

TRANSACTION UPDATE

February 2021



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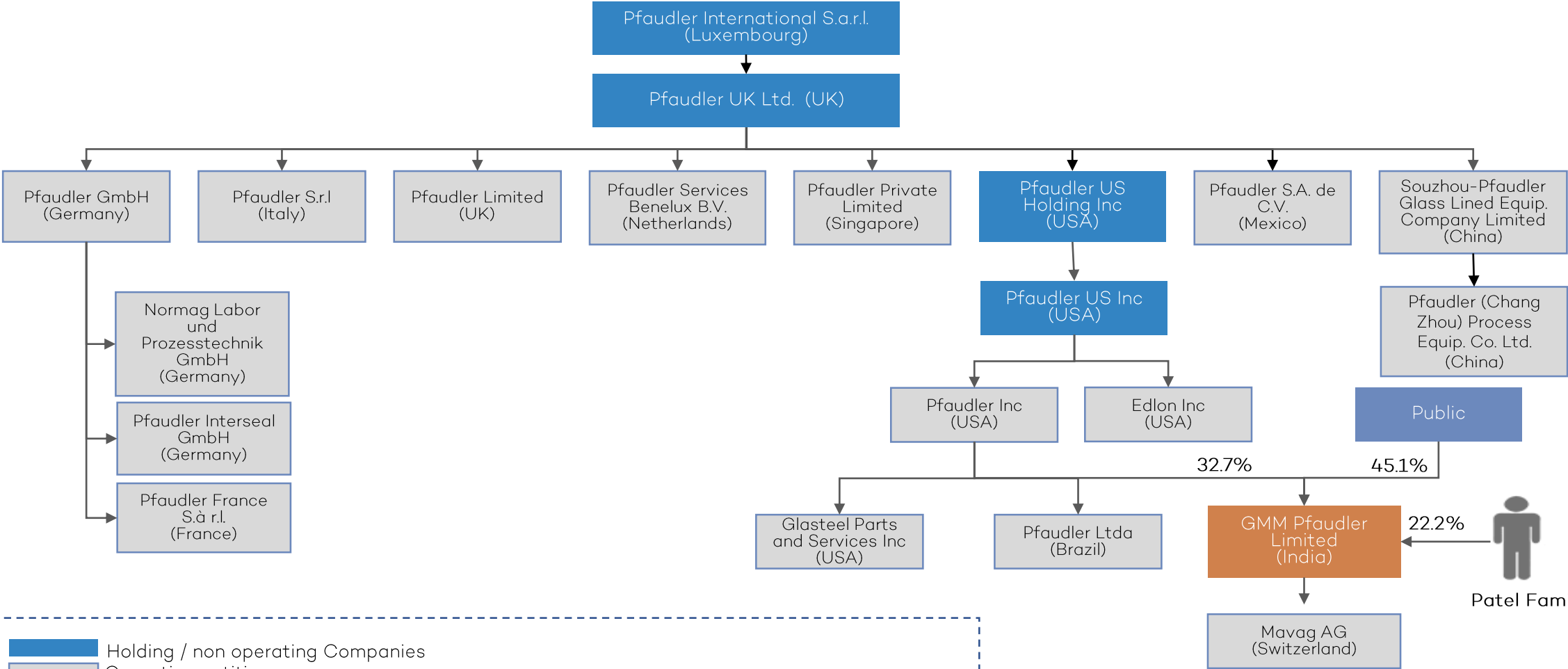
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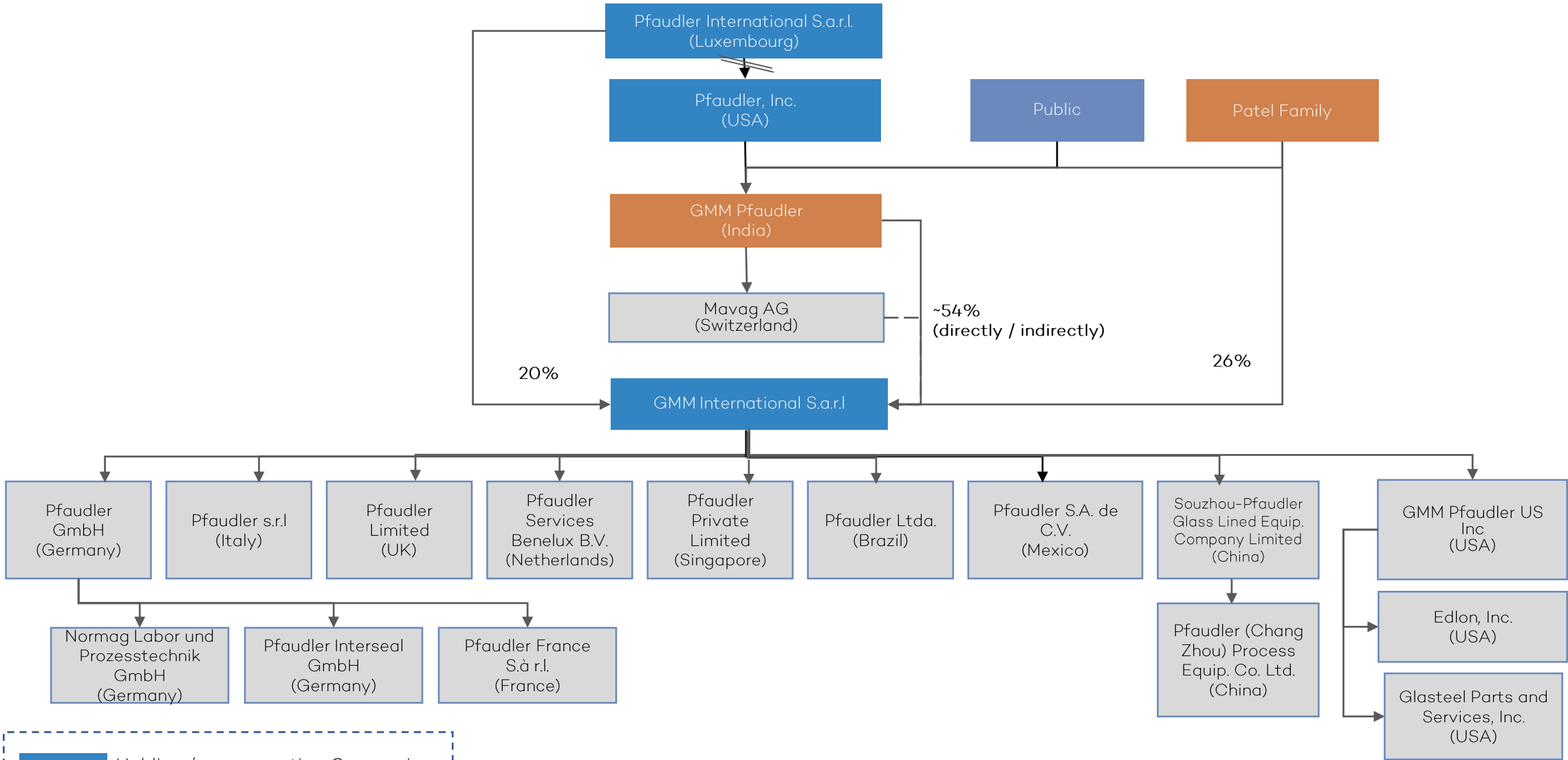
Ownership Structure prior to Closing



Holding / non operating Companies
 Operating entities
 Acquirer

Shareholding 100% unless mentioned otherwise. China is held directly and indirectly by Pfaudler UK Ltd

Ownership Structure post Closing



Holding / non operating Companies
 Operating entities
 Acquirer

Transaction Overview

Acquisition completed in Feb-2021; financials will be consolidated as of Feb 01, 2021

Valuation	USD mn
Total Equity Value	50.8
Stake acquired by GMM Pfaudler	54.0%
Stake value acquired by GMM Pfaudler	27.4
- Stake acquired directly	34.4%
- Stake acquired via subsidiary, Mavag	19.6%
- Stake value acquired directly	17.4
- Stake value acquired via subsidiary, Mavag	10.0
Cash accruals used by GMM Pfaudler and Mavag for transaction	~16.4
Debt raised by GMM Pfaudler and Mavag for acquisition	~ 11.0

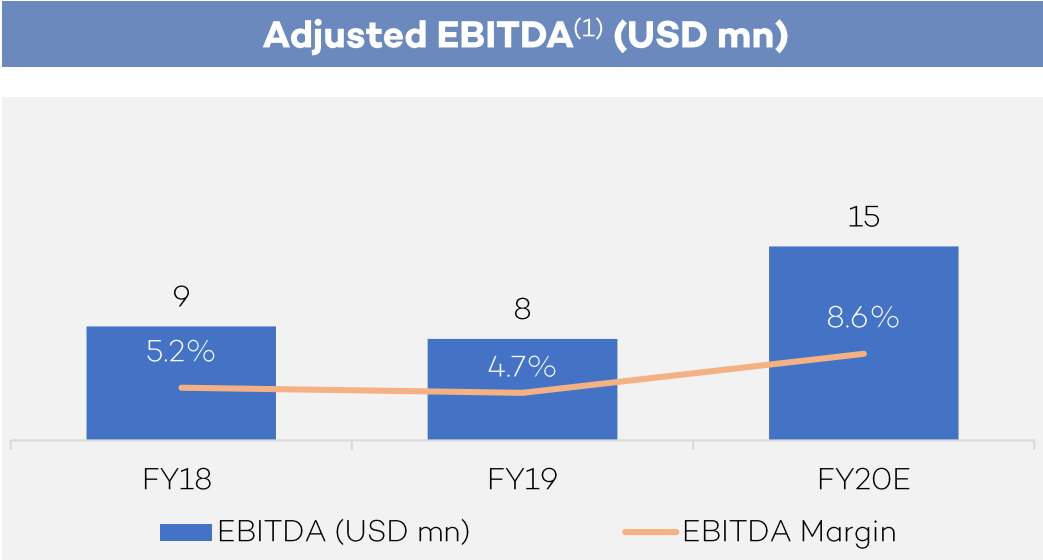
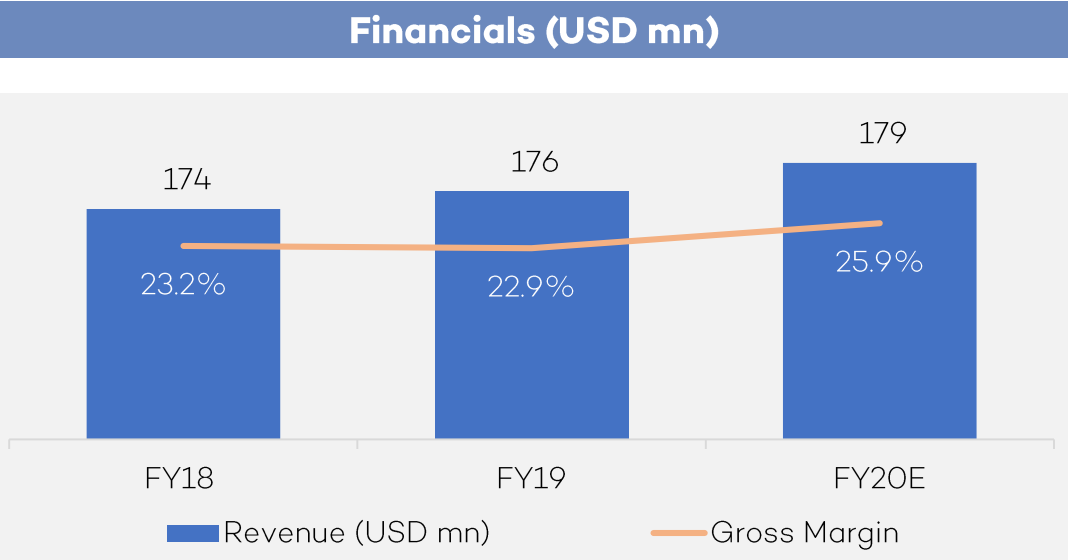
No equity dilution in GMM Pfaudler for the acquisition

Debt raised for acquisition **was USD 6.4 mn lower than previously estimated**, owing to the strong financial performance and high cash accruals of GMM Pfaudler in FY21

Acquisition debt raised at low cost - **interest rate in the region of 2.2%***

*Will be hedged in the event of adverse interest rate movements

Pfaunder International – Financial Update



- Although the last quarter of FY20 was impacted due to the Covid-19 pandemic, overall FY20E Revenue and EBITDA is in line with previous management estimates
- **Gross profit margin increased to 25.9% for FY20, significantly above recent years (average 23.1%)**
- Improved gross margins and strict control on other functional costs lead to **improved Adj. EBITDA margins, increasing from 4.7% in FY19 to 8.6% for FY20**
- Strong Order Backlog of USD 122 mn as of Dec-20

Note: Fiscal year ending August 31
 (1) EBITDA before exceptional items. All financials per IFRS

Appendix

GMPfaudler 
Defining the standard

GMM Pfaudler (standalone) cash flow summary

Cashflow summary (INR mn)	YTD Dec '20	FY20
Net cash from operating activities	934	500
Net cash used in investing activities	(463)	(452)
Net cash used in financing activities	203	(46)
Net increase / (decrease) in cash and cash equivalents	674	2
Cash and cash equivalents at beginning of period	287	285
Cash and cash equivalents at end of period	961	287

Thank You

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