



CIN: L25199MH1984PLC034632

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

## Q4 & FY 22 – Earnings Release

Revenue from Operations reported at ₹ 1,085.90 MN in Q4 FY22 and ₹ 3,467.30 MN for FY22

EBITDA stands at ₹ 198.13 MN in Q4 FY22 and ₹ 634.45 MN for FY22

PAT at ₹ 83.56 MN in Q4 FY22 and ₹ 387.06 MN for FY22

**Mumbai, 30<sup>th</sup> May 2022:** SAT Industries Limited (SAT) announced in its board meeting held on 30<sup>th</sup> May 2022 that the Company has inter-alia considered and approved the audited Financial Results of the Company for the Fourth Quarter and Year Ended on 31<sup>st</sup> March, 2022 as one of its agenda.

### **Consolidated Financial Statement Highlights for Q4 FY22 v/s Q4 FY21**

Particulars (INR MN)	Q4 FY 22	Q4 FY 21	% Change
Revenue from Operations	1,085.90	635.21	
Other Income	39.00	(5.38)	
<b>Total Revenue</b>	<b>1,124.90</b>	<b>629.84</b>	<b>78.60</b>
Total Expenses excluding Depreciation, Amortization & Finance Cost	926.77	564.23	
<b>EBITDA*</b>	<b>198.13</b>	<b>65.61</b>	<b>201.98</b>
<b>EBITDA Margin (%)</b>	<b>17.61%</b>	<b>10.42%</b>	
Depreciation & Amortization	18.00	10.82	
Finance Cost	28.58	35.89	
<b>PBT before Exceptional Item</b>	<b>151.55</b>	<b>18.90</b>	<b>701.85</b>
Exceptional Items	0	0	
<b>PBT</b>	<b>151.55</b>	<b>18.90</b>	<b>701.85</b>
Tax	67.99	22.75	
<b>PAT</b>	<b>83.56</b>	<b>(3.85)</b>	
<b>PAT Margin %</b>	<b>7.43%</b>	<b>(0.61%)</b>	
Other comprehensive profit / loss	5.69	(1.56)	
<b>Net PAT</b>	<b>89.25</b>	<b>(5.41)</b>	

\*EBITDA includes Other Income

### **Financial Performance Comparison – Q4 FY22 v/s Q4 FY21**

- Total Revenue increased by 78.60% from ₹ 629.84 MN in Q4 FY21 to ₹ 1,124.90 MN in Q4 FY22 mainly driven by strong performances of our subsidiaries, Aeroflex Industries Limited and Sah Polymers Limited.

- The EBITDA increased by 201.98% from ₹65.61 MN in Q4 FY21 to ₹ 198.13 MN in Q4 FY22 led by surge in sales of value added, sales volume and economies of scale due to higher capacity utilization.
- Finance cost decreased by 20.37% from ₹ 35.89 MN in Q4 FY21 to ₹ 28.58 MN in Q4 FY22
- Net profit stood at ₹ 83.56 MN in Q4 FY22, compared to ₹ -3.85 MN in Q4 FY21
- PAT margins increased to 7.43% in Q4 FY22 from -0.61% in Q4 FY21

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

Particulars (INR MN)	FY 22	FY 21	% Change
Revenue from Operations	3,467.30	2,047.57	
Other Income	47.52	3.4	
<b>Total Revenue</b>	<b>3,514.82</b>	<b>2,050.97</b>	<b>71.37</b>
Total Expenses excluding Depreciation, Amortization & Finance Cost	2,880.37	1,789.38	
<b>EBITDA*</b>	<b>634.45</b>	<b>261.59</b>	<b>142.54</b>
<b>EBITDA Margin (%)</b>	<b>18.05%</b>	<b>12.75%</b>	
Depreciation & Amortization	58.11	52.35	
Finance Cost	73.67	84.78	
<b>PBT before Exceptional Item</b>	<b>502.67</b>	<b>124.46</b>	<b>303.88</b>
<b>Exceptional Items</b>	<b>0</b>	<b>0</b>	
<b>PBT</b>	<b>502.67</b>	<b>124.46</b>	<b>303.88</b>
Tax	115.61	29.95	
<b>PAT</b>	<b>387.06</b>	<b>94.51</b>	<b>309.54</b>
<b>PAT Margin %</b>	<b>11.01%</b>	<b>4.61%</b>	
Share of profit of Associate & Joint Ventures	0	(0.15)	
Other comprehensive profit / loss	10.53	(6.36)	
<b>Net PAT</b>	<b>397.59</b>	<b>88.00</b>	
<b>Diluted EPS</b>	<b>3.42</b>	<b>0.83</b>	

\*EBITDA includes Other Income

Particulars (INR MN)	FY 22	FY 21
Net Cash Flow from operating activities	47.17	190.68
Net Cash Generated/ (Used) from investing activity	(215.60)	(54.11)
Net Cash Generated/ (Used) from Financing activity	201.97	(109.67)
Net Increase in Cash and Cash Equivalents	33.54	26.90

Particulars (INR MN)	FY 22	FY 21	Particulars (INR MN)	FY 22	FY 21
<b>Assets</b>			<b>Liabilities</b>		
<b>Non-Current Assets</b>	<b>1,141.51</b>	<b>890.31</b>	<b>Shareholders Fund</b>	<b>2,116.85</b>	<b>1,711.68</b>
Property, Plant & Equipment and CWIP	821.44	665.56	Equity Share Capital	226.17	226.17
Intangible Assets	116.49	85.36	Other Equity	1,803.27	1,454.02
Investments	99.66	62.32	Non-Controlling Interest	87.41	31.49
Loans & Others	62.08	64.55	<b>Non-Current Liabilities</b>	<b>253.29</b>	<b>382.99</b>
Other Non-Current Assets	41.84	12.52	Borrowings	224.54	364.50

			Other Non-Current Liabilities	28.75	18.50
<b>Current Assets</b>	<b>2,647.57</b>	<b>2,150.66</b>			
Inventories	554.00	400.42	<b>Current Liabilities</b>	<b>1,418.94</b>	<b>946.29</b>
Trade Receivables	808.60	535.01	Borrowings	682.21	360.81
Cash, Bank and Cash Equivalents	141.49	103.93	Trade Payables	473.81	450.09
Loans & Others	525.81	427.41	Other Current Liabilities	262.92	135.40
Other Current Assets	617.67	683.88			
<b>TOTAL ASSETS</b>	<b>3,789.08</b>	<b>3,040.97</b>	<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>3,789.08</b>	<b>3,040.97</b>

### **Financial Comparison Summary of FY22 v/s FY21**

- Total Revenue increased by 71.37 % from ₹ 2,050.97 MN in FY21 to ₹ 3,514.82 MN in FY22 mainly driven by strong performances of the key product lines offered by our subsidiaries.
- The EBITDA increased by 142.54% from ₹ 261.59 MN in FY21 to ₹ 634.45 MN in FY22 and EBITDA margins expanded by 530 bps from 12.75% in FY21 to 18.05% in FY22 led by surge in sales of value added and high margin products.
- Net profit stood at ₹ 387.06 MN in FY22, compared to ₹ 94.51 MN in FY21 recording an absolute growth of 4.10 times
- Total Fixed Assets grew by 23.42% from ₹ 665.56 MN in FY21 to ₹ 821.44 MN in FY22
- Current Assets stood at ₹ 2,647.57 MN in FY22, compared to ₹ 2,150.66 MN in FY21.
- Long term borrowings stood at ₹ 224.54 MN in FY22, compared to ₹ 364.50 MN in FY21 and Short-term borrowing at ₹ 682.21 MN in FY22, compared to ₹ 360.81 MN in FY21.
- Debt Equity ratio has remained the same at 0.4x in FY 22 as compared to FY 21
- Cash flow from operations stood at ₹ 47.17 MN for FY 22.
- ROCE has improved to 24.32% in FY 22 compared to 9.99% in FY21
- ROE has improved to 18.28% in FY 22 compared to 5.52% in FY21

### **Recent notable Developments**

- SAT is pleased to inform you that Sah Polymers Limited, subsidiary of SAT, has made an application for listing of its Equity Shares consisting of 10,20,000/- Equity shares of Rs.10/- each fully paid up on National Stock Exchange of India Limited (NSE) and BSE Limited main listing board. The proposed proceeds will be utilised for setting up a project for the manufacture of Flexible Intermediate Bulk Container (FIBC) and repayment of loans.
- Sah Polymers Ltd., a substantially owned (91.79%) subsidiary of SAT Industries Ltd. acquired a majority stake of 51.01% in Fibcorp Polyweave Pvt Ltd. making it a subsidiary with effect from January 5, 2022.
- Sah Polymers Limited has commenced the construction work of its new plant in Udaipur since November 2021. The plant is expected to be commissioned by the end of Q2 FY23.

- SAT Industries Limited has invested in 18 new start-ups in the fourth quarter ended 31<sup>st</sup> March, 2022, taking total number of investments to 108 in the FY22. New Investments covers various sectors such as FMCG, Robotics, Technology, Food tech, Logi-tech, Cold chain Logitech, HR tech and Fintech.
- In addition to the robust financial performance SAT as a group made strides in welfare and training activities for its employees and undertook various activities under Sah Polymers like celebration of Women's Day, Annual Day, farewell program, 5S and Kaizen Training for New Zone Leaders and Fire and Safety Training. In case of Aeroflex, activities like employees and their children's vaccination, check-ups on Mental Health Day, cricket tournament, road safety and Training on Noise induced hearing loss & hearing conservation were undertaken.

### **Management Comments**

Commenting on the performance of Q4 FY22 and FY22, Mr. Asad Daud (Director) said:

***"SAT Industries Limited delivered an outstanding fourth quarter result due to our product mix and growing demand of our key products. Our Revenue grew by 71.37% on a Y-o-Y basis (12 months) on account of strong performance and growth from our subsidiaries. Our EBITDA margins have grown, handsomely, by 530 bps on account of better product mix, increase in exports and economies of scale due to increasing volumes.***

***Our subsidiary, Aeroflex, witnessed a robust growth of 66.33% in value terms for Q4 FY22 as compared to Q4 FY21. We are expanding the operations of Aeroflex Limited by augmenting the existing capacities on account of growing demand. We believe that the future of flexible flow solutions is extremely positive buoyed by its pervasive application across traditional industries like manufacturing, oil and gas and new age industries like robotics, drones, semiconductor, renewables, aerospace and satellite.***

***Our Subsidiary, Sah Polymers Limited, has recorded a spectacular growth of 38.42% in value terms for Q4 FY22 as compared to Q4 FY21. In the current quarter, we have acquired Fibcorp Polyweave Pvt Ltd, a company engaged in the manufacturing of Flexible Intermediate Bulk Containers (FIBCs). We have successfully filed the DRHP with SEBI for fresh issue of equity shares for the purpose of expanding our capacities and reaching to new geographies.***

***With the increase in dependency on technology for Education, we expect Genext Students Private Limited ("Genext") to perform better in FY23. We are further happy to share that Genext is now backed by Navneet Education group and is on the cusp of new growth story going ahead.***

***In Q4 FY22, SAT and its subsidiaries invested in 18 start-up companies and venture funds. Till now, we have made an investment in 108 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.***

***Going forward, we believe this well round performance and investment in our physical and human capital holds promise to unlock great benefits for all our stakeholders in the future."***

## **About SAT Industries Limited**

SAT Industries Limited (SAT) is a BSE listed Company being in existence for more than 37 years. SAT is a diversified business group with interests in manufacturing of packaging material, flexible flow solutions and investment in start-ups. The business model of the company is uniquely balanced between consistent cashflow of existing conventional business and value driven from investments in high growth start-ups. SAT, through its subsidiaries and associates, has a presence in more than 100 countries across the world. SAT actively invests in start-ups which have disruptive and innovative business model. SAT has invested in 108 companies across 27 sectors. SAT has 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. Some of the major investments include Venture Catalysts (Vcats), 1Crowd, Eduvanz, LenDen Club, Creditas (Clear My Dues), Beardo, Ketto, ConfirmTkt and Inc42.

The Company has also invested in several VC funds who in turn invests their corpus in various start-ups. Investment in funds includes India Quotient Fund, Artha Venture Fund, 9 Unicorn Fund and Blinc Fund II. SAT is expecting return on investment in the range of 36% - 42% IRR. SAT aims at investing in 40-50 start-ups in FY 2023.

Aeroflex Industries Limited, a substantially owned (98.70%\*) subsidiary of SAT Industries Limited, is one of the leading manufacturers of stainless-steel flexible hoses and assemblies in India. Aeroflex has a production capacity of 11 million meters of SS corrugated flexible flow solutions, exporting to more than 80 countries, in an ultra-modern facility in Taloja, Navi Mumbai, India. Considering the upcoming new green-field projects, the demand for SS corrugated flexible flow solutions is going to increase by at least 50-60% in the next 3 years. Thus, in the next 3 years, Aeroflex Industries Limited expects the export business to increase substantially.

*\*SAT Industries Limited holds 92.18% equity stake in Aeroflex Industries Limited and Italica Global FZC (a wholly owned subsidiary of Sat Industries Limited), holds 6.52% equity stake in Aeroflex Industries Limited.*

Sah Polymers Limited (SPL), a substantially owned (91.79%) subsidiary of SAT Industries Limited, is a leading and pioneer manufacturer and exporter of FIBCs, PP/HDPE Woven Bags and BOPP laminated bags in India, having an installed capacity of 3,960 MT spread over 8,000 sq. mt. SPL is expanding by setting up another plant at Udaipur with an installed capacity of 3,960 MT taking the total capacity to 7,920 MT and total area to 24,000 sq. mt. SPL is known as one of the top exporters, exporting to more than 25 countries, of FIBC, PP woven bags, fabric & box bags. SPL has acquired a 51.01% stake in Fibcorp Polyweave Pvt Ltd. to expand its existing business and market in the FIBC segment. SPL aims at providing customisation facilities that gives its customers the freedom to make the best use of SPL's wide product range and a long-term business relationship.

**Thank you.**

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For further information on the Company, please visit [www.satgroup.in](http://www.satgroup.in)

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*SAH POLYMERS LIMITED, a subsidiary of Sat Industries Limited, is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations to make an initial public offer of its Equity Shares and has filed the DRHP dated April 21, 2022 with SEBI on April 21, 2022. The DRHP is available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in) as well as on the websites of the Stock Exchanges i.e. BSE at [www.bseindia.com](http://www.bseindia.com) and NSE at [www.nseindia.com](http://www.nseindia.com) and is available on the website of the BRLM i.e. Pantomath Capital Advisors Private Limited at [www.pantomathgroup.com](http://www.pantomathgroup.com). Any potential investor should note that investment in equity shares involves a high degree of risk and for details relating to such risk, see "Risk Factors" on page 25 of the DRHP. Potential investors should not rely on the DRHP for any investment decision. The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act"), or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in 'offshore transactions' in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdictions where such offers and sales are made. There will be no public offering of Equity Shares in the United States. This announcement is not an offer of securities for sale in the United States or elsewhere. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.*