

PPAP Automotive Limited

TAKING CHALLENGES, TOGETHER Investor presentation – August 2021





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Company Overview

Business – at a Glance

PTI



PPAP

Tool Business

- The Company established its tooling facility in 2008 for captive purpose.
- In 2020, this facility has been commercialized as a profit center
- Plastic injection molds upto 1.5 m * 1.0 m can be manufactured for Automotive, White Goods, Electrical Industry applications



EV Component Business

- The Company has forayed in manufacturing of EV components for Electric cycles, 2-Wheeler and 3-Wheeler Applications
- The first product is Battery Pack
- Focused on development of value-added products through in house design and technology development capabilities

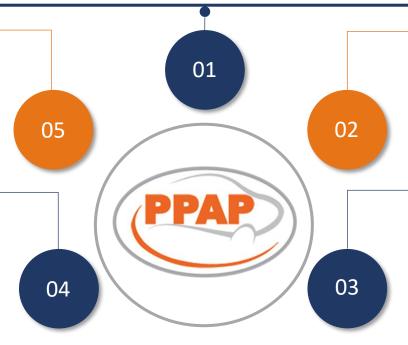
| Tokai India Rubber Pvt Lto | 1 | | | | | |
|----------------------------|----------------|------|----------------|---------------|---------|---------|
| Core | competence | in | developing | Automotive | Body | Sealing |
| syste | ms and Interio | r ar | nd Exterior In | jection molde | ed part | S |

 Enhancing per car contribution by adding more products and customers in all segments (PV / 2 W / CV / Tier 1)

Automotive Parts Business

PPAP

- PPAP is focused on development of value-added products through in house design and technology development capabilities
- Focusing on Electric Vehicles (all products are engine agnostic products)



Aftermarket & SPD Business

- The Company has commenced with development of aftermarket parts and sales of automotive accessories
- Establishing distribution network for offline sales
- Established e-commerce network for online sales through own website and e-commerce portals
- 100% owned subsidiary established

Pail Container Business

PPAP

ELDIS

- The company has developed a product range of pail containers
- The company has started supplies to agriculture sector and is now focusing on expanding its customer base to Paint and Lubrication industry







Vision Statement

To be our customer's No. 1 supplier

Mission Statement

To be a global level excellence company, with an inspiring work culture , for serving customers and the society, by exceeding the expectations, of all its stakeholders





Values

- Trustworthiness
- Mutual Respect
- Creativity
- Co-operation
- Excellence

Journey Towards Excellence...

1990-2002

- Conversion of partnership firm to private company
- Established Plant I (Noida)
- Start of Interior & Exterior Plastic Injection products
- Honda added as customer

2008-2014

- Listed on BSE and NSE
- Established Plant III (Surajpur) and Plant IV (Pathredi)
- M&M, Renault Nissan and Ford added as customers
- Established JV with Tokai Kogyo (PTI)
- Established captive tool room
- CKD parts exports started



2018-2020

- Established Plant V (Vallam Vadgal) and Plant VI (Ukhlod)
- VW, Hyundai & Kia added as customers
- Establishment of aftermarket and electric vehicle component business
- Commencement of Commercial Tooling business

6

1978-1990

- Incorporation of a partnership firm
- Commenced Automotive business
 With Maruti Suzuki
- Technical collaboration with Tokai Kogyo Co. (Japan)



 Start of Automotive Body Sealing Systems

2002-2007

3

- Established Plant II (Noida)
- General Motors and Tata Motors added as customers
- Technological tie up with
 Nissen Chemitec Corporation,
 Japan

2015-2016

Great Place To Work.

Certified

- Technological tie up with Tokai Seiki Co., Japan
- Isuzu Motors added as a customer
- Suzuki Motorcycle added as a customer
- Honda Motorcycle & Scooters added as a customer (Tier2)

Board of Directors





Ajay Kumar Jain

Chairman &

Managing Director

Bachelor of Commerce from Shri Ram College of Commerce, Delhi University

Associated with the Company since inception with experience of over 40 years in polymer processing industry and over 30 years in the automotive industry

President of Toyota Kirloskar Supplier Association



Bhuwan Kumar Chaturvedi IIndependent Director B.E. (Mech.) from I.I.T. Roorkee and M.B.A. from IIM, Ahmedabad

Has a rich and diverse top management experience in the field of automobile, auto components, engineering, etc

Associated with Tata Motors, Eicher, and Hindustan Motors

President of Tractor Manufacturers Association & Member of CII National Council

Pravin Kumar Gupta Independent Director A Fellow Member of the Institute of Chartered Accountants of India

Managing Partner and a key person of K.S. Gupta Co., Chartered Accountants (Est.: 1955) with 25 years of experience in both large and SME segments in manufacturing and Service Industries.

He has in depth knowledge and experience in the field of Corporate Finance, Taxation, Accounts, and Audit



Celine George Independent Director

PGDM in Business Economics from Delhi University and PGDIM from IMI, Delhi

Associated with ONGC, TCS, Cairn Energy, Max healthcare

She has over 30 years of experience in the areas of Leadership, Business Transformation, etc across multiple industry verticals



Vinay Kumari Jain Non-Executive Director Bachelor of Science from Delhi University

Work experience of over three decades.

She possess a deep understanding of automotive business and has been associated with the Company since its Technical Collaboration with Tokai Kogyo Co. Limited, Japan



Abhishek Jain CEO & Managing Director

Bachelor of Science in Industrial Engineering from Purdue University, USA

Work experience of over 15 years

Chairman North region of Honda Suppliers Club

Member of Pillar IV of Automotive Component Manufacturers Association of India







Ramesh C Khanna COO Experience: 42 years



Niraj Kalra Head - Non OEM Experience: 25 years



M Krishnaswamy Head - OEM (S&W)* Experience: 25 years



Deepak Singh Head – Supply Chain Experience: 22 years



Sachin Jain CFO Experience: 17 years



Kamal Behl Head - PTI Experience: 30 years



Avinash Tripathi Head OEM -(N&NW)[#] Experience: 28 years



Aseem Yadav Head - Administration Experience: 33 years



Sonia Bhandari Company Secretary Experience: 14 years



Kapinjal Tripathi Head - Tooling Experience: 30 years



Mohanan Pillai Head - Engineering Experience: 32 years



Deepesh Sharma Head – HR Experience: 23 years



Anil Sharma Head - OEM Experience: 25years



Manoj Kumar Head - Ptech Experience: 39 years



Maloy Mukhopadhyay Head - BD Experience: 25 years

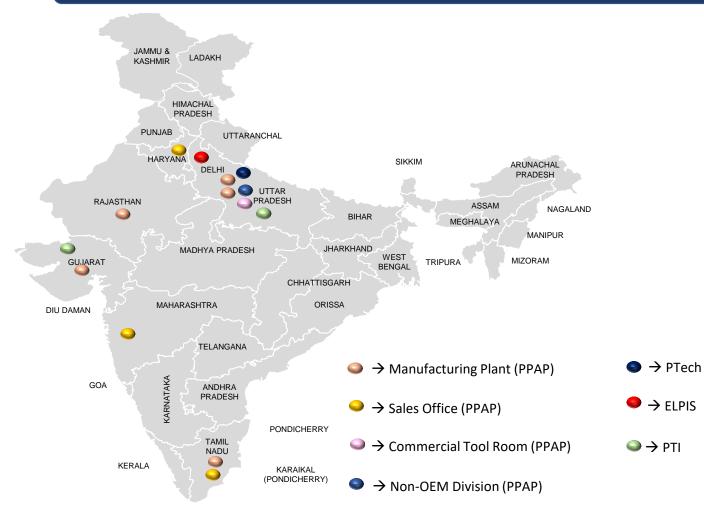


Sanjeev Arora Head – Sustainability Experience: 21 years

Operating Locations...



The Company's state of the art manufacturing facilities are strategically located across the PVs automotive hubs in Northern, Southern and Western India



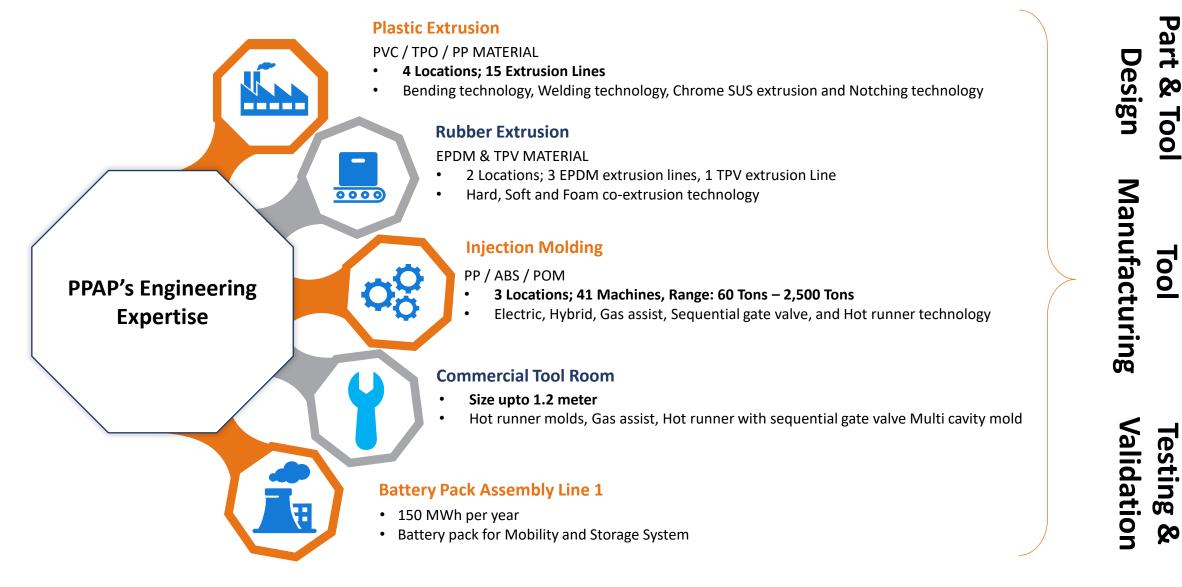




Manufacturing Facilities...



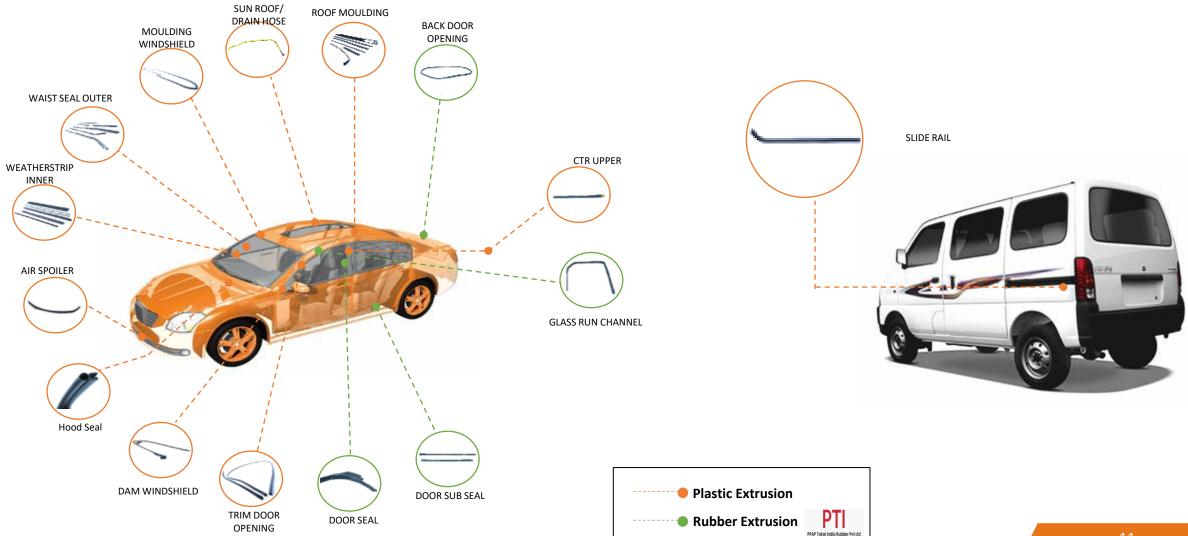
Part



Passenger Vehicle Products



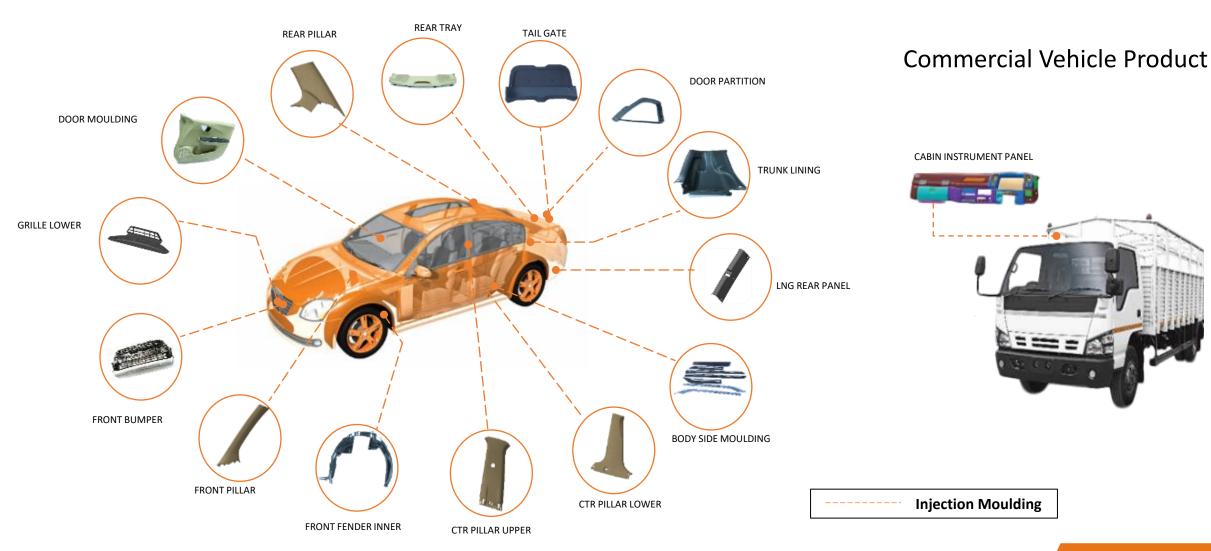
PPAP offers a diverse range of products that are applicable to both EV and non-EV vehicles



Passenger Vehicle Products



PPAP offers a diverse range of products that are applicable to both EV and non-EV vehicles



Two Wheeler & Three Wheeler Products

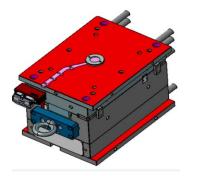
PPAP offers a diverse range of products that are applicable to both EV and non-EV vehicles

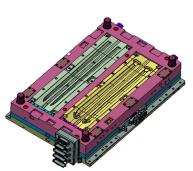


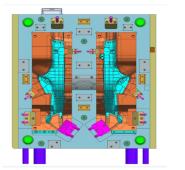
PA

Diversified Product Mix

Plastic Injection Tools







Tonnage – Upto 850 Tons Size – 1500 (L) x 1000 (W) x 850 (H) Mould Weight – Upto 8 Ton

Battery Pack for Back up power





PTECH PAP Technology Lim

Application :



Solar Street Light

Mobile Towers

The battery packs are used in multiple products for providing back up power





UPS





Containers for storing fertilizers, paints and lubricants





Aftermarket – A Large Opportunity



- The Company has ventured into development of parts and accessories for aftermarket.
- The products are sold through the wholly owned subsidiary Elpis Components Distributors Private Limited
- Currently, this segment contributes 3% of revenue and is expected to increase to 10% by FY24



Note – Maps not to scale. All data, information, and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness

Esteemed Clientele

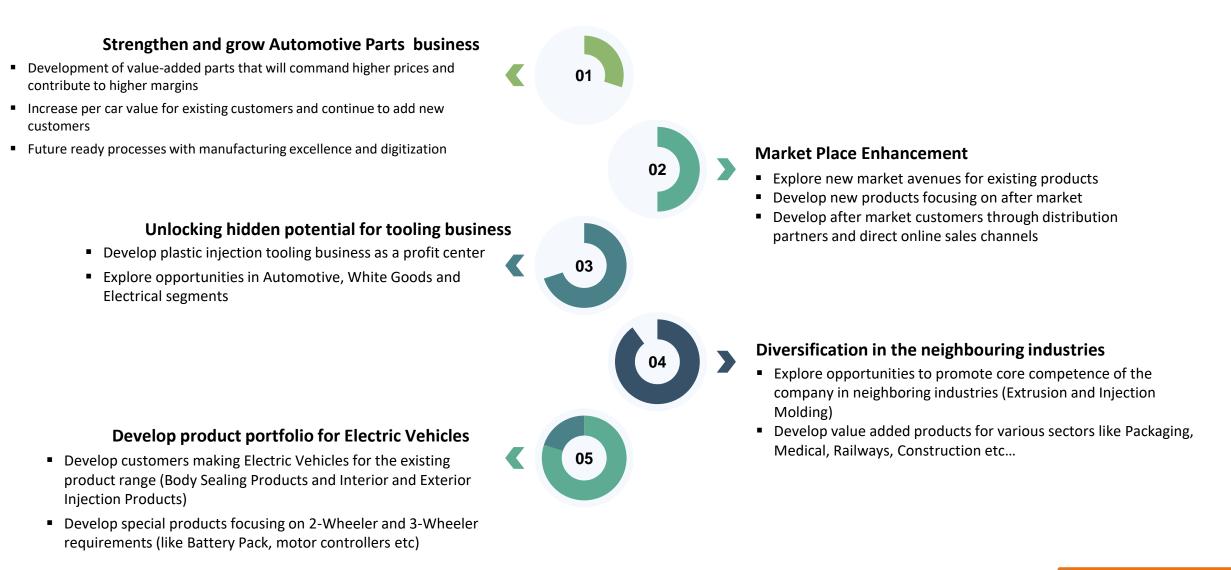




Note - The Brand Names mentioned are the property of their respective owners and are used here for identification purposes only

Growth Roadmap – Explore, Expand & Excel





Why Trust PPAP... at a glance











Continuous improvement of operational efficiency

- Cost sensitive working culture
- International benchmarking
- Implementation of TPS & TBP (Toyota Production System & Toyota Business Practices)
- Focus on Human
 Development –
 Development of Mind, Body and Intellect
- Optimize use of resources

Portfolio approach to margin-rich blended product mix

- The Company has a portfolio approach to building a healthy mix of premiumpriced value added products and budget-priced mould parts
- The Company's product mix is carefully blended to ensure PPAP is able to make healthy overall margins at a portfolio level

Organic growth complemented by adding new clients and geographies

- The Company presently caters to marquee OEMs such as Maruti Suzuki, Honda, Hyundai, Tata etc.
- Continuously explore and add new customers, while consistently expanding its per car share within the existing OEMs organically
- Developing value added products through inhouse Research and Technical Development capabilities
- Operations closer to the customer

Sound financials giving headroom to fund its growth

- A strong financial discipline coupled with the ability to generate regular free cash flows, allows PPAP to adequately fund its growth organically
- Low debt ratios
- Focus on improvement of return ratios
- Focus on "Every Paisa Counts"

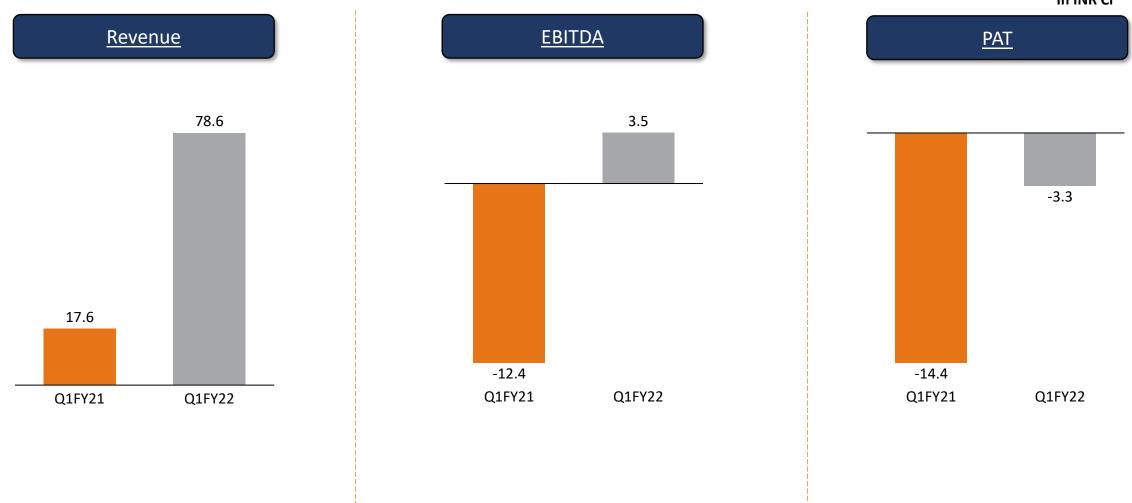


Financial Highlights





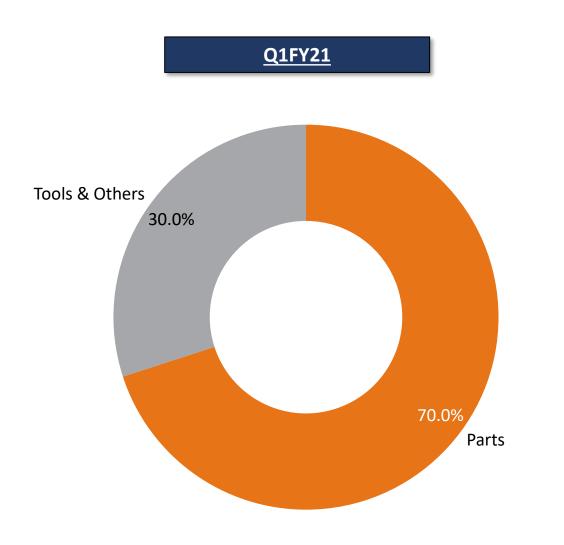
In INR Cr

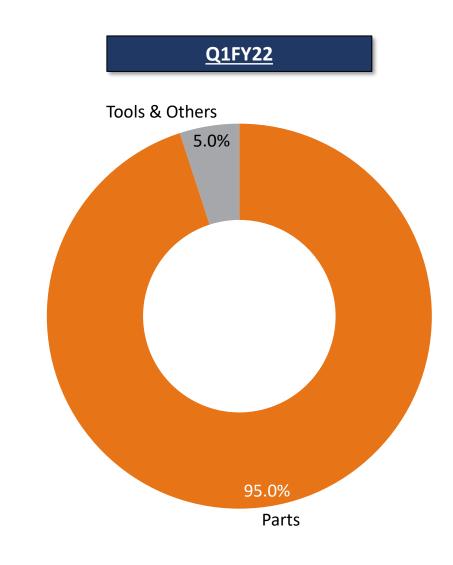


Note - Q1FY21 performance was impacted due to Covid 19 first wave induced lockdown and Q1FY22 performance was impacted by Covid 19 second wave induced lockdown restrictions of varying degrees across different regions of the country









Standalone P&L – Q1FY22



| Particulars (INR Cr) | Q1FY22 | Q1FY21 | Y-o-Y (%) | Q4FY21 | Q-o-Q (%) | FY21 |
|-------------------------|--------|--------|-----------|--------|-----------|-------|
| Revenue from operations | 78.6 | 17.6 | 346.3% | 113.5 | -30.7% | 321.2 |
| COGS | 46.6 | 11.4 | | 64.7 | | 182.6 |
| Gross Profit | 32.0 | 6.2 | 414.5% | 48.8 | -34.4% | 138.6 |
| Gross Profit Margin | 40.7% | 35.3% | | 43.0% | | 43.1% |
| Employee Expenses | 17.1 | 13.3 | | 17.3 | | 61.2 |
| Other Expenses | 11.4 | 5.4 | | 14.4 | | 43.6 |
| EBITDA | 3.5 | -12.4 | 128.2% | 17.1 | -79.5% | 33.7 |
| EBITDA Margin | 4.5% | -70.4% | | 15.1% | | 10.5% |
| Other Income | 0.3 | 0.2 | | 2.0 | | 2.6 |
| Depreciation | 7.1 | 6.5 | | 6.6 | | 26.3 |
| Finance Cost | 1.1 | 0.6 | | 1.2 | | 3.7 |
| Profit before Tax | -4.4 | -19.3 | | 11.3 | | 6.3 |
| Tax expenses | -1.1 | -4.9 | | 2.8 | | 1.5 |
| Profit for the year | -3.3 | -14.4 | | 8.5 | -138.9% | 4.8 |
| PAT Margins | -4.2% | -81.7% | | 7.5% | | 1.5% |
| EPS | -2.37 | -10.28 | | 6.10 | | 3.45 |

Standalone Balance sheet – FY21



| Liabilities (In Rs. Crs) | Mar-21 | Mar-20 |
|-----------------------------------|--------|--------|
| Equity | | |
| Equity Share capital | 14.0 | 14.0 |
| Other Equity | 295.8 | 290.2 |
| Non Controlling Interest | 0.0 | 0.0 |
| Total Equity | 309.8 | 304.2 |
| Financial liabilities | | |
| (i) Borrowings | 42.3 | 12.0 |
| (ii) Other Financial liabilities | 0.0 | 0.0 |
| Provisions | 7.3 | 9.5 |
| Other non current Liability | 0.0 | 0.0 |
| Deferred tax liabilities (Net) | 7.0 | 7.0 |
| Total Non Current Liabilities | 56.6 | 28.5 |
| Financial liabilities | | |
| (i) Borrowings | 0.0 | 9.9 |
| (ii) Trade Payables | 47.7 | 41.6 |
| (iii) Other financial liabilities | 15.0 | 4.2 |
| Provisions | 0.8 | 1.0 |
| Other current liabilities | 13.5 | 17.0 |
| Current tax liabilities (Net) | 0.7 | 0.2 |
| Total Current Liabilities | 77.8 | 73.8 |
| | | |

| | Total Equity and Liabilities | 444.2 | 406.5 |
|--|------------------------------|-------|-------|
|--|------------------------------|-------|-------|

| Assets (In Rs. Crs) | Mar-21 | Mar-20 |
|-------------------------------------|--------|--------|
| Non Current assets | | |
| Property, Plant and Equipment | 230.6 | 221.7 |
| Capital work-in-progress | 20.1 | 7.9 |
| Other Intangible Asset | 8.9 | 8.5 |
| Intangible assets Under Development | 0.2 | 0.0 |
| Financial Assets | | |
| (i) Investments | 55.3 | 50.8 |
| (ii) Loans | 1.8 | 2.1 |
| (iii) Other financial assets | 3.0 | 2.4 |
| Deferred Tax Assets (net) | 0.0 | 0.0 |
| Other non-current assets | 10.7 | 8.7 |
| Total Non Current Assets | 330.6 | 302.0 |
| Current Assets | | |
| Inventories | 41.8 | 48.8 |
| Financial Assets | | |
| Investments | 0.0 | 0.0 |
| (i) Trade receivables | 61.9 | 41.1 |
| (ii) Cash and cash equivalents | 1.0 | 2.1 |
| (iii) Other bank balances | 0.1 | 2.9 |
| (iv) Loans | 0.5 | 0.4 |
| (v) Other financial assets | 0.5 | 0.5 |
| Current Tax Assets(Net) | 0.0 | 0.0 |
| Other current assets | 7.9 | 8.7 |
| Total Current Assets | 113.6 | 104.5 |
| | | |
| Total Assets | 444.2 | 406.5 |

Standalone Cash Flow – FY21



| Particulars (Rs. Crores) | Mar-21 | Mar-20 |
|---|--------|--------|
| Net Profit Before Tax | 6.3 | 23.1 |
| Adjustments for: Non Cash Items / Other Investment or Financial Items | 27.0 | 27.8 |
| Operating profit before working capital changes | 33.3 | 50.9 |
| Changes in working capital | -2.2 | -2.5 |
| Cash generated from Operations | 31.2 | 48.4 |
| Direct taxes paid (net of refund) | -1.1 | -12.2 |
| Net Cash from Operating Activities | 30.1 | 36.2 |
| Net Cash from Investing Activities | -49.4 | -29.2 |
| Net Cash from Financing Activities | 18.3 | -5.4 |
| Net Increase in Cash and Cash equivalents | -1.1 | 1.7 |
| Add: Cash & Cash equivalents at the beginning of the period | 2.1 | 0.4 |
| Cash & Cash equivalents at the end of the period | 1.0 | 2.1 |

Consolidated P&L – Q1FY22



| Particulars (INR Cr) | Q1FY22 | Q1FY21 | Y-o-Y (%) | Q4FY21 | Q-o-Q (%) | FY21 |
|------------------------------|--------|--------|-----------|--------|-----------|-------|
| Revenue from operations | 78.8 | 17.7 | 345.5% | 114.1 | -31.0% | 322.2 |
| COGS | 46.5 | 11.5 | | 64.9 | | 183.0 |
| Gross Profit | 32.2 | 6.2 | 420.6% | 49.2 | -34.4% | 139.2 |
| Gross Profit Margin | 40.9% | 35.0% | | 43.1% | | 43.2% |
| Employee Expenses | 17.6 | 13.4 | | 17.7 | | 62.2 |
| Other Expenses | 11.6 | 5.4 | | 14.6 | | 44.1 |
| EBITDA | 3.0 | -12.6 | 123.8% | 16.9 | -82.2% | 32.9 |
| EBITDA Margin | 3.8% | -71.3% | | 14.8% | | 10.2% |
| Other Income | 0.2 | 0.1 | | 1.7 | | 2.1 |
| Depreciation | 7.2 | 6.5 | | 6.7 | | 26.5 |
| Finance Cost | 1.2 | 0.6 | | 1.2 | | 3.8 |
| Profit before Tax | -5.7 | -20.7 | | 9.6 | | 3.3 |
| Tax expenses | -1.3 | -4.9 | | 2.6 | | 1.1 |
| Profit / (Loss) for the year | -4.5 | -15.8 | | 7.0 | -163.2% | 2.1 |
| PAT Margins | -5.7% | -89.1% | | 6.2% | | 0.7% |
| EPS | -3.18 | -11.26 | | 5.02 | | 1.50 |

Consolidated Balance sheet – FY21



| Liabilities (In Rs. Crs) | Mar-21 | Mar-20 |
|-----------------------------------|--------|--------|
| Equity | | |
| Equity Share capital | 14.0 | 14.0 |
| Other Equity | 292.2 | 289.2 |
| Non Controlling Interest | 0.0 | 0.0 |
| Total Equity | 306.2 | 303.2 |
| Financial liabilities | | |
| (i) Borrowings | 44.6 | 12.0 |
| (ii) Other Financial liabilities | 0.0 | 0.0 |
| Provisions | 7.3 | 9.5 |
| Other non current Liability | 0.0 | 0.0 |
| Deferred tax liabilities (Net) | 6.7 | 7.0 |
| Total Non Current Liabilities | 58.5 | 28.5 |
| Financial liabilities | | |
| (i) Borrowings | 0.0 | 9.9 |
| (ii) Trade Payables | 47.9 | 41.9 |
| (iii) Other financial liabilities | 15.5 | 4.3 |
| Provisions | 0.8 | 1.0 |
| Other current liabilities | 13.5 | 17.0 |
| Current tax liabilities (Net) | 0.7 | 0.1 |
| Total Current Liabilities | 78.5 | 74.1 |
| | | |
| Total Equity and Liabilities | 443.2 | 405.8 |

| Assets (In Rs. Crs) | Mar-21 | Mar-20 | |
|-------------------------------------|--------|--------|--|
| Non Current assets | | | |
| Property, Plant and Equipment | 234.9 | 221.7 | |
| Capital work-in-progress | 20.1 | 8.4 | |
| Other Intangible Asset | 9.0 | 8.5 | |
| Intangible assets Under Development | 0.2 | 0.0 | |
| Financial Assets | | | |
| (i) Investments | 46.4 | 47.9 | |
| (iii) Loans | 1.8 | 2.1 | |
| (ii) Other financial assets | 3.0 | 2.4 | |
| Deferred Tax Assets (net) | 0.0 | 0.0 | |
| Other non-current assets | 10.7 | 8.7 | |
| Total Non Current Assets | 326.0 | 299.7 | |
| Current Assets | | | |
| Inventories | 45.0 | 49.6 | |
| Financial Assets | | | |
| Investments | 0.0 | 0.0 | |
| (i) Trade receivables | 60.4 | 40.0 | |
| (ii) Cash and cash equivalents | 1.3 | 3.2 | |
| (iii) Other bank balances | 0.2 | 2.9 | |
| (iv) Loans | 0.5 | 0.4 | |
| (v) Other financial assets | 1.7 | 0.5 | |
| Other current assets | 8.1 | 9.6 | |
| Total Current Assets | 117.2 | 106.1 | |
| Assets classified as held for sale | | | |
| Total Assets | 443.2 | 405.8 | |

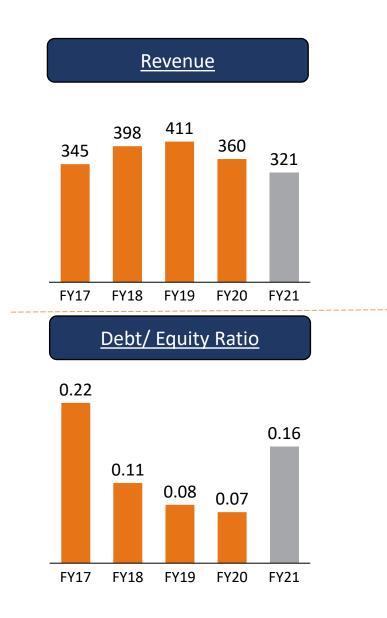
Consolidated Cash Flow – FY21

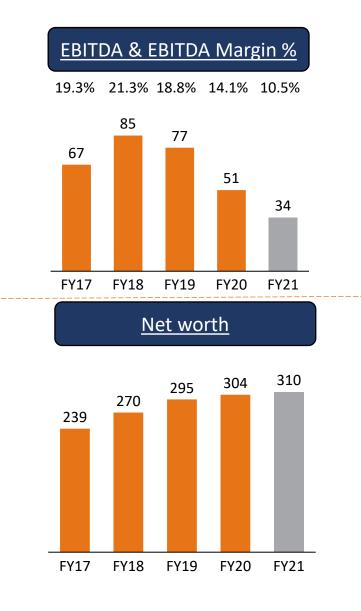


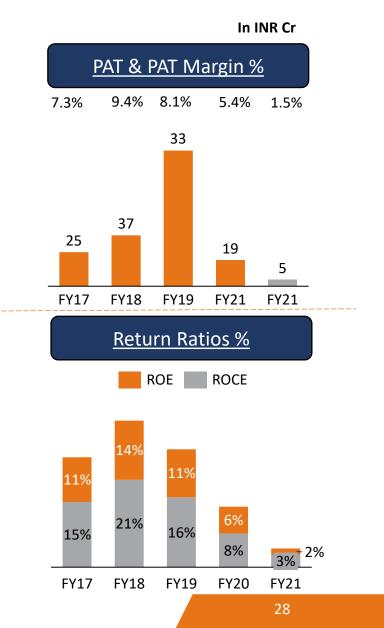
| Particulars (Rs. Crores) | Mar-21 | Mar-20 |
|---|--------|--------|
| Net Profit Before Tax | 3.2 | 22.0 |
| Adjustments for: Non Cash Items / Other Investment or Financial Items | 28.6 | 28.7 |
| Operating profit before working capital changes | 31.9 | 50.7 |
| Changes in working capital | -4.4 | -2.7 |
| Cash generated from Operations | 27.5 | 48.0 |
| Direct taxes paid (net of refund) | -1.1 | -12.2 |
| Net Cash from Operating Activities | 26.4 | 35.9 |
| Net Cash from Investing Activities | -48.9 | -27.5 |
| Net Cash from Financing Activities | 20.6 | -5.6 |
| Net Increase in Cash and Cash equivalents | -1.9 | 2.8 |
| Add: Cash & Cash equivalents at the beginning of the period | 3.2 | 0.4 |
| Cash & Cash equivalents at the end of the period | 1.3 | 3.2 |

Historical Standalone Financial Performance











Company :



CIN: L74899DL1995PLC073281

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