



November 15, 2023

**Online intimation/submission**

**The Secretary**

**BSE Limited**

Phiroze Jeejeebhoy Towers

Dalal Street

Mumbai-400 001

Security Code: 505200

**The Secretary**

**National Stock Exchange of India Ltd**

Exchange Plaza, 5<sup>th</sup> Floor, Plot No.C/1,

G Block, Bandra Kurla Complex, Bandra (E)

Mumbai-400 051

Symbol: EICHERMOT

**Subject: Regulation 30 of the SEBI (LODR) Regulations, 2015 – Transcript of conference call**

Dear Sir/Madam,

Further to our letter dated November 03, 2023 intimating the schedule of the conference call held on Friday, November 10, 2023, please find attached transcript of the aforesaid conference call, held *inter alia* to discuss financial results for the second quarter and half year ended September 30, 2023, pursuant to Regulation 30 of the SEBI (LODR) Regulations, 2015. The same is also available on the website of the Company [www.eichermotors.com](http://www.eichermotors.com).

The conference call started after the conclusion of the Board meeting of the Company.

You are requested to take the same on your records.

Thanking you,

For **Eicher Motors Limited**

**Atul Sharma**

**Company Secretary**

Encl.: As above



“Eicher Motors Limited  
Q2 FY24 Earnings Conference Call”

November 10, 2023



**MANAGEMENT: MR. SIDDHARTHA LAL – MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER – EICHER MOTORS LIMITED**  
**MR. B GOVINDARAJAN – CHIEF EXECUTIVE OFFICER - ROYAL ENFIELD LIMITED**  
**MS. VIDHYA SRINIVASAN – CHIEF FINANCIAL OFFICER – EICHER MOTORS LIMITED**  
**MR. KEN TROLLE – EXECUTIVE VICE PRESIDENT & CHIEF FINANCIAL OFFICER – VE COMMERCIAL VEHICLES LIMITED**



*Eicher Motors*  
*November 10, 2023*

**Basudeb Banerjee:**

Good evening and happy Dhanteras to all the participants and thanks to Eicher Motors management for giving us the opportunity to host the Q2 FY24 Post Result Con Call. We have with us the Senior Management represented by Mr. Siddhartha Lal, MD and CEO of Eicher Motors Limited; Mr. B. Govindarajan, CEO of Royal Enfield; Ms. Vidhya Srinivasan, CFO of Eicher Motors Limited; and Mr. Ken Trolle, CFO of VECV.

So over to you Siddhartha for your opening remarks.

**Siddhartha Lal:**

Thank you so much, and welcome all of you to our Q2 FY24 earning call of Eicher Motors Limited. I hope you're all doing very well. This has been an excellent start to the new financial year for us and we continue to hit new milestones in Eicher Motors Limited.

Before delving into our quarterly updates, I'd like to thank all the shareholders for the very strong support towards the resolutions that we presented during the AGM and the postal ballot recently. We really value our long relationship with all the shareholders and look forward to a robust trust-based partnership between us and continuing our journey towards enhancing our corporate governance and working closely together.

With the new additions, the EML Board now comprises of our Chairman, Mr. Sandilya, Independent Director; Govind and myself as Executive Directors; Vinod Aggarwal, who's not here with us today, but he's being represented by Ken. Vinod Aggarwal is the Non-Executive Director and Non-Independent Director on the EML Board. And we have four other Independent Directors: Mrs. Manvi Sinha, Mr. Inder Mohan Singh, Mr. S. Madhavan and Mr. Tejpreet Chopra. So that's the new constitution of our Board with eight members.

Now let me begin by sharing a few business highlights for the quarter. We've had our highest-ever volumes, revenue, EBITDA and profit after tax for any quarter. In September, we had a spectacular launch of our new bullet, celebrating the 90-year-plus legacy that we have for a bullet brand, probably the longest-running of any automotive model, and this time in its new avatar on our super refined J-series engine. With that, we've also transitioned all our high-volume models from UCE model platform that we had developed in 2009-2010 to a J-series which has been extremely well received as is the motorcycle.

Very importantly, recently last week we included the EICMA Motor Show in Italy, which is the largest motorcycle event or trade show in the year. We showcased the all new Himalayan and received an absolutely spectacular response from global audiences. The new Himalayan is an evolution of our first adventure tourer bike that we launched in 2016, which is the Himalayan 411. As customers, markets and terrains have evolved, for us, it was important to create a motorcycle that retained the DNA of the original Himalayan, which had a lot of success, but we wanted to give it a lot more power, torque, refinement, both on and off road. So that's what the promise of the new Himalayan is. It's the first motorcycle that's based on our all new Sherpa-450 engine, which is the first liquid-cooled, dual overhead cam shaft engine from Royal Enfield.

Govind, myself and our management, also hosted the world's automotive experts in Manali just two weeks ago with presence of Journalists, content creators and others, it was a thrilling adventure and ride experience in the mountains on this new Himalayan and the response and feedback that we got from them were tremendous. I mean, people are calling it absolute best-in-class, global disruptor, the best value adventure tourer by a mile and the embargo was lifted today at noon for the reviews. The reviews have started coming out today at noon, so just a few hours ago. I encourage all of you to go and have a look at the reviews from both the Indian and the international journalists and content creators. I've been going through them as much as I can in the last few hours, and its game changer, this new Himalayan. It's a very strong motorcycle from our side and has the potential to be a world beater. So, it's for markets around the world.

At the EICMA show, we also unveiled a special project, which we call the Electric Himalayan Testbed. It's a new expression of our sustainable exploration for the future, and it's a concept right now of what Royal Enfield electric adventure tourer could look like. It's a concept



*Eicher Motors*  
*November 10, 2023*

motorcycle, it's not meant for production necessarily, but to get more interest, feedback, and understanding from our side. But it is a motorcycle that is in the laboratory of a sense, more than a concept, because we have actually used this motorcycle and prototypes like this in the Himalayas. We've done a lot of testing, a lot of validation, and we plan to continue to evolve it. This is not going to be the final guise of what we come out with, and if we come out with, it's to show of what an electric adventure tourer from Royal Enfield could look like.

Coming to VE Commercial Vehicles, our joint venture with Volvo Group, we have enhanced and fortified our market share across all categories in light and medium duty trucks, heavy duty trucks, buses. We've had excellent market share gains in all of these areas and we've delivered our best ever second quarter in terms of units sold across all three categories. The parts and powertrain sales clocked a strong growth in the first half. And once again VECV has been ranked number one commercial vehicle manufacturer for the third successive year in the dealer satisfaction survey conducted by FADA, which is the Federation of Auto Dealers Association.

Again showing our extreme support work with our network, channel partners, which are really important to delivering customer satisfaction to our dealers. VECV has also continued the sustainability journey by delivering electric trucks and buses to customers in various applications and we're developing long-term partnerships with leading logistics and bus operators for this area. And today, we have Ken Trolle, the CFO of VECV. He will take us later through more details about VE commercial vehicles.

Moving to the financials for quarter 2Q FY24. At a consolidated level for Eicher Motors Limited, which does not include VECV, for the seventh consecutive quarter, we've marked our highest ever revenue for EML, this time at ₹4,115 crores for the quarter, up 17% YoY. It's our fourth consecutive quarter marking highest ever EBITDA for EML, crossing ₹1,000 crores once again, at ₹1,087 crores, up 32% from last year. It's our fifth consecutive quarter marking the highest level PAT for EML, at over ₹1,000 crores this time, so ₹1,016 crores, up 55% from Q2 last year. So stupendous financial performance also.

And now, I hand over to Govindarajan, who will take us through the business highlight for Royal Enfield. Over to you, Govind.

**B. Govindarajan:**

Thank you, Siddhartha. Hi, everyone. Hope you guys are doing well. At Royal Enfield, we have been continuing our journey in the top gear and we have registered our highest ever H1 volume. The momentum is very good, it's very strong and it's an exceptional performance in the second quarter. In this quarter, we sold about 2,09,700 odd motorcycles in the domestic market, which is almost about 14.6% growth from last year same time about 1,83,067 motorcycles which we sold. We have had a very strong growth in the sales of our motorcycles during the festival period and we see the momentum continuing.

Launch of all-new Bullet 350 as Siddhartha mentioned, its marks the completion of transition to the J platform. And I'm very happy to share with all you people the traction was very good, the new bullet has received an overwhelming positive response from experts and consumers. The all-new bullet will be launched in the international markets over the coming month because it's Euro V compliant, so it can be sold in other markets also.

In the international markets, we sold almost about 19,780 motorcycles in Q2, registering a growth of about 9% over the previous quarter. We have maintained our market share in our key markets. RE is a leading middleweight brand in the U.K., and among the top three in Europe and almost 9% market share in this region. In Americas, we have around about 7% market share and in the Asia-Pacific region, we are currently at the most about 9% market share in the middleweight segment. In the international markets, our retails have been talking very well, that's a good sign for us, which we wanted to share it with you people.

In the recently announced results of the dealer satisfaction survey by the Federation of Automobile Dealer Association, FADA, Royal Enfield emerged as the first runner up in the



*Eicher Motors*  
*November 10, 2023*

two-wheeler OEM category. We moved substantially in the list, with the score increasing by about 96 points.

What Siddhartha mentioned about the all-new Himalayan, it's a global media first ride at the global unveil, which we did at EICMA. This is a motorcycle which had been built by the Himalayas. The all-new Royal Enfield is inspired also by the Himalayas. And that's how all our motorcycles are and engineered for a real-life adventure. This is with a more power, more torque, using the long stroke design to give an excellent low RPM performance, which is what is Royal Enfield addressing in the motorcycle. And that's the whole DNA of a Royal Enfield. When we were doing this closer to the launch, we also decided that it was a time for an ultimate journey, the epitome of adventure motorcycle riding. So, we took the finished motorcycle, which is there for the market and one last time, we should do a test from our factory, Oragadam, and we call it from sea to the summit, from Chennai, at about 22 feet sea level to 19,024 feet Umling-La. We tested the motorcycles and it's a proof that this is a motorcycle which is inspired by Himalayas, built by the Himalayas. We wanted to do the final test also in the Himalayas. Now the motorcycle is fully ready and that's how we unveiled that EICMA.

We also celebrated our global marquee ride, the One Ride, where we see the participation of more than almost about 28,000 motorcycling enthusiasts from 58 countries and about 300-plus cities in India who came together for the largest cause-led ride, which India has seen so far.

Also on the sustainability side, I wanted to share a few points. We have been improving a lot. Around one-third of our manufacturing is done through green energy in all our facilities. As I earlier also shared with you people, all our plants are water positive, now it's almost 2x. So, more and more recharges are taking place into this and all our plants are at zero discharge.

We are gearing up to the next edition of Motoverse, which is in this month on the 24th. And I'm ready to share that lots of exciting updates and the entire motorcycling community will be there. Look forward to seeing you all people also in the Motoverse. With successful recent launches and the new platform launch which we did on the Himalayan, we are well on our way to ride ahead on our strategic goals. There are new launches which are in the pipeline and we are prepared for our growth journey in India and across the other global markets. We are very excited about what the future holds for us.

Now I will hand it over to Ken Trolle to take you through the VECV performance and updates. Over to you, Ken.

**Ken Trolle:**

Thank you. Good evening, everyone. It is another solid quarter for VE Commercial Vehicles. We had the highest ever second quarter sales of 19,551 units. On the heavy-duty truck side, highest ever second quarter with the sales of 5,291 units. On light and medium duty side, highest ever second quarter with 9,571 units. On the bus division, highest ever sales of 3,214 units. Also, as Siddhartha mentioned, highest ever quarterly part sales, we grew by 29% over the same quarter last year. Also, for our powertrain unit, we sold 14,834 units, which is also the highest. And as also mentioned before, we won the FADA for the third consecutive year.

Moving over to financial highlights, revenue ended at ₹5,129 crores, up almost 22% compared to last year. EBITDA of ₹404 crores and EBITDA margin of 7.8% versus 5.8% for the same quarter last year. Profit after tax ₹186 crores, up from ₹81 crores last year.

**Siddhartha Lal:**

And with that, I hand over back to you Siddhartha.

Thank you very much. That's all from our side. We've had really cracking quarters both at RE and VECV, so at EML combined. The festive season is on us and things are going well. So, thank you very much and wish you all a very happy Diwali and we look forward to your questions.

**Basudeb Banerjee:**

Thanks, Siddhartha. Requesting participants to raise their hands to ask questions.



*Eicher Motors*  
*November 10, 2023*

**Divya Purohit:**

Thank you, Basu. We'll take first question from the line of Pramod Kumar. Pramod, please go ahead.

**Pramod Kumar:**

Hey, Siddhartha. Congratulations on a good set of numbers. I think there's a beat there on the performance, but I'm more interested in Himalayan, Siddhartha and what the Sherpa-452 does for us? Because the reviews are just started dropping in today, looks really great. I can see the lot of hard work that you guys have put in. So, if you can just help us understand from where Himalayan in 410 was and where 452 is the kind of transition what you have done. What does it potentially mean for the company in terms of the kind of addressable market here, both in domestic and the international side? Because this segment is clearly doing extremely well, even in domestic, and this product looks pretty good. So, just to begin with if you can help us understand what could be the volume opportunity here? And what could be the brand opportunity more than that, because this product can take you to many new markets, many new terrains in that sense? So, yes Siddhartha, to kick it off, probably we'll start with that.

**Siddhartha Lal:**

Sure, Pramod. I think it's very pertinent because we really do believe that this can be a huge growth driver for us, both in numbers and in stature and in many other ways. The first Himalayan, which we came out with seven years ago, was really a domestic market product. It was meant for India; it was meant to test the market. I mean, of course, we were all in on it, but segment didn't exist. So, it was really our stab at what we thought the segment would like. So it was a full on adventure bike, but it was our first attempt at it and it did really well. We've sold over 200,000 numbers globally since then. So, it's been a great run.

But we got a huge amount of confidence from what people loved about the previous Himalayan and a lot of learning. So, we have put all that into the new Himalayan. So, for example, just on the spec side, conceptually it's gone up from 410 to 450, so only 10% increase. But really for example, the power has gone up by 65%, the torque has gone up by 25-30%. It's got a water cool engine, so it revs higher. We've kept a large part of the ergonomics because that's what people loved about the bike. The accessibility, it's got the lowest seat height configuration that can be just over 800 millimetres, so 80 centimetres. So, someone who's even 5'3"-5'4", can get 1.5 feet on the floor. So, it's stable, it's good, it's accessible. The engine I told you it's super refined, gone up, it's ride by wire. So, the nature of fuelling and response is absolutely magic. The chassis is also totally on the next level. So, our previous one was good at off-road and this one is even better at off-road but has excellent on road manners as well. We've got a showa suspension, which you can see the reviews people absolutely love it. They think it's fantastic, both off-road, on road.

Our TFT screen is a breakthrough. I mean even bikes 3x the price doesn't have that kind of technology now on the instrumentation. And we insisted we only have Google navigation on it. No third-party other navigation, because people only trust Google in navigation, and we had to have that. So, it makes life nice and simple on our screen. So, we've pulled out all the stops. It's been fantastic. Earlier we were making motorcycles with our twins and other motorcycles that were getting to and had become world-class. Previously 10 years ago, we were not but then after the twins, we were getting to world class type of bikes. We are now saying and hopefully you'll hear from the press also, this is world beater. So, this is setting the standard. It's not just better, it's head and shoulders better than everything else in the world. In the best case scenario, our ambition is that it will actually shake up the entire adventure touring segment in the world. We want people to question themselves that, should I really be buying this motorcycle, which is 3x-4x as expensive, when I get every single thing, I want out of the Himalayan? And it's better at certain things, honestly, to go off-road, it's even better. In an Autobahn in Germany, going at 160 km/jour, maybe on the margin, there'd be a bike, which is 3x more expensive, which is better. But other than that, one very peculiar scenario, which not any of our customers are really doing regularly, it is a better bike than bikes 3x its price and size. So, we're confident that we've taken all the inputs. We've done everything we can to make it really a world beater. So that's on the Himalayan. Anything you can add to it, Govind?



*Eicher Motors*  
*November 10, 2023*

- B. Govindarajan:** The only thing which I can tell you is, with our decade experience of riding in Himalayas. From 2016 to 2023, about seven years of riding the Himalayan 410 across the globe, the extreme terrain. So, we retained some of the DNAs of that Himalayas, which is required because of the evolution, we spoke to the explorers, globetrotters and to the people who are athletes, just to get what all required to be the world beater, as Siddharth was mentioning, All those things are incorporated and which we tested. That's where the confidence is that it will create more movement in the entire adventurous for motor cycling.
- Pramod Kumar:** And Govind, just to push that a bit on the volume context, if you could just help us understand what are the volumes of the outgoing platform on a steady state basis? And what could be the potential here? If you can just help us there, quantify this opportunity.
- B. Govindarajan:** Pramod, adventure motorcycle had been heavy, intimidating, not accessible. We launched the Himalayan in 2016, we changed the game. That's why it created a moment for becoming an accessible motorcycle. Here is a new motorcycle, which we just launched about three days back and the reviews are just out today. As I mentioned, with all the bristled DNA of Himalayas, the Himalayan motorcycle, with the seven years of riding that across the globe and incorporating all the best things which are required for future. So obviously, this motorcycle will create one more wave. How much is that? What it is? Let's wait because there's a good response. The reviews are outstanding, everybody sees it. It's a very different motorcycle, which is very accessible, not at all integrating, which inspires confidence. And as Siddhartha mentioned, it has a full-blown navigation system, which is there. And the suspension is so well tuned for extreme conditions, like off-roading, and also to use it on the city rides in any traffic. So, to that extent, the motorcycle is well thought out, executed and tested very well in the place where it belongs. That's why we did a last test, also from 22 feet of Chennai. There are some good roads for 5,000 kilometres. And then we also took it to the Himalayas to see whether the motorcycle is really behaving the way we wanted. And it all has turned out to be very good. So, it's a winner product in hand. Over a period of time, it will certainly grow. How much? Will wait for some time.
- Pramod Kumar:** Yes, I'm back in the queue. Thank you.
- Divya Purohit:** Thank you so much. Next question is from the line of Kapil Singh. Kapil, please go ahead.
- Kapil Singh:** Thanks for the opportunity. I just wanted to ask about the new bullet. We had also launched that. So, what kind of response you have got for that? And also if you could share, what kind of growth are we seeing in the festive season so far?
- B. Govindarajan:** I think the Bullet 350, which has 90 years of legacy from 1956 in India, which we have been manufacturing, was the last transition from the UCE platform to the super refined 350 J platform. So that has been done. It got accepted very well. I can tell you with respect to the UCE, which we had the bullet to now the traction is higher than the way we were expecting. It's really got accepted very well in the market.
- Kapil Singh:** Okay. Overall, festive season growth so far. What kind of trends we are seeing or any numbers, if you can share so far for last 20 days?
- B. Govindarajan:** You would have tracked the numbers by now. But still, to just say, we also grew fairly well, almost 14% is the range compared to last year, which we grew in the same window. But this year festival is not in one month, it's in two different months. But I can tell you that the festive season was very good for us. It's a happy window for us in terms of retail.
- Kapil Singh:** Okay, that's great to hear. And second, on exports, if you could talk about, we have seen a bit of volatility in the numbers. So, is there something that surprised you negatively or things are going as per plan? What's happening in the markets? If you could just share about the context over there.



*Eicher Motors*  
*November 10, 2023*

- B. Govindarajan:** On the international markets, as I mentioned last time also, with the macros, are we completely insulated? No. It is affecting to our market to a major extent. There are two things which we have to communicate to you people. On the retail, it has been clocking very well. So, to that extent we have been holding the market shares almost about in all the markets like APAC, Europe, North America and Latin America. Our market share is intact, we haven't lost market share and the new products are just coming in. For example, Super Meteor, I just launched only about two months back in the United States. So, it's all getting into the market.
- On the wholesale front, as I mentioned last quarter also, we are not aggressively looking at wholesale because normally what happens is for the season, you'll go build the inventory and keep it because that's where in some of the markets where the season is have to be served. This year, because of the macro conditions, we are going cautious in building those numbers. That's why you will see a wholesale number slightly lower. But the good news in the international market is the retails are clocking very well and the new products are also coming into the international market one after the other.
- Kapil Singh:** So, can you share what is the average details we are doing per month? Because some months we see 9,000-10,000 also and wholesales for some months we see 3,500. So just any number you could share or growth that we should expect for full year.
- B. Govindarajan:** We don't give the market wise retails and all those things. Market share we will share it with you because that's what we normally share that. But when I was saying that the market share is kept intact, even though there are macro situations and all those things, for us on the loan motorcycles which have already gone, are all moving off. So, the floor is getting vacated. But we don't want to inventorize that place over and we are going cautious in this. So, you will see this normalizing within few months.
- Kapil Singh:** Okay, sir. Thank you and best wishes and a very Happy Diwali to the entire team of Royal Enfield.
- Divya Purohit:** Thank you. I would request all the participants to restrict their questions to two. Next question is from the line of Chandramouli. Chandramouli, please go ahead.
- Chandramouli Muthiah:** My first question is on the gross margin line this quarter. It looks like quarter-on-quarter we've had relatively flat volumes and maybe slightly inferior mix in terms of export volumes this quarter versus the previous quarter. But in spite that, it looks like we have seen a pretty healthy gross margin expansion quarter-on-quarter. So just trying to understand what were the factors that might have contributed to that. Is it good mix in the domestic market? Was there any pricing opportunity that we saw?
- Vidhya Srinivasan:** It's combination of everything. One is, of course, there's been a material cost savings where we had an impact of about 1%. Apart from that, the remaining part of it is a combination of mix as well as the price increase which we've taken in May, which full impact of that is coming through in this quarter.
- Chandramouli Muthiah:** Got it. That's helpful. And my second question is on the 452 cc Sherpa engine. So, congratulations on the good reviews for the Himalayan 452. Just trying to understand over the next 12 to 18 months, when we might sort of put that engine into a roadster or a cruiser, which might potentially address much larger market opportunity set for us. And that seems to be where maybe the 350 cc engines might be heading in terms of market segment as well, over the next few years. So, trying to understand your thoughts on how you're thinking about that as well.
- B. Govindarajan:** See 452 cc, liquid cooled, the platform is an all-new platform which we are bringing in now. We are a company which will have that platform and we will start looking at various genres of motorcycles, which give a different experience to the consumers. It's time to come, here in now, if I have to tell you, the all-new Himalayan, which was unveiled about three days back, it's been





*Eicher Motors*  
*November 10, 2023*

received very well and we have to give some space to this to get matured into the markets. So, in appropriate time, we will talk about all other products which are coming up on that platform.

- Chandramouli Muthiah:** Awesome. Thank you very much, and all the best.
- Divya Purohit:** Thank you. Next question we'll take from the line of Onkar. Onkar, please go ahead.
- Onkar Ghugardare:** Good evening. My question was regarding what's the yearly production capacity which you currently have?
- B. Govindarajan:** So, the bill capacity of both the plants together is almost about 1.2 million. And that's why we said we don't need to look at any investments here now. But all our lines are modular and we can enhance the capacity whenever it is required. So, the flexibility is built into that.
- Onkar Ghugardare:** Okay. So, if you look at the volumes, say from last 4-5 years or last financial year, you have just crossed the volumes that you were generating in FY19. So, in FY'23 you crossed 823. So, any aspirations you have of targeting around 1 million sales.
- Siddhartha Lal:** Onkar, we don't give forward-looking guidance.
- Onkar Ghugardare:** Since you are targeting so many launches and so many upcoming products are coming up, just wanted to have a sense of that.
- B. Govindarajan:** So just to add, as Siddhartha was mentioning, Onkar we're a long-term ambitious company. We do not look at anything here and now, because then you tend to make a lot of mistakes in the very short-term window. Any product comes in, any platform comes in, we see it as a long-term. And we are not a company that will be very passive. We are long-term and we don't do anything here and now. So, you will see how we grow over the period of time. So, the numbers are, in my opinion, a by-product. But what we are doing, is it the right thing? All our products are getting accepted. That is what we have to look at and that's what we are doing.
- Onkar Ghugardare:** Okay. The second question is on the competition. Bajaj and Hero, both of them have launched new premium vehicles with their global tie ups. So, any primary on ground situation you can tell about the competition. What kind of competition you are facing from these products?
- Siddhartha Lal:** Again, as a rule, Onkar, we don't like to talk about others. Please do the assessment of others yourself. We will talk about ourselves. It's not fair for us to talk about what other people are up to and all of that. I can just say that we've been doing so well for so long that all these competitors have been trying to come into our segment. Till now, at least they've not been successful. And of course, there will be some successes, some failures. That's part of the game.
- What you have to see is that we have an exceptional brand, exceptional distribution, exceptional community, exceptional new products. You've seen the reports on the new Himalayan. I mean, it's been in the works for five years, so it can't be a response to something which came out a few months ago. So, we anticipate and understand, we've got a lot going for us. At best we see that if there is a couple of competitive bikes that are not as shabby as they have been previously, then maybe they'll help us grow the market. And we are a 90% player in this 350 cc plus market. So, I think hopefully, in the positive case for us, the increase in competition will mean growth in market size, which will benefit us even if we lose a couple of points of market share. Because when you are 90%, eventually there's only one place to go. It's not that we're going to give up market share, but at 90%, you're not going to gain too much market share, let's put it that way.
- So, we have got a lot of going for us and we work very hard on customer experience, on all these areas in addition to the amazing bikes that you see. So, we are not worried but in fact we are very bullish, let's put it that way.
- Onkar Ghugardare:** Thank you.



*Eicher Motors*  
*November 10, 2023*

- Divya Purohit:** Thank you. Next question we'll take from the line of Raghunandhan. Raghunandhan, please go ahead.
- Raghunandhan:** Thank you for the opportunity and festive greetings. My first question was on the accessory side. What would be the current number in terms of accessories per vehicle? Would the blended accessory sale per unit, have gone up after the recent Bullet 350 launch? Just wanted to get your sense on the trends you are seeing.
- B. Govindarajan:** Looking at per motorcycle and all those things are, in my opinion, it's a metric to just see how it is going. What primarily we look in the accessories, we have almost 587 accessories which are coming up one after the other, and it is to give an experience to the people. What we look at is how many people buying our motorcycles are happy with our motorcycle accessories. What's the adoption? If I have to tell you, almost about 89% to 90% of the consumers who are buying our motorcycles, they also buy our accessories because that's what is the experience which we wanted to give you through those accessories and the business is growing.
- Raghunandhan:** Got it, sir. In terms of the festive season, if you can share some trends in terms of regions, which regions have done well, and if you can talk about how the urban rural markets have done?
- B. Govindarajan:** Overall trend during the festive time, as I mentioned, we grew almost over 13%-13.5% compared to last year. We look at a top 10, top 20 cities, how it is and all those things and all the areas across there has been a good growth compared to last year, barring few regions. But what happens is Diwali in some regions will be very good. Navaratri in some regions will be very good. So, there will be a slight variation compared to last year, which was both in one month. This year, Navaratri and Diwali is in two different months. To that extent, you will see other regions also coming up. But overall, during the festive seasons, the retails have been very good and it was on a happy note for all of us.
- Raghunandhan:** Thank you, sir. It was very helpful. And lastly, do you expect the adventure tourer category to expand, given that you pioneered the segment and now Himalayan 450 is receiving a very good response?
- B. Govindarajan:** Yes. Category will grow when you have new products which are coming in. When we brought in the Himalayan in 2016, that created a good moment fundamentally because it was a most successful adventure tourer at that point of time. And the new Himalayan on the 450 cc, as I mentioned, it's holding the DNA of Himalayan plus with our inputs from the globetrotters, with our inputs from athletes, our inputs from riders, communities, we as a riders. And as Siddhartha was mentioning about, higher power, torque, which is required, the consumer changing, the motorcycle is also there for that, the evolution. And there is the TFT, that is the full navigation along with Google. So, it's a good motorcycle. Obviously, the reviews are very good. So, it will grow over the period of time.
- Raghunandhan:** Thank you very much, sir, for the thoughts. I'll get back to the queue.
- Divya Purohit:** Thank you. Next question we'll take from the line of Nitij Mangal. Nitij, please go ahead.
- Nitij Mangal:** Hi, good evening. Thanks for taking my question and wish you all a very Happy Diwali. My first question is on your product portfolio, if you look at how you have evolved over the last five, seven years, you have clearly come a very long way, both in terms of the number of products and the quality of products. When you look at the next three to five years, what do you think are the biggest opportunities on the product portfolio? Is it more products, more use cases, more refinements? How do you think of that over the next three to five years?
- B. Govindarajan:** Product portfolios normally are listed for five to seven years window, Nitij Mangal. So obviously what we look at is, the platforms have to be thought through, based on the platforms, what sort of an experience we can offer to the consumer, because every consumer wants a



*Eicher Motors*  
*November 10, 2023*

different kind of a motorcycle, whether the platform can lend to those sort of motorcycles which we can make and give you a differentiated experience, and that's what we know better. And our focus also will be like that. So, the core platforms are done, twin which is a 650 cc platform, which is a global product and is very successful, super refined J platform, which is a 350 cc, very well accepted. Now there is a 452 liquid-cooled new Sherpa engine platform. So, the platform selected as an engine level. You will see products which will be evolved around that.

**Nitij Mangal:**

My second question is on VECV. The company has gained quite a bit of market share in the last few years. So, I remember about five years back when you launched the Pro series, there was an expectation of market share gains and seemed didn't happen immediately, but now, over a period of time, you have. So, what's really helping you in gain these market shares in VECV? Thank you.

**Ken Trolle:**

Of course, over time, we have launched new products. Of course, we have put a lot of effort into our retail network and growing that and we are continuing to do. So, from the product side, having more product and driving the larger retail network. And as you saw that, we also had been awarded for being number one for the third year when it comes to the dealer's survey. So, this is important for us.

**Nitij Mangal:**

Okay. Thank you very much.

**Divya Purohit:**

Thank you. The next question is from the line of Gunjan Prithyani. Gunjan, please go ahead.

**Gunjan Prithyani:**

Just shifting the gears to the unveil that you made in the recent EICMA. Can you talk a little bit around that? Is there a strategic change in terms of accelerating the launches on the EV front? And is it something that we're expecting that this category can probably see faster shift towards EVs than what we were calling out earlier?

**Siddhartha Lal:**

I would say not really. I mean on the bigger motorcycle segment, it is still a while out where the curves will cross, because with the range requirements that we have, the battery size, weight and packaging is still a big issue. So, it's not a resolved issue. A motorcycle like the electric Himalayan, we call it a Testbed, because it's more than a prototype, is indeed what it is. It is a prototype, it's a testbed, it's a concept and it's not for production. It's to understand, it is for us to work on stuff so that when the time is right, we have done all the homework and background work, but we don't think it's ready for prime time.

Because even if we were to make an excellent bike like that, which we believe we can and there is no problem, it will cost maybe 3x of what current Himalayan costs, and it's probably not going to be that much better. So why would people buy that. So, the economics don't work yet but very much, this is to give a glimpse, a flavour, a taste of what we can do, what we're working on. It's only one idea. We have many ideas that we work on. But we thought because we are showcasing the new Himalayan, we'll also showcase the electric Himalayan also just to say that guys, we're there. We have got lots of things brewing, but we'll come in the market when we think the time is right.

**Gunjan Prithyani:**

Okay. And beside this I'm just trying to understand, if I look at the cc categories now, we've got these various platforms, 350, 450 and then the Interceptor and all. Is there anything else when you look at the entire product spread, that we think it's a white space and we would want to go up or down in terms of our product segmentation?

**B. Govindarajan:**

We haven't moved Gunjan because all of this side, we said middleweight is the focus, and we determine middleweight also at a point of time. And our focus will be on the middleweight segment, because we see there is a huge potential in that. And when people are looking at a higher cc motorcycle, our platforms are very good and as you also mentioned and called out very nicely, super refined J engine, 350 cc is accepted across the globe very well. Now, 450 cc, which is the new platform, liquid-cooled, with a different power and torque ranges. And the 650 cc, which we came out gave us a global recognition, is the best quality product. So, we



*Eicher Motors*  
*November 10, 2023*

have platforms which are very good. We will focus on the middleweight. Wherever there is a space, we will start working on.

- Gunjan Prithyani:** Okay. Lastly, just if I can get the capex or product development spends for this year and how we should think about it over the next two, three years?
- Vidhya Srinivasan:** I think roughly we spend somewhere between 2% to 3% as far as capex is concerned. And we really can't give you a guidance of how it's going to shape up for the next two three years. As our product portfolio develops and matures, we will invest what we need to.
- Gunjan Prithyani:** All right. Thank you so much, and apologies for the noise in the background.
- Divya Purohit:** Thank you. Next question we'll take from the line of Jinesh Gandhi. Jinesh, please go ahead.
- Jinesh Gandhi:** Congrats on great set of numbers. Two questions from my side. One is, with respect to electric motorcycles. So, given that our focus is on middleweight category, which we define by cc's. How does electrification change that? In the sense, does it open up new opportunities where middleweight is, how can define it in a different way now and how do you see that as an opportunity?
- B. Govindarajan:** Look, the middleweight, which we talked about, is in the internal combustion engine. On an electric vehicle, today, the combination is on the motor power, range, the weight of the motorcycle, there is few combinations which are there, and there's experience which we can offer too. So, the definition of the electric vehicle portfolio can be very different. But that's not to say, will we make 100 cc equivalent in the electric vehicle? That may not be the focus. So, our focus will be there at a particular range.
- Siddhartha Lal:** Yes. I think what Govind is saying is that in the foreseeable future, we don't plan to be in any basic commuter or that kind of stuff. So, we're not in a game for basic mass product, none of that. We always aspire to be in premium product and product which has a lot more meaning than just commuting to an individual. So, people who want the cheapest motorcycle in a segment, there will be other chaps to go for. We will always be in a premium segment situation and that goes for electric as well.
- Jinesh Gandhi:** Where I was coming was from that in ICE, we were very clear that we don't want to get into 250 cc or so. But in EVs, can we look at 250 cc equivalent to bring in the cost of EV to be slightly lower than what it could have been, if we were targeting similar equivalents in terms of 350 cc. Is that the way you look at it or that is not the consideration set?
- Siddhartha Lal:** So, look, honestly EV, is an open book for us. We can do anything we want. I mean we can do anything we want in ICE also, but we've chosen not to. So, yes, it is an open book. We do look at everything as a clean sheet of paper where can we make a difference. After having thought through, for many years, we will be premium, we will not be mass, we will do very interesting things, bikes that have huge desire, et cetera. But we're not specifying right now whether there will be any power category, cc category. We'll find out as when things happen. But yes, it is a more open book for us with EV.
- Jinesh Gandhi:** Got it. And second question pertains to the number of platforms which we have now with Himalayan 452. So, it's 350, 450 and 650. And if we continue with 400, then effectively we have four platforms. Do you see gaps on the platform side, on the engine for RE or effectively, these are the three, four platforms which we work with for more products.
- B. Govindarajan:** On the 350, 650 cc platform itself, there are new products, and variants which as an organisation we are working. That's why we said that there is a slew of new products and pipeline is full. We are all working on it because we see a lot of potential there itself. And three days back we just unveiled 450 and it has to go to the market. I'm sure everybody will love it because the reviews are so good. A platform development takes a longer period of time, but we said middleweight



*Eicher Motors*  
*November 10, 2023*

is the focus. In that middleweight, wherever there is a space and if there is a platform requirement which is there, we'll actually be doing this because we are not going into the extreme of commuting where a platform that has to be developed, that's not what we are. The middleweight, where we are committed, is what we will focus on and do.

**Jinesh Gandhi:** Got it. Just to clarify whether we will continue with 400 cc Himalayan or it will be replaced by 450 cc?

**B. Govindarajan:** One platform, the scale benefits, it helps, but there will always be a transition. But the Himalayan is moving into the 450 cc. For other products in this 410 cc, transition will take place over the period of time. But here and now the focus is on the new Himalayan and the platform, which is liquid-cooled, well refined, fantastic power and torque curve. That's the focus as of now in the platform.

**Jinesh Gandhi:** Got it. Thanks, and all the best.

**Divya Purohit:** Thank you. We'll take one last question from Pramod Kumar. Pramod, please go ahead.

**Pramod Kumar:** Thanks. This is my second question. Govind on the festive demand, you talked about growth, and last year we had Hunter already in the base by this time. So, if you can just help us understand on Classic, particularly where there's a lot of focus, given what's happening in terms of the choices the customer has incrementally, how is Classic as a brand done for you? Because that's like bulk of our volumes, and we've seen somewhat of a fatigue in the Classic volumes because of the price inflation, all of that. But if you can just help us understand how is Classic on standalone basis is doing the festive retails, Govind?

**B. Govindarajan:** Excellent. Pramod, first and foremost, you rightly pointed out, last year during the festival season, Hunter was just new type. It's a new product which has come in. So that's the base which got set. So, this year, during festival season with that increased base, the growth has been good. So, for every one of you who were asking, how is the festival? As I mentioned, the festival has been very good. Fundamentally with that Hunter base, we really grew very well. Classic has seen highest growth during the festive season. That is what I can share with you people. When we were looking at which product will grow and all those things, the growth for Classic across India had been good during the festive time.

**Siddhartha Lal:** We have lots of exciting plans for Classic as well. So, stay tuned and Happy Diwali.

**Pramod Kumar:** Happy Diwali to all of you. Thanks a lot. Take care, guys.

**Siddhartha Lal:** Happy Diwali. Thank you so much. And have a lovely time with your families and talk to you next quarter. Thank you all very much.