



Safety, Security and  
Restraint Systems



Driver Information and  
Telematics Systems



Interior Systems



ASHOK MINDA GROUP

*Powered by Passion*

**Minda Corporation Limited**

(NSE: MINDACORP)

**Q2 FY2015 Consolidated Earnings  
Presentation  
November 14, 2014**

# Cautionary Statement

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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

# Financial Highlights

## Highlights – Q2 FY2015 vs. Q2 FY2014

- Total Revenue increased by 25.2% Y-o-Y to Rs. 4,846 million
- EBITDA increased by 65.7% Y-o-Y to Rs. 454 million; margins expanded by 230 bps
- Profit after Tax increased by 87.2% to Rs. 217 million, margins expanded by 150 bps
- Net Debt of Rs. 3,862 million (Q1 FY2015: Rs. 4,052 million)
- Debt / Equity ratio of 1.02x (Q1 FY2015: 1.12x )
- Bonus share issue in the ratio of 1:1 and share split in the ratio of 1:5

## Management Commentary

Commenting on the results and performance, **Mr. Ashok Minda, Chairman and Group CEO** said:

*"I am delighted to announce another successful quarter for Minda Corporation. Strong growth in topline combined with a substantial expansion in margins drove our performance in the quarter and demonstrated the strength of our underlying business and operating efficiencies. We continued to expand and grow in all our key geographies and further cemented our leadership position especially in the safety & security and information & telematics systems.*

*An impending turn in the fortunes of the commercial vehicles industry worldwide presents us with an incremental opportunity to grow our topline. Amidst an increasingly positive business and consumer sentiment in India, and following the recent 'Make in India' campaign by the government, we expect automobile production in the country to benefit tremendously over the long term.*

*We at Minda, are committed to becoming a more dynamic and innovative world-class automotive component manufacturer."*



# Recent Corporate Developments

- On November 14, 2014, the board of Minda Corporation announced an issue of bonus shares in the ratio of 1:1.
- The board of the company has also decided to split each share of Rs. 10/- face value into 5 shares of Rs. 2/- face value.
- To cater to the increased demand, Minda Corporation has started 3 new plants: 1 in NCR region and 2 in Chennai. These new facilities will operate within the Driver Information and Telematics division.
- On October 1, 2014, Minda Corporation Ltd. increased its stake in Minda Furukawa Electric to 51% as against 49% earlier, thus becoming a majority shareholder in the company. As a result, Minda Corp has acquired management control of the JV entity.
- Appointment of Mr. Ashok Kumar Jha, IAS (Retd.) as Independent Director on the Board: Mr. Jha, an IAS officer of the 1969 batch, has had a 38 years stint in the civil services and has held crucial positions in India's State and Central Government apparatus. He has previously served as the president of Hyundai Motors India Ltd. Mr. Jha graduated from St. Stephen's college in Economics and went on to do his Masters from the Delhi School of Economics.

# Recent Corporate Developments

## Awards and Recognition



Minda Corporation – Pantnagar receives Special Quality Award from Bajaj Auto Limited



Minda Corporation and Minda SAI receive Design & Development Award from Maruti Suzuki India Ltd



Minda SAI receives Best Supplier Award from Mahindra

## Corporate Social Responsibility

### Business integrated CSR at Tihar Jail under PPP

- Launched in Sep 2014, this is the 1<sup>st</sup> PPP model program in Automobile Industry
- Stakeholders – MFE, Tihar Jail, Maruti, Inmate's family, victim's family
- 25 inmates working



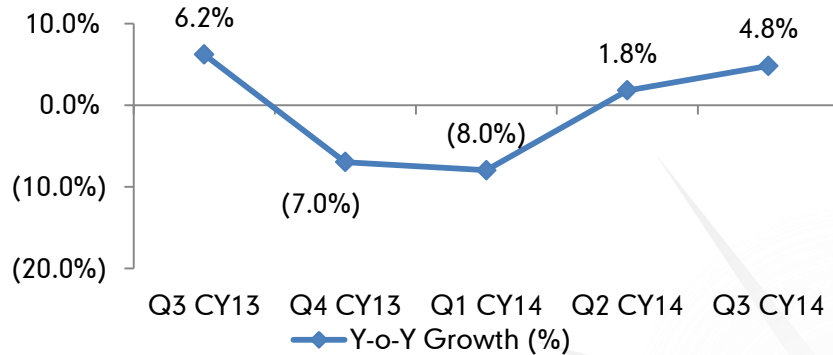
### Aakarshan – Computer Training

- Greater Noida – 49 learners in first batch, 60 in second
- Pune – 62 Learners
- Pantnagar – 54 Learners with target group of SC & ST

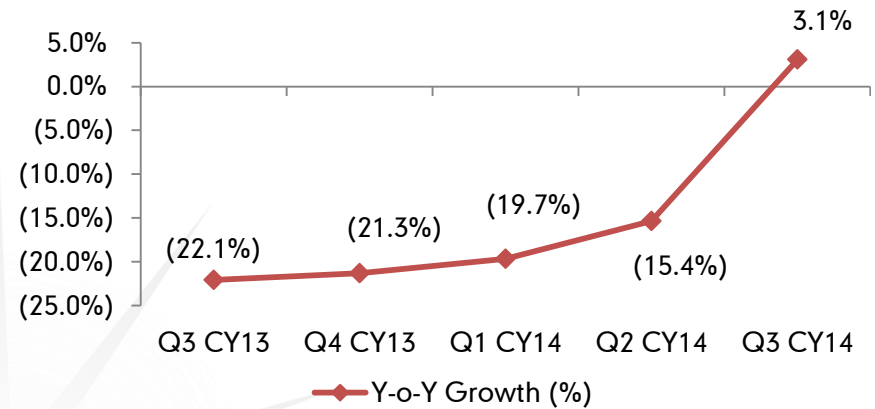


# Industry Overview

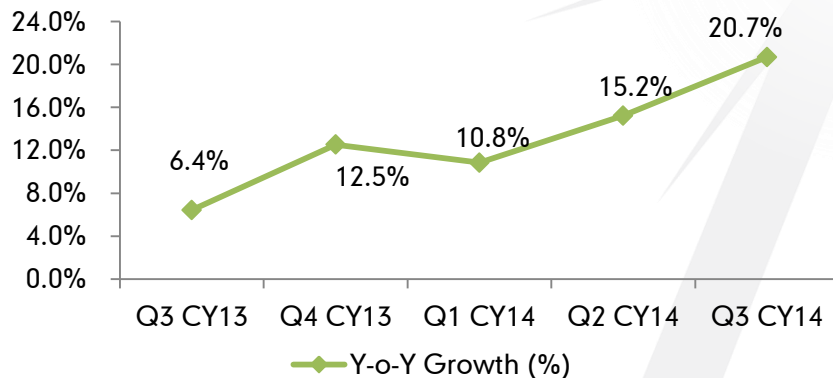
## Passenger Vehicles – Domestic Production



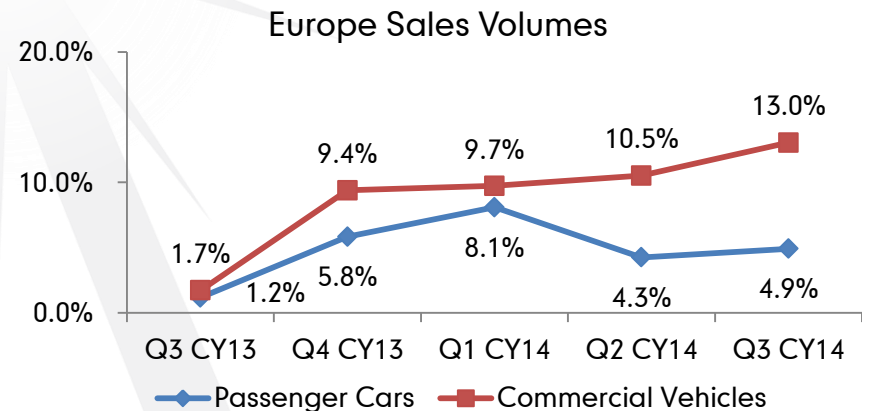
## Commercial Vehicles – Domestic Production



## 2/3 Wheelers – Domestic Production



## Passenger & Commercial Veh. – European Sales



# Financial Performance

## Key Financial Statistics

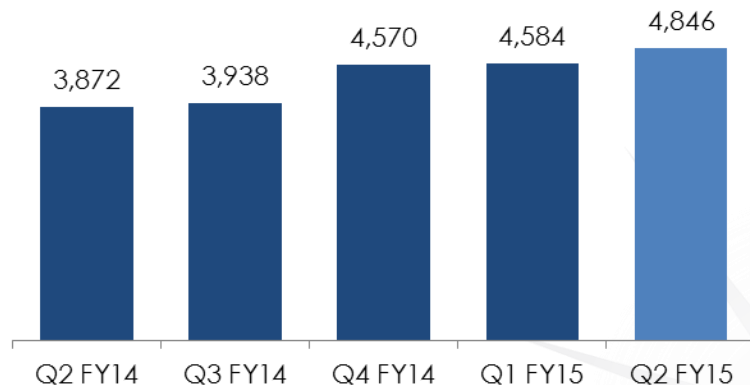
(Rs. Million)	Q2		y-o-y	Q1		Half Year		y-o-y
	FY2015	FY2014	Growth (%)	FY2015	Growth (%)	FY2015	FY2014	Growth (%)
Total Revenue	4,846	3,872	25.2%	4,584	5.7%	9,429	7,397	27.5%
EBITDA	454	274	65.7%	416	9.2%	871	526	65.5%
<i>Margin (%)</i>	9.4%	7.1%		9.1%		9.2%	7.1%	
Profit Before Tax (PBT)	262	149	75.6%	223	17.7%	485	266	82.0%
<i>Margin (%)</i>	5.4%	3.9%		4.9%		5.1%	3.6%	
Profit After Tax (PAT)	217	116	87.2%	174	25.0%	391	208	88.0%
<i>Margin (%)</i>	4.5%	3.0%		3.8%		4.1%	2.8%	
Basic EPS (Rs.)	10.38	5.55	87.2%	8.30	25.0%	18.69	9.94	88.0%

## Highlights – Q2 FY2015 vs. Q2 FY2014

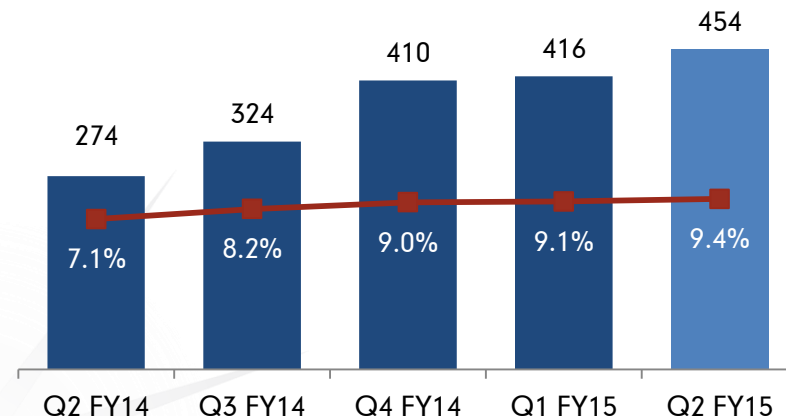
- Domestic operations increased by 20% y-o-y and international by 39% y-o-y. During the quarter, Safety Security & Restraint Systems increased by 18% y-o-y, Driver Information & Telematics Systems by 58% y-o-y and Interior Systems increased by 5% y-o-y.
- Q2 FY2015 EBITDA increased by 65.7% on a y-o-y basis with margins expanding by 230 bps.
- Q2 FY2015 PAT increased by 87.2% with margins expanding by 150 bps. Interest expense during the quarter increased from Rs. 53 million in Q2 FY2014 to Rs. 111 million in Q2 FY2015.
- In the first half of FY2015, revenue increased by 27.5% y-o-y to Rs. 9,429 million. This was driven by growth across geographies as well as certain acquisitions made last year. Expansion in EBITDA margins of 210 bps y-o-y helped EBITDA to grow by 65.5% over H1 FY2014.
- During FY2014, the Group acquired 49% of Minda Furukawa, 100% of Almighty International PTE (a holding company of PT Minda Indonesia and Minda Vietnam) and 50% of Minda Valeo Security Systems. During the same year, Minda Corp also exited from relatively lower profitable units to unlock value. These companies were consolidated under Minda Corporation from Q4 FY2014 onwards.

# Financial Performance

## Revenue (Rs. million)



## EBITDA (Rs. million) and Margin (%)

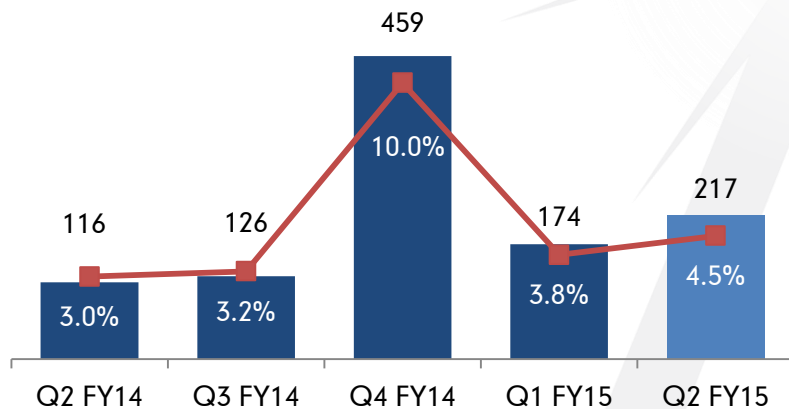


Note:

1. Profit from associates have been re-categorized as income from non core activities

2. EBITDA for Q4 FY2014 includes lease income of Rs. 33.53 million in one of the subsidiary companies

## PAT (Rs. million) and Margin (%)



Note:

1. PAT for Q4 FY2014 includes Rs. 112.20 million on account of lease income and Rs. 94.50 million on account of disposal of investment in one of the subsidiary companies

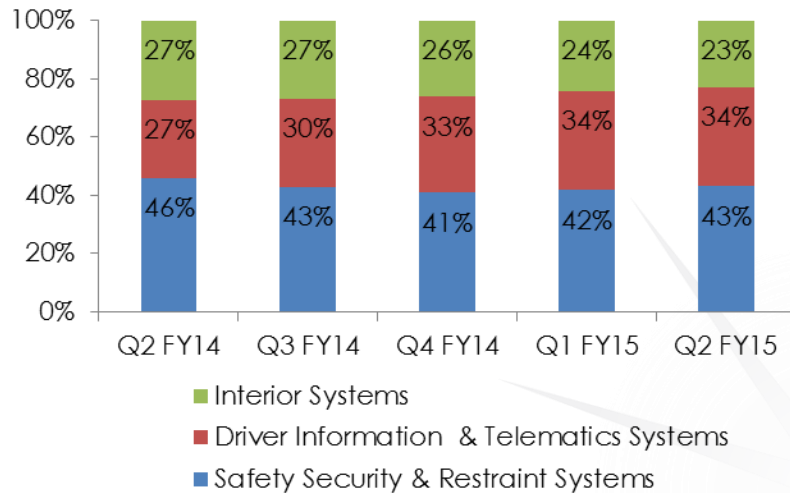
## Performance Discussion – Q2 vs. Q1 FY2015

- EBITDA margins in Q2 FY2015 improved by 30 bps q-o-q led by lower employee benefit expenses.
- PAT margins improved by 70 bps q-o-q led by an increase in share of profit of associates.

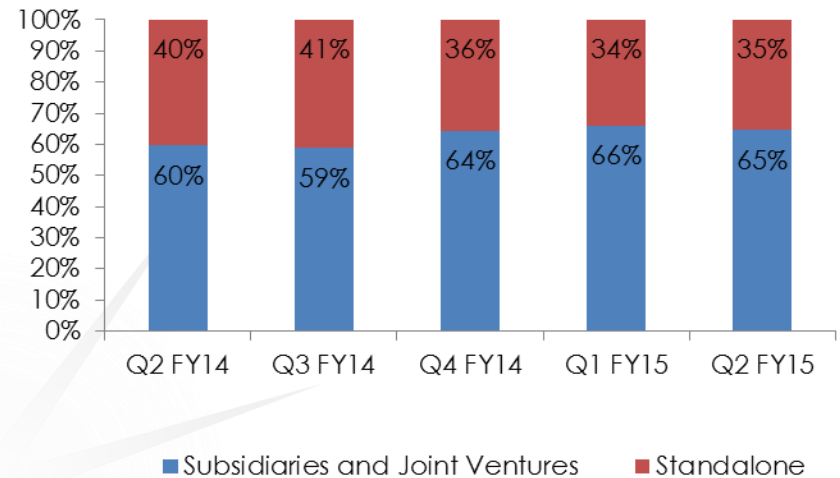


# Revenue Metrics

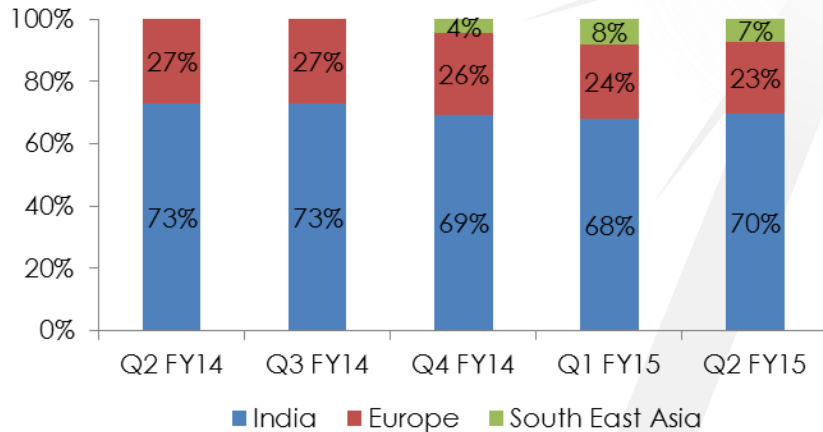
## Revenue Breakdown by Product Category



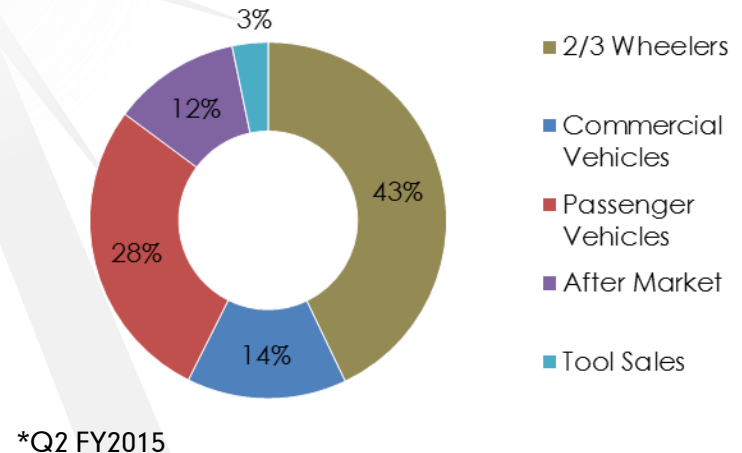
## Revenue Breakdown by Businesses



## Revenue Breakdown by Geography



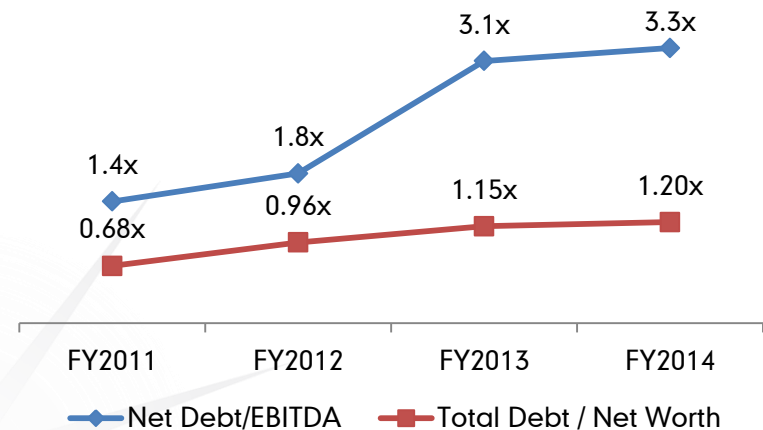
## Revenue Breakdown by End User Market\*



# Capital Structure

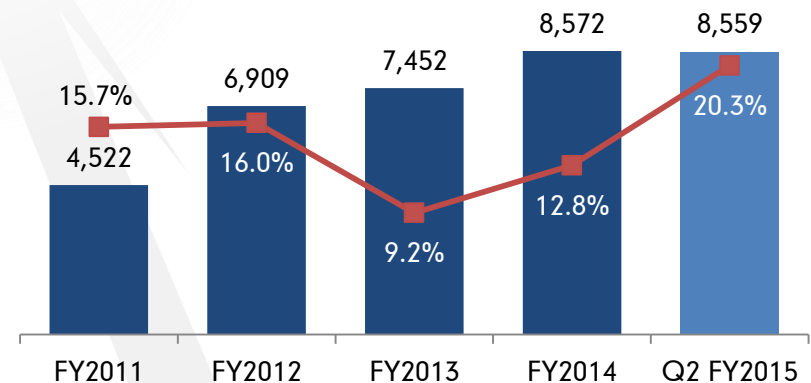
Particulars (Rs. million)	30 Sep 14	30 Jun 14
Short Term Borrowings	2,169	2,167
Long Term Borrowings	2,155	2,383
<b>Total Debt</b>	<b>4,324</b>	<b>4,550</b>
Less: Cash & Cash Equivalents	462	498
<b>Net Debt / (Net Cash)</b>	<b>3,862</b>	<b>4,052</b>
<b>Net Worth</b>	<b>4,236</b>	<b>4,068</b>
<b>Total Debt / Net Worth</b>	<b>1.02x</b>	<b>1.12x</b>

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



Agency	Instrument	Rating
CRISIL	Short-Term Funds	A2+
CRISIL	Long-Term Funds	A- / Stable

## Capital Employed (Rs. million) and ROCE (%)






Note:

1. Capital Employed: Total Asset – Non Current Liabilities – Current Liabilities + Total Debt
2. ROCE (Return on Capital Employed): Earnings before interest and taxes / Opening Capital Employed

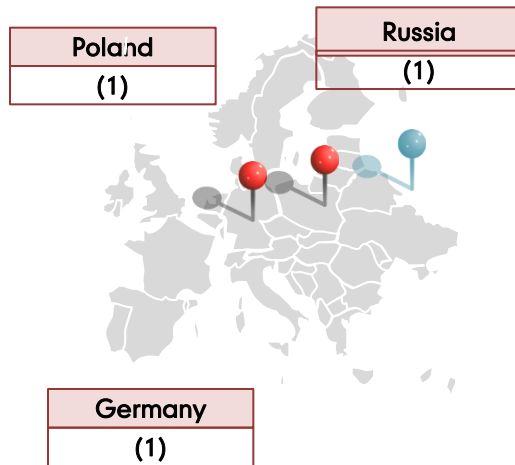
# Minda Corp: Company Overview

- Leading automotive component and flagship company of SPARK MINDA, Ashok Minda Group, which was founded in 1958 by Late Shri S. L. Minda
- A diversified product portfolio that encompasses Safety, Security & Restraint Systems (43%); Driver Information & Telematics Systems (34%) and Interior Systems for auto OEMs (23%)
- End market focus on 2/3 wheelers (43%), passenger vehicles (28%) and off-road vehicles (14%)
- International business accounts for 30% of revenues
- Strong customer base including key OEMs: Ashok Leyland, Bajaj, BMW, Daimler, Hero Motocorp, Honda Motorcycle, Mahindra & Mahindra, Maruti Suzuki, Renault Nissan, Tata Motors, TVS Motors, Yamaha and VW Group
- The Company has 28 state of the art manufacturing facilities - India (24), South-East Asia (2) and Europe (2) and representative offices at Japan and Russia with workforce of over 10,000 employees
- As at the end of September 2014, Promoters held 59.2% of the Company. Domestic Institutional Investors and Foreign Institutional Investors held 11.8% and 3.0%, respectively, while the balance 26.0% was held by other shareholders

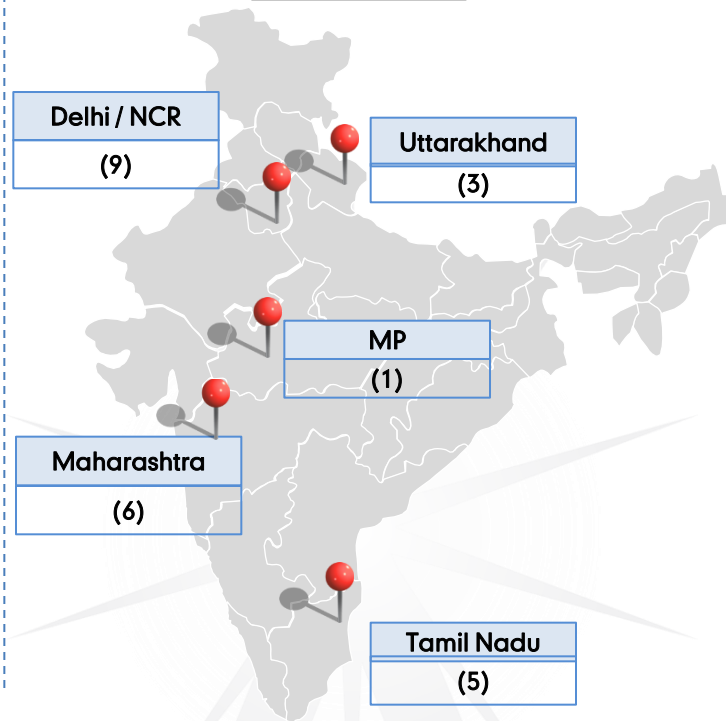
Category	Products Portfolio	
Safety, Security and Restraint Systems	Electronic & Mechanical locks, Door Handles, Die Casting Parts, Latches, Door Checker, Key (Mechanical & Electronics), Key Duplicating Machine, etc	
Driver Information and Telematics Systems	Wiring Harness, Connectors, Terminals, Steering Roll Connectors, Relay Box, Fuse Box, etc	
Interior Systems	Interior Trim & Sub-Systems, Kinematic Modules, Structural Modules, Soft Touch Technology, etc	

# Minda Corp: Global Footprint

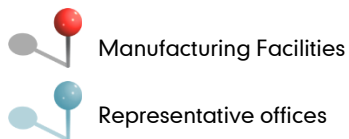
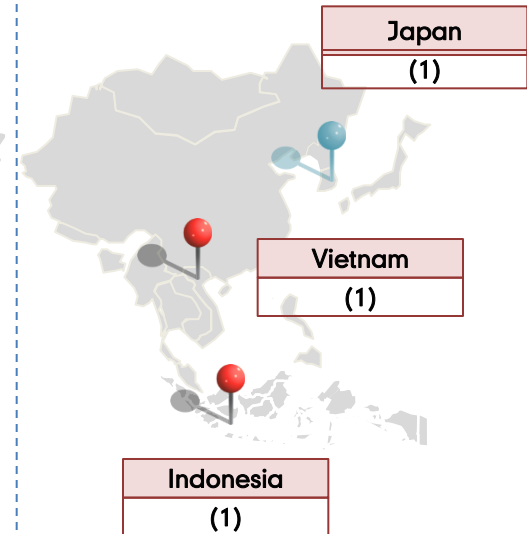
## Europe (3)



## India (24)



## South East Asia (3)



Location	Safety and Security Systems	Driver Information and Telematics Systems	Interior Systems	Representative Offices	Total
India	11	13			24
Germany			1		1
Poland			1		1
Indonesia	1				1
Vietnam	1				1
Japan and Russia				2	2
<b>Total</b>	<b>13</b>	<b>13</b>	<b>2</b>	<b>2</b>	<b>30</b>



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## Minda Corporation Limited

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