



# Amtek Group

**Q4 FY2014 and Financial Year  
Ending September 30, 2014**

**Earnings Presentation**

**November 24, 2014**

## **Amtek Group**



### **Amtek Auto Limited**

NSE: AMTEKAUTO

BSE: 520077

### **Amtek India Limited**

NSE: AMTEKINDIA

BSE: 532282

### **Ahmednagar Forgings Limited**

NSE: AHMEDFORGE

BSE: 513335

### **JMT Auto Limited**

NSE: JMTAUTOLD

BSE: 513691

## Continued Strategic Transformation Across the Amtek Group

*"I am delighted to announce the September year end results for what has been another transformational period for the Amtek Group. During the year, Group sales have increased to around Rs. 16,000 Crores. EBITDA margins of 22% for the year reflect our evolving geographic diversification. Our financial results have outperformed market expectations and management has also exceeded internal operational targets.*



*As part of our ongoing strategy to strengthen our worldwide manufacturing footprint, today I can also announce that the Amtek Group has entered into agreements to acquire three international synergistic businesses. Together they will contribute over Rs. 2,000 Crores of additional sales, with further details to be released as these transactions are closed.*

*Over the course of the year, we successfully integrated Neumayer Tekfor into the Amtek Group and were able to deliver tangible operating efficiencies. We also completed the acquisition and integration of the Kuepper Group and expect to start realising operational and financial benefits in the coming months. The recent KKR debt financing for our international business has enabled the organisation and capital structures to be streamlined.*

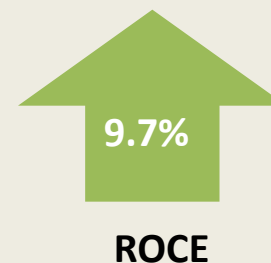
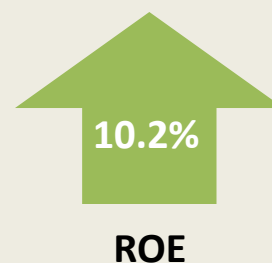
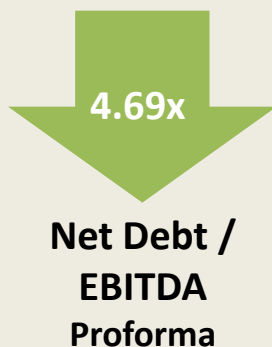
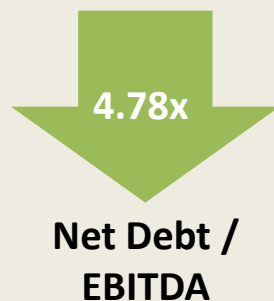
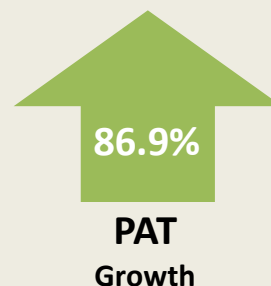
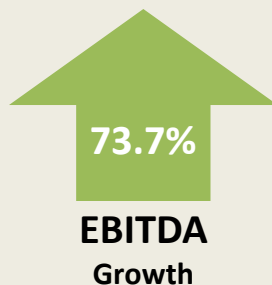
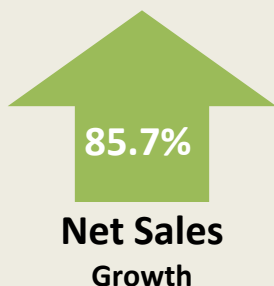
*Most encouragingly, new order wins of Rs. 10,000 Crores set a new record for the Amtek Group. Continuing supplier rationalisation, focussed localisation by global OEMs and improving international markets underpin this demand. The Amtek Group is globally recognised for the technical quality of its products and for the highest standards it has set in customer service. During the last quarter, we also secured our first railway wagon orders from both the Indian Ministry of Railways and the private sector.*

*Amtek Group's leadership position in the casting sector was reinforced by the joint venture with Riken Corporation of Japan to manufacture cast iron camshafts. Our enhanced capacities, geographic market reach and customer base over the year have made the Amtek Group one of the most dynamic and fast growing companies in the engineering components sector. As the global automotive industry turns the corner, we reinforce our commitment to continue to strategically expand our product lines and capabilities to increase value for both customers and shareholders."*

**John Flintham, Global CEO, Amtek Auto**

# Amtek Group Financials

Amtek Auto Consolidated (FY Y-o-Y)



Delivered Growth Across All Financial Metrics

- \* PAT and EPS growth rates are pre exceptional
- \* Growth rates calculated using annualized FY2013 (pro rated to 12 months)
- \* PAT before Minority Interests and Associate Income; EPS after Minority Interests and Associate Income
- \* Net Debt / EBITDA (Proforma) adjusted for full year Kuepper results



# Amtek Group Highlights

FY2014 sales of c. Rs. 16,000 Crores; delivered growth across all financial metrics

Record new order intake of over Rs. 10,000 Crores in FY2014; awarded wagon orders from both the Indian Railways and the private sector

Successful transformation of Neumayer Tekfor business; almost doubled EBITDA margins

Secured long term flexible financing from KKR to replace the acquisition bridge loans in the international business

Strategic acquisition of the Kuepper Group and joint venture with Riken Corporation

Agreements to acquire three international businesses with c. Rs. 2,000 Crores of sales



# Amtek Group Financial Snapshot

Q4 FY2014	Amtek Auto (Consolidated)	Amtek Auto (Standalone)	Amtek India	Ahmednagar Forgings	JMT Auto*	International Business
<b>Total Income</b>	<b>3,965</b>	<b>1,042</b>	<b>804</b>	<b>643</b>	<b>120</b>	<b>1,464</b>
<i>Y-o-Y Growth</i>	27.7%	32.9%	34.6%	34.9%	98.3%	22.8%
<b>EBITDA (Incl. Other Income)</b>	<b>872</b>	<b>317</b>	<b>264</b>	<b>161</b>	<b>12</b>	<b>123</b>
<i>Y-o-Y Growth</i>	63.5%	45.1%	44.0%	48.8%	38.2%	(16.1)%
<i>Margin</i>	22.0%	30.4%	32.9%	25.0%	10.3%	8.4%
<b>Net Profit</b>	<b>197</b>	<b>74</b>	<b>62</b>	<b>44</b>	<b>2</b>	<b>22</b>
<i>Margin</i>	5.0%	7.1%	7.7%	6.9%	1.4%	1.5%

FY2014	Amtek Auto (Consolidated)	Amtek Auto (Standalone)	Amtek India	Ahmednagar Forgings	JMT Auto**	International Business
<b>FY2014 Total Income</b> (12 months)	<b>15,707</b>	<b>4,000</b>	<b>3,015</b>	<b>2,417</b>	<b>293</b>	<b>5,904</b>
<b>FY2013 Total Income</b> (15 months)	<b>10,573</b>	<b>3,126</b>	<b>2,351</b>	<b>1,761</b>	<b>321</b>	<b>2,504</b>
<b>FY2014 EBITDA (Incl. Other Income)</b> (12 months)	<b>3,452</b>	<b>1,230</b>	<b>952</b>	<b>615</b>	<b>46</b>	<b>601</b>
<i>FY2014 Margin</i>	22.0%	30.8%	31.6%	25.4%	15.6%	10.2%
<b>FY2013 EBITDA (Incl. Other Income)</b> (15 months)	<b>2,484</b>	<b>941</b>	<b>751</b>	<b>456</b>	<b>56</b>	<b>113</b>
<i>FY2013 Margin</i>	23.5%	30.1%	32.0%	25.9%	17.5%	4.5%
<b>FY2014 Net Profit</b> (12 months)	<b>941</b>	<b>323</b>	<b>248</b>	<b>193</b>	<b>7</b>	<b>182</b>
<i>FY2014 Margin</i>	6.0%	8.1%	8.2%	8.0%	2.4%	3.1%

Note:

1. Net income is before minority interests and after extraordinary & exceptional items

\* Quarter ending September 2014 is Q2 FY2015

\*\* FY2014 represents year ending March 2014 and FY2013 represents year ending March 2013

# Industry Performance and Outlook

India (Production)	Q3 CY2014	Y-o-Y Change	Industry View
<b>Passenger Vehicles</b>	<b>821,375</b>	<b>4.8%</b>	<ul style="list-style-type: none"> <li>Overall, the Indian automotive sector has started to recover from a prolonged phase of contraction and low demand</li> <li>A decline in fuel prices, stable interest rates and excise duty cuts have led to improved consumer confidence which has translated into higher demand for PVs in the recent months</li> <li>In the CV segment, renewed business sentiment in anticipation of economic reforms by the new government, coupled with declining fuel prices have led to stabilized demand particularly for MCVs</li> <li>Looking forward, given the recent deregulation of fuel prices and an anticipated decline in interest rates, demand in the automotive sector is likely to improve further</li> <li>The PV segment is expected to report flat growth for FY2015 and grow at 3% in FY2016</li> <li>The MCV segment has started to witness higher demand in the recent months, due to a easing business sentiment. In the LCV segment, the de-growth has moderated from (20.6)% in Q2 CY2012 to (4.7)% in Q3 CY2013</li> <li>The 2 Wheeler segment is expected to grow at 11-13%, as a result of continued strong demand for scooters</li> </ul>
<b>Commercial Vehicles</b>	<b>173,758</b>	<b>3.1%</b>	
<i>MCV</i>	62,933	20.2%	
<i>LCV</i>	110,825	(4.7%)	
<b>2 / 3 Wheeler</b>	<b>5,174,018</b>	<b>20.7%</b>	
<i>2 Wheeler</i>	4,902,910	20.4%	
<i>3 Wheeler</i>	271,108	26.6%	
<b>Total</b>	<b>6,169,151</b>	<b>17.7%</b>	

Source: SIAM

PV is Passenger Vehicles

CV is Commercial Vehicles

# Industry Performance and Outlook

Europe* (Sales)	Q3 CY2014	Y-o-Y Change	Industry View
<b>Germany</b>	743,403	4.1%	<ul style="list-style-type: none"> <li>German PV production, more than 75% of which is exported, increased 4% y-o-y in 9M CY2014 buoyed by rising export demand from other European markets. It is expected to increase by 6% for the full year</li> <li>UK PV production grew 0.6% y-o-y in 9M CY2014 and was at the highest production levels since 2008. Exports, which constituted 80% of production, were flat. UK production is benefitting from rising domestic demand and increasing exposure to high growth markets outside of Europe. Production for the full year is expected to grow 5-6%</li> <li>Italian PV production is expected to register a decline in CY2014. However, auto component exports out of Italy remain buoyant</li> </ul>
<b>UK</b>	670,931	6.3%	
<b>Italy</b>	277,970	3.5%	
North America (Production)	Q3 CY2014	Y-o-Y Change	Industry View
<b>U.S.**</b>	4,168,651	8.2%	<ul style="list-style-type: none"> <li>US Light Vehicle and Medium/Heavy Truck production grew 8.2% and 17.7% y-o-y, respectively in Q3 CY2014 driven by strong local consumption and export demand. Sales volumes for the year are widely estimated to cross the pre-crisis levels and reach 16.5 million, translating into a y-o-y growth of more than 5%. Sales are expected to stay strong in 2015 especially with declining gas prices</li> </ul>
South America (Sales)	YTD CY2014	Y-o-Y Change	Industry View
<b>Brazil **</b>	2,407,442	(8.9)%	<ul style="list-style-type: none"> <li>9M 2014 PV production in Brazil was down (16.5)%, exports down (39.3)%, and sales down (8.9)%. Weak household spending and consumer confidence are expected to continue to impact demand. 2015 sales growth is expected to turn marginally positive at 0.8%</li> </ul>

Source: Wards, ACEA, IHS

CY: Calendar Year

\* Passenger Vehicles \*\* Total Light Vehicles

PV is Passenger Vehicles; CV is Commercial Vehicles

## 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, JMT Auto 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 September 30, 2014:
  - a. Amtek Auto: Share face value of Rs. 2.00; 22.03 Crores shares outstanding
  - b. Amtek India: Share face value of Rs. 2.00; 27.79 Crores shares outstanding
  - c. Ahmednagar Forgings: Share face value of Rs. 10.00; 3.68 Crores shares outstanding
  - d. JMT Auto: Share value of Rs. 10.00; 5.04 Crore shares outstanding

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