



Investor Update – Q2 FY'13

## Sona Koyo Steering Systems Ltd.

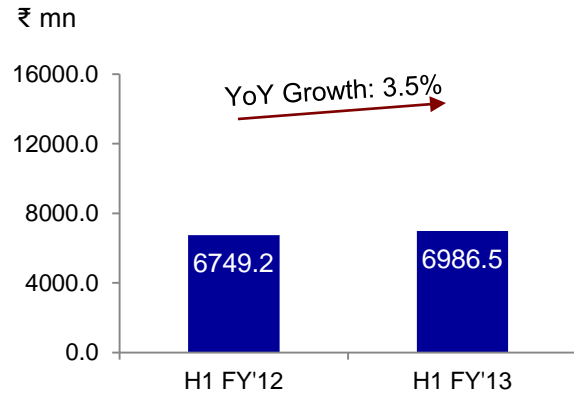


Nov 01, 2012

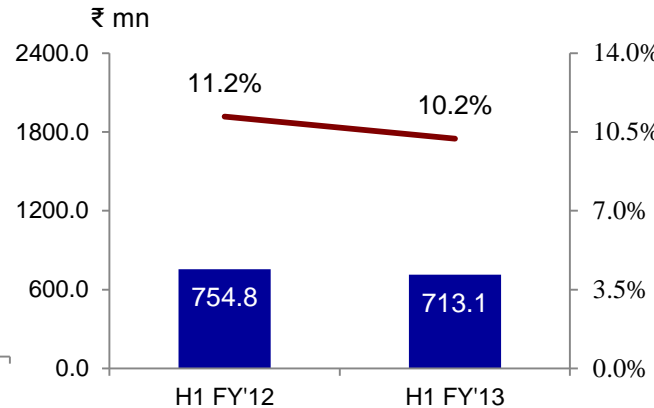
- 1. Performance Review**
- 2. Operational Highlights**
- 3. Financial Statements**
- 4. Shareholding Pattern**

# 3.5% growth in revenues in H1 FY'13 on consolidated basis

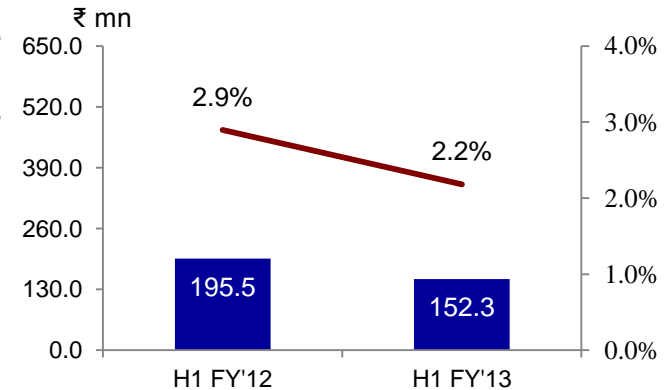
## Revenue & Revenue Growth



## EBITDA & EBITDA Margin



## PAT & PAT Margin



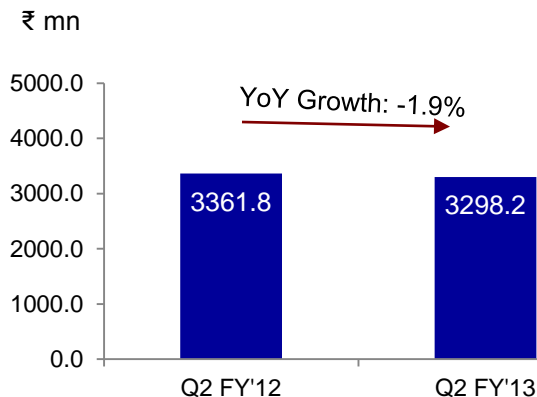
- Total Revenues up 3.5% YoY from ₹6,749.2mn to ₹6,986.5mn
- EBITDA for the period H1 FY'13 stood at ₹713.1mn with EBITDA margins of 10.2%
  - ✓ Increase in raw material costs as a % of revenue from 69.5% to 71.1%
- PAT for the period H1 FY'13 stood at ₹152.3mn with PAT margins of 2.2%
  - ✓ Increase in depreciation charges as a % of revenues from 3.2% to 3.9%;
  - ✓ Decline in finance charges as a % of revenues from 3.5% to 2.8%

Refer Slide 9 for detailed P&L Statement

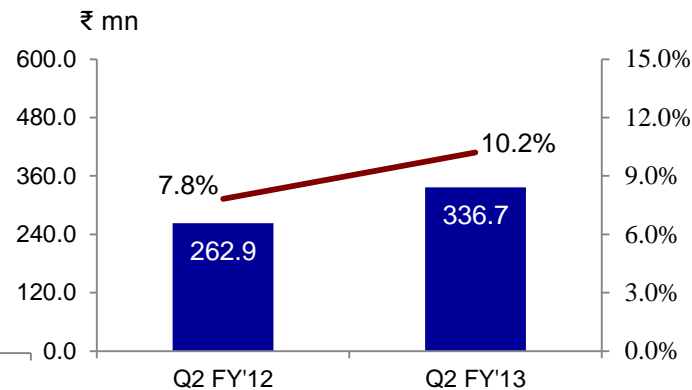
\* Note: Total Revenues include other operating income of ₹28.2mn during H1 FY'12 and ₹34.4mn during H1 FY'13

# Improved profit margins for Q2 FY'13 on consolidated basis

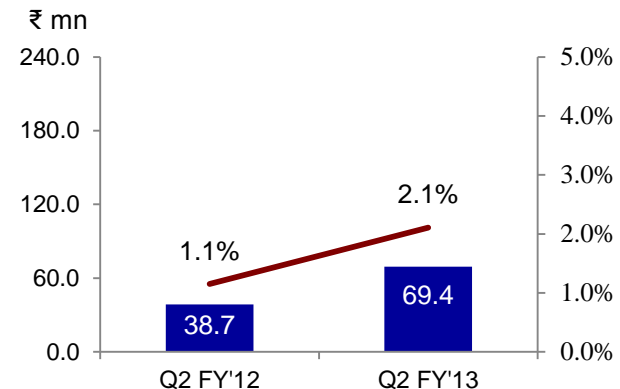
## Revenue & Revenue Growth



## EBITDA & EBITDA Margin



## PAT & PAT Margin



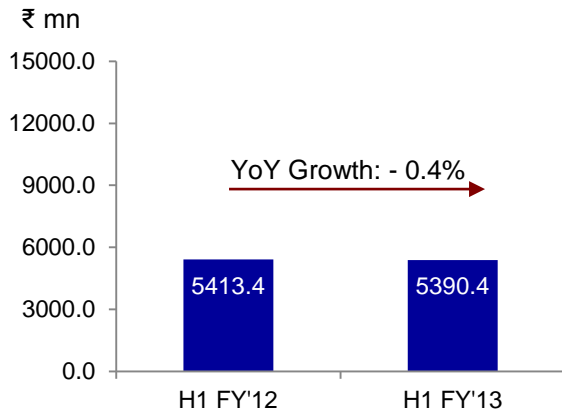
- Total Revenues declined 1.9% YoY from ₹3,361.8mn to ₹3,298.2mn
- EBITDA for the quarter stood at ₹336.7mn with EBITDA margins of 10.2%
  - ✓ Raw Material costs as a % of revenue remained constant at 70.7%
- PAT for the quarter stood at ₹69.4mn with PAT margins of 2.1%
  - ✓ Increase in depreciation charges as a % of revenues from 3.2% to 4.3%;
  - ✓ Decline in finance charges as a % of revenues from 3.8% to 2.7%

Refer Slide 9 for detailed P&L Statement

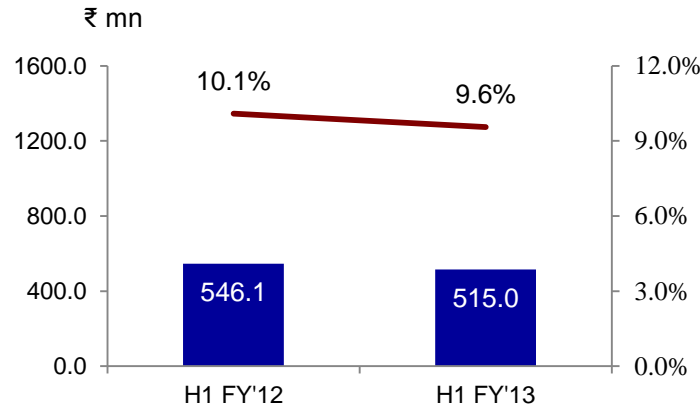
\* Note: Total Revenues include other operating income of ₹15.4mn during Q2 FY'12 and ₹15.0mn during Q2 FY'13

# Similar revenues on standalone basis for H1 FY'13 and H1 FY'12

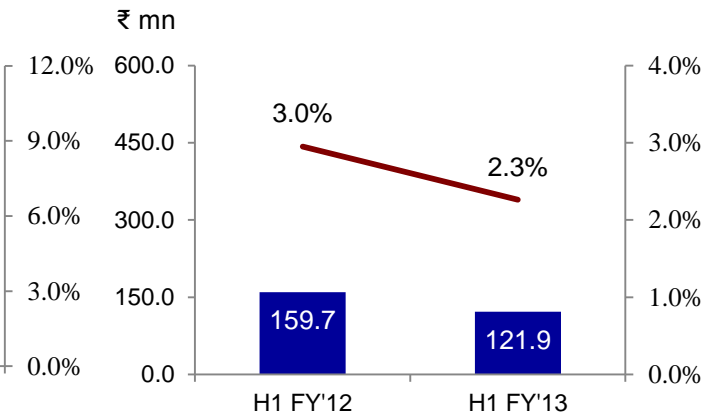
## Revenue & Revenue Growth



## EBITDA & EBITDA Margin



## PAT & PAT Margin

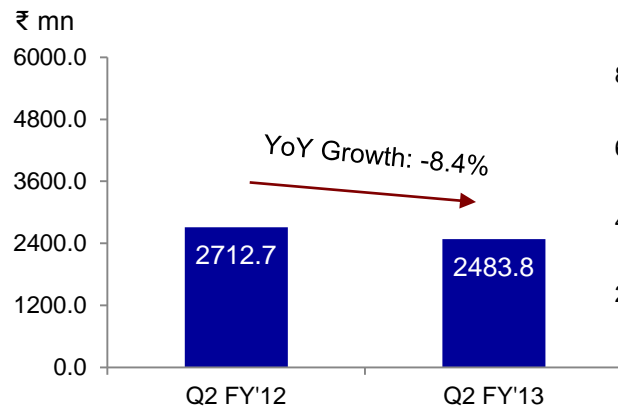


- Revenues declined YoY from ₹5,413.4mn to ₹5,390.4mn
  - ✓ Domestic sales declined 2.2% YoY from ₹5,189.2mn to ₹5,076.8mn
  - ✓ Export Sales increased by 39.9% YoY from ₹205.5mn to ₹287.6mn
- EBITDA for the period stood at ₹515.0mn with EBITDA margins of 9.6%
  - ✓ Other expenditure as a % of revenues increased from 9.1% to 10%
  - ✓ Staff costs as a % of revenues increased from 8.7% to 9.4%
- PAT for the H1 FY'13 period stood at ₹121.9mn with PAT margins of 2.3%

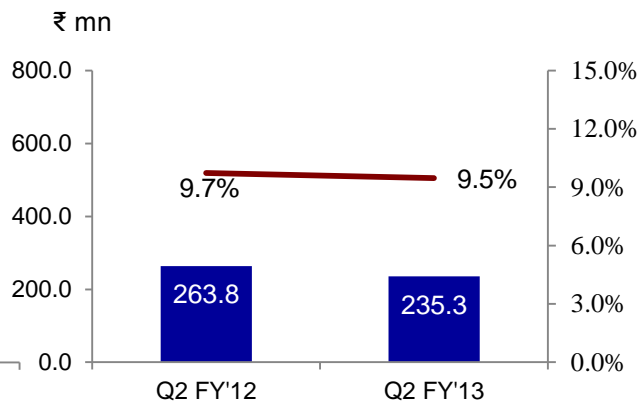
Refer Slide 10 for detailed P&L Statement

\* Note: Total Revenues include other operating income of ₹18.7mn during H1 FY'12 and ₹26.1mn during H1 FY'13

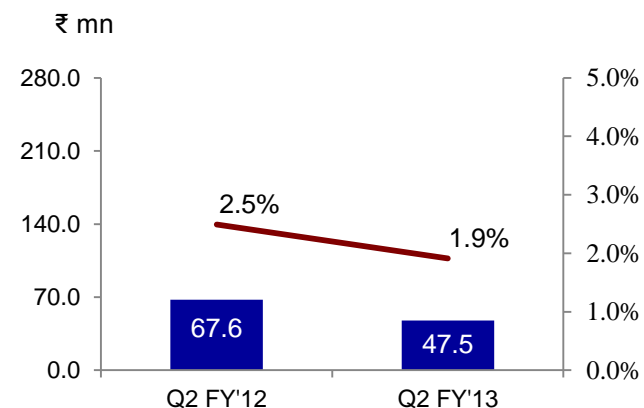
## Revenue & Revenue Growth



## EBITDA & EBITDA Margin



## PAT & PAT Margin



### ■ Revenues decreased 8.4% YoY from ₹2,712.7mn to ₹2,483.8mn

- ✓ Domestic sales decreased 10.7% YoY from ₹2,595.9mn to ₹2,318.6mn
- ✓ Export Sales increased by 43.4% YoY from ₹107.3mn to ₹153.9mn

### ■ EBITDA for the quarter stood at ₹235.3mn with EBITDA margins of 9.5%

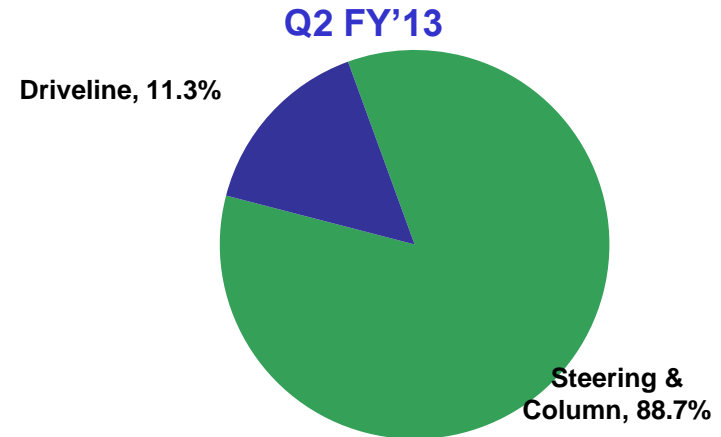
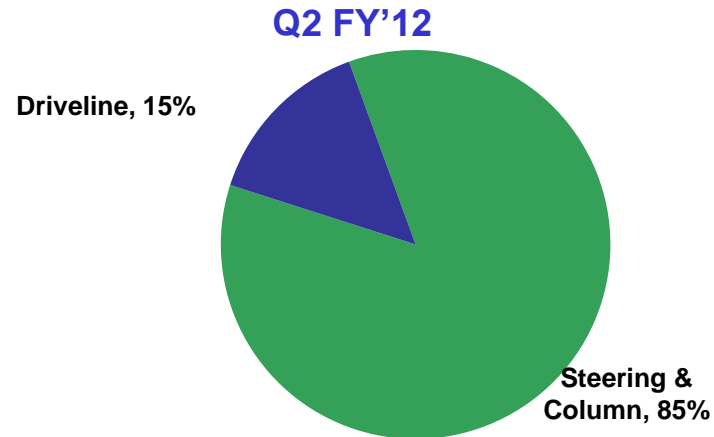
- ✓ Other expenditure as a % of revenues remained similar to that in the same quarter last year at 10.1%
- ✓ Staff costs as a % of revenues increased from 8.6% to 10%

### ■ PAT for the quarter stood at ₹47.5mn with PAT margins of 1.9%

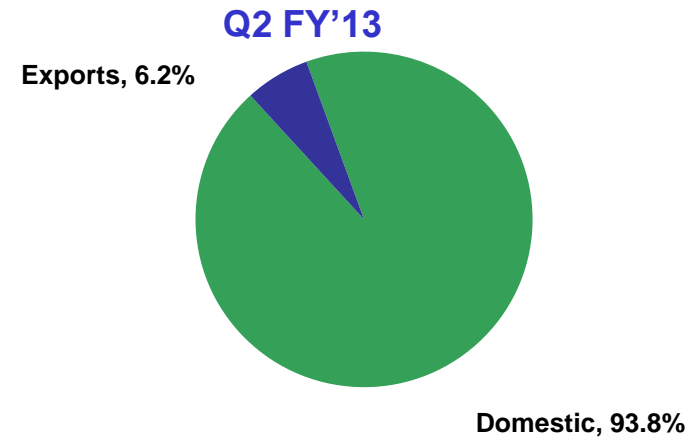
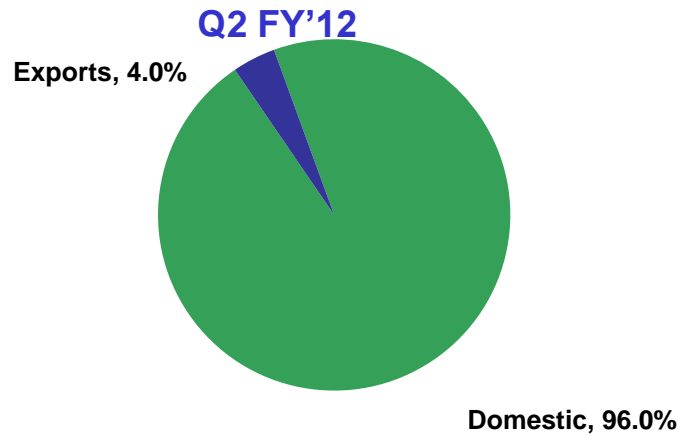
Refer Slide 10 for detailed P&L Statement

\* Note: Total Revenues include other operating income of ₹9.5mn during Q2 FY'12 and ₹11.4mn during Q2 FY'13

## Product Wise Sales Mix



## Geographic Sales Mix



\*Note: Break up on standalone basis

## Increased Capacity utilization

- Overall capacity utilization for H1 FY'13 stood at ~58%
- Capacity utilization across product categories during H1 FY'13:
  - ✓ Steering Products: 65%
  - ✓ Driveline Products: 32%

## New Product/ Order Flows

- Production & Supplies Commenced during Q2 FY'13
  - ✓ TKML (Etios)
  - ✓ MSIL (New Alto 800)
  - ✓ Nissan (Evalia)
  - ✓ Honda (Brio)



# Income Statement & Key Ratios - Consolidated

## Consolidated Audited Income Statement

Amount in ₹mn

Particulars	Q2 FY13	Q2 FY12	YoY (%)	H1 FY13	H1 FY12	YoY (%)
<b>Net Income from Operations</b>	3,283.3	3,346.4	-1.9%	6,952.1	6,720.9	3.4%
Other Operating Income	15.0	15.4	-2.7%	34.4	28.2	21.9%
<b>Total Income</b>	<b>3,298.2</b>	<b>3,361.8</b>	<b>-1.9%</b>	<b>6,986.5</b>	<b>6,749.2</b>	<b>3.5%</b>
Total Expenditure	2,961.6	3,098.8	-4.4%	6,273.4	5,994.4	4.7%
Consumption of Raw Material	2,331.5	2,374.2	-1.8%	4,970.4	4,693.5	5.9%
Staff Cost	294.3	277.6	6.0%	597.3	559.6	6.7%
Other Expenditure	335.8	447.0	-24.9%	705.7	741.2	-4.8%
<b>EBITDA</b>	<b>336.7</b>	<b>262.9</b>	<b>28.0%</b>	<b>713.1</b>	<b>754.8</b>	<b>-5.5%</b>
Depreciation & Amortisation	143.0	107.6	32.9%	275.2	216.1	27.4%
<b>EBIT</b>	<b>193.7</b>	<b>155.4</b>	<b>24.7%</b>	<b>437.9</b>	<b>538.7</b>	<b>-18.7%</b>
Finance Charges	88.9	129.3	-31.3%	196.8	237.4	-17.1%
Other Income	58.2	7.5	672.1%	64.7	16.4	295.2%
Exceptional items	-	-	N.A.	-	-	N.A.
(Gain)/Loss on Foreign Currency Loan Tran	-	-	N.A.	-	-	N.A.
<b>PBT</b>	<b>163.1</b>	<b>33.6</b>	<b>384.8%</b>	<b>305.8</b>	<b>317.7</b>	<b>-3.8%</b>
Tax (including deferred)	54.6	15.6	250.3%	103.1	76.1	35.5%
<b>PAT (before Minority Interest)</b>	<b>108.5</b>	<b>18.1</b>	<b>500.9%</b>	<b>202.6</b>	<b>241.6</b>	<b>-16.1%</b>
Share of Profit/ (Loss) to Minority	39.1	(20.6)	289.7%	50.3	46.1	9.1%
<b>PAT</b>	<b>69.4</b>	<b>38.7</b>	<b>79.6%</b>	<b>152.3</b>	<b>195.5</b>	<b>-22.1%</b>

• Other Expenditure includes manufacturing costs, administrative costs, selling costs and other expenses

Key Ratios as a % of Total Revenue	Q2 FY13	Q2 FY12	H1 FY13	H1 FY12
EBIDTA	10.2%	7.8%	10.2%	11.2%
PAT	2.1%	1.1%	2.2%	2.9%
Total Expenditure	89.8%	92.2%	89.8%	88.8%
Raw material	70.7%	70.6%	71.1%	69.5%
Staff Cost	8.9%	8.3%	8.5%	8.3%
Other Expenditure	10.2%	13.3%	10.1%	11.0%

## Standalone Audited Income Statement

Amount in ₹mn

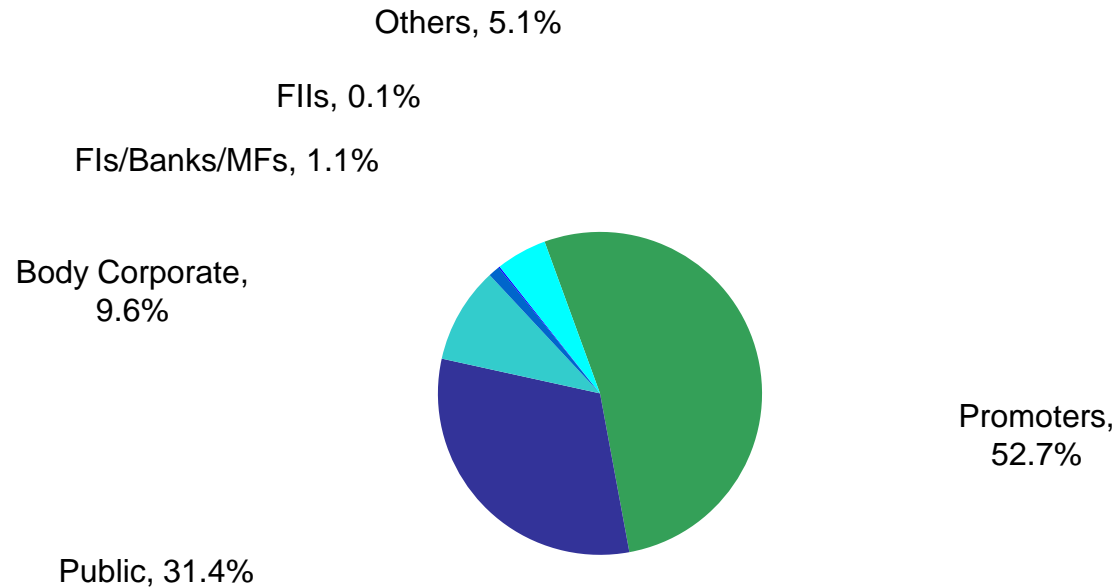
Particulars	Q2 FY13	Q2 FY12	YoY (%)	H1 FY13	H1 FY12	YoY (%)
Domestic Sales	2,318.6	2,595.9	-10.7%	5,076.8	5,189.2	-2.2%
Exports Sales	153.9	107.3	43.4%	287.6	205.5	39.9%
Net Income from Operations	2,472.44	2,703.18	-8.5%	5,364.35	5,394.74	-0.6%
Other Operating Income	11.4	9.5	19.1%	26.1	18.7	39.8%
<b>Total Income</b>	<b>2,483.8</b>	<b>2,712.7</b>	<b>-8.4%</b>	<b>5,390.4</b>	<b>5,413.4</b>	<b>-0.4%</b>
Total Expenditure	2,248.5	2,448.9	-8.2%	4,875.4	4,867.3	0.2%
Consumption of Raw Material	1748.2	1940.6	-9.9%	3832.2	3900.4	-1.7%
Staff Cost	248.7	234.4	6.1%	505.2	473.3	6.7%
Other Expenditure	251.6	273.9	-8.2%	538.0	493.6	9.0%
<b>EBITDA</b>	<b>235.3</b>	<b>263.8</b>	<b>-10.8%</b>	<b>515.0</b>	<b>546.1</b>	<b>-5.7%</b>
Depreciation & Amortisation	100.0	79.4	25.9%	198.4	156.8	26.6%
<b>EBIT</b>	<b>135.3</b>	<b>184.4</b>	<b>-26.6%</b>	<b>316.6</b>	<b>389.3</b>	<b>-18.7%</b>
Finance Charges	80.1	94.4	-15.1%	158.4	173.1	-8.5%
Other Income	11.5	8.8	31.7%	20.3	19.0	6.9%
Exceptional Items	-	-	N.A.	-	-	N.A.
(Gain)/Loss on Foreign Currency Loan Tran	-	-	N.A.	-	-	N.A.
<b>PBT</b>	<b>66.7</b>	<b>98.7</b>	<b>-32.4%</b>	<b>178.4</b>	<b>235.1</b>	<b>-24.1%</b>
Tax (including deferred)	19.3	31.2	-38.2%	56.6	75.4	-25.0%
<b>PAT</b>	<b>47.5</b>	<b>67.6</b>	<b>-29.7%</b>	<b>121.9</b>	<b>159.7</b>	<b>-23.7%</b>

•Other Expenditure includes manufacturing costs, administrative costs, selling costs and other expenses

Key Ratios as a % of Total Revenue	Q2 FY13	Q2 FY12	H1 FY13	H1 FY12
EBIDTA	9.5%	9.7%	9.6%	10.1%
PAT	1.9%	2.5%	2.3%	3.0%
Total Expenditure	90.5%	90.3%	90.4%	89.9%
Raw material	70.4%	71.5%	71.1%	72.1%
Staff Cost	10.0%	8.6%	9.4%	8.7%
Other Expenditure	10.1%	10.1%	10.0%	9.1%

As on 1<sup>st</sup> November 2012

Equity Shares Outstanding-198,741,832



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### **About Sona Koyo Steering Systems Ltd.**

Sona Koyo Steering Systems Limited (SKSSL) is a technical and financial joint venture company of JTEKT Corporation, Japan, the global technology leader in Steering Systems. With a market share of 45%, SKSSL is the largest manufacturer of steering gears in India and is the leading supplier of Hydraulic Power Steering Systems, Electric Power Steering Systems, Manual Rack & Pinion Steering Systems and Collapsible, Tilt and Rigid Steering Columns for Passenger Vans and MUVs. SKSSL is the first steering systems company in the world to have bagged the prestigious Deming award, the world's most coveted honour for excellence in Total Quality Management. For more information please visit [www..sonagroup.com](http://www.sonagroup.com)

### **Forward Looking Statement**

*Certain statements in this document with words or phrases such as “will”, “should”, etc., and similar expressions or variation of these expressions or those concerning our future prospects are forward looking statements. Actual results may differ materially from those suggested by the forward looking statements due to a number of risks or uncertainties associated with the expectations. These risks and uncertainties include, but are not limited to, our ability to successfully implement our strategy and changes in government policies. The company may, from time to time, make additional written and oral forward looking statements, including statements contained in the company’s filings with the stock exchanges and our reports to shareholders. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company.*