

talbro's Automotive Components Ltd

Q3FY15 Update
February 2015



Safe Harbour

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Automotive Market Scenario

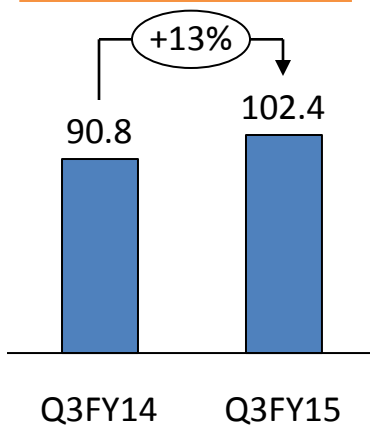
- Steady Passenger Vehicle Growth
 - Growth of ~4% for Q3FY15 and 3.7% for 9MFY15
 - Led by new launches in SUV/MUV segment; Growth of 13% for 9MFY15
- Smart recovery in Medium & Heavy CV segment continued
 - Growth of 15.6% for Q3FY15 and 8.8% for 9MFY15
- LCVs declined by (13%) for Q3FY15 and (12.7%) for 9MFY15
- Two-wheeler Growth fell to 9.3% in Q3FY15; 9MFY15 held steady at 13.5%
- Overall Q3FY15 has been below expectations

Source: SIAM

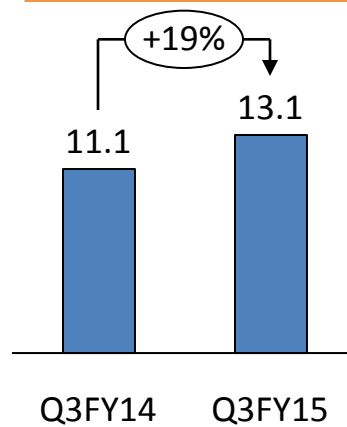
Talbros registered Growth ahead of the Market

Financial Highlights

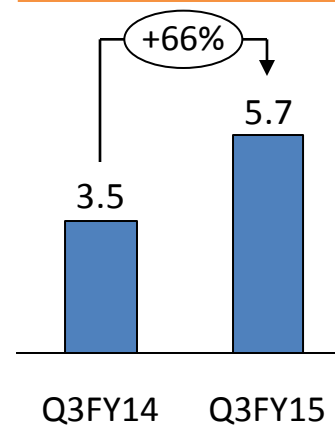
Revenue



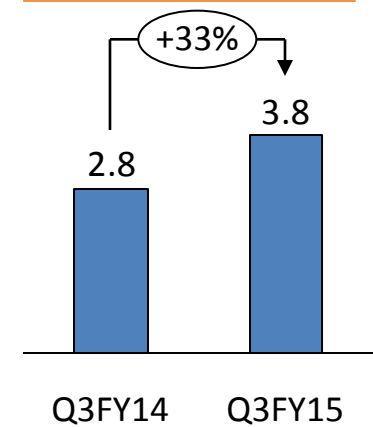
EBIDTA



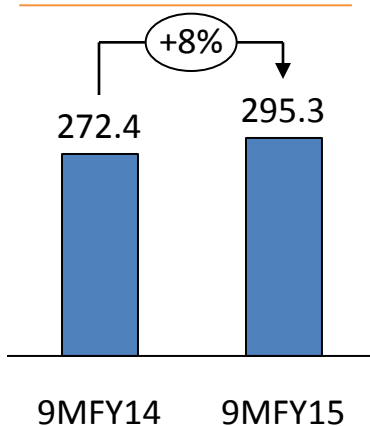
PBT



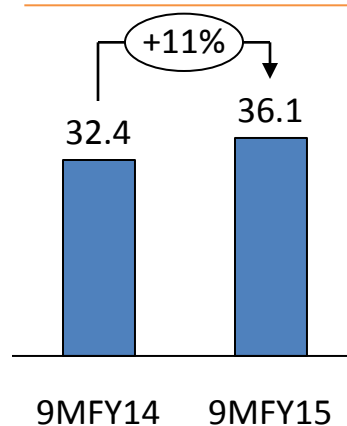
PAT



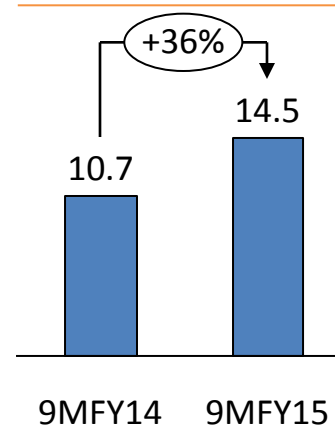
Revenue



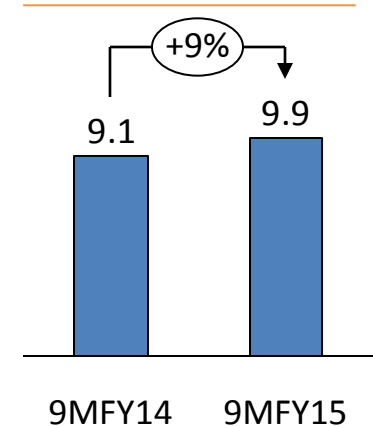
EBIDTA



PBT



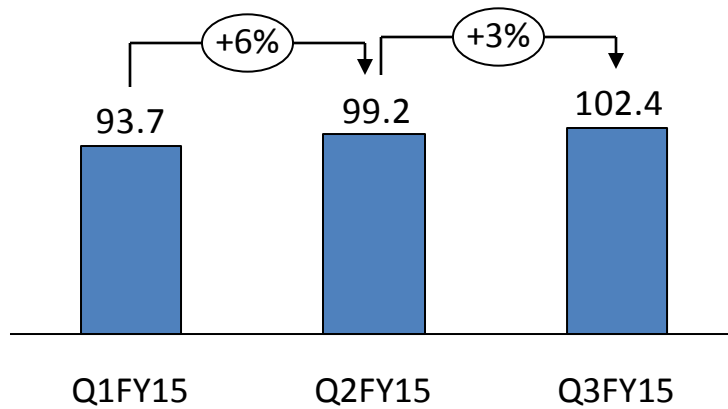
PAT



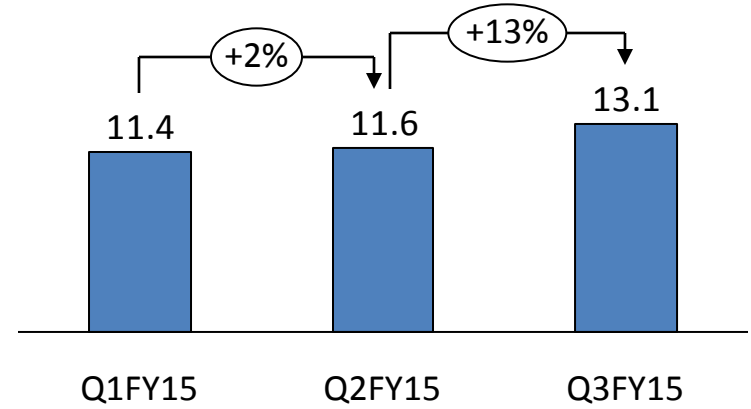
* Rs Crores

Consistent Sequential Growth

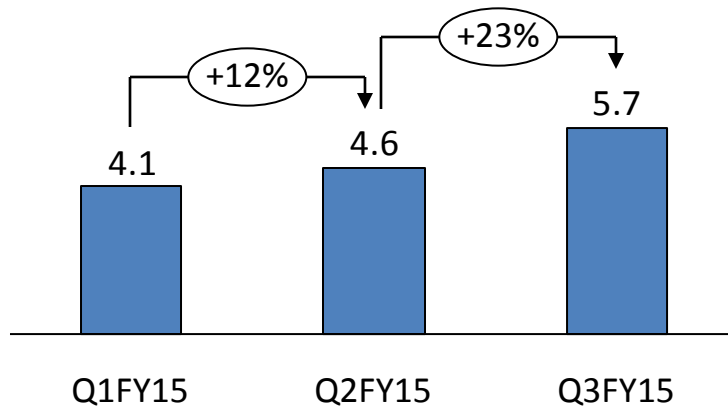
Revenue



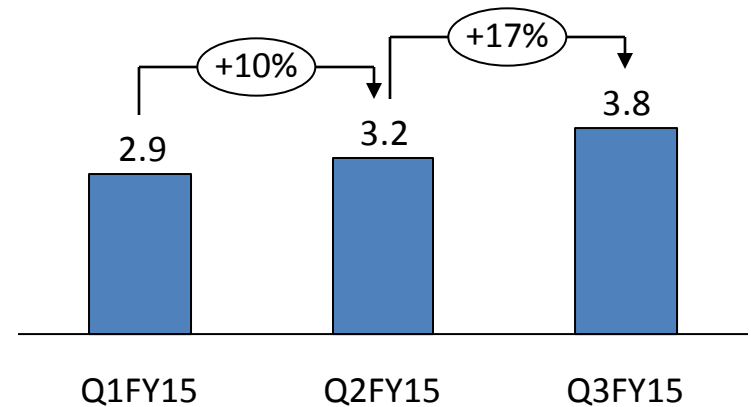
EBIDTA



PBT



PAT



Q3FY15 Highlights

- Sales of Rs 102.4 Crores; Growth of 13%
 - Strong Gasket Division performance
- Contribution Margin improved by 340 bps to 44.4%
- EBIDTA of Rs 13.1 Crores; Growth of 19%
- EBIDTA Margin improved by ~ 60 bps to 12.8%
 - Cost Saving Initiatives and Better Product Mix
- PBT of Rs 5.7 Crores; Growth of 66%
- PAT of Rs 3.8 Crores: Growth of 33%
 - Tax exemption have reduced from 100% to 30% at our Sitarganj & Haridwar facilities in Uttarakhand this year

Segmental Performance

Gaskets Division:

- Revenue Growth driven by better Volumes on account of increased SPD (Spare Parts Division: OE) demand
- First Export order from OEM, Customer: Volvo, (USA/Mexico)
- Margin improvement due to Better Material Utilisation and Cost Optimisation measures

Forgings Division:

- Slowdown in Europe partially offset by Good Domestic Sales
- New product line '**Crown Wheel**' supply started to European Customers

Joint Venture Performance

Nippon Leakless Talbros (LTL):

- Stable performance on established customer base
- Excellent growth in Scooter market led by Honda; augurs well for LTL being the single source supplier

Magneti Marelli Talbros :

- Delayed vehicle launches by key customers impacted volumes
- New **Control Arm** business from Tata Motors
- Successfully launched **Control Arm** for **MSIL** – NG Alto K10; Increasing our share in **MSIL** control arm sourcing to 50% from earlier 40%

Talbros Marugo Rubber:

- Completed set up and installation of the **Hose plant** as per schedule
- Won new orders from Isuzu for '**Complete Suspension Bush**' and from Honda Car India for '**Rubber Exhaust Mounting**'
- Improved performance leading to near Cash Break-Even, better volume growth expected in future

Corporate Overview

- Over **58 years** of experience in Auto Component manufacturing
- Promoted by **Talwar Family** with **53.6%** holding lead by Mr. Naresh Talwar and Mr. Umesh Talwar
- Diversified Auto Component player with presence *across **Two Wheelers, Passenger, Commercial Vehicles and Farm Equipments***
- Wide client base, *~40% revenue from top 5 clients*
- Businesses across **OEMs, Exports and After Market**
- **Five International Technology Tie-ups** including 3 JVs for Best in Class Products
- Diversified Portfolio - **Gaskets, Forgings, Suspension Systems, Anti-vibration Products & Hoses**

One of the Most Hedged Auto Component Player

Business Overview

Consolidated Revenue Contribution FY14

Products

Gaskets



62%

Multi Layer Steel, Rubber Molded, Exhaust Manifold, Edge Molded, Cylinder head, Heat Shield

Forging



18%

Housing & Yoke Shafts, King Pins, Gear Blanks

Nippon Leakless Talbros



10%*

Automotive Gaskets for Honda and other Japanese OEMs

Magneti Marelli Talbros



8%*

Suspension Systems: Control Arms, Knuckles, Front Axle and Rear Axle

Talbros Marugo Rubber



2%*

Anti – Vibration parts such as : Bushes, Exhaust Hanger, Dust Cover, Hoses

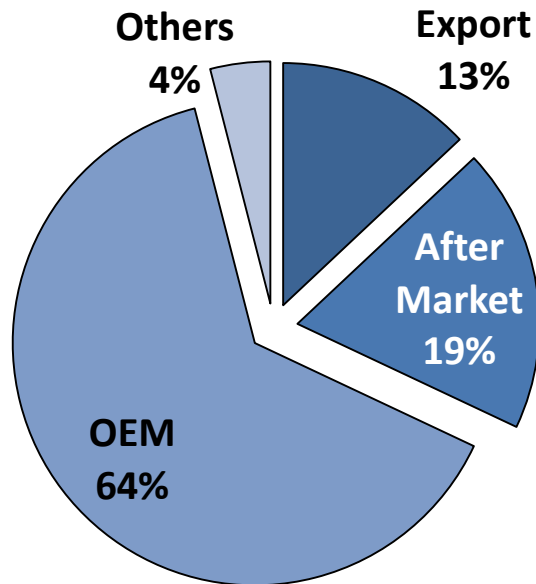
Standalone

* Talbros share in JV

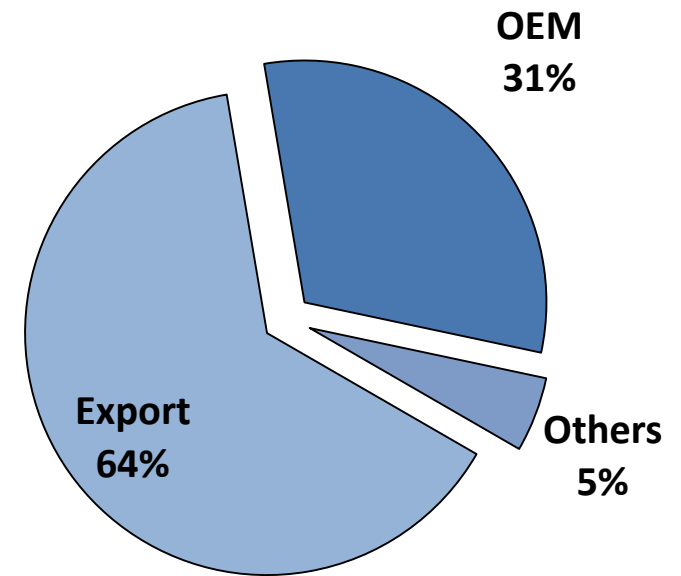
Above data excludes other income

Standalone Business

Gaskets Division
FY14 Revenue Rs 227 Crores

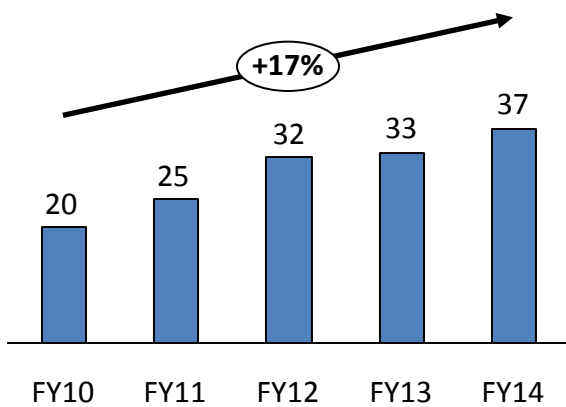


Forgings Division
FY14 Revenue Rs 67 Crores

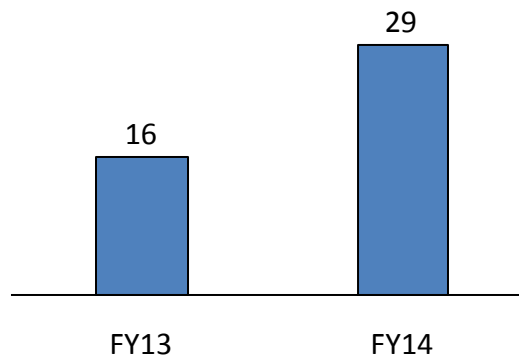


Joint Ventures

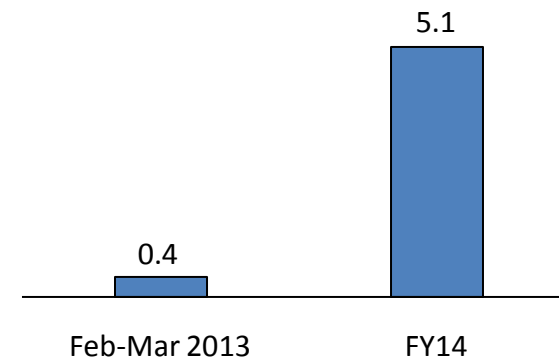
Nippon Leakless Talbros



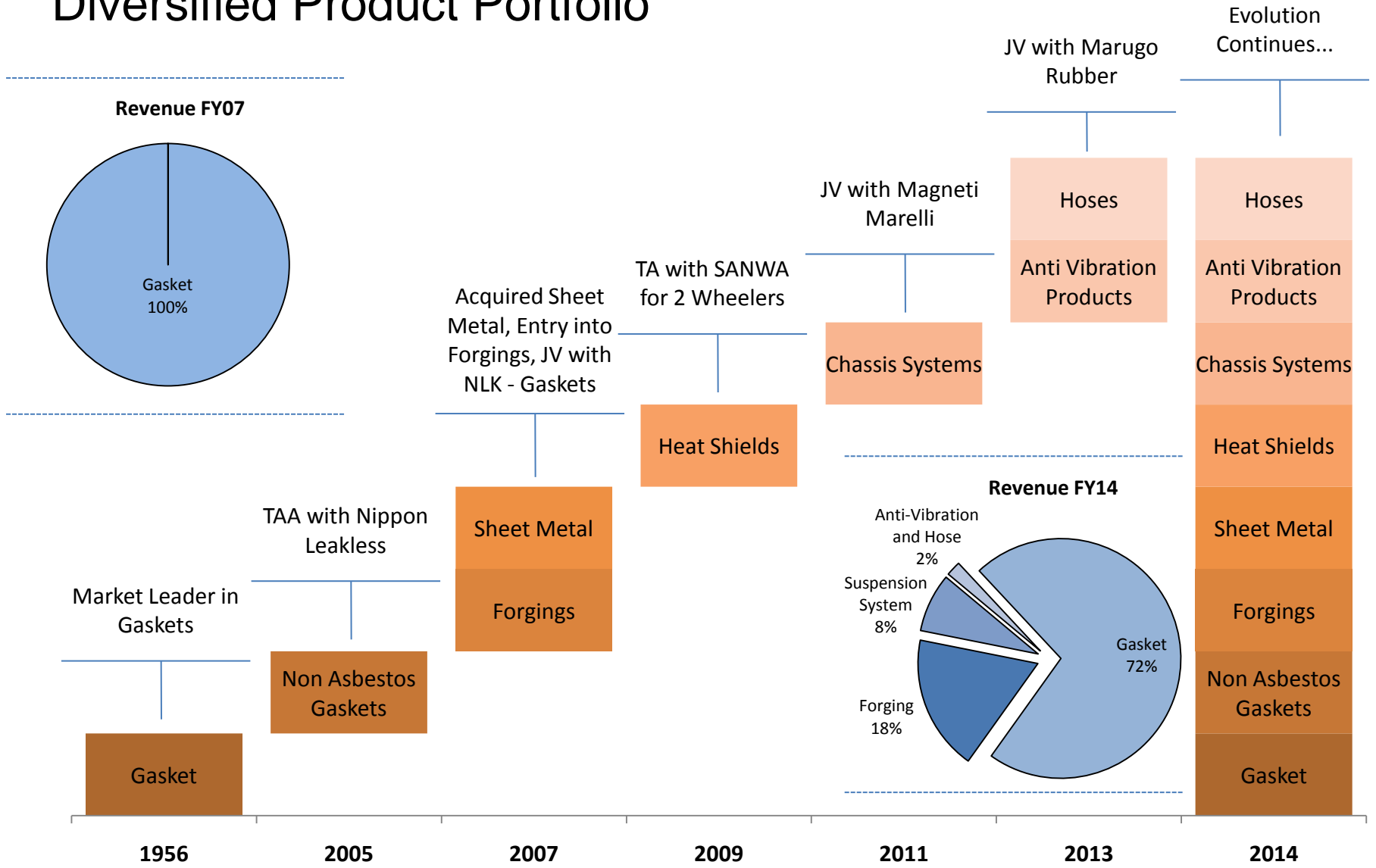
Magneti Marelli Talbros



Talbros Marugo Rubber



Diversified Product Portfolio



Diversified Customer - OEM

2 Wheeler

Passenger

HCV/LCV

Agri & Off Loader

Exports



Hedged customer base, 40 % revenue from top 5 customers

Consolidated P & L Statement

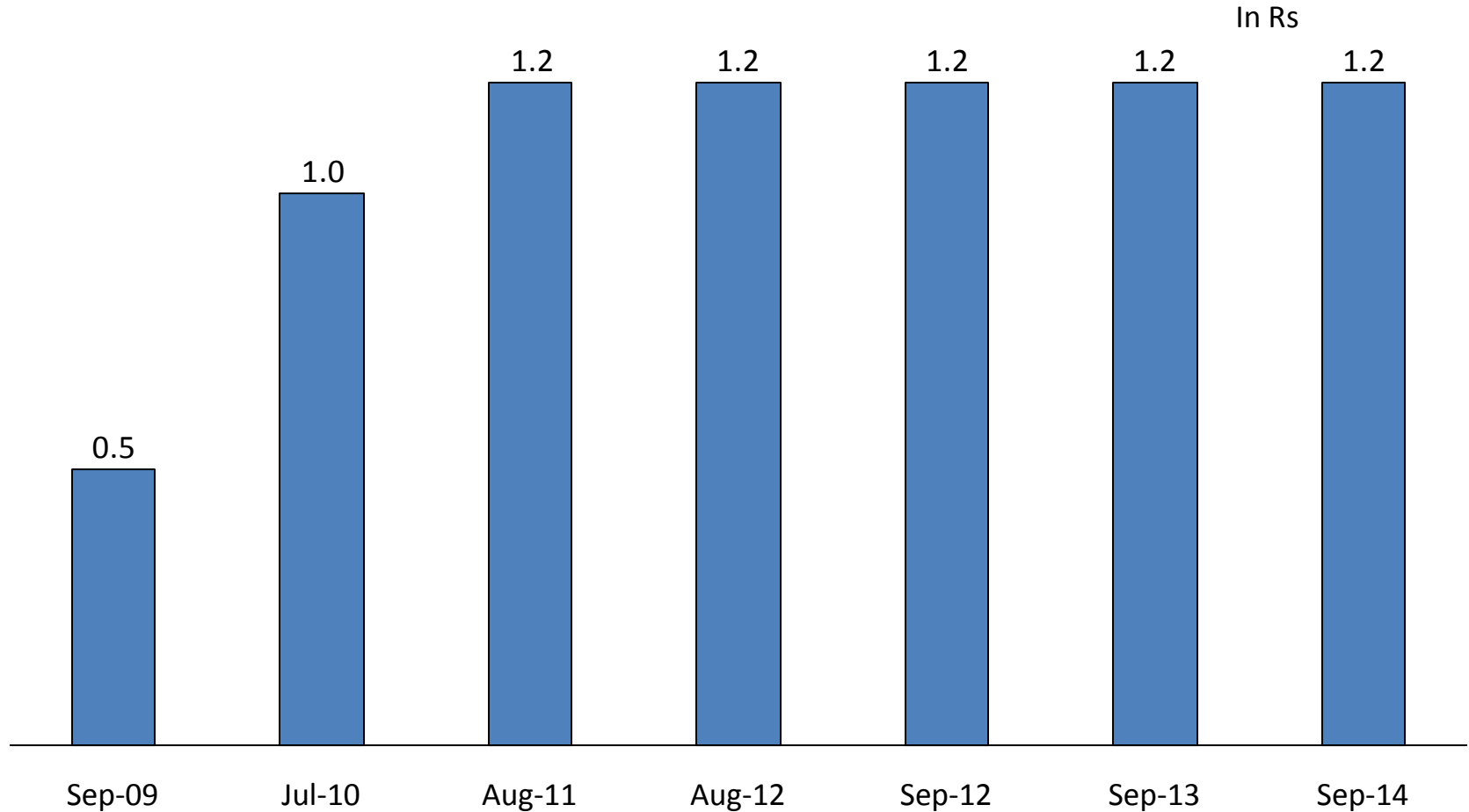
Rs. Cr	Q3FY15	Q3FY14	YoY %	9MFY15	9MFY14	YoY %	FY14
Revenue	100.8	87.7	15%	291.2	268.0	9%	363.0
Other Income	1.6	3.1	-48%	4.1	4.4	-6%	5.9
Total Income from Operations	102.4	90.8	13%	295.3	272.4	8%	368.9
Raw Material	57.0	52.9	8%	162.6	154.1	6%	206.3
Employee Cost	12.3	10.5	17%	35.9	32.0	12%	42.4
Other Expenses	20.0	16.3	23%	60.7	53.8	13%	77.6
EBITDA	13.1	11.1	19%	36.1	32.4	11%	42.6
EBITDA Margin	12.82%	12.20%		12.24%	11.90%		11.55%
Interest	4.6	4.8	-4%	13.6	13.9	-2%	19.0
Depreciation	2.8	2.8	-1%	8.1	7.9	2%	10.5
Exceptional Item	0.0	0.0		0.0	0.0		8.8
PBT	5.7	3.5	66%	14.5	10.7	36%	22.0
Tax	2.0	0.6	217%	4.6	1.6	192%	2.7
PAT	3.8	2.8	33%	9.9	9.1	9%	19.3
PAT Margin	3.67%	3.12%		3.34%	3.33%		5.24%

Consolidated Balance Sheet

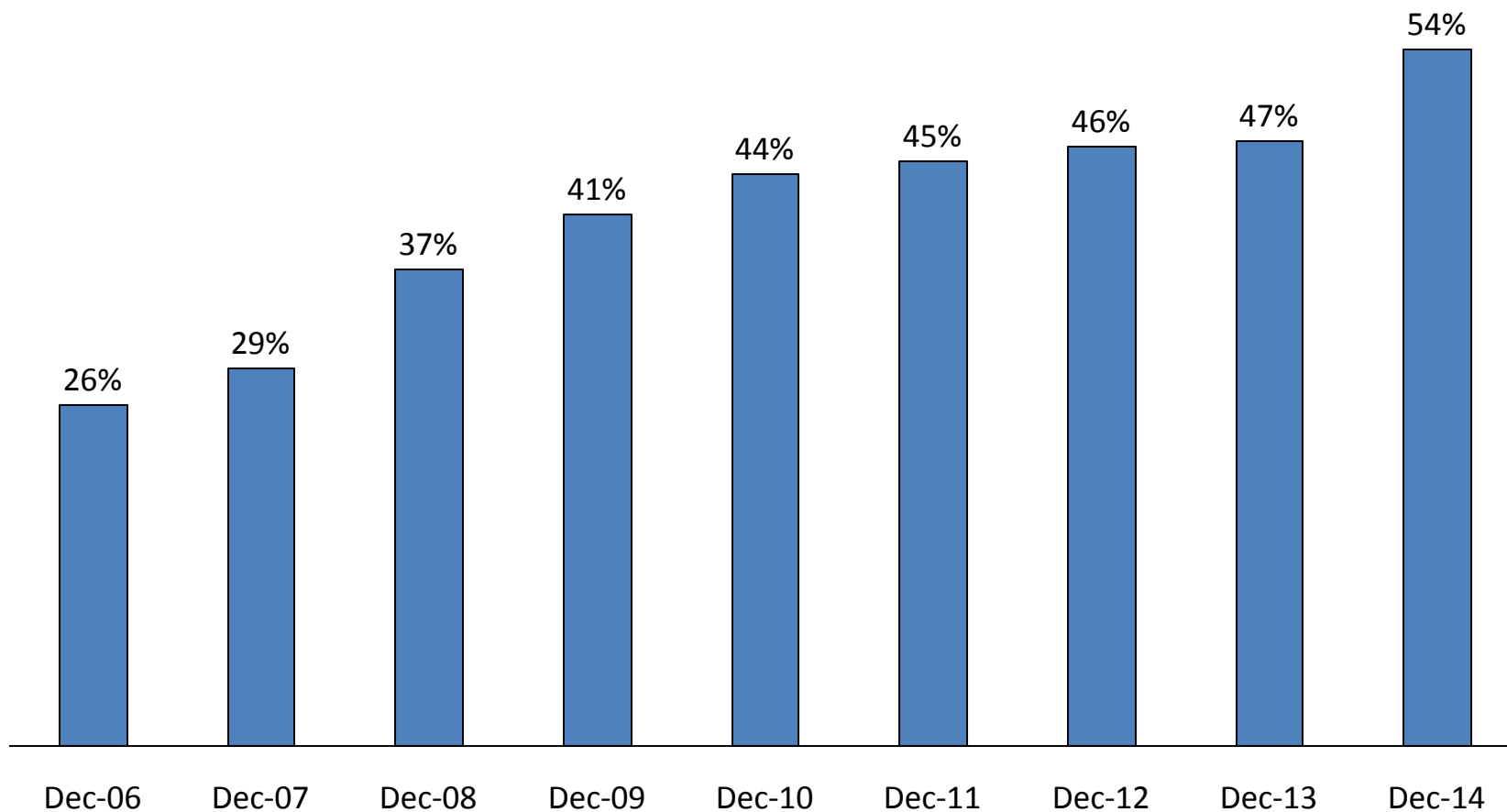
Rs. Cr	Sep14	Mar14
Shareholders Fund	125.4	119.3
Share Capital	12.3	12.3
Reserves & Surplus	113.0	106.9
Total Non Current Liabilities	40.5	40.8
Long Term Borrowings	30.7	30.9
Other Long Term Liabilities	9.7	9.8
Total Current Liabilities	195.7	186.0
Short Term Borrowings	80.4	77.2
Trade Payables	84.2	74.9
Other Current Liabilities	31.1	33.8
TOTAL EQUITY & LIABILITIES	361.6	346.0

Rs. Cr	Sep14	Mar14
Total Non Current Assets	139.3	134.1
Fixed Assets	118.7	118.2
Long Term loans & Advances	15.4	11.4
Other Non Current Assets	5.1	4.5
Total Current Assets	222.3	211.9
Inventories	110.7	106.8
Trade Receivables	68.4	69.7
Cash & Cash Equivalents	12.3	8.0
Short Term loans & Advances	30.2	26.4
Other Current Assets	0.7	0.9
TOTAL ASSETS	361.6	346.0

Consistently paying Dividend for the last 50 years



Promoter Shareholding



For further information, please contact:

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