

August 12, 2023
SEL/SEC/ 2023-2024/36

BSE Limited
Department of Corporate Services
P. J. Towers, 25th Floor, Dalal Street,
Mumbai- 400 001
Ref: 532509

National Stock Exchange of India Ltd
Exchange Plaza, C-1, Block-G,
Bandra Kurla Complex, Bandra (E)
Mumbai- 400 051
Ref: SUPRAJIT

Dear Sirs,

Sub: Press Release

Please find enclosed Press Release dated August 12, 2023.

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 – 12th August 2023

(Rs. In Million)

Unaudited results for the quarter ended :

CONSOLIDATED	June 2023		June 2022		Growth
	Amount	%	Amount	%	
OPERATING REVENUE (Net of taxes)	6796.83		6451.84		5.35%
EBITDA (Operational)	743.60	10.94%	565.84	8.77%	31.41%

STANDALONE	June 2023		June 2022		Growth
	Amount	%	Amount	%	
OPERATING REVENUE (Net of taxes)	3332.26		3366.25		(1.01%)
EBITDA (Operational)	590.90	17.73%	514.77	15.29%	14.79%

Suprajit Controls Division (SCD)	June 2023		June 2022		Growth
	Amount	%	Amount	%	
OPERATING REVENUE (Net of taxes)	3493.86		3237.28		7.93%
EBITDA (Operational)	250.27	7.16%	153.49	4.74%	63.05%

Domestic Cable Division (DCD)	June 2023		June 2022		Growth
	Amount	%	Amount	%	
OPERATING REVENUE (Net of taxes)	2398.33		2379.38		0.80%
EBITDA (Operational)	423.40	17.65%	366.33	15.40%	15.58%

Phoenix Lamps Division Consolidated (PLD)	June 2023		June 2022		Growth
	Amount	%	Amount	%	
OPERATING REVENUE (Net of taxes)	876.76		835.17		4.98%
EBITDA (Operational)	70.37	8.03%	46.02	5.51%	52.92%

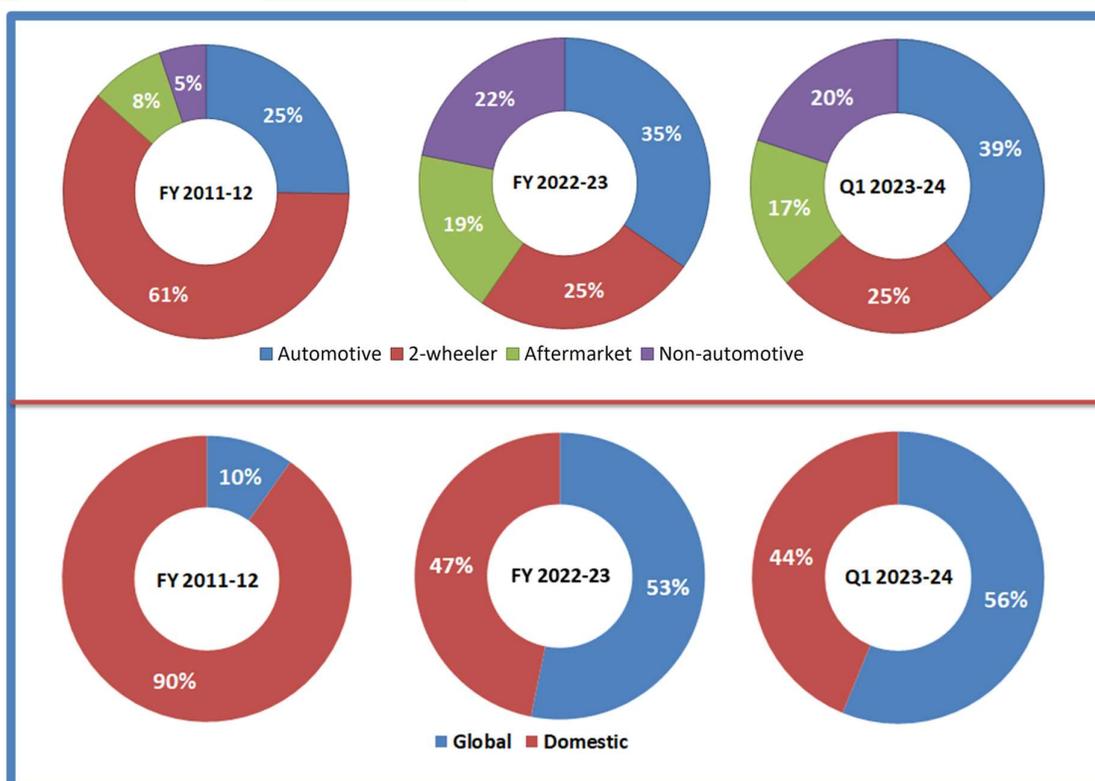
Suprajit Electronics Division (SED)	June 2023		June 2022		Growth
	Amount	%	Amount	%	
OPERATING REVENUE (Net of taxes)	27.89		-	-	-
EBITDA (Operational)	(0.44)	(1.58%)	-	-	-

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

Group Debt Level (Rs. in Million) & Investments :

PARTICULARS	June-23	Mar-23
Short Term	2,832	3,769
Long Term	3,295	2,648
TOTAL	6,127	6,417
Investment in Mutual Funds / Bonds	4,872	4,451

Sector and Geographical Transformation:



BUSINESS UPDATE:

- The overall Indian automotive segment grew at 2.8% during first quarter of 2023-24. Against this the consolidated quarterly operational income increased to Rs. 6796.83 Million from Rs. 6451.84 Million a growth of 5.35%
- The operational EBITDA on a consolidated basis increased to Rs. 743.60 Million from Rs. 565.84 Million, a growth of 31.41%.
- Both consolidated and standalone margins have improved compared to Q1 of last year.
- High interest rates and inflation continue to impact the global economy leading to recessionary trends. This is felt significantly in the non-automotive part of the business with consumers postponing discretionary purchases like outdoor power equipment, power sports vehicles, etc.

- While the global automotive industry did not grow in this quarter, Suprajit grew its business well, due to significant new businesses won and productionised.
- Domestic revenues remained flat due to seasonal trends in the aftermarket.
- As informed in the last business update dated 29th May 2023, the group's business is now regrouped under 4 divisions and the performance of the individual divisions has been reported as above. A commentary on each division is provided hereunder.

DIVISIONAL HIGHLIGHTS FOR THE YEAR:

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, including Shanghai Lonestar, Suprajit Hungary and Suprajit Mexico.

- SCD had a business of Rs. 3493.86 Million against Rs.3237.28 Million, a growth of 7.93%
- Operational EBIDTA improved to Rs.250.27 Million from 153.49 Million, an increase of 63.05%
- Shanghai Lonestar growth suffered due to significant cutbacks from select non-automotive customers. This is due to macroeconomic factors and expected to continue for a few more quarters.
- Wescon and Unit 9 had a negative growth due to significant drop in the north American non-automotive business. Some customers reduced offtake by up to 50% and new business wins were not sufficient to compensate for such significant cutbacks.
- This division faced certain unfavorable currency movements.
- The operations at Matamoros and Siófok had double-digit revenue growth, due to new business wins.
- SAL and SEU had strong double-digit growth, due to new wins.
- Integration of all the divisions within SCD is progressing well. Joint marketing efforts have led to significant new business wins and will lead to robust growth in coming years.
- The strategy of "One Suprajit" as a global platform for control cables and actuation is leading to a strong customer acceptance despite the weak global market.
- A list of new wins in cables and Electro Mechanical Actuators (EMA) with annual and lifetime potential is tabled below.

AUTOMOTIVE WINS (For the Last 1 Year): (in US\$ Million)

S No	Customer Name	Estimated Annual Value	Estimated life time value	Products
1	Customer AA- Project 1	5.8	28.8	Head rest mechanism with cables
	- Project 2	1.6	8.1	Seating cables
	- Project 3	0.9	4.6	Seating cables
	- Project 4	0.1	0.8	Seating cables
2	Customer BB- Project 1	1.5	9.2	Hood, door and trunk cables
	- Project 2	1.1	6.5	Door and hood cables
	- Project 3	0.5	2.8	Hood and tailgate cables
3	Customer CC- Project 1	1.4	8.5	Door and hood cables
	- Project 2	0.3	1.8	Hood cables
4	Customer DD- Project 1	0.8	5.9	EMA with actuator cable
	- Project 2	0.2	1.2	Emergency release cable
	- Project 3	0.6	4.4	EMA with actuator cable
5	Customer EE	2.6	12.8	Hood & door cables
6	Customer FF	2.4	12.2	Hood and bowden cables
7	Customer GG	2.0	10.0	Head rest seat cables
8	Customer HH	1.0	6.2	Hood cables
9	Customer II	1.0	6.1	Door cables
10	Other Customers	2.4	16.0	Clutch and PKB cables, window regulator cables, seating cables, EMA etc.
	Total	26.2	145.9	

- Note :
1. Estimated value based on customers' projections and subject to change.
 2. These projects are expected to go into production in the coming 1-3 years with different start dates.
 3. Actual volumes will be as per customer requirements at the start of commercial production.
 4. This is a one-time disclosure only to provide an insight on business wins under the new division.

NON-AUTOMOTIVE WINS (For the Last 1 Year):

(in US\$ Million)

S No	Customer Name	Estimated Annual Value	Estimated life time value	Products
1	Customer AAA - Project 1	1.3	3.9	Various cables
	Project 2	0.3	0.9	Various cables
2	Customer BBB	0.8	2.4	Various cables
3	Customer CCC	0.7	2.0	RV cables
4	Customer DDD	0.6	1.9	PTO Switch
5	Customer EEE	0.6	1.7	Snow thrower cables
6	Customer FFF	0.5	1.0	Various cables
7	Customer GGG	0.5	1.4	Various cables
8	Customer HHH	0.5	1.4	Brake lever & cables
9	Other Customers	2.1	6.2	Hinge Pin Armored Cable, Electronic Throttle Controls, Lawn mower cables, Various cables.
	Total	7.9	22.8	

Note : 1. Estimated value based on customers' projections and subject to change.

2. These projects are expected to go into production in the coming 1-2 years with different start dates.

3. Actual volumes will be as per customer requirements at the start of commercial production.

4. This is a one-time disclosure only to provide an insight on business wins under the new division.

Domestic Cable Division (DCD) :

DCD comprises of cables and certain new products in India, manufactured through domestic cable units.

- The 2-wheeler segment continues to be weak. This weakness is expected to continue.
- EV market is also under some upheaval due to subsidy issues.
- The aftermarket segment had a seasonally weak quarter but expected to improve.
- The passenger vehicle segment clocked a strong growth.
- DCD has started winning certain new 'non-cable' businesses that are expected to go into production in the coming quarters.
- Although the division had a flat quarter, largely due to seasonal aftermarket weakness, the margins improved during the quarter.

Phoenix Lamps Division (PLD):

PLD comprises of Phoenix Lamps division, Trifa Lamps (under liquidation) and Luxlite.

- PLD had a reasonable growth and the EBITDA margins improved, despite certain restructuring costs of Trifa / Luxlite.
- PLD performed well, despite Trifa liquidation and expected to improve in coming quarters.
- The new order wins will continue to drive the growth of this division.
- The LED retrofit, launched in domestic market, is doing well. LED retrofit solutions have now been launched outside of India through Luxlite.
- Despite LED penetration within the OEM segment, the division is expected to continue to grow the business with improved margins.

Suprajit Electronics Division (SED):

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

- Since inauguration in November, the division has received multiple customer visits to understand the division's capabilities.
- In the last 6 months multiple audits have also been conducted by leading customers in IC / EV segments.
- This has culminated in plant approvals by certain marquee customers in the 2/3-wheeler segments, resulting in multiple contracts won via PO / LOIs. The confirmed business wins will lead to significant CAGR growth for the division.
- SED has started first supplies to India's top selling EV two-wheeler. Content per vehicle at this customer is significantly higher than any ICE customer of Suprajit.
- A list of business wins and its annual / lifetime value is detailed hereunder to give an insight into this division's business for the coming years:

SED WINS (Since Inauguration)

(Rs. in Million)

S No	Customer Name	EV/IC	Estimated Annual Value	Estimated life time value	Products
1	Customer A - Project 1	EV	630	630	Digital Cluster- Phase 1
	- Project 2	EV	180	600	Electro-Mechanical Actuator
	- Project 3	EV	140	450	Electro Mechanical Actuator
2	Customer B - Project 1	IC	140	450	Digital Cluster
	- Project 2	IC	120	400	Digital Cluster
3	Customer C - Project 1	EV	40	160	Digital Cluster
	- Project 2	EV	10	60	Digital Cluster
4	Customer D	IC	140	300	PCB Assembly
5	Customer E	EV	30	100	Digital Cluster
6	Customer F	EV	20	50	Rotary Sensor
7	Customer G	EV	10	60	Digital Cluster
8	Other Customers	EV	40	240	Electro Mechanical Actuator, Digital Cluster, E-throttle, LED PCB Assembly
	Total		1,500	3,500	

- Note :
1. Estimated value based on customers' projections and subject to change.
 2. These projects are expected to go into production in the coming 1-2 years with different start dates.
 3. Actual volumes will be as per customer requirements at the start of commercial production.
 4. This is a one-time disclosure only to provide an insight on business wins under the new division.

Suprajit Technology Centre (STC):

- Technology roadshows have been done with certain customers to showcase Suprajit's capabilities beyond cables. The response has been very encouraging.
- STC continues to receive significant customer interests and are in discussions for various projects for the coming years.
- Key products of STC are at different levels of approval with prospective customers.
- STC continues to work on certain new products / improvements.

COMMENTARY ON CURRENT QUARTER AND BALANCE YEAR :

- The non-automotive business slowdown is expected to continue for some more time, that will have an impact at SCD.
- Some of the new wins are expected to go into production during the second half of the year, which will offset a sluggish non-automotive market at SCD.
- It is expected that the second half of the year will have stronger growth compared to the first half with improved margins across all divisions.
- New business wins have been significant in automotive and electronics divisions.
- The outlook for the year appears satisfactory.

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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