



SIL/BSE/2022-23

November 12, 2022

To
The General Manager,
Department Of Corporate Services,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400001

Company Code: 511076

Sub: Quarterly Earning Updates for the Quarter and Half Year ended September 30, 2022.

Dear Sir/Ma'am,

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, we enclose herewith the Quarterly Earning Updates for the Quarter and Half Year ended September 30, 2022

Kindly take the same on your record.

Thanking you,

Yours faithfully,

FOR SAT INDUSTRIES LIMITED

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HARIKANT GANESHLAL
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Harikant Turgalia
Whole-Time Director
DIN: 00049544

Encl.: as above



CIN: L25199MH1984PLC034632

Registered Office: 121, B-Wing, Mittal Tower, Nariman Point, Mumbai - 400021

Q2 & H1 FY23 – Earnings Update

Total Revenue reported at ₹1,294.30 Mn in Q2 FY23 and ₹2,479.75 Mn for H1 FY23

EBITDA stands at ₹183.01 Mn in Q2 FY23 and ₹354.66 Mn for H1 FY23

PAT at ₹133.50 Mn in Q2 FY23 and ₹242.96 Mn for H1 FY23

Mumbai, 12th November 2022: SAT Industries Limited (SAT) announced in its board meeting held on 12th November 2022 that the Company has inter-alia considered and approved the unaudited Financial Results of the Company for the Second Quarter and Half Year Ended on 30th September 2022.

About SAT Industries Limited:

SAT Industries Limited (SAT) is a BSE listed Company having been in existence for more than 37 years. SAT is a diversified business group with interests in manufacturing of packaging material, flexible flow solutions and investment in start-ups. The business model of the company is uniquely balanced between the consistent cash flow of existing conventional business and value driven from investments in high-growth start-ups. SAT, through its subsidiaries, has a presence in more than 100 countries across the world. SAT actively invests in start-ups that have disruptive and innovative business models. SAT has invested in 120+ companies across 27 sectors. The company has invested in sectors such as food-tech, ed- tech, e-commerce, hyper-local services, digital media portal, hyper-local advertising, virtual reality products, artificial intelligence-enabled research platform, IoT products, among others. Some of the major investments include Venture Catalysts (Vcats), 1Crowd, Eduvanz, Beams Fintech Fund, Artha Select Fund, Rare Planet, Kerala Banana Chips and LenDen Club.

Consolidated Financial Statement Highlights for Q2 FY23 v/s Q2 FY22 v/s Q1 FY23

Particulars (₹ in Mn)	Q2 FY23	Q2 FY22	YoY%	Q1 FY23
Revenue from Operations	1,261.0	788.5		1,172.2
Other Income	33.3	6.6		13.3
Total Income	₹1,294.3	₹795.1	62.78%	₹1,185.4
Total Expenses excluding Depreciation, Amortization & Finance Cost	(1,111.3)	(652.9)		(1,013.8)
EBITDA*	183.0	142.3	28.64%	171.6
EBITDA Margin (%)	14.1%	17.9%		14.5%
Finance Cost	(18.1)	(13.4)		(11.5)
Depreciation	(16.0)	(13.7)		(14.8)
PBT before Exceptional Item	148.9	115.2	29.28%	145.3

Exceptional Items	20.0	-		-
PBT	168.8	115.2	46.60%	145.3
Tax Expenses	(35.3)	(4.3)		(35.9)
PAT	133.5	110.8	20.44%	109.5
Other Comprehensive Income/(loss)	10.2	(0.4)		10.5
Net PAT	143.7	110.4	30.20%	120.0
Net PAT Margin %	11.1%	13.9%		10.1%
Diluted EPS	1.18	0.98		0.97

*EBITDA includes Other Income

Consolidated Financial Statement Highlights for Q2 FY23 v/s Q2 FY22

- Total Income is increased by 62.78% from ₹795.1 Mn in Q2 FY22 to ₹1,294.3 Mn in Q2 FY23
- The EBITDA increased by 28.64% from ₹142.3 Mn in Q2 FY22 to ₹183.0 Mn in Q2 FY23
- Net PAT stood at ₹143.7 Mn in Q2 FY23, compared to ₹110.4 Mn in Q2 FY22 recording a growth of 30.2%

Consolidated Financial Statement Highlights for H1 FY23 v/s H1 FY22

Particulars (₹ in Mn)	H1 FY23	H1 FY22	YoY%
Revenue from Operations	2,433.2	1,422.9	
Other Income	46.5	8.1	
Total Income	2,479.8	1,431.0	73.29%
Total Expenses excluding Depreciation, Amortization & Finance Cost	(2,125.1)	(1,178.4)	
EBITDA*	354.7	252.6	40.39%
EBITDA Margin (%)	14.3%	17.7%	
Finance Cost	(29.7)	(29.3)	
Depreciation	(30.8)	(27.7)	
PBT before Exceptional Item	294.2	195.6	50.42%
Exceptional Items	20.0	-	
PBT	314.1	195.6	60.62%
Tax Expenses	(71.2)	(7.7)	
PAT	243.0	187.8	29.34%
Other Comprehensive Income	20.7	2.7	
Net PAT	263.7	190.6	38.38%
Net PAT Margin %	10.6%	13.3%	
Diluted EPS	2.15	1.66	

*EBITDA includes Other Income

Financial Performance Comparison – H1 FY23 v/s H1 FY22

- Total Income has increased from ₹1,431.0 Mn in H1 FY22 to ₹2,479.8 Mn in H1 FY23
- EBITDA increased by 40.39% from ₹252.6 Mn in H1 FY22 to ₹354.7 Mn in H1 FY23
- Net PAT stood at ₹263.7 Mn in H1 FY23, compared to ₹190.6 Mn in H1 FY22

Consolidated Balance Sheet as at 30th Sep 22 v/s 30th Sep 21

Particulars (₹ in Mn)	As at 30 th Sep 22	As at 30 th Sep 21	Particulars (₹ in Mn)	As at 30 th Sep 22	As at 30 th Sep 21
Liabilities			Assets		
Shareholders Fund			Non-Current Assets		
Share Capital	226.2	226.2	Fixed Assets	893.7	666.9
Equity attributable to Owner	2,038.9	1,632.8	Other Intangible Assets	117.3	86.1
Non-controlling interest	92.7	43.3	Investments	118.8	75.4
Total Shareholders Fund	2,357.8	1,902.3	Loans	6.9	49.8
Non-Current Liabilities			Others	14.2	20.1
Borrowings	466.7	294.4	Other non-current assets	121.2	33.3
Deferred Tax Liabilities	29.1	18.6	Total Non-Current Assets	1,272.1	931.6
Other non-current liabilities	-	0.05			
Total Non-Current Liabilities	495.8	313.0	Current Assets		
			Inventories	799.1	458.4
Current Liabilities			Trade receivables	996.7	601.7
Borrowings	700.4	443.0	Cash and cash equivalents	177.5	163.6
Trade payables	648.5	402.4	Loans	581.9	413.8
Other current liabilities	175.4	167.1	Others	22.5	8.4
Provisions	0.8	0.6	Current Tax Assets	0.6	0.9
Current Tax Liabilities (Net)	70.9	8.0	Other current assets	599.4	657.9
Total Current Liabilities	1,596.1	1,021.0	Total Current Assets	3,177.6	2,304.7
TOTAL LIABILITIES	4,449.7	3,236.2	TOTAL ASSETS	4,449.7	3,236.2

Financial Performance Comparison – H1 FY23 v/s H1 FY22

- Current Asset stood at ₹3,177.6 Mn in H1 FY23, compared to ₹2,304.7 Mn in H1 FY22
- Long-term borrowings stood at ₹466.7 Mn in H1 FY23, compared to ₹294.4 Mn in H1 FY22
- Debt Equity ratio has increased marginally, to 0.20x in H1 FY23 compared to 0.15x in H1 FY22

Business Updates

- The company had declared and paid a final dividend of ₹0.15/- on face value of ₹2/- each for the FY 2022 during H1 FY23.
- SAT Industries has sold its shareholding in Genext Students Pvt. Ltd. to Navneet Futuretech Ltd.
- During Q2 FY23, SAT has made 13 new investments, out of which 6 investments were made in follow up rounds in the existing investee companies and 7 new investments in startups which are spread across various sectors such as Satellite, HR-Tech, D2C and FMCG.

Aeroflex Industries Limited (Aeroflex)

Aeroflex, a substantially owned (98.70%*) subsidiary of SAT Industries Limited, is one of the leading manufacturers of stainless-steel flexible hoses and assemblies in India. Aeroflex has a production capacity of 11 million meters of SS corrugated flexible flow solutions, exporting to more than 80 countries, in an ultra-modern facility in Taloja, Navi Mumbai, India. The flexible flow solutions find

application in industries such as manufacturing, oil and gas, electric mobility, robotics, drones, semiconductor, renewables, aerospace, and satellite. In order to cater to the growing demand for its products, Aeroflex has embarked on a capacity expansion plan which will take the installed capacity to 13.5 million meters from existing 11 million meters. The expansion plan is expected to be completed by Q1 FY24.

**98.70% includes 6.52% holding through Italica Global FZC (a wholly owned subsidiary)*

Consolidated Financial Statement Highlights for Aeroflex Industries Limited Q2 FY23 v/s Q2 FY22:

Particulars (₹ in Mn)	Q2 FY23	Q2 FY22	YoY(%)
Total Revenue	681.5	573.8	18.8%
EBITDA*	121.5	110.9	9.6%
PBT	99.2	85.8	15.7%
PAT**	75.2	85.8	-12.3%

**EBITDA includes Other Income*

***PAT has decreased YoY due to increase in tax liability*

Consolidated Financial Statement Highlights for Aeroflex Industries Limited H1 FY23 v/s H1 FY22:

Particulars (₹ in Mn)	H1 FY23	H1 FY22	YoY(%)
Total Revenue	1,385.1	1,044.2	32.6%
EBITDA*	250.3	192.3	30.2%
PBT	212.2	141.5	49.9%
PAT	160.7	141.5	13.5%

**EBITDA includes Other Income*

Financial Performance Comparison – H1 FY23 v/s H1 FY22

- Revenue from operations witnessed robust growth on back of new value-added product launches and pervasive application of current products.
- EBITDA increased by 30.2% from ₹ 192.3 Mn to ₹ 250.3 Mn on back increased scale of operations

Sah Polymers Limited (Sah)

Sah, a substantially owned (91.79%) subsidiary of SAT Industries Limited, is a leading and pioneer manufacturer and exporter of FIBCs, PP/HDPE Woven Bags and BOPP laminated bags in India, having an installed capacity of 3,960 MT spread over 8,000 sq. mt. Sah is expanding by setting up another plant at Udaipur with an installed capacity of 3,960 MT taking the total capacity to 7,920 MT and total area to 24,000 sq. mt. Sah is one of the top exporters, exporting to more than 12 countries, of FIBC, PP woven bags, fabric & box bags. Sah had acquired a 51.01% stake in Fibcorp Polyweave Pvt. Ltd. to expand its existing business and penetrate the market in FIBC segment. Sah aims at providing customization facilities that gives its customers the freedom to make the best use of Sah's wide product range and a long-term business relationship.

Consolidated Financial Statement Highlights for Sah Polymers Limited Q2 FY23 v/s Q2 FY22:

Particulars (₹ in Mn)	Q2 FY23	Q2 FY22	YoY(%)
Total Revenue	266.4	181.9	46.4%
EBITDA*	21.7	12.0	81.9%
PBT	14.4	6.7	114.0%
PAT	10.9	5.6	95.9%

*EBITDA includes Other Income

Consolidated Financial Statement Highlights for Sah Polymers Limited H1 FY23 v/s H1 FY22:

Particulars (₹ in Mn)	H1 FY23	H1 FY22	YoY(%)
Total Revenue	542.3	322.8	68.0%
EBITDA*	45.3	30.9	46.6%
PBT	31.6	20.6	53.4%
PAT	23.4	17.1	36.8%

*EBITDA includes Other Income

Recent notable Developments:

- Sah Polymers Limited has received an approval from SEBI to float its Initial Public Offering (IPO) on main board of NSE and BSE.

Financial Performance Comparison – H1 FY23 v/s H1 FY22

- Revenue from operations witnessed robust growth on back of new value-added product launches such as sediment control fabric and consolidating recently acquired Fibcorp Polyweave as a subsidiary.
- EBITDA increased by 46.6% from ₹ 30.9 Mn to ₹ 45.3 Mn on back of increased scale of operations, lower raw material prices and effective cost controls.

Management Comments:

Commenting on the performance of Q2 FY23, Mr. Asad Daud (Director) said:

“SAT Industries Limited delivered a strong financial performance in Q2 FY23 and H1 FY23, our revenue grew by 73.29% on a YoY basis from ₹1,431.0 Mn in H1 FY22 to ₹2479.8 Mn in H1 FY23 on account of strong performance and growth from all our subsidiaries. Our EBITDA has grown from ₹252.6 Mn in H1 FY22 to ₹354.7 Mn in H1 FY23 on a YoY basis on account of a better product mix and economies of scale.

Our subsidiary, Aeroflex, continued to witness robust growth on account of superior quality and range of products it offers. The revenue of Aeroflex grew by 18.8%, from ₹573.8 Mn in Q2 FY22 to ₹681.5 Mn in Q2 FY23. Additionally, our EBITDA increased from ₹110.9 Mn in Q2 FY22 to ₹121.5 Mn in Q2 FY23, with margins declining from 19.3% in Q2 FY22 to 17.8% in Q2 FY23 led by an increase in freight, handling and clearing charges of exports. Aeroflex’s manufacturing capacity is currently operating at a capacity of ~70-75% and has an order book of ~60-70days. Aeroflex is steadily progressing to develop more advanced and value-added products through its in-house R&D function, which works closely with its customers to keep in touch with their latest product requirements and deliver excellence.

The demand for our products is buoyed by their critical applications in new-age industries like electric mobility, robotics, drones, semiconductor, renewables, aerospace and satellite. At SAT, we continue to remain focused to capture evolving growth opportunities that lie ahead of us.

Our Subsidiary, Sah Polymers Limited, has recorded an impressive revenue growth of 46.4% in Q2 FY23 as compared to Q2 FY22. Our EBITDA margins increased by 154 bps, from ₹12.0 Mn in Q2 FY22 to ₹21.7 Mn in Q2 FY23, due to lower raw material prices. We have significantly increased our presence in the FIBC market as a result of our acquisition of Fibcorp Polyweave Pvt. Ltd., a company that produces Flexible Intermediate Bulk Containers (FIBCs). Additionally, the IPO plan for Sah Polymers is proceeding smoothly and we have recently got the go ahead from SEBI to list the shares on main board of NSE and BSE. The proceeds of the IPO will be utilized for expanding our capacities and reaching to cater to wider audiences.

SAT's investment portfolio continued to grow and is continually showing elevated investor interest for growth capital.

Till now, we have made an investment in 120+ companies covering 27 sectors. We track the progress of our investee companies on a quarterly basis, and we're happy to report that most of them are on course to meet their objectives and have a big influence on their respective industries.

We would like to extend our appreciation to our employees for their continuous work. We believe this strong performance and investment in our physical and human capital holds promise to unlock great benefits for all our stakeholders in the future.”

SAT Industries Limited
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For further information on the Company, please visit www.satgroup.in

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SAH POLYMERS LIMITED, a subsidiary of Sat Industries Limited, is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations to make an initial public offer of its Equity Shares and has filed the DRHP dated April 21, 2022 with SEBI on April 21, 2022. The DRHP is available on the website of SEBI at www.sebi.gov.in as well as on the websites of the Stock Exchanges i.e. BSE at www.bseindia.com and NSE at www.nseindia.com and is available on the website of the BRLM i.e. Pantomath Capital Advisors Private Limited at www.pantomathgroup.com. Any potential investor should note that investment in equity shares involves a high degree of risk and for details relating to such risk, see "Risk Factors" on page 25 of the DRHP. Potential investors should not rely on the DRHP for any investment decision. The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act"), or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in 'offshore transactions' in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdictions where such offers and sales are made. There will be no public offering of Equity Shares in the United States. This announcement is not an offer of securities for sale in the United States or elsewhere. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.