

Amber Enterprises India Ltd.

Performance Snapshot for H1 FY19

Revenue of Rs. 828 Crs

Gross Profit of Rs. 140 Crs

PAT Of Rs. 27 Crs

Investor Release: 1st November 2018, New Delhi

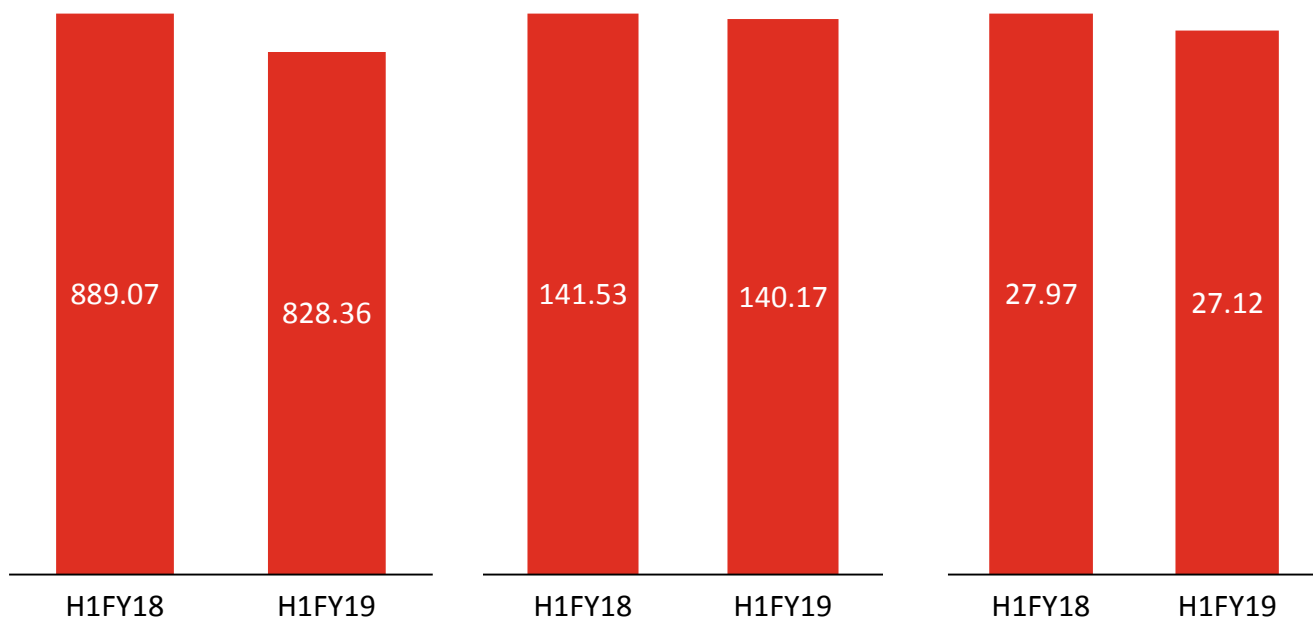
Amber Enterprises India Ltd. (AEIL) is a market leader in Indian Room Air Conditioner (RAC) and OEM/ODM industry has declared its Unaudited Financial Results for the quarter and half year ended September 30, 2018

Financials at a Glance:

Revenue (Rs. 828 Crs)

Gross Profit (Rs. 140 Crs)

PAT (Rs. 27 Crs)



With Strong Order Book and Revenue Visibility our full year outlook remains the same

Result Highlights (H1 FY19 Y-o-Y) :**Revenue of Rs. 828 Crs**

- The Company recorded Revenue of Rs. 828 crs during H1FY19, as against Rs. 889 crs in H1FY18 (adjusted for GST/Excise)
- Revenue from AC Components grew by 12% (Rs. 76 Crs) and Non AC Components grew by 19% (Rs. 137 Crs) on Y-o-Y basis.
- With strong order book and increased sales of AC & Non AC Components we expect the revenue picking up in H2FY19.

Gross Profit of Rs. 140 Crs

- Gross profit for H1FY19 stood at Rs. 140 crs as compared to Rs. 142 crs for H1FY18.
- Gross Profit margins stood at 16.9% up by 100 bps on Y-o-Y basis

Operating EBIDTA of Rs. 71 Crs & PAT of Rs. 27 Crs

- Operating EBIDTA for H1FY19 stood at Rs. 71 Crs and Operating EBIDTA margins were 8.6%
- PAT for H1FY19 stood at Rs. 27 crs. PAT margin grew by 13 bps as compared to H1FY18
- With new customer additions, increase in wallet share of existing customer, product expansion and increasing sales trend in Ac & Non AC Components we expect the margin improvement in the later half of the year.

Update on Custom Duty Increase

- The Government continues its thrust on promoting 'Make in India' and making the economy self-reliant with the recent custom duty increase from 10% to 20% on Air Conditioners.
- Q3FY19 started off on a positive note, since the inventory which was piled up in Q1FY19 was liquidated in Q2FY19 and the increase in customs duty has helped us gain additional traction from the brands to procure and manufacture domestically
- Increase in custom duty will increase procurement within India which were currently being imported. Since, Amber is the market leader in ODM/OEM segment of Indian Room AC segment with 11 manufacturing facilities strategically located in customer cluster we expect additional demand of RAC in the near future

Commenting on the results and performance, Mr. Jasbir Singh, Chairman & CEO of Amber Enterprises India Ltd said:

“We have observed 12% growth in our AC components segment and 19% growth in our Non AC components segment in H1FY19 on Y-o-Y basis. However due to Unseasonal rains and inventory pile up across brands in H1FY19 we have seen a muted growth for H1FY19 in terms of our AC volumes.

Despite the headwinds from the industry in the first half of the year, we are confident that the demand momentum will pick up in the second half on the back of the festive season and our outlook on the full year remains the same of outperforming the industry and delivering growth in volumes on annualized basis.

Also the recent custom duty hike on Air conditioners from 10% to 20% will help us gain additional demand from brands across various product categories. This will also help us increase the wallet share in the existing customer and cater to new customers thereby increasing our market share in outsourced Room AC Segment.

We would also like to say it is the Company’s enduring commitment to outperform its own and the market expectations, while transforming Top-line growth into healthy Bottom-line results through our three-pillar strategy of Product Expansion, Customer Expansion and Geography Expansion by way of R&D and Excellence in Execution (i.e. Capacity Utilisation & Better Process).

Moving forward, we also reiterate our confidence in our ability to sustain Company’s delivery of outstanding shareowner value.”

About Amber Enterprises India Limited

AEIL was incorporated in 1990 and is a market leader in Indian Room Air Conditioner (RAC) and OEM/ODM industry. The Company has diversified portfolio which includes RAC's, RAC's Components and non AC components. The Company has 12 manufacturing facilities across 7 locations in India, strategically located close to customers enabling faster turnaround.

The company has 55.4% market share of outsourced domestic OEM/ODM & 19.1% market share of overall RAC volumes in India in FY17 based on Frost & Sullivan Reports. The company serves 8 out of 10 RAC brands in India and ~75% of market share of India RAC is commanded by company's customers.

Safe Harbor Statement

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

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