



Ref: CEL/NSEBSE/IP/18112020

18th November, 2020

To,

Listing Department National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	Department of Corporate Services - Listing BSE Limited P. J. Towers, Dalal Street, Mumbai – 400 001
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Re: Scrip Symbol: CENTUM/ Scrip Code: 517544

Dear Sir/ Madam,

Sub: Earnings Presentation

This is to inform you that pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), read with Part A of Schedule III of the Listing Regulations, we hereby enclose the Earnings Presentation for H1/Q2-FY21. Kindly take the same on your records.

Pursuant to Regulation 46(2)(o) of the Listing Regulations, the aforesaid Earnings Presentation is also uploaded on the website of the Company i.e. www.centumelectronics.com

Yours faithfully,
For **Centum Electronics Limited**

Nagaraj K V
Company Secretary & Compliance Officer

Encl: as above

Centum Electronics Limited

44, KHB Industrial Area, Yelahanka New Town, Bangalore - 560 106, Karnataka, India

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CIN - L85110KA1993PLC013869



EARNINGS PRESENTATION

H1/Q2-FY21

Snapshot



25 years of domain expertise in Electronics Design & Manufacturing Solutions



Global Operations with strong presence in India, Europe and North America



Concept to Commissioning capabilities



2,100 Employees
650 Designers



Flexible Engagement Models



Strong Supply Chain Network



Strong relationship with marquee global clients



Serving segments with Hi-Tech, High Entry Barriers



Healthy Order Book of ~INR 11,000 Mn*



Single Source Supplier for ~80% of manufactured products



75% Revenues from Overseas Customers in Advanced Economies



Strong Corporate Governance

* As on H1-FY21 Not including client forecasts of EMS division & signed LOIs for Transportation products

Company Overview

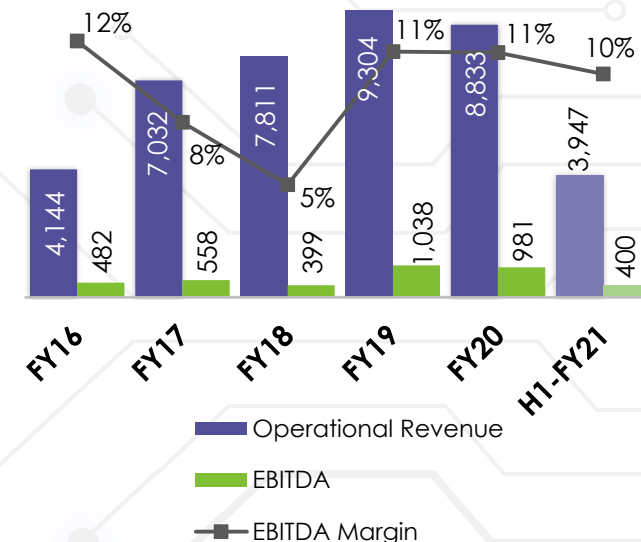


- Founded in 1993, Centum Electronics Limited (Centum) is one of the largest Electronics System Design and Manufacturing (ESDM) companies in India.
- Competencies across product design and manufacturing of complex and critical products and supplying to marquee customers in the most advanced economies as well as in India.
- Offering entire spectrum of design services and manufacturing of systems, subsystems for mission critical products in Defence, Space, Aerospace, Industrial, Transportation and Medical sectors.
- World-class design & manufacturing facilities across North America, Europe and India, with cutting edge infrastructure as well as a global supply chain capable of delivering products with high quality and reliability anywhere in the world.

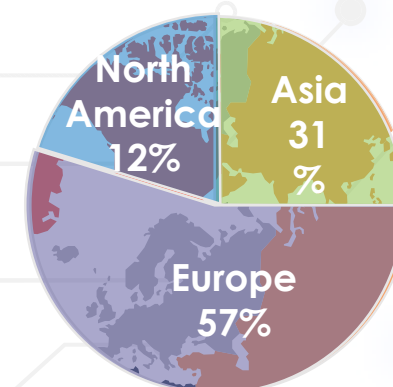
FY20 Key Business Segments:

- **Engineering R&D (ER&D) Services (38%)** – Involves conceptualizing and designing of Electronic Hardware, Embedded Software, FPGA, Analog, Radio Frequency products, etc.
- **Electronic Manufacturing Services (EMS) (35%)** – Services include manufacturing services solutions focused on a High Complexity products in high technology segment
- **Build-To-Specification (27%)** – Services include turn-key solutions to take project from conception to mass production quickly and efficiently.

Operational Income (In Mn) and EBITDA



FY20 Geographical Breakup



FY20 Industry Breakup

Defense, Space & Aerospace



44%

Transport & Automotive



30%

Industrial & Energy



20%

Healthcare



6%



H1/Q2-FY21 FINANCIAL OVERVIEW

H1/Q2-FY21 Financial Highlights



Q2-FY21 Standalone Performance:

- **Operational Income:** INR 1,186 Mn
- **Operational EBITDA:** INR 216 Mn
- **Operational EBITDA Margin:** 18.21%
- **Net Profit:** INR 107 Mn
- **PAT Margin:** 9.02%
- **Diluted EPS:** INR 8.32 per share

Q2-FY21 Consolidated Performance:

- **Operational Income:** INR 2,051 Mn
- **Operational EBITDA:** INR 218 Mn
- **Operational EBITDA Margin:** 10.63%
- **Net Profit:** INR 42 Mn
- **PAT Margin:** 2.05%
- **Diluted EPS:** INR 5.38 per share

H1-FY21 Standalone Performance:

- **Operational Income:** INR 2,239 Mn
- **Operational EBITDA:** INR 373 Mn
- **Operational EBITDA Margin:** 16.66%
- **Net Profit:** INR 162 Mn
- **PAT Margin:** 7.24%
- **Diluted EPS:** INR 12.53 per share

H1-FY21 Consolidated Performance:

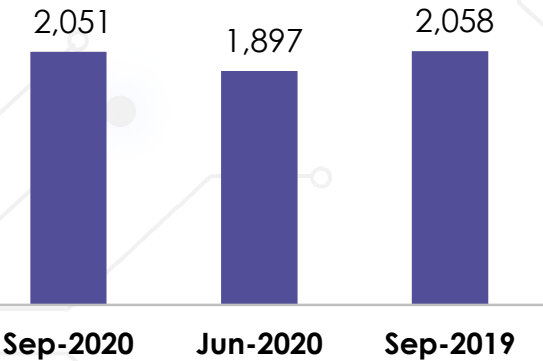
- **Operational Income:** INR 3,947 Mn
- **Operational EBITDA:** INR 400 Mn
- **Operational EBITDA Margin:** 10.13%
- **Net Profit:** INR 33 Mn
- **PAT Margin:** 0.84%
- **Diluted EPS:** INR 6.89 per share

Q2-FY21 Financial Performance & Highlights



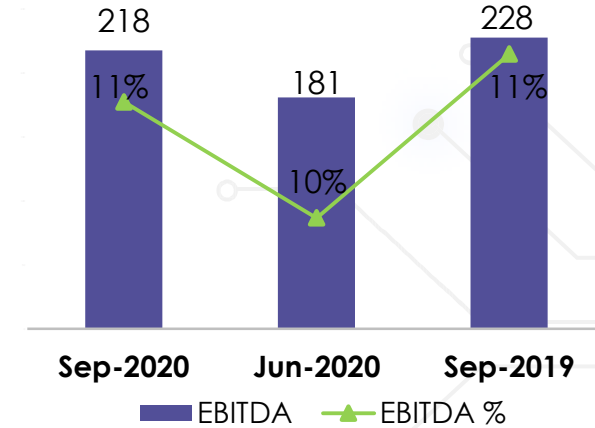
Revenue from Operations (INR Mn)

Covid-19 impacted consolidated Q2-FY21 performance especially in the international ER&D services vertical, however revenue increased in EMS vertical which helped reduce the overall impact.



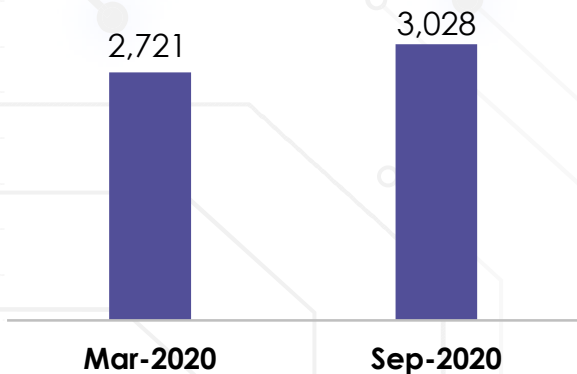
EBITDA (INR Mn) and EBITDA Margin (%)

Higher revenues and Cost productivity measures in the standalone entity helped improve margins QoQ.



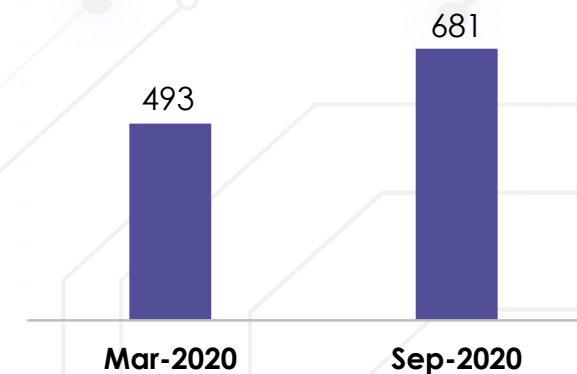
Debt situation

Increase in debt was primarily related to Increase in Covid related loans in Centum Adetel Group by INR 273 Mn and Increase in standalone debt by INR 34 Mn.



Cash & Bank Balance Equivalents

Cash Position improved due to cash received from sale of Centum Adetel's Energy division to Chauntie Electric, China.



Ensuring the health and safety of employees and supporting customers are the top priorities during these challenging times



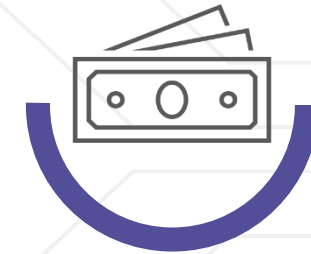
Employee Health & Safety

- Govt guidelines like social distancing, sanitizing, health checking, are strictly followed in the workplace
- Stay at home / Flexible Work from Home policies followed wherever required
- Supporting local communities with PPE and other resources



Support customers

- Continued to work and support customers who were providing essential services even during lock down with Govt approvals
- Factories fully operational
- Closely monitoring the supply chain to resolve disruptions, if any



Conserve cash & Cut costs

- Temporary austerity measures put in place
- Postponement of Capex till Dec 20
- High focus on improving inventory and receivables

H1/Q2-FY21 Operational Highlights



- The international ER&D services vertical has been impacted due to lower utilisations as a result of the Covid-19 pandemic related issues, especially in the global Aerospace and Automotive sectors.
- The company is seeing promising green shoots of recovery in the Defence and Transportation sectors and expects a good turn around in H2-FY21.
- Acquisition of shares from a management shareholder increased shareholding of Centum Adetel from 54% to 60%.
- Completed the sale of Centum Adetel's Energy Division to Chauntie Electric, China for a consideration of EURO 9.8 Mn.
- Centum awarded by Baker Hughes in "Grow" Category for qualification and rapid production ramp up of critical product to meet customer needs.
- Some customer push outs and delayed decision making on new project awards in Oil & Gas, Aerospace & Space segments due to COVID.
- Government of India has approved Space Sector Reforms for greater participation of private sector in space activities, which will present more opportunities in the long run.
- Government of India is also pushing the "Make in India" initiative by proposing a negative list of 101 items that will be manufactured locally.

Q2-FY21 – Standalone Income Statement



Particulars (INR Mn)	Q2-FY21	Q2-FY20	Y-o-Y	Q1-FY21	Q-o-Q
Operational Income	1,186	1,093	8.5%	1,053	12.6%
Total Expenses	970	921	5.3%	895	8.4%
EBITDA	216	172	25.6%	158	36.7%
EBITDA Margins (%)	18.21%	15.74%	247 Bps	15.00%	321 Bps
Other Income	7	13	(46.2)%	8	(12.5)%
Depreciation	39	31	25.8%	38	2.6%
Finance Cost	41	72	(43.1)%	55	(25.5)%
PBT	143	82	74.4%	73	95.9%
Tax	36	27	33.3%	19	89.5%
PAT	107	55	94.5%	54	98.1%
PAT Margins (%)	9.02%	5.03%	399 Bps	5.13%	389 Bps
Diluted EPS (INR)	8.32	4.26	95.3%	4.21	97.6%

H1-FY21 – Standalone Income Statement



Particulars (INR Mn)	H1-FY21	H1-FY20	Y-o-Y
Operational Income	2,239	2,344	(4.5)%
Total Expenses	1,866	2,025	(7.9)%
EBITDA	373	319	16.9%
EBITDA Margins (%)	16.66%	13.61%	305 Bps
Other Income	16	25	(36.0)%
Depreciation	77	60	28.3%
Finance Cost	96	128	(25.0)%
PBT	216	156	38.5%
Tax	54	50	8.0%
PAT	162	106	52.8%
PAT Margins (%)	7.24%	4.52%	272 Bps
Diluted EPS (INR)	12.53	8.19	53.0%

Standalone Balance Sheet



Particulars (INR Mn)	FY19	FY20	H1-FY21
ASSETS			
Non-Current Assets	2,039	2,098	2,082
(a) Property, Plant & Equipment	972	1,116	1,076
(b) Capital Work in progress	71	14	28
(c) Goodwill on Consolidation	36	36	36
(d) Other Intangible Assets	17	54	49
(e) Right of use asset	-	21	38
(f) Intangible assets under development	30	-	3
(g) Financial Assets			
(i) Investments	489	489	583
(ii) Long-term Loans and Advances	20	21	21
(iii) Other financial assets	261	259	174
(h) Deferred tax assets (net)	51	28	17
(i) Non-current tax assets (net)	34	34	34
(j) Other non-current assets	59	26	23
Current Assets	4,556	4,264	4,090
(a) Inventories	2,251	2,204	2,056
(b) Financial Assets			
(i) Investments	-	-	-
(ii) Trade Receivables	1,863	1,700	1,665
(iii) Cash and Cash Equivalents	45	55	38
(iv) Bank balances other than above	118	97	104
(v) Loans	-	-	-
(vi) Others current financial assets	125	77	74
(c) Other Current Assets	154	131	153
TOTAL ASSETS	6,595	6,362	6,172

Particulars (INR Mn)	FY19	FY20	H1-FY21
EQUITY AND LIABILITIES			
Equity	2,172	2,363	2,494
Share Capital	129	129	129
Other Equity	2,043	2,234	2,365
Non Current Liabilities	294	284	251
(a) Financial Liabilities			
(i) Borrowings	238	197	155
(ii) Other Financial Liabilities	-	2	-
(iii) Lease Liabilities	-	24	33
Government Grants	20	16	15
Net non-current employee defined benefit liabilities	37	45	48
Current Liabilities	4,128	3,714	3,427
(a) Financial Liabilities			
(i) Borrowings	1,626	1,494	1,570
(ii) Trade Payables	1,063	1,139	898
(iii) Other Financial Liabilities	313	271	249
(iv) Lease Liabilities	-	6	12
(b) Government Grants	5	4	4
(c) Other current Liabilities	959	683	534
(d) Net current employee defined benefit liabilities	6	6	6
Provisions	16	35	39
Liabilities for current tax (net)	142	77	115
TOTAL EQUITY AND LIABILITIES	6,595	6,362	6,172

Q2-FY21 – Consolidated Income Statement



Particulars (INR Mn)	Q2-FY21	Q2-FY20	Y-o-Y	Q1-FY21	Q-o-Q
Operational Revenue	2,051	2,058	(0.3)%	1,897	8.1%
Total Expenses	1,833	1,830	0.2%	1,716	6.8%
EBITDA	218	228	(4.4)%	181	20.4%
EBITDA Margin (%)	10.63%	11.08%	(45) Bps	9.54%	109 Bps
Other Income	10	69	(85.5)%	27	(63.0)%
Depreciation	103	101	2.0%	108	(4.6)%
Finance Cost	66	96	(31.3)%	79	(16.5)%
Share of profit / (losses) of associates and JV from continuing operation	(3)	-	NA	-	NA
PBT	56	100	(44.0)%	21	NA
Tax	14	16	(12.5)%	30	(53.3)%
PAT from continuing operations	42	84	(50.0)%	(9)	NA
PAT Margin (%)	2.05%	4.08%	(203) Bps	NA	NA
Diluted EPS from continuing operations (INR)	5.38	5.07	6.1%	1.51	NA

H1-FY21 – Consolidated Income Statement



Particulars (INR Mn)	H1-FY21	H1-FY20	Y-o-Y
Operational Revenue	3,947	4,274	(7.7)%
Total Expenses	3,547	3,853	(7.9)%
EBITDA	400	421	(5.0)%
EBITDA Margin (%)	10.13%	9.85%	28 Bps
Other Income	37	98	(62.2)%
Depreciation	211	201	5.0%
Finance Cost	145	170	(14.7)%
Share of profit / (losses) of associates and JV from continuing operation	(3)	-	NA
PBT	78	148	(47.3)%
Tax	45	36	25.0%
PAT from continuing operations	33	112	(70.5)%
PAT Margin (%)	0.84%	2.62%	(178) Bps
Diluted EPS from continuing operations (INR)	6.89	8.33	(17.3)%

Consolidated Balance Sheet



Particulars (INR Mn)	FY19	FY20	H1-FY21
ASSETS			
(1) Non-current assets	2,981	3,759	3,753
(a) Property, Plant and Equipment	1,130	1,253	1,200
(b) Capital work-in-progress	81	14	28
(c) Goodwill on consolidation	376	376	376
(d) Other Intangible assets	541	479	427
(e) Right of use asset	-	457	618
(f) Intangible assets under development	57	101	139
(g) Financial assets			
(i) Investment in joint ventures and associates	100	387	401
(ii) Other Investments	21	14	17
(iii) Loans	50	61	45
(iv) Other non current financial assets	479	527	423
(g) Deferred tax assets (net)	51	30	19
(h) Non-current tax assets (net)	34	34	35
(i) Other non-current assets	60	27	25
(2) Current assets	6,718	7,013	7,235
Inventories	2,369	2,358	2,221
(b) Financial assets			
(i) Trade receivables	2,743	2,489	2,757
(ii) Cash and cash equivalents	173	136	404
(iii) Bank balances other than cash and cash equivalents	119	97	105
(iv) Loans	-	0.3	0.4
(v) Other current financial assets	979	1,609	1,342
(c) Other current assets	335	323	406
(3) Assets classified as held for disposal	1,262	-	-
Total assets (1+2+3)	10,961	10,772	10,988

Particulars (INR Mn)	FY19	FY20	H1-FY21
EQUITY AND LIABILITIES			
(1) Equity	2,437	2,300	2,302
(a) Equity share capital	129	129	129
(b) Other equity	2,061	1,923	1,984
Equity attributable to equity holders of the parent	2,190	2,051	2,113
Non-controlling interests	247	248	189
(2) Non-current liabilities	1,137	1,281	1,631
(a) Financial liabilities			
(i) Borrowings	862	696	949
(ii) Other non-current financial liabilities	-	2	8
(iii) Lease Liabilities	-	374	499
(b) Deferred tax liabilities (net)	114	92	81
(c) Net non-current employee defined benefit liabilities	37	46	50
(d) Provisions	104	54	29
(e) Government Grants	20	16	15
(3) Current liabilities	6,729	7,191	7,055
(a) Financial liabilities			
(i) Borrowings	2,285	2,025	2,079
(ii) Trade payables	1,447	1,783	1,455
(iii) Other current financial liabilities	1,153	1,666	1,860
(iv) Lease Liabilities	-	103	140
(b) Other current liabilities	1,676	1,468	1,320
(c) Government Grants	4	4	4
(c) Net employee defined benefit liabilities	6	6	6
(d) Provisions	16	58	73
(e) Liabilities for current tax (net)	142	77	118
(4) Liabilities directly associated with assets classified as held for disposal	658	-	-
Total equity and liabilities (1+2+3+4)	10,961	10,772	10,988

Historical Standalone Income Statement



Particulars (INR Mn)	FY18	FY19	FY20	H1-FY21
Operational Income	3,587	4,987	4,824	2,239
Total Expenses	3,585	4,290	4,111	1,866
EBITDA	2	697	713	373
EBITDA Margins (%)	0.06%	13.98%	14.78%	16.66%
Other Income	76	38	43	16
Depreciation	120	121	132	77
Finance Cost	150	268	277	96
Exceptional Items	-	329	-	-
PBT	(192)	675	347	216
Tax	26	95	97	54
PAT	(218)	580	250	162
PAT Margins (%)	NA	11.63%	5.18%	7.24%
Diluted EPS (INR)	(17.02)	45.00	19.42	12.53

Historical Consolidated Income Statement

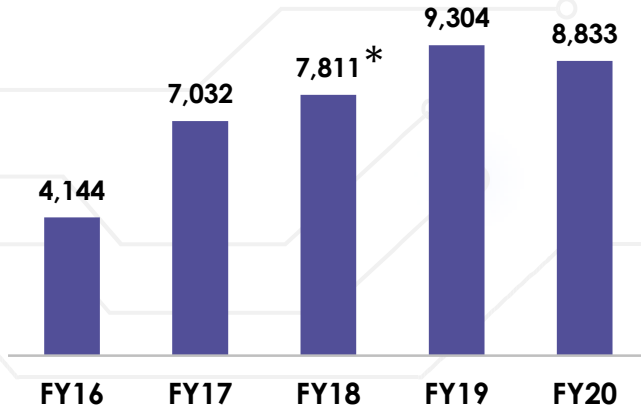


Particulars (INR Mn)	FY18	FY19	FY20	H1-FY21
Operational Revenue	7,811	9,304	8,833	3,947
Total Expenses	7,412	8,267	7,852	3,547
EBITDA	399	1,037	981	400
EBITDA Margin (%)	5.11%	11.15%	11.11%	10.13%
Other Income	130	71	153	37
Depreciation	282	278	414	211
Finance Cost	218	349	368	145
Share of profit / (losses) of associates and JV from continuing operation	(10)	(13)	(5)	(3)
Exceptional Item	-	-	(105)	-
PBT	19	468	242	78
Tax	10	(3)	74	45
PAT from continuing operations	9	471	168	33
PAT Margin (%)	0.12%	5.06%	1.90%	0.84%
Diluted EPS from continuing operations (INR)	(7.32)	30.51	15.74	6.89

Consolidated Financial Highlights

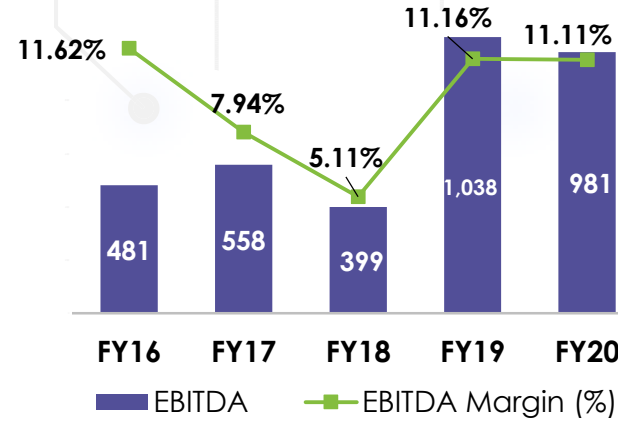


Operational Revenue

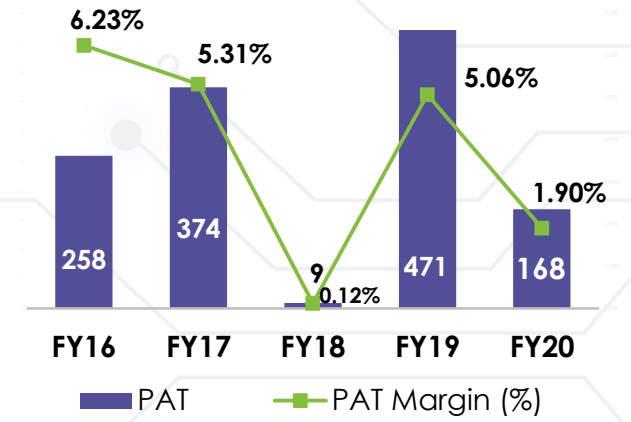


* YOY absolute growth not applicable due to sale of subsidiary

EBITDA & EBITDA Margin (%)

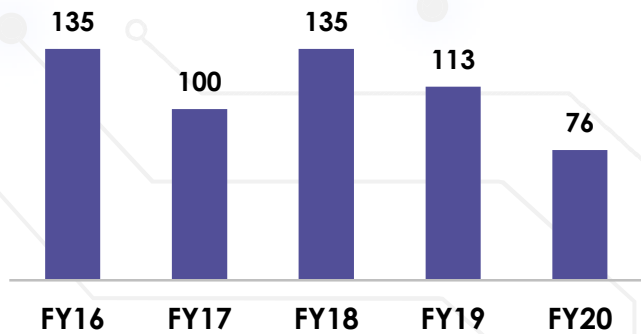


PAT & PAT Margin (%)*

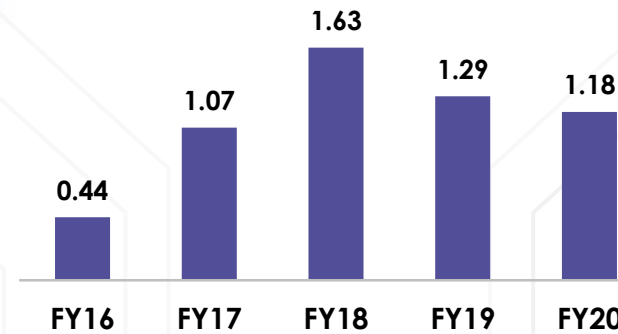


*PAT from continuing operations

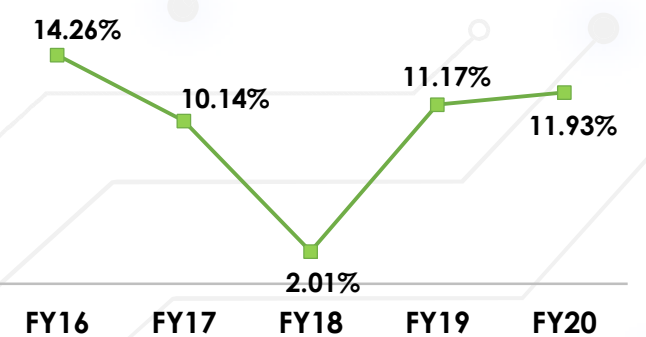
Net Working Capital Days



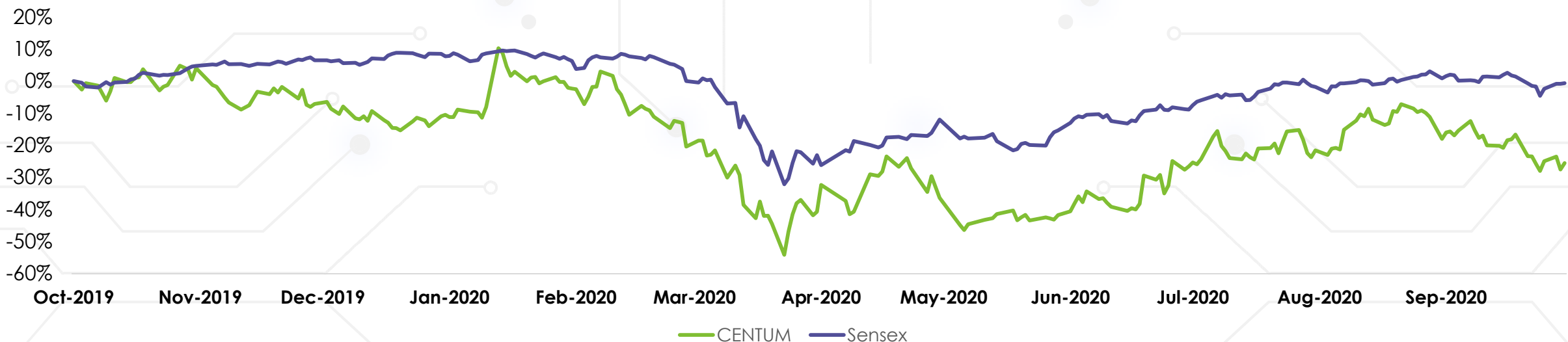
Debt to Equity



ROCE



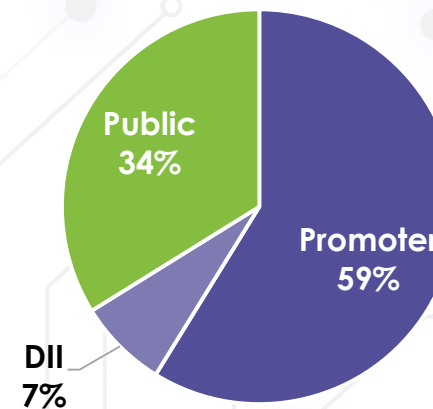
Stock Market Performance (as on 30th September, 2020)



Price Data (As on 30th September 2020)

CMP	301.60
52 Week H/L	496.05/180.00
Avg Vol ('000)	11.06
Avg turnover (Mn)	3.64
Market Capital (INR Mn)	3,886.05
Total outstanding shares (Mn)	12.88

Shareholding Pattern (as on 30th September, 2020)



Centum Electronics Limited

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