

# Syrma SGS Technology

Earnings Release

H1 FY24



November 1<sup>st</sup>, 2023

# Performance Highlights : H1 FY2024

₹ million

Total Revenue	<ul style="list-style-type: none"><li>Total Revenue up 55% YoY to ₹ 13,440 million</li></ul>
EBITDA	<ul style="list-style-type: none"><li>EBITDA up by 28% YoY to ₹ 1,169 million; EBITDA margin at 8.7%</li></ul>
PBT	<ul style="list-style-type: none"><li>PBT up 21% YoY to ₹ 796 million; PBT margin at 5.9%</li></ul>
PAT	<ul style="list-style-type: none"><li>PAT up 28% YoY to ₹ 588 million; PAT margin at 4.4%</li></ul>
Export Revenue	<ul style="list-style-type: none"><li>Export Revenue at 27% of Revenue from Operations.</li></ul>
Acquisition Update	<ul style="list-style-type: none"><li>Syrma SGS completed acquisition of 51% Stake in Johari Digital Healthcare Limited ("JDHL") on 05<sup>th</sup> September 2023.</li></ul>
Merger Update	<ul style="list-style-type: none"><li>The Board has approved merger of wholly owned subsidiaries SGS Tekniks and SGS Infosystems with Syрма SGS in phases.</li></ul>

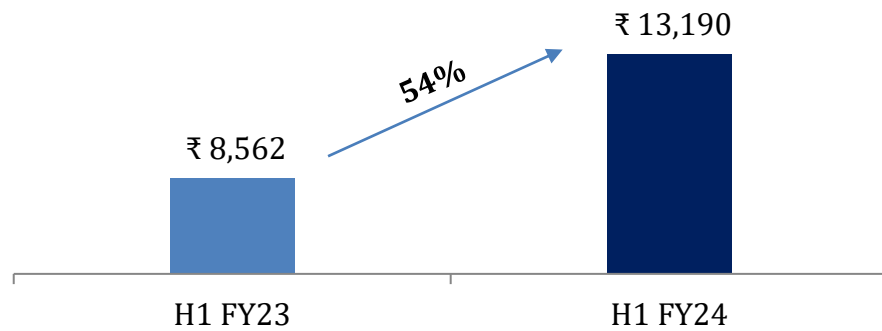
# Brief Financial Summary : H1 FY24

₹ Million

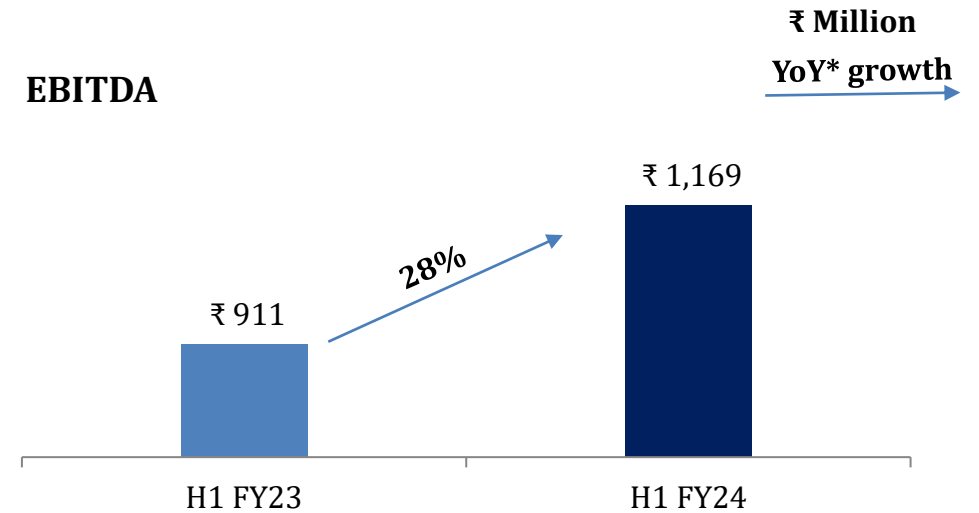
Particulars	H1 FY23	H1 FY24	% Change, YoY
<b>Total Revenue</b>	<b>8,650</b>	<b>13,440</b>	<b>55.4%</b>
<b>Gross Profit</b>	<b>2,656</b>	<b>3,237</b>	<b>21.9%</b>
<b>Margin %</b>	<b>30.7%</b>	<b>24.1%</b>	<b>(6.6%)</b>
Operating Expenses	1,745	2,068	18.5%
<b>EBITDA</b>	<b>911</b>	<b>1,169</b>	<b>28.3%</b>
<b>Margin %</b>	<b>10.5%</b>	<b>8.7%</b>	<b>(1.8%)</b>
Depreciation and amortization	142	217	52.6%
Finance Cost	113	155	37.7%
<b>PBT</b>	<b>656</b>	<b>796</b>	<b>21.5%</b>
<b>Margin %</b>	<b>7.6%</b>	<b>5.9%</b>	<b>(1.7%)</b>
Tax	195	194	(0.5%)
<b>PAT</b>	<b>460</b>	<b>588</b>	<b>28.0%</b>
<b>Margin %</b>	<b>5.3%</b>	<b>4.4%</b>	<b>(0.9%)</b>

# Financial Highlights : H1 FY24

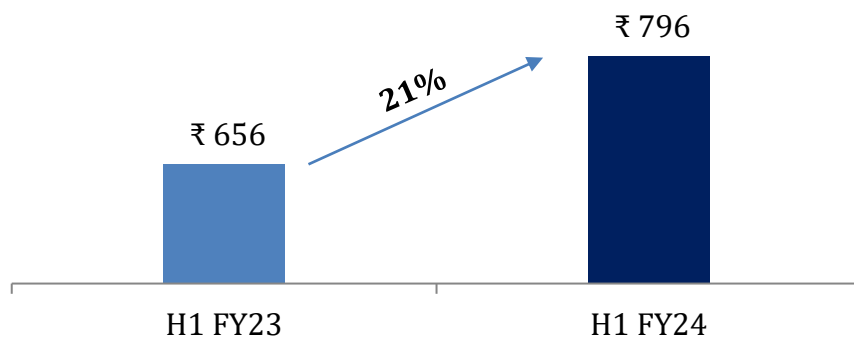
## Revenue



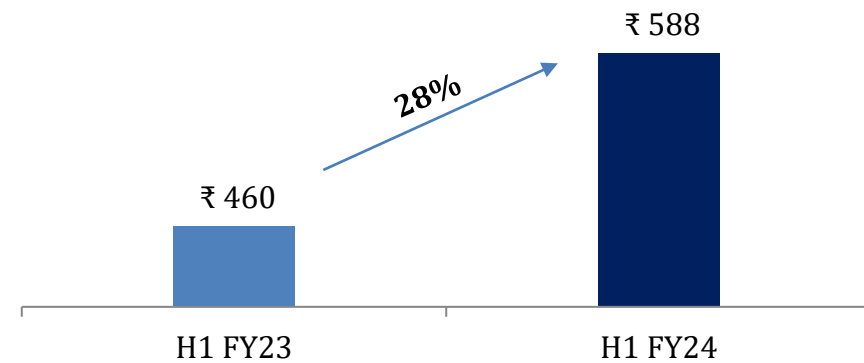
## EBITDA



## Profit Before Tax



## Profit After Tax



# Industry Segments

₹ Million

Industry	Revenue (₹ million)		YoY
	H1 FY23	H1 FY24	
Auto	1,735	3,176	83.1%
Consumer	1,845	4,843	162.6%
Healthcare	1,070	669	(37.5%)
Industrials	2,961	3,759	27.0%
IT and Railways	952	683	(28.3%)
<b>Total</b>	<b>8,562</b>	<b>13,130</b>	<b>53.3%</b>

# Industry Segment: Material Margins

Industry	Material Margin (%)	
	H1 FY23	H1 FY24
Auto	17.6%	20.1%
Consumer	32.5%	16.4%
Healthcare	48.0%	46.7%
Industrials	28.4%	29.8%
IT and Railways	11.0%	10.1%

# Debt and Cash

₹ Million

Particulars	30-Sep-22	30-Sep-23
Term Loan	907	889
Working Capital Loan	2,071	3,338
<b>Total Debt</b>	<b>2,978</b>	<b>4,228</b>
Investments	8,636	4,704
Cash and Cash Equivalents	427	748
<b>Total Cash &amp; Equivalents</b>	<b>9,063</b>	<b>5,451</b>
<b>Net Debt / (Cash)</b>	<b>(6,085)</b>	<b>(1,224)</b>

# Financial Ratios

Particulars	H1 FY23	H1 FY24
EBITDA Margin (%)	10.5%	8.7%
PAT Margin (%)	5.3%	4.4%
Net Working Capital Days <sup>1</sup>	82	70
Net Debt to EBITDA	NM	NM
ROCE (%)	12.4%	11.0%
ROCE (%) <sup>2</sup>	18.9%	17.6%

*Notes:*

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

2. ROCE = LTM EBIT/Average Net Capital Employed based on the Capital employed as on 30<sup>th</sup> Sep 23 & 30<sup>th</sup> Sep 22 (adjusted for non-purchased goodwill and unutilized IPO proceeds).



# Brief Financial Summary : Q2 FY24

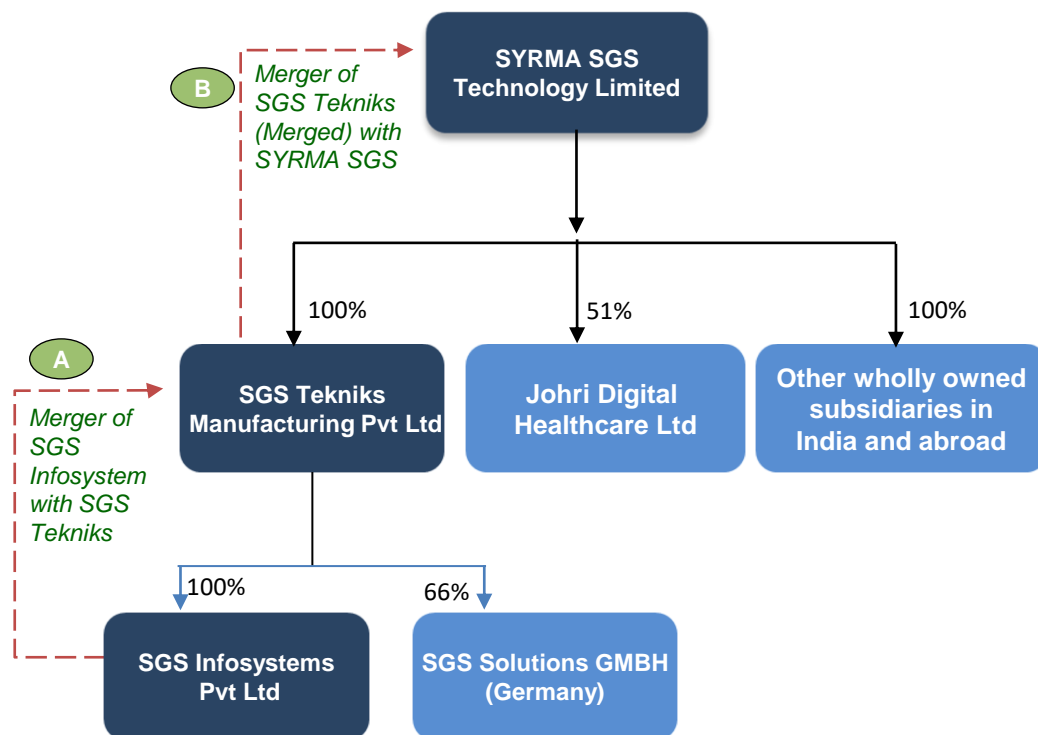
₹ Million

Particulars	Q2 FY23	Q1 FY24	Q2 FY24	% Change, QoQ	% Change, YoY
<b>Total Revenue</b>	<b>4,751</b>	<b>6,234</b>	<b>7,206</b>	<b>15.6%</b>	<b>51.7%</b>
<b>Gross Profit</b>	<b>1,557</b>	<b>1,547</b>	<b>1,689</b>	<b>9.2%</b>	<b>8.5%</b>
<b>Margin %</b>	<b>32.8%</b>	<b>24.8%</b>	<b>23.4%</b>	<b>(1.4%)</b>	<b>(9.3%)</b>
Operating Expenses	1,006	957	1,110	16.0%	10.4%
<b>EBITDA</b>	<b>551</b>	<b>590</b>	<b>579</b>	<b>(1.9%)</b>	<b>5.1%</b>
<b>Margin %</b>	<b>11.6%</b>	<b>9.5%</b>	<b>8.0%</b>	<b>(1.4%)</b>	<b>(3.6%)</b>
Depreciation and amortization	71	101	116	14.3%	63.4%
Finance Cost	63	75	80	6.1%	27.1%
Tax	128	130	64	(50.5%)	(49.5%)
<b>PAT</b>	<b>288</b>	<b>283</b>	<b>305</b>	<b>7.7%</b>	<b>5.8%</b>
<b>Margin %</b>	<b>6.1%</b>	<b>4.5%</b>	<b>4.2%</b>	<b>(0.3%)</b>	<b>(1.8%)</b>

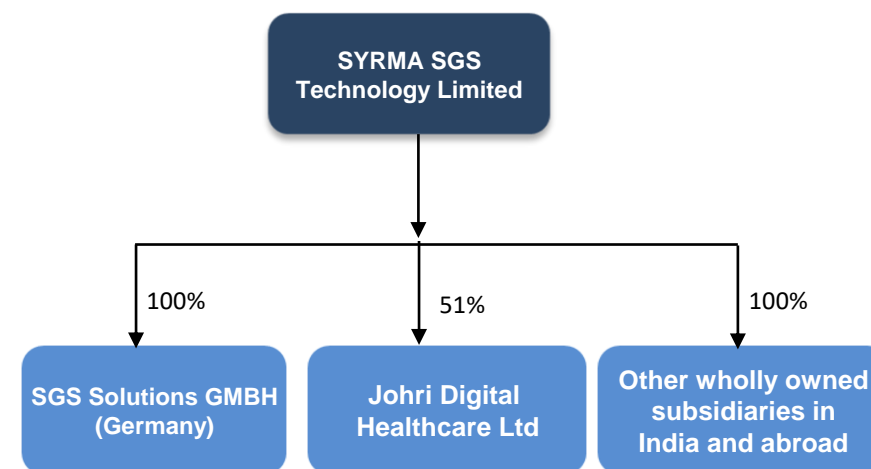
# **Syrma SGS Merger Update**

# Structure of the Merger

## PRESENT STRUCTURE

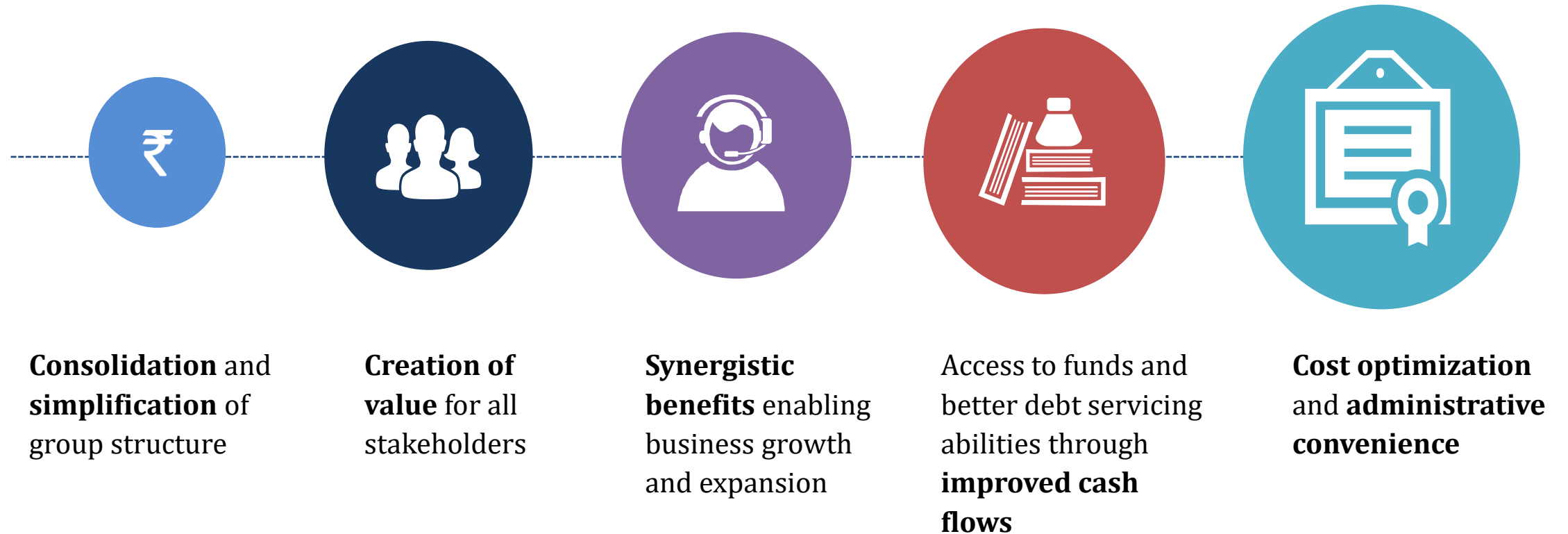


## RESULTANT STRUCTURE



The Board of Directors of SYRMA SGS Technology Limited at its meeting held on 01 November 2023 has considered and approved the proposal of a scheme of amalgamation and arrangement ("Scheme") under section 230 to 232 of the Companies Act 2013 which envisages

1. At first step, amalgamation of the entire business and undertaking of SGS Infosystems Private Limited with SGS Teknis Manufacturing Private Limited.
2. Immediately thereafter in the second stage, amalgamation of the entire business and undertaking of SGS Teknis Manufacturing Private Limited (Merged entity)" with Syrma SGS Technology Limited



## **Awards & Recognitions**

# 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.*

# H1 FY24: Awards & Recognitions



Syrma SGS facility recommended for IPC Class 3 certification (Aerospace and Auto)



Among Select 200 Companies at the Forbes India DGEMS 2023



ELCINA awards for various categories:  
 First : Quality Category  
 Second: Exports Category  
 Merit: Environment Protection & Sustainable Development



Business Excellence award @ Tamil Nadu State Level



Indo American Chamber Of Commerce-employment Of Women



# H1 FY24: Awards & Recognitions



Sustainability & Environmental - Large



Runner up – Hand Soldering Skill Competition 2023 by IPC India



3rd place - Kaizen award from CII Southern Regional



“Timely Managing the Project Milestones” from Marquardt India Pvt Ltd



Multi Oxidative Curing Storage Fixture by CII



**Thank you**

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