

# Management Discussion & Analysis

## Eicher Motors Ltd. – Q3 2025 (February 12, 2025)

### 1. Product Launches

Eicher Motors introduced new models: **Goan Classic** and **Scram 440** to enhance its product lineup.

### 2. Financial Performance

- **Revenue:** ₹4,973 crore (19% YoY growth)
- **EBITDA:** ₹1,201 crore (24.2% margin)
- **Profit After Tax (PAT):** ₹1,171 crore
- **VECV Share of Profit:** ₹996 crore

### 3. Executive Appointments

- **Siddhartha Lal** – Executive Chairman
- **Vinod Aggarwal** – Vice Chairman, Non-Executive (EML)
- **B. Govindarajan** – Managing Director (EML)
- **Independent Directors:** Ira Gupta, Arun Vasu

### 4. Motorcycle Sales Performance

- **Total Sales:** 269,039 units (17% YoY growth)
- **Domestic Sales:** 241,971 units (13% YoY growth)
- **Retail Growth:** 7% (9-month period, 2025)
- **Exports:** 27,068 units (71% YoY growth)
- **Hunter Model Sales:** Over 500,000 units

### 5. Collaborations & Retail Expansion

- **Technology Partnership:** Qualcomm Technologies
- **Retail Expansion:** Investments in new retail stores in Pune and Gurgaon
- **CKD Plant (Thailand):** Monthly production capacity of 5,000–7,000 motorcycles

- **Market Leadership:** Leading middleweight brand in the UK; **Top 3 in Europe** with an **8.5% market share**; Americas (**8% share**) and APAC (**9% share**)

## 6. Industry Update – Commercial Vehicles

- **Industry Decline:** 1.7% YoY drop (117,161 units)
- **Segment Performance:**
  - HD Trucks: -5.4%
  - LMD Trucks: -4.4%
  - 3.5–5 Ton Segment: -1.4%
- **Bus Demand:**
  - HD Buses: +30.8%
  - LMD Buses: +10.7%
  - Overall Bus Volumes: +17.3%
- **Exports:** Grew by 0.3%, impacted by geopolitical challenges

## 7. VECV Performance

- **Total Units Sold:** 21,012
- **LMD Trucks:** 9,702 units (36% market share)
- **Heavy-Duty Trucks:** 5,428 units (8.9% market share)
- **Combined HD Trucks (Eicher + Volvo):** 5,964 units (9.7% market share)
- **Bus Sales:** 3,749 units (20.7% market share, highest-ever Q3 sales)
- **Parts Business:** ₹708 crore revenue (+25.6% YoY)
- **Exports:** 1,192 units (+44.5%)
- **YTD Total Volume Growth:** 2.8% (61,488 units, 18% market share in 3.5-ton+ segment)
- **EBITDA Margin:** 8.8% (+0.8% YoY)
- **Revenue:** ₹5,801 crore (+5.8% YoY)
- **Profit After Tax (Non-OCI):** ₹301 crore (+44% YoY)

## 8. Royal Enfield Performance

- **Retail Growth:** 19% (attributed to Classic 350 Bullet Battalion Black, marketing efforts, and festive inventory buildup)
- **Wholesale Growth:** 7% in the middleweight segment
- **New Initiatives:** REOWN, Assured Buyback gaining traction
- **Industry Trends:** Growth slowed post-festival, but middleweight segment remains resilient
- **Increased Expenses:** ₹70 crore in Q3 (₹20 crore allocated to brand launch)
- **International Focus:** Retail up 8-9% over wholesale; key markets – UK, Brazil, Italy, Europe, North America

## 9. Business Strategy & Outlook

- **Growth Stage:** Profitability maintained at 10.5% market share in the 2-wheeler segment
- **Inventory Management:** Resolved supply chain issues; 2-3 weeks inventory buffer
- **Commercial Vehicles:** Expected recovery in Q4
- **Government Capex Boost:** ₹92,000 crore (up from ₹72,000 crore monthly)
- **GDP Growth Projection:** 6-6.5%
- **Consumer Spending Support:** Taxation benefits to drive demand

## 10. Stark Partnership

- **Strategic Investment:** Focus on lightweighting, modular design, motor controller innovation
- **Collaboration:** Stark gains from Eicher's scale and supply chain, while Eicher benefits from Stark's technological expertise

## 11. Capital Expenditure

- **FY25 Capex Allocation:** ₹1,000 crore (full utilization planned)
- **First-Time Buyers:** 18-19% of total customers