



TEGA INDUSTRIES LIMITED

PARTNERSHIPS IN PRACTICE

Investor Presentation

Feb. 2022



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Tega Industries Limited – Company Overview



Commenced operations in India in 1978, in collaboration with Skega AB, Sweden

Leading manufacturer & distributor of specialized **'critical to operate' & recurring consumable products¹**

Catering to **global mineral beneficiation, mining & bulk solids handling industry**

Immunity from Capex Cycles

- Cater to after-market spend recurring revenues



Continuous Design Innovation

- Launched DynaPrime in 2018 – a composite liner of rubber & steel



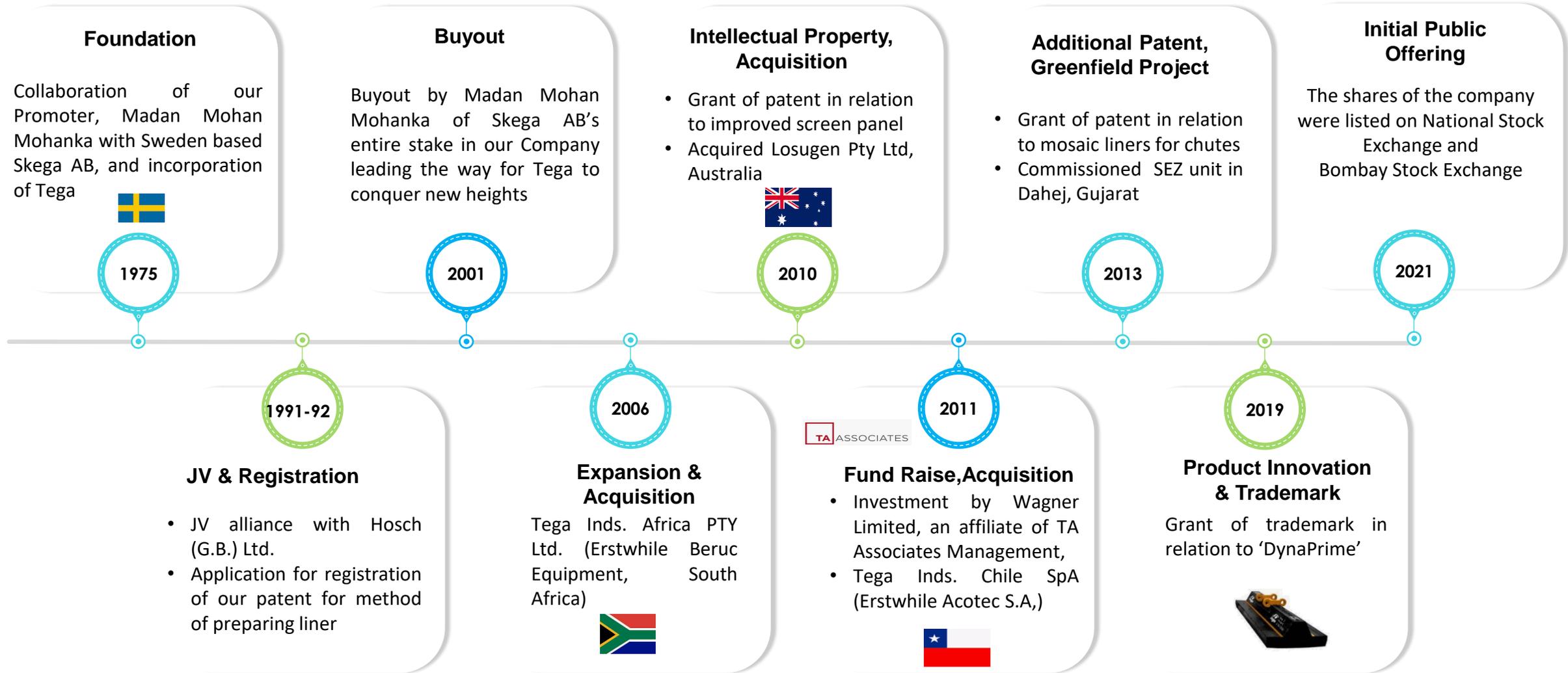
Inorganic Strategy

- Successfully integrated 3 acquisitions

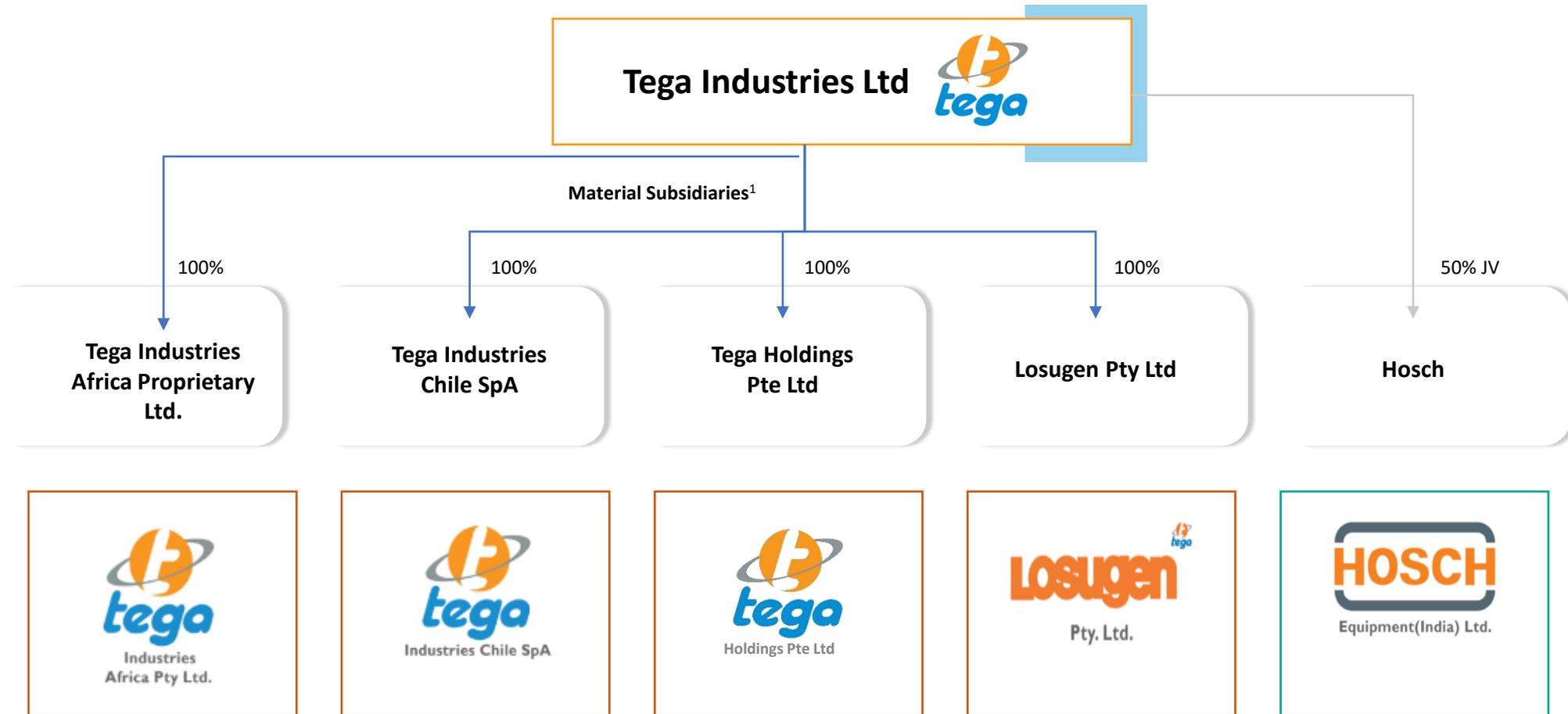


1. For the global mineral beneficiation, mining & bulk solids handling industry

Evolution into a Global Multi-product Player



Corporate Structure

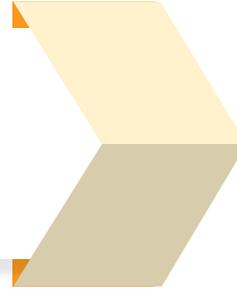


¹ Shown above are material subsidiaries. The company also holds other wholly owned marketing subsidiaries

Robust fundamental

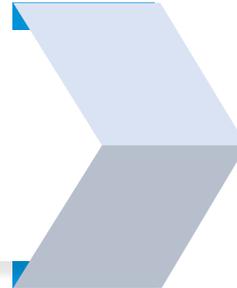
Mineral Processing Industry 2020-30¹
CAGR: 6.3%

- Infrastructure growth, shift to EVs, RE, electronics, volatility hedge, etc. key demand drivers for relevant metals
- Declining ore grade enhancing demand for beneficiation products



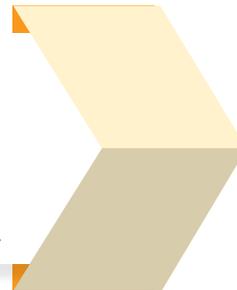
One of the Global Leaders

- 2nd largest producers of polymer-based mill liners ²
- 55+ product portfolio



Diverse Footprint

- 3 plants in India & 3 Overseas
- 18 global & 14 domestic sales offices
- 513 installation sites , ~70 countries (FY21)
- 86.42% of revenue from operations from outside India in FY21



Established Track Record

CAGR 12.7%

Revenue from Operations FY19-21

Growth Momentum

23.3%

Operating EBITDA margin FY21

Differentiated, High Margin Business

Rs 2,781 mn

Robust Orderbook (31-Dec-21)

Significant visibility





**Q3 & 9M FY22
PERFORMANCE
HIGHLIGHTS**

Q3 & 9M FY22 Performance Highlights

Q3FY22

Revenue

+20%

Rs. 2,578 mn



9MFY22

Revenue

+19%

Rs. 6,617 mn



Operating EBITDA

+8%

Rs. 510 mn



Margin at 19.8%

Operating EBITDA

-14%

Rs. 1,139 mn



Margin at 17.2%

PAT

+6%

Rs. 336 mn



Margin at 13%

YoY

PAT

-29%

Rs. 680 mn



Margin at 10.3%

Management Commentary

- ❑ Impact of rise in material costs led to pressure on margin. The same will be passed on gradually being critical spares for the customers
- ❑ Due to disruptions in global supply chain, substantial escalation in freight costs has also affected margins. YoY, Freight costs have increased ~40% in 9M FY22

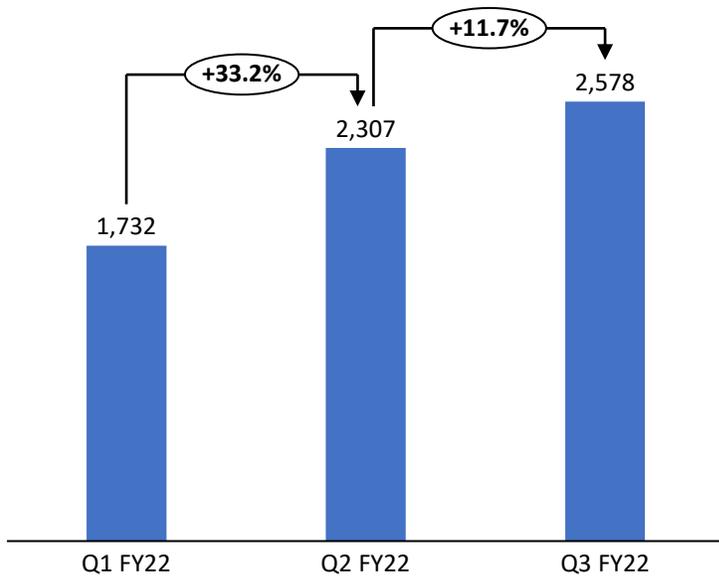
Consolidated Financial Performance



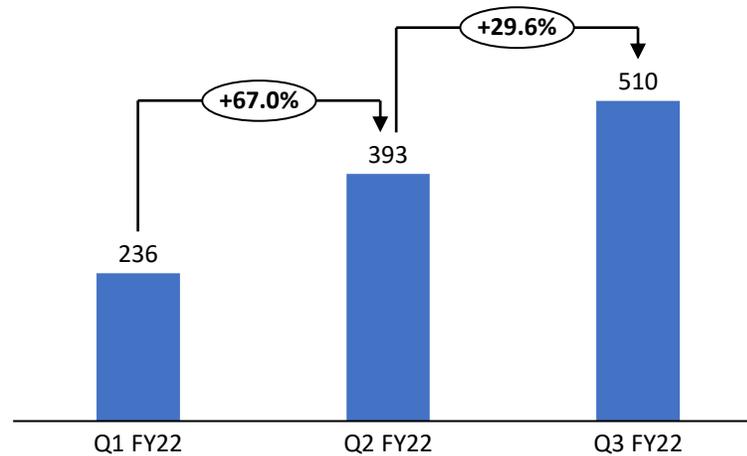
In Rs mn

Quarter- wise trend : FY22

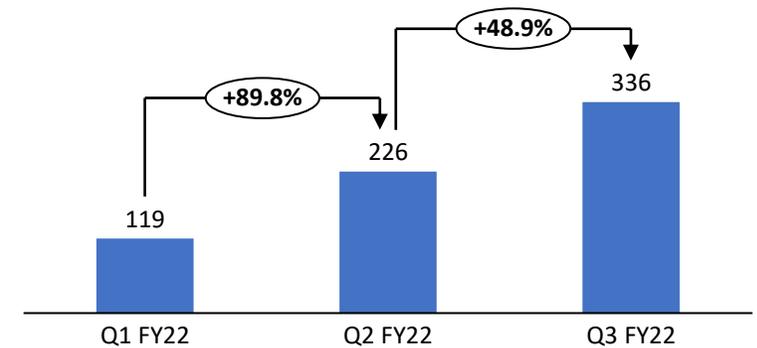
Revenue



Operating EBITDA



PAT

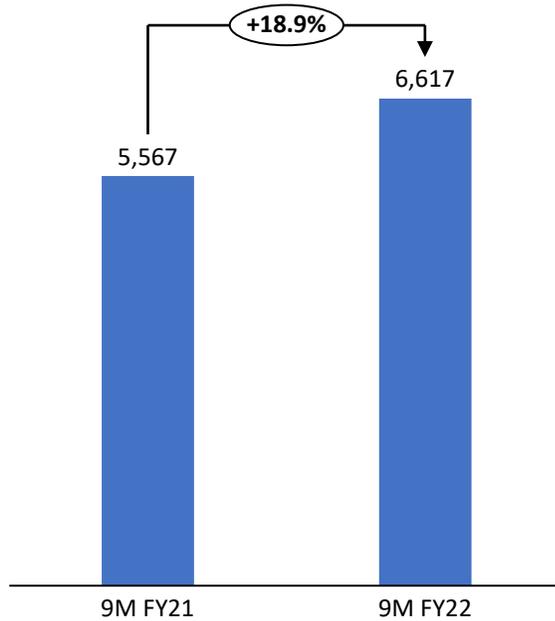


Consolidated Financial Performance

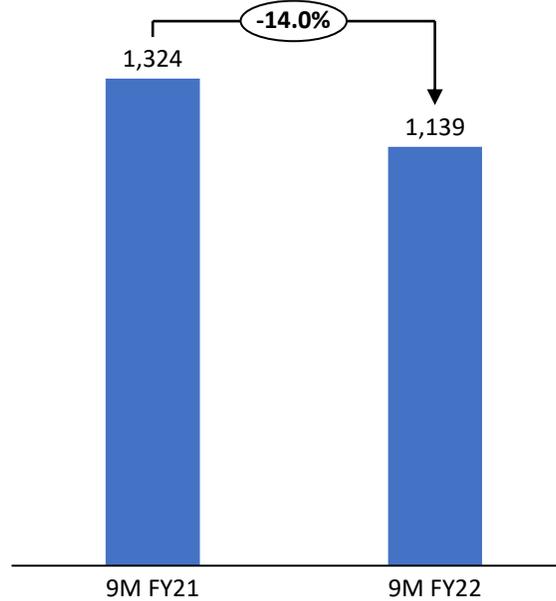


Nine-Months Performance

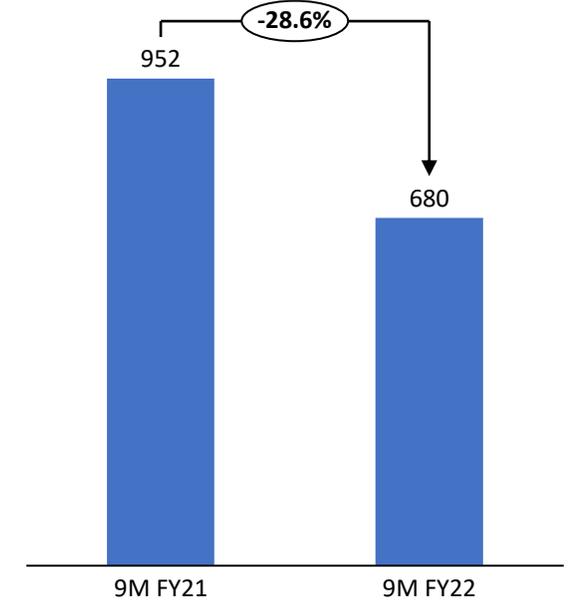
Revenue



Operating EBITDA



PAT



Q3 & 9M FY22 - Consolidated P&L



| Particulars (INR mil) | Q3 FY22 | Q3 FY21 | YOY | Q2 FY22 | QoQ | 9M FY22 | 9M FY21 | YOY | FY21 |
|---------------------------------------|----------------|----------------|------------|----------------|------------|----------------|----------------|-------------|----------------|
| Revenue from operations | 2,577.9 | 2,141.5 | 20% | 2,307.1 | 12% | 6,617.0 | 5,566.9 | 19% | 8,055.2 |
| Cost of materials consumed | 1,144.9 | 1,110.7 | | 1,017.1 | | 2,926.4 | 2,218.5 | | 3,282.4 |
| Changes in inventories | -39.0 | -235.6 | | -41.7 | | -159.5 | -52.9 | | -44.5 |
| Gross Margin | 1,471.9 | 1,266.4 | 16% | 1,331.7 | 11% | 3,850.2 | 3,401.3 | 13% | 4,817.3 |
| Gross Margin % | 57% | 59% | | 58% | | 58% | 61% | | 60% |
| Employee benefits expense | 350.3 | 324.5 | | 369.8 | | 1,070.4 | 910.4 | | 1,226.7 |
| Other expenses | 611.6 | 470.0 | | 568.4 | | 1,640.8 | 1,166.8 | | 1,715.8 |
| Operating EBITDA | 510.0 | 471.9 | 8% | 393.5 | 30% | 1,139.1 | 1,324.1 | -14% | 1,874.8 |
| Operating EBITDA Margin % | 20% | 22% | | 17% | | 17% | 24% | | 23% |
| Finance costs | 24.3 | 35.4 | | 25.7 | | 86.2 | 127.1 | | 172.8 |
| Depreciation and amortisation expense | 88.8 | 103.8 | | 102.0 | | 295.8 | 302.2 | | 401.8 |
| Other income | 36.2 | 138.3 | | 20.5 | | 117.8 | 425.9 | | 511.6 |
| Share of profit of joint venture | 8.0 | 8.3 | | 6.5 | | 20.6 | 20.2 | | 26.8 |
| PBT | 441.0 | 479.3 | -8% | 292.7 | 51% | 895.4 | 1,340.9 | -33% | 1,838.6 |
| Current tax | 92.5 | 106.5 | | 117.5 | | 279.7 | 270.0 | | 372.8 |
| Deferred tax | 12.6 | 57.4 | | -50.4 | | -64.4 | 118.6 | | 101.8 |
| PAT | 335.9 | 315.4 | 6% | 225.5 | 49% | 680.2 | 952.3 | -29% | 1,364.1 |
| PAT Margin | 13% | 15% | | 10% | | 10% | 17% | | 17% |
| Basic EPS | 5.7 | 5.6 | | 4.0 | | 11.9 | 16.8 | | 24.1 |

CUTTING-EDGE PRODUCTS LEADING EDGE SOLUTIONS



KEY INVESTMENT HIGHLIGHTS

Key Investment Highlights

Diverse & Innovative Products with Low Substitution Threat

1



Insulated from Capex Cyclicality of Mining Players

2



Strong R&D leading to Multiple Patents, with focus on Quality

3



Diverse Global Presence with Strong Global Manufacturing & Sales Capabilities

4



Consistent Growth with Operational Efficiency & High Repeat Business

5



Track Record of Successful Inorganic Growth Strategy

6



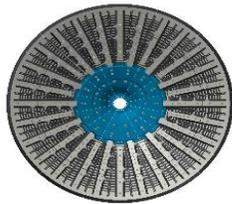
1. Diverse & Innovative Products

Flagship products

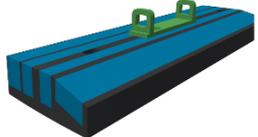
Mill liners



DynaPrime



DynaPulp

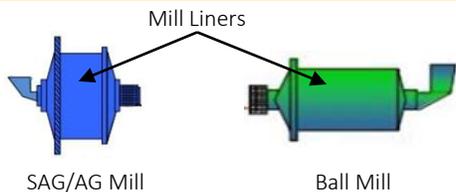


DynaSteel



DynaWear

Used in grinding mills for beneficiation of minerals



Sale of Products

Specialized, 'critical to operate' and recurring consumable products



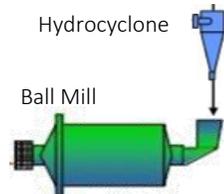
Sale of Services

Hydrocyclones



Tega Cyclone (PEXEL)

Used for extracting or separating slurry particles



Screens & Trommels



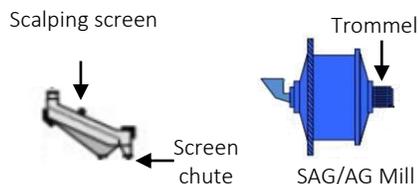
Rapido

Trommel



Screening Solutions

Used for separation of particles according to sizes



Conveyor Products



Spillex

Centrax



Ceramic pulley lagging



Used with conveyor belts



Conveyor Belt

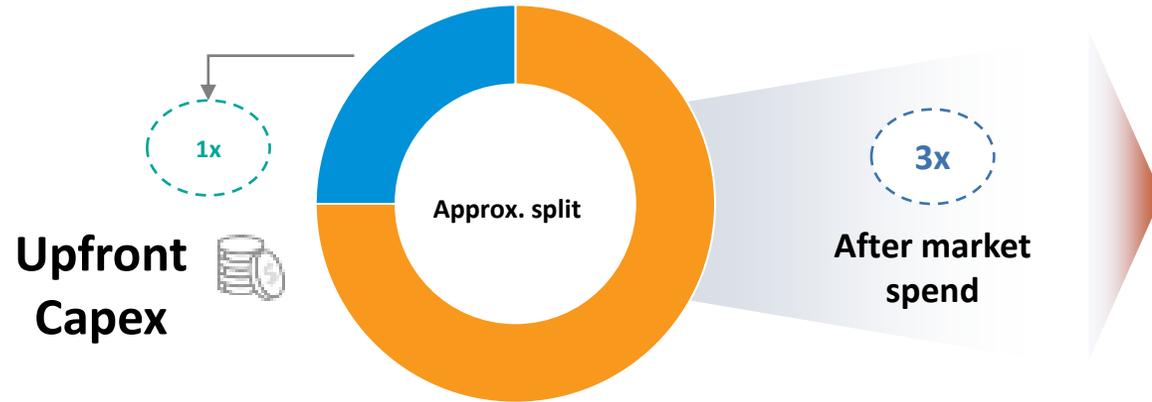
Specialized Plant Audit Consultancy

Supply of Individual Spare Parts

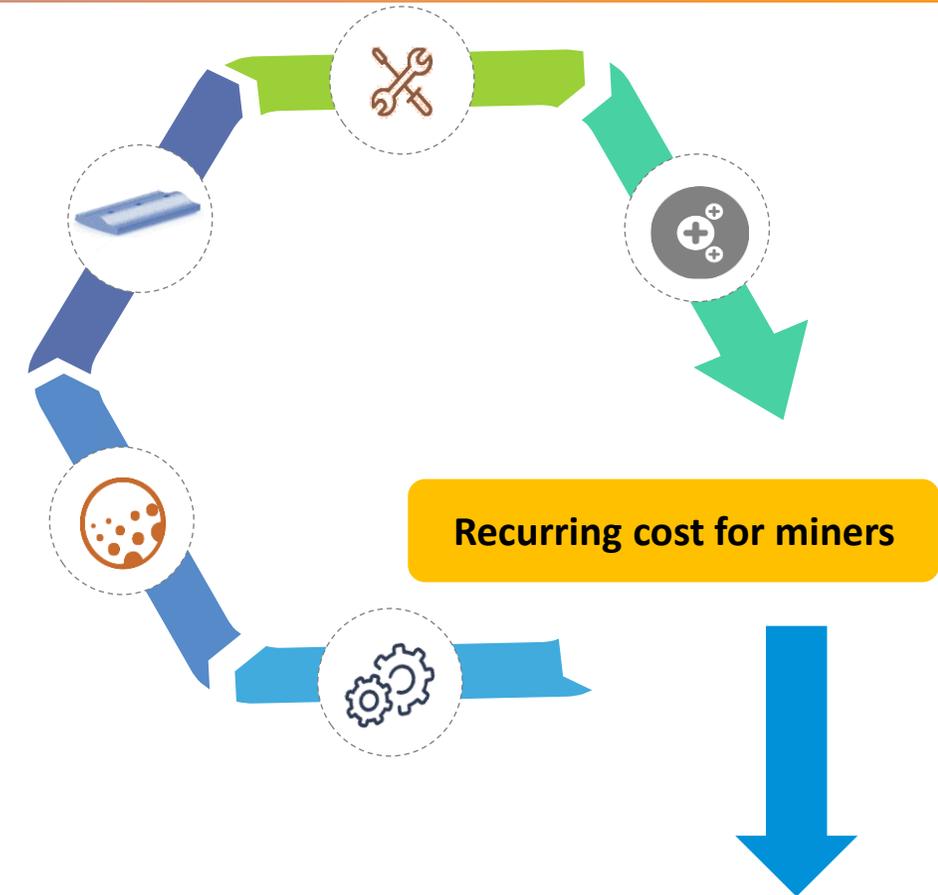
Note: As an average of the last three Fiscals, sale of products constitutes 95.08% of revenue from operations, while sale of services and other operating revenue constitutes 2.15% and 2.77%, respectively of revenue from operations

2. Insulated from Capex Cyclicality of Mining Players

Upfront capex & After-market spend over the lifecycle of a mill



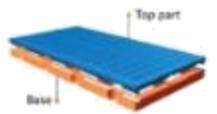
Majority of our products are linked to the operating expenditure budget of a mining site, thus immune from capex cycle



74%
Repeat Orders
 (of sale of products & services in FY21)

3. Strong R&D leading to Multiple Patents

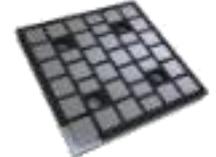
Track record of bringing multiple innovative products to the market



2018 – Rapido



2018 – DynaPrime



2016 – Chutes



2015 – Trommels

R&D Capability

- In-house **R&D team comprises 36 personnel**
- R&D & manufacturing capabilities, allow turnaround of **customized designs** in a short time, offer **comprehensive solutions, & cross selling**
- **Unique design & customization of products** for each customer site
- Our **continuous design innovation** makes our products highly engineered “built-to-suit” rather than “off-the-shelf”
- Track record of introducing diverse and **innovative products**

Quality Control

- We **do not rely on outsourcing**: reduces our dependence on vendors, minimizes failure rates & facilitates quality assurance
- **Well-crafted manufacturing process** leading to high-quality production
- Ability to match diverse customer specifications
- **Multiple stages of stringent selection and approval procedures** for our products
- Certified by various customers on quality assurance



ISO 45001:2018
India

ISO 9001:2015
India, South Africa

ISO 14001:2004
India

Strong in-house R&D has allowed us to register 8 global patents and several trademarks

4. Diverse Global Presence - Manufacturing & Sales Capabilities



International
manufacturing
operations

Chile



Commissioning/Acquisition: 2011
Product capabilities:
Mill liners, Trommels, Chute liners,
Screens, Pipe and pipe repair and
spools

South Africa



Commissioning/Acquisition : 2006
Product capabilities:
Mill liners (except DynaPrime), Spillex,
Screen Panel, Chute liners

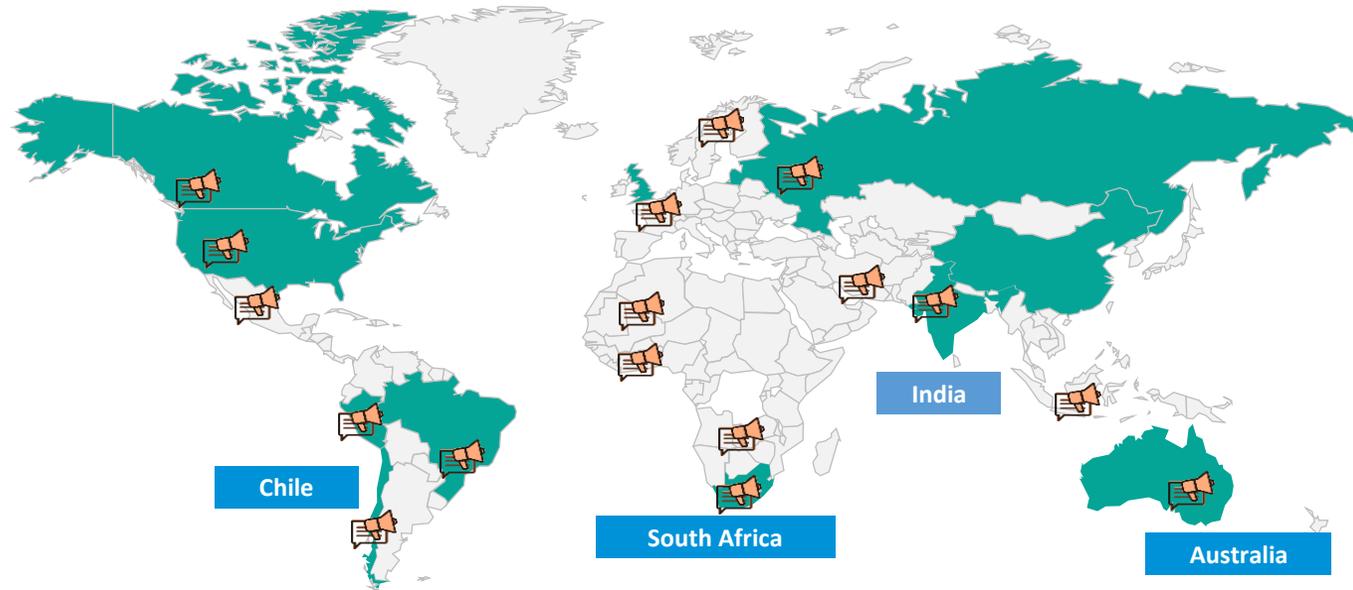
Australia



Commissioning/Acquisition: 2010
Product capabilities:
Chute liners and Trommels

Sales & Marketing
Offices 

Mining activity
 High



Domestic
manufacturing
operations

Dahej, Gujarat



Commissioning/Acquisition: 2013
Product capabilities:
Mill liner, wear products,
screens and trommels

Kolkata (Samali), West Bengal



Commissioning/Acquisition: 1985
Product capabilities:
Mill liners, Wear products, Hydrocyclones,
Screens, Trommels & Conveyor products

Kalyani, West Bengal



Commissioning/Acquisition: 1978
Product capabilities:
Mill liners (except DynaPrime), Conveyor
products, Chute liners & pump liners,
Hydrocyclones

5. Consistent Growth & Long-Term Repeat Business



Robust market position

Entry barriers helps maintain high margins over time with revenues from operations growing at 12.74% CAGR FY19-21

Built Inherent Strength

Successfully maintained operational efficiency levels whilst completing acquisitions, JVs & strategic alliances, in Chile, South Africa & Australia

Forged Strong Relations

In several cases, our relationships with key customers span more than 10 years, a testimony to our business excellence

6. Track Record of Successful Inorganic Growth Strategy



Key Growth Drivers Going Forward

Gain market share & customer wallet share across high growth markets



- **Increase our penetration & market share** in North & South America, Australia & South Africa
- Improve our market penetration by cross-selling
- Continue **focus on high quality products** with recurring demand leading to high repeat revenues

Leverage in-house R&D to grow product offerings & capitalize on future trends



- In-house R&D team focuses on upgrading our existing products & variants
- Focus on our ability to **customize our product offerings through innovation**
- Continue to **discern emerging trends & proactively identify new products**

Expand manufacturing capabilities to optimise economies of scale



- Continue **expanding manufacturing capabilities** by adding capacity at our Dahej & Samali facilities in India
- Plan to set up a new manufacturing facility in Chile
- **Expand into life cycle management** for our customers

Explore opportunities for inorganic growth



- Actively pursue **acquisitive opportunities & strategic alliances with complementary targets**
- Seek acquisitions that provide us with **access to new technologies, or new customers, or new geographies**

Operational efficiencies & margin expansion



- **Continue enhancing our operational efficiencies**, to increase economies of scale, better absorb our fixed costs & strengthen our competitive position
- **Focus on cycle time reduction** by adopting advanced technologies that will also result in process optimisation



tega

**LEADERSHIP
TEAM**

Experienced Board of Directors



Madan M. Mohanka
Chairman and Executive Director

Appointed: Since inception

Background:

- Promoter, Founder and Chairman
- Serves on the Board of our subsidiaries



Mehul Mohanka
Managing Director and Group CEO

Appointed: Jun-02

Background:

- One of the Promoters, MD & Group CEO
- Chairman of the mining and construction equipment division & Co-chair of the national committee on mining of Confederation of Indian Industry



Syed Yaver Imam
Executive Director

Appointed: Jul-05

Background:

- Serves as Director - Global Product Group
- Executive Director from Apr-21-present
- Previously Non-Executive Director on the Board (Jun-19 to Mar-21)



Hemant Nerurkar
Independent Director

Appointed: Apr-14

Background:

- Associated with Tega since 2014
- Completed a degree course in metallurgy engineering from the University of Poona



Jagdishwar Sinha
Independent Director

Appointed: May-21

Background:

- Previously with The Tata Iron and Steel Company Ltd., Tata Timken Ltd., Timken India Ltd., Schaeffler Technologies AG & Co., Ace Automation Control Equipment Private Ltd., Caparo Maruti Ltd.



Madhu Dubhashi
Independent Director

Appointed: May-21

Background:

- Previously with Global Data Services of India Ltd.
- Bachelor's degree in arts from University of Delhi & PGDM from IIMA



Rudolph Michael Edge
Independent Director

Appointed: Mar-14

Background:

- Previously with FLSmidth Pvt. Ltd. as an executive vice chairman
- Bachelor's degree in technology (chemical engineering) from Nagpur University

Management Team



Mehul Mohanka
MD and Group CEO

- One of the Promoters of the Company, MD & Group CEO
- Associated with Tega for almost two decades
- Bachelor's degree in commerce from University of Calcutta & a Master's degree in Business Administration from the University of Pittsburgh



Syed Yaver Imam
Director – Global Product Group

- Associated with Tega for four decades since joining as a Trainee in 1981 and climbed up the ladder
- Executive Director on the board of Tega Inds
- Bachelor's degree in Civil Engineering from Jadavpur University



Manoj Kumar Agarwal
Director Global Finance, Chief Financial Officer & Company Secretary

- Associated with Tega for 6+ years; Qualified CA, CS
- Previously associated with Sesa Sterlite Ltd. (now Vedanta Ltd) for almost a decade
- Bachelor's degree in commerce from University of Calcutta



Manoj Sinha
Director- Global Operations

- Associated with Tega for 6+ years
- Bachelor's degree in engineering from Sambalpur University
- Previously associated with Tata Engineering and Locomotive Company, New Holland Tractors (India) and Sterling Generators



Bhanu Sharma
Senior Vice-President – Human Resources & Administration

- Master's degree in computer application from Punjab Technical University
- PGDM from Management Development Institute, Gurgaon
- Previously associated with Express Knowledge Communications Solutions and JSW Energy



Kanjanabha Bhattacharyya
President – Corporate Strategy

- Bachelor's degree in Metallurgical engineering, Jadavpur University
- PGDM from Indian Institute of Management, Calcutta
- Previously associated with Outotec India, Boston Consulting Group (India) and Siemens VAI Metals Technology

THANK YOU



Mr. Manoj Kumar Agarwal
**Director Global Finance, Chief Financial
Officer & Company Secretary**
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