

The background of the slide is a complex technical drawing in white lines on a dark blue background. It features 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.

# Q2 FY 17-18 – Investor Presentation

# Agenda

- Financial Performance – Q2 FY 17-18
- Company Outlook – FY 17-18
- PMP Acquisition
- Oxygen Sensor – Technology Agreement with Kerdea
- Partnership with ACHR
- Joint Venture with Zorg Industries
- Pricol Do Brazil
- Vision

# Q2 Financial Performance – FY 2017-18

## Standalone:

- Income from Operations stands at INR 3184 Million (INR 318.4 Crore) in Q2 FY 17-18
- Pricol Limited's revenues experienced a growth at 7% from INR 2929 Million (excluding SLD revenues of INR 606 Million) to INR 3140 Million (excluding SLD revenues) Y-o-Y in Q2 FY 17-18
- The gap in total revenue is a result of drop in sales of Speed Limiting Devices as an effect of BS IV implementation
- Excluding Speed Limiting Device, revenues grew by 5% in H1 y-o-y of FY 17-18
- Revenues have grown by 9.4% over the preceding quarter (Q1 FY 17-18)
- Profit before Tax stands at INR 98 Million (INR 9.8 Crore) for Q2 FY 17-18 , a 30% growth over the immediate preceding quarter (Q1 FY 17-18)

# INDUSTRY WISE GROWTH TREND–H1–FY 17-18

Segments - PRICOL	2016-17 (H1 Actuals)	2017-18 (H1 Actuals)	% Change (FY 17-18)	
			Pricol	Market
2W & 3W	3,186	3,840	21%	9%
4 W	363	399	10%	5%
CV	281	355	26%	Negative Growth
ORV	87	96	10%	Negative Growth
Tractors	215	289	34%	9%

*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.*

# STANDALONE FINANCIALS AT A GLANCE – Q2 FY 17-18 & H1 FY 17-18

₹ in Million

Particulars	Quarter Ended		Half Year Ended	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
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Net Sales	3043.9	3398.9	5793.8	6646.6
Total Income (Net of Excise Duty)	3184.0	3539.7	6112.3	6919.3
Earnings before Interest, Depreciation and Amortisation Expense	313.0	460.7	576.7	874.2
<b>EBIDTA %</b>	<b>9.8%</b>	<b>13.0%</b>	<b>9.4%</b>	<b>12.6%</b>
PBT before & after Exceptions	98.52	279.10	174.84	519.42
<b>PBT Margin</b>	<b>3.1%</b>	<b>7.9%</b>	<b>2.9%</b>	<b>7.5%</b>

## LEVERAGE – STANDALONE

₹ in Million

Particulars	Standalone - H1 FY 17-18	
	FY 2017-18	FY 2016-17
Long Term Borrowings	200.00	316.67
Short Term Borrowings	1043.58	766.81
<b>Debt [A]</b>	<b>1243.58</b>	<b>1083.47</b>
Equity [B]	8448.92	8327.66
EBITDA [C]	576.74	1367.92
Principal Repayment + Interest [D]	143.82	261.60
<b>Debt/Equity Ratio [A/B]</b>	<b>0.15</b>	<b>0.13</b>
<b>Debt Service Coverage Ratio [C/D]</b>	<b>4.01</b>	<b>5.23</b>

- Pricol's Balance Sheet is under leveraged, which gives it an opportunity to grow faster with better headroom for debt.

# Company Outlook for FY 2017-18

- For comparison purposes, revenues are expected to grow at 18% this year excluding Speed Limiting Device revenues
- Even after including last year's Speed Limiting Device revenues, Pricol is expected to grow at 1 % 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	3801	20%
Asset Management Solution & Telematics	257	268	4%
Auto Accessories & Others	298	188	-37%
<b>Subtotal</b>	<b>10160</b>	<b>12039</b>	<b>18%</b>
Speed Limiting Device	1987	202	-90%
<b>Total Sales</b>	<b>12147</b>	<b>12241</b>	<b>1%</b>

# Pricol Wiping Systems

- PMP Acquisition was completed in August 2017
- Integration is in progress
- Expected to add revenues of more than INR 3750 Million in FY 2017-18





# Oxygen Sensor – Technology Agreement with Kerdea



- Signed an Exclusive licensing agreement with Kerdea Technologies for Oxygen (O<sub>2</sub>) 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

# Partnership with ACHR



- An exclusive agreement with Wenzhou Huirun Electrical Machinery Co., Ltd for technical collaboration and, supply and production of Fuel Pump and Fuel Pump Modules in India
- Support Pricol Limited with product & process technologies for opportunities arising in all segments like 2 wheeler, 3 Wheeler, 4 Wheeler, Commercial vehicle and Off-road vehicle (both Petrol & Diesel systems)
- Pricol Limited eyes a market share of more than 30% in the 2 wheeler segment in India
- Plans to manufacture 3 Million to 6 Million Fuel Pump Modules post the implementation of BS VI

# Joint Venture with Zorg Industries



- Joint-Venture for the Manufacture and Supply of Parking Assistance Systems.
- Reverse Parking Sensors will become a mandatory feature for all passenger cars manufactured after July 2019
- An initial production capacity of 1 Million units
- Shareholding of 60% and 40% from Pricol Limited and Zorg Industries respectively
- Expects a revenue of around INR 1000 Million (INR 100 Crores) by FY 19-20 and it is expected to double in the next 3 years

# Pricol do Brasil

- Restructuring is nearing completion and the plant is moved to a new location. Commissioning of machines and customer validations have been completed successfully. The new factory will be fully operational from end Nov 2017
- Investment of **USD 7 Million** (Employee Severance - USD 5 million and Relocation expenses - USD 2 Million) to reduce employee cost and operational fixed cost
- 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.



GENERAL MOTORS

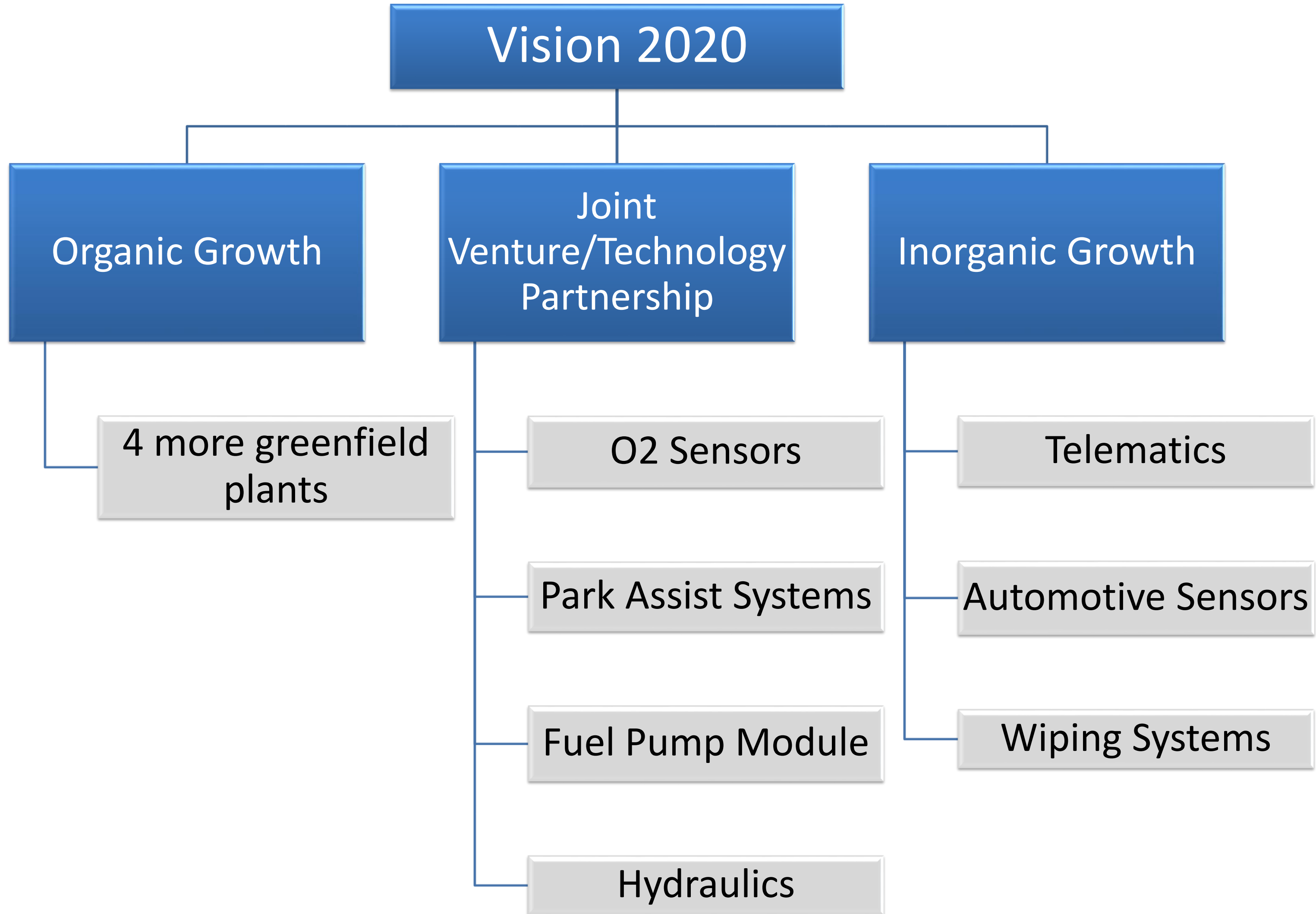
Project : **CSS Prime**  
Annual Revenue: **USD 15 Mn**  
Start of Production: **October 2019**  
Tenure of Project: **12 years**



**Volkswagen**

Product : **Water Pump**  
Annual Revenue: **USD 18 Mn**  
Start of Production: **FY 19-20**  
Tenure of Project: **6 years**

# Pricol Limited : Vision 2020



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