



INVESTOR PRESENTATION November 2020



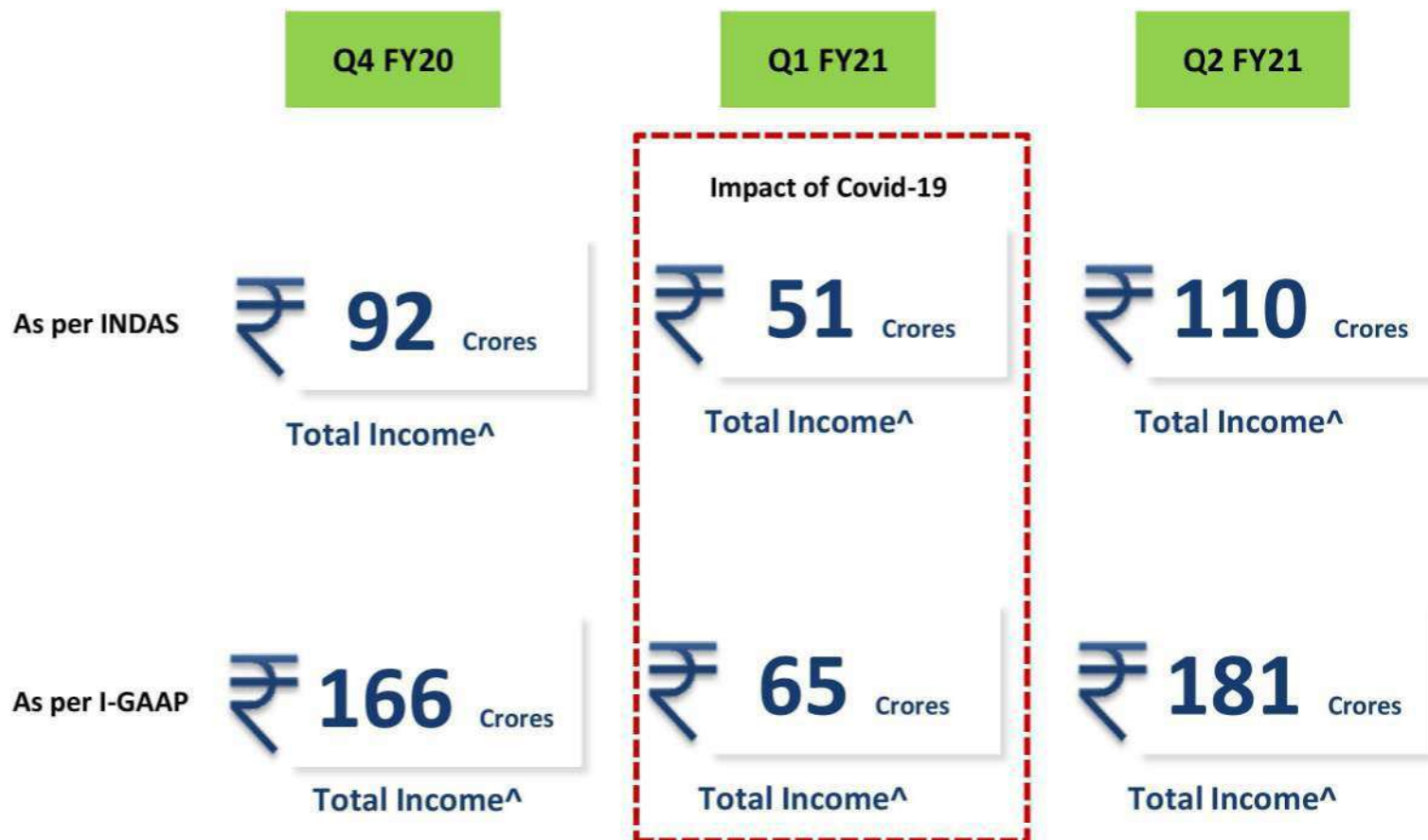
This presentation and the accompanying slides (the “Presentation”), which have been prepared by **Talbro's Automotive Components Limited** (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

This presentation contains certain forward looking statements concerning the Company’s future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the company.

Strong Recovery... leading to better growth in H2FY21

Increasing Momentum



□ Growth momentum to get stronger in H2 FY21

- Execution of healthy orderbook especially with the start of execution for the multi-year USD31mn order
- Execution of new business won for BS-VI complaint Heat Shield products
- Pick up in CV segment
- Development of New technologies and product
- Increased penetration in OEMs

Consolidated Q2 FY21 Highlights - INDAS

₹ **110** Crores

Total Income[^]



17 Crores

EBITDA[^]

15.4 %

EBITDA Margin



10 Crores

PAT

Commenting on the performance Mr. Anuj Talwar, Jt. Managing Director, Talbros Automotive Components Limited said:

"The effects of the COVID-19 crisis on the automotive industry are extensive. There has been fundamental change in demand which should not be overlooked by the industry and one has to adapt it so as to capture the market share.

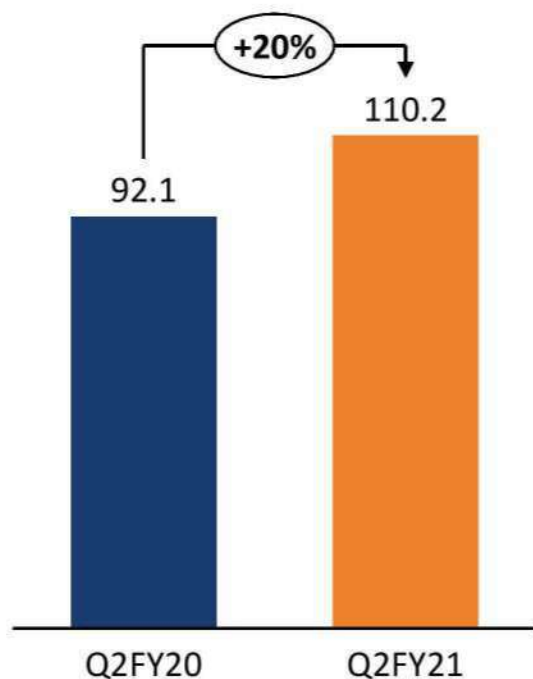
*As we move forward, the auto sector is going through the path of revival and we are not behind the league. **Talbros has reported double digit revenue growth on Y-o-Y basis during current quarter and has more than doubled its Revenue as compared to Q1FY21 with very healthy profitability.***

The Company has achieved breakthrough by achieving maiden business for BSVI complaint Heat Shield product from two of the largest OEMs in Indian PV market. In the crucial months of lockdown, we have successfully shown our efficiency by reporting positive EBITDA in 1st quarter which was rare amongst peers.

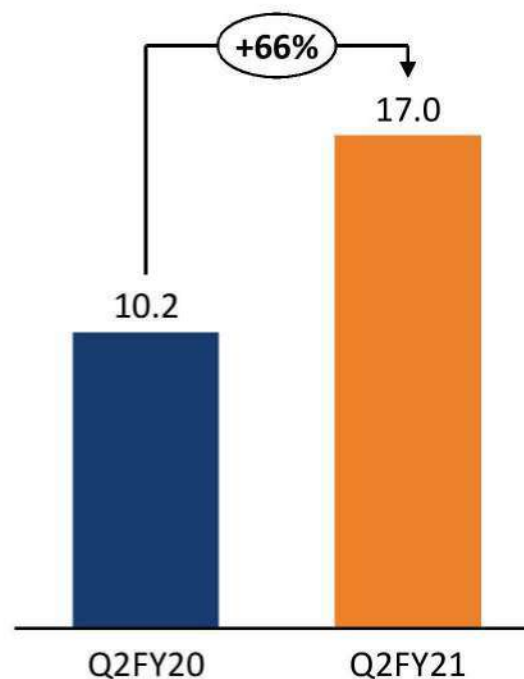
*While we remain confident on the growth momentum for the next few quarters, we expect a partial rollback in cost savings, **however the margins will continue to be healthy as we aim to sweat our asset base.***"

Consolidated Q2FY21 Performance Highlights

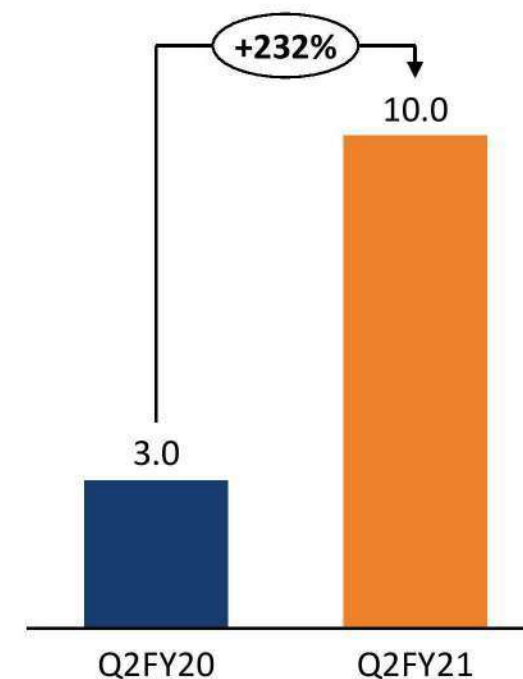
Total Income from Operations[^]



EBIDTA[^]



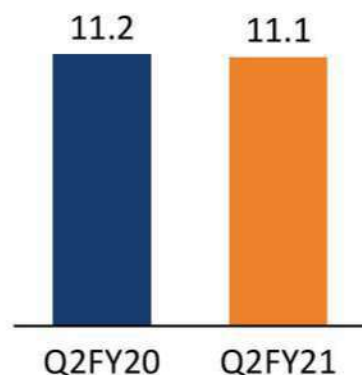
PAT



Q2 FY21 JV's Performance Highlights

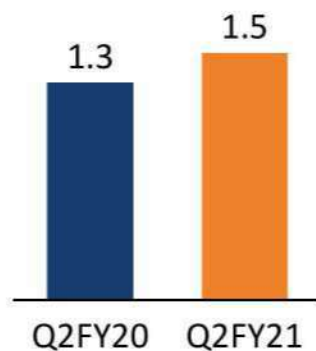
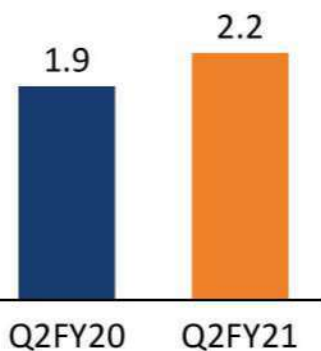
*Nippon Leakless Talbros Pvt Ltd**

Total Income from Operations



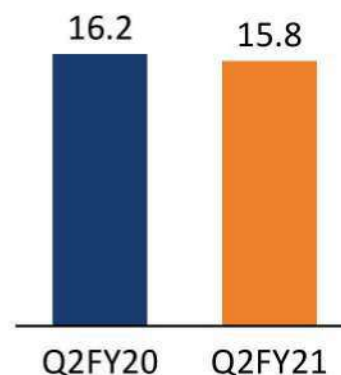
EBIDTA

PAT



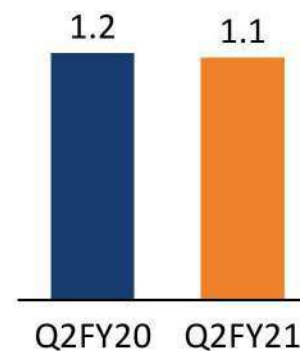
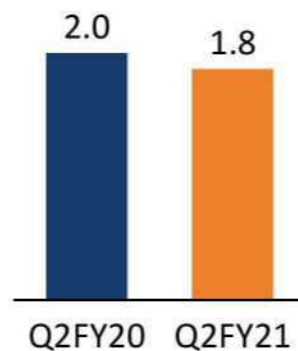
*Magneti Marelli Talbros Chassis Systems Pvt Ltd**

Total Income from Operations



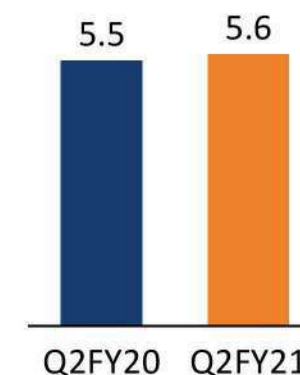
EBIDTA

PAT



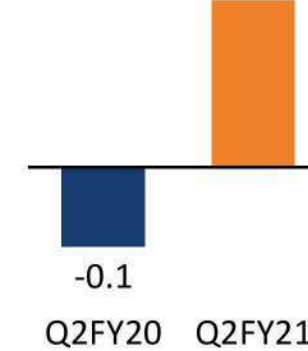
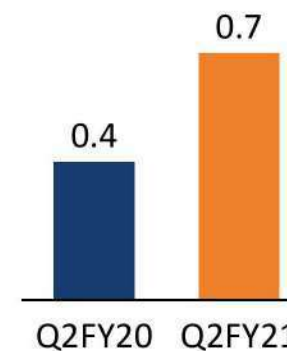
*Talbros Marugo Rubber Pvt Ltd**

Total Income from Operations



EBIDTA

PAT



TACL Group – Corporate Structure

Figures in Rs. Crores



*Proportionate share of the JV's

^Includes other income

JV's

Group Turnover As per I-GAAP

FY20
688

H1 FY21
246

Consolidated Revenue As per IND-AS

FY20^
391

H1 FY21^
161

Talbro Automotive Components Ltd (TACL) - Group

Product Portfolio

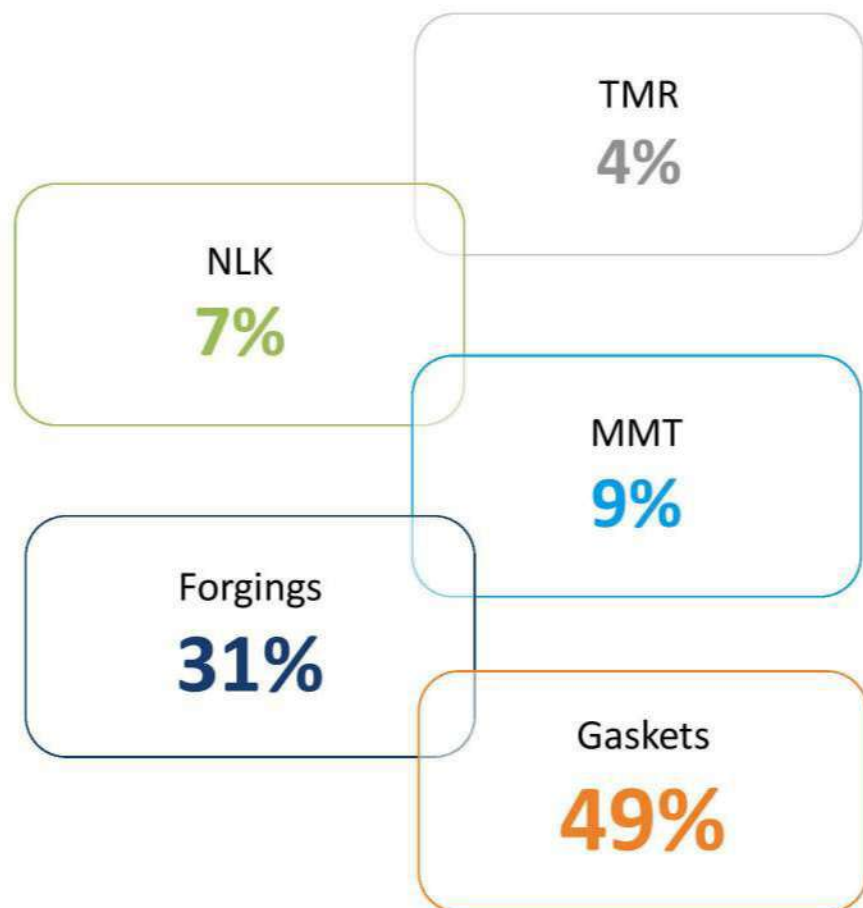
Entities

TACL Group Turnover*(Rs. Crs)

		H1FY20		FY20		H1FY21
Gaskets	TACL Standalone	138	H1 FY20 351	265	FY20 688	100
	Nippon Leakless Talbro Pvt Ltd	57		106		33
Forgings	TACL Standalone	68		134		62
Chassis Components	Magneti Marelli Talbro Chassis Systems Pvt Ltd	65		137		37
Anti Vibration Products & Hoses	Talbro Marugo Rubber Pvt Ltd	23		46		14
						H1 FY21 246

* Includes other income As per I-GAAP

H1 FY21 - Revenue Contribution



Segments

- 2 Wheelers
- 3Wheelers
- Passenger Vehicles
- Commercial Vehicles
- Agri / Off-Loaders and Industrial

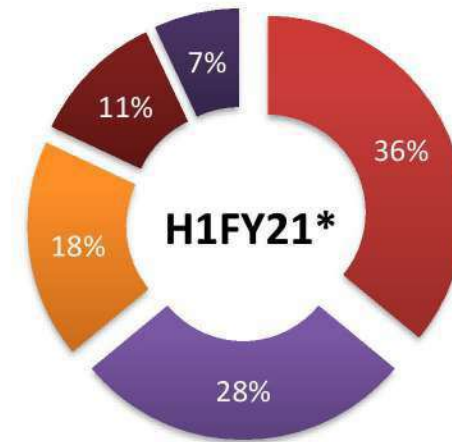
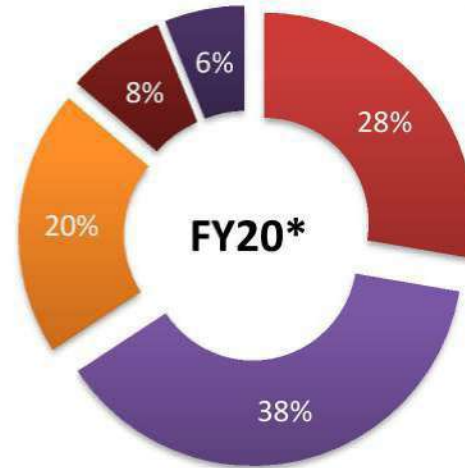
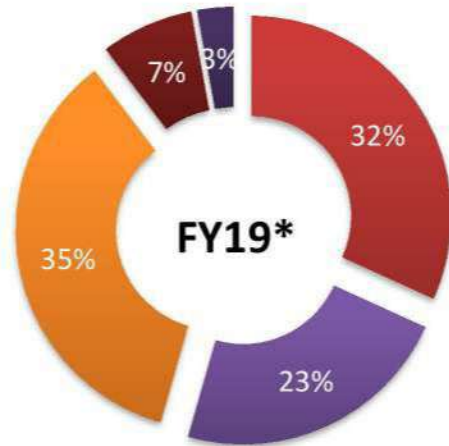
Product Portfolio

- Gaskets
- Heat Shields
- Forgings
- Chassis Systems
- Anti vibration
- Hoses

Market Exposure

- OEMs
- After Market
- Exports
- Others

Across varied segments...



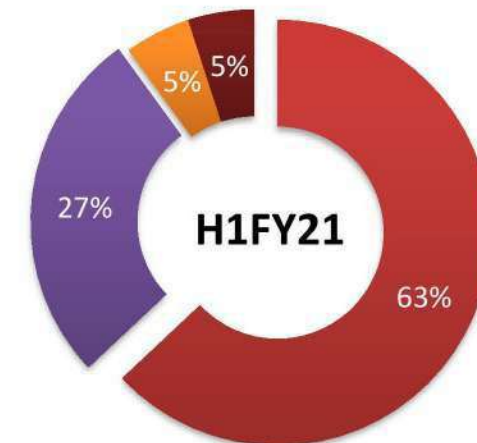
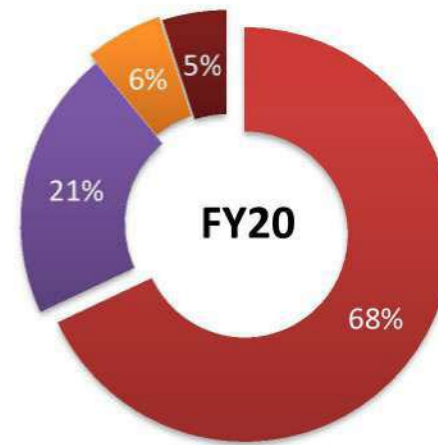
■ 2 & 3 Wheelers

■ Passenger Vehicle

■ HCV & LCV

■ Agri & Off Loaders

■ Others



■ OEM

■ Exports

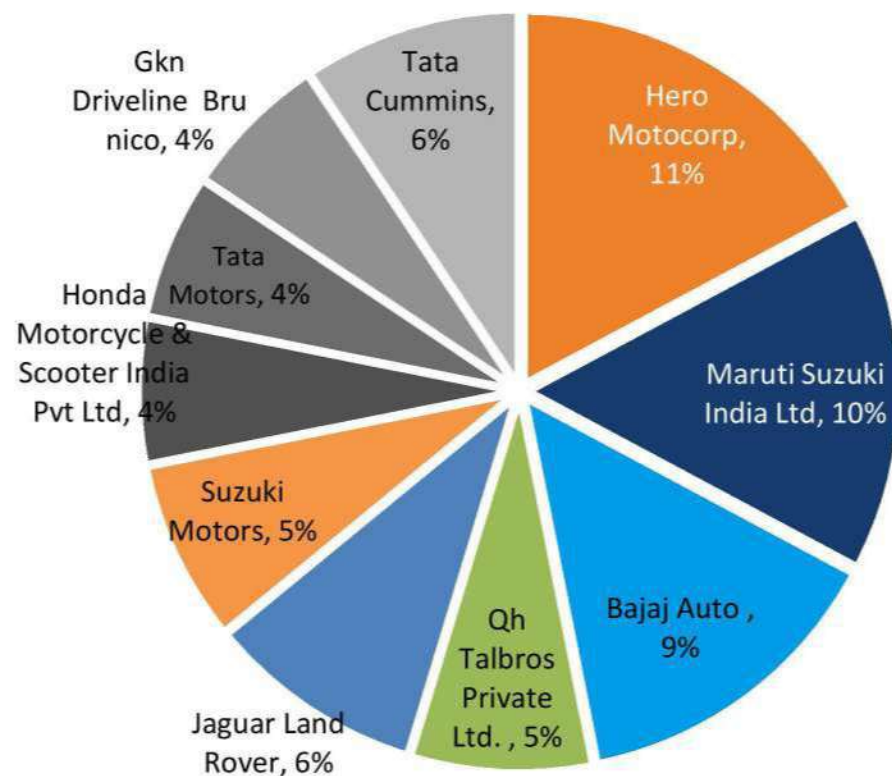
■ After Market

■ Others

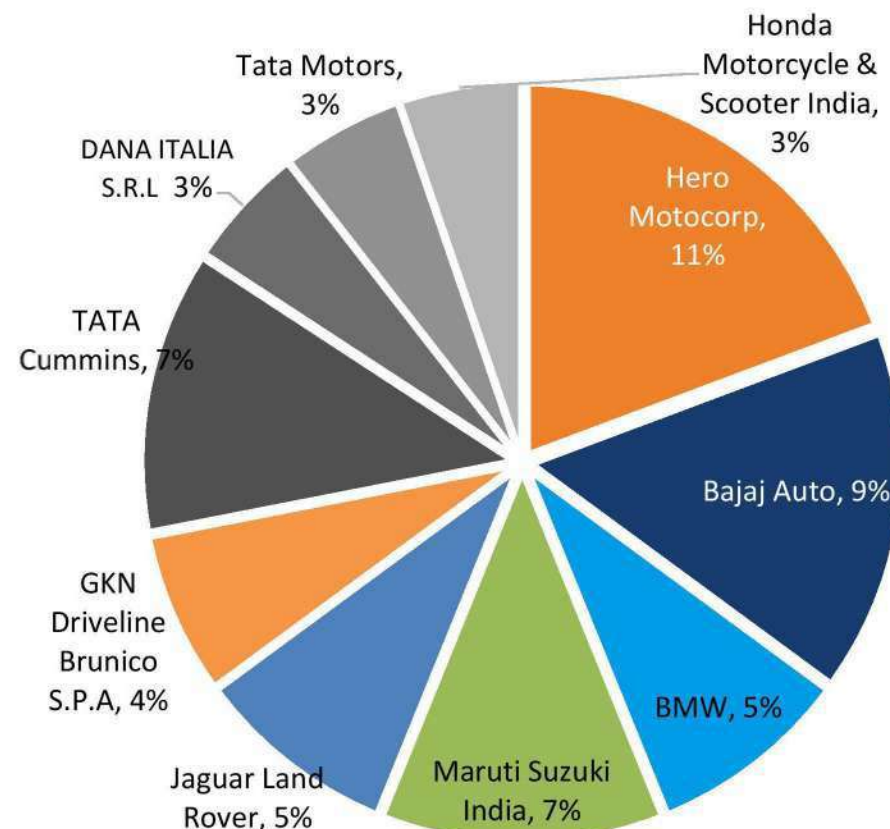
*Domestic Breakup

Having Diversified Customer base - Top 10 Customers

FY20 – Rs. 688 Cr.^



H1FY21 – Rs. 246 Cr.^



^ Includes Full JV numbers

New Order Wins provide long term visibility

Order Inflow



Company has received aggregate orders worth USD 31 mn (Rs. 234 cr) including orders received in JV and subsidiary companies catering to Domestic and International markets

Orders to be executed over a period of 5 years starting from H2 FY21 and are expected to be completed by FY26

A major part of this order has been received is in the Chassis JV from an International OEM based in India and will include domestic as well as exports orders

Other orders are across the Forging, Gaskets and Rubber JV of the company and will cater to Domestic & International markets

This order will not entail major capex and therefore provide operating leverage and enhance the profitability of the company

Commenting on the order Mr. Anuj Talwar, Jt. Managing Director, Talbros Automotive Components Limited said:

"Over the last few years we have made lot of efforts towards product development and testing with Global Auto majors. We are extremely proud to report that we have made significant inroads and have bagged multi-year orders. Our exports now cater to USA, UK, Europe and Japan.

It is a huge validation of our technical capabilities and opens the doors for many large customers for us. In these tough times, these orders will hugely benefit the brand equity of Talbros Group and further enhance our commitment to 'Make in India Initiative' of the Government of India. It clearly provides us long term visibility and business momentum"

Q2 & H1 FY21 Consolidated Profit & Loss Statement

Particulars (Rs. In crores)	Q2 FY21	Q2 FY20	Y-o-Y	H1 FY21	H1 FY20	Y-o-Y
Revenue from Operations	108.3	90.7	19.3%	157.0	198.2	-20.8%
Other Income	2.0	1.3		3.7	2.9	
Total revenue from Operation	110.2	92.1	19.7%	160.7	201.2	-20.1%
Raw Material	57.4	49.0		85.8	107.7	
Employee Cost	12.6	14.1		22.1	28.8	
Other Expenses	23.1	18.7		34.0	42.1	
EBITDA	17.0	10.2	66.7%	18.9	22.5	-16.3%
EBITDA Margin	15.5%	11.1%		11.7%	11.2%	
Depreciation	6.0	4.8	0.0	10.5	9.4	0.0
EBIT	11.1	5.4	104.9%	8.3	13.1	-36.4%
EBIT Margin	10.0%	5.9%		5.2%	6.5%	
Finance cost	3.4	4.1	0.0	7.1	8.2	0.0
Profit before Exceptional items & share of profit/loss from JVs	7.7	1.3	510.4%	1.2	4.9	-75.2%
Exceptional items	0.0			0.0		
Share of Profit from JVs	2.8	2.1	0.0	0.2	4.1	0.0
Profit before Tax	10.5	3.4	210.1%	1.4	9.0	-84.7%
Tax	0.5	0.4	0.0	0.2	1.4	0.0
PAT	10.0	3.0	232.7%	1.1	7.6	-85.0%
PAT Margin %	9.1%	3.3%		0.7%	3.8%	

H1 FY21 Consolidated Balance Sheet

ASSETS	Sep-20	Mar-20
Non-current assets		
Property, plant and equipment	145.4	149.2
Capital work in progress	1.4	0.6
Investment property	2.8	2.9
Intangible assets	1.0	1.3
Intangible assets under development	0.2	0.2
Investments accounted for using the equity method	46.2	46.1
Financial assets		
Investments	12.3	6.7
Loans	1.5	1.5
Other financial assets	0.5	0.3
Non-Current tax assets (Net)	2.3	2.4
Other non-current assets	5.9	3.6
Sub-total - Non-Current Assets	219.5	215.0
Current assets		
Inventories	97.4	107.9
Financial assets		
Trade receivables	125.5	125.2
Cash and cash equivalents	4.9	3.7
Bank balances other than Cash and Cash equivalents	4.7	3.9
Loans	5.8	5.7
Other financial assets	1.8	1.4
Other current assets	17.3	17.0
Sub-total - Current Assets	257.5	264.9
TOTAL - ASSETS	477.1	479.9

EQUITY AND LIABILITIES	Sep-20	Mar-20
Equity		
Equity Share capital	12.3	12.3
Other equity	190.3	185.6
Sub-total - Shareholders' funds	202.7	197.9
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Borrowings	22.8	20.1
Other financial liabilities	0.5	0.3
Provisions	2.7	3.1
Deferred tax liabilities (net)	3.7	2.9
Other non-current liabilities	0.5	1.0
Sub-total - Non-current liabilities	30.3	27.4
Current liabilities		
Financial liabilities		
Borrowings	100.5	121.1
Trade payables	108.8	105.6
Other financial liabilities	28.2	20.4
Other current liabilities	5.7	6.5
Provisions	0.8	0.9
Current tax liabilities (net)	0.0	0.0
Sub-total - Current liabilities	244.0	254.5
TOTAL - EQUITY AND LIABILITIES	477.1	479.9

H1 FY21 Consolidated Cash Flow Statement

Particulars (Rs in Cr)	H1 FY21	H1 FY20
PBT	1.4	9.0
Adjustments	16.0	13.0
Operating profit before working capital changes	17.4	22.1
Changes in working capital	11.7	-9.8
Cash generated from operations	29.1	12.3
Direct taxes paid (net of refund)	-0.7	-1.5
Net Cash from Operating Activities	28.5	10.8
Net Cash from Investing Activities	-8.8	-13.2
Net Cash from Financing Activities	-18.5	1.3
Net Change in cash and cash equivalents	1.2	-1.1
Opening Cash Balance	3.7	2.3
Closing Cash Balance	4.9	1.2

Q2 & H1 FY21 Standalone Profit & Loss Statement

Particulars (Rs. In crores)	Q2 FY21	Q2 FY20	Y-o-Y	H1 FY21	H1 FY20	Y-o-Y
Revenue from Operations (Net of Excise)	108.3	90.7	19.3%	157.0	198.2	-20.8%
Other Income	2.0	2.5		3.7	4.1	
Total revenue from Operation	110.2	93.3	18.1%	160.7	202.4	-20.6%
Raw Material	57.4	49.0		85.8	107.7	
Employee Cost	12.6	14.1		22.1	28.8	
Other Expenses	23.1	18.7		34.0	42.1	
EBITDA	17.0	11.4	49.2%	18.9	23.7	-20.5%
EBITDA Margin	15.5%	12.2%		11.7%	11.7%	
Depreciation	6.0	4.8		10.5	9.4	
EBIT	11.1	6.6	67.6%	8.3	14.3	-41.7%
EBIT Margin	10.0%	7.1%		5.2%	7.1%	
Finance cost	3.4	4.1		7.1	8.2	
Profit before Exceptional items	7.7	2.5	212.9%	1.2	6.1	-80.1%
Exceptional items	0.0	0.0		0.0	0.0	
PBT	7.7	2.5	212.9%	1.2	6.1	-80.1%
Tax	0.5	0.4		0.2	1.4	
PAT	7.2	2.1	246.3%	1.0	4.7	-79.1%
PAT Margin %	6.5%	2.2%		0.6%	2.3%	

H1 FY21 Standalone Balance Sheet

ASSETS (Rs in Cr)	Sep-20	Mar-20
Non-current assets		
Property, plant and equipment	145.4	149.2
Capital work in progress	1.4	0.6
Investment property	2.8	2.9
Intangible assets	1.0	1.3
Intangible assets under development	0.2	0.2
Financial assets		
Investments	38.3	32.8
Loans	1.5	1.5
Other Financial Assets	0.5	0.3
Current tax assets (Net)	2.3	2.4
Other non-current assets	5.9	3.6
Sub-total - Non-Current Assets	199.4	194.9
Current assets		
Inventories	97.4	107.9
Financial assets		
Trade receivables	125.5	125.2
Cash and cash equivalents	4.9	3.7
Bank balances other than Cash and Cash equivalents	4.7	3.9
Loans	5.8	5.7
Other financial assets	1.8	1.4
Other current assets	17.3	17.0
Sub-total - Current Assets	257.5	264.9
TOTAL - ASSETS	456.9	459.8

EQUITY AND LIABILITIES (Rs in Cr)	Sep-20	Mar-20
Equity		
Equity Share capital	12.3	12.3
Other equity	170.2	165.6
Sub-total - Shareholders' funds	182.5	177.9
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Borrowings	22.8	20.1
Other financial liabilities	0.5	0.3
Provisions	2.7	3.1
Deferred tax liabilities (net)	3.7	2.9
Other non-current liabilities	0.5	1.0
Sub-total - Non-current liabilities	30.3	27.4
Current liabilities		
Financial liabilities		
Borrowings	100.5	121.1
Trade payables	108.8	105.6
Other financial liabilities	28.2	20.4
Other current liabilities	5.7	6.5
Provisions	0.8	0.9
Current tax liabilities (net)	0.0	0.0
Sub-total - Current liabilities	244.0	254.5
TOTAL - EQUITY AND LIABILITIES	456.9	459.8

Q2 & H1 FY21 Standalone Cash Flow Statement

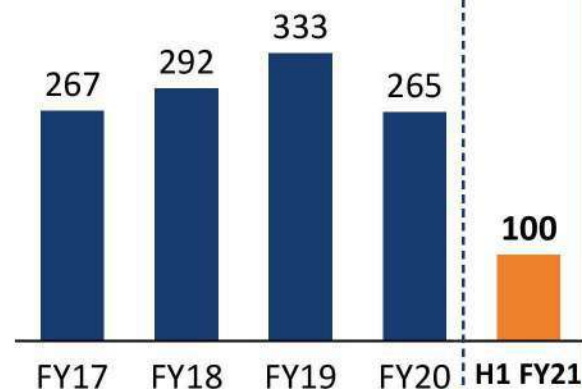
Particulars (Rs in Cr)	H1 FY21	H1 FY20
PBT	1.2	6.1
Adjustments	16.2	15.9
Operating profit before working capital changes	17.4	22.1
Changes in working capital	11.7	-9.8
Cash generated from operations	29.1	12.3
Direct taxes paid (net of refund)	-0.7	-1.5
Net Cash from Operating Activities	28.5	10.8
Net Cash from Investing Activities	-8.8	-13.2
Net Cash from Financing Activities	-18.5	1.3
Net Change in cash and cash equivalents	1.2	-1.1
Opening Cash Balance	3.7	2.3
Closing Cash Balance	4.9	1.2

Business Confirmations & Strategy

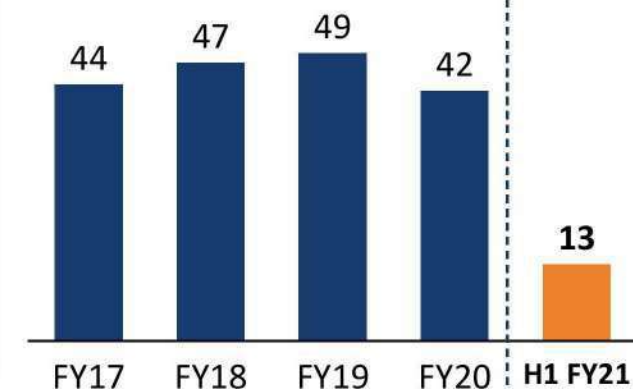
Gaskets

- **New Orders:**
 - Order worth **Rs. 7 Cr p.a.** each for BS VI compliant Heat Shield product from two largest OEMs, supplies will start from FY22
- **Orders received in the past:**
 - Order worth **Rs. 7 Cr** from **2 European car manufacturers** for supplying **Heat Shields**
 - Order worth **Rs. 5 Cr** from **US based car manufacturer** for supplying **Gaskets**
 - Started Supplies of **BS VI** compliant **Gaskets** to **Hero, Volvo, Tata Motors & Tata Cummins**
 - To supply **Integrated Wire Harness Gasket** to an OEM worth **Rs. 15-20 Crs p.a.** **Samples approved, Supplies commenced from Q1FY21**
- **Started supplying BS VI compliant Gaskets to Hero, Honda** from our JV Nippon Leakless Talbros

Standalone

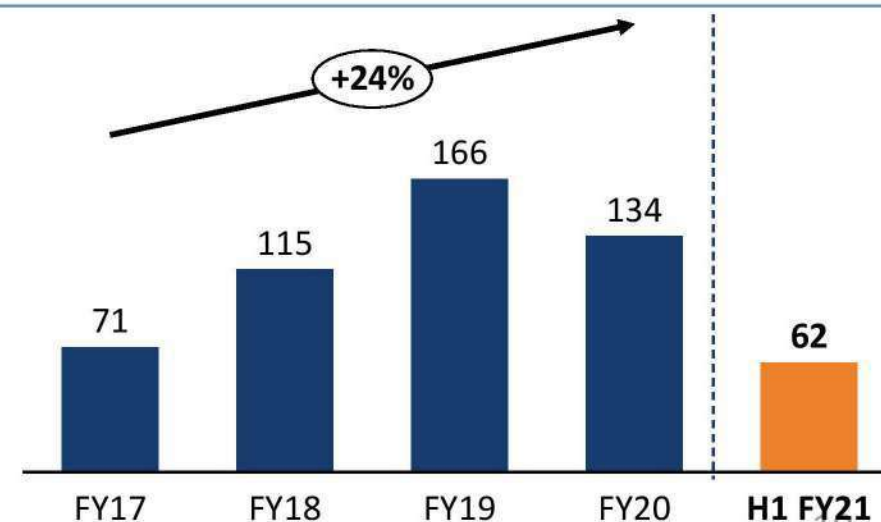


Nippon Leakless JV*



Forgings Segment

- Installation of 2500 Ton Press completed
- In discussion with various Indian & European Tier 1 Customers for heavier forging products
- Started supplies for the order received from a European OEM
- Moving towards heavier forged parts
- Currently, this segment is gaining momentum in both Domestic and overseas market

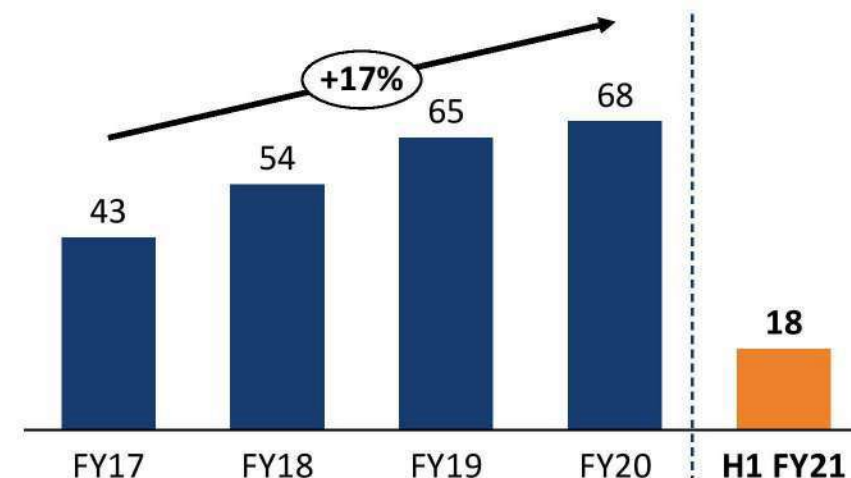


*Proportionate share of JV Revenue has been considered

Magneti Marelli Talbros Chassis Systems Pvt Ltd (MMT)*

▪ Orders received in the past:

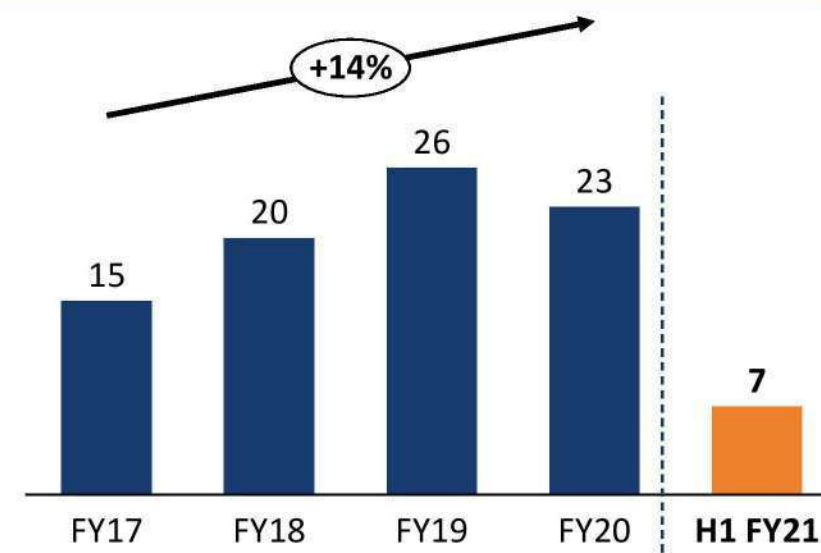
- Order worth **Rs. 5 Mn** from a **European car manufacturer** for supplying **EPP Support Bracket**
- From a Domestic OEM for Lower Control Arm worth Rs. 10 Crs p.a. From an OEM in UK worth ~Rs. 35+ Crores p.a.
- From Maruti Suzuki to supply Control Arm Assemblies for Front Suspension, with an Estimated Revenues of Rs. 24 crores p.a.



Talbros Marugo Rubber Pvt Ltd (TMR)*

▪ Orders received in the past:

- Order worth **Rs. 7.5 Cr** from **Marugo Rubber Japan** for supply of **Intercooler Hose**. **Supplies to commence from Q2FY21**
- Order worth **Rs. 1 Cr** from **Maruti Suzuki** for supply of **Purge hose**. **Supplies to commence from Q2FY21**
- Order worth **Rs. 0.8 Cr p.a.** from **Rane Madras** for supply of **Steering Mounting Bush**. **Supplies to commence from Q2FY21**
- Orders worth Rs. 5-8 Crs p.a. from existing customers
- Order from SML Isuzu worth ~Rs. 3 Crores p.a.



*Proportionate share of JV Revenue has been considered