



INVESTOR PRESENTATION

August 2018

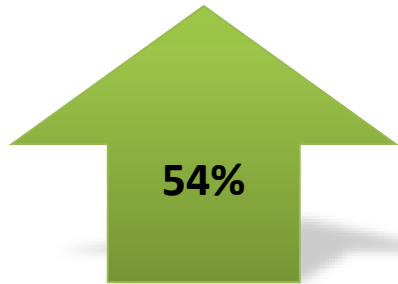


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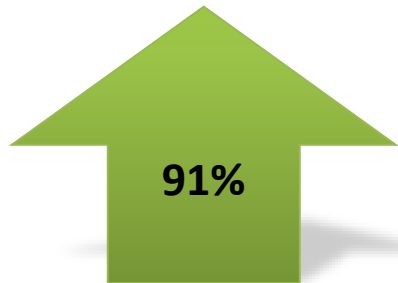
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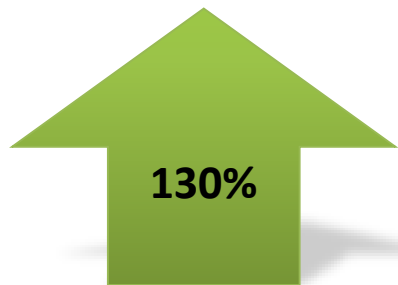
Highest ever Quarterly Revenue



Total Revenue
Rs 123.2 Crs



EBITDA
Rs 13.4 Crs
(Margin 10.9%)



PAT
Rs 6.2 Crs
(Margin 5.0%)

As per Ind AS

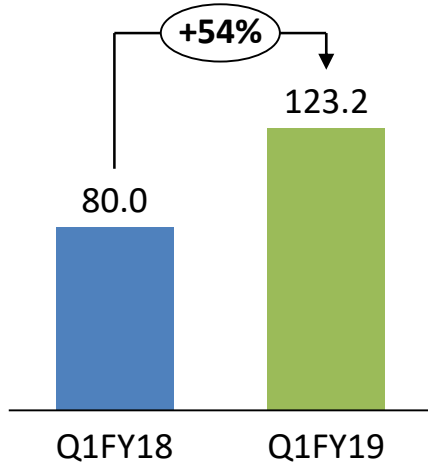
Commenting on the performance Mr. Anuj Talwar, Jt. Managing Director, Talbros Automotive Components Limited said:

“We continue to deliver consistent performance and are extremely pleased with our growth as well as the buoyancy in the auto sector. We are focused on getting new businesses from both domestic and international OEMs.

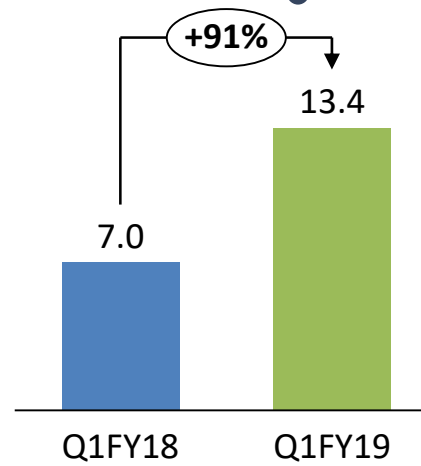
Our strategy to be a hedged auto component player across various segments are reaping benefits. We are confident to deliver consistent performance in the bottom line for the coming quarters”

Consolidated Q1 FY19 Performance Highlights (YoY)

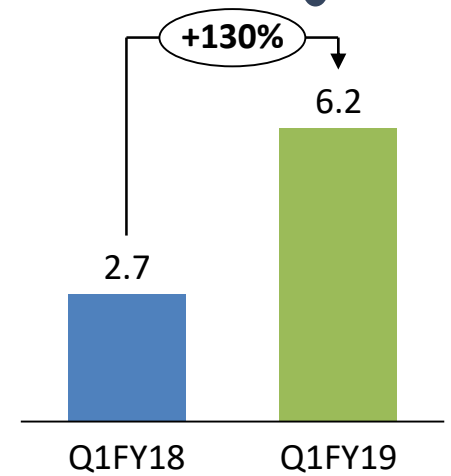
Total Income from Operations



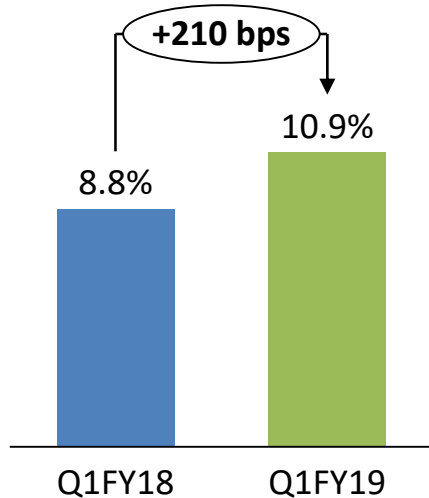
EBIDTA



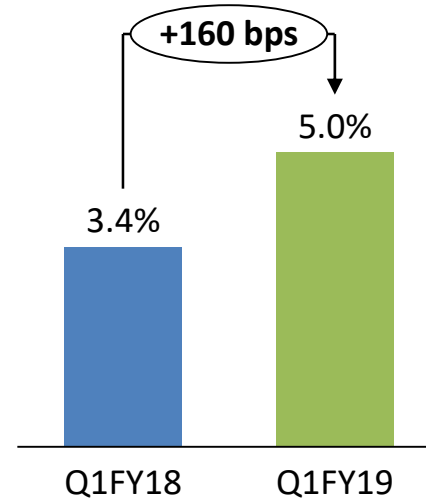
PAT



EBITDA Margin



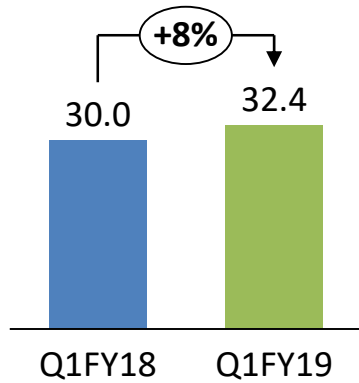
PAT Margin



Q1 FY19 JV's Performance Highlights

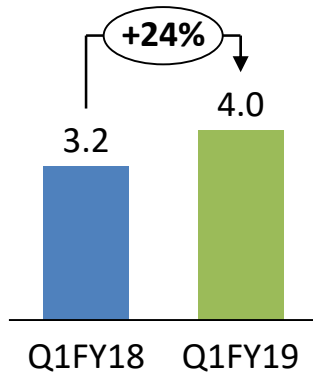
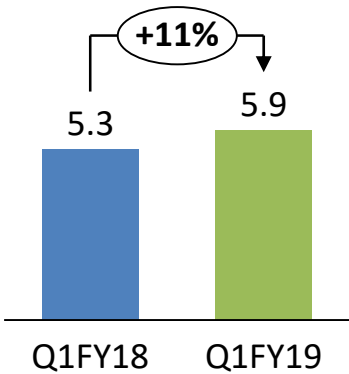
Nippon Leakless Talbros Pvt Ltd

Total Income from Operations



EBIDTA

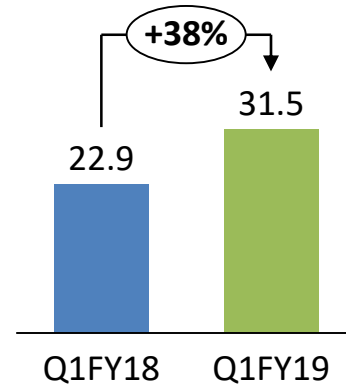
PAT



Rs. Crores

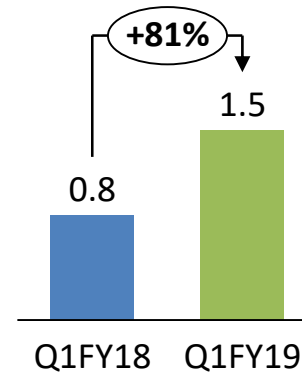
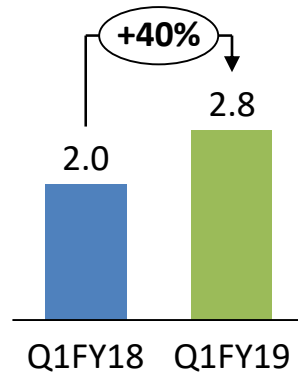
Magnetti Marelli Talbros Chassis Systems Pvt Ltd

Total Income from Operations



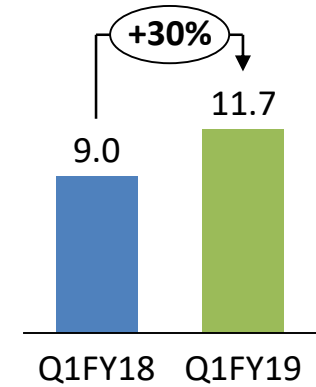
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PAT



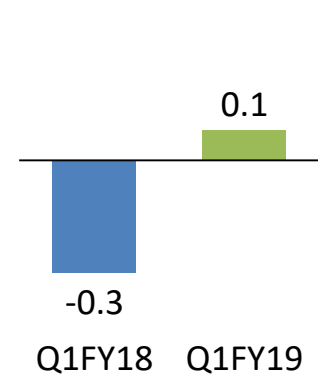
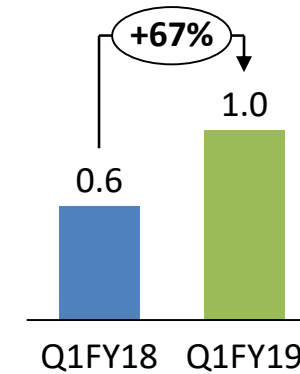
Talbros Marugo Rubber Pvt Ltd

Total Income from Operations



EBIDTA

PAT



Consolidated Profit & Loss Statement

Particulars (Rs. In crores)	Q1 FY19	Q1 FY18	Y-o-Y	Q4FY18	Q-o-Q
Revenue from Operations (Net of Excise)	123.2	80.0	53.9%	110.2	11.8%
Raw Material	68.8	42.6		62.2	
Gross Profit	54.4	37.4	45.2%	48.0	13.3%
Gross Profit Margin	44.1%	46.8%		43.6%	
Employee Cost	15.1	12.4		13.1	
Other Expenses	25.9	18.0		22.1	
EBITDA	13.4	7.0	91.3%	12.8	4.6%
EBITDA Margin	10.9%	8.8%		11.6%	
Other Income	0.9	1.5		2.1	
Depreciation	3.9	3.3		4.1	
EBIT	10.4	5.1	102.3%	10.8	-4.4%
EBIT Margin	8.4%	6.4%		9.8%	
Finance Cost	3.8	3.4		3.5	
Exceptional Items	-	-		-	
Share in profit of Joint Ventures	2.1	1.6		1.7	
Profit before Tax	8.6	3.3	160.1%	9.0	-3.8%
PBT Margin	7.0%	4.2%		8.2%	
Tax	2.4	0.6		1.4	
PAT	6.2	2.7	127.5%	7.6	-17.8%
PAT Margin %	5.0%	3.4%		6.9%	

Heat shields: Receives an Order from a large European OEM

Heat Shields

Thermal Acoustical Protective Shielding



- We are amongst a few companies in India manufacturing Heat Shields with the help of our technology partners, SANWA Packaging, Japan
- The order from an European OEM is a testimony of our product development capability and reliability of our products
- This order is just the beginning and we along with our technology partners have been marketing the product to other OEM's, which shall reap benefits in the coming time

Hedging our portfolio further, we have received an order :

Customer: European OEM

Product : Heat Shields

Estimated Revenues : \$1 million

Execution Time : By end of FY19

Business Confirmations & Strategy

Gaskets

New Orders:

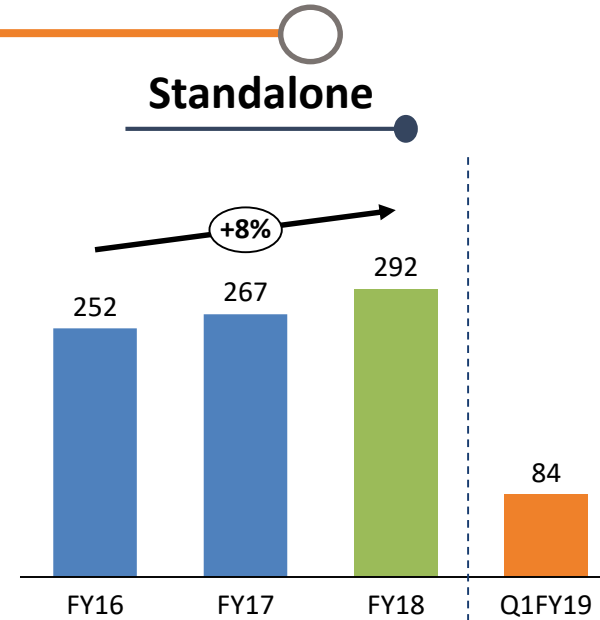
- Cummins – USA & UK
- Zetor Tractors – Czech Republic
- A Non- Automotive conglomerate in Austria

Strategic Initiatives :

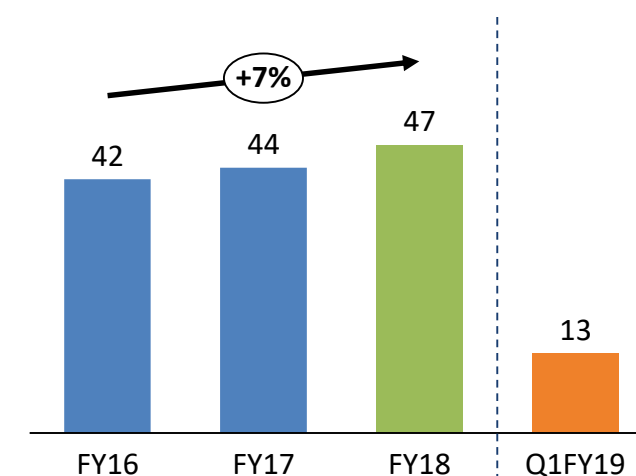
Gaskets:

- Installation of Post Coating Line, to rationalize raw material costs
- Strategic Raw material sourcing agreement with Interface Performance materials, USA to bring savings in operational costs, reduction in raw material inventory and working capital investments

Standalone

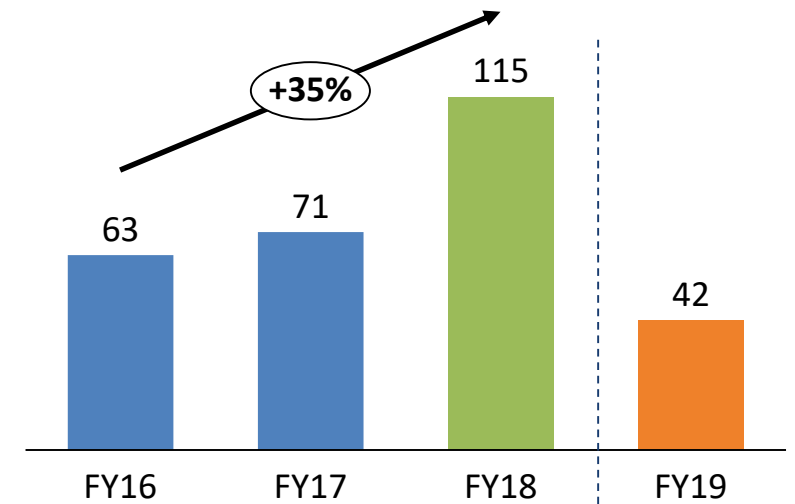


Nippon Leakless JV*



Forgings Segment

- Started supplies for the order received from an European OEM
- Moving towards heavier forged parts, with an estimated Revenues of Rs. 35 Crores per annum
- Recently won an order from an Auto Maker, with Estimated Revenues of Rs. 12 Crores per annum
- Currently, this segment is gaining momentum in both Domestic and overseas market

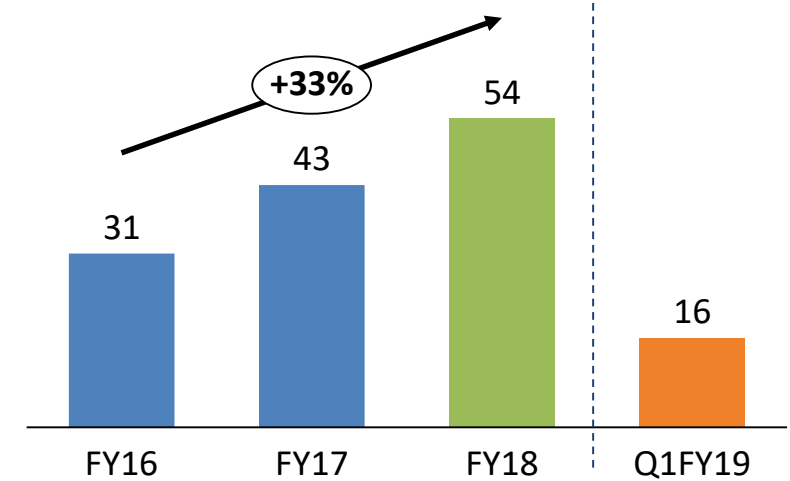


*Proportionate share of JV Revenue has been considered 8

Business Confirmations & Strategy

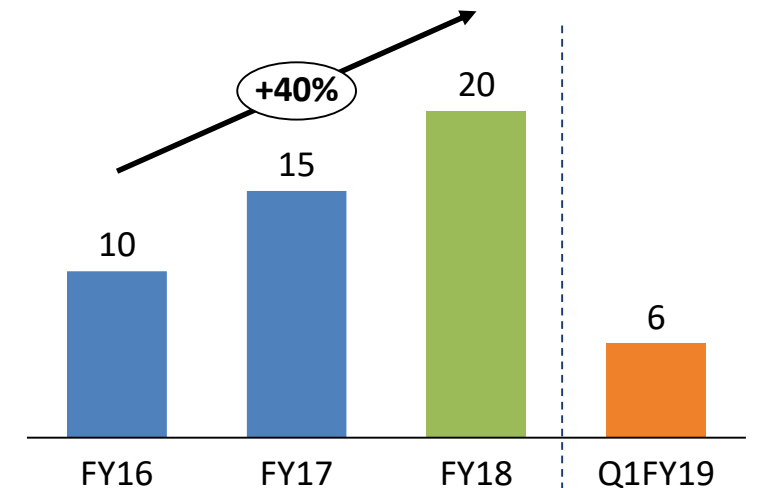
Magnetti Marelli Talbros Chassis Systems Pvt Ltd (MMT)*

- Order from Maruti Suzuki to supply Control Arm Assemblies for Front Suspension, with an Estimated Revenues of Rs. 24 crores per annum
- Started Supplies for the order received from an European OEM
- Commenced Supplies for RE60 Bajaj



Talbros Marugo Rubber Pvt Ltd (TMR)*

- Hoses division has witnessed improved volumes during the year from Maruti Suzuki
- To start supplying Hoses to Marugo Rubber, Japan



*Proportionate share of JV Revenue has been considered 9



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 has 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 has more than 30 years of rich experience in Finance, Accounting and Strategic Planning.

Consolidated FY2018

Consolidated FY2020

As per Ind AS*

	<u>Consolidated FY2018</u>	<u>Consolidated FY2020</u>
Revenue	Rs.399 Crores	Rs. 525 – 575 Crores
EBITDA Margin	12.0%	12% - 13 %
Adjusted PAT[^]	Rs.21 Crores	Rs. 32 – 35 Crores
ROCE	13.1%	15%+

- Favorable macro economic conditions likely to lead to sustainable uptick in demand
- Continue to be Market Leaders in Gaskets division
- Healthy Order Book for Forgings division
- Magnetti Marelli JV, continue to scale up the business and improve the profitability further
- Turn around in Hoses business
- Incremental growth to be supported without any major addition of debt

* Ind AS excludes TACL's proportionate share of Revenue in our JVS

[^]PAT adjusted for Exceptional Gain on Sale of Asset

One of the
Most Hedged
Auto
Component
Players



Over **6 Decades** of experience in Auto Component manufacturing



Diversified Auto Component player with presence *across Two Wheelers, Passenger, Commercial Vehicles and Farm Equipment's*



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

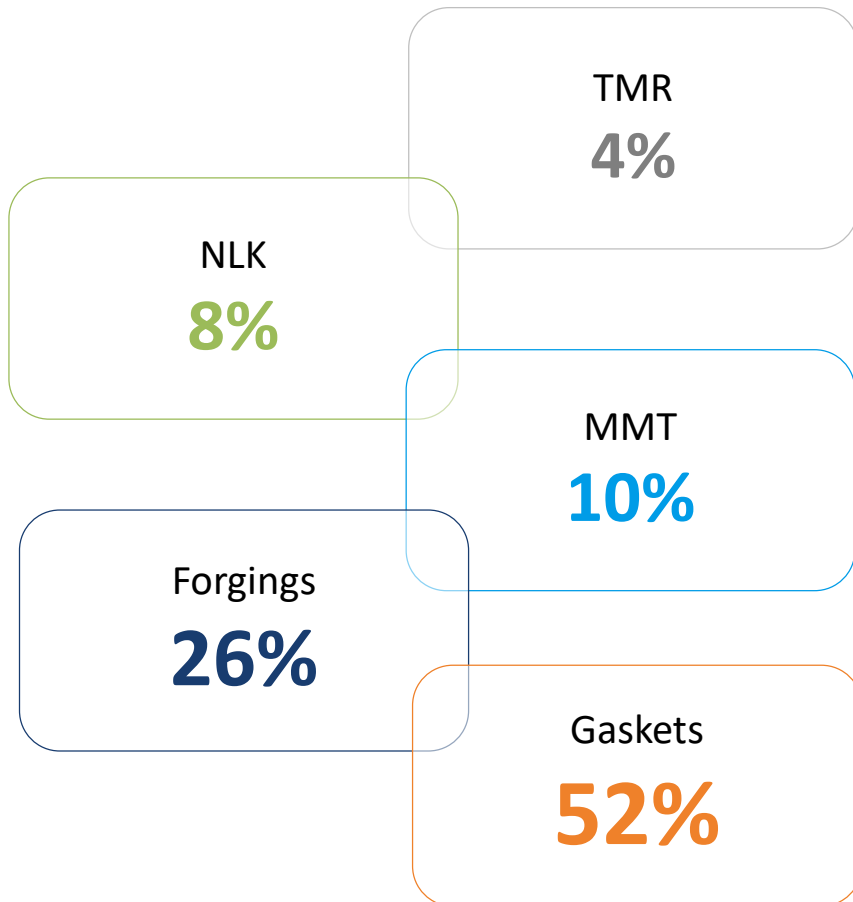


Diversified Portfolio - **Gaskets, Forgings, Suspension Systems, Anti-vibration Products & Hoses**



Consistent **Dividend Pay-out over 50 years**

Q1FY19 - Revenue Contribution



Segments

- 2 Wheelers
- 3Wheelers
- Passenger Vehicles
- Commercial Vehicles
- Agri / Off-Loaders and Industrial

Product Portfolio

- Gaskets
- Heat Shields
- Forgings
- Chassis Systems
- Anti vibration
- Hoses

Market Exposure

- OEMs
- After Market
- Exports
- Others



Growth Strategy

Strong Global Partnerships - Joint Ventures

Joint Ventures

About the JV

Products

Customers



Nippon Leakless Talbros Pvt 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

Gaskets

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



Magneti Marelli Talbros Chassis Systems Pvt Ltd (MMT)

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

- Control Arms
- Front Axle
- Rear Axle

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



Talbros Marugo Rubber Pvt 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

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

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

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

Joint Ventures increasing exposure in PV Segment

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 > 5 mn vehicles by 2020

Tie-ups with leading component suppliers of the Globe

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

Access to Global Technology

Make In India

Increasing Government Thrust

- India's projected production is ~5mn + PVs per year by 2020
- MNC's including (**Ford**, Hyundai, Toyota, GM, and Honda) are in the process of building facilities in India

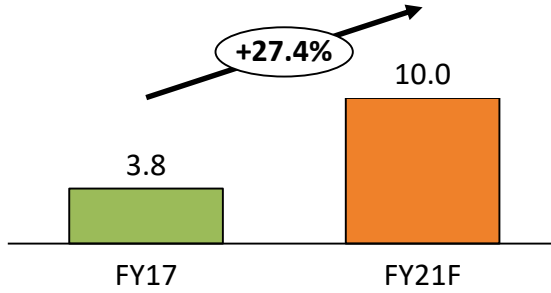
Increasing Investments by Global Manufacturers

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

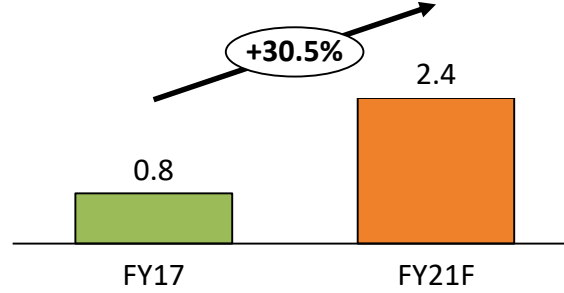
Exports

The Automotive Opportunities

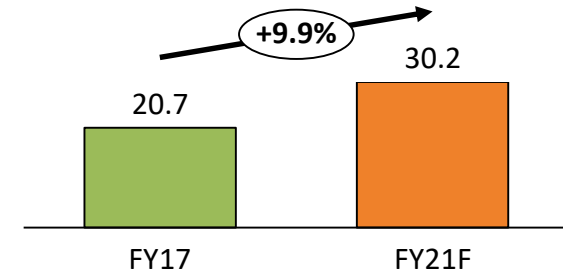
Million Units



Passenger Vehicles



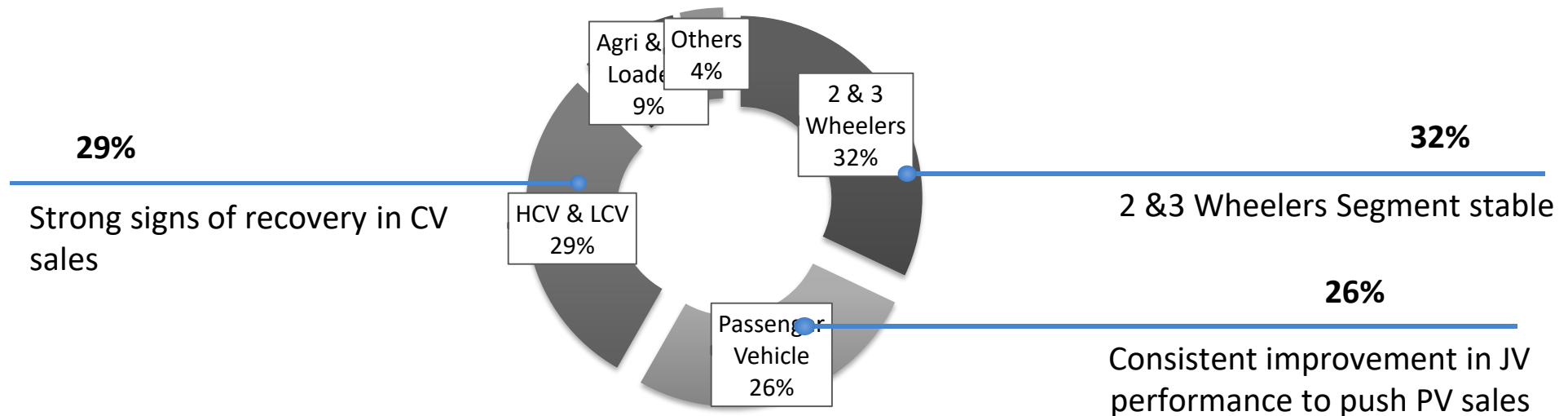
Commercial Vehicles



2W & 3W Vehicles

Source: IBEF

TACL: Domestic Sales Break up Q1FY19





Business Overview

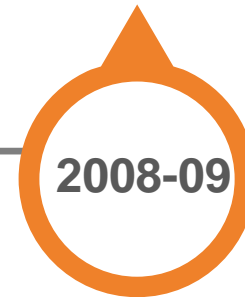
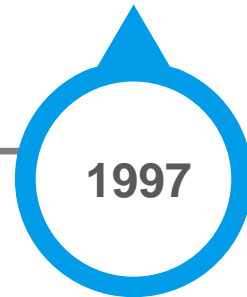
Key Milestones

Payen Talbros incorporated in collaboration with **Coopers Payen UK**

Technical Agreement with **Nippon Leakless**, Japan to manufacture **Non-Asbestos Gaskets**

•2008 - Technical Agreement with **SANWA**, Japan
• 2009 – Technical Agreement with **Interface**, Germany

JV with **Marugo Rubber**, Japan for Anti-Vibration and Hoses



- 1979 - Renamed as **Talbros Automotive Components Ltd**
- 1980 – Maiden **IPO**
- 1985 – Transfer of technology from Payen International UK

- JV with **Nippon Leakless Corporation**, Japan for Automotive Gaskets
- Diversification into **Forging** business commenced

JV with **Magneti Marelli**, Italy for Suspension components

Board of Directors



Mr. Naresh Talwar

Chairman



Mr. Umesh Talwar

Vice Chairman & MD



Mr. Varun Talwar

Joint Managing Director



Mr. Anuj Talwar

Joint Managing Director



Mr. Navin Juneja

Director



Mr. Vidur Talwar

Non Executive Director



Mr. Rajeev Swahney

Independent Director



Mr. V Mohan

Independent Director



Mr. Amit Burman

Independent Director



Mr. R R Vederah

Independent Director



Mrs. Priyanka Gulati

Independent Director



Mr. Anil Kumar Mehra

Independent Director

Mr. Manish Khanna

Chief Financial Officer

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

Mr. Suresh Sharma

Vice President Operations – Gaskets Division

He is an engineer and MBA (Operations). He has over 25 years of experience in the Auto Components sector and has worked with Munjal Showa, Endurance, JBM Auto and Omax Auto

Mr. Noriyuki Deguchi

Managing Director – Nippon Leakless Talbros Pvt. Ltd

He holds BE degree and has experience of 25 years working in the Gasket Industry. He has been associated with Nippon Leakless for over a decade

Mr. Toshiya Morimoto

Managing Director – Talbros Marugo Rubber Pvt. Ltd

He is an Engineer and has an experience of over 37 years and has worked with Sanyo Electric Co. Limited

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. Rajiv Mittal

President – Forging Division

Has been associated with QH talbros for past 10 years and has been a part of the CFT team at QH Talbros

Mr. Ashish Gupta

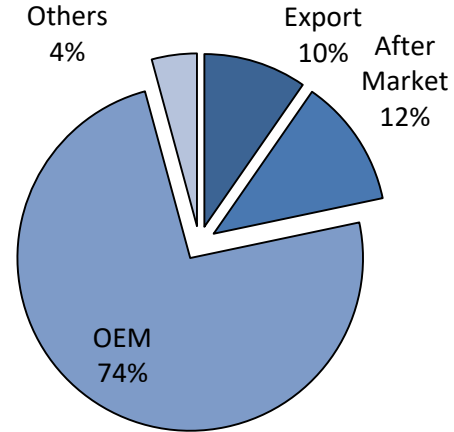
CEO – Magneti Marelli Talbros Pvt. Ltd

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

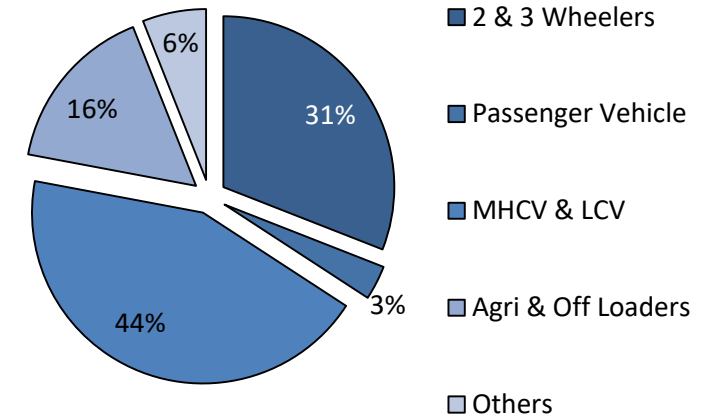
Standalone Business - Gaskets

- In – House tool design and manufacturing
- ~40% 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 **Q1FY19 stood at Rs 82.5 Cr**

Q1FY19 Revenue Rs 82.5 Crores



Q1FY19 OEM Breakup



Products - Various Types and Shapes

Multi Layer Steel



Exhaust Manifold



Heat Shield



Rubber Molded



Cylinder Head

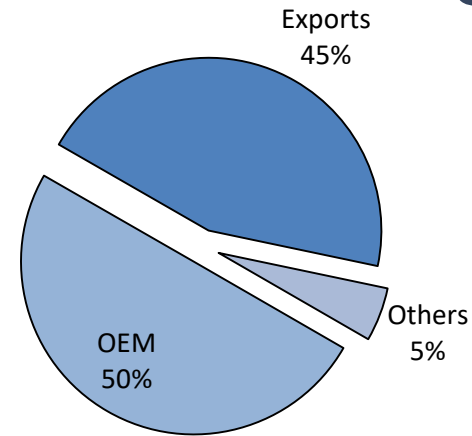


Edge Molded



- 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)
- Revenue for **Q1FY19** stood at **Rs 41.7 Cr**

Q1FY19 Revenue Rs 41.7 Crores



Products - Various Types and Shapes

King Pins



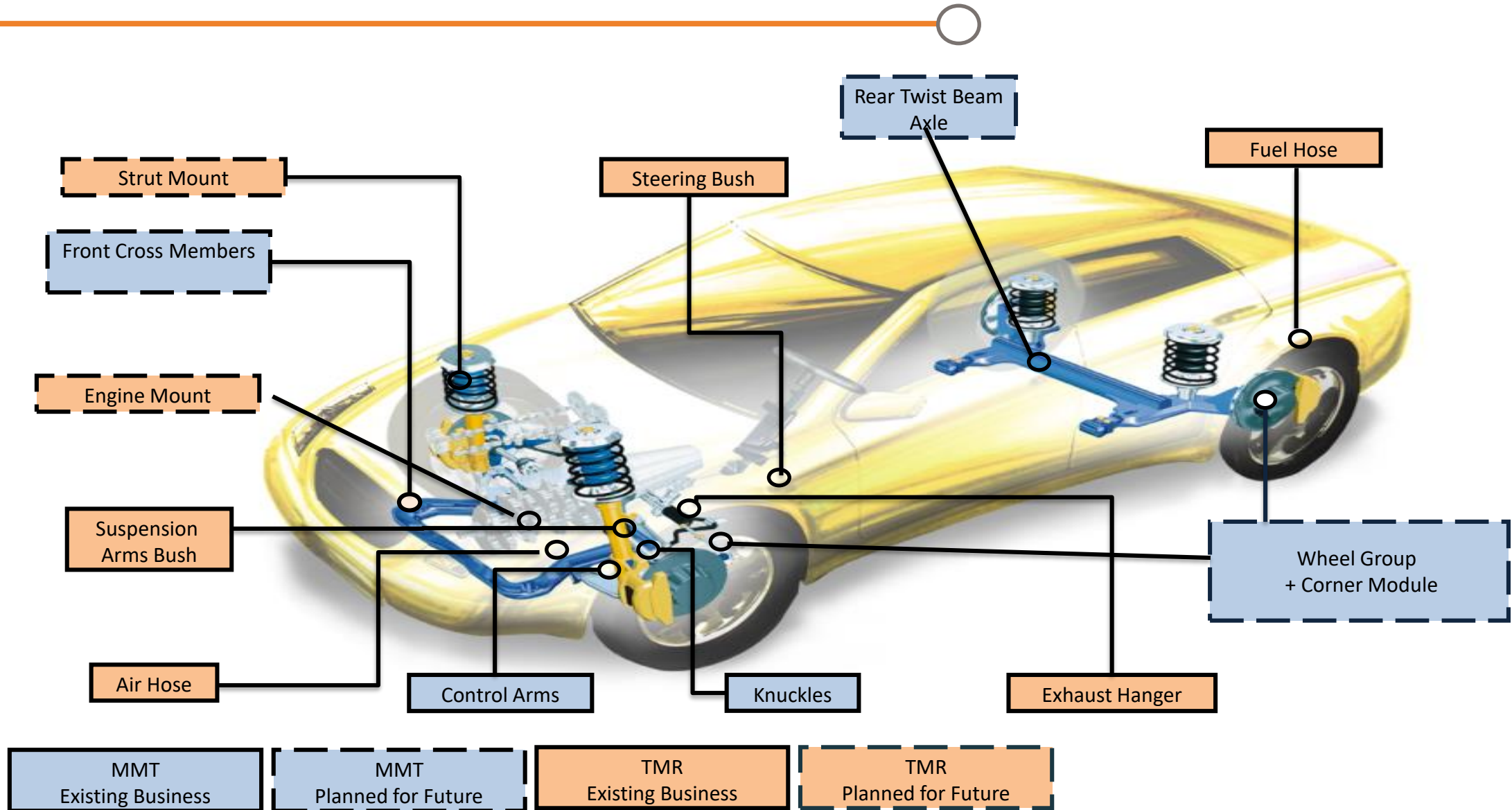
Gear Blanks



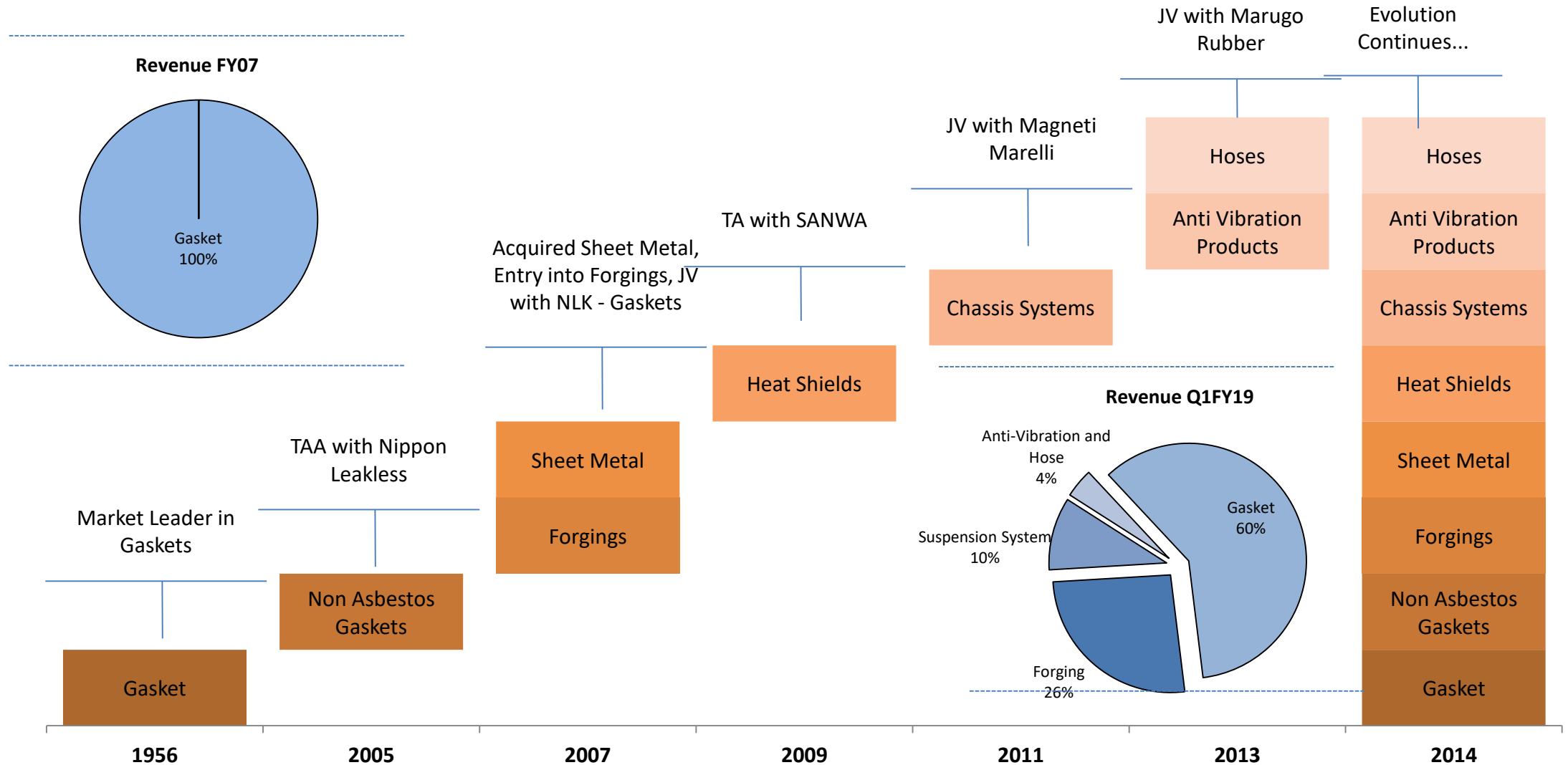
Housing and Yoke Shafts



Scope of Joint Ventures



Evolving Product Portfolio



Diversified Customer - OEM

Hedged Customer Base

2 Wheeler



Passenger



HCV/LCV



Agri & Off Loader



Agri & Off Loader



Manufacturing Facilities



Gasket

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



Forging

Bawal – Haryana



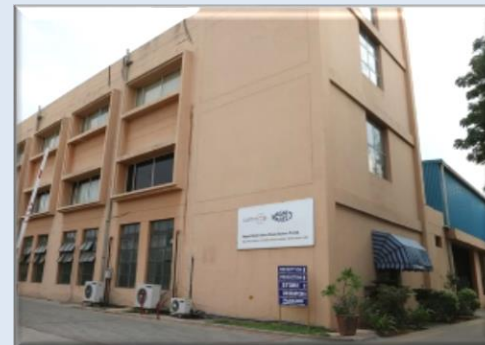
Talbros Marugo Rubber

Manesar – Gurgaon



Nippon Leakless

Bawal – Haryana
Haridwar – Uttarakhand



Magneti Marelli Talbros

Faridabad - Haryana



Financial Highlights

Consolidated Profit & Loss Statement

Particulars	FY18	FY17	Y-o-Y
Revenue (Net of Excise)	393.0	324.9	21.0%
Raw Material	221.7	180.6	
Employee Cost	51.4	46.8	
Other Expenses	79.1	66	
EBITDA	40.8	31.5	29.5%
EBITDA Margin	10.4%	9.7%	
Other Income	6.3	6.4	
Depreciation	14.2	12.3	
EBIT	32.9	25.6	28.5%
EBIT Margins	8.4%	7.9%	
Finance Cost	13.9	15.9	
Profit before share of profit/loss from JVs	19.0	9.7	
Share of Profit from JVs	6.9	4.7	
Profit before Tax before Exceptional Items	25.9	14.4	79.9%
Tax	5.2	2.1	
Adjusted PAT	20.7	12.3	68.3%
Adjusted PAT Margin %	5.3%	3.8%	
Exceptional Items	2.2	0.0	
Reported PAT	22.9	12.3	86.2%
Other Comprehensive Income for owners of the Company	3.3	6.6	
Total Comprehensive Income for Owners of the Co	26.2	18.9	38.6%

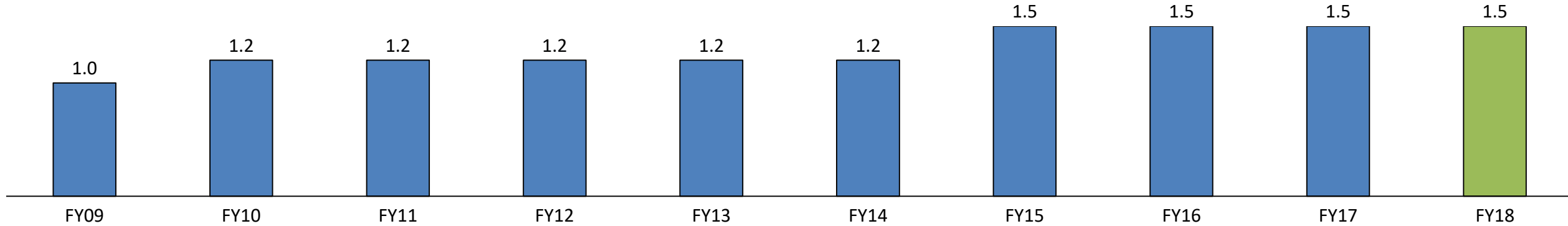
Consolidated Balance Sheet

ASSETS	Mar-18	Mar-17
Non-current assets		
Property, plant and equipment	124.3	115.2
Capital work-in-progress	2.4	1.1
Other intangible assets	0.7	0.5
Intangible Assets Under Development	0.6	0.6
Investments accounted for using the equity method	36	31.2
Investment Property	3	3.1
Financial assets		
Investments	27.2	22.5
Loans	1.2	1.1
Trade Receivables		
Other financial assets	0.5	0.6
Other Tax assets (net)	0.3	0.2
Other non-current assets	1.2	1.3
Sub-total - Non-Current Assets	197.4	177.5
Current assets		
Inventories	109.2	98.8
Financial assets		
Investments		
Trade receivables	124.2	89.7
Cash and cash equivalents	3.2	3.5
Bank balances other than Cash and Cash equivalents	4.6	3
Loans	5.7	6.7
Other financial assets	1.4	0.5
Other current assets	19.2	13.7
Sub-total - Current Assets	267.6	215.8
Assets Classified as held for Sale	-	-
TOTAL - ASSETS	465	393.3

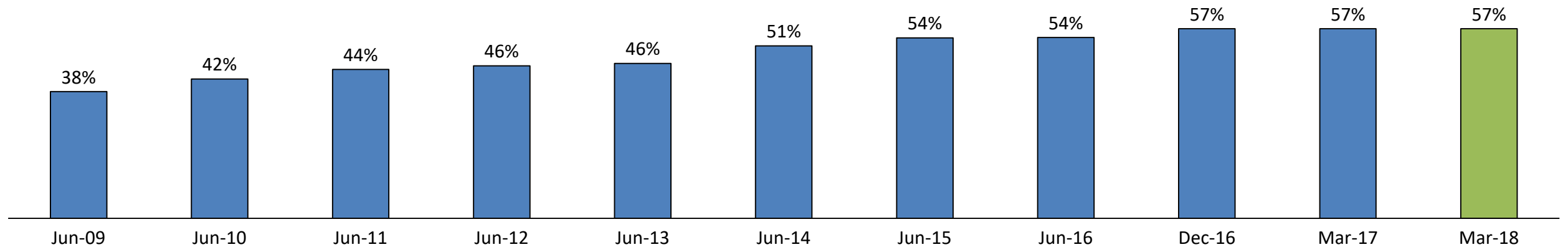
EQUITY AND LIABILITIES	Mar-18	Mar-17
Equity		
Equity Share capital	12.3	12.3
Non Controlling Interest		
Other equity	167.1	143.1
Sub-total - Shareholders' funds	179.4	155.5
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Borrowings	15.5	16.6
Other financial liabilities	0.2	0.1
Provisions	3.2	3
Deferred tax liabilities (net)	4.2	2.7
Other non-current liabilities	0	0.1
Sub-total - Non-current liabilities	23.2	22.5
Current liabilities		
Financial liabilities		
Borrowings	101.8	96.7
Trade payables	137.2	93.1
Other financial liabilities	17.4	19.1
Other current liabilities	4.7	5.5
Provisions	1.3	0.9
Current tax liabilities (net)		
Sub-total - Current liabilities	262.4	215.3
TOTAL - EQUITY AND LIABILITIES	465	393.3

Consistently paying Dividend for the last 50 years

In Rs



Promoter Shareholding



For further information, please contact:

Company :

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CIN: L29199HR1956PLC033107

Mr. Navin Juneja – Director & Group CFO
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Investor Relations Advisors :

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