

Pritika Auto Industries Limited
Result Update Presentation
Q4 & FY20

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Chairman's Message



DELIVERING RESULTS, RELIABILITY & EXCELLENCE



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

"The previous financial year has been challenging for the auto sector as well as the overall economy. However, Pritika Auto has been resilient through this ongoing period of sluggishness. Our revenue for the full year stood at Rs. 167.95 crore, while EBITDA and PAT were Rs. 20.98 crore and Rs. 5.58 crore, respectively. The entire automotive value chain has been facing market headwinds, which was worsened by the nationwide lockdown due to COVID-19. Despite this, we have improved revenue realization per ton. During this slowdown, leading OEMs across India continue to rely on us to deliver quality products on time, reaffirming the trust and faith they have placed in us. Correspondingly, we continue to enhance our portfolio with new products that improve realizations and profitability.

In March 2020, we witnessed an unprecedented and unforeseeable adversity in the form of the Covid-19 virus outbreak, which further worsened the challenging industry scenario. This pandemic has resulted in a significant slowdown in the overall economy, impacting all businesses across the nation as well as the world. We, at Pritika Auto, have been complying with the Central and State Governments' directives and had temporarily shut all operations. However, we retained our entire workforce without any pay cuts during this time. The entire impact of this business lockdown remains to be seen in the coming months.

On a brighter note, I am pleased to share with you all that we won a repeat export order from our existing US-based client. This brings our total export order value to USD 2 million. The repeat order reaffirms the trust and value that international clients associate with Pritika, based on our product quality and on-time delivery. This follows our regular participation at 'Agritechnica' in Germany which has increased visibility for our Company in international markets. These products are being used in material handling applications, thereby diversifying our catering beyond the automotive sector. Such developments not only open up new avenues in international markets, but also help diversify our product portfolio. Our export order is going on track and we expect the export business to grow further this year, with existing clients as well as possibility of adding new clients.

Following economic and operational recovery from the Covid-19 pandemic, we expect the domestic auto market slowdown also to start easing out with gradual signs of recovery. We have an optimistic view in terms of orders, going into FY21. Our technological capabilities, operational efficiencies, and strong client relationships continue to be our pillars of strength, seeing us through this period. To complement this, we are also adding value-added products to our portfolio, which is expected to improve profitability.

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 all our valued stakeholders, whose support and faith in our Company gives us the determination and ambition to set and achieve higher benchmarks."

Strategy – To expand capacity organically and through acquisitions, on back of strong order book, while expanding export opportunities

- Company temporarily suspended production and all operations in March-April 2020 as per the Government directives, in light of the outbreak of Covid-19 pandemic
- Won repeat export order from US-based client, bringing total export order value to USD 2 million
- Won first export order worth USD 0.5 million from US-based multinational conglomerate after regular participation in Agritechnica
- Won new order to develop and supply cylinder heads for engines - order comes from an existing, long-standing customer which is a leading manufacturer of tractor engines in India

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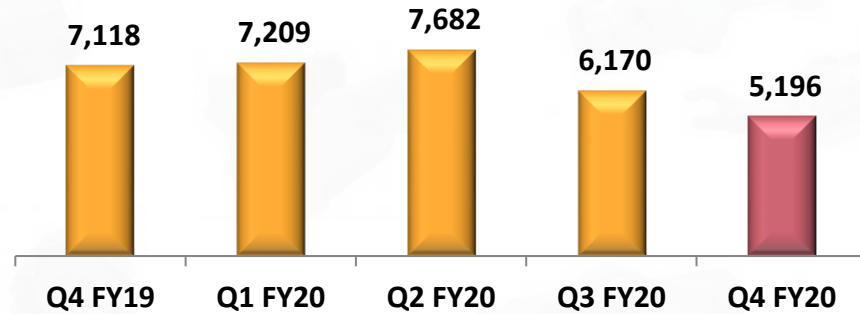
Consolidated Financial Highlights



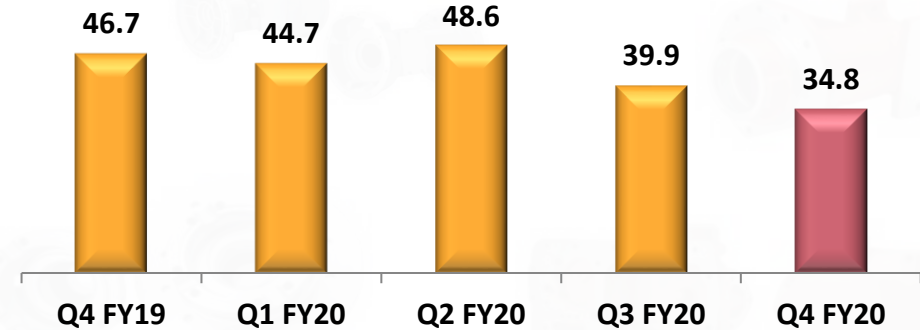
EXCELLENCE THROUGH THE QUALITY AND PRECISION

Quarterly Financial Highlights – Q4 FY20

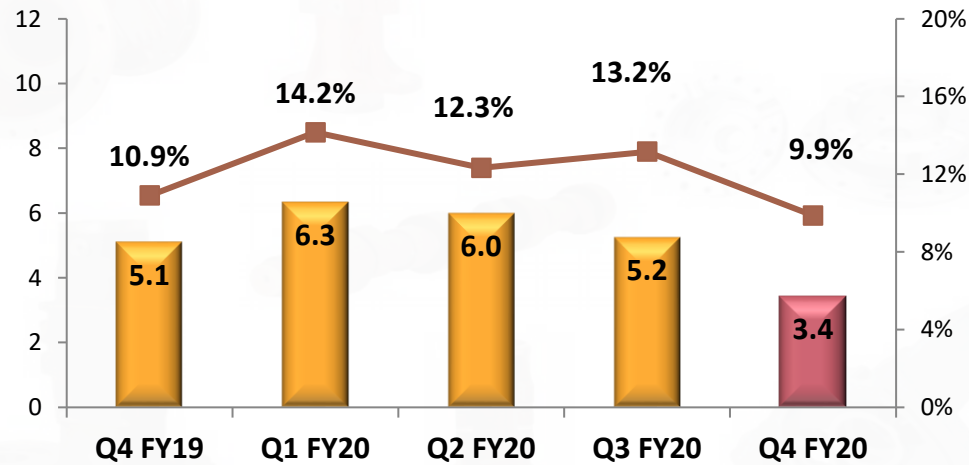
Production Volume (TPA)



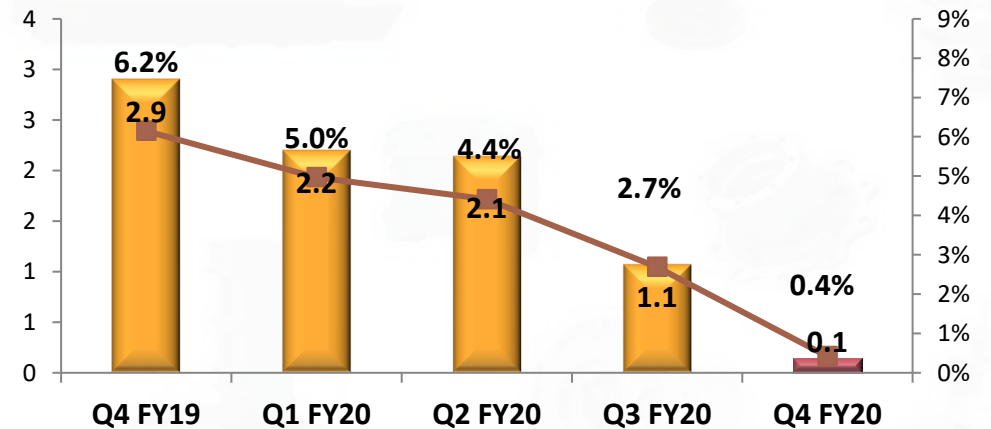
Revenue (Rs. Cr)



EBITDA (Rs. Cr) / Margin (%)



PAT (Rs. Cr) / Margin (%)



Quarterly Financial Highlights

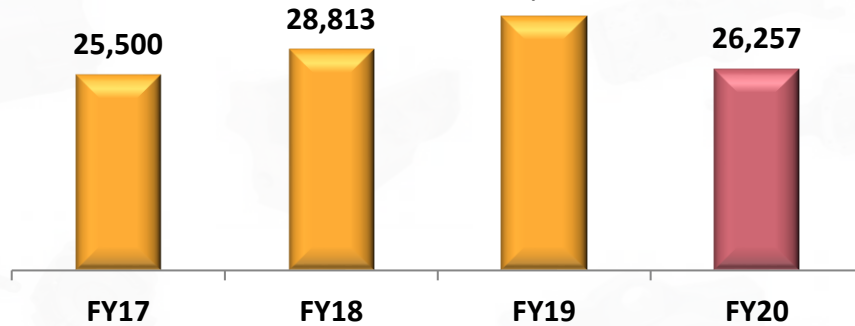
Rs. Cr	Q4 FY20	Q4 FY19	Y-o-Y	Q3 FY20
Total Income from operations	34.79	46.68		39.89
Other Operating revenue	0.00	0.00		0.00
Net Revenue	34.79	46.68	(25.48%)	39.89
Raw Materials	19.87	27.54		22.98
Employee Cost	3.62	3.50		3.12
Other Cost	7.86	10.53		8.55
Total Expenditure	31.35	41.57		34.65
EBITDA	3.43	5.11	(32.79%)	5.24
EBIDTA margin (%)	9.87%	10.94%	(107 bps)	13.15%
Other Income	0.52	0.52		0.31
Depreciation	2.03	1.41		1.91
Interest	1.87	1.87		1.74
Profit Before Tax	0.05	2.35		1.90
Tax	(0.10)	(0.52)		0.83
Profit After Tax	0.14	2.87	(94.96%)	1.07
PAT Margin (%)	0.42%	6.15%	(573 bps)	2.69%
Basic EPS (Rs.)	0.08	1.63*	(95.09%)	0.60

- Decline in volumes and revenue on account of nationwide lockdown in last quarter due to COVID-19 pandemic
- Staff and other expenses retained during lockdown – leading to EBITDA margin decline
- PAT impacted by higher depreciation

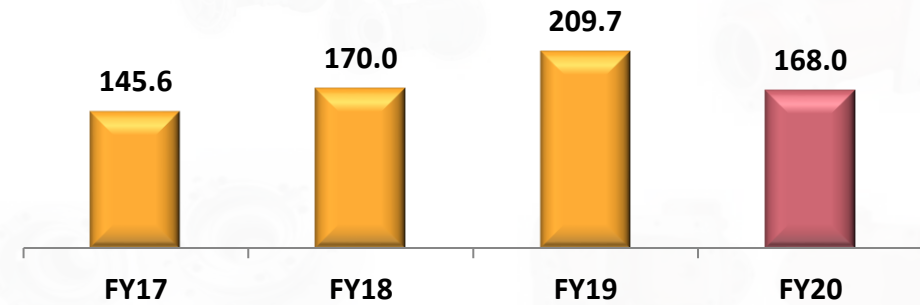
* Preferential issue of 1,75,000 equity shares during Q4 FY19

Annual Financial Highlights – FY20

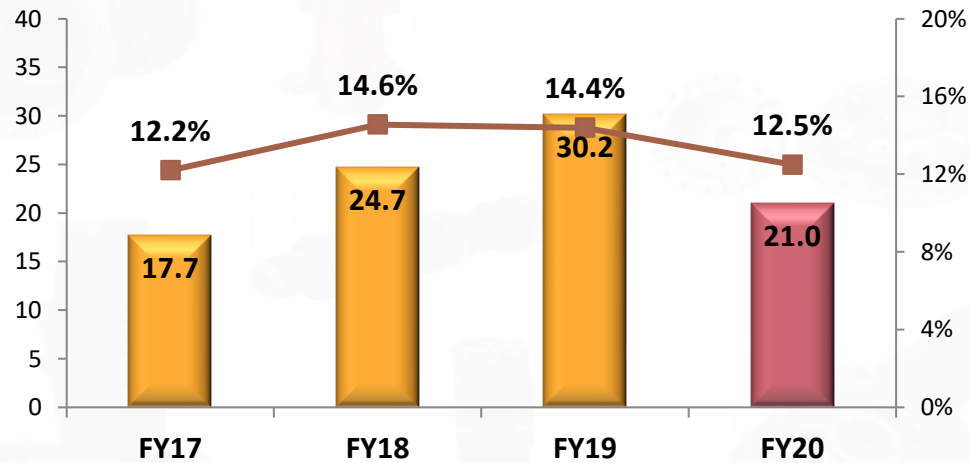
Production Volume (TPA)



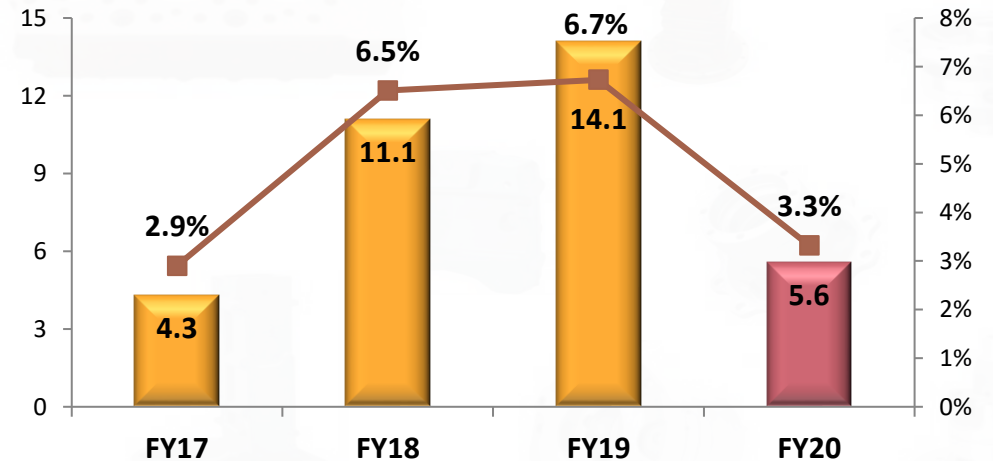
Revenue (Rs. Cr)



EBITDA (Rs. Cr) / Margin (%)



PAT (Rs. Cr) / Margin (%)



Annual Financial Highlights – FY20

Rs. Cr	FY20	FY19	YoY%
Total Income from operations	167.95	209.71	
Other Operating Income	0.00	0.00	
Net Revenue	167.95	209.71	(19.91%)
Raw Materials	96.43	122.76	
Employee Cost	13.89	12.72	
Other Cost	36.65	44.06	
Total Expenditure	146.97	179.54	
EBITDA	20.98	30.17	(30.45%)
EBIDTA margin (%)	12.49%	14.39%	(190 bps)
Other Income	1.50	1.65	
Depreciation	7.55	6.33	
Interest	7.27	7.85	
Profit Before Tax	7.66	17.64	
Tax	2.08	3.52	
Profit After Tax	5.58	14.12	(60.50%)
PAT Margin (%)	3.32%	6.73%	(341 bps)
Basic EPS* (Rs.)	3.15	8.03	(60.77%)

- Decline in revenue reflects slowdown in commercial automotive sector – adversely impacting demand
- Lower volumes with fixed costs during lockdown impacted EBITDA margins

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

Balance Sheet as on 31st March 2020

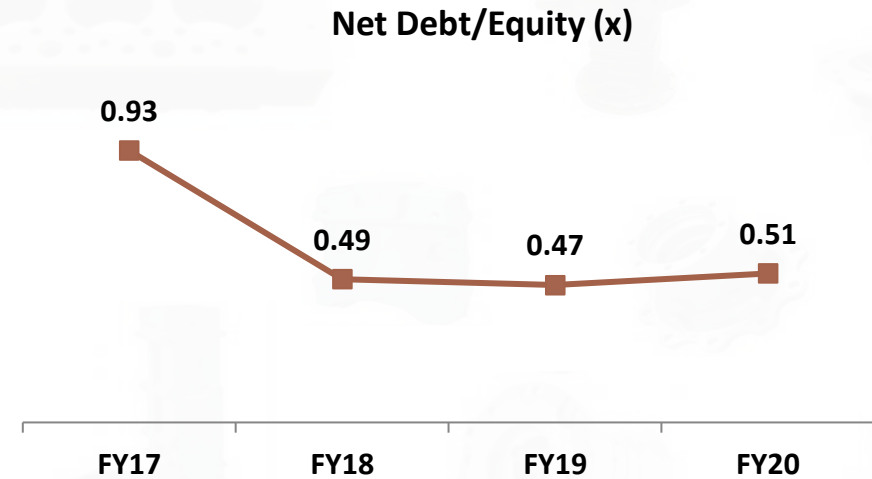
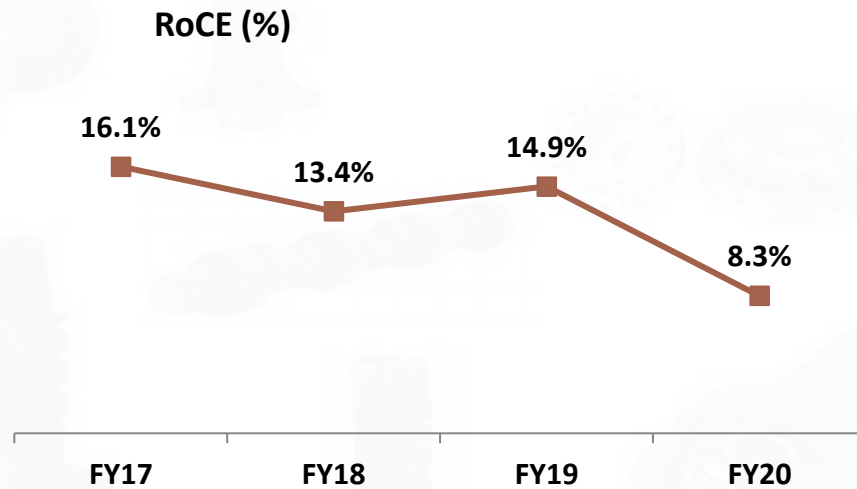
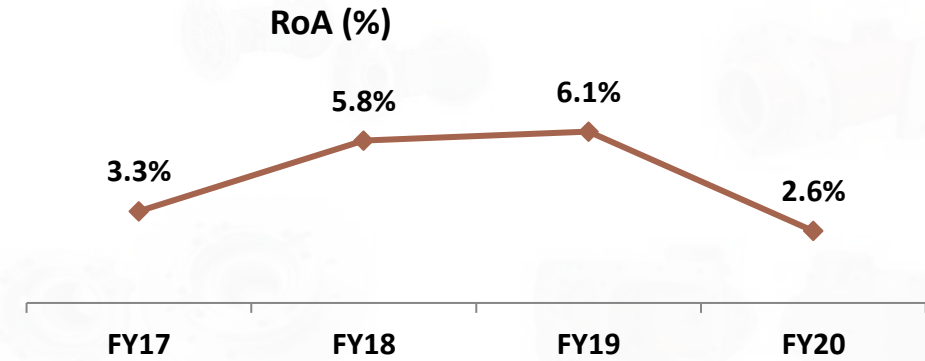
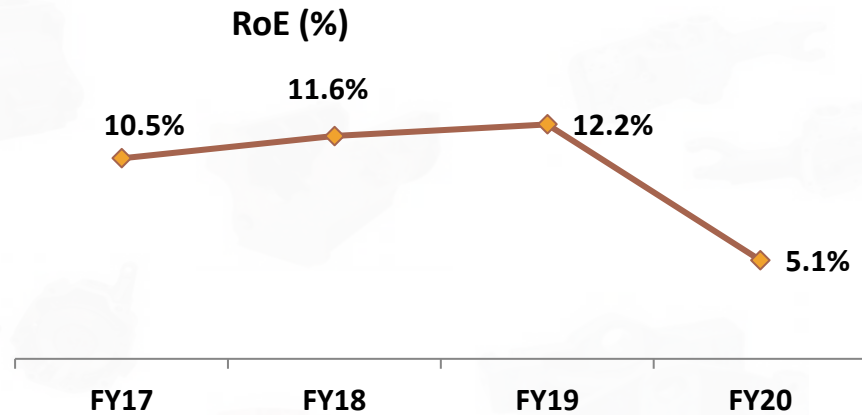
Rs. Cr	As on 31 st Mar '20	As on 31 st Mar '19
Equity	120.37	115.41
Equity Share Capital	17.73	17.73
R&S	102.63	97.68
Non-Current Liabilities	31.71	31.55
Financial Liabilities		
Long Term Borrowing	22.32	23.30
Provisions	1.53	1.28
Deferred Tax Liabilities	2.01	1.65
Other LT Liabilities	5.85	5.32
Current Liabilities	90.60	85.24
Financial Liabilities		
Short term Borrowings	41.81	32.50
Trade Payables	17.15	19.97
Other Financial Liabilities	25.11	26.87
Other Current Liabilities	5.12	4.03
Short term Provisions	1.41	1.87
Total Equity & Liabilities	242.68	232.20

Rs. Cr	As on 31 st Mar '20	As on 31 st Mar '19
Non-current Assets	118.65	105.47
Property, Plant and Equipment	82.47	78.40
Capital work in progress	14.59	8.88
Goodwill on Consolidation	13.55	13.55
Financial Assets		
Non Current Investments	3.62	0.23
Other Financial Assets	1.38	1.14
Deferred Tax Assets/ (Liability)	1.27	1.85
Long term Loans & Advances	0.00	0.00
Other Non Current Assets	1.77	1.41
Current Assets	124.03	126.73
Inventories	58.11	55.93
Financial Assets		
Trade Receivables	46.40	47.43
Cash & Cash Equivalents	1.33	0.53
Bank	1.32	1.29
Other Financial assets	13.32	17.44
Short term Loans & Advances	0.00	0.00
Other Current Assets	3.55	4.11
Total Assets	242.68	232.20

Slowdown in automotive sector coupled with recent lockdown adversely impacted working capital cycle

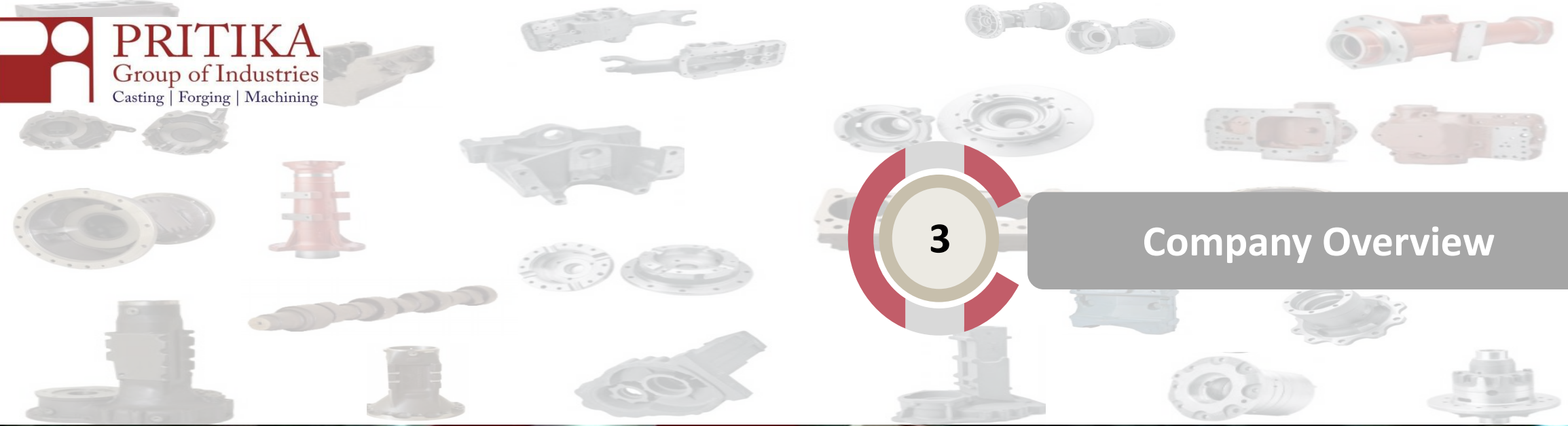
Preferential issue of 1,75,000 equity shares during Q4 FY19

Key Ratios



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

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



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**

- Acquired foundry capacity of **12,000 tons pa** of Amrit Duraparts
- Total **50,000 tons pa**
- Won 1,200 tons pa order for low HP tractor components
- Received 2,400 tons pa order of rear axle housings
- Won first export order for USD 0.5 million from the US
- Repeat export order for USD 1.5 million

1973-75

1995-97

1999

2003

2007

2010

2012-15

2017-18

2018-20

- 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
- Expanded capacity by 3,200 tons pa

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

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Business Overview

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

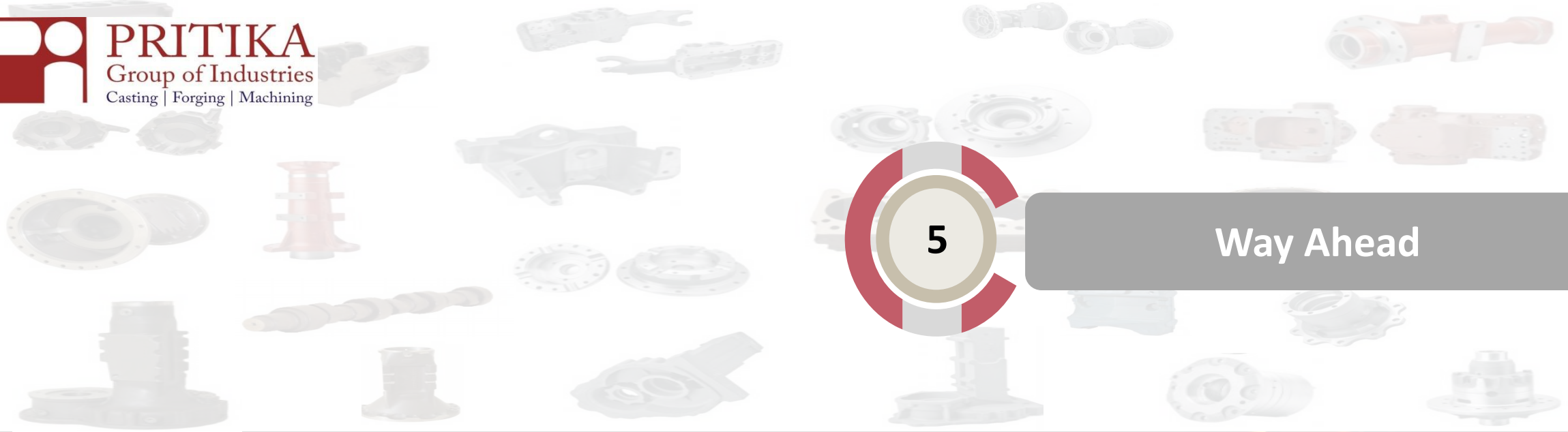
- Escorts – 43+ years
- TAFE – 20+ years
- M&M – 14+ years

... 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)





Way Ahead

CAPABILITIES TO MEET YOUR GOALS



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....

Key Focus Areas

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

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

Thank You



PRITKAUTO

Bloomberg PAUTO IN

REUTERS  **PITI.BO**

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