

***TOLINS TYRES LIMITED***

# INVESTOR PRESENTATION

October 2024





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# Index



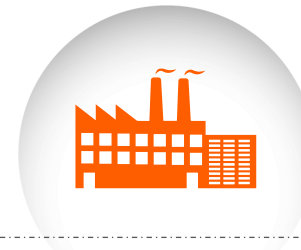
**Company Overview**



**Business Overview**



**Consolidated Financials**



**Industry Overview & Way Forward**



# Company Overview



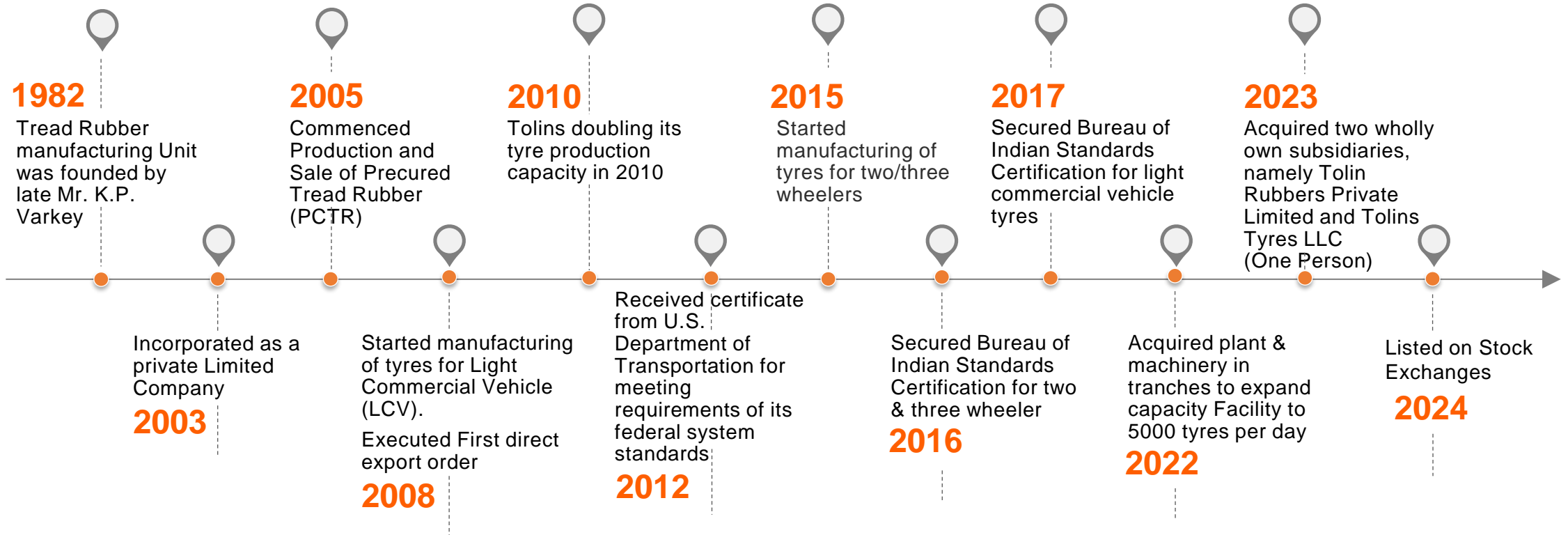
# Facts and Figures



- **Manufacturing Precured Tread Rubber (PCTR) and Tyres** for Light Commercial Vehicles, Agricultural vehicles, and two/three-wheelers under 'Tolins Tyres' Brand
- **Backward integration** - manufacturing Bonding Gum, Vulcanizing Solutions, Tyre Flaps and Tubes.
- **Presence across India with exports** to 40 foreign countries including Middle East, the ASEAN region and Africa
- **3 manufacturing facilities** spread across an area of 221,214 square feet – 2 in Kaldady, Kerala and 1 in Ras Al Khaimah, UAE
- **Annual capacity:** 12,486 tons – Tread Rubber; 1.51 million units – Tyres and 17,160 tons – Rubber Compound
- **Caters to all three segments of market** viz. exports, domestic sales and Original Equipment Manufacturers
- In FY24, **Company merged different business entities** involved in Tyre Retreading, Tyre manufacturing and Ancillary Products into one consolidated entity
- FY24 Financial Highlights –
  - **INR 227 Crores** Operational Revenue
  - **INR 46** - Crores EBITDA
  - **25.87%** - FY24 ROE
  - **36.08%** - FY24 ROCE



# Timeline and Key Milestones





# Management - Board of Directors



**Dr. Kalamparambil Varkey Tolin,** 54, is the Promoter, Chairman, and Managing Director of the company, having been with us since its inception. He holds a B.A. from Mahatma Gandhi University and a Ph.D. in Production Management with a specialization in the tyre industry from Colombo University. With approximately 32 years of experience in the tyre and tread industry, he oversees overall operations and strategic growth initiatives. He is also a recipient of the McMillan Woods Global Award and the Master Class International Export Award.



**Jerin Tolin,** aged 46 years, is the Promoter, Non-Executive and Non Independent Director of the Company and has been associated with the company since 2004. She holds B.Sc in Mathematics from Sunrise University, Rajasthan and Bachelor of Education in Mathematics from Vishwa Bharatiya Vidya Parishad. She is an active contributor in the field of education since 2020. She has her proprietorship concern in M/s Rubber Solutions involved in the manufacturing of Vulcanising solutions.



**Sankarakrishnan Ramalingam,** 63, is the Non-Executive and Non Independent Director of the company and has been with us since 2023. He holds a B.Sc. from the University of Bombay and a Diploma in Industrial Chemistry from British Institutes Bombay. With 40 years of experience in commercial and merchant banking, particularly with Syndicate Bank, he has supported numerous companies as an investment banker in raising funds from equity capital markets. He has also served on the boards of several companies and currently oversees corporate governance, compliance, and overall corporate affairs for the company.



# Management - Board of Directors



## Dr Joseph P M

- Joseph P M, aged 50 years, is an Independent Director of our Company.
- He has been associated with our Company since January 17, 2024.
- He is a qualified MBBS from Kempagowda Institute of Medical Sciences, Bangalore and holds a diploma in Orthopaedics from the Rajiv Gandhi University of Health Sciences, Karnataka.
- He has been serving as an orthopaedic consultant in the Ortho Department of P.M.M Hospital, Kerala since 2007.

## Sankar Parameswara Panicker

- Sankar Parameswara Panicker, aged 53 years, is an Independent Director of our Company. He has been associated with our Company since January 17, 2024.
- He holds a Bachelor of Commerce degree from the Mahatma Gandhi University and a bachelor of law degree from Cochin University of Science and Technology, Kochi.
- He is a fellow member of the Institute of Cost Accountants of India and an Insolvency Professional registered with the Insolvency and Bankruptcy Board of India.
- Presently, he is in legal practice and is a partner at Panicker and Panicker, Advocates.
- Previously he was employed at Faramonte Group, HDFC Bank, ICICI Bank.

## Cris Anna Sojan

- Cris Anna Sojan, aged 31 years, is an Independent Director of our Company.
- She has been associated with our Company since January 17, 2024.
- She is an associate member of the Institute of Chartered Accountant of India. Previously, she was associated with EY Global Delivery Services for a period of 5 years.
- Presently, she is self-employed as an independent practicing chartered accountant





# Manufacturing Facilities

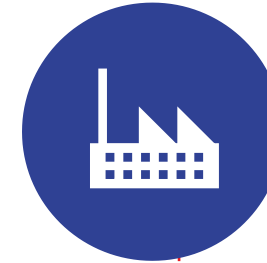


**2** in Kalad, Kerala

**1** in Ras Al Khaimah, UAE



spread across  
**2,21,214 sq. ft.**  
with land area ~ 13.67 acres



Capability to provide **end-to-end manufacturing of rubber** and rubber related products, upgrading and modifying assets and equipment.

**Kerala Plant 1** - Tyre & PCTR Plant

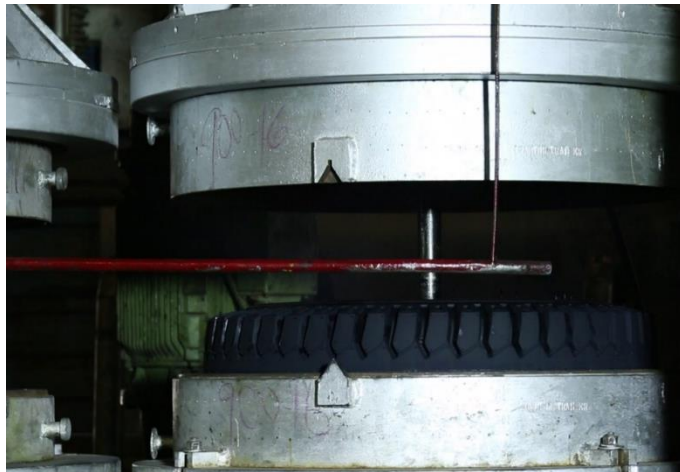
**Kerala Plant 2** - Rubber Compound Plant



**Ras Al Khaimah, UAE Plant** - PCTR Plant (Owned by Tolins Tyres LLC, wholly owned foreign subsidiary)



# Manufacturing Facilities





# Business Overview



# Product Portfolio



## Tyre Retreading



Precured tread Rubber (PCTR)



Conventional Tread Rubber

## Tyres



Light Commercial Vehicle Tyres (LCV Tyres)



Off the Road/ Agriculture Tyres (OTR Tyres)



Two Wheeler & Three Wheeler Tyres



# Product Portfolio



## Ancillary Products



**Bonding Gum**



**Vulcanizing Solution**



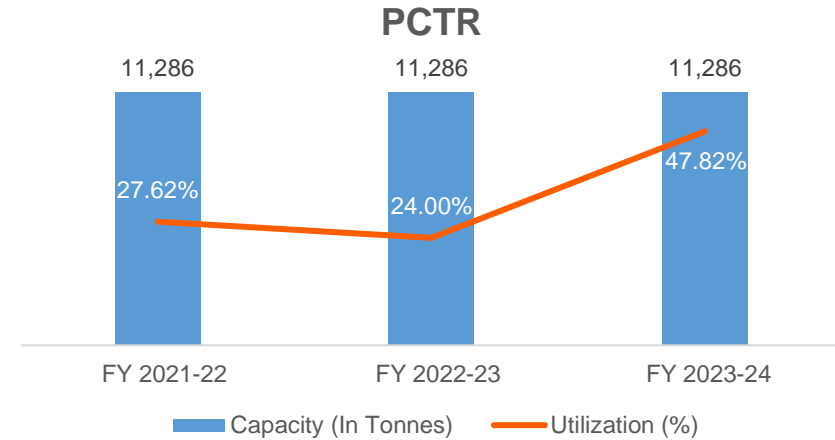
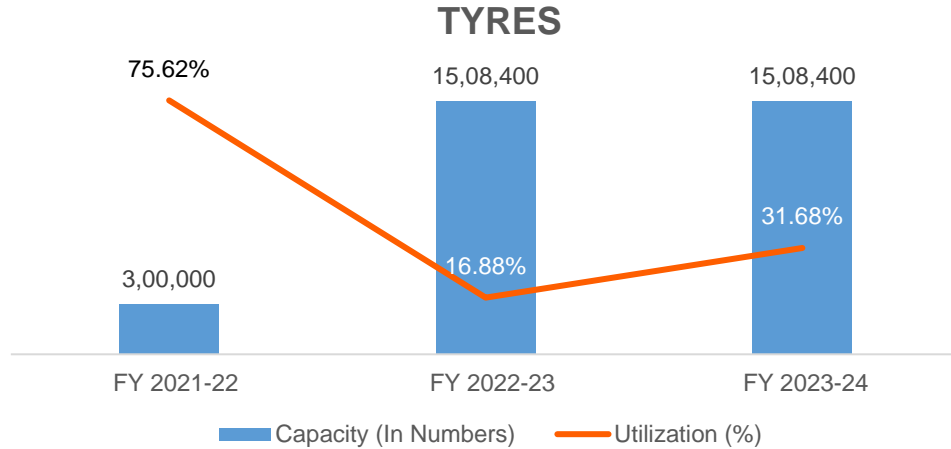
**Rope Rubber & others**



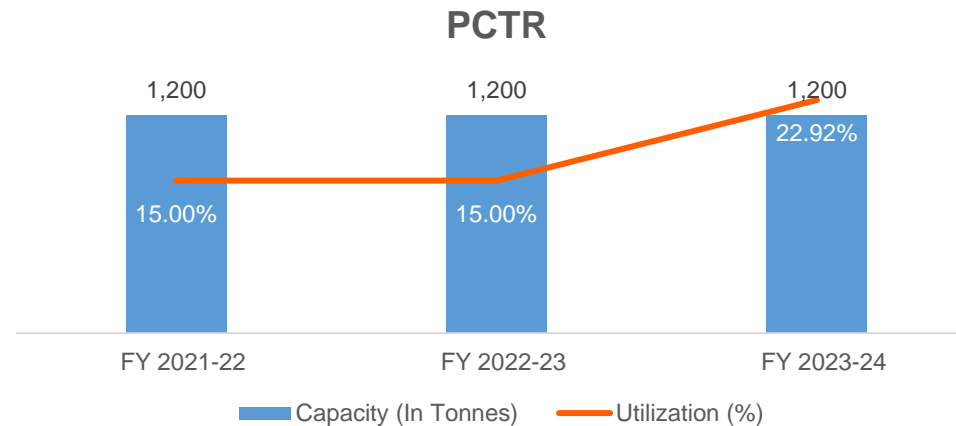
# Capacity Build Up



## Tolin Tyres Limited (Standalone)



## Tolins Tyres LLC (Wholly owned Foreign Subsidiary)

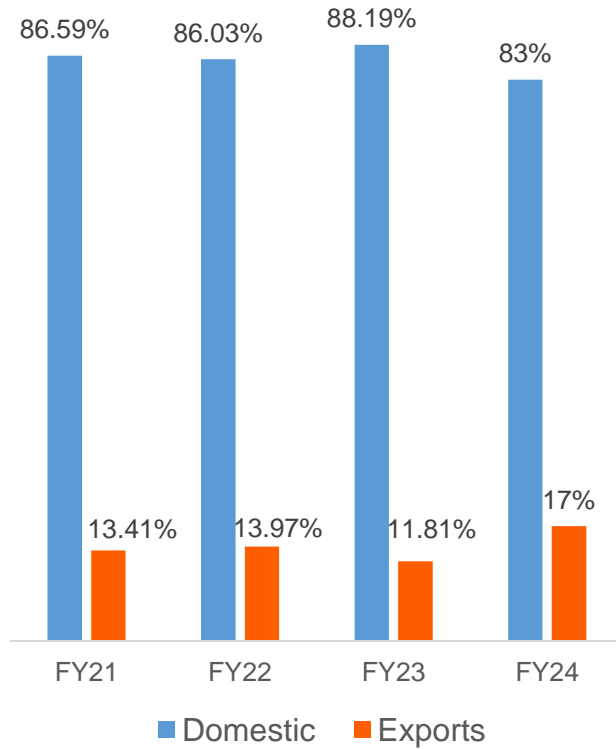




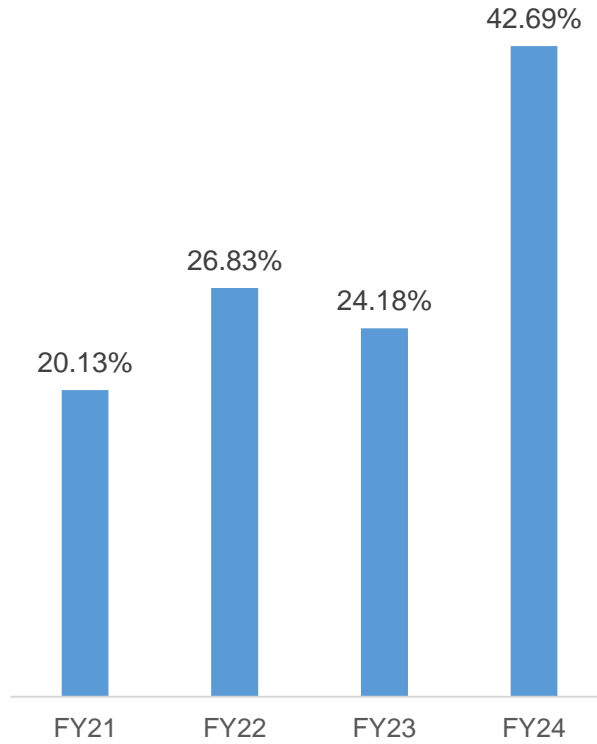
# Sales Mix



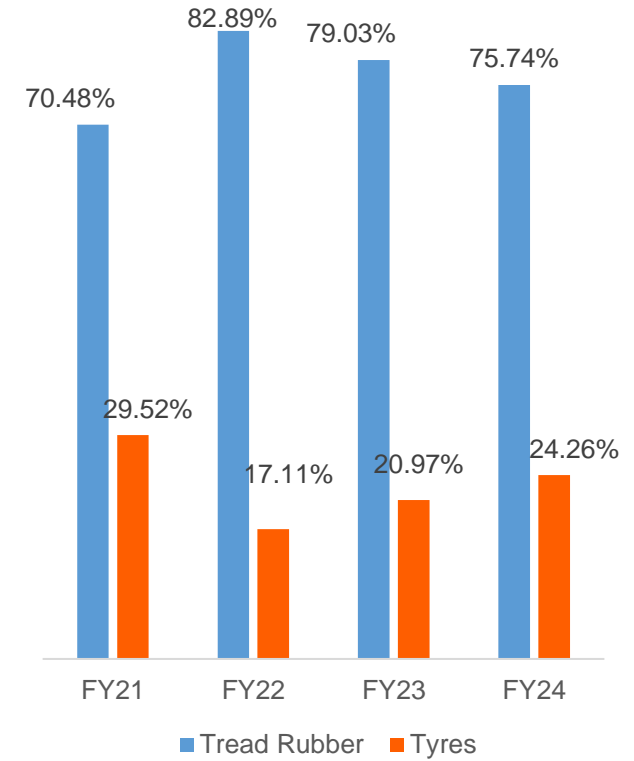
### Geographical Revenue Split



### Top 10 Customer Dependence



### Operational Revenue Split

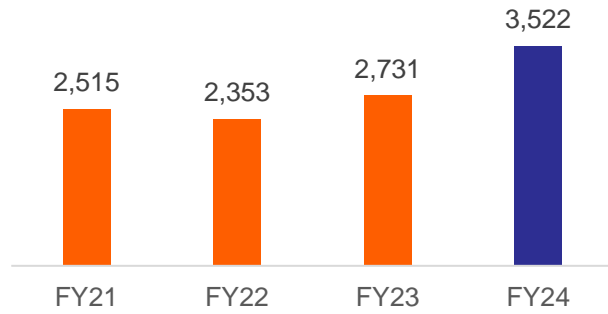




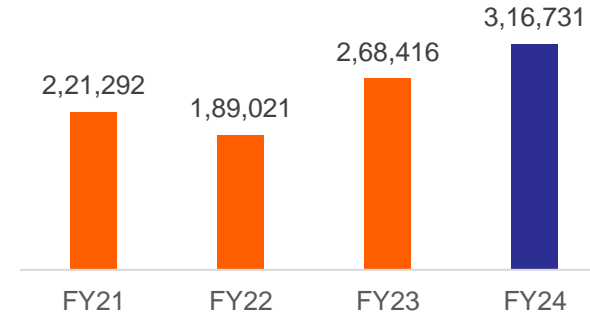
# Sales Mix



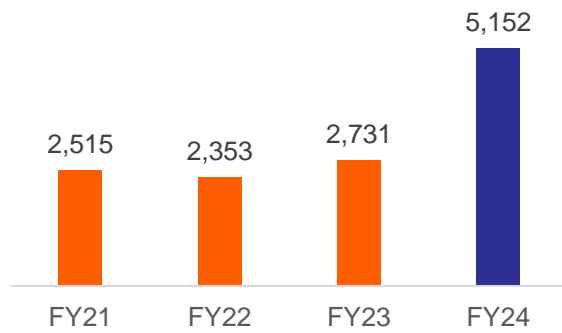
### PCTR (in tons)



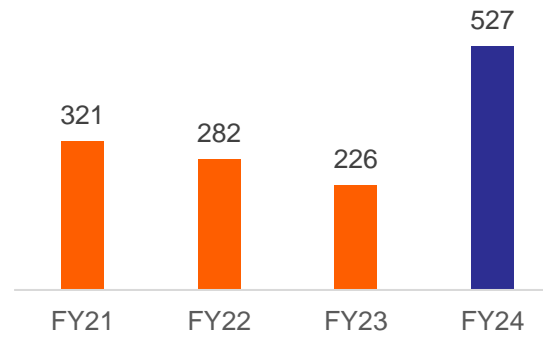
### Tyres (in numbers)



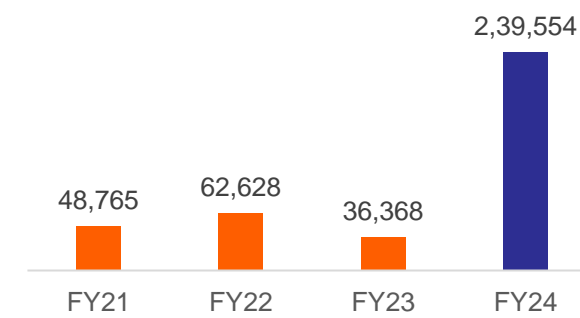
### Rubber Compound (in tons)



### Bonding Gum (in tons)



### Flaps (in numbers)







# Key Strengths



## Quality of Products

Quality as key driver of organizational growth. Certifications from U.S. Department of Transportation for exports to USA and E mark E32 for Europe.



## Long standing relationship with large OEMs & Dealers

Over three decades of strong relationships with Indian and global customers offering diverse product portfolio



## Integrated manufacturing operations

coupled with in-house products and process design capabilities which offer scale, flexibility and comprehensive solutions



## Research and product development capabilities

Prioritise R&D to expand their market share by consistently providing technologically advanced products



## Experienced and Dedicated Management Team

Dr. KV Tolin, our Chairman and Managing Director, brings over three decades of techno-commercial management experience in the rubber and tyre industry



# Consolidated Financials



# Quarterly Income Statement



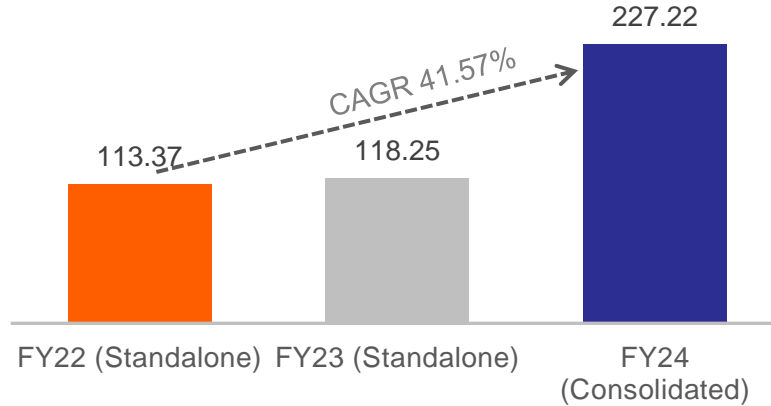
| Particulars (Rs. Cr.)              | Q1 FY25       | Q1 FY24       | YoY            | Q4 FY24       |
|------------------------------------|---------------|---------------|----------------|---------------|
| <b>Revenue from Operations</b>     | <b>76.30</b>  | <b>41.21</b>  | <b>85.15%</b>  | <b>72.39</b>  |
| Other Income                       | 0.04          | 0.25          |                | 0.35          |
| <b>Total Revenue</b>               | <b>76.34</b>  | <b>41.46</b>  |                | <b>72.73</b>  |
| Raw Materials                      | 55.81         | 28.06         |                | 50.59         |
| Employee Cost                      | 2.84          | 1.29          |                | 5.26          |
| Other Cost                         | 2.86          | 3.25          |                | 2.90          |
| Total Expenditure                  | 61.51         | 32.60         |                | 58.76         |
| <b>EBITDA (excl. Other Income)</b> | <b>14.79</b>  | <b>8.61</b>   | <b>71.72%</b>  | <b>13.63</b>  |
| <b>EBITDA Margin (%)</b>           | <b>19.37%</b> | <b>20.78%</b> |                | <b>18.74%</b> |
| Depreciation                       | 0.84          | 0.60          |                | 1.02          |
| Interest                           | 2.41          | 2.81          |                | 2.70          |
| Profit Before Exceptional Items    | 11.59         | 5.46          |                | 10.26         |
| Income From Associates             | 0.00          | 0.00          |                | 0.00          |
| <b>PBT</b>                         | <b>11.59</b>  | <b>5.46</b>   | <b>112.41%</b> | <b>10.26</b>  |
| Tax                                | 2.68          | 1.18          |                | 2.30          |
| <b>PAT</b>                         | <b>8.91</b>   | <b>4.28</b>   | <b>108.28%</b> | <b>7.96</b>   |
| <b>PAT Margin (%)</b>              | <b>11.67%</b> | <b>10.32%</b> |                | <b>10.94%</b> |
| Basic EPS                          | 2.91          | 1.46          | 99.32%         | 2.60          |



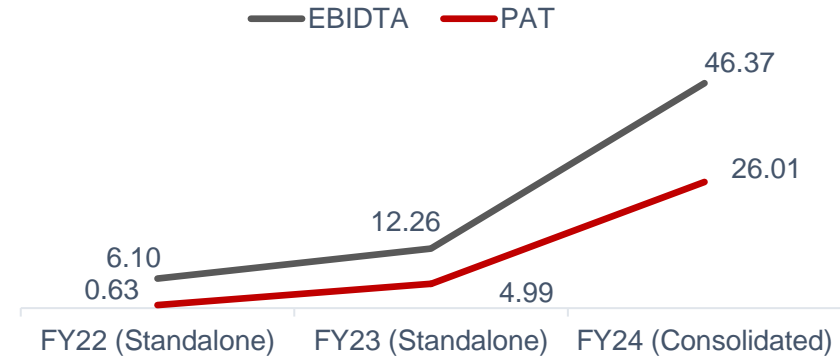
# Annual Performance



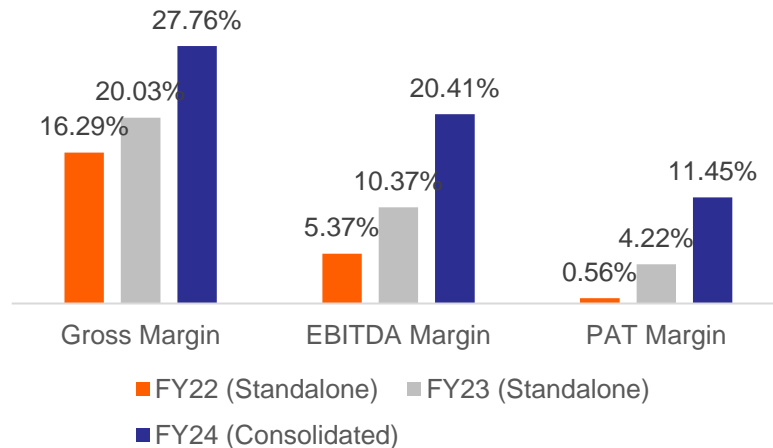
### Revenue (Amount in Rs. Cr.)



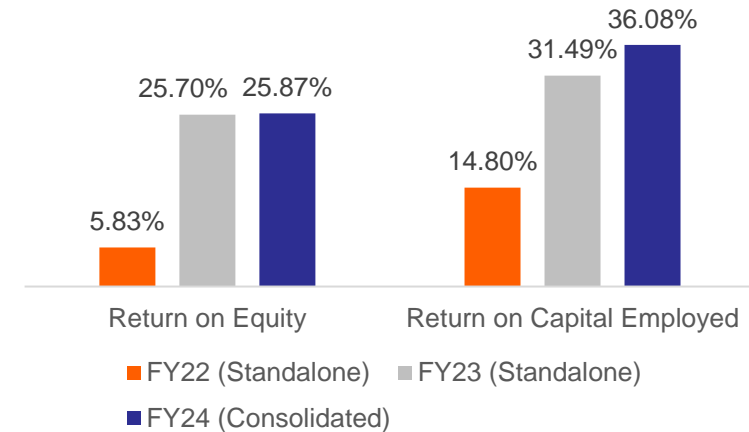
### EBIDTA & PAT (Amount in Rs. Cr.)



### Operational Margins (%)



### Financial Margins (%)



Note: Fiscal 2022 and Fiscal 2023 figures are (on a standalone basis) and Fiscal 2024 figures (on a consolidated basis) based on restated financial statement



# Annual Income Statement



| Particulars (Rs. Cr.)  | FY24          | FY23          | YoY            |
|--|---------------|---------------|----------------|
| <b>Revenue from Operations</b>                                 | <b>227.22</b> | <b>118.25</b> | <b>192.16%</b> |
| Other Income   | 1.48          | 1.43          |                |
| <b>Total Operational Revenue</b>                               | <b>228.69</b> | <b>119.68</b> |                |
| Cost of Raw Materials  | 175.91        | 100.76        |                |
| Purchase of Stock In Trade                                     | 0.00          | 0.00          |                |
| Changes in Inventories of Finished Goods, WIP & Stock in Trade | -11.76        | -6.20         |                |
| Employee Cost  | 6.89          | 3.32          |                |
| Other Cost   | 9.81          | 8.10          |                |
| Total Expenditure  | 180.84        | 105.99        |                |
| <b>EBITDA (excl. Other Income)</b>                             | <b>46.37</b>  | <b>12.26</b>  | <b>278.25%</b> |
| <b>EBITDA Margin (%)</b>                                       | <b>20.41%</b> | <b>10.37%</b> |                |
| Depreciation   | 3.37          | 1.61          |                |
| Interest   | 11.58         | 5.05          |                |
| <b>PBT</b>   | <b>32.90</b>  | <b>7.03</b>   | <b>468.17%</b> |
| Tax  | 6.89          | 2.04          |                |
| <b>PAT</b>   | <b>26.01</b>  | <b>4.99</b>   | <b>420.95%</b> |
| <b>PAT Margin (%)</b>  | <b>11.45%</b> | <b>4.22%</b>  |                |

Note: Fiscal 2022 and Fiscal 2023 figures are (on a standalone basis) and Fiscal 2024 figures (on a consolidated basis) based on restated financial statement



# Balance Sheet



| Particulars (Rs. Cr.)                                     | FY24          | FY23         | Particulars (Rs. Cr.)                                    | FY24          | FY23         |
|---|---------------|--------------|--|---------------|--------------|
| <b>EQUITY(a)</b>  | <b>100.53</b> | <b>19.42</b> | <b>NON-CURRENT ASSETS(a)</b>                             | <b>61.96</b>  | <b>19.77</b> |
| Equity share capital                                      | 15.33         | 5            | Property, plant and equipment                            | 29.49         | 19.17        |
| Instrument Entirely in the Nature of Equity               | -             | -            | Capital work-in-progress                                 | 10.18         | -            |
| Other equity  | 85.2          | 14.42        | Right-of-use assets                                      | -             | -            |
| Non-Controlling Interest                                  | -             | -            | Goodwill   | 20.81         | -            |
| <b>NON-CURRENT LIABILITIES(b)</b>                         | <b>9.55</b>   | <b>13.21</b> | Other Intangible assets                                  | 0.07          | 0.08         |
| Financial liabilities                                     |               |              | Financial assets   |               |              |
| (i) Borrowings  | 8.8           | 13.1         | Investments  | -             | -            |
| Provisions  | 0.45          | 0.1          | Other financial assets                                   | 1.4           | 0.5          |
| Deferred tax liabilities (net)                            | 0.28          | -            | Deferred tax assets, net                                 | -             | 0.01         |
| Other non-current liabilities                             | 0.02          | 0.01         | Other non-current assets                                 | 0.01          | 0.01         |
| <b>CURRENT LIABILITIES</b>                                | <b>111.51</b> | <b>51.19</b> | <b>CURRENT ASSETS(b)</b>                                 | <b>159.64</b> | <b>64.06</b> |
| Financial liabilities                                     |               |              | Inventories  | 83.84         | 36.96        |
| (i) Borrowings  | 69.97         | 33.93        | Financial assets   |               |              |
| (ii) Trade payables                                       |               |              | (i) Trade receivables                                    | 64            | 23.83        |
| - Due to micro and small enterprises                      | 0.97          | 0.92         | (ii) Cash and cash equivalents                           | 0.88          | 0.38         |
| - Due to creditors other than micro and small enterprises | 31.52         | 12.31        | (iii) Bank balances other than Cash and cash equivalents | 1.79          | 0.43         |
| (iii) Other financial liabilities                         | 1.75          | 1.98         | (iv) Other financial assets                              | 1.61          | 1.09         |
| Other Current Liabilities                                 | 1.06          | 0.18         | Current tax assets, net                                  | -             | -            |
| Provisions  | 0.04          | 0.01         | Other current assets                                     | 7.52          | 1.37         |
| Current Tax Liabilities (Net)                             | 6.21          | 1.86         |  |               |              |
| <b>TOTAL EQUITY AND LIABILITIES (a+b+c)</b>               | <b>221.6</b>  | <b>83.82</b> | <b>TOTAL ASSETS (a+b)</b>                                | <b>221.6</b>  | <b>83.82</b> |



# Industry Overview And Way Forward

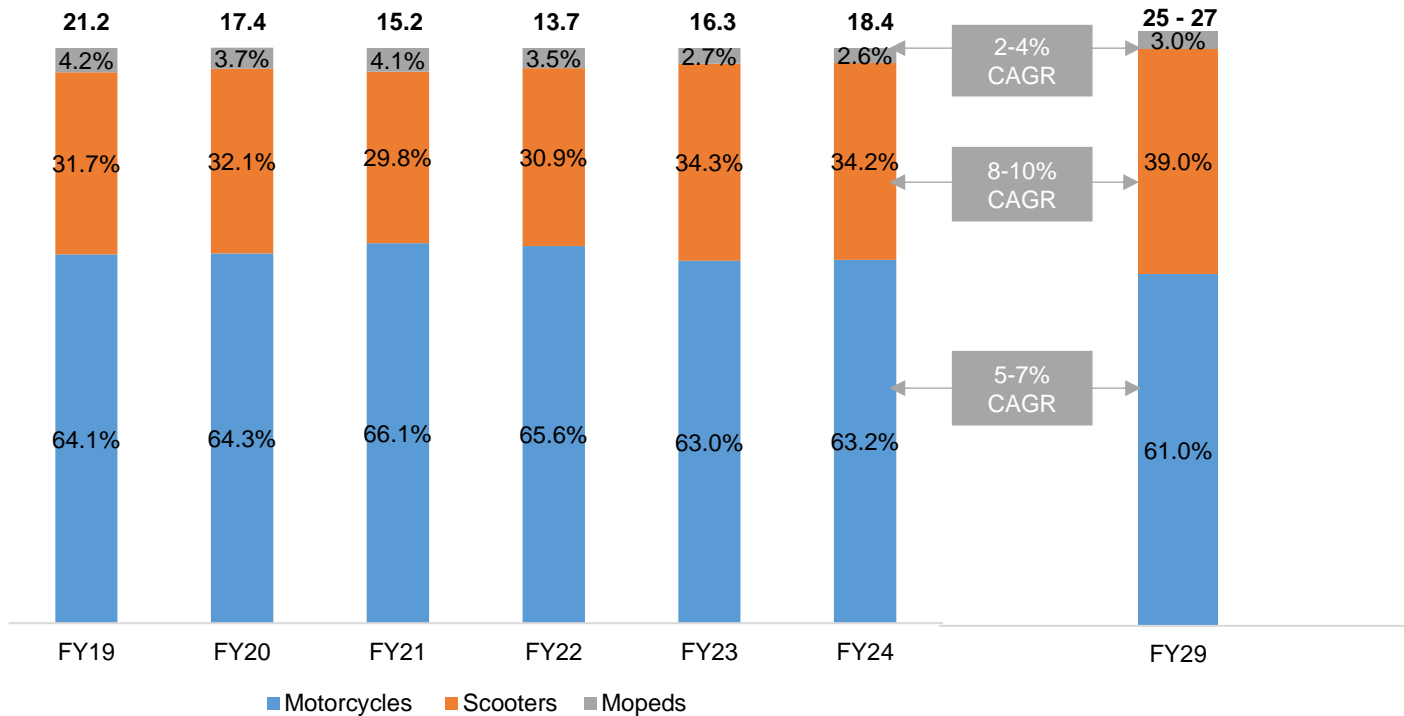


# Industry Overview



## Tyre Industry: Domestic 2-Wheeler Vehicles Outlook

Million Units



Source: SIAM; CRISIL M&A

## Key Demand Drivers

- Macroeconomic support
- Rising rural incomes
- Rural infrastructure
- Financing support
- Growing gig economy
- Premiumisation in the industry
- Electrification in the two-wheeler segment
- Shrinking replacement cycles
- Advancement in vehicle technology



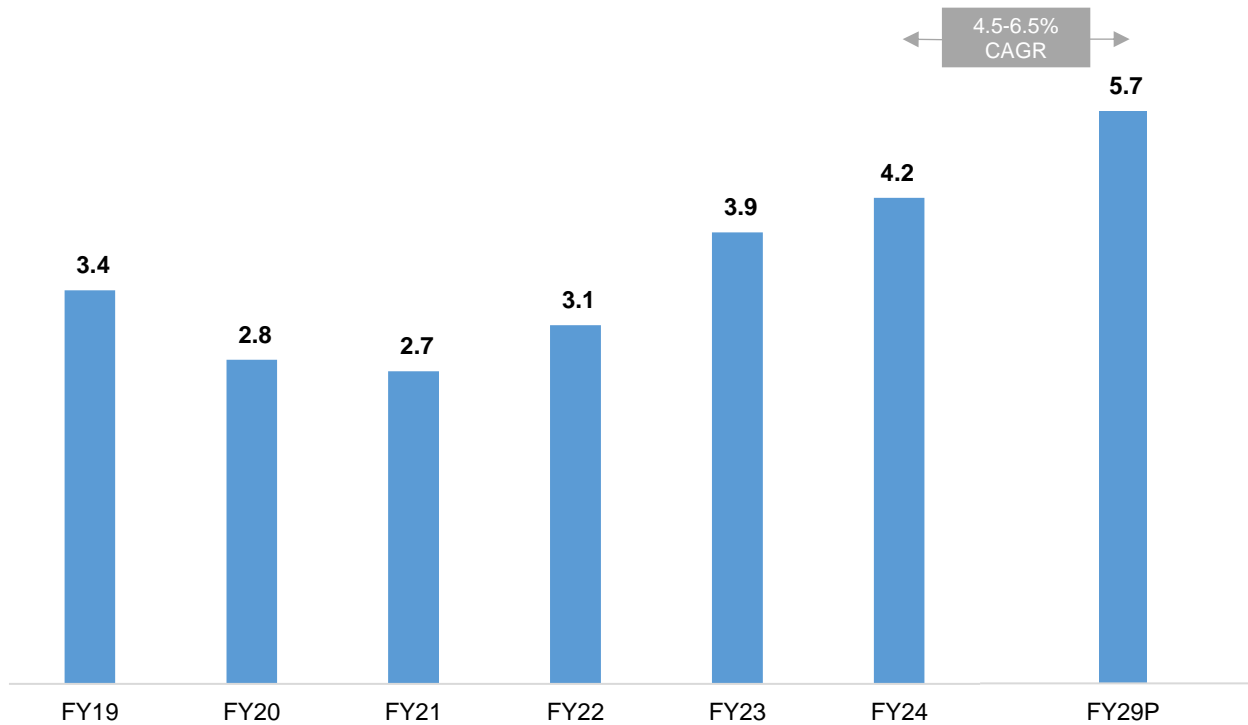


# Industry Overview



## Passenger Vehicles Domestic Demand Outlook

Domestic Industry PV Outlook (Volumes)



Source: SIAM; CRISIL M&A

### Key growth drivers

- Government boost for Compressed natural gas (CNG)
- Premiumization trend
- New model launches
- EV penetration in Passenger Vehicles
- GDP per capita
- Vehicle Penetration in India

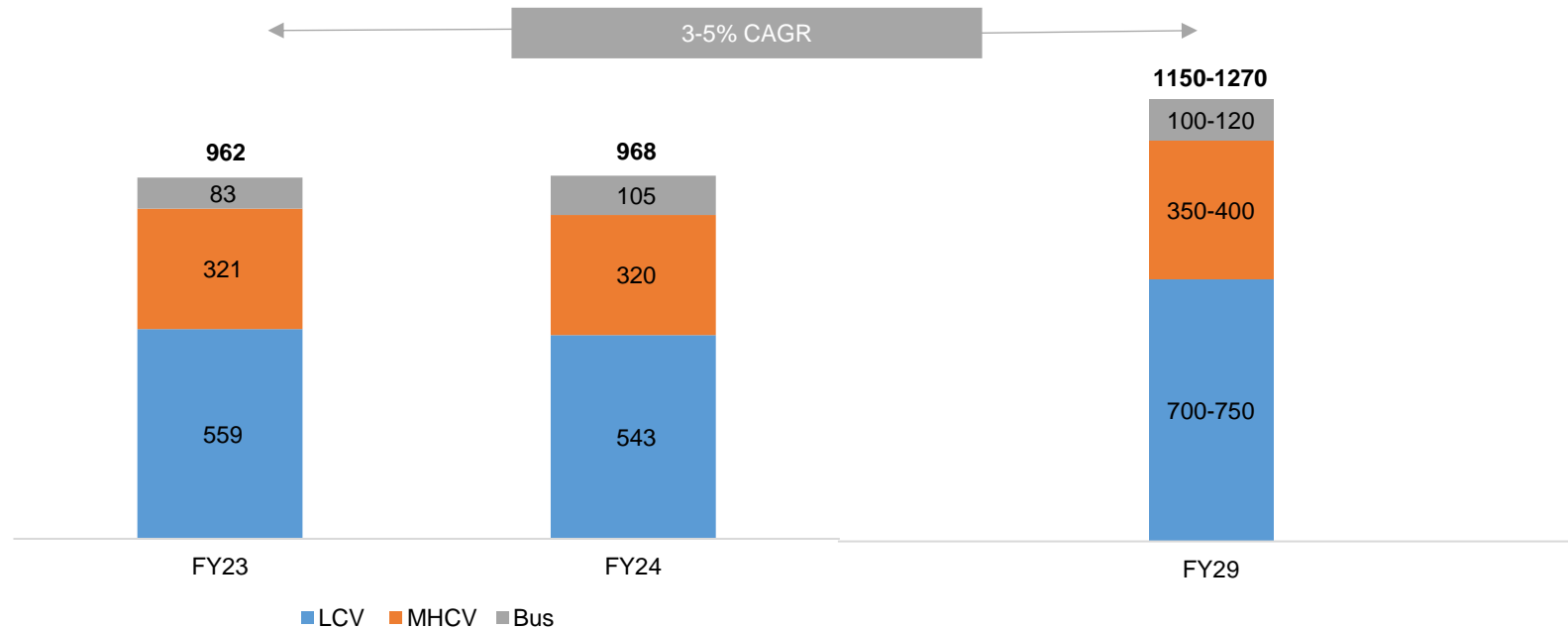


# Industry Overview



## Demand for Commercial Vehicle Outlook

Commercial Vehicles Domestic Sales Outlook



Source: SIAM; CRISIL M&A

### Key growth drivers

- Increasing freight rates to aid in materialization of deferred demand
- Shift in fuel types of CVs to CNG
- Stable agricultural output
- Healthy industrial growth
- Focus on infrastructure and higher mining production to bolster tipper demand
- Capacity utilization and profitability of transporters
- Replacement demand
- Scrappage policy



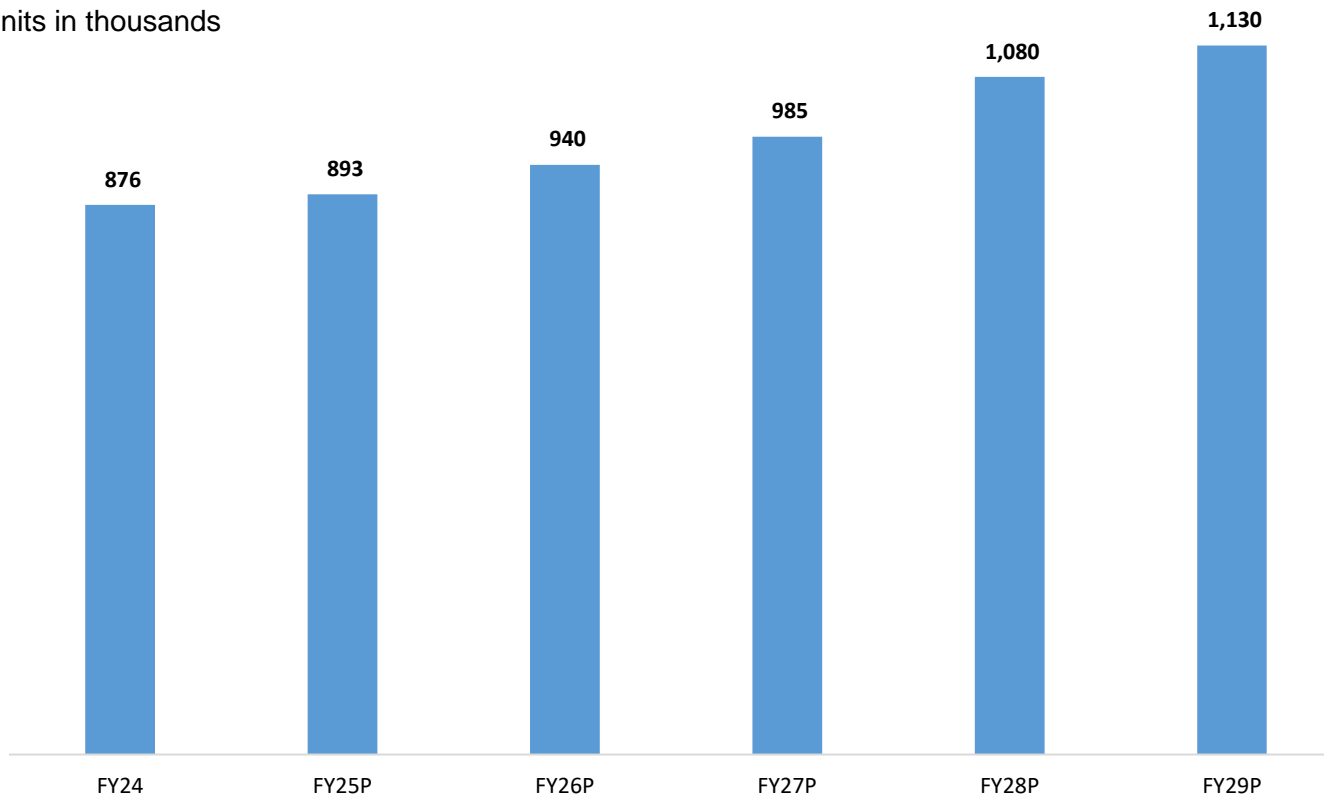
# Industry Overview



## Growth for Tractor Outlook

Tractor Industry sales expected to increase 4-6% between fiscals 2024 to 2029

Units in thousands



Source: CRISIL M&A Consulting

## Key growth drivers

- Monsoon Performance
- Crop Prices
- Government Regulations
- Financing availability
- Non-farm usage of tractors on the rise
- Replacement demand expected to be higher

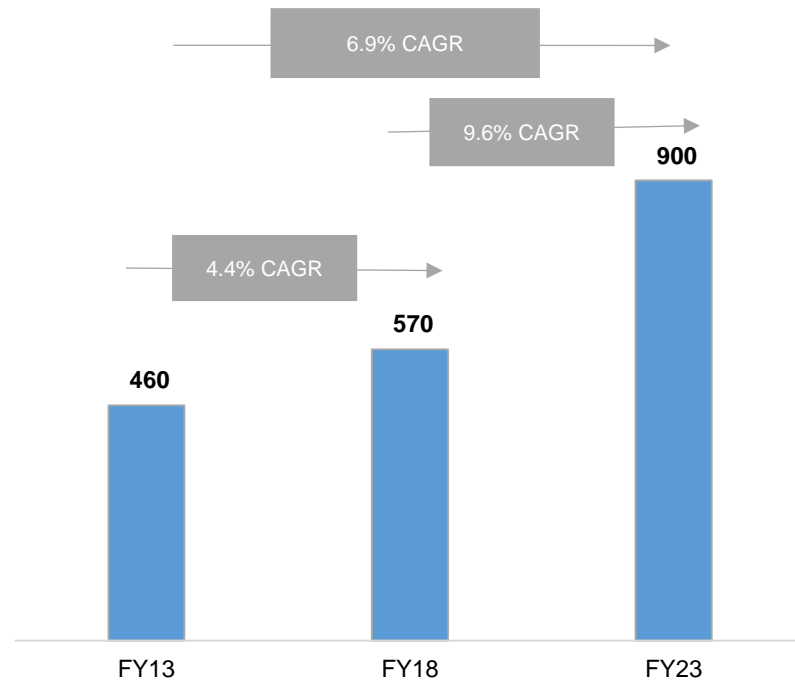


# Industry Overview



## Market Size: Tyre Industry Turnover

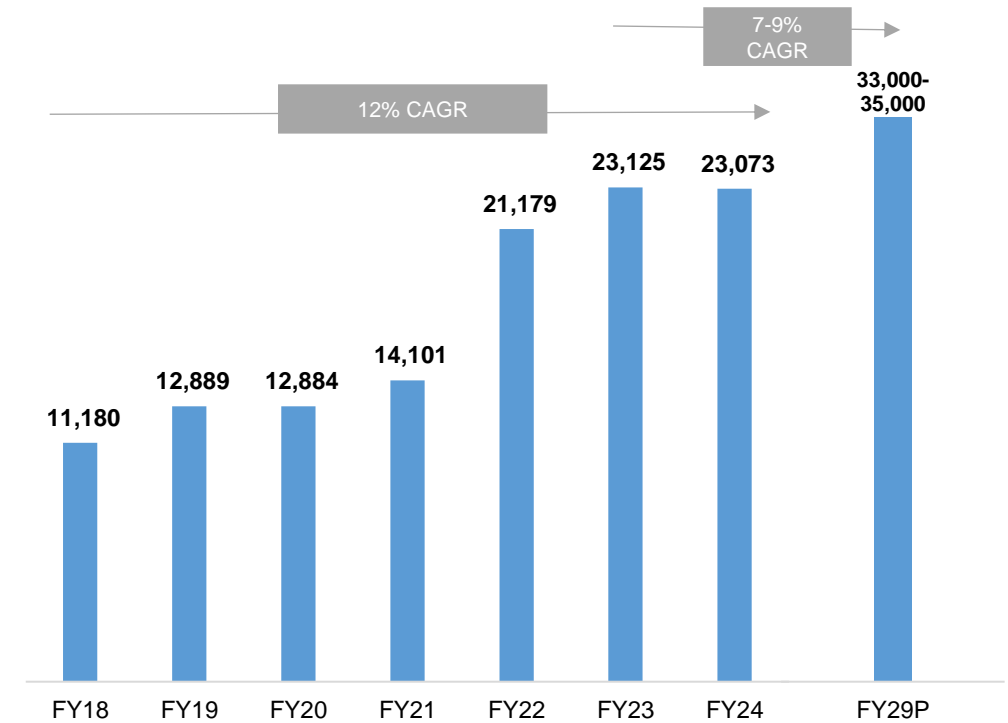
Estimated Turnover (in Rs. Billion)



Source: ATMA, Turnover is based on revenue

## Tyres Export Outlook

Tyres Exports (Rs. Lakh)



Source: ATMA, CRISIL M&A Consulting

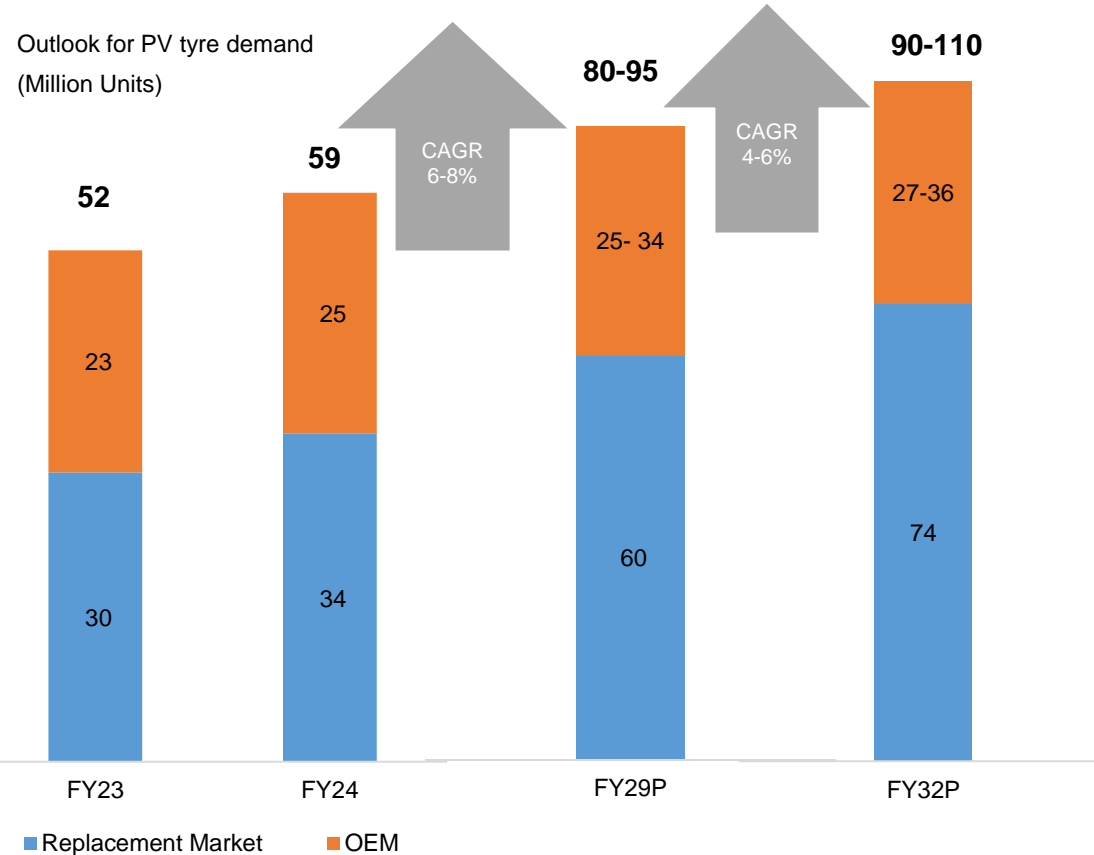


# Industry Overview



## Demand for Passenger Vehicle (PV) Tyre Outlook

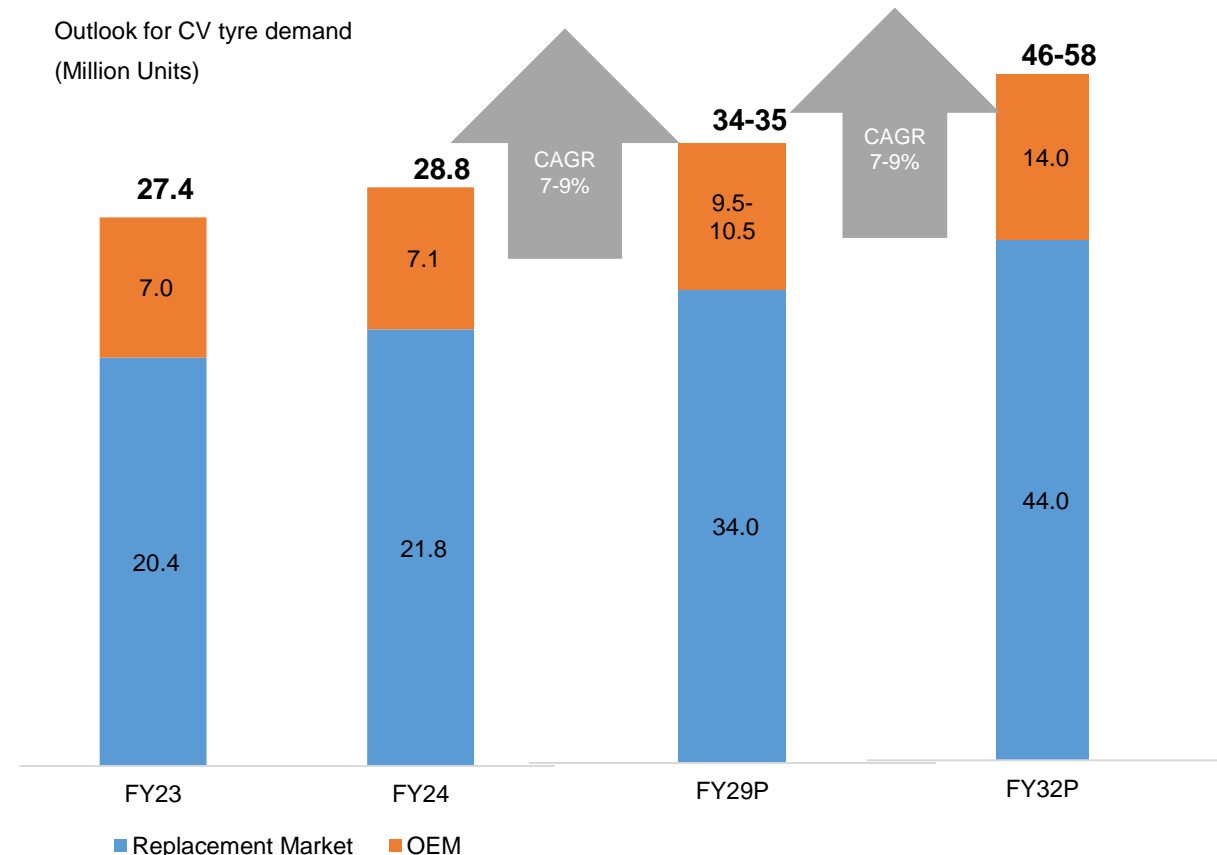
Outlook for PV tyre demand  
(Million Units)



Source: CRISIL M&A Consulting

## Demand for Commercial Vehicle (CV) Tyre Outlook

Outlook for CV tyre demand  
(Million Units)



Source: CRISIL M&A Consulting



# Way Forward



## Optimization of the Capacity

**Utilization:** Aims to progressively increase utilization to 75% over the next few years

**Expanding Reach of Domestic and International Markets:** Expand presence in the domestic market and focus on key international clusters



## Expand Product Range by introducing

**new product range:** Plans to invest in developing new products



## Improve Efficiencies with Technology

**Enablement:** Further develop technology systems to increase asset productivity



## Pursue Inorganic Growth through Selective

**Acquisitions:** Pursue inorganic growth opportunities through selective strategic acquisitions in the rubber and rubber related products





# CSR- Tolins World School



- In 2014, Tolins Group established an educational institution in Malayattoor, providing education of international standards to kids till Grade 12. By this, the group is committed to give back to its community.
- The 15-acre campus of Tolins World School is nestled at the foothills of the Western Ghats and is equipped with all the facilities and amenities essential for providing a top-tier education. This residential co-educational institution can accommodate up to 2,000 students, including a boarding capacity for 1,000
- Mission of Tolins World School is to provide every student with a strong foundation for lifelong success, fostering their development into responsible, compassionate, and productive citizens



# Thank You

**Mr. Ravi Sharma**  
CFO –Tolins Tyres Ltd.  
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Ms. Priyanka Bhagat**  
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