



Pritika Auto Industries Limited

Result Update Presentation

Q3 & 9M FY20

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Chairman's Message

DELIVERING RESULTS, RELIABILITY & EXCELLENCE

Chairman's Message



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

"Our revenue for this quarter stood at Rs. 39.9 crore, while EBITDA and PAT were Rs. 5.2 crore and Rs. 1.1 crore, respectively. Our Company withstood the market headwinds faced by the entire automotive value chain, despite which we 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.

I am very pleased to share with you all that we commenced supply for our first export order from a US-based multinational conglomerate, worth USD 0.5 million, as scheduled. Our regular participation at 'Agritecnica' in Germany has translated into increased visibility in international markets, and we are expecting further export orders of higher value in the near future. These products would be 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.

We expect the domestic market slowdown to start easing out with gradual signs of recovery by the end of the financial year. Our technological capabilities, operational efficiencies, and strong client relationships continue to be our pillars of strength, seeing us through this sluggish period. To complement this, we are also adding value-added products to our portfolio, which is expected to improve our 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."

Key Recent Developments

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

- Won first export order worth USD 0.5 million from US-based multinational conglomerate
- 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
- 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

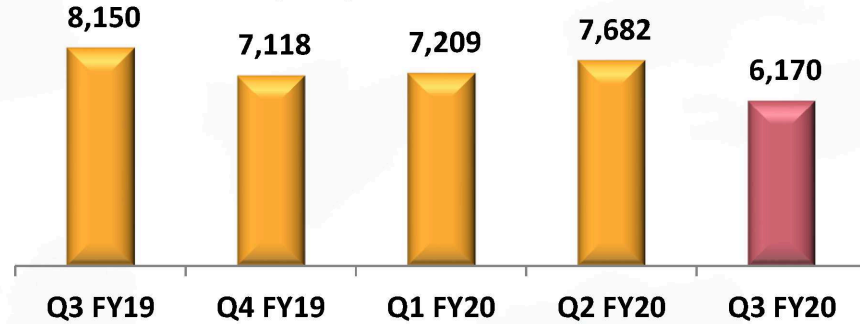
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Consolidated Financial Highlights

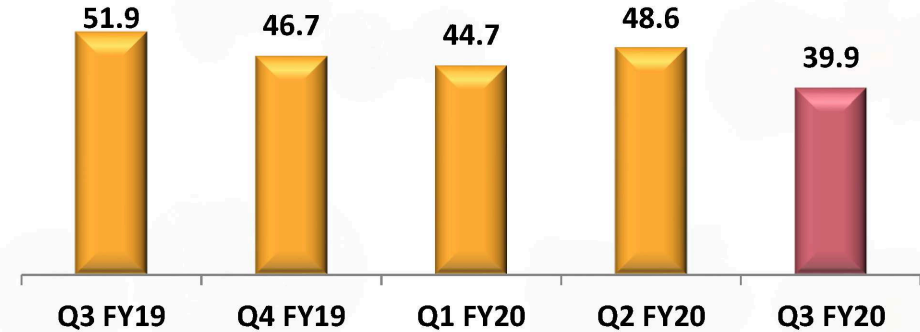
EXCELLENCE THROUGH THE QUALITY AND PRECISION

Quarterly Financial Highlights – Q3 FY20

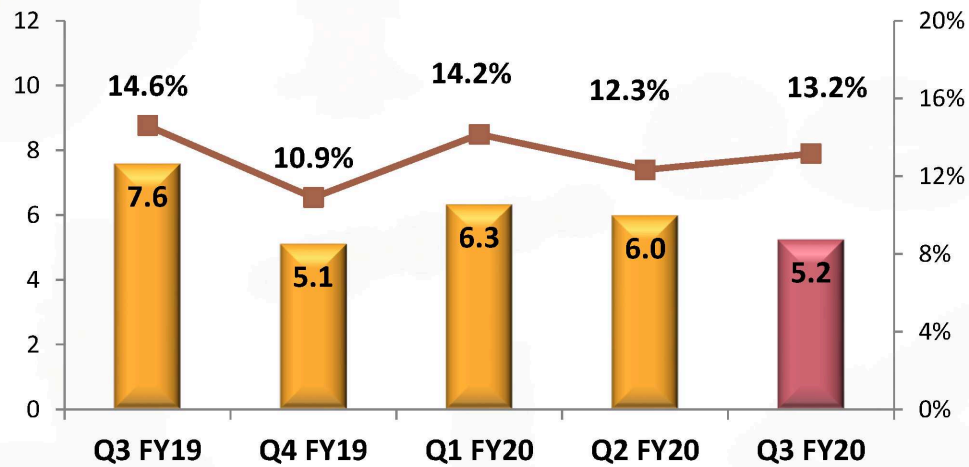
Production Volume (TPA)



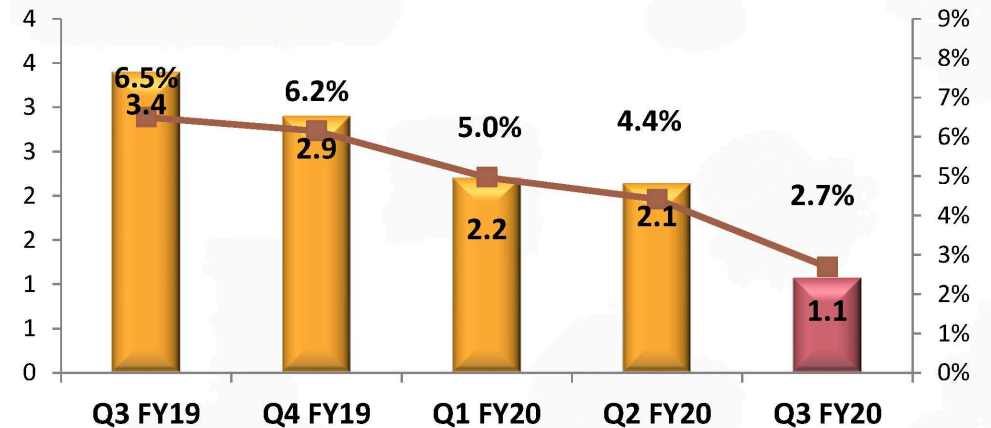
Revenue (Rs. Cr)



EBITDA (Rs. Cr) / Margin (%)



PAT (Rs. Cr) / Margin (%)



Quarterly Financial Highlights

Rs. Cr	Q3 FY20	Q3 FY19	Y-o-Y	Q2 FY20
Total Income from operations	39.89	51.90		48.58
Other Operating revenue	0.00	0.00		0.00
Net Revenue	39.89	51.90	(23.13%)	48.58
Raw Materials	22.98	29.06		28.29
Employee Cost	3.12	3.32		3.73
Other Cost	8.55	11.94		10.58
Total Expenditure	34.65	44.32		42.59
EBITDA	5.24	7.58	(30.81%)	5.98
EBITDA margin (%)	13.15%	14.60%	(145 bps)	12.32%
Other Income	0.31	0.53		0.38
Depreciation	1.91	1.44		1.80
Interest	1.74	2.27		1.70
Profit Before Tax	1.90	4.39		2.86
Tax	0.83	1.01		0.72
Profit After Tax	1.07	3.38	(68.31%)	2.14
PAT Margin (%)	2.69%	6.52%	(383 bps)	4.41%
Basic EPS (Rs.)	0.60*	1.93	(68.91%)	1.21*

- Decline in volumes and revenue on account of continued slowdown in commercial vehicles sector
- EBITDA decline on account of lower capacity utilizations – sluggish demand across sector
- PAT impacted by higher depreciation

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

Nine Monthly Financial Highlights – 9M FY20

Rs. Cr	9M FY20	9M FY19	YoY%
Total Income from operations	133.17	163.03	
Other Operating Income	0.00	0.00	
Net Revenue	133.17	163.03	(18.32%)
Raw Materials	76.56	95.22	
Employee Cost	10.27	9.22	
Other Cost	28.79	33.53	
Total Expenditure	115.61	137.97	
EBITDA	17.55	25.06	(29.97%)
EBITDA margin (%)	13.18%	15.37%	(219 bps)
Other Income	0.98	1.13	
Depreciation	5.52	4.92	
Interest	5.40	5.99	
Profit Before Tax	7.61	15.29	
Tax	2.18	4.04	
Profit After Tax	5.43	11.25	(51.71%)
PAT Margin (%)	4.08%	6.90%	(282 bps)
Basic EPS (Rs.)	3.06*	6.41	(52.26%)

- Decline in revenue and EBITDA reflect ongoing slowdown in automotive sector – adversely impacting demand

Balance Sheet as on 30th September

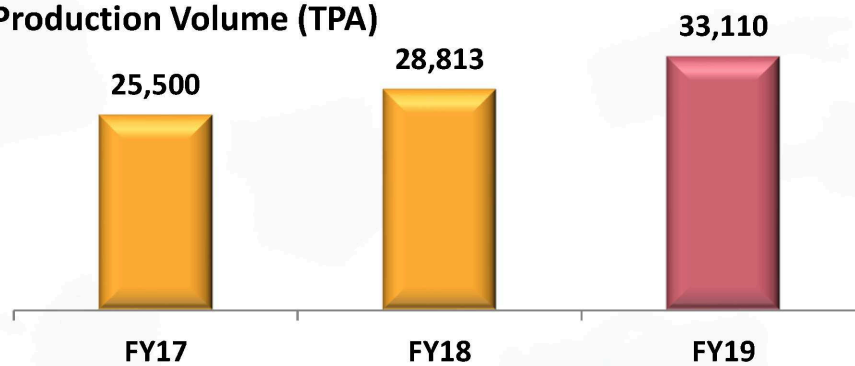
Rs. Cr	As on 30 th Sept 19	As on 31 st Mar 19
Equity	118.70	115.41
Equity Share Capital	17.73	17.73
R&S	100.97	97.68
Non-Current Liabilities	30.70	31.55
Financial Liabilities		
Long Term Borrowing	21.83	23.30
Deferred Tax Liabilities(net)	1.72	1.65
Other LT Liabilities	5.87	5.32
LT Provisions	1.28	1.28
Current Liabilities	91.57	85.24
Financial Liabilities		
Short term Borrowings	38.59	32.50
Trade Payables	19.43	19.97
Other Financial Liabilities	25.44	26.87
Other Current Liabilities	5.82	4.03
Short term Provisions	2.29	1.87
Total Equity & Liabilities	240.97	232.20

Rs. Cr	As on 30 th Sept 19	As on 31 st Mar 19
Non-current Assets	110.44	105.47
Property, Plant and Equipment	77.98	78.40
Capital work in progress	14.40	8.88
Goodwill on Consolidation	13.55	13.55
Financial Assets		
Non Current Investments	0.23	0.23
Other Financial Assets	1.21	1.14
Deferred Tax Assets/ (Liability)	1.68	1.85
Long term Loans & Advances	0.00	0.00
Other Non Current Assets	1.39	1.41
Current Assets	130.53	126.73
Inventories	56.41	55.93
Financial Assets		
Trade Receivables	53.20	47.43
Cash & Cash Equivalents	0.46	0.53
Bank	1.45	1.29
Other Financial assets	15.77	17.44
Short term Loans & Advances	0.00	0.00
Other Current Assets	3.25	4.11
Total Assets	240.97	232.20

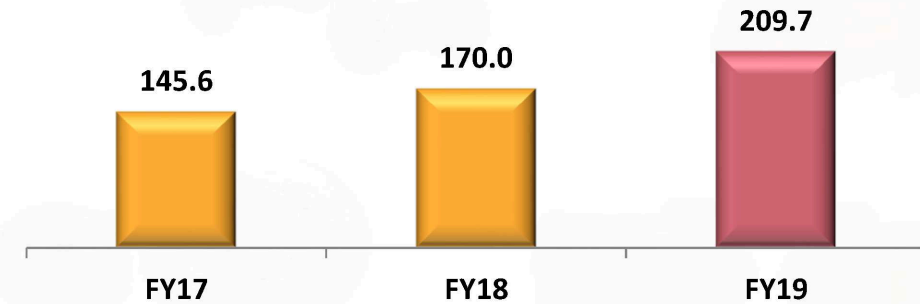
Significant slowdown in automotive sector adversely impacted working capital in H1 FY20

Annual Financial Highlights – FY19

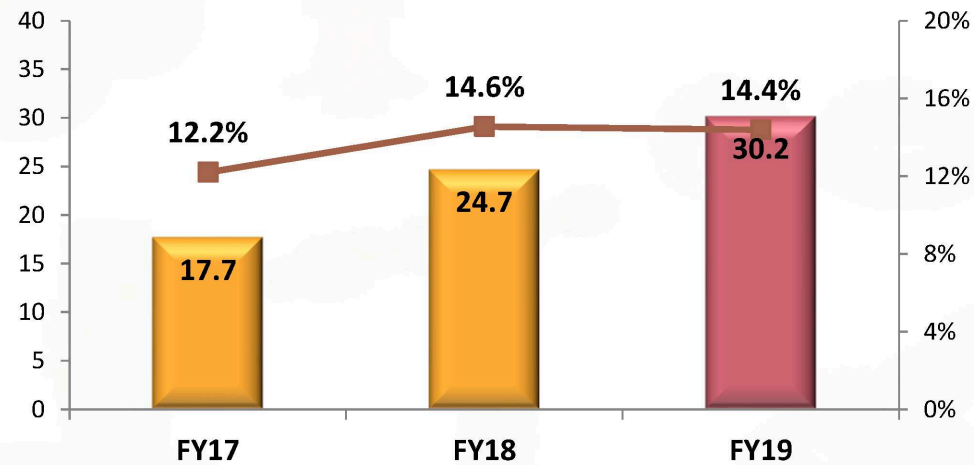
Production Volume (TPA)



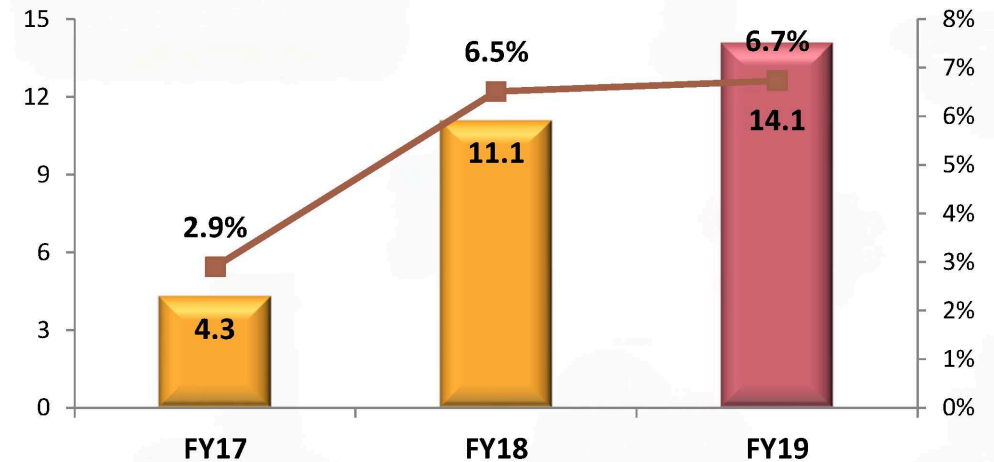
Revenue (Rs. Cr)



EBITDA (Rs. Cr) / Margin (%)

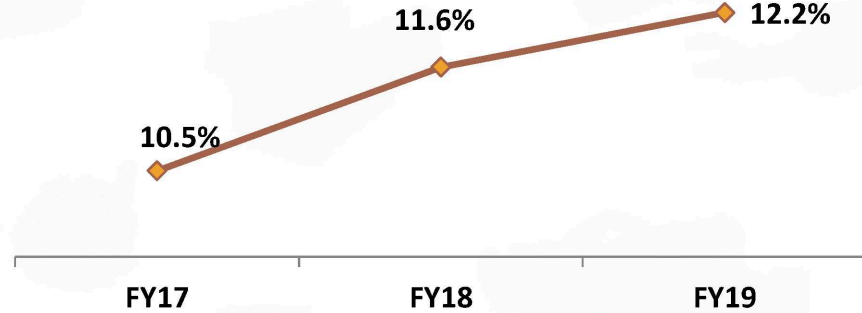


PAT (Rs. Cr) / Margin (%)

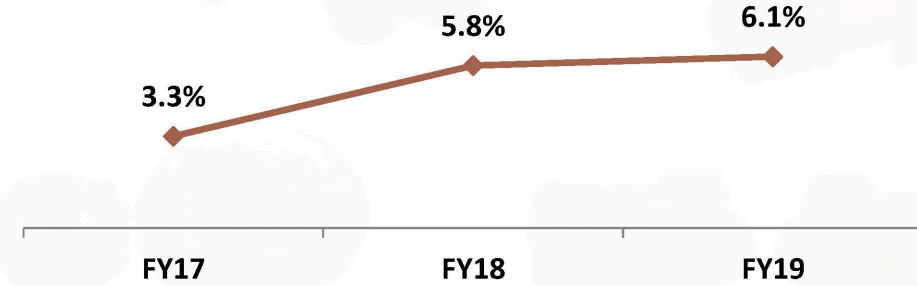


Key Ratios

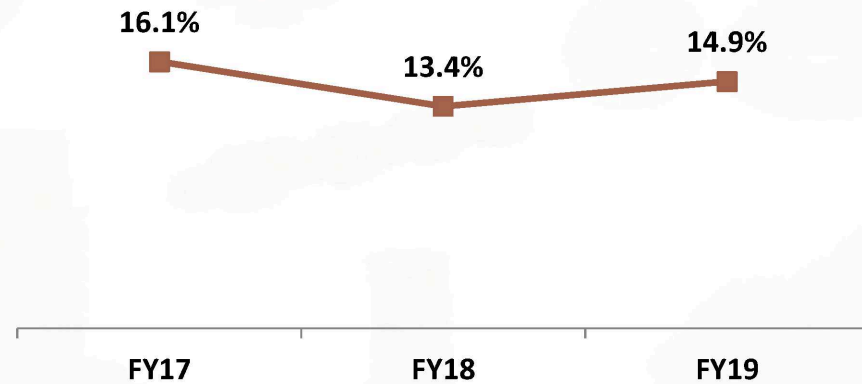
RoE (%)



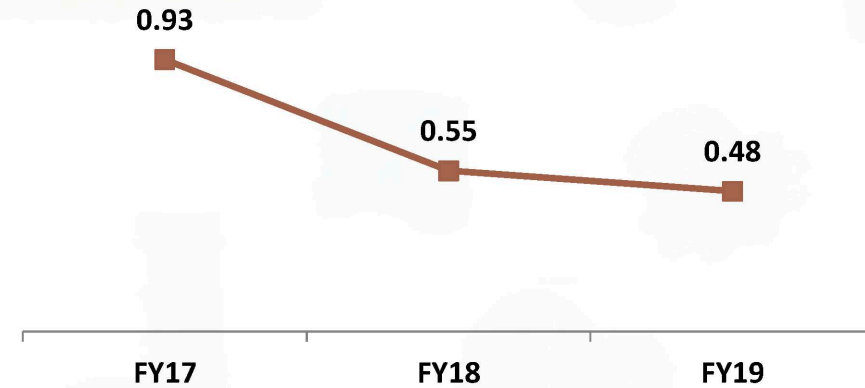
RoA (%)



RoCE (%)



Net Debt/Equity (x)



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)

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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

1973-75

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

1995-97

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

1999

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

2003

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

2007

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

2010

- 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**

2012-15

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

2017-18

- 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
- Won first export order** for USD 0.5 million from the US

2018-19

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

Diverse Product Offerings

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

SML
ISUZU


EICHER


Mahindra

SIGMA 
vibracoustic 

CNH

Case New Holland

SWARAJ

TAFE 


Brakes India Private Limited


ASHOK LEYLAND


Mahindra
SWARAJ


DANA




ESCORTS

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)



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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....

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



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