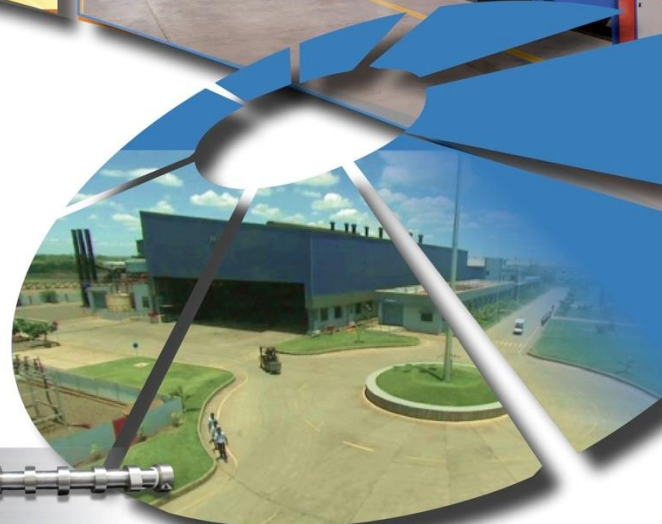




## RESULTS PRESENTATION – Q2 & H1 FY17

NOVEMBER 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.

- ☐ Q2 & H1 FY17 RESULT ANALYSIS
- ☐ COMPANY OVERVIEW
- ☐ SHAREHOLDING STRUCTURE

# Q2 & H1 FY17 RESULT ANALYSIS

## KEY HIGHLIGHTS

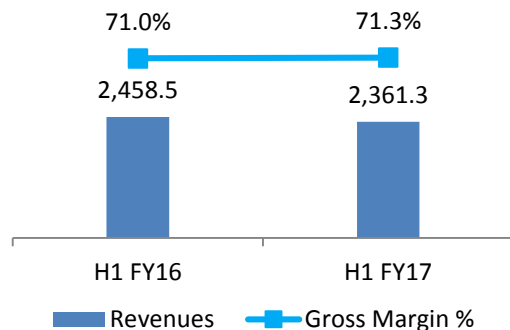


Based on Standalone Financials

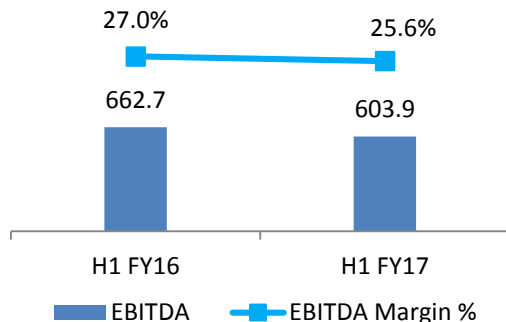
### H1 FY17 YoY Analysis

In Rs Mn

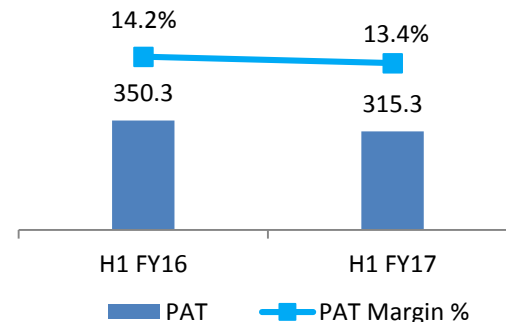
#### REVENUES & GROSS MARGIN



#### EBITDA & EBITDA MARGIN

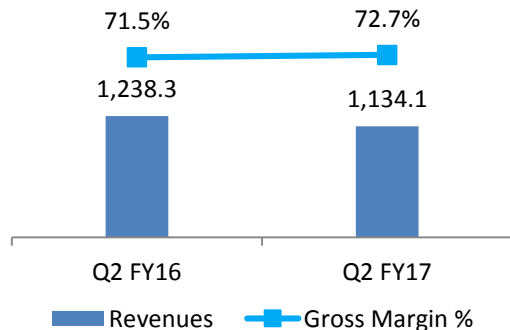


#### PAT & PAT MARGIN

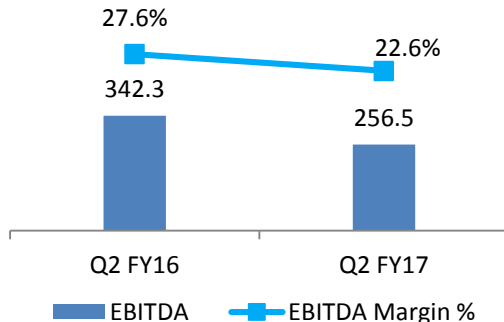


### Q2 FY17 YoY Analysis

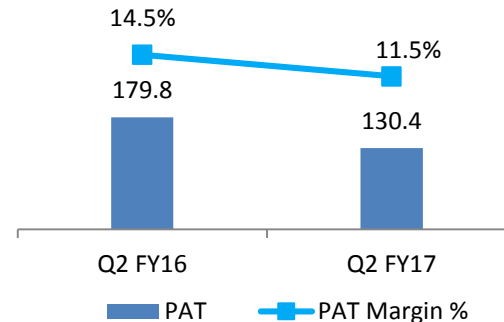
#### REVENUES & GROSS MARGIN



#### EBITDA & EBITDA MARGIN



#### PAT & PAT MARGIN



# Q2 & H1 FY17 RESULT ANALYSIS

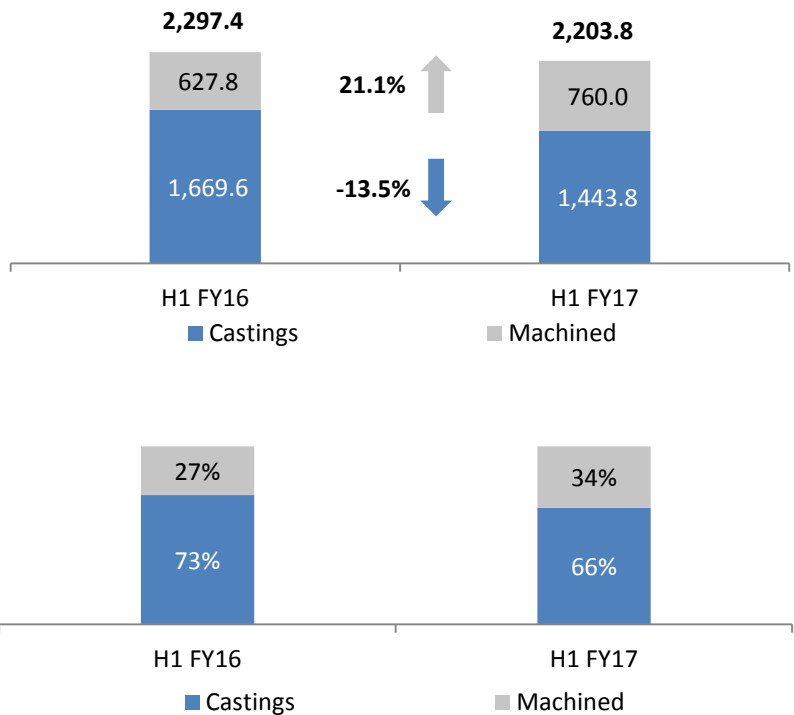
## REVENUE ANALYSIS



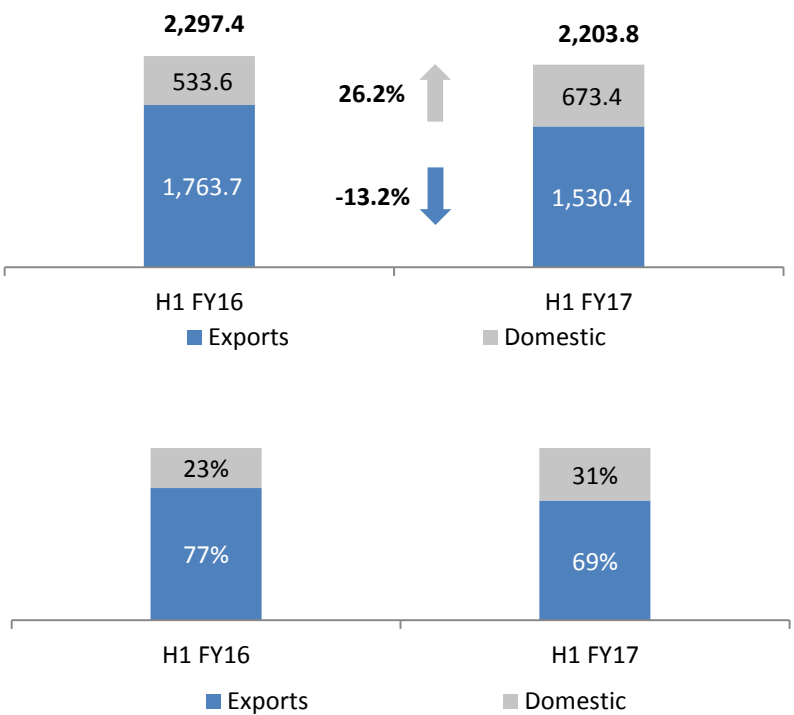
Based on Standalone Financials

### H1 FY17 YoY Analysis

#### PRODUCT REVENUES - CASTINGS VS MACHINED CAMSHAFTS



#### PRODUCT REVENUES - DOMESTIC VS EXPORTS



In Rs Mn

# Q2 & H1 FY17 RESULT ANALYSIS

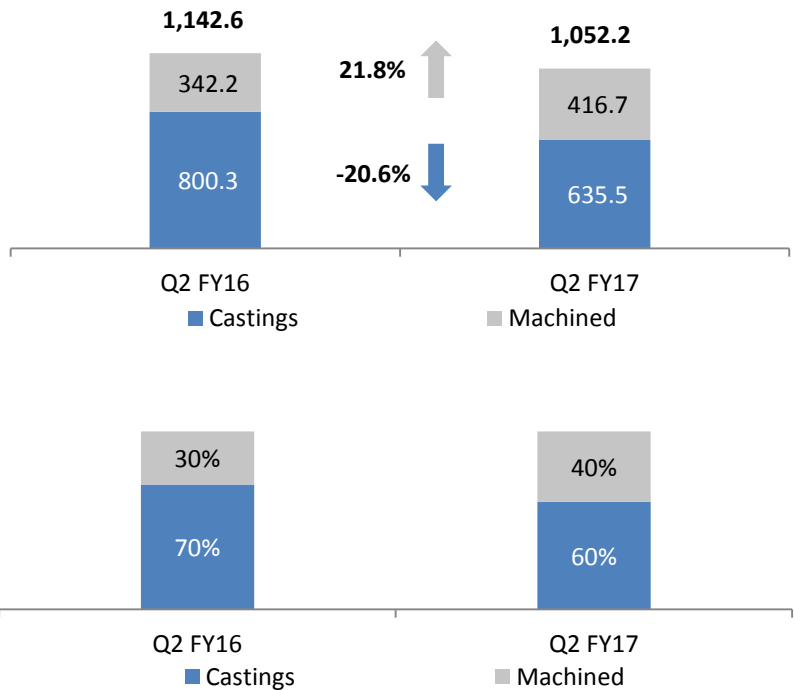
## REVENUE ANALYSIS



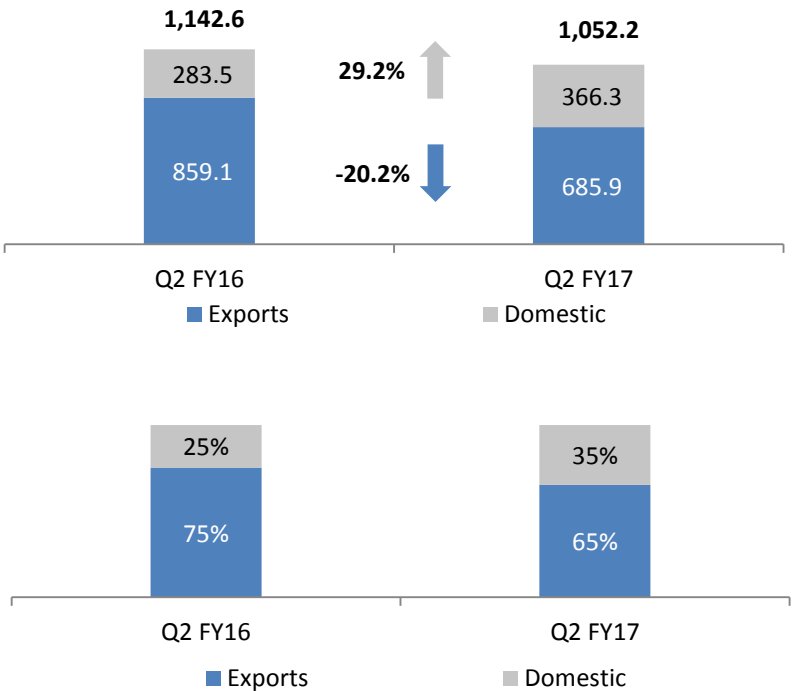
Based on Standalone Financials

Q2 FY17 YoY Analysis

### PRODUCT REVENUES - CASTINGS VS MACHINED CAMSHAFTS



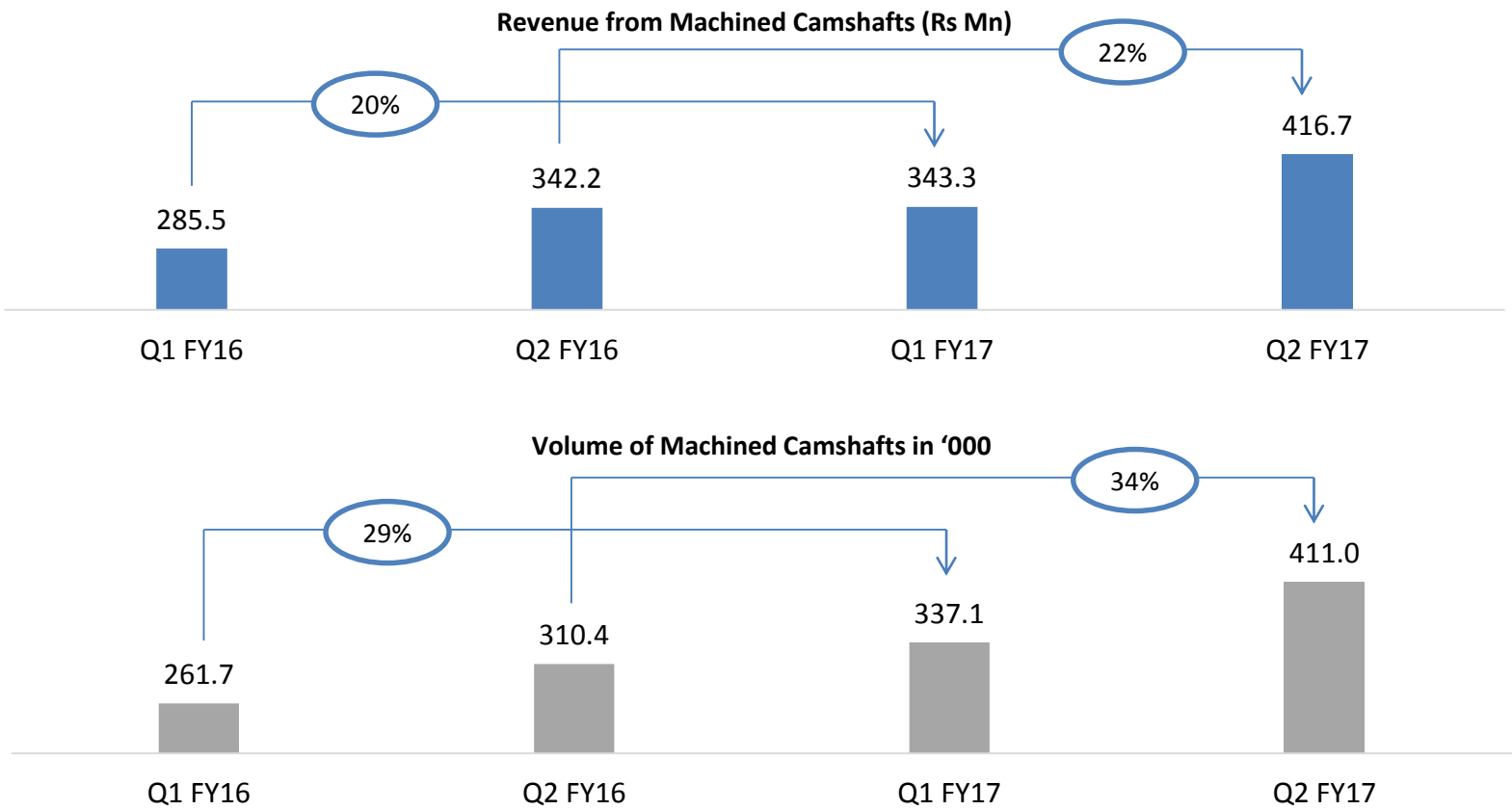
### PRODUCT REVENUES - DOMESTIC VS EXPORTS



In Rs Mn



CONTINUED FOCUS ON INCREASING THE SHARE OF MACHINED CAMSHAFTS





### **Q2 FY17 Total Revenues declined by 8.4% to Rs 1,134.1 mn.**

- Domestic revenues increased by 29.2% and export revenues decreased by 20.2%.
- Share of domestic vs. exports was 35:65 in Q2 FY17 compared to 25:75 in Q2 FY16.
- Sales of casting camshafts declined by 20.6% YoY, however this was offset by 21.8% increase in sales of machined camshafts.
- In domestic market, sales to Maruti Suzuki, Toyota Kirloskar, Ford India and Hyundai increased.
- In exports market, sales to Ford (UK & Europe), General Motors (Korea & Brazil), Mahle (Germany) and Schleicher (Germany) decreased while sales to Ford China (PCL Shanghai) & Musashi (Hungary) increased.
- The supplies to General Motors (Uzbekistan) have been resumed and is gradually gaining traction.
- The new machine shop facility has been commissioned by installing one dedicated line with a capacity of 0.25mn camshafts per annum for Ford.

### **Q2 FY17 EBITDA declined by 25.1% to Rs 256.5 mn. EBITDA margin declined from 27.6% to 22.6%.**

- Higher share of domestic sales lead to increase in excise duty on sale of camshafts.
- Higher labour costs due to increase in minimum wages.
- Negative impact of foreign exchanges fluctuations due to depreciation of Euro and GBP.

### **Q2 FY17 PAT declined by 27.5% to Rs 130.4 mn. PAT margin declined from 14.5% to 11.5%.**



# Q2 & H1 FY17 RESULT HIGHLIGHTS

## STANDALONE P&L STATEMENT



Particulars (In Rs Mn)	Q2 FY17	Q2 FY16	YoY %	Q1 FY17	QoQ %	H1 FY17	H1 FY16	YoY%
Revenue from Operations	1,114.2	1,184.6	-5.9%	1,202.3	-7.3%	2,316.5	2,382.1	-2.8%
Other Operating Income	19.9	53.7	-62.9%	24.9	-20.1%	44.8	76.3	-41.3%
<b>Total Revenues</b>	<b>1,134.1</b>	<b>1,238.3</b>	<b>-8.4%</b>	<b>1,227.2</b>	<b>-7.6%</b>	<b>2,361.3</b>	<b>2,458.5</b>	<b>-4.0%</b>
COGS	309.7	353.5	-12.4%	367.3	-15.7%	677.0	713.5	-5.1%
<b>Gross Profit</b>	<b>824.4</b>	<b>884.8</b>	<b>-6.8%</b>	<b>859.9</b>	<b>-4.1%</b>	<b>1,684.3</b>	<b>1,745.0</b>	<b>-3.5%</b>
<b>Gross Margin</b>	<b>72.7%</b>	<b>71.5%</b>	<b>124 bps</b>	<b>70.1%</b>	<b>262 bps</b>	<b>71.3%</b>	<b>71.0%</b>	<b>35 bps</b>
Employee Expenses	147.3	138.2	6.6%	137.5	7.2%	284.8	274.0	4.0%
Other Expenses	241.4	230.8	4.6%	199.8	20.8%	441.2	460.8	-4.3%
Power and Fuel expenses	117.9	126.9	-7.1%	123.9	-4.9%	241.8	260.1	-7.1%
Excise Duty on Sale of Goods	61.3	46.6	31.5%	51.2	19.7%	112.6	87.3	28.9%
<b>EBITDA</b>	<b>256.5</b>	<b>342.3</b>	<b>-25.1%</b>	<b>347.4</b>	<b>-26.2%</b>	<b>603.9</b>	<b>662.7</b>	<b>-8.9%</b>
<b>EBITDA Margin %</b>	<b>22.6%</b>	<b>27.6%</b>	<b>-503 bps</b>	<b>28.3%</b>	<b>-569 bps</b>	<b>25.6%</b>	<b>27.0%</b>	<b>-138 bps</b>
Depreciation	94.2	100.9	-6.6%	93.1	1.2%	187.3	199.7	-6.2%
Finance Cost	18.9	24.0	-21.4%	23.0	-18.0%	41.9	45.3	-7.6%
Other Income	67.6	52.1	29.7%	68.1	-0.8%	135.6	114.9	18.0%
<b>PBT</b>	<b>211.0</b>	<b>269.5</b>	<b>-21.7%</b>	<b>299.4</b>	<b>-29.5%</b>	<b>510.4</b>	<b>532.7</b>	<b>-4.2%</b>
Tax Expense	80.6	89.7	-10.2%	114.6	-29.7%	195.1	182.4	7.0%
<b>PAT</b>	<b>130.4</b>	<b>179.8</b>	<b>-27.5%</b>	<b>184.8</b>	<b>-29.4%</b>	<b>315.3</b>	<b>350.3</b>	<b>-10.0%</b>
<b>PAT Margin %</b>	<b>11.5%</b>	<b>14.5%</b>	<b>-302 bps</b>	<b>15.1%</b>	<b>-356 bps</b>	<b>13.4%</b>	<b>14.2%</b>	<b>-90 bps</b>
Earnings Per Share (EPS) In Rs. (Basic)	1.39	2.23	-37.7%	1.97	-29.4%	3.4	4.33	-22.6%

# Q2 & H1 FY17 RESULT HIGHLIGHTS

## STANDALONE BALANCE SHEET



Particulars (In Rs Mn)	Sep-16
<b>Equities &amp; Liabilities</b>	
<b>Shareholder's Funds</b>	
Equity Share Capital	947.4
Other equity	4,388.1
	<b>5,335.6</b>
<b>Liabilities</b>	
<b>Non-Current Liabilities</b>	
Financial Liabilities	
Borrowings	488.6
Deferred Tax Liability	40.8
	<b>529.3</b>
<b>Current Liabilities</b>	
Financial Liabilities	
Borrowings	407.8
Trade Payables	617.3
Other Financial Liabilities	552.0
Other Current Liabilities	19.1
Provisions	49.8
Current Tax Liabilities (net)	67.6
	<b>1,713.7</b>
<b>Total Equity &amp; Liabilities</b>	<b>7,578.6</b>

Particulars (In Rs Mn)	Sep-16
<b>Assets</b>	
<b>Non-Current Assets</b>	
Property, plant and equipment	1,803.9
Capital work-in-progress	471.9
Intangible assets	2.9
Financial assets	
Investments	709.0
Other	37.0
Other non-current assets	60.9
	<b>3,085.6</b>
<b>Current Assets</b>	
Inventories	371.9
Financial assets	
Investments	80.9
Trade Receivables	967.7
Cash & Cash Equivalents (C&CE)	206.5
Bank balances other than C&CE	2,615.1
Others	134.8
Other Current Assets	116.2
	<b>4,493.0</b>
<b>Total Assets</b>	<b>7,578.6</b>

# COMPANY OVERVIEW

## MARQUEE CUSTOMERS AND GLOBAL FOOTPRINT



### MARQUEE CUSTOMERS



HYUNDAI



Mahindra



TATA



TOYOTA



Mercedes-Benz



PORSCHE



SSANGYONG

MAHLE



### 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

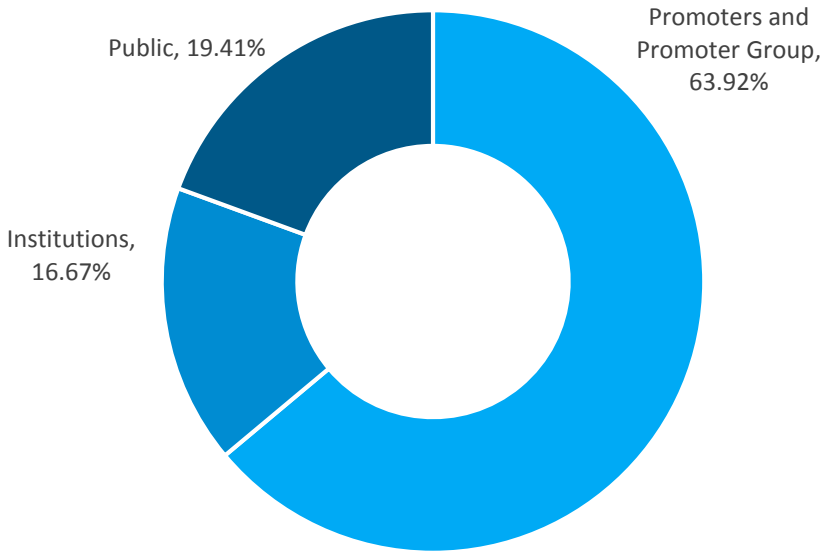
### CAPACITY EXPANSION: ADDITION OF MACHINE SHOP

- 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 – September 2016**



**Key Institutional Investors – As on 30<sup>th</sup> SEPTEMBER 2016**

SBI MF	7.20%
IDFC PREMIER EQUITY FUND	3.60%
ICICI PRUDENTIAL MF	1.96%
Canara ROBECO MF	1.28%
HDFC MF	1.12%



**FOR FURTHER QUERIES:**



**Mr Ravindra R Joshi**

**Precision Camshafts Limited**  
**Director & CFO**

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**Dickenson Seagull IR**  
**IR Consultant**

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