

Subros

Financial Results
Quarter 2, FY 2021-22


Investor Presentation

Subros



Cooling the Planet

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.

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Financial Results & Highlights for the Quarter

Results Analysis - HY 1 FY 2021-22 v/s HY 1 FY 2020-21

Results Analysis - Q2 FY 2021-22 v/s Q2 FY 2020-21

Results Analysis - Q2 FY 2021-22 v/s Q1 FY 2021-22

Way Forward

- **Overall Revenue growth by 16% in Quarter 2 FY 2021-22 from Quarter 2 FY 2020-21. However EBIDTA is lowered by 35% and PBT is lower by 73% 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 quarter ended 30th June, 2021. Therefore, results for the half year are not comparable with the previous half year.*

Financial Highlights

H1 2021-22 v/s H1 2020-21

Indicator	Amount (Rs. in Crs)	Growth*
Revenues	1009.93	90% ↑
EBIDTA	68.69	142% ↑
PBT (before exceptional)	12.64	151% ↑
PBT (after exceptional)	12.64	151% ↑
PAT	8.23	231% ↑

Q2 2021-22 v/s Q2 2020-21

Indicator	Amount (Rs. in Crs)	Growth*
Revenues	529.48	16% ↑
EBIDTA	37.07	-35% ↓
PBT (before exceptional)	7.67	-73% ↓
PBT (after exceptional)	7.67	-73% ↓
PAT	5.12	-71% ↓

Q2 2021-22 v/s Q1 2021-22

Indicator	Amount (Rs. in Crs)	Growth*
Revenues	529.48	10% ↑
EBIDTA	37.07	17% ↑
PBT (before exceptional)	7.67	54% ↑
PBT (after exceptional)	7.67	54% ↑
PAT	5.12	65% ↑

PARTICULARS	Quarter Ended			Six Months Ended		Year Ended
	30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
Net Sales	52,881	47,979	45,773	1,00,860	53,145	1,79,333
Other Operating Income	67	66	37	133	42	232
Revenue from Operation	52,948	48,045	45,810	1,00,993	53,187	1,79,565
Other Income	238	482	377	720	481	1,031
Total Income	53,186	48,527	46,187	1,01,713	53,667	1,80,596
Raw Material Consumed	38,770	35,053	31,737	73,823	36,845	1,29,015
Total Material cost % to Net Sales	73.31%	73.06%	69.34%	73.19%	69.33%	71.94%
Staff Cost	5,678	5,507	4,417	11,185	8,237	18,752
Staff cost % to Net Sales	10.74%	11.48%	9.65%	11.09%	15.50%	10.46%
Other Exp.	5,031	4,806	4,309	9,837	5,744	16,421
Other Exps. % to Net Sales	9.51%	10.02%	9.41%	9.75%	10.81%	9.16%
EBIDTA	3,707	3,161	5,723	6,869	2,842	16,408
% to Net Sales	7.01%	6.59%	12.50%	6.81%	5.35%	9.15%
Depreciation and Amortisation exp	2,589	2,385	2,375	4,974	4,305	9,211
Depreciation % to Net Sales	4.90%	4.97%	5.19%	4.93%	8.10%	5.14%
Interest	351	279	555	630	1,036	1,625
Interest cost % to Net Sales	0.66%	0.58%	1.21%	0.62%	1.95%	0.91%
Net Profit/(Loss)	767	497	2,794	1,264	(2,499)	5,572
% to Net Sales	1.45%	1.04%	6.10%	1.25%	-4.70%	3.11%
(a) Current Tax	121	96	-	217	-	816
(b) Deferred Tax	134	90	1,021	224	(1,869)	86
Total Tax	255	186	1,021	441	(1,869)	902
Tax as % to PBT	33.28%	37.39%	36.56%	34.88%	74.78%	16.19%
Net Profit after Tax/(Loss)	512	311	1,773	823	(630)	4,670
% to Net Sales	0.97%	0.65%	3.87%	0.82%	-1.19%	2.60%
Other Comprehensive Income (net of tax)	(39)	42	109	3	55	93
Total Comprehensive Income	473	353	1,882	826	(575)	4,763
% to Net Sales	0.89%	0.74%	4.11%	0.82%	-1.08%	2.66%
EPS	0.78	0.48	2.72	1.26	(0.97)	7.16

Financial Results & Highlights for the Quarter

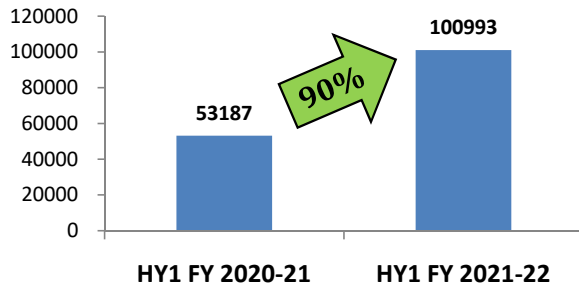
Results Analysis - HY 1 FY 2021-22 v/s HY 1 FY 2020-21

Results Analysis - Q2 FY 2021-22 v/s Q2 FY 2020-21

Results Analysis - Q2 FY 2021-22 v/s Q1 FY 2021-22

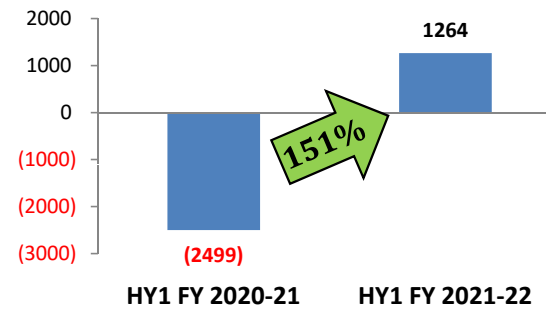
Way Forward

Revenue



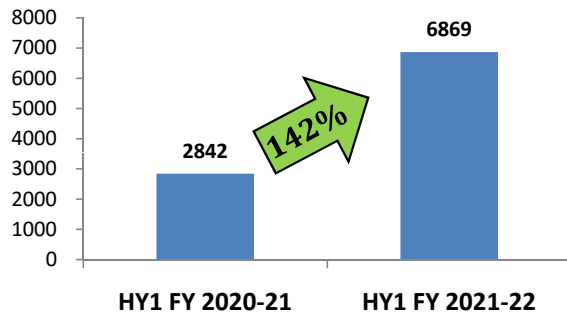
Recorded revenue growth of 90% in HY 1 FY 2021-22

PBT



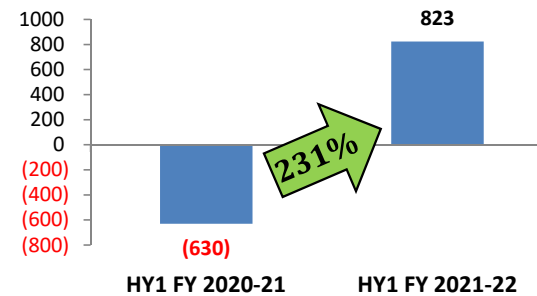
PBT (before exceptional) stands at 1.25% agst. -4.70%

EBIDTA



EBIDTA realization @ 6.81% against 5.35%

PAT



PAT Levels at 0.82% of sales as against -1.19%

• Results are not comparable from HY1 2020-21 due to Major lockdown in Quarter 1 of FY 2020-21

Indicators	HY1 FY 2020-21	HY1 FY 2021-22	Change	Status
Net Sales	531.45	1008.60	477.15	●
Other Income	4.81	7.20	2.39	●
Material Cost	69.33%	73.19%	3.86	●
Employee Cost	15.50%	11.09%	-4.41	●
Other Expenses	10.81%	9.75%	-1.06	●
Op. EBIDTA	5.35%	6.81%	1.46	●
Finance Cost	1.95%	0.62%	-1.33	●
Depreciation	8.10%	4.93%	-3.17	●
PBT (before exceptional)	-4.70%	1.25%	5.95	●
PBT (after exceptional)	-4.70%	1.25%	5.95	●
PAT	-1.19%	0.82%	2.01	●

● Positive	● Moderate - variation upto 5%	● Negative - variation exceeding 5%
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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.
- Manufacturing operations were resumed in a phase manner in accordance with the directives of the Government of India.
- MSR is increased due to increase in Commodity, Container cost, Packing & Freight cost, Diesel cost and product mix.

• Results are not comparable from HY1 2020-21 due to Major lockdown in Quarter 1 of FY 2020-21

Financial Results & Highlights for the Quarter

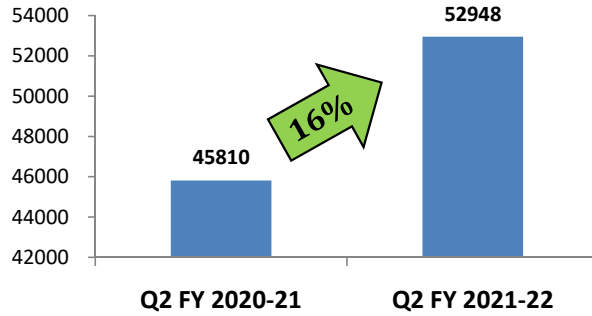
Results Analysis - HY 1 FY 2021-22 v/s HY 1 FY 2020-21

Results Analysis - Q2 FY 2021-22 v/s Q2 FY 2020-21

Results Analysis - Q2 FY 2021-22 v/s Q1 FY 2021-22

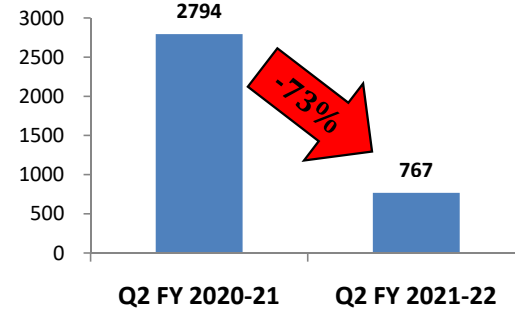
Way Forward

Revenue



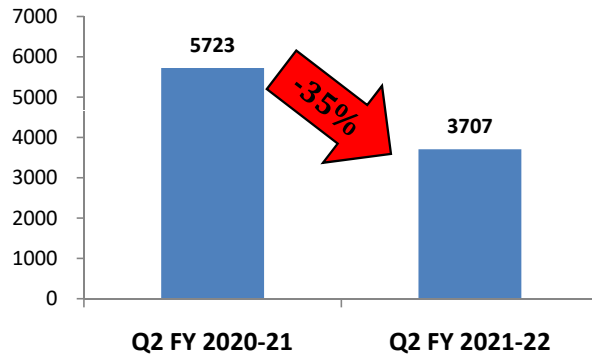
Recorded revenue growth of 16% with corresponding Qtr

PBT



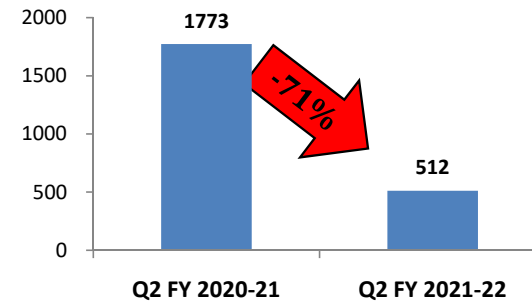
PBT (before exceptional) realization at 1.45% as against 6.10%

EBIDTA



EBIDTA realization at 7.01% as against 12.50%

PAT



PAT realization at 0.97% as against 3.87%

Indicators	Q2 FY 2020-21	Q2 FY 2021-22	Change	Status
Net Sales	457.73	528.81	71.08	●
Other Income	3.77	2.38	-1.39	●
Material Cost	69.34%	73.31%	3.97	●
Employee Cost	9.65%	10.74%	1.09	●
Other Expenses	9.41%	9.51%	0.10	●
Op. EBIDTA	12.50%	7.01%	-5.49	●
Finance Cost	1.21%	0.66%	-0.55	●
Depreciation	5.19%	4.90%	-0.29	●
PBT (before exceptional)	6.10%	1.45%	-4.65	●
PBT (after exceptional)	6.10%	1.45%	-4.65	●
PAT	3.87%	0.97%	-2.90	●

Key Aspects:

- Other income is reduced due to settlement / reinstatement of Foreign liabilities.
- 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 wef 1st Apr-21
- EBIDTA & PBT is lower due to high MSR and increase on overheads

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

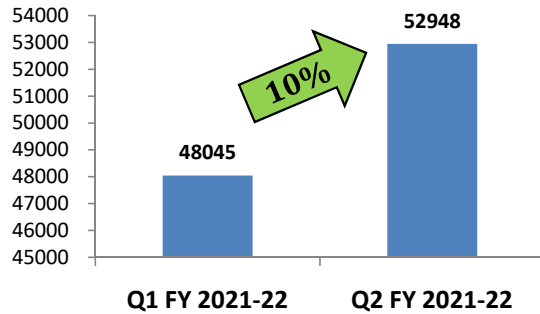
Results Analysis - HY 1 FY 2021-22 v/s HY 1 FY 2020-21

Results Analysis - Q2 FY 2021-22 v/s Q2 FY 2020-21

Results Analysis - Q2 FY 2021-22 v/s Q1 FY 2021-22

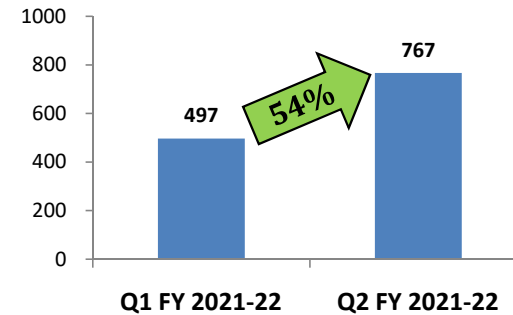
Way Forward

Revenue



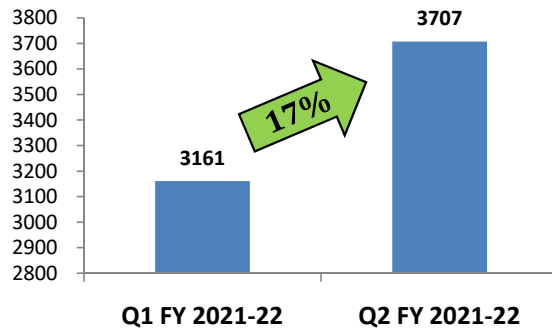
Recorded revenue growth of 10% with previous Qtr

PBT



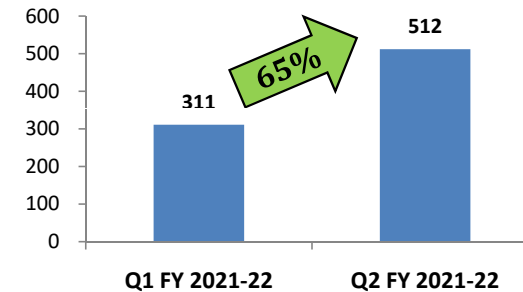
PBT (before exceptional) realization at 1.45% against 1.04%

EBIDTA



EBIDTA levels at 7.01% against - 6.59% in previous Qtr

PAT



PAT realization at 0.97% as against - 0.65%

Indicators	Q1 FY 2021-22	Q2 FY 2021-22	Change	Status
Net Sales	479.79	528.81	49.02	●
Other Income	4.82	2.38	-2.44	●
Material Cost	73.06%	73.31%	0.25	●
Employee Cost	11.48%	10.74%	-0.74	●
Other Expenses	10.02%	9.51%	-0.51	●
Op. EBIDTA	6.59%	7.01%	0.42	●
Finance Cost	0.58%	0.66%	0.08	●
Depreciation	4.97%	4.90%	-0.07	●
PBT (before exceptional)	1.04%	1.45%	0.41	●
PBT (after exceptional)	1.04%	1.45%	0.41	●
PAT	0.65%	0.97%	0.32	●

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

- Other income is reduced due to settlement/reinstatement of Foreign liabilities.
- Material cost is slightly higher due to product mix.
- Finance cost is higher due to increase in interest on usance because of adverse currency movement.

Financial Results & Highlights for the Quarter

Results Analysis - HY 1 FY 2021-22 v/s HY 1 FY 2020-21

Results Analysis - Q2 FY 2021-22 v/s Q2 FY 2020-21

Results Analysis - Q2 FY 2021-22 v/s Q1 FY 2021-22

Way Forward

Market and Revenue Potential

Growth in Line with Indian Automobile Industry ■

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

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 ■

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. The Company has resumed manufacturing operations in a phased manner in accordance with the directives of the Government of India.

The Company has evaluated adverse impact of this pandemic on its business operations and financial positions. There was major revenue loss due to COVID-19 & operations were suspended during initial period of quarter 1, 21. However, we are confident that future projections will mitigate the gap to some extent.

However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial results.

The Company will continue to monitor any material changes in the future economic conditions.

Thank You



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