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# The Leadership Company



# Leading Integrated Solution Provider for RAC...



Incorporated in 1990, Amber has emerged as a **market leader in Indian Room AC OEM/ODM industry**

**Comprehensive product portfolio** - Room AC, Reliable Critical Components with long approval cycle

**One of the Largest Manufacturer & Supplier** of critical components of RAC & other consumer durables like heat exchangers, PCB's, motors, sheet metal, case liner etc

**55.4%** market share in RAC OEM/ODM; **19.1%** market share in overall RAC market in India (FY17)\*

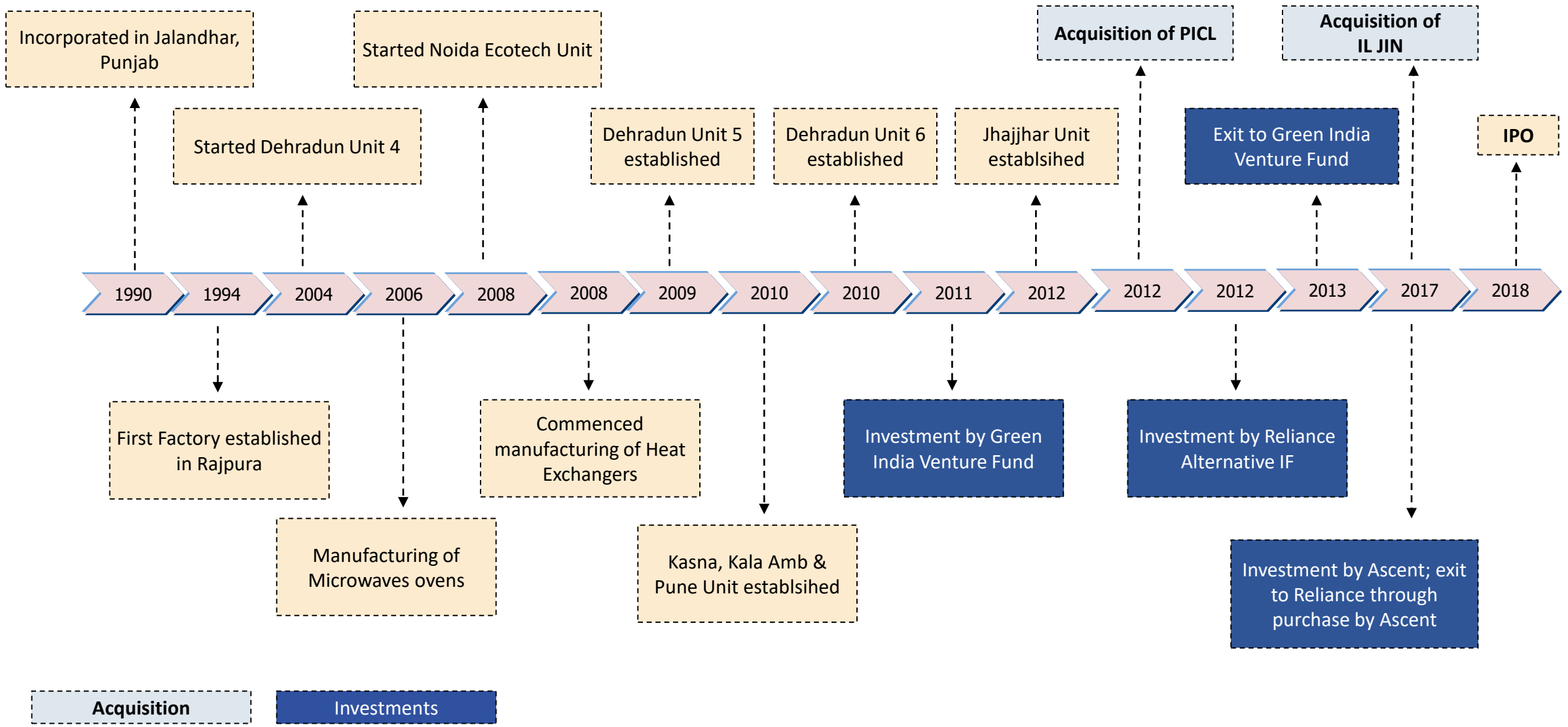
**High degree of backward integration and strong R&D capabilities**, resulting in high proportion of ODM

**Marquee customer base** - 8 out of top 10 RAC brands; serving majority of customers for over 5 years

**11 manufacturing facilities** strategically located close to customers, enabling faster turnaround

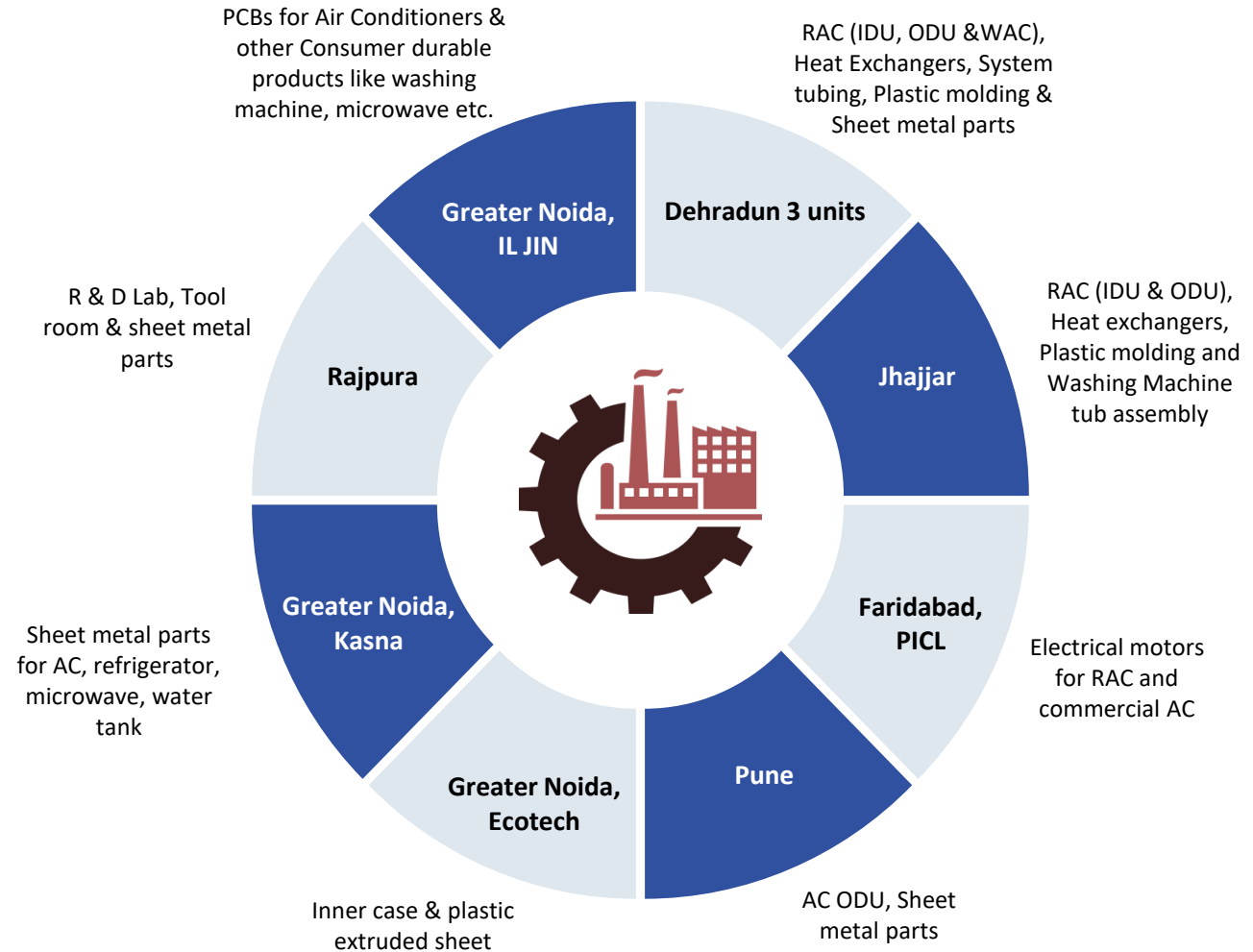
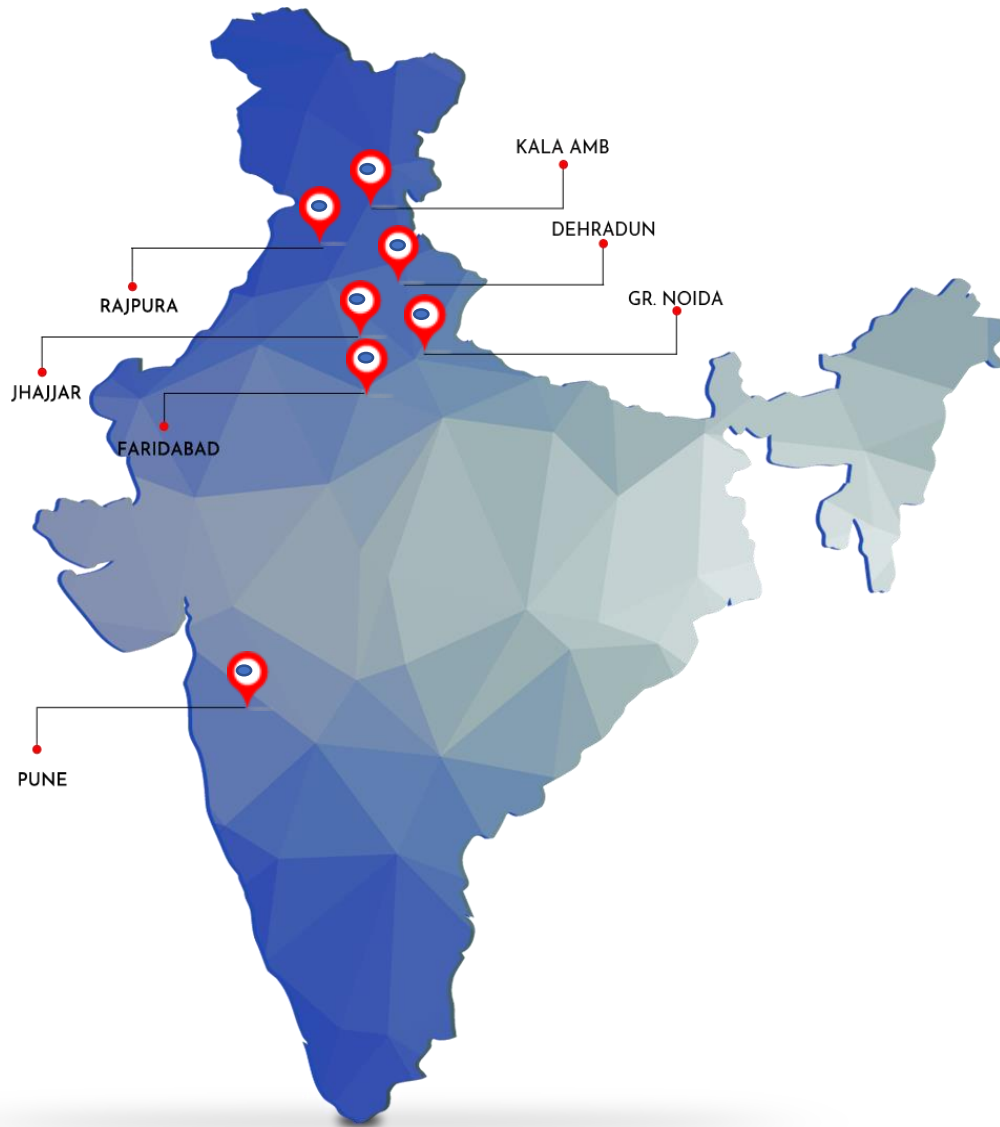
*\*Source: Frost & Sullivan Reports*

# ...with 3 decades of History





# Our facilities are Strategically located near Customers...



...having facilities across 7 locations



Dehradun Unit 4



Dehradun Unit 5



Dehradun Unit 6



IL JIN Unit



Jhajjar Unit



Ecotech Unit



Kasma Unit



Rajpura Unit



Pune Unit



PICL Unit

# Our Strategy that drives Leadership



Leadership Strategy				
Product Portfolio	Research & Development	Backward Integration	Economies of Scale	Customer Relationships
RAC (IDU, ODU & WAC) & Reliable & Critical Functional Components of RAC & other consumer durables	High focus on ODM through R&D initiative offers attractive value proposition to RAC	Enables Flexibility & Cost Competent Solutions	Justify investment of Capital, Time & Efforts	8 out of top 10 Marquee RAC Brands are our Customers
Longer Approval Cycle	24 employees strong R&D team equipped with latest tools & softwares	Entry into Newer Brands through Components	Cost Competitiveness and Better Profitability	Serving majority of customers for over 5 years

**55%**<sup>#</sup>

Market Share  
in  
RAC OEMs and ODMs

**19%**<sup>#</sup>

\*Market Share  
in  
Overall RAC Market in India

#Source: Frost & Sullivan Reports

\*In FY17



# Our Comprehensive Product Portfolio



## RAC

Split AC



## Energy Rating



## Capacity

1 ton  
1.5 ton  
2 ton  
Inverter AC (1, 1.5 & 2 ton)

Window AC



1 ton  
1.5 ton  
2 ton

## Components

Heat exchangers



Injection moulding



Multi flow condenser



Sheet metal components



Motor



System tubing



Printed circuit board



# We offer Critical and Reliable Functional Components...

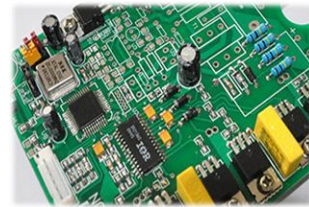


One of Largest Manufacturer and Supplier of Critical & Reliable Components in Room AC segment & other consumer durable products

## AC Components



Heat Exchangers



Printed Circuit Boards (PCB)



System Tubing



Sheet Metal Parts



Motors

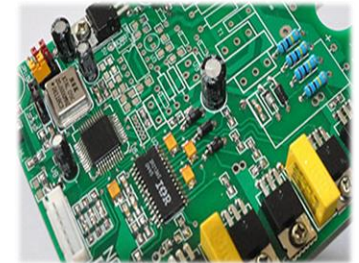


Injection Moulding

## Non AC Components



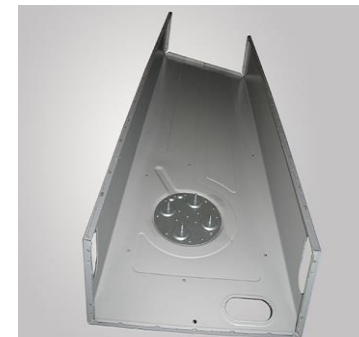
Washing Machine Tub



Printed Circuit Boards (PCB)



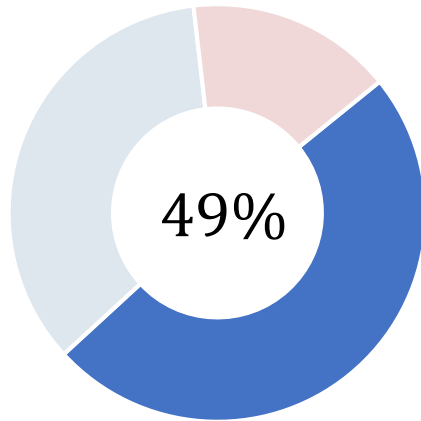
Case Liner & Plastic Extruded Sheets



Sheet Metal Parts

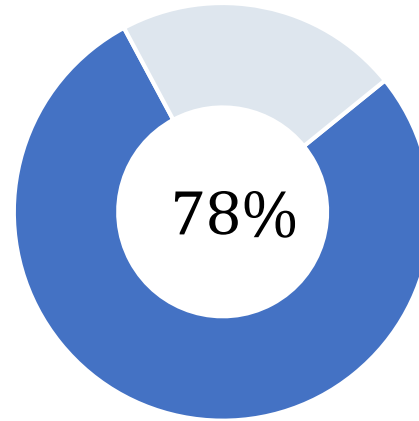
# ...High degree of Backward Integration....

Outdoor Units\*



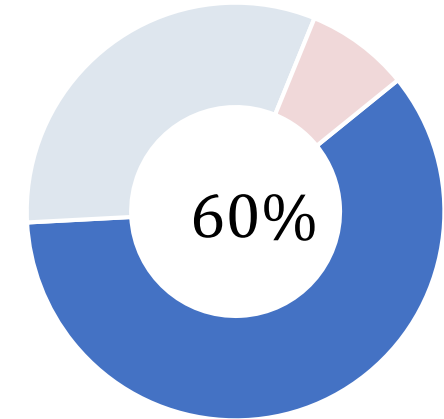
■ Amber ■ Compressors ■ Outsourced

Indoor Units



■ Amber ■ Outsourced

Window ACs



■ Amber ■ Compressors ■ Outsourced

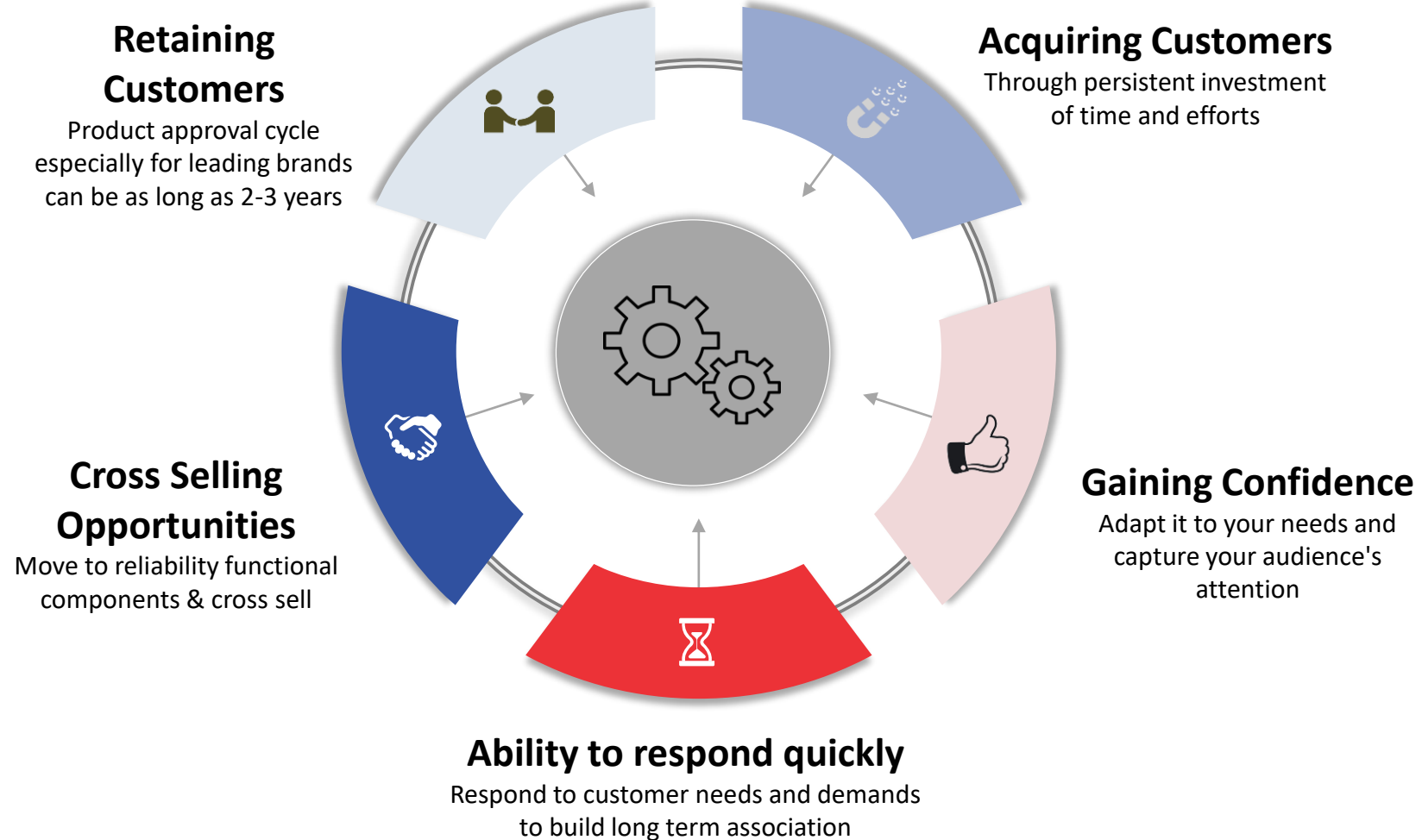
**Critical  
& Reliable  
Functional  
Components**

**Compressors  
are Largely  
Imported**

**Entry into New  
Brands through  
Components**

**Flexibility  
and  
Cost Control**

# Our Products have Huge Entry Barriers



Client **Approval** process : **2-3 yrs** & gradual **Ramp-up** process : **4-5 yrs**



## Certifications:

- Approved by Department of Scientific & Industrial Research (DSIR)
- Accredited by National Accreditation Board for Testing & Calibration Laboratories (NABL)



Drop Test

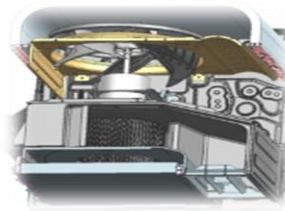


Product Reliability Test

## Facility

Facility located in Rajpura, Punjab has:

- 3-D CAD
- Psychometric lab
- Anechoic sound proof room
- Reliability test room
- PCB on-off test infra



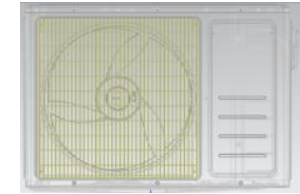
3D CAD Designing

## R&D Team includes

- 24 dedicated employees
- From engineering background
- Core team experienced in RAC manufacturing industry
- Area of expertise include energy efficient design, Inverter AC technology, various simulations, 3D designing etc.
- Focus on R&

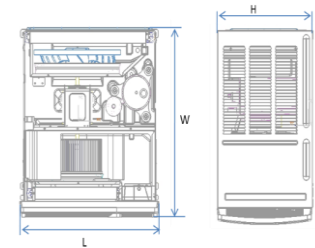
Software's such as 3D modeling, product life cycle management

Structure Design



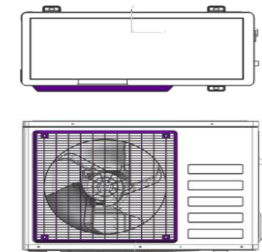
3D Design

Software Simulation



Design of a Window AC model

Cycle Balancing



Design of a Split AC model

# ...drive ODM business through our R&D capabilities

**Amber's R&D and product design capabilities**



**Leads to high Proportion of ODM business**



**Which in turn leads to better Profit Margins & Customer Stickiness**

**One of the few Indian manufacturers with the capability to design and manufacture Inverter ACs**



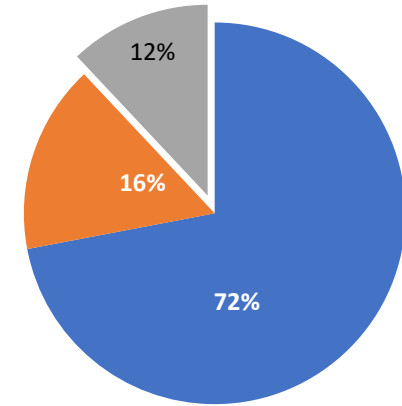
**R & D Facilities**



**Psychometric Lab**



**Amber designs & manufactures Inverter AC Models**



■ Split ■ Window ■ Inverter

**12% of the RAC market is Inverter AC\***

\*Source: Frost & Sullivan Reports

\*In FY17

# We are Serving Leadership in the RAC Industry



**Our Customer  
commands  
75%  
Market Share**



**Most of the Customers  
associated with  
Amber for 5 Years**



**Collaborative  
Approach for new  
products with  
Customers**



*The Brand Names/Model Designations mentioned in the Product List are the property of their respective owners and are used here for identification purpose only.*

# ...with Experienced Leadership & Management Team



**Jasbir Singh**  
Chairman & CEO

- Over 13 years of experience in RAC Manufacturing sector
- Instrumental in successful commissioning of 6 factories in last 10 years
- Initiated the concept of additive manufacturing solutions
- Handles key customer relationships
- Engineering in Industrial Production, Karnataka University & MBA from University of Hull, United Kingdom



**Daljit Singh**  
Managing Director

- Over 9 years of experience in RAC Manufacturing sector
- Previously worked with Morgan Stanley in New York
- Awarded “Entrepreneur of the Year 2016” by Ludhiana Management Association
- Engineering in Electronics, Nagpur University & Masters in Information Technology, Rochester Institute of Technology, USA



**Sanjay Arora**  
Director - Operations

- Responsible for Operations, innovation, security & legal matters
- 34 years of work experience; joined Amber in 2012
- Electrical Engineering from YMCA Institute of Engineering, Faridabad



**Udaiveer Singh**  
President – RAC Division

- Responsible for Planning & Operations of the RAC manufacturing facilities
- 22 years of work experience; joined Amber in 2003
- Mechanical Engineering



**Sachin Gupta**  
VicePresident – RAC Division

- Responsible for Business Development
- 14+ years of work experience; joined Amber in 2014
- Electrical Engineering from Punjab Technical University & PGDBA from AllIMS Chennai



**Sudhir Goyal**  
CFO

- Responsible for Finance & Accounts
- 13+ years of work experience; joined Amber in 2012
- Chartered Accountant from ICAI, B.Com (Hons) from Delhi University



# ...with Testimony from our Customers



Consistently recognized by customers for performance, infrastructure, quality & support



All the units are accredited with relevant Accreditations



Quality Management Systems Certification



Environmental Management Systems



Occupational Health and Safety Management Systems



Quality Management Systems Certification

Year	Particulars
2017	<ul style="list-style-type: none"> <li>'Best Support: Green Supply Chain' from <b>Godrej</b> for 2016-2017.</li> <li>Gold award in relation to green company rating system from CII-Sohrabji <b>Godrej</b> Green Business Center in 2017</li> </ul>
2016	<ul style="list-style-type: none"> <li>'Best of Best Performance Award' from <b>LG Electronics</b> for 2015 and 2016</li> <li>'Leadership Business Innovation Award' from <b>Panasonic</b> for 2015-2016</li> <li>'Best Infrastructure Improvement Award' from <b>LG Electronics</b> for 2016.</li> <li>'Vendor Performance Excellence Award' in finished goods category from <b>Blue Star</b> for 2015-2016.</li> </ul>
2015	<ul style="list-style-type: none"> <li>'Best Development Support Award' from <b>Panasonic</b> for 2014-2015</li> <li>'Best Supplier Award for on-time Delivery' in Strategic Business Partners Meet, 2015</li> <li>'Best Supplier Award' from <b>Honeywell</b>, 2015</li> </ul>
2014	<ul style="list-style-type: none"> <li>'Cost Improvement Outstanding Performance Award' from <b>Panasonic</b> for 2014</li> <li>'Best ASCE Performance Award Year' from <b>LG Electronics</b> for 2014</li> <li>'Localization Support Excellence Award' from <b>Panasonic</b> for 2013-2014</li> </ul>

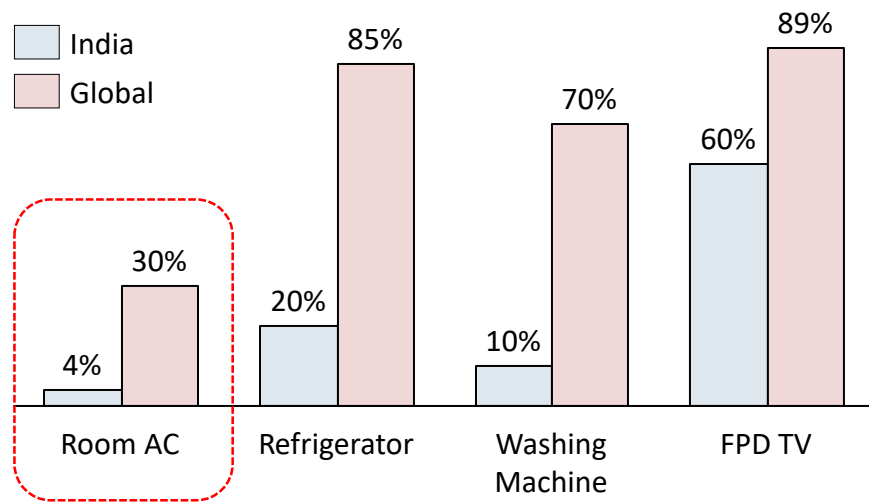
# Product Market Update



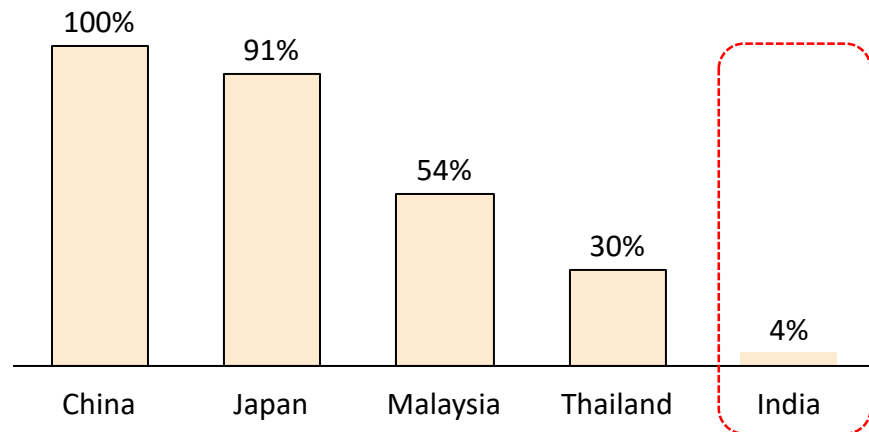
# RAC's is highly underpenetrated in India



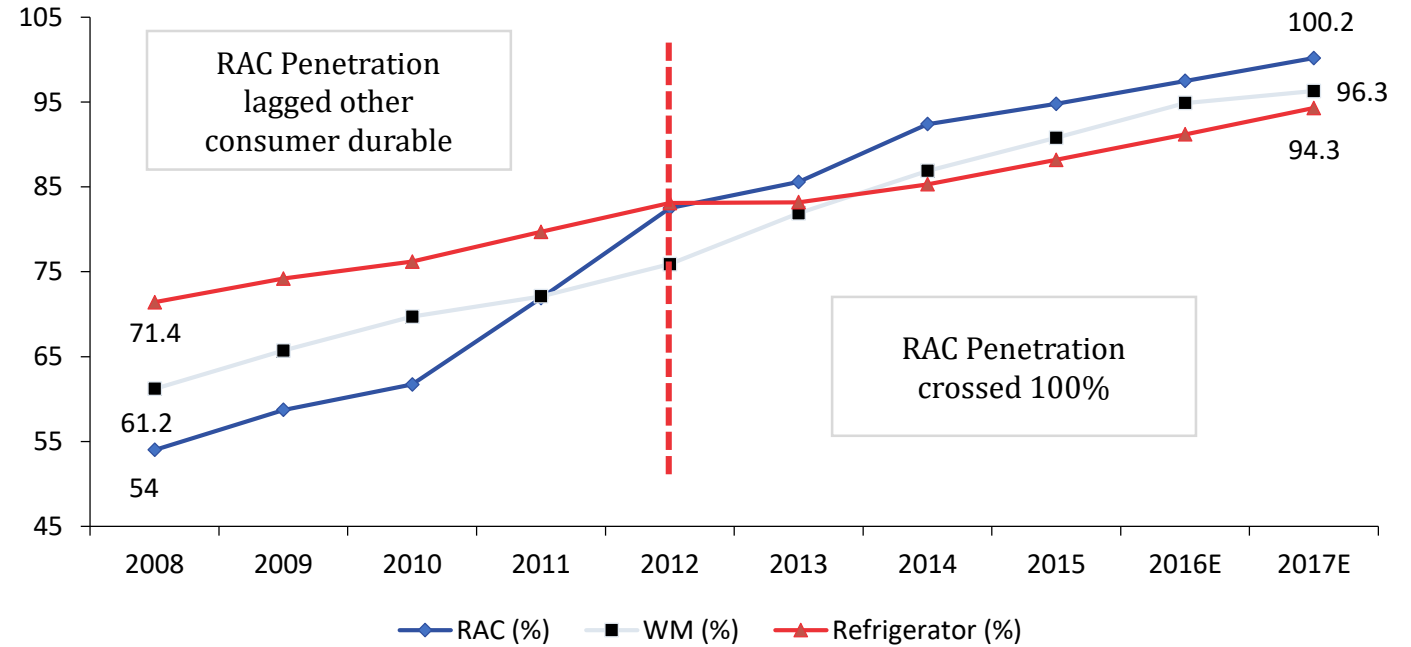
## RAC Penetration v/s other Consumer Durables



## RAC Penetration in India



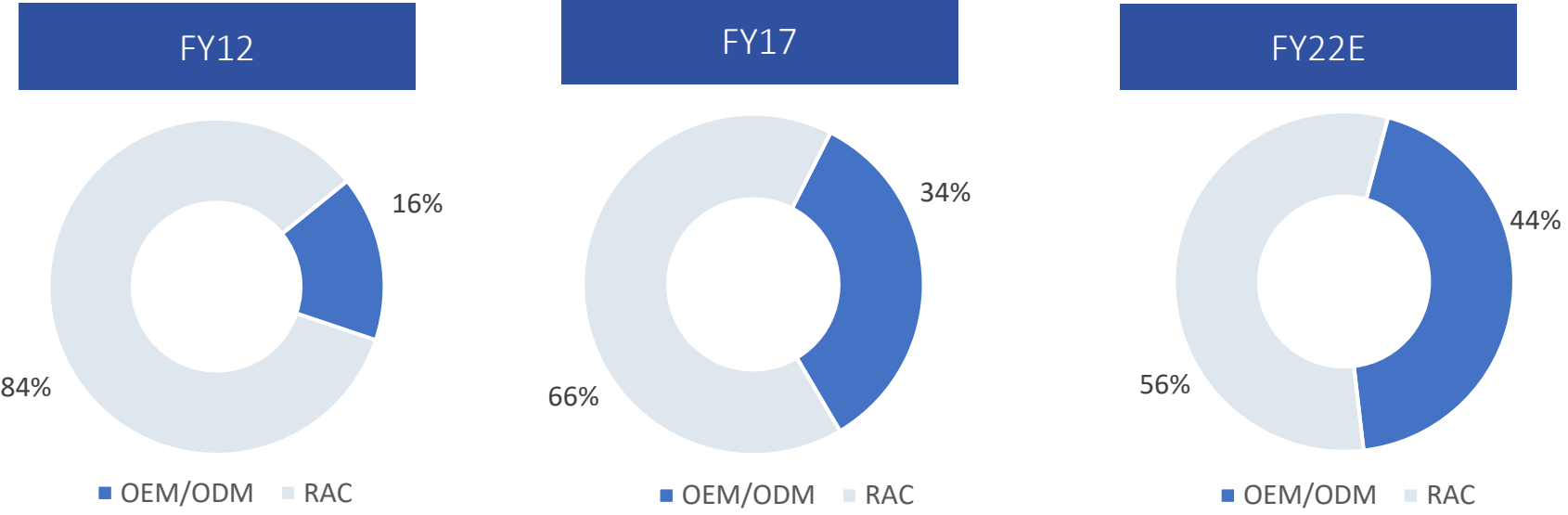
## Exponential Growth in China



1	2	3	4	5
Aspirational Middle class & Changing lifestyles	Low Market Penetration	Adequacy of Power	Energy-efficient Air Conditioners	Increase in Average Temperatures

Source: Frost & Sullivan Reports

# Brands are focussed on Asset Light Strategy for growth...



Brands focusing on Asset Light Strategy with focus on Innovation, Marketing & Distribution

ODMs have economies of scale with qualitative Manufacturing Facilities and R&D

ODMs are backward integrated with Flexibility, Nimble Operations and Better Timelines

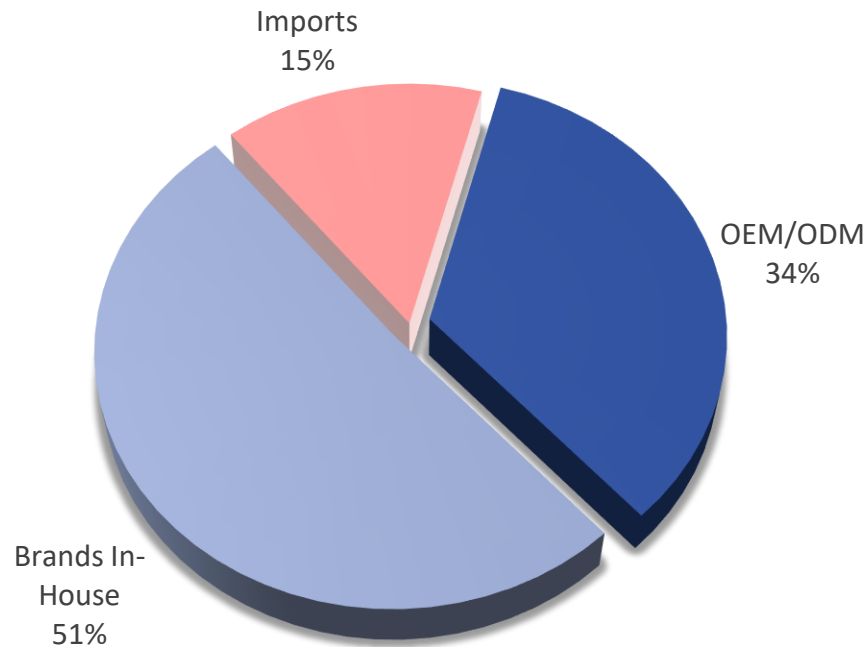
Mn	Total RAC Volume	OEM/ODM Volumes
FY12	3.0	0.5
FY17	4.7	1.6
FY22E	8.6	4.9

**CAGR 12.4%** (Total RAC Volume)  
**CAGR 25.1%** (OEM/ODM Volumes)



# ...leading to solid growth in a Structural Deficit Market

Break down of RAC Sourcing (FY17)



ODM allows faster product development, design support along with manufacturing



ODM is a step forward in gaining customer confidence besides acquiring higher wallet share



RAC brands avoid manufacturing challenges & save on cost along with faster time to market



New market entrants find ODM an attractive option in order to achieve faster market penetration



Association with ODM is strategic whereas, OEM collaboration is transactional

# Huge Opportunity : Underpenetrated & Latent Demand



Global Penetration\*

Aspirational Buying Behaviour



FPD TV

89%

1-2 Units per House



Refrigerator

85%

1-2 Units Per House



Washing Machine

70%

1-2 Units per House



Room AC

30%

Huge Potential Existing Underpenetrating per house



Multiple Units per House

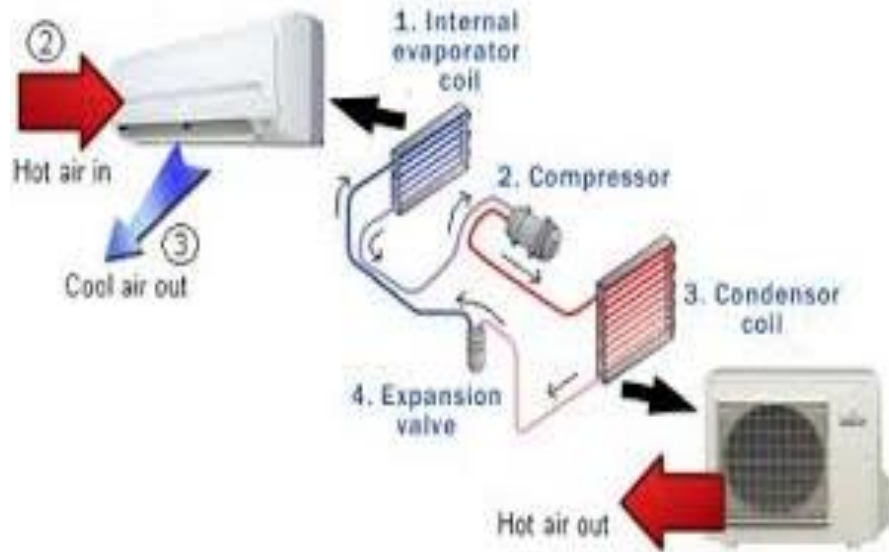


Institutional Usage

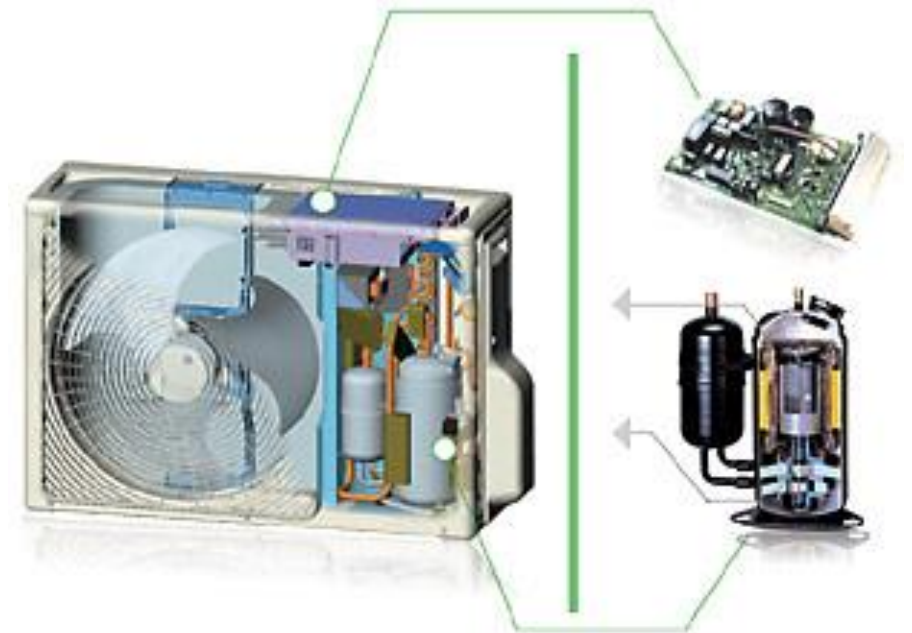
# Acquisitions : Access to Future Ready Technology



## Mechanical Product



## Smart Electronic Product

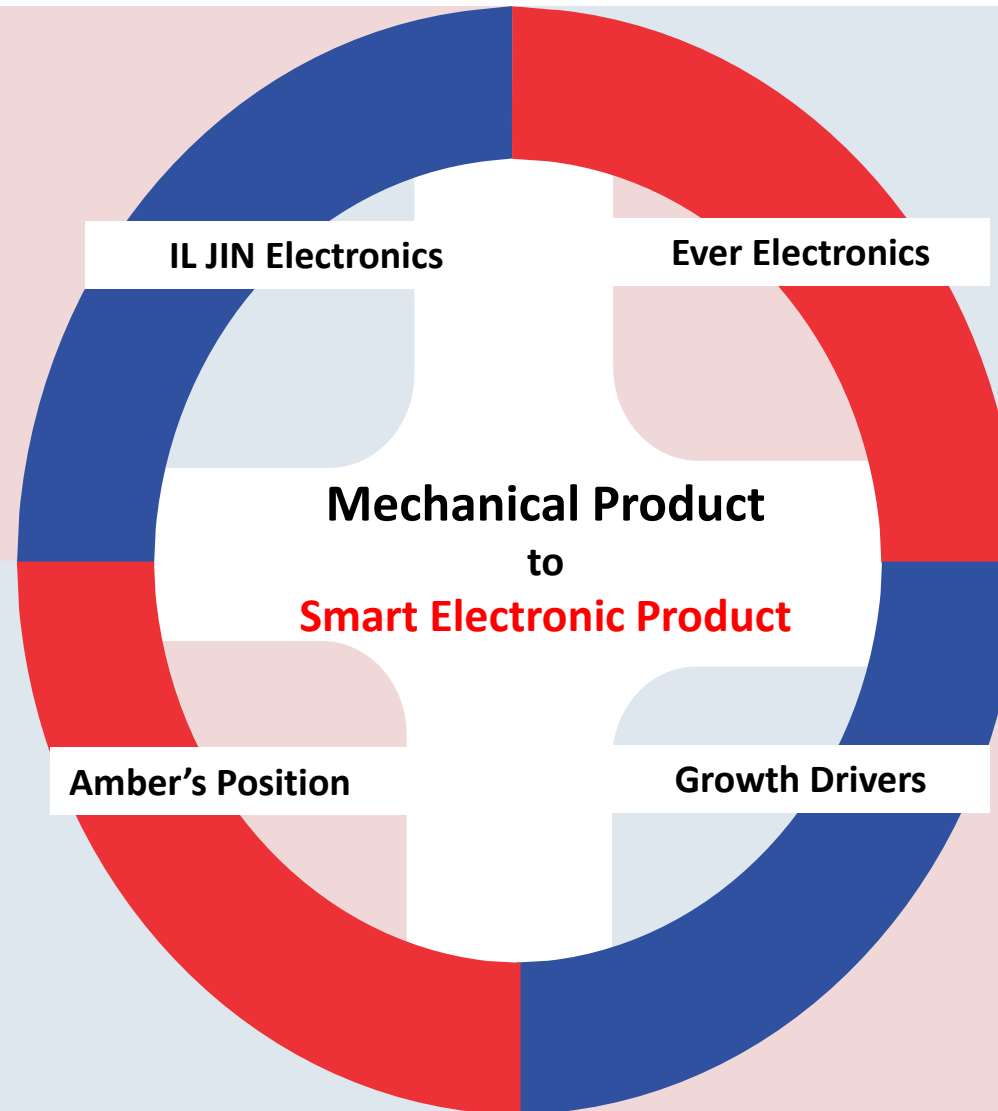


# Acquisitions to add Future Ready Technology



- IL JIN is engaged in manufacturing, assembling, dealing, importing and exporting of electronic assembled PSBA for Consumer Electronics
- Customers : Panasonic, Samsung, LG etc

- AMBER 's Leadership Position :
  - ✓ Only OEM / ODM in India with integration of all high reliability parts , except compressor
  - ✓ Leading edge in OEM segment
  - ✓ Access to forthcoming technology

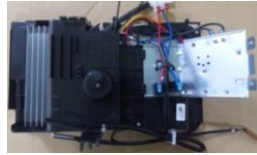
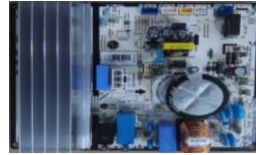


- No.1 PCBA Manufacturer in India engaged in manufacturing of Consumer Electronics PCBA
- Customers: LG, LS Automotive, Powercraft Electronics Pvt Ltd, Godrej, Intangibles Labs Pvt Ltd etc

- Amber's Future Growth Drivers
  - ✓ Portfolio of Components
  - ✓ Addition in Product Category
  - ✓ Expansion in Business Segment
  - ✓ Addition of Customers



# Range of Products



# Glimpse of the Manufacturing Facilities of IL JIN





# Long Term Value Creation

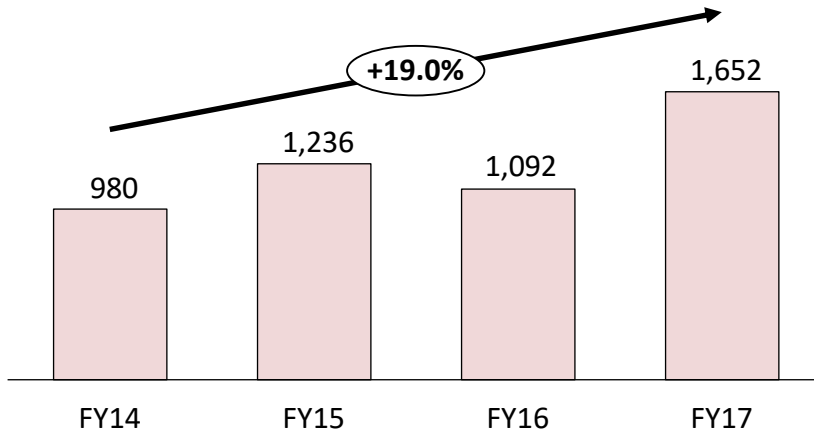


# Consolidated Operating Performance

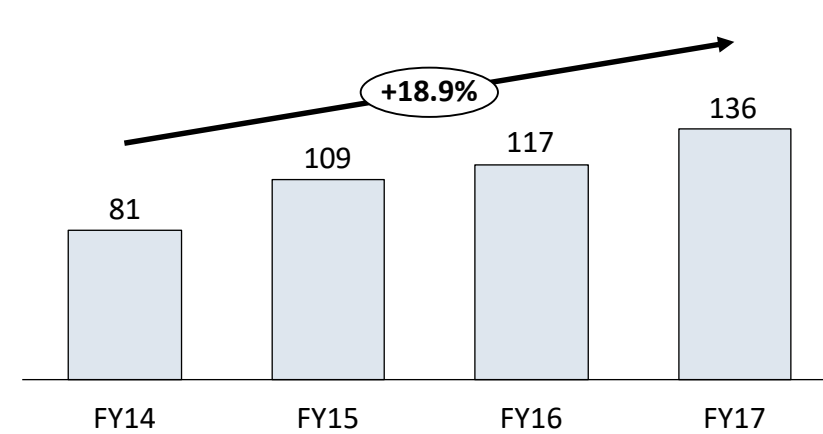


Rs. (In Crs.)

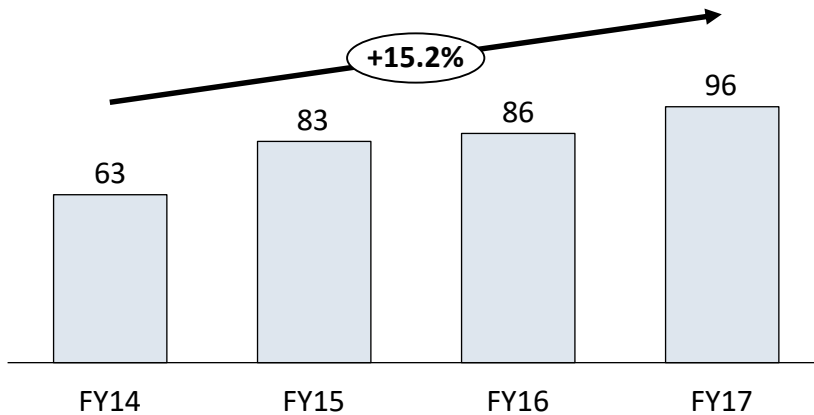
## Total Income



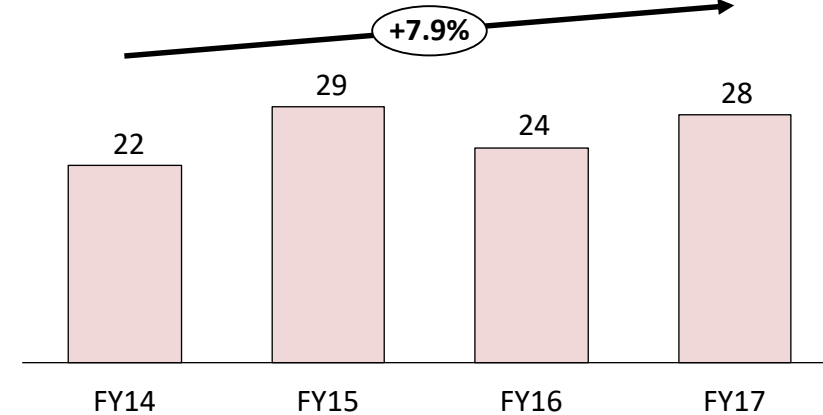
## EBITDA



## EBIT



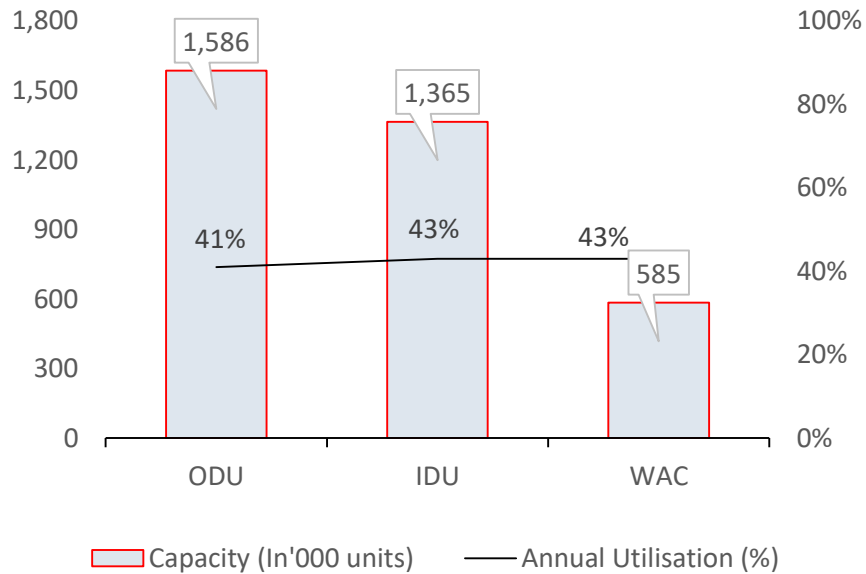
## PAT



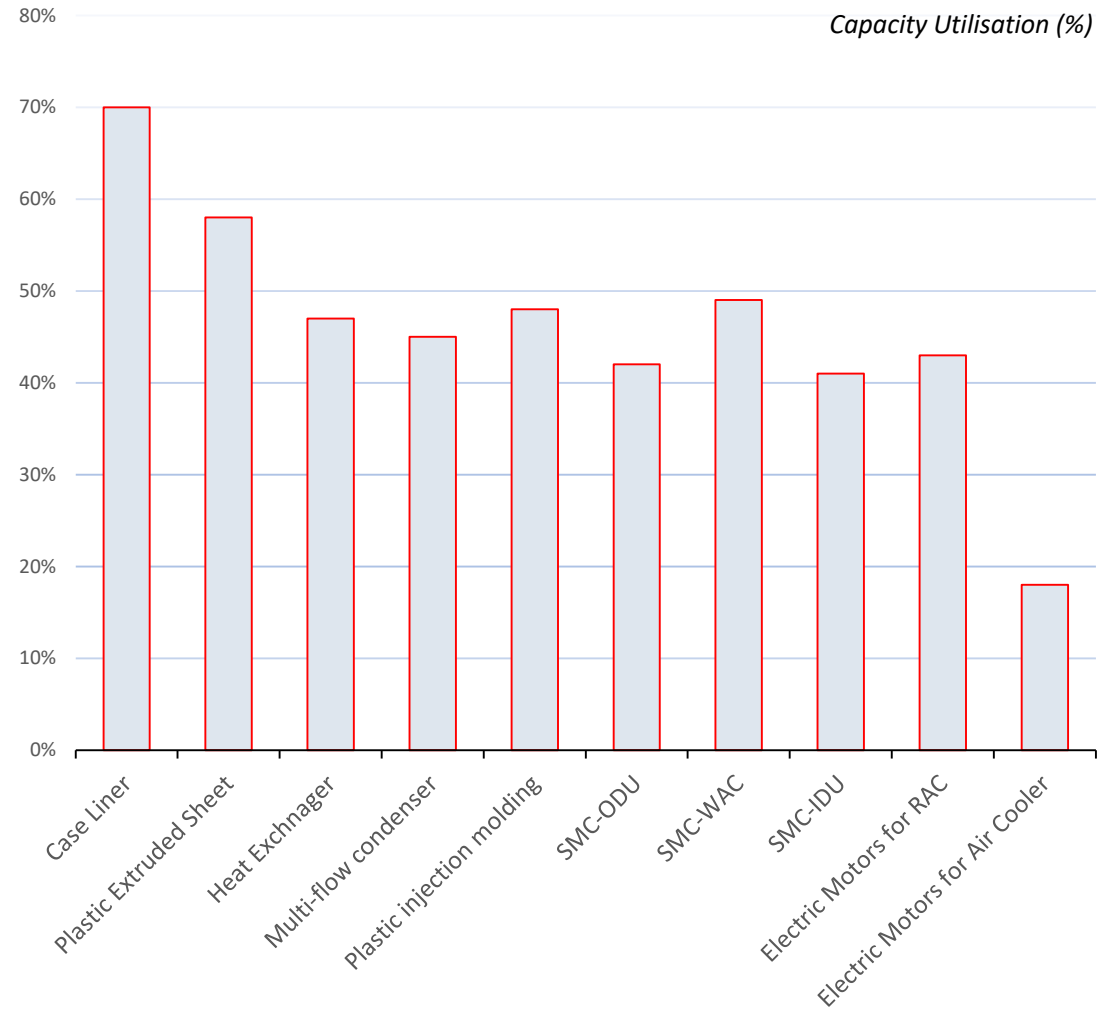
# Capacity Utilization



## Room Air Conditioners\*



## RAC & Non AC Components\*





# Consolidated Profit & Loss Statement



Rs. In Crs	FY17	FY16	FY15	FY14
<b>Revenue from operations</b>	<b>1,728</b>	<b>1145</b>	<b>1,281</b>	<b>1,014</b>
Excise duty	84	56	51	41
<b>Total Revenue</b>	<b>1,644</b>	<b>1,089</b>	<b>1,230</b>	<b>973</b>
Other Income	8	3	6	6
<b>Total Income</b>	<b>1,652</b>	<b>1,092</b>	<b>1,236</b>	<b>980</b>
Raw Material	1,374	859	1,013	798
Employee Expenses	44	37	34	32
Other Expenses	98	80	81	69
<b>Total Expenses</b>	<b>1,516</b>	<b>975</b>	<b>1,128</b>	<b>899</b>
<b>EBITDA</b>	<b>136</b>	<b>117</b>	<b>109</b>	<b>81</b>
Depreciation & Amortisation	40	31	26	18
<b>EBIT</b>	<b>96</b>	<b>86</b>	<b>83</b>	<b>63</b>
Finance Cost	58	53	43	32
<b>PBT</b>	<b>38</b>	<b>33</b>	<b>40</b>	<b>31</b>
Tax	10	9	12	8
<b>PAT</b>	<b>28</b>	<b>24</b>	<b>29</b>	<b>22</b>

# Consolidated Balance Sheet



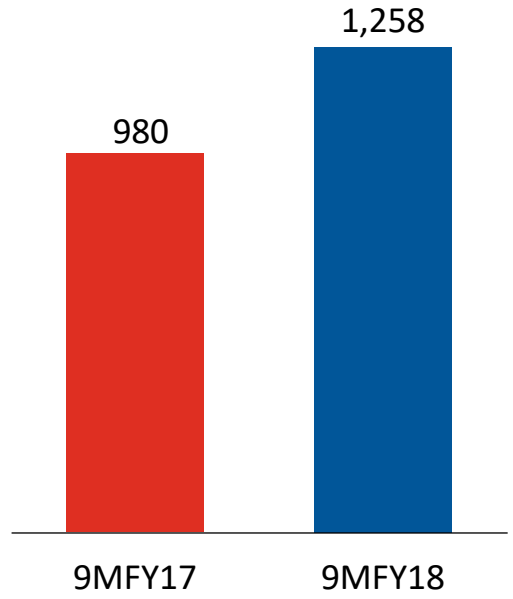
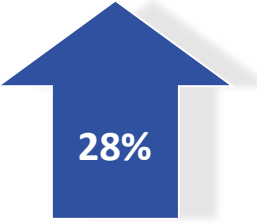
Rs. In crs	Sept-17	Mar-17
<b>EQUITY &amp; LIABILITIES</b>		
<b>Shareholders Fund</b>		
Share Capital	24	24
Reserves & Surplus	339	311
<b>TOTAL SHAREHOLDERS FUND</b>	<b>363</b>	<b>335</b>
<b>Non Current Liabilities</b>		
- Long Term Borrowings	183	252
- Deferred Tax Liabilities(Net)	54	43
- Other Long Term Liabilities	0	0
- Long Term Provisions	4	3
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>242</b>	<b>298</b>
<b>Current Liabilities</b>		
- Short Term Borrowings	245	93
- Trade Payables	192	446
- Other Current Liabilities	125	110
- Short Term Provisions	5	4
<b>TOTAL CURRENT LIABILITIES</b>	<b>568</b>	<b>653</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1,172</b>	<b>1,287</b>

Rs. In crs	Sept-17	Mar-17
<b>ASSETS</b>		
<b>Non Current Assets</b>		
<b>Fixed Assets</b>	<b>582</b>	<b>578</b>
- Non Current Investments		
- Long-term loans and advances	69	55
- Other non-current assets	0	3
- Deferred Tax Assets (Net)	0	0
<b>TOTAL NON CURRENT ASSETS</b>	<b>651</b>	<b>636</b>
<b>Current Assets</b>		
- Inventories	265	268
- Trade Receivables	175	310
- Cash & Cash Equivalents	29	35
- Short Term Loans & Advances	48	37
- Other Current Assets	4	1
<b>TOTAL CURRENT ASSETS</b>	<b>520</b>	<b>650</b>
<b>TOTAL ASSETS</b>	<b>1,172</b>	<b>1,287</b>

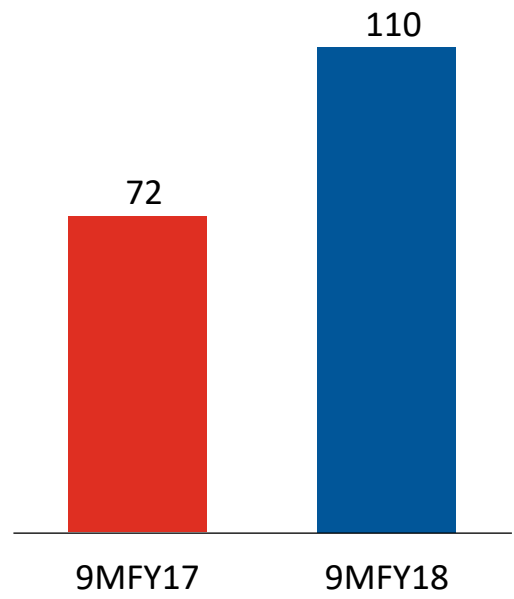
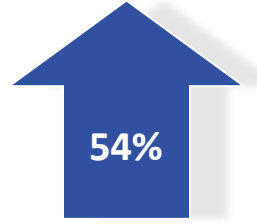
# 9MFY18 Standalone Result Highlights



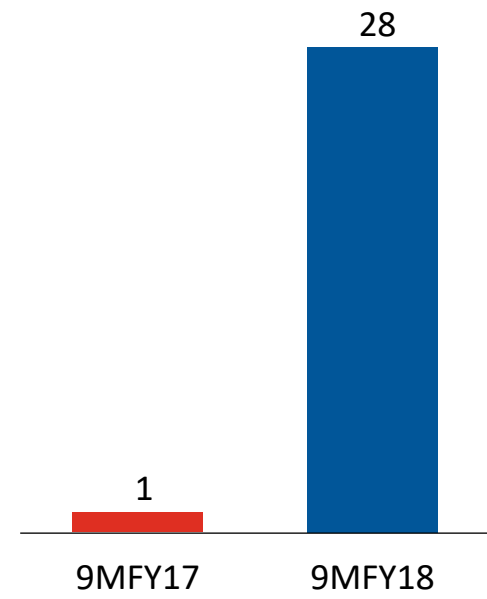
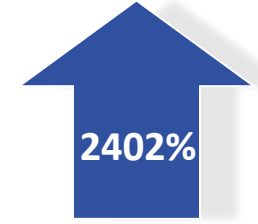
Revenue\* (Rs. Crs)



EBITDA (Rs. Crs)



PAT (Rs. Crs)



Growth & Profitability of the Acquisitions yet to yield results

Financials are as per IND-AS

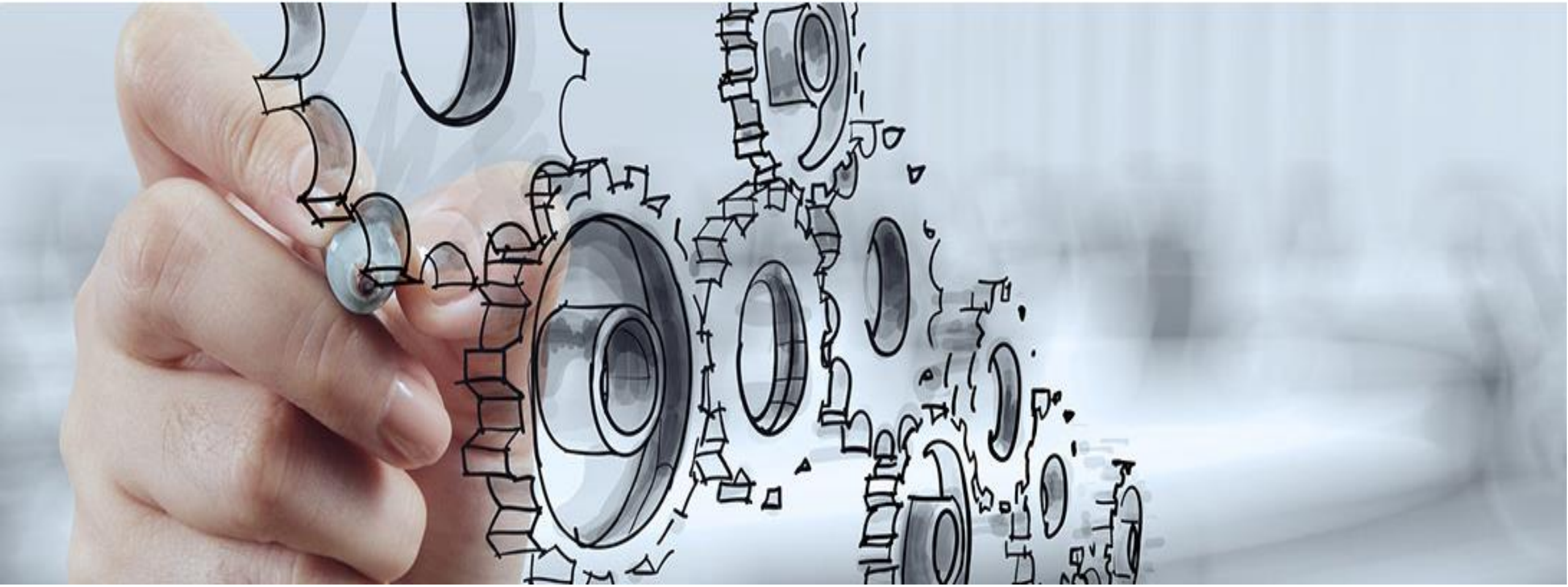
\* Revenue incl. excise duty

# Standalone Profit & Loss Statement



Rs. In Crs	9MFY18	9MFY17	Change
<b>Revenue from Operations</b>	<b>1,258</b>	<b>980</b>	<b>28%</b>
Excise duty	27	35	
<b>Total Revenue</b>	<b>1,231</b>	<b>945</b>	<b>30%</b>
Other Income	8	2	
<b>Total Income</b>	<b>1,239</b>	<b>947</b>	
Raw Material	1,034	790	
Employee Expenses	29	26	
Other Expenses	65	59	
<b>Total Expenses</b>	<b>1,129</b>	<b>875</b>	
<b>EBITDA</b>	<b>110</b>	<b>72</b>	<b>54%</b>
Depreciation & Amortisation	32	27	
<b>EBIT</b>	<b>78</b>	<b>45</b>	<b>76%</b>
Finance Cost	39	43	
<b>PBT</b>	<b>39</b>	<b>1</b>	
Tax	11	0	
<b>PAT</b>	<b>28</b>	<b>1</b>	<b>2,402%</b>

# Strategic Priorities







## Product Expansion

- Special focus on new models of IOT based Inverter RAC
- Add RAC components such as brushless DC Motor, Resin-core motors & inverter controllers to achieve greater backward integration



## Customer Expansion

- Increase wallet share per Customer
- Pre-empt market dynamics & improve customer offerings
- Design higher energy efficient models



## Geography Expansion

- Increase customer acceptance of our products in international markets
- Initiate exports to Middle East, South East Asia & Europe

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Economies of scale operating leverage to play out



Focus on integration & in-house processing



Profitable Growth

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**Company :**

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