

Syrma SGS Technology

Earnings Release
Q3 FY24



February 06th, 2024

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.

9M FY2024 Performance

Performance Highlights : 9M FY24

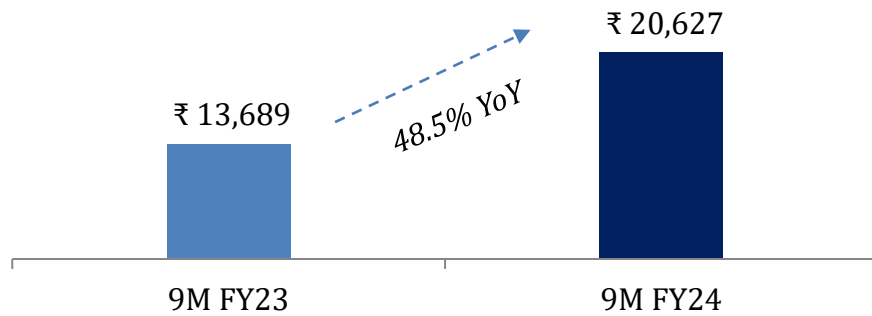
₹ million

Total Revenue	<ul style="list-style-type: none"> Total Revenue ₹20,627 million up 48% YoY.
Operating EBITDA	<ul style="list-style-type: none"> Operating EBITDA ₹ 1,334 up by 2.3% YoY; EBIDTA margin at 6.6%
EBITDA	<ul style="list-style-type: none"> EBITDA ₹ 1,678 up by 11.4% YoY; EBIDTA margin at 8.1%
PBT	<ul style="list-style-type: none"> PBT ₹ 1,066 million lower by (3.6%) YoY; PBT margin at 5.2%
PAT	<ul style="list-style-type: none"> PAT ₹ 791 million lower by (1.3%) YoY; PAT margin at 3.8%
Export Revenue	<ul style="list-style-type: none"> Export Revenue at 27% of Revenue from Operations.

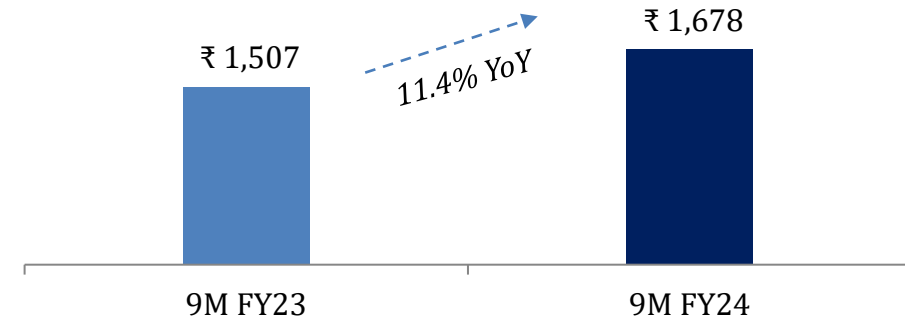
Financial Highlights : 9M FY24

₹ Million

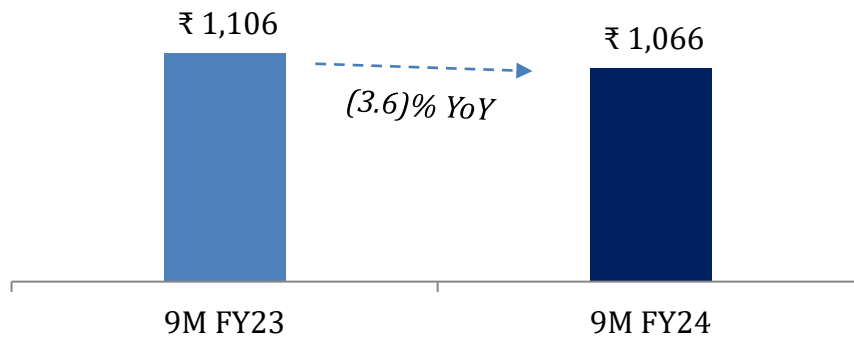
Total Revenue



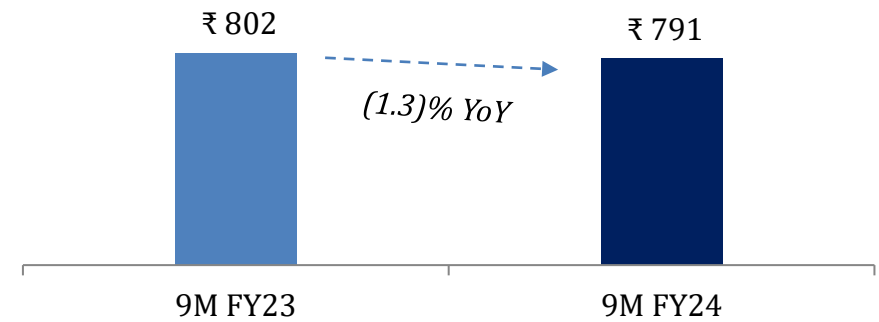
EBITDA



Profit Before Tax



Profit After Tax



Brief Financial Summary 9M FY24

₹ Million

Particulars	9M FY23	9M FY24	YoY
Revenue From Operations	13,689	20,283	48.2%
Other Income	203	344	69.3%
Total Revenue	13,893	20,627	48.5%
Gross Profit	4,073	4,951	21.5%
Margin %	29.3%	24.0%	(5.3%)
Operating Expenses	2,567	3,273	27.5%
EBITDA (Ex Other Income)	1,303	1,334	2.3%
Margin % (Ex Other Income)	9.5%	6.6%	(2.9%)
EBITDA	1,507	1,678	11.4%
Margin %	10.8%	8.1%	(2.7%)
Depreciation and amortization	224	356	59.4%
Finance Cost	177	256	44.5%
PBT	1,106	1,066	(3.6%)
Margin %	8.0%	5.2%	(2.8%)
Tax	304	261	(14.0%)
PAT	802	791	(1.3%)
Margin %	5.8%	3.8%	(1.9%)

Industry Segment: 9M FY24

Industry	Revenue (₹ million)		YoY
	9M FY23	9M FY24	
Auto	2,796	4,686	67.6%
Consumer	3,890	7,394	90.1%
Healthcare	1,162	1,362	17.3%
Industrials	4,540	5,708	27.6%
IT and Railways	1,301	1,047	(19.5%)
Total	13,689	20,197	48.2%

Q3 FY2024 Performance

Performance Highlights : Q3 FY24

₹ million

Total Revenue

- Total Revenue ₹7,188 million up 37% YoY.

Operating
EBITDA

- Operating EBITDA ₹ 414 million lower by 13.9% YoY; EBIDTA margin at 5.8%

EBITDA

- EBITDA ₹ 509 million lower by 14.6% YoY; EBIDTA margin at 7.1%

PBT

- PBT ₹ 270 million lower by 40.2% YoY; PBT margin at 3.8%

PAT

- PAT ₹ 203 million lower by 40.7% YoY; PAT margin at 2.8%

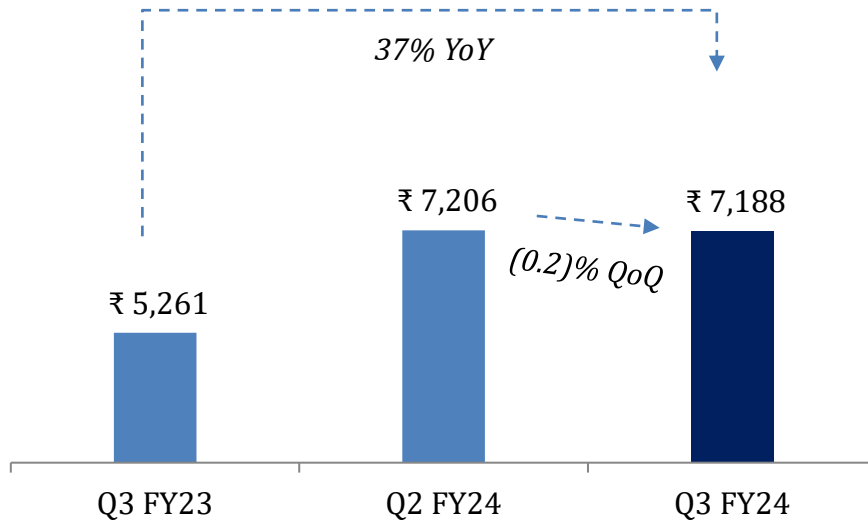
Export
Revenue

- Export Revenue at 28% of Revenue from Operations.

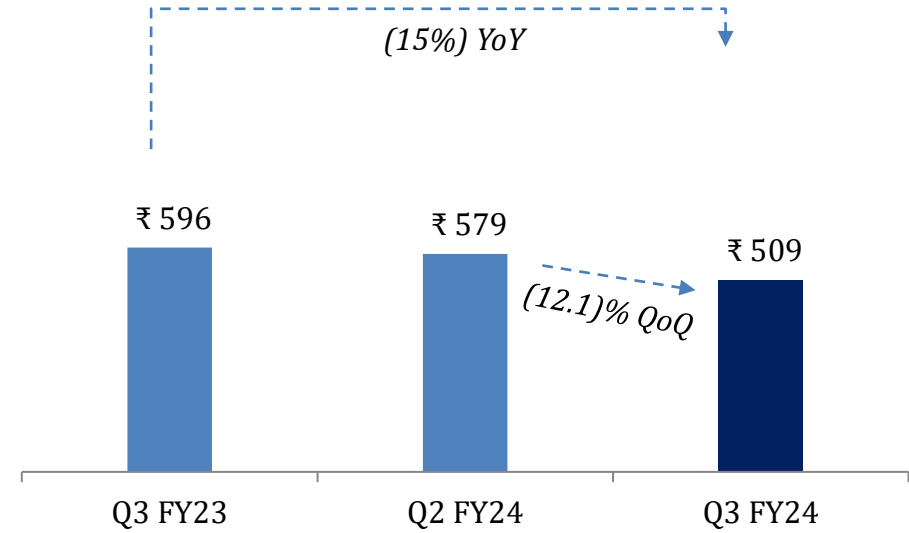
Financial Highlights : Q3 FY24

₹ Million

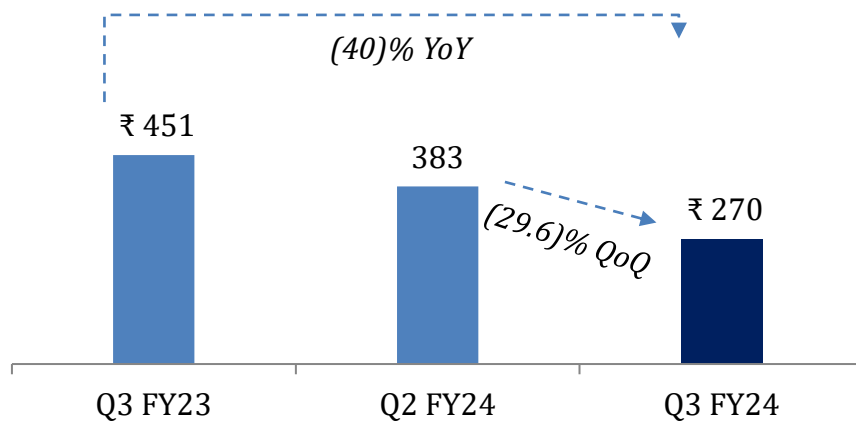
Total Revenue



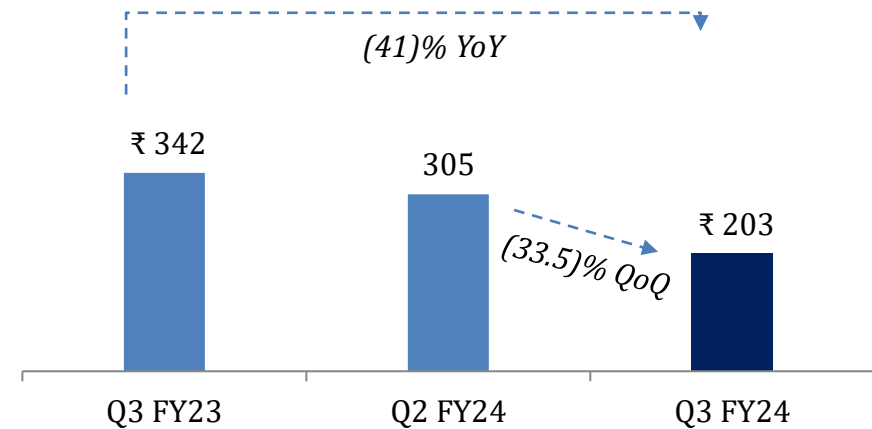
EBITDA



Profit Before Tax



Profit After Tax



Brief Financial Summary Q3 FY24

₹ Million

Particulars	Q3 FY23	Q2 FY24	Q3 FY24	QoQ	YoY
Revenue From Operations	5,145	7,120	7,093	(0.4%)	37.9%
Other Income	115	86	95	11.1%	(17.4%)
Total Revenue	5,261	7,206	7,188	(0.2%)	36.6%
Gross Profit	1,436	1,689	1,715	1.5%	19.5%
Margin %	27.3%	23.4%	23.9%	0.4%	(3.4%)
Operating Expenses	840	1,110	1,206	8.6%	43.6%
EBITDA (Ex Other Income)	480	493	414	(16.1%)	(13.9%)
Margin % (Ex Other Income)	9.3%	6.9%	5.8%	(1.1%)	(3.5%)
EBITDA	596	579	509	(12.1%)	(14.6%)
Margin %	11.3%	8.0%	7.1%	(1.0%)	(4.2%)
Depreciation and amortization	81	116	139	20.0%	71.4%
Finance Cost	64	80	100	25.6%	56.5%
PBT	451	383	270	(29.6%)	(40.2%)
Margin %	8.6%	5.3%	3.8%	(1.6%)	(4.8%)
Tax	108	64	67	3.7%	(38.4%)
PAT	342	305	203	(33.5%)	(40.7%)
Margin %	6.5%	4.2%	2.8%	(1.4%)	(3.7%)

Industry Segment: Q3 FY23

Industry	Revenue (₹ million)			QoQ	YoY
	Q3 FY23	Q2 FY24	Q3 FY24		
Auto	1,076	1,725	1,510	(12%)	40%
Consumer	2,053	2,519	2,544	1%	24%
Healthcare	92	512	693	35%	654%
Industrials	1,614	1,985	1,955	(2%)	21%
IT and Railways	290	376	365	(3%)	26%
Total	5,126	7,117	7,067	(0.7%)	38%

Financial Ratios

Particulars	Q3 FY23	Q2 FY24	Q3 FY24
EBITDA Margin (Ex Other Income, %)	9.4%	6.9%	5.8%
EBITDA Margin (%)	11.4%	8.0%	7.1%
PBT Margin (%)	8.6%	5.3%	3.7%
PAT Margin (%)	6.5%	4.2%	2.8%
Net Debt to EBITDA (LTM)	NM	NM	0.3
Debt to Equity	0.2	0.2	0.3
ROCE (%)	12.4%	13.6%	8.3%
ROCE (% , Adj for IPO Money & Goodwill)	22.5%	14.5%	12.4%

***ROCE = Annualized 9M EBIT /Average Net Capital Employed based on the Capital employed as on 31st Dec 23 & 31st Dec 22 (adjusted for goodwill and unutilized IPO proceeds).*

Debt and Cash

₹ Million

Particulars	31-Dec-22	30-Sep-23	31-Dec-23
Term Loan	905	889	882
Working Capital Loan	2,359	3,338	4056
Total Debt	3,264	4227	4939
Investments	8,363	4702	3680
Cash and Cash Equivalents	497	748	603
Total Cash & Equivalents	8,860	5450	4283
Net Debt / (Cash)	(5,596)	(1222)	656

Q3 FY24: Awards & Recognitions



Got Awarded with Bronze in 37th NCQC quality circle competition.



Gold award in QCFI Delhi Chapter in Quality Circle.



Award of Appreciation from UNO Minda in "Best Technology Upgradation"



Best Supplier Award by Vishay Precision



Kaaga Management's Capacity Kaizen Award Trophy
31XA Launch Award Trophy
Quality Kaizen Award Trophy



Faster Development & Localization Award- 2023 & Best QIT Award Year 2023

Thank you

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