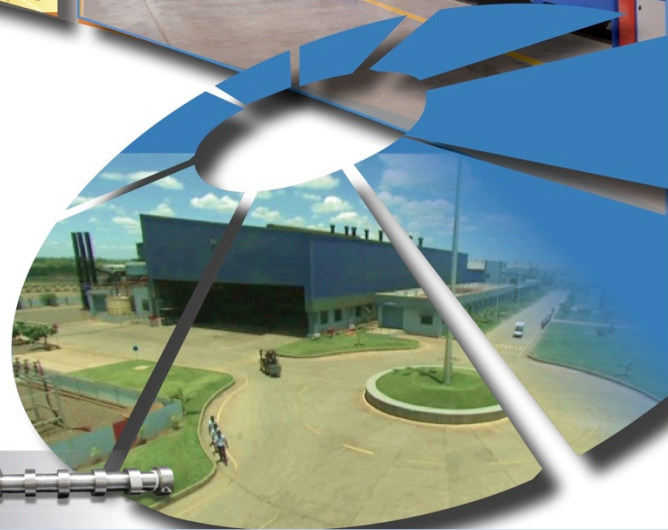




## RESULTS PRESENTATION – Q1 FY17

SEPTEMBER 2016

# PRECISION CAMSHAFTS LIMITED



This presentation and the following discussion may contain “forward looking statements” by Precision Camshafts Limited (“Precision Camshafts” or “PCL” or the “Company”) that are not historical in nature. These forward looking statements, which may include statements relating to future results of operations, financial condition, business prospects, plans and objectives are based on the current beliefs, assumptions, expectations, estimates and projections of the management of PCL about the business, industry and markets in which PCL operates.

These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond PCL’s control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements.

Such statements are not and should not be construed as a representation of future performance or achievements of PCL. In particular, such statements should not be regarded as a projection of future performance of PCL. It should be noted that the actual performance or achievements of PCL may vary significantly from such statements.

- Q1 FY17 RESULT ANALYSIS**
- COMPANY OVERVIEW**
- SHAREHOLDING STRUCTURE**

# Q1 FY17 RESULT ANALYSIS

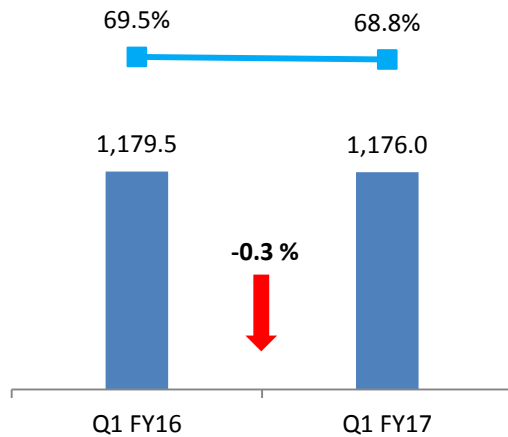
## KEY HIGHLIGHTS



Based on Standalone Financials

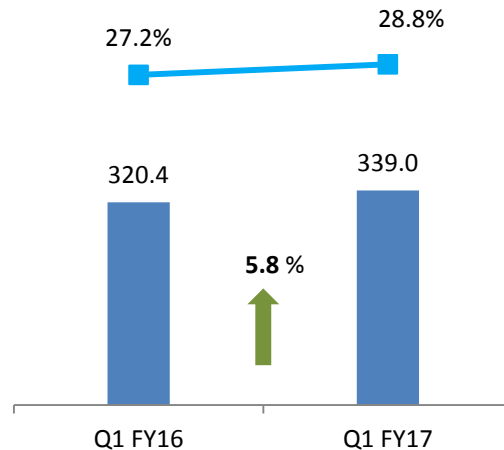
In Rs Mn

### REVENUES & GROSS MARGIN



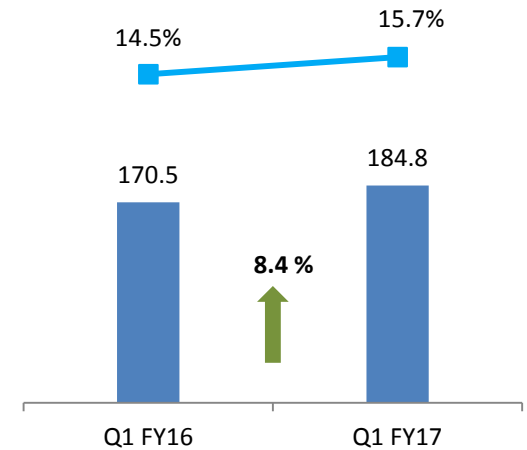
Revenues Gross Margin %

### EBITDA & EBITDA MARGIN



EBITDA EBITDA Margin %

### PAT & PAT MARGIN



PAT PAT Margin %

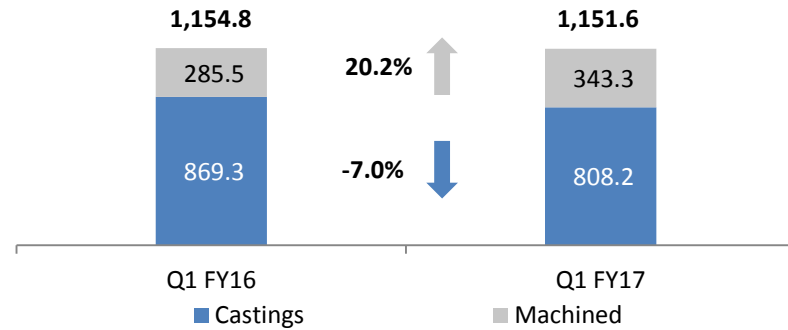
# Q1 FY17 RESULT ANALYSIS

## REVENUE ANALYSIS

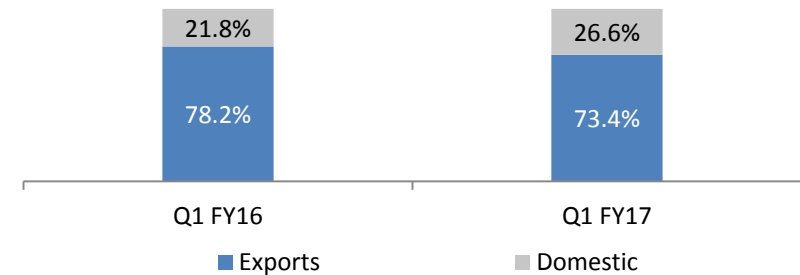
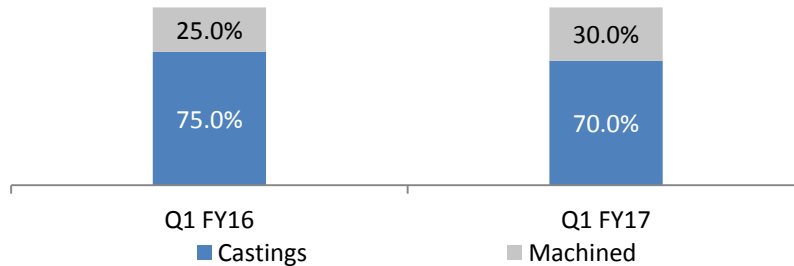
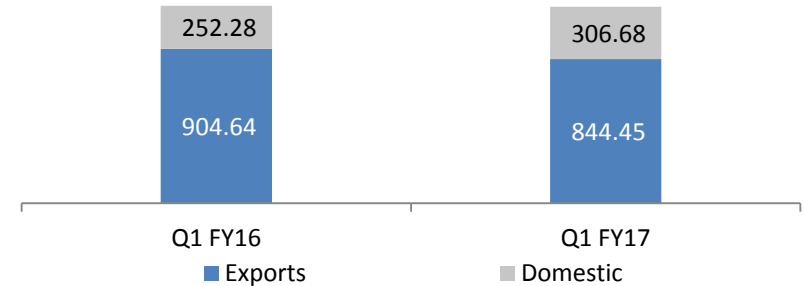


Based on Standalone Financials

### PRODUCT REVENUES - CASTINGS VS MACHINED CAMSHAFTS



### PRODUCT REVENUES - DOMESTIC VS EXPORTS



In Rs Mn



- Q1 FY17 Total Revenues were stable at Rs 1,176.0 mn.
  - Domestic revenues increased by 21.6% and export revenues decreased by 6.7%.
  - Share of domestic vs. exports was 26.6 : 73.4 in Q1 FY17 compared to 21.8 : 78.2 in Q1 FY16.
  - Sales of casting camshafts declined by 7.0% YoY, however this was offset by 20.2% increase in sales of machined camshafts.
  - In domestic market, sales to Maruti Suzuki, Toyota Kirloskar increased, while sales to Hyundai decreased.
  - In exports market, sales to Ford (UK & Europe), General Motors (Korea & USA), Mahle (Germany) and Schleicher (Germany) decreased while sales to China JV & Musashi (Hungary) increased.
  - PCL began supplying ductile machined camshafts to Toyota Kirloskar in Q1 FY17. For the first time in the history, Toyota has outsourced camshaft manufacturing.
- Q1 FY17 EBITDA increased by 5.8% to Rs 339.0 mn. EBITDA margin increased by 166 bps from 27.2% to 28.8%.
  - Operating expenses declined primarily due to lower outward freight expenses (lower by Rs 11.0 mn) and power & fuel costs (lower by Rs 9.3 mn mainly because of decline in production of casting camshafts).
- Q1 FY17 PAT increased by 8.4% to Rs 184.8 mn. PAT margin increased by 127 bps from 14.5% to 15.7%.

# Q1 FY17 RESULT HIGHLIGHTS

## STANDALONE P&L STATEMENT



Particulars (In Rs Mn)	Q1 FY17	Q1 FY16	YoY %
Revenue from Operations	1,151.1	1,156.9	-0.5%
Other Operating Income	24.8	22.5	10.2%
<b>Total Revenues</b>	<b>1,176.0</b>	<b>1,179.5</b>	<b>-0.3%</b>
Raw Material	367.3	360.0	2.0%
<b>Gross Profit</b>	<b>808.7</b>	<b>819.5</b>	<b>-1.3%</b>
<b>Gross Margin</b>	<b>68.8%</b>	<b>69.5%</b>	<b>-71 bps</b>
Employee Expenses	137.5	135.8	1.3%
Other Expenses	332.2	363.3	-8.6%
<b>EBITDA</b>	<b>339.0</b>	<b>320.4</b>	<b>5.8%</b>
<b>EBITDA Margin %</b>	<b>28.8%</b>	<b>27.2%</b>	<b>166 bps</b>
Depreciation	93.1	98.8	-5.7%
Finance Cost	23.0	21.3	7.9%
Other Income	76.5	62.8	21.8%
<b>PBT</b>	<b>299.4</b>	<b>263.1</b>	<b>13.8%</b>
Tax Expense	114.6	92.7	23.6%
<b>PAT</b>	<b>184.8</b>	<b>170.5</b>	<b>8.4%</b>
<b>PAT Margin %</b>	<b>15.7%</b>	<b>14.5%</b>	<b>127 bps</b>
Earnings Per Share (EPS) In Rs. (Basic)	1.97	2.10	-6.2%



# COMPANY OVERVIEW

## MARQUEE CUSTOMERS AND GLOBAL FOOTPRINT



### MARQUEE CUSTOMERS



HYUNDAI



Mercedes-Benz



PORSCHE



SSANGYONG



### GEOGRAPHICAL FOOTPRINT



- Geographies in which customers are serviced by PCL

### MARKETING NETWORK

- 4 continents serviced through various agencies –
  - KorConsulting LLC - North America, Europe and UK
  - Huppert Engineering - South America
  - T&G Auto-tec - South Korea



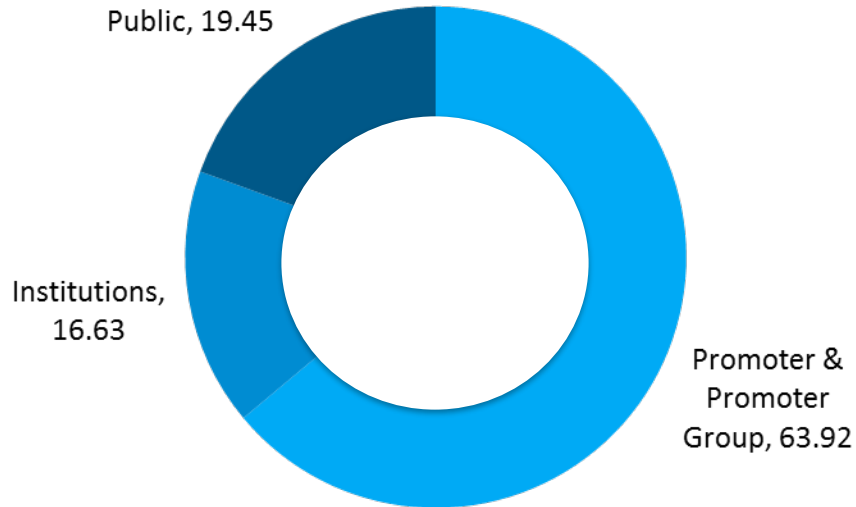
### CAPACITY EXPANSION: ADDITION OF MACHINE SHOP

- New machine shop for ductile / assembled / chilled cast iron camshafts at EOU division in Solapur
- Proposed capacity – 2.0 mn units / year
- Total capex – Rs 2,302 mn
- Capacity addition to take place in phases over FY17 and FY18 subject to the orders received from customers
- This will help PCL expand its product offerings for existing customers, as well as target new customers
- PCL has already received orders from Ford Motors and Toyota for ductile camshafts





## % Shareholding – June 2016



## Key Institutional Investors – As on 30<sup>th</sup> June 2016

SBI MF	7.07%
IDFC PREMIER EQUITY FUND	3.60%
ICICI Pru MF	1.96%
Canara Robeco MF	1.28%
HDFC MF	1.12%

**FOR FURTHER QUERIES:**



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**Director & CFO**

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