

May 29, 2024  
SEL/SEC/ 2024-2025/14

<b>BSE Limited</b> <b>Department of Corporate Services</b> <b>P. J. Towers, 25th Floor, Dalal Street,</b> <b>Mumbai- 400 001</b> <b>Ref: 532509</b>	<b>National Stock Exchange of India Ltd</b> <b>Exchange Plaza, C-1, Block-G,</b> <b>Bandra Kurla Complex, Bandra (E)</b> <b>Mumbai- 400 051</b> <b>Ref: SUPRAJIT</b>
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Dear Sirs,

**Sub: Press Release**

Please find enclosed Press Release dated May 29, 2024.

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 – 29<sup>th</sup> May 2024

(Rs. In Million)

**Audited results for the year ended :**

CONSOLIDATED	March 2024		March 2023		Growth
	Amount	%	Amount	%	
OPERATING REVENUE	28,958.55		27,523.55		5.21%
EBITDA (Operational)	3,258.55	11.25%	3,187.42	11.58%	2.23%

STANDALONE	March 2024		March 2023		Growth
	Amount	%	Amount	%	
OPERATING REVENUE	15,367.36		14,310.19		7.39%
EBITDA (Operational)	2,759.63	17.96%	2,495.33	17.44%	10.59%

Suprajit Controls Division (SCD)	March 2024		March 2023		Growth
	Amount	%	Amount	%	
OPERATING REVENUE	13,617.13		13,562.08		0.41%
EBITDA (Operational)	827.23	6.07%	1,094.92	8.07%	(24.45%)

Domestic Cable Division (DCD)	March 2024		March 2023		Growth
	Amount	%	Amount	%	
OPERATING REVENUE	10,889.52		10,321.45		5.50%
EBITDA (Operational)	1,901.45	17.46%	1,793.31	17.37%	6.03%

Phoenix Lamps Division (PLD)	March 2024		March 2023		Growth
	Amount	%	Amount	%	
OPERATING REVENUE	3,895.51		3,640.01		7.02%
EBITDA (Operational)	471.44	12.10%	299.20	8.22%	57.57%

Suprajit Electronics Division (SED)	March 2024		March 2023		Growth
	Amount	%	Amount	%	
OPERATING REVENUE	556.39		-		-
EBITDA (Operational)	58.42	10.50%	-	-	-

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

(Rs. In Million)

**Audited results for the quarter ended :**

CONSOLIDATED	Q4 FY 2023-24		Q4 FY 2022-23		Growth
	Amount	%	Amount	%	
OPERATING REVENUE	7,831.22		6,990.09		12.03%
EBITDA (Operational)	944.12	12.06%	895.52	12.81%	5.43%

STANDALONE	Q4 FY 2023-24		Q4 FY 2022-23		Growth
	Amount	%	Amount	%	
OPERATING REVENUE	4,128.12		3,394.86		21.60%
EBITDA (Operational)	763.83	18.50%	626.66	18.46%	21.89%

Suprajit Controls Division (SCD)	Q4 FY 2023-24		Q4 FY 2022-23		Growth
	Amount	%	Amount	%	
OPERATING REVENUE	3,743.87		3,608.74		3.74%
EBITDA (Operational)	272.43	7.28%	367.14	10.17%	(25.80%)

Domestic Cable Division (DCD)	Q4 FY 2023-24		Q4 FY 2022-23		Growth
	Amount	%	Amount	%	
OPERATING REVENUE	2,810.54		2,452.78		14.59%
EBITDA (Operational)	484.89	17.25%	448.71	18.29%	8.06%

Phoenix Lamps Division Consolidated (PLD)	Q4 FY 2023-24		Q4 FY 2022-23		Growth
	Amount	%	Amount	%	
OPERATING REVENUE	1,009.21		928.56		8.69%
EBITDA (Operational)	152.60	15.12%	79.68	8.58%	91.52%

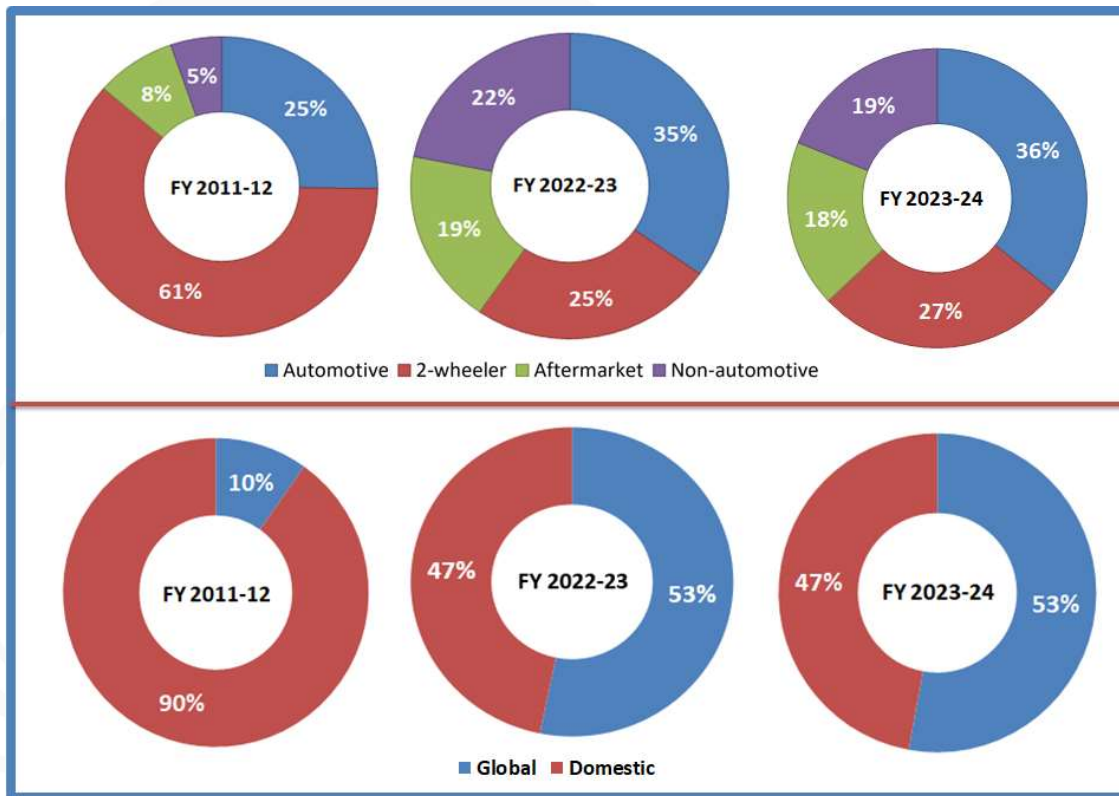
Suprajit Electronics Division (SED)	Q4 FY 2023-24		Q3 FY 2023-24		Q2 FY 2022-23		Q1 FY 2022-23	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE	267.61		191.27		69.63		27.89	
Revenue Growth QnQ		39.91%		174.68%		149.71%		
EBITDA (Operational)	34.19	12.78%	21.14	11.05%	3.53	5.07%	(0.44)	(1.58%)

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

**Group Debt Level & Investments:**

(Rs. In Million)

PARTICULARS	Mar-24	Mar-23
Long Term	2,026	2,648
Short Term	4,213	3,769
<b>TOTAL</b>	<b>6,239</b>	<b>6,417</b>
Investment in Mutual Funds & Bonds	5,127	4,451

**Sector and Geographical Transformation:**

**BUSINESS UPDATE:**

- The Board has recommended a final dividend of Rs. 1.40 per equity share of Re. 1/- each for the year 2023-24, making the total dividend at Rs.2.50 (250%) as against the total dividend of Rs.2.30 (230%) per equity share of Re.1/- each, paid during the year 2022-23. The aggregate of the dividend payout for the year under report is Rs. 346.13 Million against Rs. 318.35 Million paid during the previous year.

- Suprajit's India business grew at 7.3% and consolidated revenue grew by 5% for the year.
- The consolidated business grew at 12% and EBITDA grew by 5% for the Q4 2023-2024.
- The standalone business grew at 22% and EBITDA grew by 22% for the Q4 2023-2024.

**Further to the prior updates, commentary on the business is as under:**

### **DIVISIONAL HIGHLIGHTS FOR THE YEAR 2023-24:**

#### **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.**

- Operational revenue for the year 2023-24 remained flat with an EBITDA of 6%.
- However, Operational revenue for Q4 2023-24 showed an uptick of 4% with an EBITDA of 7%.
- Continued to work on long-term restructuring of the division for revenue and margin growth.
- Order wins continued to be strong in the automotive division.
- SCD recently won its largest single contract from a US customer, valued at USD 8 million / year. The contract is won based on "No China Content" requirement of the customer. This is a significant move by this customer away from China. This contract is larger than the one announced in the last quarterly update, on an annualized basis. This will be produced in SAL and warehoused in Brownsville.
- Significant non-automotive volume reduction was witnessed during the year.
- Operationally SCD plants performed well. However certain historic poor pricing, significant wage increases in Mexico, China import duties (which is under appeal), cross currency impacts, etc., were a drag on the margins. With higher volumes expected over the coming years and the restructuring, this is expected to improve.

#### **SCD - China (Shanghai Lonestar):**

- The relocated larger China plant was inaugurated on 24<sup>th</sup> April 2024 by the Mayor Mr. Fang Wei.
- The new plant is operating well.
- The focus has now shifted to new business developments, post relocation.
- All one-time costs have now been absorbed.

**SCD - Europe :**

- Suprajit Europe (SEU) and Suprajit Automotive (SAL) had solid growth and profitability due to significant new global contracts.
- Hungary showed volume growth despite geopolitical situation in Ukraine.

**SCD - North America:**

- The non-automotive business in the USA has now stabilised at a lower level.
- The appeal against the China tariff is at an advanced stage and SCD is hopeful of a favorable decision from US tax authorities.
- Wescon operations improved well in Q4.
- Wescon is making inroads into Rotary Sensors and other noncable products, made at SED and Unit 9.
- New business wins continued in the automotive and non-automotive segments.

**SCD - India (Exports):****SCD India comprises of Suprajit Automotive Ltd (SAL) and Unit 9.**

- SAL had been the shining star of SCD, winning multiple large contracts, with good margins.
- Due to SAL's better pricing model, it has emerged as the favoured low-cost manufacturing location among SCD plants, for automotive contracts. However, other locations are also bagging new contracts.
- Relocation of certain production from other SCD plants to SAL is ongoing to further improve margins within the SCD.
- Unit 9, after a tepid year, started to grow business with new contracts in the non-automotive space in Q4.

**Domestic Cable Division (DCD):****DCD manufactures cables and certain new products beyond cables in India.**

- India cable business performed well, both in 2W and 4W markets.
- Aftermarket business was muted. The grey market operators seem to have emerged strongly again, which also affected the market. Multiple raids were organised by the Company to such spurious operations and cases have been filed in jurisdictional Courts.
- Division is getting traction in "beyond cable projects", including CBS, Latch assembly, actuators etc.,

**B. Phoenix Lamps Division (PLD):**

**PLD manufacturers Halogen lamps in India for domestic market, makes direct exports and through Luxlite.**

- The division continued to grow despite LED penetration, with strong inroads into the aftermarkets, direct exports and through Luxlite.
- Margins improved solidly.
- Q4 margin has been the highest in recent years, at 16%.
- The restructuring at Trifa and Luxlite is complete, with minor processes to be wrapped up.
- Saliha Krich is the new Managing Director at Luxlite. Luxlite has performed well, post the restructuring.

**C. Suprajit Electronics Division (SED):**

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

- SED made excellent progress with solid growth and margin improvements.
- EBITDA margins clocked double digits in the last two quarters.
- Deliveries of actuators, digital clusters, and throttle position controls to marquee EV / ICE 2 wheelers and 3 wheelers, continued to scale new highs.
- SED started manufacturing electronic boards for internal consumption by SCD and PLD.
- New business wins continue to be robust and give a clear visibility of good growth.

**D. Suprajit Technology Centre (STC):**

**STC is the Innovation Centre at Suprajit group, located in Bangalore.**

- Automotive electronics, Actuators and Braking products form the core of STC.
- New contracts have been won through the efforts of STC for multiple projects.
- Multiple products are under evaluation with customers.
- Plans are afoot to set up a larger premise to house growing STC teams.



## **COMMENTARY ON THE CURRENT YEAR 2024-25:**

### **SCD**

The division continues to win significant new automotive contracts, at all SCD plants. Tight pricing expectations of customers, China plus 1 strategy and competitive market dynamics are making SAL as a preferred manufacturing location within SCD.

The price pressures are leading to significant stress at certain competitors with good manufacturing capabilities. This is an opportunity for Suprajit in the short run for possible inorganic opportunities and in the long run for consolidation of businesses.

In the non-automotive business, the significant downtrend noticed last year in the USA has now stabilized at a lower level. Business growth is expected to be marginal for the current year.

With continued restructuring planned, this division is expected to clock an overall double-digit growth with improved margins as compared to last year.

### **DCD**

The overall Indian automotive sector is expected to grow in single digit. DCD will continue to pursue “Beyond Cables”. It will further strengthen its core cable business both in the OEM and aftermarket segments.

The division expected to grow in double digits with margins in line with the past.

### **PLD**

With restructuring completed, this division will continue to focus on global business through Luxlite, consolidate India business of OE/Aftermarket and direct exports. “The last man standing strategy”, adopted by the Division over the last 2/3 years to combat price war, has been found successful with margins improving significantly in the last two quarters with good growth in a diminishing marketplace.

Division will clock double-digit growth in revenues and margins.

### **SED**

This division has completed its first year of operations successfully. This year, due to certain internal reorganisation, the division will encompass the mechanical speedometer as well, as it is produced in the same premises. Hence the financial results for the current year will include this portion as well, with comparative numbers. The division is expected to continue its strong growth in the current year with good margins.



**GENERAL:**

- The consolidated group's revenue growth and margins are expected to be in double digits.
- The capex for the year is estimated at Rs. 180 crores covering all divisions.

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**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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