

# Earnings Presentation – Q1 FY22

August 12, 2021



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# Agenda

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- Welcome Address
- Executive Summary
- Performance Update
- Integration Update
- Q&A

# Executive Summary

1

## Resilient India

- Growth in revenue and profitability continues
- Strong order intake across verticals
- HE business showing significant traction

2

## Solid Overseas Support

- Improvement in PFI performance
- Driven by turnaround in Germany and China
- Strong order intake across geographies

3

## Integration Progress

- Project Apollo's phase 2 completed
- Interseal production to begin in India
- Quick wins seen across all initiatives

4

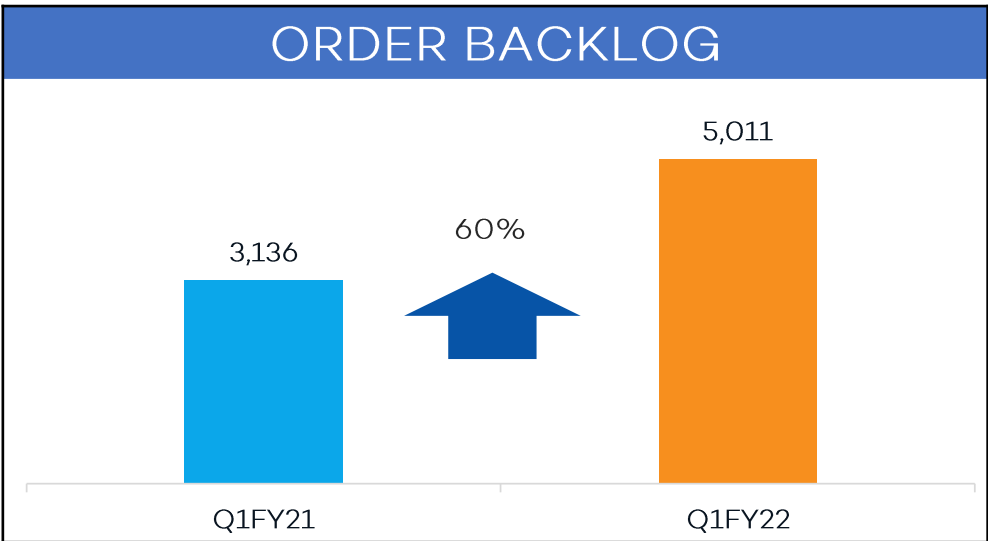
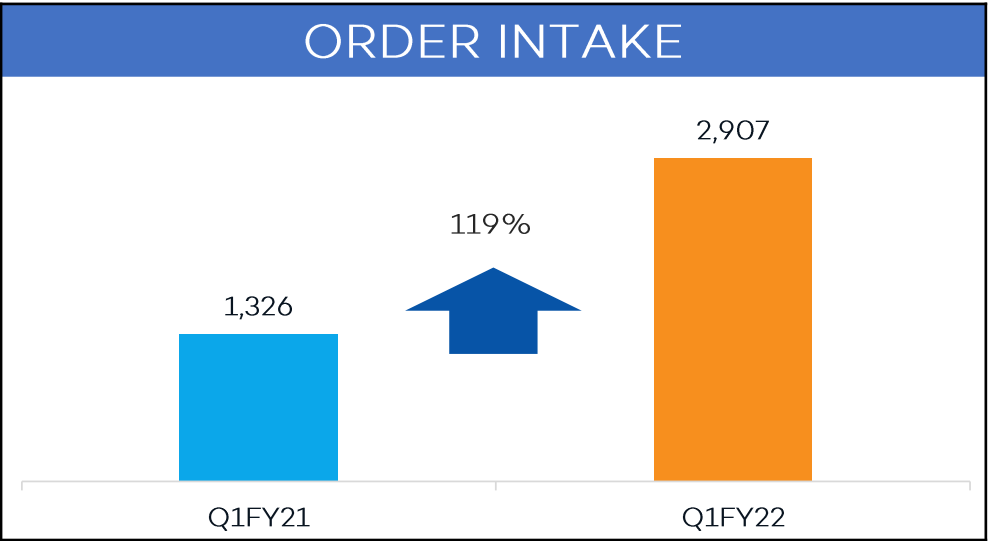
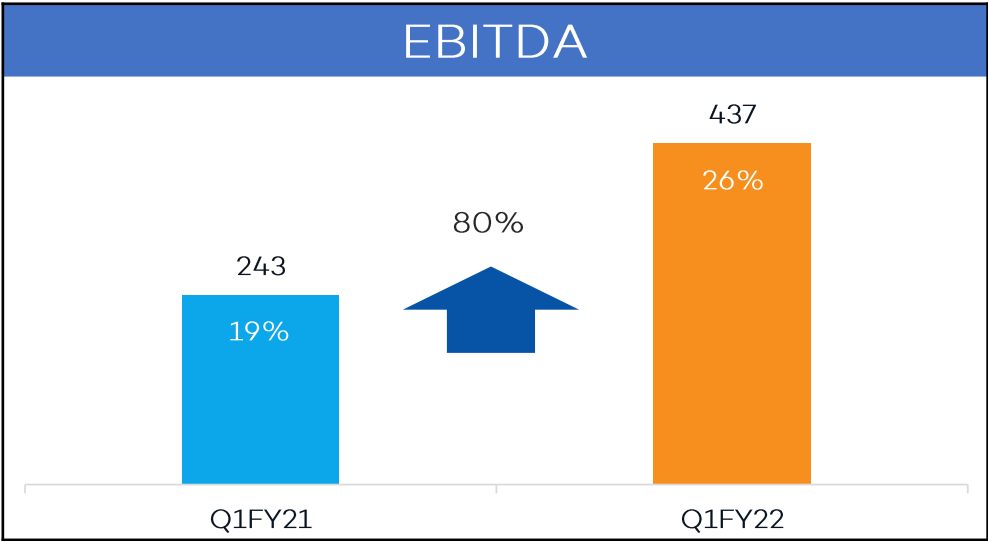
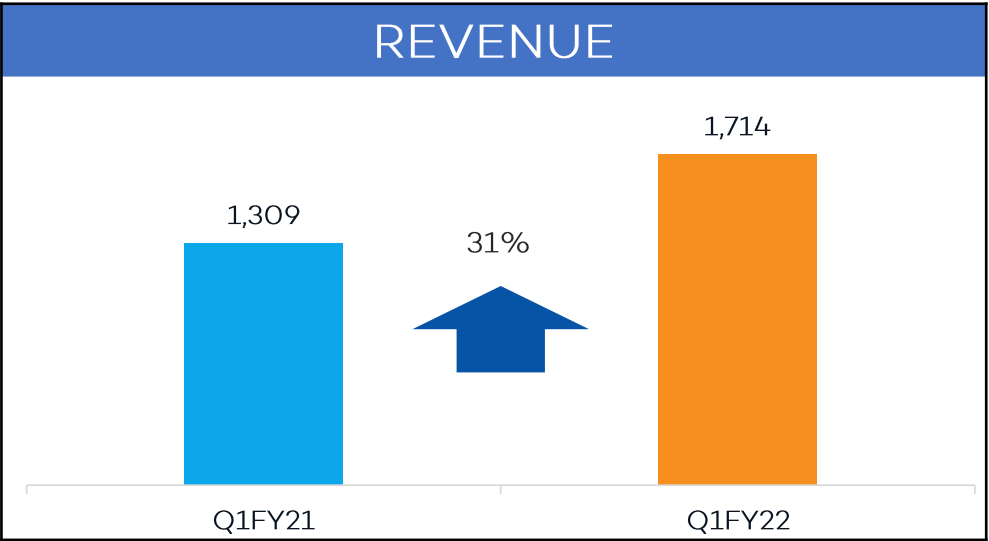
## Robust Outlook

- Backlog across geographies remains strong
- Focus shifts to execution
- Investments in pharma and chemical sectors to continue

Standalone

# Standalone Results – Q1 FY22

Figures in INR Mn



Order intake excludes inter-company orders. Backlog is net of POC and excludes inter-company orders

# Business Updates

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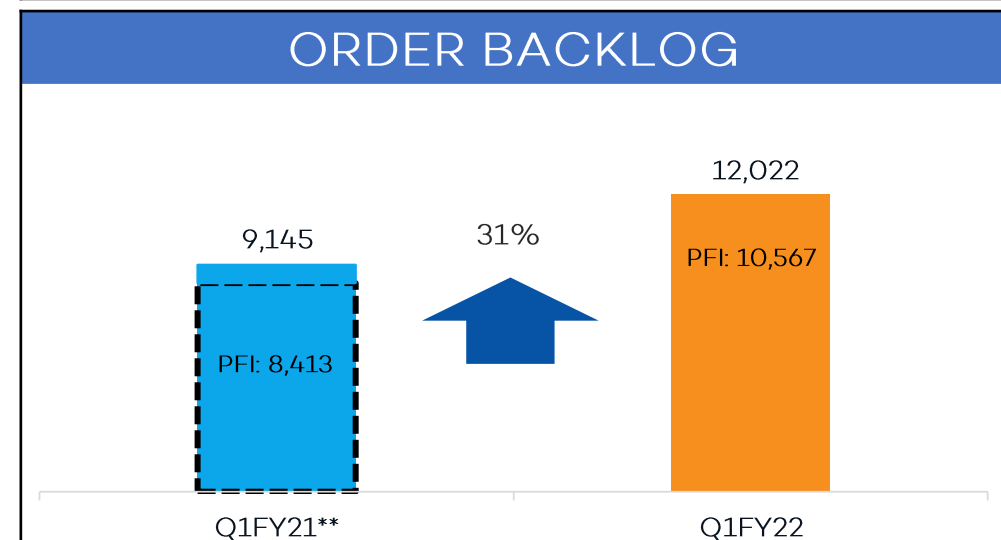
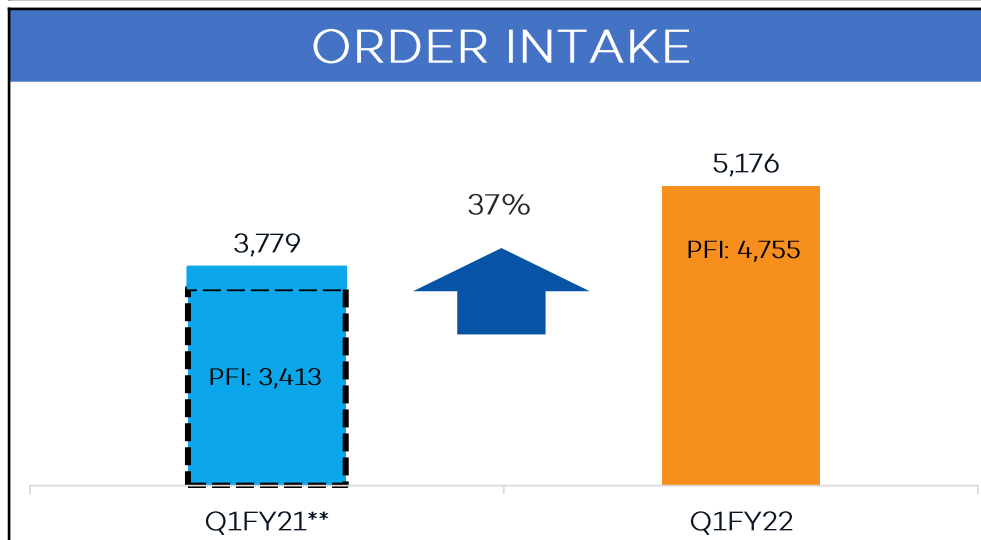
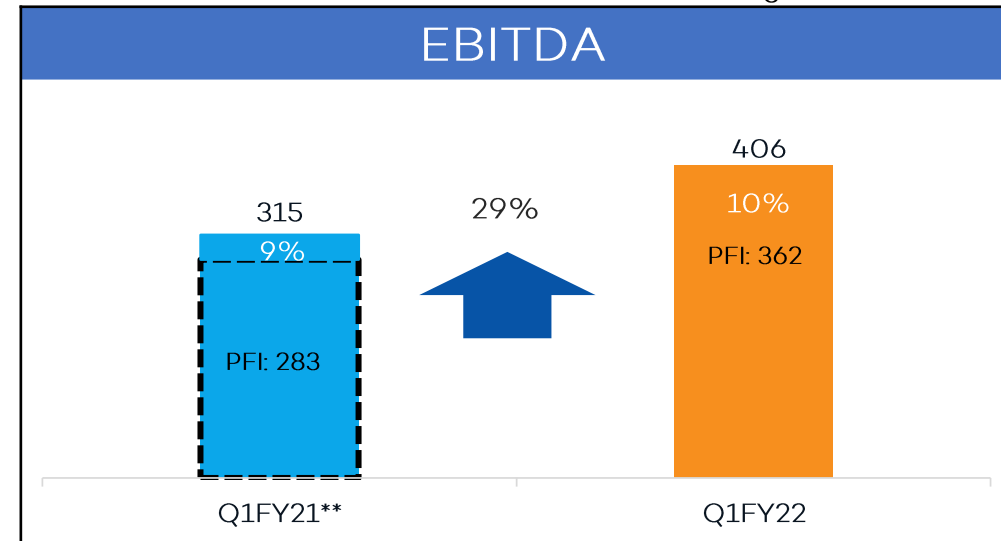
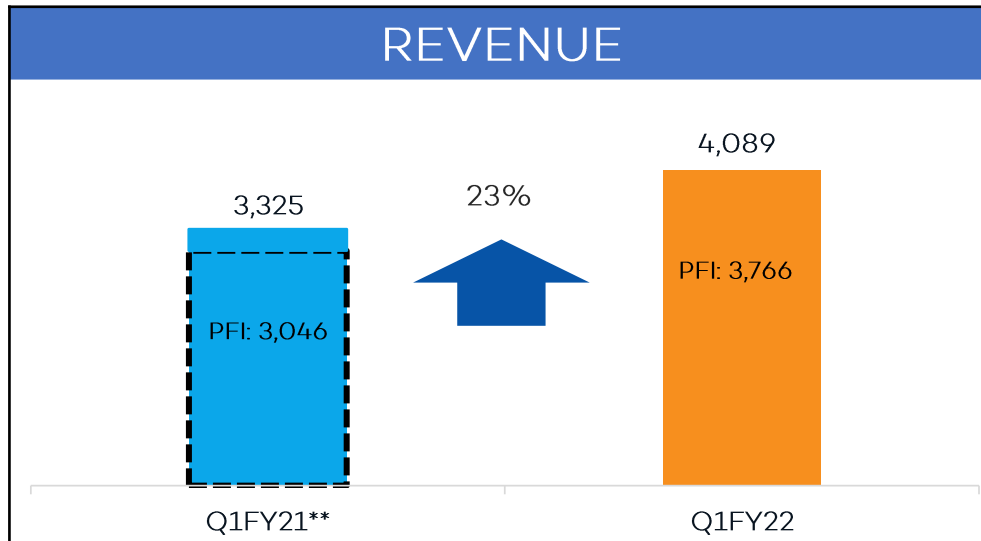
- ❑ Minimal disruption in production due to oxygen unavailability
- ❑ Karamsad and Hyderabad running at normal capacity
- ❑ Vatva plant is operational, 2 bays up and running currently
- ❑ Furnaces ordered for Karamsad and Hyderabad, upgradation of Karamsad, Hyderabad and Vatva sites continue
- ❑ Interseal production to begin shortly, launch by November 2021
- ❑ Significant improvement in HE order intake driven by large project orders from L&T
- ❑ Outlook remains strong with robust backlog, investments in pharma and chemical to continue
- ❑ Rated by ICRA – a subsidiary of Moody’s – [ICRA] AA-/Stable/[ICRA] A1+

International



# International\* Results – Q1 FY22

Figures in INR Mn



\* Includes Mavag & PFI, Excluding PPA impact and inter-company eliminations. \*\* Q1FY21 includes PFI (management reporting converted to IFRS and unaudited) for a like-to-like comparison. Forex rates (USD/INR) assumed constant for FY21 & FY22 to eliminate forex impact.

Order intake excludes inter-company orders. Backlog is net of POC and excludes inter-company orders

International business has shown improvement in revenue, profitability and order intake this quarter

## □ Europe

- Germany and Interseal stronger with improved profitability and robust orderbook
- Mavag's business continues to outperform with a healthy order backlog and strong order intake
- Normag, Italy, UK and Benelux remain on track

## □ Americas

- Solid performance of Pfaudler US business with high order intake
- Edlon benefits from market upswing and related recovery
- Brazil's order intake remains strong

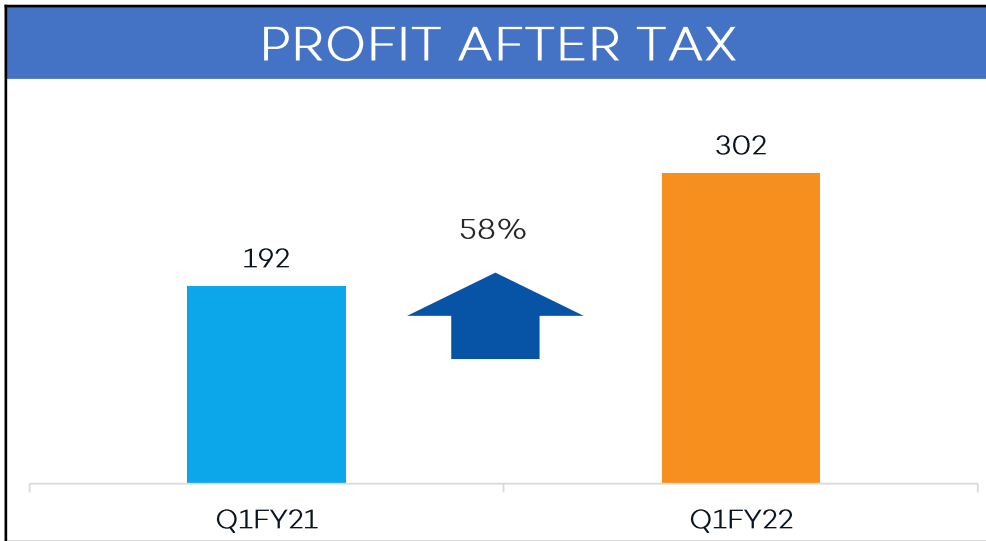
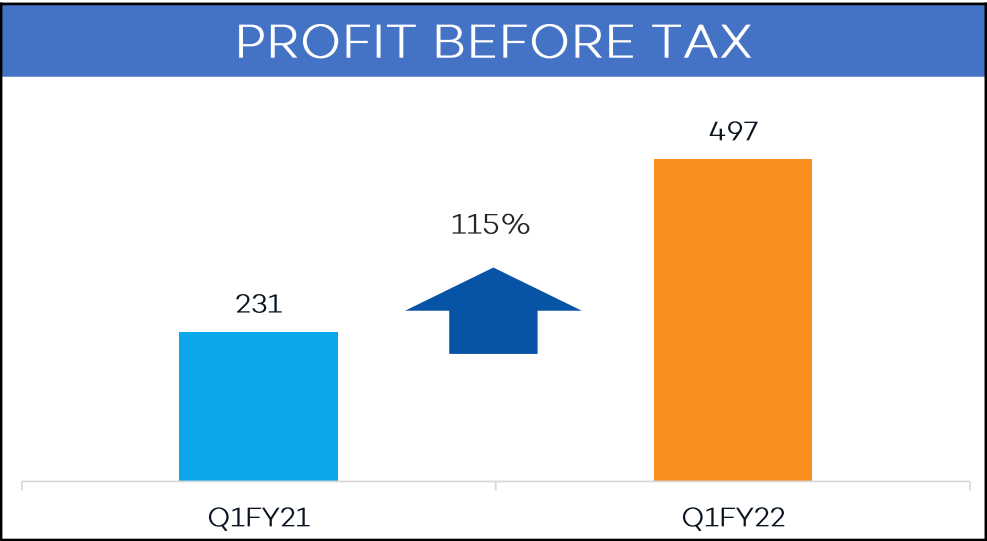
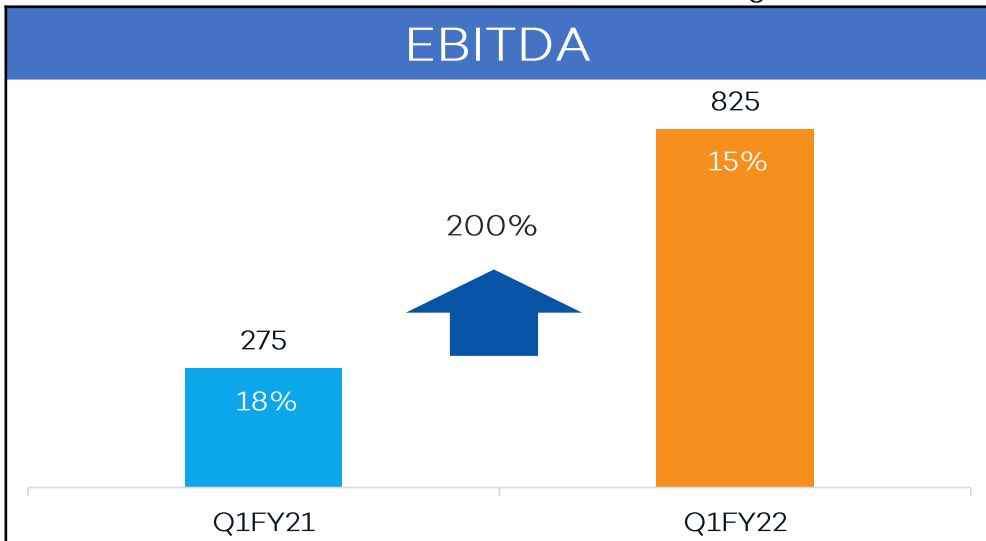
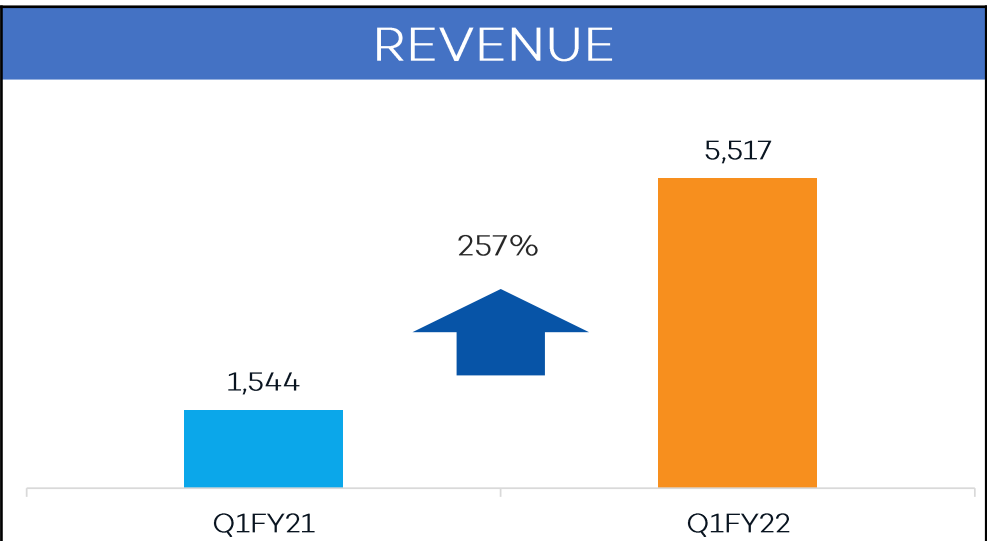
## □ Asia

- China's order intake remains strong; focus remains on execution and improvement in site utilization
- Project to finetune future commercial strategy completed

Consolidated

# Consolidated\* Results – Q1 FY22

Figures in INR Mn



\*Excluding PPA adjustments related to PFI acquisition.

# Income Statement Summary

BUSINESS PERFORMANCE IMPROVED – BOTTOM-LINE CONTAINS NON-CASH PPA ADJUSTMENTS

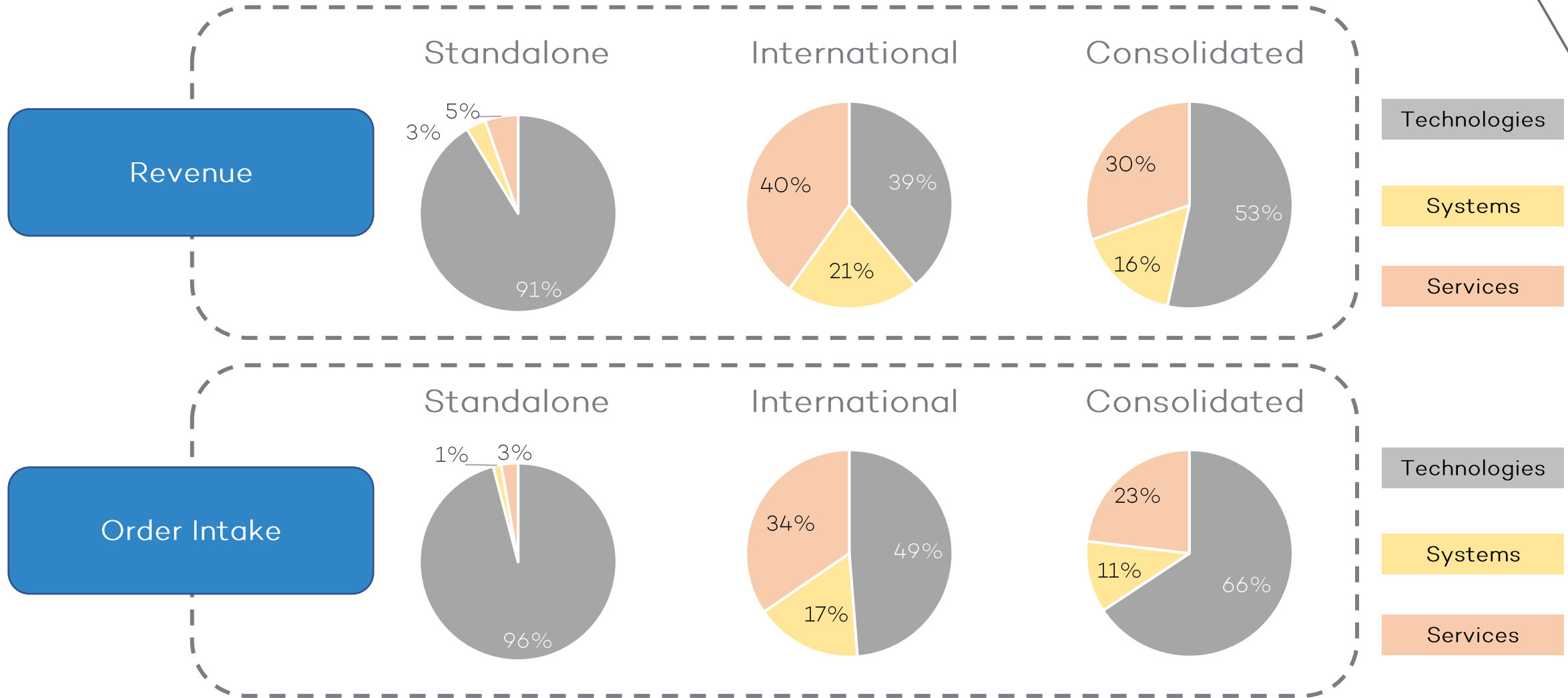
AUDITED

(in Rs Million) Particulars	Standalone Results Q1 FY21	Standalone Results Q1 FY22	International Results Q1 FY22		Inter-Co Eliminations	Consolidated Reported Results		Change %
			Adjusted (Note i)	PPA Impact (Note ii)		Q1 FY22	Q1 FY21	
		A	B	C	D	A+B+C+D		
Revenue from Operations	1,309	1,714	4,089		-286	5,517	1,544	257%
Cost of materials consumed	390	694	1,657		-190	2,161	492	
Changes in inventory (WIP & FG)	262	-18	-371	465	-68	8	249	
Employee benefits expense	151	199	1,547		0	1,746	243	
Labour Charges	75	107	32			139	81	
Other expenses	188	295	818		-9	1,104	204	
EBITDA	243	437	406	-465	-19	359	275	31%
- margin %	19%	26%	10%			7%	18%	
Other Income	22	8	4			12	27	
Finance cost	12	32	109			141	12	
Depreciation and amortisation expense	55	78	120	188		386	59	
PBT	198	335	181	-653	-19	-156	231	-168%
Taxes	34	77	118	-167		28	39	
Profit after tax	164	258	63	-487	-19	-184	192	-196%

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

(ii) PPA stands for Purchase Price Allocation

# Segmental Overview



Order intake under each region/company excludes inter-company orders

# Integration Update

# Project Apollo – Phase 3: Value Realisation

## Operational Excellence



Implement GMM's **lean-production model** across manufacturing sites to increase throughput

### Updates

- China optimized 4 key manufacturing processes implementing best practice from Germany, US and India
- Transfer of planning model from India helps to improve capacity and increase throughput

### Wins

- China's operational excellence initiatives on track
- Cost reduction ongoing in China
- Similar measures in other locations initiated

## Value Sourcing



Leverage GMM's **low-cost capabilities** to increase market share and margins across the group

### Updates

- Savings potential evaluated and manufacturing underway for fast-track items
- Technical feasibility and cost benefit evaluation has begun for phase 2 components
- Successful Quality testing in Europe

### Wins

- Hybrid model with Glass Lined vessel manufactured in India sold in Europe
- Fully made Indian vessels sold in SE Asian and Chinese market

## Cross-Selling



Capture customer wallet share through cross selling and product portfolio enhancement

### Updates

- Interseal being launched, and initiated customer reach out in India
- Manufacturing facility to commission by September 2021
- Multiple cross-selling initiatives across geographies (US, SE Asia, China) launched

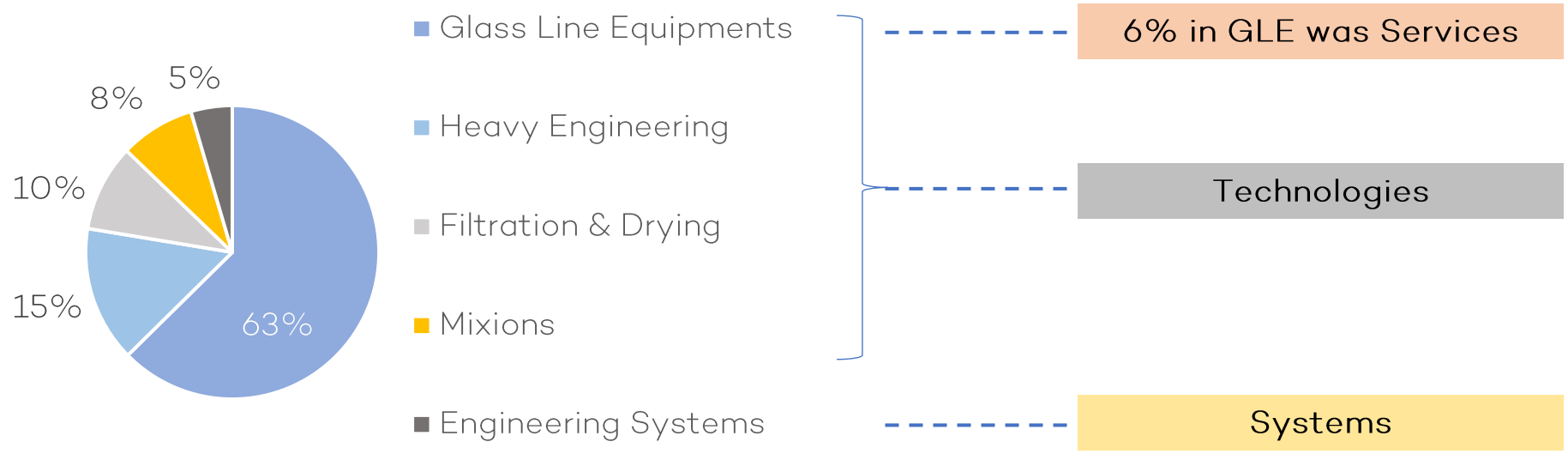
### Wins

- First Interseal prototype under testing in Germany
- Received a large (Systems) order from a pharma company in Singapore



# Appendix

# Standalone Business Segment Reclassification – FY21



Thank You