

talbro's Automotive Components Ltd

Q3 FY16 Update
February 2016



Safe Harbour

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Automotive Market Scenario September – December FY16

Q3 FY16 Highlights:

- Auto segment saw slight recovery with 3.34% growth led by 6% domestic sales growth
- Passenger Vehicles performance improved to 14.6%
- CV Segment grew by 11% on subdued LCV performance
 - Led by M&HCV segment growth of 22.4%
- 2 Wheelers sales continued to create a drag led by weak motor cycle sales

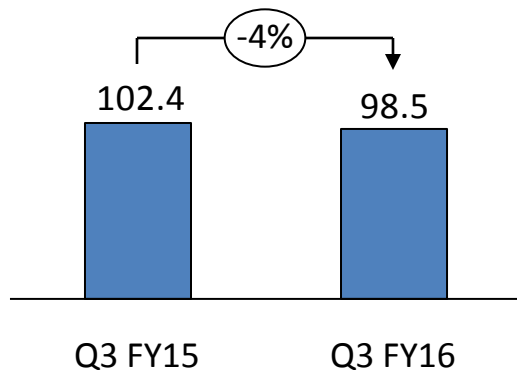
9M FY16 Highlights:

- Over All auto segment grew by 2.13% with slightly better domestic performance
- Passenger Vehicles sales growth by 8%; led by 11% growth domestic passenger car sales
 - Utility vehicles saw a handsome export growth by 43%
- Overall CV segment grew by 9%; with M&HCV growing by 27%
 - LCV segment saw muted growth due to a decline of 4% in domestic sales
- 2 Wheelers sales remained static as a 12% growth in Scooters was negated by a commensurate decline in Motor Cycles/Mopeds

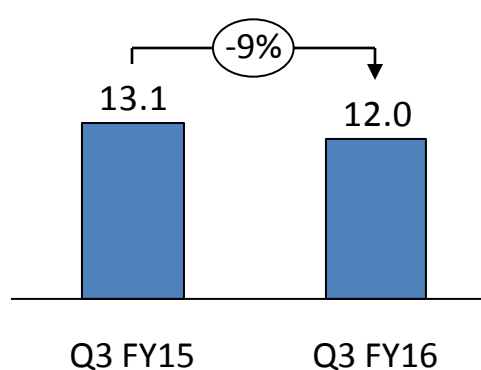
Financial Highlights – Q3 & 9M FY16

Rs Crores

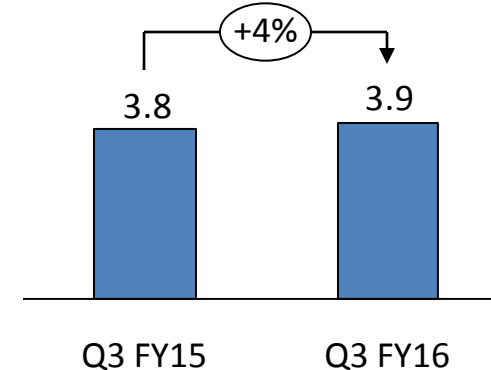
Total Income #



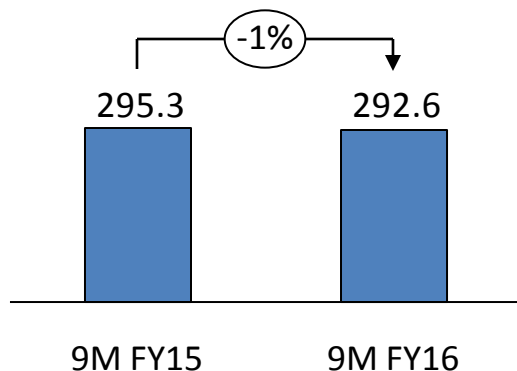
EBIDTA *



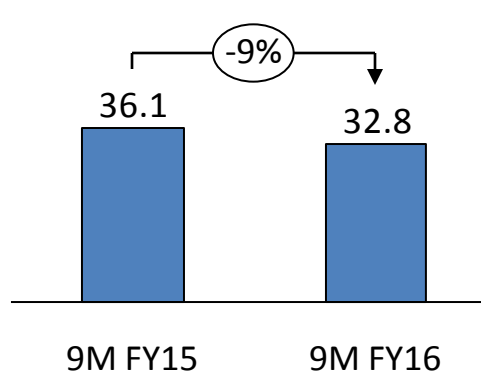
PAT



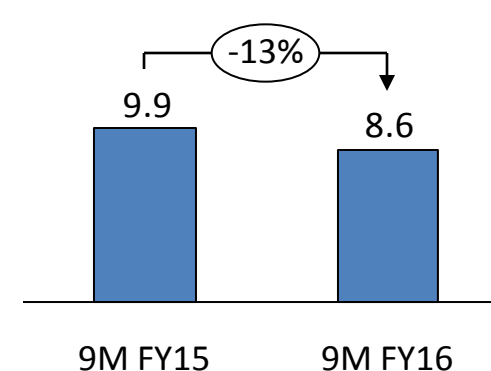
Total Income



EBIDTA



PAT



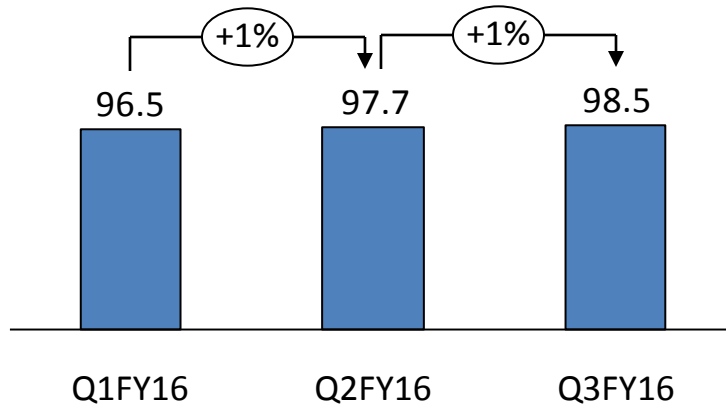
*Employee Cost includes Rs 38 lacs under new Minimum Wages Act in Haryana effective from 1st November 2015

Includes FOREX Loss of Rs 11 Lacs against a gain of Rs 67 lacs in Q3FY15

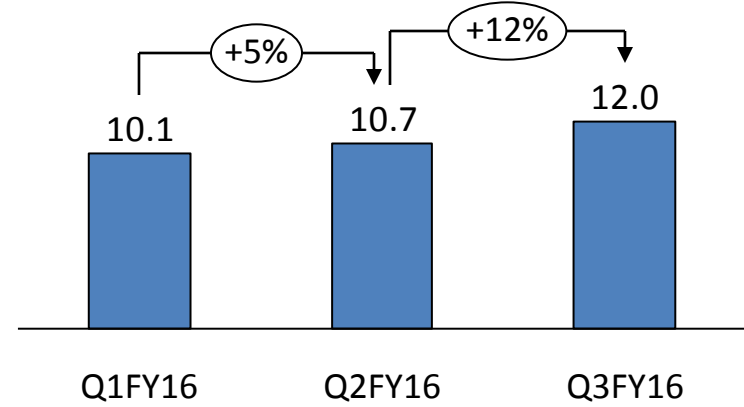
Change in Accounting method of in Magneti Marelli Talbros Chassis Systems JV had an impact of Rs 1.5 crores on Total Income

Consistent Sequential Growth

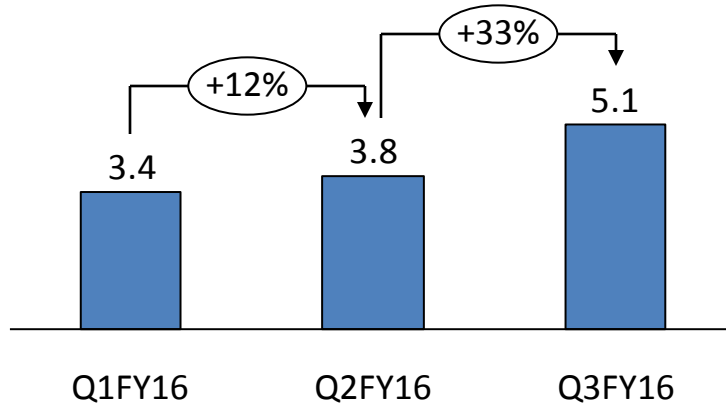
Total Income



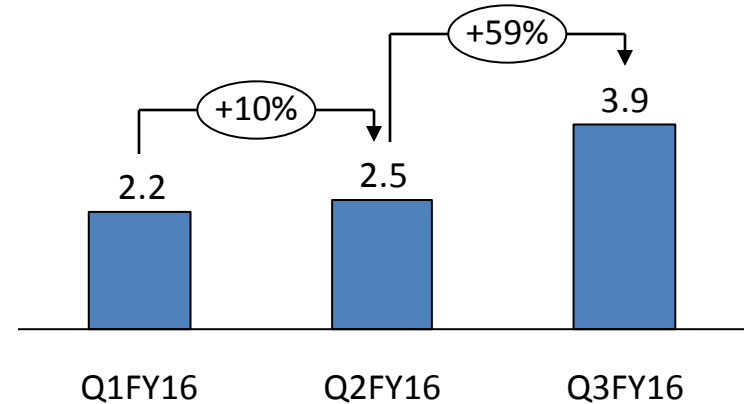
EBIDTA



PBT



PAT



Q3 FY16 Highlights

- Total Income of Rs 98.5 Crores against Rs 102.4 Crores in Q3 FY15
 - Slowdown in growth of 2W segment and subdued performance in Forgings
 - Change in Accounting method of in Magneti Marelli Talbros Chassis Systems JV had an impact of Rs 1.5 crores on Total Income
 - Method changed from sales to group company from booking sales to processing charges
- EBIDTA of Rs 12.0 Crores; de growth of 9% led by
 - Employee Cost includes Rs 38 lacs under new Minimum Wages Act in Haryana effective from 1st November 2015
 - FOREX Loss of Rs 11 Lacs against a gain of Rs 67 lacs in Q3FY15
 - Over-head expenses related to newly commissioned Hoses Plant
- EBIDTA margin at 12.16% against 12.82% in Q3 FY15
 - Like-to-Like EBIDTA margin at 13.3%
 - Excluding the impact of new Minimum Wages Act and FOREX
- PAT of Rs 3.9 Crores against Rs 3.8 Crores in Q3FY15 growth of 4%

Joint Venture Performance

Standalone:

- New Export orders from Volvo (US) and Basak Tractors (Turkey)
- New OEM orders Tata Cummins, Tata Motors, Hero Moto Corp, Volvo Eicher
- Commenced production at the new Dedicated Heath Shield line at Faridabad

Nippon Leakless Talbros (LTL) :

- Fresh orders from new models of Yamaha and Maruti Suzuki India Ltd (MSIL)
- Revenue had an impact of pricing reduction due to competitive activity and slowdown in motor cycle sales in the quarter

Magneti Marelli Talbros Chassis Systems (MMT) :

- New projects for MSIL and TATA
- Started supplying for Bajaj QUTE (RE60) for the exports market
- Strong order book in pipeline for FY17 & FY18 – Exports and Domestic

Talbros Marugo Rubber (TMR):

- New businesses from MSIL and ISUZU motors
- Commence operations at New Hoses plant to have short term impact on profitability

Consolidated P & L Statement

Rs. Cr	Q3FY16	Q3FY15	YoY %	9M FY16	9M FY15	YoY %
Revenue	95.4	100.8		288.7	291.2	
Other Income	3.1	1.6		3.9	4.1	
Total Income from Operations	98.5	102.4	-4%	292.6	295.3	-1%
Raw Material	53.8	57.0		161.8	162.6	
Employee Cost	13.0	12.3		38.9	35.9	
Other Expenses	19.7	20.0		59.1	60.7	
EBITDA	12.0	13.1	-9%	32.8	36.1	-9%
EBITDA Margin	12.16%	12.82%		11.21%	12.24%	
Interest	4.3	4.6		13.2	13.6	
Depreciation	2.6	2.8		7.2	8.1	
PBT	5.1	5.7	-11%	12.4	14.5	-15%
Tax	1.2	2.0		3.8	4.6	
PAT	3.9	3.8	4%	8.6	9.9	-13%
PAT Margin %	3.95%	3.67%		2.93%	3.34%	

Consolidated P & L Statement

Rs. Cr	FY15	FY14	YoY %
Revenue	388.8	361.9	7%
Other Income	9.6	5.6	72%
Total Income from Operations	398.4	367.5	8.4%
Raw Material	215.5	205.0	5%
Employee Cost	49.5	42.4	17%
Other Expenses	83.7	77.6	8%
EBITDA	49.7	42.6	17%
EBITDA Margin	12.48%	11.59%	
Interest	18.7	19.0	-2%
Depreciation	10.0	10.5	-4%
PBT (Before Exceptional Items)	21.1	13.2	60%
Exceptional Item *	-1.9	8.8	
Tax	5.1	2.7	89%
PAT	14.1	19.3	-27%
PAT Excl Exceptions	15.4	12.3	25%
PAT Excl Exceptions Margin %	3.86%	3.34%	

*FY15 Expense towards payment of terminal benefit to the erstwhile employees of the closed Chennai Plant

*FY14 Income from Sale of Land

Consolidated Balance Sheet

Rs. Cr	Sep15	Mar15
Shareholders Fund	131.8	127.1
Share Capital	12.3	12.3
Reserves & Surplus	119.5	114.8
Total Non Current Liabilities	34.7	40.8
Long Term Borrowings	25.3	31.8
Other Long Term Liabilities	9.4	9.0
Total Current Liabilities	224.7	215.6
Short Term Borrowings	92.1	85.1
Trade Payables	95.6	92.4
Other Current Liabilities	37.0	38.2
TOTAL EQUITY & LIABILITIES	391.3	383.6

Rs. Cr	Sep15	Mar15
Total Non Current Assets	143.0	142.4
Fixed Assets	123.7	123.4
Long Term loans & Advances	12.4	12.7
Other Non Current Assets	6.9	6.2
Total Current Assets	248.2	241.2
Inventories *	133.0	127.6
Trade Receivables	75.3	73.8
Cash & Cash Equivalents	11.2	10.2
Short Term loans & Advances	28.0	28.7
Other Current Assets	0.7	1.0
TOTAL ASSETS	391.3	383.6

* Inventories include: Goods in Transit of Rs 5 Crs as of Sep 15 and Rs 9 Crs as of Mar 15
Tools of Rs 21.7 Crs as of Sep 15 and Rs 16.2 Crs as of Mar 15

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 for 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

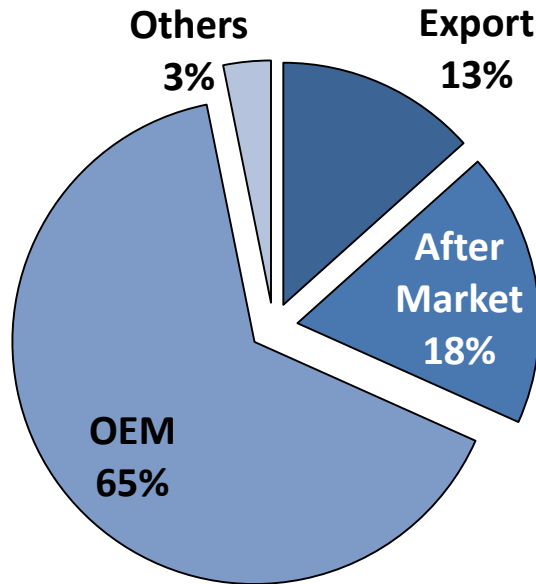
Standalone

* Talbros share in JV

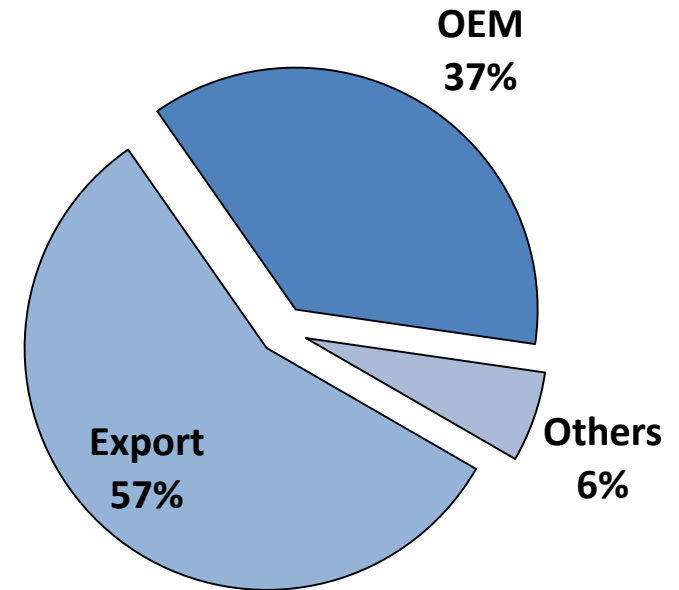
Above data excludes other non operating income

Standalone Business

Gaskets Division
FY15 Revenue Rs 244 Crores



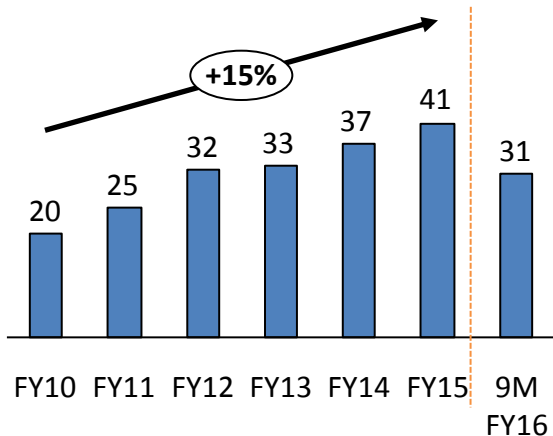
Forgings Division
FY15 Revenue Rs 70 Crores



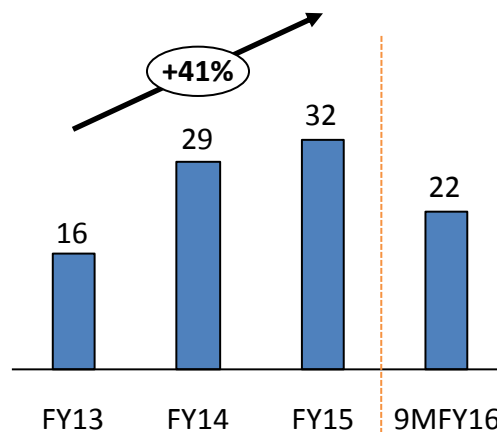
9MFY16 Revenue
Gaskets Rs 182 Crores; Forging Rs 46 Crores

Joint Ventures

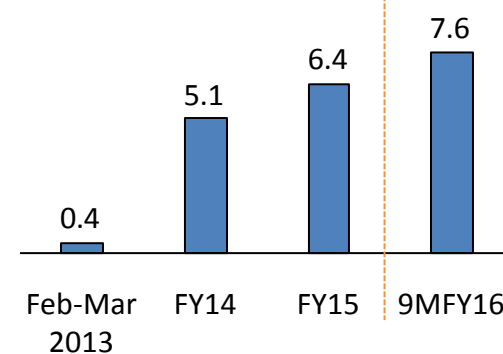
Nippon Leakless Talbros



Magneti Marelli Talbros

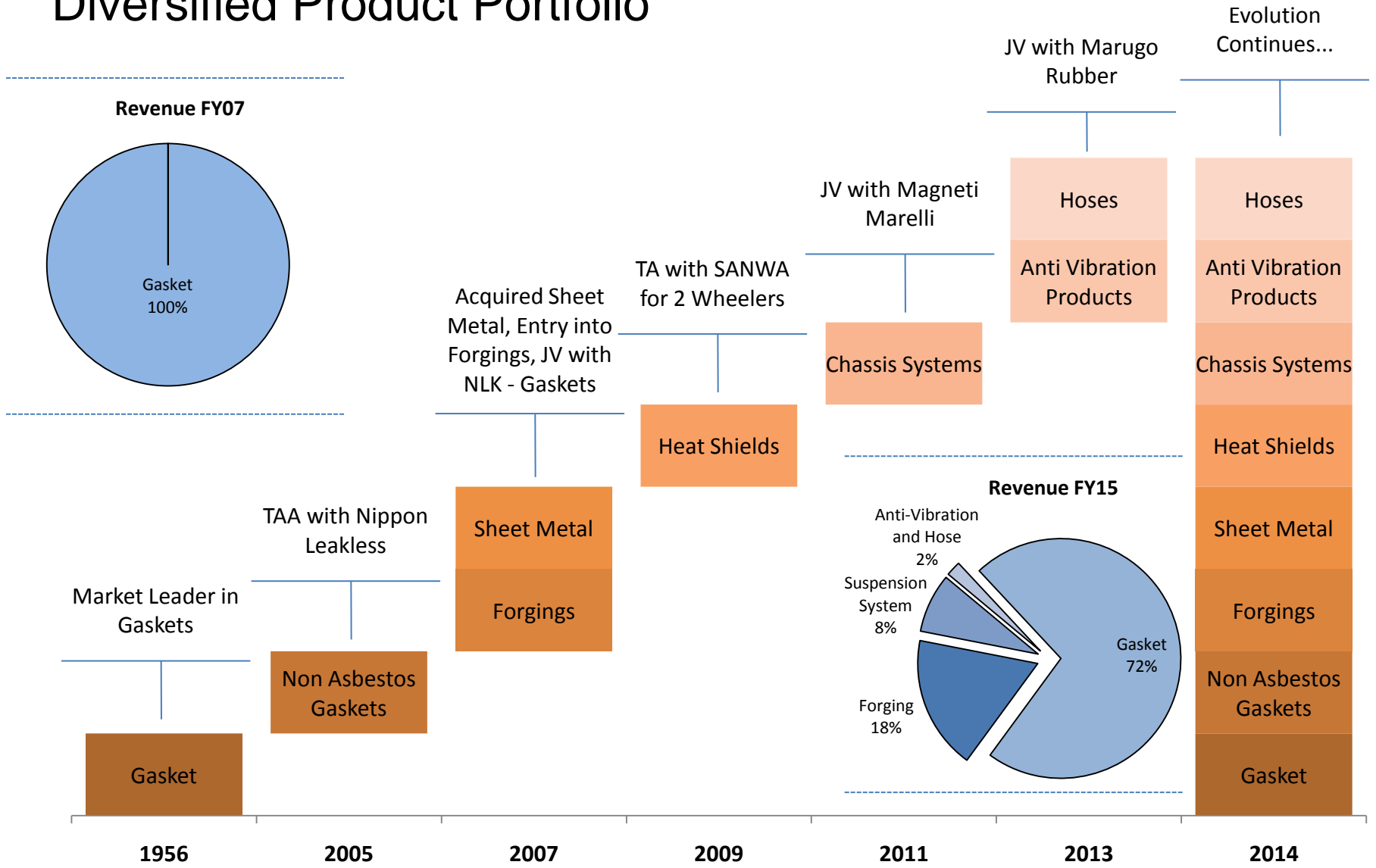


Talbros Marugo Rubber



* Talbros Share of Revenue in Rs Crores

Diversified Product Portfolio



Diversified Customer - OEM

2 Wheeler

Passenger

HCV/LCV

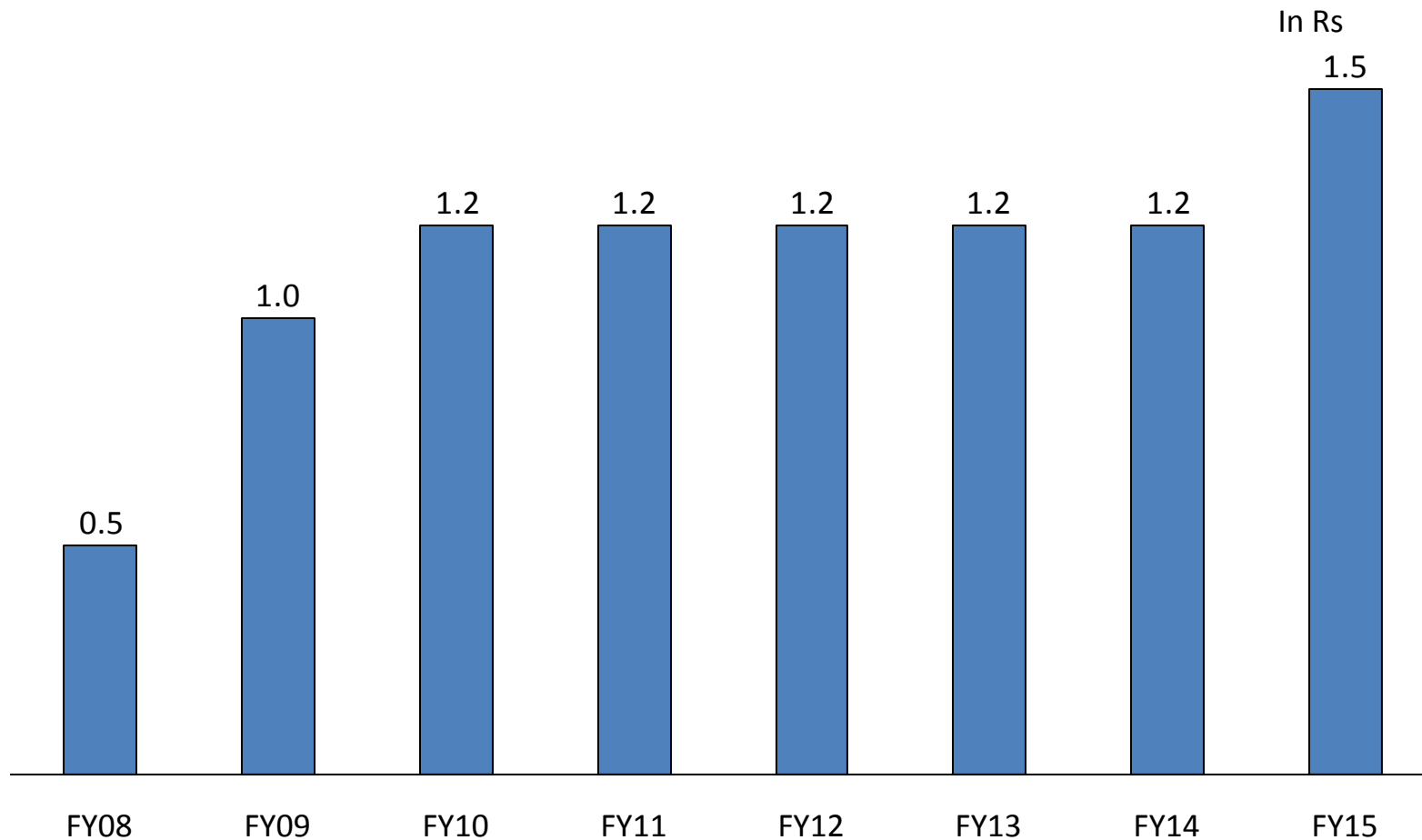
Agri & Off Loader

Exports

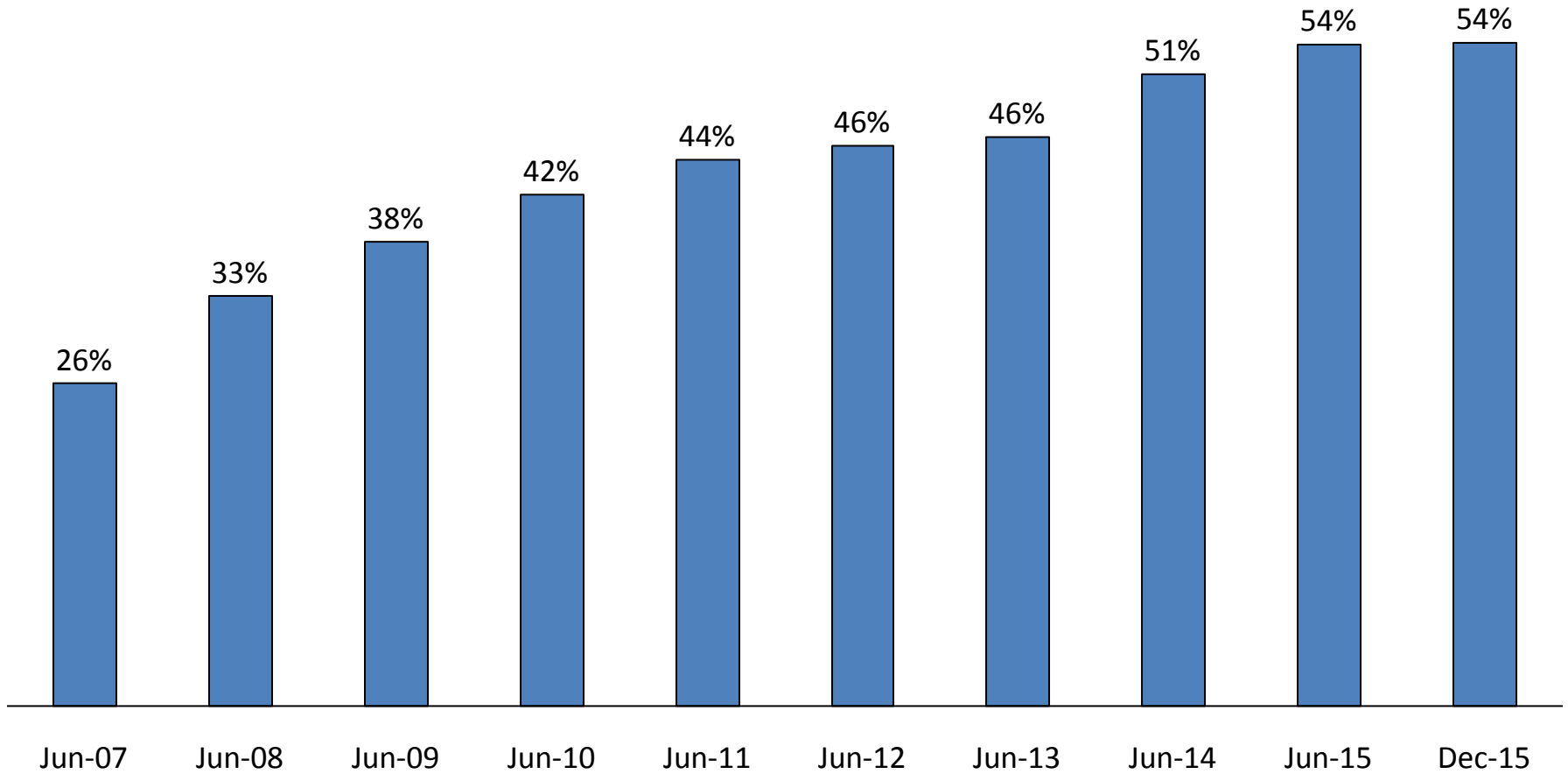


Hedged customer base, 40% revenue from top 5 customers

Consistently paying Dividend for the last 50 years



Promoter Shareholding



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