



PPAP Automotive Limited

TAKING CHALLENGES, TOGETHER

Investor presentation – November 2021



Safe Harbour



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Financial Highlights





Key Highlights



Commenting on the results and performance for Q2 & H1FY22, Mr. Ajay Kumar Jain, Chairman & MD of PPAP Automotive Ltd said:

“The demand for vehicles has bounced back. However, due to semi-conductor shortage, the production of vehicles continues to be hampered. Rising commodity prices and disrupted global supply chain continue to be a big challenge for the entire industry.

Despite of these disruptions, the company continues to grow with double digit EBITDA margins. The capacity utilization has improved from 54% in Q2FY21 to 67% in Q2FY22. The company continues its endeavour to increase its customer base as well as content per vehicle. The new businesses and the new subsidiary companies have started showing good traction and will continue to be a growth driver for the group.

Going forward, as the industry disruptions reduce, we will continue to improve our stellar performance”

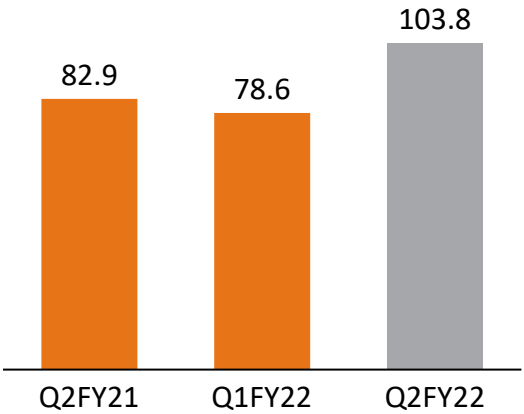


Key Highlights

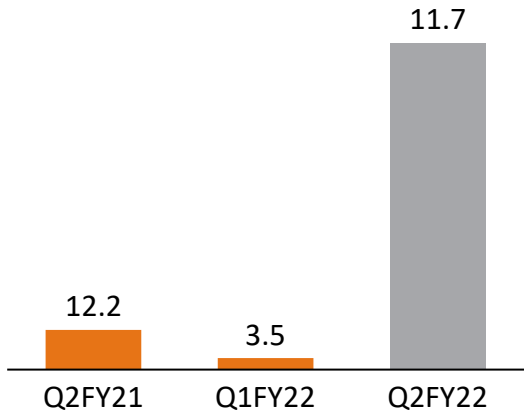


In INR Cr

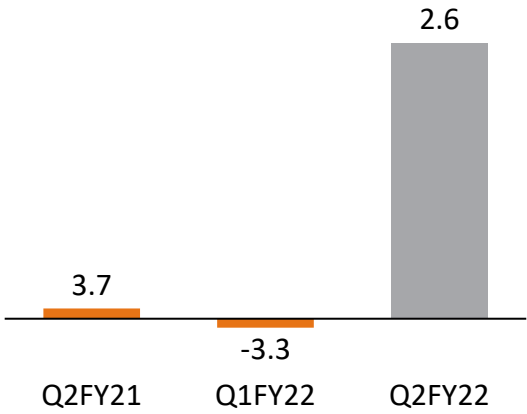
Revenue



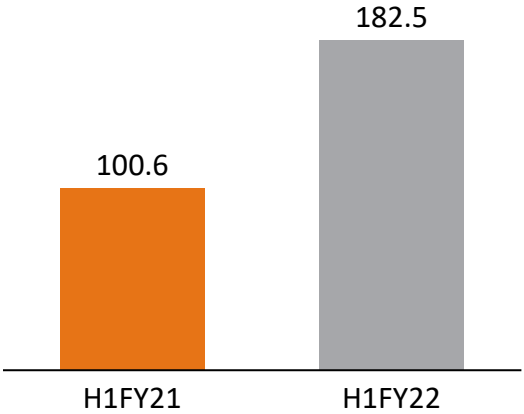
EBITDA



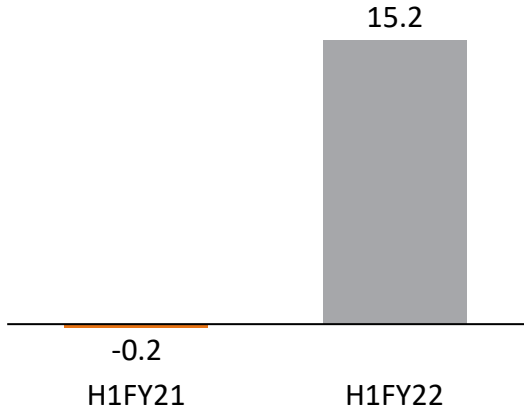
PAT



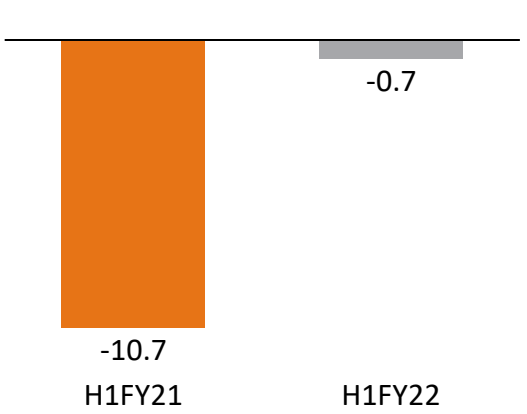
Revenue



EBITDA



PAT



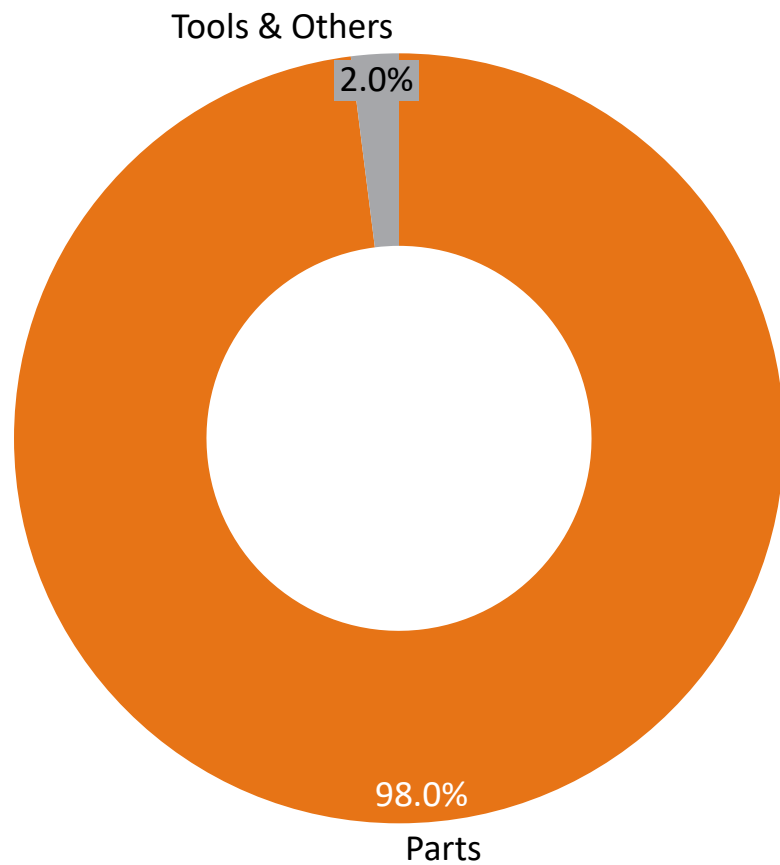
Note - Q1FY21 performance was impacted due to Covid 19 first wave induced lockdown and Q1FY22 performance was impacted by Covid 19 second wave induced lockdown restrictions of varying degrees across different regions of the country



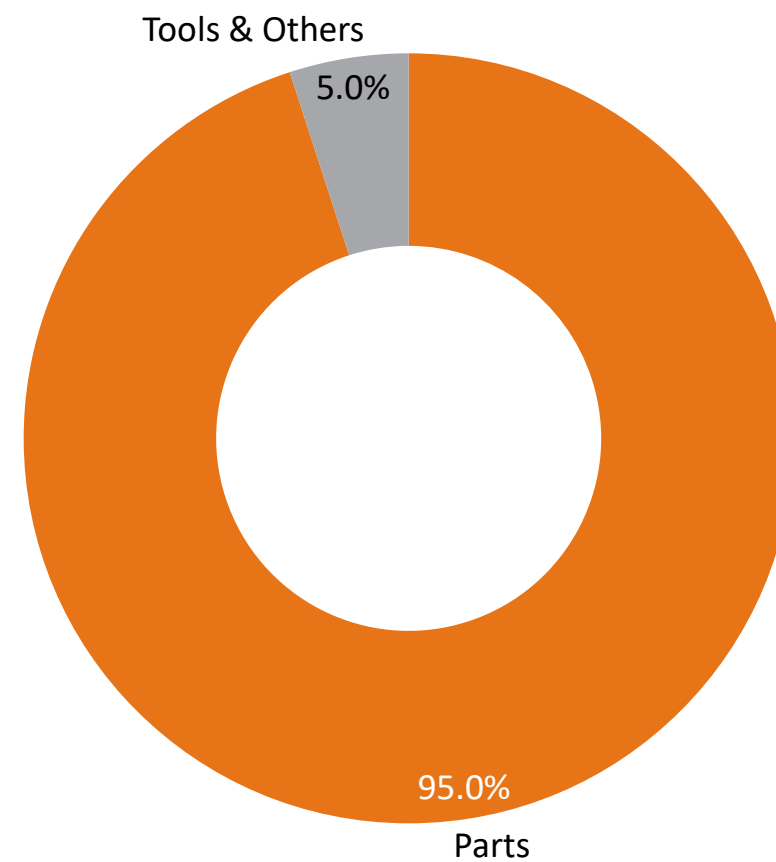
Segmental Breakup



Q2FY21



Q2FY22





Standalone P&L – Q2 & H1FY22



Particulars (INR Cr)	Q2 FY22	Q2 FY21	Y-o-Y (%)	Q1 FY22	Q-o-Q (%)	H1 FY22	H1 FY21	Y-o-Y (%)
Revenue from operations	103.8	82.9	25.2%	78.6	32.0%	182.5	100.6	81.4%
COGS	62.2	45.2		46.6		108.8	56.6	
Gross Profit	41.6	37.7	10.3%	32.0	29.9%	73.6	44.0	67.5%
Gross Profit Margin	40.0%	45.5%		40.7%		40.4%	43.7%	
Employee Expenses	17.4	14.5		17.1		34.4	27.8	
Other Expenses	12.5	11.0		11.4		24.0	16.3	
EBITDA	11.7	12.2	-4.1%	3.5	234.1%	15.2	-0.2	-
EBITDA Margin	11.3%	14.8%		4.5%		8.4%	-0.2%	
Other Income	0.3	0.2		0.3		0.6	0.4	
Depreciation	7.2	6.6		7.1		14.3	13.1	
Finance Cost	1.4	1.0		1.1		2.5	1.6	
Profit before Tax	3.5	4.9		-4.4		-0.9	-14.4	
Tax expenses	0.9	1.2		-1.1		-0.2	-3.6	
Profit for the year	2.6	3.7	-29.8%	-3.3	-	-0.7	-10.7	-
PAT Margins	2.5%	4.4%		-4.2%		-0.4%	-10.7%	
EPS	1.9	2.6		-2.4		0.5	-7.7	



Standalone Balance sheet – H1FY22



Liabilities (In Rs. Crs)	Sep-21	Mar-21
Equity		
Equity Share capital	14.0	14.0
Other Equity	293.4	295.8
Non Controlling Interest	0.0	0.0
Total Equity	307.4	309.8
Financial liabilities		
(i) Borrowings	40.5	42.3
(ii) Other Financial liabilities	0.5	0.0
Provisions	7.7	7.3
Other non current Liability	0.0	0.0
Deferred tax liabilities (Net)	6.2	7.0
Total Non Current Liabilities	54.9	56.6
Financial liabilities		
(i) Borrowings	24.8	7.3
(ii) Trade Payables	51.9	47.8
(iii) Other financial liabilities	8.1	7.7
(iv) Lease liabilities	0.3	0.0
Provisions	1.1	0.8
Other current liabilities	13.8	13.5
Current tax liabilities (Net)	0.0	0.7
Total Current Liabilities	100.0	77.8
Total Equity and Liabilities	462.2	444.2

Assets (In Rs. Crs)	Sep-21	Mar-21
Non Current Assets		
Property, Plant and Equipment	241.6	230.6
Capital work-in-progress	12.7	20.1
Other Intangible Asset	8.7	8.9
Investment Property	1.1	0.0
Intangible assets Under Development	0.2	0.2
Right of Use Asset	0.9	0.0
Financial Assets		
(i) Investments	55.3	55.3
(ii) Loans	0.0	1.8
(iii) Other financial assets	4.9	3.0
Deferred Tax Assets (net)	0.0	0.0
Other non-current assets	15.7	10.7
Total Non Current Assets	341.0	330.6
Current Assets		
Inventories	54.4	41.8
Financial Assets		
Investments	1.0	0.0
(i) Trade receivables	46.7	61.9
(ii) Cash and cash equivalents	0.6	1.0
(iii) Other bank balances	0.1	0.1
(iv) Loans	6.1	0.5
(v) Other financial assets	0.5	0.5
Current Tax Assets(Net)	0.3	0.0
Other current assets	11.5	7.9
Total Current Assets	121.2	113.6
Total Assets	462.2	444.2



Standalone Cash Flow – H1FY22



Particulars (Rs. Crores)	Sep-21	Mar-21
Net Profit Before Tax	-0.9	6.3
Adjustments for: Non Cash Items / Other Investment or Financial Items	16.1	27.0
Operating profit before working capital changes	15.2	33.3
Changes in working capital	-8.8	-2.2
Cash generated from Operations	6.4	31.2
Direct taxes paid (net of refund)	-1.5	-1.1
Net Cash from Operating Activities	4.9	30.1
Net Cash from Investing Activities	-19.5	-49.4
Net Cash from Financing Activities	14.2	18.3
Net Increase in Cash and Cash equivalents	-0.4	-1.1
Add: Cash & Cash equivalents at the beginning of the period	1.0	2.1
Cash & Cash equivalents at the end of the period	0.6	1.0



Consolidated P&L – Q2 & H1FY22



Particulars (INR Cr)	Q2 FY22	Q2 FY21	Y-o-Y (%)	Q1 FY22	Q-o-Q (%)	H1 FY22	H1 FY21	Y-o-Y (%)
Revenue from operations	105.9	83.1	27.5%	78.8	34.5%	184.7	100.8	83.3%
COGS	63.3	45.2		46.5		109.8	56.7	
Gross Profit	42.6	37.9	12.5%	32.2	32.1%	74.9	44.1	69.9%
Gross Profit Margin	40.2%	45.6%		40.9%		40.5%	43.7%	
Employee Expenses	18.1	14.7		17.6		35.7	28.1	
Other Expenses	12.9	11.0		11.6		24.5	16.4	
EBITDA	10.9	12.4	-12.1%	2.5	336.0%	13.4	-1.3	-
EBITDA Margin	10.3%	14.9%		3.8%		7.3%	-1.3%	
Other Income	0.2	0.1		0.2		0.4	0.2	
Depreciation	7.3	6.6		7.2		14.5	13.1	
Finance Cost	1.4	1.0		1.2		2.7	1.6	
Profit before Tax	2.4	4.9		-5.7		-3.4	-15.8	-
Tax expenses	0.7	1.2		-1.3		-0.6	-3.7	
Profit for the year	1.7	3.7	-55.1%	-4.5	-	-2.8	-12.0	-
PAT Margins	1.6%	4.5%		-5.7%		-1.5%	-12.0%	
EPS	1.2	2.7		-3.2		2.0	8.6	



Consolidated Balance sheet – H1FY22



Liabilities (In Rs. Crs)	Sep-21	Mar-21
Equity		
Equity Share capital	14.0	14.0
Other Equity	287.7	292.2
Non Controlling Interest	0.0	0.0
Total Equity	301.7	306.2
Financial liabilities		
(i) Borrowings	43.5	44.6
(ii) Lease liabilities	0.5	0.0
(iii) Other Financial liabilities	0.0	0.0
Provisions	7.7	7.3
Other non current Liability	0.0	0.0
Deferred tax liabilities (Net)	5.4	6.7
Total Non Current Liabilities	57.1	58.5
Financial liabilities		
(i) Borrowings	28.4	7.6
(ii) Trade Payables	52.2	47.9
(iii) Other financial liabilities	8.4	7.9
(iv) Lease liabilities	0.3	0.0
Provisions	1.1	0.8
Other current liabilities	13.9	13.6
Current tax liabilities (Net)	0.0	0.7
Total Current Liabilities	104.4	78.5
Total Equity and Liabilities	463.1	443.2

Assets (In Rs. Crs)	Sep-21	Mar-21
Non Current Assets		
Property, Plant and Equipment	247.0	234.9
Capital work-in-progress	12.7	20.1
Other Intangible Asset	8.7	9.0
Intangible assets Under Development	0.2	0.2
Right of Use Asset	0.9	0.0
Financial Assets		
(i) Investments	45.2	46.4
(ii) Loans	0.0	1.8
(iii) Other financial assets	6.2	3.0
Deferred Tax Assets (net)	0.0	0.0
Other non-current assets	15.7	10.7
Total Non Current Assets	336.6	326.1
Current Assets		
Inventories	60.2	45.0
Financial Assets		
Investments	1.0	0.0
(i) Trade receivables	46.0	60.4
(ii) Cash and cash equivalents	0.8	1.3
(iii) Other bank balances	0.1	0.2
(iv) Loans	17.6	0.5
(v) Other financial assets	0.5	1.7
Current Tax Assets(Net)	0.3	0.0
Other current assets	0.0	8.1
Total Current Assets	126.5	117.2
Total Assets	463.1	443.3



Consolidated Cash Flow – H1FY22



Particulars (Rs. Crores)	Sep-21	Mar-21
Net Profit Before Tax	-3.4	3.2
Adjustments for: Non Cash Items / Other Investment or Financial Items	17.4	28.6
Operating profit before working capital changes	14.1	31.9
Changes in working capital	-11.9	-4.4
Cash generated from Operations	2.2	27.5
Direct taxes paid (net of refund)	-1.5	-1.1
Net Cash from Operating Activities	0.7	26.4
Net Cash from Investing Activities	-19.7	-48.9
Net Cash from Financing Activities	18.5	20.6
Net Increase in Cash and Cash equivalents	-0.6	-1.9
Add: Cash & Cash equivalents at the beginning of the period	1.3	3.2
Cash & Cash equivalents at the end of the period	0.8	1.3



Company Overview



Business – at a Glance



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



Automotive Parts Business



- Core competence in developing Automotive Body Sealing systems and Interior and Exterior Injection molded parts
- Enhancing per car contribution by adding more products and customers in all segments (PV / 2 W / CV / Tier 1)
- 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



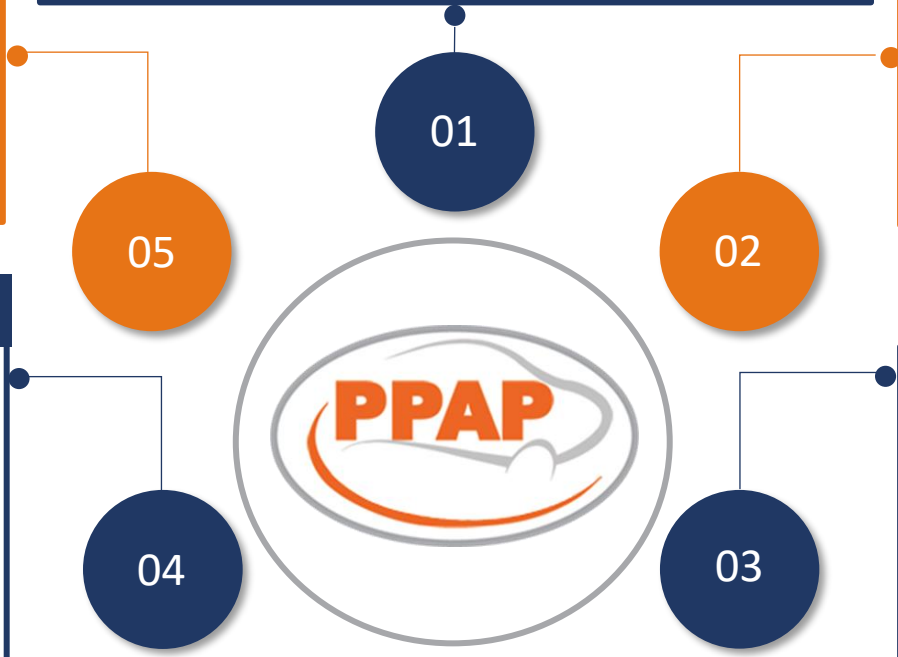
EV Component Business

- 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



Pail Container Business

- 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





Company Ethos



Vision Statement

To be
our customer's
No. 1 supplier



Mission Statement

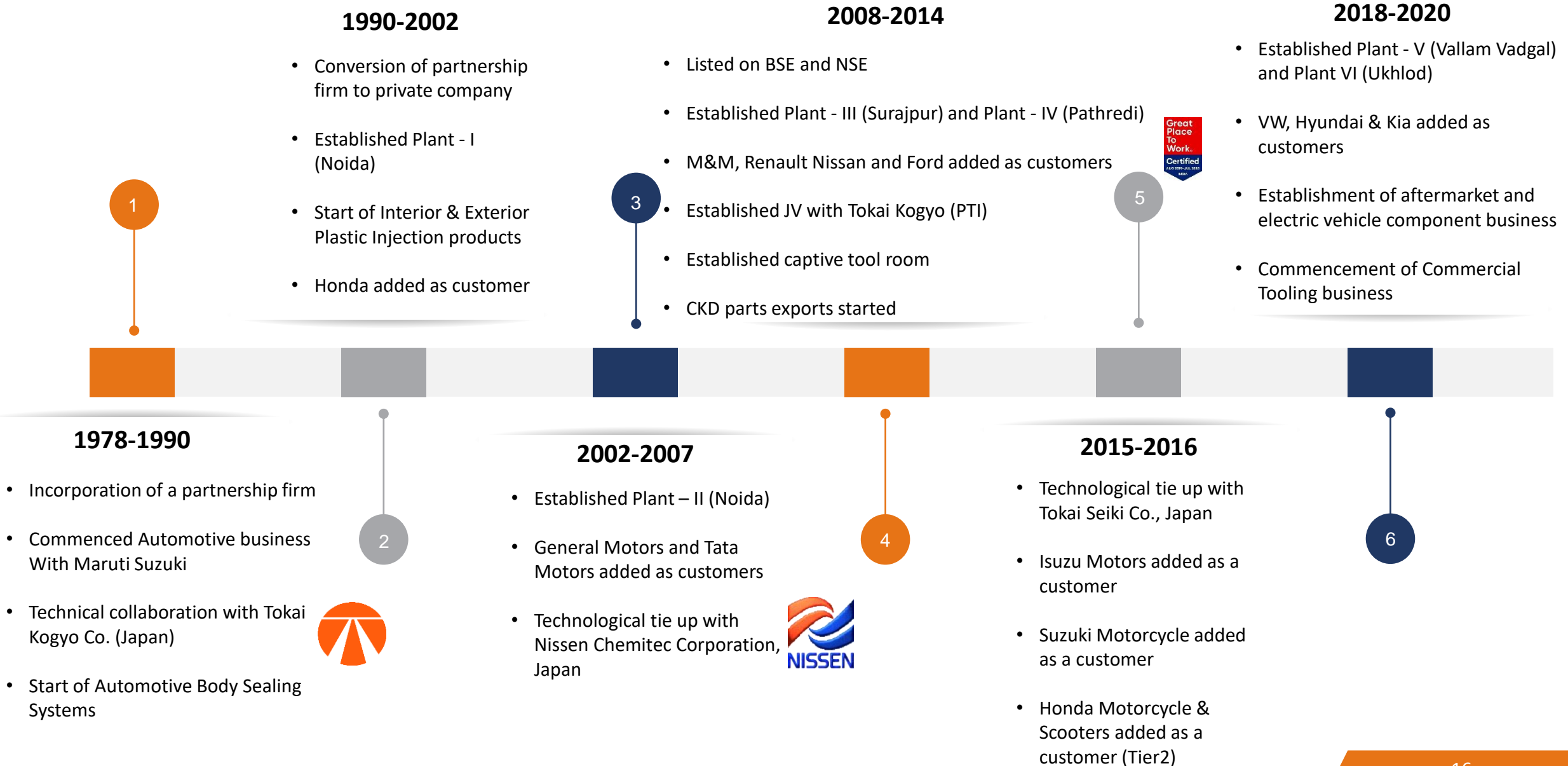
To be a global level excellence company,
with an inspiring work culture ,
for serving customers and the society,
by exceeding the expectations,
of all its stakeholders



Values

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

Journey Towards Excellence...





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
Independent 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

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



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



Leadership



Ramesh C Khanna
President & COO
Experience: 42 years



Anil Sharma
Head - OEM
Experience: 25years



Niraj Kalra
Head - Non OEM
Experience: 25 years



Maloy Mukhopadhyay
Head – BD (OE)
Experience: 25 years



Sachin Jain
CFO
Experience: 19 years



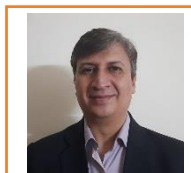
Kamal Behl
Head - PTI
Experience: 30 years



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



Aseem Yadav
Head - Administration
Experience: 33 years



Arijeet Gupta
Sr. Vice President
Experience: 26 years



Kapinjal Tripathi
Head - Tooling
Experience: 30 years



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



Deepesh Sharma
Head – HR
Experience: 23 years



Deepak Singh
Vice President
Experience: 22 years



Manoj Kumar
Head - Ptech
Experience: 39 years



Mohanan Pillai
Head - Engineering
Experience: 32 years



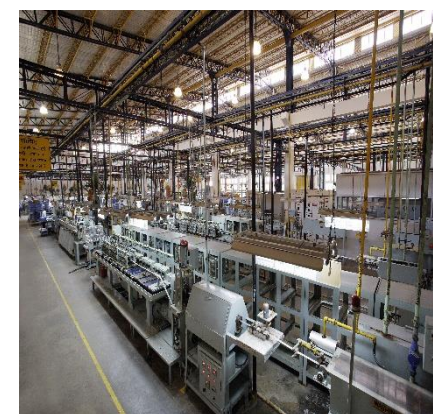
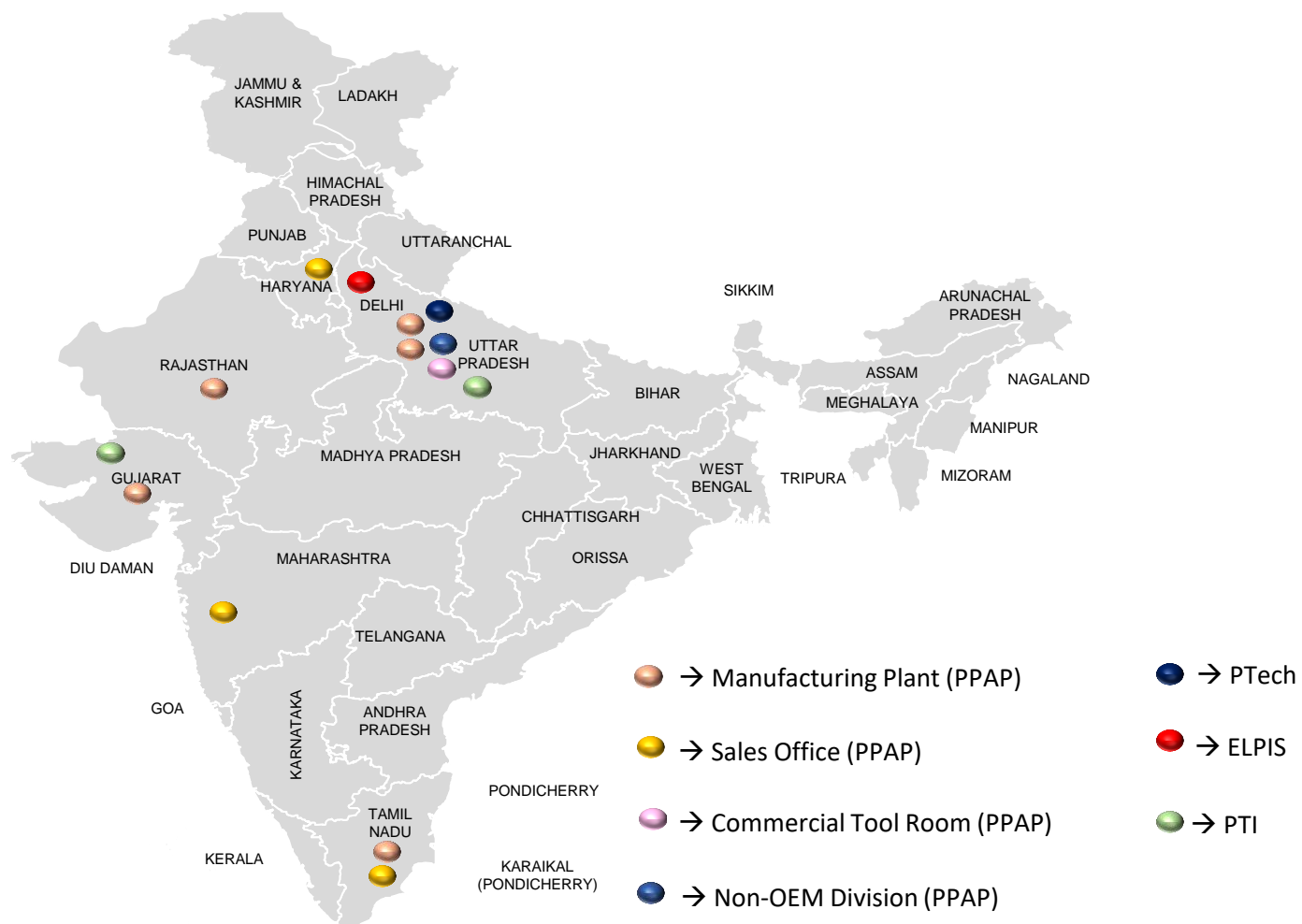
Sanjeev Arora
Head – Sustainability
Experience: 21 years



Operating Locations...



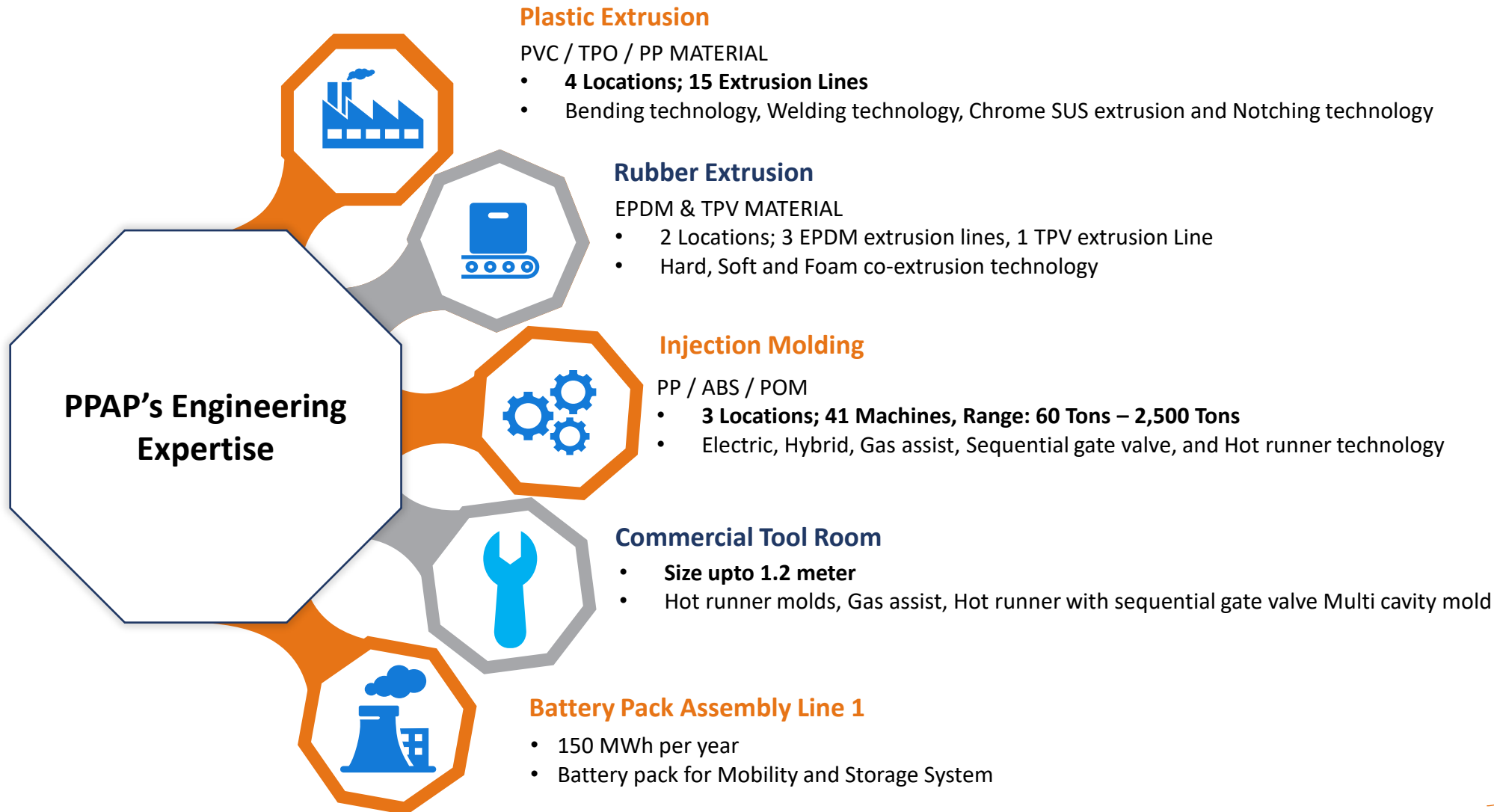
The Company's state of the art manufacturing facilities are strategically located across the PVs automotive hubs in Northern, Southern and Western India



Manufacturing Facilities...



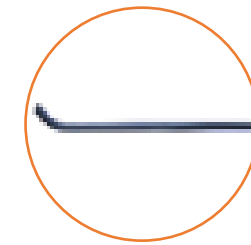
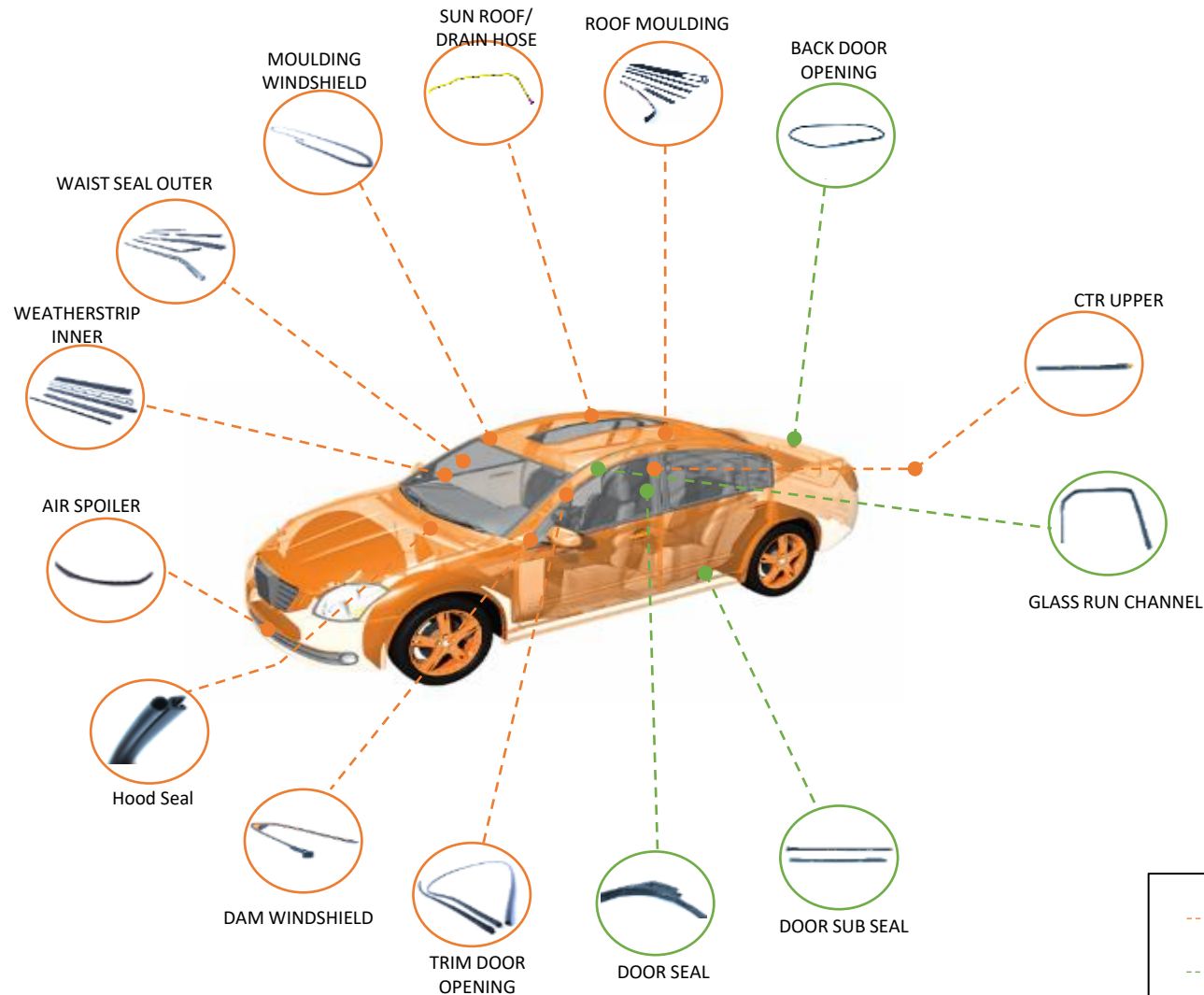
Part & Tool Tool
Design Manufacturing Testing & Validation



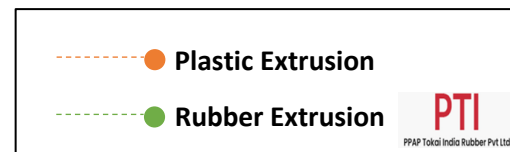
Passenger Vehicle Products



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



SLIDE RAIL



Passenger Vehicle Products



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



Commercial Vehicle Product

CABIN INSTRUMENT PANEL



----- Injection Moulding



Two Wheeler & Three Wheeler Products



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



Battery Pack for Electric Vehicles

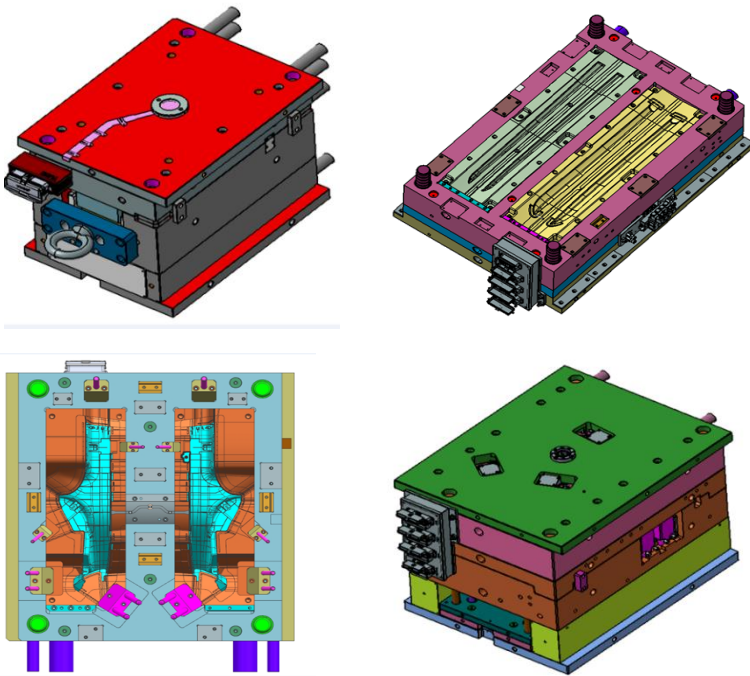




Diversified Product Mix



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



Application :



Solar Street Light

Mobile Towers

UPS

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



Pail Containers



Containers for storing fertilizers, paints and lubricants

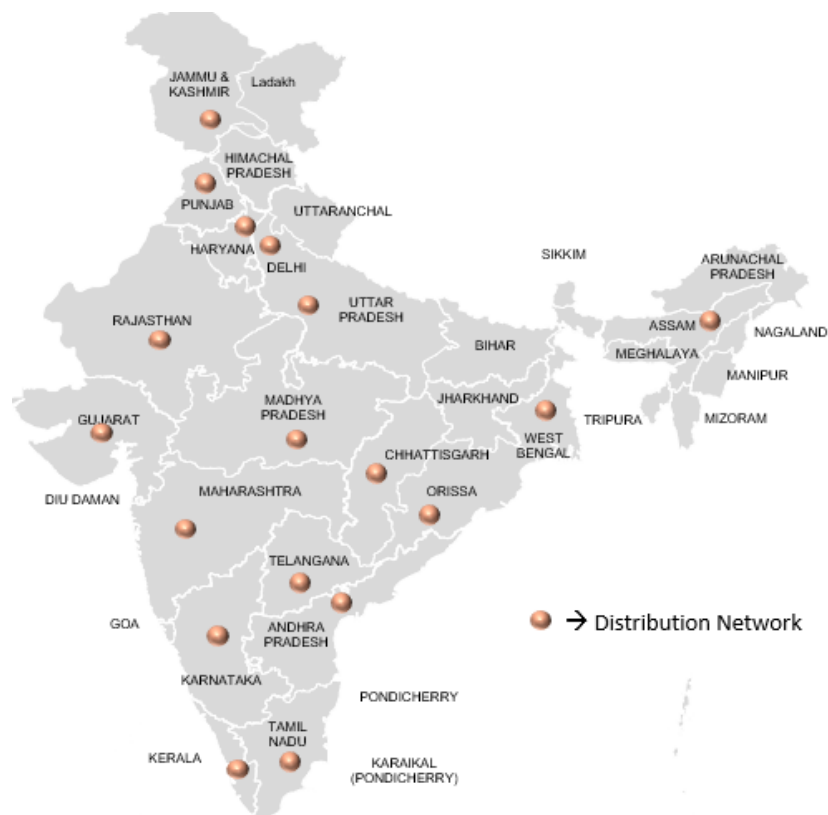


Aftermarket – A Large Opportunity



- 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

Distribution Network



● → Distribution Network

Car Accessories

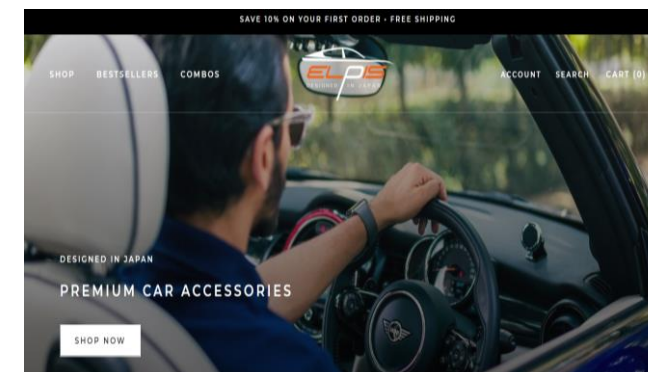


- Interior accessories – Phone holder, Rear tray, charger sockets, Perfumes
- Range of cleaning products



Elpis Components Distributors Private Limited

Shopelpis.com



Amazon.com





Esteemed Clientele



Passenger Vehicle



SKODA AUTO Volkswagen India Private Limited



Two Wheeler



Commercial Vehicle



Battery Packs – Storage System



Pail Containers



Tooling



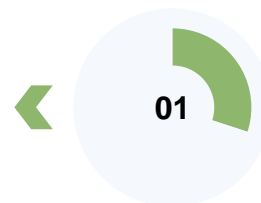


Growth Roadmap – Explore, Expand & Excel



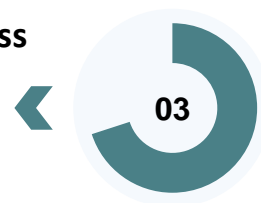
Strengthen and grow Automotive Parts business

- Development of value-added parts that will command higher prices and contribute to higher margins
- Increase per car value for existing customers and continue to add new customers
- Future ready processes with manufacturing excellence and digitization



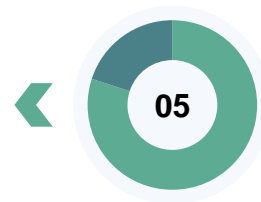
Unlocking hidden potential for tooling business

- Develop plastic injection tooling business as a profit center
- Explore opportunities in Automotive, White Goods and Electrical segments



Develop product portfolio for Electric Vehicles

- Develop customers making Electric Vehicles for the existing product range (Body Sealing Products and Interior and Exterior Injection Products)
- Develop special products focusing on 2-Wheeler and 3-Wheeler requirements (like Battery Pack, motor controllers etc)



02

Market Place Enhancement

- Explore new market avenues for existing products
- Develop new products focusing on after market
- Develop after market customers through distribution partners and direct online sales channels

04

Diversification in the neighbouring industries

- Explore opportunities to promote core competence of the company in neighboring industries (Extrusion and Injection Molding)
- Develop value added products for various sectors like Packaging, Medical, Railways, Construction etc...

> Why Trust PPAP... at a glance



01

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

02

Portfolio approach to margin-rich blended product mix

- The Company has a portfolio approach to building a healthy mix of premium-priced 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

03

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

04

Sound financials giving headroom to fund its growth

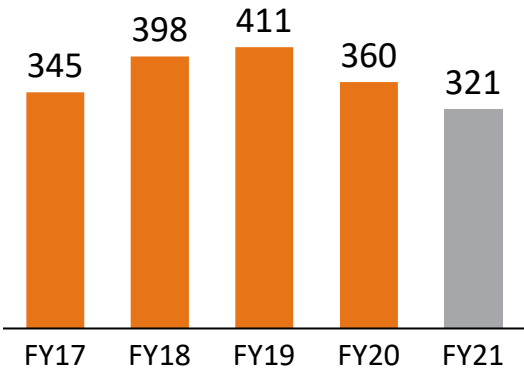
- A strong financial discipline coupled with the ability to generate regular free cash flows, allows PPAP to adequately fund its growth organically
- Low debt ratios
- Focus on improvement of return ratios
- Focus on "Every Paisa Counts"



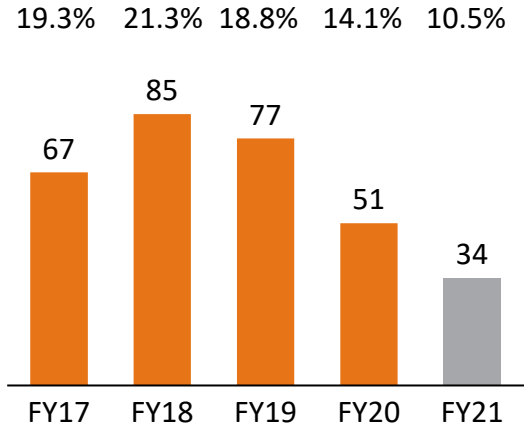
Historical Standalone Financial Performance



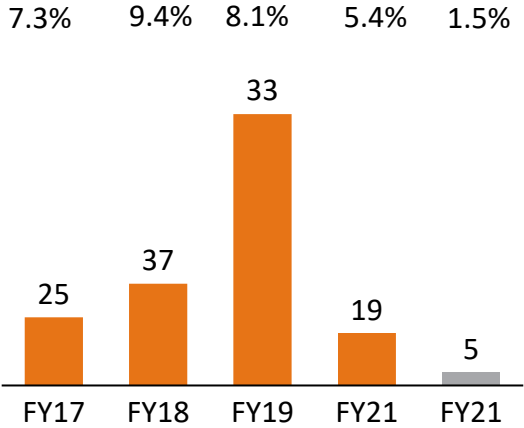
Revenue



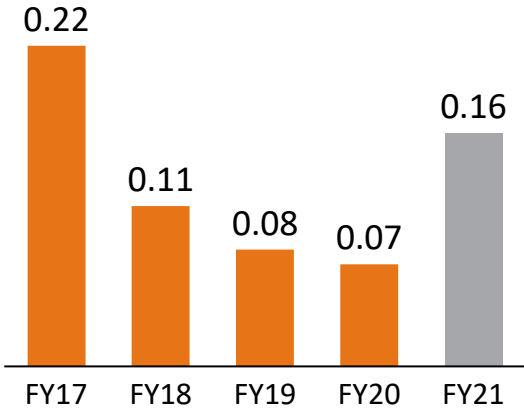
EBITDA & EBITDA Margin %



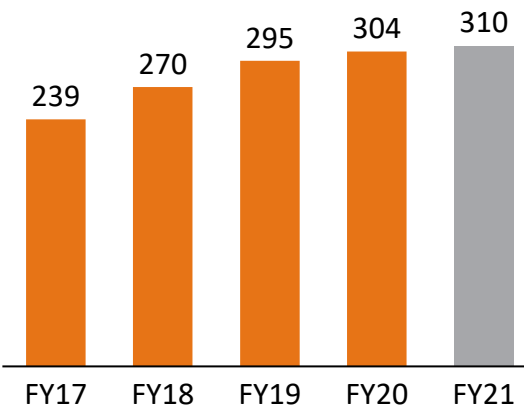
PAT & PAT Margin %



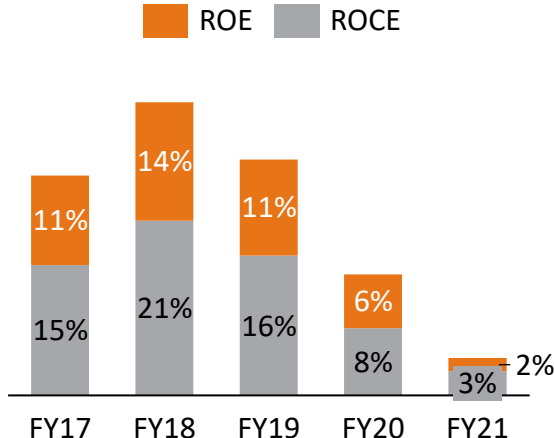
Debt/ Equity Ratio



Net worth



Return Ratios %





For further information, please contact

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