

SPARK

MINDA

Powered by Passion

Minda Corporation Limited

(NSE: MINDACORP; BSE: 538962)

Q3 FY20
Earnings Presentation

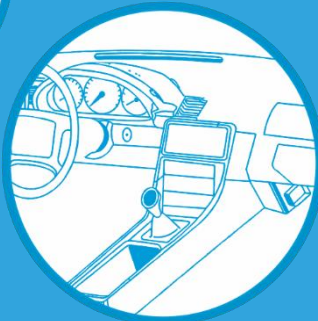
February 2020



Mechatronics



Information & Connected
Systems



Plastics & Interiors



Instrument Clusters



Sensors



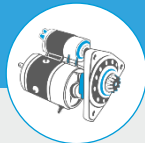
Wiring Harness



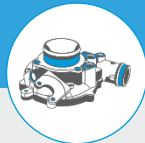
Locks



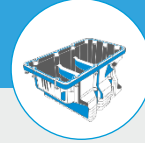
Door Handles



Starter Motors



Al & Zn Cutting Parts



Plastic Component

1. Quarterly Updates

- ❖ Company Snapshot
- ❖ Industry at Glance
- ❖ Consolidated Performance
- ❖ Way Forward
- ❖ Awards and CSR



2. Annexure A (Standalone)

3. Annexure B



Quarterly Updates

One of India's leading automotive component Companies with global footprints

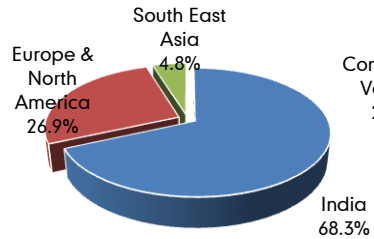


Diversified product portfolio, global customers, strong manufacturing and advanced R&D with six decades of automotive experience

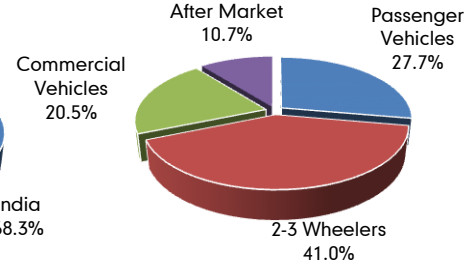
| | |
|---|---|
| Revenue | Rs. 30,920 mn (FY2019) |
| Business Verticals | <ul style="list-style-type: none"> - Mechatronics - Information & Connected Systems - Plastics & Interiors - AfterMarket |
| Key Customers | Ashok Leyland, Bajaj Auto, CNH, Daimler, Hero Moto Corp, , Honda Motorcycle and Scooter India, Hyundai, Mahindra & Mahindra, Maruti Suzuki, Suzuki Motorcycle, TVS Motor, Tata Motors, VE Commercial Vehicles, Volkswagen, Yamaha Motor |
| Manufacturing Facilities | 34 Manufacturing facilities strategically located globally providing support to OEMs |
| R&D Capabilities | Advanced Engineering Centre of Electronics & Mechatronics in Pune (SMIT) and multiple specialised R&D Centre across India |
| Market Capitalisation (as of 31 st Dec 2019) | Approx. Rs. 22,750 mn |

Revenue Breakdown 9M FY20

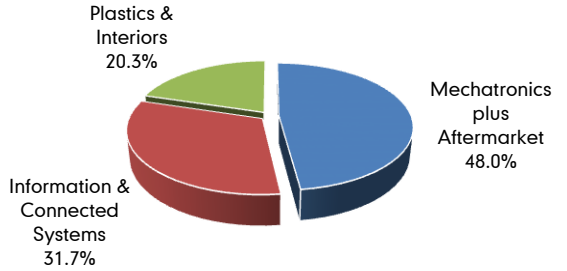
By Geography



By End Market



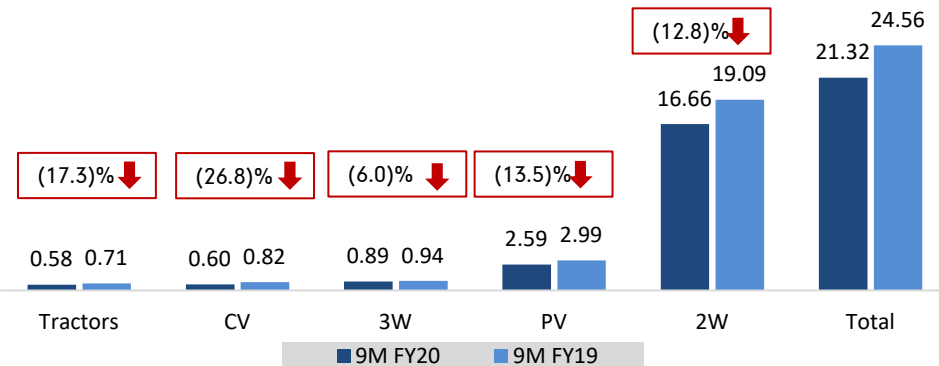
By Business Verticals



Indian Automotive Industry Performance - 9M & Q3FY20

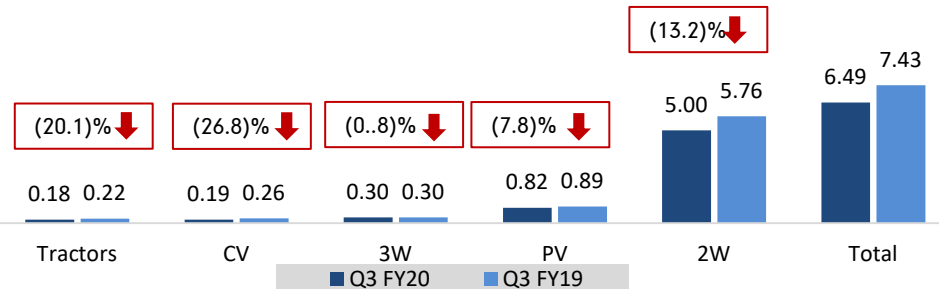
9M FY20 Growth

Auto Industry
↓ (13.2)%



Q3 FY20 Growth

Auto Industry
↓ (12.7)%



Commentary

- The de-growth trend which started in H2FY19 continued its momentum for all the segments in 9MFY20 for Automobile industry
- During 9MFY20, Production of vehicles declined by 13.2%
 - Commercial Vehicles (-26.8%)
 - Tractors (-17.3%)
 - Passenger Vehicles (-13.5%)
 - 2-Wheelers (-12.8%)
 - 3-Wheelers (-6.0%)
- Q3FY20 production volumes declined by 12.7% Y-o-Y with Commercial Vehicles (-26.8%) and Tractors (-20.1%) were the most impacted vehicle segment
- Volumes impacted by:
 - Subdued economic environment
 - Low consumer sentiment
 - Tightening of finance availability
 - De-stocking of BS-IV vehicles

Consolidated Performance – Q3 & 9M FY20

| (Rs. Million) | Q3 | | Q2 | Nine Month | |
|---------------------------------|--------------|----------------|---------------|--------------|---------------|
| | FY20 | FY19 | FY20 | FY20 | FY19 |
| Operating Revenue | 6,714 | 7,690 | 7,355 | 21,152 | 23,206 |
| <i>Operating Revenue Growth</i> | | <i>(12.7)%</i> | <i>(8.7)%</i> | | <i>(8.9)%</i> |
| Other Income | 150 | 127 | 87 | 320 | 287 |
| EBITDA | 761 | 548 | 684 | 2,114 | 2,102 |
| <i>Margin (%)</i> | <i>11.3%</i> | <i>7.1%</i> | <i>9.3%</i> | <i>10.0%</i> | <i>9.1%</i> |
| Profit Before Tax (PBT) | 550 | 617 | 421 | 1,300 | 1,779 |
| <i>Margin (%)</i> | <i>8.0%</i> | <i>7.9%</i> | <i>5.7%</i> | <i>6.1%</i> | <i>7.6%</i> |
| Profit After Tax (PAT) | 416 | 447 | 372 | 1,000 | 1,273 |
| <i>Margin (%)</i> | <i>6.1%</i> | <i>5.7%</i> | <i>5.0%</i> | <i>4.7%</i> | <i>5.4%</i> |

The Company declares interim dividend of 17.5% i.e. Rs.0.35 per share

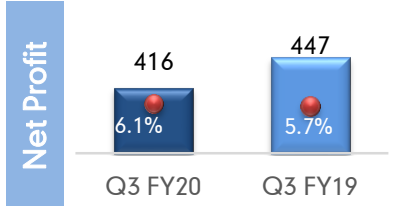
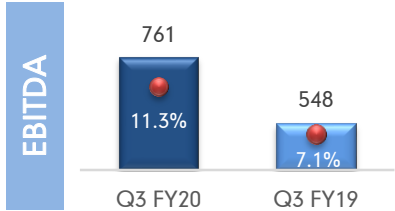
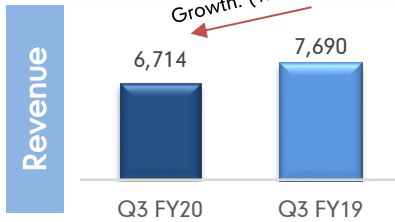
Notes:

- EBITDA margins is based on Operating Revenue
- Consolidated PBT and PAT includes Share of profit of Joint Ventures
- In Q3 FY19 and 9M FY19, PBT and PAT includes profit from partial sale of stake in Minda Furukawa of Rs.175 million

Consolidated Performance – Q3 & 9M FY20

Quarterly

(in Rs. mn)

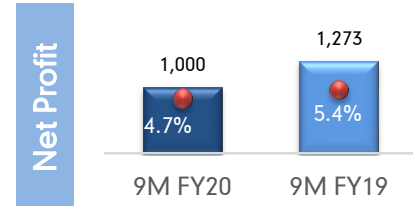
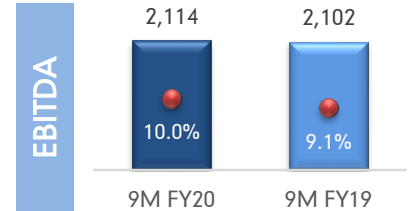


Commentary – Q3 FY20 vs Q3 FY19

- Overall revenue declined by 12.7% y-o-y in Q3 FY20 as
 - Domestic industry sales fell by 13%, with Commercial Vehicles declining by 27% and 2-Wheelers by 13%
 - Lower tooling sales in MKTSN operations
- EBITDA margin increased by 420 bps to 11.3% in Q3 FY20 primarily due to
 - Lower losses in MKTSN for the quarter
 - Reduction in fixed cost in domestic operations
 - Favorable product mix
 - Savings in raw material cost
- PAT was Rs. 416 million; margin of 6.1% primarily due to
 - Favorable impact of
 - Higher EBITDA margin
 - Lower Tax rate
 - Adversely impacted by
 - Lower profitability in JV
 - No exceptional gain as shown in Q3 FY19 of Rs. 175 mn

Nine Month

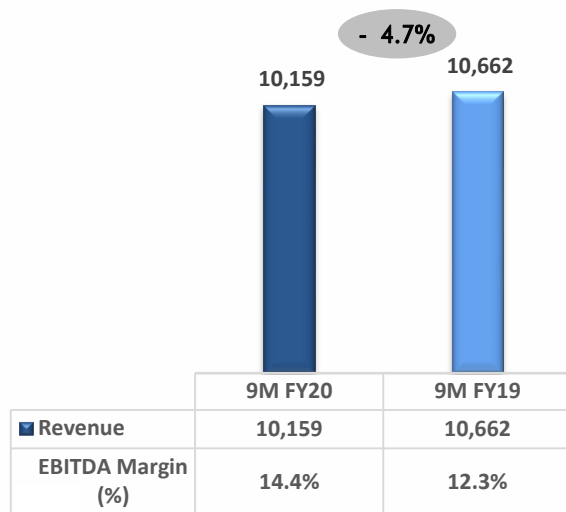
(in Rs. mn)



Business Verticals Performance (9MFY20 vs 9MFY19)

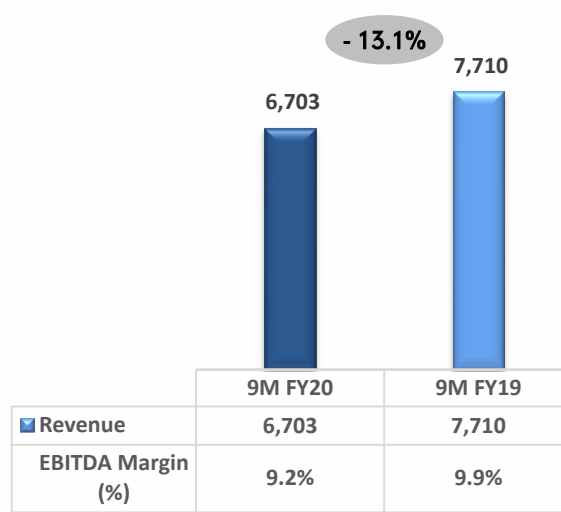
(in Rs. Mn)

Mechatronics and Aftermarket



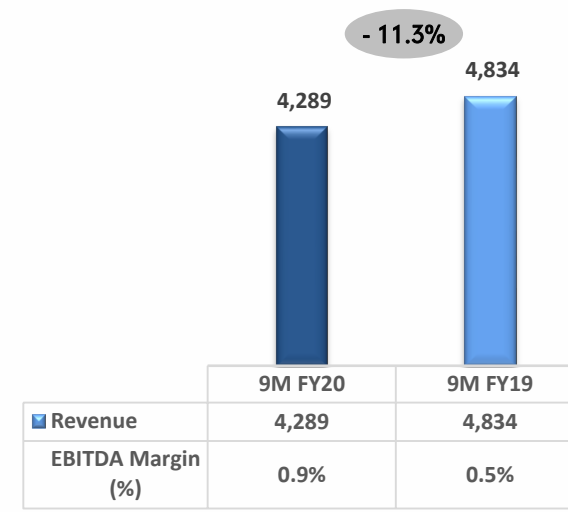
- Revenue fall has been cushioned by higher exports and aftermarket sales
- EBITDA Margin improvement due to improved product mix and reduction in raw material and fixed cost

Information & Connected Systems



- Revenue decline impacted by 27% fall in CV
- EBITDA Margin impacted due to product mix and under absorption of cost due to lower sales

Plastics & Interiors



- Revenue fell due to lower tooling sales, as compared to 9MFY19
- EBITDA Margin is low due to challenges in European Operations

Business Updates – Q3 FY20

- **Mechatronics : (In Q3 Lifetime order worth approx. Rs. 8,700 mn, YTD 19-20 Lifetime order worth approx. Rs. 21,000 mn)**
 - Awarded new business by leading 2W OEMs to supply 'Lock Kits' (Lifetime business value of approx. Rs. 1,500 mn)
 - Prestigious order received for 'DC-DC Converter' from leading 2W OEM (Lifetime business order of approx. Rs. 350 mn)
 - Awarded new business from Globally leading PV OEM to supply 'Seat Latch' (Lifetime business value of approx. Rs. 300 mn)
- **Information & Connected Systems: (In Q3 Lifetime order worth approx. Rs. 1,900 mn, YTD 19-20 Lifetime order worth approx. Rs. 13,000 mn)**
 - New business awarded to supply 'Speedometer' to leading 2W OEMs (aggregate lifetime business order worth of approx. Rs. 400 mn)
 - Won prestigious order to supply 'EFI Wiring Harness' to leading 2W OEMs (Lifetime business order of approx. Rs. 1,200 mn)
- **Plastics & Interiors : (In Q3 Lifetime order worth approx. Rs. 600 mn, YTD 19-20 Lifetime order worth approx. Rs. 950 mn)**
 - Prestigious new business awarded to supply 'Centre Console' to leading PV OEM (aggregate lifetime business order worth of approx. Rs. 600 mn)
- **Export :**
 - Prestigious Export businesses received for Die Casting parts (Lifetime business value of Rs. 5,000 mn)
 - Won new orders to export 'Lockset' to global 2W Vehicle OEMs (Lifetime business order of approx. Rs. 300 mn)
 - Awarded new business in Wiring Harness for 2W OEMs (Lifetime business order of approx. Rs 200 mn)

Context

India

- Production cut by OEM's to align with market demand
- Uncertainty of Pre-Buying in Q4 FY20
- Finance tightening by NBFC's
- Moving from BS IV to BS VI
- Stable Inflation and lower Interest rates
- Commodity Prices are stable

Global especially Europe

- Geo-political global tensions
- Slowdown in China impacting the Margin of OEMs
- Post-Brexit negotiations impacting consumer sentiments
- Deferment of hike in Interest Rate across Geographies

Response and Outlook

Mechatronics

- Grow the Die-Casting Business through Export
- Adding new customer to gain Market share and premiumization of products to increase content per vehicle

Information & Connected Systems

- Exploring opportunity to Increase Export of wiring harness
- Gaining Market share by increase in SOB and adding new customer
- Exploring opportunity for Acquisition in wiring harness

Plastics & Interiors

- Reducing the Breakeven level in KTSN
- Diversification of Customer Base

Aftermarket

- Enhancing the growth by adding new product

SMIT

- Upgrading Legacy Product and Developing New Product with the help of Technology

Awards and CSR



Spark Minda conducted 'Technology Show' at Maruti Suzuki India Limited on 15th Nov 2019 enabling their employees to learn and explore wide variety of products and showcase technical expertise to fulfill the budding mobility needs of customers with focus on fields like Advanced Electronics, Electrification, Vehicle Antennas, Mechatronics, telematics. Plastics & Interior, etc



Minda Stoneridge bagged Silver Award from HSE Excellence at ACMA Technology Summit & Awards - 2019



MCL (Wiring Harness Division-Greater Noida) won Bronze Award in the CII National Competition



MCL- (Wiring Harness Division-Pillaipakkam) received Supplier Improvement Quality Award from Ashok Leyland



MCL (Wiring Harness Division-Greater Noida) won Gold Award in CCQC-2019



Aakarshan Skill Development Programme at Greater Noida conducted its 13th Convocation providing employment to 107 learners. Since its inception 1,817 learners have been certified and trained in an array of courses imparting employable skills

Aakarshan Skill Development Programme at Gurugram conducted its 1st Convocation providing employment to 193 learners. Courses in collaboration with organizations such as NIIT Foundation, Teach India Programme and Shakti Exports were offered to learners



Empowerment of Persons with Disability Programme
Seven-day camp in Dec 2019 at Pune; 1,335 assistive aids, 162 Unique Disability ID registrations were facilitated during the camp along with employment to 120 persons into the Spark Minda Group

Minda Corporation Limited, Pant Nagar won 'Service Provider and Placement Agency' award for employing "People with Disability"

Annexure A (Standalone Performance)

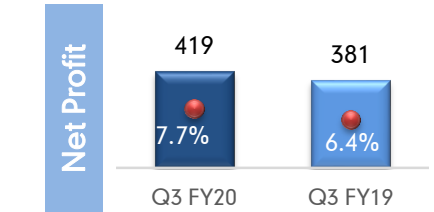
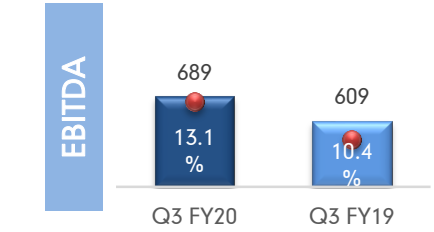
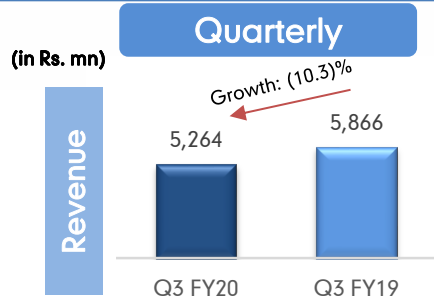
Standalone Performance – Q3 & 9M FY20

| (Rs. Million) | Q3 | | Q2 | Nine Month | |
|---------------------------------|--------------|----------------|---------------|--------------|---------------|
| | FY20 | FY19 | FY20 | FY20 | FY19 |
| Operating Revenue | 5,264 | 5,866 | 5,289 | 16,182 | 17,652 |
| <i>Operating Revenue Growth</i> | | <i>(10.3)%</i> | <i>(0.5)%</i> | | <i>(8.3)%</i> |
| Other Income | 152 | 110 | 105 | 337 | 361 |
| EBITDA | 689 | 609 | 633 | 1,963 | 2,005 |
| <i>Margin (%)</i> | <i>13.1%</i> | <i>10.4%</i> | <i>12.0%</i> | <i>12.1%</i> | <i>11.4%</i> |
| Profit Before Tax (PBT) | 550 | 528 | 440 | 1,409 | 1,728 |
| <i>Margin (%)</i> | <i>10.2%</i> | <i>8.8%</i> | <i>8.2%</i> | <i>8.5%</i> | <i>9.6%</i> |
| Profit After Tax (PAT) | 419 | 381 | 398 | 1,100 | 1,195 |
| <i>Margin (%)</i> | <i>7.7%</i> | <i>6.4%</i> | <i>7.4%</i> | <i>6.7%</i> | <i>6.6%</i> |

Notes:

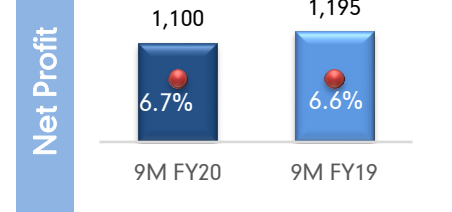
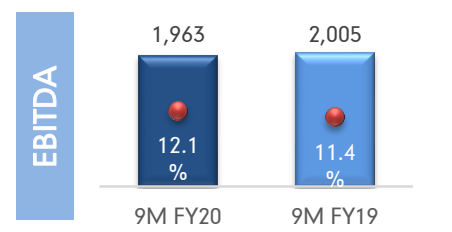
- EBITDA margins is based on Operating Revenue
- In Q3 FY19 and 9M FY19, PBT and PAT includes profit from partial sale of stake in Minda Furukawa of Rs. 42.7 million

Standalone Performance – Q3 & 9M FY20



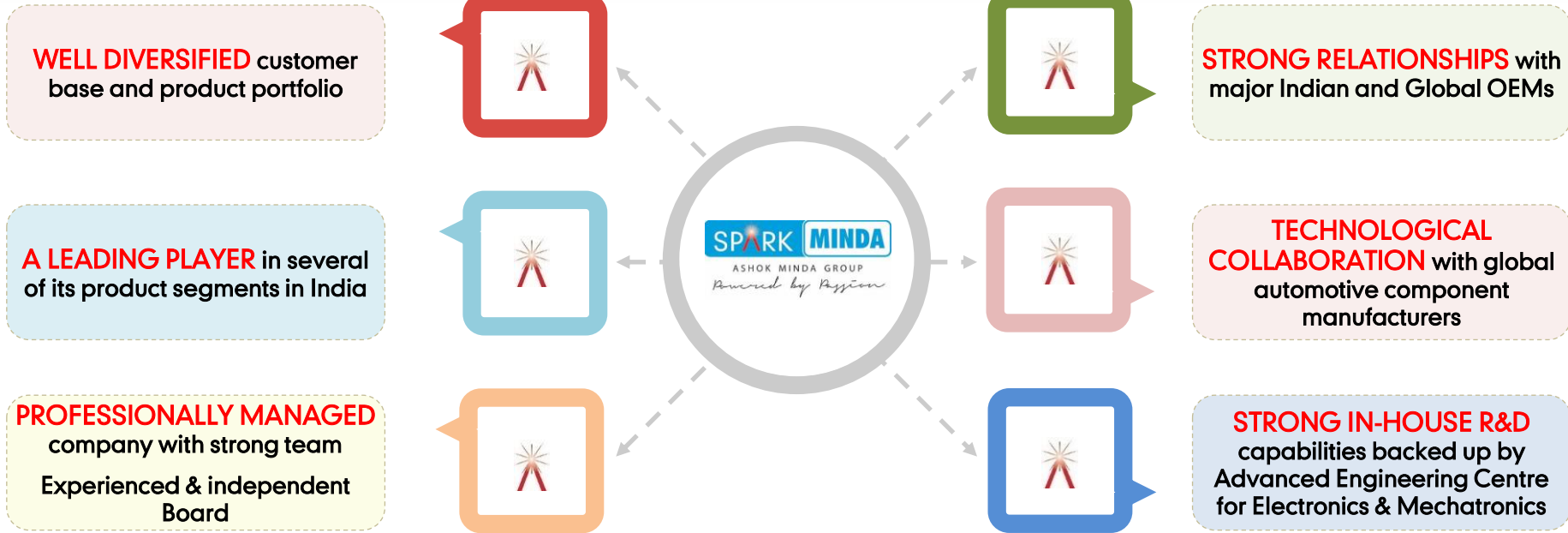
Commentary – Q3 FY20 vs Q3 FY19

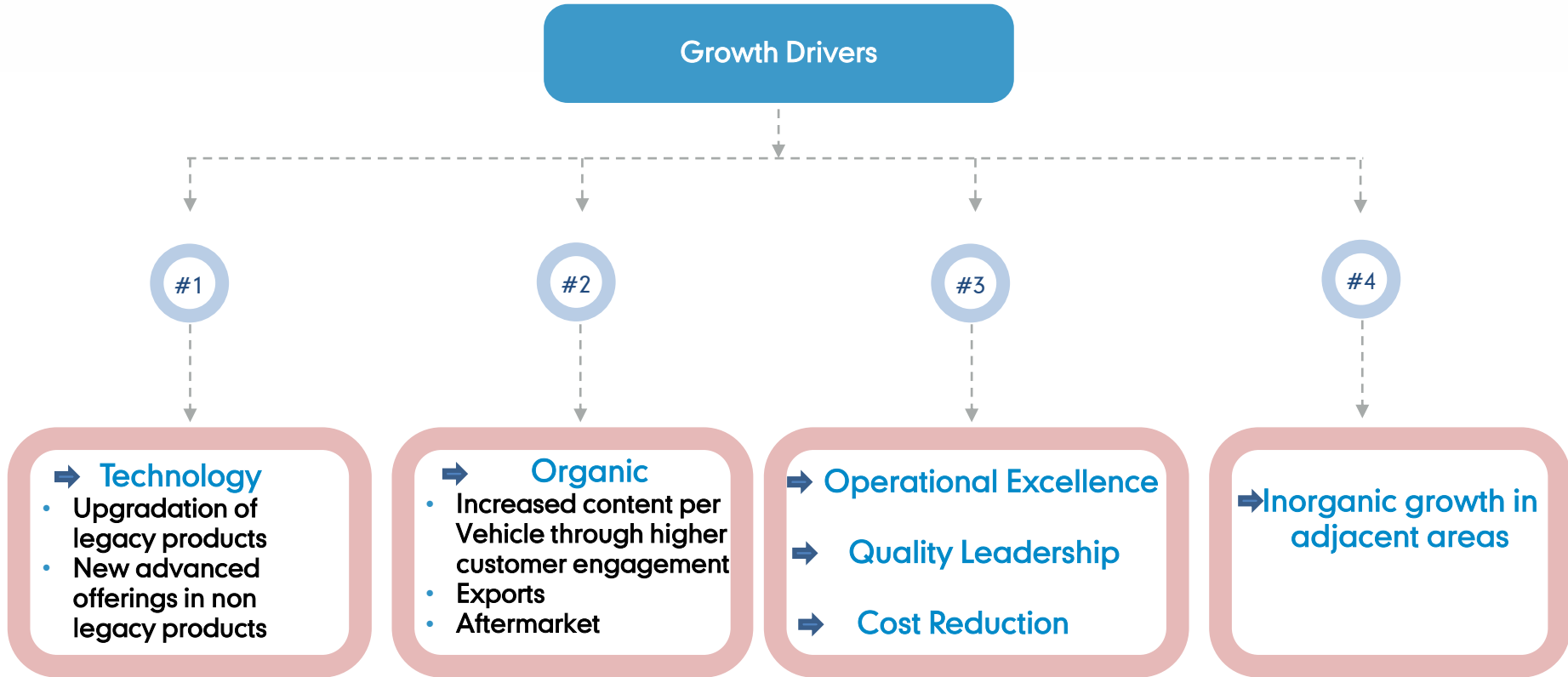
- Overall revenue declined by 10.3% y-o-y in Q3 FY20 due to decline in CV by (-27%) and 2W by (-13%)
- EBITDA margin increased by 270 bps and to 13.1% due to
 - Favorable product mix
 - Savings in raw material
 - Reduction in fixed cost in domestic operations
- PAT was Rs. 419 million with margin of 7.7%, an increase of 130 bps as compare to same quarter last year; primarily due to
 - Favorable impact of
 - Higher EBITDA margin
 - Lower Tax rate
 - Adversely impacted by
 - No exceptional gain as shown in Q3 FY19 of Rs. 42.7 mn

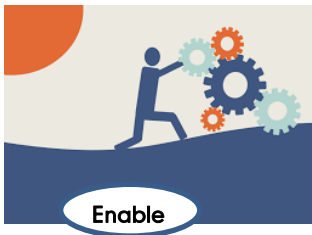
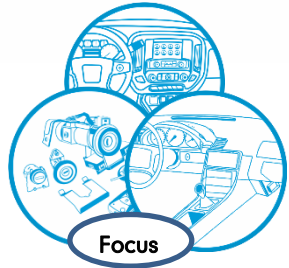


Annexure B

Competitive Strengths







▪ **To Enhance Shareholders Wealth**
- By having a profitable growth better than Industry

Organic growth enhanced by:
- Premiumization & Regulation
- Increasing content per vehicle
- Export
- Aftermarket

Inorganic growth:
- Adjacent Segment
- Focus on Technology and/or Customer
- Financially Stable Company

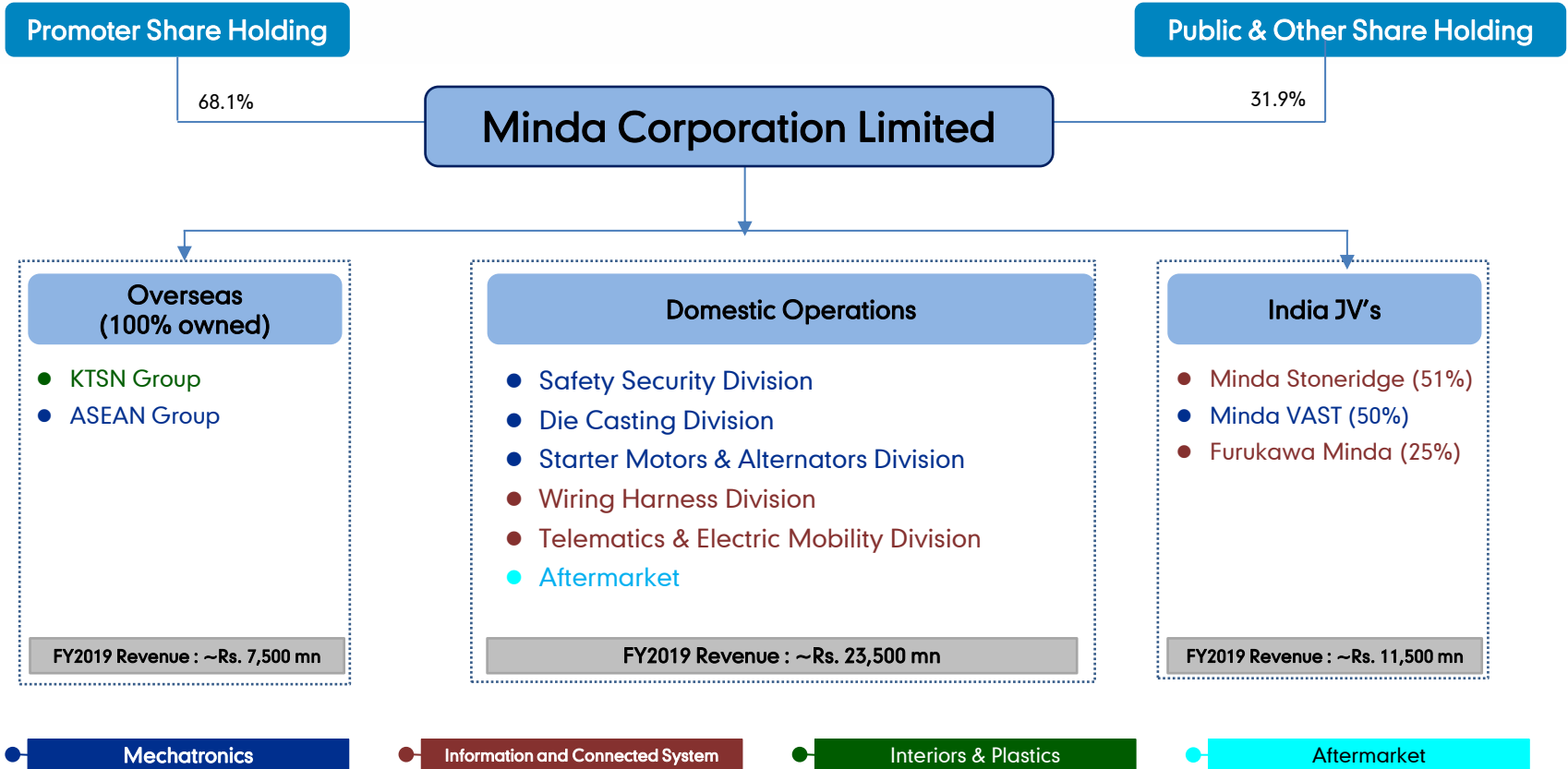
Enabling Catalyst for accelerated profitable growth
- Great Place to work - KAMs
- SMIT - Leadership

Group Target







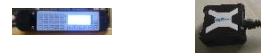


Revenue > Market Growth
Focus on improving EBITDA margin and ROCE
Optimization of Working Capital

+
Value Creating M&A

Schematic Representation of Minda Corporation



Diversified Product Portfolio

| | | | | |
|---|---|--|--|---|
| <p>Mechatronics</p> |  <p>Ignition Switch Cum Steering Lock Smart Key System</p> <p>Electronic and mechanical security systems</p> <p>Mechatronics Handles Immobilizers System</p> |  <p>Braking System Parts Compressor Housing</p> <p>Die casting components</p> |  <p>Alternator Starter Motor</p> <p>Starter motors and alternators</p> | |
| <p>Information & Connected Systems</p> |  <p>Wiring Harness Steering Roll Connector Junction Box</p> <p>Wiring Harness</p> |  <p>Speedometer</p> <p>Instrument Clusters</p> |  <p>Speed EGT & EGRT PM / SOOT Sensor</p> <p>Sensors</p> |  <p>ITS EKO</p> <p>ITS & IOT</p> |
| <p>Plastics & Interiors</p> |  <p>Cup Holder Ash Tray Louvers Glove Box Steering Column Shroud Seat Panel Structural Parts Oil Sump Cylinder Head Battery Tray</p> | | | |
| <p>Aftermarket</p> | <p>Major products of Mechatronics</p> | <p>Major products of Information & Connected Systems</p> |  <p>Filters Clutch Plates Bearings Wiper Blades Brake Shoe</p> <p>Other Contract Manufactured Products</p> | |

Key Customers

2-3 Wheelers



Commercial & Off Highway Vehicles



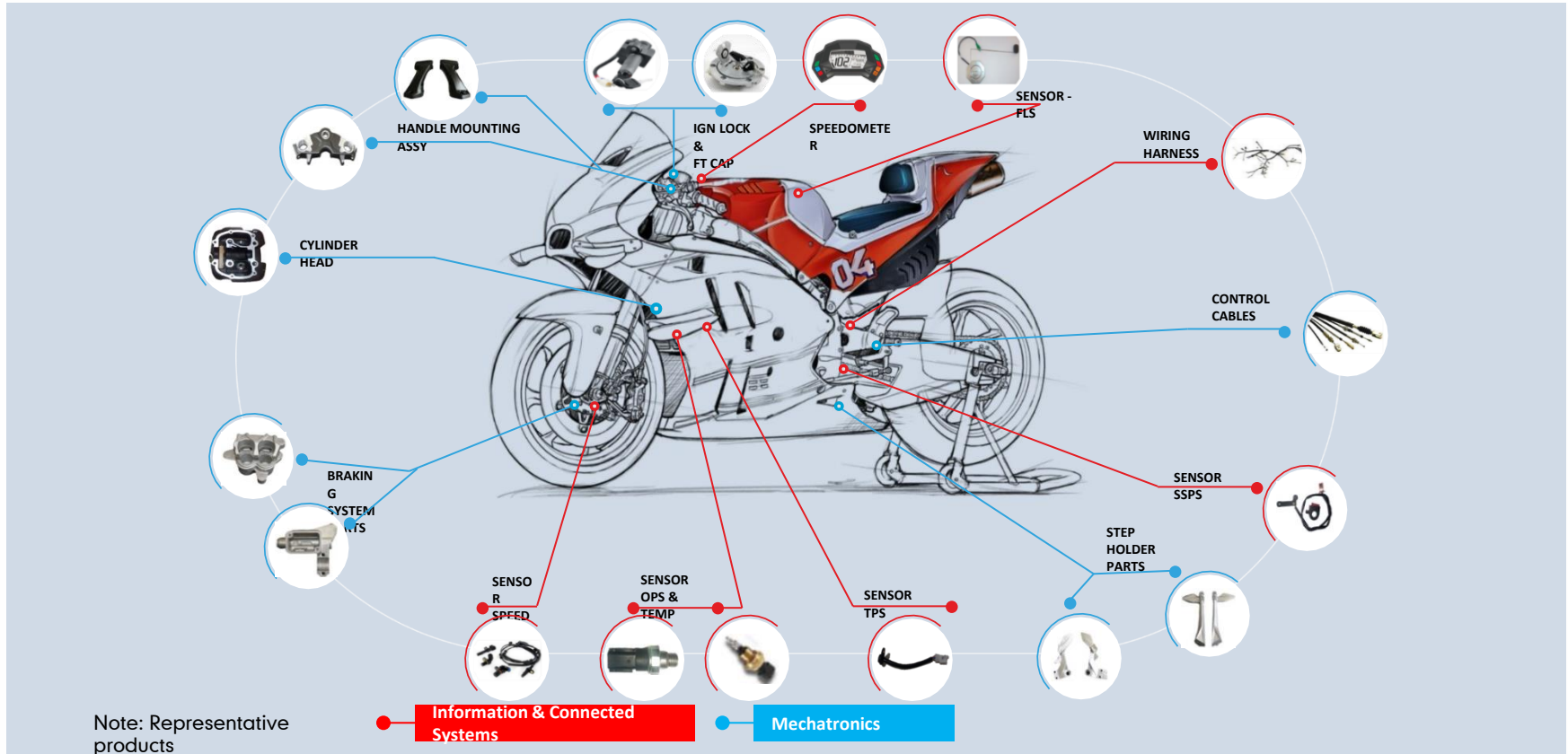
Passenger Vehicles



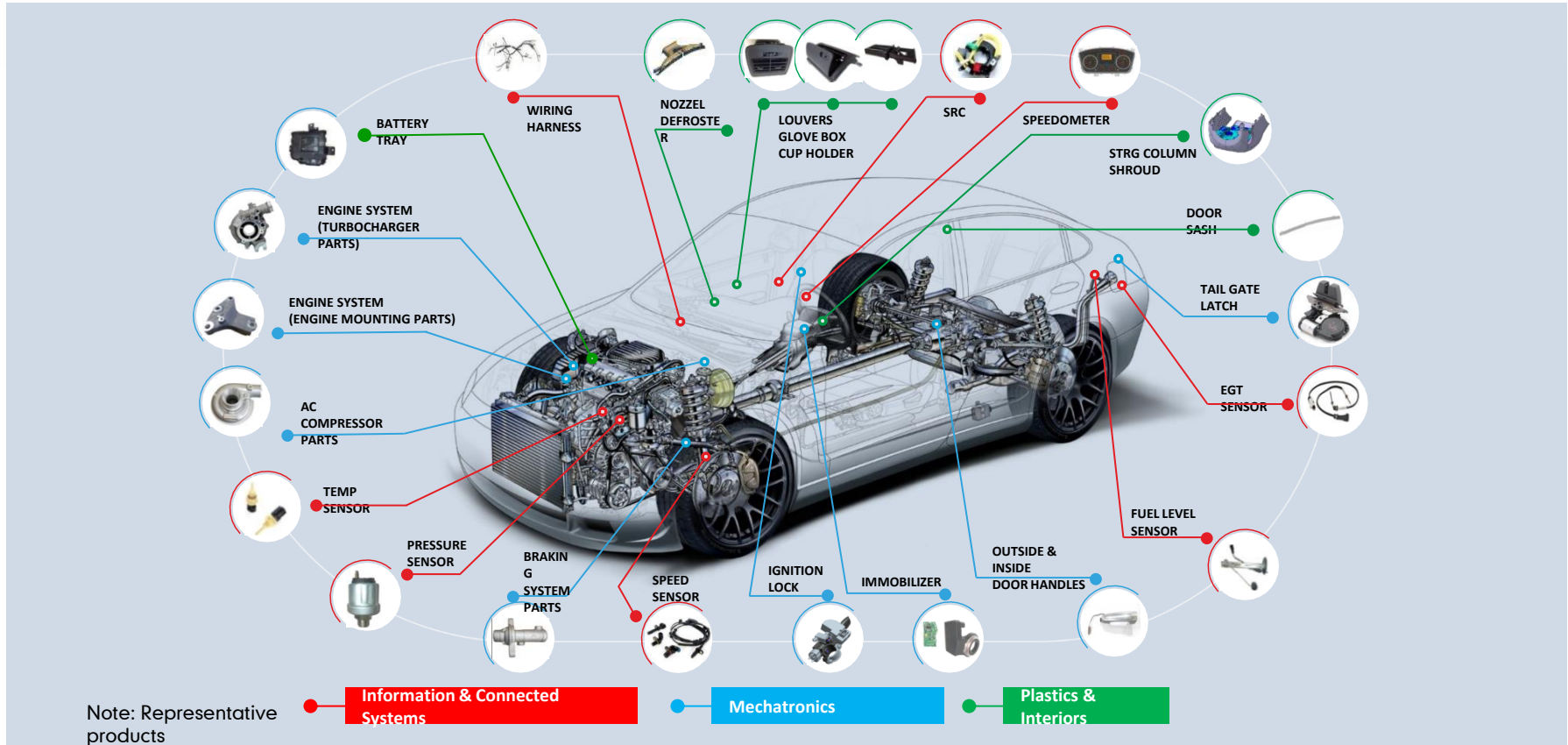
Other Market



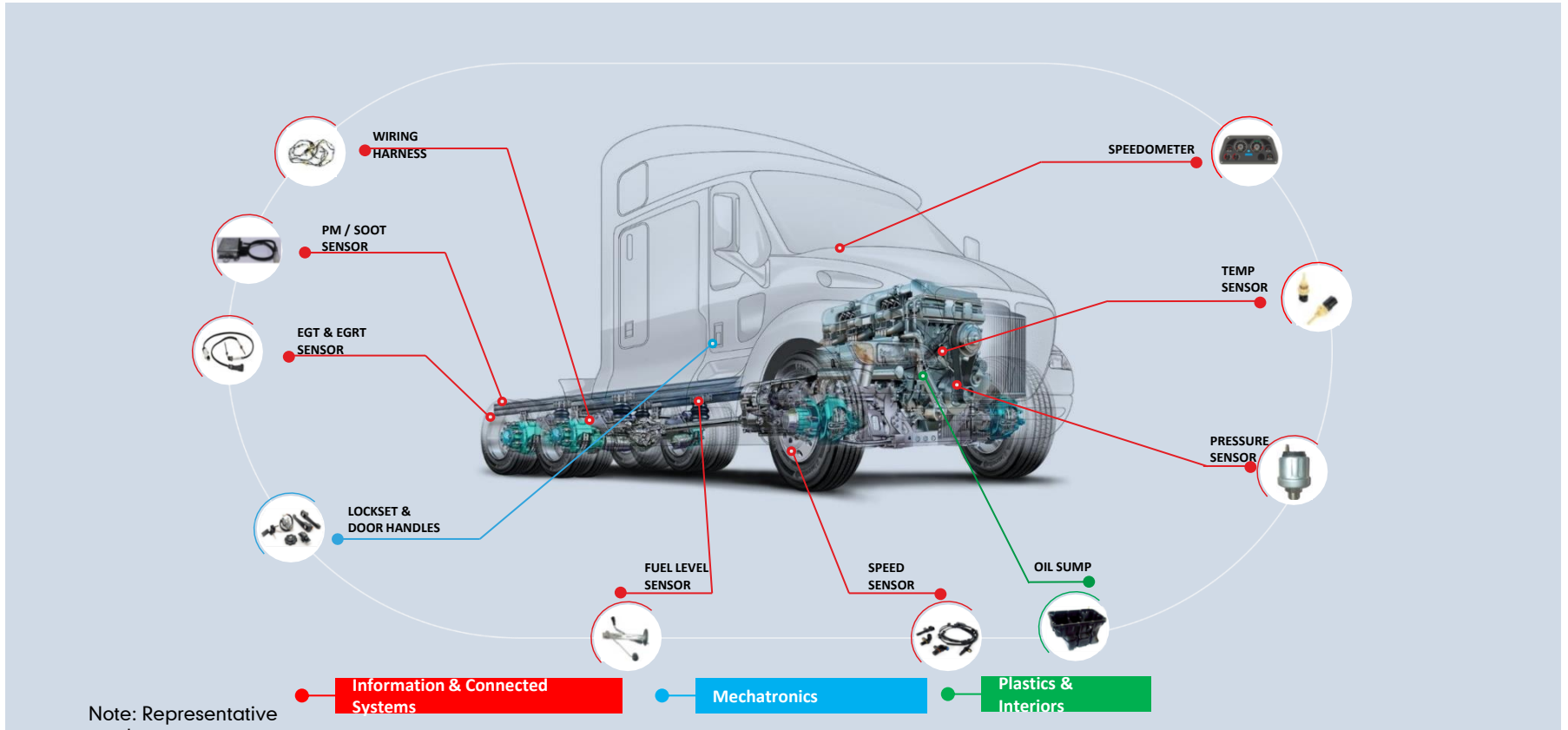
Product Portfolio – 2 Wheelers



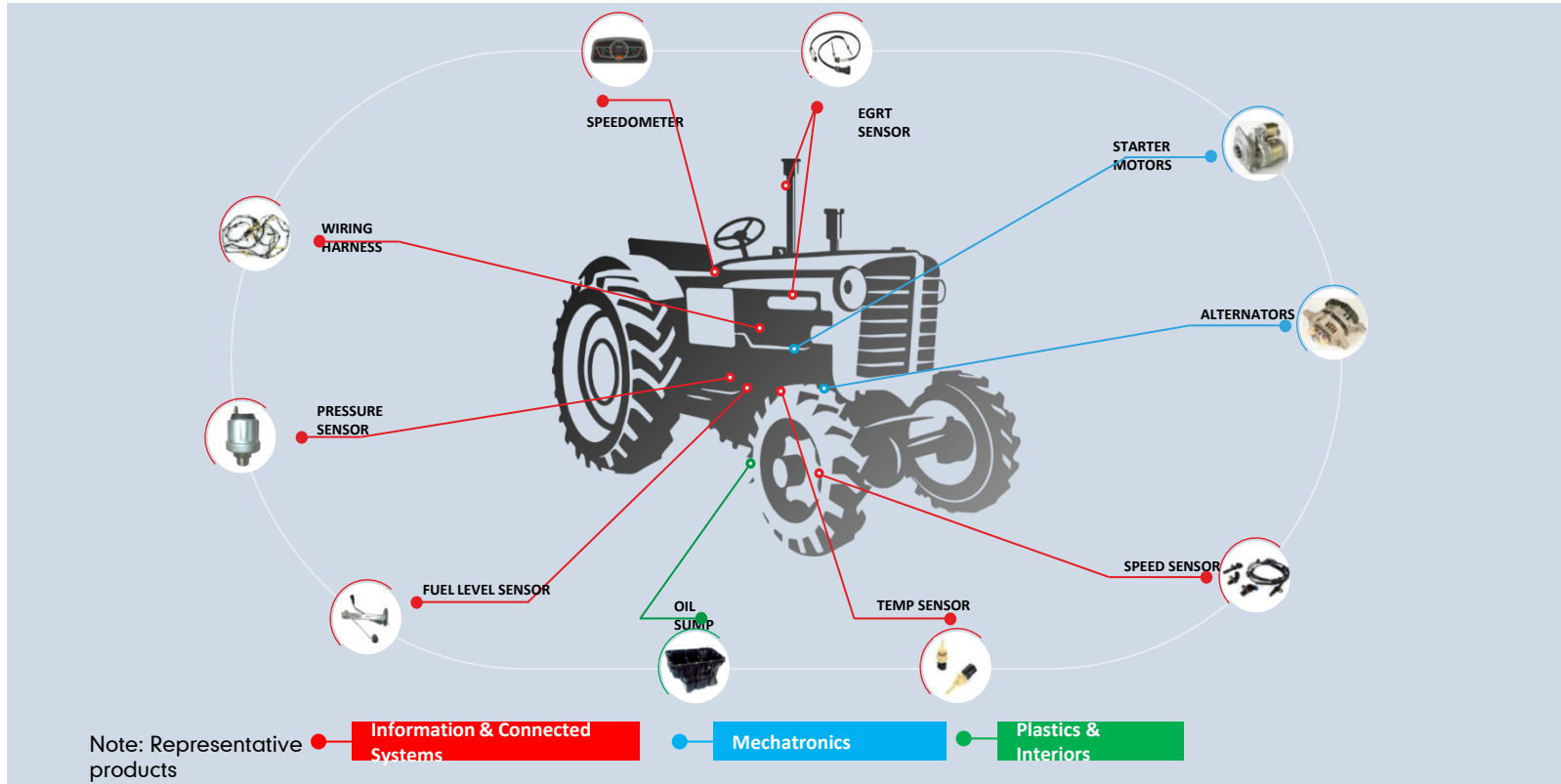
Product Portfolio – Passenger Vehicles



Product Portfolio – Commercial Vehicles



Product Portfolio – Tractors



Manufacturing facilities strategically located globally providing support to OEMs



| Manufacturing Facilities | Mechatronics | Information & Connected Systems | Plastics & Interiors |
|--------------------------|--------------|---------------------------------|----------------------|
| Total – 34 Plants | 15 | 15 | 4 |

Eminent and Experienced Board of Directors



Mr. Ashok Minda
Chairman and Group CEO



Mr. R. Laxman
*Executive Director & Group
CFO, Finance*



**Mr. Avinash P.
Gandhi**

*On the Board of Lumax
Industries, Indo Alusys,
Hyundai Motors, EV
Motors, Schaeffler India
and QRG Enterprises*



Mr. Rakesh Chopra

*On the Board of GPR
Enterprises, Kempt
Cottages, Bharat Gears,
Axles India and Cleantec
Infra*



Mr. Ashok Kumar Jha

*On the Board of Setco
Automotive, Great
Eastern Energy
Corporation, Nuziveedu
Seeds & Xpro India*



Ms. Pratima Ram

*On the Board of
Havells India, Suzlon
Energy, Deccan Gold
Mines Limited, SF Forge
Limited*

Thank You

This presentation contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Minda Corporation Limited (“Minda Corp” or the Company) 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.

Minda Corp undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.



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