



**Sundaram – Clayton Limited**

**Annexure B**

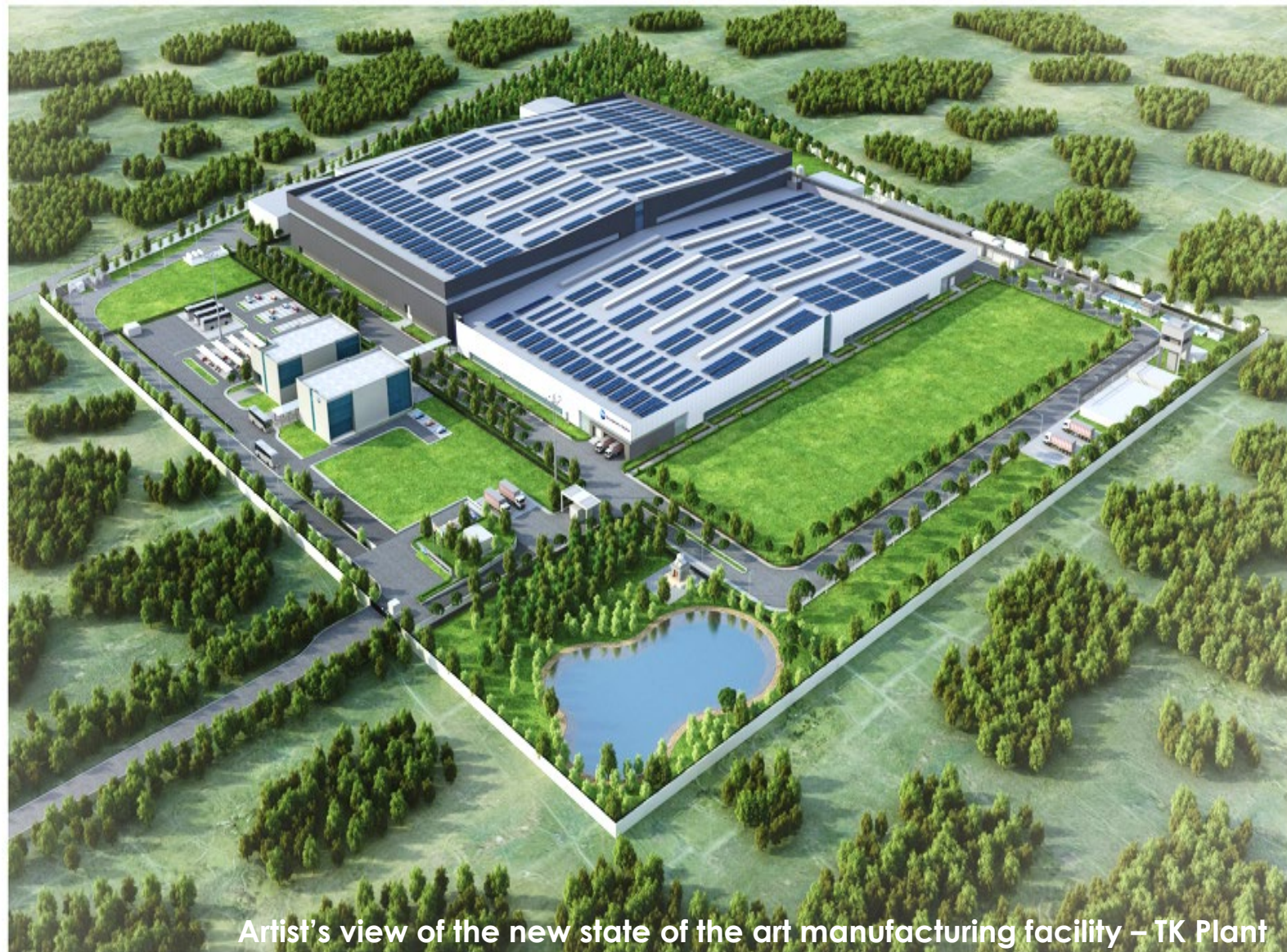
# **Corporate Presentation**

**September 2024**

✓ Sundaram-Clayton: At a Glance

✓ Key Business Highlights

✓ Well Defined Growth & Profitability Strategies



Artist's view of the new state of the art manufacturing facility – TK Plant



## Sundaram-Clayton: At a glance

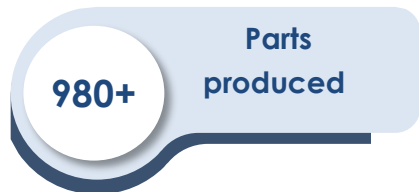
# Sundaram Clayton | Snapshot



**TVS**  
Company



**60+**  
Years of legacy



**980+**  
Parts produced




**3.5k**  
Employee base



**2.2k Cr**  
FY24 Revenue (in Rs)



One of the leading manufacturers of aluminum die castings focused on commercial vehicles and passenger vehicles




Well established relationships with global / Indian OEMs and marquee customers



Manufacturing facilities (4 in India and 1 in USA) having total installed capacity of 84,000 MT

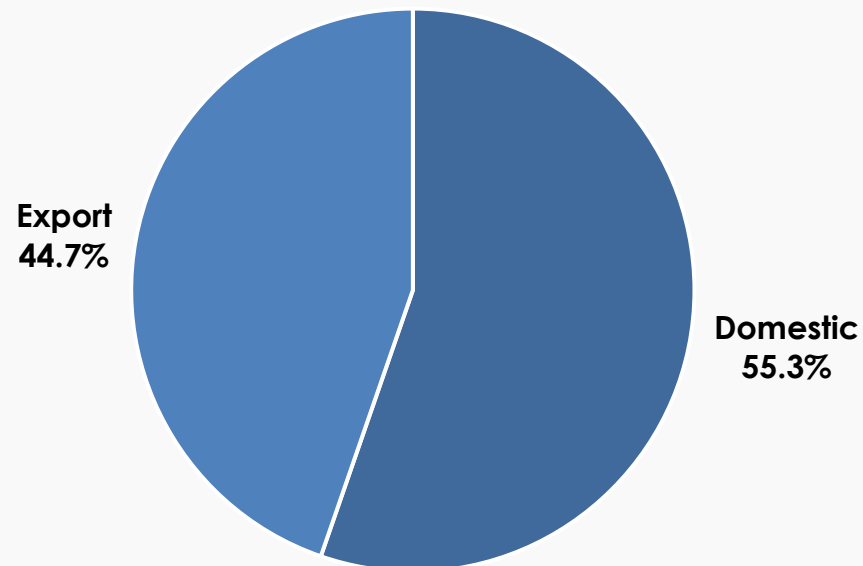


2 R&D facilities one each in India and Germany with 40 members as of 30<sup>th</sup> June, 2024



Strong distribution network with efficient supply to customers and 10 3PL locations as of 30<sup>th</sup> June, 2024

Strong global presence with ~44.70% of FY24 revenue from exports



SCL is well positioned to benefit from the switch to light-weighting, and has the ability to handle low volume, high variety complex parts

# Our journey so far





## Key Business Highlights

# Foundation statements



## Vision

To accelerate adoption of sustainable light alloy solutions, globally



## Mission

To be the supplier of first choice for global customers in the chosen segments by:

- Achieving the best customer satisfaction by offering products of the highest quality at a competitive cost in order to achieve profitable growth
- Co-creating innovative solutions for light-weighting vehicles using deep understanding of science
- Leveraging digitalization of operations and business processes to enhance data driven decision making
- We shall do this by adopting TQM as the way of life



## Values



Trust



Value



Exactness

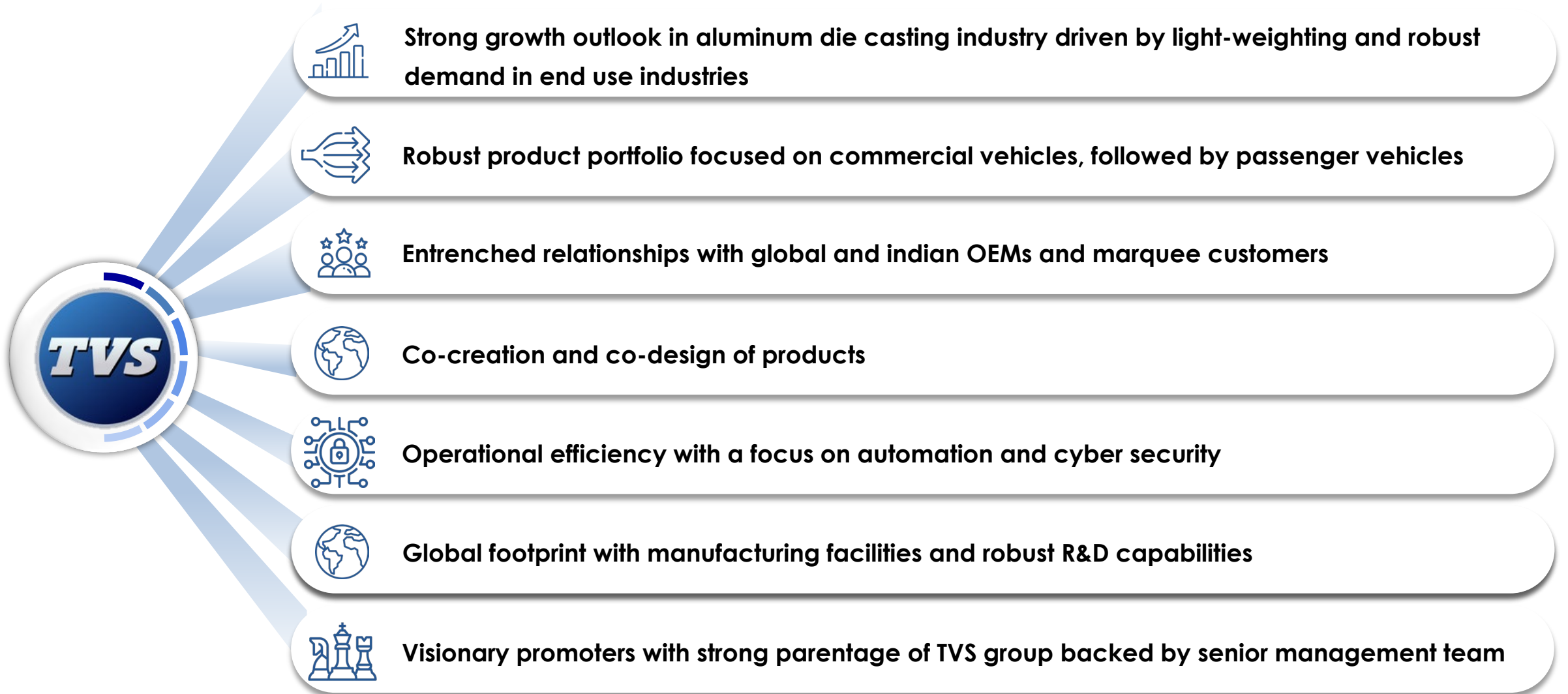


Customer  
Centricity



Speed and  
Agility

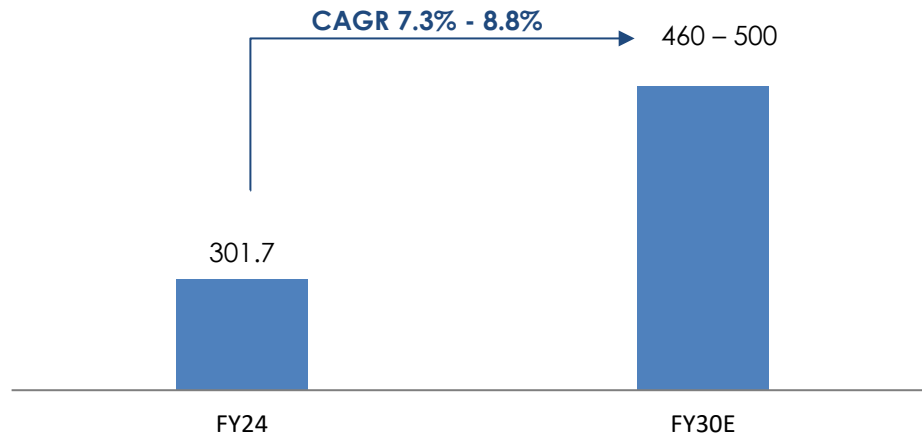
# Key business highlights



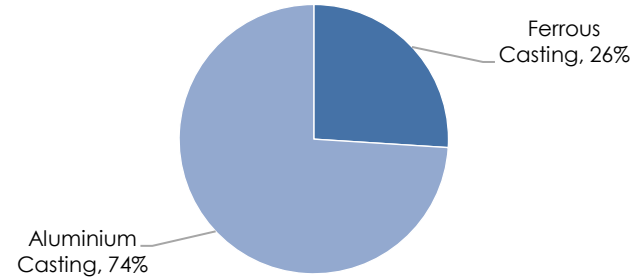
**SCL is well poised to deliver on India outsourcing story backed by robust R&D, resilient manufacturing and global presence**

# India, US and EU aluminum die casting industry has strong growth outlook

Indian auto die casting industry (Rs. Bn) is expected to grow at ~7-9%



...With share of aluminum casting being notably higher due to...



## Growth Drivers



Various advantages of aluminum casting such as fuel efficiency, corrosion resistance, battery passenger safety, etc.

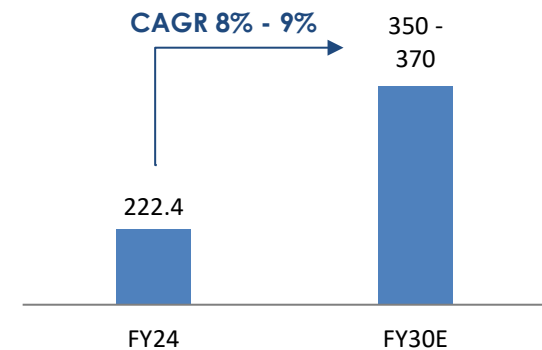


Surging demand for EVs drives the need for light-weighting structural and powertrain aluminum components

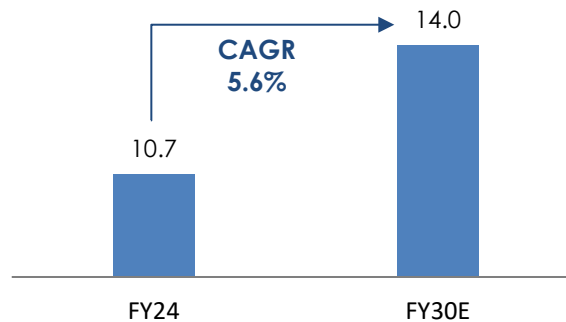


Rising focus on reducing carbon footprint and environmental impact

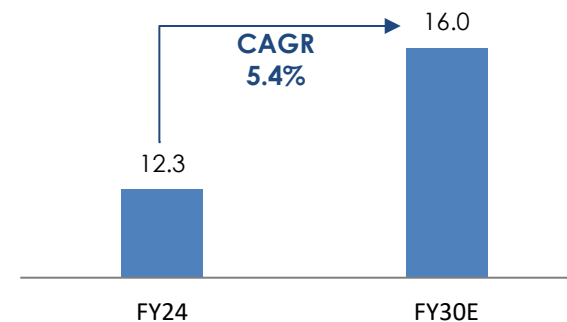
Indian aluminum die casting industry (Rs. Bn) is expected to grow at ~8-9%



US aluminum die casting industry (USD Bn) is expected to grow at ~5.6%

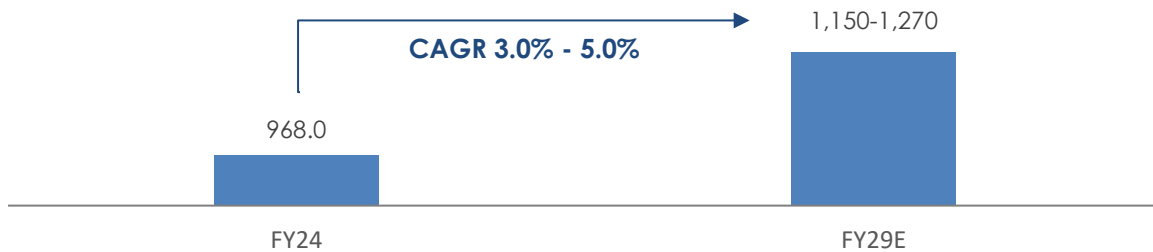


EU aluminum die casting industry (USD Bn) is expected to grow at ~5.4%

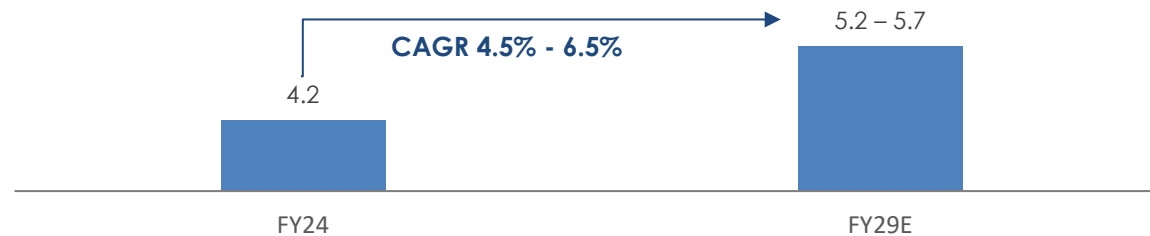


# Backed by robust demand in end-user industries

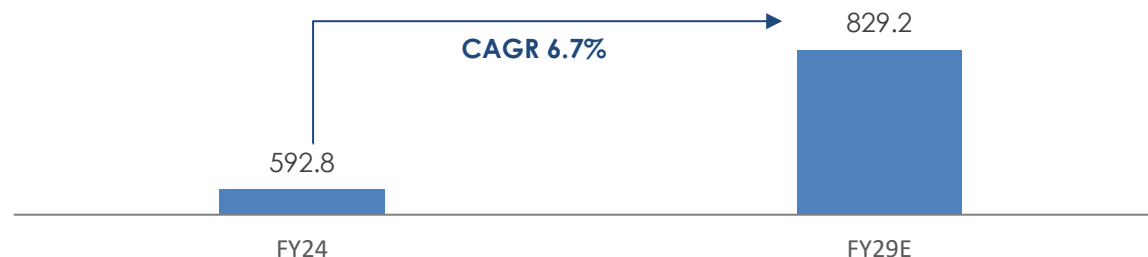
Domestic CV industry ('000 Units)



Domestic PV industry (Mn Units)



US & EU CV industry (USD Bn)



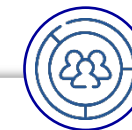
## Key Growth Drivers



Rise in CV demand – strong replacement demand, robust growth of industrial and agricultural sector, boom in e-commerce






















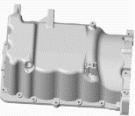









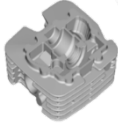


India's PV industry is underpenetrated vis-à-vis global peers



Rising disposable incomes, urbanization, evolving consumer tastes

# Robust product portfolio focused on CV, followed by PV

SCL offers wide range of products and is one stop shop for all aluminum casting solutions

	FY24 Revenue %*	Products									
 <b>Commercial Vehicle</b>	 <b>64.2%</b>	<b>Flywheel housing</b>  <b>Compressor cover</b> 	<b>Charger air housing</b>  <b>Battery box</b> 	<b>Inlet manifold</b>  	<b>Venturi</b>  <b>Gear housing</b> 	<b>Transmission housings</b> 	<b>Front lower radiator bracket</b> 	<b>Engine Mounting brackets</b>  <b>Head lamp brackets</b> 	 <b>Engine brackets</b> 		
 <b>Passenger Vehicle</b>	 <b>17.6%</b>	<b>Timing chain cover</b> 	<b>Oil Pan</b> 	<b>AC Compressor Parts</b> 		<b>Ladder frame</b> 	<b>Transmission housing</b> 				
 <b>Two Wheelers</b>	 <b>18.2%</b>	<b>Magneto covers</b> 	<b>Cylinder barrel</b> 		<b>Cylinder heads</b> 	<b>Swing arm</b> 	<b>Crankcases</b> 				

Collaborating with customers on product development to enhance customer loyalty and increases wallet share

Focus Area

# Ensuring continuous customer satisfaction corroborated by multiple awards

## Select Awards and Accolades from Customers



## Select category awards

**TPM Excellence Award** – First Category by Japan Institute of Plant Maintenance (JIPM)

**Quality Award** – Cummins, Hyundai, Ford Q1 Certification, Delphi TVS, PACCAR (10 PPM)

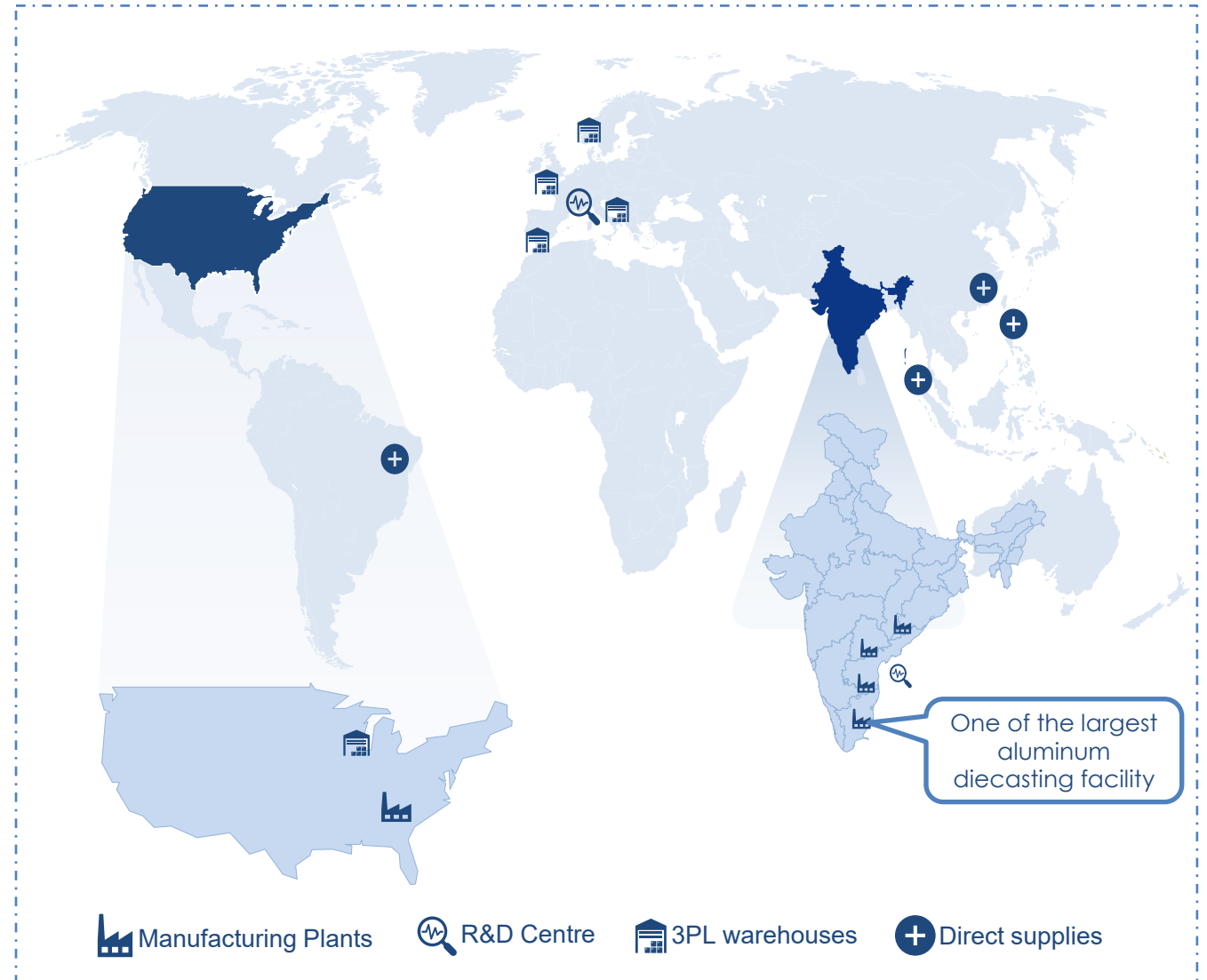
**New Product Development Award** – Cummins, Hyundai, Visteon, ZF, Tata Motors

**Best Supplier Award** – Cummins, Hyundai, Honda, PACCAR

**Industrial Relations (IR) Award** – Best IR Award from Local State Government (Government of Tamil Nadu)

# Global footprint with state of the art manufacturing facilities

- ✓ 5 manufacturing plants (4 in India and 1 in USA) with total capacity of 84,000 MT
- ✓ Setting up one of the largest aluminum diecasting facility with robotic and automated processes under one roof
- ✓ Strong aluminum Casting know-how: Offers wide range of die casting processes – GDC, HPDC and LPDC
- ✓ International safety standards in building design
- ✓ Plans to be Industry 4.0 compliant facility with robotics and well researched material flow layout
- ✓ 80%+ usage of renewable energy
- ✓ 2 R&D centers and team of 40 members with 2 PhDs and 16 postgraduates\*
- ✓ Global supply footprint: Efficient supplies to customers across 10 third party logistics (3PL) locations



# Operations commenced at the one of the largest aluminum die-casting facility in India

Advanced Automated Manufacturing Facilities

Focus on Efficient Material Flow



HPDC cell



Gravity die casting cell



Machining cell

## Salient Features



- Total area of 50 acres
- One of the largest aluminum diecasting facility with integrated casting and machining operations under one roof
- International safety standards in building design
- Workforce diversity greater than 25%

## Lean



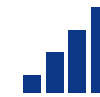
- Quick exchange of Dies
- Lean and logical material flow
- Maximize digital based vertical space storage

## Green



- Green building certification from Indian Green Building Council (IGBC)
- Reduce, Reuse and Recycle concepts for maximum resource utilization and minimum effect on environment
- Maximum usage of renewable energy (>80%)

## Connected



- Private 5G network based IoT ecosystem for seamless connectivity between humans, machines and materials
- Plan to be Industry 4.0 compliant facility

# Enabling it to be a one stop shop for all aluminum casting solutions



**1 Collaborative Development** – Engage with customers from concept stage



**2 Prototype and Tool – Design and manufacturing** Prototyping to series supplies (end-to-end)



**3 Casting Manufacturing** – Offer a complete range of die casting processes – HPDC, GDC & LPDC



**4 Lightweighting** – Conversion of steel parts to aluminum parts, development of structural and EV parts



**5 VA/VE** – Capability to handle high model mix with medium to low volume parts manufacturing



**6 Machining and Sub-Assembly** – Offer machining and other value-added capabilities

# Backed by robust in-house R&D facilities

## R&D facilities and capabilities



DSIR approved R&D center in India  
R&D Centre in Germany



40 member R&D team



Use of latest softwares



Advanced metallurgical equipment - CT Scan & SEM

## Inspection facilities



- ✓ Online Statistical Process Control (SPC)
- ✓ 3D Scan
- ✓ Coordinate Measuring Machines (CMM)



- ✓ Spectrometer
- ✓ Thermography
- ✓ Advanced X-Ray
- ✓ Millipore Lab
- ✓ Fully Equipped Standards Room

## Collaborations with technological institutions



Massachusetts Institute of Technology



RYERSON UNIVERSITY



Fraunhofer IES



RWTH AACHEN UNIVERSITY



CSIRO



WARWICK THE UNIVERSITY OF WARWICK



INDIAN INSTITUTE OF TECHNOLOGY BOMBAY



mtb

CT scanning machine



SEM machine



3D laser scan machine



X-Ray machine



Spectro



CMM



# Experienced board of directors and senior managerial personnel

**Mr. Rajarangamani Gopalan**  
Chairman and Independent  
Director

**Mr. Venu Srinivasan**  
Chairman Emeritus and  
Managing Director

**Dr. Lakshmi Venu**  
Managing Director

**Mr. Vivek Shripad Joshi**  
Director and Chief Executive  
Officer

**Mr. R Anandakrishnan**  
Non-Executive Non-  
Independent Director

**Mr. Chittranjan Dua**  
Non-Executive  
Independent Director

**Mr. P. Kaniappan**  
Non-Executive  
Independent Director

**Mr. Rajesh Narasimhan**  
Non-Executive Non-  
Independent Director

**Ms. Sasikala Vardachari**  
Non-Executive  
Independent Director

**Mr. Ajay Kumar**  
Chief Financial Officer

**Mr. P. D. Dev Kishan**  
Company Secretary and  
Compliance Officer

**Mr. R. Venkatesh**  
Chief Operating Officer

# Strong parentage of TVS group backed by visionary promoters



Led by Visionary Promoters with Multi Decade Experience



**Mr. Venu Srinivasan**  
*Chairman Emeritus and  
Managing Director*

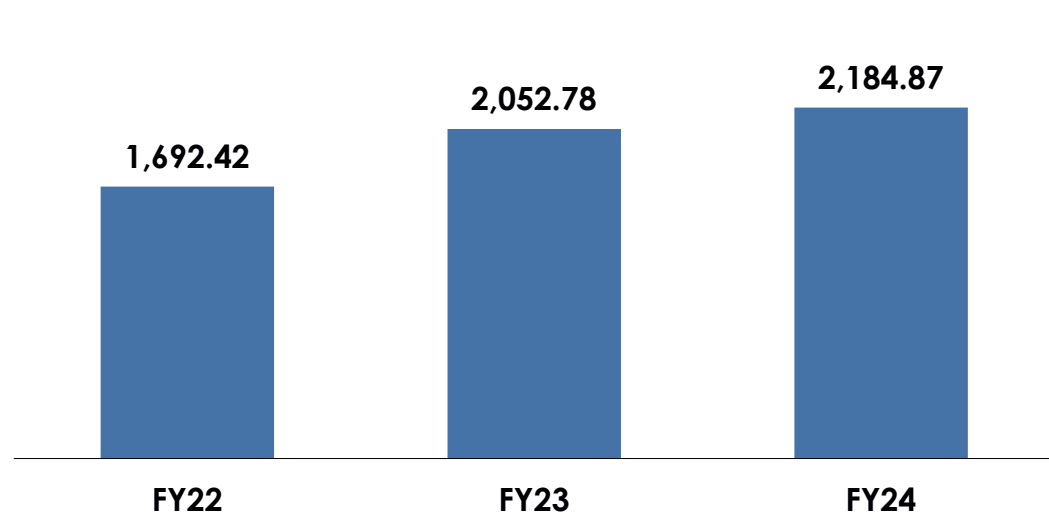


**Dr. Lakshmi Venu**  
*Managing Director*

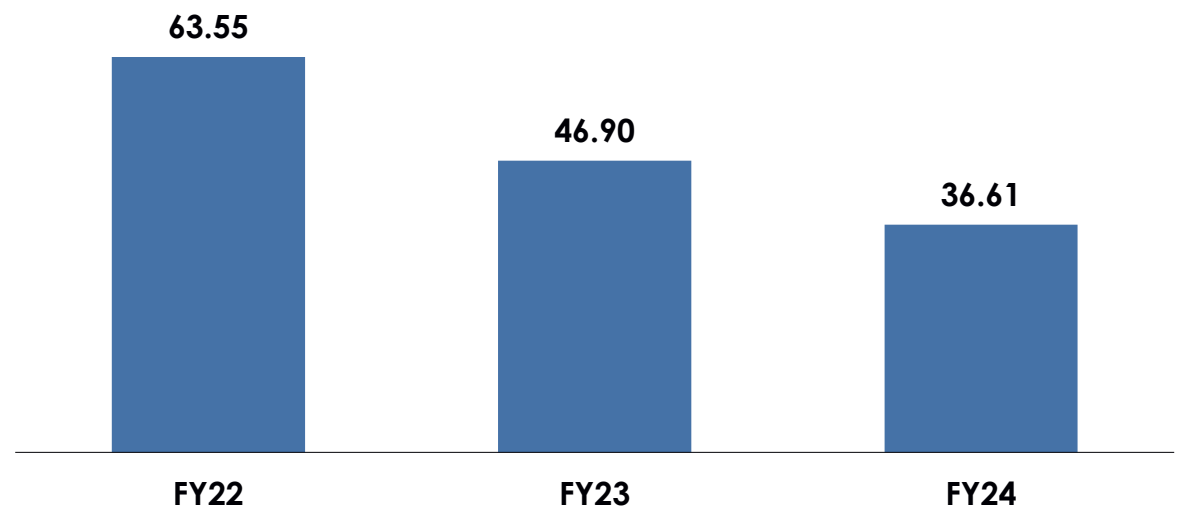
# Track record of financials

## Revenue from operations and Growth (INR Cr and %)

Growth	50.0%	21.3%	6.4%
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## Efficient Net working capital (Days)



## Poised for Significant Value Unlocking

India business profitability: Delivered Rs 281.2 Cr EBITDA and Rs 124.6 Cr PBT in FY24

US Presence




Overall debt reduction through monetization of surplus assets & fund raise

# ESG initiatives

## Strong commitment to the environment

- ▶ Comply with all environmental laws, regulations, codes, best practices and other requirements related to the protection of the environment
- ▶ Reduce the amount of waste produced
- ▶ Reduce the consumption of water and energy
- ▶ Increase re-use and recycle
- ▶ Work continuously to improve the effectiveness of our environmental programs
- ▶ Provide environmental trainings and educate employees including our suppliers to be environmentally responsible

## Sustainability model

-  ENVIRONMENTAL
  - Climate change strategy
  - Biodiversity
  - Water efficiency
  - Energy efficiency
  - Carbon intensity
  - Environmental management system
-  SOCIAL
  - Equal opportunities
  - Freedom of association
  - Health and safety
  - Human rights
  - Customer and products responsibility
  - Child labor
-  GOVERNANCE
  - Business ethics
  - Compliance
  - Accountability
- ▶ SCL has prioritized specific areas of focus from the UN framework in the context of our business and environment
- ▶ SCL is in the process of developing a next horizon framework and long-term plans in partnership with a European entity for its sustainability initiatives

# Proforma Condensed Combined Statement of Profit And Loss

Particulars (INR Cr)	FY22	FY23	FY24	FY25 Q1
<b>Total Income</b>	<b>1,696.03</b>	<b>2,062.98</b>	<b>2,220.94</b>	<b>584.95</b>
Cost of materials consumed	956.04	1,130.63	1,189.60	326.12
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	-85.33	-2.01	-18.04	-14.57
Employee benefit expenses	195.84	277.87	338.43	99.89
Other expenses	436.36	521.89	604.08	159.23
<b>EBITDA</b>	<b>193.12</b>	<b>134.60</b>	<b>106.87</b>	<b>14.28</b>
Finance costs	46.39	60.05	89.40	26.19
Depreciation and amortisation expense	130.72	143.88	153.43	38.11
<b>PBT before Exceptional and Extraordinary Items</b>	<b>16.01</b>	<b>-69.33</b>	<b>-135.96</b>	<b>-50.02</b>
Exceptional, Extraordinary Items and Share of Profit in Associates	-13.36	-17.13	-6.03	0.09
<b>PBT</b>	<b>2.65</b>	<b>-86.46</b>	<b>-141.99</b>	<b>-49.93</b>
Tax Expenses	19.25	21.38	27.43	5.92
<b>PAT</b>	<b>-16.60</b>	<b>-107.84</b>	<b>-169.42</b>	<b>-55.85</b>
<i>PAT %</i>	<i>-0.98%</i>	<i>-5.23%</i>	<i>-7.63%</i>	<i>-9.55%</i>

# Proforma Condensed Combined Balance Sheet

Particulars (INR Cr)	FY22	FY23	FY24
<b>EQUITY AND LIABILITIES</b>			
Equity share capital	10.12	10.12	10.12
Other equity	547.25	763.97	590.04
Non Controlling Interest	291.31	0.00	0.00
<b>Total Equity</b>	<b>848.68</b>	<b>774.09</b>	<b>600.16</b>
Financial liabilities			
i. Borrowings	595.07	799.18	755.47
ii. Lease liability	20.14	7.68	3.78
iii. Other financial liabilities	10.56	10.68	0.00
Provisions	16.05	11.08	17.86
Deferred tax liabilities (Net)	33.08	27.74	16.94
Other non-current liabilities	0.00	0.00	10.84
<b>Total Non-Current Liabilities</b>	<b>674.90</b>	<b>856.36</b>	<b>804.89</b>
Financial liabilities			
i. Borrowings	359.28	282.66	661.90
ii. Lease liability	15.42	17.30	4.57
iii. Trade payables	366.35	399.51	444.41
iv. Other financial liabilities	31.12	52.90	57.51
Other current liabilities	21.21	19.38	51.86
Current tax liability	0.00	0.00	2.19
Provisions	8.38	9.58	46.47
<b>Total Current Liabilities</b>	<b>801.76</b>	<b>781.33</b>	<b>1268.91</b>
<b>Total Equity and Liabilities</b>	<b>2,325.34</b>	<b>2,411.78</b>	<b>2,673.96</b>

# Proforma Condensed Combined Balance Sheet

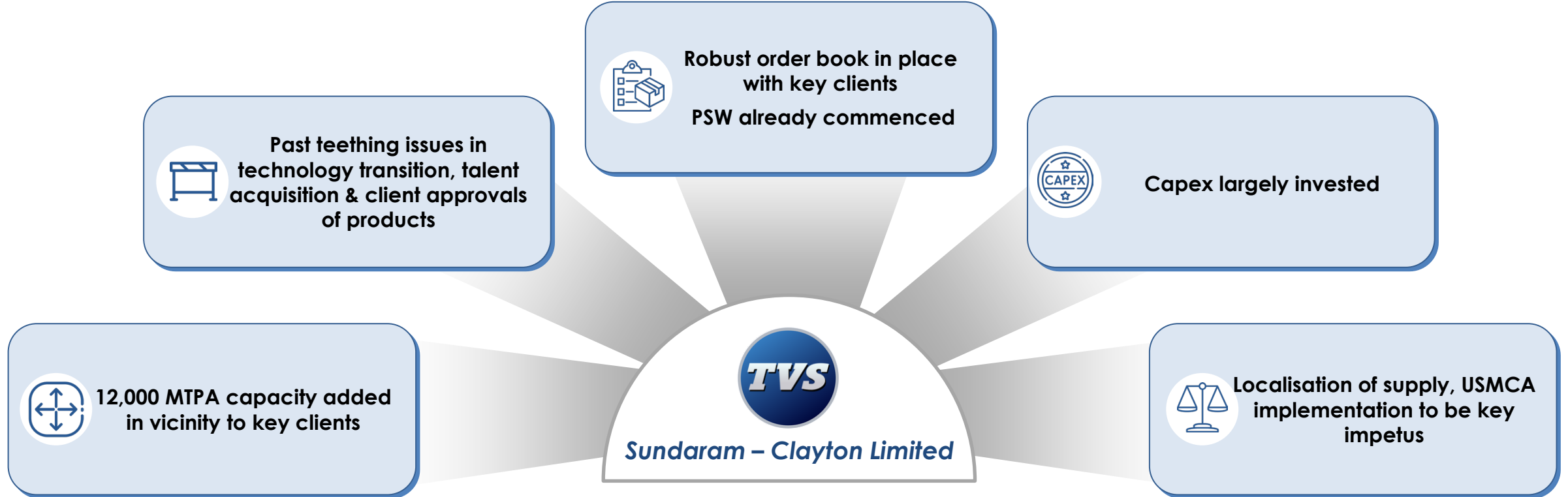
Particulars (INR Cr)	FY22	FY23	FY24
<b>ASSETS</b>			
Property, plant and equipment	1,389.59	1,470.50	1,473.43
Capital work in progress	64.40	77.81	330.10
Other intangible assets	0.58	0.73	0.49
Financial assets			
i. Investments	9.49	8.72	24.59
ii. Investments accounted using equity method	0.98	0.95	1.31
iii. Other financial assets	11.90	8.92	9.53
Other non-current assets	33.33	44.21	52.05
<b>Total Non-Current Assets</b>	<b>1,510.27</b>	<b>1,611.84</b>	<b>1,891.50</b>
Inventories	394.17	410.98	370.67
Financial assets			
i. Trade receivables	266.83	252.29	292.88
ii. Cash and cash equivalents	123.61	103.75	14.42
iii. Bank balances other than (ii) above	-	-	10.42
iv. Other financial assets	7.51	10.17	26.45
Other current assets	22.95	22.75	67.62
<b>Total Current Assets</b>	<b>815.07</b>	<b>799.94</b>	<b>782.46</b>
<b>Total Assets</b>	<b>2,325.34</b>	<b>2,411.78</b>	<b>2,673.96</b>



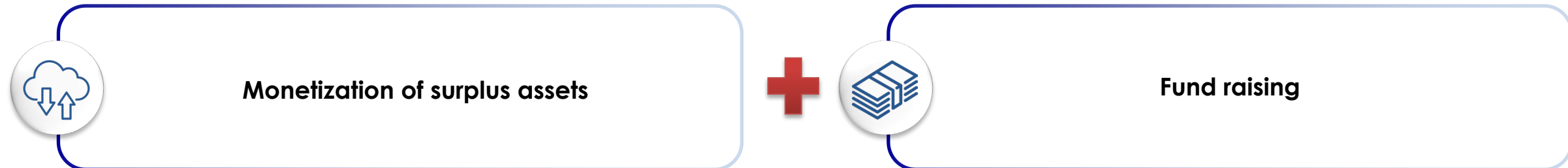
## Well Defined Growth & Profitability Strategies

# Short term outlook

## US growth Strategy – Ready to deliver high growth and returns



## Managing future leverage



# Well defined growth & profitability strategies



**Focus on high variety, low volume parts and development of machining and sub-assembly capabilities to drive growth**

## Concluding Remarks

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**With a clear strategy, these 2 strategic investments – Thervoy Kandigai and US – will put SCL in a strong position to gain further share with our strategic customers globally and achieve sustainable profitable growth**



***Thank you***