



Investor Update – Q1 FY'13

Sona Koyo Steering Systems Ltd.



Aug 03, 2012

1.

Performance Review

2.

Operational Highlights

3.

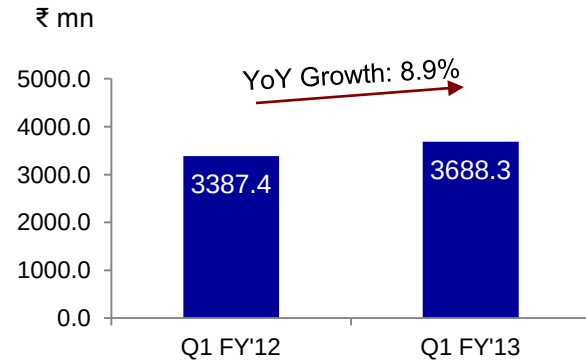
Financial Statements

4.

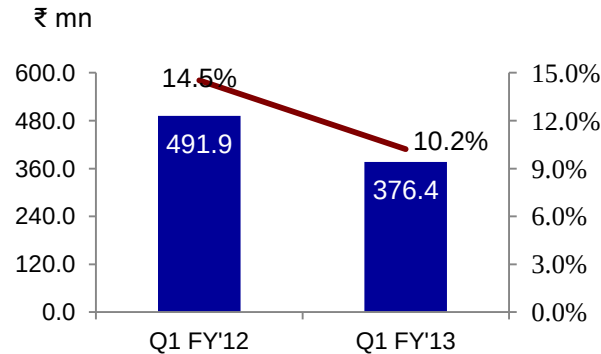
Shareholding Pattern

Robust growth of 8.9% in revenues on consolidated basis

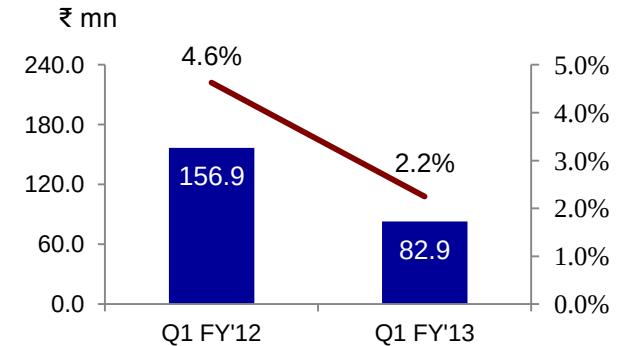
Revenue & Revenue Growth



EBITDA & EBITDA Margin



PAT & PAT Margin



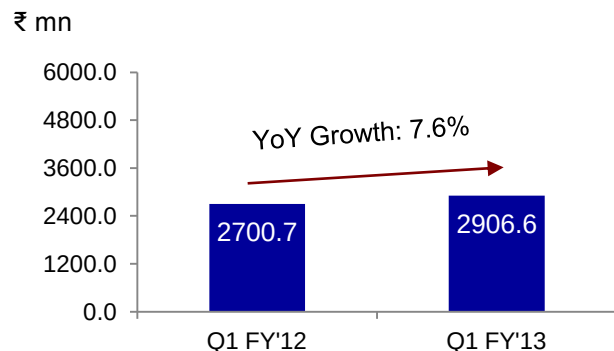
- Total Revenues up 8.9% YoY from ₹3,387.4mn to ₹3,688.3mn
- EBITDA for the quarter stood at ₹376.4mn with EBITDA margins of 10.2%
 - ✓ Increase in staff costs as a % of revenue from 68.5% to 71.5%
- PAT for the quarter stood at ₹82.9mn with PAT margins of 2.2%
 - ✓ Increase in depreciation charges as a % of revenues from 3.2% to 3.6%;
 - ✓ Decline in finance charges as a % of revenues from 3.2% to 2.9%

Refer Slide 7 for detailed P&L Statement

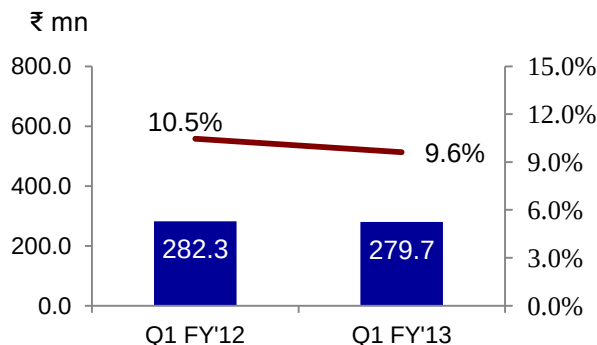
* Note: Total Revenues include other operating income of ₹12.8mn during Q1 FY'12 and ₹19.4mn during Q1 FY'13

7.6% growth in revenues on standalone basis

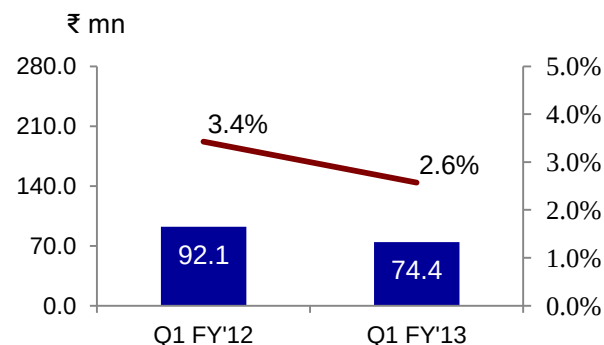
Revenue & Revenue Growth



EBITDA & EBITDA Margin



PAT & PAT Margin



■ Revenues up 7.6% YoY from ₹2,700.7mn to ₹2,906.6mn

- ✓ Domestic sales increased 6.4% YoY from ₹2,593.4mn to ₹2,758.2mn
- ✓ Export Sales increased by 36.2% YoY from ₹98.2mn to ₹133.7mn

■ EBITDA for the quarter stood at ₹279.7mn with EBITDA margins of 9.6%

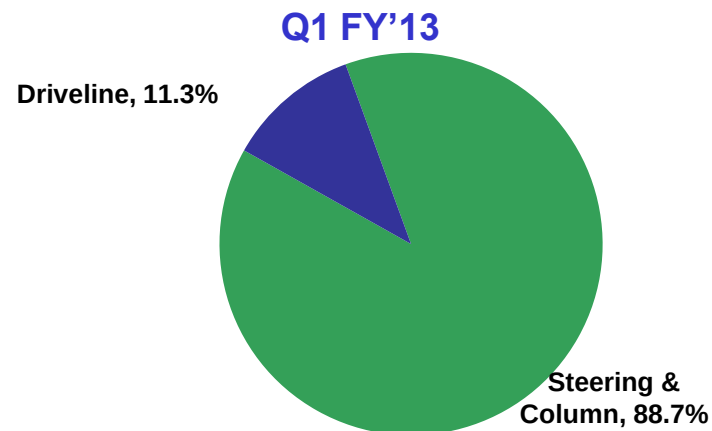
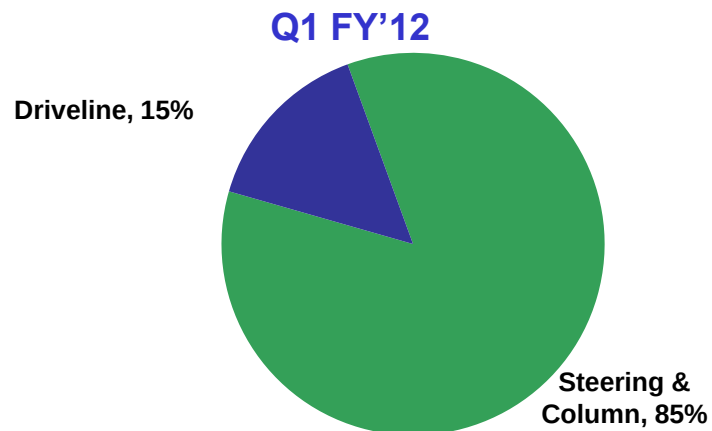
- ✓ Other expenditure as a % of revenues increased from 8.1% to 9.9%

■ PAT for the quarter stood at ₹74.4mn with PAT margins of 2.6%

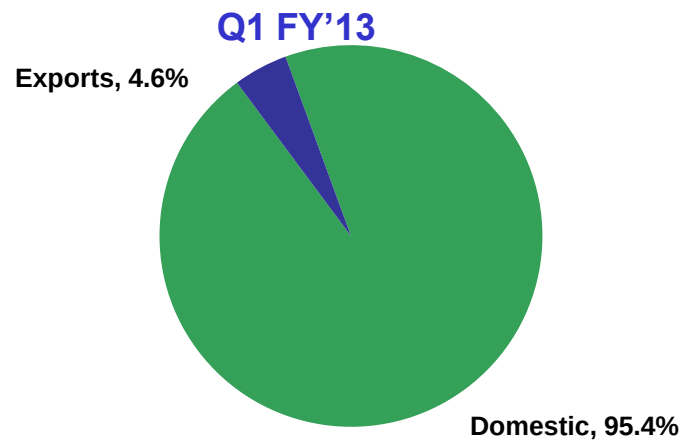
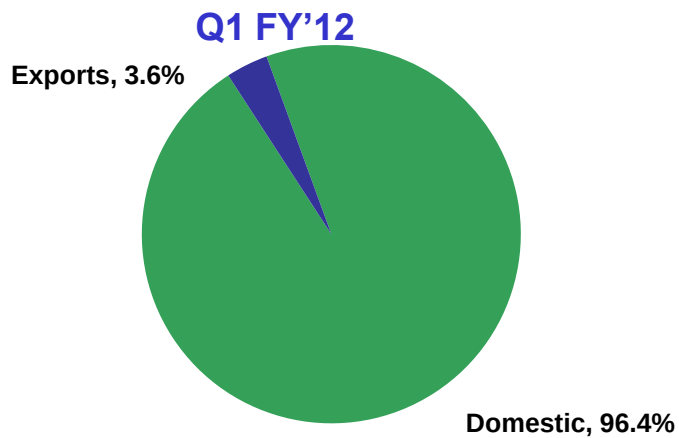
Refer Slide 8 for detailed P&L Statement

* Note: Total Revenues include other operating income of ₹9.1mn during Q1 FY'12 and ₹14.7mn during Q1 FY'13

Product Wise Sales Mix



Geographic Sales Mix



*Note: Break up on standalone basis

Increased Capacity utilization

- Overall capacity utilization for Q1 FY'13 stood at 70%
- Capacity utilization across product categories during Q1 FY'13:
 - ✓ Steering Products: 77%
 - ✓ Driveline Products: 40%

New Product/ Order Flows

- Supplies of indigenously developed Electric Power Assist Module (EPAM) to John Deere ,USA commenced during Q1 FY'13.
- Projects for Honda and Nissan are in completion of development and supplies will start in Q2 FY'13

Consolidated Audited Income Statement

Amount in ₹mn

Particulars	Q1 FY13	Q1 FY12	YoY (%)
Net Income from Operations	3,668.9	3,374.5	8.7%
Other Operating Income	19.4	12.8	51.4%
Total Income	3,688.3	3,387.4	8.9%
Total Expenditure	3,311.9	2,895.5	14.4%
Consumption of Raw Material	2,638.9	2,319.3	13.8%
Staff Cost	303.0	282.0	7.5%
Other Expenditure	369.9	294.3	25.7%
EBITDA	376.4	491.9	-23.5%
Depreciation & Amortisation	132.2	108.5	21.9%
EBIT	244.2	383.3	-36.3%
Finance Charges	108.0	108.1	-0.1%
Other Income	6.5	8.8	-26.5%
Exceptional items	-	-	N.A.
(Gain)/Loss on Foreign Currency Loan Trar	-	-	N.A.
PBT	142.7	284.1	-49.8%
Tax (including deferred)	48.6	60.5	-19.8%
PAT (before Minority Interest)	94.1	223.6	-57.9%
Share of Profit/ (Loss) to Minority	11.2	66.7	-83.1%
PAT	82.9	156.9	-47.1%

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

Key Ratios as a % of Total Revenue	Q1 FY13	Q1 FY12
EBIDTA	10.2%	14.5%
PAT	2.2%	4.6%
Total Expenditure	89.8%	85.5%
Raw material	71.5%	68.5%
Staff Cost	8.2%	8.3%
Other Expenditure	10.0%	8.7%

Standalone Audited Income Statement

Amount in ₹mn

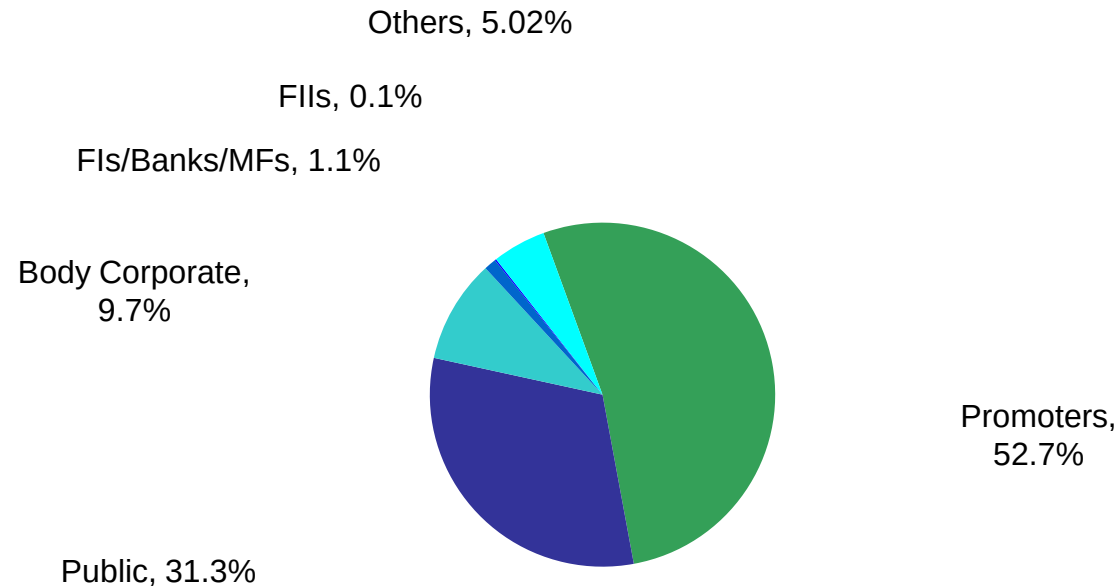
Particulars	Q1 FY13	Q1FY12	YoY (%)
Domestic Sales	2,758.2	2,593.4	6.4%
Exports Sales	133.7	98.2	36.2%
Net Income from Operations	2,891.9	2,691.6	7.4%
Other Operating Income	14.7	9.1	61.5%
Total Income	2,906.6	2,700.7	7.6%
Total Expenditure	2,626.9	2,418.4	8.6%
Consumption of Raw Material	2084.0	1959.9	6.3%
Staff Cost	256.5	238.9	7.4%
Other Expenditure	286.4	219.6	30.4%
EBITDA	279.7	282.3	-0.9%
Depreciation & Amortisation	98.5	77.4	27.3%
EBIT	181.2	204.9	-11.5%
Finance Charges	78.3	78.7	-0.5%
Other Income	8.7	10.2	-14.3%
Exceptional Items	-	-	N.A.
(Gain)/Loss on Foreign Currency Loan Trar	-	-	N.A.
PBT	111.7	136.4	-18.1%
Tax (including deferred)	37.3	44.3	-15.6%
PAT	74.4	92.1	-19.3%

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

Key Ratios as a % of Total Revenue	Q1 FY13	Q1FY12
EBIDTA	9.6%	10.5%
PAT	2.6%	3.4%
Total Expenditure	90.4%	89.5%
Raw material	71.7%	72.6%
Staff Cost	8.8%	8.8%
Other Expenditure	9.9%	8.1%

As on 30th June 2012

Equity Shares Outstanding-198,741,832



For any Investor Relations queries please contact:

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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

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.