



Safety, Security and Restraint Systems



Driver Information and Telematics Systems



Interior Systems



INVESTOR
RELATIONS



CAPABILITY
BUILDING



LEADERSHIP
DEVELOPMENT



BUSINESS
PROFITABILITY



COMMUNITY
EMPOWERMENT



ASHOK MINDA GROUP

Powered by Passion

Minda Corporation Limited

(NSE: MINDACORP; BSE: 538962)

Q1 FY2017

Consolidated Earnings Presentation

August 10, 2016

Leading automotive component manufacturer and flagship company of Spark Minda, Ashok Minda Group

Financial Highlights

Consolidated Highlights – Q1 FY2016-17 vs. Q1 FY2015-16

- Total Revenue increased by 31.7% Y-o-Y to Rs. 6,954 million
- EBITDA increased by 27.5% Y-o-Y to Rs. 626 million; Margins stood at 9.0%
- Profit after Tax increased by 22.9% to Rs. 249 million, Margins stood at 3.6%
- Net Debt of Rs. 5,234 million (Q4 FY2016: Rs. 4,548 million)
- Net Debt / Equity ratio of 0.89x (Q4 FY2016: 0.80x)

Commenting on the results and performance, Mr. D.C Sharma, Group CFO

“Minda Corp's consolidated topline grew 31.7% to Rs. 6,954 million and EBITDA expanded 27.5% to Rs. 626 million at margins of 9.0%. The start to the new fiscal year is just how one would have expected from Minda Corporation - strong and steady performance.

Besides the addition of Panalfa Autoelektrik to our business, the quarter marked continuing addition of new blue chip customers globally along with accretive orders. The most notable of these new orders are Die Casting export orders for Compressor Housings for a leading global automotive firm in Europe. We have initiated setting up of additional greenfield capacity in Pune to cater to these orders. Also, the construction of Spark Minda Technical Centre in Pune is now in its final stage and is expected to be operational in this calendar year.

We are on track on construction of the new greenfield manufacturing plant at Querétaro, Mexico and target to start commercial production in CY2017. This facility will be manufacturing interior plastic auto parts and will provide us access to new growth markets such as South and North American markets.

Having successfully addressed consolidation and stabilization of our businesses in the recent years, we are now looking to accelerate onto new growth paths. We are very pleased to have carried out a successful plant visit in July 2016, whilst also apprising the capital market participants of our growth plans.

I am confident of our strong financial position and robust business model to have us well positioned to take advantage of an expected uptick in global automobile markets in the near term. I look forward to your continued support, as we work further towards putting our plans into action over the next few quarters and years.”



Recent Developments

Significant Corporate Developments

- Inorganic Growth: In April 2016, acquired Panalfa Autoelektrik Ltd based in Haryana, manufacturer of Starter Motors and Alternators
- Additional Greenfield Capacities:
 - Manufacturing plant at Querétaro, Mexico (space: approx. 8300 sq meter), start of production scheduled in CY 2017 (annual order value approx. Euro 19 million, order life: 5 years)
 - Setting up additional greenfield capacity in Pune for Die Casting
- New Customer Additions:
 - Yamaha, Colombia and Piaggio, China for export of Locksets from ASEAN plants
 - Suzuki Indonesia (Vietnam) for Lead Harness business
- Major Orders Received:
 - Received single source nominations for Locksets and Door Handles for new car platform of M&M
 - Received nominations for 3 Die Casting export orders for Compressor Housing for a leading global automotive firm in Europe (order lifetime value of approx. Rs. 350 Cr)
 - Won order for wiring harness business for Piaggio, Vietnam
 - New orders for Audi Q3 and Q6 at Minda KTSN for plastic interiors components
- Technology Centre: Construction of Spark Minda Technical Centre (Pune) at final stage; expected to be operational in Q3
- New Patented Product: Introduced Push to Open, Push to Close Magnetic Module Locksets in Suzuki Indonesia (joint patent with Suzuki Japan)
- New Opportunities: Exploring opportunities for plastic interior parts in China

Other Developments

- In May 2016, launched the 'Investor Relations Activity Report FY2016', to share Minda Corp's efforts in raising the benchmark in investor relations practices
- In April 2016, launched the website of the "Spark Minda Foundation", a 100% subsidiary of the Company to carry out the CSR activities of the Group
- BSE Top 500 position moved up from #455 (31 Dec 2015) to #415 (30 Jun 2016)

Analyst Plant Visit

First Plant Visit organized in Pune, Maharashtra for Equity Capital Markets



- Minda Corporation organized its first ever plant visit on 8th July 2016 for research analysts
- The plant visit included group companies – Minda Stoneridge Instruments Limited; Minda Corporation Limited Security Division; Minda Corporation Limited – Die Casting Division and Minda VAST Access Systems Private Limited
- ‘First of its kind’ initiative to bring together capital market participants and the operational team at the grass root level to discuss detailed manufacturing processes

Acquisition of Panalfa Autoelektrik Ltd

Overview

- Acquired Panalfa Autoelektrik (Haryana) in April 2016
- Renamed as 'Minda Autoelektrik Limited' wef 03 June 2016
- Incorporated in 2007 as Indo Czech JV promoted by Panalfa Automotive & Magnetron
- Primarily manufactures 'Starter Motors' and 'Alternators'
- End Markets: Commercial Vehicles, Agriculture Machinery, Construction Equipment and Automotive market
- Manufacturing facility situated at Bawal, Haryana
- FY2015 revenues of over Rs. 70 Cr & employs over 400 people

Key Customers



Strategic Rationale

Additional Product Range

Export Potential

Leverage 'After Market' opportunities

Enhance CV OEMs Base

Technology Access

Benefits of Scale

Key Products

Alternators



Starter Motors



Consolidated Financial Performance

Key Financial Statistics

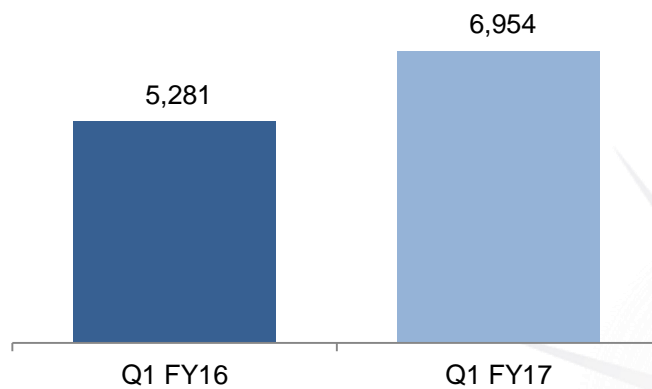
(Rs. Million)	Q1		y-o-y Growth (%)
	FY2017	FY2016	
Total Revenue	6,954	5,281	31.7%
EBITDA	626	491	27.5%
<i>Margin (%)</i>	9.0%	9.3%	
Profit After Tax (PAT)	249	202	22.9%
<i>Margin (%)</i>	3.6%	3.8%	
Basic EPS (Rs.)	1.19	0.97	22.9%

Highlights – Q1 FY2017 vs. Q1 FY2016

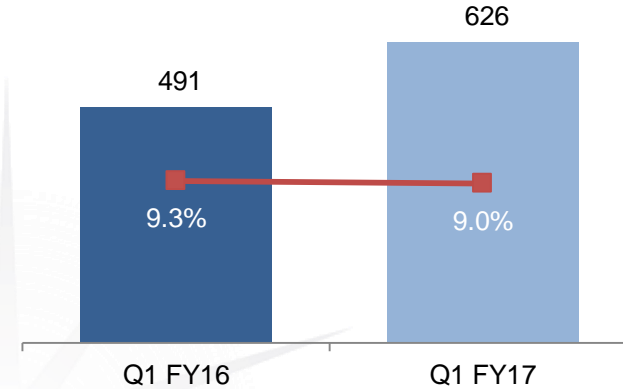
- Total revenue for the year increased by 31.7% y-o-y to Rs. 6,954 million. The overall auto industry grew by 13.4% with robust performance across sectors. Minda Corp continued to record double digit growth in both segments – ‘Safety Security & Restraint Systems’ and ‘Driver Information & Telematics Systems’.
- EBITDA increased by 27.5% with margins of 9.0%. The employee cost increased in this quarter due to changes in Payment of Bonus act and incremental hiring at the ‘Spark Minda Technical Centre’. Depreciation increased from Rs. 151 million to Rs. 213 million. Full quarter depreciation was charged on the capex incurred during the last year.
- PAT increased by 22.9% due to higher operating profit. Margins stood at 3.6%. The Net Debt increased from Rs. 4,548 million to Rs. 5,234 due to additional loan taken for greenfield expansion in Mexico along with consideration paid through internal cash accruals for acquisition of Panalfa Autoelektrik. Interest expense increased marginally from Rs. 87 million to Rs.89 million.

Consolidated Financial Performance

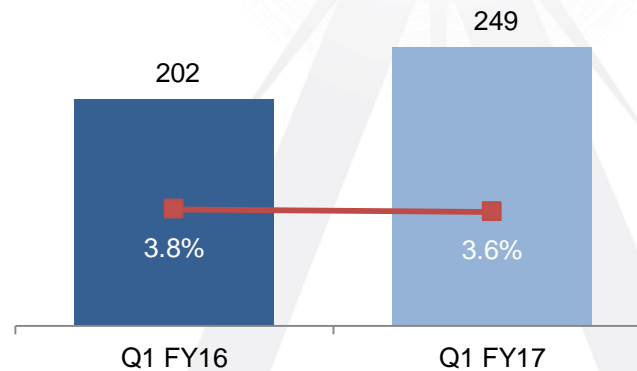
Revenue (Rs. million)



EBITDA (Rs. million) and Margin (%)

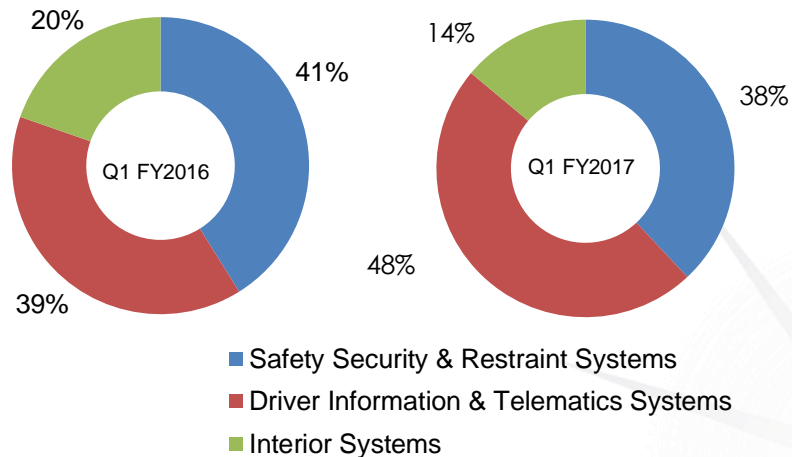


PAT (Rs. million) and Margin (%)

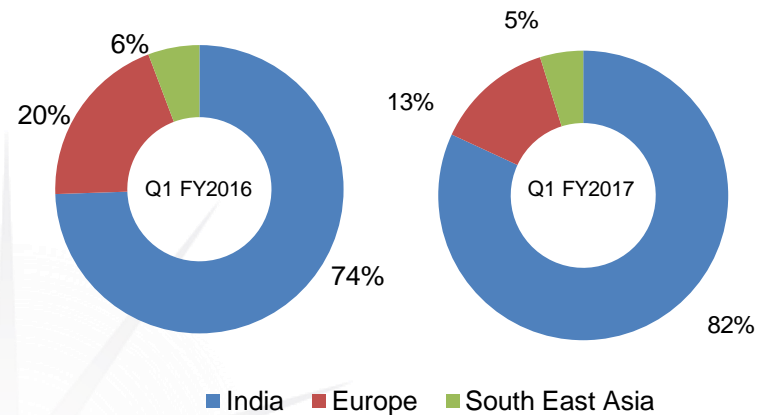


Consolidated Revenue Metrics

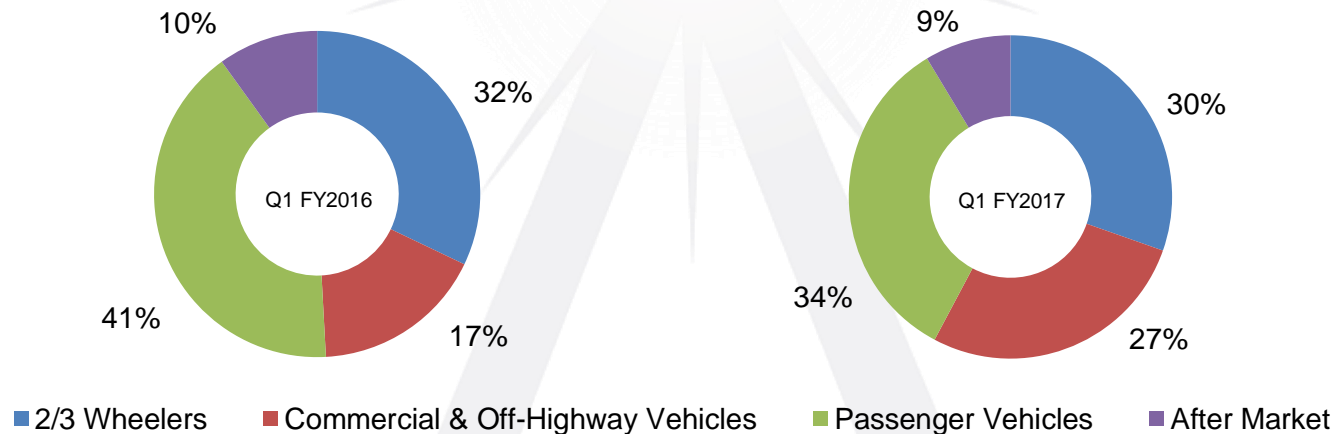
Revenue Breakdown by Product Category



Revenue Breakdown by Geography

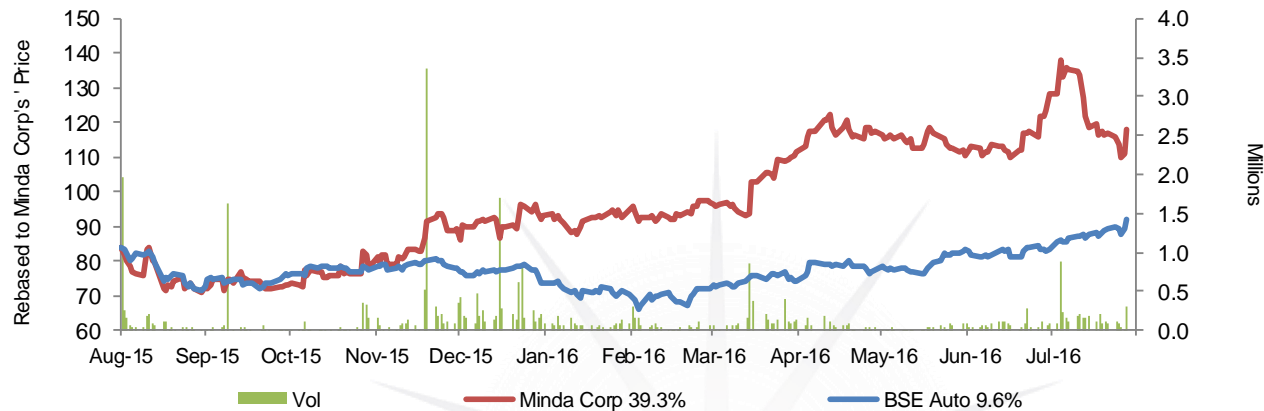


Revenue Breakdown by End User Market



Capital Market Data

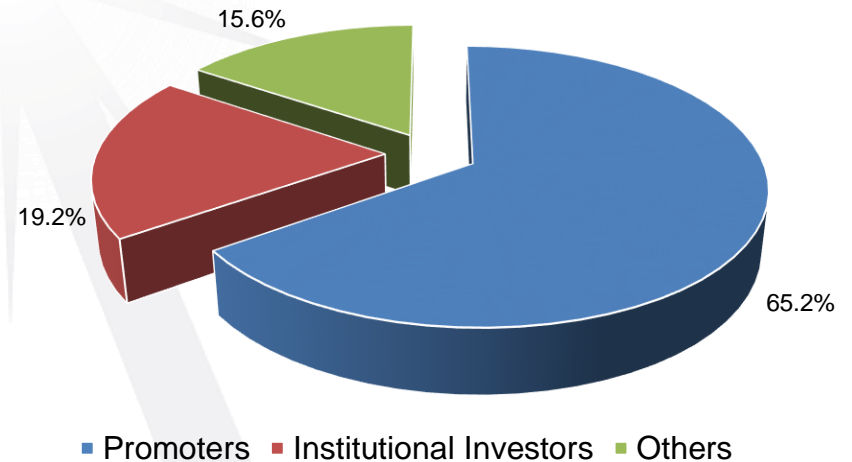
One Year Share Price Performance



Market Data (9th August 2016)

Market Cap. (Rs. mn)	24,495
Outstanding Shares (mn)	209
52 week High/Low	143.6/68.5
Bloomberg Ticker	MDA:IN
Reuters Ticker	MINC.NS
Key Institutional Investors	Birla Sunlife, Government Pensions Fund Global, Kotak Private Equity and UTI

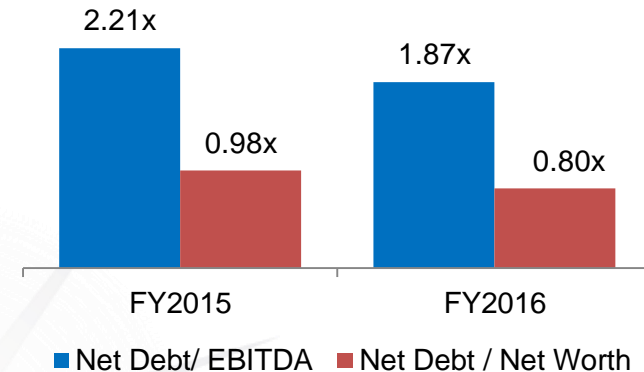
Shareholding Pattern (30th June 2016)



Capital Structure

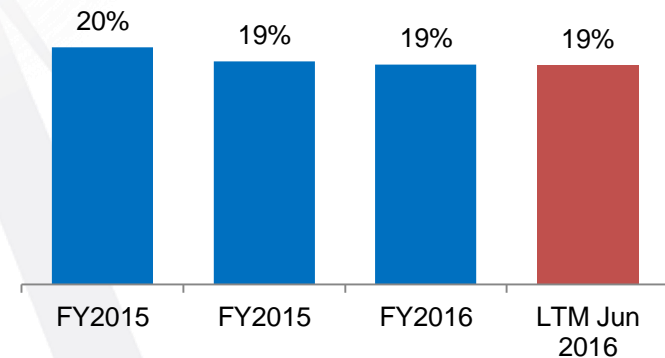
Particulars (Rs. million)	30 Jun 16	31 Mar 16
Short Term Borrowings	4,363	4,014
Long Term Borrowings	1,413	1,416
Total Debt	5,776	5,430
Less: Cash & Cash Equivalents	542	882
Net Debt / (Net Cash)	5,234	4,548
Net Worth	5,905	5,674
Net Debt / Net Worth	0.89x	0.80x

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



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

Return on Equity (%)



Note:
1. LTM Jun 2016: LTM PAT (as on Q1 FY2017) / Net Worth (as on Q1 FY2017)

Media Coverage

Spark Minda in News

Brokers
Minda Corp gets Edelweiss buy tag
Minda Corporation Ltd (MCL), a diversified auto component manufacturer, is well placed to outperform the industry, riding deepening penetration in existing ODMs, new client wins and enhanced growth in new business. The wiring harness, sections and steering rod connections among others. Moreover, joint ventures: AEC with global players, Furukawa, Stonebridge and VARTA, bearing promising leads in technology, also seem potential to yield good returns. While ICI, the respectable market leader, across its product segments, taking share of business from Hero Motors, Honda Motorcycles and Royal Enfield will have to re-evaluate market share. In fact, the product segment has already witnessed various initial agreements in a few cases. For instance, AEC Furukawa, apart from making wiring harness has been selected for junction boxes and steering rod connections. Similarly, Minda Stonebridge JV has been selected for heart from specialists.

Banking firm Edelweiss Financial Services Strategic Buy
Closing price: 106.20

What to Buy, Sell and Hold
Minda Corporation
135 Price on BSE (₹) 111.5

June 17, 2015 June 16, 2016

Edelweiss Securities has a buy rating on Minda Corporation with a target price of ₹131 citing the strong revenue traction seen in two-wheeler security systems and the huge potential in the wiring harness business. The brokerage estimates consolidated revenue to clock 25% CAGR over FY16-18. It said it has retained its FY18 estimated EPS CAGR of about 35% over FY16-18. Minda Corp fell 0.22% to ₹111.5 on Thursday.

TOP PICKS
10 Midcaps with Strong Earnings Prospects

Among the midcap companies, Minda Corp stands out as a strong performer. The company's revenue growth has been consistent over the last few years. The brokerage estimates consolidated revenue to clock 25% CAGR over FY16-18. It said it has retained its FY18 estimated EPS CAGR of about 35% over FY16-18. Minda Corp fell 0.22% to ₹111.5 on Thursday.



There is a growing need for the introduction of full-fledged EMI/ EMC testing and MIL software testing for AES/ Sub-Systems. This is because of the increasing complexity of the systems and the need for high reliability. The testing process is becoming more rigorous and the need for full-fledged testing is increasing. This is because of the increasing complexity of the systems and the need for high reliability. The testing process is becoming more rigorous and the need for full-fledged testing is increasing.



Deccan Chronicle (April 2016)

Economic Times (June 2016)

Economic Times (July 2016)

Industrial Business Mart Magazine (June 2016)

ENDEAVOUR
April 2016
Empowering the underprivileged

Vedanta Future 152.10 ▲ 2.01%
Bob Future 158.50 ▲ 1.14%

Super Share
Q4 में हरेर केर 191% पिरे (YoY)
Minda Corp 133.50 ▲ 5.70 4.45%

Minda Corp 117.65 ▲ 7.10 6.41%

Minda Corp 117.65 ▲ 7.10 6.41%

RETAIL STOCKS
S&P BSE Sensex 27947.66 ▲ 233.29
Store One Retail 198.50 ▲ 12.22%
Airtel 1751.00 ▲ 16.71 25.1%
Eveready 45.28 253.10

TO BUY PANALFA AUTOELEKTRIK
GAINS CONTINUE
THIRU ARBORAN 74.00 ▲ 15.71%
KOTHARI SUGAR 13.00 ▲ 15.39%
REAR INTEREST 42.45 ▲ 6.33%

DC Sharma Group CFO, Minda Corp

Endeavour Magazine (April 2016)

Zee Business (July and August 2016)

CNBC (April 2016)

Awards and CSR

Awards



MCL – Best Presentation at 13th ACMA (NR) Quality Circle Competition July 2016



MCL – 1st Prize in 4th BAVA Inter Cluster Kaizen Competition by Bajaj Auto April 2016



Minda Furukawa - Overall Excellence Award 2015-16 by Maruti Suzuki May 2016



Minda Automotive Indonesia – Best Vendor Performance by PT Suzuki Indomobil Motor April 2016



Minda Stoneridge – Gold Award for Best in Class Delivery & Ramp Up by Ashok Leyland April 2016

Corporate Social Responsibility



Convocation Ceremony at Aakarshan Pantnagar Center I and II



Convocation Ceremony at Aakarshan Chennai



Women Empowerment Project on Menstrual Hygiene

Key Investment Themes



High value, technologically advanced products; global presence with 32 plants



Technological tie ups with global automotive component manufacturers



Well diversified customer base, product portfolio and business segments



Low leverage providing significant flexibility for organic / inorganic growth



Professionally run company with strong second line management



Strong and independent board at Minda Corporation and its subsidiaries



Top BSE 500 company with institutional holding over ~19%



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: August 12, 2016 (Friday) at 11:00 AM IST	
Primary Number	+ 91 22 3938 1028
Secondary Number	+ 91 22 6746 8328
<i>The numbers listed above are universally accessible from all networks and all countries</i>	
International Number	USA: 1 866 746 2133 UK: 0 808 101 1573 Singapore: 800 101 2045 Hong Kong: 800 964 448



ASHOK MINDA GROUP

Powered by Passion

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