

Syrma SGS Technology

Earnings Release
Q1 FY24

August 1st, 2023

₹ million

Acquisition

- *Syrma SGS forays into the lucrative electronic medical devices market through the acquisition of 51% Stake in Johari Digital Healthcare Limited (“JDHL”) for ₹ 2,295 million. Additional consideration of up to ₹ 280 million to be paid on achieving certain pre-determined milestones.*

Total Revenue

- *Total Revenue up 59% YoY to ₹ 6,234 million*

EBITDA

- *EBITDA up by 64% YoY to ₹ 590 million; EBIDTA margin at 9.5%*

PBT

- *PBT up 73% YoY to ₹ 413 million; PBT margin at 6.6%*

PAT

- *PAT up 65% YoY to ₹ 283 million; PAT margin at 4.5%*

Export Revenue

- *Export Revenue at 28% of Revenue from Operations.*

STRATEGIC RATIONALE

Entry into Medical Devices Market

Foray into Large, fragmented and fast-growing Medical Devices segment

FDA/MDSAP Approved facility

USFDA / MDSAP compliant facility in India with 18 USFDA 510(k) clearances on various products.

Strong End to End Design Capabilities

Advance medical technologies designed in East Europe integrated with Complete box build solutions “make in India” for Global customers.

Proven Track Record

Demonstrated by high customer retention and increase in wallet share.

Revenue and Margin Accretion

Revenue and Margin accretive from the first year of consummation

- *Consideration of ₹ 2,295 million to acquire 51% majority stake in Johari Digital Healthcare Limited (“JDHL”) to be paid at the consummation of the transaction.*
- *Additional consideration of up to ₹ 280 million to be paid on achieving certain pre-determined milestones.*
- *Financed by a mix of cash and internal accruals.*

Johari Digital Healthcare Limited (“JDHL”) Overview

- ***Founded in 1979 & based in Jodhpur***, JDHL is a pioneering MedTech company from India, Applying industry insight and technical acumen to accelerate the delivery of smart and affordable healthcare solutions through trusted and deep partnerships with Leading Global companies.
- ***Capability: End to End turnkey medical devices – From Designing, Engineering, Manufacturing and regulatory services delivering High Quality and affordable Healthcare products.***
- ***Product portfolio: Covers multiple segments like medical aesthetics, medical diagnostics, life sciences, hospital equipment, physiotherapy, wellness, personal care and home healthcare.***
- ***Manufacturing: US-FDA cleared manufacturing facility in Jodhpur (MDSAP, ISO 13485:2016 and CE certifications). 65k sq ft ; Class 100k clean room for PCB; 13000 sq. Ft. Space in Medical Device Park to scale up.***
- ***Design Centre: Technology development center in Europe (Serbia) & Hyderabad; and a product engineering center in Jodhpur.***

JDHL Key Products

Box Build Medical Devices

Aesthetics



Electrical Stimulation /
Radio Frequency

Trusculpt Flex /ID



Laser / Light Based

Xeo

Diagnostics



Homogenizer

Fastprep 24
5G



Electro Chemistry

Gazelle
Hemex Health



Transmitter & Receiver



Camera Head

Visualization Equipment

Camera Equipment

Syrma SGS Q1 FY24 Performance

Brief Financial Summary Q1 FY24

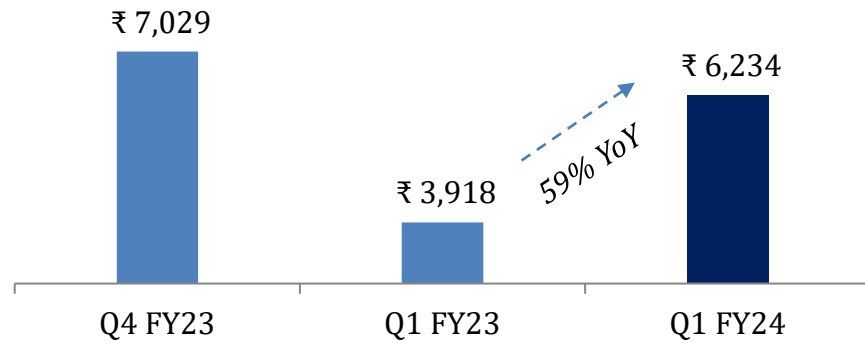
₹ Million

Particulars	Q1 FY23	Q4 FY23	Q1 FY24	% Change, YoY
Total Revenue	3,918	7,029	6,234	59.1%
Gross Profit	1,118	1,693	1,547	38.5%
Margin %	28.5%	24.1%	24.8%	(3.7%)
Operating Expenses	758	885	957	26.4%
EBITDA	360	808	590	63.9%
Margin %	9.2%	11.5%	9.5%	0.3%
Depreciation and amortization	72	88	101	41.8%
Finance Cost	50	39	75	51.1%
PBT	239	681	413	73.2%
Margin %	6.1%	9.7%	6.6%	0.5%
Tax	68	252	130	92.0%
PAT	172	429	283	65.0%
Margin %	4.4%	6.1%	4.5%	0.2%

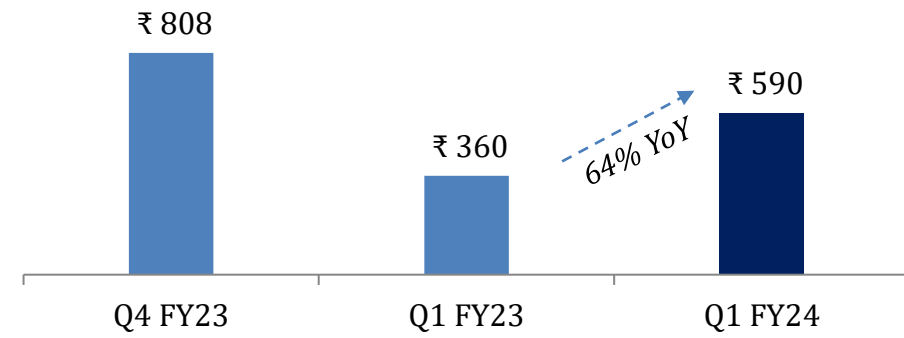
Financial Highlights : Q1 FY24

₹ Million

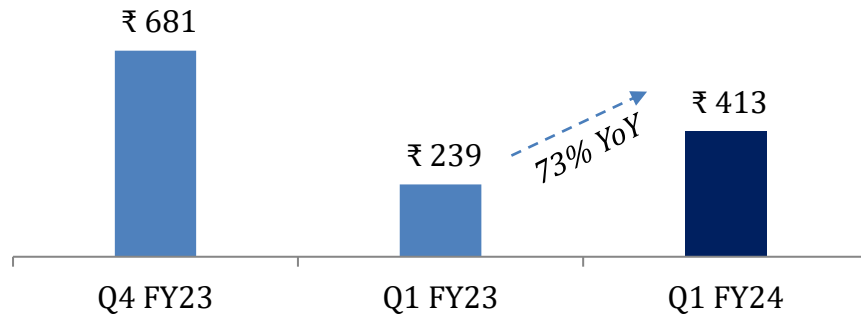
Revenue



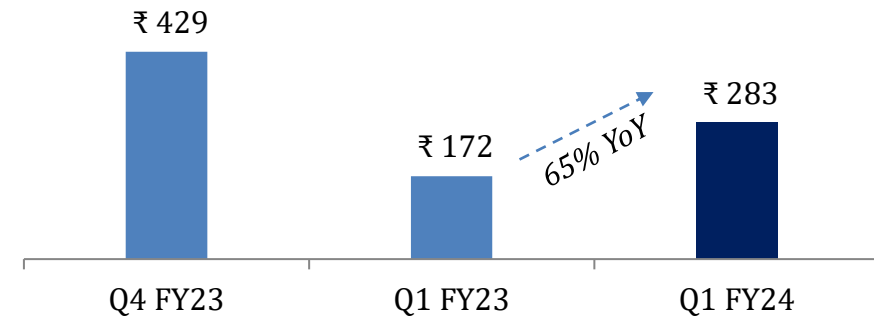
EBITDA



Profit Before Tax



Profit After Tax



Industry Segments

Industry	Revenue (₹ million)		YoY
	Q1 FY23	Q1 FY24	
Auto	832	1,451	74.5%
Consumer	786	2,324	195.8%
Healthcare	566	157	(72.3%)
Industrials	1,192	1,775	48.9%
IT and Railways	518	307	(40.8%)
Total	3,893	6,013	54.4%

Industry Segment: Material Margins

Industry	Material Margin (%)	
	Q1 FY23	Q1 FY24
Auto	17.9%	21.8%
Consumer	33.2%	18.1%
Healthcare	49.3%	44.1%
Industrials	34.5%	29.2%
IT and Railways	10.0%	12.5%

Debt and Cash

₹ Million

Particulars	31-Mar-23	30-Jun-23
Term Loan	899	897
Working Capital Loan	2,570	2,900
Total Debt	3,468	3,797
Investments	8,291	7,702
Cash and Cash Equivalents	544	656
Total Cash & Equivalents	8,836	8,357
Net Debt / (Cash)	(5,367)	(4,560)

Financial Ratios

Particulars	Q1 FY23	Q1 FY24
EBITDA Margin (%)	9.2%	9.5%
PAT Margin (%)	4.4%	4.5%
Net Working Capital Days¹	73	67
Net Working Capital Days²	86	69
Net Debt to EBITDA	0.8	NM
ROCE (%)	13.3%	13.6%
ROCE (%)³	16.6%	20.0%

Notes:

1. Net Working Capital Days based on the average of opening and closing balance sheet numbers during the period.

2. Net Working Capital Days based on closing balance sheet numbers during the period.

3. ROCE = LTM EBIT/Average Net Capital Employed based on the Capital employed as on 30th Jun 23 & 30th Jun 22 (adjusted for goodwill and unutilized IPO proceeds).

Most Preferred Workplace 2023-2024

Syrma SGS is the first and only Indian EMS company to have received the honor.



Recognized among Most Preferred Workplaces based on an industry-wide consumer study conducted by LeadCap Ventures.

Q1 FY24: Awards & Recognitions



“Timely Managing the Project Milestones”
from Marquardt India Pvt Ltd – June’23



3rd place - Kaizen award from CII
Southern Regional – July’23



Runner up – Hand Soldering Skill
Competition 2023 by IPC India

Thank you

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