



Investors Presentation

June 2020





Contents

1

EICHER MOTORS LIMITED – OVERVIEW

2

ROYAL ENFIELD

3

VE COMMERCIAL VEHICLES

4

FINANCIALS

5

APPENDIX

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 **OVERVIEW**



Key Milestones



India's first tractor rolls out of Eicher factory in Faridabad

1959



Royal Enfield motorcycles acquired

1991



Enters heavy duty trucks segment

2002



Forms JV* with AB Volvo of Sweden; transfers commercial vehicle business to the JV*

2008



Shutdown of operations of Eicher Polaris

2018

1984

JV* with Mitsubishi Motors to make 'Canter' trucks



1993

JV* with Mitsubishi ended, enters medium duty bus segment



2005

Divests tractor & allied businesses to focus on commercial vehicle & motorcycle businesses

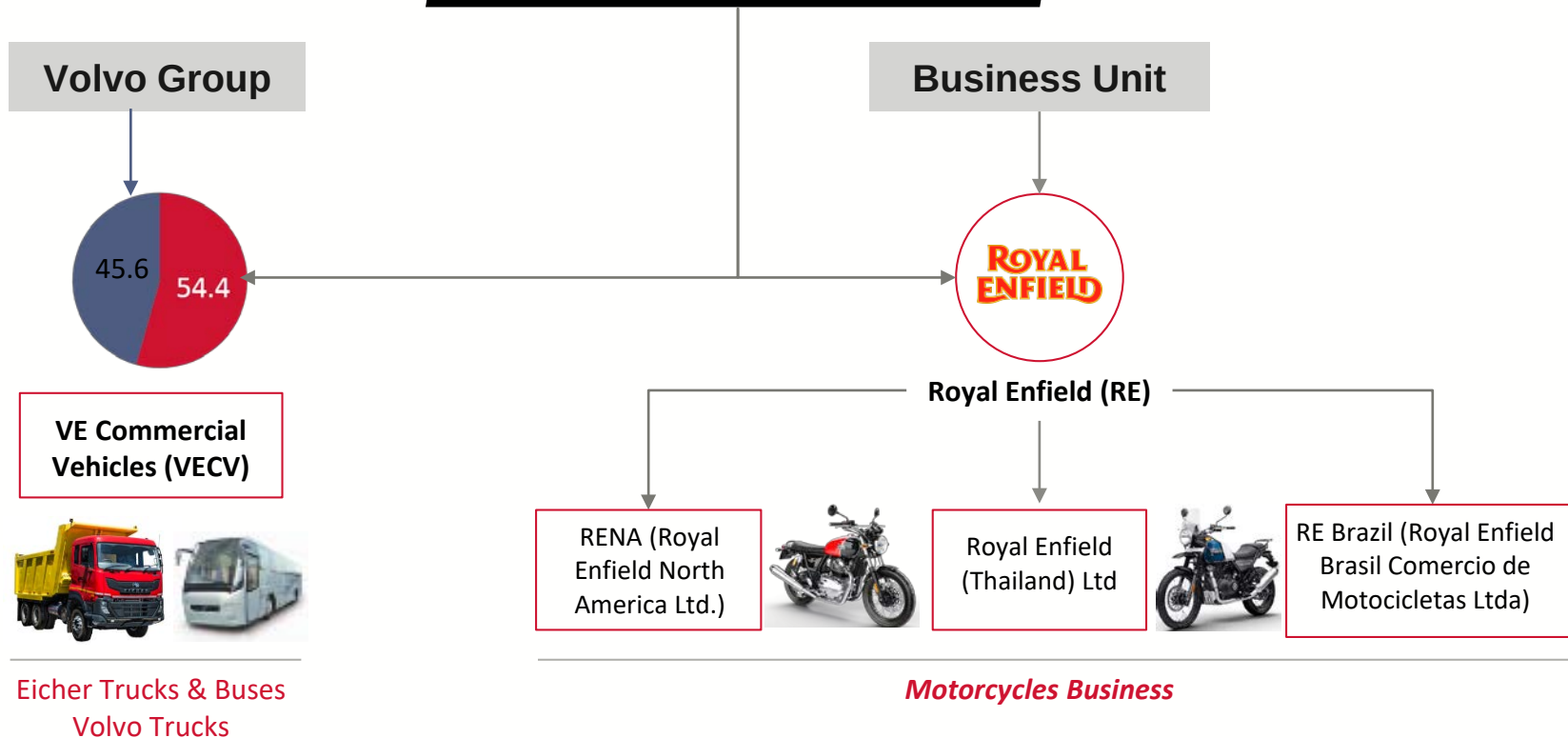
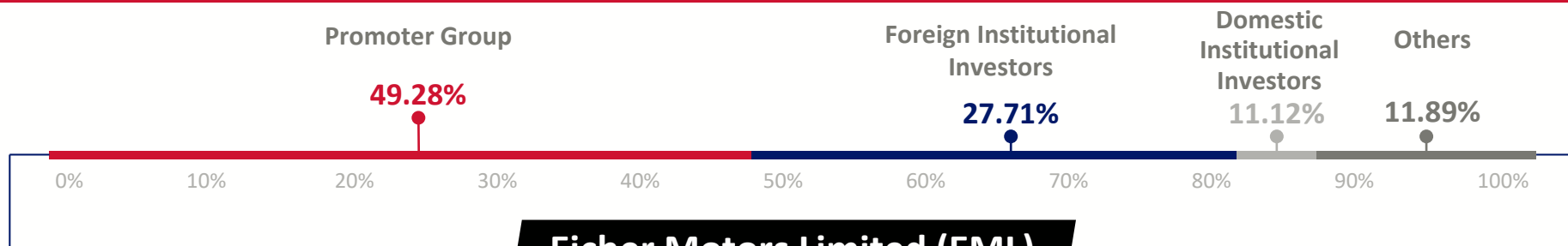


2012

Forms JV* with Polaris Industries Inc. USA, to design, manufacture & market personal vehicles



Shareholding Pattern (31st March 2020)



Eicher Management Philosophy



Break-through emerging market business model

- An evolved business model with 50+ years of experience in automotive space in India
- In-depth customer insights & market understanding
- Best-in-class capital optimization :
 - Frugal engineering practices
 - Extensive knowledge of suppliers
 - Operational excellence
 - Global quality standards
- Low cost supply chain & distribution – value chain



Established Corporate Governance

- Fully empowered management teams
- Annual 3 year rolling business plan
- Strategic quarterly board meetings – full review with management
- Strategic quarterly reviews & regular monthly operations review
- Product board, Quality board, Customer satisfaction board, Soft product board (after-market) held every quarter along with other statutory meetings



Strong Values

- Corporate conduct rooted in highest standards of ethics, integrity & transparency
- Highly professional work ethic based on mutual respect
- Very strong HR & IR culture and brand
- Long-term orientation
- Long history of institutionalized CSR & community activities



Eicher Motors Limited

| S Sandilya

Non-executive Chairman

| Siddhartha Lal

Managing Director

| Vinod K. Dasari

*Whole Time Director &
CEO - Royal Enfield*

| Vinod Aggarwal

Non-Executive Director

| Inder Mohan Singh

Independent Director

| Manvi Sinha

Independent Director



VE Commercial Vehicles

| Siddhartha Lal*

Chairman

| Vinod Aggarwal

Managing Director & CEO

| Jan Gurander

Additional Director

| Philippe Divry

Director

| Raul Rai

Director

| Lila Poonawalla

Independent Director

| Inder Mohan Singh

Independent Director

Business Highlights – FY 2019-20[^]



0

EML continues to be Net debt free[&] company



698,216

Motorcycles sold in FY20, ~13x in last 9 years



> 95%

Royal Enfield's market share in the mid-size motorcycles segment*



24.3%

Royal Enfield's EBITDA margin in FY20, industry leading margins



29.5%

VE Commercial Vehicles market share in domestic LMD[#] segment

Source – SIAM and Company Analysis

[&]Net debt = Short term debt + long term debt – cash and cash equivalent

[^] All figures mentioned are Standalone for period 1st April'2019 to 31st March '2020

*Mid size motorcycles refers to engine capacity between 250cc – 750cc

Light to Medium Duty (3.5 to 15 ton)

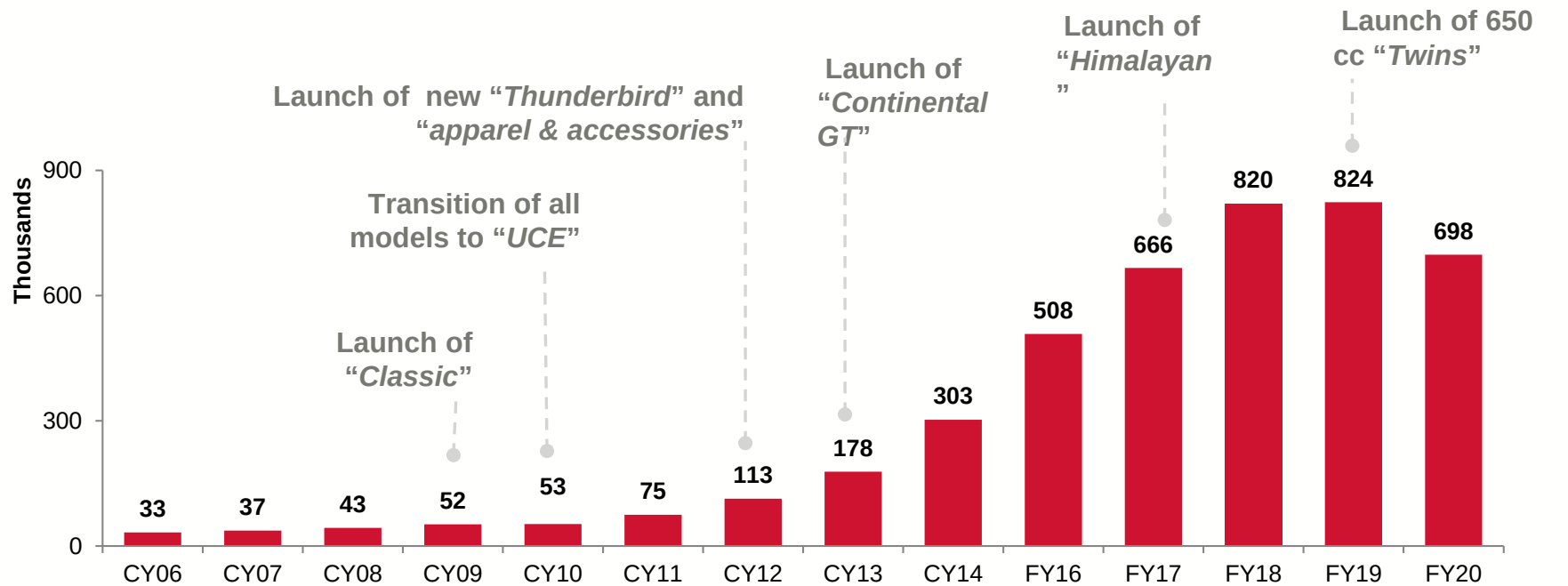
ROYAL ENFIELD

Our Vision is to be a Global Motorcycling Brand

Our goal continues to be to catalyse and lead the global mid-size motorcycle market by making amazing and aspirational motorcycles that are still accessible, and a world of deeply engaging and frictionless experiences delivered by us, our partners, and the ecosystem that we harness.

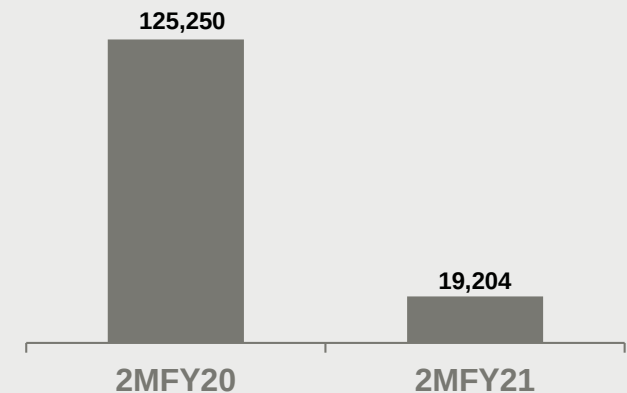


Launch of “Classic” in 2009 was an Inflection Point



Note: Standalone volumes for Eicher Motors Limited

Volumes grew by 32% CAGR during the period CY2010 to FY2020



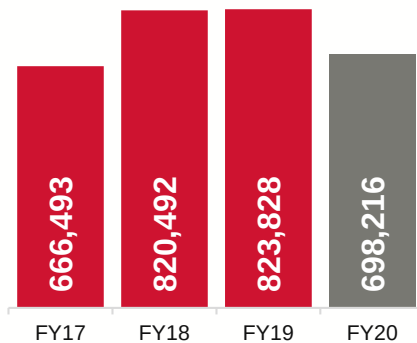
Note: In April 2020, the company's manufacturing facilities and dealerships in India remained closed, in compliance with the Government directives.

Financial Highlights – Eicher Motors Ltd. (Standalone)

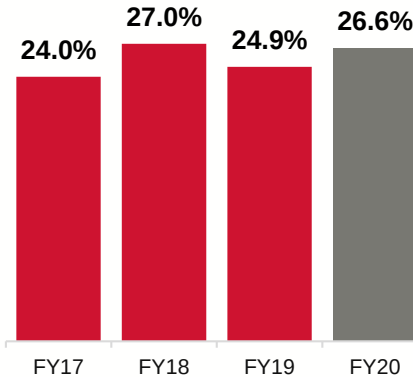
All figures are for Eicher Motors Limited Standalone (in Rs. Crs unless specified)

Sales Volume

(in Thousands)

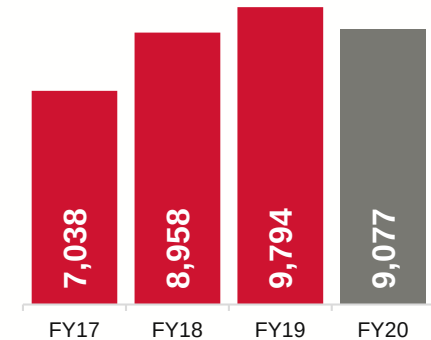


Market Share* (India)

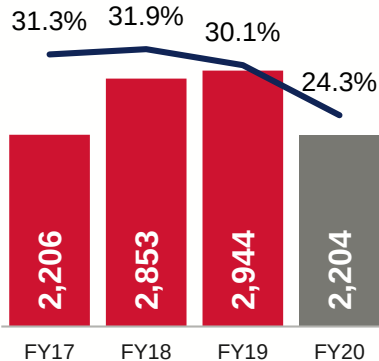


Total Revenue

Total revenue from operations (net of excise duty)

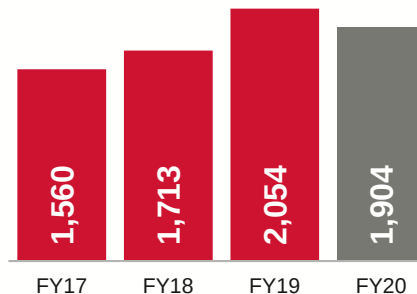


EBITDA & Margins

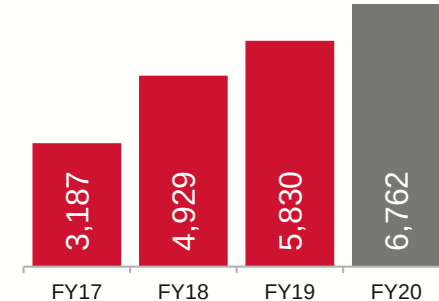


The figures in % indicate EBITDA Margins
 EBITDA Margin = EBITDA/Total revenue from operations
 (net of excise duty)

Profit After Tax



Net Cash



Net Cash = Cash and cash equivalent – Total debt

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.



Product Portfolio – Motorcycles

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

- Longest production motorcycle
- Resolute, unchanged form
- Pride of the armed forces
- Iconic cues – thump, pinstripes, road presence



Classic

- Sense of distinctiveness
- Post-war styling
- Timeless design



Thunderbird

- Definitive highway tourer
- Long range & load-bearing capabilities
- For the free-spirited explorer



Himalayan

- Purpose-built and adventure tourer
- Versatile for riding on- & 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 & Iconic



Urban, Lifestyle and now Adventure

More Choices with the launch of Variants of Bullet 350 and Classic 350

New colour ways with contemporary Blacked out theme

New Variant of Classic 350



- Launched in two new colours - Pure Black and Mercury Silver
- Offers single channel Anti-Lock Braking System (ABS) option

New Variant of Bullet 350



- Launched in six new colours - Silver, Sapphire Blue, Onyx Black, Jet Black, Regal Red and Royal Blue

Launch of BS VI Compliant Motorcycles

Lowered servicing cost by extending warranty and roadside assistance to 3 years

Enhanced riding experience

Classic 350 BS VI



- First motorcycle under the Unit Construction Engine (UCE) platform to become BS VI compliant.
- Added two new premium variants (Stealth Black and Chrome Black) and 6 new sensors to BS VI motorcycles.

Himalayan BS VI



- Himalayan BS VI comes with Switchable ABS that allows a more engaging and exciting adventure touring experience, letting the rider drift or slide when off-roading.
- Available in three new dual-toned colors with hazard switch.

Make Your Own - Personalization of Motorcycles with Factory Fitted Accessories

Customisation and personalisation at the core of a 'Pure Motorcycling' experience

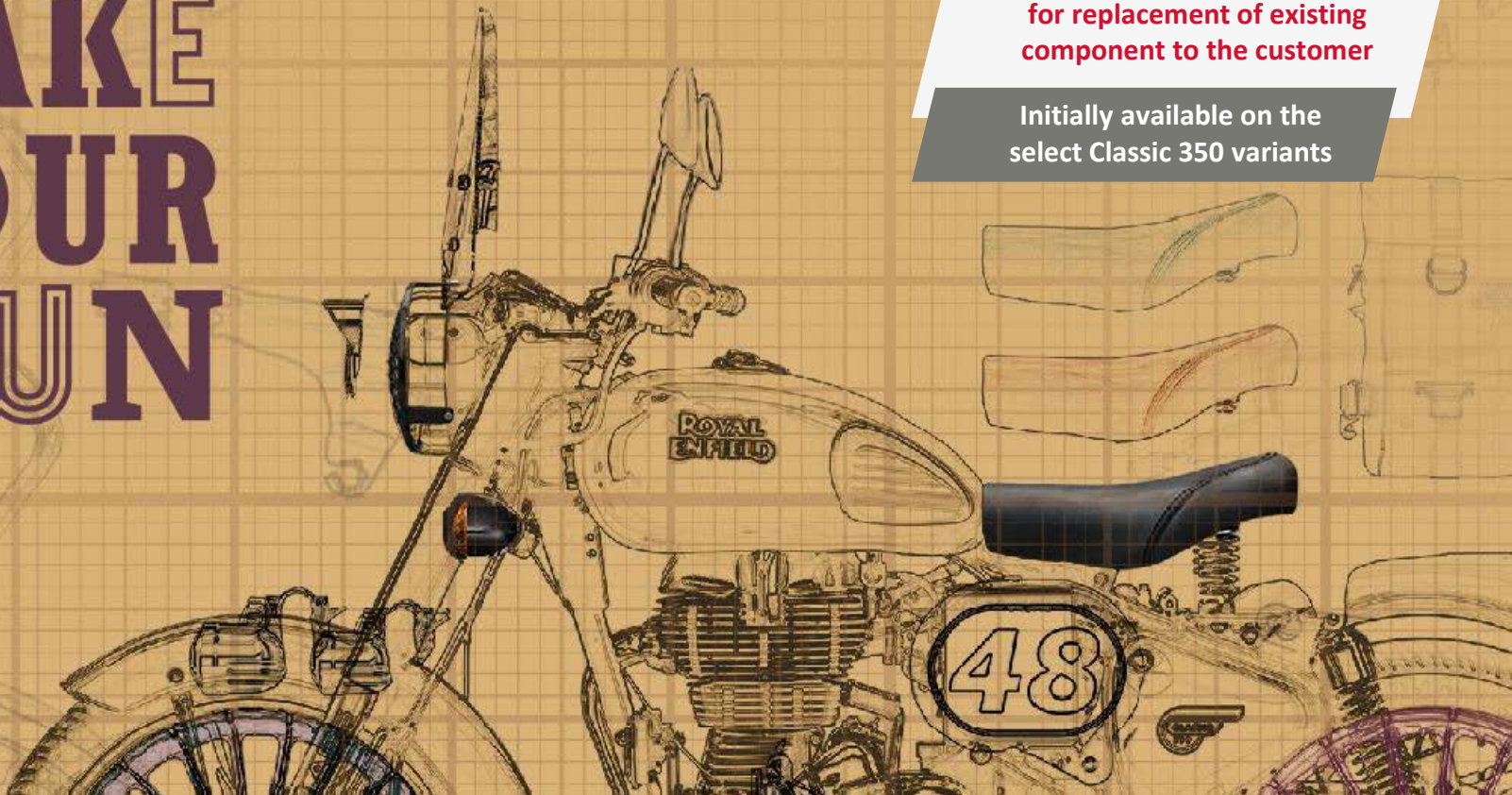
"Make Your Own", a first-of-its-kind initiative allowing a buyer custom build a motorcycle with choice of accessories at the time of booking the motorcycle

Factory-fitted genuine motorcycle accessories

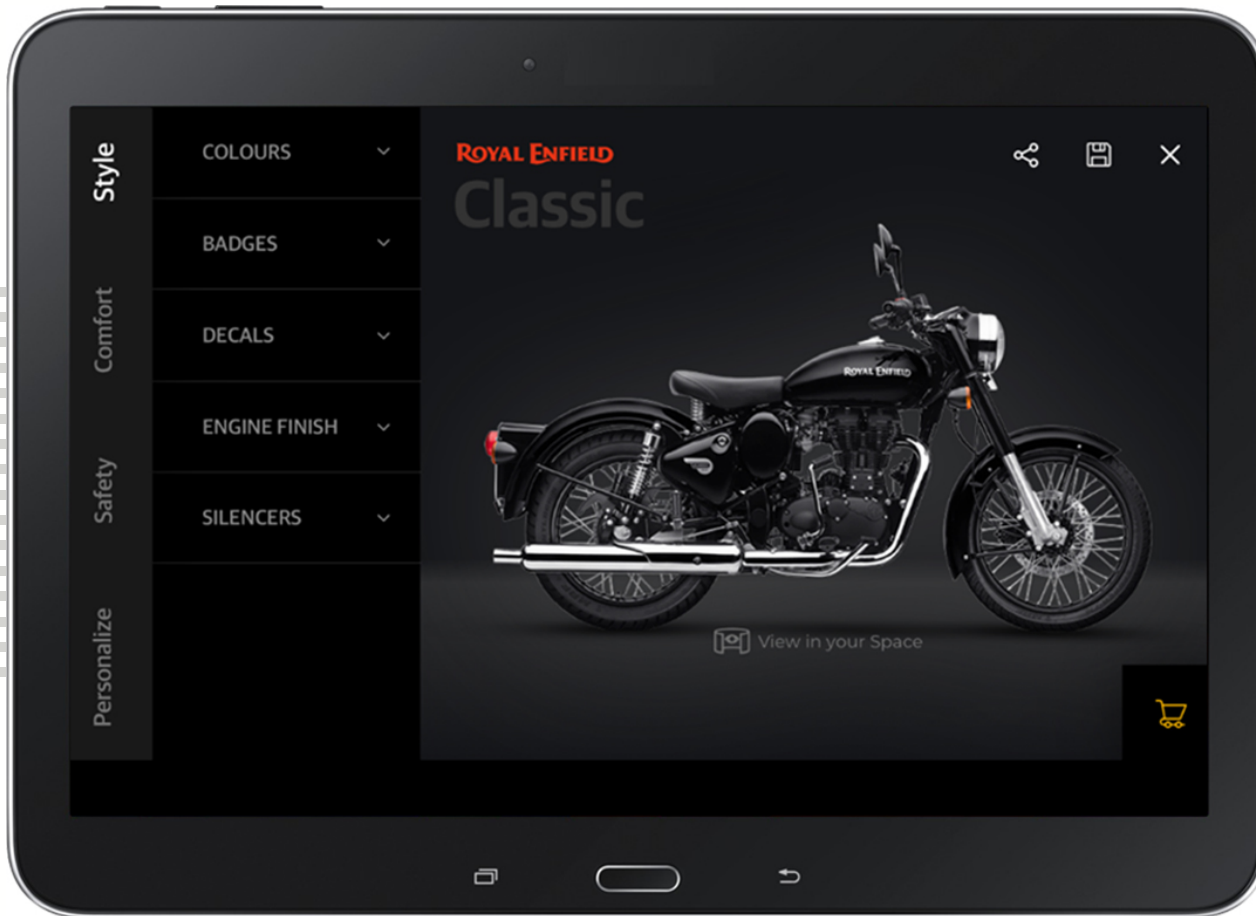
Passing of the cost benefit for replacement of existing component to the customer

Initially available on the select Classic 350 variants

ROYAL ENFIELD
**MAKE
YOUR
OWN**



Make your own - Digital Configurator



Customer can customize his motorcycle on an in-store tablet and place the order directly to the manufacturing plant

Real time updates via email notification sent to customer at each stage of enquiry, booking, dispatch and delivery

Integrated Product Development Capabilities across UK and India

UK



- UK Tech Centre at Bruntingthorpe, a hub for the product development and research activities, is driving the mid-range motorcycle platforms.
- A team of over 160 employees comprising engineers and designers with a wide range of international experience in all aspects of motorcycle design and development, from concept to pre-production.
- Spread across ~36,000 sq ft, the facility employs state-of-the-art industrial design studio, testing & validation equipment and workshop facilities.

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

Next five year product pipeline in place

Chennai



- The Chennai facility has the engineering and design teams of about 260 employees working under one roof
- The facility houses state-of-the-art engine, chassis and component test equipment and is fully integrated with the Technology Centre in the UK.
- The world-class facilities at these two technology centres enable Royal Enfield to take full ownership of all aspects of motorcycle design and development.

Solutions Business - Opportunity

Provide frictionless experience for RE Riders

In Store Opportunity



Accessories



Apparel

Explore new revenue / profit pool from adjacencies

In Use Opportunity



Spares



Annual Maintenance Contract

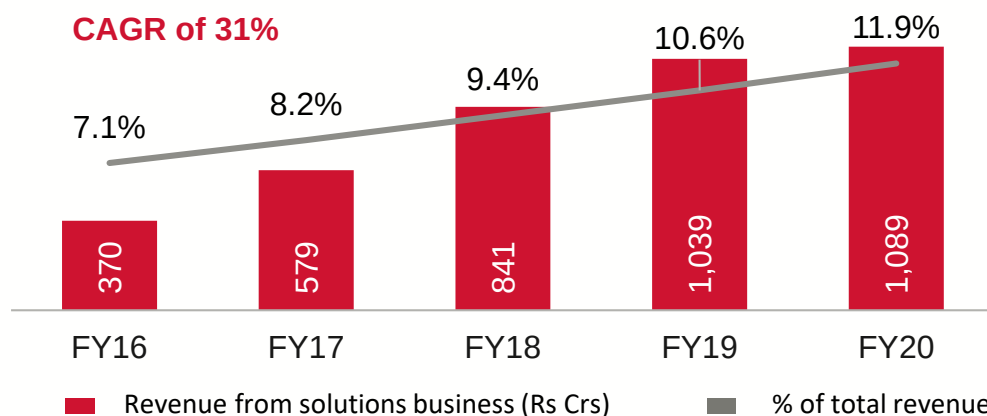


Road Side Assistance



Extended Warranty

Solutions Business - Financial Performance over past 5 years



Opportunity to double the revenue share of **"SOLUTIONS"** business

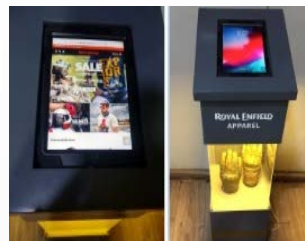
Product Portfolio – Apparel



EXTENSION OF ONE'S PERSONALITY

Royal Enfield Apparels aim to become an extension of the owners' personality. Inspired by the motorcycling way of life, the range is built to help riders explore and express themselves, on and off the motorcycle.

As more and more customers are taking up the riding culture, Royal Enfield Apparel is aiding them to accentuate their lifestyle and self expression.



STRENGTHENING THE SERVICE NETWORK

In an effort to improve the customer experience at the service centres, the business has invested in showcasing a range of apparels at the service centres. This is currently available at 10+ centres and the plan is to grow this format further.



THIRD PARTY FOOTPRINT

In order to expand its accessibility, the business has forayed into the online retail landscape through its own online store and third-party online retail channels. During the year, expanded its offline footprint through the Shop-in-Shop model at "CENTRAL" - a department store chain across India and are now available across 19 stores. The business plans to further expand its distribution footprint by partnering with leading retail chains and through omni-channel networks. In the online space, the Company has a store at Amazon and is available through Myntra as well.



Product Portfolio – Motorcycle Accessories



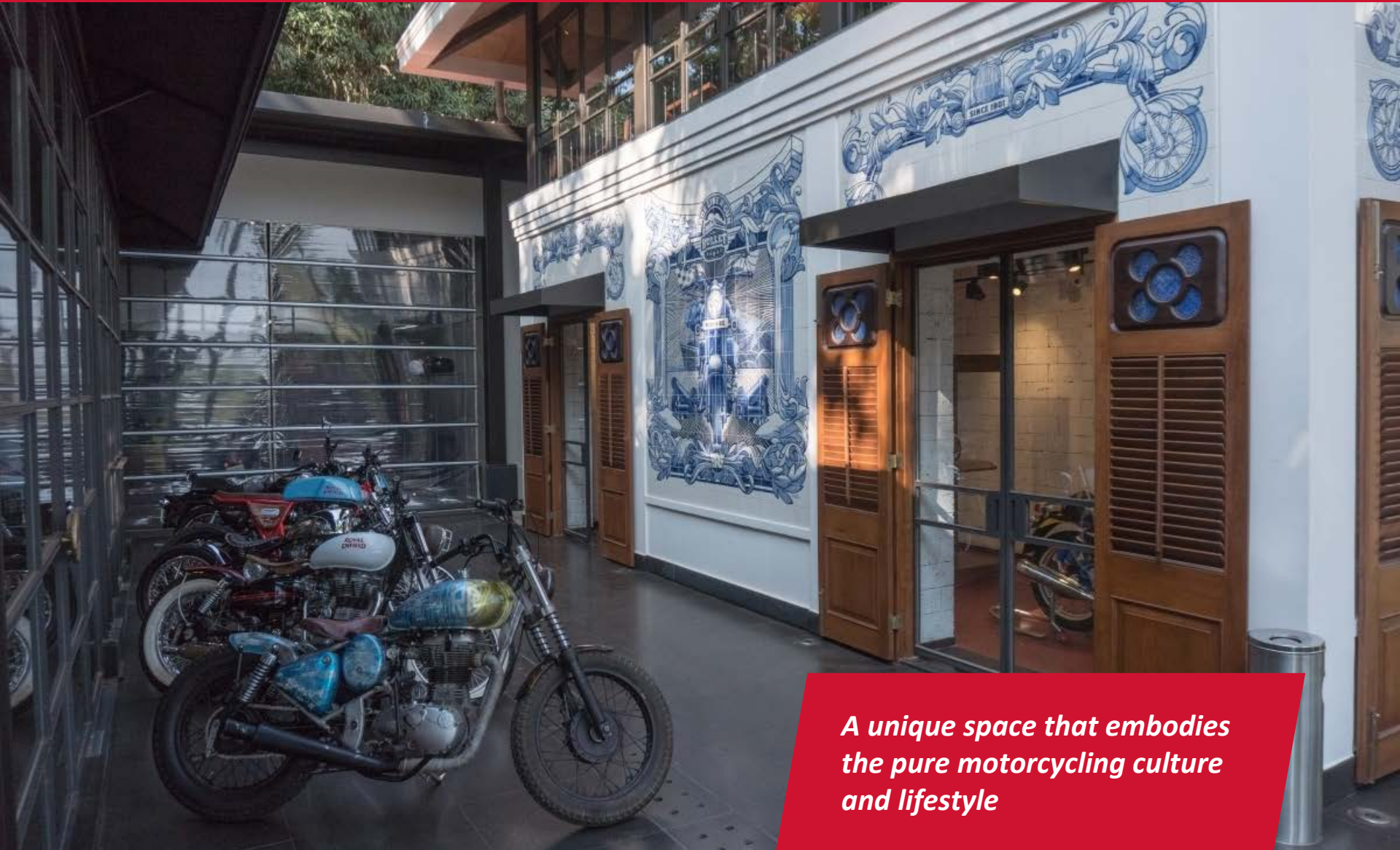
Royal Enfield Garage Café, Goa



A celebration of exploration - through motorcycling, food, entertainment and personal expression

- Royal Enfield has set up its first Royal Enfield Garage Cafe in Arpora - Baga, Goa.
- The cafe is an inclusive and engaging space that reflects Royal Enfield motorcycling way of life and is designed to be a catalyst to deepen closer association with riding enthusiasts and customers.
- The Garage Cafe is a massive 120-seater cafe and also has a Royal Enfield motorcycle museum-and-exhibition area, an exclusive gear store, a motorcycle customization area and a service bay.

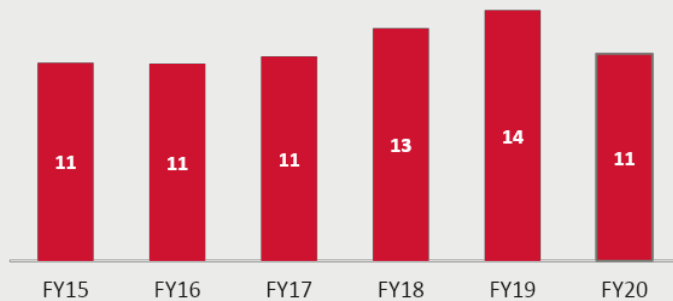
Royal Enfield Garage Café, Goa



*A unique space that embodies
the pure motorcycling culture
and lifestyle*

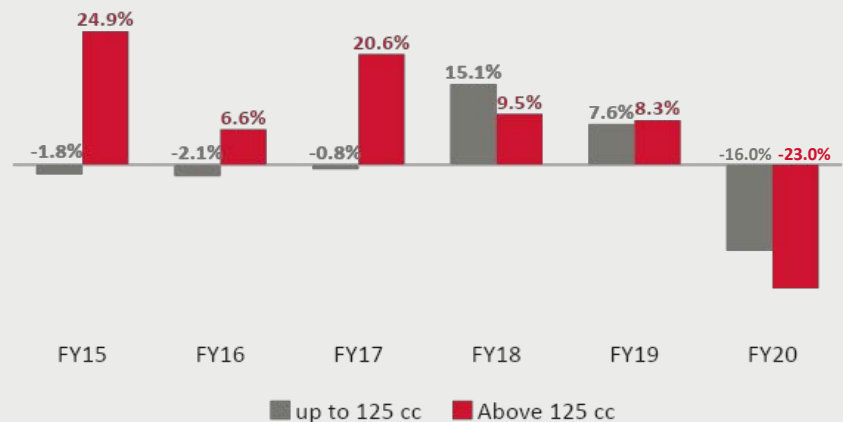
India - Industry Overview

Motorcycle Volumes (India) in mn



India - largest motorcycle market in world

Growth rate of various motorcycle segments



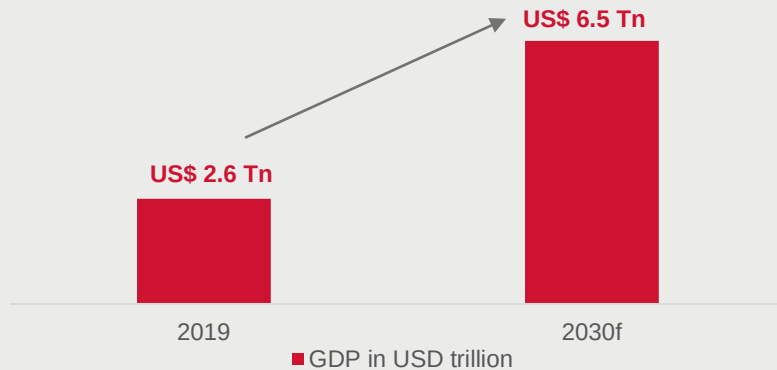
Premiumisation theme in motorcycle market to continue

Source - SIAM

Opportunity – Domestic Market

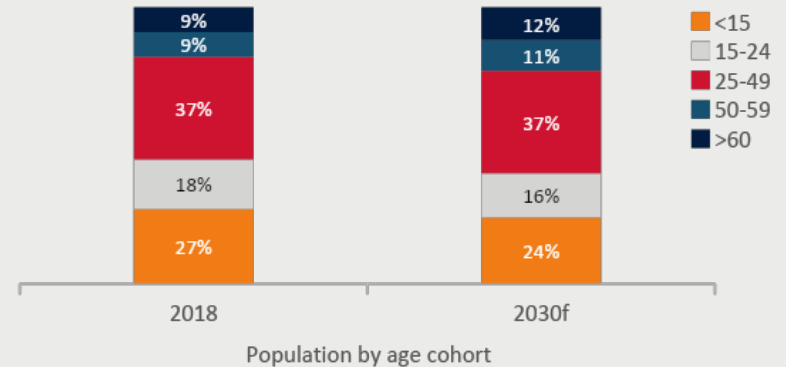
India to become a **US\$6.5 trillion** economy by 2030

Indian Economy: A shift to a high growth path



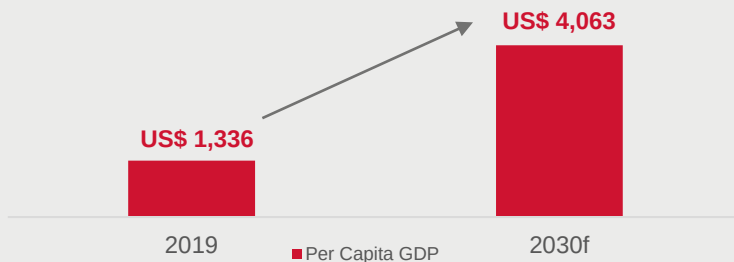
India's favorable demographics

In 2030, 77% of India's population will comprise **Millennials and Generation Z**



Rising income

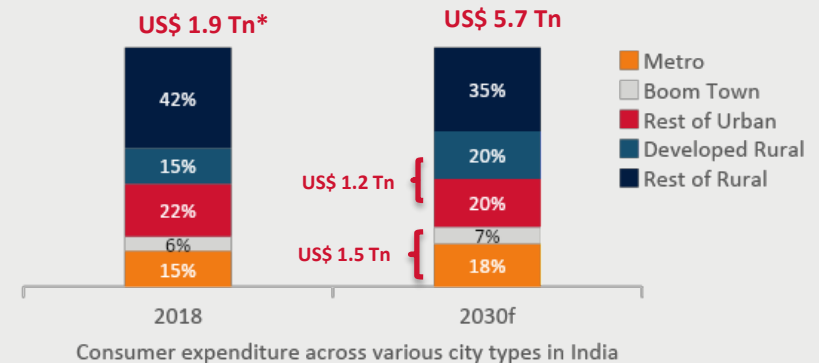
The expansion of the **middle class and high-income** segments will reshape future consumption and drive incremental consumption of **US\$ 4 trillion** by 2030



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

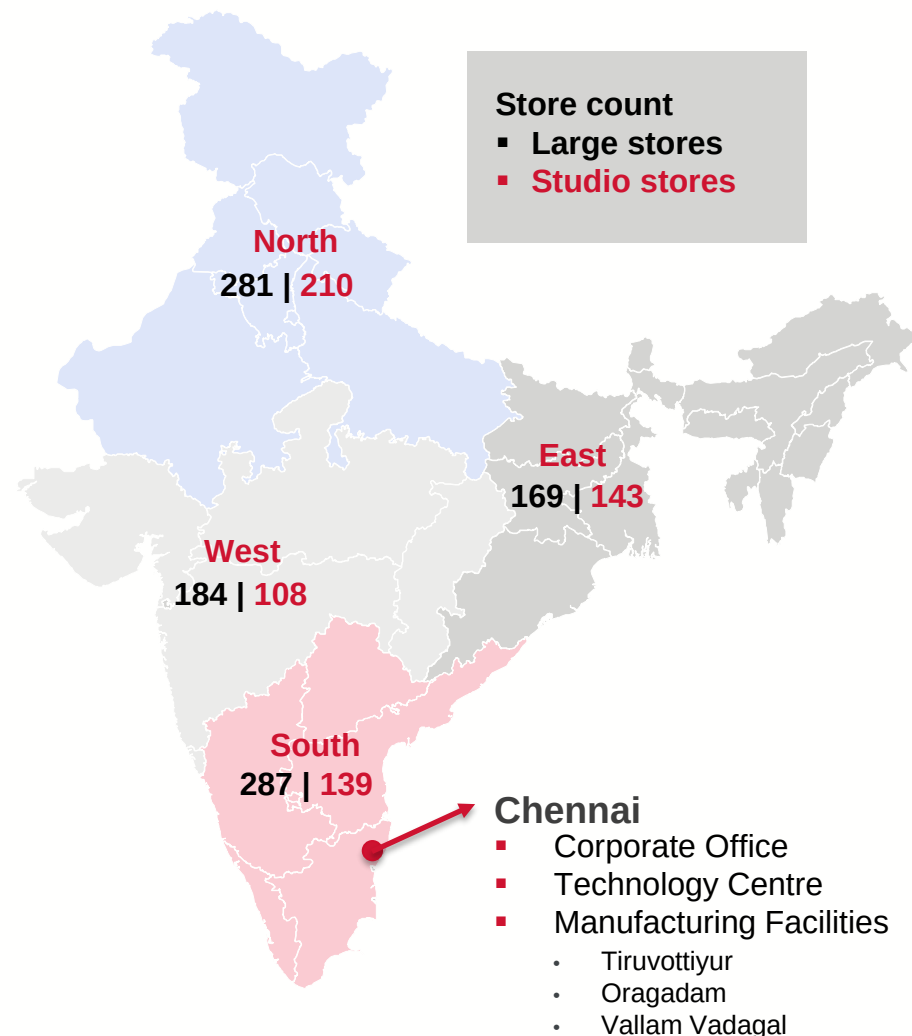
The **incremental spend** will be led by consumers upgrading to packaged, branded or higher priced offerings



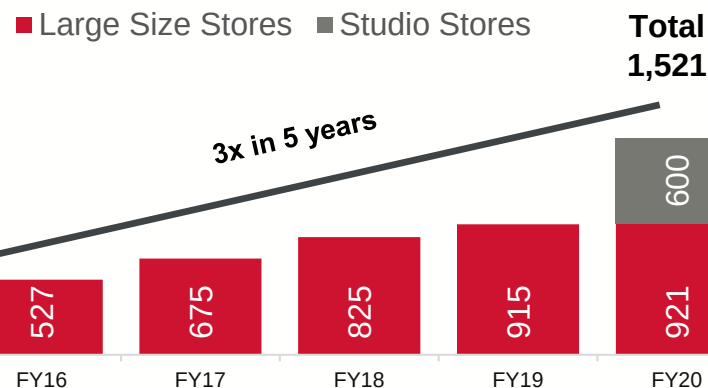
Source: *Worldbank

India Footprint

921 stores and 600 studio stores across 1,200 cities, plan to add another 600 stores by end of FY21



Dealer Network



City Category wise Distribution

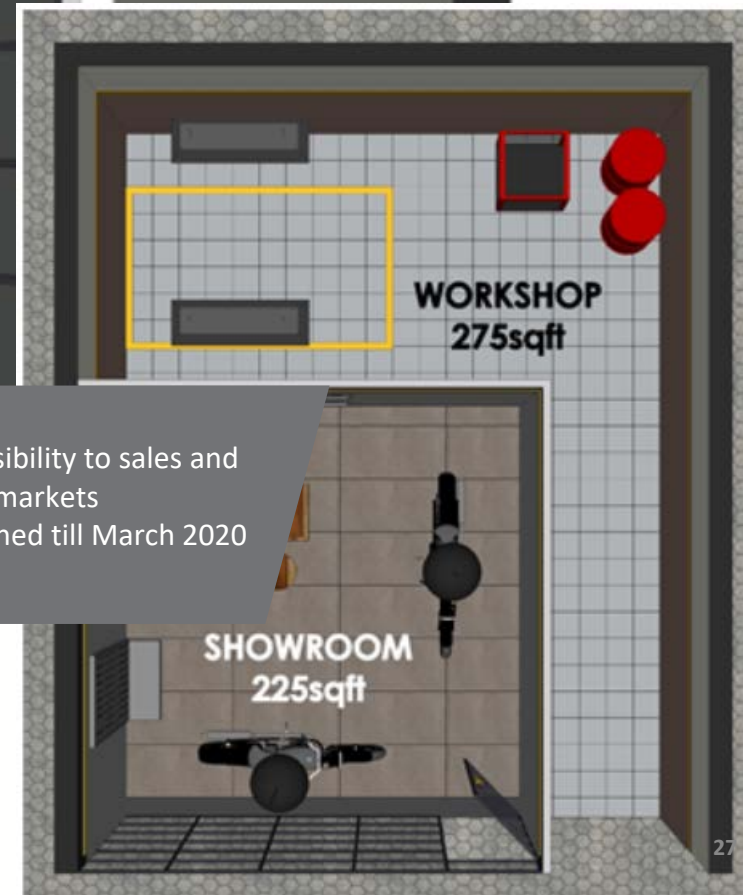
Category*	Store Count
>1,000	202
Between 200 and 1,000	294
Up to 200	425
Studio Store	600
Total	1,521

*Industry volume of >125cc engine size motorcycle per month

Royal Enfield – Studio Stores

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
- 600 studio stores opened till March 2020

Royal Enfield Vintage – Opportunity in Pre-owned Motorcycle Segment



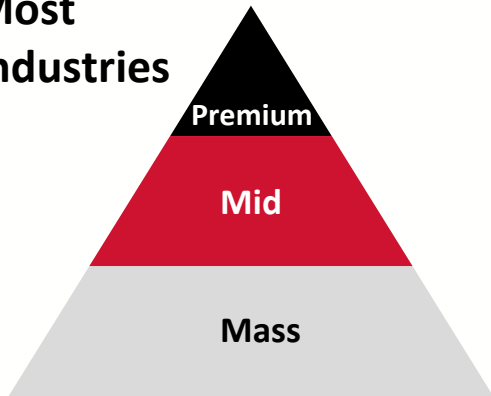
Vintage Store opened in Chennai, Bangalore, Delhi, Mumbai, Patna, Kanpur, Indore, Patiala, Hyderabad, Dehradun

- *Pre-owned, refurbished and restored motorcycles - a first-of-its-kind in two-wheeler industry*
- *Accessible, hassle-free, transparent sale and purchase of pre-owned Royal Enfield motorcycles*
- *Quality tested and refurbished by trained Royal Enfield technicians*

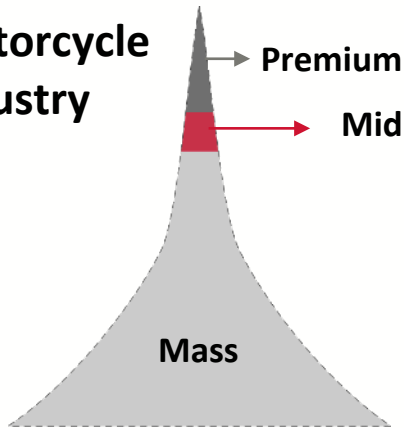
Opportunity – International Business

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

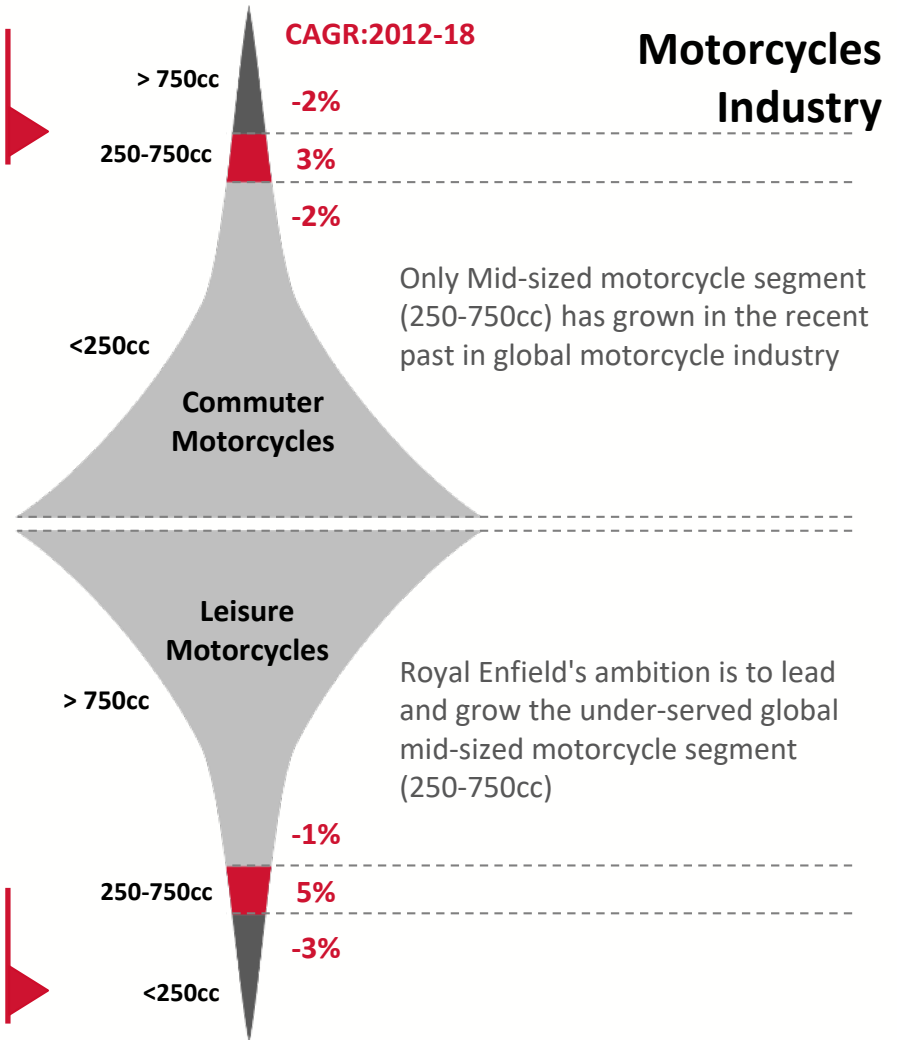
Most Industries



Motorcycle Industry



Developing Markets



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

International Footprint

Plan to increase exclusive store count from 77 now to ~100 by end of FY21

Developed Markets



	Exclusive Store	Multi Brand Outlet
North America	1	120

Countries with exclusive stores

- **USA** – 1

Marketing Company - **USA**



	Exclusive Store	Multi Brand Outlet
UK, Europe, UAE	26	370

Countries with exclusive stores

- **Austria** – 1
- **Belgium** – 1
- **France** – 9
- **Italy** – 1
- **Portugal** – 2
- **Spain** – 5
- **UAE** – 1
- **UK** – 6

Technology Centers – **UK**

Marketing Company – **UK**

Developing Markets



	Exclusive Store	Multi Brand Outlet
APAC	24	72

Countries with exclusive stores

- **Philippines** – 1
- **South Korea*** – 1
- **Australia*** – 1
- **Thailand** – 14
- **Indonesia** – 3
- **Vietnam** – 2
- **Malaysia** – 1
- **New Zealand*** – 1

Marketing Company – **Thailand**

*Developed markets



	Exclusive Store	Multi Brand Outlet
LATAM	26	23

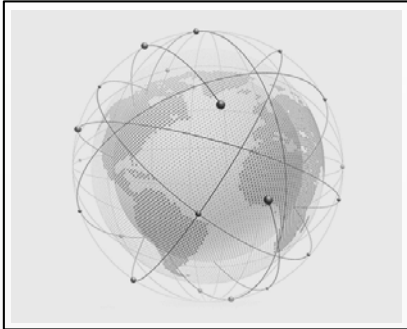
Countries with exclusive stores

- **Argentina** – 5
- **Brazil** – 7
- **Colombia** – 10
- **Ecuador** – 3
- **Mexico** – 1

Marketing Company - **Brazil**

International Business - Key Priorities

Network Expansion & 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

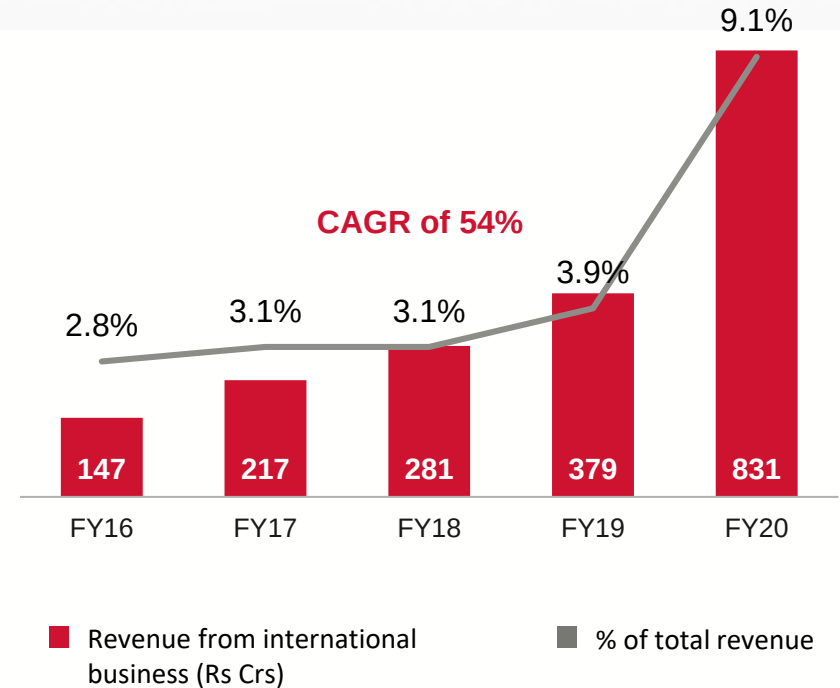
CKD Setup



Evaluating opportunities to set up CKD facility in priority markets in APAC and LATAM region

International Business – Financial Performance over past 5 years

Opportunity to double the revenue share of "INTERNATIONAL" business



Awards



Enfield Interceptor 650 won the Indian Motorcycle of The Year ("IMOTY") 2019



The Interceptor 650 won the Best Modern Classic Middle-Weight award at Thailand Bike of the Year 2019



The Interceptor 650 won the Best Retro category bike award by MCN - the top automotive magazine in the UK



RE's Vallam Vadagal facility receives the Frost & Sullivan Gold Award for Manufacturing Excellence

Digital Engagement with Community

#MYBULLET

Over 13,000 stories
received
36M views

#TripStory

Over 24,000 stories
received
7.4M Engagement
22M Views

Rider Mania 2019

Over 8,000 participants
18M Views

What's Your Adventure?

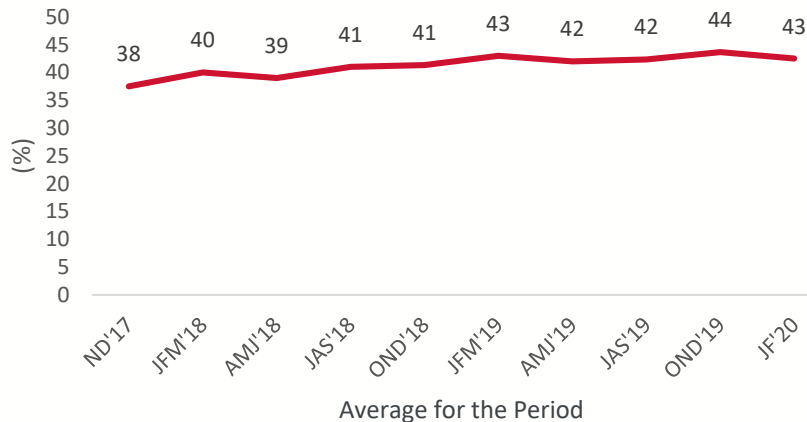
Over 14K Stories
3.4M Engagement
8.8M Views

Royal Enfield Custom World Live

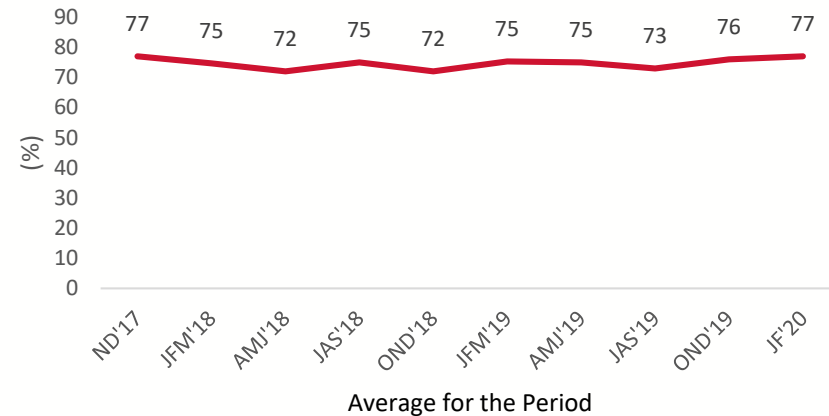
480K Live! Views
21.9M views
11 Markets

Brand Health Report

Top of Mind Awareness



Top Two Box Consideration



- Royal Enfield brand remains strong in the minds of the consumer
- Among the host of brand health metrics tracked by Royal Enfield, 'Top of Mind Awareness' and 'Top Two Box Consideration' are key metrics
- Top of Mind Awareness (first spontaneously recalled brand) has improved from 38% to 43% over past two years
- Top Two Box Consideration (purchase intent) has remained above 70%. It increased for the brand with launches of Bullet X and Classic S during Sep-Oct 2019

Marquee Rides

Rider Mania 2019



- Rider Mania is Royal Enfield's most definitive motorcycle festival and largest gathering of RE enthusiast in the world.
- The 11th edition was held in Goa which saw highest ever gathering of 8,000 participants.
- The event saw launch of the Royal Enfield Slide School to encourage and bring back the culture of flat-track racing .
- The first edition of flat-track racing will be conducted in Bangalore in month of February.

Himalayan Odyssey 2019



- The 16th edition of Royal Enfield 'Himalayan Odyssey' saw 60 motorcyclists ride for 15 days over 2,200 Km from Chandigarh to Khardung-La, one of the world's highest motorable road.
- The 2019 Himalayan Odyssey takes a step toward eco-sustainability by promoting zero 'single-use-plastic-ride'. The riders eliminated the use of bottled water by using RE installed water purifiers for public.

Brand Building Activities and Initiatives

SLIDESCHOOL



- Slideschool is a new initiative from Royal Enfield to bring in motorcycling enthusiasts from across the country to learn and enjoy flat tracking, one of the fastest growing forms of motorsports.
- The first ever Slideschool was successfully held at Big Rock Dirt Park in Bangalore in March 2020 and was attended and appreciated by top automotive journalists across the country.
- The Slideschool will be rolled out across different cities in the country in the coming months where customers can either come with their own motorcycles.

Other Rides

Royal Enfield Astral Ride 2019



- Royal Enfield organised the first edition of Astral Ride 2019 in September 2019, a first-of-its-kind ride that combines the passion for photography with the spirit of motorcycling, in Spiti.
- This ride-cum-workshop provided an orientation to riders who were intrigued by Astro-landscape. The objective was to provide an opportunity to the occasional hobbyist to ride a Royal Enfield motorcycle and learn nuances of astro-photography in some of the most beautiful locations the Himalayas have to offer.

Royal Enfield Himalayan Adventure Rongbuk 2019



- First-of-its-kind Indian manufacturer led expedition that is designed to take the riders to the base camp of three of the eight thousand-meter peak -Mount Everest, Shishapangma, and Cho Oyu in Tibet, China.
- The 11-day ride was flagged off from Kathmandu with 11 riders to cover a distance of 1,111 Kilometers covering the Nepal -Tibet border at Syabrubesi at the altitude of 4,000 metres and above.

Other Rides

Tour of Thailand



- The marquee ride - Tour of Thailand witnessed its 3rd edition in 2020. The 6 day ride covering over 1,400 kms originated from Bangkok and ended in Chiang Mai. The riders experienced varied terrains comprising of nice twisties with spectacular views.
- Apart from being an all-Twins based ride, the highlights of the ride included locations like Nan, Uttaradit and Chiang Mai.
- Event saw participation from Thai riders, media and Indian riders.

Winter White Out- Spiti 2020



- The 2nd edition of Winter White Out was held from 20th February - 1st March from Shimla to Spiti.
- Winter White Out is about exploring the next level - Riding on extreme terrains; challenging the grit of the rider in terrain like the snow and ice.
- This exclusive event saw participation from 11 riders including some of the best off roading media and influencers in the country.

Classic 500 Tribute Black – A Collector's Edition

- Royal Enfield's hallmark Unit Construction Engine (UCE) 500cc single-cylinder motorcycle was launched over a decade ago, in 2008
- A commemorative end of production limited edition motorcycle "Classic 500 Tribute Black" was launched online. More than 300 motorcycles were sold within 180 minutes in the flash sale.
- Each motorcycle carried the iconic pin-striped and a hallmark commemorative 'End of Build' serial numbered plaque making it unique to its owner



Royal Enfield Stores

Milan, Italy



New Delhi, India



Chiang Mai, Thailand



Buenos Aires, Argentina



Oldest Motorcycle Brand in Continuous Production

1901

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



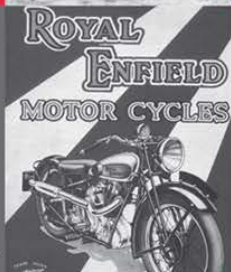
1926

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



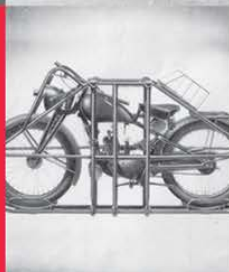
1932

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 Groat's to Lands End in under 24 hours. The GT features a racing petrol tank, clip-on handlebars, rear sets, a humped race seat, rev counter and a swept-back exhaust.



1967

With only two models left in production at the start of the year, the 250cc Continental GT and the 736cc Interceptor, Royal Enfield's Redditch facility closes down. Production of the Interceptor continues at Enfield's underground facility in Bradford on Avon.



2008

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



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.



1994

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



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.



2017

A purpose-built technical centre opens at the Bruntingthorpe Proving Grounds in the UK and a team of over 100 experts begin work on research & development and long-term product strategy.

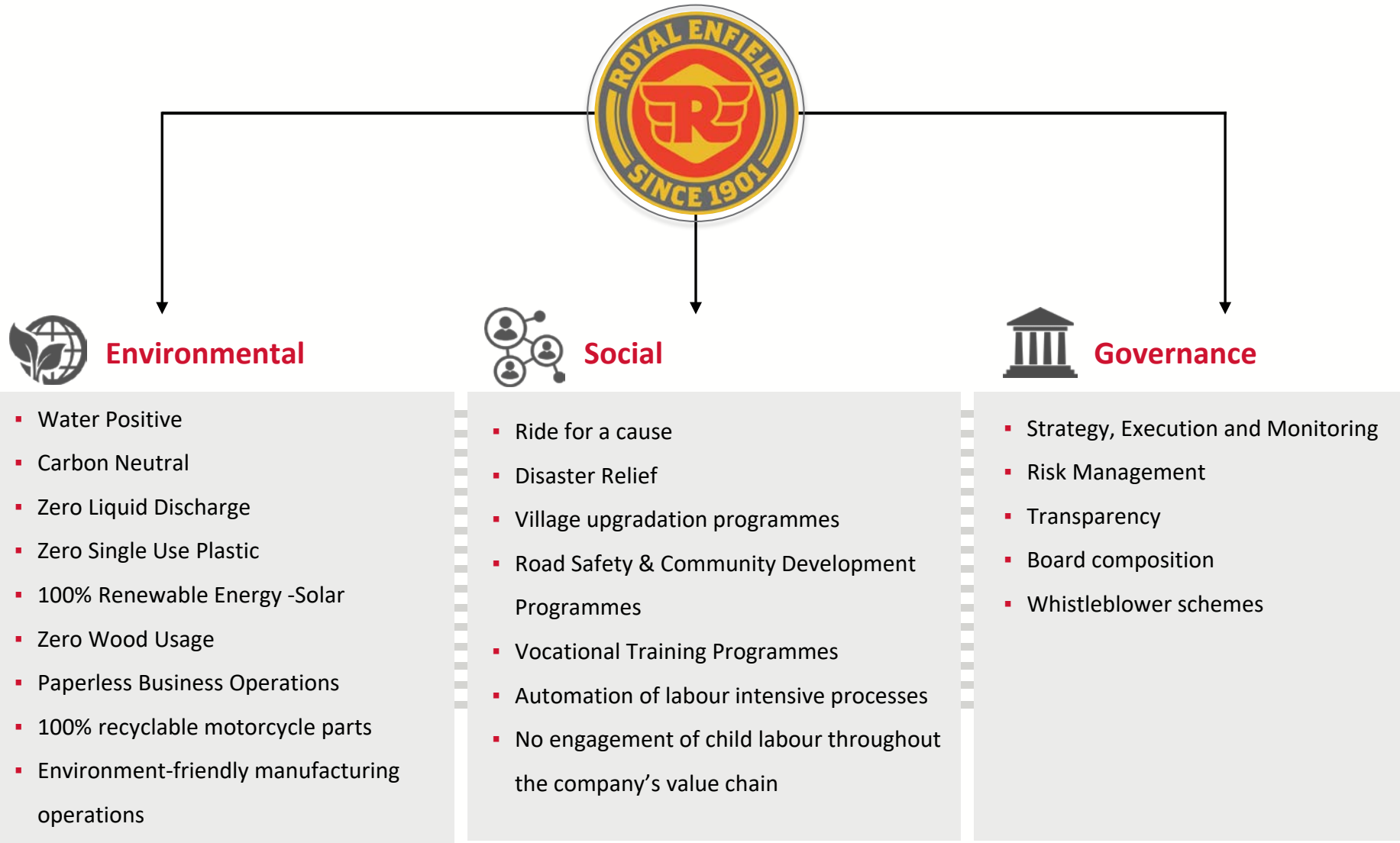


2018

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'.



Themes for RE's Sustainability journey



Passion with Responsibility



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

- Successfully organized Rider Mania and Himalayan Odyssey with zero single-use plastics.
- With a focus on 'Leave every place better', the team collected over 3,000 kgs of recyclable waste and 450 kgs of biodegradable waste for recycling at Rider Mania.
- Zero single-use plastics was observed at these events.
- Working on conserving and harvesting water at the manufacturing facilities to turn them 'Water Positive'.
- Planted over 3,000 saplings around the manufacturing facilities.
- Organised several 'Cause Rides' across the country to try and leave every place better.

VE COMMERCIAL VEHICLES

A VOLVO GROUP AND EICHER MOTORS JOINT VENTURE

VECV was Established in 2008 with Strong Parentage



EICHER STRENGTHS

- Strong player in LMD segment
- Specialist skills and experience in developing low cost, better performance products
- Wide dealer network
- After sales infrastructure
- Cost effective operations

Eicher transferred its CV, components and engineering solutions businesses into VECV



VOLVO STRENGTHS

- Global expertise
- Leadership in product technology
- Good infrastructure facilities
- Well-defined processes and controls
- Brand image and customer relationships

VECV vision

“

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

”

Volvo demerged Volvo Truck India's sales & distribution business from Volvo India Pvt Ltd.

Milestones

AUGUST 2008: Signing of definitive agreements

Jul-Aug 2008: Commencement of JV



2009: Inauguration of the new gear component plant at Dewas



2009: Launch of CSI-1 quality improvement initiative



2012: VEPDC inauguration



2012: CED paint shop inauguration



2010: Launch of VE-series of Eicher HD trucks



2013: VEPT Pithampur inauguration



2013: Pro Series launch



2013: Start of production at Bus body plant at Baggaad (MP)



2013: EEC gear plant, Dewas Unit II inauguration

2014: Volvo Trucks launch of new range of products comprising FH, FM and FMX



2014: Inauguration of Eicher retail excellence center (VECV academy)



2015: Inauguration of 'Customer Experience Center' and 'Vehicle display zone'



2016: Launch of Eicher Pro 1049 (Sub 5 Ton mini truck)



2017: Inauguration of Transmission Assembly Line at EEC, Dewas



2017: Pro 5000 Series launch



2018: Ground Breaking Ceremony of EEC II expansion facility at Dewas



2018: Launch of Eicher Pro 6049 & Eicher Pro 6041



2018: Successful 10 years of partnership between Eicher and Volvo



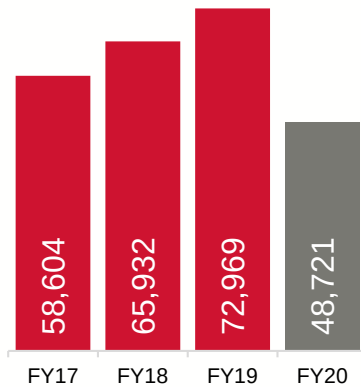
2019: Eicher Pro 2000 series launch in Mumbai



Volumes

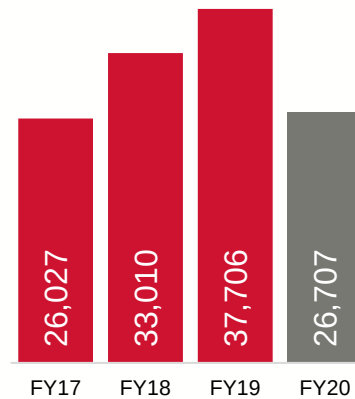
Total CV* Volumes

(in nos)



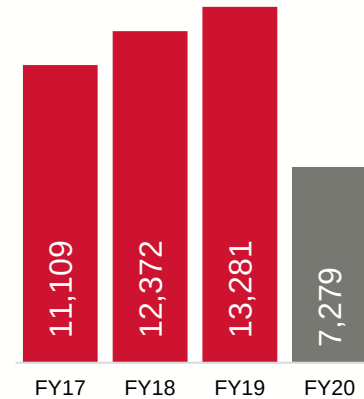
Eicher Light to Medium Duty Trucks (3.5-15 tonne)

(in nos)



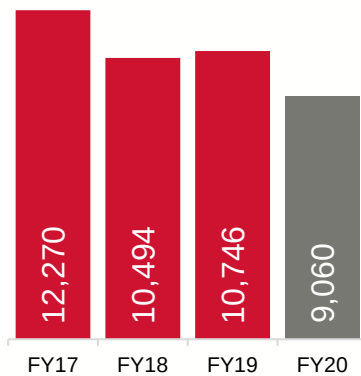
Eicher Heavy Duty Trucks (16 tonne +)

(in nos)



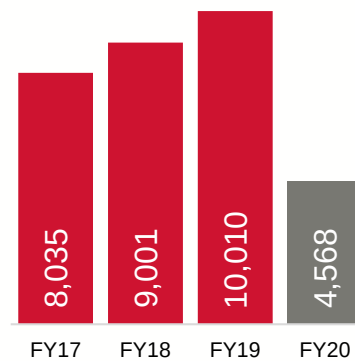
Buses

(in nos)



Exports

(in nos)



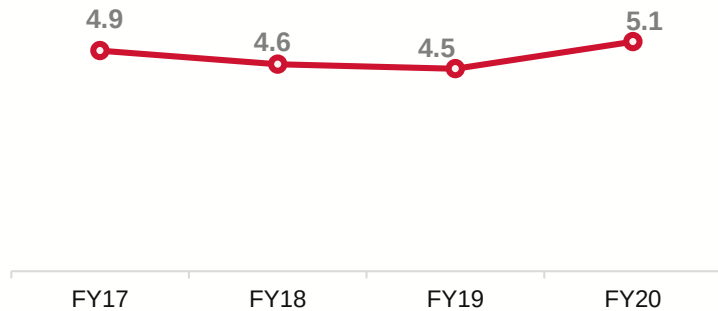
Volvo Trucks

(in nos)

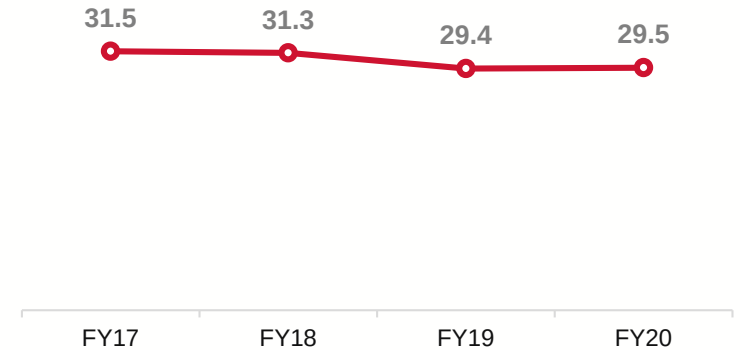


Market Share

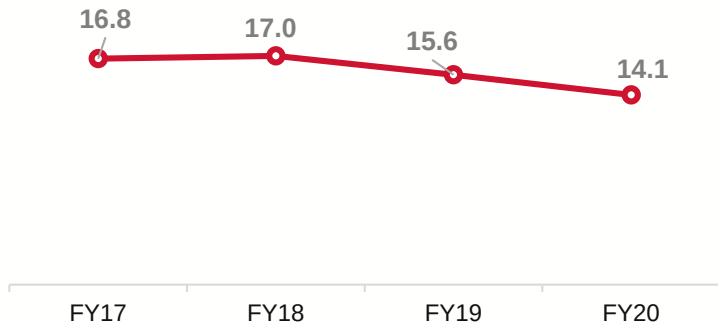
**Eicher Heavy Duty Trucks
(excluding exports) In %**



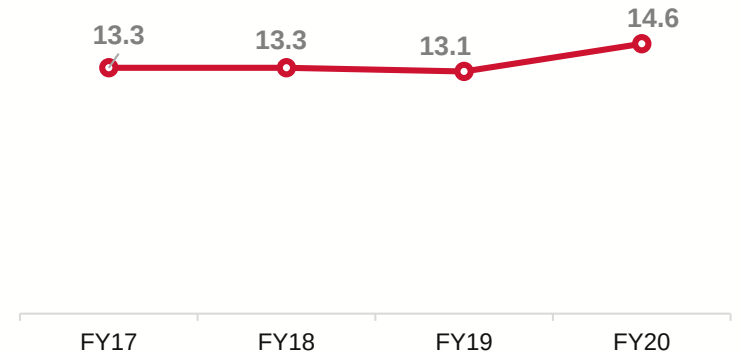
Eicher Light and Medium Duty Trucks In %



Buses (excluding exports) In %



VECV market share (including exports) In %



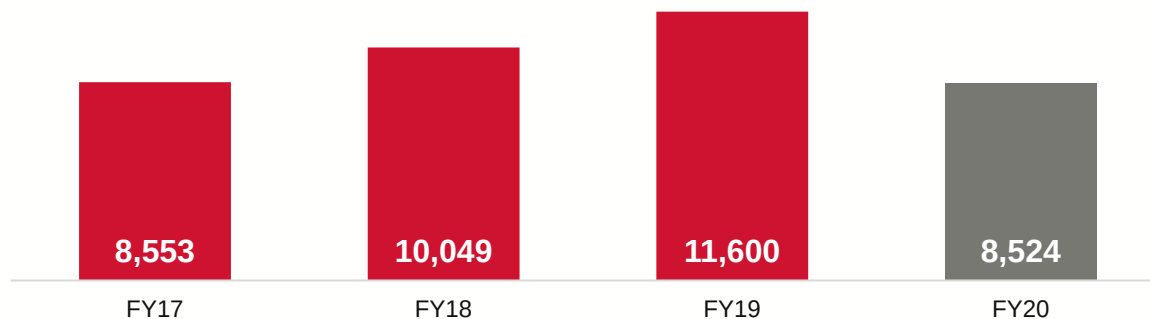
Source - SIAM

Financial Highlights – VE Commercial Vehicles

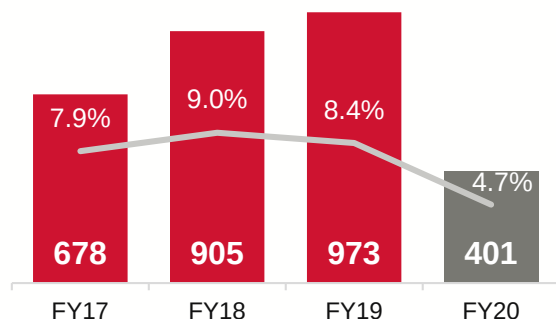
All figures are for VE Commercial Vehicles (in Rs. Crore unless specified)

Total Revenue*

Total revenue from operations (net of excise duty)

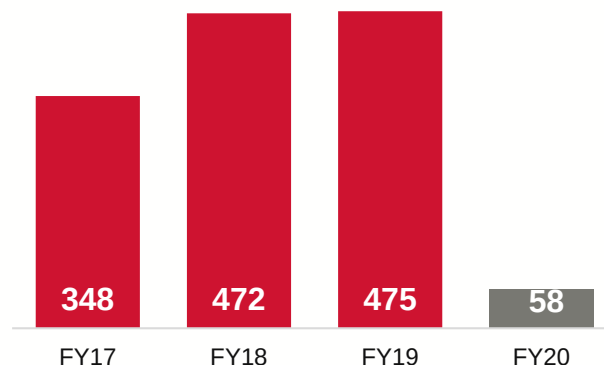


EBITDA & Margin*



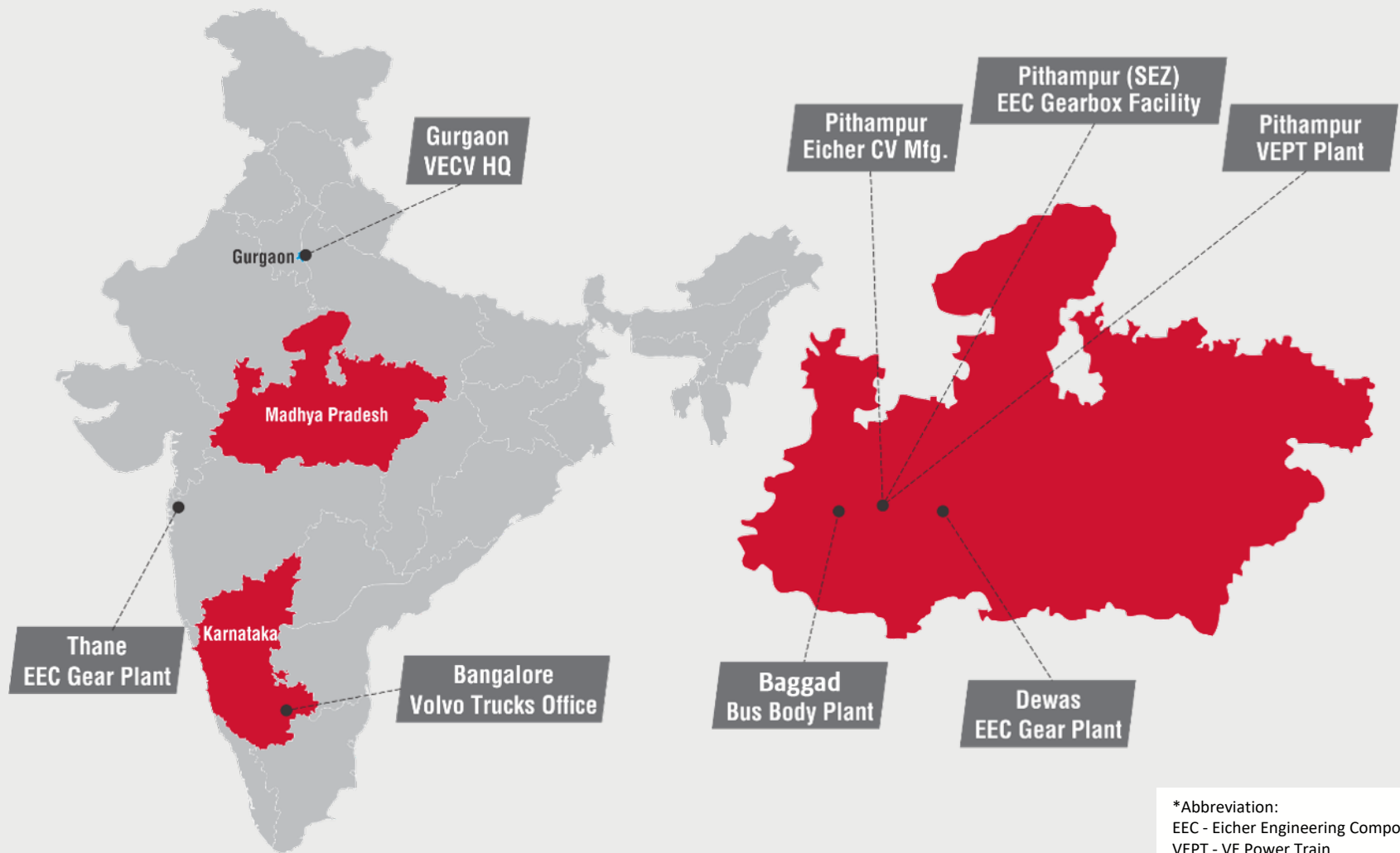
The figures in % indicate EBITDA Margins
EBITDA Margin = EBITDA/Total revenue from operations (net of excise duty)

Profit After Tax



Note: Figures for FY16 onwards are as per IND AS. Figures from CY11 and CY12 are as per IGAAP.
EBITDA – Earning Before Interest, Tax, Depreciation and Amortisation
*Excludes Other Income

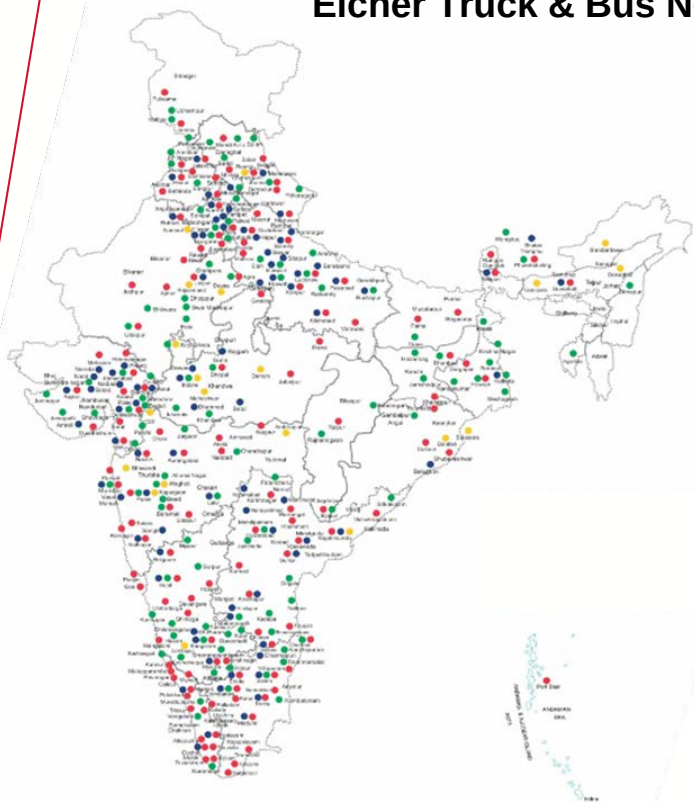
India Facilities – Manufacturing and Operations



*Abbreviation:
EEC - Eicher Engineering Components
VEPT - VE Power Train
SEZ - Special Economic Zone
HQ - Head Quarter

VECV Trucks and Buses Distribution network

Eicher Truck & Bus Network



- Dealer network 293 nos. including 25 COCO* outlets
- 26 distributors, 96 Eicher Genuine Parts Shoppe and 1,900+ multi-brand parts retailers
- 250+ GPS enabled Vans and 54 Container Set up sites

Volvo Truck & Bus Network

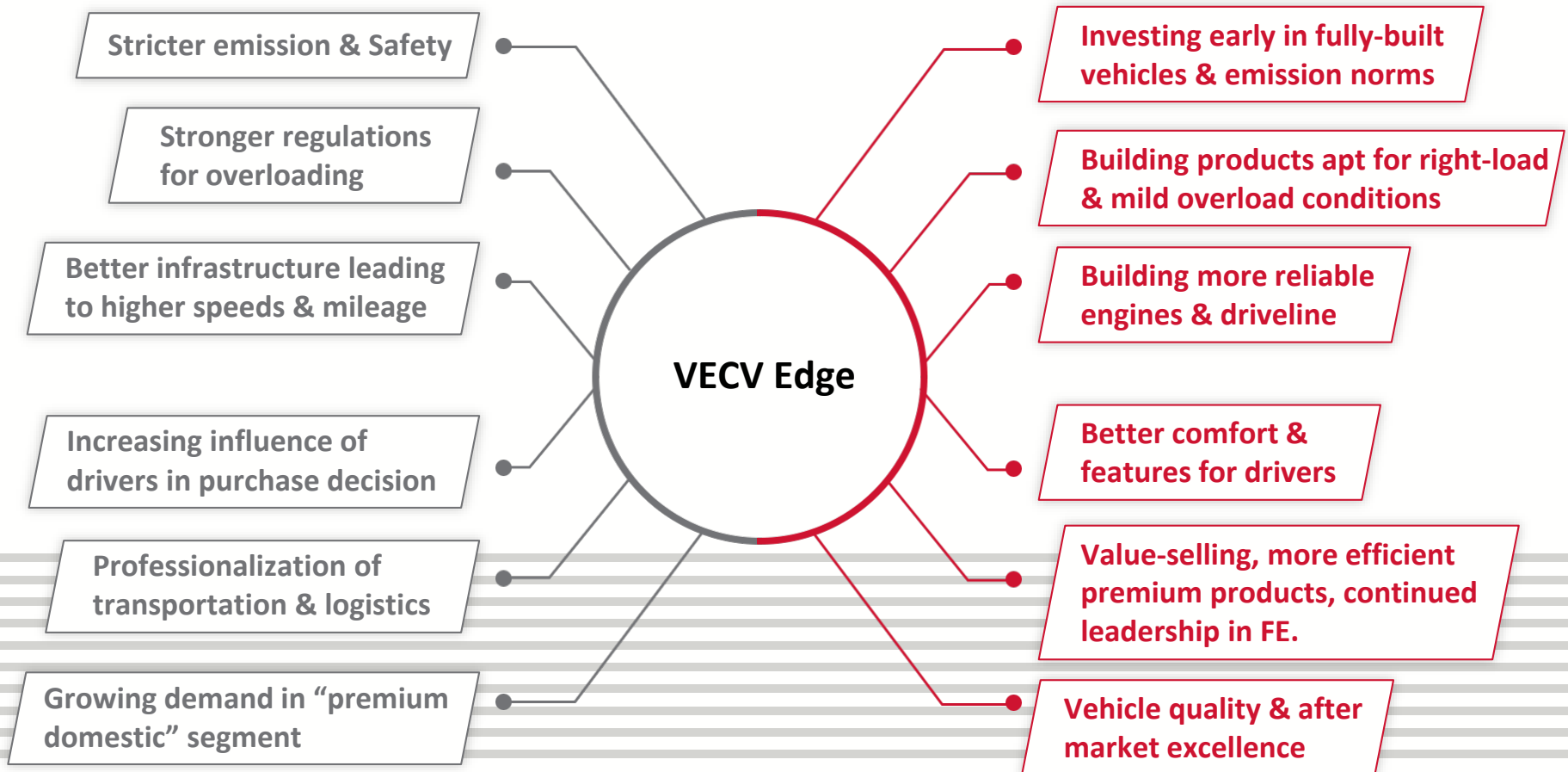


- Hub and spoke network model
- Sets benchmarks in the industry for vehicle uptime and productivity

* COCO – Company owned company operated

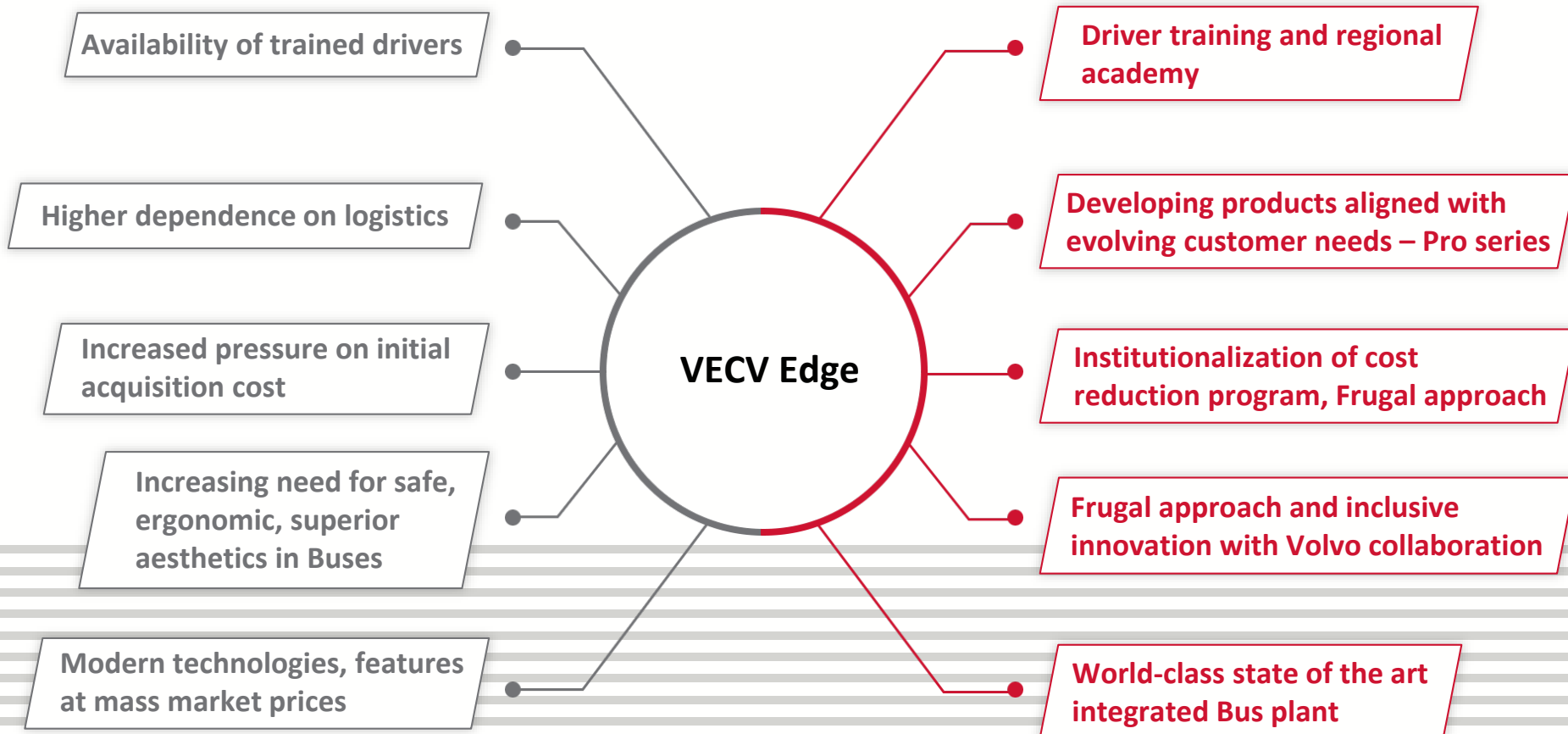
Opportunities / Discontinuities

VECV EDGE



Opportunities / Discontinuities

VECV EDGE



Eicher LMD Trucks: A Significant Player



EICHER PRO 2000 SERIES
BUSINESS KA BADSHAH
TRUCK BHI. AAP BHI.

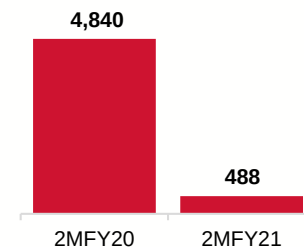
***Eicher Pro 2000
series (3.5-16
Ton GVW)***



***Eicher Pro 3000 series
(12-16 Ton GVW)***



Volumes (including exports)
(in nos)



Note: In April 2020, the company's manufacturing facilities and dealerships in India remained closed, in compliance with the Government directives.

Eicher LMD Trucks: Launch of Pro 2000 Series

Unveiled India's first BS VI compliant CV range in June 2020

Designed to deliver significantly higher profitability, enhanced reliability, safety, comfort and efficiency



Introduction of many industry-first features such as all-wheel disc brakes, touch-screen infotainment, steering mounted controls and advanced telematics

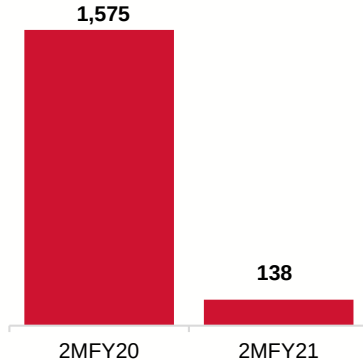
Additional features like low turning radius, longer body options, fuel coaching and a new cabin for better comfort

Eicher HD Trucks: To Leverage Full Potential.....

Achieved market share of 5.1% in 2019-20, highest in 10 years

Volumes

(in nos)



Note: In April 2020, the company's manufacturing facilities and dealerships in India remained closed, in compliance with the Government directives.

Pro 8000 series

Steadily growing market share

With over 20,000 trucks on road, the 'Pro' series is gaining more traction with increased interest in technologically advanced trucks. The Value Trucks are witnessing good acceptance in the market.

New axle load norms, liquidity crunch, migration to BS-VI norms and current COVID-19 crisis are affecting the sales.



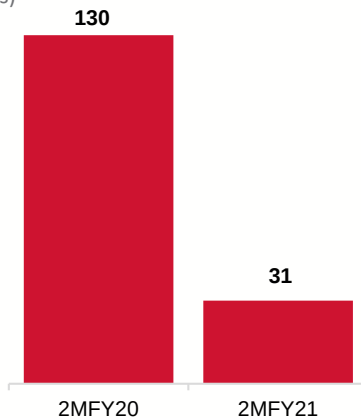
Pro 6000 series



Volvo Trucks: Market leader in Premium Truck segment

Volumes

(in nos)



Note: In April 2020, the company's manufacturing facilities and dealerships in India remained closed, in compliance with the Government directives.

**FMX 460 8X4
(Coal Tipper)**

*Leadership in
niche segments*



**Mining Tipper
FMX460**



**Construction Tipper
FM420**



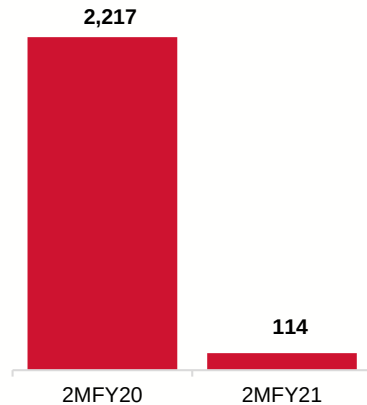
Long Haul

**FM 420 4x2 T
Pioneering tractors
into express cargo**

Eicher Buses: Steady Market Share in a Challenging Environment

Volumes (including exports)

(in nos)



Note: In April 2020, the company's manufacturing facilities and dealerships in India remained closed, in compliance with the Government directives.

SKYLINE^{PRO}



SKYLINE



STARLINE



Electric Pro E

Tapping Global Potential



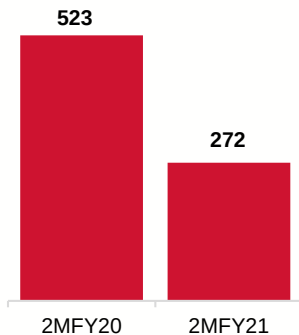
Acquired key customer “Value Group in South Africa”



Bus portfolio ramped up for Middle East; Market share gained in the region

Exports

(in nos)



- Market share gain across all regions of international business, even in declining total industry volume
- Over 36 new products/variants introduced including first ever Pro 2000 series outside India
- Successful roll out of initiative for uptime promises in pilot markets; sustained for 11 months
- After-market network augmented from 541 touch points to 660 (including parts outlets).

Note: In April 2020, the company's manufacturing facilities in India remained closed, in compliance with the Government directives.

World Class Manufacturing set up...



- Capacity to produce up to 90,000 trucks from single plant; new plant set-up under progress to take capacity to 130,000 per annum
- Production of 44,969 vehicles in FY20
- Highly flexible vehicle assembly lines with right blend of technology to control critical parameters catering over 800+ variants
- All aggregate lines, Body in White (BIW), paint shop, main chassis lines, machine shop, engine testing & painting, new export line established with enhanced capacities
- New body shop for Pro 2000 and Pro 8000 installed & commissioned successfully
- Complex and critical sub assemblies by robots/manipulators ensuring consistent quality levels, fit and finish
- State-of-art bus plant spread over 46 acres set up under VECV's overriding vision of driving modernization of the Indian CV market

VE Powertrain



- First engine plant in India producing Euro-6 compliant base engine
- Exclusive manufacturing hub for medium duty engine requirements of Volvo Group
- Current capacity of 50,000 engines, scalable up to 100,000 engines
- Best executed project with Volvo Group technology with frugal approach
- The 5 and 8 liter engines of this platform delivers power ranging from 180 to 350 HP

Proposed New Plant in Bhopal



Master Layout



Engine line building

Current Status

- ETB plant capacity 90,000, deliverable 80,000 with seasonal variations.

Proposed

- Project commenced in October 2018 with proposed capacity of 40,000 per annum
- Overall project on track for 2020-21 start
- Planned capital outlay of around Rs. 400 crores
- All long lead contracts and purchase orders released; civil construction in full swing

Other VECV Business Areas

Eicher Engineering Components (EEC)

- Strategic supplier of drive line components and aggregates for VECV, The Volvo group, exports and strategic domestic OEM customers
- Production facilities at: Thane, Dewas and SEZ, Pithampur
- Annual turnover of Rs.757 Crores in FY20



Other VECV Business Areas



Eicher Non - Automotive Engines

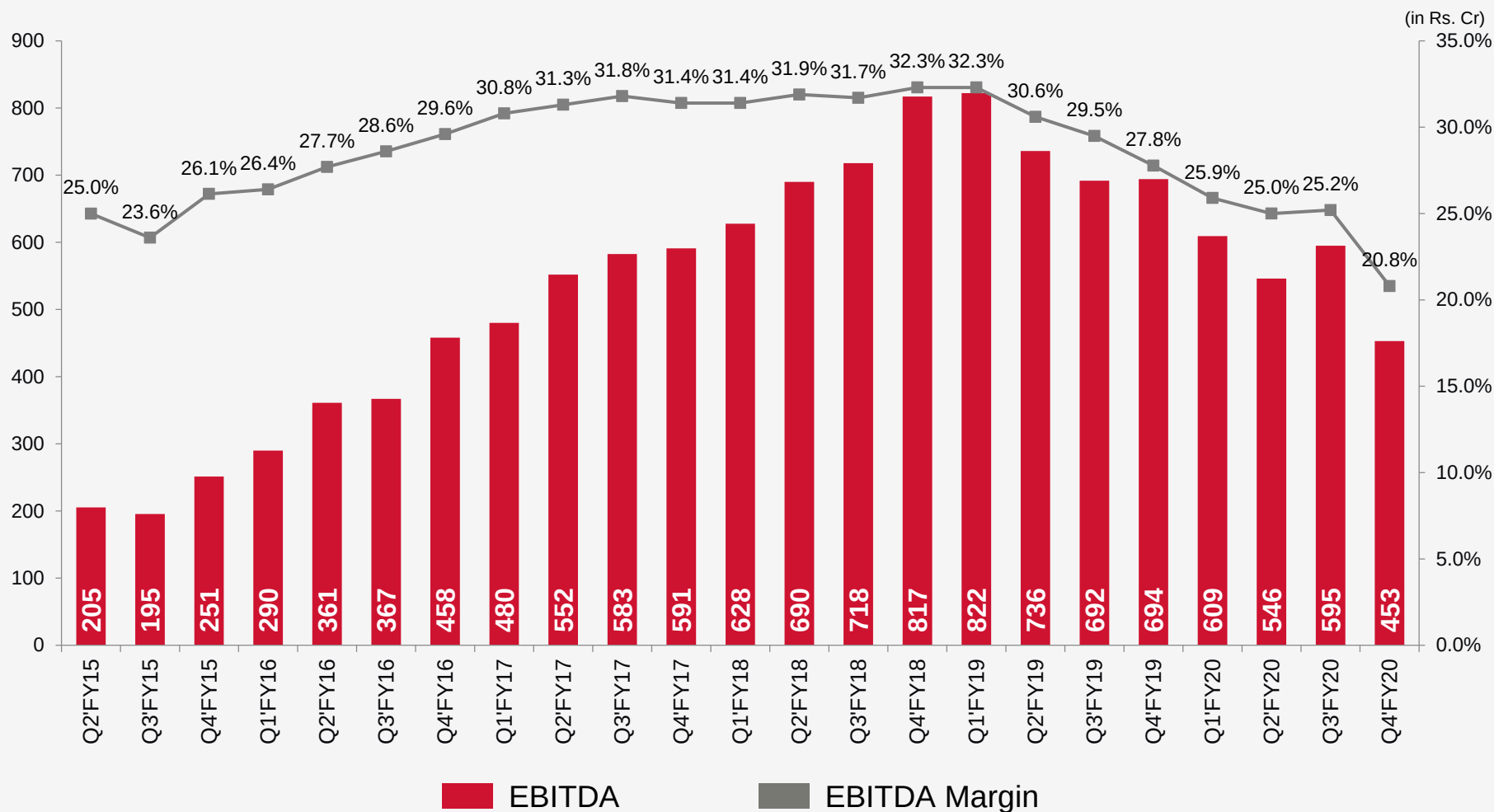
- Presence in 10 countries, Genset Assembly in UAE & South Africa, pan India presence in Genset segment
- Reputed as most reliable and lowest operating cost engines, established in material handling segment
- Engines and drivelines for power, industrial and other off-highway applications
- Providing customised power drive solutions to equipment manufacturers in agro, fire-fighting & earthmoving segment

Financials



Quarterly Financial Highlights (Standalone)

Eicher Motors – Standalone* performance in last 5 years...



* Excludes any income/expenses from Treasury operations, dividend from subsidiary company
 EBITDA Margin = EBITDA/Total revenue from operations (net of excise duty)

Note: All numbers post Q4FY16 are as per Ind AS

—
Thank You
—

Get Social



Royal Enfield



Royal Enfield



VE Commercial Vehicles



Appendix



Balance Sheet (Consolidated)

(In Rs. Cr.)

Particulars	Mar'18	Mar'19	Mar'20
Net Fixed Assets (including CWIP and Pre-operative Expenditure)	1,835	2,324	2,690
Investments	5,581	4,923	5,749
Other Non Current Assets	186	180	102
Current Assets			
Inventories	395	633	572
Debtors	68	90	87
Cash and Bank Balances	1,212	2,965	2,951
Other Current Assets	227	271	299
Current Liabilities and Provisions	2,265	2,098	2,025
Net Current Assets	(345)	1,862	1,884
Total	7,257	9,289	10,425
Share Capital	27	27	27
Reserves & Surplus	7,003	7,003	9,954
Net Worth	7,030	7,030	9,981
Minority Interest	-	-	-
Deferred Tax Liability (net)	142	274	252
Other Non Current Liabilities & Provisions	85	96	192
Borrowings	-	-	-
Total	7,257	9,289	10,425

Profit & Loss Statement (Consolidated)

(In Rs. Cr.)

Profit & Loss Account	FY2018	FY2019	FY2020
Sales Volume:			
Two Wheelers (Nos.)	820,121	822,724	697,582
Total revenue from operations (net of excise)	8,965	9,797	9,154
Manufacturing and other expenses	6,157	6,894	6,973
Earnings before interest, depreciation & tax (EBIDTA)	2,808	2,903	2,180
EBIDTA to Net Revenue (%)	31.3%	29.6%	23.8%
Depreciation	223	300	382
Earnings before interest & tax (EBIT)	2,584	2,603	1,799
EBIT to Net Revenue (%)	28.8%	26.6%	19.7%
Finance Cost	5	7	19
Other Income	280	443	543
Share of profit of joint venture	257	258	32
Profit before tax	3,116	3,297	2,355
Provision for taxation	936	1,077	527
Profit after tax and share of profit of Joint Venture from continuing operations	2,180	2,220	1,827
Discontinued Operations: Share of loss of Joint Venture*	(220)	(18)	-
Profit After Tax	1,960	2,203	1,827
PAT to Net Revenue (%)	21.9%	22.5%	20.0%

*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

Glossary

- **7M** – 7 months starting April to October
- **9M** – 9 Months starting April to December
- **10M** – 10 Months starting April to January
- **15M** – 15 months ended on 31st March 2016
- **12M** – 12 months ended on 31st March 2016
- **CAGR** – Compounded Annual Growth Rate
- **Consolidated** – Consolidated includes financials of Royal Enfield, VE Commercial Vehicles & 50% of Eicher Polaris Pvt. Ltd.
- **CV** – Commercial Vehicles
- **CY** – Calendar Year
- **BS IV** – Bharat Stage IV
- **DIIs** – Domestic Institutional Investors
- **E** – Estimated
- **EBIT** – Earnings Before Interest and Tax
- **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 to Medium Duty
- **M&HCV** – 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
- **ROA** – Return on Assets = Profit After Tax / Avg Assets
- **ROCE** – Return on Capital Employed = EBIT/Avg Capital Employed* * Capital Employed includes Shareholder Funds + Non Current Liability only (i.e.. Total Assets - Current Liability)
- **Standalone** – 100% Business of Royal Enfield
- **SIAM** – Society of Indian Automobile Manufactures
- **Stores** – Exclusive Royal Enfield Stores in India
- **Total Revenue** – Revenue from Operations (excluding other income)
- **UCE** – Unit Construction Engine
- **VECV** – VE Commercial Vehicles