

Pritika Auto Industries Limited

Investor Presentation

Q4 & FY19

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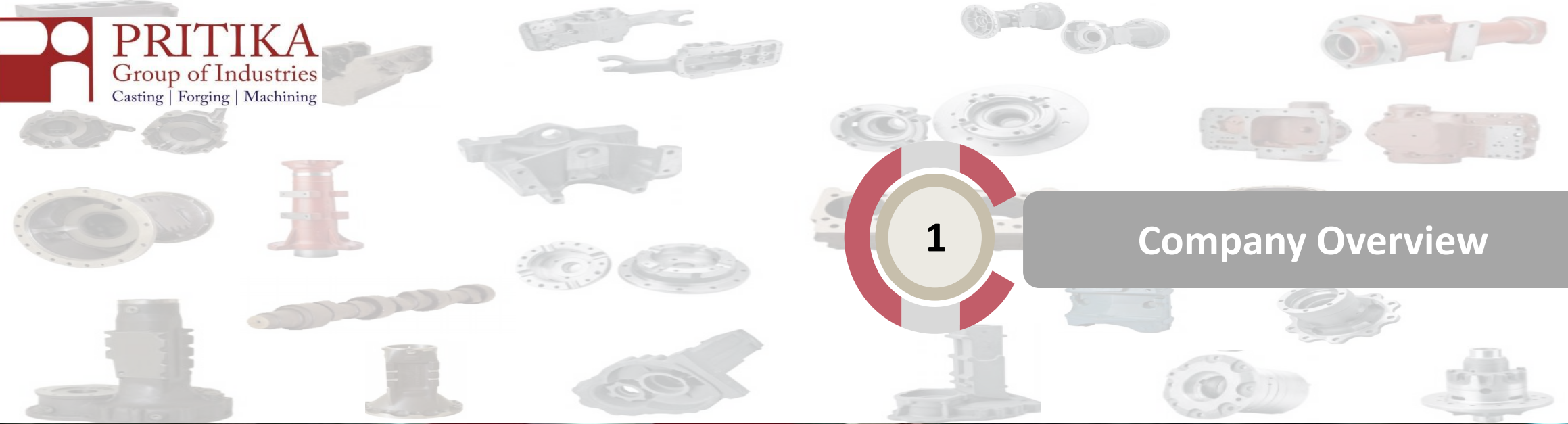
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Company Overview





Leading manufacturer of tractor components in India

- Incorporated in 1973 by Mr. R.S. Nibber
- Nearly five decades of experience in Tractor/Auto Component manufacturing

Modern Manufacturing Facilities

- Punjab and Himachal Pradesh
- Total installed machined capacity 50,000 tons pa

Among biggest component suppliers in machined casting Segment

- Supply to OEMs like M&M, Swaraj, TAFE, Escorts, SML Isuzu, TMTL, Ashok Leyland, New Holland Tractors India Ltd. , Brakes India Ltd.
- Wide & Diversified client base

Diversified Portfolio

- Axle Housings, Wheel Housings, Hydraulic Lift Housings, End Cover, Plate Differential Carrier, Cylinder Blocks, Crank Cases

Strong Pan India Customer presence

- Strong demand for products across key markets in India

Journey So Far...

- Started by Mr. R. S. Nibber in 1973 as small unit of forgings for Railways
- Started machining shop in Delhi

- Expanded Foundry by 2,400 tons pa – Phase I
- Total Capacity: **5,400 tons pa**

- Started **First integrated Foundry & Machine Shop** in Village Bathri (Himachal Pradesh) with **7,800 tons pa** capacity
- Total Capacity of **15,600 tons pa**

- 2012- Expansion of capacity by 4,800 tons pa – Total **25,200 tons pa**
- 2015- Expansion of capacity by 4,800 tons pa – Total **30,000 tons pa**

- Expanded capacity by 3,200 tons pa.
- Acquired foundry capacity of 12,000 tons pa** of Amrit Duraparts
- Total **50,000 tons pa**
- Received 1,200 tons pa order for low HP tractor components
- Won 2,400 tons pa order of rear axle housings

1973-75

1995-97

1999

2003

2007

2010

2012-15

2017-18

2018-19

- Started machine shop in Mohali
- Started **Foundry** in Derabassi (Punjab) with capacity of 3000 tons/annum - **1997**

- Expanded Foundry by 2,400 tons pa – Phase II
- Total Capacity : **7,800 tons pa**

- Further capacity expansion by 4,800 tons pa – Total **20,400 tons pa**
- 100% Booked by leading OEMs

- Expanded capacity by **4,800 tons pa**
- Total installed capacity – 34,800 tons pa
- 100% booked by leading OEMs

Leadership Team to drive Growth...



Chairman

Raminder Singh Nibber

- Aged 75 years: Mechanical Engineer started career with Escorts Limited for 10 years
- Awarded “UDYOG PATRA” for Self Made Industrialists by Institute of Trade and Industrial Development in July 2003
- Chairman of Confederation of Indian Industry - Mohali Zone
- Executive Member of Mohali Industries Association, Rotary Club & PHD Chamber of Commerce



Managing Director

Harpreet Singh Nibber

- Aged 46 years: Mechanical Engineer worked for more than 2 years in reputed tractor manufacturing Company
- Responsible for Manufacturing and Business Development of all Units
- Worked in Marketing & Development functions of Pritika Group for almost 2 decades
- Executive Member of Mohali Industries Association, Rotary Club

... Backed by Professional Management



Mr. Narinder Kumar Tyagi
Chief Financial Officer

- Chartered Accountant with more than 25 years of experience in finance and accounts functions
- Worked with various reputed public and private sector organizations like Nahar Spinning Mills Limited, TDT Copper Ltd. & others



Sri Ajay Kumar Rai
Executive Director

- Graduate in Mechanical Engineering and a Masters Degree holder in Business Administration
- 21 years of experience in various engineering industries and been with the group for 15 years
- Was the head of materials at Nibber Castings for about 4 years and Project Head for Pritika Autocast
- Approved Internal Auditor for ISO



Sri Navpreet S. Sujlana
Deputy General Manager-
Sales & Marketing

- Graduated in Mechanical Engineering and done Information Technology course
- 12 years of experience in customer support function
- Worked with Compaq as project team leader
- Responsible for Information Technology function
- Been with Group for more than 10 years



Sri Ram Lal Dhiman
Director - Technical
Foundry

- Post graduate in Mechanical Engineering and Masters Degree in Business Administration
- 39 years of experience in engineering, Foundry industries and has been with Group for last 5 years
- Worked with giants of Industry like DCM, Mahindra & Mahindra and Amtek Group
- Approved Internal Auditor for ISO

DELIVERING RESULTS, RELIABILITY & EXCELLENCE

Rear Axle Housings



Diverse Product Offerings contd...

Hydraulic Lift Covers/ Housing



Differential Case



Engine Covers



Clutch & Fly Wheel Housings



Plate Diff. Carriers



Bull Cages



Diverse Product Offerings contd...

Wheel Hubs



Front Engine/Axle Support



Crank Case, Cylinder Blocks & Cam Shafts



Brake Housings, End Covers & Actuating Disc



Market Share – Major Products

**Axle
Housings**
28% Market share



**Differential
Case**
25% Market share



**Brake
Housings**
20% Market share



Wide Application of Products



Key Customers



Case New Holland



ASHOK LEYLAND



Brakes India Private Limited



Key Strengths

Reputed and established Management

- Dynamic Experienced Leadership
- Vast experience in Tractor and Auto Components - indicates strong ability to maintain business viability and steer business through operational hurdles
- Strong Team of Highly Skilled and Dedicated Professionals

Diversified Product offerings

- Manufactures diverse range of products
- Continual expansion of product offerings

Strong Order book position

- Robust current order book
- Significant incremental enquiries

Over five decade old strong and established brand

- Among leading manufacturers of tractor components in India

Fully Integrated manufacturing set up

- Integrated operations from casting to machining
- “Ready to use” products for OEM’s

Long standing association with key Customers

- Escorts – 43+ years
- TAFE – 20+ years
- M&M – 14+ years

... All capacity additions till date - 100% pre-booked

Awards & Recognitions

AWARDS	YEAR	ORGANIZATION
Best Quality	2001	CII – SIDBI India Engineering Trade Fair
2 nd Best Display Award	2005	Centre for International Trade & Industry at Made in Punjab Show
Best Quality Performance	2010-11	Swaraj Ltd.
Award For Casting Commodity	2012	Mahindra & Mahindra
Best Supplier	2012	TAFE
Best Kaizen	2013-14	TAFE
Star of Asia Award	2015	Economic Growth Society of India
India's Best Company of the year 2017- Best Automotive Components Manufacturing Company	2017	IBC Info Media Pvt. Ltd.
Award for Corporate Excellence	2018	Make in India Foundation (MIIF)



DELIVERING RESULTS, RELIABILITY & EXCELLENCE



Commenting on the results, Mr. Raminder Singh Nibber, Chairman, Pritika Auto Industries Limited said :

"I am pleased to share with you, the FY19 results of our Company. We achieved revenues of Rs. 209.7 crore in FY19, with EBITDA and PAT at Rs. 30.2 crore and Rs. 14.1 crore, respectively. The growth in top line has primarily been driven by a healthy and growing order book. Our clients rely on us to meet their production targets on time, reaffirming their trust and faith they have placed in us. Correspondingly, we continue to enhance the utilisation of the newly acquired capacity last year.

To complement this approach, we are expanding our product portfolio with value-added products, which is expected to improve our profitability. With a relatively stable market outlook and policy support from the government, we expect our growth trajectory to continue in the coming year.

I would like to thank the entire team of 'Pritika' for their untiring efforts hard work, sincerity and dedication. Also, I would like to thank our valued shareholders, whose support and faith in our Company gives us the determination and ambition to set and achieve higher benchmarks."

Strategy - expand capacity organically and through acquisitions, on back of strong order book

- Won initial order from TAFE and Eicher to supply 1,200 tons per annum of components for low horse-power tractors – reflects OEMs’ trust to deliver quality products on time
- In March 2019, received incremental order for rear axle housings from existing, long-standing customer, a major manufacturer of tractor engines – expected to translate to additional business of 2,400 tons per annum
- In February 2019, National Company Law Tribunal (NCLT) approved application for amalgamation with Nibber Castings Pvt. Ltd.
- In July 2018, recorded highest ever monthly production volume, at 3,180 tons
- Completed acquisition of Amrit Duraparts’ plant and assets, adding 12,000 tons per annum of capacity, bringing total installed capacity to 50,000 tons per annum.
- In 2018, expanded capacity by 3,200 tons per annum – in line with strategy to expand capacity organically, to complement inorganic expansion initiatives

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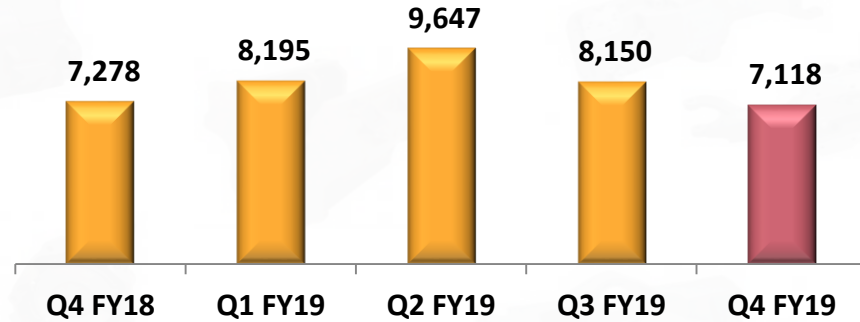
Consolidated Financial Highlights

EXCELLENCE THROUGH THE QUALITY AND PRECISION

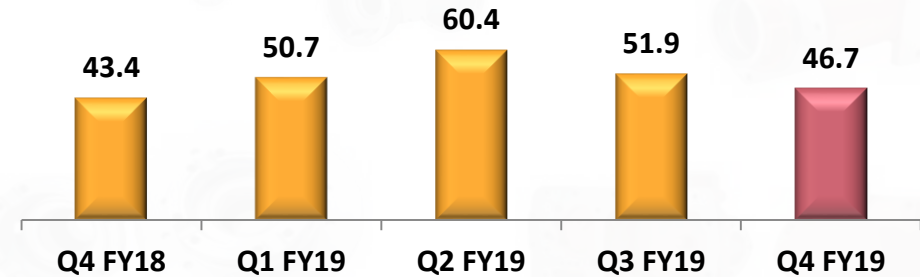


Quarterly Financial Highlights – Q4 FY19

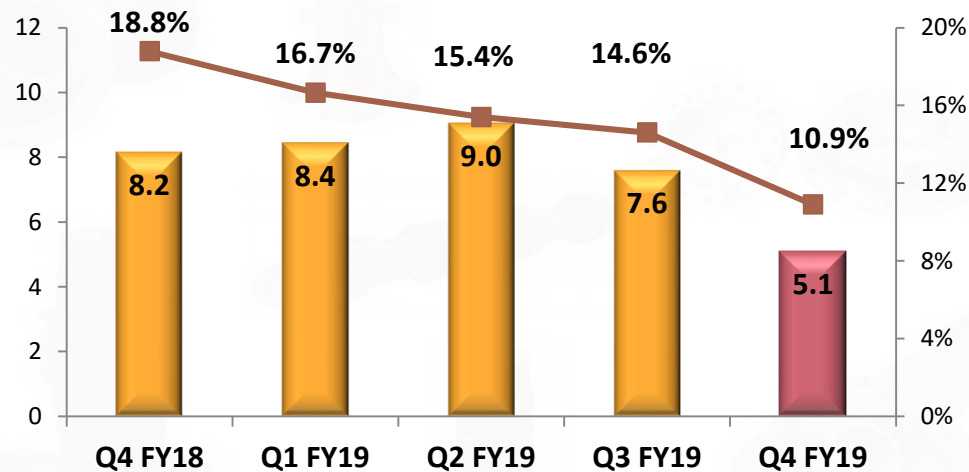
Production Volume (TPA)



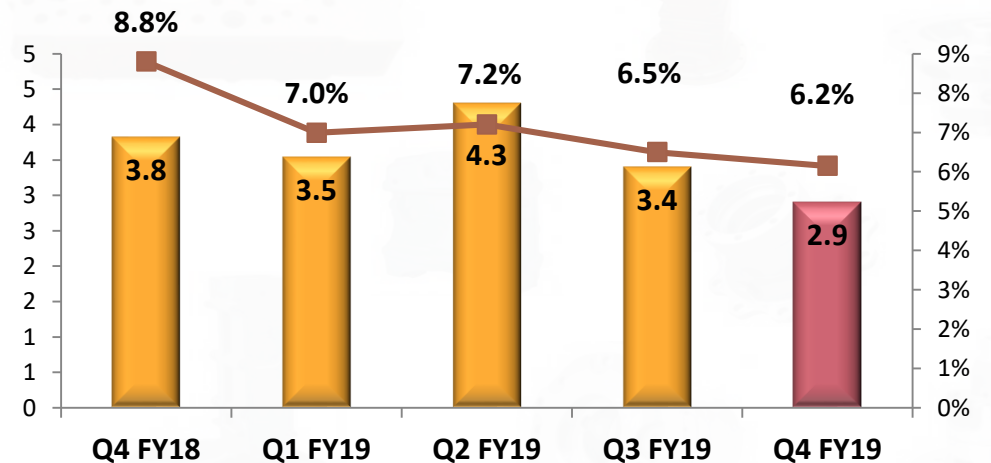
Revenue (Rs. Cr)



EBITDA (Rs. Cr) / Margin (%)



PAT (Rs. Cr) / Margin (%)



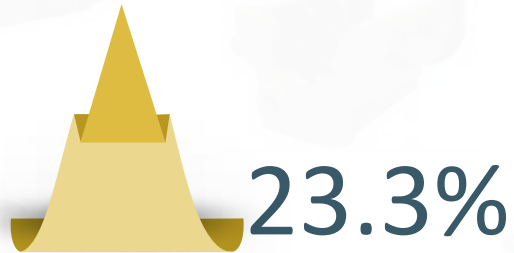
Quarterly Financial Highlights

Rs. Cr	Q4 FY19	Q4 FY18	Y-o-Y	Q3 FY19
Total Income from operations	46.7	43.4		51.9
Other Operating revenue	0.0	0.0		0.0
Net Revenue	46.7	43.4	7.6%	51.9
Raw Materials	27.5	25.6		29.1
Employee Cost	3.5	3.3		3.3
Other Cost	10.5	6.3		11.9
Total Expenditure	41.6	35.2		44.3
EBITDA	5.1	8.2	(37.3%)	7.6
EBIDTA margin (%)	10.9%	18.8%		14.6%
Other Income	0.5	0.3		0.5
Depreciation	1.4	1.4		1.4
Interest	1.9	0.7		2.3
Profit Before Tax	2.4	6.4		4.4
Tax	(0.5)	2.6		1.0
Profit After Tax	2.9	3.8	(24.8%)	3.4
PAT Margin (%)	6.2%	8.8%		6.5%
Basic EPS* (Rs.)	1.63	2.61	(37.5%)	1.93

- EBITDA decline - on account of increase in other cost incurred due to acquisition and change to electric furnaces from coal-based furnaces

*Preferential issue of 1,75,000 equity shares during Q4 FY19

Annual Financial Highlights – FY19 (YoY)



Revenue

Rs. 209.7 cr



EBTIDA

Rs. 30.2 cr



EBITDA Margin

14.4%



PAT

Rs. 14.1 cr



PAT Margin

6.7%

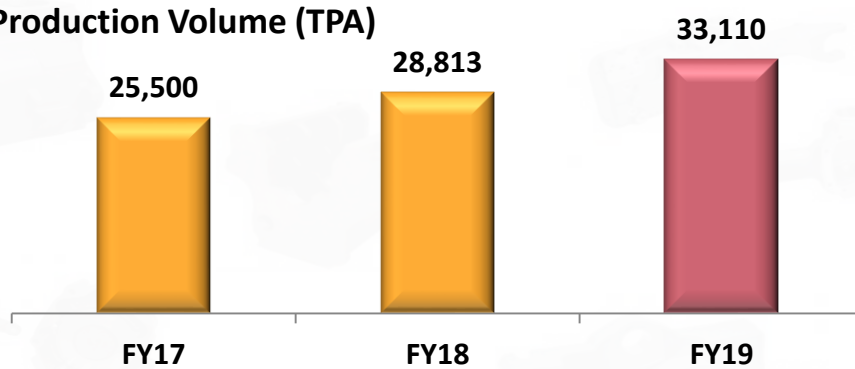


Basic EPS*

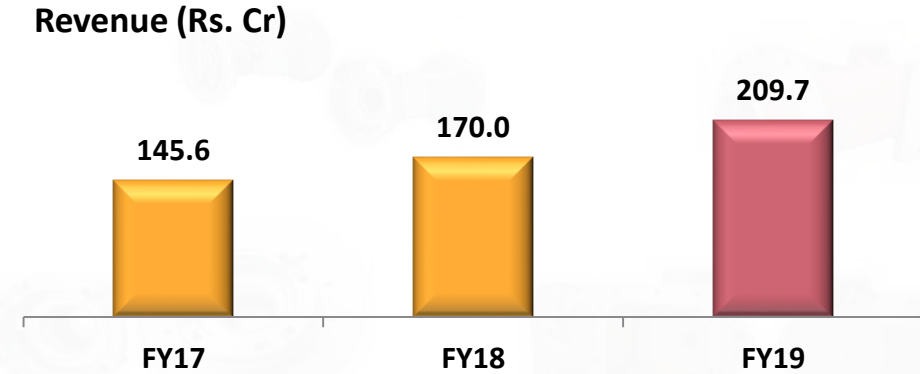
Rs. 8.03 vs. Rs. 7.56 (FY18)

Annual Financial Highlights – FY19

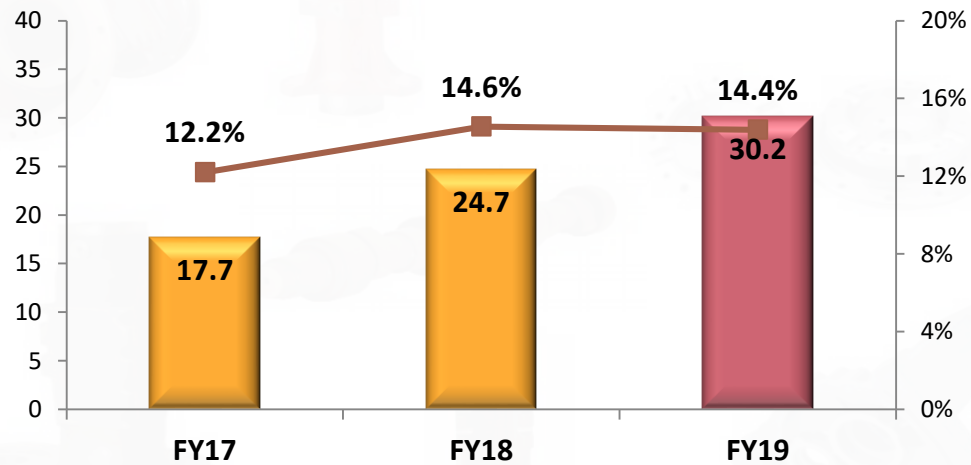
Production Volume (TPA)



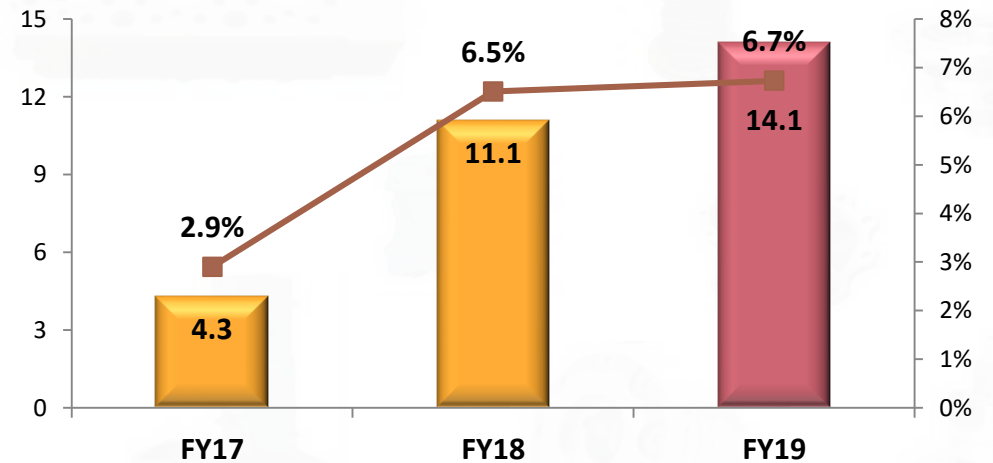
Revenue (Rs. Cr)



EBITDA (Rs. Cr) / Margin (%)



PAT (Rs. Cr) / Margin (%)



Cons. Annual Financial Highlights – FY19

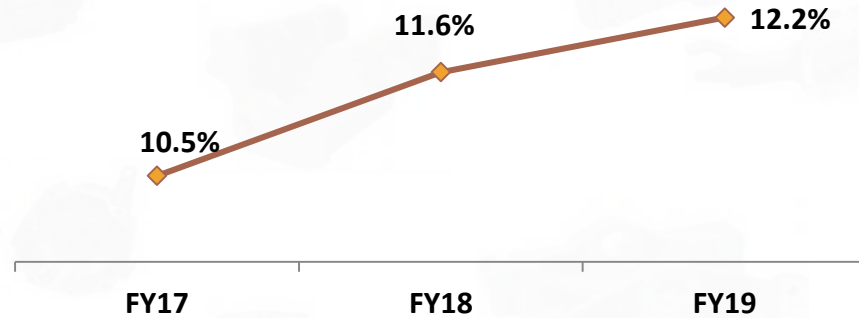
Rs. Cr	FY19	FY18	YoY%
Total Income from operations	209.7	171.9	
Excise Duty	0.0	1.9	
Net Revenue	209.7	170.0	23.3 %
Raw Materials	122.8	102.2	
Employee Cost	12.7	10.2	
Other Cost	44.1	32.8	
Total Expenditure	179.5	145.3	
EBITDA	30.2	24.7	21.9 %
EBIDTA margin (%)	14.4%	14.6%	(16 Bps)
Other Income	1.7	0.6	
Depreciation	6.3	5.7	
Interest	7.9	5.6	
Profit Before Tax	17.6	14.1	
Tax	3.5	3.0	
Profit After Tax	14.1	11.1	27.6 %
PAT Margin (%)	6.7%	6.5%	22 Bps
Basic EPS* (Rs.)	8.03	7.56	6.2%

- Increase in other cost on account of acquisition and change to electric furnaces from coal-based furnaces

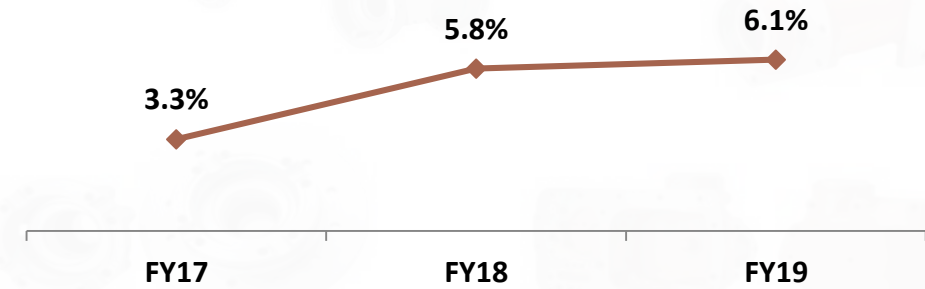
*Preferential issue of 1,75,000 equity shares during Q4 FY19

Key Ratios

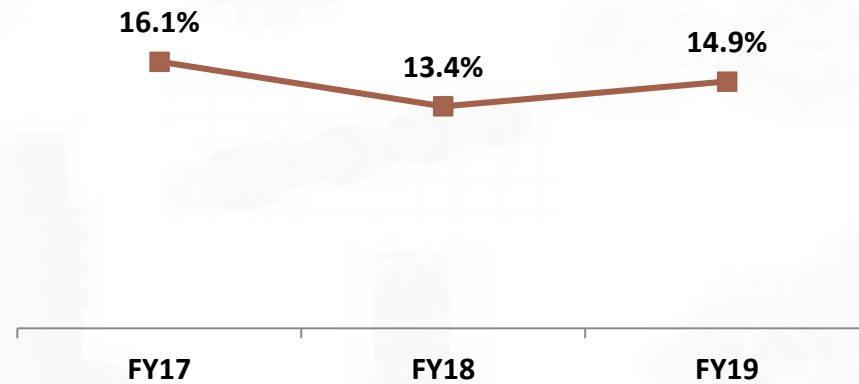
RoE (%)



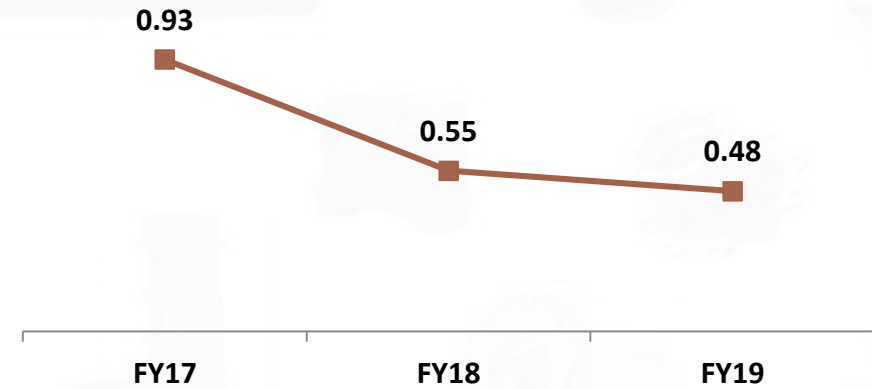
RoA (%)



RoCE (%)



Net Debt/Equity (x)



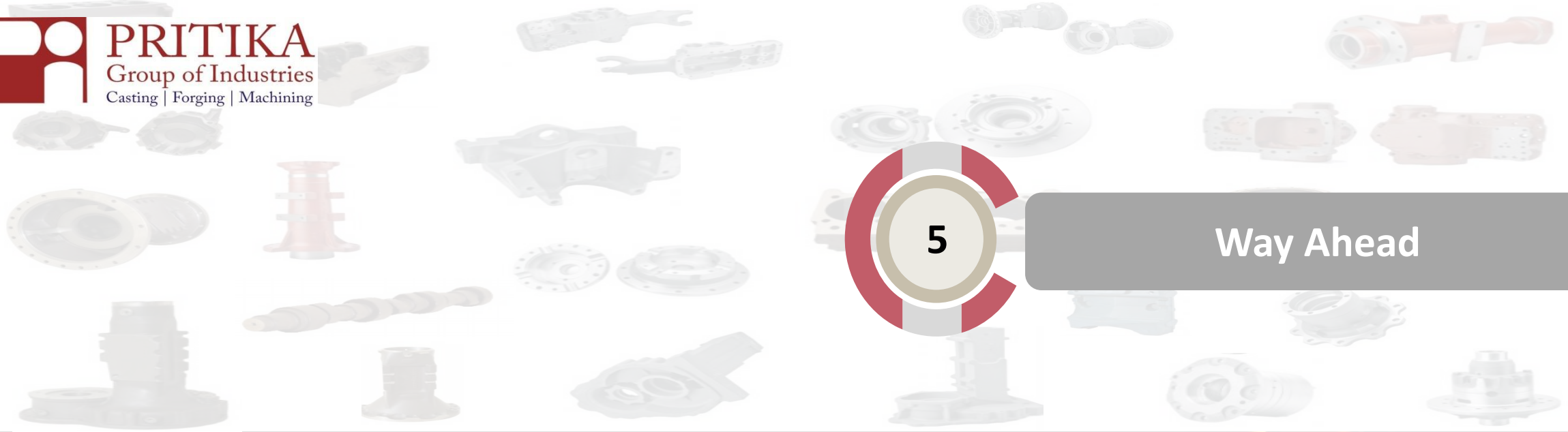
Preferential issue of 1,75,000 equity shares during Q4 FY19

$RoA = \text{Net Profit} / \text{Total Assets}$ \ $\text{Net D/E} = (\text{Total Debt} - \text{Cash}) / \text{Total Equity}$ \ $RoE = \text{Net Profit} / \text{Total Equity}$ \ $RoCE = \text{EBIT} / (\text{Shareholders Fund} + \text{Total Debt} - \text{non-current investments})$ 27

Cons. Balance Sheet as on 31st March

Rs. Cr	31 st Mar 19	31 st Mar 18
Equity	115.41	95.19
Equity Share Capital	17.73	17.56
Other Equity	97.68	77.63
Non Current Liabilities	31.55	21.17
Financial Liabilities		
Long Term Borrowing	23.30	18.57
Deferred Tax Liabilities(net)	1.65	1.22
Other LT Liabilities	5.32	0.00
LT Provisions	1.28	1.39
Current Liabilities	85.24	75.88
Financial Liabilities		
Short term Borrowings	32.50	33.32
Trade Payables	19.97	17.13
Other Financial Liabilities	26.87	19.24
Other Current Liabilities	4.03	3.77
Short term Provisions	1.87	2.42
Total Liabilities	232.20	192.24

Rs. Cr	31 st Mar 19	31 st Mar 18
Non-current Assets	105.47	70.42
Property, Plant and Equipment	78.40	47.09
Capital work in progress	8.88	7.26
Financial Assets		
Goodwill on Consolidation	13.55	13.55
Non Current Investments	0.23	0.01
Other Financial Assets	1.14	1.25
Deferred Tax Assets/ (Liability)	1.85	0.29
Long term Loans & Advances	0.00	0.00
Other Non Current Assets	1.41	0.98
Current Assets	126.73	121.81
Inventories	55.93	48.10
Financial Assets		
Trade Receivables	47.43	37.70
Cash & Cash Equivalents	0.53	4.47
Bank	1.29	0.75
Other Financial assets	17.44	27.30
Short term Loans & Advances	0.00	0.00
Other Current Assets	4.11	3.49
Total Assets	232.20	192.24



Way Ahead

CAPABILITIES TO MEET YOUR GOALS



Vision and Mission of Company

Our Vision

To be First choice among Original Equipment's Manufactures for Machined Castings

To be One of the Largest Producers of Machined Castings in India

Our Mission

Installed capacity of 1,00,000 of Machined Castings by Year 2023

Way Ahead....

Export Opportunities

- ✓ Fully equipped manufacturing facilities of global standards – to provide opportunity for exports to global OEMs
- ✓ Incremental Capex, partially, to be dedicated towards export market

New Product Development

- ✓ Continuous focus to keep adding new products in basket of products

Geographical Diversification

- ✓ Expand in Geographically strategic locations of India
- ✓ Looking for export opportunities

Key Focus Areas

- ✓ Improve operational efficiencies
- ✓ Margin expansion
- ✓ Gain in Market Share

Thank You



PRITKAUTO

Bloomberg PAUTO IN

REUTERS 

PITI.BO

For further information, please contact:

Company :

Pritika Auto Industries Limited.

Ms. Nisha Saini

EA to MD

nisha@pritikagroup.com

www.pritikagroup.com

Investor Relations Advisors :

Bridge Investor Relations Pvt. Ltd.

Mr. Amit Sharma

amit@bridge-ir.com

Mr. Rahul Trivedi

rahul@bridge-ir.com

www.bridge-ir.com