

Syrma SGS Technology

Earnings Release

H1 FY23



Certain statements in this presentation are forward-looking statements, which involve a number of risks, uncertainties, assumptions and other factors that could cause actual results to differ materially from those in such forward-looking statements. All statements, other than statements of historical fact are statements that could be deemed forward looking statements, including but not limited to the statements containing the words 'planned', 'expects', 'believes', 'strategy', 'opportunity', 'anticipates', 'hopes' or other similar words.

The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding impact of pending regulatory proceedings, fluctuations in earnings, our ability to manage growth, intense competition in Electronic System Design and Manufacturing Services including those factors which may affect our cost advantage, wage increases in India, customer acceptances of our services, products and price structures, our ability to attract and retain highly skilled professionals, our ability to integrate acquired assets in a cost effective and timely manner, client concentration, reduced demand for electronics in our key focus areas, disruptions in electronics industry, our ability to successfully complete and integrate potential acquisitions, the success of our brand development efforts, liability for damages on our service contracts, the success of the companies / entities in which we have made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies, and unauthorized use of our property, other risks, uncertainties and general economic conditions affecting our industry.

There can be no assurance that the forward-looking statements made herein will prove to be accurate, and issuance of such forward looking statements should not be regarded as a representation by the Company, or any other person, that the objective and plans of the Company will be achieved.

All forward looking statements made herein are based on information presently available to the management of the Company and the Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company.

Performance Highlights : H1 FY23

₹ million

Total Revenue

- Total Revenue up **147%** YoY to ₹ **8,666** million.

EBITDA

- EBITDA up by **164%** YoY to ₹ **911** million; EBITDA margin at **10.5%**

PBT

- PBT up **145%** YoY to ₹ **656** million; PBT margin at **7.6%**

PAT

- PAT up **135%** YoY to ₹ **460** million; PAT margin at **5.3%**

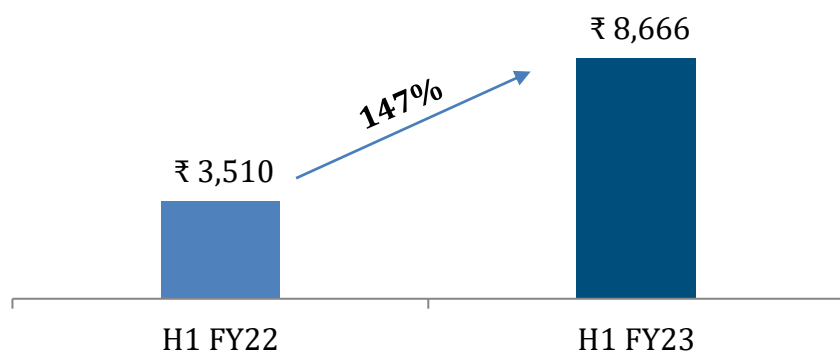
ODM Revenue

- ODM Revenue at **26%** of Revenue from Operations.

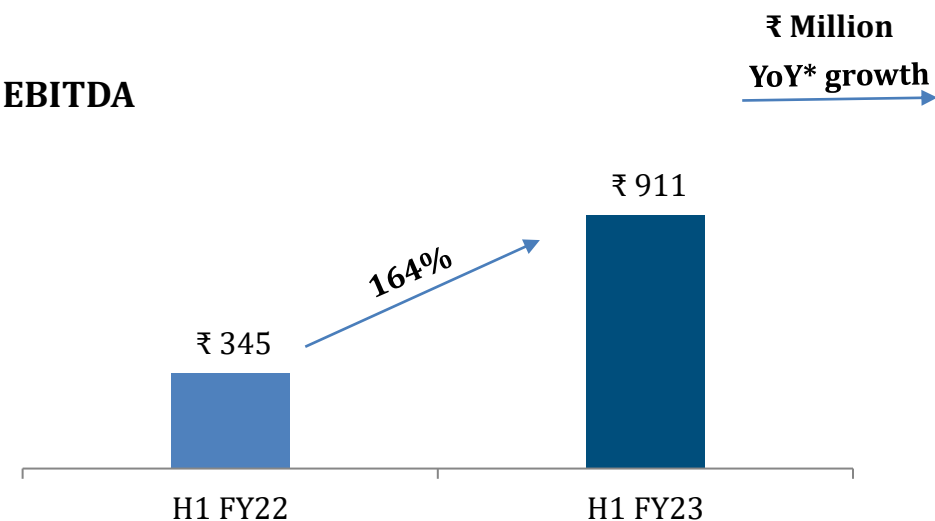
Note: H1 FY22 consolidated financials prepared basis pro-rata consolidation of current subsidiaries and does not factor full P&L of current subsidiaries

Financial Highlights : H1 FY23

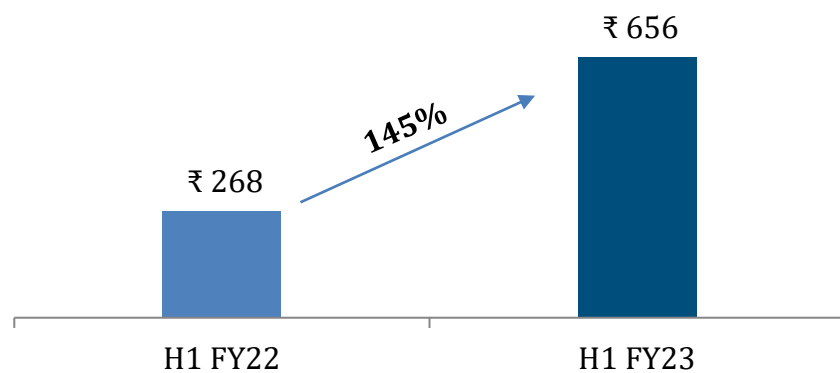
Revenue



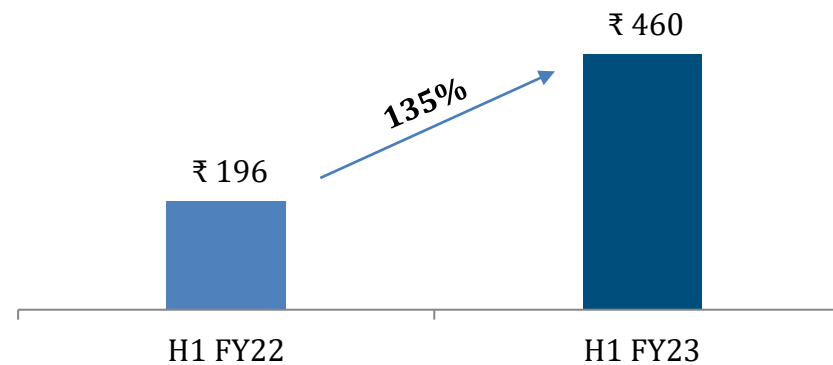
EBITDA



Profit Before Tax



Profit After Tax



* H1 FY22 consolidated financials prepared basis pro-rata consolidation of current subsidiaries and does not factor full P&L of current subsidiaries

Brief Financial Summary

₹ Million

Particulars	H1 FY22	H1 FY23	% Change, YoY
Total Revenue	3,510	8,666	147%
Gross Profit	1,058	2,672	152%
Margin %	30.2%	30.8%	0.6%
Operating Expenses	713	1,761 ¹	147%
EBITDA	345	911	164%
Margin %	9.8%	10.5%	0.7%
Depreciation and amortization	60	142	137%
Finance Cost	17	113 ²	566%
PBT	268	656	145%
Margin %	7.6%	7.6%	-
Tax	98	195	100%
PAT	196	460	135%
Margin %	5.6%	5.3%	-0.3%

Notes:

1. Operating expenses includes ESOP provision of ₹ 39mn and forex MTM impact of ₹ 34mn

2. Finance cost includes forex MTM impact ₹ 33mn

3. H1 FY22 consolidated financials prepared basis pro-rata consolidation of current subsidiaries and does not factor full P&L of current subsidiaries

Industry Segment: H1 FY23

Industry	Revenue (₹ million)	Revenue Mix (%)		Revenue YoY
		H1 FY22	H1 FY23	
Auto	1,735	6%	20%	684%
Consumer	1,845	19%	22%	178%
Healthcare	1,070	21%	12%	44%
Industrials	2,961	29%	35%	195%
IT and Railways	952	24%	11%	14%
Total	8,562	100%	100%	147%

** H1 FY22 consolidated financials prepared basis pro-rata consolidation of current subsidiaries and does not factor full P&L of current subsidiaries*

Debt and Cash

₹ Million

Particulars	30-Sep-21	30-Sep-22
Term Loan	291	907
Working Capital Loan	1,553	2,071
Total Debt	1,844	2,978
Investments	479	8,636
Cash and Cash Equivalents	1,095	427
Total Cash & Equivalents	1,574	9,063

Financial Ratios

Particulars	H1 FY22*	H1 FY23
EBITDA Margin (%)	9.8%	10.5%
PAT Margin (%)	5.6%	5.3%
Net Working Capital Days (A+B-C)	141	80
Net Debt to EBITDA	0.8	n/a
ROCE (%)	7.6%	12.4%
ROCE (%)**	9.1%	21.8%

** H1 FY22 consolidated financials prepared basis pro-rata consolidation of current subsidiaries and does not factor full P&L of current subsidiaries*

***ROCE = Annualized EBIT /Average Net Capital Employed based on the Capital employed as on 30th Sep 22 & 30th Sep 21 (adjusted for goodwill and unutilized IPO proceeds).*

Product capabilities

Value creation for customers



Leaders in high mix flexible volume product



Higher margins and high growth segment



Diversified products



Across industry verticals



Strong R&D capabilities



Huge export market



Printed Circuit Board Assemblies (PCBA)

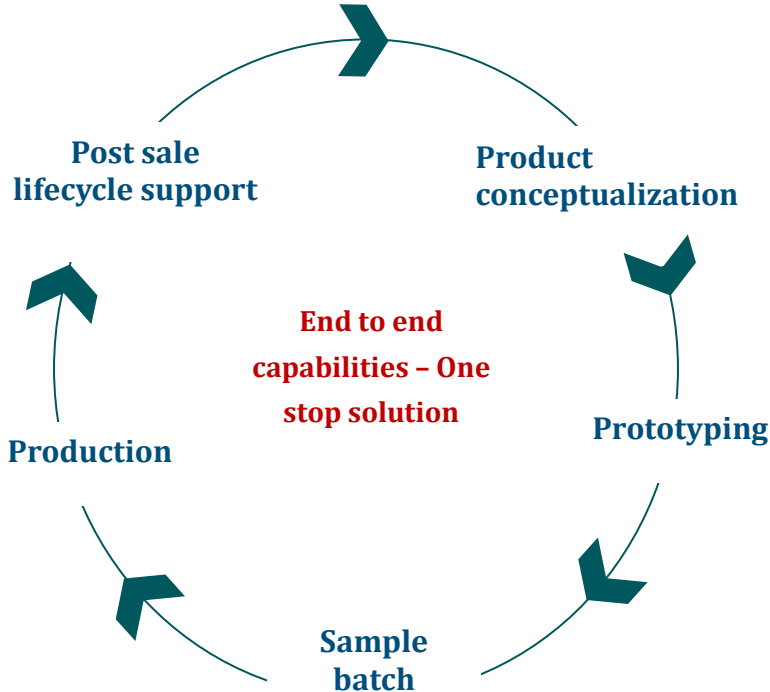


Radio Frequency Identification (RFID)



Electromagnetic and Electromechanical Parts

ESDM capabilities built over 3 decades



Awards & Recognitions



Sep'22

ELCINA's Special Jury Award for "Electronics Company of the Year" for 2021-22

- 2nd Prize - Quality (Large Scale)
- Award for Exports (Large Scale Category)



Jun'22

The Golden Globe Tiger Awards (Asia Edition) Award for "Best In Training & Organizational Development" By World HRD Congress



Jun'22

Green Yodha recognition from our customer i.e., Schneider Electric On planting of 100 Trees across all units.



Jun'22

CII 17th Online Continuous Improvement (Kaizen) Competition (1st Prize)
Southern Region (for Yield Improvement Project)



Jun'22

Signed an MOU with Govt. of Tamil Nadu in the presence of our Hon'ble Chief Minister of Tamil Nadu – Thiru M K Stalin.



Apr'22

MEPZ Award for Export Excellence for the Year 19 – 20

Awards & Recognitions



Thank you

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