



SAT INDUSTRIES LIMITED

EARNINGS RELEASE

Q2 & H1 FY24 - November 06, 2023

DIVERSIFIED
DYNAMIC
DRIVEN



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Consolidated Profit & Loss Statement for Q2 & H1 FY24



Profit & Loss (in Lakhs)	Q2 FY24	Q2 FY23	YOY	H1 FY24	H1 FY23	YOY	FY23
Revenue from Operations	13,698.21	12,610.38	8.63%	26,696.03	24,332.26	9.71%	46,623.97
Other Income*	18,666.54	332.65		26,034.53	465.25		1,554.18
Total Income	32,364.75	12,943.03	150.06%	52,730.56	24,797.51	112.64%	48,178.15
Cost of Material Consumed	9,054.21	9,309.22		17,898.11	17,652.21		33,227.65
Purchases of Stock-in-Trade	385.66	(153.26)		464.85	338.92		835.19
Changes in Inventories	(390.24)	(929.00)		(888.42)	(1,446.24)		(2,364.56)
Employee Benefit Expenses	869.67	748.75		1,747.65	1,479.24		2,943.41
Other Expenses	1,816.58	2,137.19		3,429.84	3,226.77		6,499.92
EBITDA	20,628.87	1,830.13		30,078.53	3,546.61		7,036.54
Operational EBITDA	2,247.67	1,830.13	22.81%	4,236.67	3,546.61	19.46%	7036.54
Operational EBITDA Margin	16.07%	14.14%	193 bps	15.76%	14.30%	145 bps	14.61%
Depreciation	222.09	160.13		434.97	308.10		717.15
Finance Cost	331.07	181.23		543.30	296.62		689.27
Exceptional Item (Gain) / Loss	-	(199.50)		-	(199.50)		(199.47)
Profit before Tax	20,075.71	1,688.27	1089.13%	29,100.26	3,141.39	826.35%	5,829.59
PBT Margin	62.03%	13.04%	4899 bps	55.19%	12.67%	4252 bps	12.10%
Tax	2,595.18	353.26		4,585.57	711.81		1,323.71
Profit After Tax	17,480.53	1,335.01	1209.39%	24,514.69	2,429.58	909.01%	4,505.88
PAT Margin	54.01%	10.31%	4370 bps	46.49%	9.80%	3669 bps	9.35%
EPS	15.46	1.18		21.68	2.15		3.98

*Other Income comprises INR 18,381.20 Lakhs received as proceeds from the offer for the sale of stake in Aeroflex's IPO by Sat (Promoter) in Q2 FY24

*Other Income comprises INR 7,460.66 Lakhs received as proceeds from Pre IPO stake sale in Aeroflex by Sat (Promoter) in Q1 FY24

Consolidated Balance Sheet



Assets (In Lakhs)	September - 2023	March - 2023	Equity & Liabilities (In Lakhs)	September - 2023	March - 2023
1. Non - Current Assets			Total Equity		
a. Property Plant & Equipment	10,677.42	10,629.74	Share Capital	2,261.70	2,261.70
b. CWIP	1,759.36	157.22	Other Equity	60,950.29	23,874.34
c. Intangible assets	582.42	596.72	Non - Controlling Interest	6,119.16	4,615.84
d. Other Intangible assets under development	2.57	0.00	Non-Current Liabilities		
e. Financial Assets			a. Financial Liabilities		
(i) Investments	1,320.08	1,345.16	(i) Borrowings	869.03	2,827.13
(ii) Loans	1,288.74	1,364.67	(ii) Lease	-	-
(iii) Other Financial Assets	230.88	133.21	(iii) Other Financial Liabilities	-	0.67
f. Other Non - Current Assets	742.05	353.58	b. Provisions	-	-
			c. Deferred Tax Liabilities	349.47	334.46
Current Assets			d. Other Non - Current Liabilities	-	-
a. Inventories	9,495.33	8,513.78			
b. Financial Assets			Current Liabilities		
(i) Investments	-	-	Financial Liabilities		
(ii) Trade receivables	16,774.38	10,702.97	(i) Borrowings	9,142.26	7,662.29
(iii) Cash and cash equivalents	18,237.17	3,572.90	(ii) Trade Payables	9,522.65	5,280.30
(iv) Bank balances	19,476.32	1,102.10	(iii) Lease	-	-
(v) Loans	8,611.77	5,353.86	(iv) Other Financial Liabilities	287.83	2.10
(vi) Others	163.38	113.48	b. Other Current Liabilities	1,835.60	1,454.19
c. Current Tax Assets (Net)	1.97	-	c. Current tax liabilities (net)	2,404.18	701.30
d. Other Current Assets	4,411.19	5,090.59	d. Provisions	32.86	15.66
e. Assets classified as held for sale	-	-			
Total Assets	93,775.03	49,029.98	Total Equity & Liabilities	93,775.03	49,029.98

Standalone Profit & Loss Statement for Q2 & H1 FY24



Profit & Loss (in Lakhs)	Q2 FY24	Q2 FY23	YOY	H1 FY24	H1 FY23	YOY	FY23
Revenue from Operations	2,567.61	2,884.42	(10.98%)	4,844.24	4,996.32	(3.04%)	10,746.01
Other Income*	18,651.87	403.29	4524.93%	25,796.94	435.03	5829.92%	616.59
Total Income	21,219.48	3,287.71	545.42%	30,641.18	5,431.35	464.15%	11,362.60
Cost of Material Consumed	1,998.12	2,363.56		3,678.18	4,069.88		8,758.47
Purchases of Stock-in-Trade	104.96	83.97		137.79	118.17		140.00
Changes in Inventories	-	(14.46)		-	(14.08)		1.09
Employee Benefit Expenses	43.54	25.38		86.01	51.15		114.33
Other Expenses	307.94	303.43		601.19	502.81		1,211.52
EBITDA	18,764.92	525.83	3468.63%	26,138.01	703.42	3615.85%	1,137.19
EBITDA Margin	88.43%	15.99%	7244 bps	85.30%	12.95%	7235 bps	10.0%
Depreciation	13.35	13.83		26.72	28.02		54.92
Finance Cost	53.73	52.17		54.04	95.71		197.85
Exceptional Item (Gain) / Loss	-	-		-	-		-
Profit before Tax	18,697.84	459.83	3966.25%	26,057.25	579.69	4395.03%	884.42
PBT Margin	88.12%	13.99%	7413 bps	85.04%	10.67%	7437 bps	7.78%
Tax	2,219.92	61.22		3,817.67	111.36		141.06
Profit After Tax	16,477.92	398.61	4033.85%	22,239.57	468.33	4648.70%	743.36
PAT Margin	77.65%	12.12%	6553 bps	72.58%	8.62%	6396 bps	6.54%
EPS	14.57	0.35		19.67	0.41		0.66

*Other Income comprises INR 18,381.20 Lakhs received as proceeds from the offer for the sale of stake in Aeroflex's IPO by Sat (Promoter).

About the Company



- ❑ SAT, with a legacy of 38+ years, has established itself as a prominent manufacturer of Stainless-Steel Wire Rods and has carved a niche in this industry by manufacturing high-quality Stainless Steel Wire Rods.
- ❑ SAT along with its subsidiaries has diversified business interest spanning across manufacturing businesses like industrial packaging solutions, flexible flow solutions, lending & financing and investing in strategic businesses and startups which mentors disruptive and early-stage start-ups.
- ❑ The company works with a business model that is perfectly balanced between core cash-flow generating businesses, and investment in high-growth strategic businesses & startups to create a distinctive competitive edge.
- ❑ It has a global presence with sales touchpoints in over 100+ countries and offices in strategic locations such as Mumbai, Dubai, and London.
- ❑ The Company is at the forefront of the revolution, spearheading the adoption of novel solutions that are more efficient, cost-effective and sustainable.



GROUP STRUCTURE



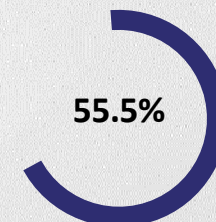
AEROFLEX INDUSTRIES LTD



Stainless Steel Flow Solutions
INDIA



SAH POLYMERS LTD

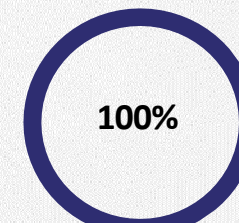


Flexible Bulk Packaging
INDIA

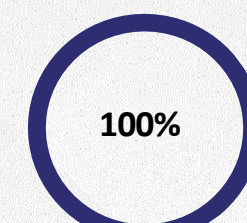


AEROFLEX FINANCE

ITALICA GLOBAL FZC, UAE



Trading
UAE

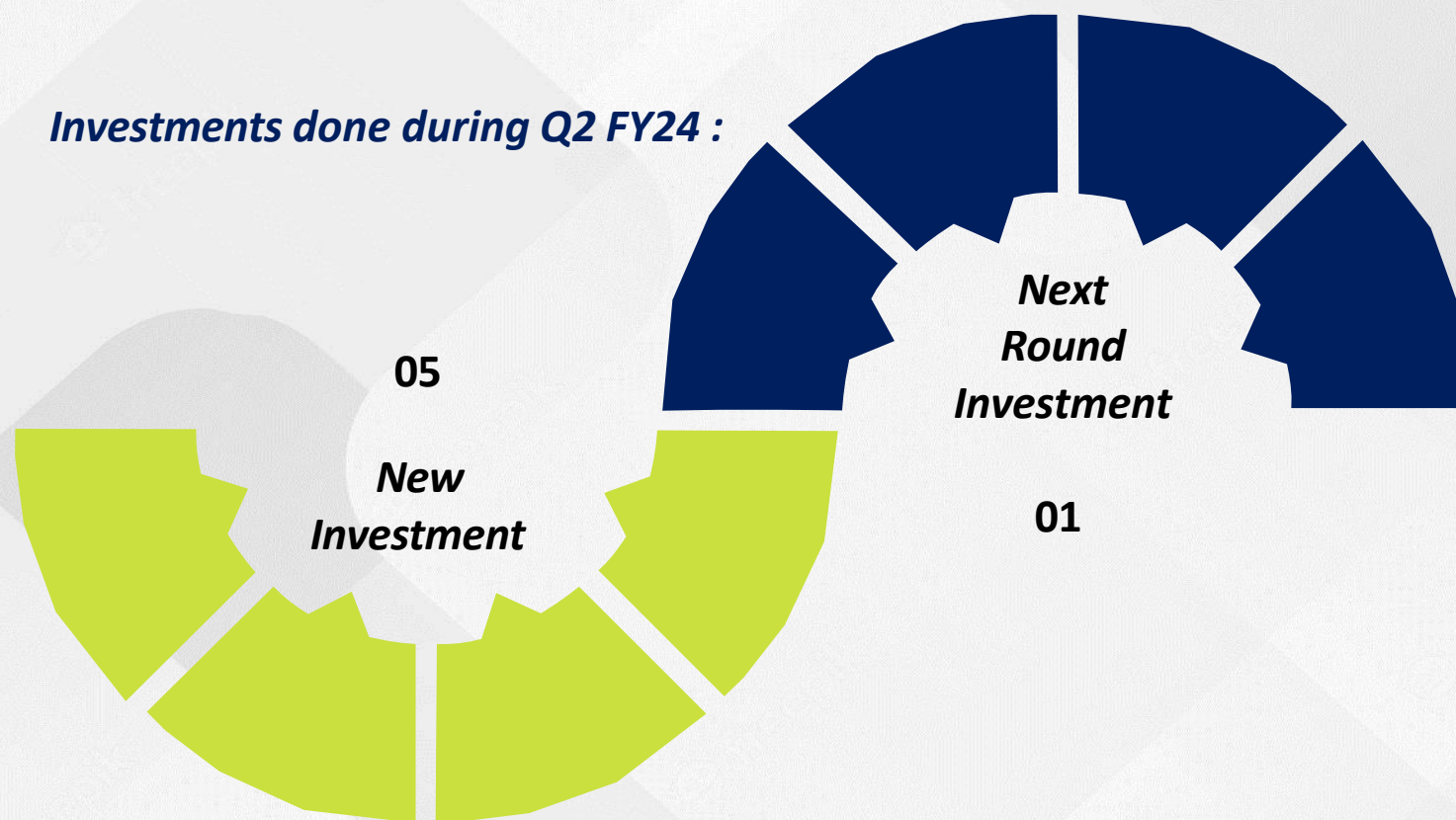
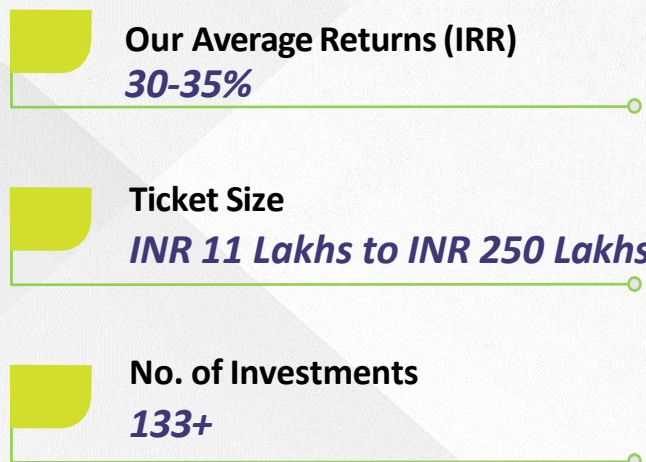


Lending & Financing
INDIA

SAT's Investments in Start-Ups



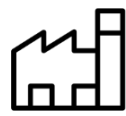
- SAT actively invests in early-stage start-ups and so far, has made 133+ investments across 27 sectors
- As of 30 September 2023, SAT had invested in startups across different sectors such as food tech, ed-tech, e-commerce, hyper-local services, digital media portal, hyper-local advertising, virtual reality products, artificial intelligence-enabled research platforms, and IoT products among others.
- Some of the major investments include Venture Catalysts (Vcats), 1Crowd, Eduvanz, Beams Fintech Fund, Artha Select Fund, Rare Planet, Kerala Banana Chips, and LenDen Club.



Aeroflex Industries Limited - Manufacturer of Metallic flexible flow solutions



Incorporated in 1993, part of the promoter group Sat Industries Limited (BSE & NSE Listed Company)



Leading Manufacturer of Metallic flexible flow solutions



Used for controlled flow of all forms of substances including Solid, Liquid and Gas



Exports to 80+ countries across Asia, Americas, Europe and Africa, through a diversified go-to-market model

In-House R&D



NABL Accredited Lab

55+

Products across various stages of Research and Development

11

Qualified R&D Team Members



No. of SKU's



Global Customers Accreditations



H1 FY24 Revenue



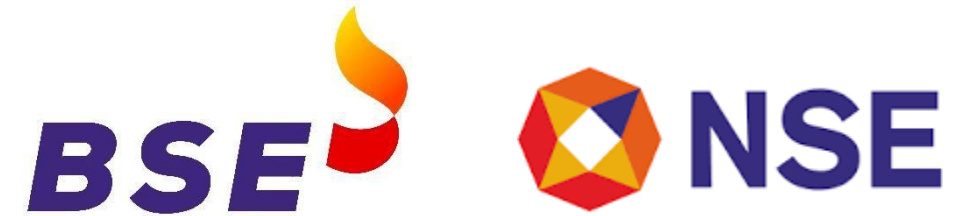
Customized Solution Provider

Awarded as Great Place to Work by Great Place to Work Institute





Aeroflex got listed on 31st August 2023



- Aeroflex Industries IPO comprised of a fresh issue of equity shares of the value of ₹162 crore and an offer-for-sale (OFS) of the value of ₹189 crore equity shares by the promoter, Sat Industries Limited (BSE & NSE Listed Company)
- IPO subscribed 97.11 times
 - The public issue subscribed 34.41 times in retail category, 194.73 times in the QIB category, and 126.13 times in the NII category
 - Listed at 83% premium over the IPO Price

Wherever There's Critical Flow, Aeroflex Leads the Way

Current Major Industries



Steel & Metal



Oil & Gas



Chemicals



**Sea Port Terminal
Handling**

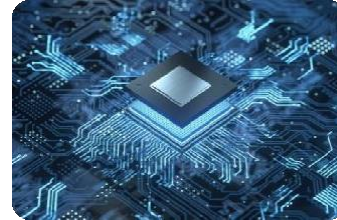


Paper and Pulp



Pharmaceutical

New Age Industries



Semiconductors



**Aerospace and
Satellite**



Electric Mobility



Solar



Fire Sprinklers



Robotics

Key Properties of our Products



Close substitute of rubber and polymers



Perfect fit for extreme environment conditions



Temperature Resistant



Available in different sizes



Abrasion Resistance & Flexibility in fitting



Absorb High Pressure



High replacement creates demand

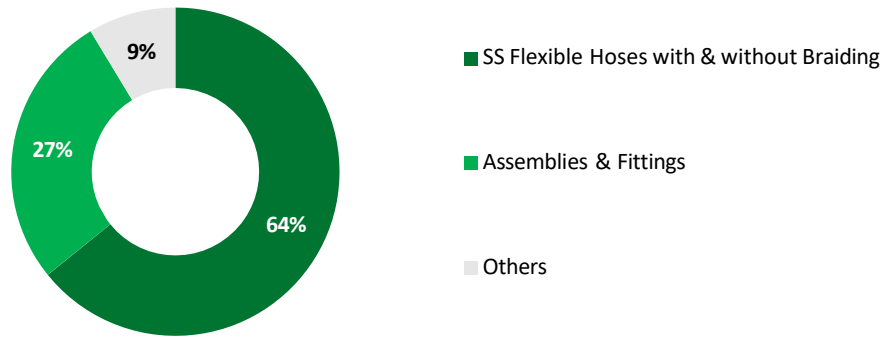


Chemical Compatible

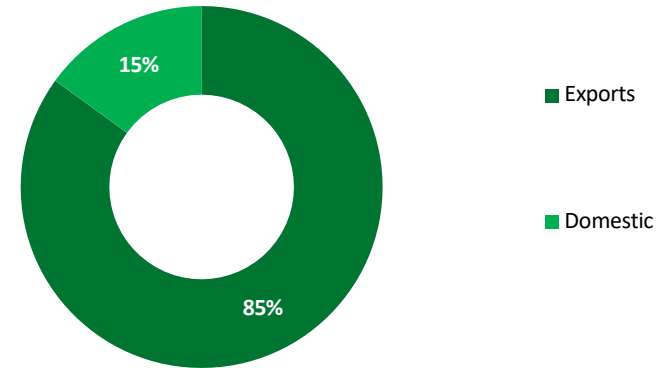
Diversified Portfolio



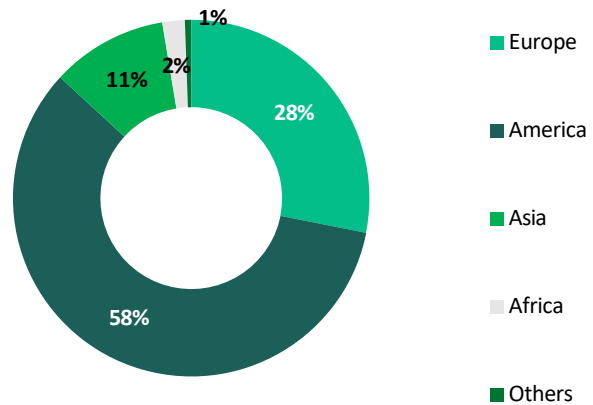
Product Segments



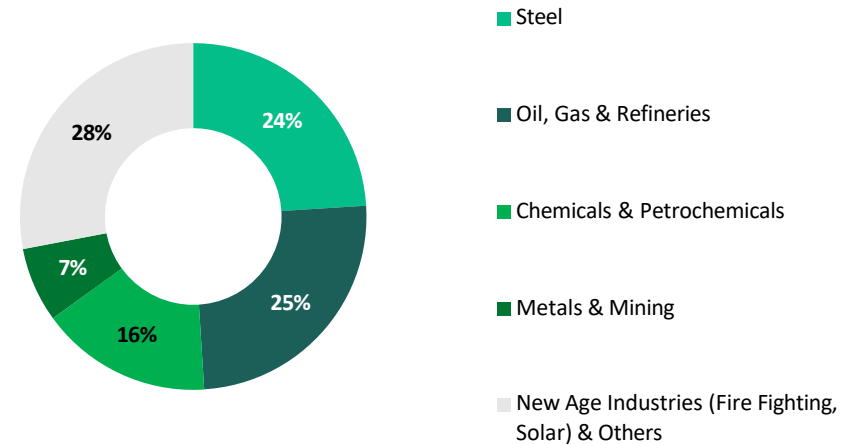
Domestic: Export Mix



Geographical Split



End user Industries



Aeroflex - Consolidated Profit & Loss Statement



Profit & Loss (Rs. Crs)	Q2 FY24	Q2 FY23	YoY	H1 FY24	H1 FY23	YoY	FY23
Revenue from Operations	8,407.56	6,815.38	23.36%	16,700.62	13,850.36	20.58%	26,946.10
Other Income	35.78	0.05		134.60	0.21		3.90
Total Income	8,443.35	6,815.43	23.89%	16,835.22	13,850.57	21.55%	26,950.00
Cost of Material Consumed	5,290.50	5,076.41		10,929.78	10,172.86		18,851.12
Changes in Inventories	(24.60)	(824.84)		(251.08)	(1,396.39)		(1,778.37)
Employee Benefit Expenses	618.16	536.76		1,269.54	1,059.38		2,315.14
Other Expenses	756.96	812.03		1,397.19	1,511.47		2,266.56
EBITDA	1,802.32	1,215.07	48.33%	3,489.78	2,503.24	39.41%	5,295.55
EBITDA Margin	21.35%	17.83%	352 bps	20.73%	18.07%	266 bps	19.65%
Depreciation	151.83	116.85		293.81	222.25		521.93
Finance Cost	108.62	105.80		200.56	158.92		343.39
Exceptional Item (Gain) / Loss	16.10	-		-	-		307.71
Profit before Tax	1,525.76	992.42	53.74%	2,995.41	2,122.08	41.15%	4,122.52
PBT Margin	18.07%	14.56%	267 bps	17.79%	15.32%	247 bps	15.30%
Tax	368.06	240.00		728.92	515.00		1,107.31
Profit After Tax	1,157.71	752.42	53.86%	2,266.49	1,607.08	41.03%	3,015.21
PAT Margin	13.71%	11.04%	267 bps	13.46%	11.60%	186 bps	11.19%
EPS (in Rs.)*	0.94	0.66		1.84	1.41		2.64

* EPS for Q2FY23 and H1FY23 are restated after considering the sub-division of 1 equity share of INR 10 each into 5 equity shares of INR 2 each.

Sah Polymers Limited - Manufacturer of Bulk Packaging

- ❑ Incorporated in 1992, Sah Polymers Limited (SAH) is engaged in the manufacturing of packaging bags that find application in diverse industries including Agro Pesticides, Basic Drugs, Cement, Chemicals, Fertilizers, Food Products, Textile, Ceramic, Steel, among others.
- ❑ SAH's manufacturing facility is located at Udaipur, Rajasthan with an installed capacity of 3,960 MT per annum. The Company has also started commercial production in a new manufacturing facility with a capacity of 3,960 MT per annum to manufacture new variants of FIBC bags on 25th January 2023.
- ❑ SAH is a Del Credere Associate & Consignment Stockist of Indian Oil Corporation Limited (IOCL) and also operates a Dealer Operated Polymer Warehouse (DOPW) of IOCL for their polymer division.
- ❑ SAH has domestic Presence across 8 states and 1 union territory with long term business relationships; Internationally SAH has supplied its products in 28+ countries covering regions of Africa, Middle East, Europe, USA, Australia and the Caribbean;
- ❑ SAH is a proud member of the renowned FIBCA (FIBC Association of USA) and also a proud member of iFIBCA (Indian FIBC Association);
- ❑ SAH got listed on NSE and BSE on 12th January 2023



Fibcorp Polyweave Private Limited, a subsidiary of Sah Polymers post the acquisition of a controlling stake in January 2022, is in the process of amalgamation with the parent Company.

Fibcorp Polyweave Private Limited

- ❑ Involved in the business of Manufacturing and Exporting FIBC since July 2017
- ❑ Manufactures entire range of FIBC from Simple builder bags to complex C panel and circular baffle bags
- ❑ Strong export customer base in 18+ countries across the globe
- ❑ Recognized as Star Export House by the Government of India.
- ❑ Driven by a strong team of experienced and knowledgeable professionals and workers across critical production departments.

Allow for cost optimisation

Offer cross-selling opportunities within each other's clientele

Fortify presence in global markets



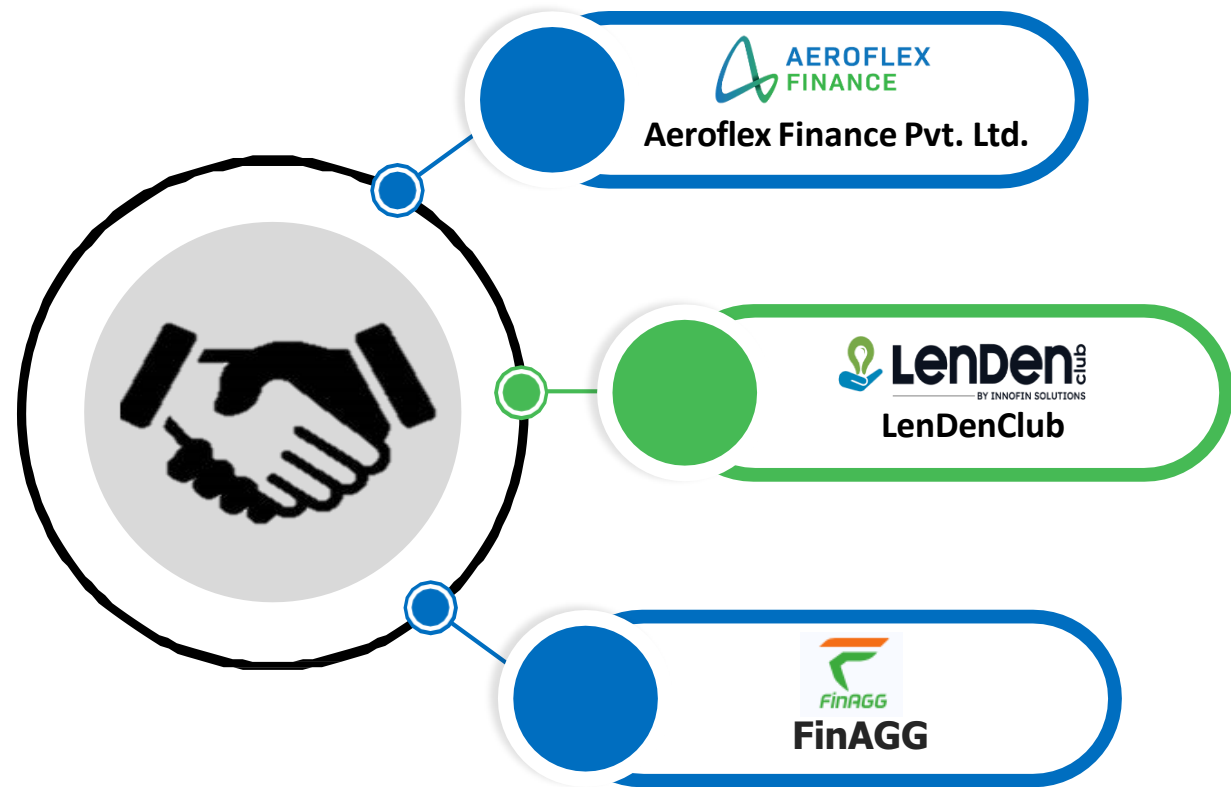
Sah - Consolidated Profit & Loss Statement

Profit & Loss (in Lakhs)	Q2 FY24	Q2 FY23	YoY	H1 FY24	H1 FY23	YoY	FY23
Revenue from Operations	2,754.08	2,641.41	4.3%	5,083.28	5,363.72	(5.2%)	9,539.92
Other Income	48.69	22.20		102.38	58.88		181.70
Total Income	2,802.77	2,663.61	5.2%	5,185.66	5,422.60	(4.4%)	9,721.62
Cost of Material Consumed	1,751.38	1,884.23		3,294.14	3,444.54		5,691.50
Purchases of stock-in-trade	298.10	(314.18)		342.77	0.90		630.73
Changes in Inventories	(365.64)	(90.40)		(637.35)	(36.48)		(587.28)
Employee Benefit Expenses	187.27	169.56		350.34	335.63		443.68
Other Expenses	783.31	796.98		1,463.87	1,224.56		2,668.20
EBITDA	148.35	217.42	(31.8%)	371.89	453.45	(18.0%)	874.79
EBITDA Margin	5.29%	8.16%	(287 bps)	7.17%	8.36%	(119 bps)	9.00%
Depreciation	56.93	29.47		114.47	57.82		140.33
Finance Cost	74.78	44.23		153.44	79.88		222.06
Exceptional Item (Gain) / Loss	-	-		-	-		-
Profit before Tax	16.64	143.72	(88.4%)	103.98	315.75	(67.1%)	512.40
PBT Margin	0.59%	5.40%		2.01%	5.82%		5.27%
Tax	5.22	34.98		31.45	81.89		136.34
Profit After Tax	11.42	108.74	(89.5%)	72.53	233.86	(69.0%)	376.06
PAT Margin	0.41%	4.08%		1.40%	4.31%		3.87%
EPS (in Rs.)	0.04	0.70		0.28	1.50		2.10

Aeroflex Finance Private Limited, is a Non-Banking Financial Company (NBFC) dedicated to providing comprehensive financial solutions to both businesses and individuals.

In the constantly evolving financial landscape, we encountered a multitude of challenges and opportunities. It is within this dynamic context that we have identified the importance of broadening our horizons and venturing into the financial services sector. As a part of this initiative, we are entering into multiple partnership with emerging Fintech companies, the first amongst which is with LenDenClub and our existing RBI registered NBFC, Aeroflex Finance Private Limited, which will leverage new-age infrastructure and technology.

This strategic move is aimed at expanding our range of services and reaching a more extensive customer base. We believe that enhancing our NBFC business will unlock significant potential and act as a catalyst for our ongoing success.



Sat Industries Limited has invested and strategically partnered with LenDen Club and FinAGG through it's RBI registered NBFC (Aeroflex Finance Private Limited)

Commenting on the performance of Q2 FY24, Whole-time director said :

We are happy to share our financial and business performance in Q2 FY24. Our consolidated revenue from operations grew by 8.63% on a YoY basis from ₹ 12,610.38 Lakhs in Q2 FY23 to ₹ 13,698.21 Lakhs in Q2 FY24 as our products continue to receive widespread acceptance across traditional and emerging industries. Our operational EBITDA (excluding other income from the proceeds of OFS from Aeroflex's IPO) increased from ₹ 1,830.13 Lakhs in Q2 FY23 to ₹ 2,247.67 Lakhs in Q2 FY24.

In terms of H1 performance, revenue from operations increased by 9.71% and stood at ₹ 26,696.03 Lakhs in H1 FY24 compared to ₹ 24,332.26 Lakhs in H1 FY23. Our operational EBITDA (excluding other income from the proceeds of OFS in IPO & Pre IPO of Aeroflex) increased from ₹ 3,546.61 Lakhs in H1 FY23 to ₹ 4,236.67 Lakhs in H1 FY24.

We would like to highlight the following updates with respect to our individual businesses:

Aeroflex Industries Limited:

We continued to witness robust demand for our products across industries like aerospace, satellite, oil and gas, robotics, defense, chemicals and others and the testament to the same is witnessed in our revenue growth and profitability. Further, our products are increasingly replacing conventional flow solutions at an accelerated pace and in order to capture this opportunity we are in the process of expanding our capacity to 13.5 mn meters from the current 12.5 mn meters. This capacity expansion will enable us to diversify our product portfolio and develop more advanced, value-added products through our in-house R&D division. We anticipate the completion of this capex by FY25.

Lastly, we are happy to share that Aeroflex Industries Limited got listed on the main board of BSE and NSE on 31st August 2023 at a premium of ~83% over the issue price. We are delighted with the overwhelming response received from the capital markets and are committed to make Aeroflex one of the most trusted flexible flow solutions partners not just in India but across the globe with its unique and creative solutions to meet customer-centric requirements.

Sah Polymers Limited:

We are pleased to report 5.2% revenue growth in Sah, driven by our continuous product portfolio expansion, successful market penetration into new regions, and the acquisition of new customers. As on 30th September 2023, we extended our presence to 30+ countries and welcomed 71+ customers.

Investments

At SAT, we maintain our commitment to being strategic and sector-agnostic angel investors, with a primary focus on investing in pre-seed and seed-stage startups. We closely monitor the progress of our portfolio companies on a quarterly basis. Furthermore, our unwavering pursuit of growth opportunities continues, with an active exploration of potential pathways for inorganic expansion, particularly in the realm of packaging and flexible flow solutions. This endeavor is aimed at elevating our capabilities through both backward and forward integration, ensuring our enduring presence at the forefront of innovation and industry leadership.

We would like to extend our appreciation to our employees for their continuous efforts. We believe this strong performance and investment in our physical and human capital holds promise to unlock great benefits for all our stakeholders in the future."

Thank You!!!



For more information



<https://satgroup.in/>



Investor.relations@satgroup.in



<https://www.linkedin.com/company/SAT-industries-limited/>



Captive IR Strategic Advisors Pvt. Ltd.

Email: krunal@cap-ir.com/naman@capir.com

Disclaimer:

Certain statements in this document may be forward looking statements. such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. SAT industries limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

AEROFLEX INDUSTRIES LIMITED is proposing, subject to market conditions and other considerations, an Initial Public Offer of its Equity Shares and has filed the Draft Red Herring Prospectus with the Securities and Exchange Board of India ("SEBI"). The Draft Red Herring Prospectus is available on the website of the SEBI at www.sebi.gov.in, the website of the Book Running Lead Manager at <https://www.pantomathgroup.com/>, website of the BSE at www.bseindia.com and website of National Stock Exchange India Limited at <https://www.nseindia.com>. Investors should note that investment in Equity Shares involves a high degree of risk. For details, investors should refer to and rely on the Draft Red Herring Prospectus, including the section titled "Risk Factors" as appearing on page 37 of the Draft Red Herring Prospectus.

All capitalised terms used in this Public Announcement shall, unless specifically defines or unless the context otherwise requires, have the meaning ascribed to them in the DRHP. The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, and 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 U.S. Securities Act and 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 and the applicable laws of each jurisdictions where such offers and sales are made. 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 issued or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.