



Amtek Auto

Q1 FY2016
Ending December 31, 2015

Earnings Presentation

February 15, 2016

Amtek Group



Amtek Auto

NSE: AMTEKAUTO

BSE: 520077

JMT Auto

NSE: JMTAUTOLD

BSE: 513691

Focused on driving through last quarter's highly strategic decisions

The operating conditions in the domestic automotive and non-automotive markets remain challenging. It is clear that 2016 will also be a challenging year with no sign of any immediate market turnaround. With this in mind, Amtek Auto continues to focus on streamlining its operating structure whilst, at the same time, also strengthening its dedicated export sales team, which will enable us to better capitalise on the relatively stronger international markets.



As we continue to operate in these difficult times, the management team remains completely focused on cost optimisation and disciplined cash management.

Our overseas facilities have performed exceedingly well in the last quarter. Our acquisitions of Scholz and REGE in Europe and Asahi Tech in Japan have delivered results in line with our expectations. As with our previous business combinations, each of our acquisitions in CY2015 has been highly synergistic across the Amtek Group's core process technologies of casting, forging and machining.

We remain confident that the global initiatives that we are currently undertaking on productivity enhancement, process rationalisation and focused sales activity will yield even greater results, especially as the Indian automotive markets also start to recover over time. At the corporate level, our debt realignment program is progressing well, thanks to close cooperation from our core relationship banks. I am pleased to report that the asset monetisation plan, announced in the last quarter, is on track and I look forward to providing an update at the appropriate time.

John Flintham, Vice Chairman, Amtek Auto

International Industry Scenario and Outlook

Europe (Q4 CY2015 Sales)	Segment	Y-o-Y Change	Industry View
Europe Overall *	PV	10.4%	<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	5.7%	<ul style="list-style-type: none"> German PV sales grew 5.7% in the fourth quarter reflecting an improving consumer sentiment. Exports out of the country remained encouraging owing to increasing demand in Western Europe and other key regions for cars made in Germany
UK	PV	3.5%	<ul style="list-style-type: none"> In UK, production for exports which constitutes more than 75% of the total, was up by 8.3% y-o-y in Q4 CY2015. There is still strong demand for UK-built cars in many overseas countries
Italy	PV	16.4%	<ul style="list-style-type: none"> Car sales remained buoyant on the back of a recovering Italian economy and increased discretionary spending amongst consumers
North America (Q4 CY2015 Production)	Segment	Y-o-Y Change	Industry View
U.S.	LV	2.7%	<ul style="list-style-type: none"> US Light Vehicle production continued to benefit from a favorable consumer and business sentiment. In CY2015, whilst car sales were flat, sales of trucks and SUVs rose approximately 13% over the previous year
South America (CY2015 Production)	Segment	Y-o-Y Change	Industry View
Brazil	LV + T&B	(22.8)%	<ul style="list-style-type: none"> Vehicle production in Brazil continues to be impacted by rising interest rates and weak consumer confidence. Although production was down (22.8)% in CY2015, exports were up 25% compared to CY2014

Source: Wards, ACEA, Anfavea

CY: Calendar Year

* EU + EFTA; PV = Passenger Vehicles; LV = Light Vehicles; CV = Commercial Vehicles; T&B = Trucks and buses



Asia (Q4 CY2015 Production)	Segment	Y-o-Y Change	Industry View
Japan	PC+CV ¹	1.1%	<ul style="list-style-type: none"> A continued erosion of purchasing power and an increasing sales tax regime in Japan has hampered domestic automotive demand. However, export demand for automobiles made in Japan remains strong. Exports of passenger cars and trucks expanded 8.4% y-o-y during the quarter
Thailand	PC+CV ²	2.4%	<ul style="list-style-type: none"> Thailand's automotive industry is primarily export oriented and so is heavily dependent upon global automotive demand. In 2016, domestic sales are likely to be subdued as a result of a new excise tax regime based on emissions which will impact prices. Moreover, the levy also resulted in substantial pre-buying before the start of CY2016

Source: JAMA, ICIS, Marklines

CY: Calendar Year

PC = Passenger Cars; LV = Light Vehicles; CV = Commercial Vehicles

1. Trucks

2. 1-ton pickups and SUVs



Q4 CY2015 vs. Q3 CY2015

- The recovery in the Indian automotive sector in Q4 CY2015 remains constrained
- Passenger Vehicle production diverged significantly from sales for the quarter, a sign of prolonged uncertainty about a sustained recovery in the demand for Passenger Vehicles. Production in Chennai, a major automotive hub, was hampered due to floods
- Commercial Vehicle production grew but off the very low base of last year. Moreover, the quarter was slower than the last two because of the pre-buying induced by new safety regulations from October. The commercial vehicle industry is known to be generally aligned with the direction of the economy, and therefore any sustained increase in commercial vehicle demand will only occur with a stronger recovery in economic and industrial activity
- 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, owing to poor and uneven monsoon, has resulted in lower disposable income in rural areas, thereby impacting Tractor demand adversely. Furthermore, the Construction Equipment industry continues to decline. Our view is that CY2016 will show little or no recovery

India (Production - units)	Q-o-Q Change		Y-o-Y Change	
	Q3 CY2015	Q4 CY2015	Q3 CY2015	Q4 CY2015
Passenger Vehicles	8.2%	(8.7)%	7.0%	4.6%
Commercial Vehicles	11.9%	(4.5)%	11.9%	12.5%
MCVs	18.3%	(16.3)%	41.0%	21.9%
LCVs	7.0%	5.3%	(4.6)%	7.0%
2 Wheeler	7.6%	(4.0)%	(0.5)%	1.1%
Total*	8.2%	(5.1)%	0.8%	1.4%

Source: SIAM

PV is Passenger Vehicles; CV is Commercial Vehicles

* Includes 3 Wheelers

Amtek Auto Consolidated Financials

In Rs. Crores

Quarter ending Dec-15	Amtek Auto (Consolidated)	Amtek Auto (Standalone)	International Business
Total Income	3,429.3	860.7	2,469.3
<i>Y-o-Y Growth</i>	<i>(28.4)%</i>	<i>(23.1)%</i>	<i>18.7%</i>
<i>Q-o-Q Growth</i>	<i>0.0%</i>	<i>3.2%</i>	<i>(0.3)%</i>
EBITDA	410.2	176.9	219.6
<i>Y-o-Y Growth</i>	<i>(59.9)%</i>	<i>(49.7)%</i>	<i>3.5%</i>
<i>Q-o-Q Growth</i>	<i>31.8%</i>	<i>1.0%</i>	<i>87.9%</i>
<i>Margin</i>	<i>12.0%</i>	<i>20.6%</i>	<i>8.9%</i>
Net Profit	(165.4)	(132.1)	(28.7)

Note:

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



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 Auto Consolidated (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 December 31, 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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