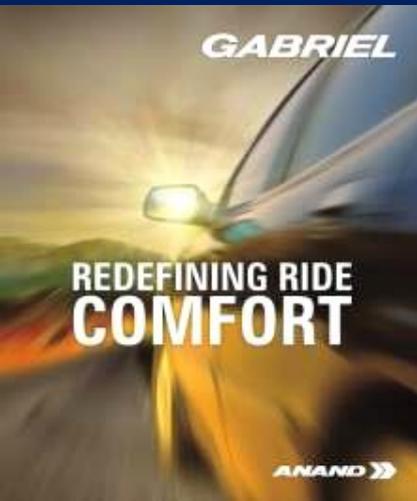


# Gabriel India Ltd.

Investor Presentation – February 2016



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## GABRIEL

No "OE" accounts for more than 20% of sales

"Golden Peacock Eco Innovation Award in 2012"

Over 16 Product & Process Patents

"Great Places To Work" - Ranked No.2 in Auto Component Industry

Incorporation of Company, Gabriel India, in 1961 

Pioneer of Ride Control Products in the country

Established significant presence in all channels of automotive sale, OE, Aftermarket and Exports

Well diversified OEM Customer Base in every automotive segment, 2/3 Wheelers, Passenger Cars and Commercial Vehicles

Built Strong Manufacturing Capabilities across India

Strong R&D with over 16 patents in Products & Processes

Led by Experienced & Professional Management



**Business Overview**

**Head Office, Pune, India**

## GABRIEL

**2/3 Wheeler**



**Passenger Car**



**Commercial Vehicle & Railways**



**Front Forks**

**McPherson Struts**

**Shock Absorbers**

**Hydraulic Shock Absorbers**

**Gas Shock Absorbers**

**Cabin Dampers**

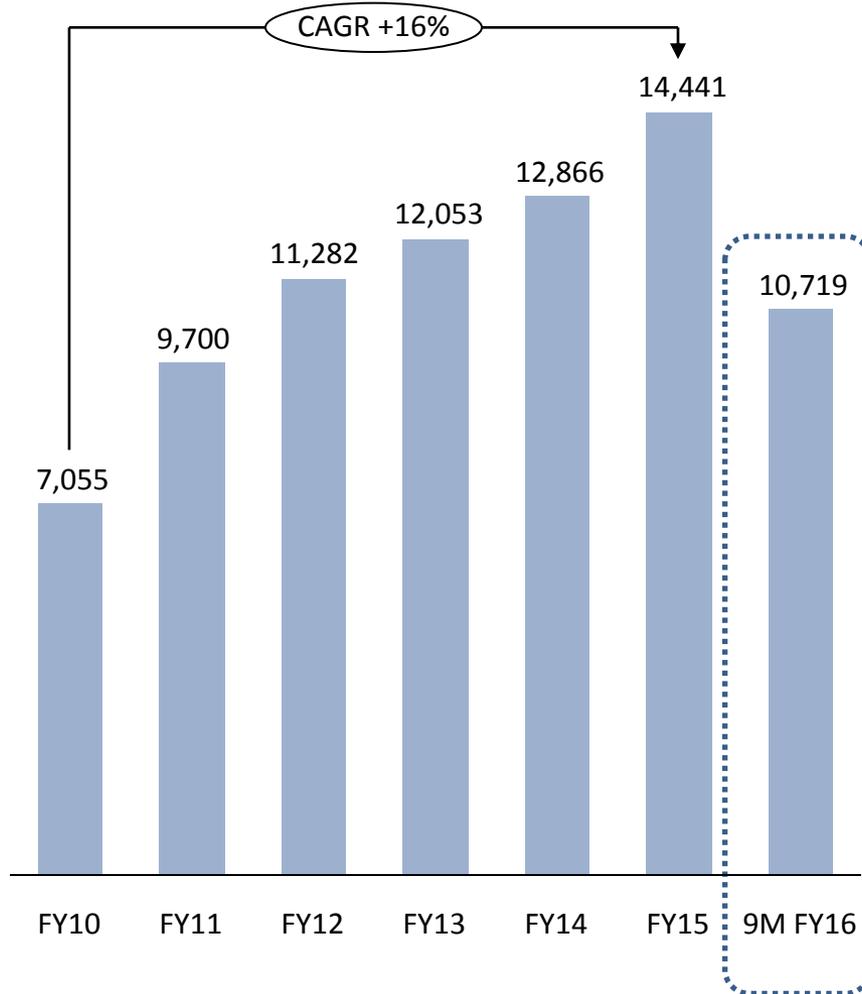
**Gas Shock Absorbers**

**Cartridges**

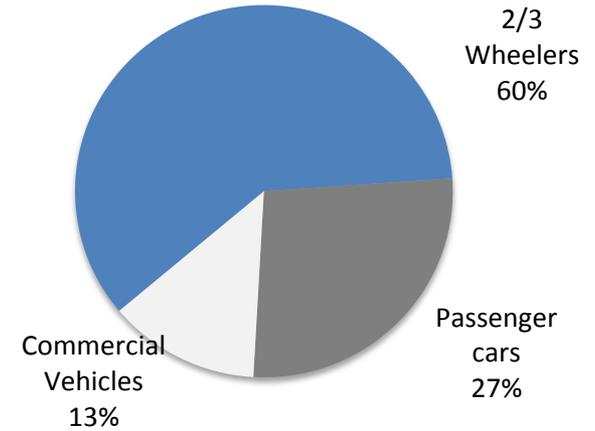
**Seat Dampers**

**AFTER MARKET ACROSS ALL SEGMENTS**

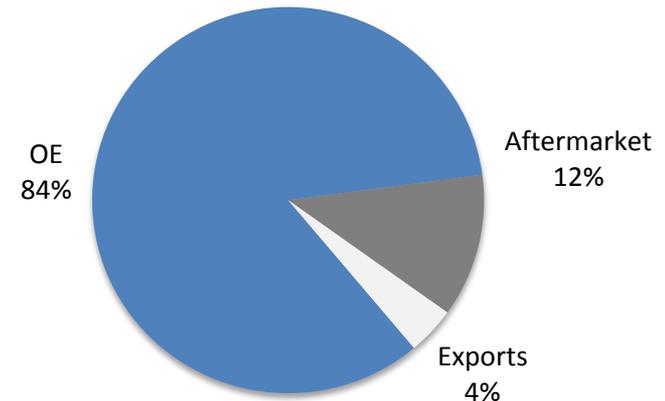
## Sales (Rs. Mn)



## Segment - Wise - 9M FY16



## Channel - Wise - 9M FY16



## GABRIEL

2/3 Wheeler



Passenger Car



Commercial Vehicle & Railways



“No” OE Customer accounts for more than 20% of Total sales - *Balanced Portfolio*

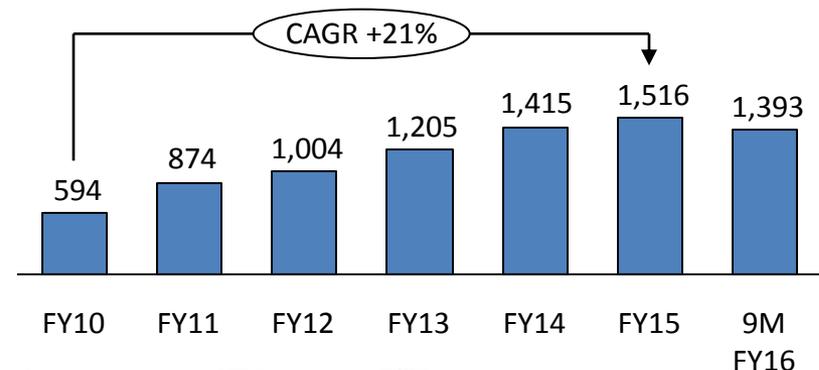
## GABRIEL

- “Gabriel” - Brand synonymous with shock absorbers, with market share of 45%
- Established Pan-India network
  - 17 CFA Locations
  - 300 - 350 dealer network & supported by 5000 retail outlets
- To ensure leading position, offers complete range of ride control products
- More than 500 products launched under “Gabriel” brand in last 5 years

### Branding Initiatives

- “Elite Retailer Program” – First of its kind in industry
- With objective to build loyalty amongst retailers & mechanics
- Honouring and embracing brand- loyal / Next Gen Loyalist
- 1st Phase - 500 Retailers Pan India, 2nd Phase : Mechanics

### Aftermarket Sales (Rs.Mn)



## GABRIEL



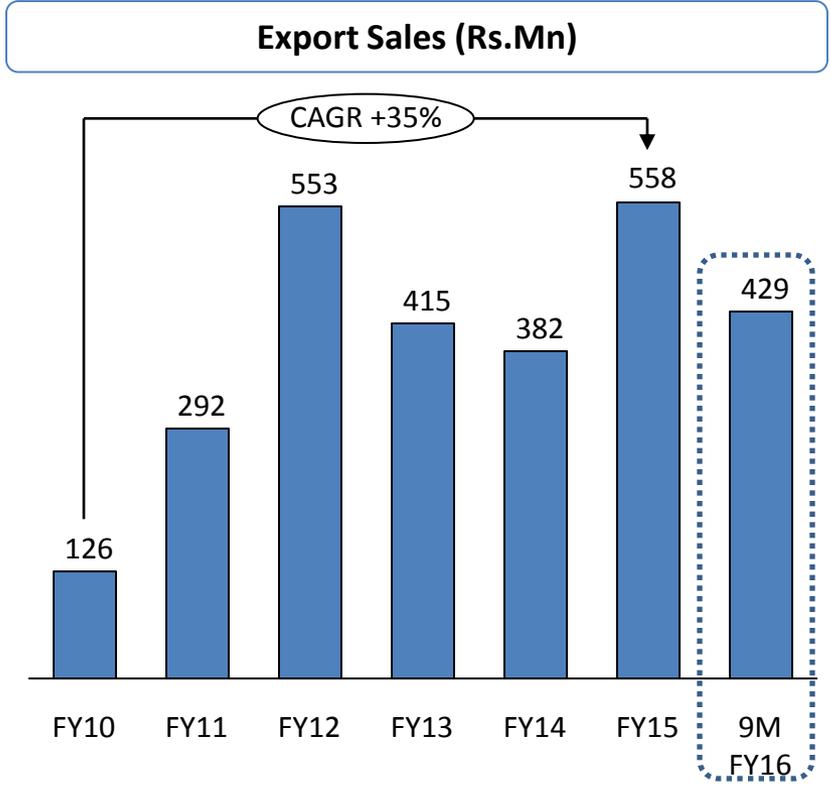
Supercross

VW Polo R Cup

Campus Branding

Dhaba Branding

- Establishing Network in 8 New Geographies
  - Through Structured Market Research & Systematic approach ingraining seeds of Gabriel India competencies worldwide
  - Created presence across Colombia, Venezuela, USA, Iran, Japan, African markets & Italy
- Services OE and Aftermarket demand
- Dedicated Marketing Team for Exports
- Strengthening Business with Gabriel Colombia
- 4% of Total Sales in FY15



### NEW ORDERS

- Won an Exports order from Mahindra GenZe USA for E Scooter - Amphere
- Won an Exports OEM order from ISUZU ( Thailand & Indonesia )

# Strategic Manufacturing Footprint

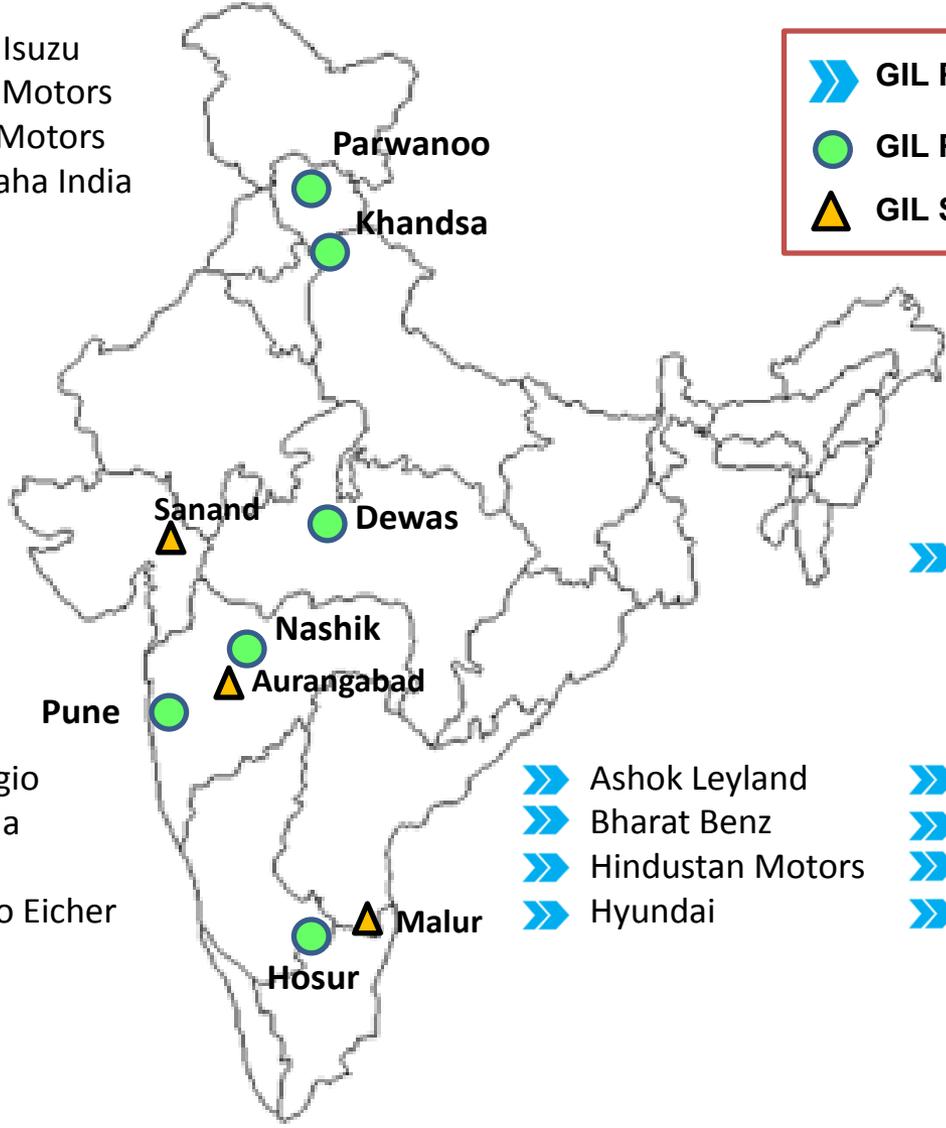


**GABRIEL**

- » Ashok Leyland
- » Honda Cars
- » Honda Motorcycles
- » ICML
- » Maruti Suzuki
- » Suzuki Motorcycles

- » SML Isuzu
- » Tata Motors
- » TVS Motors
- » Yamaha India

- » GIL Presence
- GIL Plants
- ▲ GIL Satellite Locations



- » AMW
- » GM
- » Tata Motors
- » Honda Motorcycles

» Hindustan Motors

- » Bajaj Auto
- » FIAT
- » Force Motors
- » GM
- » Mahindra
- » Mahindra Trucks & Buses
- » MAN Trucks

- » Piaggio
- » Skoda
- » VW
- » Volvo Eicher

- » Ashok Leyland
- » Bharat Benz
- » Hindustan Motors
- » Hyundai
- » Royal Enfield
- » Tata Motors
- » Toyota Kirloskar
- » TVS Motors

## GABRIEL

### 2/3 Wheelers

Nashik



### Key Features

- Commenced production in 1990
- Products: Shock Absorbers & Front Forks
- TC with Yamaha Motors Hydraulic System

Hosur



- Commenced production in 1997
- Products: Shock Absorbers & Front Forks
- TC with KYB Japan & Yamaha Motors Hydraulic System

Parwano



- Commenced production in 2007
- Segment Served: 2Wheelers, Passenger Cars, Commercial Vehicles and Aftermarket
- Products: Shock Absorbers, Struts and Front Forks

## GABRIEL

### Passenger Cars

### Client

### Key Features

Chakan



- Commenced production in 1997
- Segment Served : Passenger Cars, Utility Vehicles and Railway
- Products: Shock Absorbers & Struts

Khandasa



- Commenced production in 2007
- Products: Shock Absorbers & Struts
- TC with KYB Japan

### Commercial Vehicle

### Client

### Key Features

Dewas



- Commenced production in 1992
- Segment Served : OE, Aftermarket and Exports
- Products: Shox – Commercial Vehicles

### In-house Research & Development

- Well equipped State-of-the-art R&D centres
  - Chakan, Hosur & Nashik
- Dept of Scientific Industrial Research approved R&D centres for development of Suspension Products
- Most Experienced R & D team in India



- #### Proven Engineering Capabilities - Product
- First to introduce adjustable rear suspension for 2W
  - Designed & developed Remote Canister Shock Absorber
  - Introduced Front Forks for Performance Bikes
  - Co-developed suspensions for Volkswagen Polo & introduced concept of hollow Piston Rods in India

- #### Proven Engineering Capabilities - Process
- 1<sup>st</sup> to design & develop robotised damper assembly line for 2W
  - Crank type damper force testing machine
  - Laser welding of outer tube
  - In – house equipment design & development for Shox manufacturing

### Technical Collaborations with Global Leaders

- KYB Japan – Passenger Cars
- KYBSE Spain – Passenger Cars & Commercial Vehicles
- Yamaha Motor Hydraulic System Company - 2 /3 Wheelers
- KONI – Luxury Commercial Vehicle & Buses

**Honored with “Golden Peacock Eco – Innovation Award 2012”**

**GABRIEL**



- **KONI**, Netherland based company and part of New York-based ITT Corp, has more than 150 years of experience in area of Shock Absorber solutions
- Develops, manufactures and markets high class performance shock absorbers for all types of cars and commercial vehicles
- Present in India in luxury vehicles segment with increased focus on growing Indian Luxury bus and CV segment



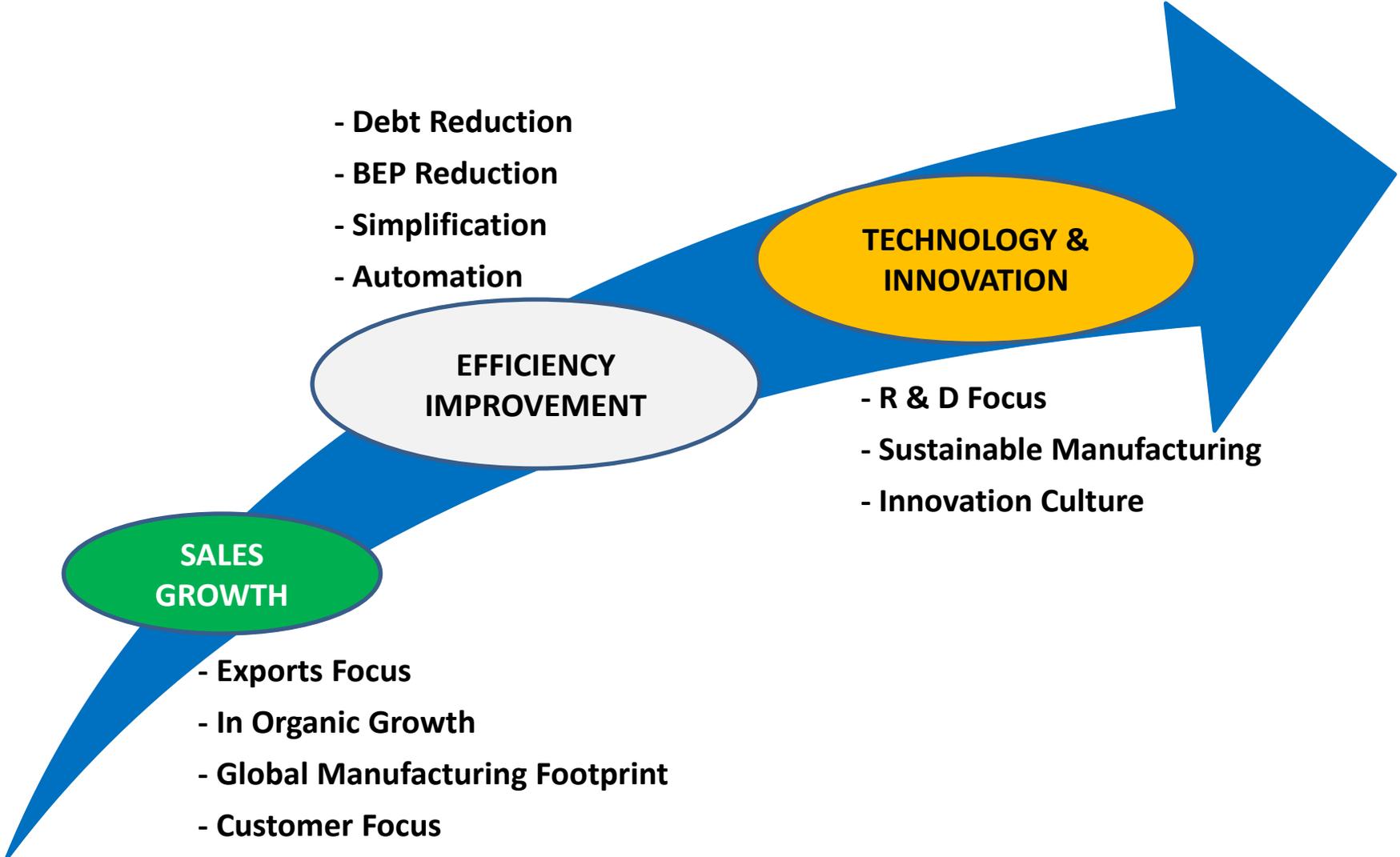
- Under arrangement, KONI will provide technology to design, develop and manufacture innovative damper products for Commercial Vehicles, Buses & Industrial Equipment Suspensions
- Cater to OEMs as well as Aftermarket demand in India, Bangladesh, Sri Lanka, Nepal and Bhutan
- Better products specially designed and suited for the Indian market
- Best possible technology combined with fastest time to market
- Enhance ride & performance of vehicle

**...To help deliver high technology automotive products to Indian market in lesser time**



**Strategy Ahead**

**Head Office, Pune, India**



**SBU Structure for focused approach**

- Created Strategic Business Units for each automotive segment : 2Wheelers/ 3Wheelers, Passenger Cars & Commercial Vehicles / Railways and After-Market Channel
- To derive benefits in
  - Customer & Product Focus
  - Export Push
  - After market expansion

**Focus Area : SBU-wise**





**Financial Highlights**

**Head Office, Pune, India**

# Quarterly Profit & Loss Highlights



## GABRIEL

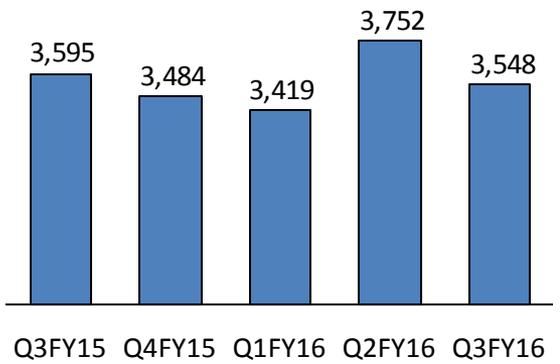
Rs. Mn	Q3 FY16	% of Sales	Q3 FY15	% of Sales	YoY%	9M FY16	% of Sales	9M FY15	% of Sales	YoY%	FY15
<b>Revenue</b>	<b>3,548</b>	<b>100.0%</b>	<b>3,595</b>	<b>100.0%</b>	<b>(1%)</b>	<b>10,719</b>	<b>100.0%</b>	<b>10,957</b>	<b>100.0%</b>	<b>(2%)</b>	<b>14,441</b>
Raw Material	2,496	70.4%	2,610	72.6%		7,653	71.4%	7,940	72.5%		10,434
Employee Expenses	320*	9.0%	266	7.4%		870*	8.1%	799	7.3%		1,076
Other Expenses	418	11.8%	431	12.0%		1,250	11.7%	1,338	12.2%		1,767
<b>EBITDA</b>	<b>313</b>	<b>8.8%</b>	<b>288</b>	<b>8.0%</b>	<b>9%</b>	<b>946</b>	<b>8.8%</b>	<b>881</b>	<b>8.0%</b>	<b>7%</b>	<b>1,164</b>
<b>Adjusted EBITDA**</b>	<b>350</b>	<b>9.9%</b>	<b>288</b>	<b>8.0%</b>	<b>21%</b>	<b>982</b>	<b>9.2%</b>	<b>881</b>	<b>8.0%</b>	<b>12%</b>	<b>1,164</b>
Other Income	5	0.1%	11	0.3%		30	0.3%	35	0.3%		43
Interest	6	0.2%	14	0.4%		19	0.2%	41	0.4%		55
Depreciation	86	2.4%	78	2.2%		251	2.3%	235	2.1%		311
<b>PBT before Exceptional Item</b>	<b>226</b>	<b>6.4%</b>	<b>207</b>	<b>5.8%</b>	<b>9%</b>	<b>706</b>	<b>6.6%</b>	<b>640</b>	<b>5.8%</b>	<b>10%</b>	<b>841</b>
Exceptional Item	2	0.0%	2	0.0%		5	0.0%	5	0.0%		6
PBT	224	6.3%	206	5.7%		701	6.5%	635	5.8%		835
Tax	49	1.4%	46	1.3%		158	1.5%	164	1.5%		235
<b>PAT</b>	<b>176</b>	<b>4.9%</b>	<b>159</b>	<b>4.4%</b>	<b>10%</b>	<b>543</b>	<b>5.1%</b>	<b>471</b>	<b>4.3%</b>	<b>15%</b>	<b>600</b>
<b>Cash PAT</b>	<b>262</b>	<b>7.4%</b>	<b>237</b>	<b>6.6%</b>	<b>11%</b>	<b>794</b>	<b>7.4%</b>	<b>706</b>	<b>6.4%</b>	<b>13%</b>	<b>912</b>

\*Employee benefits expense for the quarter and nine months ended 31st December 2015 includes provision towards bonus of Rs. 36.26 million (including Rs. 21.71 million for the period 1st April 2014 to 31st March 2015) arising due to retrospective amendment of Payment of Bonus Act, 1965.

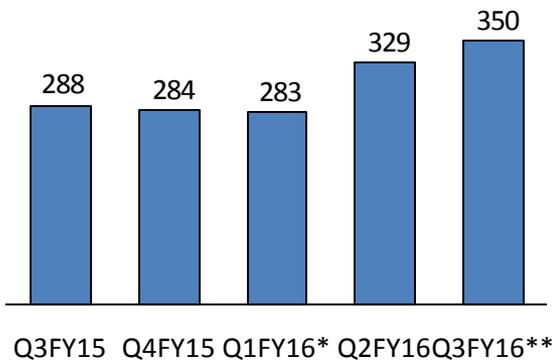
\*\* EBITDA adjusted for provision towards bonus as mentioned above

**GABRIEL**

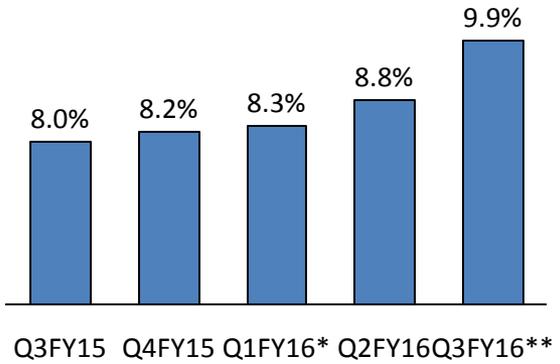
**Revenue**



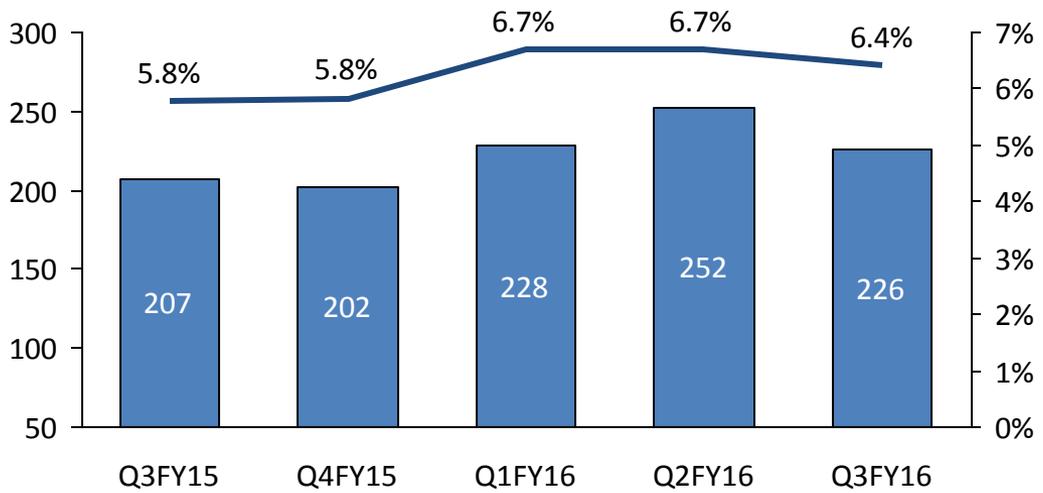
**EBITDA**



**EBITDA Margin%**



**PBT Before Exceptional Item & Margin (%)**



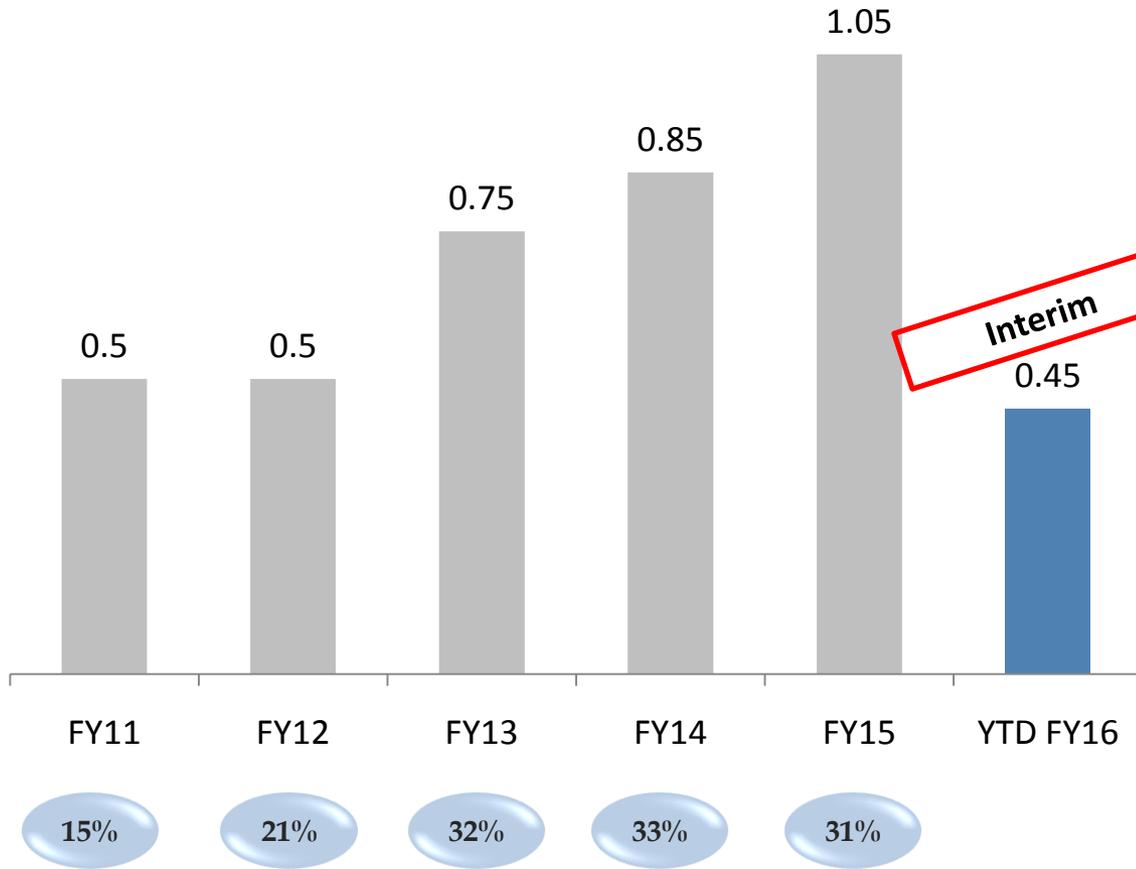
\* Adjusted for onetime write back of provision amounting to Rs.21 Million

\*\* Adjusted for the one time provision for Employee benefits expense for the quarter and nine months ended 31st December 2015 towards bonus for Rs. 36.26 million arising due to retrospective amendment of Payment of Bonus Act,1965.

Rs. Mn	Sep-15	Mar-15
<b>Shareholder's Fund</b>	<b>3,544</b>	<b>3,254</b>
Share capital	144	144
Reserves & Surplus	3,400	3,111
<b>Non-current liabilities</b>	<b>279</b>	<b>260</b>
Long term borrowings	82	61
Other non-current liabilities	198	198
<b>Current liabilities</b>	<b>2,552</b>	<b>2,650</b>
Short term borrowings	0	0
Trade Payables	1,845	1,907
Other current liabilities	707	743
<b>Total Liabilities</b>	<b>6,375</b>	<b>6,164</b>

Rs. Mn	Sep-15	Mar-15
<b>Non-current assets</b>	<b>2,973</b>	<b>2,958</b>
Fixed assets	2,676	2,708
Long-term loans and advances	233	226
Other non-current assets	64	24
<b>Current assets</b>	<b>3,402</b>	<b>3,206</b>
Inventories	1,144	1,121
Trade receivables	1,807	1,723
Cash and bank balances	150	39
Short-term loans and advances	299	321
Other current assets	1	1
<b>Total Assets</b>	<b>6,375</b>	<b>6,164</b>

Dividend Per Share (Rs.)



**Interim**

- Continuous Dividend since 1998
- Improving Dividend Payout Ratio
- Declared Interim Dividend of Rs. 0.45 per share, amounting to 45% of Face Value

Pay out Ratio

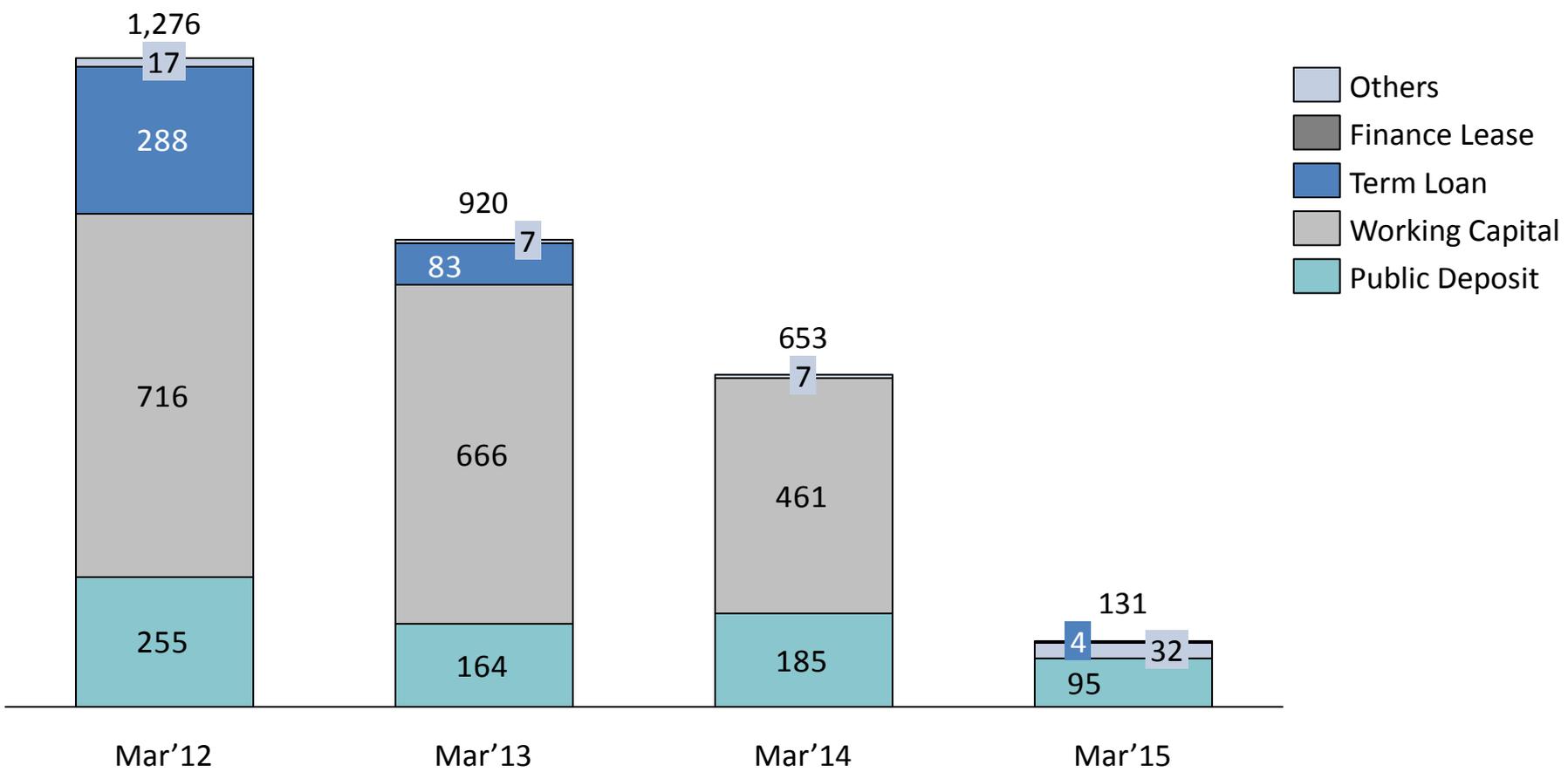
# Historical Profit & Loss Highlights

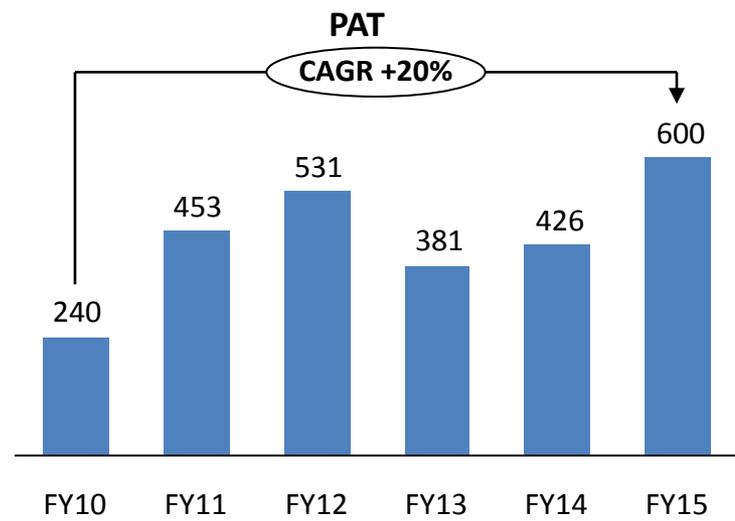
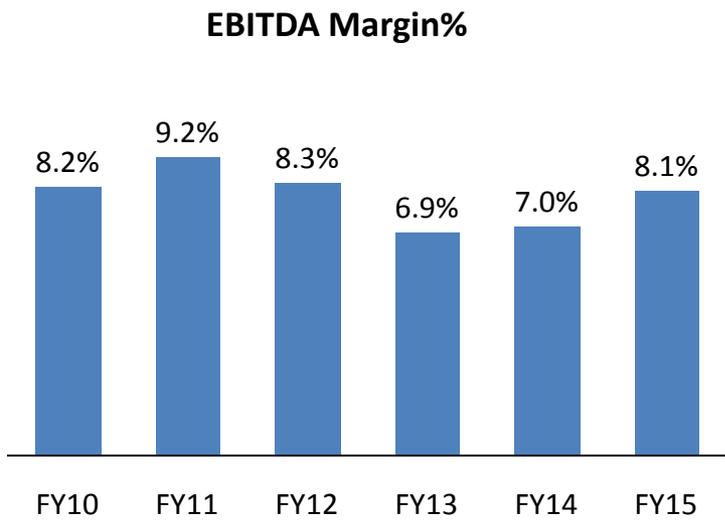
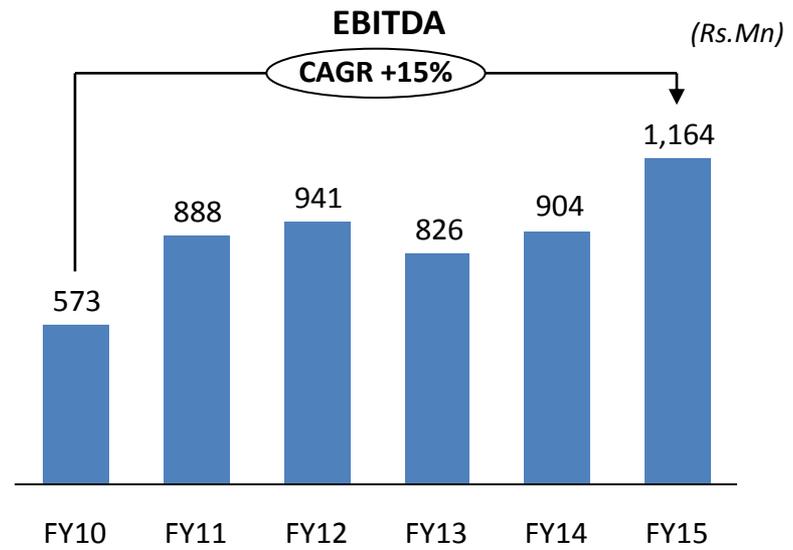
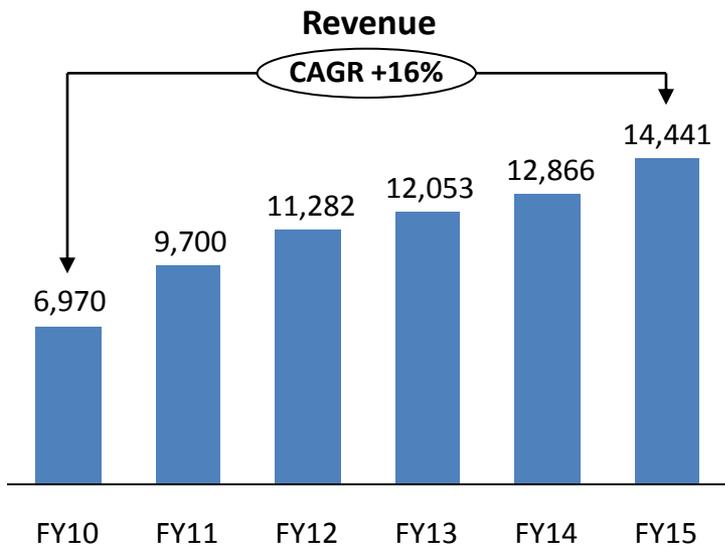


## GABRIEL

Rs.Mn	FY15	FY14	FY13
<b>Revenue</b>	<b>14,441</b>	<b>12,866</b>	<b>12,053</b>
Raw Material	10,432	9,266	8,644
Employee Expenses	1,075	982	911
Other Expenses	1,769	1,714	1,672
<b>EBITDA</b>	<b>1,164</b>	<b>904</b>	<b>826</b>
<i>Margin</i>	<b>8.1%</b>	<b>7.0%</b>	<b>6.9%</b>
Other Income	43	56	40
Interest & Finance Charges	55	90	123
Depreciation	311	271	273
<b>PBT before Exceptional Item</b>	<b>841</b>	<b>600</b>	<b>471</b>
<i>Margin</i>	<b>5.8%</b>	<b>4.7%</b>	<b>3.9%</b>
Exceptional Item*	6	42	59
PBT	835	558	412
Tax	235	132	30
<b>PAT</b>	<b>600</b>	<b>426</b>	<b>381</b>
<i>PAT Margin</i>	<b>4.2%</b>	<b>3.3%</b>	<b>3.2%</b>
<b>Cash PAT</b>	<b>912</b>	<b>697</b>	<b>654</b>

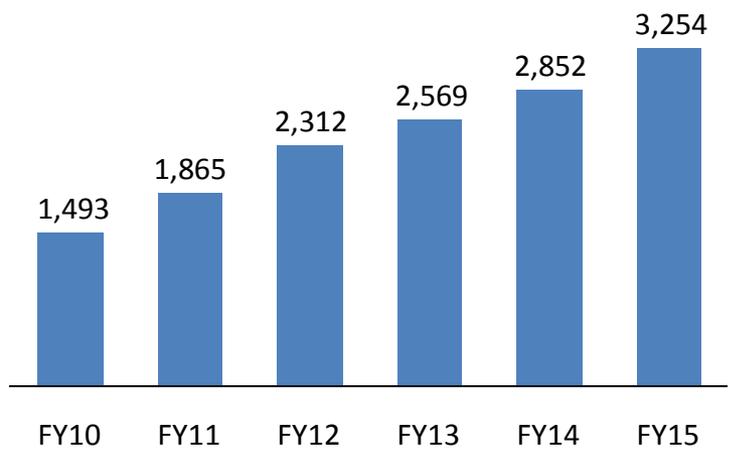
\* Exceptional Item includes provision made on re-assessment of disputed liabilities towards rates & taxes



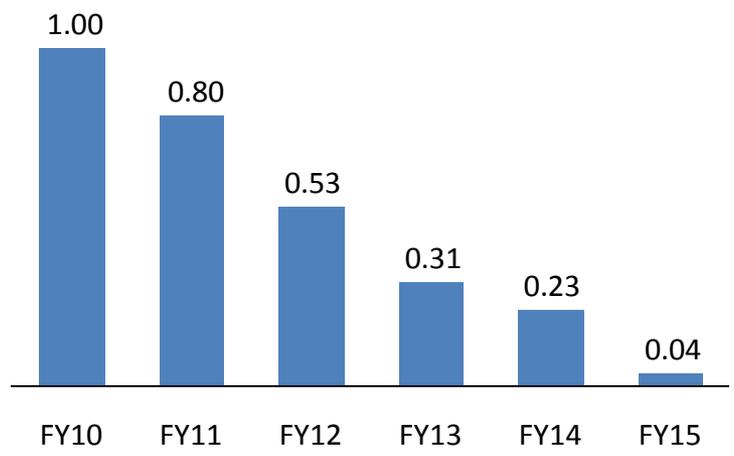


(Rs.Mn)

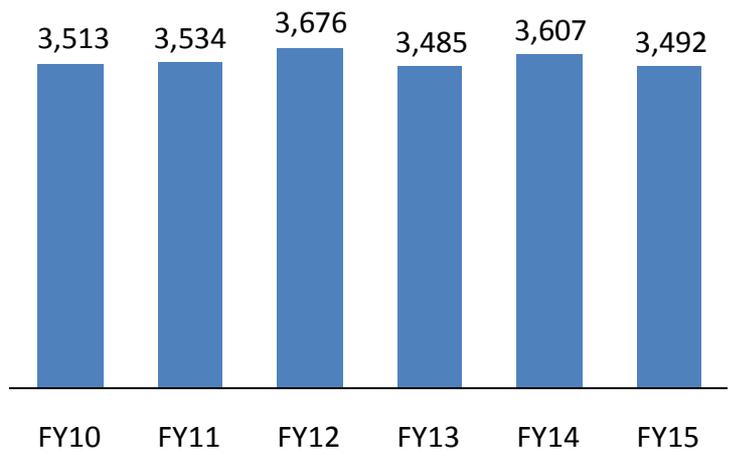
### Networth



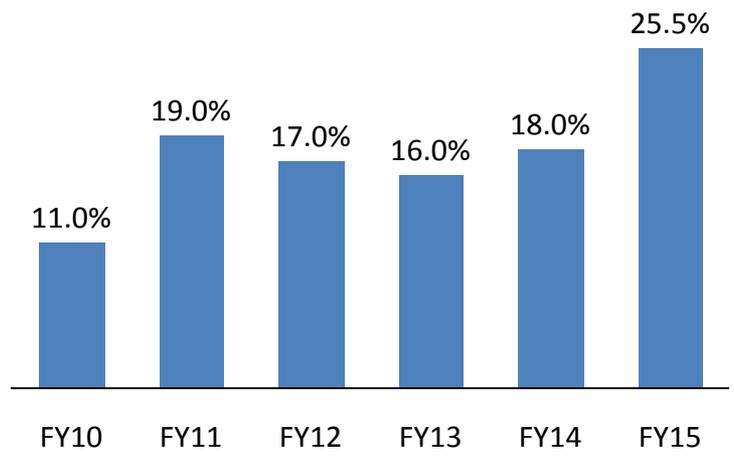
### D:E Ratio



### Capital Employed



### ROCE





**Corporate Overview**

**Head Office, Pune, India**

- Incorporated Gabriel India in 1961
- Serviced Commercial Vehicles segment from plant in Mulund
- In House design centre followed by in house SPM design center

**1961-1990**

- Single Unit Manufacturing to Multi Location segment wise manufacturing : Passenger car s segment with plant at Chakan & launch of McPherson Struts & Gas shock Absorbers, 2W segment with Plant in Nashik & Hosur, CV segment with plant at Dewas
- OE Model – First time in Auto Industry

**1991 - 2000**

- Expanded in all segments with new plants at Parwanoo, Khandsa , Sanand & Malur
- Installed “Dynachrome Automation Machine” for plating, 1<sup>st</sup> in Asia
- Expanded footprint to China
- State of R&D Centres at Chakan, Hosur & Nashik
- DSIR recognized all R&D Centres

**2001 - 2013**

## Mr. Deepak Chopra – Group CEO, Anand Group



- Chartered Accountant & Company Secretary, with 37 years of experience across Industries
- Associated with Anand Group since 1976
- Rich experience in Finance, Tax, Operations, Secretarial, and Project Management

## Mr. Manoj Kolhatkar – MD, Gabriel India



- B.E. Mechanical & DBM, with more than 25 years of experience in Automotive industry
- Associated with Gabriel India since 2011
- Prior to this, served in TATA Group in senior roles for 22 years

## Mr. Rajendran Arunachalam – CFO, Gabriel India



- Qualified CPA (USA) and Degree in Management from BITS Pilani
- Associated with Gabriel India since Nov' 2013
- More than 20 years of experience in areas Finance, Treasury across various industries

**GABRIEL**

**Mr. Rajendra Abhange, CTO**



**Mr. Atul Jaggi , COO, TWBU**



**Mr. Amitabh Srivastava, COO, AMBU**



**Mr. Sumit Bhatnagar, COO, PCBU**



**Mr. Umesh Shah , COO, CVRBU**



### **Mrs. Anjali Singh – Chairperson, Gabriel India**

- Joined Anand Group in 2005
- Studied Business Management at University of Westminster, UK, and Fine Arts at Central Martin's School of Arts and Design, UK
- Also serves as Chairperson, Supervisory Board, Anand Group since 2011

### **Mr. Jagdish Kumar – Group President & Group CFO, Anand Group**

- Joined Anand Group in September 2015
- Over 29 years of cross cultural experience of running business at Asia Pacific level as well leading Strategic Planning efforts for Asia-Pacific at Global Companies like Du Pont, BILT, TCS

### **Mr. Pradipta Sen – Non Executive Independent Director**

- President for India, Middle East and Africa region of Emerson, Fortune 500 conglomerate
- Prior to joining Emerson, Mr. Sen spent 16 years with General Electric, USA in leadership roles
- Also sits on the Boards of various Emerson subsidiary companies like Emerson Process Management India Pvt Ltd, Emerson Climate Technologies Ltd

## Mr. Aditya Vij – Non Executive Independent Director

- Over 3 decades of experience in the corporate world with a proven track record of developing and turning around businesses in various leadership positions.
- Served as the Chief Executive Officer at Fortis Healthcare Limited from July, 2011 to November, 2014. He joined Fortis Healthcare from Punj Lloyd where he held the position of Group President – Defence
- Prior to Punj Lloyd, Mr. Aditya Vij had a distinguished innings of 18 years with General Motors, across five countries in Europe and Asia. He served as an Executive Director of Sales, Marketing and After-Sales at General Motors Europe AG

## Mr. Atul Khosla – Non Executive Independent Director

- Founding Partner for Oliver Wyman (the leading global consultancy) in India
- Actively involved in higher education and research in India, and founding trustee of Shoolini University at Solan, Himachal Pradesh
- B.Tech from the Indian Institute of Technology at Kanpur and MBA from the Jamnalal Bajaj Institute of Management Studies, Mumbai

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