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@BullsforBears

#amberenterprises Q2fy21 concall transcript

Q2 went well for Room AC industry,uptick retail demand, pent up demand
Overall electronic & consumer durables witnessed a good quarter
Inventory levels back to normal
Anticipate better H2fy21
#stock #StocksToWatch #Nifty #sensex

GOI banned import of refrigerant fill ACs, approx 30% of fully built RACs were imported mkt size 4000 crs , atmanirbhar bharat initiative,oppurtunity for domestic RAC players
Not easy for OEMs to import non-refrigerant fill ACs,unpack,gas fill test,negates cost advantage

#amberenterprises completed QIP 400 cr in Q2fy21, money used for debt repayment,capex,WC ,acquire additional 20% stake in Sidwal,company ready to grab mkt share in RAC
China plus 1 unfolding,global MNC enquiring about RAC & components
Amber started export of components to US

Launched wide offerings of commercial ACs
Strengthened portfolio in Sidwal for railway,metros,bus ACs
Revenue 408 cr in Q2fy21 vs 623 yoy
RAC 36% ,components & mobile apps 64% contribution to revenue
Ebidta Q2fy21 22 vs 39 cr yoy
Sidwal business to focus on metros & AC coaches

PICL widened portfolio from PSC to BLDC motors,in discussion to launch washing machine & higher voltage motor for commercial AC
IN JIN & EVER to focus on inverter ACs,post development of own inverter PCB board,expect to add more business in IN JIN & EVER

#amberenterprises

Industry inventory of 2.4 mn ACs post lockdown now consumed
Ban on refrigerant AC import to lead to volume expansion from Feb 21
ACs to US mkt ,1st sample to be ready by Jan,next yr for reliability testing & approval cycles,fy22 room AC exports may start

Started export of motors,heat exchangers,in talks for PCB
Entered commercial AC mkt,approvals came Q2,started exports though low volumes,to expand portfolio to 18-20 products,mkt size ductable 4000cr & VRV 2500 crs

2 large tenders from Delhi metro for Sidwal worth 98 crs

Added 4 new customers who were importing 100% vols,expect higher vols post Feb21
Export of RACs,65 million ACs, 80% from China & 20% from Thailand,2 biggest exporters of RACs
Amber on par for cost of 1.5,2 tonne ACs,countries with no FTA in place expect apple to apple cost

1 tonne RAC mkt highly competitive,China cost advantage in vol terms,take #amberenterprises 2 to 3 yrs to match
AC industry mainly outsourced, from 34% in Jan 2018 to 48% now,Amber share up from 55 to 70% post ipo
Expect reliability cycle for RAC to complete in 2021,export 2022

AC components mkt 75% import dependent,5500 crs,expect GOI policy gradual ban to shift component mfg to India
Shift of business in Q2, 64% business from components out of which 60% from non AC components
US large mkt for RAC,20 out of 65 mn exports are to US,opened sales office

Revenue RAC 147cr,AC components 90 & non AC 171 crs for Q2
Channel inventory for RAC down from 2.2-2.4 mn to 6-7lakhs
#amberenterprises provides comprehensive & integrated solutions, strong R&D,15 plants across India,wide range 0.75-2 tonn,all star category,1stop for components

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