transformers & rectifiers (india) ltd

An ISO 9001:2015, ISO 14001:2015 & ISO 45001 : 2018 CERTIFIED

Q1 FY 2023-24 – Investor Presentation

10th August, 2023

DISCLAIMER

This presentation and the discussion that follows may contain certain words or phrases that are forward - looking statements, based on current expectations of the management of Transformers and Rectifiers (India) Limited or any of its subsidiaries and associate companies ("TRIL"). Actual results may vary significantly from the forward-looking statements contained in this presentation due to various risks and uncertainties. These risks and uncertainties include the effect of economical and political conditions in and outside India, volatility in interest rates and the securities market, new regulations and Government policies that may impact the businesses of TRIL as well as its ability to implement the strategy.

The information contained herein is as of the date referenced and TRIL does not undertake any obligation to update these statements. TRIL has obtained all market data and other information from sources believed to be reliable or its internal estimates, although its accuracy or completeness can not be guaranteed. This presentation is for information purposes only and does not constitute an offer or recommendation to buy or sell any securities of TRIL. This presentation also does not constitute an offer or recommendation to buy or sell any financial products offered by TRIL. Any action taken by you on the basis of the information contained herein is your responsibility alone and TRIL or its Directors or employees will not be liable in any manner for the consequences of such action taken by you. TRIL and/or its Directors and/or its employees may have interests or positions, financial or otherwise, in the securities mentioned in this presentation.

Our USP Today

- **Leading manufacturer of transformers up to 1200 kV class.**
- **A wide range of transformers: Power and Distribution Transformers, Furnace Transformers, Rectifier Transformers & Special Transformers, creating a unique positioning in the country.**
- **Strong in-house design & technical expertise; combined with technical collaboration/Joint Venture relationship for 765 kV Transformers & Reactors.**
- **Vision to become largest manufacturer of Transformers for Green Energy.**
- **Technical collaboration with Fuji, Japan for 400/765 kV reactors and 400 kV generator transformer.**
- **A diversified Pan India customer base, coupled with International presence in over 25 countries.**
- **Fully integrated manufacturing set up - creating economies and improving efficiency.**

Key Milestones

1981 Mr. Jitendra Mamtora, Started Transformer Manufacturing upto 33kV class

1984 Started Transformer Manufacturing upto 33kV class

1994 Incorporated as Triveni Electric Co. Ltd.

1995 Rechristened to Transformers & Rectifiers (India) Ltd.

1997 Expanded upto 110 kV Class transformers at the new plant at Changodar, Ahmedabad

2000 Manufactured transformers upto 100 MVA, 245 kV class

2007 TRIL Listed in both National Stock Exchange (NSE) & Bombay Stock Exchange (BSE)

2008 Crossed Turnover of INR 300 Crore

2009 Best Supplier Award from GETCO

Development of 400kV Transformer

2010 Commenced Production at Moraiya Plant

Crossed Turnover of Rs. 500 Cr.

Key Milestones

transformers & rectifiers (india) ltd

2011
- Entered into strategic alliance with Ukraine Company for 765 kV Class Transformer
- Supply of 315 MVA 400 kV class transformer to State Utility

2012
- Successfully manufactured and tested 765kv class Transformer

2013
- Awarded "Best under a Billion" company for The Region's Top 200 SME Size Companies by **FORBES ASIA**
- Development of 890kV Shunt Reactor

2014
- Crossed Turnover of Rs. 700 Cr.
- Development of 75MVA, 115kV Green Transformer filled with Ester fluid

2015
- Entered into Technology License agreement with Fuji Electric Co. Ltd.
- Received Order worth INR 400 Crore for Third Party Export

2015
- Successful short circuit testing of 315 MVA, 400/220/33 kV 3 Phase auto transformers by KEMA Netherlands

2015
- Developed and manufactured 70 MVA EAF Transformers for Iran

2016
- New JV with Jiangsu Jingke Smart Electric Co. Ltd, PRC for manufacturing of Switchgears

2016
- Successfully commissioning of 1150 kV X'mer at PGCIL site

2017
- Supplied 2x500 MVA, 400 KV Auto Transformers for Karnataka's first highest rating installation

Key Milestones

transformers & rectifiers (india) ltd

2017 Developed and Manufactured 132 MVA EAF Transformer for Mexico

2018 Export of highest rating Power Transformer of 250 MVA, 130KV to Russia.

2018 Successfully type tested OIP Bushing up to 145 KV

2018 Successfully executed 80 numbers of GREEN Transformers using natural ester fluid

2019
1. Developed and Manufactured 170 MVA EAF transformer for Gulf Countries
2. Received order for World's first 50MVAr Reactor with Synthetic Ester Oil, From PGCIL

2022
1. Achieved Milestone of INR 1100+ Cr turnover including all time high Exports of INR 209 Cr.
2. First 500MVA/400KV Auto transformer supplied and commissioned in M.P.

2023 Achieved Milestone of INR 1400+ Cr turnover with all time high PAT.

World's First 420 kV ester fluid filled shunt reactor successfully designed and manufactured.

Product Mix

transformers & rectifiers (india) ltd

Power Transformers

Shunt Reactors

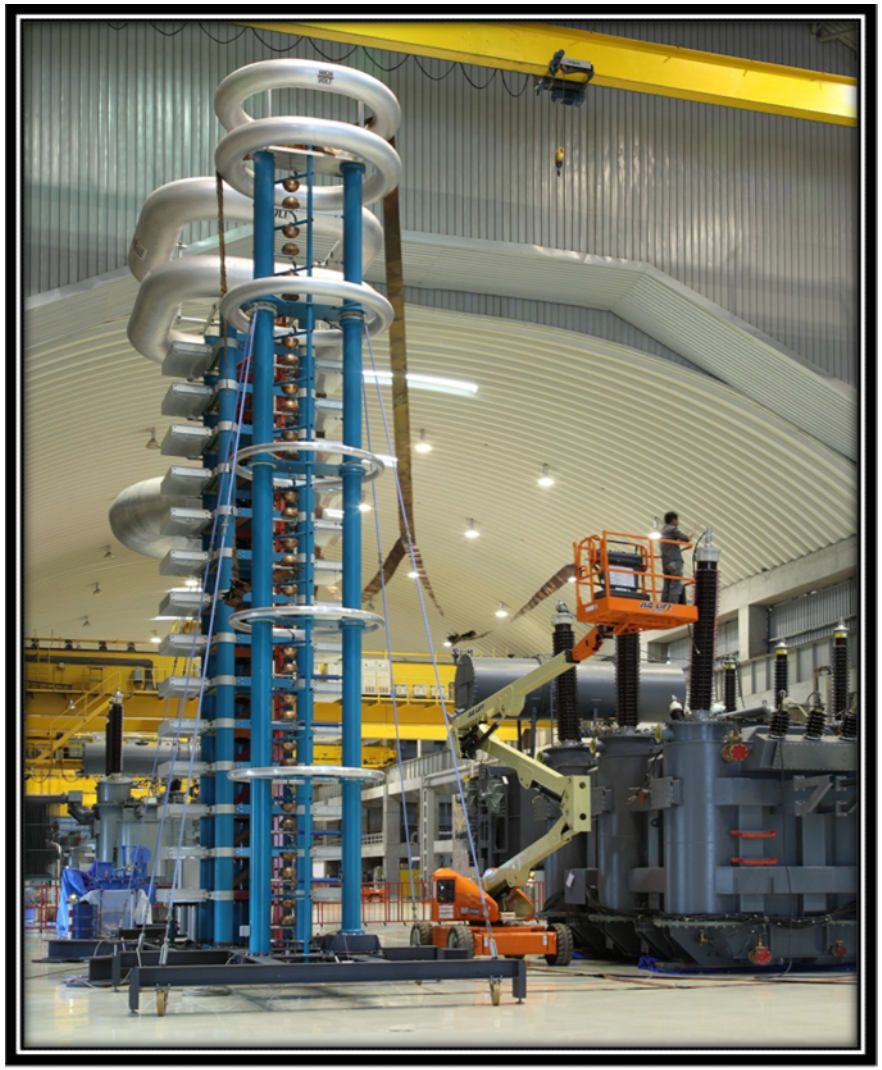
Distribution Transformers

Furnace Transformers

Rectifier Transformers

Classification of transformers	Range	Types
Power Transformer	Upto 1200 kV class	Generator transformer, Unit Auxiliary transformers, Step up & Step down transformers, Interconnecting Auto transformers, Dual Voltage Primary or Secondary Three winding transformers
Shunt Reactor	Upto 765 kV class	Reactors upto 765 kV class
Distribution Transformers	160 kVA and above	Earthing transformers, Three winding transformers, Step up & Step down transformers, Dual voltage Primary or Secondary
Furnace Transformers	220MVA/101KA	Arc Furnace, Induction Furnace, Laddle Arc Furnace and Submerged Arc Furnace transformers
Rectifier Transformers	100 KA DC	For DC power sources for Melt and Chemical Industries

STATE OF THE ART TESTING LAB FACILITY



INFRASTRUCTURE

1000 Sq. meter, 25 meter high test bay with shielding suitable for partial discharge measurements

Test Sources

- 3000 kW 50/60 Hz Generator
- 250kV Transformer for High Voltage test
- 0-170kV Source Transformer for losses measurement
- 1500 kW 200Hz Generator
- 50 MVAr Capacitor Bank
- 800kV Source Transformer

(provision to increase upto 100MVAr)

Competitive Strengths

In-house technical & design capabilities

- Design & engineering capabilities developed indigenously enabling the company to achieve greater customization and cater to niche segments.
- Designs structured so as to minimize losses occurring within the transformer.
- Unique distinction of being approved by utilities for power transformers up to 765 kV class without any external technological support. **This becomes an entry barrier for new units**.

Cost Advantage

- Backward integration providing timely & cost-effective access to critical raw material components.
- Installation of new machines (oven) has helped reduce cycle time to manufacture transformers.

Wide product portfolio and customer base

- Manufacturing entire range of transformers including power generation, T&D, industrial and certain special transformers.
- One of the largest manufacturers of furnace transformers.
- Preferred supplier to many utilities & industrial companies in India.
- Exported transformers to countries such as USA, England, Canada, Russia GCC., South Africa, Saudi Arabia, Australia, West Africa & Indonesia.

Well positioned to move up the value chain

- Manufacturing customized transformers & providing requisite on-site and after-sales service support.
- Robust business model with revenues split almost equally between utilities & industries.
- Supported with strong technical collaboration with Fuji for 400/765 KV reactors and 400 Kv generator transformer.
- KEMA, Netherlands BV, the world renowned short circuit testing laboratory, Successfully tested our 315 MVA, 400/220/33 kV, 3 phase auto transformer.

Growth Strategy

Further developing niche business segments of private players which offer better margins

Increasing market share in Furnace & Rectifier Transformers

Increasing its presence in International Markets

Optimal utilization of Manufacturing facilities

Maintaining a judicious mix of Generation, T & D and Industrial Transformers

Backward integration of products with higher markup

FINANCIALS – STANDALONE

Particulars (Rs. in Lakhs)	Q1 FY 2023-24	Q4 FY 2022-23	Q1 FY 2022-23	12M FY 2022-23
Revenue from Operations	15,336	43,005	29,750	1,37,498
Other Income	200	285	206	1,186
Total Income	**15,536**	**43,290**	**29,956**	**1,38,685**
Expenditure				
Cost of Raw Materials	10,568	33,537	23,133	1,04,031
Cost of Trading Goods	868	1,121	1,790	4,942
Employee Cost	877	1,206	747	3,807
Finance Cost	1,446	1,161	974	4,663
Depreciation	567	645	362	2,257
Other Expenditure	2,643	4,355	2,047	14,143
Total Expenses	**16,969**	**42,024**	**29,054**	**1,33,843**
Profit Before Tax	**(1,433)**	**1,266**	**902**	**4,842**
Less : Tax	(335)	384	314	1,133
Add: Other Comprehensive Income	4	3	3	14
PAT after Comprehensive Income	**(1,094)**	**885**	**592**	**3,723**
EBITDA	**580**	**3,071**	**2,239**	**11,762**
EBITDA Margin	***3.74%***	***7.09%***	***7.47%***	***8.48%***
PAT Margin	-7.0%	2.0%	2.0%	2.7%

FINANCIALS – CONSOLIDATED

Particulars (Rs. in Lakhs)	Q1 FY 2023-24	Q4 FY 2022-23	Q1 FY 2022-23	12M FY 2022-23
Revenue from Operations	15,557	43,835	30,034	1,39,597
Other Income	178	115	166	869
Total Income	**15,735**	**43,950**	**30,200**	**1,40,466**
Expenditure				
Cost of Raw Materials	9,866	33,242	22,744	1,02,357
Cost of Trading Goods	868	1,121	1,790	4,942
Employee Cost	945	1,316	805	4,118
Finance Cost	1,521	1,199	1,020	4,796
Depreciation	617	694	409	2,453
Other Expenditure	3,441	4,902	2,426	16,093
Total Expenses	**17,258**	**42,474**	**29,194**	**1,34,759**
Profit Before Tax	**(1,523)**	**1,476**	**1,006**	**5,707**
Less : Tax	(302)	516	363	1,472
Add: Other Comprehensive Income	4	6	4	17
PAT after Comprehensive Income	**(1,217)**	**966**	**647**	**4,252**
EBITDA	**615**	**3,369**	**2,434**	**12,956**
EBITDA Margin	***3.91%***	***7.67%***	***8.06%***	***9.22%***
PAT Margin	-7.7%	2.2%	2.1%	3.0%

OPERATIONAL PERFORMANCE STANDALONE

Particulars	Q1 FY 2023-24	Q4 FY 2022-23	Q1 FY 2022-23	FY 2022-23
Sales MVA				
Upto 220kV	1028	2221	773	7212
Above 220kV	1080	3695	4682	13725

Particulars	Q1 FY 2023-24		Q4 FY 2022-23		Q1 FY 2022-23		FY 2022-23	
Sales Breakup - Customer Segment	**In Crore**	**%**	**In Crore**	**%**	**In Crore**	**%**	**In Crore**	**%**
Utilities (SEBs, Rail and Utilities etc.)	90	59%	224	52%	175	59%	710	51%
Industrial (incl. renewables)	61	40%	186	43%	119	40%	585	43%
Exports (Incl. Third Party Exports - Utilities & Power, SEZ)	2	1%	20	5%	3	1%	80	6%
Total	153	100%	430	100%	297	100%	1,375	100%

FINANCIAL HIGHLIGHTS – CONSOLIDATED Q1FY24

- The revenue from operations was at Rs.155.57 Crore, a decline by 48% from Rs.300.34 crore in Q1FY23.
- During the quarter, multiple factors led to decline in the revenue:
  - There was a significant built up of inventory; materials were ready for dispatch but delivery got delayed due to non-receipt of dispatch instruction from customers, hence, we were unable to invoice those orders.
  - In few instances, orders could not be dispatched and invoiced on account of delay in inspection from the customer's side.
  - Some of the orders were deliberately slowed down by the company where there were delayed payments by the customer.
  - During the quarter, we have not received any amount from GETCO which increased its outstanding to Rs.183 crore which impacted heavily on the deliverable of the company.
- All this put together had an impact on our revenue during the quarter.

FUTURE BUSINESS PROSPECTS

Orders on Hand - Rs. 2149 Crs. as on 31st July, 2023

Major Event during in Q1 2023-24.

- Company has received new orders of Rs.377 crore during the quarter.
- Company has participated in 2-3 export tenders during the quarter through its overseas associates and expect favorable outcome in Q2FY24.
- Company has participated under bidding process of state utilities, central utilities, EPC's, Private, TBCB tenders etc. for more than Rs.3,700 crore during the quarter.

OUTLOOK 2023-24

- Globally, the demand of transformers has increased manifolds, major buyers such as Europe, USA are in short supply by 2-3 years. Big opportunity is coming in Ukraine for Indian companies like TRIL who has the potential of meeting immediate demand of the country.
- For transmitting energy from solar parks to the grid higher rated transformers are required where TRIL has the necessary facility and capabilities in place.
- The expansion of Hydrogen energy capacity in the world brings huge opportunity for TRIL as it is one of the few companies who has the expertise to manufacture transformers. Transformers for green energy are the next generation products of TRIL.
- In the Indian market we are optimistic of the growth potential due to increase in demand on account of uptick in the capex cycle & government policies.
- We see a lot of demand coming in from railways. With higher roll out of fast speed trains, Metro's, TRIL is at an advantageous position to contribute to the demand.

transformers & rectifiers (india) ltd

An ISO 9001:2015, ISO 14001:2015 & ISO 45001 : 2018 CERTIFIED

THANK YOU

www.transformerindia.com