



Varroc Engineering Limited

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Press Release

- Revenue from operations for Q1 FY19 increased by 28.8% YoY to Rs 29,188 million on comparable basis
- EBITDA on a like-for-like basis increased by 26.0% YoY to Rs 2,578 million
- Reported PAT for the quarter at Rs 1,004 million
- Turkey acquisition completed
- Announced intention to set-up two new plants for the Global Lighting Business in Chennai (India) and Poland

Aurangabad, September 05, 2018: Varroc Engineering Ltd. (Varroc), a global tier-I auto component group, today announced its results for the first quarter ended June 30, 2018 (Q1 FY19).

Summary Consolidated Financials

(Rs million)

	Q1 FY 19	Q1 FY18	% Change
Revenue from Operations	29,270	24,343	20.2%
Revenue from Operations (Excl Excise Duty in Q1FY18/ Interior Plastics Business in North America)	29,188	22,658	28.8%
Other Income - Operating	165	83	
Other Income - non-Operating	96	4	
EBITDA : Reported	2,412	2,210	9.1%
EBITDA : like-for-like	2,578	2,046	26.0%
EBITDA %	8.8%	9.0%	
Depreciation	1,064	908	17.2%
Interest	229	216	6.0%
Share of net profits of JVs under equity method	129	107	19.6%
PBT - Reported	1,343	1,198	12.1%
Tax	339	214	58.5%
PAT - Reported	1,004	984	2.1%

Consolidated Financial Performance

- Reported revenue from operations for the quarter was Rs 29,270 million, an increase of 20.2% over Q1 FY18. Revenue growth, excluding the impact of Excise Duty in Q1 FY18 and the Interior Plastics Business in North America which was phased out during FY18, was at 28.8% YoY. The India Business revenue increased by 28.3%, the Global Lighting Business (VLS) by 29.1% and Others by 31.8% over Q1 FY18.
- The reported EBITDA for the was Rs 2,412 million, an increase of 9.1% YoY. EBITDA on a like-for-like basis was up by 26.0% and the EBITDA margin on like-for-like basis for the quarter was at 8.8%.
- The PAT for the quarter was at Rs 1,004 million as compared to Rs 984 million for Q1 FY18. The profitability for the quarter was impacted by:
 - higher depreciation mainly due to capacity expansion in the VLS business
 - higher effective tax rate in Q1FY19 due to higher share of profits from India business and additional tax credits availed in Czech Republic in Q1 FY18

China JV

- Our share of Revenue from China JV increased by 19.4% YoY to Rs 1,605 million and EBITDA increased by 18.2% to Rs 214 million.

Other Updates

- VLS closed acquisition of SA-BA, a lighting company based in Turkey, in July 2018.
- VLS is on track to complete Brazil and Morocco plants. First SOPs are likely to be supported as of January 2019 and April 2019 respectively.
- In our India Business, the construction of the Halol (Gujrat, India) plant is nearing completion and is expected to start production in Sept. 2018.
- VLS has announced its intention to set-up two new facilities at Chennai (India) and Poland for manufacturing exterior lighting components in the next 24 months

Mr. Tarang Jain, MD, Varroc Engineering Ltd. commented, *“Our flexibility and agility in meeting customer needs is likely to be further enhanced by our upcoming facilities in Halol - India, Brazil & Morocco and with the recently announced two newly facilities. Our recent acquisition in Turkey also strengthens our position in this key growth market. We continue to focus on developing technology driven innovative products for our customers.”*

About Varroc Engineering Ltd.

Varroc Engineering Ltd is a global tier-1 automotive component group and it was incorporated in 1988. We design, manufacture and supply exterior lighting systems, plastic and polymer components, electricals-electronics components, and precision metallic components to passenger car, commercial vehicle, two-wheeler, three-wheeler and off-highway vehicle OEMs directly worldwide. The group revenue was close to Rs 11,000 crore (USD 1.7 bn) in FY18, including the share of revenues from the China JV. The group employs more than 14,200 employees and has 37 global manufacturing facilities.

Varroc Engineering Limited's shares are listed on the National Stock Exchange (VARROC) and the Bombay Stock Exchange (541578).