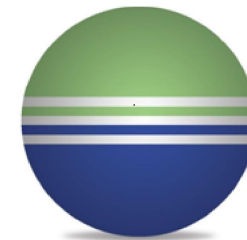




Subros



Cooling the Planet

Financial Results – Quarter 2, 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 - HY 1 FY 2019-20 v/s HY 1 FY 2018-19

Results Analysis - Q2 FY 2019-20 v/s Q2 FY 2018-19

Results Analysis - Q2 FY 2019-20 v/s Q1 FY 2019-20

Way Forward



- Overall Revenue de-growth by 12% in Q2 FY 2019-20 from corresponding quarter, however Industry has shown de-growth of 16% on Production basis & 24% on Sales basis
- Home AC business generated Revenue of Rs. 31 crores in Q2 FY 2019-20 and a total revenue of Rs. 93 crores in Half Year FY 2019-20

Financial Highlights for Q2 FY 2019-20

Indicator	Amount (Rs. in Crs)	Growth*
Revenues	496.48	-12% ↓
EBIDTA	50.79	-22% ↓
PBT (before exceptional)	19.08	-40% ↓
PBT (after exceptional)	19.08	-40% ↓
PAT	13.24	-44% ↓

Financial Highlights for HY 1 FY 2019-20

Indicator	Amount (Rs. in Crs)	Growth*
Revenues	1068.72	-2% ↓
EBIDTA	108.23	-14% ↓
PBT (before exceptional)	40.49	-33% ↓
PBT (after exceptional)	81.78	+44% ↑
PAT	55.00	+29% ↑

* The comparison is with the corresponding Quarter 2 FY 2018-19 and corresponding period HY 1 FY 2018-19, respectively



PARTICULARS	Quarter Ended			Half Year Ended		Year Ended
	30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
Net Sales	49,613	57,179	56,336	1,06,792	1,09,444	2,12,098
Other Operating Income	35	45	67	80	128	350
Net Income from Operation	49,648	57,224	56,403	1,06,872	1,09,572	2,12,448
Other Income	674	231	576	905	987	1,025
Net Revenue	50,322	57,455	56,979	1,07,777	1,10,559	2,13,473
Raw Material Consumed	35,301	40,858	39,623	76,159	76,983	1,48,405
Total Material cost % to Net Sales	71.15%	71.46%	70.33%	71.32%	70.34%	69.97%
Staff Cost	5,218	5,554	5,359	10,772	10,619	20,646
Staff cost % to Net Sales	10.52%	9.71%	9.51%	10.09%	9.70%	9.73%
Other Exp.	4,724	5,299	5,490	10,023	10,340	20,587
Other Exps. % to Net Sales	9.52%	9.27%	9.75%	9.39%	9.45%	9.71%
EBIDTA	5,079	5,744	6,507	10,823	12,617	23,835
% to Net Sales	10.24%	10.05%	11.55%	10.13%	11.53%	11.24%
Depreciation and Amortisation exp	2,256	2,153	1,991	4,409	3,867	7,885
Depreciation % to Net Sales	4.55%	3.76%	3.53%	4.13%	3.53%	3.72%
Interest	915	1,450	1,334	2,365	2,736	4,219
Interest cost % to Net Sales	1.84%	2.54%	2.37%	2.21%	2.50%	1.99%
Net Profit/(Loss)	1,908	2,141	3,182	4,049	6,014	11,731
% to Net Sales	3.85%	3.75%	5.65%	3.79%	5.50%	5.53%
Exceptional Items	--	4129	--	4129	(334)	(334)
Profit from Ordinary Activities	1,908	6,270	3,182	8,178	5,680	11,397
% to Net Sales	3.85%	10.97%	5.65%	7.66%	5.19%	5.37%
(a) Current Tax	69	1,351	683	1,420	1,235	2,408
(b) Deferred Tax	515	743	118	1,258	171	1,376
Total Tax	584	2,094	801	2,678	1,406	3,784
Net Profit after Tax/(Loss)	1,324	4,176	2,381	5,500	4,274	7,613
% to Net Sales	2.67%	7.30%	4.23%	5.15%	3.91%	3.59%
Other Comprehensive Income (net of tax)	(52)	(25)	(1)	(77)	(2)	(203)
Total Comprehensive Income	1,272	4,151	2,380	5,423	4,272	7,410
% to Net Sales	2.56%	7.26%	4.22%	5.08%	3.90%	3.49%
EPS	2.03	6.40	3.97	8.43	7.12	12.35

Financial Results & Highlights for the Quarter

Results Analysis - HY 1 FY 2019-20 v/s HY 1 FY 2018-19

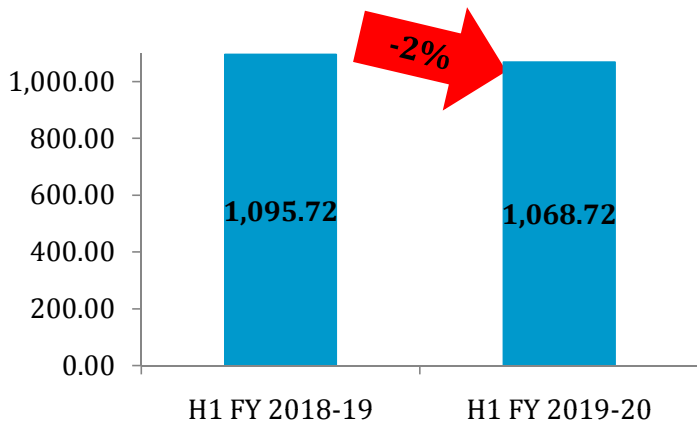
Results Analysis - Q2 FY 2019-20 v/s Q2 FY 2018-19

Results Analysis - Q2 FY 2019-20 v/s Q1 FY 2019-20

Way Forward

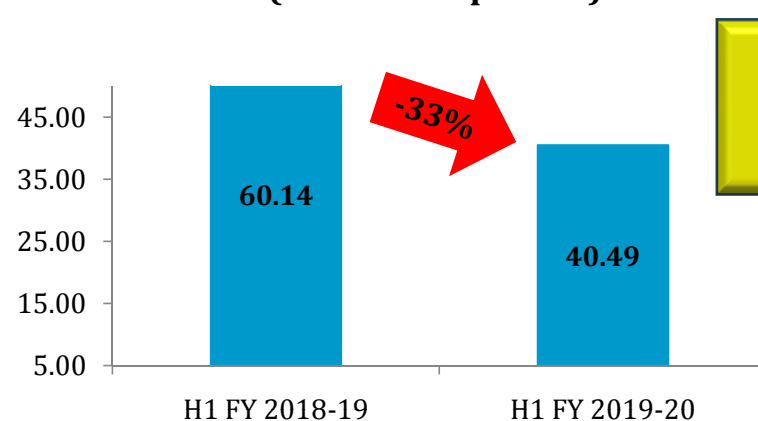


Revenues



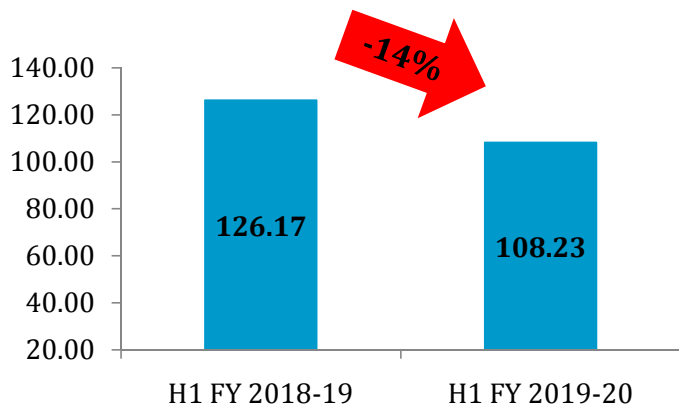
Recorded revenue de-growth of 2% in HY 1 FY 2019-20

PBT (before exceptional)



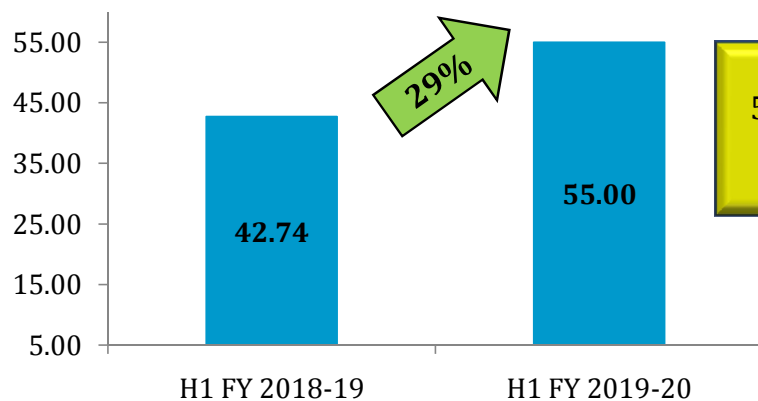
PBT (before exceptional) stands at 3.79% agst. 5.50%

EBIDTA



EBIDTA realization @ 10.13% against 11.53%

Profit After Tax



PAT Levels at 5.15% of sales as against 3.91%



Indicators	HY 1 FY 2019-20	HY 1 FY 2018-19	Change	Status
Net Sales	1,067.92	1,094.44	-26.52	●
Other Income	9.05	9.87	-0.82	●
Material Cost	71.32%	70.34%	0.98	●
Employee Cost	10.09%	9.70%	0.39	●
Other Expenses	9.39%	9.45%	-0.06	●
Op. EBIDTA	10.13%	11.53%	-1.40	●
Finance Cost	2.21%	2.50%	-0.29	●
Depreciation	4.13%	3.53%	0.60	●
PBT (before exceptional)	3.79%	5.50%	-1.71	●
PBT (after exceptional)	7.66%	5.19%	2.47	●
PAT	5.15%	3.91%	1.24	●

Key Aspects:

- Overall business de-growth by 12% driven by industry de-growth of approx 24% with business decline in major OEM customers such as MSIL, TATA, M&M.

- The decrease in sales was mitigated through higher revenues in Renault Nissan and Bus AC After market and added Home AC Business sales of Rs. 93 crores

- Material cost is higher due to change in product mix and product segment

- Finance cost includes one time impact of Rs. 7.08 crores being interest paid for enhanced compensation from HSIIDC for IMT Manesar land

- PAT is higher due to exceptional income of Rs. 41.29 crores accrued via settlement of Manesar fire claim on restatement basis

- Depreciation is higher due to drop in Sales & impact of projects capitalized

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

Results Analysis - HY 1 FY 2019-20 v/s HY 1 FY 2018-19

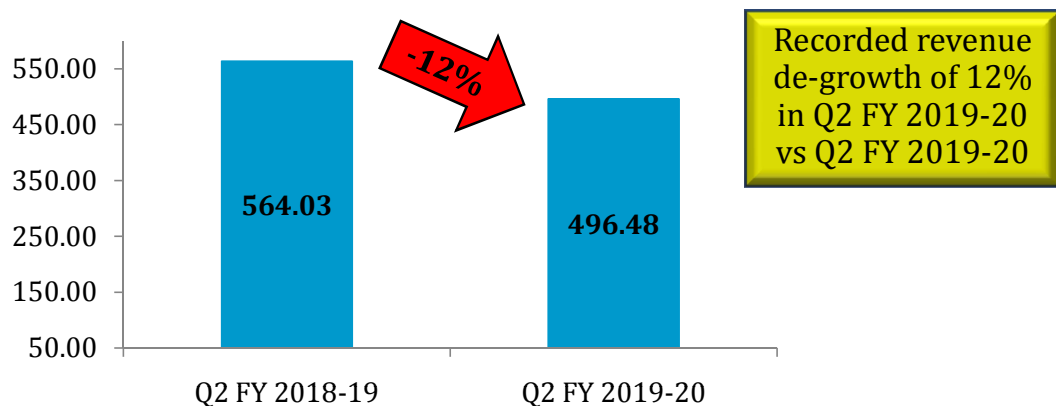
Results Analysis - Q2 FY 2019-20 v/s Q2 FY 2018-19

Results Analysis - Q2 FY 2019-20 v/s Q1 FY 2019-20

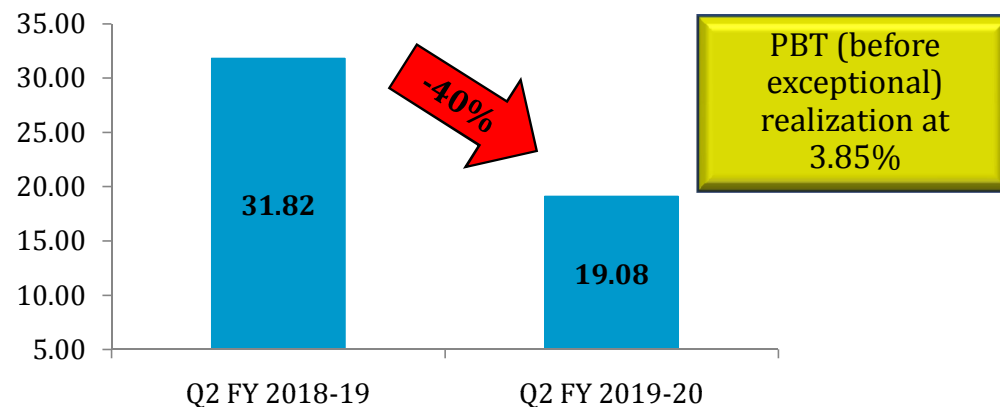
Way Forward



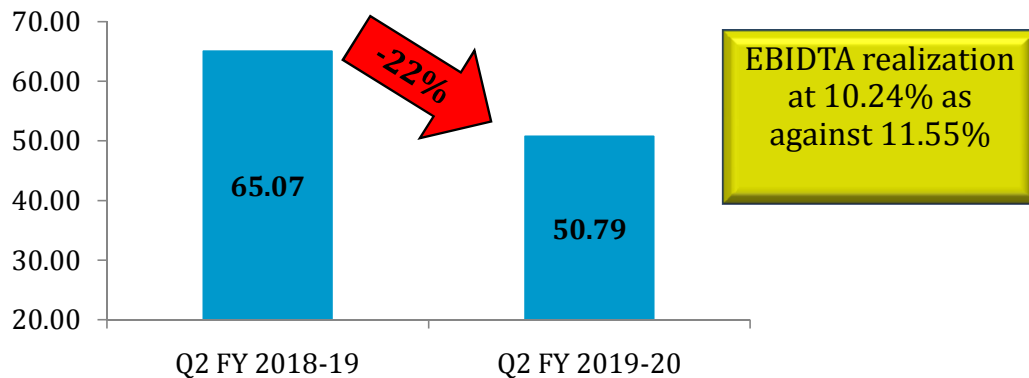
Revenues



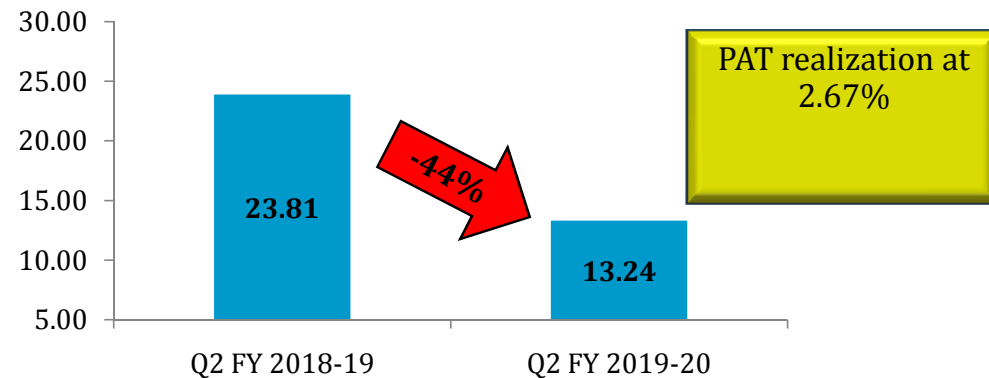
PBT (before exceptional)



EBIDTA



Profit After Tax





Indicators	Q2 FY 2019-20	Q2 FY 2018-19	Change	Status
Net Sales	496.13	563.36	-67.23	●
Other Income	6.74	5.76	0.98	●
Material Cost	71.15%	70.33%	0.82	●
Employee Cost	10.52%	9.51%	1.01	●
Other Expenses	9.52%	9.75%	-0.23	●
Op. EBIDTA	10.24%	11.55%	-1.31	●
Finance Cost	1.84%	2.37%	-0.53	●
Depreciation	4.55%	3.53%	1.02	●
PBT (before exceptional)	3.85%	5.65%	-1.80	●
PBT (after exceptional)	3.85%	5.65%	-1.80	●
PAT	2.67%	4.23%	-1.56	●

Key Aspects:

- Sales de-growth with decline in OEM customer business such as MSIL, TML & M&M
- Material cost is higher due to change in product mix and product segment
- Manpower cost is higher due to lower sales in current quarter, however in absolute terms it has reduced as a result of cost reduction measures taken such as consolidation, shift rationalization etc.
- Depreciation is higher due to drop in Sales & impact of projects capitalized

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

Results Analysis - HY 1 FY 2019-20 v/s HY 1 FY 2018-19

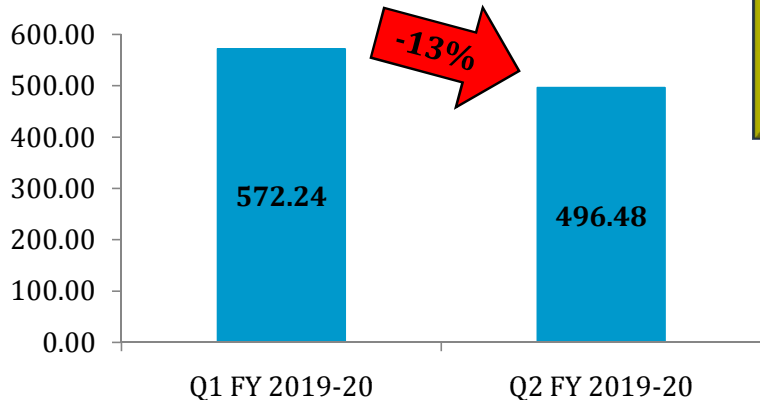
Results Analysis - Q2 FY 2019-20 v/s Q2 FY 2018-19

Results Analysis - Q2 FY 2019-20 v/s Q1 FY 2019-20

Way Forward

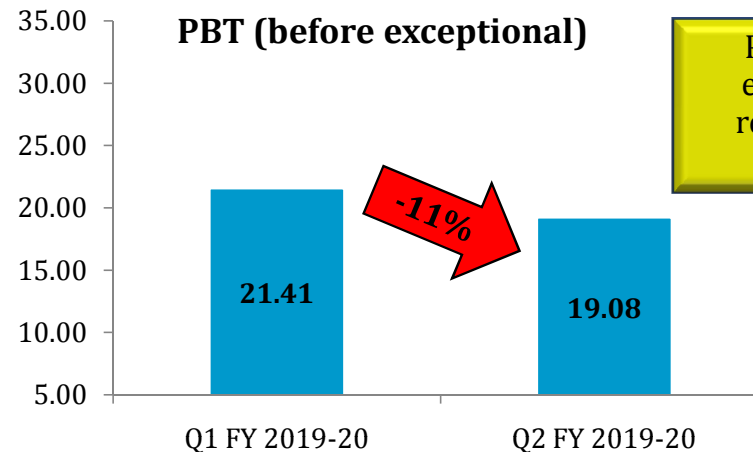


Revenues



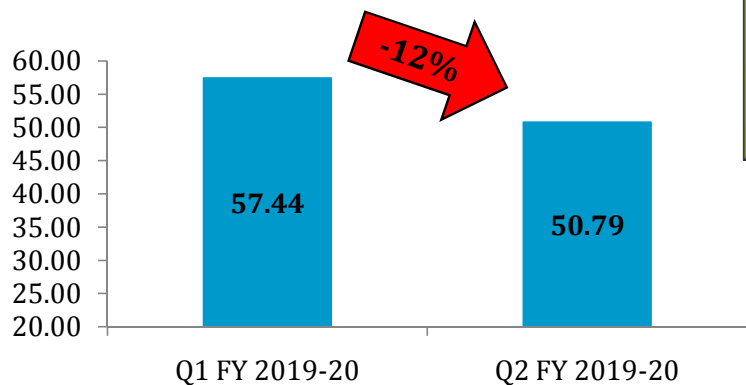
Recorded revenue de-growth of 13% in Q2 FY 2019-20 vs Q1 FY 19-20

PBT (before exceptional)



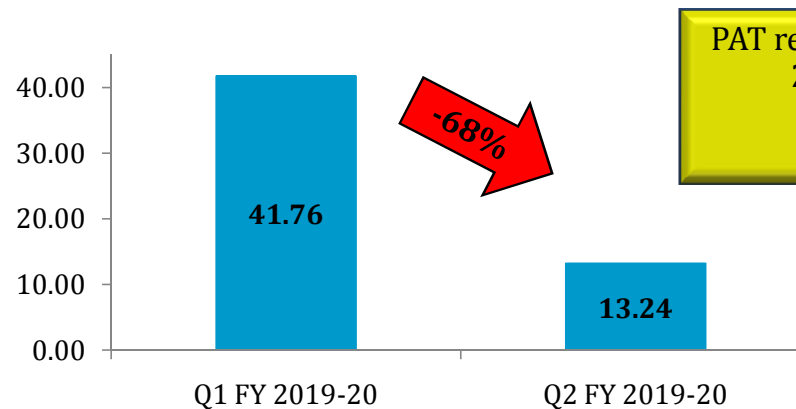
PBT (before exceptional) realization at 3.85%

EBIDTA



EBIDTA realization at 10.24% as against 10.05%

Profit After Tax



PAT realization at 2.67%



Indicators	Q2 FY 2019-20	Q1 FY 2019-20	Change	Status
Net Sales	496.13	571.79	-75.66	●
Other Income	6.74	2.31	4.43	●
Material Cost	71.15%	71.46%	-0.31	●
Employee Cost	10.52%	9.71%	0.81	●
Other Expenses	9.52%	9.27%	0.25	●
Op. EBIDTA	10.24%	10.05%	0.19	●
Finance Cost	1.84%	2.54%	-0.70	●
Depreciation	4.55%	3.76%	0.79	●
PBT (before exceptional)	3.85%	3.75%	0.10	●
PBT (after exceptional)	3.85%	10.97%	-7.12	●
PAT	2.67%	7.30%	-4.63	●

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

- Sales de-growth with decline in OEM customer business such as MSIL, TML & M&M, mitigated through sales increase in business from FML & Renault Nissan
- Manpower cost is higher due to lower sales in current quarter, however in absolute terms it has reduced as a result of cost reduction measures taken such as consolidation, shift rationalization etc.
- 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 projects capitalized
- Finance cost in Q1 FY 2019-20 has impact of one time interest cost of Rs. 7.08 crores for enhanced compensation from HSIIDC for IMT Manesar land
- PAT is higher in Q1 FY 2019-20 due to exceptional income of Rs. 41.29 crs accrued via settlement of Manesar fire claim on restatement basis

Financial Results & Highlights for the Quarter

Results Analysis - HY 1 FY 2019-20 v/s HY 1 FY 2018-19

Results Analysis - Q2 FY 2019-20 v/s Q2 FY 2018-19

Results Analysis - Q2 FY 2019-20 v/s Q1 FY 2019-20

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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