



# Amtek Auto

**FY2016**

**Ending March 31, 2016**

**Earnings Presentation**

**May 30, 2016**

## Amtek Group



**Amtek Auto**

NSE: AMTEKAUTO

BSE: 520077

**JMT Auto**

NSE: JMTAUTOLD

BSE: 513691

# Amtek Group FY2016 Highlights

## Well advanced in implementing last year's strategic decisions

*Amtek Auto's consolidated financial performance is a reflection of the global automotive industry performance. Whilst our overseas businesses are performing well, the India market remains challenging. Our consolidated total income for the six months ended March 2016 is Rs. 7,079 Cr. EBITDA margins of 11.2% reflect the shift in our global revenues to our overseas businesses. International operations now account more than 75% of the consolidated sales.*



*The prospects of our international businesses remain largely attractive. Whilst there are concerns over a slowing US economy, key European markets that we serve continue to perform well. Amtek Machining Systems (Asahi Tec), REGE and Amtek Components Sweden, our key acquisitions from last year, have performed very well and in line with management expectations.*

*However, the Indian automotive and non-automotive markets remain fragmented. The demand scenario for passenger cars, two wheelers and light commercial vehicles in India has remained uncertain. Whilst the medium and heavy commercial vehicles industry has shown a growth last quarter, this has been off an extremely low base. A weak rural market, slowing entry-level car sales as a result of changing consumer preferences, and recent government initiatives on curbing pollution are some of the factors we have been tracking closely.*

*The senior management remains fully committed to the overall debt reduction. I am pleased to let you know that a significantly large portion of our domestic debt has now been realigned as part of the debt realignment program we entered into with our lenders late last year.*

*With regard to our Asset Monetization Plan, we are progressing as per the plan approved by the board. We are in advanced discussions for the sale of Amtek Tekfor, for which the process had a large number of bidders. We have now received final bids and have shortlisted two potential suitors, and expect the sale to close in the next few months. Furthermore, discussions around monetization of some of our non-core assets in India are progressing in line with expectations.*

*I thank you all for the trust that you have reposed in Amtek Auto. I look forward to keeping you all posted through financial year 2017.*

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



# Amtek Auto Consolidated Financials

In Rs. Crores

Quarter ending Mar-16	Amtek Auto (Consolidated)	Amtek Auto (Standalone)	International Business
<b>Total Income</b>	<b>3,649.6</b>	<b>651.0</b>	<b>2,876.2</b>
<i>Y-o-Y Growth</i>	(10.2)%	(31.8)%	70.2%
<i>Q-o-Q Growth</i>	6.4%	(24.4)%	16.5%
<b>EBITDA</b>	<b>383.6</b>	<b>120.6</b>	<b>271.2</b>
<i>Y-o-Y Growth</i>	(44.2)%	(52.7)%	92.6%
<i>Q-o-Q Growth</i>	(6.5)%	(31.9)%	23.5%
<i>Margin</i>	10.5%	18.5%	9.4%
Profit after Tax <sup>1</sup>	(579.9)	(528.7)	20.8

Six months ending Mar-16 FY2016	Amtek Auto (Consolidated)	Amtek Auto (Standalone)	International Business
<b>Total Income</b>	<b>7,078.9</b>	<b>1,511.7</b>	<b>5,358.3</b>
<b>EBITDA</b>	<b>793.8</b>	<b>297.5</b>	<b>473.9</b>
<i>Margin</i>	11.2%	19.7%	8.8%
Profit after Tax <sup>1</sup>	(745.3)	(660.8)	(74.1)

Leverage	Mar 2016	Sep 2015
Net Debt	14,745.3	13,942.7

Note:

1. Profit after Tax is after extraordinary & exceptional items



# Industry Scenario and Outlook

Europe (Q1 CY2016 Sales)	Segment	Y-o-Y Change	Industry View
<b>Europe Overall *</b>	PV	8.0%	<ul style="list-style-type: none"> <li>Demand for passenger cars in Europe grew with all key markets registering an increase in sales</li> </ul>
<b>Germany</b>	PV	4.5%	<ul style="list-style-type: none"> <li>Low unemployment and rising wages continue to have a positive effect on new PV registrations in Germany. Local PV sales grew 4.5% y-o-y during the quarter</li> </ul>
<b>UK</b>	PV	5.1%	<ul style="list-style-type: none"> <li>In UK, production for exports which constitutes approximately 75% of the total, was up by 11.1% y-o-y in Q1 CY2016. Production for local consumption grew 8.0%, indicating strong current and future domestic demand outlook</li> </ul>
<b>Italy</b>	PV	20.5%	<ul style="list-style-type: none"> <li>Car sales in Italy remained strong on the back of a recovering Italian economy, aided by low interest rates and high manufacturer rebates. The Italian automotive industry association ANFIA has projected annual growth of at least 7% to 1.7 mn registrations</li> </ul>
North America (Q1 CY2016 Production)	Segment	Y-o-Y Change	Industry View
<b>U.S.</b>	LV	4.7%	<ul style="list-style-type: none"> <li>Favourable economic conditions continued to provide support to overall automotive sales in the US. However, rising discounts and increasingly favourable loan terms have started to raise concerns that sales may have peaked</li> </ul>
South America (Q1 CY2016 Production)	Segment	Y-o-Y Change	Industry View
<b>Brazil</b>	LV + T&B	(27.8)%	<ul style="list-style-type: none"> <li>Vehicle production in Brazil was down (27.8)% y-o-y to the lowest level in 13 years. However, exports during the quarter were up 24% y-o-y</li> </ul>

Source: Wards, ACEA, Anfavea

CY: Calendar Year

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



# Industry Scenario and Outlook

APAC (Q1 CY2016 Production)	Segment	Y-o-Y Change	Industry View
<b>India</b>	PV+CV+2/3W	6.5%	<ul style="list-style-type: none"> <li>Concerns around the new infrastructure cess on automobiles, slowness in the rural economy and uncertainty relating to diesel vehicles in the key market of NCR continued to hamper growth of the PV segment in India. SIAM has cut its FY2017 growth outlook for the PV segment to 6-8% from 11-12% earlier</li> <li>M&amp;HCV production grew in anticipation of stronger economic activity, although off the low base of last year. LCV production rose on the back of greater availability of load from the consumer goods industry and expectations of good monsoons</li> <li>Demand from the rural market has remained low for the 2W segment. However, higher sales to customers in the urban markets resulted in a total sales growth of 8.6% y-o-y for the segment during the quarter</li> <li>Subdued sales in the tractor segment for the last couple of years has been a key indicator of the lingering slowness in the agriculture sector. Furthermore, low commodity prices have impacted demand in key segments of the Industrial sector, which continues to report cuts in capital expenditures</li> </ul>
<b>Japan</b>	PC+CV <sup>1</sup>	(3.6)%	<ul style="list-style-type: none"> <li>A continued erosion of purchasing power has hampered domestic automotive demand in Japan. Production was also impacted due to lower demand from Indonesia. However, exports to US and Europe remained relatively strong, despite the recent appreciation in Yen. The Japan Automobile Manufacturers Association forecasts total vehicle sales, including buses and medium and heavy duty trucks, to increase 6.5% to around 5.3 mn vehicles in FY2017. The forecast incorporates the expected pre-buying induced by a possible consumption tax levy in April 2017</li> </ul>
<b>Thailand</b>	PC+CV <sup>2</sup>	(3.4)%	<ul style="list-style-type: none"> <li>Thailand's automotive industry is primarily export oriented. In light of the slowing global recovery, the Federation of Thai Industries expects automotive exports out of Thailand to rise only 1-3% 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</li> </ul>

Source: SIAM, JAMA, ICIS, Marklines

CY: Calendar Year

PC = Passenger Cars; PV = Passenger Vehicles; LV = Light Vehicles; CV = Commercial Vehicles; 2/3W = 2 & 3 Wheelers

1. Trucks

2. 1-ton pickups and SUVs



# Additional Information

## 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 March 31, 2016:
  - 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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