



SAT INDUSTRIES LIMITED (India, UAE & UK)

CIN: L25199MH1984PLC034632

Registered Office: 121, B-Wing, Mittal Tower, Nariman Point, Mumbai, Maharashtra, 400021

Q3 & 9M FY22 – Earning Updates

Revenue from Operations reported at **₹958.54 mn in Q3 FY22** and **₹2,381.40 mn for 9M FY22**

EBITDA stands at **₹183.69 mn in Q3 FY22** and **₹436.31 mn for 9M FY22**

Mumbai, 9th February 2022: Sat Industries Limited has announced that the Company in its board meeting held on 9th February, 2022 has inter-alia considered and approved the Unaudited Financial Results of the Company for the third quarter and nine months period ended on 31st December 2021 as one of its agenda.

Consolidated Financial Statement Highlights for Q3 FY22 v/s Q3 FY21

Particulars (INR MN)	Q3 FY22	Q3 FY21	% Change	Q2 FY22
Revenue from Operations	958.54	598.26	60.22	788.53
Other Income	0.37	1.21		6.6
Total Revenue	958.91	599.47	59.96	795.13
Total Expenses	803.36	545.44		679.98
EBITDA	183.69	86.68	111.92	142.26
EBITDA Margin (%)	19.16%	14.46%	32.50	17.89%
Depreciation	12.37	14.59		13.67
Finance Cost	15.77	18.06		13.44
PBT with Exceptional Item	155.55	54.03	187.90	115.16
Exceptional Items	0	0		0
PBT	155.55	54.03	187.90	115.16
Tax	39.88	1.2		4.31
PAT	115.67	52.83	118.95	110.85
Other comprehensive profit / loss	2.12	(1.13)		(0.44)
Net PAT	117.79	51.70	127.83	110.41
PAT Margin %	12.28%	8.62%	42.46	13.89%

Financial Performance Comparison – Q3 FY22 v/s Q3 FY21

- Revenue from operations increased by **60.22%** from **₹598.26 mn in Q3 FY21** to **₹958.54 mn in Q3 FY22** mainly driven by strong performances of our products across the board.

- EBITDA increased by 111.92% from ₹86.68 mn in Q3 FY21 to ₹183.69 mn in Q3 FY22 led by surge in sales of value added and high margin products.
- Net profit stood at ₹117.79 mn in Q3 FY22, compared to ₹51.70 mn in Q3 FY21
- PAT margins increased to 12.28 % in Q3 FY22 from 8.62% in Q3 FY21
- EPS for Q3FY22 is ₹ 1.02 v/s ₹ 0.47 for Q3FY21 posting a growth of 117.02%

Consolidated Financial Statement Highlights for 9M FY22 v/s 9M FY21

Particulars (INR MN)	9M FY22	9M FY21
Revenue from Operations	2,381.4	1,412.36
Other Income	8.52	8.77
Total Revenue	2,389.92	1,421.13
Total Expenses	2,038.79	1,315.56
EBITDA	436.31	195.99
EBITDA Margin (%)	18.26%	13.79%
Depreciation	40.1	41.53
Finance Cost	45.09	48.89
PBT with Exceptional Item	351.12	105.57
Exceptional Items	0	0
PBT	351.12	105.57
Tax	47.62	7.2
PAT	303.5	98.37
Other comprehensive profit / loss	4.85	(6.87)
Net PAT	308.35	91.5
PAT Margin %	12.90%	6.44%

Financial Comparison Summary of 9M FY22 v/s 9M FY21

- Revenue from operations recorded a growth by 68.64% from ₹1,412.36 mn in 9M FY21 to ₹2,381.40 mn in 9M FY22 mainly driven by strong performances in each of our segmental business respectively.
- The EBITDA increased by 122.62% from ₹195.99 mn in 9M FY21 to ₹436.31 mn in 9M FY22 and EBITDA margins expanded by almost 32.41% from 13.79% in 9M FY21 to 18.26% in 9M FY22 led by surge in sales of value added and high margin products.
- Net profit stood at ₹308.35 mn in 9M FY22, compared to ₹91.50 mn in 9M FY21 recording an absolute growth of 236.99%

Business Updates

➤ **Aeroflex Industries Limited**

- Aeroflex witnessed a robust growth of **61% in Sales** in value terms for Q3 FY22 as compared to Q3 FY21. It has also witnessed a strong growth of **74% in Sales** in value terms for 9M Ended 31st December 2021 as compared to 9M Ended 31st December 2020.
- Aeroflex Industries Limited is coming up with an Initial Public Offering (IPO) on main board of National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in FY 23.

➤ **Sah Polymers Limited**

- Sah Polymers Limited (**Manufacturing Division**) recorded a growth of **42% in sales** in value terms for Q3 FY22 as compared to Q3 FY21 and a growth of **48% in sales** in value terms for 9M FY22 as compared to 9M FY21.
- Sah Polymers Limited (**IOCL Trading Division**) recorded a growth of **20% in sales** in value terms for Q3 FY22 as compared to Q3 FY21 and a growth of **27% in sales** in value terms for 9M FY22 as compared to 9M FY21
- Sah Polymers Limited has acquired **51% Stake** on 5th January, 2022 in Fibcorp Polyweave Private Limited to expand its existing business & market in the FIBC segment.
- **Fibcorp Polyweave Private Limited**, subsidiary of Sah Polymers Limited, has recorded a remarkable growth of **77.42% in Sales** in value terms for Q3 FY22 as compared to Q3 FY21 and an extraordinary growth of **115% in Sales** in value terms for 9M FY22 as compared to 9M FY21.
- **Mr. Murtaza Ali Moti (CA, CFA, FRM)** has been appointed as **CEO** of Sah Polymers Limited. He brings his expertise, knowledge and experience in the packaging industry which will help the company to grow into multiple product segments across the globe.
- Sah Polymers Limited is coming up with an Initial Public Offering (IPO) on main board of National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in the first half of FY23.

➤ **Start-up Ecosystem**

- During Q3 of FY22, Sat (and its subsidiaries) invested in **16 new Start-up** companies, taking the total number of active investments in Start-ups and Funds till 31st December, 2021 to **100+ companies** which cover **27+ sectors**.
- Along with the above investment in Start-up companies, Sat has also invested in **5 Funds**.

➤ **Genext Students Private Limited**

- During Q3 of FY22, Genext has conducted **3000+ hours** of LIVE online tutoring and registered **980+ new tutors** on Genext LIVE tutoring platform.

- Additionally, Genext has also added **70,129 new** FREE users, thereby increasing the overall user base to 2,635,167 across **1,200+** cities.

A. Management Comments

Commenting on the performance of Q3 FY22 and 9M FY22, *Mr. Asad Daud (Director) said:*



A young entrepreneur with innovative and future centric thinking, Mr. Asad Daud, holds a Masters Degree in Accounting and Finance from the prestigious London School of Economics, London. His financial aptitude and newfangled approach is fostering the expansion strategy of the Company.

“Sat Industries Limited delivered an outstanding third quarter result due to our coherent products mix and growing demand of our key products. Our Revenue grew by 68.64% on a Y-o-Y 9M basis on account of strong performance and growth from our subsidiaries. Our EBITDA margins have increased to 18.26 % on a Y-o-Y 9M basis on account of better product mix, increase in exports and reduction in certain fixed costs.

Our Subsidiary, Sah Polymers Limited, has recorded a growth of 42% in value terms for Q3 FY22 as compared to Q3 FY21. We are expecting a rise in exports in the coming quarter and coming years due to the increase in demand. We aim to make Sah Polymers an ESG compliant company by the end of FY23. With the increase in the need for sustainable products, demand for FIBCs is expected to increase phenomenally in the coming years. There is a plan to expand the existing capacities of Sah Polymers to 2x in the FY23. Sah Polymers is in the process of getting listed on the main board of NSE and BSE in the first half of FY23.

One of our other subsidiaries, Aeroflex Industries Limited, witnessed a robust growth of 61% in sales in value terms for Q3 FY22 as compared to Q3 FY21. We are expanding the operations of Aeroflex by expanding the existing capacities on account of growing demand. Aeroflex is also set to be listed on the main board of NSE and BSE in FY23.

With the increase in dependency on technology for Education, we expect FY 23 to be a breakthrough year for Genext Students Private Limited.

In Q3 FY22, Sat and its subsidiaries invested in 16 start-up companies and funds. Till now, we have made an investment in 100+ companies covering 27+ sectors. We monitor the performance of our investee companies on a quarterly basis and are pleased to say that majority of our investee companies are on track of their vision and are operating in line with the projections made.”

Future Outlook

- The management expects a robust growth in Q4 of FY 22 and expects to **deliver huge uptick in revenues for FY 23**, mainly driven by growth in demand of our products and augmentation of existing capacities.
- **Sah Polymers** is expanding by setting up another plant by making a **Capital Expenditure of Rs.50 Crores in II Phases**. The construction work of **Phase I** at the new unit has commenced in Q3 of FY22 and the production at the new plant is expected to commence from Q2 of FY23. The commercial production of **Phase II** will commence by the end of Q1 of FY24. Post the completion of the expansion plan for phase 1, the production capacity will be **doubled to 12,000 MT** from its current capacity of 6000 MT.
- **Aeroflex Industries Limited** is planning to deploy **Rs 125+ Crores** for expanding its manufacturing capacity at Taloja, Navi Mumbai which will increase its production capacity **to 16 million meters** from its **current capacity of 11 million meters**. This expansion plan is expected to be completed by FY23.
- For the **investment in Start-ups, Sat and its subsidiaries** plan to invest in at least **75-100** new Start-up Companies and Funds in FY23 covering additional priority sectors. Sat expects to have successful exits in **at least 2** investee companies in Q4 of FY22.
- Sat has **reported healthy upside in EBITDA margins for nine months ending December FY22** and further expects margin accretion that will be **mainly attributed to volume growth and better realisation from Sat's key products**. This will be complimented by the **investments in Start-ups reaching the maturity stage**.

About Sat Industries Limited

Sat Industries Limited is a BSE listed Company. Sat is a parent company of a diversified business group and is engaged in **diversified business activities in polymer business, manufacturing, asset management and Ed-Tech through its various subsidiaries and associates**. The company has **presence in various international markets such as the Middle East, Europe, Asia, Africa and Central America and has its head office located in Mumbai (India)**. Sat actively invests in start-ups which have disruptive and innovative business model. Sat is invested in sectors such as food-tech, ed-tech, e-commerce, hyper-local services, digital media portal, hyper-local advertising, virtual reality products, artificial intelligence enabled research platform, IoT products, among others.

Sah Polymers Limited (*Sah is subsidiary of Sat - 91.79% holding*), a **Manufacturer and Exporter of PP/HDPE Woven Bags and FIBCs** (Flexible Intermediate Bulk Containers). Sah Polymers limited is one of the pioneers in the manufacturing and exporting of (FIBCs), (PP)/High Density Polyethylene (HDPE) Woven Bags, and BOPP Laminated Bags in India, having an **installed capacity of 6000 MT**, spread over **2 acres**. SPL has been in this business for over 30 years abiding by the principles of quality and customer service. Sah's Products are appreciated, and quality is acknowledged by customers such as JK Cement, Ultratech Cement and Ambuja Cement from India as well as customers across the world. Persistent research development and innovation facilitated the manufacturing of products which have high strength-to-density ratio for durability and reliability. Sah Polymers Limited is recognized as a Star Export House by Government of India and has exported its products to **more than 30 countries**.

Aeroflex Industries Limited (*Aeroflex is a subsidiary of Sat – 98.07% holding*), a Manufacturer and Exporter of Stainless-Steel Flexible Hoses & Assemblies. Aeroflex Industries Limited is an “ISO 14000, 9001-2000” company certified by RWTUV Germany and uses state-of-the-art technology to deliver high-quality products that meet customer satisfaction. Aeroflex has become one of the most reliable sources of quality stainless steel flexible hose assemblies both in the domestic as well as in the international market due to Aeroflex’s ability to meet exact customer requirements and strict adherence to the delivery schedule with personal attention to every customer. Aeroflex has a **production capacity of 11 million meter** of stainless steel corrugated flexible hoses, braided hoses and hose assemblies in an ultra-modern facility in Taloja, Navi Mumbai, India, under the strict supervision of an experienced and qualified team. Aeroflex is recognized as a Star Export House by the Government of India and has **exported** its products to **more than 80 countries**.

Sat Industries Limited (through itself and its subsidiaries) actively invests in startups which have disruptive and innovative business model. Sat Group has invested in **27 different sectors**, through **100+ companies**, such as fin-tech, food-tech, ed-tech, e-commerce, hyper-local services, digital media portal, hyper-local advertising, virtual reality products, artificial intelligence enabled research platform, IoT products, among others and has also invested in several VC funds who in turn invests their corpus in various startups. Sat Group has invested in more than **119 start-ups** and funds till January 2022. Some of the major investments include Venture Catalysts (VCats), Crowd, Eduvanz, LenDen Club, Creditas (Clear My Dues), Beardo, Ketto, ConfirmTkt and Inc42. Investment in funds includes India Quotient Fund, Artha Venture Fund, 9 Unicorn Fund, Blinc Fund II & Z nation Angel Fund.

For further information on the Company, please visit www.satgroup.in

Sat Industries Limited

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