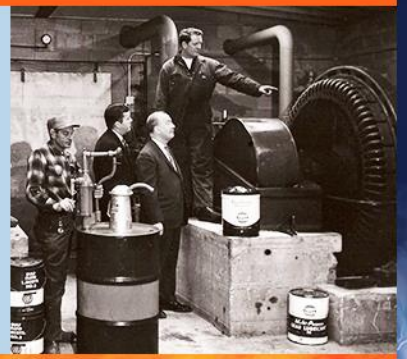
Gulf Oil Lubricants India Ltd.

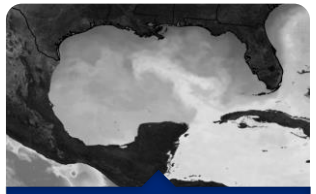
Investor Presentation



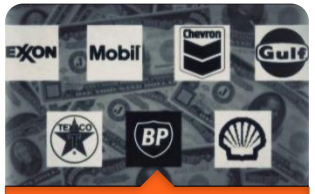
Gulf Oil International

Strong Heritage and Legacy

A major global oil company founded in **Texas, USA in 1901**



Name 'Gulf' originated from **Gulf of Mexico**



Part of one of the so-called **Seven sisters** ***(oil companies)***

World's first ever high volume oil well and floating drill platform

Launched **World's first drive-through station**

Independent **downstream lubricants**

Operations in more than **100 countries**; Blending Plants in **20 countries**

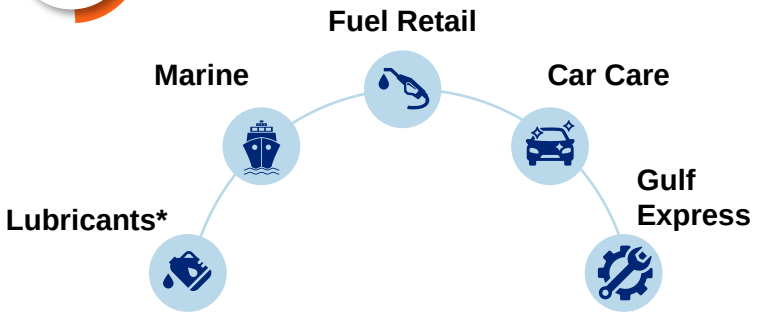
Part of Hinduja Group

Initially owned by Mellon Family

Merged with Standard Oil of California and **rebranded** as **Chevron**

Acquired by Hinduja Group – 1984 (Except USA, Spain & Portugal)

Diversified business operations



*We are the single largest Shareholder in Quaker Houghton, USA

Strong Motorsports Legacy

1968 – First win at Le Mans in famous **Blue & Orange**

Gulf is synonymous with racing

Gulf x Williams F1 Partnership

Global Presence - Gulf Oil International

20 Blending Plants, Sold in **100** Countries

Manufacturing locations across key geographies

- Europe
- South America
- Dubai
- India
- China
- Philippines
- Singapore
- Japan
- Nepal

and expanding..

Gulf Oil India - robust business model in place

01

The **fastest growing** lubricant major in India

02

No. 2 lubricants brand in India (*as per survey commissioned by AC Nielsen)*

No.2 Company in Distribution reach

03

Reached Top 3 player among private sector players in Indian Lubricant industry

04

Achieved 10-12% CAGR volume growth in the last decade, significantly outperforming the lubricants Industry growth rate. ~25% CAGR PBT growth in the last decade

05

Complete range of high quality automotive and industrial products including **BS VI, Synthetic products, Long Drain Lubricants and EV fluids**

06

High Return **Ratios** Cash conversions **Net debt** Free Balance Sheet

07

Strong past and present Brand partnerships Globally & in India with Manchester United, McLaren, Williams Racing, M S Dhoni, Hardik Pandya, Smriti Mandhana and Chennai Super Kings

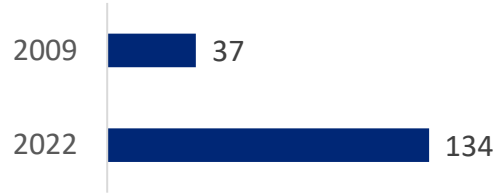
08

State-of-the-art manufacturing & R&D facilities in Silvassa and Chennai **Capacity for Lubricants - 140,000 KL and AdBlue ® - 30,000 KL**

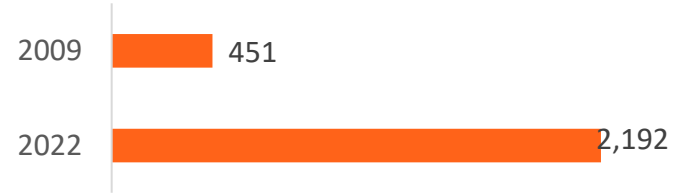
09

Establishing market share gains **in all segments year on year and also growing rural presence rapidly**

Volume (in KKL) – CAGR +10%



Revenue (INR Cr.) – CAGR +13%



PBT (INR Cr.) – CAGR +24%

EBITDA (INR Cr.) – CAGR +17%

•As per Internal Estimates

Key Strengths

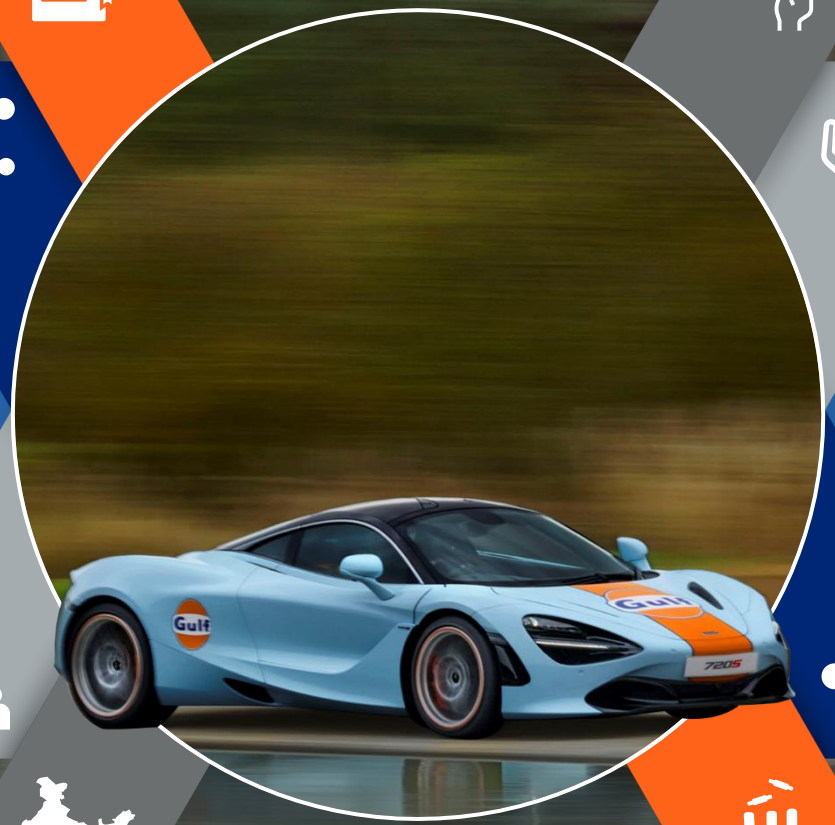
100-year strong legacy in the fuel and lubricant sector - globally

Robust distribution network helps to reach the remotest corners of the country

Comprehensive and wide product portfolio across automotive, industrial, and marine applications

Resilient business model and **innovative strategy** ensure value creation for all stakeholders

Superior production and R&D facilities



Superior technology and **ever-evolving innovations** to produce world-class lubricants; large R&D team based in India

Pioneer of the **'long drain interval' value proposition**

Enjoys a position among the **top 3 lubricant brands** with respect to brand awareness, purchase consideration etc.

Collaborations (long standing) with top OEM's and B2B customers

Rich history and sports associations like MS Dhoni, Hardik Pandya, Chennai Super Kings (CSK), Smriti Mandhana and Williams Racing

Product Portfolio

Automotive Lubricants

Industrial Lubricants and Specialty Oils

Marine Lubricants

2 wheeler VRLA Battery

EV Fluids

AdBlue

OEM Tie ups

Automotive OEMs

ASHOK LEYLAND
Mahindra Rise.
SWARAJ
BHARATBENZ
BAJAJ
FORCE MOTORS
PIAGGIO
TATA MOTORS
KIA
S-OIL
Ford Go Further
SONALIKA INTERNATIONAL

AdBlue OEMs

ASHOK LEYLAND
FORCE MOTORS
FIAT
BMW
Mahindra Truck and Bus

EV Fluids OEMs

SWITCH
PIAGGIO
ALTIGREEN DRIVE ELECTRIC
SPICER DANA
propel Engineering Excellence

OEM Tie ups

Construction OEMs

Putzmeister

LiuGong

ACE

Robbins

MAIT

Bobcat

LARSEN & TOUBRO

Industrial OEMs

SCHWING Stetter

Shibaura Machine

Bonfiglioli

AAM

WINDSOR
Partner in Progress

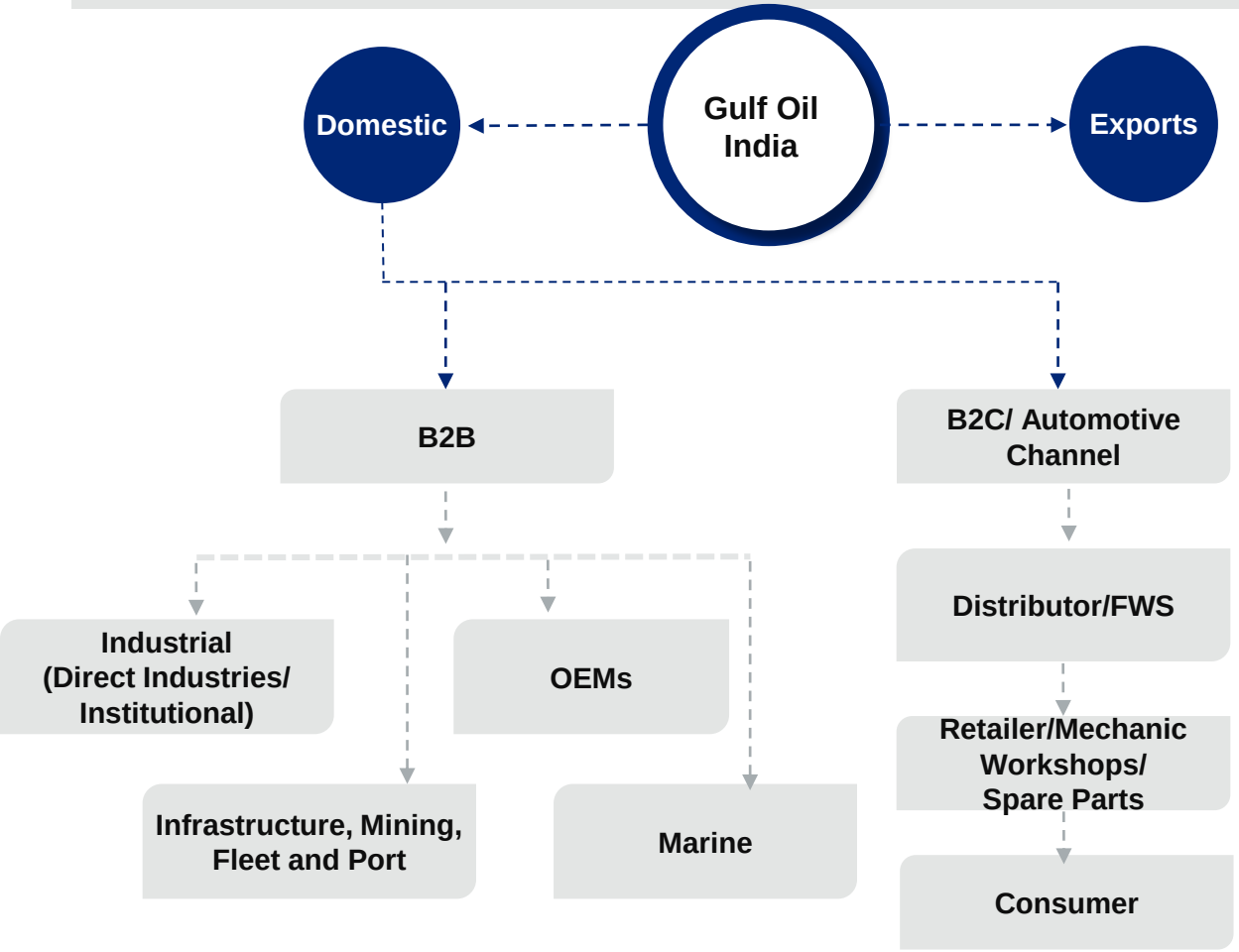
MILACRON

DANA

Automotive Axles Limited
Growth and Performance...through Technology and Teamwork

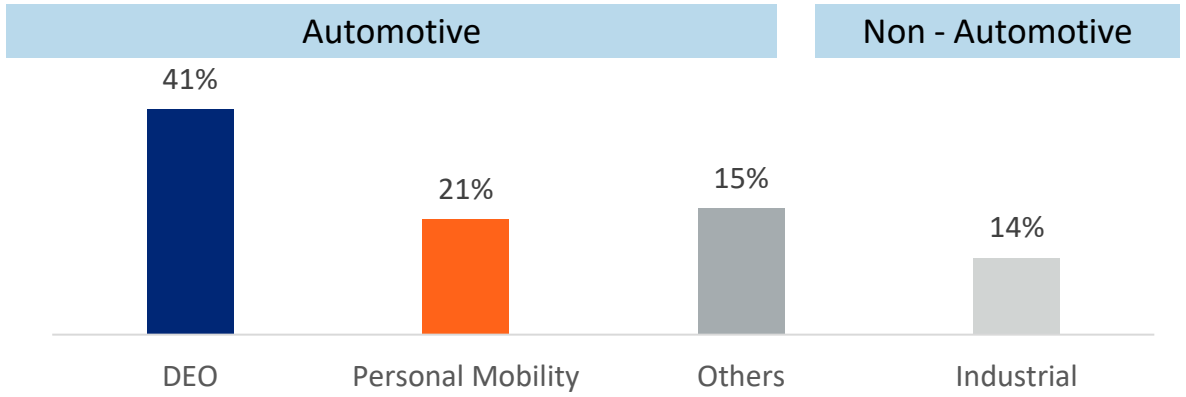
Robust Business Model and Product Mix

Business Model



Robust business model with diversified exposure across segments

Gulf Oil Product Mix (FY22)



80-85% of product portfolio comprises of '**Automotive/Auto related'** and remaining comprises of 'Industrial'

Growing in both B2B and B2C segments whilst maintaining a good product mix for profitable volume growth

Stellar Pan India Network

80,000+
Touchpoints

4
Regional Offices

300+
Auto Distributors

1,000+
Gulf Rural Stockists

65+
Industrial Distributors

~10000
Gulf Bike Stops & Car Stops

500+
B2B Customers

24
Depots Supporting Logistics

Gulf Branded Bike Stop and Car Stop Network

All India network of Gulf Branded Independent Workshops located at prime locations (busy traffic, high footfalls, eyeballs)

Currently there are ~**8000 Bike Stops** and ~**2000 Car Stops** across 522 cities in India

Growing at **10-15%** every year

Battery Sales & Service Network

12000+ Retail Touch Points, 230 Distributors

Dedicated Service Team PAN India – **11 Service Engineers**

320 active Gulf Battery Service Points across India

Manufacturing Facilities

Silvassa Plant (West India)

- Lubricants manufacturing Capacity of **90,000 KL per annum**
- AdBlue® manufacturing capacity of **12,000 KL per annum**
- **Key certifications include** - ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, IATF 16949:2016
- VDA license by QMC Germany
- BIS Certification marks license as per IS17042:Part I:2020
- NABL accredited QC lab with Standard ISO/IEC 17025:2017
- **World-class fully automatic PLC** enabled blending operations
- Dedicated manufacturing facility for specialized metal working fluids
- High-speed end-to-end **fully automatic Filling Machine**
- **Fully automatic Blow-Moulding machines** including Recycler
- **Fully Automatic Storage** and Retrieval System (ASRS)
- **Robust Safety & Disaster Management** Systems and supports
- Sustainability led best practices followed for plant operations
- Advance and fully equipped **Quality Control laboratory**
- Installed and commissioned **rooftop solar panels**
- **Plant and exports** approved by many Indian and global OEMs
- Awarded 'Runner Up' for the 'The Machinist Super Shopfloor Awards 2022' in the category "Excellence in Manufacturing-Large" by Times publication group.

Chennai Plant (South India)

- Lubricants manufacturing Capacity of **50,000 KL per annum**
- AdBlue® manufacturing capacity of **18,000 KL per annum**
- **Key certifications include** - ISO 9001:2015, ISO 14001:2015, IATF 16949:2016, ISO 45001:2018
- IGBC Gold Certification
- State-of-the-art blending technology from ABB France— Simultaneous Metered Blender (SMB), Automated Batch Blender (ABB), completely piggable manifold, Drum Decanting Unit (DDU) all integrated by Lubcel ™ Manufacturing Execution System
- **Fully Automatic Storage** and Retrieval System (ASRS)
- A high-tech **firefighting & disaster management system**
- **100% provision for solar energy** for manufacturing, Grey water recycling, rainwater harvesting & natural lighting throughout the day
- Advanced Quality Control Laboratory
- **New global R&D Centre** - Gulf's biggest facility globally
- **Customer Experience Centre** - the first of its kind in India
- **Plant** approved by many Indian and global OEMs

Growth Enablers for lubricants industry in India

Low per capita vehicle penetration in India

Expected to increase rapidly with rising per capita income crossing $2000 p.a.

Growth in automotive industry

Domestic Auto sales volume is expected to grow in the range of 5-9% Y-o-Y in 2022-23 after 3 consecutive years of decline

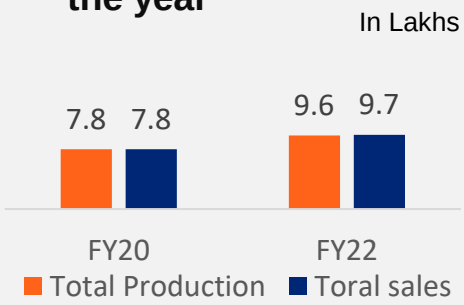
Advancement of engine technology

Strong Emission norms & Demand for fuel efficiency leading to superior lubricants usage

India as a manufacturing hub

Manufacturing push from Atmanirbhar Bharat, Make in India, impetus from China+1 strategy – good for industrial lubes

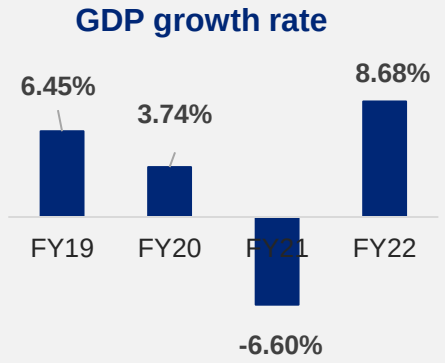
Strong prospects of the rural economy Uninterrupted use of tractors throughout the year



Accelerated investments in infrastructure building

GOI announced ₹100 lakh crore master plan for multi-modal connectivity with the goal of developing infrastructure

Growing GDP and domestic consumption



Source: India Briefing, IBEF, TMA, Invest India

Gulf Oil India – Segment-wise Overview

Automotive

2007
New Generation Diesel Engine Oils

2008
Motorcycle Oils

2011
OEM Tie-ups

2014/ 16
Tractor & Scooter Oils

2018
Passenger Car Motor Oils

Biggest contributor to our total volumes

Diesel Engine Oils

- Contributes **~40%** to total volumes
- Pioneered **"Longer Drain"** lubricants for commercial vehicles

Personal Mobility Oils

- Contributes **~20-25%** to total volumes

Opportunities

Robust prospects of India's automobile sector and overall economic growth	Adoption of new emission norms and enhanced focus on fuel efficiency	Evolving technology as well as customer requirements	Significant potential to ramp up rural penetration of automobiles	Scope to improve our market share in the PV and tractor segments
Expansion of our reach across various channels and geographies- Distribution increase key focus	Development of innovative products to adapt to changing market requirement	Shift in customer preferences from public transport to private transport	New-age customers with an evolving mindset	Increased digitalization helps in increasing speed and accuracy of operations while reaching a wider customer base

Infrastructure, Mining and Fleet

Established market leading position in a short span

500+ marquee customers in this segment, including industry heavy weights

Business growing rapidly given the infrastructure impetus in India as aggressive investments are committed in building roads, metros, ports etc.

Tie-ups with leading Construction OEMs

MAIT

Putzmeister

Robbins

LiuGong

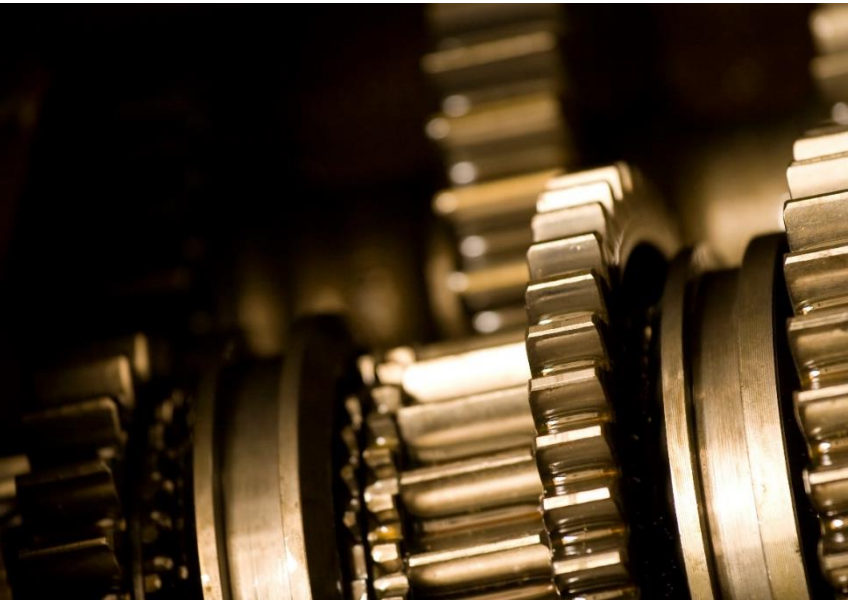
Opportunities

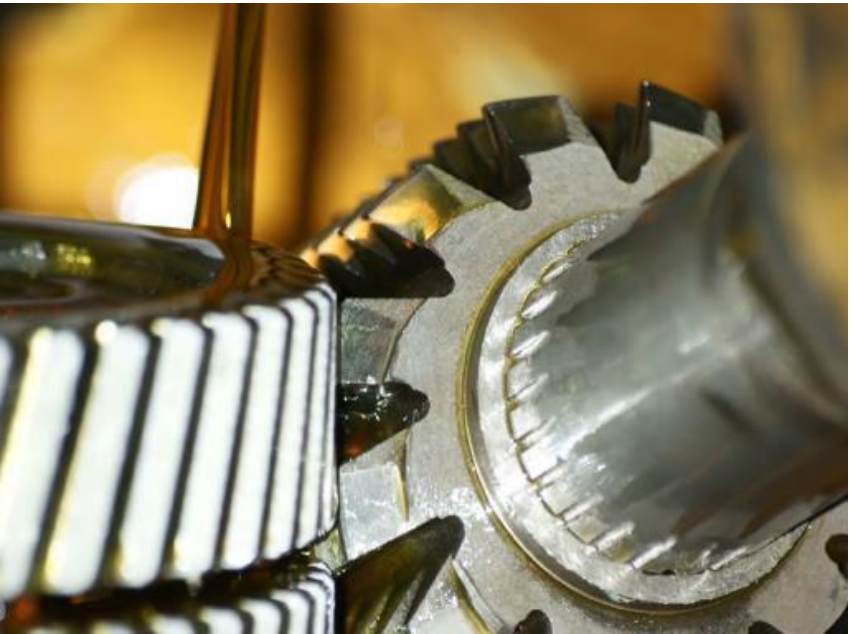
The infrastructure sector has become the most significant focus area for the Government of India. India plans to spend $1.4 trillion on infrastructure over coming years for the development of the country.

Budget 2023 - Capital investment outlay is being increased steeply for the third year in a row by 33 per cent to ₹ 10 lakh crore ($122 bn), which would be 3.3 per cent of the GDP. This will be almost three times the outlay in 2019-20.

The government has proposed that 100 critical transport infrastructure projects, for last and first-mile connectivity identified in ports, coal, steel, fertilizer and food grain sectors.

Industrial





Fast growing segment with high potential

Our industrial network includes **300+** direct industry accounts, **65+** industrial distributors and OEMs

Special focus on sector wise plans – **Steel, Cement, Textile –** and increasing customer base with direct sales and industrial distributors

Catering to marquee customers

Opportunities

Scope to deepen share of wallet with existing customers and getting new customers – direct and via distributors as we have relatively low market share at present

Huge infra spends to lead to exponential growth in steel, cement and other products in India

Atmanirbhar Bharat, China +1, Make in India initiatives will increase industrial push significantly

Opportunity for entire lubricant management at customers' plants

New projects and Factory Fill opportunities in both Direct and Indirect business

2-Wheeler Battery

Contributes 4-5% to overall revenues

Began 5-6 years ago to supply quality batteries to the two-wheeler retail segment

- To enhance our brand strength in 2-Wheelers, an extension to Gulf Pride Motor Cycle Oil brand
- To leverage our lubricants retail distribution synergy

Gulf Pride batteries with the latest **VRLA technology** are **known for their superior cranking power**, which gives the rider the benefit of 'Insta Start'

Appointed **Indian Cricketer Hardik Pandya as the brand ambassador** for this business in 2018

Battery Service Point Network

- **230 Distributors** (**40%** Gulf Auto Distributors)
- **12000+** Retail Touch Points
- Dedicated Service Team PAN India – **11 Service Engineers**
- **320** active Gulf Battery Service Points in India

EV Fluids

01

02

03

Introducing a global **eFLUID** range

Formulated specifically for **Hybrid and Fully Electric Vehicles** for **optimal performance** to help **reduce CO2 emissions**

Launched globally as well as in India in 2021

Fueling EV Growth via Acquisitions

Forayed into the EV charging space in partnership with Indra Renewable Technologies

Brief

A UK based fast-growing company which operates in the EV space and makes chargers for home charging and other V2G (Vehicle to Grid) requirements. Gulf India holds ~7.5% equity also

Indra commands around ~7-8% market share in the UK home EV chargers segment and is establishing itself fast

Strong relations with OEM

Positives of Alliance:

- Indra Renewables, to launch superior technology chargers in UK and Globally, including India
- Gained exclusive rights to the use of Indra's technology for EV charging in India and would bring these products into India as part of the EV value chain. Tested chargers in Indian conditions already with very good results

Entered into Emobility space by acquiring stake (26%) in Techperspect Software Pvt Ltd (ElectreeFi)

Brief

Well known for its Brand ElectreeFi, primarily a SaaS provider having expertise in implementation of IoT based eMobility Solutions

Created IoT based eMobility Technology platforms that caters to businesses and end customers in EV space with leading OEMs, EV charging networks and EV battery related companies

Worked with Charge Point Operators in Nepal and Malaysia to support their Charging Infrastructure Operations

Currently around 40% of all EV car owners use ElectreeFi platform services in some form or the other

Works in association with the leading stakeholders in the Indian EV industry including OEM's, EV charging networks and EV battery related companies

Positives of Alliance:

- Will develop solutions leveraging strengths and play a future role in the fast-changing eMobility space for two/three wheelers and cars
- Will provide superior solutions related to Electric Vehicle Charging, EV Fleet Management and Battery Swapping

Financial Overview

Excellence in Financial Reporting for FY2021-22

Gulf Oil Wins Prestigious ICAI Award

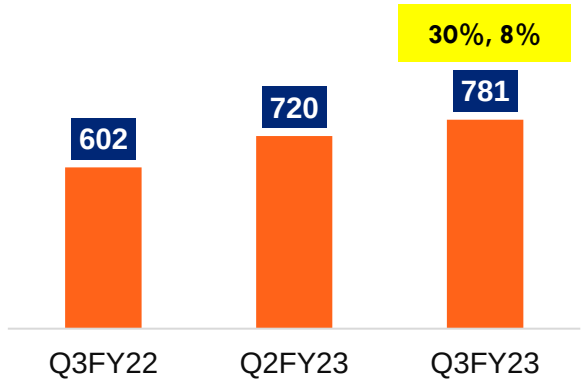
- Gulf Oil India has been adjudged the winner of the plaque award in the Manufacturing and Trading Sector (Category VII B) for excellence in financial reporting for the year 2021-22. Big thanks to our financial reporting team for holding to the highest standards in our accounting practices and compliance.

Manish Gangwal, CFO Gulf Oil India, has received this prestigious award on Friday, 20th January 2023 at the award ceremony in Varanasi.

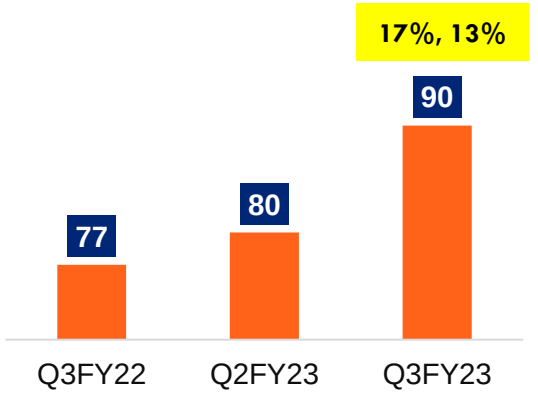
Operational Highlights

- Highest ever quarterly EBITDA of Rs. 90 Cr.
- Delivered a double-digit volume growth for the quarter in its core lubricants portfolio
- B2B segments recorded a robust growth, B2C retail markets continued to face tepid rural demand conditions which impacted our volumes in Agri and Two Wheeler categories
- Gained traction in EV fluids and tied up with various EV OEMs for the supply of EV fluids pan-India.
- Witnessing increasing demand for AdBlue and is a front runner in supplying high quality Adblue across the entire country.

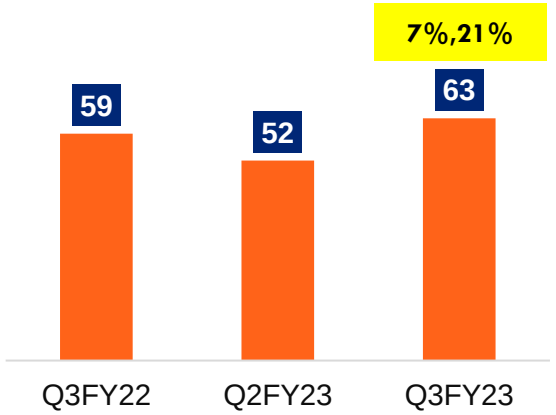
Operational Revenue (Cr.)



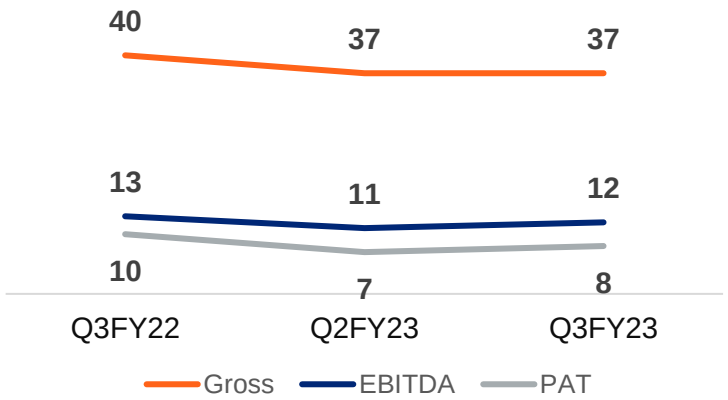
EBITDA (Cr.)



PAT (Cr.)



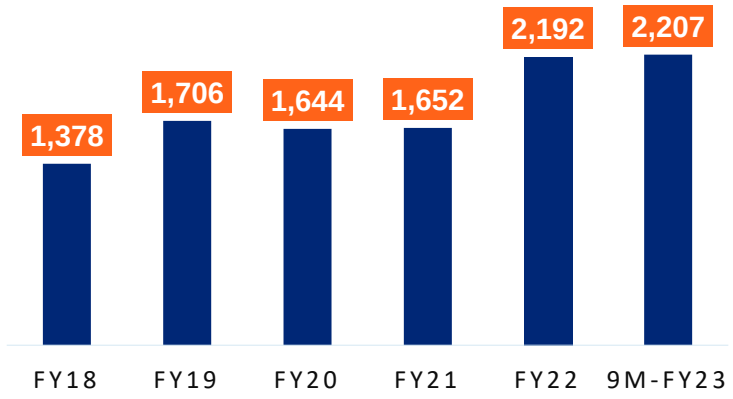
Margins (%)



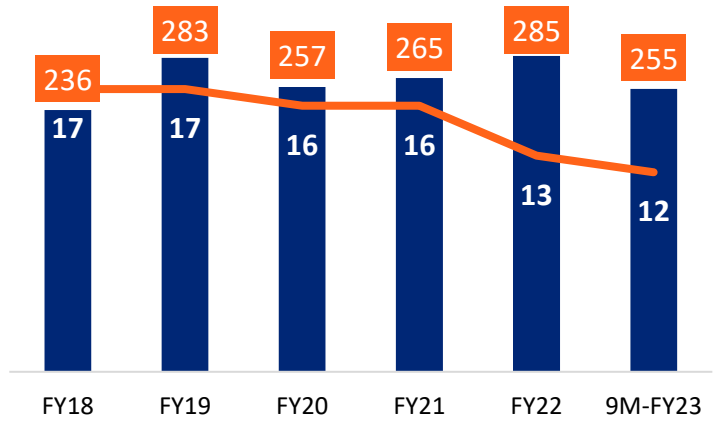
Growth YoY, MoM

Consolidated Financial Highlights

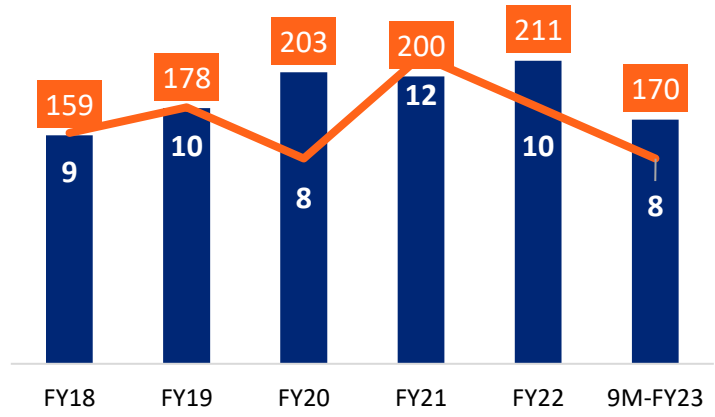
Operational Revenue (Cr.)



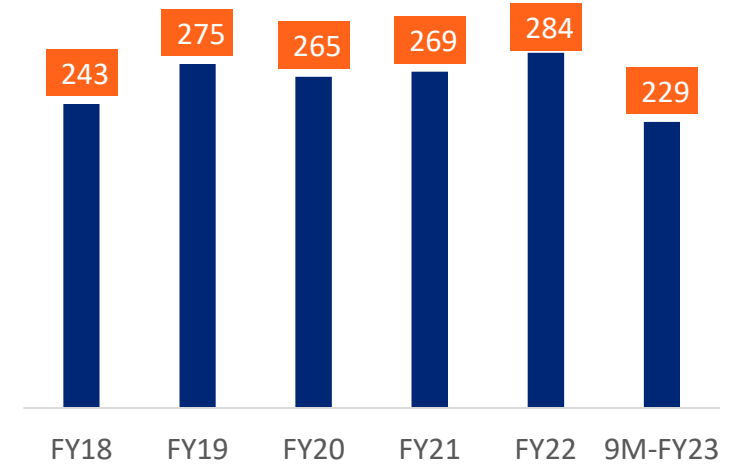
EBITDA (Cr.) & Margins



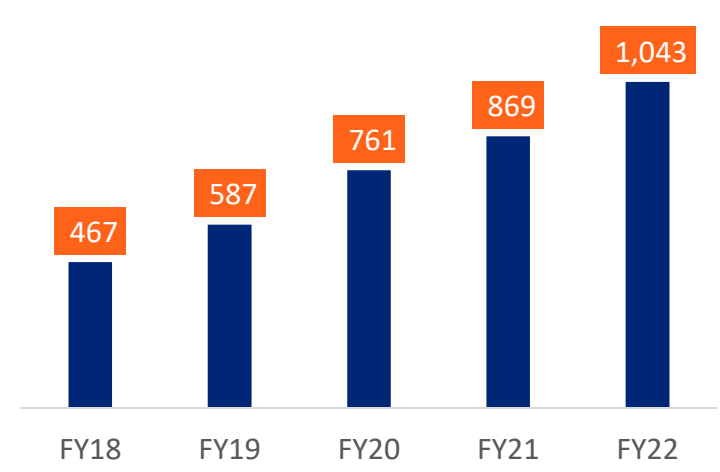
PAT (Cr.) & Margins



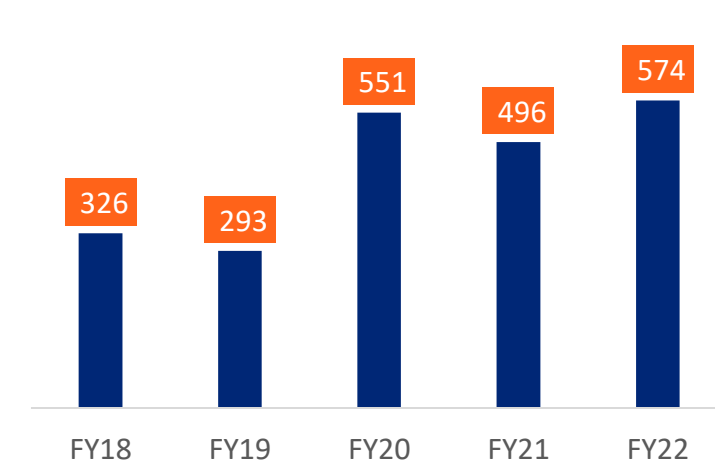
PBT (Cr.)



Net Worth (Cr.)



Cash & Bank Balances (Cr.)

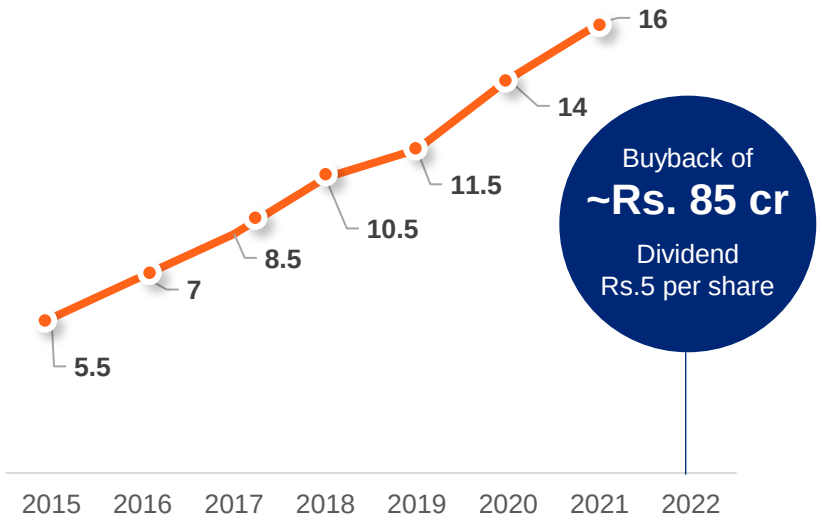


Consistently Rewarding Shareholders
& Improving Profitability

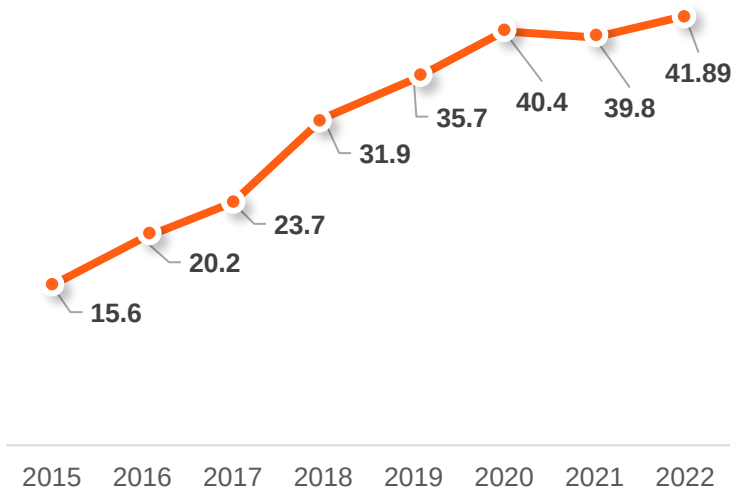
Continuous increase in dividend with **16.5%** CAGR (from FY15 to FY22)

Return to shareholders at **62%** of Profit After Tax in FY22 (including Buyback & Dividend plus taxes thereon)

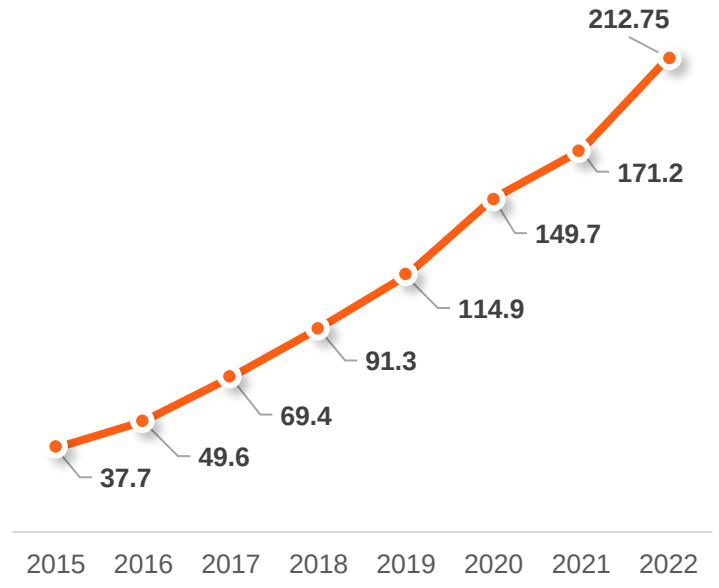
Dividend Per Share



Earning per share

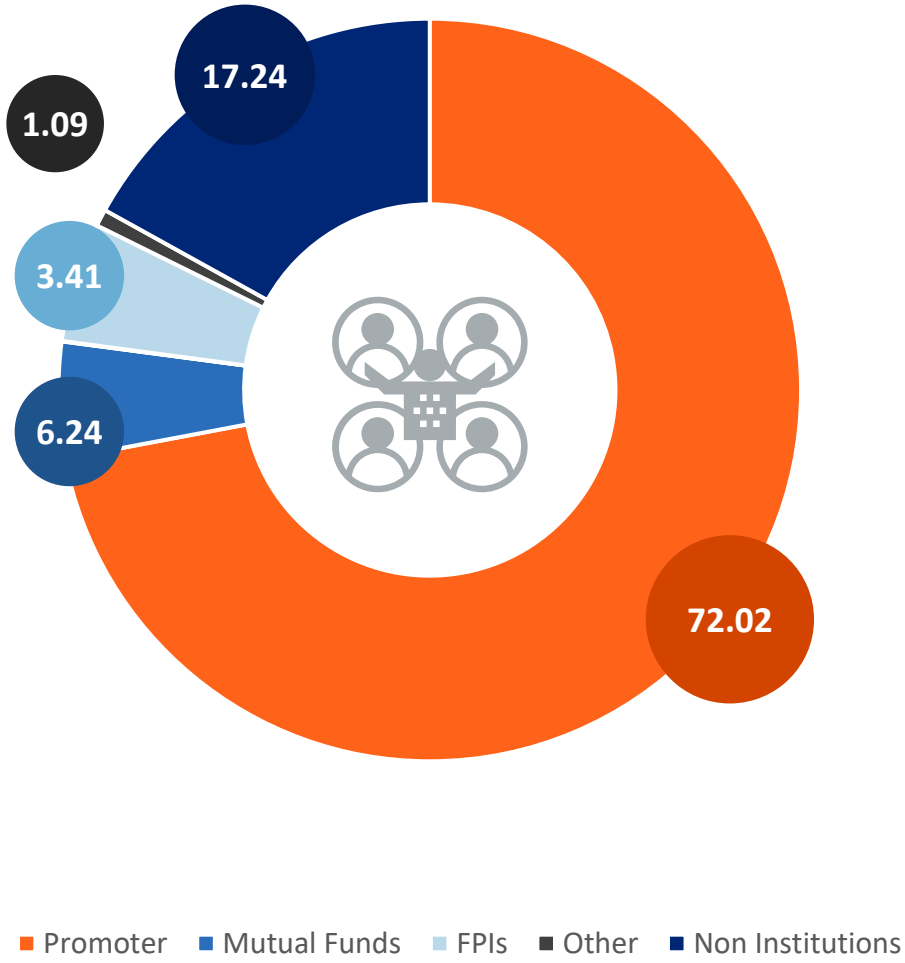


BVPS

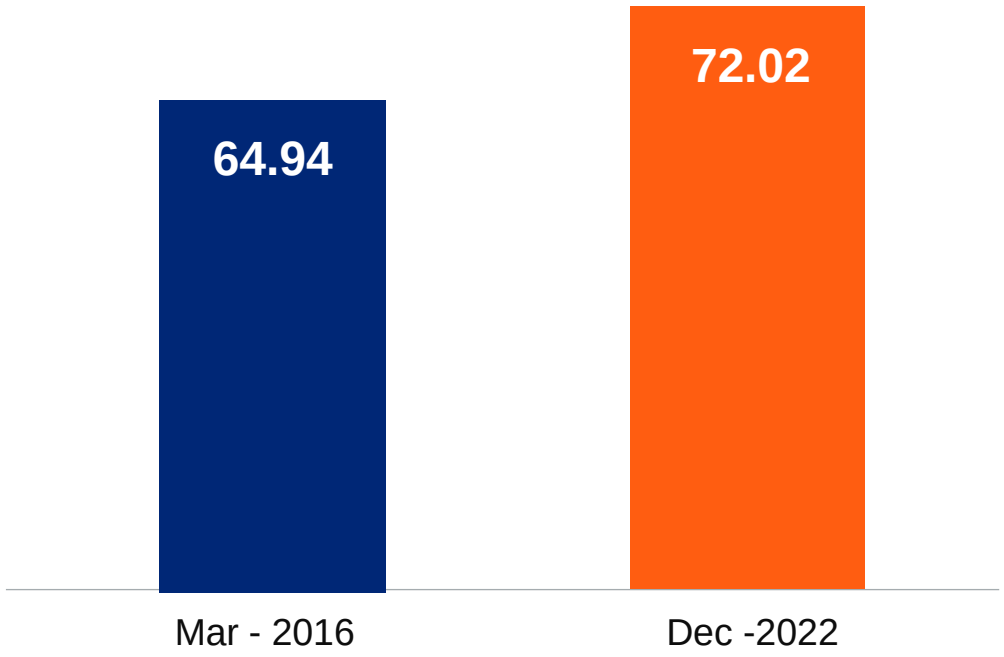


Shareholding

Shareholding as on December 31, 2022 (%)



Growth in the Promoter Holding (%)



Safe Harbour

Disclaimer

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