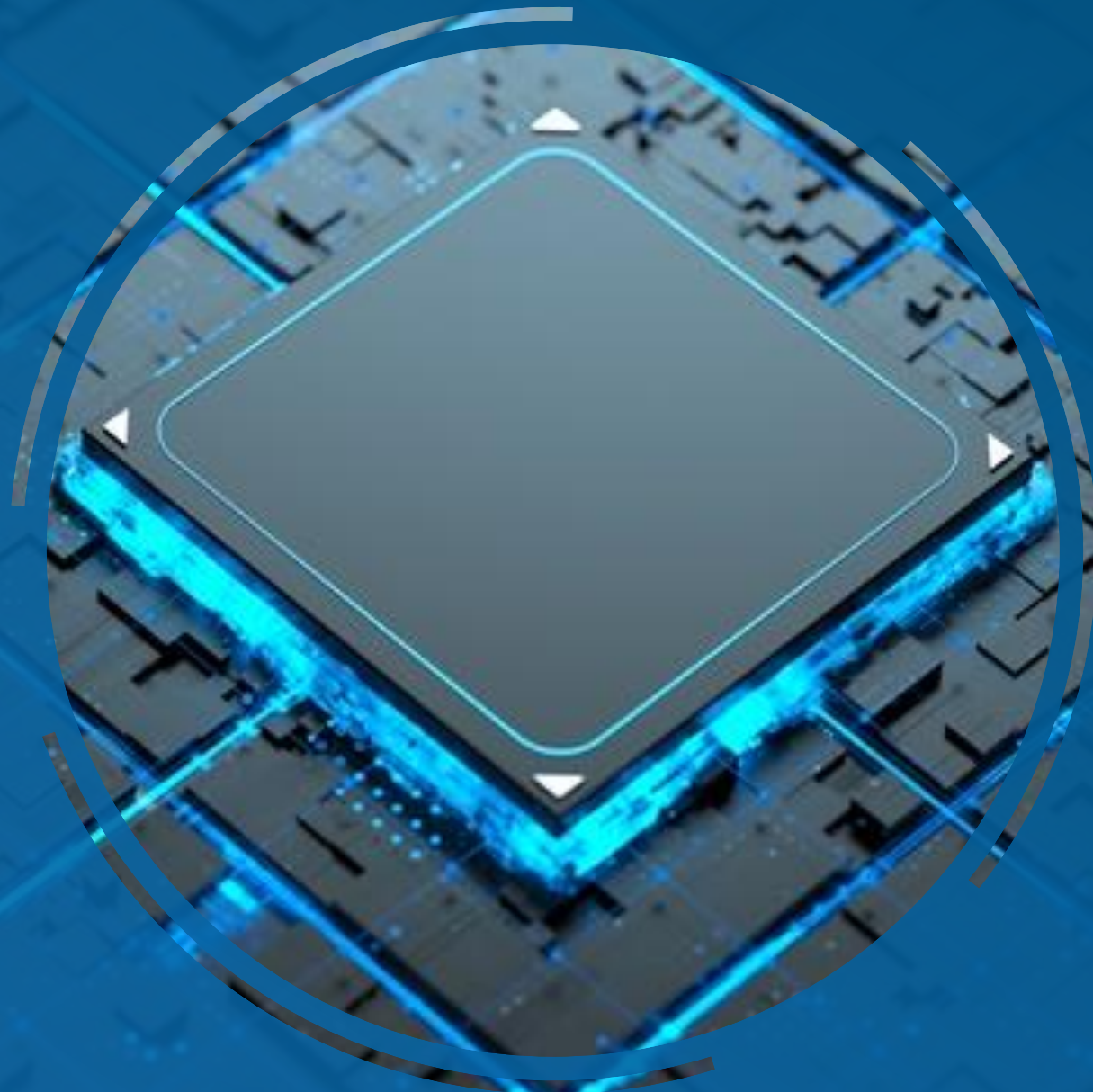




Future of Electronic System Design and Manufacturing (ESDM)


Through Innovation and Technology


February 2023




Who we are

Product capabilities

 **Leaders in high mix flexible volume product¹**

 **Higher margins and high growth segment**

 **Diversified products**



Printed Circuit Board Assemblies (PCBA)



Radio Frequency Identification (RFID)



Electromagnetic and Electromechanical Parts

ESDM capabilities built over 3 decades

Value creation for customers



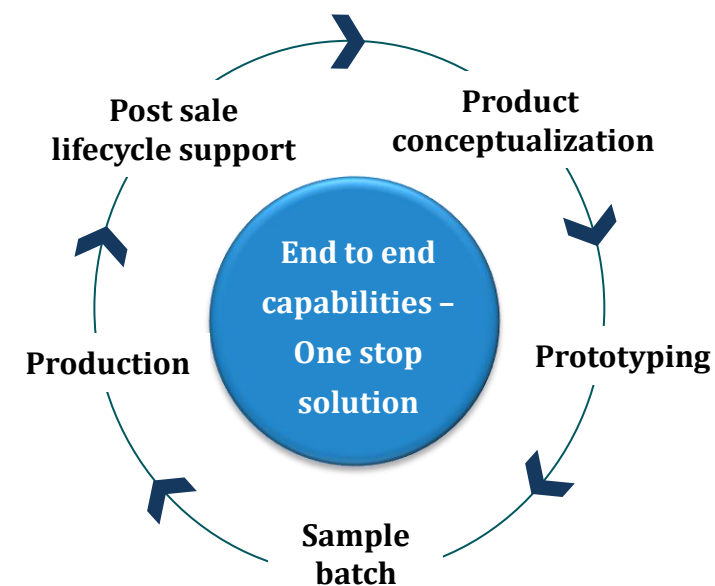
Across industry verticals



Strong R&D capabilities



Huge export market



Key financial highlights² (FY22)

Revenue
Rs 12,844 Mn

EBITDA
Rs 1,437 Mn

PAT
Rs 765 Mn

Select marquee customers



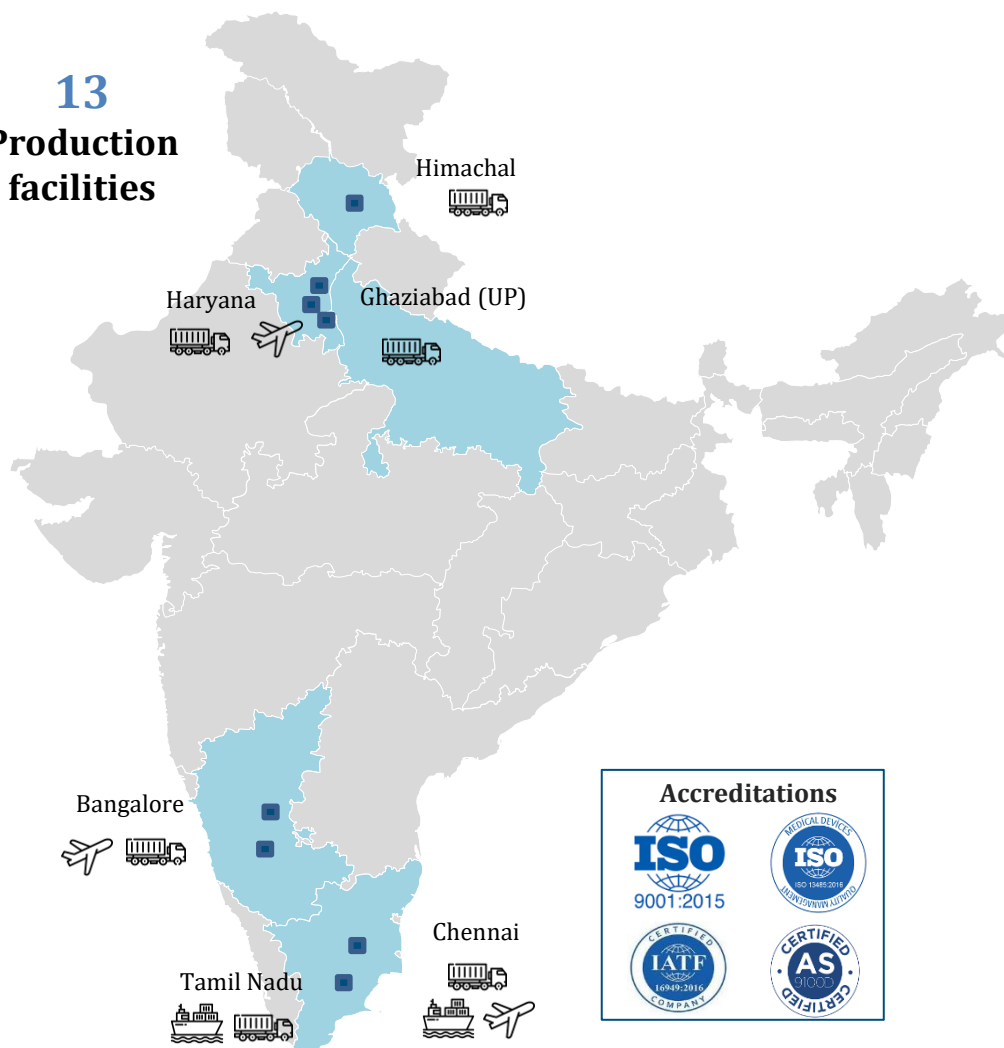
1. As per F&S report

2. As per the Proforma Condensed Combined Financial Information

State of the art manufacturing infrastructure with strong R&D capabilities and robust supply chain

Strategically located 11 manufacturing facilities

13 Production facilities



Three dedicated R&D facilities - 1 in Germany and 2 in India

Strong R&D led support to drive ODM revenues and improvement in margins



- **106 employees** deployed in Engineering and R&D department, constituting **12% of permanent employees**



- **27% of total revenue*** from **R&D led ODM capabilities**
- **Rs 220 Mn revenue*** attributable to **design and engineering services**

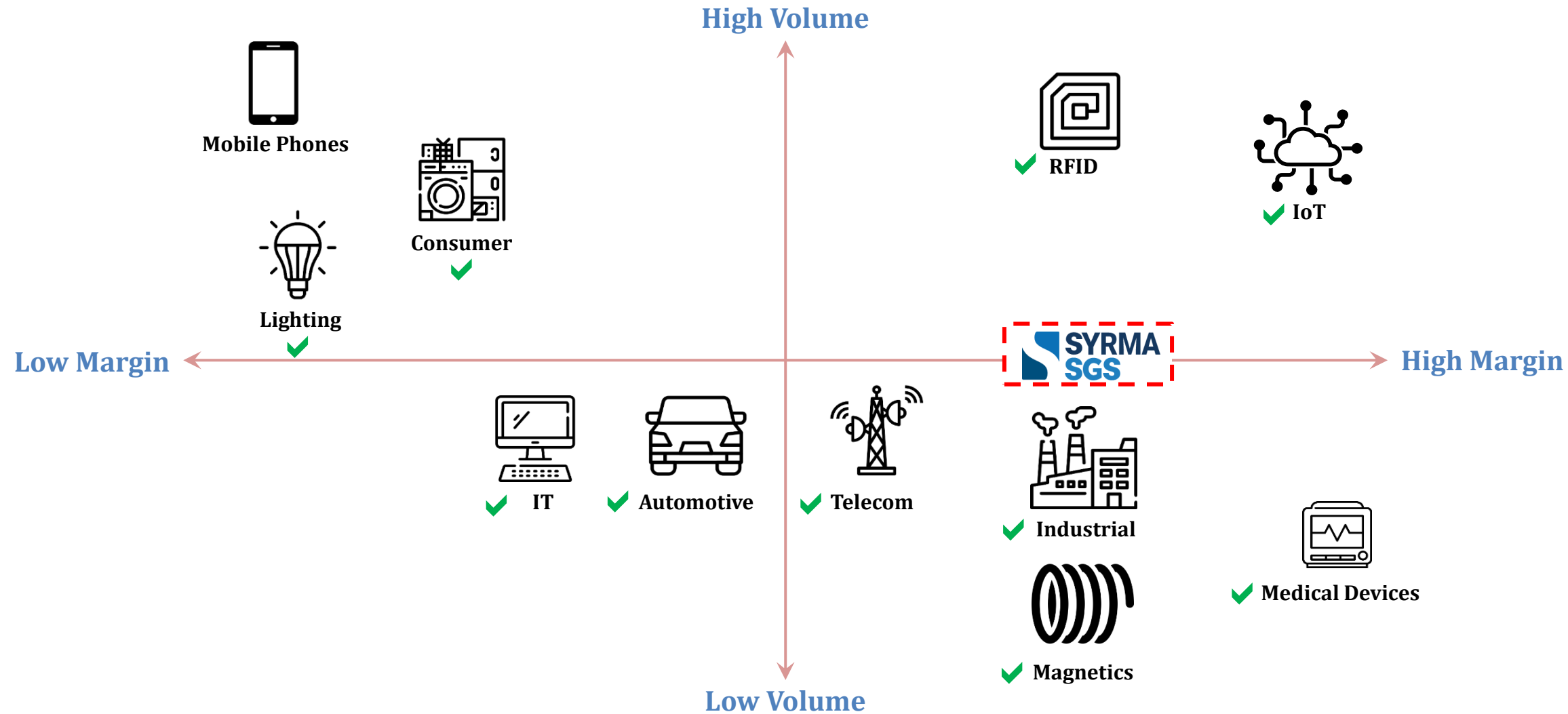
Robust supply chain



- **Not reliant on any single supplier – 1,669 Suppliers in 21+ countries** including USA, Singapore and China;
- Major suppliers **separately audited** and **verified by quality engineers**









* Basis FY22 Proforma Condensed Combined Financial Information

Engineering... key to high margin play



While Syrma SGS is present across verticals it operates primarily in the high margin products

Enduring relationships with marquee customers globally

Diversified industry presence ¹	
 Industrial	35% 
 Consumer	20% 
 Automotive	20% 
 Healthcare	13% Leading global healthcare company
 Others	12% Leading laptop manufacturing and locomotive company

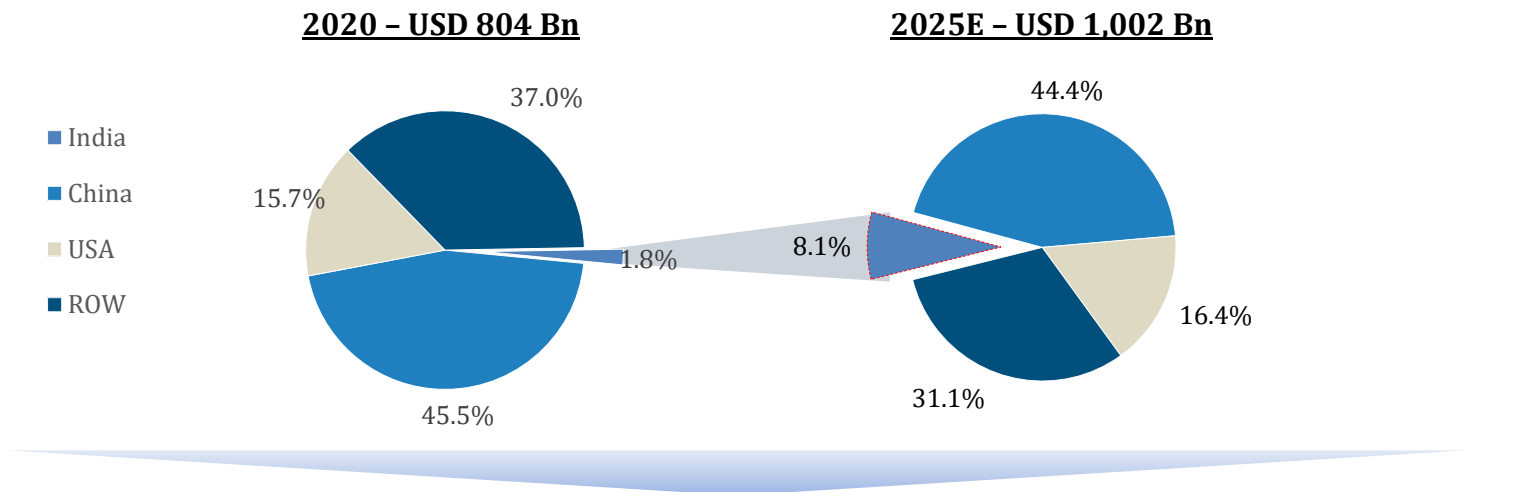
Global presence
24+ countries Serving across globe, including USA, UK, Germany, Austria
200+ customers Cater to over 200 customers in FY22
26%² CAGR Increase in wallet share of top 20 customers
Long-term relationships with minimal concentration
16 Customers serving for 10+ years
93 Customers serving for 3+ years
0 Customers who contribute ¹ > 10% of revenues

Recognized in the industry for responsiveness and being a reliable partner

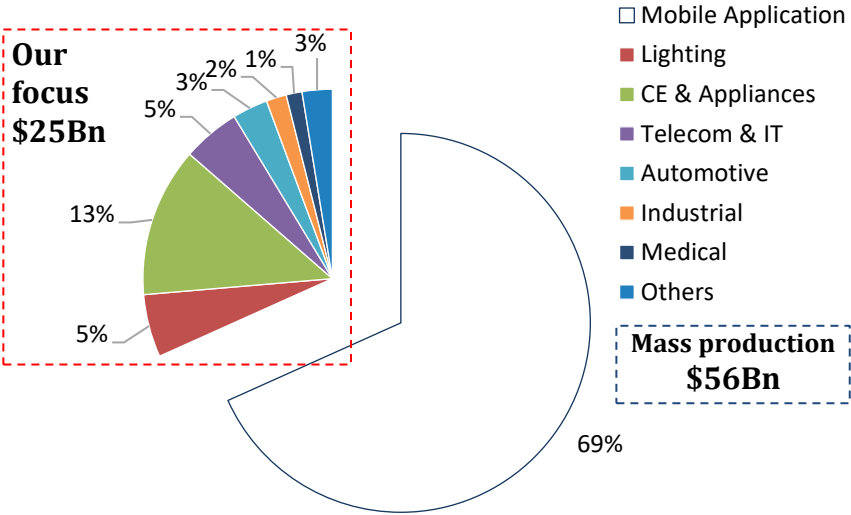
1. During FY22
2. Between FY20-22

Global EMS market expected to reach ~USD 1 Tn by 2025 with Indian EMS market outpacing global trend

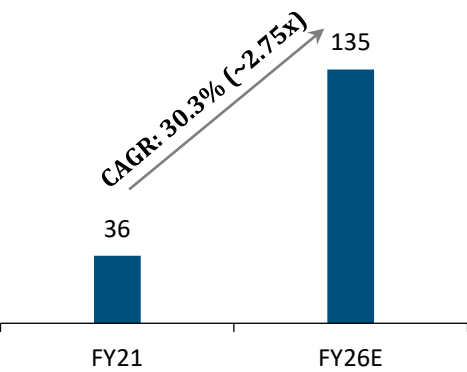
India's share in global EMS market to increase significantly and grow at a CAGR of ~41%



EMS market break-up industry wise FY26E



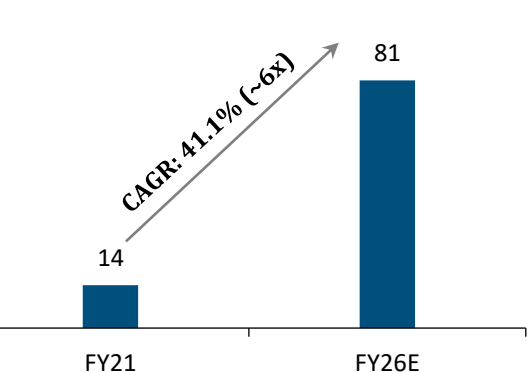
India's EMS addressable market to grow from \$36bn to \$135bn



Increase in Indian players' share in EMS market driven by

- Reduction in import from 39% (FY21) to 20% (FY26E)
- Specialized EMS services driving the growth
- OEM production reducing from 36% (FY21) to 25% (FY26E)

India's EMS market to grow from \$14bn to \$81bn

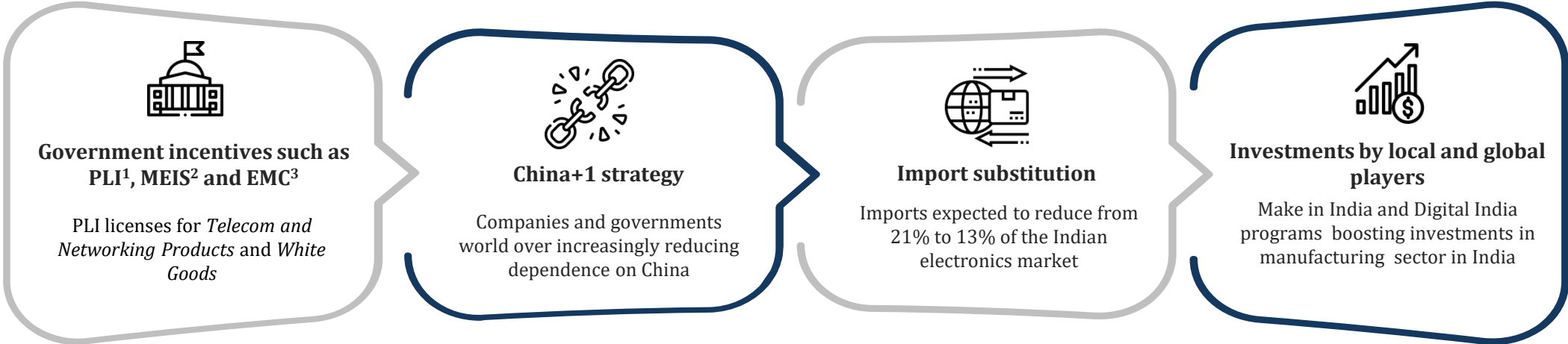


- India EMS market to grow 6x from \$14Bn to \$81Bn
- Syrma SGS leaders in high-mix and flexible volume products

A large and underpenetrated market indicates significant headroom for growth in Indian EMS market

Factors driving growth in Indian EMS market and future opportunities

Factors driving growth in Indian EMS market



Future opportunities in EMS market in India

	1	2	3	4	5
	Electric mobility/Automotive	Telecom/5G	Smart devices/IoT	Consumer appliance	Energy products
Key drivers	Government incentives, reducing carbon emission, income levels	4G/5G, duty, capex	EMS Infrastructure, government policies	Rising income and urbanization	Govt. initiatives, infrastructure development
Key products	Charging infrastructure, batteries, telematics and onboard diagnostic	Routers, GPONs and modems	Smart tooth brush, door and light controllers, RFID tags etc.	RAC, water purifier, washing machine etc.	Controller module for solar panel, IoT based smart meters, RF modules

Source : F&S Industry Reports; 1. PLI – Production Linked Incentive; 2. MEIS – Merchandise Export India Scheme; 3. EMC – Modified Electronics Manufacturing Clusters Scheme

Senior Management



Sandeep Tandon

Executive Chairman

- 18+ years of experience in electronics manufacturing sector
- Bachelor of science in electrical engineering; YPO President's Program from Harvard Business School
- Ex – Celetronix Inc., USA,



Jasbir S. Gujral

Managing Director

- 30+ years of experience in EMS sector
- Chartered Accountant; Bachelor of Commerce (Honours)
- Director of SGS Teknics Manufacturing Private Limited



Sreeram Srinivasan

Chief Executive Officer

- 20+ years of leading experience in Business Operations
- Bachelor of Technology from IIT. Madras; Master of Science from North Carolina State University
- Ex-MD of Saint Gobain and CEO of MTAR



Bijay Agarwal

Chief Financial Officer

- 16+ years of experience in finance and business strategy
- Master's degree in Business Administration
- Ex-Motorola India Pvt Ltd., Dalmia Bharat



R Nagaraj Raghavendra

President – North Operations

- 28+ years of experience in operations in the electronics industry
- Ex-Jabil, Celetronix



N.G. Sreedharan

President – South Operations and Head R&D

- 30+ years of experience in electronics industry and research
- Ex-Tata Institute of Fundamental Research, Celetronix

Active Board... Industry leaders

Board of Directors



Jaideep Tandon

Non-Executive Director

- Director of Infix Services Pvt Ltd and TIS International (USA) Inc.
- Masters in Electrical Engineering from Cornell university



Jayesh Doshi

Non-Executive Director

- Previously associated with Dalmia Bharat Limited as a WTD and CFO
- Bachelors of Commerce from Jai Hind University and Bachelor of Law from University of Bombay



Bharat Anand

Independent Director

- 20+ of experience in corporate law
- Partner at Khaitan & Co



Mr. Kunal Shah

Independent Director

- Co-founder of Dreamplug Technologies Pvt Limited
- Bachelor of Arts in philosophy from Wilson College



Smita Jatia

Independent Director

- Director of Westlife Development Limited
- Bachelors in Commerce from Sydenham College of Commerce



Sridhar Narayan

Non-Executive Director

- Director of Seedworks International and Premier Energies
- Bachelors of Technology in Mechanical Engineering from BHU



Hetal Gandhi

Independent Director

- 35+ years of experience in financial services and consulting
- Ex- IL&FS, CEO of ORIX



Anil Nair

Independent Director

- 20+ years of experience in IT and consulting
- Ex – Aegis Consulting, President of Cisco's cloud business

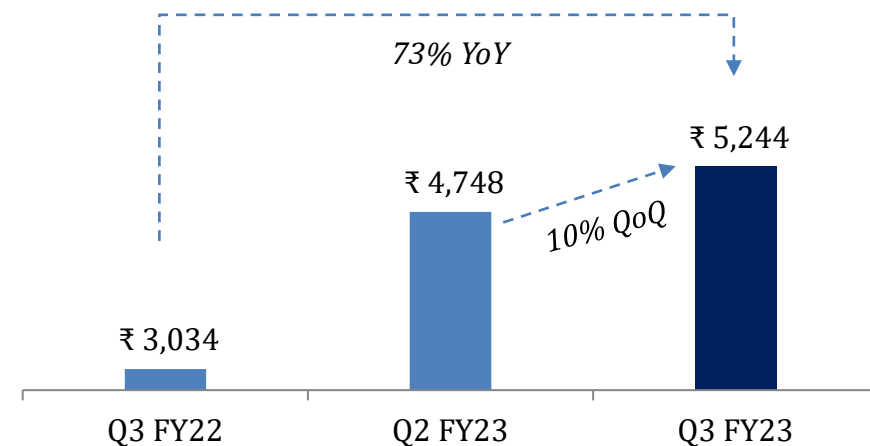
Financial Highlights

Q3 FY2023

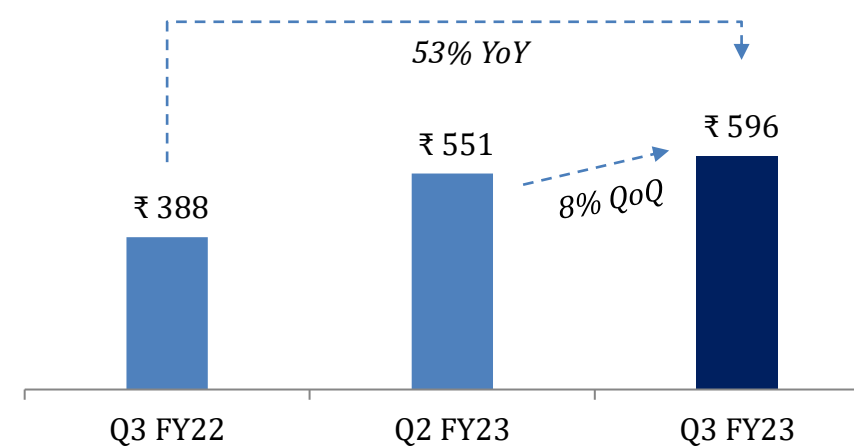
Financial Highlights : Q3 FY23

₹ Million

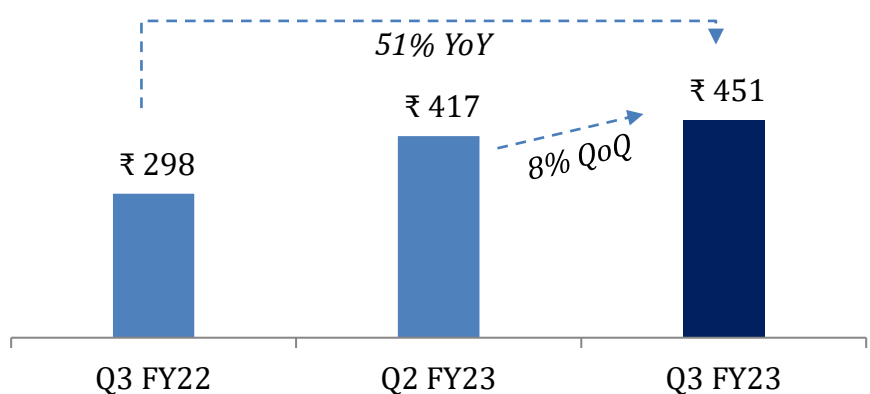
Revenue



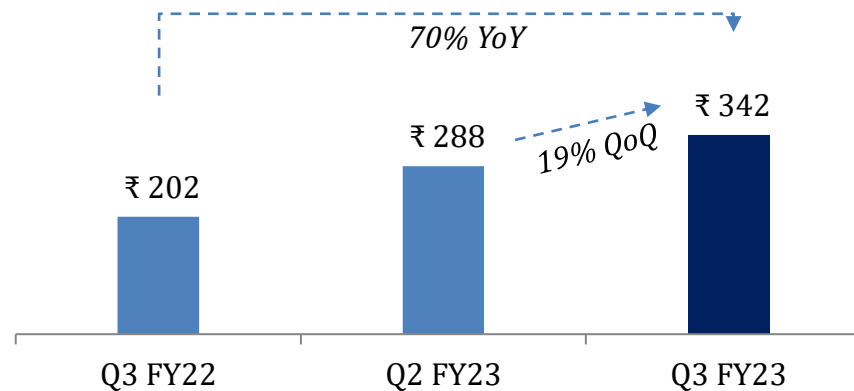
EBITDA



Profit Before Tax

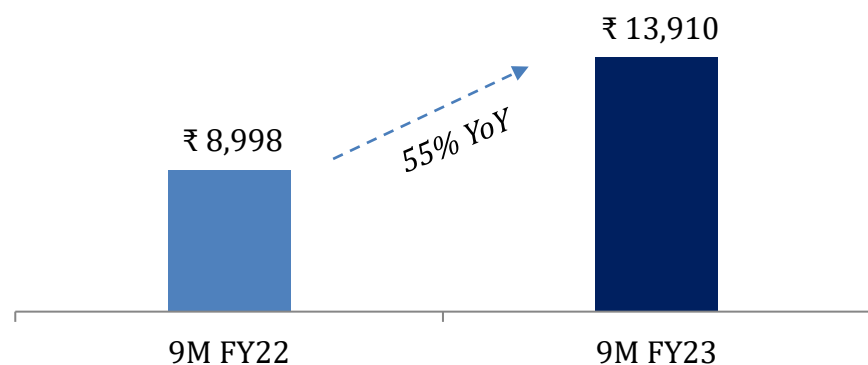


Profit After Tax

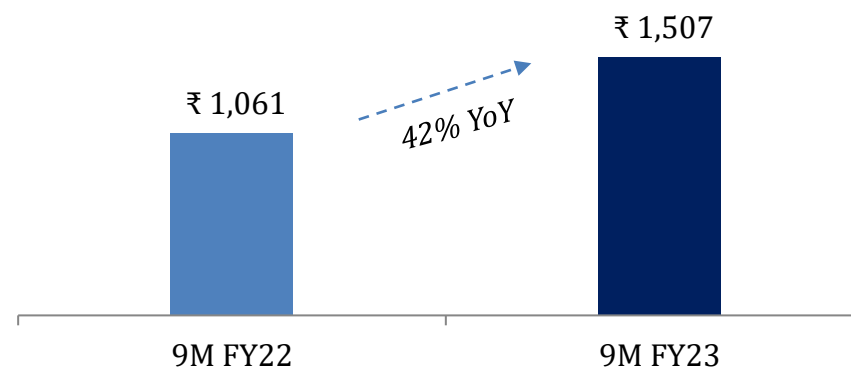


Financial Highlights : 9M FY23

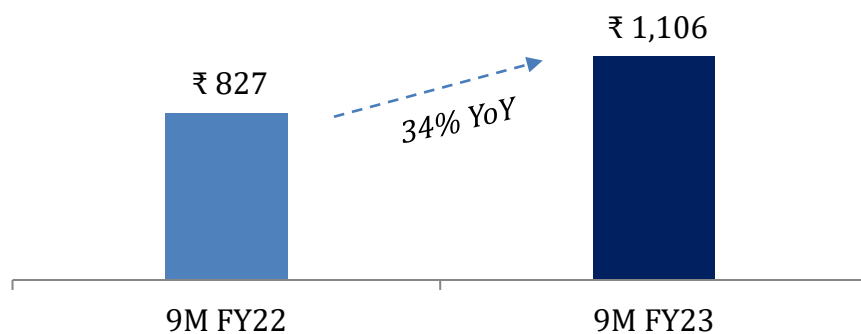
₹ Million
Revenue



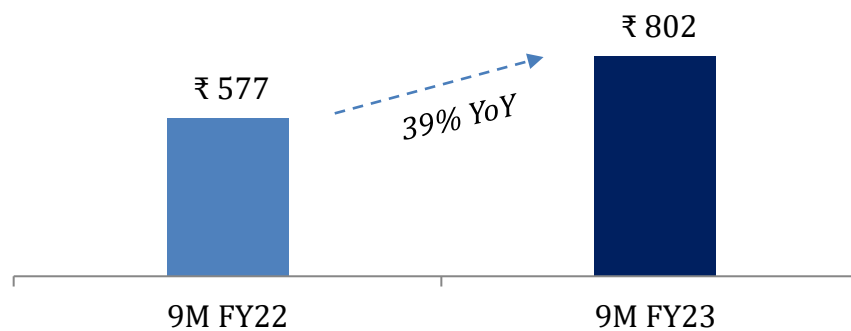
EBITDA



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).*

Multiple competitive advantages + sectoral tailwinds

 Indian EMS market at an inflexion point, expected to grow by 6x in 5 years

 Increase in domestic consumption, favorable government policies and China+1 strategy to drive demand in India

 Amongst the few EMS player in the high margin product segment

 Widely spread manufacturing facilities with strong R&D capabilities

 Provisionally selected for incentives under PLI licenses for *Telecom and Networking Products* and *White Goods*

 Serving marquee customers in the EMS Industry – both local as well as global

 Experienced board and management team

Way forward - strategies



Solidify and strengthen core competitiveness of technology innovation

- Continue to invest in technological infrastructure
 - Investment in **new infrastructure**
 - Build a **new dedicated design service facility**
 - Reduce costs of **operation** while ensuring quality



Pursue inorganic growth through strategic acquisition

- Pursue strategic acquisitions that:
 - Enhance **scale and market position**
 - **Strengthen** range of **products**
 - Enable access to **new clients**
 - Enter **strategic business / capture new market**



Expand customer base, geographic reach and increase wallet share

- Widen customer base through addition of
 - **New products**
 - **Acquisitions**
- Market existing products and services to **new customers**
- Continue **R&D endeavors**
- Capitalize on **cross-sell** and **upsell opportunities**



Cater to new age products/ industries

- Focus on **high margin flexible volume businesses** in
 - Electric vehicles
 - Medical equipment
 - Smart devices
- Evolve product and service offerings which utilize
 - **In-house R&D**
 - Existing **manufacturing capabilities**

Thank you

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