

# talbro's Automotive Components Ltd

FY15 Update  
May 2015



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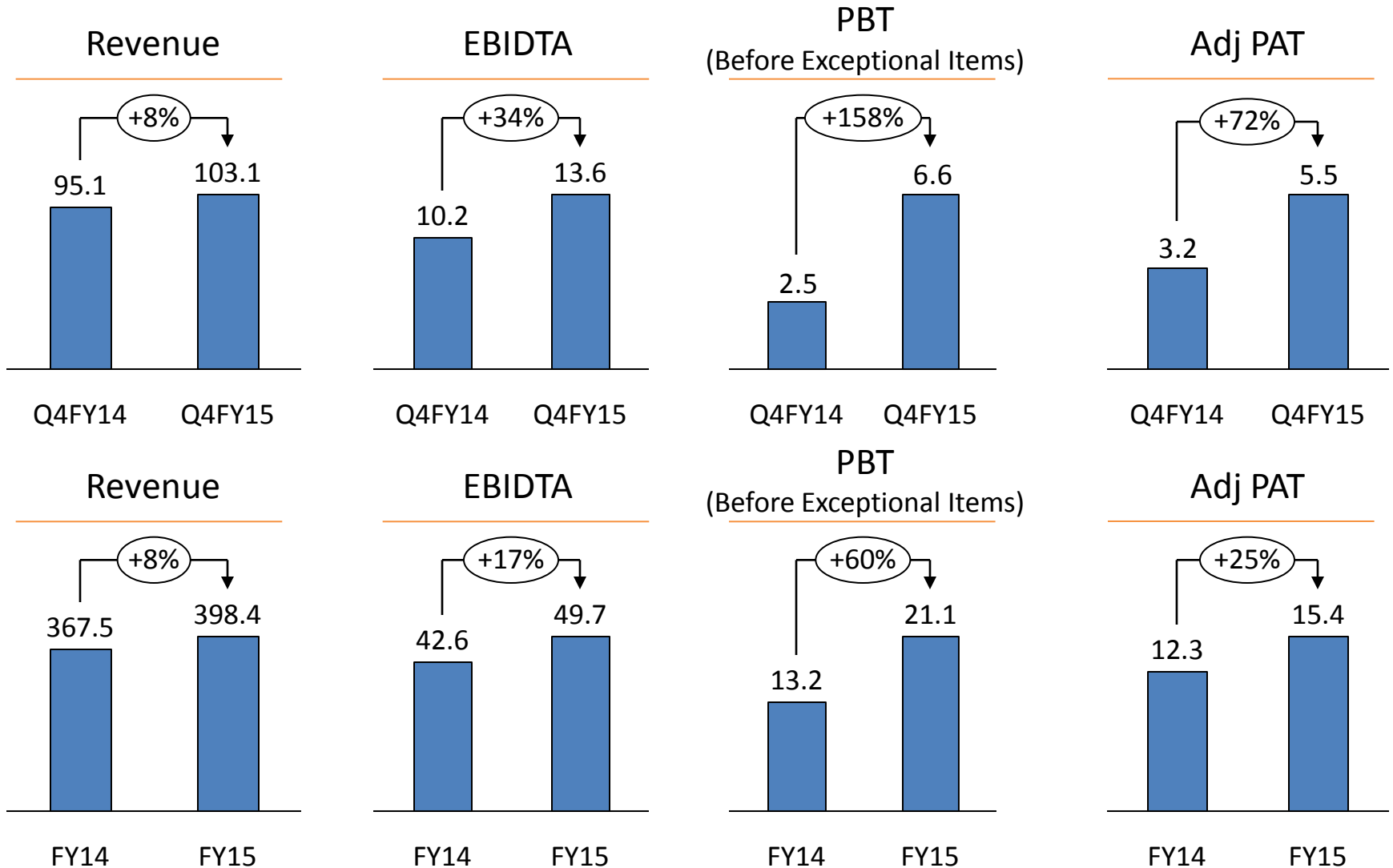
## Automotive Market Scenario FY15

- 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

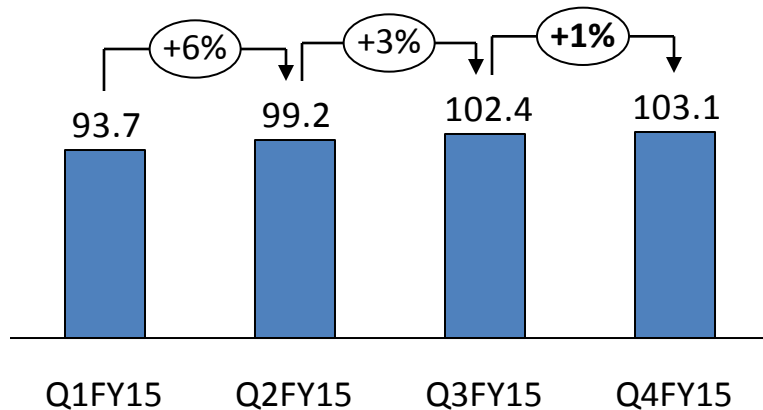
# Financial Highlights



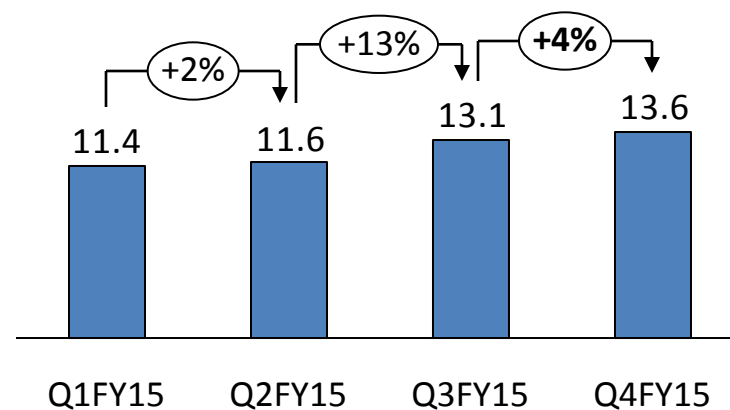
\* Rs Crores

# Consistent Sequential Growth

Revenue

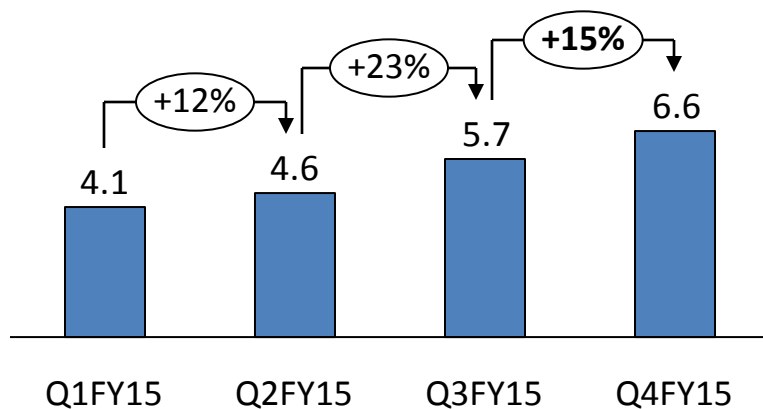


EBIDTA

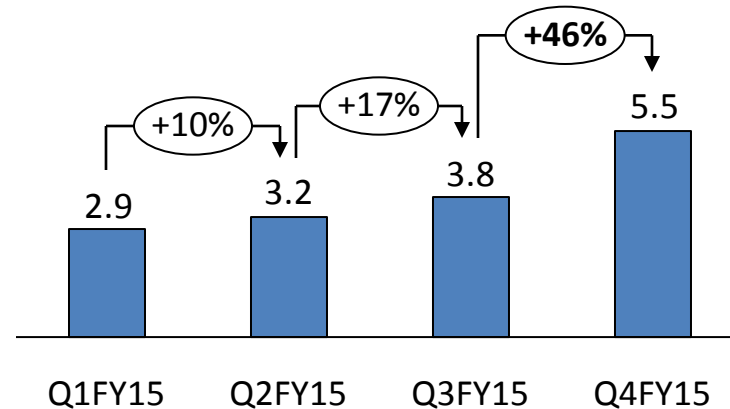


PBT

(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 Talbros**



10%\*

Automotive Gaskets for Honda and other Japanese OEMs

**Magneti Marelli Talbros**



8%\*

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

**Talbros Marugo Rubber**



2%\*

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

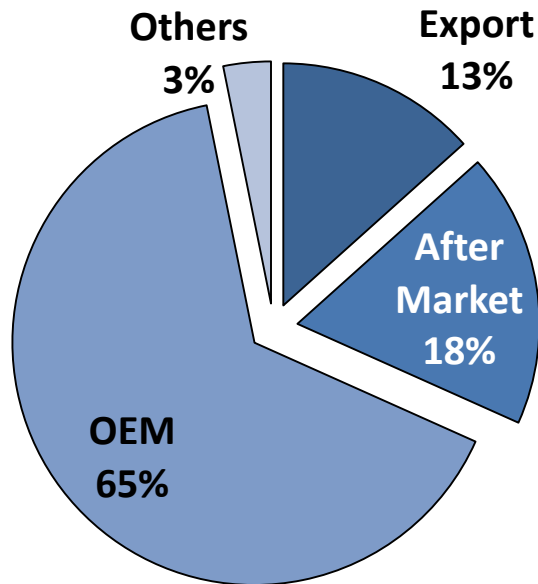
Standalone

\* Talbros share in JV

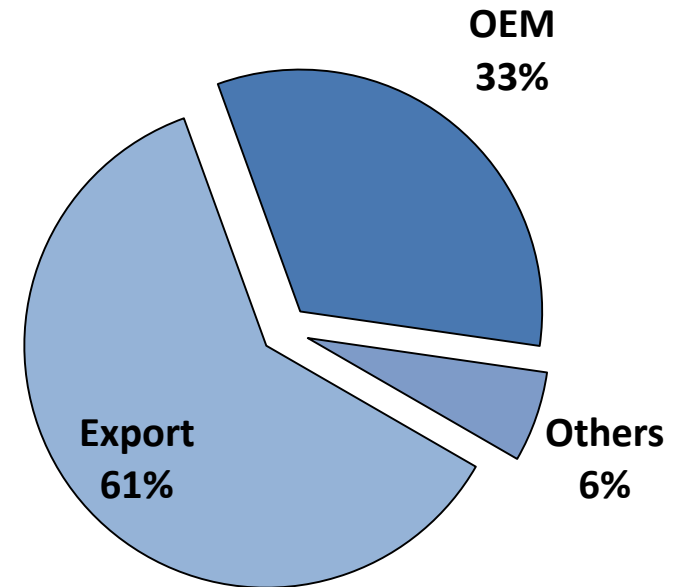
Above data excludes other non operating income

# Standalone Business

**Gaskets Division**  
**FY15 Revenue Rs 244 Crores**

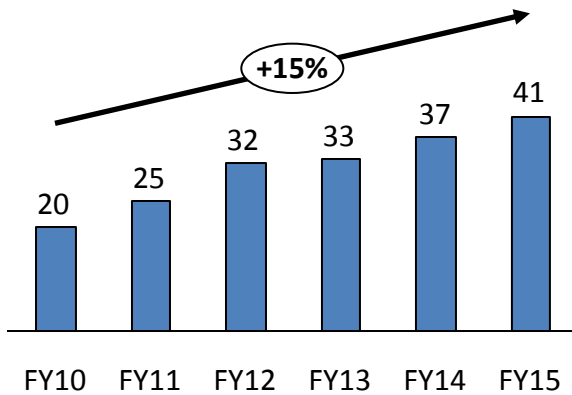


**Forgings Division**  
**FY15 Revenue Rs 70 Crores**

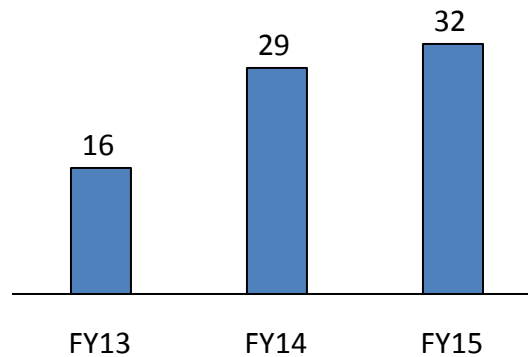


# Joint Ventures

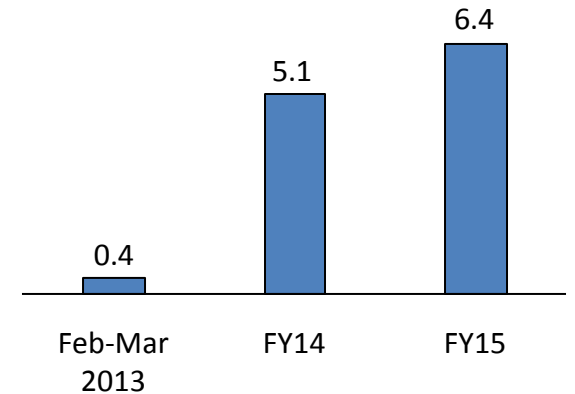
## Nippon Leakless Talbros



## Magneti Marelli Talbros

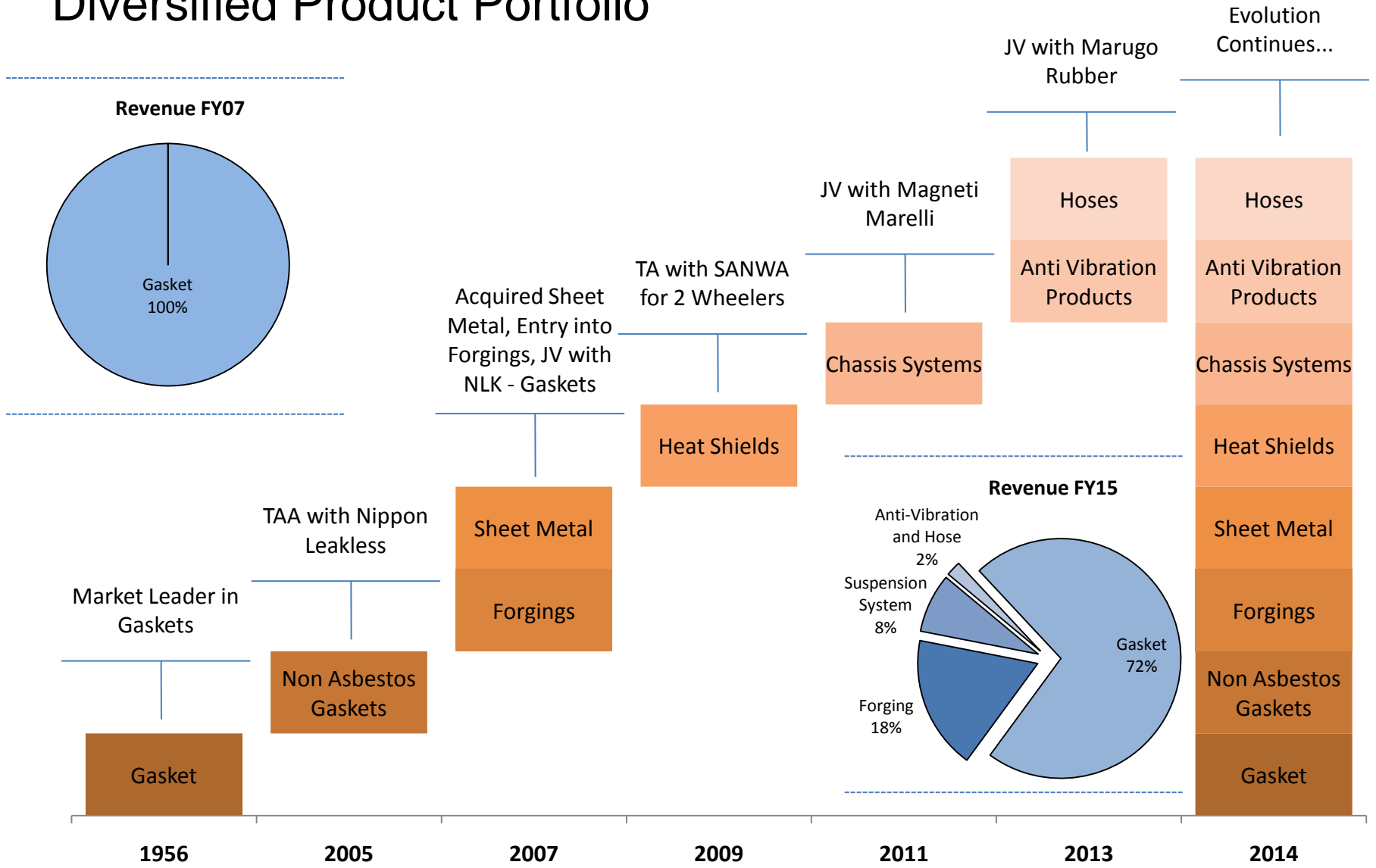


## Talbros Marugo Rubber



\* Revenue in Rs Crores

# 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 %
<b>Revenue</b>	<b>97.6</b>	<b>93.9</b>	<b>4%</b>	<b>100.8</b>	<b>-3%</b>	<b>388.8</b>	<b>361.9</b>	<b>7%</b>
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%
<b>EBITDA Margin</b>	<b>13.19%</b>	<b>10.71%</b>		<b>12.82%</b>		<b>12.48%</b>	<b>11.59%</b>	
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%
<b>PBT (Before Exceptional Items)</b>	<b>6.6</b>	<b>2.5</b>	<b>158%</b>	<b>5.7</b>	<b>15%</b>	<b>21.1</b>	<b>13.2</b>	<b>60%</b>
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%
<b>PAT Excl Exceptions</b>	<b>5.5</b>	<b>3.2</b>	<b>72%</b>	<b>3.8</b>	<b>53%</b>	<b>15.4</b>	<b>12.3</b>	<b>25%</b>
<b>PAT Excl Exceptions Margin %</b>	<b>5.34%</b>	<b>3.37%</b>		<b>3.67%</b>		<b>3.86%</b>	<b>3.34%</b>	

\*Q4FY15 Expense towards payment of terminal benefit to the erstwhile employees of the closed Chennai Plant

\*Q4FY14 Income from Sale of Land

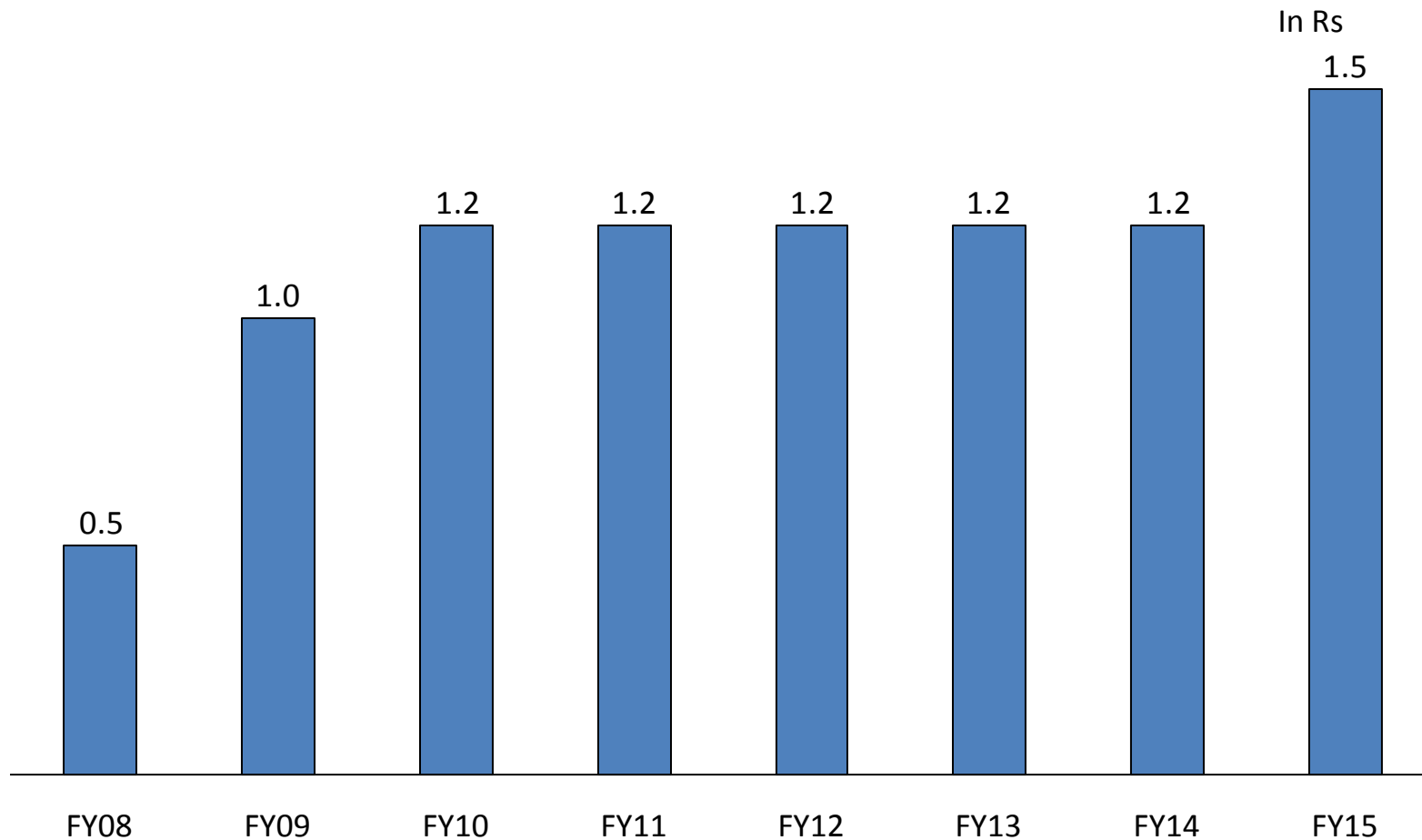
## Consolidated Balance Sheet

Rs. Cr	Mar15	Mar14
<b>Shareholders Fund</b>	<b>127.1</b>	<b>119.3</b>
Share Capital	12.3	12.3
Reserves & Surplus	114.8	106.9
<b>Total Non Current Liabilities</b>	<b>40.8</b>	<b>40.8</b>
Long Term Borrowings	31.8	30.9
Other Long Term Liabilities	9.0	9.8
<b>Total Current Liabilities</b>	<b>215.6</b>	<b>186.0</b>
Short Term Borrowings	85.1	77.2
Trade Payables	92.4	74.9
Other Current Liabilities	38.2	33.8
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>383.6</b>	<b>346.0</b>

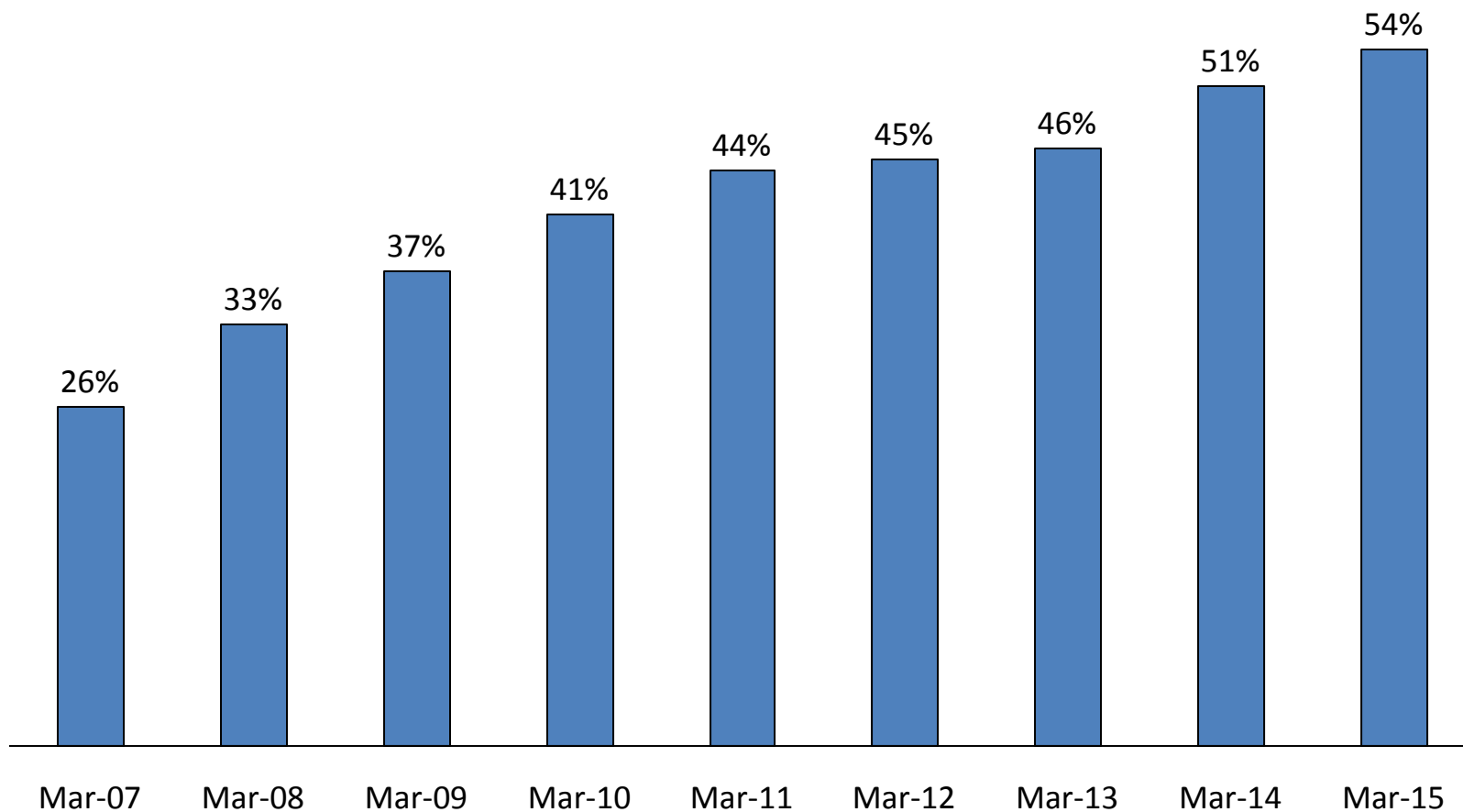
Rs. Cr	Mar15	Mar 14
<b>Total Non Current Assets</b>	<b>142.4</b>	<b>134.1</b>
Fixed Assets	123.4	118.2
Long Term loans & Advances	12.7	11.4
Other Non Current Assets	6.2	4.5
<b>Total Current Assets</b>	<b>241.2</b>	<b>211.9</b>
Inventories	127.6	106.8
Trade Receivables	73.8	69.7
Cash & Cash Equivalents	10.2	8.0
Short Term loans & Advances	28.7	26.4
Other Current Assets	1.0	0.9
<b>TOTAL ASSETS</b>	<b>383.6</b>	<b>346.0</b>



## Consistently paying Dividend for the last 50 years



## Promoter Shareholding



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