PPAP Automotive Limited

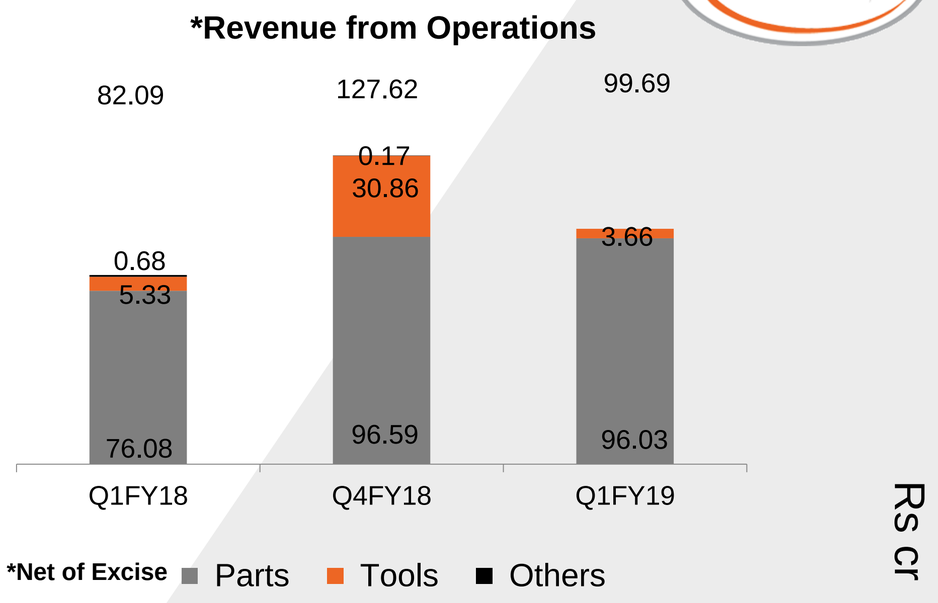
TAKING CHALLENGES, TOGETHER

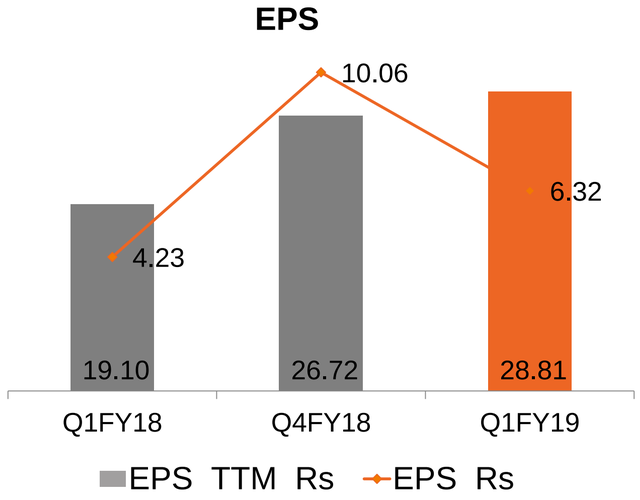
Investor Presentation

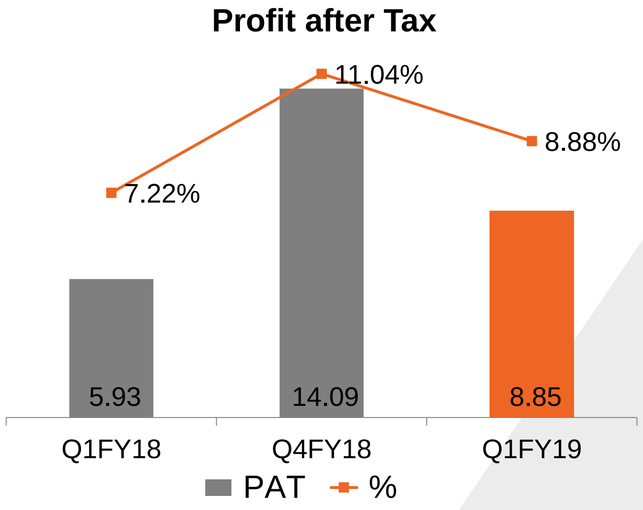
AUGUST 2018

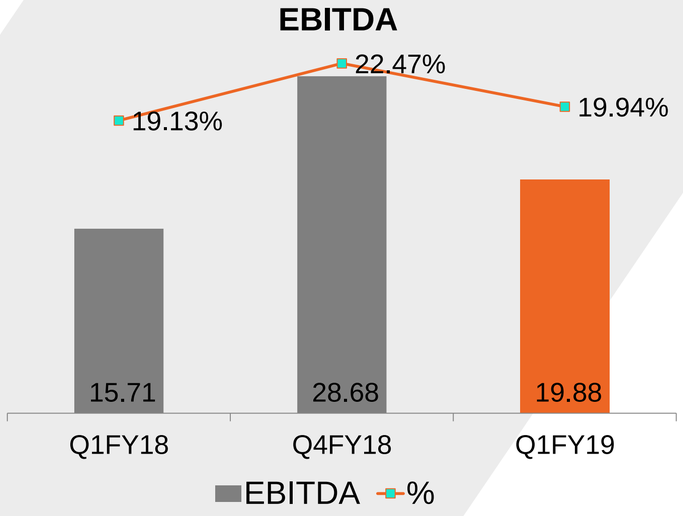
QUARTERLY FINANCIAL HIGHLIGHTS

- Revenue from operations increased by 21.43%, Part Sales increased by 26.22%
- Total revenue grew on account of increase in volume
- EBITDA increased by 26.56%
- PAT increased by 49.28%, PAT Margin up by 166 bps
- EPS increased to Rs. 6.32 from Rs. 4.23
- Started supplies to Honda Cars for New Amaze and Toyota for Yaris
- Won Silver Award for Delivery from Honda Access









OUR EVOLUTION

Our Mission "TO BE A GLOBAL COMPANY WITH AN INSPIRING WORK CULTURE FOR SERVING CUSTOMERS AND THE SOCIETY BY EXCEEDING THE EXPECTATIONS OF ALL ITS STAKEHOLDERS"

1978
Incorporation of partnership firm

1985
Start of the Automotive Business
Added Maruti Suzuki as customer

1989
Technological tie up with Tokoi Kogyo Co., Japan

1996
Established Plant - I (Noida)
Added Honda Cars as customer

2002, 2003
Certification of TS 16949 and ISO 14001
•Established Plant - II (Noida)

2004, 2005
Added General Motors as customer
Added Toyota as customer
Certification of OHSAS 18001

2006, 2007
Added Tata Motors as customer
Technological tie up with Nissen Chemitec Corporation, Japan

2008, 2010
Listed on BSE/NSE
Established Plant - III (Surajpur)
Added Mahindra & Mahindra as customer
Added Renault Nissan and Ford India as customer

2012, 2014
Established Plant – V (Tamil Nadu)
Established Plant – IV (Pathredi, Rajasthan)

2015, 2016
Technological tie up with Tokai Seiki Co., Japan
Added Isuzu Motors as customer
Entered into LCV business - SML Isuzu.
Entered into two-wheeler business - Suzuki Motorcycle

2018
Certification of ISO 50001
Establsihed owned Plant – V at Vallam Vadgal (Tamil Nadu)
Established Plant – VI (Viramgam, Gujarat)

WHO WE ARE

Rich Legacy

- Over 30 years of experience in Automotive Industry
- Identified as India's leading manufacturer of Automotive Sealing Systems, Interior and Exterior Injection parts

Market Leadership

- Integrated operations from Print to Build
- One stop shop for full range of Automotive Sealing Systems
- Best in class Injection Molding Machines from 60 to 2500 tons

Excellent Infrastructure

- State-of-the-art manufacturing facilities located at Noida (U.P.), Surajpur (U.P.), Pathredi (Rajasthan), Vallam Vadgal (Tamil Nadu) and Viramgam (Gujarat)
- Plants are TS 16949, ISO 14001, OHSAS 18001 and ISO 50001 certified

Global Technology Partners

- Strong technology alliances with Japanese companies since 1989
- Tokai Group for Automotive Sealing System (Plastic) and Toolings, Joint venture with Tokai Group for Automotive Sealing System (EPDM Rubber and TPV),
- Nissen Chemitec Corp. for Injection Molded products

Strong Customer Base

- Associated with Global OEM Manufactures including Maruti Suzuki & Suzuki Motors, Honda Cars, Toyota Kirloskar, Renault, Nissan, Tata, Hyundai, SML Isuzu, Mahindra and Mahindra, Suzuki Motorcycles

KEY MANAGEMENT

Mr. 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

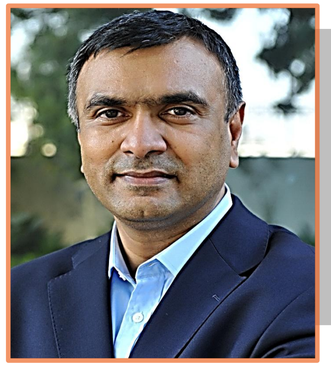
President of Toyota Kirloskar Supplier Association and Director of Automotive Component Manufacturers Association of India

Mr. Abhishek Jain, CEO & Managing Director

Bachelor of Science in Industrial Engineering from Purdue University, USA

Responsible for conducting the operations of the Business

Member of Executive Committee of Honda Suppliers Club



Mr. Manish Dhariwal, Chief Financial Officer

Member of ICAI and B.Com (Hons.) from Delhi University

Work experience of over two decades

Has previously worked with Lazard India, IL&FS and Group Mega

TECHNOLOGY PARTNERS

TOKAI KOGYO CO. LTD, JAPAN

Established: 1947
Global Presence: USA, Thailand, Indonesia, China, Mexico, Vietnam

AUTOMOTIVE EXTERIOR & SEALING PRODUCTS

TECHNOLOGY PARTNERSHIP - PPAP SINCE 1989
JOINT VENTURE COMPANY – PPAP TOKAI INDIA RUBBER PVT. LTD.

NISSEN CHEMITEC CORPORATION, JAPAN

Established: 1951
Global Presence: USA, Thailand, Indonesia, Singapore

AUTOMOTIVE INTERIOR PRODUCTS

TECHNOLOGY PARTNERSHIP - PPAP SINCE 2007

CORE STRENGTHS

Leadership Position

India's leading manufacturer of Automotive Sealing Systems

Strong Customer Base

Leading OEM manufacturers in Indian Market are customers

Strong R&D Facilities

Capability from Design to Print

State-of-the-art manufacturing facilities

Focus on Kaizen towards Technology and Operations.

Access to Global Technology

Relationship with Japanese Technology Partners

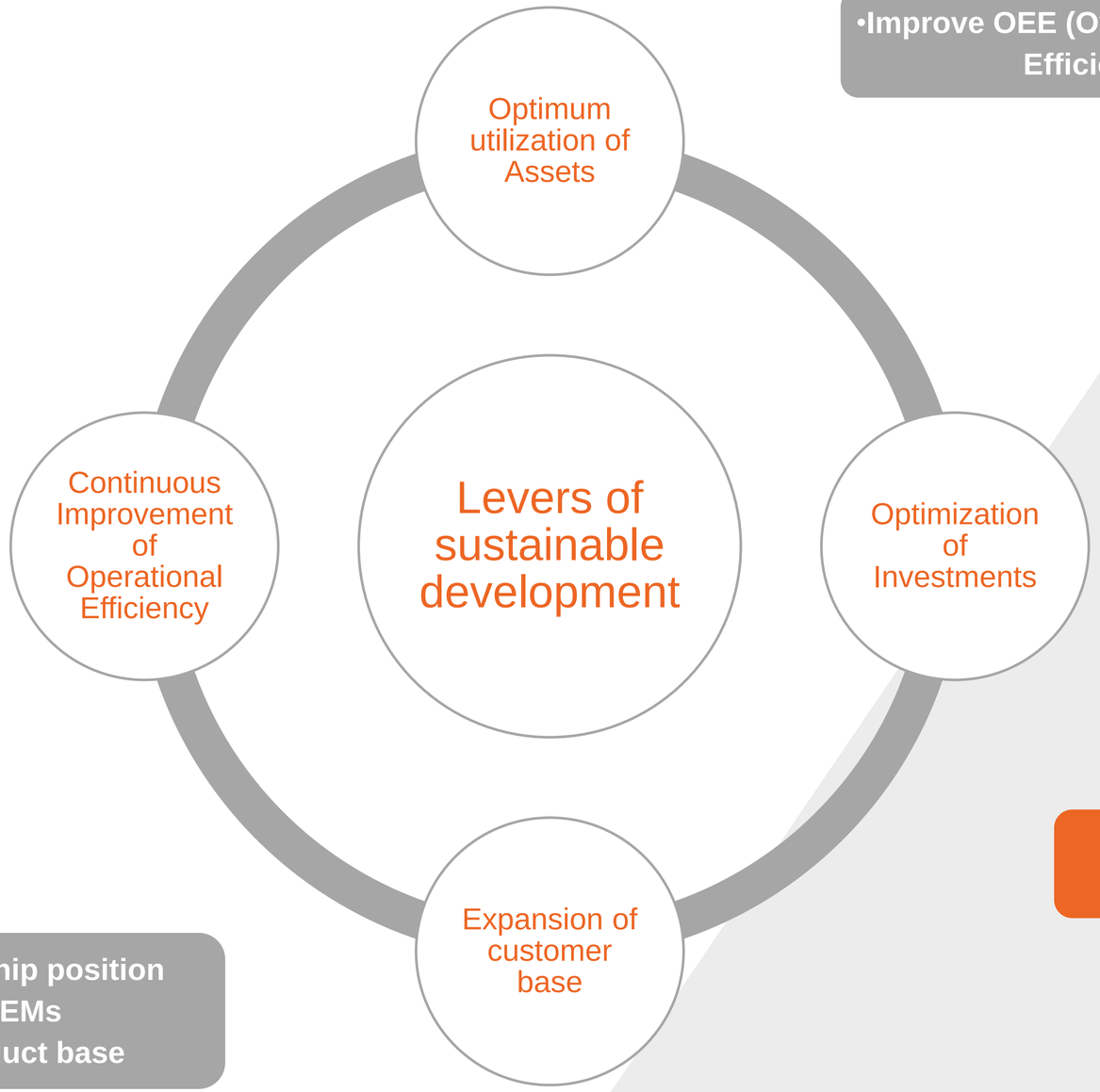
Healthy Financials

Cost sensitive Culture

STRATEGIC GROWTH LEVERS

•Improve OEE (Overall Equipment Efficiency)

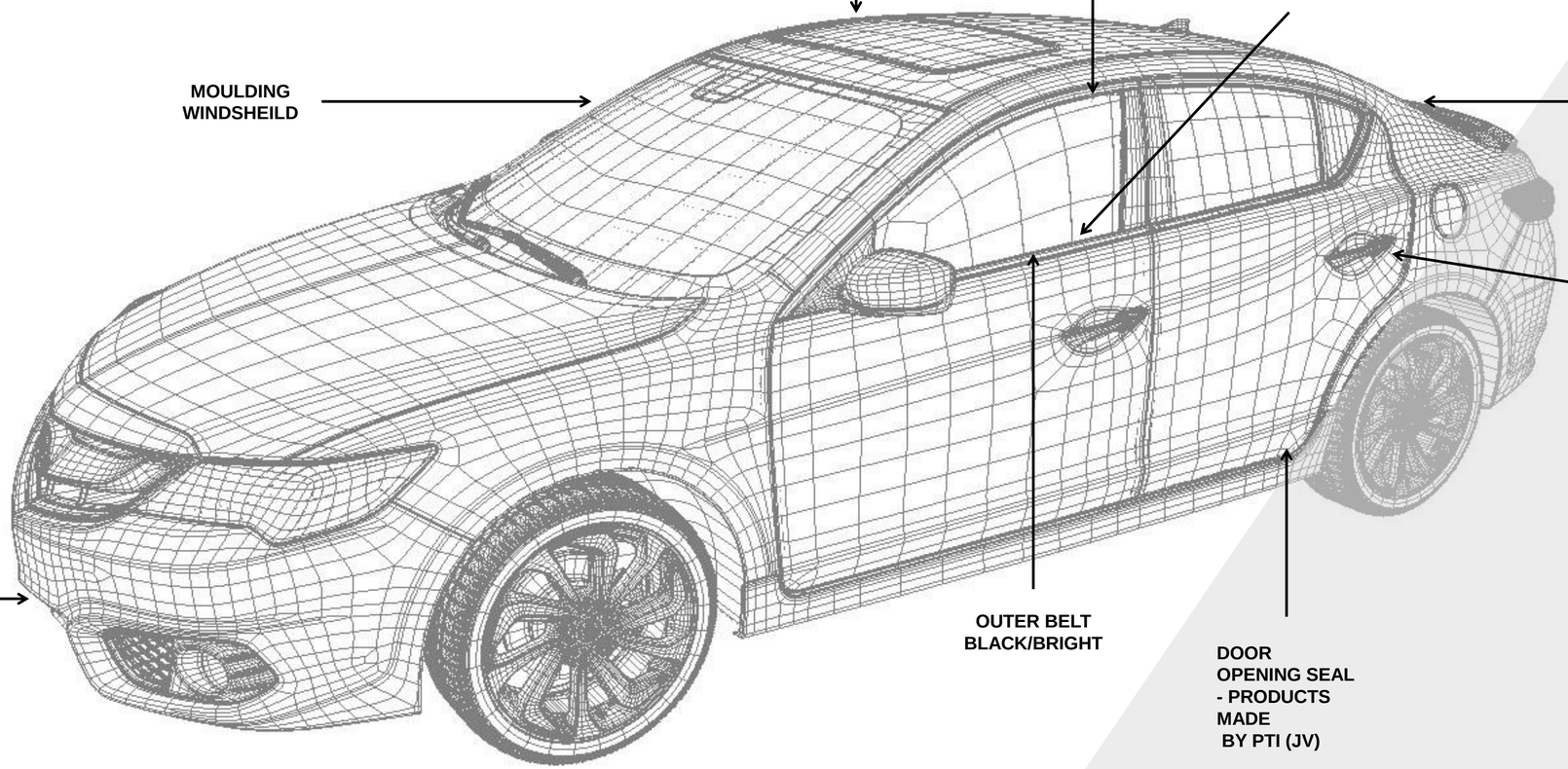
•International Benchmarking
•Our Mantra "Every Paisa Counts"
•Focus on cost optimization & operating leverage



•Timing, Efficiency and Best Value Proposition Review

•Extend leadership position across OEMs
•Expand product base

PRODUCT ROADMAP – OUR COMPREHENSIVE PRODUCT OFFERING



PRODUCT ROADMAP – OUR COMPREHENSIVE PRODUCT OFFERING

FR-PILLAR

CTR-PILLAR

RR -PILLAR

PARTITION

REAR TRAY

LINING RR PANEL

SIDE PROTECTORS

TRUNK LINING

FENDER INNER

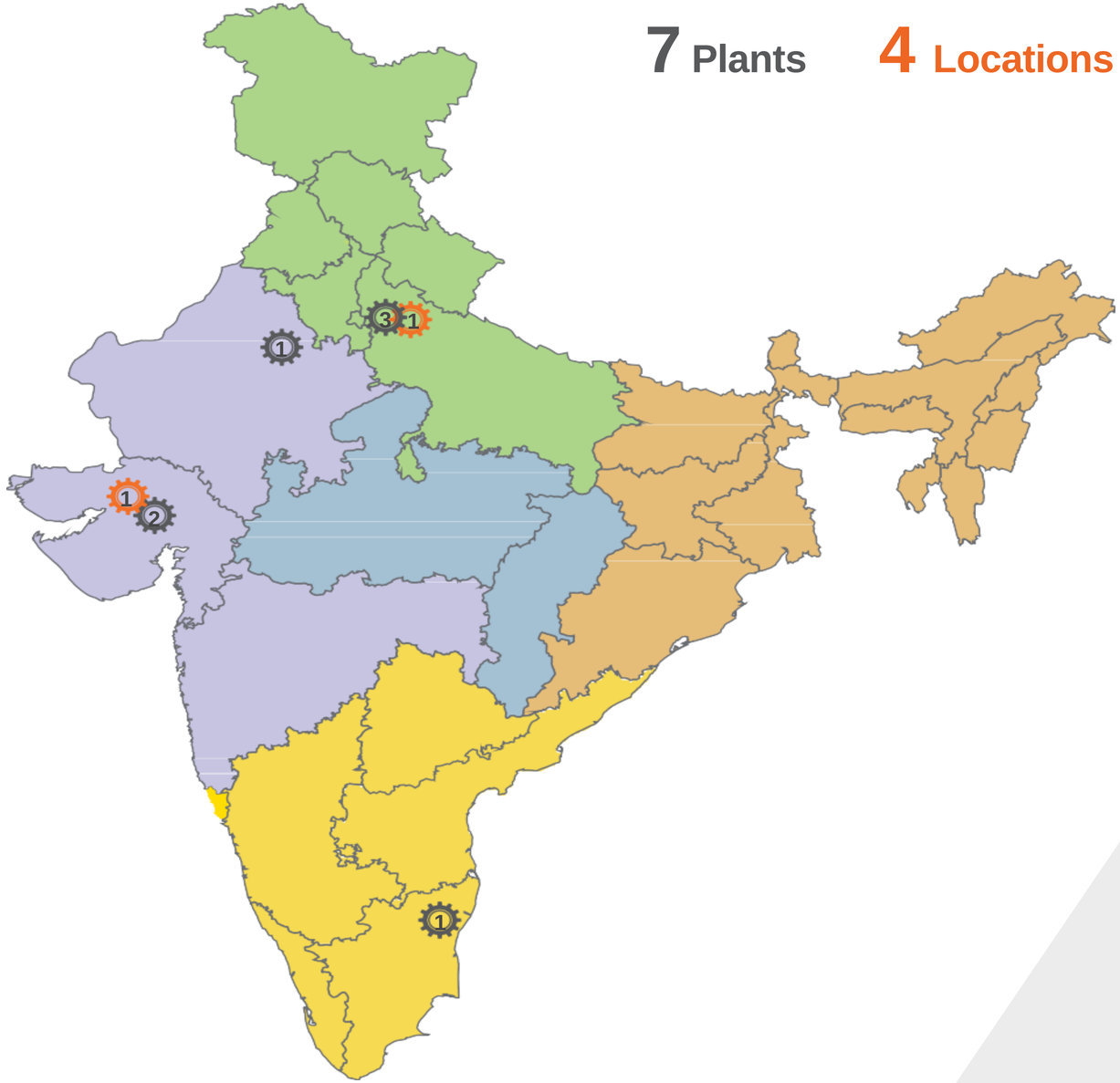
DOOR LINING

SPLASH GUARD

UNDER HOOD PRODUCTS

IN CABIN PRODUCTS

PAN INDIA PRESENCE



7 Plants **4** Locations **2** JV Plants

EXTRUSION FACILITIES

Noida, Uttar Pradesh
(Plant I & II)

Vallam Vadagal, Tamil Nadu
(Plant V)

Viramgam, Gujarat
(Plant VII, upcoming)

INJECTION FACILITIES

Surajpur, Uttar Pradesh
(Plant III)

Pathredi, Rajasthan
(Plant IV)

Viramgam, Gujarat
(Plant VI)

RUBBER EXTRUSION FACILITIES
(Joint Venture Company)

Surajpur, Uttar Pradesh
(Plant I)

Viramgam, Gujarat
(Plant II, upcoming)

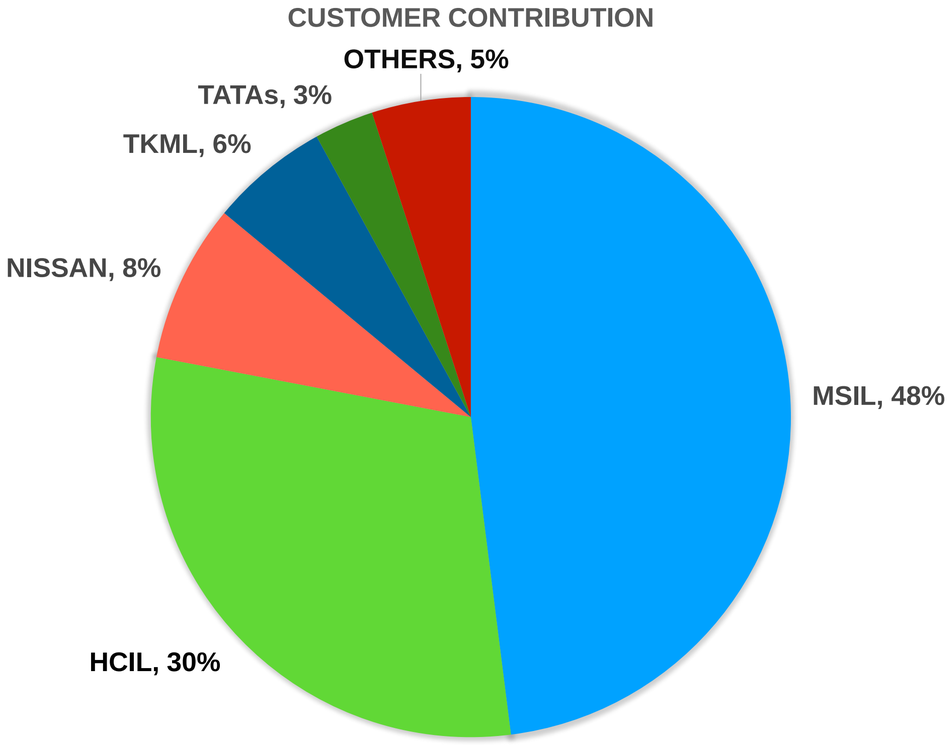
CUSTOMER BASE & EXPORT COUNTRIES

MARUTI SUZUKI
HONDA
NISSAN
TOYOTA
RENAULT
HYUNDAI
Mahindra
ISUZU
GM
MG
SUZUKI
SML ISUZU
Ford
KRISHNA
AIS
samvardhana motherson
Subros
TS TECH Co.,Ltd.
Polyplastics
Solution Platform for Engineering Plastics
NOVARES
GTB
森六 MORIROKU
TOYOTA BOSHOKU
HWASEUNG

CKD EXPORTS

JAPAN
USA
Brazil
Mexico
Venezuela
Thailand
United Kingdom
South Africa
Argentina

CUSTOMER BASE



OUR PRESENCE IN NEW MODELS

Honda New Amaze

Toyota Yaris

COMPETITIVE EDGE – STATE OF THE ART MANUFACTURING FACILITY

PPAP's Engineering Expertise

Plastic Extrusion

PVC / TPO / PP MATERIAL

3 Locations; 11 Extrusion Lines

1 separate Extrusion line for trials

Customised production lines (Make: Battenfeld Cincinnati, Windsor)

Bending technology, Welding technology, Chrome SUS extrusion, Notching technology

New rented facility in Gujarat under commissioning

Rubber Extrusion

EPDM & TPV MATERIAL

1 Location:

2 EPDM extrusion lines,1 TPV extrusion Line

Customised production lines (Make: Battenfield Cincinnati, Windsor)

Hard, Soft and Foam co-extrusion technology

New rented facility in Gujarat under commissioning

Injection Molding

PP / ABS / POM

3 Locations:

42 Machines

Range: 60 Tons – 2,500 Tons

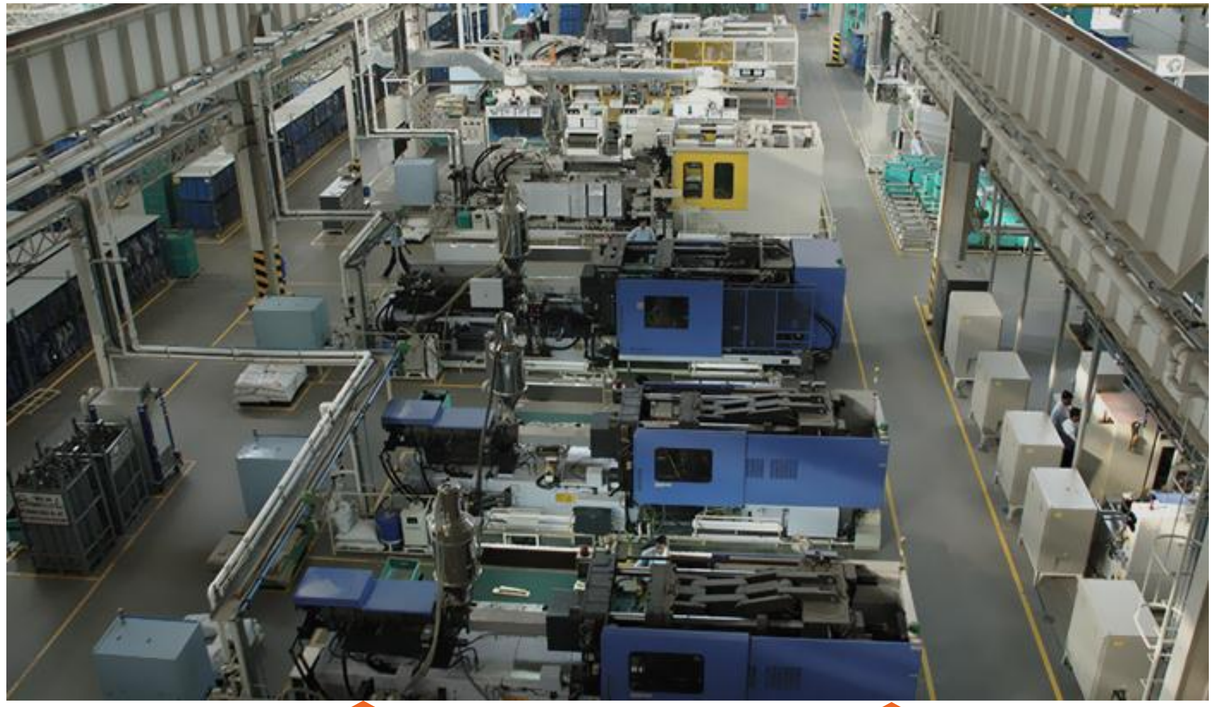
Make: Toshiba, Nissei, JSW, Fanuc, Toyo, Mitsubishi

Electric, Hybrid, Gas Assist, Sequential Gate Valve, Hot Runner technology available

Design | **Tool Manufacturing** | **Validation**

JV Company – PPAP Tokai India Rubber Pvt. Ltd.

CONTD……



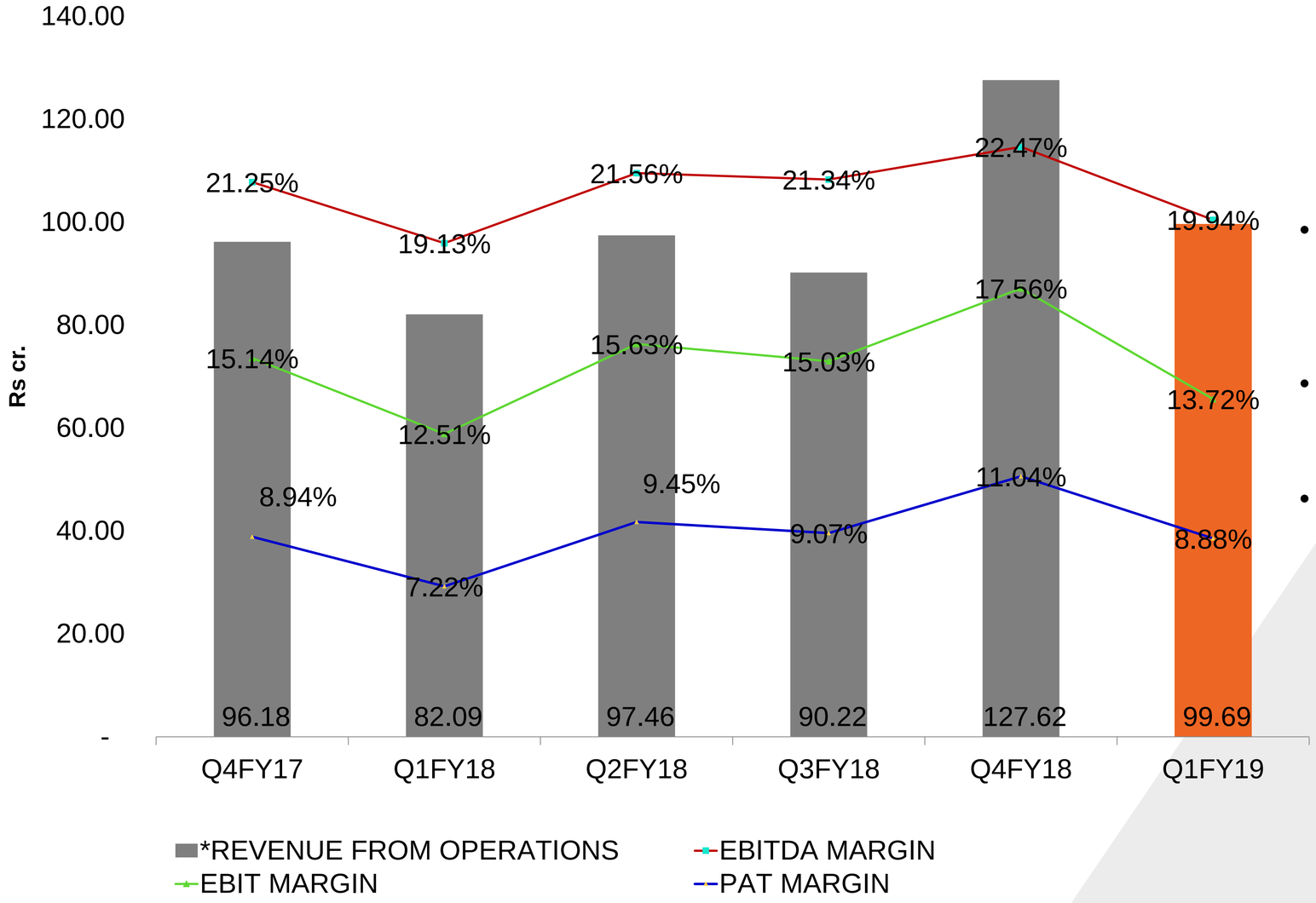
Injection Molding Plant

Plastic Extrusion Plant

CUSTOMER APPRECIATION - ACCOLADES

ACCOLADES FOR 2018
EXCELLENCE IN AUTOMOTIVE - ECONOMIC TIMES POLYMERS AWARDS 2018
ZERO PPM AWARD FROM TOYOTA KIRLOSKAR
OVERALL PERFORMANCE AWARD FROM MSIL
SUPPLIER OF THE YEAR 2017 – GOLD AWARD BY TOYOTA KIRLOSKAR
ACHIEVING QUALITY TARGET AWARD FROM TOYOTA KIRLOSKAR
ACHIEVING DELIVERY TARGET BY TOYOTA KIRLOSKAR
APPRECIATION AWARD – HYUNDAI MOTORS
“BEST SUPPLIER – BUSINESS SUPPORT 2016-17” BY SUBROS LTD.
SUPER QUALITY EXCELLENCE AWARD 2016 – GENERAL MOTORS
“BEST QUALITY CONSISTENCY AWARD – TOYOTA BOSHOKU

SUMMARY

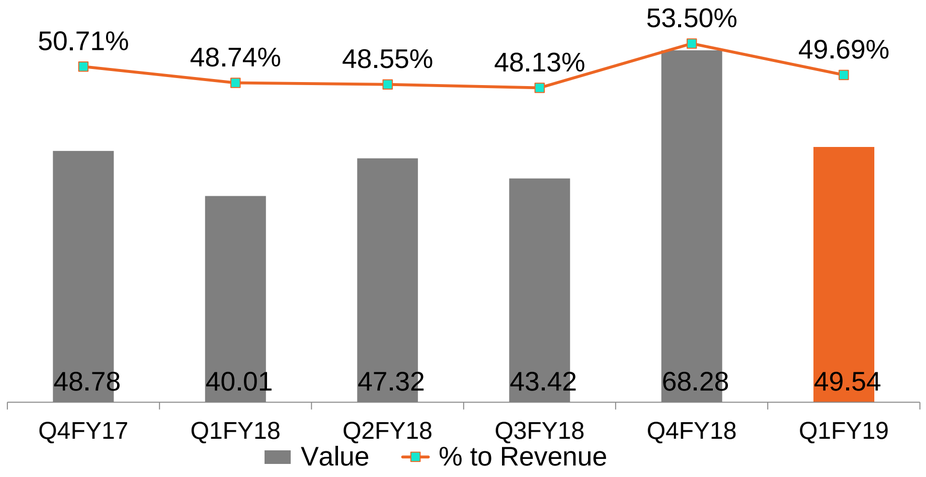


- Revenue from Operations registered a robust growth of 21.43% from Rs 82.09 cr in Q1FY18 to Rs 99.69 cr in Q1FY19
- Part sales have grown by 26.22% from Rs 76.08 cr to Rs 96.03 cr
- PAT stood at Rs 8.85 cr

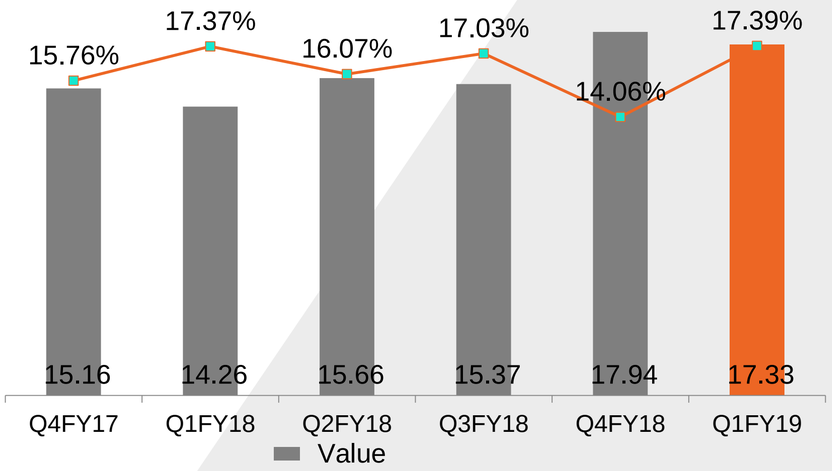
*** Net of Excise**

MAJOR EXPENSE (Rs cr)

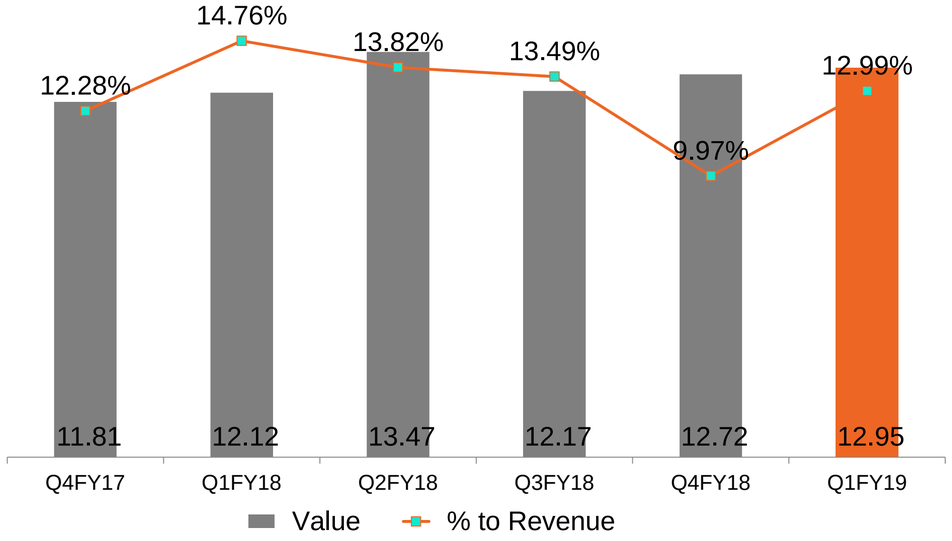
Materials



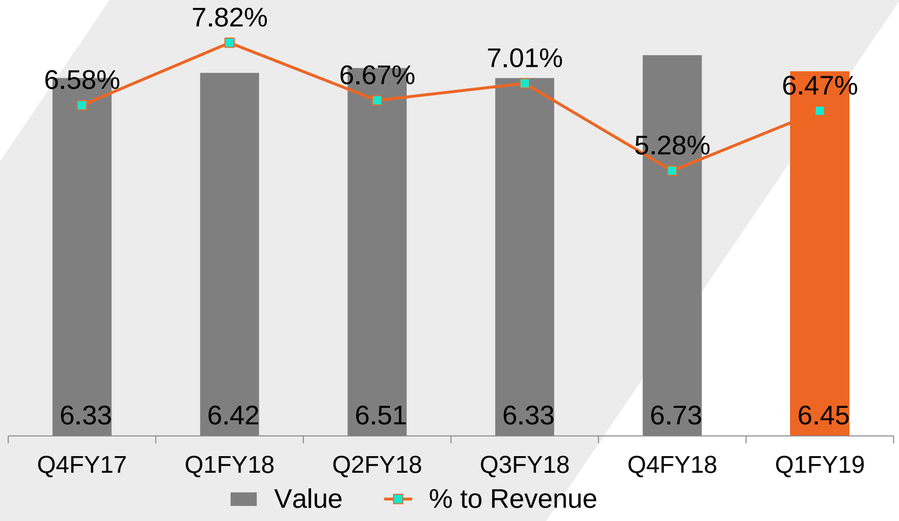
Employee Benefits



Other Expenses

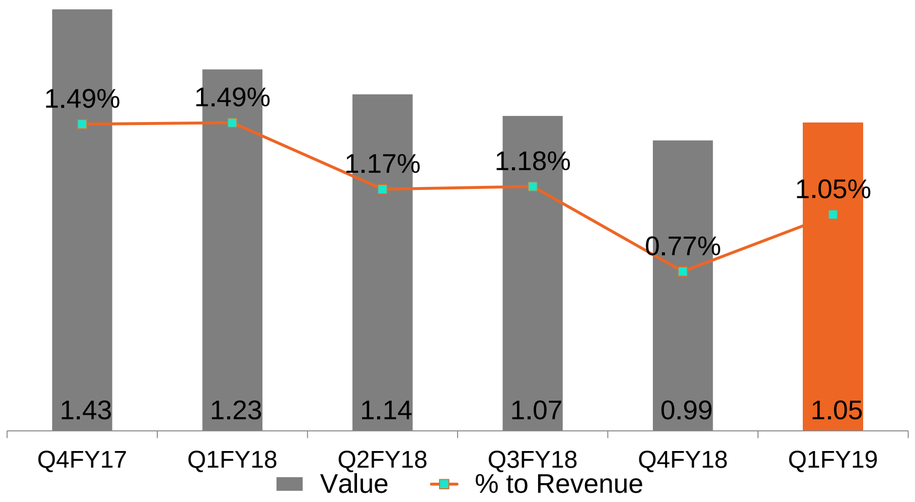


Depreciation

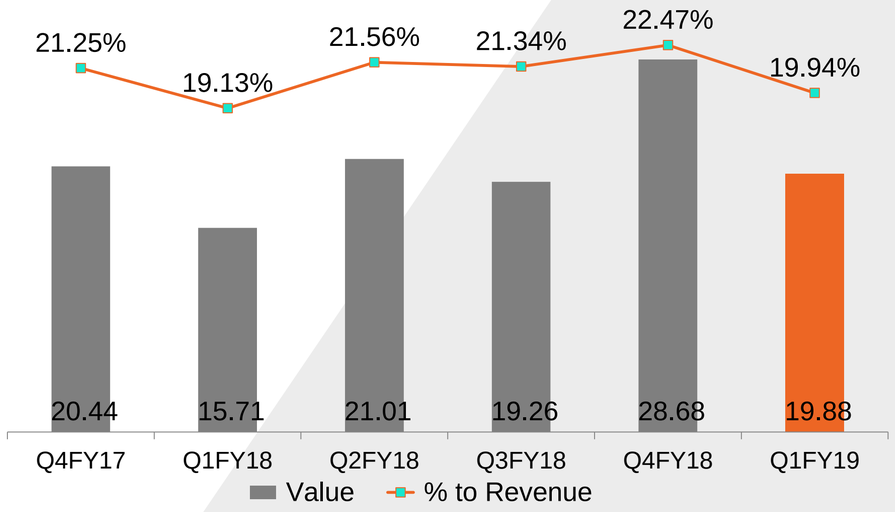


INTEREST & EARNINGS (Rs cr)

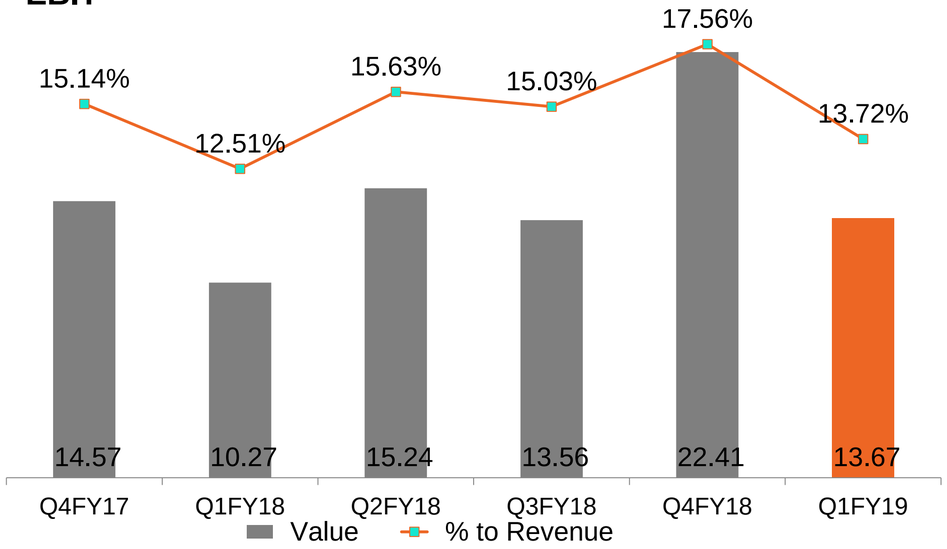
INTEREST



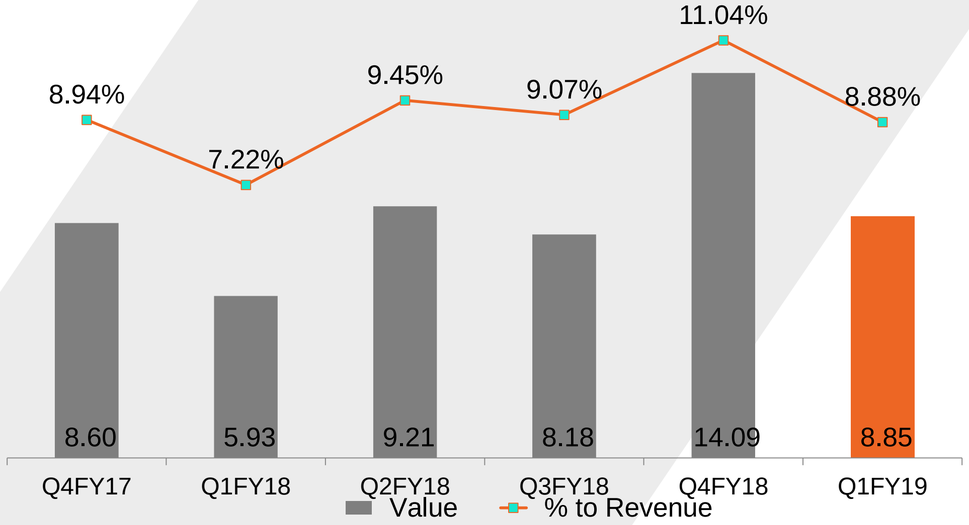
EBITDA



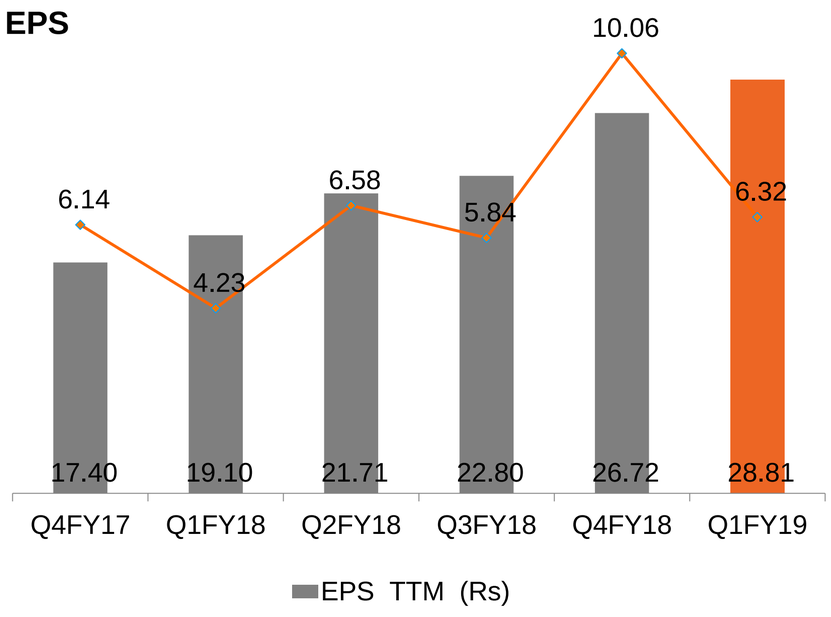
EBIT

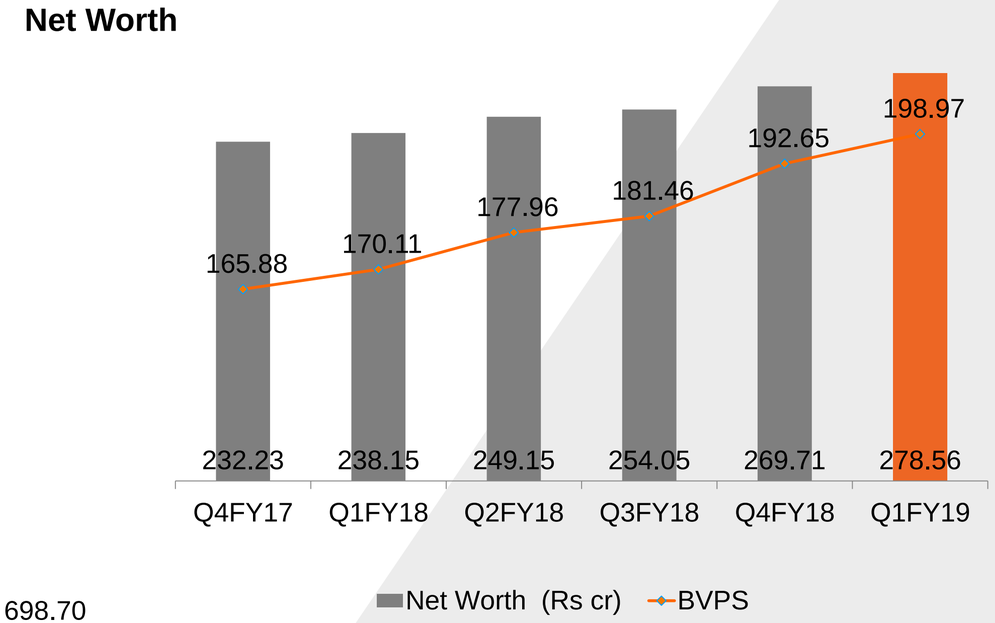


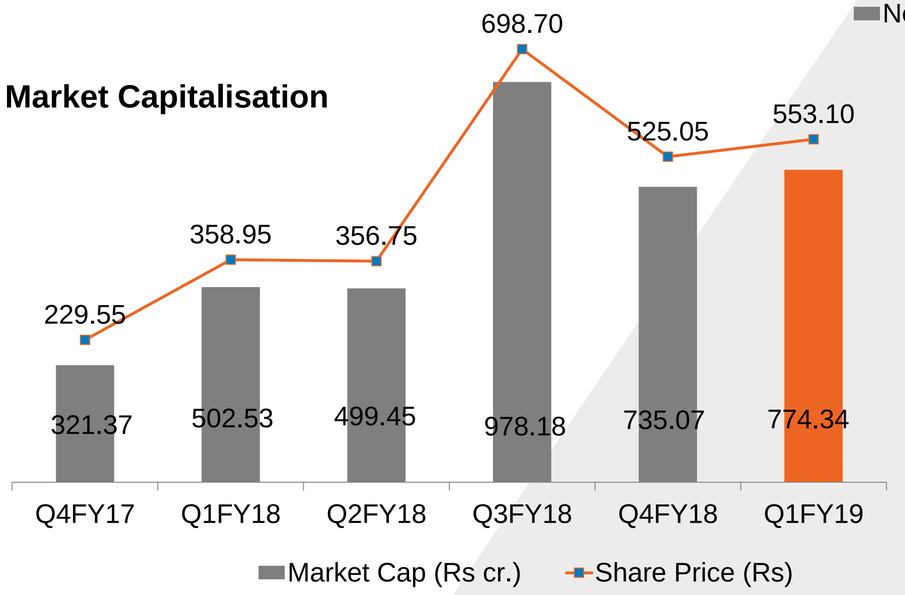
PAT



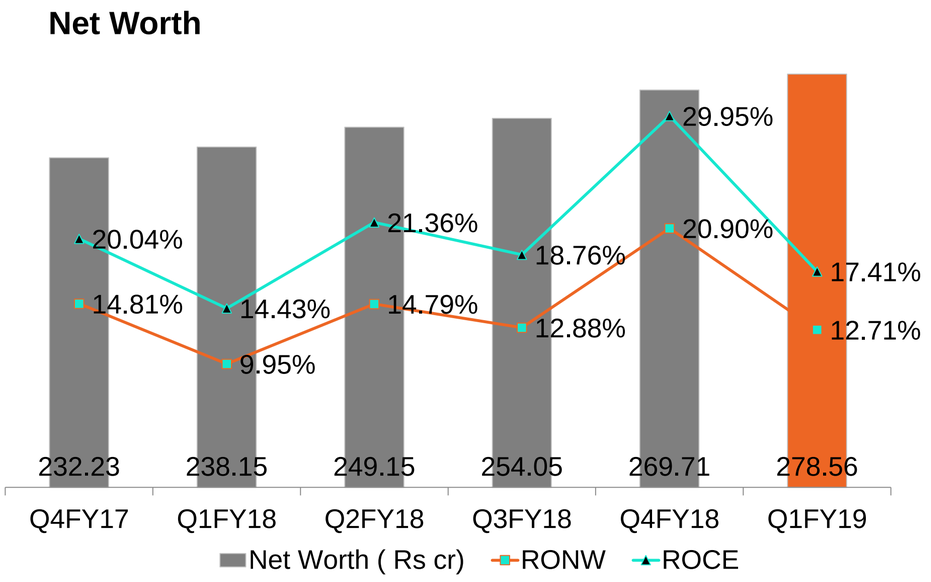
EPS, BOOK VALUE, MARKET CAPITALIZATION (BSE)

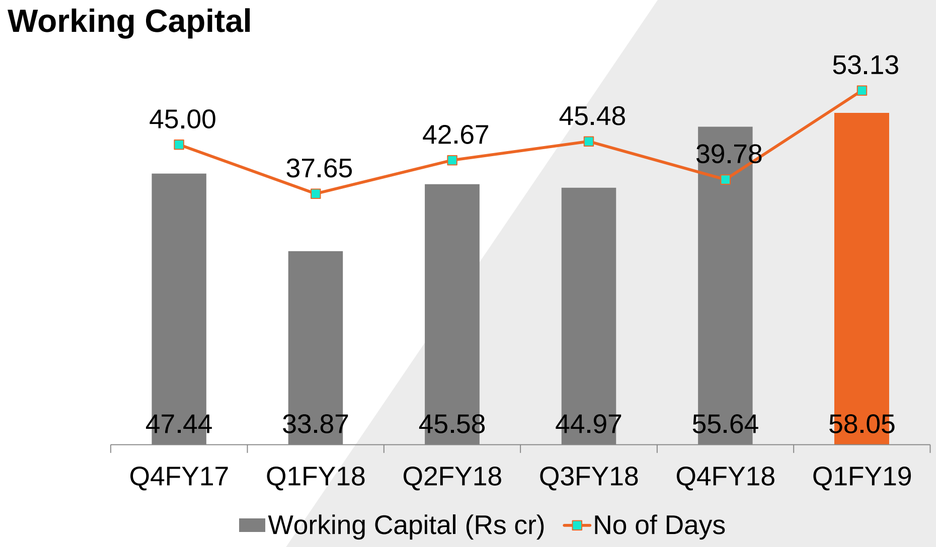


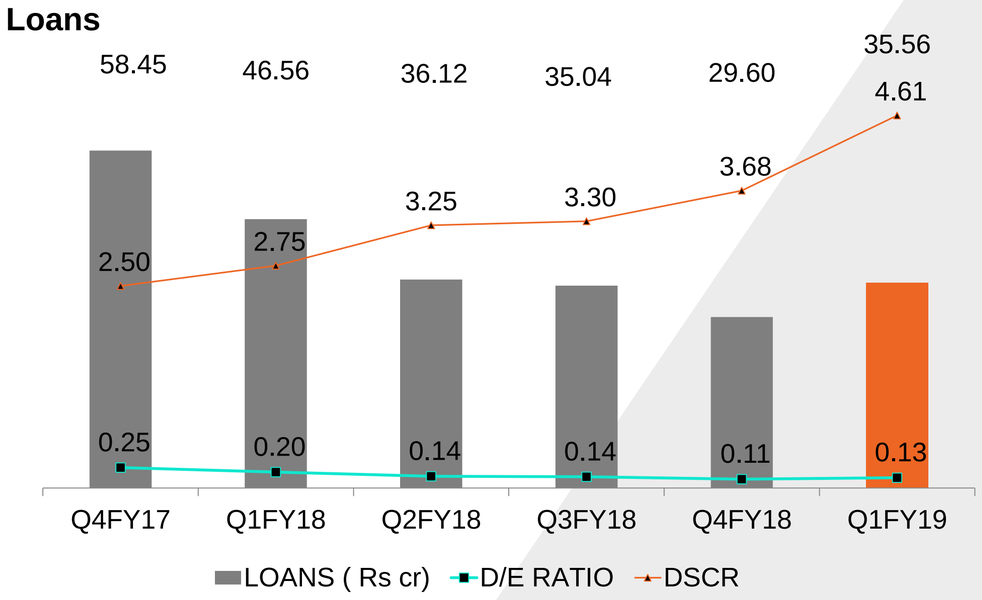




KEY RATIOS

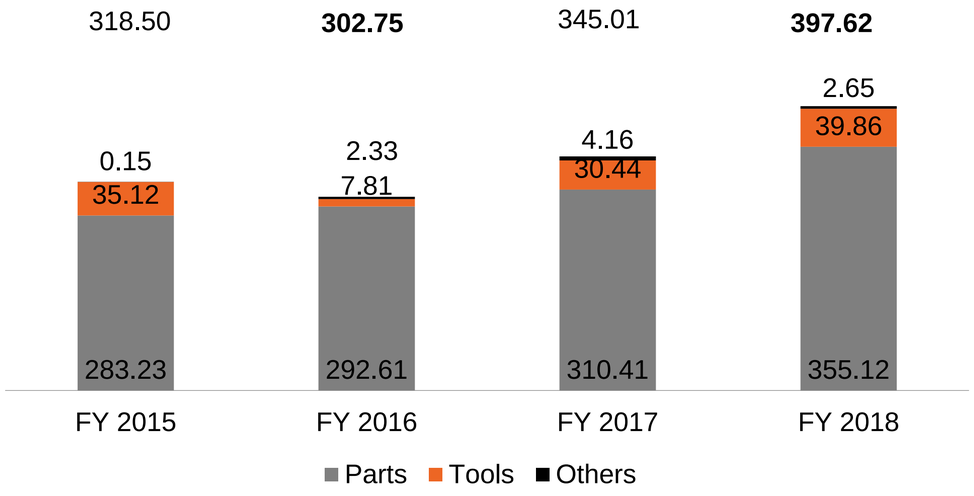

Net Worth
20.04%
14.43%
21.36%
18.76%
29.95%
17.41%
14.81%
9.95%
14.79%
12.88%
20.90%
12.71%
232.23
238.15
249.15
254.05
269.71
278.56
Q4FY17
Q1FY18
Q2FY18
Q3FY18
Q4FY18
Q1FY19
Net Worth (Rs cr)
RONW
ROCE


Working Capital
45.00
37.65
42.67
45.48
39.78
53.13
47.44
33.87
45.58
44.97
55.64
58.05
Q4FY17
Q1FY18
Q2FY18
Q3FY18
Q4FY18
Q1FY19
Working Capital (Rs cr)
No of Days

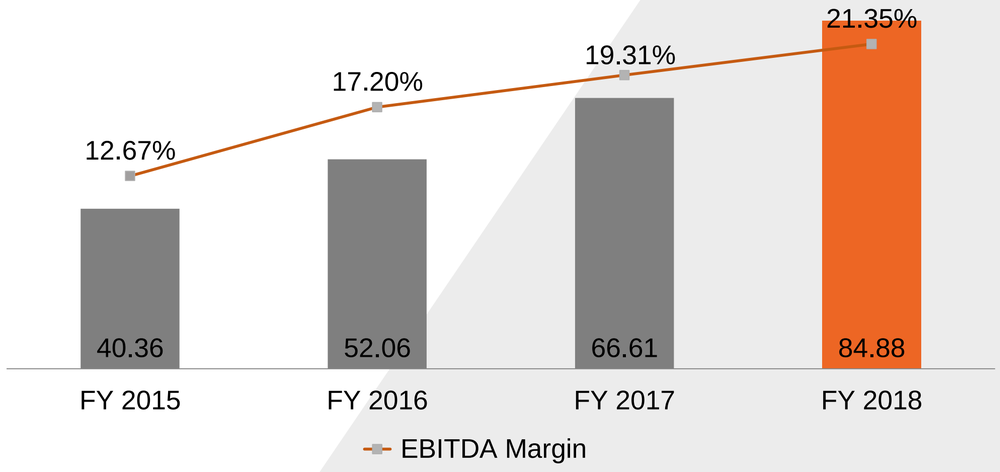

Loans
58.45
46.56
36.12
35.04
29.60
35.56
2.50
2.75
3.25
3.30
3.68
4.61
0.25
0.20
0.14
0.14
0.11
0.13
Q4FY17
Q1FY18
Q2FY18
Q3FY18
Q4FY18
Q1FY19
LOANS (Rs cr)
D/E RATIO
DSCR

FINANCIAL PERFORMANCE SNAPSHOT (FY2015 – FY2018) (Rs cr)

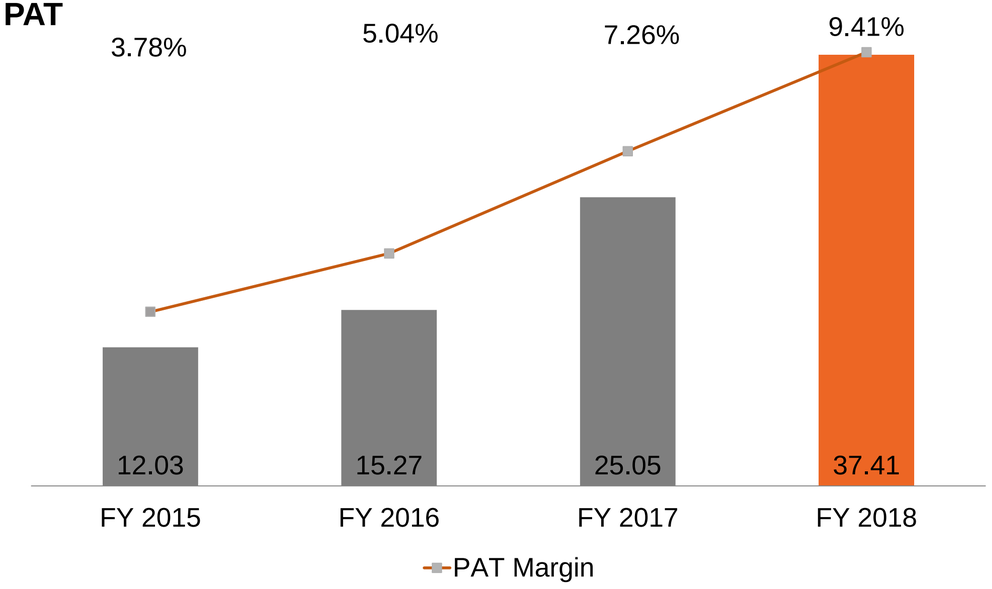
Revenue from operations



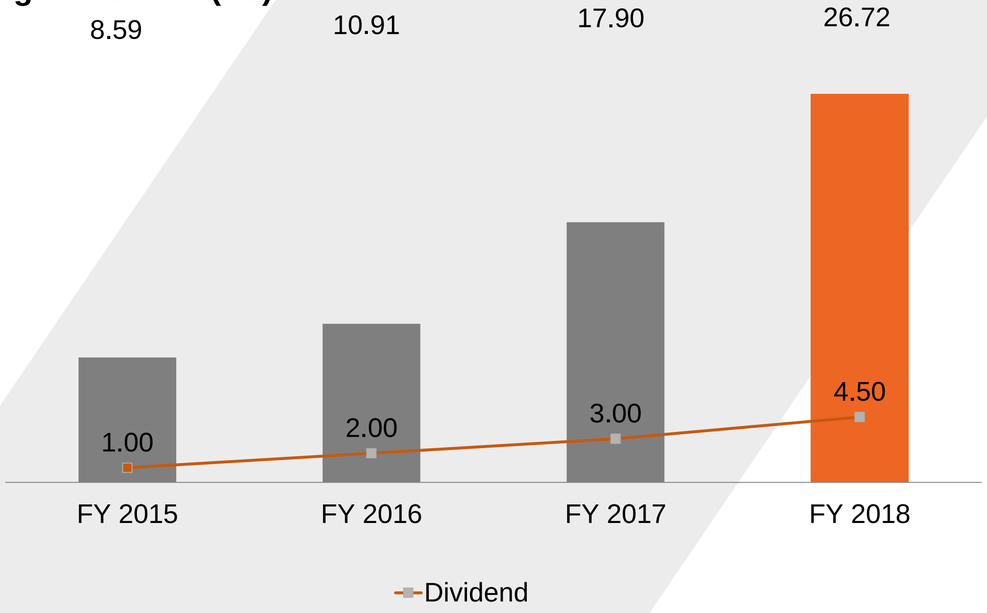
EBITDA



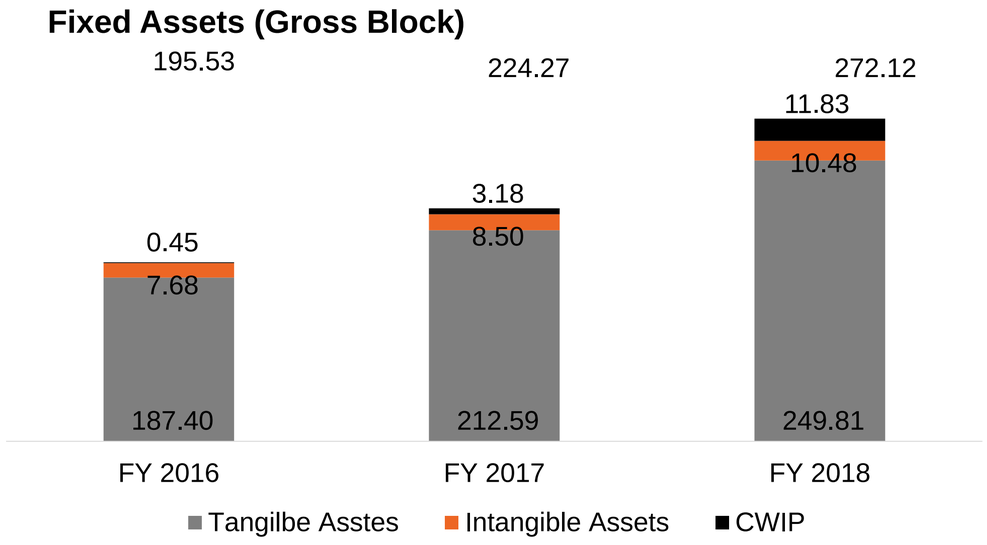
PAT

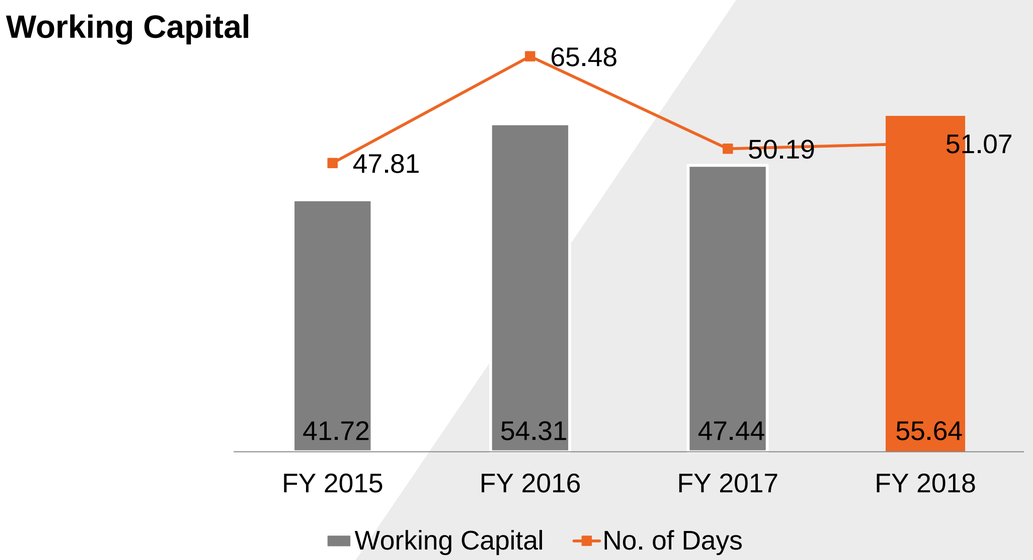


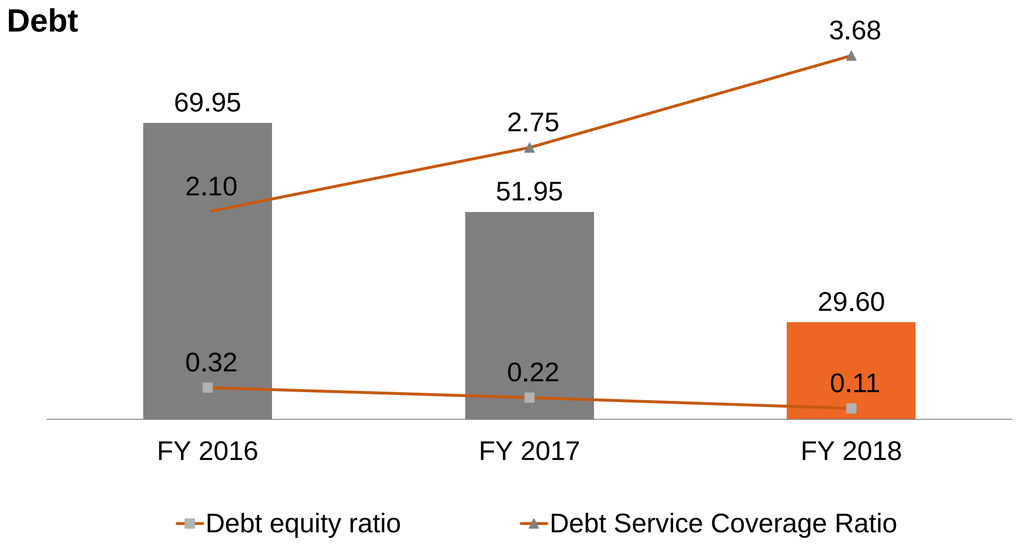
Earning Per Share (Rs)

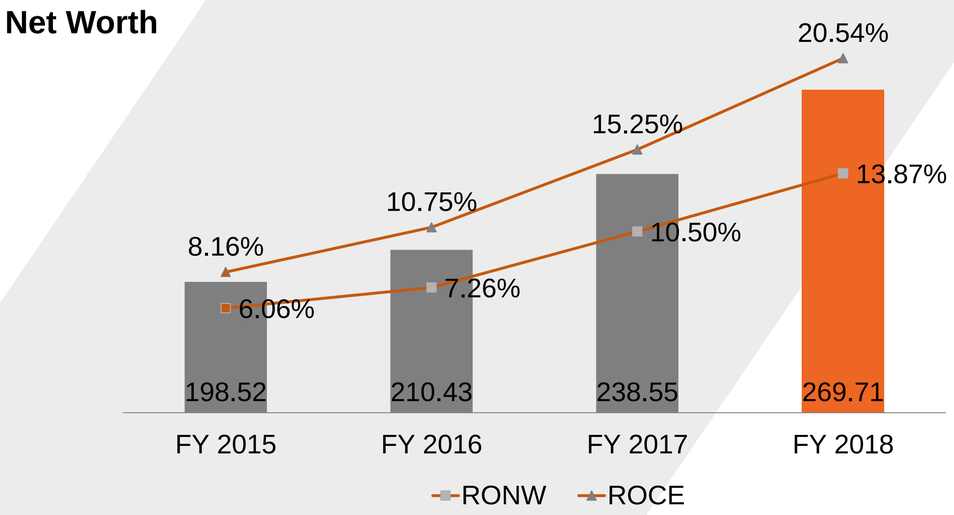


FINANCIAL PERFORMANCE SNAPSHOT (FY2015 – FY2018) (Rs cr)



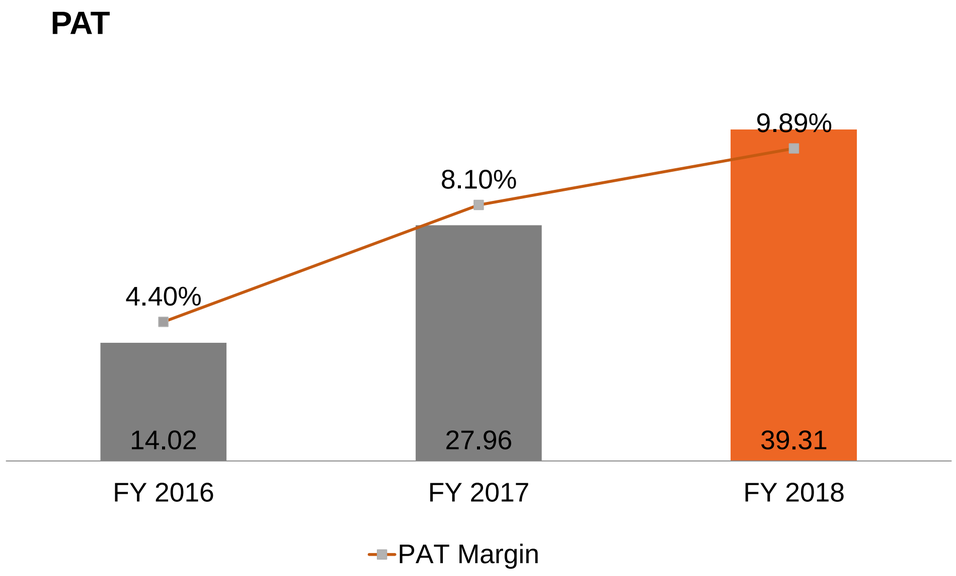


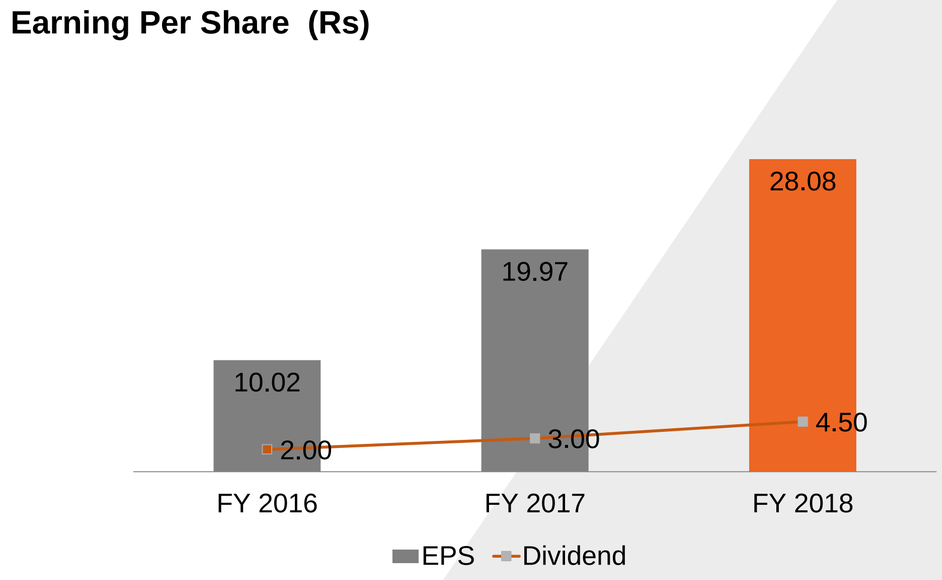


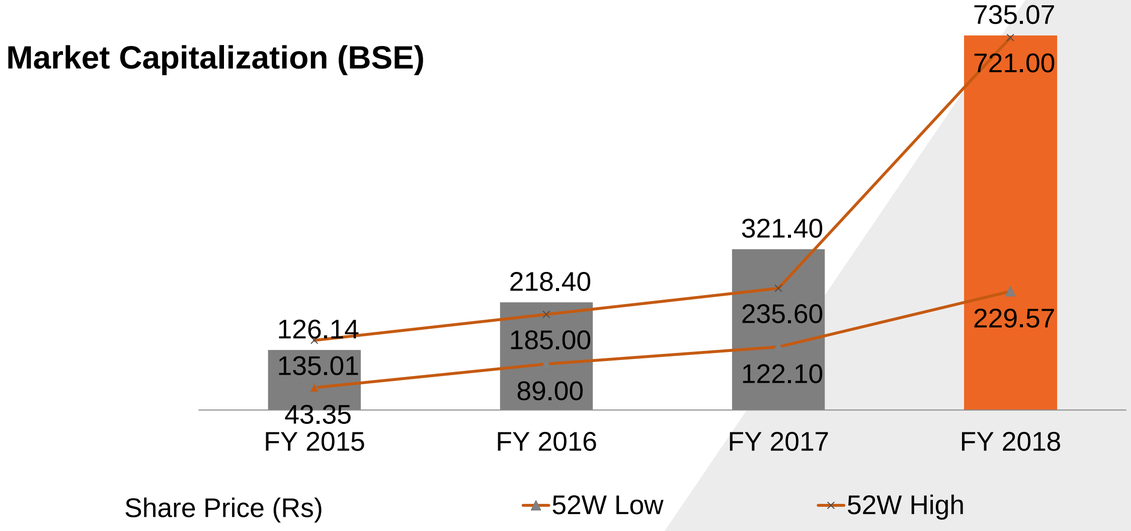


*Fixed Assets & Debt Figures for FY 15 haven't been stated due to applicability of Ind AS from FY 16 itself being not comparable

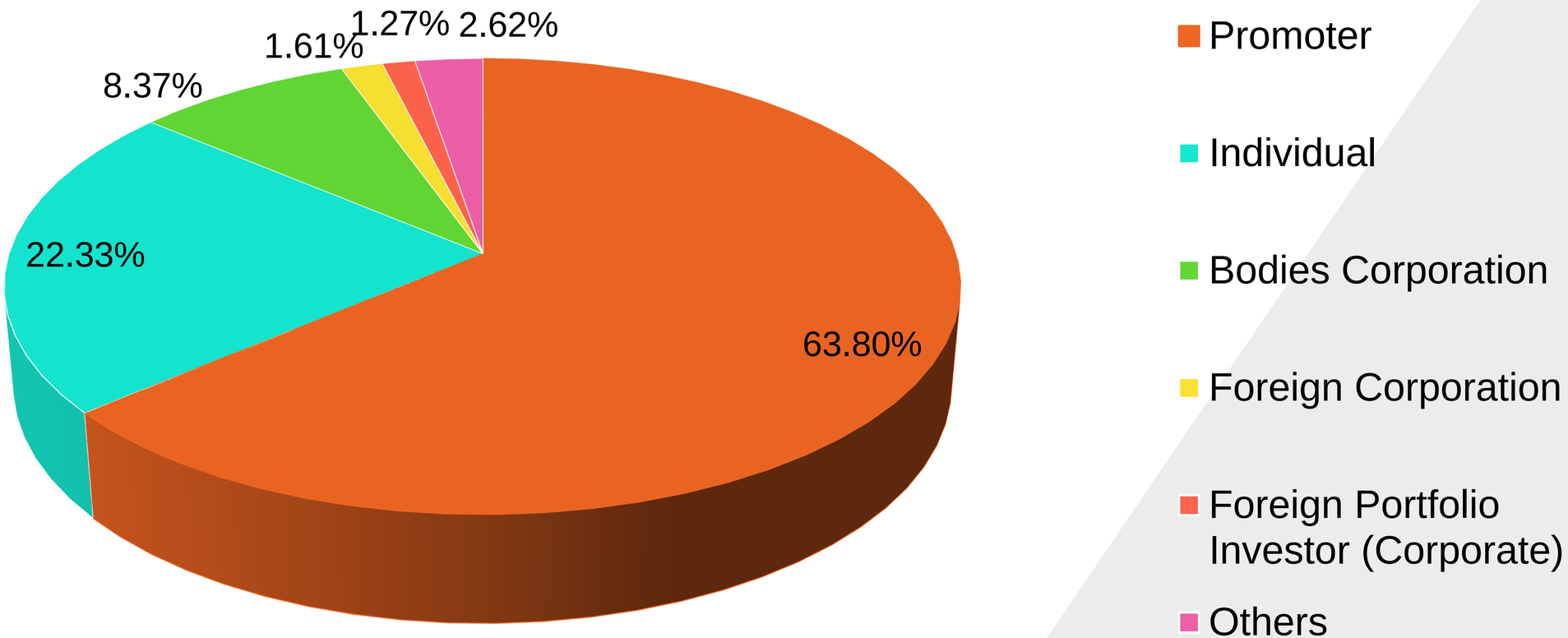
CONSOLIDATED FINANCIAL SNAPSHOT (FY2016 – 2018) (Rs cr)







SHAREHOLDING PATTERN AS OF 30TH JUNE 2018



MARKET CAPITALIZATION (BSE) Rs 774.34 cr

SAFE HARBOR

Certain statements in this communication may be ‘forward looking statements’ within the meaning of applicable laws and regulations. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward looking statements. Important developments that could affect the Company’s operations include changes in the industry structure, significant changes in political and economic environment in India and overseas, tax laws, import duties, litigation and labour relations.

PPAP Automotive Ltd. will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

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THANK YOU