

Varroc Engineering Limited

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CIN: L28920MH1988PLC047335



VARROC/SE/INT/2023-24/120

February 28, 2024

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,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400001.
BSE Security Code: 541578
[Debt: 975062]

Dear Sir/ Madam,

**Sub.: Intimation of schedule of Conference/ meeting/call with Analyst/
institutional investor(s)**

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

Pursuant to Regulation 30 read with Schedule III of the Listing Regulations, we wish to inform you that Representatives of the Company are going to attend a full day Investor Conference hosted by Investec in Mumbai on Thursday, February 29, 2024. The presentation to be made at the said conference is annexed herewith.

The discussions in the said Conference / with the said Investor/Analyst will be based on publically available information. No unpublished price sensitive information (UPSI) is proposed to be shared during the meeting. Kindly note that changes may happen due to exigencies on the part of the Host/ participants/Company.

We request you to take this on record, and to treat the same as compliance with the applicable provisions of the Listing Regulations. The aforesaid information is also being placed on the website of the Company at www.varroc.com.

For Varroc Engineering Limited

Ajay Sharma
Group General Counsel and Company Secretary

Encl: A/a

VARROC INVESTOR PRESENTATION



Disclaimer

This presentation may include statements which may constitute forward-looking statements. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, business development, market position, expenditures, and financial results, are forward looking statements. Forward looking statements are based on certain assumptions and expectations of future events and involves known and unknown risks, uncertainties and other factors. The Company cannot guarantee that these assumptions and expectations are accurate or exhaustive or will be realised. The actual results, performance or achievements, could thus differ materially from those projected in any such forward-looking statements. No obligation is assumed by the Company to update the forward-looking statements contained herein.

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About Us

Varroc is a leading global auto technology company with a product portfolio covering a wide range of electrical, electronics, lighting, polymer, metallic, after-market and advanced safety solutions

Four primary business lines:



**ELECTRICAL -
ELECTRONICS**



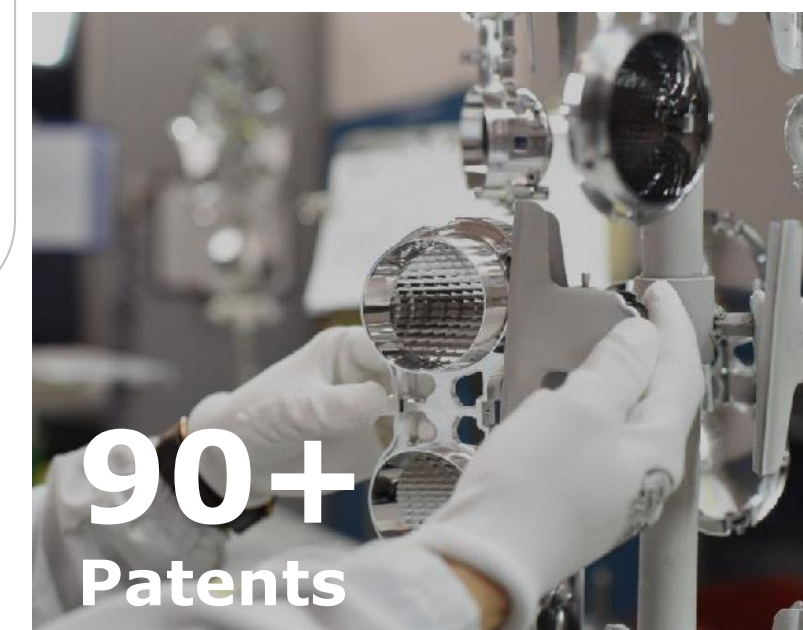
LIGHTING



POLYMER



**METALLIC
(Forging and Valves)**



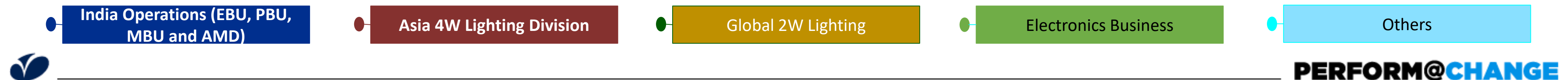
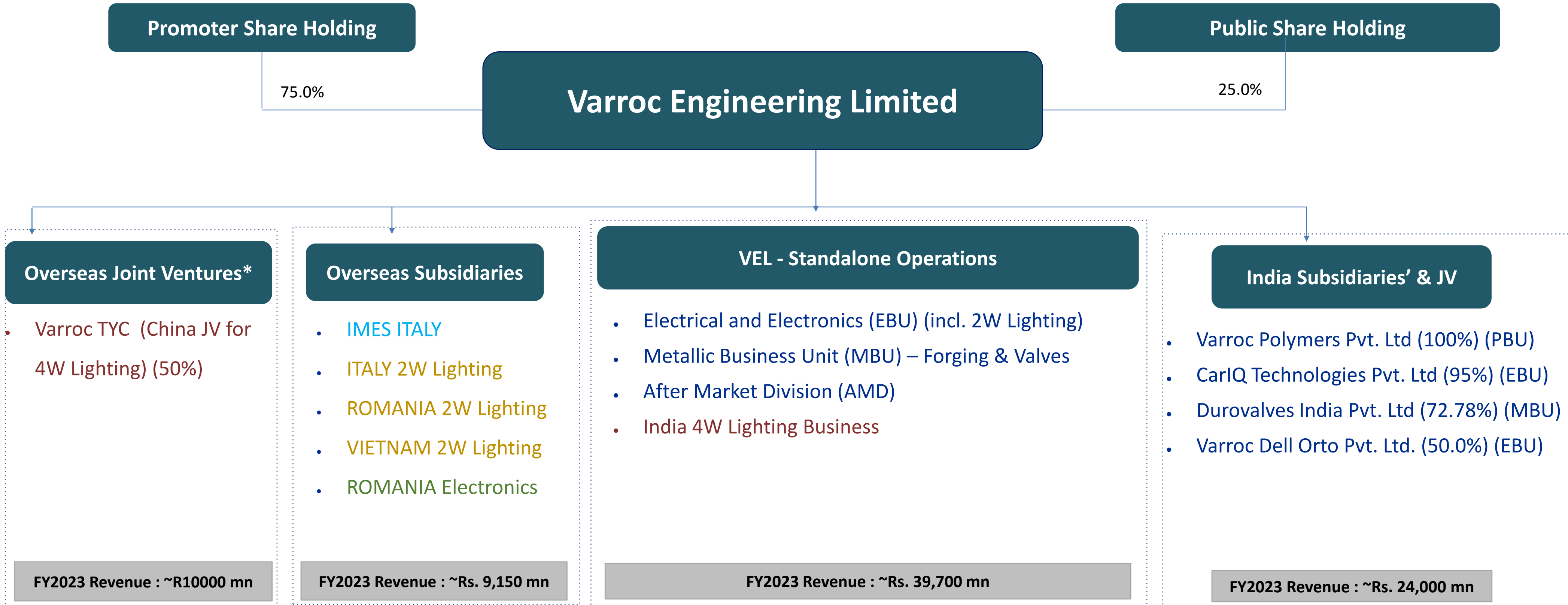
REVENUE USD 842 MILLION

BUSINESS CONTRIBUTION BY REGION

INDIA 81.7%

GLOBAL 18.3%

Symmetric Representation of Varroc (Post Divestment)



* Our share of revenue

Technology for Two Wheelers



Technology development driven by latest mega trends that enable safer, smarter, connected and sustainable mobility



Technology for **Four Wheelers**



ADAS, Driver Monitoring Systems, Surround View Systems, LED Headlamps & LCUs, Adaptive Front Lighting Systems Mirrors



Safety



Personalization

Signature Lighting, Interior Systems, In-Cabin Sensing, Interior Mood Lighting, Center Consoles



Connectivity & Digitization

FOTA in Telematics, Video Telematics, AI powered sensor interfaces, AUTOSAR compliant modules

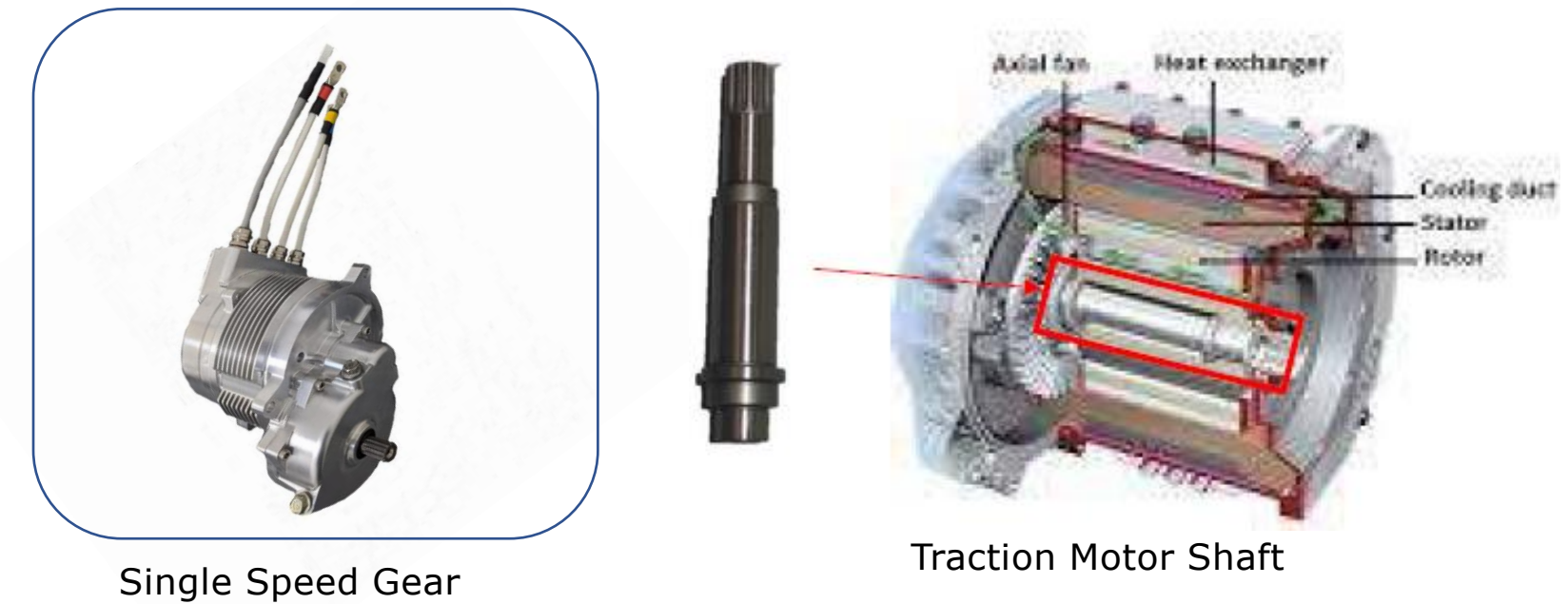


Technology Development driven by latest mega trends of Safety, Personalization, Connectivity and Digitization



Varroc's EV Product Offering

WE OFFER WIDE RANGE OF PRODUCTS FOR ELECTRIC VEHICLE WITH LOCALISED MANUFACTURING (2W/3W)



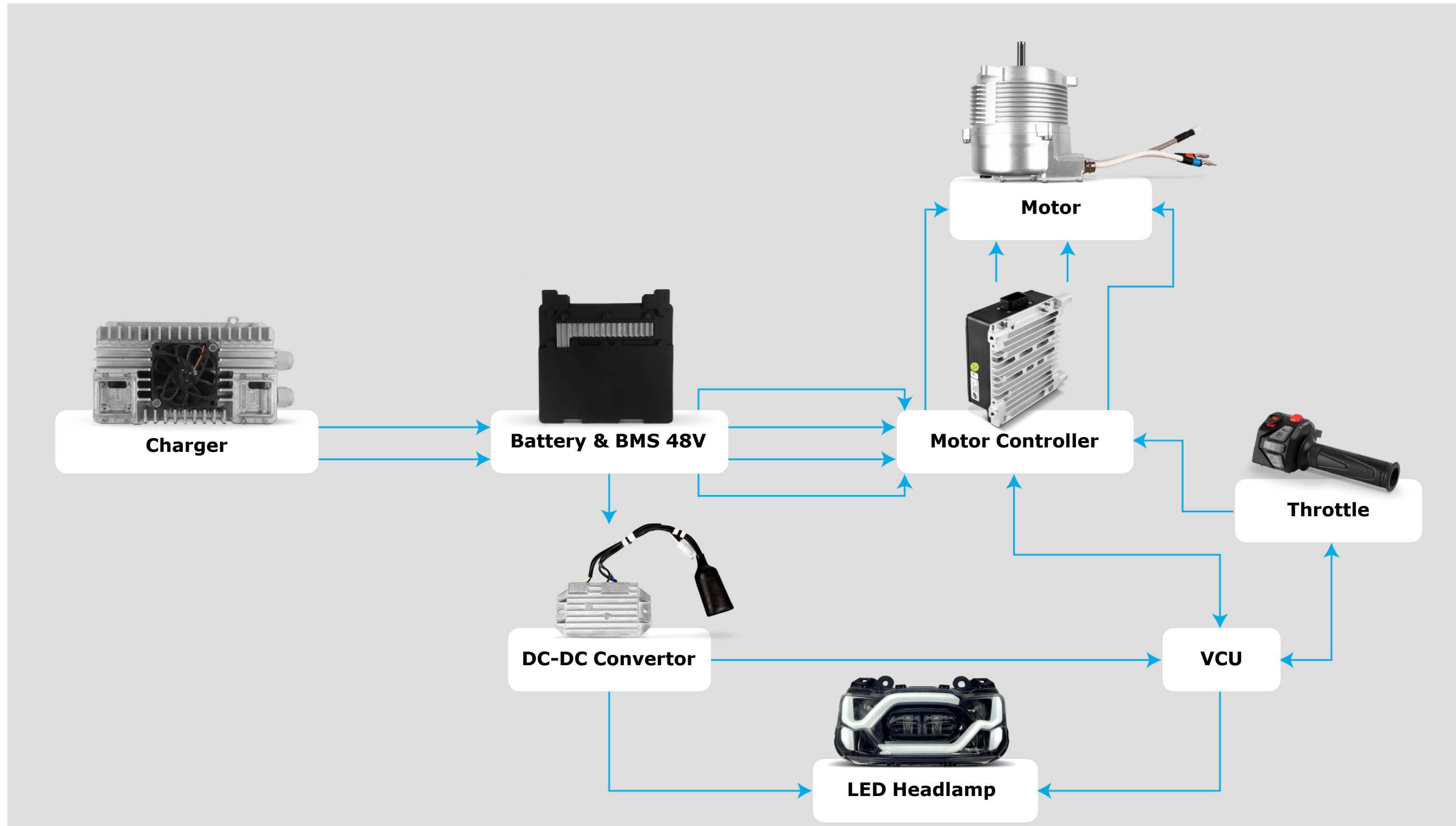
Adoption of EV is going to result in increase in content of certain products due to premiumization like clusters, switches and painted parts

Have developed new products worth approx. Rs.37,900/- for 2 wheeler and Rs.46,000/- in 3 wheeler for EV



Note: Varroc also supplies switches & LED lighting for EV which is a part of our existing product lines

Excelling as a **Systems Supplier**



Components

- Customer CTQs
- Component Design
- Robust analysis to predict the design meets all CTQs
- Tolerance analysis to ensure DFM
- Material and component data Base to speed up the design

Sub-Systems

- Customer requirements and CTQs
- Sub-system level CTQs
- Design of Electronics Hardware, Software and Mechanical
- Sub-System level simulation and analysis to ensure robustness
- Model based design and system validation (HILS)

Systems

- System level requirements and CTQs
- System level architecture design
- Electronics, Control system and Software architecture design & development
- System integration and testing (HILS)
- Vehicle level testing (Vehicle, Dyno and Chassis)

Components

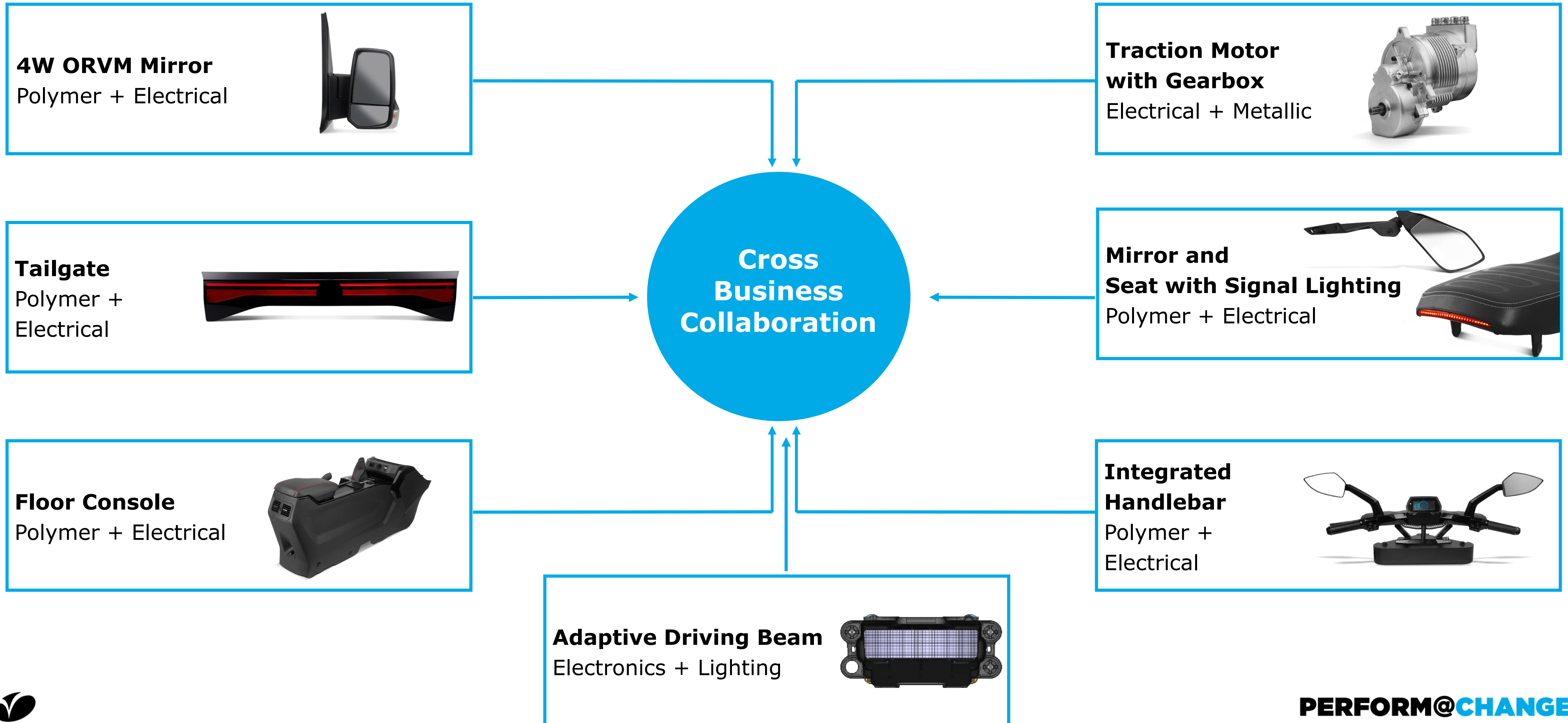
Sub-Systems

Systems



Unlocking Synergies across Businesses

Varroc's unique positioning as a systems supplier is strengthened through collaboration across its businesses.



Capabilities: Product Development

End-to-end capabilities across design, engineering, testing/validation, tooling, manufacturing and delivery

CAE and Simulation

- Structural & Vibration
- Thermal & Flow
- Optics
- Electromagnetics
- Mold flow
- Gap & Flush

Testing and Validation

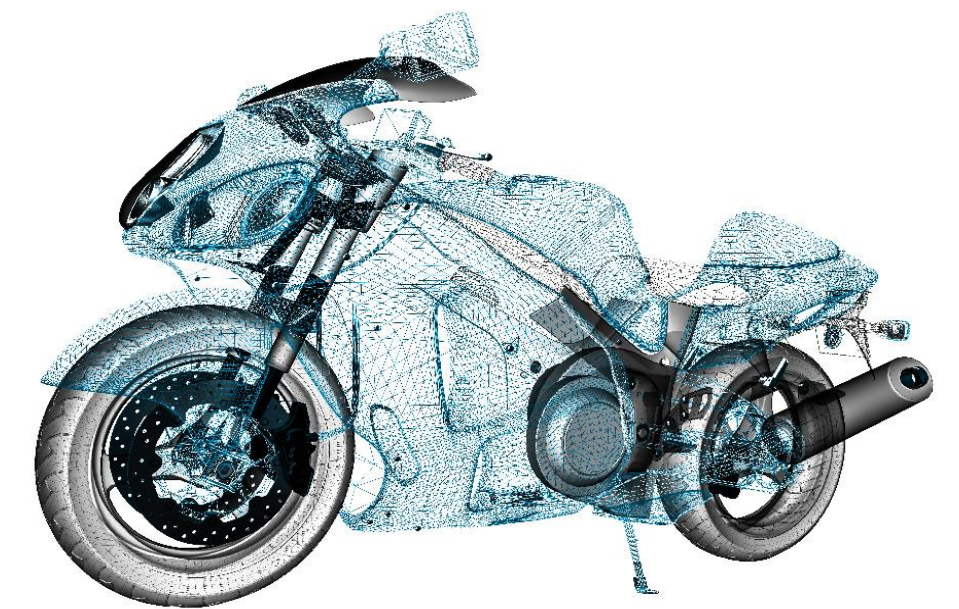
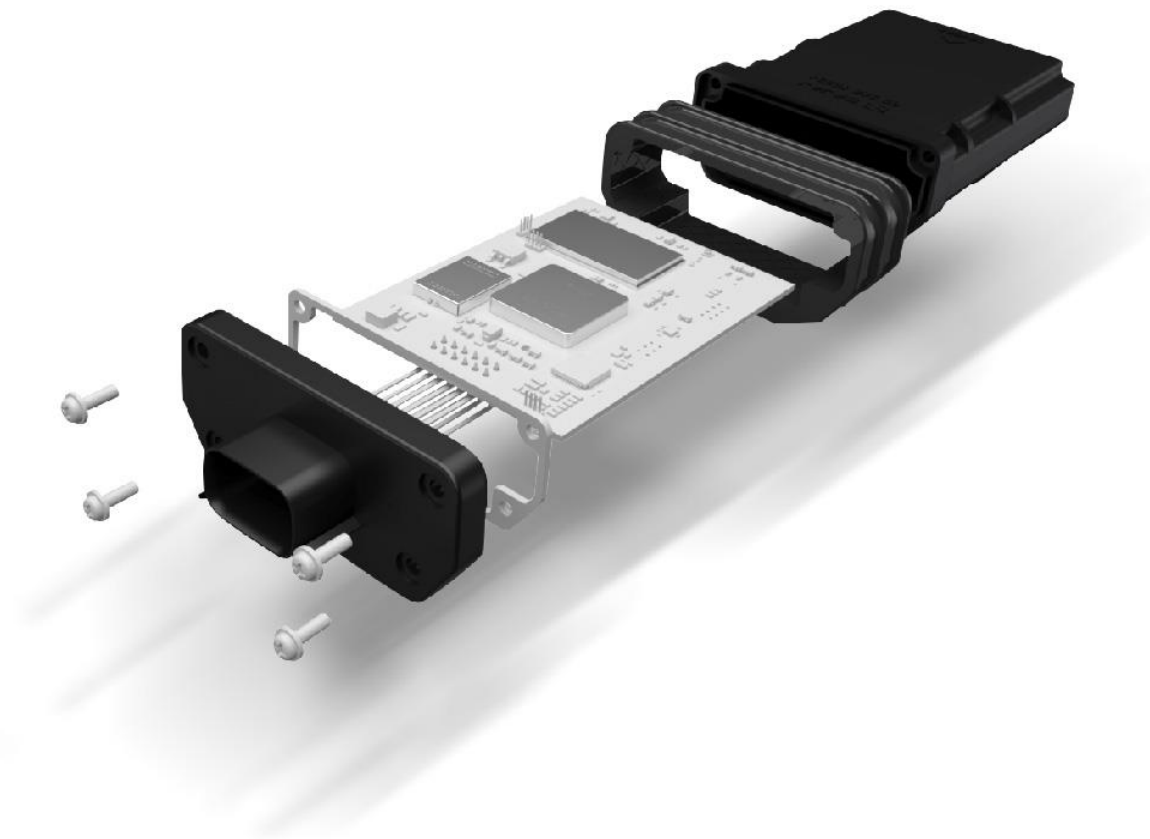
- Functional Performance
- Environmental, Durability
- Software HIL, SIL
- EMI EMC
- NABL Accredited Test Lab
- Photometry
- Surface treatment tests

Project and Program Management

- Product Life Cycle management tools
- Reliable and Wide Supplier base
- In-house styling studio for early engagement
- Capacity and Competency
- Quality Focus
- Certifications – NABL, APSICE2, IATF 16949
- Proto Facility

Facilities

- DFSS/DMAIC
- Proto facility
- State of art tools
- System Validation Lab
- Dedicated Technology Centers



Highlights 9M FY24

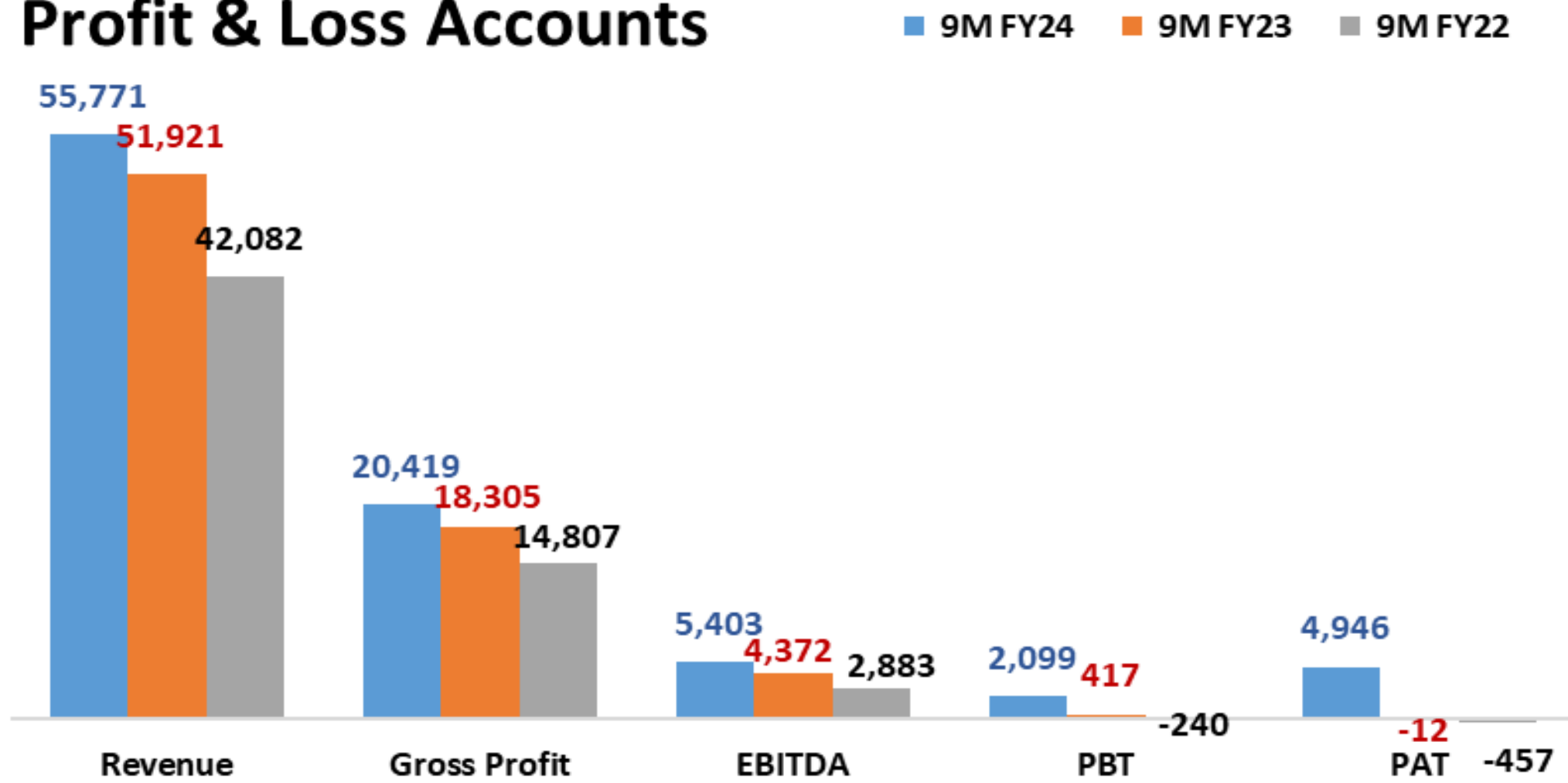
1. 9M FY24 revenue growth of 7.4% at Rs. 55,771 million; Indian operations grew YoY by 10.9%
2. Revenue from supplying to EV customers increasing QoQ, Q1 FY 24 was ~4.0% of Revenue, Q2 FY24 was 4.4% and Q3 FY24 was 5.3% of the revenue, supported by strong performance of key EV customers
3. Improved profitability on YoY basis for 9M FY24
EBITDA margin @ 9.7%, higher by 130 bps on YoY basis. Absolute EBITDA for 9M FY24 is Rs. 5,403 million
PBT margin of 3.7% higher by 290 basis point YOY. Absolute PBT for 9M FY24 is Rs. 2,099 million
4. Strengthen the Balance sheet and return ratio
Net Debt/Equity @ 0.72 by end of 9M FY24 improved from 1.27 of end of FY23
Annualised ROCE of 18.9% achieved in last quarter as against 12.0% in FY23
5. Strong lifetime business won
New lifetime orders in 9M FY24 of Rs.67.57 billion with Annual peak Revenue of Rs.11.99 billion
6. Focus on increasing sourcing more from renewable energy and signed agreement to procure around 36.0 MW DC under captive route.



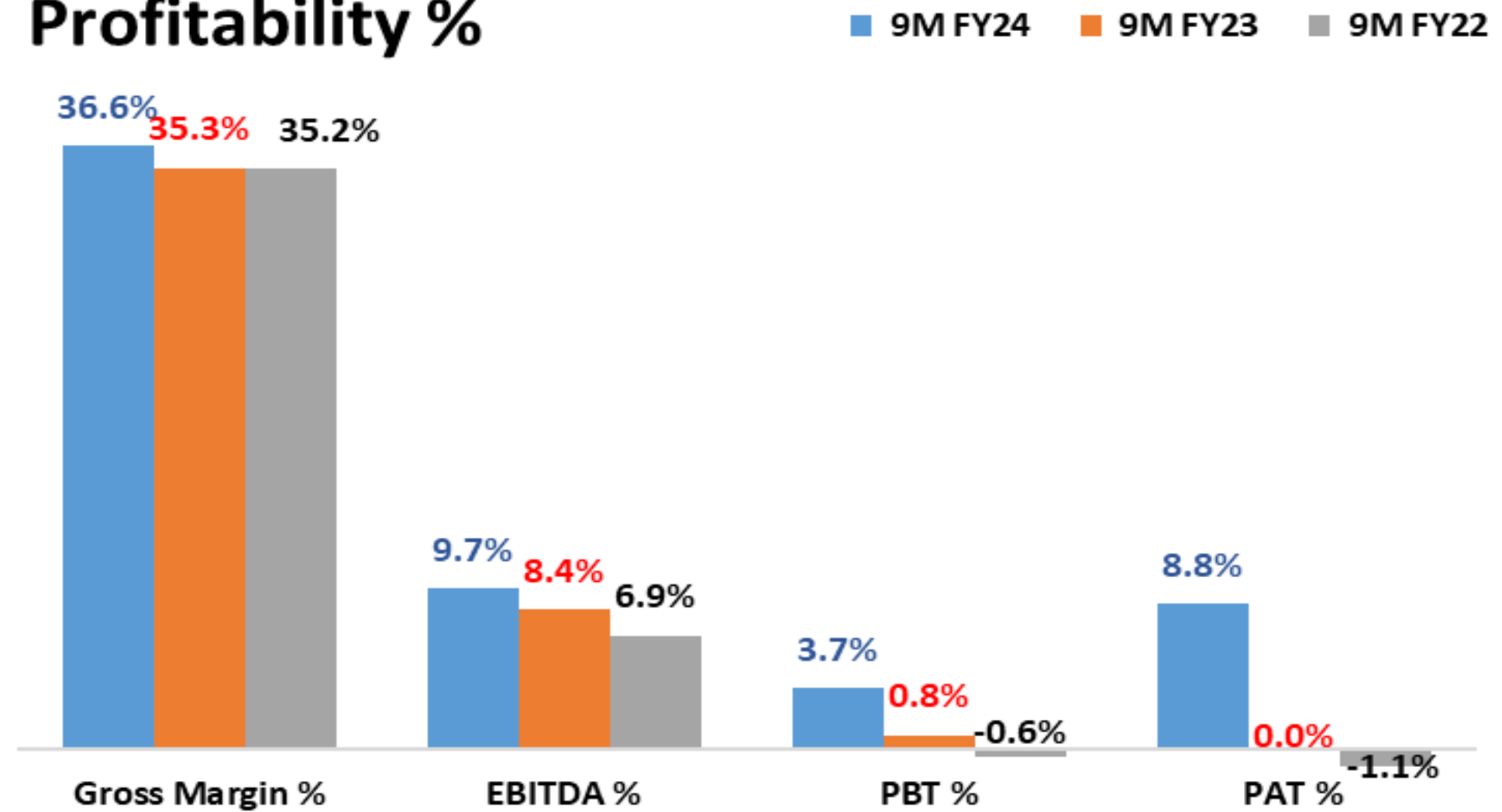
Profitability Statement - 9M for last 3 years

Figure in Rs Millions

Profit & Loss Accounts



Profitability %

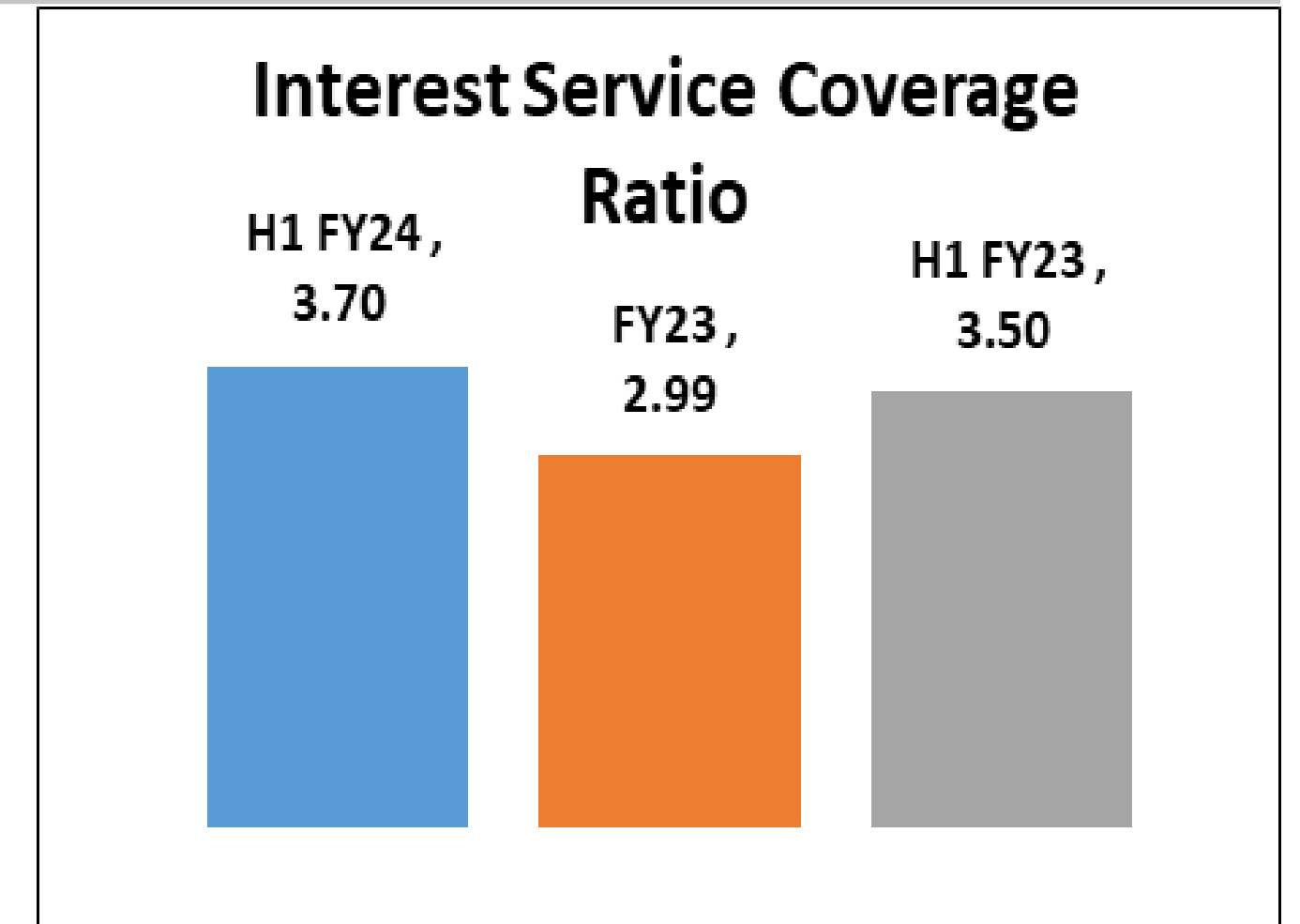
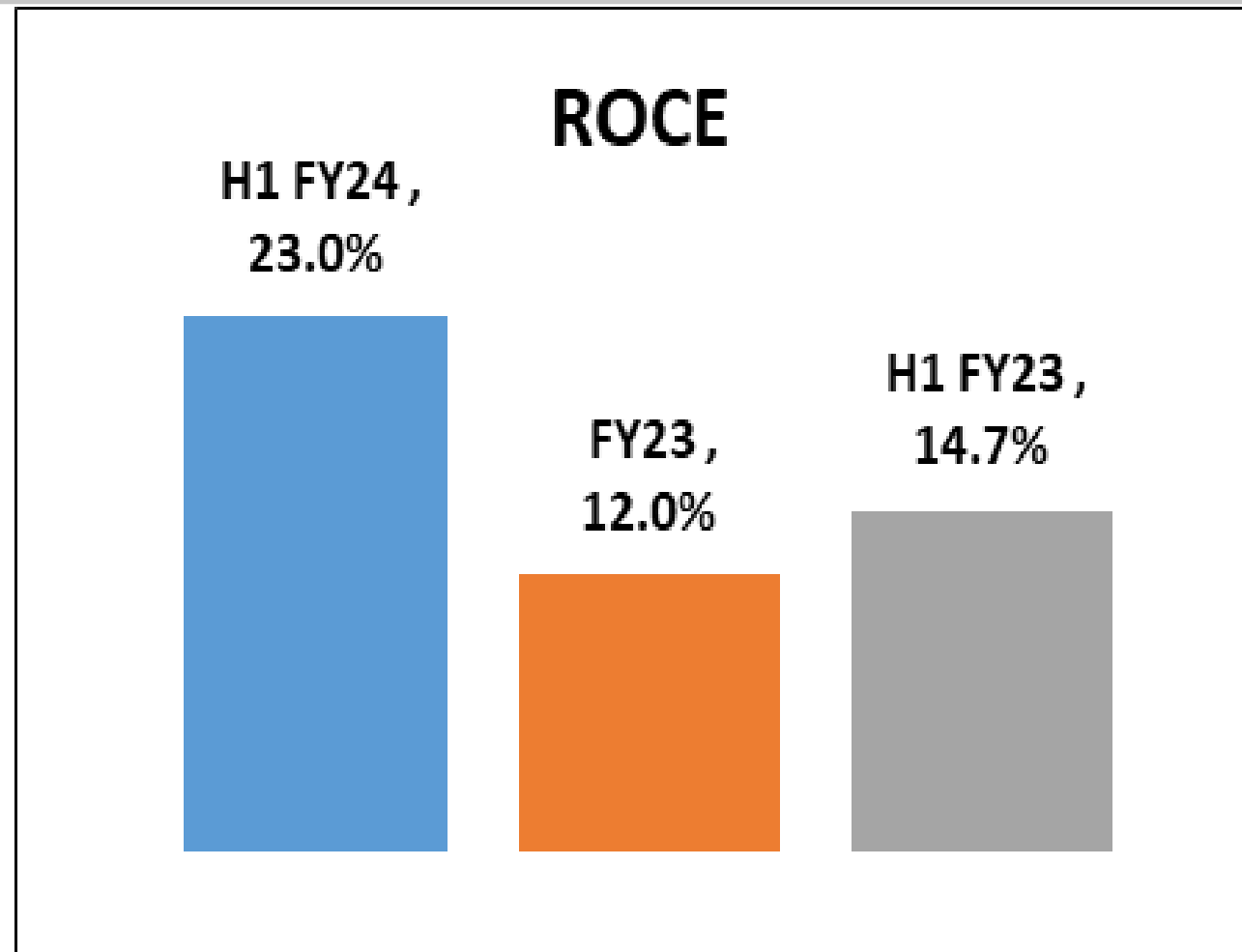


Particulars	9M FY24	9M FY23	9M FY22	2Y Growth
Revenue	55,771	51,921	42,082	32.5%
Gross Profit	20,419	18,305	14,807	37.9%
Gross Margin %	36.6%	35.3%	35.2%	140 bps
EBITDA	5,403	4,372	2,883	87.4%
EBITDA %	9.7%	8.4%	6.9%	280 bps
PBT	2,099	417	-240	
PBT %	3.7%	0.8%	-0.6%	430 bps
PAT	4,946	-12	-457	
PAT %	8.8%	0.0%	-1.1%	990 bps

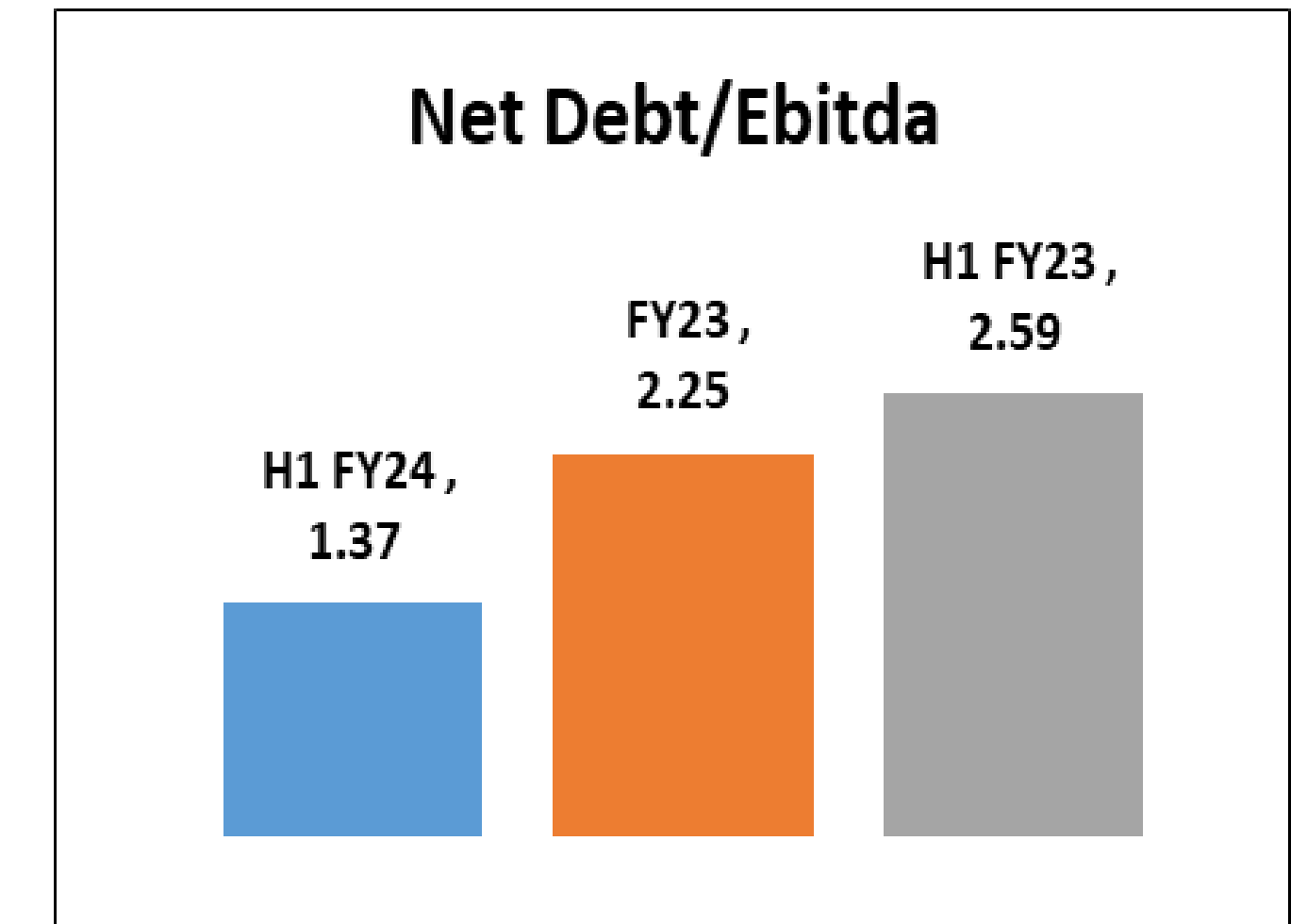
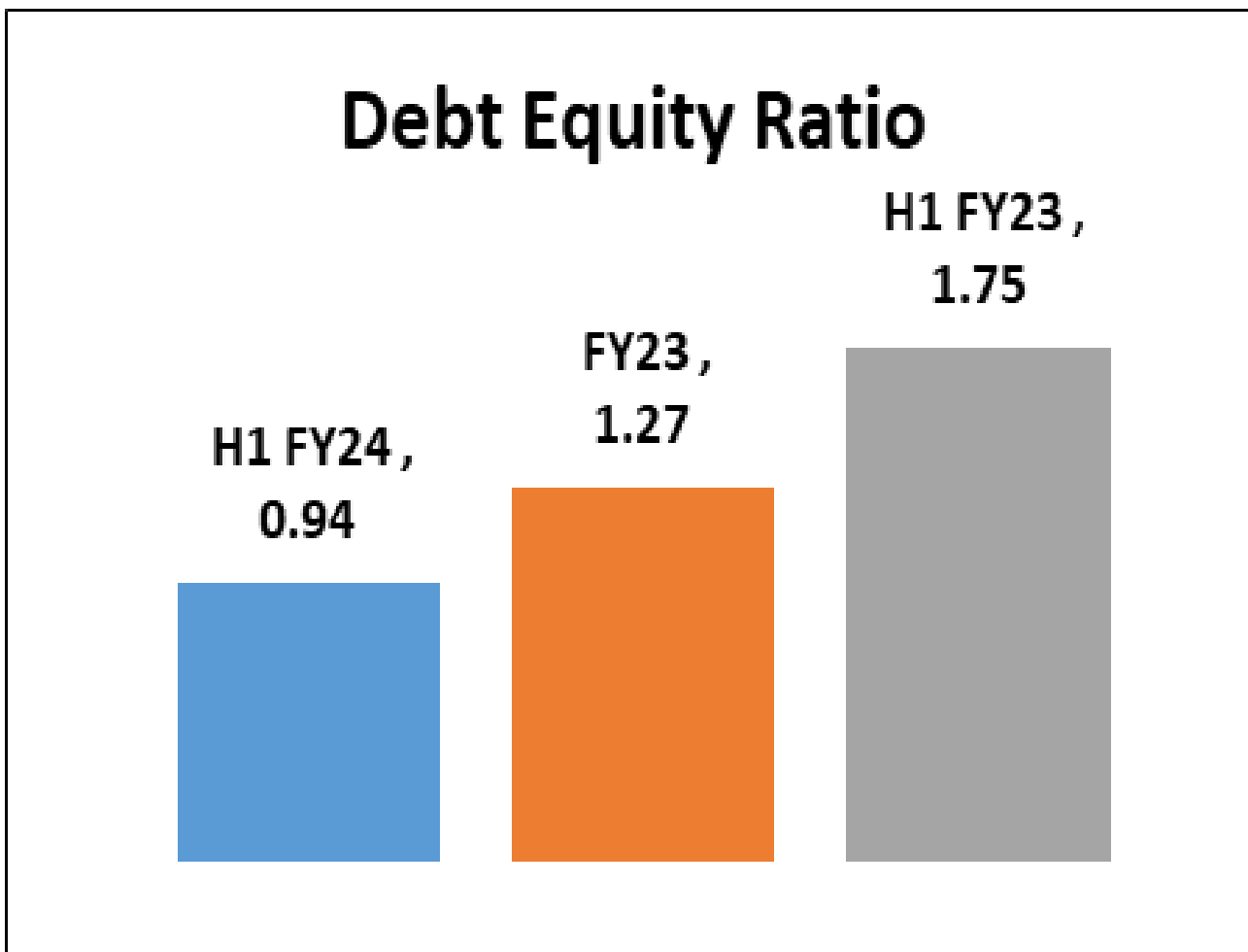
Positive Operating Leverage



Key Financial Indicators

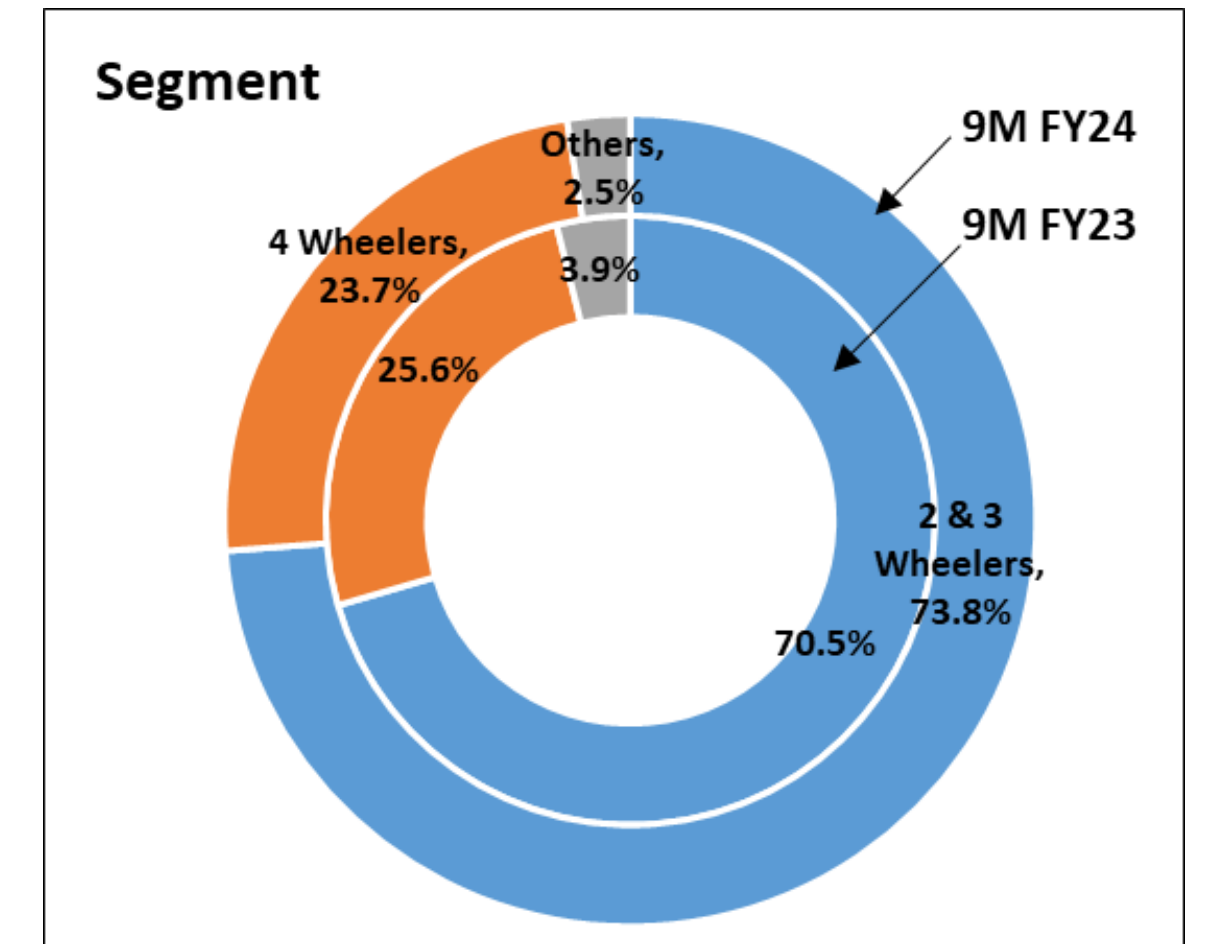
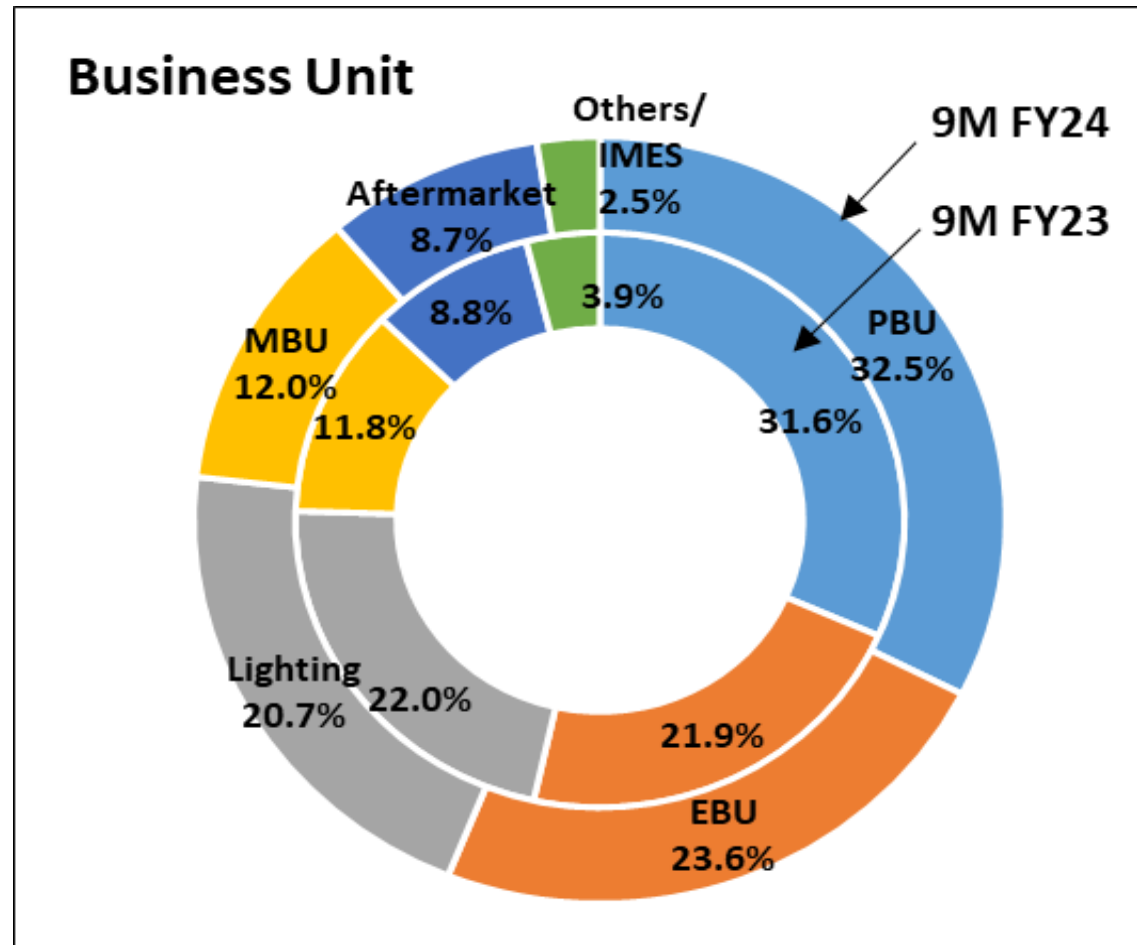


Improved return ratio and strengthening of balance sheet is improving debt servicing ability

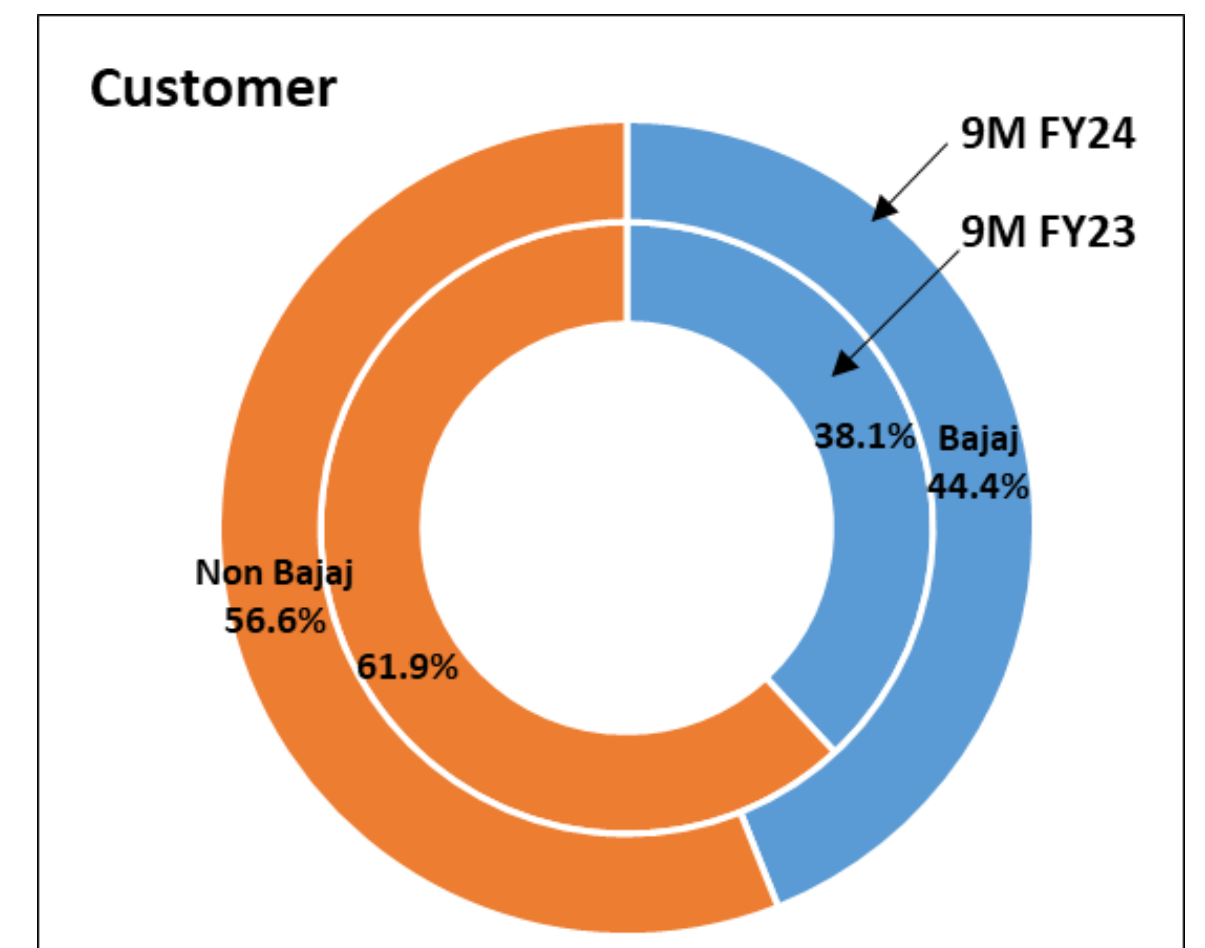
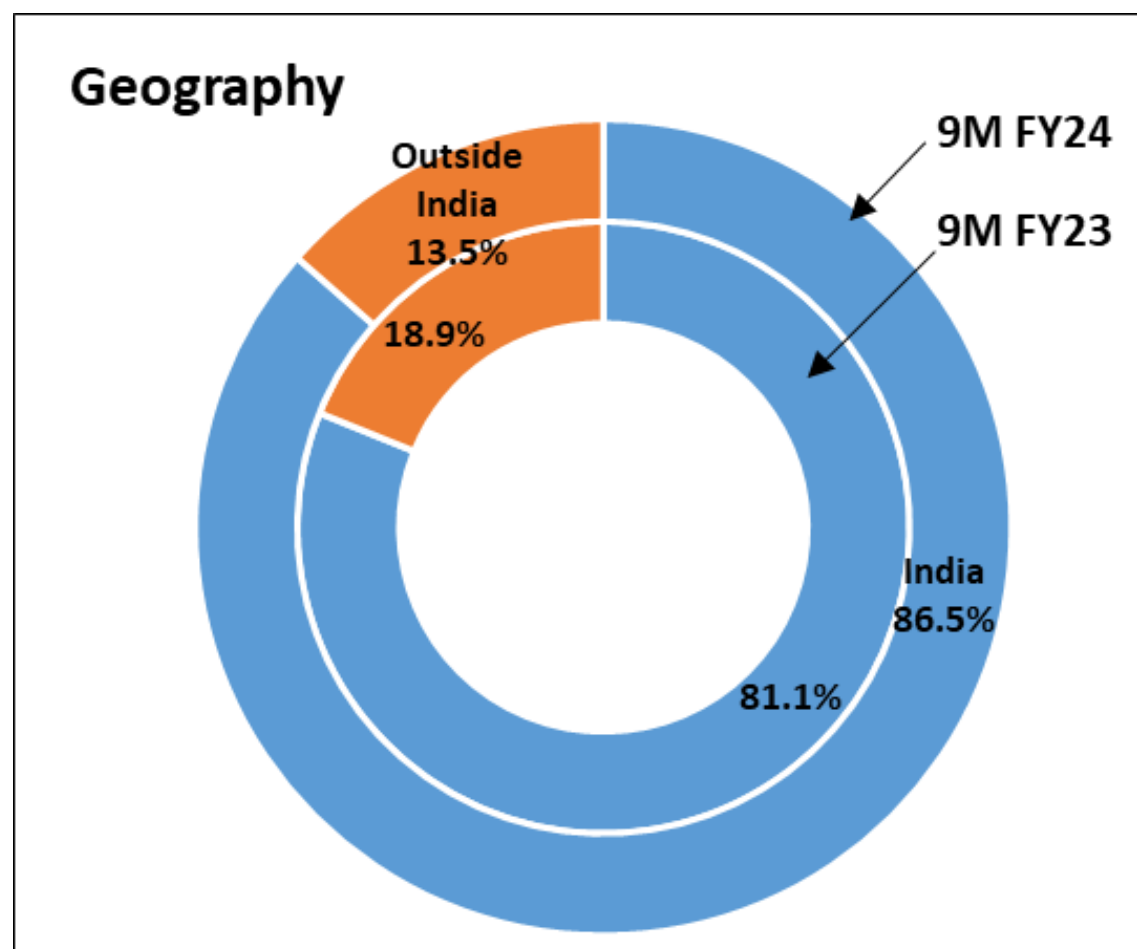


Please note that for calculation purpose, we have annualised EBIT, EBITDA and Interest cost for H1FY24 & H1 FY23

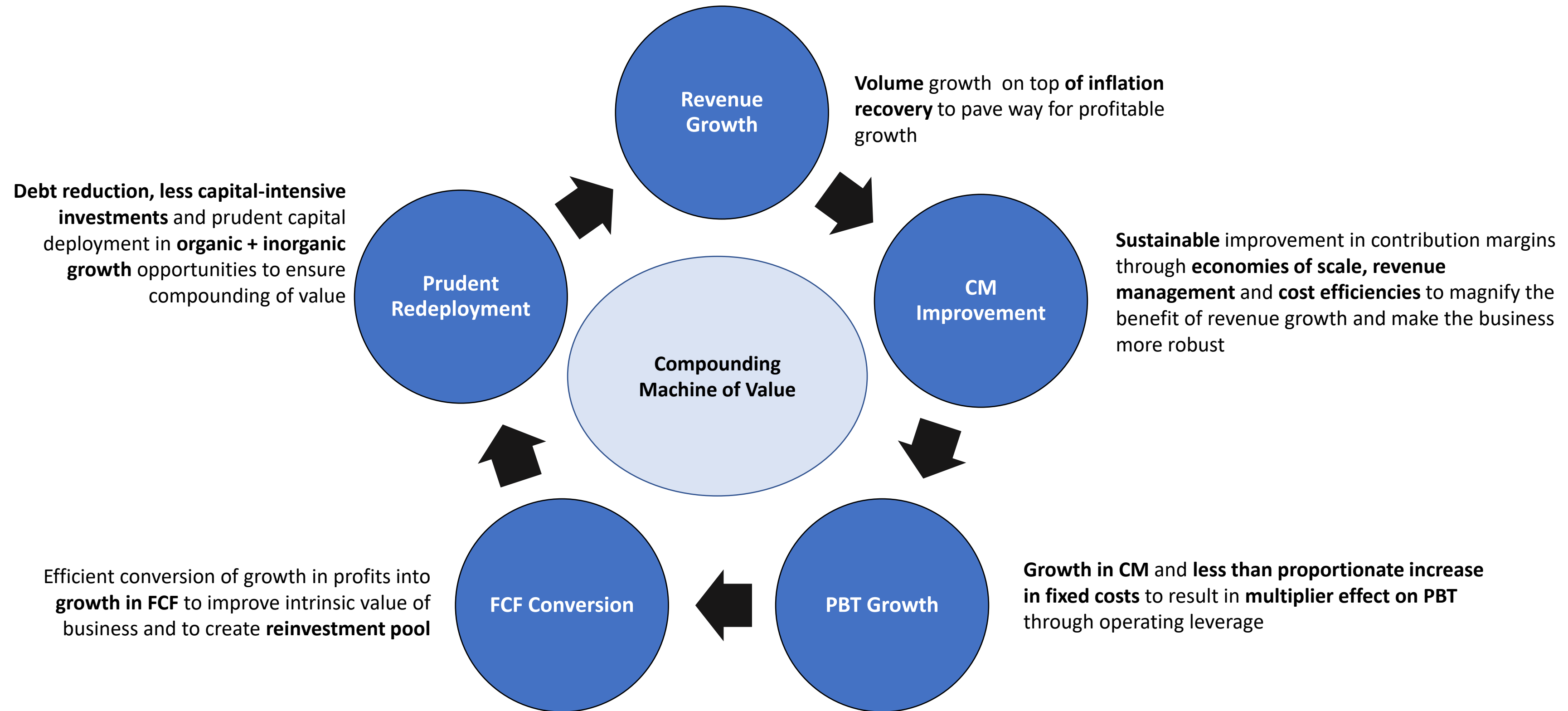
Revenue Breakdown by Categories




Indian growth story, growing content, electrification, system supplier etc. driving the revenue breakdown



Focus areas for Varroc



Why Varroc



Strong Competitive Position in a Growing Market Segment

- Leading technology supplier to 2W market
- Leading supplier of exterior lighting to passenger cars
- Emerging system supplier in telematics and interior systems for 4W market, ADAS.

Long Standing, Growing Customer Relationships

- Strong long-standing relationships with marquee OEMs across high-end and mass market segments
- Ability to invest to meet growing customer needs

Comprehensive Solution Provider

- End-to-end services across design, development and delivery
- Wide range of products across Powertrain, Electrical and Body parts
- Ability to cross-sell to meet customer requirements

Low-Cost Manufacturing Footprint

- Pan-India presence enabling proximity to customers
- Strategically located Asia footprint in China, Vietnam and Europe footprint in Romania, Italy

Continuous Focus on R&D Capabilities Enhancing Portfolio

- Developing innovative, cost-competitive proprietary products continuously.
- Well-positioned to benefit from key trends like safety digitalization, electrification, and increased electronics use.
- With our experts in automotive technology and the latest global advancements, we develop world class solutions with highest-standards



THANK YOU

