



# JTEKT India Ltd

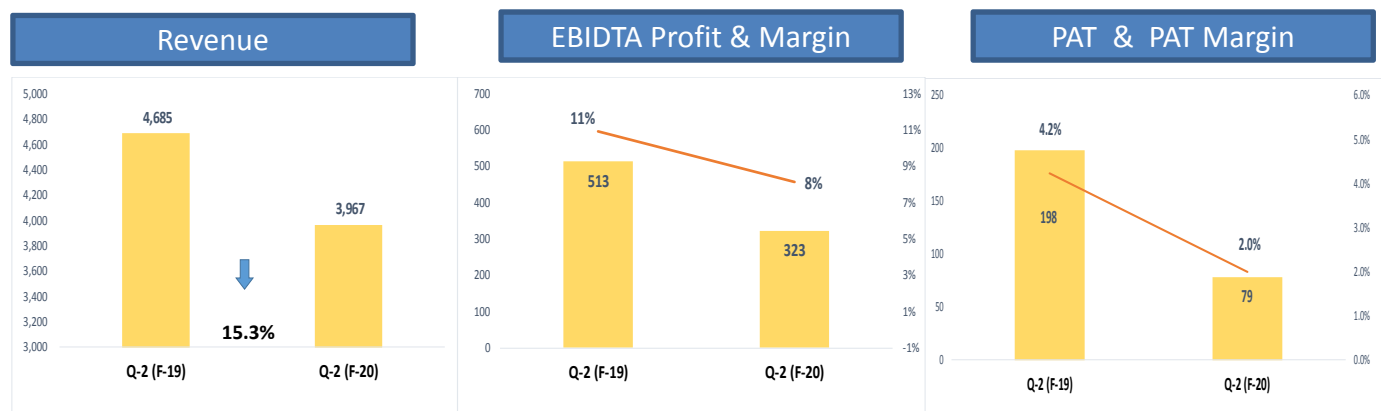
## Investor Presentation – Q2 FY20



|   |                                   |    |
|---|-----------------------------------|----|
| 1 | Performance Review - Standalone   | 4  |
| 2 | Performance Review - Consolidated | 7  |
| 3 | Key Ratios -Impact on Financials  | 8  |
| 4 | Operational Highlights            | 10 |
| 5 | Financial Statements              | 12 |
| 6 | Details on Technical Centre       | 15 |
| 7 | About Us                          | 18 |

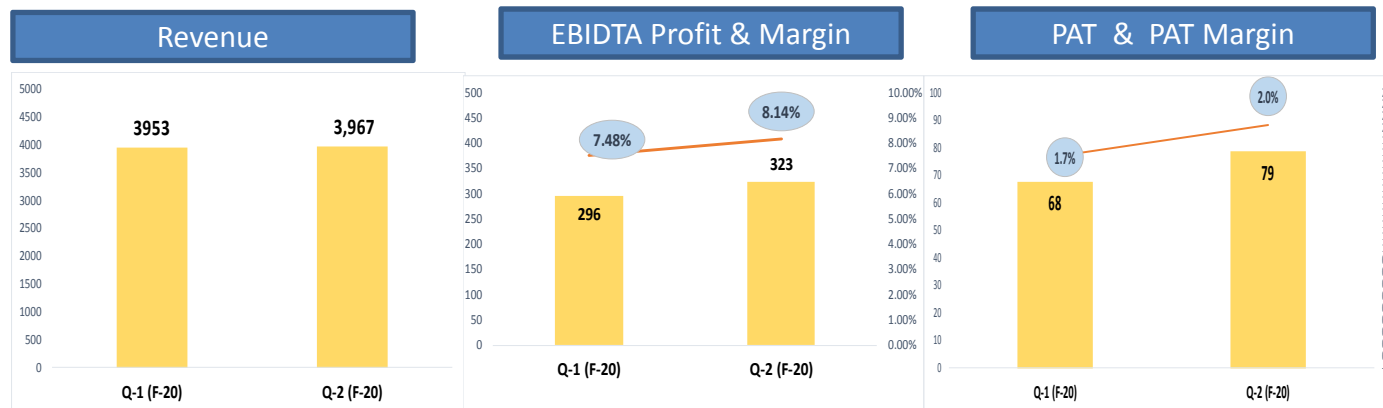
# Performance Review-Standalone

# Q2 FY20 Standalone (YoY)



- ❑ Total Revenue was down by 15.3% at Rs. 3967 Mn in Q2 FY20 compared to Rs. 4685 mn in Q2FY19. This is against decline in Passenger Vehicle Market segment of 22.9%.
- ❑ EBIDTA margin declined from 10.9% to 8.1% as lower sales could not absorb fixed cost towards Employee and Admin
- ❑ PAT declined despite strict control on Fixed Costs. There was decline in Depreciation and interest Cost. Depreciation cost not increased as a result of strict control on Capital Expenditure.

# Q2 FY20 Standalone(QOQ)



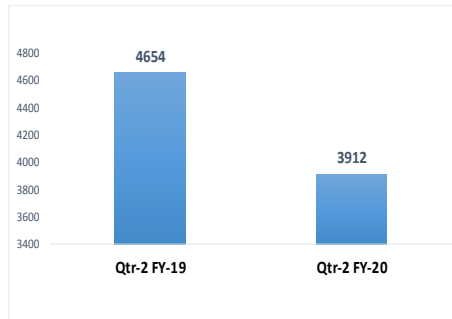
- ❑ Total Revenue was slightly up by 0.4% at Rs. 3967 million in Q2 FY20 compared to Rs. 3953 million in Q1 FY20
- ❑ Variable cost (Material, Manufacturing, Selling) declined from 77.9% to 76.9%. Fixed costs were restricted at the last quarter level
- ❑ Thereby, EBIDTA margin improved from 7.48% to 8.14% and PBT improved from Operating Profits improved from 1.9% to 2.6%.

# Performance Review- Consolidated

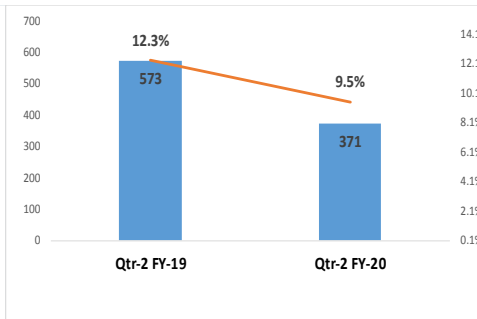
# Consolidated Q1FY20



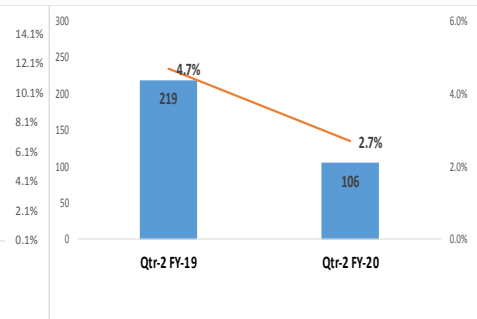
## Revenue



## EBIDTA Profit & Margin

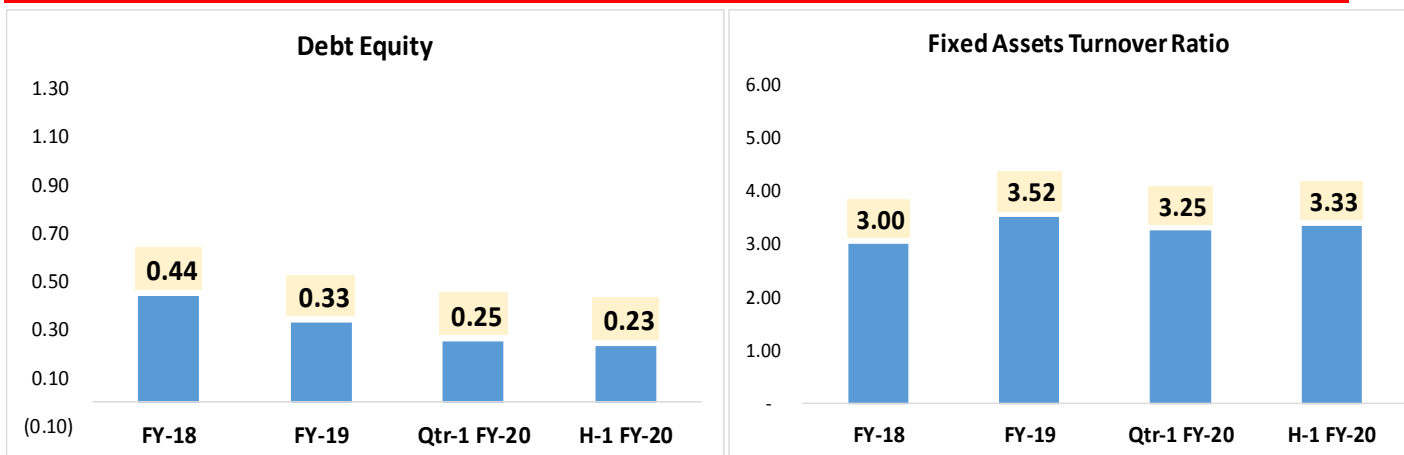


## PAT & PAT Margin



- ❑ Total Revenue was down by 15.9% at 3912 mn in Q2 FY20 compared to Rs. 4654 mn in Q2FY19. This is against decline in Passenger Vehicle Market segment of 22.9%.
- ❑ EBIDTA margin declined from 12.3% to 9.5% as lower sales could not absorb fixed cost towards Employee and Admin
- ❑ PAT declined despite strict control on Fixed Costs. There was decline in Depreciation and interest Cost.

# Key Ratios



- ❑ Borrowings have reduced from a high of Rs. 2322 Million as on 31/3/2018 to Rs. 1884 Million as on 31/3/2019 and now stands at Rs. 1318 Million as on 30/9/2019
- ❑ Company also has Cash Reserves of Rs. 625 Million to internally manage future expansion without raising any additional borrowings
- ❑ Company has been allowed to increase its banking credit limit to Rs. 850 Million from Japanese Banks operating in India which is supported by Guarantee from JTEKT Corporation, Japan. This has helped to reduce high cost borrowings from existing banks thereby reducing Interest cost



# Operational Highlights

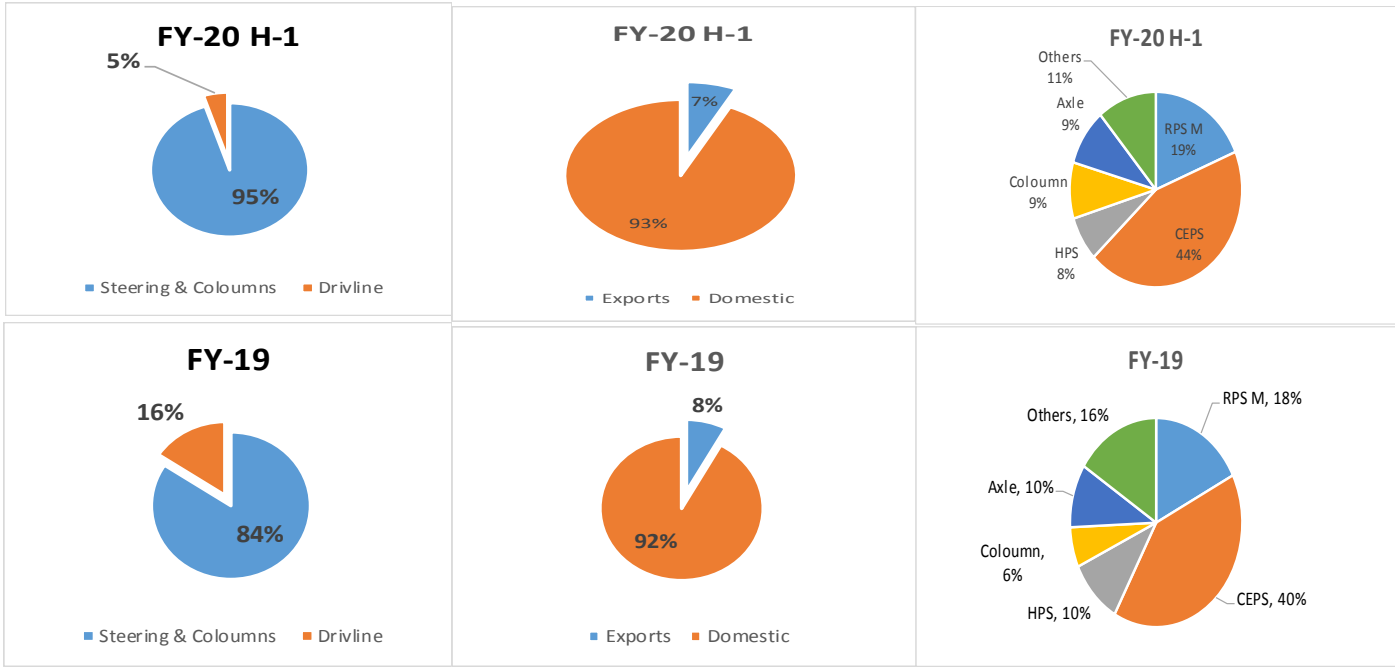
# Product Wise & Geographic Sales Mix



Product Wise Sales Mix\*

Geographic Sales Mix

Product Revenue Breakup



# Financial Statements

# P&L –Standalone



Rs/Million

| Particulars                                | Qtr-2 F 19  | Qtr-2 F 20                                      | YOY %       | Qtr-1 F 20                                     | QOQ %      |
|--|-------------|---|-------------|--|------------|
| <b>Sales Revenue</b>                       | <b>4685</b> | <b>3967</b>                                     | <b>-15%</b> | <b>3953</b>                                    | <b>0%</b>  |
| Material Cost                              | 3217        | 2792  | -13%        | 2783   | 0%         |
| Manufacturing Cost                         | 269         | 217   | -19%        | 229  | -5%        |
| Selling Cost                               | 123         | 21  | -83%        | 45   | -53%       |
| Employee Cost                              | 460         | 511   | 11%         | 508  | 1%         |
| Administrative Cost                        | 103         | 103   | 0%          | 93   | 11%        |
| <b>EBITDA</b>                              | <b>513</b>  | <b>323</b>                                      | <b>-37%</b> | <b>296</b>                                     | <b>9%</b>  |
| Depreciation                               | 228         | 220   | -4%         | 223  | -1%        |
| <b>Operating Profit</b>                    | <b>285</b>  | <b>103</b> <span style="color: green;">▼</span> | <b>-64%</b> | <b>73</b> <span style="color: green;">▼</span> | <b>41%</b> |
| Financial Cost                             | 37          | 26  | -31%        | 33   | -21%       |
| Other Income                               | 46          | 20  | -57%        | 51   | -61%       |
| <b>PBT from Operations</b>                 | <b>294</b>  | <b>97</b> <span style="color: green;">▼</span>  | <b>-67%</b> | <b>91</b> <span style="color: green;">▼</span> | <b>6%</b>  |
| <b>Profit After Tax</b>                    | <b>192</b>  | <b>79</b>                                       | <b>-59%</b> | <b>67</b>                                      | <b>18%</b> |
| <b>PAT after recognising IND AS Impact</b> | <b>198</b>  | <b>79</b>                                       | <b>-60%</b> | <b>68</b>                                      | <b>16%</b> |

| Key Ratios as a % of Total Revenue | Qtr-2 F 19 | Qtr-2 F 20 | Qtr-1 F 20 |
|------------------------------------|------------|------------|------------|
| EBIDTA                             | 10.9%      | 8.1%       | 7.5%       |
| Operating Profit                   | 6.1%       | 2.6%       | 1.8%       |
| PAT                                | 4.2%       | 2.0%       | 1.7%       |
| Total Expenditure                  | 89%        | 92%        | 93%        |
| Raw Material                       | 68.7%      | 70.4%      | 70.4%      |
| Staff Cost                         | 9.8%       | 12.9%      | 12.8%      |
| Other Expenditure                  | 11%        | 9%         | 9%         |

# P&L –Consolidated



| Particulars                                | Rs/Million  |   |             |             |            |
|--|-------------|---|-------------|-------------|------------|
|  | Qtr-2 F 19  | Qtr-2 F 20                                      | YOY %       | Qtr-1 F 20  | QOQ %      |
| <b>Sales Revenue</b>                       | <b>4654</b> | <b>3912</b>                                     | <b>-16%</b> | <b>3904</b> | <b>0%</b>  |
| Material Cost                              | 3080        | 2636  | -14%        | 2640        | 0%         |
| Manufacturing Cost                         | 283         | 232   | -18%        | 244         | -5%        |
| Selling Cost                               | 125         | 21  | -83%        | 45          | -52%       |
| Employee Cost                              | 484         | 538   | 11%         | 535         | 1%         |
| Administrative Cost                        | 109         | 112   | 3%          | 100         | 13%        |
| <b>EBITDA</b>                              | <b>573</b>  | <b>371</b> <span style="color: green;">▲</span> | <b>-35%</b> | <b>341</b>  | <b>9%</b>  |
| Depreciation                               | 241         | 235   | -2%         | 237         | -1%        |
| <b>Operating Profit</b>                    | <b>332</b>  | <b>136</b> <span style="color: green;">▲</span> | <b>-59%</b> | <b>104</b>  | <b>31%</b> |
| Financial Cost                             | 37          | 26  | -30%        | 33          | -21%       |
| Other Income                               | 33          | 21  | -37%        | 26          | -20%       |
| <b>PBT from Operations</b>                 | <b>328</b>  | <b>131</b> <span style="color: green;">▲</span> | <b>-60%</b> | <b>97</b>   | <b>35%</b> |
| <b>Profit After Tax</b>                    | <b>213</b>  | <b>106</b>                                      | <b>-50%</b> | <b>62</b>   | <b>70%</b> |
| <b>PAT after recognising IND AS Impact</b> | <b>219</b>  | <b>106</b>                                      | <b>-52%</b> | <b>63</b>   | <b>67%</b> |

| Key Ratios as a % of Total Revenue | Qtr-2 F 19 | Qtr-2 F 20 | Qtr-1 F 20 |
|------------------------------------|------------|------------|------------|
| EBIDTA                             | 12.3%      | 9.5%       | 8.7%       |
| Operating Profit                   | 7.1%       | 3.5%       | 2.7%       |
| PAT                                | 4.7%       | 2.7%       | 1.6%       |
| Total Expenditure                  | 88%        | 91%        | 91%        |
| Raw Material                       | 66.2%      | 67.4%      | 67.6%      |
| Staff Cost                         | 10.4%      | 13.8%      | 13.7%      |
| Other Expenditure                  | 11%        | 9%         | 10%        |

# About JTEKT

# About JTEKT India Limited

## (Company Background)



- ❑ Established in 1984, JTEKT India Limited (formerly known as Sona Koyo Steering Systems Limited) (JIN) is currently the largest manufacturer of steering systems for the passenger car and utility vehicle market in India, catering to passenger cars, utility vehicles and light commercial vehicles. The Company gets its technology from JTEKT Corporation, Japan the largest producer of passenger vehicles' steering systems in the world.
- ❑ JIN's customer base includes major vehicle manufactures in India such as Maruti Suzuki, Toyota, Tata Motors, Mahindra & Mahindra, General Motors, Fiat India, Isuzu Motors, Honda and Renault Nissan.
- ❑ The Company has operations across India through its 8 Plants (2 plants in Gurgaon, 3 plants in Dharuhera, 1 plant in Chennai, 1 in Sanand & 1 in Bawal).
- ❑ The product portfolio of the company includes High performance Rack and Pinion Manual Steering Gear, Hydraulic power steering System, Recirculating Ball Screw Assembly, Column type Electric Power Steering, Tilt & telescopic steering column, intermediate shaft , Advanced column & telescopic Intermediate shaft for Commercial Vehicles, Electric Power Assist Module (EPAM) for Off Highway and Farm Sector, Rear Axle Assy and other Driveline products.

# About JTEKT Corporation

## (Company Background)



- ❑ JTEKT Corporation was established in January 2006 through the merger of Koyo Seiko Co. Ltd., a world-class bearing manufacturer, and Toyoda Machine Works, Ltd., a machine tool manufacturer excelling in world-leading technologies. Combining the most advanced technologies and the manufacturing passion of the two companies, JTEKT is now a trusted systems supplier of automotive components, bearings and machine tools, providing customers with world-class products.
- ❑ JTEKT pioneered the successful development and mass production of electric power steering systems, and they still hold No.1 share in the global market today. They were also the first manufacturer in Japan to develop high-precision, durable bearings capable of reliable performance in severe environments such as steel rolling mills, where temperatures exceed 1,200°C, thereby contributing to the expansion of various industries.
- ❑ JTEKT has 151 subsidiaries in 28 countries across the Globe supported by a strong team of approximately 49000 employees and having an annual revenue of 1.52 trillion JPY (approx. Rs. 995 billion)
- ❑ **Company Philosophy:** Seek to contribute to the happiness of people and the abundance of society through product manufacturing that wins the trust of society.

Shaping a Better Future through the spirit of “No. 1 & Only One”



*The Journey continues*

