



Investor Presentation  
Q2FY17  
November 2016

DRIVING FUTURE LEADERSHIP

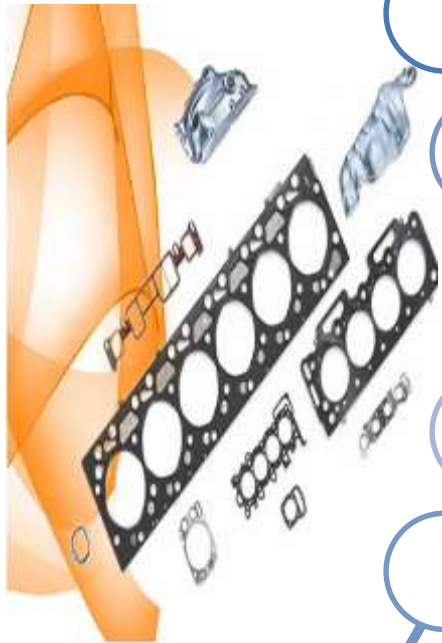
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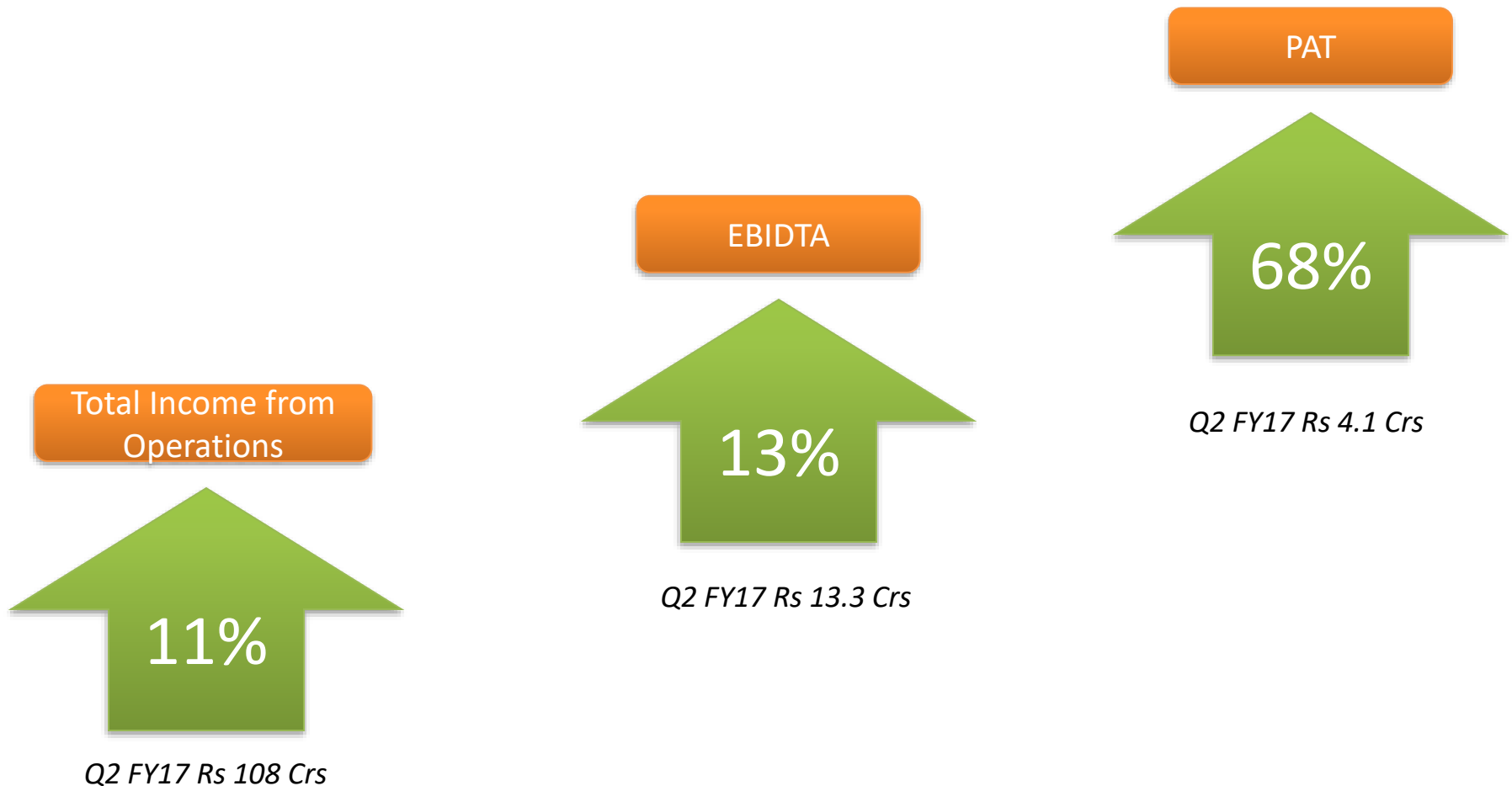
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# About Us



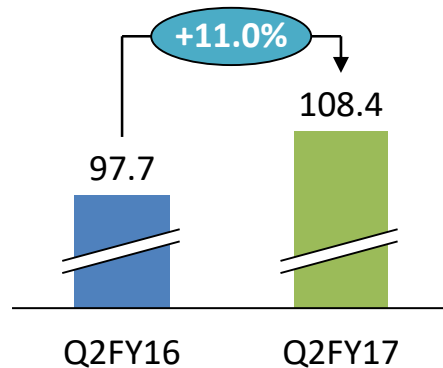
*One of the Most Hedged Auto Component Player*

# Q2 FY17 Performance

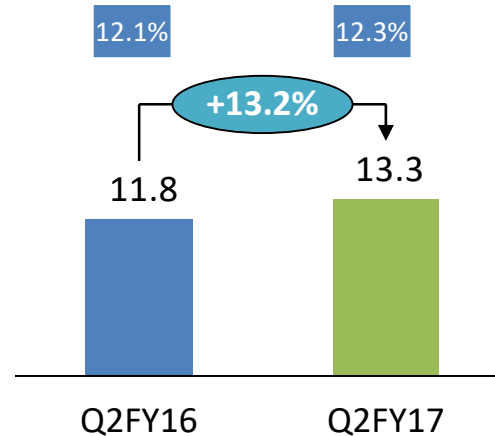


# Turnaround Continues

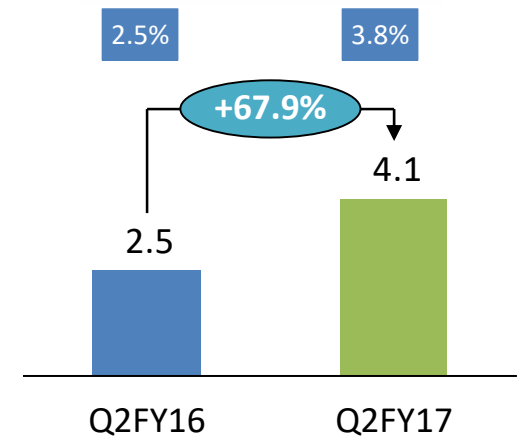
## Total Income from Operations



## EBIDTA



## PAT



Strong performance from new Joint Ventures **Talbro's Marugo Rubber** and **Magnetti Marelli Talbro's Chassis Systems**

Turnaround of **Forgings Business** and **Magnetti Marelli Talbro's Chassis Systems**

**Better Working Capital** and lower Bank Charges  
Continuous **Turnaround in Joint Venture Companies**

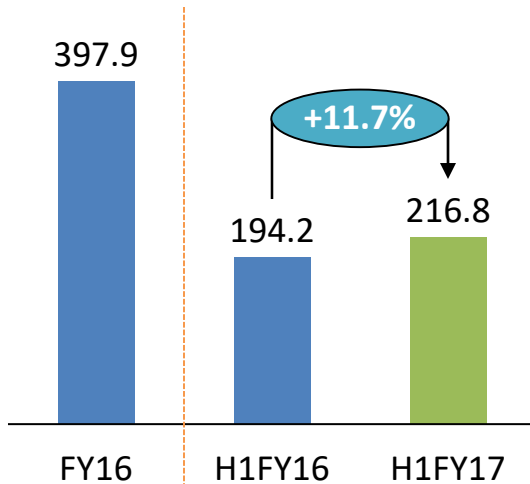
Driving Future Leadership

All Figures in Rs Crs.

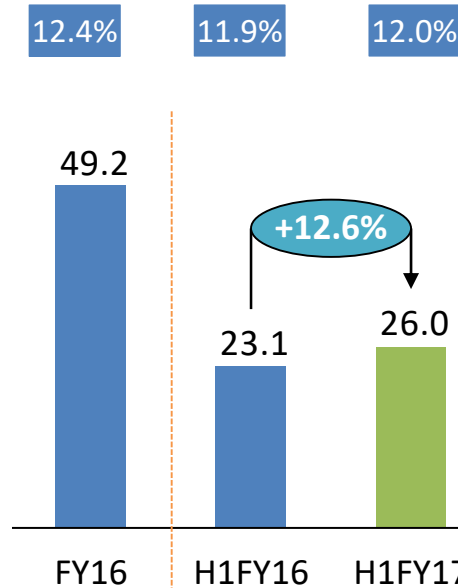
Margins %

# H1 FY17 performance

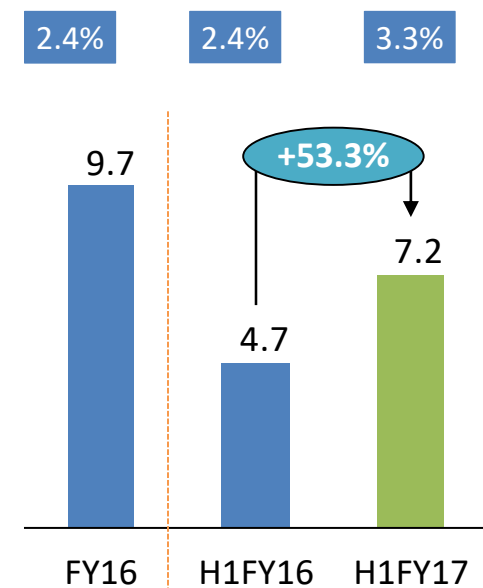
## Total Income from Operations



## EBIDTA



## PAT Rs Crs



Driving Future Leadership

All Figures in Rs Crs.

Margins %

# Q2FY17 Standalone Performance

## **Standalone:**

- Gaskets had higher share of OEM in the quarter
- Gasket margins impacted due to Rupee Depreciation and increased manpower costs due to Payment of Bonus Act
- Started production for Volvo-USA and Barak Turkey for Gaskets exports
- Forging business turnaround continues on domestic focus
  - Improved margins on lower power costs and lower material costs

## **Magneti Marelli Talbros Chassis Systems (MMT) :**

- 50% revenue growth led by higher volumes
- Increased volumes resulted in improved margins
- Positive PAT achieved in Q2FY17

## **Talbros Marugo Rubber (TMR):**

- New Hanger Business received from “Honda Car-India (HCIL)” for their next model
- New business of Cabin Mounts received from “Marugo” for “FUSO-Japan”
- Positive PAT achieved in Q2FY17

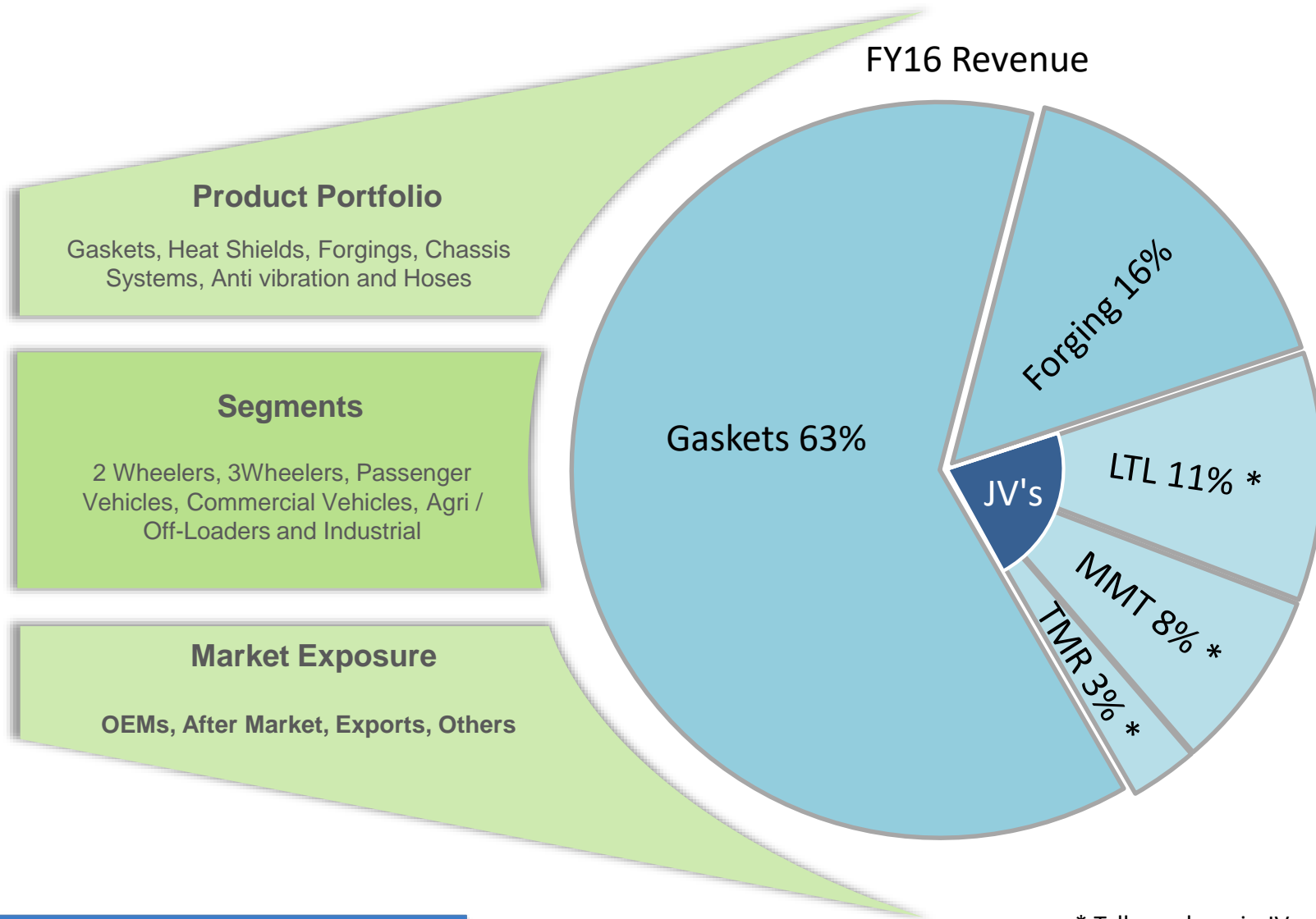


## *Growth Strategy*





# Diversified Portfolio



\* Talbros share in JV

# Strong Global Partnerships - Joint Ventures



*Nippon Leakless Talbros Pvt Ltd (NLK)*

- **Nippon Leakless Corporation** (Japan)
  - ✓ One of the largest global manufacturers of gaskets and a major Supplier for **Honda**
- Established in 2005 with 40% Talbros Share
- 100% Sales to OEMs to Honda and Hero



*Magneti Marelli Talbros Chassis Systems Pvt Ltd*

- **Magneti Marelli S.p.a** (Milano)
  - ✓ A Fiat group company with annual revenue of over € 6 Billion
- 50:50 partnership commenced production in April 2012
- 100% Sales to OEMs
- Significant share of Control Arms business from Maruti Suzuki and Tata



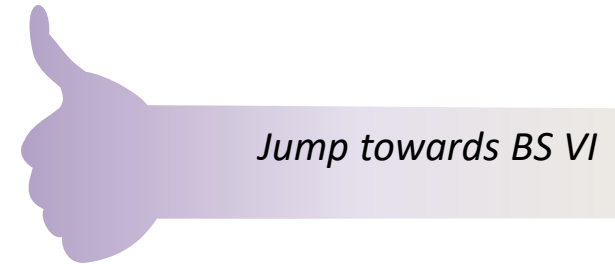
*Talbros Marugo Rubber Pvt Ltd (TMR)*

- **Marugo Rubber Industries Ltd** (Japan)
  - ✓ Global leader in supply of **Anti-Vibration Product and Hoses**
- **50:50** partnership commenced production in February 2013
- 100% Sales to OEMs predominantly Maruti Suzuki

# Strong Tailwinds...

## Stricter environmental Norms

- BS-VI expected implementation by 2020
- Developing new products such as **Heat Shields** under Technical Licensing Agreement with **SANWA Packaging**



## Huge Potential of Indian Passenger Vehicles Segment

- India's low vehicle penetration (32 vehicles per 1000 people in 2015) making it one of the world's most attractive auto markets
- India's PV segment is expected to grow to > 48 mn vehicles by 2020



## Tie-ups with leading component suppliers of the Globe

- India becoming a hub for Global OEMs for sourcing and manufacturing



## Increasing Government Thrust

- India's projected production is ~8.7mn PVs per year by 2020
- MNC's including (**Ford**, Hyundai, Toyota, GM, and Honda) are in the process of building facilities in India



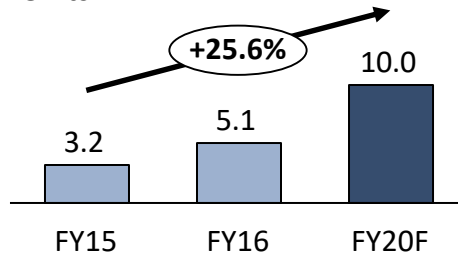
## Increasing Investments by Global Manufacturers

- Global car manufacturers plan to leverage India's competitive advantage to set up export-oriented production hubs

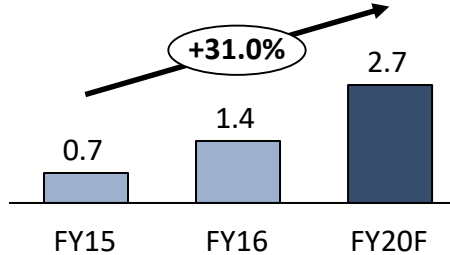


# The Automotive Opportunities

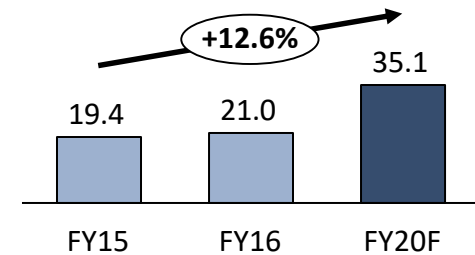
Million Units



Passenger Vehicles



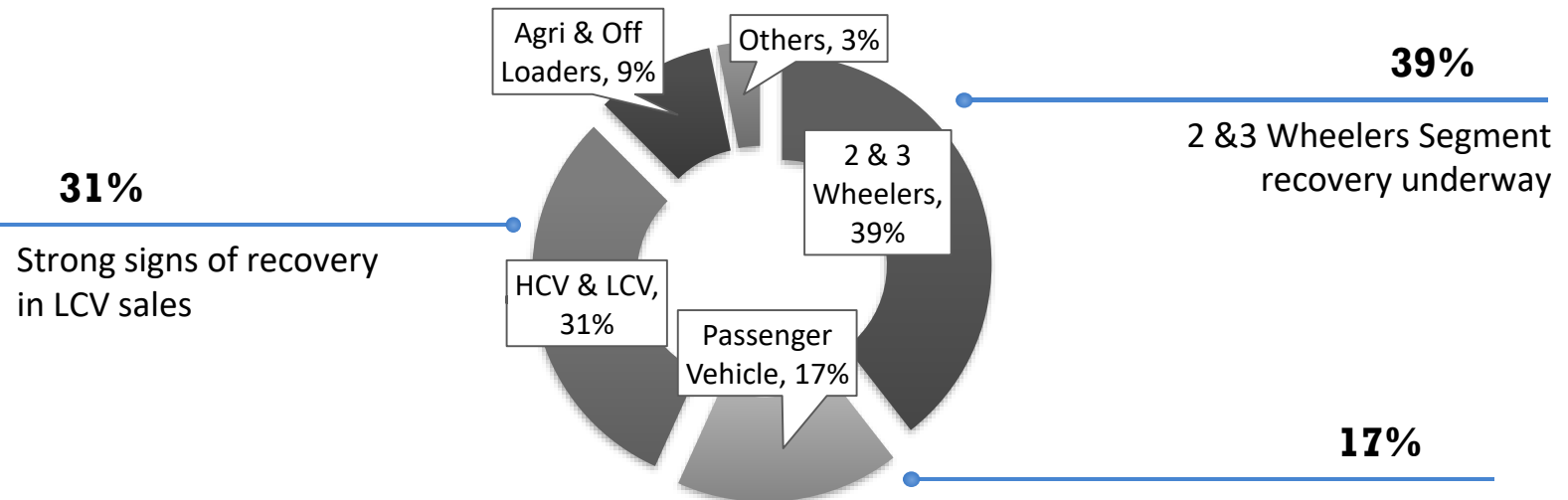
Commercial Vehicles



2W & 3W Vehicles

Source: IBEF, SIAM

## TACL: Domestic Sales Break up FY16



Driving Future Leadership

# Leadership Team to drive Growth...



Joint  
Managing  
Director

## Anuj Talwar

*Is a Bachelor in Business Administration from college of William & Mary, Virginia, USA and Master of Business Administration from Boston University Graduate School of Management. He has been associated with the Company since 2008. He has over 10 years of rich experience in the Corporate Finance, Credit analysis ,Auto Industry and M&A.*



Director  
& Group  
CFO

## Navin Juneja

*Is a B.Sc. (Mathematics) and Chartered Accountant (FCA). He is working as Finance Head of Talbros Group as its Group CFO. He also advises various companies on financial management and corporate planning. He has more than 30 years of rich experience in Finance, Accounting and Strategic Planning.*

## ... towards a Sustainable and Profitable FY17

- Recovery in LCV and 2Wheeler Sales
- Expectation of good monsoon and 7<sup>th</sup> pay commission to boost consumer demand
- Commencement of Shipment from recent order wins
- Increasing geographical presence in forging business
- Sales from recently commenced Hoses operations
- Improving scale of operations in Joint Ventures there by leading to improvement in profitability

### **We expect better performance in FY17:**

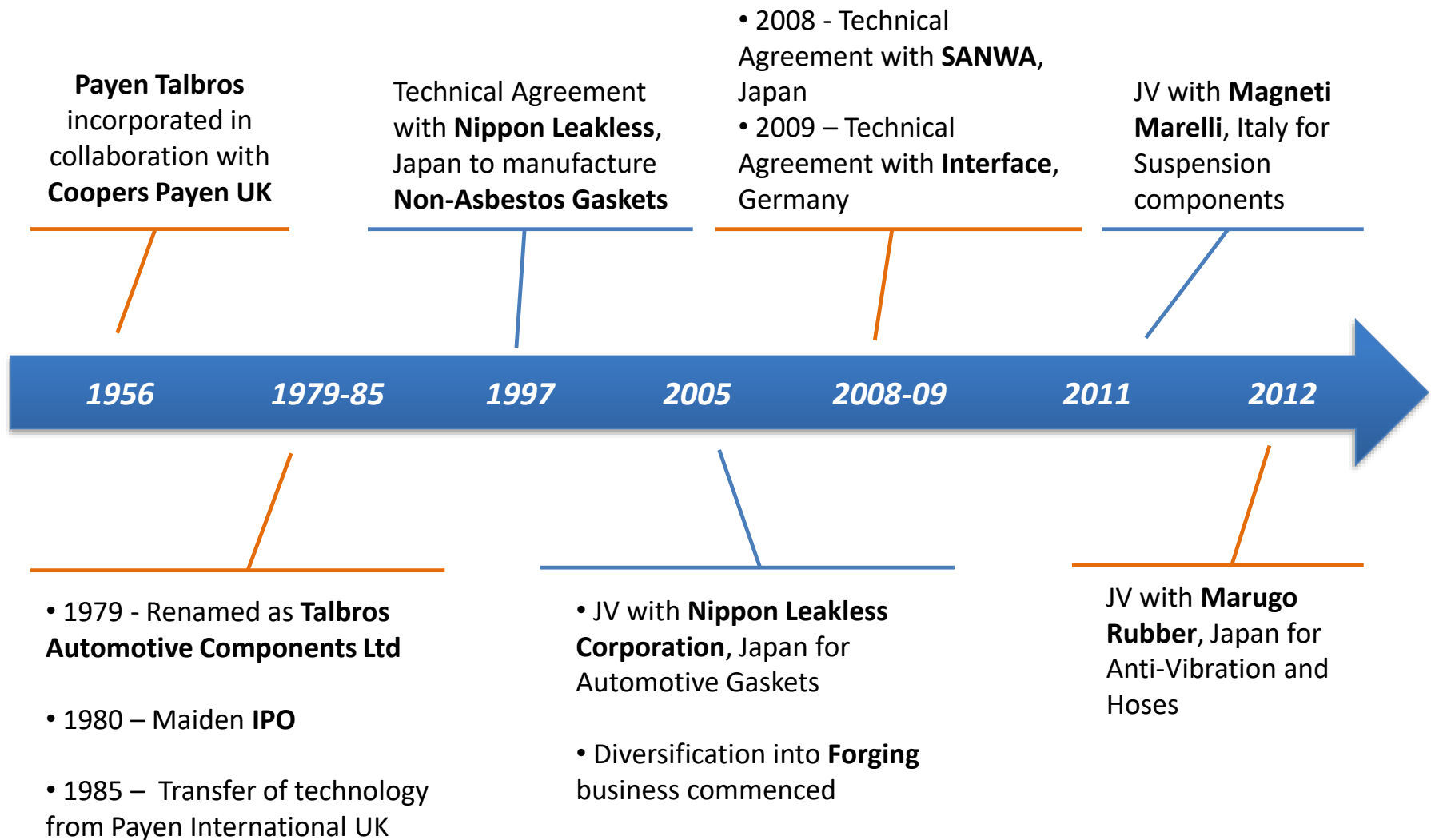
- Total Income:
  - FY16 : Rs 398 Crs
  - FY17 Growth Expectations : 10-12%
- EBIDTA Margins
  - FY16 : 12.3%
  - FY17 Expectations : 12.00 % – 12.50%

## *Business Overview*





# Key Milestones



# Board of Directors



**Mr Naresh Talwar**  
Chairman



**Mr Navin Juneja**  
Director



**Mr Amit Burman**  
Independent  
Director



**Mr Umesh Talwar**  
Vice Chairman &  
MD



**Mr Vidur Talwar**  
Non Executive



**Mr R R Vederah**  
Independent  
Director



**Mr Varun Talwar**  
Joint Managing  
Director



**Mr Rajive Swahney**  
Independent  
Director



**Mr Pallavi  
Sadanand Poojan**  
Independent  
Director



**Mr Anuj Talwar**  
Joint Managing  
Director



**Mr V Mohan**  
Independent  
Director



**Mr Anil Kumar  
Mehra**  
Independent  
Director

# Executive Management

## *Mr. Manish Khanna*

### **Chief Financial Officer**

A Qualified CA and MBA, he has over 17 years of experience with LeeBoy India Constructions, Doosan Infracore, Escorts Construction Equipment and Amforge Industries

## *Mrs. Seema Narang*

### **Company Secretary**

She has over 22 years of experience in the secretarial department and has worked with Whirlpool of India and Aksh Optifibre Ltd

## *Mr. Suryanaryan T. Hebbar*

### **President – Gaskets Division**

He has over 20 years of experience in the Auto Components sector with JBM Auto, Rangsons Electronics, TVS motors, TACO, Visteon and DELPHI

## *Mr. Basavaraj R Patil*

### **President – Forging Division**

Has worked with Bharat Forge, Ramkrishna Forgings and CFT team at QH Talbros

## *Mr. Yutaka Ota*

### **Managing Director – Nippon Leakless Talbros Pvt. Ltd**

He holds BE degree from Tokyo and has experience of 25 years working in the Gasket Industry

## *Mr. Ashish Gupta*

### **CEO – Magneti Marelli Talbros Pvt. Ltd**

He holds a BE degree and has over 24 years of experience with manufacturing companies in India, Europe & CIS

## *Mr. Inoue San*

### **Managing Director – Talbros Marugo Rubber Pvt. Ltd**

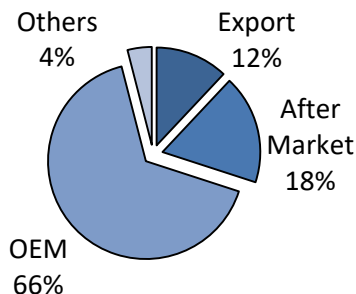
He is an Engineer and has an experience of over 30 years and has worked as DGM-Vibration Control Development Section with Marugo Rubber Industries Ltd

# Standalone

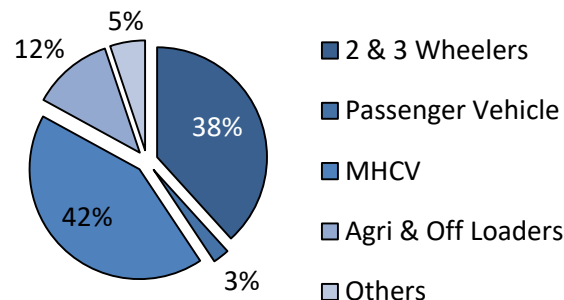
## Gaskets

- In – House tool design and manufacturing
- **38%** Market share in Gaskets **3x** the nearest competitor
- **Market Leader** in – Two Wheeler, Agri & Off Loaders, HCV & LCV segment
- **Tier I OE supplier** for **12** of our customers
- **Single Source Supplier** for **5** of our customers
- **100% Asbestos Free player**
- Export orders from Cummins, Daimler, Volvo and Harley Davidson
- Introduced dedicated **Heat Shield line**: critical for heat, sound and vibration insulation
- Revenue for **H1FY17 stood at 136 Cr**

**FY16 Revenue Rs 248 Crores**



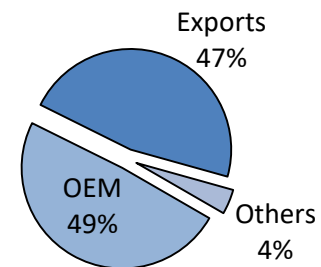
**FY16 OEM Breakup**



## Forging

- One stop solution for **Hot Forging** (750 to 1,600 Ton Press)
- In-House tool design and manufacturing
- Strong presence in **Overseas Market** & Supplier to **top Tier I** companies
- **One Stop Solution** for Die Design, Machine parts and Heat treatment (Normalizing and Carbohydriding)
- Introduced Crown Wheels
- Added new customers Ognibene and American Axle to diversify its geographic risk
- Revenue for **H1FY17 stood at 34 Cr**

**FY16 Revenue Rs 62 Crores**



# Products - Various Types and Shapes

## Gaskets

*Multi Layer Steel*



*Rubber Molded*



*Exhaust Manifold*



*Edge Molded*



*Heat Shield*



*Cylinder Head*



## Forgings

*King Pins*



*Gear Blanks*



*Housing and Yoke Shafts*



# Joint Ventures



## *Nippon Leakless Talbros Pvt Ltd*

## *Magnetti Marelli Talbros Chassis Systems Pvt Ltd*

## *Talbros Marugo Rubber Pvt Ltd*

### Products

Gaskets

Control Arms, Front Axle and Rear Axle

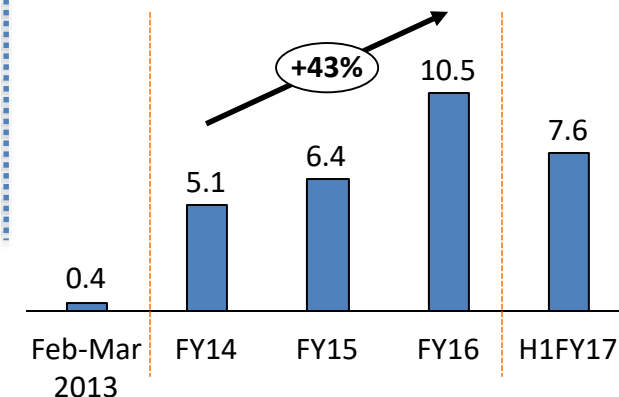
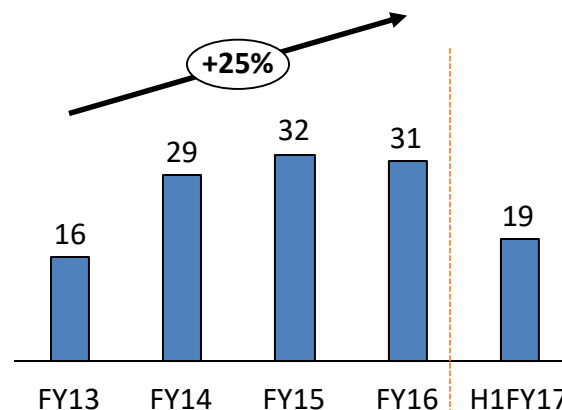
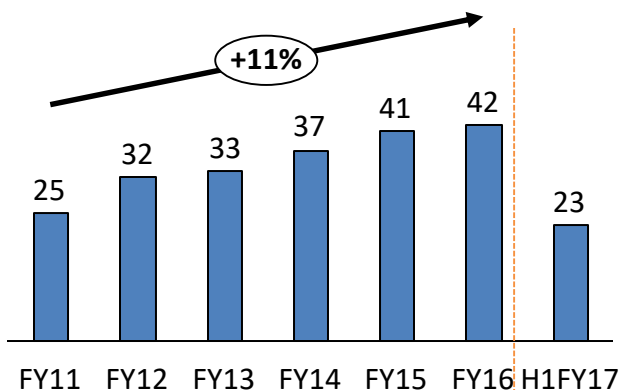
Engine Mounts, Strut Mounts, Mufflers & Hangers, Suspension Bushes, Rubber Bushes, Hoses

### Customers

Hero Motor Corp, HMSI, India  
Yamaha, Honda Car India, Maruti Suzuki, Honda Sael Power Products

Bajaj Auto, Mahindra & Mahindra, Maruti Suzuki India, Tata Motors  
Significant share of Control Arms business from Maruti

Maruti Suzuki, QH Talbros, Endurance Technologies, Rane (Madras) Ltd, Escort India, TATA

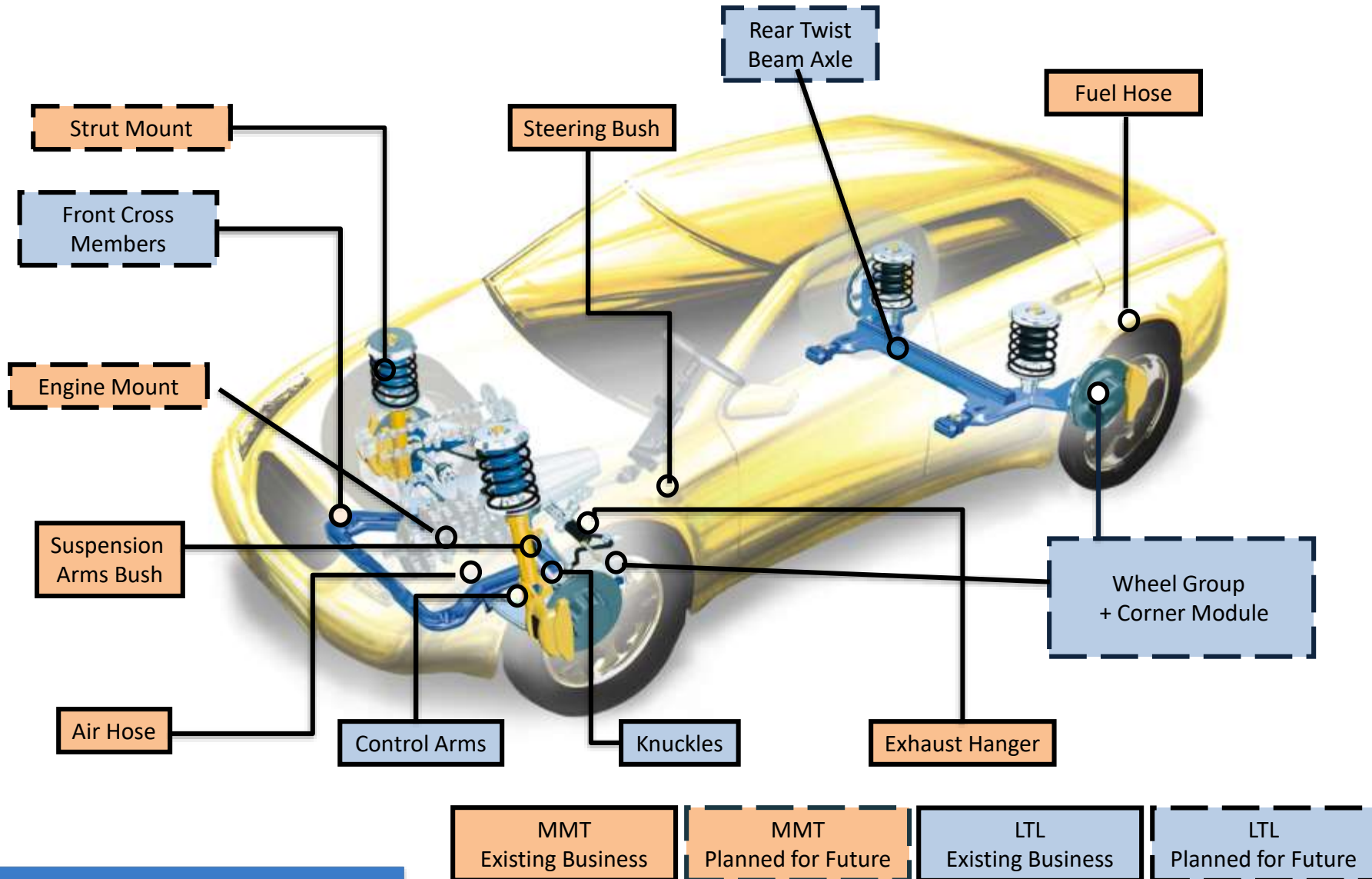


Driving Future Leadership

\* Talbros Share of JV Revenue in Rs Crores

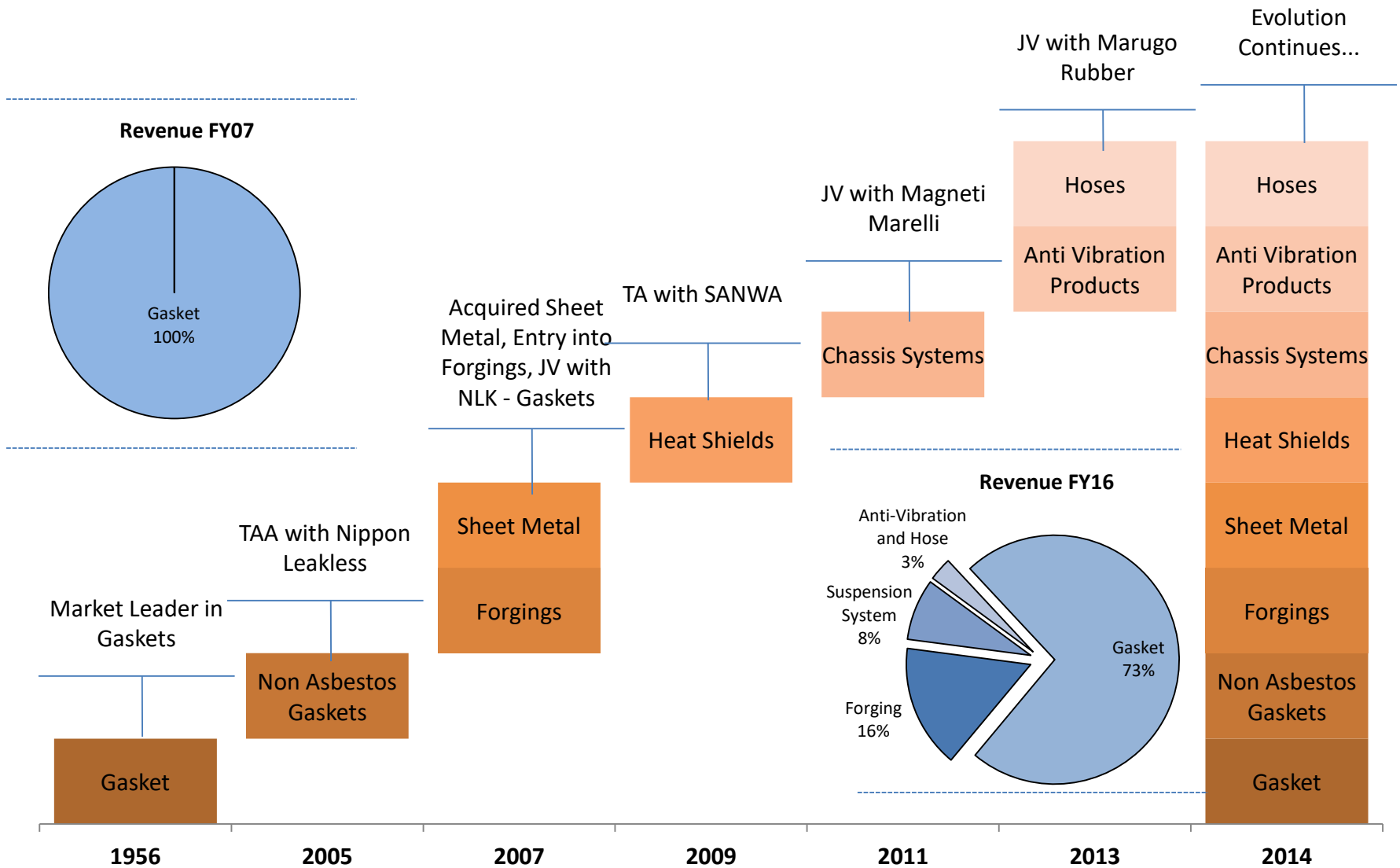


# Scope of Joint Ventures





# Evolving Product Portfolio



# Diversified Customer - OEM

## 2 Wheeler



## Passenger



## HCV/LCV



## Agri & Off Loader



## Exports



Hedged customer base, **40%** revenue from top 5 customers

# Manufacturing Facilities



## **Gasket**

Faridabad, Haryana (2 plants & R&D Centre)  
Pune, Maharashtra & Sitarganj, Uttarakhand



## **Nippon Leakless**

Bawal – Haryana  
Haridwar – Uttarakhand



## **Forging**

Bawal – Haryana



## **Talbros Marugo Rubber**

Manesar – Gurgaon



## **Magneti Marelli Talbros**

Faridabad - Haryana

Also houses a Material Division in Sohna – Gurgaon

## *Financials Highlights*



# Consolidated P & L Statement

Rs. Cr	Q2FY17	Q2FY16	YoY %	H1FY17	H1FY16	YoY%	FY16
<b>Revenue</b>	<b>106.2</b>	<b>97.5</b>		<b>213.3</b>	<b>193.4</b>		<b>392.0</b>
Other Income	<b>2.2</b>	<b>0.2</b>		3.5	0.8		5.9
<b>Total Income from Operations</b>	<b>108.4</b>	<b>97.7</b>	<b>11%</b>	<b>216.8</b>	<b>194.2</b>	<b>12%</b>	<b>397.9</b>
Raw Material	59.7	53.5		120.5	108.0		218.5
Employee Cost	14.2	12.3		28.5	25.0		51.6
Other Expenses	21.2	20.1		41.8	38.0		78.6
<b>EBITDA</b>	<b>13.3</b>	<b>11.8</b>	<b>13%</b>	<b>26.0</b>	<b>23.1</b>	<b>13%</b>	<b>49.2</b>
<b>EBITDA Margin</b>	<b>12.29%</b>	<b>12.05%</b>		<b>11.98%</b>	<b>11.88%</b>		<b>12.36%</b>
Interest	4.0	4.5		8.4	9.0		17.7
Depreciation	3.8	3.5		7.7	6.9		15.4
Exceptional Item *	0.0	0.0		0.0	0.0		-1.9
<b>PBT</b>	<b>5.5</b>	<b>3.8</b>	<b>44%</b>	<b>9.9</b>	<b>7.3</b>	<b>36%</b>	<b>14.2</b>
Tax	1.4	1.4	1%	2.7	2.6	4%	4.5
<b>PAT</b>	<b>4.1</b>	<b>2.5</b>	<b>68%</b>	<b>7.2</b>	<b>4.7</b>	<b>53%</b>	<b>9.7</b>
<b>PAT Margin</b>	<b>3.80%</b>	<b>2.51%</b>		<b>3.31%</b>	<b>2.41%</b>		<b>2.44%</b>

\*Exceptional items:

FY16 Loss on sale of Machine in Magnetti Marelli Talbros Chassis Systems Pvt Ltd JV

# Consolidated Balance Sheet

Rs. Cr	Sep 16	Mar 16
<b>Shareholders Fund</b>	<b>137.4</b>	<b>131.7</b>
Share Capital	12.3	12.3
Reserves & Surplus	125.0	119.4
<b>Total Non Current Liabilities</b>	<b>25.4</b>	<b>33.7</b>
Long Term Borrowings	18.3	22.9
Other Long Term Liabilities	7.2	10.8
<b>Total Current Liabilities</b>	<b>235.7</b>	<b>230.3</b>
Short Term Borrowings	92.2	90.6
Trade Payables	107.6	106.8
Other Current Liabilities	35.8	32.9
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>398.6</b>	<b>395.7</b>

Rs. Cr	Sep 16	Mar 16
<b>Total Non Current Assets</b>	<b>163.0</b>	<b>164.7</b>
Fixed Assets	142.8	143.0
Long Term loans & Advances	11.8	14.0
Other Non Current Assets	8.4	7.7
<b>Total Current Assets</b>	<b>235.6</b>	<b>231.0</b>
Inventories *	109.8	116.3
Trade Receivables	84.0	79.8
Cash & Cash Equivalents	13.9	8.1
Short Term loans & Advances	26.7	24.3
Other Current Assets	1.1	2.4
<b>TOTAL ASSETS</b>	<b>398.6</b>	<b>395.7</b>

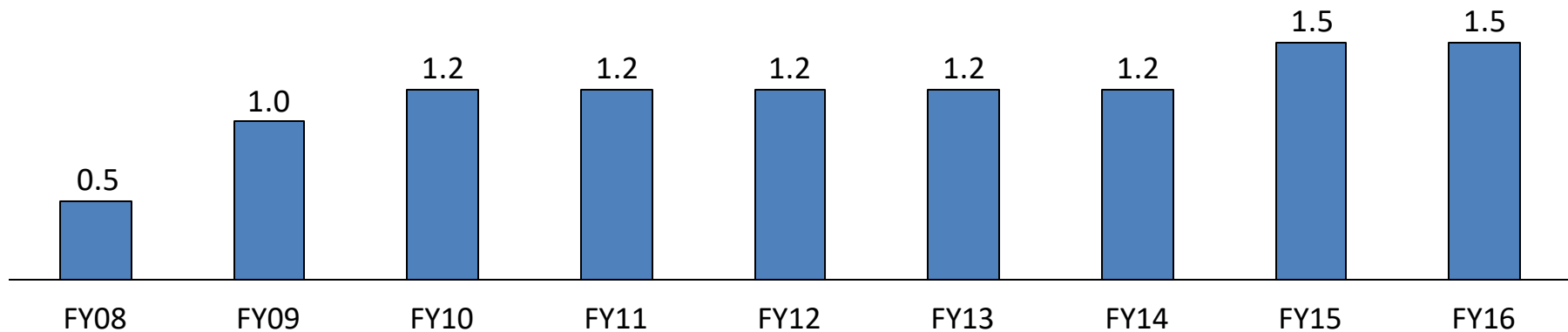
\* Inventories include: Goods in Transit of Rs 4.8 Crs as of Sep 16 and Rs 7.7 Crs as of Mar 16



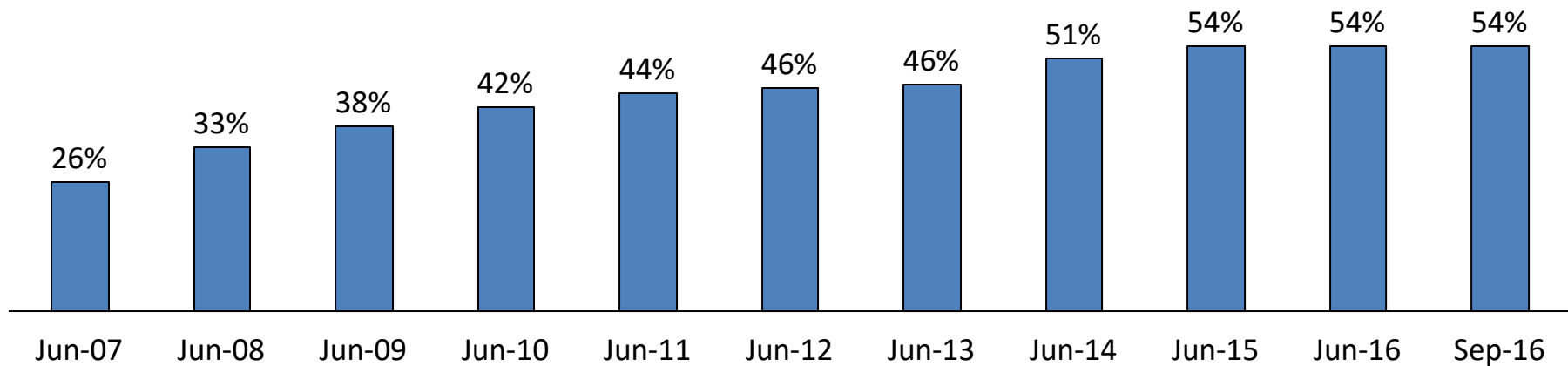
# Equity

In Rs

Consistently paying Dividend for the last 50 years



Promoter Shareholding





## For further information, please contact:

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### Company :

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