

talbro's Automotive Components Ltd

Q1 FY16 Update
August 2015



Safe Harbour

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Automotive Market Scenario Q1 FY16

- Overall the Auto Sector grew only by 2.42 % in Q1 FY 2015-16
- Commercial Vehicle
 - The LCV segment de-grew by 3.22% inspite of robust Export growth of 28.42%
 - The CV segment as a whole grew by 6.19%
- Passenger Vehicles Sales increased by 5.16%
 - Passenger Cars grew by 6.89% while MUV & Van segment sales were stagnant
- Two-wheeler segment sales increased by a modest 1.36% largely on account Export growth of 6.15%
 - Two-wheeler growth is largely driven by Scooters Sales growth of 9.4% whereas Motor Cycles Sales declined by 1.3%
- Tractor sales plunged by 16% in Q1 FY 16

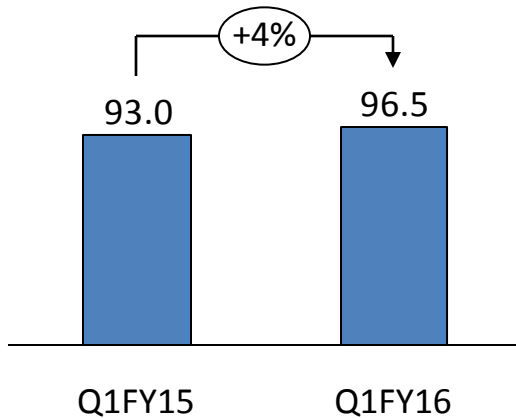
Source: SIAM

Talbros grew in ahead of market

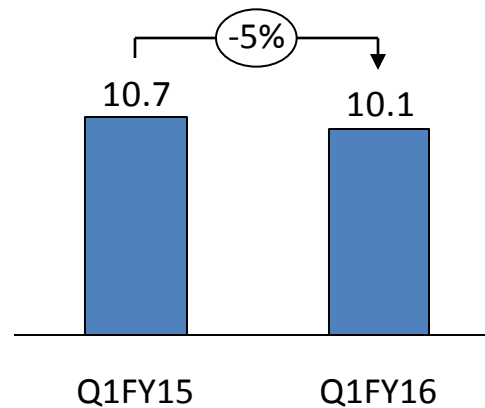
Financial Highlights – Excluding Dividend Income from JV

Rs Crores

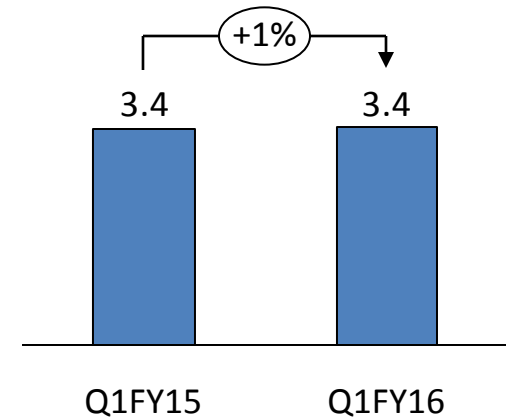
Revenue *
(Like to Like)



EBIDTA
(Like to Like)



PBT
(Like to Like)



- Dividend Received from Nippon Leakless Talbros Joint Venture of Rs 72 lacs in Q1 FY15; delayed in the current quarter

* Revenue includes other Income

Q1 FY16 Highlights

- Dividend Received from Nippon Leakless Talbros Joint Venture of Rs 72 lacs in Q1 FY15; delayed in the current quarter
- Revenue of Rs 96.5 Crores; Growth of 3% led by
 - Slowdown in 2 wheeler and LCV segments
 - Change in product mix towards OEM
 - Excluding the dividend impact; Revenue grew by 4%
- EBIDTA of Rs 10.1 Crores; de-grew by 11%
 - Excluding the dividend impact; EBIDTA de-grew by 5%
- EBIDTA Margin was at 10.5% against 12.2% in Q1 FY15 due to
 - Higher OEM sales in Gaskets and higher share of domestic sales in Forging
- PBT of Rs 3.4 Crores against Rs 4.1 Crores in Q1 FY15
 - Excluding the dividend impact; PBT grew by 1%
- PAT of Rs 2.2 Crores against Rs 2.9 Crores in Q1 FY15

Segmental Performance

Gaskets Division:

- Revenue growth was in line with the industry growth
- Added new product Heat Shield to boost our product offerings and enrich portfolio of sealing products
- Installation of Heat-Shield line is under progress with the guidance of our TA partner SANWA Packaging
- Ongoing efforts to make Sitarganj plant independent by enhancing the capacity to provide thrust to Aftermarket supplies

Forgings Division:

- Sales/Margins impacted due to the slowdown in Europe and weakening Euro
- Steel price corrections to benefit from Aug'15

Joint Venture Performance

Nippon Leakless Talbros (LTL) :

- Consistent performance in line with Industry Growth

Magneti Marelli Talbros Chassis Systems (MMT) :

- Won Order from MSIL for its new Crossover SUV - S-Cross

Talbros Marugo Rubber (TMR):

- Started Supply to Maruti Suzuki India Ltd of
 - Intercooler Hoses – Celerio
 - Muffler Hanger – Swift Dzire, Celerio ,Ciaz ,Ritz
 - Suspension bush— Model – S-Cross
- Won Orders for supply of new components like Air Intake Hose & Stabilizer Bush for Isuzu
- Anti-vibration segment achieved profit in Q1 FY16
- Hoses project to start commercial production soon

Consolidated P & L Statement

Rs. Cr	Q1FY16	Q1FY15	YoY %	Q4FY15	QoQ %	FY15
Revenue	95.9	92.3	4%	97.6	-1%	388.8
Other Income	0.6	1.4**	-74%	5.5	-93%	9.6
Total Income from Operations	96.5	93.7	3%	103.1	-6%	398.4
Raw Material	54.5	50.2	9%	52.9	3%	215.5
Employee Cost	13.2	12.2	9%	13.6	-3%	49.5
Other Expenses	18.6	19.9	-7%	23.0	-19%	83.7
EBITDA	10.1	11.4	-11%	13.6	-25%	49.7
EBITDA Margin	10.51%	12.18%		13.19%		12.48%
Interest	4.5	4.6	-1%	5.1	-12%	18.7
Depreciation	2.2	2.7	-18%	1.9	16%	10.0
PBT (Before Exceptional Items)	3.4	4.1	-17%	6.6	-48%	21.1
Exceptional Item *	0.0	0.0		-1.9		-1.9
Tax	1.2	1.2	-3%	0.5	161%	5.1
PAT	2.2	2.9	-23%	4.3	-48%	14.1
PAT Excl Exceptions	2.2	2.9	-23%	5.5	-59%	15.4
PAT Excl Exceptions Margin %	2.31%	3.11%		5.34		3.86%

*Q4FY15 Expense towards payment of terminal benefit to the erstwhile employees of the closed Chennai Plant

** Includes dividend received from Nippon Leakless Talbros JV of Rs 72 lacs

Consolidated Balance Sheet

Rs. Cr	Mar15	Mar14
Shareholders Fund	127.1	119.3
Share Capital	12.3	12.3
Reserves & Surplus	114.8	106.9
Total Non Current Liabilities	40.8	40.8
Long Term Borrowings	31.8	30.9
Other Long Term Liabilities	9.0	9.8
Total Current Liabilities	215.6	186.0
Short Term Borrowings	85.1	77.2
Trade Payables	92.4	74.9
Other Current Liabilities	38.2	33.8
TOTAL EQUITY & LIABILITIES	383.6	346.0

Rs. Cr	Mar15	Mar 14
Total Non Current Assets	142.4	134.1
Fixed Assets	123.4	118.2
Long Term loans & Advances	12.7	11.4
Other Non Current Assets	6.2	4.5
Total Current Assets	241.2	211.9
Inventories *	127.6	106.8
Trade Receivables	73.8	69.7
Cash & Cash Equivalents	10.2	8.0
Short Term loans & Advances	28.7	26.4
Other Current Assets	1.0	0.9
TOTAL ASSETS	383.6	346.0

* Inventories include: Goods in Transit of Rs 9 Crs in FY15 and Rs 7.3 Crs in FY14
Tools of Rs 16.2 Crs in FY15 and Rs 16.2 Crs in FY14

Corporate Overview

- Over **58 years** of experience in Auto Component manufacturing
- Promoted by **Talwar Family** with **53.9%** 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**
- **Four International Technology Tie-ups** including 3 JVs for Best in Class Products
- Diversified Portfolio - **Gaskets, Forgings, Suspension Systems, Anti-vibration Products & Hoses**
- Consistent **Dividend Payout over 50 years**

One of the Most Hedged Auto Component Player

Business Overview

Consolidated Revenue Contribution FY15

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

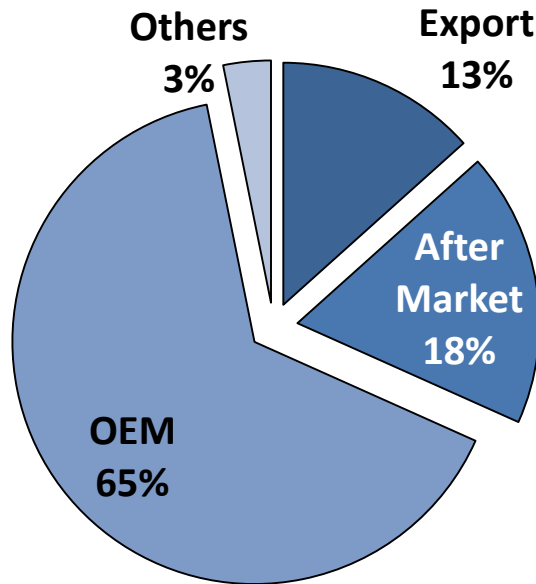
Standalone

* Talbros share in JV

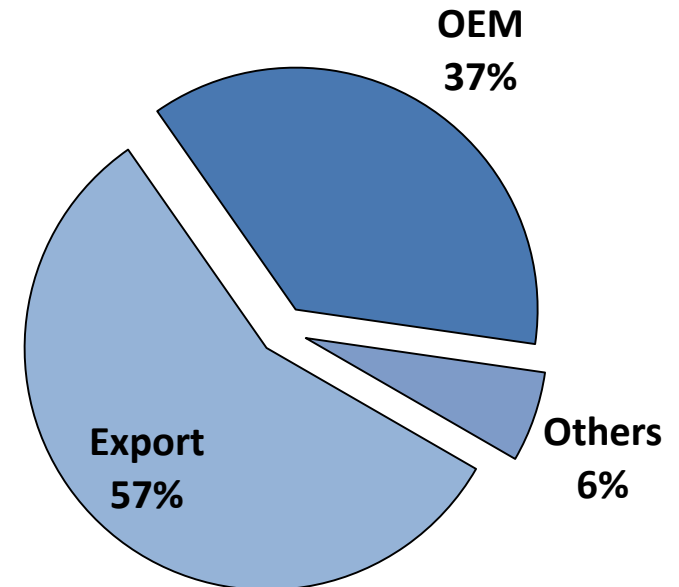
Above data excludes other non operating income

Standalone Business

Gaskets Division
FY15 Revenue Rs 244 Crores



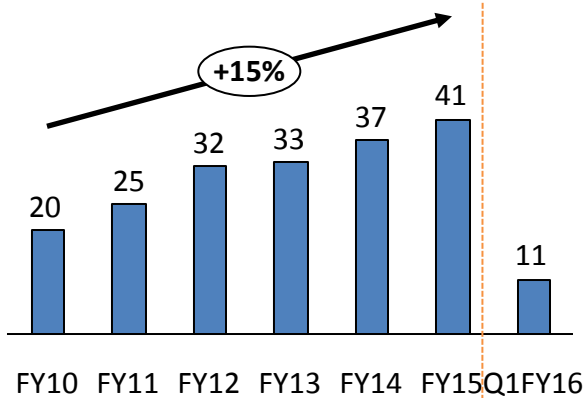
Forgings Division
FY15 Revenue Rs 70 Crores



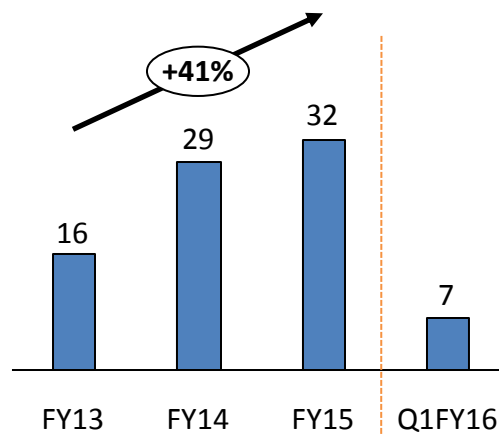
Q1 FY16 Revenue
Gaskets Rs 60 Crores; Forging Rs 18 Crores

Joint Ventures

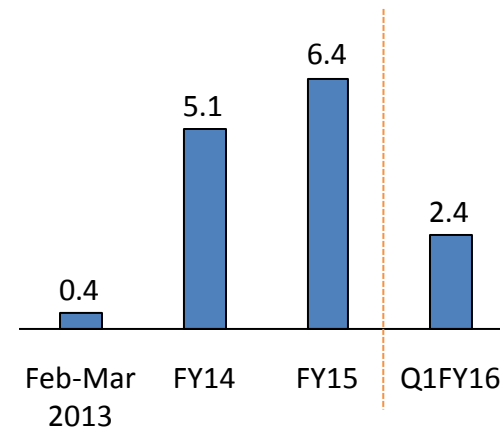
Nippon Leakless Talbros



Magneti Marelli Talbros

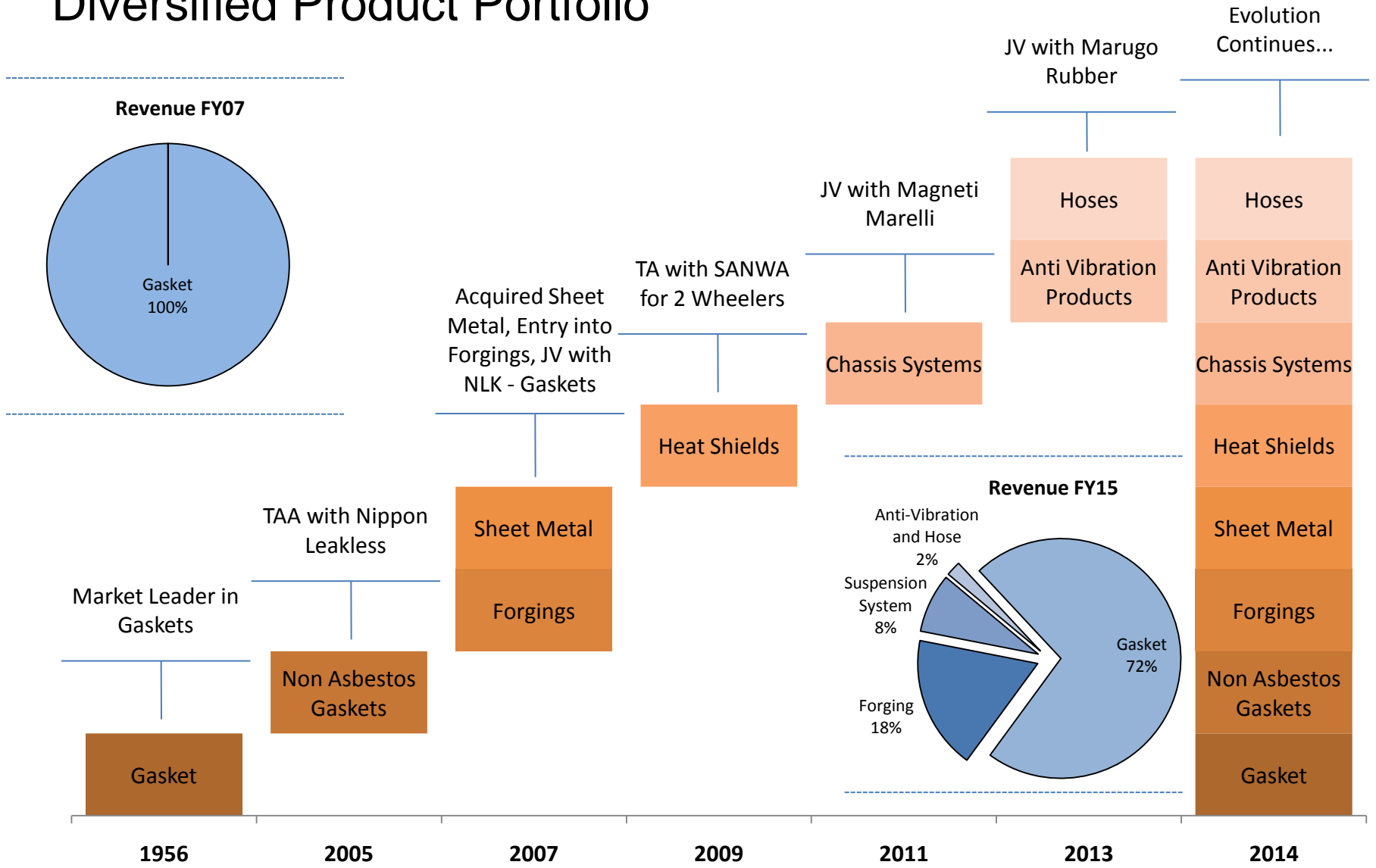


Talbros Marugo Rubber



* Talbros Share in Revenue in Rs Crores

Diversified Product Portfolio



Diversified Customer - OEM

2 Wheeler

Passenger

HCV/LCV

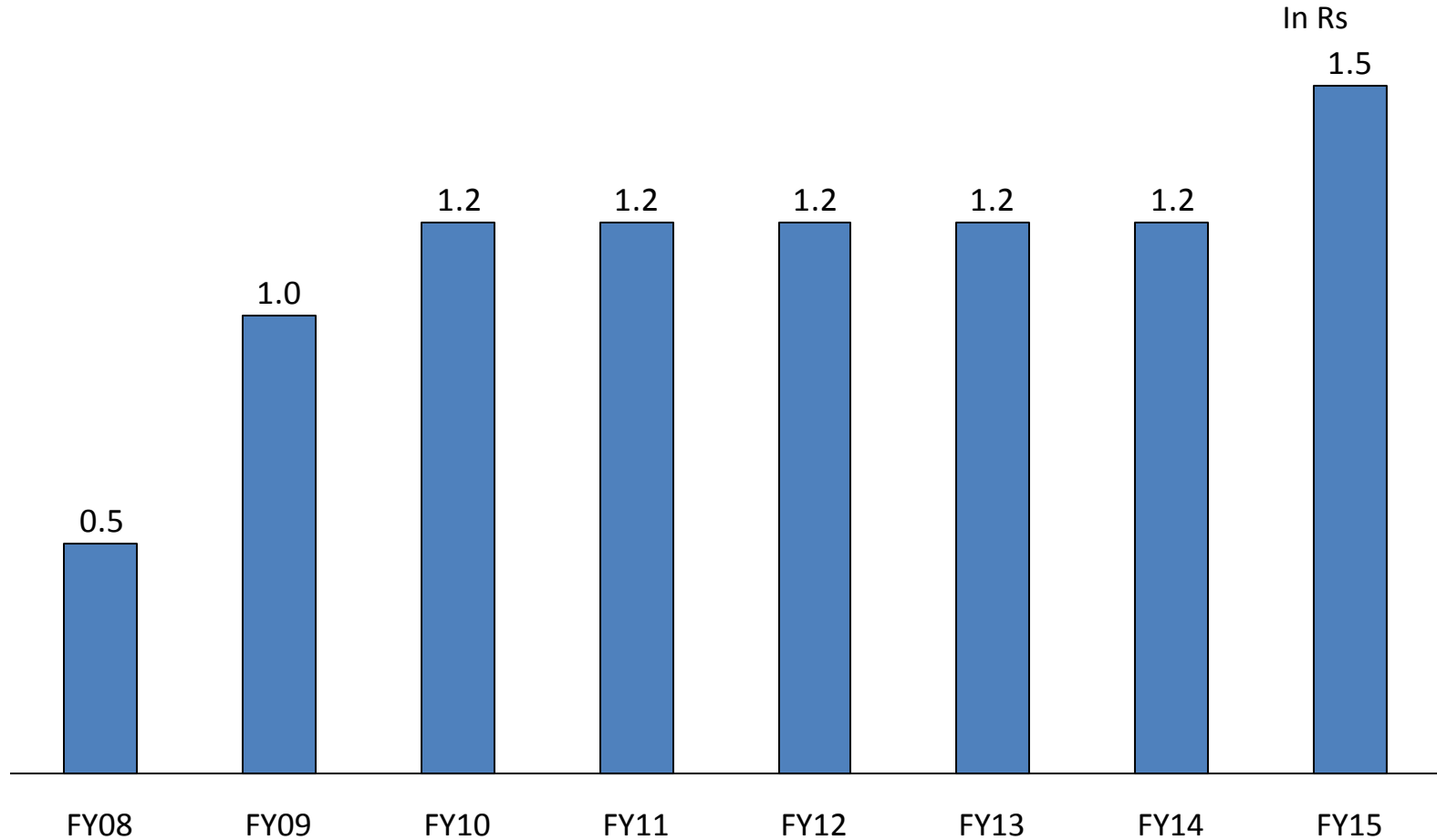
Agri & Off Loader

Exports

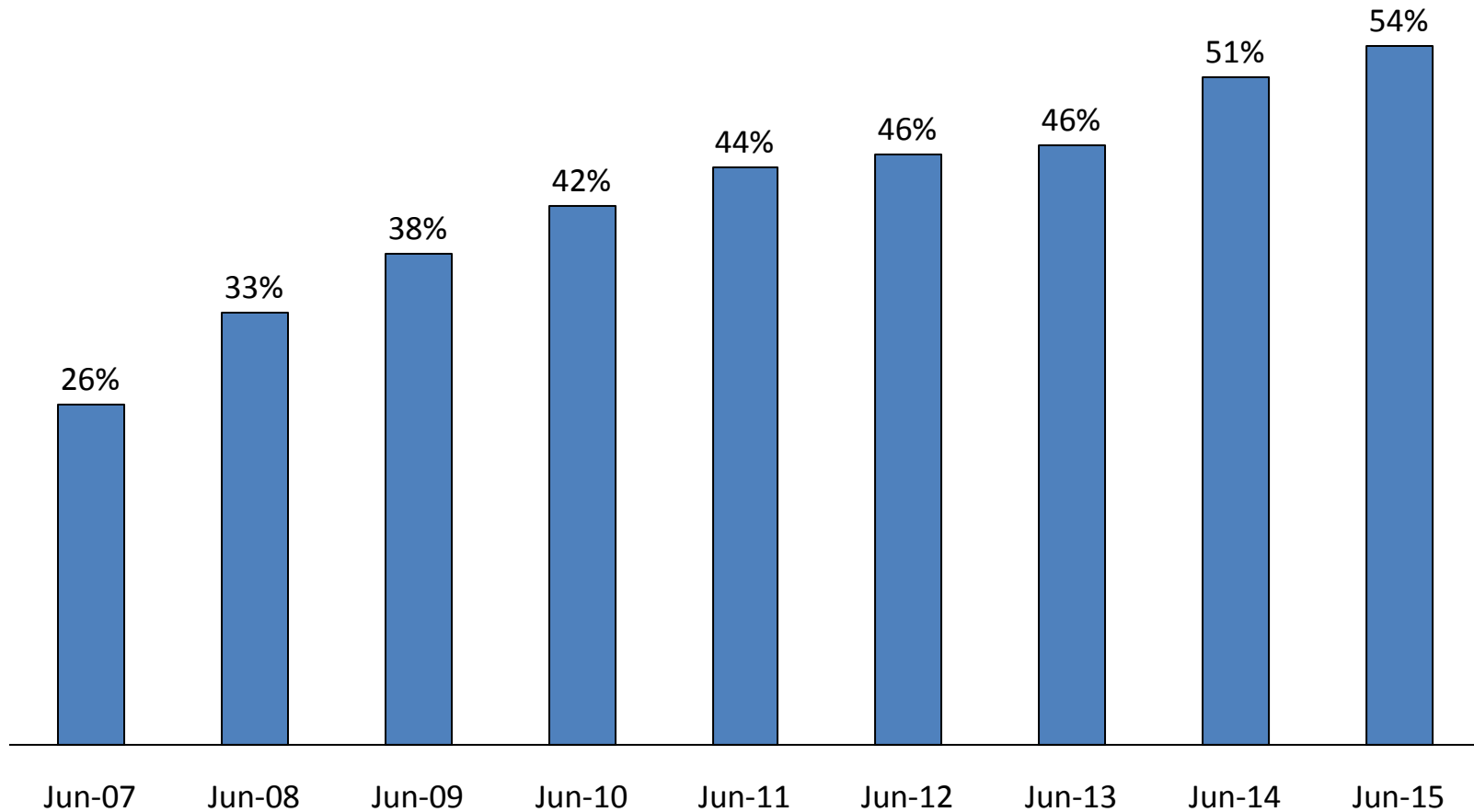


Hedged customer base, 40 % revenue from top 5 customers

Consistently paying Dividend for the last 50 years



Promoter Shareholding



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