

May 16, 2023



Current Price:

₹ 3658.35

STOCK DATA

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

VALUE PARAMETERS

52 W H/L(Rs)	3886.00/2496.70
Mkt. Cap.(Rs Cr)	100049.13
Latest Equity(Subscribed)	27.35
Latest Reserve (cons.)	14962.93
Latest EPS (cons.) -Unit Curr.	106.55
Latest P/E Ratio -cons	34.33
Latest Bookvalue (cons.) -Unit Curr.	548.13
Latest P/BV - cons	6.67
Dividend Yield -%	1.01
Face Value	1.00

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 31/03/2023
Foreign	29.24
Institutions	11.28
Non Promoter Corp. Hold.	0.51
Promoters	49.2
Public & Others	9.76

Financials Results

In Cr.

Particulars	Qtr Ending Mar. 23	Qtr Ending Mar. 22	Var. (%)
Net Sales	3,804.32	3,193.32	19
OPM (%)	24.54	23.71	83 bps
OP	933.65	757.05	23
Other Inc.	205.51	118.02	74
PBIDT	1,139.16	875.07	30
Interest	8.16	3.13	161
PBDT	1,131.00	871.94	30
Depreciation	148.03	119.44	24
PBT	982.97	752.50	31
Share of Profit/(Loss) from Associates	173.38	53.79	222
PBT	1,156.35	806.29	43
Taxation	250.77	196.15	28
PAT	905.58	610.14	48
EPS (Rs)*	33.11	22.31	48

Eicher Motors Q4 Results: Profit surges 48% YoY, meets estimates

For the quarter ending March 2023, consolidated Net sales (including other operating income) of Eicher Motors has increased 19.13% to Rs 3804.32 crore compared to quarter ended Mar 2022. Operating profit margin has jumped from 23.71% to 24.54%, leading to 23.33% rise in operating profit to Rs 933.65 crore. Raw material cost as a % of total sales (net of stock adjustments) decreased from 54.97% to 51.84%. Purchase of finished goods cost fell from 3.15% to 2.40%. Employee cost increased from 6.66% to 6.84%. Other expenses rose from 12.51% to 13.59%.

Other income rose 74.13% to Rs 205.51 crore. PBIDT rose 30.18% to Rs 1139.16 crore. Provision for interest rose 160.70% to Rs 8.16 crore. Loan funds rose to Rs 288.41 crore as of 31 March 2023 from Rs 107.71 crore as of 31 March 2022. Inventories rose to Rs 1,278.44 crore as of 31 March 2023 from Rs 1,132.40 crore as of 31 March 2022. Sundry debtors were higher at Rs 368.92 crore as of 31 March 2023 compared to Rs 302.04 crore as of 31 March 2022. Cash and bank balance declined from Rs 2,722.47 crore as of 31 March 2022 to Rs 857.12 crore as of 31 March 2023. Investments rose to Rs 12,320.66 crore as of 31 March 2023 from Rs 7,720.58 crore as of 31 March 2022 .

PBDT rose 29.71% to Rs 1131 crore. Provision for depreciation rose 23.94% to Rs 148.03 crore. Fixed assets increased to Rs 2,303.53 crore as of 31 March 2023 from Rs 2,228.42 crore as of 31 March 2022. Intangible assets increased from Rs 700.64 crore to Rs 858.53 crore. Profit before tax grew 30.63% to Rs 982.97 crore. Share of profit/loss was 222.33% higher at Rs 173.38 crore. Provision for tax was expense of Rs 250.77 crore, compared to Rs 196.15 crore. Effective tax rate was 21.69% compared to 24.33%. Minority interest was nil in both the periods. Net profit attributable to owners of the company increased 48.42% to Rs 905.58 crore.

Full year results analysis.

Net sales (including other operating income) of Eicher Motors has increased 40.24% to Rs 14442.18 crore. Operating profit margin has jumped from 21.09% to 23.84%, leading to

58.53% rise in operating profit to Rs 3,443.58 crore. Raw material cost as a % of total sales (net of stock adjustments) decreased from 55.19% to 54.08%. Purchase of finished goods cost fell from 3.25% to 2.97%. Employee cost decreased from 7.86% to 6.91%. Other expenses fell from 12.91% to 12.30%.

Other income rose 35% to Rs 595.11 crore. PBITD rose 54.56% to Rs 4038.69 crore. Provision for interest rose 49.20% to Rs 28.02 crore. Loan funds rose to Rs 288.41 crore as of 31 March 2023 from Rs 107.71 crore as of 31 March 2022. Inventories rose to Rs 1,278.44 crore as of 31 March 2023 from Rs 1,132.40 crore as of 31 March 2022. Sundry debtors were higher at Rs 368.92 crore as of 31 March 2023 compared to Rs 302.04 crore as of 31 March 2022. Cash and bank balance declined from Rs 2,722.47 crore as of 31 March 2022 to Rs 857.12 crore as of 31 March 2023. Investments rose to Rs 12,320.66 crore as of 31 March 2023 from Rs 7,720.58 crore as of 31 March 2022 .

PBDT rose 54.60% to Rs 4010.67 crore. Provision for depreciation rose 16.44% to Rs 526.21 crore. Fixed assets increased to Rs 2,303.53 crore as of 31 March 2023 from Rs 2,228.42 crore as of 31 March 2022. Intangible assets increased from Rs 700.64 crore to Rs 858.53 crore.

Profit before tax grew 62.65% to Rs 3,484.46 crore. Share of profit/loss was 423.97% higher at Rs 315.17 crore. Provision for tax was expense of Rs 885.69 crore, compared to Rs 525.91 crore. Effective tax rate was 23.31% compared to 23.88%. Minority interest was nil in both the periods. Net profit attributable to owners of the company increased 73.80% to Rs 2,913.94 crore.

Other Highlights

- Board Recommended final dividend of Rs 37 per equity share of face value of Re 1 each for the financial year ended March 31, 2023.
- Board has also approved a cash outlay towards capex of Rs 1,000 crore for Financial Year 2023-24, which includes the investment towards EV manufacturing facility and product development and new product development under Internal Combustion Engine portfolio.
- During the year, company inked a strategic partnership with European high-performance electric motorcycle maker, Stark Future SL, by investing € 50 million in the company. The partnership includes collaborative research and development of electric motorcycles, technology sharing, technical licensing, and manufacturing.

Management Comments :

Siddhartha Lal, Managing Director, Eicher Motors Ltd, said, The world has settled into a 'new normal' after two years of chaos and uncertainties that kept throwing business out of gear. In line with that, this was an outstanding year for Eicher Motors Ltd. We saw overall stabilization of supply chain, markets, and also the organization, and made significant progress on all important initiatives resulting in our best ever business and financial performance, both at Royal Enfield and VE Commercial Vehicles. This is a strong testament to our strategic vision, direction and business approach. At Royal Enfield, we launched the Hunter 350 and the Super Meteor 650 this year, and the consumer response to these motorcycles has been incredible across the world. We are also making confident strides in our EV journey as we've made considerable progress on our EV motorcycle plans, and also had a great start to our partnership with Stark Future. At VE Commercial Vehicles as well, we have recorded a brilliant performance this year, as we registered our highest ever sales, revenue and made strong market-share gains across segments. We also showcased an array of alternative fuel and future-ready options at

the Auto Expo 2023. Going ahead, we firmly believe that Eicher Motors Ltd is set for the next phase of growth and we look forward to bringing new ideas and innovations, across both companies.”

B. Govindarajan, CEO - Royal Enfield and Wholetime Director, EML said, "FY 2022-23 has been an amazing year for team Royal Enfield; we have witnessed phenomenal success with our recently launched motorcycles, and performed well on the overall business and market front. We beat our previous record by registering our highest ever annual sales across the world and have also made remarkable growth in our market share across geographies. Beyond volumes and market share, our bigger achievement and highlight this year has been expanding the market itself. With the launch of our new motorcycles, the Hunter 350 and Super Meteor 650, we have been able to bring in a completely new set of consumers into the Royal Enfield community. It has been remarkable to meet and engage with some of these riders, and leads us to strongly believe that our product strategy and proposition is in the right direction and is catering to what consumers want. We have a strong line-up of motorcycles for the forthcoming year, and robust plans for growth, with our sights firmly fixed on our long term strategic objectives. We will also aggressively work towards expanding our reach in existing and newer international markets during the upcoming year, and as always, we will keep riding pure.”

Speaking on VECV’s performance Vinod Aggarwal, MD and CEO VECV said “FY 23 was a break-out year for VECV. We recorded our best ever performance and registered our highest ever sales of 77,760 units. With a strong focus on customer-centricity supported by industry leading initiatives in digitalization, retail excellence, superior product technology and service delivery, we have made good progress towards our mission of modernising commercial transportation in India and developing markets. Our commitment towards increasing Uptime to our customers, coupled with strong focus on price and cost management, supported improvement in profitability despite high inflation and supply chain disruptions. In FY’23, we reiterated our commitment to sustainable transport by delivering 40 electric buses to the prestigious city of Chandigarh and showcased a wide range of Future Ready solutions emphasizing De-Carbonization, Uptime and Connected Solutions at the Auto Expo 2023. It is heartening to note the recognition from customers, dealers, and the industry. We ranked #1 in the Dealer Satisfaction Survey for the second year in a row, and 6 Eicher and Volvo trucks and buses ranked #1 across categories at the prestigious Apollo CV Awards.”

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