

talbro's Automotive Components Ltd

FY15 Update
May 2015



Safe Harbour

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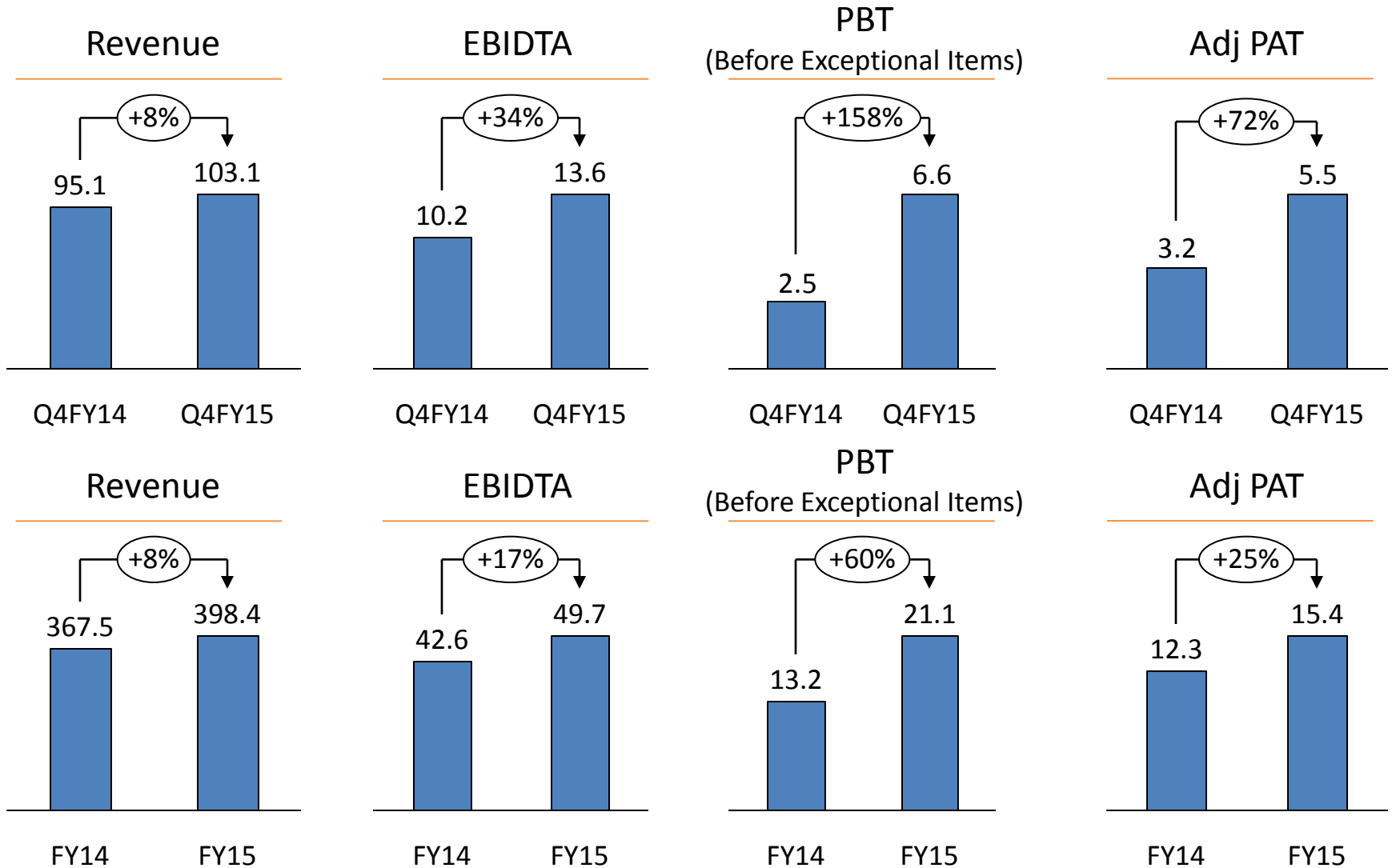
Automotive Market Scenario FY15

- Auto Sector growth was below expectations at 8% YoY impacted by
 - Disappointing festive sales in the second half
 - Reversal of Excise duty cuts on Cars and 2-wheelers
- Passenger Vehicle maintained a slow pace at 4% growth YoY
 - Growth driven by Utility Vehicle which grew by 10.8%
- Medium & Heavy CV segment continued steady growth at 17.4% YoY
 - Light CV segment de-grew by 9.9% YoY while overall CV segment de-grew by 1.3%
- Two-wheeler segment grew by 9.3% YoY; led by scooters growth at 27%

Source: SIAM

Talbros grew in line with the market

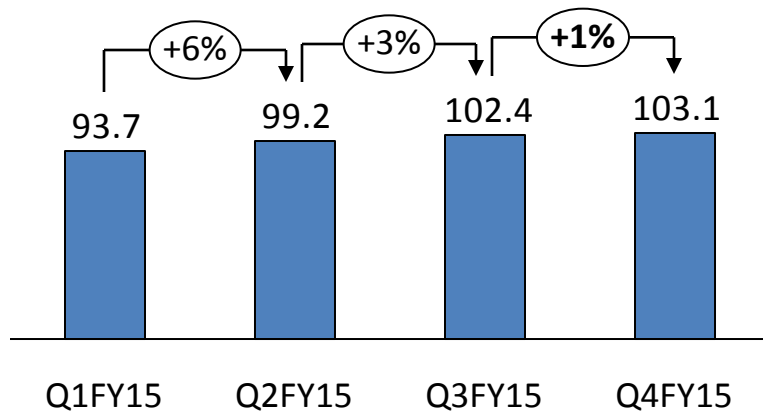
Financial Highlights



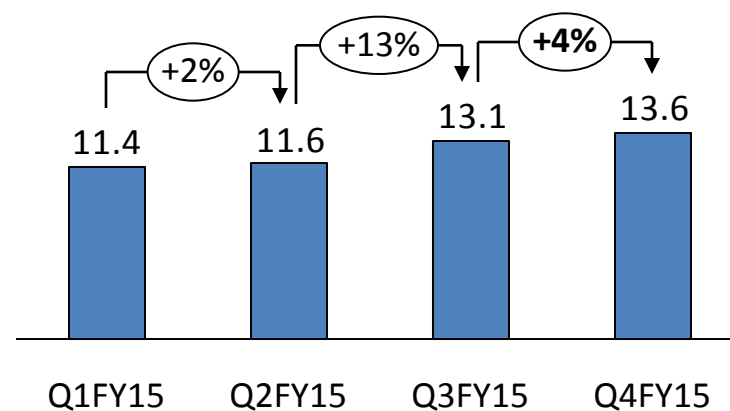
* Rs Crores

Consistent Sequential Growth

Revenue

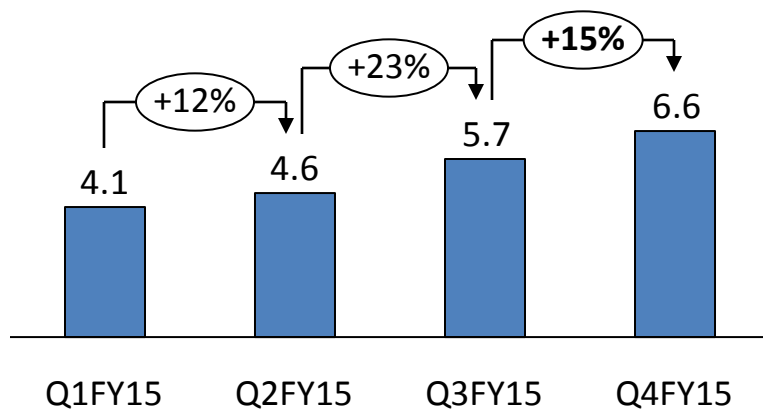


EBIDTA

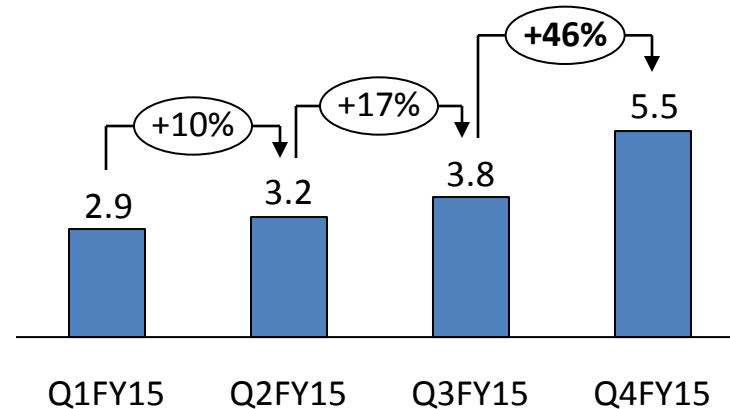


PBT

(Before Exceptional Items)



Adj PAT



FY15 Highlights

- Sales of Rs 398.4 Crores; Growth of 8%
 - Led by strong performance of Gaskets Division
- EBIDTA of Rs 49.7 Crores; Growth of 17%
- EBIDTA Margin improved by 90 bps to 12.5%
 - Led by material cost savings and lower overheads
- Lower finance cost on the back of interest rate optimization
- PBT prior to exceptional items of Rs 21.1 Crores; Growth of 60%
- Adj PAT of Rs 15.4 Crores: Growth of 25%
 - Tax exemption have reduced from 100% to 30% at our Sitarganj & Haridwar facilities in Uttarakhand this year
- Exceptional Items for the year of Rs 1.9 Crores, pertains to the terminal benefits payable to the erstwhile employees of the Chennai Plant
 - The Chennai plant was closed in Q2FY15

Segmental Performance

Gaskets Division:

- Sales growth was in line with the industry growth supported by healthy volumes from OE – SPD (Spare Parts Division) demand
- Sale to Commercial Vehicles segment outperformed the industry where as motorcycles industry faced weakness
- Margin improvements driven by Localization and Material Yield Improvement Measures

Forgings Division:

- Sales impacted due to the slowdown in Europe and weakening Euro
- Prudent hedging in exports helped in cushioning the impact
- Exploring new customers in the USA

Joint Venture Performance

Nippon Leakless Talbros (LTL) :

- Steady Performance driven by strong growth in scooters segment

Magneti Marelli Talbros Chassis Systems (MMT) :

- Our share in the material requirement of MSIL increased
- Received first order from Bajaj for the RE60 Quadricycle
- Strong order visibility

Talbros Marugo Rubber (TMR):

- Started Supply of Intercooler Hoses to Maruti Suzuki India Ltd
- Started exports to our JV partner Marugo Rubber in Japan
- TMR nearly achieved cash break even in 2HFY15

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

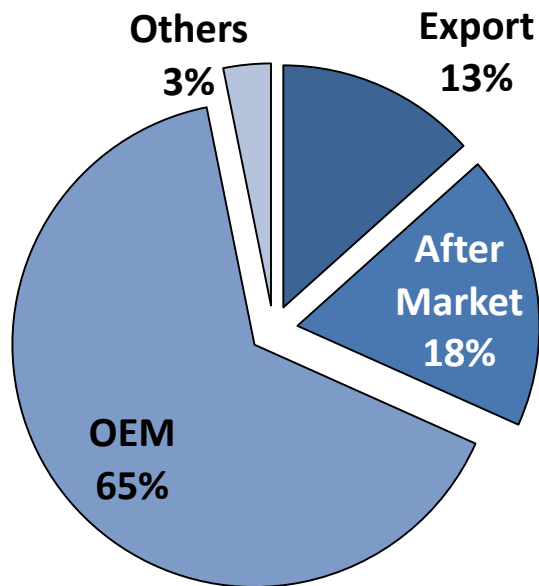
Standalone

* Talbros share in JV

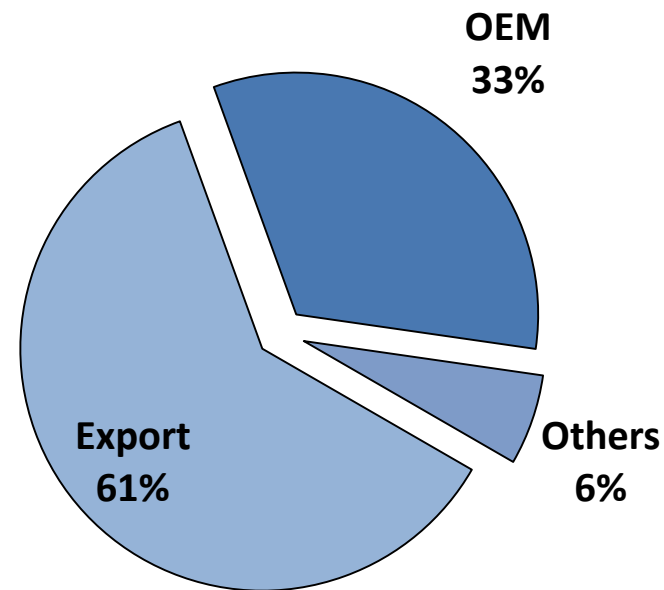
Above data excludes other non operating income

Standalone Business

Gaskets Division
FY15 Revenue Rs 244 Crores

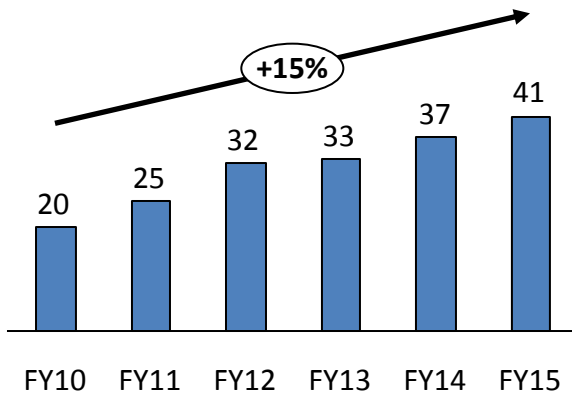


Forgings Division
FY15 Revenue Rs 70 Crores

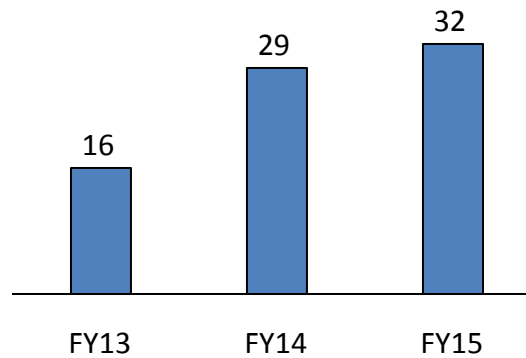


Joint Ventures

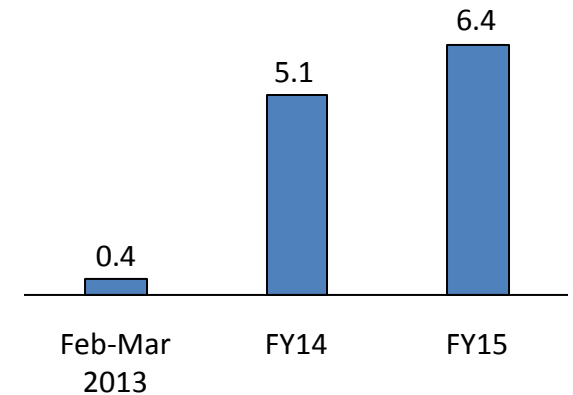
Nippon Leakless Talbros



Magneti Marelli Talbros

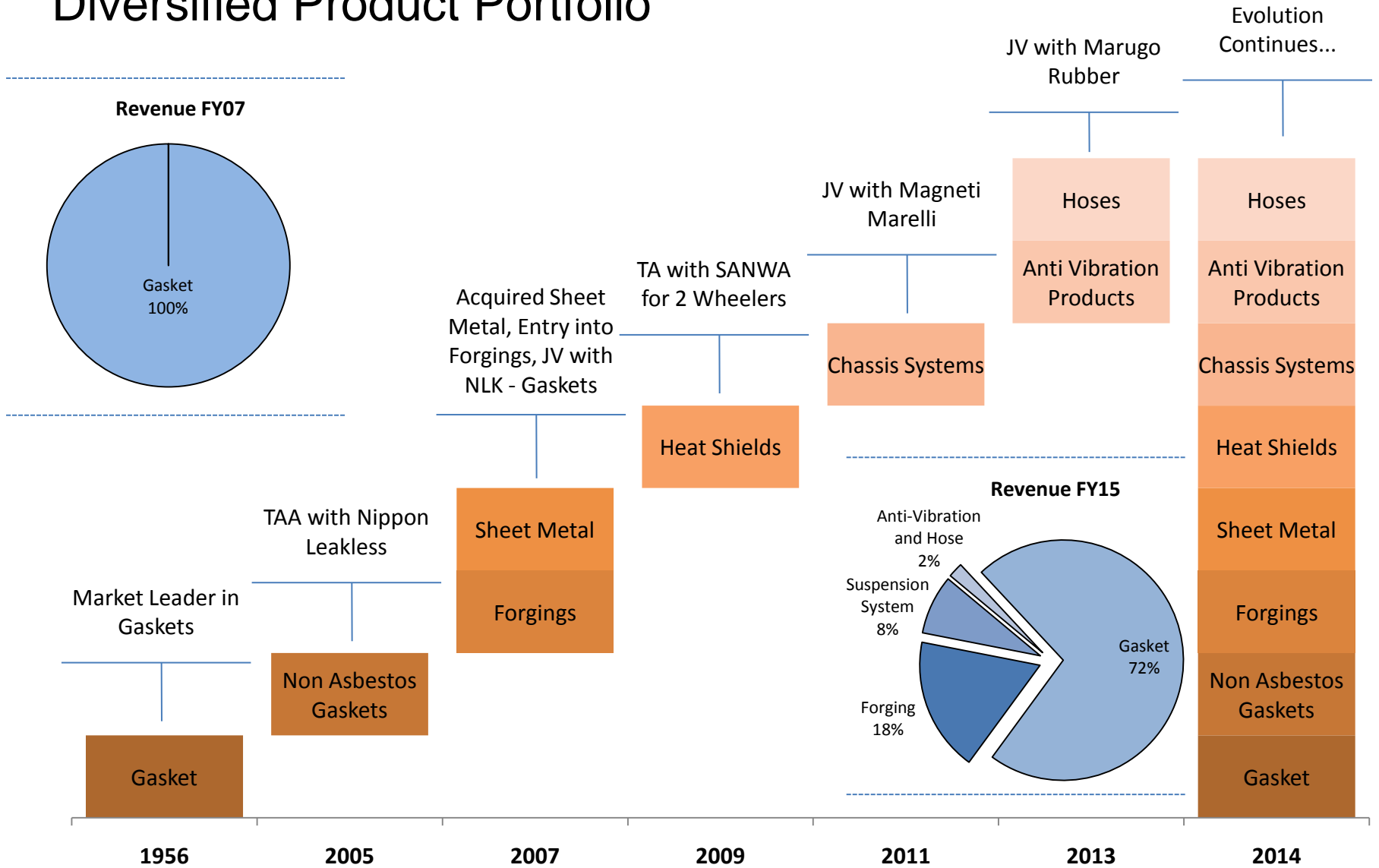


Talbros Marugo Rubber



* 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

Consolidated P & L Statement

Rs. Cr	Q4FY15	Q4FY14	YoY %	Q3FY15	QoQ %	FY15	FY14	YoY %
Revenue	97.6	93.9	4%	100.8	-3%	388.8	361.9	7%
Other Income	5.5	1.2	354%	1.6	237%	9.6	5.6	72%
Total Income from Operations	103.1	95.1	8%	102.4	1%	398.4	367.5	8.4%
Raw Material	52.9	49.0	8%	57.0	-7%	215.5	205.0	5%
Employee Cost	13.6	10.3	32%	12.3	10%	49.5	42.4	17%
Other Expenses	23.0	25.6	-10%	20.0	15%	83.7	77.6	8%
EBITDA	13.6	10.2	34%	13.1	4%	49.7	42.6	17%
EBITDA Margin	13.19%	10.71%		12.82%		12.48%	11.59%	
Interest	5.1	5.1	0%	4.6	10%	18.7	19.0	-2%
Depreciation	1.9	2.6	-24%	2.8	-31%	10.0	10.5	-4%
PBT (Before Exceptional Items)	6.6	2.5	158%	5.7	15%	21.1	13.2	60%
Exceptional Item *	-1.9	8.8		0.0		-1.9	8.8	
Tax	0.5	1.1	-59%	2.0	-77%	5.1	2.7	89%
PAT	4.3	10.2	-58%	3.8	13%	14.1	19.3	-27%
PAT Excl Exceptions	5.5	3.2	72%	3.8	53%	15.4	12.3	25%
PAT Excl Exceptions Margin %	5.34%	3.37%		3.67%		3.86%	3.34%	

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

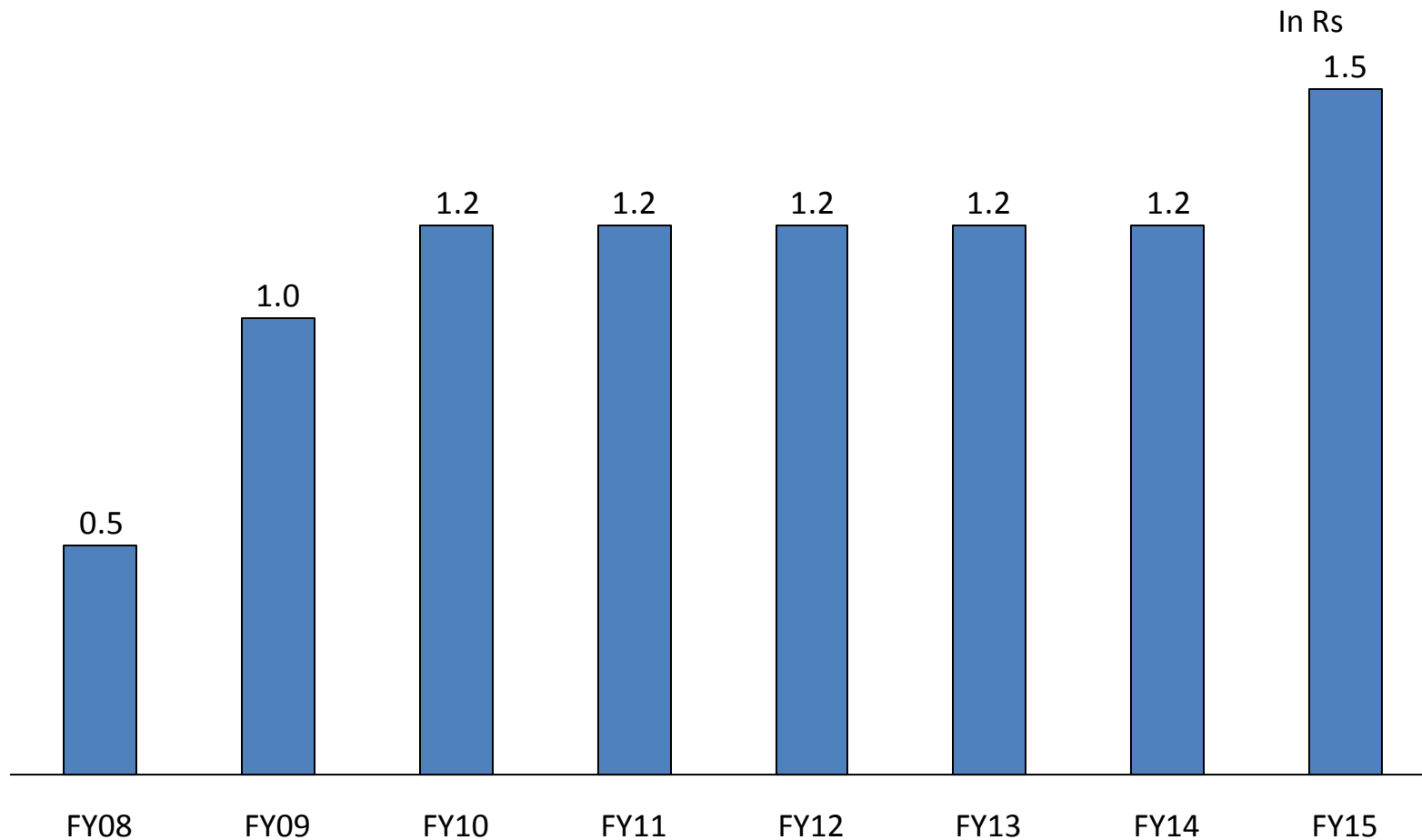
*Q4FY14 Income from Sale of Land

Consolidated Balance Sheet

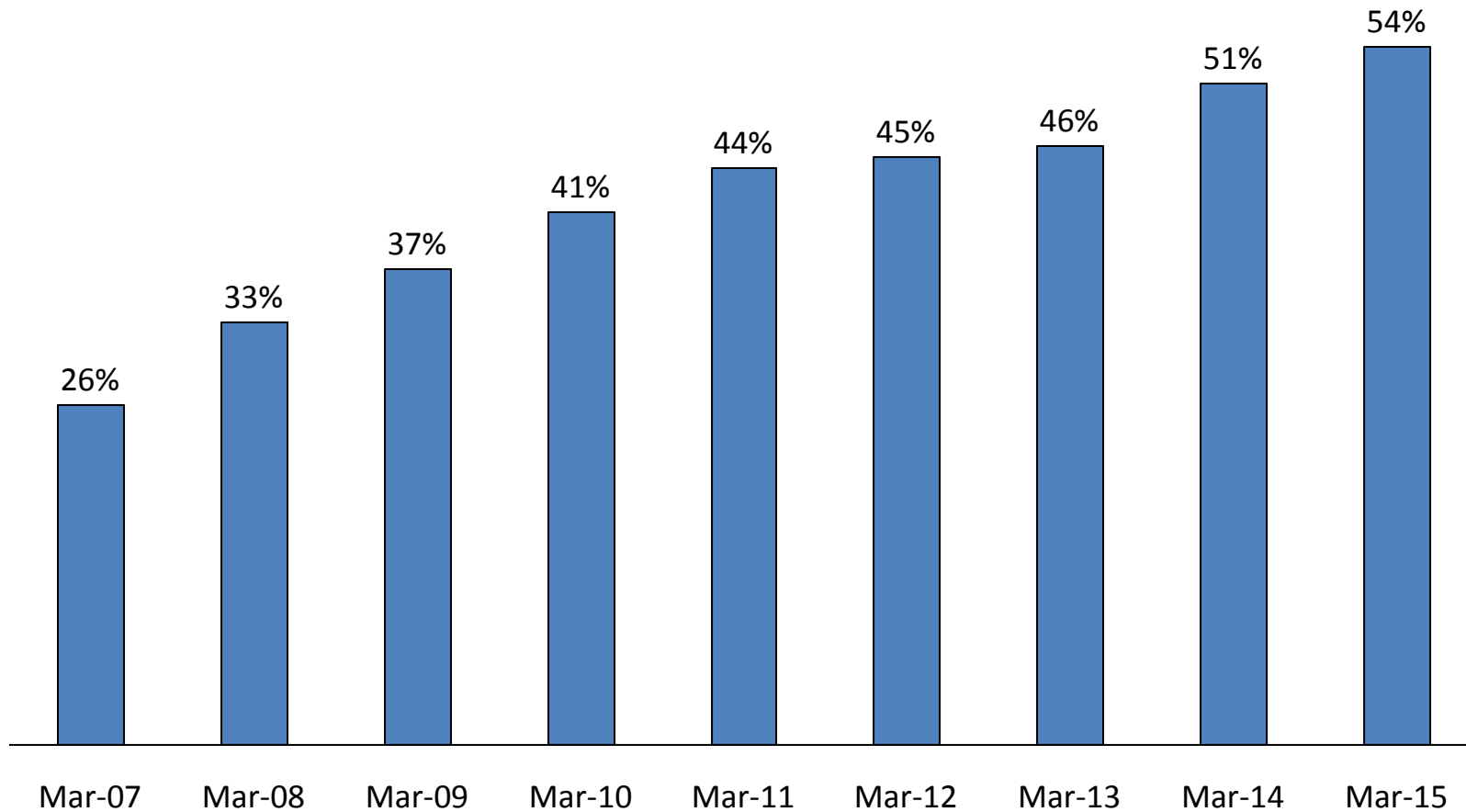
Rs. Cr	Mar15	Mar14
Shareholders Fund	127.1	119.3
Share Capital	12.3	12.3
Reserves & Surplus	114.8	106.9
Total Non Current Liabilities	40.8	40.8
Long Term Borrowings	31.8	30.9
Other Long Term Liabilities	9.0	9.8
Total Current Liabilities	215.6	186.0
Short Term Borrowings	85.1	77.2
Trade Payables	92.4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

Consistently paying Dividend for the last 50 years



Promoter Shareholding



For further information, please contact:

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