

Unit-1 : CAST PRODUCTS PLANT, 31, Sector 'C' Industrial Area, Sanwer Road, Indore-452 015 (M.P.) Phone : +91-731-2720143, 6732700

9th November, 2019

The Manager
Listing Department
National Stock Exchange of India Limited
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051

Dear Sir/ Ma'am,

Subject: Investors Presentation

Symbol: JASH

Pursuant to Regulation 30 (6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") please find attached herewith the Investors Presentation.

This is for your information and records.

Thanking You,

Yours Faithfully,
For JASH Engineering Limited



Tushar Kharpage
Company Secretary & Compliance Officer
A - 30144
Encl.:A/a



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CIN : L28910MP1973PLC001226, GSTIN: 23AAACJ7699F1ZC

When every drop counts...



JASH ENGINEERING LTD.

Contributing to a sustainable environment worldwide...

Investor Presentation

October 2019



Mahr
Maschinenbau



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WHAT'S INSIDE

Company Overview

Financial Performance

Outlook

Investment Rationale



COMPANY OVERVIEW

1973

Incorporation
of Company



Jash Engineering Ltd.



5 Manufacturing
Units



~800 Employees



315.48 Cr.
Total Order Book as
of October 2019

- › An ISO-9001:2015 / ISO-14001:2015 / BS OHSAS 18001:2007 certified company dedicated to offering varied products for use in Water and Wastewater Pumping Stations and Treatment Plants, Storm Water Pumping Stations, Water Transmission Lines, Power, Steel, Cement, Paper & Pulp, Petrochemicals, Chemical, Fertilizers and other process plants.
- › Headquartered at Indore, India. Jash have five well integrated state-of-art manufacturing facilities, four in India and one in USA.
- › Global presence to serve our clients and help achieve the common goal of creating a sustainable environment for all time to come.



45+ Countries Global
Exports

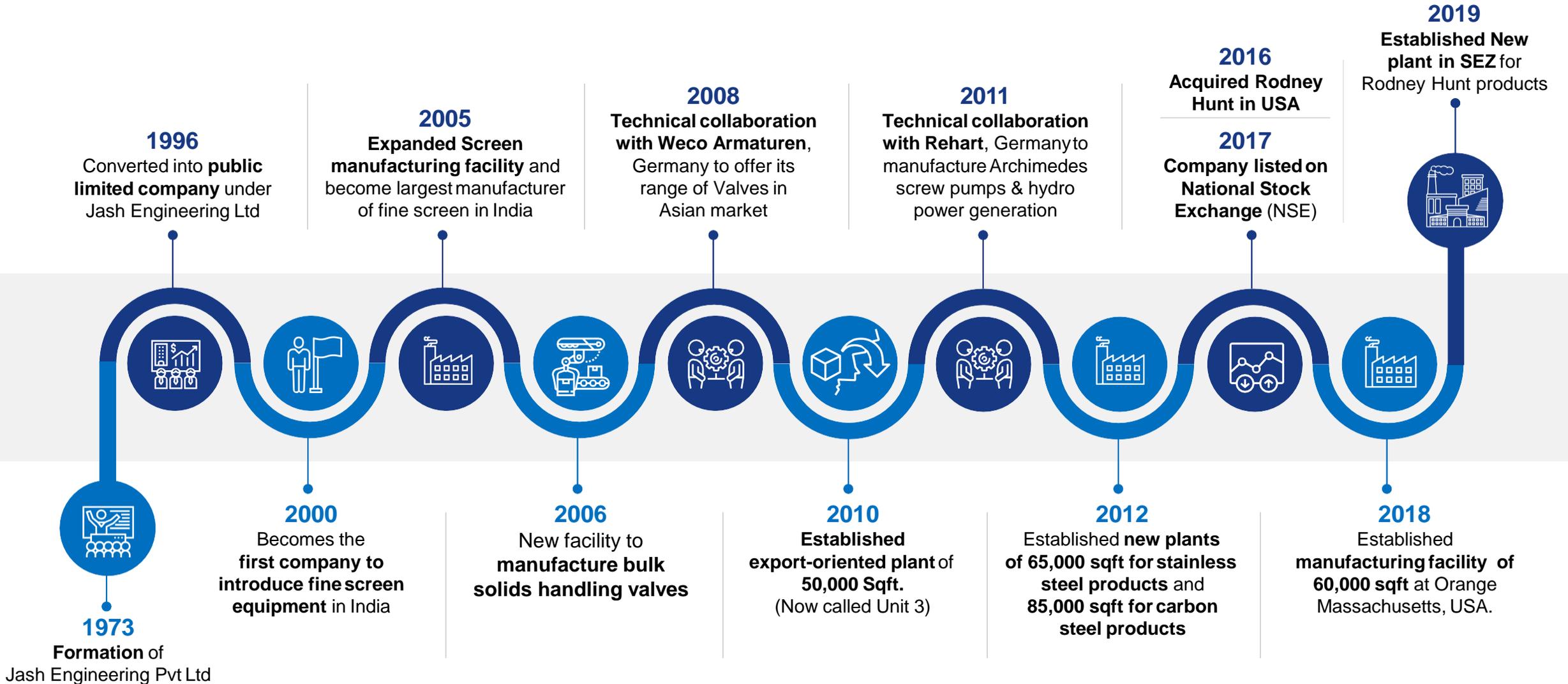


350+ Years of
Cumulative
Experience

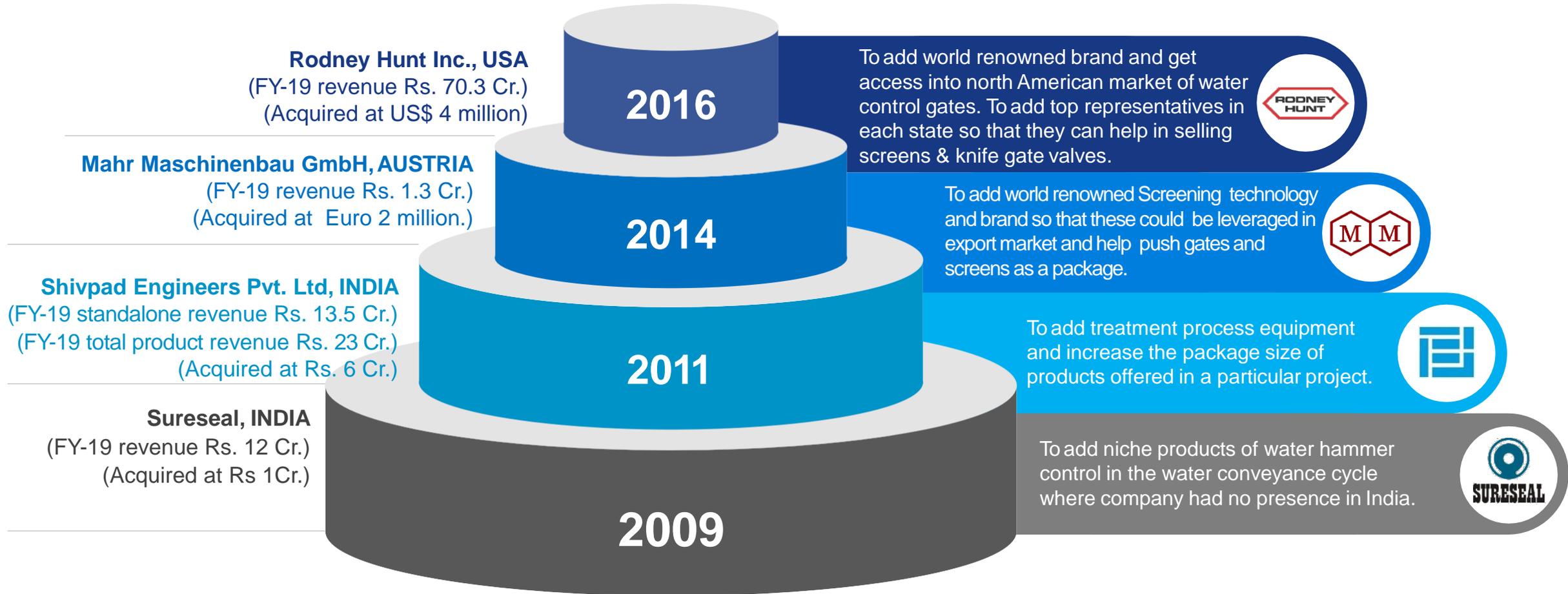


Approved by the Major
Municipal Authorities in
India and Abroad

EVOLUTION

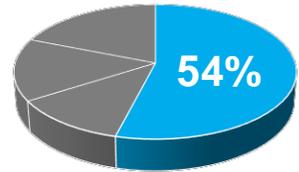


DRIVE VALUE THROUGH ACQUISITION



PRODUCT OFFERINGS WITH REVENUE CONTRIBUTION

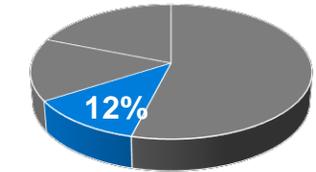
Water Control Gates



Revenue Contribution



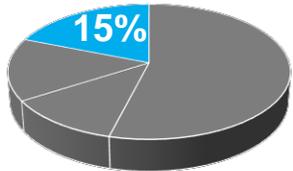
Screening Equipment



Revenue Contribution



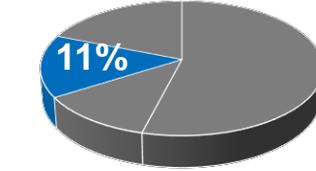
Valves



Revenue Contribution



Hydropower & Pumping Process Equipment

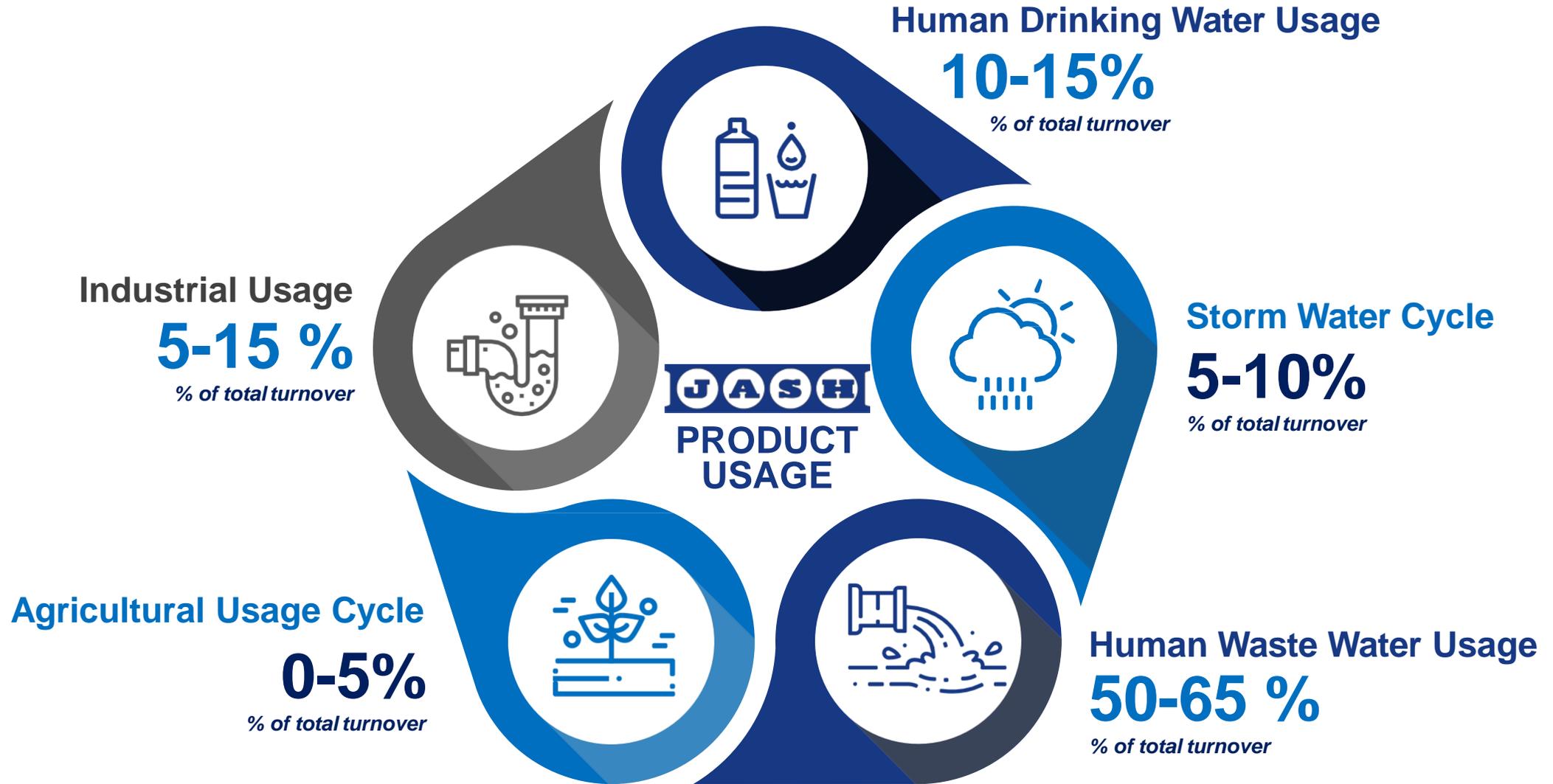


Revenue Contribution



(Balance 8% comprise of Industrial & Irrigation water intake systems and Miscellaneous works)

PRODUCT USAGE



APPLICATION OF PRODUCTS



Water intake systems



Storm water pumping stations



Water & waste water treatment plants



Irrigation systems



Power plants



Paper & pulp plants



Petrochemical plants



Steel plants

MAKING THE WORLD OUR MARKET

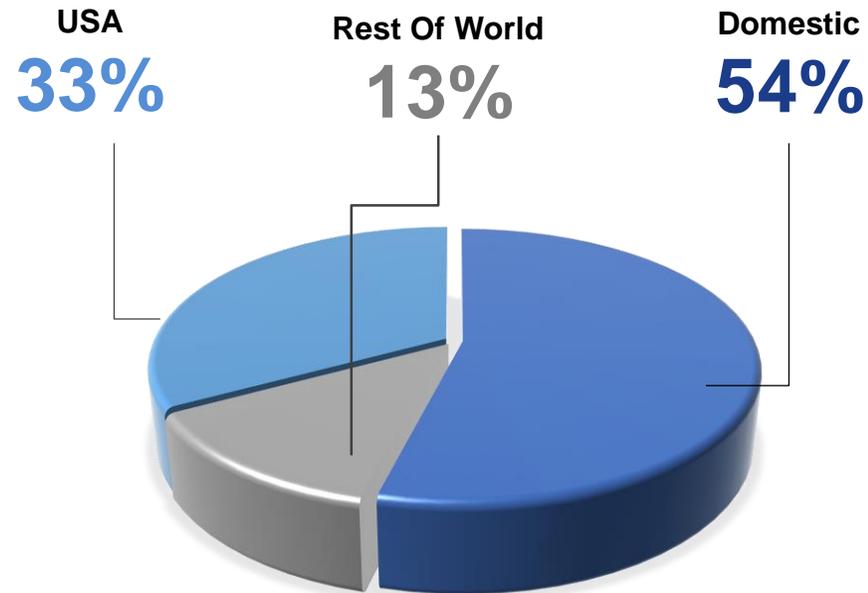
From predominant sales in single geography of India in early nineties, the company is today present in multiple (over 45 countries) regions with each region having significant contribution in turnover.



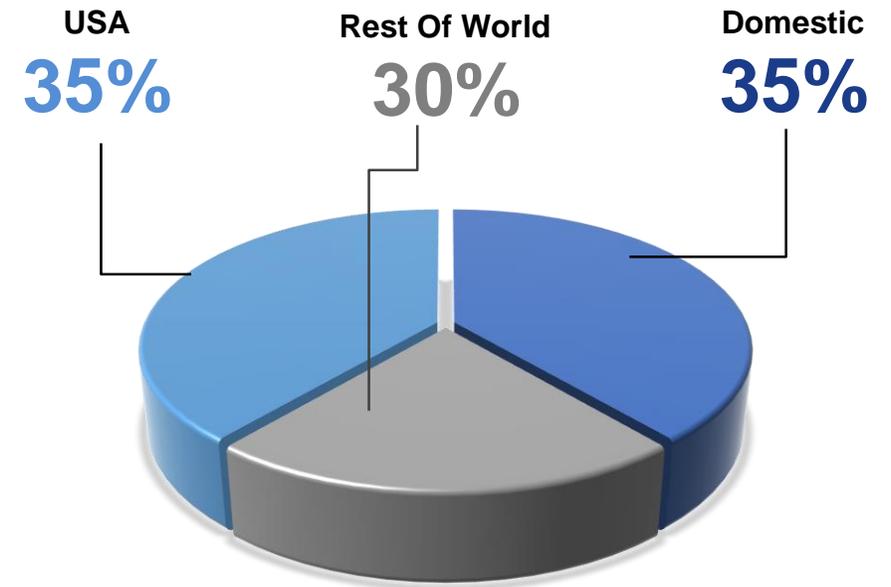
Note: *Gulf Countries include UAE, Saudi Arabia, Kuwait, Qatar, Oman, Bahrain and Jordan
 ** Other countries include Canada, Thailand, Philippines, Israel, Sweden, New Zealand

REVENUE BREAKUP GEOGRAPHY WISE

PRESENT MARKET SPREAD



MARKET SPREAD BY 2022-23



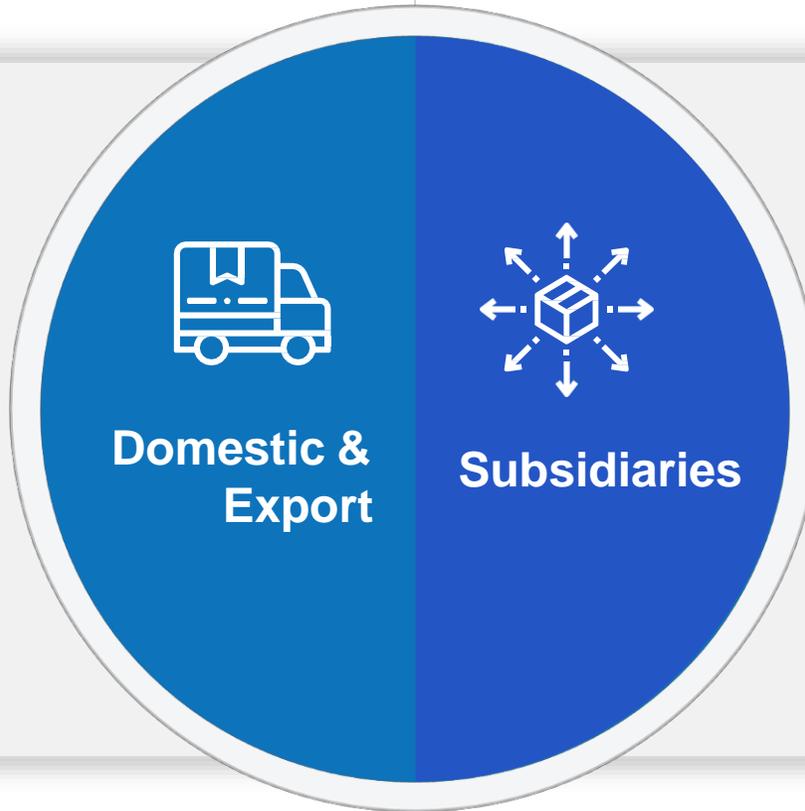
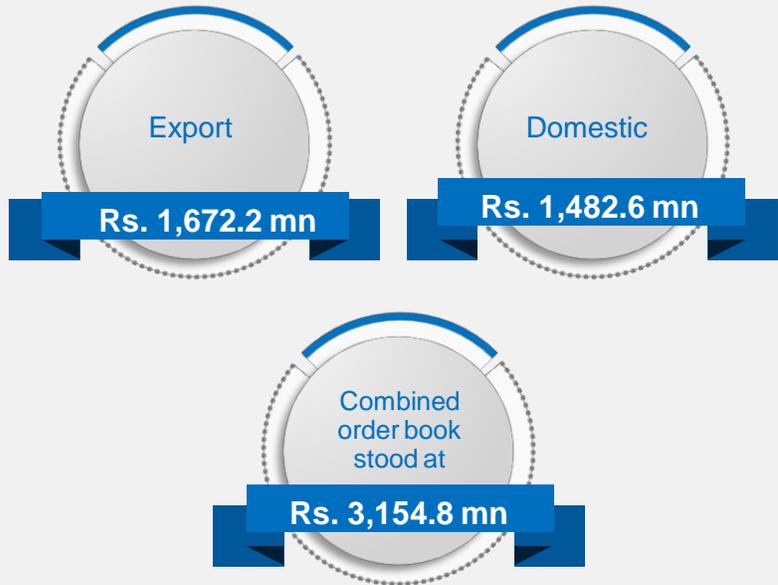
In 2017 the company decided to pursue export led growth and reduce dependence on Indian market by increasing exports from 20% to 65% by 2022-23. In 2019 exports was nearly 46% of total business and reaffirmed that the vision of improving the market spread was on course. When the target of 65% exports is achieved by 2022 then it will help to make the company more stronger & stable.

STATE OF ART FACILITIES & TURNOVER CAPABILITY



* Unit2 & Unit 3 can reach this capability after further expansion in these facilities.

HEALTHY ORDER BOOK AS ON 31st OCTOBER 2019

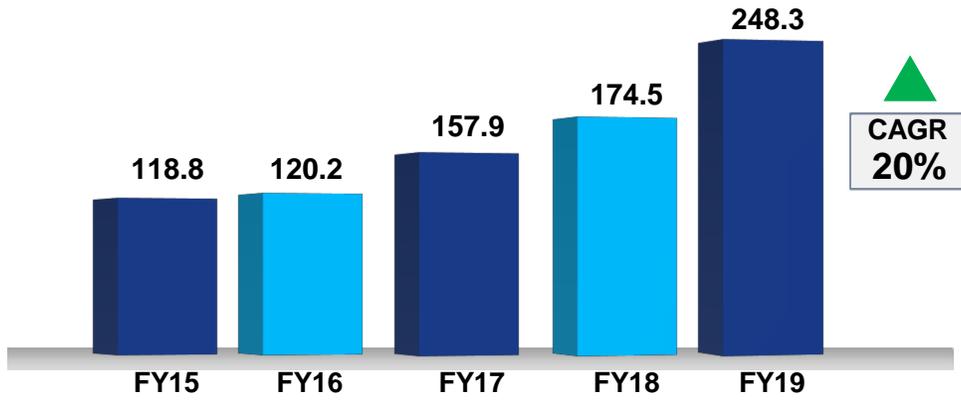




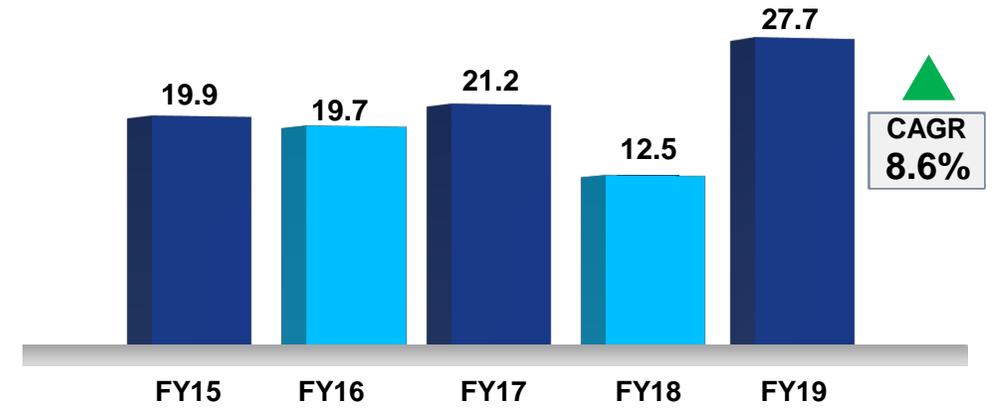
FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE

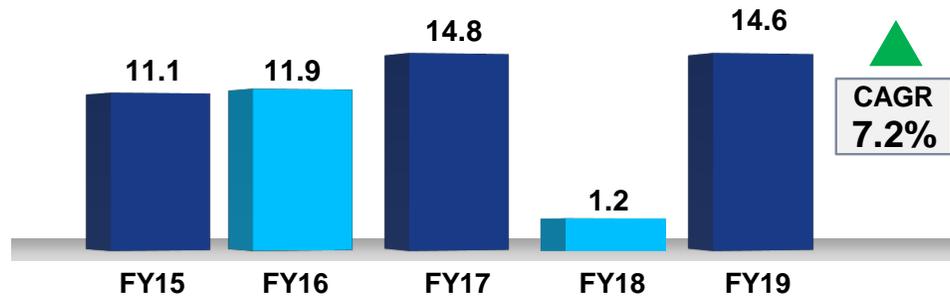
Revenues (Rs. Cr)



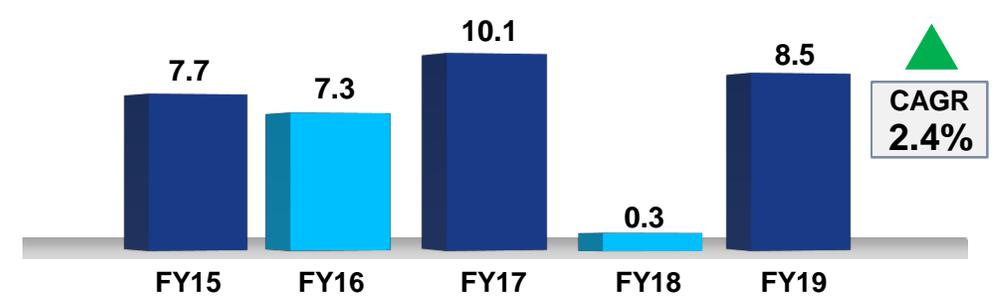
EBITDA (Rs. Cr)



Profit before tax (Rs. Cr)

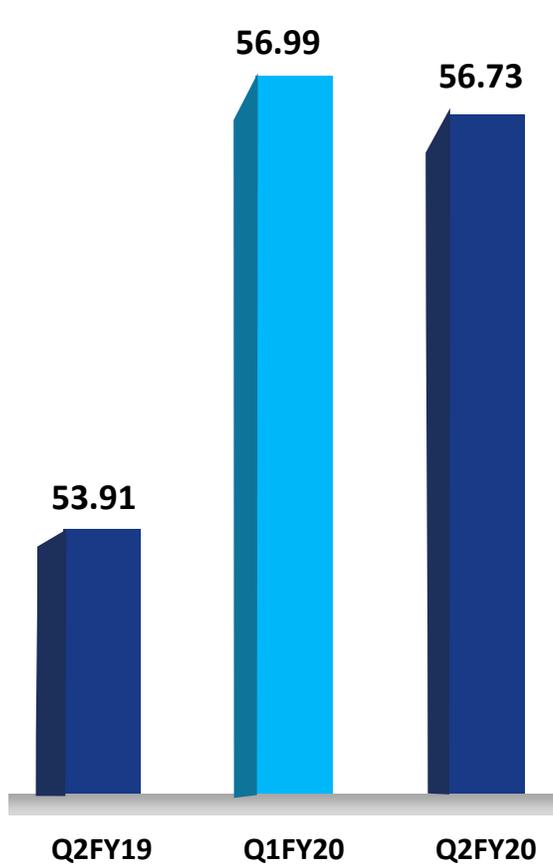


Profit after tax (Rs. Cr)

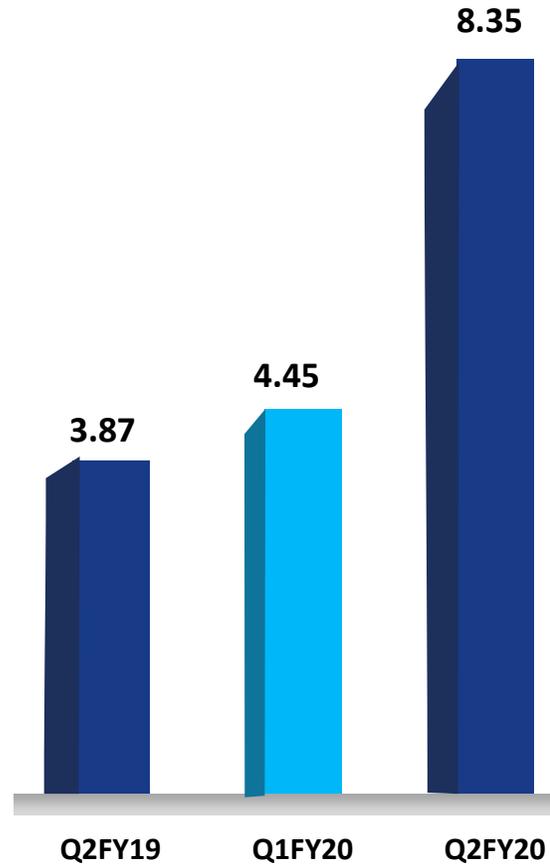


FINANCIAL PERFORMANCE – 2QFY20

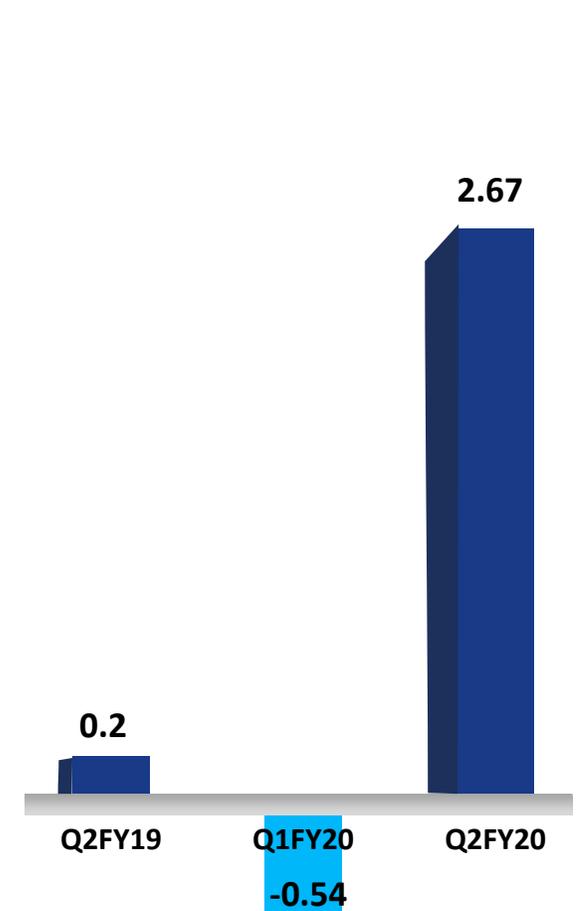
Sales (Rs. Cr)



EBITDA (Rs. Cr)



PAT (Rs. Cr)



FINANCIAL HIGHLIGHTS - 2QFY20

- Total operating revenue stood at Rs. 56.73 Cr, as against Rs. 53.91 Cr. in Q2FY19 increased by 5.22%.
- EBITDA stood at Rs. 8.35 Cr, as against Rs. 3.87 Cr in Q2FY19 increased by 115%.
- EBITDA margin at 14.71% increased by 753 bps, as against 7.18% in Q2FY19.
- Profit after tax stood at Rs. 2.67 Cr, as against Rs. 0.20 Cr in Q2FY19 increased by 1235%.
- PAT margin at 4.72% increased by 435 bps, as against 0.37% in Q2FY19.
- Diluted EPS is at Rs. 2.26, as against Rs. 0.17 in Q2FY19.

BALANCE SHEET (₹ CR)

Balance sheet as on 31/03/19

Capital Structure

Cash	11.1
Debt	69.2
Net Debt	58.1
Equity	112.6
Net Capital	170.7

Leverage

Total Debt / Capital	36%
Net Debt / Capital	29%
Debt / EBITDA	2.5x

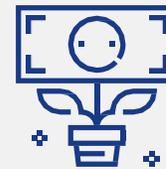
FY2019 Capital Allocation

Capital Expenditure



Capex of
16.2cr
for the year (6.5%
of revenue)

Dividend



Increased dividend :
declared
Rs1.50/ share



OUTLOOK

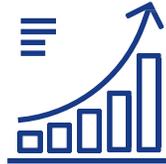
GROWTH OUTLOOK



Aiming to have at least **5 product groups**, each having contribution of **15%-30%** in the annual turnover in next 5 years.



Company is expecting improvement in business performance based on **revival of Indian water & waste water project business.**



Looking at overall domestic business YoY growth of **mid to high teens** in in FY20.

Cash flow crisis and delay in payments are key factors to watch out for.



Looking at overall international business YoY growth of **20% - 25%** in FY20.

Project execution impacted due to ongoing US trade war.



Sales growth in subsidiaries for FY19-20

Shivpad Engineers Pvt Ltd.

30% - 35%

Jash USA Inc. / RH

30% - 35%



Collaboration with Invent AG, Germany (refer slide No.26) to improve product spread and add additional 15% to the **domestic revenues in next 3 to 4 years time.**

URBANIZATION



Increase in urban population due to migration from rural areas will necessitate new capacity addition to available water and waste water treatment infrastructure



MEET SHORTFALL IN SEWAGE TREATMENT



Major metropolitan areas need huge capacity enhancement as their collective sewage treatment capacity is just over 50% of their present requirement



GROWTH-CREATING MEGATRENDS WILL FUEL OPPORTUNITIES GOING FORWARD

GOVERNMENT INITIATIVE



New treatment norms mandated by NGT / MOE will necessitate huge investment in upgrade of old plants to meet revised norms



INDUSTRIALIZATION



Public and private sector investment in manufacturing and growth in industrial sector will lead to increase in effluent discharge



CASH FLOW OUTLOOK (₹ CR)



	FY15	FY16	FY17	FY 18	FY 19
Net Cash flow from operation	9.8	6.1	19.8	(8.2)	19.8
Capital Expenditure	(2.5)	(1.7)	(23.6)	(17.2)	(16.2)
Free Cash Flow (FCF)	7.3	4.4	(3.8)	(25.4)	3.7

For FY17 and FY18, FCF turned negative on account of negative operating cash flows coupled with capex and investments. Improvement in FY19 was due to healthy net operating cash flows as a result of increase in turnover.

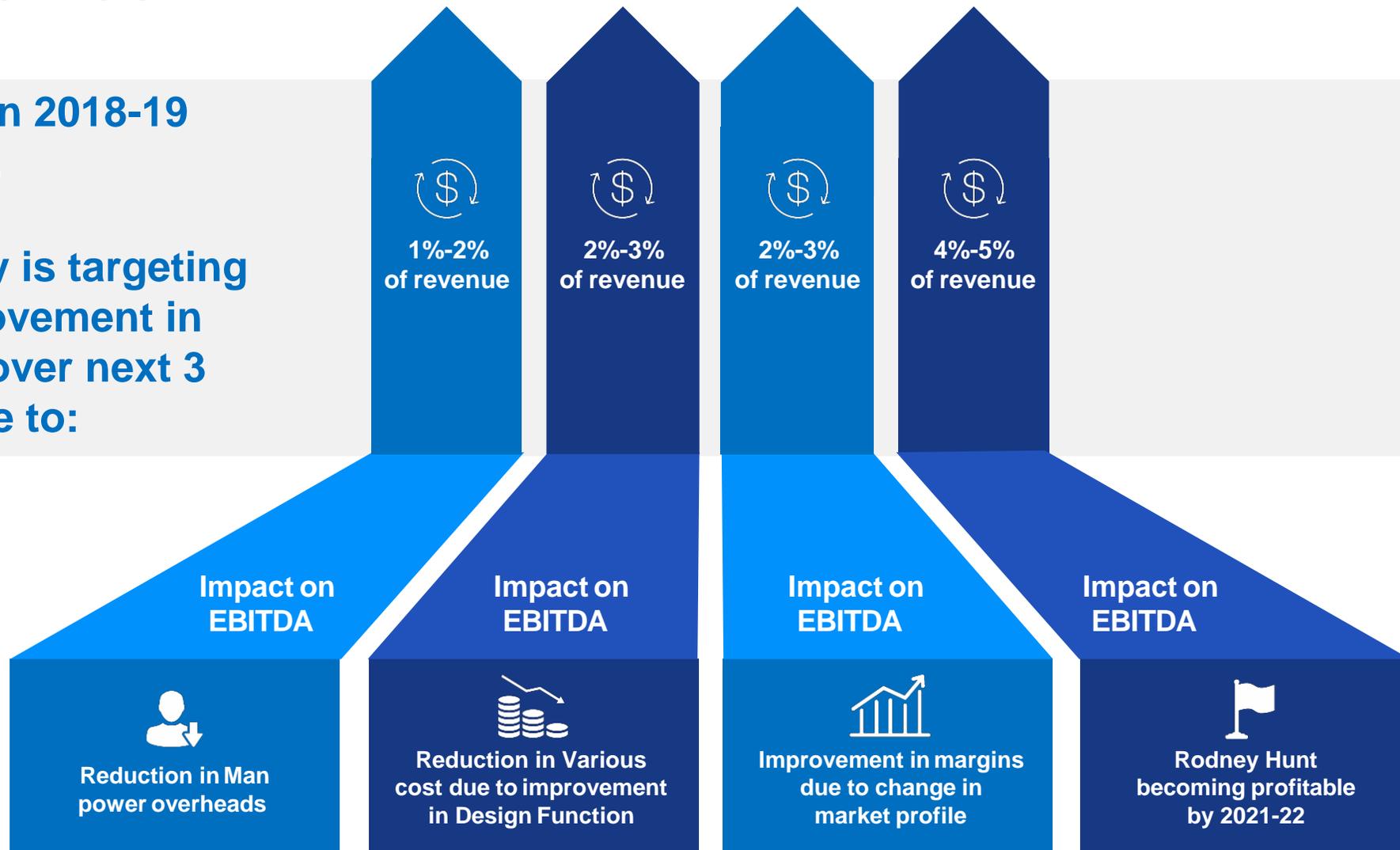
Improvement in Cash flow in future will be on account of following :

- US operations will achieve breakeven by FY 2020-21 and become profitable in the next year, we expect cash flow from operations to increase substantially post that.
- Additional incremental investment of approx. Rs 5 cr is required per year from 2020 onwards to achieve incremental sales of Rs. 150 - 175 cr. by 2023. Hence capital expenditure in next 4 years will be reducing whereas net cashflow from operation will be increasing due to increasing turnover.

EBITDA OUTLOOK

EBITDA in 2018-19 was 11%.

Company is targeting 9% improvement in EBITDA over next 3 years due to:





INVESTMENT RATIONALE

1

Major Infrastructural investment done

With the commencement of manufacturing at SEZ Unit 4 and at Orange USA facility, major infrastructural investments towards capex are already done.

Additional incremental investment of approx. Rs 5 cr is required per year from 2020 onwards to achieve Rs 500 cr sales by 2023. This additional investment required to be done over 4 years time is very low in comparison to the growth that it will bring and will not put strain on cash flows of the company.

2

Comprehensive product base

The 5 major product groups are Water control gates, Screening Equipment, Valves, Process equipment and Renewable energy & pumping. Products from Invent will become the 6th major product group in future.

No other company in India has more than 2 product groups as mentioned above. This diversified product base ensures that adverse market condition due to competition in any one product or by any one company will not severely affect company performance.

3

Approved Brands

Our business is dependent on approval from end users. The company markets its products under Jash, Jash-Schuette, Jash-Rehart , Mahr, Rodney Hunt , E&M Jash, Shivpad and Sureseal brands. These brands are approved by major municipal corporations, sewerage boards, consultants and large EPC companies in India and abroad (US, Europe, Middle East, South East Asia and Africa).

Availability of internationally known brands like Rodney Hunt, Mahr, Schuette and E&M Jash ensures easy acceptance of company products in international market and faster approval in new markets worldwide.

4

Global Reach

The acquisition of Rodney Hunt in USA, Mahr Maschinenbau in Austria and E&M in Hongkong has ensured that the company has now access in all the principle markets that it is targeting. This is helping exports grow and today company is in vicinity of achieving 50% sales from markets outside India.

The company is presently on course with its target of achieving 65% sales from export markets in next 3 years time so as to reduce its dependency on Indian market which puts severe pressure on cash flows as well as on margins.

5

New product from Invent AG., Germany from 2020-21

Invent is a world leader in Mixing & Agitation technology. The tie up with Invent enables Jash to produce Mixers, Agitator, Decanters, Disk Filters etc. for Indian market and for export to surrounding countries. These products are required in secondary treatment process of waste water and demand for these products will pick up as implementation of new sewage disposal policy mandated by National Green Tribunal (NGT) & Ministry of Environment (MOE) starts becoming effective. These products can contribute Rs.50-75 Crores to company turnover by 2024.

Jash will have first mover advantage and product superiority in these products and will need nominal infrastructural investment for their manufacture. These products will result into stronger package offering from Jash and average order size will grow 2-3 times. As a result marketing cost will come down, margin improvement will take place and turnover will grow.

6

Turn around of Rodney Hunt by 2020-21

Standalone EBITDA of Jash & Shivpad is Rs.35.48 Cr (16% of sales) in year 2018-19. However loss from the recently acquired Rodney Hunt lowered consolidated EBITDA to Rs.27.20 Cr (11% of sales).

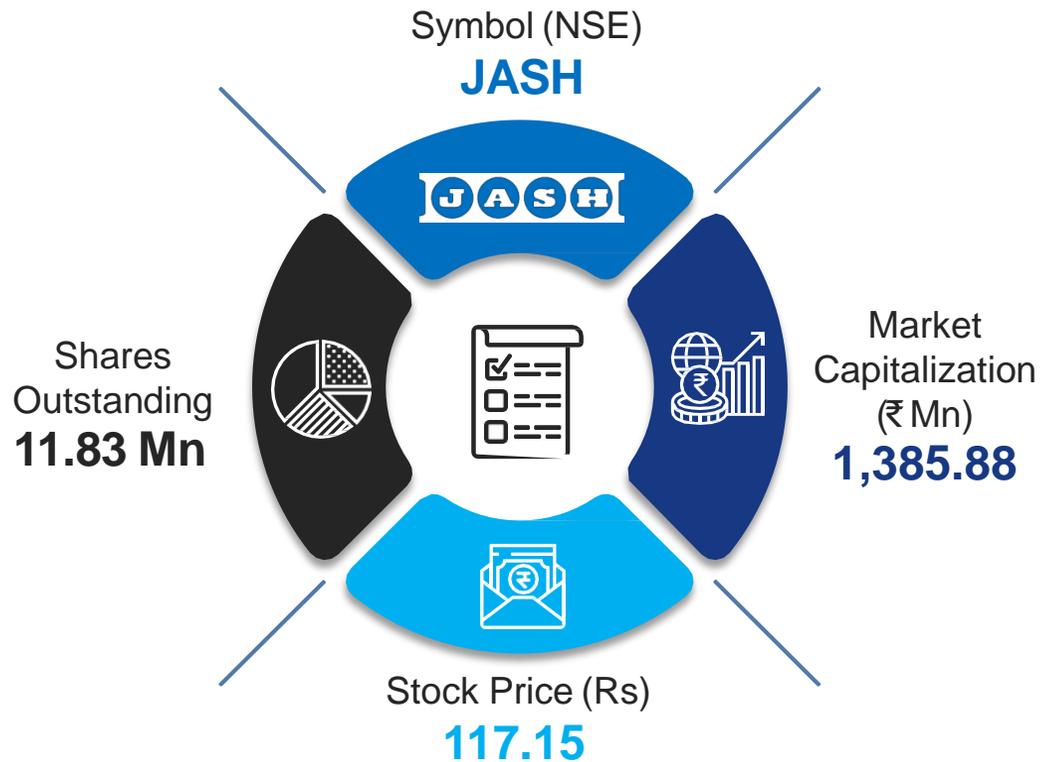
By the fourth year of its acquisition ie. by 2020-21 Rodney Hunt will cross sales of US 18 million dollar and break even resulting into significant improvement in EBITDA.

After achieving breakeven, as Rodney Hunt grows to over US 20 million dollar company from year 2021-22 onwards it will start contributing profit and this would further improve EBITDA performance on consolidated figures.

SHAREHOLDERS INFORMATION

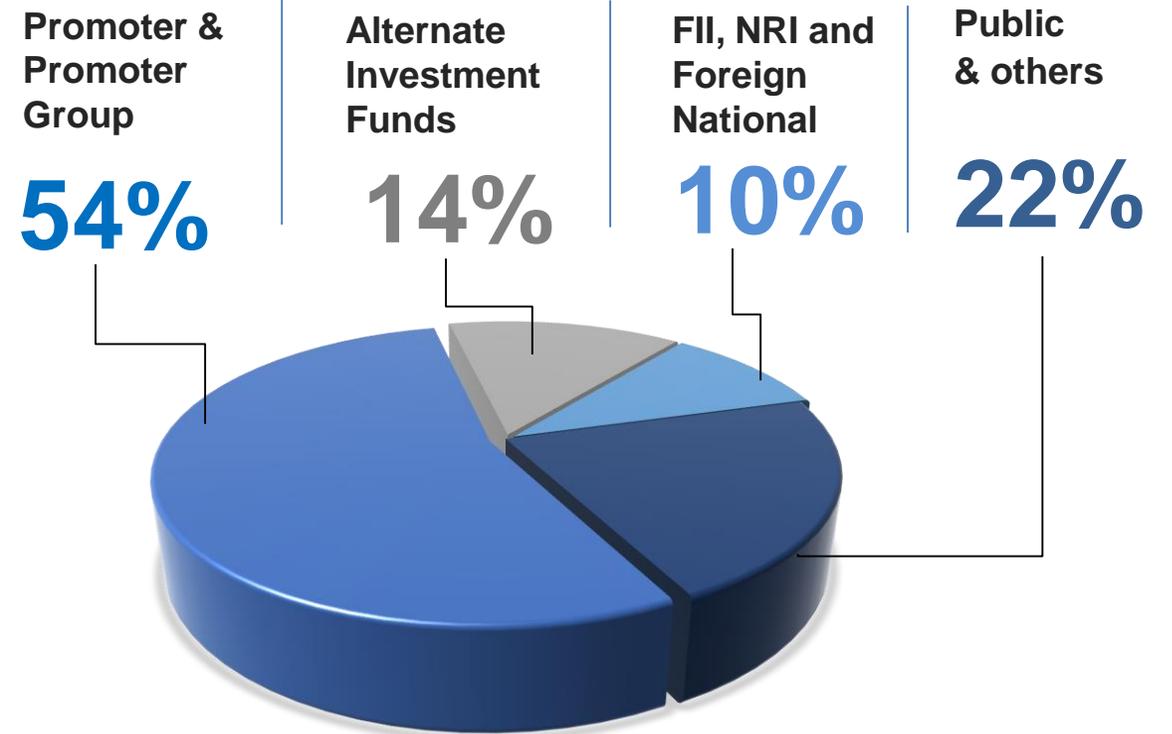
STOCK DATA

(As on 6th November 2019)



SHAREHOLDING PATTERN

(As on 30th September 2019)



THANK YOU

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