

talbro's Automotive Components Ltd

FY15 Update
May 2015



Safe Harbour

This presentation and the accompanying slides (the “Presentation”), which have been prepared by Talbros 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.

Automotive Market Scenario FY15

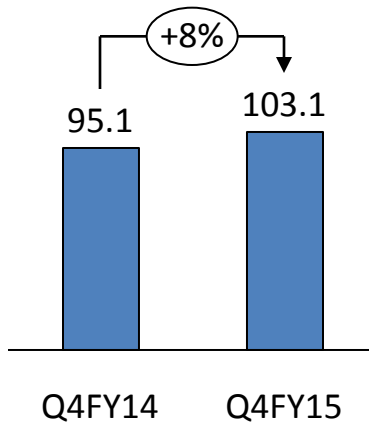
- Auto Sector growth was below expectations at 8% YoY impacted by
 - Disappointing festive sales in the second half
 - Reversal of Excise duty cuts on Cars and 2-wheelers
- Passenger Vehicle maintained a slow pace at 4% growth YoY
 - Growth driven by Utility Vehicle which grew by 10.8%
- Medium & Heavy 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

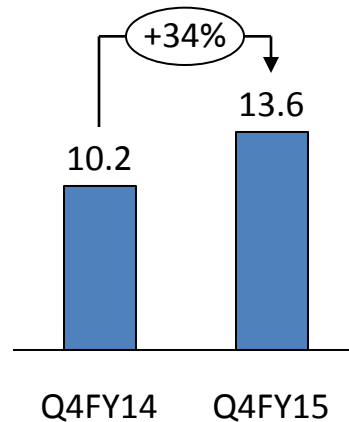
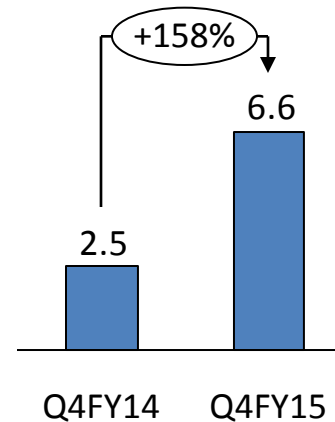
Talbros grew in line with the market

Financial Highlights

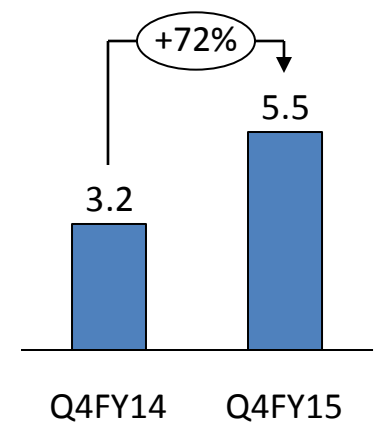
Revenue



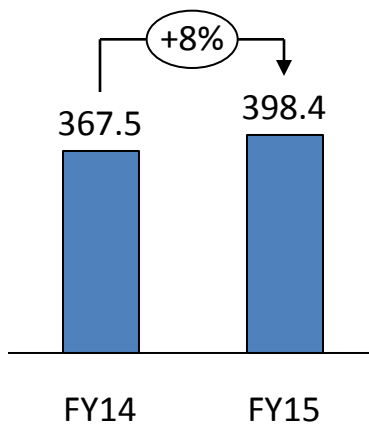
EBIDTA

PBT
(Before Exceptional Items)

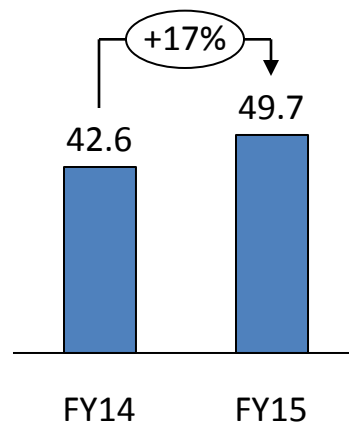
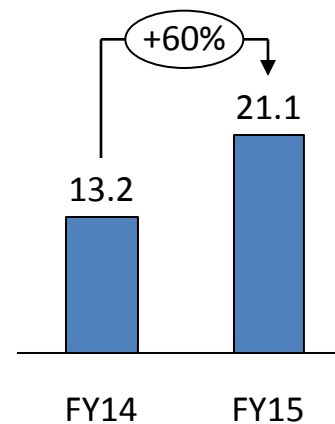
Adj PAT



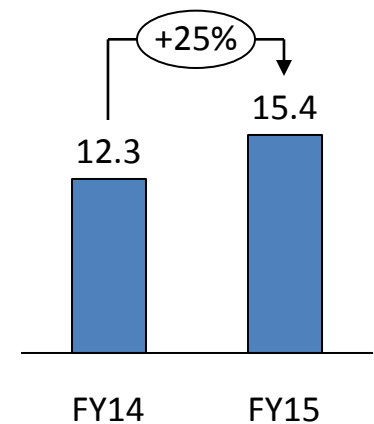
Revenue



EBIDTA

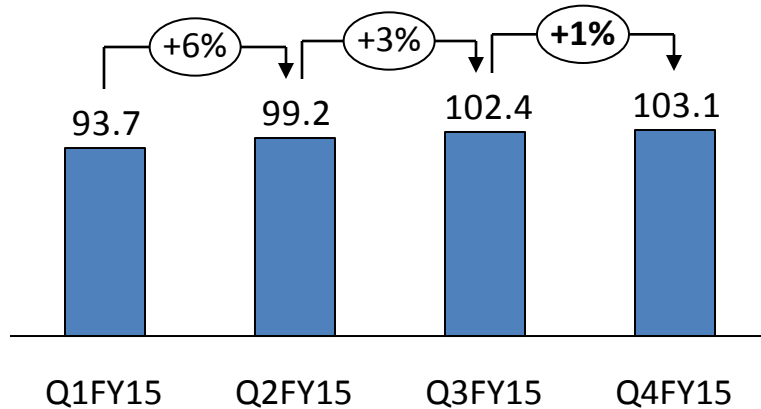
PBT
(Before Exceptional Items)

Adj PAT

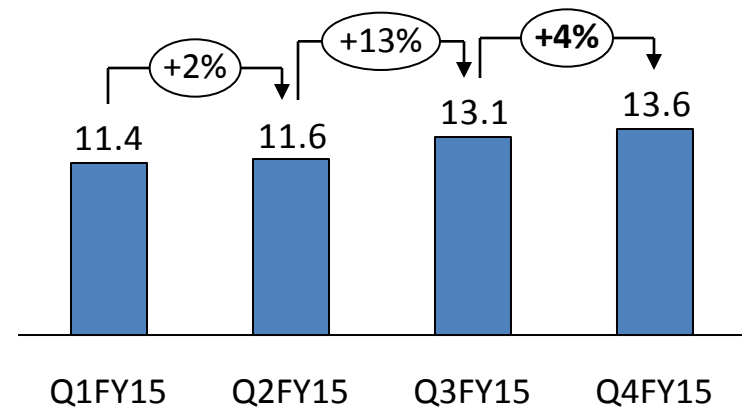


Consistent Sequential Growth

Revenue

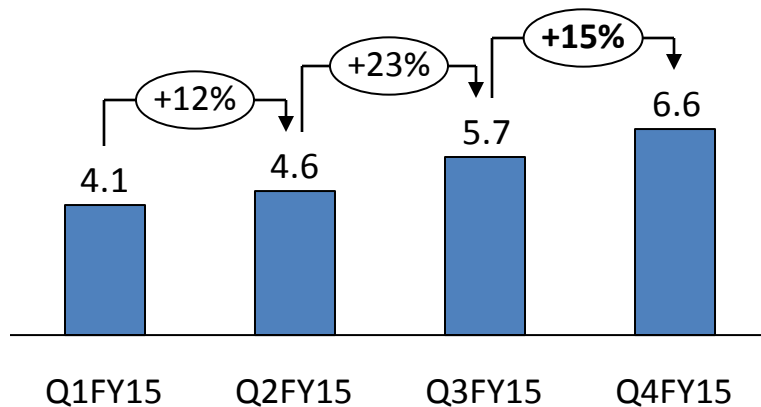


EBIDTA

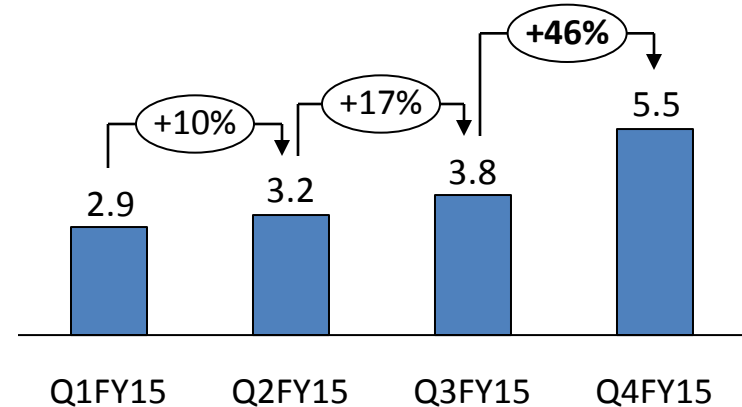


PBT

(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 Talbro's



10%*

Automotive Gaskets for Honda and other Japanese OEMs

Magneti Marelli Talbro's



8%*

Suspension Systems: Control Arms, Knuckles, Front Axle and Rear Axle

Talbro's Marugo Rubber



2%*

Anti – Vibration parts such as : Bushes, Exhaust Hanger, Dust Cover, Hoses

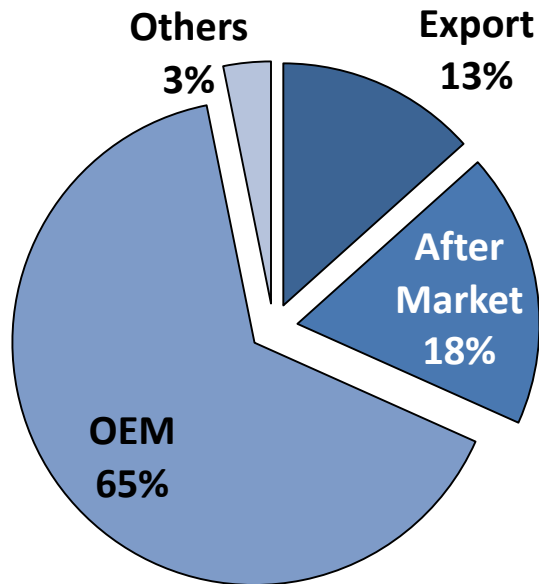
Standalone

* Talbro's share in JV

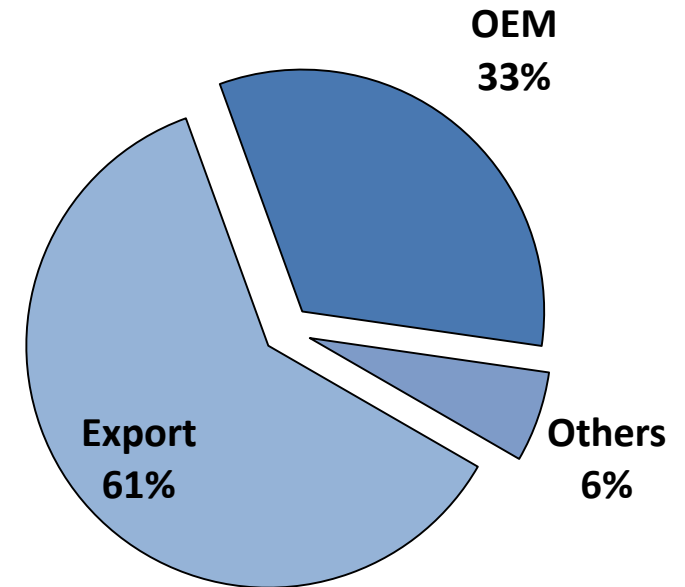
Above data excludes other non operating income

Standalone Business

Gaskets Division
FY15 Revenue Rs 244 Crores

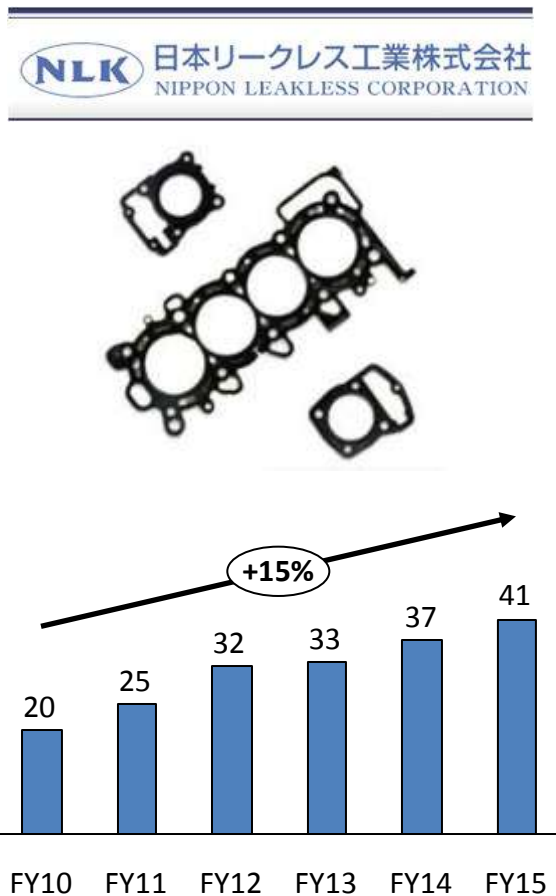


Forgings Division
FY15 Revenue Rs 70 Crores

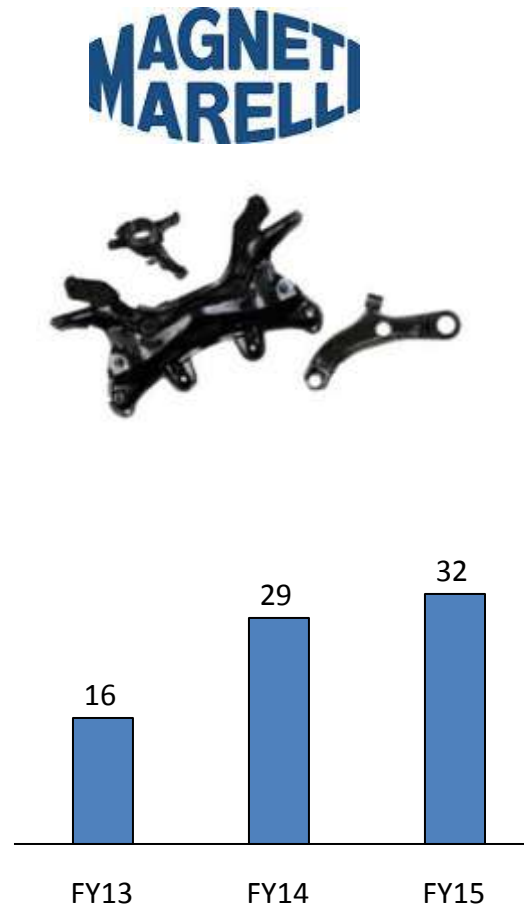


Joint Ventures

Nippon Leakless Talbros



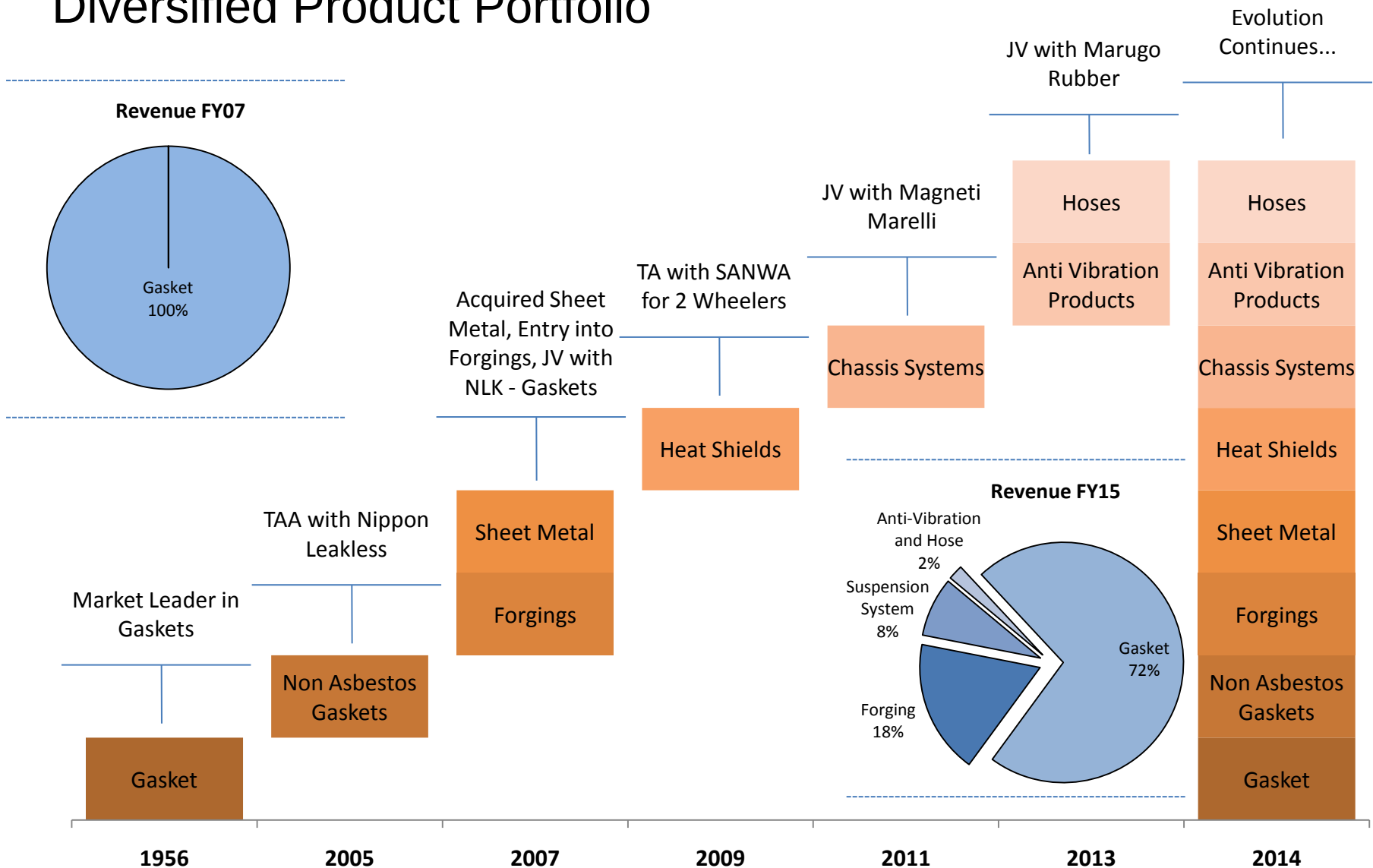
Magneti Marelli Talbros



Talbros Marugo Rubber



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

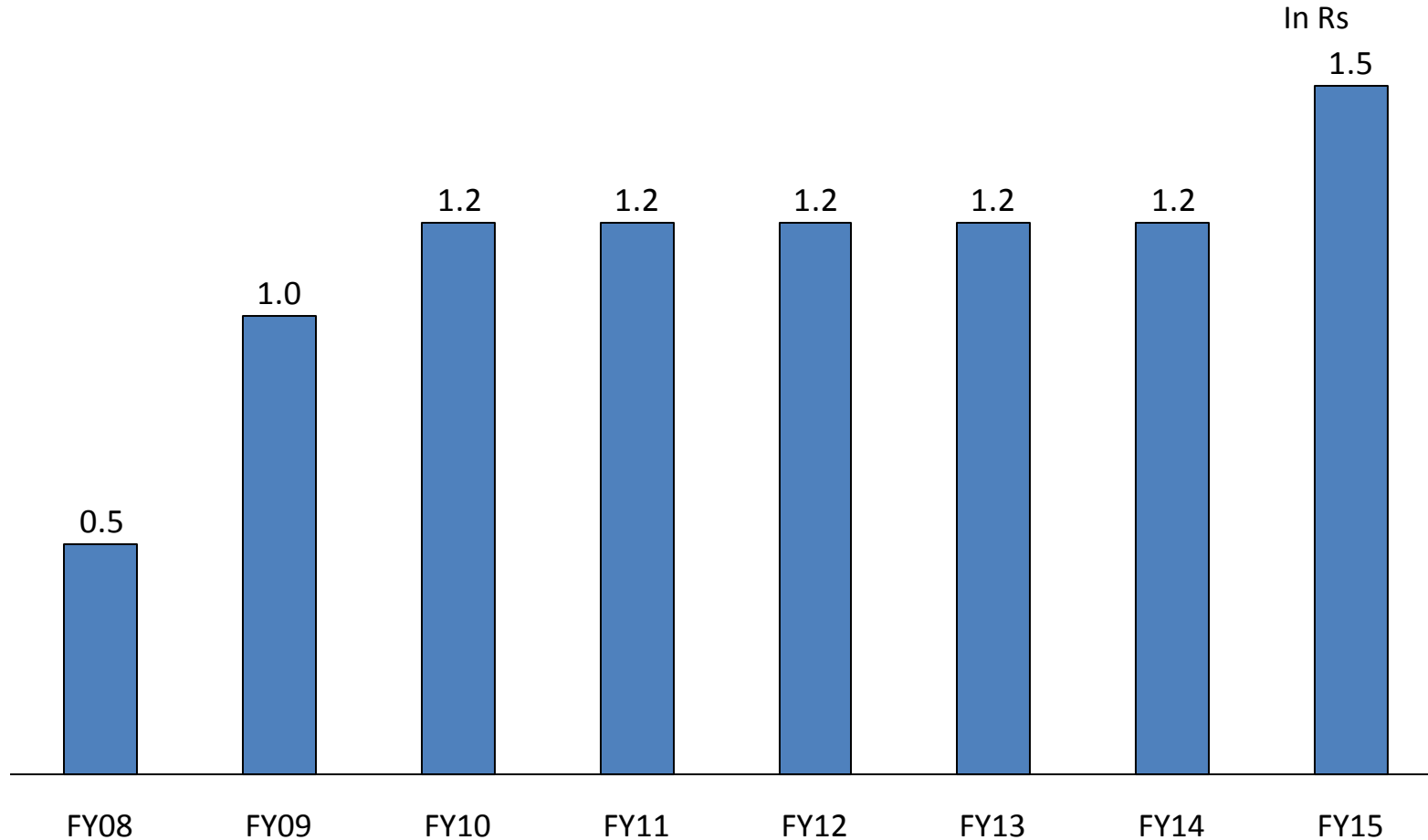
*Q4FY14 Income from Sale of Land

Consolidated Balance Sheet

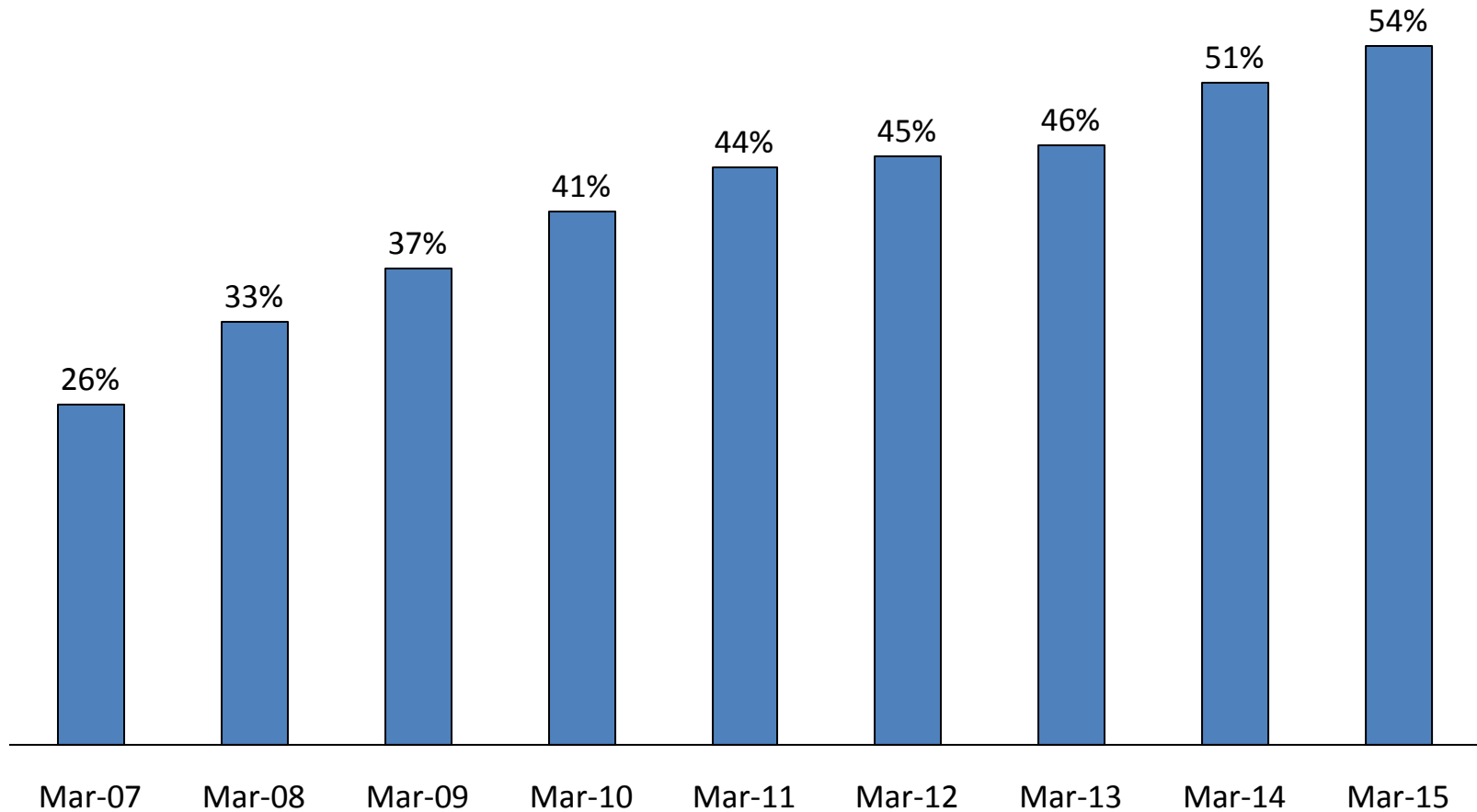
Rs. Cr	Mar15	Mar14
Shareholders Fund	127.1	119.3
Share Capital	12.3	12.3
Reserves & Surplus	114.8	106.9
Total Non Current Liabilities	40.8	40.8
Long Term Borrowings	31.8	30.9
Other Long Term Liabilities	9.0	9.8
Total Current Liabilities	215.6	186.0
Short Term Borrowings	85.1	77.2
Trade Payables	92.4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

Company :

Talbros Automotive Components Ltd.
CIN: L29199HR1956PLC033107
Mr. Navin Juneja – Director & Group CFO
Email: navinjuneja@qhtalbros.com

www.talbros.com

Investor Relations Advisors :

Strategic Growth Advisors Pvt. Ltd.
CIN: U74140MH2010PTC204285
Ms. Ruchi Rudra/ Ms. Neha Shroff
rruchi@sgapl.net / sneha@sgapl.net

www.sgapl.net