GMM Pfaudler

Moving Forward with Purpose

Earnings Presentation Q2 FY23

November 2022

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Q2 FY23 Performance

Snapshot

₹780 crore
Revenue

₹119 crore
EBITDA

15.2%
EBITDA Margin

₹97 crore
PAT

12.4%
PAT Margin

₹14.8*
EPS

₹829 crore
Order Intake

₹2,119 crore
Order Backlog

*EPS is adjusted for the bonus issue of 2:1 completed in July 2022

Quarter Highlights

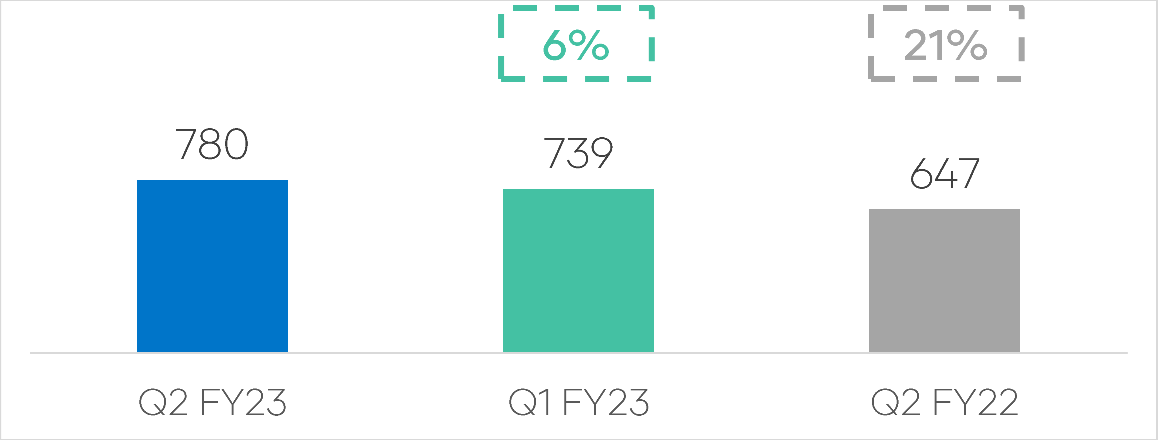
- Revenue growth of 21% YoY
- EBITDA margin at 15.2%
- Order intake increased by 6% YoY
- Order Backlog stands at ₹2,119 crore

- Completed the acquisition of Hydro Air Research Italia S.r.l
- Completed the acquisition of the balance 46% stake in GMM International S.à.r.l (GMMI), GMMI is now a wholly owned subsidiary of GMMP with 100% profits accruing from Q3 FY23 onwards
- Credit ratings reaffirmed at AA-/Stable/A1+ by both CRISIL Ratings and ICRA
- Received "Leadership" score in Governance from CRISIL Limited (CRISIL Sustainability Yearbook, May 2022)
- Analyst / Investor Day held in September 2022

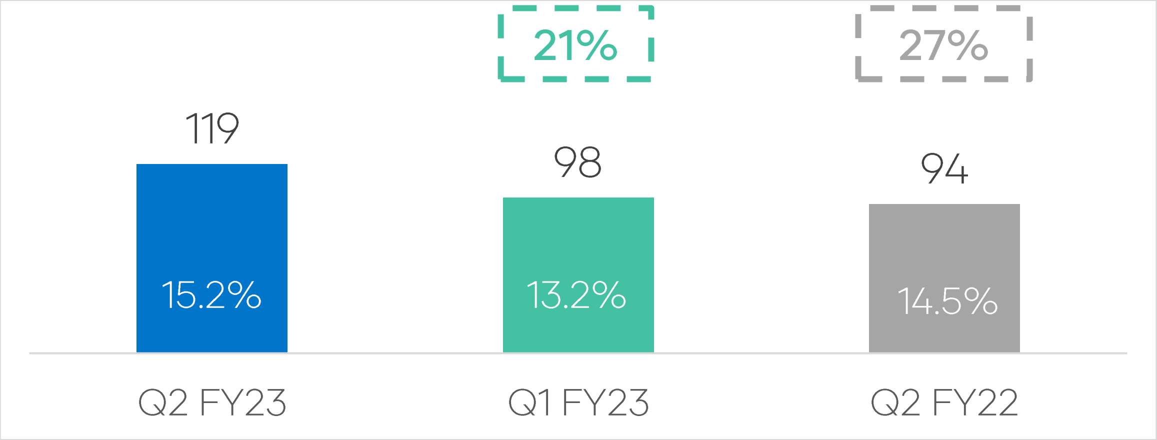
Consolidated Results

Figures in ₹ crore

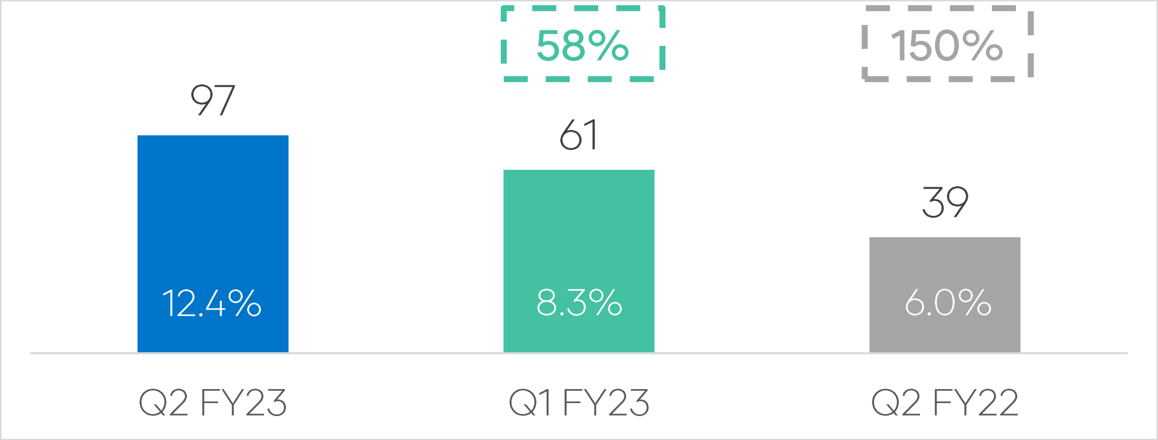
REVENUE



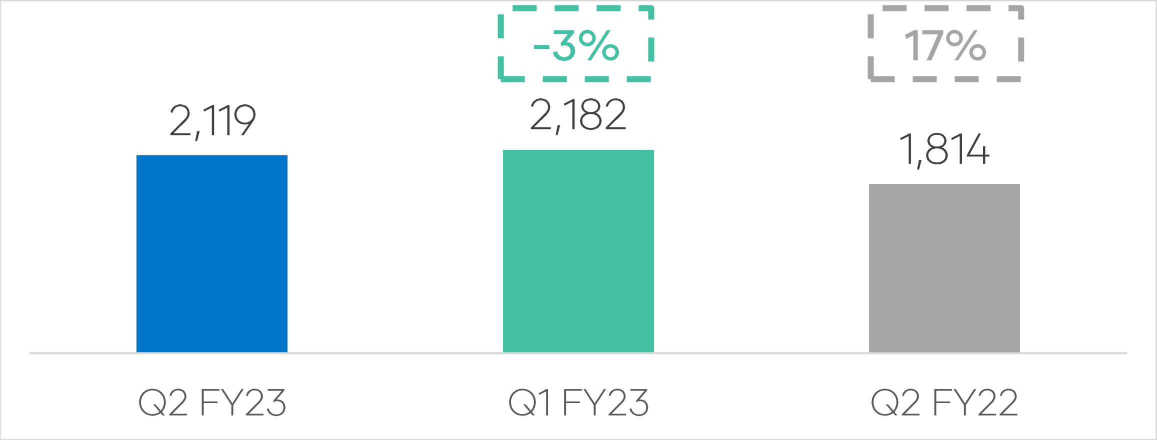
EBITDA



PROFIT AFTER TAX



ORDER BACKLOG



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

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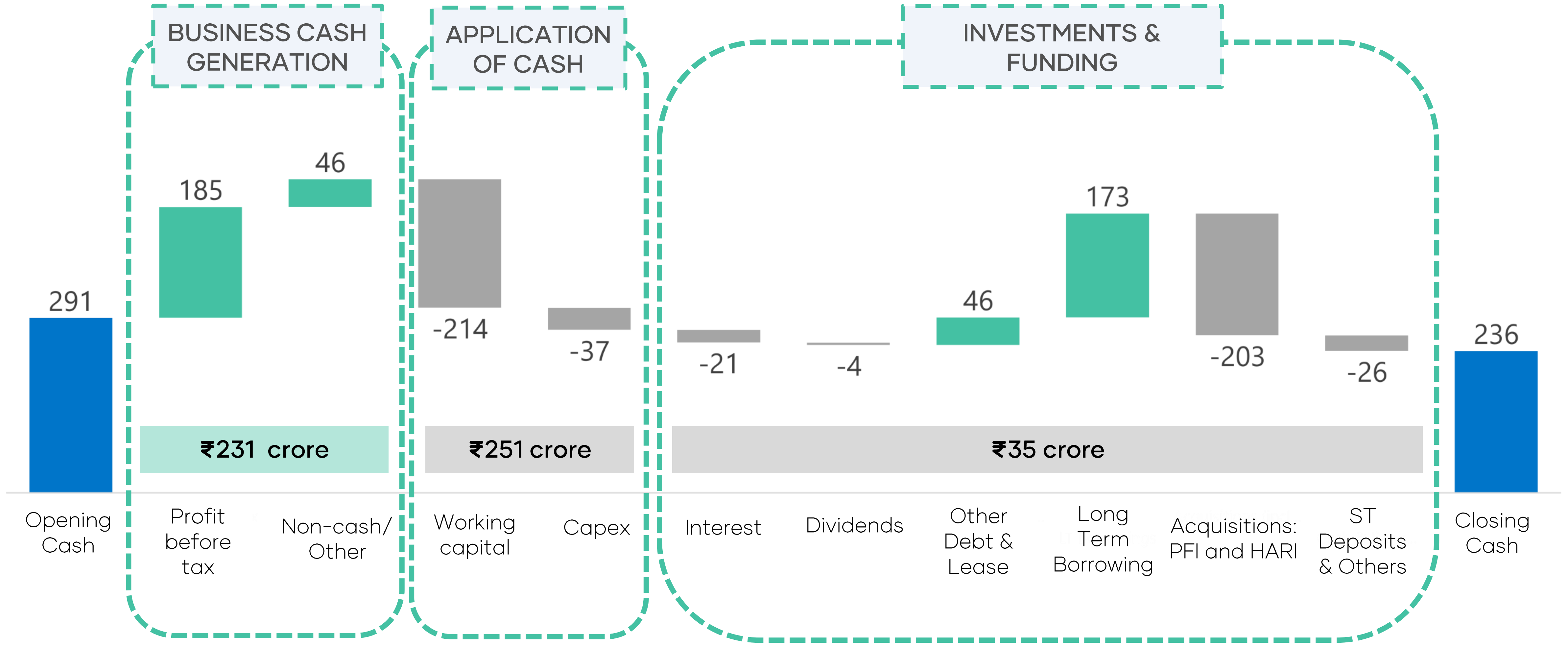
Business Highlights

- Technologies (Glass-lined & Non Glass-lined) – Revenue and Order intake improves by 35% and 2% YoY, respectively
- Systems – Revenue and Order intake reduces by 7% and 17% YoY, respectively
- Services – Revenue and Order intake improves by 6% and 30% YoY respectively
- Sourcing - Stock and Sale vessels shipped to Europe
- India's largest furnace commissioned in Karamsad; will cater to global and domestic super large vessels
- Cost control measures, especially in Europe have helped mitigate rising energy costs, however global uncertainties continue
- Operational excellence projects and cost reduction measures continue across geographies

Consolidated Cash Flow Statement – H1 FY23

Figures in ₹ crore



Consolidated Balance Sheet

Figures in ₹ crore

Particulars	30.09.22	31.03.22
Shareholder's equity	664	527
Non-controlling interests	-	141
Debt	767	505
Pension liabilities	243	373
Trade payables	470	391
Other liabilities (current & non-current)	770	791
Total Liabilities and Equity	2,914	2,728

Particulars	30.09.22	31.03.22
Fixed Assets	553	560
Goodwill & Intangibles	487	455
Receivables	386	356
Inventory	710	670
Cash and equivalents	236	291
Other assets (current & non-current)	542	396
Total Assets	2,914	2,728

- Net gearing increased to 0.7 times (from 0.3 times) as on September 30, 2022
- Pension reduction by 35% to ₹243 crore equivalent to $30 million
- Credit Ratings reaffirmed at AA-/A1+ with Stable outlook (or high degree of safety) by both CRISIL and ICRA, post the additional ₹173 crores debt for part funding of balance 46% acquisition.

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Working Capital Summary

Figures in ₹ crore

CONSOLIDATED

Inventory Summary	30.09.22	31.03.22
Inventory	710	670
Customer advances	372	422
Net funding required for inventory	338	248
Backlog	2,119	1,932
Inventory days (net of advances)	43	36

Receivables Summary	30.09.22	31.03.22
Trade Receivables	386	356
Receivable days	49	51

Payables Summary	30.09.22	31.03.22
Trade Payables	470	391
Payable days	60	56

STANDALONE

Inventory Summary	30.09.22	31.03.22
Inventory	261	231
Customer advances	79	94
Net funding required for inventory	182	137
Backlog	650	524
Inventory days (net of advances)	70	61

Receivables Summary	30.09.22	31.03.22
Trade Receivables	162	121
Receivable days	63	54

Payables Summary	30.09.22	31.03.22
Trade Payables	184	159
Payable days	71	71

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

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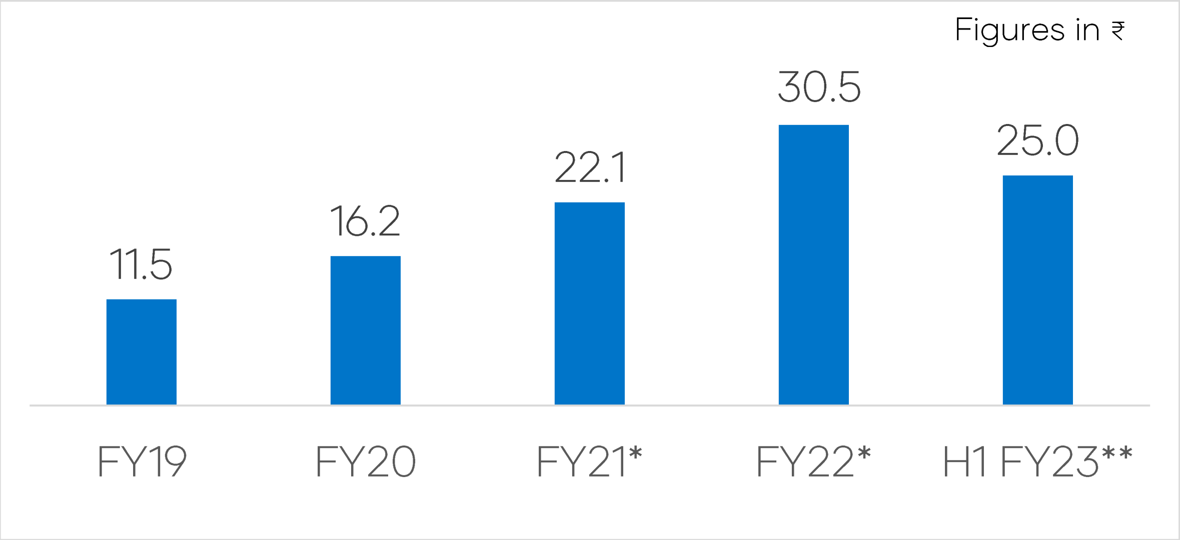
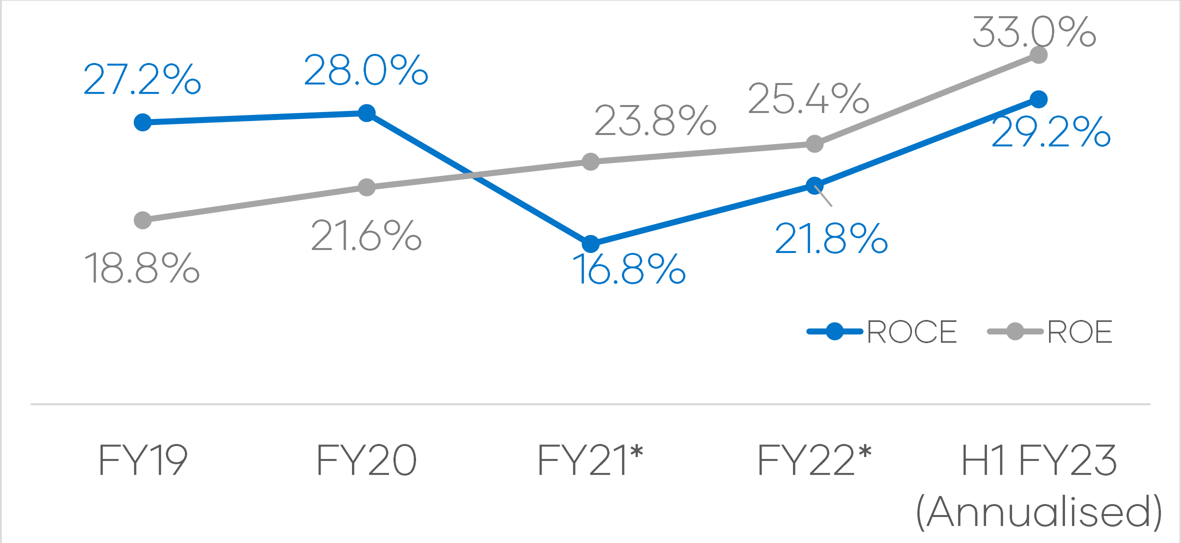
Consolidated Profitability Metrics

EARNINGS PER SHARE (EPS)



RETURN METRICS



**Consolidated figures exclude PPA, and other acquisition related adjustments related to PFI acquisition in FY21 and FY22*
*** EPS for H1 FY23 Not Annualised*

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 is calculated using net profit attributable to equity holders (excludes non-controlling interests)
EPS for all periods are adjusted to reflect the bonus issue of 2:1

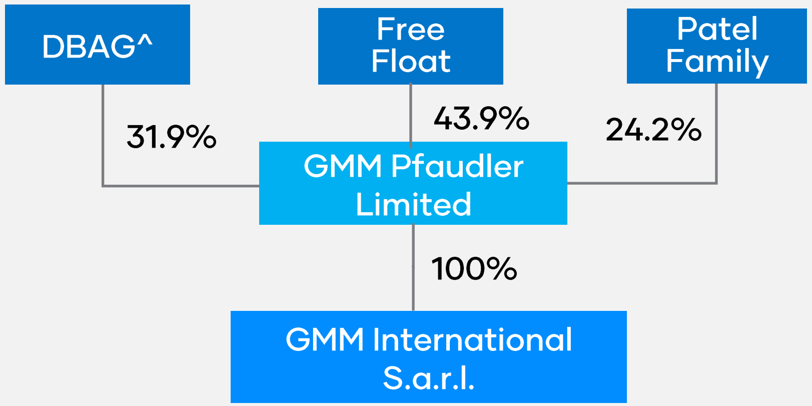
To maintain consistency vs previous periods, following definitions are retained -
RoE is calculated as net profit attributable to equity holders divided by total equity (excludes non-controlling interest)
RoCE is calculated as EBIT divided by total equity + non-controlling interest + total debt

Shareholder Summary

Particulars	As on September 30, 2022		As on June 30, 2022		Change	
	No. of shares	% of total	No. of shares*	% of total	No. of shares	% of total
Public						
Mutual Funds	15,70,177	3.49%	15,17,352	3.46%	52,825	4.8%
Foreign Portfolio Investors	52,65,128	11.71%	51,94,266	11.84%	70,862	6.4%
Alternate Investments Funds	6,37,984	1.42%	7,16,442	1.63%	-78,458	-7.1%
Insurance Companies/ Banks/ FIs	3,17,700	0.71%	4,39,065	1.00%	-1,21,365	-11.0%
IEPF	1,78,656	0.40%	1,79,031	0.41%	-375	0.0%
Public	1,17,86,660	26.22%	1,17,10,149	26.70%	76,511	6.9%
Total Public Shareholding (A)	1,97,56,305	43.94%	1,97,56,305	45.05%	-	-
Promoters						
Pfaudler Inc. (Foreign Promoters)	1,43,30,208	31.88%	1,43,30,208	32.68%	0	0.0%
Patel Group (Indian Promoters)	1,08,70,711	24.18%	97,65,987	22.27%	11,04,724	100.0%
Total Promoter Shareholding (B)	2,52,00,919	56.06%	2,40,96,195	54.95%	11,04,724	100.0%
Total Shareholding (A) + (B)	4,49,57,224	100.00%	4,38,52,500	100.00%	11,04,724	

Issuance of 11,04,724 shares on a preferential basis to Millars Concrete Technologies Pvt. Ltd. (Patel Group) completed on November 1, 2022

Post Transaction - Ownership Structure**



Notes:
*Adjusted for bonus
** Highly simplified illustration
^Deutsche Beteiligungs AG Fund VI

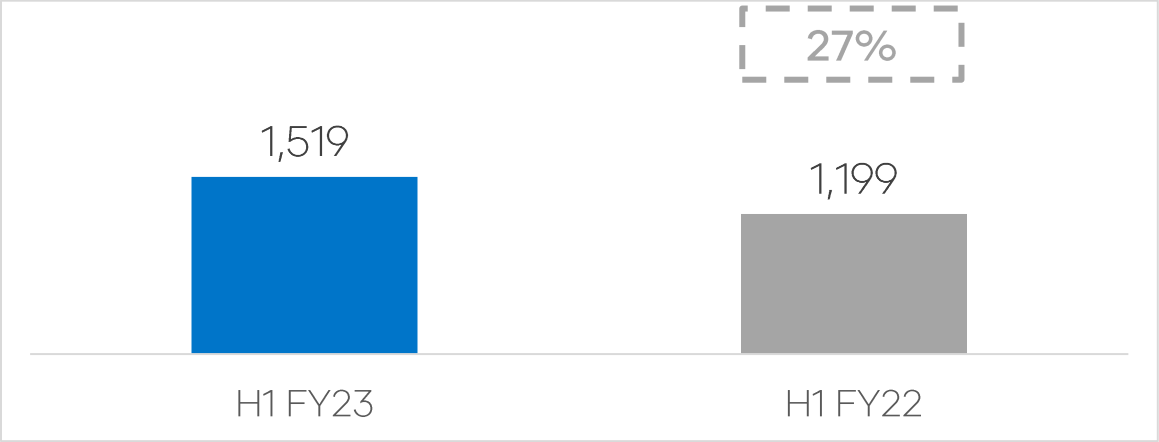
Annexures

Consolidated Results

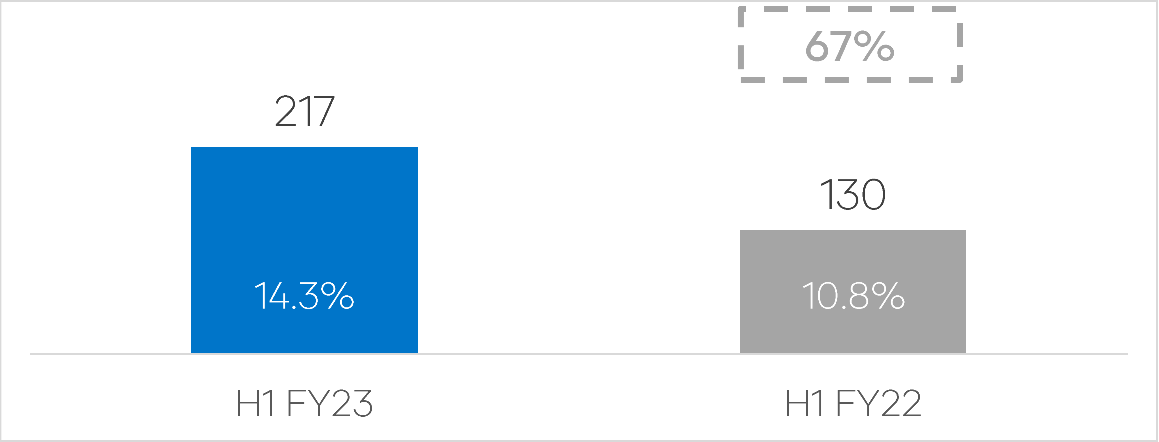
Consolidated Results – H1 FY23

Figures in ₹ crore

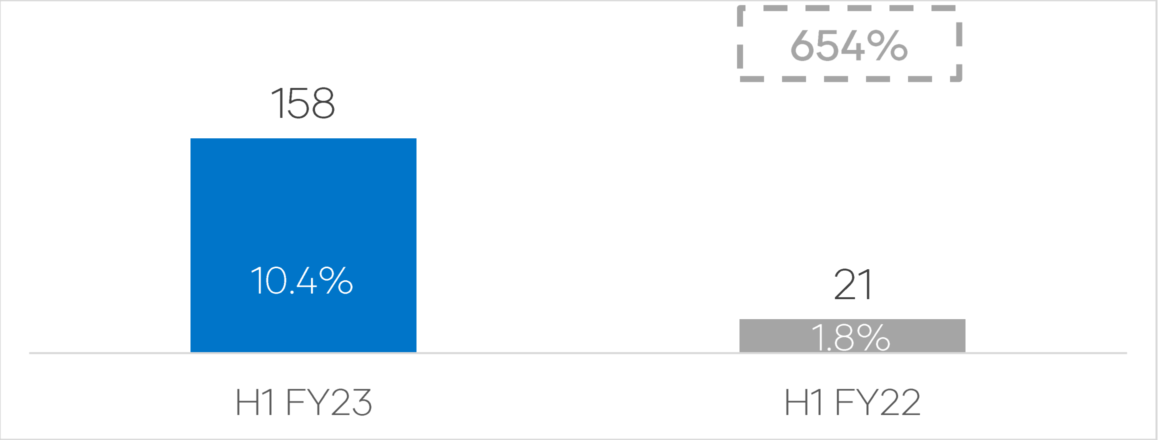
REVENUE



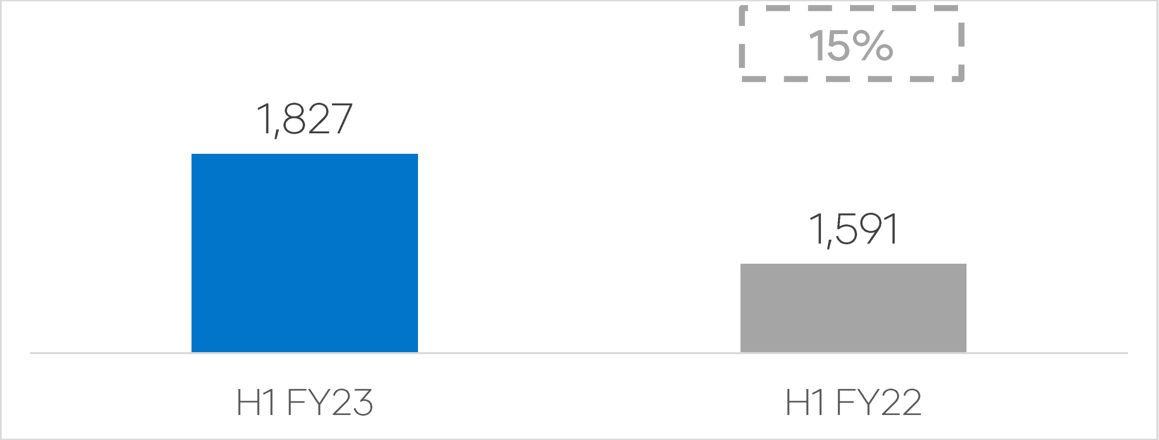
EBITDA



PROFIT AFTER TAX



ORDER INTAKE



Margin and growth percentages are calculated on absolute figures.

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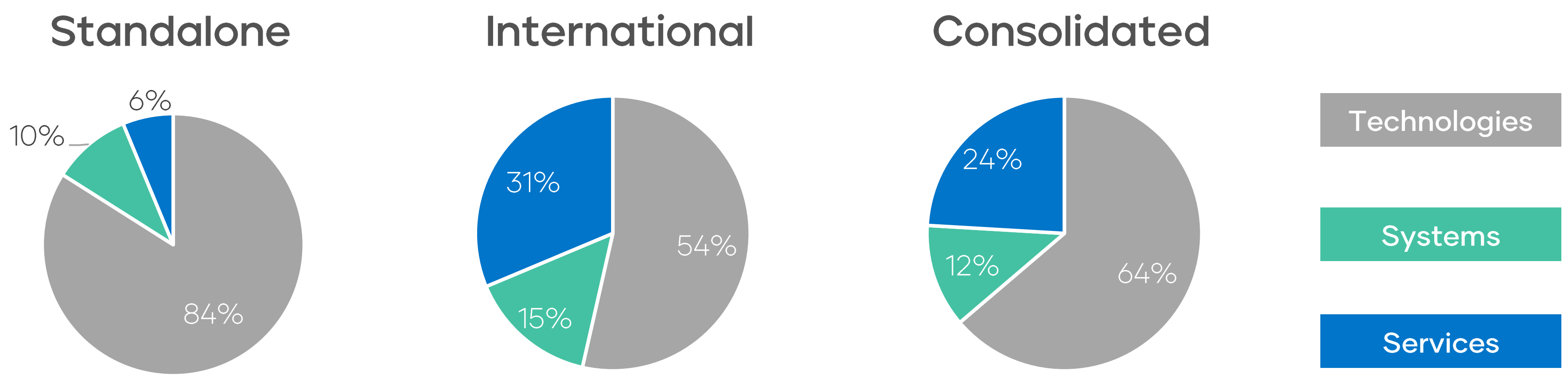
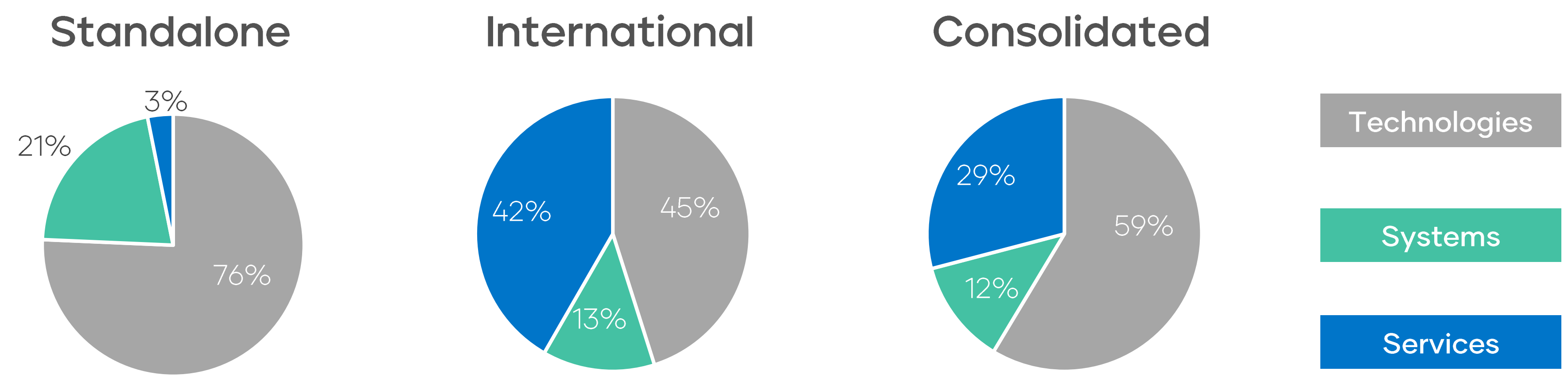
Segmental Overview

Revenue (Q2 FY23)



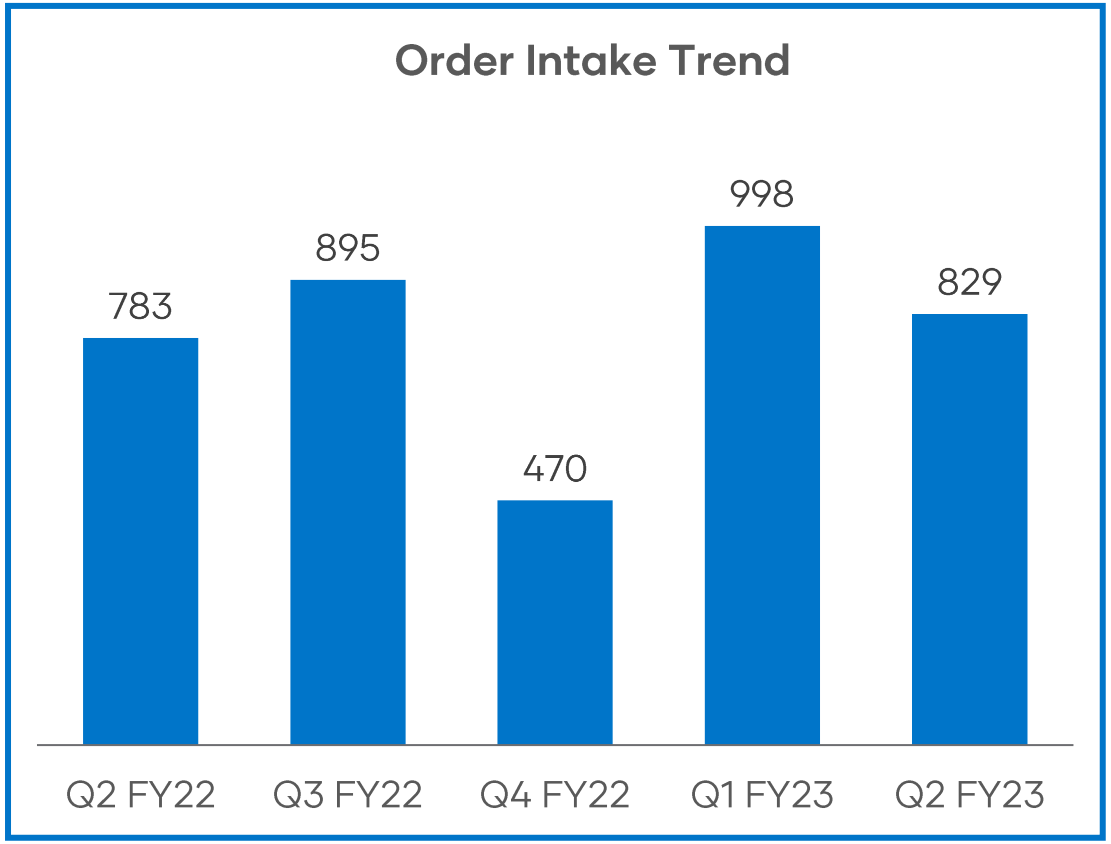
Order Intake (Q2 FY23)

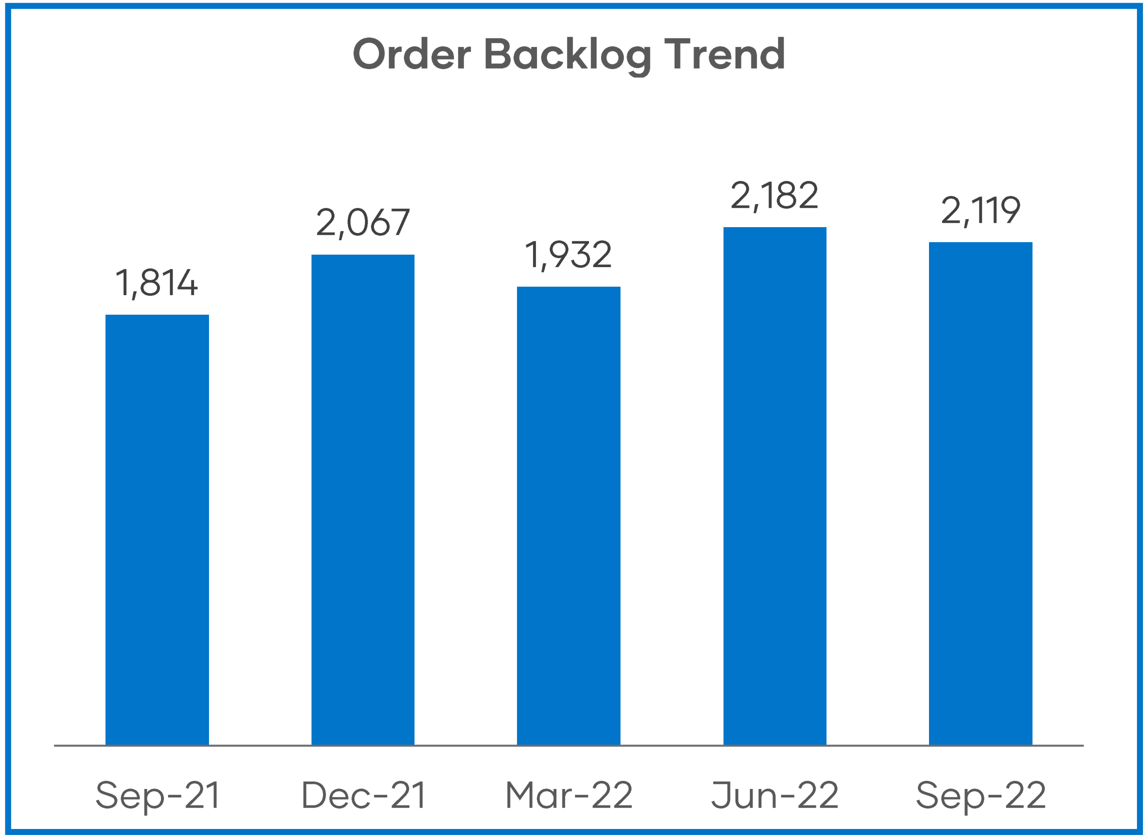


*Note: Standalone and International breakdown excluded inter-company eliminations

Order Intake and Backlog Trend

Figures in ₹ crore





Quarterly Consolidated Financial Performance

Particulars (₹ crore)	Q2 FY23	Q1 FY23	Q-O-Q	Q2 FY22	Y-O-Y
Operational Income	780	739	6%	647	21%
Material Cost	312	300	4%	255	22%
Other Costs	349	341	3%	298	17%
Total Operating Expenses	661	641	3%	553	19%
EBITDA	119	98	21%	94	27%
EBITDA Margin (%)	*15.2%*	*13.2%*	*200 bps*	*14.5%*	*74 bps*
Other Income	19	28	(32%)	3	560%
Depreciation	28	27	4%	39	(28%)
Interest	9	16	(45%)	-2	362%
PBT	101	83	22%	56	82%
Tax	5	22	(79%)	17	(73%)
Profit After tax	97	61	58%	39	150%
PAT Margin (%)	*12.4%*	*8.3%*	*410 bps*	*6.0%*	*643 bps*
Other Comprehensive Income	15	7	97%	(7)	NA
Total Comprehensive Income	112	69	62%	32	246%
EPS (₹)	14.8	10.2	46%	7.9	88%

Margin and growth percentages are calculated on absolute figures. NA is Not Applicable

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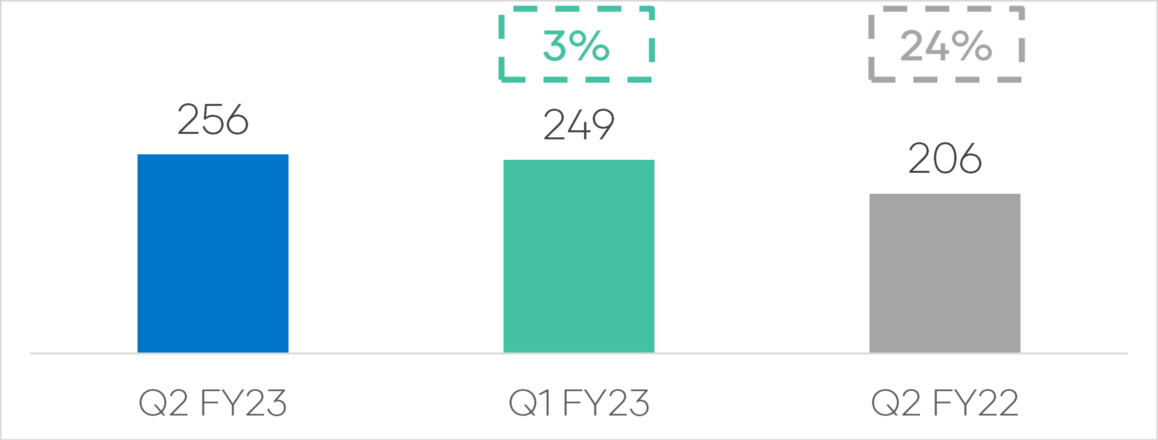
Standalone Results

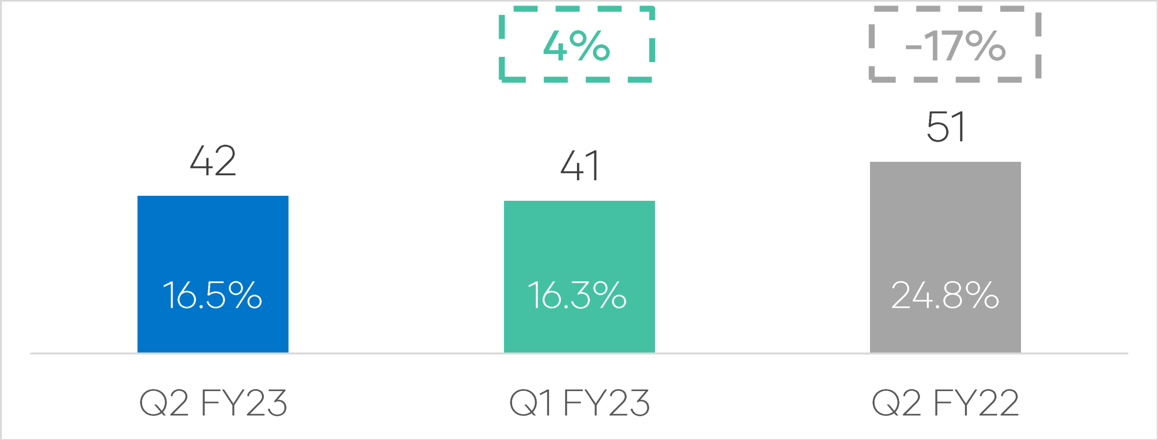
Standalone Results – Q2 FY23

Figures in ₹ crore

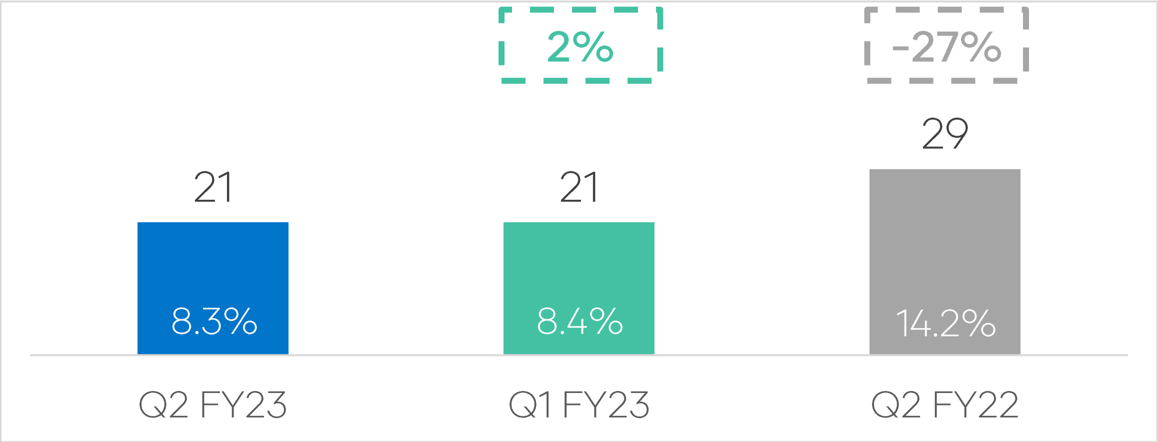
REVENUE



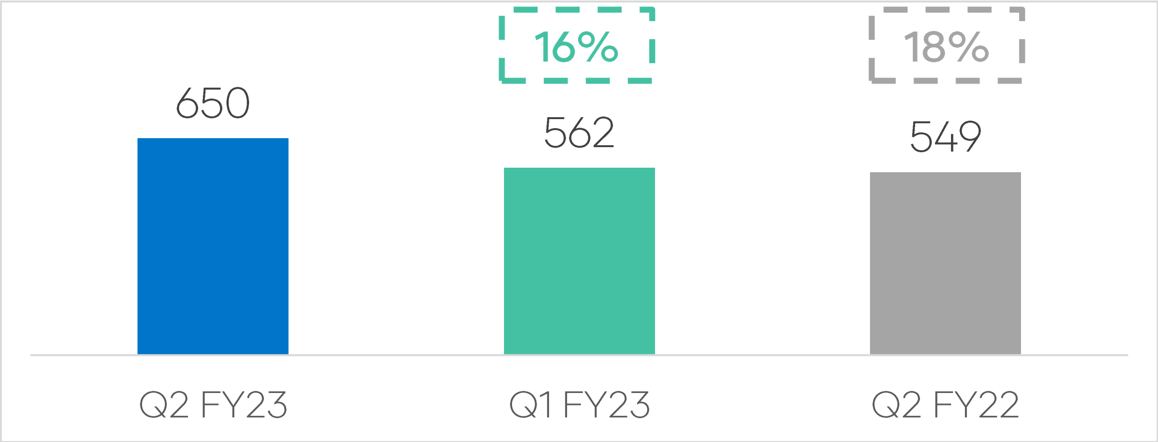
EBITDA



PROFIT AFTER TAX



ORDER BACKLOG



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

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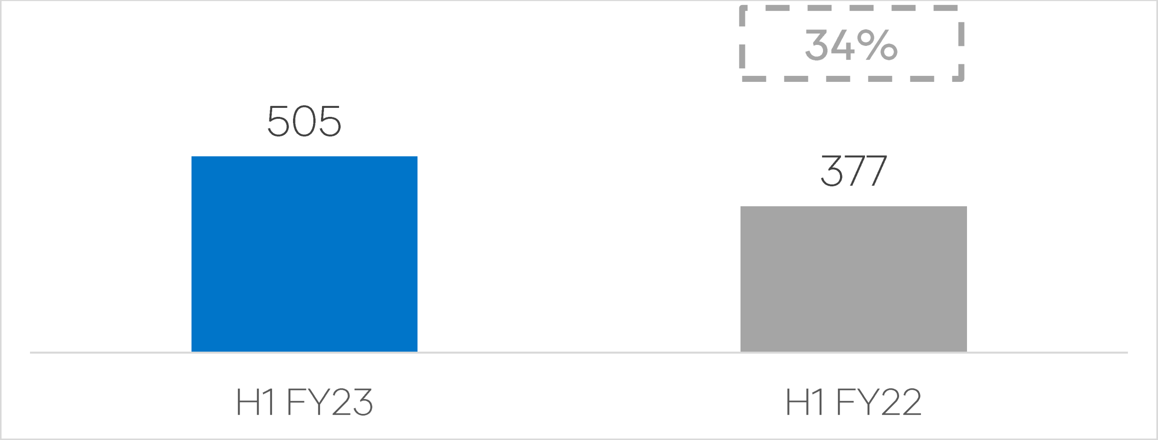
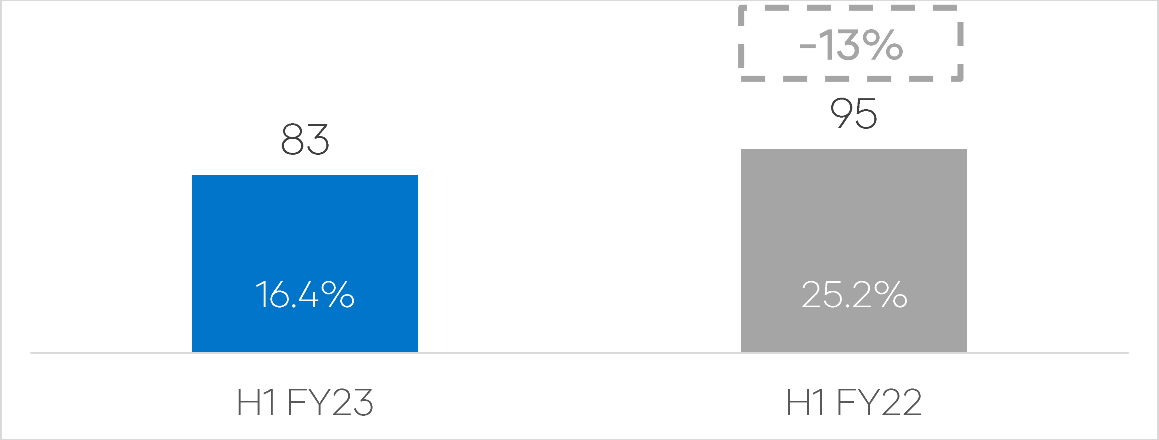
Standalone Results – H1 FY23

Figures in ₹ crore

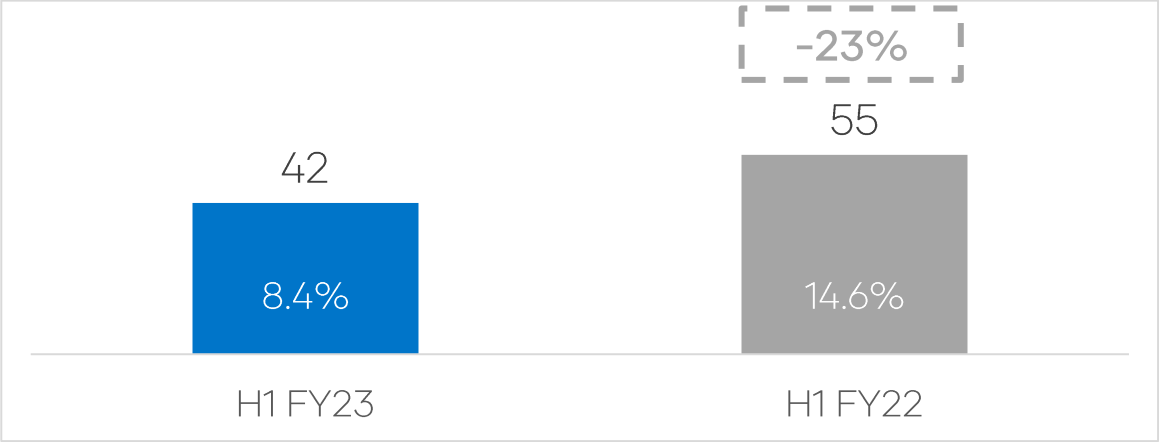
REVENUE



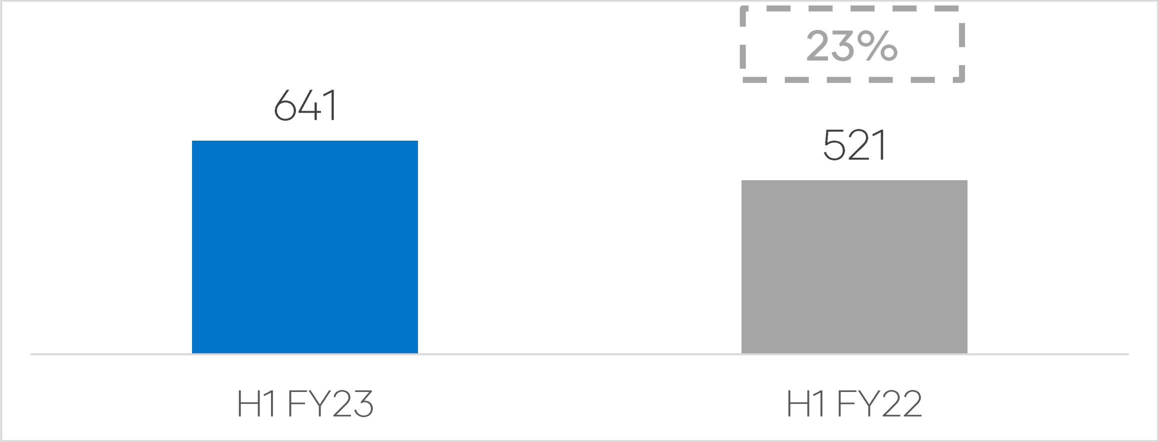
EBITDA



PROFIT AFTER TAX



ORDER INTAKE



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

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Quarterly Standalone Financial Performance

Particulars (₹ crore)	Q2 FY23	Q1 FY23	Q-O-Q	Q2 FY22	Y-O-Y
Operational Income	256	249	3%	206	24%
Material Cost	117	124	(5%)	87	35%
Other Costs	97	84	15%	68	42%
Total Operating Expenses	214	208	3%	155	38%
EBITDA	42	41	4%	51	(17%)
EBITDA Margins (%)	*16.5%*	*16.3%*	*18 bps*	*24.8%*	*(828) bps*
Other Income	1	1	46%	1	(15%)
Depreciation	9	9	3%	9	4%
Interest	5	5	17%	5	18%
PBT	29	28	3%	39	(26%)
Tax	8	7	6%	10	(23%)
Profit After tax	21	21	2%	29	(27%)
PAT Margins (%)	*8.3%*	*8.4%*	*(5) bps*	*14.2%*	*(586) Bps*
Other Comprehensive Income	0	0	NA	1	NA
Total Comprehensive Income	21	21	2%	29	(26%)
EPS (₹)	4.9	4.8	2%	6.7	(27%)

Margin and growth percentages are calculated on absolute figures. NA is Not Applicable

Standalone Balance Sheet

Figures in ₹ crore

Particulars	30.09.22	31.03.22
Shareholder's equity	654	445
Debt	380	128
Trade payables	184	159
Other liabilities (current & non-current)	124	138
Total Liabilities and Equity	1,342	870

Particulars	30.09.22	31.03.22
Fixed Assets	222	213
Goodwill & Intangibles	21	25
Receivables	162	121
Inventory	261	231
Cash and equivalents	6	15
Other assets (current & non-current)	670	265
Total Assets	1,342	870

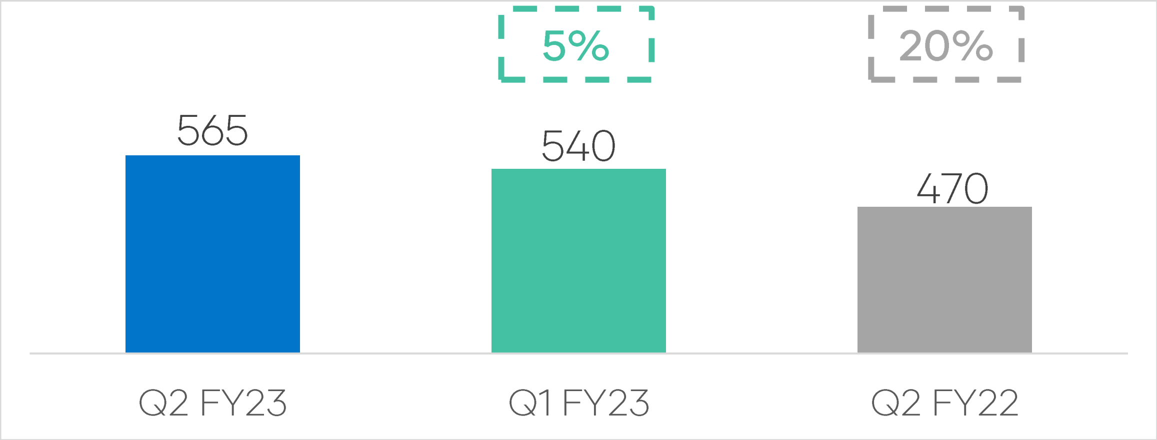
- Debt taken for partial funding of balance 46% stake in GMM International S.à.r.l.

International Results

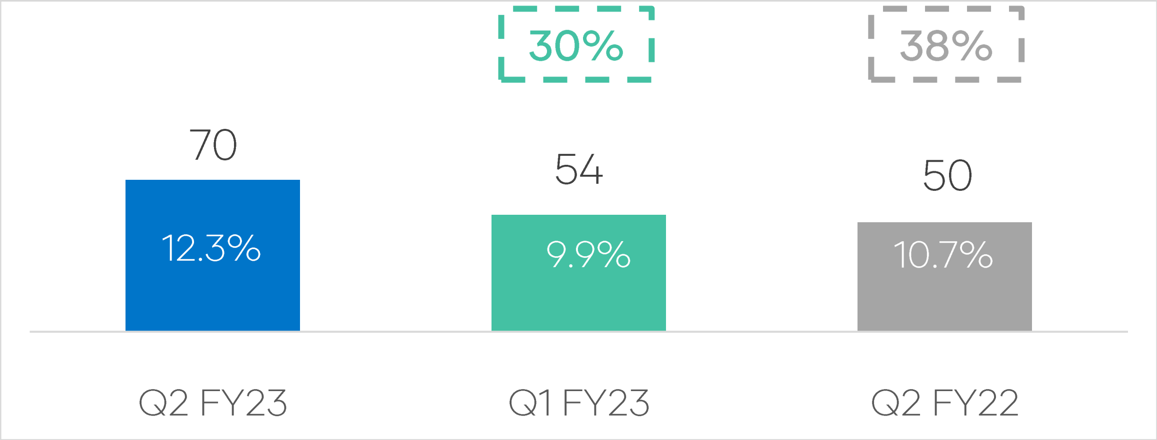
International* Results – Q2 FY23

Figures in ₹ crore

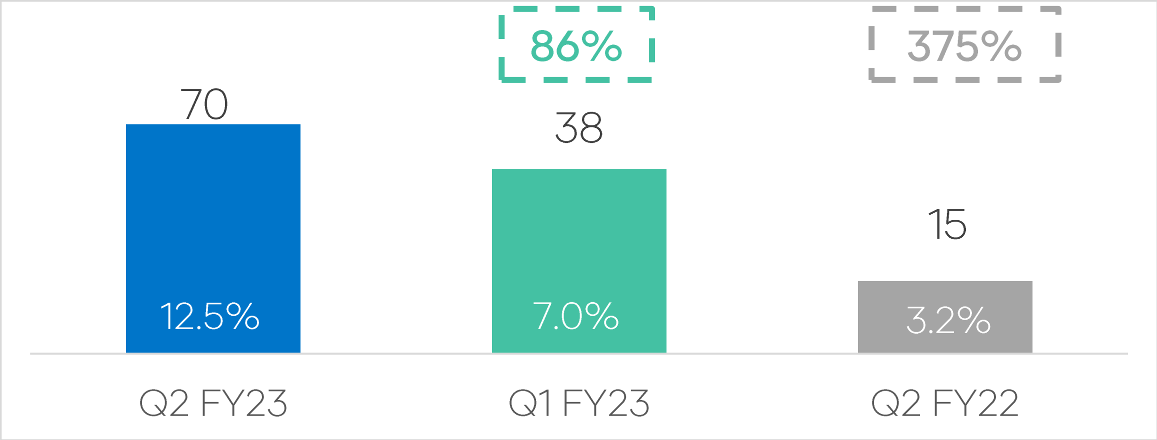
REVENUE



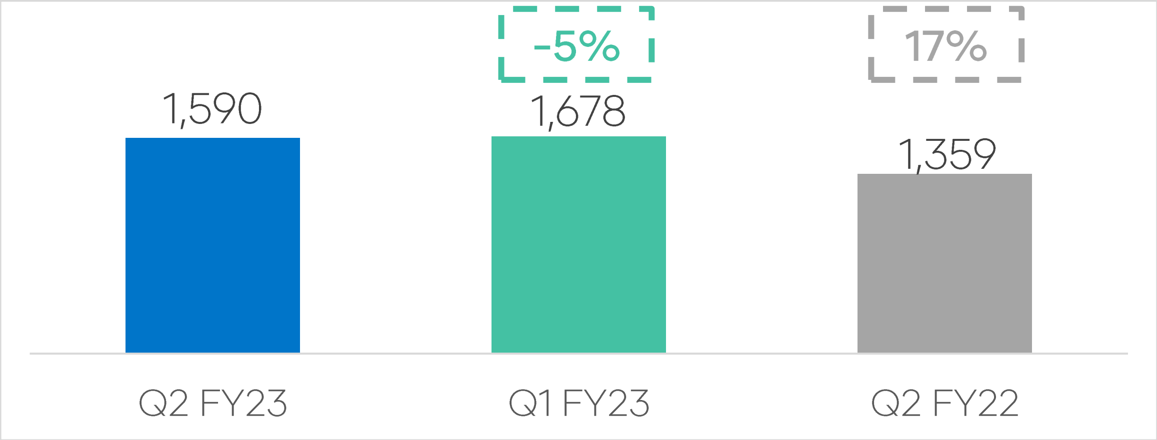
EBITDA



PROFIT AFTER TAX



ORDER BACKLOG

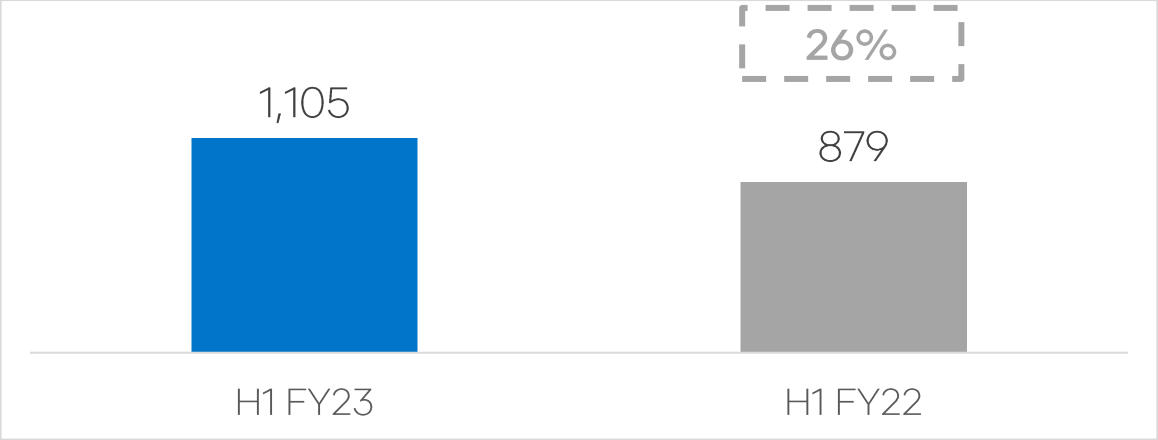


** Includes Mavag & PFI, Excluding inter-company eliminations.*
Backlog is net of POC. Margin and growth percentages are calculated on absolute figures

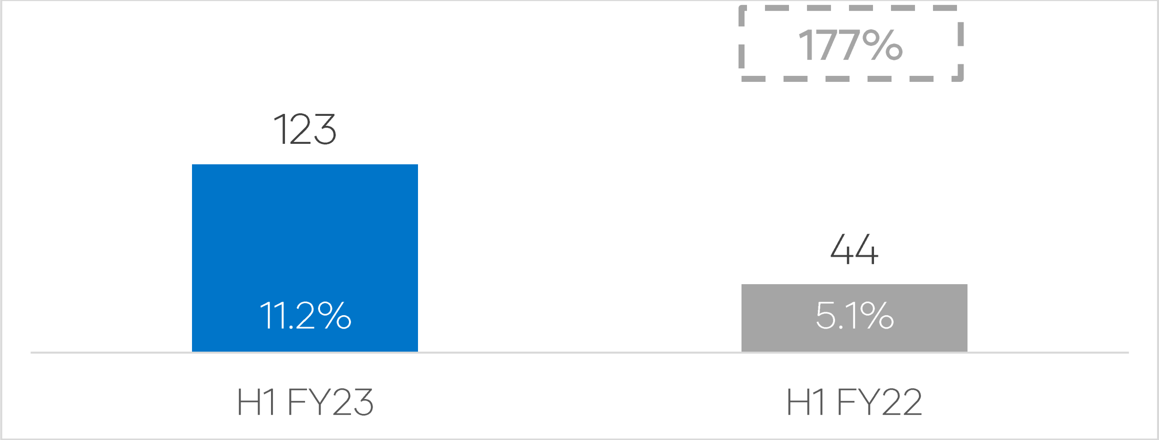
International* Results – H1 FY23

Figures in ₹ crore

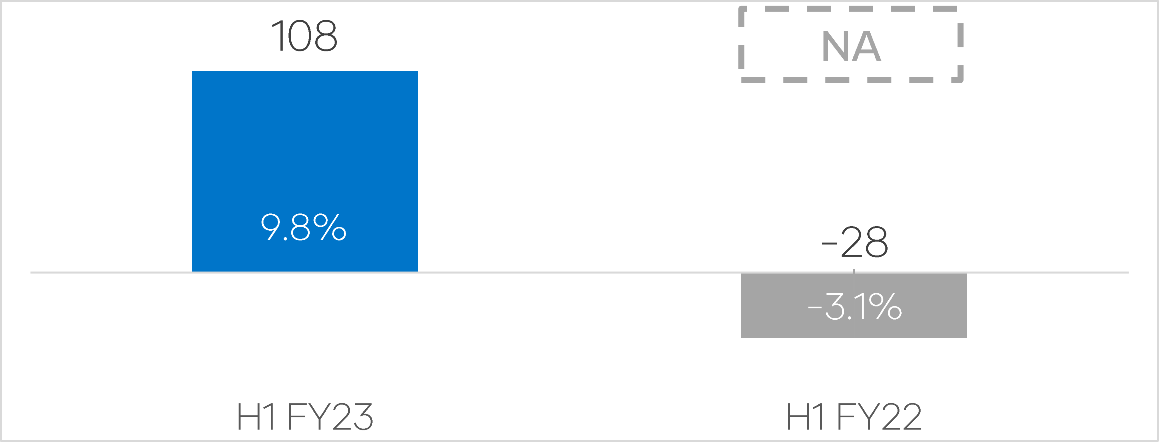
REVENUE



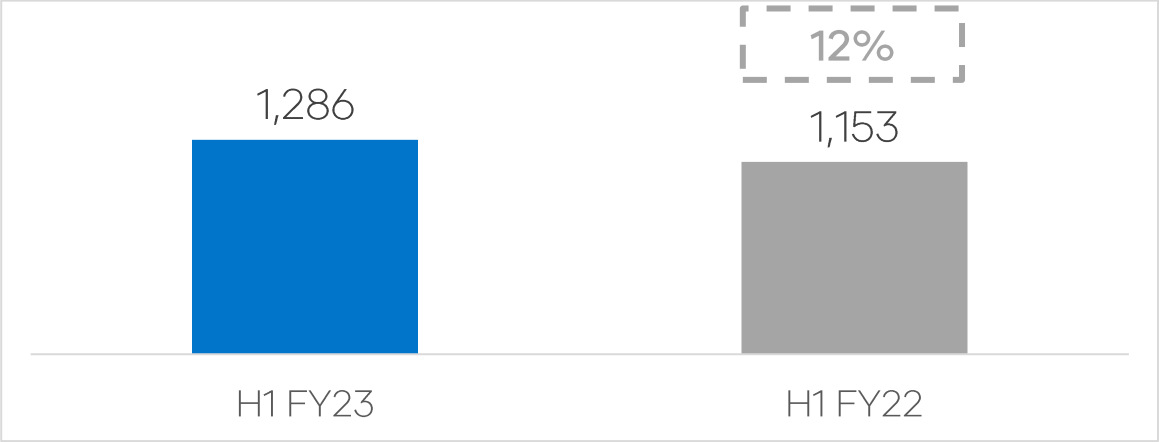
EBITDA



PROFIT AFTER TAX



ORDER INTAKE



** Includes Mavag & PFI, Excluding inter-company eliminations.*
Backlog is net of POC. Margin and growth percentages are calculated on absolute figures

Thank You

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