

**SIL/BSE/NSE/2023-24**

**May 25, 2023**

To, The General Manager, Department of Corporate Services, BSE Limited, P.J. Towers, Dalal Street, Mumbai – 400001 Company Code No.: 511076	To, The Listing Department. National Stock Exchange of India Limited Exchange Plaza, C-1, Block G Bandra Kurla Complex Bandra (E), Mumbai – 400 051 Trading Symbol: SATINDLTD
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**Sub: Quarterly Earning Updates for the Quarter and Year Ended March 31, 2023.**

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 Fourth Quarter and Year Ended March 31, 2023

Kindly take the same on your record.

Thanking you,

Yours faithfully,

**FOR SAT INDUSTRIES LIMITED**

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**Harikant Turgalia**  
Whole-Time Director  
DIN: 00049544

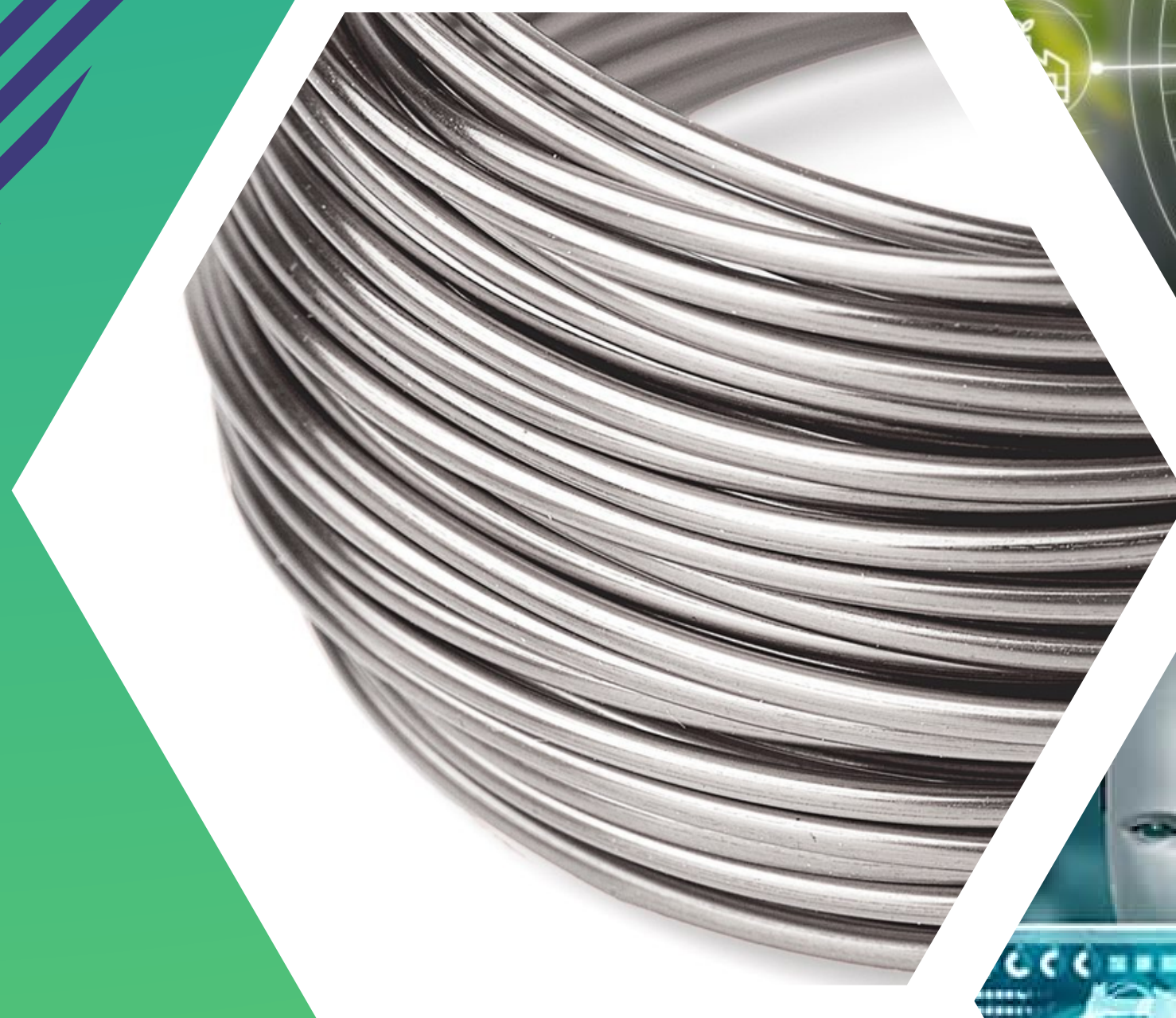
Encl.: as above



# Sat Industries Limited

## EARNINGS RELEASE

Q4 & FY23 | MAY 25, 2023



<https://Satgroup.in/>



<https://www.linkedin.com/company/Sat-industries-limited/>



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## Consolidated Earning Highlights

Total Revenue reported at ₹ 1,140.94 Mn in Q4 FY23 and ₹ 4,817.82 Mn for FY23

EBITDA stands at ₹ 178.94 Mn in Q4 FY23 and ₹ 703.65 Mn for FY23

PAT at ₹ 111.11 Mn in Q4 FY23 and ₹ 450.59 Mn for FY23

Mumbai, 25th May 2023: Sat Industries Limited (SAT) announced in its Board meeting held on 25th May 2023 that the Company has inter-alia considered and approved the Audited Financial Results of the Company for the Fourth Quarter and Year Ended on 31st March 2023.

### **About Sat Industries Limited:**

- SAT, a 38+ years old group has established itself as a prominent manufacturer of Stainless-Steel Wire Rods and has carved a niche in this industry by manufacturing high-quality Stainless Steel Wire Rods.
- SAT along with its subsidiaries has diversified business interest spanning across manufacturing businesses like industrial packaging solutions, flexible flow solutions\* and investing in strategic businesses and startups which mentors disruptive and early-stage start-ups.
- It has a global presence with sales touchpoints in over 100+ countries and offices in strategic locations such as Mumbai, Dubai, and London.
- SAT offers a plethora of cutting-edge solutions to multiple industries across the globe through its subsidiaries.
- The Company is at the forefront of the revolution, spearheading the adoption of novel solutions that are more efficient, cost-effective and sustainable.

### **What we do?**

SAT works with a business model that is perfectly balanced between core cash-flow generating businesses, and investment in high-growth strategic businesses & startups to create a distinctive competitive edge.

\* Braided hoses, unbraided hoses, solar hoses, gas hoses, vacuum hoses, braiding, interlock hoses, hose assemblies, lancing hose assemblies, jacketed hose assemblies, exhaust connectors, exhaust gas recirculation (EGR) tubes, expansion bellows, compensators and related end fittings collectively known as flexible flow solutions



## Aeroflex Industries Limited (Aeroflex) :

- Aeroflex is engaged in manufacturing of flexible flow solutions\*
- It has a facility in Taloja, Navi Mumbai, India with current annual production capacity of 11 million meters with 1,700+ SKUs.
- Aeroflex's products find multi-faceted applications in new-age industries like electric mobility, robotics, HVAC, semiconductor, aerospace, defence and traditional industries like metal, steel, petrochemicals, chemicals, refineries and others.
- Aeroflex exports to 80+ countries as its products are increasingly replacing conventional flow solutions at an accelerated pace.
- **Aeroflex's Board has recommended a final dividend of 10% for FY23.**
- **Mr. Ashish Kacholia, along with Bengal Finance and Investment bought about 4.05% equity in Aeroflex Industries Ltd.**

### Aeroflex's Product Portfolio :



\* Braided hoses, unbraided hoses, solar hoses, gas hoses, vacuum hoses, braiding, interlock hoses, hose assemblies, lancing hose assemblies, jacketed hose assemblies, exhaust connectors, exhaust gas recirculation (EGR) tubes, expansion bellows, compensators and related end fittings collectively known as flexible flow solutions.



## Sah Polymers Limited (SAH) : Fibcorp Polyweave Private Limited :

- SAH is engaged in the manufacturing of packaging solutions which find application in diverse industries. SAH's product portfolio includes Flexible Intermediate Bulk Containers (FIBCs), Polypropylene (PP) / High Density Polyethylene(HDPE) bags, PP/HDPE Woven Fabric and other technical textile products of various weights, sizes and colours. SAH's manufacturing facility is located at Udaipur, Rajasthan with an installed capacity of 3,960 MT per annum. The Company has also started commercial production in a new manufacturing facility with a capacity of 3,960 MT per annum amounting to a total capacity of 7,920 to manufacture new variants of FIBC bags on 25th January 2023. SAH has its domestic presence across 8 states and 1 union territory with long term B2B relationships. Internationally SAH has supplied its products in 28+ countries covering regions of Africa, Middle East, Europe, USA, Australia and the Caribbean.
- Fibcorp Polyweave Private Limited, a Subsidiary of Sah Polymers Limited, is involved in the business of manufacturing and exporting of FIBC since July 2017 and manufactures entire range of FIBC from simple builder bags to complex C panel and circular baffle bags having a strong export customer base in 18+ countries across the globe.
- **SAH got listed on NSE and BSE on 12th January 2023.**
- **SAH's Board has recommended a maiden dividend of 5% for FY23.**

***SAH Polymers Ltd and FIBCORP Polyweave Pvt. Ltd have decided to merge. This merger will result in significant synergy and immense value addition by opening up new markets and ability to shell out a new range of products whilst attracting diverse talent from the industry by complementing each other's strengths and become value accretive for its shareholders.***

### SAH's Product Portfolio :



## Investment in Start-ups

- The company actively invests in early-stage start-ups and so far, has invested in 128+ companies across 27 sectors.
- As of 31st March 2023, SAT had invested in startups across different 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 and 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.
- Acumen in identifying high-potential ventures coupled with a tested investment strategy has aided SAT in generating high value in its startup investments.

### Investments During the Year :

- SAT made a total number of **30** investments during FY23 in sectors such as Web3, Fintech, D2C, Logi-tech, Food Tech, Healthcare, Robotics, EV including many others.
- SAT successfully exited in **2 Startups** during FY23 :
  - GetupForChange Services Pvt Ltd (Online RTI) at multiple of 2.99x
  - Stay Vista Private Limited (StayVista) at a multiple of 4.21x

### Investments During the quarter

- SAT made a total number of **5** investments during the quarter.





- What Next?
- Business Updates

### ➤ What Next?

- Focused on steadily scaling start-up portfolio & investing in strategic businesses.
- Products under Development:
  - In Aeroflex, 55+ products under development
  - In Sah, 5 products are under development

### ➤ Business Update:

- SAT's Board declared an interim dividend of 5% on 13th February, 2023.
- Aeroflex Industries, a subsidiary of SAT, is engaged in the manufacturing of flexible flow solutions\*. As at 31.03.2023, SAT and its subsidiary hold 98.70% of Aeroflex Industries, which filed its draft red herring prospectus with SEBI for an IPO to raise about ₹3.5 billion.
- **SAT has sold 4.05% equity held in Aeroflex Industries Limited to Mr. Ashish Kacholia and Bengal Finance and Investment Private Limited for an aggregate amount of ₹ 40.56 Crores on 15.05.2023.**
- **SAT successfully exited from its investment in Credits Solutions Private Limited at a multiple of 2.58x on 18.04.2023.**
- **SAT's Board has recommended a final dividend of 5% for FY23.**

\* Braided hoses, unbraided hoses, solar hoses, gas hoses, vacuum hoses, braiding, interlock hoses, hose assemblies, lancing hose assemblies, jacketed hose assemblies, exhaust connectors, exhaust gas recirculation (EGR) tubes, expansion bellows, compensators and related end fittings collectively known as flexible flow solutions.



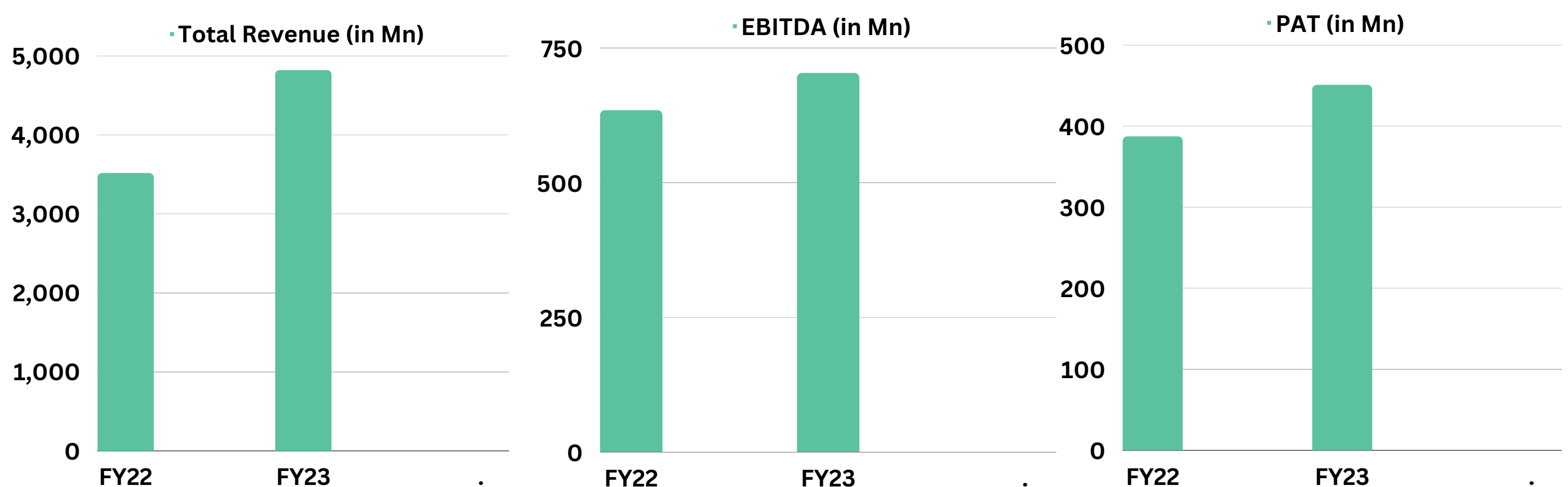
## Financial Performance - Consolidated

### Consolidated Financial Statement Highlights for Q4 FY23 & FY23 v/s FY22

Particulars (₹ in Mn)	Q4 FY23	FY23	FY22	YoY (%)
Revenue from Operations	1,070.68	4,662.40	3,467.30	34.47%
Other Income	70.27	155.42	47.52	227.05%
<b>Total Income</b>	<b>1,140.94</b>	<b>4,817.82</b>	<b>3514.82</b>	<b>37.07%</b>
<b>EBITDA*</b>	<b>178.94</b>	<b>703.65</b>	<b>634.45</b>	<b>10.91%</b>
<b>EBITDA Margin (%)</b>	<b>15.68%</b>	<b>14.61%</b>	<b>18.05%</b>	
<b>PBT</b>	<b>148.62</b>	<b>563.01</b>	<b>502.67</b>	<b>12.00%</b>
<b>PAT</b>	<b>111.11</b>	<b>450.59</b>	<b>387.07</b>	<b>16.41%</b>
<b>PAT Margin %</b>	<b>9.74%</b>	<b>9.35%</b>	<b>11.01%</b>	
<b>Diluted EPS</b>	<b>0.98</b>	<b>3.98</b>	<b>3.42</b>	<b>16.37%</b>

\*EBITDA includes Other Income

### Key Performing Matrix



## Management Commentary.

### **Commenting on the performance of Q4 and FY23, Mr. Harikant Turgalia (Whole time Director & CFO) said:**

“We are delighted to share our financial and business performance for FY23. Our total revenue grew by **37.07%** to **₹ 4,817.82 Mn** in FY23 from **₹3,514.82 Mn** in FY22, bolstered by demand for our products in various industries and robust performance in all our subsidiaries. EBITDA increased from **₹634.45 Mn** in FY22 to **₹703.65 Mn** in FY23 on account of value-added products and economies of scale. EBITDA margins witnessed a decline of 345 bps from **18.05%** in FY22 to **14.61%** in FY23 due to fluctuations in raw material prices and geopolitical adversities.

Our subsidiary, Aeroflex Industries, witnessed a growth on account of an increase in demand for its products that are replacing the traditional rubber hoses and offering qualities like durability, temperature resistance, superior safety standards, and longer average product lifecycle to the new-age industries.

Our subsidiary, Sah Polymers, witnessed a growth led by expansion in our product offerings and increasing demand for our products in the overseas market. It is backed by an increase in exports, greater contribution from higher margin products, and operational efficiency. Our recent synergy with Fibcorp Polyweave Pvt. Ltd. has started yielding results to Sah Polymers' total revenue.

I would also like to share our progress on our investment portfolio. We continue to invest cautiously in early-stage startup companies that have highly differentiated business model with large addressable market opportunity being led by passionate and visionary founders. In FY23 we made 30 investments and exited from 3 Startups. We monitor the performance of our portfolio companies every quarter, and we are pleased to report that the majority of them are progressing toward meeting their targets and making significant contributions to their respective industries.

We would like to extend our appreciation to our employees for their continuous efforts. 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.”

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# THANK YOU

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## For more information



<https://satgroup.in/>



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<https://www.linkedin.com/company/SAT-industries-limited/>



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*Disclaimer:*

*Certain statements in this document may be forward looking statements. such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. SAT industries limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.*

*"Aeroflex Industries Limited a material subsidiary of our Company has filed a Draft Red Herring Prospectus dated March 31, 2023 ("DRHP") with Securities and Exchange Board of India ("SEBI"). In connection to the same, investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the proposed offer of Aeroflex Industries Limited ("Issuer Subsidiary") unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the proposed Offer of the Issuer Subsidiary. For taking an investment decision, investors must rely on their own examination of the Issuer Subsidiary and the Offer, including the risks involved. The Equity Shares have not been recommended or approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of the DRHP. Specific attention of the investors is invited to chapter titled "Risk Factors" on page 37 of the DRHP.*

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