

August 17, 2016

To,

Bombay Stock Exchange Limited,
Dept. of Corporate Services,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Company No. 505075

National Stock Exchange of India Ltd,
Listing Department
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai – 400051
Scrip Code: SETCO

Dear Sir,

Sub: Q1 FY-17 Results & Performance Review

Kindly find attached the Presentation of the Company on Q1 FY-17 Results and Performance Review for the information of the investor community at large.

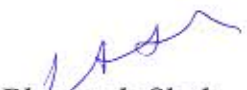
The aforesaid information is also being uploaded on the website of the Company www.setcoauto.com

We request you to take note of the above on your record and oblige.

Thanking you,

Yours faithfully,

For Setco Automotive Limited


Bhautesh Shah
Company Secretary





Q1FY17 Investor Update
August 17, 2016

Q1FY17 Results & Performance Review

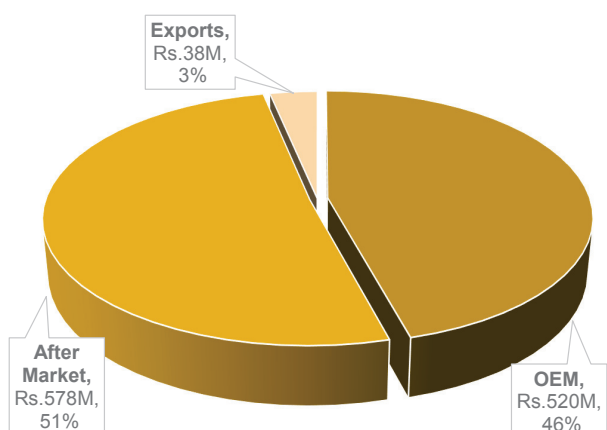
Q1FY17 vs. Q1FY16

(Rs mn)	1st Quarter 201606	1st Quarter 201506	YoY %	Full Year 201603	Full Year 201503	YoY %
Sales	1,136	1,037	9.6%	5,052	4,581	10.3%
EBITDA (excl. O. Income)	145	117	24.1%	734	532	37.8%
EBITDA (%)	12.8%	11.3%		14.5%	11.6%	
Interest	74	75	-1.1%	308	234	31.2%
Depreciation	41	35		147	132	
Other Income	18	49		130	91	
Profit Before Tax	48	57	-15.0%	409	256	59.6%
Tax	13	13		89	58	
MAT Credit	0.3	2		15	11	
PAT	36	45	-20.8%	334.3	235	42.2%
PAT%	3.2%	4.4%		6.6%	5.1%	
Equity (Rs. in mn)	267.2	267.1		267.2	267.1	
EPS (Rs) * diluted	0.27	0.34		2.50	1.76	

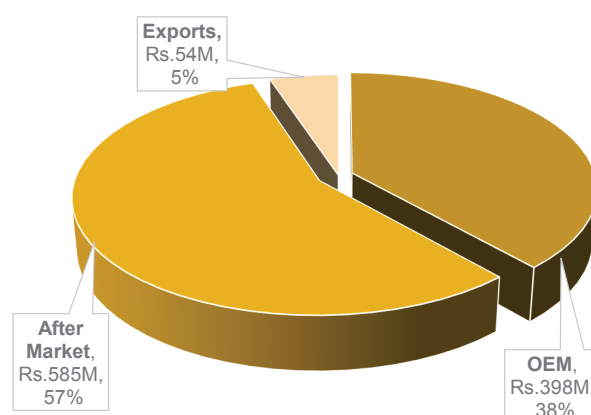
Results are not comparable on QoQ basis as the company derives around 60% of its revenues in the Second half

Segment Composition Analysis

Q1FY17 Sales



Q1FY16 Sales



Performance Highlights for Q1FY17

Sales Performance:

- ❑ OEM sales recorded a growth of 31% YoY due to strong M&HCV demand and incremental clutch sales in new product ranges
- ❑ Overall Aftermarket segment registered a marginal decline of 1.2% YoY. There was a decline in OEM production during FY13 & FY14 due to economic slowdown and typically these vehicles would be due for first clutch replacement within 2-2.5yrs. Hence, OES (OE Aftermarket) segment witnessed a decline as these clutches are expected to come up for replacement beginning second half this year
- ❑ Continued subdued position of global markets and inventory rationalisation at foreign subsidiaries resulted in Exports being lower by 30% YoY

Operating Performance:

- ❑ Result of Operations improvement and cost rationalization measures, witnessed during second half of previous year, has been maintained, resulting in improved operating performance despite foreign exchange fluctuation loss of Rs.10.2 Mn.
- ❑ Consequently, there was an improvement in EBITDA margins (excluding foreign exchange loss) by 240 bps YoY which increased to 13.7% in Jun quarter. In absolute terms, EBIDTA increased 33% on an increase in sales of 9.6%.

Performance Analysis & Outlook

Profitability:

- ❑ Profit before tax (PBT) (excluding Other Income / Loss) increased more than four times at Rs 41 mn against Rs 8 mn in previous year.
- ❑ Profit after Tax (PAT) was subdued due to lower Other Income in the quarter. PAT margins for this quarter were hence lower at 3.2% compared to 4.4% YoY

➤ Outlook

- Management believes that improvement in operating margins will continue and would further strengthen with increase in turnover
- With an uptrend in the economic cycle, production of M&HCV is likely to remain strong leading to growth in OEM sales. However, its growth rate is expected to marginally drop in the second quarter which is typical every year in monsoon season
- Company expects OES to pick up gradually as number of vehicles coming for first clutch replacement is expected to increase

Thank You

For additional Information, please contact:

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Company Secretary

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