

Varroc Engineering Limited

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CIN: L28920MH1988PLC047335



VARROC/SE/INT/2020-21/70

February 19, 2021

To,

The Manager- Listing
The Listing Department,
**National Stock Exchange of India
Limited**
Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai-400051.

NSE Symbol: VARROC

The Manager – Listing
The Corporate Relation
Department,
**Bombay Stock Exchange
Limited**
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400001.

BSE Security Code: 541578

Sub.: Intimation regarding participation in Investor Conference

Ref.: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

Dear Sir/Madam,

Pursuant to Regulation 30 of the Listing Regulations, this is to inform you that, the Company will be participating in ongoing "**Kotak : Chasing Growth Conference, 2021**" which is being held till February 23, 2021, organized by Kotak Securities Limited. It may be noted that the schedule will be subject to changes on the part of the investors / organizers / management team.

The attached presentation will be presented at the said Conference.

We request you to take this on record, and to treat the same as compliance with the applicable provisions of the Listing Regulations, as amended.

Yours faithfully,

For Varroc Engineering Limited



Ajay Sharma

Group General Counsel and Company Secretary



Varroc Engineering Limited

Corporate Presentation

Varroc is a leading Indian auto component group with a global footprint



- **Founded in 1988** in Aurangabad, India by the Jain family
- Successful listing on the Indian Stock Exchanges in July 2018

Two primary business lines:

1. **Varroc Lighting Systems (“VLS”)**: global supplier of exterior lighting systems to passenger car OEMs
2. **Varroc India Business**: manufacturer and supplier of diverse range of Polymer, Electrical and Metallic auto components to 2W, 3W and 4W OEMs.

- **Strong, long-lasting, growing customer relationships** with marquee auto OEMs globally and in India
- **Well-diversified global auto component business** across geographies, products and customers

- **Low cost, strategically located global** manufacturing footprint
- **43 Operating Manufacturing Facilities and 16 R&D Centres across 5 continents** ⁽⁴⁾

- **In-house R&D capabilities** in India, Czech Republic, China⁽³⁾, USA, Mexico, Germany, Italy, Romania and Poland
- **~1,400 R&D engineers**⁽⁴⁾; **185 patents granted globally**⁽⁴⁾

- **Experienced management team supported by reputed Board**
- **~14,300 employees** across the globe⁽⁴⁾

Leading

Tier-1 manufacturer and supplier to the Indian 2W and 3W OEMs⁽⁴⁾

6th

Largest⁽¹⁾, fastest growing among top global exterior auto lighting suppliers

**INR 115bn/ USD 1.54bn
FY20 revenue**⁽²⁾



Business Overview

ELECTRICAL - ELECTRONICS	POLYMER	METALLIC (Forging and Valves)	GLOBAL LIGHTING	IMES (International Forging)
				
<ul style="list-style-type: none"> • 2W lighting for Indian • Digital clusters • Motors, Magnetos • Regulator & Rectifiers • Body switches, CDI, • Catalytic Converters 	<ul style="list-style-type: none"> • Air Filter Assembly • Seating Assembly • Interiors (Instrument panel, Door panel etc.) • Painted plastic exterior products • Mirror assembly 	<ul style="list-style-type: none"> • Engine valves • Transmission gears • Crank pins, Links • Connecting Rods • Crankshafts 	<ul style="list-style-type: none"> • Head Lamps • Rear Lamps • CHMSL • Fog Lamps 	<ul style="list-style-type: none"> • Undercarriage Links • Drill bit cones & heads • Undercarriage Segments
<p>8 Facilities – India[#]</p>	<p>13 Facilities – India[#]</p>	<p>5 Facilities – India[#]</p>	<p>Global PV lighting -15 Facilities Czech(2), China (2), India (2) Mexico, Morocco, Turkey, Poland, Brazil, Bulgaria</p> <p>Global 2W Lighting 3 -Facilities Italy, Romania, Vietnam</p>	<p>2 Facilities - Italy</p>
<ul style="list-style-type: none"> • Comprehensive solutions in electrical-electronics components, assemblies for automotive applications. • 1350+ employees 	<ul style="list-style-type: none"> • One of the largest polymer solution providers to all major auto OEMs with a pan-India presence • 1940+ employees 	<ul style="list-style-type: none"> • Offers precision forged & machined parts for engines and transmissions • Supplies engines valves in domestic and international markets • 1650+ employees 	<ul style="list-style-type: none"> • Leading global supplier of exterior automotive lighting systems for PV • High end lighting systems for the global 2W industry • 2 more upcoming facilities • 7870+ employees 	<ul style="list-style-type: none"> • Manufactures hot steel forged parts for the construction and oil & gas industries • 135+ employees
<p>2W, 3W, PV & CV</p>	<p>2W, 3W, PV & CV</p>	<p>2W, 3W, PV, CV & OHV</p>	<p>PV & 2W</p>	<p>Earth-moving & Oil-drilling</p>

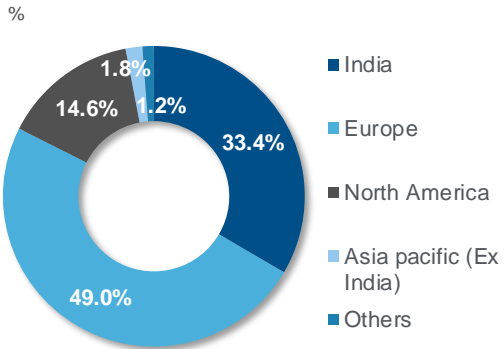
[#] Pantnagar facility is included in metallic but caters to all 3 verticals of India business. Global 2W lighting business is part of VLS and domestic 2W lighting business is part of Electrical and Electronics business. India business also has a small After Market Division, Solar and Windmill units which are not shown separately; Employees for these division and Corporate are over and above the divisional break-up shown above



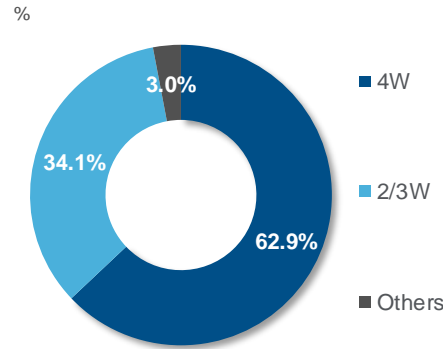
Well Diversified Business Across Geographies, Product Groups, Customers and Segments

FY20 Consolidated Revenue: INR 112 bn ⁽¹⁾
 100% China JV Revenue: INR 8 bn

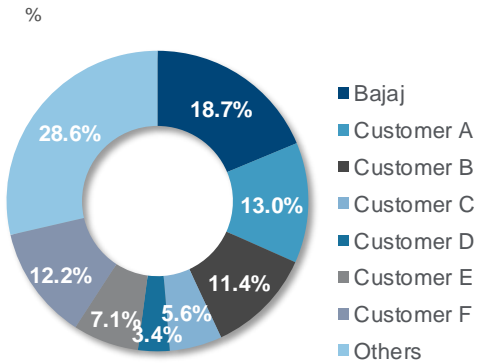
Revenue Split by Geography⁽¹⁾



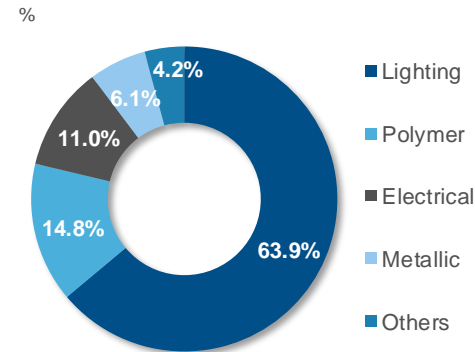
Revenue Split by Vehicle Type⁽²⁾



Consolidated Revenue Amount Split by Customer⁽³⁾



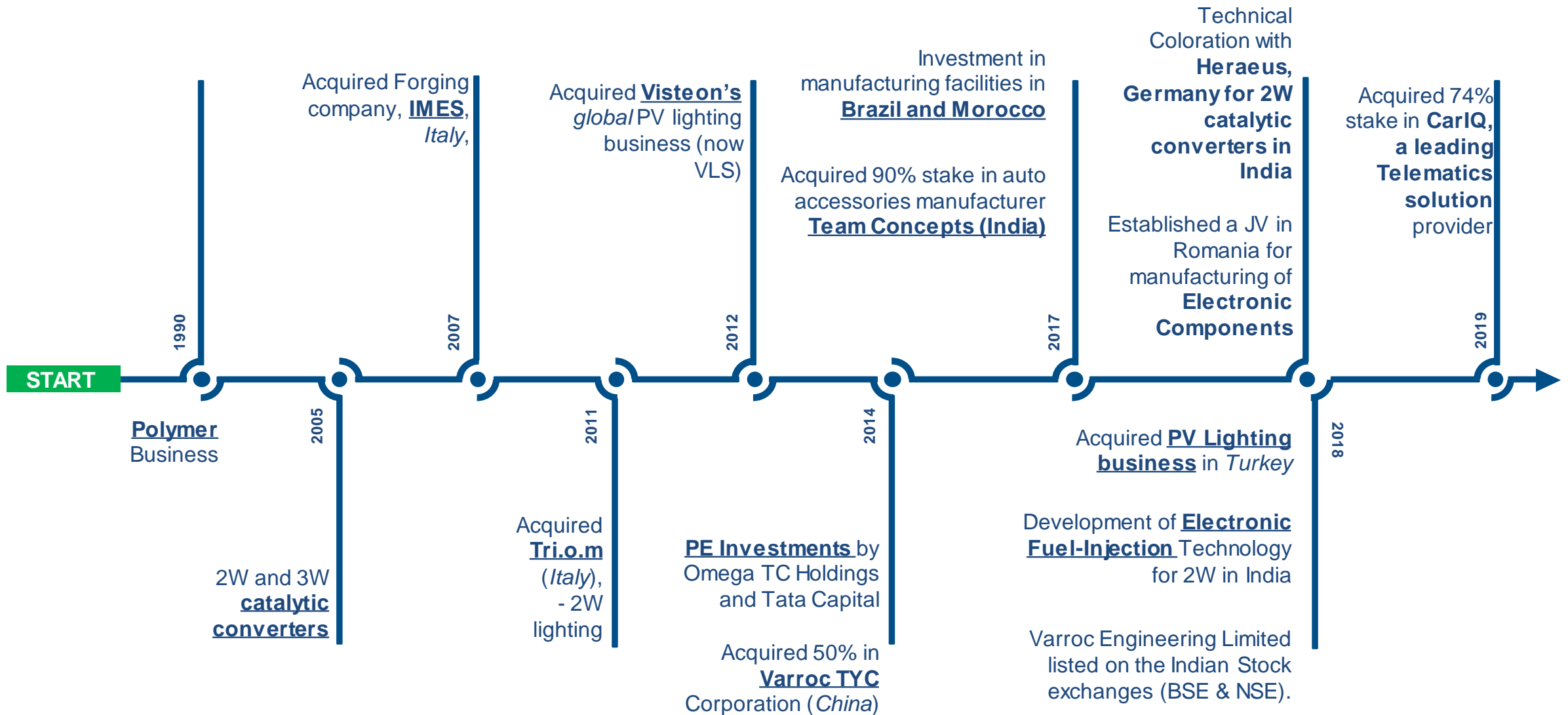
Revenue Split by Segment



- Diversified business in developed and emerging markets with strong India presence
- Comprehensive range of engine agnostic products
- Diversified customer relationships; no customer has >20% share
- Presence in fast growing India 2W and Global PV lighting segments

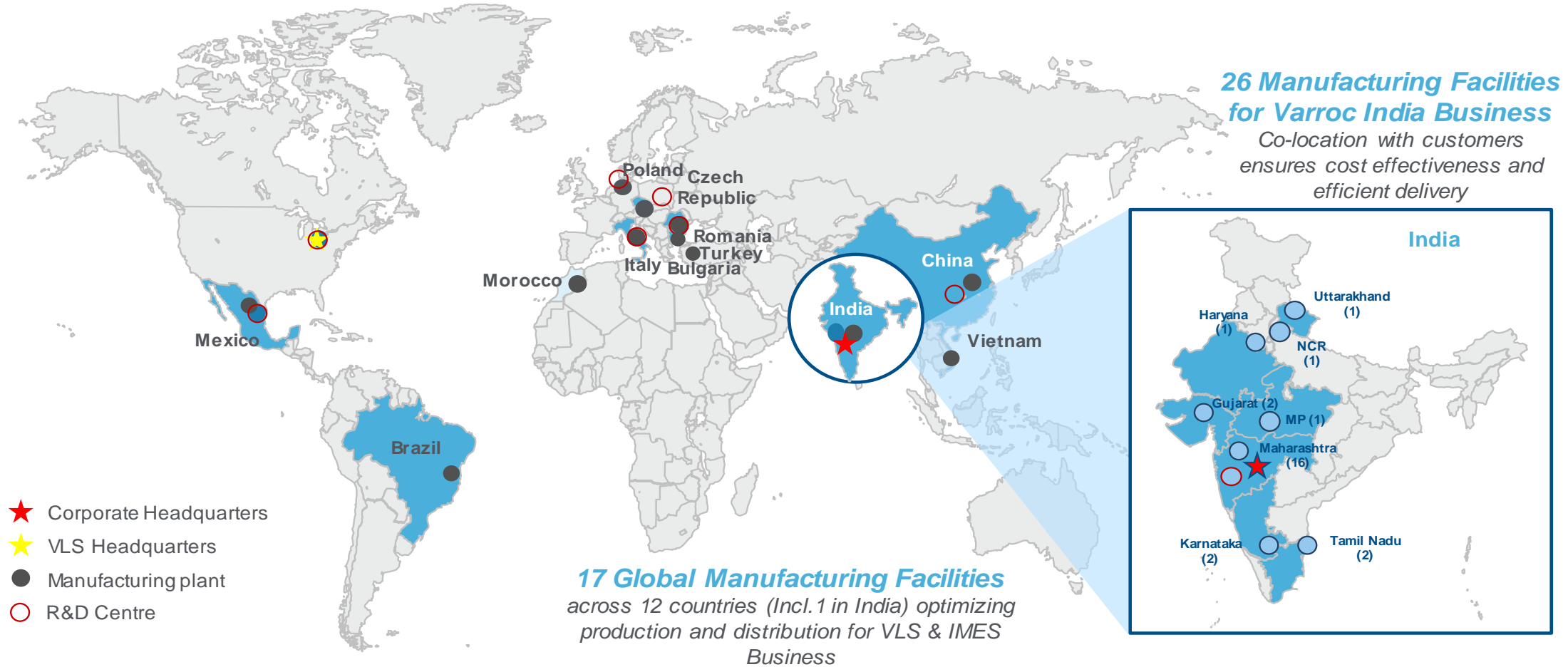


Varroc – The Transformation into a Global Auto Component Group



Low Cost, Strategically Located Global Manufacturing Footprint

43 Operating Manufacturing Facilities and 16 R&D Centers Across Asia, Europe, Africa, North and South America



- Manufacturing and R&D footprint spread across low cost countries

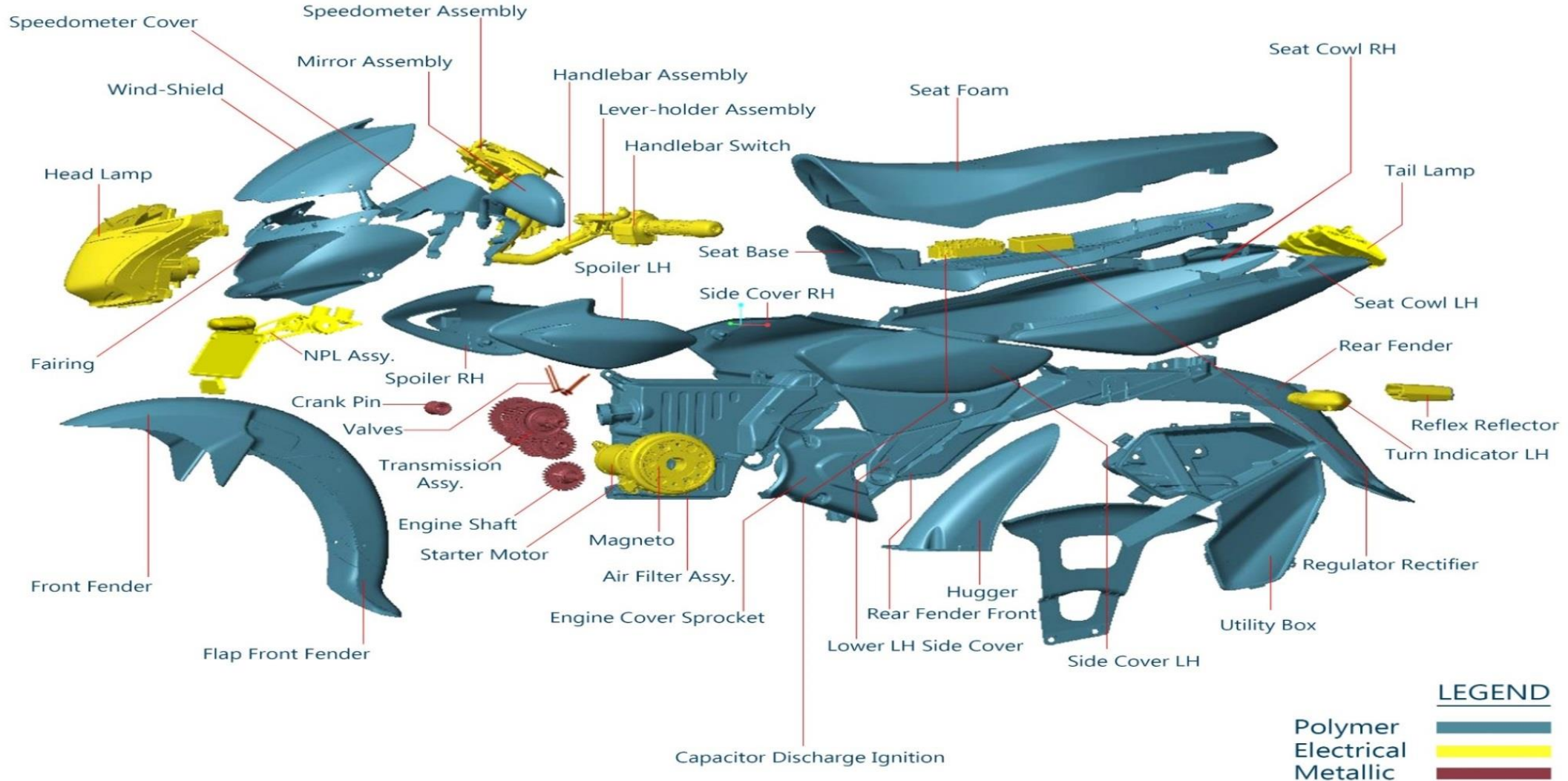
- Proximity to OEMs leading to cost effectiveness and quicker turn-around times

- Pan-India presence enabling proximity to customers across key automotive hubs



India Business: Comprehensive Solution Provider to 2W OEMs in India

Diversified Portfolio Catering to 2W and 3W Segments



Wide range of products across Polymer, Electrical and Metallic segments; One-Stop Shop for customers enabling cross-selling

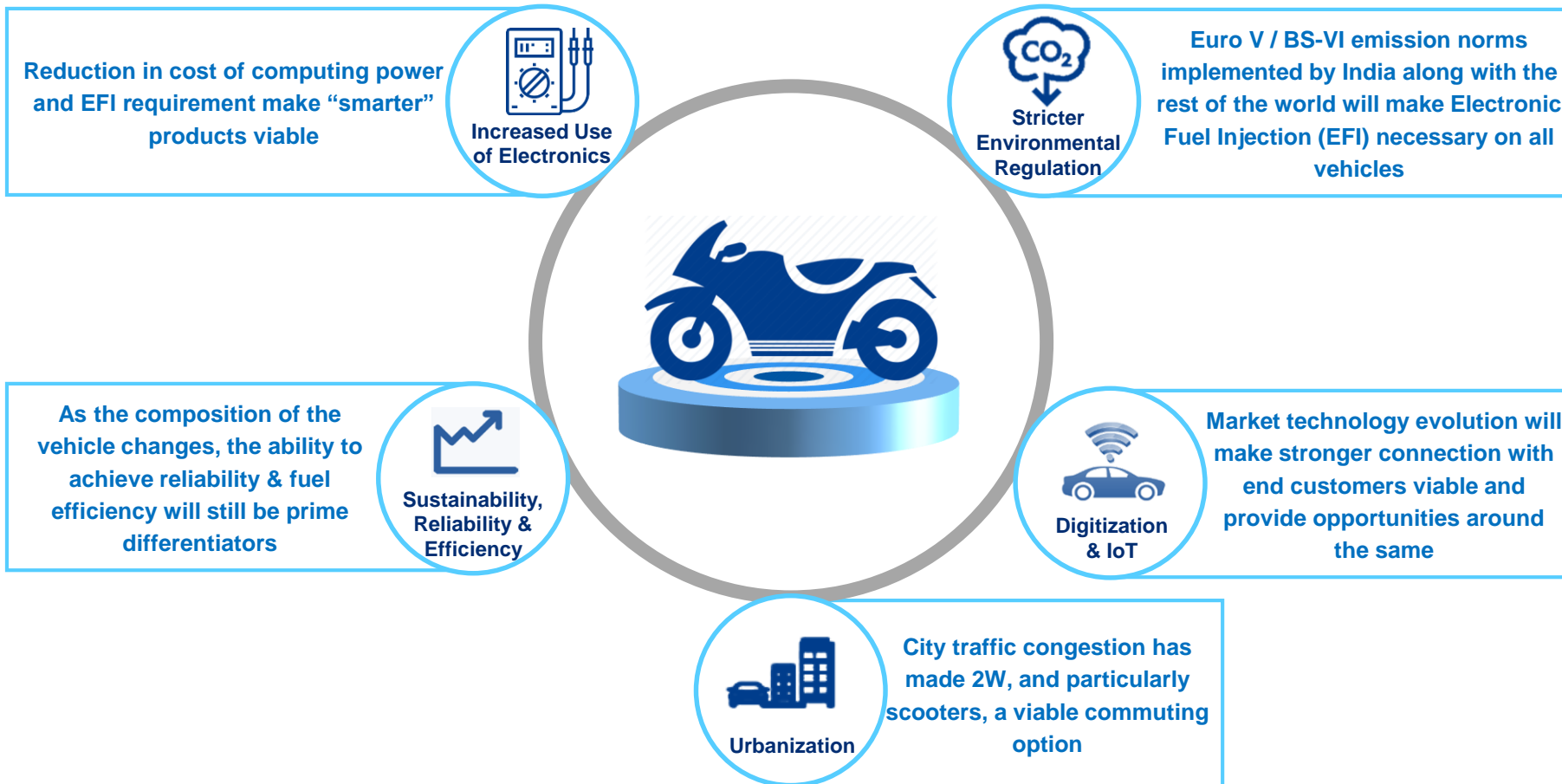
VLS: Wide Range of Lighting Product and Technology Offerings

Broad Portfolio of Lighting Technologies for PV OEMs Globally



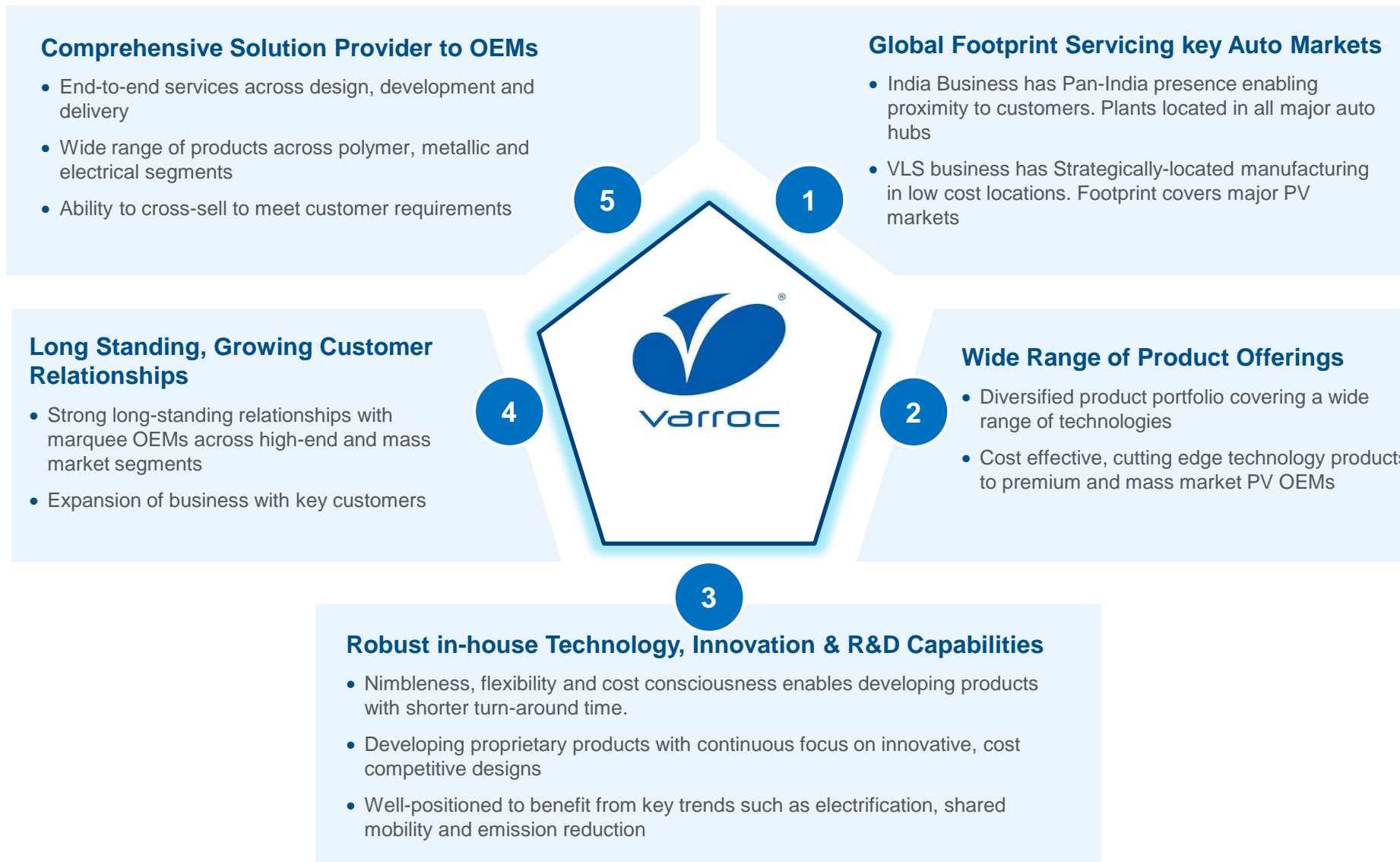
- Full portfolio of head lamp and rear lamp providing a wide range of products
- Established presence in key emerging technologies such as LED, OLED Laser, Matrix
- Quick adoption of new technology to grow product portfolio
- Customized products for OEMs with long standing relationships
- Providing cost effective, cutting edge technology products

R&D Efforts Seek to Capitalize on Emerging Trends



Regulation change creates potential for suppliers with robust operational systems to cross sell product lines; core auto themes like light-weighting and affordability will continue to guide OEM decision making

Varroc — Key Strengths



Varroc Leadership

Founder & MD



Tarang Jain*^
Chairman and Managing Director

- Co-founded Varroc in 1988
- Nearly 30 years experience in the automotive industry

- Experienced management team
- Independent directors with experience across industries & practices
- Strong governance: Big-4 statutory and internal auditors; independent board committees

Board of Directors



Marc Szulewicz
Independent Director

- Ex-General Manager, Foreign equipment division, Plastic Omnium Management



Gautam Khandelwal
Independent Director

- Executive Chairman, Nagpur Power and Industries Ltd



Vinish Kathuria
Independent Director

- Co-Founder and President of Rank software Inc.



Vijaya Sampath
Independent Director

- Lawyer, ex-Group General Counsel for Bharti Airtel Ltd

Senior Management



Arjun Jain*^
Business Head – Electrical & Electronics Division and Whole-time Director

- Previously associated with Bain & Co India Pvt. Ltd.



Stephane Védie
President and CEO – VLS

- Total Experience: 15 years in Automotive Lighting
- Previously associated with Magnetti Marelli



Sethumadavan D.
Business Head - Polymer

- Total Experience: ~22 years
- Previously associated with Assa Abloy, Stanley Black & Decker, Schneider Electric, General Electric and Lucas TVS



Rohit Prakash^
President - Business Head -Metallic and Whole-time Director

- Total Experience: ~30 years
- Previously worked with Sogefi Engine systems India, NTTF Industries Ltd and at FIEM industries



T. R. Srinivasan
Group Chief Financial Officer

- Total Experience: ~30 years
- Previously associated with Hindustan Lever Ltd, ATC Tires Private Ltd



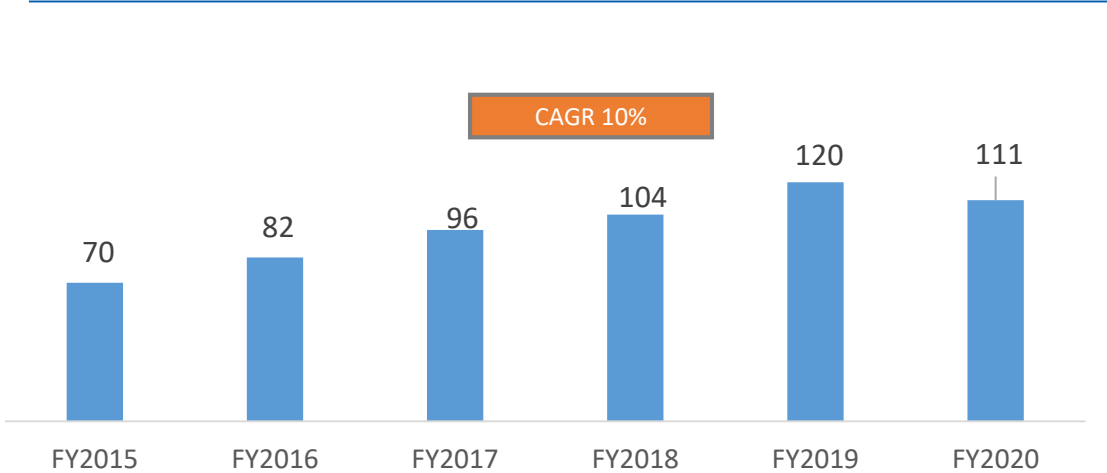
Financials & Share Details



Financial Summary : Key Performance Indicators

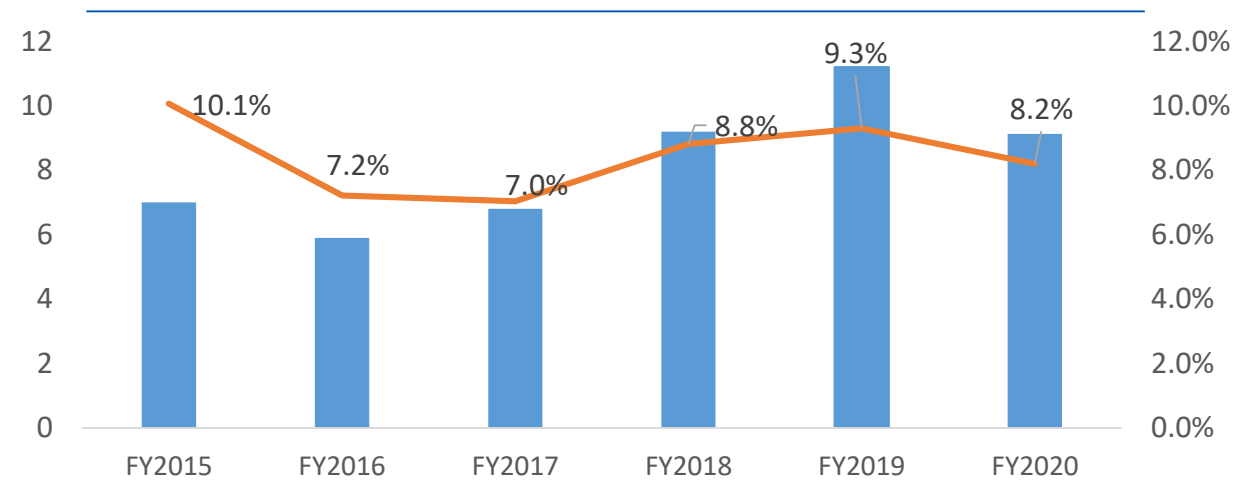
Revenue Trend last 6 years and current year YTD

INR Billion



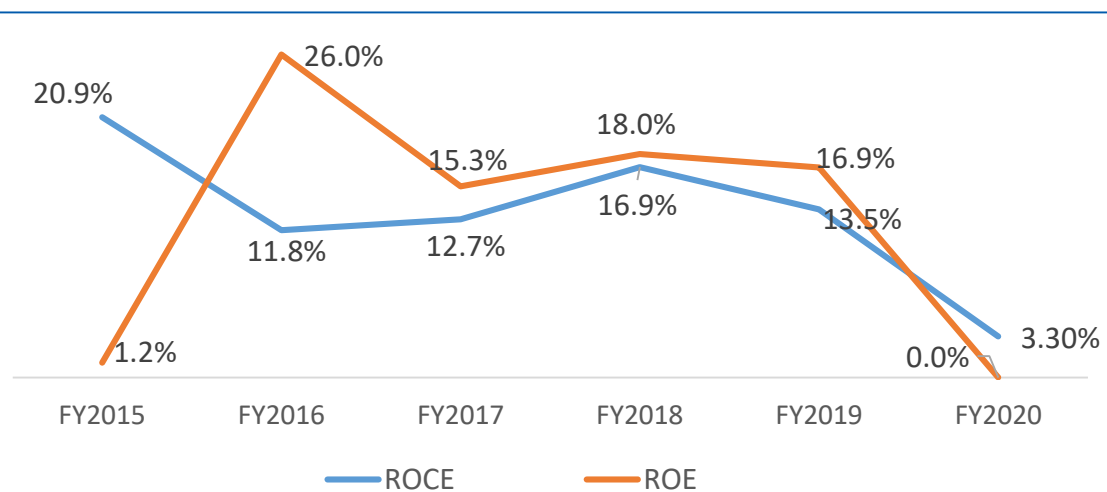
Reported EBITDA and Reported EBITDA margin

INR Billion, %



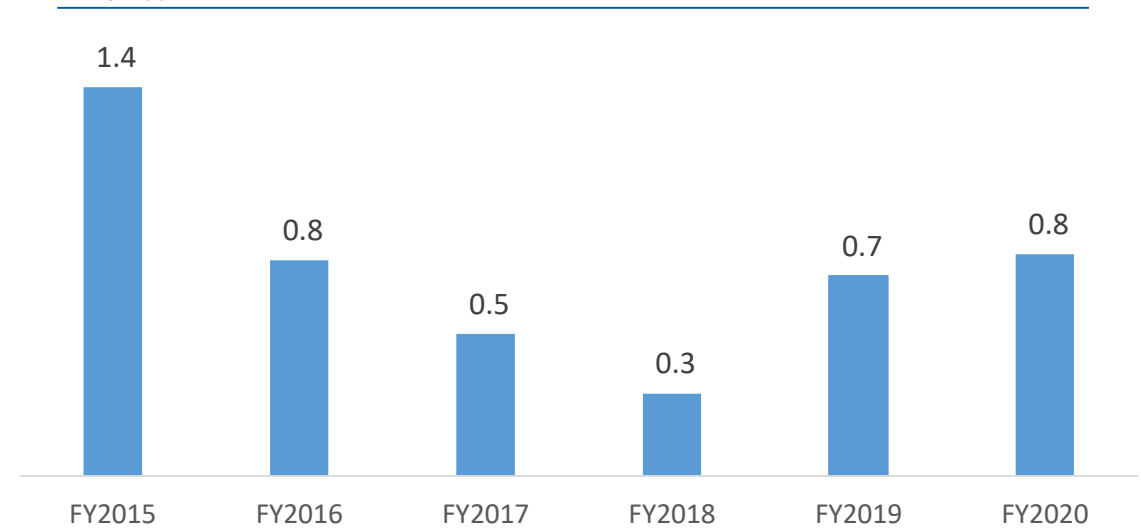
ROCE & ROE trend*

%



Debt to Equity

Multiple (x)



Financial Summary: Income Statement Q4 & FY20

(INR million)

	Q4 FY20	Q4 FY19*	% Change	FY20	FY19*	% Change
Revenue from Operations - Reported	27447.5	31534.0	-13%	111218.7	120364.7	-8%
Revenue from Operations : like-for-like	27447.5	31379.0	-13%	111218.7	120282.1	-8%
Other Income - Operating	479.4	226.1		925.7	650.2	
Other Income - non-Operating	7.9	59.8		63.2	257.7	
EBITDA : Reported	1158.3	2855.9	-59%	9133.6	11237.8	-19%
EBITDA : like-for-like	985.2	3030.2	-67%	8478.5	11798.9	-28%
<i>EBITDA %</i>	<i>3.6%</i>	<i>9.7%</i>		<i>7.6%</i>	<i>9.8%</i>	
Depreciation & Amortisation	2066.1	1529.7	35%	7318.6	5656.4	29%
Finance Cost	361.9	258.6	40%	1391.7	968.5	44%
Share of net profits of JVs under equity method	-105.5	50.8		-91.7	314.5	
PBT - Reported	-1367.2	1178.3		394.9	5185.2	-92%
Tax	3.9	-111.0		369.8	898.4	-59%
<i>Tax rate</i>	<i>-0.3%</i>	<i>-9.8%</i>		<i>76.0%</i>	<i>18.4%</i>	
PAT - Reported	-1371.0	1289.3		25.1	4286.8	-99%



Financial Summary : Segmental Break-up

SBU	FY20					FY19*					Revenue Change YoY
	Revenue	Revenue like-for-like	EBITDA	EBITDA # Like-for-like	% EBITDA	Revenue	Revenue like-for-like	EBITDA	EBITDA # Like-for-like	% EBITDA	
India Business	38,253	38,253	3,901	3,832	10.0%	42,720	42,720	4,623	4,623	10.8%	-10.5%
VLS (Incl TRIOM)	71,054	71,054	5,116	4,531	6.4%	75,101	75,018	6,385	6,946	9.3%	-5.3%
Others (IMES)	2,291	2,291	100	100	4.4%	3,076	3,076	303	303	9.9%	-25.5%
Elimination	(380)	(380)	15	15		(533)	(533)	(74)	(74)		
Total	1,11,219	1,11,219	9,134	8,478	7.6%	1,20,365	1,20,282	11,238	11,799	9.8%	-7.5%
China JV - 50%@	3,981	3,981	230	230	5.8%	4,731	4,731	578	578	12.2%	-15.9%

Euro Performance

Euro million

SBU	FY20					FY19*					Revenue Change YoY
	Revenue	Revenue like-for-like	EBITDA	EBITDA # Like-for-like	% EBITDA	Revenue	Revenue like-for-like	EBITDA	EBITDA # Like-for-like	% EBITDA	
VLS -Euro	901	901	65	58	6.4%	928	920	79	86	9.3%	-2.1%



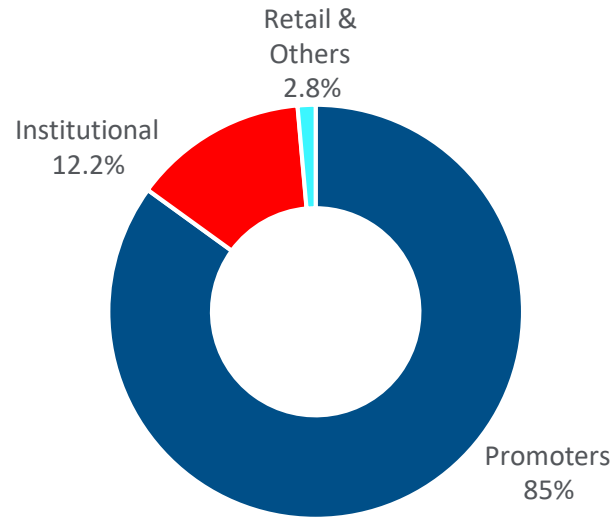
Financial Summary : Balance Sheet

	Fiscal Year Ending March 31,		
	2018	2019	2020
Non-Current Assets			
Fixed Assets	31,480	45,593	52,448
Others - Non-Current Assets	6,439	8,355	7,881
Right of use of asset		-	8,282
Total Non - Current Assets	37,920	53,948	68,612
Current Assets			
Current Investments	30	186	40
Cash and Bank Balances	3,289	1,634	10,688
Inventories	8,641	8,904	10,758
Receivables	14,027	13,495	10,893
Other -Current Assets	4,616	9,156	9,031
Total Current Assets	30,604	33,376	41,411
Total Assets	68,524	87,324	1,10,023
Equity and Liabilities			
Shareholder's Funds			
Share Capital	135	135	135
Reserves and Surplus	28,145	30,529	29,910
Equity attributable to owners	28,280	30,664	30,045
Minority Interest	208	241	249
Total Shareholder's Funds	28,488	30,906	30,295
Lease liability		-	6,522
Long Term Borrowings	6,361	4,572	9,002
Other Non-Current Liabilities	1,944	4,137	4,232
Total Non-Current Liabilities	8,306	8,709	19,756
Current Liabilities			
Short Term Borrowings	3,439	12,015	17,004
Finance Lease obligations	59	-	604
Current Maturities of LT debt	2,130	7,806	9,418
Trade Payables	19,794	20,322	23,646
Others Current Liabilites & provisions	6,308	7,566	9,299
Total Current Liabilities	31,730	47,709	59,972
Total Equity and Liabilities	68,524	87,324	1,10,023



Shareholding Details

Shareholding Pattern



Equity Share Information

- Share Price (As on 24 December 2020)* INR 379.05
- Market Capitalization INR 51.1 Bn
- Financial Year April to March
- Listing Details Indian Stock Exchange NSE (VARROC.NS)
BSE (541578)
- Bloomberg Code VARROC:IN

Top Institutional Shareholders *

DSP Blackrock	2.2%
Nippon	1.8%
IIFL	1.1%
L&T MF	1.0%
Kotak MF	0.7%
Morgan Stanley	0.6%
Bajaj Allianz Life	0.5%
Others	1.9%
Total Institutional holders	9.9%

* As on 04 December, 2020 for top 250 portfolios only. Shareholding under multiple portfolios/ plans clubbed together. Stake rounded off to nearest decimal

THANK YOU



TO SPEAK & ACT FROM THE HEART

SINCERITY



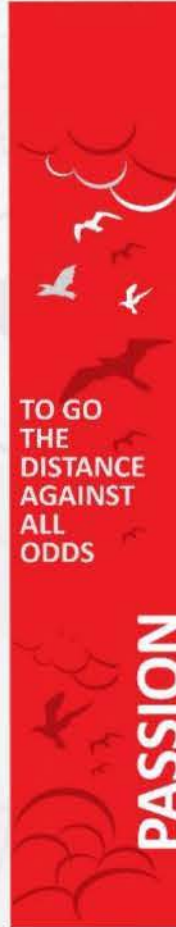
TO WALK WITH EVERYONE

HUMILITY



TO DO WHAT IS RIGHT

INTEGRITY



TO GO THE DISTANCE AGAINST ALL ODDS

PASSION



TO MAKE IT HAPPEN

SELF DISCIPLINE

Our Core Values