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02.07.2020

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 Rajguru

Company Secretary & Compliance Officer

A - 30144

Encl.:A/a



When every drop counts...



# JASH ENGINEERING LTD.

*Contributing to a sustainable environment worldwide...*

## Investor Presentation

*July 2020*



Mahr  
Maschinenbau



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# WHAT'S INSIDE

**FY20 Highlights**

**Effect of Covid-19 on Company Operations**

**Company Overview**

**Financial Performance**

**Investment Rationale**



# FY20 HIGHLIGHTS



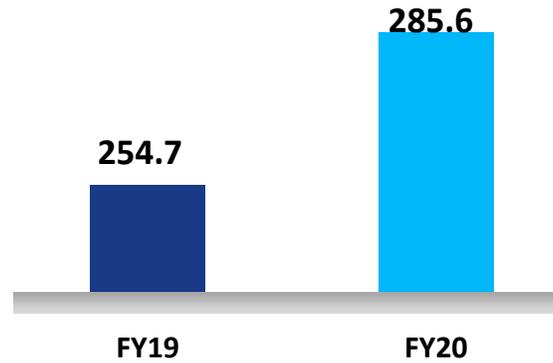
**Mr. Pratik Patel**

*Managing Director*

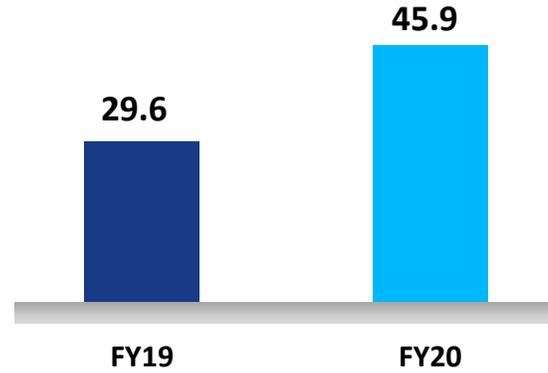
*“We are pleased to announce strong performance in this fiscal with consolidated revenue growth of 12.2% and EBITDA growth of 55%. Our US subsidiary Rodney Hunt’s operations are improving and losses at US operations are down to USD 0.48 million in FY20 from USD 1.53 million of the last fiscal. We expect the US operations to be in the black from FY21 which will have a positive impact on our margin momentum. We continue to have a healthy order book on the back of robust demand environment for our products globally. The overall business outlook looks promising and we remain confident of positive performance going forward.”*

# FINANCIAL PERFORMANCE – FY20

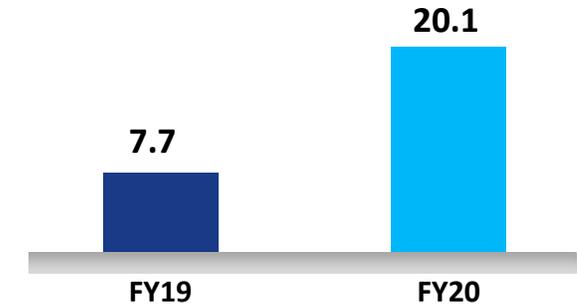
## Sales (₹ Cr)



## EBITDA (₹ Cr)



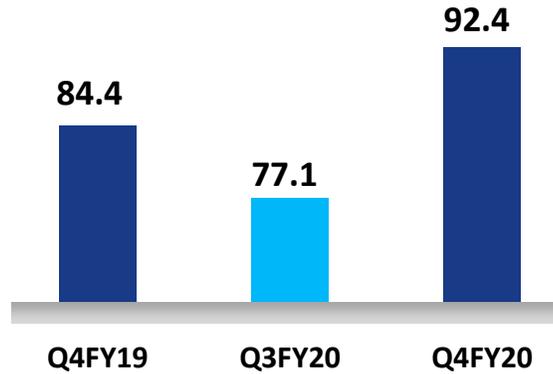
## PAT (₹ Cr)



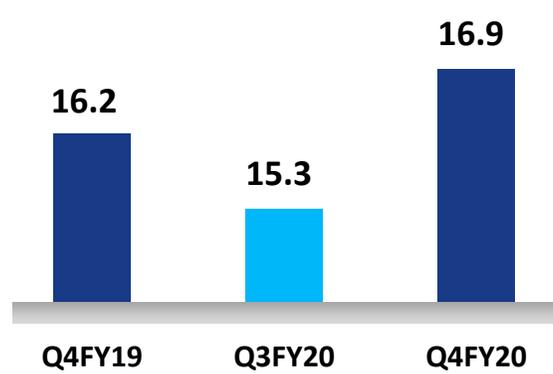
- Revenue for FY20 at ₹285.6 crore, up by 12.2% YoY from ₹254.7 crore in FY19
- EBITDA for FY20 at ₹45.9 crore, up by 55.3% YoY from ₹29.6 crore in FY19
- EBITDA margin for FY20 at 16.1% up by 446bps YoY from 11.6% in FY19
- Profit after Tax (PAT) for FY20 at ₹20.1 crore, up by 161.1% YoY from ₹7.7 crore in FY19

# FINANCIAL PERFORMANCE – Q4FY20

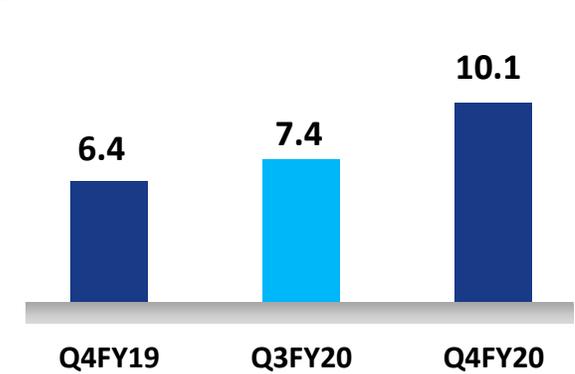
## Sales (₹ Cr)



## EBITDA (₹ Cr)

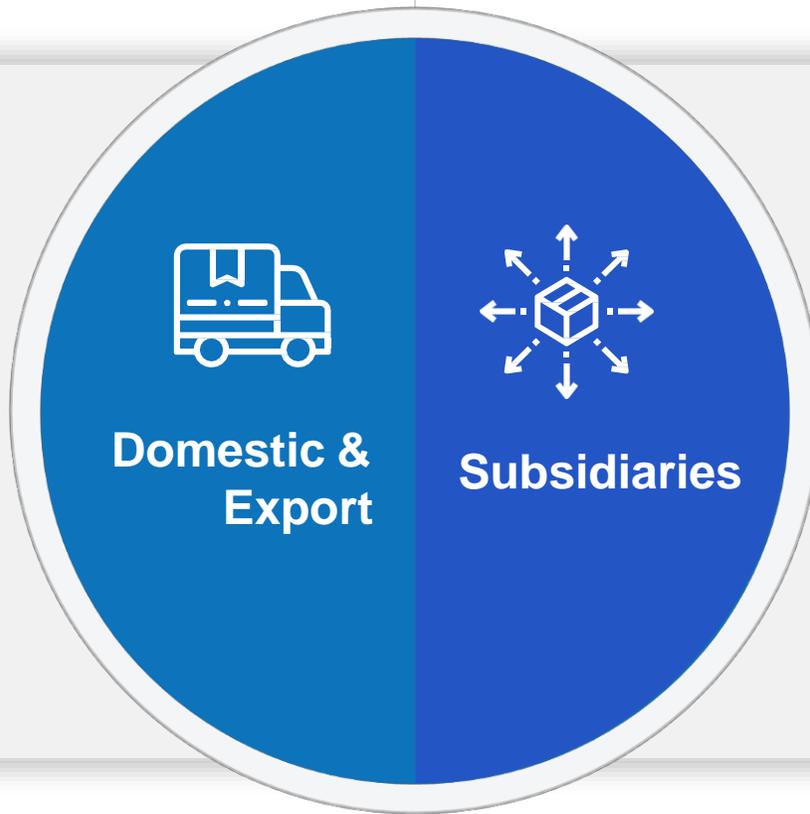
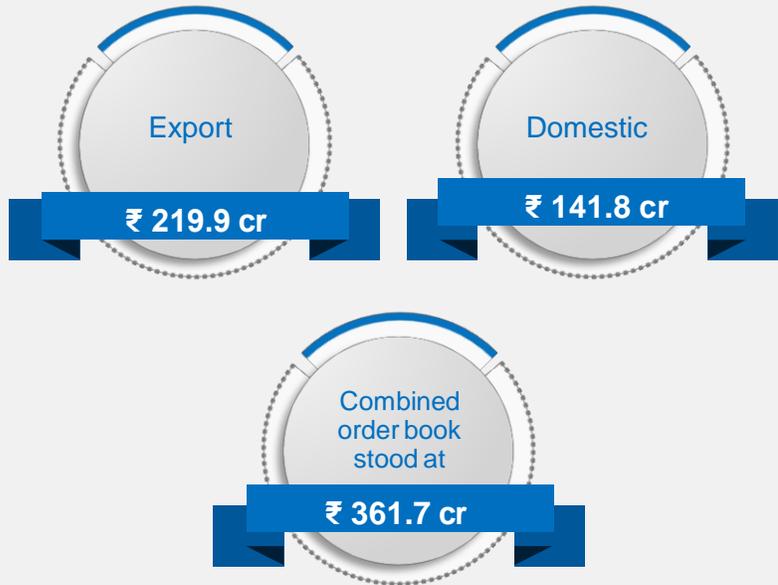


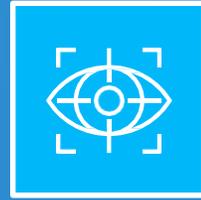
## PAT (₹ Cr)



- Revenue for the quarter at ₹92.4 crore, up by 9.4% YoY from ₹84.4 crore in Q4FY19
- EBITDA for the quarter at ₹16.9 crore, up by 4.7% YoY from ₹16.2 crore in Q4FY19
- EBITDA margin for the quarter at 18.3%, down by 83bps YoY from 19.2% in Q4FY19
- Profit after Tax (PAT) for the quarter at ₹10.1 crore, up by 57.7% YoY from ₹6.4 crore in Q4FY19

# HEALTHY ORDER BOOK AS ON 1<sup>st</sup> June 2020





# Effect of Covid-19 on Company Operations

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- Client inspection activities for finished goods had relatively slowed down from February on account of Covid19 related anxiety thereby affecting sales from mid-February onwards.
- Shutdown Impact:
  - Indore & Chennai - 22<sup>nd</sup> March onwards
  - US operations – mid March.
  - Consolidated sales impacted to the tune of about ₹ 20 crores.
- Sales in India was most impacted as maximum sales invoicing takes place in the month of March.
- As a result of above, the standalone as well as consolidated sales has been lower than projected sales and so even the PBT has been impacted.

- Resumption in operations as follows:
  - SEZ Unit 3 & 4: 29<sup>th</sup> April 2020
  - Bardari Unit - 2: 11<sup>th</sup> May 2020
  - Unit - 1: 13<sup>th</sup> May 2020
  - US facility: Mid April
  - Head office: 15<sup>th</sup> May 2020
- The impact of migration of contract and casual workers has been minimal.
- Despite disruption in our functioning in month of April 2020, consolidated order bookings during Q1 2020-21 is expected to be ₹ 55.13 Crores as against ₹ 67.73 Crore in Q1 2019-20.
- Expected consolidated sales of about ₹ 42 - 45 crores in Q1 2020-21 as against ₹ 59 Crore in Q1 2019-20.

- Consolidated order book position at ₹ 351 crores and consolidated sales of ₹ 39 crores achieved till date
- Consolidated Export orders at ₹ 212 crores isolates us from the domestic fiscal problems.
- Strong export and domestic order pipeline: Final stages of negotiation for further orders worth ₹ 50 crores which is expected to be closed by the end of Q2 2020-21.
- Present order booking at US subsidiary is at USD 12.31 million.
- Expansion at SEZ Unit 3
  - 1<sup>st</sup> Phase: expected to be completed by January 2021.
  - 2<sup>nd</sup> Phase: expected to be completed by Sept. 2021.
  - SEZ Unit 3 & 4 to aid in increasing export production output to over ₹ 150 crores from year 2022-23.
- The impact of Covid19 pandemic is expected to be minimal.



# COMPANY OVERVIEW

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1973

Incorporation  
of Company



## Jash Engineering Ltd.



**5** Manufacturing  
Units



**~800** Employees



**₹ 361.7 Cr.**  
Total Order Book as  
of June 2020

- › 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

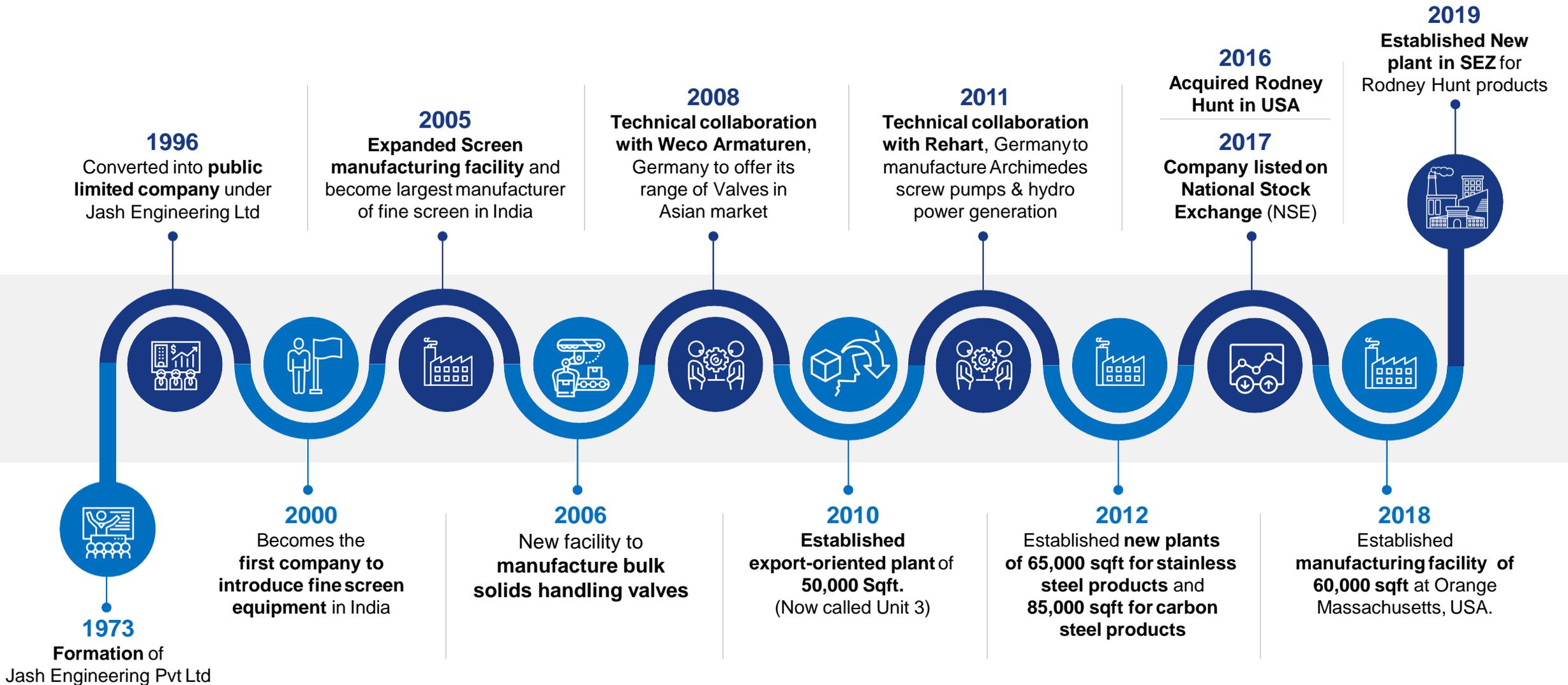


**350+** Years of  
Cumulative  
Experience

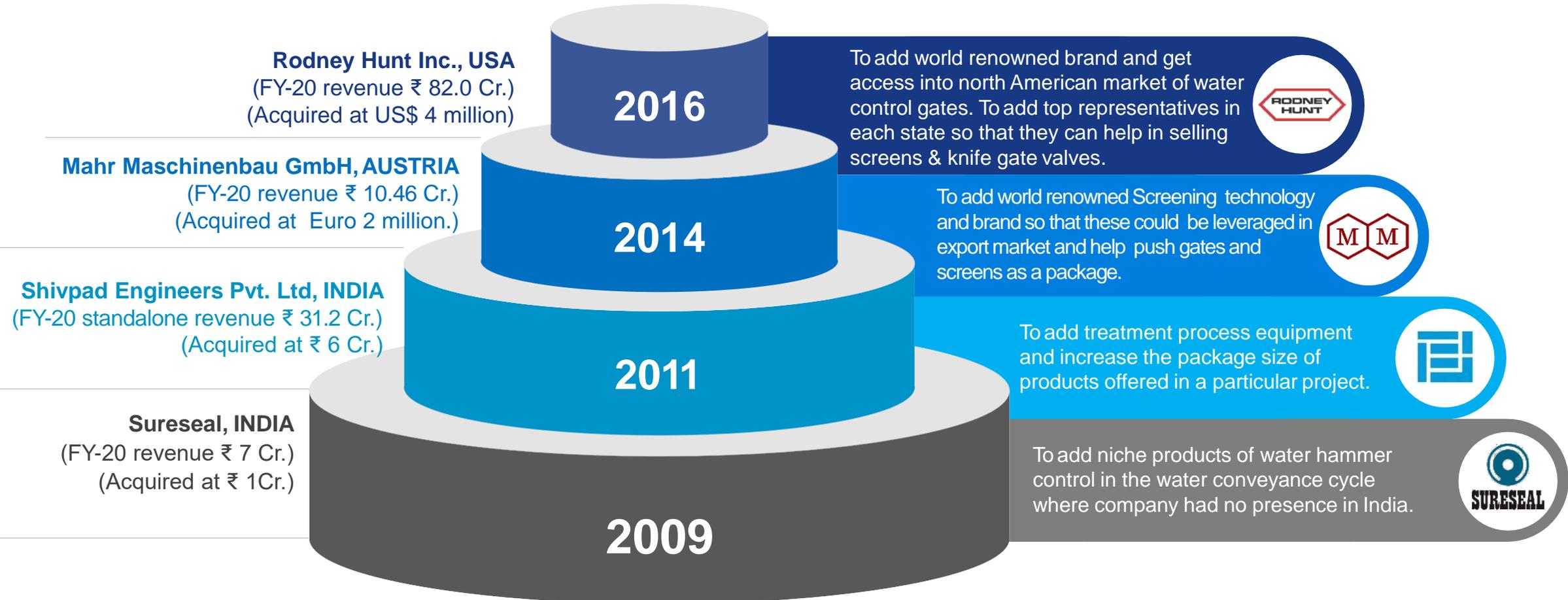


Approved by the Major  
Municipal Authorities in  
India and Abroad

# EVOLUTION

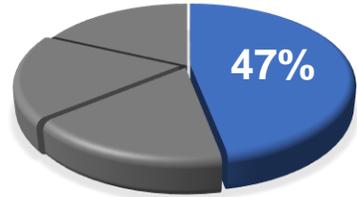


# DRIVE VALUE THROUGH ACQUISITION



# PRODUCT OFFERINGS WITH REVENUE CONTRIBUTION (FY20)

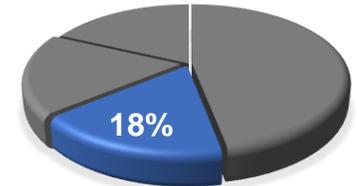
## Water Control Gates



Revenue Contribution



## Screening Equipment



Revenue Contribution



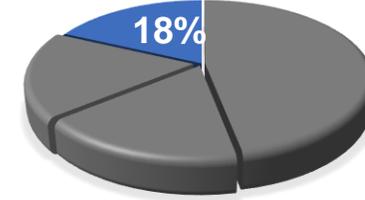
## Valves



Revenue Contribution



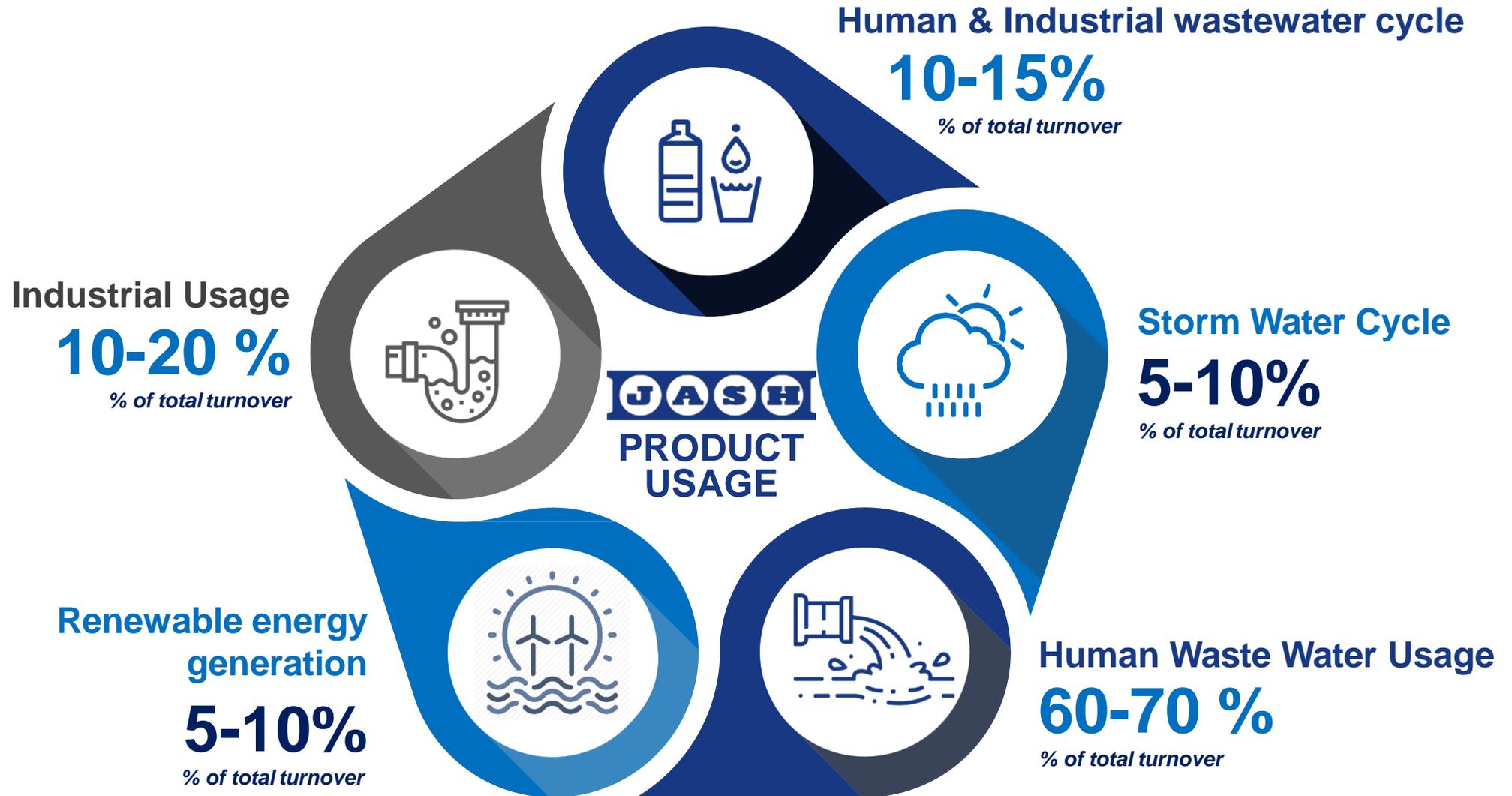
## Hydropower & Pumping, Process Equipment and others



Revenue Contribution



# 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.



TOTAL	FY 19	FY 20
	1,188	1,266

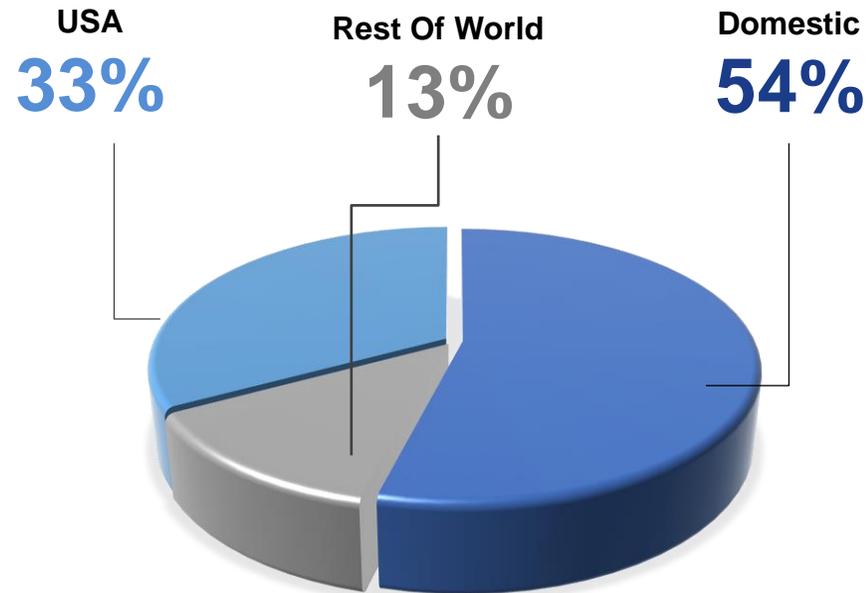
All units are in ₹ Mn

● Acquisitions ■ Manufacturing & Marketing Offices ◆ Subsidiary ▲ Regional Business Associates

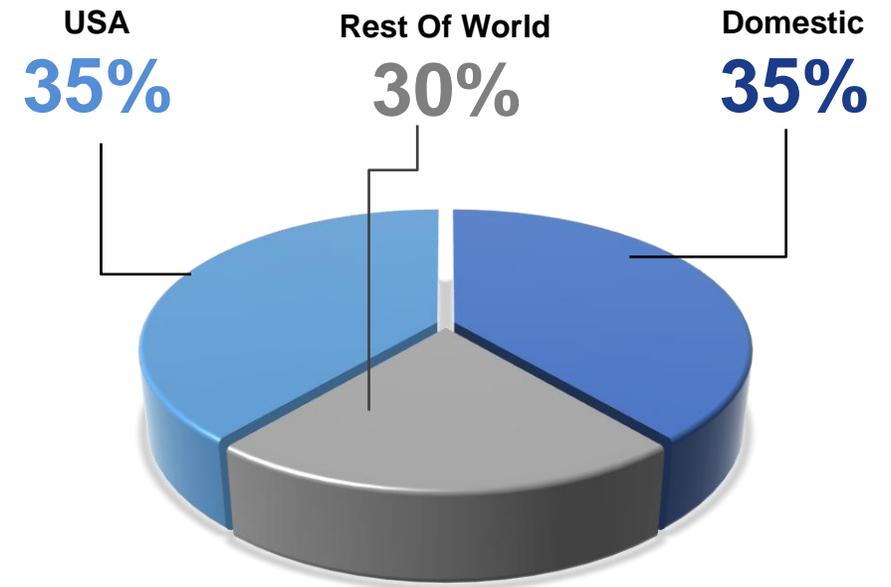
Note: \*Gulf Countries include UAE, Saudi Arabia, Kuwait, Qatar, Oman, Bahrain and Jordan  
 \*\* Other countries include Canada, Thailand, Philippines, Israel, Sweden, New Zealand

# REVENUE BREAKUP GEOGRAPHY WISE

## PRESENT MARKET SPREAD

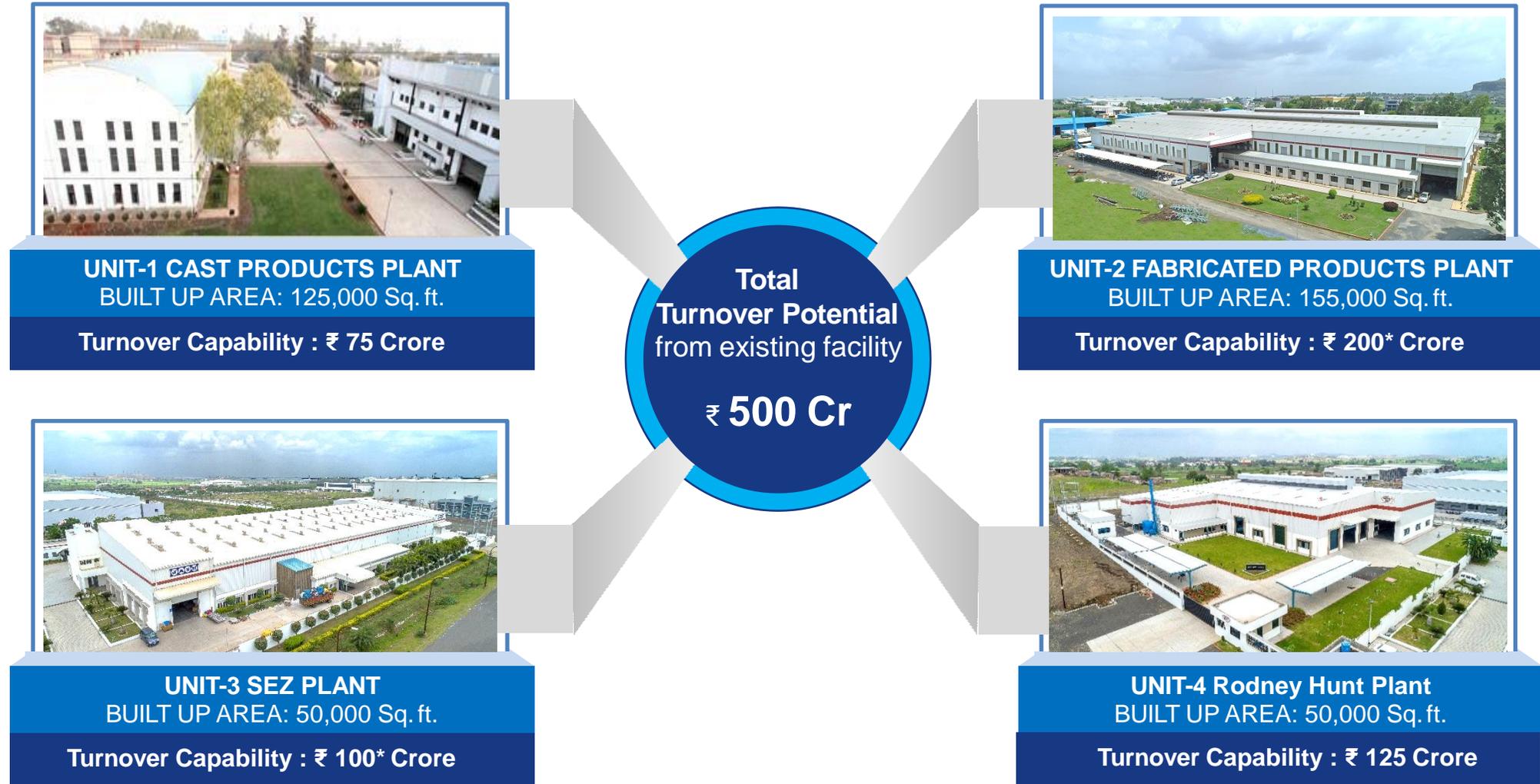


## MARKET SPREAD BY 2022-23



In 2017 the company decided to pursue an export led growth strategy and reduce dependence on Indian market by increasing exports from 20% to 65% by FY 23. In FY 20 exports was nearly 46% of total business and reaffirmed that the vision of improving the market spread was on course. Achieving the target of 65% exports by FY 23 will place the Company on a strong pedestal from a topline and profitability perspective.

# STATE OF ART FACILITIES & TURNOVER CAPABILITY



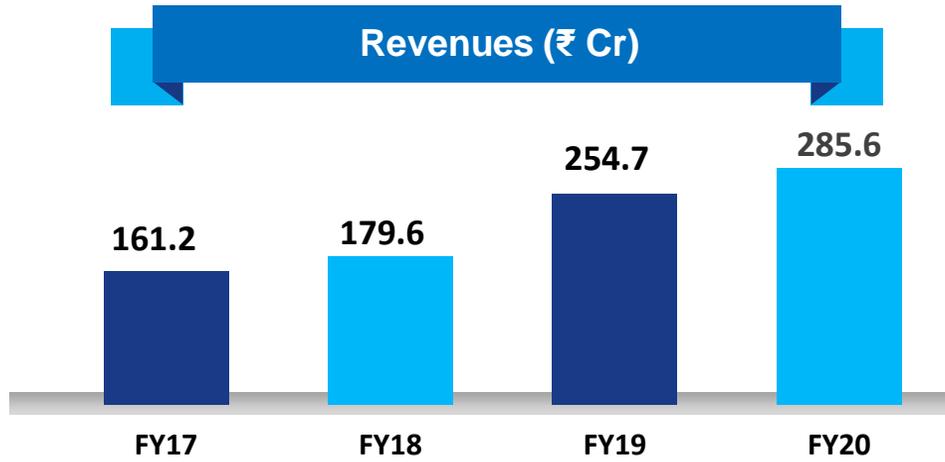
\* Unit2 & Unit 3 can reach this capability after further expansion in these facilities.



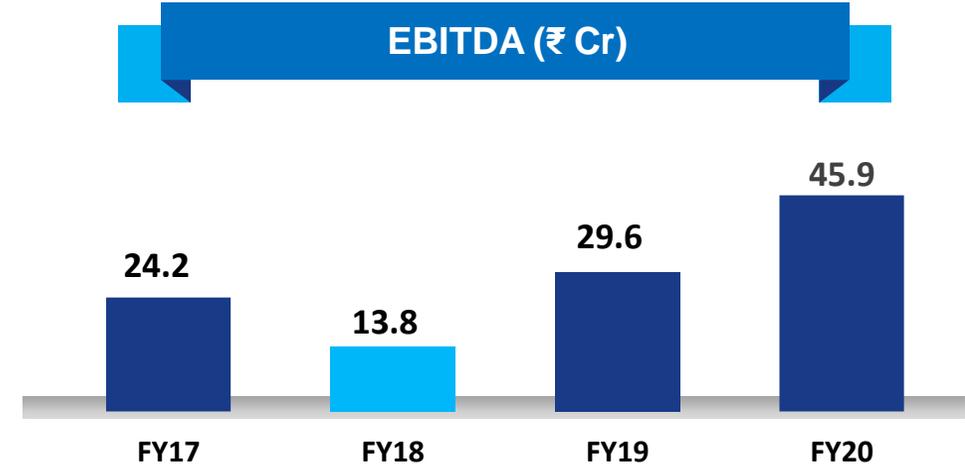
# FINANCIAL PERFORMANCE

# FINANCIAL PERFORMANCE

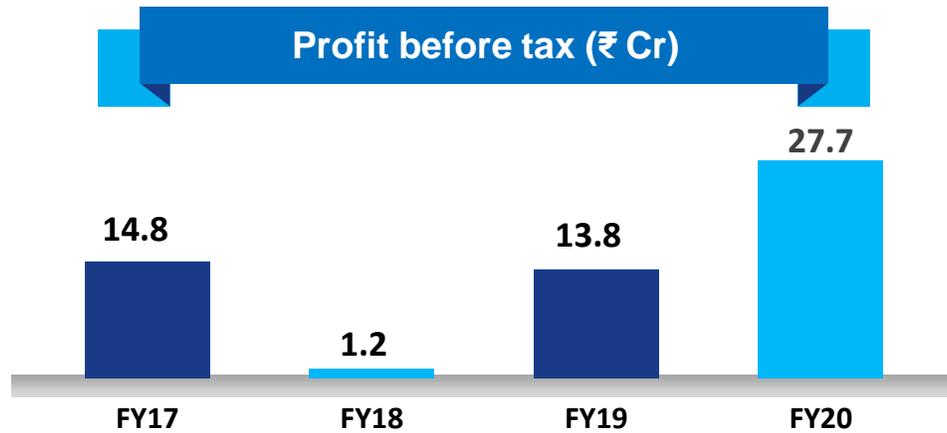
## Revenues (₹ Cr)



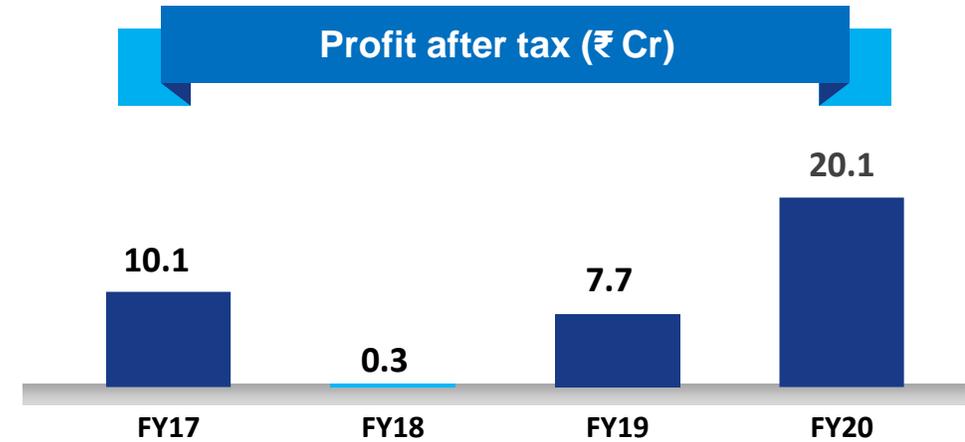
## EBITDA (₹ Cr)



## Profit before tax (₹ Cr)



## Profit after tax (₹ Cr)



# BALANCE SHEET (₹ CR)

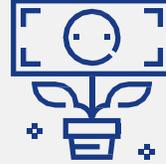
## Balance sheet as on 31/03/20

Capital Structure ₹cr	
Cash	17.7
Debt	73.0
Net Debt	55.3
Net Worth	125.5

Leverage	
Total Debt / Capital	58%
Net Debt / Capital	44%
Debt / EBITDA	1.6x

## FY2020 Capital Allocation

Capital Expenditure	
	Capex of <b>₹ 5.9cr</b> for the year (2.1% of revenue)

Dividend	
	Increased dividend : declared <b>₹ 2.40/ share</b>



# INVESTMENT RATIONALE

1

## Major Infrastructural investment done

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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. ₹ 22-23 cr is required over the three years from FY 21 onwards to achieve ₹500 cr sales by FY23. This additional investment required to be done over the next 3 years is very low in comparison to the growth that it will bring and hence will not strain the cash flows of the company.

2

## Comprehensive product base

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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

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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

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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 principal 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 ₹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

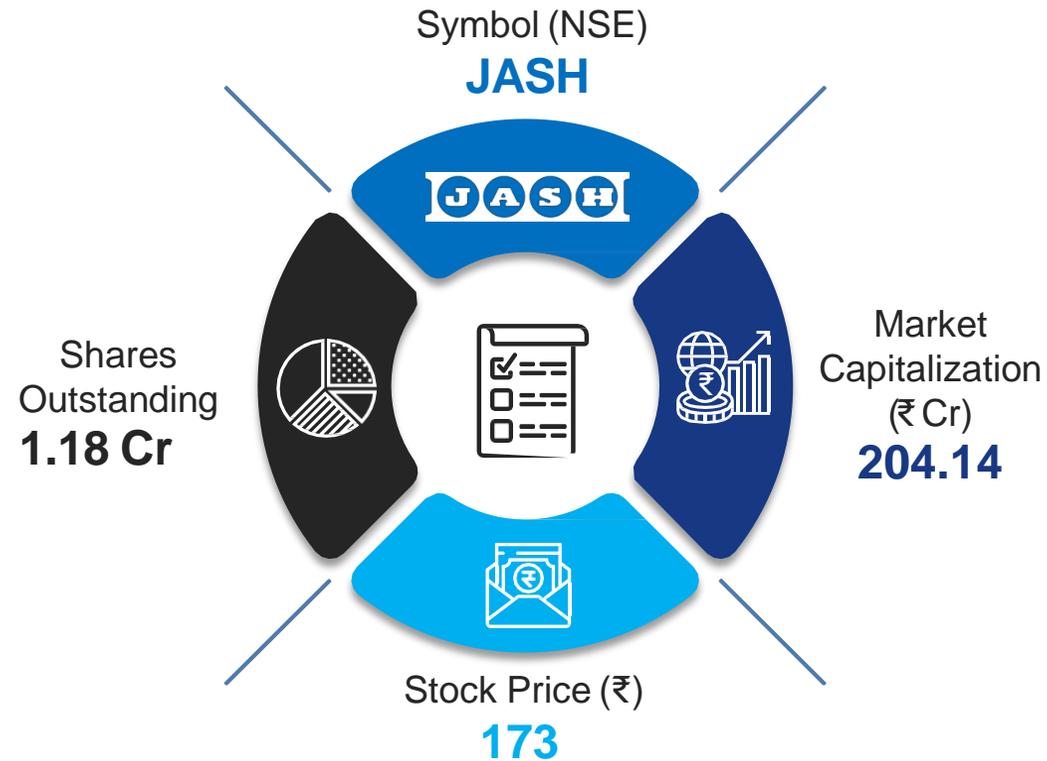
Standalone EBITDA of Jash & Shivpad was ₹47.99 Cr in year 2019-20. However, loss from Rodney Hunt reduced consolidated EBITDA marginally to ₹45.90 Cr.

In 2020-21 Rodney Hunt will surpass sales of US 18 million dollars thereby becoming profitable.

We expect the revenue momentum to build to over US 20 million dollar in the year 2021-22 and this will thus make a substantial improvement to the earnings of the Company.

## STOCK DATA

(As on 30<sup>th</sup> June 2020)



# THANK YOU

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