



*Refreshing Lives*

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# EARNINGS CALL PRESENTATION

## (H1 & Q2FY23)

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October 2022

# Disclaimer

## Safe Harbour Statement

This presentation contains forward-looking statements which may be identified by their use of words like “plans,” “expects,” “will,” “anticipates,” “believes,” “intends,” “projects,” “estimates” or other words of similar meaning. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The companies referred to in this presentation cannot guarantee that these assumptions and expectations are accurate or will be realized. The actual results, performance or achievements, could thus differ materially from those projected in any such forward-looking statements. These companies assume no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events, or otherwise.



MILLION AIR COOLERS  
SOLD WORLDWIDE



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# Performance Highlights

# Performance Highlights – H1FY23

1

- Highest ever Consolidated and Standalone sales
    - Consolidated sales up by 7% vis-à-vis historical high
    - Standalone sales up by 19% vis-à-vis historical high
- 

2

- Gross Margin improved on YoY basis
    - Consolidated Gross Margin : 45.1% (+70 bps)
    - Standalone Gross Margin : 48.5% (+90 bps)
- 

3

- EBITDA Margin improved on YoY basis
    - Consolidated EBITDA Margin : 11.8% (+80 bps)
    - Standalone EBITDA Margin : 17.3% (+310 bps)
- 

4

- Performance of Climate Technologies, Australia subdued as more skewed towards Q3 and Q4 in FY23 vis-à-vis earlier years
-

# Performance Highlights – Q2FY23

1

- Highest ever Consolidated and Standalone sales
  - Consolidated sales up by 1% vis-à-vis historical high
  - Standalone sales up by 10% vis-à-vis historical high

2

- Robust off-season collection, in line with pre-Covid period
  - Trade sentiment quite positive and buoyant

3

- Consolidated Gross Margin (44.6%) lower by 80 bps on YoY basis
- Standalone Gross Margin (46.4%) lower by 150 bps on YoY basis due to
  - Value accretive product upgradation
  - Higher sales to subsidiaries (₹ 21 cr. vis-à-vis ₹ 3 cr.)

4

- Consolidated EBITDA (13.4%) and Standalone EBITDA (21.6%) lower by 450 bps and 320 bps resp. on YoY basis due to
  - Off-season incremental Market Research, Sales & Marketing expenses (2.2% of Consolidated Revenue and 2.1% of Standalone Revenue), having benefits long-term in nature
  - Export to a Brazilian subsidiary on CIF basis leading to incremental freight expenses of ₹ 3 cr. (1.0% of Consolidated Revenue and 1.3% of Standalone Revenue)
  - Incremental warranty expenses (1.0% of Consolidated Revenue and 1.3% of Standalone Revenue) due to highest ever tertiary sales in the summer

5

- 2<sup>nd</sup> interim dividend of ₹ 2/- per share (FV : ₹ 2/-) for FY23
  - Dividend payout of ₹ 13.99 cr.



# Financials



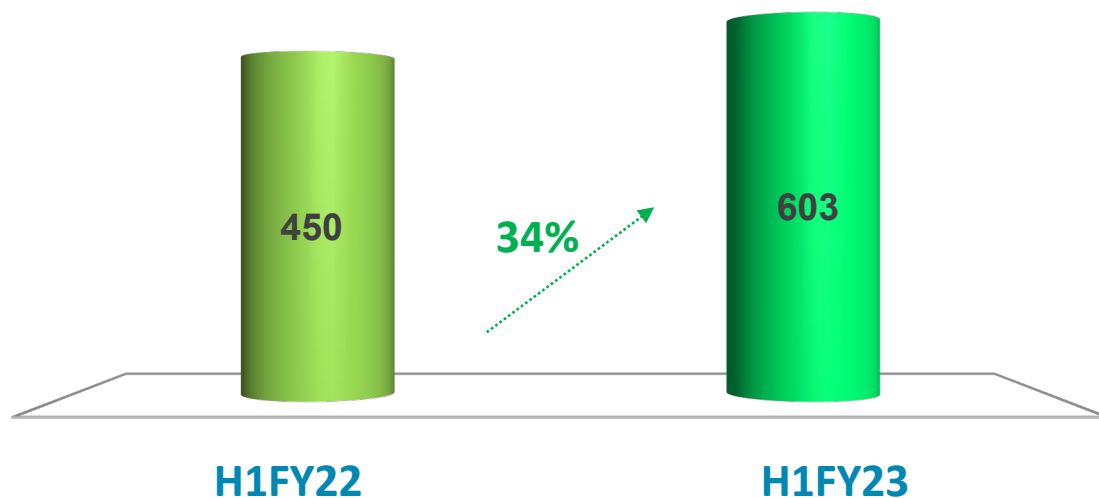
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# H1FY23 – Consolidated

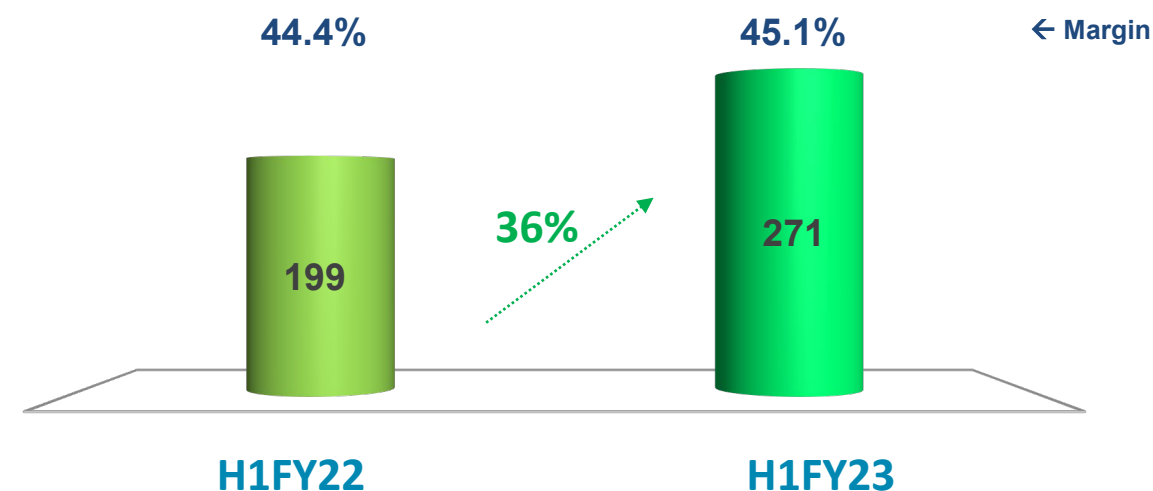
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# Consolidated Financials (₹ in Cr. & Margin %)

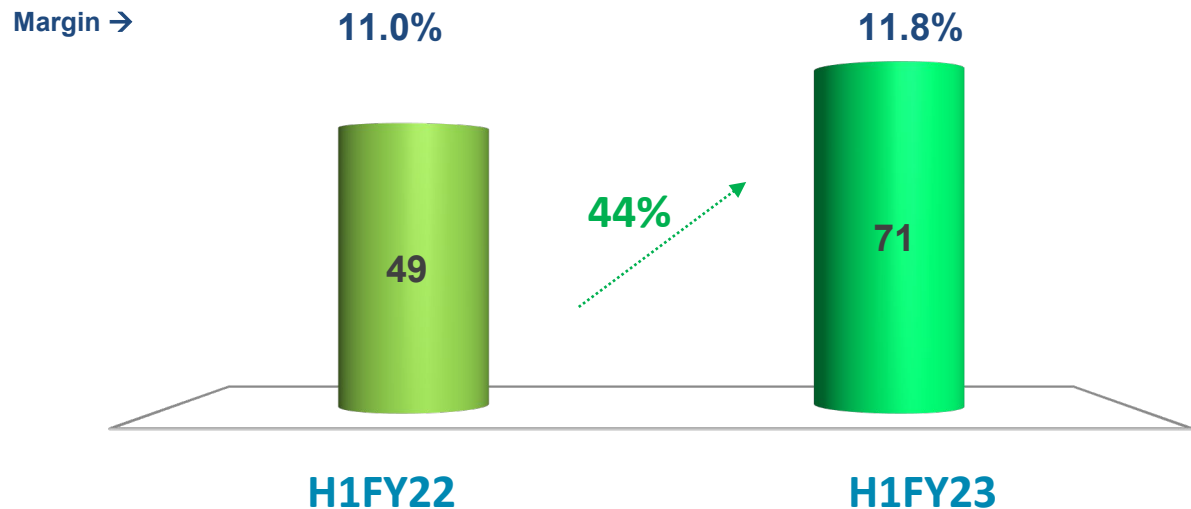
## Revenue from Operations



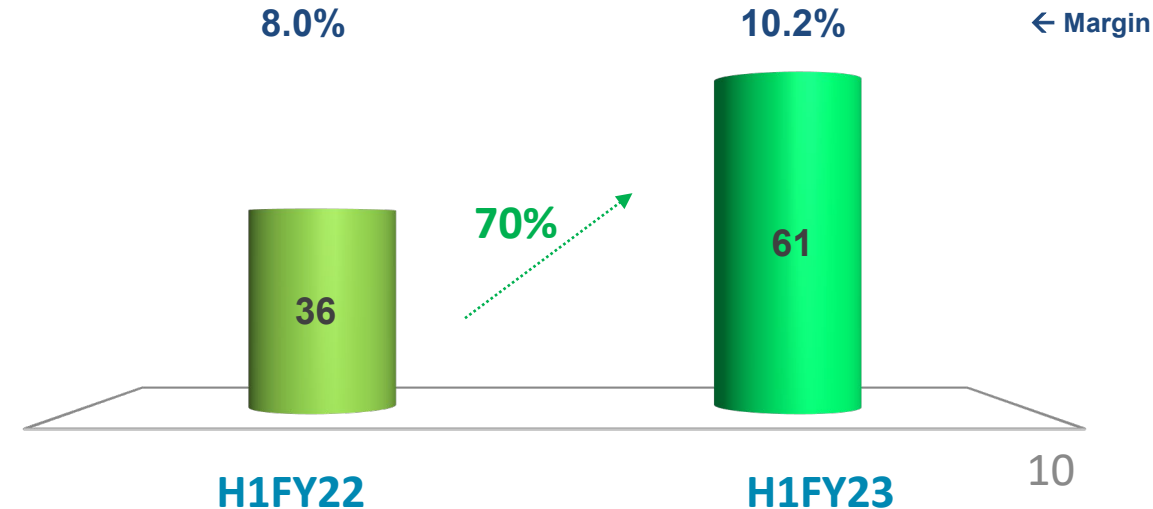
## Gross Margin



## EBITDA



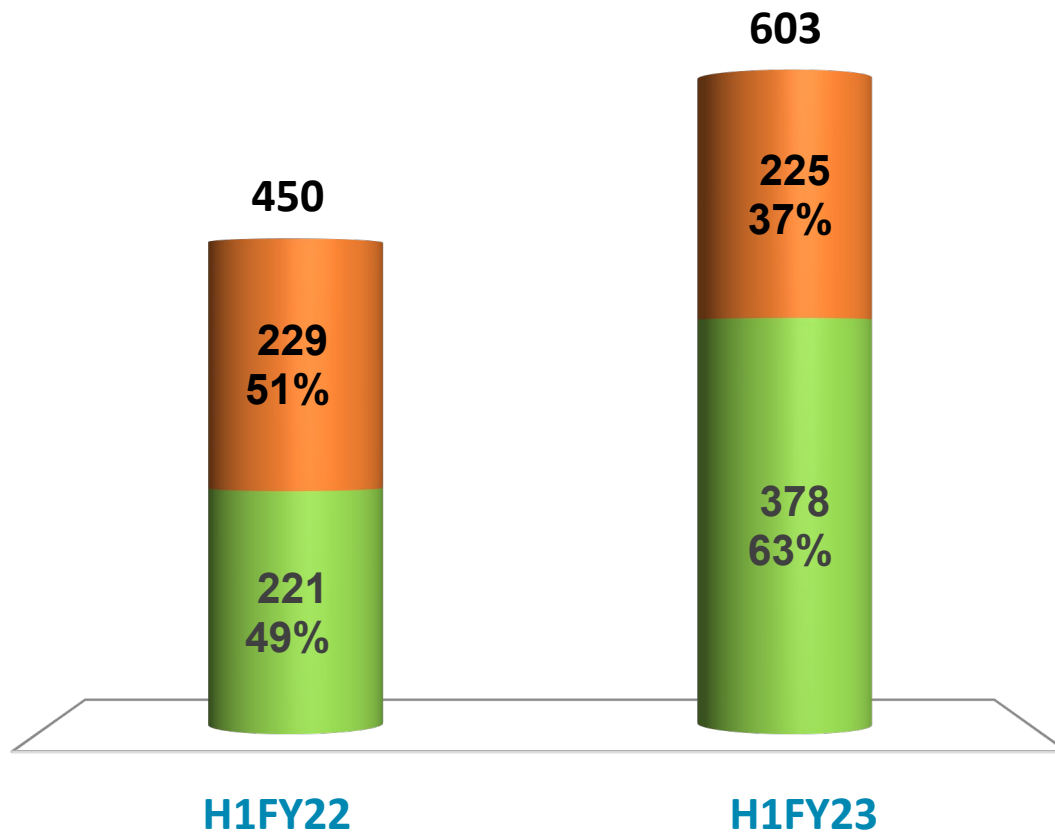
## Profit After Tax



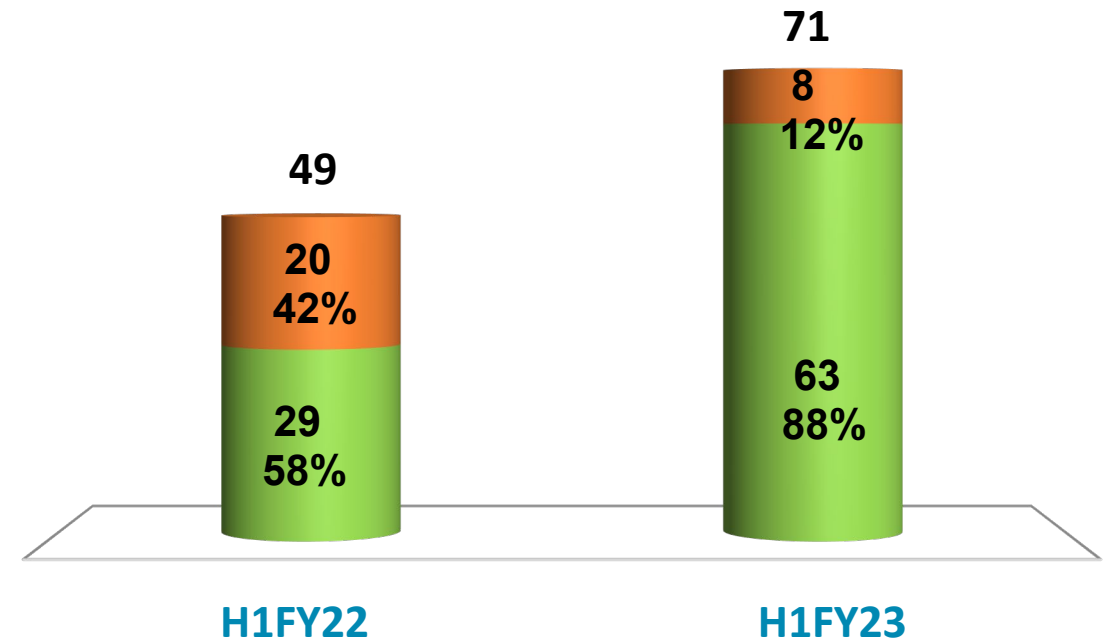
# Consolidated : Segment Breakup

■ ROW  
■ India

## Revenue from Operations (₹ Cr.)



## EBITDA (₹ Cr.)



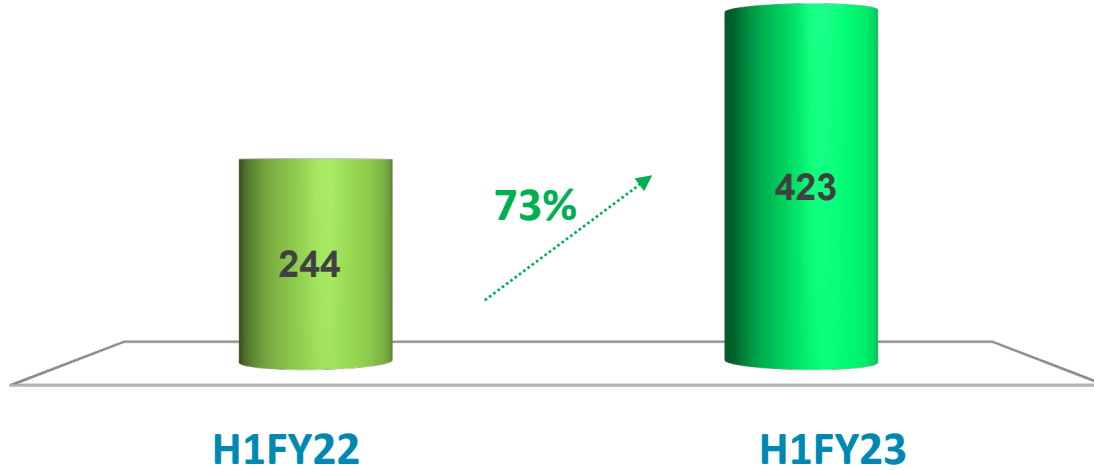
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# H1FY23 – Standalone

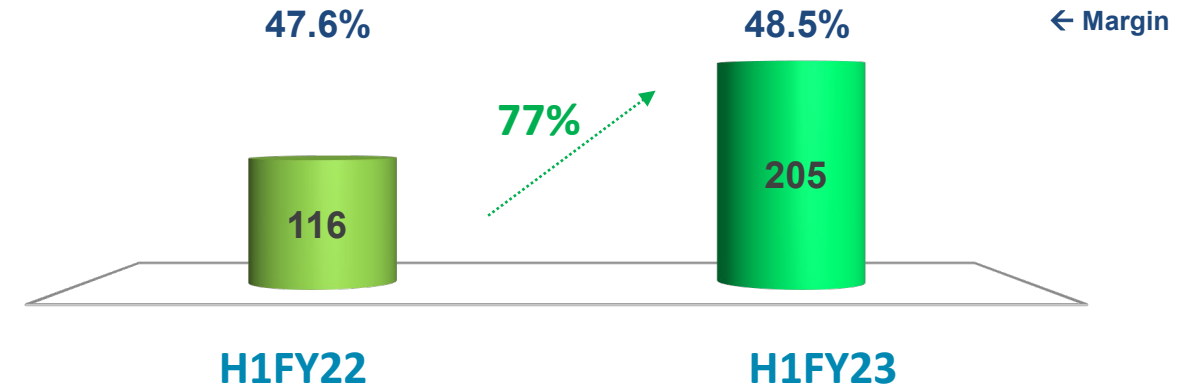
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# Standalone Financials (₹ in Cr. & Margin %)

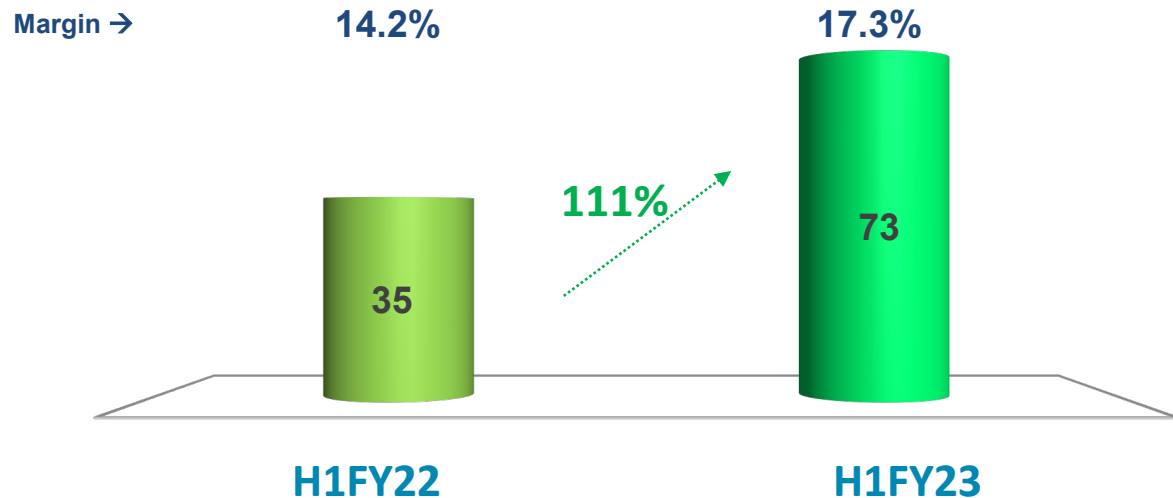
Revenue from Operations



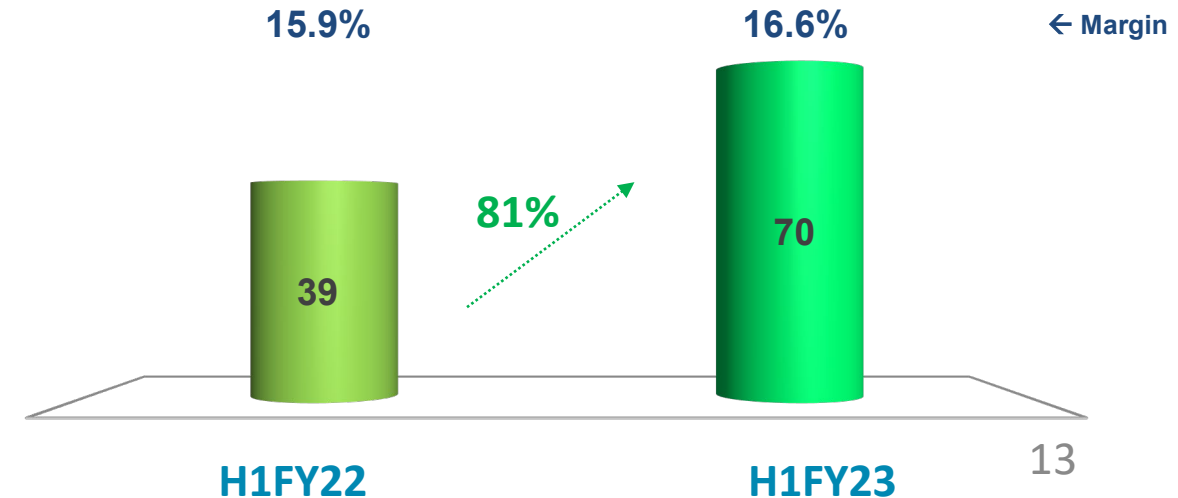
Gross Margin



EBITDA



Profit After Tax



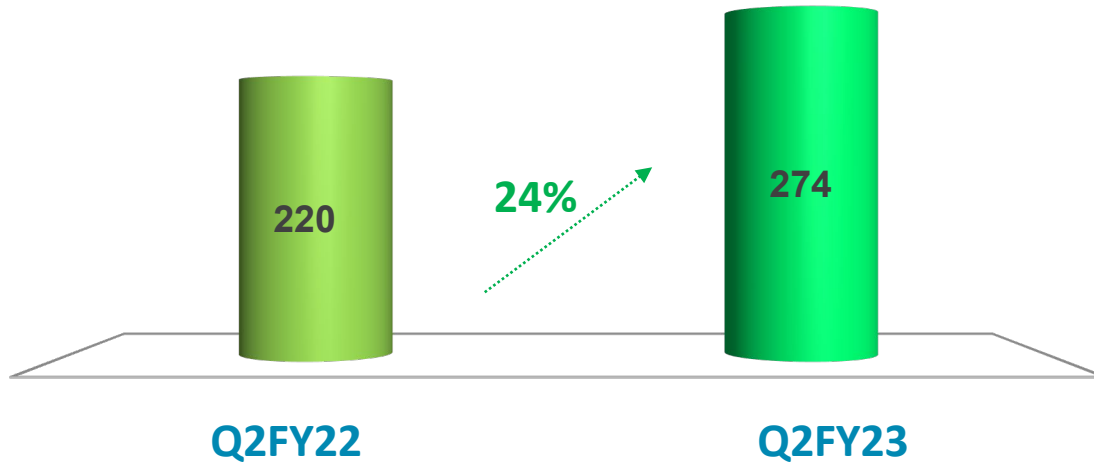
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# Q2FY23 – Consolidated

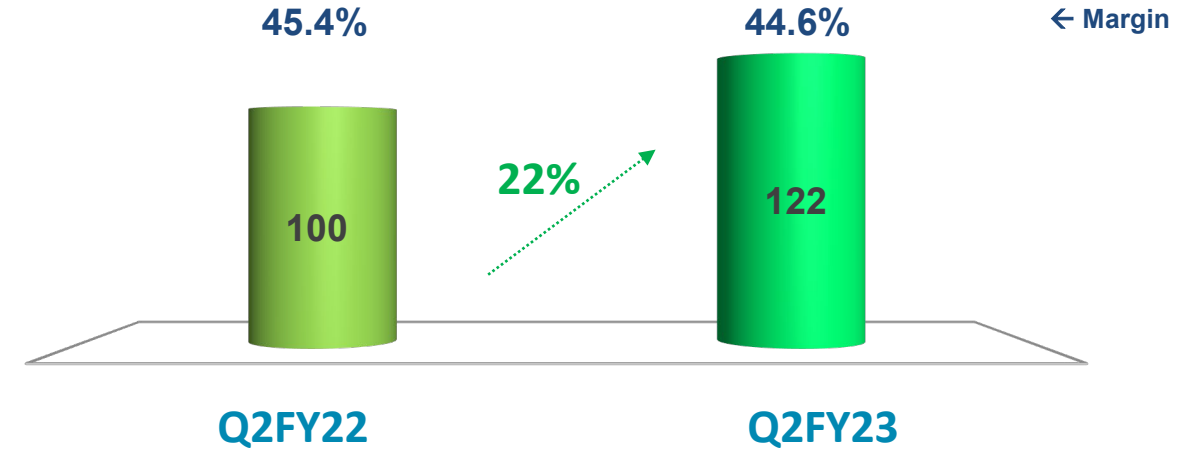
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# Consolidated Financials (₹ in Cr. & Margin %)

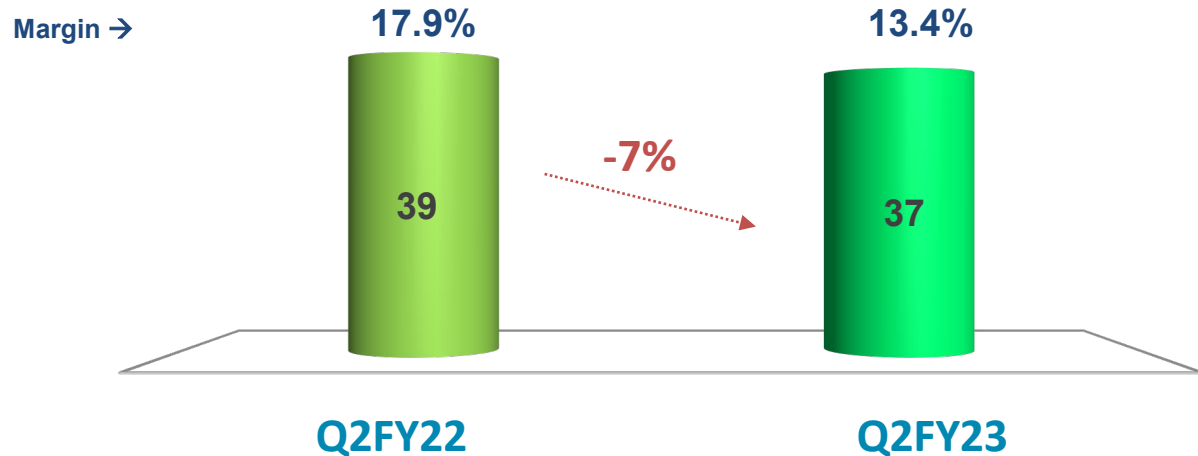
Revenue from Operations



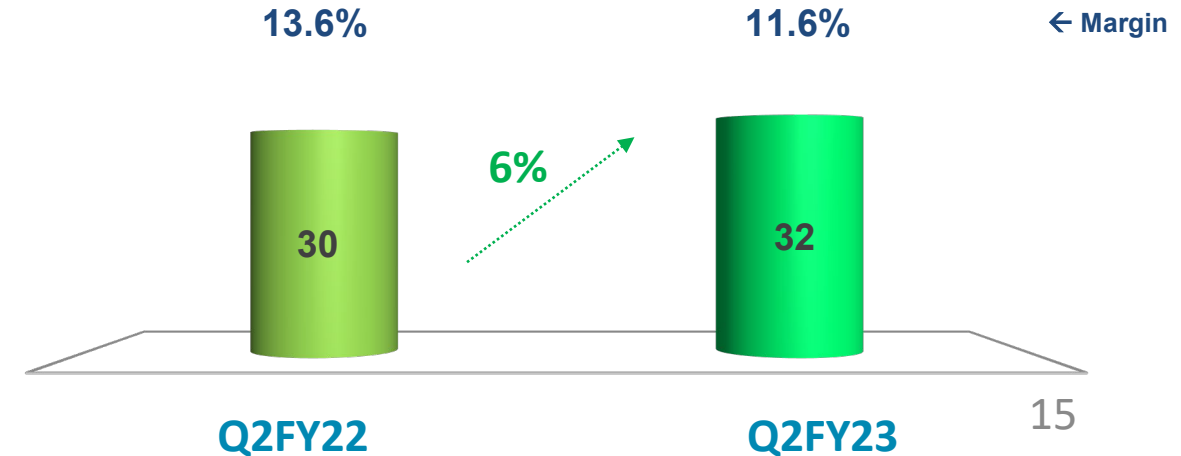
Gross Margin



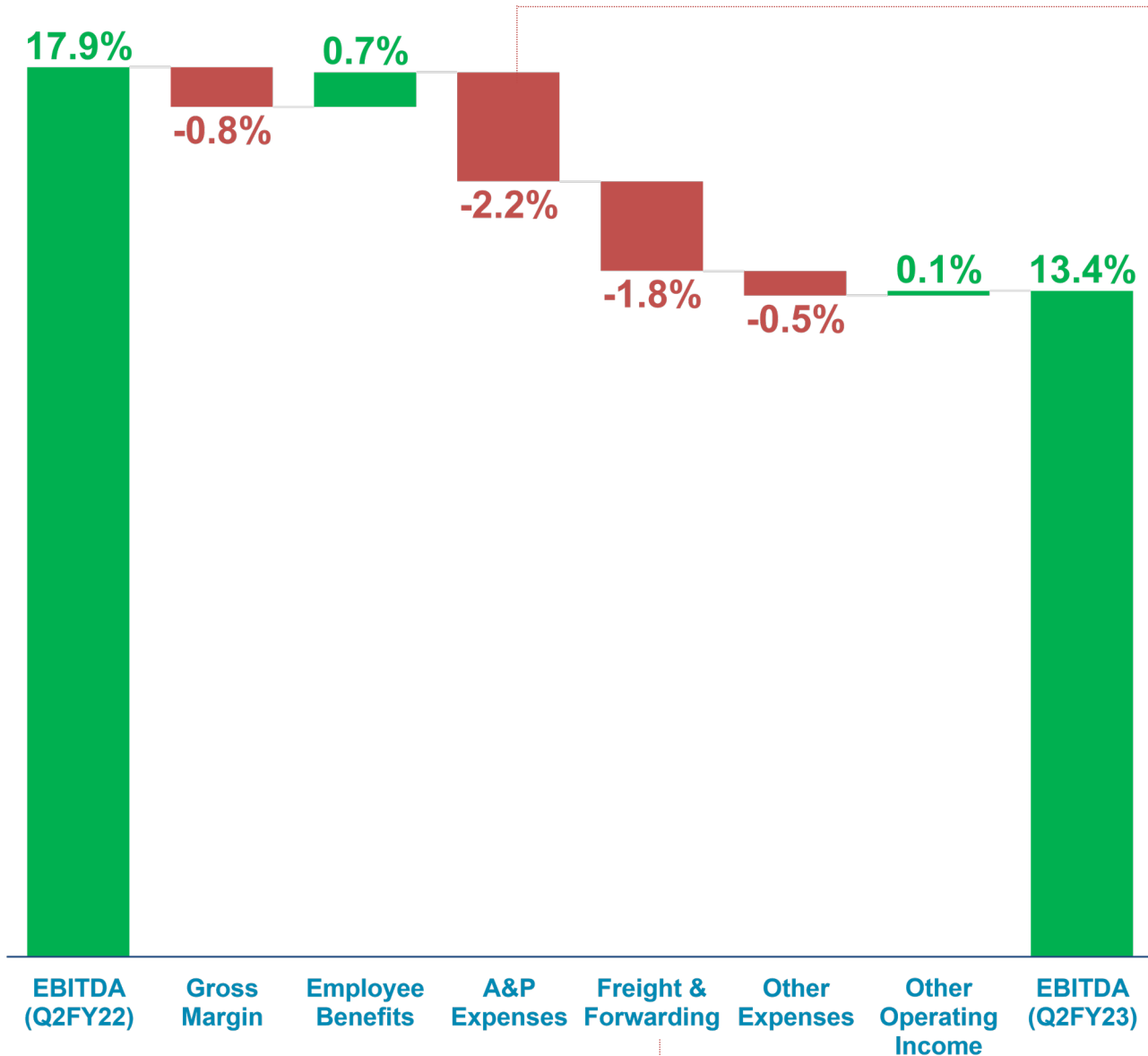
EBITDA



Profit After Tax

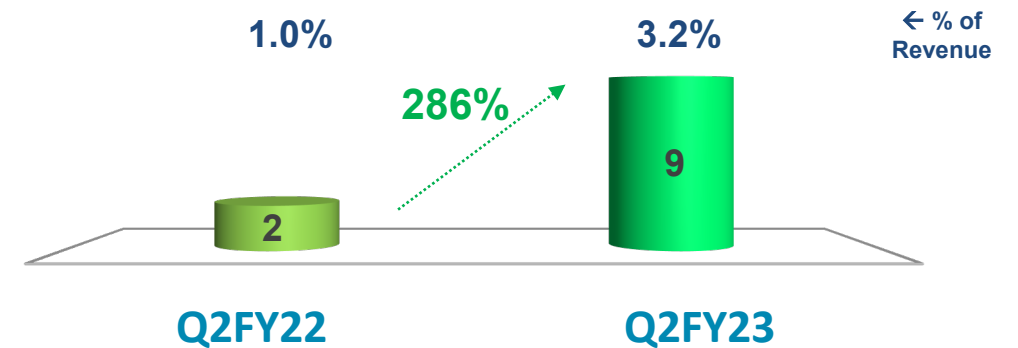


# Consolidated : EBITDA Margin Movement



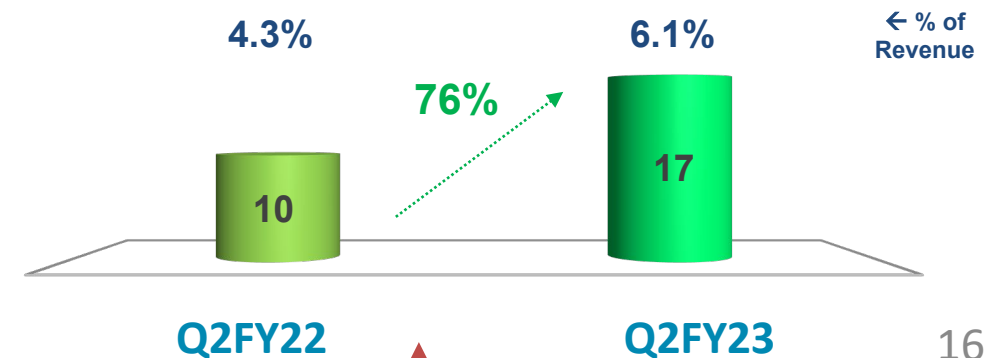
## A&P Expenses

- Off-season incremental Market Research and Sales & Marketing expenses having long-term benefit



## Freight & Forwarding Charges

- Higher Freight charges due to export to a Brazilian subsidiary on CIF basis

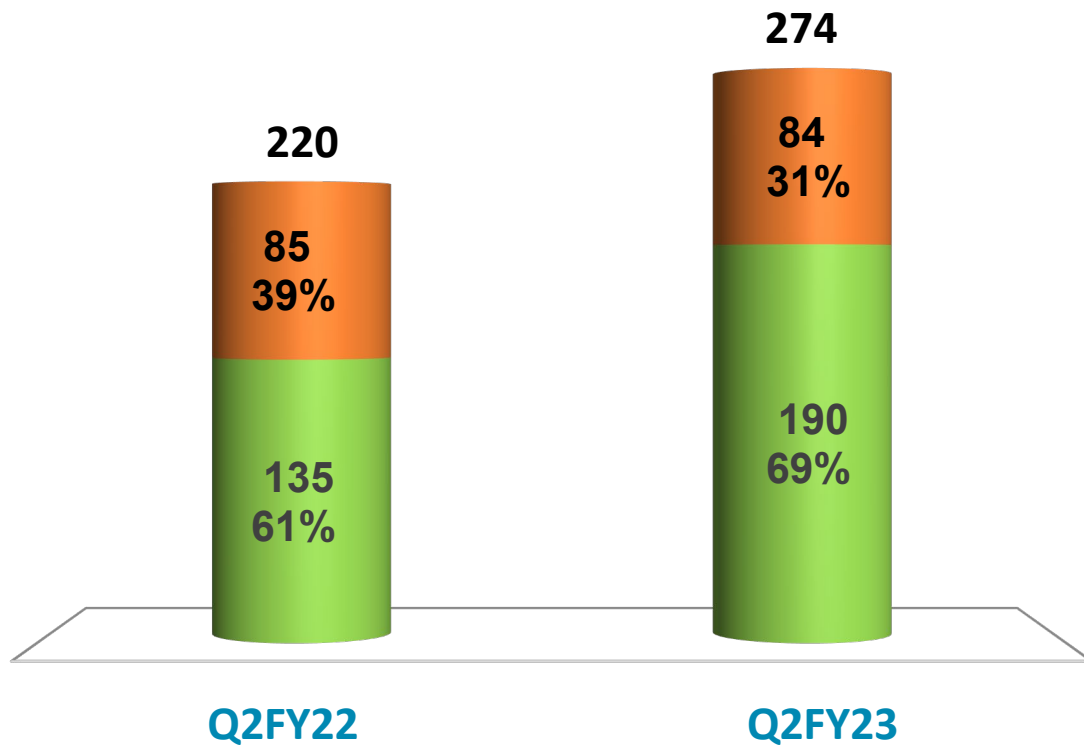




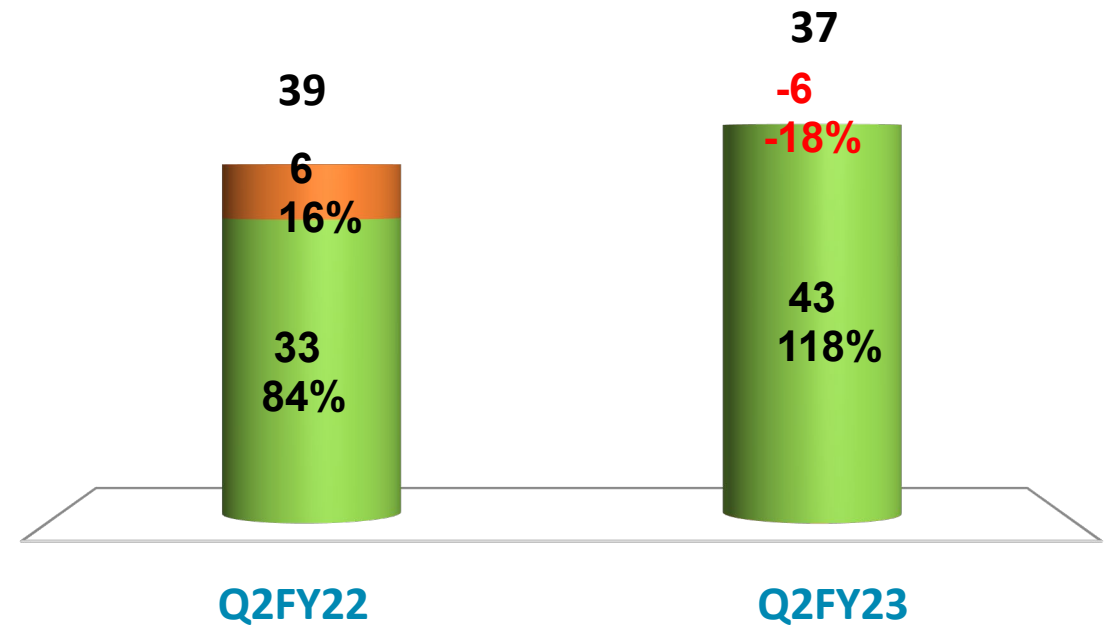
# Consolidated : Segment Breakup

Revenue from Operations (₹ Cr.)

■ ROW  
■ India



EBITDA (₹ Cr.)



# Consolidated : Key Financial Metrics

Monthly Avg. Capital Employed  
(Core Business)

**₹ 192 Cr.**

Return on Capital Employed  
(Core Business)

**18%**

Return on Net Worth

**18%**

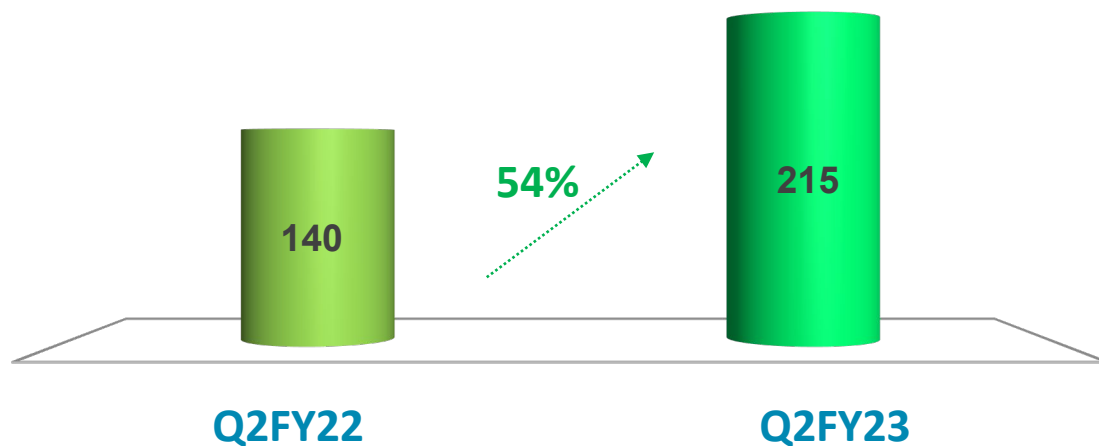
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# Q2FY23 – Standalone

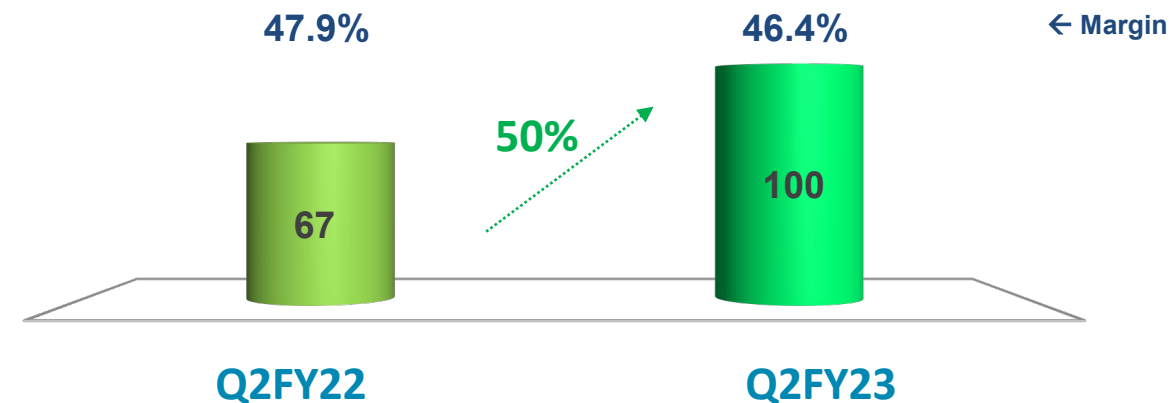
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# Standalone Financials (₹ in Cr. & Margin %)

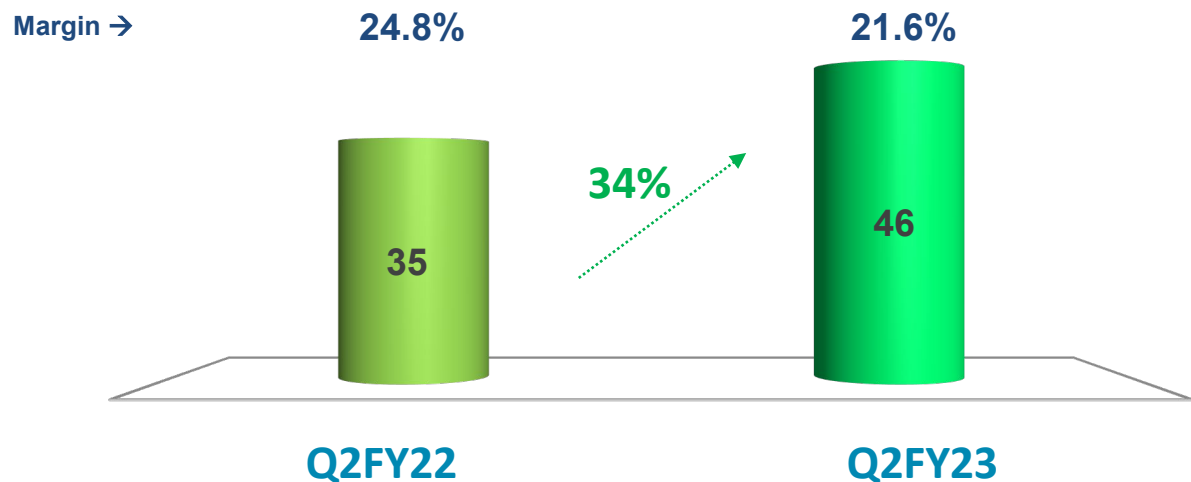
Revenue from Operations



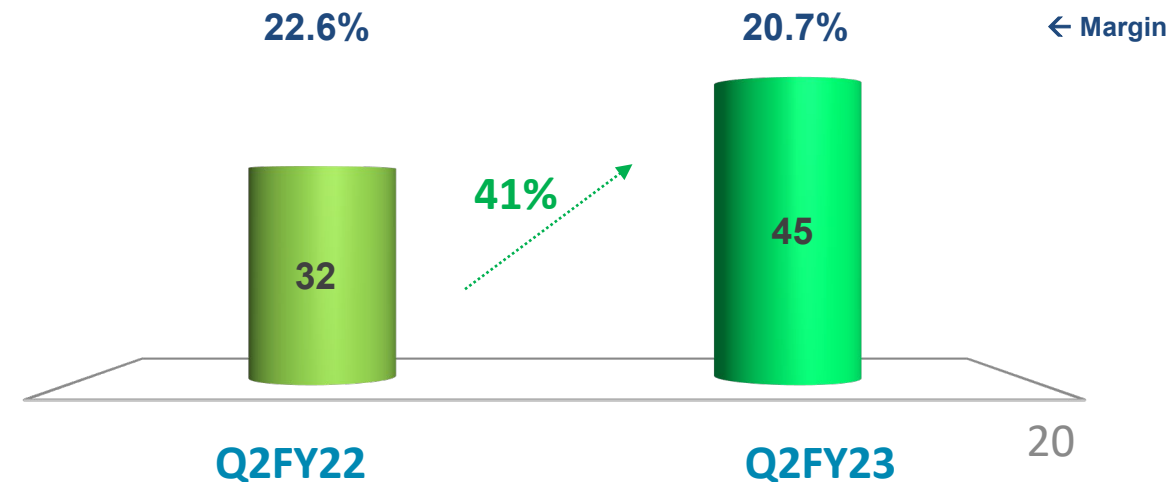
Gross Margin



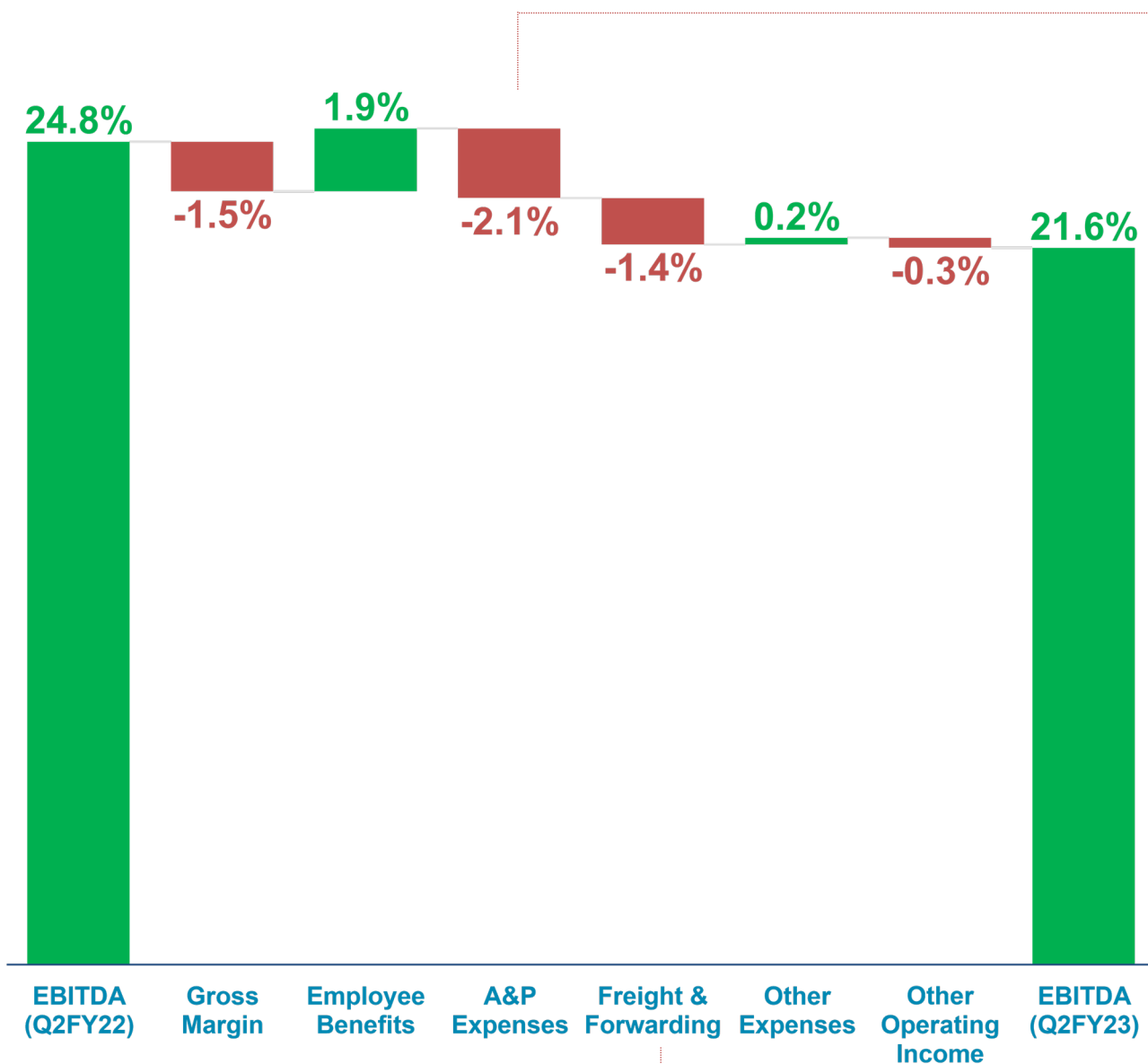
EBITDA



Profit After Tax

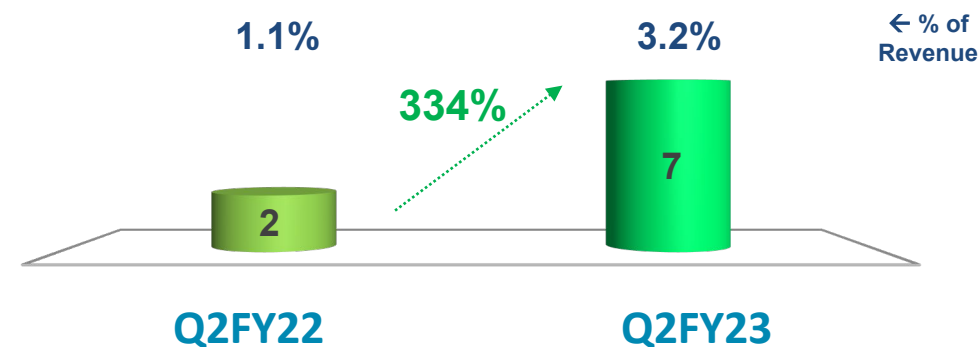


# Standalone : EBITDA Margin Movement



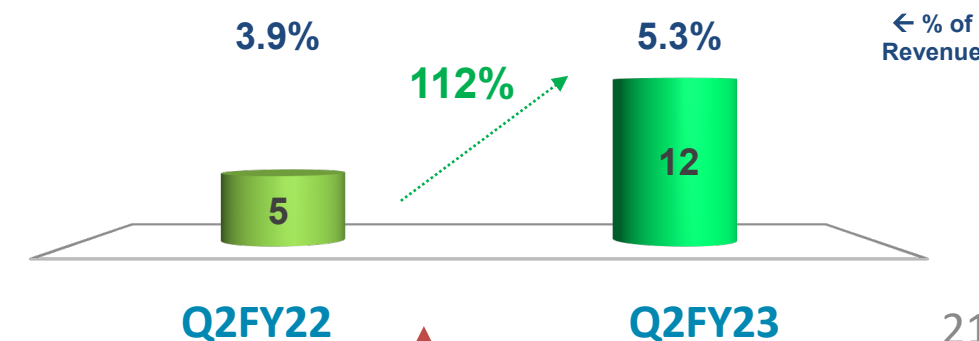
## A&P Expenses

- Off-season incremental Market Research and Sales & Marketing related expenses having long-term benefit



## Freight & Forwarding Charges

- Higher Freight expenses due to export to a Brazilian subsidiary on CIF basis



# Standalone : Key Financial Metrics

Monthly Avg. Capital Employed  
(Core Business)

**₹ - 89 cr.**

Return on Capital Employed (%)  
(Core Business)

**Infinite**

Return on Net Worth

**18%**

Treasury  
(As on 30/09/2022)

**₹ 778 Cr.**

*\* Excluding loans/investments in subsidiaries*



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# Outlook

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# Outlook

1

- Decent visibility of consumer sales in the domestic market and exploring new markets globally

2

- Improved performance of Climate Technologies, Australia and IMPCO, Mexico

3

- Close watch on evolving global economic headwinds which may translate into demand headwinds in some overseas market

4

- Optimizing costs and service levels through
  - Leveraging Indian and Global outsourced manufacturing facilities
  - Agile supply chain strategy

5

- Committed to pursue growth with a focused sense of purpose and responsibility towards the society – cooling spaces without harming the earth



# Glossary

<b>Gross Margin (%)</b>	: % of Revenue from sale of products
<b>A&amp;P Expenses</b>	: Advertisement and Sales Promotion Expenses
<b>EBITDA</b>	: Earnings Before Interest, Tax, Depreciation and Amortization (Excludes other income)
<b>EBITDA Margin (%)</b>	: % of Revenue from operations
<b>PAT Margin (%)</b>	: % of Revenue from operations
<b>ROCE (%) – Not Annualized (Core Business)</b>	: Profit Before Interest & Tax (Not Annualized) / Capital Employed (Monthly Average)
<b>Return on Net Worth</b>	: Profit After Tax TTM / Average Net Worth
<b>Treasury</b>	: Including Cash & Cash equivalents and excluding loans / investments in subsidiaries



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