



**ENDURANCE**



**Endurance Technologies Limited**

August-2020

The presentation may contain, without limitation, certain statements that could be considered forward-looking. Such forward-looking statements do not guarantee future performance; and may involve risks and uncertainties that could cause actual performance or results to be materially different from those anticipated in these forward-looking statements. The Company is under no obligation to update any forward-looking statements contained herein, should material facts change due to new information, future events or otherwise.

For historical financial numbers, readers are advised to refer to the financial statements approved by the Board of Directors of the Company, as appearing in the Annual Reports and quarterly Stock Exchange filings. The financial numbers in this presentation are from financial statements prepared and reported under Indian GAAP (I GAAP till 2015-16 and Ind AS thereafter). Financial ratios have been calculated based on customary definitions.



- **Catering to the two-wheeler, three-wheeler and four-wheeler Automotive Industry**
  - **1985** - Commenced high-pressure die-casting operations in Aurangabad <sup>(1)</sup>
  - **Largest Aluminium die-casting** company in India<sup>(2)</sup>



- **Multi-solution Provider with a Diverse Product Portfolio**
  - **Four Product categories** - Aluminum Casting and Machining, Suspension, Transmission, Braking Systems
  - Tier I supplier to 2W, 3W and 4W OEMs



- **Strategically Located Facilities with Close Proximity to Original Equipment Manufacturers (OEMs)**
  - **26** facilities in **multiple** locations across India & Europe
  - **1** upcoming facility in India at Chennai (Tamil Nadu)



- **End-to-end Service Provider to Customers**
  - **Capabilities** across Design, Development, Testing, Validation, Manufacturing, Delivery, and aftermarket sale for a wide range of technology-intensive auto component products



- **Strong R&D Capabilities**
  - **11** Patents and **7** design registrations received, **65** Patent applications, **4** design applications, **4** DSIR<sub>(3)</sub> approved R&D facilities
  - **2** Tech Centers in Italy. **29** acre proving ground in Aurangabad.
  - **232** R&D personnel globally

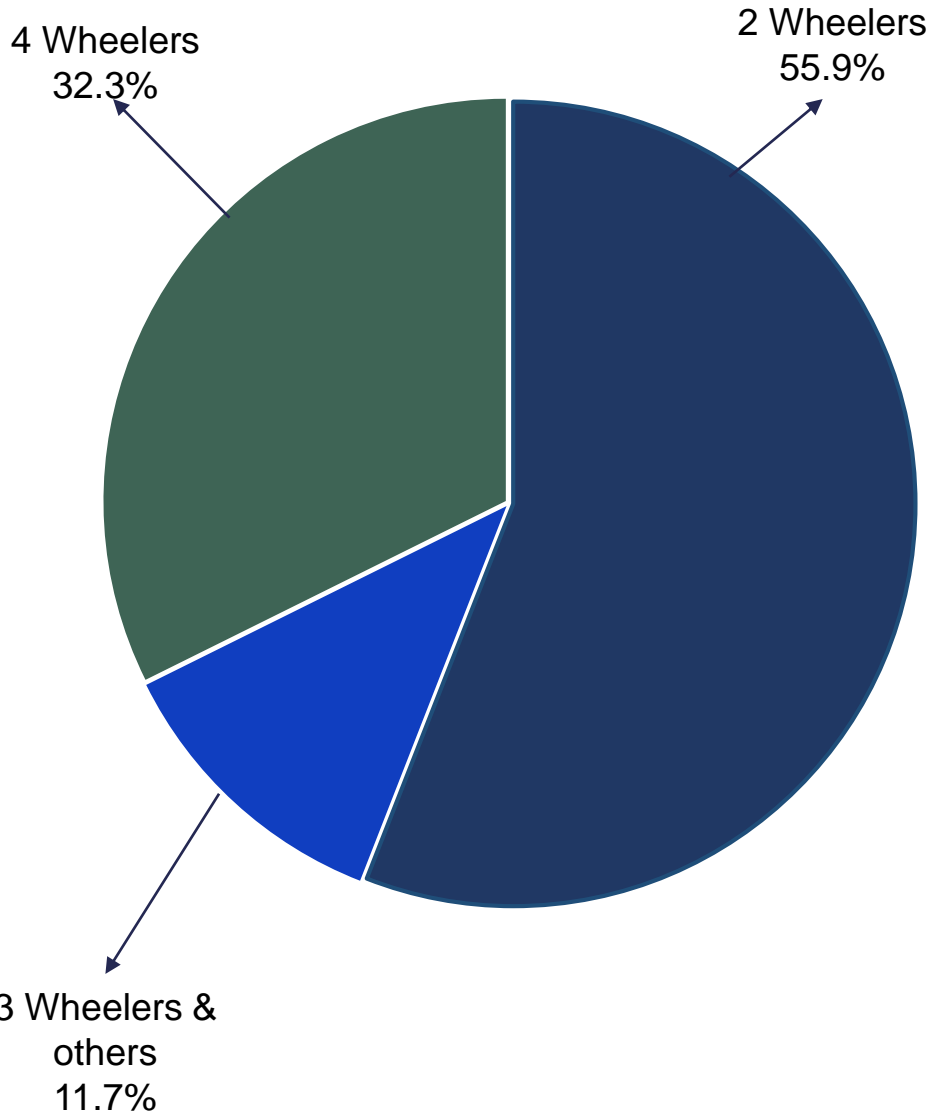


- **Profitability with Scale, Improved Return on Capital Employed and Deleveraged Balance Sheet**
  - Track record of consistent outperformance to broader industry growth with standalone revenue growing at a CAGR of **7.5%** as against India two wheeler production growing at a CAGR of **4.0%** over FY 2012-20
  - Highlights from Consolidated Financials<sub>(4)</sub>:  
**FY20** – Revenue **INR 69,653mn** ; FY20 ROACE :**21.7%**; FY 20 Return on Equity: **20.3%**; Net Debt: **Negative**

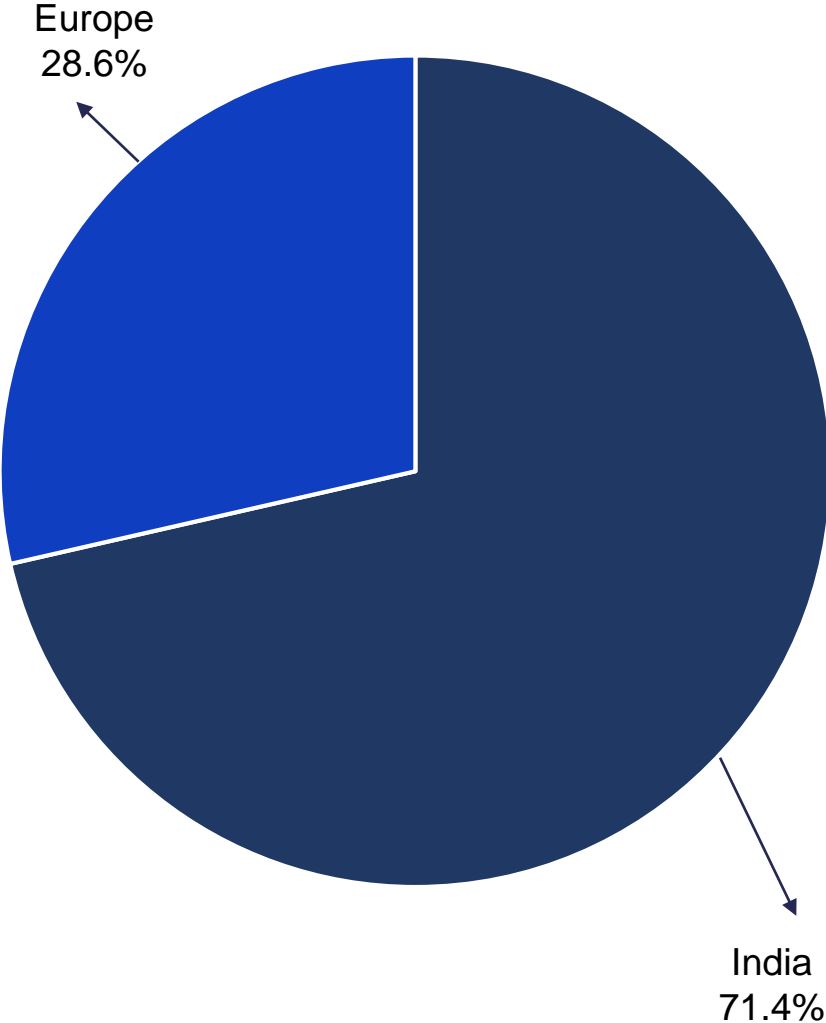
# Revenues Profile<sup>(1)</sup> across Vehicle Type and Entity

FY 2020

### Revenue by Vehicle Type

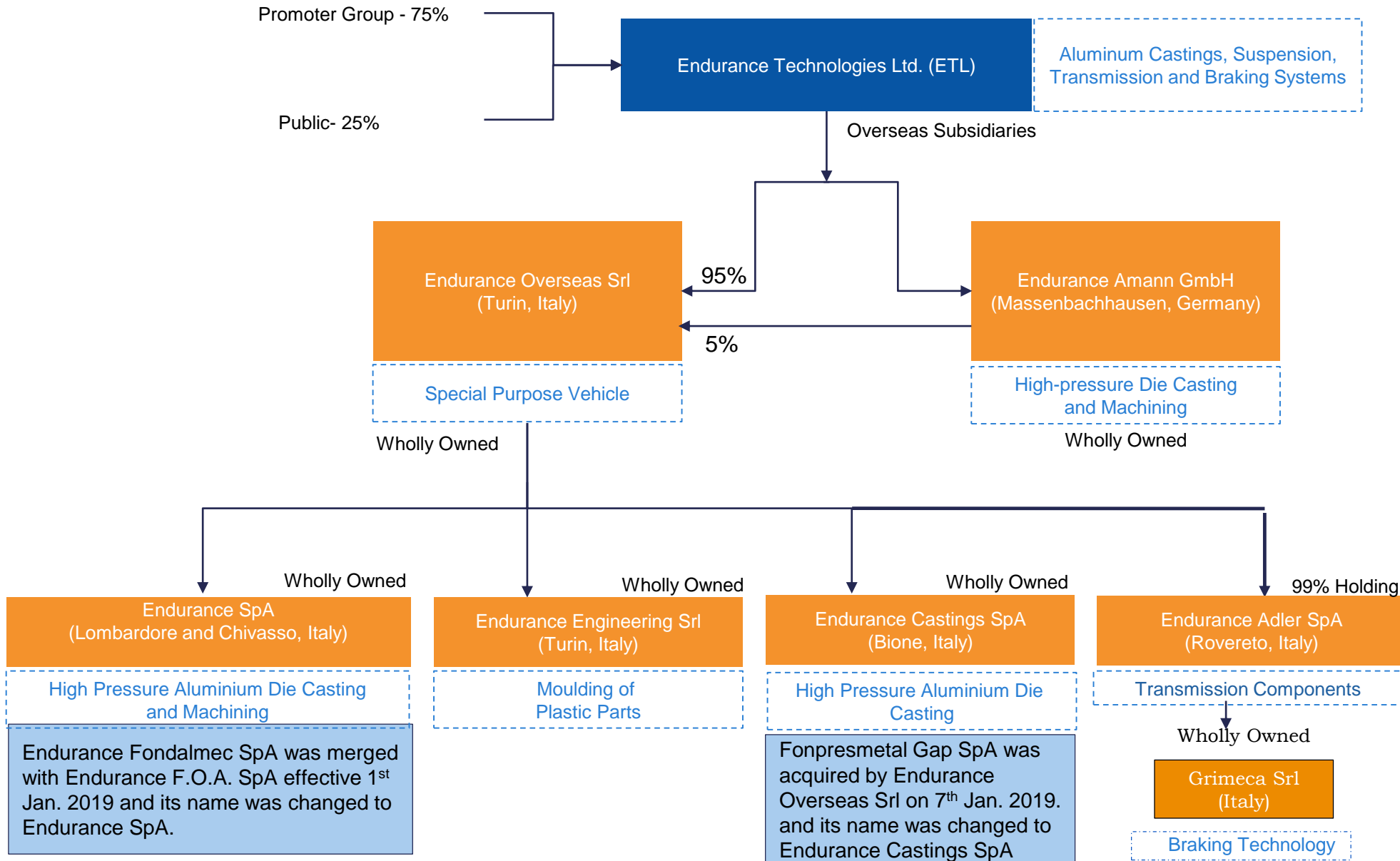


### Revenue by Entity



Note: 1. Based on consolidated financials.

# Corporate Structure

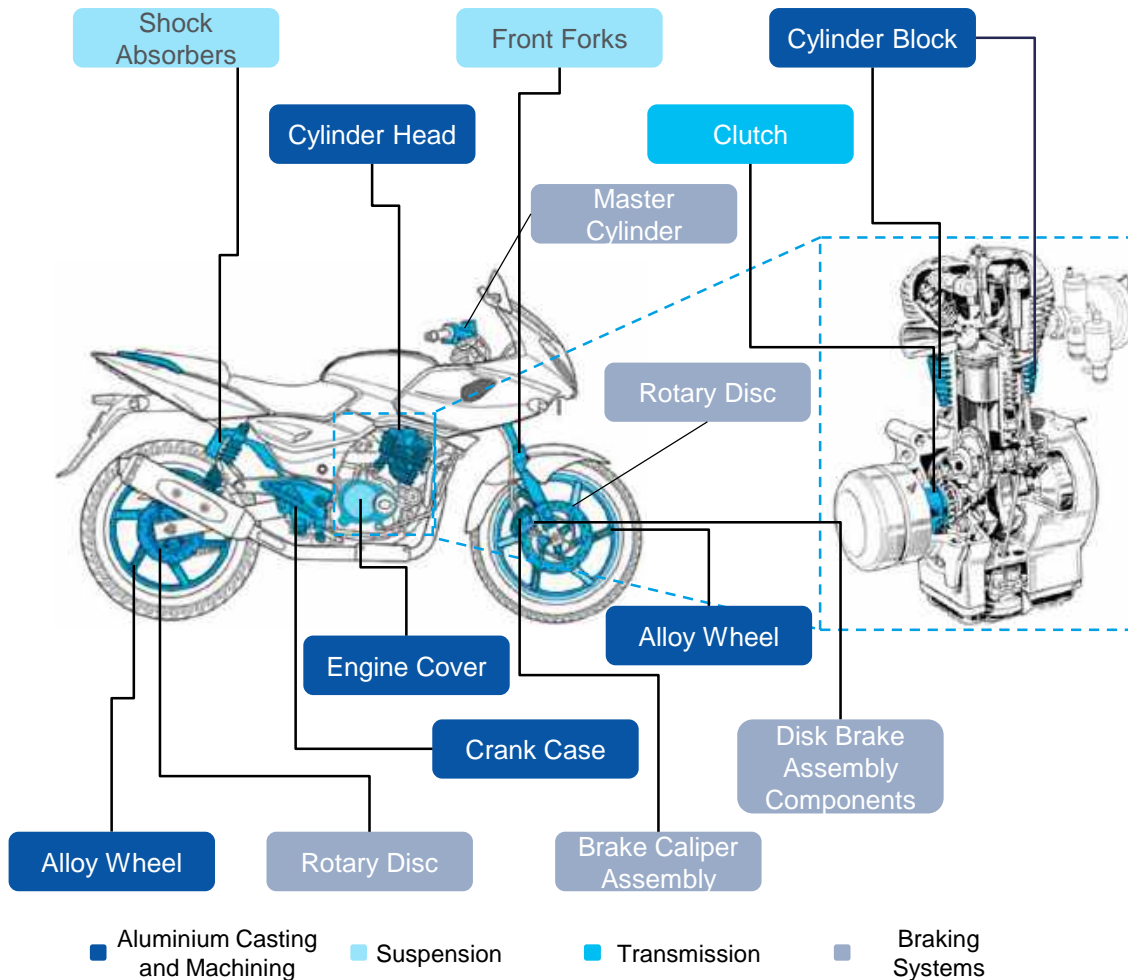


1. Effective 15<sup>th</sup> April, 2020, Endurance Overseas Srl, Italy acquired 99% stake in Adler SpA and name of the acquired entity is changed to **Endurance Adler SpA**.
2. Effective 21<sup>st</sup> May, 2020, Endurance Adler SpA acquired 100% stake in Grimeca Srl, Italy.
3. Adler RE Srl and VS San Marino Srl are additional subsidiaries of Endurance Adler SpA.

# India: Tier 1 Supplier of Diverse Product Offerings to OEMs

Endurance supplies a diverse range of technology-intensive products to 2W / 3W / 4W OEMs

## Two Wheelers



## Three Wheelers

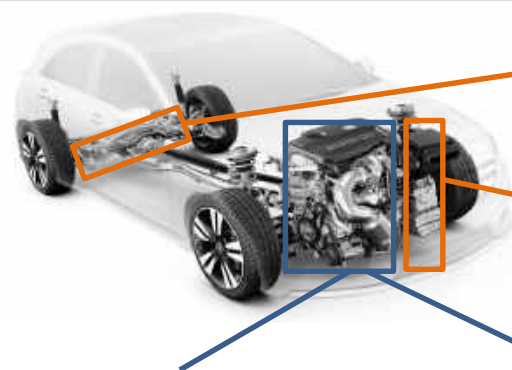


## Four Wheelers



# Europe: Diverse Product Offerings to OEMs

Endurance is a Tier 1 Supplier for multiple technology intensive products to 4W OEMs



## Suspension and Body Parts

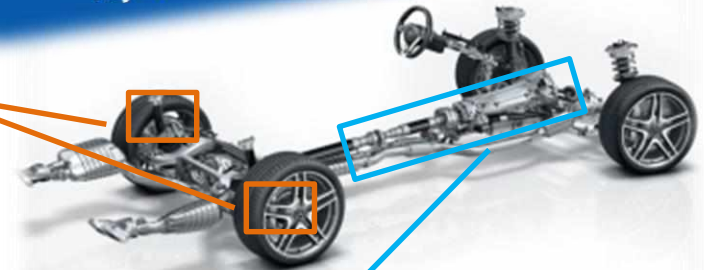
Steel Wheel Hubs

Head Axles

Cross member

Steering housing

Endurance castings are part of the OEMs' light-weighting and Hybrid/ EV plans



## Engines Parts

Cam Carrier

Exhaust Manifold

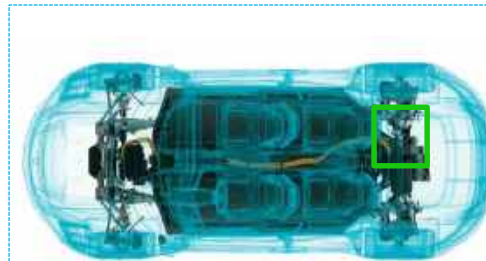
Oil pan



Specialty Plastic Cover

Various brackets

## EV Parts



## Transmission Parts

Transmission Housing

Torque Converter housing

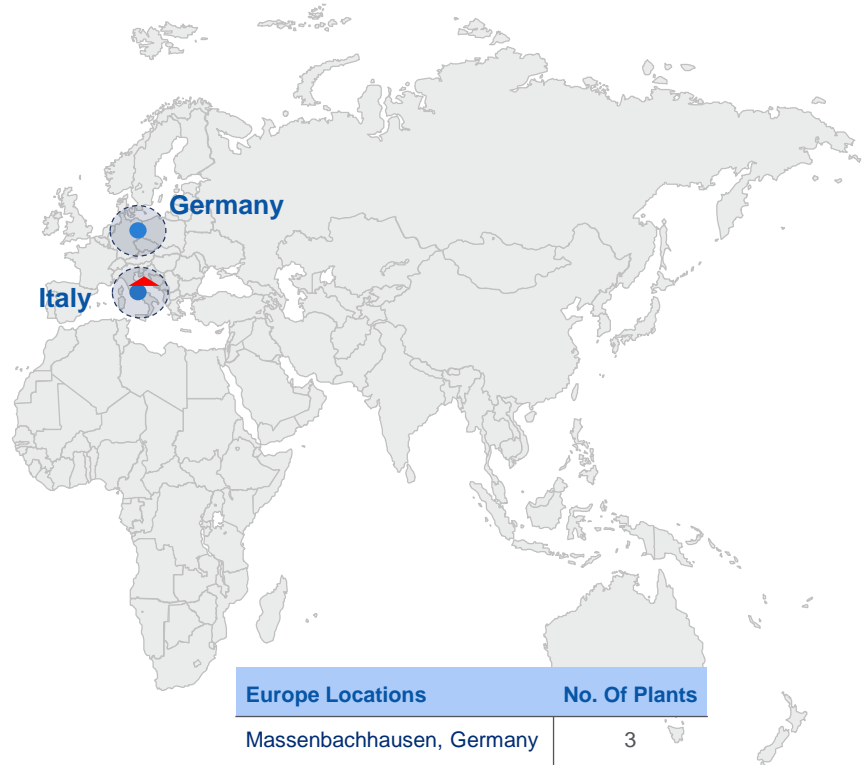
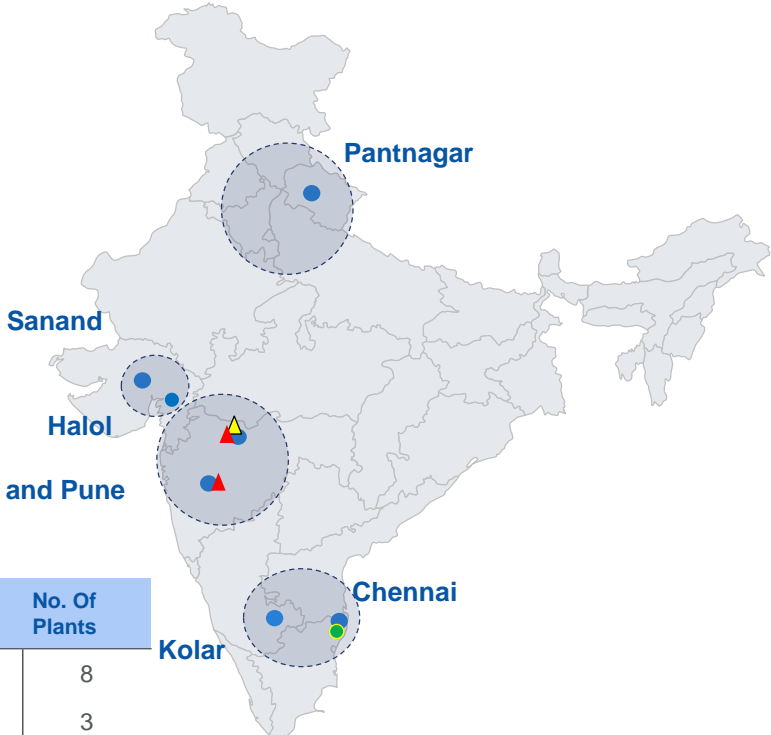
Gear Box Housing



Transmission systems for two wheelers

# Strategically Located Facilities with Close Proximity to OEMs

26 plants in multiple Locations across India & Europe



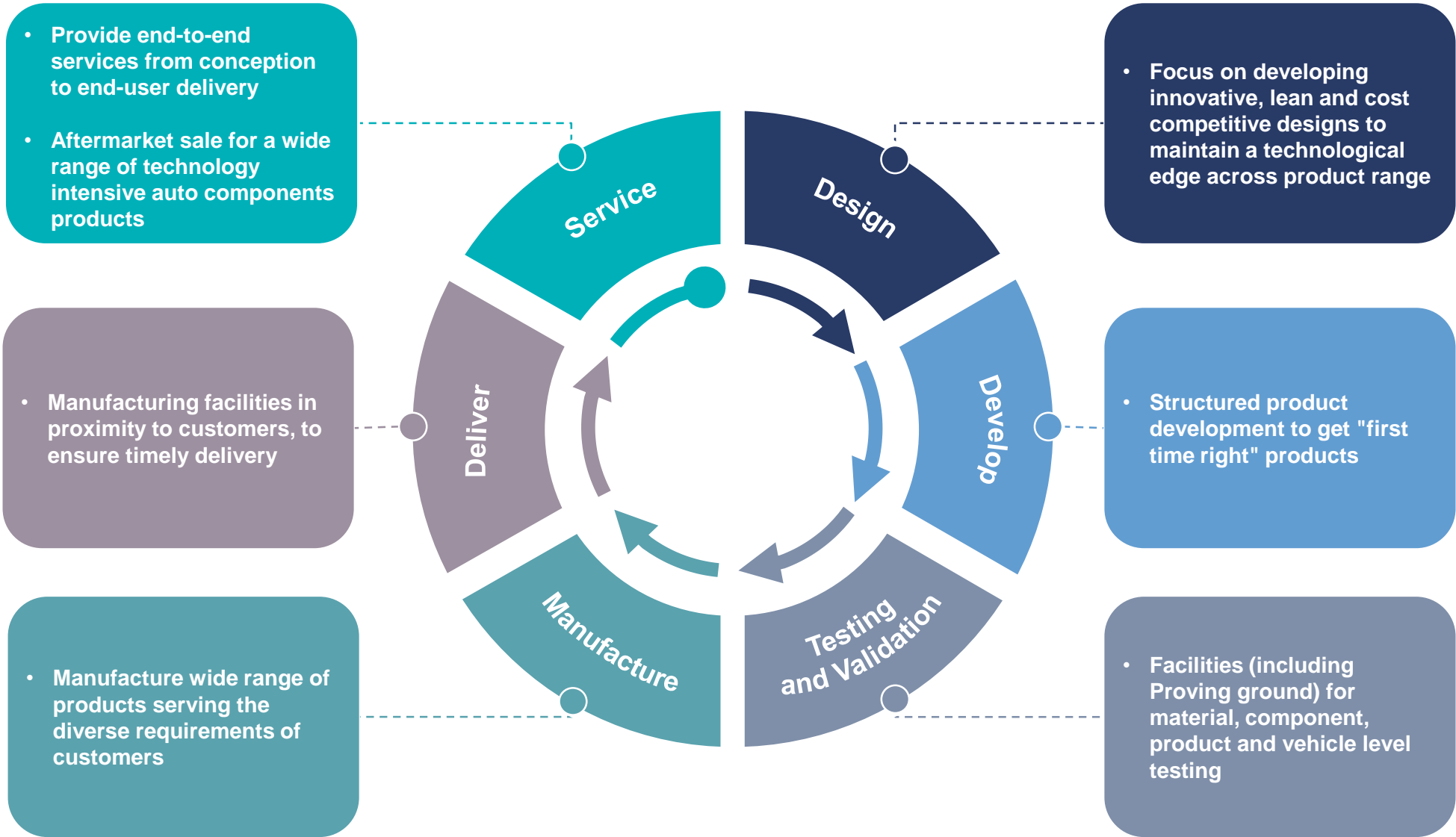
India Locations	No. Of Plants
Aurangabad, Maharashtra	8
Pune, Maharashtra	3
Pantnagar, Uttarakhand	2
Chennai, Tamil Nadu	1
Sanand and Halol, Gujarat	2
Kolar, Karnataka	1
<b>Total</b>	<b>17</b>

R&D Facilities	
Aurangabad, Maharashtra	3
Pune, Maharashtra	1
<b>Total</b>	<b>4</b>

Europe Locations	No. Of Plants
Massenbachhausen, Germany	3
Torino, Italy	1
Chivasso, Italy	2
Lombardore, Italy	1
Bione, Italy	1
Rovereto, Italy	1
<b>Total</b>	<b>9</b>

- Upcoming plant
- ▲ Test Track
- Manufacturing Facilities
- ▲ R&D Facilities / Tech. centers





**QCDDM focus leading to customer satisfaction**

# Consistent Outperformance over Industry Growth

Endurance has consistently outperformed growth in the broader industry by successfully expanding its customer base, focus on R&D, ability to manage costs and reducing new product development time.

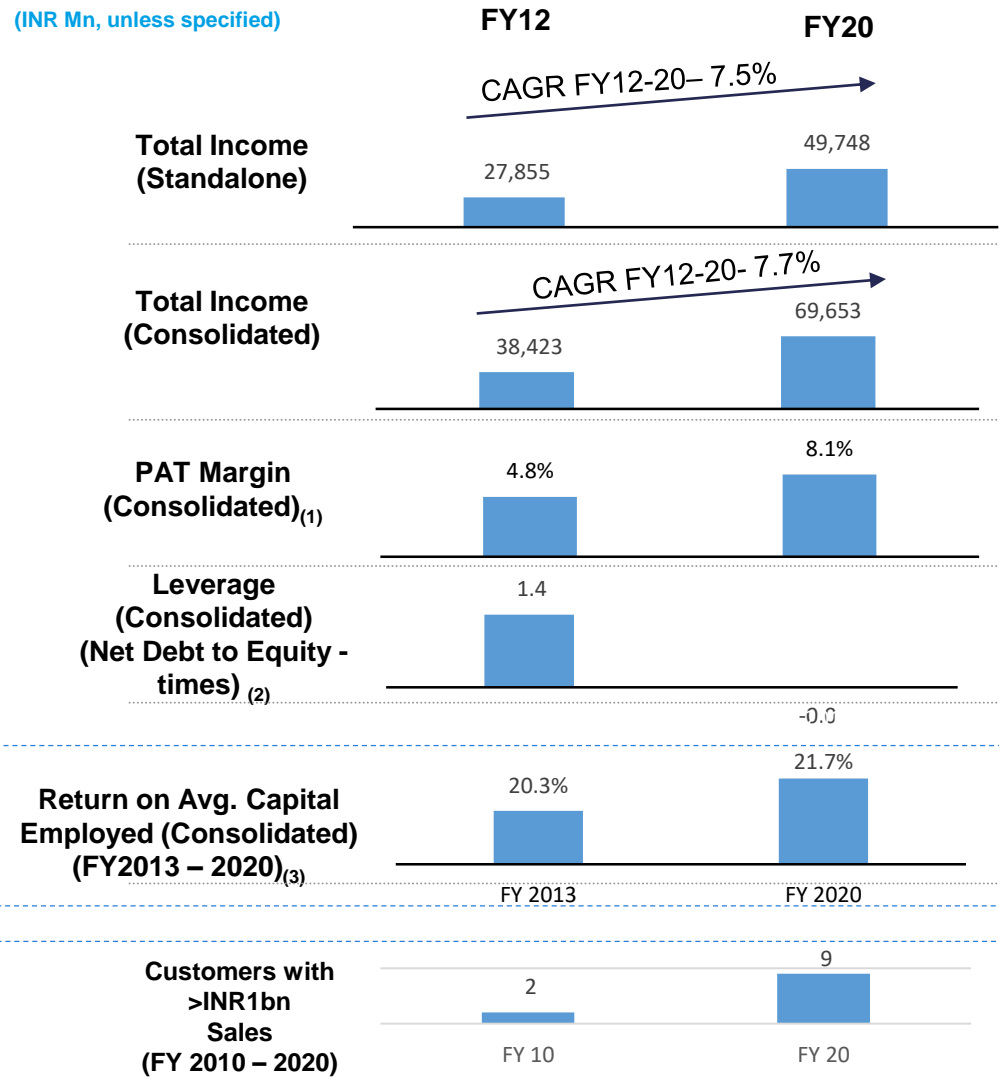
While Industry has shown reasonable growth...

## India Production - FY12 vs. FY20 ('000s)

	FY12	FY20	CAGR FY12-20
Motorcycles	11,983	14,359	2.3% ↑
Scooter	2,659	6,027	10.8% ↑
Moped	786	650	2.3% ↓
2W Industry	15,428	21,036	4.0% ↑
3W Industry	879	1,134	3.2% ↑

...Endurance has Transformed its business between 2012 – 2020

(INR Mn, unless specified)

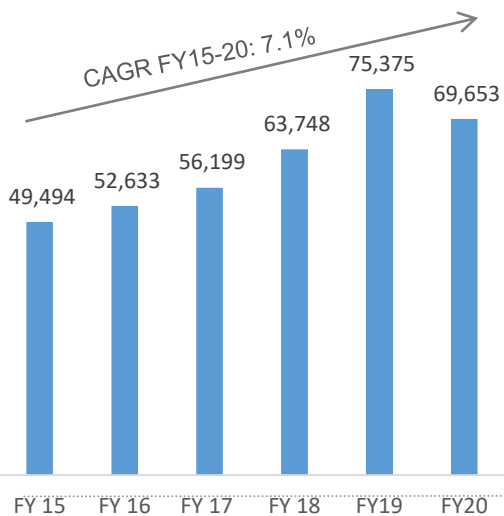


Notes: Source: Industry data sourced from SIAM. Financials are under INDAS from FY 15-16 onwards & under IGAAP till FY 14-15.

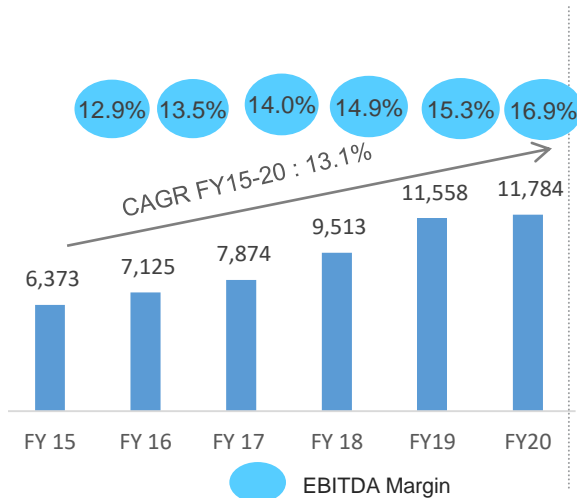
1. Calculated as profit before minority interest divided by total revenue.
2. Net Debt to Equity = (Long Term Borrowings + Short Term Borrowings + Current maturities of long term borrowings – Cash and bank balances – Current investments) / Total Shareholder's Funds.
3. ROACE = EBIT/(Average Capital Employed). Average Capital Employed calculated as Average of Shareholders Equity and Total Debt

# Profitable Growth, Improved Returns on Capital and Deleveraged Balance Sheet <sup>(1)</sup>

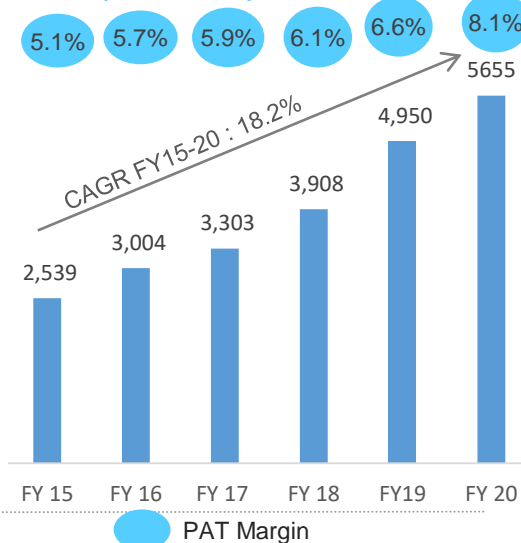
**Total Revenue (INR mn)**



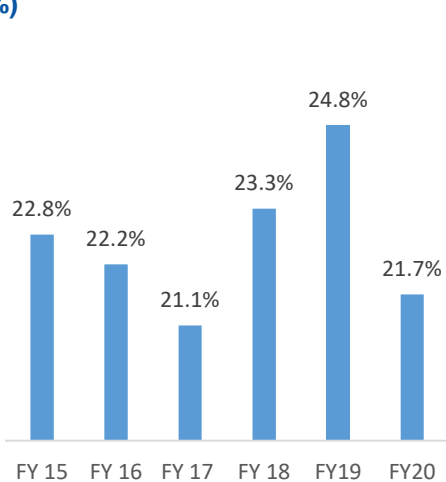
**EBITDA and EBITDA Margin (INR mn / %)**



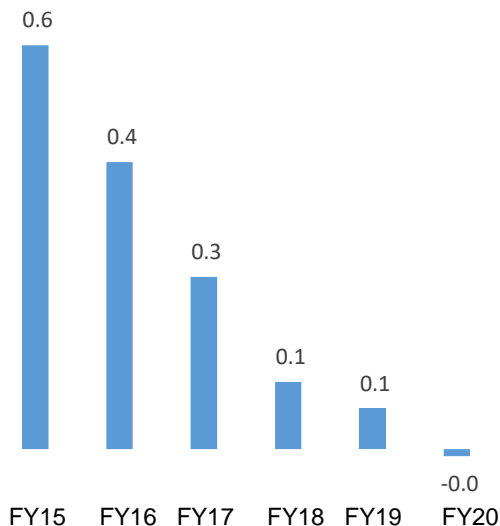
**PAT and PAT Margin <sup>(2)</sup> (Before Minority Interest) – (INR mn / %)**



**Return on Average Capital Employed <sup>(3)</sup> (%)**



**Net Debt / Equity Ratio (x)**



**Credit Rating Improvement <sup>(4)</sup>**

	Apr 2013	Feb 2015	Apr 2017	Jun 2017	May 2018	Jun 2018
Long-Term Bank Facilities	CARE BBB	CRISIL AA- Stable	ICRA AA Positive	CRISIL AA Stable	CRISIL AA Positive	ICRA AA+ Stable
Short-Term Bank Facilities / CP	CARE A3+	CRISIL A1+	ICRA A1+	CRISIL A1+	CRISIL A1+	ICRA A1+

**Crissil and ICRA have reaffirmed their ratings in 2019.**  
**Crissil has again reaffirmed its ratings in end-May 2020.**

Track record of profitable growth

EBITDA and PAT growth have outpaced revenue growth

Improved return on average capital employed

Deleveraged balance sheet

Notes: 1. Consolidated financials: From FY 15-16 onwards under INDAS & till FY 14-15 under IGAAP (FY18 & FY19 numbers are after incorporating IND As 115)

2. Calculated as restated profit before minority interest divided by total revenue

3. ROACE = EBIT/(Average Capital Employed). Average Capital Employed calculated as Average of Shareholders Equity and Total Debt

4. After becoming rated by CRISIL in 2015, the company voluntarily petitioned CARE to withdraw ratings.

# Key Investment Highlights



- 1 ▪ Leading 2W and 3W Auto Component Manufacturer in India
- 2 ▪ Multi-solution Provider of a Diverse Product Portfolio to a Wide Variety of OEMs
- 3 ▪ Focus on R&D with Emphasis on Lean Design and Continuous Improvement in Product Performance, Cost & Reliability and Quality. Technology Inputs from overseas collaborations and recent acquisitions.
- 4 ▪ Focus on Operational Efficiencies to Improve Returns
- 5 ▪ Growing and Profitable European Business
- 6 ▪ Expansion of Presence in Aftermarket Sales Services
- 7 ▪ Strategy for profitable growth

## Largest

2W and 3W auto component manufacturer in India<sup>(1)</sup>

## Largest

Aluminium die-casting company in India<sup>(2)</sup>

## Top 2

in each product segment offered

## Tier 1

supplier to OEMs

## 17

Manufacturing plants in India

## Technology Tie – Ups

**Leading European  
Suspension company**

- Technology tie-up since 2008 for development and manufacturing of suspension components.
- Current agreement was executed in 2015; it is valid for a period of 10 years and is renewable.
- Scope of existing agreement - Technology for the manufacture of new series of motorcycle suspension components.

**Endurance Adler**

- Technology tie-up since 2002 for development and manufacturing of Transmission components.
- Current agreement was executed in 2013; it is valid till August 2021 and is renewable.
- Scope of existing agreement - Development and manufacture of transmission products (CVT and clutch assemblies) related to two-wheelers and three-wheelers for sale to markets in India and worldwide.
- Acquired 99% stake in the technology provider in April, 2020.

**Leading global brake  
and suspension  
company**

- Entered into an agreement in 2017.
- For manufacture of Anti-lock Braking System (“ABS”) for application in two & three wheelers.
- Agreement is valid for a period of 20 years.

**Grimeca**

- Entered into an agreement in 2015.
- For design, manufacture of combined braking systems and related assemblies for 2W applications.
- Agreement is valid for a period of 5 years and renewable.
- Endurance Adler has acquired 100% stake in the technology provider in May 2020.

**European technology  
provider in Aluminium  
Forgings**

- Entered into an agreement in 2019.
- Technical support related to Aluminium Forging Technology

# Endurance Proving Ground (EPG) at Aurangabad

- EPG enables us to test our products on vehicle and further strengthens our position as a Complete Solution Provider.
- EPG is meant for Handling & Manoeuvrability, Ride Comfort, Driveability, Brake/ABS performance and Reliability evaluation.
- Consists test surfaces required for evaluation of Suspension, Transmission & Brake assemblies of 2W, 3W & Quadricycle.
- ABS test surfaces have provision of testing the brake system under wet and dry condition on different friction surfaces (Basalt tile, Ceramic tiles, High  $\mu$  (0.9) asphalt, Polished concrete and loose Gravel).
- Ride & Evaluation track comprises of Belgian pave, Pot holes, Cobble stone, Speed breakers, Long/Short wave pitching, Kerbs.....



# Growing and Profitable European Business

## Growth in Europe

- Acquisition of 100% stake in Amann Druckguss, Germany

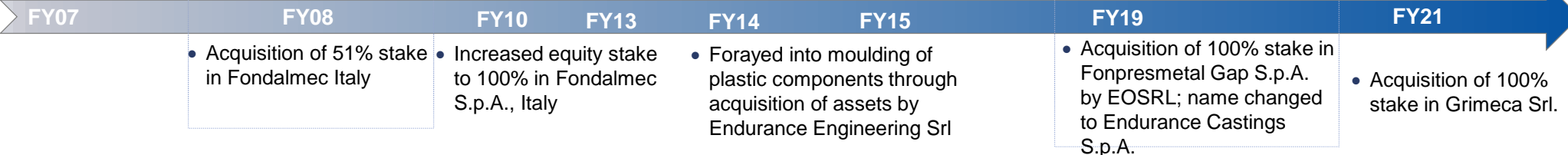
- Incorporated Endurance Overseas Italy, a SPV to make strategic overseas investments

- Acquisition of 15% stake in FOA S.p.A., Italy

- Acquisition of remaining 85% stake in FOA S.p.A., Italy

- Merger of Endurance Fondalmec with Endurance F.O.A. and name changed to Endurance S.p.A.

- Acquisition of 99% stake in Endurance Adler S.p.A.,



## Focus on High-end Casting Products



Engine Cover / cam carrier



Suspension and Body Hub



Transmission Clutch Housing



Engine Exhaust Manifold



Transmission Gearbox housing



Engine Oil pan

Long-standing relationships with world-renowned OEMs in the Passenger and Commercial Vehicles space.

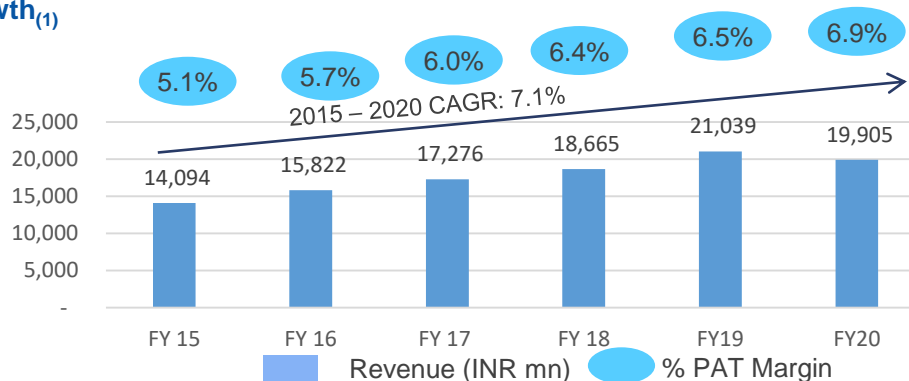
## Expansion Strategy

- ✓ Focus on profitable growth
- ✓ High margin products
- ✓ Marquee customers
- ✓ Inorganic growth

## Capital Efficiency Improvement

- ✓ Diversification of product technology and material solutions
- ✓ Increasing machining automation for high-value products
- ✓ Introduction of higher-tonnage PDC machines for large and complex castings.

## Profitable Revenue Growth<sup>(1)</sup> (INR mn)



### Notes:

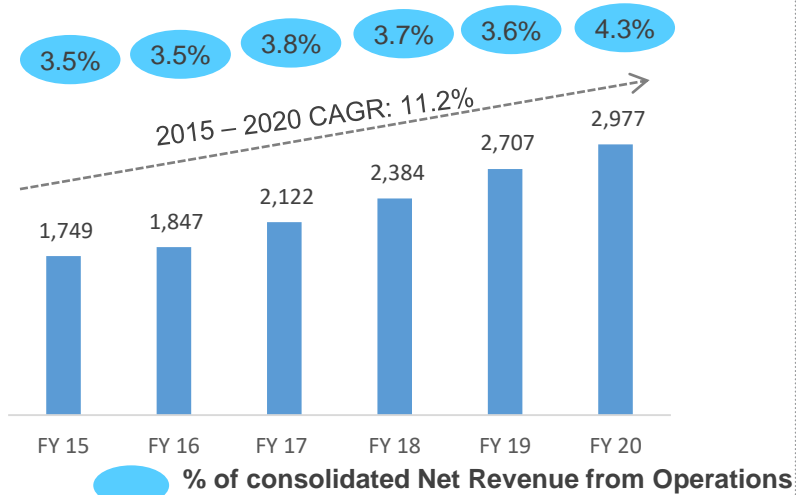
1. Net Revenue from Operations: From FY 15-16 onwards under INDAS & till FY 14-15 under IGAAP (FY18 & FY19 numbers are after incorporating IND As 115); PAT margin calculated as restated profit before minority interest divided by total revenue



# Expansion of Presence in Aftermarket Sales

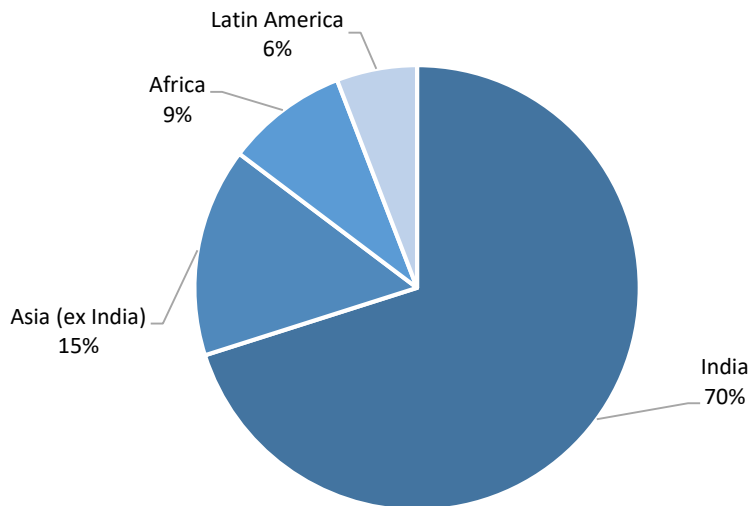
## Aftermarket Sales

(Net Revenue from Operations INR mn)



## Geographical Distribution

FY 2020



**2001**  
Established Aftermarket Business

**28**  
Export countries

**2**  
Company run Distribution Centers

**335**  
Distributors/ dealers in India

**40**  
Distributors Overseas

**65**  
Full time Professional team

## Key Highlights



### Higher Margin

- B2C Business Model



### Branding

1. Program for increasing retailers / mechanics contact & loyalty towards the brand
2. Improve brand image and visibility

## Growth Strategy



### Product Growth Drivers

1. Product penetration by introducing products for new models.
2. Trading of 2W & 3W auto parts not manufactured by Endurance



### Expand Distribution/ dealer Network



### Domestic Growth

- Focus on, Uttar Pradesh, Gujarat, Telangana, Andhra, Tamil Nadu and Rajasthan



### Exports

- Entering new countries every year in line with OEMs

# Strategy for Profitable Growth



Focus on critical markets such as two-wheelers, three-wheelers and passenger cars in India; also passenger cars in Europe



Growth for India and Europe by pursuing Organic and Inorganic Expansion



Continually improve R&D capabilities in order to focus on advanced technology, high value-add products, including for higher cc bikes



Harness R&D for new products, higher OEM penetration for Existing products – for Consistent Profitable Growth



Expand presence in the aftermarket sales



Increase exports from India, enter new countries in line with OEMs. Expand product range.



Continue to pursue strategic alliances and inorganic growth opportunities



Combine low-cost base and manufacturing capabilities with technology from acquisitions / alliances



Focus on operational efficiencies to improve returns

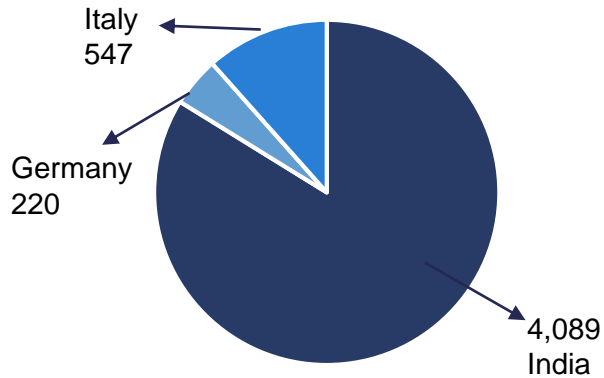


Deploy multi-pronged cost reduction strategies in manufacturing and sourcing

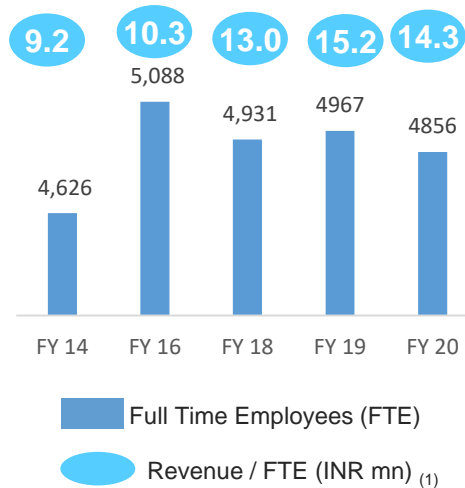
# Human Resources & CSR Initiatives

## A. Human Resources

Full Time Employees by Location (FY2020) – 4856 employees



Revenue/ full time employee



## Committed to Building and Nurturing our People

- ✓ Build organizational capabilities
- ✓ Create a pipeline of leaders
- ✓ Recruitment and retention
- ✓ Performance Management and Reward & Recognition focus
- ✓ Effective communication and Review

## B. Corporate Social Responsibility Initiatives

### 1. Adopted villages to support in four focus areas

#### Livelihood

Training in agri- techniques, Women empowerment by imparting skills and funding.

#### Health & Sanitation

Safe drinking water, Toilets, Medical check-ups, Health, hygiene awareness, Hospital renovation.

#### Education

School renovation, Commute assistance, Teachers' training, Computer Literacy

#### Environment

Solar Power, Water Harvesting, Tree plantation, Compost machines.

2. Partnered with Hope Foundation to set up ECOVE vocational training centre in Aurangabad for school drop-outs, families of workers and educationally and economically under-privileged youth.

3. Have set up and run a tennis academy in Aurangabad to train young children to become future champions.

4. Run a Covid-19 Centre for asymptomatic patients in Aurangabad

Note: 1. Revenue / Employee = Total Revenue / Employee Count.

A

## CULTURE



- We, Endurians, are **proactive, hardworking, result-oriented**, and committed **team players** who **lead by example, walk the talk** and believe in **continuous improvement**
- We are **passionate** about what we do and what we create. We believe in challenging ourselves and **inspiring passion for excellence**
- We have **built a safety first culture** with a focus on contractor safety management
- We **celebrate wins** even the small ones

B

## DIVERSITY



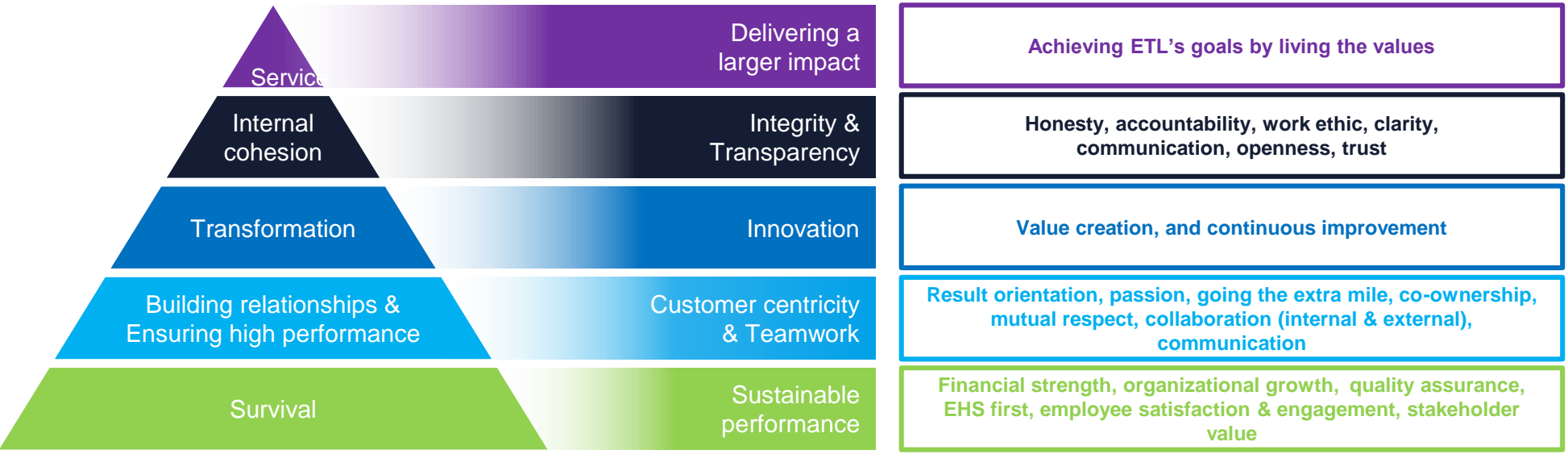
- At Endurance, we don't just accept diversity (be it gender, race, ethnicity, region) – we **celebrate it**.
- We believe that this diversity is key to challenging ourselves and **fostering creativity**. It is through diversity of our employees that we are able to continue to innovate and grow together.
- Diversity is a **strategic priority** for Endurance

C

## PEOPLE DEVELOPMENT



- We empower our employees to become **capable leaders** and enable them to achieve their **true potential** by **capitalizing on their strengths** and challenging them to overcome their weaknesses via objective assessments, mentoring, consistent constructive feedback & detailed development plans
- We have **focused initiatives for our high potential employees** for them to continue excelling in larger roles.



# Awards and accreditations



The Company has been recognised by customers and industry forums with many awards and recognitions. Some of the key awards received during the calendar years 2017, 2018 and 2019 are:

1. Award for New Product Development 2018-19 by Honda Motorcycles & Scooter India Pvt. Ltd. in March 2019
2. Grand Award for QCDDM performance in 2016-17 by Honda Motorcycles & Scooter India Pvt. Ltd. for excellence in Quality, Cost, Delivery, Development and Management.
3. Global TVP Award for the Alloy Wheel Plant at Chakan (Pune) by India Yamaha Motor Pvt. Ltd. for developing Theoretical Value of Production.
4. National Energy Conservation Award by the Bureau of Energy Efficiency.
5. Gold Award to the plant at K228/229, Waluj by International Convention on Quality Control Circle, at Japan in Sep-19.
6. Gold medal in the “National Awards For Manufacturing Competitiveness” for the FY 2017-18, by the International Institute for Research & Manufacturing (IRIM), Mumbai to the plant at E-92 & 93, Waluj.
7. Gold category Award in the India Manufacturing Excellence Awards 2019 by ‘Frost & Sullivan’ at E-92 & 93, Waluj.
8. Silver Certificate of Merit to the plant at K-120, Waluj by the Executive Committee of ‘Frost & Sullivan’ in the FICCI India Manufacturing Excellence Awards 2017, for enhancing Manufacturing and Supply Chain Excellence.
9. Bronze Award under Excellence in Manufacturing ‘Very Large Category’ for the year 2016-17 by Automotive Component Manufacturers Association of India (ACMA) to the plant at E-92 & 93, Waluj.

**Thank You**