

Thermax Limited – Investor Presentation

Q4 FY21-22

Energy | Environment | Chemical | Services

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



Thermax at a Glance

3,699 Employees Globally*



Note: employees excluding workmen



Business Highlights - Energy

Chilling the Chemical Processes in Malaysia



Installation of chiller for a major acetic acid manufacturer.

Heating Oil & Gas Processes at Singapore



Commissioned a hot oil package boiler at an Oil & Gas giant.

Supplying Power from Waste Heat at a Steel Co.



TBWES has commissioned 2*110 TPH waste heat recovery boilers at an iron & steel major in West Bengal, India.

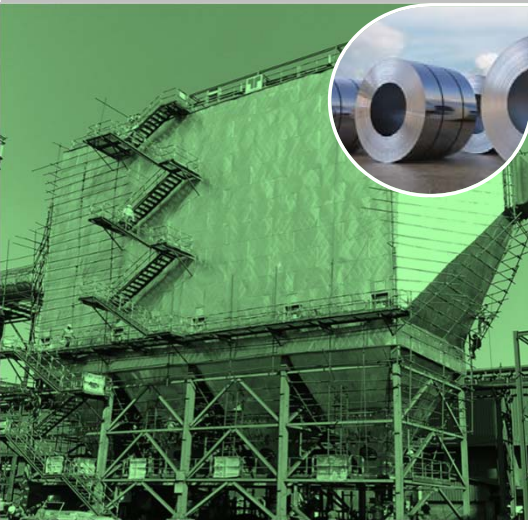
Reducing Carbon Footprint for a FMCG and Textile Major through BOO Model



Commissioned two plants this quarter; steam supply to an FMCG major; steam and heat supply to a textile major, helping them reduce CO₂ emissions by ~33,000 tons per year.

Business Highlights - Environment

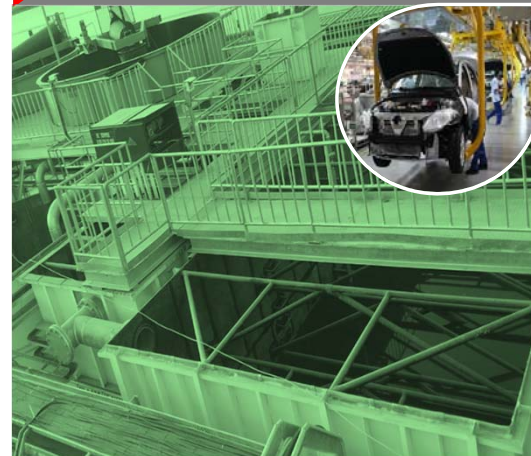
Helping a Steel Industry Major to Manage Particulate Emissions



Retrofit Air Pollution Control Solution for Sponge Iron Application



Highest Capacity of Pre-fabricated STP Solution



Helping Oil Major for Recycling Effluents



Commissioned an ESP for 63 TPH waste heat recovery boiler of a steel manufacturer.

ESP retrofitting project completed for a steel major in India.

Thermax has set up a 2.4 MLD STP recycling plant for a major automobile company in Gurgaon, India.

Commissioned a 8.4 MLD - ETP recycle plant for an oil & gas major in India.

Business Highlights - Chemical

Digitalising Chemical Solutions by IoT Products



Big wins in automated IoT based product orders (digital offerings) for cooling water applications received in Q4.

Growth in Oil Field Chemicals



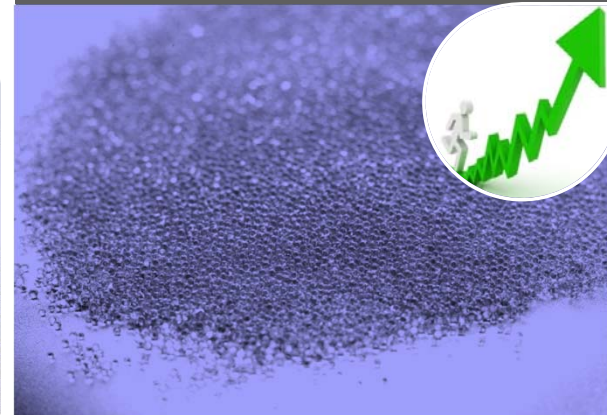
Oil field chemicals saw ~ 200% jump in Q4 Y-O-Y, which is highest ever order book in FY22; attributed to major order received from renowned oil field service provider.

Growth in Construction Chemicals



40% Y-O-Y growth seen in construction chemicals business.

Winning International Orders from Eastern and Western World



Major orders for ion exchange resins received for industrial water treatment and high purity water from USA, Europe, Japan, Korea and India.

New Product Launches

Ultra Low Temp Hot Water Chiller



Heat source : Hot water
 Inlet water temperature : 60°C – 80°C
 COP : 0.4 - 0.45
 Capacity : 70 – 640 TR

Heat Pump Chiller



Takes care of both heating and cooling water needs

Absorption Cooling

TACTS-RX



TACTS-RX : Compact, highly reliable, weatherproof, with unique benefits

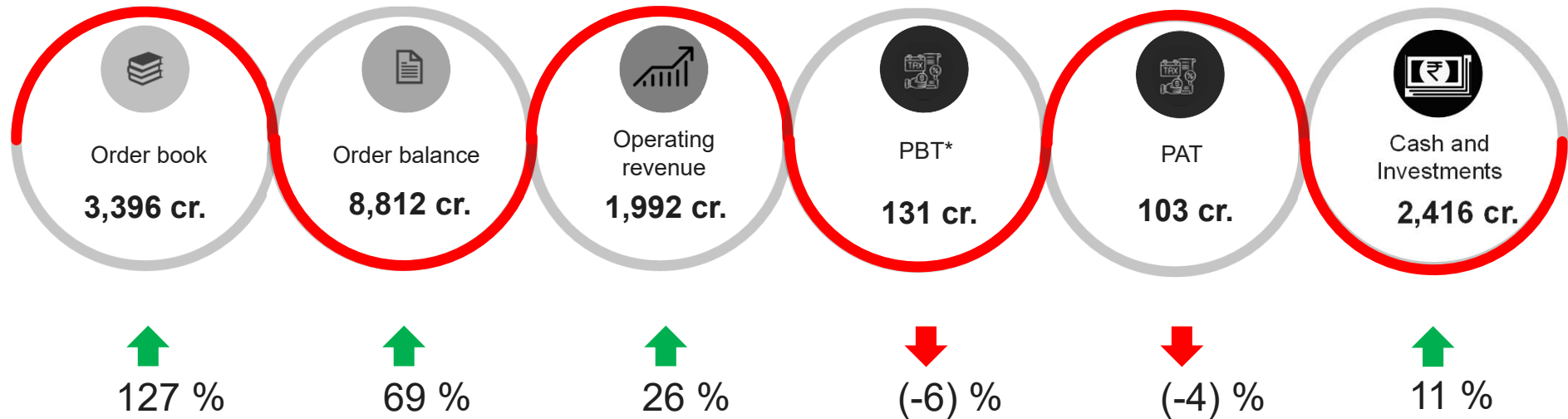
Steam Engineering

RealSteam™



RealSteam™ is steam dryness fraction measurement device

Thermax Q4 FY2021-22 Results



Growth in order booking is due to two significant project orders bagged in Q4

- Sulphur recovery unit worth Rs. 1,176 Cr.
- Flue Gas Desulphurisation (FGD) systems worth Rs. 546 Cr.

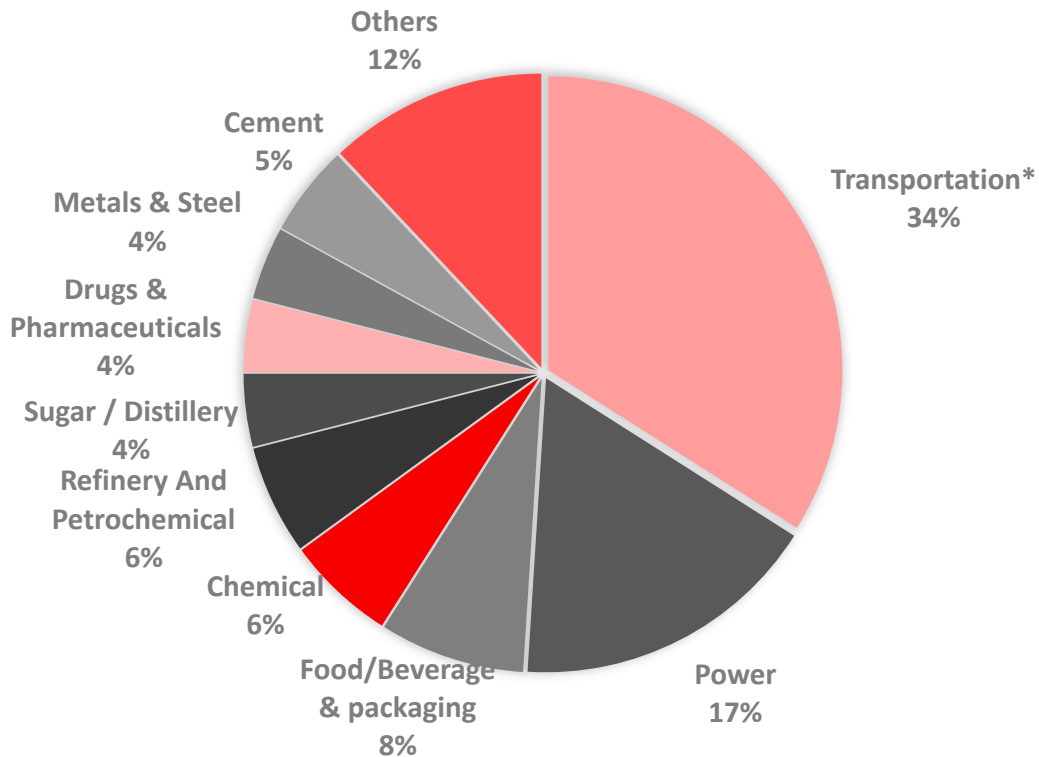
Revenue - Highest invoicing in last 12 quarters

PBT is lower due to increased commodity and freight costs

* : Profit Before Tax and exceptional item

Note: % Growth with respect to Q4 FY 2020-21

Q4 - Order Book Status



*Transportation sector includes the order from a refinery in North East India

- Highest ever quarterly order booking of Rs. 3,396 crore in 10 years
- Bagged Rs. 1,176 crore order to set up sulphur recovery block from an Indian public sector refinery
- Healthy mix of orders from diverse industry sectors
- Enquiry pipeline from Metals, Cement and refinery sectors continue to be strong due to increased CAPEX plans in the private sector



Consolidated Performance Summary by Segment

Segment	Order Booking		Order Balance	
	Q4, 2022	YOY% Change	YTD Mar 2021	YOY% Change
Energy	2,385	103 % ▲	5,895	63 % ▲
Environment	884	332 % ▲	2,788	82 % ▲
Chemical	127	6 % ▲	128	63 % ▲
Total	3,396	127 % ▲	8,812	68.6 % ▲

Note: Values are in Rs. crore



Consolidated Performance Indicators

Q3, 2022	Performance Indicator	Q4, 2022	Q4, 2021
2,462	Order Booking	3,396	1,497
7,389	Order Balance	8,812	5,227
1,615	Revenue	1,992	1,575
108	Profit Before Tax and Exceptional (PBT)	131	140
6.7%	PBT before Exceptional %	6.6%	8.9%
-	Exceptional Item	-	-
108	Profit Before Tax (PBT)	132	140
6.7%	PBT %	6.6%	8.9%
79	Profit After Tax (PAT)	103	107
4.9%	PAT %	5.1%	6.8%

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



Business Performance Summary

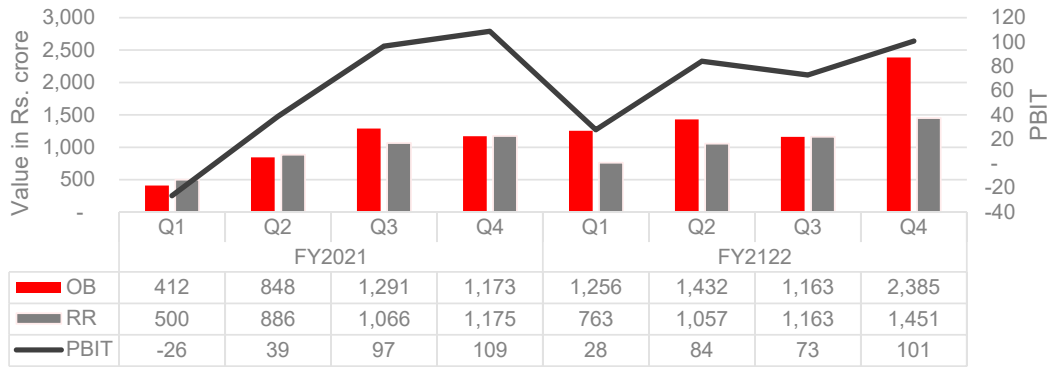
Segments	For Q4, FY2021-22			For Q4, FY2020-21			YTD Mar 22			YTD Mar 21		
	Revenue	PBIT	PBIT %	Revenue	PBIT	PBIT %	Revenue	PBIT	PBIT %	Revenue	PBIT	PBIT %
Energy	1,451	101	6.9 %	1,175	109	9.3 %	4,434	286	6.4 %	3,627	218	6.0 %
Environment	462	23	5 %	302	20	6.6 %	1,294	43	3.3 %	794	38	4.7 %
Chemical	132	4	2.8 %	119	22	18.5 %	539	62	11.6 %	429	103	24.1 %

PBIT - Segment PBIT before exceptional & unallocated overheads

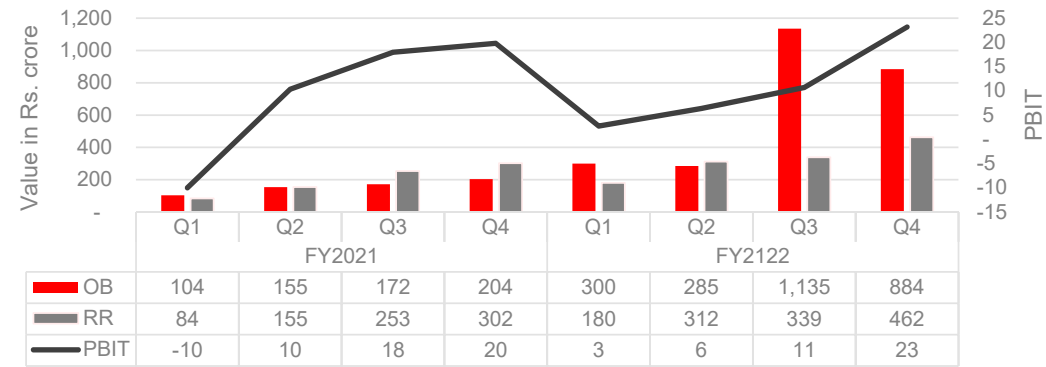


Business Segment Wise - Quarterly Trend

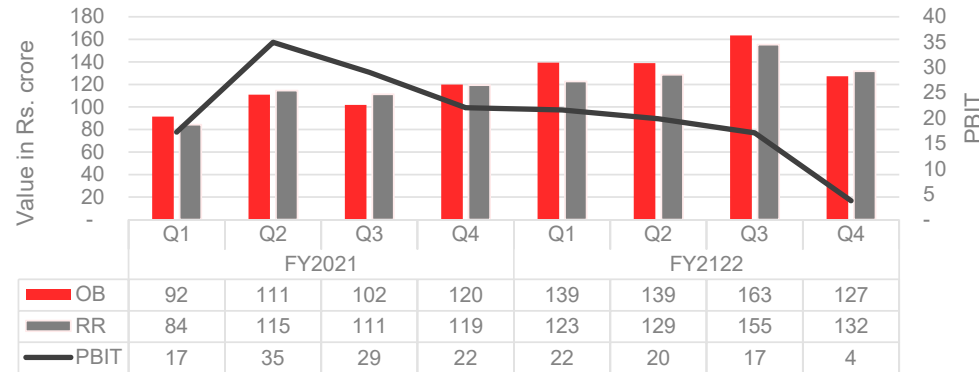
Energy



Environment



Chemical



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

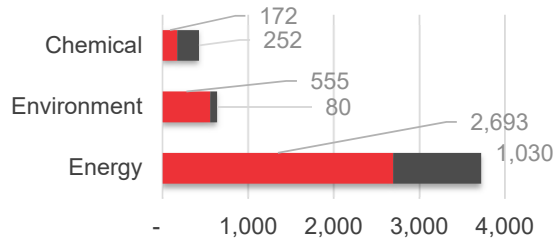


Domestic – Export Business Performance

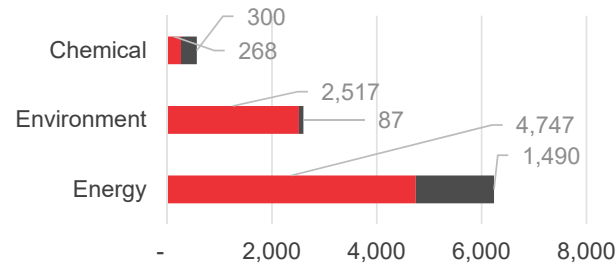
Order Book



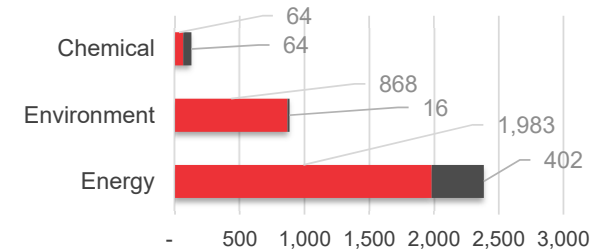
FY 2020-21



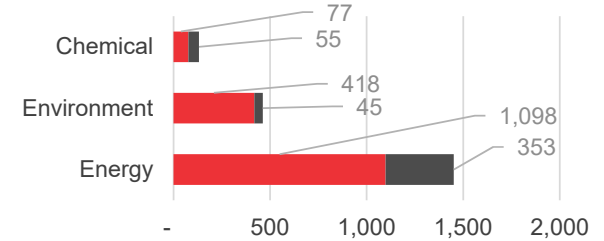
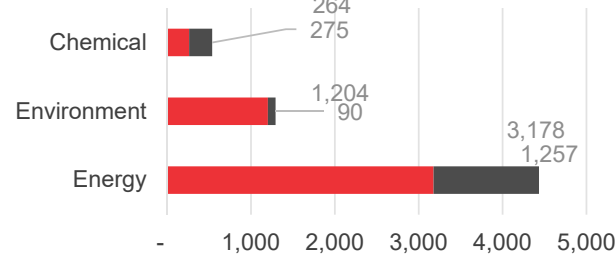
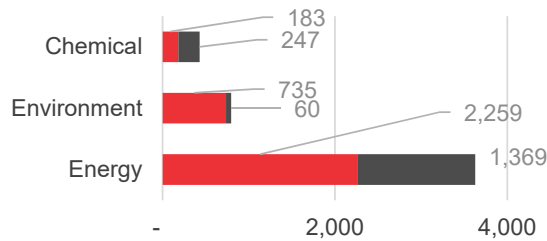
YTD March FY 2021-22



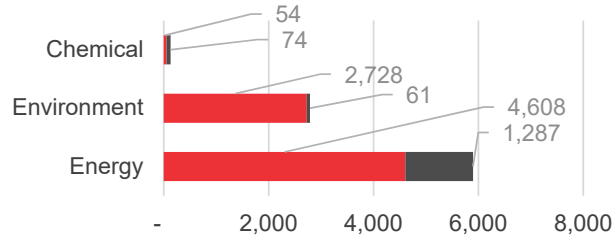
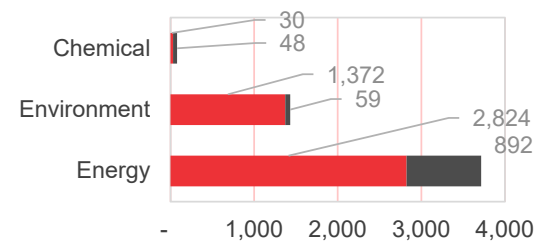
Q4, FY 2021-22



Revenue



Order Balance



Domestic
Export

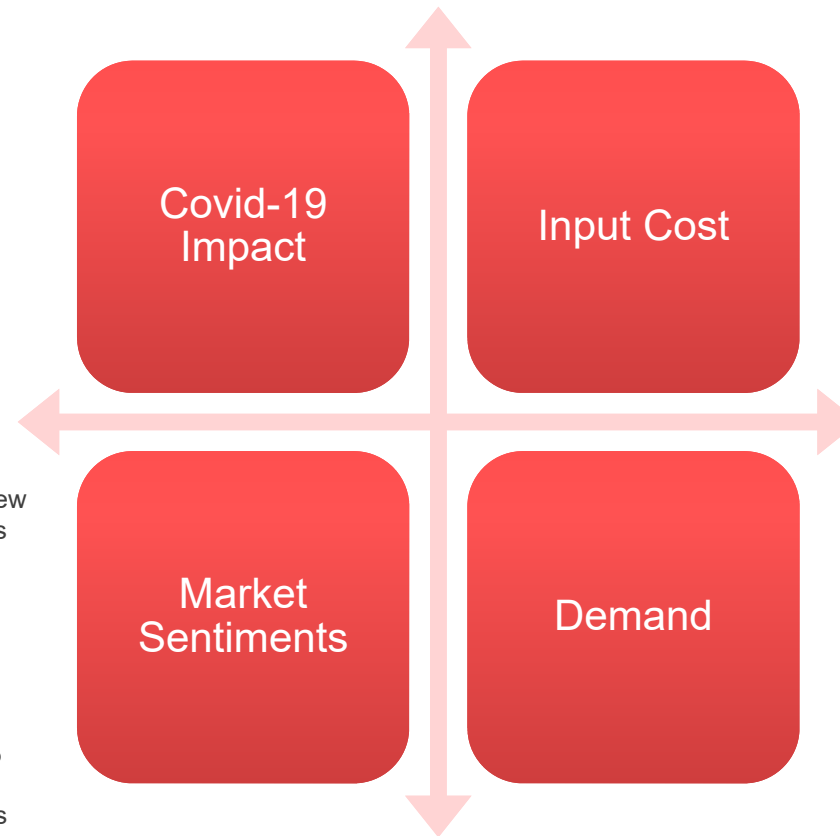
All values are in Rs. crore

Environment and Industry Outlook

- Covid-19 had a reducing impact on businesses across the globe after December 2021

- Steel prices are at an all-time high, and continuously rising fuel prices have impacted the margins of the company
- Prevailing geo-political scenario has disrupted the supply chain which led to increase in input cost
- Cost of styrene, caustic soda, bicarb, ethylene dichloride, including phosphorus-based chemicals continued to rise, thus adding cost pressure

- India's PMI for manufacturing fell to 54 from 54.9 amid slower expansions in new orders and decline in new export orders
- The GDP projections for FY23 are slashed to 8.2% from the previously declared 9% owing to the rise in commodity prices (source: IMF)
- The global GDP is also revised to 3.6% from 4.4% due to commodity price volatility and disruption of supply chains caused by the war in Europe



- Healthy enquiry pipeline was witnessed across multiple segments like cement, steel, sugar, F&B and petrochemicals due to increased CAPEX in private sector
- Increased thrust on sustainability is driving the demand for alternate fuel consumption (biomass) and outsourcing of utilities especially in F&B and agro sectors
- Policy push to ramp up ethanol production helped in securing orders from sugar/distillery sector

Sources : MOSPI, WHO, IMF



Environmental consciousness has been at the core of our products and services offerings. The focus will continue strengthening our green portfolio as we chart the decarbonisation path.



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