

# Syrma SGS Technology

## Investor Presentation




Certain statements in this presentation are forward-looking statements, which involve a number of risks, uncertainties, assumptions and other factors that could cause actual results to differ materially from those in such forward-looking statements. All statements, other than statements of historical fact are statements that could be deemed forward looking statements, including but not limited to the statements containing the words 'planned', 'expects', 'believes', 'strategy', 'opportunity', 'anticipates', 'hopes' or other similar words.


The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding impact of pending regulatory proceedings, fluctuations in earnings, our ability to manage growth, intense competition in Electronic System Design and Manufacturing Services including those factors which may affect our cost advantage, wage increases in India, customer acceptances of our services, products and price structures, our ability to attract and retain highly skilled professionals, our ability to integrate acquired assets in a cost effective and timely manner, client concentration, reduced demand for electronics in our key focus areas, disruptions in electronics industry, our ability to successfully complete and integrate potential acquisitions, the success of our brand development efforts, liability for damages on our service contracts, the success of the companies / entities in which we have made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies, and unauthorized use of our property, other risks, uncertainties and general economic conditions affecting our industry.


There can be no assurance that the forward-looking statements made herein will prove to be accurate, and issuance of such forward looking statements should not be regarded as a representation by the Company, or any other person, that the objective and plans of the Company will be achieved.

All forward looking statements made herein are based on information presently available to the management of the Company and the Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company.

## Product capabilities

 Leaders in high mix flexible volume product<sup>1</sup>

 Higher margins and high growth segment

 Diversified products

## Value creation for customers

 Across industry verticals

 Strong R&D capabilities

 Huge export market



Printed Circuit Board Assemblies (PCBA)

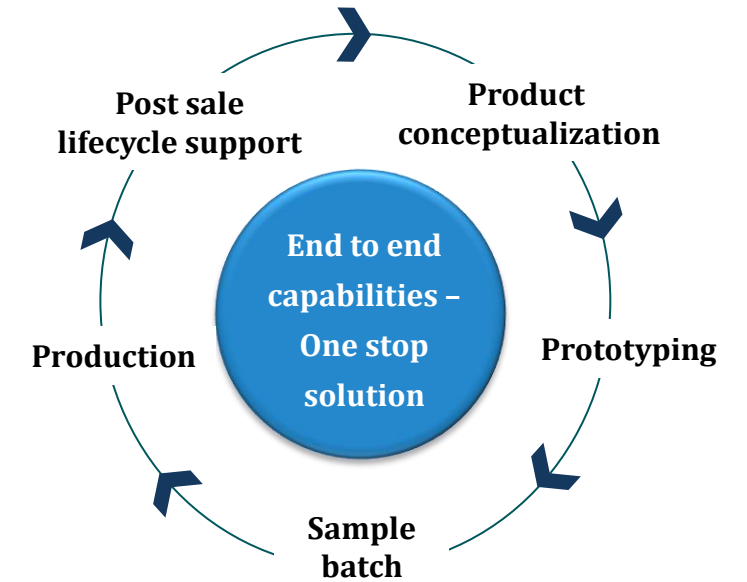


Radio Frequency Identification (RFID)



Electromagnetic and Electromechanical Parts

**ESDM capabilities built over 3 decades**



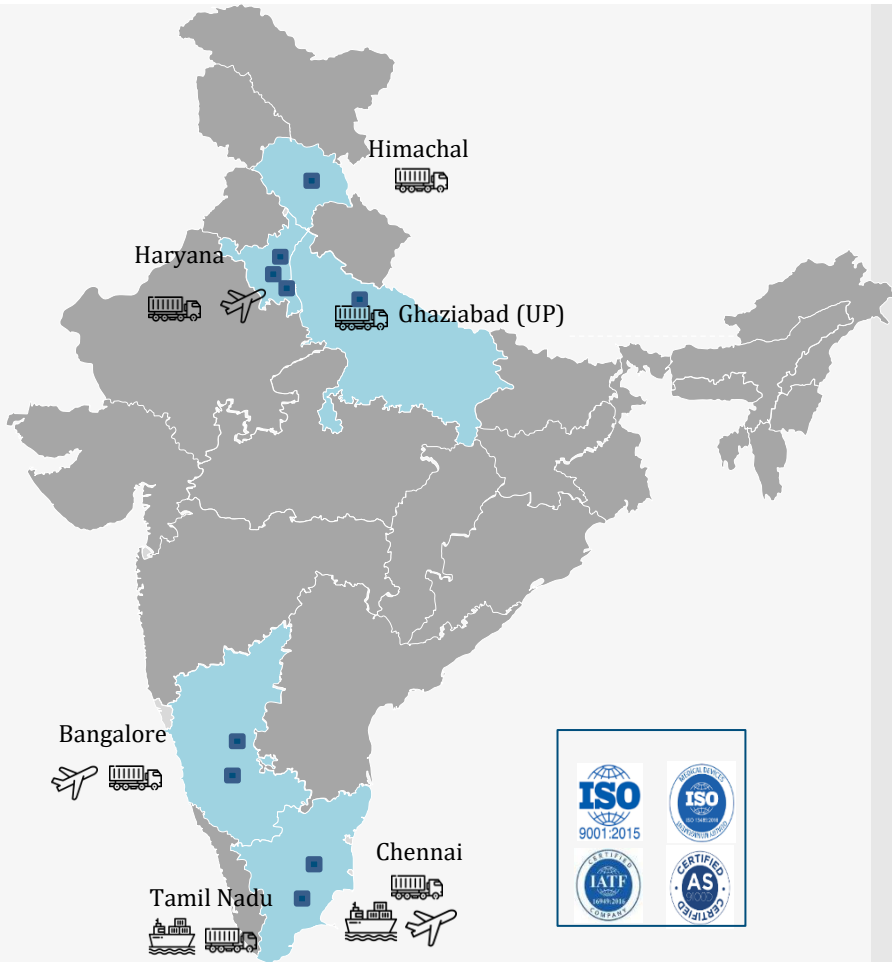
## Key financial highlights (FY23)

Revenue  
Rs 20,921 Mn

EBITDA  
Rs 2,315 Mn

PAT  
Rs 1,231 Mn

## Strategically Located 13 Manufacturing Facilities



**840k+ sq ft  
Manufacturing Space**

**7,500+  
Workforce**

**~50%  
Women Workforce**

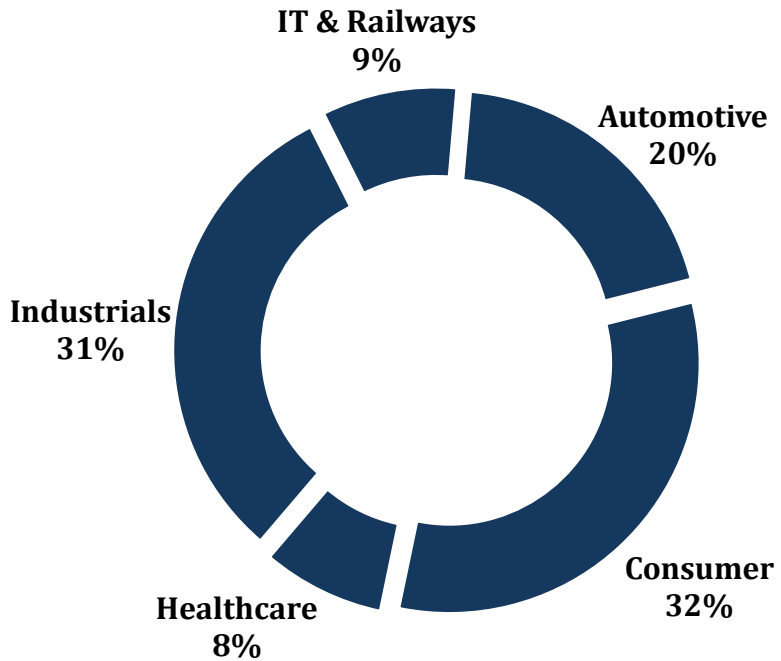
**120+ Vendors  
across 12+ countries**

## Core Verticals High Mix Flexible Volume



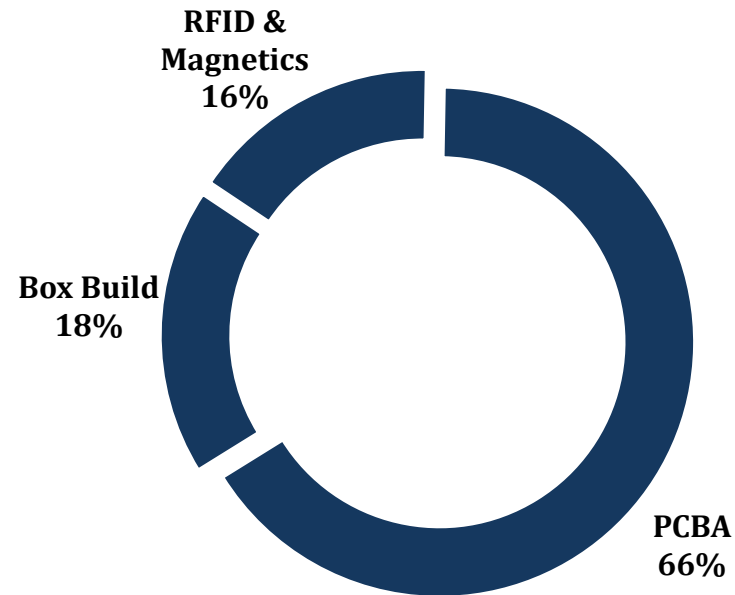
# Strategically Diversified ...

## ... Verticals



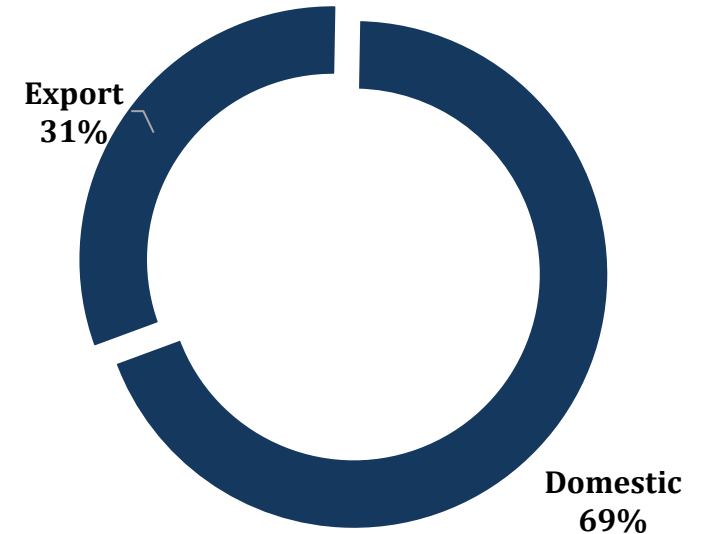
**Strategic high growth Industry Presence**

## ... Services



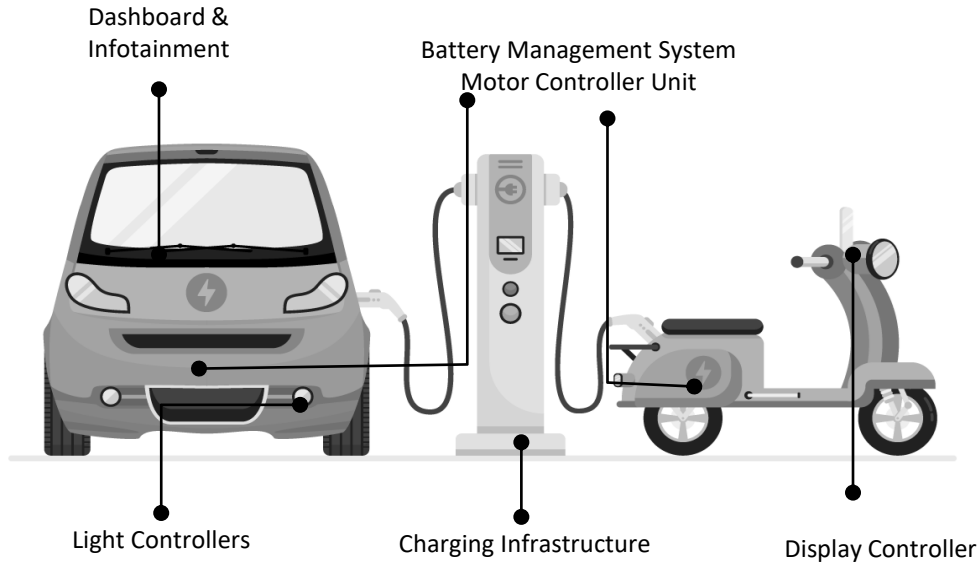
**Design-led PCBA Manufacturing  
Custom RFID Solutions**

## ... Geography

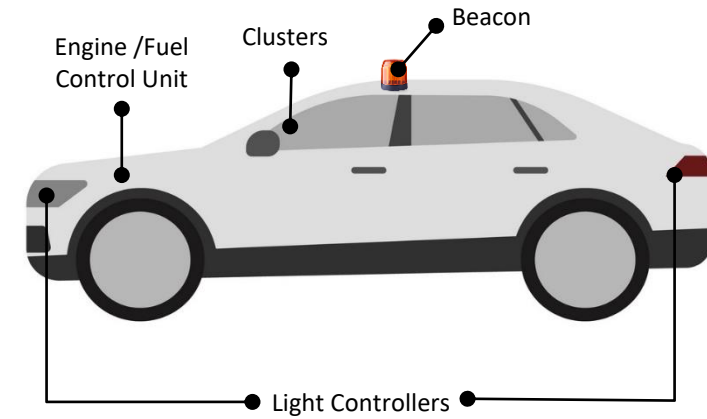


**20+  
Exporting Countries**

## EV MOBILITY



## COMBUSTION & ACCESSORIES

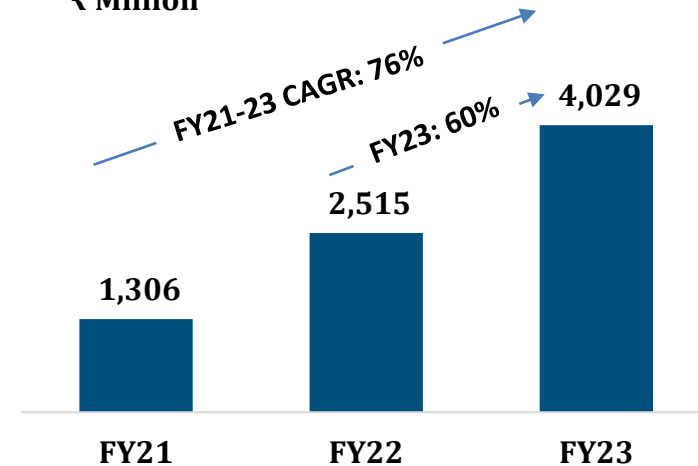


## Top Customers



Other Large OEMs catering to Electric and Combustion vehicles

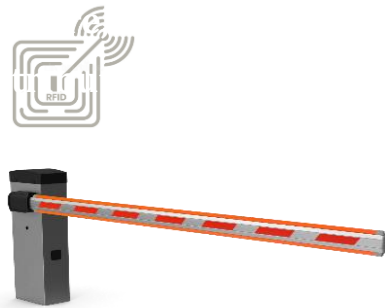
## Revenue Performance ₹ Million



## SMART CONSUMER ELECTRONICS & BLDC SYSTEMS



## FASTTAG & RFID APPLICATIONS



## 5G SUBSCRIBER DEVICES



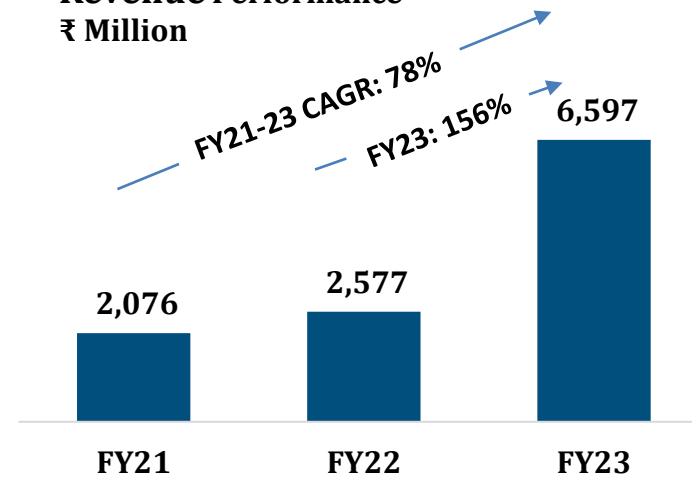
## WATER PURIFICATION & CLEANING



### Top Customers



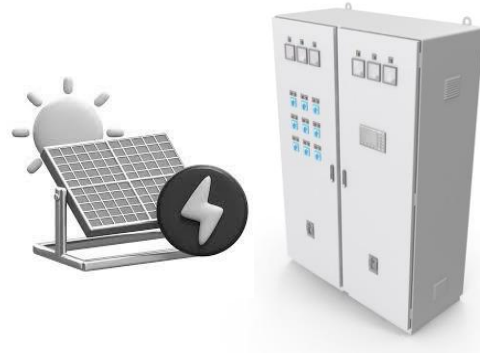
### Revenue Performance ₹ Million



## SMART ENERGY METERS



## INDUSTRIAL POWER SUPPLIES, SOLAR CONTROLLERS



## INDUSTRIAL CLEANING & PRINTING



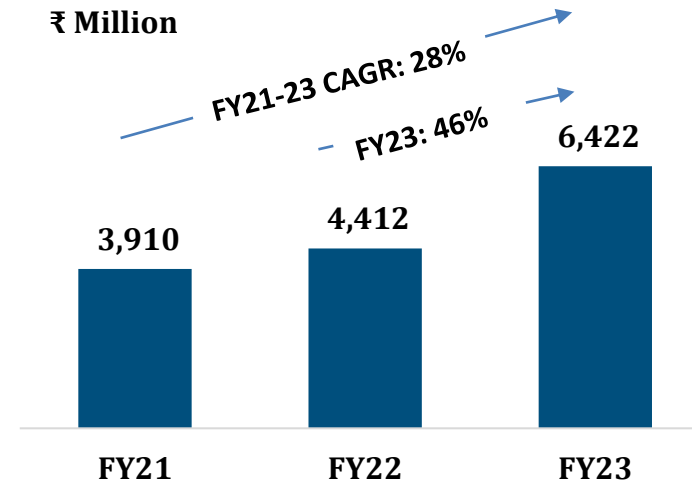
## 5G INFRASTRUCTURE & SMART CITIES



## Top Customers



## Revenue Performance ₹ Million





### PERSONAL HEALTHCARE DEVICES



### POWER SUPPLIES FOR MEDICAL DEVICES



### HIGH-PRECISION DISPENSERS



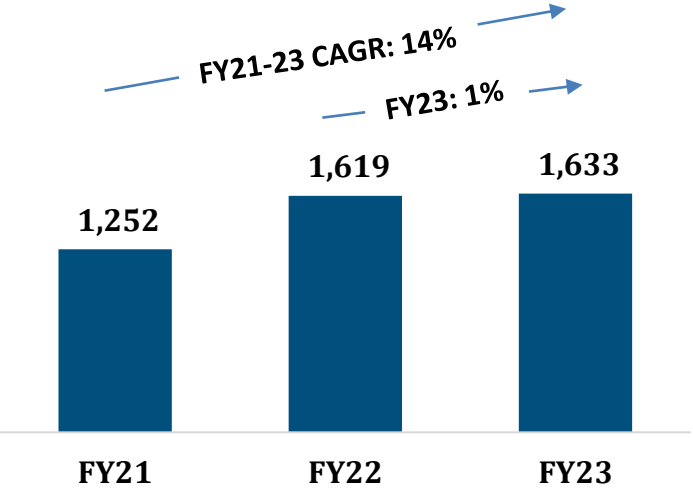
### DIGITAL X RAY, SMART CANES



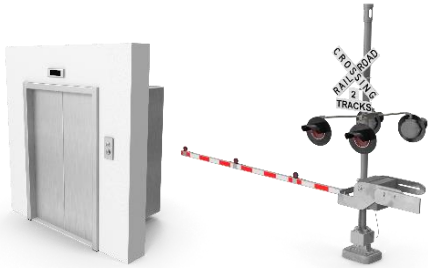
Top Customers

Leading global healthcare company

### Revenue Performance ₹ Million



### SIGNALING SYSTEMS, DOOR CONTROLLERS, BRAKING SYSTEM



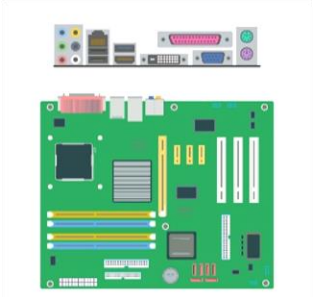
### RAILWAY CAB EQUIPMENT



### MEMORY MODULES

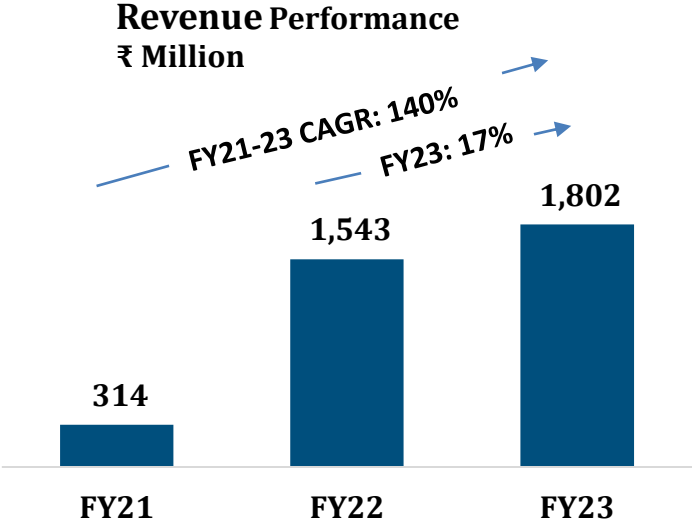


### MOTHERBOARDS & ASSEMBLIES

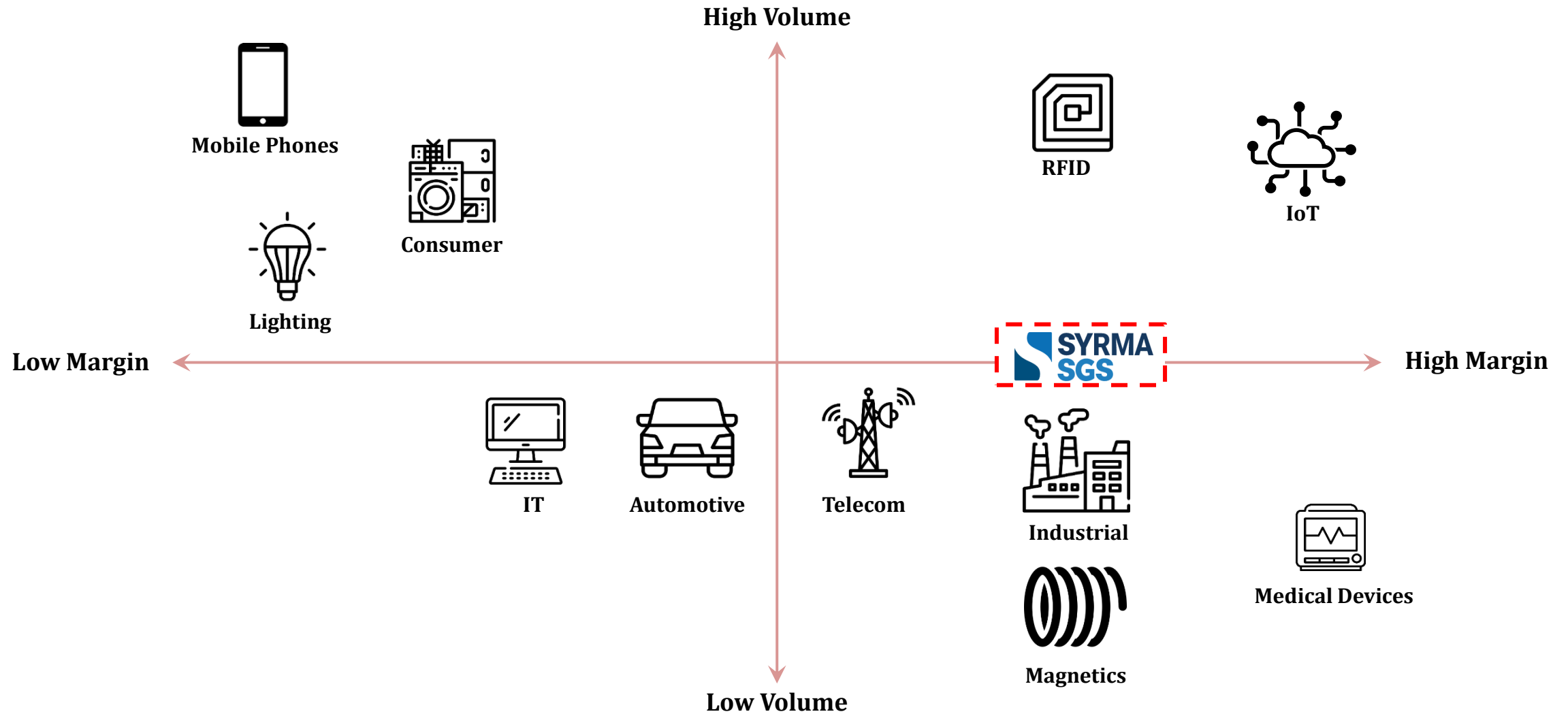


### Top Customers

Leading laptop manufacturing and locomotive companies



# Diversification... key to high margin play



*While Syrma SGS is present across verticals it operates primarily in the high margin products*

# Design and Development Services

**R&D capabilities built over 3 decades**



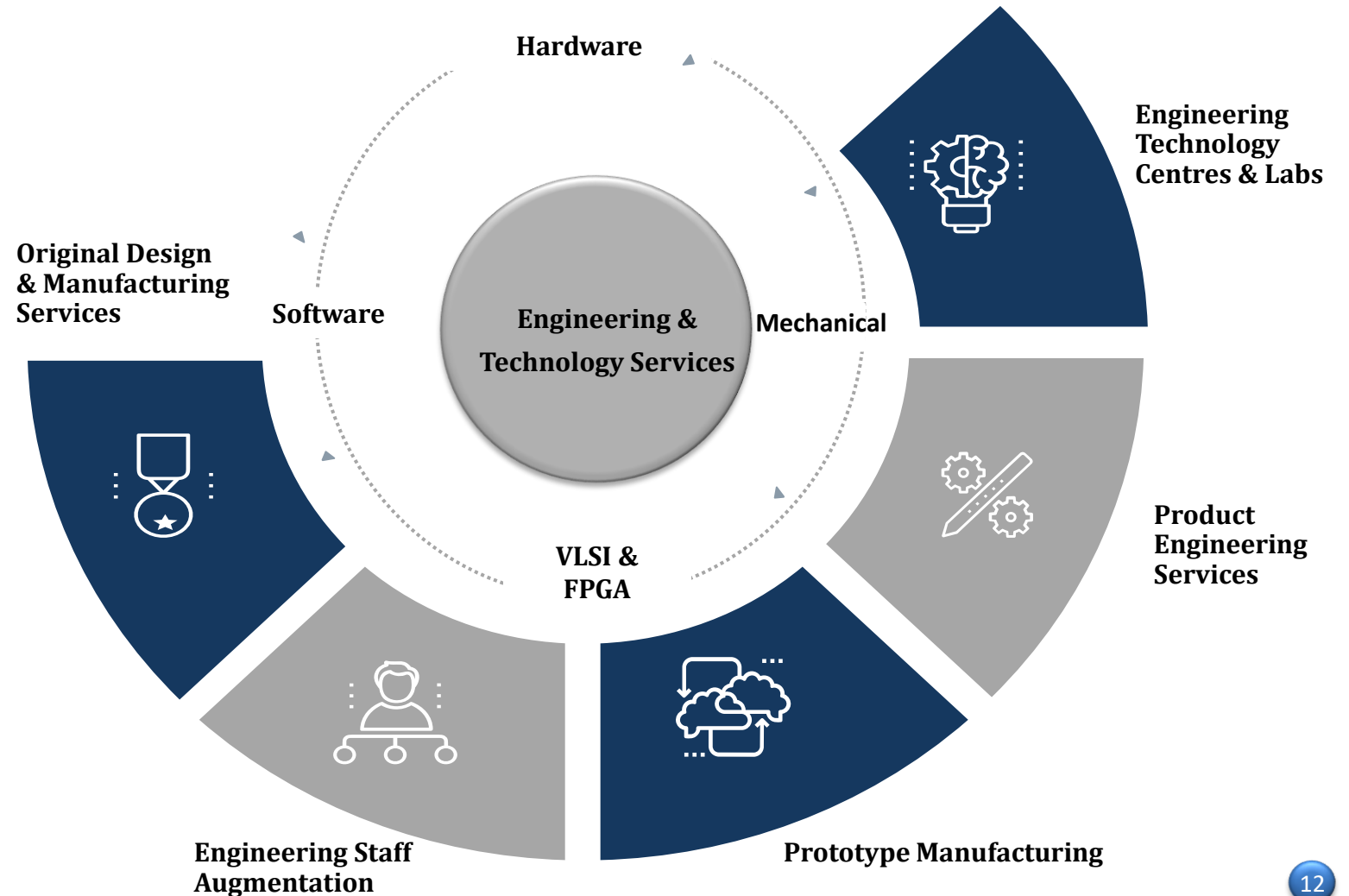
**100+ employees** in Engineering and R&D department,

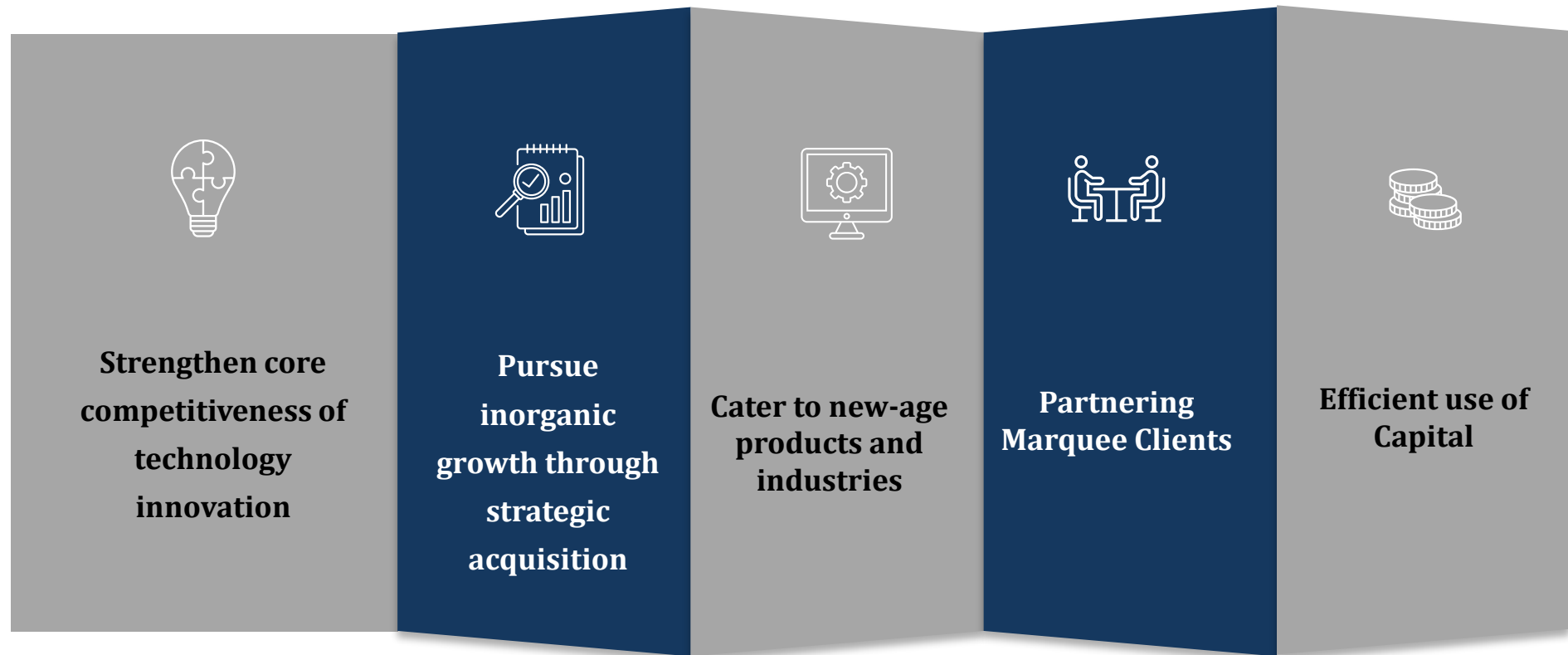


**Three dedicated R&D facilities** - 1 in Germany and 2 in India



**Design in India to Make in India**





# Experienced management

## Senior Management



### **Sandeep Tandon**

*Executive Chairman*

- 18+ years of experience in electronics manufacturing sector
- Bachelor of science in electrical engineering; YPO President's Program from Harvard Business School
- Ex - Celetronix Inc., USA,



### **Jasbir S. Gujral**

*Managing Director*

- 40+ years of leadership experience in electronics design and manufacturing
- Founding member of SGS Techniks Private Limited



### **Krishna Kumar Pant**

*Co-founder & Head, Domestic Business*

- 39+ years of experience in Marketing and Management
- Founding member of SGS Techniks Private Limited



### **Ranjit Singh**

*Co-founder & Head, International Business*

- 40+ years of experience in the Electronics Industry
- Founding member of SGS Techniks Private Limited



### **Sreeram Srinivasan**

*CEO, SETS*

- 30+ years of leading experience in Business Operations
- Ex-MD of Saint Gobain and CEO of MTAR



### **Bijay Agarwal**

*Chief Financial Officer*

- 16+ years of experience in finance and business strategy
- Ex-Motorola India Pvt Ltd., Dalmia Bharat



### **Nagraj Raghavendra**

*President - North*

- 28+ years of experience in operations in the electronics industry
- Ex-Jabil, Celetronix



### **N.G. Sreedharan**

*President - South*

- 30+ years of experience in electronics industry and research
- Ex-Tata Institute of Fundamental Research, Celetronix

# Active Board... Industry leaders

## Board of Directors



### Jaideep Tandon

*Non-Executive Director*

- Director of Infix Services Pvt Ltd and TIS International (USA) Inc.
- Masters in Electrical Engineering from Cornell university



### Jayesh Doshi

*Non-Executive Director*

- Previously associated with Dalmia Bharat Limited as a WTD and CFO
- Bachelors of Commerce from Jai Hind University and Bachelor of Law from University of Bombay



### Bharat Anand

*Independent Director*

- 20+ of experience in corporate law
- Partner at Khaitan & Co



### Mr. Kunal Shah

*Independent Director*

- Co-founder of Dreamplug Technologies Pvt Limited
- Bachelor of Arts in philosophy from Wilson College



### Smita Jatia

*Independent Director*

- Director of Westlife Development Limited
- Bachelors in Commerce from Sydenham College of Commerce



### Sridhar Narayan

*Non-Executive Director*

- Director of Seedworks International and Premier Energies
- Bachelors of Technology in Mechanical Engineering from BHU



### Hetal Gandhi

*Independent Director*

- 35+ years of experience in financial services and consulting
- Ex- IL&FS, CEO of ORIX

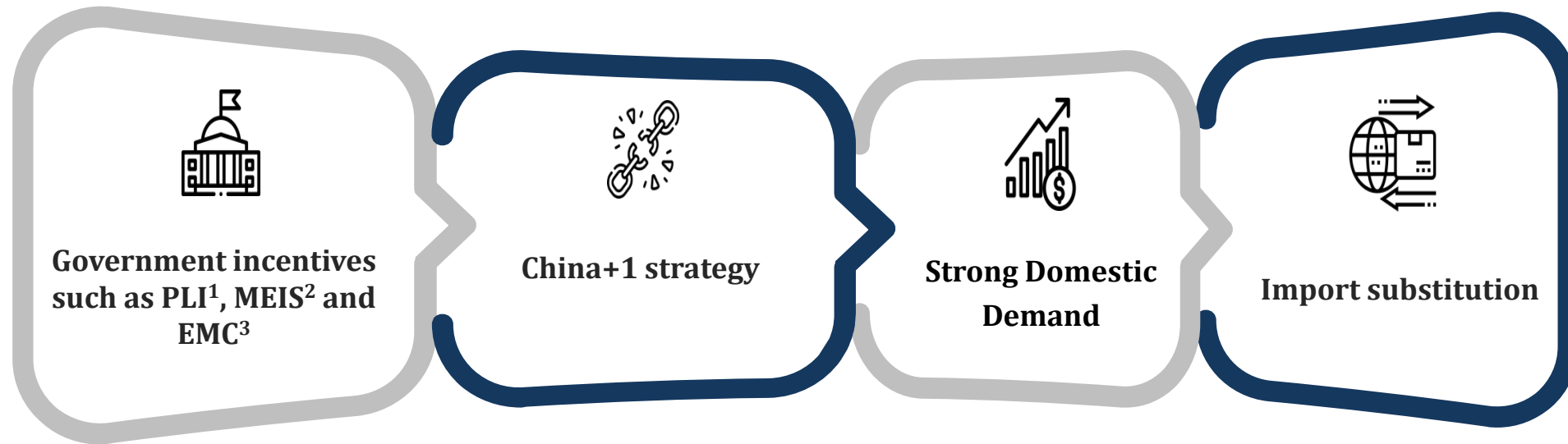


### Anil Nair

*Independent Director*

- 20+ years of experience in IT and consulting
- Ex – Aegis Consulting, President of Cisco's cloud business

# Factors Driving Growth Across Segments



PLI licenses for *Telecom and Networking Products* and *White Goods*

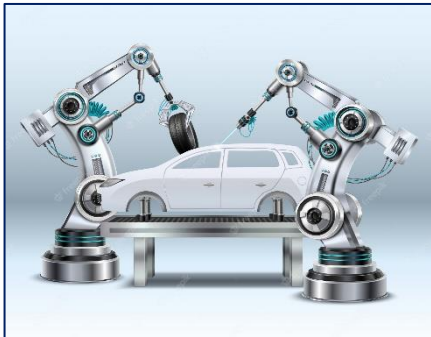
Increasingly Reducing Reliance on China by Global players

Strong Domestic Demand across Industries

Reduced Imports through rigorous Indigenisation Push



## Auto



Electric Mobility  
Charging Infrastructure  
Smart Infotainment

## Consumer



5G Devices  
Connected smart devices  
BLDC Technology

## Healthcare



Digitalisation  
Personal Health  
Smart Detection

## Industrial



Energy Metering  
5G Infrastructure  
Solar Energy

## Railways & IT



Railway Modernisation  
Metro Projects  
Indigenisation

## Strong Demand Across All Industry Segments

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# Financial Highlights

FY2023

# Performance Highlights : FY23

₹ million

Total Revenue

- Total Revenue up **63% YoY** to ₹ **20,921** million

EBITDA

- EBITDA up by **61% YoY** to ₹ **2,315** million; EBITDA margin at **11.1%**

PBT

- PBT up **61% YoY** to ₹ **1,787** million; PBT margin at **8.5%**

PAT

- PAT up **61% YoY** to ₹ **1,231** million; PAT margin at **5.9%**

Export Revenue

- Export Revenue at **31%** of Revenue from Operations.

# Brief Financial Summary FY23

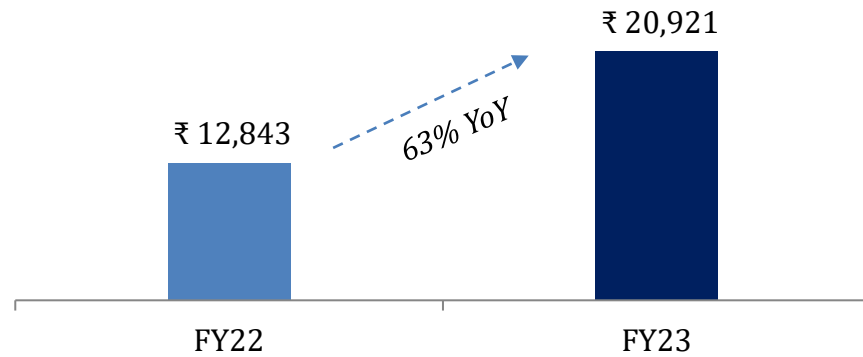
₹ Million

Particulars	FY22	FY23	% Change, YoY
<b>Total Revenue</b>	<b>12,843</b>	<b>20,921</b>	<b>62.9%</b>
<b>Gross Profit</b>	<b>3,922</b>	<b>5,517</b>	<b>40.6%</b>
<b>Margin %</b>	<b>30.5%</b>	<b>26.4%</b>	<b>(4.2%)</b>
Operating Expenses	2,485	3,201	28.8%
<b>EBITDA</b>	<b>1,437</b>	<b>2,315</b>	<b>61.1%</b>
<b>Margin %</b>	<b>11.2%</b>	<b>11.1%</b>	<b>(0.1%)</b>
Depreciation and amortization	249	312	25.1%
Finance Cost	80	216	170.3%
<b>PBT</b>	<b>1,108</b>	<b>1,787</b>	<b>61.4%</b>
<b>Margin %</b>	<b>8.6%</b>	<b>8.5%</b>	<b>(0.1%)</b>
Tax	343	556	62.2%
<b>PAT</b>	<b>765</b>	<b>1,231</b>	<b>60.9%</b>
<b>Margin %</b>	<b>6.0%</b>	<b>5.9%</b>	<b>(0.1%)</b>

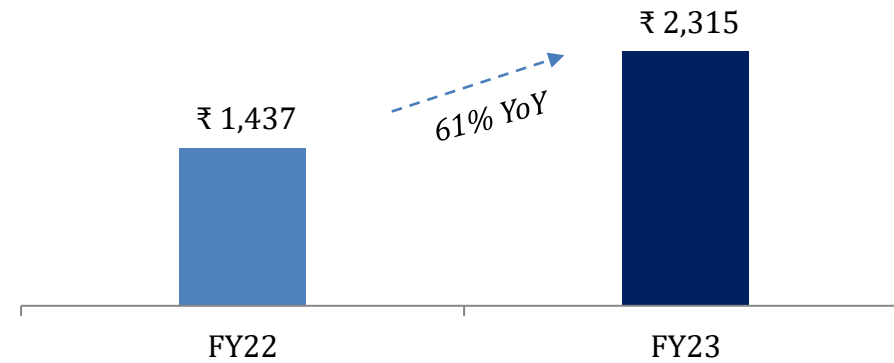
Notes: FY22 financials are based on Proforma Consolidated financials.

# Financial Highlights : FY23

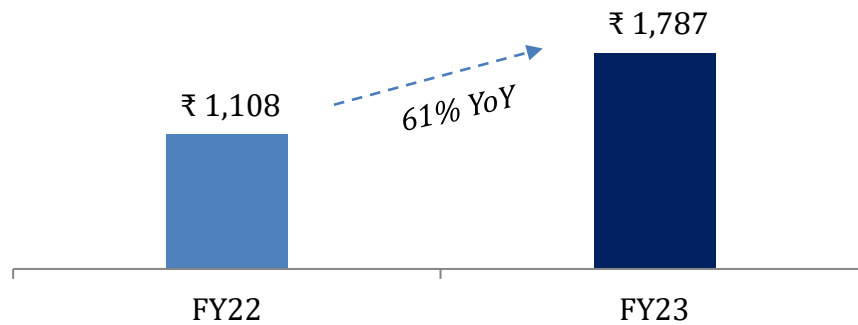
₹ Million  
Revenue



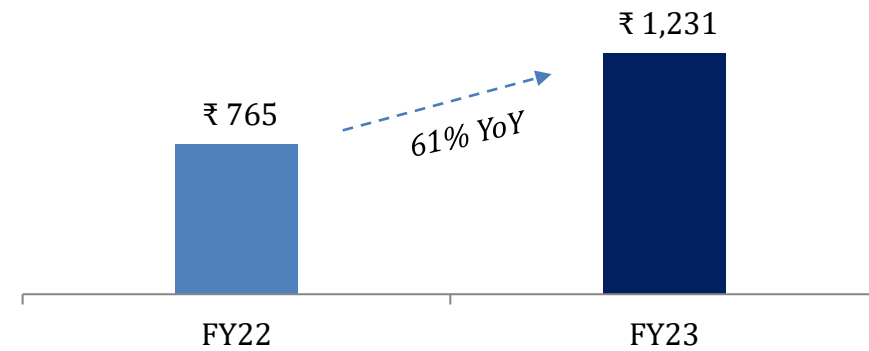
EBITDA



Profit Before Tax



Profit After Tax



Notes: FY22 financials are based on Proforma Consolidated financials.

# Industry Segments

Industry	Revenue (₹ million)		YoY
	FY22	FY23	
Auto	2,515	4,029	60.2%
Consumer	2,577	6,597	156.0%
Healthcare	1,619	1,633	0.9%
Industrials	4,412	6,422	45.6%
IT and Railways	1,543	1,802	16.7%
<b>Total</b>	<b>12,666</b>	<b>20,484</b>	<b>61.7%</b>

Notes: FY22 financials are based on Proforma Consolidated financials.

# Industry Segment: Material Margins

Industry	Material Margin (%)	
	FY22	FY23
<b>Auto</b>	20.4%	22.1%
<b>Consumer</b>	38.1%	17.1%
<b>Healthcare</b>	48.5%	53.9%
<b>Industrials</b>	31.4%	29.9%
<b>IT and Railways</b>	5.3%	9.8%

Notes: FY22 financials are based on Proforma Consolidated financials.

# Balance Sheet Summary

₹ Million

<b>ASSETS</b>	<b>FY22</b>	<b>FY23</b>
Net Fixed Assets	2,973	4,310
Goodwill & Intagibles	1,214	1,268
Strategic Investments	47	60
Other non-current assets	243	36
Current Assets	6,280	10,939
Treasury	784	8,800
<b>Total Assets</b>	<b>11,542</b>	<b>25,412</b>
<b>EQUITY AND LIABILITIES</b>	<b>FY23</b>	<b>FY22</b>
<b>Equity</b>		
Equity share capital	1,376	1,768
Other equity	4,453	13,661
<b>Total Equity</b>	<b>5,829</b>	<b>15,429</b>
<b>Liabilities</b>		
Borrowings	1,942	3,468
Other non-current liabilities	445	513
Current liabilities	3,325	6,001
<b>Total Liabilities</b>	<b>5,713</b>	<b>9,983</b>
<b>Total Equity and Liabilities</b>	<b>11,542</b>	<b>25,412</b>



# Debt and Cash

₹ Million

Particulars	31-Mar-22	31-Mar-23
Term Loan	566	899
Working Capital Loan	1,377	2,570
<b>Total Debt</b>	<b>1,942</b>	<b>3,468</b>
Investments	381	8,291
Cash and Cash Equivalents	369	544
<b>Total Cash &amp; Equivalents</b>	<b>750</b>	<b>8,836</b>
<b>Net Debt / (Cash)</b>	<b>1,192</b>	<b>(5,367)</b>

# Cash Flow Summary

₹ Million

Particulars	FY23
<b>PBT</b>	<b>1,787</b>
Add:	
Depreciation	312
Finance cost	216
Others	(310)
<b>OCF before WC changes</b>	<b>2,005</b>
Change in Receivables	(2,957)
Change in Inventory	(1,293)
Change in Trade Payables	2,483
Change in Other Current Assets/Liabilities	(532)
Tax paid	(397)
<b>Total WC Changes + Tax</b>	<b>(2,697)</b>
<b>Net Operating Cashflow</b>	<b>(692)</b>
Capex & Investments	(1,375)
<b>Net Cashflow from Investing activities</b>	<b>(1,375)</b>
Change in borrowings	1,727
Proceeds from issue of Equity Share Capital (including securities premium)	8,582
Finance Costs	(193)
<b>Net Cashflow from Financing activities</b>	<b>10,116</b>
Opening Cash & Bank	787
Net Increase/decrease in Cashflow	8,049
<b>Closing Cash &amp; Bank</b>	<b>8,836</b>

# Financial Ratios

Particulars	FY22 <sup>1</sup>	FY23
EBITDA Margin (%)	11.2%	11.1%
PAT Margin (%)	8.6%	8.5%
Net Working Capital Days <sup>2</sup>	75	74
Net Working Capital Days <sup>3</sup>	93	90
Net Debt to EBITDA	0.8	NM
ROCE (%)	16.8%	15.0%
ROCE (%) <sup>4</sup>	20.2%	23.8%

*Notes:*

1. FY22 financials are based on Proforma Consolidated financials.
2. Net Working Capital Days based on the average of opening and closing balance sheet numbers during the period.
3. Net Working Capital Days based on closing balance sheet numbers during the period.
4. ROCE = EBIT/Average Net Capital Employed based on the Capital employed as on 31<sup>st</sup> Mar 23 & 31<sup>st</sup> Mar 22 (adjusted for goodwill and unutilized IPO proceeds).

# FY23 : Awards & Recognitions



The Golden Globe Tiger Awards (Asia Edition) Award for "Best In Training & Organizational Development" By World HRD Congress



ELCINA's Special Jury Award for "Electronics Company of the Year" for 2021-22; Award for Exports (Large Scale Category)



Innovation & Technology Excellence Award by Wabtec Corporation



Award for Techno Visionary – Industry for the Year 2022



Best EMS Supplier 2022 Award by Pricol



Green Yodha recognition from our customer i.e., Schneider Electric On planting of 100 Trees across all units.

**Thank you**

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