

Interior Systems



Driver Information And Telematics Systems



Safety, Security And Restraint Systems



ASHOK MINDA GROUP

Powered by Passion

MINDA CORPORATION LIMITED

(NSE: MINDACORP; BSE: 538962)

Q2 FY2017

Earnings Presentation

November 10, 2016



Locks



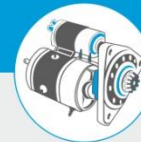
Door Handles



Instrument Clusters



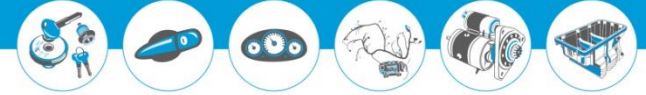
Wiring Harness



Starter Motors



Plastic Components



Q2
FY2017
Vs
Q2
FY2016

Income Statement

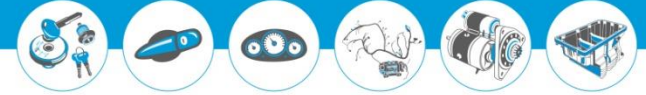
- Total Revenue increased by 26.9% Y-o-Y to Rs. 7,822 million
- EBITDA increased by 32.8% Y-o-Y to Rs. 847 million; Margins stood at 10.8%
- PAT increased by 10.2% to Rs. 320 million, Margins stood at 4.1%

Balance Sheet

- Debt of Rs. 5,906 million (FY2016: Rs. 5,430 million)
- Net Debt / Equity ratio of 0.86x (FY2016: 0.80x)

Significant Developments

- Won new orders from Audi, Ford, TML and M&M for various product segments; Received nominations for three Die casting business (Compressor Housing) for exports to Europe
- Set up manufacturing plant in collaboration with Aurangabad Central Prison Authority for supply to Bajaj Auto (a business integrated CSR project)
- 50:50 joint venture with SBHAP, China (a BAIC group subsidiary)



“



Mr. D. C. Sharma
Group CFO

We at Minda Corp take great pride in what we do and are very passionate about collectively taking the firm to the next level. I am quite pleased to report robust second quarter results. Minda Corp continues to march ahead with growth across product segments and customer relationships. This has involved not only timely tapping of new growth opportunities but also an endeavor to offer the best to our OEM customers. During Q2 FY2017, the topline grew by 26.9% while operating income was up by 32.8%. I am pleased to say that we have exceeded our internal business targets and look forward to the future with a similar optimism.

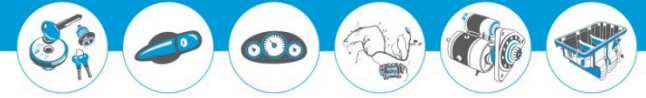
Improving EBITDA margins remain our strategic priority. During the quarter, EBITDA margins expanded by ~50 bps. Our initiatives such as successful price negotiations with customers for increased input costs, cost reduction measures and dedicated focus on technologically advanced high yield products have started yielding returns. Minda Corp continues to win new business across product segments and build a strong order book. During the quarter, the Company also won orders for exports of Security Systems to Japan and Brazil along with export orders for Die casting business to Europe. Export orders worth approximately Rs. 340 Crores have already been booked until FY2020.

In August 2016, we entered into a new 50:50 JV with SBHAP China (a BAIC group Subsidiary). This joint venture is expected to start production in next 15-18 months and will initially focus on producing and selling products such as 'Plastic Oil Pans and Cylinder Heads' along with other plastic under-bonnet / interior parts. During the quarter, Minda Corp has also set up a new automotive assembly within the Jail premises at the Aurangabad Central Prison in Maharashtra. This business integrated CSR project will manufacture Lock Body Assembly used in the final product made in our facility at Pune for one of our major customers - Bajaj Auto.

I am confident that our efforts will continue to create long term sustainable value for our shareholders.

”

Consolidated Financial Performance

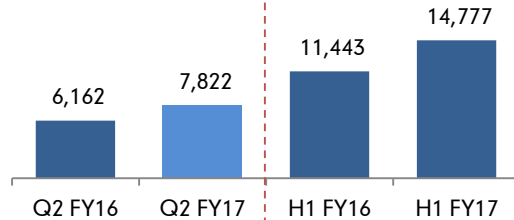


(Rs. Million)	Q2		y-o-y	Q1	q-o-q	Half Year Ended		y-o-y
	FY2017	FY2016	Growth (%)	FY2017	Growth (%)	FY2017	FY2016	Growth (%)
Total Revenue	7,822	6,162	26.9%	6,954	12.5%	14,777	11,443	29.1%
EBITDA	847	638	32.8%	626	35.3%	1,473	1,140	29.2%
Margin (%)	10.8%	10.3%		9.0%		10.0%	10.0%	
PAT	320	291	10.2%	249	28.7%	569	493	15.4%
Margin (%)	4.1%	4.7%		3.6%		3.9%	4.3%	
Basic EPS	1.53	1.39	10.2%	1.19	28.7%	2.72	2.36	15.4%

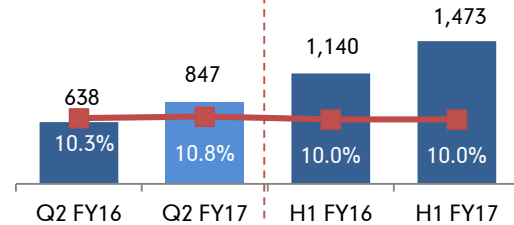
Consolidated Financial Performance



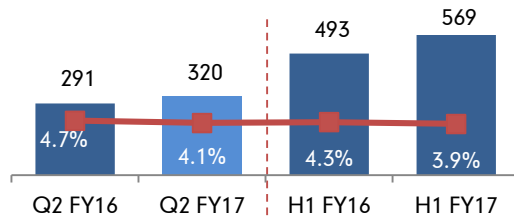
Revenue



EBITDA



PAT

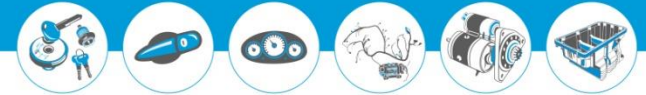


Commentary - Q2 FY2017 vs. Q2 FY2016

- Total revenue for the quarter increased by 26.9% y-o-y to Rs. 7,822 million. The overall auto industry grew by 19.1% with robust performance across sectors
- Minda Corp continued to record double digit growth in all product segments i.e. 'Safety Security & Restraint Systems' – 17.6%, 'Driver Information & Telematics Systems' – 36.1% and 'Interior Systems' – 25.7%

- EBITDA increased by 32.8% with margins of 10.8%. EBITDA margin expanded by ~50 bps. The employee cost increased in this quarter due to changes in Payment of Bonus act and incremental hiring at the 'Spark Minda Technical Centre'
- Initiatives such as successful price negotiations with customers for increased input costs, cost reduction measures in some of the key subsidiaries and dedicated focus on technologically advanced high yield products have started yielding return
- Depreciation increased from Rs. 192 million to Rs. 205 million

- PAT increased by 10.2% due to higher operating profit. Margins stood at 4.1%
- The Net Debt increased from Rs. 4,548 million to Rs. 5,331. Interest expense increased from Rs. 98 million to Rs. 139 million due to additional investment in acquisition of Minda Autoelektrik, expansion plans at Minda KTSN (Mexico) & the MCL Die Casting plant, and for the Technical Center in Pune



Recent Developments

- New Customer Additions: Maruti Suzuki for engine temp sensors; Discussions with OEM majors M&M and Ashok Leyland for sensor business at an advanced stage
- Significant Business Orders:
 - Won orders from Ford, TML and M&M for products Locksets, ODH, Deck Latch etc. (Order value: Rs. 19 Crores)
 - New business orders for Wiring Harness from Yamaha India (order worth Rs. 12 Crores), HMSI (order worth Rs. 5 Crores) and Ashok Leyland (order worth Rs. 25 Crores)
 - New order from Audi for plastic interiors in the Q3/Q6 models (Order worth €9.5 mn)
- Export peak order value worth approximately Rs. 340 Crores already booked until FY2020 in this fiscal year
 - Exports from India to Europe, ASEAN region in Die casting, 2-wheeler Security Systems, Cluster, Wire harness etc. (order value Rs. 305 Crores)
 - Received nominations for three Die casting business (Compressor Housing) for exports to Europe (order value of approx. Rs. 158 Crores)
 - Wiring Harness export orders for 2 Wheelers worth Rs. 12 Crores. The Company would also be focusing to enhance wiring harness exports significantly in the future
 - Exports from Minda ASEAN to Japan and Brazil for Security Systems (order value of Rs. 35 Crores)

Significant Developments



Manufacturing plant in collaboration with Aurangabad Central Prison Authority for supply to Bajaj Auto

Fourth similar Business integrated CSR initiative after Dresden Jail, Germany (2005), Tihar Jail (2014), New Delhi & Yerwada Jail , Pune (2015)

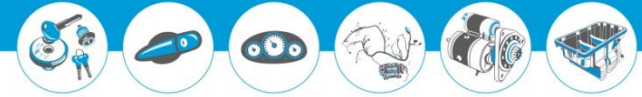
- In Nov 2016, Minda Corp set up a new automotive assembly within the jail premises with dedicated training for Safety, Security and Restraint Systems (SSR)
- Product manufactured would be 'Lock Body Assembly Unit' and will be used in the final product to be made at the Company's facility in Pune to be supplied to Bajaj Auto Limited (BAL)
- Activities would include manufacturing, production, testing, inspection, storage of finished goods and dispatch



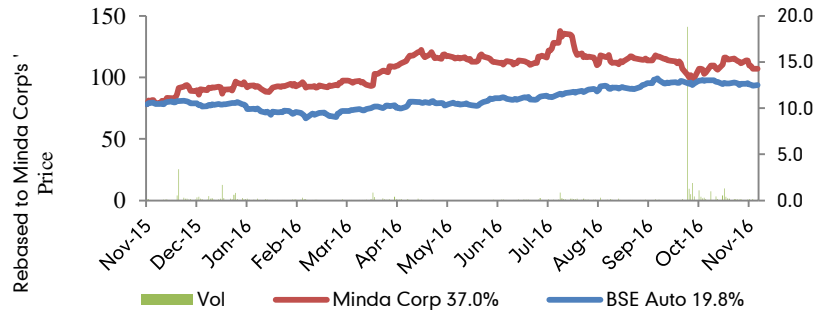
50:50 Joint Venture with SBHAP, China (a BAIC group subsidiary)

- Entered into a 50:50 joint venture with Shandong Beiqi Hai Hua Automobile Parts Co (a BAIC group subsidiary) through its 100% subsidiary Minda KTSN in Aug 2016
- JV to be known as 'Minda China Plastic Solutions Ltd'. Start of production expected in next 15-18 months
- Focus on producing and selling products such as 'Plastic Oil Pans and Cylinder Head' along with other plastic under-bonnet / interior parts
- Target customers include OEMs such as VW, BMW and Daimler, having manufacturing plants in China
- The total investment amount in JV shall be \$12.5 mn

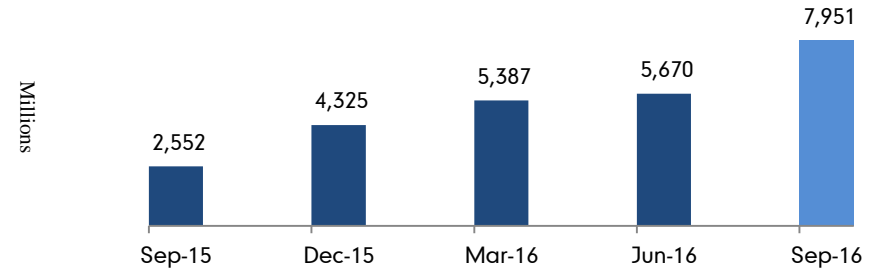




LTM Share Price Performance



No. of Shareholders



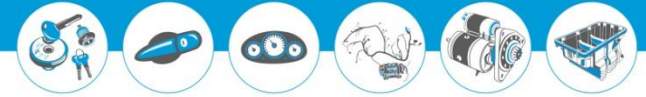
Shareholding Pattern

(In %)	Dec 31, 2015	Mar 31, 2016	Jun 30, 2016	Sep 30, 2016
Promoters	63.2	65.3	65.2	70.2
Public	34.3	32.1	32.2	27.2
Others	2.6	2.6	2.6	2.6
Total	100	100	100	100

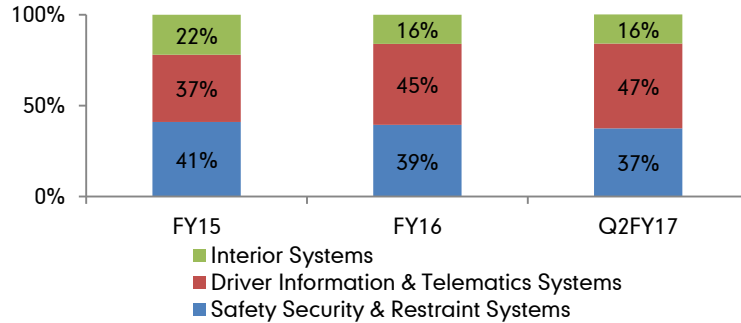
Market Data (7th Nov 2016)

Market Cap. (in Rs. mn)	22,417
Outstanding Shares (mn)	209
52 week High/Low	143.6/75.7
Bloomberg / Reuters Ticker	MDA:IN / MINC.NS
Key Institutional Investors	Birla Sunlife, Government Pensions Fund Global, Kotak Private Equity and UTI

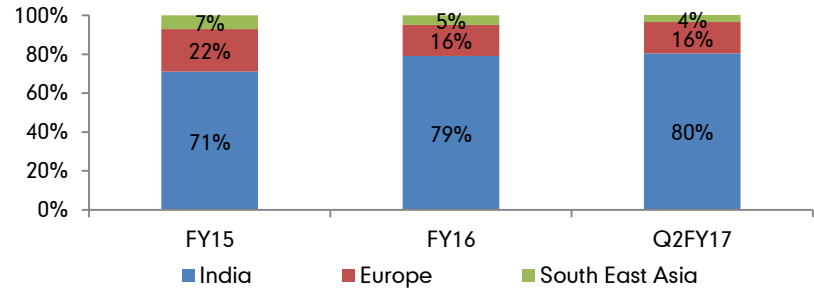
Financial Metrics



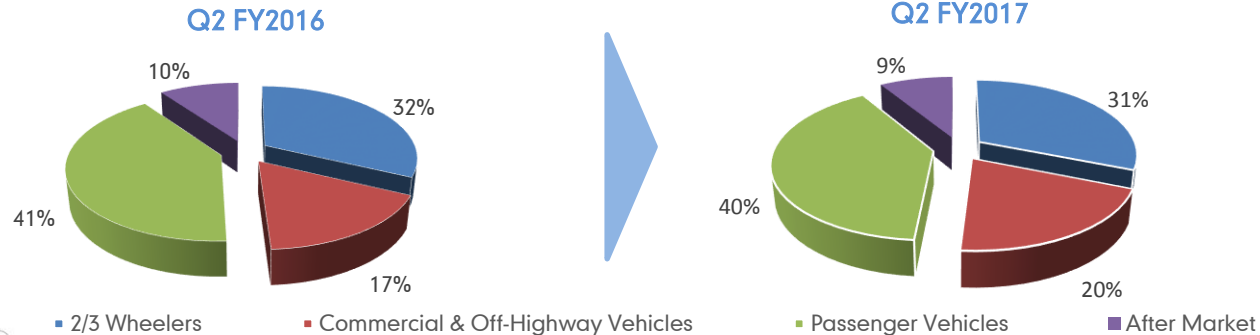
Revenue Breakdown by Product Category



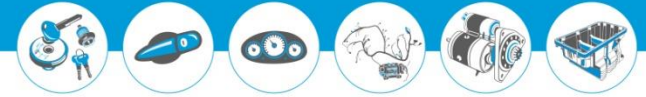
Revenue Breakdown by Geography



Revenue Breakdown by End User Market



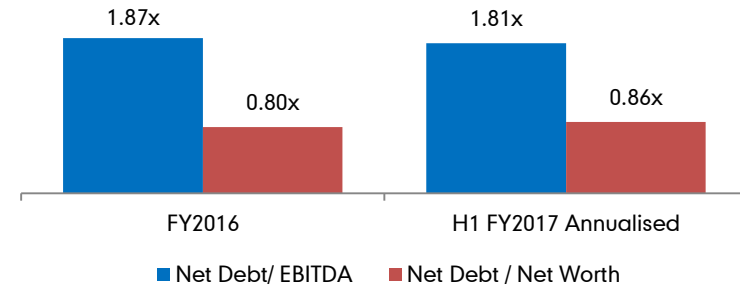
Capital Structure



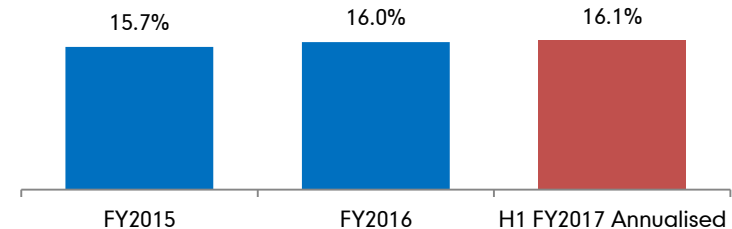
Particulars (Rs. million)	30 Sep 16	31 Mar 16
Short Term Borrowings	4,254	4,014
Long Term Borrowings	1,652	1,416
Total Debt	5,906	5,430
Less: Cash & Cash Equivalents	575	882
Net Debt / (Net Cash)	5,331	4,548
Net Worth	6,222	5,674
Net Debt / Net Worth	0.86x	0.80x

Agency	Instrument	Rating
CRISIL	Long-Term Funds	A / Stable
CRISIL	Short-Term Funds	A1+

Net Debt / EBITDA(x) & Net Debt / Net Worth(x)



Return on Capital Employed (%)





Spark Minda in News

Print

Sales Growth (%)	26	18	-3.26
PE Growth (%)	45	17.73	13.67
Target Price (₹)	305.59	17	17.08

MINDA CORP. CMP: ₹108.76

Analysts expect the operating margin of Minda Corp to improve in the September quarter due to operating leverage benefits and improvement in the profitability of Minda Fintech JV. It is trading at an attractive valuation of 18 times FY17 estimated earnings. We expect consolidated revenues to grow by 24% YoY and by strong growth in standalone business and impact of consolidation of Minda Stonebridge and Panalta Financials, said Sarvesh Prasad of Kotak Institutional Equities.

Sales Growth (%)	24	18	-5.30
PE Growth (%)	29	17.73	14.99
Target Price (₹)	322.33	17	26.49

NAVY WEIGHTS They are part of over 70 schemes aggregating to ₹1,86,703 cr

मिन्डा ग्रुप में विकलांगों के लिए कृत्रिम अंग फिटमेंट कैंप आयोजित



कृत्रिम अंग फिटमेंट कैंप आयोजित

कृत्रिम अंग फिटमेंट कैंप आयोजित



Economic Times
(Oct 2016)

Dainik Hint & Others
(Sep 2016)

Manufacturing Today Magazine
(Jul 2016)

Economic Times
(Jul 2016)

Electronic

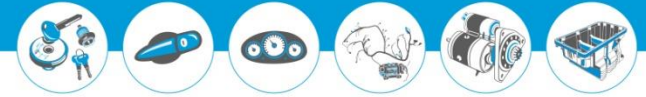


NDTV Profit
(Aug 2016)



Zee Business
(Jul and Aug 2016)

Important Notice



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.

Conference Dial-In Numbers: November 11, 2016 (Friday) at 2:30 PM IST

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