



Amtek Auto

**Q4 FY2015 and Financial Year
Ending September 30, 2015**

Earnings Presentation

November 30, 2015

Amtek Group



Amtek Auto

NSE: AMTEKAUTO

BSE: 520077

JMT Auto

NSE: JMTAUTOLD

BSE: 513691

Re-strategizing to adjust to a challenging operating environment

Amtek Auto announced its full year FY2015 results which are a reflection of global market conditions; whilst our overseas facilities continue to perform satisfactorily, our Indian facilities have been impacted by a slowdown in the Indian automotive industry. Our consolidated year end revenues decreased 3.1% to Rs. 15,213 Cr and EBITDA declined 30.2% to Rs. 2,409 Cr at a margin of 15.8%. Management remained focused on cost optimisation and value enhancement during this period.



International Operations

The international automobile industry has been on a slight uptrend. Demand in Europe, in particular, has continued to increase in the recent months with consumer sentiment in key markets recovering. Amtek Auto's international operations, which now contribute c. 73% of consolidated pro forma revenues, have performed well. During the year, we completed the turnaround at Tekfor and also made significant progress in implementing the synergy plan at Kuepper. We also made three key acquisitions during the year: Asahi Tec's forging, casting and machining business in Japan, Thailand and China; and Scholz & REGE both based in Europe. These businesses together provide a strategically compelling consolidated manufacturing platform.

Domestic Operations

Recovery in the Indian automotive industry, on the other hand, has been fragmented. Whilst the medium commercial vehicle segment has started to recover off a low base, sales in the passenger car, two wheeler and light commercial vehicle segments still remain subdued owing to a negative rural sentiment. Furthermore, a slowdown in the railways, oil & gas, infrastructure, agriculture and tractor sectors has put pressure on our non-auto business (contd..)

John Flintham, Vice Chairman, Amtek Auto

Re-strategizing to adjust to a challenging operating environment

Strategic Initiatives

From an operational standpoint, we have worked towards increasing the current level of sales and profitability by optimising the product mix, widening the product range, and upgrading technology and R&D capabilities. Our cost reduction and rightsizing initiatives are expected to bear fruit in the quarters to come. We are confident that these initiatives, in addition to the record order intake of more than Rs. 13,600 last year, will enable Amtek Group to become much more competitive in the market place.



Debt Re-alignment

We are in advanced discussions with our existing lenders for the re-alignment of Amtek Group's debt obligations to ensure the Company's repayments are better matched with its operating cash flows. After the process has been concluded, we will be in a better position to re-engage with credit rating agencies. Within the group, a key development was the conversion of US\$ 200 mn of foreign currency convertible bonds at Castex into equity.

Deleveraging Plan

In light of the current industry scenario and outlook, and in the interest of shareholders, the Amtek Group has taken a highly strategic decision: to raise US\$1 bn by monetizing core and non-core assets to delever the balance sheet over the next 12-18 months. A number of options are being considered and presented to the board at this stage. Further details will be made available in due course.

I take this opportunity to thank our valuable employees, the financial institutions and shareholders for their continued support through this difficult year.

John Flintham, Vice Chairman, Amtek Auto

| Europe (Q3 CY2015 Sales) | Segment | Y-o-Y Change | Industry View |
|--------------------------------------------|---------|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Europe Overall * | PV | 10.1% | <ul style="list-style-type: none"> Demand for passenger cars in Europe continues to grow with all key markets registering an increase in sales |
| Germany | PV | 6.1% | <ul style="list-style-type: none"> German PV exports which constitute approx. 75% of total production have risen 3% in the first 9 months of CY2015, reflecting increasing demand in Western Europe for cars made in Germany |
| UK | PV | 7.3% | <ul style="list-style-type: none"> In UK, production for exports, which constitutes approx. 75% of the total, was up by 10.5% y-o-y in Q3 CY2015. This reflects a rise in demand in key overseas markets such as the rest of Europe |
| Italy | PV | 15.1% | <ul style="list-style-type: none"> Car sales continued to grow buoyed by a recovering Italian economy and increased discretionary spending amongst the consumers |
| North America (Q3 CY2015 Production) | Segment | Y-o-Y Change | Industry View |
| U.S. | LV | 4.3% | <ul style="list-style-type: none"> US Light Vehicle production, which has continued to benefit from favourable financing terms and low gasoline prices in 2015, grew 4.3% y-o-y in Q3 CY2015, up from 2.7% y-o-y last quarter. However, other economic indicators have recently suggested that the growth of the manufacturing industry is moderating |
| South America (9M CY2015 Production) | Segment | Y-o-Y Change | Industry View |
| Brazil | LV | (18.6)% | <ul style="list-style-type: none"> Total Light Vehicle production in Brazil continues to be impacted by rising interest rates and weak consumer confidence. Exports were down 10.8% y-o-y in the first 9 months of CY2015. Estimates have been downgraded for a third time this year and it is now expected that production will fall 23.2% in CY2015, compared with the previous projection of a 17.8% decline |

Source: Wards, ACEA, Anfavea

CY: Calendar Year

* EU + EFTA; PV = Passenger Vehicles; LV = Light Vehicles; CV = Commercial Vehicles



| Asia (Q3 CY2015 Sales) | Segment | Y-o-Y Change | Industry View |
|------------------------------|-----------------|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Japan | CV ¹ | (1.8)% | <ul style="list-style-type: none"> The operating conditions in Japan's automobile industry remain challenging. A continued erosion of purchasing power has impacted consumer sentiment. Total vehicle production is forecasted to decline by 5.0% in 2015 as a weak domestic market leads to cutbacks in output |
| Thailand | CV ² | (0.3)% | <ul style="list-style-type: none"> Thailand's automotive industry is primarily export oriented and so is heavily dependent upon global automotive demand. Weakness in some of the key international automotive markets has impacted production in 2015. However, car sales have started to improve as a result of better demand for new models of pick-up trucks |

Source: JAMA, ICIS, Marklines

CY: Calendar Year

PV = Passenger Vehicles; LV = Light Vehicles; CV = Commercial Vehicles

1. Trucks

2. 1-ton pickups and SUVs



Q3 CY2015 vs. Q2 CY2015

- The recovery in the Indian automotive sector continues to be slow and fragmented
- Passenger Vehicle demand remained weak in H1 FY2016, owing primarily to a negative sentiment in the rural markets. In the last couple of quarters, Passenger Vehicle sales have increased from a low base
- MCV production increased more than expected during the quarter (and also off a low base). The LCV segment continues to be impacted by overcapacity and uncertainty over the monsoon
- The 2 Wheeler market, particularly the bikes segment, continued to register sluggish sales due to poor crop realisation and a low rise in rural wages
- The negative sentiment in the agriculture sector, due to unseasonal rainfall and to the resulting uncertainty regarding the harvest, has impacted tractor sales. Volumes are expected to be lower by 7-8% in FY2016

Last 3 Years

- Actual 3 year growth has diverged significantly from the projected 3 year growth across most of the auto and non-auto segments

| FY12-15 3-year Growth | Projected | Actual |
|--------------------------|-----------|--------|
| Passenger Vehicle | 63% | 3% |
| Commercial Vehicle | 56% | (24)% |
| Construction Equipment | 45% | (19)% |
| Tractors | 11% | (4)% |
| 2 & 3 Wheelers | 35% | (19)% |

| India (Production - units) | Q2 CY2015 Y-o-Y Change | Q3 CY2015 Y-o-Y Change |
|-------------------------------|---------------------------|---------------------------|
| Passenger Vehicles | 7.0% | 7.0% |
| Commercial Vehicles | 5.3% | 11.9% |
| MCVs | 20.4% | 41.0% |
| LCVs | (3.9)% | (4.6)% |
| 2 Wheeler | 0.2% | (0.5)% |
| Total* | 1.6% | 0.8% |

Source: SIAM, Vision 2020 ACMA-EY presentation 2011-12 (Projections)

PV is Passenger Vehicles; CV is Commercial Vehicles

* Includes 3 Wheelers

Amtek Auto Consolidated Financials

In Rs. Crores

| Quarter ending Sep-15 | Amtek Auto (Consolidated) | Amtek Auto (Standalone) | International Business |
|--------------------------|------------------------------|----------------------------|---------------------------|
| Total Income | 3,428.3 | 833.8 | 2,478.2 |
| <i>Y-o-Y Growth</i> | <i>(13.5)%</i> | <i>(20.0)%</i> | <i>69.3%</i> |
| <i>Q-o-Q Growth</i> | <i>16.9%</i> | <i>(3.8)%</i> | <i>27.2%</i> |
| EBITDA | 311.2 | 175.2 | 119.3 |
| <i>Y-o-Y Growth</i> | <i>(64.3)%</i> | <i>(44.6)%</i> | <i>(3.3)%</i> |
| <i>Q-o-Q Growth</i> | <i>(19.4)%</i> | <i>0.8%</i> | <i>(39.6)%</i> |
| <i>Margin</i> | <i>9.1%</i> | <i>21.0%</i> | <i>4.8%</i> |
| Net Profit | (628.9) | (158.6) | (41.9) |

| FY2015 | Amtek Auto (Consolidated) | Amtek Auto (Standalone) | International Business |
|---------------------|------------------------------|----------------------------|---------------------------|
| Total Income | 15,213.5 | 3,773.8 | 8,195.5 |
| <i>Y-o-Y Growth</i> | <i>(3.1)%</i> | <i>(5.6)%</i> | <i>38.8%</i> |
| EBITDA | 2,409.0 | 955.7 | 669.7 |
| <i>Y-o-Y Growth</i> | <i>(30.2)%</i> | <i>(22.3)%</i> | <i>11.4%</i> |
| <i>Margin</i> | <i>15.8%</i> | <i>25.3%</i> | <i>8.2%</i> |
| Net Profit | (628.5) | (115.6) | (123.8) |

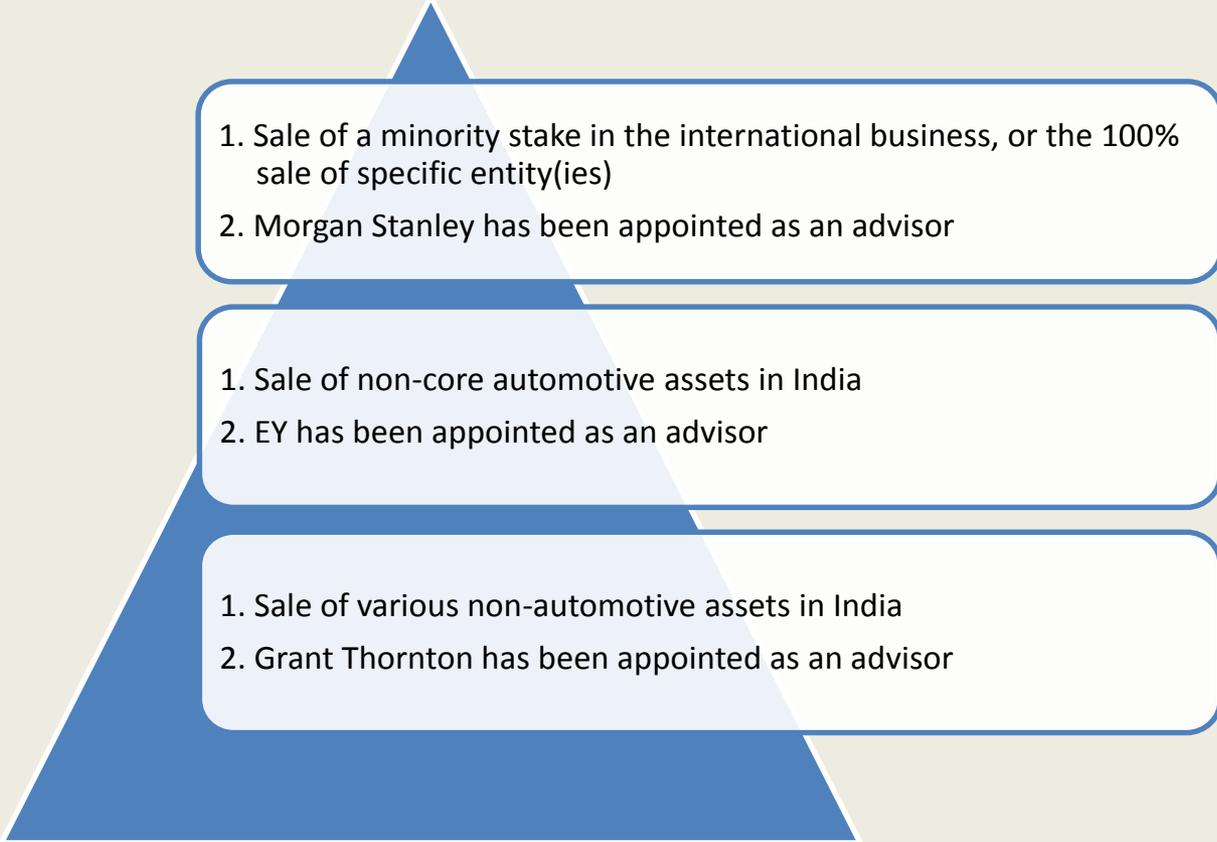
| Leverage (FY 2015) | Sep 2015 | June 2015 | Sep 2014 |
|-----------------------|----------|-----------|----------|
| Net Debt | 13,972 | 12,940 | 16,891 |

Note:

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

Deleveraging Plan

Amtek Auto aims to implement the US\$ 1 bn Deleveraging Plan within the next 12-18 months

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1. Sale of a minority stake in the international business, or the 100% sale of specific entity(ies)
 2. Morgan Stanley has been appointed as an advisor

1. Sale of non-core automotive assets in India
2. EY has been appointed as an advisor

1. Sale of various non-automotive assets in India
2. Grant Thornton has been appointed as an advisor

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 September 30, 2015:
 - a. Amtek Auto: Share face value of Rs. 2.00; 22.48 Crores shares outstanding
 - b. JMT Auto: Share value of Rs. 2.00; 25.19 Crores shares outstanding

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