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# EICHER MOTORS

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- EICHER MOTORS, the parent company of Royal Enfield , has been subject of several recent research reports. primarily focusing on its Q1FY25.Performance and future outlook key highlights include strong revenue launches, including the introduction of its EV, FLYING FLEA.

# Incorporation and Ventures

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- EICHER Motors limited, incorporated in 1982, is the listed company of the eicher group in India and a leading player in the Indian automobile industry and the global leader in middleweight motorcycles.
- Eicher has a joint venture with Sweden's AB Volvo to create Volvo Eicher Commercial Vehicles Limited (VECV). VECV is engaged in truck and bus operations, auto components business , and technical consulting services business.

# Recent Performance & Outlook:

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- Q1FY25 PERFORMANCE:

Eicher motors reported a standalone revenue of INR 51 billion, a 22% year on year increase, with a 4% quarter-on-quarter growth. While the revenue was in line with estimates, the company experienced a 5% miss on EBITDA estimates due to a decline in average selling price (ASP) and weaker EBITDA margins

# EBITAM and Volume Growth

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- EBITDA MARGIN:
- The standalone EBITDAM came in at 24.7%, 130 basis points below estimates
- Volume Growth:
- Eicher Motors saw a 24% year on year-on-year and 4% quarter-on-quarter volume growth.

# NEW PRODUCT LAUNCH:

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- Eicher motors has been actively launching new model under the Royal Enfield brand,
- including the Bear 650, New Classic 650, Bullet Battalion Black, Goan Classic 350, and Scram 44A.
- EV Launch:
- The company unveiled its EV, Flying Flea, showcasing the FF C6 and FF S6 models, with production slated to begin in Q1FY26
- Future Growth: research reports suggest a sustained volume growth momentum for Eicher motors coming quarters.

# Key Areas of Focus in Research Reports:

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- Royal Enfield's Global Expansion: Research reports highlight Royal Enfield's success in carving out new segments in the European market, particularly with the 650 Twins and Himalayan motorcycles.
- EV STRATEGY:
- The launch of Flying Flea and the commencement of EV production are key areas of focus for future growth.

# Commercial Vehicle Segment:

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- Research reports also analyze the performance of VE commercial vehicles (VECV), a subsidiary of eicher Motors, including its profitability and contribution to the overall revenue.
- Financial Performance:
- Research reports delve into Eicher motors' financial performance, including revenue , EBITDA, margins, and net profit

# Shareholding Pattern:

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- some reports also analyze the shareholding pattern of Eicher motors, including the holdings of FIIs and FPIs. overall, research reports suggest a positive outlook for Eicher Motors, driven by its strong brand presence, successful product launches, and strategic focus on global expansion and electric vehicles.

# BUSINESS VERTICALS

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- 1)ROYAL ENFLIED:The company manufactures and markets motorcycles under the ROYAL ENFLIED brand. Its product portfolio comprises motorcycles like the classic 350, Bullet 350, Hunter 350, Scram 411 himalayan 450, etc. It also offers apparel for men and women like protective riding apparel, urban casual wear, and riding accessories.
- GEOGRAPHICAL SPLIT
- DOMESTIC: 88% IN FY24 vs 83% infy22
- Exports: 12% in FY24 vs 17% FY22 [13] [14]
- In march 2024 , the company set up a new WOS in the Netherlands, it has also expanded
- It's operations Turkey in FY24.

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- CAPEX

- The company established a CKD (assembly unit) in Nepal in FY24, with a capacity of 20,000 units to serve nepal and the SAARC region. Additionally, it has plans to set up CKDs in Bangladesh, which will begin operations from FY25 onwards. The company spent Rs 808 Cr on capital expenditure in FY24 up from Rs. 629 Cr in FY22

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- JV
  - In June 2024, the company entered into a JV agreement with iTriangle Infotech Pvt Ltd, to jointly on the business of location intelligence solutions, fleet management solutions, commercial vehicle-related operations, advisory services, connected solutions, and other related businesses.
  - **MANUFACTURING FACILITY:**
  - ROYAL Enfield has 3 manufacturing facilities in Chennai with a total production capacity of 12 lakh motorcycles per annum, operating at 77% capacity utilization in FY24 compared to 50% in FY22. It also operates 2 technical centers, located in Bruntingthorpe, UK, and Chennai, India, along with 5 modern CKB assembly facilities in Nepal, Brazil, Thailand, Argentina, and Colombia.