



Subros



Cooling the Planet

Financial Results – Quarter 3, FY 2019-20

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 & Highlights for the Quarter

Results Analysis - 9 Months FY 2019-20 v/s 9 Months FY 2018-19

Results Analysis - Q3 FY 2019-20 v/s Q3 FY 2018-19

Results Analysis - Q3 FY 2019-20 v/s Q2 FY 2019-20

Way Forward



- Overall Revenue de-growth by 9% in Q3 FY 2019-20 from corresponding Quarter

Financial Highlights for Q3 FY 2019-20

Indicator	Amount (Rs. in Crs)	Growth*
Revenue from Operation	465.61	-9% ↓
EBIDTA	50.57	-9% ↓
PBT (before exceptional)	19.62	-29% ↓
PBT (after exceptional)	19.62	-29% ↓
PAT	13.48	-22% ↓

Financial Highlights for 9 Months FY 2019-20

Indicator	Amount (Rs. in Crs)	Growth*
Revenue from Operation	1534.33	-4% ↓
EBIDTA	158.80	-12% ↓
PBT (before exceptional)	60.11	-32% ↓
PBT (after exceptional)	101.40	+20% ↑
PAT	68.48	+14% ↑

* The comparison is with the corresponding Quarter 3 FY 2018-19 and corresponding period for 9 Months FY 2018-19, respectively



PARTICULARS	Quarter Ended			Nine Months Ended		Year Ended
	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
Net Sales	46,532	49,613	50,191	1,53,324	1,59,635	2,12,098
Other Operating Income	29	35	878	109	1,006	350
Revenue from Operation	46,561	49,648	51,069	1,53,433	1,60,641	2,12,448
Other Income	233	674	(155)	1,138	832	1,025
Total Income	46,794	50,322	50,914	1,54,571	1,61,473	2,13,473
Raw Material Consumed	32,564	35,301	35,185	1,08,723	1,12,169	1,48,405
Total Material cost % to Net Sales	69.98%	71.15%	70.10%	70.91%	70.27%	69.97%
Staff Cost	4,985	5,218	5,136	15,757	15,755	20,646
Staff cost % to Net Sales	10.71%	10.52%	10.23%	10.28%	9.87%	9.73%
Other Exp.	4,188	4,724	5,065	14,211	15,404	20,587
Other Exps. % to Net Sales	9.00%	9.52%	10.09%	9.27%	9.65%	9.71%
EBIDTA	5,057	5,079	5,528	15,880	18,145	23,835
% to Net Sales	10.87%	10.24%	11.01%	10.36%	11.37%	11.24%
Depreciation and Amortisation exp	2,344	2,256	1,954	6,753	5,821	7,885
Depreciation % to Net Sales	5.04%	4.55%	3.89%	4.40%	3.65%	3.72%
Interest	751	915	801	3,116	3,537	4,219
Interest cost % to Net Sales	1.61%	1.84%	1.60%	2.03%	2.22%	1.99%
Net Profit/(Loss)	1,962	1,908	2,773	6,011	8,787	11,731
% to Net Sales	4.22%	3.85%	5.52%	3.92%	5.50%	5.53%
Exceptional Items	0	-	-	4,129	(334)	(334)
Profit from Ordinary Activities	1,962	1,908	2,773	10,140	8,453	11,397
% to Net Sales	4.22%	3.85%	5.52%	6.61%	5.30%	5.37%
(a) Current Tax	329	69	602	1,749	1,837	2,408
(b) Deferred Tax	285	515	452	1,543	623	1,376
Total Tax	614	584	1,054	3,292	2,460	3,784
Tax as % to PBT	31.32%	30.61%	38.01%	32.47%	29.10%	33.20%
Net Profit after Tax/(Loss)	1,348	1,324	1,719	6,848	5,993	7,613
% to Net Sales	2.90%	2.67%	3.42%	4.47%	3.75%	3.59%
Other Comprehensive Income (net of tax)	(40)	(52)	(1)	(117)	(3)	(203)
Total Comprehensive Income	1,308	1,272	1,718	6,731	5,990	7,410
% to Net Sales	2.81%	2.56%	3.42%	4.39%	3.75%	3.49%
EPS	2.07	2.03	2.80	10.50	9.91	12.35

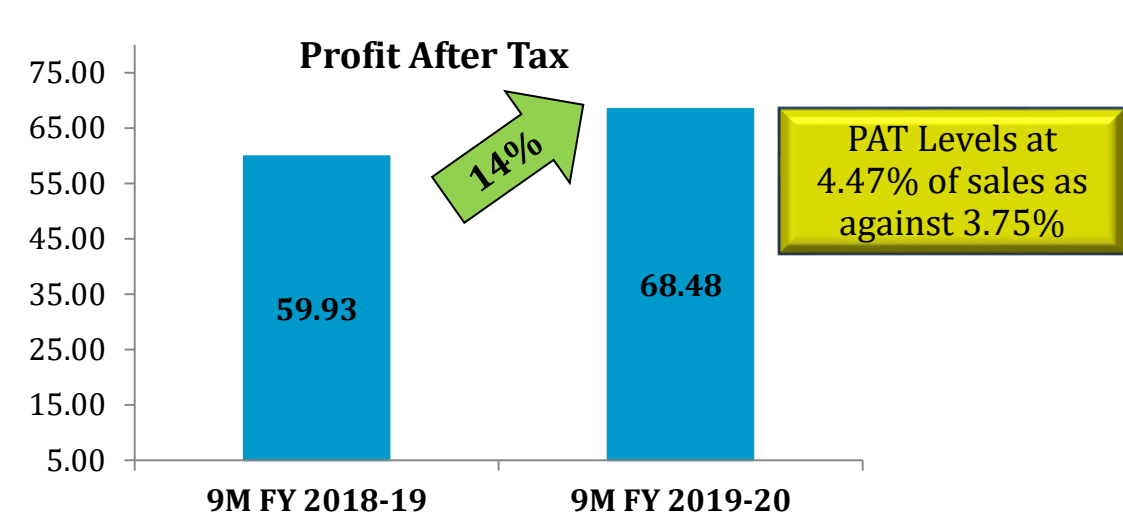
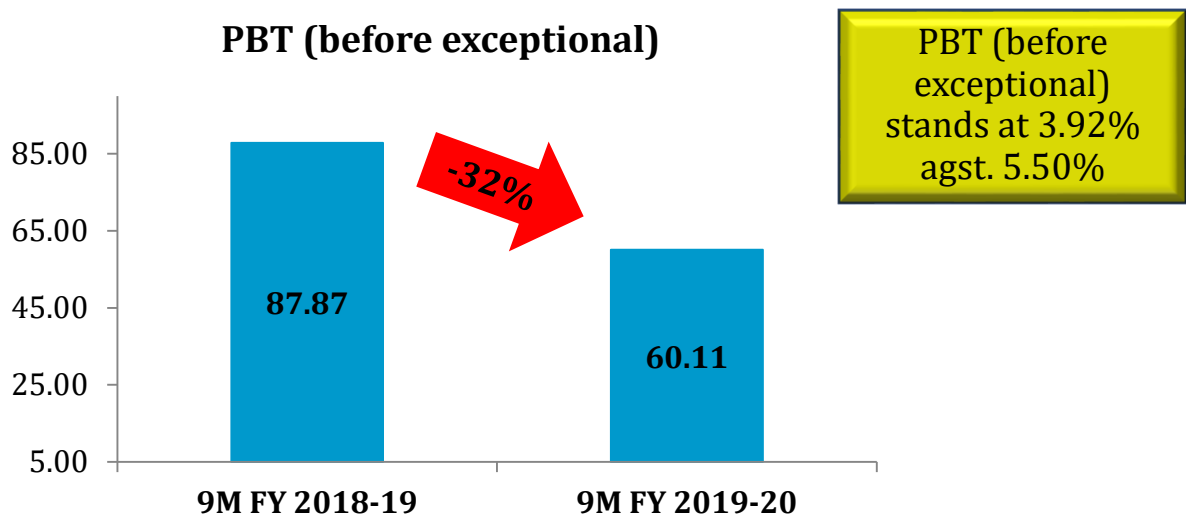
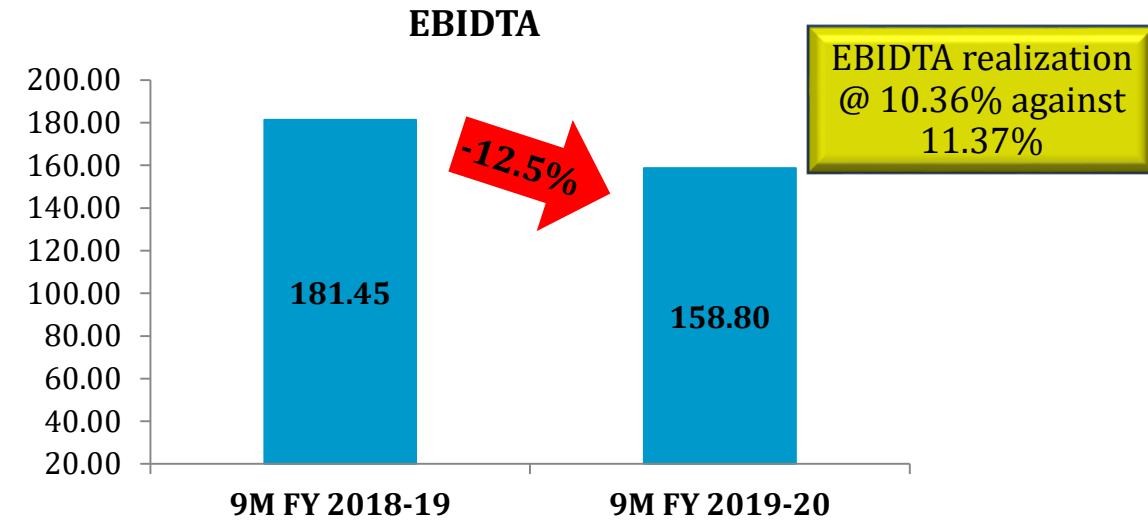
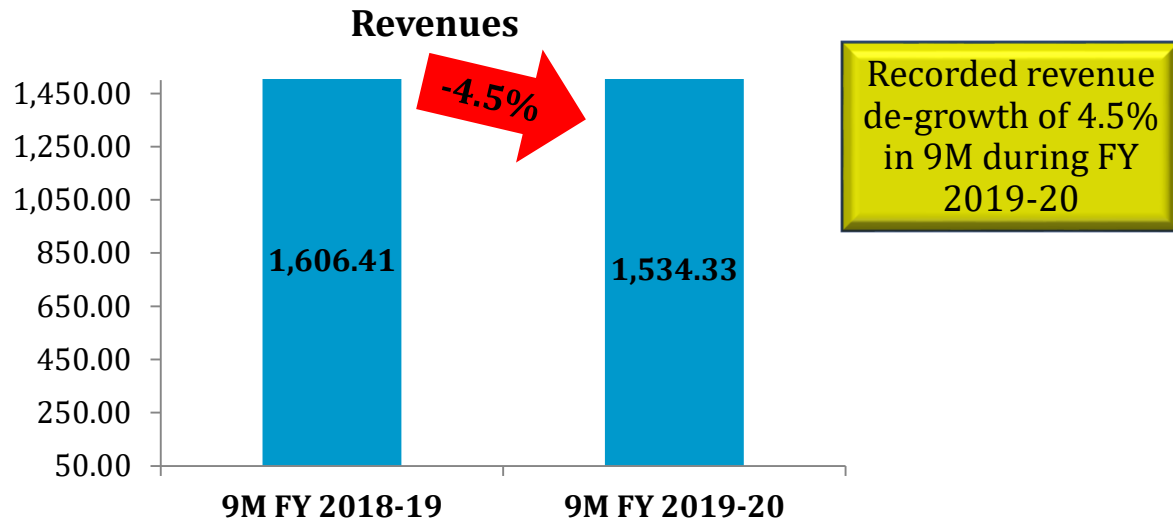
Financial Results & Highlights for the Quarter

Results Analysis - 9 Months FY 2019-20 v/s 9 Months FY 2018-19

Results Analysis - Q3 FY 2019-20 v/s Q3 FY 2018-19

Results Analysis - Q3 FY 2019-20 v/s Q2 FY 2019-20

Way Forward





Indicators	9M FY 2018-19	9M FY 2019-20	Change	Status
Net Sales	1,596.35	1,533.24	-63.11	● □
Other Income	8.32	11.38	3.06	● □
Material Cost	70.27%	70.91%	0.65	● □
Employee Cost	9.87%	10.28%	0.41	● □
Other Expenses	9.65%	9.27%	-0.38	● □
Op. EBIDTA	11.37%	10.36%	-1.01	● □
Finance Cost	2.22%	2.03%	-0.18	● □
Depreciation	3.65%	4.40%	0.76	● □
PBT (before exceptional)	5.50%	3.92%	-1.58	● □
PBT (after exceptional)	5.30%	6.61%	1.32	● □
PAT	3.75%	4.47%	0.71	● □

Key Aspects:

- Overall business de-growth by 4% driven by de-growth of business of all OEM customers in view of the Industry De growth : 16%, (Sales basis)
- Subros De growth : 4%.
- In Comparison of Industry de-growth, Subros performance is better during this period due to model mix impact and growth in Home AC segment.
- Material cost is higher due to change in product mix and product segment.
- Manpower cost is higher due to impact of annual increments and impact of geographical expansions.
- PAT is higher due to exceptional income of Rs. 41.29 crores accrued via settlement of Manesar fire claim on reinstatement basis
- Depreciation is higher due to drop in Sales.

● □ Positive	● □ Moderate - variation upto 5%	● □ Negative - variation exceeding 5%
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Financial Results & Highlights for the Quarter

Results Analysis - 9 Months FY 2019-20 v/s 9 Months FY 2018-19

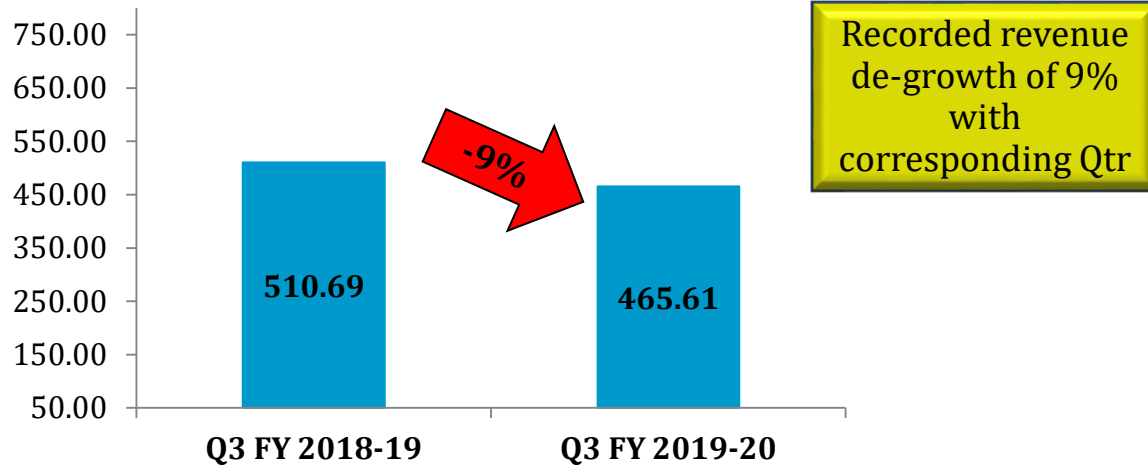
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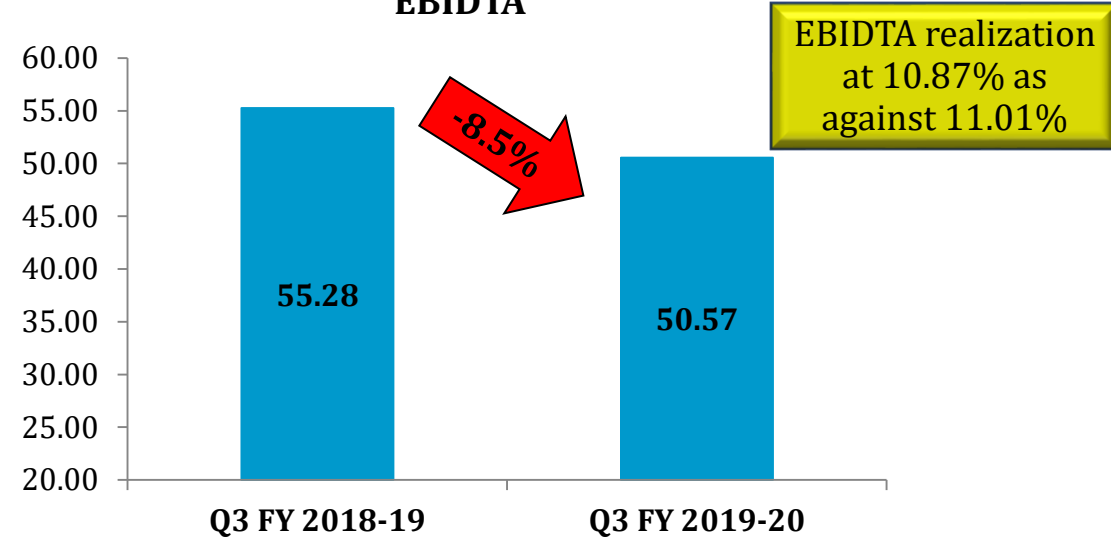
Way Forward



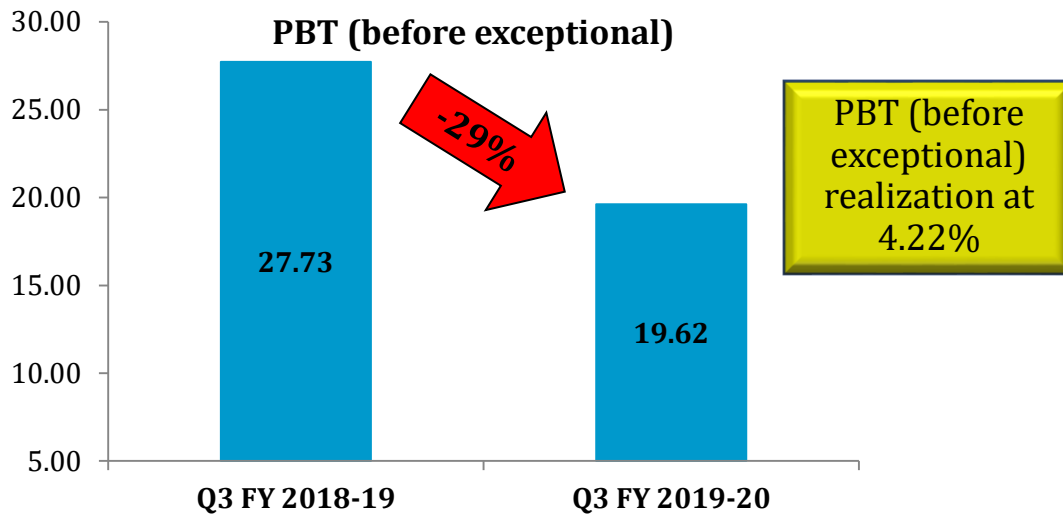
Revenues



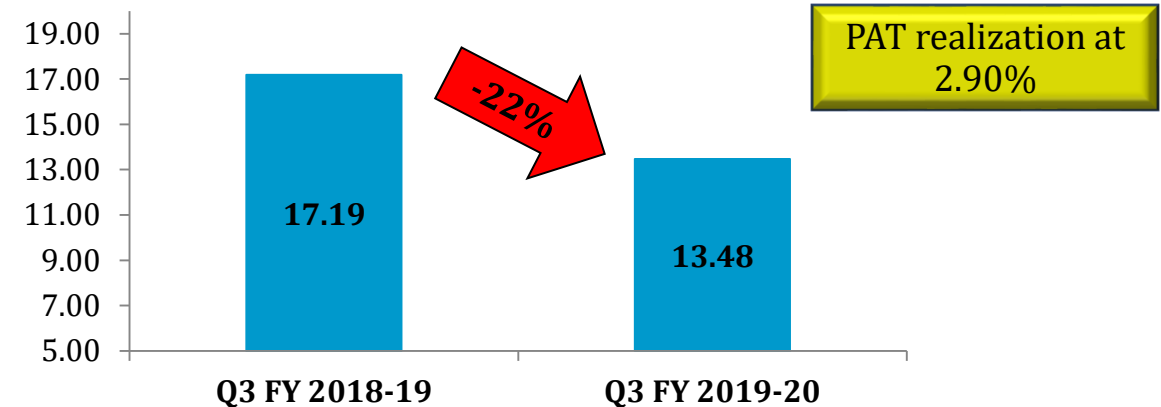
EBIDTA



PBT (before exceptional)



Profit After Tax





Indicators	Q3 FY 2018-19	Q3 FY 2019-20	Change	Status
Net Sales	501.91	465.32	-36.59	● □
Other Income	-1.55	2.33	3.88	● □
Material Cost	70.10%	69.98%	-0.12	● □
Employee Cost	10.23%	10.71%	0.48	● □
Other Expenses	10.09%	9.00%	-1.09	● □
Op. EBIDTA	11.01%	10.87%	-0.15	● □
Finance Cost	1.60%	1.61%	0.01	● □
Depreciation	3.89%	5.04%	1.15	● □
PBT (before exceptional)	5.52%	4.22%	-1.31	● □
PBT (after exceptional)	5.52%	4.22%	-1.31	● □
PAT	3.42%	2.90%	-0.53	● □

Key Aspects:

- Sales de-growth with decline in OEM customer business and industry de-growth as well.
- Material cost change is contributed due to change in product mix.
- Manpower cost is higher due to impact of annual increments and impact of geographical expansions and lower sales, however it has positive impact of cost reduction measures taken such as consolidation, shift rationalization etc.
- Depreciation is higher due to impact of lower sales and depreciation charged on new plant.

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Financial Results & Highlights for the Quarter

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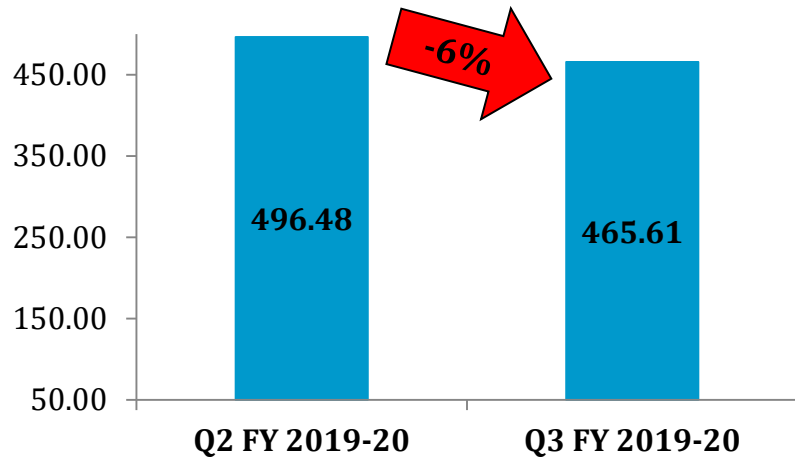
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Way Forward

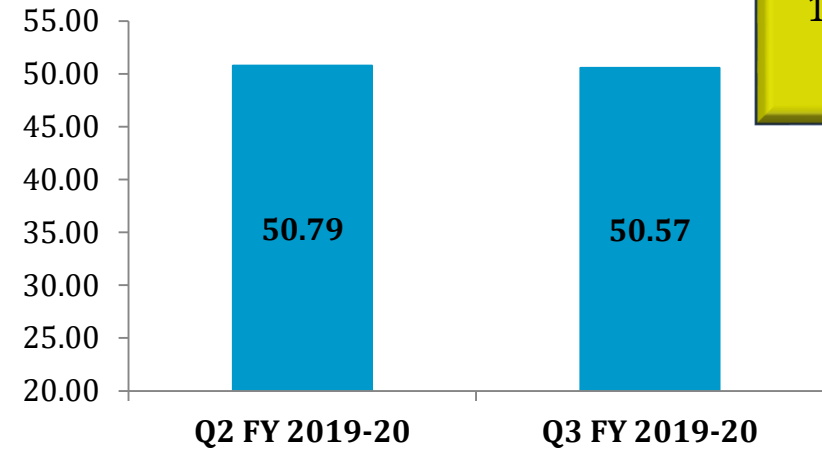


Revenues



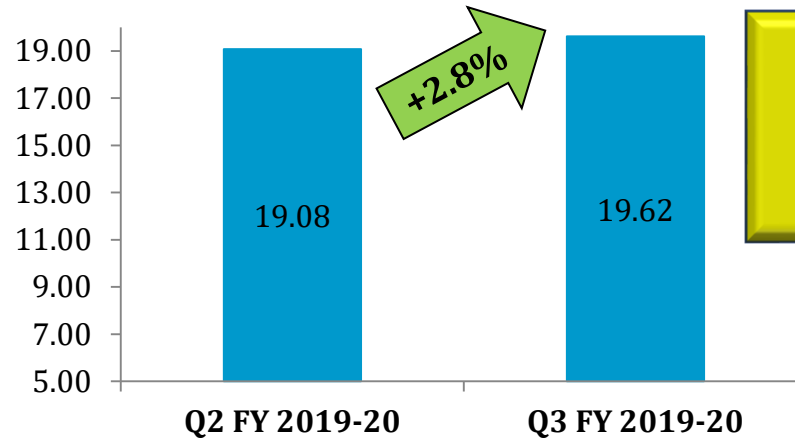
Recorded revenue de-growth of 6% with previous Qtr

EBIDTA



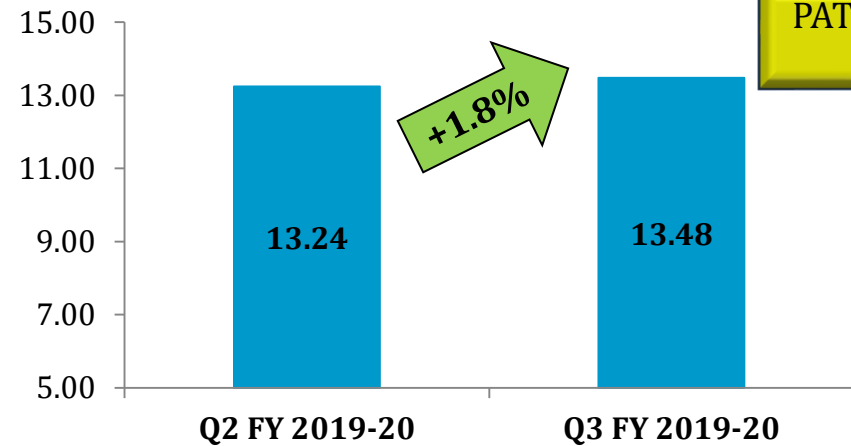
EBIDTA levels at 10.87% against 10.24% in previous Qtr

PBT (before exceptional)



PBT (before exceptional) realization at 4.22% against 3.85%

Profit After Tax



PAT realization at 2.90%



Indicators	Q2 FY 2019-20	Q3 FY 2019-20	Change	Status
Net Sales	496.13	465.32	-30.81	● □
Other Income	6.74	2.33	-4.41	● □
Material Cost	71.15%	69.98%	-1.17	● □
Employee Cost	10.52%	10.71%	0.20	● □
Other Expenses	9.52%	9.00%	-0.52	● □
Op. EBIDTA	10.24%	10.87%	0.63	● □
Finance Cost	1.84%	1.61%	-0.23	● □
Depreciation	4.55%	5.04%	0.49	● □
PBT (before exceptional)	3.85%	4.22%	0.37	● □
PBT (after exceptional)	3.85%	4.22%	0.37	● □
PAT	2.67%	2.90%	0.23	● □

Key Aspects:

- Sales remained stagnant with marginal improvement in Auto Air conditioning system
- Home Ac segment registered Nil sale in comparison of Q2 sale of Rs. 31.12 Cr
- Other expenses have reduced in absolute terms due to cost controls measures taken in the areas of Admin such as Travelling, Repair & Maint, Power & Fuel etc.
- Depreciation is higher due to impact of lower sales and depreciation charged on new plant.

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Way Forward



Market and Revenue Potential

- Growth in Line with Indian Car, CV Segment and Home AC Segment ● □
- Business Expansion in Bus, Railways, Truck AC and Refrigeration Trucks (Growth >10% over last year) ● □
- Preparation to meet all regulatory changes including BSVI, CAFÉ and EV ● □

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) ● □
- Cost Optimization by Consolidation of Plants/Shift Optimization/Working days (Improvement in EBIDTA & ROCE) ■ □
- Control over Capital Expenditure ■ □



Thank You

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