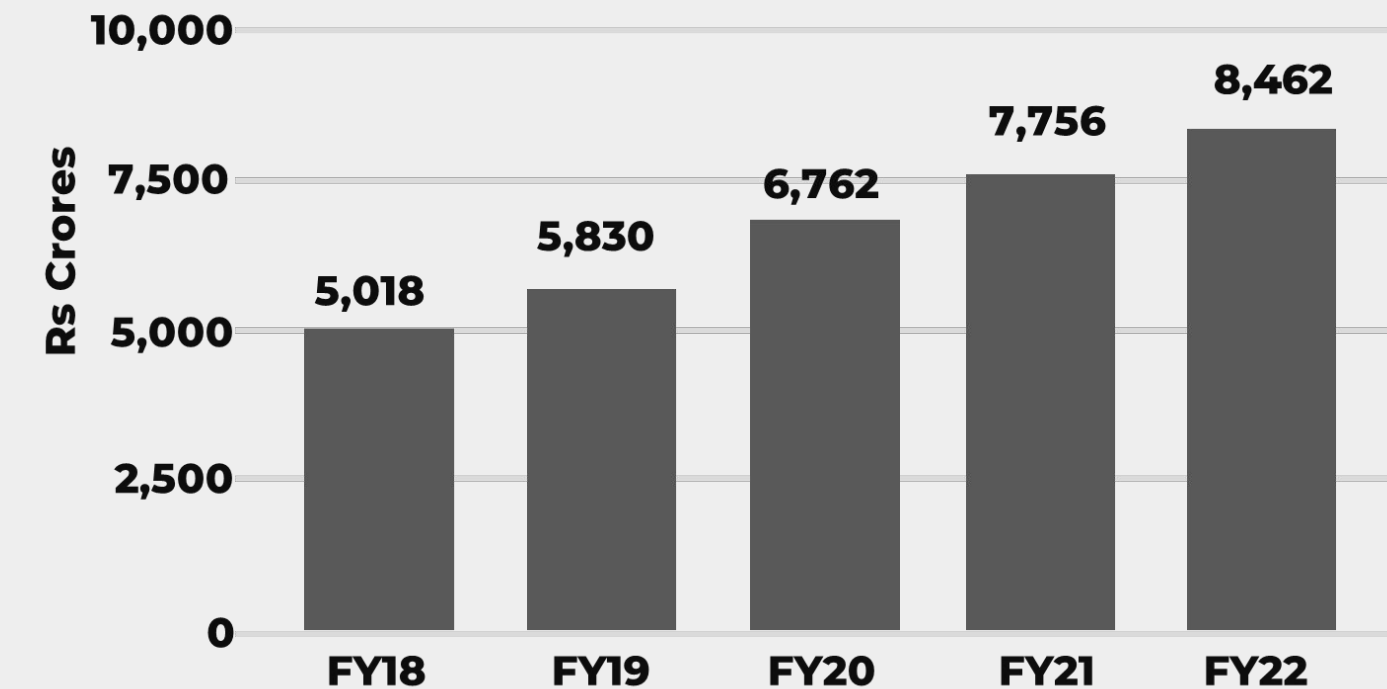
₹1,600<sub>CR</sub>

Average annual cash flows from operations for past 4 years

₹8,462<sub>CR</sub>

Cash & equivalent as of FY 2022

### Cash and cash equivalents



NEGATIVE WORKING CAPITAL

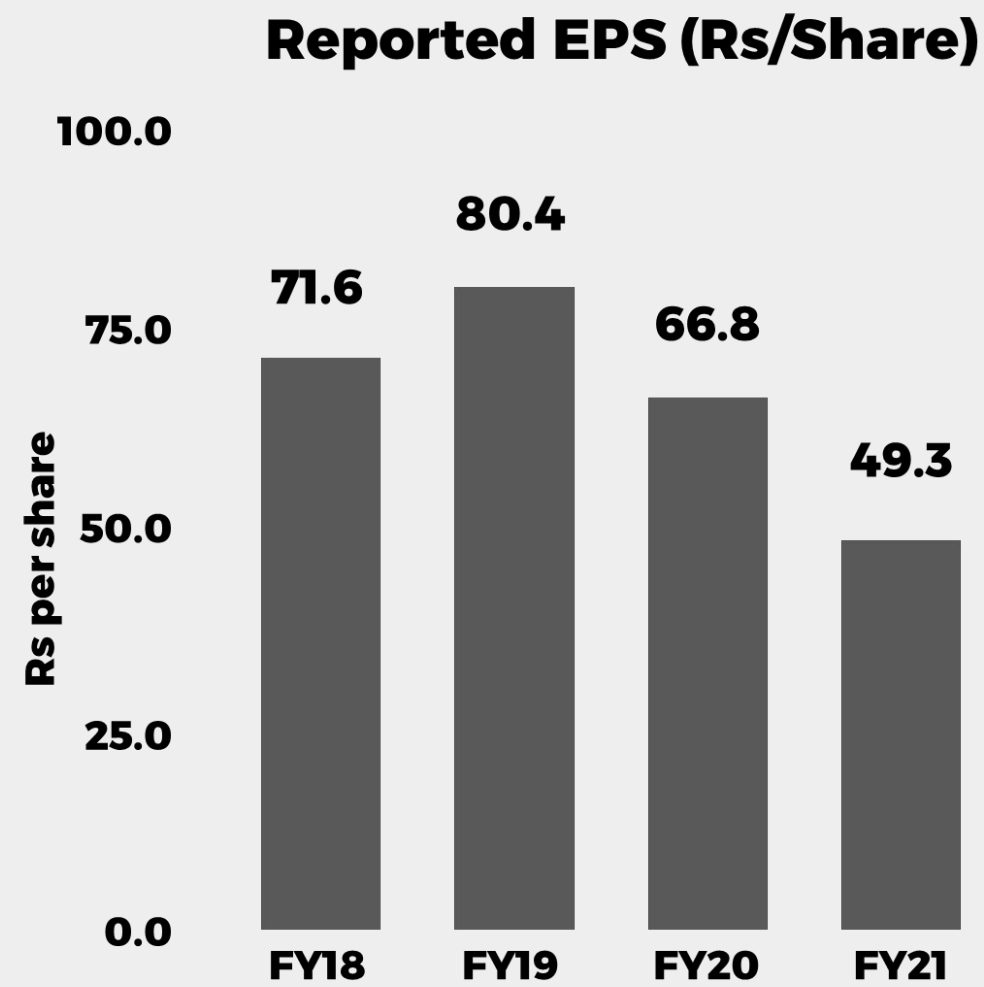
~4%

Of sales in last 3 years despite tough backdrop

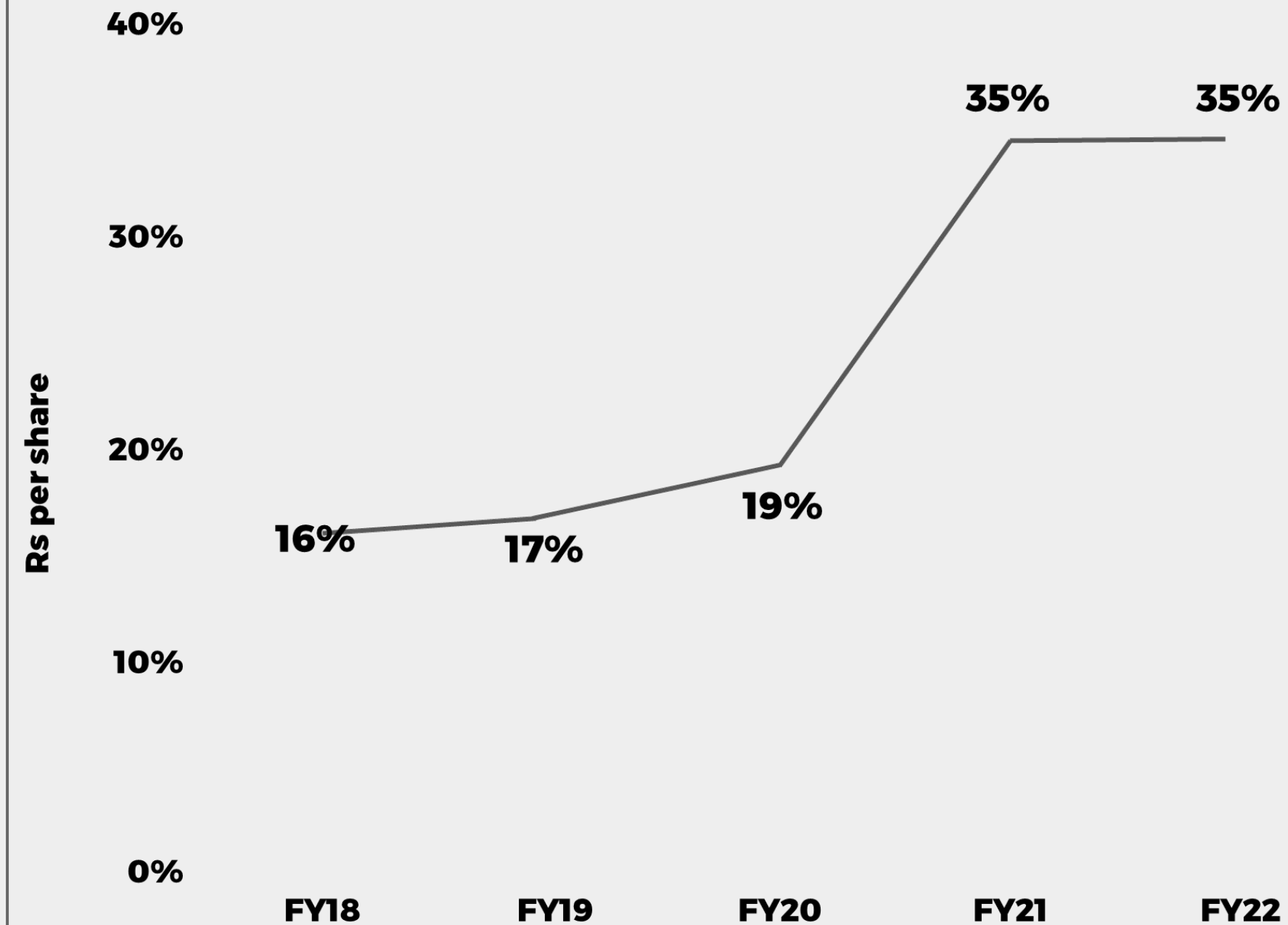
# EPS GROWTH AND HIGHER SHAREHOLDER PAYOUTS SUPPORTING HOLISTIC VALUE CREATION

# ₹22.3

Reported EPS for Q1 FY 23



## Dividend Payout Ratio



## INCREASING DIVIDEND PAYOUT

**35%** Dividend payout rate for last 2 years

**30%** CAGR for dividend per share in last 2 years

**₹578cr** Dividend paid out in FY 2022

**REBALANCE:  
PROFIT &  
PROFITABILITY**

# LONG TERM OBJECTIVE - PROFIT & MAXIMIZING GROWTH

## Creating Balance between Growth and Profitability



Focus on holistic return indicators to assess the business performance:

- Earning Before Interest & Tax (EBIT)
- Return on Capital Employed (ROCE)
- Earning Per Share (EPS)
- Free Operating Cash Flow (FCF)

**118%** Core Return on Capital Employed



**SUSTAINABILITY**

# ESG AT THE HEART OF OUR GROWTH STRATEGY

## EICHER'S DJSI Scorecard

### ESG Score

# 61.0

Eicher ranked among the **top 10 automotive sector leaders globally** to enter the Dow Jow Sustainability Index and became a member of the **DJSI Emerging Markets Index**.

2020                      2021

SCORE

## 29

## 61

PERCENTILE

## 50

## 76

# Zero

Liquid Discharge from Plants

**2** certified water positive

# 0.08

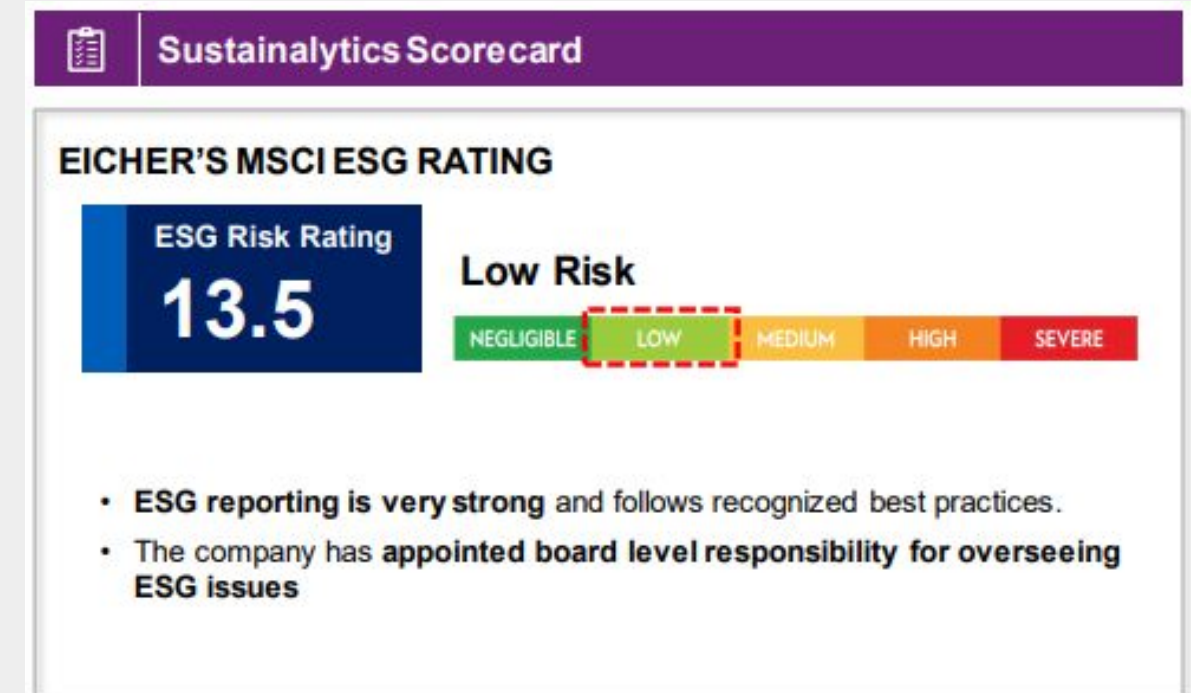
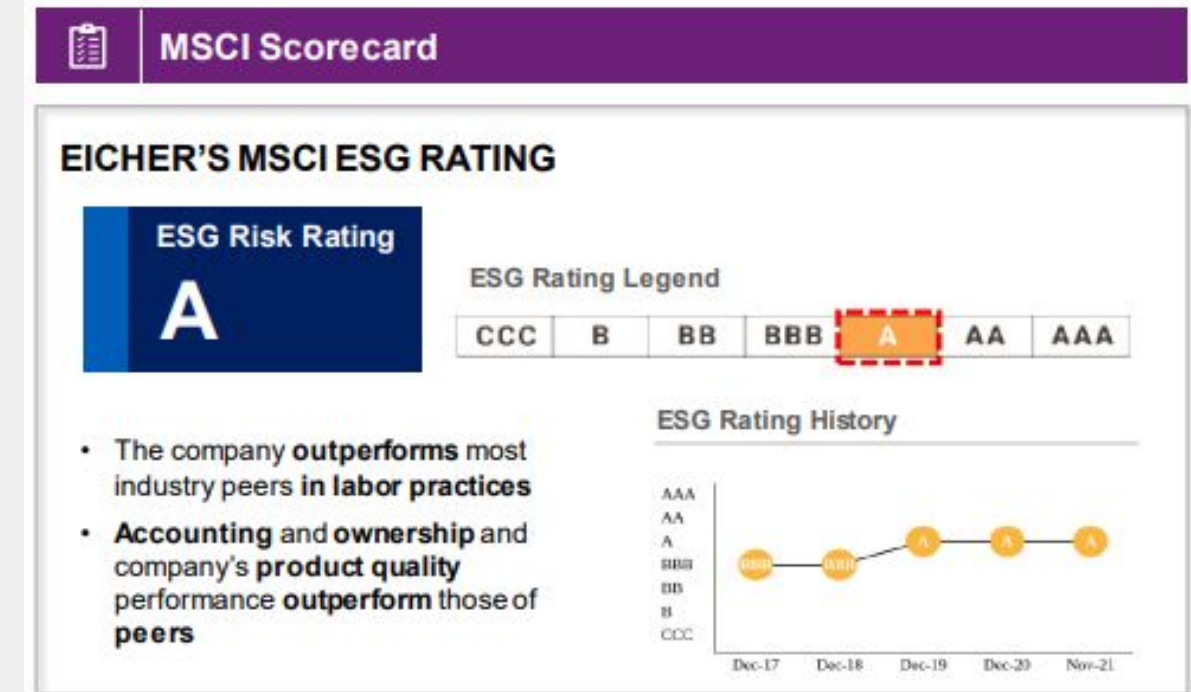
Long term injury frequency rate at Vallam  
**(Nil at Oragadam)**

# 22%

Reduction in GHG Emissions Intensity (tCO2e/Motorcycle)

# 96%

Overall Satisfaction scores at the Delivery Stage of new Motorcycles



# EML - 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



## SUPERIOR 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**

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

# INVESTOR DAY 2022

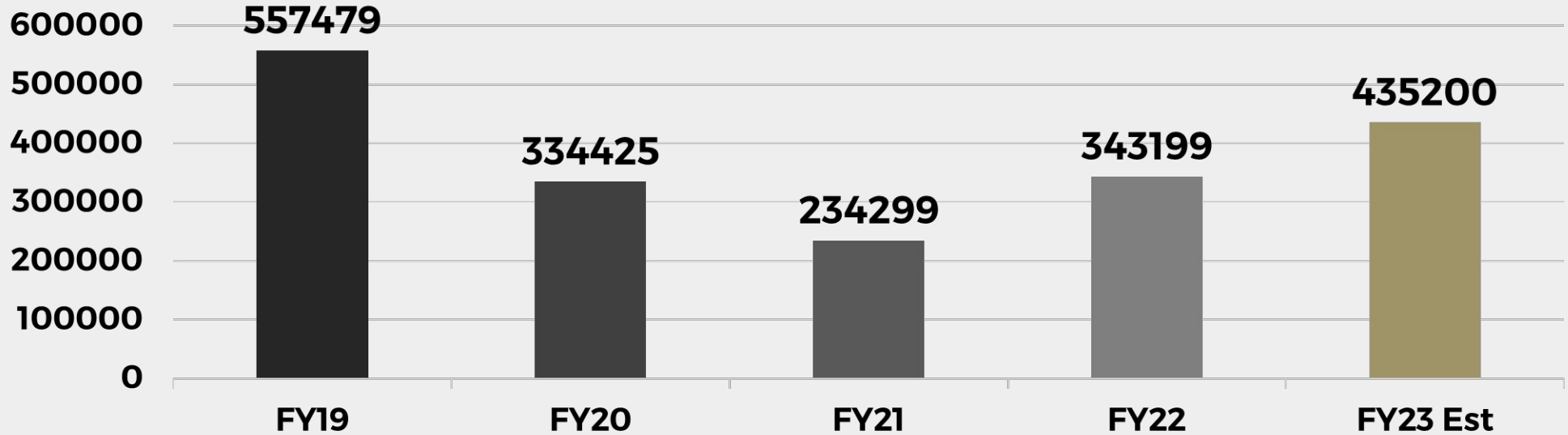
AUGUST 12, 2022

VINOD AGGARWAL, MD & CEO

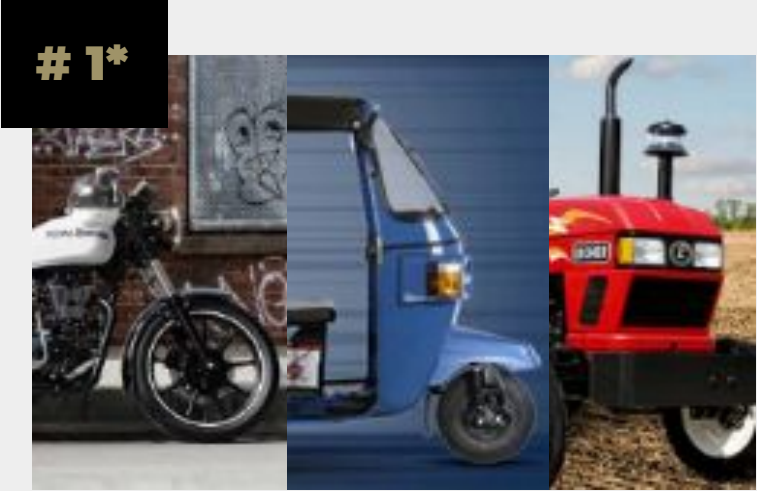
# INDIA CV INDUSTRY... POISED FOR GROWTH... AFTER 3 YEARS OF RECESSION

- Growing economy with record tax collections
- Focus on import substitution (Aatmanirbhar) & Make in India
- Policy support for EV's & scrappage of old & polluting vehicles
- Planned infrastructure investment of ₹145 trillion in next 5 years
- Huge pent-up replacement demand
- Gradual transition to better technology and Value Trucks & Buses
- Risks from geo-political disruptions, fuel & commodity inflation

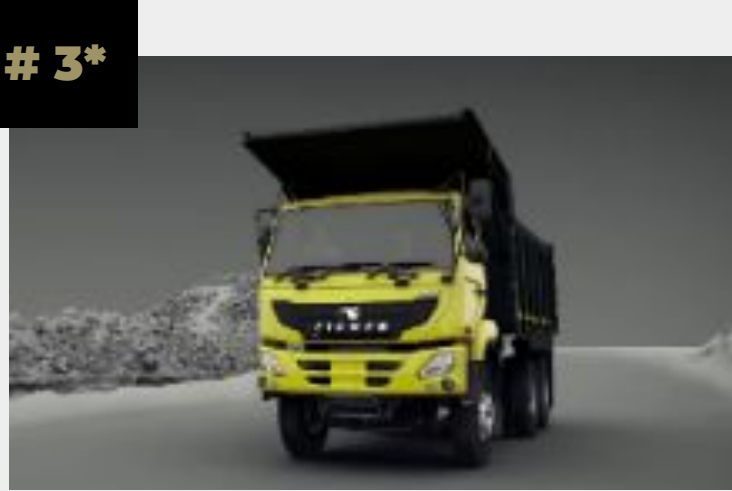
**India CV Industry >3.5 T incl. Exports Units**



**India economic growth story remains intact. Global scale in Automotive and Infrastructure**



**# 1\***  
2/3-WHEELERS, TRACTORS



**# 3\***  
COMMERCIAL VEHICLES



**# 4\***  
CARS



**# 2\*\***  
STEEL & CEMENT

\* Sale units  
\*\* By Production

# STRONG JV... BUILT ON TRUST, MUTUAL RESPECT & WIN-WIN

**2008-2013**

JV formation  
and initial  
Synergy projects

**2013-2021**

Launch of Pro series,  
Journey to become  
customer -oriented  
organization

**2022 >**

Future ready

# OVERVIEW.. TOP 3 INDIAN CV MANUFACTURER

**LIGHT & MEDIUM DUTY RANGE**



**HEAVY DUTY RANGE**



**STARLINE RANGE**



**SKYLINE RANGE**



**SKYLINE PRO RANGE**



**VE COACH & SLEEPER RANGE**



**VOLVO TRUCKS RANGE**



**EICHER SKYLINE PRO ELECTRIC**



**VOLVO BUSES RANGE**

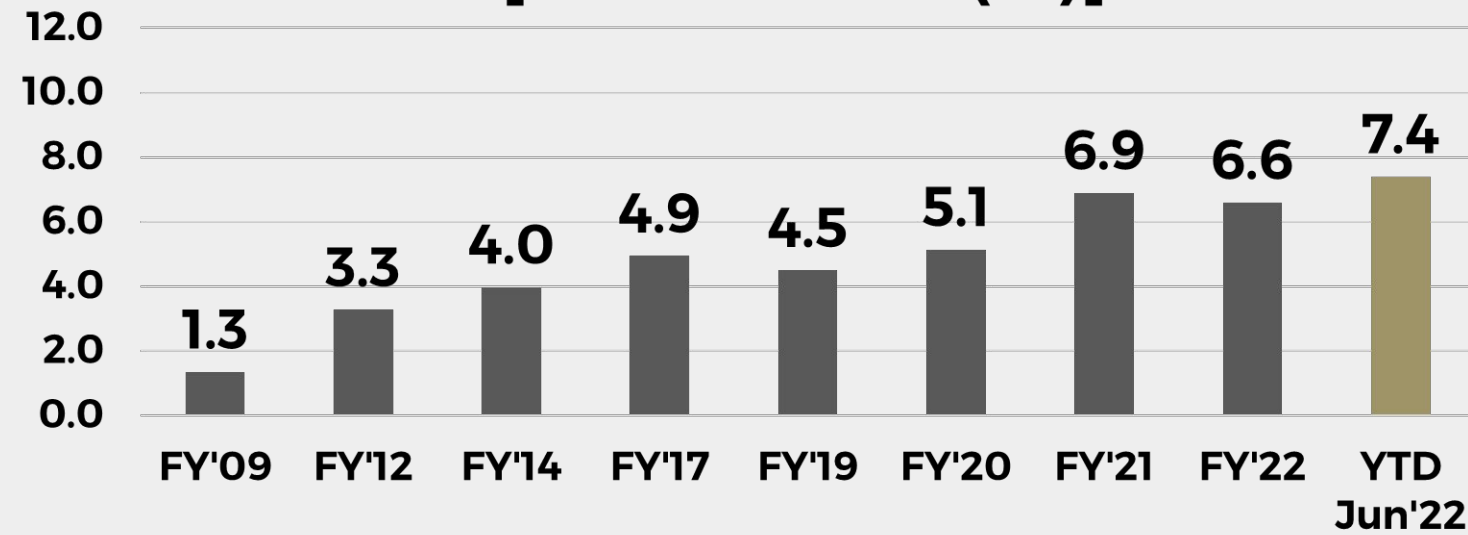


**ENGINES, TRANSMISSIONS, COMPONENTS**



# HEAVY DUTY TRUCKS ... STEADY GROWTH UNDERLINED BY DIFFERENTIATED CUSTOMER EXPERIENCE

Heavy Duty (18.5 - 55T) Trucks  
[market share (%)]



**Widest range** of products in the basic, value, and mid-premium segments.



Best in class **fuel efficiency**



Class leading modern features like **EPS, IDIS, 'Fuel Coaching'** and **'Cruise Control'**



Lifetime support solutions & productivity management **(Eicher Live)**

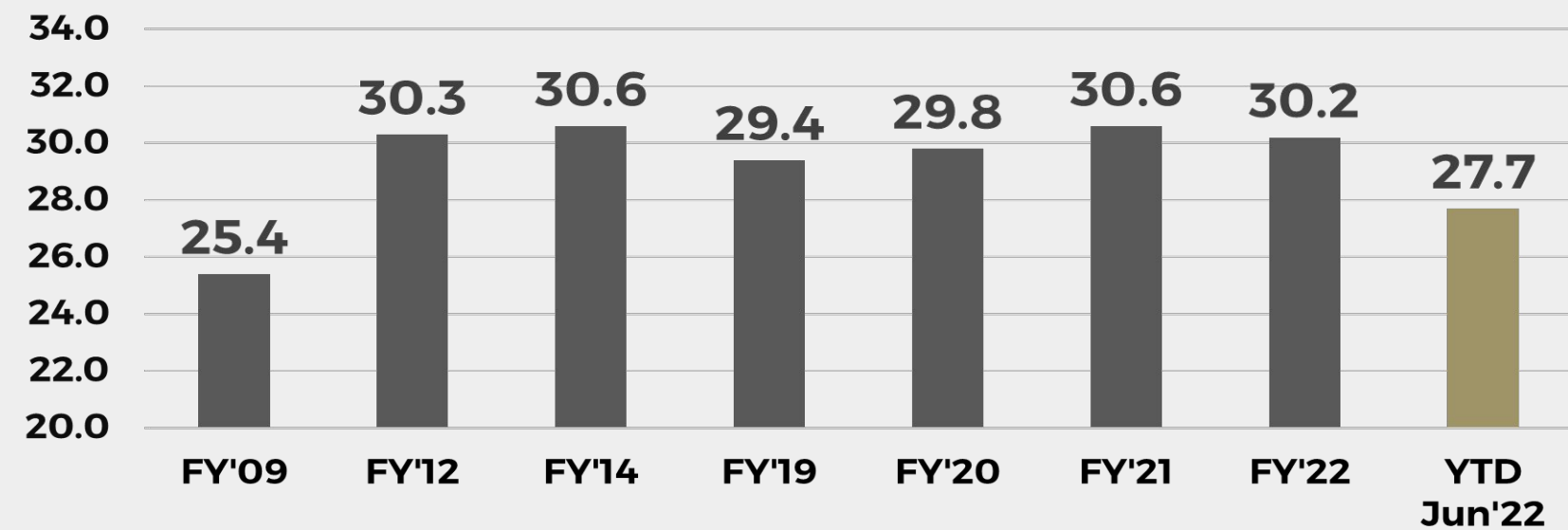


IDIS: Intelligent Driver Information system | EPS: Engine Protection systems



# LIGHT & MEDIUM DUTY TRUCKS... STRONG & ESTABLISHED OEM. 300+ VARIANTS IN PORTFOLIO

Light & Medium Duty (5-17.5T) Trucks [market share (%)]



Dual product range to address 'Basic' & 'Value' segments



**Dual product**  
range to address 'Basic' & 'Value' segments



**Mileage ka Badshah**  
(undisputed Fuel Efficiency Leadership)



Portfolio covering **4.9T ~16T** range offering **300+ variants**



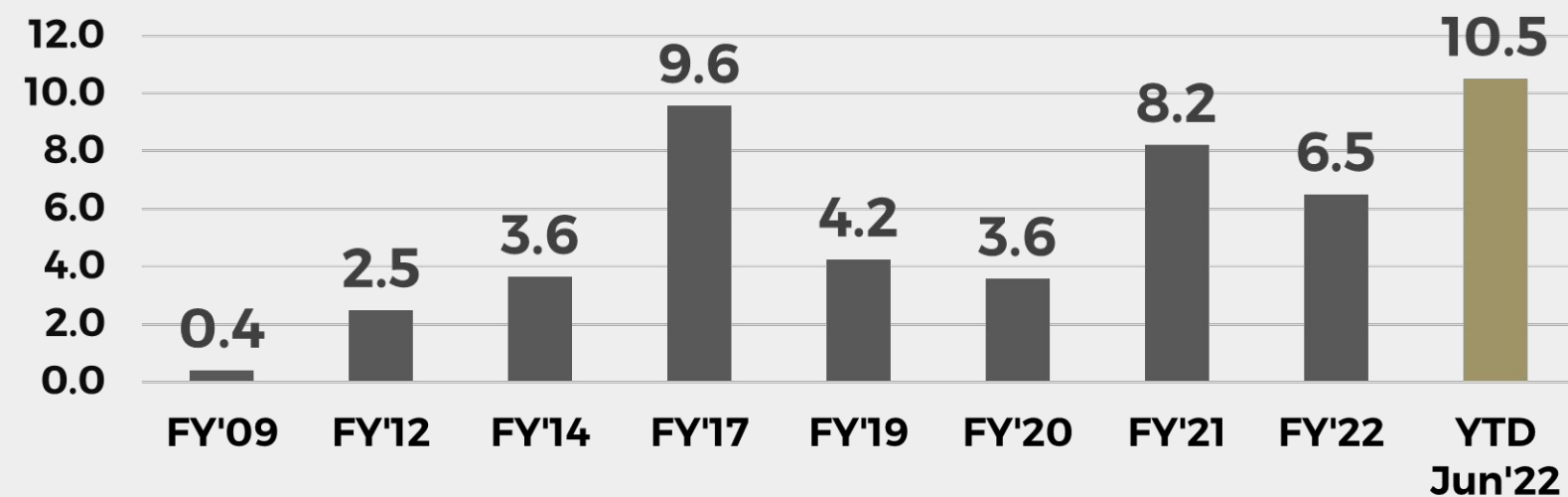
Best in class **payload** & superior **driver comfort**

# EICHER BUSES ... LEADER IN SCHOOL SEGMENT. GROWING SHARE IN HEAVY DUTY

LMD Buses [market share (%)]



HD Buses [market share (%)]



Wide range covering basic, mid-premium and premium segments



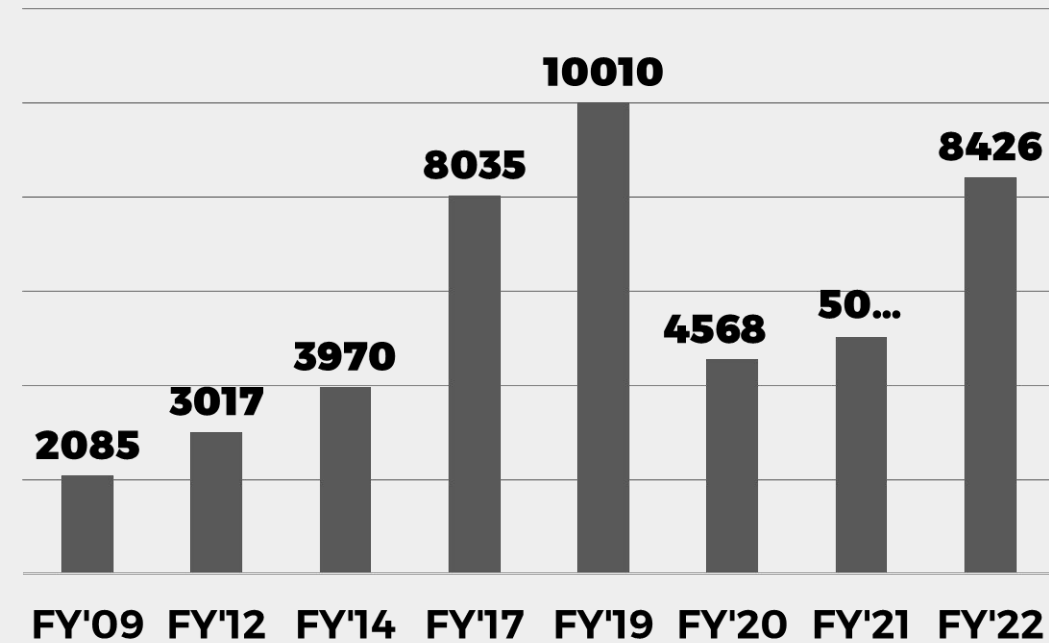
**Contemporary looks**, body from **state-of-the-art in-house plants**



Wide range from **12 – 62 seater**

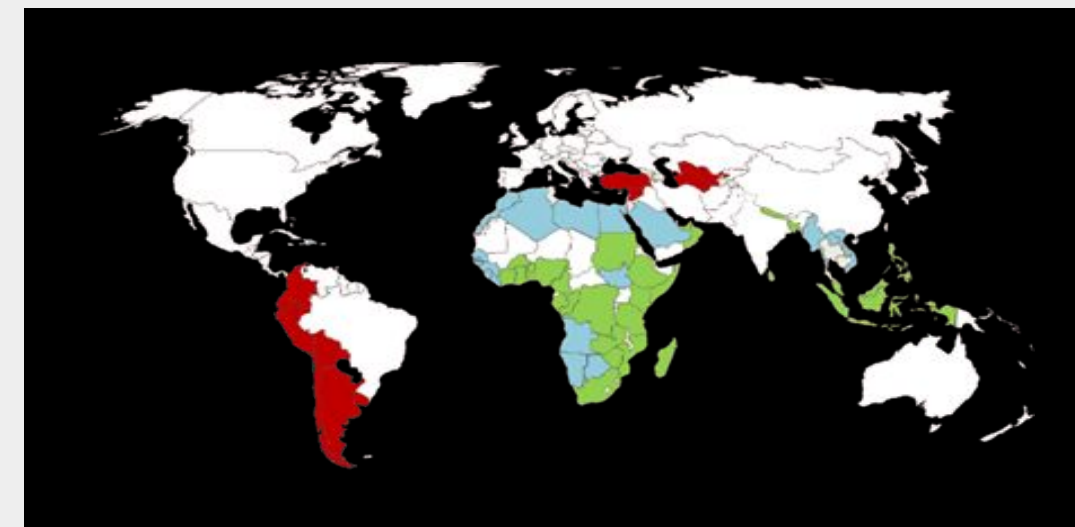
# INTERNATIONAL BUSINESS... GROWING PRESENCE IN 38 COUNTRIES

## VOLUMES



“DO MORE”- Construction & Mining  
Customer meet- Nepal

## MARKETS



South & South East Asia, Middle East, Africa, entering Latin America



Pro 2000 – Good response in Africa

## PRODUCTS / APPLICATIONS



- Left and Right hand drive variants
- Euro-3 to Euro-6 compliance



LHD buses in Middle East- Scaling new heights

# VOLVO TRUCKS INDIA... LEADER IN PREMIUM TRUCKS WITH LONG-TERM CUSTOMER RELATIONSHIPS



**FM 420 4x2**

Tractor-trailer: Long haul solution



**FM 420 8x4**

Construction & Infra solutions



**FMX 460 8x4**

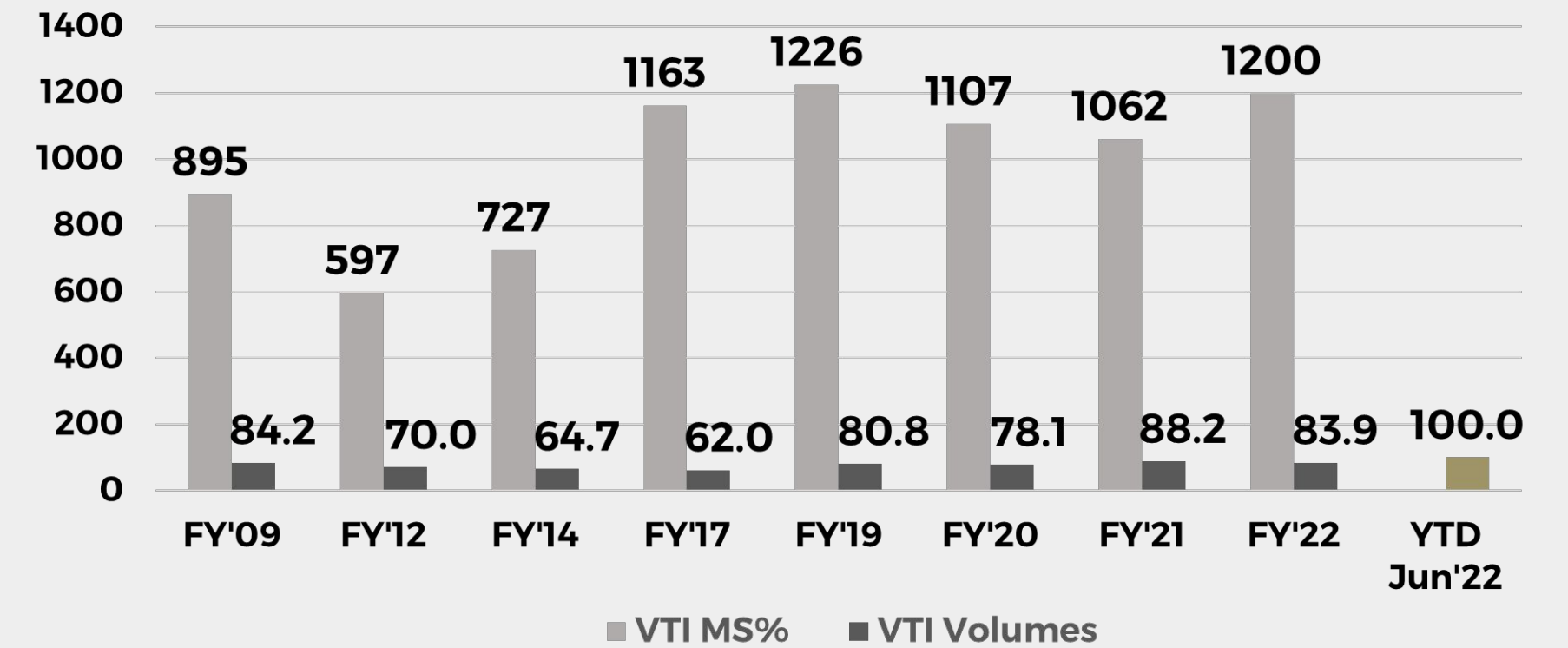
Tree transplanter solution



**FMX 500 8x4**

off-road dump truck : Mining

Volvo Trucks India\*  
[Volumes & market share (%)]

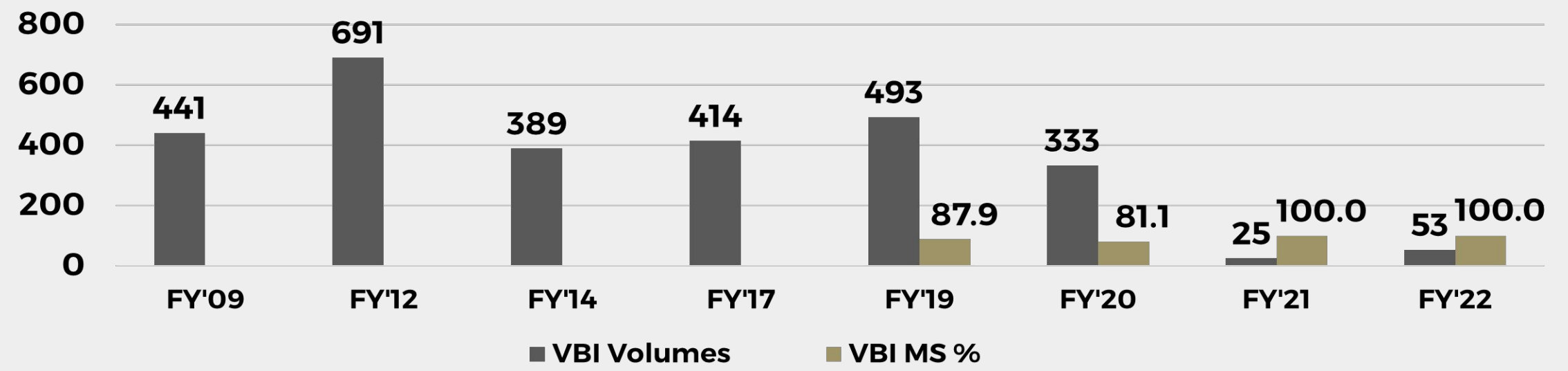


\*Market share in high end premium segment

- Expanding portfolio in high volume segments (long haul and road construction) for sustainable growth
- Strong parts penetration based on on-site support model

# VOLVO BUSES INDIA.. SUCCESSFUL INTEGRATION, ENHANCED AND LOCALIZED PRODUCT RANGE

Volvo Buses [Volume trend]



- Post Covid market recovery underway
- First Fruit of Synergy: Eicher premium HD Coach Body with Sleeper & Seater variants
- Strong product Investments during Covid period
- Chassis localization program with VBC leading to substantial cost reduction by Q4 '23
- New Volvo Coach body platform launched
- Business Growth through innovative PPP business models
- Volvo City mobility and Electro-mobility offerings being defined



**Fully Built Multi-Axle Sleeper Bus**



**Eicher HD Coach bodied at Volvo Buses India Hoskote**

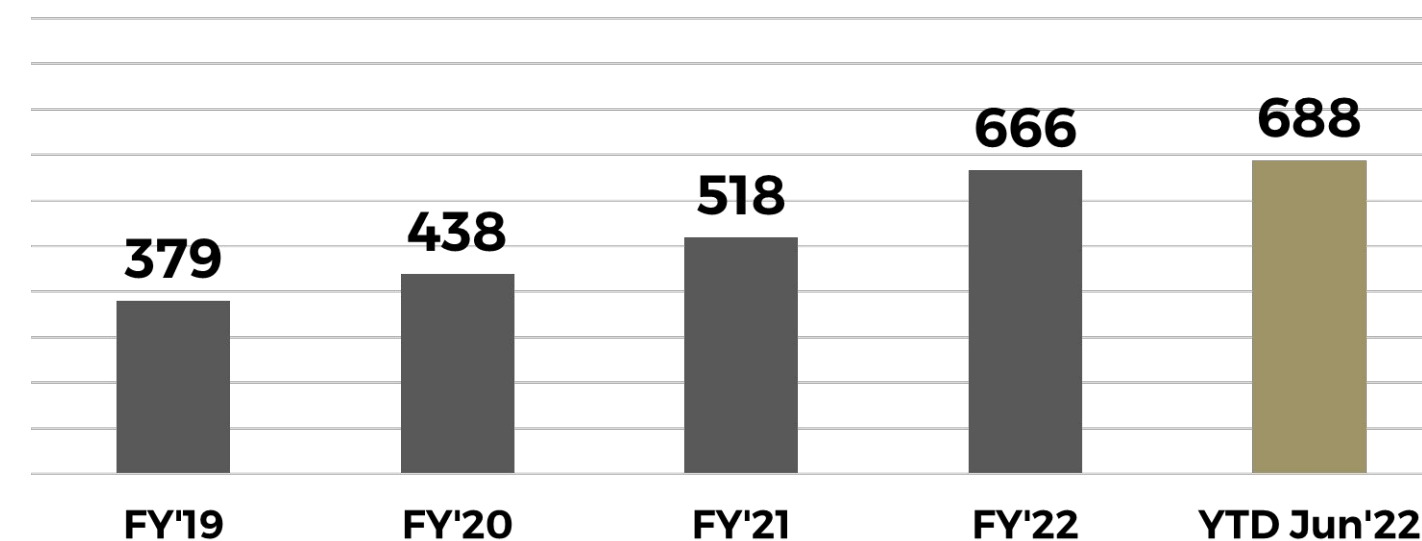


**Volvo Buses 9600**

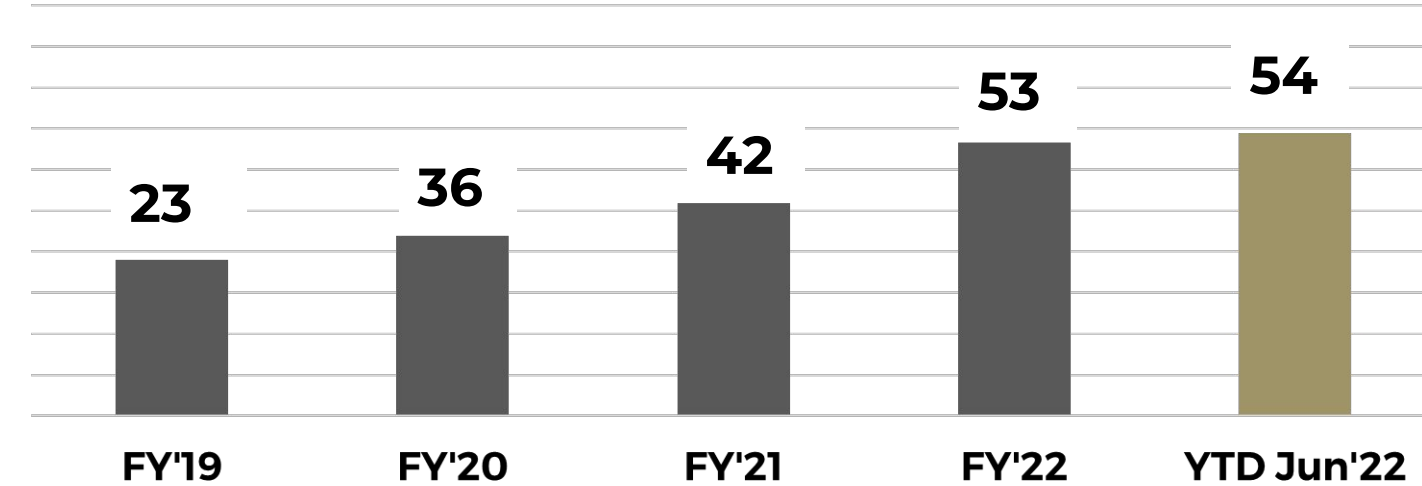
**IMPROVING  
SERVICE  
NETWORK...  
ADDING 2+  
TOUCHPOINTS  
A WEEK**



### Total Touchpoints

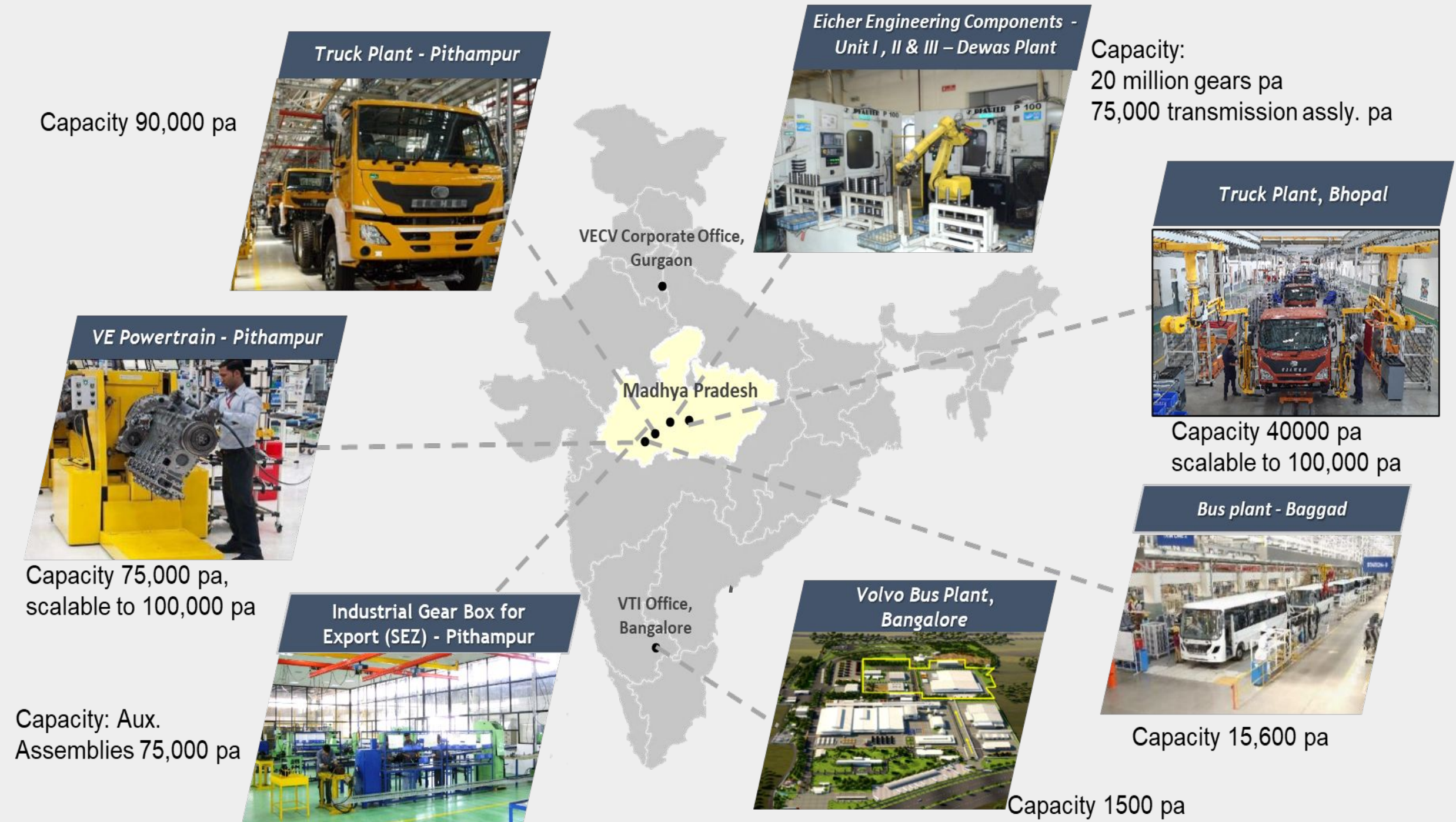


### Company Owned and Operated locations



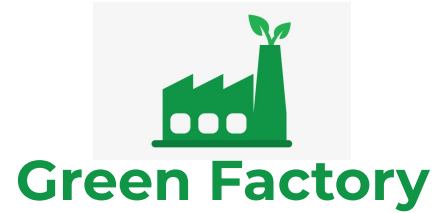
# TECHNOLOGY & MANUFACTURING... STRONG INFRASTRUCTURE BACKED BY VOLVO GROUP SUPPORT

- Seamless technology exchange with Volvo Group
- End-to-end, cost-competitive capability in Engine & Driveline, Cab, Vehicle and Modular architecture
- Growing capability in alternate fuels, connected vehicles technologies
- Track-record – smooth BS VI transition, leadership in CNG & Connected Vehicles. New Product Platform (Pro 2000) from scratch



# BHOPAL PLANT.. FLAGSHIP STATE-OF-ART MANUFACTURING IN CENTRAL INDIA

- First BSVI compliant green field plant in Indian CV industries
- Spread over 150 acres, Phase 1 installed capacity 40,000 pa scalable to 100,000 pa.
- Industry 4.0 compliance. Silent factory with 100% electrical equipment
- Integrated dock yards to ensure Just in Sequence supply.
- 580 m straight conveyor assembly line longest in Indian CV industry.
- Embedded Volvo Production System (VPS) culture.



Green Factory



New Generation Trucks



IoT 4.0 compliant



VPS Gold Standard



ISO Compliant



Inauguration by  
**Chief Minister,  
Madhya Pradesh**



Assembly Shop  
Pillar less **580m**  
**conveyor** line



**Cab Trim Shop**

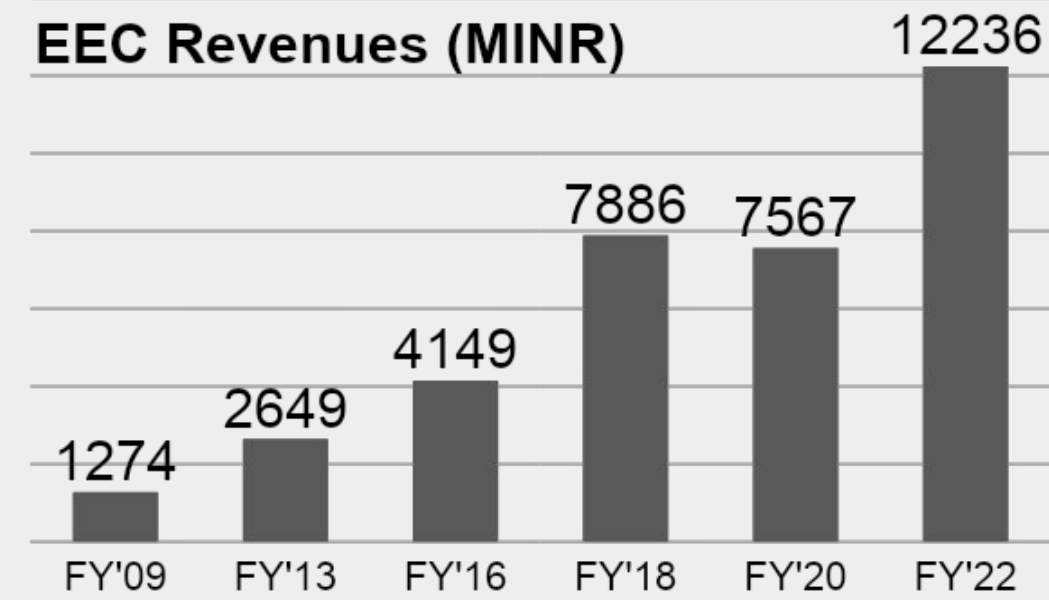


**Chassis Assembly**



# COMPONENTS, ENGINES AND DRIVELINES... GROWING THROUGH VALUE CREATION FOR LEADING OEM'S

**Engineering Components: 10X  
growth, CAGR 20%, Exports at 33%  
of turnover to large global OEMs**



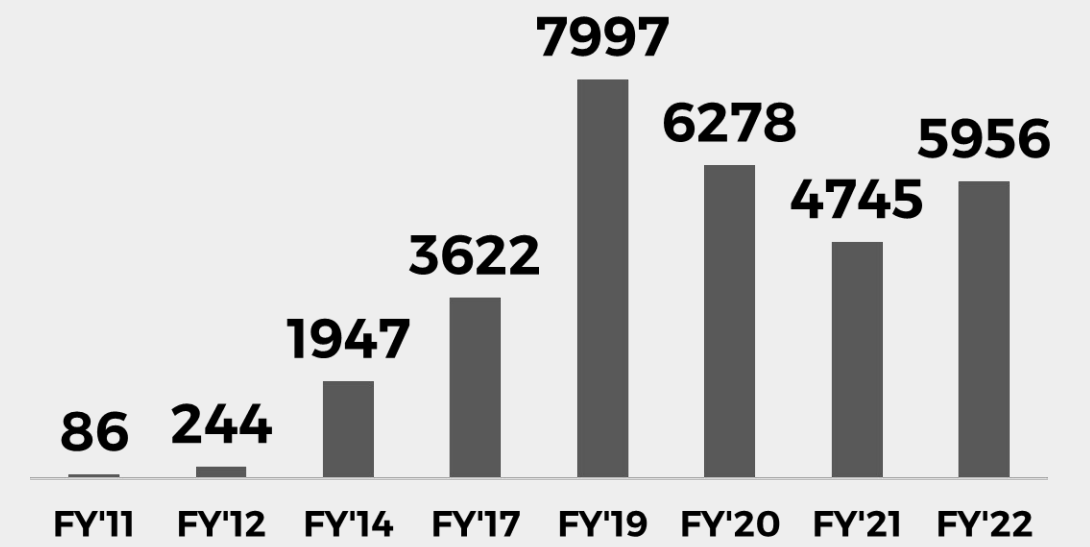
**Gear Manufacturing and Heat  
Treatment with automation**

**State-of-the-Art Transmission  
Assembly with Manufacturing  
Excellence System**



**Eicher Genset**

**Power Solutions:  
Growth area with potential  
Non-Automotive Engine Volumes**

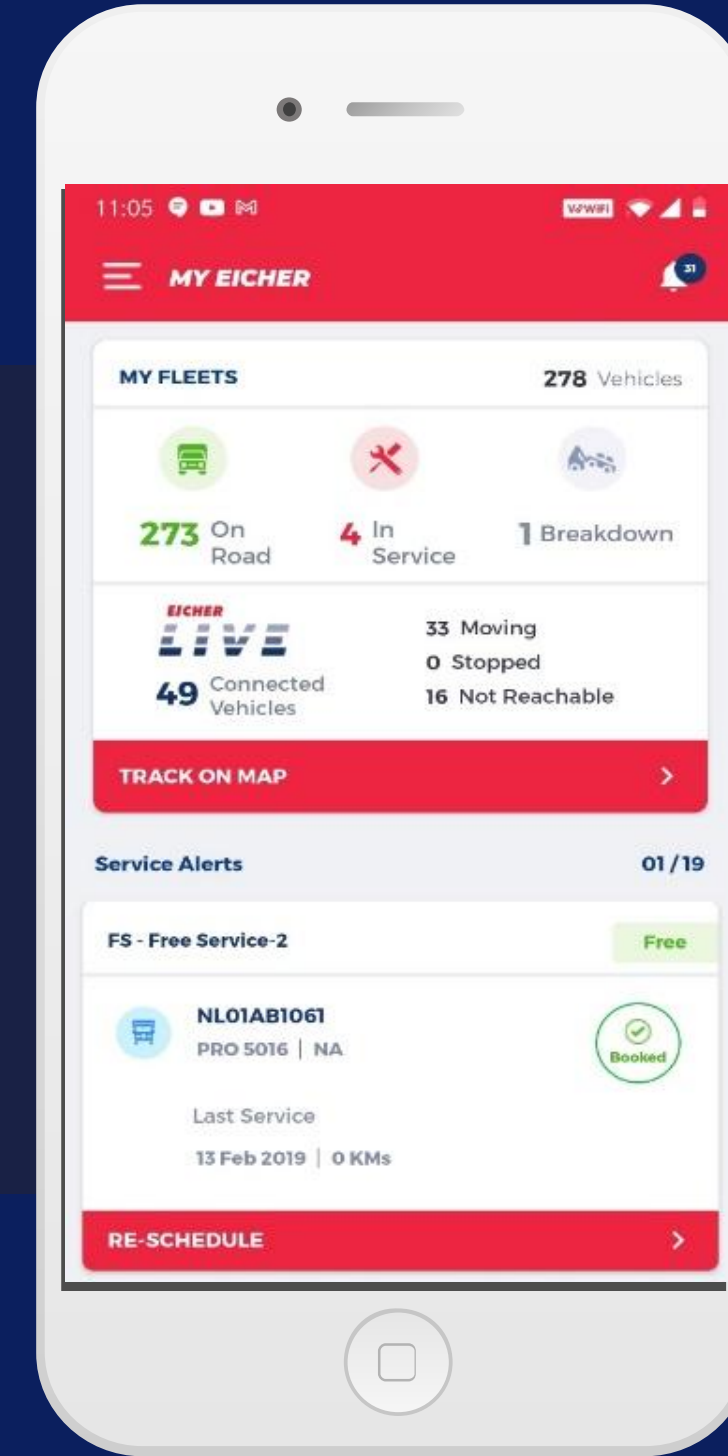
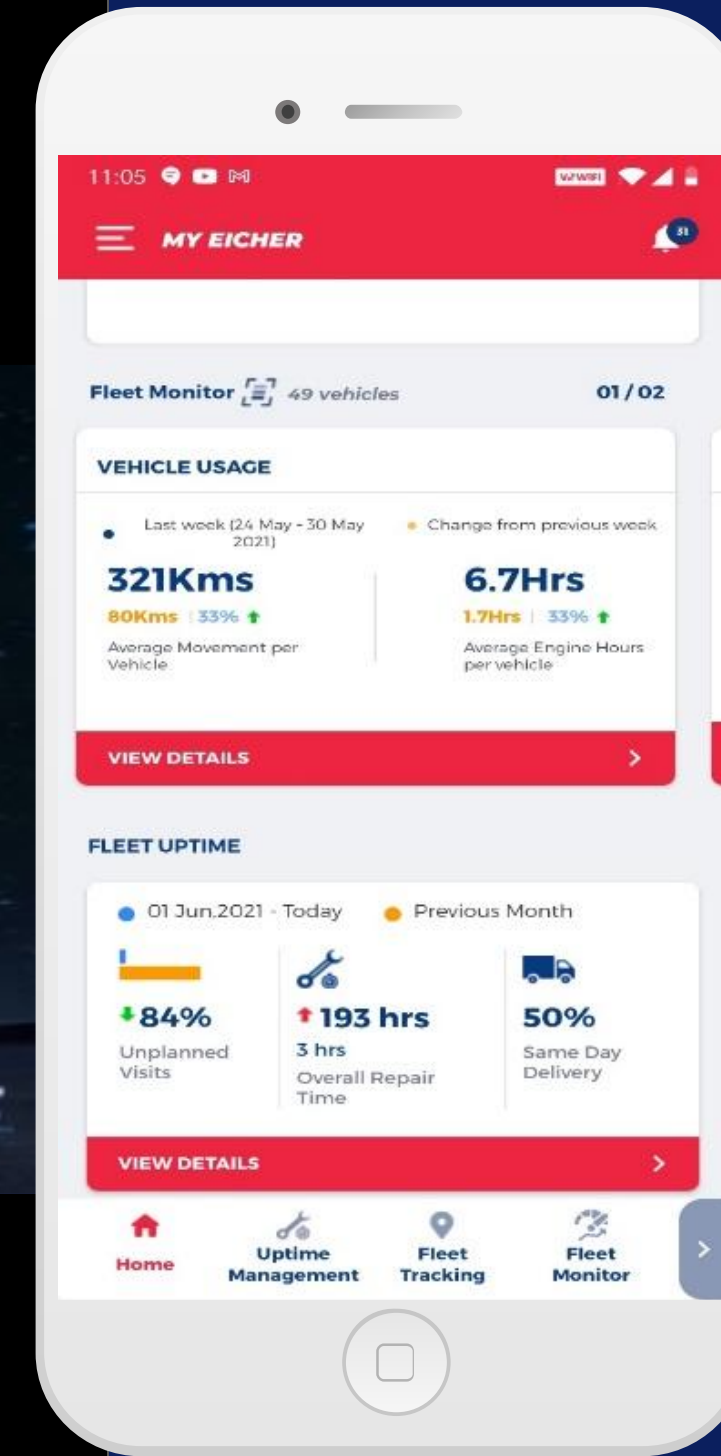


- Engines and Drivelines to
  - Power, Industrial and other off-highway applications
  - Agro, Fire-fighting and Earthmoving
- Pan India presence in Genset segment
- Wide network for on-site service support
- Good potential even in overseas markets

# DIGITALIZATION.. 100% CONNECTED TRUCKS, UNIFIED CUSTOMER EXPERIENCE VIA 'MY EICHER' APP

## DIGITAL CUSTOMER DIGITAL BUSINESS DIGITAL ENTERPRISE

- **My Eicher and Eicher Live+:** Customer Experience Connected Platform
- Digitally enabled Retail Excellence & Uptime
- Parts e-Commerce



# ELECTRIC VEHICLES...FUTURE READY. PRIORITIZING EARLY-ADOPTER SEGMENTS

- Order for 9-meter Buses from City of Chandigarh under execution (40 units). 150 units from city of Surat
- 12-meter low floor City Bus under development
- Light Truck of 5T GVW and 55T GCW Tractor being developed for short-lead (200 Kms) haulage applications
- In-house E-axle concept design in progress for 3.5T~7T with Single & 2 Speed gearbox
- Investment of ₹2.6 Billion over the next 2 to 3 years.
- Synergy areas with Volvo Group in Traction system, Charging system and Electric Architecture (CAST) domains
- Operating Subsidiary established to manage Vehicle-as-a-Service (new Business Model) required in Bus Tenders

**9m  
City Bus**



**E LDT - City  
Truck**



**12m Low  
Floor Bus**

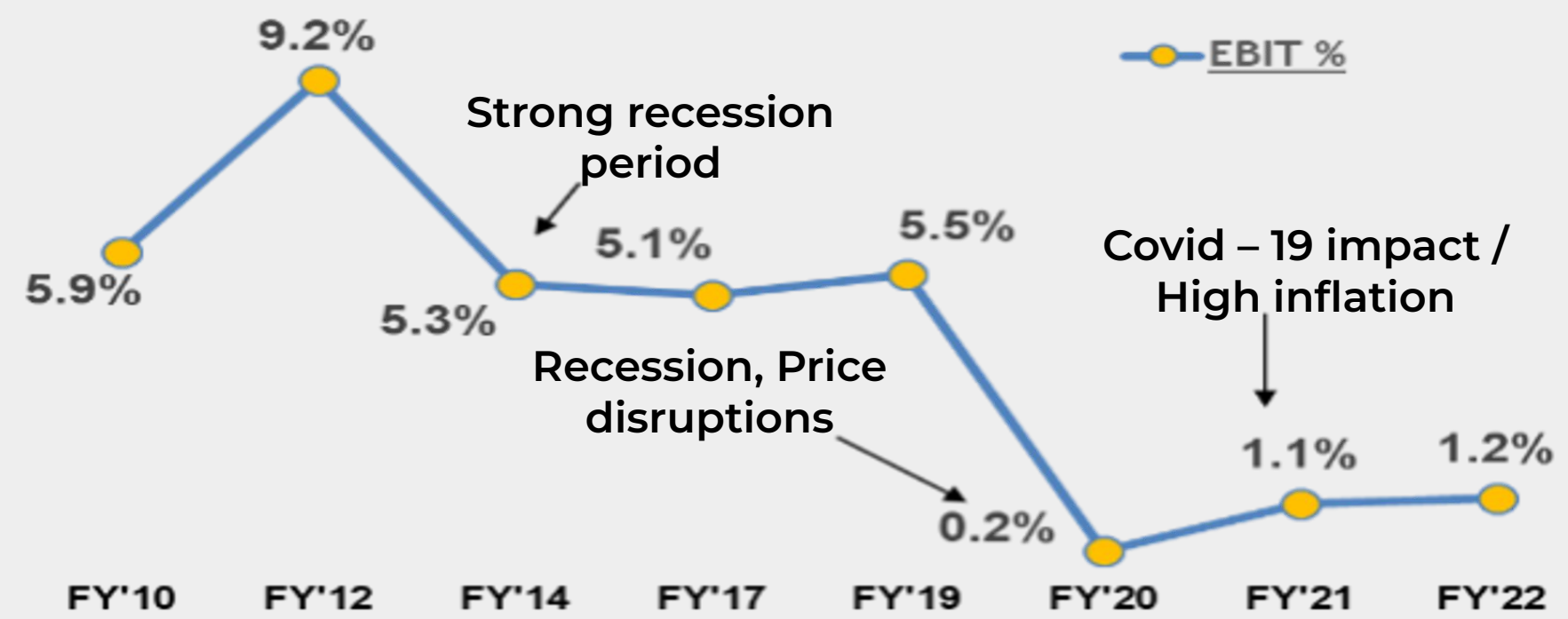
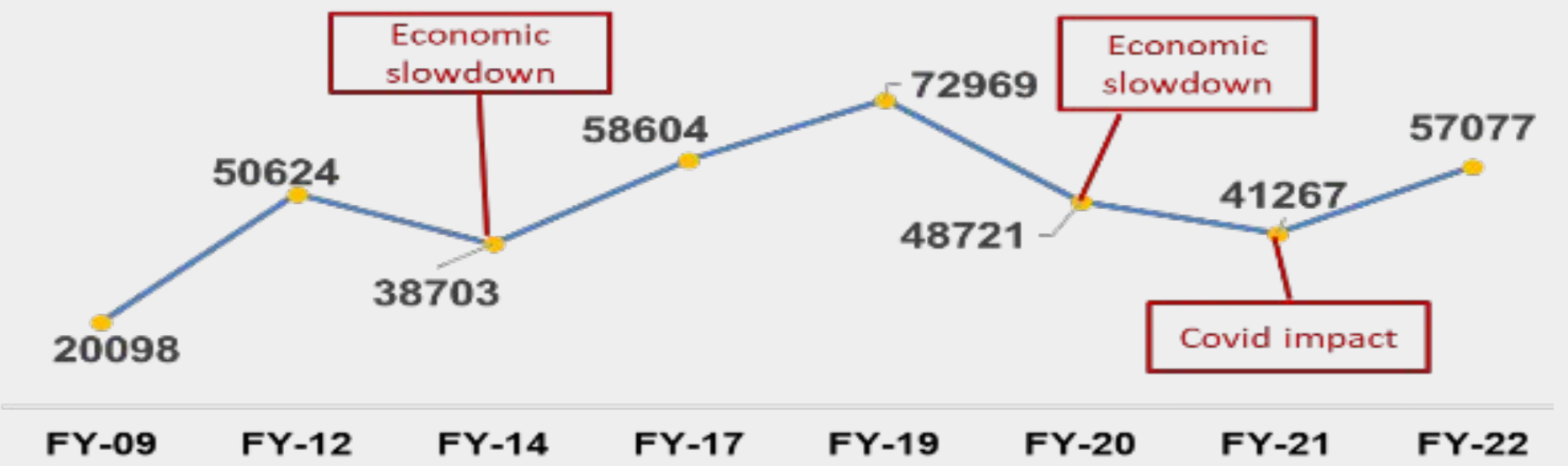


**55T  
Tractor  
Trailer**

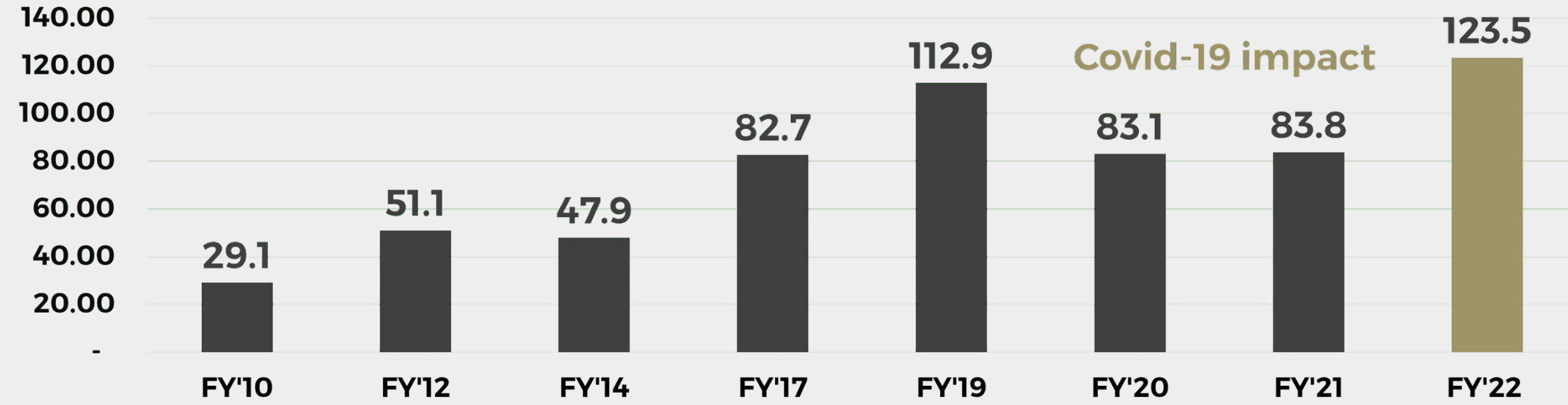


# VECV PERFORMANCE... 4.7X REVENUE GROWTH TILL FY'22

**VECV Volume Progression ( Nos.)**



**VECV Revenue (Billion)**



- 4.7X revenue growth between FY'10 and FY'22
- Consistently profitable even during difficult period
- Net working capital negative at ₹10.2 Billion\*
- 14.9 Billion net cash position\*.

\*as on 31st March 2022

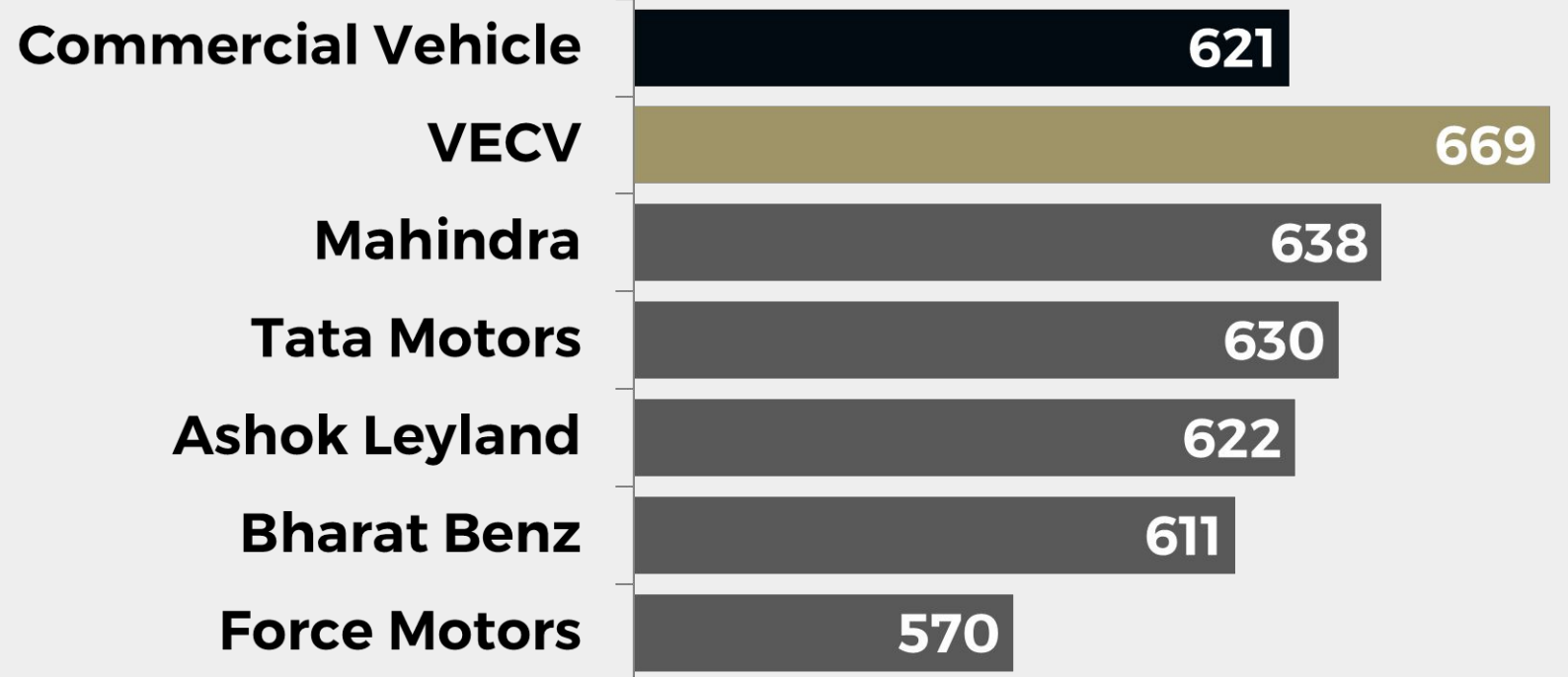
# STRENGTHENED CUSTOMER CENTRICITY.. NO.1 IN DEALER SATISFACTION\*



- **Eicher rated as No.1 in LMD range** on both Customer Satisfaction and Loyalty Index parameters
- **Eicher rated as No.2 in HD range** on both Customer Satisfaction and loyalty index.
- **Eicher rated as No.2 in Bus range** on both Customer Satisfaction and loyalty index.

Source: GfK

## Commercial Vehicle Segment Ranking



\*FADA Survey: (Federation of Automobile Dealers Association)

**OUR JOURNEY...  
PERFORMING  
AND TRANSFORMING**

**THINK  
BIG  
GO PLAY  
THE INFINITE  
GAME**

**PROFITABLE  
GROWTH**

**SUSTAINABLE  
PRODUCTS &  
OPERATIONS**

**FUTURE  
READY**

THANK YOU

## **GROWTH FOCUS**

Balance - Profit & Profitability

## **SUSTAINABILITY**

Balance - Social & Commercial objectives

ROYAL ENFIELD

# **REBALANCE**

## **ICE AND EV**

Balance - EV as game changer along with ICE

## **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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A large, well-lit warehouse filled with rows of motorcycles. The motorcycles are arranged in neat, parallel lines, extending far into the background. The floor is a light-colored concrete. The ceiling is high with visible structural beams and lighting fixtures. The overall atmosphere is one of a large-scale production or storage facility. In the center of the image, the words "Thank you" are written in a bold, white, sans-serif font.

**Thank you**