



# IPO INSIGHTS



Syrma SGS Technology Ltd

**Issue Dates - Opens: 12-08-2022 | Closes: 18-08-2022**

<b>IPO Note</b>	<ol style="list-style-type: none"> <li>1. Tech-Focussed Engineering &amp; Design Company engaged in turnkey Electronics Manufacturing Services (EMS)</li> <li>2. First in India to manufacture RFID Products</li> <li>3. Volatile Cash-flows</li> <li>4. Margins under pressure since past 3 years</li> <li>5. Increased Borrowings, but at comfortable levels</li> <li>6. Marquee Clientele include Eureka Forbes, HUL, Total Power Europe B.V.</li> </ol>
<b>Rating</b>	★★ (AVERAGE)

## IPO SNAPSHOT

Issue Size	₹ 840 Crores
Issue Type	Fresh Issue & Offer For Sale
Fresh Issue	₹ 766 Crores
Offer for Sale	₹ 74 Crores
Face Value Per Share	₹ 10
Price Band Per Share	₹ 209 - ₹ 220
Minimum Lot Size	68 shares
Listing On	BSE & NSE
Pre-Issue Promoter Shareholding	58.78%
Registrar to the Issue	Link Intime

# IPO SNAPSHOT – Syrma SGS Technology Ltd

<b>About the Company</b>	<ul style="list-style-type: none"> <li>▪ Incorporated on August 23, 2004</li> <li>▪ One of India's Largest exporters of electronics, providing high value integrated designs and production solutions for internationally recognized OEMs</li> <li>▪ One of the Leading Electronics Systems Design and Manufacturing company (ESDM), with focus on Technology based solutions and Original Design Manufacturers (ODM) Business</li> <li>▪ Company's Business Model starts from product concept design and focuses on every single segment of the overall industry value chain</li> <li>▪ Business Approach leads to continuous advancements in product technology, structure and functional design to meet customer requirements and lead the industry in development</li> <li>▪ Competitive advantage at the front-end of the industry value-chain which makes the company a value creator and enables it to become the driving force for developing new products and break-through technologies.</li> <li>▪ First in India to manufacture Radio Frequency Identification (RFID) Products and continues to lead the industry.</li> <li>▪ Recognized Leader in Memory Modules with deep expertise</li> <li>▪ Long-standing relationship with customers, an opportunity for increased wallet share and not a single customer more than 5%</li> <li>▪ Product Portfolio includes <b>Printed Circuit Board Assemblies (PCBA), RFID Products, Electro-magnetic &amp; Electro-mechanical parts, Motherboards, D-RAM Modules, Solid State Drives – SSD and USB Drives</b></li> </ul>																														
<b>Competitive Strengths</b>	<ul style="list-style-type: none"> <li>▪ Consistent Financial Performance</li> <li>▪ Diversified, Continuously Evolving and Expanding Product Portfolio &amp; Service</li> <li>▪ Strong R&amp;D Capabilities</li> <li>▪ Global Supplier Network with focus on Vertical Integration</li> <li>▪ Experienced Promoters &amp; Senior Management Team</li> </ul>																														
<b>Financials (₹ in Millions)</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">31-3-2020</th> <th style="text-align: center;">31-3-2021</th> <th style="text-align: center;">31-3-2022</th> <th style="text-align: center;">Y-o-Y</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Revenue</td> <td style="text-align: center;">3970.76</td> <td style="text-align: center;">4383.03</td> <td style="text-align: center;">6462.60</td> <td style="text-align: center;"><b>47.45%</b></td> </tr> <tr> <td style="text-align: center;">EBITDA</td> <td style="text-align: center;">699.0</td> <td style="text-align: center;">529.3</td> <td style="text-align: center;">647.7</td> <td style="text-align: center;"><b>22.37%</b></td> </tr> <tr> <td style="text-align: center;">EBITDA Margin</td> <td style="text-align: center;"><b>17.60%</b></td> <td style="text-align: center;"><b>12.08%</b></td> <td style="text-align: center;"><b>10.02%</b></td> <td></td> </tr> <tr> <td style="text-align: center;">PAT</td> <td style="text-align: center;">438.80</td> <td style="text-align: center;">286.15</td> <td style="text-align: center;">306.07</td> <td style="text-align: center;"><b>6.95%</b></td> </tr> <tr> <td style="text-align: center;">PAT Margin</td> <td style="text-align: center;"><b>11.05%</b></td> <td style="text-align: center;"><b>6.53%</b></td> <td style="text-align: center;"><b>4.74%</b></td> <td></td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>• Debt to Net-worth Ratio = 0.24</li> </ul>	Particulars	31-3-2020	31-3-2021	31-3-2022	Y-o-Y	Revenue	3970.76	4383.03	6462.60	<b>47.45%</b>	EBITDA	699.0	529.3	647.7	<b>22.37%</b>	EBITDA Margin	<b>17.60%</b>	<b>12.08%</b>	<b>10.02%</b>		PAT	438.80	286.15	306.07	<b>6.95%</b>	PAT Margin	<b>11.05%</b>	<b>6.53%</b>	<b>4.74%</b>	
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<b>Promoters</b>	<ul style="list-style-type: none"> <li>▪ Sandeep Tandon, Veena Kumari Tandon, Jasbir Singh Gujral &amp; Tancom Electronics Private Ltd</li> </ul>																														
<b>Utilization</b>	<ul style="list-style-type: none"> <li>▪ Funding Capex for development of R&amp;D Facility, Long-Term Working Capital Requirements, General Corporate Purposes</li> </ul>																														

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