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
EXCELLENCE

VARROC/SE/INT/2019-20/80

February 13, 2020

To,

(1) 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

(2) The Manager - Listing
The Corporate Relation Department,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400001.

BSE Security Code: 541578
Security ID: VARROC

Dear Sir/ Madam,

Sub.: Intimation of participation in Investor Conference.

Ref.: Disclosure under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

Pursuant to Regulation 30 of Listing Regulations, this is to inform you that, the Company is participating in the following Investor Conferences:

Sl No.	Date*	Investor Conference / Organizer	Venue
1	February 14, 2020	Edelweiss India Conference 2020	St Regis Hotel, Mumbai
2	February 17, 2020	Kotak Chasing Growth	Trident, BKC, Mumbai

**Meeting schedule may change due to exigencies.*

The attached presentation will be presented at the said Conference.

Kindly take note of the above.

Thanking you,

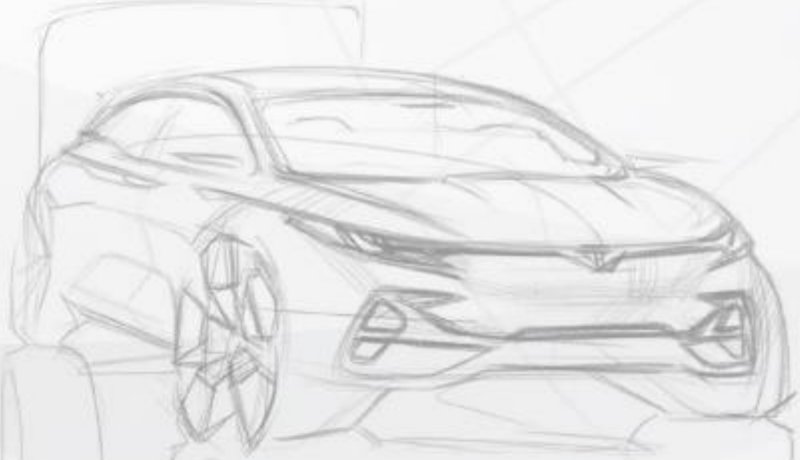
Yours faithfully,
For Varroc Engineering Limited

Ajay Sharma
Group General Counsel and Company Secretary

Encl: a/a

Investor Presentation

October 2019



Varroc is a leading Indian auto component group with a global footprint

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

Two primary business lines:

1. **Varroc Lighting Systems ("VLS")**: global supplier of exterior lighting systems to passenger car OEMs
2. **Varroc India Business**: manufacturer and supplier of diverse range of Polymer, Electrical and Metallic auto components to 2W, 3W and 4W OEMs.

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

- **Low cost, strategically located global** manufacturing footprint
- **41 Operating plus 2 Upcoming Manufacturing Facilities and 16 R&D Centres across 5 continents** [4]

- **In-house R&D capabilities** in India, Czech Republic, China[3], USA, Mexico, Germany, Italy, Romania and Poland
- **~1,400 R&D engineers[4]; 185 patents granted globally[4]**

- **Experienced management team supported by reputed Board**
- **~13,800** employees across the globe[4]

Leading

Tier-1 manufacturer and supplier to the Indian 2W and 3W OEMs[4]

6th

Largest[1], fastest growing among top six global exterior auto lighting suppliers

INR 125bn/ USD 1.8bn FY19 revenue[2]

Note: (1) Based on Yole Report – By revenue for CY16. For passenger and light commercial vehicles. (2) Including China (3) Activities in China are through a 50% joint venture with Beste Motor Co. Ltd. (4) As of Mar 31, 2019. Excluding JVs.

Business Overview

ELECTRICAL - ELECTRONICS

- 2W lighting for Indian
- Digital clusters
- Motors, Magnetos
- Regulator & Rectifiers
- Body switches, CDI,
- Catalytic Converters

7 Facilities – India#

- Comprehensive solutions in electrical-electronics components, assemblies for automotive applications.
- 1350+ employees

2W, 3W, PV & CV

POLYMER

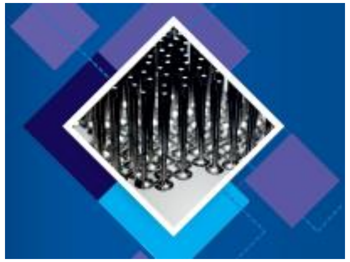
- Air Filter Assembly
- Seating Assembly
- Interiors (Instrument panel, Door panel etc.)
- Painted plastic exterior products
- Mirror assembly

14 Facilities – India#

- One of the largest polymer solution providers to all major auto OEMs with a pan-India presence
- 1940+ employees

2W, 3W, PV & CV

METALLIC (Forging and Valves)



- Engine valves
- Transmission gears
- Crank pins, Links
- Connecting Rods
- Crankshafts

5 Facilities – India#

- Offers precision forged & machined parts for engines and transmissions
- Supplies engines valves in domestic and international markets
- 1650+ employees

2W, 3W, PV, CV & OHV

GLOBAL LIGHTING

- Head Lamps
- Rear Lamps
- CHMSL
- Fog Lamps

Global PV lighting -10 Facilities
Czech(2), China (2), Turkey (2), Mexico, India, Brazil, Morocco
Global 2W Lighting 3 -Facilities
Italy, Romania, Vietnam

- Leading global supplier of exterior automotive lighting systems for PV
- High end lighting systems for the global 2W industry
- 2 more upcoming facilities
- 7870+ employees

PV & 2W

IMES (International Forging)

- Undercarriage Links
- Drill bit cones & heads
- Undercarriage Segments

2 Facilities - Italy

- Manufactures hot steel forged parts for the construction and oil & gas industries
- 135+ employees

Earth-moving & Oil-drilling

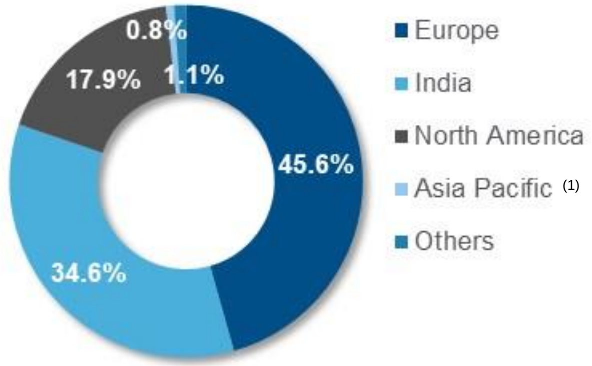
 # Pantnagar facility is included in metallic but caters to all 3 verticals of India business. Global 2W lighting business is part of VLS and domestic 2W lighting business is part of Electrical and Electronics business
India business also has a small After Market Division, Solar and Windmill units whish are not shown separately; Employees for these division and Corporate are over and above the divisional break-up shown above

Well Diversified Business Across Geographies, Product Groups, Customers and Segments

FY19 Consolidated Revenue: INR 120 bn [1]
100% China JV FY18 Revenue: INR 10 bn

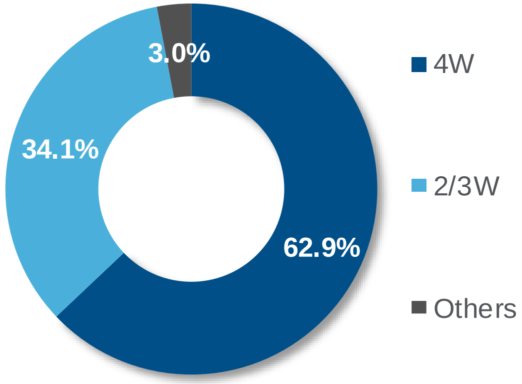
Revenue Split by Geography [1]

FY19, %



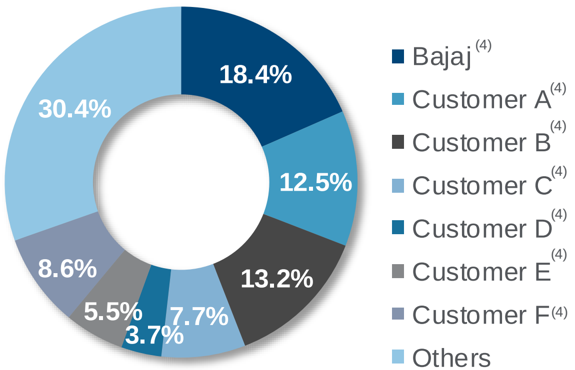
Revenue Split by Vehicle Type[2]

%



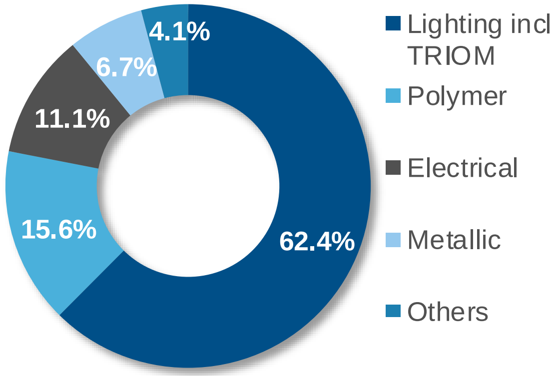
Consolidated Revenue Amount Split by Customer [3]

FY19, %



Revenue Split by Segment

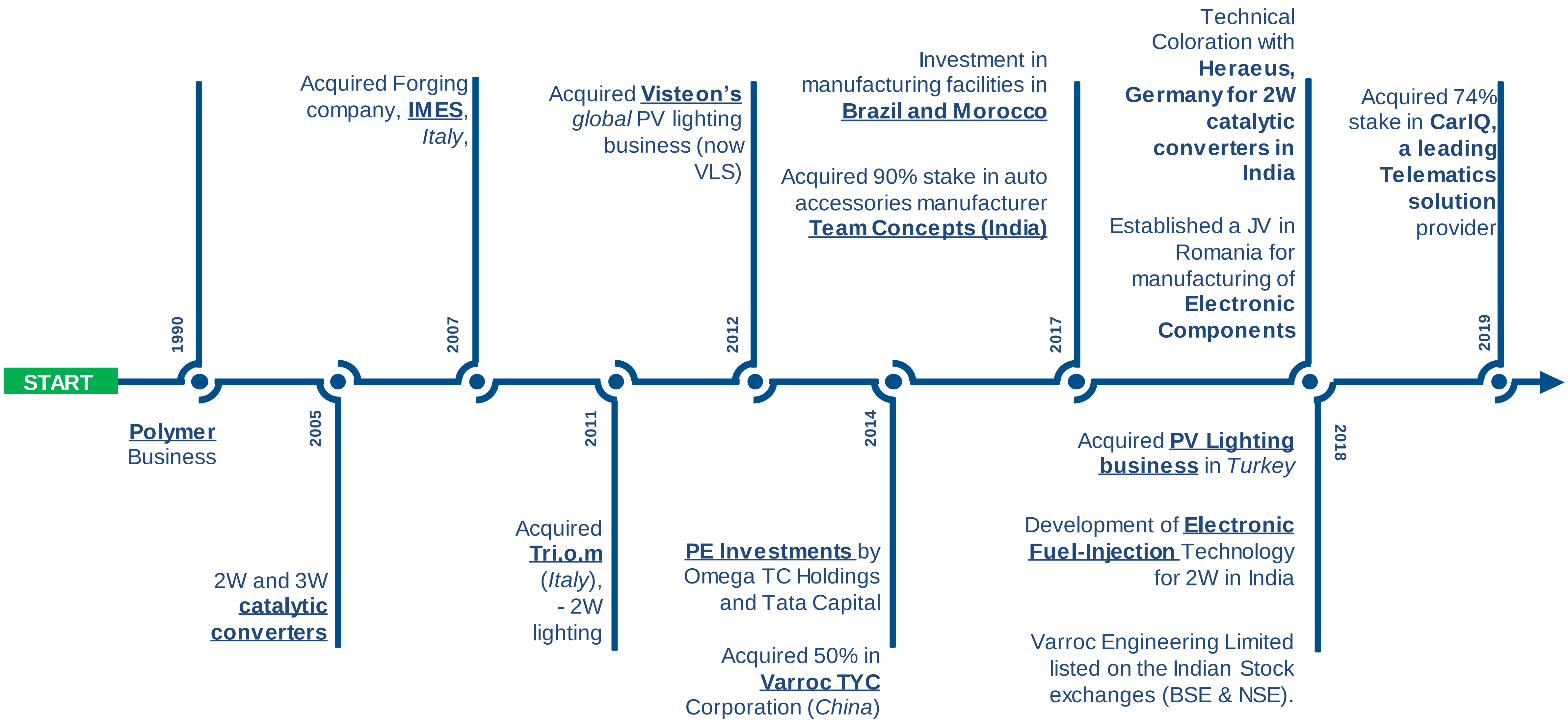
FY19 %



- **Diversified business in developed and emerging markets with strong India presence**
- **Comprehensive range of engine agnostic products**
- **Diversified customer relationships; no customer has >20% share**
- **Presence in fast growing India 2W and Global PV lighting segments**

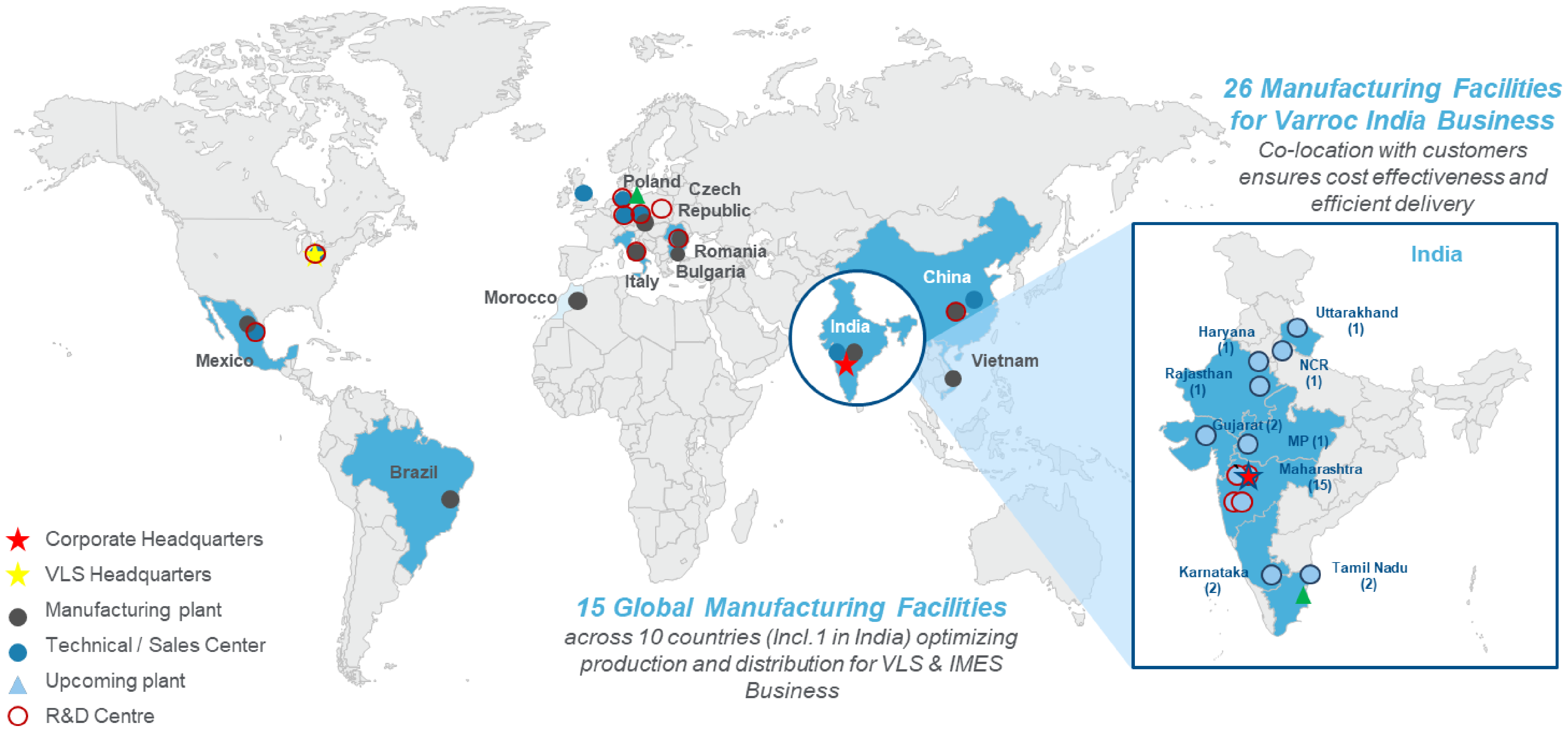
Note: (1) 50% China revenues not included (JV accounted under equity method). (2) 4W – 4-wheeler (includes PV), 2/3W – 2/3-wheeler; data as per MIS (3) Customer A is an American multinational car manufacturer, Customer B is a large British car manufacturer, Customer C is an American electric car manufacturer, Customer D is an international automotive manufacturer, customer E is a large European car manufacturer and Customer F is a global automotive manufacturer headquartered in Europe. Based on MIS data; (4) Bajaj is the customer of the India Business; Customer A, B, C, D, E, F are mainly the customers of VLS

Varroc – The Transformation into a Global Auto Component Group



Low Cost, Strategically Located Global Manufacturing Footprint

41 Operating plus 2 Upcoming Manufacturing Facilities and 16 R&D Centers Across Asia, Europe, Africa, North and South America



26 Manufacturing Facilities for Varroc India Business

Co-location with customers ensures cost effectiveness and efficient delivery

15 Global Manufacturing Facilities

across 10 countries (Incl. 1 in India) optimizing production and distribution for VLS & IMES Business

- **Manufacturing and R&D footprint spread across low cost countries**

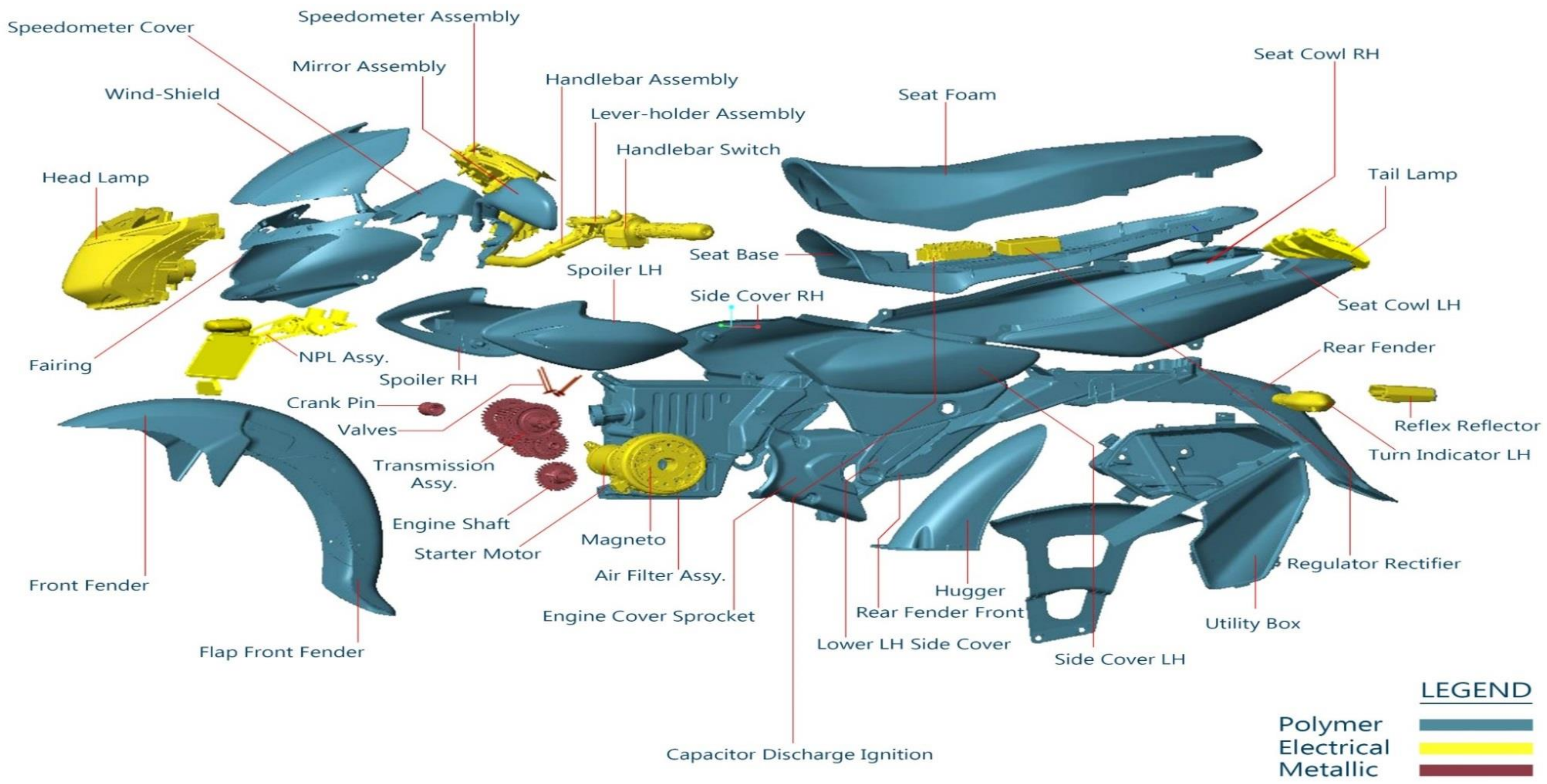
- **Proximity to OEMs leading to cost effectiveness and quicker turn-around times**

- **Pan-India presence enabling proximity to customers across key automotive hubs**

Note: MP: Madhya Pradesh; NCR: National Capital Region

India Business: Comprehensive Solution Provider to 2W OEMs in India

Diversified Portfolio Catering to 2W and 3W Segments



Wide range of products across Polymer, Electrical and Metallic segments; One-Stop Shop for customers enabling cross-selling

VLS: Wide Range of Lighting Product and Technology Offerings

Broad Portfolio of Lighting Technologies for PV OEMs Globally

Headlamps

Xenon

LED

Matrix

Rear Lamps

LED

Other Lights

Electronics

LED Module

Headlamp Control Modules

Projector

- Full portfolio of head lamp and rear lamp providing a wide range of products
- Established presence in key emerging technologies such as LED, OLED Laser, Matrix
- Quick adoption of new technology to grow product portfolio
- Customized products for OEMs with long standing relationships
- Providing cost effective, cutting edge technology products

R&D Efforts Seek to Capitalize on Emerging Trends

Increased Use of Electronics

Reduction in cost of computing power and EFI requirement make "smarter" products viable

Stricter Environmental Regulation

Euro V / BS-VI emission norms implemented by India along with the rest of the world will make Electronic Fuel Injection (EFI) necessary on all vehicles

Sustainability, Reliability & Efficiency

As the composition of the vehicle changes, the ability to achieve reliability & fuel efficiency will still be prime differentiators

Digitization & IoT

Market technology evolution will make stronger connection with end customers viable and provide opportunities around the same

Urbanization

City traffic congestion has made 2W, and particularly scooters, a viable commuting option

Regulation change creates potential for suppliers with robust operational systems to cross sell product lines; core auto themes like light-weighting and affordability will continue to guide OEM decision making

Varroc — Key Strengths

Comprehensive Solution Provider to OEMs

- End-to-end services across design, development and delivery
- Wide range of products across polymer, metallic and electrical segments
- Ability to cross-sell to meet customer requirements

Global Footprint Servicing key Auto Markets

- India Business has Pan-India presence enabling proximity to customers. Plants located in all major auto hubs
- VLS business has Strategically-located manufacturing in low cost locations. Footprint covers major PV markets

5

1

Long Standing, Growing Customer Relationships

- Strong long-standing relationships with marquee OEMs across high-end and mass market segments
- Expansion of business with key customers

4

2

Wide Range of Product Offerings

- Diversified product portfolio covering a wide range of technologies
- Cost effective, cutting edge technology products to premium and mass market PV OEMs

3

Robust in-house Technology, Innovation & R&D Capabilities

- Nimbleness, flexibility and cost consciousness enables developing products with shorter turn-around time.
- Developing proprietary products with continuous focus on innovative, cost competitive designs
- Well-positioned to benefit from key trends such as electrification, shared mobility and emission reduction

Varroc Leadership

Founder & MD

Tarang Jain*^
Managing Director

- Co-founded Varroc in 1988
- Nearly 30 years experience in the automotive industry

- **Experienced management team**
- **Independent directors with experience across industries & practices**
- **Strong governance: Big-4 statutory and internal auditors; independent board committees**

Board of Directors

Naresh Chandra*
Chairman and Non-Executive Director

- Total Experience: 35+ years in the automobile industry
- Previously associated with Kaycee Industries

Marc Szulewicz
Independent Director

- Ex-General Manager, Foreign equipment division, Plastic Omnium Management

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

Senior Management

Ashwani Maheshwari^
Chief Executive Officer and Whole-time Director

- Previously worked as President at Birla Tyres at Kesoram Industries Limited, Senior Vice President – India Business division in ITC Infotech India Ltd

Stephane Vedie
President and CEO – VLS

- Total Experience: 13 years in Automotive Lighting
- Previously associated with Magnetti Marelli

Arjun Jain*^
Business Head – Electrical & Electronics Division and Whole-time Director

- Previously associated with Bain & Co India Pvt. Ltd.

Sethumadavan D.
Business Head - Polymer

- Total Experience: ~22 years
- Previously associated with Assa Abloy, Stanley Black & Decker, Schneider Electric, General Electric and Lucas TVS

T. R. Srinivasan
Group Chief Financial Officer

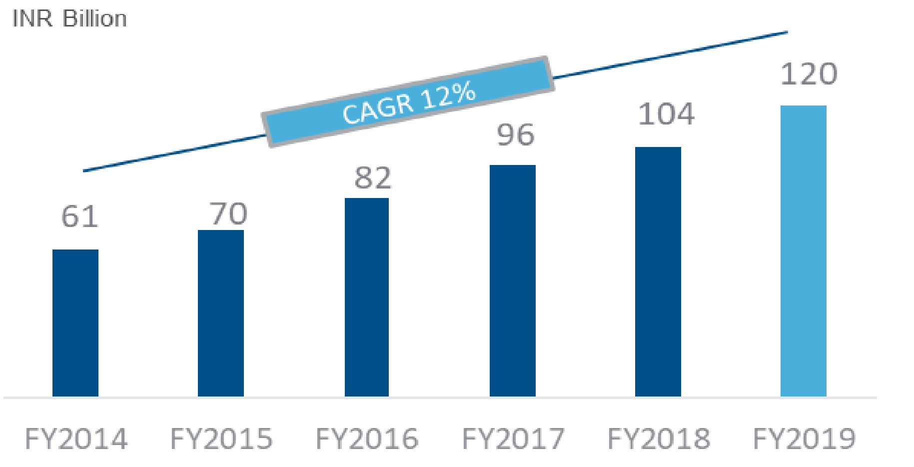
- Total Experience: ~29 years
- Previously associated with Hindustan Lever Ltd, ATC Tires Private Ltd

*Note: * denotes member of Promoter Group. ^ denotes member of Board of Directors.*

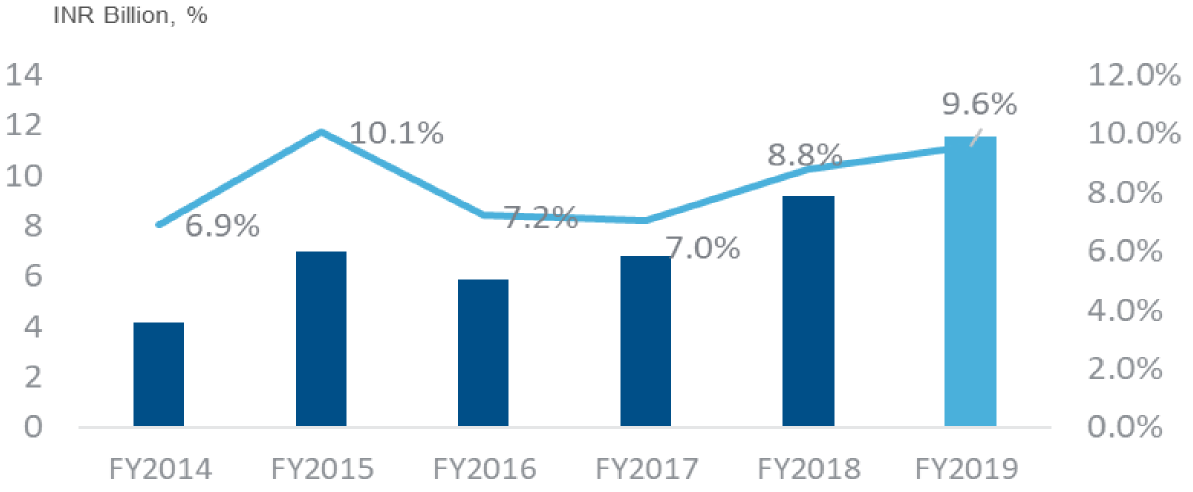
Financials & Share Details

Financial Summary : Key Performance Indicators

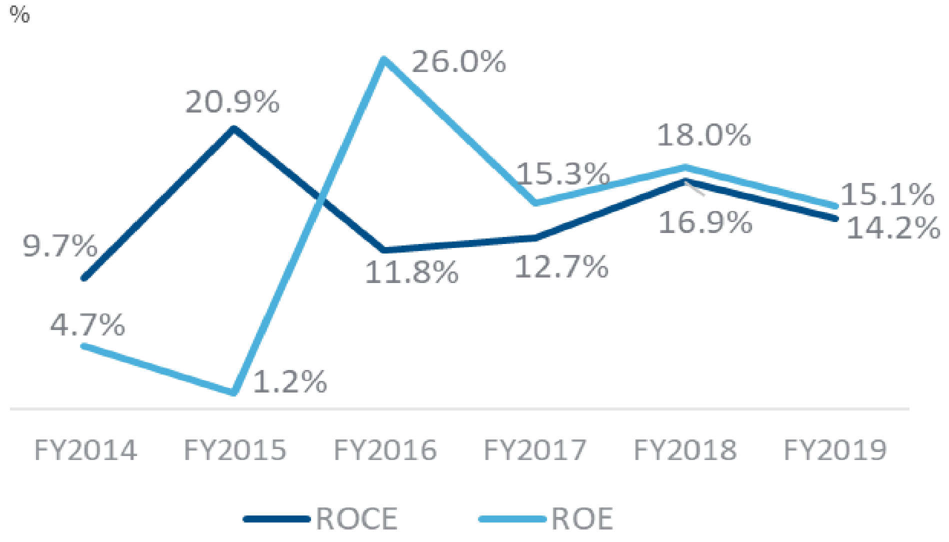
Revenue Trend last 6 years



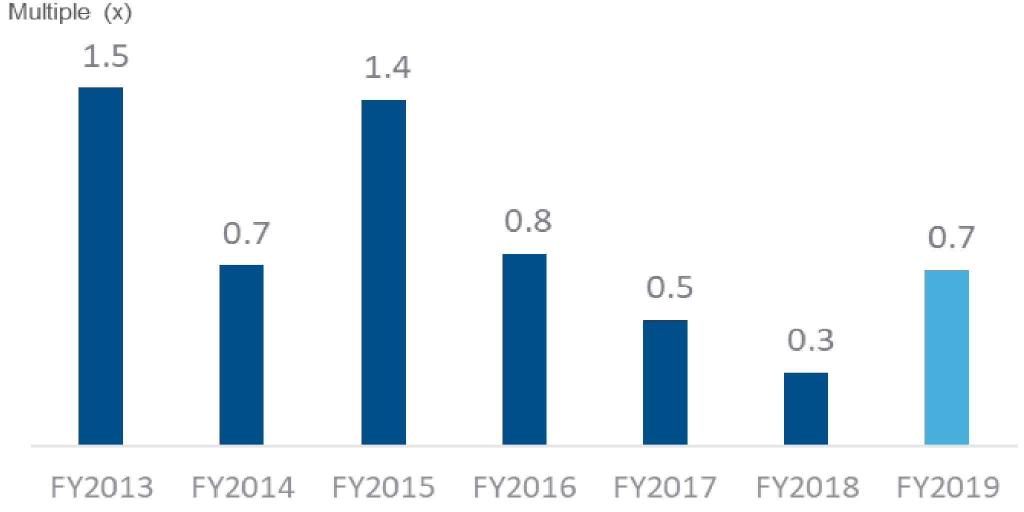
EBITDA and EBITDA margin



ROCE & ROE trend*



Debt to Equity



*Calculated using reported numbers on a trailing twelve month basis; Return on Equity calculated after considering imputed interest cost & liability portion of CCPS; FY15 and FY16 the ROE fluctuation is due to significant change in imputed finance cost on CCPS

Historical EBITDA margin is as reported / FY19 EBITDA margin is excluding non-operating other income

Financial Summary: Income Statement Q4 & FY19

(INR million)

	Q4 FY 19	Q4 FY18	% Change	FY 19	FY18	% Change
Revenue from Operations - Reported	31534	29846	5.7%	1,20,365	1,03,785	16.0%
Revenue from Operations : like-for-like	31387	29,772	5.4%	1,19,533	1,00,637	18.8%
Other Income - Operating	226	164		650	371	
Other Income - non-Operating	60	7		258	15	
EBITDA : Reported	3157	2639	19.6%	11,539	9,179	25.7%
EBITDA : like-for-like	2625	2,633	-0.3%	10,260	8,715	17.7%
EBITDA like-for -like%	*8.4%*	*8.8%*		*8.6%*	*8.7%*	
Depreciation	1530	1072	42.7%	5,656	3,865	46.4%
Interest	259	247	4.8%	968	862	12.4%
Share of net profits of JVs under equity method	51	158	-67.9%	315	690	-54.4%
PBT - Reported	**1,480**	**1,486**	**-0.4%**	**5,487**	**5,158**	**6.4%**
Tax	-21	58		989	651	52.0%
Tax rate	*-1%*	*4%*		*19%*	*15%*	
PAT - Reported	**1,500**	**1,428**	**5.1%**	**4,498**	**4,508**	**-0.2%**

*EBITDA = Profit before share of net profits of investments *plus* Depreciation *plus* Finance Cost less Non-operating Portion of Other Income
$ like-for-like excludes impact of Interior Plastics business closure in North America and adjusted for comparative launch costs

Financial Summary : Segmental Break-up

Fiscal year ending March 31,*								
(INR million)	FY16		FY17		FY18		FY19 (like-for-like)	
Revenue		%		%		%		%
Global Lighting Business	48,198	58.6%	61,242	63.7%	63,211	60.9%	72,668	60.4%
India Business	30,807	37.5%	31,681	33.0%	36,508	35.2%	42,744	35.5%
Other Businesses	3,185	3.9%	3,163	3.3%	4,278	4.1%	5,485	4.6%
Eliminations					(212)		(533)	
Total	82,189		96,085		1,03,785		1,20,365	
China JV – 100%	12,235		15,339		12,287		9,470	
EBITDA Margin								
Global Lighting Business	6.5%		6.2%		7.3%		7.1%	
India Business	8.8%		8.8%		10.9%		10.8%	
Other Businesses	1.5%		5.5%		9.3%		11.0%	
Total	7.2%		7.0%		8.6%		8.6%	
China JV	13.4%		15.3%		15.6%		11.4%	

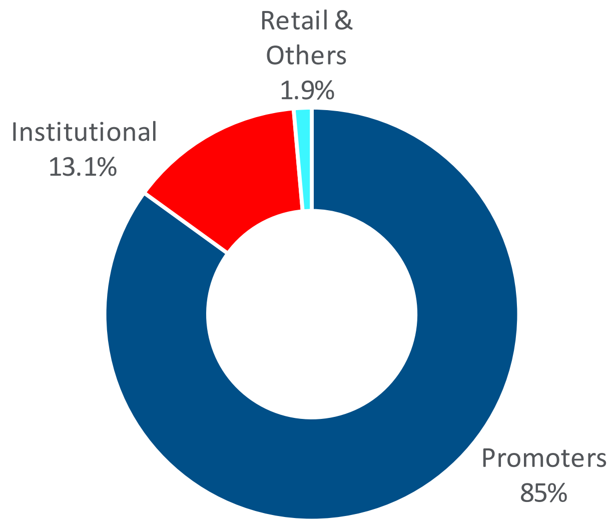
*EBITDA = Profit before share of net profits of investments *plus* depreciation *plus* finance cost less non-operating portion of other income
$ like-for-like excludes impact of Interior Plastics business closure in North America, Ind AS 115, start-up costs and launch costs

Financial Summary : Balance Sheet

(INR mn)	Fiscal Year Ending March 31, 2016	2017	FY18	FY19
Assets				
Non-current Assets				
Fixed Assets	24,263	26,881	31,480	45,593
Others - Non-current Assets	4,508	4,538	6,439	8,266
Total Non-current Assets	28,771	31,419	37,920	53,859
Current Assets				
Current Investments	119	0	30	186
Cash and Bank Balances	1,772	3,541	3,289	1,608
Others - Current Assets	21,697	23,644	27,285	31,877
Total Current Assets	23,587	27,185	30,604	33,671
Total Assets	**52,459**	**58,604**	**68,524**	**87,530**
Equity and Liabilities				
Shareholder’s Funds				
Share Capital	262	135	135	135
Reserves and Surplus	17,366	21,719	28,145	30,736
Minority Interest	203	202	208	241
Total Shareholder’s Funds	17,832	22,055	28,488	31,112
Non-current Liabilities				
CCPS	2,060	-	-	-
Long-term Borrowings	5,573	7,553	6,361	5,806
Others - Non-current Liabilities	1,392	1,044	1,944	2,347
Total Non-current Liabilities	9,026	8,597	8,306	8,152
Current Liabilities				
Short-term Borrowings	6,419	7,578	5,629	12,015
Others - Current Liabilities	19,182	20,374	26,102	36,251
Total Current Liabilities	25,601	27,951	31,730	48,266
Total Equity and Liabilities	**52,459**	**58,604**	**68,524**	**87,530**

Shareholding Details

Shareholding Pattern



Equity Share Information

- Share Price (As on 04th Oct 2019)* — INR 442.45
- Market Capitalization — INR 60.0 Bn
- Financial Year — April to March
- Listing Details Indian Stock Exchange — NSE (VARROC.NS) BSE (541578)
- Bloomberg Code — VARROC:IN

Top Institutional Shareholders *	
DSP	2.3%
Nomura	2.1%
T Rowe Price	1.6%
L&T MF	1.3%
Axis MF	1.3%
IIFL	1.0%
ICICI Pru MF	1.0%
Capital World	0.7%
Abu Dhabi Investment Authority	0.6%
Kotak MF	0.3%
Bajaj Allianz Life	0.1%
Others	0.7%
Total Institutional holders	**13.3%**

* As on 04th October, 2019 for top 250 portfolios only. Shareholding under multiple portfolios/ plans clubbed together. Stake rounded off to nearest decimal

THANK YOU

Our Core Values