

Equity Research Report

Eicher Motors Ltd.

New launches , Growth Focused, Visionary

About The Company

Eicher Motors Ltd.(herein after referred as “Eicher Motors Ltd.EML” or “the company”) headquartered in New Delhi incorporated in 1982,is the listed company of the Eicher Group in India and is a leading player in the Indian Automobile Industry.

EML is the parent company of Royal Enfield, a leading manufacturer focused on middleweight motorcycle serving with aspirational models like Classic, Bullet, Himalayan, Interceptor etc.

EML has a joint venture with Sweden’s AB Volvo to create Volvo Eicher Commercial Vehicles Limited (VECV),which makes light & medium-duty trucks, heavy-duty trucks and buses, engineering components, and aggregates.

With 90% market share in the Indian mid-size segment, EML has rapidly grown its presence across the world with more than 840 retail touch points across 60 countries. The company has three manufacturing units around Chennai as well as two R&D centers ,one each in UK and India .

The product wise revenue mix for the company is 88% from the two wheelers followed by 7% from the spare parts and other components and the remaining 5% from accessories and other allied products. The company has a strong dealership network across 1550 cities.

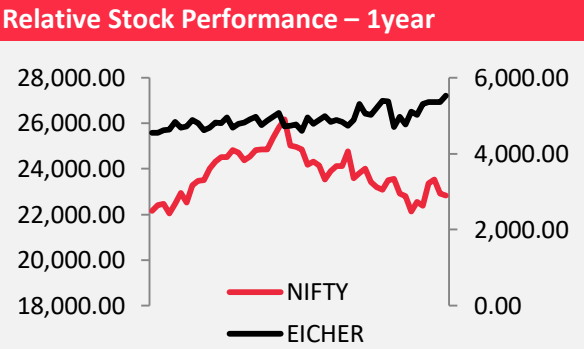
Key Highlights :

- Revenue from Operations grew more than 14% yoy to 18,870 Crore. EBITDA rose to `4,712 Crore, up nearly 9%, and Profit after Tax rose more than 18% to 4,734 Crore
- Recorded 1 million motorcycles sales for the first time 1,002,893 units, with Domestic sales of 902,757 units and exports of 100,136 units.
- Launched six significant models in 2025 : Bear 650 (new twin cylinder), Guerrilla 450 (Sherpa engine, urban/adventure focus), Classic 650, Goan Classic 350, Classic 350.
- FY26E ₹1,200–1,300 Cr, with significant allocation to EV manufacturing facility and product development.
- Commodity Inflation of Steel, aluminium, and rare earths have caused cost pressures which is mitigated through value engineering and alternative materials.
- Introduced the Eicher Pro X small commercial vehicle at Bharat Mobility 2025, emphasizing electric-first design.
- Farewell to S. Sandilya, retiring after 25 years as Chairman.



Recommendation	XXX
CMP	INR 5924
Target Price	XXX

Stock Data as on (15 April'25)	
NIFTY	:23,327
52 Week H/L(INR)	:6024/4508
Market Cap (INR Cr)	:162496
O/S Shares (Cr)	:27.38
Dividend Yield	:1.018%
NSE Code	:EICHERMOT



Shareholding Pattern	
Promoter	:49.07%
FII	:25.87%
DII	:15.67%
Government	:00.10%
Public	:9.35%

Stock Performance (%)			
	1M	6M	12M
Absolute	-3.7	20.2	35.7
Relative	-2.4	8.8	13.3

Financial Summary(in Cr.)			
	FY24	FY25E	FY26E
Net Revenue	16536	19441	21799
yoy growth	14.4	17.6	12.1
EBITDA	4329	5171	5886
Margin (%)	26.1	26.6	27
PAT	4001	4616	5184
yoy growth	37.3	15.4	12.3
ROE(%)	24.2	24.9	24.3
EPS	146	169	190
EV/EBITDA(x)	26.5	22	19.3



Global Economy :

The International Monetary Fund projects global GDP growth to stabilize at 2.7% in 2025, slightly up from 2.6% in 2024. This modest expansion reflects adaptability of major economies despite ongoing geopolitical tensions and trade uncertainties.

A recent 90-day tariff truce between the U.S. and China has temporarily eased trade tensions, leading to a reduction in reciprocal tariffs. However, the long-term sustainability of this agreement remains uncertain.

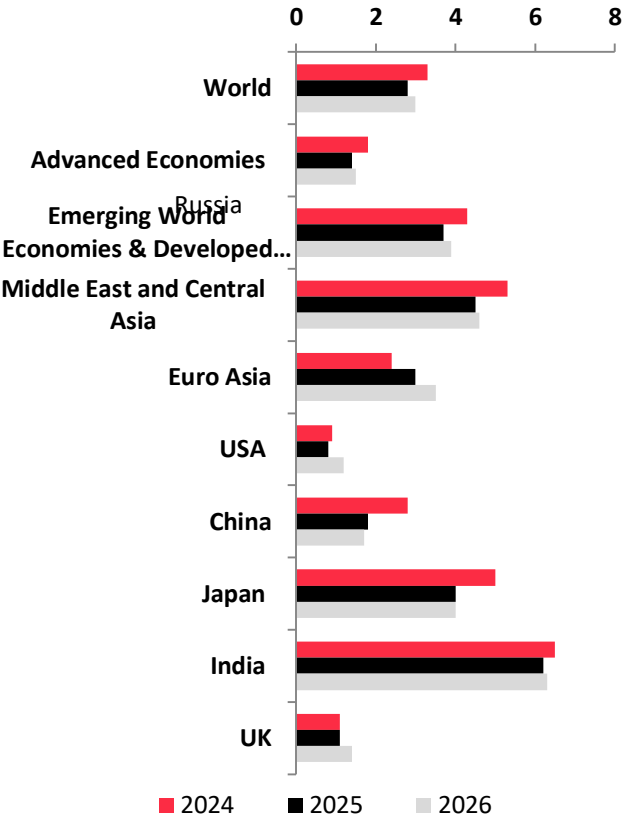
Inflation rates have shown signs of moderation, with U.S. inflation unexpectedly slowing to 2.3% in April 2025.

Despite this, the Federal Reserve maintains a cautious point of view, keeping interest rates steady amidst concerns over potential stagflation and the lasting effects of elevated tariffs. In contrast, European central banks have initiated rate cuts to stimulate growth, highlighting divergent monetary policy approaches.

Emerging markets, particularly in Asia and Africa, are assured for robust growth, driven by increased digitalization and infrastructure investments. The World Trade Organization forecasts a rebound in global merchandise trade, with a projected growth of 3.3% in 2025.

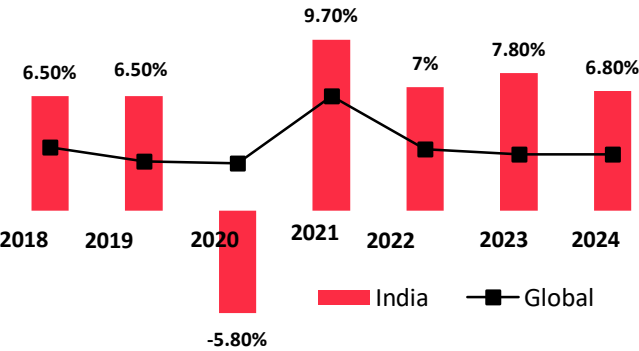
(Source : IMF WEO ,Company Analysis

Global GDP Projections (%)

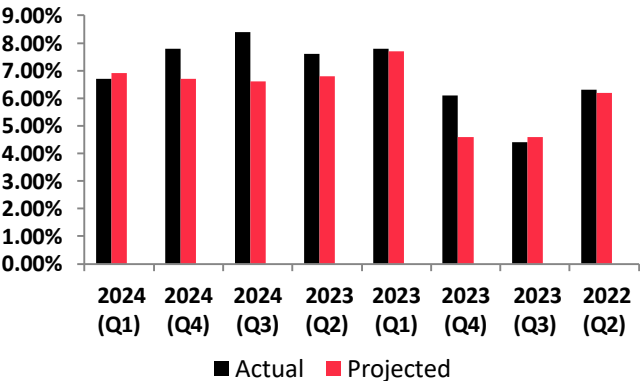


(Source : IMF WEO)

India's GDP Growth vs. Global GDP Growth



India's GDP Quarterly Growth Vs. Actual



Indian Economy

As of mid-2025, India's economy demonstrates persistence amidst global uncertainties, maintaining its position as one of the world's fastest-growing major economies.

The IMF projects India's GDP growth at 6.4% for FY2025, slightly down from 7.2% in FY2024. This moderation reflects global trade uncertainties and domestic challenges. Moody's has revised its forecast to 6.3%, citing policy shifts and geopolitical tensions.

Retail inflation eased to 3.16% in April 2025, the lowest since July 2019, staying below the Reserve Bank of India's 4% target for the third consecutive month. The 2025 Union Budget maintains a fiscal deficit target of 4.4% of GDP, with public debt at 56.1% of GDP. The budget introduces a complete tax rebate on income up to ₹12.75 lakh, aiming to boost consumption.

India's \$4.3 trillion economy is driven by strong private consumption, increased capital spending, and a growing workforce. Key sectors like oil and gas, travel ,hospitality, and technology are experiencing significant growth, fueled by rising disposable incomes and digital transformation.

(Source : IMF WEO ,World Bank ,SBI reports)



Global Automobile Industry

In 2025 the global automotive industry is entering a complex scenario which is led by electrification, geopolitical shifts and technological innovation. Global light vehicles are projected to reach 85 million units with Asia Pacific accounting for nearly half of market.

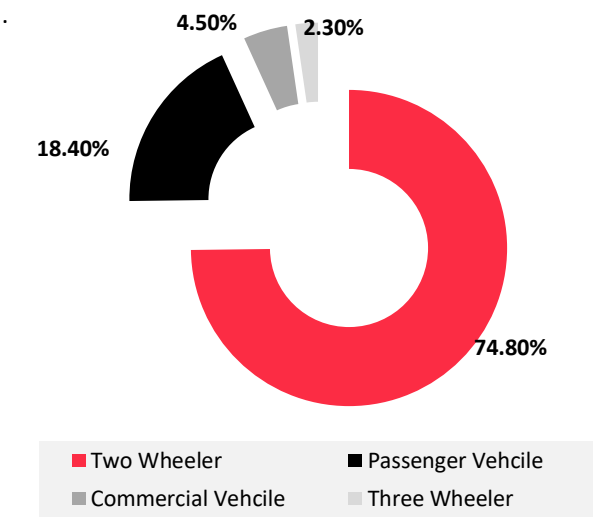
China continues to dominate the EV market .Europe as well has rebounded with EV sales in early Q1 of early 2025, though challenges such as reduced government subsidies and regulatory uncertainties may impact long-term growth.

Geopolitical factors are influencing global supply chains and manufacturing strategies Automakers are shifting production to emerging low-cost hubs like Morocco, Romania, and Mexico to mitigate rising costs and trade tensions.

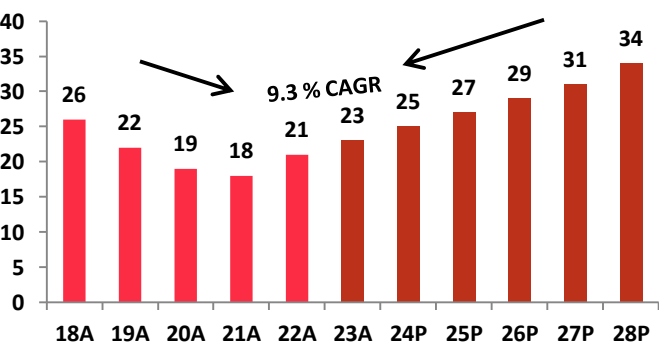
Technological advancements are redefining the industry, with software-defined vehicles (SDVs) and AI integration enhancing vehicle functionality and safety. The SDV market is expected to reach 7.6 million units in 2025.

(Source :MarketandMarkets,Forbes)

Market share of Auto Industry India

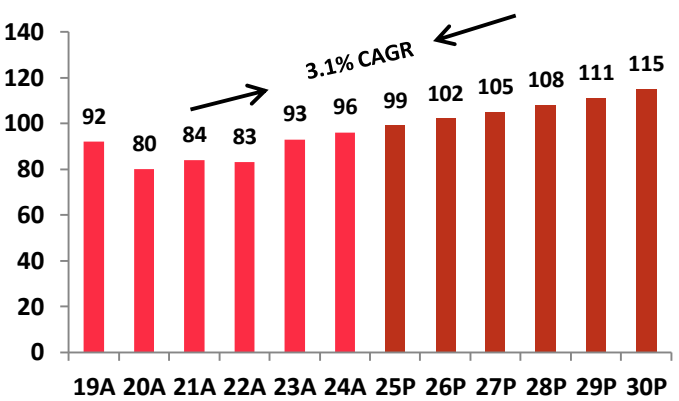


Indian Automobile Sales Forecast (in Mn.)

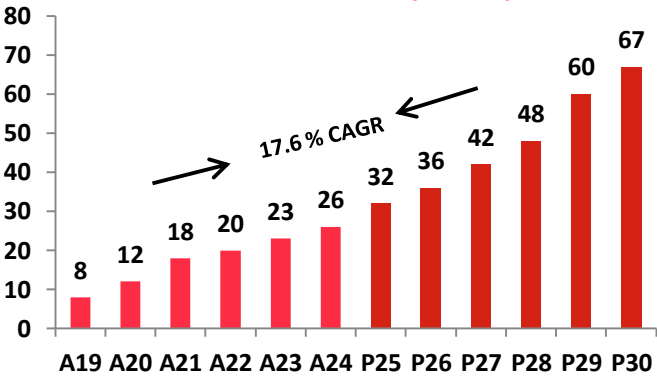


(Source : IEA Economic Survey)

Global Automobile Sales Forecast (in Mn)



Global EV Sales Forecast (in Mn)



Indian Automobile Industry:

The Indian automobile industry in 2025 is navigating a dynamic landscape characterized by moderate growth, technological advancements, and a strong push toward electrification.

In FY25, domestic passenger vehicle sales reached a record 4.3 million units, marking a 2% year-on-year increase, with utility vehicles accounting for 65% of this segment's growth . Overall, the industry experienced a 7.3% rise in domestic sales and a 19.2% surge in exports, reflecting robust global demand and supportive government policies .

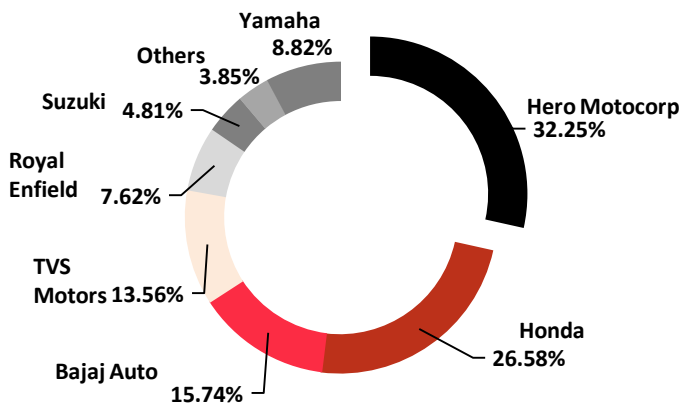
Electric vehicles are at the forefront of this transformation. The EV market is projected to expand from \$2.4 billion in 2025 to \$19.9 billion by 2030, driven by favorable policies such as the FAME II scheme and the Production-Linked Incentive program . Despite this promising outlook, challenges in the EV financing ecosystem persist, making it necessary reforms to facilitate broader adoption.

Major automakers are aligning their strategies with these trends. Additionally, international players like VinFast are entering the Indian market, with plans to commence operations in Tamil Nadu by mid-2025, further enhancing the EV ecosystem .

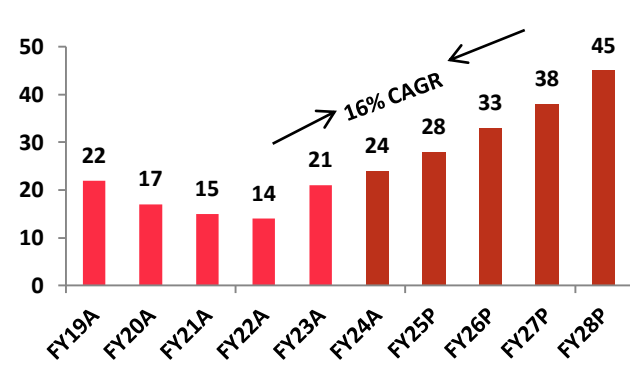
(Source :Mortar Itelligence,InvestIndia)



Major players in Indian Two wheeler Industry



Indian Two Wheeler sales forecast (Units in Mn.)



Indian Commercial Vehicle Industry

The Indian Commercial Vehicles Market size is estimated at 48.27 billion USD in 2024, and is expected to reach 65.26 billion USD by 2030, growing at a CAGR of 5.15% during the forecast period 2024-2030.

The Indian CV market encompasses various vehicle body types, including light commercial vehicles , medium-duty trucks, heavy-duty trucks, and buses. LCVs dominate the Indian commercial vehicles market due to their adaptability, cost-effectiveness, and ability to navigate the country's diverse and often challenging road conditions.

These vehicles serve as the backbone of both urban and rural logistics, particularly in sectors like e-commerce, courier services, and FMCG distribution, where their accessibility to remote areas is paramount.

The segment's growth is supported by favorable government policies, including reduced GST rates and initiatives supporting the MSME sector, which heavily relies on LCVs for transportation.MDTs and HDTs are vital for long-haul transportation, playing a key role in India's expanding infrastructure and industrial sectors.

The demand for MDTs and HDTs closely aligns with economic growth, infrastructure projects, and industrial output.

Indian Two Wheeler Industry

As of FY2025, India's two-wheeler industry continues to demonstrate strong growth, with total wholesale volumes reaching 18.88 million units, up from 17.53 million units in FY2024.

This expansion is driven by sustained demand across both internal combustion engine (ICE) and electric vehicle (EV) segments.

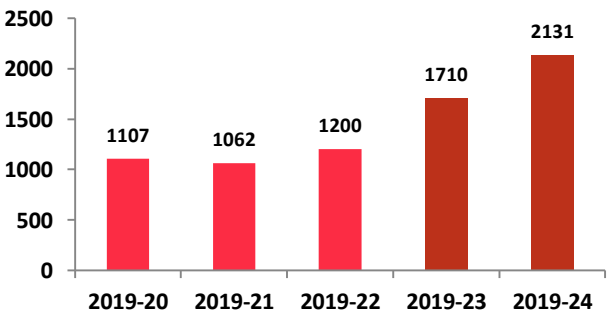
Hero MotoCorp maintained its leadership position, retailing 5.44 million units and capturing a 28.84% market share, albeit with a slight decline from the previous year. Honda Motorcycle and Scooter India followed with a 25.37% share, while TVS Motor Company and Bajaj Auto held 17.49% and 11.41% respectively.

Motorcycles continue to dominate, accounting for a significant portion of sales. The premium motorcycle segment (engine capacity ≥125cc) experienced notable growth, reflecting a shift in consumer preferences towards higher-end models.

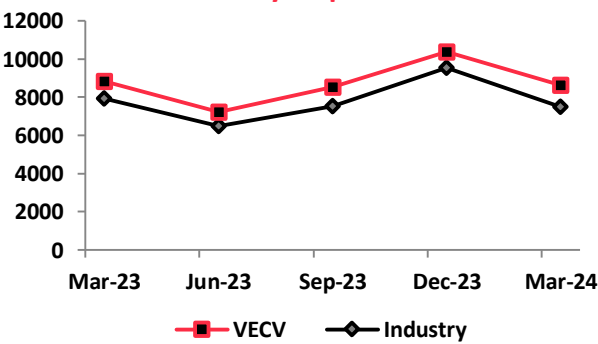
The E2W segment is getting attention, with sales surpassing 1.21 million units in 2024, marking a 30.7% year-on-year growth.

Ratings project a volume growth of 7–9% for the two-wheeler industry in FY2025, supported by increasing EV adoption, favorable government policies, and a diverse product portfolio catering to evolving consumer preferences.

Yearly Sales of VECV



Quarterly Exports Trend



Electric Vehicle Market in India

As of FY2024, India's EV industry is experiencing significant growth, driven by strong government policies, increasing consumer awareness, and substantial investments from both domestic and international players. EV sales surged by 40.3% y-o-y, totaling 1.59 million units. Two-wheelers led the market with 57.6% of total EV sales, followed by electric three-wheelers at 634,969 units, and electric cars at 99,085 units, marking an 82% increase from the previous year.

The FAME II scheme, with a budgetary outlay of ₹10,000 crore, has provided subsidies for over 1.3 million electric vehicles, while the Electric Mobility Promotion Scheme allocated ₹500 crore to enhance green mobility . Additionally, policy reforms have reduced import duties on EV components, encouraging local manufacturing and investment. Infrastructure development is also on the rise, with over 12,000 public EV charging stations operational nationwide as of February 2024

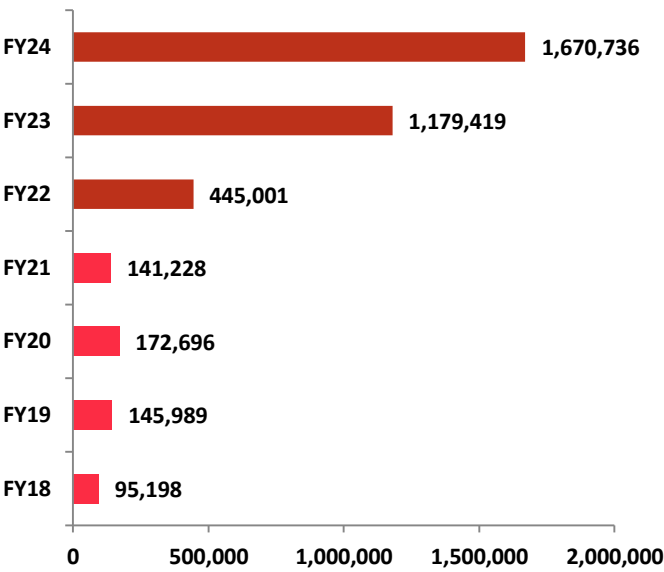
Exports

In FY2024, India's automobile exports declined by 5.5% year-on-year, totaling 4.5 million units, down from 4.76 million units in FY2023. This downturn was primarily due to geopolitical tensions and foreign exchange challenges in key markets.

Passenger vehicle exports saw a modest increase of 1.4%, reaching 672,105 units. Maruti Suzuki led with 280,712 units, followed by Hyundai at 163,155 units Two-wheeler exports declined by 5.3% to 3.46 million units, with Bajaj Auto's shipments dropping nearly 10% to 1.48 million units. Commercial vehicle exports fell by 16% to 65,816 units, and three-wheeler exports decreased by 18% to 299,977 units.

Despite these challenges, the January–March 2024 quarter showed signs of recovery, particularly in two-wheeler exports, indicating potential for growth. India's major automobile export markets include Latin America, Southeast Asia, Africa, and the Middle East.

EV sales in Indian markets (in units)



Import

In FY2024, India's automobile imports reached approximately USD 20.9 billion, marking a 3% increase from the previous fiscal year.

This growth was primarily driven by the importation of advanced automotive components, including electric motors, semiconductors, and automatic transmissions, which are essential for the production of modern vehicles.

Recognizing the need to reduce dependency on imported components, the Indian automotive industry has embarked on a significant localization initiative. Industry bodies such as the Society of Indian Automobile Manufacturers and the Automotive Component Manufacturers Association have set ambitious targets to decrease import content from 60% to 20% by 2025, relative to FY2020 levels. This strategy aims to achieve an import reduction of ₹20,000 to ₹25,000 crore over five years.



DISTRIBUTION NETWORK

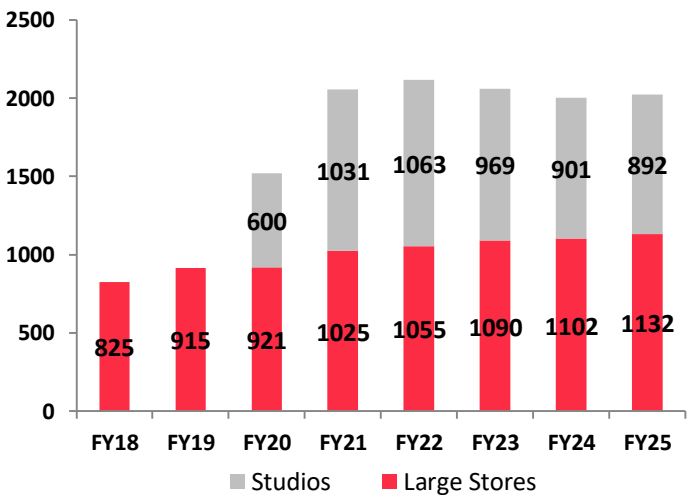
Eicher Motors has established a strong and expanding distribution network that plays a crucial role in its growth. Its motorcycle division, Royal Enfield, operates through an extensive dealership model combining company-owned outlets, exclusive stores, and multi-brand showrooms.

As of FY24, it had over 2,100 touch points in India, including studio stores designed for semi-urban and rural markets. This low-cost format has enabled the company to penetrate Tier-II and Tier-III cities, capturing demand in regions where premium motorcycle adoption is rising.

Internationally, Royal Enfield has built more than 1,100 touch points across 60 countries, with exclusive stores in markets such as Europe, Latin America, and Southeast Asia. Local assembly facilities in Argentina, Brazil, Colombia, and Thailand further strengthen its international reach, allowing faster market access and lower supply chain costs.

In the commercial vehicle segment, through its joint venture VE Commercial Vehicles (VECV), Eicher operates a robust network of over 700 dealerships and service centers in India, while also exporting to 40+ countries.

Overall, Eicher’s distribution strategy balances wide reach with strong brand experience. By expanding into rural India and premium international markets, the company is building a scalable network to support long-term growth.






PRODUCTION FACILITYAND RESEARCH & DEVELOPEMENT

Eicher Motors has established a strong manufacturing base to support its operations in both motorcycles and commercial vehicles. Royal Enfield operates state-of-the-art production facilities in Tamil Nadu, including plants at Oragadam and Vallam Vadagal near Chennai, which are equipped with modern automation and quality systems. These facilities, along with older units in Tiruvottiyur, cater to both domestic and international demand. To ensure consistency in global markets, Royal Enfield has also set up assembly plants in Argentina, Brazil, Colombia, and Thailand, enhancing its supply chain flexibility.

On the commercial vehicle side, VE Commercial Vehicles (VECV), the joint venture with Volvo, operates manufacturing plants in Madhya Pradesh and other locations, producing trucks, buses, and engines across multiple categories. In research and development, Eicher has a Technology Centre in Chennai for motorcycles and the Eicher Engineering Components and VECV Technical Centre in Pithampur, driving innovation in design, fuel efficiency, and sustainable mobility.

ROYAL ENFIELD EXPANSIVE PRODUCT PORTFOLIO

Engine Platform	P Platform 650cc Twin Cylinder Air oil cooled 47PS 524Nm	K Platform 450cc Single Cylinder Liquid cooled 39.4PS 40Nm	D Platform 411cc Single Cylinder Air oil cooled 24PS 32Nm	J Platform 350cc Single Cylinder Air oil cooled 20.2PS 27Nm
Heritage			 Goan Classic 350	 Classic 350  Bullet 350
Cruiser	 Super Meteor 650			 Meteor 350
Roadster	 Interceptor 650  Short gun 650			 Hunter 350
Scrambler	 Bear 650		 Scram 411	
Adventure		 Himalayan 450		
Retro Sport	 Continental GT 650			

PRODUCT PORTFOLIO OF AB VOLVO

SMALL COMMERCIAL VECHILE



Pro 1049



Eicher Polaris

LIGHT AND MEDIUM DUTY TRUCK



Pro 2049 CNG



2059 Plus

HEAVY DUTY TRUCKS



Pro 6028TM157KW



Pro 6028T



Tractor Trailer



Pro 2119

BUSES



Star line Next



Skyline Next



Skyline Pro



Sleeper

ELECTRIC VEHICLES



Skyline Pro E9M



Pro 2055 EV



SWOT ANALYSIS

STRENGTH

- ✓ EML established itself as one of the finest brands in India, with an extensive distribution network.
- ✓ Focussed approach for international expansion and embarking on global launch of products in international destinations.
- ✓ Operating in two different segments of motorcycles and commercial vehicles reduces the company’s dependence on any single product and helps mitigate risks.
- ✓ Eicher Motors consistently invests in research and development, which keeps the company competitive and leads to technological advancements.

WEAKNESS

- ✓ Royal Enfield caters mainly to the mid-size motorcycle segment, which limits the market reach when compared to other strong players.
- ✓ A significant portion of the company’s revenue comes from India, making the company vulnerable to economic fluctuations.
- ✓ Both segments of the company face intense competition from domestic as well as international players, requiring constant innovation and brand differentiation
- ✓ Falling behind in adapting to EV as mostly all the other peers are in the markets with their EV products but flying flea by Royal Enfield has yet to be seen no where on the roads

OPPORTUNITY

- ✓ Royal Enfield could explore larger and smaller motorcycle segments to fulfil the needs of broader consumers, while VECV could tap into newer vehicle categories.
- ✓ Leveraging digital platforms for sales, marketing, and customer service can enhance the market reach and efficiency.
- ✓ Investing in electric vehicle technology could open new markets and cater to growing environmental concerns.
- ✓ Deepening collaboration with other brands could lead to further expansion of business operations and joint product development.

THREAT

- ✓ Supply chain disruptions such as shortage of semiconductors and parts can delay production and increase input costs, which will eventually impact profitability.
- ✓ The Company faces the threat of the brand becoming outdated, and any change in consumer sentiment and market segmentation can impact the sales.
- ✓ Stringent emission regulations or shifts towards electric vehicles could lead to necessary adaptations for both the commercial and bike segment.
- ✓ Geo political tensions and tariffs imposed by trump could pose some problems but , not too significant



Quarterly Result Analysis- Q4 and Q1 2025

Financial Performance

- Quarter attributed as ‘best ever Q1 revenue’ at both Royal Enfield and VECV recorded at INR 5042 with yoy 14.8% growth.
- PAT accounted to INR 1,205 Cr with a 9.4% yoy growth including VECV share of profit at INR 157 Cr.
- Recorded 1 million motorcycles sales for the first time 1,002,893 units, with Domestic sales of 902,757 units and exports of 100,136 units.

Royal Enfield Performance

- Management is very bullish for festive season, aligning product launches and colour refreshes to festive timings.
- Sold nearly 2,61,326 units motorcycles in Q1 2026 with 14.7% yoy. Domestic sales accounted for 2,28,779 units while international sales were 32,547 units.
- Good acceptance for classic 650 as an upgrade product with strong initial reception in India and Europe.
- Bullet Q1 sales recorded 50,000 units, strong response in both bastion and new markets where demographic seems to be shifting younger in some regions.

VEVC Performance

- Total Sales for VECV was recorded at 21,610 units in which HD Trucks comprise of 8.8% market share, 34.45% LMD Trucks and 21.5% buses.
- Improved share in LMD and bus segments with revenue INR 5,671 Cr EBITDA INR 511 Cr and PAT INR 289 Cr
- LNG & CNG Trucks have a Full range available which can adopt to market/geography requirements.

Brand Building

- Large-scale community events like Inter Lagos in Brazil with 1,500+ riders for aggressive retail expansion.
- Hunter Hood Festival is Street culture festival as a marketing platform for Hunter 350, blending music, art, and urban lifestyle, now being extended to rural towns.
- Himalayan Odyssey is a 21st edition concluded, reinforcing community engagement and brand ethos.
- Moto verse event in Goa drew 10,000+ riders.
- Art of Motorcycling season 4 saw increased participation.

Capital Expenditure

- FY26E ₹1,200–1,300 Cr, with significant allocation to EV manufacturing facility and product development.
- First fully owned CKD plant outside India in Thailand.

Challenges and Strategic Focus

- Commodity Inflation of Steel, aluminium, and rare earths have caused cost pressures which is mitigated through value engineering and alternative materials.
- Supply Chain disruption rare earth material shortage affected Q1 production especially Himalayan/Scram, but alternative sourcing now in place.
- US/EU tariffs could impact exports but company is trying to mitigate via inventory and CKD.
- Geopolitical tensions may temporarily impact demand.

Management Restructuring

- Siddhartha Lal appointed as Executive Chairman of Eicher Motors.
- Vinod Aggarwal takes on the role of Vice Chairman, alongside his responsibilities at VECV.
- B. Govinda rajan appointed as Managing Director of Eicher Motors, continuing as CEO of Royal Enfield.
- Farewell to S. Sandilya, retiring after 25 years as Chairman.

Electric Vehicle

- First electric motorcycle under Flying Flea brand to be launched soon. Immersive showcases in key Indian metros.
- Collaboration with Stark for advancements in light weighting and electric vehicle technology.

New Launches

- Introduced the Eicher Pro X small commercial vehicle at Bharat Mobility 2025, emphasizing electric-first design.
- Launched six significant models in 2025 : Bear 650 (new twin cylinder), Guerrilla 450 (Sherpa engine, urban/adventure focus), Classic 650, Goan Classic 350, Classic 350.
- Launched hunter 350 refresh with new colours, assistant clutch, tripper, USB, and improved suspension targeting younger demographic (24–26 years).
- For Scram Platform the domestic volumes are stagnant but exports doubled



MANAGEMENT ANALYSIS



Siddhartha Lal – Executive Chairman , Eicher Motors

Mr Siddhartha joined the company back in 1998.He holds a Master’s degree in Automotive Engineering from University of Leeds and is a Canfield University qualified mechanical engineer. He is also an Economics graduate from St. Stephens College in Delhi and an alumnus of The Doon School. During 2000-2004, in his tenure as CEO of motorcycle Manufacturer Royal Enfield, he helped revive the company's Fortunes and also strengthened stakeholders' involvement with the brand. From July 2008 to July 2010,he was the CEO of VE Commercial Vehicles (VECV), and now he is the Managing Director and CEO of Eicher Motors Ltd.



B.Govindrajan –Managing Director Eicher Motors, CEO Royal Enfield

Mr Govindrajan joined the company in 1995.He received his Mechanical Engineering degree from Annamalai University, Tamil Nadu and also holds a Post Graduate Diploma in Materials Management. He is veteran in the automotive industry, and has spent more than 2 decades with Royal Enfield leading the organization at various stages through several critical projects. He has been instrumental in implementing extensive cost management in sourcing and operations as well as established Technology centres in the UK and in India under his leadership. He is also the part of risk management company.



Yadvinder Singh Gulleria- Chief Commercial Officer, Royal Enfield

Mr Yadvinder has joined the company in 2022.He holds a bachelors degree in Engineering from Punjab Engineering college. He heads overall commercial operations with a focus on leading growth and spearheading marketing & sales strategies for India and International markets.

With more than 28 years of professional experience, Yadvinder comes with in-depth knowledge of the automotive industry. Prior to joining Royal Enfield, Yadvinder worked at Honda Motorcycle and Scooter India Pvt. Ltd. (HMSI) as Director - Sales & Marketing



Mark Wells - Chief of Design, Royal Enfield

Mr Wells holds a degree in Transportation and Design from North thumubria university in New Castle. As a part of his current role, Mark leads Product Strategy and Industrial Design at Royal Enfield and works towards building and creating the company’s vision on mobility for the future. Mark joined Royal Enfield in 2015, but his association with the brand goes back much further. Prior to Royal Enfield, Mark ran his own Industrial Design consultancy, Xenophya Design, established in 2001. It was then during this time that Mark began first collaborating with Royal Enfield on a number of projects including the Classic 500/350 and the Continental GT535.



Mohit Dhar Jayal - Chief Brand Officer, Royal Enfield

Mr.Mohit joined the company in 2021.He holds a bachelors degree from University of Delhi along with a PPE degree from University of Oxford.Mohit leads Royal Enfield’s brand strategy and heads creative and strategic thinking for brand and marketing functions. Mohit has been associated with Royal Enfield in the past and played a key role in designing the blueprint for the company’s modern brand identity as an external partner between 2004 and 2014.Prior to joining Royal Enfield, Mohit was leading an entrepreneurial venture Motherland Joint Ventures Pvt Ltd wherein he advised several of India’s current and emerging unicorns including Oyo, Swiggy, Snap deal, Zetwerk, Magic pin, Rebel Foods & Chaayos.



Simon Warburton - Chief Program Manager, Royal Enfield

Mr Simon joined Royal Enfield in January 2015 as a founding member of the UK team and was the Head of Product Development till December 2020. In his current role, Simon is responsible for sharpening & deployment of new NPI processes and ensuring robust program management in the company across functions to deliver on an ambitious product line up. Simon began his career as a design engineer on motorcycle chassis, later moving to engine design and then leading motorcycle strategy at Triumph Motorcycles in the UK. In Royal Enfield, he has led a team of over 250 engineers, analysts and technicians in the UK and India.



Sudhakar Bhagvatula - Chief Information Officer, Royal Enfield

Mr. Sudhakar joined the company in 2014 and brings with him over 23 years of extensive industry experience across India, Asia, US & UK in the areas of IT consulting, Product Engineering, in-house IT strategy and transformation. He holds a Bachelor of Engineering in Electronics and Communications from Andhra University. In his current role at Royal Enfield, Sudhakar is driving the IT strategy for the company, enabling business processes and enhancing the IT infrastructure across the board. Prior he had worked with companies like ASPAC and Oracle.



Vidhya Srinivasan - Chief Financial Officer, Eicher Motors

Ms Vidhya joined the company back in 2021 and is a qualified Chartered Accountant 1993 from the Institute of Chartered Accountants of India and has a post-graduate diploma in business administration from IIM Ahmedabad 1997. She pursued her Bachelor of Commerce from University of Madras 1990. She is a seasoned veteran with more than 25 years of professional experience in financial planning & analysis, business partnering, corporate governance, legal advisory and investor relations across India and Asia Pacific region. Prior to this, she worked with Bata India Limited as the Chief Financial Officer.



Rajeev Sharma - Chief Human Resource Officer, Royal Enfield

Mr Rajeev joined the company in 2015. He is an engineer with post graduation in HR from XLRI, Jamshedpur. He has been contributing to strategic aspects of business with a stout focus on talent development, succession planning, capability building and support capacity creation to achieve the intended business goals. His experience as a human resource professional spans across 20+ years in significant HR leadership roles at prominent brands such as Hindustan Unilever Ltd., Coca Cola India, GE Capital International Services. Rajeev joined Royal Enfield from Tetra Pak, where he led and managed HR functions for South, East Asia and Oceania.



Umesh Krishnappa - Chief Technology Officer EV, Royal Enfield

Mr Umesh joined the company in 2022. He holds a Post Graduate Diploma in Business Administration - Operations from Symbiosis, Pune, and is a qualified Mechanical engineer from SGSITS, Indore. He brings with him over 34 years of experience in Technical Sales & Marketing, New Product Development & Operations. Prior to this, Umesh has worked with Ola Electric where he was Sr. Vice President and Head of Vehicle Engineering & Technology and Manufacturing Engineering. He was also the Sr. Executive Vice President at Mahindra Electric and worked on the development of the very first car Reva in the year 2013.



Mario Alvisi - Chief Growth Officer EV,Royal Enfield

Mr Mario joined the company in 2023.He has a Masters in Mechanical Engineering with an Executive MBA.With close to two decades of experience, Mario leads the entire commercial division of Royal Enfield’s Electric Vehicle business including brand, product strategy, service and business development. In his previous role, he has worked with Ducati for close to 11 years, where he was managing diverse roles including product, sales and brand.



Mahesh Tripathi - Chief of Operations, Royal Enfield

Mr Mahesh joined the company in 2023.He has completed his Bachelors of Mechanical Engineering (Hons) from IIT-Roorkee and an Executive MBA from XLRI.Mahesh brings with him close to three decades of experience in production, supply chain management and Quality Assurance. He started his career with Tata Motors group as a GET (Graduate Engineer Trainee) and has worked in several departments in Tata Motors. Before joining Royal Enfield Mahesh worked with Sany Heavy Industry India Pvt Ltd, as Director - Operations and R&D handling the technical business operations.

Independent Directors



Arun Vasu-- Independent Director,Eicher Motors Ltd.

Mr Vasu joined the board recently on 13 Feb. 2025.He is a commerce graduate from Loyola College, Chennai (1989), Arun's entrepreneurial journey commenced in the early 1990s. He capitalized on the Reserve Bank of India's relaxed norms in 1992 to launch India's first foreign exchange business. He is a director of Tamil Nadu Infrastructure Fund Management Corporation Limited, which has been set up by the Government of Tamil Nadu to attract private capital for commercially viable enterprises in priority areas. He is the founder of Covelong Point Surf School, Surf Turf, Kovalam, Quest Academy, Rameswaram.



Ira Gupta- Independent Director,Eicher Motors Ltd.

Ms.Gupta joined the company recently on Feb. 13 2025. She completed her bachelors from Lady Shri Ram College in BA (Honors)and later her post graduation from XLRI Jamshedpur She leads an HR advisory practice specializing in leadership coaching, succession and culture. With 27 years of experience as an HR leader and coach, she has held prominent roles including CHRO at Microsoft India and South Asia, and HR leadership positions at GlaxoSmithKline. She has also served as Director for the governing bodies of NGOs, advisory boards of educational institutions such as XLRI, and committees at CII and FICCI. She serves as Non-Executive - Independent Director on the Board of SRF Limited, Max Estates Limited and Amagi Media Labs Pvt Ltd.



Vinod Aggarwal – Vice Chairman Eicher Motors Ltd. , Managing Director & CEO Royal Enfield

Mr Vinod joined the company 1983.He has completed his bachelors degree from University of Punjab and is a qualified Chartered Accountant and Cost and Management Accountant. He is an industry veteran with over 40 years of rich experience in general management, finance and operations. He is presently the Treasurer of the Society of Indian Automobile Manufacturers .



Inder Mohan Singh - Independent Director, Eicher Motor Ltd.

He joined the company in 2018. He is law graduate from university of Delhi and post graduate in finance Mr Singh has vast experience in the automobile industry especially in matters related to joint ventures, distribution networks, business transfers and technology licensing issues. He is a part of stakeholder relationship ,CSR,audit,and remuneration companies. He has worked across industries including cement, media and entertainment, telecom, real estate and the education sector.



S. Madhavan - Independent Director, Eicher Motors Ltd.

Mr. Madhvan joined the company in 2023. He is a member of the Institute of Chartered Accountants of India, an MBA from IIM Ahmedabad and has around 38 years of experience in Economics, Finance, Law, Information Technology, human resources, management, and Banking. He started his career with Hindustan Unilever Limited. He has also been the President, the Northern Region, Indo-American Chamber of Commerce, and the Co-Chairman of the Taxation Committee, ASSOCHAM. He is on the board of several listed companies, such as HCL Technologies, ICICI Bank, Sterlite Technologies, Procter & Gamble Health and Transport Corporation of India and is a Chairman/member of various board committees



Tejpreet S. Chopra - Independent Director, Eicher Motors Ltd.

Mr Tejpreet joined the company in 2023. He holds an MBA degree from Cornell University, a B.A. Honours degree in Economics from St. Stephen's College, Delhi University and has also attended an executive program at the Harvard Kennedy School. He has over 25 years of global management and finance experience gained in various business roles

Commentary

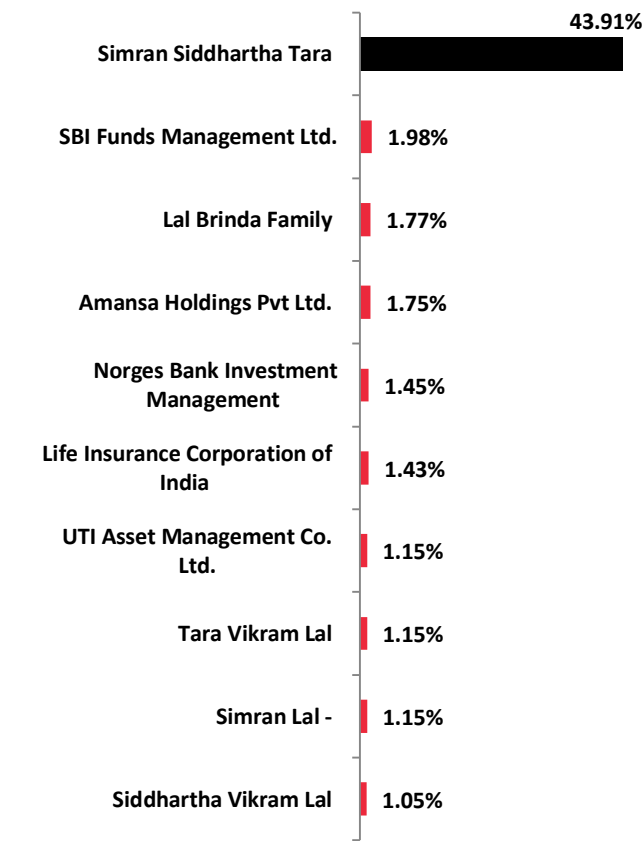
- ❑ The company has a strong management with vast knowledge and wide range of experienced personals in their respective fields, coming from reputable institutions like IIT's,IIM's,ICAI etc. offering diversity in the management.
- ❑ Based on the screening done on the publicly available data, we did not find any political connections between the leadership and independent directors to any political parties ,However it is notable that father (Vikram Lal) of Mr.Siddhart Lal (MD & CEO of EML) have donated to political party in 2014.
- ❑ Mr. Siddharth Lal has been in the industry for more than 2 decades and joined as the CEO of Royal Enfield in a very crucial time for the company from where he revived the company from the verge of bankruptcy. Most of the management of EML has worked their way up in the company through promotions.
- ❑ There is no related party transaction with the promoters, joint venture directors, relatives or any other subsidiaries which could create conflict of interest.
- ❑ During the year 2023,the board member have attended 5 out the 7 meeting conducted which reflects efficient supervision of the board
- ❑ There is no involvement of Mr. Siddharth Lal (MD & CEO of EML Mr. Sandilya (chairman of EML)or any other member from management in audit committee



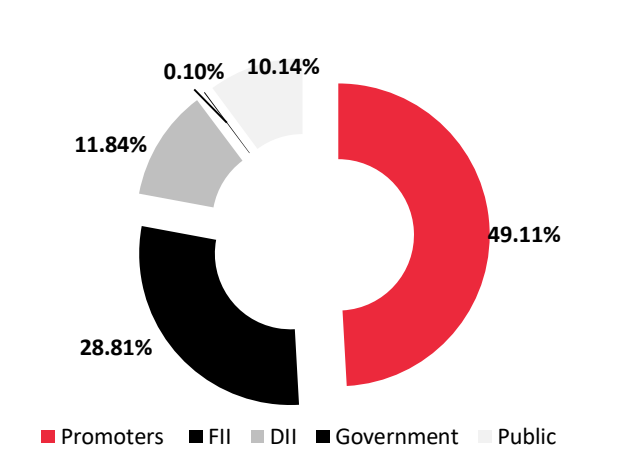
SHAREHOLDING PATTERN

As shown below (as of June 24)EML has a diverse shareholding base with promoters with the largest stake followed by FII,DII Public and Government. Promoters holding 49.11% stake indicates that the founding family or the initial investor has a significant control over the company.FII’s accounting 28.81% of the ownership shows substantial foreign investment in EML,followed by DII with 11.84% stake indicating investments from insurance companies ,mutual funds and banks .The remaining 10% is what general public ,individual investors hold in the company.

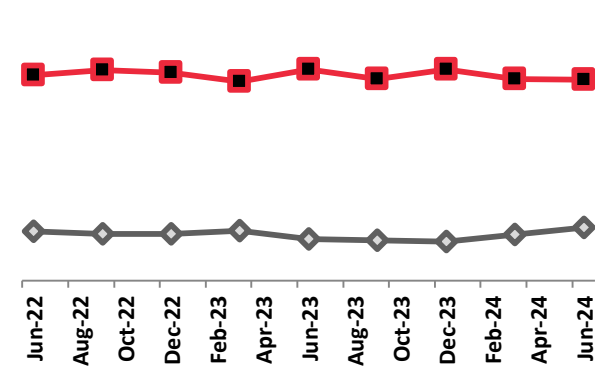
Top 10 Shareholders in Eicher motors



Eicher Motors Shareholding Pattern



QoQ FII & DII Holdings



REMUNERATION ANALYSIS

S no.	Name of the Director/KMP	Designation	Ratio of remuneration of directors to the median remuneration of employees	Percentage increase in remuneration from FY23- 24 over FY22-23
1	S.Sandilya	Chairman & Non-Executive Independent Director	9.7	49.5
2	Siddhartha Lal	Managing Director	388.8	13.6
3	B.Govindrajan	Whole-time Director and CEO-Royal Enfield	199.4	193.9
4	Inder Mohan Singh	Non-Executive Independent Director	4.2	11.3
5	Manvi Sinha	Non-Executive Independent Director	4.3	13.7
6	Tejpreet Singh Chopra	Non-Executive Independent Director	1.9	NA
7	S.Madhavan	Non-Executive Independent Director	2	NA
8	Atul Sharma	Company Secretary	~	NA
9	Vidhya Srinivasan	Chief Financial Officer	~	NA



Hero Motocorp Ltd.	Designation	Ratio of Remuneration to the Ratio of Remuneration to the Employee
Dr Pawan Munjal	Chairman & Whole Time Director	813x
Mr Vikram S.Kabeskar	Whole Time Director	66x

TVS Motors	Designation	Ratio of Remuneration to the Ratio of Remuneration to the Employee
Mr .Veenu Srinivasan	Chairman & MD	280x
Mr.Sudarshan Veenu	MD	327x

Bajaj Auto	Designation	Ratio of Remuneration to the Ratio of Remuneration to the Employee
Mr Rajeev Bajaj	MD &CEO	564x
Mr.Pradeep Shrivastava	Whole Time Director	120x
Mr.Rakesh Sharma	Whole Time Director	123x

Commentary

In FY 2022–23, Pawan Munjal of Hero MotoCorp earned ₹99.55 cr. about 813× the company’s median employee salary of ₹12.25 Lakh, even after a voluntary 20% pay cut following his separation of Chairman and CEO role. At Bajaj Auto, Rajeev Bajaj received ₹53.75 Cr, roughly 564× the median wage . Meanwhile, Siddhartha Lal, Executive Chairman of Eicher Motors, drew ₹31.3 Cr , which is in line with industry median compensation, estimated at around ₹2.55 Lakh per employee, translating to 389× . In contrast, Venu Srinivasan, Chairman of TVS Motor, reportedly earned well under ₹50 Cr.suggesting a pay-to-median ratio significantly lower than his peers
Therefore Pawan Munjal leads in both absolute pay and CEO-employee disparity 813×, followed by Rajiv Bajaj 580×, Siddhartha Lal 389× with Venu Srinivasan .

Board Efficiency

The Board is responsible for the management of the affairs of the Company. As on March 31, 2024, the Board consists of eight Directors comprising five Non-Executive Independent Directors of which one is a woman Director, one Non-Executive Non-Independent Director and two Executive Directors. The Board of directors brings in adequate experience and expertise in terms of Legal, Operational, Finance, Accounting, IT ,Engineering aspects to help in informed decision making. The table below shows satisfactory presence of board members in different meetings held.

Name of Director	Designation	No of Board meetings held during the tenure	No of meetings Attended	Attended AGM held on 23 Aug'23
Siddhartha Lal	Managing Director & CEO	7	5	yes
B.Govindrajan	CEO Royal Enfield & Director	7	7	yes
S.Sandilya	Chairman	7	7	yes
Manvi Sinha	Independent Director	7	7	yes
Vinod Aggarwal	Executive Director	7	7	yes
Inder Mohan Singh	Independent Director	7	6	yes
S.Madhavan	Independent Director	3	3	NA
Tejpreet S. Chopra	Independent Director	3	3	NA



Quarterly Snapshot -Consolidated

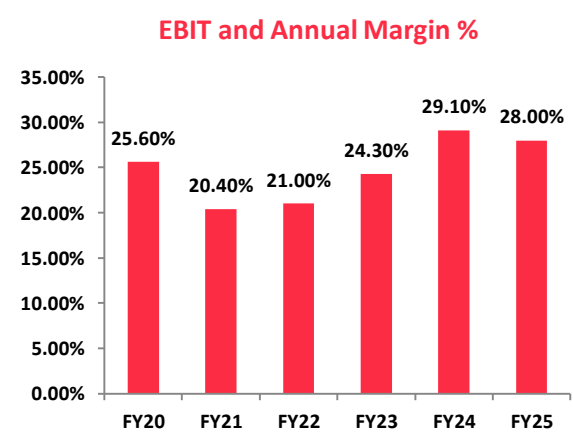
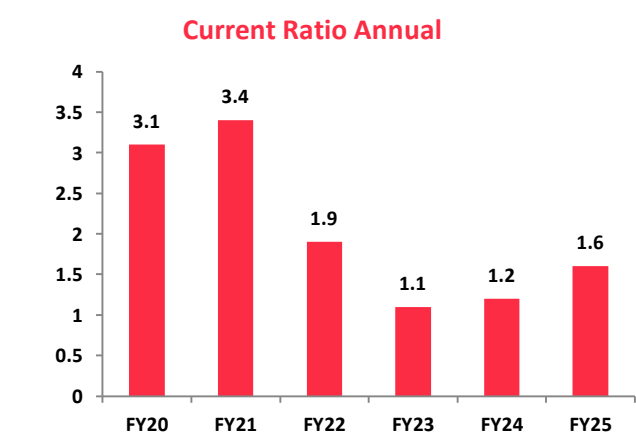
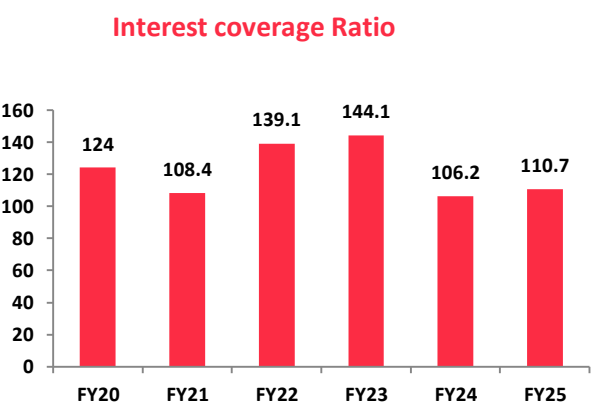
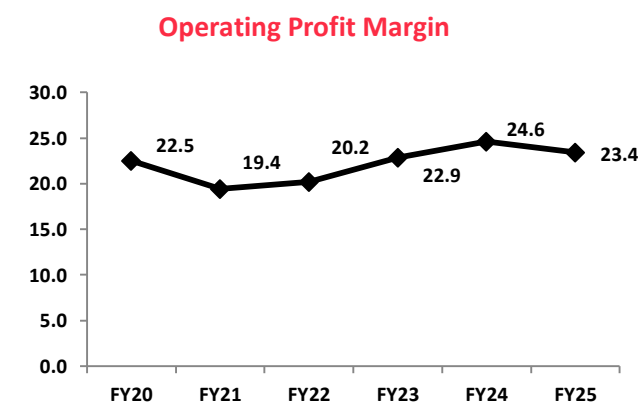
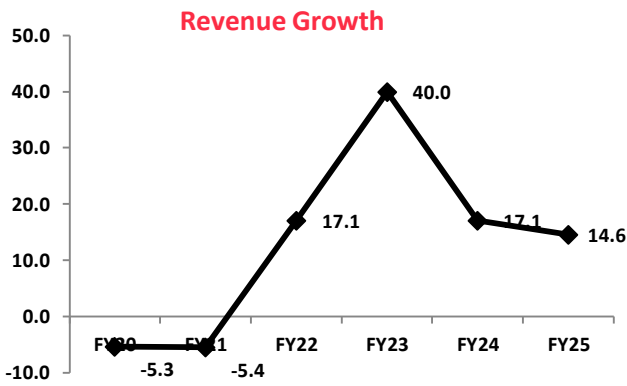
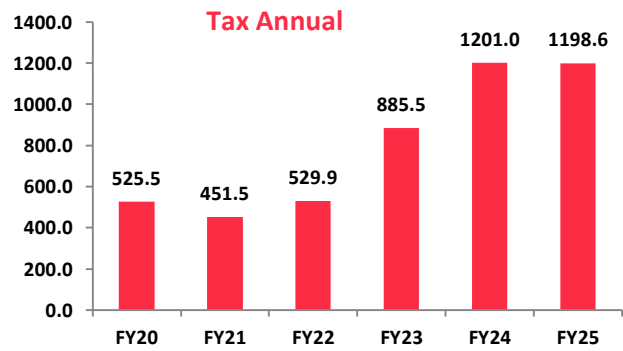
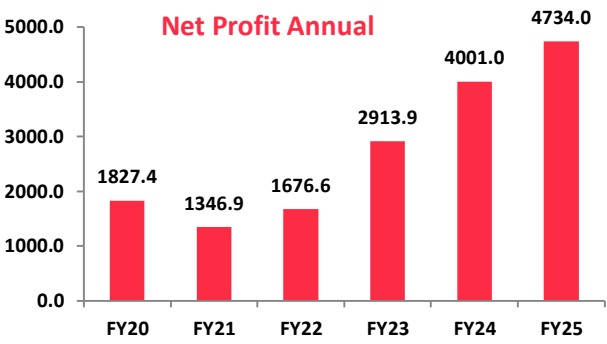
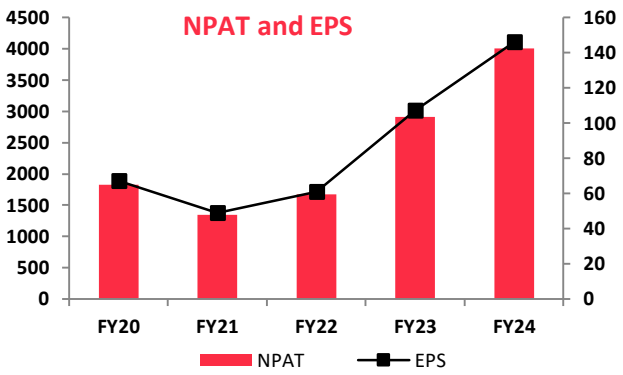
Particulars	FY23Q2	FY23Q3	FY23Q4	FY24Q1	FY24Q2	FY24Q3	FY24Q4
Net Rvenue	3519	3721	3804	3986	4115	4179	4256
Total Expenditure	2698	2864	2871	2966	3027	3089	3127
EBITDA	822	857	934	1021	1087	1090	1129
EBITDA Margin%	23.40%	23.00%	24.60%	26%	26.40%	26.10%	26.50%
Depriciation	1.27	135	148	142	143	148	1.65
Interest	7	8	8	10	13	12	15
Other Income	193	256	379	344	375	368	437
Profit before Tax	880	971	1156	1212	1307	1298	1385
Tax	233	230	250	294	291	302	315
Net Profit	657	741	906	918	1016	996	1070
Net Profit Margin %	18.70%	19.90%	23.80%	23.00%	24.70%	23.8	25.00%

Yearly Snapshot-Consolidated

Particulars (in crs.)	2020	2021	2022	2023	2024	FY25E	FY26E
Sales	9154	8720	10298	14442	16536	18479	19885
YoY % growth	-6.60%	-4.70%	18.10%	40.20%	14.50%	11.80%	7.60%
Manufacuring Cost	4996	5112	5956	8212	8980	10135	11032
Employee cost	796	843	821	1002	1236	1301	14361
Other Cost	1181	983	1384	1785	1992	2192	2364
Total Expenses	6973	6938	8125	10999	12208	13449	14751
Total Expenses % Sale	76.2%	79.6%	78.9%	76.2%	73.8%	72.80%	74.20%
EBITDA	2181	1782	2173	3442	4328	4868	51.34
EBITDA Margin%	23.80%	20.40%	21.10%	23.80%	26.20%	26.30%	25.80%
Depriciation	381	451	452	526	598	635	704
EBIT	1800	1331	1721	2917	3730	4241	4490
EBIT Margin%	19.70%	15.30%	16.70%	20.20%	22.60%	23.00%	22.60%
Intrest Expense	19	16	19	28	51	32	35
Other Income	572	482	496	908	1524	958	977
Exceptional Items	-2	-1	-4	0	0	0	0
Profit before Tax	2351	1796	2194	3797	5203	5230	5432
Tax	524	449	517	883	1202	1280	1365
Net profit	1827	1347	1667	2914	4001	4117	4326



FINANCIAL SUMMARY





RATIO ANALYSIS

PROFITABILITY RATIO	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Sales Growth	-29.4%	13.9%	27.5%	9.3%	-6.6%	-4.7%	18.1%	40.2%	14.5%
Gross Profit Growth	-7.2%	23.6%	29.6%	5.6%	-6.4%	19.8%	23.2%	47.0%	19.3%
EBITDA Growth	51.2%	28.7%	29.2%	3.4%	-24.8%	-18.3%	22.1%	58.2%	25.6%
EBIT Growth	73.0%	30.1%	28.0%	0.7%	-30.8%	-26.0%	29.5%	69.2%	27.8%
PBT Growth	89.0%	29.7%	28.0%	5.8%	-28.6%	-23.6%	22.5%	72.5%	36.9%
Net Profit	90.7%	28.0%	27.2%	1.9%	-17.7%	-26.3%	24.5%	73.8%	37.3%
Dividend Growth	100.4%	0.2%	10.2%	13.7%	0.1%	36.1%	23.6%	76.3%	38.0%
Dividend Pay-out	20.3%	16.3%	15.3%	15.5%	18.7%	34.5%	34.2%	34.7%	34.9%
Gross Margin	38.8%	43.6%	44.5%	40.7%	43.7%	33.2%	35.5%	39.0%	40.4%
Operating Margin	25.2%	28.7%	28.8%	26.6%	19.7%	15.3%	16.8%	20.2%	22.6%
PBT Margin	30.4%	34.6%	34.8%	33.7%	25.7%	20.6%	21.4%	26.3%	31.5%
Net margin	21.7%	23.7%	21.9%	22.5%	20.0%	15.5%	16.3%	20.2%	24.2%

EFFICIENCY RATIOS	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Debtor Days	2	3	3	3	3	7	11	9	8
Debtor Turnover	190	140	132	116	105	55	34	39	44
Inventory days	33	33	31	46	42	62	69	57	57
Inventory Turnover	20	20	23	15	16	10	9	11	12
Net Fixed Asset Turnover	8	8	5	5	4	3	4	5	6
Total Asset Turnover	1.25	1	0.94	0.86	0.74	0.6	0.64	0.75	0.72
Sales/Capital Employed	1.69	1.32	1.28	1.1	0.72	0.76	0.82	0.96	0.92

LEVERAGE RATIOS	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Debt/equity	0.6%	2.1%	2.1%	2.1%	2.5%	1.9%	0.9%	2.1%	3.0%
Debt/asset	0.5%	1.6%	1.6%	1.6%	2.0%	1.5%	0.7%	1.5%	1.8%
Debt/EBITDA	1.3%	5.1%	5.4%	6.4%	11.4%	12.3%	4.9%	8.4%	9.7%
CFO/Debt	64.9x	15.3x	16.5x	8.4x	6.8x	7.7x	14.2x	9.8x	8.9x
Debt burden	0.11%	0.15%	0.17%	0.22%	0.80%	0.92%	0.85%	0.74%	0.98%
Intrest Coverage	887x	686x	584x	451x	126x	110x	118x	137x	103x
Financial Leverage	1.36	1.32	1.29	1.26	1.24	1.24	1.26	1.29	1.3

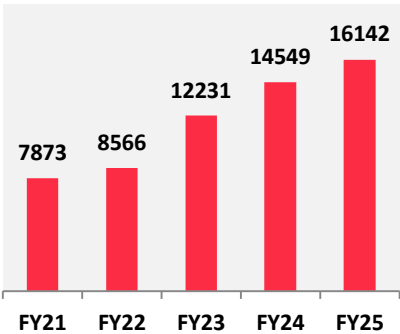
CAPITAL ALLOCATION RATIOS	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Return on Capital Employed	51.1%	44.7%	43.5%	36.3%	23.2%	15.6%	17.5%	25.1%	28.4%
Return on Equity	36.6%	32.0%	31.0%	24.9%	18.3%	11.8%	13.3%	19.4%	22.2%
Return on Invested Capital	43.0%	37.0%	43.0%	42.0%	25.0%	23.0%	17.0%	20.0%	20.0%

VALUATION RATIOS	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Enterprise Value(EV)	1,918	7,024	2,837	2,837	1,310	1,310	2,457	2,949	4,019
EV/EBITDA	8.4x	11.5x	10.0x	8.0x	7.7x	13.2x	12.9x	12.3x	13.1x
Price /Earnings	14.3x	15.4x	16.7x	13.3x	16.5x	26.5x	16.5x	11.3x	10.1x
Price/Sales	0.31x	0.36x	0.32x	0.21x	0.14x	0.23x	0.12x	0.20x	0.24x
Price/CFO	1.31x	1.53x	1.45x	0.74x	0.83x	1.58x	0.91x	0.72x	0.93x
Price/Book Value	0.53x	0.36x	0.30x	0.18x	0.10x	0.23x	0.11x	0.15x	0.20x

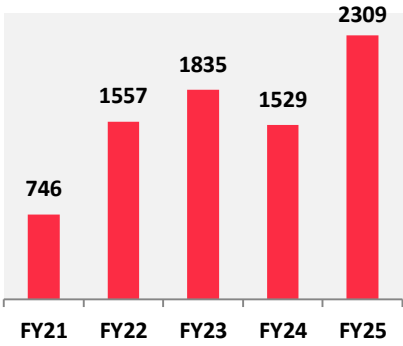


REVENUE ANALYSIS

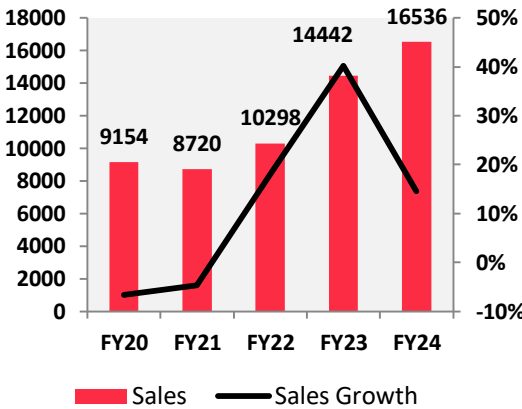
Revenue from Indian Market



Revenue from International Market



Sales & Sales Growth



The financial results of FY 2024-25 reflect its perseverance and focus, as EML recorded its best-ever financial performance, including record-breaking revenues and profits across EML and VECV. Looking at EML's consolidated financials, Revenue from Operations grew more than 14% YoY to `18,870 Crores. EBITDA rose to 4,712 Crores, up nearly 9%, and Profit after Tax rose more than 18% to 4,734 Crores. Further, for VECV, revenue from operations increased by 7.7% to 23,548 Crores. EBITDA rose to 2,023 Crores, up nearly 18.4%, and Profit after Tax rose more than 56% to 1,286 Crores. So the combined revenue of EML, including that of VECV, was over 42,000 Crores during FY 2024-25.

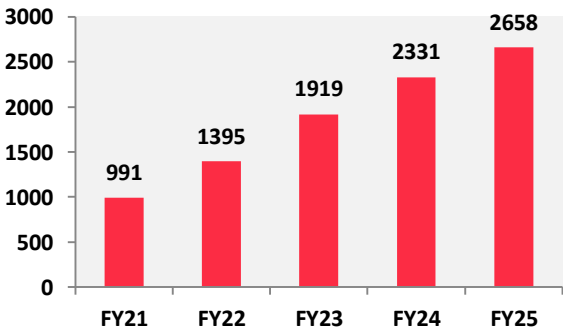
It was also strongest financial year to date, with highest-ever revenue, profit after tax, and EBITDA. For the first time in Royal Enfield 125-year history , it became a million strong. Not only did it close the year with the highest-ever annual sales, over 10.02 Lakhs motorcycles, it also grew 10% over the previous year. Domestic sales grew more than 8% to 9,02,757 units, while international volumes grew nearly 30%.

Reflecting disciplined execution of its strategy, VECV outpaced industry growth in FY 2024-25, with 90,161 vehicles delivered and achieving a 5.4% increase compared to the CV sector's modest 0.3% rise. Revenue from operations stood at 23,548 crores, while EBITDA improved to 8.8%. Profit After Tax (saw a significant 56.8% increase. VECV concluded the year as the market leader in the Indian 5-18.5T Light and Medium Duty truck segment and achieved record-high deliveries across key business verticals. Eicher Engineering Components (secured breakthrough orders from leading global and Indian OEMs, while Eicher Power Solutions expanded its genset and industrial-engine business

Net Revenue from Operations In FY 2024-25, EML’s total operating revenue grew by 14.8% year-on-year to 18,451.46 Crores. Growth was led by sustained domestic momentum supported by new product launches, increased network footprint and a broader premium portfolio. International business also registered a strong 51% recovery over the previous year, aided by expanding retail presence and improving macroeconomic tailwinds in key markets.

Revenue from Non Motorcycle Segment

Revenue from Non-Motorcycling Segments (Sale of spares, apparel and services) Non-motorcycling revenues grew 14% to 2,657.62 Crores in FY 2024-25. This includes sales of spares, apparel and services. The increase reflects a rising vehicle parc, improved customer retention through expanded service coverage, and growing traction in lifestyle product segment



INVENTORY ANALYSIS

	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Revenue	6 173	7 033	8 964	9 797	9 153	8 720.	10 297	14 442	16 535
Revenue Growth	-	13.93%	27.44%	9.31%	-6.51%	-4.76%	18.12%	40.22%	14.50%
Inventory	308.4	335.9	394.6	633.4	572.4	874.6	1 132.40	1 278.44	1 409.64
Inventory Growth	-	8.92%	17.55%	60.52%	-9.65%	53.03%	29.54%	12.90%	10.24%
Average Inventory Level	308.39	322.15	365.27	514.01	602.87	723.48	1 003.50	1 205.42	1 344.04
Inventory % of Revenue	5.00%	4.78%	4.40%	6.47%	6.25%	10.03%	10.99%	8.85%	8.52%
Average Inventory %	5.00%	4.58%	4.07%	5.25%	6.59%	8.30%	9.74%	8.35%	8.13%
Inventory Turnover Ratio	-	11.63	12.9	10.66	8.01	7.64	6.23	6.92	6.98
Total COGS % of sales	57.70%	53.24%	52.58%	55.94%	52.75%	63.38%	60.74%	57.76%	56.76%
Inventory Days (COGS)	-	31	28	34	46	48	58	53	52
Inventory Days (sales)	-	17	15	19	24	30	35	30	30

Over the past nine years, the company's sales have gone through ups and downs, with periods of strong growth followed by slowdown and then a solid recovery. The dip around FY20–FY21 reflected weak demand and industry-wide challenges, but sales bounced back strongly in the following years, supported by improved consumer demand and better product momentum.

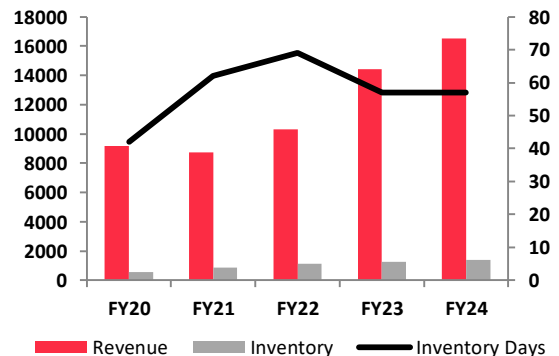
Inventory trends moved in line with these shifts. In the early years, inventory was well managed, but as growth slowed, stock levels started piling up, reaching their peak during FY21–FY22. This put pressure on efficiency, as inventory stayed longer in the system and turnover slowed. In recent years, the company has taken steps to bring this under control, with holding periods reducing and inventory as a share of revenue easing.

While efficiency has improved compared to the peak, it is still not back to the levels seen before FY19. Going forward, keeping sales momentum steady and tightening working capital practices will be important for further improvement in inventory efficiency.

Peer Analysis -Inventory Days

Mar-19 Mar-20 Mar-21 Mar-22 Mar-23 Mar-24

Bajaj Auto	16	18	28	18	22	19
Hero Motoco	19	24	30	26	27	25
Mahindra & Mahindra	74	106	91	82	83	81



Compared to peers, the company's inventory efficiency has lagged. While Bajaj Auto consistently maintained a lean profile with inventory days below 30, and Hero Motoco broadly managed within the 20–30 day range, our company's holding period has remained significantly higher, averaging above 80 days during FY19–FY24.

The gap widened most notably in FY20–FY21 when the company's inventory days surged above 100, while peers remained comparatively stable. Although this is not because of the weaker working capital efficiency or potential scope for operational improvement it is simply because the consumer takes longer duration to convert as they explore their options considering the company serves a premium niche category

TRADE RECIEVABLE ANALYSIS

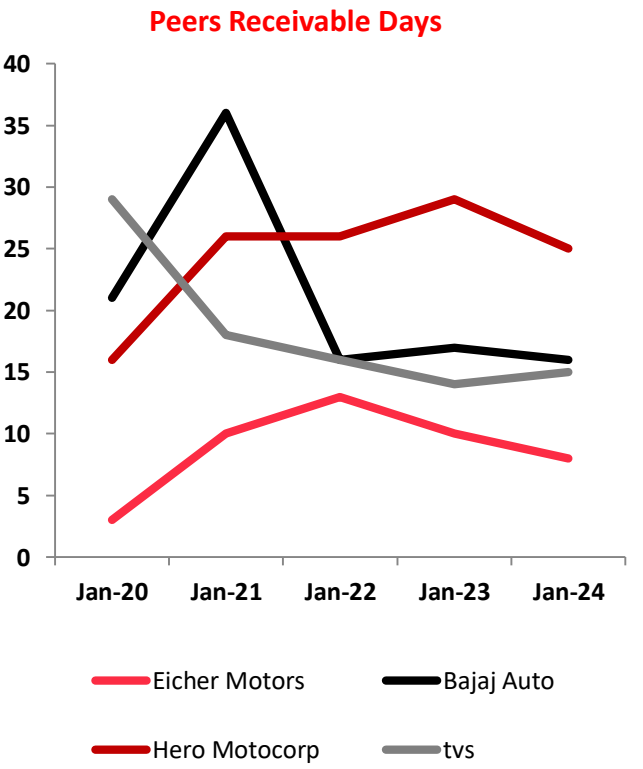
	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Revenue	6,173	7,033	8,965	9,797	9,154	8,720	10,298	1,442	16,536
Revenue Growth		14%	27%	9%	-7%	-5%	18%	40%	14%
Recievables	33	50	68	84	87	158	302	369	374
Receivables Growth		52%	36%	24%	4%	82%	91%	22%	1%
Receivable as a % of Revenue	1%	1%	1%	1%	1%	2%	3%	3%	2%
Total Assets	4939	7009	9522	11387	12450	14559	16140	19198	23115
Receivable as a % of Total Assets	1%	1%	1%	1%	1%	1%	2%	2%	2%
Total Current Asset	667	775	2106	4140	4011	7909	5490	3715	6119
Receivable % CA	5%	6%	3%	2%	2%	2%	6%	10%	6%
Recievable Days	2	3	3	3	3	7	11	9	8
Average Recievable		42	59	76	86	123	230	336	372
Average Receivable % Revenue		1%	1%	1%	1%	1%	2%	2%	2%
Average Recievable Days		2	2	3	3	5	8	8	8
Recievable Turnover Ratio	187	141	132	117	105	55	34	39	44

Over FY16–FY24, the company maintained a consistently tight receivables profile, reflecting its strong cash collection practices and limited credit exposure. Receivables as a share of revenue and total assets remained very low, mostly in the 1–2% range, with only a modest rise to 3% in FY22–FY23 before easing again in FY24.

Receivable days stayed minimal in the early years, averaging around three days, and even at their peak during FY21–FY23, they did not exceed low double digits.

This demonstrates a quick conversion of sales into cash relative to industry standards ,this happens because of the brand positioning in a premium segment allows EML to collect payment on advance basis for domestic sales and also give a edge with the dealers in bargaining .while comparing that to other peers there is a clear disadvantage to them as their customer base is more price sensitive and are mostly reliant on EMI options.

Overall, the company’s receivable management has remained disciplined, supporting liquidity and reducing credit risk, with the temporary increase around FY21–FY22 more a reflection of higher growth than structural weakness.



TRADE PAYABLE ANALYSIS

	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Revenue	6,173	7,033	8,965	9,797	9,154	8,720	10,298	1,442	16,536
Growth in Revenue		14%	27%	9%	-7%	-5%	18%	40%	14%
Trade Payables	723	765	1,172	1,234	1,008	1,513	1,788	1,810	2,090
Growth in Trade Payables		6%	53%	5%	-18%	50%	18%	1%	15%
Average Trade Payable		744	968	1203	1121	1261	1651	1799	1950
Trade Payable % of Revenue	43%	40%	48%	46%	40%	63%	63%	46%	46%
Average Trade Payable days		39	39	45	45	53	58	45	43
COGS	2803	2721	3386	3791	4043	4301	5034	6598	6957
Growth in COGS		-3%	24%	12%	7%	6%	17%	31%	5%
Trade Payable % of COGS	26%	28%	35%	33%	25%	35%	36%	27%	30%
Trade Payable days	94	103	126	119	91	128	130	100	110
Trade Payable Turnover Ratio	4	4	3	3	4	3	3	4	3

Trade payables have remained a significant component of the company's working capital structure, providing steady support for operations. As a percentage of revenue, payables stayed in the 40–48% range through FY16–FY20, before rising sharply to over 60% in FY21–FY22, suggesting the company leveraged extended supplier credit during a period of weaker sales and cash flow pressures.

This ratio later normalized to around 46% in FY23–FY24, closer to historical levels. When measured against COGS, trade payables fluctuated between 25–36%, with the highest levels again seen in FY21–FY22, reflecting stronger reliance on vendor financing. The turnover ratio has largely remained stable in the 3–4x range, pointing to consistency in payment cycles despite the shifts in absolute balances. Overall, while the spike in FY21–FY22 highlights temporary stress and tactical credit use, the recent stabilization indicates healthier payables management aligned with improved business performance.

	Cash Conversion Cycle					
	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Bajaj Auto	-17	-16	-22	-19	-18	-28
Hero Motoco	-5	-15	-32	-23	-17	-30
TVS Motors	-21	-31	-63	-50	-41	-48
Eicher Motors Ltd.	-55	-36	-48	-37	-20	-27

The company's significantly negative cash conversion cycle reflects its ability to realize cash from sales well before supplier payments are due. This is largely driven by its comparatively lower trade receivables, a result of operating in the premium segment with relatively limited dealer and customer penetration. Nonetheless, the company exhibits weaker efficiency than peers on the inventory front, as it requires a longer duration to convert inventory into sales.

DEPRICIATION ANALYSIS

	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Revenue	6,173	7,033	8,965	9,797	9,154	8,720	10,298	1,442	16,536
Revene Growth		14%	27%	9%	-7%	-5%	18%	40%	14%
Fixed Assets	790	873	1502	1875	2378	2433	2424	2690	2914
Fixed Assets Growth		11%	72%	25%	27%	2%	0%	11%	8%
Fixed Asset % of sales	13%	12%	17%	19%	26%	28%	24%	19%	18%
Depriication	137	154	223	300	382	451	452	526	598
Dep Growth		12%	45%	35%	27%	18%	0%	11%	8%
Dep % sales	2%	2%	2%	3%	4%	5%	4%	4%	4%
Dep% Fixed Asset	17%	18%	15%	16%	16%	19%	19%	20%	21%
Gross Block	1061	1295	2144	2767	3585	4049	4405	5142	5729
Accumulated Depriication	271	422	643	893	1208	1616	1981	2452	2815
Net Block	790	873	1501	1874	2377	2433	2424	2690	2914
Depriication of the year	137	154	223	300	382	451	452	526	598
Average life of an Asset	7.74	8.41	9.61	9.22	9.38	8.98	9.75	9.78	9.58
Average age of an Asset	1.98	2.74	2.88	2.98	3.16	3.58	4.38	4.66	4.71
Asset % Consumed	26%	33%	30%	32%	34%	40%	45%	48%	49%
Asset Turnover Ratio	7.81x	9.06x	5.97x	5.23x	3.85x	3.58x	4.25x	5.37x	5.67x

Depreciation expenses have grown steadily over the years, broadly in line with the company's expanding asset base. Depreciation as a percentage of sales stayed low at around 2% until FY18, but it gradually increased, peaking at 5% in FY21 as the company continued to invest in capacity and the revenue base temporarily slowed down.

Gross block more than quintupled from FY16 to FY24, while net block nearly 4x highlighting sustained capital expenditure. The average life of assets has remained fairly long, above 9 years in recent years, indicating a durable asset base. However, the average age of assets has been rising, crossing 4 years by FY23–FY24, with almost half of assets now consumed.

This suggests that while the company has invested heavily, a meaningful portion of its assets is maturing, and reinvestment will be needed to sustain growth. Asset turnover, which was high at over 7–9x in FY16–FY17, has since declined to the 3–6x range, reflecting the impact of capacity expansion outpacing revenue growth in the short term.

CAPEX ANALYSIS

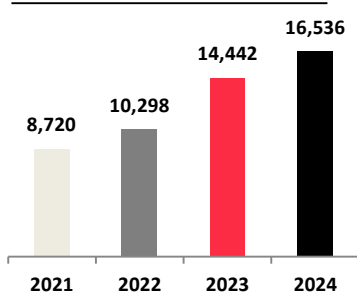
	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Land	8%	7%	4%	3%	5%	6%	5%	5%	4%
Building	17%	18%	23%	23%	26%	23%	21%	21%	21%
Plant & Machinery	63%	61%	61%	56%	57%	55%	56%	53%	51%
Equipment	5%	5%	5%	5%	6%	5%	5%	5%	4%
Furniture & Fittings	1%	1%	1%	1%	1%	1%	1%	1%	1%
Vehicles	2%	2%	2%	2%	2%	3%	3%	3%	3%
Intangible Assets	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other Fixed Assets	5%	6%	4%	9%	2%	7%	9%	12%	16%
Gross Block	100%	100%	100%	100%	100%	100%	100%	100%	100%
Gross Block	1060	1295	2145	2768	3363	3809	4204	4894	5415
Accumulated Depreciation	271	422	643	893	1208	1616	1981	2452	2815
Net Fixed Asset	789	873	1502	1875	2155	2193	2223	2442	2600
Growth Fixed Assets		11%	72%	25%	15%	2%	1%	10%	6%
Growth Net Fixed Assets		84	629	373	279	38	30	218	157
Revenue	6,173	7,033	8,965	9,797	9,154	8,720	10,298	1,442	16,536
Growth in revenue		14%	27%	9%	-7%	-5%	18%	40%	14%
Change in revenue		860	1932	832	-643	-434	1578	444	2094
Change in gross block		235	850	421	802	444	396	743	590
Change in revenue/Change in gross block		3.7	2.3	2	-0.8	-1	4	5.6	3.6
Sales/Fixed Assets	7.8	8.1	6	5.2	4.2	4	4.6	5.9	6.4
Growth vs. Maintenance Capex									
		Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Change in gross block		235	850	421	802	444	396	743	590
Depreciation of the year		154	223	300	348	424	434	505	556
Maintenance capex		154	223	300	348	424	434	505	556
Growth capex		81	627	121	455	20	0	238	34

The management has mentioned in the concall about their about their future plans to expand and strengthen operations within EML and the estimated budget for the same is around Rs. 900 crores approximately

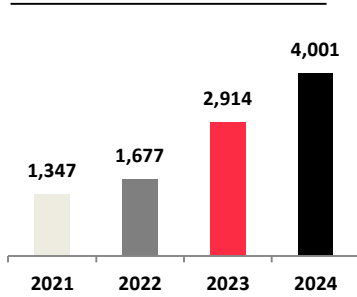
DUPONT ANALYSIS

Financial Summary

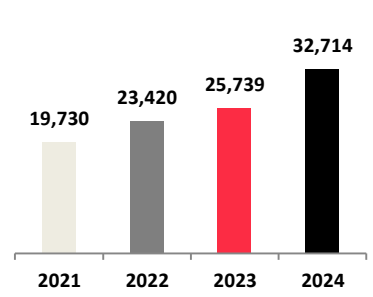
Revenues (INR Cr.)



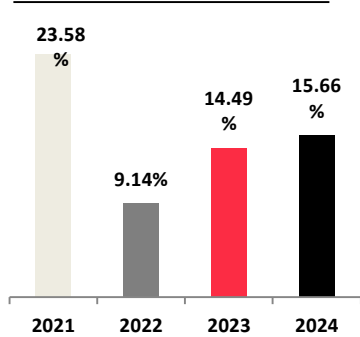
Net profit (INR Cr.)



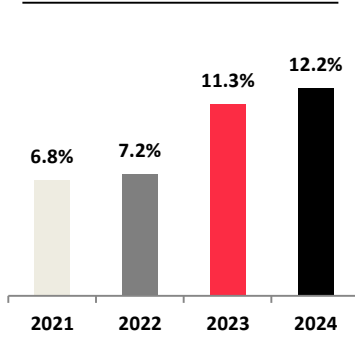
Average Total Assets (INR Cr.)



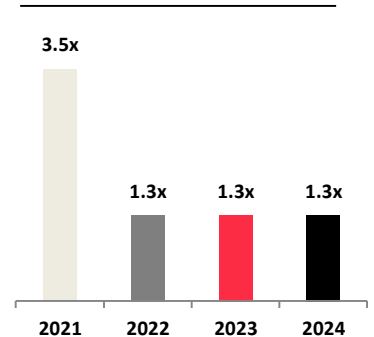
Return on Equity (%)



Return on Asset (%)



Financial Leverage (%)



Return on Equity (ROE)

	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Net Profit	1,960.0	2,203.0	1,827.0	1,347.0	1,677.0	2,914.0	4,001.0
Average Shareholder Equity	9,716.0	11,502.5	14,453.5	5,713.5	18,340.5	20,116.5	25,553.5
Return on Equity	20.17%	19.15%	12.64%	23.58%	9.14%	14.49%	15.66%

ROE- DuPont Equation

	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Net Profit	1,960	2,203	1,827	1,347	1,677	2,914	4,001
Revenues	8,965	9,797	9,154	8,720	10,298	14,442	16,536
Net Profit Margin (A)	21.86%	22.49%	19.96%	15.45%	16.28%	20.18%	24.20%
Revenue	8,965	9,797	9,154	8,720	10,298	14,442	16,536
Average Total Assest	13,026.5	15,215.5	18,143.5	19,729.5	23,419.5	25,739.0	32,714.0
Asset Turnover Ratio (B)	0.7x	0.6x	0.5x	0.4x	0.4x	0.6x	0.5x
Average Total Assest	13,026.5	15,215.5	18,143.5	19,729.5	23,419.5	25,739.0	32,714.0
Average Shareholder Equity	9,716.0	11,502.5	14,453.5	5,713.5	18,340.5	20,116.5	25,553.5
Equity Multiplier (C)	1.3x	1.3x	1.3x	3.5x	1.3x	1.3x	1.3x
Return on Equity(A*B*C)	20.17%	19.15%	12.64%	23.58%	9.14%	14.49%	15.66%



Return on Asset							
	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Net Profit	1,960.0	2,203.0	1,827.0	1,347.0	1,677.0	2,914.0	4,001.0
Average Total Asset	13,026.5	15,215.5	18,143.5	19,729.5	23,419.5	25,739.0	32,714.0
Return on Asset (A*B)	15.05%	14.48%	10.07%	6.83%	7.16%	11.32%	12.23%

ROA- DuPont Equation							
	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Net Profit	1,960.0	2,203.0	1,827.0	1,347.0	1,677.0	2,914.0	4,001.0
Revenues	8,965	9,797	9,154	8,720	10,298	14,442	16,536
Net Profit Margin (A)	21.86%	22.49%	19.96%	15.45%	16.28%	20.18%	24.20%
Revenue	8,965	9,797	9,154	8,720	10,298	14,442	16,536
Average Total Assest	13,026.5	15,215.5	18,143.5	19,729.5	23,419.5	25,739.0	32,714.0
Asset Turnover Ratio (B)	0.69x	0.64x	0.50x	0.44x	0.44x	0.56x	0.51x
Return on Asset (A*B)	15.05%	14.48%	10.07%	6.83%	7.16%	11.32%	12.23%

DuPont Summary

- ROE peaked in FY21 at 23.58%, primarily due to an abnormally high equity multiplier (3.5x) driven by a low equity base.
- ROE improved from 9.14% in FY22 to 15.66% in FY24, supported by margin expansion and improved asset efficiency.
- Margins have shown a steady rise, from 15.45% in FY21 to 24.20% in FY24, indicating strong operating leverage and pricing power.
- FY24 marks the highest net profit margin in the observed period.
- Asset turnover declined from 0.7x (FY18) to 0.5x (FY24), reflecting higher asset base expansion outpacing revenue growth.
- Leverage remained stable around 1.3x, except in FY21 where the equity base was temporarily low, inflating the multiplier.
- The gap between ROA (12.23%) and ROE (15.66%) in FY24 is narrow, reinforcing that equity multiplier is not a major ROE driver currently.
- Strong ROA growth indicates improving core operating performance.

Conclusion

The company has successfully improved ROE and ROA over FY22–FY24 through margin expansion and volume-led growth, despite declining asset turnover. The return ratios are approaching pre-COVID levels, reflecting a recovery in profitability.



DISCOUNTED CSAHFLOW MODEL EICHER MOTORS LTD.

Calculation of PV of FCFF	Mar-25A	Mar 26E	Mar 27E	Mar 28E	Mar 29E	Mar 30E
EBIT	52880	59532	67317	76160	86128	97316
Tax Rate	20.20%	20.20%	20.20%	20.20%	20.20%	20.20%
EBT(1-T)	42206	47503	53718	60750	68682	77634
Less: Reinvestment Rate	62.00%	60.00%	58.00%	56.00%	54.00%	52.00%
Free Cash flow to Firm (FCFF)	16040	19001	22349	25889	29575	33578
Mid Year Convention	0.5	0.5	0.5	0.5	0.5	0.5
Discounting Factor	0.89	0.8	0.72	0.65	0.58	0.52

PV of FCFF

Terminal Growth	5.00%
WACC	11.67%

Calculation of Terminal Value

FCFF (n+1)	37932
WACC	11.67%
Terminal Growth Rate	5.00%
Terminal Value	448459

Sensitivity Analysis

	10.7%	11.7%	12.7%
3.0%	1020	950	820
4.0%	1170	1110	980
5.0%	1372	1372	1210
6.0%	1620	1650	1500

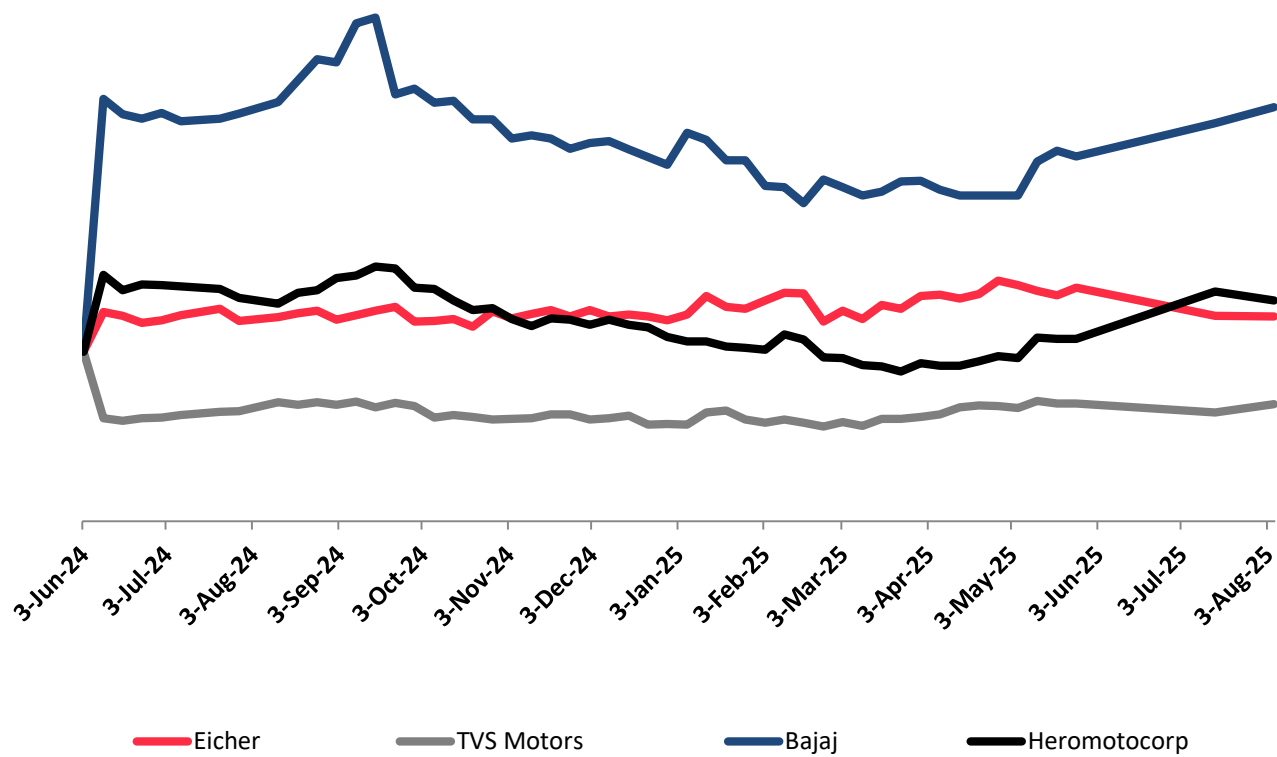
Calculation of Equity Value Per share

PV of FCFF	96975
PV of Terminal Value	184980
Value of Operating Assets	287955
Add: Cash	39790
Less: Debt	4580
Value of Equity	317165
No.of Shares	231
Equity Value Per Share	1372
Share price	5440
Discount /Premium	-75.00x



PEER COMPARISON

Peer Stock Performance (1 yr)- Indexed



(Source : yahoo finance, Investing.com)

Peers Financial Performance

Company	CMP.	P/E	Market cap.	ROCE %	CFO/ EBITDA	ROE %	PEG	Interest Coverage	Debt
Eicher Motors.	4765.65	31.22	130607.74	31.14	0.65	24.23	2.46	104.02	419.44
TVS	2715.9	75.33	129032.41	14.68	-0.8	26.55	4.13	2.41	26005.7
Hero Motoco	5216.2	25.66	104313.63	29.09	0.5	21.95	10.74	75.33	606.41
Bajaj Auto	10063.95	38.13	281043.46	33.53	0.6	26.48	3.57	62.84	5245.29

(Source : screener)



ANALYST COVERAGE UNIVERSE

Date	Research House	Target	Rating	Price at RECO
18-Aug-25	Geojit BNP	5342	Buy	5912
04-Aug-25	Axis Direct	5635	Hold	5612
15-May-25	ICICI Seurities	5600	Hold	5466
11-May-25	Geojit BNP	5665	Buy	4985
11-Feb-25	BP Wealth	5600	Hold	4972
11-Feb-25	Emkay	6100	Buy	4972
11-Feb-25	Prabhudas Liladhar	5754	Accumulated	4972
11-Feb-25	Axis Direct	5060	Hold	4972
18-Nov-24	ICICI securities	5764	Accumulated	4972
14-Nov-24	Prabhudas Liladhar	5079	Hold	4875
14-Nov-24	Axis Direct	5730	Buy	4883
14-Nov-24	BOB Capital	5299	Buy	4883
13-Nov-24	Share khan	5050	Buy	4588
13-Nov-24	Motilal Oswal	4855	Hold	4588
30-Aug-24	Hem Securities	5950	Buy	4911

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