



Engineering Infinite Possibilities

**Investor Presentation**  
20<sup>th</sup> May 2019 | Ahmedabad



## Safe harbour statement

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### Note:

Engineering undertaking of Arvind Limited and The Anup Engineering Limited were merged into Anveshan Heavy Engineering Limited with appointed date on January 1, 2018 and further the name of Anveshan Heavy Engineering Limited was changed to The Anup Engineering Limited. The financial figures given in this document related to erstwhile The Anup Engineering Limited and figures exclude Engineering Business of Arvind Limited . As a result of this, the audited financials will be different than financial figures given in this document.



## Strong FY2019 performance, targeting 30% growth in FY2020

- **Revenue growth of 10%** for FY2019 – operating revenues (excluding trading income) stood at INR 221 cr for the year
  - H2 revenues were up 21%, while Q4 revenues were down to INR 66 crores as a result of contractual schedules
- **EBITDA margin grew from 26% to 29%** for the operating business, and stood at 64 crores for the year, 37 crores for H2 and ~18 crores for the quarter
- Reported PAT for FY2019 stood at INR 41.99 crores. **Dividend pay out stands at 7 Rs per share** (~21% payout)
- Opening orderbook for the following year stands at a robust INR 300+ crores (as compared to INR 155 crores in April 2018), which will enable **30%+ topline growth in FY2020**
- 3 year capex cycle under progress with **INR 150+ crores investment** planned to be invested in expanding the current facility at Odhav and developing a new facility at Kheda (~40 KM from Odhav)
- Robust momentum towards target of **INR 1000 crores revenues in next ~4-5 years**



# Anup Engineering overview



## INDUSTRIES

- Oil & Gas
- Fertilizer
- Power
- Process / Chemical
- Water

## PRODUCTS

- Shell and Tube Heat Exchangers
- Pressure Vessals / Reactor/ Columns
- Tailor Made Equipment
- Centrifuge
- Technology Product - Helixchanger®



## GEOGRAPHIES

- India
- Middle East, South East Asia
- CIS Countries
- Americas (including USA)
- South Africa , Nigeria, Algeria





# Marquee customer list with multiple repeat buyers and long-standing relationships

EPC / LSTK / PMC



Process Licensors



End Users



**Longstanding**  
Relationships going  
back to 10+ years

**Repeat Buys**  
Consistently for last  
7 years



## Product range



### Heat Exchangers

- Shell and Tube; Helical Baffle
- Critical waste heat, RG boilers
- Steam surface condensers



### Columns / Towers

- Packed Column
- Tray Column



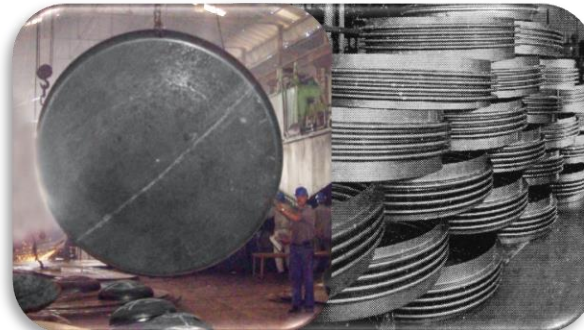
### Reactors

- High Thickness Pressure Vessels (upto 160mm)
- Clad Pressure Vessels



### Pressure Vessels

- High Thickness Pressure Vessels (upto 160mm)
- Clad Pressure Vessels



### Dished Ends, Expansion Bellows

- Spinning, Point Press and Hot Forming



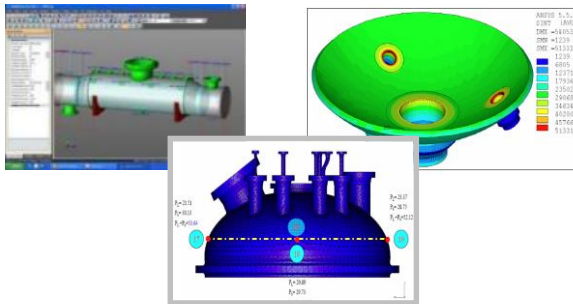
### Centrifuge

- For starch and chemical industries
- Sizes upto 1600mm diameter

# Engineering and manufacturing facilities

## Critical capabilities and credentials

- 26 member design team with expertise in FEA, Thermal Analysis, Vibration Analysis and 3D Modelling
- Design and Engineering Prowess



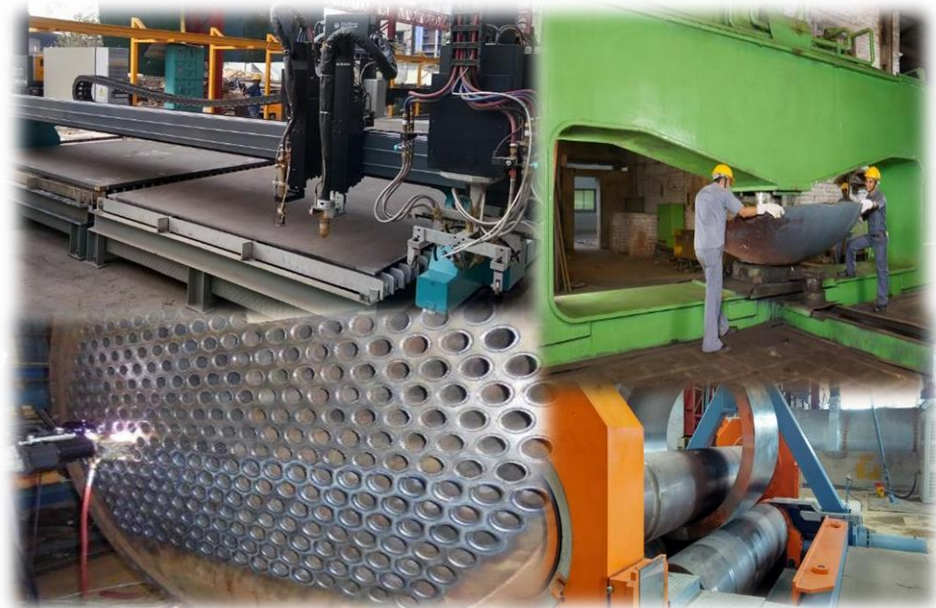
- International standard certifications for multiple geographies and industries



**DIN EN ISO 3834 – 2**  
**AD -2000 Merkblatt HP0**

## Versatile manufacturing facilities

- 6 Heavy Fabrication and 4 Light Fabrication Bays
- Under the Hook Height : 17 M, Length 100 M, Dia 7 M, weight upto 450 MT single piece equipment
- Multiple CNC Tube Sheet Drilling Machine (1500 mm), Plasma cutting (300 mm), Rolling/bending (200mm)
- Orbital welding for plate to tube joining
- Comprehensive Non Destructive Testing infrastructure





# Anup is led by a thoroughly professional senior team



**Sanjay Lalbhai**  
**Non-executive Chairman**

- Chairman of Arvind Limited, Arvind Fashions
- Member of multiple company boards and not-for-profit boards



**Punit Lalbhai**  
**Non Executive Director**

- Executive Director of Arvind Limited, director Arvind Fashions, Envisol



**Samvegbhai Lalbhai**  
**Non Executive Director**

- Associated with ATIRA, ATMA, Gujarat Chamber of Commerce, and many social institutions



**Arpit Patel**  
**Independent Director**

- Senior Chartered Accountant
- Partner at Arpit Patel & Assoc.



**Ganpatraj Chowdhary**  
**Independent Director**

- Chairman Riddhi Siddhi Gluco Biols, Shree Rama Newsprint
- Multiple social responsibility positions



**Reena Pravin**  
**Independent Director**

- Founder Aureena foundation
- Associated with IIF, CII, AMA and Eimco Elecon



**Rishiroop Kapoor**  
**Chief Executive Officer**

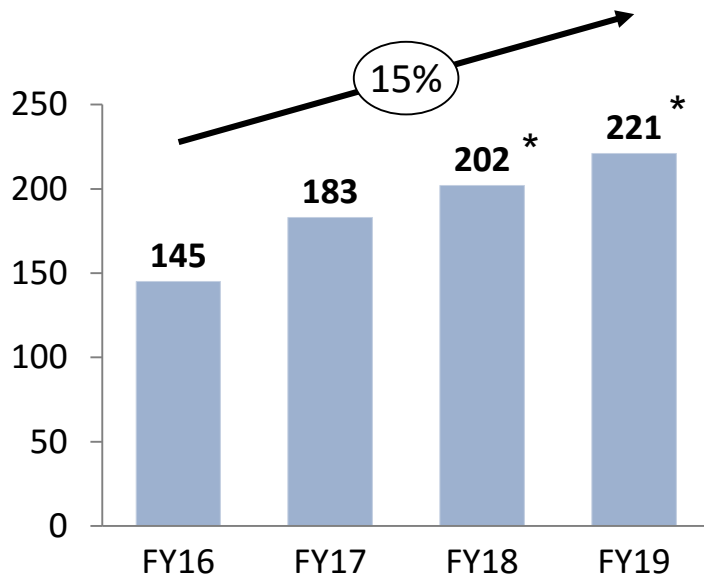
- 20+ years in process equipment industry
- CEO since 2010





# Anup's financial performance reflects its steadily growing strength

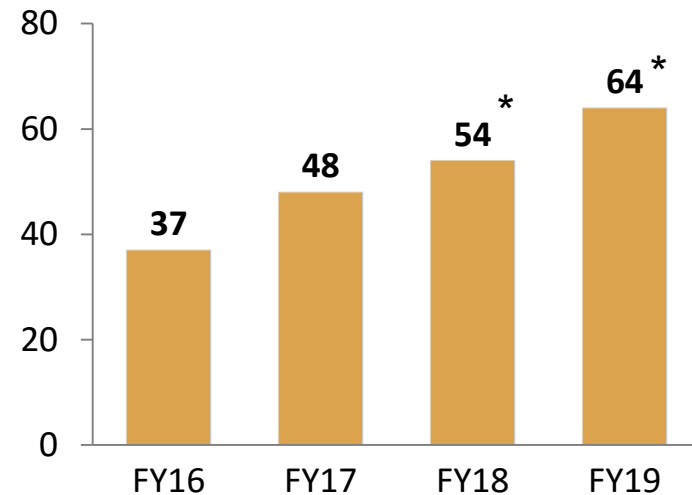
## Consistent and rapid topline growth...



- Approvals from major global EPC players
- Technology tie-ups
- Enhanced Product mix and Market reach

## ...accompanied with robust margins

EBITDA (Rs Crores)



EBITDA Margin

26%

26%

26%

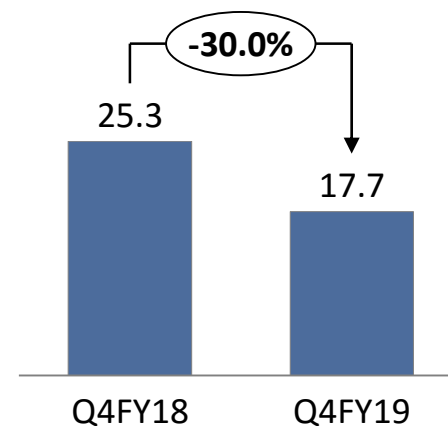
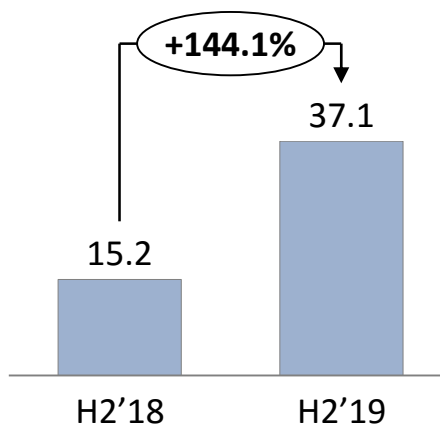
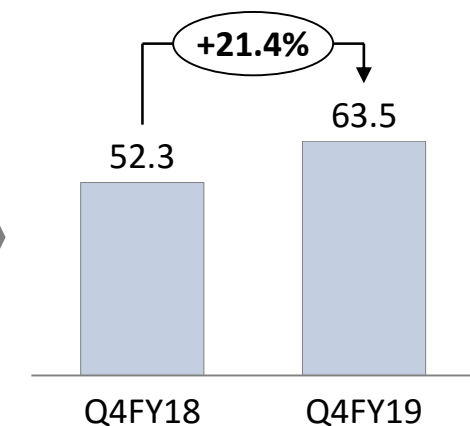
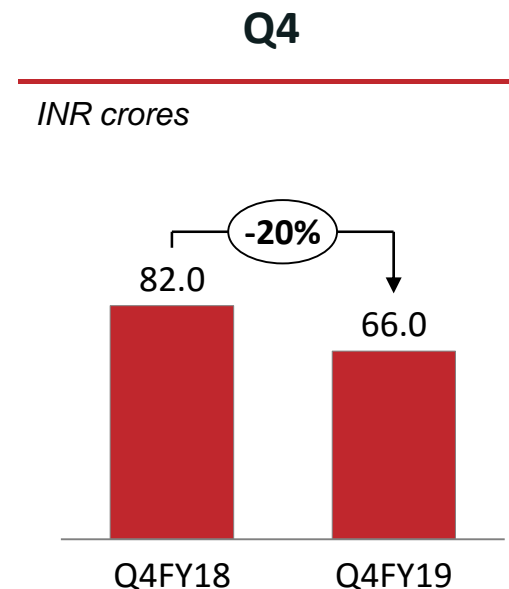
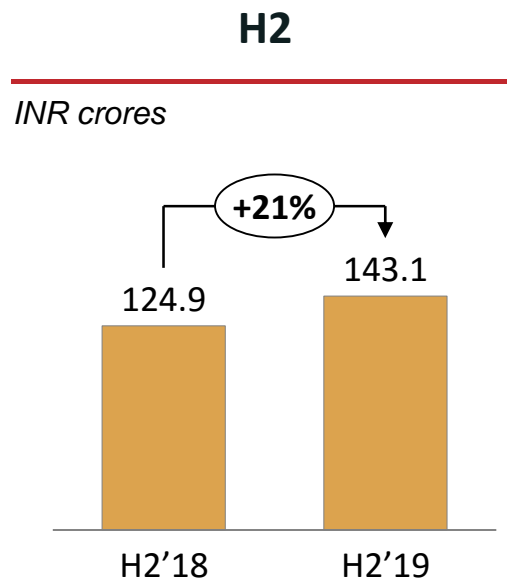
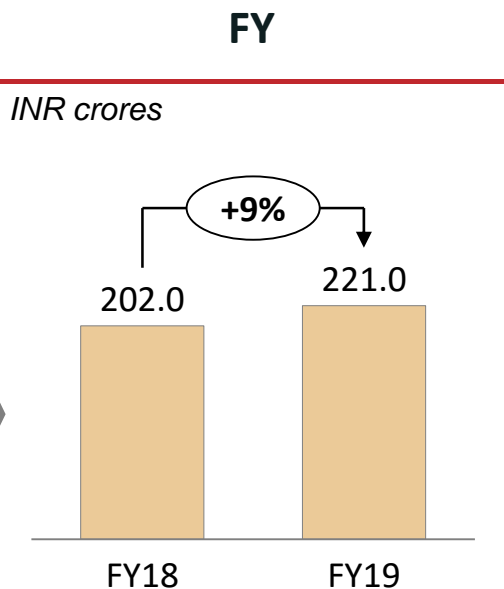
29%

***High cash flow generating business; company has Zero net debt***

\* Excluding trading revenues of ~42 cr from the parent company in FY18, and ~22 cr in FY19 (Refer Note on page 2)



# Revenue and EBITDA – Full year, H2 and Q4 views



\* Excluding trading revenues of ~42 cr from the parent company in FY18, and ~22 cr in FY19 (Refer Note on page 2)



## Q4 & FY 2018-19 Performance

INR in Crs

Particulars	Q4 2018-19	Q4 2017-18	FY 2018-19	FY 2017-18
Sales	63.48	79.23	209.63	196.81
Other Operating Income	1.75	2.75	11.09	5.41
<b>*Revenue from Operations</b>	<b>65.23</b>	<b>81.98</b>	<b>220.72</b>	<b>202.22</b>
Raw Material Consumed	22.08	32.40	101.55	94.71
(Increase) / Decrease in Stock	8.36	5.72	(5.37)	(0.93)
Employees' Emoluments	3.60	2.86	14.91	11.48
Others	13.49	15.71	46.12	44.67
	<b>47.53</b>	<b>56.69</b>	<b>157.21</b>	<b>149.93</b>
<b>EBIDTA</b>	<b>17.70</b>	<b>25.29</b>	<b>63.51</b>	<b>52.29</b>
Margin	<b>27%</b>	<b>31%</b>	<b>29%</b>	<b>26%</b>
Other Income	1.06	1.06	4.58	4.25
Interest & Finance Cost	0.23	0.07	1.21	0.18
<b>Cash Accruals</b>	<b>18.53</b>	<b>26.28</b>	<b>66.88</b>	<b>56.36</b>
Depreciation	2.12	0.43	7.38	4.01
<b>Profit Before Taxes</b>	<b>16.41</b>	<b>25.85</b>	<b>59.50</b>	<b>52.35</b>
Provision for Taxes - Current tax	3.89	7.72	14.92	14.61
- Deferred tax	1.63	(6.13)	1.88	(6.84)
<b>Tax</b>	<b>5.52</b>	<b>1.59</b>	<b>16.80</b>	<b>7.77</b>
<b>Profit After Tax</b>	<b>10.89</b>	<b>24.26</b>	<b>42.70</b>	<b>44.58</b>

\* Revenue from operations excluding Trading Income. The Actual Reported figures for FY18-19 are provided in Appendix to this Presentation.



## Balance Sheet as of 31<sup>st</sup> March 2019 & 31<sup>st</sup> March 2018

*INR in Crs*

Particulars	March 31, 2019	March 31, 2018
Share Capital	10.2	10.2
Security Premium	204.8	204.8
Reserves	66.7	25.7
<b>Net Worth</b>	<b>281.7</b>	<b>240.7</b>
<b>Non Current Liabilities</b>	13.4	11.4
<b>Current Liabilities</b>	102.2	56.5
<b>Total (A)</b>	<b>397.3</b>	<b>308.6</b>
Net Fix. Assets and CWIP	144.0	109.8
Intangible Assets	30.7	34.3
Non Current Investments	45.0	15.5
<b>Total Non Current Assets</b>	<b>219.7</b>	<b>159.6</b>
Current Assets	177.6	149.0
<b>Total (B)</b>	<b>397.3</b>	<b>308.6</b>





**Anup opened FY2020 with a confirmed order-book of ~300 crores as of April 1<sup>st</sup> 2019, as compared to 155 cr. in Apr 2018**

#	Equipment type	Value (INR Lacs)
1	Heat Exchangers	26,217
2	Pressure Vessels	3,441
3	Towers & Reactors	72
4	Centrifuge & Spares	228
5	Dished Ends	22
	<b>Total</b>	<b>29,980</b>

**With objective to achieve rapid revenue growth, Anup has embarked on capital expenditure program of over Rs. 150+ cr over next 3 years.**



### Expansion at current Odhav facilities

- Addition of new bays



- Adjoining space addition for inventory



- Equipment augmentation (VMC, ETP, Paint shop)



### Kheda greenfield facility

- 40 kms from present facility
- 1.2 Lac Sq M facility area



**The capital expenditure is proposed to be funded entirely from Internal Accruals**



## Strategic priorities

- **Focus on end users in Global Market.**
- **Enhance visibility in market and enhance market reach**
  - Continue Participation in International Exhibitions
  - Open up International Regional Office in Middle East and USA
- **Explore M&A opportunities**
  - To acquire technology
  - To acquire assets to gain entry into new product segments (proprietary and specialized equipment)
- **Focus on Higher alloys and critical materials.**
- **Continue to Develop special skills and infrastructure to be able to offer the entire range of conventional and advanced Shell & Tube Heat Exchangers.**
- **Focus on new products / services**
  - Internals for Reactors
  - Engineering services such as Thermal Design, FEA & Fatigue Analysis

# Appendix: Reported figures

## Profit and Loss statement : Q4 and FY2019



INR in Crs

Particulars	Q4 2018-19	Q4 2017-18	FY 2018-19	FY 2017-18
Sales	63.48	79.80	209.63	197.38
Other Operating Income	1.75	2.18	11.09	4.85
Trading Income	0.40	21.56	22.28	41.81
<b>Revenue from Operations</b>	<b>65.63</b>	<b>103.54</b>	<b>243.00</b>	<b>244.04</b>
Raw Material Consumed	22.11	33.06	121.12	115.02
(Increase) / Decrease in Stock	8.36	23.96	-5.37	17.31
Employees' Emoluments	3.60	3.08	15.46	11.70
Others	13.49	17.55	48.02	46.50
	<b>47.56</b>	<b>77.65</b>	<b>179.23</b>	<b>190.53</b>
<b>EBIDTA</b>	<b>18.07</b>	<b>25.89</b>	<b>63.77</b>	<b>53.51</b>
Other Income	1.06	1.06	4.58	4.25
Interest & Finance Cost	0.23	0.29	1.62	0.40
<b>Cash Accruals</b>	<b>18.90</b>	<b>26.66</b>	<b>66.73</b>	<b>57.36</b>
Depreciation	2.12	1.55	7.93	4.25
<b>Profit Before Taxes</b>	<b>16.78</b>	<b>25.11</b>	<b>58.80</b>	<b>53.11</b>
Provision for Taxes - Current tax	3.89	5.69	14.92	14.61
- Deferred tax	1.63	-6.08	1.88	-6.84
<b>Tax</b>	<b>5.52</b>	<b>-0.39</b>	<b>16.80</b>	<b>7.77</b>
<b>Profit After Tax</b>	<b>11.26</b>	<b>25.50</b>	<b>41.99</b>	<b>45.34</b>

- Excluding Trading Income of ~42 cr in FY18, and ~22 cr in FY19, and their associated margins, the **EBITDA margin** from operations **increased from 26% to 29%** in FY2019

\*Note: Anup Engineering was merged into Anveshan Heavy Engineering Limited w.e.f appointed date of January 1, 2018 as per the NCLT Order. Only for sake of analysis, the Comparative Full Period of FY 2017-18 has been taken.





# THANK YOU...



**The Anup Engineering Limited  
B/H, 66 KV Electric Sub station, Odhav Road,  
Ahmedabad – 382415, Gujarat India**