



# Amtek Group

**Q3 FY2015  
Ending June 30, 2015**

**Earnings Presentation**

**August 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

*“The recovery in the Indian automobile industry remains slow and inconsistent. The Amtek Group reported its third quarter results today which are a reflection of these challenges. Group sales for the quarter stood at Rs. 2,932 Cr and EBITDA stood at Rs. 386 Cr translating into margins of 13.2%.*



*In the Indian passenger car segment, sales growth continues to be on a downtrend over the last 8 months, due largely to challenges in the rural economy. Although the medium & heavy commercial vehicle sales are slowly picking up, LCV sales continue to decline. A lower than expected rise in rural incomes has also impacted the two wheeler segment, which registered a sales growth of only 0.6% y-o-y during the quarter. In addition, the performance of our non-auto business reflects the slowdown across the agriculture, tractor, railways and infrastructure industries.*

*Internationally, the automobile industry has been on a slight uptrend. Demand in Europe, in particular, has continued to increase in the recent months with the consumer sentiment in key markets recovering.*

*One of our recent acquisitions marked our entry into Japan, making us a truly global organisation with presence in all major continents. Apart from strategically enhancing our reach, we continue to carry out right sizing initiatives in India by reducing costs. An important initiative that we have started to implement during the quarter is the launch of the first wave of our synergy program for global operations. Through cross selling, more consolidated raw material procurement and low cost manufacturing, this initiative is likely to deliver additional revenues in the quarters to come.*

*We remain optimistic about a firm recovery in the Indian automotive industry in 2016, as the different reforms carried out by the central government result in increased economic activity and enhanced consumer sentiment.”*

**John Flintham, Vice Chairman, Amtek Auto**

# Amtek Group Financial Snapshot

In Rs. Crores

Quarter ending June-15	Amtek Auto (Consolidated)	Amtek Auto (Standalone)	International Business
<b>Total Income</b>	<b>2,932</b>	<b>866</b>	<b>1,944</b>
<i>Y-o-Y Growth</i>	<i>(33.2)%</i>	<i>(18.6)%</i>	<i>12.3%</i>
<i>Q-o-Q Growth</i>	<i>(27.9)%</i>	<i>(9.3)%</i>	<i>15.0%</i>
<b>EBITDA</b>	<b>386</b>	<b>174</b>	<b>193</b>
<i>Y-o-Y Growth</i>	<i>(59.8)%</i>	<i>(48.0)%</i>	<i>1.0%</i>
<i>Q-o-Q Growth</i>	<i>(43.9)%</i>	<i>(31.8)%</i>	<i>36.8%</i>
<i>Margin</i>	<i>13.2%</i>	<i>20.1%</i>	<i>9.9%</i>
<b>Net Profit</b>	<b>(146)</b>	<b>(158)</b>	<b>7</b>
<i>Y-o-Y Growth</i>	<i>nm</i>	<i>nm</i>	<i>(85.2)%</i>
<i>Q-o-Q Growth</i>	<i>nm</i>	<i>nm</i>	<i>nm</i>
<i>Margin</i>	<i>nm</i>	<i>nm</i>	<i>0.4%</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
- Small entry-level car demand remained weak owing to a poor rise in rural incomes and also to the aspiration in urban areas to own more spacious cars. Total car sales growth of 1.5% in June was the slowest in 8 months
- Higher MCV sales during the quarter, although off a relatively low base, make us cautiously optimistic about the segment's prospects. The LCV sector continued to be impacted by overcapacity and uncertainty about monsoons
- The 2 Wheeler segment continues to report sluggish sales due to poor crop realisation and a low rise in wages in the rural markets. The pace of growth in the urban demand for scooters has also declined in the recent months
- The negative sentiment in the agriculture sector has impacted tractor sales. The advent of good monsoon this year and recent government initiatives such as the allocation of Rs. 50,000 Cr towards reforming the national agricultural market should act as key catalysts in stimulating tractor demand. Furthermore, the industrial reforms should also lead to a pick up in non-farm demand

India (Production)	Q1 CY2015 Q-o-Q Change	Q2 CY2015 Q-o-Q Change
<b>Passenger Vehicles</b>	12.6%	(5.9)%
<b>Commercial Vehicles</b>	17.6%	(10.2)%
MCVs	35.1%	(8.8)%
LCVs	7.3%	(11.1)%
<b>2 Wheeler</b>	(4.9)%	2.6%
<b>Total*</b>	<b>(2.4)%</b>	<b>0.9%</b>

Source: SIAM

PV is Passenger Vehicles; CV is Commercial Vehicles

\* Includes 3 Wheelers

# Industry Performance and Outlook

Europe <sup>1</sup> (Q2 CY2015 Sales)	Y-o-Y Change	Q-o-Q Change	Industry View
<b>Overall *</b>	7.9%	2.7%	<ul style="list-style-type: none"> <li>Demand for passenger cars in Europe continues to increase with all key markets registering an increase in sales</li> </ul>
<b>Germany</b>	4.2%	13.7%	<ul style="list-style-type: none"> <li>German PV exports which constitute around 75% of total production were up only marginally in Q2 CY2015 (up 1% for H1 CY2015)</li> </ul>
<b>UK</b>	7.2%	(12.6%)	<ul style="list-style-type: none"> <li>UK PV production grew 1.3% y-o-y in Q2 CY2015. Production for exports, which constituted c. 80% of the total, was up by a marginal 0.4% y-o-y</li> </ul>
<b>Italy</b>	16.2%	3.4%	<ul style="list-style-type: none"> <li>A recovering economy has led to increased discretionary spending across the Eurozone. Car sales in Italy grew 16.2%</li> </ul>
North America <sup>2</sup> (Q2 CY2015 Production)	Y-o-Y Change	Q-o-Q Change	Industry View
<b>U.S.</b>	2.7%	6.3%	<ul style="list-style-type: none"> <li>US Light Vehicle production grew 2.7% y-o-y in Q2 CY2015, up from 1.8% y-o-y last quarter. Weak compact car demand, as a result of growing popularity of crossovers, is leading a few of the automakers to shift some of the manufacturing out of the U.S. to keep production costs in check</li> </ul>
South America <sup>2</sup> (H1 CY2015 Production)	Y-o-Y Change	Q-o-Q Change	Industry View
<b>Brazil</b>	(18.5)%	na	<ul style="list-style-type: none"> <li>Passenger car production in Brazil continues to be impacted by rising interest rates and weak consumer confidence. According to the President of Anfavea, a recovery in Brazil's automotive industry may not happen until Q2 CY2016</li> </ul>

Source: Wards, ACEA, Agência Estado

CY: Calendar Year

\* EU + EFTA

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 June 30, 2015:
  - a. Amtek Auto: Share face value of Rs. 2.00; 22.03 Crores shares outstanding
  - b. Castex Technologies: Share face value of Rs. 2.00; 30.45 Crores shares outstanding
  - c. Metalyst Forgings: Share face value of Rs. 10.00; 3.68 Crores shares outstanding
  - d. JMT Auto: Share value of Rs. 2.00; 25.19 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 6169 5988

**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)