



Earnings Presentation

Q4 FY22

May 25, 2022

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Agenda

01 Welcome Address

02 Executive Summary

03 Performance Update

04 Integration Update

05 Questions & Answers

Executive Summary

01

Resurgent India

- Capex continues in Agro and Specialty chemicals
- PLI scheme driving investment in pharma
- Hyderabad new furnace operational
- Vatva ramp up complete and all bays operational

02

Global Resilience

- Backlog continues to remain strong
- All sites at high capacity utilisation
- Brazil new furnace operational
- US furnace under commissioning
- Edlon disinvestment under consideration

03

Integration Update

- New unified global identity launched
- India sourcing gaining momentum
- Test center in India under development
- Integration program now complete

04

Outlook

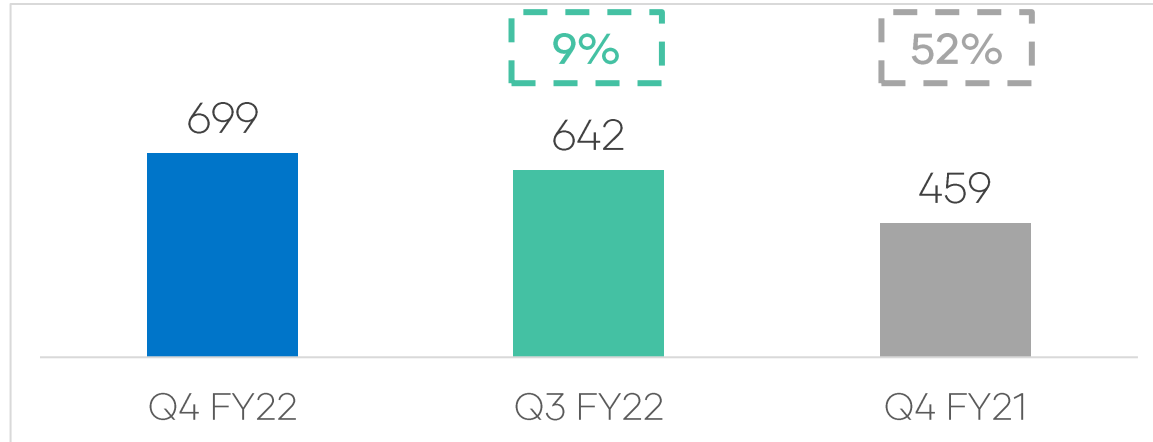
- Strong opportunity pipeline across businesses
- New product development underway
- Higher commodity prices and energy costs remain a concern
- Shipment in China impacted due to lockdown

Consolidated

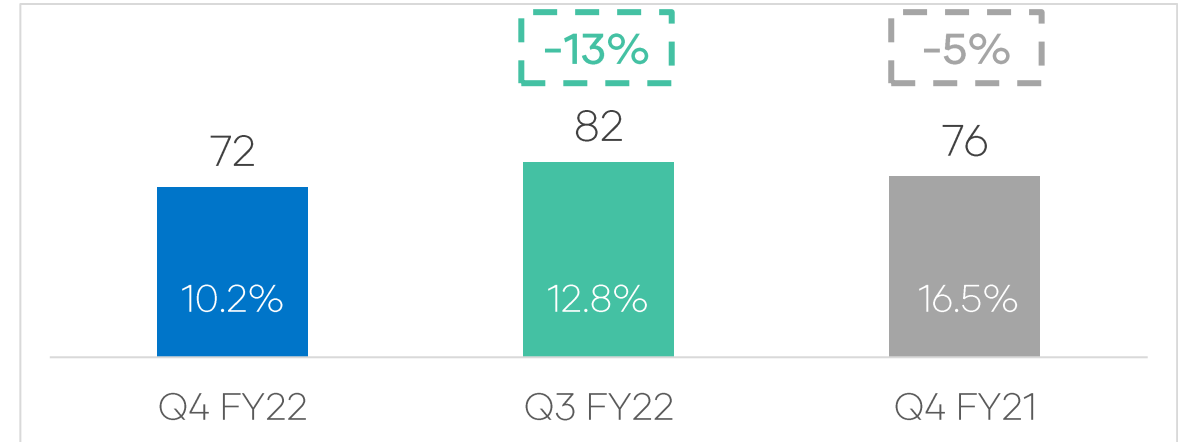
Consolidated Results - Q4 FY22

Figures in ₹ crore

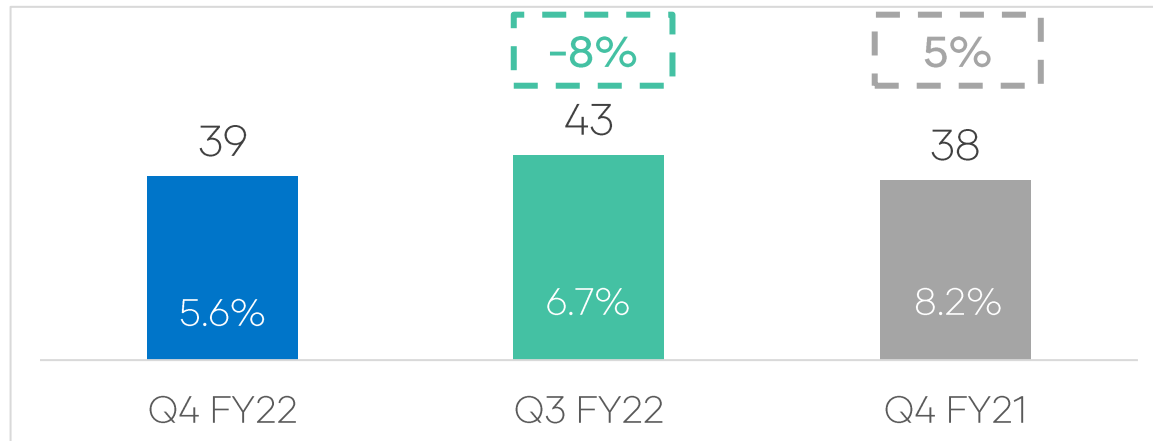
REVENUE



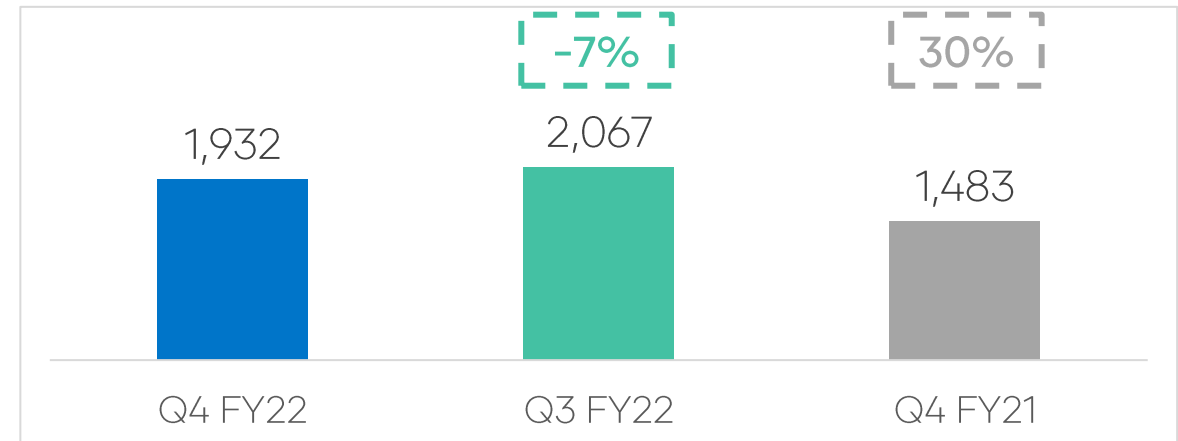
EBITDA*



PROFIT AFTER TAX*



ORDER BACKLOG

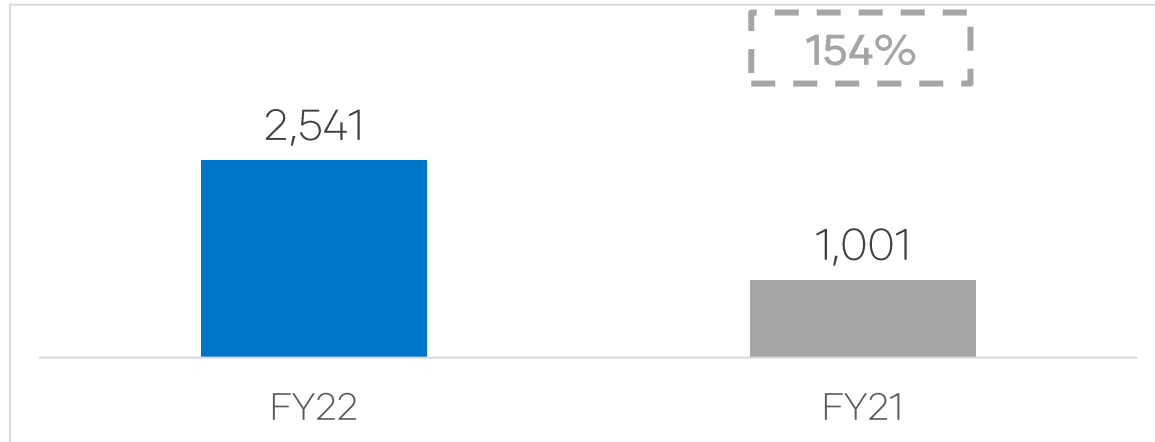


*Excluding PPA and acquisition related adjustments (non-cash) related to PFI acquisition. FY21 Balance sheet is restated to account for PPA related adjustments. The purchase price was allocated to assets acquired and liabilities assumed based on the provisional fair values as the date of acquisition in accordance with Ind AS 103. During the current year, the Group completed PPA and realigned values of assets and liabilities acquired on acquisition. Backlog is net of POC. Margin and growth percentages are calculated on absolute figures. Q4 FY21 includes two months of PFI business.

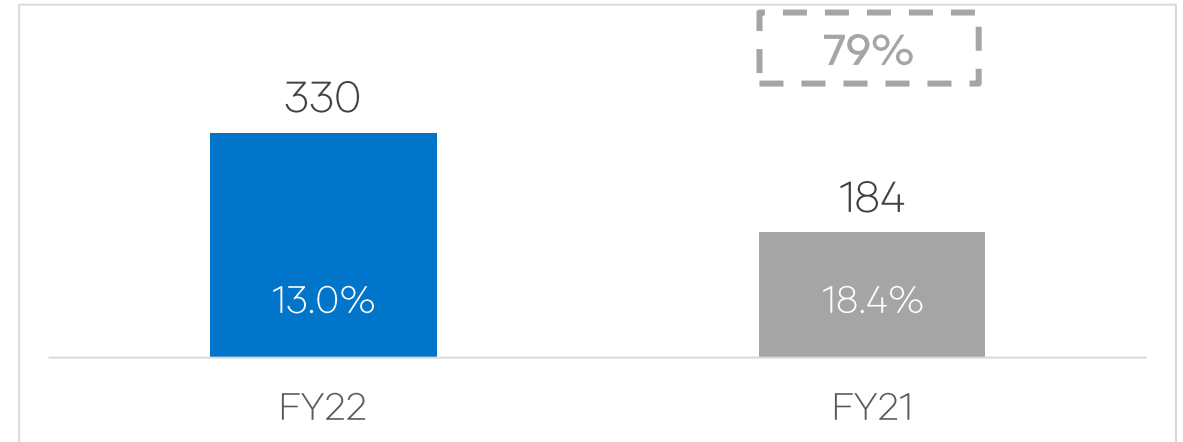
Consolidated Results - FY22

Figures in ₹ crore

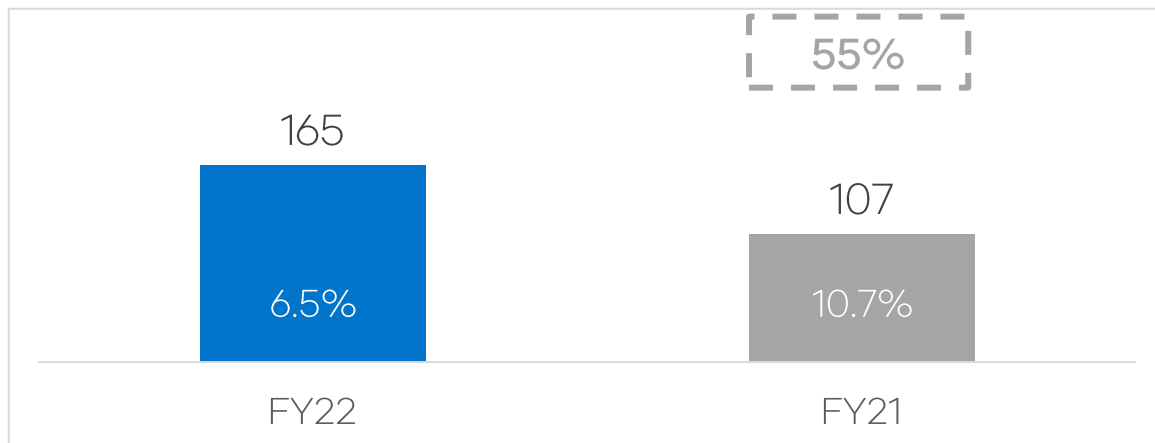
REVENUE



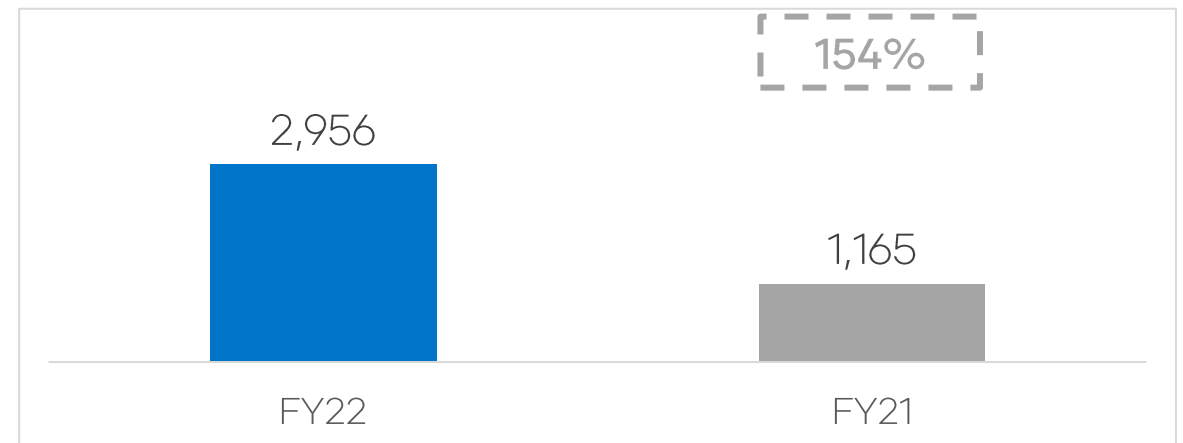
EBITDA*



PROFIT AFTER TAX*



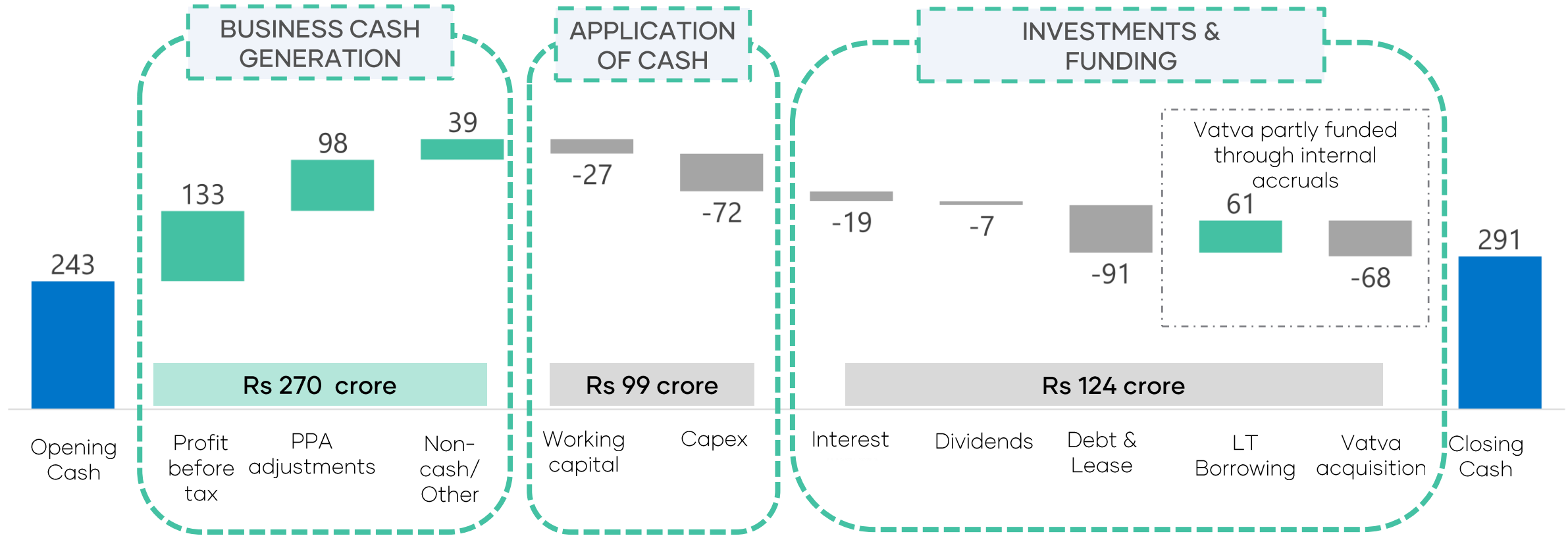
ORDER INTAKE



*Excluding PPA and acquisition related adjustments (non-cash) related to PFI acquisition. FY21 Balance sheet is restated to account for PPA related 7 adjustments. The purchase price was allocated to assets acquired and liabilities assumed based on the provisional fair values as the date of acquisition in accordance with Ind AS 103. During the current year, the Group completed PPA and realigned values of assets and liabilities acquired on acquisition. Margin and growth percentages are calculated on absolute figures. FY21 includes two months of PFI business.

Consolidated Cash Flow Statement - FY22

Figures in ₹ crore




- Free cash flow generation of Rs 171 crore during FY22
- Vatva acquisition partly funded through internal accruals

Consolidated Balance Sheet

Figures in ₹ crore

Particulars	31.03.22	31.03.21*
Shareholder's equity	527	406
Non-controlling interests	141	116
Debt	505	492
Pension liabilities	373	454
Trade payables	391	302
Other liabilities (current & non-current)	791	648
Total Liabilities and Equity	2,728	2,418

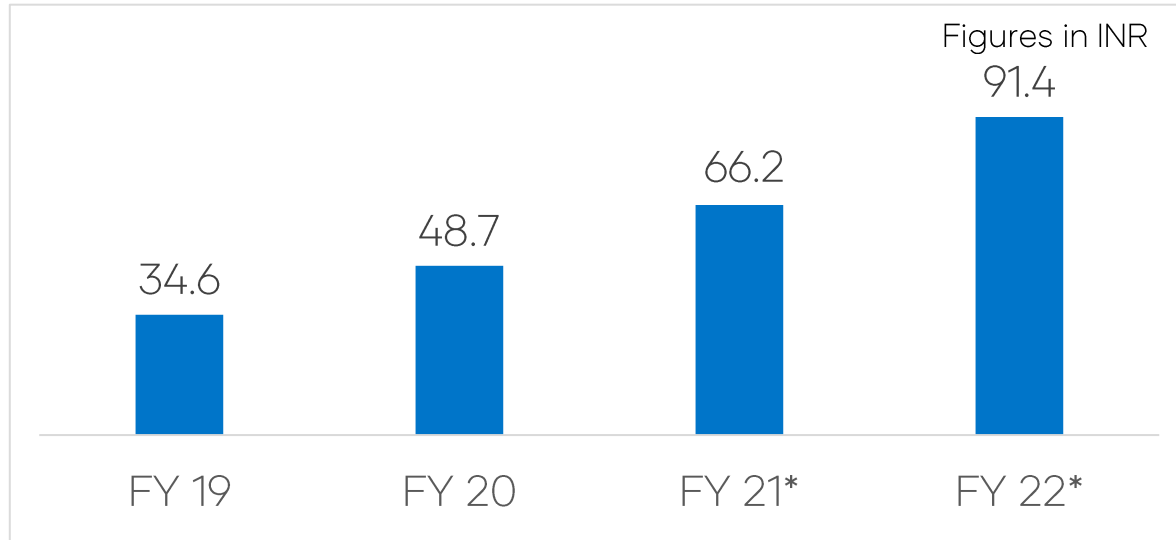
Particulars	31.03.22	31.03.21*
Fixed Assets	560	524
Goodwill & Intangibles	455	524
Receivables	356	310
Inventory	670	576
Cash and equivalents	291	243
Other assets (current & non-current)	396	241
Total Assets	2,728	2,418

- ❑ **Balanced capital allocation** with net gearing of 0.3 times (from 0.4 times) as on March 31, 2022
- ❑ **Pension reduction** by 18% to Rs 373 crore
- ❑ **Working capital in control** with healthy collections and funding by customer advances 
- ❑ Credit Ratings reaffirmed at **AA-/A1+ with Stable outlook (or high degree of safety)** by both CRISIL Ratings and ICRA

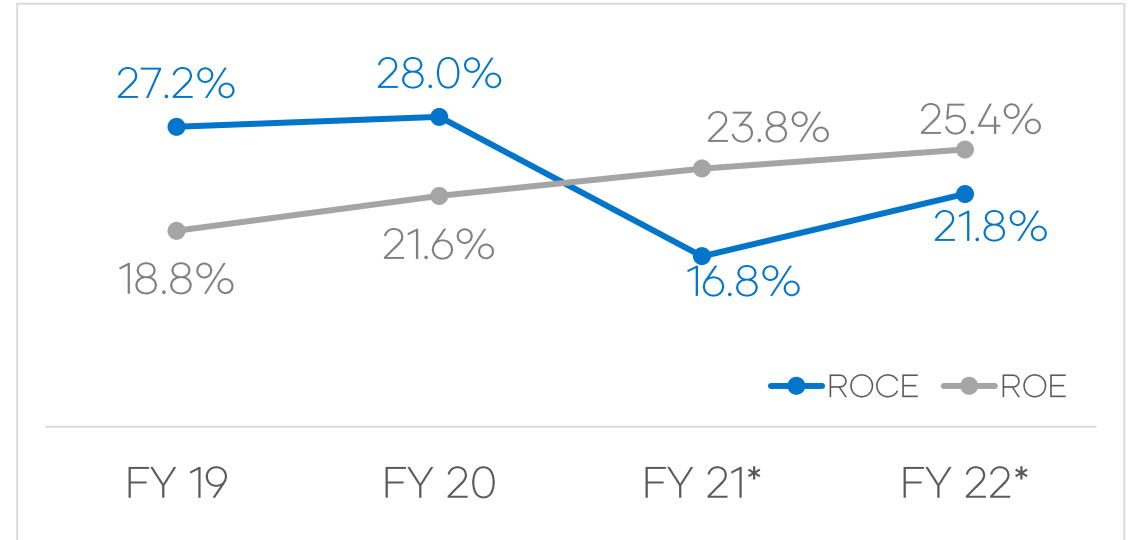
**FY21 Balance sheet is restated to account for PPA related adjustments. The purchase price was allocated to assets acquired and liabilities assumed based on the provisional fair values as the date of acquisition in accordance with Ind AS 103. During the current year, the Group has completed the Purchase Price Allocation and realigned the values of assets and liabilities acquired on acquisition*

Consolidated Profitability Metrics

EARNINGS PER SHARE (EPS)



RETURN METRICS



*Consolidated figures exclude PPA, and other acquisition related adjustments related to PFI acquisition in FY21 and FY22

FY19 and FY20 includes GMM India and Mavag. FY20 and FY21 ROE and RoCE are restated due to changes in Shareholder's equity (consolidated)
EPS (basic) is calculated using net profit attributable to equity holders (excludes non-controlling interests)

To maintain consistency vs previous periods, following definitions are retained -

RoE is calculated as net profit attributable to equity holders divided by total equity (excludes non-controlling interest)

RoCE is calculated as EBIT divided by total equity + non-controlling interest + total debt

Integration Update



Corporate Brand

Branded Product Lines

PFAUDLER
— Glass-Lined Technology

NORMAG
— Lab & Process Glass

MAVAG
— Filtration & Drying

MIXION
— Mixing Technology

INTERSEAL
— Sealing Technology

EQUILLOY
— Alloy Process Equipment

EDLON
— Fluoropolymers

Business Functions



Our services branch ranges from the provision of parts and maintenance to complete process solution delivery, including conception, design and installation.



Our systems offering branch provides reaction systems, evaporation and distillation systems, acid recovery systems, filtration and drying systems, extraction systems and more.

CSR* Activities



Our global and regional initiatives are dedicated to giving back to our planet and society.

*Corporate Social Responsibility

Project Apollo

Operational Excellence

Implement lean production model across manufacturing sites to increase throughput

- Strategy alignment across global operational footprint
- New furnace in Hyderabad and US under commissioning

Value-Sourcing

Leverage low-cost capabilities to increase market share and margins across the group

- Indian-built vessels delivered to Europe, Americas and China
- Made in India components being regularly supplied to Europe

Cross-Selling

Capture customer wallet share through portfolio expansion & innovation

- Interseal's ace5000™ to be launched in China
- Test center for customer trials in Gujarat under development
- Mavag opportunity pipeline and backlog remains strong

FY22 **Order Intake exceeded Plan**

Integration now **Business-as-usual**

Performance Analysis

Income Summary Statement - Q4 FY22

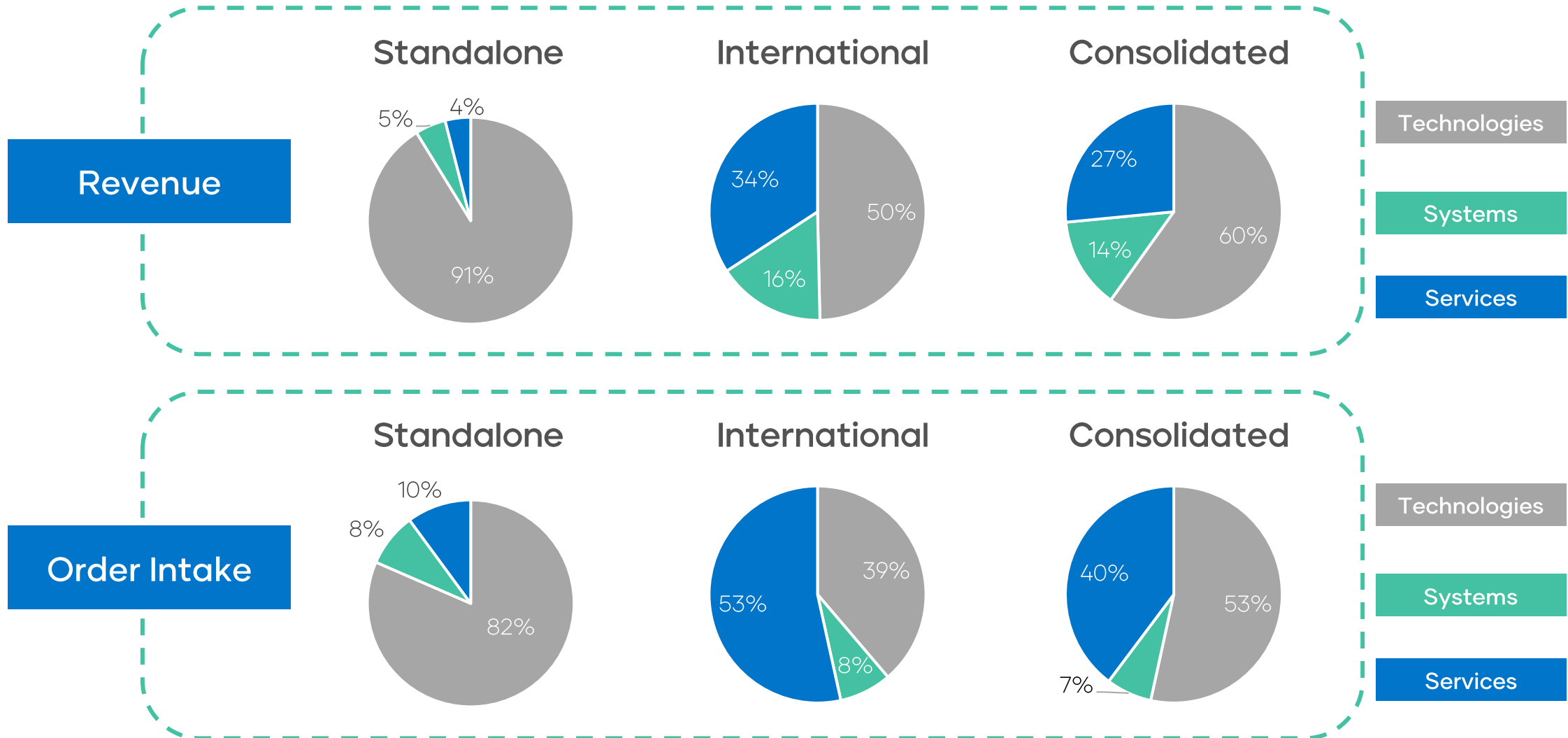
(in ₹ Crore)	Standalone Results		International Results Q4 FY22		Inter-Co Eliminations	Consolidated Results		Change %
	Q3 FY22	Q4 FY22	Business (Note i)	PPA/Adj. (Note ii)		Q4 FY22	Q3 FY22	
Particulars		A	B	C	D	A+B+C+D		
Revenue from Operations	209	229	526		-56	699	642	9%
Cost of materials consumed	110	133	234		-61	305	287	
Changes in inventory (WIP & FG)	-13	-24	-9		18	-16	-34	
Employee benefits expense	23	23	164		0	187	178	
Labour Charges	17	18	3		0	21	21	
Other expenses	34	40	94		-4	130	109	
EBITDA	38	39	40	0	-8	72	82	-13%
- margin %	18%	17%	8%			10%	13%	
Other Income	1	1	3		-3	1	1	
Finance cost	3	4	-2		0	2	6	
Depreciation and amortisation expense	9	9	12	7	0	27	28	
Profit/(loss) before tax	27	28	34	-7	-11	44	50	-12%
Taxes	7	7	6	15	-3	26	12	
Profit/(loss) after tax	20	20	27	-22	-8	17	38	-54%

(i) International business includes the standalone performance of Mavag and Pfaudler International (PFI) on operational basis

(ii) PPA stands for Purchase Price Allocation. Other adjustments related to acquisition (non-cash)

(iii) Amounts are rounded off to crores and subject to casting. Margin and growth percentages are calculated on absolute figures

Segmental Overview - Q4 FY22





Thank You

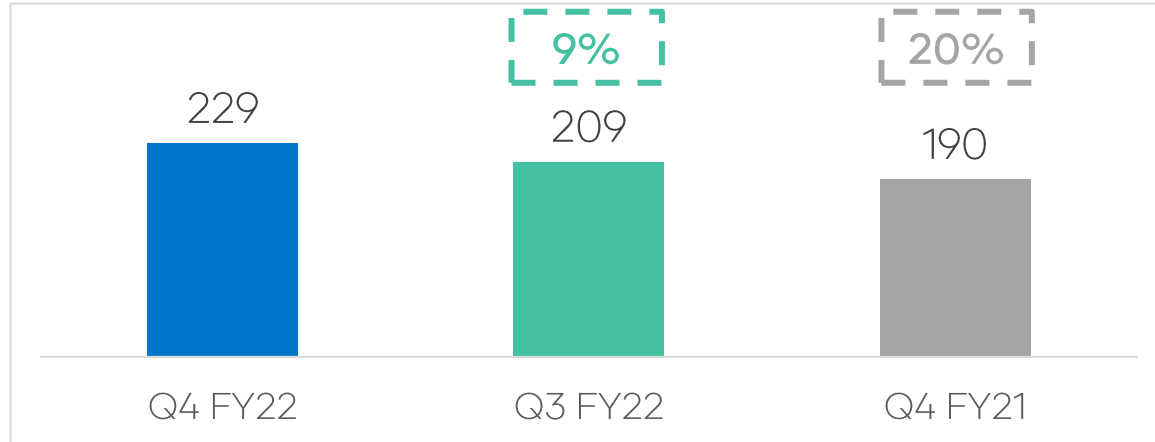
Appendix

Standalone

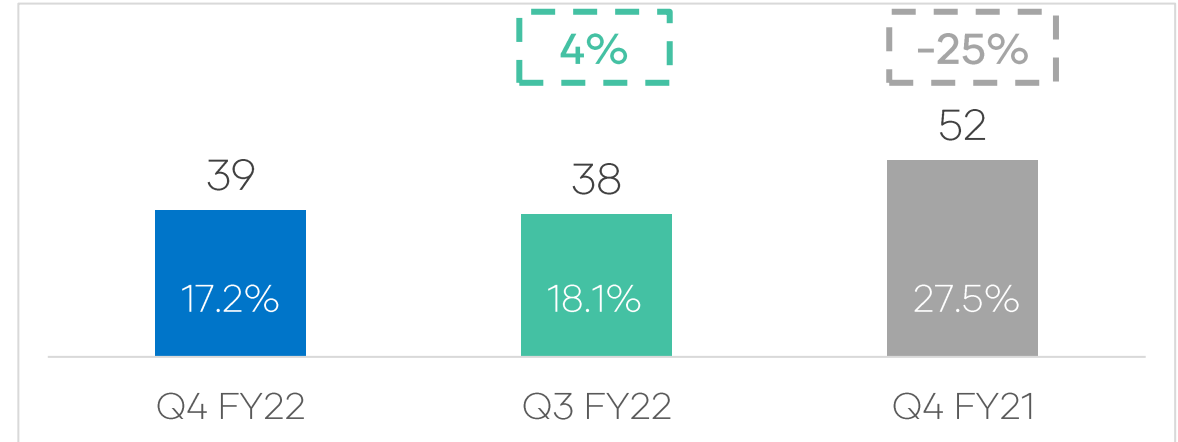
Standalone Results - Q4 FY22

Figures in ₹ crore

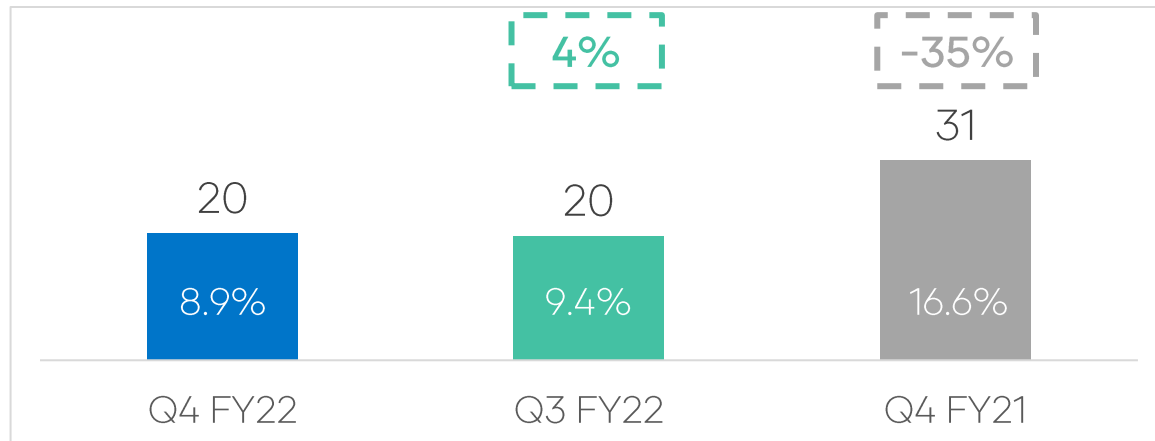
REVENUE



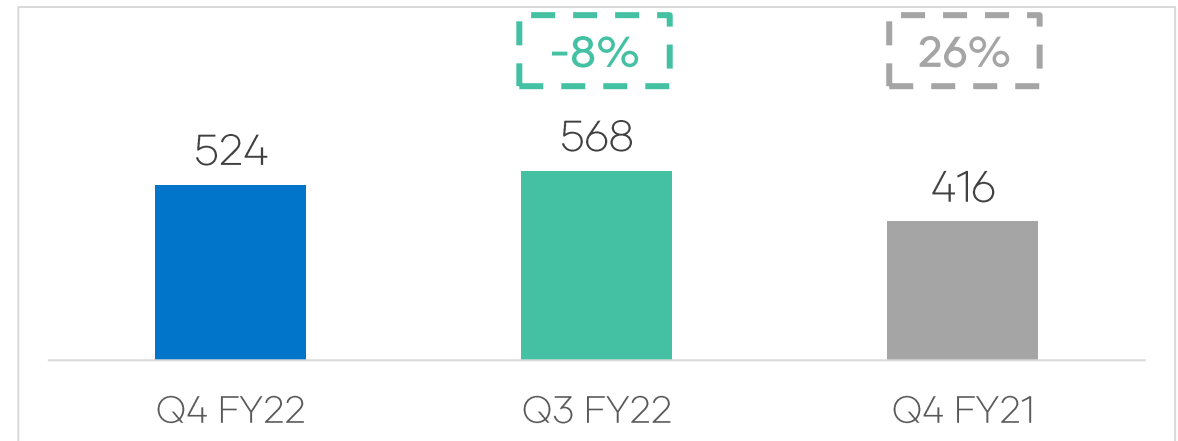
EBITDA



PROFIT AFTER TAX



ORDER BACKLOG

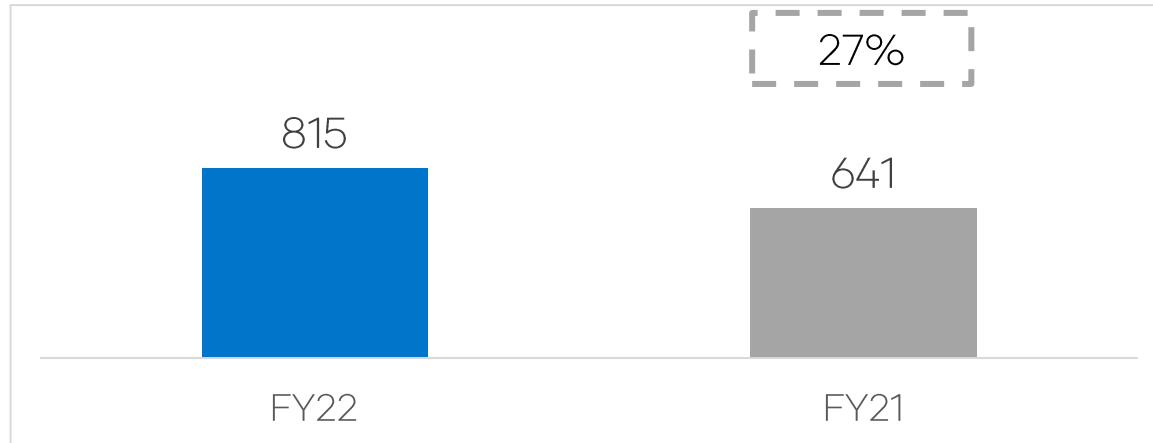


Backlog is net of POC. Margin and growth percentages are calculated on absolute figures.

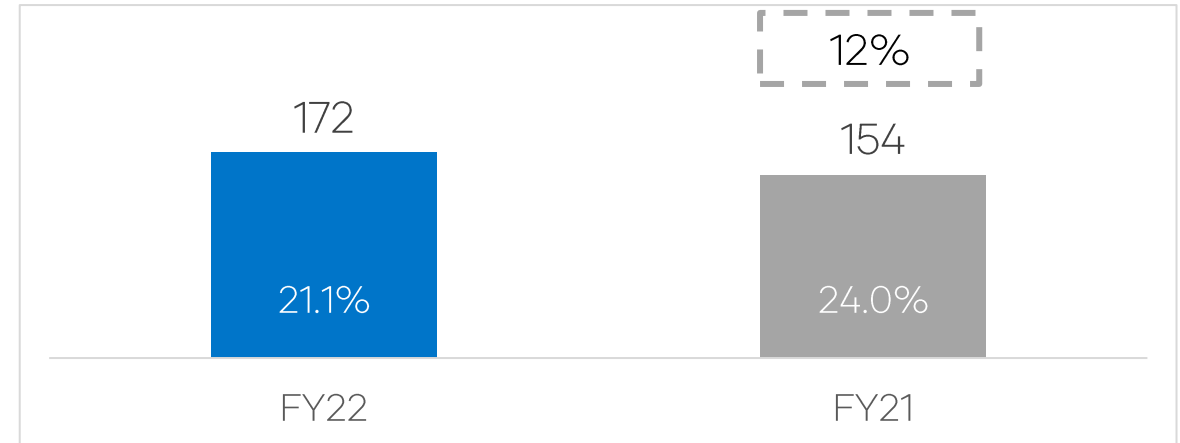
Standalone Results - FY22

Figures in ₹ crore

REVENUE



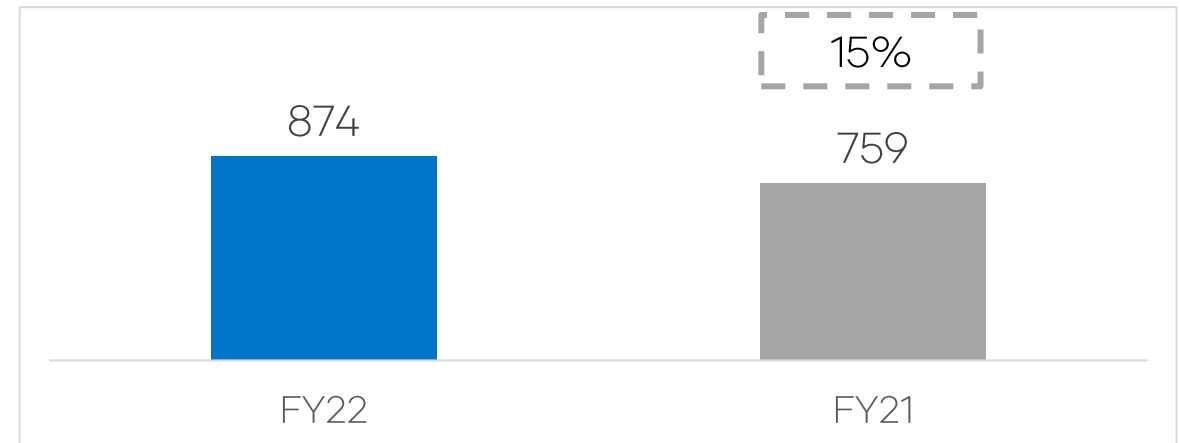
EBITDA



PROFIT AFTER TAX



ORDER INTAKE



Margin and growth percentages are calculated on absolute figures.

Standalone Balance Sheet

Figures in ₹ crore

Particulars	31.03.22	31.03.21
Shareholder's equity	445	357
Debt	128	105
Trade payables	159	93
Other liabilities (current & non-current)	138	113
Total Liabilities and Equity	870	668

Particulars	31.03.22	31.03.21
Fixed Assets	213	147
Goodwill & Intangibles	25	32
Receivables	121	113
Inventory	231	113
Cash and equivalents	15	29
Other assets (current & non-current)	265	234
Total Assets	870	668

- ❑ Debt taken for partial funding on Vatva
- ❑ Working capital remains adequate with healthy collections and funding by customer advances
- ❑ Inventory levels increased to support growth in heavy engineering business

Standalone Revenue (Legacy Segments)

Figures in ₹ crore

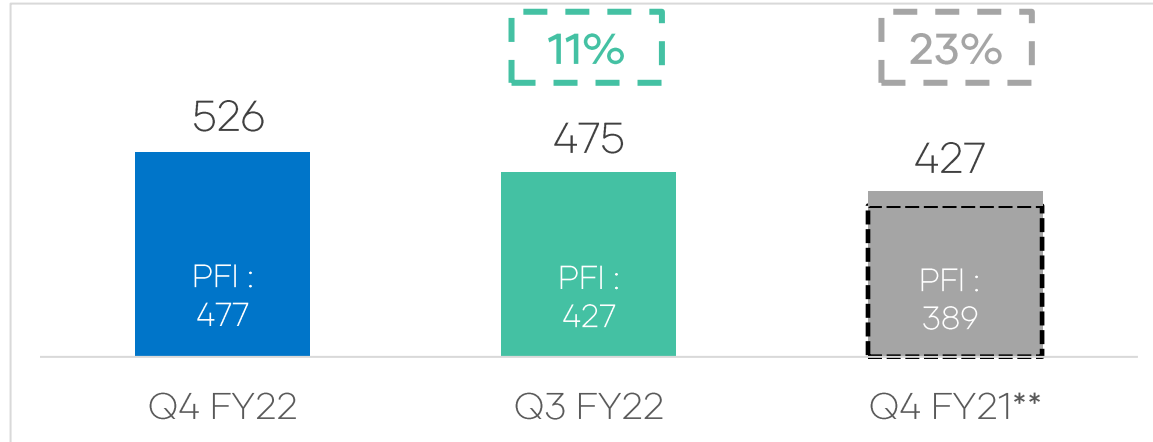
Particulars	FY22	FY21	FY20
Glass lined Equipment	499	401	355
Heavy Engineering	141	96	50
Proprietary Products	176	144	111
Total Revenue	815	641	516

International

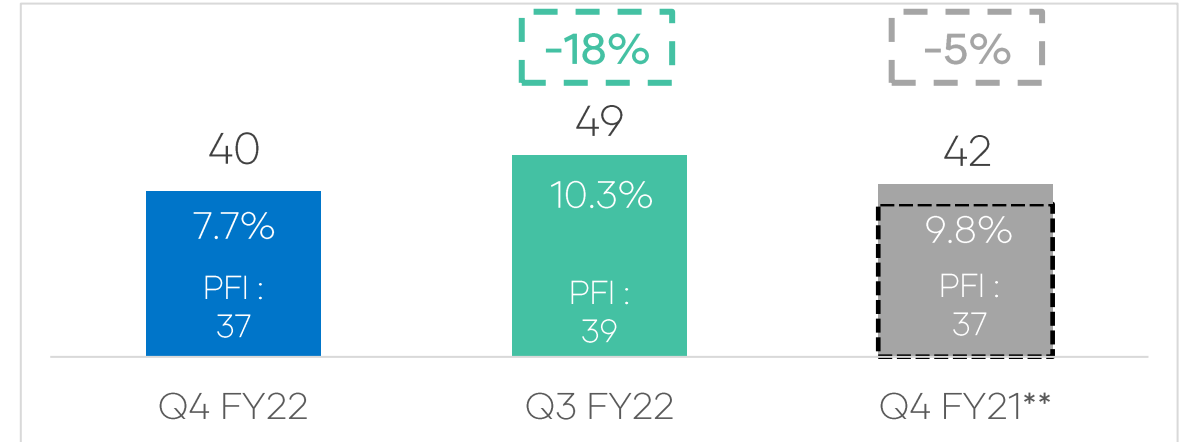
International* Results - Q4 FY22

Figures in ₹ crore

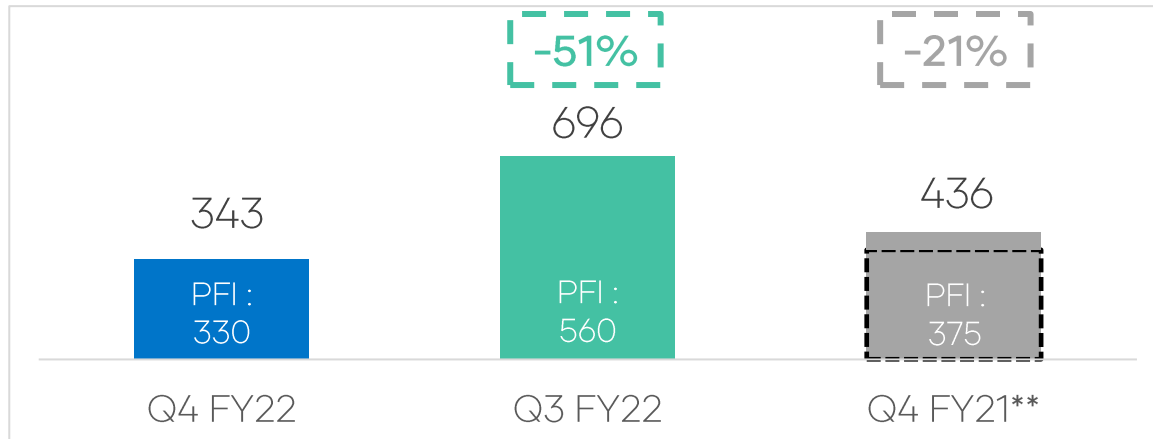
REVENUE



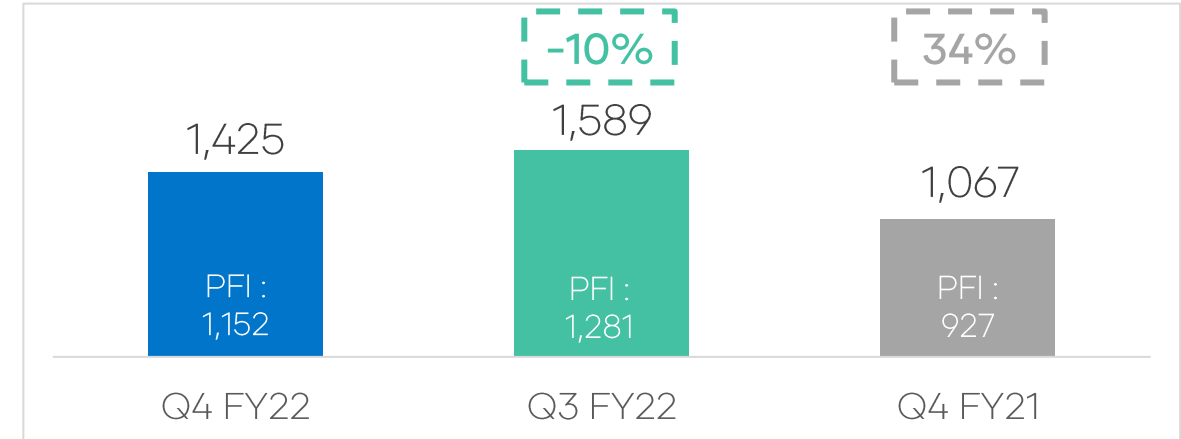
EBITDA*



ORDER INTAKE



ORDER BACKLOG

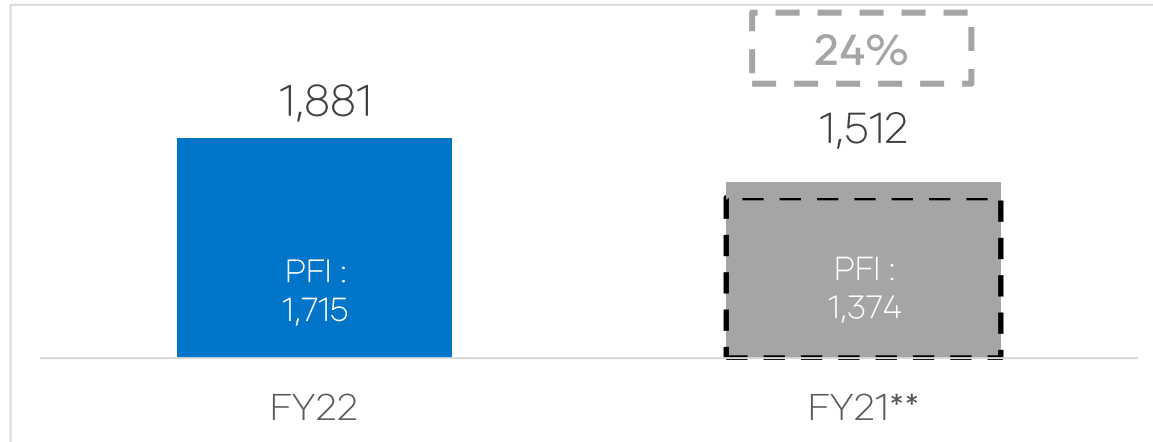


* Includes Mavag & PFI, Excluding PPA impact and inter-company eliminations. ** Q4FY21 includes January '21 results of PFI (management reporting converted to IFRS and unaudited) for a like-to-like comparison. Backlog is net of POC. Margin and growth percentages are calculated on absolute figures

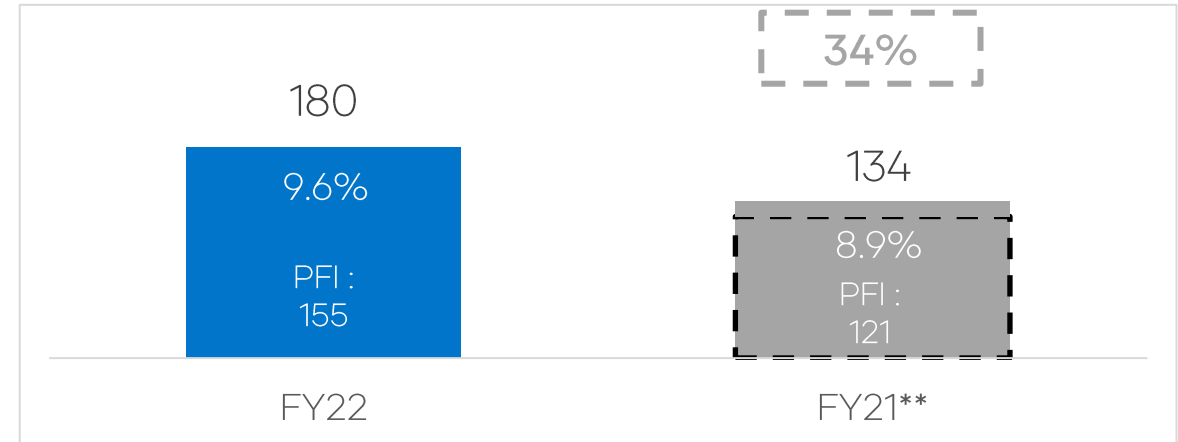
International* Results - FY22

Figures in ₹ crore

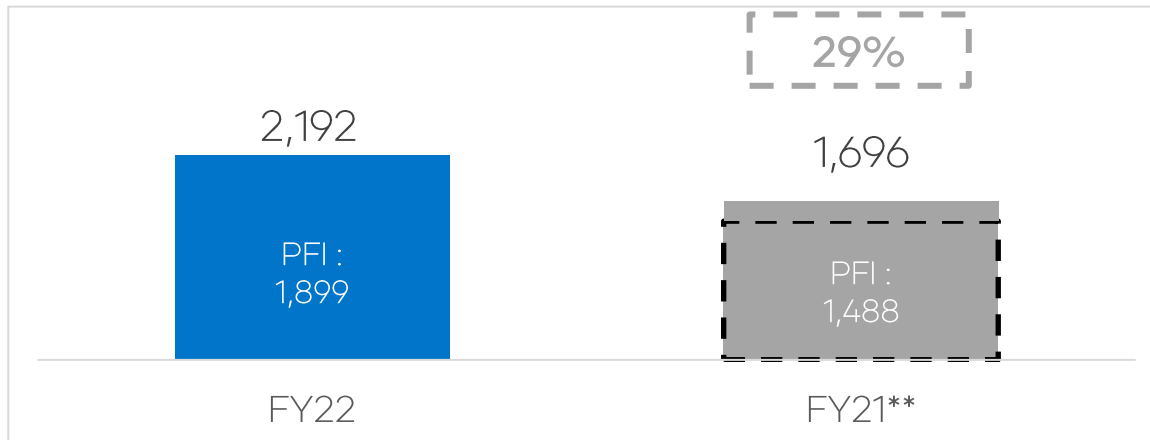
REVENUE



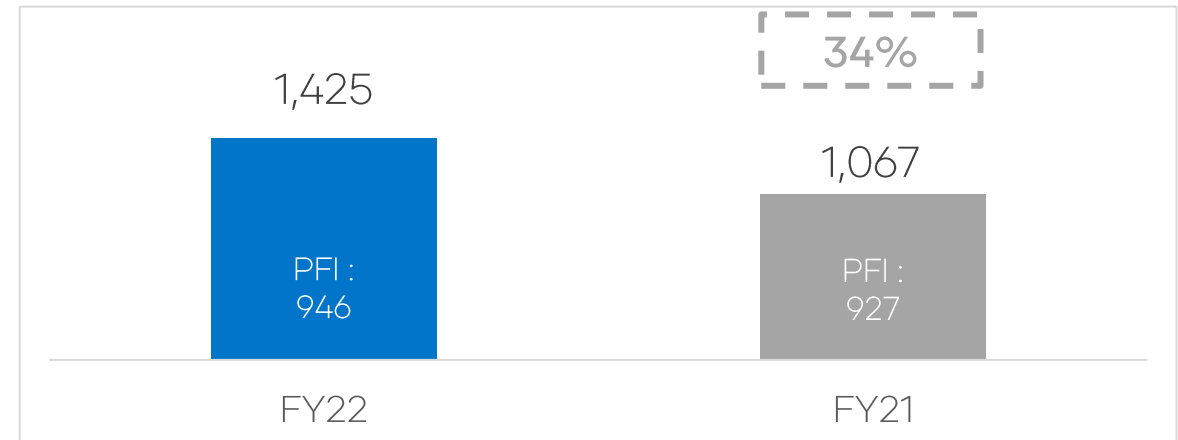
EBITDA*



ORDER INTAKE



ORDER BACKLOG



* Includes Mavag & PFI, Excluding PPA impact and inter-company eliminations. ** FY21 includes YTD Jan' 21 results of PFI (management reporting converted to IFRS and unaudited) for a like-to-like comparison. Backlog is net of POC. Margin and growth percentages are calculated on absolute figures

Other Updates

Shareholder Summary

DIVERSIFIED INVESTOR BASE - TOP 10 INSTITUTIONAL INVESTORS HOLD 13.0% SHARES

Particulars (in %)	Pre-acquisition (June 30, 2020)	Post acquisition (September 30, 2020)	Current (March 31, 2022)
Total Promoter Shareholding (A)	75.0	54.9	54.9
A. i. DBAG	50.4	32.7	32.7
A. ii. Patel Family	24.6	22.2	22.2
Total Public Shareholding (B)	25.0	45.1	45.1
B. i. Institutional Investors	3.0	14.3	18.0
<i>Foreign Portfolio Investors</i>	0.9	6.6	12.2
<i>Mutual Funds</i>	2.0	6.0	3.4
<i>Alternate Investments Funds</i>	0.0	0.1	1.7
<i>Insurance Companies/ Banks/ Fis</i>	0.1	1.6	0.7
B. ii. Non Institutions	22.0	30.8	27.1
Total Shareholding (A) + (B)	100	100	100

Income Summary Statement - FY22

(in ₹ Crore)	Standalone Results		International Results FY22		Inter-Co Eliminations	Consolidated Results		Change %	
	FY21	FY22	Business (Note i)	PPA/Adj. (Note ii)		FY22	FY21		
		A	B	C		D	A+B+C+D		
Revenue from Operations	641	815	1,881		-155	2,541	1,001	154%	
Cost of materials consumed	264	402	763		-121	1,045	386		
Changes in inventory (WIP & FG)	10	-41	-31	46	-5	-31	61		
Employee benefits expense	70	87	627		0	713	207		
Labour Charges	42	59	14		0	73	47		
Other expenses	101	137	327		-7	457	160		
EBITDA	154	172	180	-46	-22	284	139	105%	
- margin %	24%	21%	10%			11%	14%		
Other Income	8	4	6		-3	7	23		
Finance cost	7	15	10		0	25	10		
Depreciation and amortisation expense	29	34	48	51	0	133	50		
Profit/(loss) before tax	126	127	129	-97	-25	133	102	31%	
Exceptional items							34		
Profit/(loss) before tax after exceptional	126	127	129	-97	-25	133	68	96%	
Taxes	31	32	40	-7	-6	58	5		
Profit/(loss) after tax	95	95	89	-90	-19	75	64	19%	

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(ii) PPA stands for Purchase Price Allocation. Other adjustments related to acquisition (non-cash)

29 (iii) Amounts are rounded off to crores and subject to casting. Margin and growth percentages are calculated on absolute figures

Working Capital Summary

Figures in ₹ crore

CONSOLIDATED

Inventory Summary	31.03.22	31.03.21*
Inventory	670	530**
Customer advances	422	288
Net funding required for inventory	247	242
Backlog	1,932	1,483
Inventory days (net of advances)	36	39
Receivables Summary	31.03.22	31.03.21
Trade Receivables	356	310
Receivable days	51	50
Payables Summary	31.03.22	31.03.21*
Trade Payables	391	302
Payable days	56	48

STANDALONE

Inventory Summary	31.03.22	31.03.21
Inventory	231	113
Customer advances	94	56
Net funding required for inventory	137	57
Backlog	524	416
Inventory days (net of advances)	61	32
Receivables Summary	31.03.22	31.03.21
Trade Receivables	121	113
Receivable days	54	64
Payables Summary	31.03.22	31.03.21
Trade Payables	159	93
Payable days	71	53

FY21 Balance sheet is restated to account for PPA related adjustments. The purchase price was allocated to assets acquired and liabilities assumed based on the provisional fair values as the date of acquisition in accordance with Ind AS 103. During the current year, the Group has completed the Purchase Price Allocation and realigned the values of assets and liabilities acquired on acquisition

**Adjusted for step-up inventory (PPA- related) of Rs 47 crores. Reported inventory is Rs 576 crores as on March 31, 2021 (as per restated numbers)

To maintain consistency vs previous periods, following definitions are retained -

Inventory days (net of advances) is net funding required for inventory divided by LTM Sales (including proforma revenue for PFI) multiplied by 365

Receivable days is trade receivables divided by LTM Sales (including proforma revenue for PFI) multiplied by 365

Payable days is trade payables divided by divided by LTM Sales (including proforma revenue for PFI) multiplied by 365