



Amtek Group

Q1 FY2015
Ending December 31, 2014

Earnings Presentation

February 12, 2015

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

Focus on Implementation of Key Initiatives

"The Amtek Group has reported another quarter of strong financial performance driven by significant operational excellence initiatives and also by the realisation of tangible benefits from the successful integration of our past acquisitions. Group revenues for the quarter stood at Rs. 4,788 Crores translating into a y-o-y growth of 38%. EBITDA margins of 21.4% reflect an unrelenting focus on our cost structure and operating efficiencies.



I am pleased to report that following last fiscal year's record order intake, we have continued with the same momentum and secured c. Rs. 2,600 Crores in new order value during the quarter. In addition to this significant development, the Amtek Business Excellence Program continues to drive productivity improvements leading to improved utilisation levels whilst achieving manufacturing cost reductions across our different businesses.

At the beginning of the current quarter, we simplified our organizational structure, following the KKR financing. The new structure brings all of Amtek Group's international businesses under our Singapore based subsidiary AGT (Amtek Global Technologies) and thus reinforces our continued focus on transparency.

As reported in the last quarter, the Amtek Group announced agreements to acquire three highly synergistic businesses in Europe and South East Asia. These transactions, which are expected to close during the current quarter, will strengthen our worldwide manufacturing footprint and result in a proforma consolidated revenue run-rate of c. Rs. 19,500 Crores.

As part of our overall debt reduction initiatives, which is one of the management team's key focus areas, I am pleased to report that the board has approved an assessment by the finance committee of the various possibilities to reduce its shareholding in its subsidiaries to enable the Amtek Group to deleverage the balance sheet. We will make more details available as the assessment progresses.

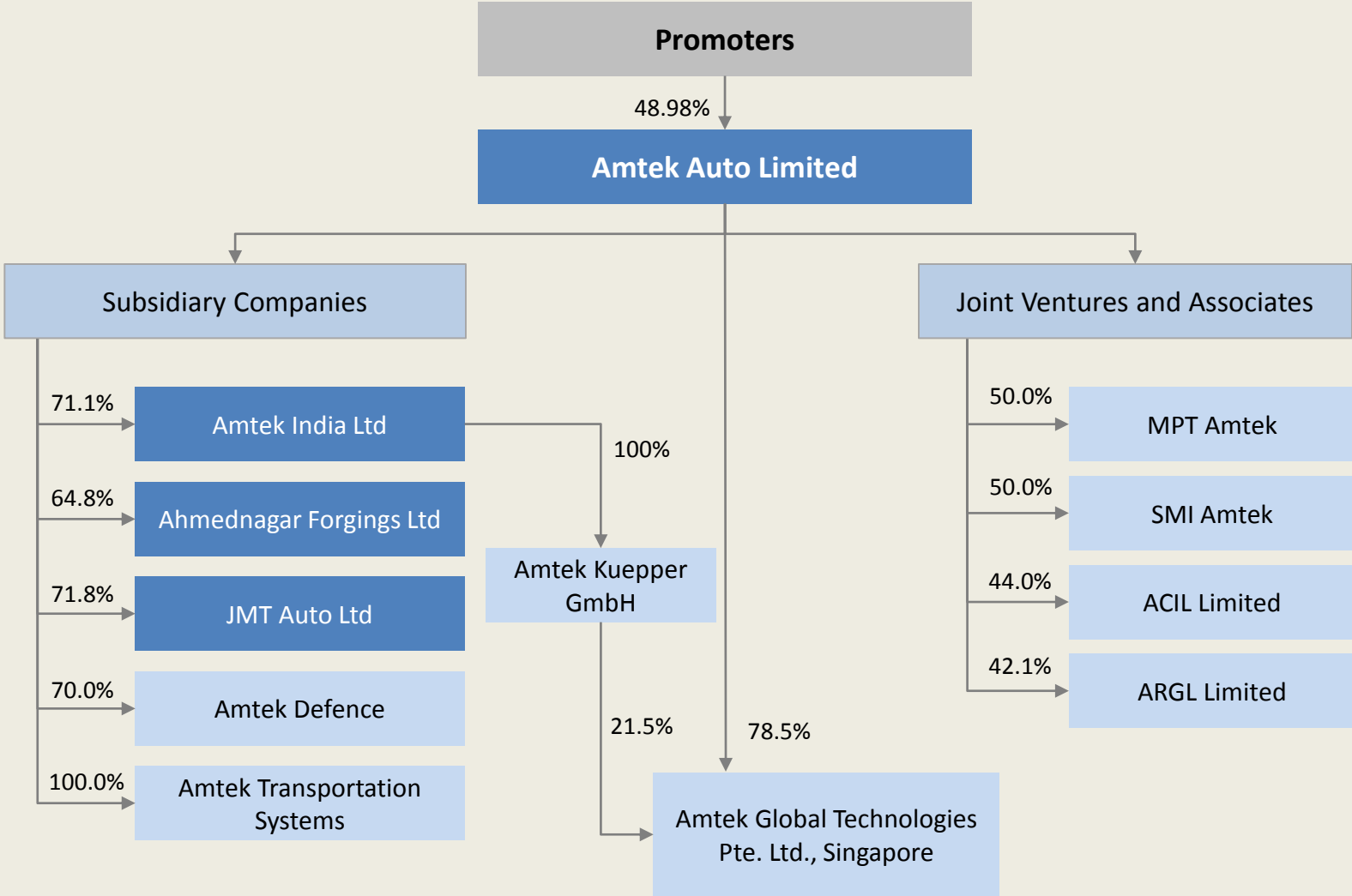
As we move further into the fiscal year, I have confidence in the Amtek Group's ability to continue to spread its global footprint whilst also increasing value for both its customers and shareholders."

John Flintham, Global CEO, Amtek Auto

Amtek Group Organisation Structure



Amtek Group



Listed
 Unlisted

Note: Amtek Tekfor is a 100% subsidiary of Amtek Global Technologies

Amtek Group Financial Snapshot

In Rs. Crores

Quarter ending Dec-14	Amtek Auto (Consolidated)	Amtek Auto (Standalone)	Amtek India	Ahmednagar Forgings	JMT Auto	AGT (International Business)
Total Income	4,788	1,119	821	670	103	2,080
<i>Y-o-Y Growth</i>	38.1%	24.6%	23.6%	27.4%	82.5%	60.9%
<i>Q-o-Q Growth</i>	20.8%	7.4%	2.2%	4.2%	(14.0)%	42.1%
EBITDA	1,024	352	276	168	15	212
<i>Y-o-Y Growth</i>	37.0%	31.7%	35.0%	36.2%	68.2%	50.2%
<i>Q-o-Q Growth</i>	17.4%	11.1%	4.2%	4.3%	19.9%	72.1%
<i>Margin</i>	21.4%	31.4%	33.5%	25.0%	14.3%	10.2%
Net Profit	172	71	55	38	1	8
<i>Y-o-Y Growth</i>	(26.0)%	(9.2)%	(8.4)%	5.7%	nm	(88.7)%
<i>Q-o-Q Growth</i>	(12.5)%	(4.8)%	(11.1)%	(15.4)%	(26.8)%	(64.9)%
<i>Margin</i>	3.6%	6.3%	6.7%	5.6%	1.2%	0.4%

Note:

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

Industry Performance and Outlook

- The Indian automotive sector continues to recover from a prolonged phase of contraction and low demand, with a y-o-y growth of 4.2% in Q4 CY2014 and is forecasted to continue to grow during the current year
- The PV segment which grew 2.8% y-o-y is expected to grow at a much stronger pace during the current year
- In the CV segment, renewed business sentiment in anticipation of a pick up in industrial activity led to a significant rise in MCV sales although off a relatively low base
- The M&HCV segment is expected to report volume growth of 13-17% in FY2016 led by both replacement demand in the first half followed by expansion by fleet operators
- The 2 Wheeler segment is expected to register strong growth as a result of continued strong demand for scooters
- Although, the domestic demand for tractors has lowered in the last few months, it is expected to recover in the coming months. The export demand for the segment is likely to stay strong

India (Q4 CY2014 Production)	Y-o-Y Change
Passenger Vehicles	2.8%
Commercial Vehicles	4.9%
2 / 3 Wheeler	4.3%
Total	4.2%

Source: SIAM, India Ratings & Research
PV is Passenger Vehicles
CV is Commercial Vehicles

Industry Performance and Outlook

Europe* (Q4 CY2014 Sales)	Y-o-Y Change	Industry View
Germany	2.7%	<ul style="list-style-type: none"> German PV production, about 75% of which is exported, increased over 3% in CY2014. Exports rose 2% to 4.3 million PVs
UK	10.3%	<ul style="list-style-type: none"> UK PV production grew 1.2% in CY2014 and was at the highest production levels since 2007. Domestic sales grew 8% led by strong consumer confidence
Italy	5.8%	<ul style="list-style-type: none"> Italian PV sales recorded growth of 4.2% in CY2014 and is expected to continue to grow in CY2015 driven by strong export demand
North America** (Q4 CY2014 Production)	Y-o-Y Change	Industry View
U.S.	4.8%	<ul style="list-style-type: none"> US Light Vehicle grew 4.8% in Q4 CY2014. Sales volumes are now close to record levels driven by an increasingly strong economic recovery
South America* (CY2014 Sales)	Y-o-Y Change	Industry View
Brazil	(9.4)%	<ul style="list-style-type: none"> CY2014 PV production in Brazil was down (15.0)% and sales were down (9.4)%. Rising interest rates and weak consumer confidence continued to have an impact on domestic sales whilst a slump in automotive demand in Argentina and Brazil's other Latin American auto trading partners led to a fall in exports

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 December 31, 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; 2.61 Crores shares outstanding

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