EARNINGS CALL PRESENTATION (H1 & Q2FY23)

Refreshing Lives

October 2022

Disclaimer

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Contents

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

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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

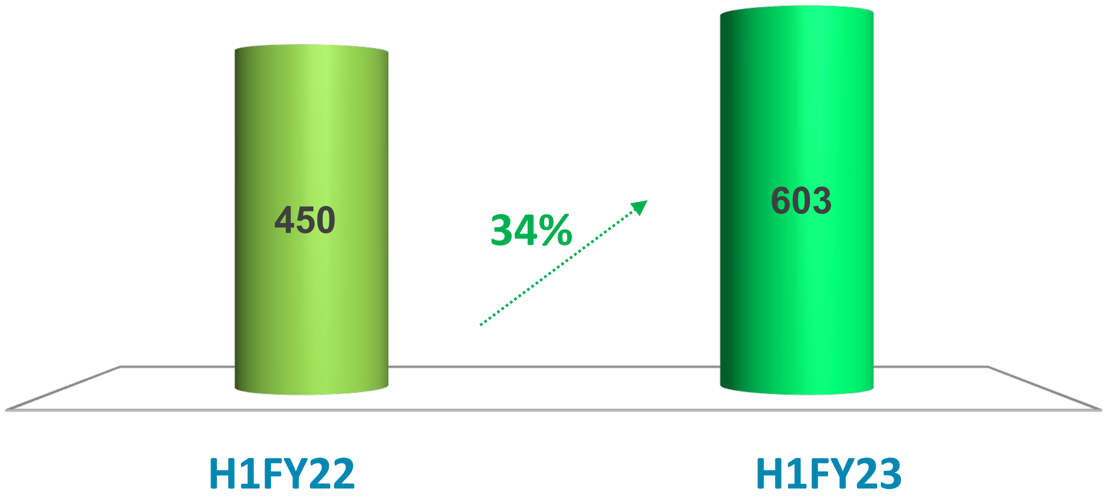
- 2nd interim dividend of ₹ 2/- per share (FV : ₹ 2/-) for FY23
  - Dividend payout of ₹ 13.99 cr.

Financials

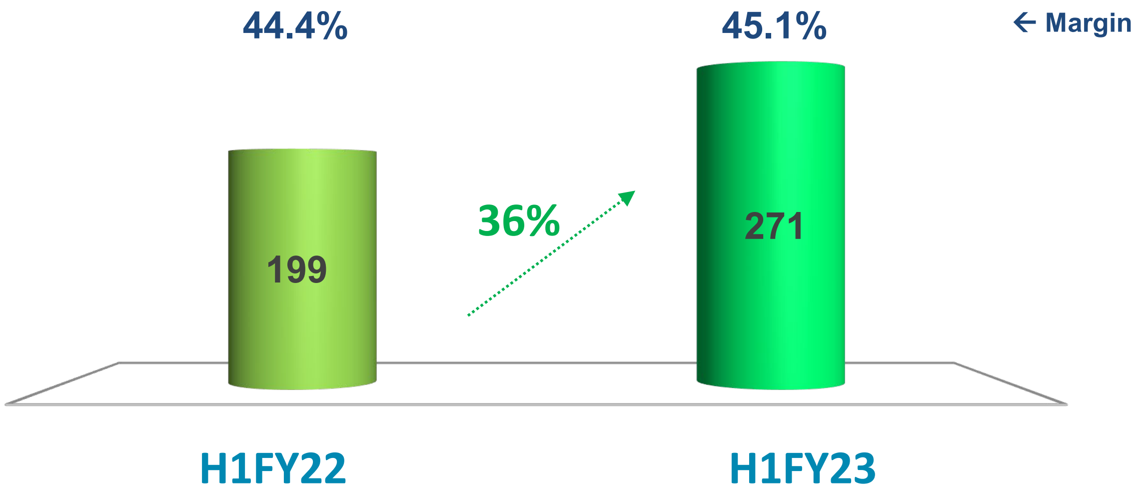
H1FY23 – Consolidated

Consolidated Financials (₹ in Cr. & Margin %)

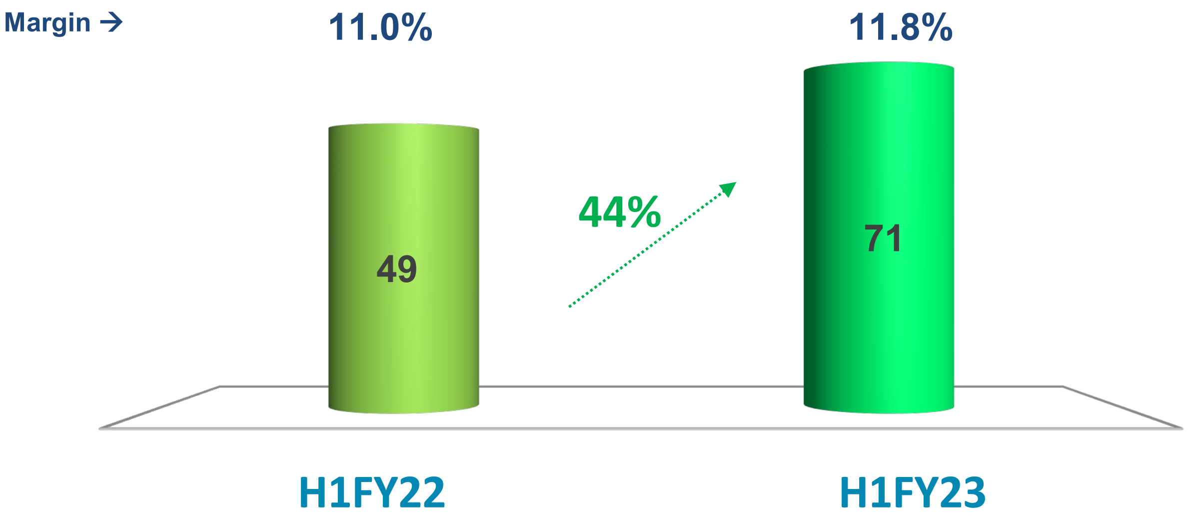
Revenue from Operations



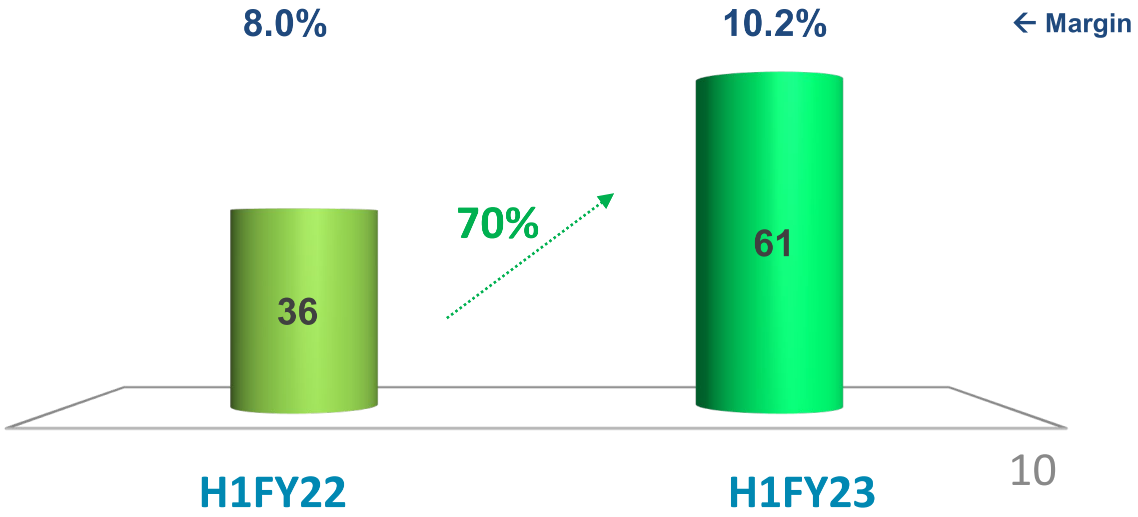
Gross Margin



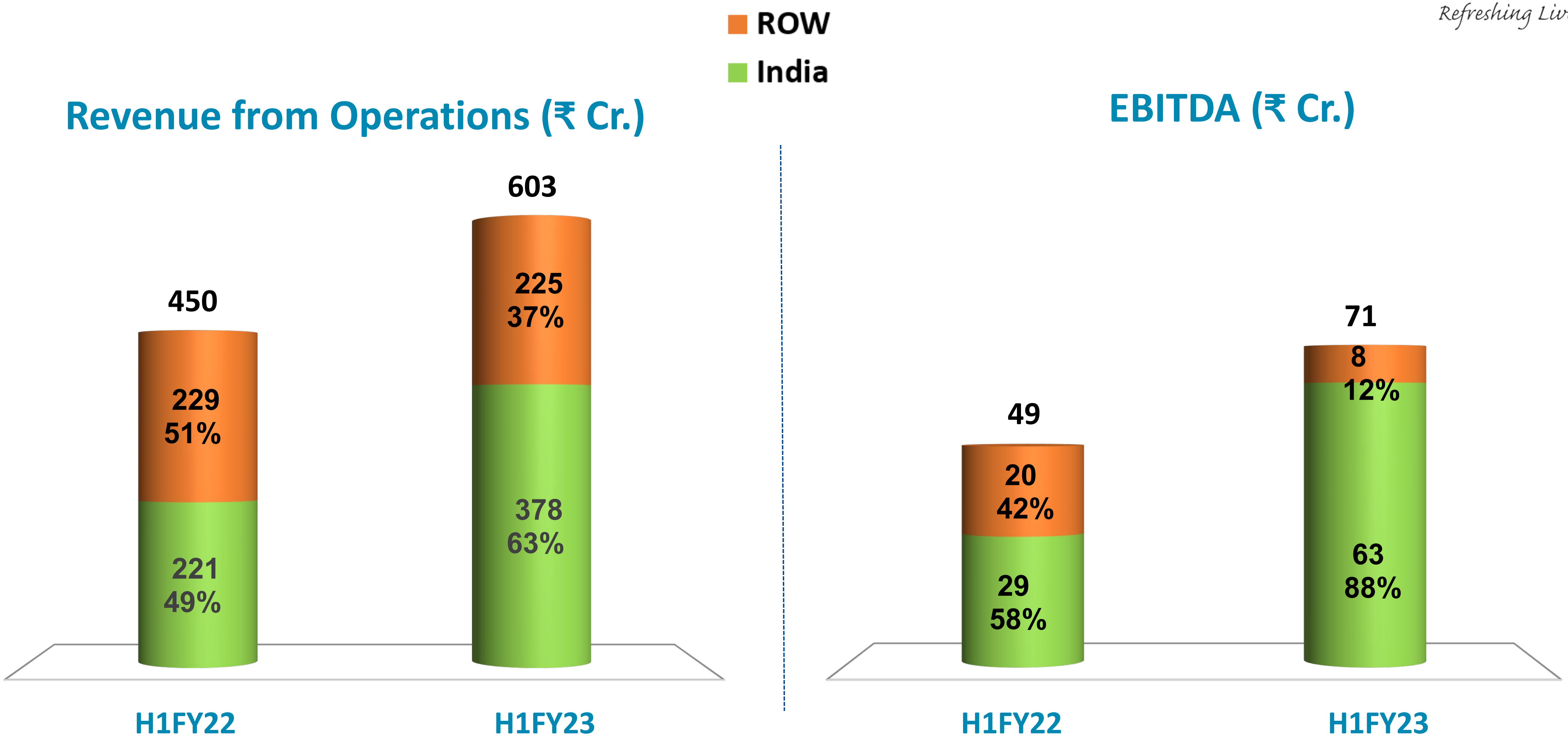
EBITDA



Profit After Tax



Consolidated : Segment Breakup



H1FY23 – Standalone

Standalone Financials (₹ in Cr. & Margin %)

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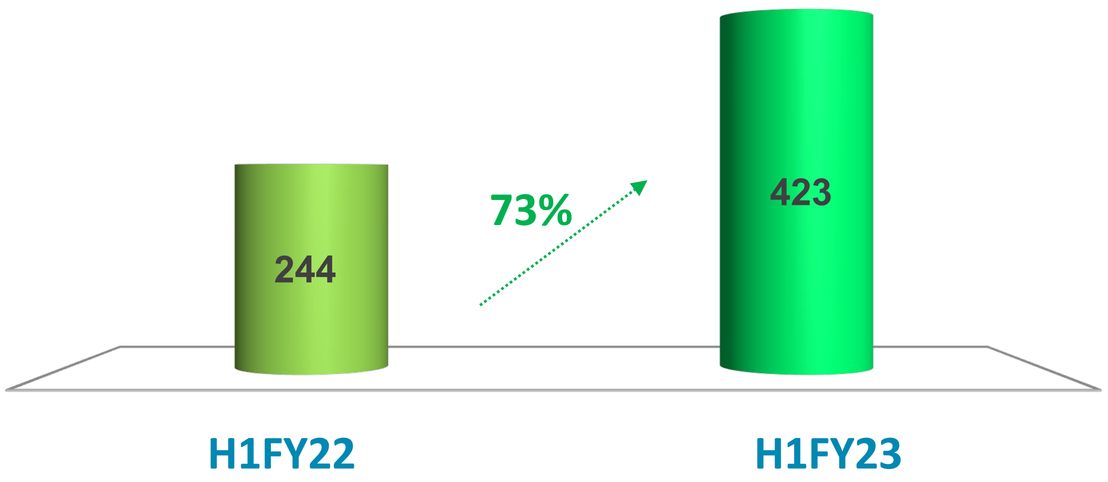
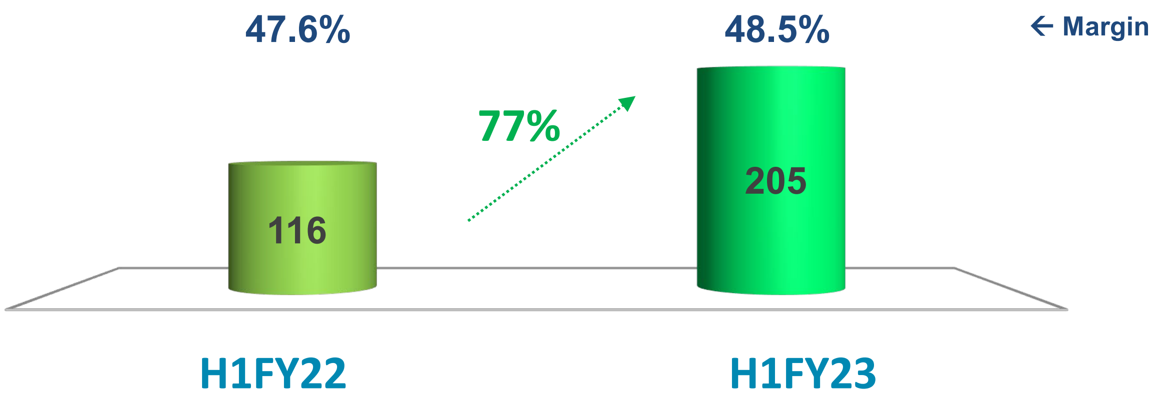
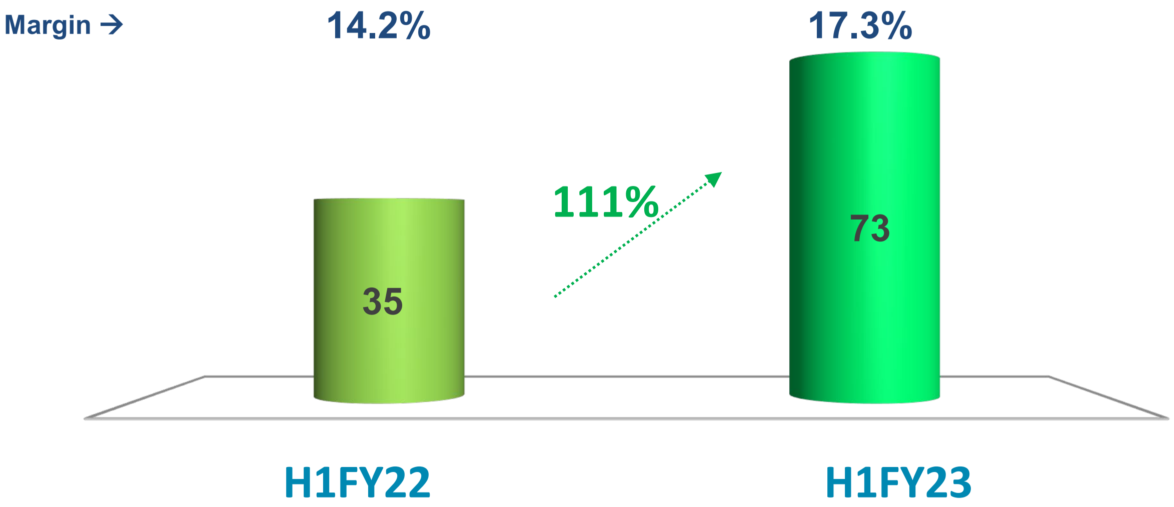
Revenue from Operations



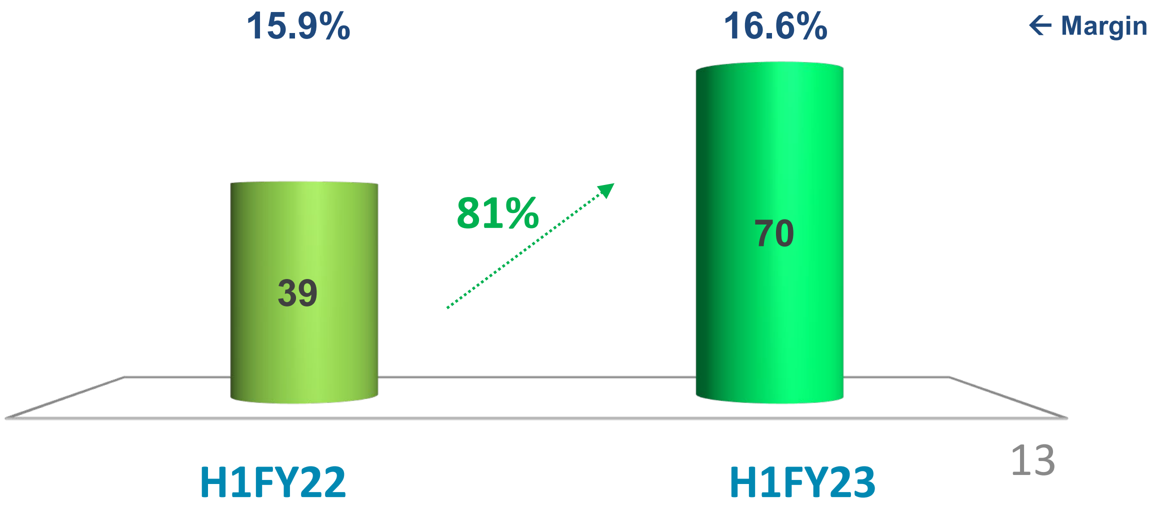
Gross Margin



EBITDA



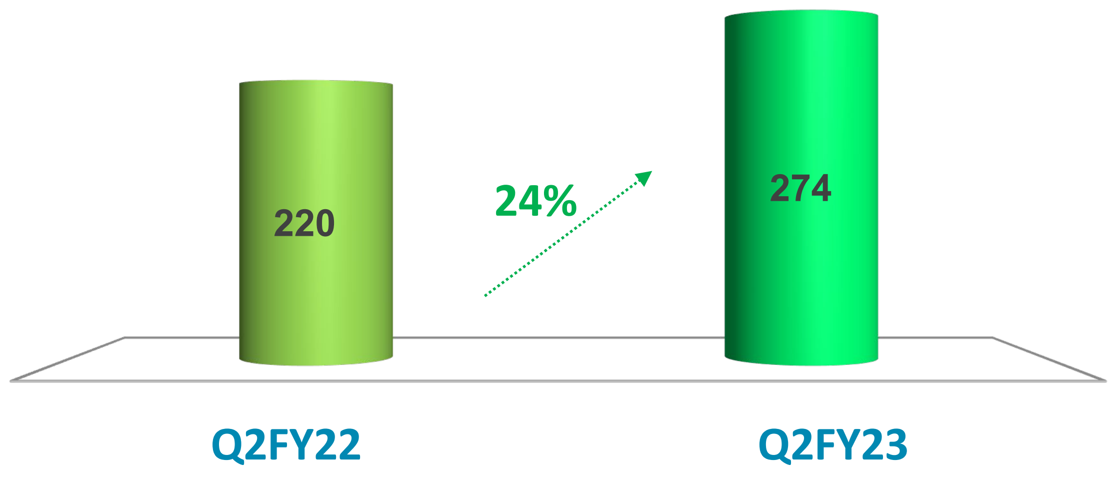
Profit After Tax



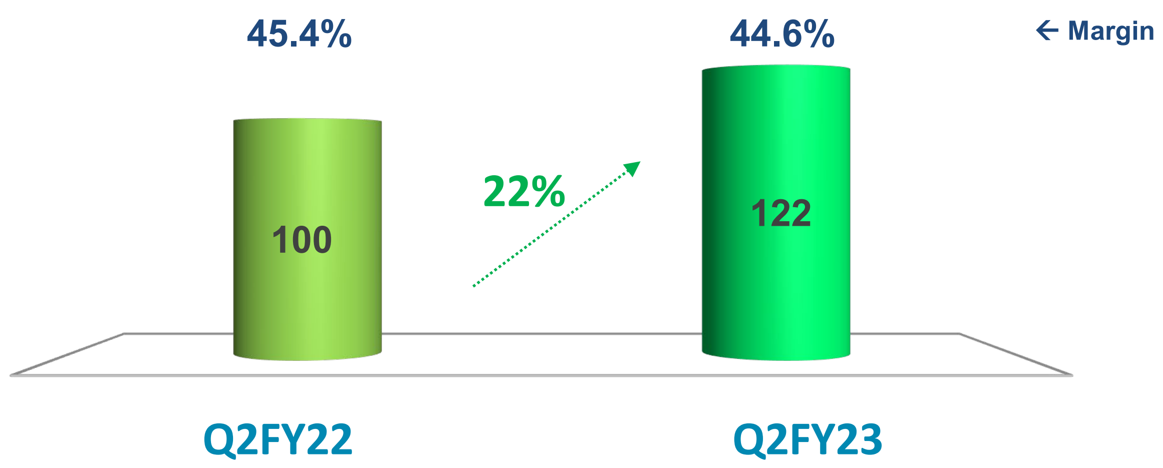
Q2FY23 – Consolidated

Consolidated Financials (₹ in Cr. & Margin %)

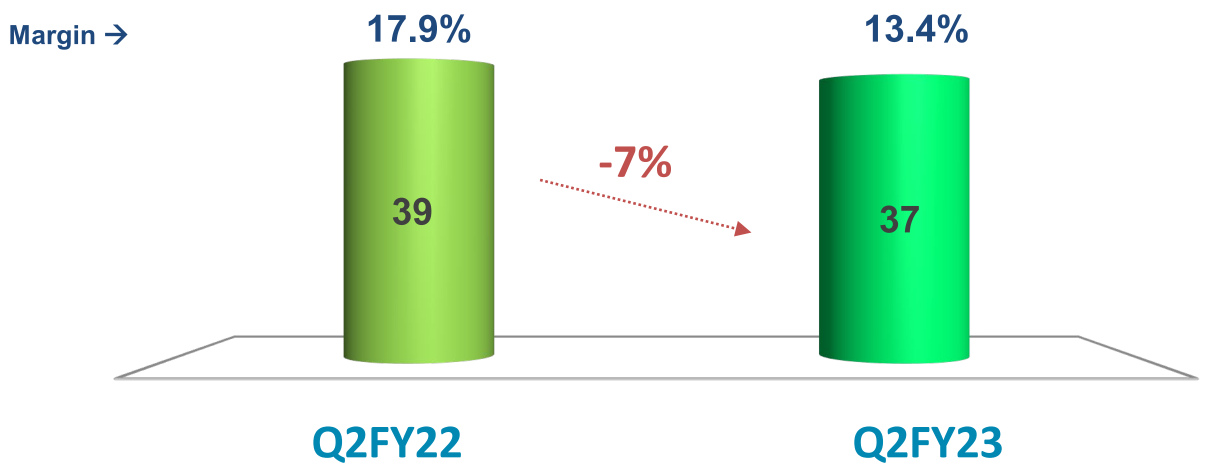
Revenue from Operations



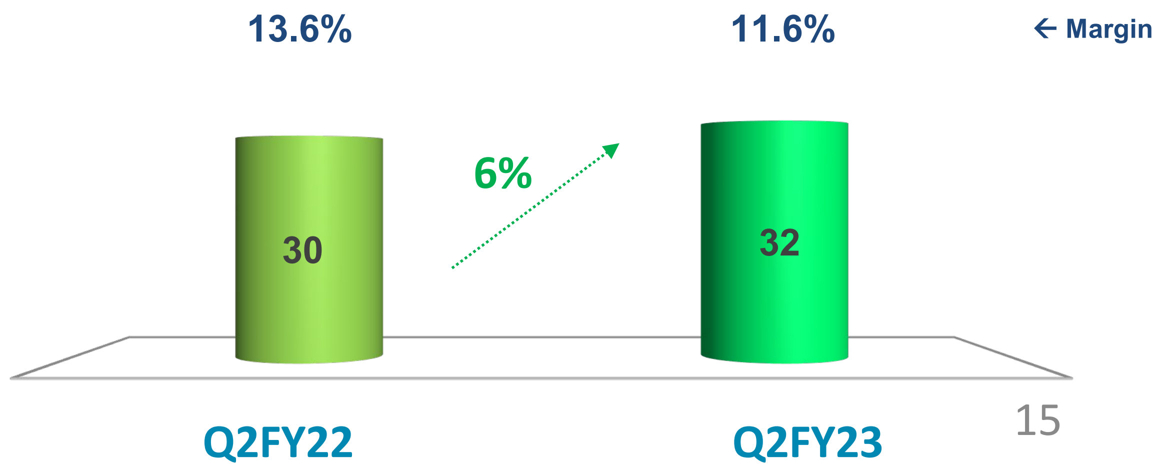
Gross Margin



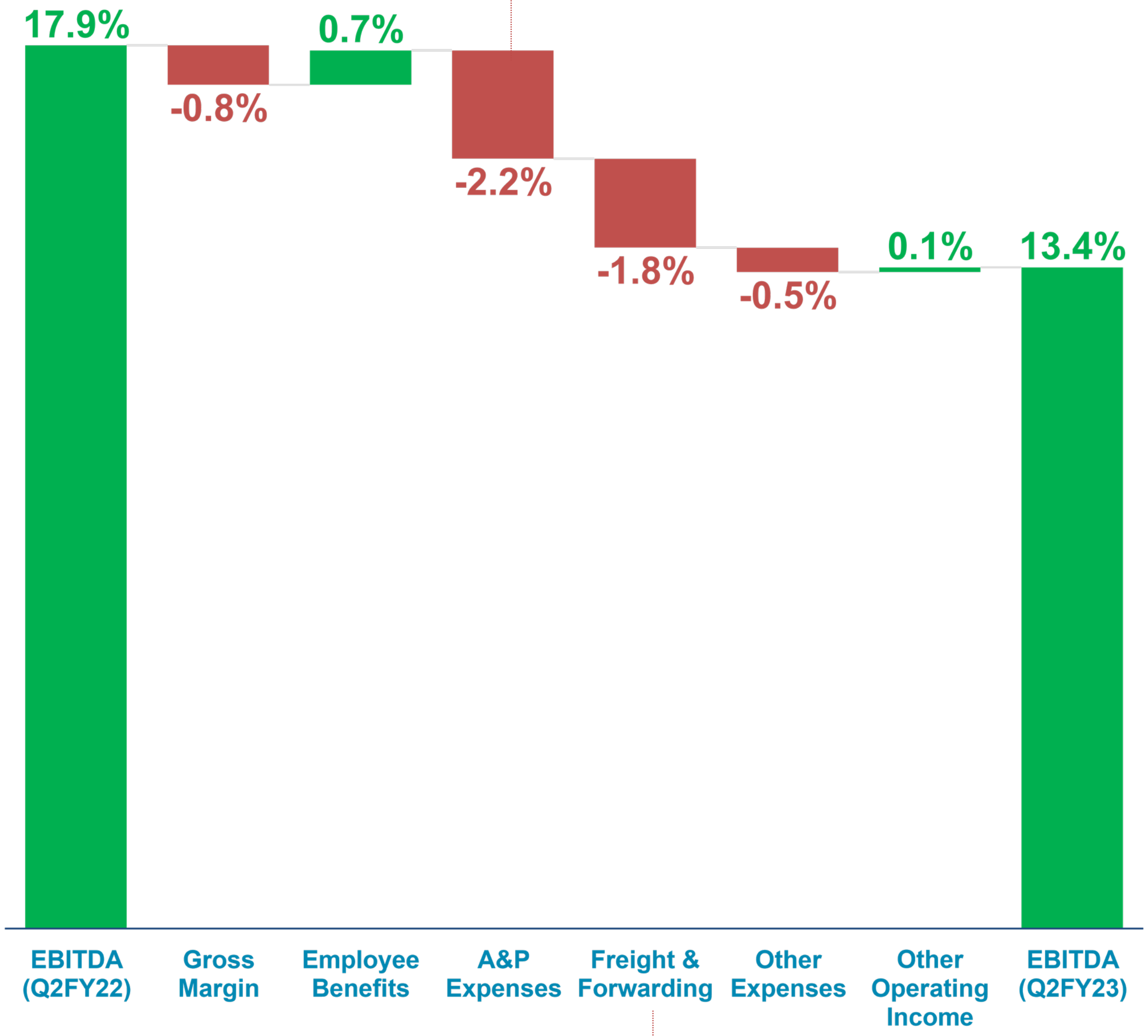
EBITDA



Profit After Tax

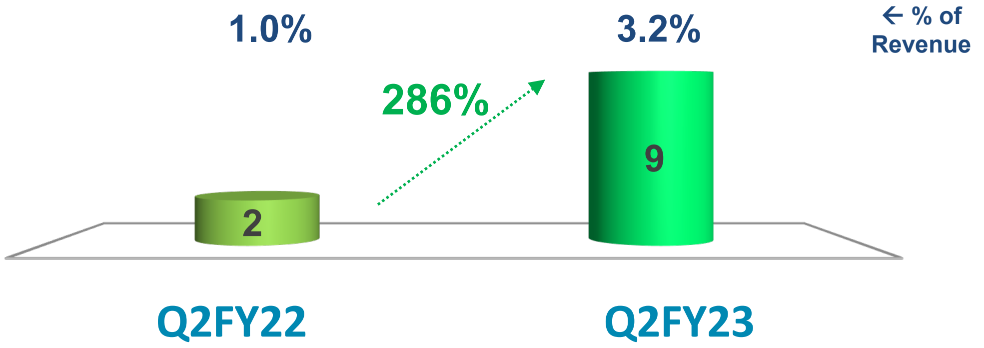


Consolidated : EBITDA Margin Movement



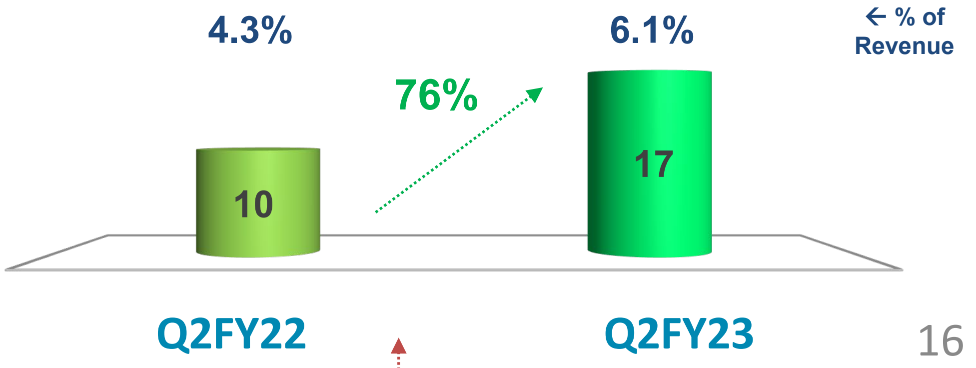
A&P Expenses

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

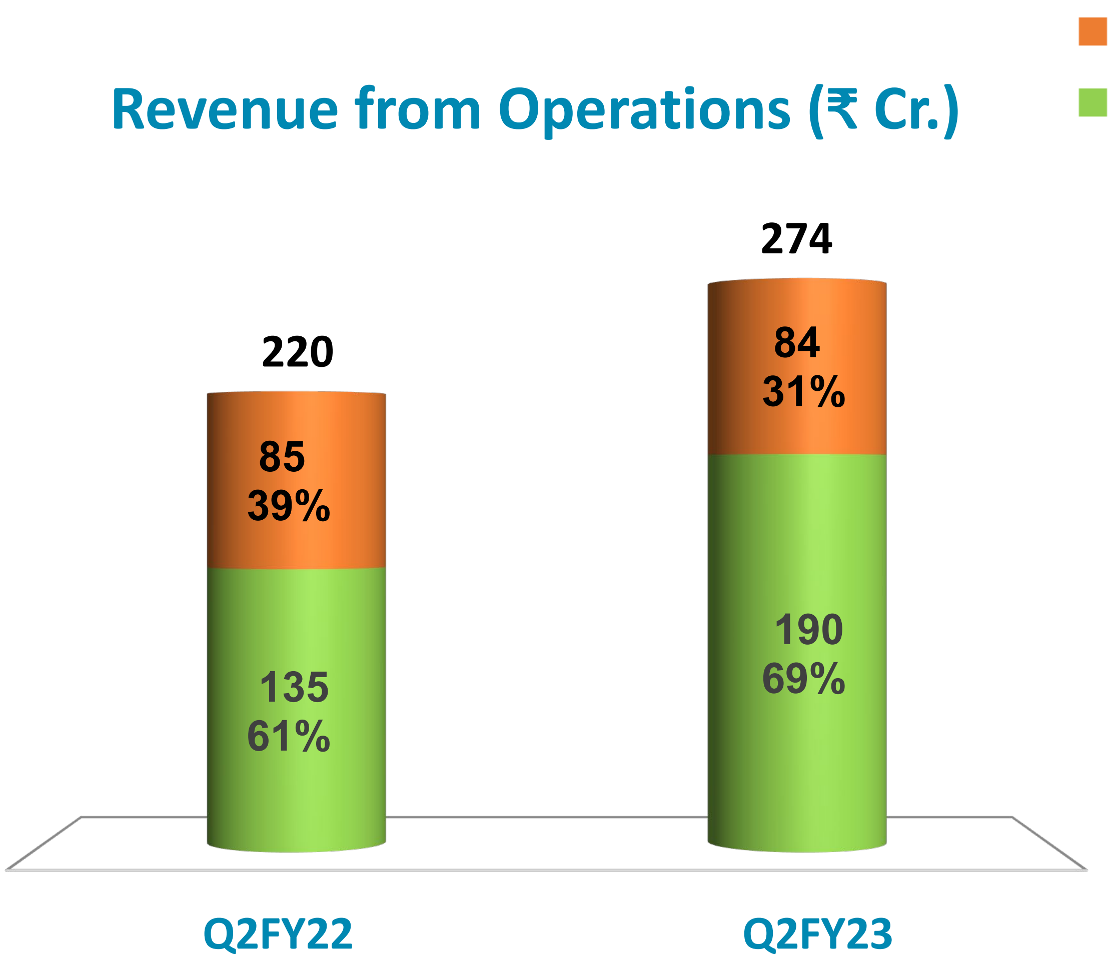


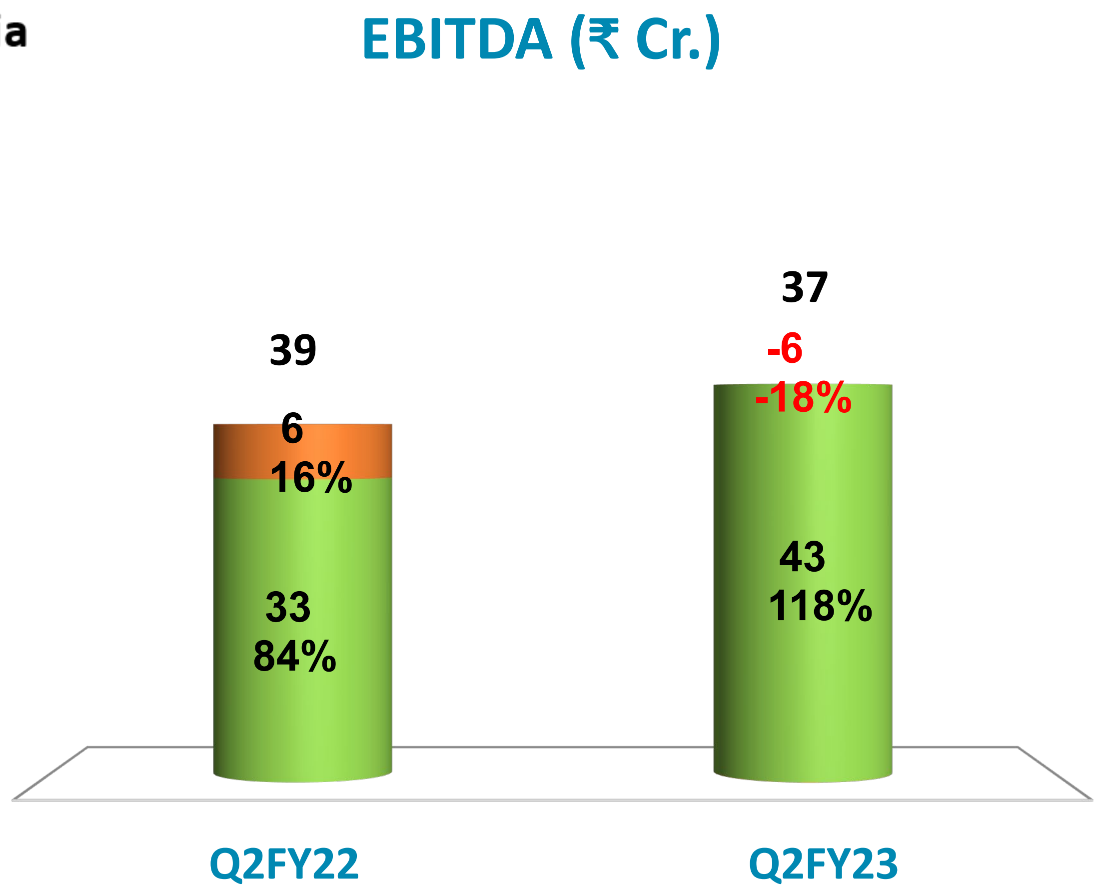
Freight & Forwarding Charges

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



Consolidated : Segment Breakup





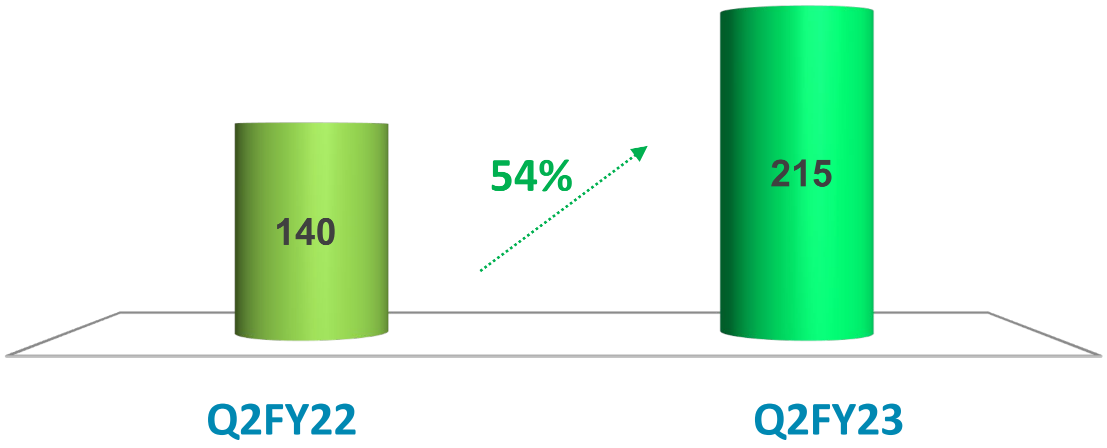
Consolidated : Key Financial Metrics

Monthly Avg. Capital Employed (Core Business)	Return on Capital Employed (Core Business)	Return on Net Worth
₹ 192 Cr.	18%	18%

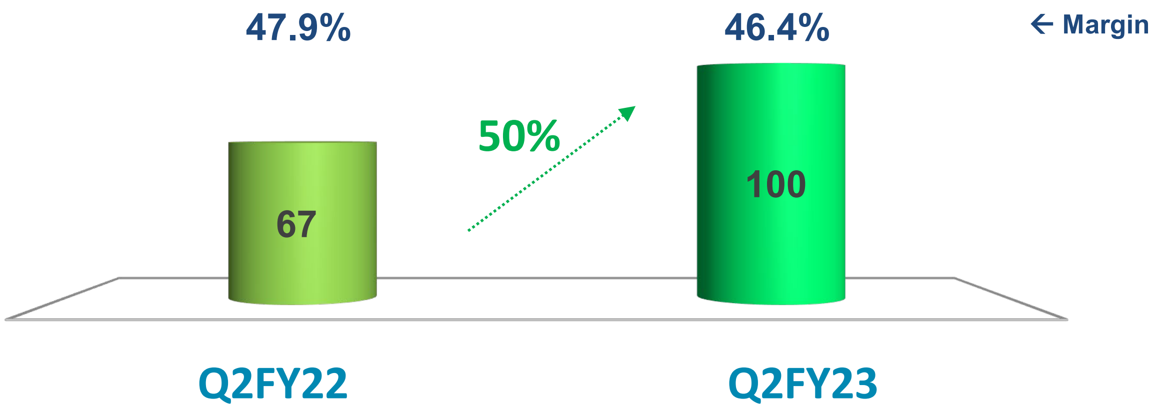
Q2FY23 – Standalone

Standalone Financials (₹ in Cr. & Margin %)

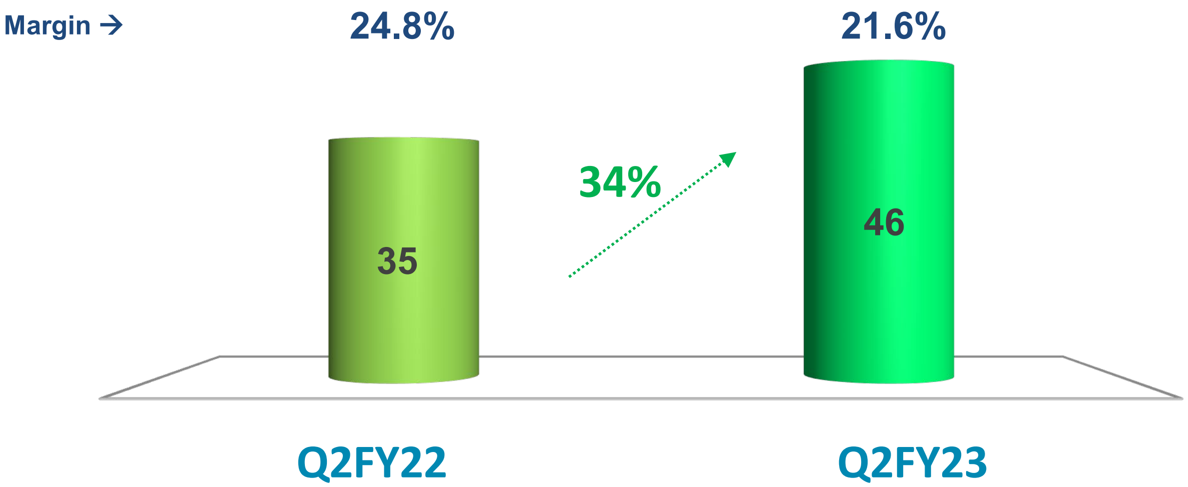
Revenue from Operations



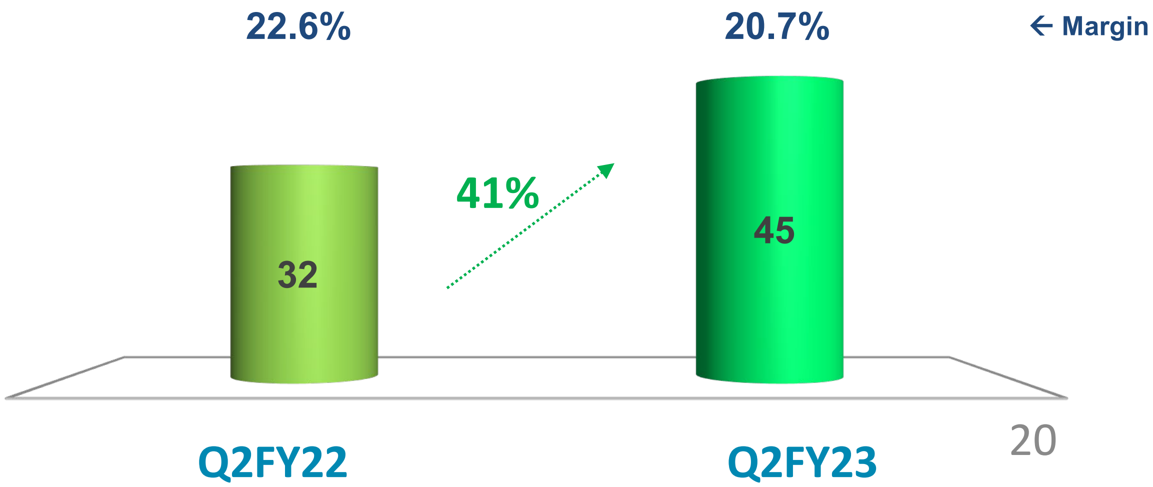
Gross Margin



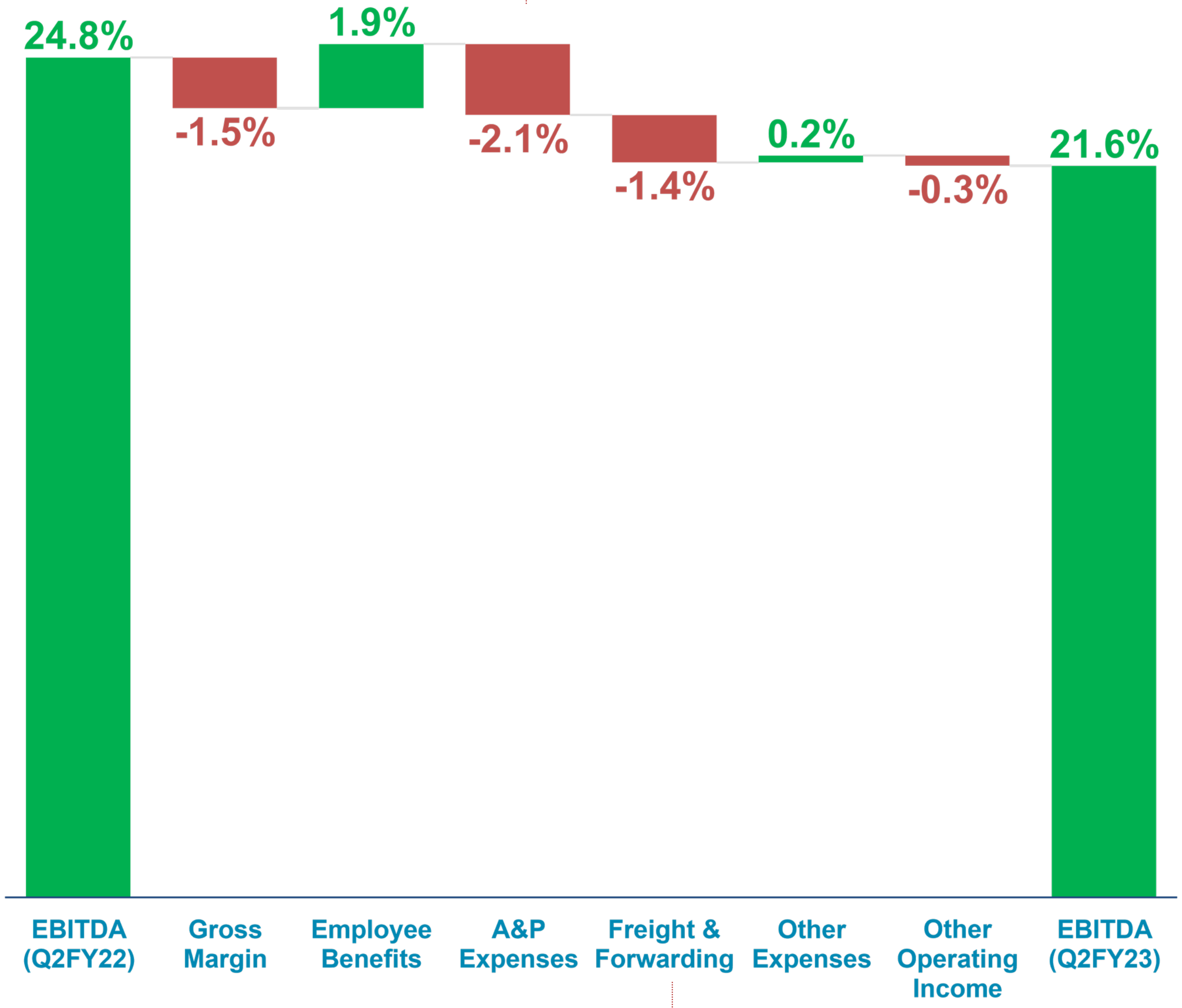
EBITDA



Profit After Tax

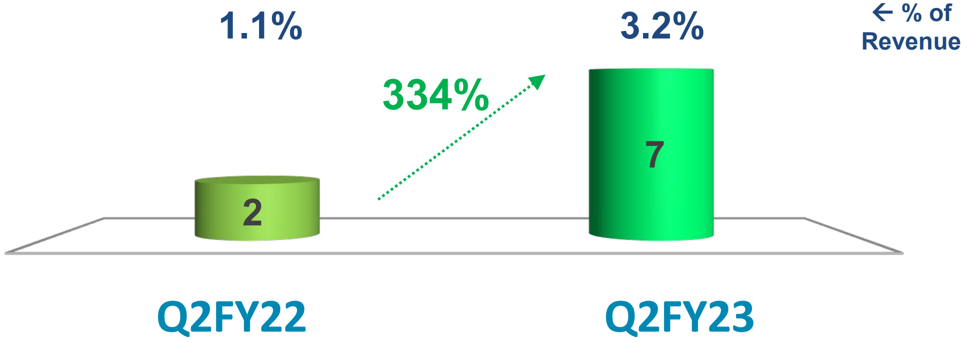


Standalone : EBITDA Margin Movement



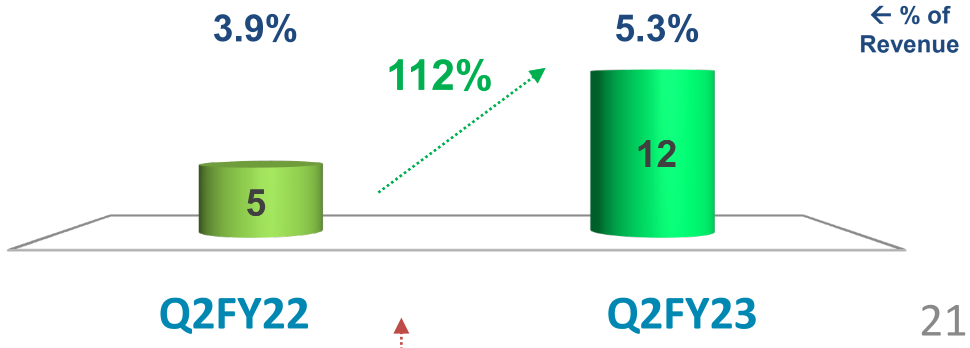
A&P Expenses

- 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*

Outlook

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

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

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