

SYRMA SGS Technology Ltd.

Neutral

Issue Highlights

Issue Open	August 12, 2022
Issue Close	August 18, 2022
Issue Price	Rs. 209 - Rs. 220 Per Share
Total Issue Size	Rs. 840.1 Cr
Of which	
Offer for Sale	Rs. 74.1 Cr
Fresh Issue	Rs. 766 cr
Face Value	Rs. 10 Per share
Market Lot	68 Equity Shares
Issue Type	Book Built Issue

Offer Structure

QIB Category	50%
Retail category	35%
Non-Institutional	15%

Lead Book Running Managers

- ⇒ DAM Capital Advisors Ltd.
- ⇒ ICICI Securities Ltd.
- ⇒ IIFL Securities Ltd.

Registrar To The Offer

- ⇒ Link Intime India Pvt Limited

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Key Highlights

- ❑ **Company Background:** Incorporated in 2004, SYRMA SGS Technology (SYRMA) is a technology-focussed engineering and design company engaged in turnkey electronics manufacturing services. It specializes in precision manufacturing for diverse end-use industries, including industrial appliances, automotive, healthcare, consumer products and IT industries.
- ❑ **Leading design and electronic manufacturing services companies:** SYRMA is amongst the largest bouquet of EMS players in India, and also one of the fastest growing Indian-headquartered ESDM companies. (Source: F&S Report). It is also leaders in high mix low volume product management and are present in most industrial verticals.
- ❑ **Diversified and expanding product portfolio:** The diversification and expansion of product portfolio is primarily driven by the continuously evolving needs of its customers and technological advancements in the industry. Moreover, the company's constant efforts on R&D have helped the company to accelerate growth.
- ❑ **Established relationships with marquee customers:** The company has established will continue to focus on strengthening long-standing relationships with well-known customers across the end user industries. Certain of its marquee customers across the end-use industries that it caters to, include TVS Motor Company Limited, A. O. Smith India Water Products Pvt. Ltd., Robert Bosch Engineering and Business Solution Pvt Ltd, Eureka Forbes Ltd Limited, and Hindustan Unilever Limited. In FY22, the company has catered to over 200 customers of which 16 customers are associated with the company for more than 10 years.
- ❑ **Promising industry growth prospects:** Electronics production in India is estimated at Rs. 4,975 Billion (USD 67 Billion) in FY21 and is expected to grow at a CAGR of 32.3% to reach ₹ 20,133 Billion (USD 272 Billion) by FY26. The domestic production of electronics is around 74% of the total electronics market in FY21, which is expected to reach around 96% by FY26, with the help of various government initiatives and development of electronic ecosystem in India.
- ❑ **SYRMA to capitalize on growing industry trends:** SYRMA intends to continue invest in technology infrastructure to enable further technical innovation, improve its operational efficiencies, and increase customer satisfaction. It also plans to expand its customer base and geographical reach and also look to increase its wallet share from existing customers.
- ❑ **Valuations:** SYRMA financial track record has been decent with revenue and PAT growth of 52.5% and 33% in FY22. On the valuation front, the company is valued at 44x pre issue FY22 net profit.
- ❑ **Key Risks:** i) High competitive intensity ii) Currency Risk (55% of revenue from exports)

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S. No.	Statement	Answer	
		Yes	No
		Tick appropriate	
		Yes	No
	I/we or any of my/our relative has any financial interest in the subject company? [If answer is yes, nature of interest is given below this table]		No
	I/we or any of my/our relatives, have actual/beneficial ownership of one per cent. or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report or date of the public appearance?		No

	I / we or any of my/our relative, has any other material conflict of interest at the time of publication of the research report or at the time of public appearance?		No
	I/we have received any compensation from the subject company in the past twelve months?		No
	I/we have managed or co-managed public offering of securities for the subject company in the past twelve months?		No
	I/we have received any compensation for brokerage services from the subject company in the past twelve months?		No
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	I/we have served as an officer, director or employee of the subject company?		No
	I/we have been engaged in market making activity for the subject company?		No

Nature of Interest (if answer to F (a) above is Yes :

Name(s) with Signature(s) of RA(s).

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SS.No.	Name(s) of RA.	Signatures of RA	Serial Question of question which the signing RA needs to make a separate declaration / answer	Yes	No.

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