



# Amtek Group

**Q2 FY2015  
Ending Mar 31, 2015**

**Earnings Presentation**

**May 14, 2015**

## **Amtek Group**



### **Amtek Auto Limited**

NSE: AMTEKAUTO

BSE: 520077

### **JMT Auto Limited**

NSE: JMTAUTOLD

BSE: 513691

### **Amtek Global Technologies Limited**

## Strengthening the core amidst a challenging operating environment

*“Although we continue to enhance all aspects of our business, we have to recognise that the state of the global economy has an impact on our performance. The Amtek Group reported its second quarter results today which, in reality, are a reflection of the challenges facing the Indian manufacturing industry. As part of our long term strategy, we have increased our investments into the non-auto business over the last few years. This business has been particularly impacted by the negative sentiment in the agriculture, tractor, and infrastructure industries. Our railway components business too, as a result, has been slow to pick up in contrast to our initial expectations. In the automotive segment, the two wheeler market has been significantly impacted by weak rural demand and whilst we have seen a slight recovery in commercial vehicles, this is off a very low base.*



*We were delighted to recently announce the acquisition of Asahi Tec’s forging, casting and machining business in Japan, Thailand and China. The transaction provides a strategically compelling manufacturing platform with access to additional high profile OEMs in new regions. This is our second transformational acquisition in two years after the successful purchase and turnaround of Neumayer Tekfor.*

*During the quarter, the Amtek Group completed the acquisition of Scholz, one of the three acquisitions announced late last year. The company manufactures high-end forging components and will offer significant synergies with a number of Amtek Group’s global forging units. The second of the three acquisitions is expected to be completed within this quarter.*

*Year 2015 will continue to be challenging for the Indian automotive industry, primarily due to the widely publicised issues facing the rural sector. However, continued investment in India by both automotive and non-automotive OEMs confirm our belief in the long term potential of the industry. In the medium term, anticipated government reforms, improvements in rural market sentiment, and an infrastructure market recovery, would be key catalysts for a broad based upswing in industry demand.”*

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

# Amtek Group Financial Snapshot

In Rs. Crores

Quarter ending Mar-15	Amtek Auto (Consolidated)	Amtek Auto (Standalone)	International Business
<b>Total Income</b>	<b>4,065</b>	<b>955</b>	<b>1,690</b>
Y-o-Y Growth	4.6%	(4.0)%	19.2%
Q-o-Q Growth	(15.1)%	(14.7)%	(18.8)%
<b>EBITDA</b>	<b>688</b>	<b>255</b>	<b>141</b>
Y-o-Y Growth	(21.1)%	(18.3)%	(3.5)%
Q-o-Q Growth	(32.8)%	(27.5)%	(33.6)%
Margin	16.9%	26.7%	8.3%
<b>Net Profit</b>	<b>(25)</b>	<b>130</b>	<b>(95)</b>
Margin	(0.6)%	13.6%	(5.6)%

In Rs. Crores

International Business Normalised Total Income	Quarter ending Mar-15	Quarter ending Dec-14
<b>Reported Total Income</b>	<b>1,690</b>	<b>2,080</b>
<b>Normalised Total Income</b>	<b>1,993</b>	<b>1,783</b>
<i>Adjusted for one off opportunities last quarter and currency fluctuations this quarter</i>		

International Business Normalised EBITDA	Quarter ending Mar-15	Quarter ending Dec-14
<b>Reported EBITDA</b>	<b>141</b>	<b>212</b>
<b>Normalised EBITDA</b>	<b>198</b>	<b>212</b>
<i>Adjusted for one off opportunities last quarter and one off expense &amp; currency fluctuations this quarter</i>		

Note:

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

- The overall operating environment for the Indian automotive sector continues to be challenging
- PV production grew 7.4% y-o-y during Q1 CY2015 as a result of anticipated higher sales at the start of the year. However, domestic sales growth has moderated to 3.3% y-o-y in the second half of fiscal year 2015 from 4.2% y-o-y in the first half
- In the CV segment, renewed business sentiment in anticipation of a gradual pick up in industrial activity led to a rise in MCV sales although off a relatively low base. The LCV sector continues to be impacted by overcapacity and unavailability of finance
- The 2 Wheeler segment has been negatively impacted in the recent past primarily due to poor crop realisation and moderating wages in the rural markets. Domestic sales have declined on a m-o-m basis in 4 of the last 6 months of fiscal year 2015
- The negative sentiment in the agriculture sector has also resulted in a decline in tractor sales. In addition, procedural delays and stricter working capital requirements and quality parameters by the government have led to a decline in corporate interest in new infrastructure projects. This has further impacted tractor demand

India (Sales)	H1 FY2015 Y-o-Y Change	H2 FY2015 Y-o-Y Change
<b>Passenger Vehicles</b>	4.2%	3.3%
<b>Commercial Vehicles</b>	(10.1)%	5.0%
MCVs	(1.2)%	35.3%
LCVs	(14.4)%	(8.6)%
<b>2 Wheeler</b>	16.4%	0.6%
<b>Total*</b>	<b>13.8%</b>	<b>1.2%</b>

Source: SIAM

PV is Passenger Vehicles; CV is Commercial Vehicles

H1 FY2015 represents Apr 2014 – Sep 2014; H2 FY2015 represents Oct 2014 – Mar 2015

\* Includes 3 Wheelers

# Industry Performance and Outlook

Europe <sup>1</sup> (Q1 CY2015 Sales)	Y-o-Y Change	Industry View
<b>Germany</b>	6.4%	<ul style="list-style-type: none"> <li>German PV exports which constitute around 75% of total production were flat compared to same quarter last year</li> </ul>
<b>UK</b>	6.8%	<ul style="list-style-type: none"> <li>After reaching the highest production levels in CY2014 since 2007, UK PV production declined marginally in Q1 CY2015</li> </ul>
<b>Italy</b>	13.8%	<ul style="list-style-type: none"> <li>Cheaper oil, a weakening Euro and an overall positive economic scenario has led to increased discretionary spending across the Eurozone. Car sales in Italy grew 13.8%</li> </ul>
North America <sup>2</sup> (Q1 CY2015 Production)	Y-o-Y Change	Industry View
<b>U.S.</b>	1.8%	<ul style="list-style-type: none"> <li>US Light Vehicle production grew 1.8% y-o-y in Q1 CY2015, down from 4.8% y-o-y last quarter. However, sales increased 5.7% bolstered by low gasoline prices</li> </ul>
South America <sup>2</sup> (Q1 CY2015 Production)	Y-o-Y Change	Industry View
<b>Brazil</b>	(14.3)%	<ul style="list-style-type: none"> <li>Passenger car production in Brazil continues to be impacted by rising interest rates, weak consumer confidence and a slump in automotive demand in Argentina and Brazil's other Latin American auto trading partners. Established OEMs have been impacted more than the new entrants which tend to operate plants with a higher level of mechanisation</li> </ul>

Source: Wards, ACEA, Agência Estado

CY: Calendar Year

1. Passenger Vehicles 2. 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, JMT Auto, Amtek Global Technologies, and other 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 March 31, 2015:
  - 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; 5.03 Crores shares outstanding

John Flintham <i>Amtek Group</i>	+91 11 4234 4444
Amman Kumar <i>Amtek Group</i>	+91 11 4234 4444
Jitesh Bhatia <i>Churchgate Partners</i>	+91 22 3953 7444

**Amtek Auto Limited**  
**CIN No.: L27230HR1988PLC030333**  
3, Local Shopping Centre, Pamposh Enclave,  
Greater Kailash-I, New Delhi 110 048  
[www.amtek.com](http://www.amtek.com)