Varroc Engineering Ltd.
Regd. & Corp. Office

L-4, MIDC, Industrial Area
Waluj, Aurangabad 431
136, Maharashtra, India

Tel + 91 240 6653700
Fax + 91 240 2564540

email: varroc.info@varroc.com
www.varroc.com
CIN: L28920MH1988PLC047335

VARROC/SE/INT/2021-22/38 October 5, 2021

To,

The Manager- Listing
The Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai-400051.

NSE Symbol: VARROC

The Manager – Listing
The Corporate Relation Department,
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400001.

BSE Security Code: 541578

Sub.: Intimation of schedule of meetings with institutional investors, analyst, etc.

Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

Dear Sir/Madam,

Pursuant to Regulation 30 and other applicable regulations of the Listing Regulations, this is to inform you that the schedule of the institutional investor/analysts meetings, is as follows:

Date(s) of meeting	Type of meeting
October 6, 2021 and October 7, 2021*	Meeting with certain institutional investors, analysts, amongst others including over on Call / Video Conference - one to one basis

* subject to reschedule / change as per requirement / exigency.

Further, copy of the latest corporate presentation is enclosed which will be presented and discussed at the above-mentioned meetings. The same is also uploaded on the website of the Company i.e. www.varroc.com.

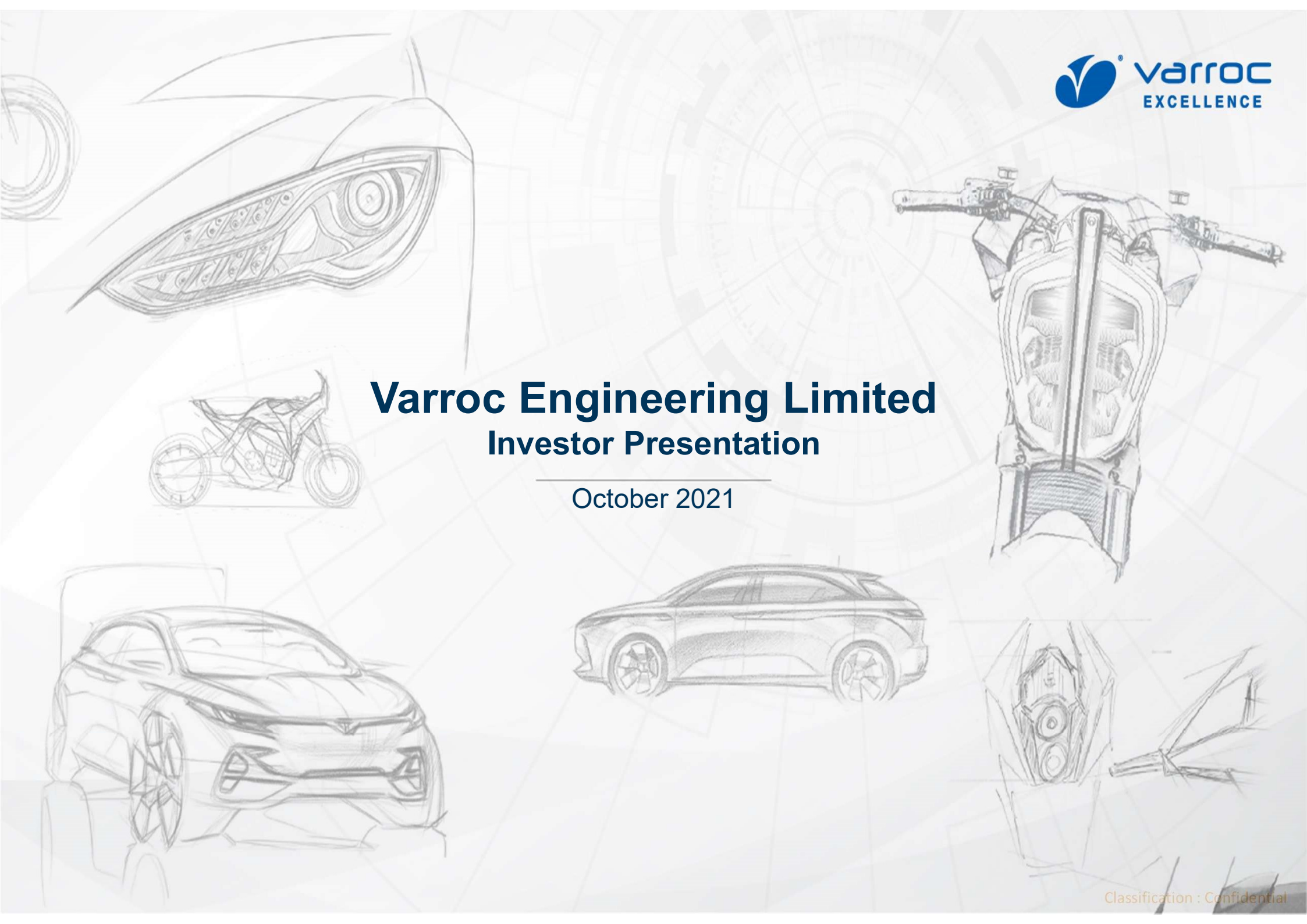
We request you to take this on record, and to treat the same as compliance with the applicable provisions of the Listing Regulations, as amended.

For Varroc Engineering Limited



Ajay Sharma
Group General Counsel and Company Secretary

Encl: a/a



Varroc Engineering Limited

Investor Presentation

October 2021

Classification : Confidential

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Any reference herein to "the Company" shall mean, collectively, Varroc Engineering Limited and its subsidiaries.

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Presenters



Tarang Jain
Chairman and Managing Director

Co-founded Varroc in 1988

More than 30 years experience in the automotive industry



Arjun Jain
President – Electrical Business Unit and Whole-time Director

Previously associated with Bain and Company India Private Limited



T. R. Srinivasan
Group Chief Financial Officer

Total Experience: ~ 32 years

Previously associated with Hindustan Lever Limited, Philips Electronics India Limited and ATC Tires Private Limited



Nitin Kalani
Head of Treasury, FP&A and Investor Relations

Total Experience: ~ 17 years

Previously associated with RPG group , Rabobank, Credit Suisse and Tata Motors

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1	Company Overview	5
2	Key Credit Highlights	9
3	Business Strategy	24
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1 Company Overview

Varroc Engineering Limited – Global Tier-1 Automotive Component Manufacturing Company with a Global Footprint

- Founded in 1988 in India by the Jain family
- Successful listing on the Indian Stock Exchanges in July 2018

- Global Tier-1 automotive component company
  - **6th largest** global exterior automotive lighting manufacturer(1)
  - **2nd largest** Indian automotive component company(2)

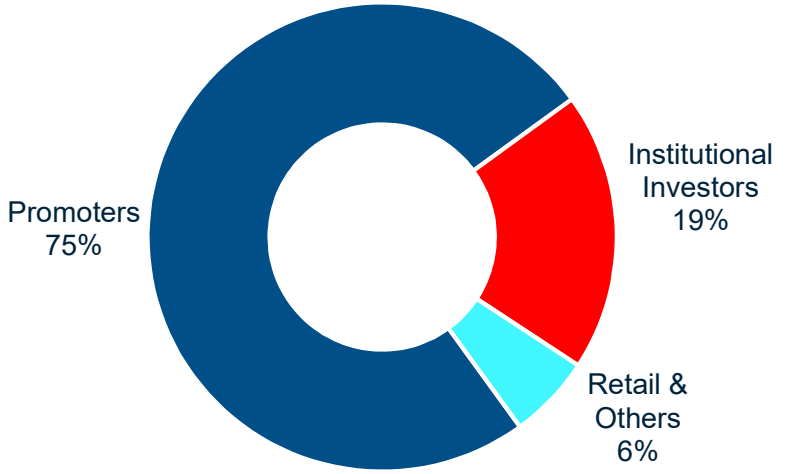
- Two primary business lines
  - **Varroc Lighting Systems ("VLS")**: design, manufacture and supply of exterior lighting systems to passengers cars OEMs globally ("Global Lighting Business"; 66% of FY2021 consolidated revenues)
  - **India Business**: design, manufacture and supply of a diverse range of Polymer, Electrical-Electronics and Metallic components to 2W, 3W and 4W OEMs and for exports (32% of FY2021 consolidated revenues)

- Strong, long-lasting, growing customer relationships with major auto OEMs globally and in India
- Well-diversified global auto component business across geographies, products and customers

- Low cost, strategically located manufacturing and design footprint
- 43 Manufacturing Facilities and 15 R&D centers across 12 countries on 5 continents (4)
- 1,198 engineers globally; 173 valid patents globally; 183 patents applied (4)

- Experienced management team supported by experienced Board
- 12,966 employees globally(3)

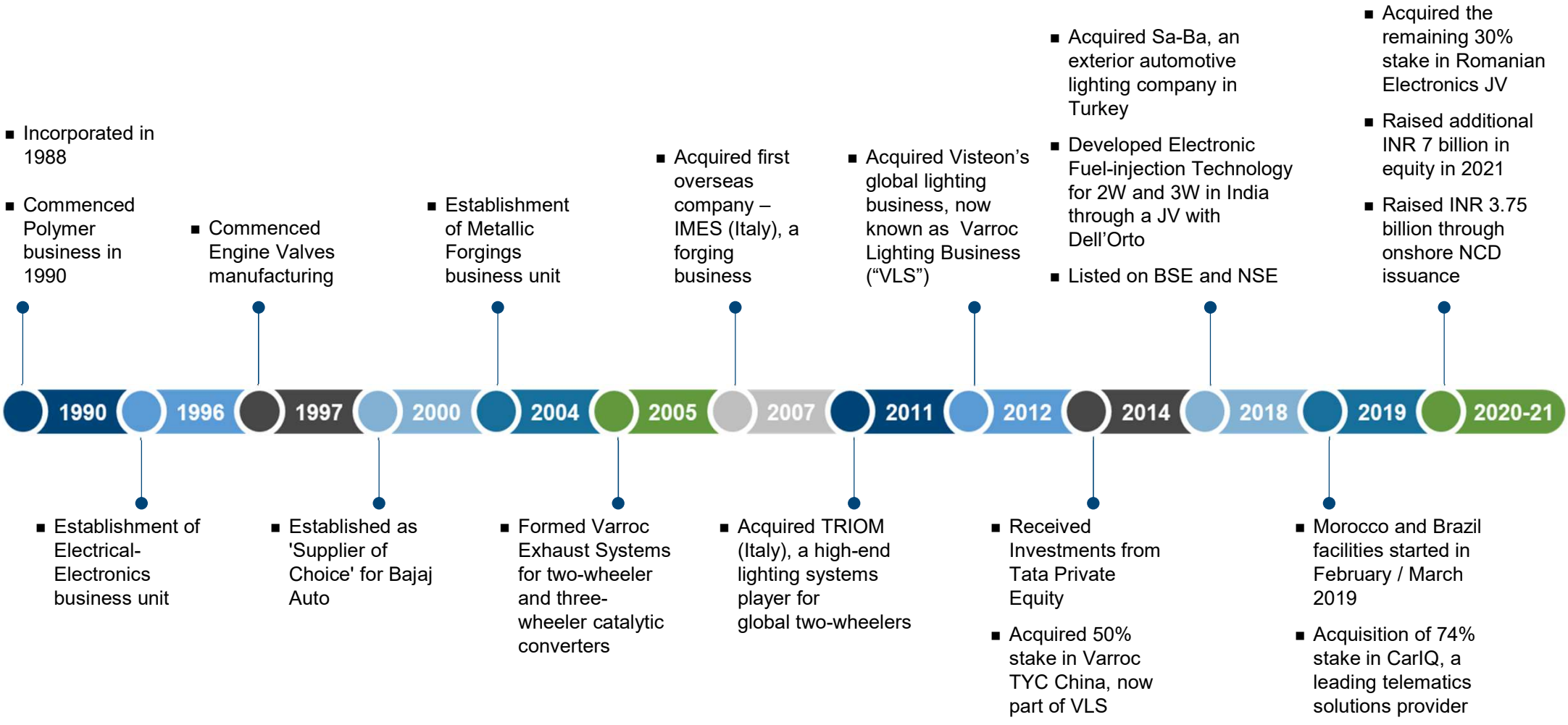
Summary Shareholding Structure(4)



- ☑ Market capitalization of INR 45.9 billion (c. US$618.0 million equivalent)(5)
- ☑ Listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India
- ☑ Placement to Qualified Institutional Buyers ("QIB") in March 2021
  - Primary placement of 17.97 million equity shares
  - Represented 11.76% and 13.33% of post-placement and pre-placement equity respectively
  - INR 6,992 million proceeds from the placement

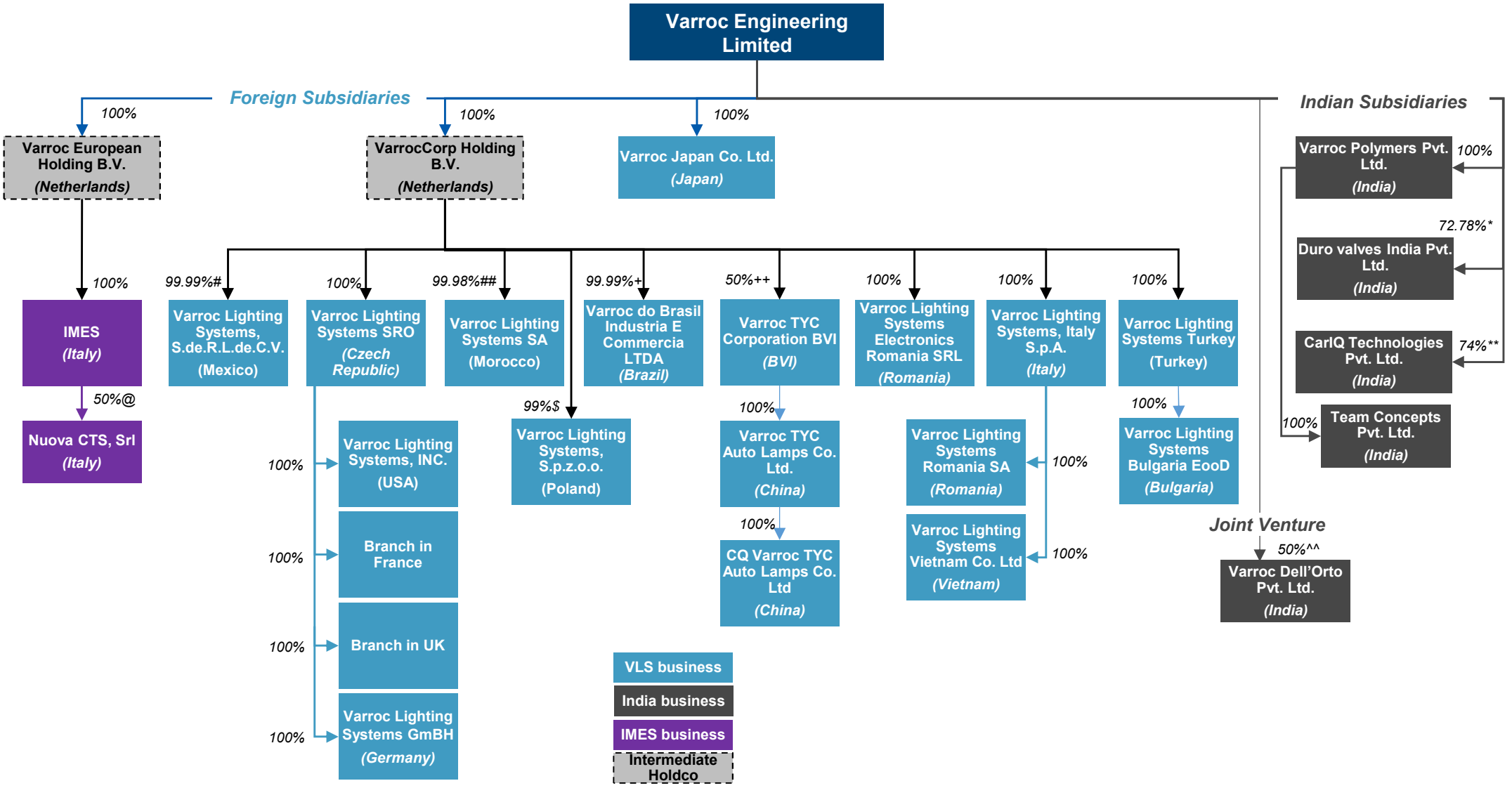
1. Source: Yole Dévelopement report titled "Analysis of Automotive Exterior Lighting – Landscape for Passenger Vehicles" dated March 8, 2021; based on market share in 2020
2. Source: CRISIL Research – Industry Review – Auto Components released in February 2021 dated February 2021; based on consolidated revenues for FY2020 excluding TVS Motors
3. As of June 30, 2021, excluding China JV
4. As of June 30, 2021
5. As of September 30, 2021. 1 US$ = INR 74.25 used for conversion purposes

Grown Rapidly Since Inception – Both Organically and Inorganically



Source: Company

Corporate Structure(1)



Source: Company
(1) As of June 30, 2021

@ Balance 50% is held by local joint venture partner
\# Balance 0.01% is held by Mr. Tarang Jain
++ Balance 50 % is held by BESTE Motor Co. Ltd.
Balance 0.02% is held by the administrators of VLS Morocco;
\+ Balance 0.01% is held by Varroc European Holding BV
$ Balance 1% is held by VLS, CZ
** Balance 26% is held by existing promoters
* Balance 27.22% is held by Scarpa & Freccia
^^ Balance 50% interest is held by Dell O'rto S.p.A., Italy.



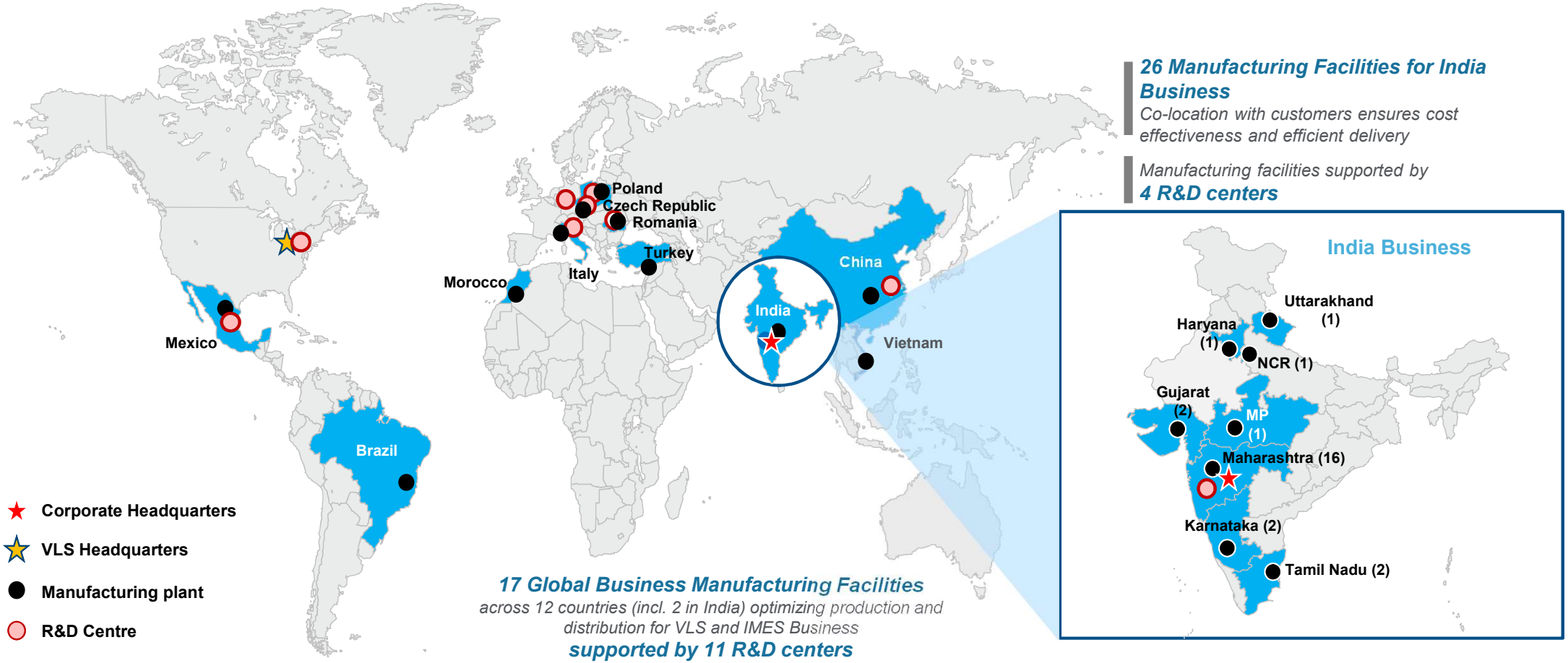
2 Key Credit Highlights

Key Credit Highlights

1. Low Cost and Strategically Located Manufacturing and Design Footprint
2. Diversified Business Across Product Portfolio, Market Segments, Customer Base and Geographies
3. Strong Competitive Position in Attractive Growing Markets
4. Well Positioned to Capture Industry Trends Related Growth both Globally and in India
5. Strong and Long-standing Customer Relationships
6. Robust In-house Technology, Innovation and R&D Capabilities
7. Experienced Management Team and Technically Skilled and Motivated Employees

1 Low Cost and Strategically Located Manufacturing and Design Footprint

43(1) Operating Manufacturing Facilities and 15(1) R&D Centers Across Asia, Europe, Africa, North and South America



26 Manufacturing Facilities for India Business

Co-location with customers ensures cost effectiveness and efficient delivery

Manufacturing facilities supported by ***4 R&D centers***

17 Global Business Manufacturing Facilities

across 12 countries (incl. 2 in India) optimizing production and distribution for VLS and IMES Business

supported by 11 R&D centers

- **Manufacturing and R&D capabilities spread across low cost countries**
- **Proximity to OEMs leading to cost effectiveness**
- **Servicing multiple OEMs with footprint across the key Indian automotive hubs**

Source: Company
(1) As of June 30, 2021

1 Low Cost and Strategically Located Manufacturing and Design Footprint *(Cont'd)*

Geographical diversification – Capitalizing on global growth opportunities while mitigating the impact of regional demand fluctuation

Current Trend of Globalization to Localization is also beneficial for Varroc given its global manufacturing footprint

Pre Covid-19 era

- Global production networks
- Global supply-chain networks
- Minimized stock strategies



- Global delivery footprint
- Customer-specific variant
- Limited risk management

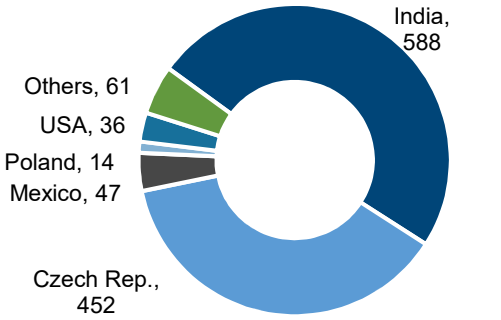
Post Covid-19 era

- Localized production networks
- Local supply-chain networks
- Local warehouse and reserves strategies

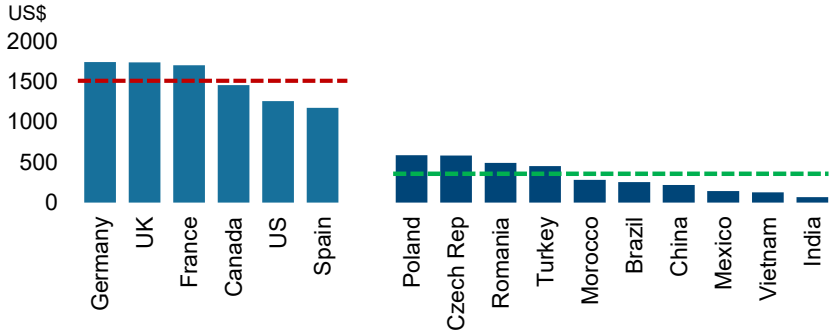


- Build where you sell
- Variant reduction
- Expect the unexpected

Engineers by Country (1)



Illustrative Labor Costs (2)



Global Lighting Business

- ☑ Global capabilities focused on quality, cost and delivery
- ☑ Located in low cost countries near major auto markets
- ☑ Cost competitiveness compared to other players in Europe and North America
- ☑ Enables establishment as local players with deeper customer relationships
- ☑ Proximity to customers further supports lower delivery costs as well as delivery capabilities

India Business

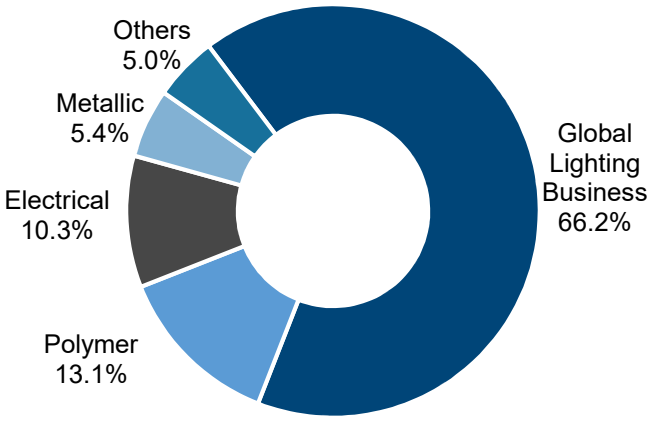
- ☑ Well spread facilities allows flexibility in operations – alignment with customers' demands while managing costs
- ☑ Proximity to major OEMs resulting in greater cost effectiveness, quicker product launches, and faster turn-around times – allows to serve customers in a timely manner
- ☑ Transportation costs advantages vis-à-vis other competitors
- ☑ Optimal warehousing to balance economies of scale and proximity to customers

Source: Company and Yole Dévelopement report titled "Analysis of Automotive Exterior Lighting – Landscape for Passenger Vehicles" dated March 8, 2021
(1) As of June 30, 2021
(2) Represents gross monthly minimum wages in US$ for 2019 as published by International Labor Organization in its Global Wage Report 2020-21

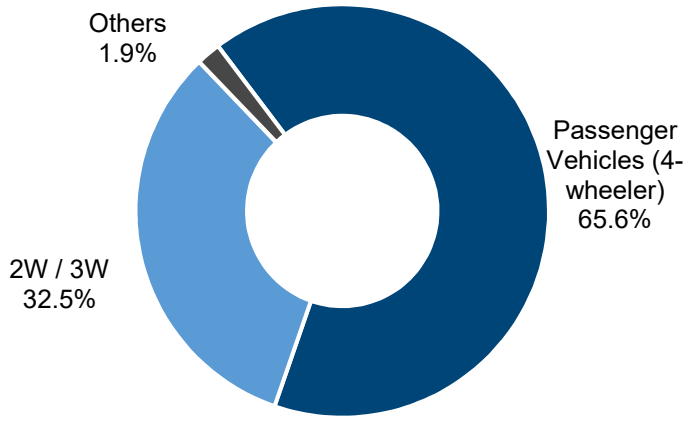
2 Diversified Business Across Product Portfolio, Market Segments, Customer Base and Geographies

FY2021 Consolidated Revenue(1): INR 113 billion

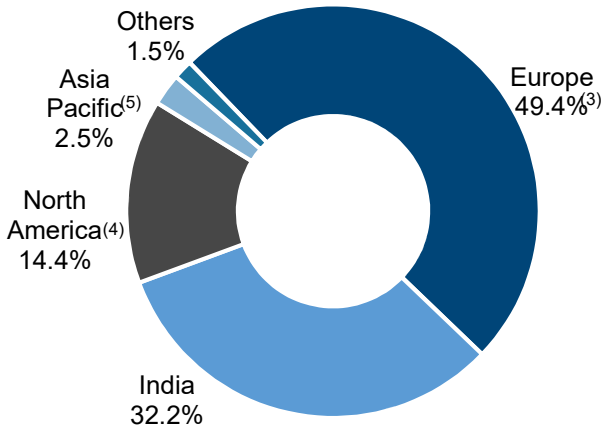
Breakdown by Segment



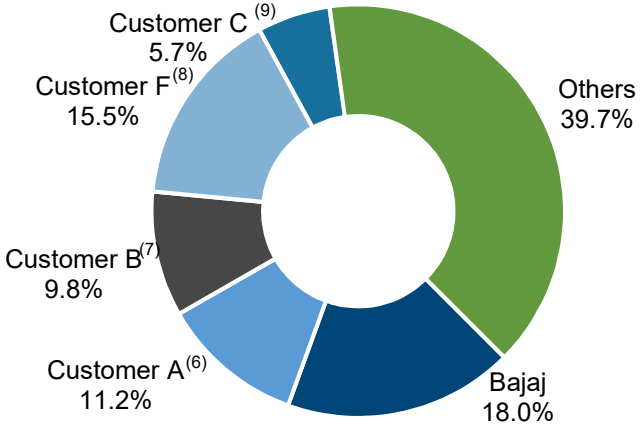
Breakdown by Market Segment (2)



Breakdown by Geography



Breakdown by Customer



- ☑ **Comprehensive range of engine agnostic products**
- ☑ **Comprehensive product portfolio and end-to-end enabling "One-stop shop" for customers**
- ☑ **Presence across fast growing India 2W and Global PV lighting market segments**
- ☑ **Diversified business in developed and emerging markets with strong India presence**
- ☑ **Diversified customer base with no single customer / OEM representing >20% revenue share**

(1) Excludes China JV which is accounted for via the equity method
(2) Represents total invoice amount
(3) Includes the Czech Republic, Bulgaria, France, Germany, Italy, Poland and Romania, Morocco and Turkey
(4) Includes the USA and Mexico
(5) Includes Vietnam, Taiwan and China
(6) Customer A is an American multinational car manufacturer
(7) Customer B is a large British car manufacturer
(8) Customer F is a global automotive manufacturer headquartered in Europe
(9) Customer C is an American electric car manufacturer

2 Diversified Business Across Product Portfolio, Market Segments, Customer Base and Geographies

Global Business with Diversified Product Lines – Diversified Product Portfolio catering to 2W, 3W, PV, CV and OHV Segments

Global Lighting Business

PV and Global 2W / Small Lighting

- **Broad portfolio of Exterior lighting systems for vehicles**

Head Lamps



Matrix



Xenon



LED with AFS

Rear Lamps



LED



Light Guides

CHMSL



Fog Lamps



- **15 facilities globally**
- **Passenger Vehicles (PV)**
- **2-Wheelers (2W)**

66.2%(2)

India Business

Polymer

- **Full product range of polymer solutions**



Air Filter Assemblies



Mirror Assemblies



Seat Assemblies



Trims (Interior and Door)



Painted Plastic Exterior Products

- **13 facilities in India(1)**

Electrical and Electronics

- **Comprehensive range of solutions in components and assemblies**



Body switches & CDI



Speedo-meter



Digital Instrument Cluster



Battery Mgmt. System Offerings



DC DC Converter



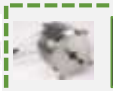
Magneto



Electronic Fuel Injection



Regulator & Rectifiers



Traction Motor & Controller



Onboard Charger

- **9 facilities in India(1)**

Metallic

- **Precision forged and machined parts for engines & transmissions**
- **Engine valves**



Transmission Gears



Crankshaft



Connecting Rod



Planetary Gears



Engine Valves



Crankpins

- **4 facilities in India(1)**

- **2-Wheelers (2W)**
- **3-Wheelers (3W)**
- **Passenger Vehicles (PV)**
- **Commercial Vehicles (CV)**

32.1%(2)

Other Business

IMES

- **Hot steel forged parts**



Undercarriage Links





Drill bit Cones and Heads



Undercarriage Segments

- **2 facilities in Italy**

- **Earth moving and Oil drilling industry**

1.7%(2)

Source: Company

(1) Pantnagar facility is included in Electrical & Electronics but caters to all 3 verticals of India business. Global 2W lighting business is part of VLS and domestic 2W lighting business is part of Electrical and Electronics business (2) Represents proportion of FY2021 reveneus

BSVI Products **EV Products**

2 Diversified Business Across Product Portfolio, Market Segments, Customer Base and Geographies *(Cont'd)*

End-to-end capabilities with presence across various levels of automotive and LED component value chain ranging from product conceptualization, designing, R&D and engineering, testing and validation, tooling, manufacturing and delivery

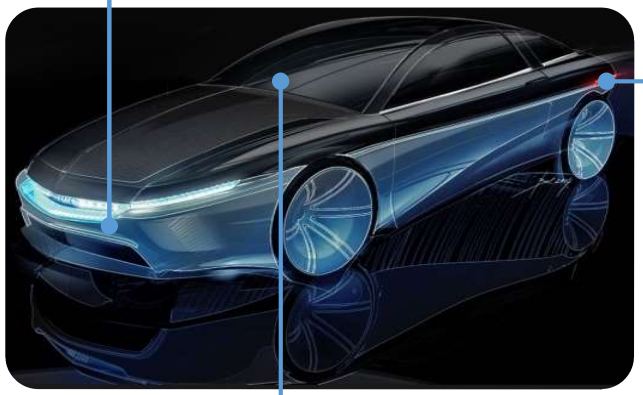
Global Lighting Business – Broad Portfolio on offer for PV OEMs Globally

Headlamps


Xenon


LED with AFS


Matrix



Rear Lamps


LED


Light Guides

Electronics

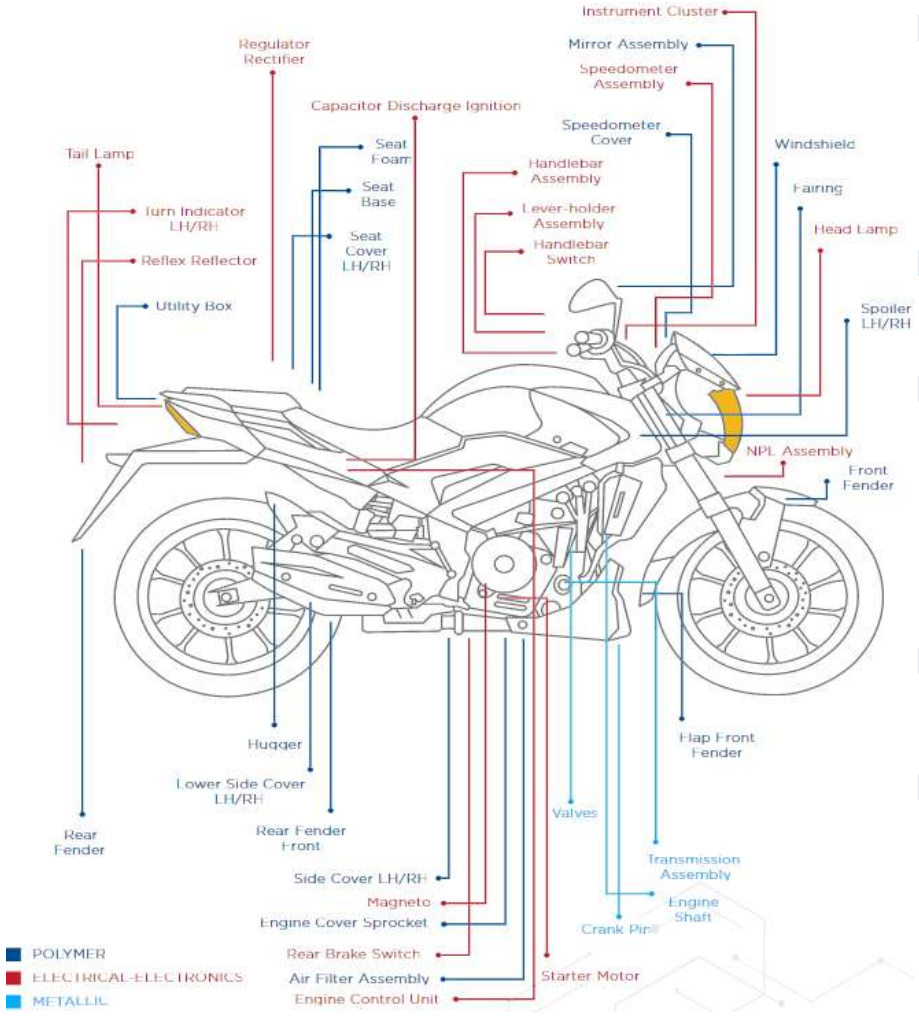

Projector


Headlamp Control Modules


LED Module

- ☑ Broad portfolio of lighting technologies including Halogen, Xenon, LED, Matrix, MEMS, DMD, OLED, Flex LED and LED Pixel
- ☑ Catering to the five product segments within external automotive lighting

India Business – Comprehensive Solution Provider to 2 Wheeler OEMs

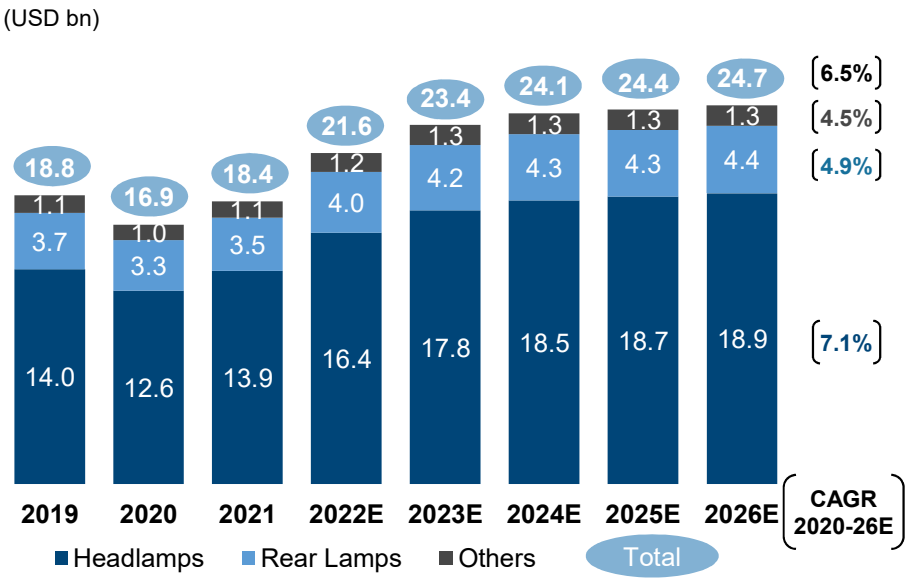


- ☑ Diverse range of products catering to a wide variety of vehicle types across polymer, electrical and metallic segments
- ☑ One-stop shop for customers enabling cross-selling
- ☑ Launched BSVI components including Catalytic Convertor, Electronic fuel injections (EFI), ECU and upgrades to Magneto products
- ☑ Ability to cater to emerging trends such as EVs
- ☑ EV Products ready for 2W / 3W – Traction motor & controller, DC DC Converter, Onboard charger, Battery Management system

Source: Company

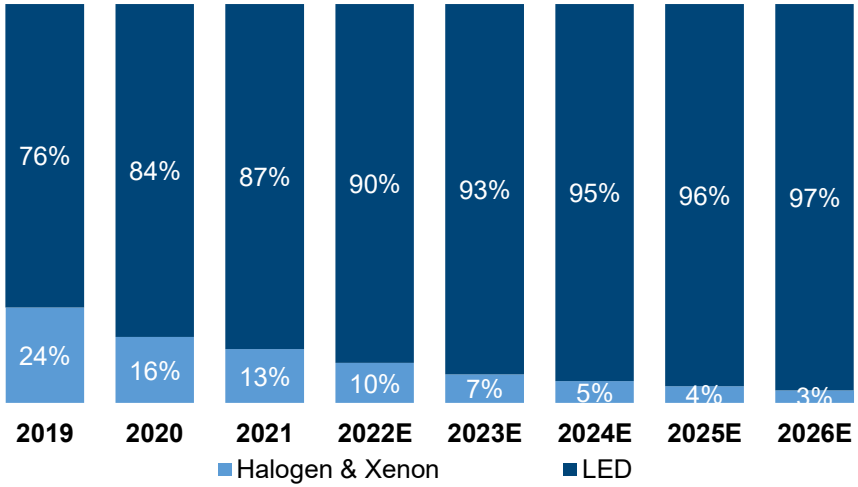
3 Strong Competitive Position in Attractive Growing Markets

Global Exterior Lighting Market for Passenger Vehicles Poised for Strong Growth(1)



- ☑ **Exterior lighting market is expected to outgrow the growth of PV industry**
- ☑ **Exterior lighting market expected to grow at a CAGR of 6.5% during 2020-2026E, while PV industry expected to grow at 5.8% CAGR during the same period**
- ☑ **Headlamp market is the largest and fastest growing market, compared to other lamps types, with a CAGR of 7.1% between 2020 and 2026**
- ☑ **LED technology is rapidly gaining popularity as their cost decreases and efficiency, luminance, and package size improves**
- ☑ **VLS brings to the market new technologies such as Surface LED, 3D lighting, Adaptive Front Lighting Systems, Matrix LED and Laser, which are high growth products**
- ☑ **Increasing share of EVs in PV segment is also leading to higher LED penetration**

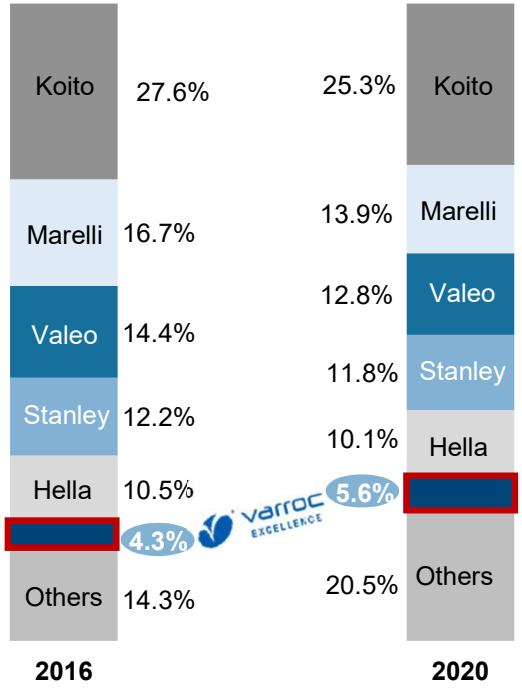
LED Technology – Increasing Market Share, Accounting for 90% of Global Lighting Market by 2022E(1)



Varroc is well-positioned in Global Exterior Lighting Market(1)

- ☑ **6th largest global exterior automotive lighting manufacturer**
- ☑ **Top three independent exterior automotive lighting players globally in 2020 (by market share)**
- ☑ **Expanded its market share from 4.3% in 2016 to 5.6% in 2020**

Global Exterior Lighting Market Share(1)

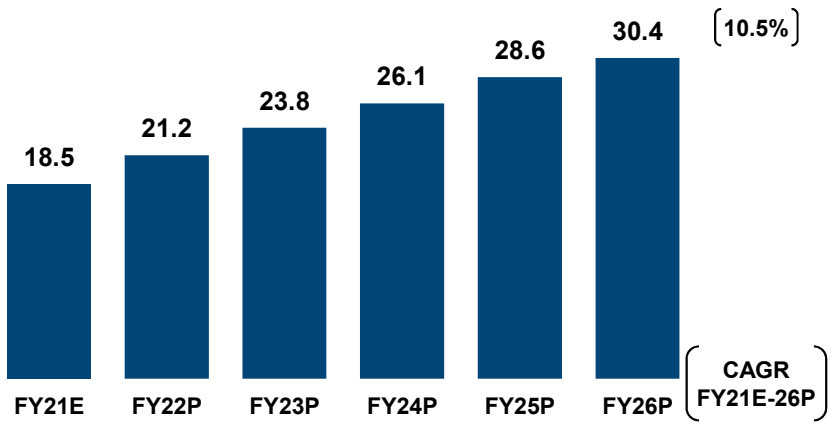


(1) Yole Dévelopement report titled "Analysis of Automotive Exterior Lighting – Landscape for Passenger Vehicles" dated March 8, 2021

3 Strong Competitive Position in Attractive Growing Markets *(Cont'd)*

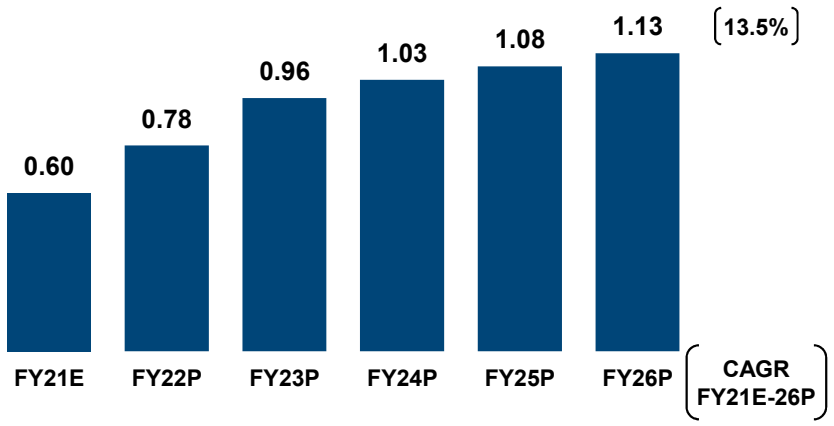
Strong Expected Growth in Indian 2W and 3W Markets[1]

2W Production Volume (mm units)



- ☑ India is one of the largest manufacturers of 2W in the world
- ☑ 2W production expected to grow at a CAGR of 10.5% till FY26P
- ☑ Domestic sales and export estimated to grow at 10-12% and 7-9% CAGR respectively during the period

3W Production Volume (mm units)

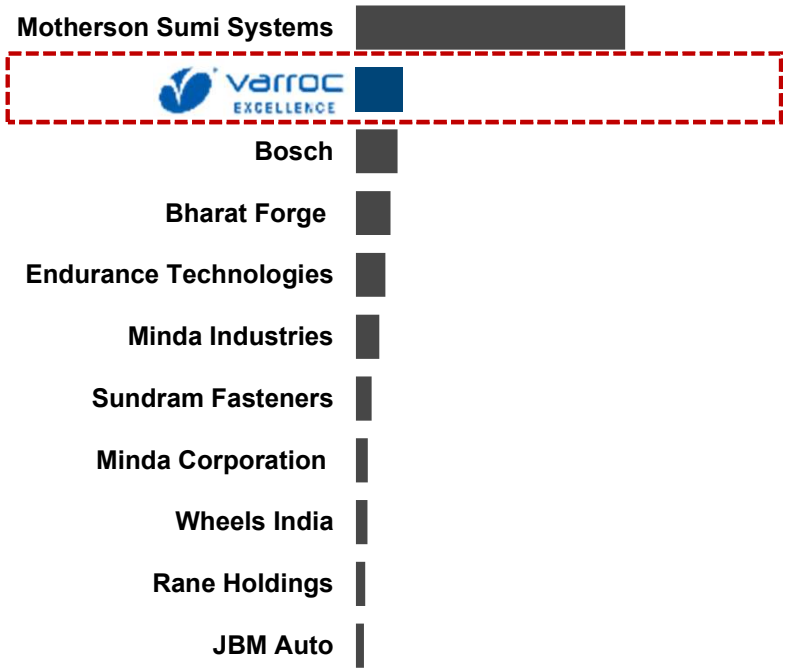


- ☑ India has a large domestic market and export base of 3W
- ☑ 3W production expected to grow at a CAGR of 13.5% till FY26P
- ☑ Domestic sales and export estimated to grow at 11-13% and 2-4% CAGR respectively during the period

Varroc is well-positioned in Indian Auto Component Market [1]

- ☑ 2nd largest Indian automotive component Company [1] [2]
- ☑ Strong and long-lasting relationships with key 2W / 3W OEMs in India
- ☑ Varroc is well positioned to capture high growth 2W / 3W component market

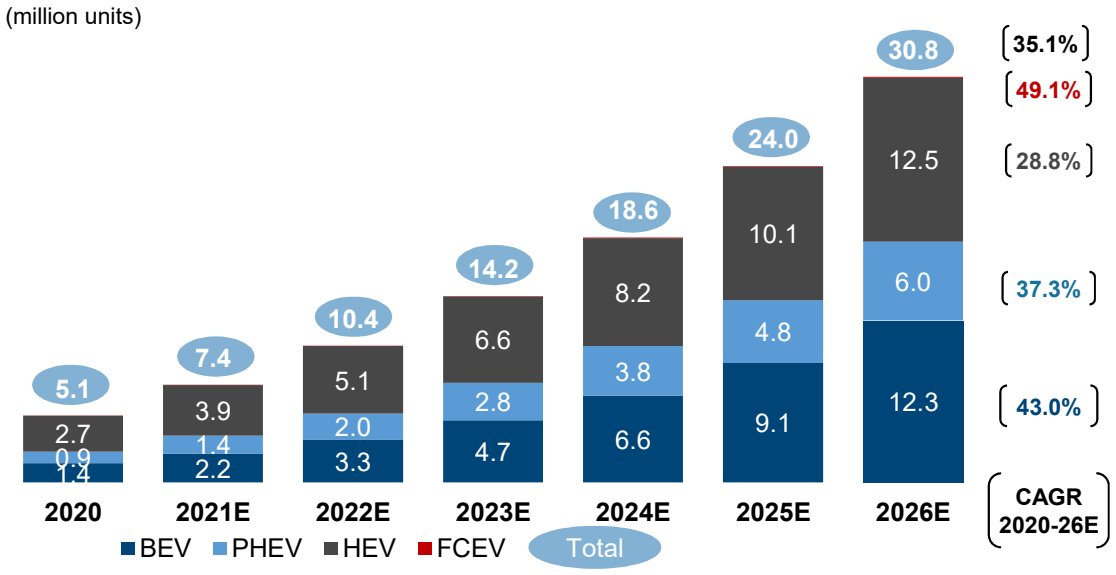
India Key Auto Component Players [1] [2]



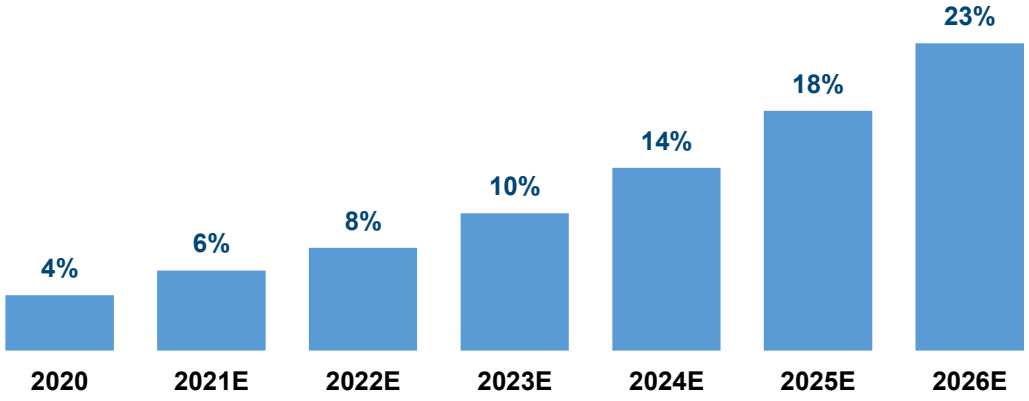
(1) CRISIL Research – Industry Review – Auto Components released in February 2021 dated February 2021
(2) Based on consolidated revenues. Excludes Sundaram Clayton which is the holding company of TVS Motors Ltd., which is into sales of two and three wheelers and is included in Sundaram Clayton's consolidated revenues

4 Well Positioned to Capture Industry Trends Related Growth both Globally and in India

Strong Transition Trend Towards EV Driving Robust Growth Outlook for EV Passenger Vehicles(1)



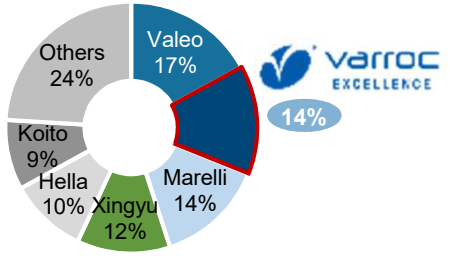
BEV and PHEV Penetration – as a % of PV Volumes(1)



(1) Yole Dévelopement report titled "Analysis of Automotive Exterior Lighting – Landscape for Passenger Vehicles" dated March 8, 2021

- ☑ **Transition towards EV expected to gain significant momentum within the PV industry**
- ☑ **EV volumes expected to grow from 5.1 million units in 2020 to 30.8 million units in 2026E, representing a CAGR of 35.1%, far outpacing the 5.8% CAGR for overall PV volumes during the same period**
- ☑ **BEV and PHEV expected to grow at a CAGR of 43% and 37.3% CAGR between 2020-26E and will account for 23% of global PV market volumes**
- ☑ **Exterior lighting market for EV was estimated at US$ 687 million in 2020 with Varroc being the 2nd largest player globally with a market share of 14%**

Global EV automotive exterior lighting market 2020: **US$687 million**



- ☑ **Increasing share of EVs in PV segment will continue to support higher LED penetration in exterior lighting (optimization of battery consumption)**
- ☑ **Varroc is expected to benefit from these trends given its strong relationship with top EV OEMs as well as comprehensive product portfolio of LED lighting**

4 Well Positioned to Capture Industry Trends Related Growth both Globally and in India *(Cont'd)*

Supportive Trends Apart from Strong Expected Growth in Indian 2W / 3W Markets

India Ongoing Trends

BS VI Transition – *Increasing content per vehicle*



Electronic Fuel Injections (EFI) & Other products



All Magneto Products transitioned to BS VI



All Speedometers transitioned to BS VI

Transition to Electric Vehicles



Traction Motor & Controller



Battery Management System (BMS)



Telematics



DC-DC Converter



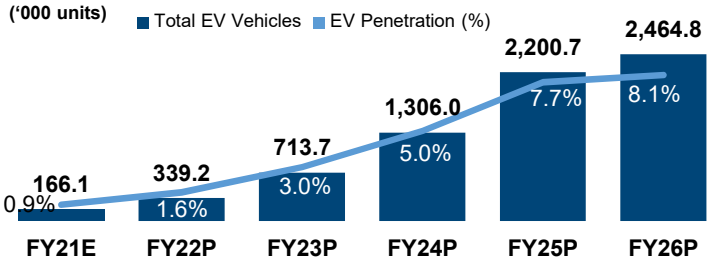
On-Board Chargers

EV adoption to witness a steady rise

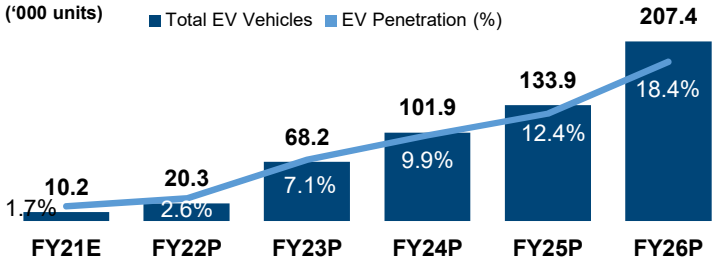
- Growing Demand for electric 2W and 3W (increasing penetration)
- Government policies (FAME II incentives for lithium battery electric vehicles + Phased Manufacturing Plan)
- Production Linked Incentive Scheme for automobile industry

Rising EV penetration in 2W and 3W

2W EV market expected to grow at ~72% CAGR over FY21E-FY26P(1)



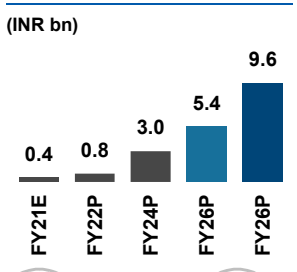
3W EV market expected to grow at ~83% CAGR over FY21E – FY26P(1)



2W EV components to experience significant growth in the coming years

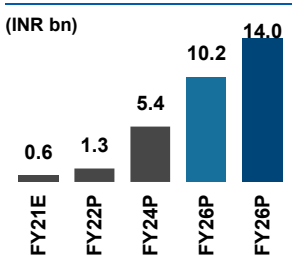


Traction Motor(1)



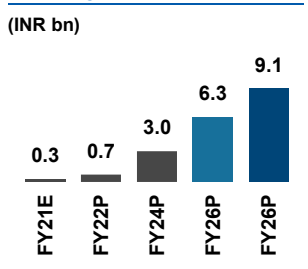


Traction Motor Controller(1)



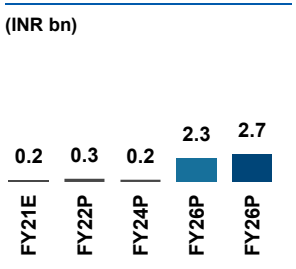


Battery Management System (BMS)(1)



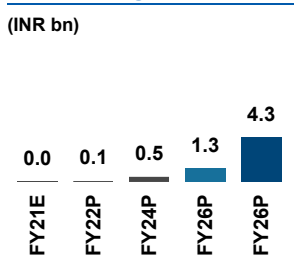


DC-DC Converter(1)





On-board chargers(1)



Volume (mm Units)	FY21E	FY26P
Traction Motor	~0.14	2.3-2.4
Traction Motor Controller	~0.14	2.3-2.4
Battery Management System (BMS)	~0.10	2.0-2.1
DC-DC Converter	~0.14	2.3-2.4
On-board chargers	n/a	0.19-0.20

Well-positioned to Capture EV Trends in 2W / 3W market

- ☑ For the specific EV components, market size expected to grow from ~INR 1.5 billion in FY2021 to ~INR 25.5 billion by FY2026 under base scenario
- ☑ Varroc has strong long-standing relationships with key OEMs and is well positioned to capture high growth in the EV component market
- ☑ All-round capabilities to manufacture 2W EV components
- ☑ Varroc has developed 48V PMSM traction motor and has supply arrangement with one of the leading 2W OEM
- ☑ Varroc acquired CarIQ and entered into exclusive manufacturing tie-ups with customers to capture the opportunities

(1) CRISIL Research – Industry Review – Auto Components released in February 2021 dated February 2021

(2) Based on 2020 consolidated revenues, excluding TVS Motors

5 Strong and Long-standing Customer Relationships

- **Multi-year relationships with many customers across business lines**
- **Global Lighting Business**
  - Major auto manufacturers across premium, mid-range and mass market pricing spectrum
  - Global presence and supply chain capabilities across geographies further strengthens customer relationships and repeat business
- **India Business**
  - All major 2W and 3W OEMs
  - Consistent delivery of quality products and relationships support ability to diversify across product lines
  - Repeat business from majority of customers a testament of relationship strength
- **Continually work with customers on value engineering projects for cost optimization and saving sharing**
- **Recognized with numerous awards and testaments by customers for quality and delivery of products**

Global Lighting Business – Customer Relationships

OEMs	Length of relationship	Engagement across products			
		Head Lamps	Rear Lamps	Small Lamps	Electric Modules
Customer A *(American multi-national car manufacturer)*	Since 1995 **(+25 years)**	✓	✓	✓	✓
Customer B *(Large British car manufacturer)*	Since 2011 **(+10 years)**	✓	✓	✓	
Customer C *(American electric car manufacturer)*	Since 2013 **(+7 years)**	✓	✓	✓	
Customer D *(international automotive manufacturer)*	Since 2002 **(+15 years)**	✓	✓	✓	
Customer E *(Large European car manufacturer)*	Since 2001 **(+20 years)**	✓	✓	✓	
Customer F *(Global automotive manufacturer with HQ in Europe)*	Since 2016 **(+5 years)**	✓	✓	✓	

India Business – Customer Relationships

OEMs	Length of relationship	Engagement across products
BAJAJ	Since 1990 **(+25 years)**	Across 3 business units and all 16 total product categories
Customer H *(Leading Japanese 2W OEM in India for scooters)*	Since 2005 **(+15 years)**	Across 8 product categories
Customer I *(Leading 2W OEM in India for motorcycles)*	Since 2005 **(+15 years)**	Across 12 product categories
Customer J *(Japanese 2W OEM in India for motorcycles)*	Since 2006 **(+15 years)**	Across 8 product categories
Customer K *(Japanese Auto OEM in India operating in 2W and 4W)*	Since 2008 **(+10 years)**	Across 7 product categories
Customer L *(Leading 2W OEM in India for motorcycles)*	Since 2014 **(+7 years)**	Across 3 product categories and 2 more product categories under discussion
Customer M *(Leading 2W OEM in India for scooters)*	Since 2020 **(+1 years)**	1 product category and 2 more product categories under discussion

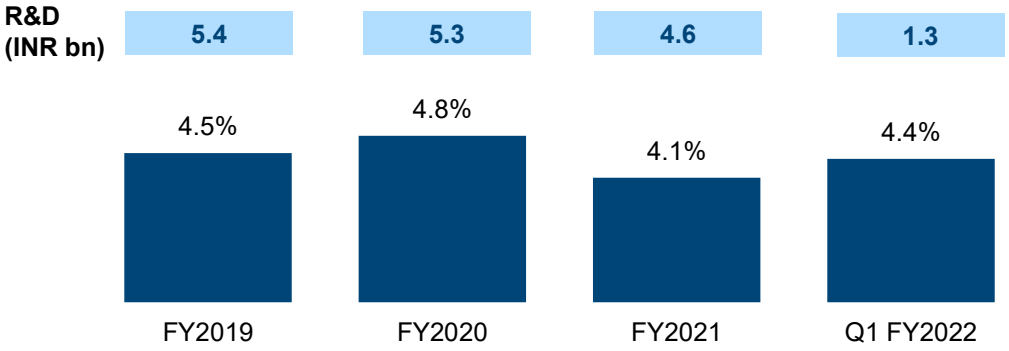
Source: Company

6 Robust In-house Technology, Innovation and R&D Capabilities

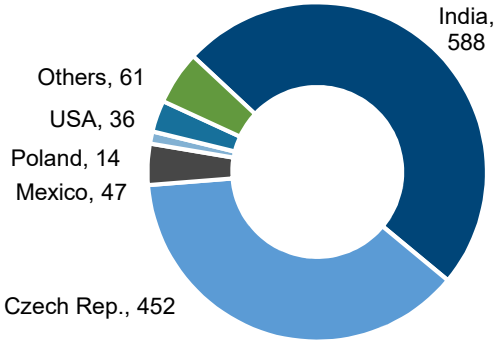
R&D efforts are directed towards ongoing trends – Enabling product delivery to customers in line with industry developments

- Increased Use of Electronics
- Stricter Environmental Regulation
- Electrification
- Autonomous Driving
- Connectivity
- Digitalization and IoT
- Sustainability, Reliability & Efficiency

R&D Spend as % of Revenue (excl. China JV share)



R&D Capabilities Supported by Large Number of Engineers(1)



- ☑ 1,198 engineers globally
- ☑ Across 15 R&D centers
- ☑ Supports strong in-house R&D capabilities
- ☑ Product development in key emerging technologies remains the focus

Global Lighting Business – R&D focus on providing cost effective solutions to OEMS

- ☑ Focus on designing and developing technology solutions that are capable of being adopted by our customers across large product platforms
- ☑ Ensure that product portfolio and solutions represent technological capabilities
  - ☑ Reduction in emissions and power consumption
  - ☑ Better style and personalization
  - ☑ Safety and enhanced communication
- ☑ 167(2) valid patents and filed 144 patent applications as of June 30, 2021

Indian Business – R&D focus on offering enhanced product portfolio

- ☑ Focus on developing proprietary products with continuous focus on innovative and cost effective designs
- ☑ Seek to capitalize on industry trends, including in particular moves towards emission reduction, autonomous driving, electrification, shared mobility and connectivity
- ☑ New technology tie ups for development of catalytic converter and electronic fuel injection systems
- ☑ 6 valid patents and filed 39 patent applications as of June 30, 2021

Source: Company
(1) As of June 30, 2021
(2) Including two patents licensed from a third-party

6 Robust In-house Technology, Innovation and R&D Capabilities *(Cont'd)*

Product portfolio representing technological capabilities:

- ☑ Energy efficiency
  - C02 emission and power consumption reduction
- ☑ Style and personalization
  - Larger lit surface at front and at back side
  - Seamless Light integration in bumper
- ☑ Comfort and Safety
  - Maximum lighting with minimum impairment for others drivers
  - Identification Of Vulnerable Road User
- ☑ Communication
  - Emergence of AV
  - Communication clearly vehicle intention

Technology development focus on:

- ☑ Return on investment
- ☑ Affordable technology to mass market
- ☑ Mid term technology exploration with selected premium OEM and partners
  - OLED
  - Laser Diode and Other light sources
  - Lit Logo
  - Manufacturing technology

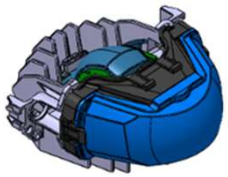
Efficiency and Cost



Low Cost LED

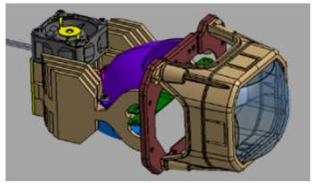


Efficient LED



Bi-functional Module

Safety and Comfort



Bi-functional Module + ADB11 Segment



Affordable ADB
Opti-ADB



HD Pixel Projecting
Opti Comfort Light

Style & Personalization



Surface LED



Dark Lamp



Low Profile Projector

Communication



Signal Projection



HD Pixel Projecting

Source: Company

7 Experienced Management Team and Technically Skilled and Motivated Employees

- ☑ **Experienced management team with deep industry knowledge**
- ☑ **Strong Board of Directors with 4 out of 7 being Independent directors**
- ☑ **Independent directors with experience across industries and practices**
- ☑ **Independent board committees**
- ☑ **Dynamic HR policies aimed towards employee skill development**
- ☑ **Technically skilled, diversified and effective workforce**
- ☑ **Continued employee training programs and optimized recruitment policy resulting in consistent upskilling of workforce**

Chairman and Managing Director



Tarang Jain
Chairman and Managing Director
- Co-founded Varroc in 1988
- Over 30 years experience in the automotive industry

Independent Board of Directors



Marc Szulewicz
Independent Director
- Ex executive vice president in-charge of plastic activities at Carnaud Metalbox, a Crown Cork & Seal Company



Gautam Khandelwal
Independent Director
- Executive Chairman, Nagpur Power and Industries Ltd



Vinish Kathuria
Independent Director
- Co-Founder and President of Rank Software Inc.



Vijaya Sampath
Independent Director
- Lawyer, ex-Group General Counsel for Bharti Airtel Ltd

Whole-time Directors



Arjun Jain
President – Electrical Business Unit and Whole-time Director
- Previously associated with Bain & Co India Pvt. Ltd.



Rohit Prakash
President – Business Unit Head (Metallic) and Whole-time Director
- Previously worked with Sogefi Engine Systems India

Senior Management



Sethumadavan D.
President – Polymer Business
- Previously associated with Stanley Black & Decker, Schneider Electric, General Electric

[●]*
President and CEO – VLS
- Total Experience: ~24 years
- Part of senior leadership team at a leading European PV lighting player



T. R. Srinivasan
Group Chief Financial Officer
- Total Experience: ~32 years
- Previously associated with Hindustan Lever Ltd, and Phillips India



Kavita Kulkarni
Chief Human Resource Officer
- Total Experience: ~27 years
- Previously associated with Infosys Ltd, WNS and Mphasis

Source: Company *Joining from November 1, 2021 and to be based out of Europe



3 Business Strategy

Business Strategy Focused on Revenue Growth and Increased Efficiency

I. Focus on Operational Efficiency

- Continue to seek to improve efficiencies, streamline capacities and asset utilization and manage capital expenditure for each of the production facilities
- Launched Project RACE in June 2021 to bring Global Lighting Business profitability in line with best-in-class industry benchmarks over 12-18 months
- Implemented various initiatives to lower costs, such as purchasing raw materials in bulk to take advantage of promotions and economies of scale
- Implemented total preventive maintenance (TPM) to help ensure high quality, low costs and on-time delivery for customers in India

II. Focus on High Growth Markets for Global Lighting Business

- Alignment with key trends in global exterior lighting market for passenger vehicles – 6.5% CAGR growth during 2020-26; increasing penetration of LEDs and expected increase in share of EV in passenger vehicle market
- Capitalize on global manufacturing presence, strong product capabilities and existing relationships with OEMs to capture these industry growth trends
- Become a globally preferred lighting systems provider to automotive OEMs

III. Focus on Increasing Customer Revenue for India Business

- Capitalize on current strong positioning in 2W / 3W components market to capture the overall expected growth in Indian 2W / 3W markets
- Increase revenue with existing customers by expanding the array of existing products supplied and by continuing to develop technology solutions aligned with customers' needs
- Continued introduction of products and solutions catering for emerging trends in Indian auto market namely BS VI and EV penetration

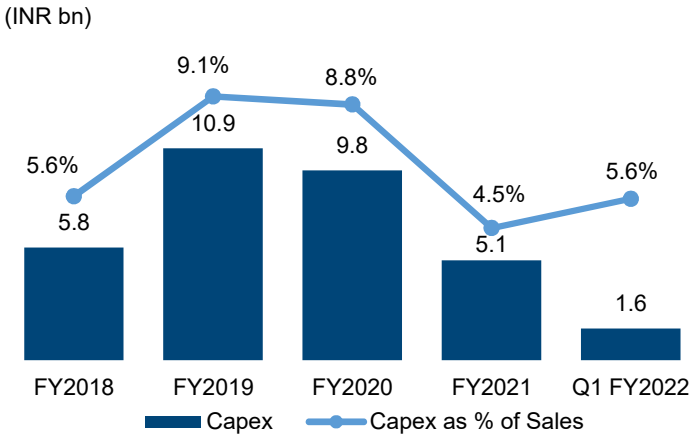
IV. Continue to Invest in R&D, Design, Engineering and Software Capabilities

- Committed to the drive for innovation and intend to continue expanding our R&D, engineering and software development capabilities in order to capture future growth trends
- Seek to benefit from key trends in the automotive industry, including EVs, emission reduction and shared mobility
- Expand capabilities in a cost efficient manner, by focusing on low-cost geographies near major automotive markets

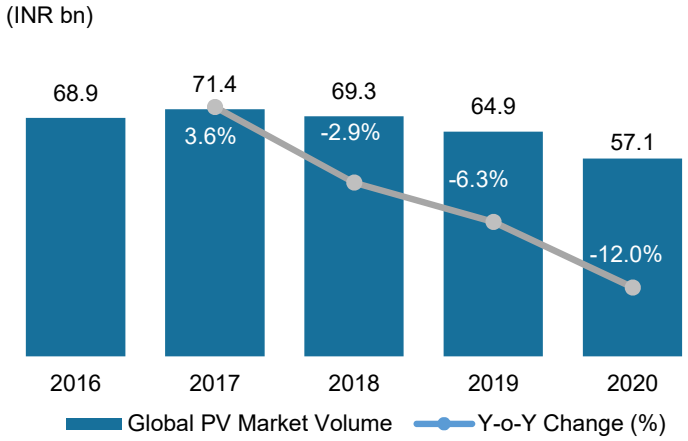
Source: Company

Significant Capex Cycle Completed in the Last 4 Years

Varroc Undertook Significant Capex Cycle Over FY2019 and FY2020…



…Capacity completion coincided with a Sharp Slowdown in the Global Auto Industry[1]



- ☑ **High capex over past three years was primarily a result of Global Lighting Business setting up three new plants, on the back of global order wins**
- ☑ **Global PV industry expected to grow at a CAGR of 5.8% over the period 2020 – 2026[1]**

Details of Key Capex Programs

	MOROCCO	POLAND
Commencement of Operations	Q4 FY2019	Q2 FY2020
Revenue	Revenue run rate of €5.88 million per month as at June 30, 2021	Revenue run rate of €6.71 million per month as at June 30, 2021
Capex	€55.40 million until June 30, 2021	€24.54 million until June 30, 2021
Balance Capex	Balance capex is related to orders realized / to be realized	Balance capex is related to orders realized / to be realized

- ☑ **Set up new manufacturing plants in Morocco, Poland, India, Brazil and new line in Czech Republic**
- ☑ **Covid-19 related disruption and supply chain bottlenecks (semi-conductor shortages) have delayed ramp-up at these new facilities**
- ☑ **Project RACE launched in June 2021**

Source: Company
(1) Yole Dévelopement report titled "Analysis of Automotive Exterior Lighting – Landscape for Passenger Vehicles" dated March 8, 2021

Project RACE – Towards Continuous Improvement

Project Rapid Achievement of Competitive Edge ("RACE")

- Launched in June 2021, Project RACE is a holistic program that aims to bring Global Lighting Business' EBIT levels in line with best-in-class industry benchmarks over a period of 12 to 18 months
- Involves multi-step process –
  1. Comprehensive diagnostics, turnaround plan and quick Wins – assess key topline and bottom-line improvement levers
  2. European business turnaround implementation – execute the turnaround roadmap with clear focus on short, mid and long term initiatives
  3. Operating model redesign and implementation – setup of new target operating model including complete redimensioning of the organization based on future growth scenarios
  4. Global full potential plan – VLS Global 2030 full potential plan including topline and bottom line ambition and key strategic options

Customer – Pricing and Negotiations

- Review pricing and contract terms
- Explore pricing and contract clause renegotiation across select customers and SKUs
- Application of best practices for pricing in future
- Key Account Management best practices

Costs – Process Optimization

- Optimized S&OP processes
- Freight management process
- Customer and supply chain scheduling
- Customer claims management and documentation
- Inventory optimization and management

Key Enablers

Costs – Procurement, RM and Conversion

- Renegotiate terms with suppliers, contractors, third party spend
- Vendor consolidation / Clean Sheet Costing
- Zero Based Approach to Conversion costs (e.g. productivity, scrap, layouts optimization, etc.)
- Overhead Costs optimization (logistics, consultants, redundancy in headcount)

Capacity – Higher Utilization

- Increase wallet share with key customers to drive utilization
- Key account management with Top-6 customers
- Sales and channel excellence
- Increase customer base
- Drive access to new customers and orders through new innovative products and superior customer service

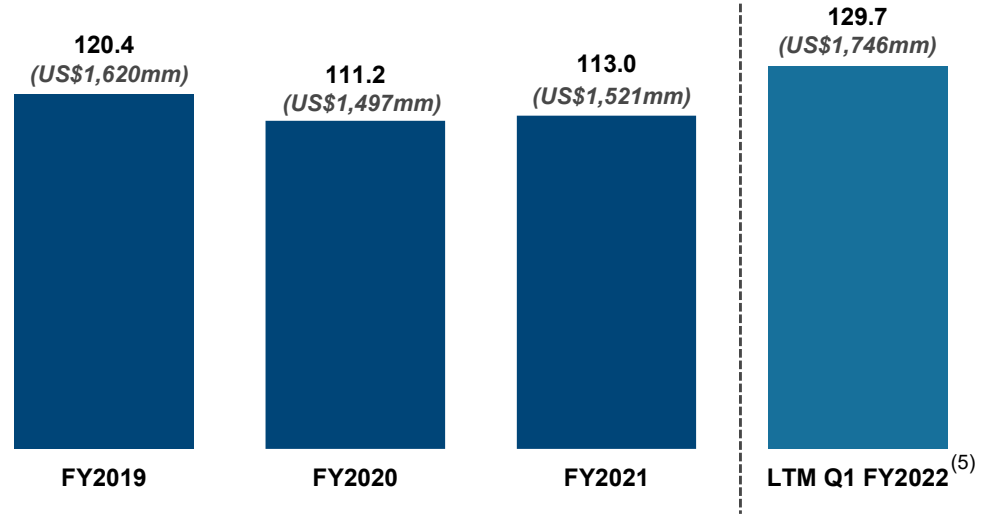
Source: Company



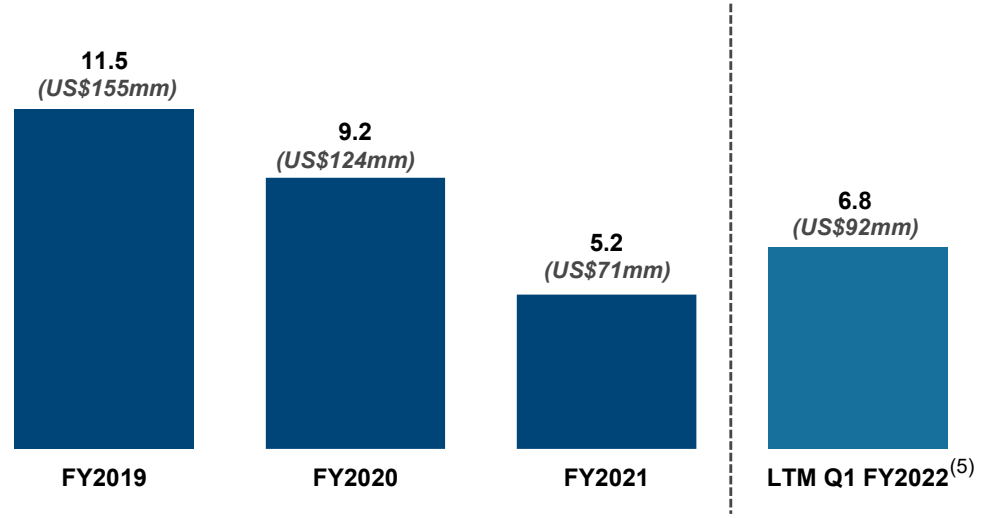
4 Financial Overview

Summary Financial Performance

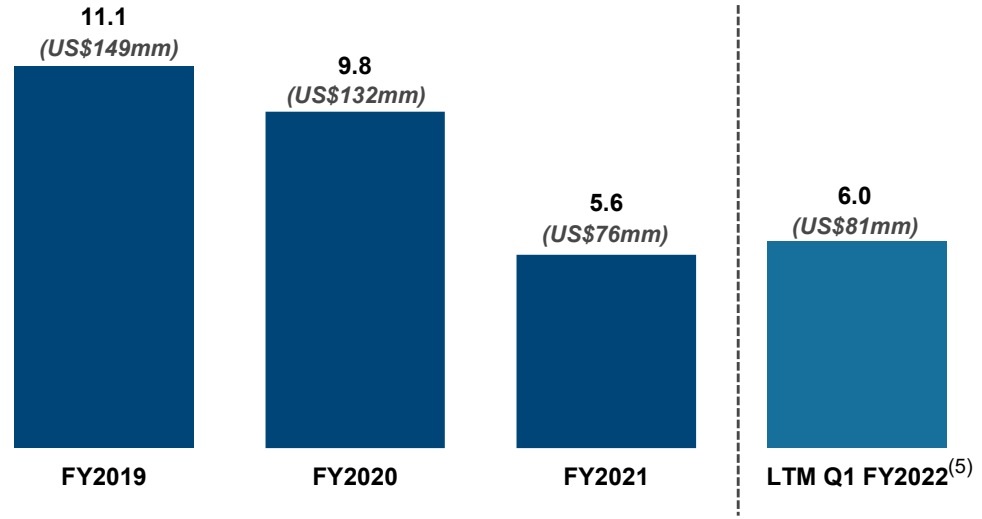
Revenues (INR bn)[1]



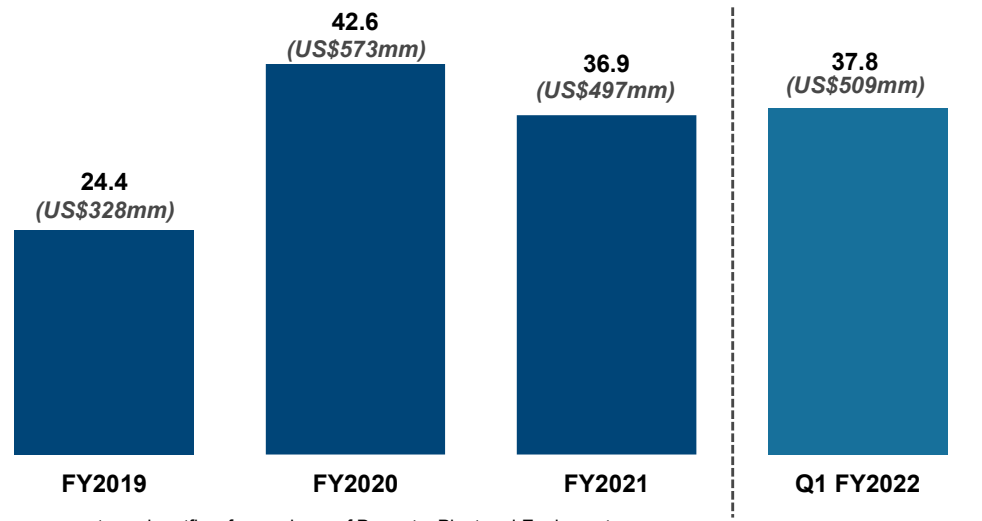
EBITDA (INR bn)[1] [2]



Capex (INR bn)[1] [3]



Total Debt and Lease Liabilities (INR bn)[1] [4]



Source: Company data

(1) Figures in brackets represents US$ equivalent amounts in millions. US$ equivalent calculated by using 1US$ = INR74.3 as the exchange rate as reported by FBIL on June 30, 2021

(2) EBITDA is Profit/(loss) before share of net profit/(loss) of investments accounted for using equity method, tax and exceptional items + Finance costs +Depreciation and Amortisation expenses.

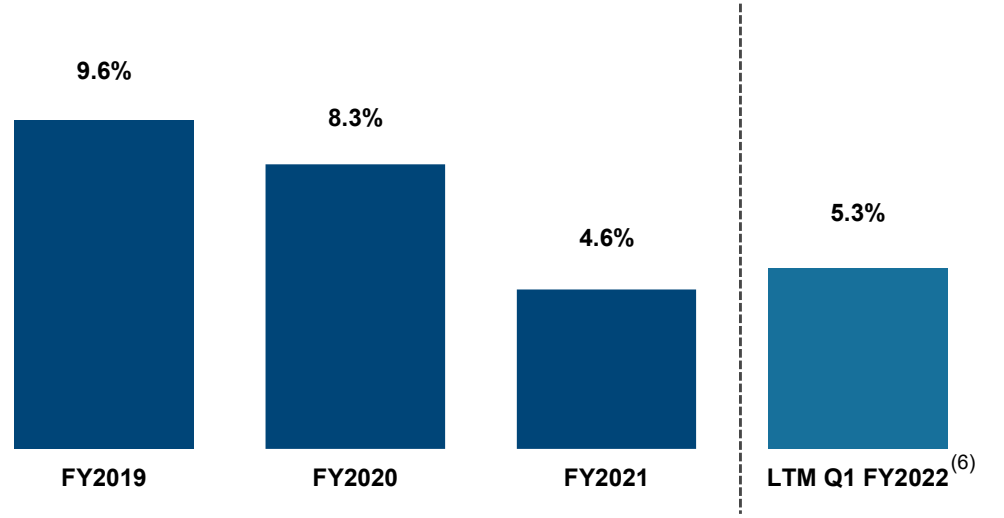
(3) Capex represents cash outflow for purchase of Property, Plant and Equipment

(4) Total Debt = Non-current Borrowings plus Current maturities of long-term borrowings plus Current Borrowings (include lease liabilities)

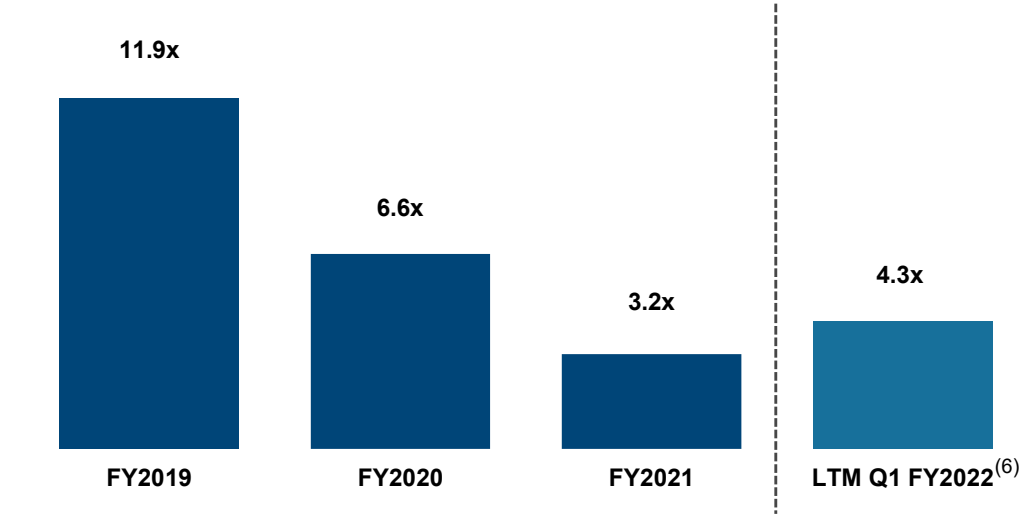
(5) LTM Q1 FY2022 is derived by adding figures for Q1 FY2022 to figures for FY2021 and deducting figures for Q1 FY2021

Key Credit Metrics

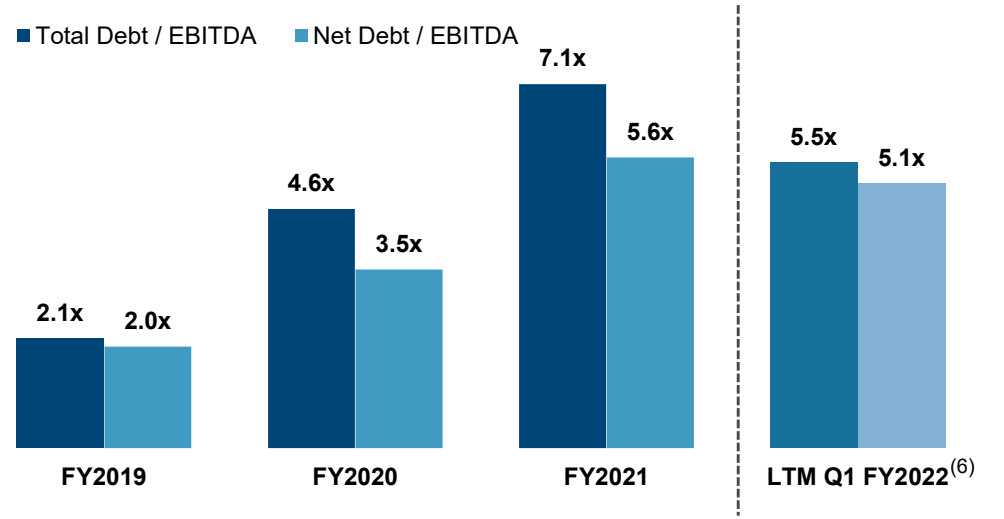
EBITDA Margin (%)[1] [2]



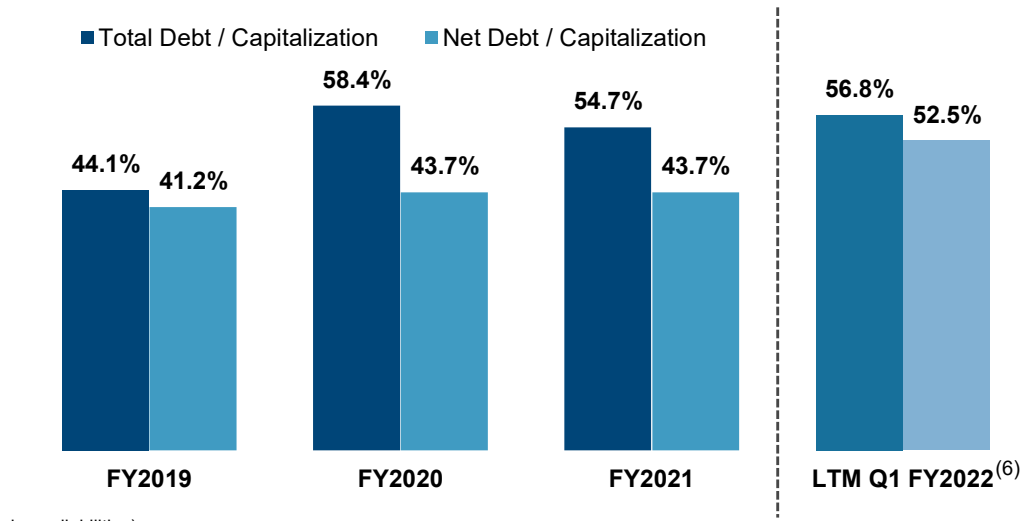
EBITDA[1] / Finance Costs (x)



Total Debt[3] and Net Debt[4] / EBITDA[1] (x)



Total Debt[3] and Net Debt[4] / Capitalization[5] (x)



Source: Company data

(1) EBITDA is Profit/(loss) before share of net profit/(loss) of investments accounted for using equity method, tax and exceptional items + Finance costs +Depreciation and Amortisation expenses.

(2) EBITDA Margin is EBITDA divided by Net Sales

(3) Total Debt = Non-current Borrowings plus Current maturities of long-term borrowings plus Current Borrowings (include lease liabilities)

(4) Net Debt = Total Debt less cash & cash equivalents, other bank balances and current investments

(5) Capitalization = Total Debt plus Total Equity

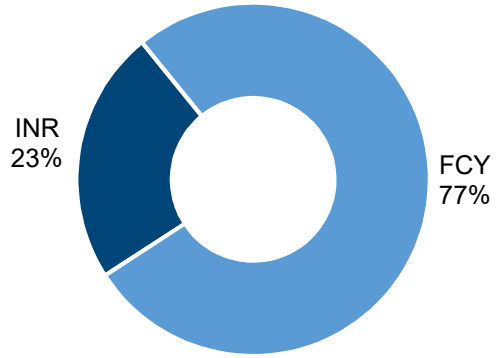
(6) LTM Q1 FY2022 is derived by adding figures for Q1 FY2022 to figures for FY2021 and deducting figures for Q1 FY2021 except for Total Debt, Net Debt and Capitalization which are as of June 30, 2021

Debt Profile

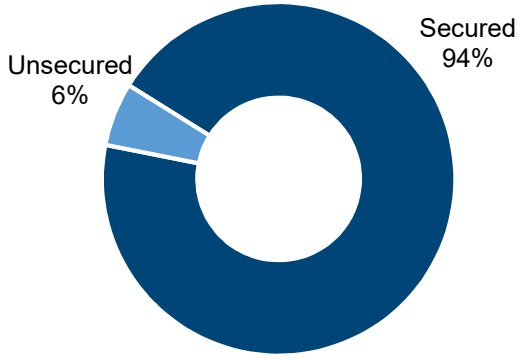
Debt Profile as of June 30, 2021

Description	INR million		US$ million(1)	
Non-current Borrowings				
INR loans from banks / financial institutions *(Secured)*	4,009.89		53.97	
Foreign currency loans from banks *(Secured)*	5,188.57		69.83	
Deferred sales tax loan *(Unsecured)*	16.78	**9,215.24**	0.23	**124.03**
Current maturities of non-current borrowings				
INR loans from banks / financial institutions *(Secured)*	1,352.31		18.20	
Foreign currency loans from banks *(Secured)*	10,366.23		139.52	
Deferred sales tax loan *(Unsecured)*	22.86	**11,741.40**	0.31	**158.03**
Current Borrowings				
Cash Credit (Secured)	3.15		0.04	
Working capital loans (Secured)	7,741.45		104.19	
Factoring (Secured)	192.90		2.60	
Short-term loan from financial institutions (Unsecured)	500.00		6.73	
Commercial papers (Unsecured)	1,238.49	**9,675.99**	16.67	**130.23**
Total Borrowings		**30,632.63**		**412.28**

By Currency



By Security



Source: Company data
(1) US$ equivalent calculated by using 1US$ = INR74.3 as the exchange rate as reported by FBIL on June 30, 2021
(2) Represents short-term borrowings in the nature of working capital facilities, commercial papers, etc.

THANK YOU



Our Core Values