



Amtek Group



Amtek Auto Limited

NSE: AMTEKAUTO

BSE: 520077

Amtek India Limited

NSE: AMTEKINDIA

BSE: 532282

Ahmednagar Forgings Limited

NSE: AHMEDFORGE

BSE: 513335

Amtek Group

Q4 FY2013 Earnings Presentation

13 August 2013

Amtek Auto: Consolidated

Resilient topline performance

- Q4 FY2013 Net Sales of Rs 1,921 Crore
- 11.7% y-o-y growth due to overseas sales
- LTM Net Sales of Rs 6,910 Crore

EBITDA margins evolving with global product mix

- Q4 FY2013 margin of 19.0% (partly due to overseas sales)
- Average margin for last 4 quarters of 20.2%

Delivering value to shareholders

- Strategic acquisition of Tekfor completed
- Increased holdings in Amtek India to 71.2% and Ahmednagar Forgings to 64.8%
- Open offer for JMT Auto likely to be completed by 30 September 2013

“Although the auto markets across the Americas continue to push to new highs, European markets are showing diverging trends. Countries such as Germany and Italy have faced a contraction, whilst there has been growth in the UK over the same period.



Suppressed economic conditions in India weigh heavily on passenger cars to commercial vehicle production. However, tractor production increased as rural sentiments improved. With this back drop in mind, the Amtek Group overall financial performance for this quarter has been resilient. We are pleased to report a combination of top line growth and robust operating margins.

The benefits of our cost optimization programs have started to deliver tangible results. Operating efficiencies improved as senior management continue to implement manufacturing excellence programs.

The Group is well positioned globally in key markets as we weather these challenging times. Our recently diversified geographic revenue mix and enhanced product range have provided us with the optimal strategic positioning.”

Mr. John Flintham

Senior Managing Director, Amtek Auto

Recent Corporate Developments

1 Acquisition of Tekfor

Amtek Auto acquired Tekfor on 1 June 2013. Financed by a combination of internal accruals and debt

- Synergistic revenue diversification through global market reach
- Enhancement of product profile along with high-end technology access

2 Acquisition of JMT Auto

On 27 June 2013, Amtek Auto acquired a stake in JMT Auto through internal accruals and debt. Followed by a mandatory public open offer

- Strengthened product profile particularly in gears, shafts and oil & gas components
- Technological advancement and deeper supply chains

3 Increased Holdings in AIL and AFL

Increased holdings in Amtek India to 71.2% and Ahmednagar Forgings to 64.8%

- Enhancing shareholder returns and the efficient management of capital structure
- Reflects management confidence in both companies' growth prospects

4 Majority Sale of Subsidiaries

Amtek Auto sold a 56% equity stake in each of Amtek Ring Gears Ltd and Amtek Crankshaft India Ltd

- Unlocking value from relatively lower profitable units
- Amtek Auto (consolidated) debt reduction

Q4 FY2013 Highlights

Consolidated Financial Highlights

(Rs. Crore)	Q4		y-o-y	Q3	q-o-q	LTM		y-o-y
	FY2013	FY2012	Growth (%)	FY2013	Growth (%)	Jun-13	Jun-12	Growth (%)
Net Sales	1,921	1,720	11.7%	1,746	10.0%	6,910	7,207	(4.1)%
Other Income	139	185	(25.1)%	157	(11.7)%	557	415	34.1%
Total Income	2,060	1,905	8.1%	1,903	8.2%	7,467	7,622	(2.0)%
EBITDA	364	354	2.8%	380	(4.3)%	1,394	1,602	(13.0)%
EBITDA Margin (%)	19.0%	20.6%		21.8%		20.2%	22.2%	
Net Profit	146	198	(26.2)%	158	(7.3)%	576	744	(22.6)%
Net Profit Margin (%)	7.1%	10.4%		8.3%		7.7%	9.8%	
Basic EPS (Rs)	5.66	7.76	(27.1)%	5.88	(3.7)%	21.71	27.27	(20.4)%

Commentary

- Q4 FY2013 consolidated Net Sales improved by 11.7% y-o-y primarily due to overseas sales
- EBITDA margins evolving with global product mix (partly due to overseas sales)
- Interest expense increased from Rs 112 Crore in Q4 FY2012 to Rs 145 Crore in Q4 FY2013 due to currency movements and recent acquisitions
- Share buyback reduced number of shares from 220.5 million in Q4 FY2012 to 218.6 million in Q4 FY2013
- Consolidated financials include 1 month of the recently acquired Tekfor business

Macroeconomic Themes:

- Broader economic environment continues to slow down across industrial and consumer sectors
- Domestic automotive production has weakened year on year with a decline of (3.7)% in Q4 FY2013
- Industry suffered from weak consumer sentiment, postponement of new purchases and relatively high cost of financing
- Despite heavy discounts and exchange benefits at dealerships, sales volumes remain depressed
- Automobile manufacturers announced production cutbacks to manage inventory levels

Automotive Production (No. of Units)	Q4 FY2013	Q4 FY2012	Y-o-Y Change	Q3 FY2013	Q-o-Q Change	LTM June 2013	LTM June 2012	Y-o-Y Change
Passenger Vehicles	738,133	821,864	(10.2)%	870,810	(15.2)%	3,147,629	3,214,986	(2.1)%
Commercial Vehicles	195,101	194,998	0.1%	221,500	(11.9)%	832,064	921,600	(9.7)%
<i>MCV</i>	65,629	70,981	(7.5)%	67,030	(2.1)%	274,274	367,398	(25.3)%
<i>LCV</i>	129,472	124,017	4.4%	154,470	(16.2)%	557,790	554,202	0.6%
2 / 3 Wheeler	4,107,653	4,215,822	(2.6)%	4,165,727	(1.4)%	16,476,737	16,640,133	(1.0)%
Total	5,040,887	5,232,684	(3.7)%	5,258,037	(4.1)%	21,288,494	21,698,319	(1.9)%

Source: SIAM

European Markets:

- German markets y-o-y under performance has narrowed to (3.7)% in Q4 FY2013
- Italian markets y-o-y under performance has reduced to (8.1)% in Q4 FY2013
- UK markets y-o-y outperformance reaching a high of 13.0% in Q4 FY2013, a 4th consecutive quarter of expansion

North American Markets:

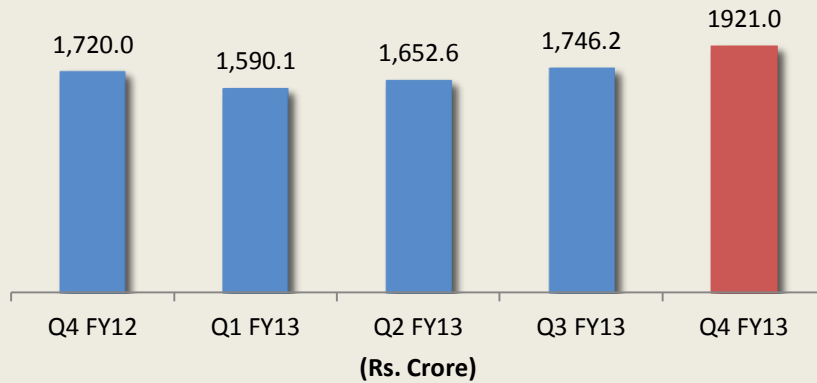
- Light Vehicle markets continued to grow at 6.3% in Q4 FY2013 as the US economy continues its path to recovery
- Although Medium / Heavy truck markets declined by (8.7)% in Q4 FY2013, this was a significant improvement over the last two quarters

Automotive Data (No. of Units)	Q4 FY2013	Q4 FY2012	Y-o-Y Change	Q3 FY2013	Q-o-Q Change	LTM June 2013	LTM June 2012	Y-o-Y Change
Passenger Vehicles - Sales								
Europe	3,340,100	3,467,347	(3.7)%	3,094,528	7.9%	12,065,250	13,125,434	(8.1)%
Germany	828,673	860,765	(3.7)%	673,957	23.0%	2,950,733	3,185,456	(7.4)%
UK	558,425	494,124	13.0%	605,198	(7.7)%	2,150,552	1,969,295	9.2%
Italy	374,346	407,381	(8.1)%	353,964	5.8%	1,313,488	1,550,131	(15.3)%
North America - Production	4,328,555	4,087,825	5.9%	4,088,787	5.9%	16,065,050	14,975,497	7.3%
Light Vehicle	4,224,702	3,974,015	6.3%	3,994,991	5.7%	15,677,575	14,536,227	7.9%
Med./Hvy. Truck	103,853	113,810	(8.7)%	93,796	10.7%	387,475	439,270	(11.8)%

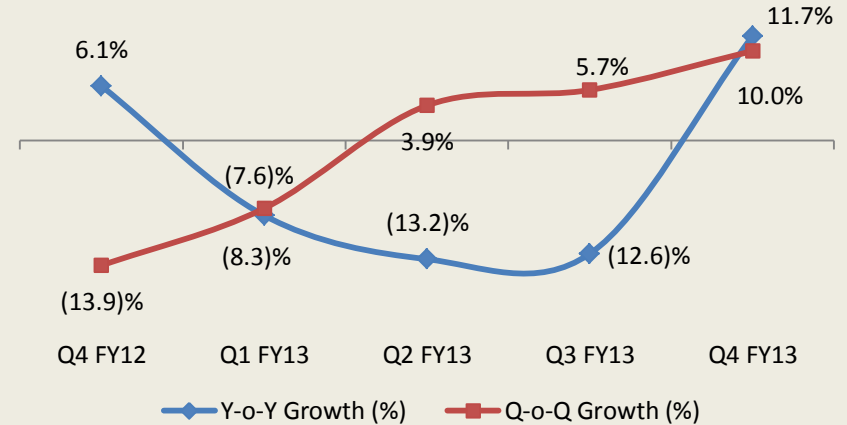
Source: ACEA and Wards Auto

Amtek Auto: Consolidated Highlights

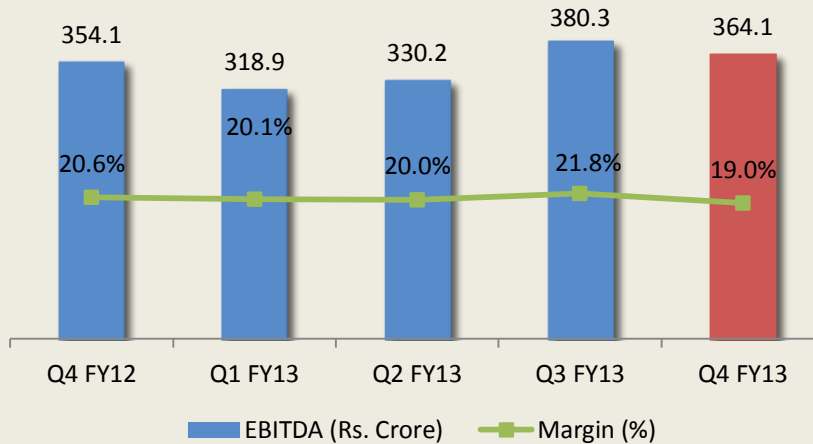
Net Sales



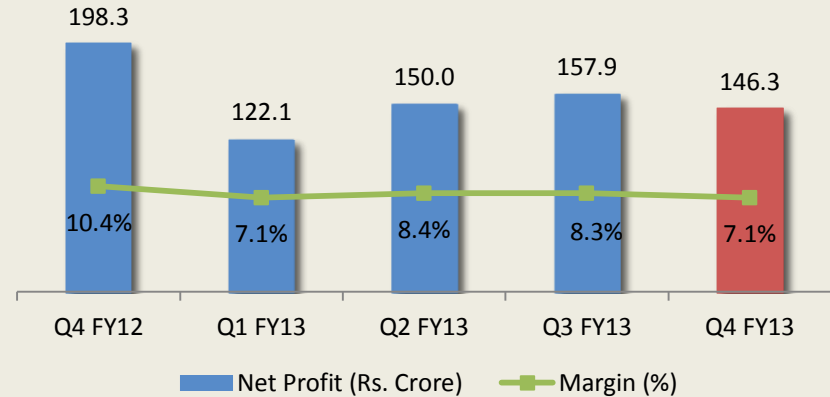
Net Sales Growth



EBITDA

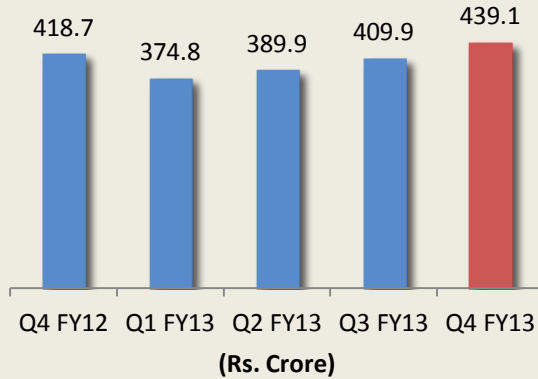


Net Profit

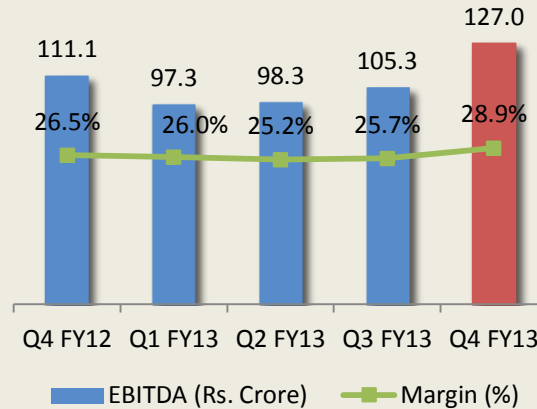


Note: Net Sales and EBITDA exclude 'Other Income'

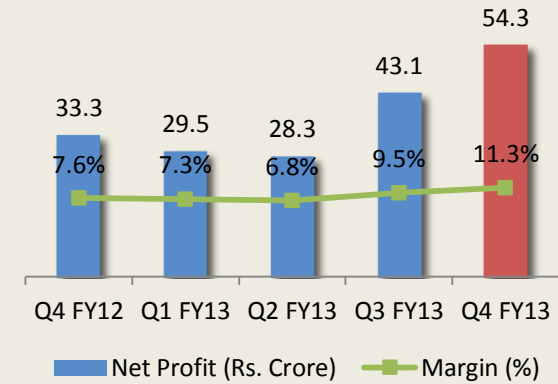
Net Sales



EBITDA



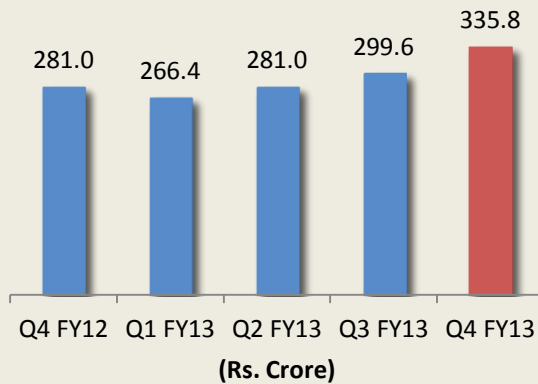
Net Profit



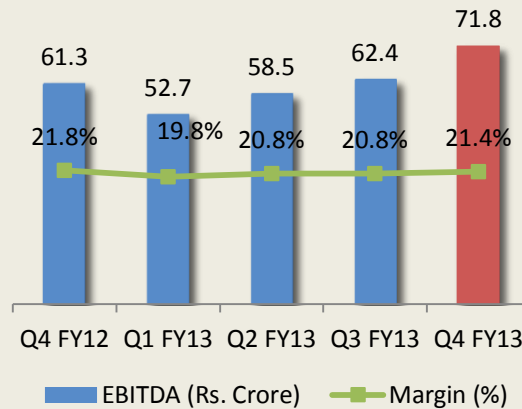
Commentary

- Net Sales increased by 4.9% y-o-y and 7.1% q-o-q
- EBITDA increased by 14.3% y-o-y and 20.6% q-o-q
- EBITDA margin expansion by 237 bps y-o-y to 28.9%
- Interest expense increased from Rs 42 Crore in Q4 FY2012 to Rs 49 Crore in Q4 FY2013
- Net Profit increased significantly by 63.3% y-o-y and 25.9% q-o-q
- Amtek Auto increased its holding in Amtek India to 71.2%
- Shares outstanding as of 30 June 2013: 27.8 Crore shares

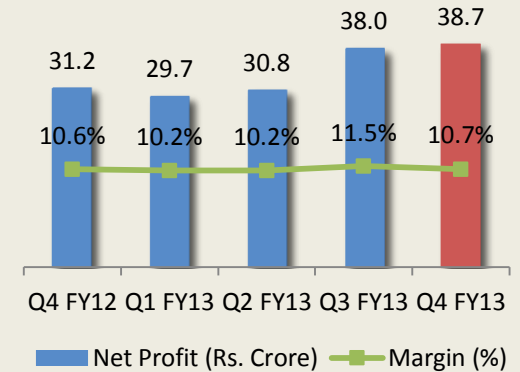
Net Sales



EBITDA



Net Profit



Commentary

- Net Sales increased by 19.5% y-o-y and 12.1% q-o-q
- EBITDA increased by 17.2% y-o-y and 15.0% q-o-q
- EBITDA margin decreased by (43) bps y-o-y to 21.4%
- Interest expense increased from Rs 13.0 Crore in Q4 FY2012 to Rs 22.6 Crore in Q4 FY2013
- Net Profit increased by 24.2% y-o-y and 1.8% q-o-q
- Amtek Auto increased its holding in Ahmednagar Forgings to 64.8%
- Shares outstanding as of 30 June 2013: 3.68 Crore shares

Auto Industry

- **India:** Expected to remain a difficult operating environment for the coming months. OEMs to continue to lower production to ensure that inventory levels match near term demand outlook. New product launches may help to stimulate consumer demand
- **Europe:** European markets still remain uncertain and are expected to be relatively flat in the near term whilst the UK market is likely to continue to outperform
- **Americas:** Near term growth in US economy expected to remain robust. However, Medium/Heavy Vehicles to stay under pressure until recovery is more widespread. North American growth may moderate in 2014. Growth in Brazil is expected to remain flat year on year in line with its profile in 2012. Markets are expected to grow between 3-5% in 2014

Amtek Group

- Operational integration of Tekfor is progressing in line with the plan and benefits are expected to be delivered during the coming months
- In context of the recent acquisitions of Tekfor and JMT Auto, the Board of Amtek Auto has decided to extend the current Financial Year by three months to end on 30 September 2013
- The mandatory open offer for JMT Auto is expected to close on 30 September 2013
- Senior management focus on continuing to implement cost control measures through operating efficiencies and streamlining working capital



Forward Looking Statements

This presentation comprises statements that contain 'forward looking statements' including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Amtek Group's (i.e. Amtek Group represents Amtek Auto, Amtek India, Ahmednagar Forgings and their subsidiaries and associates) future business developments and economic performance. While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Amtek Group undertakes no obligation to publicly revise any forward looking statements to reflect future/likely events or circumstances

Accounting Notes

1. Net Sales: Excludes Other Income
2. EBITDA: Earnings before interest, taxes and depreciation; Excluding Other Income
3. Net Profit: Profit after tax (including Other Income) before extraordinary items, minority interest and income from associates
4. Basic Earnings per Share (excludes extraordinary item) as of June 30, 2013:
 - a. Amtek Auto: Share face value of Rs. 2.00; 21.86 Crore shares outstanding
 - b. Amtek India: Share face value of Rs. 2.00; 27.75 Crore shares outstanding
 - c. Ahmednagar Forgings: Share face value of Rs. 10.00; 3.675 Crore shares outstanding

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