



Investor Update – Q1 FY'12

Sona Koyo Steering Systems Ltd.



Aug 03, 2011

1.

Performance Review

2.

Operational Highlights

3.

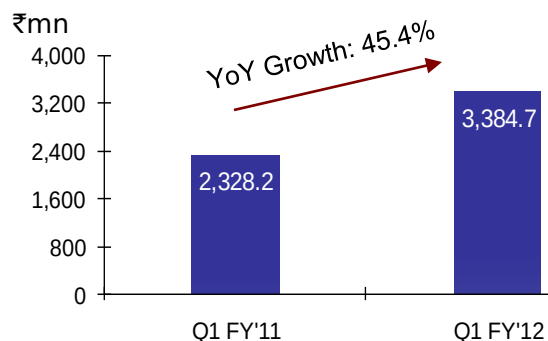
Financial Statements

4.

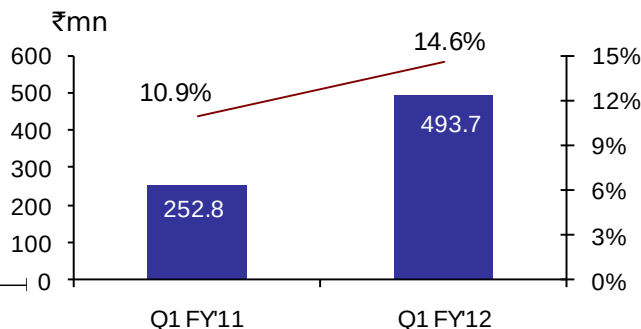
Shareholding Pattern

Robust growth of +45% in revenues on consolidated basis

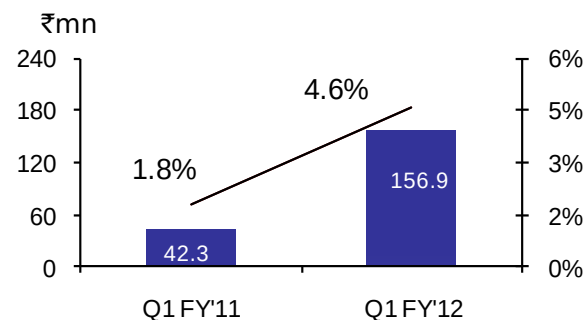
Revenue & Revenue Growth



EBITDA & EBITDA Margin



PAT & PAT Margin



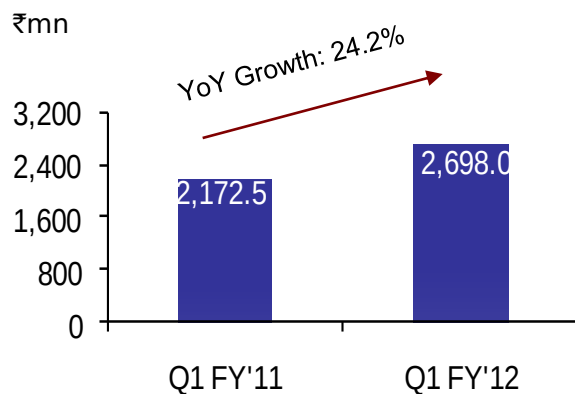
- **Total Revenues up 45.4% YoY from ₹2,328.2mn to ₹3,384.7mn on the back of** strong growth in revenue contribution from subsidiaries including JTEKT SONA Automotive India (JSAI), Sona Fuji Kiko Automotive (SFAL) and Sona Stampings
- **EBITDA up 95.3% YoY to reach ₹493.7mn in Q1 FY'12 from ₹252.8mn in Q1FY'11; EBITDA margin increased from 10.9% to 14.6% owing to**
 - ✓ Decline in raw material cost as a % of revenues from 71.6% to 68.5%
 - ✓ Decline in other expenditure from 9.7% to 8.5%
- **PAT up 270.4% YoY to ₹156.9mn in Q1FY'12 from ₹42.3mn in Q1 FY'11; PAT margin increased to 4.6% from 1.8% owing to:**
 - ✓ Decline in depreciation charges as a % of revenues from 3.9% to 3.2%;
 - ✓ Decline in finance charges as a % of revenues from 4.8% to 3.4%

Refer Slide 7 for detailed P&L Statement

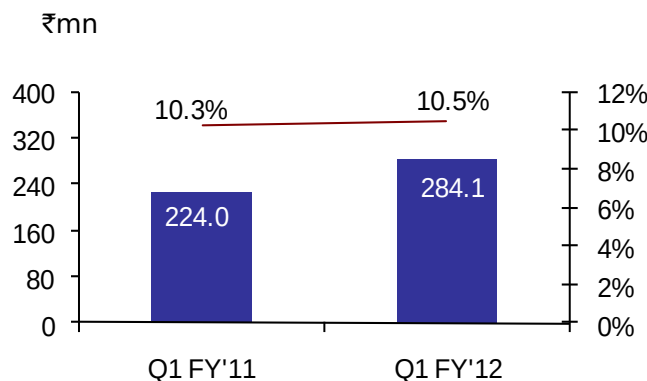
* Note: Total Revenues include other operating income of ₹79.4mn during Q1 FY'11 and ₹99.03mn during Q1 FY'12

Over 24% growth in revenues on standalone basis

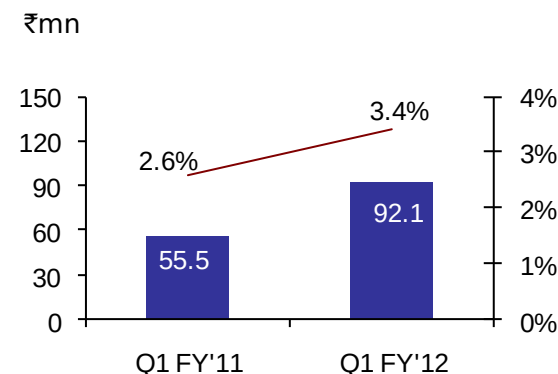
Revenue & Revenue Growth



EBITDA & EBITDA Margin



PAT & PAT Margin



■ **Revenues up 24.2% YoY from ₹2,172.5mn to ₹2,698.0mn driven by strong growth witnessed in domestic markets:**

- ✓ Domestic sales increased 27.2% YoY from ₹2,037.2mn to ₹2,590.9mn

■ **EBITDA up 26.9% YoY to reach ₹284.1mn in Q1 FY'12 from ₹224mn in Q1 FY'11; EBITDA margin stood at 10.5%:**

- ✓ Raw material cost as a % of revenues declined from 73.9% to 72.7%
- ✓ Other expenditure as a % of revenues decreased from 8.4% to 7.8%

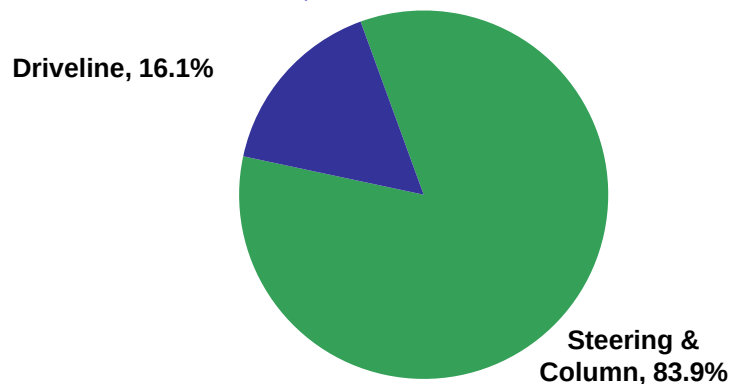
■ **PAT up 66.0% to ₹92.1mn in Q1 FY'12 from ₹55.5mn in Q1 FY'11; PAT margin increased to 3.4% from 2.6% owing to decline in depreciation and finance charges**

Refer Slide 8 for detailed P&L Statement

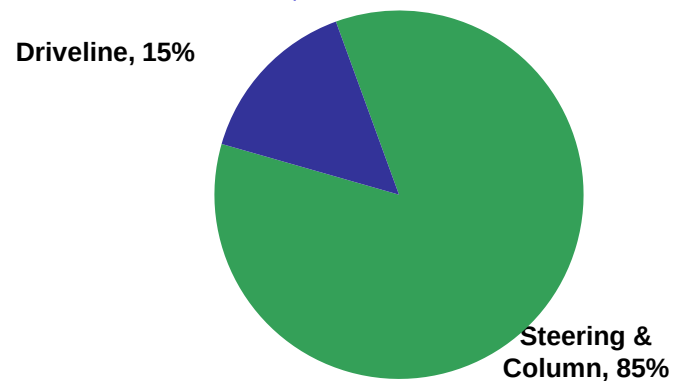
* Note: Total Revenues include other operating income of ₹78.9mn during Q1 FY'11 and ₹289.2mn during Q1 FY'12

Product Wise Sales Mix

Q1 FY'11

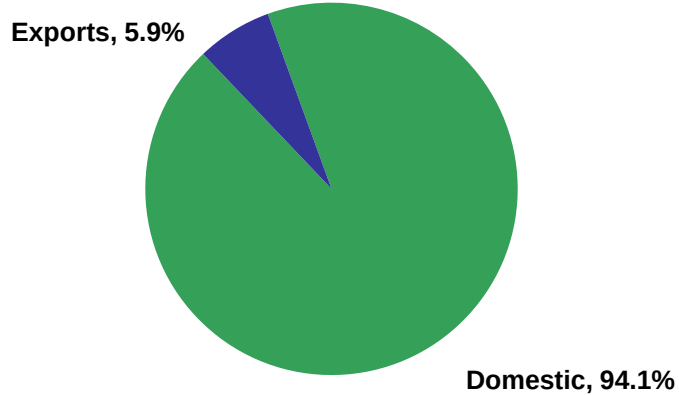


Q1 FY'12

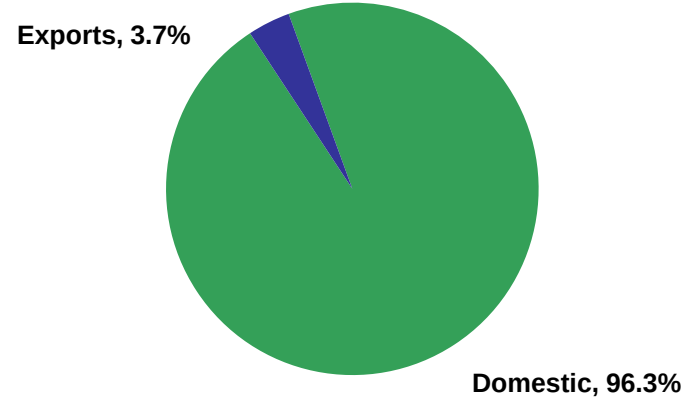


Geographic Sales Mix

Q1 FY'11



Q1 FY'12



*Note: Break up on standalone basis

Increased Capacity utilization

- Overall capacity utilization increased from ~69% in Q1 FY'11 to ~71% during Q1 FY'12 driven by improved utilization in steering products

New Product/ Order Flows

- Production and supplies commenced for following during Q1:
 - ✓ Tata (Ace 0.5 ton);
- Supplies for Mahindra & Mahindra – New Utility Vehicle and Maruti – New Swift to commence in Q2 FY'12

Consolidated Audited Income Statement

Amount in ₹mn

Particulars	Q1 FY12	Q1 FY11	YoY (%)
Net Income from Operations	3,374.8	2,320.3	45.4%
Other Operating Income	9.9	7.9	24.7%
Total Income	3,384.7	2,328.2	45.4%
Total Expenditure	2,891.0	2,075.4	39.3%
Consumption of Raw Material	2,319.5	1,666.1	39.2%
Staff Cost	283.9	184.0	54.3%
Other Expenditure	287.7	225.4	27.6%
EBITDA	493.7	252.8	95.3%
Depreciation & Amortisation	108.5	91.3	18.9%
EBIT	385.2	161.5	138.5%
Finance Charges	114.0	111.0	2.7%
Other Income	12.9	5.6	131.8%
Exceptional items	-	-	N.A.
(Gain)/Loss on Foreign Currency Loan Trar	-	-	N.A.
PBT	284.1	56.1	406.8%
Tax (including deferred)	60.5	19.7	207.8%
PAT (before Minority Interest)	223.6	36.4	514.4%
Share of (Profit)/ Loss to Minority	(66.7)	6.0	N.A.
PAT	156.9	42.3	270.4%

•Other Expenditure includes manufacturing costs, administrative costs, selling costs and other expenses

Key Ratios as a % of Total Revenue	Q1 FY12	Q1 FY11
EBIDTA	14.6%	10.9%
PAT	4.6%	1.8%
Total Expenditure	85.4%	89.1%
Raw material	68.5%	71.6%
Staff Cost	8.4%	7.9%
Other Expenditure	8.5%	9.7%

Standalone Audited Income Statement

Amount in ₹mn

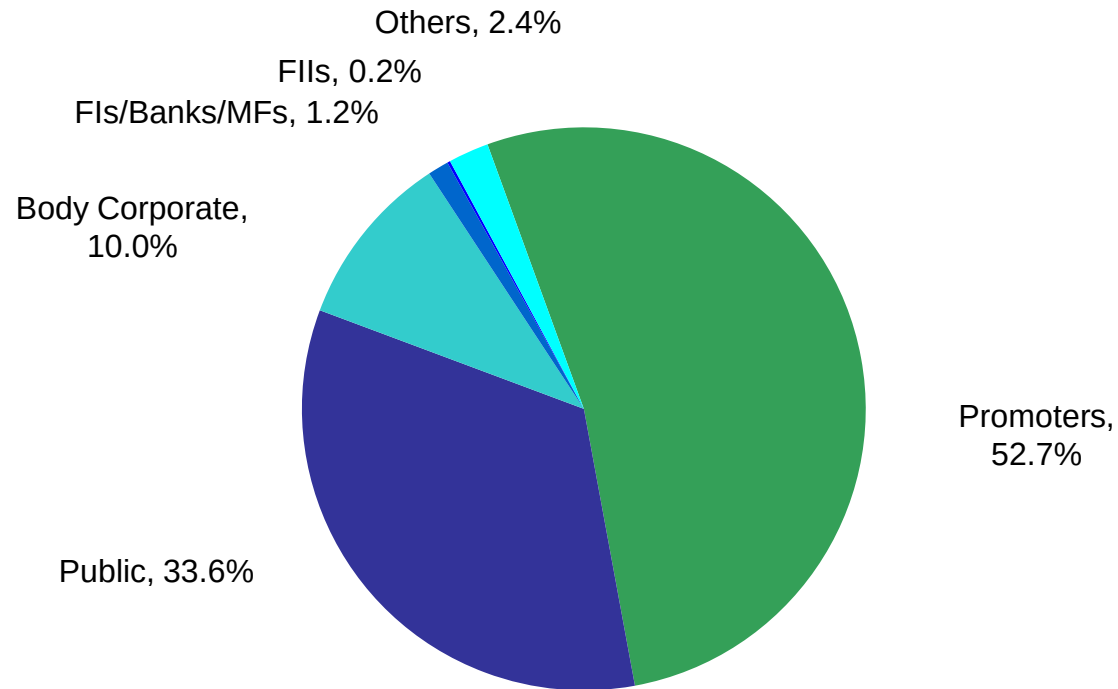
Particulars	Q1 FY12	Q1 FY11	YoY (%)
Domestic Sales	2,590.9	2,037.2	27.2%
Exports Sales	98.2	127.4	-22.9%
Net Income from Operations	2,689.1	2,164.6	24.2%
Other Operating Income	8.9	7.9	13.1%
Total Income	2,698.0	2,172.5	24.2%
Total Expenditure	2,413.8	1,948.5	23.9%
Consumption of Raw Material	1962.2	1606.3	22.2%
Staff Cost	240.7	159.0	51.4%
Other Expenditure	210.8	183.3	15.1%
EBITDA	284.1	224.0	26.9%
Depreciation & Amortisation	77.4	68.1	13.6%
EBIT	206.8	155.9	32.7%
Finance Charges	84.6	81.1	4.3%
Other Income	14.3	6.1	135.5%
Exceptional Items	-	-	N.A.
(Gain)/Loss on Foreign Currency Loan Trar	-	-	N.A.
PBT	136.4	80.8	68.9%
Tax (including deferred)	44.25	25.3	75.1%
PAT	92.1	55.5	66.0%

•Other Expenditure includes manufacturing costs, administrative costs, selling costs and other expenses

Key Ratios as a % of Total Revenue	Q1 FY12	Q1 FY11
EBIDTA	10.5%	10.3%
PAT	3.4%	2.6%
Total Expenditure	89.5%	89.7%
Raw material	72.7%	73.9%
Staff Cost	8.9%	7.3%
Other Expenditure	7.8%	8.4%

As on 30th June 2011

Equity Shares Outstanding-198,741,832



For any Investor Relations queries please contact:

Rajiv Chanana

Sona Koyo Steering Systems Ltd

Email: rajiv.chanana@sonagroup.com

Tel. No. +91-124-4685000

About Sona Koyo Steering Systems Ltd.

Sona Koyo Steering Systems Limited (SKSSL) is a technical and financial joint venture company of JTEKT Corporation, Japan, the global technology leader in Steering Systems. With a market share of 45%, SKSSL is the largest manufacturer of steering gears in India and is the leading supplier of Hydraulic Power Steering Systems, Electric Power Steering Systems, Manual Rack & Pinion Steering Systems and Collapsible, Tilt and Rigid Steering Columns for Passenger Vans and MUVs. SKSSL is the first steering systems company in the world to have bagged the prestigious Deming award, the world's most coveted honour for excellence in Total Quality Management. For more information please visit www.sonagroup.com

Forward Looking Statement

Certain statements in this document with words or phrases such as “will”, “should”, etc., and similar expressions or variation of these expressions or those concerning our future prospects are forward looking statements. Actual results may differ materially from those suggested by the forward looking statements due to a number of risks or uncertainties associated with the expectations. These risks and uncertainties include, but are not limited to, our ability to successfully implement our strategy and changes in government policies. The company may, from time to time, make additional written and oral forward looking statements, including statements contained in the company’s filings with the stock exchanges and our reports to shareholders. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company.