



Pritika Auto Industries Limited



Result Update Presentation
Q2 & H1 FY21

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Executive Summary

Company Overview

- Pritika Auto Industries is among leading manufacturers of machined castings in India
- Incorporated in 1973, the Company manufactures components for tractors and commercial vehicles
- Total installed capacity of 50,000 tons per annum, with facilities across Punjab and Himachal Pradesh
- Key supplier to several long-standing clients/OEMs including M&M, Swaraj, TAFE, Escorts, SML Isuzu, TMTL, Ashok Leyland, New Holland Tractors India Ltd, Brakes India Ltd.
- Pritika Auto specializes in a diverse range of products and exports to clients in US as well

Product Portfolio (as on FY20)

Rear Axle Housings



Hydraulic Lift Covers/ Housing



Engine Covers



Clutch & Fly Wheel Housings



Differential Case



Plate Diff. Carriers

Bull Cages

Wheel Hubs



Crank Case, Cylinder Blocks & Cam Shafts

Front Engine/Axle Support



Brake Housings, End Covers & Actuating Disc

Financial Highlights (FY20)

Operating Revenue

Rs. 167.95 Cr

EBITDA

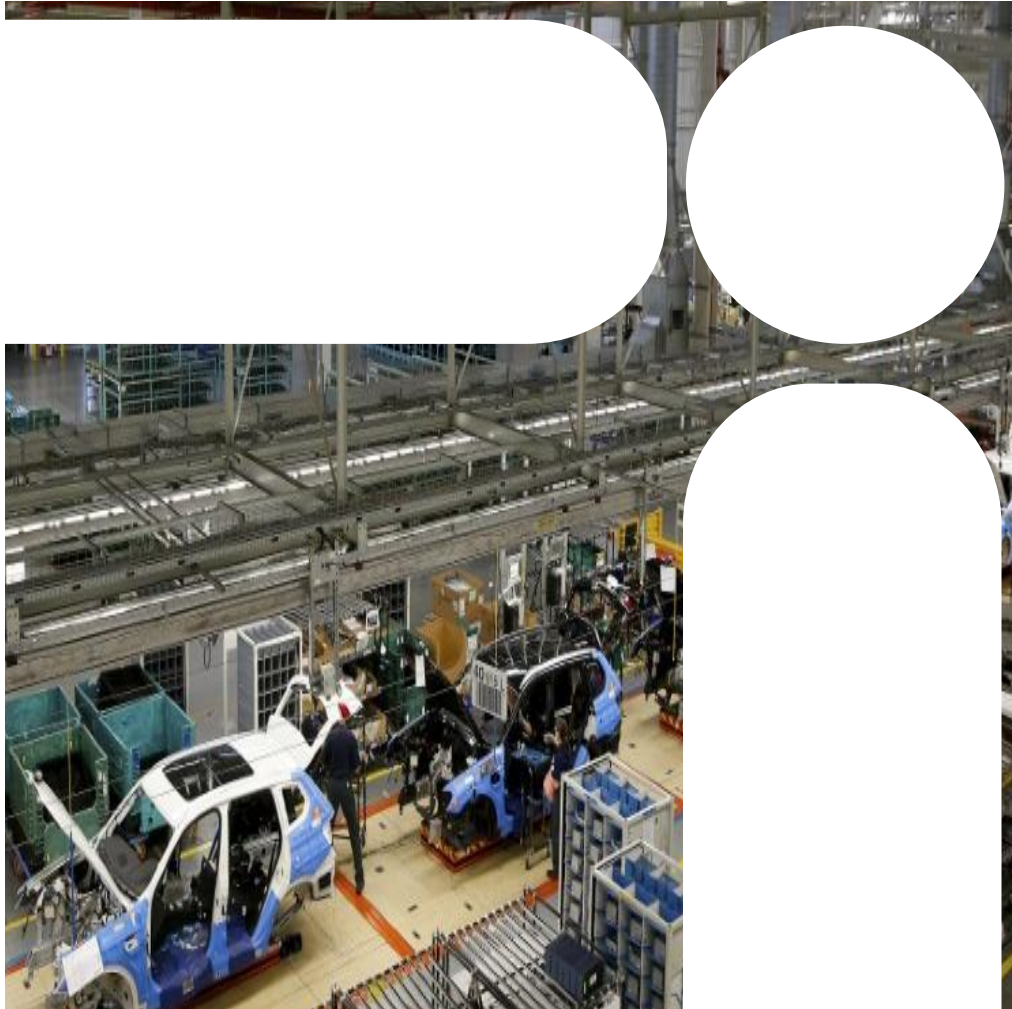
Rs. 20.98 Cr

PAT

Rs. 5.58 Cr



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...

1973-75

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

1999

- 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**

2007

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

2003

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

2012-15

- 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**

2010

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

2018-20

- 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

2017-18

- 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...



Raminder Singh Nibber
Chairman

- 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



Harpreet Singh Nibber
Managing Director

- 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



Business Overview

DELIVERING RESULTS, RELIABILITY & EXCELLENCE

Rear Axle Housings



Diverse Product Offerings

Hydraulic Lift Covers/ Housing



Differential Case



Engine Covers



Clutch & Fly Wheel Housings



Plate Diff. Carriers



Bull Cages



Diverse Product Offerings

Wheel Hubs



Front Engine/Axle Support



Crank Case, Cylinder Blocks & Cam Shafts



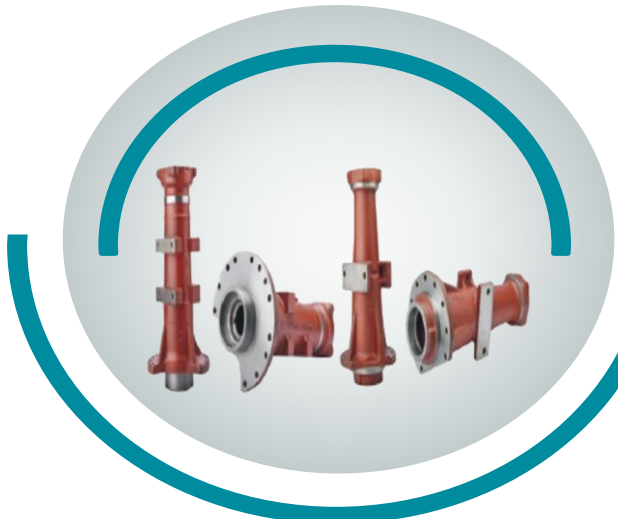
Brake Housings, End Covers & Actuating Disc



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

		 <p>Brakes India Private Limited</p>	
		 <p>Case New Holland</p>	
			
			



... 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)





Chairman's Message



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

"The onset of this financial year was troubled by the COVID-19 pandemic, which impacted the whole supply chain, bringing the entire economy to a standstill. The nationwide lockdown adversely affected our industry and operations. While the impacts of the lockdown are still being felt, I am pleased to share that our Company is recovering well from these headwinds. 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.

Following a muted first quarter, we reported a 23% year-on-year growth in top line at Rs. 59.77 crore in Q2 FY21. Our EBITDA and PAT also grew 27.2% and 23.9% year-on-year to Rs. 7.61 crore and Rs. 2.65 crore, respectively. This reflects a buoyant uptake in demand from the tractor industry, on the back of a healthy agricultural outlook. We continually strive to improve internal efficiencies and our product portfolio, which reflects in our improving realization and EBITDA per ton during this quarter.

We recently received significant new orders from an existing prestigious client and are also on track with our export orders, which have grown substantially over the past year. We expect an optimistic market in the coming quarters and are prepared in terms of capacity to meet the rise in demand. Our regular participation in 'Agritechnica' in Germany, and our relationship with the existing international client, should further boost our visibility and brand name in global markets. Moreover, our export products are being used in material handling applications, thereby diversifying our target sectors.

Our technological capabilities, operational efficiencies, and strong client relationships continue to be our pillars of strength, seeing us through industry cycles. 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."



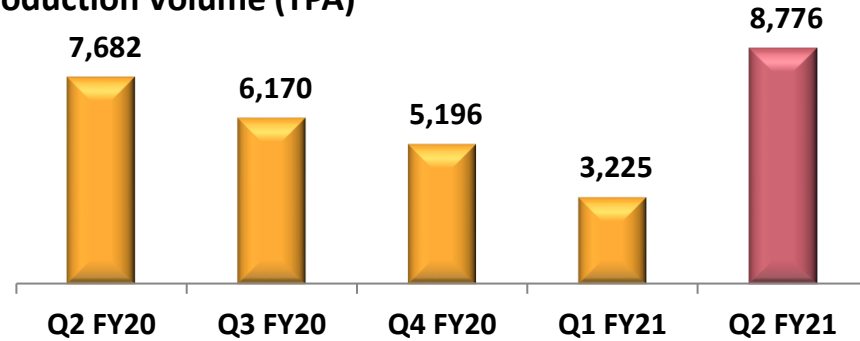
Consolidated Financial Highlights

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

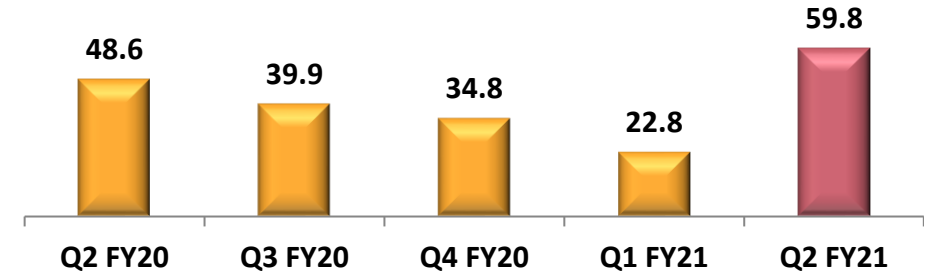
- Company temporarily suspended production and all operations in March-April 2020 as per government directives, in light of the outbreak of Covid-19 pandemic.
- Won repeat export order from US-based client, bringing total export order value to USD 2 million
- Won first export order worth USD 0.5 million from US-based multinational conglomerate after regular participation in Agritechnica

Quarterly Financial Highlights – Q2 FY21

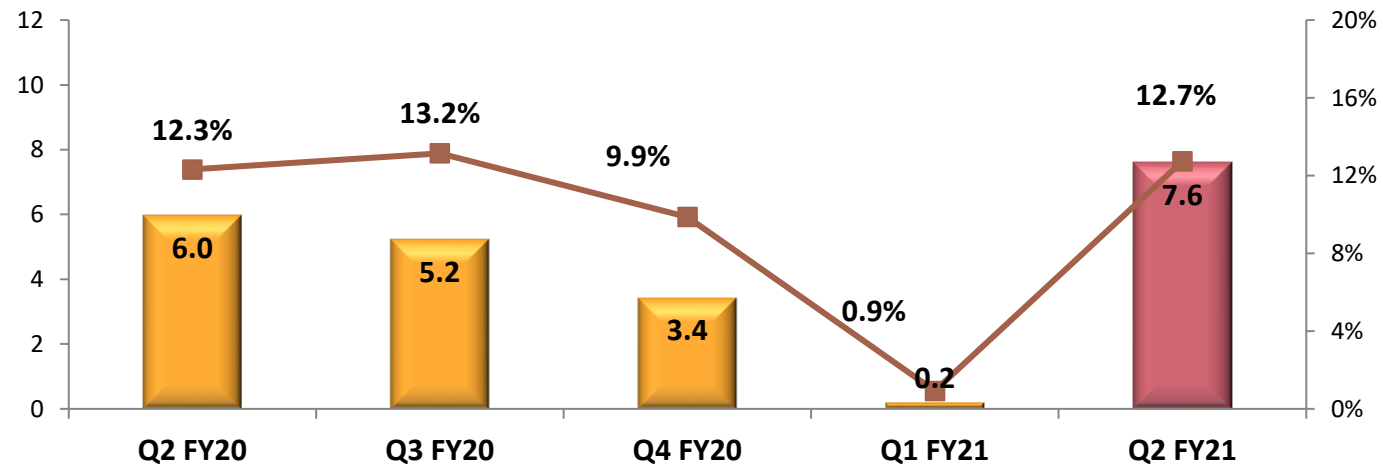
Production Volume (TPA)



Revenue (Rs. Cr)



EBITDA (Rs. Cr) / Margin (%)



Quarterly Financial Highlights

Rs. Cr	Q2 FY21	Q2 FY20	Y-o-Y	Q1 FY21
Total Income from operations	59.77	48.58		22.81
Other Operating revenue	0.00	0.00		0.00
Net Revenue	59.77	48.58	23.04%	22.81
Raw Materials	34.60	28.29		14.31
Employee Cost	3.68	3.73		1.71
Other Cost	13.87	10.58		6.58
Total Expenditure	52.15	42.59	22.4%	22.60
EBITDA	7.61	5.98	27.24%	0.21
EBIDTA margin (%)	12.74%	12.32%	42 bps	0.92%
Other Income	0.28	0.38		0.34
Depreciation	2.04	1.80		1.94
Interest	2.21	1.70		1.90
Profit Before Tax	3.64	2.86	27.4%	(3.29)
Tax	0.99	0.72		(0.89)
Profit After Tax	2.65	2.14	23.91%	(2.39)
PAT Margin (%)	4.44%	4.41%	3 bps	(10.50%)
Basic EPS (Rs.)	1.50	1.21	23.97%	(1.35)

- Increase in volumes and revenues on account of strong demand uptake and robust agriculture sector
- Revenue realizations per ton and EBITDA per ton improved during this quarter
- Operational efficiencies offset rise in fixed expenses and depreciation, leading to improved EBITDA & PAT margin

Half Yearly Financial Highlights

Rs. Cr	H1 FY21	H1 FY20	Y-o-Y
Total Income from operations	82.57	93.27	
Other Operating revenue	0.00	0.00	
Net Revenue	82.57	93.27	(11.47%)
Raw Materials	48.91	53.58	
Employee Cost	5.39	7.15	
Other Cost	20.45	20.24	
Total Expenditure	74.75	80.96	
EBITDA	7.82	12.31	(36.43%)
EBIDTA margin (%)	9.48%	13.20%	(372 bps)
Other Income	0.62	0.67	
Depreciation	3.98	3.61	
Interest	4.11	3.65	
Profit Before Tax	0.36	5.71	(93.7%)
Tax	0.10	1.35	
Profit After Tax	0.26	4.36	(94.08%)
PAT Margin (%)	0.31%	4.68%	(437 bps)
Basic EPS (Rs.)	0.15	2.46	(93.90%)

- Decline in volumes and revenues on account of nationwide lockdown in first quarter due to COVID-19 pandemic
- Revenue realizations per ton improved during this quarter
- Fixed expenses and depreciation during lockdown led to EBITDA & PAT margin decline

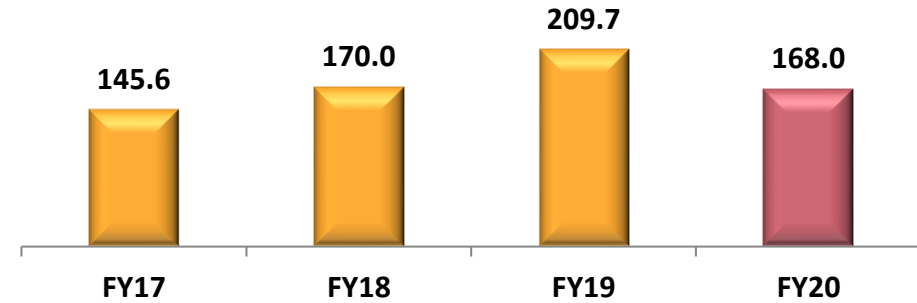
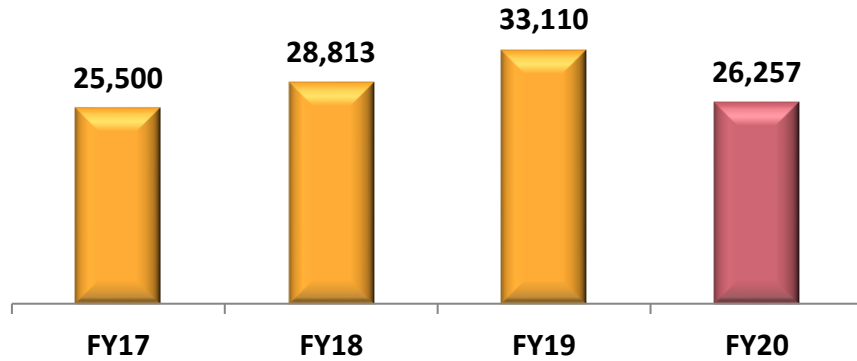
Balance Sheet as on 30th September 2020

Rs. Cr	As on 30 th Sep '20	As on 31 st Mar '20
Equity	120.65	120.37
Equity Share Capital	17.73	17.73
R&S	102.91	102.63
Non-Current Liabilities	40.01	31.71
Financial Liabilities		
Long Term Borrowing	29.65	22.32
Provisions	1.91	1.53
Deferred Tax Liabilities	2.60	2.01
Other LT Liabilities	5.85	5.85
Current Liabilities	91.63	90.60
Financial Liabilities		
Short term Borrowings	32.61	41.81
Trade Payables	19.69	17.15
Other Financial Liabilities	30.00	25.11
Other Current Liabilities	8.58	5.12
Short term Provisions	0.76	1.41
Total Equity & Liabilities	252.29	242.68

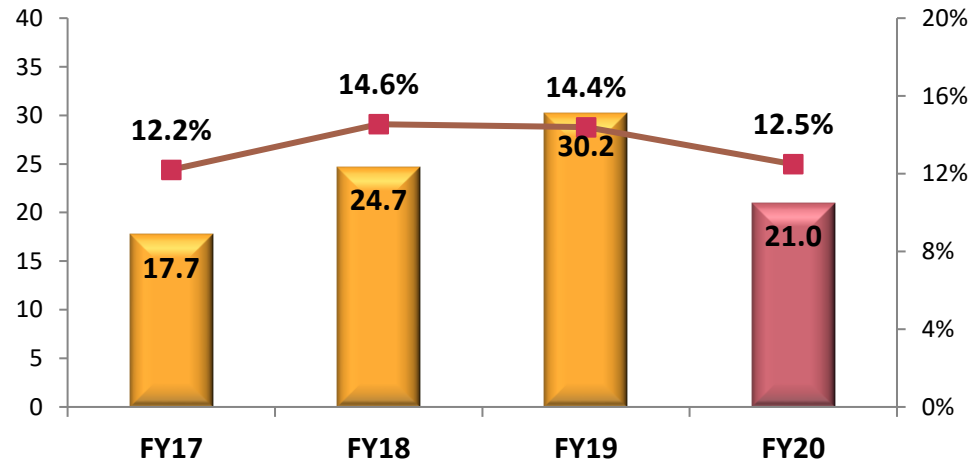
Rs. Cr	As on 30 th Sep '20	As on 31 st Mar '20
Non-current Assets	123.44	118.65
Property, Plant and Equipment	98.73	82.47
Capital work in progress	1.80	14.59
Goodwill on Consolidation	13.55	13.55
Financial Assets		
Non Current Investments	3.64	3.62
Other Financial Assets	2.07	1.38
Deferred Tax Assets/ (Liability)	1.90	1.27
Long term Loans & Advances	0.00	0.00
Other Non Current Assets	1.75	1.77
Current Assets	128.85	124.03
Inventories	60.59	58.11
Financial Assets		
Trade Receivables	45.88	46.40
Cash & Cash Equivalents	3.43	1.33
Bank	1.41	1.32
Other Financial assets	13.80	13.32
Short term Loans & Advances	0.00	0.00
Other Current Assets	3.74	3.55
Total Assets	252.29	242.68

Recent lockdown adversely impacted working capital cycle; improvement seen in second quarter
Ongoing capex on machine shop leafing led to higher long-term borrowing

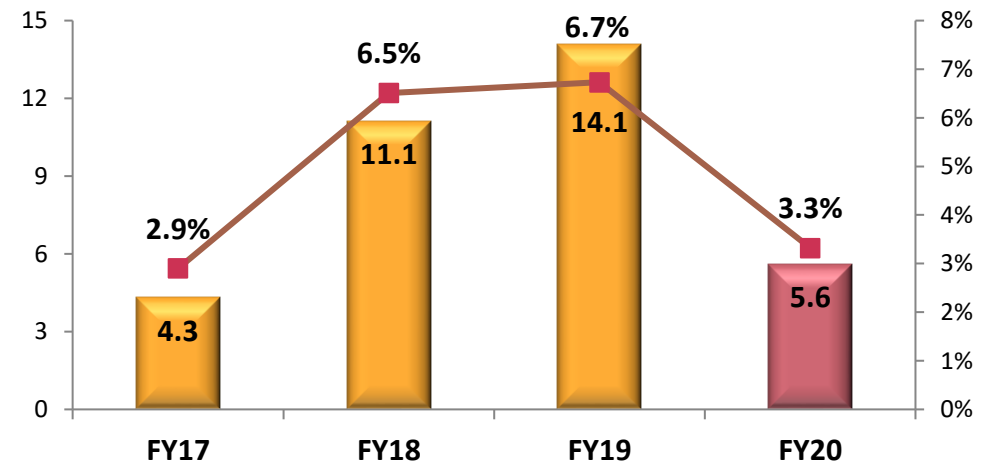
Annual Financial Highlights – FY20



EBITDA (Rs. Cr) / Margin (%)



PAT (Rs. Cr) / Margin (%)



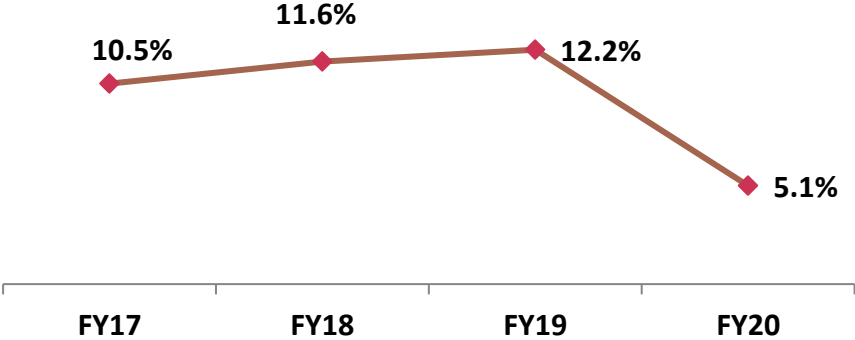
Annual Financial Highlights – FY20

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%)
EBITDA 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%)

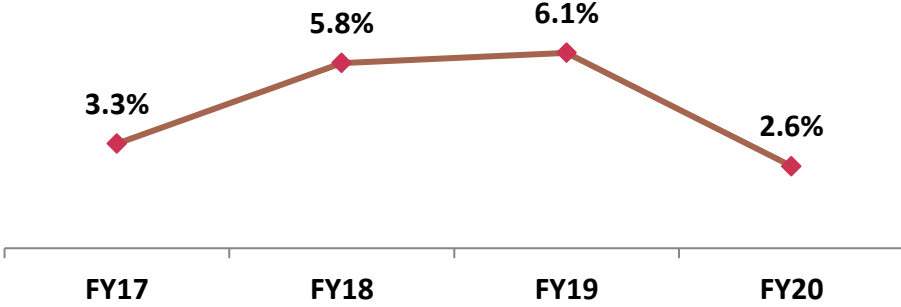
- Decline in revenue reflects slowdown in commercial automotive sector – adversely impacting demand
- Lower volumes with fixed costs during lockdown impacted EBITDA margins

Key Ratios

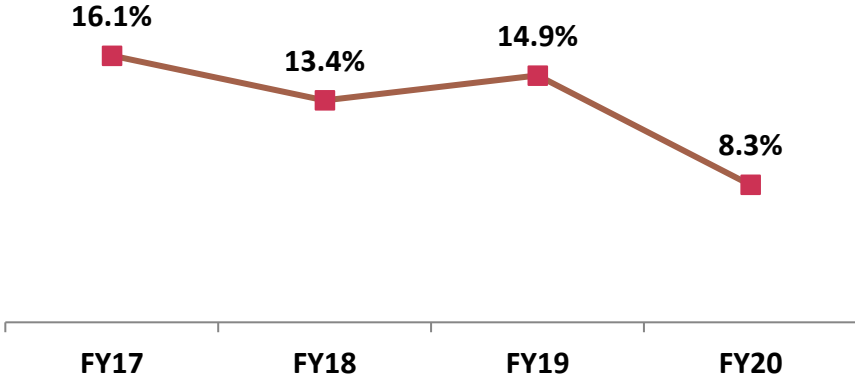
RoE (%)



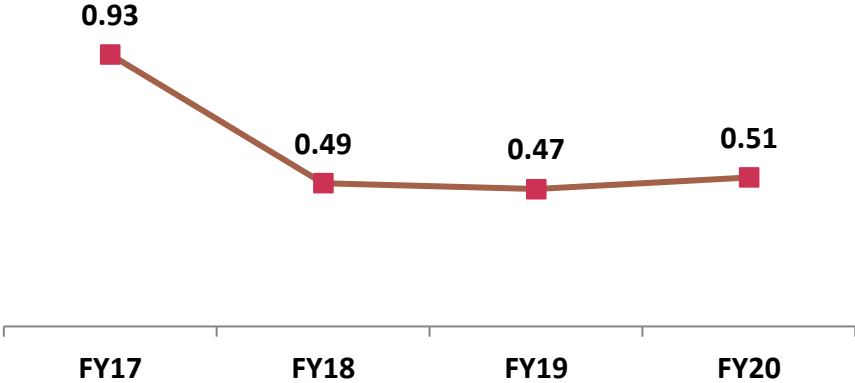
RoA (%)



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)



Way Ahead



EXCELLENCE THROUGH THE QUALITY AND PRECISION

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

Mission

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

Way Ahead....

Geographical Diversification

- *Expand in Geographically strategic locations of India*
- *Continue to focus on export opportunities and increase export contribution in revenues*

New Product Development

- *Continued focus to keep adding new products in basket of products*

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*

Key Focus Areas

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

Thank You



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