



Subros



Cooling the Planet

Financial Results – Quarter 3, FY 2018-19

Investor Presentation





This presentation might contain forward looking statements which involve a number of risks, uncertainties and other factors that could cause the actual results to differ materially from those in the forward looking statements. The Company undertakes no obligation to update these to reflect the events or circumstances thereof. Secondly, these statements should be understood in conjunction with the risks the company faces.

Financial Results

Results Analysis - Nine Months FY 2018-19 v/s Nine months FY 2017-18

Results Analysis - Q3 FY 2018-19 v/s Q3 FY 2017-18

Results Analysis - Q3 FY 2018-19 v/s Q2 FY 2018-19

Way Forward



- *Steady growth in revenues in dynamic market situation*
- *Strong operational performance in Nine Months in FY 2018-19 with 18% growth in sales and 18% growth in EBITDA*
- *PBT (before exceptional) grew by 55%*
- *Growth of 43% in post tax profitability in Nine months FY 2018-19*

Financial Highlights Quarter 3 FY 2018-19

Indicator	Amt. (Rs. In crs)	Growth*
Revenues	510.69	14% ↑
EBIDTA	55.28	6% ↑
PBT (before exceptional)	27.73	55% ↑
PAT	17.18	5% ↑

Financial Highlights Nine Months FY 2018-19

Indicator	Amt (Rs. In crs)	Growth*
Revenues	1,606.41	18% ↑
EBIDTA	181.45	18% ↑
PBT (before exceptional)	87.87	55% ↑
PAT	59.90	43% ↑

* The comparison with the corresponding period



PARTICULARS	Quarter Ended			Nine Months Ended		Year Ended
	31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	31.03.2018
Net Sales	50191	56336	44756	159635	135900	190751
Other Operating Income	878	67	121	1006	174	538
Net Income from Operation	51069	56403	44877	160641	136074	191289
Other Income	-155	576	436	832	784	743
Net Revenue	50914	56979	45313	161473	136858	192032
Raw Material Consumed	35185	39623	31045	112168	95340	133495
Total Material cost % to Net Sales	70.10%	70.33%	69.37%	70.27%	70.15%	69.98%
Staff Cost	5136	5359	4761	15755	13385	18812
Staff cost % to Net Sales	10.23%	9.51%	10.64%	9.87%	9.85%	9.86%
Other Exp.	5065	5490	4306	15404	12720	17984
Other Exps. % to Net Sales	10.09%	9.75%	9.62%	9.65%	9.36%	9.43%
EBIDTA	5528	6507	5201	18145	15413	21741
% to Net Sales	11.01%	11.55%	11.62%	11.37%	11.34%	11.40%
Depreciation and Amortisation exp	1954	1991	2396	5821	6781	9200
Depreciation % to Net Sales	3.89%	3.53%	5.35%	3.65%	4.99%	4.82%
Interest	801	1334	1015	3537	2975	4121
Interest cost % to Net Sales	1.60%	2.37%	2.27%	2.22%	2.19%	2.16%
Net Profit/(Loss)	2773	3182	1790	8787	5657	8420
% to Net Sales	5.52%	5.65%	4.00%	5.50%	4.16%	4.41%
Exceptional Items	0	0	0	-334	-182	-182
Profit from Ordinary Activities	2773	3182	1790	8453	5475	8238
% to Net Sales	5.52%	5.65%	4.00%	5.30%	4.03%	4.32%
(a) Current Tax	602	683	384	1837	1175	1787
(b) Deferred Tax	452	118	-237	623	97	389
Net Profit after Tax/(Loss)	1719	2381	1643	5993	4203	6062
% to Net Sales	3.42%	4.23%	3.67%	3.75%	3.09%	3.18%
Other Comprehensive Income (net of tax)	-1	-1	-5	-3	-15	-5
Total Comprehensive Income	1718	2380	1638	5990	4188	6057
% to Net Sales	3.42%	4.22%	3.66%	3.75%	3.08%	3.18%
EPS	2.80	3.97	2.74	9.91	7.01	10.11

Financial Results & Highlights

Results Analysis - Nine Months FY 2018-19 v/s Nine months FY 2017-18

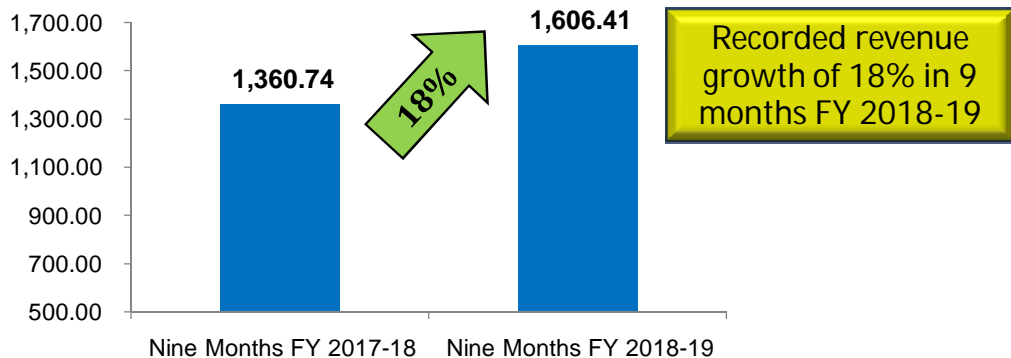
Results Analysis - Q3 FY 2018-19 v/s Q3 FY 2017-18

Results Analysis - Q3 FY 2018-19 v/s Q2 FY 2018-19

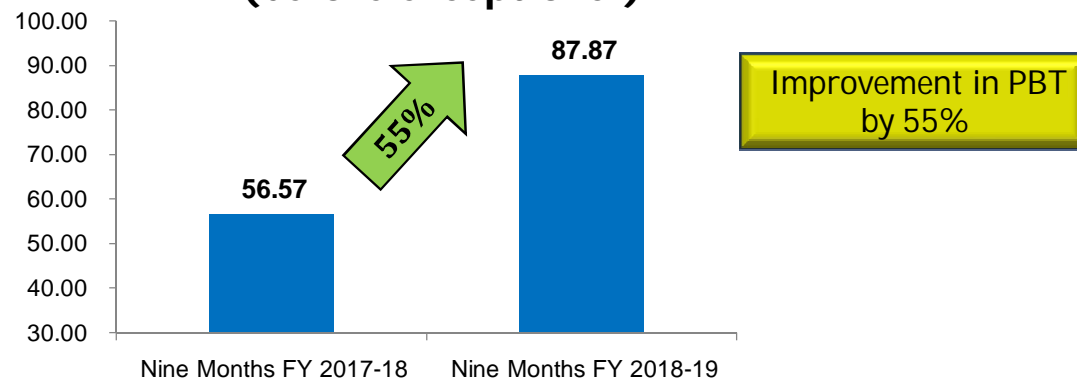
Way Forward



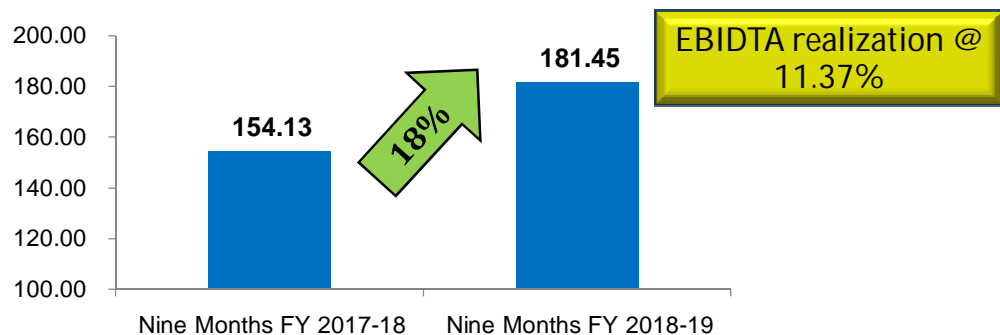
Revenues



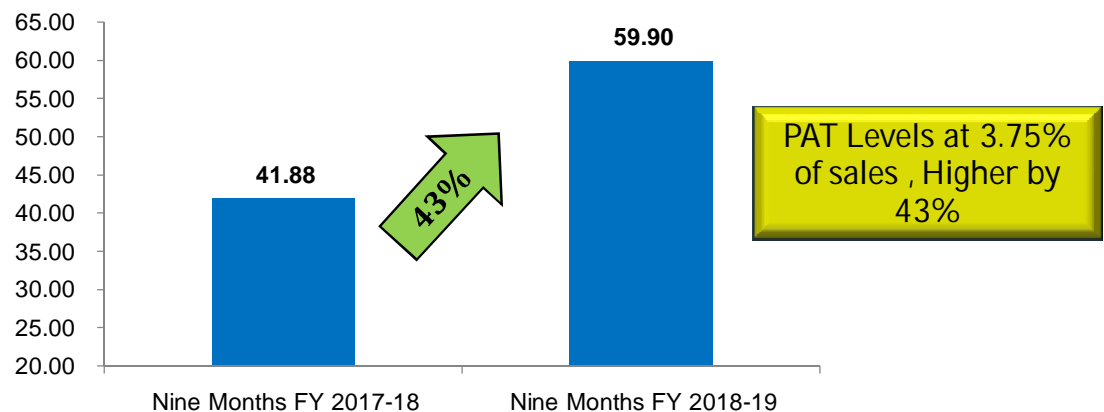
PBT (before exceptional)



EBIDTA



PAT





Indicators	Nine Months FY 2017-18	Nine Months FY 2018-19	Change	Status
Net Sales in crs	1,359.00	1,596.35	237.35	●
Other Income in crs	7.84	8.32	0.48	●
Material Cost	70.15%	70.27%	0.12%	●
Employee Cost	9.85%	9.87%	0.02%	●
Other Expenses	9.36%	9.65%	0.29%	●
Op. EBIDTA	11.34%	11.37%	0.03%	●
Finance Cost	2.19%	2.22%	0.03%	●
Depreciation	4.99%	3.65%	-1.34	●
PBT (before exceptional)	4.16%	5.50%	1.34	●
PAT	3.08%	3.75%	0.67	●

Key Aspects:

- Other expenses are higher due to increase in Freight, Packing material, legal expenses
- Finance cost is high because of MTM loss on foreign currency liabilities as a result of currency depreciation

● Positive	● Moderate - variation upto 5%	● Negative - variation exceeding 5%
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Financial Results & Highlights

Results Analysis - Nine Months FY 2018-19 v/s Nine months FY 2017-18

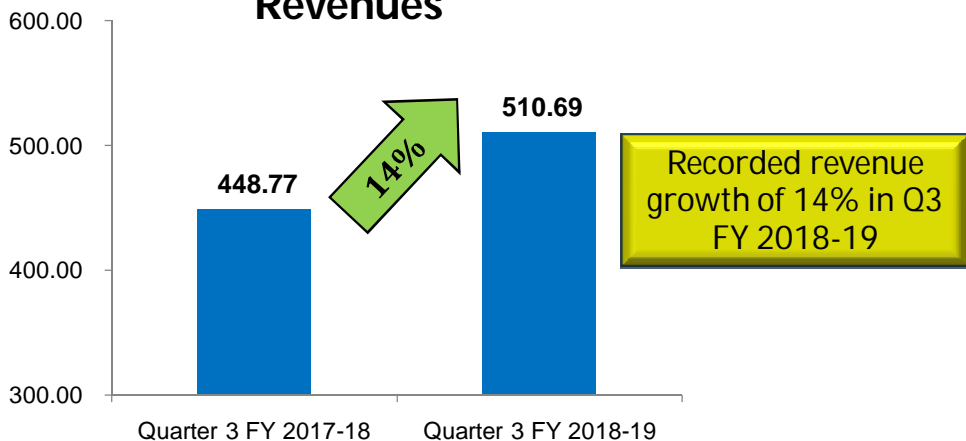
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Results Analysis - Q3 FY 2018-19 v/s Q2 FY 2018-19

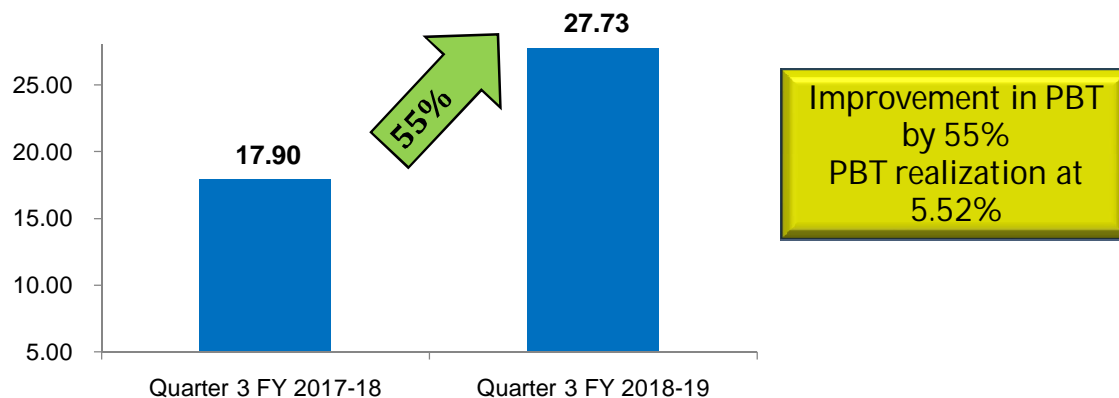
Way Forward



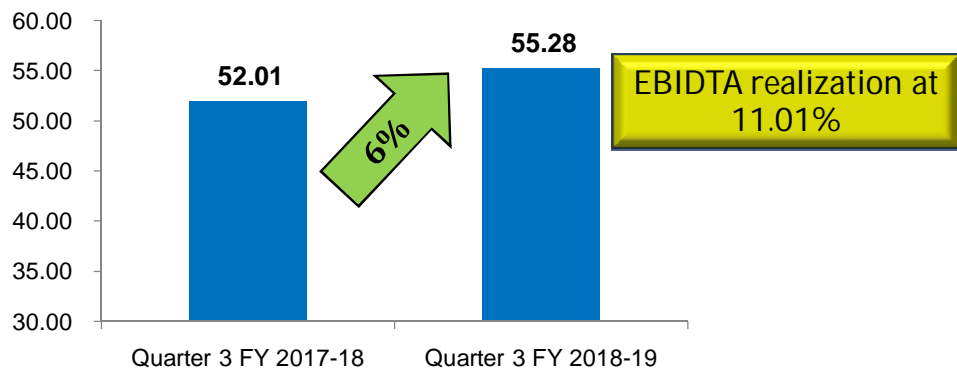
Revenues



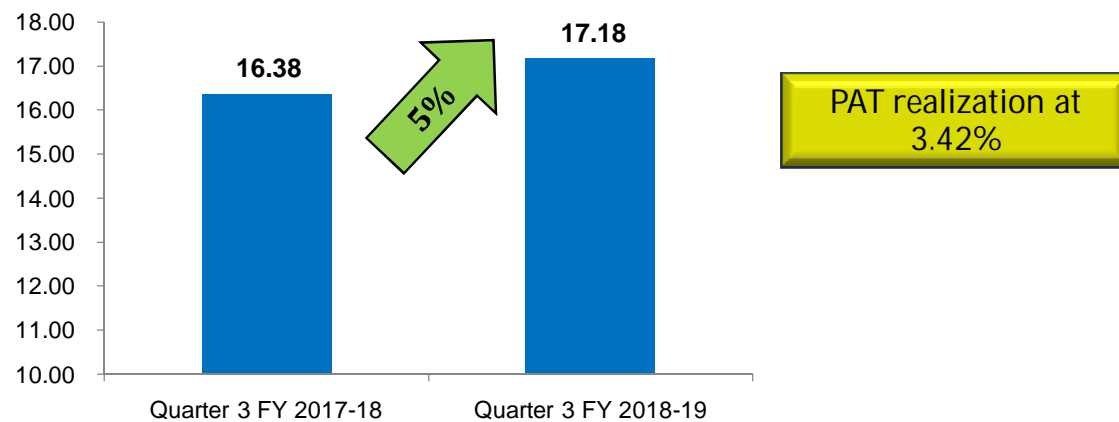
PBT (before exceptional)



EBIDTA



PAT





Indicators	Quarter 3 FY 2017-18	Quarter 3 FY 2018-19	Change	Status
Net Sales in crs	447.56	501.91	54.35	●
Other Income in crs	4.36	-1.55	-5.91	●
Material Cost	69.37%	70.10%	0.73%	●
Employee Cost	10.64%	10.23%	-0.41%	●
Other Expenses	9.62%	10.09%	0.47%	●
Op. EBIDTA	11.62%	11.01%	-0.61%	●
Finance Cost	2.27%	1.60%	-0.67%	●
Depreciation	5.35%	3.89%	-1.46%	●
PBT (before exceptional)	4.00%	5.52%	1.52%	●
PAT	3.66%	3.42%	-0.24%	●

Key Aspects:

- Material cost is slightly increased due to change in product mix, currency depreciation & commodity prices
- Other expenses are higher due to increase in Freight, Packing material, legal expenses
- Other income is negative due to loss incurred on fair value accounting of derivatives after netting off realized currency gain on Hedging etc

●	Positive	●	Moderate - variation upto 5%	●	Negative - variation exceeding 5%
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Financial Results & Highlights

Results Analysis - Nine Months FY 2018-19 v/s Nine months FY 2017-18

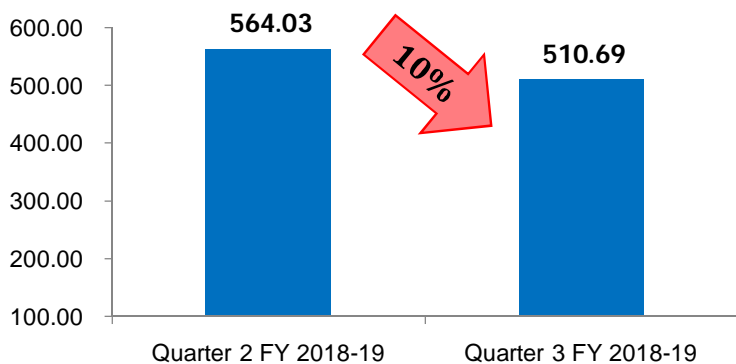
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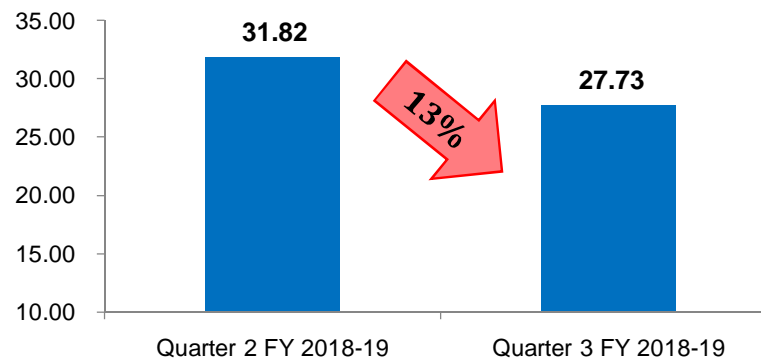
Way Forward



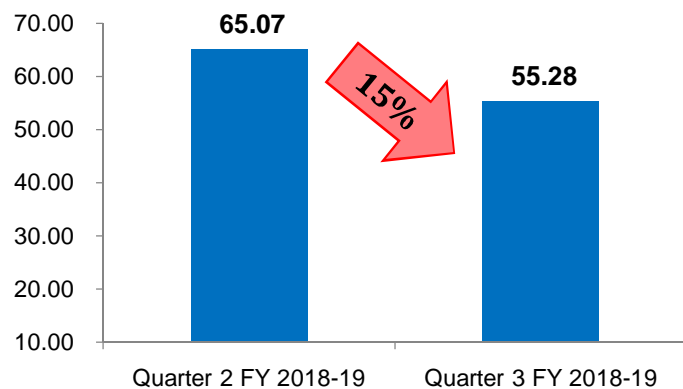
Revenues



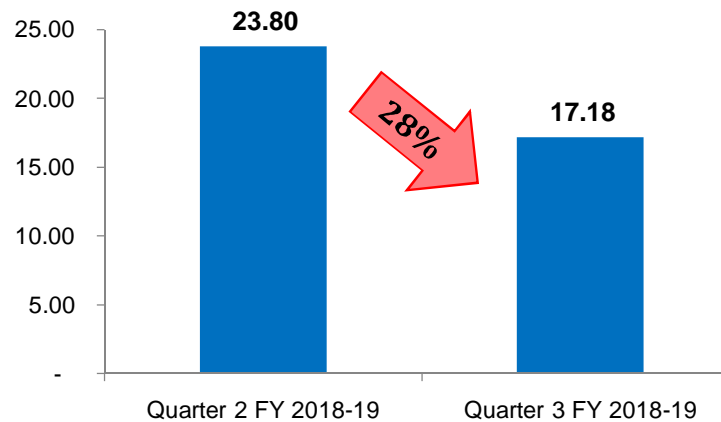
PBT (before exceptional)



EBIDTA



PAT





Indicators	Quarter 2 FY 2018-19	Quarter 3 FY 2018-19	Change	Status
Net Sales in crs	563.36	501.91	-61.45	●
Other Income in crs	5.76	-1.55	-7.31	●
Material Cost	70.33%	70.10%	-0.23%	●
Employee Cost	9.51%	10.23%	0.72%	●
Other Expenses	9.75%	10.09%	0.34%	●
Op. EBIDTA	11.55%	11.01%	-0.54%	●
Finance Cost	2.37%	1.60%	-0.77%	●
Depreciation	3.53%	3.89%	0.36%	●
PBT (before exceptional)	5.65%	5.52%	-0.13%	●
PAT	4.22%	3.42%	-0.80%	●

Key Aspects:

- Employee cost/ other expenses/ Depreciation are higher due to lower sales achieved in Q3
- Finance cost is reduced due to lower impact of reinstatement of Foreign currency liability in Q3 and Debt repayment
- Other income is negative due to loss incurred on fair value accounting of derivatives after netting off realized currency gain on Hedging etc

●	Positive	●	Moderate - variation upto 5%	●	Negative - variation exceeding 5%
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Financial Results & Highlights

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Results Analysis - Q3 FY 2018-19 v/s Q3 FY 2017-18

Results Analysis - Q3 FY 2018-19 v/s Q2 FY 2018-19

Way Forward



Market and Revenue Potential

- Growth in Line with Indian Car and CV Segment (Double Digit Growth in 2018-19) ●
- Business Expansion in Bus, Railways, Truck AC, Home AC Segment (Growth >10% over last year) ●
- Potential of Truck AC likely to change in 2020 from Blower ●

Operational Aspects

- Mitigating Impact of Foreign Exchange Fluctuations (Consistent Hedging Policy) ■
- Material Cost Down thru VA/VE, Alternate sourcing (Focus on Localisation for De-risking FE Impact) ●
- Improvement in EBIDTA and ROCE ●
- Settlement of Insurance Claim ●



Thank You

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