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Bhiwadi Plant established for coils

New products added in product basket

Corporate History

Bhiwadi Factory gets IRIS Certification.

Chest Freezers & Water Dispensers added in the product basket

Entry into room AC's

Set-up manufacturing facility at Kala-Amb, Himachal for assembling of AC's

Acquired Set-up State of Art Manufacturing Facility at Pantnagar to manufacture air conditioners

Bhaiwadi Plant established for coils

Corporate History

1987
1995
1997
2002
2004
2005
2009
2010
2011
2012
2013
2014

1987
1995
1997
2002
2004
2005
2009
2010
2011
2012
2013
2014

Focus on core strengths and consolidating for long term competitive advantage
**Shareholding Pattern as on March 2015**

- Promoters: 49.98%
- Body Corporates: 9.65%
- Retail & Others: 31.90%
- FII / Mutual Funds: 8.47%

**Equity Shares (No. of shares)**

<table>
<thead>
<tr>
<th>Description</th>
<th>Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Shares O/s</td>
<td>3,53,20,260</td>
</tr>
<tr>
<td>Free Float (50.02%)</td>
<td>1,76,81,322</td>
</tr>
<tr>
<td>Market Capitalization as on 7th April’15</td>
<td>INR 850 crores</td>
</tr>
</tbody>
</table>

**Dividend Track Record - Consistent Pay-out for last 5 years**

**Key Institutional Investors**

- Orange Mauritius Investment Limited
- E M Surgent Fund
- Emergency India Focus Fund
- India Insight Value Fund
- Deutsche Trustee Service A/c. Mid Cap Fund
- India Opportunity Growth Fund
- Bajaj Allianz life Insurance Co.

Orange Mauritius Investment is the single largest public shareholder of the Company holding 6.51% as on March’15.
Overview

**B2B SEGMENT**

- India’s largest manufacturer of Heat Exchanger / Evaporator Coils and air-conditioners serving the entire spectrum of HVAC and Refrigeration Industry
- Contract Manufacturing of Air-Conditioners as OEM & ODM for Prestigious Indian & Foreign Brands
- Supplier of Customized packaged AC solutions to Indian Railways including Metro Rail
- First Indian Company to be awarded IRIS (International Railway Industry Standard) Certification. Eligible for Global Bidding in Railway/ Metro Business in HVAC & R Industry. Bagged Order from Bombardier
- Provides end-to-end solution in HVAC&R industry- complete integration in the HVAC&R industry, right from manufacturing the physical components, air-conditioners to selling to OEM’s and to the end customers, so an end-to-end solution in the HVAC&R industry

**Segment wise share of Revenue**

45% B2B
55% B2C
LEEL Ventured into Consumer Durable Segment in 2011, by acquiring distribution network and Lloyd Logo from Associate Company, Fedders Lloyd Corporation Ltd

Initially introduced room air-conditioners under Lloyd Brand and gradually increased the product portfolio by adding products like LED TV’s, Washing Machines, Refrigerators, Chest Freezers and other small appliances

Pan India Presence
✓ Strong Dealer Network of 7000+
✓ 30 Sales Branches
✓ 307 authorized service centers and 81 Company owned service centers

Awarded as an Indian Power Brand, Power Brand, Asia’s most promising brand and also an Admired Brand
Product Profile

Key Products- B2B Segment

Air Conditioners (Window, split, Roof Mounted)

Heat Exchanger

Key Products- B2C Segment

Key Markets- B2B Segment

OEM’s, Railways, Metro Rail

Air Conditioning, Industrial, Auto, refrigeration, Data Centre

Retail Customer-B2C Segment
Financial Highlights Product-wise & Segment wise- Standalone Basis

Sales for Nine Months ended Dec’14

- Railways: 2%
- Heat Exchangers & Components: 32%
- OEM-AC: 19%
- LED: 16%
- WM & Others: 4%
- Retail AC: 27%

EBITDA for Nine months ended Dec’14 segment-wise

- Heat Exchangers & Components: 33%
- OEM & Railways: 22%
- Consumer: 45%
- Durable: 45%
### Key Competitive Advantage

| Vertical Integration | Presence across value chain (from coils to brand) – better control on cost, low volatility of margins.  
| | Hedge against cost/demand volatility in individual value chain elements |
| Manufacturing Experience for leading players | Over fifty years of experience in HVAC Business  
| | Adherence to highest standards of quality followed by global players due to long term contracting relationships.  
| | Technologically at par with the best in the business. |
| Financial Benefits | Kala-Amb and Pantnagar Plants enjoy tax holidays up to FY 2020 |
| Technological Edge | Pioneer in PFC coils in India – high efficiency, low weight and low cost  
| | Capability to develop Heat exchanging applications for nuclear power plants with acquisition of Janka Engineering |
| Strong Entry barriers | Qualified categories first supplier of Indian railway – 80% of the tenders awarded to category first players.  
| | IRIS qualified – will be able to bid for railway and metro projects internationally, first HVAC players in India with IRIS.  
| | Strong consumer brand build by effective marketing campaign and history of selling consumer products |
Global Presence with State of Art Manufacturing facility with cutting edge technology

**SIX DOMESTIC FACILITIES**

- Bhiwadi Unit, Rajasthan
- Tauru, Haryana
- Panntagar, Uttarakhand
- Kala-amb Unit, Himachal Pradesh
- Ranipet, Tamil Nadu
- Haridwar, Uttarakhand

**Two Overseas Manufacturing Facilities**
(Owned by 100% subsidiaries)

- Prague, Czech Republic

**Production capacity**

<table>
<thead>
<tr>
<th>Product-wise</th>
<th>Production capacity (no. in units)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air-Conditioners</td>
<td>0.60 Million</td>
</tr>
<tr>
<td>Heat Exchangers/Evaporator Coils</td>
<td>1.5 Million</td>
</tr>
<tr>
<td>Railways Locomotive</td>
<td>0.20 Million</td>
</tr>
</tbody>
</table>

Area: 54000 m²
Fully Integrated across HVAC value Chain

Coils & Heat Exchangers
- Consumed in AC manufacturing
  - Sale
    - Air-conditioning & refrigeration product manufacturers

AC Manufacturing
- Other OEMs
  - Sale

Branded Consumer Product Sales & Marketing
- Branded as Lloyd products
  - Sale
    - Retail consumers

Better control on cost
Reduced volatility in margins
Hedge against demand volatility
- Acquired from Luvata Group in May 2008, 100% subsidiary
- European Manufacturer of high quality Coils serving HVAC & R industry
- Manufacturing plant located in Prague, Czech Republic
- Market Coverage across entire European Region
  - Key markets – France, Germany, Spain, Slovakia, UK, Russia & CIS
- Technology transfer to Indian operations to cater to international clients
- Key Financials

<table>
<thead>
<tr>
<th>Year</th>
<th>EBIDTA</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>3.36</td>
<td>37.00</td>
</tr>
<tr>
<td>2014</td>
<td>3.91</td>
<td>34.1</td>
</tr>
</tbody>
</table>
International Presence - Janka Engineering s.r.o.

- Acquired from Lennox, USA in 2009, 100% subsidiary of LEEL
- More than 100 years old Market leading manufacturers and supplier of comfort, industrial ventilation, air-conditioning and cooling system
- Manufacturing plant located in Prague, Czech Republic
- Key Highlights:
  - Supplier of cooling units to Nuclear power plants in Slovakia
  - Developed HVAC units for Skoda transportation for Czech Republic
  - Tram Air-conditioning for Prague

Operating Segments

Key Financials

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIDTA</td>
<td>-1.03</td>
<td>10</td>
</tr>
<tr>
<td>Sales</td>
<td>0.37</td>
<td>12</td>
</tr>
<tr>
<td>Euro in Million</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
One of the fastest growing electronics market in the world

By 2020, the electronics market in India is expected to increase to USD 400 billion*

By 2025, India will be the 5th largest consumer durables market in the world (currently 12th)*

*Source: “Consumer Durables Market in India” by IBEF, March 2014; **Source: Display Search, 2014
Lloyd’s share of Air-conditioners has doubled over last 5 years

Rising focus on end products by leveraging product capabilities
### Advantage India

#### Growing Demand
Demand growth is likely to accelerate with rising disposable incomes and easy access to credit.

- Increasing electrification of rural areas and wide usability of online sales would also aid growth in demand.

#### Untapped Opportunities
Rural and semi-urban markets currently contribute 35 per cent to total sales; their combined size is set to post a CAGR of 25% over 2010-15.

- Huge untapped rural market – currently there is only 2% penetration for refrigerators and 0.5% for washing machines.

#### Increasing Investments
The sector has attracted significant investments over the years (even during the global downturn of 2009-10).

- USD 1 billion worth of investments in production, distribution and R&D in the next few years.

#### Policy support
100% FDI allowed in the electronics hardware-manufacturing sector under the automatic route.

- Duty relaxation, schemes such as EPCG, EHTP to provide tax sops.
SWOT Analysis

**Strength**
- Brand is getting more visible amongst its audience & is now well established (specially in AC category)
- Robust Dealer Network Pan India
- Service Infrastructure in all parts of India ensuring KKG

**Weakness**
- No aspiration or likability for the Brand. Still driven by Push Factors
- Infrastructure for manufacturing unit is still not adequate for the volume growth
- Many mediums like Online/Outdoor are yet to be exploited

**Opportunities**
- Penetration level of consumer durables is still low in India & the growth in market will be very large considering our country's demographic
- The entry cost for new brands is very high. So competition from newer entrants is limited in coming years & also proves to be a time consuming process

**Threats**
- Sudden drop in pricing strategy of leading brands could erode the consumer base
- Large Chinese Co.s with deep pockets & manufacturing bases could also shift market share to theses Co.s, who are at present having insignificant market share
Consumer Product Segment- Unique Strategy focus……

Competing on Customer Delight....

Quality

Warranty

Service

Price

To be inferred – based on product performance, service standards, display, communication & WOM

Already best-in-class – needs to be communicated

deal-sweetener – to come as a pleasant surprise at the point of sale
LLOYD’s Strategy is to gain market share in the top 10 cities where consumers are more brand conscious.

- The **top 13 metropolitans** account for about **75%** of the sales by value.
- That is almost **half** of the entire consumer durables market in India.
- And if we take only LEDs & ACs, this share will rise to more than **65%**.

<table>
<thead>
<tr>
<th>Rank</th>
<th>City</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mumbai</td>
</tr>
<tr>
<td>2</td>
<td>Delhi / NCR</td>
</tr>
<tr>
<td>3</td>
<td>Kolkata</td>
</tr>
<tr>
<td>4</td>
<td>Chennai</td>
</tr>
<tr>
<td>5</td>
<td>Bangalore</td>
</tr>
<tr>
<td>6</td>
<td>Hyderabad</td>
</tr>
<tr>
<td>7</td>
<td>Ahmedabad</td>
</tr>
<tr>
<td>8</td>
<td>Pune</td>
</tr>
<tr>
<td>9</td>
<td>Surat</td>
</tr>
<tr>
<td>10</td>
<td>Coimbatore</td>
</tr>
<tr>
<td>11</td>
<td>Nagpur</td>
</tr>
<tr>
<td>12</td>
<td>Vadodara</td>
</tr>
<tr>
<td>13</td>
<td>Ludhiana</td>
</tr>
</tbody>
</table>

Source: *Hansa Infosource*, June 2013
Our Targeted Approach.....

High Value Customers
Help elevate brand stature while enhancing profitability
Top – end products across categories
Online Selling Strategy….

**Online Marketplaces**

Developing our own platform

[www.mylloyd.com](http://www.mylloyd.com)

- An interactive website with a store
- Direct interface with the customer
- Reduce dependency on dealers & other channels
- Increase profit margin
Last Four Years Performance Indicator

**Standalone Highlights**

- **Revenue:** 782.27, 902.07, 1169.38, 1439.68
- **EBITDA:** 82.27, 93.47, 145.89, 177.57

**Consolidated Highlights**

- **Revenue:** 1014.87, 1196.12, 1474.30, 1775.97
- **EBITDA:** 93.45, 104.81, 155.87, 214.30

*Note: EBITDA includes Other Operating Income*
Quarter-wise Revenue Break-up

**Standalone Revenue**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY 14</th>
<th>FY 15</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>374.23</td>
<td>533.57</td>
<td>907.80</td>
</tr>
<tr>
<td>Q2</td>
<td>229.91</td>
<td>304.41</td>
<td>534.32</td>
</tr>
<tr>
<td>Q3</td>
<td>324.85</td>
<td>378.67</td>
<td>703.52</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>928.99</strong></td>
<td><strong>1216.6</strong></td>
<td><strong>2145.6</strong></td>
</tr>
</tbody>
</table>

**Consolidated Revenue**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY 14</th>
<th>FY 15</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>448.45</td>
<td>639.68</td>
<td>1088.13</td>
</tr>
<tr>
<td>Q2</td>
<td>343.07</td>
<td>411.39</td>
<td>754.46</td>
</tr>
<tr>
<td>Q3</td>
<td>432.25</td>
<td>473.8</td>
<td>906.05</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1223.77</strong></td>
<td><strong>1524.87</strong></td>
<td><strong>2748.64</strong></td>
</tr>
<tr>
<td>Particulars (Rs. in crores)</td>
<td>Dec'14</td>
<td>2014</td>
<td>2013</td>
</tr>
<tr>
<td>--------------------------------------------</td>
<td>--------</td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td>Total Revenue (Standalone)</td>
<td>1219.15</td>
<td>1452</td>
<td>1175</td>
</tr>
<tr>
<td>Total Revenue (Consolidated)</td>
<td>1524.87</td>
<td>1825</td>
<td>1479</td>
</tr>
<tr>
<td>EBIDTA</td>
<td>126.47</td>
<td>189.58</td>
<td>145.88</td>
</tr>
<tr>
<td>EBIDTA (%)</td>
<td>10.37%</td>
<td>13.08%</td>
<td>12.41%</td>
</tr>
<tr>
<td>Interest</td>
<td>67.79</td>
<td>84.02</td>
<td>50.75</td>
</tr>
<tr>
<td>Depreciation</td>
<td>18.77</td>
<td>23.79</td>
<td>22.26</td>
</tr>
<tr>
<td>Profit Before Tax</td>
<td>39.91</td>
<td>81.77</td>
<td>72.87</td>
</tr>
<tr>
<td>Profit Before Tax (%)</td>
<td>3.27%</td>
<td>5.63%</td>
<td>6.20%</td>
</tr>
<tr>
<td>Profit After Tax</td>
<td>31.59</td>
<td>76.09</td>
<td>56.15</td>
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<tr>
<td>Profit After Tax (%)</td>
<td>2.59%</td>
<td>5.24%</td>
<td>4.78%</td>
</tr>
<tr>
<td>EPS (Standalone)</td>
<td>8.94</td>
<td>21.54</td>
<td>15.89</td>
</tr>
<tr>
<td>PAT (Consolidated)</td>
<td>40.57</td>
<td>89.12</td>
<td>52.80</td>
</tr>
<tr>
<td>EPS (Consolidated)</td>
<td>11.49</td>
<td>25.23</td>
<td>14.94</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>------------</td>
<td>------------</td>
<td>------------</td>
</tr>
<tr>
<td></td>
<td>Rs. In crores</td>
<td>Days</td>
<td>Rs. In crores</td>
</tr>
<tr>
<td>Debtors</td>
<td>171.39</td>
<td>60</td>
<td>229.63</td>
</tr>
<tr>
<td>Inventory</td>
<td>335.42</td>
<td>117</td>
<td>444.84</td>
</tr>
<tr>
<td>Total</td>
<td>506.81</td>
<td>117</td>
<td>674.47</td>
</tr>
<tr>
<td>Less Creditors</td>
<td>87.42</td>
<td></td>
<td>103.40</td>
</tr>
<tr>
<td>Net Working Capital</td>
<td>419.39</td>
<td>146</td>
<td>571.07</td>
</tr>
</tbody>
</table>
## Borrowings - Standalone

<table>
<thead>
<tr>
<th>Rs. In crores</th>
<th>FY 12</th>
<th>FY 13</th>
<th>FY 14</th>
<th>Sep’14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working Capital Loans</td>
<td>252.97</td>
<td>336.37</td>
<td>456.97</td>
<td>493.23</td>
</tr>
<tr>
<td>Term Loans</td>
<td>101.24</td>
<td>94.67</td>
<td>124.63</td>
<td>108.55</td>
</tr>
<tr>
<td>Installments Due within One Year</td>
<td>17.76</td>
<td>42.33</td>
<td>36.89</td>
<td>35</td>
</tr>
<tr>
<td>Total Borrowings</td>
<td>371.97</td>
<td>473.37</td>
<td>618.49</td>
<td>636.78</td>
</tr>
</tbody>
</table>
THANK YOU