

November 9, 2023
SEL/SEC/ 2023-2024/62**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 November 9, 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 – 09th November 2023

(Rs. In Million)

Unaudited results for the half year ended :

| CONSOLIDATED | September 2023 | | September 2022 | | Growth |
|----------------------------------|----------------|--------|----------------|-------|--------|
| | Amount | % | Amount | % | |
| OPERATING REVENUE (Net of taxes) | 13,885.57 | | 13,612.47 | | 2.01% |
| EBITDA (Operational) | 1,441.69 | 10.38% | 1,356.73 | 9.97% | 6.26% |

| STANDALONE | September 2023 | | September 2022 | | Growth |
|----------------------------------|----------------|--------|----------------|--------|---------|
| | Amount | % | Amount | % | |
| OPERATING REVENUE (Net of taxes) | 7,187.10 | | 7,231.89 | | (0.62%) |
| EBITDA (Operational) | 1,251.68 | 17.42% | 1,177.03 | 16.28% | 6.34% |

| Suprajit Controls Division (SCD) | September 2023 | | September 2022 | | Growth |
|-------------------------------------|----------------|-------|----------------|-------|---------|
| | Amount | % | Amount | % | |
| OPERATING REVENUE (Net of taxes) | 6,737.56 | | 6,667.29 | | 1.05% |
| EBITDA (Operational) | 361.34 | 5.36% | 390.48 | 5.86% | (7.46%) |

| Domestic Cable Division (DCD) | September 2023 | | September 2022 | | Growth |
|----------------------------------|----------------|--------|----------------|--------|---------|
| | Amount | % | Amount | % | |
| OPERATING REVENUE (Net of taxes) | 5,193.46 | | 5,199.72 | | (0.12%) |
| EBITDA (Operational) | 886.10 | 17.06% | 852.05 | 16.39% | 4.00% |

| Phoenix Lamps Division Consolidated (PLD) | September 2023 | | September 2022 | | Growth |
|--|----------------|--------|----------------|-------|--------|
| | Amount | % | Amount | % | |
| OPERATING REVENUE (Net of taxes) | 1,857.03 | | 1,745.46 | | 6.39% |
| EBITDA (Operational) | 191.15 | 10.29% | 114.21 | 6.54% | 67.37% |

| Suprajit Electronics Division (SED) | September 2023 | | September 2022 | | Growth |
|--|----------------|-------|----------------|---|--------|
| | Amount | % | Amount | % | |
| OPERATING REVENUE (Net of taxes) | 97.52 | | - | - | - |
| EBITDA (Operational) | 3.09 | 3.17% | - | - | - |

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

(Rs. In Million)

Unaudited results for the quarter ended :

| CONSOLIDATED | Q2 FY 2023-24 | | Q2 FY 2022-23 | | Growth |
|----------------------------------|---------------|-------|---------------|--------|----------|
| | Amount | % | Amount | % | |
| OPERATING REVENUE (Net of taxes) | 7,088.74 | | 7,160.63 | | (1.00%) |
| EBITDA (Operational) | 698.09 | 9.85% | 786.71 | 10.99% | (11.27%) |

| STANDALONE | Q2 FY 2023-24 | | Q2 FY 2022-23 | | Growth |
|----------------------------------|---------------|--------|---------------|--------|---------|
| | Amount | % | Amount | % | |
| OPERATING REVENUE (Net of taxes) | 3,854.84 | | 3,865.64 | | (0.28%) |
| EBITDA (Operational) | 660.78 | 17.14% | 662.26 | 17.13% | (0.22%) |

| Suprajit Controls Division (SCD) | Q2 FY 2023-24 | | Q2 FY 2022-23 | | Growth |
|-------------------------------------|---------------|-------|---------------|-------|----------|
| | Amount | % | Amount | % | |
| OPERATING REVENUE (Net of taxes) | 3,243.70 | | 3,430.01 | | (5.43%) |
| EBITDA (Operational) | 111.07 | 3.42% | 233.25 | 6.80% | (52.38%) |

| Domestic Cable Division (DCD) | Q2 FY 2023-24 | | Q2 FY 2022-23 | | Growth |
|----------------------------------|---------------|--------|---------------|--------|---------|
| | Amount | % | Amount | % | |
| OPERATING REVENUE (Net of taxes) | 2,795.13 | | 2,820.34 | | (0.89%) |
| EBITDA (Operational) | 462.70 | 16.55% | 485.71 | 17.22% | (4.74%) |

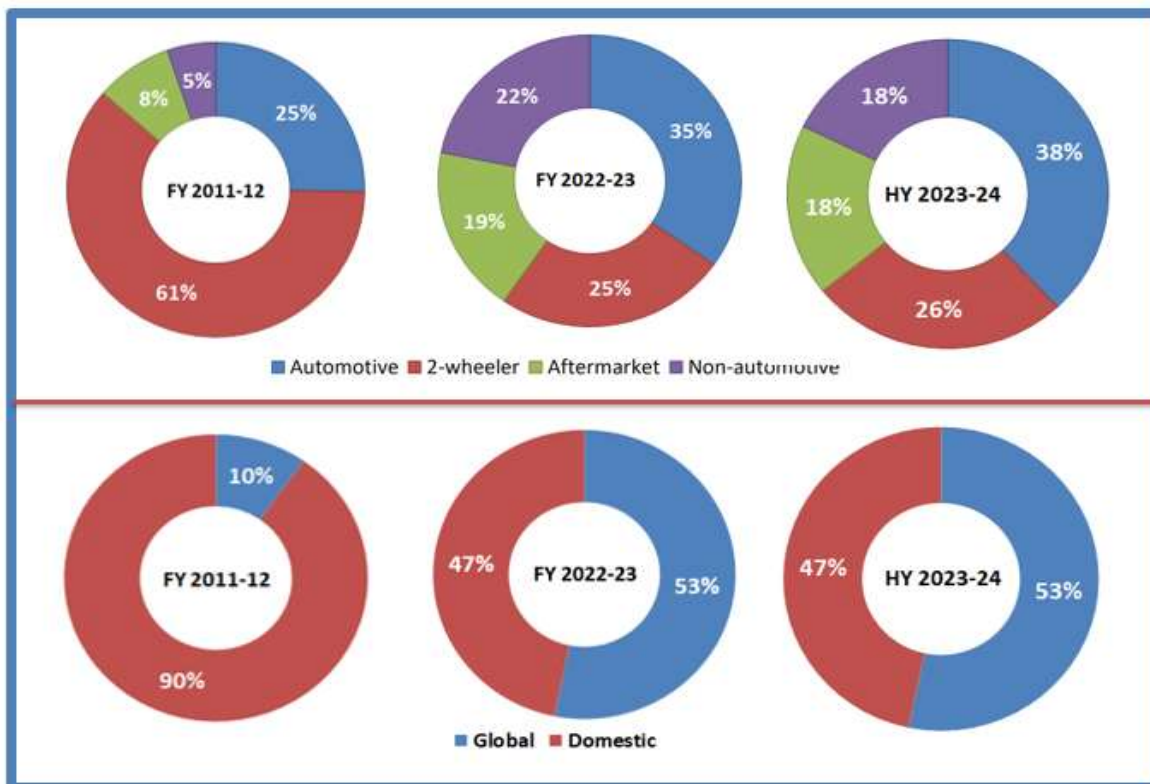
| Phoenix Lamps Division Consolidated (PLD) | Q2 FY 2023-24 | | Q2 FY 2022-23 | | Growth |
|--|---------------|--------|---------------|-------|--------|
| | Amount | % | Amount | % | |
| OPERATING REVENUE (Net of taxes) | 980.27 | | 910.29 | | 7.69% |
| EBITDA (Operational) | 120.78 | 12.32% | 68.19% | 7.49% | 77.12% |

| Suprajit Electronics Division (SED) | Q2 FY 2023-24 | | Q1 FY 2022-23 | | Growth |
|--|---------------|-------|---------------|---------|--------|
| | Amount | % | Amount | % | |
| OPERATING REVENUE (Net of taxes) | 69.63 | | 27.89 | | 149.71 |
| EBITDA (Operational) | 3.53 | 5.06% | (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 Millions) & Investments :

| PARTICULARS | Sep-23 | Mar-23 |
|------------------------------------|--------------|--------------|
| Long Term | 2,344 | 2,648 |
| Short Term | 3,944 | 3,769 |
| TOTAL | 6,288 | 6,417 |
| Investment in Mutual Funds / Bonds | 5,167 | 4,451 |

Sector and Geographical Transformation:


BUSINESS UPDATE:

- The overall Indian automotive business grew by 1.50% for the first half of the year. The consolidated half yearly operational income of the group increased by 2% and standalone remained flat.
- The consolidated half yearly EBITDA of the group increased by 6% and standalone by 6% compared to the previous year.
- Overall, the global business environment remained challenging during the half year, which is expected to continue for a few more quarters. Some of the challenges faced are:-
 - **Automotive market:**
 - UAW strike, adding to already weak North American markets.
 - Postponement of new launches by certain customers.
 - Weakness in European automotive markets due to the war.
 - Tepid Indian aftermarket business due to weak monsoon.
 - **Non- Automotive market:**
 - Significant slowdown in non-automotive business in all geographies.
 - Climate change based concerns driving down volumes.
 - **General economic and trade conditions:**
 - Significant custom tariff related issues in Mexico.
 - Significant wage increases in Mexico.
 - High interest rates leading to delayed discretionary purchases.
 - Higher inflation.
 - Cross currency impacts.
 - **China plant relocation leading to disruptions.**

DIVISIONAL HIGHLIGHTS FOR THE YEAR:

A. 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.

- Operational Revenue for the half-year remained flat, and EBITDA reduced by 7%.
- Certain restructuring is being carried out to improve synergies within this division to improve long term margins.

Shanghai Lonestar - China :

- Plant relocation is in the advanced stage and expected to be completed in Q4. This has led to certain disruptions in operations.
- Plant relocation has also led to significant one-time expenses.
- Slowdown in non-automotive business continues.
- A new plant head has joined.

SCD Europe :

- Operational income grew in Hungary, but pricing challenges continue.
- Certain negative margin businesses are being relocated to SAL, India, to improve overall group margins, as part of restructuring.
- Suprajit Europe and Suprajit Automotive had a strong growth and improved margins, due to new business wins, both in Europe and USA.

SCD - North America:

- The North American non-automotive business volumes continue to be weak. This had a significant negative impact on Wescon and Matamoros Non-automotive operations.
- UAW strike had some impact in September with significant impact in October. UAW have now come to an agreement with Big 3, as per news reports.
- 60% of the Matamoros plant's automotive business is derived from the big 3 and its Tier 1 / 2 suppliers.
- As a part of division's restructuring, North American warehousing is now centralised at our Brownsville warehouse giving better synergies and cost savings, going forward. However, certain one-time expenses were incurred.
- As a part of group synergy efforts, moulding capacity at Matamoros is now being utilised to cater to the requirements of Wescon.
- Restructuring to improve efficiencies and streamline the group's resources, purchases and plant operations continues.
- New business wins continue, leading to a clear long-term visibility for the divisions business.

B. Domestic Cable Division (DCD) :

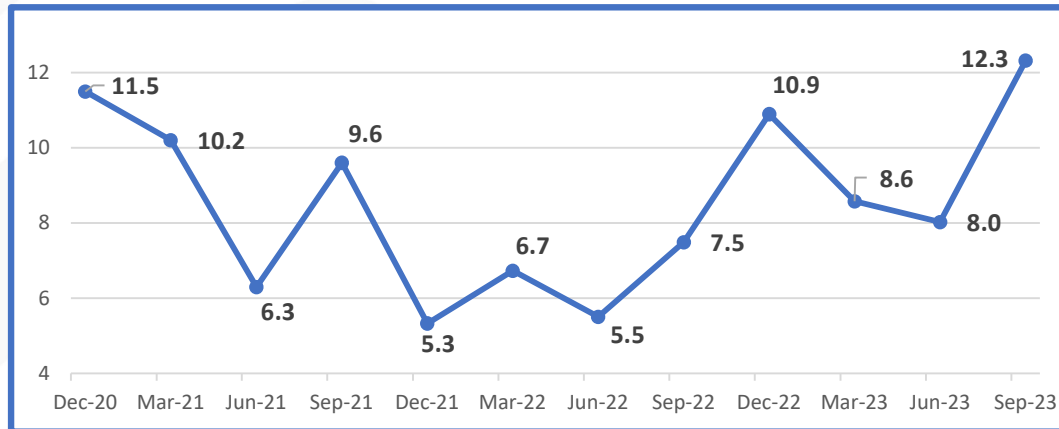
DCD comprises of cables and certain new products in India, manufactured through domestic cable units.

- India cable business continues its good performance despite lukewarm 2W business.
- EBITDA margins remain strong.
- The aftermarket business remained a bit sluggish, due to tight money markets, weakness in rural markets and a weak monsoon.
- PV showed good growth.
- Festival sales appear satisfactory so far in October / November.
- Certain braking products developed by STC are being commercialized in this division.
- "Beyond Two Wheelers" and "Beyond Cables" are gaining traction with our showcasing through "Technology Road Shows" at customer premises.

Phoenix Lamps Division (PLD):

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

- The division grew the business despite LED penetration.
- Margins continue to improve, leading to a double-digit EBITDA in Q2. The 12-quarter graph below reiterates management’s earlier forecasted turnaround and margin improvements in this business:



- Division’s restructuring continues as planned, in addition to Trifa liquidation. Trifa liquidation is expected to conclude in Q4 with certain costs over this period.
- LED retrofit for both 2W and PV is getting a good response in the aftermarket.
- The management restructuring process will be completed by the end of this fiscal year.

Suprajit Electronics Division (SED):

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

- Division has made good progress, clocking steep growth.
- Revenue growth Q2 over Q1 was 150%
- The division turned EBITDA positive in Q2, within 1 year of operations.
- Division has started deliveries of actuators for 2 marquee EV two-wheeler customers.
- Digital clusters deliveries are ramping up.
- New business wins give a clear visibility of significant growth in this division.

Suprajit Technology Centre (STC):

- Continues to attract more customers for its range of products.
- Multiple products are under customer evaluations and approvals.
- Customer acceptance of Suprajit as a “beyond cable” supplier is increasing.
- Significant interest shown by potential customers on actuator systems, braking systems, apart from digital clusters.

COMMENTARY ON CURRENT QUARTER AND BALANCE YEAR:

- SCD will have few more challenging quarters for the reasons enumerated above.
- DCD and PLD will continue to perform satisfactorily.
- SED growth is expected to be robust and higher than rest of group due to new projects getting productionised.
- Actively pursuing infrastructural assets to house “Beyond Cables” projects.
- Group is working to migrate in the medium term to One ERP and One PLM, using SAP & PTC to enhance operational synergies within the group.
- Domestic business for Q3 has been strong so far, leading to optimism for the balance year, for the India market.
- Overall new business wins continue to be strong, providing clear longer-term visibility for the business.

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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| https://www.suprajit.com/financials/ | |