

Annual General Meeting

23-August-2017



PRICOL LIMITED
Passion to Excel

Welcome to Pricol Limited's 6th Annual General Meeting



PRICOL LIMITED
Passion to Excel

Agenda

- Financial Performance – FY 2016-17
- New Business Wins
- Company Outlook – FY 2017-18
- Commissioned greenfield plant in Pune
- PMP Acquisition
- Oxygen Sensor – Technology Agreement with Kerdea
- PT Pricol Surya Indonesia
- Pricol Do Brazil
- Vision

Annual Financial Performance – FY 2016-17

Standalone:

- Pricol Limited's standalone bottomline grew by 41 % in FY 2016-17.
- An outcome of constant efforts towards productivity improvement and cost saving.
- Have retained our standalone total revenue at INR 12,684.27 Million in FY 2016-17, despite market fluctuations.
- Profit before tax grew by 48% y-o-y and stood at INR 629.72 Million.

Revenue Variance – FY 2016 VS FY 2017

₹ in Million

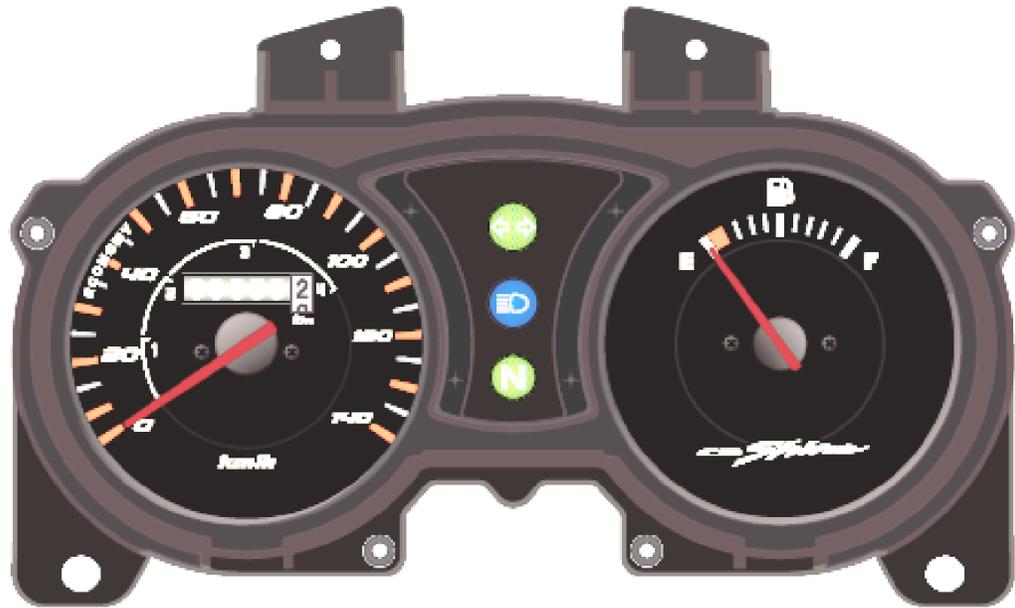
Product Groups	2015-16	2016-17	% Change	Remarks
Driver Information System	5352	5096	-5%	410 Mn- Pricol Pune - Sales drop due to sale of Renault Business to Visteon. Excluding such fall, Pricol Sales have grown by 3%
Switches & Sensors	1652	1329	-19.6%	Conscious choice to restrict sales for FLS and Speed Sensors due to lower margins. Drop in volumes in across Vehicle Segments & Customers. We are realigning our Sensors strategy and will witness a growth in FY 17-18
Pumps & Mechanical Products	2919	3180	9%	
Asset Management Solutions & Telematics	204	257	26%	
Auto Accessories & Others	309	298	-4%	Reduction in sales of Xenos Products during the year
Subtotal	10436	10160	-3%	
Speed Limiting Devices	1586	1987	25%	Business of SLD commenced only from Oct 2015 for FY 15-16
Total Sales	12022	12147	1%	



Note: For comparative purposes, the combined figures (unaudited) of erstwhile Pricol Limited and erstwhile Pricol Pune have been considered.

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Some New Business Wins

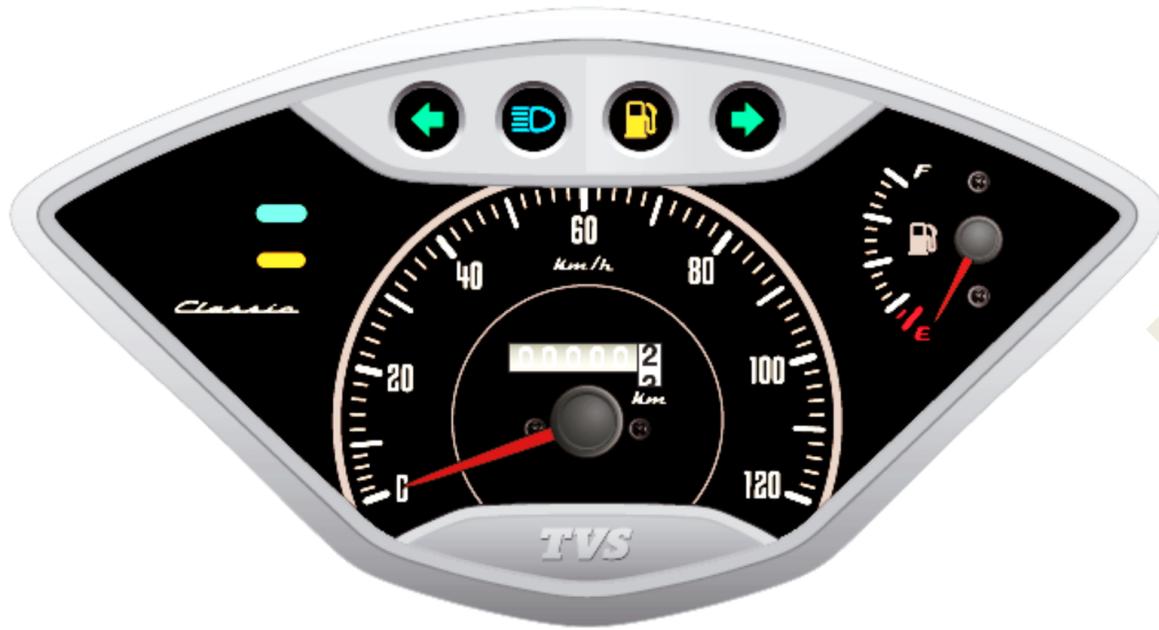


Product : Instrument Cluster
Customer/Model : Honda Shine
Approx. Revenue Per Annum : INR 41.6 Mn
Start of Production : Feb - 17

Product : Instrument Cluster
Customer/Model : KTM - Austria
Approx. Revenue Per Annum : INR 25 Mn
Start of Production : June - 17



Some New Business Wins

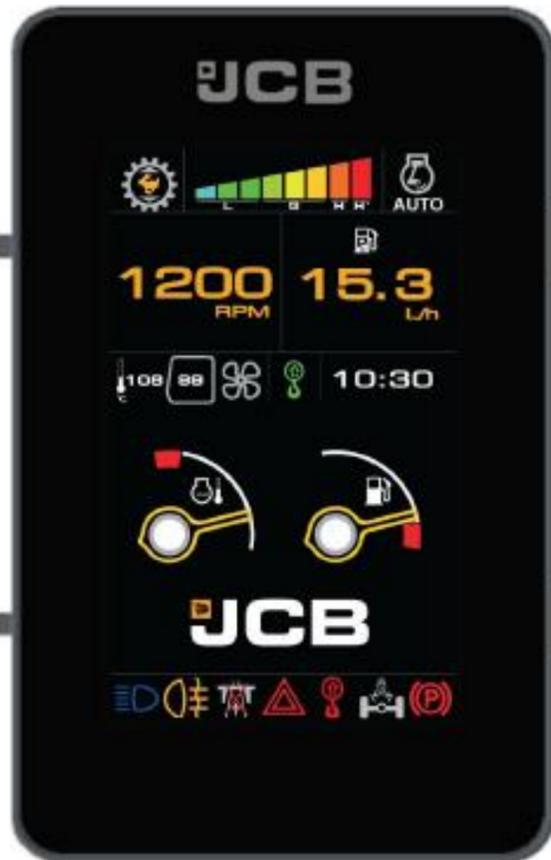


Product : Instrument Cluster
 Customer/Model : TVS – Jupiter Classic
 Approx. Revenue Per Annum : INR 103 Mn
 Start of Production : July – 17

Product : Instrument Cluster
 Customer/Model : Hero – Super Splendor
 Approx. Revenue Per Annum : INR 29.7 Mn
 Start of Production : Nov - 17



Some New Business Wins



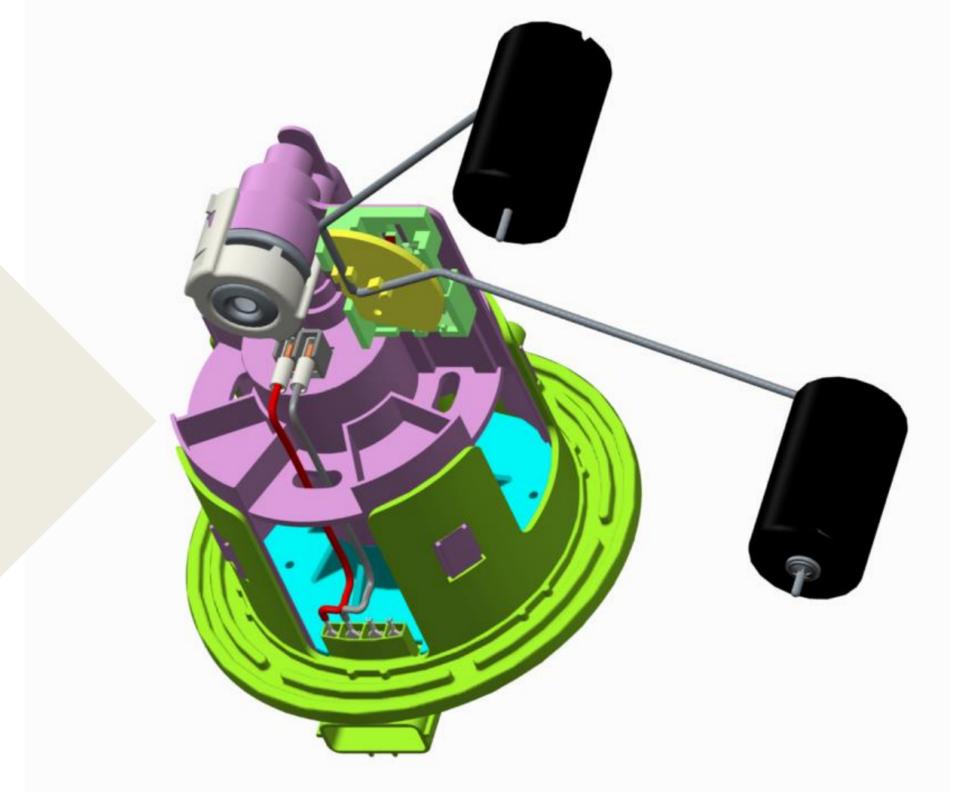
Product : TFT Instrument Cluster
 Customer/Model : JCB
 Approx. Revenue Per Annum : INR 33.75 Mn
 Start of Production : Feb - 18

Product : Digital Instrument Cluster
 Customer/Model : CNH - Turkey
 Approx. Revenue Per Annum : INR 76.91 Mn
 Start of Production : Nov - 17



Some New Business Wins

Product : Fuel Pump Module
Customer/Model : Hero Motors
Approx. Revenue Per Annum : INR 25 Mn
(INR 125 MN from FY 19)
Start of Production : Nov - 17

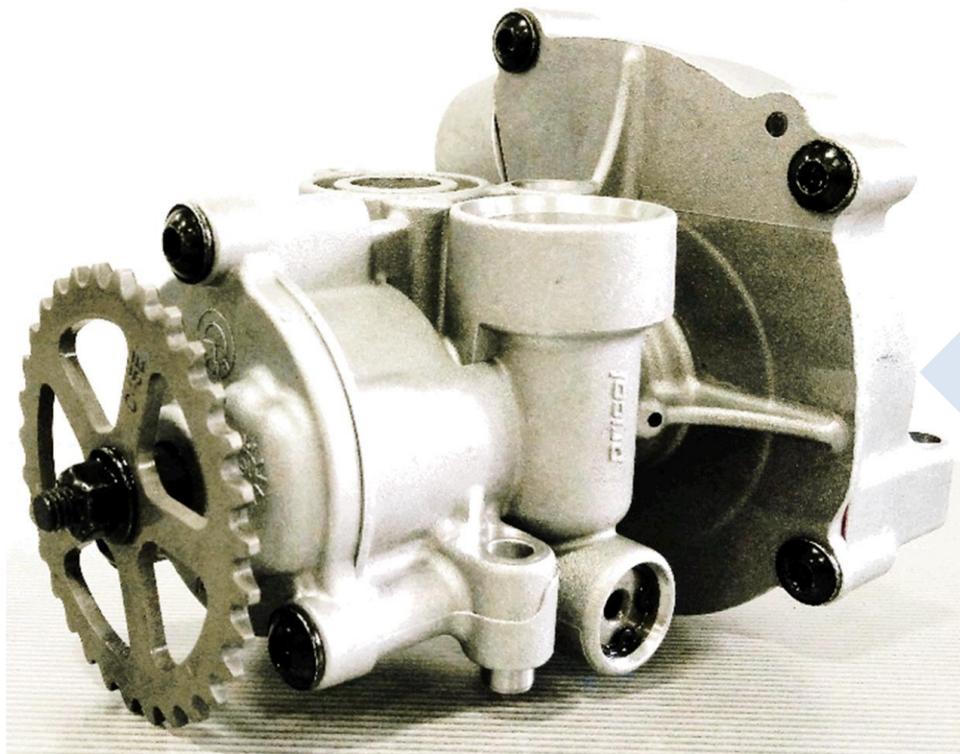


Product : Aftermarket Telematics
Customer/Model : Ziqitza Health Care
Approx. Revenue Per Annum : INR 19.6 Mn
Start of Production : April - 2017

Some New Business Wins

Global business from CAT for Heavy Duty Water Pumps

Product : Heavy Duty Water Pump
Customer/Model : CAT
Approx. Revenue Per Annum : INR 205 Mn (FY 19)
Start of Production : Q2 - 2019

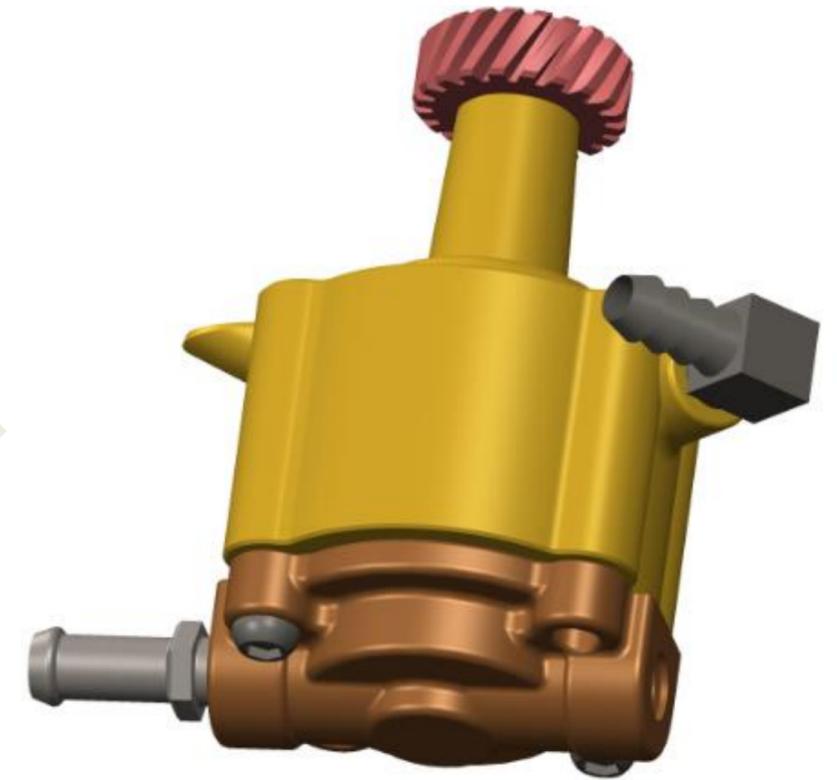


Global business for Oil Pumps for BMW Germany

Product : Oil Pump
Customer/Model : BMW
Approx. Revenue Per Annum : INR 20.48 Mn (FY 19)
Start of Production : May 2018

Some New Business Wins

Product : Oil Pumps
Customer/Model : Harley Davidson US
Approx. Revenue Per Annum : INR 28.28 Mn (FY 19)
Start of Production : April - 2018



Company Outlook for FY 2017-18

REVENUE BREAKUP – BUSINESS SEGMENT-WISE (STANDALONE)

₹ in Million

Segment	2016-17	2017-18	% Change (FY17- FY18)	
	Actual	Plan	Pricol	Market
2W & 3W	6369	8020	26%	10-12%
4W	1005	934	-7%	8-10%
CV	638	818	28%	Negative Growth
ORV	712	716	1%	Negative Growth
Tractor	542	761	40%	9-10%

Note: Pricol Growth is estimated on Value, Market growth rate is estimated on volume terms.

Note : Not including SLD, Components, Tools, Aftermarket, SCMS, Telematics.

CV Sales for FY 2016-17 are reduced by the SLD Sales for comparison purposes.

Negative in 4W primarily because of Denso.

Company Outlook for FY 2017-18

- For comparison purposes, revenues are expected to grow at 20% this year (higher than the market) excluding Speed Limiting Device revenues.
- Even after including last year's Speed Limiting Device revenues, Pricol is expected to grow at 2 % compared to previous year.

REVENUE BREAKUP – PRODUCT GROUP-WISE (STANDALONE) (FY17-18)

₹ in Million

Product Group	2016-17 (Actuals)	2017-18 (Plan)	% Change
Driver Information System	5096	6053	19%
Switches & Sensors	1329	1729	30%
Pumps & Mechanical Products	3180	3775	19%
Asset Management Solution & Telematics	257	400	56%
Auto Accessories & Others	298	228	-23%
Subtotal	10160	12185	20%
Speed Limiting Device	1987	246	-88%
Total Sales	12147	12431	2%

Company Outlook for FY 2017-18 – Key Business Highlights

- Several factors supporting revenue growth across products verticals.
- Increase share of business from key customers like TVS, Royal Enfield and Yamaha etc. supported by 2W market growing at 10% – INR 238 Million.
- New products in pipeline which will contribute INR 1701 Million across all product verticals.
- Contribution from Telematics Business : INR 400 Million.

Key Investments – FY 17-18

Planned CAPEX : **INR 1000 Million.**

- Manufacturing facilities in Sricity in Andhra Pradesh and Hosur in Tamil Nadu : **INR 300 Million.**
- Machinery for Expansion and Automation : **INR 700 Million.**



Brother Machining Centers



Makino Machining Centers



Surface Mounting Device
Machines

Key Investments (Die Casting Shop)



Aluminium Die Casting Machines



Key Investments (Sintered Components Plant)



Sinter and Hardening Furnace



Powder Compacting Press

Roof-top Solar Panels – Plant 3

- Installed 1 MW roof-top solar panels at Plant 3 which will fulfil 20% the daily power requirement.



Commissioned Greenfield Plant in Pune

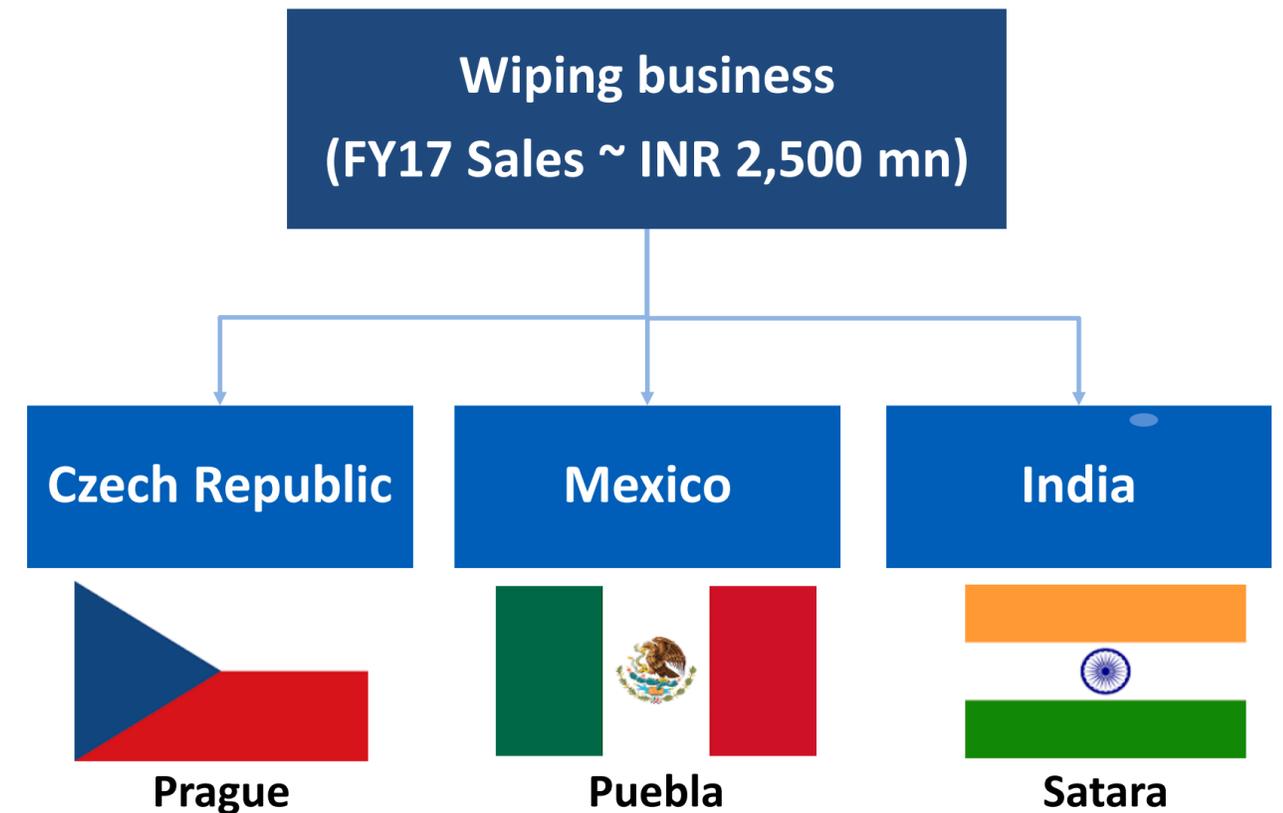
- High-efficiency plant built across 5.8 Acres with a built up area of 2.18 Acres in Phulgaon.
- The state-of-the-art manufacturing plant aims to generate an annual revenue of INR 2200 Million in the next 2 years, up from the current annual revenue of INR 1200 Million.
- Installed 350 KW roof-top solar panels which fulfils 40% of the daily power requirement.



PMP Acquisition

PMP PAL : A Leading Global Manufacturer of Automotive Wiping Systems

- With a track record of over 90 years, PMP PAL International s.r.o. ("PMP PAL") designs and manufactures wiping systems, heavy duty wipers, front wiper sets etc. at its state-of-the-art manufacturing facility in Prague.
- Set-up in 2014, India growth would be driven by cost effective solutions to high volume models in the Indian market. India Wiping division has been able to win marquee accounts such as Renault Kwid, Renault XBB, Nissan I2 and Maruti Alto.
- Set-up in 2015, Mexico has commenced production and serves global leaders such as VW and Skoda to build presence in Mexico.



KEY CUSTOMERS:



PMP Acquisition : The Rationale



**Key
Investment
Highlights**

Revenue visibility with a confirmed order book and steady EBITDA margins

Low Cost Manufacturing footprint in East Europe (Czech Republic) and Greenfield plant in Mexico

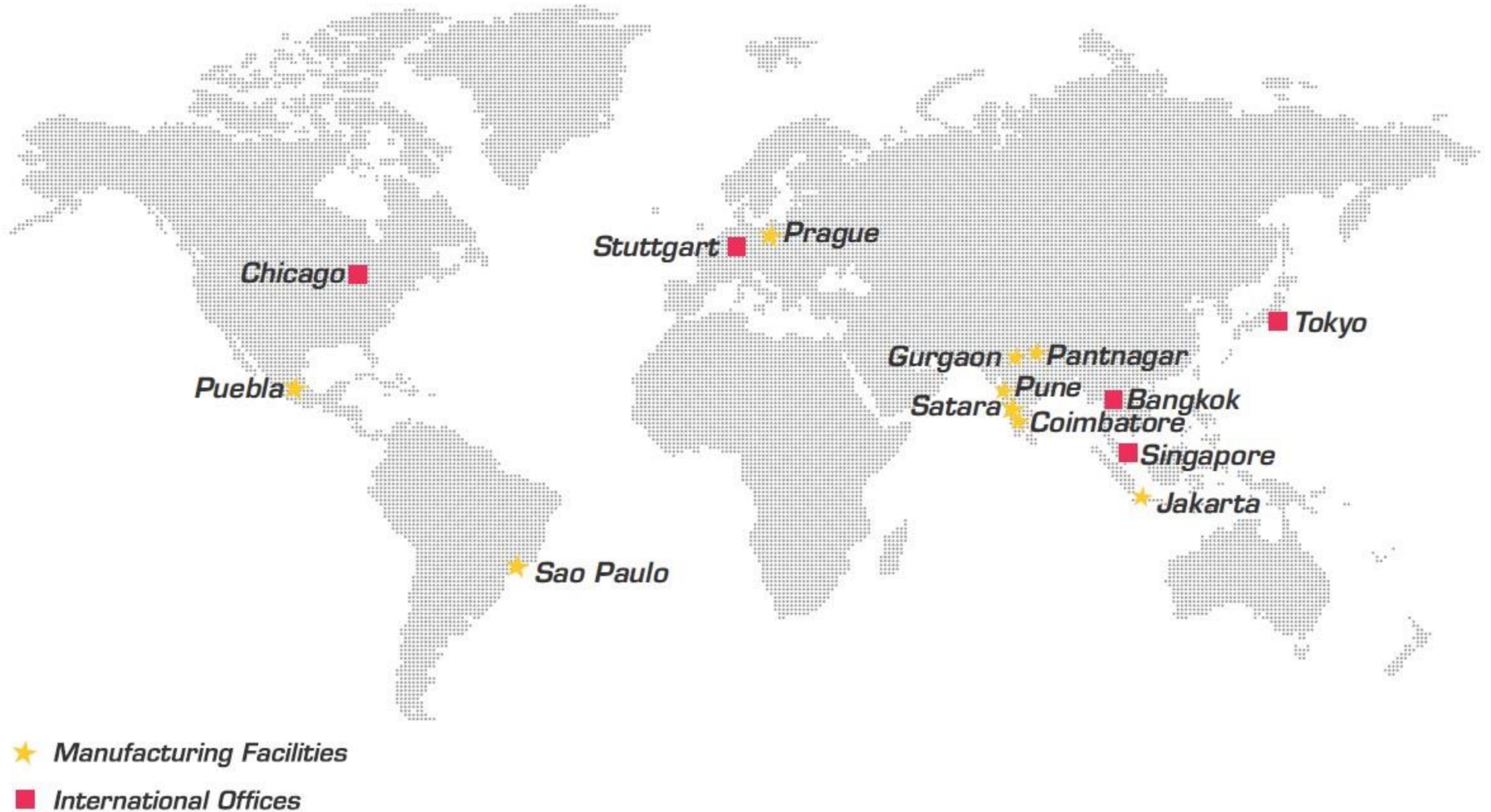
Inroads into the 4W segment and diversify the combined revenue profile and get sizable access to a marquee customer base including VW, Fiat, Renault and Maruti

Strong focus on R&D and Quality. In process of developing technologically advanced 4pole motor; which will add revenues and market share in future

Established platform to capitalize on the growth of Global Wiper Systems Market better leveraged by Pricol

Financially stable CZ operations able to self-sustain its growth and support acquisition

Global Presence – Post PMP Acquisition



Oxygen Sensor – Technology Agreement with Kerdea



- Signed an Exclusive licensing agreement with Kerdea Technologies for Oxygen (O₂) Sensor expanding sensor portfolio be ready for the upcoming Bharat Standard (BS)-VI Emission Regulations.
- Post the rollout of BS-VI norms by 2020, Pricol is expecting to add over **USD 60 to 70 Million** to its top line with products developed with Kerdea's technology.

PT Pricol Surya Indonesia (FY 2016-17)

- Indonesia Revenue witnessed a turn around and grew by **8.08%** in IDR and **8.74%** in INR from negative growth last year.
- Achieved sales of **IDR 186,339 Million (INR 922.378 Million)** as against the previous year of IDR 172,406 Million (INR 848.236 Million).
- Achieved a Profit before Tax of IDR 1,986 Million (INR 9.829 Million) as against the loss of IDR 5,679 Million (INR 27.941 Million) of previous year.
- The cost control measures initiated by the Company has paid off well and resulted in turning around.
- This has been due to a reduction in Material Cost from ~73% to 67% of Revenue and Employee cost from 18.7% to 15% of Revenue.

PT Pricol Surya Indonesia – Financial Snapshot

₹ in Million

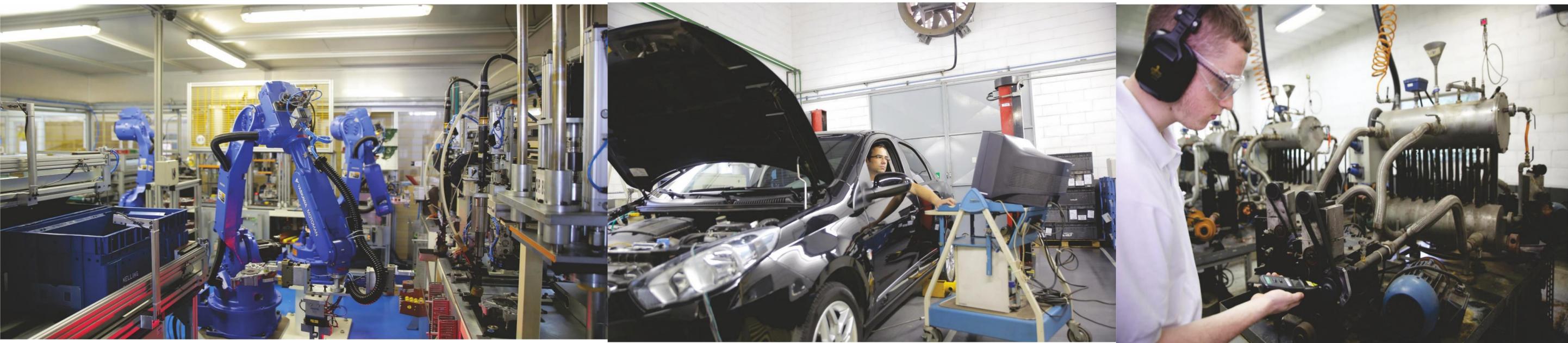
Particulars	FY 2016-17	FY 2015-16
Revenue	907.47	871.49
Material Cost	606.82	634.81
Employee Cost	135.36	163.28
Operational Cost	107.65	75.12
EBITDA	57.64	(1.72)
<i>EBITDA Margin (%)</i>	<i>6.4%</i>	<i>-0.2%</i>
PBT Before Exceptions	16.63	(65.84)
<i>PBT Margin (%)</i>	<i>1.8%</i>	<i>-7.6%</i>

Note:

- PTPS Indonesia has witnessed a turnaround this year, with profitable PBT of 1.8%.
- This has been due to a reduction in Material Cost from ~73% to 67% of Revenue and Employee cost to 15% of Revenue.

Pricol do Brasil

- In 2016, Brazil Economy shrunk by 3.6% and Automotive sales witnessed a negative growth of 20.5%.
- During the year, Pricol do Brasil has increased its market share with key customers and thereby contained the negative growth at 8.86% (~13% in 2015-16).
- We closed FY 2016-17 with a loss of BRL 22.22 Million (INR 435.6 Mn) [FY 15-16 BRL 24.36 Million (INR 459.7 Mn)].



Pricol do Brasil – Way forward

- Pricol is in the process of restructuring its operations by shifting its factory to a new location with an Investment of **USD 7 Million** (Employee Severance - USD 5 million and Relocation expenses - USD 2 Million) to reduce employee cost and operational fixed cost. The new factory will be fully operational from Dec 2017.
- Major customers VW, GM and Fiat are supporting the restructuring process by extending price increases, stock build up, reduced payment terms and faster Production part approval process (PPAP).
- Pricol will also invest in new assembly lines and machines to better align to OEM's new programs such as **GM's CSS Prime Project** which will yield revenues from FY 2020 onwards.



G E N E R A L M O T O R S

Project : **CSS Prime**

Annual Revenue: **USD 15 Mn**

Pricol Investment: **USD 1.6 Mn**

Start of Production: **October 2019**

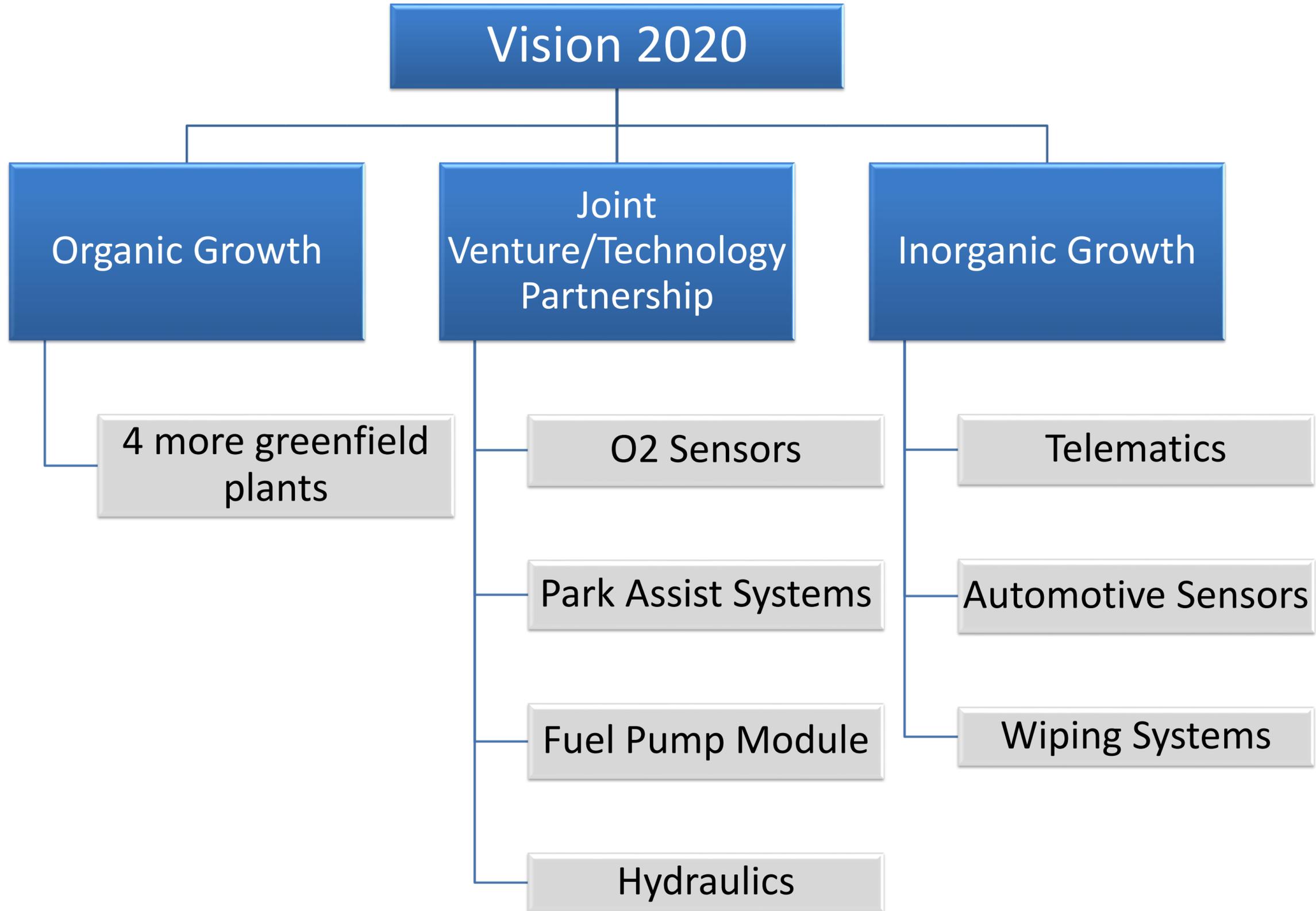
Tenure of Project: **12 years**

Pricol Do Brazil - Customer-wise revenue and operational P&L forecast

₹ in Million

Particulars	2016-17 (A)	2017-18 (F)	2018-19 (F)	2019-20 (F)	2020-21 (F)
Revenue	1289	1419	1554	1912	2452
-GM	386	359	371	729	1258
-VW	359	415	549	631	658
-Fiat	309	367	355	260	229
-Others	235	278	279	292	307
Material Cost	714	678	845	1046	1311
% of Revenue	55.4%	47.8%	54.4%	54.7%	53.5%
Employee Cost	583	471	362	382	446
% of Revenue	45.2%	33.2%	23.3%	20.0%	18.2%
EBITDA	-329	39	110	166	268
% of Revenue	-25.5%	2.8%	7.1%	8.7%	10.9%

Pricol Limited : Vision 2020



-  *PASSIONATE*
-  *SUSTAINABLE*
-  *DYNAMIC*
-  *EVOLVING*