

## Analyst & Investor Meet 2022

25<sup>th</sup> August 2022



Time	Agenda	Presenter
03:00 PM	Business strategy	Nagesh Basavanhalli ( <i>Executive Vice Chairman</i> )
03:20 PM	Manufacturing	Dr. Arup Basu ( <i>Managing Director, GCL</i> )
03:40 PM	E-mobility	Sanjay Behl ( <i>CEO &amp; ED, GEMPL</i> )
04:00 PM	Financial overview	Dalpat Jain ( <i>Group CFO</i> )
04:10 PM	Takeaways & concluding remarks	Nagesh Basavanhalli
04:15 – 05:00 PM	Q&A	MC

**Welcome address & business strategy**

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In the next decade, global changes will be led by urbanisation & sustainability, driven by e-mobility

E7 economies double the size of G7 by 2040

80% of middle class in emerging economies

75% faster growth in emerging economies

Emerging economies 50% of global by 2025

59% increase in food demand by 2050

Water crisis is #1 global risk, says WEF

48% think business should be force for good

\$22tn socially responsible investments today

Sources: Black Rock, Bloomberg, Deloitte, IFTF, McKinsey, PwC, WEF, World Bank

Analyst & Investor Meet 2022

## 1 SHIFTING ECONOMIC POWER

To emerging markets and developing economies, including China



## 2 CLIMATE CHANGE AND RESOURCE SCARCITY

Impact as well as an increased strain on the world's resources, including energy, food, metals, and water. 75% faster growth in emerging economies



## 4 TECHNOLOGICAL BREAKTHROUGH

Artificial intelligence (AI) and machine learning, & more



## 5 DEMOGRAPHICS AND SOCIAL CHANGE

Changes in global demographics (i.e., world population, density, education level, etc.) will bring social change



## 3 RAPID URBANISATION

The global migration to megacities, and the challenges and opportunities that emerge as a result.



90% of world data created in last 2 years

1 trillion objects connected by 2022

90% of stock trading now done by algorithm

66% of world is connected at any time

Global population towards 10bn by 2050

13% of us over 65 by 2030, from 8% today

90% of under 25s in emerging economies

1.5 million people move to cities every week

66% live in cities by 2050, from 54% today

61% of global GDP created by 750 cities

# Accelerated growth strategy in alignment with the megatrends

**GREAVES**

## Growth in urbanisation

Leading to higher demand on last mile transportation, both personal and commercial

- **Acquisition and integration of 2W/ 3W**
- **New product development**
- **Indigenising components**
- **Manufacturing & supply chain**
- **Brand building & customer reach**

## Sustainability

Leading to higher government, public and enterprise focus on sustainable technologies

- **Sustainability at the core of technology, products, practices and governance**
- **Investment in 2W/ 3W EV technology**
- **Strategic partnerships and investments in manufacturing EV components, software development and market reach, for accelerating shift to EV**
- **Building internal technology team to drive the focus on sustainability**

## Digital transformation

Leading to building integrated operations management, faster product development and real time response ecosystem

- **Seamless integration of digital technology for best customer outcomes across businesses**

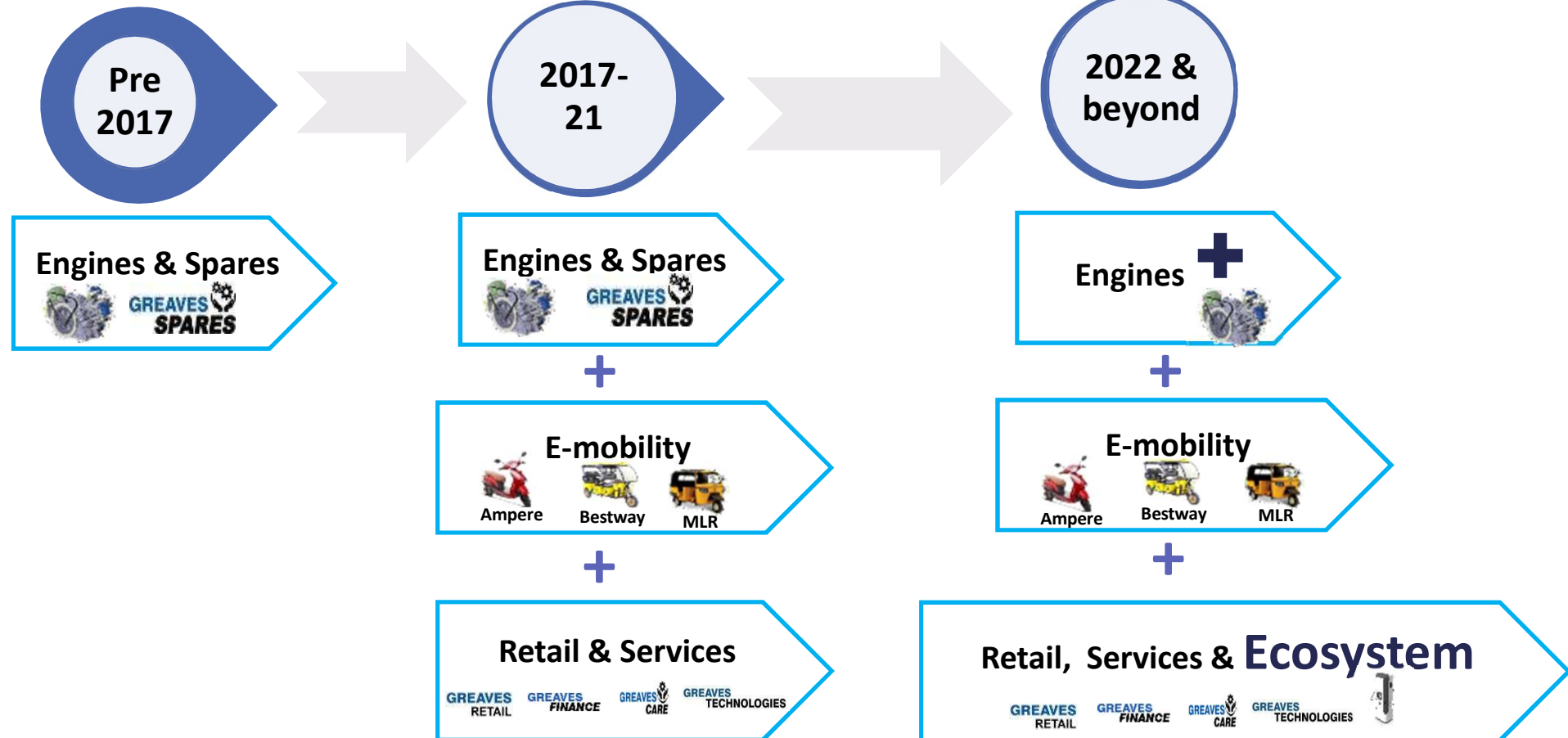
# Diversifying business portfolio driven by customer centricity for accelerated growth

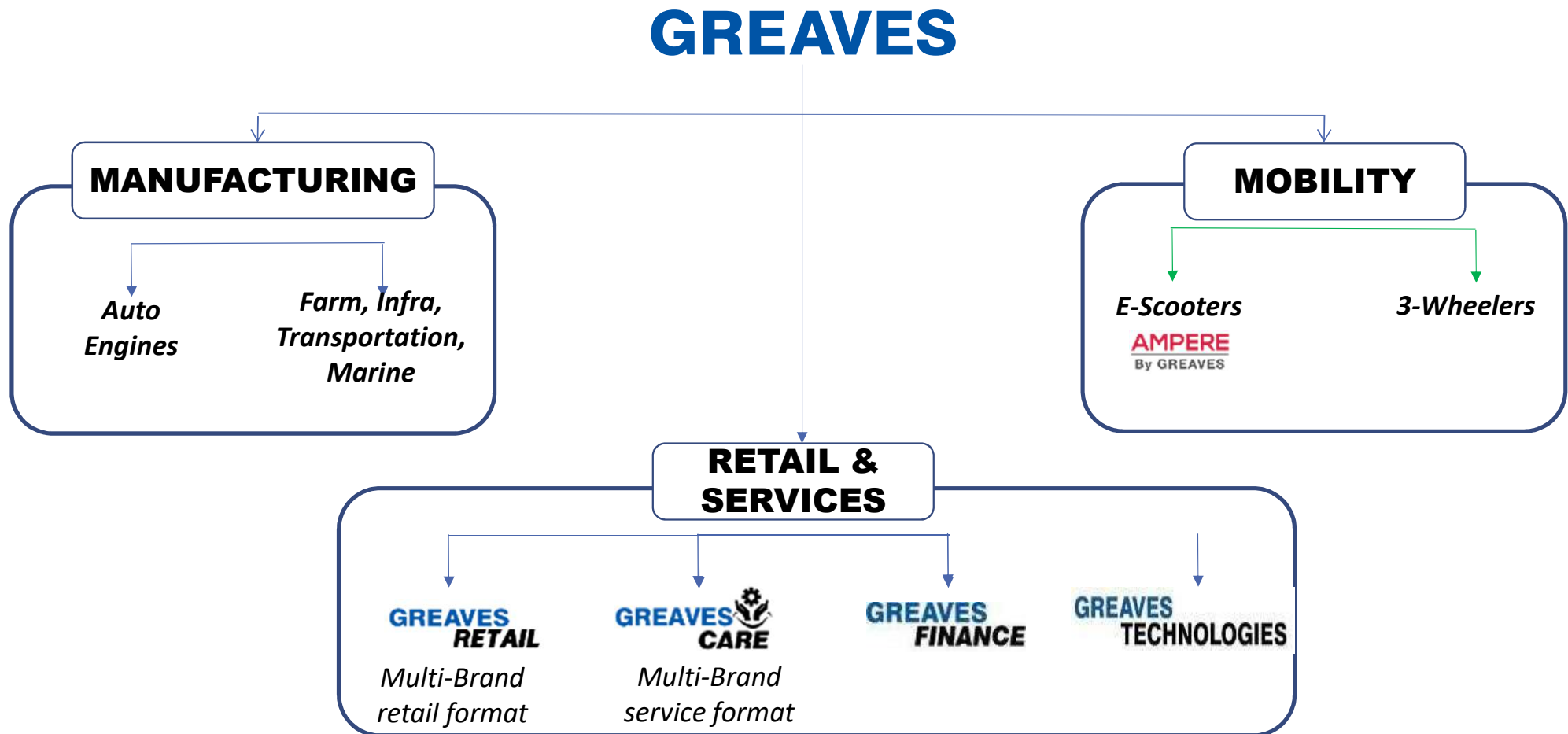
**GREAVES**

Strengthening product and service portfolio

Customer centric

Accelerating growth





Sustained investment in clean energy mobility and “get closer to the consumer” focus, leap-frogging Greaves’ transformation & growth. Also attracting large international investors

**GREAVES**

A major national brand driving rapid shift to electric 2Ws & 3Ws

Increased share in the emerging pay and use market & individual ownership. Drive market penetration

Continuous expansion of 3S exclusive distribution, building momentum for growth

Top quality management & technology team driving new product development, market expansion and market share growth

Investment in building equity for Greaves brands, driving growth

B2C business contribution in Q1FY23: **64%** of the overall business, compared to **29%** in Q1FY20



Building our mega sites as integrated centres-of-excellence in manufacturing, application development and R&D, with the ability to double the capacity with limited investment across product lines is fueling growth

**GREAVES**

Catering to diversified customer segments from EV to Construction, Farming, Marine, Auxiliary Power, Industrial, and many more.

Hospitals



Farming

Airports

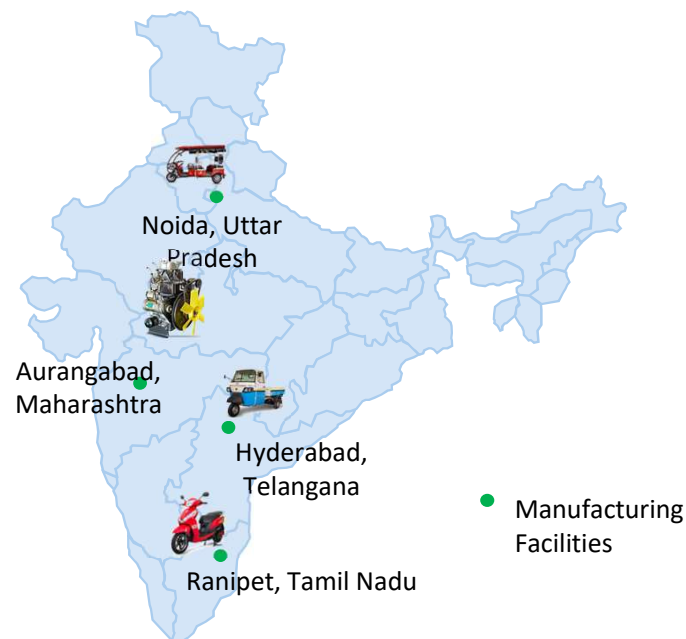


Construction

Industries



Transportation



\* Leased facility

Plants	Current Capacity (Units/ year)	Area (Acres)
Ranipet (E2W, 1 shift)	250,000	33
Noida* (E3W, 2 shifts)	18,000	3
Hyderabad (E3W, 2 shifts )	12,000	25
Aurangabad (2 Factories, 2 shifts)	270,000	41

# Retail, finance, engineering services and new applications for accelerating growth

# GREAVES

Investing in building **3S (Sales, Service, Spares) network** for **2W & 3W retail**, is positioning Greaves as a **multi-brand retail platform. 15 brands**

Strong EV financing - **15+ banks & financial institutions**, pan India, high number of active vehicles financed with a **29%** finance penetration of **Ampere E2W**

New technology, environmental imperatives, new products, new applications **creating strong global demand** for Greaves' engineering services

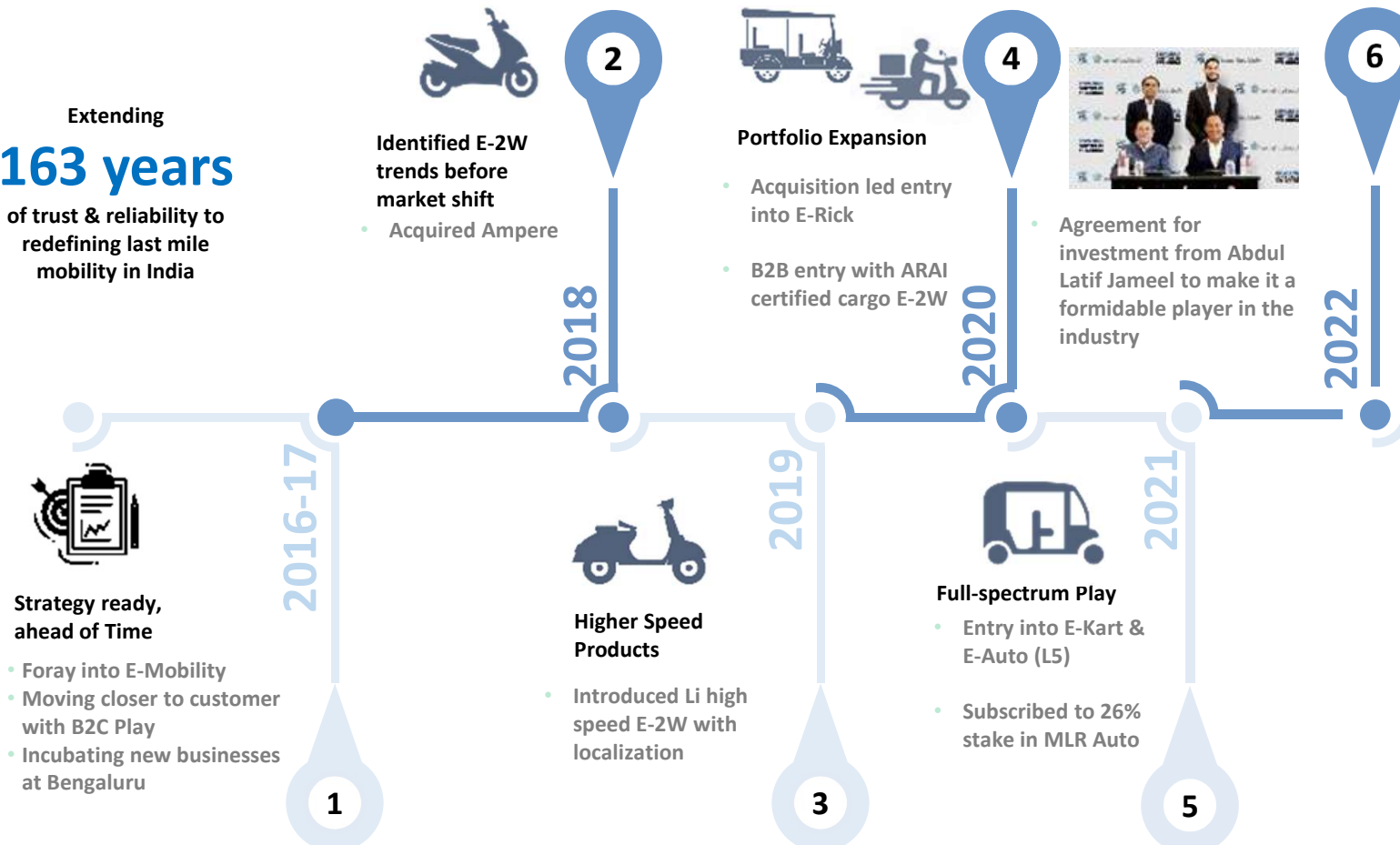
Continued public investment in infrastructure projects, growth in real estate **driving demand** for Greaves gensets

**Widest Network :**  
**650+** Channel Partners  
**6500+** Retail outlets  
**15000+** Mechanics



Timely entry and aggressive play in E2W / E3W mobility

Extending  
**163 years**  
of trust & reliability to  
redefining last mile  
mobility in India



## The drivers for accelerated growth

### Organic

Brand  
Building

Retail



### Inorganic

Acquisitions

Value Unlock



# Committed to growth with sustainability and conservation at the core

# GREAVES

## ENVIRONMENTAL

### Green Approach

essential part of the company's culture

**UN Sustainable Development Goals (SDGs) - Reconciled**

### ISO 14001:2015

Certified

**100%**

treated water recycled back into process

### E-mobility

Zero emission 2 & 3 wheelers



Enabling  
Farmers to  
Grow & Gain



## SOCIAL

### ISO 45001

Certified

Honoured with the title of

**Great Place to Work** twice in a row

### Rs 2.87 Crore

Spent on CSR activities in FY22

### ISO 9001 / TS16949 / EMS14000

Certified

### High focus on

**Make in India components**



**PRIME - Program for  
Real Independence  
& Mechanics  
Empowerment**



## GOVERNANCE

### Zero Cases

regarding unfair trade practices, irresponsible advertising and anti-competitive behaviour

**100%**

Non-executive members in audit committee and nomination and remuneration committee



**START - Supporting  
Traders to Activate  
& Reignite Trade**



# Board of directors

**GREAVES**

*Leaders with decades of experience in manufacturing, business strategy, product life cycle, divestment & acquisition, business transformation, and more*



**MR. KARAN THAPAR**  
Chairman of the Board



**MR. NAGESH BASAVANHALLI**  
Executive Vice Chairman



**DR. ARUP BASU**  
Managing Director



**MS. SREE PATEL**  
Independent Director



**MR. KEWAL HANDA**  
Independent Director



**MR. ARVIND KUMAR SINGHAL**  
Independent Director



**MR. FIRDOSE VANDREVALA**  
Independent Director



**MR. RAVI KIRPALANI**  
Independent Director

**Manufacturing business**

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# Megatrends and economics influencing transportation preferences

**GREAVES**



**4400 BCE**



**1900 BCE**



**1817**



**1886**



**1895**

# Cleaner energy solutions representing profit pools of the future

**GREAVES**

## Customer-Centricity at the Core



Farm



Industrial



Infrastructure



Transportation

## Expanded Playing Field



## Ahead of Regulations



OBD II



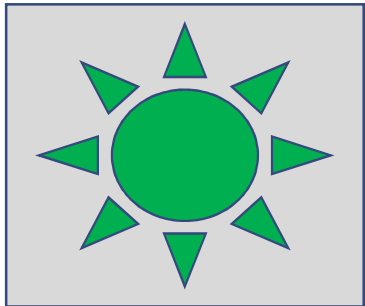
Single Cylinder- Diesel 3W



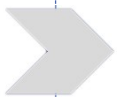
Single Cylinder- Diesel 4W



Mono and Bi Fuel CNG engine



Software wrapped in Metal



# Expanding portfolio of “Solutions”

**GREAVES**



**Power  
Solutions**



Power Tiller



Pumpsets



Transplanter



Weeder



Sprayer



Brush Cutter



Reaper

## **Farming Solutions**



**Marine Solutions**



**Fire Fighting Solutions**



**Industrial Solutions**



**Agri  
Solutions**

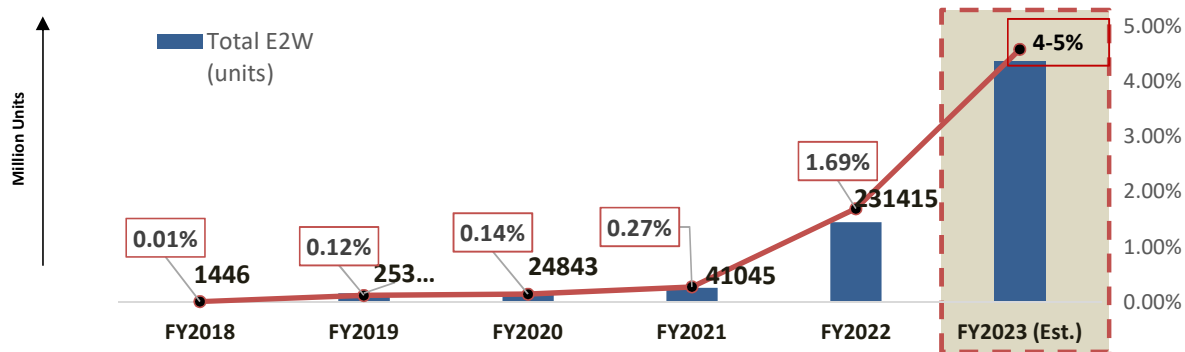


## **Light Constructions Solutions**

**E-mobility business**

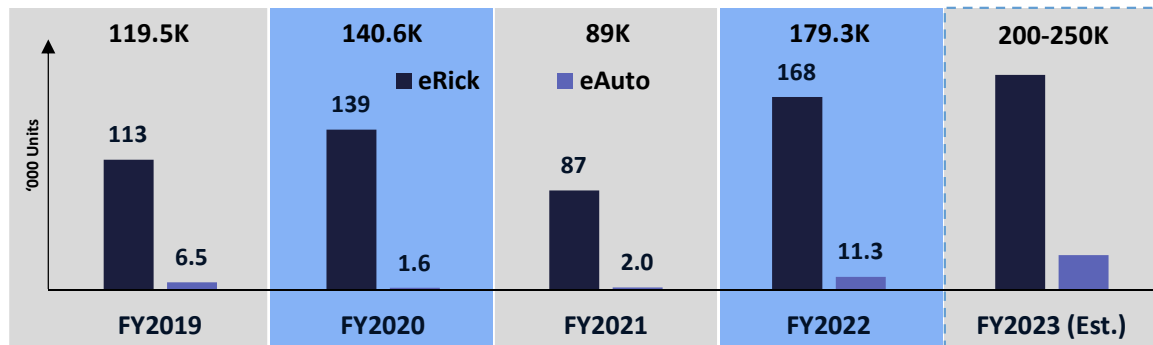
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**Total Electric 2-wheeler market with penetration%- FY2018-23**



- The total Scooters market is expected to achieve 4-5% penetration in FY23
- Ecommerce growth is expected to drive growth of City speed e-scooters segment (>25KPH <=45KPH)
- On the other hand, commuters in Tier-I, II and III cities are expected to transition to scooters in the price of ICEs (110/125cc)
- Cost benefit over ICE continued : FAME II, PLI & Swapping

**E-rick vs E-auto outlook- FY2019-23 ('000 units)**

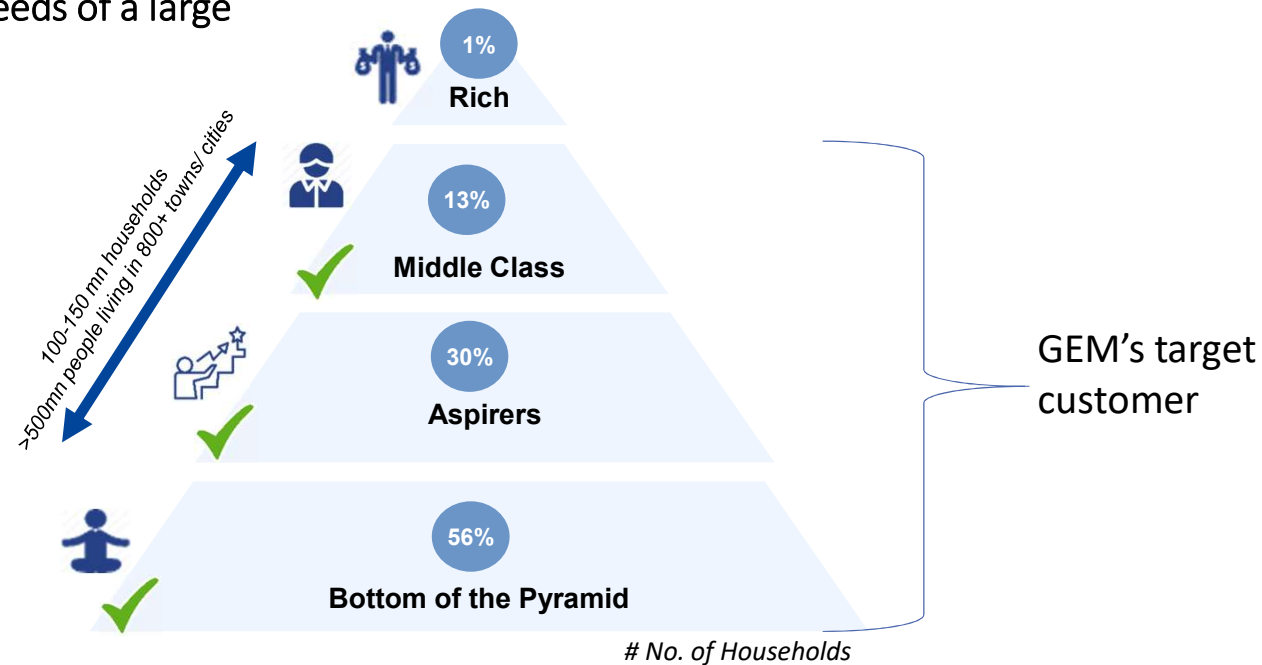


- The 3W Market is anticipated to grow at double digit YoY growth owing to growing need for last mile connectivity being an inexpensive & eco-friendly alternative to cabs and taxi.
- Demand for 3wheeler is shifting from traditional fuels such as diesel and petrol to CNG and electric.
  - Push by the government in form of subsidies under FAME II scheme is further pushing the sales of electric 3wheeler

# GEM is creating mass-market brands

**GREAVES**

Solving the last mile mobility needs of a large section of population



## GEM's Value Proposition

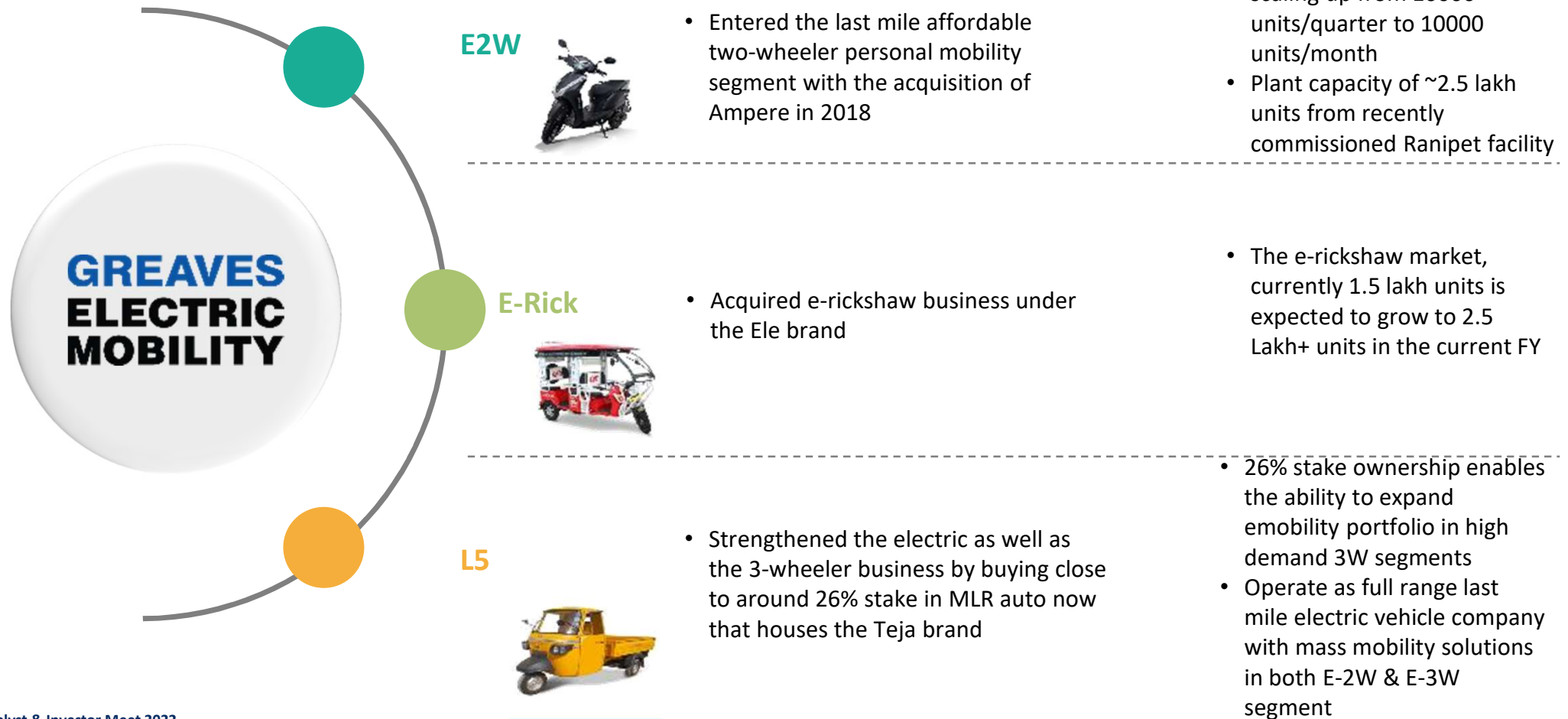
80%+ operating cost savings  
for daily commute



Affordable EV that is well  
engineered



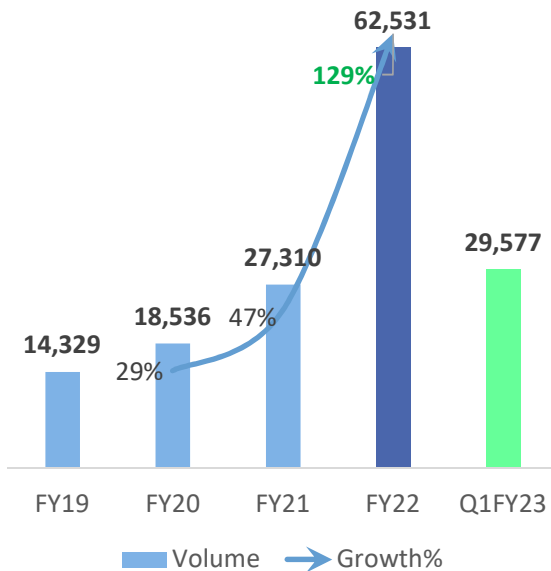
Parts and Service assurance  
to provide an uninterrupted  
journey



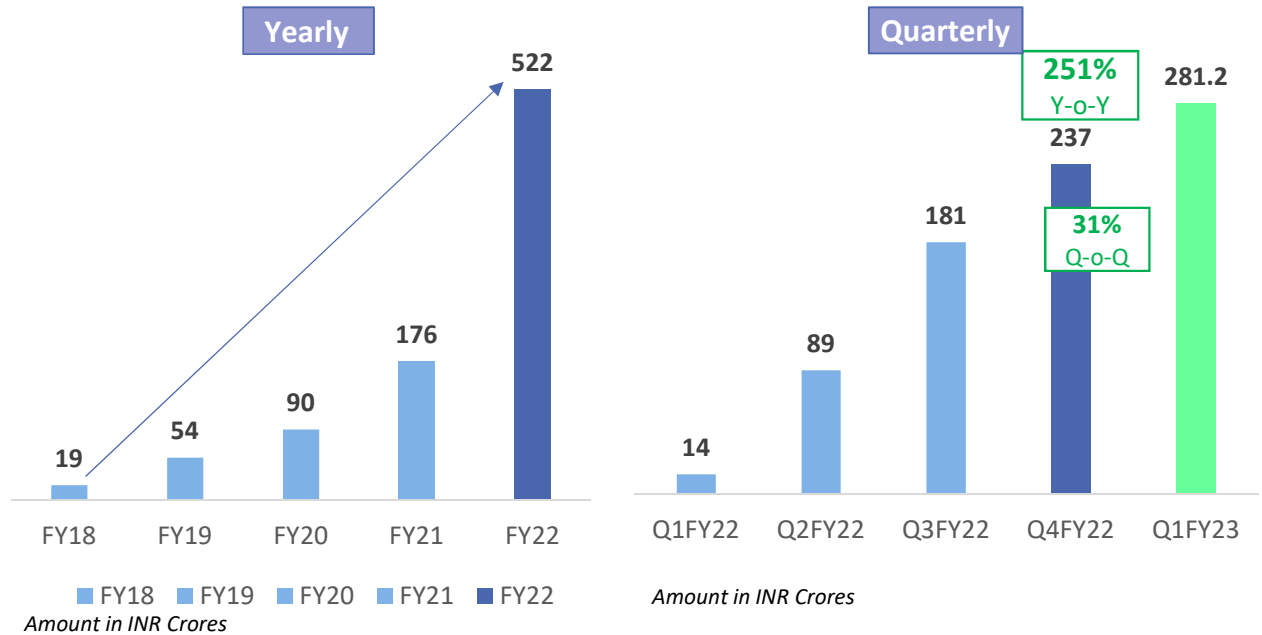
# Greaves Electric Mobility continues strong growth momentum

**GREAVES**

## E2W + E3W Volumes



## E2W + E3W Consolidated Revenues



- **Greaves Electric Mobility** business recorded sales of ~ 62k units for FY22, growth of 129%
- Sold 29577 units in Q1FY23 , 19% QoQ growth in volumes

**INR 281.2 Cr**  
Q1 FY23 Revenue

**INR 12.6 Cr**  
Q1 FY23 EBITDA

**INR 2.6 Cr**  
Q1 FY23 PBT

**Greaves Electric Mobility PBT Positive since Dec 2021**

# Greaves Electric Mobility : 5 new launches

**GREAVES**

Continuous improvement in vehicle platforms components, product engineering, features & connectivity

## 2W

COMING  
SOON



**Power**



**New model**

CURRENT



**Magnus EX**

City speed mass  
market scooter  
offering



**Zeal CA  
(B2B)**

City speed cargo  
b2b solution



**Reo Li**

Slow speed  
scooter offering

## 3W

COMING  
SOON



**ePro 1.0**

**ePro 2.0**

**Next Gen – L5N**

CURRENT



TEJA - L5N,L5M  
TEJA Diesel 599  
TEJA CNG

**Financial overview**

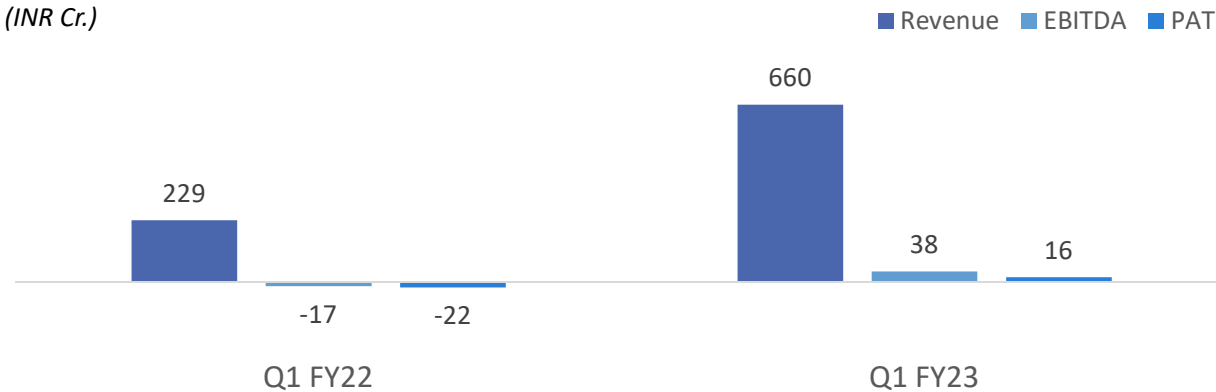
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# Financial performance

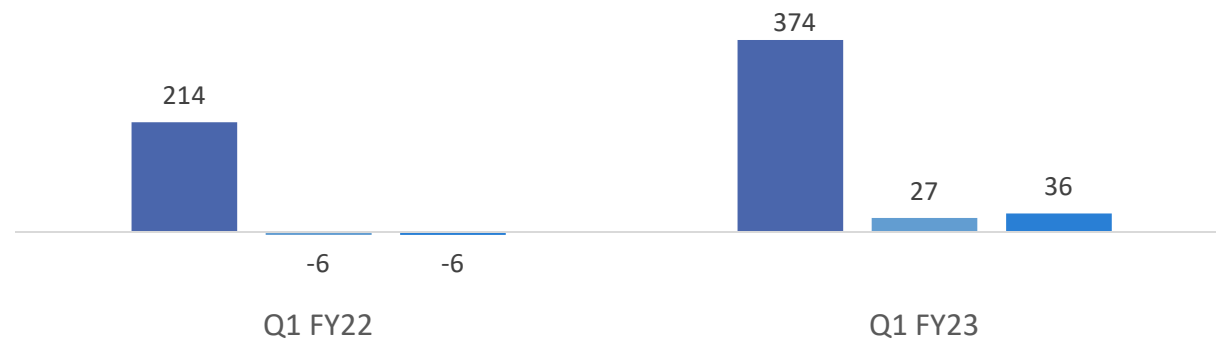
**GREAVES**

## Greaves Consolidated Result

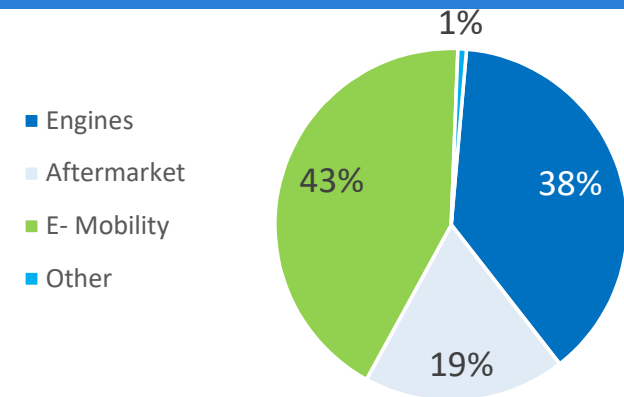
(INR Cr.)



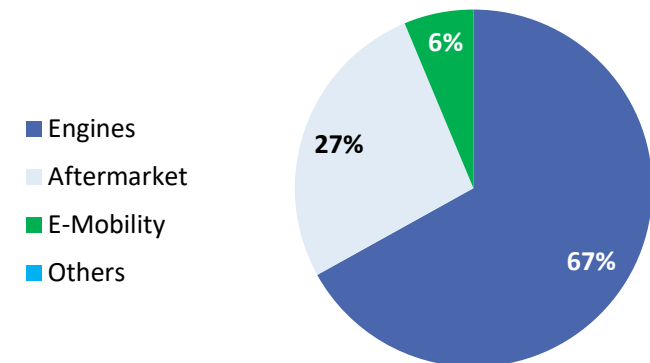
## Greaves Standalone Result



## Q1 FY23 Segment Revenues



## Q1 FY22 Segment Revenues



*Others includes Genset, Agri equipment and Trading*

# Financial snapshot

**GREAVES**

Particulars (Consolidated) (Rs. Cr.)	Q1		Growth (%)	Q4	Growth (%)
	FY23	FY22	Y-o-Y	FY22	Q-o-Q
Income from Operations	660	229	188%	621	6%
RMC (%)	73.8%	71.4%		73.7%	
Employee Cost	46	42		42	
Other Expenses	88	41		81	
EBITDA	38	(17)	NM	41	(5%)
EBITDA Margin (%)	5.8%	(7.4%)		6.5%	
PAT	16	(22)	NM	17	(5%)
PAT Margin (%)	2.4%	(9.8%)		2.7%	

Particulars (Standalone) (Rs. Cr.)	Q1		Growth (%)	Q4	Growth (%)
	FY23	FY22	Y-o-Y	FY22	Q-o-Q
Income from Operations	374	214	74%	379	(1%)
RMC (%)	72.9%	70.2%		72.4%	
Employee Cost	29	36		30	
Other Expenses	45	34		45	
EBITDA	27	(6)	NM	29	(6%)
EBITDA Margin (%)	7.3%	(2.8%)		7.7%	
PAT	36	(6)	NM	17	112%
PAT Margin (%)	9.5%	(3.0%)		4.4%	

## Segment volume

**GREAVES**

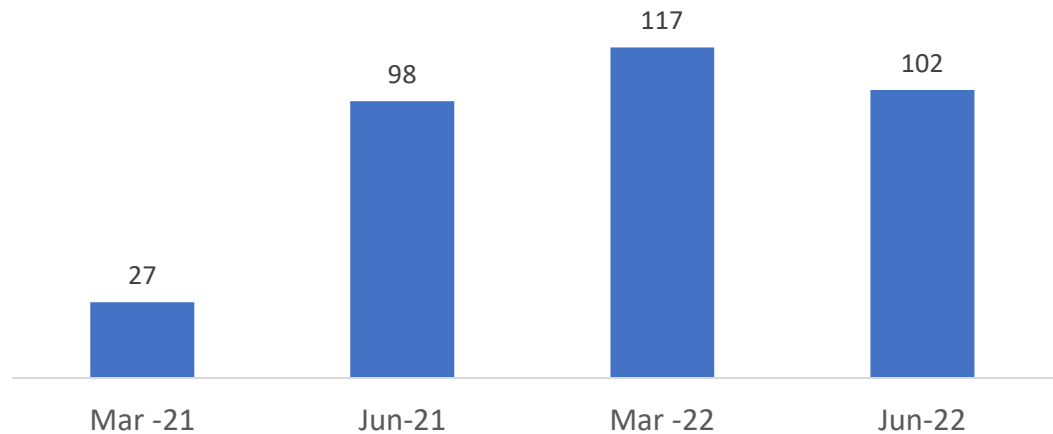
Volumes (Units)	Q1		Growth (%)	Q4	Growth (%)
	FY23	FY22	Y-o-Y	FY22	Q-o-Q
Auto Engines	16,112	9,426	71%	15,068	7%
Non-Auto Engines	10,110	9,447	7%	10,401	(3%)
<b>Engines</b>	<b>26,222</b>	<b>18,873</b>	<b>39%</b>	<b>25,469</b>	<b>3%</b>
Genset	1,428	806	77%	1,254	14%
Light Equipment	7,851	6,630	18%	10,748	(27%)
<b>Non-Auto Products</b>	<b>9,279</b>	<b>7,436</b>	<b>25%</b>	<b>12,002</b>	<b>(23%)</b>
E-2W	28,787	1,383	1981%	22,200	30%
E-3W	790	770	3%	2,753	(71%)
<b>E-Mobility Products</b>	<b>29,577</b>	<b>2,153</b>	<b>1274%</b>	<b>24,953</b>	<b>19%</b>

## Balance sheet and cash flow trend

**GREAVES**

(Rs. Cr.)	Jun-21	Mar-22	Jun-22
<b>Cash &amp; Cash Equivalent</b>	<b>220</b>	<b>438</b>	<b>1,600</b>
Short Term Debt	12	64	202
Long Term Debt	1	169	50
<b>Total Debt</b>	<b>13</b>	<b>233</b>	<b>252</b>
<b>Net Cash</b>	<b>207</b>	<b>205</b>	<b>1,348</b>
Total Equity	762	749	1,496

### Strong Working Capital Management



- Robust cash generation to fund expansion
- Ranipet plant and experience Centre funded completely through internal accruals
- Capital infusion from Abdul Latif Jameel will speed up the new projects, brand promotion and new technologies / products

# Fund utilization to support Greaves Electric Mobility for the next phase of growth

**GREAVES**

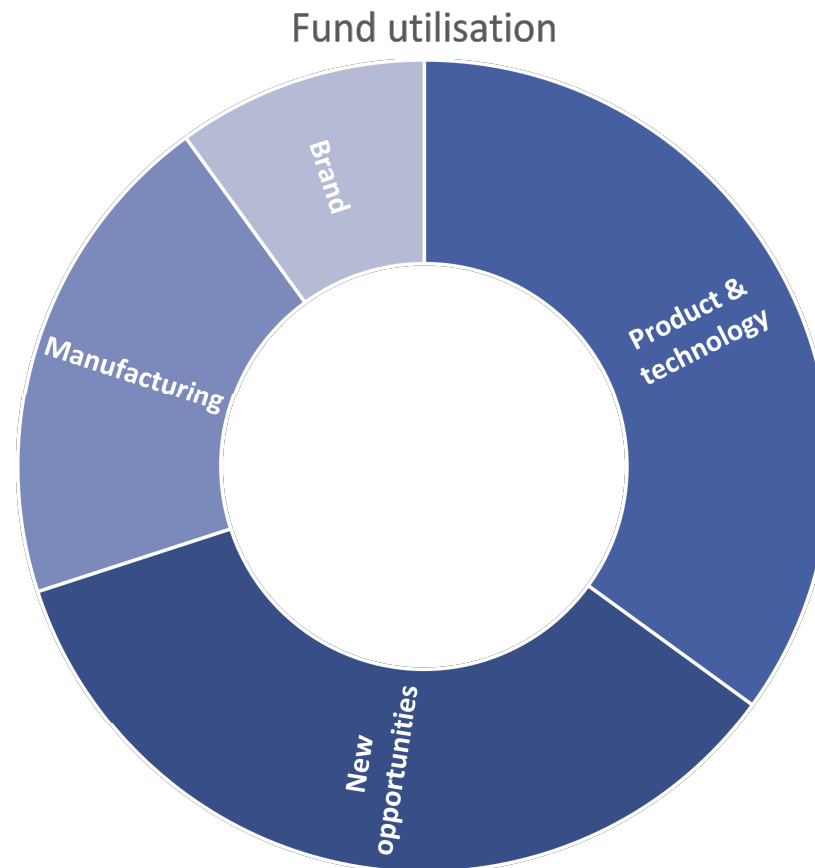
*Building the **customer facing brand** to achieve customer resonance and support demand creation*

*Developing **new products** to better serve the mobility needs of the market*

***Building capacity and expanding of capabilities, segments and technologies.***

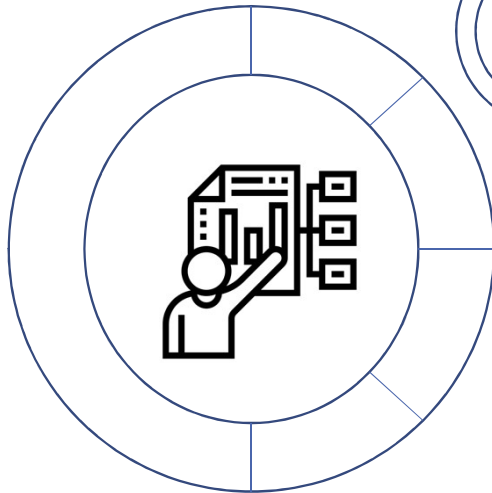
*Build the **infrastructure** needed to deliver long term sustained competitive advantage*

***Establishing the retail network** to support our growth aims*



**Takeaways & concluding remarks**

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## **Greaves is driving growth in mobility**

- Higher penetration in the B2C individual ownership segment, as well as the pay & use segment
- Building long term partnerships with e-commerce & logistics players to drive 3-wheeler growth
- EV financing & multi-brand retailing, in addition to 3S dealerships for Ampere

## **Greaves is expanding its footprint globally**

- New applications for small engines using fuel agnostic technology
- Driving growth of genset sales in infrastructure & real estate
- Offering in engineering services

## **We are building the Greaves & Ampere brand**

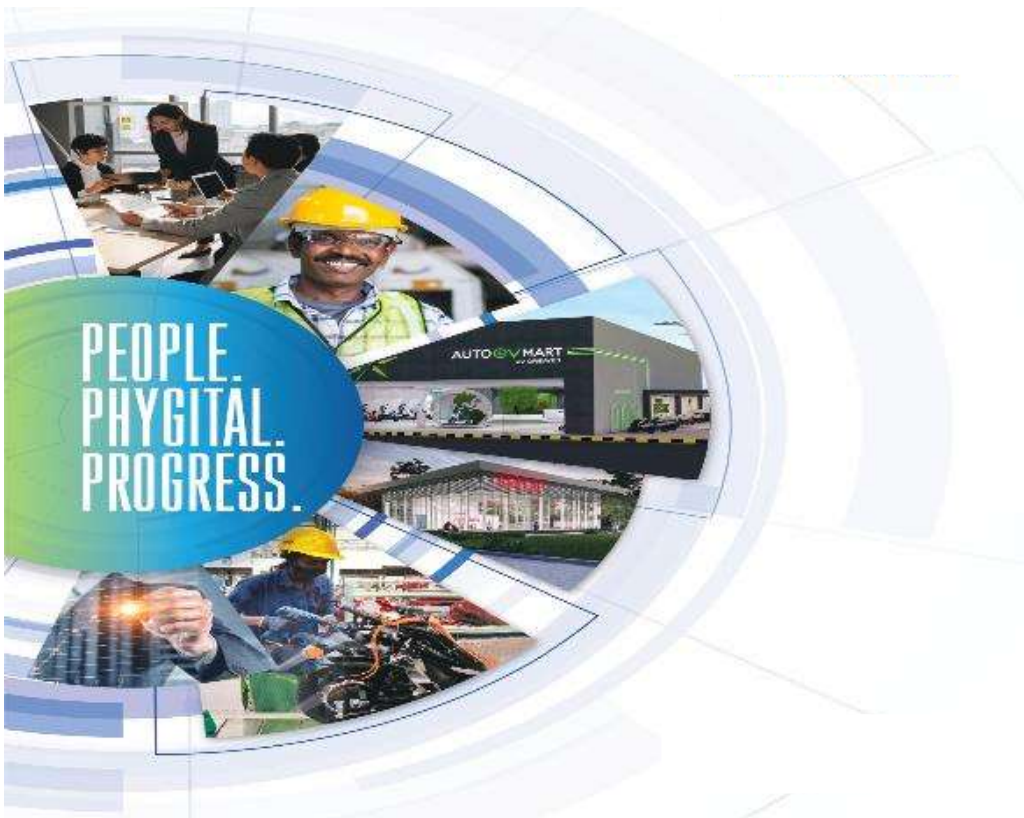
- To straddle EV business, finance, retail & technology

This presentation contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Greaves Cotton (“Greaves” or the Company) future business developments and economic performance.

While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.

Greaves undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.



# GREAVES



THANK YOU

## REGISTERED OFFICE



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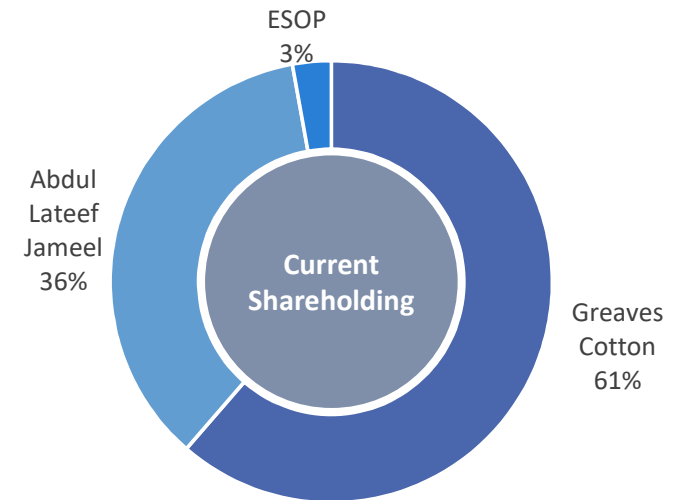
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## Entering the next phase of growth

**GREAVES**

- Abdul Latif Jameel has invested Rs. 1,171 crores in Greaves Electric Mobility for 35.8% stake
- The deal is one of the largest largest growth capital investments in the Indian E2W / E3W sector to date
- Greaves Electric Mobility has an option to draw down additional investment of \$70 million within 12 months (balance investment committed by Abdul Latif Jameel )
- The partnership aims to support Greaves Electric Mobility as it transitions into the next phase of growth



### Abdul Lateef Jameel

- Abdul Latif Jameel is an independent, family-owned, diversified global investor and operator
- Founded in 1945, Abdul Latif Jameel, has a presence in more than 30 countries in over six continents and employs 11,000 people worldwide
- One of the leading Toyota distributors globally for over 65 years
- Jameel family are early-stage investors and the third-largest shareholder of US electric vehicle manufacturer Rivian
- The Family are also investors in other innovators such as US venture-backed aerospace company Joby Aviation through their global investment arm JIMCO