

February 14, 2024  
SEL/SEC/ 2023-2024/81

<b>BSE Limited</b> <b>Department of Corporate Services</b> <b>P. J. Towers, 25th Floor, Dalal Street,</b> <b>Mumbai- 400 001</b> <b>Ref: 532509</b>	<b>National Stock Exchange of India Ltd</b> <b>Exchange Plaza, C-1, Block-G,</b> <b>Bandra Kurla Complex, Bandra (E)</b> <b>Mumbai- 400 051</b> <b>Ref: SUPRAJIT</b>
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Dear Sirs,

**Sub: Press Release**

Please find enclosed Press Release dated February 14, 2024.

Kindly take the aforesaid information on record in compliance of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

Thanking you,

Yours faithfully,

**For Suprajit Engineering Limited****Medappa Gowda J**  
**CFO & Company**

Encl: as above

## PRESS RELEASE

### FINANCIAL RESULTS AND BUSINESS UPDATE – 14<sup>th</sup> February 2024

(Rs. In Million)

#### Unaudited results for the nine months ended :

CONSOLIDATED	December 2023		December 2022		Growth
	Amount	%	Amount	%	
OPERATING REVENUE	21,127.33		20,533.46		2.89%
EBITDA (Operational)	2,314.43	10.95%	2,228.18	10.85%	3.87%

STANDALONE	December 2023		December 2022		Growth
	Amount	%	Amount	%	
OPERATING REVENUE	11,239.24		10,915.33		2.97%
EBITDA (Operational)	1,995.80	17.76%	1,868.67	17.12%	6.80%

Suprajit Controls Division (SCD)	December 2023		December 2022		Growth
	Amount	%	Amount	%	
OPERATING REVENUE	9,873.26		9,953.34		(0.80%)
EBITDA (Operational)	554.80	5.62%	664.06	6.67%	(16.45%)

Domestic Cable Division (DCD)	December 2023		December 2022		Growth
	Amount	%	Amount	%	
OPERATING REVENUE	8,078.98		7,868.67		2.67%
EBITDA (Operational)	1,416.56	17.53%	1,344.60	17.09%	5.35%

Phoenix Lamps Division Consolidated (PLD)	December 2023		December 2022		Growth
	Amount	%	Amount	%	
OPERATING REVENUE	2,886.30		2,711.45		6.45%
EBITDA (Operational)	318.84	11.05%	219.52	8.10%	45.24%

Suprajit Electronics Division (SED)	December 2023		September 2023		Growth
	Amount	%	Amount	%	
OPERATING REVENUE	288.79		97.52		-
EBITDA (Operational)	24.23	8.39%	3.09	3.17%	-

Above Operational EBITDA is without considering all non-operational income/ expenses on forex gain/ loss & acquisition expenses.

(Rs. In Million)

Unaudited results for the quarter ended :

CONSOLIDATED	Q3 FY 2023-24		Q3 FY 2022-23		Growth
	Amount	%	Amount	%	
OPERATING REVENUE	7,241.76		6,920.99		4.63%
EBITDA (Operational)	872.74	12.05%	815.10	11.78%	7.07%

STANDALONE	Q3 FY 2023-24		Q3 FY 2022-23		Growth
	Amount	%	Amount	%	
OPERATING REVENUE	4,052.14		3,683.44		10.01%
EBITDA (Operational)	744.12	18.36%	691.64	18.78%	7.59%

Suprajit Controls Division (SCD)	Q3 FY 2023-24		Q3 FY 2022-23		Growth
	Amount	%	Amount	%	
OPERATING REVENUE	3,135.71		3286.05		(4.58%)
EBITDA (Operational)	193.46	6.17%	217.23	6.61%	(10.94%)

Domestic Cable Division (DCD)	Q3 FY 2023-24		Q3 FY 2022-23		Growth
	Amount	%	Amount	%	
OPERATING REVENUE	2,885.52		2,668.95		8.11%
EBITDA (Operational)	530.46	18.38%	492.56	18.46%	7.70%

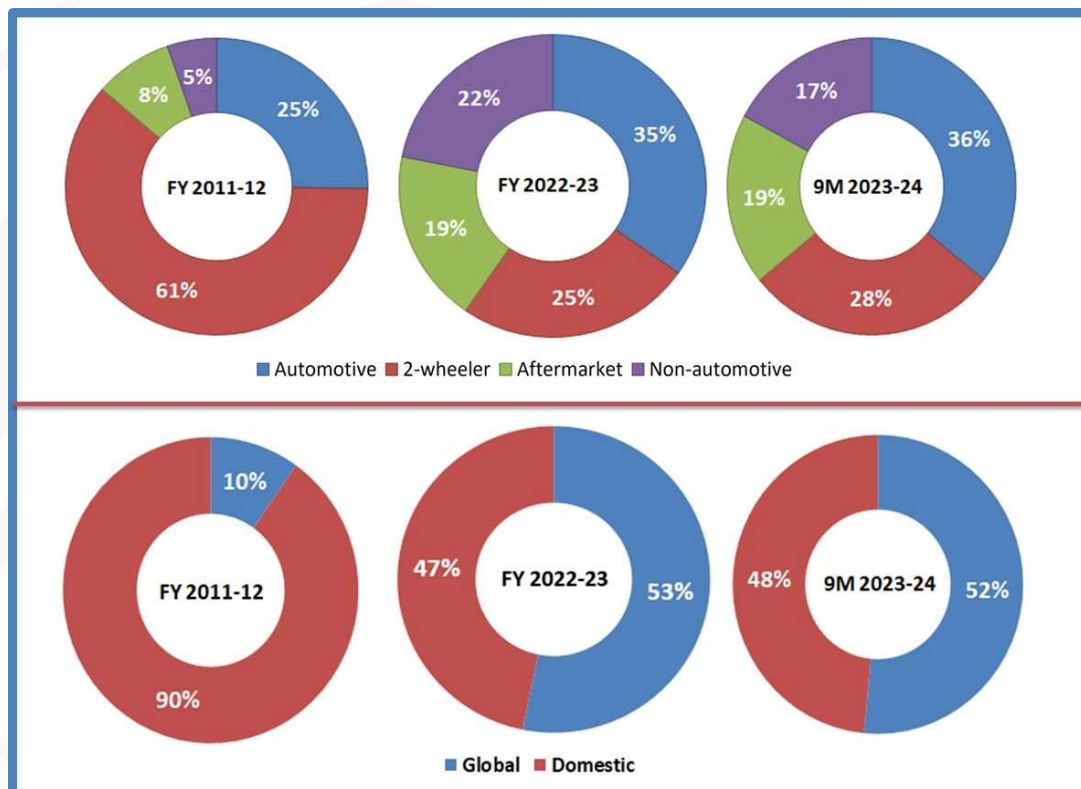
Phoenix Lamps Division Consolidated (PLD)	Q3 FY 2023-24		Q3 FY 2022-23		Growth
	Amount	%	Amount	%	
OPERATING REVENUE	1,029.27		965.99		6.55%
EBITDA (Operational)	127.69	12.41%	105.31	10.90%	21.25%

Suprajit Electronics Division (SED)	Q3 FY 2023-24		Q2 FY 2022-23		Q1 FY 2022-23	
	Amount	%	Amount	%	Amount	%
OPERATING REVENUE	191.27		69.63		27.89	
Revenue Growth QnQ		174.68%		149.71%		-
EBITDA (Operational)	21.14	11.05%	3.53	5.06%	(0.44)	(1.58%)

Above Operational EBITDA is without considering all non-operational income/ expenses on forex gain/ loss & acquisition expenses.

**Group Debt Level & Investments (Rs. in Millions):**

PARTICULARS	Dec-23	Mar-23
Long Term	2,183	2,648
Short Term	4,028	3,769
<b>TOTAL</b>	<b>6,223</b>	<b>6,417</b>
Investment in Mutual Funds & Bonds	5,009	4,451

**Sector and Geographical Transformation:**

**BUSINESS UPDATE:**

- The consolidated business of the group grew by 3%. The standalone business also grew by 3 %
- The consolidated EBITDA for the 9 months grew by 4% and standalone by 7% compared to the previous year.
- The overall global business environment remained challenging during the year and expected to continue for a few more quarters.
- The domestic business environment appears to be gathering strength with standalone operating revenue growing at double digit in the 3<sup>rd</sup> quarter.

**Further to the prior updates, commentary on the businesses is as under:****➤ Automotive market:**

- New business wins continue to be strong, across business divisions.
- Indian automotive market seems to be gathering momentum.
- Weakness in European and North American markets continue.
- Certain new launches of global customers have been postponed.

**➤ Non- Automotive market:**

- The slowdown in nonautomotive business segments catered by Suprajit, is expected to continue for a few more quarters.
- New business wins continue to be strong, giving a satisfactory medium-term outlook for this segment.

**➤ General economic and trade conditions:**

- Disruptions in the Red Sea for sea transport is a major issue, leading to delays in shipments. Due to this, sharp increases in container costs and shipments via air to meet customer requirements are adding significant extra costs to the company.
- Certain disruptions due to low water levels in Panama Canal have also led to increased costs and delays in shipments in North America.
- Continued high interest rates and inflation are leading to delayed discretionary purchases in the global markets.

**DIVISIONAL HIGHLIGHTS FOR THE YEAR:****A. Suprajit Controls Division (SCD) :**

SCD comprises of automotive and non-automotive exports from India and businesses outside of India, through Unit 9 / SAL / SEU/ Wescon/ LDC entities.

- 9 monthly operational revenue remained flat & EBITDA dropped, largely due to the tepid Q3.
- Continue to work on long-term restructuring to improve synergies within the division with the aim of reaching double digit margins.
- The UAW strike affected September and October sales significantly in the US market, which is reflected in the SCD's Q3 results.
- Centralized warehousing at Brownsville is operating well and is fully established.
- The division has recently won a single contract from a marquee North American customer with an order value more than USD 5 million / year and USD 30 million in lifetime value. This is the single largest order won by Suprajit in its history.
- Operationally SCD plants are running well. However certain historic pricing, significant wage increases, import duties (which is under appeal), cross currency impacts, etc., are a drag on the margins. With higher volumes expected over the coming years and the restructuring, this is expected to improve.

**SCD - China (Shanghai Lonestar):**

- The plant relocation is completed successfully with an inauguration planned in the month of April 2024.
- The relocation has led to a certain disruption in operations, one-time costs, overlapping expenses and shipping costs.
- The new larger plant is now operating well.
- With the relocation completed, the team is now working to attract new businesses which is gathering positive momentum.

**SCD - Europe :**

- Suprajit Europe (SEU) and Suprajit Automotive (SAL) had solid growth and improved margins during the period despite weaknesses in Europe /US, due to the new businesses commercialized.
- Operational income continues to grow in Hungary despite weak markets.

**SCD - North America:**

- Wescon and Matamoros plant continues to face slowdown in the nonautomotive businesses. This will continue for a few more quarters.
- The UAW strike had its impact on September and October sales at Matamoros but has now stabilized.
- Certain restructuring within Wescon and Matamoros plant are ongoing along with plans to relocate certain lower margin business from this division to SAL.
- General wage increases in Mexico continues to be challenging.
- Duty on certain motors imported from China, and used at Matamoros, continues to add to the cost.
- New business wins continue, and the order pipeline is strong.

**SCD - India (Exports):**

SCD India comprises of Suprajit Automotive Ltd (SAL) and Unit 9.

- SAL has been winning multiple large contracts with SCD as front end. This includes Suprajit's single largest order mentioned earlier, which will be warehoused and delivered through Suprajit Brownsville.
- As a part of the strategy and restructuring, certain low margin businesses within SCD are being relocated to SAL to improve the overall group margins.
- SAL is currently assessing plans to enhance its capacity in view of significant new business wins.

**Domestic Cable Division (DCD):**

DCD manufactures cables and certain new products in India.

- India cable business continues to clock a good performance.
- The passenger vehicles business is showing good growth.
- 2-wheeler and aftermarket businesses, which were tepid till Q3, is showing a changing trend.
- DCD continues to commercialize certain “beyond cables products” as a part of its overall strategy which includes CBS, actuators, latch assembly etc.

**B. Phoenix Lamps Division (PLD):**

PLD manufactures Halogen lamps in India for domestic market, makes direct exports and through Luxlite.

- The Division continues to grow despite LED penetration in the OEM segment.
- Margins continue to improve with consistent double digit EBITDA margins in Q2 and Q3.
- The aftermarket business of Halogen lamps along with LED retrofits had a solid quarter.
- As a part of the restructuring of the division, as detailed in the previous updates, the Trifa brand has been bought by Suprajit.
- Trifa liquidation is expected to be concluded, subject to all regulatory requirements, within the next couple of quarters.
- The final phase of the restructuring of the PLD division is expected to be completed in the next few months.

**C. Suprajit Electronics Division (SED):**

SED comprises of electronics facility at Doddaballapur, a new division of Suprajit.

- SED continues to make solid progress with excellent growth and margin improvements.
- SED has ramped up deliveries of actuators, digital clusters and throttle position controls to marquee EV / ICE 2 wheelers and 3 wheelers.
- New business wins continue to be robust and give a clear visibility of significant growth of this division, both in revenues and margins.

**D. Suprajit Technology Centre (STC):**

STC is the R&D and innovation centre at Suprajit for all divisions and is located in Bangalore.

- STC continues to work with customers for its range of products with multiple products under customer evaluation and approvals.
- STC has helped Suprajit to win braking product contracts at an Indian and a Japanese 2W OEM, and one of the marquee EV OEMs. These will be productionised in 2024-25.
- Products related to braking systems, actuator systems and digital clusters form the core of new product development.
- Participation in the Bharat Mobility show 2024 in Delhi attracted a very good response for STC's product offerings.
- STC is planning to setup a larger new premise to house its growing technology teams.

**COMMENTARY ON CURRENT QUARTER AND BALANCE YEAR:**

- DCD and PLD Continue to clock strong growth.
- SED growth expected to be very robust with good margins.
- SCD will have a few more challenging quarters, but business growth will be robust.
- The recently acquired land in Jigani Industrial area is expected to be used for one of the STC's "Beyond Cable" projects.
- The company is looking for additional land parcels for the group's growth requirements.
- The company is assessing certain global assets to further consolidate its core business to emerge as a global leader.
- The overall new business wins continue to be strong providing clear long-term visibility of growth and margin improvements for the group.

**About Suprajit Engineering Limited :**

*Suprajit is India's largest automotive cable and halogen bulb maker with an annual global capacity of 400 Million cables and 110 Million halogen bulbs. Suprajit's customers list includes a large number of global automotive majors. Suprajit group has footprints in four continents with multiple plants, tech centres and warehouses.*

*For further information, please contact:*

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