



Ref: CEL/NSEBSE/IP/11062024

11<sup>th</sup> June, 2024

To,

Listing Department, National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	Department of Corporate Services – Listing, BSE Limited P. J. Towers, Dalal Street, Mumbai – 400 001
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**Re: Scrip Symbol: CENTUM/ Scrip Code: 517544**

Dear Sir/ Madam,

**Sub: Investor Presentation**

This is to inform you that pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), read with Part A of Schedule III of the Listing Regulations, we hereby enclose the Investor Presentation.

Kindly take the same on your records.

Yours faithfully,  
For **Centum Electronics Limited**

**Indu H S**  
**Company Secretary & Compliance Officer**

Encl: as above

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**Centum Electronics Limited**

# 44, KHB Industrial Area, Yelahanka New Town, Bangalore - 560 106, Karnataka, India

Tel +91-(0)80-4143-6000 Fax +91-(0)80-4143-6005 Website [www.centumelectronics.com](http://www.centumelectronics.com) E-mail

[info@centumelectronics.com](mailto:info@centumelectronics.com) CIN - L85110KA1993PLC013869



# INVESTOR PRESENTATION

June 2024

# Snapshot



25+ years of domain expertise in Electronics Design & Manufacturing Solutions



Global Operations with strong presence in India, Europe and North America



Concept to Commissioning capabilities



1,800 Employees  
650 Designers



Flexible Engagement Models



Strong Supply Chain Network



Strong relationship with marquee global clients



Serving segments with Hi-Tech, High Entry Barriers



Healthy Order Book of ~INR 16,400 Mn\*



Single Source Supplier for ~80% of manufactured products



75% Revenues from Overseas Customers in Advanced Economies



Strong Corporate Governance

\* As on 31<sup>st</sup> March 2024, Not including client forecasts of EMS division & signed LOIs for Transportation products

# Company Overview

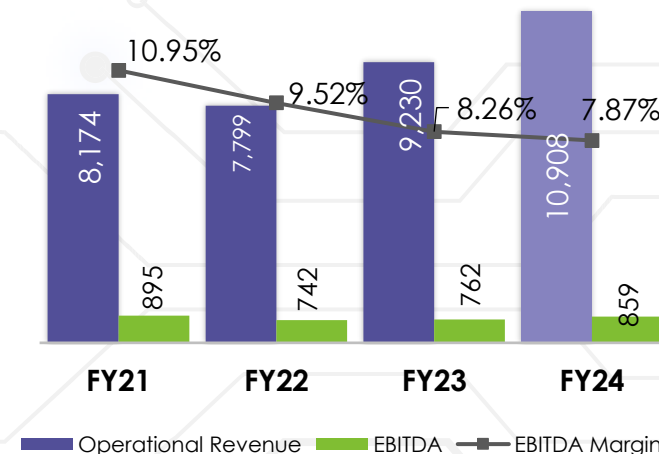


- Founded in 1993, Centum Electronics Limited (Centum) is one of the largest Electronics System Design and Manufacturing (ESDM) companies in India.
- Competencies across product design and manufacturing of complex and critical products and supplying to marquee customers in the most advanced economies as well as in India.
- Offering entire spectrum of design services and manufacturing of systems, subsystems for mission critical products in Defence, Space, Aerospace, Industrial, Transportation and Medical sectors.
- World-class design & manufacturing facilities across North America, Europe and India, with cutting edge infrastructure as well as a global supply chain capable of delivering products with high quality and reliability anywhere in the world.

## FY24 Key Business Segments:

- **Engineering R&D (ER&D) Services (31%)** – Involves conceptualizing and designing of Electronic Hardware, Embedded Software, FPGA, Analog, Radio Frequency products, etc.
- **Electronic Manufacturing Services (EMS) (39%)** – Services include manufacturing services solutions focused on a High Complexity products in high technology segment
- **Build-To-Specification (30%)** – Services include turn-key solutions to take project from conception to mass production quickly and efficiently.

## Operational Income (In Mn) and EBITDA Margins (%)



## FY24 Industry Breakup

Defense, Space & Aerospace



46%

Transport & Automotive



23%

Industrial & Energy



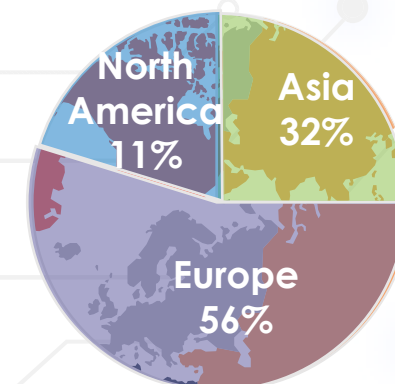
26%

Healthcare



5%

## FY24 Geographical Breakup



- FCP business growth in Telecom due to product performance & global cost leadership
- Defence & Space segment growth due to indigenization thrust and defence offset policy
- Growth in EMS business after investment in international Sales & Marketing

- Incorporated and set up manufacturing facility for Hybrid Microelectronics
- Inaugurated as a pioneer in High-Tech electronic manufacturing in India
- Established a leading position in the Indian telecom components market
- JV with CMAC Industries Canada followed by entry and growth in export markets
- Foray and growth in EMS business following Solectron's acquisition of CMAC Industries



- Greenfield expansion for EMS capacity
- Acquisition of Adetel Group to expand service offerings of ER&D Services, establish global footprint across Europe and North America and new customer/market access
- Exit from FCP component business through the sale of 51% stake to JV partner
- Capacity enhancement for space & defence business to support strong order book growth

- Demerger of EMS into Solectron EMS
- Buy back & Merger of EMS following Flextronics' acquisition of Solectron
- Centum Rakon JV formed for Frequency Control Products (FCP) for technology and market access to global OEMs
- Exit of domestic telecom components business for C-DOT



# Board of Directors



## **Apparao V Mallavarapu** - Chairman & MD

Apparao Mallavarapu (Rao) founded Centum Electronics in the year 1993. Under his leadership Centum has grown to be a global Electronics Design and Manufacturing Company, with operations in India, France, Belgium and Canada. The Embassy of Federative Republic of Brazil has appointed Rao as Honorary Consul of Brazil in Bangalore. He has been conferred with the prestigious 'Order of Rio Branco' by the Brazilian government and The President of Brazil serves as the Grand Master of the Order. Rao has also been appointed the Officier de l'Ordre National du Mérite (Officer in the National Order of Merit) by the President of the French Republic H.E. Mr. Emmanuel Macron. Champion of Innovation Award' was given to Rao by the Prime Minister of New Zealand H.E. John



## **Nikhil Mallavarapu** - Executive Director

Mr. Nikhil has been associated with Centum since 2012 has served in various leadership positions including overall business unit management and group level Corporate & Strategy Development. Prior to joining Centum, he worked at the multinational semiconductor company- Analog Devices in Boston. Mr. Nikhil holds MSc and BSc Degrees in Electrical and Computer Engineering from Carnegie Mellon University and an MBA from the INSEAD Business School in France. Mr. Nikhil was selected by the France-India Foundation for its Young Leaders Program by virtue of his exemplary contribution and remarkable achievements in the field of business.



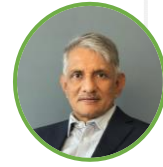
## **Manoj Nagrath** - Independent Director

Mr. Manoj Nagrath, Managing Partner of S.P. Nagrath & Co., LLP, has a rich experience of over 40 years as a practicing Chartered Accountant in almost every facet of the practice relating to Direct Tax, Assurance, Transactions and Corporate Advisory, Accounting, Compliances and Arbitration. He has performed a wide range of assignments in the above areas, including joint venture consulting, planning for corporates and non-residents, structuring/ re-structuring of businesses, strategic and business consulting, due diligence, business and property acquisitions and has appeared before various regulatory authorities in wide ranging matters.



## **Tarun Sawhney** - Independent Director

Tarun Sawhney is the Vice Chairman & Managing Director of Triveni Engineering & Industries Ltd (TEIL), a leading manufacturer in sugar, bioenergy, and ethanol in India. He also serves as Director of Triveni Turbine Limited and Triveni Energy Solutions Limited. Tarun has held significant roles in the sugar industry, including President of the Indian Sugar Mills Association (ISMA) and Chairman of the Indian Sugar Exim Corporation Limited. He is involved with the Confederation of Indian Industry (CII) and the Indian Council of Agricultural Research (ICAR). An MBA from Wharton and a Master's from Cambridge, Tarun has received the Industry Excellence Award and has contributed to community welfare through the Tirath Ram Shah Charitable Hospital and Triveni Foundation. He is also active in the arts as a member of the International Advisory Council of Tate Modern and the International Leadership Council of the New Museum, New York. He was honored as a Chevalier du Tastevin in 2023.



## **Rajiv C Mody** - Independent Director

Mr. Rajiv C Mody is the Founder, Chairman, Managing Director & CEO, of Sasken Technologies Ltd. (Sasken). Under his leadership, Sasken has grown into a global powerhouse in Product Engineering and Digital Transformation services. Prior to founding Sasken, he worked with corporations like AMD, Seattle Tech Inc., and VLSI Technology Inc. Mr. Mody has served as an Executive Council Member of NASSCOM (2001-2008) and is part of the Harvard Business School South Asia Advisory Board.



## **P. Thiruvengadam** - Independent Director

Mr. Thiruvengadam was a National Director at Deloitte Touche Tohmatsu India Pvt. Ltd (DTTIPL) providing leadership to the HR transformation practice. He has over 40 years of global experience in management consulting with expertise in HR Strategy & Talent Management, Business Process Improvement and Strategic Planning among other advisory services. He is a Cost Accountant from The Institute of Cost Accountants of India and a graduate from the Indian Institute of Technology, Madras.



## **V Kavitha Dutt** - Independent Director

Mrs. V Kavitha Dutt is the Joint Managing Director at The KCP Ltd., an 80-year-old diversified business group involved in the manufacture of Cement, Heavy Engineering, Sugar, Power Generation, and hospitality. She has been involved in various business, social and cultural activities. She is a Director-FLO Industrial Park, Hyderabad, and Vice President-World Telugu Federation. She has served as Chairperson-FICCI Tamil Nadu State Council; President Madras Management Association; National President-FICCI-FLO, and Vice Chairperson-SCWEC-India.



## **Tanya Mallavarapu** - Non-Executive Director

Tanya is the founder of TMR Design Co. an interdisciplinary design firm that emphasizes on innovation, creativity and functionality in a wide array of industries from healthcare, residential, commercial and hospitality. Prior to this she worked as a business analyst at Intuit creating revenue models and marketing strategies to launch the newly developed GoPayment product. Tanya completed her Master's Degree in Economics from Duke University, in U.S. She graduated from the University of Southern California with a Bachelor's Degree in Business Administration

# Key Management Personnel



**K S Desikan** - Chief Financial Officer

K S Desikan has been serving as CFO at Centum since 2001 and has been instrumental in the development of the strategy and growth of the company. He has an overall experience of 37 years. Prior to joining Centum, he served leading organizations like Tube Investments of India and BPL Ltd in various capacities. He is a commerce graduate, Chartered Accountant and Cost Accountant.



**Eric Rouchouze** – CEO - Centum T&S Group

Graduated from a Business School in 1995, he spent most of his career in engineering services & technology consulting companies. Eric joined the ASSYSTEM group in 1997, where he worked for several years as a business manager for customers in the nuclear sector. He has been working in AKKA for 19 years as COO France and was a member of the group's Executive Committee. With his 25 years of experience, Eric will be leading the CENTUM T&S strategy and he will be in charge of accelerating the growth of our Group both in France and abroad.



**Vinod Chippalkatti** - President - SEBU

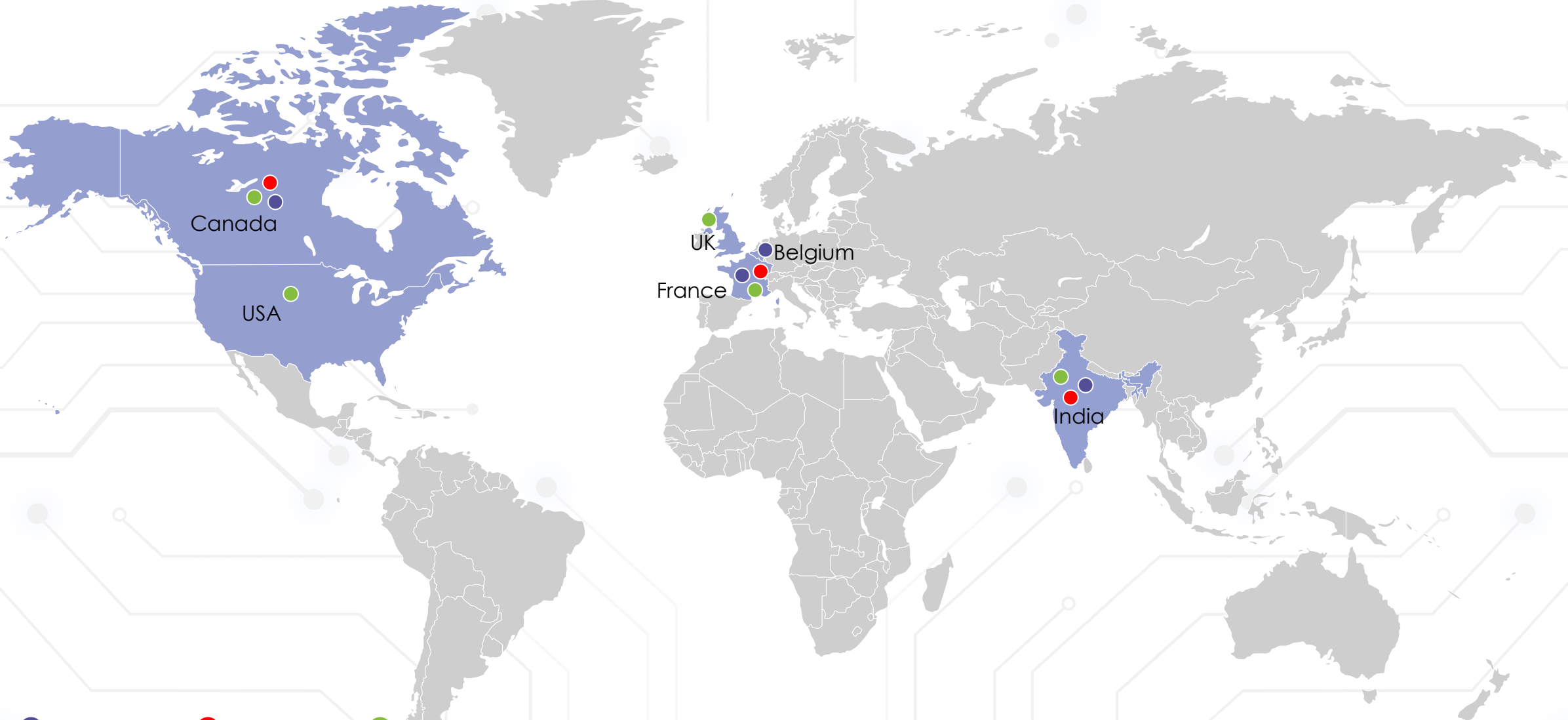
Vinod Chippalkatti is responsible for the Build to Spec business in Centum delivering mission-critical products for Satellites, Launch Vehicles, Radars, Missiles among others. He completed his PHD in the space electronics domain. He has been with Centum for 24 years in different leadership positions including heading the design and engineering function. Prior to joining Centum, he spent 10 years at the Indian Space Research Organization working on India's first series of communication satellites.



**Jagadish Singh G** - President – EMS Business Unit

Jagadish Singh is an experienced professional with domain expertise in the electronics manufacturing industry, specializing in business development, sales, program management, team building, and so on. He has been with Centum since 2009 and has over 30 years+ of professional experience.

# Geographical Presence



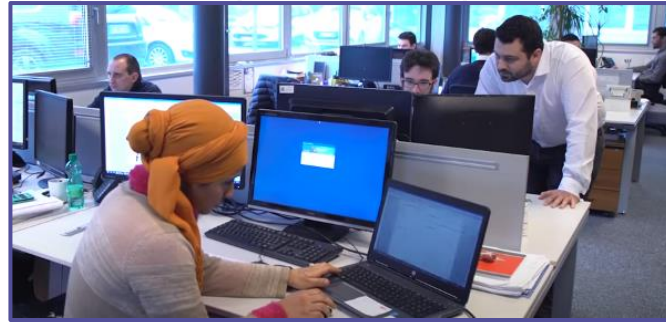
- Design Team
- Manufacturing
- Sales & Support



# Manufacturing Facilities



Canada



Design Department - France



Micro Electronics Manufacturing - Bangalore



New Facility in Bangalore Aerospace Park



EMS Manufacturing - Bangalore



Testing Lab - Bangalore

# Awards & Recognition in Last Few Years



Global Growth  
Company



Highest Growth – Electronic  
Hardware Exporter



Centum in Forbes Asia's  
200 BUB list



Electronics Man of the  
Year

Best Electronics  
Manufacturing Company In  
A&D Category

Champion Of Innovation  
(Mr Mallavarapu Apparao)

Best Electronic System  
Design Company Award

Excellence in Financial  
Reporting from ICAI

# Certifications



ISO 9001



Aerospace  
AS/EN9100 Rev D



Medical  
ISO13485



Automotive  
IATF 16949



Railways  
IRIS - Rev 2



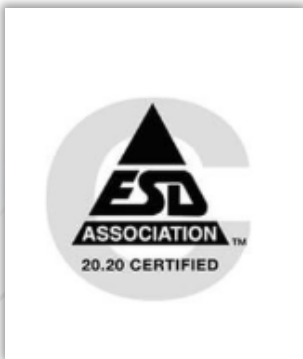
French R&D  
certification



Information Security  
& Management  
system ISO 27001



Environment  
ISO14001  
Health & Safety  
OHSAS 18001



ESD 20:20



Approved R&D  
facility by DST &  
GOI

\*Additional customer-specific certifications required to be qualified as a supplier

# Centum's Value Proposition



- **Global Footprint** close to the customers
- Uniquely positioned as a **one-stop-shop solution** provider with end to end capabilities.
- **Flexible engagement models** tailored to project-specific needs

CONVENIENCE & FLEXIBILITY



- Competitive Engineering R&D by balancing on-shore/offshore mix
- Competitive Manufacturing by leveraging Indian cost base and supply chain strengths
- Focus on “**Design To Cost**”, & “**Total cost of ownership**”

COST



- **Integrated Fast New Program Management** can reduce time to market, support costs
- **Early implementation** of sourcing and industrialization strategy improves quality in ramp-up

TIME TO MARKET



- **Strong Domain Expertise** to conceptualize & realize High-Reliability Electronics
- Quicker **time to market** through Centum industrialization/NPI framework
- Ability to **manage product lifecycle challenges**

PROACTIVE LIFE CYCLE MGMT.





# Future Growth Strategy



Deeper entrenchment of customers by offering one-stop-shop solutions with vertically integrated capabilities and value-added services

Clear focus towards achieving sustainable growth, while enhancing margin profile by reducing costs and deleveraging

Expand customer portfolio domestically and internationally

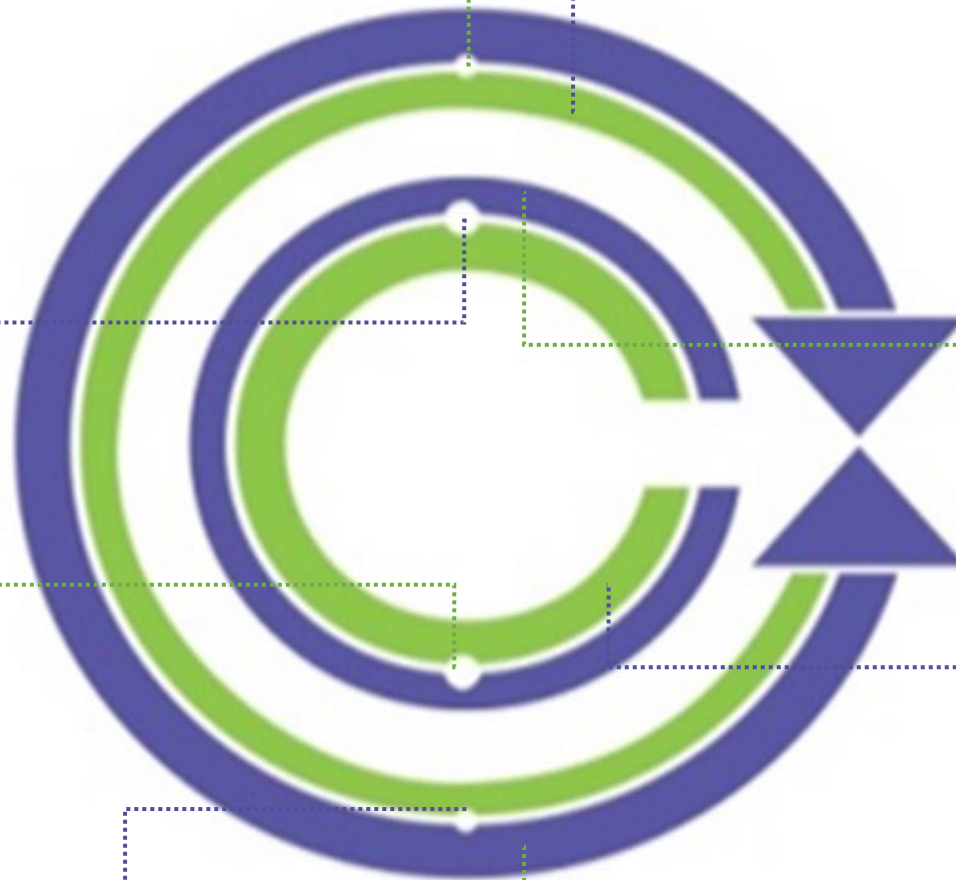
Leverage "Make in India" policy boosters

Enhancing customer penetration in high growth industry verticals like Healthcare, Automotive etc.

Identify opportunities in "New space" global supply chain

Prudent expansion in infrastructure & technical competencies to support growth

Enhance solutions towards Industry 4.0 for increased digitization and automation



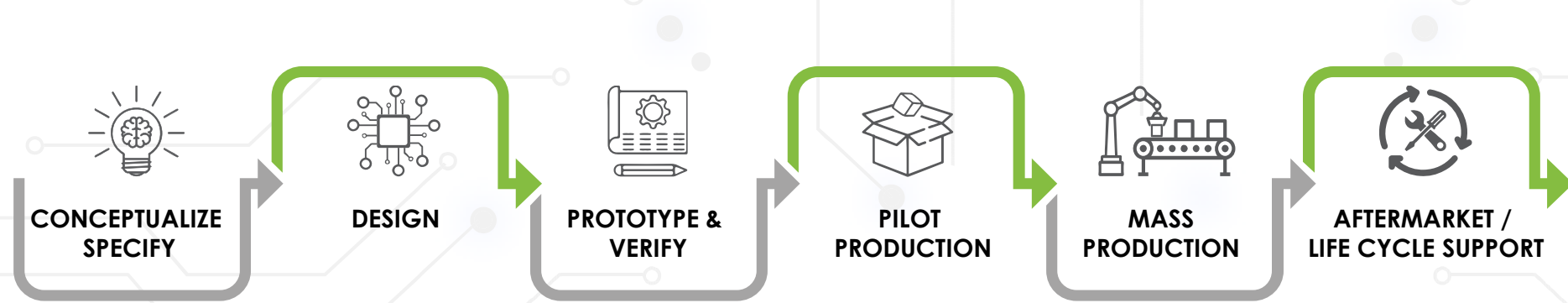




# BUSINESS OVERVIEW



# Business Segments and Sectors Served



- Feasibility
- Architecture
- System development
- System simulation
- Mock-up

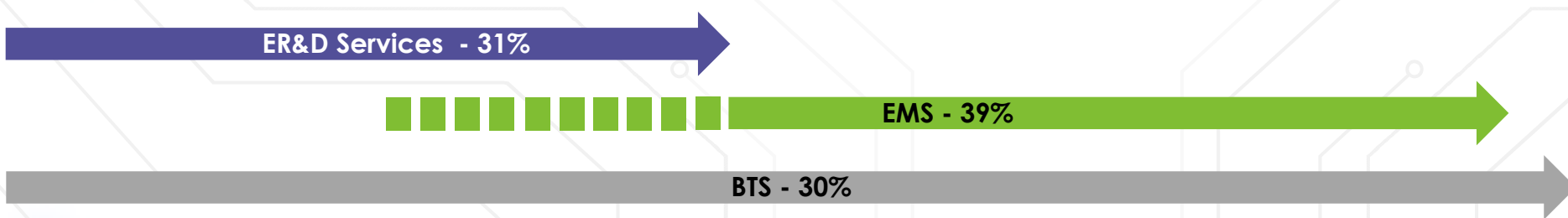
- Hardware design
- Software design
- FPGA design
- Test tools design
- Simulation
- Mechanical design








- Electrical CAD
- Design For X (DFX)
- Mechanical CAD
- Prototyping
- Bring up
- Test & Verification
- Qualification

- Qualification batch
- Test tools acceptance
- First Article review
- Norms compliance
- Certification process

- Manufacturing
- Release mgmt.
- Documentation
- Product analysis
- Test tools handling

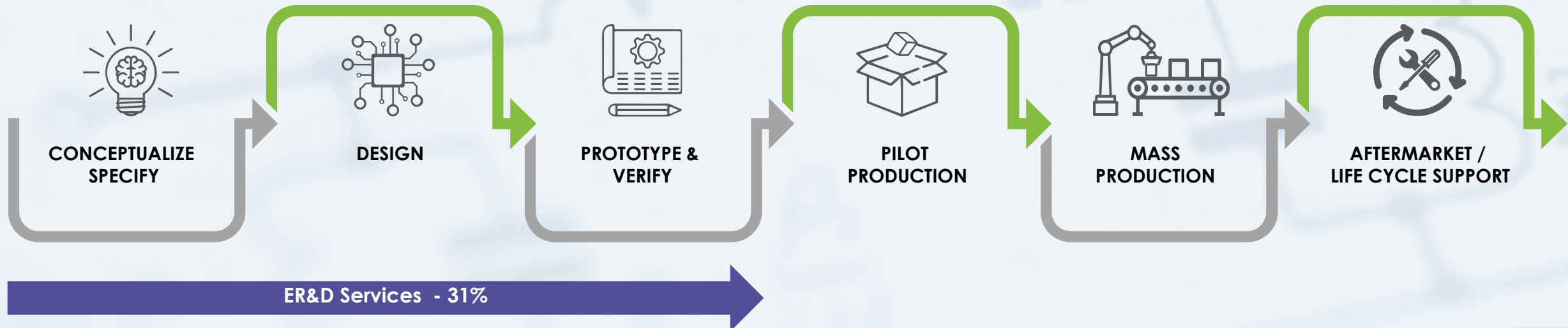
- Value engineering
- Obsolescence mgmt.
- Cost analysis
- Test tools mgmt.
- Product migration



	ER&D	EMS	BTS
 Defence	●	●	●
 Space	●		●
 Aerospace	●	●	●
 Transportation	●		●
 Automotive	●	●	●
 Industry & Energy	●	●	
 Healthcare	●	●	

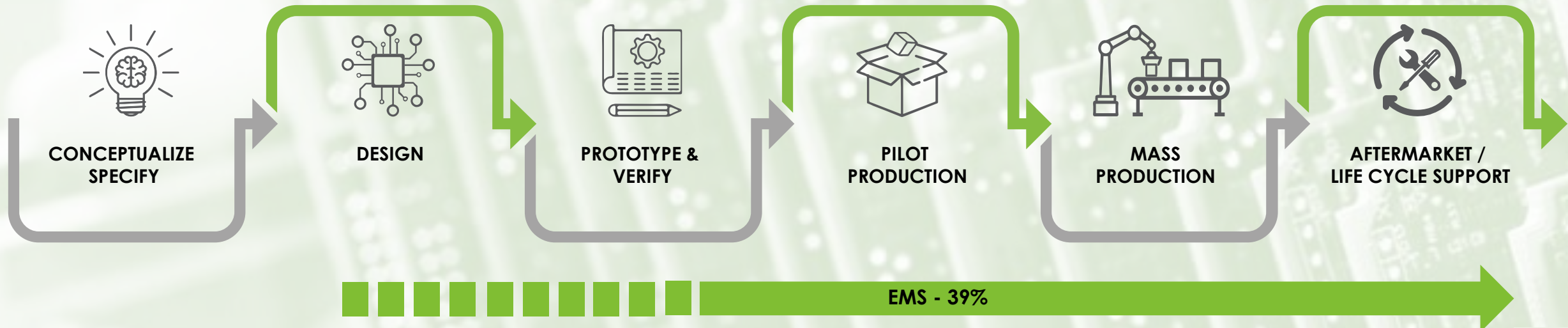
# Engineering R&D Services (ER&D)

- Engineering Services involve conceptualizing, designing and certifying of Electronic Hardware, Embedded Software, FPGA, Analog, Radio Frequency products, Power Electronics, etc.
- Centum Group has a global design strength of over 650 design engineers and for the last 25 years, the company has been helping customers turn their ideas into products.
- Centum's engineers work together in multidisciplinary teams to realize customized products for mission-critical applications in high technology segments.
- The company's design centers are located in Europe, North America and India, which enable the company to work closely with international customers while bringing together the best talent from around the world to work on complex problems and provide a competitive solution by managing the optimal onshore/offshore mix for the projects.
- Centum also provides flexible engagement models depending on the specific project requirements. Customers can choose between Consulting Engagements and Fixed Price Contracts.



# Electronic Manufacturing Services (EMS)

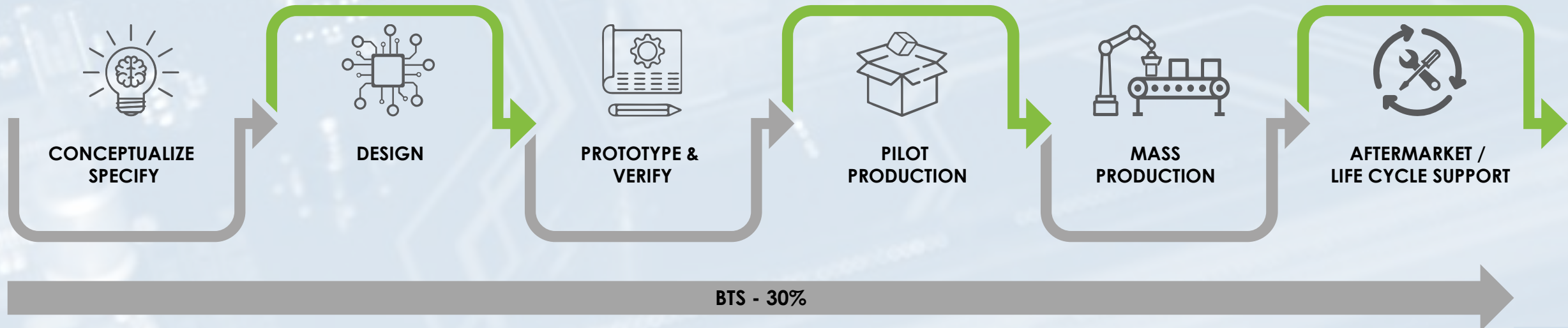
- The company's EMS Services include manufacturing solutions focused on a High reliability, High Complexity products in the high technology segment
- Centum offers a wide range of manufacturing solutions from Printed Circuit Board assemblies to Complex box builds, Line Replaceable Units (LRU) and full system integration.
- The company helps its customers realize challenging products by having customer-focused teams that leverage their streamlined processes and systems and adapt them to the specific requirements of the customer and product where necessary.
- By providing scalable manufacturing solutions and a flexible, proactive approach to managing the supply chain and lifecycle related challenges, Centum helps customers achieve their goals of lower Total Cost of Ownership and reduced time-to-market among others.





# Build to Specification (BTS)

- The Built to Specification services include taking a project from conceptualization to mass production quickly and efficiently. Centum's unique positioning with a full range of integrated capabilities makes it the ideal product realization partner.
- Customers choose turn-key build to spec offering due to the convenience of a Single Point of contact for Design/Engineering, Industrialization and Manufacturing which reduces the need for multiple interfaces at each stage of the project and also fastens the products time-to-market and facilitating a Design-To-Cost approach and reducing the Total Cost of Ownership. This engagement model involves higher IP and value creation opportunities for both the customer and for Centum.
- The company is also able to better the product Lifecycle management by proactively and effectively managing issues such as obsolescence, performance upgrades, market-specific localization and cost reduction.





## AEROSPACE

- The Aerospace industry has several ongoing technological initiatives to make aircrafts more fuel-efficient, environmentally friendly and safer, which involves incorporating more electronics on board, making avionics platforms more configurable, and of course factoring in environmental issues and reducing human error to improve safety.
- Alongside products for command & control, power electronics and energy storage applications, Centum is also developing activities in ground and flight testing -- using its own test benches and simulators.
- Centum plays a key role in the global aerospace supply chain delivering critical electronics for cockpit computers, Air Traffic Management and also works closely with OEMs to design next-generation flight controls, Power solutions among various other technologies.

## SPACE

- Space technology is progressing at a rapid pace driven by commercial applications such as satellite broadcasting, communication, Earth observation, geo-location, and global navigation equipment and services.
- Centum has established a credible track record since 2002 in this segment delivering complex products that address applications in launch vehicles, satellite payloads, satellite bus systems as well as ground equipment.
- The company is also a leading electronics industry partner and one of the largest private contractors for ISRO, involved in its various stages of design, development, qualification and production of electronic modules, subsystems and systems for multiple applications in satellites and launch vehicles. Keeping in mind the growing number of missions of ISRO.
- Centum has made significant investments to ensure that they can deliver products with the right quality, technology and in required quantities to be a trusted partner. It has delivered mission-critical electronics on almost all satellite programs of ISRO including the ambitious Chandrayaan and Mangalyaan projects, and also delivered 300 to 500 components for almost every Indian space mission.

## DEFENCE

- Centum started its defence business in 2010 and it is today the largest industry vertical for the company. Over the years the company has been successful in developing and manufacturing critical systems for major Defense programs that span across the land, air and naval systems with applications in Missiles, Electronic Warfare, Radar, Military Communications, and fire control amongst many.
- For the past two decades, Centum has also been engaged in the development and manufacture of modules, subsystems for missiles, radars and military electronic warfare communication applications for DRDO laboratories, Ordnance Factories and other domestic defence PSUs, and over the past decade, Centum has become one of the select few Indian partners to international defence OEMs as well.





Industrial Equipment Diagnosis



Industrial Circuit Breaker Control System



Solar Energy Power Cabinet



HIL Test Simulator Turbo Alternator Regulation

- The digital transformation in utilities, infrastructure and manufacturing among other industrial segments is driving new products that are smart, collaborative and result in efficiencies for end-users.
- Centum enables its customer to realize such products for applications in automation, control and measurement, energy among others.
- Centum's expertise in energy conversion and storage technology has helped customers develop customized Microgrid solutions as well as new solutions for railway infrastructure projects.

## Oil & Gas Industry



Electronics for Phased Array Flaw Detectors



Smart Valve Interface



Industrial 2 Wire Transmitter



Distributed Control Systems

## Power Grid Industry



Scada System for Power Plant Automation



Teleprotection Equipment



Utility Communication Equipment



- The field of healthcare is rapidly adopting new technologies to augment the quality of treatment and create efficiencies for healthcare providers.
- Centum has engineered a variety of medical devices and equipment for the Healthcare industry that include digital radiography systems, automated pumps for drug injection, ultrasound equipment, patient monitoring devices, customized room controls for operation theaters among others.



Electronics for Infusion Pump



Electronics for X-ray Flat Panel Detectors



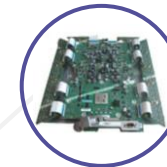
Medical Injection System



Medical Electronic Board



Medical Panel for Surgery Room



Medical Flat Panel Acquisition Board



Medical Product Test Area





## TRANSPORTATION

- Centum is at the forefront of the Transportation sector working very closely with the leading global OEMs and rail operators on developing the next-generation technologies for rolling stock and signaling applications.
- Centum has developed proprietary technologies in two key product lines listed below, where our products have been deployed on board trains in North America, Europe, Asia and Australia for Signaling equipment and Passenger Information Systems
- In addition, Centum provides specialist engineering services and manufacturing services to help clients to meet operational, commercial and regulatory requirements.

## AUTOMOTIVE

- The automotive industry is going through a dynamic transformation with new players entering the market introducing disruptive technologies incorporating electronics for applications such as autonomous driving, powertrain architecture, connectivity among others.
- Being a specialist in electronics design and manufacturing services Centum supports customers navigate this transformation by turning big ideas into reliable and performing solutions
- Centum's strong knowledge and experience of developing products to the required safety standards as well as past references in developing similar products for the aerospace and rail transport domains has positioned us well to support our customers as they develop new products and technologies to stay ahead.



Railway Automation System



Railway Embedded Controller



Railway Embedded Computer Board



Assisted Car Navigation



Automotive Telematic Module



Automotive Flexray Demonstrator



Railway Energy Storage System (NEOSEE)



Railway Energy Module (POWERLIC)



Automotive Elec Board for Solar Roof-smartop Project



Power Steering Encoder Acquisition system



# INDUSTRY OVERVIEW

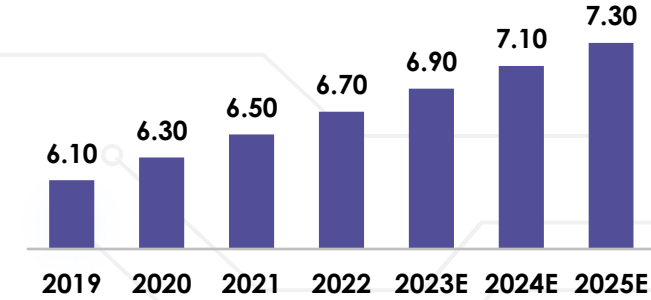


# ESDM Industry

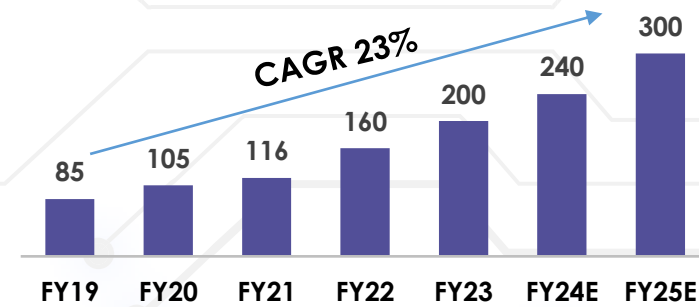


- The Electronics System design & manufacturing (ESDM) sector in India is predicted to reach to US\$ 220 billion by 2025, expanding at a 16.1% CAGR between 2019 and 2025.
- India is one of the largest consumer electronics markets in Asia Pacific Region and is home to considerable talent for electronic chip design and embedded software. India has committed to reach US\$ 300 billion worth of electronics manufacturing and exports by 2025-26.
- Indian Electronics System Design & Manufacturing (ESDM) market is valued at USD 105 Bn in FY20 and is expected to grow steadily and reach USD 220 Bn by 2025. The Electronics System Market is expected to grow 2x from USD 81 Bn in 2020 to reach USD 160 Bn by 2025. The Electronics Design Market is expected to grow from USD 24 Bn in 2020 to reach USD 60 Bn by 2025.
- With a strong network of science & technology institutions and trained manpower, India has the third largest-scientific and technical manpower in the world. This makes the country a strong base for future innovations and for the availability of a skilled workforce.
- Government of India's continued focus on Self-Reliance with specific policies to promote manufacturing in India. The Reduction of corporate taxes, announcement of schemes to incentivize manufacturing and capital investment in India combined with a large, growing domestic market and globally competitive wage rates present a very good case for Indian manufacturing.
- The US-China Trade war which triggered many US companies to revisit their supply chains in light of the tariffs levied on the import of electronic items from China.
- The Covid-19 pandemic which has accelerated industries world over to de-risk their manufacturing and supply chain footprint and to ensure business continuity plans are put in place. This is has resulted in many companies moving to a "China plus One" strategy with India being a strong contender for several companies.

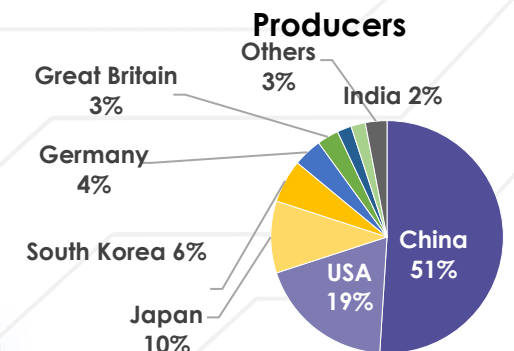
**Global Electronic Market Size (USD Tn)**



**Indian Electronic Production Market (USD Bn)**



**Global Share of Electronics Producers**

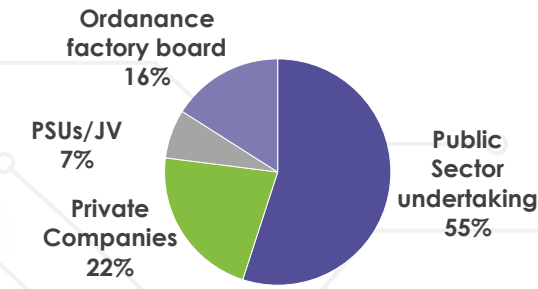


# Space, Defence, Transportation & Other Industries

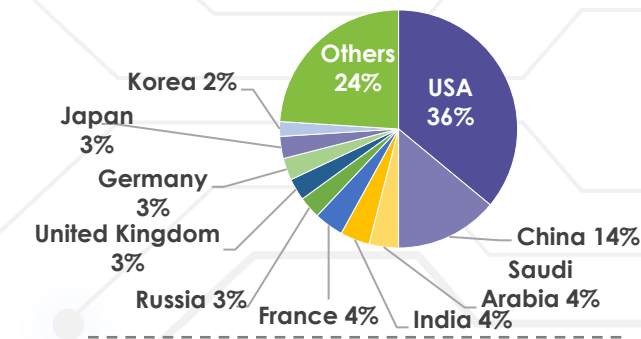


- Defence:** The Indian government has set the defence production target at US\$ 25 billion by 2025. The government is taking several initiatives to encourage domestic manufacturing and reduce its external dependence for defence procurement. In January 2021, Defence Research and Development Organisation (DRDO) announced that it will support at least 30 start-ups every year to develop innovative products for Indian defence forces. The government announced measures under the 'Make in India' initiative, including raising foreign direct investment (FDI) limit from 49% to 74% via the automatic route; this resulted in significant FDI inflows in the defence and aerospace sector.
- Space:** The number of satellites and launches has steadily increased over the past 5 years for applications ranging from communications, defence, earth observation and other scientific missions. The demand for more satellites remains strong as transponder capacities need to be augmented to support increasing data/broadband and DTH requirement. ISRO's Human Space flight program, other scientific and earth observation missions as well as MoDs objective to strengthen India's space warfare capabilities, provide further impetus to the sector over the medium term.
- Transportation:** The Transportation sector is projected to remain relatively stable despite lower ridership in the short term. Governments are expected to continue major infrastructure projects across geographies to support longer-term objectives of managing mobility more efficiently in cities and towns. Smart and Green mobility technologies will remain a focus in the years to come.
- Industrial:** The Industrial Sector address a wide range of application including Oil & Gas, Industrial Automation for process industries, Electrification, Utilities etc. The sharp decline in oil price combined with the temporary reduction in capex budgets for many industrial companies is expected to have a short-term adverse impact in this segment. On the other hand, electrification and power grid infrastructure projects are expected to remain relatively stable.
- Medical:** The Medical devices industry is a growing segment and has attracted all the more attention in the wake of the Covid-19 pandemic. There is also expected to be more investment and demand for remote monitoring and devices that enable telemedicine and predictive diagnostics. Regulation and a growing share of healthcare spending in emerging economies are also key focus themes in this segment in the near to medium term.

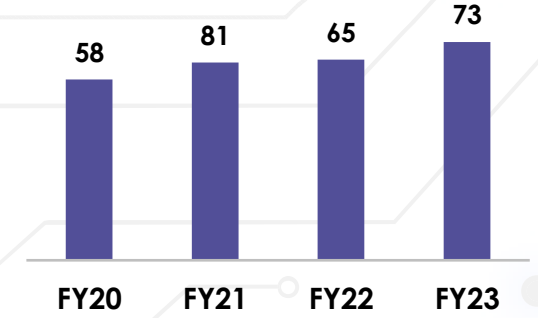
**Defence Production**



**Global Share of Military Expenditure**



**India's Growing Defence Budget (USD Bn)**

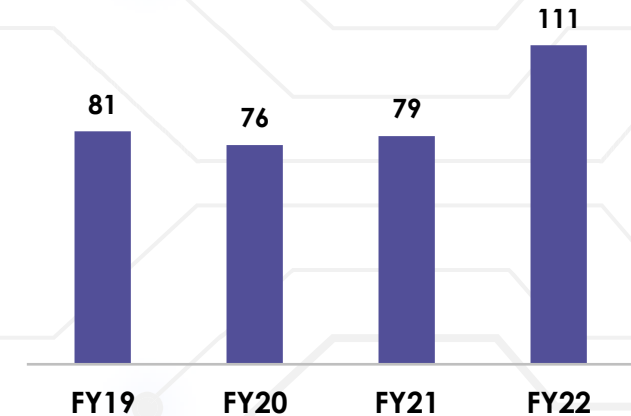


Source: IBEF

# Engineering R&D Service Industry

- Global engineering R&D services outsourcing market is anticipated to reach more than USD 650 billion by 2025 according to a new report published by The marker research report. The major factors which are driving this market are the access to low-cost highly skilled resources which can work towards complex tasks of not only designing and testing but also on validation, simulation and execution.
- Global Engineering R&D (ER&D) space and estimated that the Global ER&D spend by organizations worldwide stands at USD 1.4 Trillion in 2019, and is expected to grow at a CAGR of 7% to cross USD 2.2 Trillion by 2025.
- India will account for 41% of the global digital engineering services market by 2025, according to a report by consulting firm Zinnov. As of now, India accounts for \$10.6 billion of the digital engineering market share which is expected to increase four-fold in five years.
- The engineering goods export of India had a share of 23.77% out of the total exports during April-September 2022 from the country. During 2021-22, the total engineering goods exports of India were valued at US\$ 111 billion; a 52% increase from the previous year.
- The Indian ER&D sector already employs about 7,00,000 people in the country, which could rise to one million by 2025, if the conditions for growth become more favorable

India's Engineering Export (USD Bn)





# FINANCIAL OVERVIEW

# Historical Standalone Income Statement



Particulars (INR Mn)	FY21	FY22	FY23	FY24
<b>Operational Revenue</b>	<b>4,245</b>	<b>3,480</b>	<b>5,006</b>	<b>6,328</b>
Total Expenses	3,621	3,055	4,470	5,541
<b>EBITDA</b>	<b>624</b>	<b>425</b>	<b>536</b>	<b>787</b>
<b>EBITDA Margins (%)</b>	<b>14.70%</b>	<b>12.21%</b>	<b>10.71%</b>	<b>12.44%</b>
Other Income	39	58	47	67
Depreciation	158	165	162	184
Finance Cost	174	146	157	180
<b>PBT Before Exceptional Items</b>	<b>331</b>	<b>172</b>	<b>264</b>	<b>490</b>
Exceptional Items	-	(18)	-	-
<b>PBT</b>	<b>331</b>	<b>154</b>	<b>264</b>	<b>490</b>
Tax	91	36	70	127
<b>PAT</b>	<b>240</b>	<b>118</b>	<b>194</b>	<b>363</b>
<b>PAT Margins (%)</b>	<b>5.65%</b>	<b>3.39%</b>	<b>3.89%</b>	<b>5.74%</b>
Other Comprehensive Income	1	6	6	3
<b>Total Comprehensive Income</b>	<b>241</b>	<b>124</b>	<b>200</b>	<b>366</b>
Diluted EPS (INR)	18.60	9.12	14.91	27.82



# Standalone Balance Sheet



Particulars (INR Mn)	FY22	FY23	FY24
<b>ASSETS</b>			
<b>Non-Current Assets</b>	<b>2,120</b>	<b>2,219</b>	<b>2,480</b>
(a) Property, Plant & Equipment	1,033	993	1,053
(b) Capital Work in progress	-	54	3
(c) Goodwill on Consolidation	36	36	36
(d) Other Intangible Assets	42	29	18
(e) Right of use asset	29	35	23
(f) Intangible assets under development	-	-	-
(g) Financial Assets			
(i) Investments	628	763	1,081
(ii) Loans		10	-
(iii) Other financial assets	269	205	158
(h) Deferred tax assets (net)	25	62	89
(i) Non-current tax assets (net)	49	10	9
(j) Other non-current assets	9	21	10
<b>Current Assets</b>	<b>3,340</b>	<b>4,835</b>	<b>5,748</b>
(a) Inventories	1,986	2,316	2,874
(b) Financial Assets			
(i) Investments	-	-	-
(ii) Trade Receivables	898	2,095	2,203
(iii) Cash and Cash Equivalents	149	137	130
(iv) Bank balances other than above	94	69	235
(iv) Loans		10	10
(v) Others current financial assets	52	6	19
(c) Other Current Assets	161	202	277
<b>TOTAL ASSETS</b>	<b>5,460</b>	<b>7,054</b>	<b>8,228</b>

Particulars (INR Mn)	FY22	FY23	FY24
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>2,645</b>	<b>2,826</b>	<b>3,124</b>
(a) Share Capital	129	129	129
(b) Other Equity	2,516	2,697	2,995
<b>Non Current Liabilities</b>	<b>162</b>	<b>259</b>	<b>735</b>
(a) Financial Liabilities			
(i) Borrowings	-	-	103
(ii) Other Financial Liabilities	-	-	-
(iii) Lease Liabilities	2	8	3
(b) Government Grants	27	24	16
(c) Net non-current employee defined benefit liabilities	56	60	50
(d) Other Non-Current Liabilities	77	167	563
<b>Current Liabilities</b>	<b>2,653</b>	<b>3,969</b>	<b>4,369</b>
(a) Financial Liabilities			
(i) Borrowings	980	1,059	912
(ii) Trade Payables	726	1,525	1,650
(iii) Other Financial Liabilities	84	167	159
(iv) Lease Liabilities	12	6	2
(b) Government Grants	8	8	8
(c) Other current Liabilities	781	1,025	1,501
(d) Net current employee defined benefit liabilities	7	7	8
(e) Provisions	25	62	81
(f) Liabilities for current tax (net)	30	110	48
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,460</b>	<b>7,054</b>	<b>8,228</b>

# Historical Consolidated Income Statement



Particulars (INR Mn)	FY21	FY22	FY23	FY24
<b>Operational Revenue</b>	<b>8,174</b>	<b>7,799</b>	<b>9,230</b>	<b>10,908</b>
Total Expenses	7,279	7,057	8,468	10,049
<b>EBITDA</b>	<b>895</b>	<b>742</b>	<b>762</b>	<b>859</b>
<b>EBITDA Margins (%)</b>	<b>10.95%</b>	<b>9.52%</b>	<b>8.26%</b>	<b>7.87%</b>
Other Income	58	80	59	68
Depreciation	453	432	438	453
Finance Cost	295	263	273	346
Share of profit / (losses) of associates and JV from continuing operation	(11)	(46)	12	0
<b>PBT Before Exceptional Items</b>	<b>194</b>	<b>82</b>	<b>121</b>	<b>128</b>
Exceptional Item	-	(604)	-	(49)
<b>PBT</b>	<b>194</b>	<b>(522)</b>	<b>121</b>	<b>79</b>
Tax	74	13	54	107
<b>PAT</b>	<b>120</b>	<b>(535)</b>	<b>67</b>	<b>(28)</b>
<b>PAT Margins (%)</b>	<b>1.47%</b>	<b>NA</b>	<b>0.73%</b>	<b>(0.26)%</b>
Other Comprehensive Income	(6)	25	7	23
<b>Total Comprehensive Income</b>	<b>114</b>	<b>(510)</b>	<b>74</b>	<b>(5)</b>
Diluted EPS from continuing operations (INR)	13.30	(23.70)	7.55	1.36

# Consolidated Balance Sheet



Particulars (INR Mn)	FY22	FY23	FY24
<b>ASSETS</b>			
<b>(1) Non-current assets</b>	<b>3,356</b>	<b>3,360</b>	<b>3,038</b>
(a) Property, Plant and Equipment	1,120	1,071	1,126
(b) Capital work-in-progress	-	54	3
(c) Goodwill on consolidation	376	376	376
(d) Other Intangible assets	416	286	351
(e) Right of use asset	481	465	530
(f) Intangible assets under development	120	228	101
(g) Financial assets			
(i) Investment in joint ventures and associates	59	82	84
(ii) Other Investments	14	14	1
(iii) Other non current financial assets	378	363	276
(h) Deferred tax assets (net)	32	70	102
(i) Non-current tax assets (net)	49	9	13
(j) Other non-current assets	311	342	75
<b>(2) Current assets</b>	<b>5,874</b>	<b>7,367</b>	<b>7,600</b>
(a) Inventories	2,248	2,611	3,174
(b) Financial assets			
(i) Trade receivables	2,499	3,310	2,280
(ii) Cash and cash equivalents	481	353	481
(iii) Bank balances other than cash and cash equivalents	94	69	235
(iv) Other current financial assets	226	121	441
(c) Other current assets	326	903	989
<b>Total assets (1+2)</b>	<b>9,230</b>	<b>10,727</b>	<b>10,638</b>

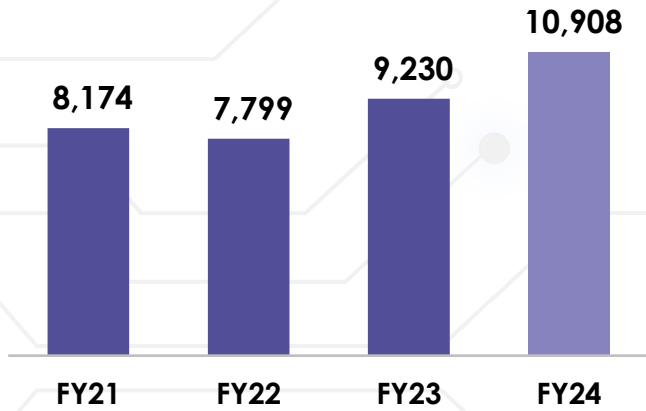
Particulars (INR Mn)	FY22	FY23	FY24
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>	<b>1,985</b>	<b>2,040</b>	<b>1,967</b>
(a) Equity share capital	129	129	129
(b) Other equity	1,911	1,978	1,904
Equity attributable to equity holders of the parent (a+b)	2,040	2,107	2,033
(c) Non-controlling interests	(55)	(67)	(66)
<b>(2) Non-current liabilities</b>	<b>1,453</b>	<b>1,246</b>	<b>1,616</b>
(a) Financial liabilities			
(i) Borrowings	816	580	447
(iii) Lease Liabilities	356	362	408
(b) Deferred tax liabilities (net)	49	27	5
(c) Net non-current employee defined benefit liabilities	58	62	53
(d) Other non-current liabilities	77	167	672
(e) Provisions	70	24	15
(f) Government Grants	27	24	16
<b>(3) Current liabilities</b>	<b>5,792</b>	<b>7,441</b>	<b>7,055</b>
(a) Financial liabilities			
(i) Borrowings	1,910	2,048	1,290
(ii) Trade payables	1,141	2,110	2,378
(iii) Other current financial liabilities	599	517	372
(iv) Lease Liabilities	120	92	118
(b) Other current liabilities	1,701	2,255	2,517
(c) Government Grants	8	8	8
(d) Net employee defined benefit liabilities	6	7	8
(e) Provisions	275	287	313
(f) Liabilities for current tax (net)	32	117	51
<b>Total equity and liabilities (1+2+3)</b>	<b>9,230</b>	<b>10,727</b>	<b>10,638</b>



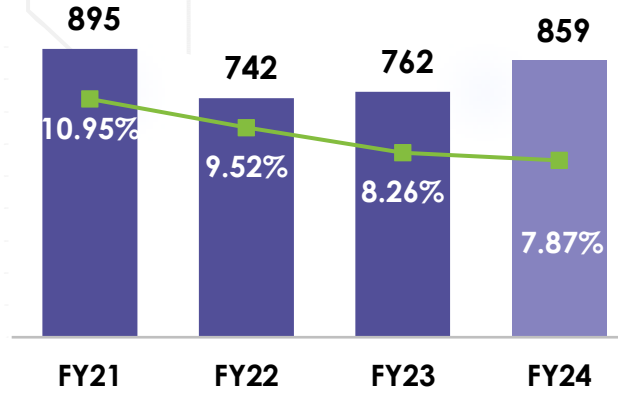
# Consolidated Financial Highlights



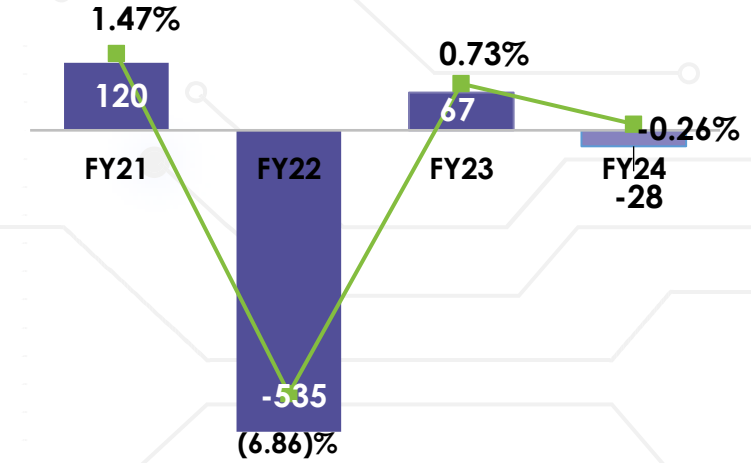
Operational Revenue



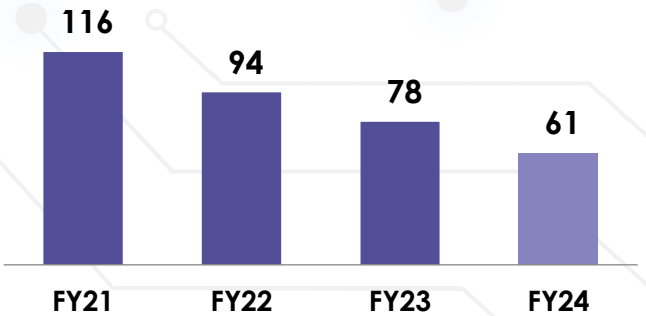
EBITDA & EBITDA Margins (%)



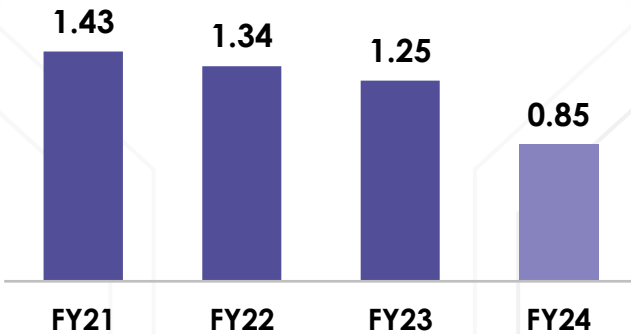
PAT & PAT Margins (%)



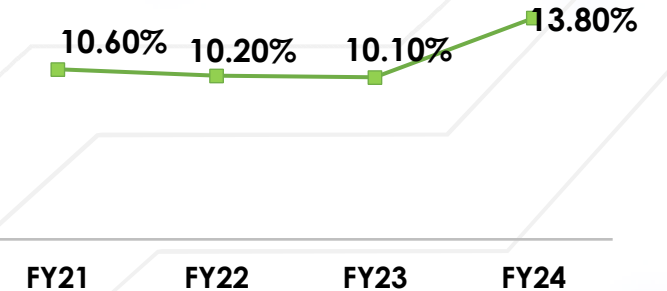
Net Working Capital Days



Debt to Equity



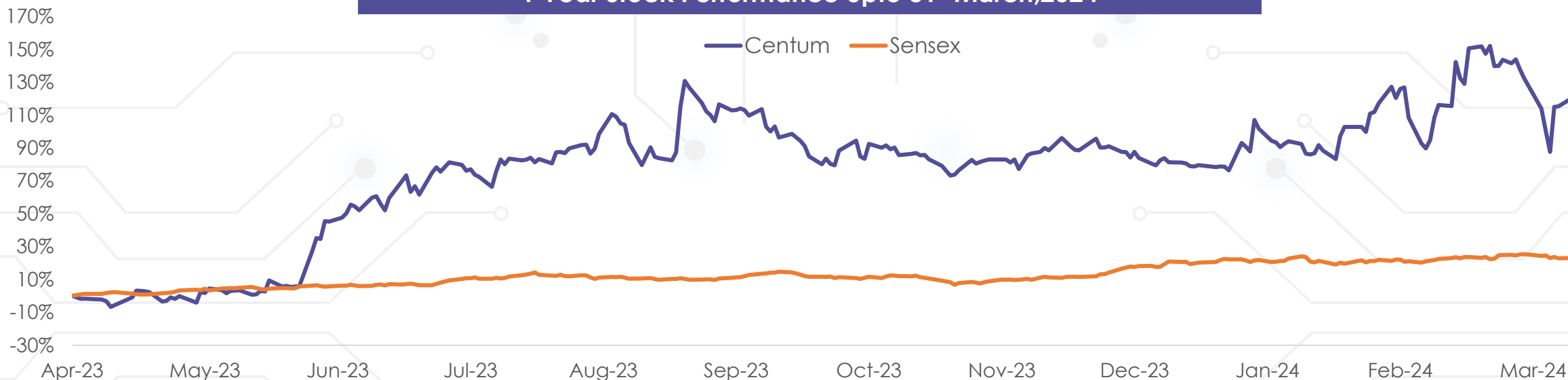
ROCE(%)



# Capital Market Data



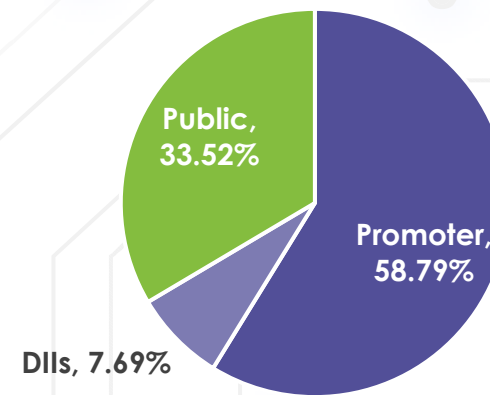
## 1 Year Stock Performance upto 31<sup>st</sup> March, 2024



## Price Data (As on 31<sup>st</sup> March, 2024)

CMP	1,679.55
52 Week H/L	2,011.40/706.00
Avg. Vol. ('000)	38.31
Avg. turnover (Mn)	53.35
Market Capital (INR Mn)	21,646.77
Total outstanding shares (Mn)	12.89

## Shareholding Pattern (As on 31<sup>st</sup> March, 2024)



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