

Precision Camshafts

Operator: Ladies and gentlemen, good day and welcome to the Q1 FY27 earnings conference call hosted by Precision Camshafts Ltd. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing "*" and then "0" on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Karan Shah, Whole-time Director, Business Development. Please go ahead.

Karan Shah – Whole-time Director Business Development: Thank you. Good afternoon, ladies and gentlemen. I would like to thank you all for being a part of this Precision Camshafts Ltd. Q1 FY27 earnings call. In case of any detailed questions related to finance, please email us your queries at cs@pclindia.com, and we shall provide responses within a reasonable time. We have also submitted our investor presentation for Q1 to the stock exchanges, and it is available on our website. Investors are requested to refer to this presentation for detailed financial and operational information.

I am pleased to share that Precision Camshafts Ltd. has delivered a strong performance during the first quarter of FY27. We are encouraged by the momentum in the Indian passenger vehicle industry and the growth opportunities that are emerging for PCL. The Indian PV market has continued to demonstrate strong growth, and we are seeing this momentum reflected directly in our customer programs. Several new programs with our key customers, including Mahindra, Tata Motors, and Maruti Suzuki, have started production during this quarter. These programs are an important milestone for us as they move from development and validation into commercial production. We expect volumes for these programs to progressively ramp up as our customers increase production.

In addition to these programs that have already commenced, we have several other new programs in the pipeline, with a number of them expected to commence production in the coming quarters. We have also secured new orders and continue to see strong engagement from our customers for upcoming vehicle platforms. Our customers are significantly investing in additional capacity, new vehicle programs, and localization, and we are investing ahead of these requirements in capacity, automation, and technology upgrades.

The combination of new starts of production, strong customer demand, new order wins, and a healthy pipeline of upcoming programs gives us considerable confidence in the medium- and long-term growth prospects of our standalone business at PCL. We remain focused on executing these programs, ensuring capacity readiness, and deepening our relationship with our key customers.

The company's total income stood at 173 crores, registering a growth of 6.6% compared to the last quarter. The improvement in our performance was primarily driven by an increase in revenue from operations, and the company's net profit stood at 14.88 crores compared to 13.2 crores in the previous quarter, representing a growth of 12.5%. We are happy to share these positive results despite the disruptions due to the Middle East war.

Our subsidiary Memco recorded revenue of 14 crores during Q1 and continues to focus on strengthening relationships with key customers such as Bosch, Delphi, Endress+Hauser, and a few

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others.

Coming to our e-mobility subsidiary, Emoss, in the Netherlands, the business reported revenue of 13.8 crores during the quarter compared to 29 crores in the previous quarter. We have seen a slowdown in the Emoss business, and we are currently taking a cautious view on its future outlook. While electrification of European passenger cars continues to progress, the situation in the electric commercial vehicle space remains considerably more challenging. In the first half of 2026, electrically chargeable trucks accounted for only 4.8% of all new EU truck registrations. The European Automobile Manufacturers' Association also continues to highlight insufficient enabling conditions and the pullback of subsidies as constraints on adoption. The broader European automotive industry is also going through a period of significant restructuring, with OEMs under pressure to improve competitiveness, reduce costs, and rationalize investments. Against this backdrop, customer decision-making in the EV segment has become slower, and program visibility has reduced. As a result, we remain cautious about the near-term outlook for Emoss Europe. Our focus at this point is protecting the business and carefully managing costs and investments, and we will continue to evaluate the business based on customer traction, cash requirements, and potential returns. Our e-mobility business in India, with our electric heavy commercial vehicle platform, continues to progress. We have developed the HCV platform and delivered the vehicle to a customer, and the customer is still conducting evaluation and field trials at this point.

Looking ahead, we remain extremely confident about the long-term outlook for Precision Camshafts Ltd., and we see a clear difference between the outlook for our different businesses. Our standalone Indian business is entering a period of significant opportunity, supported by strong growth in the Indian passenger vehicle market, increasing investments by our customers, several new orders already secured, and a healthy pipeline of new programs. We are therefore continuing to invest in capacity, automation, and technology to take advantage of this growth. At the same time, we are taking a cautious approach towards Emoss, given the slowdown that we have experienced and the uncertain outlook for the electric commercial vehicle market. We will remain disciplined on costs and capital allocation and will not pursue growth for the sake of growth. Overall, our strategy remains clear: strengthen and scale our core Indian business, invest selectively in high-conviction opportunities, execute our new programs, and maintain financial and operational discipline across the group.

Coming to the financial performance for the standalone business, total income increased by 6.6% quarter-on-quarter to 173 crores, EBITDA margins stood at 13%, and PAT margins stood at 9%. The consolidated business decreased by 2.4% and stood at 200.8 crores. EBITDA margin was about 10%, and profit after tax was about 4.2%. The group company revenues for quarter one, as mentioned before, were 14.1 crores for Memco and 13.8 crores for Emoss. With this, I would like to wrap up my opening remarks and open the floor for questions and answers. Thank you.

Operator: Thank you, sir. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press "*" and "1" on their touchtone telephone. If you wish to remove yourself from the question queue, you may press "*" and "2". Participants are requested to use a handset while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. Participants, if you wish to ask a question to the management, you may press "*" and "1". Our first question comes from the line of Nishit Sanghvi with Neomil. Please go ahead.

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Nishit Sanghvi – Neomil: I wanted to ask whether you will focus only on the camshaft business or also on other segments.

Karan Shah – Whole-time Director Business Development: No, there are several new opportunities we are looking at. As I mentioned during the call, our focus right now remains on our Indian standalone business as well as our subsidiary Memco, through which we are developing several new products. We are also actively looking at acquisition opportunities within India, and that will be a way for us to grow into new products, new markets, new customers, and so on. So it is not necessarily only camshafts, but we will focus on our India operations, that is for sure.

Nishit Sanghvi – Neomil: Okay, thank you.

Operator: Thank you. Ladies and gentlemen, if you wish to ask a question, you may press "*" and "1". The next question comes from the line of Navneet Kamaliya, an individual investor. Please go ahead. Navneet, your line has been unmuted. Please go ahead with your question.

Navneet Kamaliya: Good afternoon, sir. Am I audible?

Karan Shah – Whole-time Director Business Development: Yes.

Navneet Kamaliya: Sir, I am an individual investor who has been invested in your company for quite some time. I wanted to understand whether it would be prudent to disclose the order book size at the end of the quarter, or, if not quarterly, perhaps at the end of the year. What is the outstanding order book size as of now? You explained the multiple business opportunities, but what is the current outstanding order book size? That is my first question.

Karan Shah – Whole-time Director Business Development: Mr. Navneet, during our previous earnings calls as well as our AGM, we have disclosed this. I think we have a cumulative order book of approximately 1,500 crores over and above the existing businesses, from both existing and new customers. This is, of course, not an annualized order book; it will be spread over 4 to 5 years, and that is what we can share at this point in time. Beyond this, we are still working on newer opportunities.

Navneet Kamaliya: Okay, thank you, sir. My next question is regarding our European subsidiary. As you mentioned, you have been cautious about this subsidiary going forward as well, so are you considering winding it up, like the previous one that we wound up some quarters ago? Is that a thought in the mind of management? Being cautious is understandable, but perhaps a couple of quarters down the line, could this subsidiary also be wound up?

Karan Shah – Whole-time Director Business Development: It is very hard to say right now, sir, because the markets are very dynamic and things are changing rapidly. We have seen certain situations unfold in Europe that were unprecedented in the last 8 to 9 months, which have caused a lot of disruption within the system there. Of course, we are facing tremendous headwinds for this business, but we are trying our best to see what we can do to sustain it and allow it to remain a standalone business without really requiring any support from the Indian side. It is hard to answer that question right now.

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Navneet Kamaliya: Okay, thanks a lot, sir. I have one observation. Perhaps we could improve the quality of our corporate presentation by incorporating a few more details about the company. I see companies that are doing very little putting out very large presentations in which they make it look as if they are doing everything. Since we are doing so much, our presentation [inaudible]

Navneet Kamaliya: [inaudible] reports in very little information. Maybe that is something you can work on, sir. That will be all from my side.

Karan Shah – Whole-time Director Business Development: Thank you. I appreciate that feedback. I think we will surely take this back, and we will see what additional information we can add in the next quarter.

Navneet Kamaliya: Thanks a lot, sir. Thanks a lot.

Karan Shah – Whole-time Director Business Development: Thank you.

Operator: Thank you. Participants who wish to ask a question may press "*" and "1". Thank you. As there are no further questions from the participants, I now hand the conference over to Mr. Karan Shah for closing comments.

Karan Shah – Whole-time Director Business Development: Thank you so much. I hope we have been able to answer most of your queries. We thank all our shareholders, customers, employees, suppliers, and partners for their continued support and confidence in Precision Camshafts Ltd. We look forward to your participation in our next earnings call. Thank you, and have a good day.

Operator: Thank you. On behalf of Precision Camshafts Ltd., that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.

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