



Minda Industries Ltd

Investor Presentation

August 2015



This presentation and the accompanying slides (the “Presentation”), has been prepared by Minda Industries Limited (the “Company”), solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the auto ancillary industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.

"*Re-Aligning*" Group Structure



- ✓ Consolidate product lines across UNO MINDA Group
- ✓ Increasing MIL stake in JV companies & Group Companies
 - ✓ PT Minda Asean Automotive (Indonesia) to 51%
 - ✓ SAM Global Pte Ltd, Singapore to 51%
 - ✓ Through SAM Global Pte Ltd acquired stake in its 100% subsidiary, Minda Industries Vietnam Company Ltd, based in Vietnam
 - ✓ MJ Castings to 98%
- ✓ Appointed Big 4 consultancy firm to work on a scheme for consolidating businesses and sharpen focus

Re-organization at Group level to build a Bigger & Stronger Business

"Growing Profitably" – A Strategic Focus



2W / 3W Switches



Extend
leadership
position across
OEMs & global
platforms

Lighting



Widen
presence across
OEM to improve
utilization levels
across units

Horns



Strengthen
with synergies
from Clarton
Horn across
globe

Others



Consolidate
non yielding
products

Derive Synergistic Growth across Product Lines

Contents



- [Company Overview](#)

6

- [Business Overview](#)

8

- [OEM Presence](#)

19

- [Manufacturing Capabilities](#)

22

- [Advantage Minda](#)

24

- [Financial Highlights](#)

25

- [Annexure](#)

32

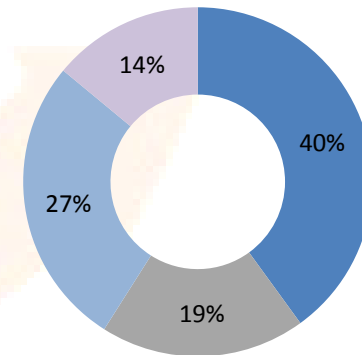
Leader in Electrical and Electronic Auto components...



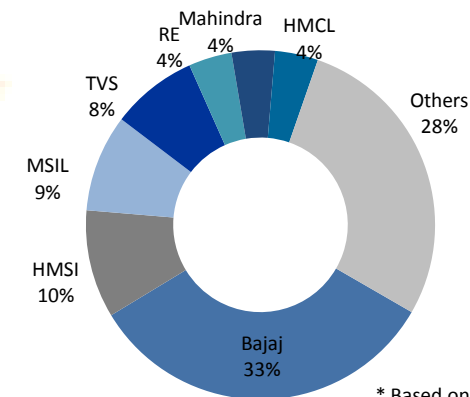
- **Market leader in 2W/3W switches** with 67% market share in switches. Associate company is a major player in 4 W switches
- Second largest horns player globally after **acquisition of Clarton Horn, Spain** in FY14, with 47% market share in India
- Amongst top 5 players in **Lighting**
- **Relationships** with most of the OEMS in India and globally
- Entered into **JV with Panasonic Corp in battery division**
- Entered into **JV with Kosei Group, Japan for alloy wheels**
- Strong foothold in **replacement market** with a network of more than 500 Business partners & 10,000 dealers
- **Manufacturing presence** across all auto hubs in India
- **Strong in-house R&D**, with 85 patents & 109 registrations
- **Export presence** across American, African, European and Asian countries with revenues in excess of Rs.400 Cr in FY15 (22% of total revenue)

Diversified Product Mix [FY15]

■ Switch ■ Lighting ■ Horns ■ Others



Diversified OEM Mix* [FY15]



* Based on Standalone sales

...with revenue CAGR of 24% over 4 years from Rs. 954 Crs to Rs.2,227 Crs in FY15**

** FY15 Results inclusive of 15M Global Mazinkert (holding company of Clarton Horns) & Minda Emer Technologies results

Led & Guided by Industry Professional



SAP

Implemented and being used for real-time information

Internal Auditors

Protivity is the Internal auditors

Statutory Auditors

KPMG as Statutory Auditors

Experienced Board

Mr. Satish Sekhari
– Ex Kalyani Group

Mr. Alok Dutta
– Ex Eicher

Ms Renu Challu
-Ex DMD (SBI)

Professionally Qualified management team



Business Overview

Switches – Extending leading position to global markets



- **India's largest manufacturer** of Automotive switches, with more than 5 decades of experience with market share of ~67%
- **End-User Segment Served** : 2/3 Wheeler & Off-road
- Also, present in 4W switches through associate company (JV with Tokairica)
- **Manufacturing Facilities across India:**

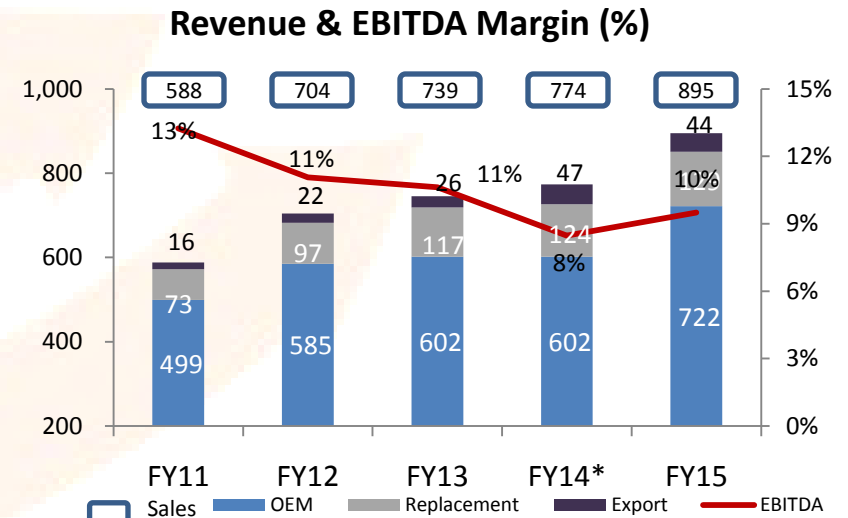
Manesar	Pantnagar
Aurangabad	Pune
Hosur	
- Independent in-house **R&D**
- **Exports** to USA, France, Italy, Austria and others
 - Contributing ~5% to Switch sales in FY15

Key Events :

- New facility at Hosur reached breakeven in FY15
- Received fresh exports orders from Piaggio, Moto Guzzi
- Developed Seat Heater Switch for High End Bikes of BMW

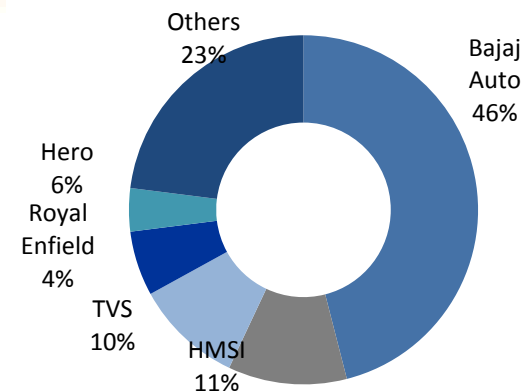
Focus Area:

- Improve Capacity utilization at new facility
- Increase Share of business among OEMs
- Increase exports and replacement market



* One time cost on a/c of new Hosur unit impacted EBITDA margins in FY14

Diversified OEM Mix [FY15]



Lighting – Ramping-up Utilization levels



- Prominent player in automotive lighting components
- **End-User Segment Serviced** : 2/3 Wheeler, 4Wheeler and Off-road
- **Manufacturing Facilities** across India:

Manesar	Pantnagar
Sonepat	Haridwar
Chennai	
- **Strong R&D capabilities:**
 - Design centre in Taiwan
 - Technical Arrangement with Korean Company
- **Exports** to Italy, Indonesia, France, Japan and others
 - Contributing 4% to Lighting Sales in FY15

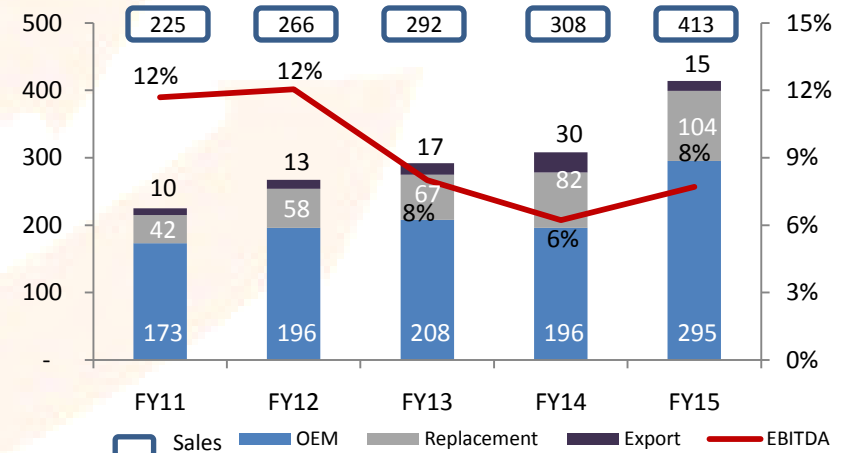
Key Events :

- Supplies to MSIL began from Brownfield expansion at Manesar
- Assembly unit at Chennai became operational

Focus Area:

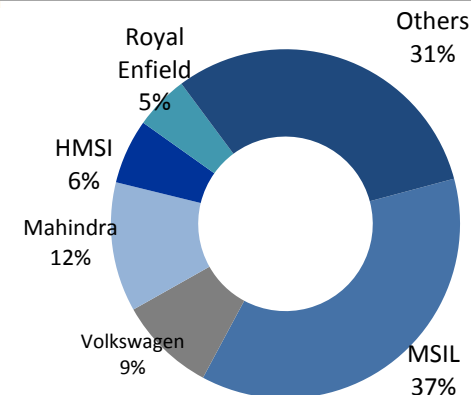
- Improve utilization levels
- Increase product mix in Lighting components
- Increase Share of business among OEMs
- Increase exports

Revenue & EBITDA Margin (%)



EBITDA margins impacted in FY14 on a/c of increase in fixed overheads

Diversified OEM Mix [FY15]



Horns – Strengthening leadership position...



- India's largest manufacturer of horns with 47% market share
- **End-User Segment Serviced** : 2/3 Wheeler, 4Wheeler, Off-road and Commercial Vehicles
- **Manufacturing Facilities** across India:
Manesar Pantnagar
- **Strong in-house R&D** capabilities
 - Developed technology with FIAMM, Italy
- **Exports** to Italy, South Africa, China, Thailand and others
 - Contributing 13% of Consolidated Horns Sales in FY15
- **Acquired Clarton Horns** in FY14
 - Revenue of Rs. 397 Crs in FY15 for 15 months

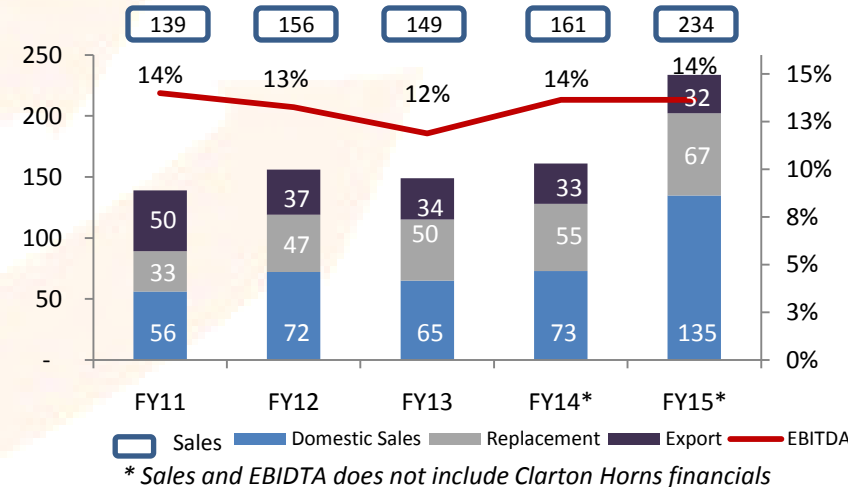
Key Events :

- Clarton Horns, acquired in Apr'13, achieved turnaround in FY15

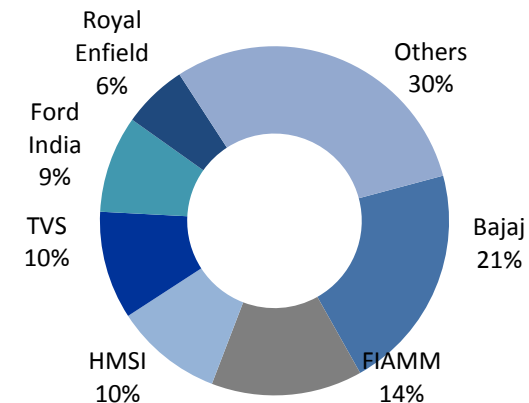
Focus Area:

- Leverage Indian low cost manufacturing base
- Leverage Clarton's European OEM base
- Enable introduction of electronic horns in India

Revenue & EBITDA Margin (%)



Diversified OEM Mix [FY15]



... By becoming World's 2nd Largest player in horns



Acquired Clarton Horns, S.A.U

- Incorporated in 1973, has produced up to 150 million horns till date
- Product portfolio includes
 - Electromechanic disk horn
 - Electronic horns
- Manufacturing facilities located
 - La Carolina (Spain)
 - Tanger (Morocco)
- Owns 9 product patents
- Investing Euro 6 Mn over 3 years in New Facility in Mexico
 - Manufacturing to start from April'16

Strategic Advantages & Synergies

- Access to technology for Electronic horns
 - First mover advantage to Minda in India
- Strengthen R&D base
 - Expedite new offerings to Clients
- Access to existing client base of Clarton
 - Leverage OEM relationship
- Leverage low cost production base of India
 - Increase competitiveness in European market

Snapshot of Global Client Base



Mercedes-Benz



PORSCHE



ROLLS ROYCE



BENTLEY



Fuel Cap – India's only manufacturer...



- Ventured into Fuel Cap in 2014
 - Technical Arrangement with Toyoda Gosei, a Toyota Group Company
- To develop, manufacturer and sell advanced technology Fuel Caps for Passenger Vehicles
- Supplies to Maruti Suzuki India Ltd
- Manufacturing plant at Manesar, Haryana
- In first full year of operations
 - Registered revenue of Rs.15 Crs



...Tapping into a demand for high end fuel caps, previously met by imports only

Others – Consolidating Product Range



- **Other product lines like CNG/LPG kits, Blow moulds, Batteries**
- **End-User Segment Serviced** : 2/3 Wheeler, 4Wheeler, Off-road and Commercial Vehicles
- **Manufacturing Facilities** across India in Pune, Hosur, Bawal, Bangalore, Pantnagar and Manesar
- 50% JV with **Emer**, Italy for CNG/LPG Kits
- 76% JV with **Kyoraku Co. Ltd** for Blow moulded products
- 50% JV with **JBM** for Die casting products

Key Events :

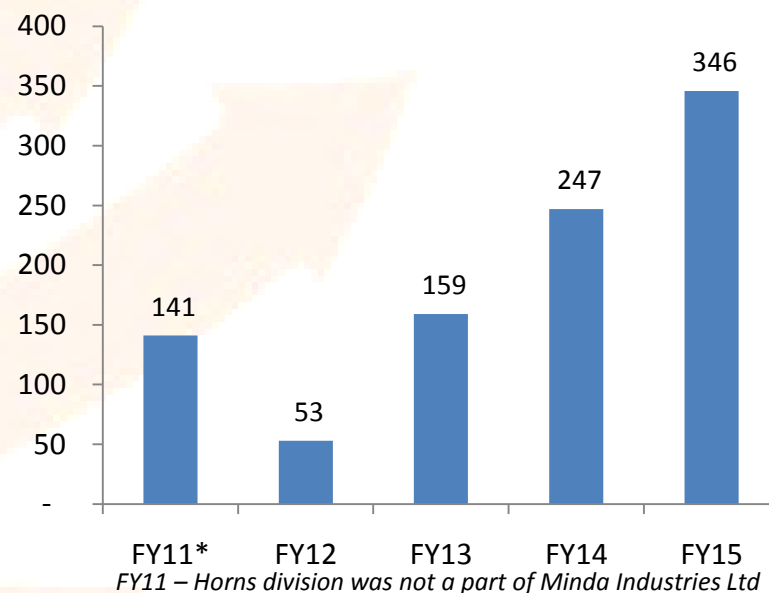
- Battery Division – **Signed JV Agreement with Panasonic Corp.**
- **Entered into JV with Kosei Group** for Alloy Wheels
- **Increasing shareholding in Group Companies** - PT Minda Asean Automotive, Indonesia & Sam Global Pte. Ltd., Singapore

Focus Area:

- Consolidate non-yielding product division
 - Die-casting Division

Revenue

Rs.Crs



Diversified OEM Mix



Reorganization at Group Level



Investments in PT Minda Asean Automotive (Indonesia)

- Engaged in manufacture of Automotive Switches and Lighting and horns for OEM Clients in ASEAN region
- Prominent OEM Clients are Suzuki, Yamaha and Kawasaki
- Exporting to Malaysia, Vietnam, Philippines & Thailand
 - Received new orders for Switches and Horns from Piaggio, Suzuki, Yamaha
- Acquired 51% shareholding interest through direct investment of 32% for investment of Rs. 6.14 Cr & indirect investment through SAM Global Pte, Singapore

Investments in SAM Global Pte Ltd, Singapore

- Holding Company:
 - 100% in Minda Industries Vietnam Company Ltd
 - 37% in PT Minda Asean Automotive (Indonesia)
- Engaged in manufacture of switches and lighting for OEM Clients in Vietnam and Indonesia
- Acquired 51% shareholding for an investment of Rs. 19.41 Cr

Transaction has been approved by Board & expected to be completed in current fiscal

JV with Kosei Group, Japan for Aluminium Alloy Wheels...



- Incorporated “Minda Kosei Aluminium Wheel Pvt Ltd”
 - Uno Minda Group holding 70% stake & 30% stake by Kosei Group
- To develop, manufacturer and sell Aluminium Alloy Wheels for Passenger Vehicles
- Offer better products in terms quality to OE Customers, with technological support from Kosei Group
- JV plans to set-up plant at Bawal, Haryana
 - Investment of Rs. 200 Crs in 1st phase of production
 - Expected to commence production capacity by 2016
 - Production Capacity of 720,000 units p.a



... to leverage OEM relationships and retail network to tap alloy wheels market

JV with Panasonic Corp. Japan in Battery Division ...



Entered into JV Agreement with Panasonic

- Incorporated “Panasonic Minda Storage Batteries India Private Limited (PMSBIN)”
 - MIL holding 40% stake & 60% stake by Panasonic
- To develop, manufacture and sell lead acid storage batteries for 2W / 4W Automobiles & Industrial Batteries
- Existing battery division of MIL, valued at Rs. 64 Crs, will be hived-off to PMSBIN
- Plans to set-up new facility for 4W batteries
 - **Commercialization expected by Q1 FY16**
 - Production Capacity of JV expected to be 4 Mn by 2018

Strategic Advantages & Synergies

- **Infuses Capital into business**
 - No additional cash infusion for MIL for expansion plans
- **Re-commence supplies to OEM client base**
 - In last 2-3 years, MIL restricted its supply only to replacement market in NCR
- **Access to Technical Assistance & Quality Support**
 - Panasonic is one of the global leaders, with technology developed over 8 decades
- **Leverage OEM relationships & Vendor base of Panasonic**

... to address growing market of lead acid storage batteries



OEM Presence

Dominant Supplier to Domestic OEMs



2 Wheelers



4 Wheelers



Off-Road



Presence across Global OEMs



2 Wheelers



PMTC



PMTC



PMTC



- Malaysia
- Indonesia
- Philippines
- Thailand
- Spain
- Vietnam

- Japan
- Indonesia
- Thailand

- Indonesia
- Brazil
- Thailand
- Vietnam
- Malaysia
- MBK France
- YMES, Spain



- Vietnam



4 Wheelers



PSA



RENAULT

- South Africa

- Spain & France



- Indonesia



- Indonesia



TOYOTA

- Indonesia



DAIHATSU



Off-Road



Case New Holland



Manufacturing Capabilities

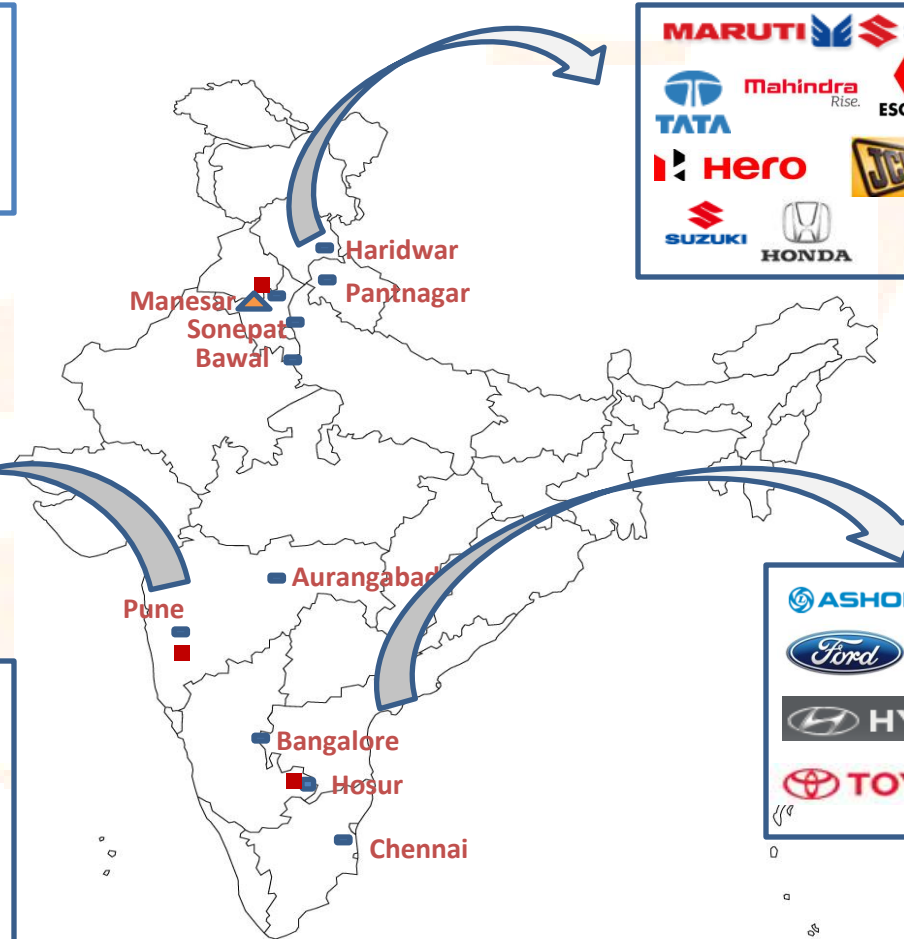
Strategically located in Automotive Hubs



■ 25 Manufacturing Facilities

■ 3 R&D Centres

▲ Corporate Office



Competitive Advantage



Leadership Position	<ul style="list-style-type: none">• India's largest player in 2W / 3W Switches with 67% market share• World's 2nd largest player in Horns
Established OEM Presence	<ul style="list-style-type: none">• Dominant Supplier in Domestic OEMs viz., Bajaj, TVS, MSIL, HMCL, etc• Established presence across Global OEMs viz., Yamaha, Suzuki, Kawasaki, etc
Deep Foothold in Aftermarket	<ul style="list-style-type: none">• Well-spread network of 500 business partners & 10,000 retailers to cater to replacement market (<i>17% revenue share in FY15</i>)
Manufacturing Locations	<ul style="list-style-type: none">• Strategically located in all automotive hubs in India• Creating capabilities in global auto market, with acquisition of Clarton Horn
Strong R&D Capabilities	<ul style="list-style-type: none">• Department of Scientific and Industrial Research approved R&D centres• Design centre in Taiwan for lighting business
Global Technology	<ul style="list-style-type: none">• Access to global technology through Technical Arrangement with world leaders• Access to Global OEMs through Technical Partners
Healthy Financials	<ul style="list-style-type: none">• Revenue CAGR of 24 % over FY11-FY15*• Historically low D/E ratio <1 (<i>FY14D/E ratio of 1.2 on a/c of acquisition debt</i>)• Positive operating cash flows year on year

* FY15 Results inclusive of 15M Global Mazinkert (holding company of Clarton Horns) & Minda Emer Technologies results



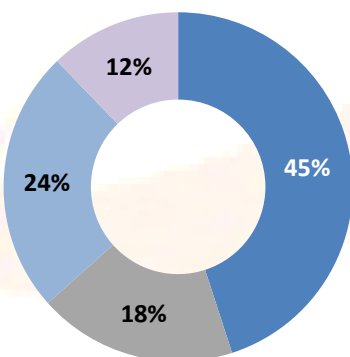
Quarterly Financial Highlights

Consolidated Revenue Distribution – Q1 FY16



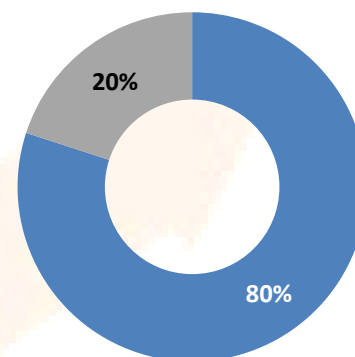
Product-wise Breakup

■ Switch ■ Lighting ■ Horns ■ Others



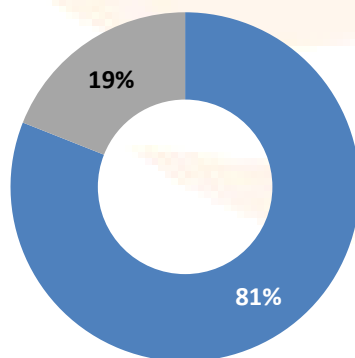
Channel-wise Breakup

■ OEM ■ Replacement



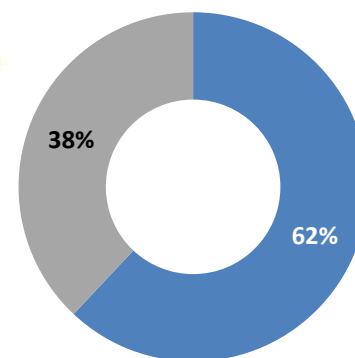
Geography-wise Breakup

■ India ■ International



Segment -wise Breakup

■ 2Wheeler ■ 4Wheeler



Visible Turnaround in Subsidiaries

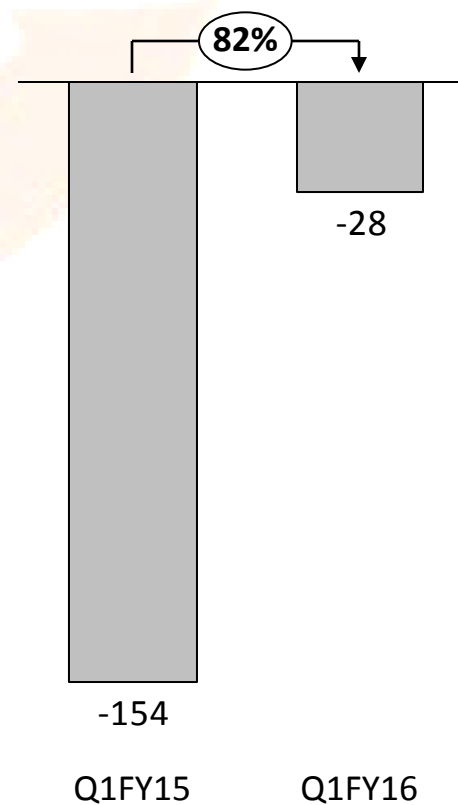


Rs.Lakhs

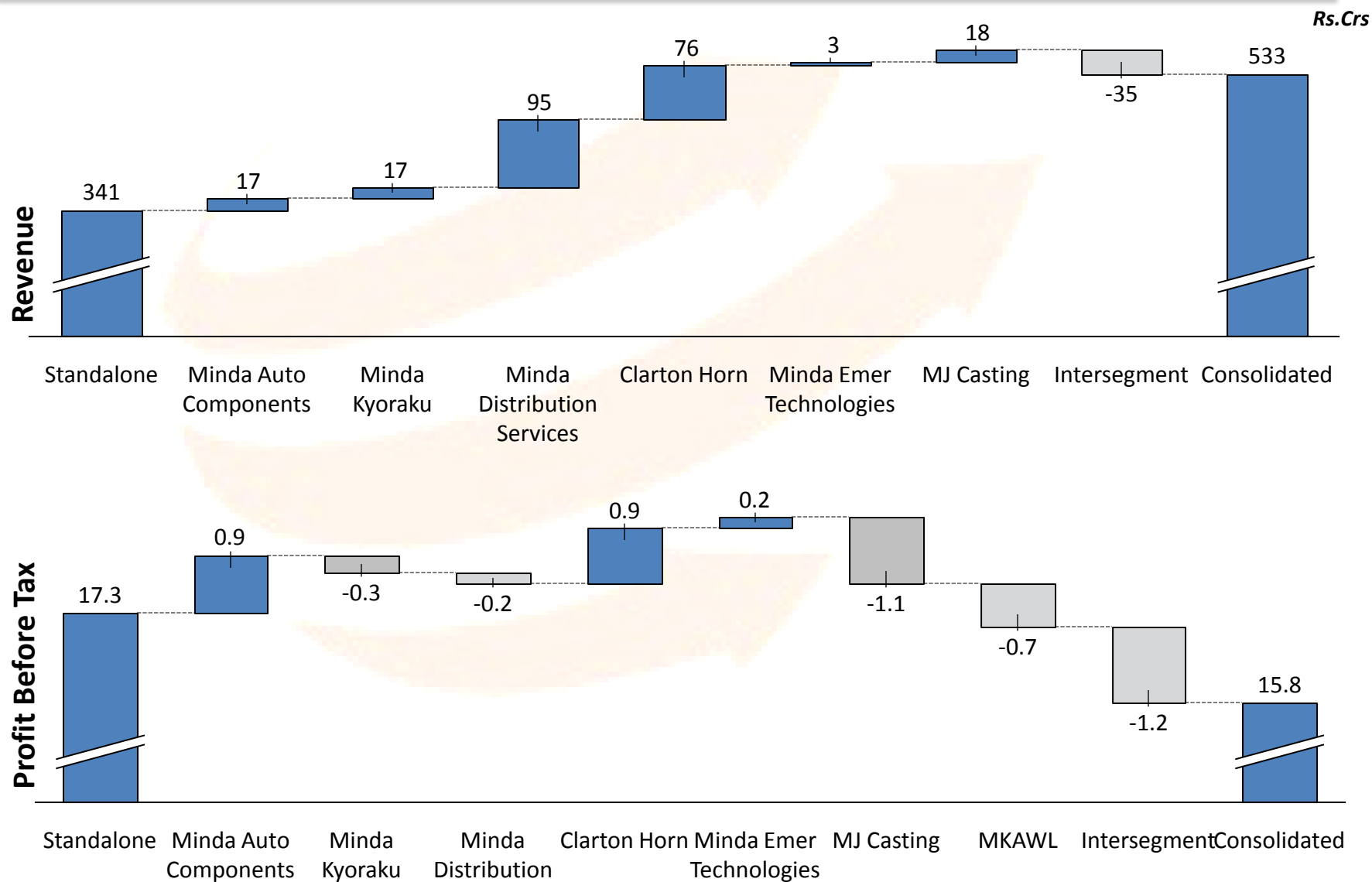
PBT – MJ Casting Ltd



PBT – Minda Kyoraku Ltd



Entity-Wise Break-Up : Q1FY16



Consolidated Profit & Loss



Rs. Crs	Q1FY16	Q1FY15	YoY%	FY15
Total Operating Income	533	483	10%	2,227
Cost of Material consumed	353	314		1,478
Employee Cost	69	62		288
Other Expenses	76	70		307
EBITDA	34	36	(4%)	154
Margin	6.4%	7.4%		6.9%
Other Income	5	2		23
Interest	5	6		25
Depreciation	18	18		83
PBT before exceptional item	16	14	15%	69
Margin	3.0%	2.9%		3.1%
Exceptional Item	-	-		16
PBT	16	14	15%	85
Margin	3.0%	2.9%		3.8%
Tax	4	1		19
PAT After Minority Interest	13.7	13.5	1%	68.0
Margin	2.6%	2.8%		3.1%

* Exceptional Item pertaining to reversal of impairment charge of Rs. 15.76 Crs in battery division

Standalone Profit & Loss



Rs. Crs	Q1FY16	Q1 FY15	YoY%	FY15
Total Operating Income	341	305	12%	1,370
Cost of Material consumed	229	204		928
Employee Cost	44	37		163
Other Expenses	42	36		167
EBITDA	27	27	(-1%)	113
Margin	7.9%	8.9%		8.3%
Other Income	4	2		19
Interest	2	3		13
Depreciation	12	12		54
PBT before exceptional item	17	14	22%	66
Margin	5.1%	4.7%		4.8%
Exceptional Item	-	-		4*
PBT	17	14		70
Margin	5.1%	4.7%		5.1%
Tax	4	2		16
PAT after MI	13.6	12.6	8%	53.2
Margin	4.0%	4.1%		3.9%

* Exceptional Item pertaining to reversal of impairment charge in battery division & diminution in value of investment in MJ Casting

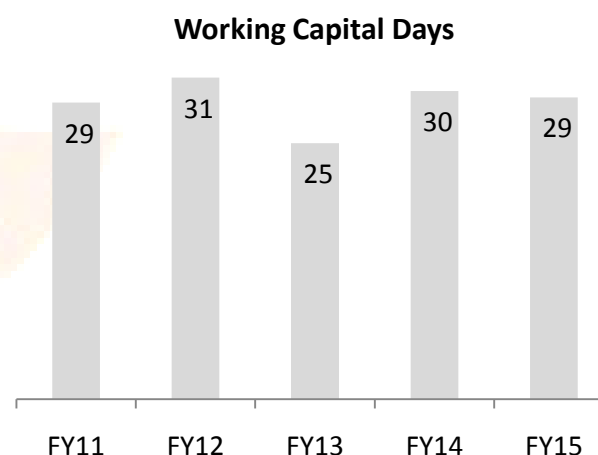
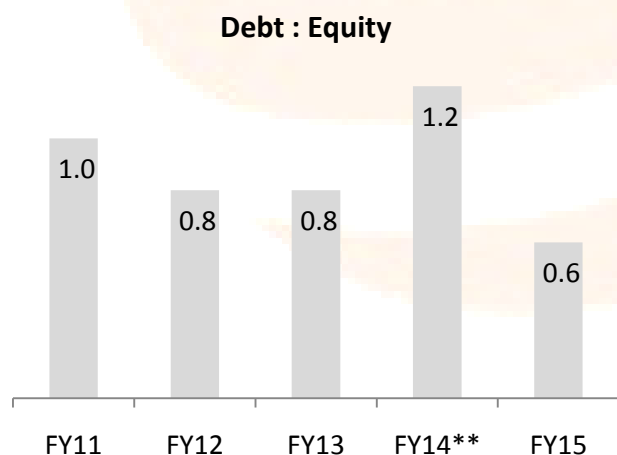
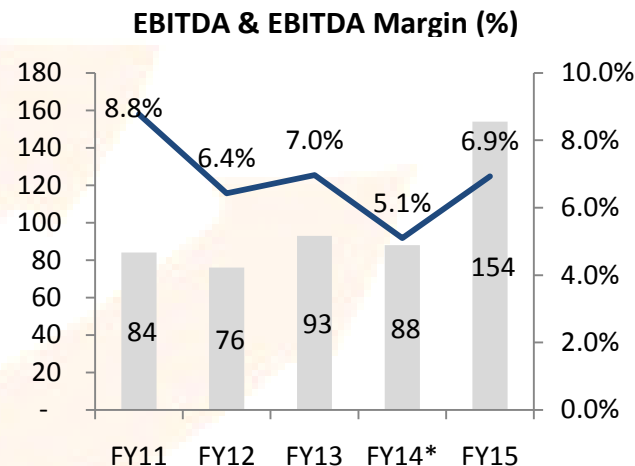
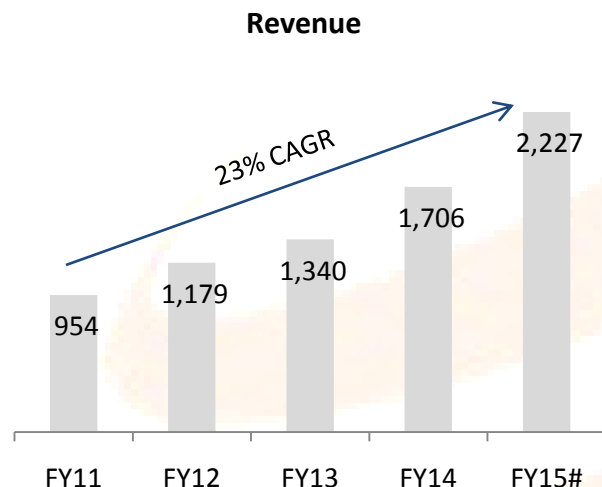


Historical Financial Highlights

Improving Profitability with Strong Balance sheet



Rs.Crs



Notes;

FY15 Sales inclusive of 15M Clarton Sales

* FY14 EBITDA is Adjusted for acquisition related one-time expenses

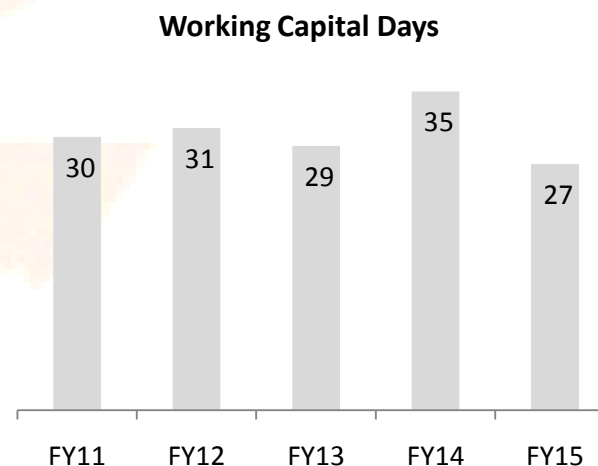
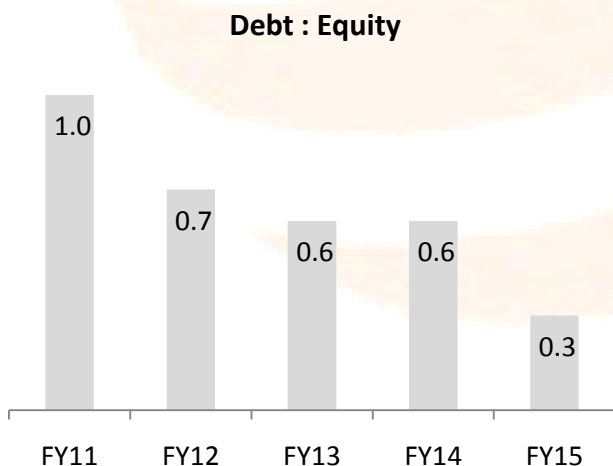
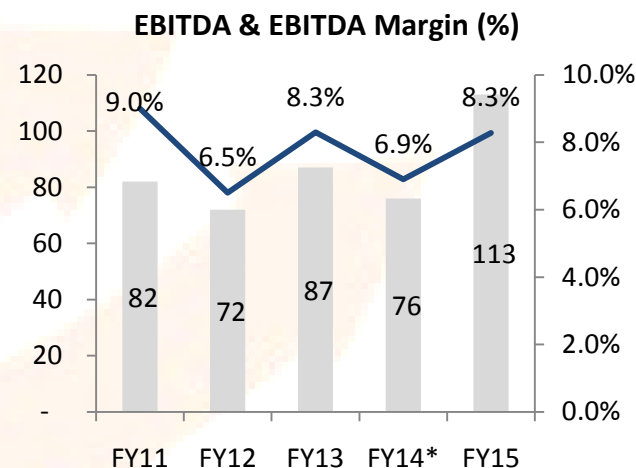
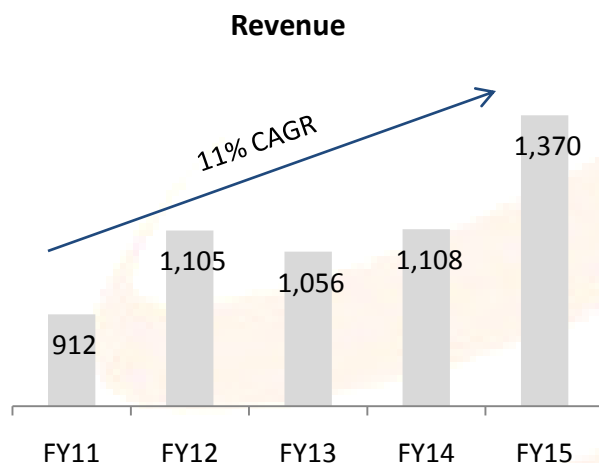
** FY14 debt increased on account of acquisition related debt

Consolidated

Improving Profitability with Strong Balance sheet



Rs.Crs



Standalone

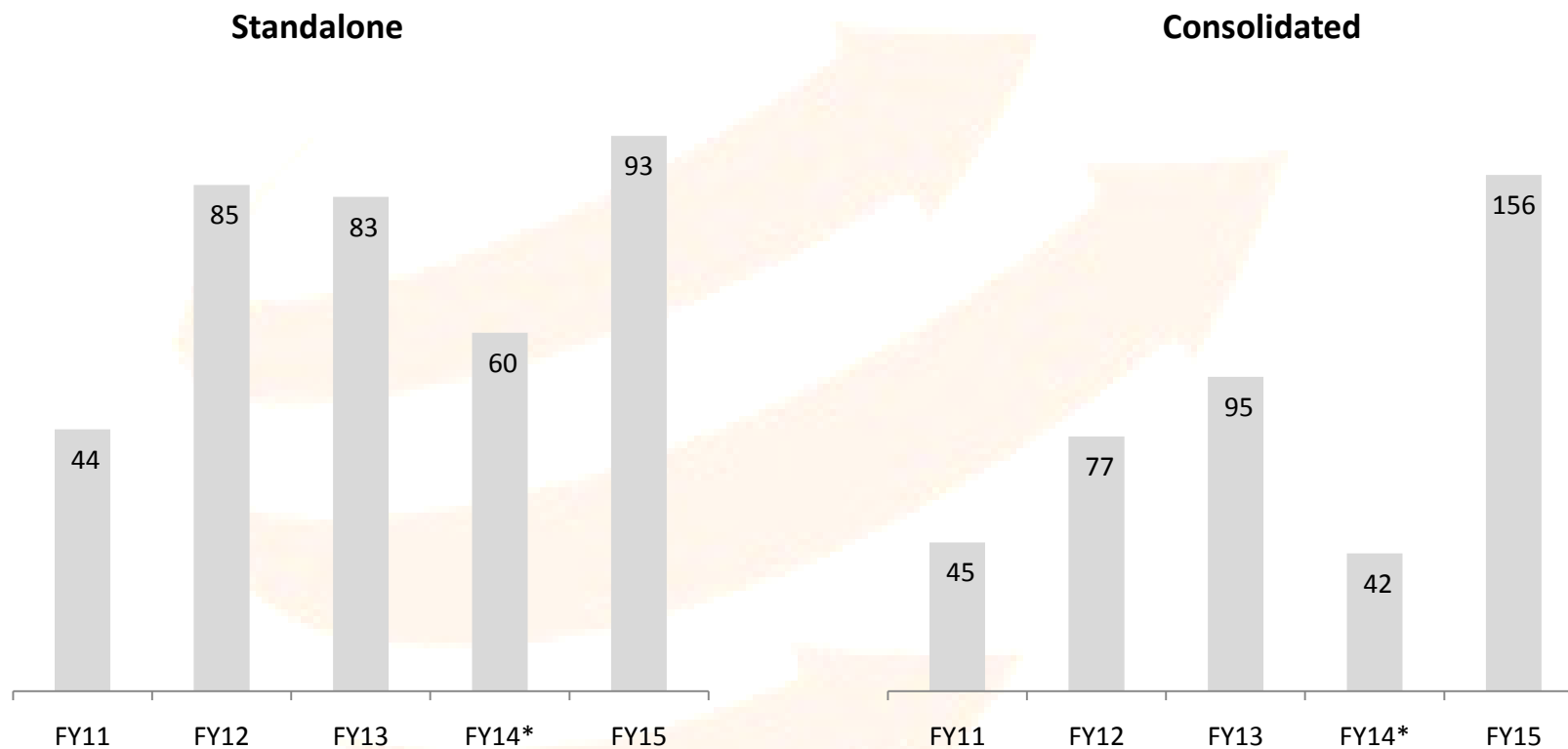
Notes;

* FY14 EBITDA is Adjusted for acquisition related one-time expenses

Strong Operating Cashflows



Rs.Crs



**FY14 – Lower Operating CashFlow on account of acquisition of Clarton Horns*

Consolidated Profit & Loss



Rs. Crs	FY15**	FY14*	FY13	FY12	FY11
Total Operating Income	2,227	1,706	1,340	1,179	954
Cost of Material consumed	1,478	1,171	941	813	635
Employee Cost	288	225	144	134	101
Other Expenses	307	232	162	156	134
EBITDA	154	78	93	76	84
Margin	6.93%	4.56%	6.97%	6.43%	8.77%
<i>Non-recurring Expenses*</i>	<i>0</i>	<i>10</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Adjusted EBITDA</i>	<i>154</i>	<i>88</i>	<i>93</i>	<i>76</i>	<i>84</i>
<i>Margin</i>	<i>6.93%</i>	<i>5.15%</i>	<i>6.97%</i>	<i>6.43%</i>	<i>8.77%</i>
Other Income	23	17	11	16	15
Interest	25	24	19	20	17
Depreciation	83	59	46	40	34
PBT before exceptional item	69	11	39	32	48
Margin	3.09%	0.67%	2.92%	2.73%	5.00%
Exceptional Item	16 ^c	1 ^b	0	(8) ^a	0
PBT	85	13	39	25	48
Margin	3.80%	0.76%	2.93%	2.08%	5.00%
Tax	19	8	11	0	12
PAT After MI	68	7	28	29	36
Margin	3.05%	0.42%	2.11%	2.43%	3.72%

Notes :

** FY15 Results inclusive of 15M Global Mazinkert (holding compny Clarton Horns) & Minda Emer Technologies results

*FY14 includes 9 months financials of Clarton Horns, amounting to Rs.216 Crs

a - Includes impairment of asset in battery division, amounting to Rs.22 Crs ; b - Reversal of impairment loss in battery division, amounting to Rs. 1 Crs ; c - Exceptional Item pertaining to reversal of impairment charge of Rs. 15.76 Crs in battery division

FY14:

- Non recurring expenses of Rs. 10 Crs consists of acquisition related expenses & management fees
- EBITDA margin impacted on account of new unit in switch division and increased fixed cost in lighting division

FY13:

- EBITDA margin impacted by EBITDA loss of Rs. 3 Crs in Battery Division

FY12:

- EBITDA margin impacted by EBITDA loss of Rs.0.7 Cr in die-casting division & Rs. 22 Crs in Battery Division

Standalone Profit & Loss



Rs. Crs	FY15	FY14	FY13	FY12	FY11
Total Operating Income	1,370	1,108	1,056	1,105	912
Cost of Material consumed	928	755	722	756	599
Employee Cost	163	140	125	130	100
Other Expenses	167	137	122	147	132
EBITDA	113	76	87	72	82
Margin	8.28%	6.88%	8.26%	6.55%	8.98%
<i>Non-recurring Expenses*</i>	<i>0</i>	<i>10</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Adjusted EBITDA</i>	<i>113</i>	<i>86</i>	<i>87</i>	<i>72</i>	<i>82</i>
<i>Margin</i>	<i>8.28%</i>	<i>7.78%</i>	<i>8.26%</i>	<i>6.55%</i>	<i>8.98%</i>
Other Income	19	13	11	16	15
Interest	13	15	16	18	16
Depreciation	54	42	41	38	34
PBT before exceptional item	66	32	41	32	47
Margin	4.80%^d	2.90%	3.92%	2.85%	5.12%
Exceptional Item	4	1 ^c	(3) ^b	2 ^a	0
PBT	70	34	39	33	47
Margin	5.09%	3.04%	3.65%	3.02%	5.12%
Tax	16	7	8	0	12
PAT	53	27	30	33	35
Margin	3.88%	2.45%	2.87%	2.99%	3.82%

Notes :

a - Includes impairment of asset in battery division, amounting to Rs.22 Crs ;

b – Includes impairment of fixed assets in battery division, amounting to Rs. 2 Crs ;

c - Reversal of impairment loss in battery division, amounting to Rs. 1 Crs

d - Exceptional Item amounting to Rs. 3.87 Crs, pertaining to reversal of impairment charge in battery division & diminution in value of investment in MJ Casting

FY14:

- Non recurring expenses of Rs. 10 Crs consists of acquisition related expenses & management fees

- EBITDA margin impacted on account of new unit in switch division and increased fixed cost in lighting division

FY13:

- EBITDA margin impacted by EBITDA loss of Rs. 3 Crs in Battery Division

FY12:

- EBITDA margin impacted by EBITDA loss of Rs. 22 Crs in Battery Division

Balance Sheet

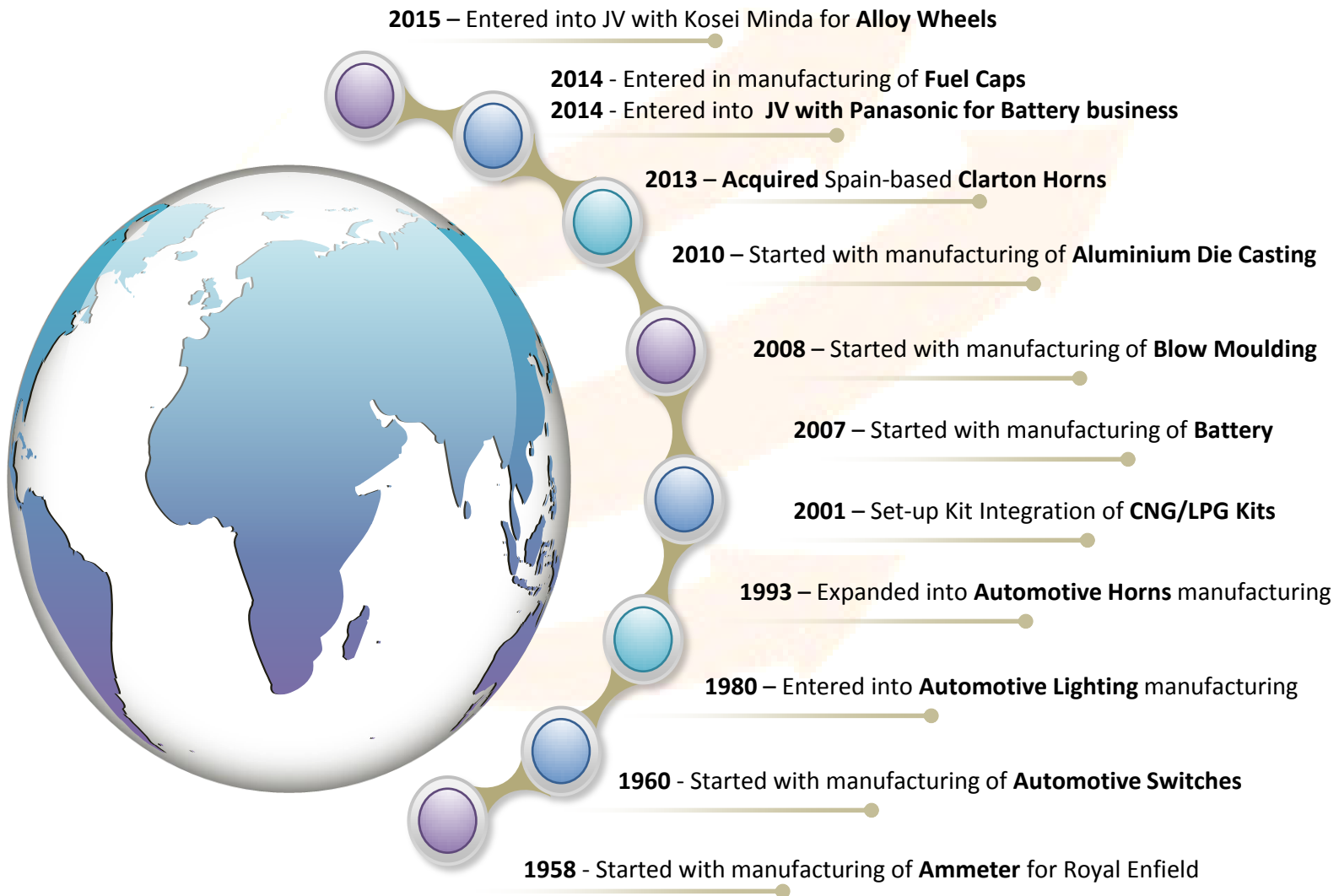


Rs. Crs.	Standalone		Consolidated	
	Mar'15	Mar'14	Mar'15	Mar'14
Shareholder's Fund	373	333	365	311
Share capital	19	19	19	19
Reserves & Surplus	354	314	346	292
Minority Interest	-	-	21	14
Non-current liabilities	56	61	148	178
Long term borrowings	33	42	97	138
Other non-current liabilities	0	0	3	2
Long term Provision	23	19	26	24
Current liabilities	323	322	483	492
Short term borrowings	69	92	112	140
Trade Payables	183	154	267	247
Other current liabilities	71	76	106	105
Total Liabilities	752	716	997	981
Non-current assets	388	395	478	478
Fixed assets	279	274	420	422
Non-current Investments	82	94	26	24
Deferred Tax Assets	16	2	0	2
Other Non-Current Assets	11	26	32	29
Current assets	364	321	519	504
Current Investments	-	-	2	23
Inventories	90	74	141	125
Trade receivables	210	188	289	261
Cash and bank balances	21	14	28	28
Short Term Loans & Advances	38	39	54	60
Other current assets	5	6	5	7
Total Assets	752	716	997	981

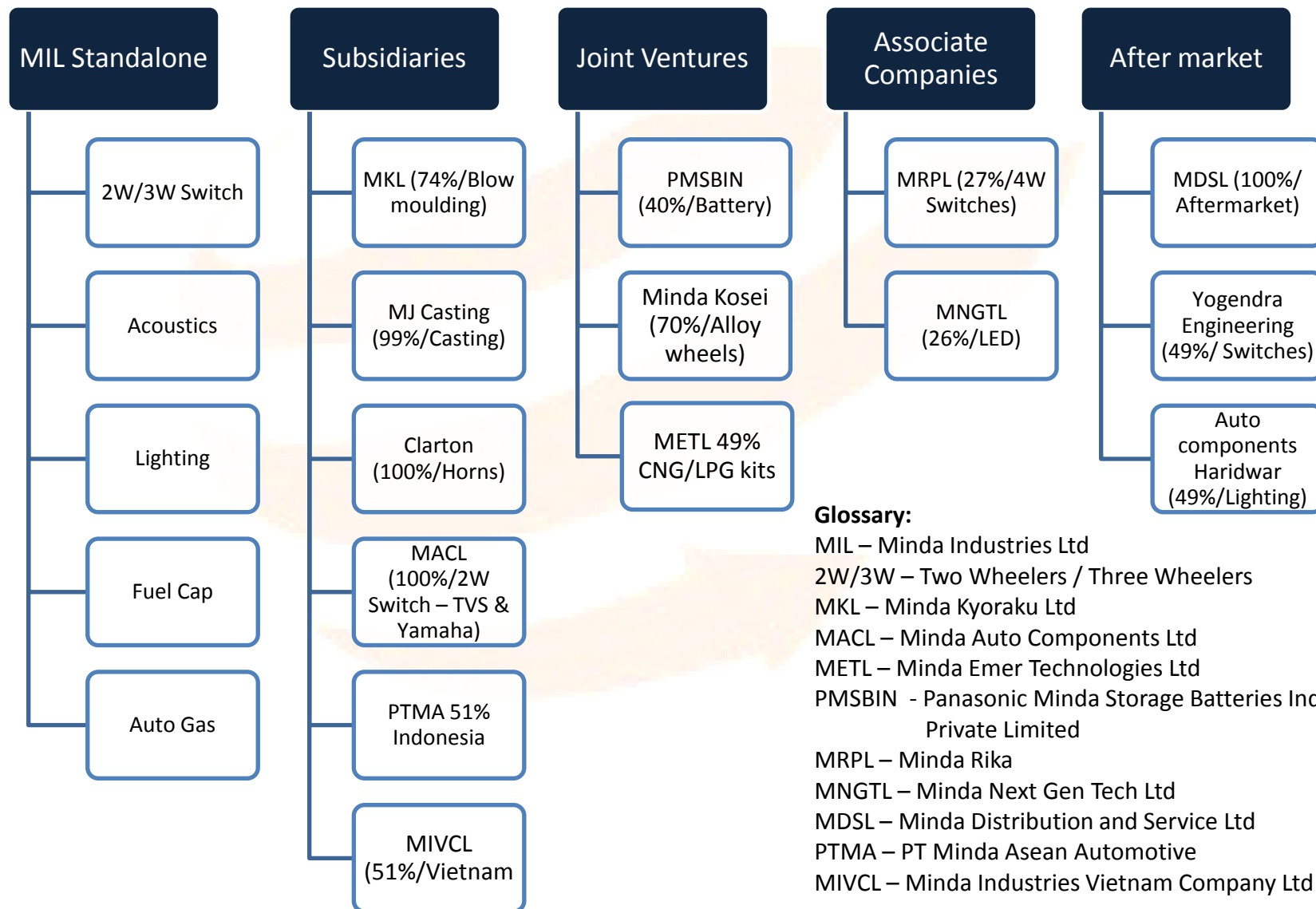


Annexure

Journey So Far..



Group Profile: Products & Structure





For further information, please contact:

Company :

Minda Industries Ltd.
CIN : L74899DL1992PLC050333
Mr. Tripurari Kumar
tripurarik@mindagroup.com

www.mindagroup.com

Investor Relations Advisors :

Strategic Growth Advisors Pvt. Ltd.
CIN : U74140MH2010PTC204285
Ms. Sanjita Ghosh / Mr. Shogun Jain
gsanjita@sgapl.net / jshogun@sgapl.net

www.sgapl.net