



PRICOL LIMITED (Formerly Pricol Pune Limited)

Passion to Excel

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CIN: L34200TZ2011PLC022194

👤 CUSTOMERS 👤 EMPLOYEES 👤 SHAREHOLDERS 👤 SUPPLIERS

PL/SEC/TGT/2017-18/275
Thursday, 14th November, 2017

| | |
|---|--|
| Listing Department National Stock Exchange of India Limited "Exchange Plaza", C-1, Block G Bandra-Kurla Complex, Bandra (E), Mumbai - 400051 Script Code: PRICOLLTD | Corporate Relationship Department BSE Limited 1 st Floor, New Trading Ring Rotunda Building, P J Towers, Dalal Street, Fort, Mumbai 400 001 Script Code: 540293 |
|---|--|

Dear Sir,

Sub: INVESTOR PRESENTATION

Pursuant to Regulation 30(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we herewith submit the presentation to be used for the Investor Conference call on the unaudited financial results for the quarter & half year ended 30th September 2017, to be held today At 1600 (IST).

This is for you information and records.

Thanking you

Yours faithfully,
For Pricol Limited

T.G.Thamizhanban
Company Secretary
ICSI M.No: F7897



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 |
| | Unaudited - Ind AS | | | |
| 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 |
| EBIDTA % | 9.8% | 13.0% | 9.4% | 12.6% |
| PBT before & after Exceptions | 98.52 | 279.10 | 174.84 | 519.42 |
| PBT Margin | 3.1% | 7.9% | 2.9% | 7.5% |

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 |
| Debt [A] | 1243.58 | 1083.47 |
| Equity [B] | 8448.92 | 8327.66 |
| EBITDA [C] | 576.74 | 1367.92 |
| Principal Repayment + Interest [D] | 143.82 | 261.60 |
| Debt/Equity Ratio [A/B] | 0.15 | 0.13 |
| Debt Service Coverage Ratio [C/D] | 4.01 | 5.23 |

- 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% |
| Subtotal | 10160 | 12039 | 18% |
| Speed Limiting Device | 1987 | 202 | -90% |
| Total Sales | 12147 | 12241 | 1% |

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 (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

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

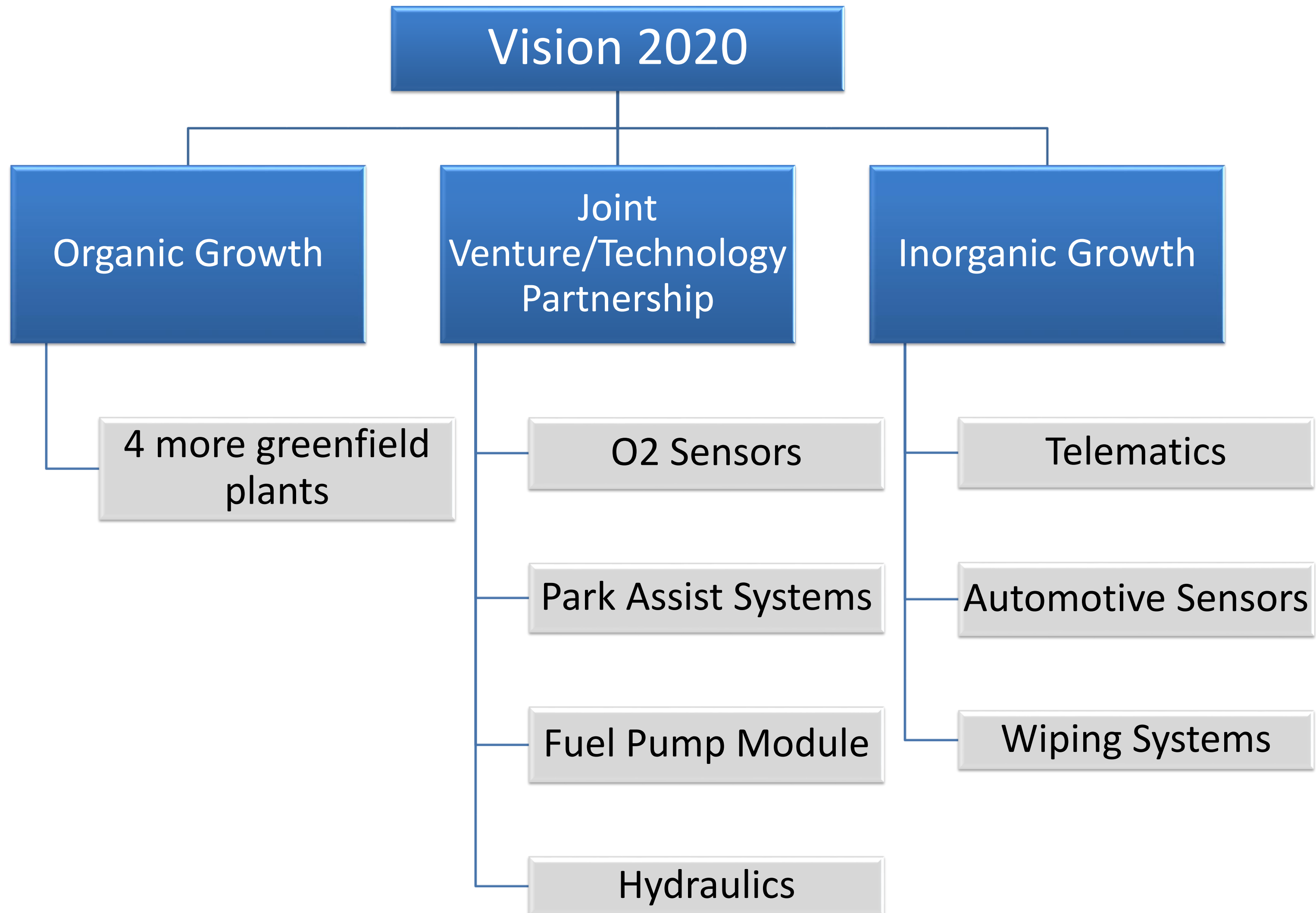
Project : **CSS Prime**
Annual Revenue: **USD 15 Mn**
Start of Production: **October 2019**
Tenure of Project: **12 years**



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*