



Talbros Automotive
Components Ltd.

www.talbro.s.com

February 13, 2015

Talbros Automotive Components Limited

Q3FY15 Consolidated Results

Revenue of Rs. 102 Crs; a YoY growth of 13%

EBITDA of Rs. 13 Crs; a YoY growth of 19%

Net Profit of Rs 3.8 Crs; a YoY growth of 33%

Gurgaon, February 13, 2015: Talbros Automotive Components Ltd., an integrated player in the automotive components industry reported its unaudited results and financial performance for the quarter ended December 2014.

Consolidated Financials at a Glance:

Rs. Crs	Q3FY15	Q3FY14	YoY%
Revenue	102.4	90.8	13%
EBIDTA	13.1	11.1	19%
EBIDTA Margin	12.8%	12.2%	
Net Profit	3.8	2.8	33%

Q3FY15 Highlights:

- Sales of Rs 102.4 Crores; Growth of 13%
 - Strong Gasket Division performance
- Contribution Margin improved by 340 bps to 44.4%
- EBIDTA of Rs 13.1 Crores; Growth of 19%
- EBIDTA Margin improved by ~ 60 bps to 12.8%
 - Cost Saving Initiatives and Better Product Mix
- PBT of Rs 5.7 Crores; Growth of 66%
- PAT of Rs 3.8 Crores: Growth of 33%
 - Tax exemption have reduced from 100% to 30% at our Sitarganj & Haridwar facilities in Uttarakhand this year

For Talbros Automotive Components Ltd.


Authorized Signatory



Talbro's Automotive
Components Ltd.

www.talbro's.com

BUSINESS UPDATE:

Gasket Division:

- Revenue Growth driven by better Volumes on account of increased SPD (Spare Parts Division: OE) demand
- First Export order from OEM, Customer: Volvo, (USA/Mexico)
- Margin improvement due to Better Material Utilisation and Cost Optimisation measures

Forging Division:

- Slowdown in Europe partially offset by Good Domestic Sales
- New product line 'Crown Wheel' supply started to European Customers

JOINT VENTURES:

Nippon Leakless Talbro's Pvt. Ltd. (LTL):

- Stable performance on established customer base
- Excellent growth in Scooter market led by Honda; augurs well for LTL being the single source supplier

Magneti Marelli Talbro's Pvt. Ltd.:

- Delayed vehicle launches by key customers impacted volumes
- New Control Arm business from Tata Motors
- Successfully launched Control Arm for MSIL – NG Alto K10; Increasing our share in MSIL control arm sourcing to 50% from earlier 40%

Talbro's Marugo Rubber Pvt. Ltd.:

- Completed set up and installation of the Hose plant as per schedule
- Won new orders from Isuzu for 'Complete Suspension Bush' and from Honda Car India for 'Rubber Exhaust Mounting'
- Improved performance leading to near Cash Break-Even, better volume growth expected in future

Commenting on the results Mr. Umesh Talwar, Vice Chairman & MD said "We continue to strive to grow ahead of the market led by our endeavor to move up the value chain in our portfolio and better our asset utilization. I am very pleased to say that our joint ventures have been performing as per our expectations and are progressing well towards adding value to our bottom line. While we expand our presence in the domestic passenger segment and global OEMs, our business continues to benefit from lower fuel prices, interest rate cuts and pick up in Heavy and Medium commercial vehicle segments led by our well diversified products portfolio."

For Talbro's Automotive Components Ltd.


Authorized Signatory



Talbro's Automotive
Components Ltd.

About Talbro's Automotive Components Ltd.:

www.talbro's.com

Talbro's Automotive Components Ltd., the flagship manufacturing company of the Talbro's Group was established in the year 1956 to manufacture Automotive & Industrial Gaskets in collaboration with Coopers Payen of UK. Today Talbro's stands proud and tall as a mother brand of gaskets, stampings, rubber products and forgings in India. Talbro's Group portfolio also includes Mercedes Benz dealership for passenger cars.

TACL together with JV alliances has 9 manufacturing facilities at Haryana, Uttarakhand, and Maharashtra and R&D technology center at Faridabad. The facilities are equipped to design, develop and manufacture products as per customer requirements competitively.

The company has technical collaborations with Nippon Leakless Corporation – Japan and Sanwa Packaging – Japan.

Few of the marquee customers includes Bajaj Auto, Tata Cummins, Volvo Eicher India, Ashok Leyland, Escorts Group, Force Motors, Hero Motocorp, Honda, Hyundai, John Deere, Mahindra & Mahindra, Maruti Suzuki, Suzuki, TAFE, Daimler India, Tata Motors, Simpsons, Carraro, Dana, Musashi, Spicer and QH Talbro's besides a robust distribution network in the aftermarket.

For more information please contact / visit www.talbro's.com

Talbro's Automotive Components Ltd.

CIN: L29199HR1956PLC033107

Mr. Navin Juneja – Director & Group CFO

Email: navinjuneja@qhtalbro's.com

Strategic Growth Advisors

CIN: U74140MH2010PTC204285

Ms. Ruchi Rudra

Email: rruchi@sgapl.net

Safe harbor Statement:

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential product characteristics and uses, product sales potential and target dates for product launch are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results, changed assumptions or other factors.

For Talbro's Automotive Components Ltd.


Authorized Signatory

talbro's Automotive Components Ltd

Q3FY15 Update
February 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

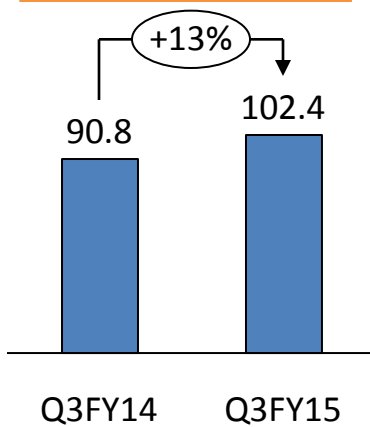
- Steady Passenger Vehicle Growth
 - Growth of ~4% for Q3FY15 and 3.7% for 9MFY15
 - Led by new launches in SUV/MUV segment; Growth of 13% for 9MFY15
- Smart recovery in Medium & Heavy CV segment continued
 - Growth of 15.6% for Q3FY15 and 8.8% for 9MFY15
- LCVs declined by (13%) for Q3FY15 and (12.7%) for 9MFY15
- Two-wheeler Growth fell to 9.3% in Q3FY15; 9MFY15 held steady at 13.5%
- Overall Q3FY15 has been below expectations

Source: SIAM

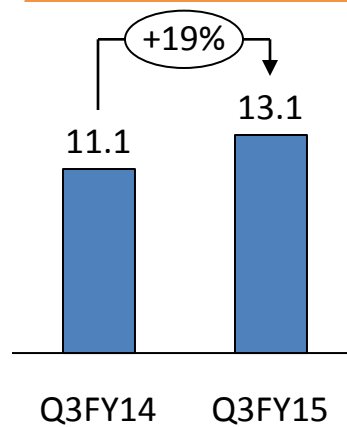
Talbros registered Growth ahead of the Market

Financial Highlights

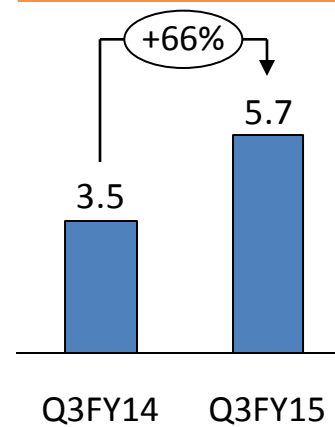
Revenue



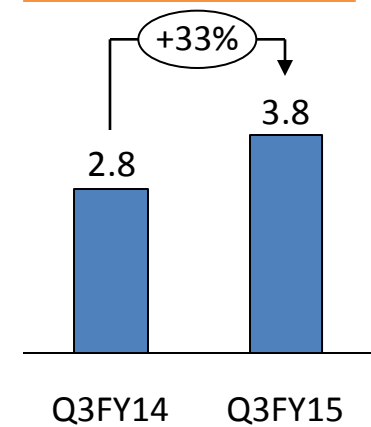
EBIDTA



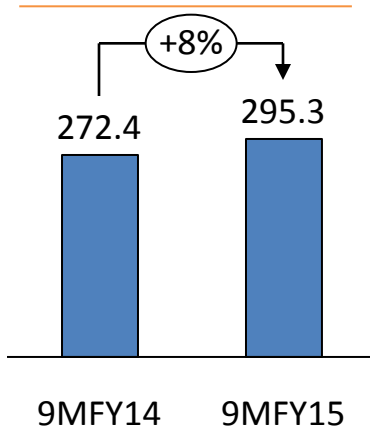
PBT



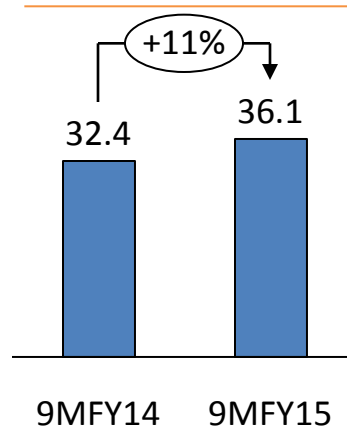
PAT



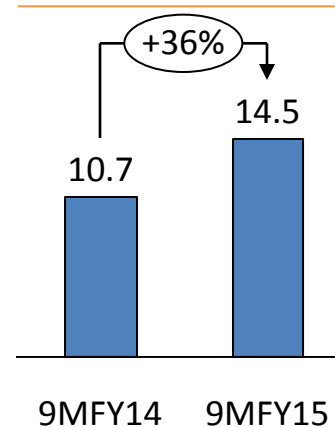
Revenue



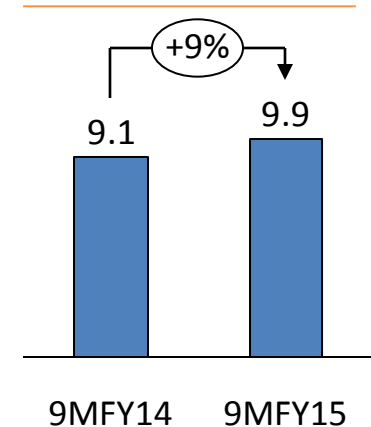
EBIDTA



PBT

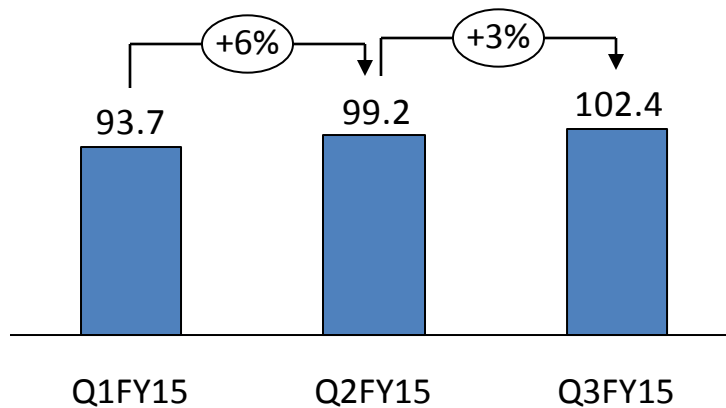


PAT

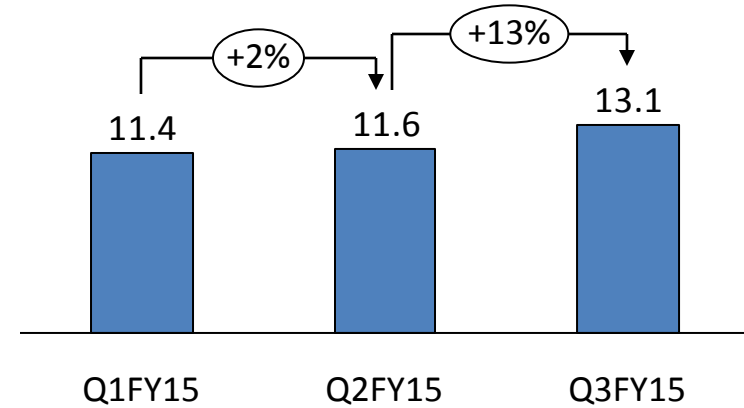


Consistent Sequential Growth

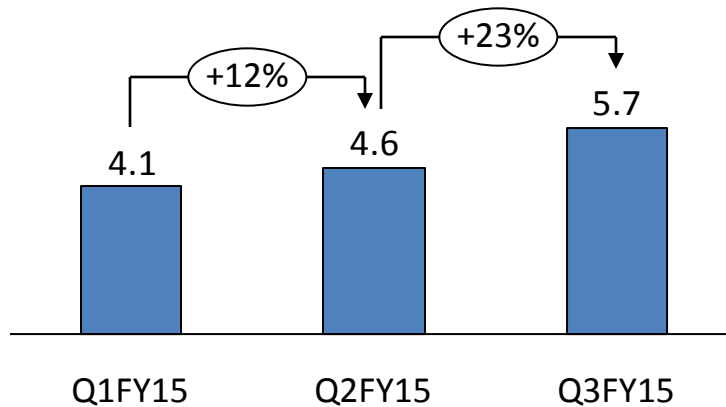
Revenue



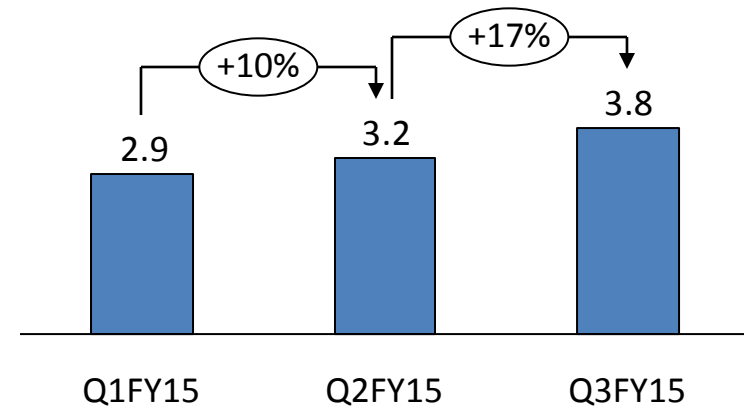
EBIDTA



PBT



PAT



Q3FY15 Highlights

- Sales of Rs 102.4 Crores; Growth of 13%
 - Strong Gasket Division performance
- Contribution Margin improved by 340 bps to 44.4%
- EBIDTA of Rs 13.1 Crores; Growth of 19%
- EBIDTA Margin improved by ~ 60 bps to 12.8%
 - Cost Saving Initiatives and Better Product Mix
- PBT of Rs 5.7 Crores; Growth of 66%
- PAT of Rs 3.8 Crores: Growth of 33%
 - Tax exemption have reduced from 100% to 30% at our Sitarganj & Haridwar facilities in Uttarakhand this year

Segmental Performance

Gaskets Division:

- Revenue Growth driven by better Volumes on account of increased SPD (Spare Parts Division: OE) demand
- First Export order from OEM, Customer: Volvo, (USA/Mexico)
- Margin improvement due to Better Material Utilisation and Cost Optimisation measures

Forgings Division:

- Slowdown in Europe partially offset by Good Domestic Sales
- New product line '**Crown Wheel**' supply started to European Customers

Joint Venture Performance

Nippon Leakless Talbros (LTL):

- Stable performance on established customer base
- Excellent growth in Scooter market led by Honda; augurs well for LTL being the single source supplier

Magneti Marelli Talbros :

- Delayed vehicle launches by key customers impacted volumes
- New **Control Arm** business from Tata Motors
- Successfully launched **Control Arm** for **MSIL** – NG Alto K10; Increasing our share in **MSIL** control arm sourcing to 50% from earlier 40%

Talbros Marugo Rubber:

- Completed set up and installation of the **Hose plant** as per schedule
- Won new orders from Isuzu for '**Complete Suspension Bush**' and from Honda Car India for '**Rubber Exhaust Mounting**'
- Improved performance leading to near Cash Break-Even, better volume growth expected in future

Corporate Overview

- Over **58 years** of experience in Auto Component manufacturing
- Promoted by **Talwar Family** with **53.6%** 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**
- **Five International Technology Tie-ups** including 3 JVs for Best in Class Products
- Diversified Portfolio - **Gaskets, Forgings, Suspension Systems, Anti-vibration Products & Hoses**

One of the Most Hedged Auto Component Player

Business Overview

*Consolidated Revenue
Contribution FY14*

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

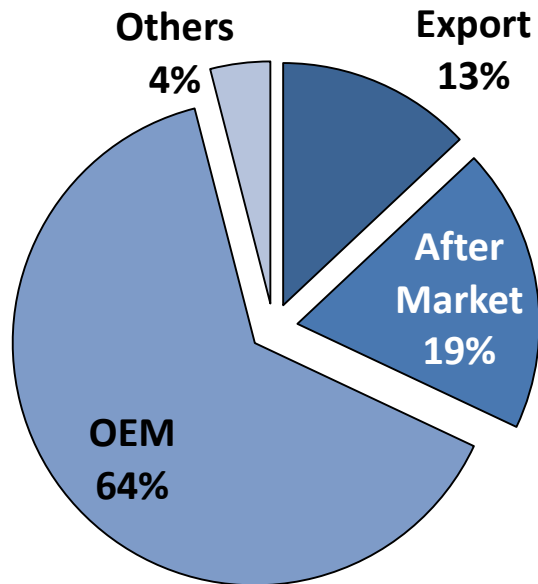
Standalone

* Talbro's share in JV

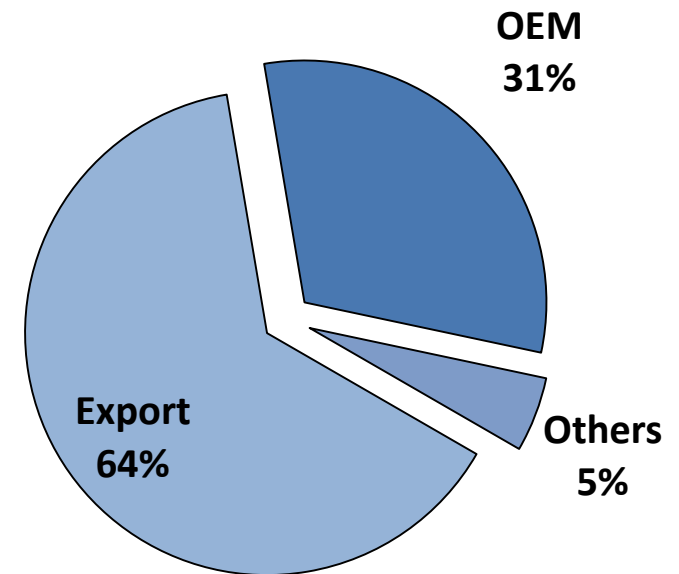
Above data excludes other income

Standalone Business

Gaskets Division
FY14 Revenue Rs 227 Crores

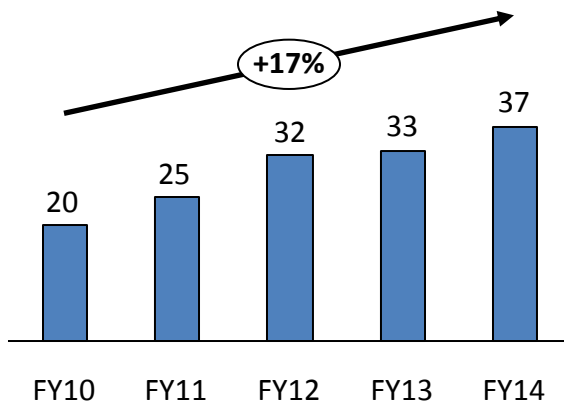


Forgings Division
FY14 Revenue Rs 67 Crores

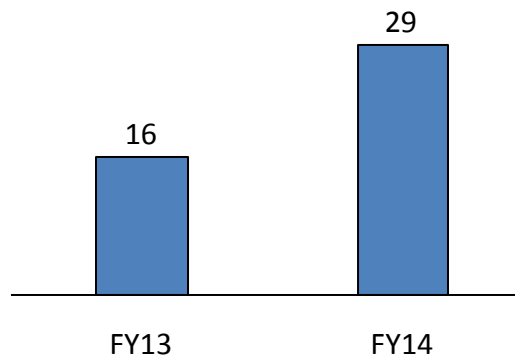


Joint Ventures

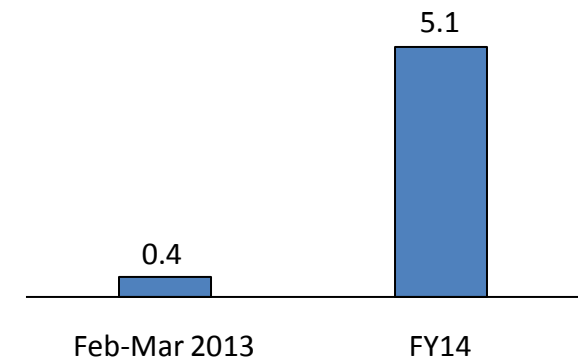
Nippon Leakless Talbros



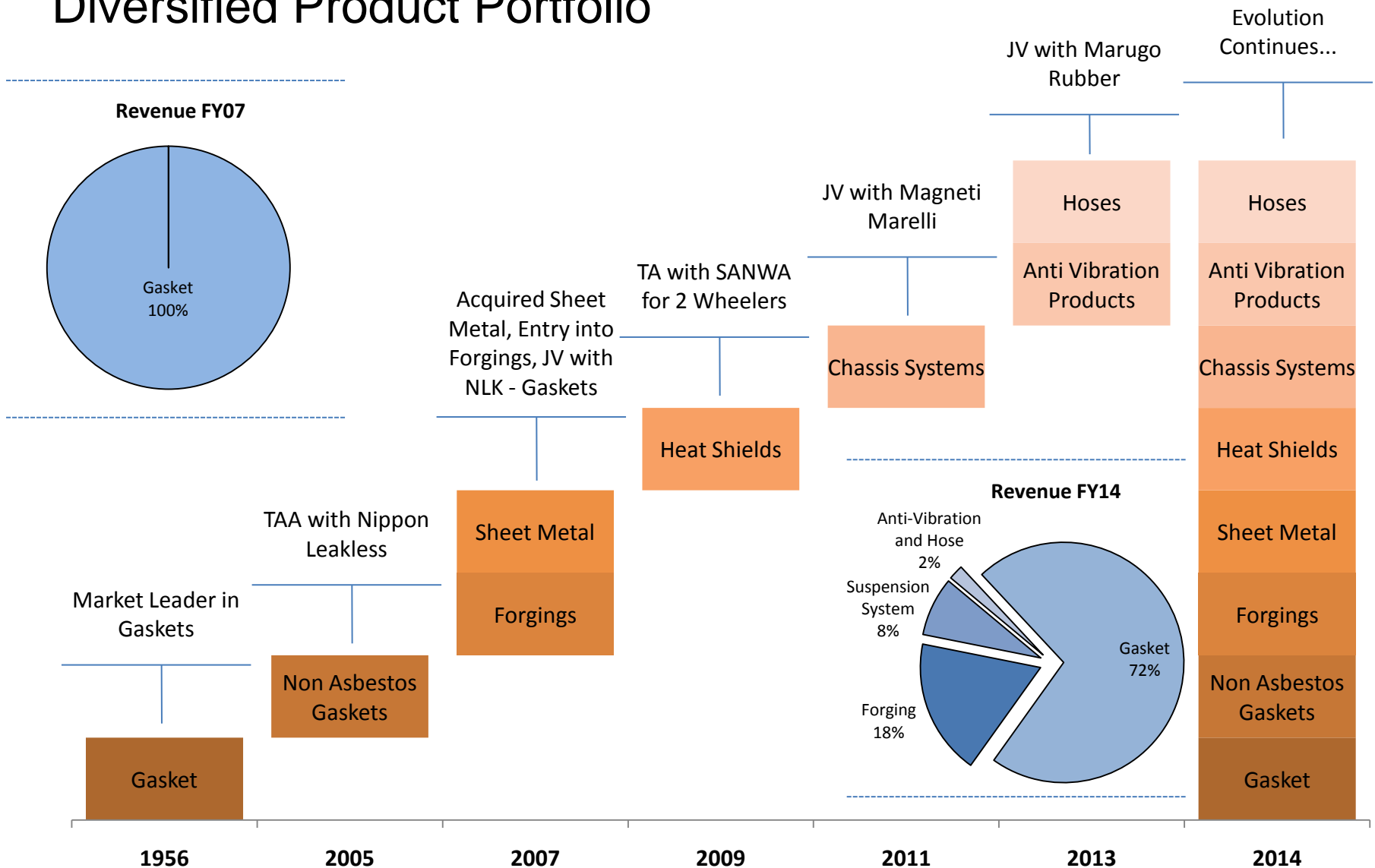
Magneti Marelli Talbros



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

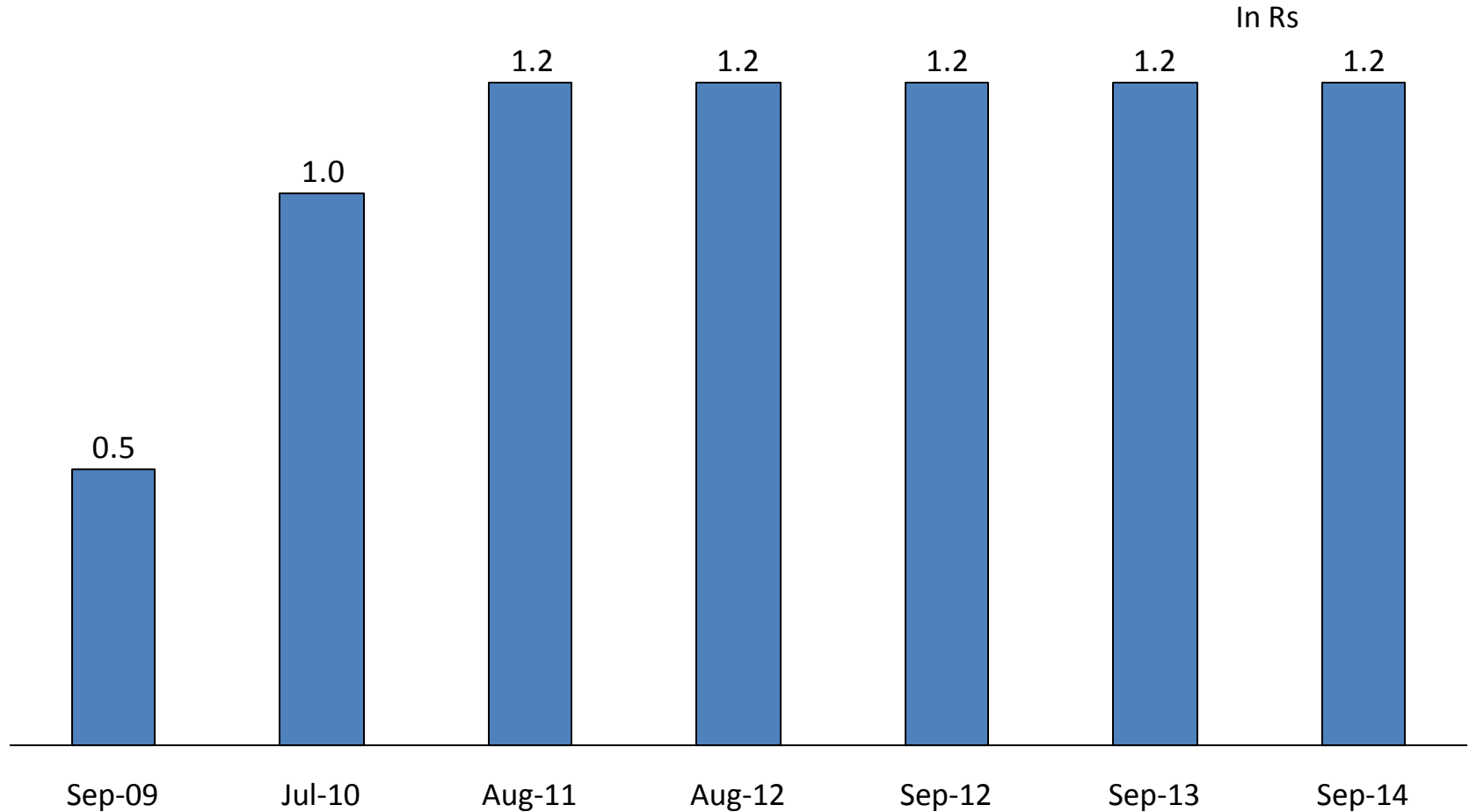
Rs. Cr	Q3FY15	Q3FY14	YoY %	9MFY15	9MFY14	YoY %	FY14
Revenue	100.8	87.7	15%	291.2	268.0	9%	363.0
Other Income	1.6	3.1	-48%	4.1	4.4	-6%	5.9
Total Income from Operations	102.4	90.8	13%	295.3	272.4	8%	368.9
Raw Material	57.0	52.9	8%	162.6	154.1	6%	206.3
Employee Cost	12.3	10.5	17%	35.9	32.0	12%	42.4
Other Expenses	20.0	16.3	23%	60.7	53.8	13%	77.6
EBITDA	13.1	11.1	19%	36.1	32.4	11%	42.6
EBITDA Margin	12.82%	12.20%		12.24%	11.90%		11.55%
Interest	4.6	4.8	-4%	13.6	13.9	-2%	19.0
Depreciation	2.8	2.8	-1%	8.1	7.9	2%	10.5
Exceptional Item	0.0	0.0		0.0	0.0		8.8
PBT	5.7	3.5	66%	14.5	10.7	36%	22.0
Tax	2.0	0.6	217%	4.6	1.6	192%	2.7
PAT	3.8	2.8	33%	9.9	9.1	9%	19.3
PAT Margin	3.67%	3.12%		3.34%	3.33%		5.24%

Consolidated Balance Sheet

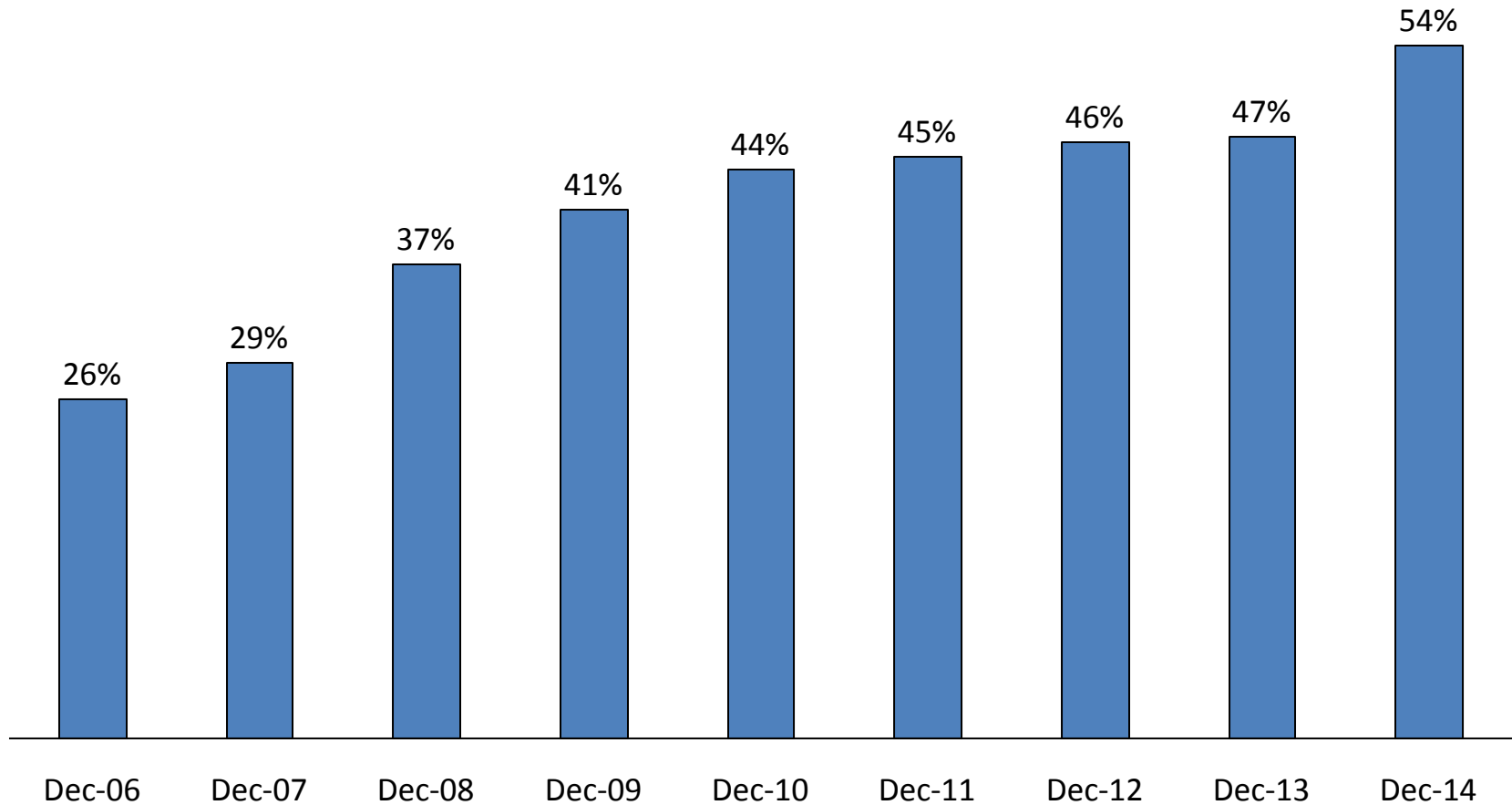
Rs. Cr	Sep14	Mar14
Shareholders Fund	125.4	119.3
Share Capital	12.3	12.3
Reserves & Surplus	113.0	106.9
Total Non Current Liabilities	40.5	40.8
Long Term Borrowings	30.7	30.9
Other Long Term Liabilities	9.7	9.8
Total Current Liabilities	195.7	186.0
Short Term Borrowings	80.4	77.2
Trade Payables	84.2	74.9
Other Current Liabilities	31.1	33.8
TOTAL EQUITY & LIABILITIES	361.6	346.0

Rs. Cr	Sep14	Mar14
Total Non Current Assets	139.3	134.1
Fixed Assets	118.7	118.2
Long Term loans & Advances	15.4	11.4
Other Non Current Assets	5.1	4.5
Total Current Assets	222.3	211.9
Inventories	110.7	106.8
Trade Receivables	68.4	69.7
Cash & Cash Equivalents	12.3	8.0
Short Term loans & Advances	30.2	26.4
Other Current Assets	0.7	0.9
TOTAL ASSETS	361.6	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