



**Season's Greetings!**



**18th December 2024.**



**My Dear Shareholder,**

I have the pleasure of presenting you with a mid-year review, half yearly financial highlights, and recent updates on your Company.

The uncertain geopolitical turmoil in multiple geographies, has resulted in a global slowdown in automotive and non-automotive sectors. Domestic automotive growth, however, has been reasonable. Your Company had a satisfactory performance in the first half of the year, despite global uncertainties.

Domestic Cable Division had good growth with stable margins. The division also ramped up certain “Beyond Cables Projects” including braking products, latches, levers, etc. Suprajit Controls Division had a stable performance in the first half, with modest growth despite global slowdown. Margins improved during the period, and the division continues to secure significant contracts for the coming years. In spite of increasing penetration of LED, Phoenix Lamps Division performed commendably, with significant improvements in margins, showing a remarkable turnaround in its performance. Suprajit Electronics Division continues to grow with reasonable margins.

The four divisions of your company have consolidated their performance during the first half, paving the way for future growth and improved prospects. With braking products expected to contribute in the coming years, your Company’s philosophy of “de-risk and grow profitably” is expected to yield strong rewards.

Suprajit Technology Centre continues to develop new products. It also supports the development and launch of multiple products across the group. The groundbreaking for a new Technology Centre at plot number 100, Bommasandra Industrial Area will accommodate the growing STC teams in the coming years.

The acquisition of SCS group through insolvency proceedings is in the final stages of completion. Being an insolvent group, SCS had significant losses. It will require a few quarters to stabilize and turnaround. However, with strong manufacturing bases in Morocco and China and an Engineering Centre in Germany, this acquisition adds a new dimension to your Company’s global aspirations. Suprajit is set to emerge as a leading cable manufacturer, offering customers unparalleled on-shoring, near-shoring and low-cost options which no competitor in our cable industry can match. I am confident that after a few quarters of restructuring and turnaround, this acquisition will certainly add significant value to your Company.

I am happy to inform that your Company has joined hands with Chuo Spring Company Limited, Japan, to set up a 50:50 Joint Venture in India to manufacture transmission cables to key Japanese OEMs in India, to start with.

While the near-term global challenges persist, I am confident that the four divisions will continue to perform satisfactorily in the coming quarters. Our focus on customers, strong new business wins, a diversified product range, innovative product development capabilities and operational excellence will establish us as a sustainable and formidable industry leader in our business.

I take this opportunity to extend Seasons Greetings to you and every member of your family for a **“Happy, Healthy, and Prosperous New Year 2025”**



**K. Ajith Kumar Rai,  
Founder & Chairman.**

## PRESS RELEASE

### FINANCIAL RESULTS AND BUSINESS UPDATE – 11<sup>th</sup> November 2024

(Rs. In Million)

#### Unaudited results for the half year ended:

CONSOLIDATED EXCLUDING SCS	September 2024		September 2023		Growth
	Amount	%	Amount	%	
OPERATING REVENUE	15,082.88		13,885.57		8.62%
EBITDA (Operational)	1,839.82	12.20%	1,441.69	10.38%	27.62%

STANDALONE	September 2024		September 2023		Growth
	Amount	%	Amount	%	
OPERATING REVENUE	8,269.21		7,187.10		15.06%
EBITDA (Operational)	1,448.15	17.51%	1,251.68	17.42	15.70%

Suprajit Controls Division (SCD Excluding SCS)	September 2024		September 2023		Growth
	Amount	%	Amount	%	
OPERATING REVENUE	6,933.51		6,737.56		2.91%
EBITDA (Operational)	565.85	8.16%	361.34	5.36%	56.60%

Domestic Cable Division (DCD)	September 2024		September 2023		Growth
	Amount	%	Amount	%	
OPERATING REVENUE	5,635.52		4,950.18		13.84%
EBITDA (Operational)	931.49	16.53%	890.51	17.99%	4.60%

Phoenix Lamps Division Consolidated (PLD)	September 2024		September 2023		Growth
	Amount	%	Amount	%	
OPERATING REVENUE	1,902.71		1,857.03		2.46%
EBITDA (Operational)	296.74	15.60%	191.15	10.29%	55.24%

Suprajit Electronics Division (SED)	September 2024		September 2023		Growth
	Amount	%	Amount	%	
OPERATING REVENUE	611.13		340.81		79.32%
EBITDA (Operational)	45.73	7.48%	(1.33)	(0.39%)	3539.63%

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



(Rs. In Million)

Unaudited results for the quarter ended:

CONSOLIDATED EXCLUDING SCS	Q2 FY 2024-25		Q2 FY 2023-24		Growth
	Amount	%	Amount	%	
OPERATING REVENUE	7,734.31		7,088.74		9.11%
EBITDA (Operational)	976.25	12.62%	698.09	9.85%	39.85%

STANDALONE	Q2 FY 2024-25		Q2 FY 2023-24		Growth
	Amount	%	Amount	%	
OPERATING REVENUE	4,500.27		3,854.84		16.74%
EBITDA (Operational)	801.25	17.80%	660.78	17.14%	21.26%

Suprajit Controls Division (SCD Excluding SCS)	Q2 FY 2024-25		Q2 FY 2023-24		Growth
	Amount	%	Amount	%	
OPERATING REVENUE	3,324.56		3,243.70		2.49%
EBITDA (Operational)	274.60	8.26%	111.07	3.42%	147.23%

Domestic Cable Division (DCD)	Q2 FY 2024-25		Q2 FY 2023-24		Growth
	Amount	%	Amount	%	
OPERATING REVENUE	3,093.42		2,674.94		15.64%
EBITDA (Operational)	533.59	17.25%	461.42	17.25%	15.64%

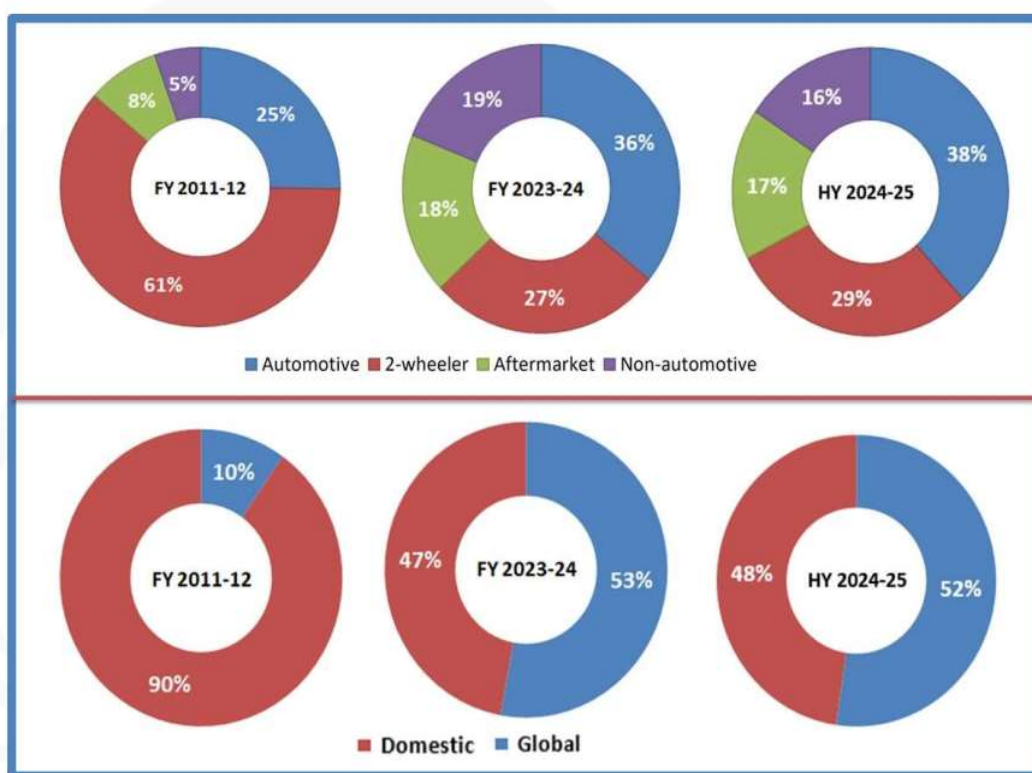
Phoenix Lamps Division Consolidated (PLD)	Q2 FY 2024-25		Q2 FY 2023-24		Growth
	Amount	%	Amount	%	
OPERATING REVENUE	1,013.93		980.27		3.43%
EBITDA (Operational)	152.29	15.02%	120.78	12.32%	26.09%

Suprajit Electronics Division (SED)	Q2 FY 2024-25		Q2 FY 2023-24		Growth
	Amount	%	Amount	%	
OPERATING REVENUE	302.39		189.84		59.29%
EBITDA (Operational)	15.76	5.21%	4.80	2.53%	228.38%

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

**Group Debt Level & Investments:**
**(Rs. in Million)**

PARTICULARS	Sep-24	March-24
Long Term	2,485	2,801
Short Term	4,792	3,438
<b>TOTAL</b>	<b>7,277</b>	<b>6,239</b>
Investment in Mutual Funds & Bonds	3,250	5,127

**Sector and Geographical Transformation:**

**BUSINESS UPDATE:**

- The buyback of 15,00,000 fully paid equity shares of ₹ 1/- each, at a price of ₹ 750 per share, from all eligible shareholders of the Company, was completed on September 20, 2024. The total cash outflow, including taxes, amounted to ₹1,386.59 Million.

- The overall India automotive growth has been below market expectations so far. The global automotive growth has remained flat, and the non-automotive growth has been negative.
- Suprajit's second quarter standalone business grew by 17% while consolidated growth was 9%. Standalone EBITDA grew by 21% and on a consolidated basis, excluding SCS, grew by 40%.
- The recently acquired SCS Germany and its subsidiaries had an operating revenue of ₹ 601 million with an EBITDA loss of ₹ 101 million.
- Consolidated results announced has significant one-offs, write-offs and expenses relating to acquisition of insolvent SCS Germany and its subsidiaries. It also had certain restructuring expenses at SCD.
- The operational results in this business update have been adjusted for these items to reflect the underlying operational performance.
- Corporate and STC teams have been strengthened to meet the growing requirements of the Company.

#### **DIVISIONAL HIGHLIGHTS FOR THE SECOND QUARTER 2024-25:**

##### **A. Suprajit Controls Division (SCD) :**

- Operational revenue for the second quarter grew by 3%. However, EBITDA increased by 147%, indicating continuing consolidation and improvement in operations.
- Order wins continue to be strong in the automotive division, and the Division has started securing certain nonautomotive contracts as well.
- Lonestar – China has started securing new contracts for the upcoming years, and operations have streamlined well at the new location.
- Although the automotive industry growth in Europe is negative due to the geopolitical situation, Suprajit Europe (SEU) continues to secure large contracts for Suprajit Automotive (SAL).
- Operations at Siófok have been streamlined.
- Despite a weak non-automotive market, Wescon, along with Unit 9, continues to deliver strong EBITDA margins.
- Previously disclosed challenges will continue at Matamoros - i.e increase in employee costs, China tariff, etc.
- SAL continues to win significant contracts in the automotive segment for North America in addition to order wins in Europe.



- SCD has started executing certain restructuring processes across all its units to reduce costs and orient with customer requirements, with a clear focus on operational and margin improvements. This has resulted in certain one-off expenses in the second quarter, impacting margins. This restructuring process will continue.
- Significant freight costs due to geopolitical situation have also impacted during the quarter.

**Domestic Cable Division (DCD):**

- DCD grew by 16% with 17% margins. The division continues to perform well and ramp up of “Beyond Cables” projects, like Braking, have contributed well

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

- PLD, along with Luxlite continues to perform well with good margins and a robust growth in Indian aftermarket. The operational revenue grew by 3% and EBITDA margins grew by 26%.

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

- SED reports performance for both electronics, and mechanical speedometers, as mentioned earlier. The division has made good progress, with revenue growth of 60% and substantial EBITDA growth.
- Business prospects for the division continue to be strong.
- First production for exports to a global automotive OEM through SCD has commenced.

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

- The team at STC continues to consolidate and grow to support the development and launch of multiple products across the group.
- The groundbreaking ceremony for a new, fully owned STC facility was held on 23<sup>rd</sup> October 2024.

**E. The acquisition of Stahlschmidt Cable Systems (SCS) :**

- As informed earlier, the first tranche of transactions related to the insolvent SCS Germany, which included operations at Germany, Poland and Morocco, has been completed.

- The results for this part of the transaction is as under :

(Rs. in Million)					
Particulars	Sep - 24		Sep -23		Growth
Operating Revenue	601.65		-	-	-
EBITDA (Operating)	(101.69)	(16.90%)	-	-	-

- It may be noted that for this quarter, the costs include several one-offs, and some ongoing- restructuring costs which are expected to continue for a few more quarters.
- Costs also include the closure of Poland plant, scaling up of the Morocco facility, and the scaling down of the German facility, etc.
- A warehouse near Suprajit's Hungary facility at Siófok has been identified to move warehouse from Germany to Hungary to improve cost efficiency.
- It is expected that, in the next few quarters, operations at Morocco will be fully stabilized and improved, the German warehouse will be relocated to a new Hungarian location, and Poland operations will be completely shut down. These expenses will be accounted for, as and when they are incurred over the next few quarters. This would complete the first phase of restructuring of SCS.
- The European operations of SCS have also been affected by the downturn in European automotive markets.
- The overall operations are expected to stabilize over the next few quarters.
- The second tranche of the transaction, involving China and Canada, is under discussion and is expected to be completed in Q4.

#### 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 centers and warehouses.*

*For further information, please contact:*

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## PRESS RELEASE

**Date: 27<sup>th</sup> November, 2024**

**SUPRAJIT ENGINEERING LIMITED, INDIA (SEL) IS EXCITED TO ANNOUNCE THE SIGNING OF A MEMORANDUM OF UNDERSTANDING (MOU) WITH CHUO SPRING COMPANY LIMITED, JAPAN (CHUO)**

This collaboration includes a 50:50 joint venture (JV) in India to design, manufacture, and supply transmission cables, and a Technical Assistance (TA) agreement, which grants JV access to Chuo's unique Japanese Transmission cable technology.

The JV and TA will first focus on delivering projects for India's two leading Japanese PV OEMs.

The collaboration brings together two globally recognised cable suppliers. It extends the reach of Chuo's special Transmission cable technology to India and may further support Suprajit's global OEM customers. The collaboration further expands SEL's product range to key Japanese customers, and the transmission cable market, going forward.

**About Chuo:** Chuo is a leading Japanese transmission cable maker and supplies to the world's leading Japanese OEMs. Chuo has a global footprint with plants in US, China, Indonesia, and Thailand and consolidated revenue 675 million USD. Chuo's core product is suspension springs, precision springs including engine valve springs, and control cables to Japanese OEMs and Tier 1 customers worldwide.

**About Suprajit:** 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.

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**Thank You**