

Q1

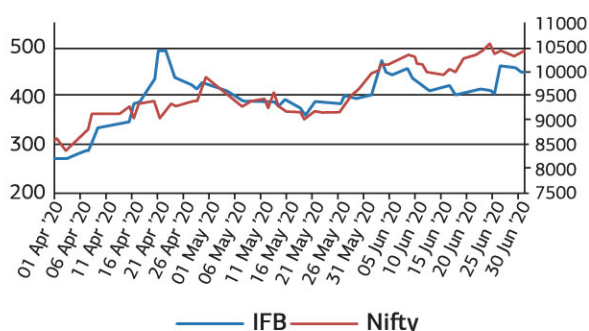
Financial Report

Quarter Ended 30th June 2020



FINANCIAL HIGHLIGHTS (Standalone)

	Q1 ('20-'21)
Total Income	₹282.67 crore
EBDITA	₹(-)29.14 crore
EBDITA Margin	(-)10.3%
EPS	₹(-)10.60
RONW (for the Quarter)	(-)8.6%
ROCE (for the Quarter)	(-)8.6%
Market Capitalisation (As on 30.06.20/NSE)	₹1,681.16 crore
Cash & Bank Balances (Including Current Investment)	₹332.25 crore
Enterprise Value (EV) (As on 30.06.20)	₹1,630 crore
EV/EBDITA	(-)14



IFB vs Nifty—Daily Price Movement Chart

IFB Industries Limited's operations consist of three divisions, Fine Blanking, Appliances and Motor. IFB Industries Limited, originally known as Indian Fine Blank Limited, started its operations in India in 1974 in collaboration with Heinrich Schmid AG of Switzerland. The Company's product range includes fine blanked components, tools and related machine tools.

The Appliances Division began operations in 1989 and has its manufacturing facilities

in Goa. It also imports and markets some of its products from other countries. An air conditioner factory in Goa commenced operations on 17 March, 2020

The Fine Blanking Division has two manufacturing facilities, one each at Kolkata and Bengaluru.

In addition, IFB has manufactured motors for its washing machines for the last three decades. In 2019–20, the Company acquired Automotive Motor business and merged it with the Appliances Motor Division for synergy in operations. The combined entity will develop next generation platforms in areas of BLDC technology for appliances and also manufacturing motors for EV etc.

The Company also acquired the Stamping Division of IFB Automotive Ltd, on a going concern basis, on 1 October, 2019. The objective behind the acquisition was synergy in business with our Fine Blanking Division.

Financial Review

Profit and Loss

Quarter Ended June 2020

The Company has reported a total income of ₹282.67 crore, a degrowth of 58.2% over the corresponding Quarter of the previous year.

The EBDITA margin stood at (-)10.3% during the 1st Quarter of 2020–21 as against 4.6% during the corresponding period of the previous year, mainly due to a drop in sales as a result of the COVID-19 pandemic.

Balance Sheet

As on 30 June, 2020, our Cash and Bank Balances (including investment in Mutual Funds) were as follows:

Cash and Bank Balance	₹131.96 crore
Capital Gain Deposits	₹19.42 crore
Investments in Mutual Fund	₹180.87 crore
Total	₹332.25 crore

The amount of ₹332.25 crore as stated above has increased from ₹274.01 crore as on 31 March, 2020.

The Company has outstanding ECB borrowing amounting to ₹141.6 crore (\$20 million), which was taken for the Air Conditioner Project and a term borrowing of ₹105.63 crore pertaining to the Fine Blanking and Stamping Divisions. It also has buyer's credit liability of ₹34.24 crore (which will be settled by next year). We have a total borrowing of ₹281.47 crore. Hence, the Company is debt free on a net basis as on 30 June, 2020.

Outlook

The rupee is expected to remain at the current level over the short term, with a likely negative bias. As shared earlier, there has been minimal impact on washers and clothes dryers as the localisation programme in these categories was completed as detailed in previous newsletters. Localisation has been completed in the air conditioner category as well and the import percentage will drop significantly by the 4th Quarter of the current fiscal.

On account of the pandemic, both 2-wheeler and 4-wheeler OEMs were shut down from the third week of March till the end of May. The OEMs began opening their plants in June, after



sanitisation, with greatly reduced manpower. This led to very low production numbers as most of the dealers did not become fully operational due to lockdowns in individual states.

The Fine Blanking Division was also shut down from the end of March and as a result there were no sales in April and May. The sales in June were also very low.

The Appliances Division

The Division's range of products covers both domestic appliances and industrial applications categories. These are domestic and industrial washing machines, special commercial laundry equipment for dry cleaning and other finishing equipment (like ironers and others), microwave ovens, domestic and industrial dishwashers, domestic and industrial clothes dryers, modular kitchens, kitchen appliances (hobs, chimneys and built-in ovens) and air conditioners.

The updates at the end of the 1st Quarter for each of the product categories are given below:

Washing Category

• Front Loads (Domestic Segment)

In the 1st Quarter, we have had supply chain issues, with the COVID-19 pandemic affecting both the supply chain and the manufacturing facility at Goa. The manufacturing is running at a lower capacity per shift and production has been spaced out across two shifts in order to ensure social distancing.

We expect manufacturing and supply chain stress to remain in place for the next few months. Demand has been high and currently we are running short of demand.

In the front load category, a washer dryer platform will be introduced in the 3rd Quarter of this fiscal. A washer range, with the technology to significantly reduce/eliminate water usage during the clothes cleaning process, will also be tested and introduced this year, for both the domestic and industrial ranges. The Company has also completed the initial development of statutory labelling for energy efficiencies (which were already

introduced in the market ahead of the norms being formally notified), deployment of AI and IoT capabilities, including app-based controls, from the 4th Quarter of the last fiscal. A new model, which is India's first fully voice and app controlled front load, has already been introduced in the market and has received highly positive reviews.

• Top Loads (Domestic Segment)

The demand vs supply situation is the same in the top load category as it is in the front load category and we are short in fulfilling demand. The initial response to the introduction of a new 6.5 Kg machine has been good and we expect the new model to add volumes and market share for the Company. The key task for the fiscal is to expand the placement of the top load range and also drive the new model introduction to generate volumes. In this category also, new models with better user interfaces, capacities and price points, will be introduced in the market from the 3rd Quarter onwards.

• Clothes Dryers and Dishwashers (Domestic Segment)

Both the clothes dryer and dishwasher segments have seen an increase in demand over the lockdown period. We have large



backlogs in both categories. In dishwashers, we have increased the order pipeline by 7–8 times, against orders and forecasts received from the market. The Company expects that, in the medium term, demand for these categories will remain healthy. In these categories, we will also launch new models with better user interfaces and designs this fiscal.

• Dishwashing and Laundry Equipment (Industrial Segment)

IFB covers the full range in the categories of glass washers, under counter dishwashers as well as hood type and rack conveyor type dishwashing equipment. The Company has a dominant market share across all the customer segments, including defence establishments, restaurants, bars, large institutions, hotels, ships etc.

The Company's range of industrial laundry equipment (up to high level capacities of ~400 Kg) is completely manufactured within India. The range includes a competitively priced spectrum of dryers, ironers, finishing equipment for clothing, including suits, special silk wear etc.

The order pipelines have greatly reduced over the last Quarter as a result of the outbreak of the pandemic.

Kitchen Appliances

• Microwave Ovens

IFB continues to be amongst the top three players in this category, with a market share of ~24% as on date. The demand for this category has also increased during the lockdown period. The key aim for the fiscal is to address new model introductions, including models with new technologies for automating and improving the cooking process. The Company is actively driving implementation of new technologies in the areas of steaming, grilling and baking. IFB's aesthetics and also its unique 'Oil Free Cooking' technology continue to be USPs in the market.

• Modular Kitchens

We are expanding the kitchen format presence in Goa and Bangalore by adding another ~5 outlets by the end of the

2nd Quarter. The new design format combines the modular kitchens with appliances and is a part of the expansion of the 5 outlets mentioned. The Company has also identified ~100 additional existing exclusive stores, which can incorporate the new design format. Of these, ~25 stores will be re-formatted additionally in the fiscal, once the 5 stores underway are completed.

The IFB design offering for this category is of a uniquely high quality. The products with various storage modules are well priced and include attractive EMIs and an enabling range of accessories for the various storage modules.

• Built-in Ovens, Chimneys and Hobs

The market placements in this category are in ~950 stores across the country as on date. These include the displays in the ~535 current IFB Points. The IFB Points account for ~55% of sales in this category. The Company will continue to invest in full range product displays for an increased presence across customer channels. The key focus, as shared earlier, is on marketing this range to IFB's own customer base through the IFB Points and digital media. This is the marketing work that the Company will focus on in the 2nd and 3rd Quarters of this fiscal.

In the 4th Quarter of the last fiscal, the Company introduced baffle filters as well as an auto-cleaning feature in its chimneys, both of which are in line with current market needs.



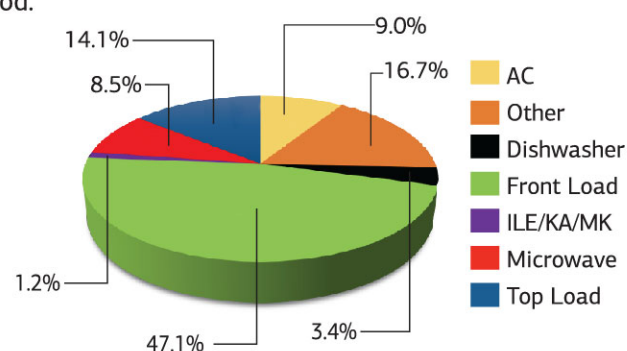
Cooling Category**• Air Conditioners**

In this category, production has started in the new facility. We are currently running at partial capacity, however, due to COVID-19 related issues and protocols. The new range has been well accepted in the counters where placements have happened. Performance and customer experience feedback are very good.

The 2nd and 3rd Quarter periods will be used to expand placements across all of IFB's counters and set the base for the season ahead. Work is also ongoing on projects for reduction of import content, for example in the case of electronics, as these are to be completed by December 2020.

For the Quarter ended 30 June, 2020

The Appliances Division reported net revenues from operations of ₹249.29 crore for the Quarter ended 30 June, 2020, a degrowth of 55.9% as compared to the same period of the previous year.

QTR Product-wise Spread in Home Appliances Division**Summarised financial performance of the Appliances Division**

(₹ in crore)

	Q1 ('20-'21)	Q1 ('19-'20)
Revenue from Operations	249.29	565.52
EBDITA	(17.48)	23.21
EBDITA % on Revenue	(7.0)	4.1
EBIT	(35.29)	12.73
EBIT % on Revenue	(14.2)	2.3
Capital Employed	247.19	376.37
ROCE (for the Quarter) %	(14.3)	3.4

Fine Blanking Division

The Fine Blanking Division mainly caters to the automobile sector, both 2-wheeler, 4-wheeler and commercial vehicle segments. The commercial vehicle segment has struggled with sales over the last fiscal. The downturn continued during the Quarter as well.

The revenue of the FBD (excluding AFM Division) is as under

(₹ in crore)

	Q1 ('20-'21)	Q1 ('19-'20)
Revenue from Operations	22.76	102.83

Revenue from Operations for the Quarter reported at ₹22.76 crore as compared to ₹102.83 crore for the corresponding period of the previous year.

The revenue of the AFM Division is as under

(₹ in crore)

	Q1 ('20-'21)	Q1 ('19-'20)
Revenue from Operations	6.51	7.61

The After Market Vertical achieved revenue from operations of ₹6.51 crore in the 1st Quarter, a degrowth of 14.5% as compared to the corresponding period of the previous year, due to a substantial dip in customer demand due to lockdown etc.

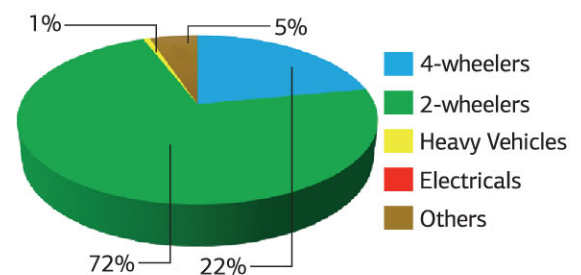
Summarised financial performance of the FBD (including AFM Division)

(₹ in crore)

	Q1 ('20-'21)	Q1 ('19-'20)
Revenue from Operations	28.37	110.44
EBDITA	(7.91)	14.25
EBDITA % on Revenue	(27.9)	12.9
EBIT	(12.48)	9.21
EBIT % on Revenue	(44.0)	8.3
Capital Employed	167.47	178.55
ROCE (for the Quarter) %	(7.5)	5.2

The Fine Blanking Division, including the After Market (AFM) Division, has reported a revenue of ₹28.37 crore in the 1st Quarter of the current year, as compared to ₹110.44 crore for the corresponding period of previous year.

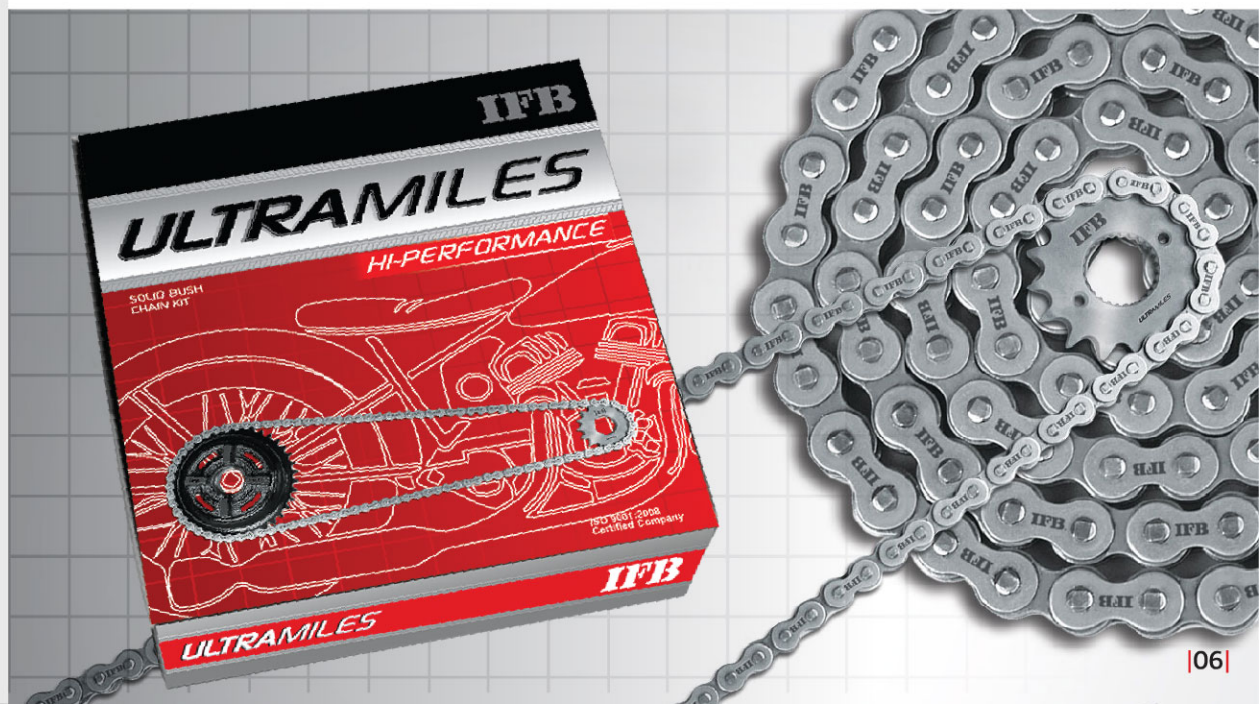
Segment-wise Sales Q1 2020-21



Future Outlook & Strategy

The automotive sector is expected to have a difficult time ahead on account of the COVID-19 pandemic for at least two Quarters.

- The passenger car segment will be badly hit. The SUV and high-end car segments will see a slowdown in sales. The low-end car segment will have significant sales as buyers will look forward to owning cars rather than relying on shared mobility.
- IFB had 4-wheeler sales of ₹3.62 crore with a segmental percentage of 21.6% of total sales in the 1st Quarter.
- The sales of 2-wheeler are expected to have a spurt in demand within the next 1–2 months, which may continue for the next 6–8 months. IFB had 2-wheeler sales of ₹12.08 crore with a segmental percentage of 72.61% in the 1st Quarter.



INCOME STATEMENT

QTR (₹ in crore)

	30 Jun, '20	30 Jun, '19
Total Sale of Products	332.62	834.77
Less: Trade Scheme and Discounts	73.64	189.54
Net Sales	258.98	645.23
Sale of Services	18.07	20.56
Other Operating Revenues	2.35	8.87
Revenue from Operations	279.40	674.66
Other Income	3.27	2.12
Total Income	282.67	676.78
EBDITA	(29.14)	31.36
EBDITA Margin (%)	(10.3)	4.6
Depreciation and Amortisation Expense	22.68	15.54
Finance Costs	7.85	1.71
Profit Before Tax	(59.67)	14.11
Profit After Tax	(42.97)	10.32
PAT Margin (%)	(15.2)	1.5
Total Comprehensive Income (TCI)	(44.20)	9.24
Total TCI Margin (%)	(15.6)	1.4
No of Shares (In crore)	4.05	4.05
Earnings Per Share (In ₹) (Not annualised)	(10.60)	2.55

BALANCE SHEET

(₹ in crore)

	30 Jun, '20	30 Jun, '19
ASSETS		
I NON-CURRENT ASSETS		
Property, Plant and Equipment	442.29	271.62
Capital Work-in-progress	13.88	17.51
Investment Property	0.11	0.11
Intangible Assets (Including Goodwill and Right of Use Assets)	122.61	49.39
Intangible Assets under Development	0.83	7.04
Financial Assets		
— Investments	33.60	33.60
— Loans	0.40	0.56
— Others	13.87	11.11
Income Tax Assets (Net)	34.45	9.30
Other Non-current Assets	42.12	49.45
II CURRENT ASSETS		
Inventories	291.53	376.11
Financial Assets		
— Investments	180.87	63.96
— Trade Receivables	136.90	237.88
— Cash And Cash Equivalents	100.32	63.56
— Other Bank Balance	50.69	20.74
— Loans	0.41	0.56
— Others	11.93	1.53
Other Current Assets	71.54	54.00
Total Assets	1,548.35	1,268.03
EQUITY AND LIABILITIES		
I EQUITY		
Equity Share Capital	41.28	41.28
Other Equity	561.82	588.61
II LIABILITIES		
NON-CURRENT LIABILITIES		
Financial Liabilities		
— Borrowings	246.69	0.63
— Other Financial Liabilities	30.71	8.41
Provisions	71.36	59.86
Deferred Tax Liabilities (Net)	6.85	6.75
Other Non-current Liabilities	13.72	9.83
CURRENT LIABILITIES		
Financial Liabilities		
— Borrowings	34.24	62.71
— Trade Payables	402.35	391.54
— Other Financial Liabilities	58.23	19.18
Other Current Liabilities	77.68	74.77
Provisions	3.42	4.46
Total Equity and Liabilities	1,548.35	1,268.03

KEY RATIOS

	QTR	
	30 Jun, '20	31 Mar, '20
Earnings Per Share (In ₹) (Not annualised)	(10.60)	(4.51)
Book Value Per Share (In ₹)	148.91	159.83
Current Ratio#	1.47	1.57
Quick Ratio#	0.96	0.93
EBDITA (Before Exceptional Gain)/Total Income (%)	(10.3)	1.2
Net Profit Margin (%) (Before Exceptional Gain)	(15.2)	(3.7)
Net Worth (₹ in crore)	497	541
RONW (%) Annualised (on PAT Excluding Exceptional Gain)	(8.60)	(3.40)
Return on Capital Employed (%) (on EBIT Excluding Exceptional Gain)	(8.60)	(5.50)
No of Equity Shares (In crore)	4.05	4.05
Closing Market Price on Period End	415.10	256.50
Market Capitalisation (₹ in crore)	1,681.16	1,038.83
Head Count (Numbers)	2,324	2,322
Total Income Per Employee (₹ in lakh)	12.16	21.10
PBT Per Employee (₹ in lakh)	(2.57)	(1.91)
Fixed Asset Turnover Ratio	1.91	3.35
Days Sundry Debtors Outstanding	36	29
Inventory Holding (In days)	80	58

Includes Current Investments, Short-term Working Capital Loans and Current Maturities

CASH FLOW STATEMENT FOR THE PERIOD ENDED

QTR (₹ in crore)

	30 Jun, '20	30 Jun, '19
(A) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	(59.67)	14.12
Adjustments for:		
Depreciation and Amortisation Expense	22.68	15.54
Write Off of Property, Plant and Equipment	—	0.01
Write Off of Debts/Advances	—	0.01
Allowance for Doubtful Debts and Advances	0.03	—
Dividend from Investments in Mutual Fund	(0.19)	(0.50)
Net (Gain)/Loss on Disposal of Mutual Funds Measured at Fair Value Through Statement of Profit and Loss (FVTPL)	(0.16)	0.01
Write Back of Liabilities No Longer Required	(0.13)	—
Interest Income on Financial Assets	(1.26)	(0.81)
Net (Gain)/Loss Arising on Mutual Funds Measured at FVTPL	(1.58)	0.10
Net (Gain)/Loss arising on Derivative Instruments Measured at FVTPL	2.17	(0.29)
Finance Costs	7.85	1.71
Operating Profit/(Loss) Before Working Capital Changes	(30.26)	29.90
Movement in Working Capital	111.29	(35.43)
Cash Generated from/(Used in) Operations	81.03	(5.53)
Income Taxes Paid (Net of Refunds)	0.04	(3.34)
Net Cash Generated From/(Used in) Operating Activities	81.07	(8.87)
(B) CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant, Equipment and Intangibles (Net)	(19.92)	(20.70)
Purchase of Current Investments (Net)	(26.14)	(36.32)
(Increase)/Decrease in Other Bank Balances	(31.26)	3.75
Income on Financial Assets	1.25	0.82
Net Cash Used in Investing Activities	(76.07)	(52.45)
(C) CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Borrowings (Net)	5.98	56.80
Lease Rent Paid	(4.85)	(0.52)
Financial Costs	(7.21)	(1.79)
Net Cash Generated/(Used in) Financing Activities	(6.08)	54.49
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)	(1.08)	(6.83)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	101.40	70.39
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	100.32	63.56

FINANCIAL HIGHLIGHTS (CONSOLIDATED)

(₹ in crore)

	Q1 ('20-'21)	Q1('19-'20)
Total Income	290.67	699.63
EBDITA	(30.97)	31.71
Profit Before Tax	(62.67)	13.26
Profit After Tax—Owners	(45.00)	10.06
Profit After Tax—Non-controlling Interest	(0.98)	(0.48)
Earnings Per Share ₹ (Not Annualised)	(11.11)	2.48
Cash & Equivalents	103.5	66.79

IFB Industries Limited, the Holding Company, has a subsidiary Trishan Metals Private Limited (TMPL), a wholly owned subsidiary Global Automotive & Appliances Pte Ltd (GAAL) and a step-down subsidiary Thai Automotive and Appliances Limited (TAAL)

Trishan Metals Private Limited

IFB Industries Limited holds 51.12% equity shares of TMPL, which were acquired on 11 July, 2016, which is engaged in manufacturing CRCA.

Revenue from Operations for the Quarter has decreased by around 89% as compared to the corresponding period of the previous year (₹2.60 crore vs ₹23.75 crore). Revenue was badly impacted due to nationwide lockdown. However from the 2nd Quarter onwards, the situation is likely to improve.

Margins were also impacted due to lower turnover. The unit has made a loss of ₹1.37 crore in the 1st Quarter as against ₹0.25 crore in the corresponding period of the previous year (at PBDIT level).

Global Automotive & Appliances Pte Ltd (GAAL) and Thai Automotive and Appliances Limited

GAAL continued its operations for sourcing and supply of electronic components. This is its third year of operation and during the 1st Quarter GAAL achieved a total revenue of \$0.13 million, which is a decline of 57% compared to same period of the last year. During the Quarter, GAAL made a loss of \$0.03 million, mainly due to low sales as result of the outbreak of the pandemic. As reported earlier, IFB Industries Limited holds 100% equity shares of GAAL, which in turn holds 100% in TAAL. We are hopeful of a recovery in business from 2nd Quarter onwards.

TAAL has targeted THB 240 million orders from OEMs in Thailand, which will go into mass production in this fiscal. The Company has completed an expansion of its manufacturing facilities. During the Quarter, TAAL achieved a total revenue of THB 24.78 million, which is a decline of sales by 38% compared to same period of the last year. During the Quarter, TAAL made a loss of THB 3.56 million, mainly due to the outbreak of the pandemic, subsequent halt in economic activities and nationwide lockdown.

CONSOLIDATED INCOME STATEMENT

QTR (₹ in crore)

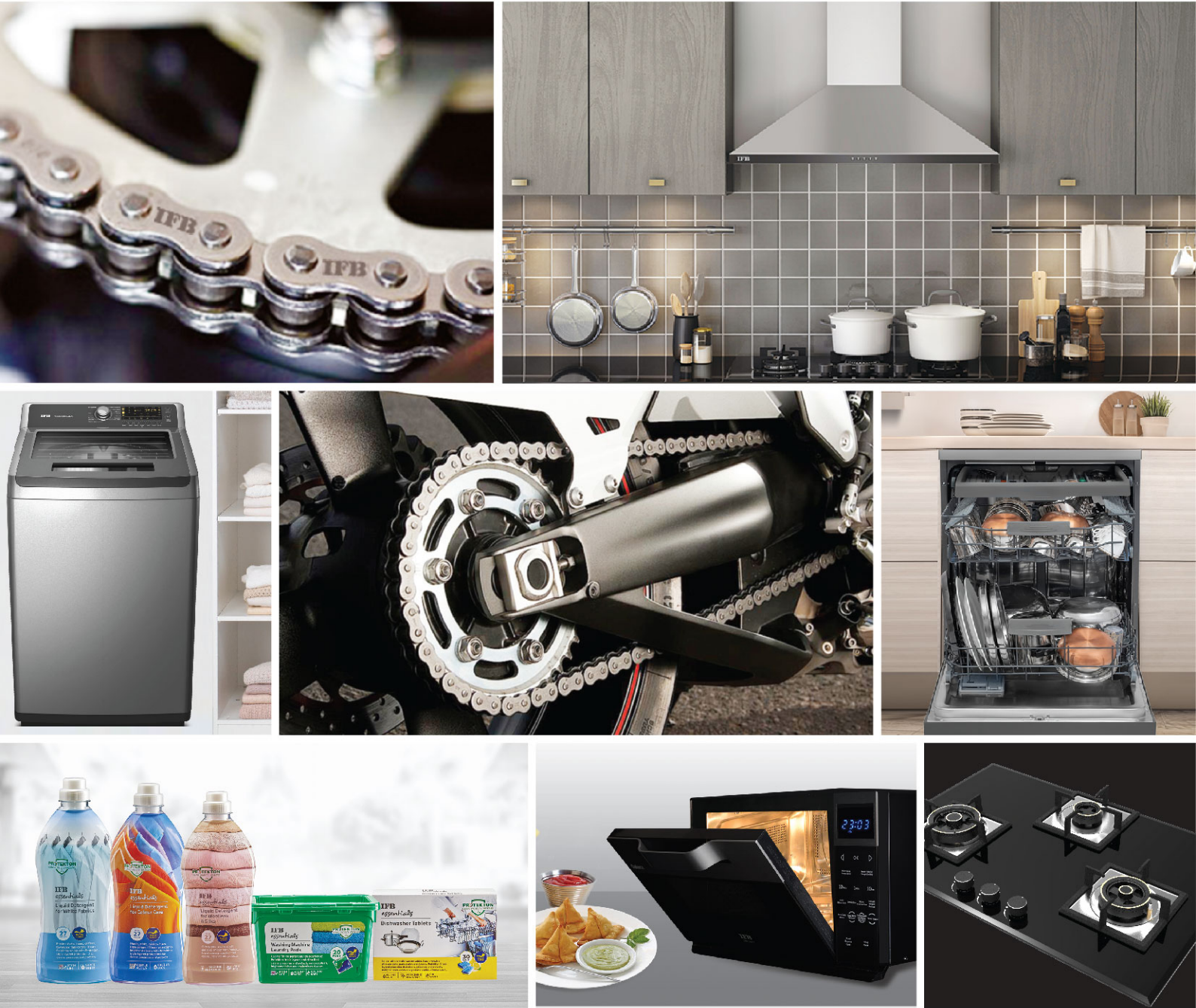
	30 Jun, '20	30 Jun, '19
Total Sale of Products	340.54	856.32
Less: Trade Scheme and Discounts	73.64	189.53
Net Sales	266.90	666.79
Sale of Services	17.96	20.47
Other Operating Revenues	2.53	10.26
Revenue From Operations	287.39	697.52
Other Income	3.28	2.11
Total Income	290.67	699.63
EBDITA Before Exceptional Items	(30.97)	31.71
EBDITA Margin (%)	(10.7)	4.5
EBDITA After Exceptional Items	(30.97)	31.71
Depreciation and Amortisation Expense	23.45	16.28
Finance Costs	8.25	2.17
Profit Before Tax	(62.67)	13.26
Profit After Tax	(45.98)	9.58
Attributable to Owners of the Parent	(45.00)	10.06
Attributable to Non-controlling Interest	(0.98)	(0.48)
Total Comprehensive Income (TCI)	(46.15)	9.07
Attributable to Owners of the Parent	(45.17)	9.55
Attributable to Non-controlling Interest	(0.98)	(0.48)
No of Shares (In crore)	4.05	4.05
Earnings Per Share (₹) (Not annualised)	(11.11)	2.48

CONSOLIDATED BALANCE SHEET

(₹ in crore)

	30 Jun, '20	31 Mar, '20
ASSETS		
NON-CURRENT ASSETS		
Property, Plant and Equipment	487.21	491.46
Capital Work-in-progress	16.26	8.87
Investment Property	0.11	0.11
Goodwill on Consolidation	23.80	23.81
Intangible Assets (Including Right of Use Assets)	109.14	109.22
Intangible Assets under Development	0.83	0.96
Financial Assets		
Loans	0.40	0.55
Others	14.30	23.97
Income Tax Assets (Net)	34.49	18.34
Other Non-current Assets	42.61	44.61
CURRENT ASSETS		
Inventories	301.78	383.38
Financial Assets		
Investments	180.87	152.80
Trade Receivables	150.16	204.54
Cash and Cash Equivalents	103.50	104.87
Other Bank Balances	51.27	20.23
Loans	0.41	0.55
Others	11.97	4.36
Other Current Assets	66.15	72.04
Total Assets	1,595.26	1,664.67
EQUITY AND LIABILITIES		
EQUITY		
Equity Share Capital	41.28	41.28
Other Equity	559.79	604.96
Non-controlling Interest	(0.58)	0.40
LIABILITIES		
NON-CURRENT LIABILITIES		
Financial Liabilities		
Borrowings	249.11	253.72
Other Financial Liabilities	41.14	44.39
Provisions	71.50	65.51
Deferred Tax Liabilities (Net)	10.11	11.29
Other Non-current Liabilities	13.88	16.69
CURRENT LIABILITIES		
Financial Liabilities		
Borrowings	43.42	35.15
Trade Payables	421.96	476.21
Other Financial Liabilities	60.00	37.49
Other Current Liabilities	80.17	73.30
Provisions	3.48	4.28
Total Equity And Liabilities	1,595.26	1,664.67

Thank You



Disclaimer

This presentation contains statements that reflect the Management’s current views and estimates and may be construed as forward-looking in nature. The future involves certain risks and uncertainties that may cause actual results to differ materially from the current views being expressed. Partial risks and uncertainties include such factors such as general economic conditions, commodity prices and currency fluctuations, competitive product and pricing pressures, industrial relations and regulatory developments.

OVER **6 MILLION** SATISFIED CUSTOMERS



Microwave Oven



Built in Oven



Dishwasher



Cooker Hood | Built in Hob



Top Load



Front Load



100% Clothes Dryer



Air Conditioner