



# Savita Oil Technologies Ltd.

Investor Presentation – February 2023



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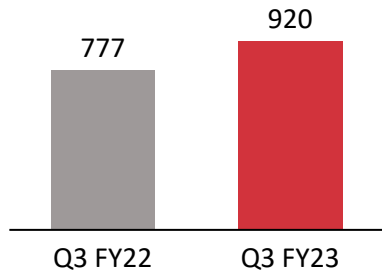
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# Q3 & 9M FY23 Financial Highlights

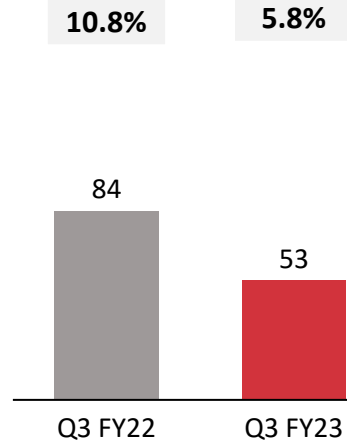


# Q3 & 9M FY23 Performance Highlights

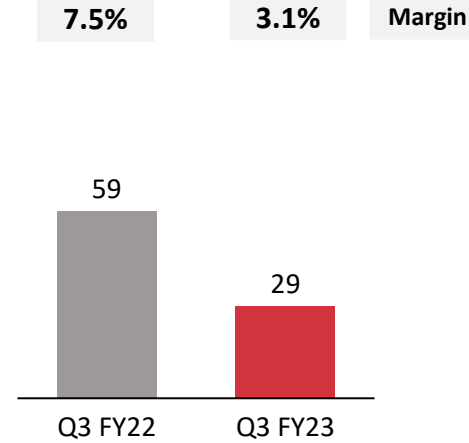
## Revenue\* (Rs. Cr)



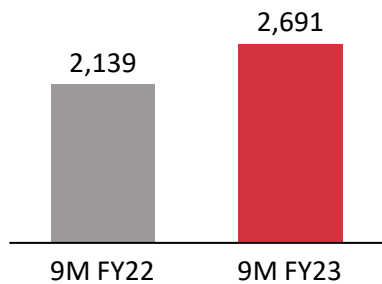
## EBITDA (Rs. Cr)



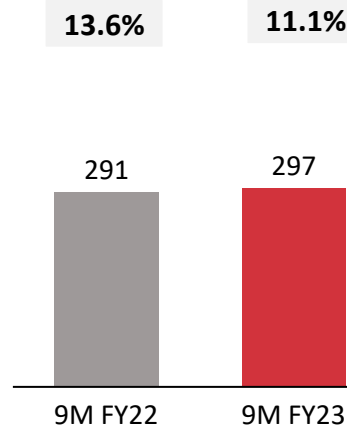
## PAT (Rs. Cr)



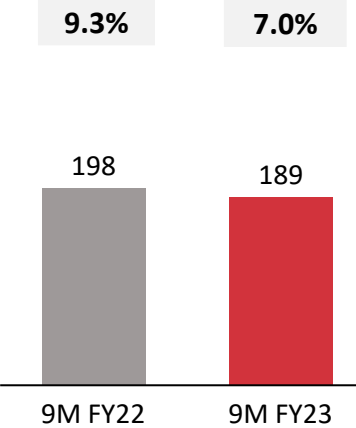
## Revenue\* (Rs. Cr)



## EBITDA (Rs. Cr)



## PAT (Rs. Cr)



“Despite a challenging business environment for our industry, during nine months period ending Dec-22 we delivered a 25.8% YoY increase in the total income at Rs. 2,691 crores. EBITDA for the period is at Rs. 297 Cr with a 2.1% improvement.

During the quarter under review, two critical components - Base Oils and the Exchange Rate have witnessed major volatility and both of these impacted us adversely. Base Oils Prices have fallen about 25% since June 2022 and the Indian rupee also depreciated significantly in the Quarter ending December, 2022. This resulted in inventory and foreign exchange losses which have impacted our margins. In this quarter we delivered, a total income of Rs. 920 crores with a growth of 18% on YoY basis.

In the past few quarters, we have focused on building an independent distribution network for our industrial lubricants and with this now in place we hope to rapidly scale up our industrial lubricant volumes in the next financial year. Also, we are excited about the new products developed by our R&D team that are being readied for commercial launch and this will open up new markets and a new customer base for us in the years ahead.”

**Mr. Gautam N. Mehra**  
Chairman and MD

## Key Highlights

- › EBITDA per KL/MT at Rs. 4,342 for Q3 FY23 and at Rs. 9,225 for 9M FY23

# Consolidated Profit & Loss Statement

Profit and Loss (in Rs. Crs)	Q3 FY23	Q3 FY22	YoY	9M FY23	9M FY22	YoY
Revenue from Operations	908.6	767.2		2,674.8	2,110.0	
Other Income	11.4	9.7		16.6	29.0	
<b>Total Income</b>	<b>920.0</b>	<b>776.9</b>	<b>18.4%</b>	<b>2,691.4</b>	<b>2,139.1</b>	<b>25.8%</b>
Cost of Goods Sold	782.4	613.9		2,105.1	1,630.0	
Employee Cost	18.7	16.6		59.9	55.6	
Other Expenses	65.9	62.4		229.0	162.1	
<b>EBITDA</b>	<b>53.0</b>	<b>84.0</b>	<b>-36.9%</b>	<b>297.4</b>	<b>291.4</b>	<b>2.1%</b>
<b>EBITDA Margin (%)</b>	<b>5.8%</b>	<b>10.8%</b>		<b>11.1%</b>	<b>13.6%</b>	
Depreciation	5.1	5.4		14.8	15.7	
<b>EBIT</b>	<b>47.9</b>	<b>78.6</b>		<b>282.6</b>	<b>275.7</b>	
Finance Cost	10.9	3.9		28.9	13.2	
Exceptional Item Gain / (Loss)	0.0	0.0		0.0	0.0	
<b>Profit before Tax</b>	<b>37.0</b>	<b>74.7</b>		<b>253.7</b>	<b>262.5</b>	
Tax	8.3	16.2		64.3	65.0	
<b>Profit After Tax</b>	<b>28.7</b>	<b>58.5</b>	<b>-50.9%</b>	<b>189.4</b>	<b>197.5</b>	<b>-4.1%</b>
<b>Profit After Tax Margin (%)</b>	<b>3.1%</b>	<b>7.5%</b>		<b>7.0%</b>	<b>9.3%</b>	
EPS (in Rs)	4.15	8.22		27.39	28.28	

# Company Overview



# SAVITA: A Leading Manufacturer of Petroleum Specialty Products...

**Leading Manufacturer**

in India across the product portfolio

**Legacy of 60+ years**

**4**  
State of the Art, ISO Certified Manufacturing Plants

NABL Certified  
**R&D Laboratory**

## Product Portfolio

**Petroleum Specialty Oils**

**76%**  
of Sales

Transformer Oils

White & Mineral Oils

Formulated Specialty Products

**Lubricating Oils**

**22%**  
of sales

Automotive Oils

Industrial Oils

Rest 2% of Sales are contributed by others

**Wide Reach**

**75+**  
countries

**41**  
Stock points

**400**  
Distributors

**1,500**  
Franchisee Dealers

**Robust Financials**

FY22 (Rs. Cr, unless mentioned otherwise)

**2,969**  
Revenues

**389** (13.1%)  
EBITDA

**260** (8.8%)  
PAT

**Rs. 9,091**  
EBITDA per KL/MT

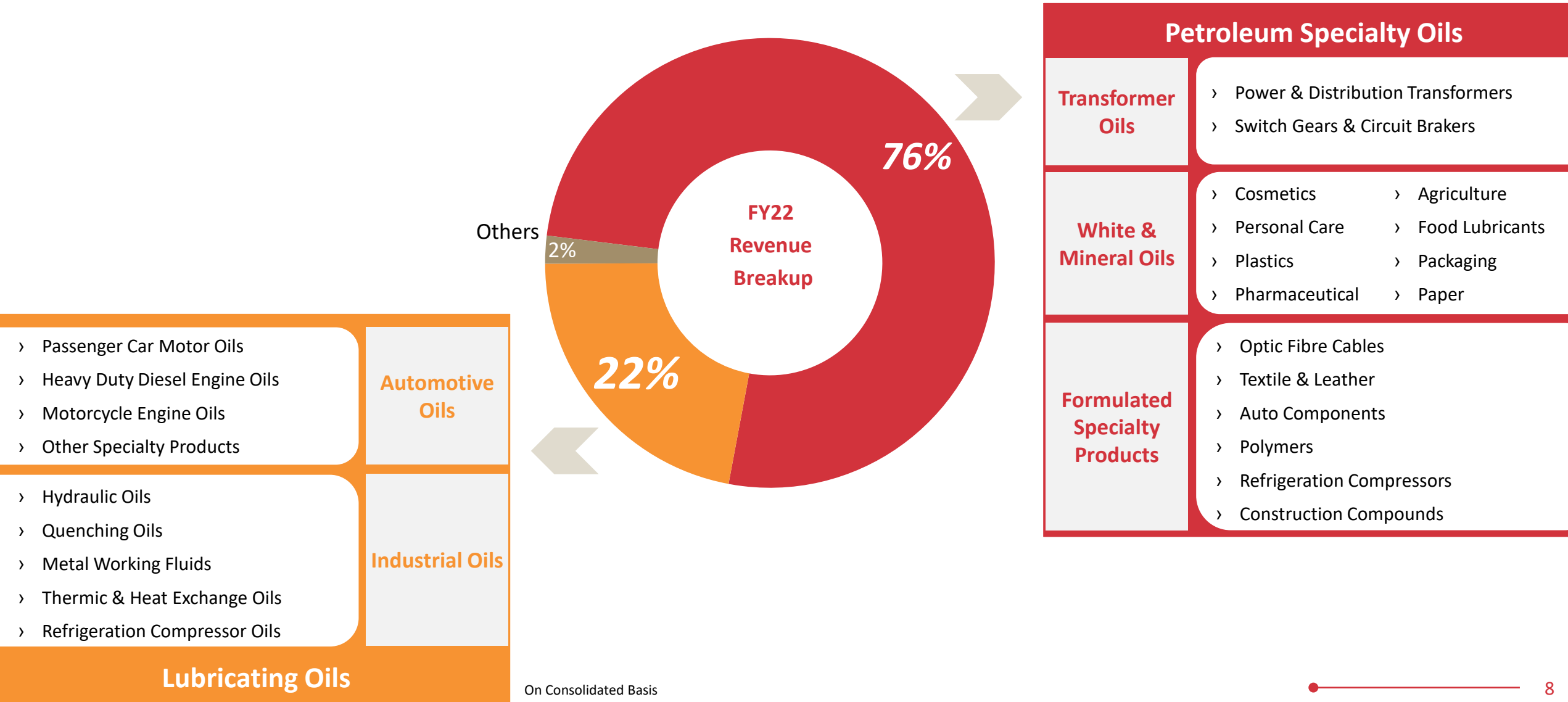
**Rs.25**  
Dividend per share

*Uninterrupted record of dividend distribution since listing in 1994*

**Focus on Sustainability**

**53** MW  
Installed renewable capacity

... with well insulated product portfolio catering to multiple industries



On Consolidated Basis



# Legacy of 60+ years

1961

Incorporation by Late Mr. Nandkishore Mehra. Set up 1st manufacturing unit at Sakinaka, Mumbai to manufacture liquid paraffin as an import substitute

1976

Set up first-of-its-kind R&D Centre in the private sector oil industry.

1994

Public issue and listing of SAVITA on the BSE and NSE

Associated with Idemitsu Kosan for Branded Lubricants

2007

Launched SAVSOL, SAVITA'S own brand of lubricating oils



2015

Launched *bioTransol*



2020

Launched SAVSOL Bio Boost, one of India's most biodegradable engine oils

Established manufacturing unit at Turbhe on the outskirts of Mumbai for the manufacture of petroleum specialties

1969

Set up another manufacturing plant at Mahad in Maharashtra

1989

Expanded manufacturing of petroleum specialties by setting up 4<sup>th</sup> manufacturing unit at Kharadpada, Silvassa

1998

Set-up a fully automated, state-of-the-art manufacturing unit at Silli, Silvassa for the manufacture of entire range of petroleum specialty oils

2013

Re-launched SAVSOL in a new green avtaar



2018



2021

# Product Portfolio



# 1. Transformer Oils

Only global manufacturer of mineral, natural and synthetic ester-based transformer oils



- › These oils are used as an insulating and cooling medium in distribution transformers, power transformers and instrumentation transformers
- › Offer a full range of Transformer Oils under “TRANSOL” brand
- › Products delivered and tailor made to meet specifications for domestic and global customers

## End User Industries

- › Transformer Manufacturers
- › Electricity Boards
- › Power Plant Operators

## Key Customers



Crompton

HITACHI  
ABB



TATA POWER

TOSHIBA

## Key Growth Drivers

- › Rising Investments over the next decade in transmission segment to support higher generation capacity and rural electrification
- › Rising demand for modernization of aging grid infrastructure coupled with large scale capacity addition will boost the market

## 2. White & Mineral Oils

### Amongst Top 2 Suppliers of White & Minerals Oils in India

- › Offer wide range of highly refined specialty mineral oil based products under the “TECHNOL” and “SAVONOL” brand
- › Also manufacture petroleum jellies like Ultima White, Snow White, Yellow Petroleum Jelly and other specific industrial grade petrolatum's under the brand “Savogel”
- › Key properties of this fluids are good lubricity, smoothness, softness and resistance to moisture in the formulations

#### End User Industries

- › Personal Care
- › Pharmaceutical
- › Plastics
- › Elastomers
- › Rubber Compound

#### Key Customers



Johnson & Johnson



#### Key Growth Drivers

- › The Indian personal care industry is witnessing a boom due to changing perceptions, growing awareness, and the rise of direct-to-consumer (D2C) companies making waves in the online retail space
- › Growing demand of cosmetic and pharma products from urban & rural India

# 3. Formulated & Specialty Products



## Leading supplier of Formulated & Specialty Products in India

- › Specialized waxes and emulsions including paraffin wax emulsions, microcrystalline wax, Polyethylene wax, oxidized PE wax and a range of wax emulsions. Wax Emulsion protect coating and ink surfaces for diverse applications
- › Cable filling and flooding compounds for copper cables as well as Optic Fiber Cables under “Savofil”, “Savoflod” and “Vitagel” brand names. This compound helps moisture tolerance, softness and stability at an extreme temperature



### End User Industries

- › Optic Fibre Cables
- › Textile & Leather
- › Auto components
- › Polymers
- › Refrigeration Compressors
- › Construction Compounds

### Key Customers



### Key Growth Drivers

- › The 5G Telecom spectrum auction held in 2022 and subsequent rollout of the network is expected to generate healthy demand for this product
- › Growing demand from end user market
- › Government Linked PLI Scheme

# 4. Automotive Oils – B2C Segment (1/2)

Apart from a sizable B2B business, we market our popular SAVSOL range of lubricants, greases and coolants to retail customers



- › The lubricant brand SAVSOL manufactures and markets high performance lubricants, fluids, coolants & greases and is amongst the fastest growing lubricant brand of India
- › It has a comprehensive range of automotive lubricants meeting the growing demand for sustainable products in various categories, i.e., Passenger Car Oils, Motorcycle Oils, Commercial Vehicle Oils, and Other Specialty Products
- › SAVSOL portfolio has products which successfully meets the latest & stringent BS VI emission norms for automobiles



Presenting a wide range of diesel engine oils to bring out the best from your trucks.

Savita Oil Technologies Ltd. 1007, Sector 8, Gurgaon, Haryana, India. Contact: 0124-2311111



Presenting a wide range of diesel engine oils to bring out the best from your tractors.

Savita Oil Technologies Ltd. 1007, Sector 8, Gurgaon, Haryana, India. Contact: 0124-2311111



# 4. Automotive Oils – B2B Segment (2/2)



## Leading supplier of Automotive Oils in India

- › Savita Oil Technologies known for its high quality lubricant manufacturing with state-of-the-art plants and technology centre has been amongst preferred supplier to automotive OEMs for a wide range of lubricant applications
- › Trusted partner for leading automotive OEMs. Some of our OEM associations are existing for over two decades
- › A fully equipped technical and quality control lab ensures high quality standards

### End User Industries

- › Two Wheelers
- › Four Wheelers
- › Commercial Vehicles
- › Farm Equipment

### Key Customers

	<i>Partnership for last</i>
	<b>25+ Years</b>
	<b>22+ Years</b>
	<b>11+ Years</b>
	<b>3+ Years</b>

### Key Growth Drivers

- › Low vehicle density - all global players focused on India story
- › Increase in per capita income and improved infrastructure leading to rise in vehicle ownership
- › Expansion of OEM franchise workshop network



# 5. Industrials Oils



## Leading supplier of Industrial Oils in India

- › Savita Oil Technologies has been a trusted partner to Industrial OEMs for a wide range of lubricant application needs.
- › It has an elaborate product portfolio under Brand “SAVSOL” catering to various Industrial applications and provides excellent lubrication, performance and protection to different types of Machines and Industrial Equipment
- › The exhaustive portfolio includes wide range of Hydraulic Oils, Turbine Oils, Thermic Fluids, Heavy Duty Industrial Gear Oils, Transmission Oils, Greases, Heat Treatment (Quenching Oils), Metal Working Oils and other Specialty Oils



### End User Industries

- › Industrial Machines & Equipment

### Key Customers



*Partnership for last*

**TATA HITACHI**

*25+ Years*



*7+ Years*



*1+ Years*

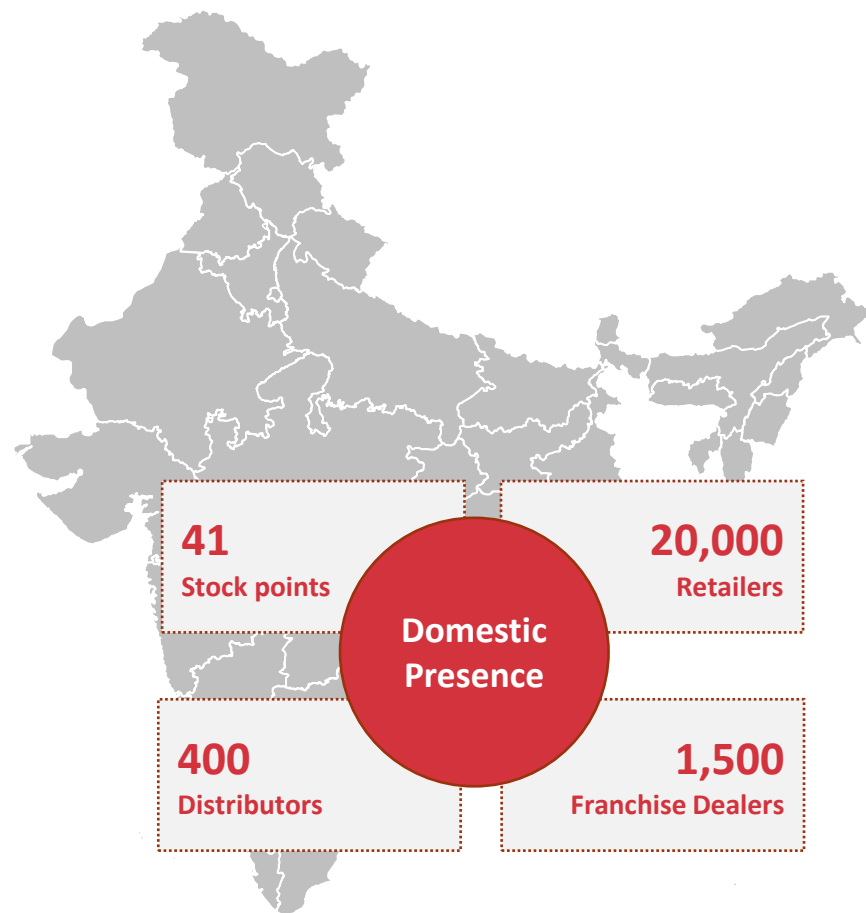
### Key Growth Drivers

- › Maintenance of existing and new industrial machines & equipment
- › Make in India – Increased manufacturing activity
- › Enhanced infrastructure development

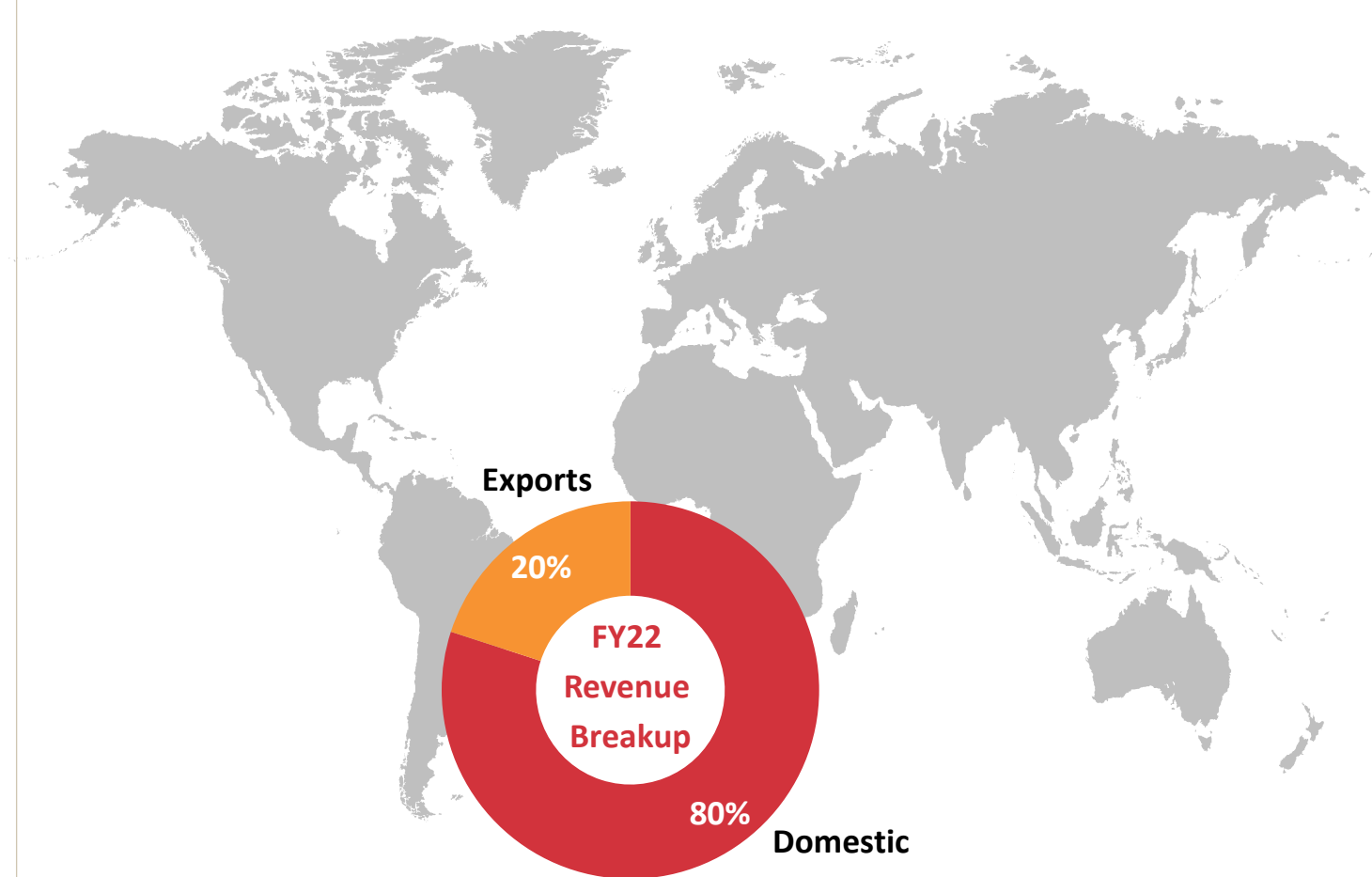


# Wide Distribution Reach

## Extensive network of distributors & dealers PAN India



## Global clientele across 75+ Countries



# State of the Art, ISO Certified Plants

Our facilities meet the growing demand for sustainable products and services.

The multipurpose facilities help in delivering **Competitively Priced Products** with **Highest Quality Standards**



	Unit I –Navi Mumbai	Unit II –Mahad, Savita Polymers	Unit III –Kharadpada, Silvassa	Unit IV –Silli, Silvassa
<b>Setup</b>	› 1969	› 1989	› 1998	› 2013
<b>Major Products</b>	› Transformer Oils › White Oils	› Formulated & Specialty Products › Optic Fibre Compounds › Compressor Oils and Chain Lubricants	› Lubricating Oils › Specialty Oil Products	› Transformer Oils › White Oils
<b>Zero Liquid Discharge</b>	✓	Discharge treated through common ETP	✓	✓

# Focused on Product Innovation - Geared for Tomorrow

## Future Ready Products

### bioTransol

*Launched in 2015, making SAVITA, first company offering both Mineral and Ester based insulation solutions.*

### Synthetic Ester

*Type tested in international and domestic laboratories, to be commercialised in 2023*

### Natural Petrolatums

*Customized range Petrolatum products crafted from plant based and natural ingredients*

*Heavy Duty Diesel Engine Oil meeting API CK-4 & Cummins 20086 spec for the new generation BS VI vehicles*

*Engine oil meeting TREM Stage-IV Emission norms for Tractors which have come in force from October 2021*

*Engine Oil meeting CEV-IV Emission norms for Construction Equipment Vehicles effective from April 2021*

*Developed Jellies based on Natural Ingredients*

*Launched DEF, which is mandated for all new diesel based BS VI vehicles, allowing them to reduce air pollution*

*Bio-degradable and Oleochemical solutions*



## Widen Distribution Network

- › Accelerate expansion of Industrial distribution network in identified segments is a key pillar for Savsol Growth Strategy



## Innovation for Sustainable Products

- › Launched Synthetic Ester in FY22
- › This fluid is amongst the most robust fluids for Transformers and will allow SAVITA to offer the entire range of Transformer Fluid Solutions unlike any other company
- › Expand Product Portfolio with environment friendly products



## Augment Value Added Product Portfolio

- › Initiatives to support governments vision of circular economy
- › Adding higher value products in chemical sphere through organic or inorganic ventures

# Well Positioned to Capture Growth

## Optimum Business Mix

Well positioned across product portfolio - Transformer, Industrial, Auto and Non Auto Segments

## Innovative Products

Launching new product innovations across different categories e.g. Synthetic Esters

## Distribution

Accelerate expansion of Industrial distribution network is a key pillar for Savsol Growth Strategy

## Capacity Expansion

Continued investments in increasing capacity to compete effectively with a comprehensive, balanced product portfolio

## Premium & Mid-Premium Offerings

Continued focus to increase share in Mid-Tier and Top-Tier product categories

## Branding

Striving to become a sustainable, trustworthy brand. Poised to grow faster than category growth

# Board of Directors



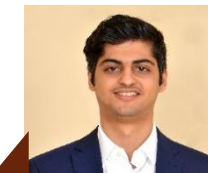
**Gautam Mehra, Chairman & Managing Director**

- › Three decades of Experience
- › B.E. (Chem), M.B.A. from University of California (Berkeley)
- › Under his leadership and guidance, the Company has successfully led the core business of Petroleum Specialties to new heights year after year



**Suhas Dixit, CFO & Whole time-Director**

- › 40 years of experience in the fields of Accounting, Finance and Taxation
- › Chartered Accountant & Cost Accountant



**Siddharth Mehra, Whole Time Director**

- › More than 7 years of experience
- › Holds a B. Sc in Technical Systems Management from University of Illinois (USA) & Master's degree of Science in Management from London School of Economics and Political Science
- › Actively involved in the field of Business Development & Marketing



**Meghana Dalal, Independent Director**

- › Three decades of experience and has specialized in Management of Corporate Emoluments across various Industries
- › Commerce graduate and fellow member of Institute of Chartered Accountants of India
- › Director of Chetan Dalal Investigation and Management Services Private Limited



**Ravindra Pisharody, Independent Director**

- › 35 year of executive experience
- › B. Tech from IIT, Kharagpur and PGDM from IIM, Calcutta
- › National, Regional and Global leadership roles in Sales & Marketing, Strategy Development



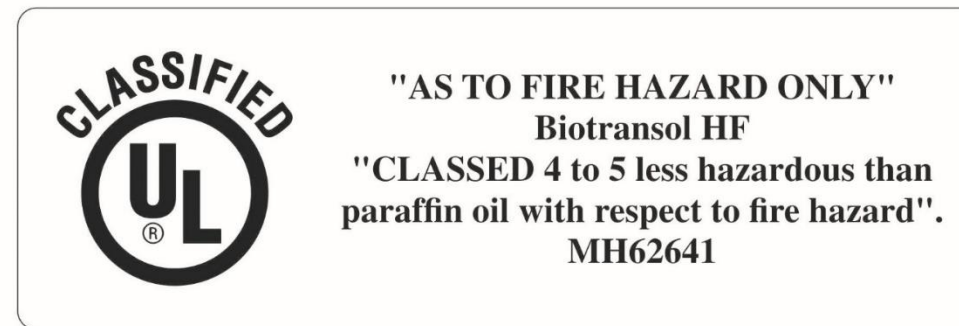
**Hariharan Sunder, Independent Director**

- › 35 years of experience in finance, taxation, accounts, legal, secretarial, international business
- › B.COM & Chartered Accountant
- › General corporate management including stints with Raymond Limited and Jost's Engineering Company Limited among others

# Key Certificates



Government Recognized  
Star Export House



# Responsible Corporate

- › High Focus on Energy Saving
- › Installed and commissioned Roof Top Solar Units at the 4 plants with combined capacity in excess of 650 KWp
- › Investing in renewable energy installations since 1999 with over 53 MW of installed capacity



Partnered with Bhaktivedanta Hospital & Research Institute for the construction of General Operation Theatres and purchase of X-Ray and Diagnostic Machines & Equipments in the New Hospital Building at Mira Road, Thane, Maharashtra



Sponsored Akshaya Patra Foundation's activities, which provided mid-day meals to 10,000+ children in Silvassa



Supported Akshaya Patra Foundation with five food delivery vehicles to reach out to more malnourished and food-deprived children

- › The company's internal control systems are in line with size, scale and complexity of its operations
- › Have suitable Risk Management Framework
- › Promotes ethical behaviour in all its business activities and has Whistle Blower Policy
- › The Company is a member of:
  - Confederation of Indian Industry (CII)
  - Bombay Chamber of Commerce and Industry (BCCI)
  - Indian Merchant Chamber (IMC)
  - Indian Electrical & Electronics Manufacturers' Association (IEEMA)
  - Indian Transformer Manufacturers Association (ITMA)
  - Electrical Research and Development Association (ERDA)
  - CHEMEXCIL
  - Manufacturers of Petroleum Specialties Association (MOPSA)



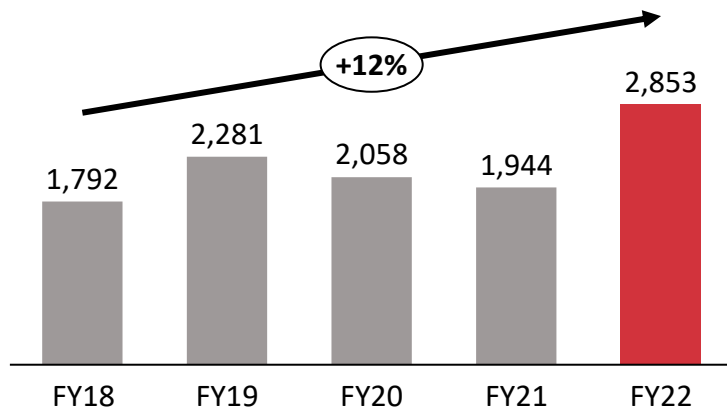


# Historical Highlights

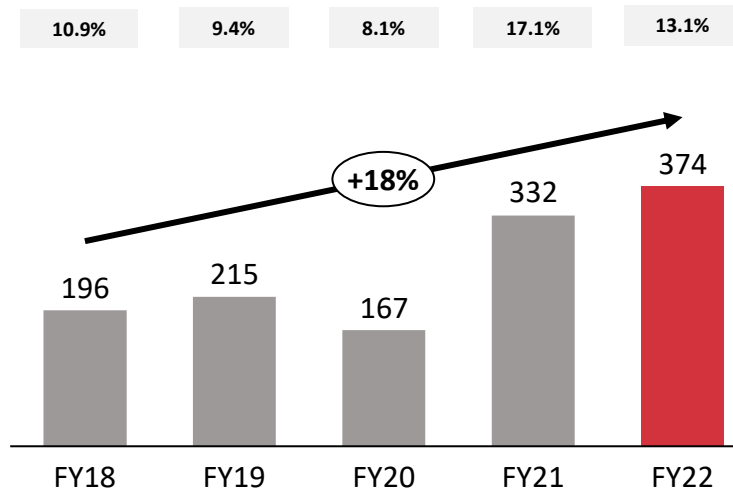


# Standalone Historical Financial Highlights

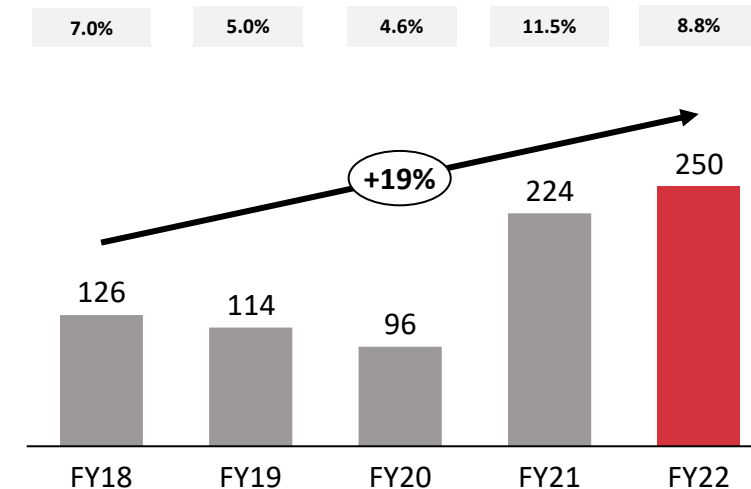
Revenue\* (Rs. In Crs)



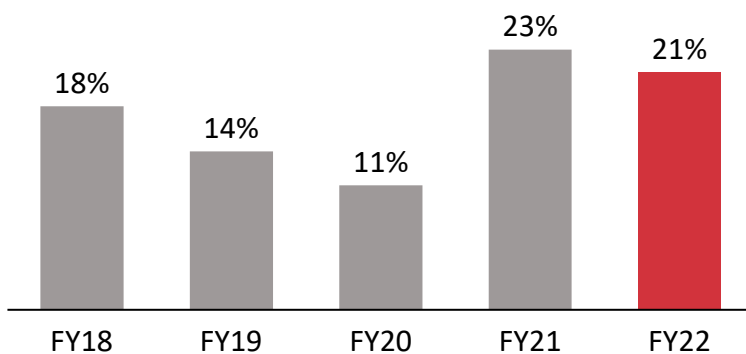
EBITDA (Rs. In Crs)



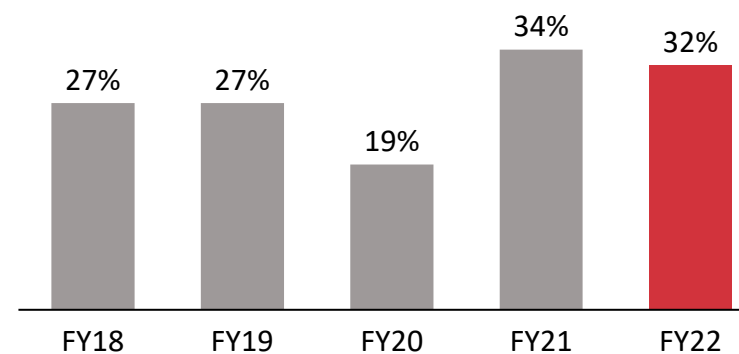
PAT (Rs. In Crs)



ROE(%)

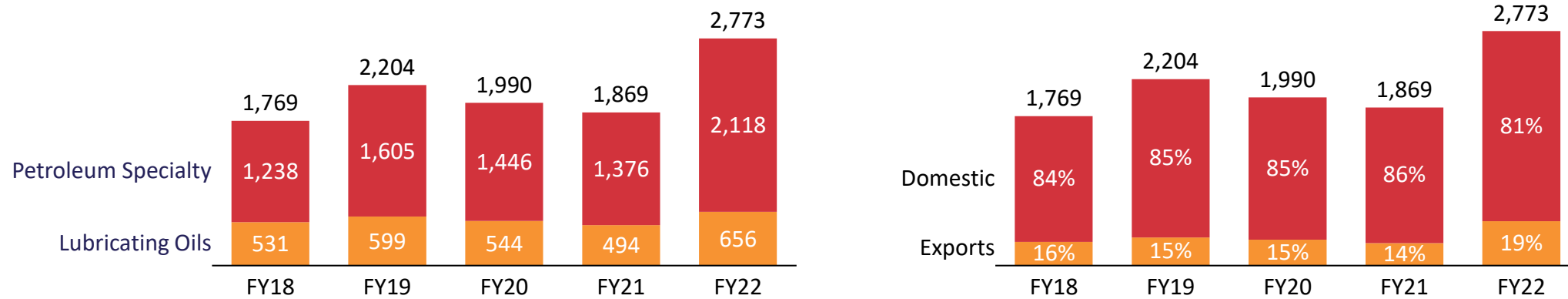


ROCE (%)

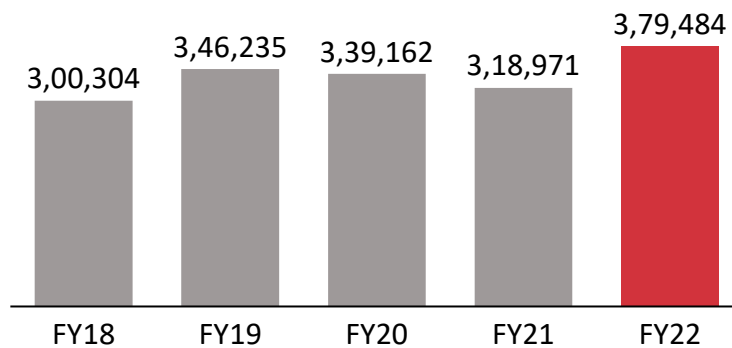


# Standalone Historical Financial Highlights (Petroleum Products)

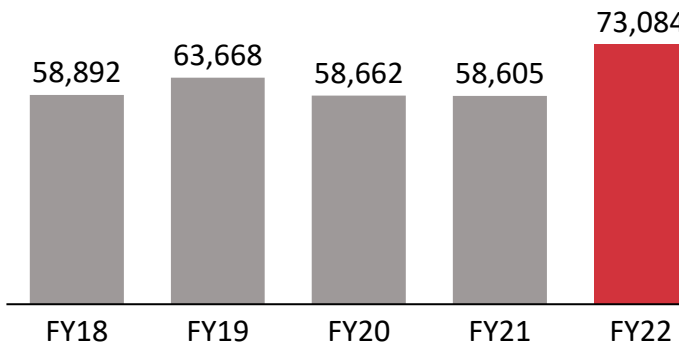
## Petroleum Products Revenue (Rs. In Crs)



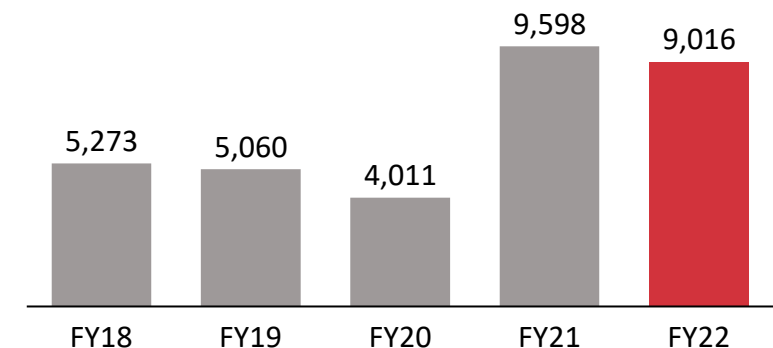
## Petroleum Products Volumes (KL/MT)



## Realization (Rs. Per KL/MT)

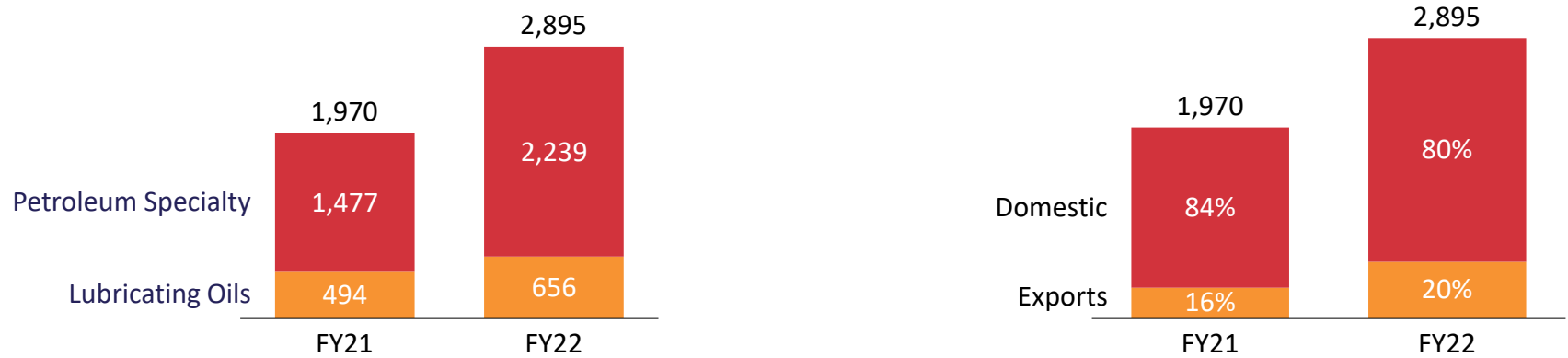


## EBITDA (Rs. Per KL/MT)

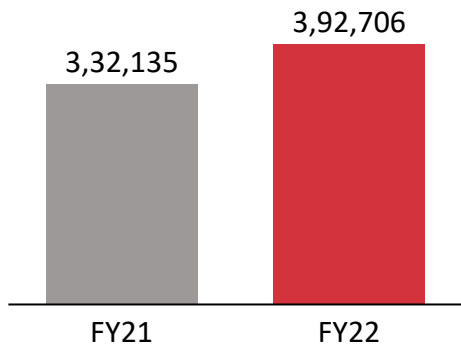


# Consolidated Historical Financial Highlights (Petroleum Products)

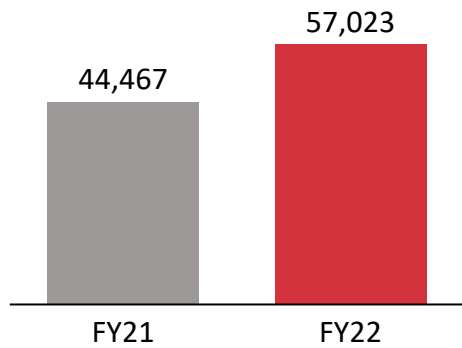
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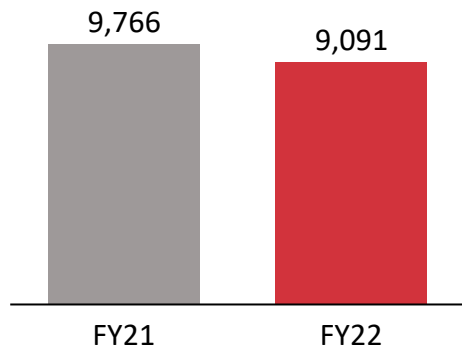
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## Realization (Rs. Per KL/MT)

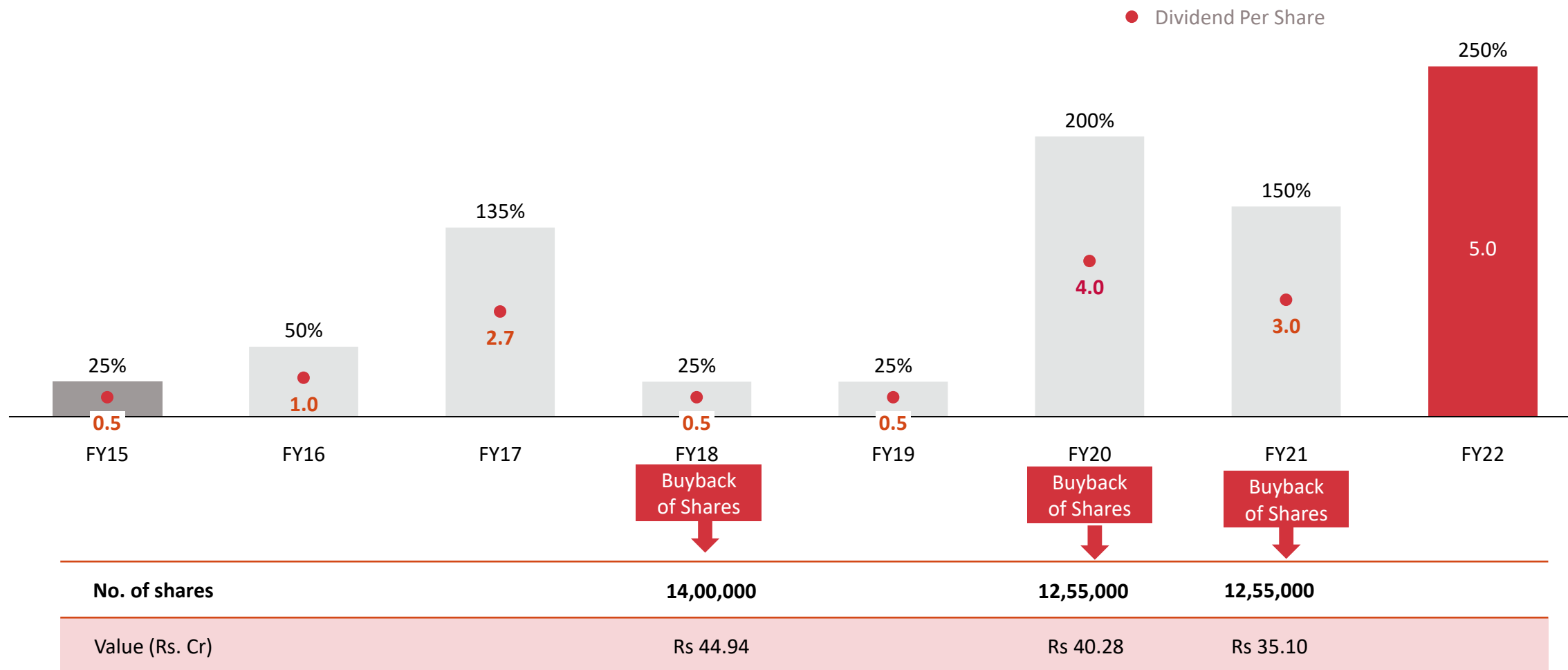


## EBITDA (Rs. Per KL/MT)



# Consistent Record of Dividends Since Listing in 1994

Dividend Per Share (Rs.)



# Track record of consistent performance

- Consistent record of **Dividends** since listing in 1994
- Healthy **cash generation** over the years
- Debt free** balance sheet
- Consistent **track of profitability** despite market volatility
- Longstanding relationships with customers and vendors
- Robust manufacturing capabilities



# Thank You

**Company:**



**Savita Oil Technologies Ltd.**

CIN- L24100MH1961PLC012066

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