



where **Passion**
meets **Performance**

www.pclindia.in

info@pclindia.in

+91 217 2357645

+91 9168646531/32/33

L24231PN1992PLC067126

Date: November 7, 2019

SEC/NOV/SE/N&B/2019

National Stock Exchange of India Limited, "Exchange Plaza" 5 th Floor, Plot No. C-1, G Block, BandraKurla Complex, Bandra (East), Mumbai – 400051 NSE Scrip Code - PRECAM	BSE Limited, PhirozeJeejeebhoy Towers, Dalal Street, Mumbai - 400001 BSE Scrip Code - 539636
---	--

Subject: -Submission of Investors Presentation under Regulation 30(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015

Dear Sir/Madam,

Pursuant to Clause 15 of Schedule III, Part A, Para A read with Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, we would like to submit the Investor Presentation for the Quarter and Half Year ended 30th September, 2019.

Enclosed herewith please find the Investor Presentation for the Quarter and Half Year ended 30th September, 2019.

Kindly take the above information on record.

Yours Faithfully

For Precision Camshafts Limited


Mayuri Kulkarni
Company Secretary &
Compliance Officer



Precision Camshafts Limited

Solapur : D5 MIDC, Chincholi, Solapur, India – 413255

Solapur : E102 MIDC, Akkalkot Road, Solapur, India – 413006



where **Passion**
meets **Performance**

Investor Presentation
November 2019

*This presentation and the accompanying slides (the “**Presentation**”), which have been prepared by Precision Camshafts Limited (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.*

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the tire industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.



Q2 & H1 FY20 Performance

Strong Performance

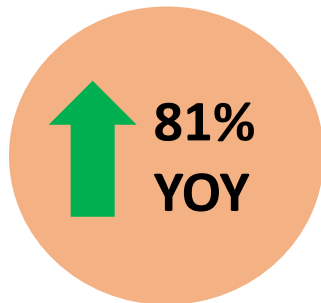
H1FY20 Standalone



Total Income
Rs. 233 Cr



EBITDA
Rs. 56 Cr



PAT
Rs. 26 Cr

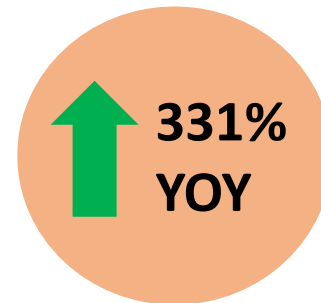
H1FY20 Consolidated



Total Income
Rs. 387 Cr



EBITDA
Rs. 64 Cr

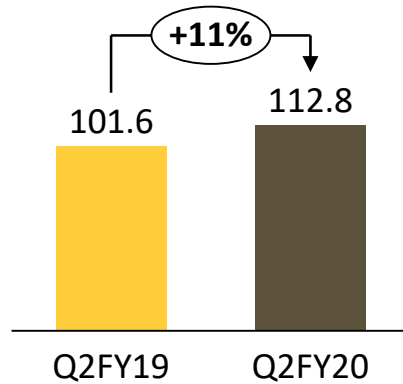


PAT
Rs. 17 Cr

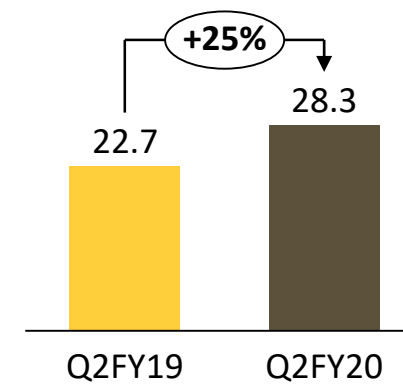
Standalone Q2FY20 Performance



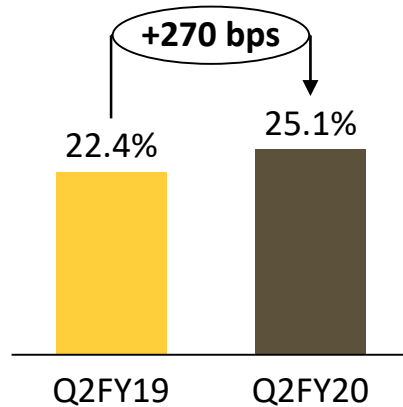
Total Income (in Rs. Crores)
Includes Other Income



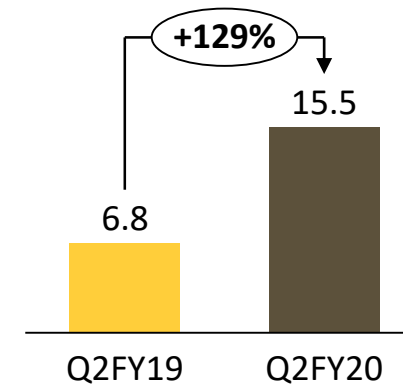
EBITDA (in Rs. Crores)
Includes Other Income



EBITDA Margins



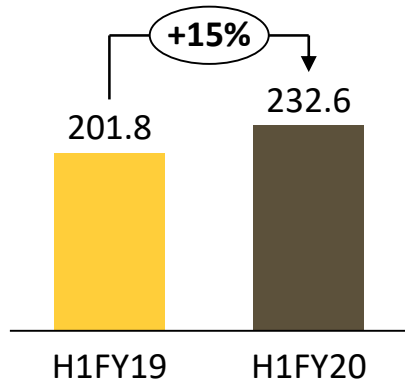
PAT (in Rs. Crores)



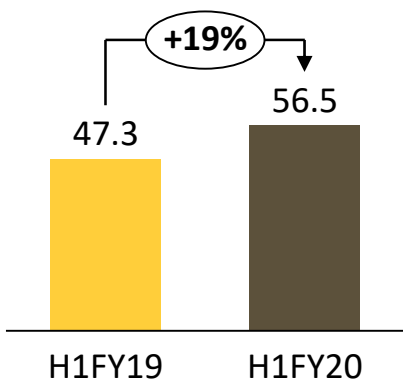
Standalone H1FY20 Performance



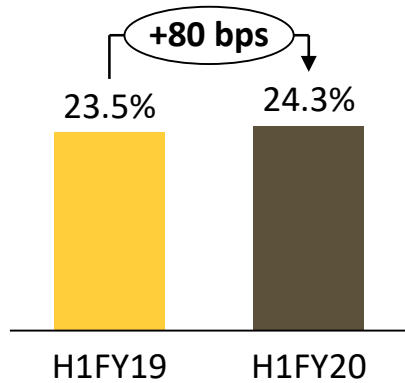
Total Income (in Rs. Crores)
Includes Other Income



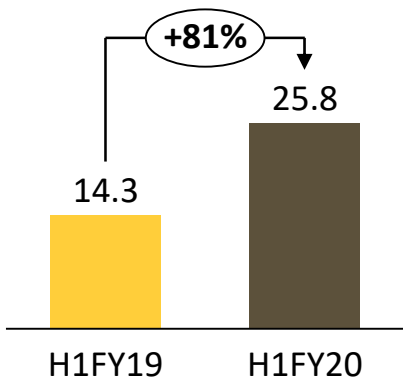
EBITDA (in Rs. Crores)
Includes Other Income



EBITDA Margins



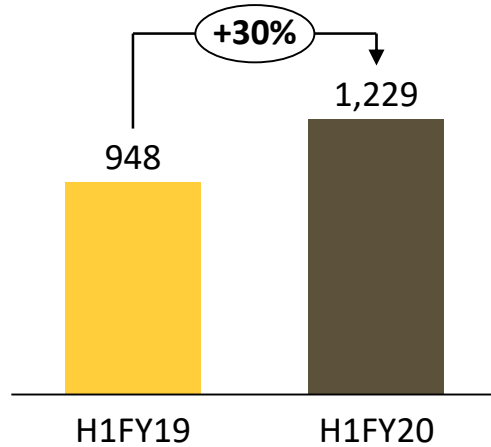
PAT (in Rs. Crores)



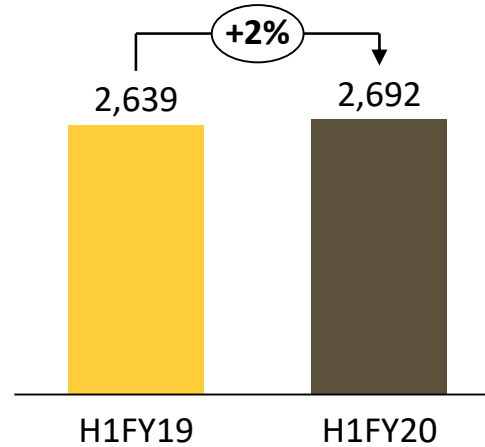
Machined Camshafts volumes continues to improve



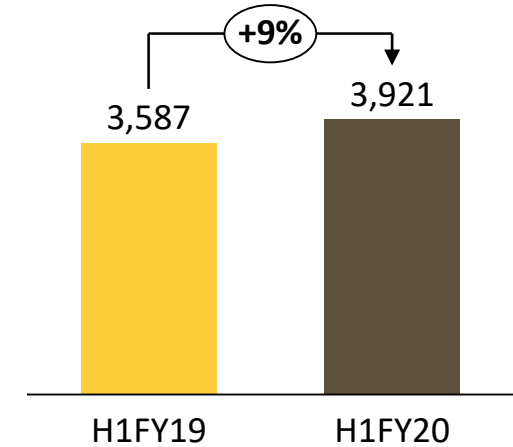
**Machined Camshafts Volumes
(In Thousand Units)**



**Camshaft Castings Volumes
(In Thousand Units)**

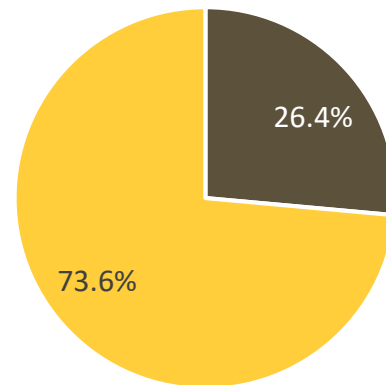


**Total Camshaft Volumes
(In Thousand Units)**



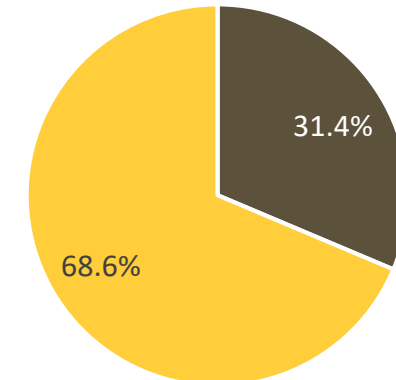
**H1FY19 Volume
Contribution**

- Machined Camshafts
- Camshaft Castings



**H1FY20 Volume
Contribution**

- Machined Camshafts
- Camshaft Castings



Standalone Q2FY20 Profit & Loss



Profit and Loss (in Rs. Crs)	Q2FY20	Q2FY19	YoY	H1FY20	H1FY19	YoY
Revenue from Operations	108.1	97.6	10.8%	223.3	192.4	16.1%
Other Income	4.7	4.0		9.3	9.4	
Total Income	112.8	101.6	11.1%	232.6	201.8	15.3%
Cost of Goods Sold	30.3	30.0		65.1	59.9	
Gross Profit	82.5	71.5	15.4%	167.5	141.9	18.0%
Gross Profit Margin	73.1%	70.4%	273.86	72.0%	70.3%	
Employee Cost	15.4	11.6		29.9	24.9	
Other Expenses	38.8	37.2		81.1	69.7	
EBITDA	28.3	22.7	24.7%	56.5	47.3	19.3%
EBITDA Margin	25.1%	22.4%	274.08	24.3%	23.5%	
Depreciation	13.0	11.5		25.7	22.5	
EBIT	15.4	11.2	37.7%	30.7	24.8	23.7%
EBIT Margin	13.6%	11.0%	262.84	13.2%	12.3%	
Finance Cost	0.6	0.7		1.2	1.5	
Profit before Tax	14.7	10.4	41.3%	29.6	23.3	26.7%
Tax	-0.8	3.7		3.8	9.1	
PAT	15.5	6.8	129.5%	25.8	14.3	80.8%
PAT Margin %	13.7%	6.6%	708.26	11.1%	7.1%	

Standalone Balance Sheet



Assets (in Rs. Crs.)	Sep-19	Mar-19
<u>Non-Current Assets</u>	408.7	402.0
Property, Plant & Equipment	262.3	279.4
CWIP	9.2	8.0
Other Intangible Assets	0.1	0.1
Financial Assets		
(i) Investments	74.7	72.4
(ii) Loans	48.3	33.1
(iii) Other financial assets	5.2	4.5
Investments in JVs	-	-
Other non-current assets	8.8	4.6
<u>Current Assets</u>	352.6	337.5
Inventories	39.9	35.2
Financial Assets		
(i) Investments	123.7	99.9
(ii) Trade Receivables	88.1	99.7
(iii) Cash & Cash Equivalents	21.7	13.3
(iv) Bank Balances	52.5	64.8
(v) Loans	0.0	0.0
(vi) Other financial assets	7.2	6.0
Other current assets	9.4	8.6
Assets classified as held for sale	10.0	10.0
Total Assets	761.3	739.5

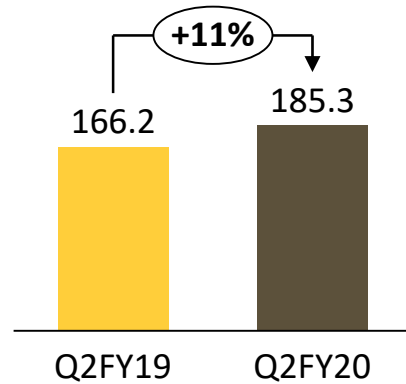
Equity & Liabilities (in Rs. Crs.)	Sep-19	Mar-19
<u>Equity</u>	627.9	601.9
Equity Share Capital	95.0	95.0
Other Equity		
(i) Securities Premium	217.7	217.9
(ii) General Reserve	4.7	4.7
(iii) Share based payments	0.2	0.8
(iv) Retained Earnings	310.3	283.6
<u>Non-Current Liabilities</u>	16.3	21.7
Deferred Tax Liabilities (net)	10.1	15.6
Provisions	6.2	6.1
<u>Current Liabilities</u>	117.0	115.9
Financial Liabilities		
(i) Borrowings	42.5	27.2
(ii) Trade Payables	57.0	65.4
(iii) Other financial liabilities	12.8	17.4
Other Current Liabilities	1.1	1.4
Provisions	0.6	0.6
Current Tax Liabilities (net)	3.1	3.9
Total Equity & Liabilities	761.3	739.5

Consolidated Q2FY20 Performance



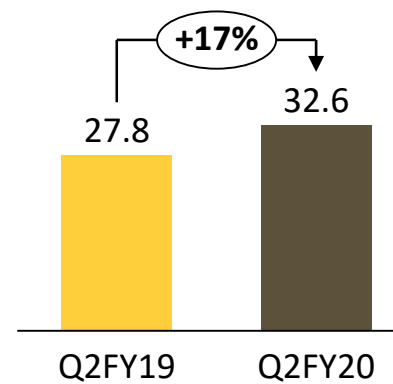
Total Income (in Rs. Crores)

Includes Other Income

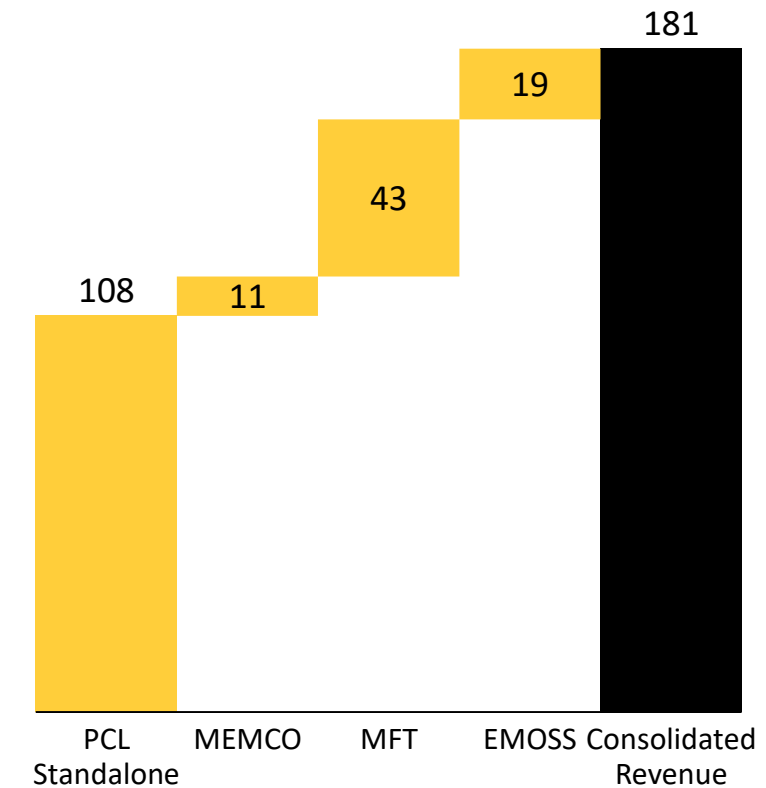


EBITDA (in Rs. Crores)

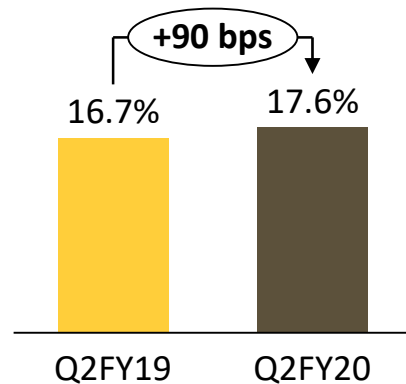
Includes Other Income



Q2FY20 Revenue from Operations (in Rs. Crores)

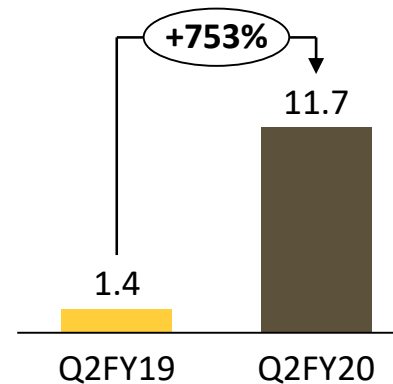


EBITDA Margins



PAT (in Rs. Crores)

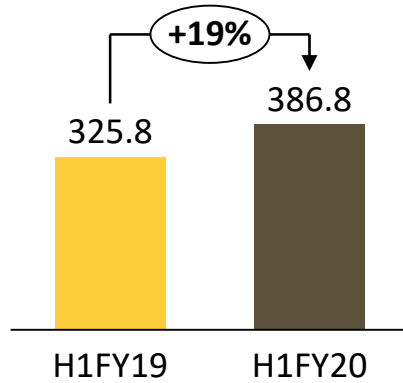
From continuing operations



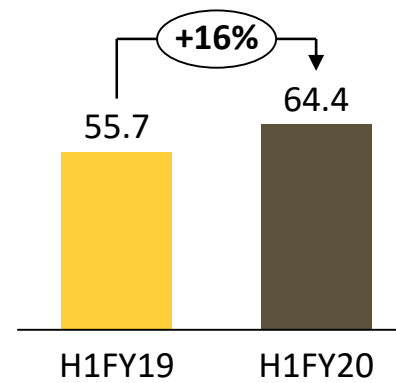
Consolidated H1FY20 Performance



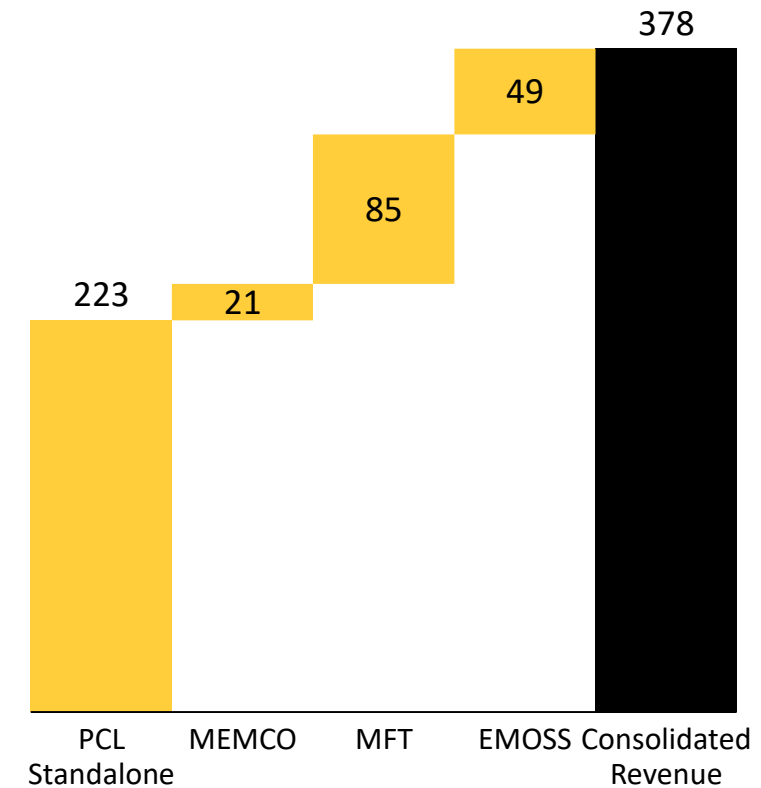
Total Income (in Rs. Crores)
Includes Other Income



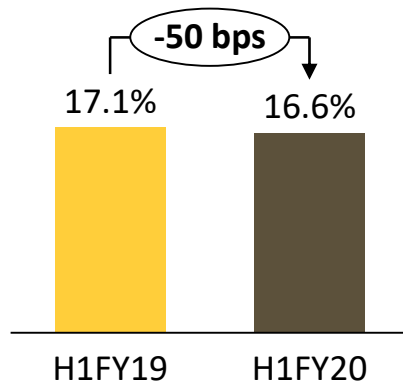
EBITDA (in Rs. Crores)
Includes Other Income



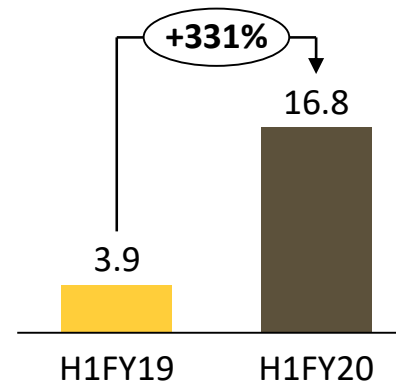
**H1FY20 Revenue from Operations
(in Rs. Crores)**



EBITDA Margins



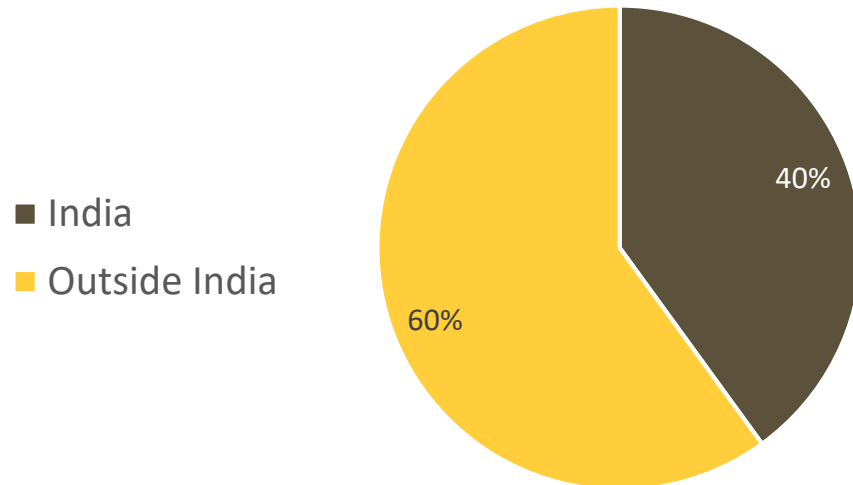
PAT (in Rs. Crores)
From continuing operations



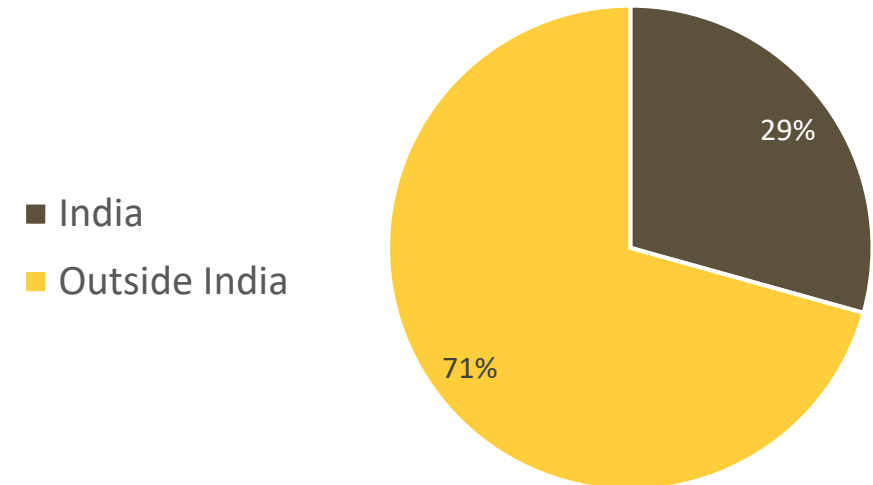
Domestic – Exports Mix – An Advantage



H1FY20 Standalone Revenue
Geographic Break-Up



H1FY20 Consolidated Revenue
Geographic Break-Up



Our International Presence has helped us to be less affected from the ongoing auto slowdown especially the one observed in the domestic market

Consolidated Q2FY20 Profit & Loss



Profit and Loss (in Rs. Crs)	Q2FY20	Q2FY19	YoY	H1FY20	H1FY19	YoY
Revenue from Operations	180.8	162.0	11.6%	377.9	315.9	19.6%
Other Income	4.5	4.3		8.9	9.9	
Total Income	185.3	166.2	11.4%	386.8	325.8	18.7%
Cost of Goods Sold	65.5	53.7		135.6	107.7	
Gross Profit	119.7	112.6	6.4%	251.2	218.2	15.1%
Gross Profit Margin	64.6%	67.7%		65.0%	67.0%	
Employee Cost	34.4	32.3		67.9	61.3	
Other Expenses	52.7	52.5		119.0	101.1	
EBITDA	32.6	27.8	17.3%	64.4	55.7	15.5%
EBITDA Margin	17.6%	16.7%		16.6%	17.1%	
Depreciation	21.2	20.5		42.3	37.8	
EBIT	11.4	7.2	56.8%	22.1	18.0	23.0%
EBIT Margin	6.1%	4.4%		5.7%	5.5%	
Finance Cost	2.4	2.4		4.2	4.8	
Profit before tax and share of profits from JV	9.0	4.8		18.0	13.2	
Share in Profit/(loss) in JV and Associates	0.0	0.0		0.0	-0.4	
Profit before Tax	9.0	4.8	86.9%	18.0	12.9	39.6%
Tax	-2.7	3.4		1.2	9.0	
PAT from Continuing Operations	11.7	1.4	752.5%	16.8	3.9	330.7%
PAT Margin %	6.3%	0.8%		4.3%	1.2%	

Consolidated Balance Sheet



Assets (in Rs. Crs.)	Sep-19	Mar-19
Non-Current Assets	531.2	526.2
Property, Plant & Equipment	339.5	360.1
CWIP	50.5	25.8
Goodwill on consolidation	35.5	36.6
Other Intangible Assets	90.8	93.2
Financial Assets		
(i) Investments	0.1	0.1
(ii) Loans	2.4	2.3
(iii) Other financial assets	1.6	1.9
Investments in JVs		
Deferred tax assets (net)	1.5	1.3
Other non-current assets	9.3	5.0
Current Assets	506.7	505.1
Inventories	109.0	97.9
Financial Assets		
(i) Investments	125.7	99.9
(ii) Trade Receivables	139.6	141.5
(iii) Cash & Cash Equivalents	28.7	23.3
(iv) Bank Balances	53.7	66.0
(v) Loans	0.0	0.0
(vi) Other financial assets	17.7	39.2
Other current assets	22.3	27.2
Assets classified as held for sale	10.0	10.0
Total Assets	1037.8	1031.3

Equity & Liabilities (in Rs. Crs.)	Sep-19	Mar-19
Equity	661.8	646.7
Equity Share Capital	95.0	95.0
Other Equity		
(i) Securities Premium	217.7	217.9
(ii) General Reserve	4.7	4.7
(iii) Share based payments	0.2	0.8
(iv) Retained Earnings	293.8	273.3
(v) Capital Reserve	14.1	14.1
(vi) Other Reserves	-2.1	-0.5
<u>Non Controlling Interest</u>	38.4	41.5
Non-Current Liabilities	173.9	161.1
Financial Liabilities		
(i) Borrowings	136.1	114.7
(ii) Other financial liabilities		
Deferred Tax Liabilities (net)	29.3	37.8
Provisions	8.6	8.5
Current Liabilities	202.1	223.5
Financial Liabilities		
(i) Borrowings	50.2	46.6
(ii) Trade Payables	87.2	95.5
(iii) Other financial liabilities	41.5	29.3
Other Current Liabilities	19.3	47.2
Provisions	0.8	0.8
Current Tax Liabilities (net)	3.1	4.2
Total Equity & Liabilities	1037.8	1031.3

Cash Flow Statements



Cash Flow Statement for Six Months Ended (Rs in Crs.)	Standalone		Consolidated	
	H1 FY20	H1 FY19	H1 FY20	H1 FY19
Profit Before Tax	29.6	23.3	16.3	12.0
Adjustments for Depreciation and Non-Cash Items	19.5	18.9	41.4	37.4
Operating Profit before working capital changes	49.1	42.2	57.6	49.5
Changes in working capital	-15.6	12.9	1.0	-38.4
Cash generated from operations	33.4	55.1	58.7	11.1
Income Tax Paid	-10.4	-7.0	-11.3	-8.1
Net Cash from Operating Activities	23.0	48.1	47.4	3.1
Net Cash from Investing Activities	-30.1	-38.3	-64.5	-95.8
Net Cash from Financing Activities	14.1	-10.7	21.0	78.3
Net Change in cash and cash equivalents	7.0	-0.9	3.9	-14.5

Recent Business Orders



Contract win by Precision Camshafts

Volumes*	1 Million Fully Machined Camshafts over the life of the program
Client	General Motors, Brazil
Value	~Rs. 90 Crores over the life of the program
Other Details	This contract from GM, Brazil is over and above the original volume contract of 6 million machined camshafts. Order is expected to commence supplies from FY21-22



Contract win by MFT

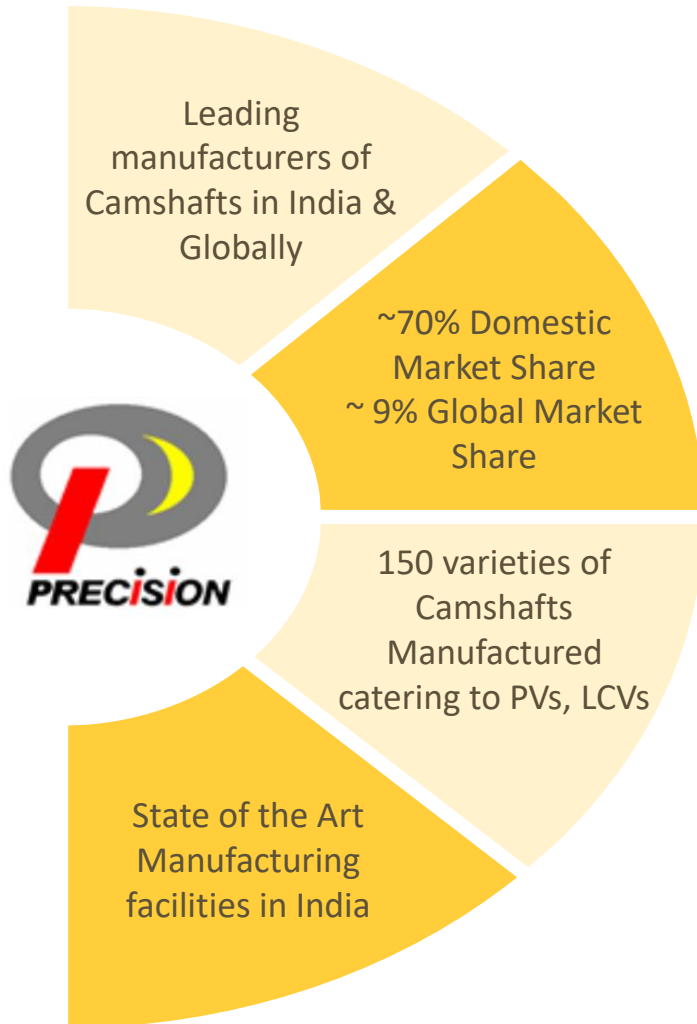
Volumes*	180,000 Sets of Machine Balancer Shaft Assemblies over the life of the program
Client	Linamar, Germany
Value	~€26.02 million (Rs. 208 crores) over the life of the program
Other Details	The balance shaft units will be used in Opel PSA engines and is expected to commence supplies from end of FY19-20

*Volumes are as indicated by customer and are subject to change



About the Company

Precision Camshafts (PCL) - Snapshot



MEMCO enjoys long term relationships with marquee global customers like Bosch, Delphi, Endress+Hauser and Giro



Products include fuel injection components for conventional & CRDi diesel engines, high precision instrumentation components etc.



Leading supplier of machined components to Global OEMs



Products include balancer Shafts, camshafts, bearing caps, engine brackets & several non-engine prismatic components

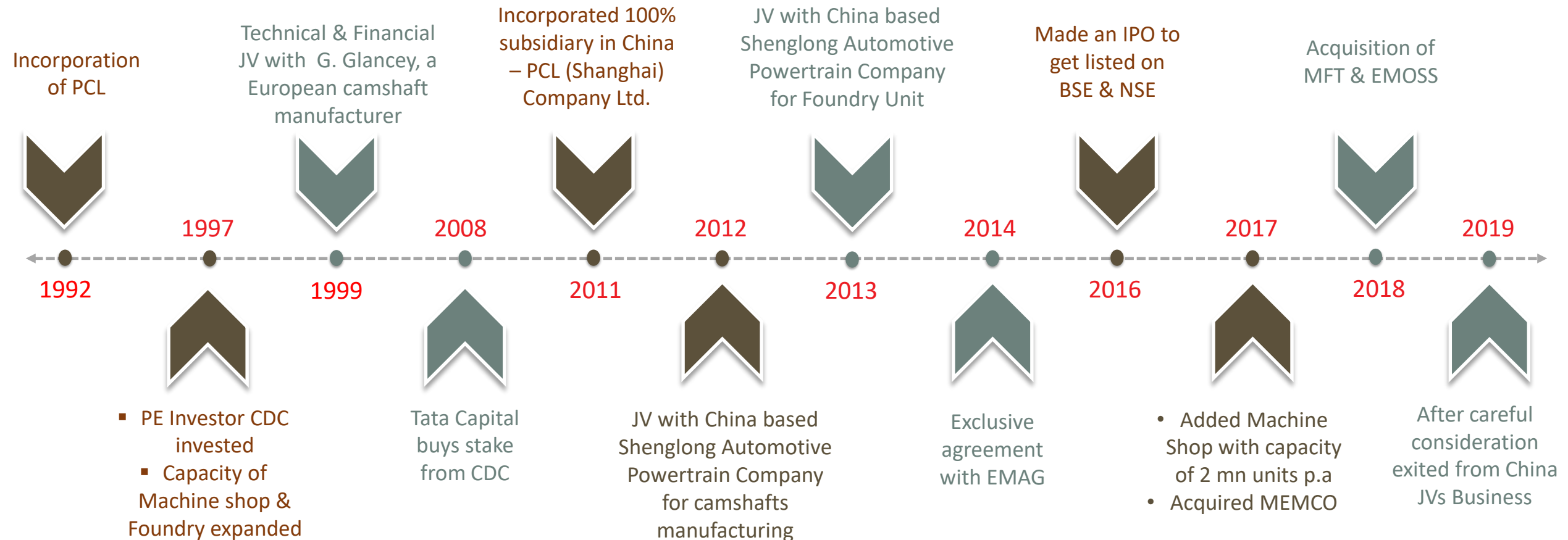


Electric Mobility for Commercial Vehicles

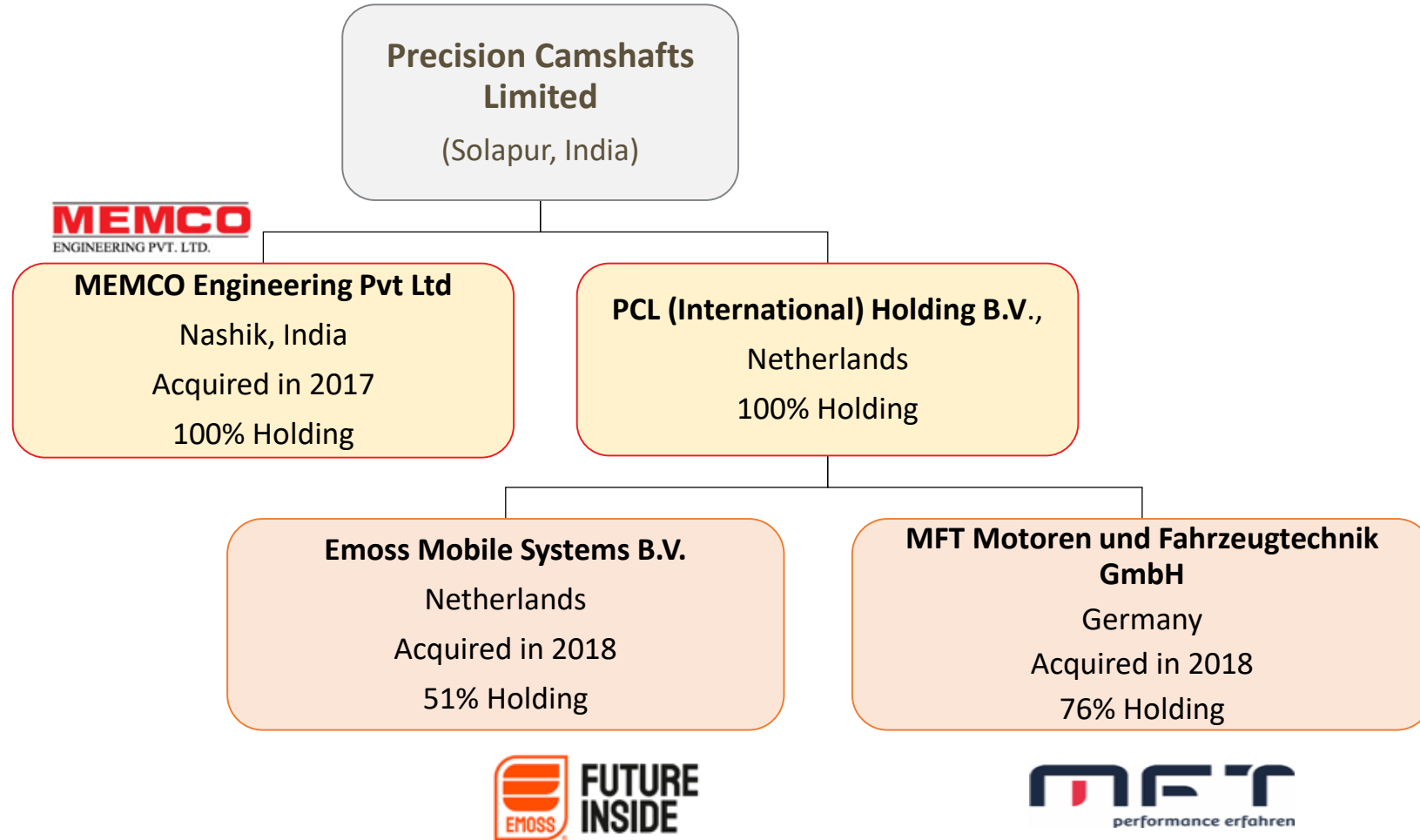


EMOSS business model includes conversion of diesel trucks into ready to use electric trucks

Our Journey



Group Structure



Strong & Experienced Board of Directors



Mr. Yatin Shah – Chairman & Managing Director

- Holds a B.Com from Bombay University and a MBA from Pune University
- Over 32 years of experience in the auto component manufacturing sector
- Awarded J.R.D. Tata Udyog Ratna Award and many others

Mr. Ravindra Joshi – Whole Time Director & CFO

- Holds a B.Com degree from Bangalore University & a Diploma in Business Management from Shivaji University
- Over 31 years of experience in Finance & Accounts



Dr. Suhasini Shah – Non-Executive Director

- Holds Bachelor's degree in law, in medicine & in surgery from Shivaji University
- Over 29 years of work experience in management
- Has participated in an executive education programme on General Management for SMEs at IIM -A

Mr. Karan Shah – Whole Time Dir. Business Development

- Master's in Business Administration from Harvard Business School & also holds Bachelor's of Science in Mechanical Engineering from Purdue University, USA
- Over 2 years experience as a manufacturing engineer at Cummins, USA



Independent Directors

Mr. Sarvesh Joshi – Independent Director

- Practising Chartered Accountant for over 30 years
- Holds a Bachelors degree in law & Commerce from University of Pune

Mr. Pramod Mehendale – Independent Director

- Holds a Bachelors degree in Commerce & is a fellow of the Institute of Company Secretaries of India
- Holds a certificate of merit from the Institute of Cost and Work Accountants of India
- Founder & a former director of Link Intime India Pvt. Ltd.

Mr. Vedant Pujari - Independent Director

- Holds a Bachelors degree in Commerce from Nagpur University & in law from University of Pune
- Holds a diploma in corporate laws from Indian Law Society
- Member of Delhi High Court Bar Association

Mr. Vaibhav Mahajani – Independent Director

- Holds a Bachelors degree in electronics engineering from Dnyaneshwar Vidyapeeth
- Has been certified by ISACA, Pune as an Information Security Manager

Team Behind The Wheels



PCL

Mr. Ajitkumar Jain

GM, Business Development & Projects

- Holds a Bachelor's degree in production engineering from VJTI, Mumbai
- 21 years of work experience in manufacturing engineering

Mr. M.G. Valse

GM, Design & Engineering Services

- Holds a Diploma in Mechanical Engineering from the Mah. Board of Technical Examinations
- 35 years of work experience in product development

Mr. Achyut Gadre

GM, Production

- Holds a Bachelor of Science in Engineering from Shivaji University
- Over 2 decades of work experience in automobile manufacturing

Mr. Rajkumar Kashid

GM, Human Resources

- Holds Master's degree in Social Welfare & LLB degree from Shivaji University
- 26 years of work experience in management

**Mr. Deepak Kulkarni,
AGM, Projects**

- Holds a Diploma in Mechanical Engineering
- Over 26 years of work experience in product development

**Mr. Pradeep Mahindrakar
Sr. Manager, Maintenance**

- Holds a Diploma in Mechanical Engineering
- 22 years of experience in mechanical engineering

PCL Group Companies

Mr. Manoj Mendse

GM -Operations, MEMCO

- BE in Mechanical Engineering from Amravati University
- Over 25 years' experience in precision component manufacturing at Bosch



Mr. Guido Glinski

MD, MFT

- Engineer from Darmstadt University of Applied Sciences, Germany
- Over 25 years experience in leading large tier 1 suppliers to automotive industry



**Mr. Edwin Hobbel
MD, EMOSS**

- University of applied sciences and information technology - Royal Netherlands Naval College
- Officer in the Netherlands Royal Navy for 12 years



Globally renowned for Camshafts



Product Portfolio

Camshafts



Chilled Cast Iron Camshaft – 4 cylinder



Chilled Cast Iron Camshaft – Variable Valve Lift



Induction Hardened Ductile Iron Camshaft



Hybrid Camshaft – Chilled Casting + Steel Fuel Lobe



Assembled Camshaft

Camshaft is a critical component that is necessary for the functioning of an engine and its demand is highly dependent on automobiles demand as it is required in all internal combustion engines

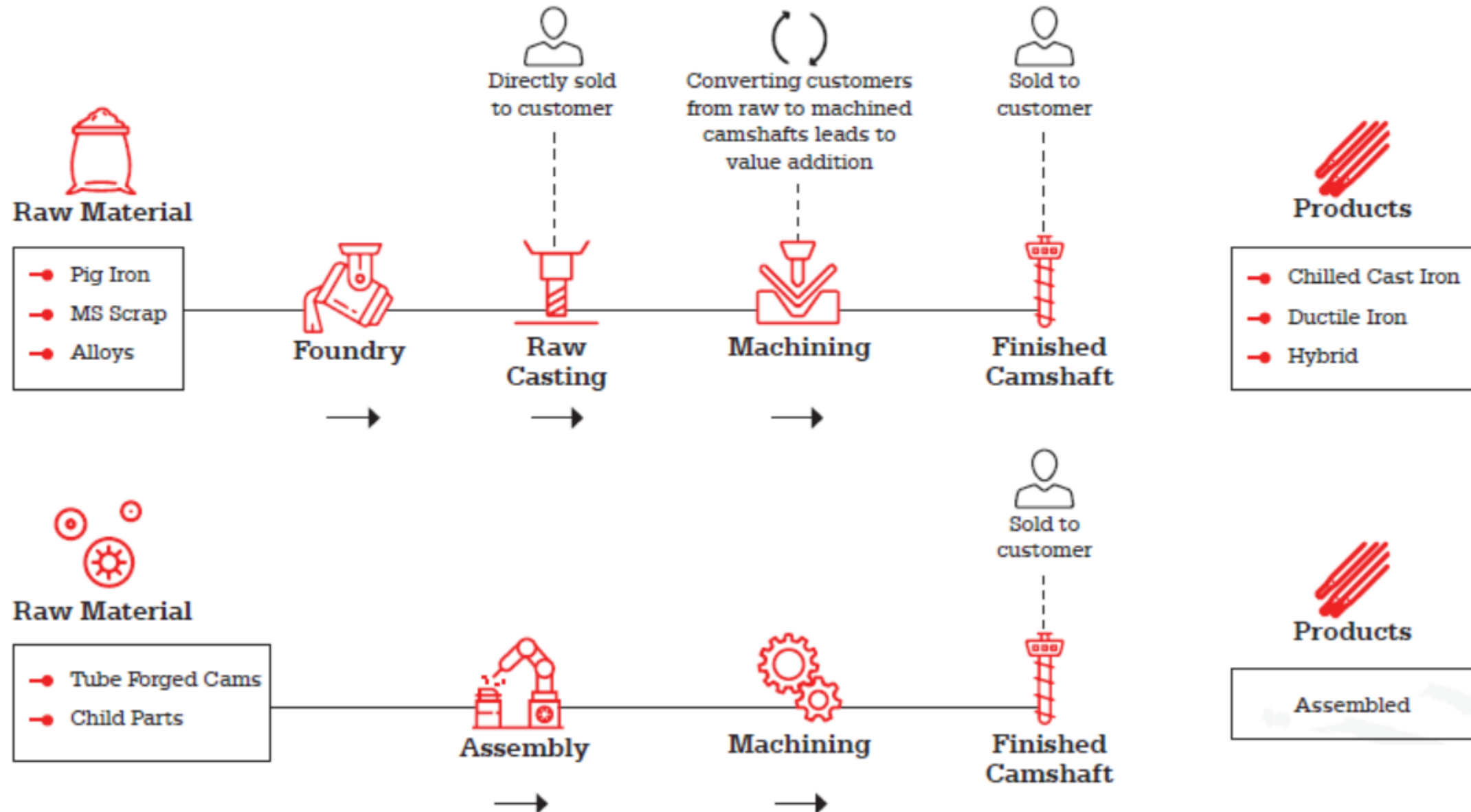
Camshaft design impacts the engine's power, efficiency, mileage and emission, hence OEMs involve camshaft manufacturers right from the engine platform design stage

Passenger vehicles largely use either SOHC or DOHC engines, i.e. either single camshaft engines or double camshaft engines. On an average, camshaft demand is 1.5x the passenger vehicles produced

OEM segments forms a major portion of the automotive camshaft market. As setting up a new foundry is capital intensive, there is a growing trend of outsourcing manufacturing of camshafts

Types of camshafts – Cast iron, ductile iron, hybrid & assembled camshafts, sliding cams & cam modules

Process & Types of Camshafts



Camshafts Industry Overview



Global Automotive Camshafts Market

The global automotive camshaft market is projected to reach a size of US\$ 4,462.2 million by the end of 2028, up from an estimated US\$ 2,861.2 million in 2018

The global automotive camshaft market is gaining momentum with growing passenger vehicles segment, which is the key segment driving camshaft sales

Camshafts are required in all internal combustion engines as it is a critical component for the functioning of an engine

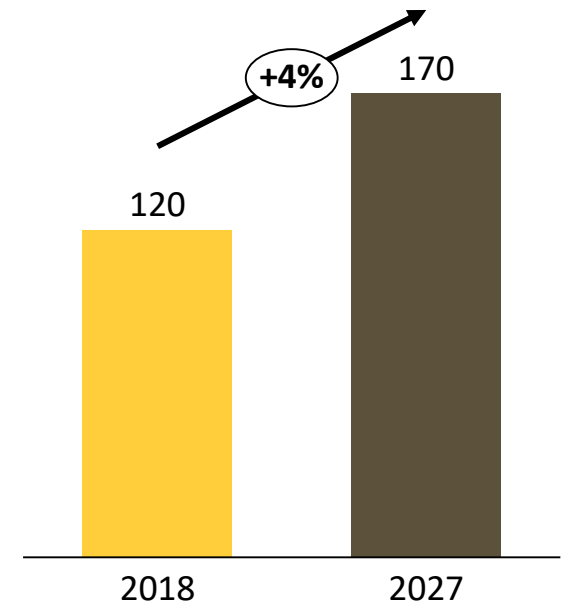
As setting up a new foundry is capital intensive, there is a growing trend of outsourcing manufacturing of camshafts

Inherent cost advantage compared to other major manufacturing destinations across the world has made India the preferred sourcing destination for OEMs and major Tier-1 suppliers

On an average, camshaft volumes are 1.5 times the passenger vehicles produced

PCL is set to benefit as it is the only Camshaft manufacturing company globally which provides all types of technologies for Camshafts under one roof

Global Camshafts Market for PV's
(in Million Units)



Manufacturing Capacities



PCL Foundry India Facility (Solapur)

Capacity (4 Foundries)

9 Mn. Units P.A



PCL Machine India Facility (Solapur)

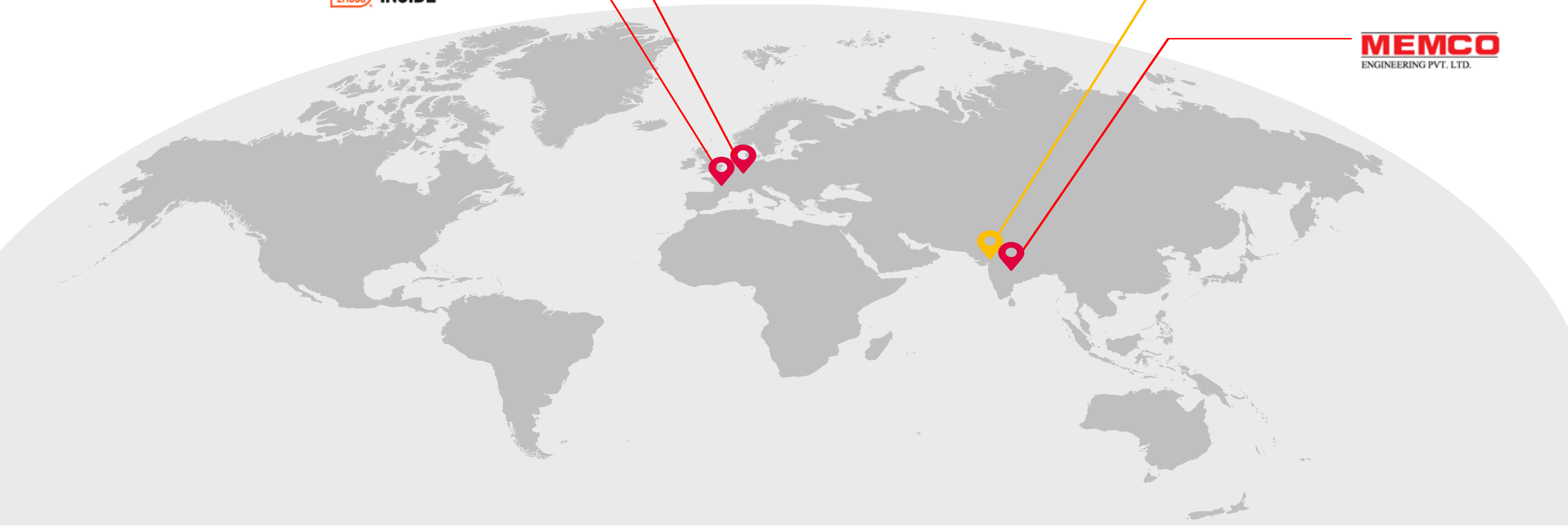
Capacity (4 Machine Shops)

3.01 Mn. Units P.A

Notes

1. Foundry Capacity has been reduced to 9 million per year due to change in product mix, increase in ductile iron camshafts and decommissioning of old Unit 2 foundry
2. Machine shop capacity will gradually increase to 3.60 million in the next 2 years

Our Manufacturing Presence



Our state-of-the-art manufacturing facilities and competitive engineering expertise helps grants us a competitive advantage in the marketplace

Our Marquee Clients



Solid Focus on Quality & thrust on improving camshaft technology led PCL to established Global Position

EMOSS

ferrovial
services

DE ROOY
transport - logistiek
Logistics with a green drive!

Albert Heijn

MEYER&MEYER
since 1902

DOLL

LIDL

peeters
24
AFGELEVERD
e
Amsterdam Elektrisch

TEDI
Lever - Biscuits

TOP
MOVERS

DeliXL
First for
Foodservice

H.ESSERS
WAREHOUSING • TRANSPORT • SYSTEMS

Sligro

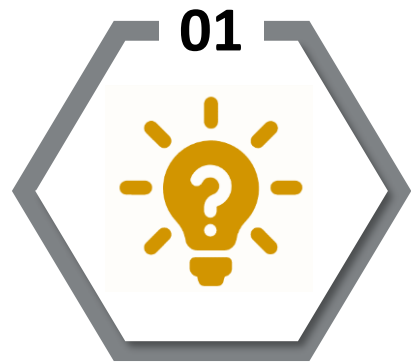
PETER APPEL
Transport

OSHKOSH

Waste Management

Heineken®

Key Differentiators



One Stop Solution

- One of the few global suppliers manufacturing all four types of camshafts i.e., cast iron, ductile iron, hybrid and assembled camshafts
- Supply to more than 150 varieties of camshafts for passenger vehicles, tractors, light commercial vehicles and locomotive engine applications
- Global market share of ~ 9% in passenger vehicle camshafts



Preferred Development Partner

- Focus on quality and thrust on improving camshaft technology has led to this established global position
- Technical alliance with the German technology company EMAG, for the assembled camshaft technology
- Worldwide exclusive rights to use the new technology and patented rights developed by EMAG for a period of 5 years



Enhancing Market Presence

- Unwavering focus on product quality, ability to meet quality standards and various process efficiency measures, along with stringent delivery schedules of OEMs and Tier-1 suppliers and effective execution have enabled in matching global standards and enhancing market presence



Zero Defect Policy

- Committed to steadfast performance, and adhere to a blend of superior values that ultimately culminate into perfection

Engineering is our expertise

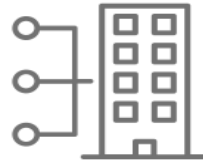


300+ Engineers at Precision Camshafts



Established **Engineering Centres** manned with international experts in the **US and Europe**

20+ workstations in design office with modelling software such as Catia, Unigraphics



Technical Alliance with **EMAG** for the assembled camshaft technology
We have worldwide exclusive rights to use the new technology and **Patented rights** developed by EMAG

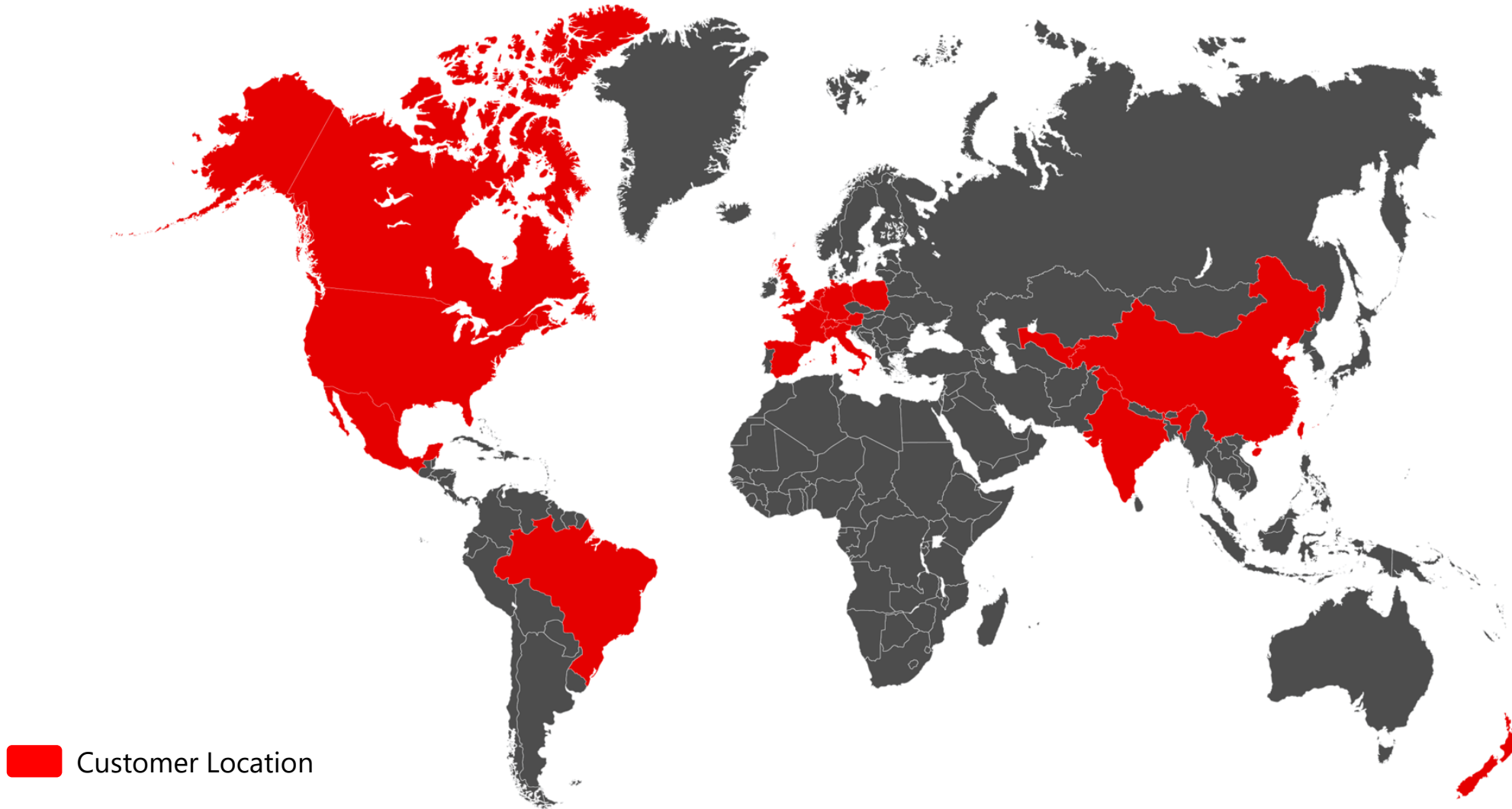
Manufacturing systems follow customer requirements like **QSB/Q1/VDA6.3**



PCL Group Technical Partners



Indian MNC delivering Globally



We continue to strengthen our position as one of the world's leading and most highly regarded development partners in the automotive industry with the best products






Recent Acquisitions

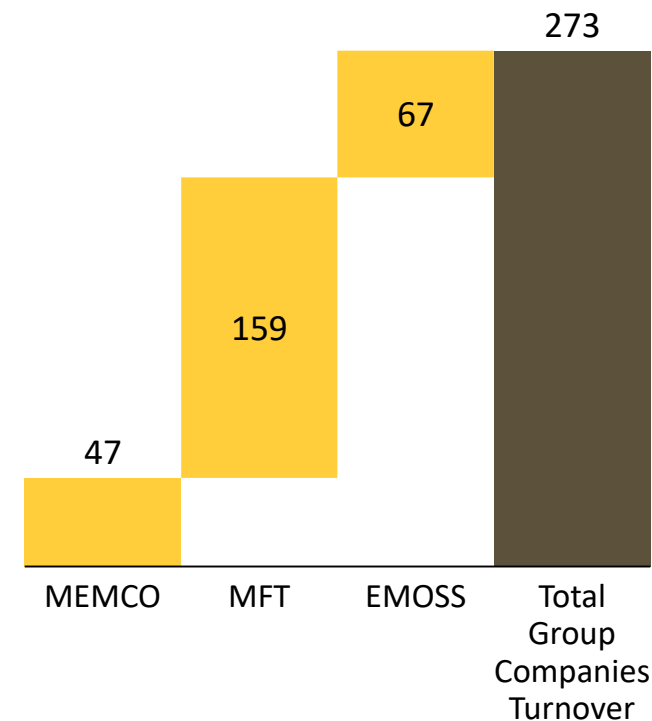
Acquisitions to Drive Growth at PCL



Our Acquisitions are aimed at creating strong alliances with leading global players to manufacture high-quality products across a wide range of solutions enabling us to fine tune our manufacturing capabilities to improve efficiency and productivity

Company Acquired	Geography	Rationale
	Germany	Strengthen Niche Machining capabilities and cross sell products to European Automotive Industry
	Netherlands	Foray in Electric Mobility and create capabilities in the Next-Gen technology in Global Automotive Industry
	Nashik, India	Diversify product and client range to cross sell products and capabilities

Group Companies Turnover – FY19
(in Rs. Crores)



Acquisition Details

PCL acquired 95% Stake in Nashik based MEMCO Engineering Pvt. Ltd. in October 2017 for Rs. 38 Crores & balance 5% stake for Rs. 2.6 Crores in April 2019

Products

Fuel injection components for conventional & CRDi diesel engines, brake components & high precision instrumentation components

About MEMCO

MEMCO enjoys long term relationships with marquee global customers like Bosch, Delphi, Endress+Hauser and Giro
MEMCO has the capacity to produce 10.7 million precision components per annum

Key Benefits

Acquisition to help PCL strengthen its niche machining capabilities & diversify into a new product range

Nashik Facility



MEMCO Products

Product Portfolio

Fuel injection components for conventional & CRDi diesel engines, brake components & high precision instrumentation components

Few Products



Nozzle Holder Body



Nozzle Retaining Nut



Stainless Steel Components for Instrumentation / Equipment



Brake Pistons

Acquisition Details	PCL acquired 76% Stake in Germany based MFT in March 2018 for Rs. 25 Crores through its WOS - “PCL (International) Holding B.V.”
Products	Balancer Shafts, camshafts, bearing caps, engine brackets & several non-engine prismatic components
About MFT	MFT is a leading supplier of machined components to Volkswagen, Audi, Opel, Westfalia, Hatz Suzuki & several others in its client list
Key Benefits	Partnership will help PCL scale its business in Germany owing to MFT’s know-how in manufacturing and proximity to European customers & will help strengthen its niche machining capabilities & diversify into a new product range

Germany Facility



MFT Products

Product Portfolio

Balancer Shafts, camshafts, bearing caps, engine brackets & several non engine prismatic components

Few Products



Balancer Shafts

- Fully machined, hardened and balanced (vertical and horizontal)
- Forged, ductile iron

Prismatic Components

- Various Powertrain, Brake and Chassis components
- Machining of all casting materials (GG, GGG, Aluminium)

Acquisition Details	PCL acquired 51% Stake in Dutch based EMOSS in May 2018 for Rs. 58 Crores through its WOS - “PCL (International) Holding B.V.”
Products	EMOSS is a one-of-a-kind business that designs, develops, produces and supplies complete electric powertrains for trucks, buses military vehicles and heavy equipment
About EMOSS	EMOSS business model includes conversion of diesel trucks into ready to use electric trucks. Major clients include DSV, Ferrovial, Geesink Norba, Heineken, Mellor & Waste Management New Zealand
Key Benefits	EMOSS acquisition helps PCL make a foray into the electric mobility and paves way for us to access mature electrical mobility markets such as Europe, North America and Australasia. PCL’s financial bandwidth will help EMOSS scale up business quickly

Netherland Facility



Product Portfolio - EMOSS



E-Truck



80 - 240 kWh



7.5 - 27 tons



100 - 350 km



E-Semi



120 - 200 kWh
+ range extender



Max. 50 tons



100 km
extended range 500+



E-Light



72 kWh



4.2 tons



150 km







Digital
development

Integrated cockpit for
all Emiss product

Real-time online tracking for:
Power management &
Data analysis

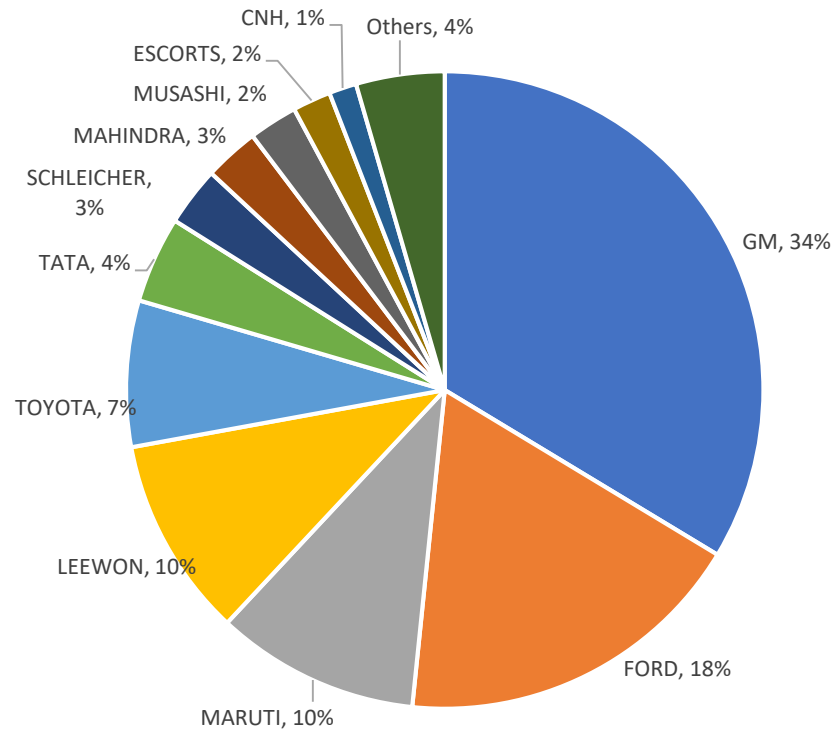
Acquisitions to strengthen Brand PCL



01	Cross Sell		Explore existing products with Clients added as a part of acquisitions
02	Scale up EV Venture		Scale up EMOSS in mature Electric mobility markets across the globe and take a leading advantage
03	Diversify Product Offerings		Introduce new products to PCL basket and diversify product range
04	Reduce Customer Dependence		Diversify customer base and reduce concentration risk; added Bosch, VW and Audi as part of recent acquisitions

Diversifying Client Base with Acquisitions

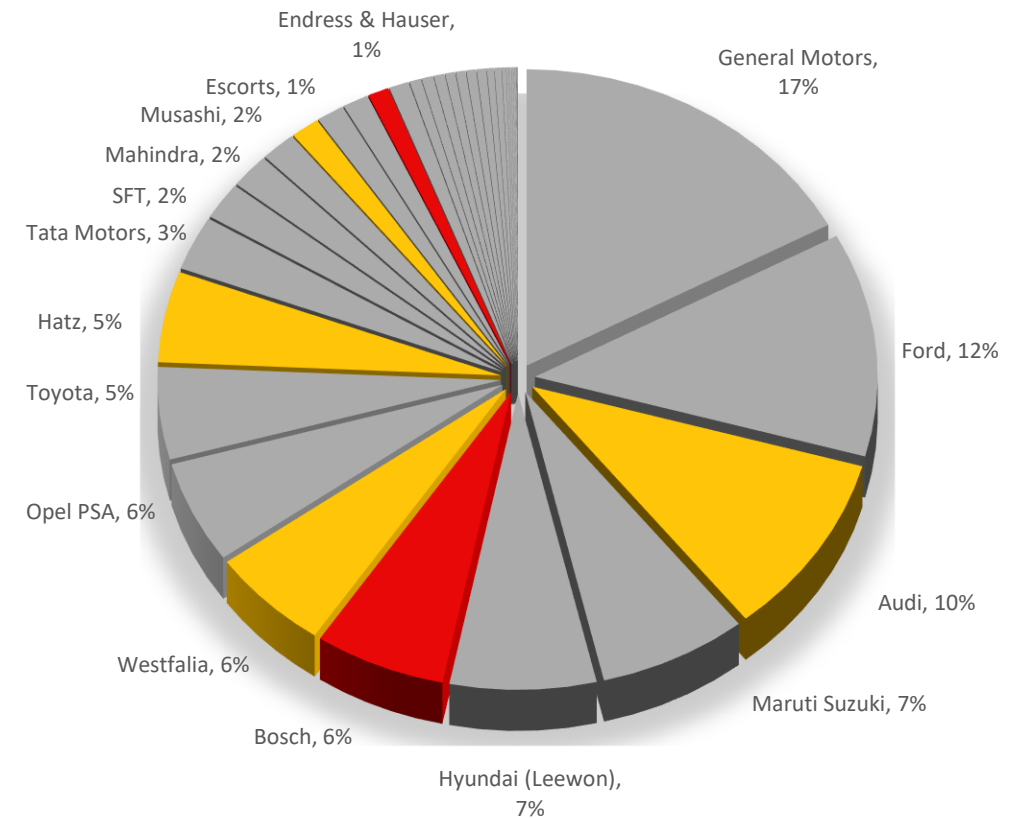
Client Base of PCL Standalone
Revenue Contribution



PCL is diversifying
its product profile
to cater to a wider
client base

Acquisitions of MFT,
MEMCO & EMOSS
to help further
diversifying its client
base

Client Base of PCL Group
Revenue Contribution

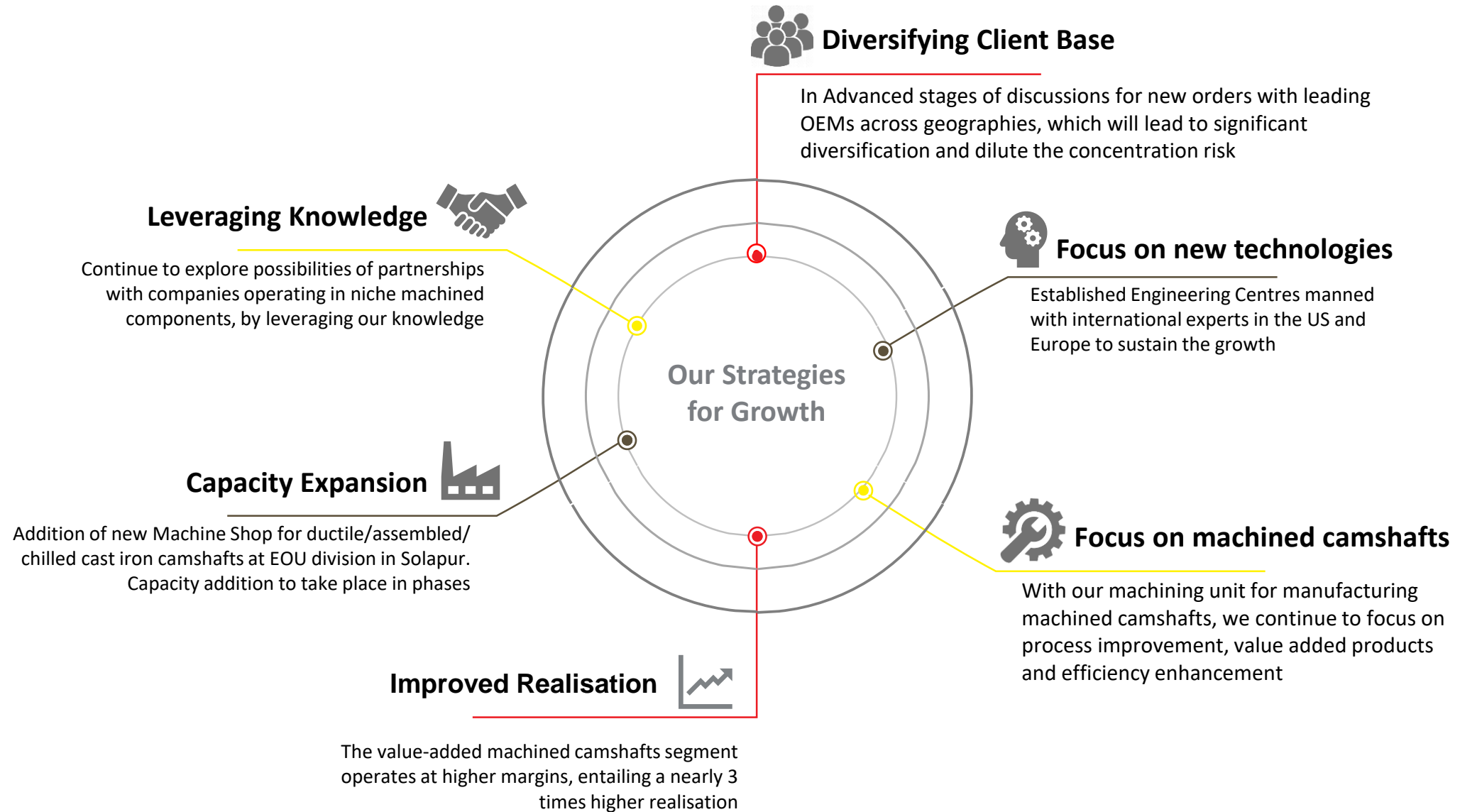


PCL MFT MEMCO



Our Strategy

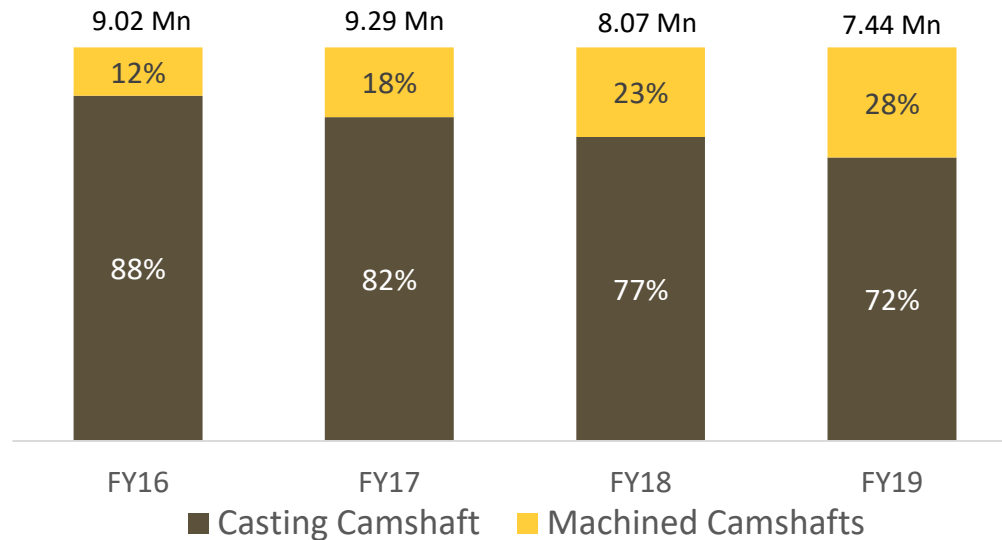
Our Strategy



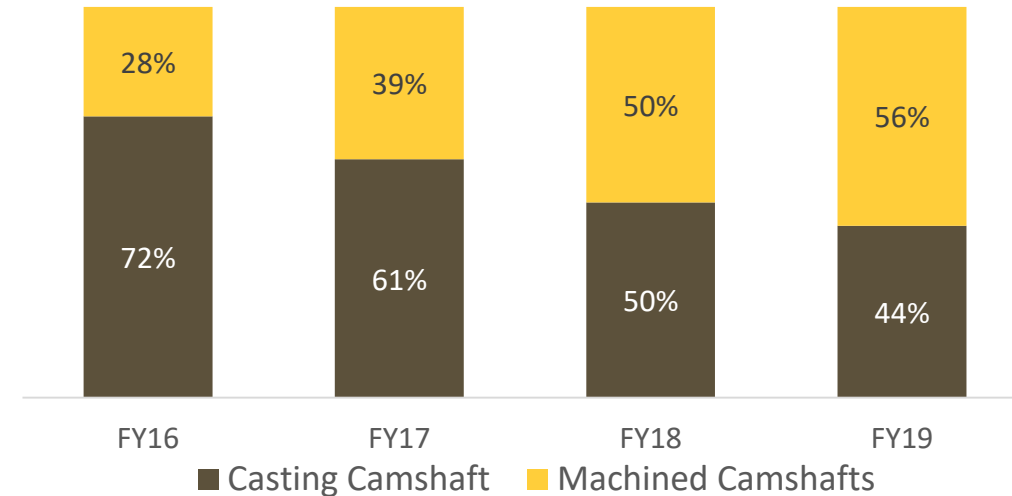
Drive Machined Camshafts volumes to improve profitability



Volumes Break – Up



Camshaft Wise Revenue Contribution



Rationale

1

Machined camshaft is the next level of refined stage of casting camshaft, which has the potential for ~2.5 times higher realisation, compared to camshaft castings

2

Consequently camshaft prices are less dependent on raw material prices as they are based on cam profile complexity and the extent of machining

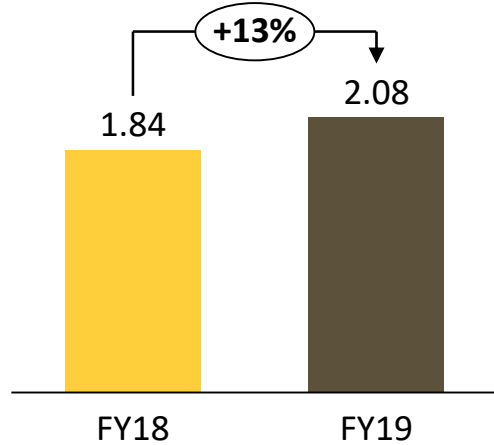
3

Capacity Expansion in value added machine camshafts to drive profitability

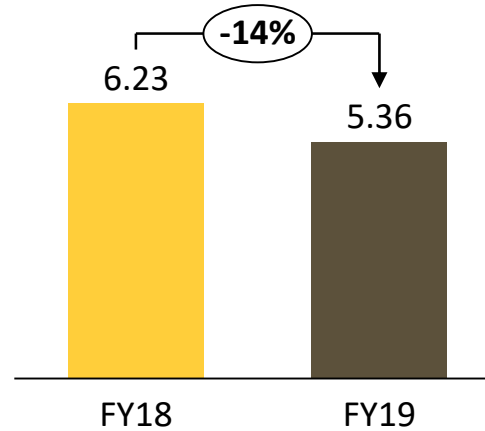
Machine Camshafts volumes improving



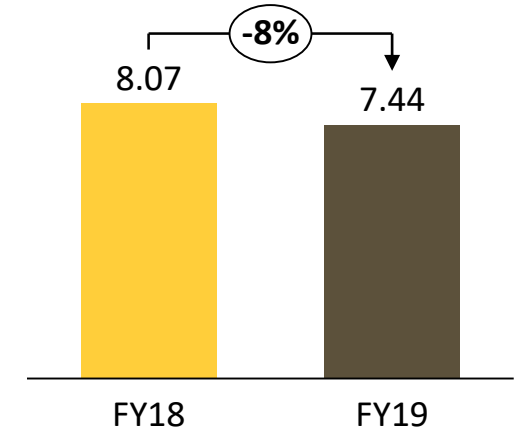
Machined Camshafts Volumes
(In Mn. Units)



Camshaft Castings Volumes
(In Mn. Units)

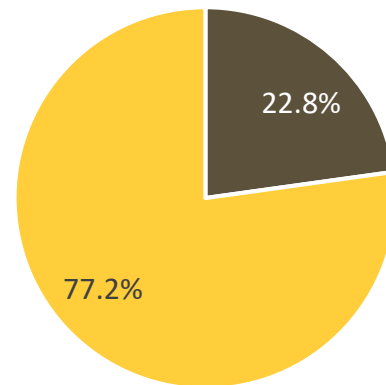


Total Camshaft Volumes
(In Mn. Units)



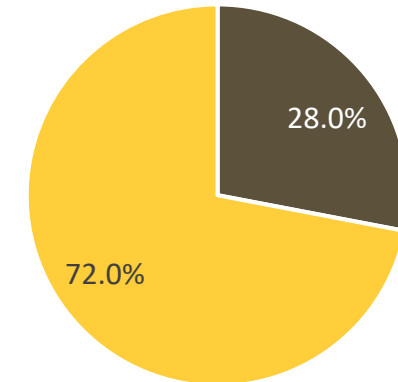
FY18 Volume Contribution

- Machined Camshafts
- Camshaft Castings



FY19 Volume Contribution

- Machined Camshafts
- Camshaft Castings



Customer issues of past behind us...FY20 looking robust



Change in Strategy of Ford

Business Requirements

Our major client Ford's business strategy required us to service business from China instead of India closer to their manufacturing facilities

Formations of Joint Ventures

Consequently, two Joint Ventures were formed to cater to Ford's business

Shift of Revenues to JV in China

As a result, standalone revenue of PCL standalone moved to two JV's – one with PCL's stake of 40% while other with 22.5%

Platform Performance

Key Platforms

Ford & GM were key customers whose key platforms were being supplied by PCL

Phase-out of Platforms

Few Platforms of Ford and GM have undergone Phase-out programs and new programs to replace these platforms have been delayed impacting our revenue growth and profitability

Going forward Diversified client base + Acquisitions + improved product mix to lead to better financial performance



Historical Financial Performance

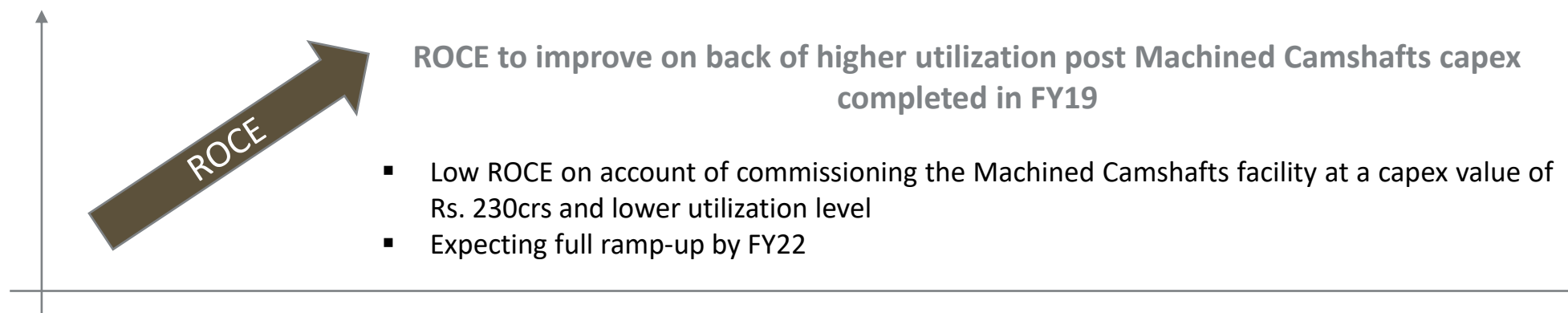
Standalone Profit & Loss Statement



Profit and Loss (in Rs. Crs)	FY19	FY18	FY17	FY16	FY15	FY14
Revenue from Operations (Net of Taxes)	424	401	443	436	514	459
Other Income	17	25	31	22	11	12
Total Income	441	425	474	457	525	472
Cost of Goods Sold	125	128	138	131	167	149
Gross Profit	316	297	337	326	358	323
Gross Profit Margin	71.7%	69.9%	71.0%	71.4%	68.1%	68.4%
Employee Cost	51	52	63	57	65	97
Other Expenses	150	144	142	131	145	135
EBITDA	116	101	132	139	147	91
EBITDA Margin	26.2%	23.8%	27.8%	30.3%	28.0%	19.2%
Depreciation	47	43	37	39	39	27
EBIT	69	58	95	100	108	63
EBIT Margin	15.6%	13.8%	19.9%	21.8%	20.5%	13.4%
Finance Cost	3	5	7	9	9	12
Profit before Tax	66	54	87	91	98	51
Tax	23	19	27	32	35	21
PAT	43	35	61	59	63	30
PAT Margin %	9.7%	8.2%	12.8%	12.8%	12.1%	6.3%

ROCE of Core Business

Particulars (Standalone) in Rs. Crs.	FY19	FY18	FY17
Total Equity = Share Capital + Reserves	602	570	552
Total Debt = Long Term + Short Term	27	22	67
Total Capital Employed (Debt + Equity)	629	592	619
Less - Cash & Bank Balances	78	150	257
Less - Long Term Investments	72	60	13
Less -Short Term Investments	100	110	89
Net Capital Employed	379	272	260
EBIT excluding other income	69	58	95
ROCE of Core Business (%) = EBIT / Net Capital Employed	13.6%	12.5%	24.3%



Consolidated Profit & Loss Statement



JV Financials are consolidated at profit level from FY16

JV Financials are consolidated as line by line item until FY15

Profit and Loss (in Rs. Crs)	FY19	FY18	FY17	FY16	FY15	FY14
Revenue from Operations (Net of Taxes)	695	421	442	440	532	467
Other Income	18	25	31	21	10	13
Total Income	713	446	474	461	543	480
Cost of Goods Sold	228	133	138	134	168	153
Gross Profit	485	313	336	327	375	327
Gross Profit Margin	68.0%	70.1%	70.9%	71.0%	69.1%	68.1%
Employee Cost	130	58	63	57	69	98
Other Expenses	211	150	142	132	170	138
EBITDA	144	104	131	139	135	91
EBITDA Margin	20.2%	23.4%	27.6%	30.0%	24.9%	18.9%
Depreciation	67	45	37	39	41	28
EBIT	77	59	93	100	94	63
EBIT Margin	10.8%	13.2%	19.7%	21.6%	17.4%	13.1%
Finance Cost	9	5	7	9	11	13
Profit before tax and share of profits from JV	68	54	86	90	83	50
Exceptional Gain / (Loss)	-27	0	-	-	-	-
Share in Profit/(loss) in JV and Associates	0	15	11	13	0	0
Profit before Tax	41	69	97	103	83	50
Tax	25	23	31	35	37	21
PAT from Continuing Operations	16	46	67	69	46	29
PAT Margin %	2.3%	10.3%	14.1%	14.9%	8.6%	6.0%

For further information, please contact:

Company :

Investor Relations Advisors :



Precision Camshafts Ltd.
CIN -L24231PN1992PLC067126
Mr. R.R. Joshi – Director & CFO
rrjoshi@pclindia.in
www.pclindia.in

SGA Strategic Growth Advisors

Strategic Growth Advisors Pvt. Ltd.
CIN - U74140MH2010PTC204285
Mr. Shogun Jain / Mr. Shrenik Shah
shogun.jain@sgapl.net / shrenik.shah@sgapl.net
+91 6114 6619 / +91 6114 6689
www.sgapl.net