

Thermax Limited – Analyst Call

Q1 FY20-21

Energy | Environment | Chemical

Our Vision

To be a globally respected high performance organisation offering sustainable solutions in energy and the environment



Disclaimer

This presentation includes forward-looking information and statements including statements concerning the outlook for our businesses. These statements are based on current expectations, estimates and projections about the factors that may affect our future performance, including global economic conditions, and the economic conditions of the regions and industries that are major markets for Thermax. These expectations, estimates and projections are generally identifiable by statements containing words such as “expects,” “believes,” “estimates,” “targets,” “plans,” “outlook” or similar expressions.

There are numerous risks and uncertainties, many of which are beyond our control, that could cause our actual results to differ materially from the forward- looking information and statements made in this presentation and which could affect our ability to achieve any or all of our stated targets. The important factors that could cause such differences include, among others:

- business risks associated with the volatile global economic environment and political conditions
- costs associated with compliance activities
- market acceptance of new products and services
- changes in governmental regulations and currency exchange rates, and
- such other factors as may be discussed from time to time in Thermax Ltd.'s filings with the Securities and Exchange Board of India (SEBI), including its Annual Report.

Consolidated Performance Indicators



INR Crores

Q4, 2020 Performance Indicator	Q1, 2021	Q1, 2020	% Change	FY 19-20
952 Order Booking	608	1,216	-50%	5,498
5,238 Order Balance	5,212	5,250	-1%	5,238
1,323 Revenue	665	1,392	-52%	5,731
59 (Loss)/Profit Before Tax (PBT)	(22)	90	-125%	375
4.4% PBT %	-3.4%	6.5%		6.5%
39 Profit After Tax (PAT)	(15)	63	-124%	212
3.0% PAT %	-2.3%	4.5%		3.7%

Engineering a Coordinated Plan

Managing the COVID-19 Crisis



People First

1

- Manufacturing facilities reopened with strict adherence to physical distancing norms
- 24x7 HR Assistance mobile number and COVID helpline for employee assistance
- THERMSafe mobile app launched to capture daily health status, challenges and requirements of employees



Business Continuity

2

- Work From Home implemented wherever possible
- Business continuity plans deployed by preparation of multiple business scenarios
- Stringent cost control measures initiated and capital expenditure judiciously revisited



Stakeholder Engagement

3

- Over 300 Virtual Instructor Led Trainings (VILT) conducted
- Vendor survey conducted to analyse the impact of the crisis on their operations and support on a case-by-case basis
- Continuous leadership communication and employee engagement initiatives



Community Support

4

- Thermax supported all its labour workforce with daily essentials and medical support
- Support to migrant labours and other affected people in Pune and around the company's manufacturing facilities
- Contribution to Prime Minister Cares Fund and Chief Minister Relief Fund



Going the extra mile

Support to customers during COVID-19

- Online commissioning was conceptualised and implemented successfully for many equipment, including a large FM boiler in Egypt and spent wash boiler for a distillery major in Andhra Pradesh. Necessary cyber security and safety mechanisms were followed with zero accident occurrence
- The O&M teams received appreciation letters from customers for continued operation and maintenance at site
- Through the Remote Online Service Support (ROSS), Thermax continued to monitor operating parameters in vapor absorption chillers remotely and suggested necessary fixes on time to avoid any disruption of the plant operations; ensuring 100% uptime
- Thermax continued to provide solutions to essential services-based customers on priority basis, for example, hot water generator to a hospital, efficiency improvement solution to a pharma lab, ion exchange resins to a leading USA based water purifying products company, apart from executing export orders on time

TO WHOM IT MAY CONCERN

CBL Global Foods, Sri Lanka we certify that Thermax Limited had commissioned Two numbers of Steam Fired Vapor Absorption Chillers in our Cocos factory model 2B2LC/14 & 15 which is of 98 TR cooling capacity. The chilled water outlet from VAM at 2.0 Deg C is used for the Process cooling of coconut milk in the pasteurizers and also for Air conditioning.

We glad to record here that since its erection from 2015 onwards, the Chillers are in continuous operation to cater the Plant Chilling load and we are satisfied with the Efficiency and Performance of the machines.

We also like to express our Appreciation to their Technical Services team (Remote Online Service Support) for providing the Digital Services via internet with their Innovative and advanced technology. Especially in the past one and half years, their Smart services had helped us to maintain 100% Uptime of the machines. We are really excited & very pleased to use this facility and would also recommend to other organizations whom are using Thermax Absorption Chillers.

We look forward for continuous relation with Thermax and wish them good luck for their future project.

Thanking you,

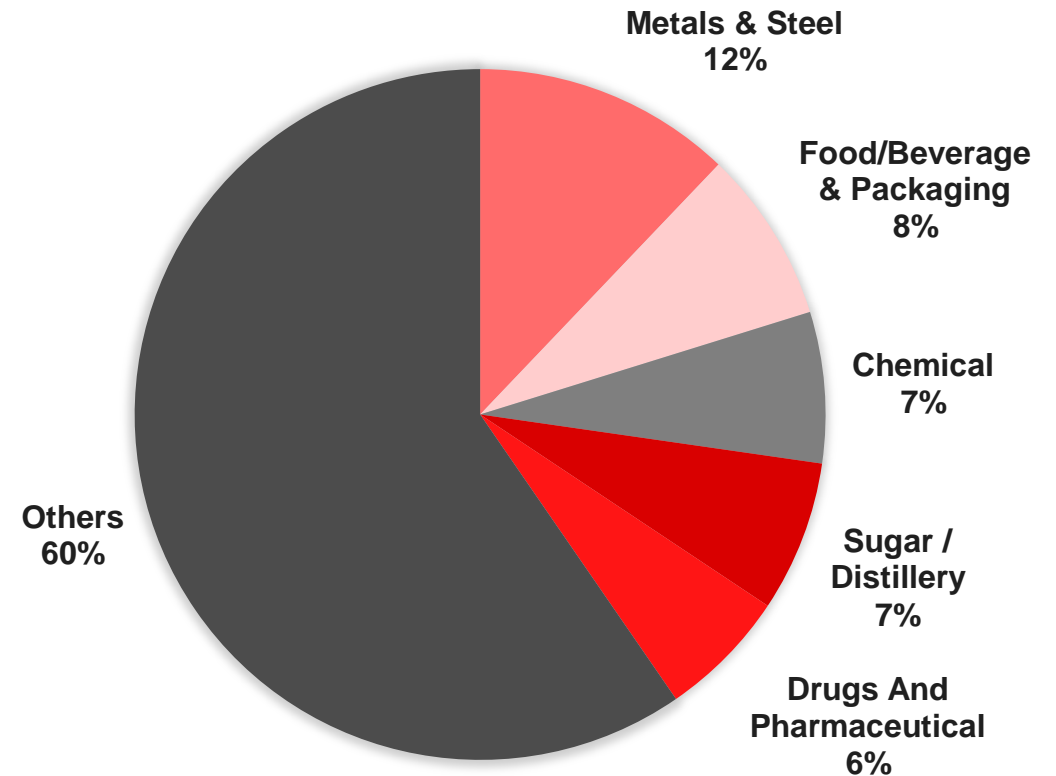


Customer Appreciation Letter

Order Book Status

- Order booking for the quarter was 50% lower due to unprecedented slowdown in industrial activity globally, mainly on account of the COVID-19 pandemic
- Majority orders received from metal & steel sector and industries providing essential goods – pharma, chemical and food & beverage
- Fresh project enquiries witnessed from core sectors , primarily metals, cement and power generation

Sector Wise Order Booking – Q1 FY2020-21



Business Highlights

Energy Segment



Two units of modularised plug and play boilers shipped to the Middle East



Remotely commissioned large capacity FM boiler in Egypt



2*813 TR chillers commissioned remotely for a Spanish customer for process and comfort cooling



8-ton biomass boiler plant and 6m³/hr water treatment plant on Build Own Operate model

- New 9.8 MW cogeneration plant order from a pharma company in Northern India
- New boiler order from sponge iron industry after three years (WHRB 12TPH x 3)
- Successful online commissioning of non recyclable solid waste fired boiler at a paper manufacturer
- Spent wash boiler successfully commissioned online for a Chennai based conglomerate
- Three solar PV plants of total capacity 682KWp commissioned for a reputed dairy organisation in India
- Digitalisation initiatives in the areas of PLM and 3D modelling
- Danstoker Group maintains profit in Q1

Business Highlights

Environment Segment



Pulse Jet Bag Filter (PJBF) for a customer in the pharmaceutical industry, installed on a biomass fired boiler

- Supplied a bag filter to a distillery major for handling flue gas from spent wash fired boiler.
 - Key benefits are substantial increase in plant uptime through continuous emission control and optimizing performance of bag filter by maintaining required differential pressure across the system through design and process engineering
- New water treatment plant order from a palm oil producing major in South East Asia
- Breakthrough order for conditioning polishing unit in the sugar sector to meet process norms

Business Highlights

Chemical Segment



Stabilisation of the Dahej manufacturing facility after the impact of fire incident in June quarter

- Major order for new speciality resin catalyst from a petrochemical and chemical giant in the Kingdom of Saudi Arabia
- Remote commissioning and performance establishment of a Demineralisation plant for petrochemical giant in Turkey results in repeat order for water chemicals
- Entry into the Nigerian oil field with an order from a chemicals major for supplying oil field chemicals
- Received approval for supplying construction chemicals to a government infra project

New Leadership

Mr. Ashish Bhandari joined the Thermax Group as Joint MD, effective April 7, 2020

He will succeed Mr. M.S.Unnikrishnan post his retirement and move into the role of Managing Director and CEO on September 1, 2020



Financial Summary – Consolidated



	Q1,2021	Q1,2020	% Change	INR Crores CY2019
Sales	665	1,392	-52%	5,731
Other Income	21	22	-3%	100
Material Cost	334	753	-56%	3,086
<i>% to Sales</i>	<i>50%</i>	<i>54%</i>		<i>54%</i>
Employee Cost	182	195	-6%	799
<i>% to Sales</i>	<i>27%</i>	<i>14%</i>		<i>14%</i>
Other Expenses	160	346	-54%	1,440
<i>% to Sales</i>	<i>24%</i>	<i>25%</i>		<i>25%</i>
Depreciation	28	26	7%	117
<i>% to Sales</i>	<i>4%</i>	<i>2%</i>		<i>2%</i>
Interest	4	4	0%	15
<i>% to Sales</i>	<i>1%</i>	<i>0%</i>		<i>0%</i>
PBT before exceptional	(22)	90	-125%	375
<i>% to Sales</i>	<i>-3%</i>	<i>6%</i>		<i>7%</i>
PBT	(22)	90	-125%	375
<i>PBT %</i>	<i>-3%</i>	<i>6%</i>		<i>7%</i>
Tax	(7)	27	-126%	162
<i>% to Sales</i>	<i>-1%</i>	<i>2%</i>		<i>3%</i>
PAT	(15)	63	-124%	212
<i>% to Sales</i>	<i>-2%</i>	<i>5%</i>		<i>4%</i>



Consolidated Performance Summary by Segment

INR Crores

Segment	Order Booking		Order Backlog	
	Q1/21		Q1/21	
Energy	412	-54%	3,515	-27%
Environment	104	-40%	1,610	206%
Chemical	92	12%	87	67%
Total	608	-48%	5212	-3%

Consolidated Segment Performance

INR Crores

Segments	For Q1,2021			For Q1,2020			For Q4,2020		
	Sales	Profit	PBIT%	Sales	Profit	PBIT%	Sales	Profit	PBIT%
Energy	500	(26.4)	-5.3%	1,164	69.5	6.0%	1,051	32.3	3.1%
Environment	84	(10.5)	-12.6%	146	3.1	2.1%	199	16.2	8.2%
Chemical	84	17.3	20.5%	98	11.5	11.7%	96	17.9	18.6%

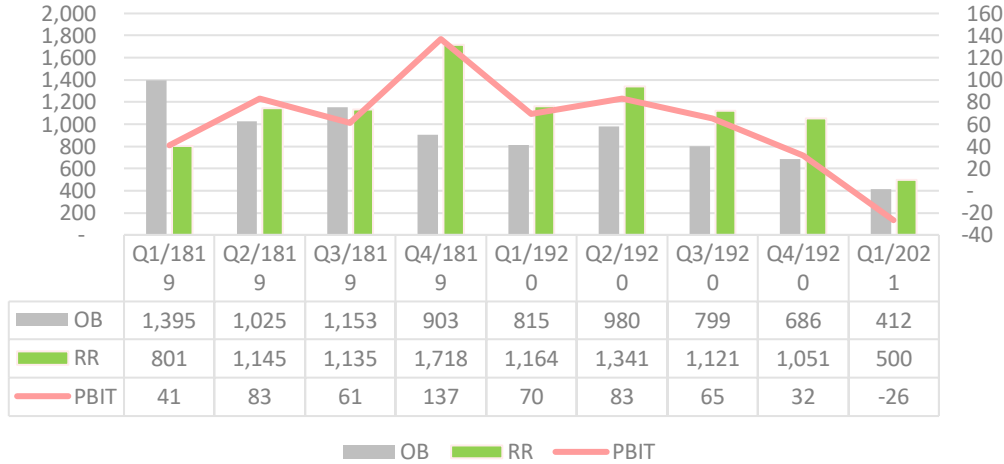
FY 19-20

Segments	Sales	Profit	PBIT%
Energy	4,677	249.3	5.3%
Environment	722	38.1	5.3%
Chemical	421	78.0	18.5%

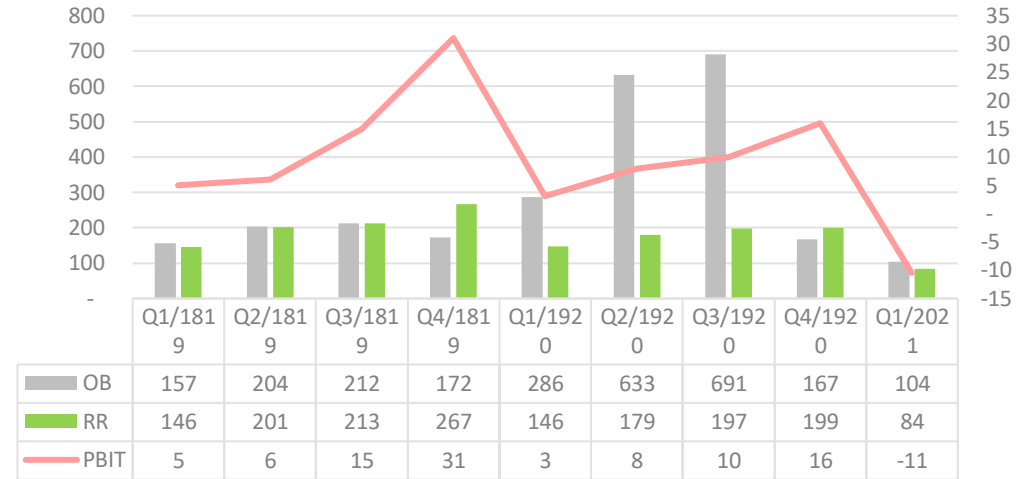
Quarterly Trend - Consolidated



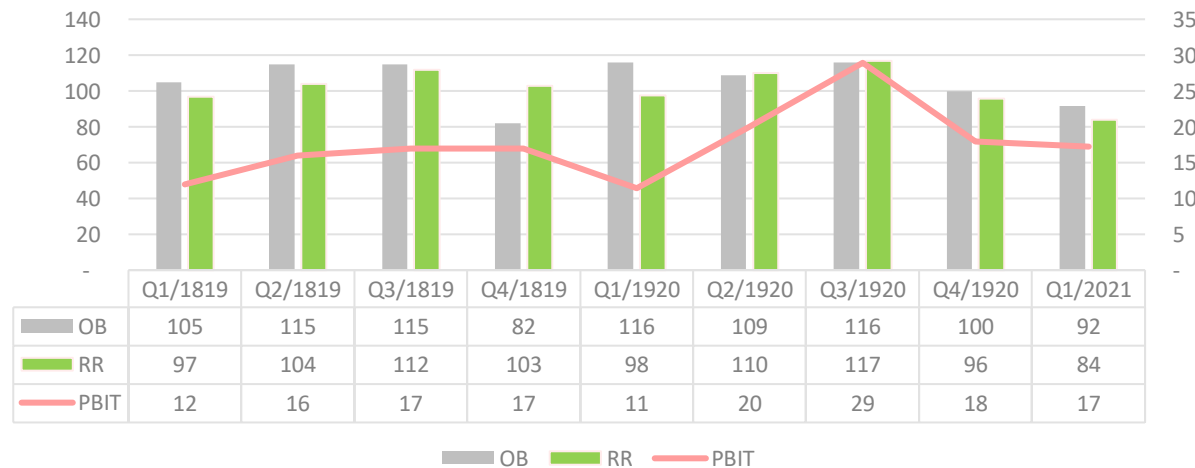
Energy



Environment



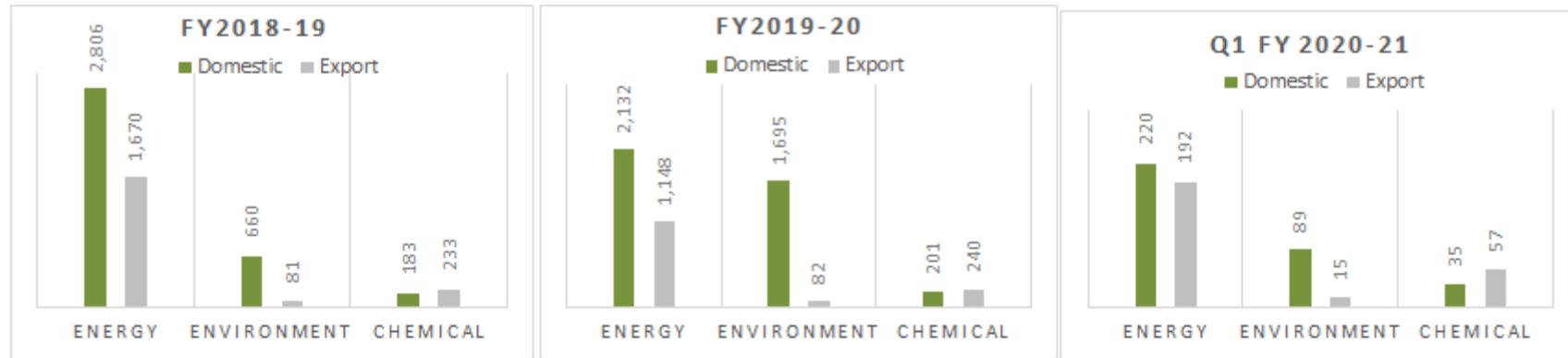
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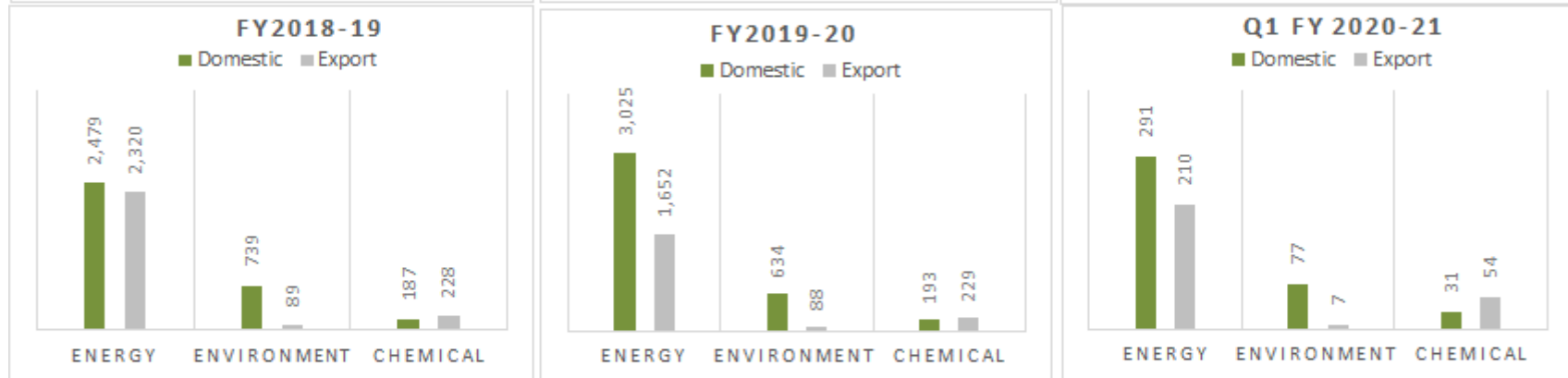
INR Crores



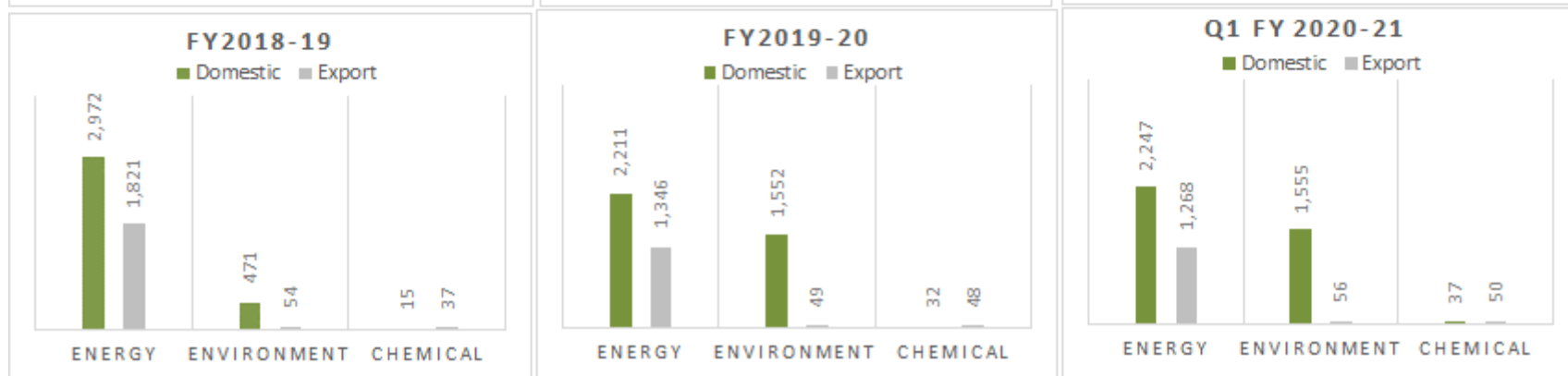
Order Book



Revenue



Order Backlog



INR Crores



Thank You