

Syrma SGS Technology

Earnings Release
Q3 FY23



February 08th, 2023

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 : Q3 FY23

₹ million

Total Revenue

- *Total Revenue up 73% YoY to ₹ 5,244 million*

EBITDA

- *EBITDA up by 53% YoY to ₹ 596 million; EBITDA margin at 11.4%*

PBT

- *PBT up 51% YoY to ₹ 451 million; PBT margin at 8.6%*

PAT

- *PAT up 70% YoY to ₹ 342 million; PAT margin at 6.5%*

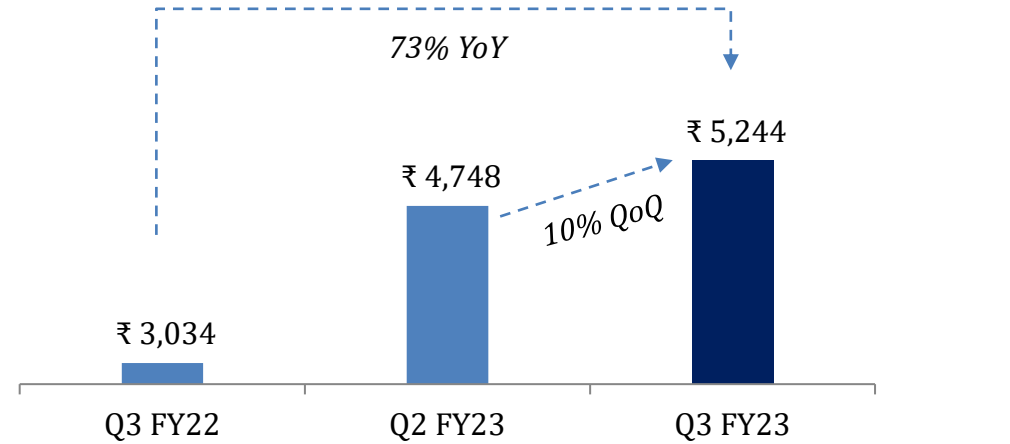
Export Revenue

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

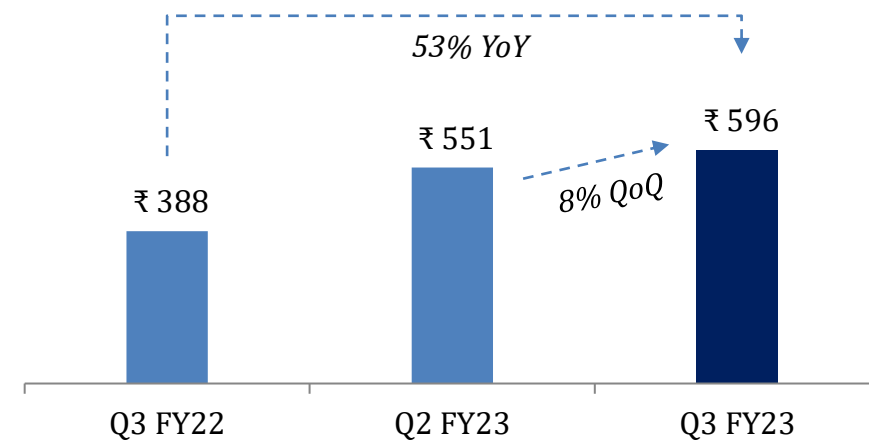
Financial Highlights : Q3 FY23

₹ Million

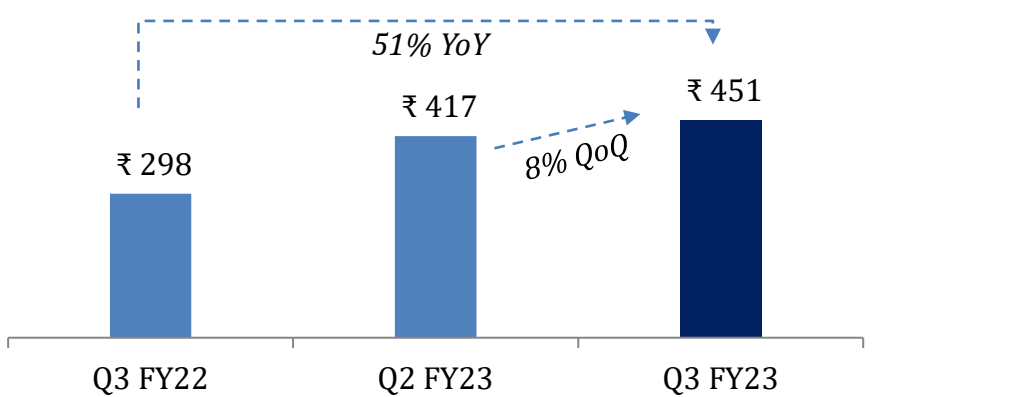
Revenue



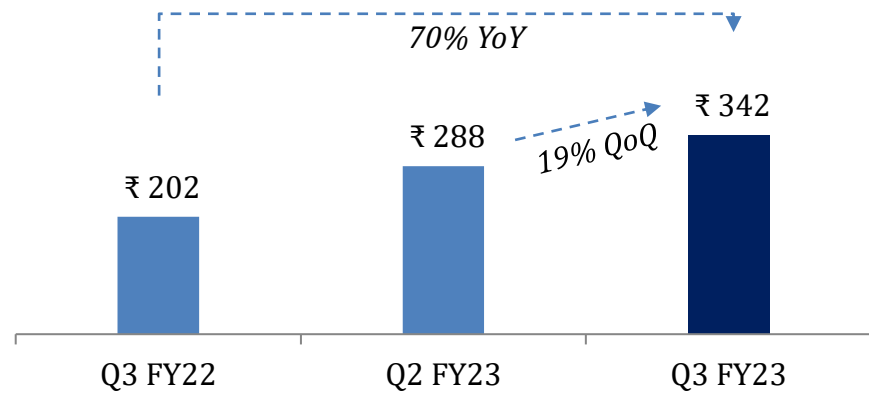
EBITDA



Profit Before Tax

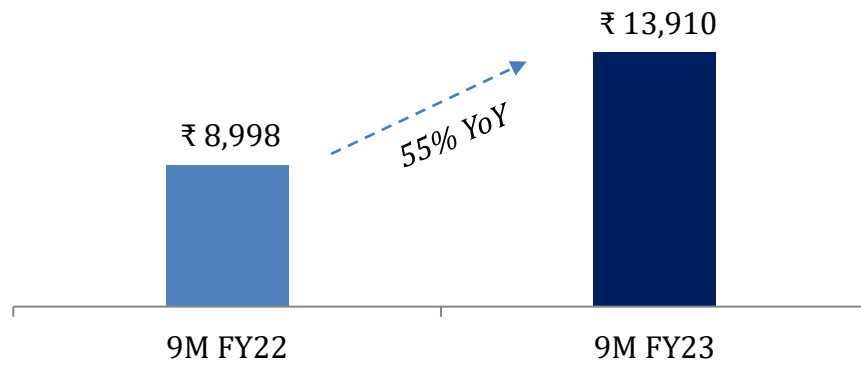


Profit After Tax

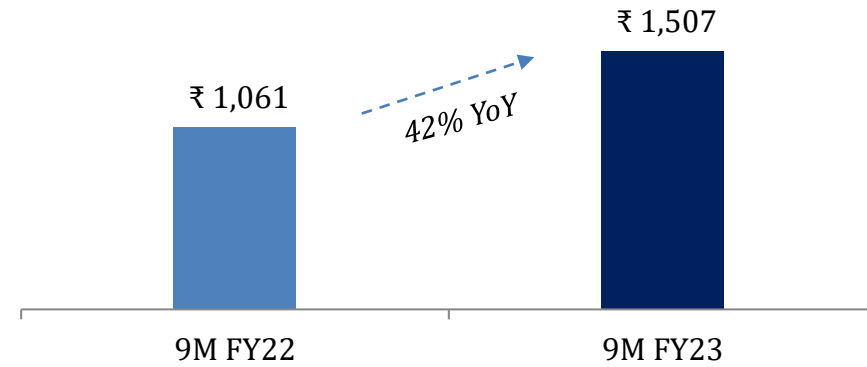


Financial Highlights : 9M FY23

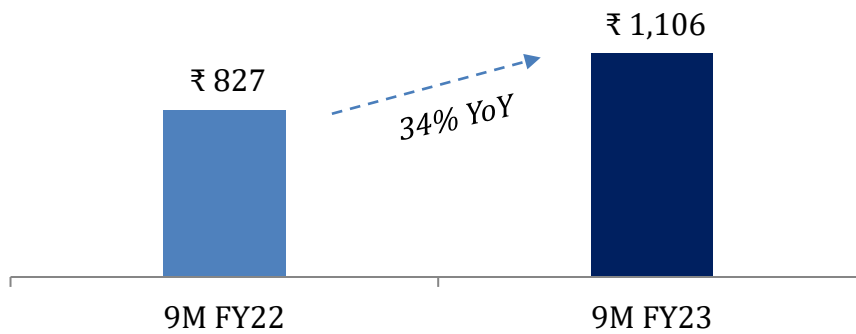
₹ Million
Revenue



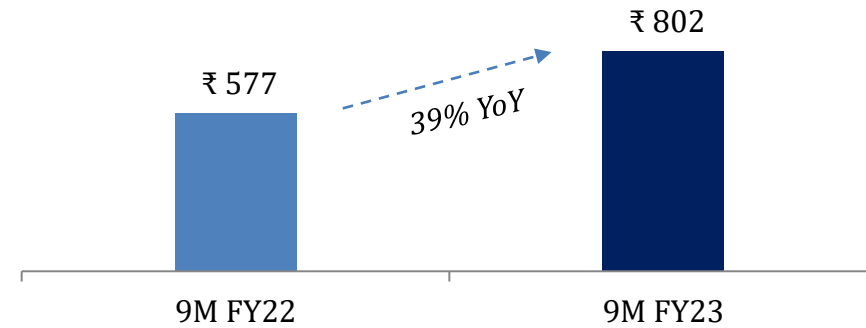
EBITDA



Profit Before Tax



Profit After Tax



Notes: 9M FY22 financials are based on Proforma Consolidated financials.

Brief Financial Summary Q3 FY23

₹ Million

Particulars	Q3 FY22	Q2 FY23	Q3 FY23	% Change, QoQ	% Change, YoY
Total Revenue	3,034	4,748	5,244	10.4%	72.9%
Gross Profit	1,051	1,450	1,419	(2.1%)	35.0%
Margin %	34.7%	30.5%	27.1%	(3.5%)	(7.6%)
Operating Expenses	663	899	823	(8.4%)	24.2%
EBITDA	388	551	596	8.2%	53.5%
Margin %	12.8%	11.6%	11.4%	(0.2%)	(1.4%)
Depreciation and amortization	68	71	81	14.4%	18.8%
Finance Cost	22	63	64	2.0%	195.5%
PBT	298	417	451	8.0%	51.1%
Margin %	9.8%	8.8%	8.6%	(0.2%)	(1.2%)
Tax	96	128	108	(15.0%)	12.3%
PAT	202	288	342	18.7%	69.6%
Margin %	6.7%	6.1%	6.5%	0.5%	(0.1%)

Brief Financial Summary 9M FY23

₹ Million

Particulars	9M FY22	9M FY23	% Change, YoY
Total Revenue	8,998	13,910	54.6%
Gross Profit	2,851	4,091	43.5%
Margin %	31.7%	29.4%	(2.3%)
Operating Expenses	1,790	2,584	44.4%
EBITDA	1,061	1,507	42.0%
Margin %	11.8%	10.8%	(1.0%)
Depreciation and amortization	183	224	21.9%
Finance Cost	51	177	249.3%
PBT	827	1,106	33.7%
Margin %	9.2%	8.0%	(1.2%)
Tax	250	304	21.5%
PAT	577	802	38.9%
Margin %	6.4%	5.8%	(0.7%)

Notes: 9M FY22 financials are based on Proforma Consolidated financials.

Industry Segment: Q3 FY23

Industry	Revenue (₹ million)			QoQ Growth	YoY Growth
	Q3 FY22	Q2 FY23	Q3 FY23		
Auto	634	903	1,076	19.2%	69.6%
Consumer	518	1,059	2,053	93.9%	296.5%
Healthcare	390	504	92	(81.7%)	(76.4%)
Industrials	1,166	1,770	1,614	(8.8%)	38.4%
IT and Railways	309	434	290	(33.2%)	(6.0%)
Total	3,017	4,670	5,126	9.8%	69.9%

Industry Segment: 9M FY23

Industry	Revenue (₹ million)		YoY
	9M FY22	9M FY23	
Auto	1,631	2,796	71.4%
Consumer	1,528	3,890	154.5%
Healthcare	1,129	1,162	2.9%
Industrials	3,436	4,540	32.1%
IT and Railways	1,167	1,301	11.5%
Total	8,892	13,689	53.9%

Notes: 9M FY22 financials are based on Proforma Consolidated financials.

Industry Segment: Material Margins

Industry	Material Margin (%)	
	Q3 FY22	Q3 FY23
Auto	19.1%	23.3%
Consumer	45.6%	19.2%
Healthcare	51.8%	45.1%
Industrials	33.3%	33.4%
IT and Railways	11.0%	15.0%

Debt and Cash

₹ Million

Particulars	31-Dec-21	30-Sep-22	31-Dec-22
Term Loan	79	907	905
Working Capital Loan	1,472	2,071	2,359
Total Debt	1,551	2,978	3,264
Investments	301	8,636	8,363
Cash and Cash Equivalents	510	427	497
Total Cash & Equivalents	811	9,063	8,860
Net Debt / (Cash)	739	(6,085)	(5,596)

Financial Ratios

Particulars	Q3 FY22	Q2 FY23	Q3 FY23
EBITDA Margin (%)	12.8%	11.6%	11.4%
PAT Margin (%)	6.7%	6.1%	6.5%
Net Working Capital Days	96	80	83
Net Debt to EBITDA	0.5	NM	NM
ROCE (%)	17.0%	12.4%	13.4%
ROCE (%)**	22.8%	21.8%	22.5%

***ROCE = Annualized 9M EBIT /Average Net Capital Employed based on the Capital employed as on 31st Dec 22 & 31st Dec 21 (adjusted for goodwill and unutilized IPO proceeds).*

Awards & Recognitions



Dec'22 Best EMS Supplier 2022 Award by Pricol



Nov'22 Innovation & Technology Excellence Award by Wabtec Corporation



Oct'22 Award for Techno Visionary – Industry for the Year 2022



Thank you

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