

Subros

Financial Results
Quarter 4, FY 2021-22

Investor Presentation

Subros



Cooling the Planet


SAFE HARBOUR

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.

Subros

Subros
Cooling the Planet

About
Subros





Company Profile

*Established in 1985, Subros is the Largest Air Conditioning & Thermal Products company in India.
A Joint Venture company between*



Equity Distribution	Suri's (Indian Promoters)-36.79%, Denso-20%, Suzuki-11.96%, Public-31.25%
Business	Integrated Thermal Products manufacturer for auto and non auto products
Segments for Thermal products	Car, Bus, Truck, Tractor, Reefer, Railways and Home AC.
Plants Technical Centre Tool Engineering Centre	8 Locations (Pan India Presence) 2 Location(Noida) 1 Location (Noida)
Certifications	ISO 14001,IATF 16949, OHSAS 18001
Market Shares	40% (Passenger Car AC) 43% (Truck Aircon/Blower)
Gross Revenues	Rs. 2235 Cr (2021-22) US\$ 302 Mn



Noida Plant



Pressure Die Casting



Pune Plant



Manesar Plant-1



Chennai Plant



Karsanpura Plant



Manesar Plant-2



Technical Centre



Tool Engineering Centre



DSEC



Nalagarh



Ms. Shradha Suri
Chairperson & Managing
Director



Dr. Jyotsna Suri
Director



Mr. P. K. Duggal
Whole Time Director and
Chief Executive Officer



Mr. K. Ayukawa
Representative of Suzuki
Motor Corporation,
Japan



Mr. Hidemasa Takahashi
Representative of
DENSO Corporation,
Japan



Mr. Tomoaki Yoshimori
Representative of
DENSO Corporation, Japan



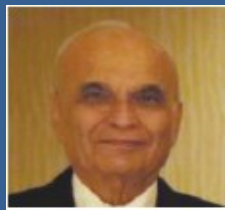
Mr. Yasuaki
Matsunaga
Alternate Director



Mrs. Meena Sethi
Independent
Director



Mr. K.R.
Ramamoorthy
Independent Director



Mr. M A Pathan
Independent Director



Mr. G.N. Mehra
Independent Director



Mr. Arvind Kapur
Independent



Mr. Shailendra Swarup
Independent Director

Total 12 members → 6 from Promoter and Collaborators and 6 Independent



Ms. Shradha Suri
Chairperson &
Managing Director



Mr P K Duggal
Chief Executive Officer



Mr T Murayama
Advisor



Mr. Y P Negi
Chief Operating Officer



Mr. A Parashar
SVP Operations,
STEC & Service



Mr. D Srin
EVP
Technical Centre



Hemant Agarwal
CFO & VP Finance

Passenger Car Segment (AC+ECM)



Refrigeration Trucks



Commercial Vehicle Segment (Bus, Truck, Tractor)



Railways (Driver Cabin + Coach)



Residential and Commercial



Tooling





Backward integrated to enable built-in quality



India's leading automotive AC company



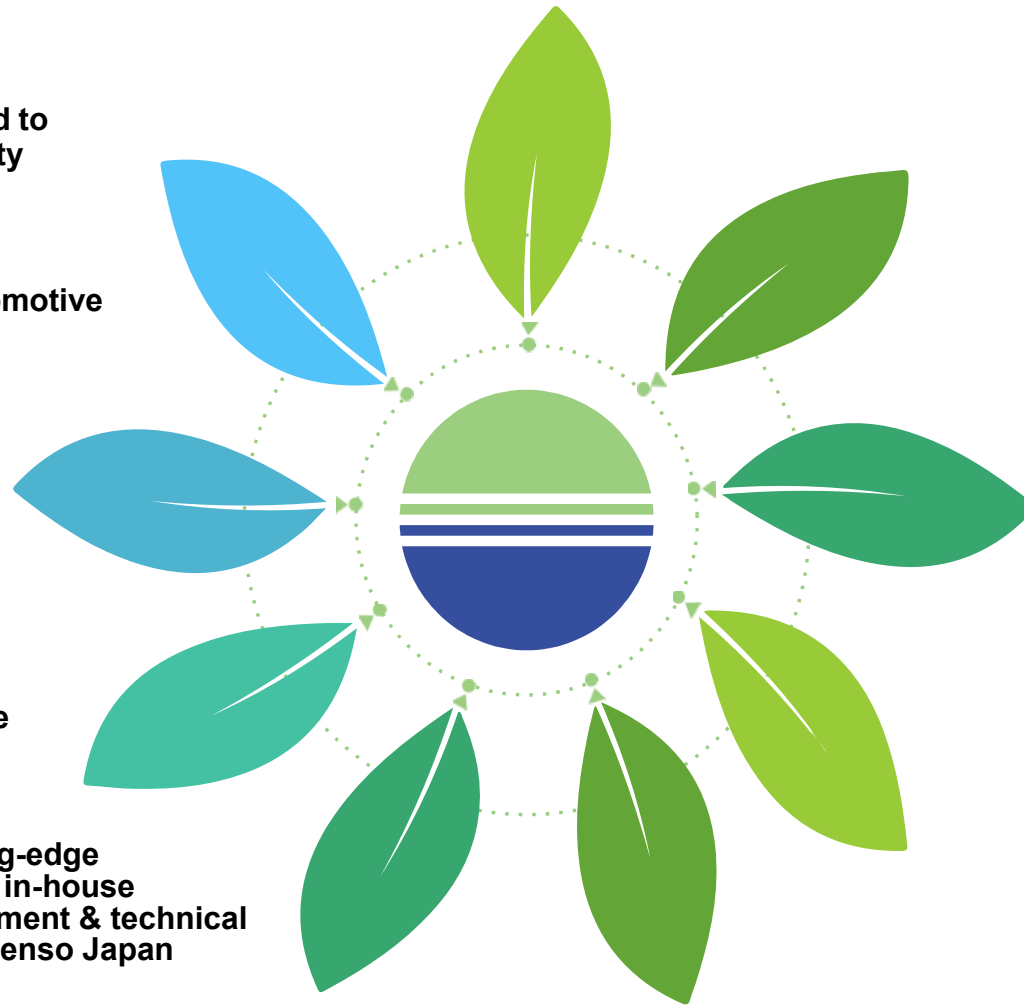
Highly reliable & energy-efficient products



Cost-effective and high-quality durable solutions



Availability of cutting-edge technology through in-house technology development & technical collaboration with Denso Japan



Strong manufacturing & process technology infrastructure



Proven capabilities in full-system design, validation, manufacturing & supplies



Pan-India presence



Diversified business into multiple segments

Financial Results & Highlights

Results Analysis - FY 2021-22 v/s FY 2020-21

Results Analysis - Q4 FY 2021-22 v/s Q4 FY 2020-21

Results Analysis - Q4 FY 2021-22 v/s Q3 FY 2021-22

Way Forward

Business Highlights

FY 21-22 Highlights

PV Segment Thermal business growth is 24%

Home Aircon growth is 43%

Truck segment growth is 43%

Bus Aircon growth is 44%

Quarter 4 Highlights

Overall revenue higher by 24% in Q4 as compare to Q3

SOP of 3 new Project in Q4

Readiness of Chennai plant for SOP of PV Aircon

Rail Coach AC business awarded (1st Business)



Overall Revenue growth by 3% in Quarter 4 FY 2021-22 from Quarter 4 FY 2020-21. However EBIDTA is lowered by 24% and PBT is lower by 46% over corresponding quarter of last year.

The second wave of Covid-19 pandemic has created economic disruption throughout the country. The Company's operations has been adversely impacted due to the consequent lockdown due to which the operations were suspended for part of the year ended 31st Mar, 2021 & 31st Mar, 2022. Therefore, results for the year are not comparable with the previous year.



Highlights – Financial Performance

FY 2021-22 v/s FY 2020-21

Indicator	Amount (Rs. in Crs)	Growth
Revenues	2238.64	25% ↑
EBIDTA	158.64	-3% ↓
PBT	45.39	-19% ↓
PAT	32.59	-30% ↓

Q4 2021-22 v/s Q4 2020-21

Indicator	Amount (Rs. in Crs)	Growth
Revenues	681.09	3% ↑
EBIDTA	49.88	-24% ↓
PBT	21.19	-46% ↓
PAT	16.94	-34% ↓

Q4 2021-22 v/s Q3 2021-22

Indicator	Amount (Rs. in Crs)	Growth
Revenues	681.09	24% ↑
EBIDTA	49.88	24% ↑
PBT	21.19	83% ↑
PAT	16.94	128% ↑

PARTICULARS	Quarter Ended			Year Ended	
	31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
Net Sales	67,993	54,638	65,866	2,23,491	1,79,333
Other Operating Income	116	124	127	373	232
Revenue from Operation	68,109	54,762	65,993	2,23,864	1,79,565
Other Income	240	32	206	992	1,031
Total Income	68,349	54,794	66,199	2,24,856	1,80,596
Raw Material Consumed	51,946	40,339	48,812	1,66,109	1,29,015
Total Material cost % to Net Sales	76.40%	73.83%	74.11%	74.32%	71.94%
Staff Cost	5,825	5,695	5,188	22,705	18,752
Staff cost % to Net Sales	8.57%	10.42%	7.88%	10.16%	10.46%
Other Exp.	5,590	4,751	5,607	20,178	16,421
Other Exps. % to Net Sales	8.22%	8.70%	8.51%	9.03%	9.16%
EBIDTA	4,988	4,009	6,592	15,864	16,408
% to Net Sales	7.34%	7.34%	10.01%	7.10%	9.15%
Depreciation and Amortisation exp	2,656	2,605	2,421	10,235	9,211
Depreciation % to Net Sales	3.91%	4.77%	3.68%	4.58%	5.14%
Interest	213	248	261	1,091	1,625
Interest cost % to Net Sales	0.31%	0.45%	0.40%	0.49%	0.91%
Net Profit/(Loss)	2,119	1,156	3,910	4,539	5,572
% to Net Sales	3.12%	2.12%	5.94%	2.03%	3.11%
(a) Current Tax	390	199	167	806	816
(b) Deferred Tax	35	215	1,186	474	86
Total Tax	424	414	1,353	1,280	902
Tax as % to PBT	20.03%	35.80%	34.61%	28.21%	16.19%
Net Profit after Tax/(Loss)	1,694	742	2,557	3,259	4,670
% to Net Sales	2.49%	1.36%	3.88%	1.46%	2.60%
Other Comprehensive Income (net of tax)	68	1	49	72	93
Total Comprehensive Income	1,762	743	2,606	3,331	4,763
% to Net Sales	2.59%	1.36%	3.96%	1.49%	2.66%
EPS	2.60	1.14	3.92	5.00	7.16

Financial Results & Highlights

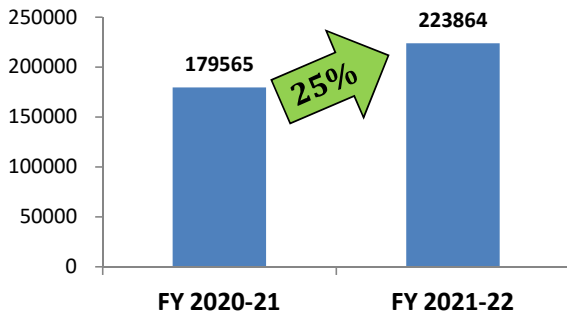
Results Analysis - FY 2021-22 v/s FY 2020-21

Results Analysis - Q4 FY 2021-22 v/s Q4 FY 2020-21

Results Analysis - Q4 FY 2021-22 v/s Q3 FY 2021-22

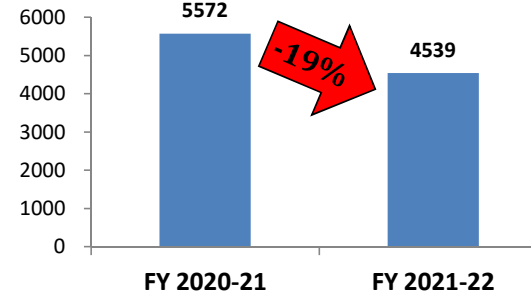
Way Forward

Revenue



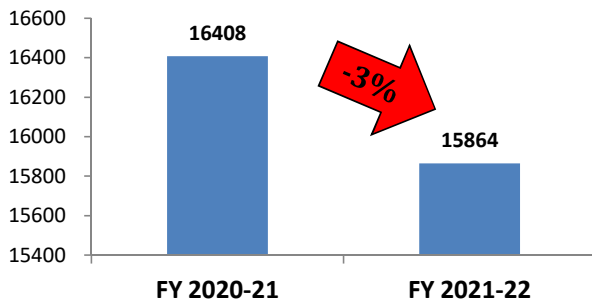
Recorded revenue growth of 25% in FY 2021-22

PBT



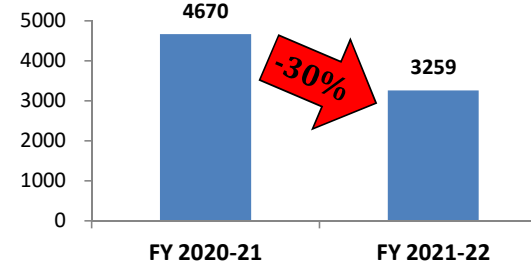
PBT stands at 2.03% agst. 3.11%

EBIDTA



EBIDTA realization @ 7.10% against 9.15%

PAT



PAT Levels at 1.46% of sales as against 2.60%

• Results are not comparable from FY 2020-21 due to Major lockdown in Quarter 1 of FY 2020-21

Indicators	FY 2020-21	FY 2021-22	Change	Status
Net Sales	1793.33	2234.91	441.58	●
Other Income	10.31	9.92	-0.39	●
Material Cost	71.94%	74.32%	2.38	●
Employee Cost	10.46%	10.16%	-0.30	●
Other Expenses	9.16%	9.03%	-0.13	●
Op. EBIDTA	9.15%	7.10%	-2.05	●
Finance Cost	0.91%	0.49%	-0.42	●
Depreciation	5.14%	4.58%	-0.56	●
PBT	3.11%	2.03%	-1.08	●
PAT	2.60%	1.46%	-1.14	●

Key Aspects:

- Sales growth is because of outbreak of COVID-19 pandemic and subsequent lockdown announced by the Government of India for the major period of Q1 2020-21.
- Operations were suspended during above lockdown period.
- MSR is increased due to increase in Commodity, Logistic cost, Packing & Freight cost, Diesel cost and product mix.
- EBIDTA & PBT is lower due to high MSR as explained above.

●	Positive	●	Moderate – variation upto 5%	●	Negative – variation exceeding 5%
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• Results are not comparable from FY 2020-21 due to Major lockdown in Quarter 1 of FY 2020-21

Financial Results & Highlights

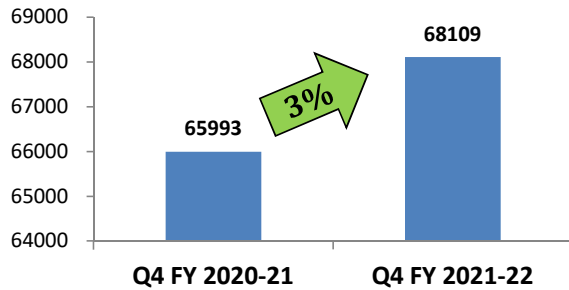
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Results Analysis - Q4 FY 2021-22 v/s Q4 FY 2020-21

Results Analysis - Q4 FY 2021-22 v/s Q3 FY 2021-22

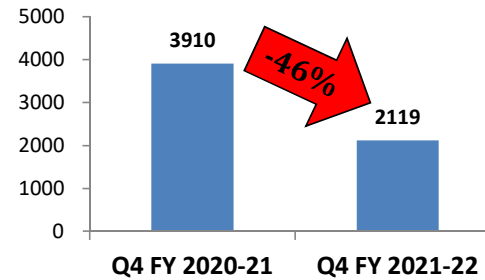
Way Forward

Revenue



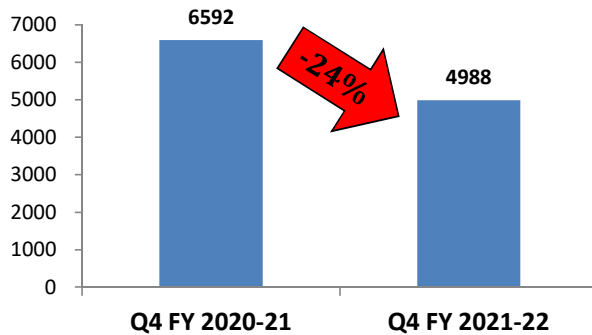
Recorded revenue growth of 3% with corresponding Qtr

PBT



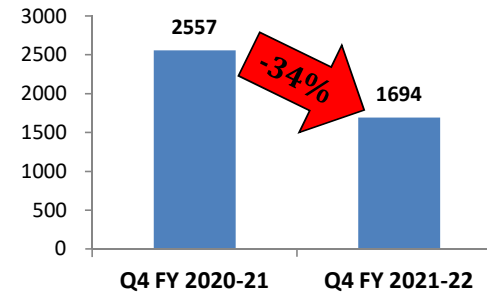
PBT realization at 3.12% as against 5.94%

EBIDTA



EBIDTA realization at 7.34% as against 10.01%

PAT



PAT realization at 2.49% as against 3.88%

Indicators	Q4 FY 2020-21	Q4 FY 2021-22	Change	Status
Net Sales	658.66	679.93	21.27	●
Other Income	2.06	2.40	0.34	●
Material Cost	74.11%	76.40%	2.29	●
Employee Cost	7.88%	8.57%	0.69	●
Other Expenses	8.51%	8.22%	-0.29	●
Op. EBIDTA	10.01%	7.34%	-2.67	●
Finance Cost	0.40%	0.31%	-0.09	●
Depreciation	3.68%	3.91%	0.23	●
PBT	5.94%	3.12%	-2.82	●
PAT	3.88%	2.49%	-1.39	●

Key Aspects:

- MSR is increased due to increase in Commodity, Container cost, Packing & Freight cost, Diesel cost and product mix.
- Employee cost is increased due to annual increase given to employees w.e.f. 1st Apr-21
- EBIDTA & PBT is lower due to high MSR.
- Depreciation is higher due to projects capitalized during the period.

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

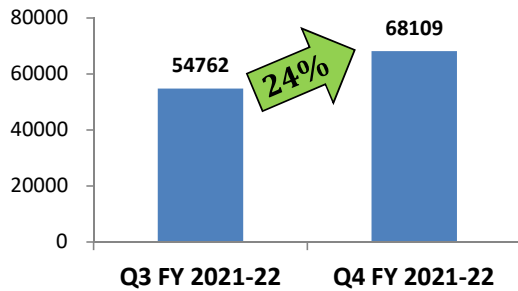
Results Analysis - FY 2021-22 v/s FY 2020-21

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Results Analysis - Q4 FY 2021-22 v/s Q3 FY 2021-22

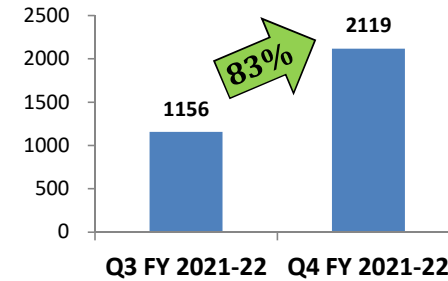
Way Forward

Revenue



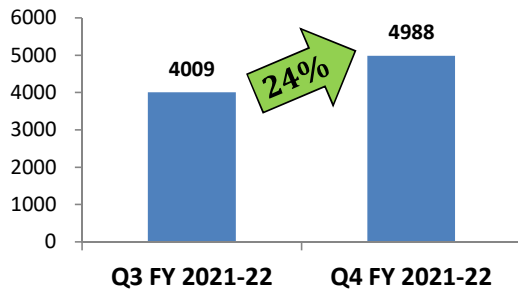
Recorded revenue growth of 24% with previous Qtr

PBT



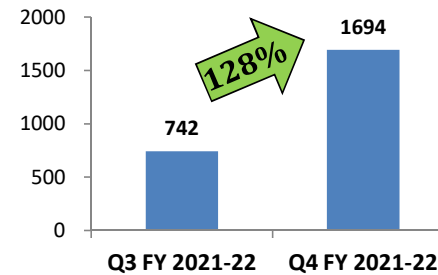
PBT realization at 3.12% against 2.12%

EBIDTA



EBIDTA levels at 7.34% against 7.34% in previous Qtr

PAT



PAT realization at 2.49% as against 1.36%

Indicators	Q3 FY 2021-22	Q4 FY 2021-22	Change	Status
Net Sales	546.38	679.93	133.55	●
Other Income	0.32	2.40	2.08	●
Material Cost	73.83%	76.40%	2.57	●
Employee Cost	10.42%	8.57%	-1.85	●
Other Expenses	8.70%	8.22%	-0.48	●
Op. EBIDTA	7.34%	7.34%	0.00	●
Finance Cost	0.45%	0.31%	-0.14	●
Depreciation	4.77%	3.91%	-0.86	●
PBT	2.12%	3.12%	1.00	●
PAT	1.36%	2.49%	1.13	●

●	<i>Positive</i>	●	<i>Moderate - variation upto 5%</i>	●	<i>Negative - variation exceeding 5%</i>
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Key Aspects:

- MSR is increased due to increase in Commodity, Container cost, Packing & Freight cost, Diesel cost and product mix.

Financial Results & Highlights

Results Analysis - FY 2021-22 v/s FY 2020-21

Results Analysis - Q4 FY 2021-22 v/s Q4 FY 2020-21

Results Analysis - Q4 FY 2021-22 v/s Q3 FY 2021-22

Way Forward

WAY FORWARD

Market and Revenue Potential

Growth in Line with Indian Automobile Industry ■

Business Expansion in Bus, Railways, Truck AC, Home AC and Refrigeration Trucks ●

Preparation to meet all regulatory changes including BSVI, CAFÉ and EV ●

Operational Aspects

Mitigating Impact of Foreign Exchange Fluctuations/ Commodity Fluctuation ■

**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 ■

Due to the spread of COVID-19, a global pandemic, the operations of the Company were impacted and all manufacturing plants and offices were shutdown following a nationwide lockdown imposed by the Government of India in FY 2020-21. Now business has resumed operation normally and impact of COVID-19 is negated.

Going forward, the Company will continue to monitor any material changes in the future economic conditions.

Thank You



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www.subros.com