



Amber Enterprises India Limited

Q1FY23
Result Presentation
August 2022





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Commenting on the results and performance for Q1FY23, Mr. Jasbir Singh, Chairman & CEO of Amber Enterprises India Ltd. said:

“In comparison to Q1FY20, the previous comparable first quarter of normal business and economic activity, the performance of Q1FY23 stands out.

The quarter continued to bring challenges related to inflation, rising interest rates and foreign exchange fluctuations. With the recent revision in BEE ratings for the AC industry from 1st July 2022, there will be price increases across Air conditioners but with easing of commodity costs, we believe, demand will not be much impacted.

Considering the Q1 sales and order book for the rest of the year, we are confident that we will be able to reach the PLI threshold level and qualify for the PLI incentives for the first year.

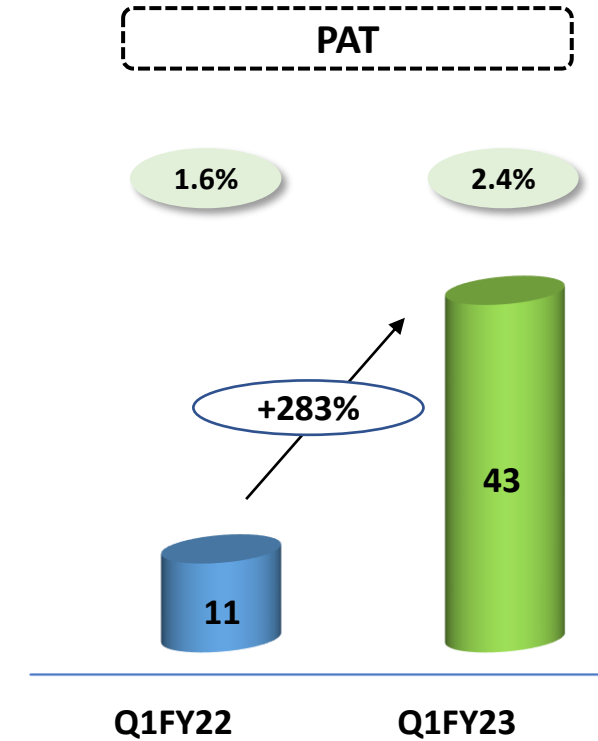
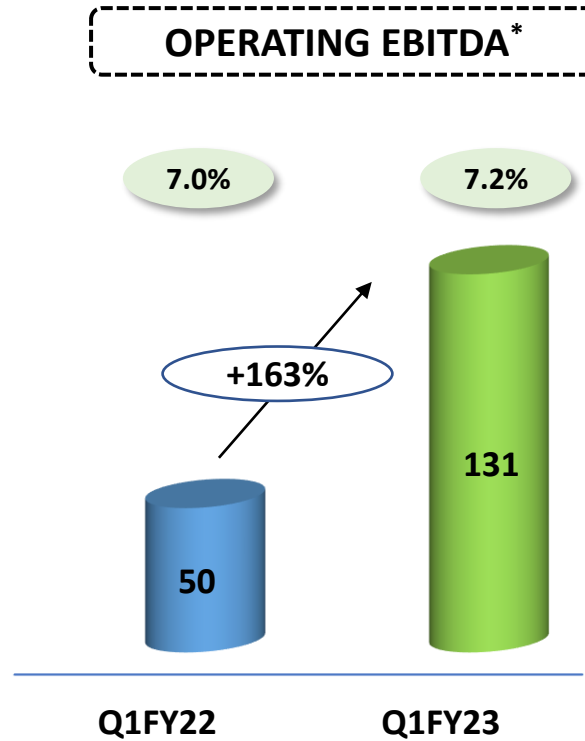
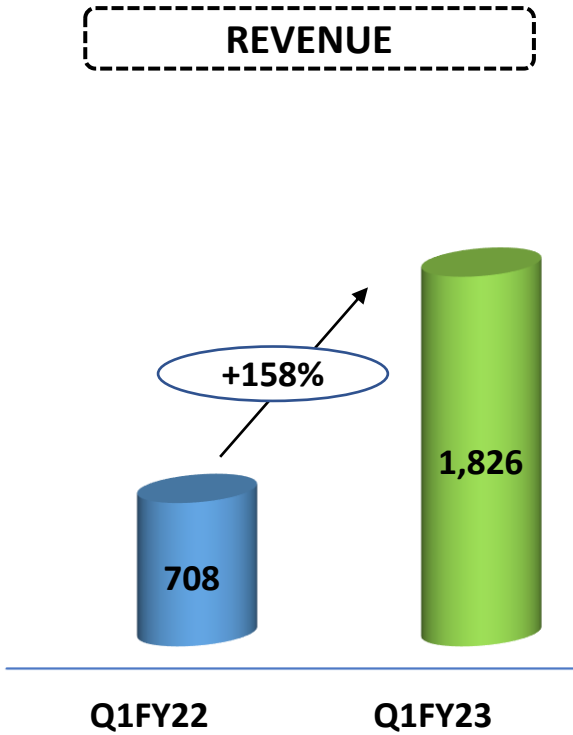
On the new greenfield facility, SriCity plant will be operational during H2 FY23.

At Amber, all the business divisions are ready to take advantage of multiple opportunities. Our goal is to capture the bulk of RAC and component market share. We believe the available opportunities will boost our position in domestic market while also providing a solid foundation for exports market going forward.”

Q1FY23 Consolidated Performance



Rs. In Crs



- For Q1FY23, we were able to surpass the pre-pandemic sales level, indicating that demand is returning to normal
- We were able to pass on the commodity price increase to our customers with a quarterly lag
- High costs of raw materials and logistics continued to have an unfavorable impact on operating profit in percentage terms

% Margins

* Before impact of ESOP expense of Rs. 5.29 Crs in Q1FY23 and Rs. 3.26 Crs in Q1FY22

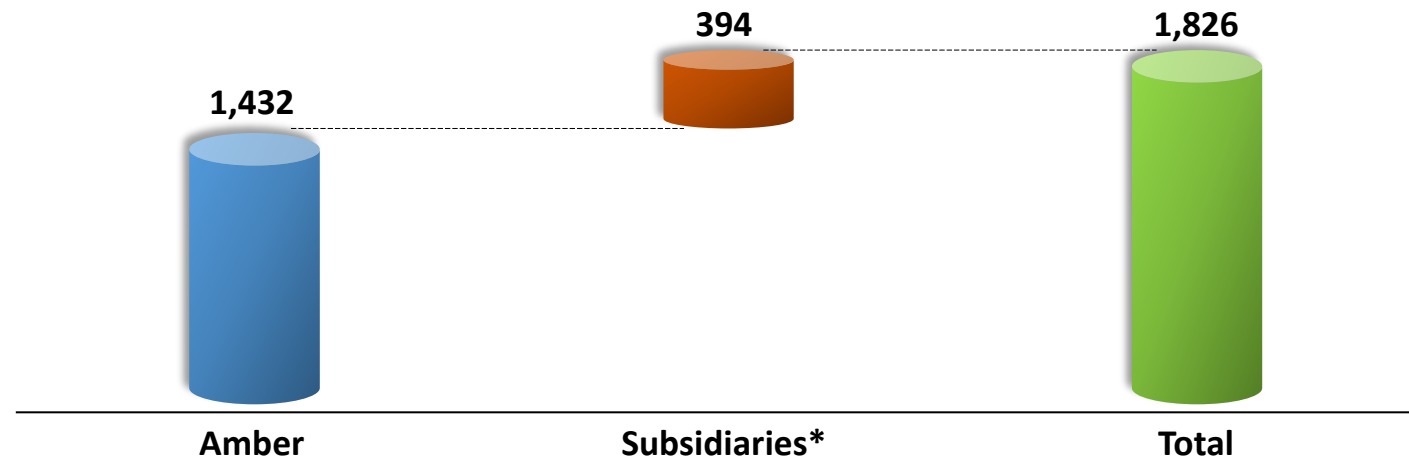


Q1FY23 Consolidated Operating EBITDA & Revenue Build-up

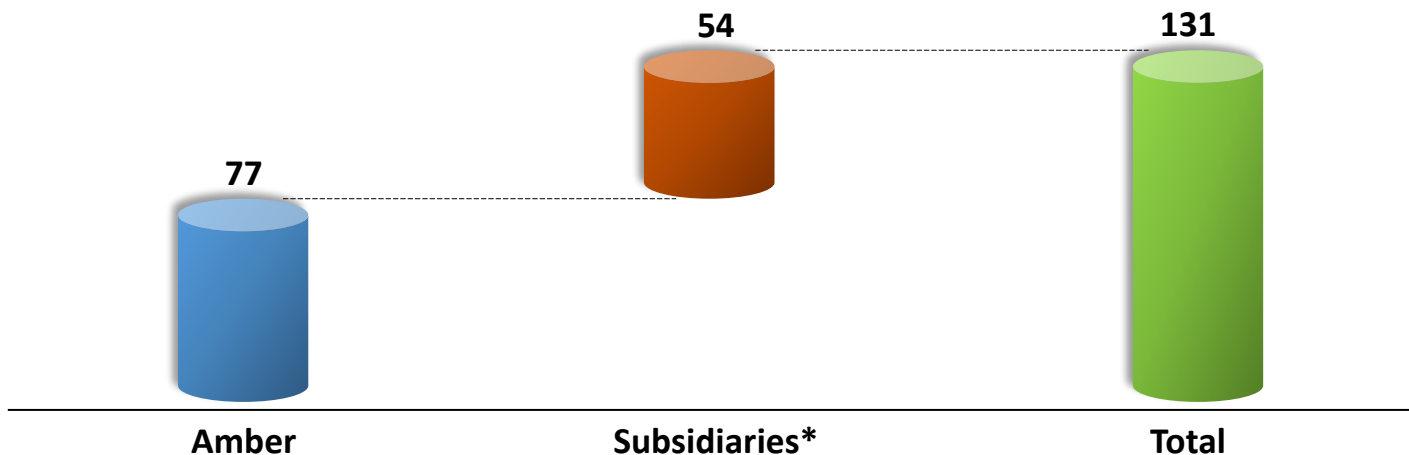


Rs. In Crs

Consolidated Revenue Q1FY23



Consolidated Operating EBITDA Q1FY23**



**Before impact of ESOP expenses *after inter-company eliminations and adjustments



Capability building across business divisions has fuelled growth



Particulars (Rs. in Crs)	FY19	FY20	FY21	FY22	CAGR	Q1FY22	Q1FY23
Total Revenue	2,752	3,963	3,031	4,206	15%	708	1,826
Operating EBITDA	215	326	229	296	11%	50	131
Contribution of RAC Division Revenue*	1,696	2,356	1,627	2,009	6%	442	1,053
Contribution of Component Division Revenue^	449	577	618	1,057	33%	121	387
Contribution of Motor Division Revenue	137	185	131	236	20%	36	83
Contribution of Electronic PCB Division Revenue#	470	619	455	616	9%	59	208
Contribution of Mobility Division Revenue	-	226	201	289	13%	50	95

Growth Levers:

- **RAC and Components** division is expected to grow faster than the industry growth rate in FY23
- **Motors division** is expected to grow more than **30% in FY23**
- **Electronics division** is expected to grow more than **35% in FY23**
- **Mobility Application division** is expected to grow more than **15% in FY23**
- **New Acquisitions:** AmberPR and Pravartaka are expanding their manufacturing footprints in western and southern region respectively and both the companies are expected to grow more than **25% in FY23**

Outcome:

- We expect our **ROCE** to improve significantly from the current levels and is expected to be in the range of **17%-20% in next 2-3 years time**. The expected improvement in ROCE is despite investments in growth capex.

* RAC – Includes Completely Built Units (CBUs) of RAC and is after inter-company eliminations

^ Components – Includes both RAC components and Non-RAC components excluding motors and PCBA

Electronic PCB division revenue is after inter-company eliminations



Expansion in manufacturing footprint



10 Facilities at the time of IPO as on 2017-18

Location	Units	Particulars
Amber Rajpura	1	R&D Lab, Tool room & sheet metal parts
Amber Dehradun	3	RAC (IDU, ODU & WAC), Heat Exchangers, System tubing, Plastic molding & Sheet metal parts
Amber Ecotech	1	Inner case & Plastic Extrusion
Amber Kasna	1	Sheet metal parts for AC, refrigerator, microwave, water tank
Amber Pune	1	RAC ODU, Sheet Metal Parts
Amber Jhajjar 1	1	RAC (IDU), Heat exchanger and plastic molding
PICL Faridabad	1	Electrical motors including BLDC for RAC and commercial AC
ILJIN Gr. Noida	1	PCBA for Air Conditioners & other Consumer durable products like washing machine, microwave, etc

13 Facilities added from 2018-19 till date

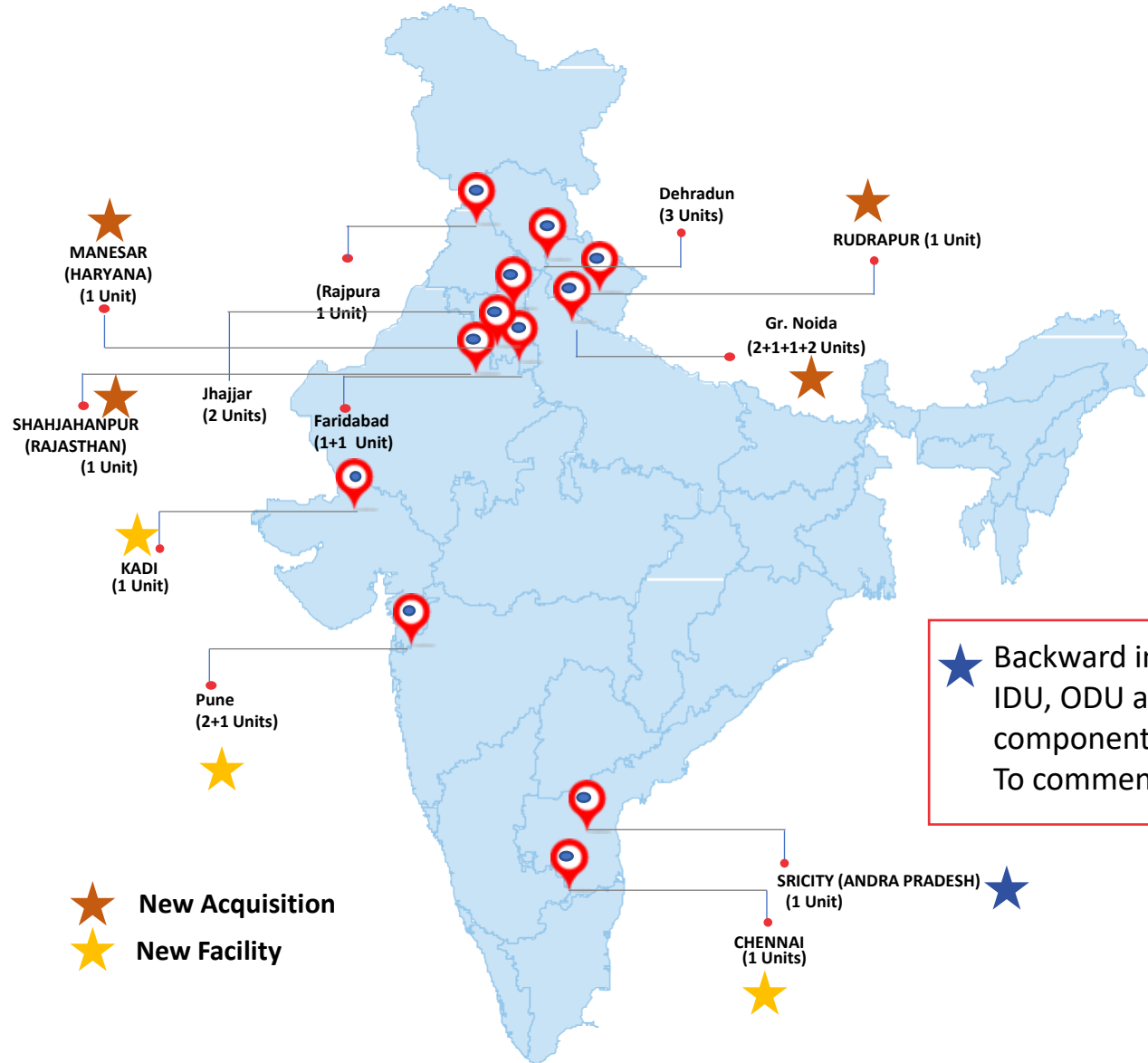
Location	Units	Particulars
Amber Jhajjar 2	1	ODU, Heat exchanger, sheet metal, system tubing
Ever Pune	1	PCBs for Air Conditioners & other Consumer durable products like washing machine, microwave, etc.
Sidwal Faridabad	1	ACs and parts for Indian Railways, Metro, Defense, Bus and Telecom
Amber Indospace Pune	1	Gas Charging - will shift to Sricity and we will have backward integrated air conditioner manufacturing assembly for IDU, ODU and gas charging along with component offering to various brands
Amber Kadi Gujarat	1	Injection molding components for consumer durable products
Amber Chennai	1	Heat exchangers and sheet metal components for air conditioners
Amber Supa Pune	1	Injection molding and sheet metal components
Amber PR Gr. Noida, Rudrapur, Shahjahanpur	3	This acquisition will help to grow component segment with focus on providing more backward integrated solution in key component of RAC segment viz. cross flow fan (CFF) along with solution of Injection molding component for other industries - refrigeration and automobile segment
Pravartaka Gr. Noida (2), Manesar	3	This acquisition will help the Company to have inhouse capability of injection molding tools manufacturing and grow its component segment with focus on providing more diversified solution of Injection molding component for industries such as automotive, electronics & consumer durable





Strategically Located Manufacturing Facilities





Amber strategy → to cater the value in supply chain & Increase SOB



 **23 manufacturing plants across 9 states**

 Backward integrated air conditioner manufacturing assembly for IDU, ODU and gas charging business of indospace along with component offering for various brands including system tubing. To commence operations in H2FY23

 **New Acquisition**
 **New Facility**

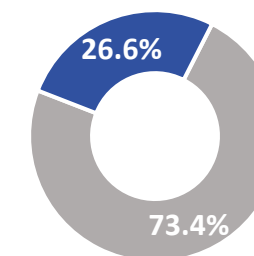
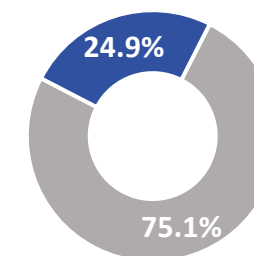
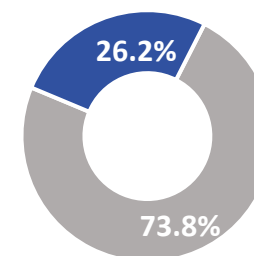
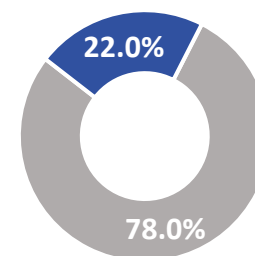
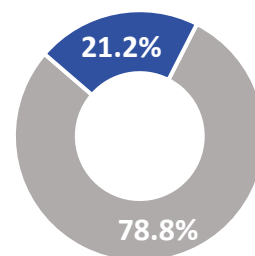


Increasing RAC and RAC Component market share



Industry Size* (in Rs. Crs)	FY18	FY19	FY20	FY21	FY22
Market Size (Mn sets)	6.2	6.5	7.2	5.2	6.4
RAC Industry size at Market Operating Price^	13,516	14,820	17,136	12,896	17,920
RAC Industry size at OEM level^	8,773	9,848	11,628	8,926	12,160
Amber Sales (RAC + RAC Components#)	1,858	2,167	3,049	2,222	3,229

**Amber Market Share
(in terms of Value)**



*The above-mentioned industry data points are company estimates

#RAC Components include sheet metal components, injection molding components, heat exchangers, motors, PCBA and Cross Flow Fans

^The above-mentioned data is excluding GST



Consolidated Profit & Loss Statement



Particulars (Rs in Crs)	Q1FY23	Q1FY22	YoY	FY22
Revenue from Operations	1,826	708	158%	4,206
Raw Material Consumption (RMC)	1,564	589		3,530
Gross Profit	262	119	121%	677
Gross Margins (%)	14.4%	16.8%	(241) bps	16.1%
Employee Expenses (excluding ESOP expenses)	41	29		134
Other Expenses (excluding MTM loss on forward contracts, Loss on sale of FA and FA written off)	91	40		247
Total Expenses (including RMC)	1,695	658		3,911
Operating EBITDA	131	50	163%	296
Operating EBIDTA Margins (%)	7.2%	7.0%	13 bps	7.0%
Depreciation & Amortization	32	24		108
ESOP expenses	5	3		16
Other Income (Including forex gain/loss etc., loss on sale of FA and FA written off)	(13)	3		29
EBIT	80	25		201
Finance Cost	21	9		46
PBT	59	16		154
Tax	16	5		43
PAT	43	11	283%	111
PAT %	2.4%	1.6%	77 bps	2.6%
EPS	12.48	3.69		32.41

Company :



CIN: L28910PB1990PLC010265

Mr. Sudhir Goyal

sudhirgoyal@ambergrouppindia.com

www.ambergrouppindia.com

Investor Relations Advisors :

SGA Strategic Growth Advisors

CIN: U74140MH2010PTC204285

Mr. Rahul Agarwal / Ms. Ami Parekh

rahul.agarwal@sgapl.net / ami.parekh@sgapl.net

+91 98214 38864 / +91 80824 66052

www.sgapl.net