

Thermax Limited – Analyst Call

Q4 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

Managing resurgence of COVID crisis



- More than 600 vaccinated in a two vaccination camp in Pune for 45+ year old employees, workmen, contractors, and families
- Supported MCCIA's 'Mission Vayu' to airlift 250 ventilators and 4,000 oxygen concentrators from Singapore for donating to hospitals in the Maharashtra's worst affected areas
- Supporting contractors and migrant workers employed at Thermax factories and project sites in numerous ways
- All Thermax facilities operational in strict adherence with COVID guidelines, albeit at reduced efficiencies

Thermax Q4 FY2020-21 Results



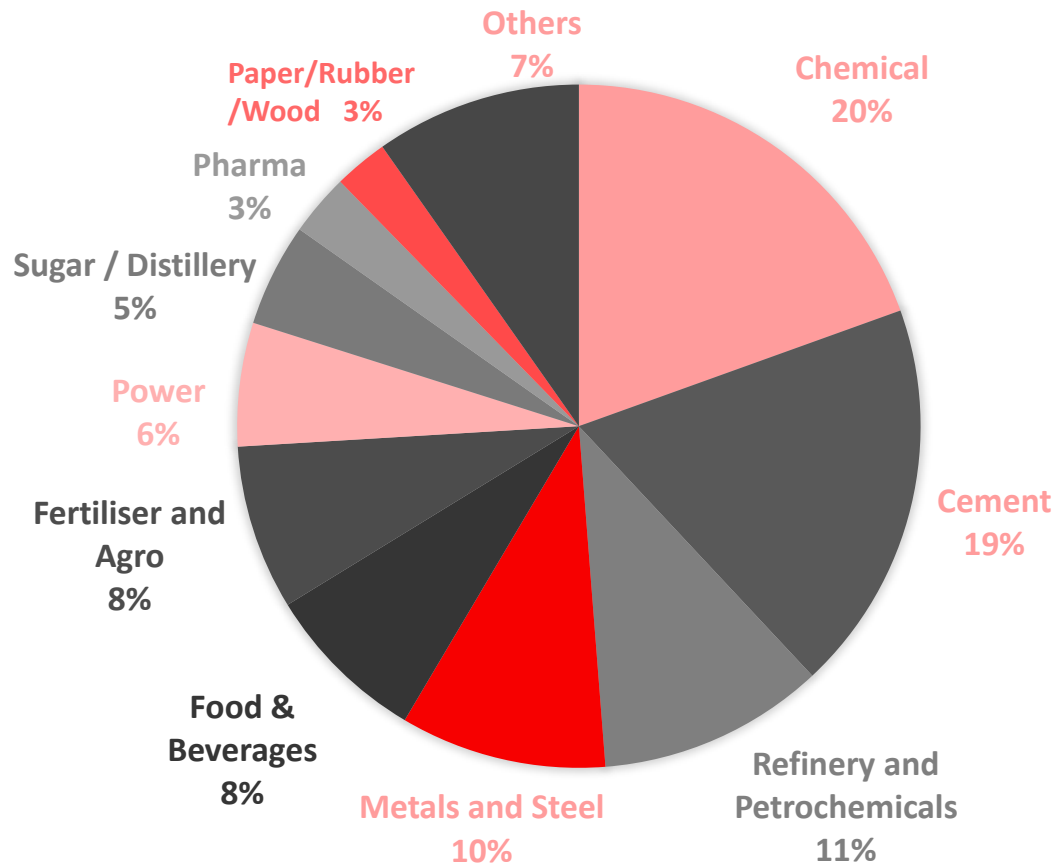
Summary of group's financial performance

	Q4/2020-21 (in crore)	Q4/2020-21 vs Q4/2019-20 (%)
Operating Revenue	1,575	+ 19% ●
Profit Before Tax and exceptional item (PBT)	140	+ 137% ●
Profit After Tax and exceptional item (PAT)	107	+ 174.3% ●
Order Booking	1,497	+ 57.2% ●
Order Balance	5,227	-
Treasury Investments	1,886	+ 57.4% ●



Better performance in Q4 FY21
relative to COVID impacted Q4 FY20

Q4 - Order Book Status



- Strong order book in Q4 at Rs. 1,497 crore (Rs. 952 crore) aided by broad based industrial recovery
- Energy segment saw improved order booking at Rs 1,173 crore with increased thrust on sustainability
- Improved performance of the product businesses and channel business

Business Highlights

Energy Segment



15 MW waste heat recovery power plant for a steel major in eastern India



Green steam supply to a tyre major under the Build-Own-Operate model using 18 TPH boiler



4 gas driven absorption chiller heaters (2 x 410 TR & 2 X 610 TR) for a wiring systems company in Tunisia



Two Closed Loop Cooling Towers (CLCT) for a global major in specialty films manufacturing

- Large boilers and heater business (TBWES) booked 100% green order for the second consecutive quarter
- Strong quarter for the packaged boiler business
 - First boiler order from Turkey
 - Order for a 31 MW energy plant from a MDF manufacturer
- Highest quarterly output across manufacturing plants in the year

Business Highlights

Environment Segment



Pre-treatment Demineralisation plant for a steel major

- First-of-a-kind order from a leading refinery in India for a specialised resin-based unit for improving the performance of existing cycle-water treatment units in mono-ethylene glycol (MEG) plant
- Focus on desalination, installed a 2 MLD seawater desalination plant at a distillery in a water scarce region in south India, making the industry water independent
- Introduced differentiated services programmes for focused customer offerings in urban and industrial segments from the Water and Waste Solutions business
- Received first order for Flue Gas Desulphurisation system from a leading sugar refinery in Saudi Arabia
- First-of-its-kind air pollution control equipment orders for fuels such as lignin and biofuel from oil & gas sector in India

Business Highlights

Chemical Segment



Maxshield@Swellbar - a hydrophilic construction joint water bar and sealant for creating an impenetrable barrier to prevent water ingress in old and new structures

- Chemical segment continued its strong performance with a 22% growth in PBIT vis-à-vis Q4 FY20
- Specialty resins saw a growth of 25.4% in Q4 and 62.8% annually, owing to strong demand from USA and Europe markets.
- Bagged new and repeat orders from Indian metal, steel and refinery majors for performance chemicals
- Construction Chemicals business received brand approval to supply chemicals for a government infrastructure project in Gujarat

Technology Update

Waste to Energy

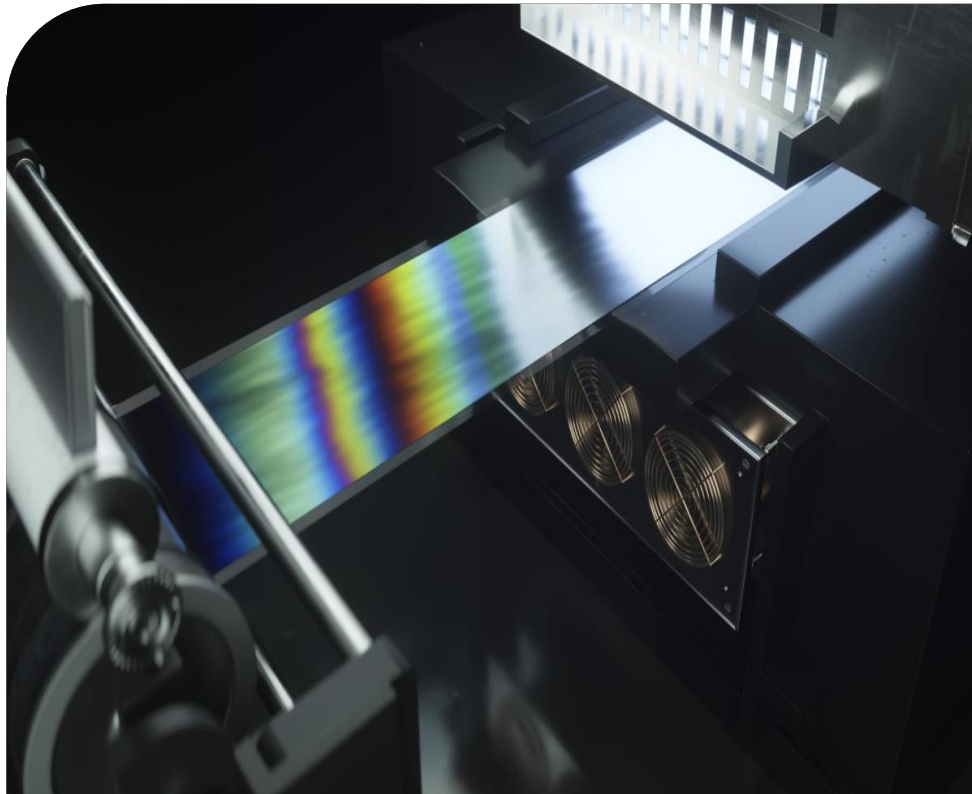


Representative image

- Thermax Babcock & Wilcox Energy Solutions Private Limited (TBWES), a wholly-owned subsidiary of Thermax, signed a know-how transfer and license agreement with German-based Steinmüller Babcock Environment GmbH (SBE) for Waste to Energy technology
- As a part of the agreement, TBWES will design, engineer, manufacture and sell Municipal Solid Waste (MSW) fired waste-to-energy solutions by incorporating SBE's well-established grate and boiler technology
- The tie-up will help enhance Thermax's involvement in the waste to energy application for solving the dual challenge of urbanisation and deteriorating environment

Technology Update

Solar



Flexible Solar PV manufacturing
Image Courtesy – Power Roll

- Thermax has announced an agreement with Power Roll, a developer of unique, low-cost and lightweight flexible solar film, to develop the market for solar films in India
- Both the companies to jointly assess the market potential for scale manufacturing and its deployment in the country

Technology Updates

Fuel Cell



3D model of a fuel cell

- Thermax partnered with Defence Research & Development Organisation (DRDO) in developing homegrown Air Independent Propulsion (AIP) system for the Indian Navy's Scorpene class submarines
- A crucial milestone of the programme was the demonstration of a land-based prototype to the Indian Navy on 8th March, 2021, which was successfully completed

Awards & Accolades



Thermax was recognised with the 'Special Jury Citation' award at the 7th edition of The India Risk Management Awards, conducted by CNBC-TV18. Thermax bagged the award for demonstrating exemplary execution capabilities for its largest export order from the African Oil Refinery



Thermax received two national level awards from the Confederation of Indian Industry (CII) for showcasing best practices in maintenance management at the National Maintenance Circle Competition organised by them

Consolidated Performance Summary by Segment



Segment	Order Booking		Order Balance	
	Q4, 2021	YOY% Change	YTD MAR 2021	YOY% Change
Energy	1,173	71% ▲	3,717	5% ▲
Environment	204	22% ▲	1,431	-11% ▼
Chemical	120	20% ▲	79	-1% ▼
Total	1,497	57% ▲	5,227	-0.2% ▼

The order booking across segments have exceeded pre-COVID levels. However, the outlook seems clouded due to the second COVID wave

Note: Values are in Rs. crore

Consolidated Performance Indicators

Q3, 2021	Performance Indicator	Q4, 2021	Q4, 2020	YTD MAR 21	YTD MAR 20
1,565	Order Booking	1,497	952	4,783	5,498
5,208	Order Balance	5,227	5,238	5,227	5,238
1,411	Revenue	1,575	1,323	4,791	5,731
141	Profit Before Tax and Exceptional (PBT)	140	59	328	375
10.0%	PBT before Exceptional %	8.9%	4.4%	6.8%	6.5%
(28)	Exceptional Item	-	-	(53)	-
113	Profit Before Tax (PBT)	140	59	275	375
8.0%	PBT %	8.9%	4.4%	5.7%	6.5%
83	Profit After Tax (PAT)	107	39	207	212
5.9%	PAT %	6.8%	3.0%	4.3%	3.7%

Note: Values are in Rs. crore and ratios are in %



Consolidated Segment Performance*

Segments	For Q4, 2021			For Q4, 2020			YTD MAR 21			YTD MAR 20		
	Revenue	PBIT	PBIT%	Revenue	PBIT	PBIT%	Revenue	PBIT	PBIT%	Revenue	PBIT	PBIT%
Energy	1,175	109	9.3%	1,051	32	3.1%	3,627	218	6.0%	4,677	249	5.3%
Environment	302	20	6.6%	199	16	8.2%	794	38	4.7%	722	38	5.3%
Chemical	119	22	18.5%	96	18	18.6%	429	103	24.1%	421	78	18.5%

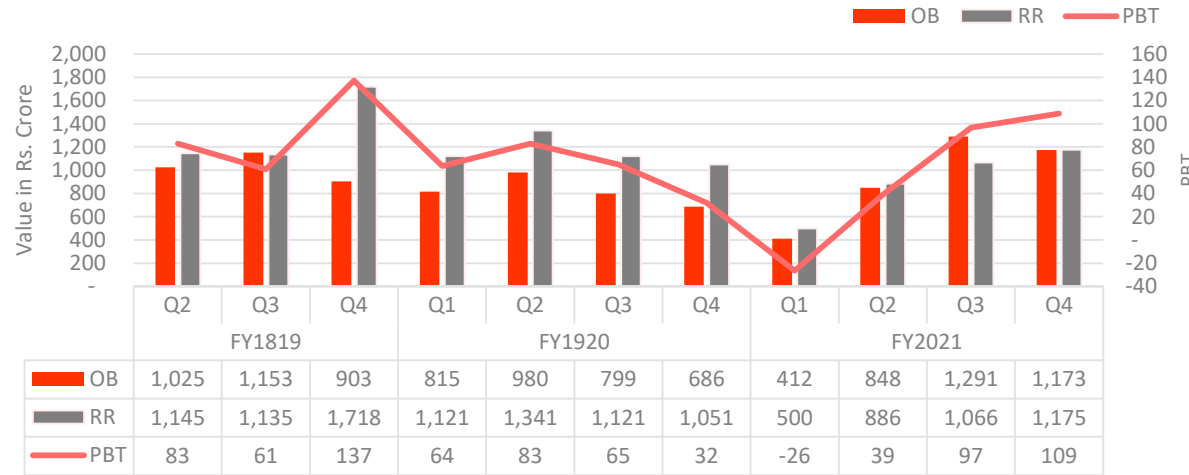
*PBIT Before exceptional items & unallocated overheads

Note: Values are in Rs. crore and ratios are in %

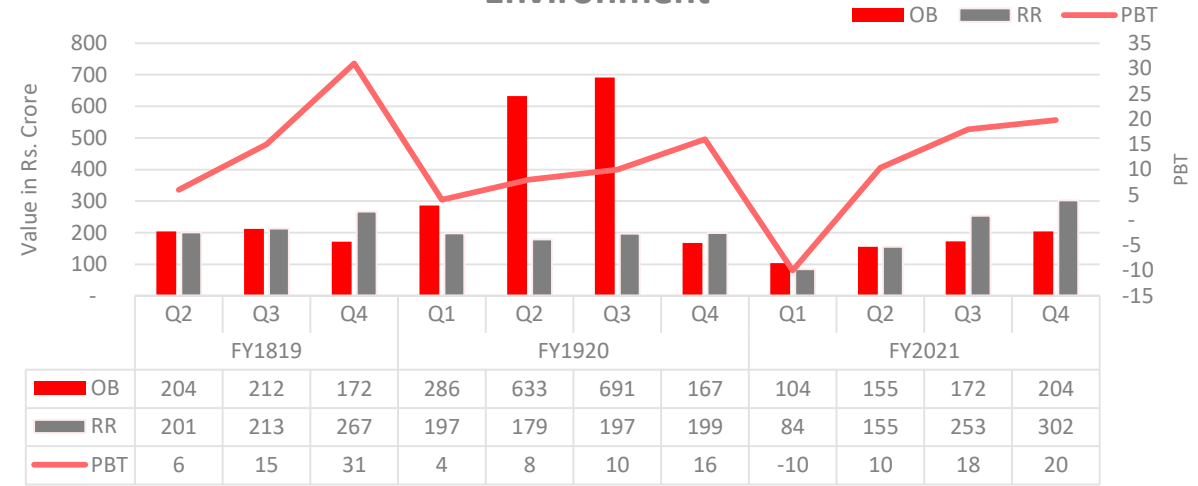


Quarterly Trend - Consolidated

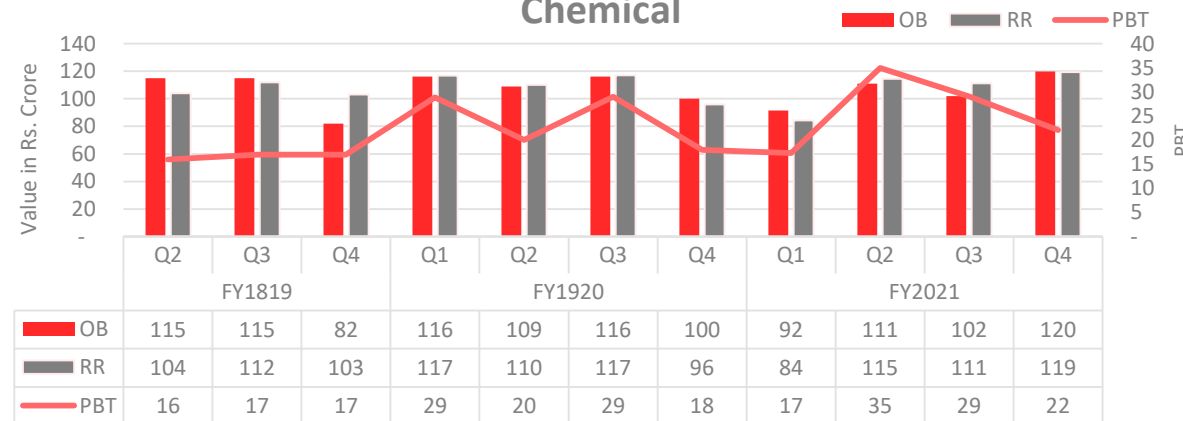
Energy



Environment



Chemical



OB	Order Booking
RR	Revenue Recognition
PBT	Segment PBIT before exceptional & Unallocated Overheads



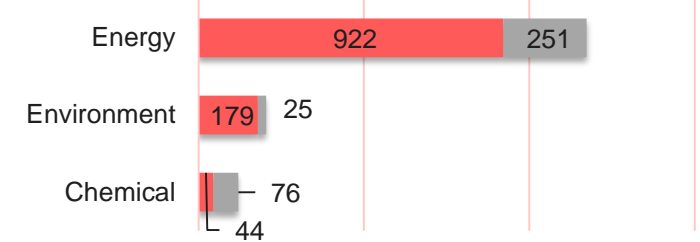
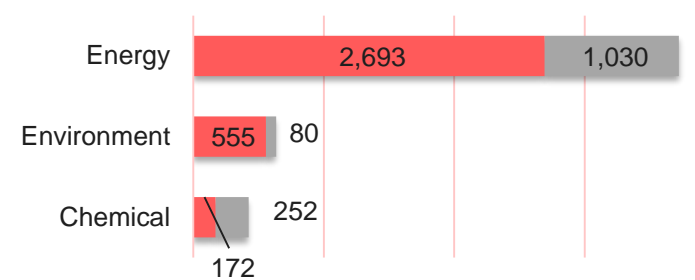
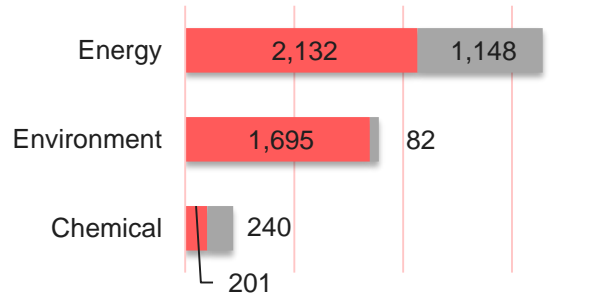
Domestic – Export Business Performance

FY2019-20

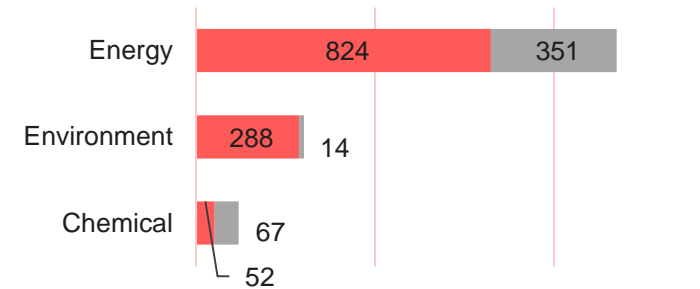
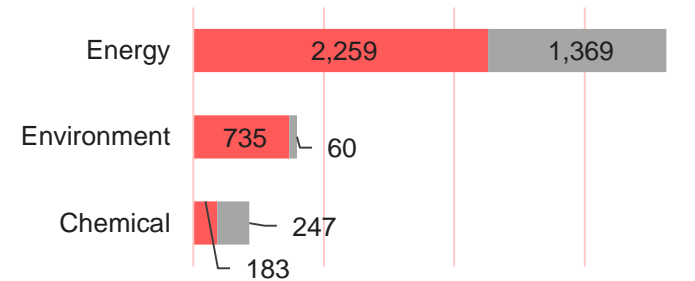
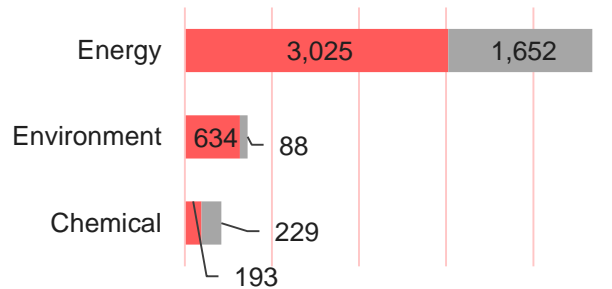
YTD MAR FY2020-21

Q4 FY2020-21

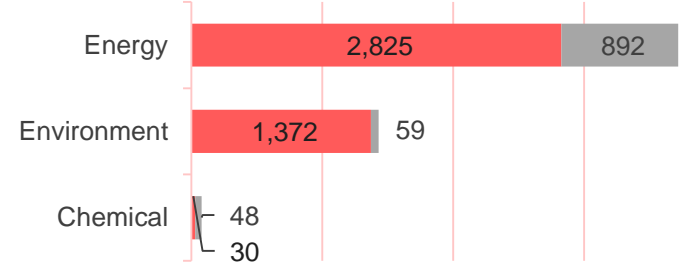
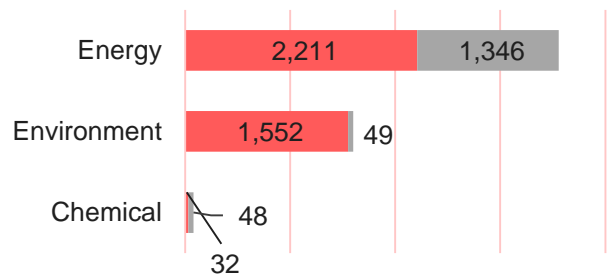
Order Book



Revenue



Order Balance



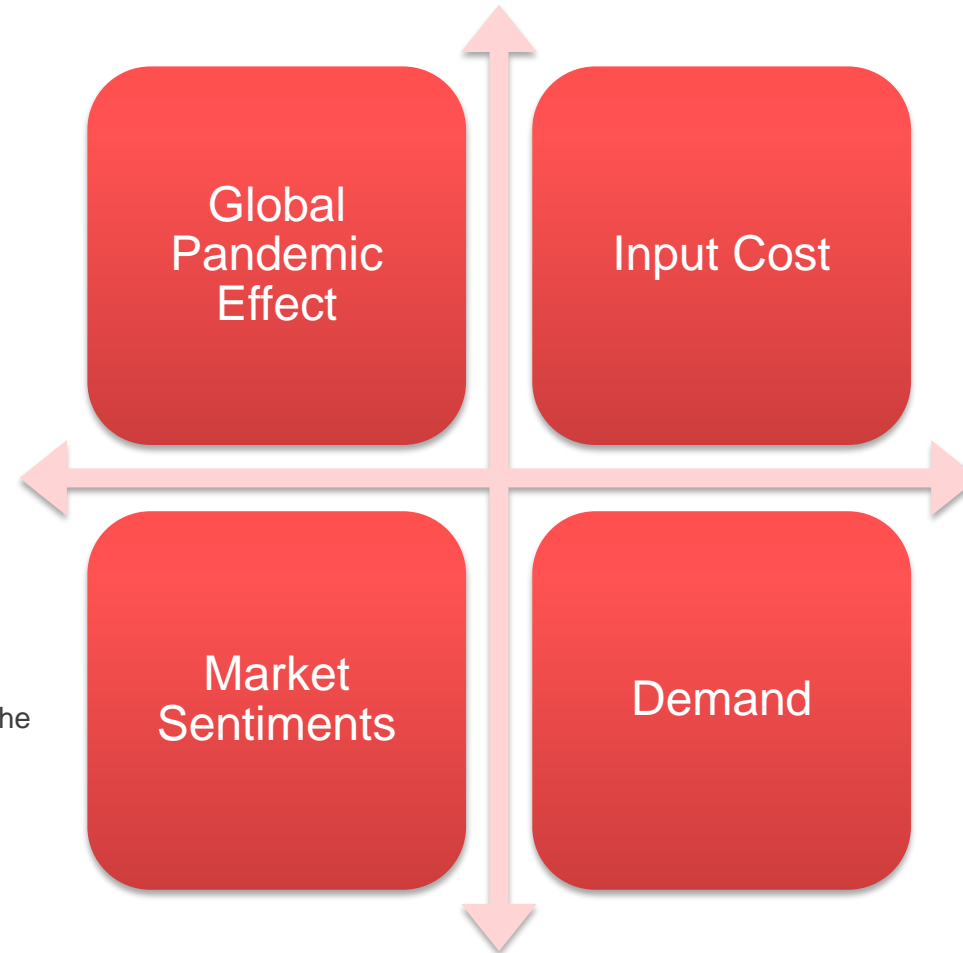
Domestic
Export

All values are in Rs. crore

Environment and Industry Outlook

- Relapse of COVID-19 cases in India and South-East Asia is posing risks
- Post the impact of the pandemic, US, UK and Europe markets are expected to grow in the coming quarters

- India's PMI for manufacturing dropped in March to 55.5 from 57.5, which is still considered good; COVID-19 is a key risk
- GDP forecasts is being relooked at due to the second wave of COVID



- Commodity costs are on increasing trend
- Steel price increase continues unabated
- Inputs raw material costs to chemical has witnessed a surge – styrene and methanol prices on rise

- Select industrial sector such as steel, cement continue to perform, some sectors were impacted with the recurrence of COVID-19
- Project completions to be delayed due the lockdown in some regions and may impact new investments
- Indian Government Union Budget announcement for infrastructure & development and PLI package will support demand in coming quarters

Source: RBI, MOSPI, HIS Markit



Thank You