

November 13, 2019



Current Price: ₹ 21363.05

STOCK DATA

BSE Code	505200
NSE Symbol	EICHERMOT
Reuters	EICH.BO
Bloomberg	EIM IN

VALUE PARAMETERS

52 W H/L(Rs)	25300.00/15196.95
Mkt. Cap.(Rs Cr)	58299.17
Latest Equity(Subscribed)	27.29
Latest Reserve (cons.)	8891.44
Latest EPS (cons.) -Unit Curr.	770.35
Latest P/E Ratio -cons	27.73
Latest Bookvalue (cons.) -Unit Curr.	3492.66
Latest P/BV - cons	6.12
Dividend Yield -%	0.58
Face Value	10.00

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 30/09/2019
Foreign	32.51
Institutions	7.22
Govt Holding	0.11
Non Promoter Corp. Hold.	0.63
Promoters	49.31
Public & Others	10.23

Financial Results

In Cr.

Particulars	Qtr Ending Sep. 19	Qtr Ending Sep. 18	Var. (%)
Total Income	2192.47	2408.17	-9
OPM (%)	24.69	29.56	
OP	541.43	711.77	-24
Other income	153.33	171.12	-10
PBIDT	694.76	882.89	-21
Net Finance Charges	4.42	1.78	148
PBDT	690.34	881.11	-22
Depreciation	89.83	72.16	24
PBT before EO	600.51	808.95	-26
EO	0.00	0.00	
PBT after EO	600.51	808.95	-26
Tax expense	27.82	260.19	-89
PAT	572.69	548.76	4
EPS (Rs)	209.85	201.23	4

Eicher Motors Ltd.'s profit beats estimates on lower tax and higher other income

On consolidated basis, the company's net profit rose 1.19% on YoY basis backed by corporate tax rate cut during the current quarter. The company reported profit after tax at Rs 573 crores in Q2 September 2019 as compared to Rs 549 crores in Q2 September 2018.

Eicher Motors's total revenue from operations fell 9% amid slowdown in auto segment. The company reported revenue from operations stood at Rs 2,192 crore in Q2 2019 compared with Rs 2,408 crore in Q2 2018.

The company reported EBITDA at Rs 541 crore in Q2FY19, down by 26% compared to Rs 729 crore in Q2FY2018.

The company's top brand, Royal Enfield sold 163,390 motorcycles in the quarter, a decline of 22% from 209,963 motorcycles sold over the same period in the last financial year.

In the commercial vehicles segment, Eicher's joint-venture with AB Volvo continued to be affected by the demand slowdown. For the quarter ended September 2019, VE Commercial Vehicle's revenue from operations was Rs 2,004 crores, down 32% from Rs 2,966 crores in the same period last year. Profit after Tax declined by 89% to Rs. 15 crores from Rs. 142 crores recorded during the corresponding period FY 2018-19. VECV sold 11,370 trucks and buses in the quarter, registering a decline of 39.2% over the same period last year.

Driving modernisation in the CV industry, VECV continued to launch several best in class products across segments. During the quarter, VECV launched two new tippers - Eicher Pro 8028XM and Eicher Pro 6019T in HD category designed for maximizing productivity and profitability in Construction & Mining segment. Both these new tippers host new generation features such as Intelligent Driver Information System, Eicher Live advanced telematics and Fuel Coaching. VECV also launched the Eicher Pro 3014 - India's first 9-Ton payload CNG truck. The Eicher Pro 3014 has the highest pulling power in its category.

and the M-booster technology ensures high fuel efficiency by optimizing power and torque in different load conditions. The Pro 2000 series of trucks and that were launched in June 2019 have been received extremely well with market share improving to 31% in Q2 2019 from 25% in Q1 2019 in the sub-5 Ton category. With the upcoming BS-VI launch, VECV is well placed for the upcoming transition, with respect to both inventory and technology upgrade as well as its new product line up. VECV is on track for the BS-VI commercial vehicle roll out from February 2020.

Management Comments

Commenting on Eicher Motors' performance, Siddhartha Lal, Managing Director of Eicher Motors, said "Through the last few quarters, we have continued to invest for the long term by pursuing greater innovation, improving efficiencies, and making investments in different areas. We've remained focused on building greater accessibility for our consumers, through new variant launches and improving our retail footprint. The Commercial Vehicle industry continues to be challenging due to weak industry sentiments. However, VECV gained market share in Q2 2019 despite decline in total industry volume.'

Speaking on Royal Enfield's performance, Vinod Dasari, CEO Royal Enfield said, "We've persistently worked to strengthen our distribution network and product capabilities. In August, we launched 250 Studio Stores across India to bring in more accessible consumer touch points in tier 2 and 3 towns. By the end of October, we now have more than 500 Studio Stores, taking our retail footprint to over 1,400 touchpoints in India. The response to the Studio Stores has been great, and we are already working to widen our presence over the forthcoming quarter. We introduced 6 new variants of the Royal Enfield Bullet 350 and Bullet 350ES in bold new colours. We also launched the Classic 350 in new colours, with single-channel ABS. Both motorcycles have received a tremendous response from customers. In the international markets too, we've done a commendable job by more than doubling our sales volumes this quarter as compared to the previous year "

Speaking on VECV's performance Vinod Aggarwal, CEO VECV said "CV industry continues to go through a challenging phase, with extreme slowdown in demand. In the first half of this year, industry volumes have declined by 36% with an even higher drop of about 50% in the second quarter. Even though our volumes have reduced, our decline has been a bit lower than the industry with a drop of 30% in the first half and 39% in the second quarter respectively. With the onset of festival season, the customer sentiments have marginally improved and that has reflected in better performance in the two wheelers and passenger car markets. However, it still has not translated into business recovery for the commercial vehicle industry largely due to idle capacity of trucks with the transporters. Going forward, we are optimistic that industry is likely to perform better in the balance part of the year due to thrust on infrastructure investments and pre-buying of BS IV vehicles and likely pick up in business activity with improved sentiments."



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