

The background of the slide is a complex technical drawing in white lines on a dark blue background. It depicts various mechanical components, including shafts, gears, and housing parts, shown in cross-section and perspective views. The drawing is dense and detailed, typical of engineering blueprints.

# Welcome to Pricol Limited's 9<sup>th</sup> Annual General Meeting 16 September 2020

# Agenda

Financial Performance FY 19-20

Select New Business Wins

Key Investments

Company Outlook FY 20-21

# Financial Performance FY 19-20



## Standalone Financial Performance FY 19-20

- Pricol's standalone revenue from operations for FY 19-20 is INR 1142.00 crores.
- Overall there was a 12% degrowth in revenue compared to the previous year due to decreased sales on account of the continued slowdown in the Automotive Industry. The industry overall has degrown over the previous financial year by over 15%. The onset of Covid-19 in Jan'20 in China and thereafter in rest of the world impacted the company's supply chain and business significantly in Q4 of FY 19-20.
- Better operational control has resulted in marginal reduction of costs which led to an improvement in EBITDA of 8.04% in FY 19-20 compared to 7.37% in FY 18-19.
- Cash generation through operations is INR 72.46 crores in FY 19-20 as against INR 84.56 crores in FY 18-19.

(In INR crores)

Particulars	FY 18-19	FY 19-20
Revenue from Operations	1297.24	1142.00
Growth %	7.57%	-11.97%
Other Operating Revenue	68.26	61.28
Sale of Land held as Stock-in-Trade	11.84	-
Total Other Operating Revenue	80.09	61.28
Other Income	8.46	12.63
<b>Total Revenue</b>	<b>1385.79</b>	<b>1215.92</b>
<b>EBITDA</b>	<b>102.10</b>	<b>97.78</b>
<b>% of Revenue</b>	<b>7.37%</b>	<b>8.04%</b>

# Standalone – Segment wise Growth – July'19 vs July'20

(In INR crores)

Segment	Pricol Sales - YOY		Growth Comparison	
	July'19	July'20	Pricol %	Market %
Two / Three Wheeler	67.73	72.29	7%	-30
Four Wheeler	3.38	4.15	23%	-30
Commercial Vehicle	4.34	6.88	58%	SIAM data yet to be released
Tractors	4.66	3.36	-28%	36
<b>Subtotal</b>	<b>80.11</b>	<b>86.68</b>	<b>8%</b>	<b>-30</b>
Others	15.68	12.89	-18%	-
<b>Total Domestic</b>	<b>95.79</b>	<b>99.57</b>	<b>4%</b>	<b>-</b>
<b>Total Export</b>	<b>7.10</b>	<b>11.21</b>	<b>58%</b>	<b>-</b>
<b>Total Revenue</b>	<b>102.89</b>	<b>110.78</b>	<b>8%</b>	<b>-</b>

Source for Market Growth: SIAM



## Consolidated Financial Performance FY 19–20

- The consolidated financials comprises operations of Pricol Limited, Pricol Surya Indonesia, Pricol Asia, Pricol Espana (including its step-down subsidiary Pricol Wiping, Czech) and Pricol Wiping India. Pricol do Brasil and Pricol Wiping Mexico financials are consolidated only until Feb'20.
- Pricol's consolidated revenue from operations de-grew by 11.25% and stood at INR 1538.53 crores in FY 19-20 as against INR 1733.65 crores in FY 18-19.
- However, EBIDTA has increased to INR 99.76 crores in FY 19-20 as against INR 36.60 crores in FY 18-19.

(In INR crores)

Particulars	FY 18-19	FY 19-20
Total Revenue	1826.27	1614.67
Profit before exceptional items and Tax	(92.71)	(50.31)
EBITDA	36.60	99.76
% of Revenue	2.00%	6.18%

## Capex Investment in FY 19-20

- Standalone capex investment in FY 19-20 was INR 53.73 crores.

(In INR crores)

Particulars	FY 19-20
Building & Infrastructure	1.67
Plant & Machinery	29.83
Others*	5.11
Tooling	17.12
<b>Standalone Total Capex</b>	<b>53.73</b>

\*Others include test lab and quality lab equipment, Design & Information Technology – Software & Hardware

# Divestment of Subsidiaries

## ▪ **Pricol do Brasil and Pricol Wiping Systems Mexico**

- We decided to exit Pricol do Brasil due to mounting losses year on year.
- Chroma GP LLC, USA was the identified potential buyer who was interested in acquiring the asset along with Wiping Operations in Czech, Mexico and India.
- After multiple rounds of negotiation, Chroma finally acquired 100% shares of Pricol do Brasil and Pricol Wiping Systems Mexico only.
- Sale was completed in the end of Feb'20 after completing all requisite approvals.

# Divestment of Subsidiaries

## ■ Pricol Wiping Systems Czech S.R.O

- Business in Czech was affected badly due to the Covid-19 pandemic. Volkswagen group, which contributes about 80% of our sales in Czech, had a drastic decline in sales and they were not giving any volume commitment or forecast for the upcoming financial year. In spite of the operation having turned around and started cash generation since Jan'20 with improved customer ratings and new business wins; the Board of Directors felt that due to the impact of Covid-19 the company would suffer cash losses and it would be prudent to conserve cash in these uncertain times. Hence, the decision was taken to exit the wiping business.
- Four potential buyers were identified for parallel negotiations.
- Certina Automotive Solutions AG, Germany, one of the 4 potential buyers with most favourable terms, was only interested in Czech operations and they acquired 100% shares of Pricol Czech through holding in Espana.
- Sale was completed in the end of Aug'20 after completing all requisite approvals

# Select New Business Wins



## Fuel Pump Module – 2W



Fuel Pump Module for multiple 2W models

Customers: Domestic 2W OEMs

Manufacturing Locations:  
Manesar, Coimbatore

# Connected Clusters – 2W



Next Generation Connected Clusters for multiple models of 2W EV and non -EV

Customer : Domestic 2W OEM

Manufacturing Location:  
Coimbatore & Pantnagar

# Digital Clusters – 2W



Next Generation Digital Clusters for multiple models of 2W

Customer : Domestic 2W OEM

Manufacturing Location:  
Manesar & Pantnagar

# Digital Clusters – Commercial Vehicles



Next Generation Digital Commercial Vehicle Clusters

Customer : Domestic CV OEMs

Manufacturing Location:  
Coimbatore, Manesar & Pune

# Digital Cluster – Passenger Cars



Next Generation Digital Passenger Vehicle Clusters

Customer : Domestic PV OEM

Manufacturing Location: Pune

# Oil Pumps, Water Pumps and Valves



Oil Pumps, Water pumps and Purge Valve  
for motorcycles and off-road vehicles

Customer : International and Domestic  
OEMs

Manufacturing Location:  
Coimbatore

# Revenue for New Products

- Annualized NPD revenue is expected to contribute about 40% of the total sales in a full year of normal operations under stable economic and market conditions.
- The NPD revenue is the highest in the history of the company.
- Necessary capacities have been created across all plants to cater to this increased business

# Key Investments

# Key Investments



4W Digital Car DIS assembly line



2W TFT DIS assembly line



CV Electronic DIS assembly line



Oil pump assembly line - Exports



Fuel pump module assembly lines



Water pump assembly lines - Exports

# Company Outlook FY 20-21



**PRICOL LIMITED**  
*Passion to Excel*

## Standalone Outlook FY20-21

- The automotive industry after almost 18 months of continuous degrowth was impacted severely due to extensive lockdowns in Q1 of FY 20-21. Nevertheless, with the limited operations in the month of June'20, we were able to achieve a turnover of INR 117.36 crores in Q1 FY 20-21 with an EBITDA of INR 1.59 crores
- The performance of the company in Q2 FY 20-21 is projected to be good. The topline has been primarily driven by two factors: launch of a slew of new products by the company combined with the pent up demand due to low stocks at dealer end.
- The expected EBITDA improvement is on account of the various cost control measures initiated by the company combined with increased margins for all the new products launched by the company

## Standalone Outlook FY20-21

- Industry experts predict a sharp slowdown post the festival season once the pent up demand is fulfilled compounded by the sharp economic correction in the economy.
- Fortunately, for our company, the quantum of new product revenue and new customer addition will mitigate this risk to some extent.
- We expect some quantum of demand recovery post middle of Jan'21.
- Considering the VUCA situation, uncertainty of markets combined with the contraction of the economy, we are unable to accurately estimate a projected topline for FY 20-21.
- The capital investment done by the company over the past two years that have come on stream in FY 20 along with existing manufacturing infrastructure is capable of taking care of all the new businesses that have been won by the company both for domestic and international markets. Hence, we do not anticipate any significant capital expenditure in the next two years.

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