

# Eicher Motors Ltd



Date: 04 Apr 2026

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COMPANY NAME: EICHERMOT

RATING: BUY | CMP: 6645 | TARGET: 7234 | TIME FRAME: 9-12 MONTHS

Sector: AUTOMOBILES

## Why EICHERMOT is a BUY:

Eicher Motors Limited is a leading Indian automotive company best known for its iconic premium motorcycle brand Royal Enfield and its joint venture with Volvo Group in the commercial vehicle segment through VE Commercial Vehicles.

Headquartered in India, the company has built a strong position in the mid-size premium motorcycle segment (250cc–750cc), where Royal Enfield enjoys a dominant market share both domestically and in several international markets. Eicher Motors focuses on a blend of heritage styling and modern engineering, which has helped it create a strong brand recall and loyal customer base.

In addition, through VECV, the company has a presence in trucks and buses, benefiting from technology support from Volvo. The company's strategy revolves around premiumization, global expansion, product innovation, and strengthening its distribution network, making it a well-diversified player in both the premium two-wheeler and commercial vehicle segments.

## Unique qualities of the company:

1. Eicher Motors Limited stands out due to its strong brand legacy, focused premium positioning, and efficient business model.
2. Its flagship brand Royal Enfield enjoys a cult-like following, built on timeless design, distinctive engine character, and a lifestyle-driven appeal rather than just utility, which creates high customer loyalty and pricing power.
3. The company has a unique niche dominance in the mid-size motorcycle segment (250cc–750cc), where competition is relatively limited, allowing it to maintain strong margins.
4. Additionally, its disciplined capital allocation, asset-light approach in expansion, and consistent focus on profitability over aggressive volume growth enhance financial stability.
5. On the commercial vehicle side, its joint venture VE Commercial Vehicles benefits from advanced technology and global best practices from Volvo Group, giving it a competitive edge in efficiency and product quality.
6. Overall, the combination of a powerful brand, niche leadership, global aspirations, and operational discipline makes Eicher Motors uniquely positioned in the Indian auto sector.

## Why to invest in EICHERMOT:

1. Investing in Eicher Motors Limited offers a compelling long-term opportunity due to its strong growth visibility, premium brand strength, and consistent financial performance.
2. The company's flagship brand Royal Enfield dominates the mid-size premium motorcycle segment, enjoying high customer loyalty and pricing power, which supports strong margins and profitability.
3. Financially, Eicher Motors has demonstrated robust growth, with revenue rising around 23% and profit growing over 20% year-on-year in recent quarters, driven by strong motorcycle demand and improving commercial vehicle performance.
4. Moreover, the company is expanding manufacturing capacity to nearly 2 million units annually and increasing its global footprint, which provides long-term volume growth visibility.
5. Its joint venture VE Commercial Vehicles with Volvo Group adds diversification and technological strength in the commercial vehicle segment.
6. Additionally, Eicher's strong balance sheet, high return ratios, and focus on premiumization and electric vehicle transition further strengthen its investment appeal, making it a quality compounder in the Indian auto sector.

## Future prospects of the company:

1. The future prospects of Eicher Motors Limited remain strong, driven by multiple structural growth drivers across both its motorcycle and commercial vehicle businesses.
2. Its flagship brand Royal Enfield continues to benefit from rising premiumization in the Indian two-wheeler market, where demand for mid-size bikes is growing faster than the overall industry.
3. The company is aggressively expanding its production capacity to around 2 million units annually, which reflects confidence in sustained demand and provides long-term volume growth visibility.
4. Additionally, Royal Enfield is strengthening its global presence with increasing exports and new product launches, helping it evolve into a global mid-weight motorcycle leader.
5. At the same time, the commercial vehicle business through VE Commercial Vehicles is expected to benefit from India's infrastructure push, logistics growth, and improving freight cycles, which support volume and margin expansion over the medium term.
6. The company's consistent double-digit revenue and profit growth, strong margins, and ongoing investments in capacity, product pipeline, and brand building further strengthen its outlook.
7. However, near-term challenges like commodity cost pressures and increased spending for growth may impact margins slightly.
8. Overall, Eicher Motors is well-positioned as a long-term compounder, supported by premium positioning, global expansion, and dual growth engines in motorcycles and commercial vehicles.

## KEY FINANCIALS TILL Q3FY26:

### Consolidated Quarterly Results:

|                   | Mar-24 | Jun-24 | Sep-24 | Dec-24 | Mar-25 | Jun-25 | Sep-25 | Dec-25 |
|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Sales             | 4,256  | 4,393  | 4,263  | 4,973  | 5,241  | 5,042  | 6,172  | 6,114  |
| Expenses          | 3,127  | 3,228  | 3,175  | 3,772  | 3,983  | 3,839  | 4,660  | 4,557  |
| Operating Profit  | 1,129  | 1,165  | 1,088  | 1,201  | 1,258  | 1,203  | 1,512  | 1,557  |
| OPM %             | 27%    | 27%    | 26%    | 24%    | 24%    | 24%    | 24%    | 25%    |
| Other Income      | 437    | 457    | 468    | 452    | 628    | 603    | 486    | 465    |
| Interest          | 15     | 12     | 13     | 13     | 16     | 15     | 19     | 17     |
| Depreciation      | 165    | 169    | 180    | 179    | 201    | 198    | 200    | 211    |
| Profit before tax | 1,385  | 1,441  | 1,362  | 1,461  | 1,669  | 1,593  | 1,779  | 1,793  |
| Tax %             | 23%    | 24%    | 19%    | 20%    | 18%    | 24%    | 23%    | 21%    |
| Net Profit        | 1,070  | 1,101  | 1,100  | 1,170  | 1,362  | 1,205  | 1,369  | 1,421  |
| EPS in Rs         | 39.1   | 40.2   | 40.15  | 42.7   | 49.68  | 43.95  | 49.93  | 51.79  |

### Profit & Loss Statement:

|                   | Mar-19 | Mar-20 | Mar-21 | Mar-22 | Mar-23 | Mar-24 | Mar-25 |
|-------------------|--------|--------|--------|--------|--------|--------|--------|
| Sales             | 9,797  | 9,154  | 8,720  | 10,298 | 14,442 | 16,536 | 18,870 |
| Expenses          | 6,893  | 6,971  | 6,937  | 8,120  | 10,996 | 12,206 | 14,148 |
| Operating Profit  | 2,904  | 2,183  | 1,783  | 2,178  | 3,446  | 4,329  | 4,723  |
| OPM %             | 30%    | 24%    | 20%    | 21%    | 24%    | 26%    | 25%    |
| Other Income      | 701    | 572    | 482    | 496    | 908    | 1,521  | 1,994  |
| Interest          | 7      | 19     | 16     | 19     | 28     | 51     | 54     |
| Depreciation      | 300    | 382    | 451    | 452    | 526    | 598    | 729    |
| Profit before tax | 3,297  | 2,355  | 1,798  | 2,203  | 3,800  | 5,202  | 5,933  |
| Tax %             | 33%    | 22%    | 25%    | 24%    | 23%    | 23%    | 20%    |
| Net Profit        | 2,203  | 1,827  | 1,347  | 1,677  | 2,914  | 4,001  | 4,734  |
| EPS in Rs         | 80.75  | 66.91  | 49.28  | 61.32  | 106.55 | 146.13 | 172.69 |

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## Balance Sheet:

|                   | Mar-19 | Mar-20 | Mar-21 | Mar-22 | Mar-23 | Mar-24 | Mar-25 |
|-------------------|--------|--------|--------|--------|--------|--------|--------|
| Equity Capital    | 27     | 27     | 27     | 27     | 27     | 27     | 27     |
| Reserves          | 8,891  | 9,954  | 11,411 | 12,581 | 14,963 | 18,018 | 21,269 |
| Borrowing         | 187    | 249    | 219    | 108    | 288    | 419    | 458    |
| Other Liabilities | 2,281  | 2,220  | 2,901  | 3,424  | 3,919  | 4,650  | 5,420  |
| Total Liabilities | 11,387 | 12,450 | 14,559 | 16,140 | 19,198 | 23,115 | 27,174 |
| Fixed Assets      | 1,875  | 2,378  | 2,433  | 2,424  | 2,690  | 2,914  | 3,473  |
| CWIP              | 450    | 312    | 314    | 505    | 472    | 555    | 491    |
| Investments       | 4,923  | 5,749  | 3,902  | 7,721  | 12,321 | 13,527 | 14,791 |
| Other Assets      | 4,140  | 4,011  | 7,909  | 5,490  | 3,715  | 6,119  | 8,419  |
| Total Assets      | 11,387 | 12,450 | 14,559 | 16,140 | 19,198 | 23,115 | 27,174 |

## Shareholding Pattern:

|                     | Jun-24   | Sep-24   | Dec-24   | Mar-25   | Jun-25   | Sep-25   | Dec-25   |
|---------------------|----------|----------|----------|----------|----------|----------|----------|
| Promoters           | 49.11%   | 49.10%   | 49.09%   | 49.08%   | 49.07%   | 49.06%   | 49.06%   |
| FIs                 | 28.81%   | 27.61%   | 25.42%   | 25.02%   | 25.82%   | 26.98%   | 27.01%   |
| DIs                 | 11.84%   | 13.67%   | 16.11%   | 16.55%   | 15.67%   | 14.62%   | 14.64%   |
| Public              | 10.14%   | 9.52%    | 9.30%    | 9.26%    | 9.35%    | 9.25%    | 9.19%    |
| No. of Shareholders | 2,56,978 | 2,47,951 | 2,46,190 | 2,49,483 | 2,54,118 | 2,52,901 | 2,60,429 |

## Stock price CAGR:

| Stock Price CAGR |     |
|------------------|-----|
| 10 Years:        | 13% |
| 5 Years:         | 20% |
| 3 Years:         | 30% |
| 1 Year:          | 24% |

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## Technical View on the Stock:



From a medium-term technical perspective, Eicher Motors Limited appears structurally strong with a positive bias, supported by its sustained uptrend on higher time frames. The stock has been forming a pattern of higher highs and higher lows, indicating continued buying interest on dips.

It is trading above its key moving averages such as the 50-day and 200-day, which typically signals bullish momentum in the medium term. Any corrective phase towards these moving averages is likely to act as a buying opportunity rather than a trend reversal.

The Relative Strength Index (RSI) remains in a comfortable zone, suggesting neither extreme overbought nor oversold conditions, leaving room for further upside. Additionally, consistent volume support near breakout zones indicates accumulation by institutional players.

As long as the stock holds above its key support levels, the outlook remains positive with potential for gradual upside, though intermittent consolidation cannot be ruled out after recent gains.

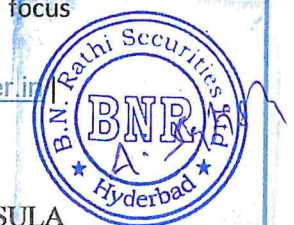
### Conclusion:

In conclusion, Eicher Motors Limited stands out as a high-quality compounder in the Indian auto space, backed by the strong brand equity of Royal Enfield, consistent financial performance, and a clear long-term growth strategy. Its leadership in the premium motorcycle segment, expanding global footprint, and steady contribution from the commercial vehicle business through VE Commercial Vehicles provide both stability and growth visibility. While short-term challenges like margin pressures or demand cycles may create volatility, the company's strong balance sheet, high return ratios, and focus on premiumization and innovation position it well for sustained long-term growth.

Sources: [www.nseindia.com](http://www.nseindia.com) | [www.bseindia.com](http://www.bseindia.com) | [www.moneycontrol.com](http://www.moneycontrol.com) | [www.screener.in](http://www.screener.in)

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