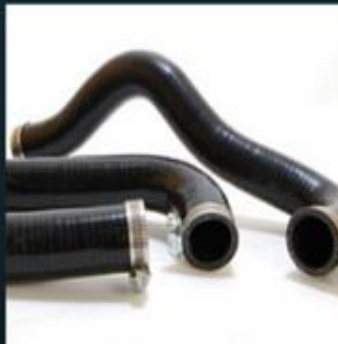




Investor Presentation
Q2FY17
November 2016

DRIVING FUTURE LEADERSHIP

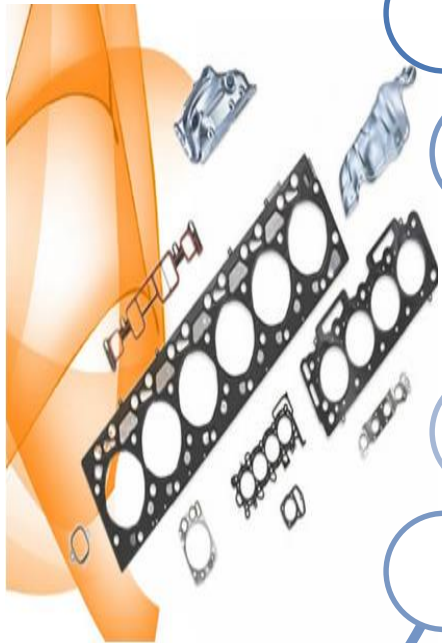
Safe Harbor

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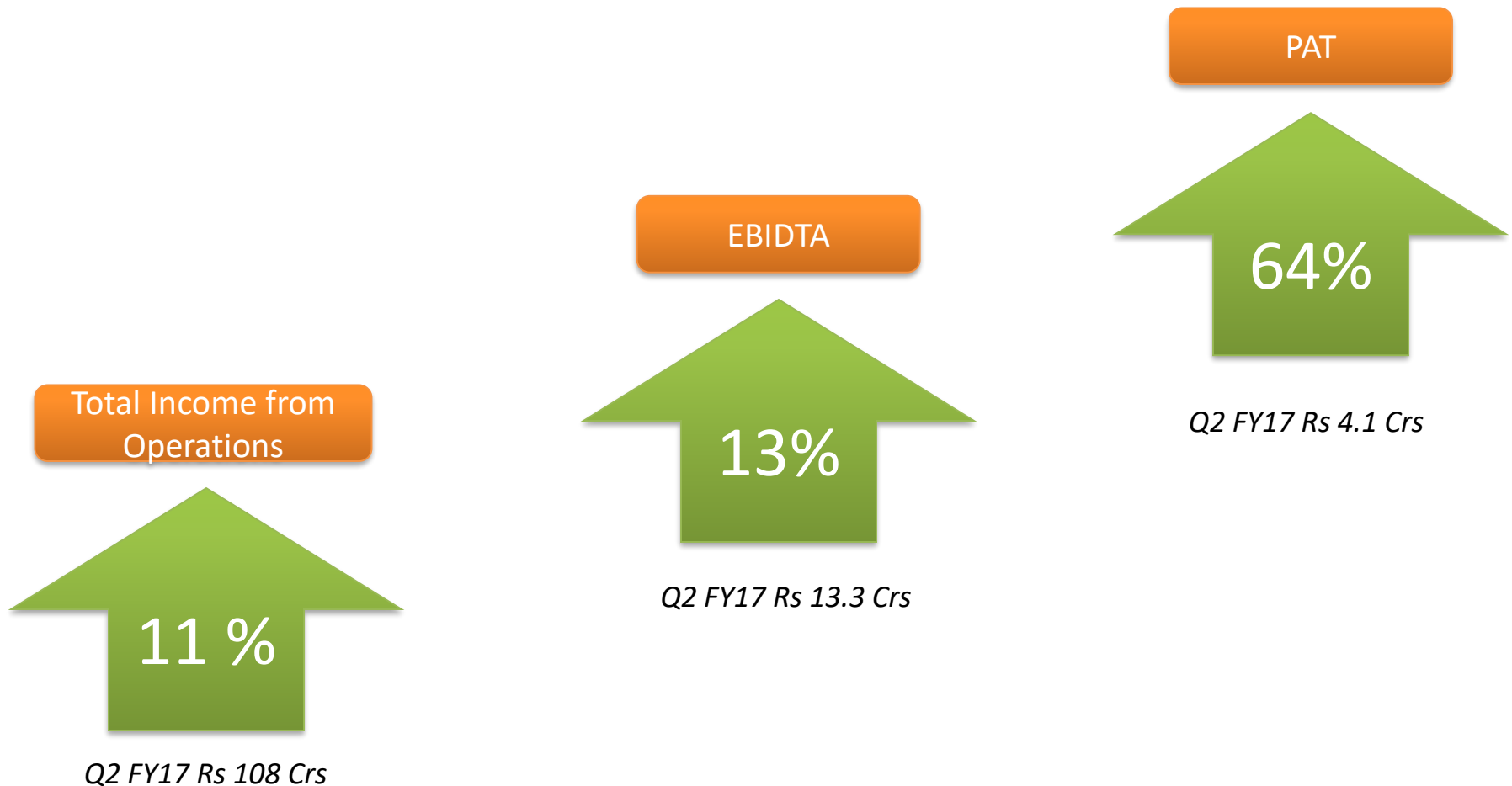
This presentation contains certain forward looking statements concerning the Company’s future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks 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.

About Us



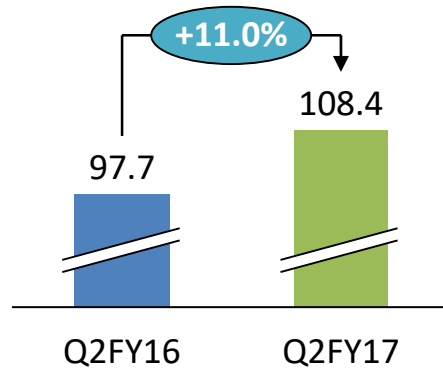
One of the Most Hedged Auto Component Player

Q2 FY17 Performance

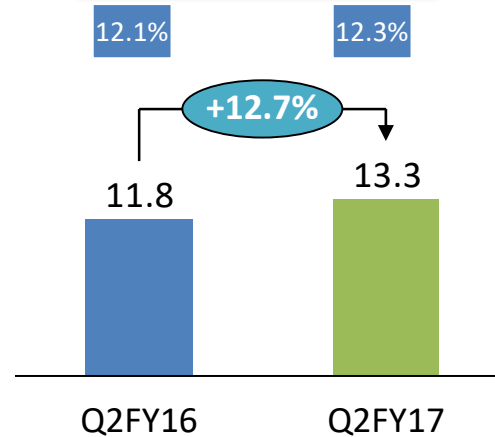


Turnaround Underway

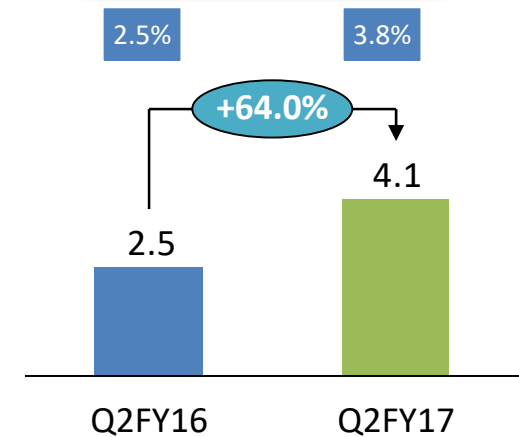
Total Income from Operations



EBIDTA



PAT



Strong performance from new Joint Ventures **Talbro's Marugo Rubber** and **Magnetti Marelli Talbro's Chassis Systems**

Turnaround of **Forgings Business** and **Magnetti Marelli Talbro's Chassis Systems**

Reduced interest rates with Banks
Lower Tax Charge for the Quarter

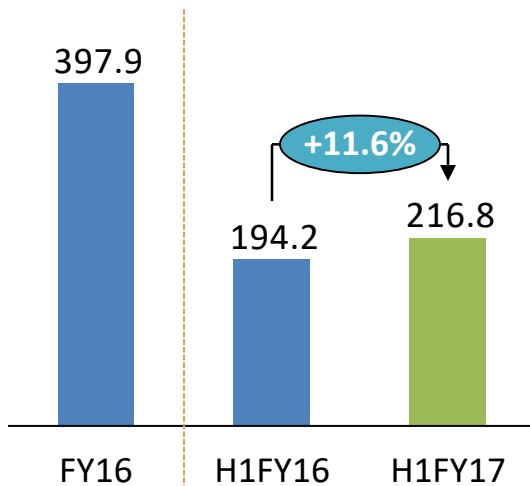
Driving Future Leadership

All Figures in Rs Crs.

Margins %

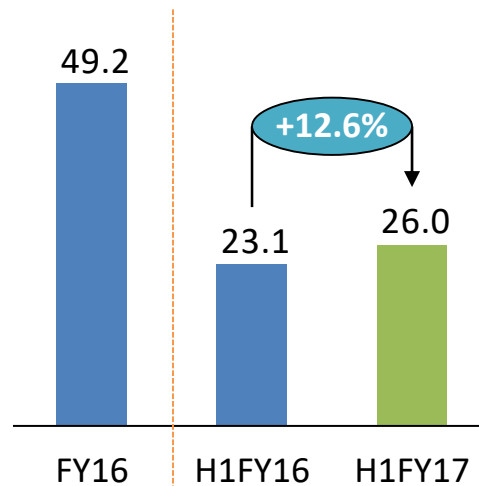
H1 FY17 performance

Total Income from Operations



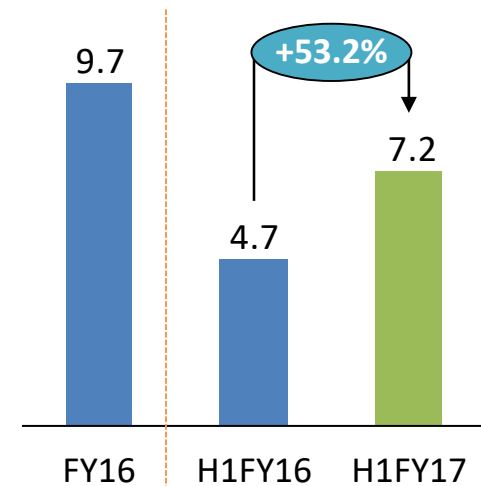
EBIDTA

12.4% 11.9% 12.0%



PAT Rs Crs

2.4% 2.4% 3.3%



Q2FY17 Standalone Performance

Standalone:

- Gaskets had higher share of OEM in the quarter
- Gasket margins impacted due to Rupee Depreciation and increased manpower costs due to Payment of Bonus Act
- Started production for Volvo-USA and Barak Turkey for Gaskets exports
- Forging business turnaround continues on domestic focus
 - Improved margins on lower power costs and lower material costs

Magneti Marelli Talbros Chassis Systems (MMT) :

- 50% revenue growth led by higher volumes
- Increased volumes resulted in improved margins
- Positive PAT achieved in Q2FY17

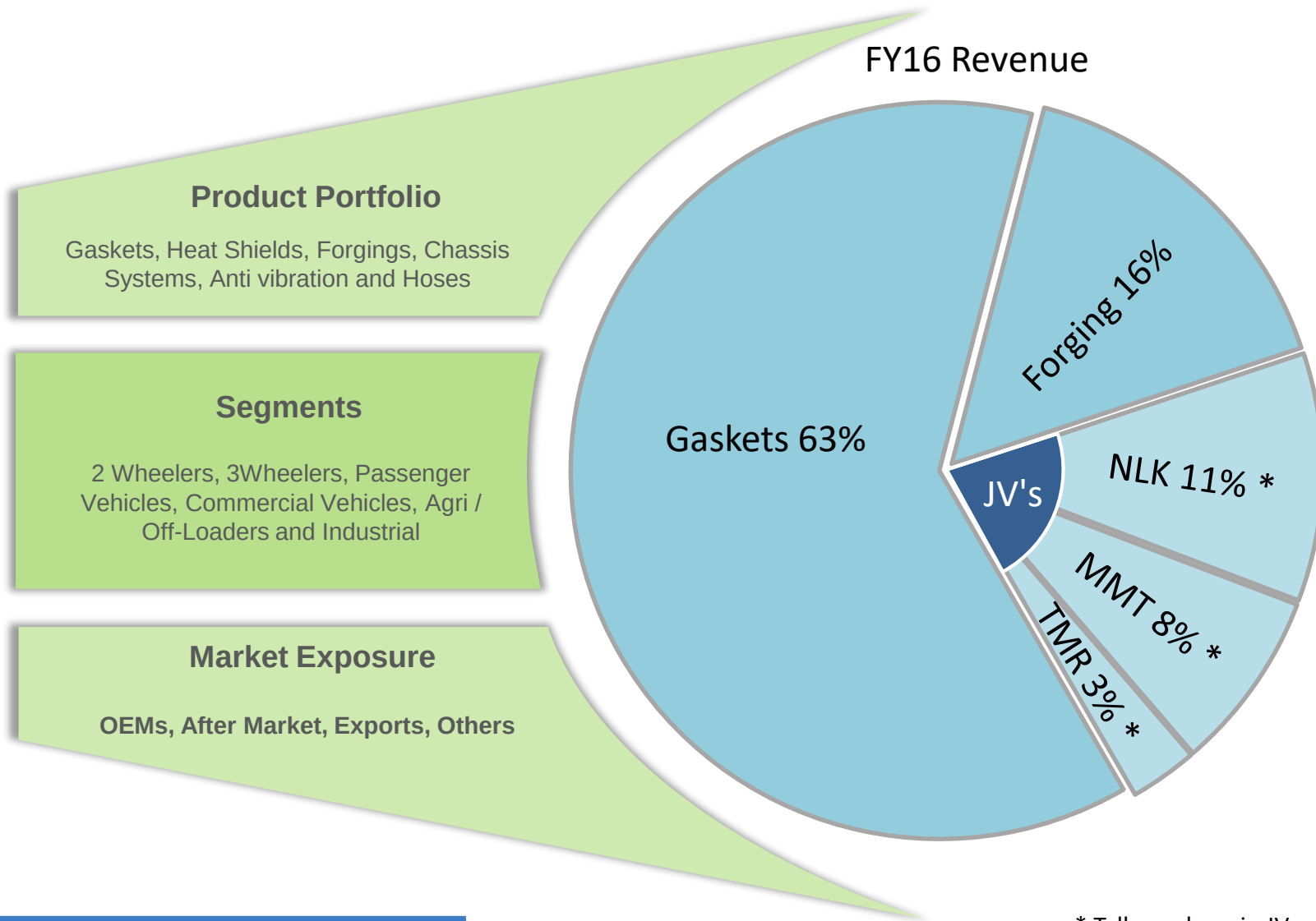
Talbros Marugo Rubber (TMR):

- New Hanger Business received from “Honda Car-India (HCIL)” for their next model
- New business of Cabin Mounts received from “Marugo” for “FUSO-Japan”
- Positive PAT achieved in Q2FY17

Growth Strategy



Diversified Portfolio



* Talbros share in JV

Strong Global Partnerships - Joint Ventures



Nippon Leakless Talbros Ltd (NLK)

- **Nippon Leakless Corporation** (Japan)
 - ✓ One of the largest global manufacturers of gaskets and a major Supplier for **Honda**
- Established in 2005 with 40% Talbros Share
- 100% Sales to OEMs to Honda and Hero

Magneti Marelli Talbros Chassis Systems Ltd (MMT)

- **Magneti Marelli S.p.a** (Milano)
 - ✓ A Fiat group company with annual revenue of over € 6 Billion
- 50:50 partnership commenced production in April 2012
- 100% Sales to OEMs
- Significant share of Control Arms business from Maruti Suzuki and Tata

Talbros Marugo Rubber Ltd (TMR)

- **Marugo Rubber Industries Ltd** (Japan)
 - ✓ Global leader in supply of **Anti-Vibration Product and Hoses**
- **50:50** partnership commenced production in February 2013
- 100% Sales to OEMs predominantly Maruti Suzuki

Strong Tailwinds...

Stricter environmental Norms

- BS-VI expected implementation by 2020
- Developing new products such as **Heat Shields** under Technical Licensing Agreement with **SANWA Packaging**



Jump towards BS VI

Huge Potential of Indian Passenger Vehicles Segment

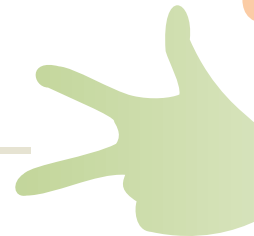
- India's low vehicle penetration (32 vehicles per 1000 people in 2015) making it one of the world's most attractive auto markets
- India's PV segment is expected to grow to > 48 mn vehicles by 2020



Joint Ventures increasing exposure in PV Segment

Tie-ups with leading component suppliers of the Globe

- India becoming a hub for Global OEMs for sourcing and manufacturing



Access to Global Technology

Increasing Government Thrust

- India's projected production is ~8.7mn PVs per year by 2020
- MNC's including (**Ford**, Hyundai, Toyota, GM, and Honda) are in the process of building facilities in India



Make In India

Increasing Investments by Global Manufacturers

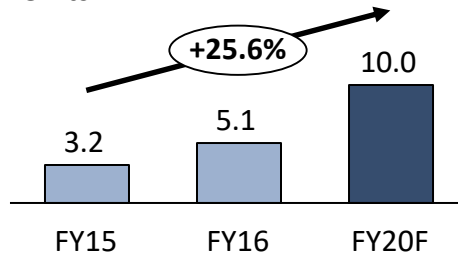
- Global car manufacturers plan to leverage India's competitive advantage to set up export-oriented production hubs



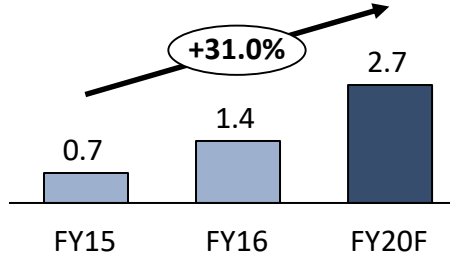
Exports

The Automotive Opportunities

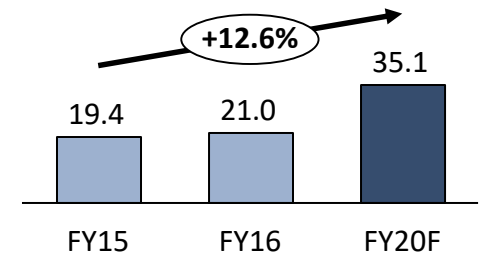
Million Units



Passenger Vehicles



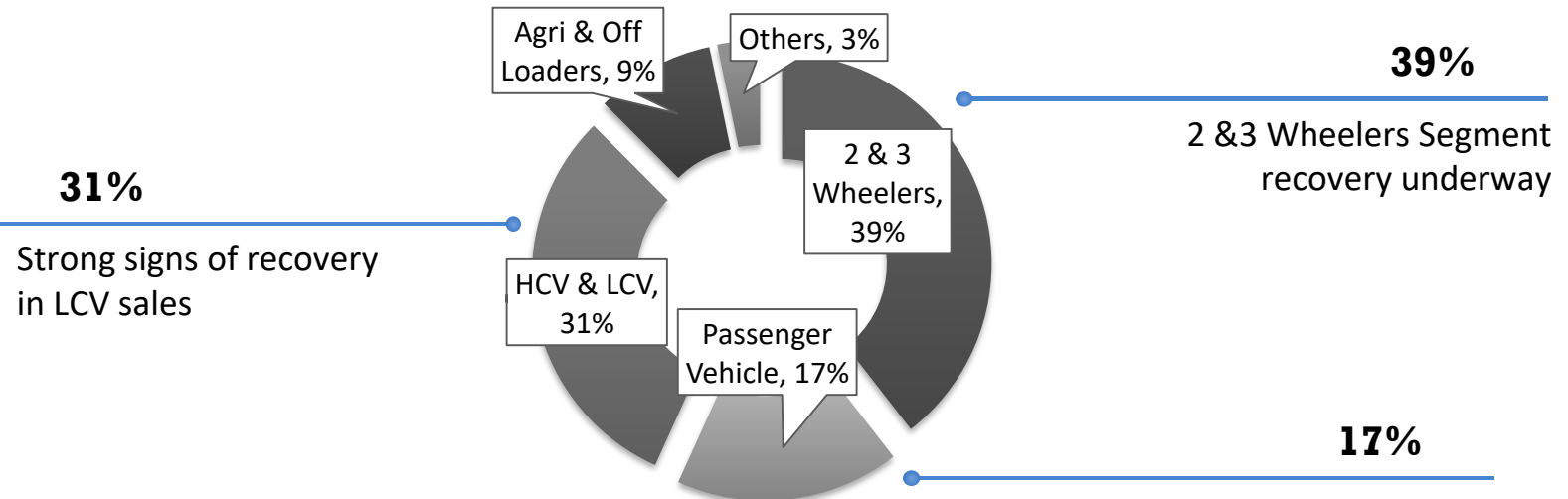
Commercial Vehicles



2W & 3W Vehicles

Source: IBEF, SIAM

TACL: Domestic Sales Break up FY16



Driving Future Leadership

Consistent improvement in JV performance to push PV sales

Leadership Team to drive Growth...



Joint
Managing
Director

Anuj Talwar

Is a Bachelor in Business Administration from college of William & Mary, Virginia, USA and Master of Business Administration from Boston University Graduate School of Management. He has been associated with the Company since 2008. He had over 10 years of rich experience in the Corporate Finance, Credit analysis ,Auto Industry and M&A.



Director
& Group
CFO

Navin Juneja

Is a B.Sc. (Mathematics) and Chartered Accountant (FCA). He is working as Finance Head of Talbros Group as its Group CFO. He also advises various companies on financial management and corporate planning. He had more than 30 years of rich experience in Finance, Accounting and Strategic Planning.

... towards a Sustainable and Profitable FY17

- Recovery in LCV and 2Wheeler Sales
- Expectation of good monsoon and 7th pay commission to boost consumer demand
- Commencement of Shipment from recent order wins
- Increasing geographical presence in forging business
- Sales from recently commenced Hoses operations
- Improving scale of operations in Joint Ventures there by leading to improvement in profitability

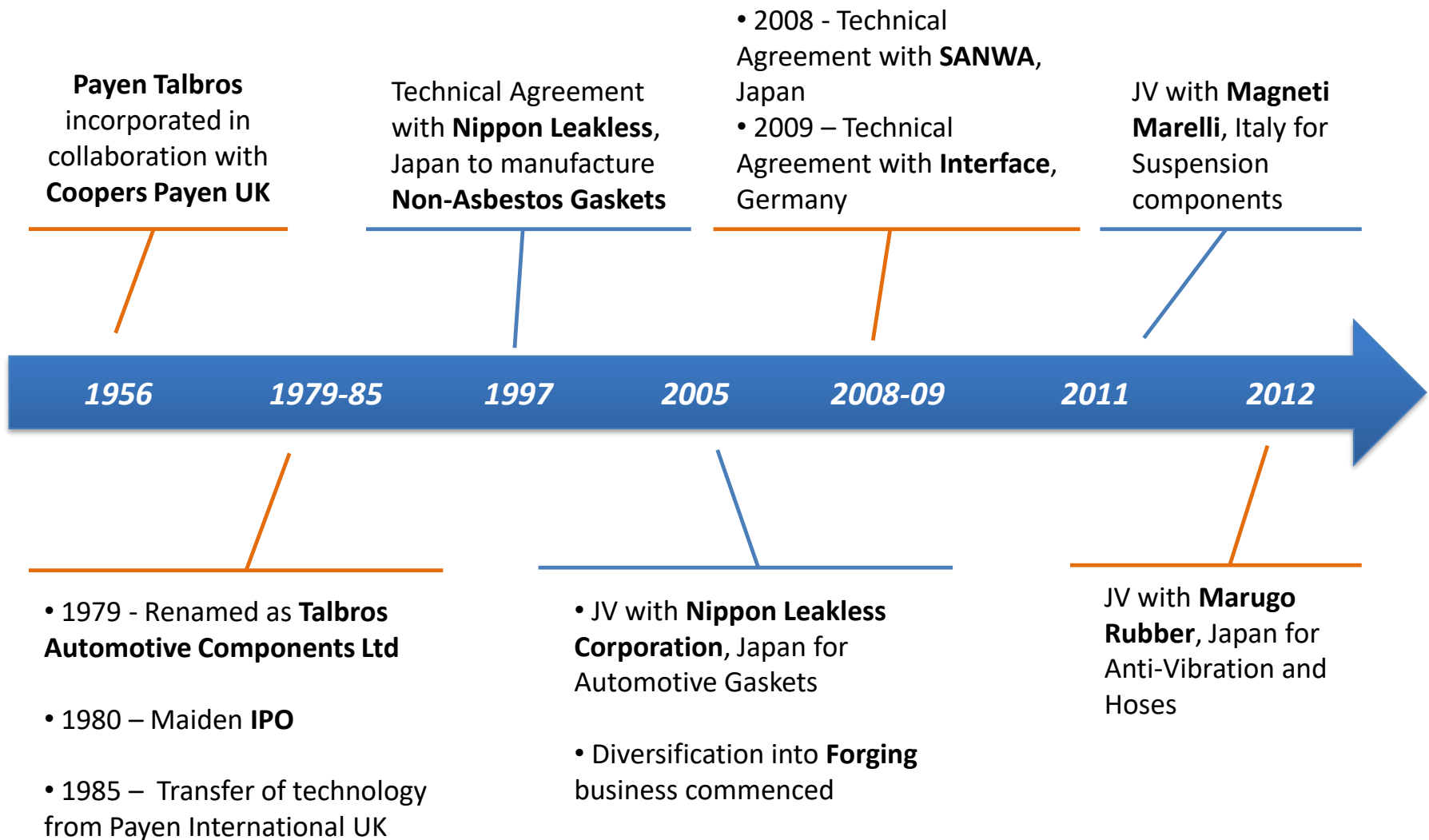
We expect better performance in FY17:

- Total Income:
 - FY16 : Rs 398 Crs
 - FY17 Growth Expectations : 10-12%
- EBIDTA Margins
 - FY16 : 11.1%
 - FY17 Expectations : 11.75 % – 12.25%

Business Overview



Key Milestones



Board of Directors



Mr Naresh Talwar
Chairman



Mr Navin Juneja
Director



Mr Amit Burman
Independent
Director



Mr Umesh Talwar
Vice Chairman &
MD



Mr Vidur Talwar
Non Executive



Mr R R Vederah
Independent
Director



Mr Varun Talwar
Joint Managing
Director



Mr Rajive Swahney
Independent
Director



**Mr Pallavi
Sadanand Poojan**
Independent
Director



Mr Anuj Talwar
Joint Managing
Director



Mr V Mohan
Independent
Director



**Mr Anil Kumar
Mehra**
Independent
Director

Executive Management

Mr. Manish Khanna

Chief Financial Officer

A Qualified CA and MBA, he has over 17 years of experience with LeeBoy India Constructions, Doosan Infracore, Exports Construction Equipment and Amforge Industries

Mrs. Seema Narang

Company Secretary

She has over 22 years of experience in the secretarial department and has worked with Whirlpool of India and Aksh Optifibre Ltd

Mr. Suryanaryan T. Hebbar

President – Gaskets Division

He has over 20 years of experience in the Auto Components sector with JBM Auto, Rangsons Electronics, TVS motors, TACO, Visteon and DELPHI

Mr. Basavaraj R Patil

President – Forging Division

Has worked with Bharat Forge, Ramkrishna Forgings and CFT team at QH Talbros

Mr. Yutaka Ota

Managing Director – Nippon Leakless Talbros Pvt. Ltd

He holds BE degree from Tokyo and has experience of 25 years working in the Gasket Industry

Mr. Ashish Gupta

CEO – Magneti Marelli Talbros Pvt. Ltd

He holds a BE degree and has over 24 years of experience with manufacturing companies in India, Europe & CIS

Mr. Inoue San

Managing Director – Talbros Marugo Rubber Pvt. Ltd

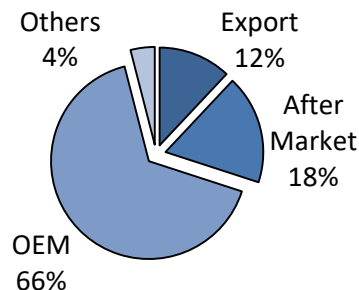
He is an Engineer and has an experience of over 30 years and has worked as DGM-Vibration Control Development Section with Marugo Rubber Industries Ltd

Standalone

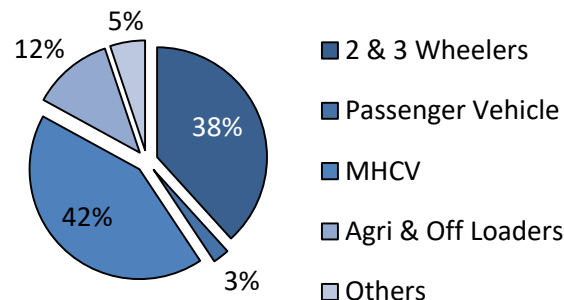
Gaskets

- In – House tool design and manufacturing
- **38%** Market share in Gaskets **3x** the nearest competitor
- **Market Leader** in – Two Wheeler, Agri & Off Loaders, HCV & LCV segment
- **Tier I OE supplier** for **12** of our customers
- **Single Source Supplier** for **5** of our customers
- **100% Asbestos Free player**
- Export orders from Cummins, Daimler, Volvo and Harley Davidson
- Introduced dedicated **Heat Shield line**: critical for heat, sound and vibration insulation
- Revenue for **H1FY17 stood at 136 Cr**

FY16 Revenue Rs 248 Crores



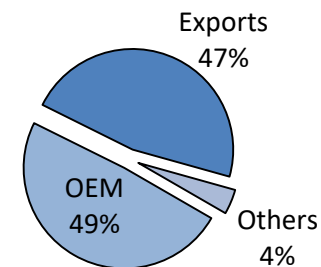
FY16 OEM Breakup



Forging

- One stop solution for **Hot Forging** (750 to 1,600 Ton Press)
- In-House tool design and manufacturing
- Strong presence in **Overseas Market** & Supplier to **top Tier I** companies
- **One Stop Solution** for Die Design, Machine parts and Heat treatment (Normalizing and Carbohydriding)
- Introduced Crown Wheels
- Added new customers Ognibene and American Axle to diversify its geographic risk
- Revenue for **H1FY17 stood at 34 Cr**

FY16 Revenue Rs 62 Crores



Products - Various Types and Shapes

Gaskets

Multi Layer Steel



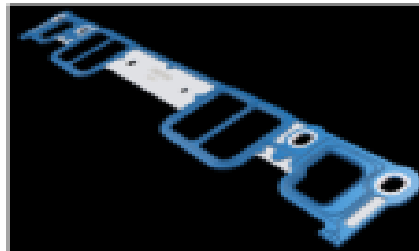
Rubber Molded



Exhaust Manifold



Edge Molded



Heat Shield



Cylinder Head



Forgings

King Pins



Gear Blanks



Housing and Yoke Shafts



Joint Ventures



Nippon Leakless Talbros Ltd

Magnetti Marelli Talbros Chassis Systems Ltd

Talbros Marugo Rubber Ltd

Products

Gaskets

Control Arms, Front Axle and Rear Axle

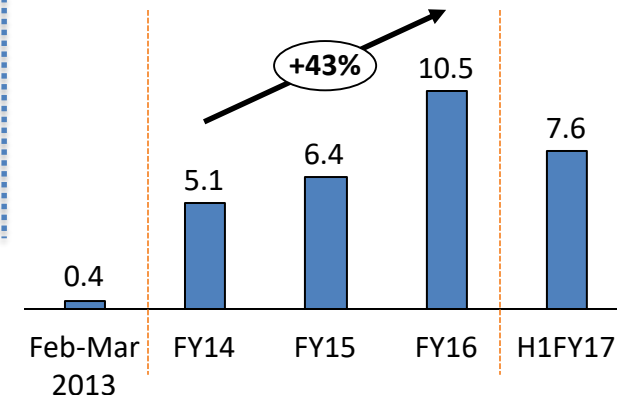
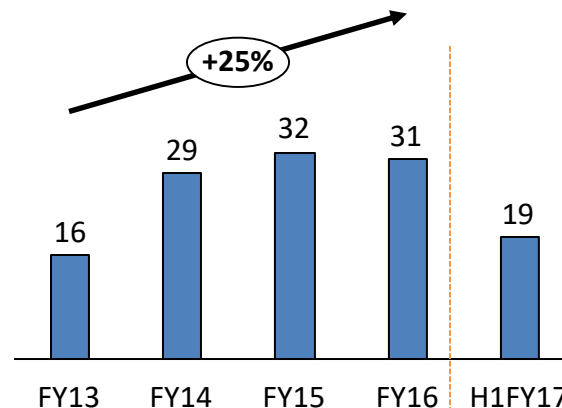
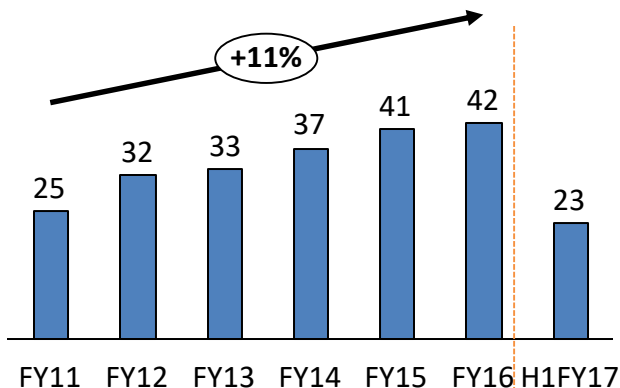
Engine Mounts, Strut Mounts, Mufflers & Hangers, Suspension Bushes, Rubber Bushes, Hoses

Customers

Hero Motor Corp, HMSI, India
Yamaha, Honda Car India, Maruti Suzuki, Honda Siel Power Products

Bajaj Auto, Mahindra & Mahindra, Maruti Suzuki India, Tata Motors
Significant share of Control Arms business from Maruti

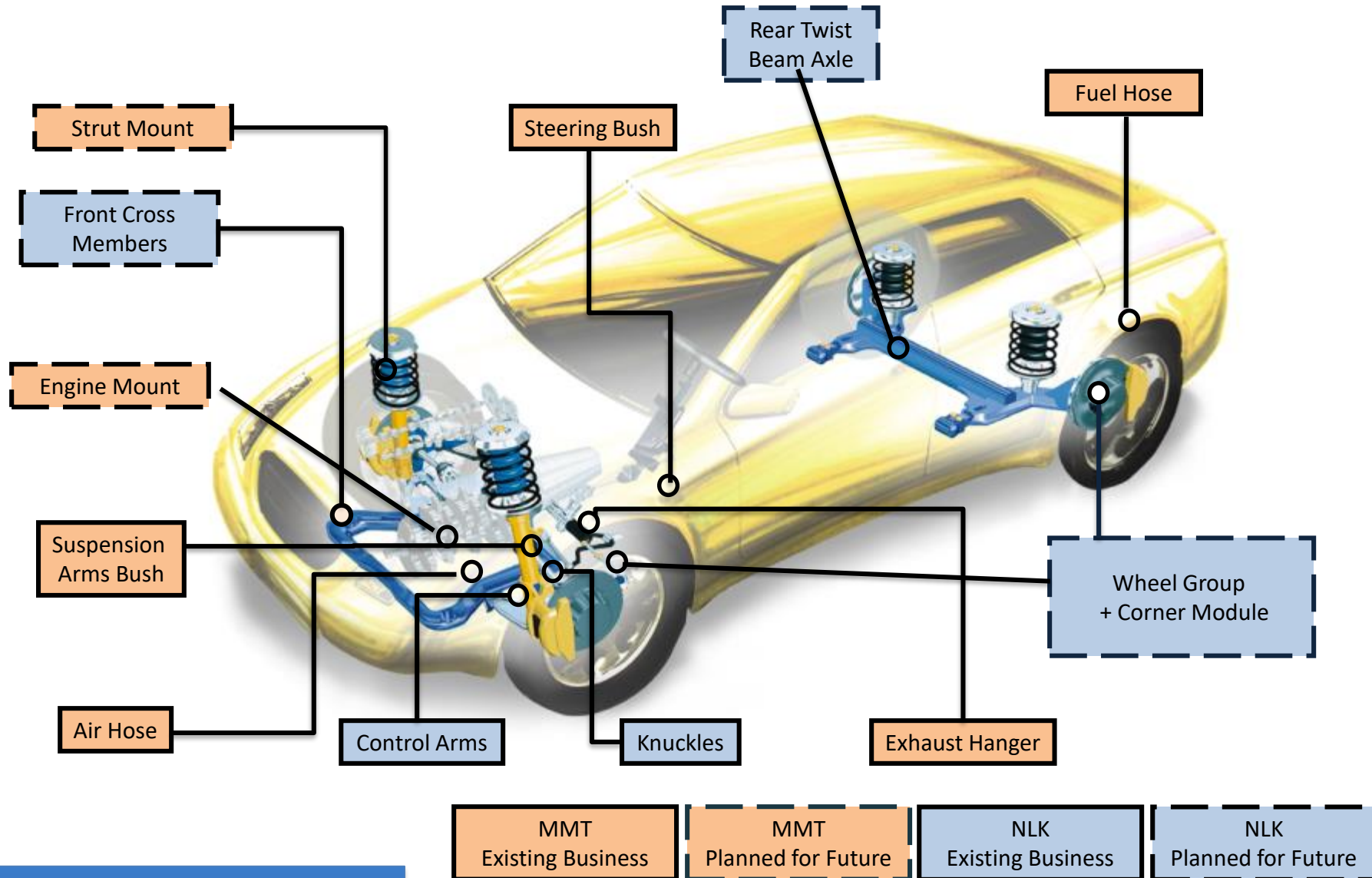
Maruti Suzuki, QH Talbros, Endurance Technologies, Rane (Madras) Ltd, Escort India, TATA



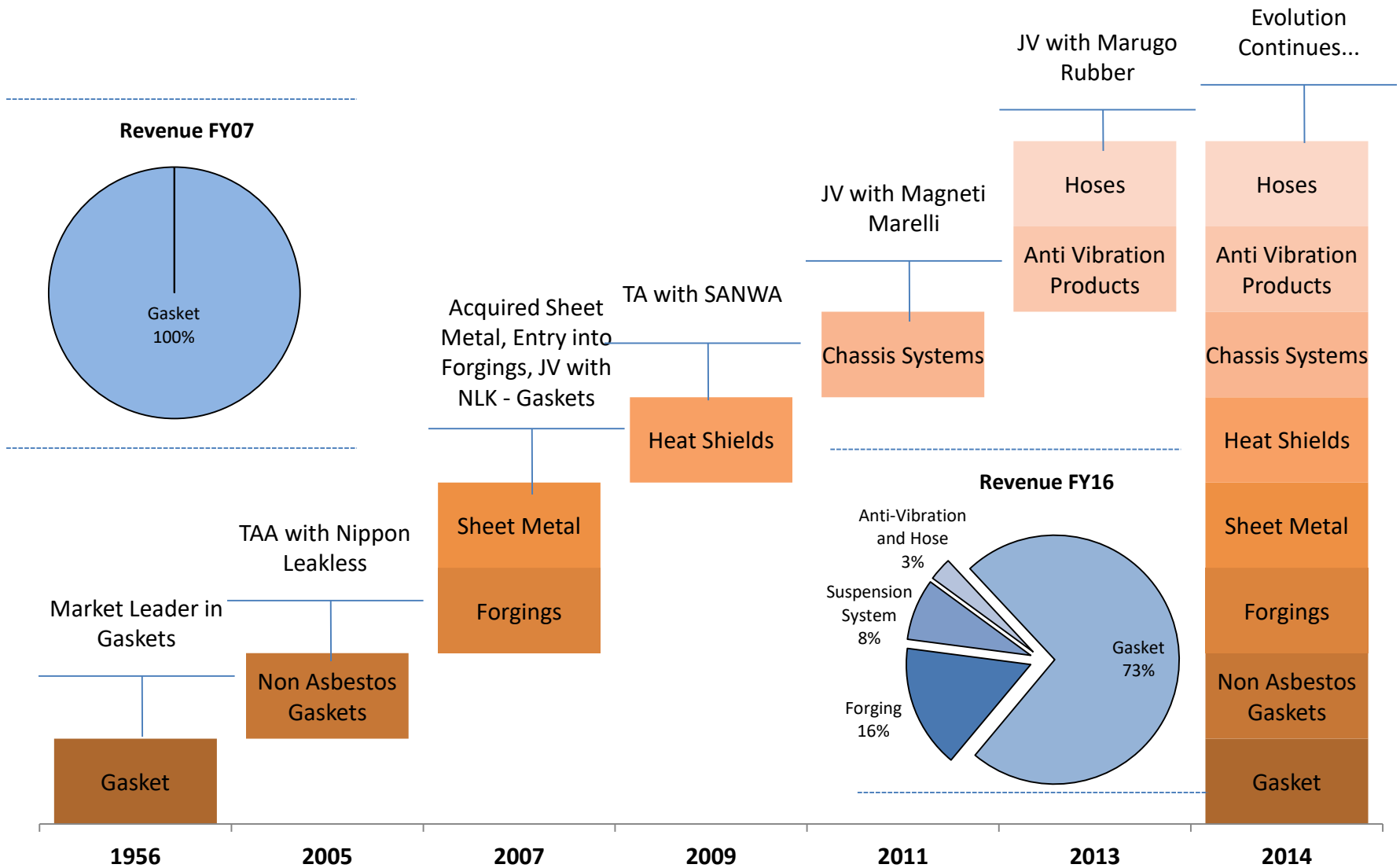
Driving Future Leadership

* Talbros Share of JV Revenue in Rs Crores

Scope of Joint Ventures



Evolving Product Portfolio



Diversified Customer - OEM

2 Wheeler



Passenger



HCV/LCV



Agri & Off Loader



Exports



Hedged customer base, **40%** revenue from top 5 customers

Manufacturing Facilities



Gasket

Faridabad, Haryana (2 plants & R&D Centre)
Pune, Maharashtra & Sitarganj, Uttarakhand



Nippon Leakless

Bawal – Haryana
Haridwar – Uttarakhand



Forging

Bawal – Haryana



Talbros Marugo Rubber

Manesar – Gurgaon



Magneti Marelli Talbros

Faridabad - Haryana

Also houses a Material Division in Sohna – Gurgaon

Financials Highlights



Consolidated P & L Statement

Rs. Cr	Q2FY17	Q2FY16	YoY %	H1FY17	H1FY16	QoQ%	FY16
Revenue	106.2	97.5		213.3	193.4		392.0
Other Income	2.2	0.2		3.5	0.8		5.9
Total Income from Operations	108.4	97.7	11%	216.8	194.2	12%	397.9
Raw Material	59.7	53.5		120.5	108.0		218.5
Employee Cost	14.2	12.3		28.5	25.0		51.6
Other Expenses	21.2	20.1		41.8	38.0		78.6
EBITDA	13.3	11.8	13%	26.0	23.1	13%	49.2
EBITDA Margin	12.29%	12.05%		11.98%	11.88%		12.36%
Interest	4.0	4.5		8.4	9.0		17.7
Depreciation	3.8	3.5		7.7	6.9		15.4
Exceptional Item *	0.0	0.0		0.0	0.0		-1.9
PBT	5.5	3.8	44%	9.9	7.3	36%	14.2
Tax	1.4	1.4	1%	2.7	2.6	4%	4.5
PAT	4.1	2.5	67.9%	7.2	4.7	53%	9.7
PAT Margin	3.80%	2.51%		3.31%	2.41%		2.44%

*Exceptional items:

FY16 Loss on sale of Machine in Magnetti Marelli Talbros Chassis Systems Pvt Ltd JV

Consolidated Balance Sheet

Rs. Cr	Sep 16	Mar 16
Shareholders Fund	137.4	131.7
Share Capital	12.3	12.3
Reserves & Surplus	125.0	119.4
Total Non Current Liabilities	25.4	33.7
Long Term Borrowings	18.3	22.9
Other Long Term Liabilities	7.2	10.8
Total Current Liabilities	235.7	230.3
Short Term Borrowings	92.2	90.6
Trade Payables	107.6	106.8
Other Current Liabilities	35.9	32.9
TOTAL EQUITY & LIABILITIES	398.6	395.7

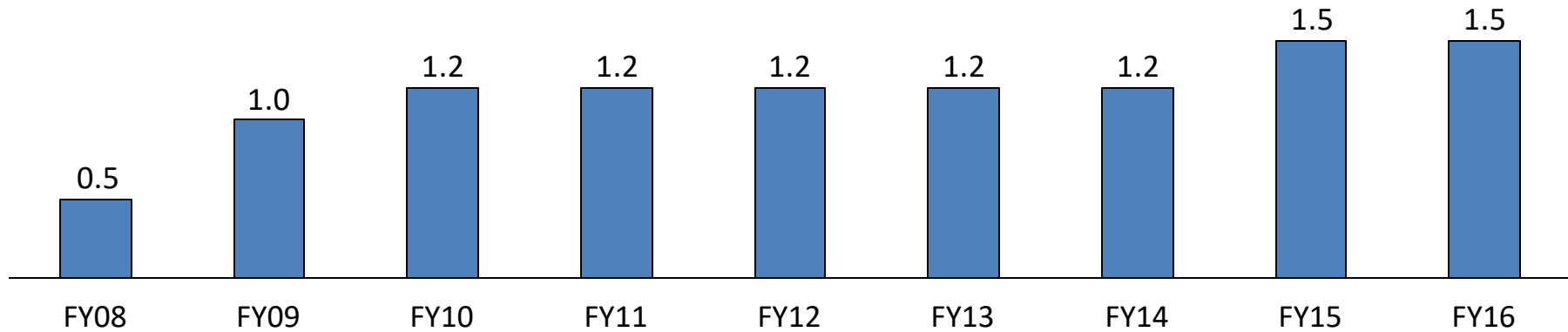
Rs. Cr	Sep 16	Mar 16
Total Non Current Assets	163.0	164.7
Fixed Assets	142.8	143.0
Long Term loans & Advances	11.8	14.0
Other Non Current Assets	8.4	7.7
Total Current Assets	235.6	231.0
Inventories *	109.8	116.3
Trade Receivables	84.0	79.8
Cash & Cash Equivalents	13.9	8.1
Short Term loans & Advances	26.7	24.3
Other Current Assets	1.1	2.4
TOTAL ASSETS	398.6	395.7

* Inventories include: Goods in Transit of Rs ____ Crs as of Sep 16 and Rs 7.4 Crs as of Mar 16

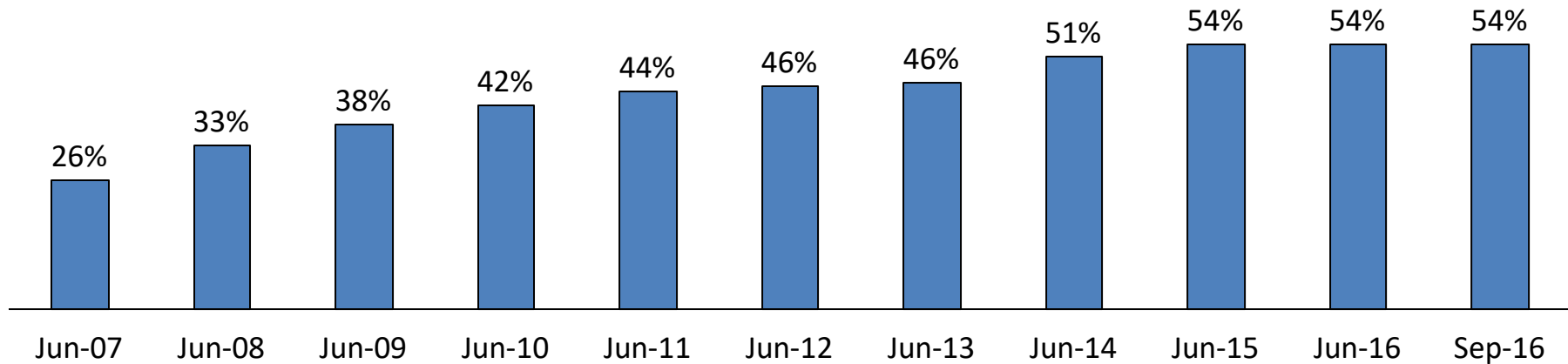
Equity

In Rs

Consistently paying Dividend for the last 50 years



Promoter Shareholding



For further information, please contact:

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