

Subros

Financial Results
Quarter 4, FY 2022-23

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

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Cooling the Planet

About
Subros



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	7 Locations (Pan India Presence)
Technical Centre	2 Location(Noida)
Tool Engineering Centre	1 Location (Noida)
Certifications	ISO 14001,IATF 16949, OHSAS 18001
Market Shares	40% (Passenger Car AC) 45% (Truck Aircon/Blower)
Gross Revenues	Rs. 2806 Cr. (2022-23) US\$ 338 Mn



Noida Plant



Pressure Die Casting



Pune Plant



Manesar Plant



Chennai Plant



Karsanpura Plant



Nalagarh



Technical Centre



Tool Engineering Centre



DSEC



Ms. Shradha Suri
Chairperson & Managing
Director



Dr. Jyotsna Suri
Director



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



Mr. H. Takeuchi
Representative of Suzuki
Motor Corporation,
Japan



Mr Naohisa Kuriyama
Representative of
DENSO Corporation,
Japan



Mr. Tomoaki Yoshimori
Representative of
DENSO Corporation, Japan



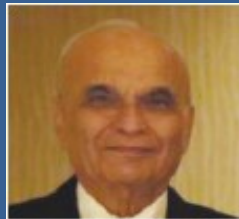
Mr. Yasuhiro Iida
Alternate Director



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 Director



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
(Technical & SCM)



Mr. A Parashar
Chief Operating Officer
(Operations, STEC &
Service)



Mr. D Sрни
EVP
Technical Centre



Hemant Agarwal
CFO & VP Finance

Passenger Car Segment (AC+ECM)

MARUTI SUZUKI

DENSO

SUZUKI

Mahindra

FORCE MOTORS

TATA

RENAULT NISSAN

Refrigeration Trucks

MARUTI SUZUKI

TATA

ASHOK LEYLAND

Commercial Vehicle Segment (Bus, Truck, Tractor)

TATA

Mahindra

DENSO

VE COMMERCIAL VEHICLES
A VOLVO GROUP AND EICHER MOTORS JOINT VENTURE

DAIMLER

SML ISUZU

FORCE MOTORS

ASHOK LEYLAND

Railways (Driver Cabin + Coach)

MEDHA



BOMBARDIER

Residential and Commercial

VOLTAS

Cruise AIR CONDITIONERS

HAVELLS

CARYAIRE™
Leadership Through Innovation

Tooling

DENSO

talbros

Global Autotech

Johnson Controls
HITACHI Air conditioning solutions



Backward integrated to enable built-in quality



India's leading automotive AC company



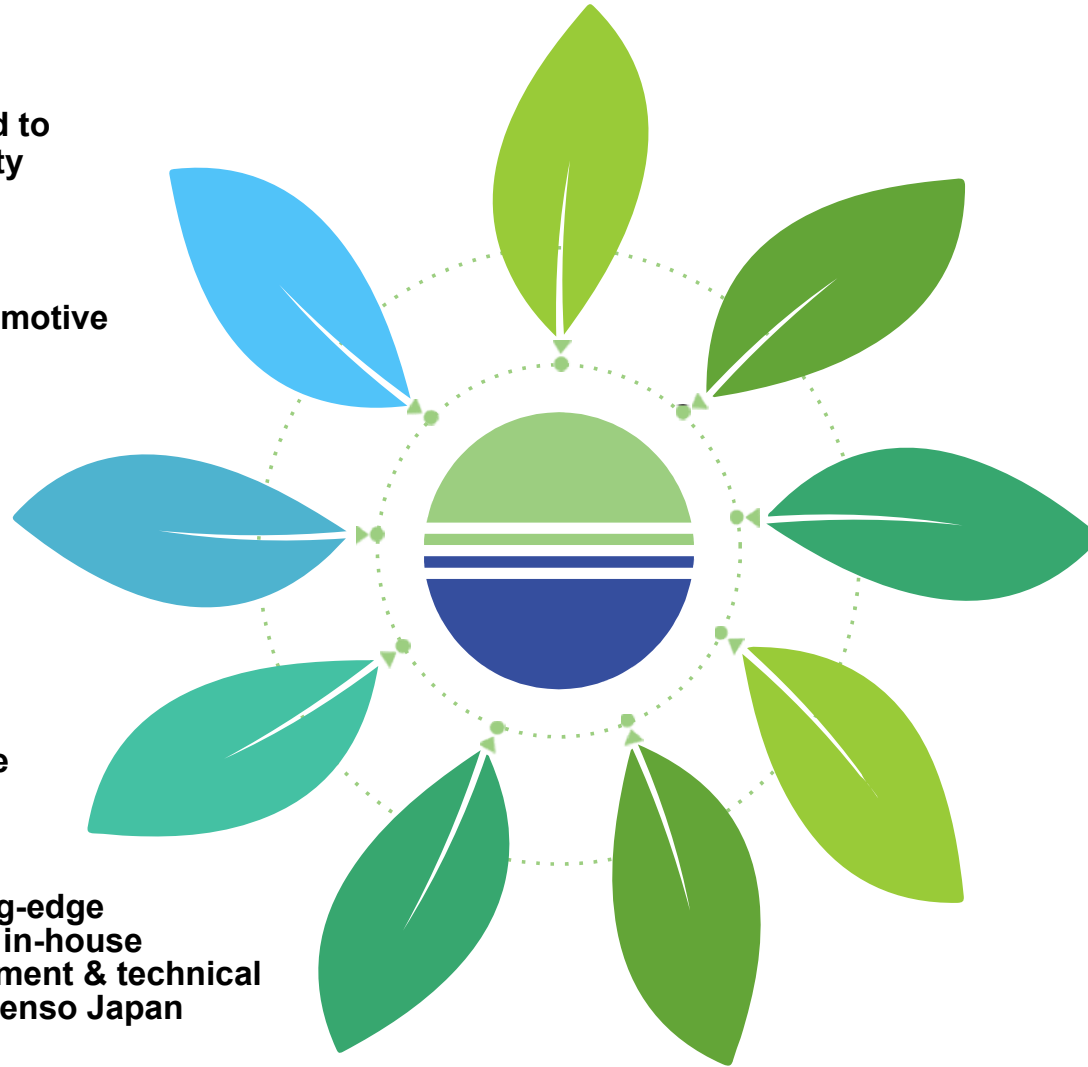
Highly reliable & energy-efficient products



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 2022-23 v/s FY 2021-22

Results Analysis - Q4 FY 2022-23 v/s Q4 FY 2021-22

Results Analysis - Q4 FY 2022-23 v/s Q3 FY 2022-23

Way Forward

Business Highlights (Q4 2022-23)

Q4 22-23 vs Q4 21-22

PV Segment Thermal business growth is 19%

Revenue growth is 10%

EBIDTA growth is 14%

PBT growth is 26%

Q4 2022-23 Highlights

Highest ever Revenue reported for Rs. 748 Cr. in quarter 4

SOP of Fronx started from Karsanpura plant in Q4

SOP of 1 New project is in pipeline for Q1 2023-24

Development in progress of new EV business awarded in 2022-23

Highlights – Financial Performance

2022-23 v/s 2021-22

Indicator	Amount (Rs. in Cr.)	Growth
Revenues	2,806.28	25% ↑
EBIDTA	188.07	19% ↑
PBT	71.02	56% ↑
PAT	48.09	48% ↑

Q4 2022-23 v/s Q4 2021-22

Indicator	Amount (Rs. in Cr.)	Growth
Revenues	748.11	10% ↑
EBIDTA	56.67	14% ↑
PBT	26.69	26% ↑
PAT	18.64	10% ↑

Q4 2022-23 v/s Q3 2022-23

Indicator	Amount (Rs. in Cr.)	Growth
Revenues	748.11	14% ↑
EBIDTA	56.67	35% ↑
PBT	26.69	118% ↑
PAT	18.64	128% ↑

Results are not comparable for FY2021-22 due to Covid-19

PARTICULARS	Quarter Ended			Year Ended	
	31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
Net Sales	74,652	65,315	67,993	2,79,980	2,23,491
Other Operating Income	158	145	116	648	373
Revenue from Operation	74,811	65,460	68,109	2,80,628	2,23,864
Other Income	569	840	240	2,057	992
Total Income	75,380	66,300	68,349	2,82,685	2,24,856
Raw Material Consumed	57,729	49,860	51,946	2,15,033	1,66,109
Total Material cost % to Net Sales	77.33%	76.34%	76.40%	76.80%	74.32%
Staff Cost	6,006	6,034	5,825	24,772	22,705
Staff cost % to Net Sales	8.05%	9.24%	8.57%	8.85%	10.16%
Other Exp.	5,978	6,206	5,590	24,073	20,178
Other Exps. % to Net Sales	8.01%	9.50%	8.22%	8.60%	9.03%
EBIDTA	5,667	4,200	4,988	18,807	15,864
% to Net Sales	7.59%	6.43%	7.34%	6.72%	7.10%
Depreciation and Amortisation exp	2,790	2,819	2,656	11,028	10,235
Depreciation % to Net Sales	3.74%	4.32%	3.91%	3.94%	4.58%
Interest	209	159	213	678	1,091
Interest cost % to Net Sales	0.28%	0.24%	0.31%	0.24%	0.49%
Net Profit/(Loss)	2,669	1,222	2,119	7,101	4,539
% to Net Sales	3.57%	1.87%	3.12%	2.54%	2.03%
(a) Current Tax	468	188	390	1,218	806
(b) Deferred Tax	337	215	35	1,075	474
Total Tax	805	403	424	2,293	1,280
Tax as % to PBT	30.14%	32.99%	20.03%	32.29%	28.21%
Net Profit after Tax/(Loss)	1,864	819	1,694	4,808	3,259
% to Net Sales	2.50%	1.25%	2.49%	1.72%	1.46%
Other Comprehensive Income (net of tax)	5	3	68	15	72
Total Comprehensive Income	1,869	822	1,762	4,823	3,331
% to Net Sales	2.50%	1.26%	2.59%	1.72%	1.49%
EPS	2.86	1.25	2.60	7.37	5.00

Financial Results & Highlights

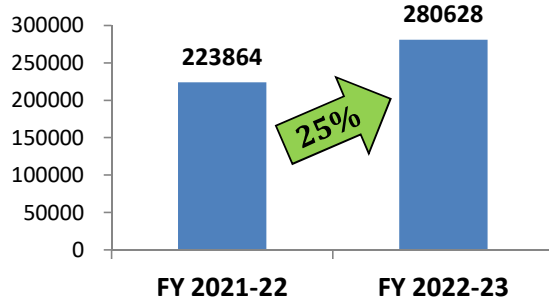
Results Analysis - FY 2022-23 v/s FY 2021-22

Results Analysis - Q4 FY 2022-23 v/s Q4 FY 2021-22

Results Analysis - Q4 FY 2022-23 v/s Q3 FY 2022-23

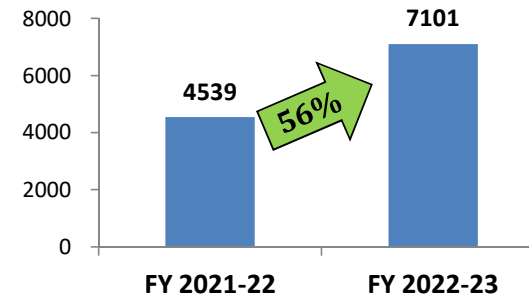
Way Forward

Revenue



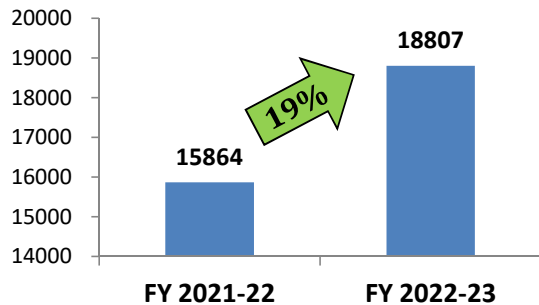
Recorded revenue growth of 25% in FY 2022-23

PBT



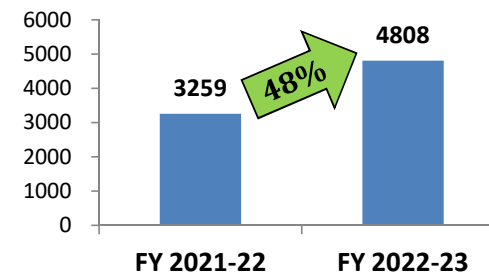
PBT stands at 2.54% as against 2.03%

EBIDTA



EBIDTA realization @ 6.72% as against 7.10%

PAT



PAT Levels at 1.72% of sales as against 1.46%

• Results are not comparable for 2021-22 due to lockdown in Quarter 1 of FY 2021-22.

Indicators	FY 2021-22	FY 2022-23	Change	Status
Net Sales	2234.91	2799.80	564.89	●
Other Income	9.92	20.57	10.65	●
Material Cost	74.32%	76.80%	2.48	■
Employee Cost	10.16%	8.85%	-1.31	●
Other Expenses	9.03%	8.60%	-0.43	●
Op. EBIDTA	7.10%	6.72%	-0.38	●
Finance Cost	0.49%	0.24%	-0.25	●
Depreciation	4.58%	3.94%	-0.64	●
PBT	2.03%	2.54%	0.51	●
PAT	1.46%	1.72%	0.26	●

●	Positive	■	Moderate - variation upto 5%	●	Negative - variation exceeding 5%
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Key Aspects:

- Sales are higher by 25.28%, includes New Model SOP sale contributed Rs. 250 Cr. (11%)
- MSR is higher by 2.48% due to increase in Commodity, Container cost, Air freight, Packing, Logistic cost and product mix.
- EBIDTA is lower by 0.38% due to higher Material Cost as mentioned above but improved due to cost optimization initiative taken by the company to achieve higher sales growth i.e. Manpower, Manufacturing exp. & Other expenses.

Financial Results & Highlights

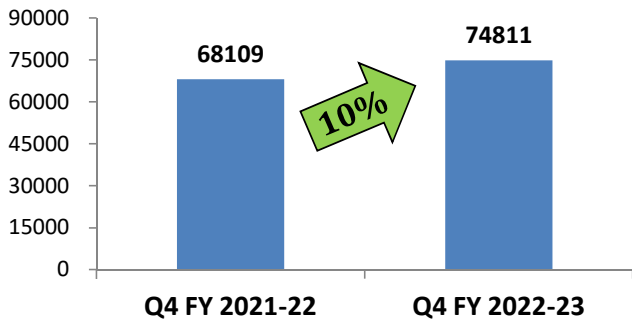
Results Analysis - FY 2022-23 v/s FY 2021-22

Results Analysis - Q4 FY 2022-23 v/s Q4 FY 2021-22

Results Analysis - Q4 FY 2022-23 v/s Q3 FY 2022-23

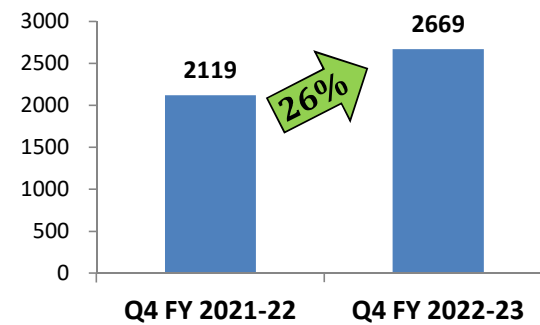
Way Forward

Revenue



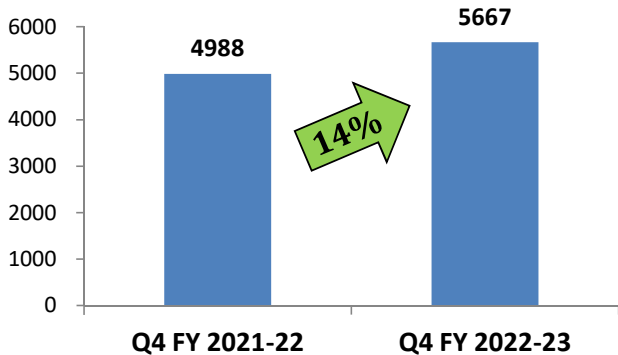
Recorded revenue growth of 10% with corresponding Qtr

PBT



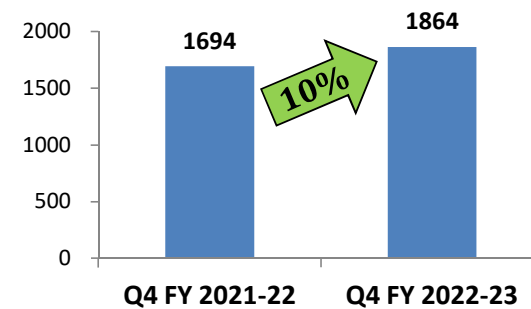
PBT realization at 3.57% as against 3.12%

EBIDTA



EBIDTA realization at 7.59% as against 7.34%

PAT



PAT realization at 2.50% as against 2.49%

Indicators	Q4 FY 2021-22	Q4 FY 2022-23	Change	Status
Net Sales	679.93	746.52	66.59	●
Other Income	2.40	5.69	3.29	●
Material Cost	76.40%	77.33%	0.93	■
Employee Cost	8.57%	8.05%	-0.52	●
Other Expenses	8.22%	8.01%	-0.21	●
Op. EBIDTA	7.34%	7.59%	0.25	●
Finance Cost	0.31%	0.28%	-0.03	●
Depreciation	3.91%	3.74%	-0.17	●
PBT	3.12%	3.57%	0.45	●
PAT	2.49%	2.50%	0.01	●

Key Aspects:

- Sales are higher by 9.79%
- MSR is higher due to incurrence of Air freight because of increase in customer demand and product mix.
- EBIDTA is higher due to higher Sales & Other Income

●	<i>Positive</i>	■	<i>Moderate - variation upto 5%</i>	●	<i>Negative - variation exceeding 5%</i>
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Financial Results & Highlights

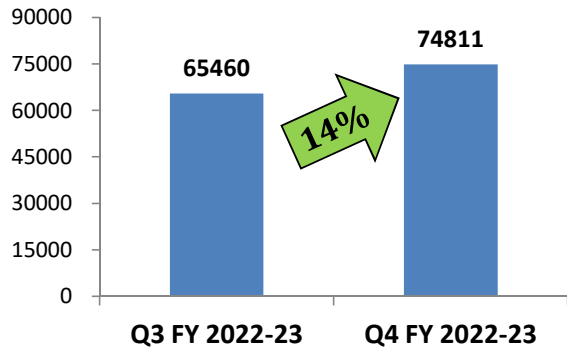
Results Analysis - FY 2022-23 v/s FY 2021-22

Results Analysis - Q4 FY 2022-23 v/s Q4 FY 2021-22

Results Analysis - Q4 FY 2022-23 v/s Q3 FY 2022-23

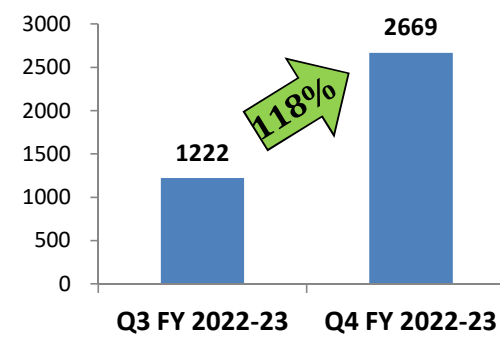
Way Forward

Revenue



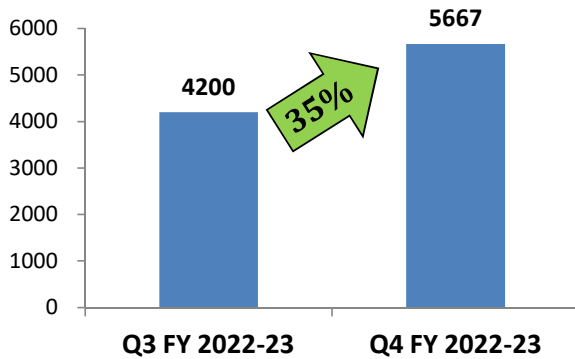
Recorded revenue growth of 14% with previous Qtr

PBT



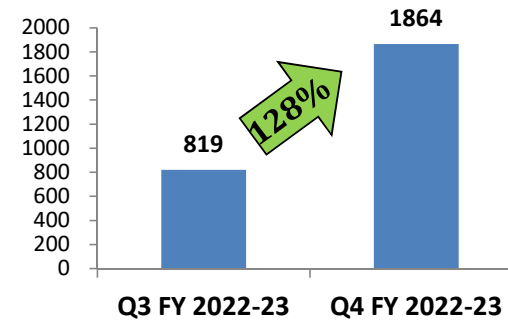
PBT realization at 3.57% as against 1.87%

EBIDTA



EBIDTA levels at 7.59% as against 6.43% in previous Qtr

PAT



PAT realization at 2.50% as against 1.25%

Indicators	Q3 FY 2022-23	Q4 FY 2022-23	Change	Status
Net Sales	653.15	746.52	93.37	●
Other Income	8.40	5.69	-2.71	●
Material Cost	76.34%	77.33%	0.99	■
Employee Cost	9.24%	8.05%	-1.19	●
Other Expenses	9.50%	8.01%	-1.49	●
Op. EBIDTA	6.43%	7.59%	1.16	●
Finance Cost	0.24%	0.28%	0.04	●
Depreciation	4.32%	3.74%	-0.58	●
PBT	1.87%	3.57%	1.70	●
PAT	1.25%	2.50%	1.25	●

●	Positive	■	Moderate - variation upto 5%	●	Negative - variation exceeding 5%
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Key Aspects:

- Sales are higher by 14.30%, out of this 5% growth is contributed by New model SOP
- Other Income is lower due to regrouping of MTM impact in quarter 4, corresponding reduction in Other expenses
- MSR is higher due to incurrance of Air freight because of increase in customer demand and product mix.
- Finance Cost is slightly higher due to increasing interest rate.

Financial Results & Highlights

Results Analysis - FY 2022-23 v/s FY 2021-22

Results Analysis - Q4 FY 2022-23 v/s Q4 FY 2021-22

Results Analysis - Q4 FY 2022-23 v/s Q3 FY 2022-23

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, RDE, CAFÉ and EV ●

Mitigating Impact of Foreign Exchange Fluctuations thru prudent hedging policy, Commodity Fluctuation back to back arrangement with Customer ■

Operational Aspects

Material Cost Down thru VA/VE, Alternate sourcing, Make or buy feasibility (Focus on Localisation for De-risking FE Impact) ●

Cost Optimization by Consolidation of Plants/Shift Optimization/Renewable energy / Optimisation of Carbon foot print (Improvement in EBIDTA & ROCE) ■

Operational efficiency thru Automation of critical process, digitisation to reduce dependence on human. ■

Capacity enhancement thru cycle time reduction and process improvement to optimise Capital expenditure ■

Thank You



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