In this document, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This document and other statements—written and oral—that we periodically make, contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions.

In this document, we have assessed our performance versus our nearest competitor using publicly available information and our internal assessment of market performance triangulating information from different sources. Readers should keep this in mind. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statement or comparative assessments, whether as a result of any new information, future events or otherwise.

We accept no responsibility for any loss and/or damages, risks and/or liabilities, which may be incurred and/or suffered by any investor on account of or arising from the use of the information by investors. We make no warranties of any kind, whether express or implied, as to the adequacy of such information for any intended purpose of the investors.
Resilient India

- **It is the Best of Times**
  - Absolute Electoral Majority for Single Party

- **It is the Epoch of Belief**
  - India will be a $5 Trillion Economy

- **It is the Age of Wisdom**
  - We must be an early mover in EV

- **It is the Season of Light**
  - Every Indian Village has got Electricity

- **It is the Spring of Hope**
  - Demographic advantage will propel us faster
Over a Hundred years

Witness to...

- 2 World Wars
- Partition of India
- Opening up of Economy (1991)
- **Decline and withering away** of many Indian companies who were the **Dominant Players** of their times
- Swamping of many sectors with **Imported products**
- Social, Economic and Technology **disruptions**
- The **advent of the Best of Battery companies** from Japan, Europe, China and USA in India
- The **retreat of Global Battery Manufacturing companies** from India

<table>
<thead>
<tr>
<th>Serving since</th>
<th>1916</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age</strong></td>
<td>104 Years</td>
</tr>
</tbody>
</table>
Technology – Ahead of Time, All the Time

First to Launch PP Batteries

First to Launch Submarine Batteries

First to Launch Tubular Inverter Batteries

First and only one to make Plante Batteries

First to Launch ISS Batteries

First to Launch EFB Batteries

First to Launch Ultra Auto and Industrial Batteries

First to Launch Punched Grid Batteries
Our Legacy inspires us

During **World War I**, Chloride Engineers developed a battery to operate airplane radio sets and numerous radio stations.

Exide battery was the first indigenous component in **Maruti car** which till then had all imported components.

During **Kargil war**, overnight, Exide geared up its production of batteries for Bofors field guns.

The list goes on …
Our Achievements drive us

✓ Since inception, Exide has remained Market Leader in the Lead Acid Battery industry in India, each year every year

✓ 100+ years of posting Profit and paying Dividend year after year—a rare feat, even globally

✓ In several African Countries, irrespective of Brand, ‘batteries’ are known as ‘Exide'!
1. Exide Overview
3. Making Exide ‘Future Proof’
4. Robust Financial Health
5. Benchmarking with Competition
6. Way Forward
Agenda

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**Exide Industries Limited – bird’s eye view**

**Wide Application Areas** *(revenue share)*

### AUTOMOTIVE
1. Four wheeler
2. Three wheeler
3. Two wheeler
4. Tractor
5. E-rickshaw
6. Inverter
7. Home UPS

### INDUSTRIAL
1. Industrial UPS
2. Renewable Energy
3. Power & Projects
4. Telecom
5. Traction
6. Railways
7. Miner’s cap

### OTHERS
1. Submarines
2. Chargers
3. Solar projects

- **9 Manufacturing Plants**
- **50+ Countries - export destinations**
- **150+ Warehouses & Sales Offices**
- **48,000+ Direct & Indirect Dealers**
- **57 Mn Automotive Battery Capacity**
- **5 Bn Ah Industrial Battery Capacity**

- **5,300+ Employees**
Board of Directors and Shareholding Pattern

Mr. Bharat Dhirajlal Shah  Chairman and Independent Director

Mr. Gautam Chatterjee  Managing Director & Chief Executive Officer

Mr. Arun Mittal  Director – Automotive

Mr. Nawshir H. Mirza  Independent Director

Mr. Surin Kapadia  Independent Director

Ms. Mona N. Desai  Independent Director

Mr. Sudhir Chand  Independent Director

Mr. R.B. Raheja  Vice Chairman & Non-Executive Director

Mr. Subir Chakraborty  Deputy Managing Director

Mr. A. K. Mukherjee  Director – Finance & Chief Financial Officer

As of 31st December, 2019
## Subsidiaries

### Indian

<table>
<thead>
<tr>
<th>Subsidiary</th>
<th>EIL’s share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exide Life Insurance Company Limited</td>
<td>100%</td>
</tr>
<tr>
<td>Chloride Power Systems &amp; Solutions Limited</td>
<td>100%</td>
</tr>
<tr>
<td>Chloride Metals Limited</td>
<td>100%</td>
</tr>
<tr>
<td>Exide Leclanché Energy Private Limited</td>
<td>74.99%</td>
</tr>
<tr>
<td>Chloride International Limited</td>
<td>100%</td>
</tr>
</tbody>
</table>

### Foreign

<table>
<thead>
<tr>
<th>Subsidiary</th>
<th>EIL’s share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chloride Batteries S.E. Asia Pte Limited (Singapore)</td>
<td>100%</td>
</tr>
<tr>
<td>Associated Battery Manufacturers (Ceylon) Limited (Sri Lanka)</td>
<td>61.5%</td>
</tr>
<tr>
<td>ESPEX Batteries Limited (United Kingdom)</td>
<td>100%</td>
</tr>
</tbody>
</table>
Exide Leadership

Managing Director and Chief Executive Officer
Mr. Gautam Chatterjee

Director-Finance and Chief Financial Officer
Mr. A.K. Mukherjee

Deputy Managing Director
Mr. Subir Chakraborty

Director Automotive
Mr. Arun Mittal

President Industrial
Mr. Avik Roy
Overview of “Business Verticals” and “Enablers”

**Business Verticals**
*Automotive, Industrial, Submarine*

**Enablers**
*Technology, Manufacturing, Brand, Human Resources*
Overview of “Business Verticals” and “Enablers”

**Business Verticals**
*Automotive, Industrial, Submarine*

**Enablers**
*Technology, Manufacturing, Brand, Human Resources*
Exide is the market leader in all Automotive application in domestic market

- **Wide range:** 3 Ah for two wheelers to 200 Ah for HCVs
- **Wide choice of Warranty period:** 12 months to 77 months (flat + pro-rata)
- **Strong International presence**
Exide wins in market by building trust with OEM customers

We offer the best to our customers

State of the Art Global Technology

Installed capacity at multiple locations to cater to OEM plant locations

JIT supply to accommodate fluctuations in OEM demand

PAN India dealer and service network

We serve them all ...

- 4W
  - MARUTI
  - SUZUKI
  - HYUNDAI
  - TATA MOTORS
  - MAHINDRA
- ASHOK LEYLAND
  - The Power of Dreams
  - RENAULT
  - FIAT
- 3W
  - BAJAJ
  - TVS
  - MAHINDRA
  - ATUL
- 2W
  - HERO
  - HONDA
  - YAMAHA
  - ROYAL ENFIELD
- 5W
  - JCB
  - TAFE
  - CAT
  - TATA HITACHI
  - ACE
  - JOHN DEERE
  - Escorts
  - SML ISUZU
- 6W
  - FCA
  - FIAT CHRYSLER AUTOMOBILES

* Because of space constraint, logos of some of the OEM customers are depicted here.
* All product names, logos, brands, and registered trademarks are property of their respective owners and used here for identification purpose only.
Some of the Major Launches of 2019 and Upcoming Launches where Exide has 100% share

- **New OEMs in India** such as Morris Garages and Kia Motors have relied on Exide Batteries

- **Hyundai trusted on Exide Batteries** for launching ‘Venue’ – their first offering of Connected Vehicle in India

- We are the **only supplier to upcoming Tata Motors Gravitas**

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*All product names, logos, brands, and registered trademarks are property of their respective owners and used here for identification purpose only.*
Overview of “Business Verticals” and “Enablers”

Business Verticals
Automotive, Industrial, Submarine

Enablers
Technology, Manufacturing, Brand, Human Resources
Exide is a reliable storage power solution provider to Industry

- Exide is the market leader in all Industrial applications except Telecom
- Lead Acid Batteries ranging from 7 Ah to 3200 Ah for wide range of applications
- Strong International presence: In over 50 countries
Overview of “Business Verticals” and “Enablers”

Business Verticals
Automotive, Industrial, Submarine

Enablers
Technology, Manufacturing, Brand, Human Resources
Exide Industries Limited is the only Company in South/South East Asia with capacity for bulk manufacturing of Submarine Batteries

Exide manufactures Batteries for different classes of Submarines of German, French and Russian designs – including Nuclear Submarines

Exide has been the Sole Supplier to the Indian Navy for 30 years

Exide also exports to friendly countries with Government of India’s permission

Shoring up defence for India and other countries with our Submarine batteries
Each cell has electrical capacity of more than 20,000 Ah—compared to Automotive Battery capacity of 3 to 200 Ah

Manufactured & supplied as a full set of Battery - with total weight of up to 300 ton/each Battery set - requires 14 to 15 Containers for shipment

Exide provides Battery performance guarantee of 6 years+ of actual use on Submarine—Warranty returns are ‘NIL’ since inception—testimony for Quality

Competitors have been trying to enter this niche application for the past many years but not succeeded yet
Overview of “Business Verticals” and “Enablers”

Business Verticals
Automotive, Industrial, Submarine

Enablers
Technology, Manufacturing, Brand, Human Resources
Overview of “Business Verticals” and “Enablers”

**Business Verticals**
Automotive, Industrial, Submarine

**Enablers**
*Technology, Manufacturing, Brand, Human Resources*
Our R&D prowess

Exide R&D Centre, Kolkata
Estd. 1976

Recognised by DSIR, Ministry of Science and Technology, GoI since 1977

Image courtesy: Satyam Dutt

Development of Advanced Lead Acid Batteries for Emerging Applications

Ultra Batteries for both Automotive and Industrial applications that can deliver value equity with Li-ion Batteries

Developing tailor made solutions for EV customers and Telecom application in Li-ion space

International collaborators

Hitachi, Ltd. Japan

The Furukawa Battery Co. Ltd. Japan

East Penn Manufacturing Co., Inc. USA

Moura, Brazil

Ecoult, Australia

Advanced Battery Concepts LLC, USA

PG Engineers, PhDs in science & technology
Overview of “Business Verticals” and “Enablers”

**Business Verticals**
Automotive, Industrial, Submarine

**Enablers**
Technology, Manufacturing, Brand, Human Resources
Plants at multiple strategic locations across the country

- **Bawal**: MC battery plant
- **Ahmednagar**: MC battery plant
- **Taloja**: Auto battery (SF), CML, Markal
- **Chinchwad**: Auto battery plant
- **Hosur**: Auto & Industrial battery
- **Haldia**: One of the largest integrated battery manufacturing hub in S.E. Asia, CML, Malur
- **Shamnagar**: First Exide plant, Auto & Industrial batteries
- **Hardwar & Roorkee**: Home UPS manufacturing
- **CML, Malur**: CML, Haldia

Auto OEM hub

---

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Overview of “Business Verticals” and “Enablers”

Business Verticals
Automotive, Industrial, Submarine

Enablers
Technology, Manufacturing, Brand, Human Resources
India moves on

Captured Size and Dominating Omnipresence of a 100 Year Old brand

100 YEARS OLD YOUNG

- From being just a “BIG Brand” to → being a “RELEVANT Brand”
- From “making a brand statement” to → “Engaging in Conversation”
A new Brand Identity for Exide

A NEW IDIOM CAPTURING THE NEW ETHOS ...

#WhatDrivesYou
We do not just sell a battery
We enable millions of Consumers, Partners and Employees to DRIVE AHEAD

Self-Driven to MOVE AHEAD and ACHIEVE their dreams
Enabling the fulfilment of the drive

A New Brand Personality

Contemporary
Energetic
Positive
Refreshing
Active
Overview of “Business Verticals” and “Enablers”

Business Verticals
Automotive, Industrial, Submarine

Enablers
Technology, Manufacturing, Brand, Human Resources
What Drives our People

**Our Culture**
*Traditional yet Warm*

**Our Fundamental Value**
*Dignity and Respect*

**Our Talent Philosophy**
*Ordinary People performing Extra-ordinary feats*

**Our Strength**
*Employees’ unshakable Pride & Trust in the Organization*

**Our Workplace**
*An extended Home*

**Our Work Ethics**
*Rovels around Loyalty and Hard-work*
What drives our performance

Informal Cross-vertical Relationships that Enables Speed of Action

Strong Execution Orientation that Ensures Obsession for Results

Secured environment gives Impetus to Employees to Work without Concern

High stability of Leadership Team that Safeguard Long-term Values
We are nurturing our talent base and developing future leaders

Exide leadership behaviour

- Partner With Customer & Stake Holder
- Develop & Empower Team
- Manage By Process & Facts
- Innovate & Lead Change
- Promote Cross Functional Collaboration
- Inspire Excellence
- Treat Others With Respect & Dignity

Leadership capability development

- Leadership coaching academy instituted with aim to create **50+ model coaches**

Skill academy

- Academies have been created to build **functional excellence for Junior and Middle Management**
People see things; and they ask “WHY?”

But, I dream things that never were; and ask “WHY NOT?”

- George Bernard Shaw
Agenda

1. Exide Overview
3. Making Exide ‘Future Proof’
4. Robust Financial Health
5. Benchmarking with Competition
6. Way Forward
Agenda

1. Exide Overview
2. **Market Leadership in a Challenging Environment**
3. Making Exide ‘Future Proof’
4. Robust Financial Health
5. Benchmarking with Competition
6. Way Forward
**Market Leadership across verticals in Domestic market**

*In terms of Revenue Share, Exide is the leader in most application areas of Lead Acid Batteries...*

<table>
<thead>
<tr>
<th>Automotive</th>
<th>Industrial</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>OEM - 4 Wheeler</td>
<td>Power</td>
<td>Submarine</td>
</tr>
<tr>
<td>OEM - 2 Wheeler</td>
<td>Solar</td>
<td></td>
</tr>
<tr>
<td>Trade - 4 Wheeler</td>
<td>Railways</td>
<td>Market Leader</td>
</tr>
<tr>
<td>Trade - 2 Wheeler</td>
<td>Telecom</td>
<td>No. 2</td>
</tr>
<tr>
<td>Inverter Batteries</td>
<td>UPS</td>
<td></td>
</tr>
<tr>
<td>Exports</td>
<td>Projects</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Traction</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Exports</td>
<td></td>
</tr>
</tbody>
</table>

*No. 2 Indian Exporter of Automotive Batteries

*No. 2 in Telecom Batteries

**Only Player in the World to make Lead Acid Batteries for all Applicable Verticals**

Source: Internal assessment
Unparalleled physical and online presence

Physical presence

- Exide Care Dealers: 1,750+
- SF Sonic- ECP+DD: 1,500+
- Total Dealers: 48,000+

Online presence

1. ECP: Elite Channel Partner, DD: Direct Dealers
2. Includes Direct & Indirect Dealers
We don’t just sell “Batteries”, we sell “Uptime”

Service infrastructure highlights

Service Centers: 170
Batmobile Vehicles: 170+
Humsafar Vehicles: 100+
Service Technicians: 1,300+
Inverter Repair Centers: 12

EXIDE BATMOBILE
Emergency on-road service

EMERGENCY HELPLINE 1800-103-5454

Battery Emergency Helpline through Exide Care mobile application
Exide has maintained 60% share in Automotive OEM market

Decline in Automotive Production
YTD Jan-20 (compared to YTD Jan-19)

- PV: -13%
- CV: -26%
- 3-W: -5%
- 2-W: -13%

Share of OEM Business (2019-20)

<table>
<thead>
<tr>
<th></th>
<th>4-W &amp; 3-W</th>
<th>2-W</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exide</td>
<td>~ 60%</td>
<td>65%</td>
</tr>
</tbody>
</table>

✓ **Slowdown** in the automotive production and domestic sales continues
✓ Exide being a major OE supplier has also been affected

In these difficult times of the Automotive Industry, Exide’s strategy is to **hold on to its market leadership** in the OE space
✓ Exide **stands to gain the most** when the OEMs are back to high growth trajectory

Source: SIAM and internal assessment
When it comes to “Replacement”, Exide is the preferred option

Automotive Battery Replacement Market Size

<table>
<thead>
<tr>
<th>4W &amp; 3W</th>
<th>2W</th>
</tr>
</thead>
<tbody>
<tr>
<td>19.2</td>
<td>37.4</td>
</tr>
</tbody>
</table>

- Exide’s Market Share for After Market Starter Batteries is estimated at over 50% of organised sector.
- Market share in FY20 for 4W Starter Batteries in 61 cities is over 57% - Source - GFK report
- Exide has significantly gained Domestic Market Share over the last 3 years

Replacement market is shifting towards organised

- ~40% of the replacement market is unorganised
- Share gain expected from the unorganised sector because of govt. policies (GST, BMHR, etc.)
- Plans to leverage Dynex brand to tap into this market

Source: Internal assessment
Exide leads in the competitive Inverter Battery market

Inverter Battery Replacement Market Size #

Mn nos.

- Organised
- Unorganised

5
2

Inverter market is here to stay for foreseeable future

- Although adequate power generation capacity exists, Discoms are unable to buy required power
- Rural power remains an issue: In multiple States ~20% rural households get less than 15 hours electricity @

- Exide is the Market leader with share for inverter batteries estimated at ~36% (Market share in FY 20 for Inverter Batteries in 61 cities, Source – GFK Report)
- In spite of aggressive play by relatively new players, Exide has been able to hold on to its market leadership

Source: # Internal assessment; @ National Power Portal, MoP, GOI
Exports have grown steadily, strong future expected

- **Strong traction in Exports over last few years**

<table>
<thead>
<tr>
<th>Revenue (INR cr)</th>
<th>Share of revenue (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY17</td>
<td>4.8%</td>
</tr>
<tr>
<td>FY18</td>
<td>4.7%</td>
</tr>
<tr>
<td>FY19</td>
<td>6.4%</td>
</tr>
</tbody>
</table>

- Our Exports Division has long standing **relationships with international B2B customers**

- Our Batteries are **suitable** for a wide range of weather conditions

- We are already **compliant with certifications** required in Middle East

- Have set up an **office in UAE and deployed staff** to further grow the Middle East market ... more to follow

- **We export Industrial and Automotive Batteries to over 50 countries** across continents

- **Key markets** are in Europe, UK, Middle East, S.E. Asia and Africa

Source: Annual Report
Agenda

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The “CASE” of Disruption in Automotive Industry

C for “Connected”

✓ Connected cars will require higher auxiliary power
✓ Exide has products for connected cars—we have 100% share of business with Hyundai Venue, MG Hector, Kia Seltos

A for “Automated”

✓ Automated car is still a distant concept for Indian market
✓ However, Exide has capability to meet battery requirements that might emerge in this space

S for “Shared”

✓ Exide is a preferred supplier for major cab hailing service providers (e.g., Uber, Ola)
✓ Exide has tailored products for this market

E for “Electric”

✓ Exide—Leclanche JV created to cater to Li-ion Battery requirement
✓ Exide is also a major supplier of Lead Acid Battery for EVs manufactured in India
Exide is an “Early Mover” in Li-ion Battery manufacturing in India
Exide has formed JV with Leclanche, Switzerland

- 74.99%
- 25.01%

- 56,680 sq. mtr factory of Nexcharge.
- 60 Km from Ahmedabad
Nexcharge has state of the art manufacturing facility

**Key features**

- Developed in Switzerland with key controls on Safety and Process
- Flexible to handle different variants of cell
- All Stations supervised with MES Control
There is strong potential for Li-ion batteries in India, but clarity on government policy required for demand visibility

While India has the potential to be ~ 25 GWh market by 2025, present visibility of demand is only 2.3 GWh per year under FAME Scheme till 2021-22

Estimated EV Battery Demand (GWh)

- Total FAME demand ~6.9 GWh
- ~2.3 GWh/p.a.
- 25 GWh

In an optimistic scenario, demand may peak to ~25 GWh across EVs by 2025 with support from Government and drop in Li-ion Prices

However, Government support is not clear beyond FAME II

Toal FAME-II Subsidy translates to ~6.9 GWh, i.e. 2.3 GWh p.a.

Source: BCG analysis - 2020
Draft government policy

- Government is keen to grow EVs, however final Policy is yet to be announced

- Government is likely to Incentivise Plants with Capacity 5 GWh+

Draft central subsidy policy under discussion

- **Key Disbursement Criteria**
  - Allocation of **50 GWh** Capacity
  - **Rs 700 Cr. Total Subsidy Outgo**
  - Minimum capacity of beneficiary plants needs to be **5 GWh**

- **Manufacturing Support**
  - 3% Interest Rate subvention on money borrowed in INR
  - **10 year Corporate Tax Refund**
  - Reduction in MAT to 9% from 18.5% / 15%
  - Investment-linked Tax Incentive under Section 35 AD
  - **Increase in Customs Duty** from April, 2021 on Cells to 10% from 5% and packs to 15% from 5%
  - **Zero-duty imports** for Lithium, Iron and Cobalt

- **Output Linked Subsidy**
  - Up to **$35 per KWh** on price of the final Battery
Product variations—Li-ion battery

Lithium-ion Battery

Chemistry Type

Cathode Chemistry
- NCA – Nickel Cobalt Aluminum
- NCM – Nickel Cobalt Manganese (5:3:2, 6:2:2, 8:1:1)
- LiFePO4 – Lithium Iron Phosphate
- Lithium Manganese Oxide (LiMn2O4)

Anode Chemistry
- Graphite
- Lithium Titanate (LTO)
- Silicon/Carbon

Design Type

- Cylindrical
- Prismatic
- Pouch
Estimated global Li-ion battery production capacity

<table>
<thead>
<tr>
<th>Company</th>
<th>2020</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>BYD</td>
<td>60</td>
<td>90</td>
</tr>
<tr>
<td>CATL</td>
<td>88</td>
<td>155</td>
</tr>
<tr>
<td>Tesla/Panasonic</td>
<td>50</td>
<td>105</td>
</tr>
<tr>
<td>Samsung SDI</td>
<td>34</td>
<td>60</td>
</tr>
<tr>
<td>LG Chem</td>
<td>8</td>
<td>32</td>
</tr>
<tr>
<td>Northvolt</td>
<td>32</td>
<td>35</td>
</tr>
<tr>
<td>GS Yuasa</td>
<td>10</td>
<td>100</td>
</tr>
<tr>
<td>SK Innovation</td>
<td>30</td>
<td>60</td>
</tr>
<tr>
<td>Lishen</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Boston Power</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Frost & Sullivan
Li-ion cell manufacturing—“Scale” is a critical factor for competitiveness

Minimum scale of 5 GWh (over time) critical to be competitive in Cell Manufacturing
- ~8% Raw Material Procurement Cost Advantage
- 2-3% Manufacturing Process Efficiency

Global consolidation in Cell Manufacturing –
- Share of top 5 players increased to 79% from 56% over the past 2 years

Source: BCG analysis
Successful cell manufacturing is primarily contingent upon four factors

1. Demand at Scale
   Scale helps to achieve cost competitiveness in Cell manufacturing.
   Foray into cell manufacturing will make sense when there is sufficient visibility of demand.

2. Favourable Policy
   Clear Government Policies and support for Cell Manufacturing
   - Tax Incentives
   - Import Duty
   - Output Linked Subsidy
   High degree of certainty in continuance of Policies

3. OEM Partnership
   Strategic Partnerships or Captive Demand to bring some certainty to return on high investment
   At least 1 to 2 GWh of firm commitment

4. Tech Leadership
   Being technology intensive product, technological superiority help in
   - Cost competitiveness
   - Product differentiation
Key sector with Li-ion battery demand

<table>
<thead>
<tr>
<th>Markets targeted (early adopters)</th>
<th>Size expected in 2022 (in MWh)</th>
<th>Rationale for targeting market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buses</td>
<td>500</td>
<td>✓ Govt extending support to ~7,000 e-buses through FAME II</td>
</tr>
<tr>
<td></td>
<td></td>
<td>✓ 2 major OEMs have entered market and outsourced battery modules and packs</td>
</tr>
<tr>
<td>E-2 Wheelers</td>
<td>625</td>
<td>✓ 20+ OEMs have started business – all with outsourced modules and packs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>✓ Established players in market with high volumes (&gt;1L)</td>
</tr>
<tr>
<td>E-rickshaws (Li-ion)</td>
<td>150</td>
<td>✓ Market has started to shift to Li-ion Battery</td>
</tr>
<tr>
<td></td>
<td></td>
<td>✓ Current market demand is for 4 million Lead Acid Batteries per annum</td>
</tr>
<tr>
<td>Telecom</td>
<td>800</td>
<td>✓ Reliance Jio uses Li Ion Battery in 100% towers and will continue to do so</td>
</tr>
<tr>
<td></td>
<td></td>
<td>✓ Other telecom companies may follow suit</td>
</tr>
</tbody>
</table>

Source: BCG analysis - 2020
Growth potential exists across battery technologies—the “matured” as well as “young and emerging”

Lithium Ion Battery
Young with significant potential

Opportunity

Matured but still growing
Lead Acid Battery

We are living our vision and loving the journey
We supply Lead Acid Batteries to EV manufacturers as well

- **EVs require Lead Acid Battery for auxiliary application**—demand of LAB will not dampen even with high EV penetration
- Exide is a major supplier of LAB to EV manufacturers in India.
- **Strong pipeline of business:** We are LAB supplier to EV models under development

**EV manufacturers**

- **M&M E Verito**
- **Tata Motors Nexon**
- **Bajaj E Chetak**

*Because of space constraint, logos of some of the OEM customers are depicted here*

*Therefore, our RISKS in a scenario of high adoption of EV stands MITIGATED*

Note: LAB: Lead acid battery
All product names, logos, brands, and registered trademarks are property of their respective owners and used here for identification purpose only.
Lead Acid Battery market will continue to grow in years to come

✓ Overall **Automotive Industry has grown at ~7% CAGR in last 5 years**
✓ Somewhat slowdown in recent years seen in line with overall economy
✓ Going forward following will be drivers of the Automotive battery sales:

- Economic recovery leading OEM recovery
- Four wheeler commercial fleets
- Two wheelers for last mile connectivity
- Proliferation of E-rickshaw
- Scrappage policy
- Large vehicle base – replacement demand
- LAB supply to EVs
Agenda

1. Exide Overview
3. Making Exide ‘Future Proof’
4. Robust Financial Health
5. Benchmarking with Competition
6. Way Forward
1. Exide Overview
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4. **Robust Financial Health**
5. Benchmarking with Competition
6. Way Forward
Exide posting robust financial performance, year on year

Robust growth over last four years
- Widened our market leadership gap

Strong profitability over last four years by:
- Continuous Cost Focus leading to savings

Zero Debt Company since 2011¹

1. Except for short term borrowing for overseas equipment purchases @ 1-2% interest availed during FY15-FY17
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Why is EIL’s EBITDA margin lower than Competition?

**EBITDA margin**

<table>
<thead>
<tr>
<th>Year</th>
<th>EIL</th>
<th>Nearest Competitor</th>
</tr>
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<tbody>
<tr>
<td>2018-19</td>
<td>13.3%</td>
<td>14.0%</td>
</tr>
</tbody>
</table>

**Material cost:** EIL’s cost as per cent of revenue is 2.5% lower

**Employee cost:** EIL’s cost as per cent of revenue is 1% higher

**Warranty Costs:** EIL’s cost as per cent of revenue is 0.8% higher

**Power & Fuel:** EIL’s cost as per cent of revenue is marginally (0.1%) higher

*Covers ~90% of the costs till EBITDA*

*Annual reports*
Significant competitive advantage in raw material already exists

Will sustain Cost leadership through

**Increased Backward integration:**
- 100% subsidiary Chloride Metals Ltd (CML) supplying recycled lead
- CML increasing capacity ~2X by April 2020

**Other levers of competitiveness:**
- Diversified Supplier base - National & International
- Large and consistent offtake helps to get Best Price
- Reverse auction

**Price premium of Exide:**
- Helps keep Material Cost as percentage of Sales lower
Dealing with Legacy on Employee costs

Reasons for high cost

Factories started in 1946, 1969, 1981, 1997 ... and so on ...
✓ Average Employee Age 40 years
✓ Strong labour unions with 3-year Agreement Cycles

Multiple plant locations
✓ 9 Factory Locations of Exide – leads to higher overheads and other costs associated with lower Factory Capacity in single location

Three plants in Maharashtra
✓ Cost of living/wages there is 15% higher than other places

Retail distribution model
✓ ~500 sales persons employed for Retail Distribution versus a leaner distribution model

Higher OEM share
✓ The Employee cost as percentage of Sales goes up as Price per OE unit is less than After Market Price
Reducing cost through improving employee productivity

✓ **Latest automated plants have been imported** from USA (using EPM technology) and Japan (using Hitachi technology)

✓ Long Term Wage Agreement duration: **Increased from 3 Years to 5 Years**

✓ **Sales Optimisation Programs** and Training for frontline Sales Personnel

✓ **Ergonomic workstation design** introduced to enhance work environment and productivity

✓ **New employees joining now typically start at lower salaries** (30% of existing employees)

✓ **Cost levels expected to come down with retirement of ageing workmen** leading to the ratio tilting towards new employees joining at lower salaries
Warranty cost is a reality given our customer base

Reasons for high warranty cost

Large presence in Abusive Application Segments with higher Warranty

✓ EIL is Market Leader in Inverter Batteries which have significantly higher Warranty % compared to 4-wheeler Batteries due to very challenging application

✓ EIL has a large presence in E-rickshaw space, which is a very abusive application area, necessitating higher Warranty %
Power & fuel optimisation measures already underway with good results

Exide power cost marginally higher due to locations of plants
Tariff in Maharashtra, where we have 3 plants, are much more than other states

Multiple cost reduction measures already taken ...
- Rooftop Solar Panel Installation
- Energy efficiency Projects in all Plants & Offices
- Energy Dashboards
- Energy Circles
- Group captive plants – to be set up by this year

... with visible results in FY20
- 2.2% reduction in energy consumption
- Solar power generation to increase by 8 times in 2020
- Greenhouse gas reduction by 2%
Why is EBITDA% Lower Than Competition?

**OEM Share**
- Significantly higher OEM Share in overall revenue as compared to Competition. Lower Margin OEM in Mix therefore leads to lesser EBITDA%.

**Employee cost**
- Higher average age of employees, factories in higher wage regions, retail distribution model.

**Legacy cost**
- Legacy Costs of 9 Factories working for decades, multiple plant locations.

**Warranty Costs**
- Higher because of significant presence in Abusive Application Segments with higher Warranty.

Source: Public information, internal assessment
We are ahead of Competition in terms of revenue growth

Overall Revenue growth YoY

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<tr>
<td>2018-19</td>
<td>15.3%</td>
<td>12.1%</td>
</tr>
<tr>
<td>2019-20 (YTD Dec)</td>
<td>-2.4%</td>
<td>0.6%</td>
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</table>

In last few years EIL’s revenue growth surpassed Competition

- EIL’s revenue growth in the last couple of years (2017-18 & 2018-19), on an average, was 520 basis points higher than Competition

Reason for EIL’s revenue de-growth in 2019-20 (YTD Dec’19)

- OEM sales contributes significantly higher in EIL as compared to that of Competition
- **When OEM demand is down by 20%,** EIL’s revenue is more adversely affected than that for Competition
- On the flip side, **EIL stands to gain more when Automobile industry recovers**
We are ahead of Competition in terms of revenue and domestic market share growth over last three years.

**Overall Revenue growth YoY**

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**Domestic Revenue growth YoY**

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<td>2017-18</td>
<td>21.3%</td>
<td>12.8%</td>
</tr>
<tr>
<td>2018-19</td>
<td>13.2%</td>
<td>8.3%</td>
</tr>
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</table>

**EIL has performed better in the domestic market**

- **EIL’s revenue** from domestic sales has **increased at a much faster rate** (average of 660 basis points) compared to Competition.
- This is **indicative of EIL gaining market share** in the domestic market.

Source: Annual Reports
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Strategies

OEM
✓ Hold on to existing Shares of Business with Conventional Batteries
✓ As conversion to EFB starts, increase Share of Business

After Market
✓ Take a greater share of the Pie as Unorganised Market gets merged into the Organised Market
✓ Focus on high margin products

Exports
✓ Aggressively grow Auto Exports to double in 2 / 3 years
✓ Focus on Industrial Standby application products
✓ Continue Expansion of Global Footprint and Market Share in Forklift Truck Batteries
Industrial

- Hold on to our Dominant Market Shares in UPS, Traction (Forklift Truck Batteries), Power, Projects and Solar in Domestic Market. Increase our share in Telecom

New Business

- Work with Indian OEMs in EV Space, both in LiB and LAB
- Leverage our Extensive Premium Dealer Network for After Sales Service for New Players in EV Space
Technology

✓ Advanced Lead Acid chemistries for emerging applications
✓ Developing optimal solutions for energy storage business
✓ Preferred partner to EV manufacturers

Revenue target: Above the market growth rate
EBITDA target: Recent EBITDA margin(%) growth trajectory to continue
We remain COMMITTED to Society

Project Jyotirmay - Employee Volunteering at a school in Kolkata

Patient's Ambulance donated to ‘Little Sister of the Poor’, an old age home

Public Sanitation facility built at Chinchwad

Exide Heals on Wheels
We remain COMMITTED to Environment
A hundred years hence
Who it is
With such curiosity
Reads my poems
A hundred years hence!

Shall I be able to send you
An iota of joy of this fresh spring morning
The flower that blooms today
The songs that the birds sing
The glow of today’s setting sun
Filled with my feelings of love

... we will be there for you!
THANK YOU!

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