

Financial Results
Quarter III & Nine Months Ended December, 2016

Financial Results

(Rs. In lacs)

PARTICULARS	Qr. Ended (Unaudited)			Nine Months Ended (Unaudited)		Year 2015-16 (Audited)
	31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015	
Gross Sale	41,726	49,486	37,225	127,927	107,179	147,964
Net Sales	36,994	43,712	32,833	113,124	94,404	130,293
Other Operating Income	296	33	43	351	286	397
Net Income from Operation	37,289	43,745	32,876	113,474	94,690	130,690
Other Income	-42	23	102	305	143	243
Net Revenue	37,248	43,768	32,978	113,780	94,833	130,933
Raw Material Consumed	25,401	30,849	22,098	78,327	63,893	88,335
Total Material cost % to Net Sales	68.66%	70.57%	67.30%	69.24%	67.68%	67.80%
Staff Cost	3,939	3,936	3,324	11,384	9,585	13,099
Staff cost % to Net Sales	10.65%	9.00%	10.12%	10.06%	10.15%	10.05%
Other Exp.	3,763	4,276	3,516	11,615	10,042	14,046
Other Exps. % to Net Sales	10.17%	9.78%	10.71%	10.27%	10.64%	10.78%
EBIDTA	4,145	4,707	4,040	12,454	11,313	15,453
% to Net Sales	11.20%	10.77%	12.30%	11.01%	11.98%	11.86%
Depreciation and Amortisation exp	2,101	2,159	2,215	6,606	6,382	8,636
Depreciation % to Net Sales	5.68%	4.94%	6.75%	5.84%	6.76%	6.63%
Interest	1,045	1,023	1,152	3,104	3,154	4,172
Interest cost % to Net Sales	2.83%	2.34%	3.51%	2.74%	3.34%	3.20%
Net Profit/(Loss)	999	1,525	673	2,744	1,777	2,645
% to Net Sales	2.70%	3.49%	2.05%	2.43%	1.88%	2.03%
Exceptional Items-operation	-795	-1253	0	-2428	0	0
Profit from Ordinary Activities	204	272	673	316	1,777	2,645
% to Net Sales	0.55%	0.62%	2.05%	0.28%	1.88%	2.03%
Tax Expense	-123	-158	72	(365)	161	244
Net Profit after Tax/(Loss)	327	430	601	681	1,616	2,401
% to Net Sales	0.88%	0.98%	1.83%	0.60%	1.71%	1.84%

- **Gross Sales is up by 12.09% from Corresponding Quarter**
- **EBIDTA at 11.20%**
- **PBT (before exceptional exps) is Rs. 999 lacs (2.70%) as against Rs. 673 lacs (2.05%) from Corresponding Quarter, depicting an increase of 48%**
- **Exceptional Expenses of Rs. 795 Lacs incurred during the period**
- **Insurance Claim is in progress**

Result Analysis & Key Highlights – Nine months ended 2016-17

- **Gross sales is up by 19.36% from the Corresponding period**
- **EBIDTA at 11.01%**
- **PBT (before exceptional exps) is Rs. 2,744 lacs (2.43%) as against Rs. 1,777 lacs (1.88%) from Corresponding Period, depicting an increase of 54%**
- **Exceptional Expenses of Rs. 2,428 Lacs incurred so far for smooth supplies to customers post the fire accident at Manesar Plant**
- **Gradual decrease of Exceptional expenses (Quarter on Quarter) by taking corrective actions**

Update on Re-instatement post Fire Incident at Manesar

- Customer supplies are reinstated in full
- Insurance claim filed with the Insurance Company & interim payment received
- Building
 - 1st Phase : Building is ready and production has been resumed
 - 2nd Phase : Building expected to be completed by Mid of March'17
- Plant & Machinery : Orders has been placed and are in transit/or in the process of installation.

Key Financial Ratios -Q3 FY'16-17 viz-a-viz Q3 FY'15-16

(% of Net Sales)

Indicators	Q3- FY-17	Q3- FY-16	Change	Status
Net Sales (Rs. in Lacs)	36,994	32,833	4,161	■
Material Cost	68.66%	67.30%	1.36	■
Employee Cost	10.65%	10.12%	0.53	■
Other Expenses	10.17%	10.71%	(0.54)	■
Op EBIDTA	11.20%	12.30%	(1.10)	■
Finance Cost	2.83%	3.51%	(0.68)	■
Depreciation	5.68%	6.75%	(1.07)	■
PBT (before exceptional item)	2.70%	2.05%	0.65	■
PAT	0.88%	1.83%	(0.95)	■

- Material cost is higher due to change in product mix i.e., higher sales of new models in substitution of old models .
- Finance Cost is lower due to change in interest scenerio and base change to MCLR.

**Green Indicator is Positive and Red indicator is negative.*

Key Financial Ratios -Q3 FY'16-17 viz-a-viz Q2 FY'16-17

(% of Net Sales)

Indicators	Q3- FY-17	Q2 FY-17	Change	Status
Net Sales (Rs. in Lacs)	36,994	43,712	(6718)	■
Material Cost	68.66%	70.57%	(1.91)	■
Employee Cost	10.65%	9.00%	1.65	■
Other Expenses	10.17%	9.78%	0.39	■
Op EBIDTA	11.20%	10.77%	0.43	■
Finance Cost	2.83%	2.34%	0.49	■
Depreciation	5.68%	4.94%	0.74	■
PBT (before exceptional item)	2.70%	3.49%	(0.79)	■
PAT	0.88%	0.98%	(0.10)	■

- Sales are lower in Q3 due to maintenance closure of customer (MSIL) and impact in After Market and other customers sales due to de-monetization scheme
- Material cost decreased due to positive foreign exchange in Q3, Quarter lag
- Other expenses are higher due to continuous production during the maintenance closure @ customer end

**Green Indicator is Positive and Red indicator is negative.*

Key Financial Ratios -Nine Months FY'16-17 viz-a-viz Nine Months FY'15-16

Indicators	Nine Months- FY-17	Nine Months- FY-16	Change in %	Status
Net Sales (Rs. in Lacs)	113,124	94,404	18,720	■
Material Cost	69.24%	67.68%	1.56	■
Employee Cost	10.06%	10.15%	(0.09)	■
Other Expenses	10.27%	10.64%	(0.37)	■
Op EBIDTA	11.01%	11.98%	(0.97)	■
Finance Cost	2.74%	3.34%	(0.60)	■
Depreciation	5.84%	6.76%	(0.92)	■
PBT (before exceptional item)	2.43%	1.88%	0.55	■
PAT	0.60%	1.71%	(1.11)	■

- Material cost is higher due to change in product mix i.e., higher sales of new models in substitution of old models

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Way Forward

Business Areas	Key Element	Indicator
Market and Revenue Potential	1. Growth expectation of Indian Car and PV Segment	■
	2. Revenue Growth opportunities at Subros	■
	3. Business Expansion in Non Car Segment by Subros	■
	4. Production of Radiator (RER) from Noida Plant	■
	5. Start of supplies to Suzuki from Sanand Plant	■
Operational Aspects	1. Mitigating Impact of Foreign Exchange Fluctuations	■
	2. Material Cost Down thru VA/VE, Alternate sourcing	■
	3. Improvement in EBIDTA and PBT Improvement	■
	4. Reinstatement of Manesar Building and Plant & Machinery	■
	5. Final Settlement of Insurance Claim	■

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