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Corporate Finance



February 3, 2021

To

**The Secretary
BSE Limited
PJ Towers, Dalal Street
Mumbai: 400 001**

**National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E)
Mumbai – 400 051**

Company Scrip Code: 500411

Company Scrip Code: THERMAX EQ

Sub: Investor Presentation

Dear Sir,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, please find enclosed Investor Presentation for the quarter ended December 31, 2020.

You are requested to take note of the same.

Thanking you,

Yours faithfully,
For **THERMAX LIMITED**

**Kedar P. Phadke
Company Secretary
Membership No: F3349**

Encl: As above

Thermax Limited – Analyst Call

Q3 FY20-21

Energy | Environment | Chemical

Our Vision

To be a globally respected high performance organisation offering sustainable solutions in energy and the environment



Disclaimer

This presentation includes forward-looking information and statements including statements concerning the outlook for our businesses. These statements are based on current expectations, estimates and projections about the factors that may affect our future performance, including global economic conditions, and the economic conditions of the regions and industries that are major markets for Thermax. These expectations, estimates and projections are generally identifiable by statements containing words such as “expects”, “believes”, “estimates”, “targets”, “plans”, “outlook” or similar expressions.






There are numerous risks and uncertainties, many of which are beyond our control, that could cause our actual results to differ materially from the forward-looking information and statements made in this presentation and which could affect our ability to achieve any or all of our stated targets. The important factors that could cause such differences include, among others:


- business risks associated with the volatile global economic environment and political conditions
- costs associated with compliance activities
- market acceptance of new products and services
- changes in governmental regulations and currency exchange rates, and
- such other factors as may be discussed from time to time in Thermax Ltd.'s filings with the Securities and Exchange Board of India (SEBI), including its Annual Report

Thermax Q3 FY2020-21 Results

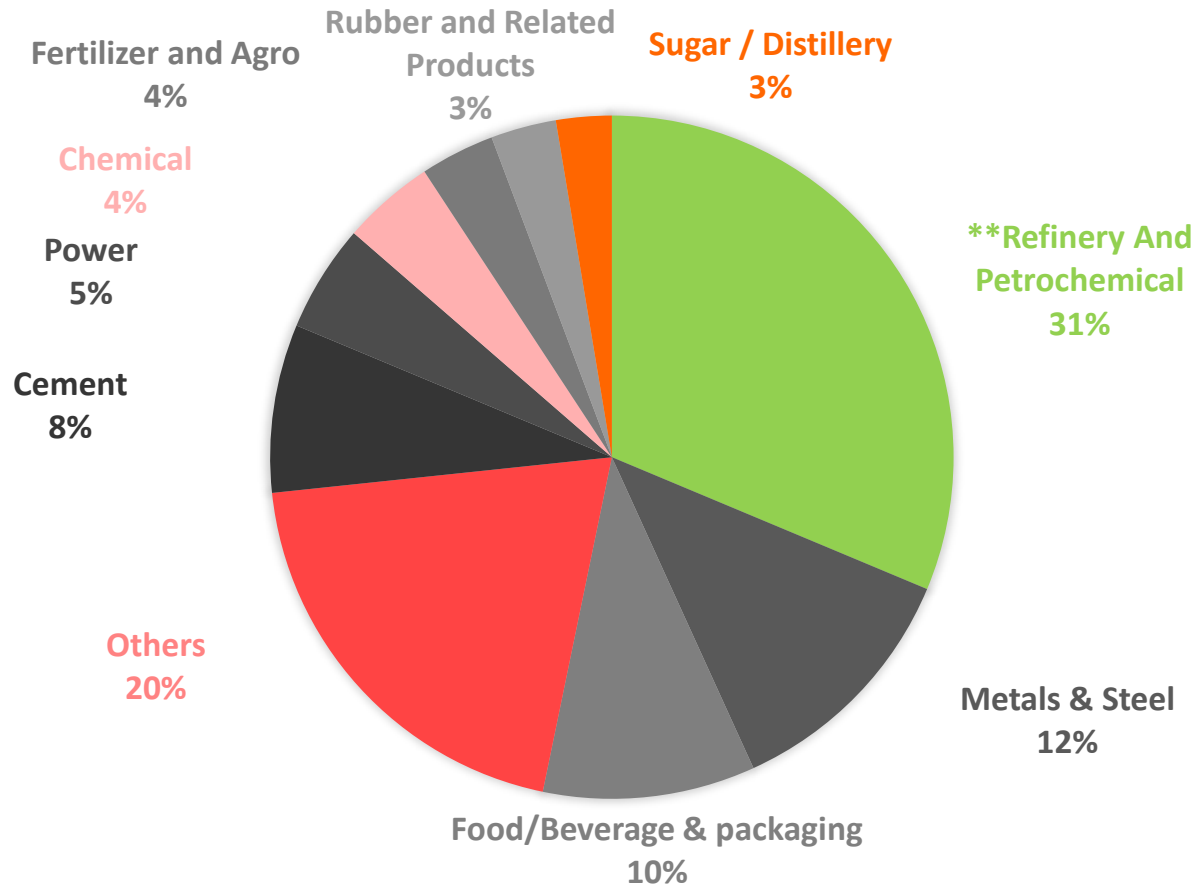


Summary of group's financial performance

	Q3/2020-21 (in crore)	Q3/2020-21 vs Q3/2019-20
Operating Revenue	1,411	-
Profit Before Tax and exceptional item (PBT)	141	+ 34% 
Profit After Tax and exceptional item (PAT)	83	(-) 2.0% 
Order Booking	1,565	(-) 2.6% 
Order Balance	5,208	(-) 4.2% 
Cash and Investments	1,686	+ 50.3% 

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- Thermax Group's revenue remained flat for Energy and Chemical segments while Environment segment registered growth over Q3 last year
 - Resumption of normalcy in the company's operations, improved profitability of all segments and cost control measures have resulted in improved Profit Before Tax and Exceptional Items from Rs. 105 crore to Rs. 141 crore, 34% higher
 - Exceptional items impacted the results on account of impairment of goodwill in Thermax Netherlands B.V. and reversal of part of the provision created earlier for claims arising from closure of a German subsidiary, net Rs. 28 crores

Order Book Status



- Thermax's order book witnessed broad based recovery with momentum in sectors ranging from food & beverage to cement and steel
- This includes the major EPC order from a biorefinery in Assam for setting up captive Combined Heat and Power plant mentioned in last quarter's presentation
- Increasing thrust on sustainability - TBWES bagged 100% green order, TOESL witnessed traction for green utilities etc.
- Improved performance of the products businesses and channel business during the quarter

**Includes the biorefinery order

Business Highlights

Energy Segment



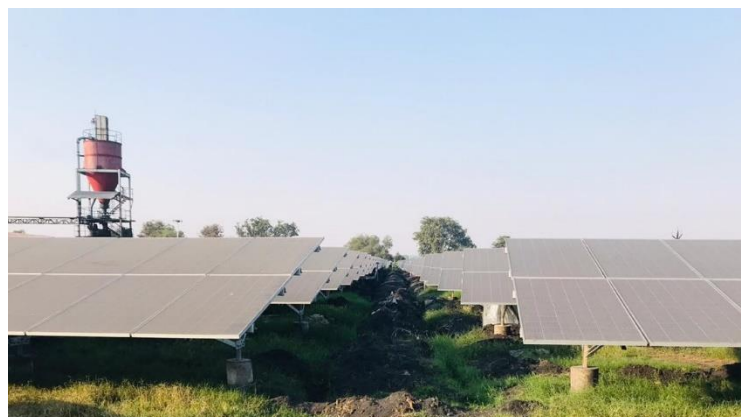
First time synchronisation of 33 MW plant with national grid for an African cement major



Remote commissioning of 125 TPH FM boiler at Indorama, Nigeria



320 TR chiller commissioned remotely for a leading flour producer in the Middle East



1.25 MW ground mounted solar PV power plant for a leading edible oil manufacturer

- Major order from an Indian chemical company for their new cogen plant bagged in January 2021
- First order for cogen plant on a Build-Own-Operate model from an aluminum major
- Secured first gasification order from a mining company
- Major order for waste heat recovery boiler from Mexican refinery
- Received order from a tyre major in India for two medium pressure saturated boilers
- Novel method of optimising gas separation process deployed for India's leading refinery
- Capacity utilisation of plants improved over Q2

Business Highlights

Environment Segment



3.75 MLD Zero Liquid Discharge plant for a textile major

- First breakthrough order for atoM (Thermax's newly launched compact sewage recycle system) from an e-commerce giant for their data center
- Water and waste solutions commissioned at landmark facilities in India – WTP for world's largest mobile factory and a pharma major's new facility
- Unique Learning and Development collaboration with a food & beverage major to deliver training module for the customer's operational team
- Commissioning of first-of-its-kind flue gas cleaning system at a paper mill for tackling complex airborne pollutants that emanate by firing 100% Non-Recyclable Solid Waste

Business Highlights

Chemical Segment



Resins order for Demineralisation plant

- Chemical segment continued its strong performance on profitability
- Major order for specialty resins from a USA customer for ground water remediation application
- Resins order from sugar refineries in India and the Philippines for sugar decolourisation application
- Mixed bed resins orders from the USA for drinking water cartridge and industrial water demineralisation applications
- Water treatment resins order from Europe OEMs and power plant in Russia
- Performance chemicals show strong growth with improvement in market demand
- Construction chemical business receives opportunities for retrofit and repair applications from Bangladesh

Awards and Recognition



TBWES receives 'Capacity & Productivity Improvement Category' award at CII National Competition on Low-Cost Automation

- Thermax Babcock and Wilcox Energy Solutions (TBWES), Shirwal factory won a runner up position in the 'Environment, Health & Safety Practices' competition organised by CII- Centre of Excellence for Competitiveness
- The TBWES Services team received an award for 'Best On Time Performance for Refinery Supplies' in December 2020 from a leading oil and gas company
- Water & Waste Solutions O&M team received an award for the 'Best Performance at Site' from a pharma customer in Gujarat and award for best performer at a beverages customer site

Consolidated Performance Summary by Segment



Segment	Order Booking			Order Backlog		
	Q3, 2021	YOY% Change		Q3, 2021	YOY% Change	
Energy	1,291	62%	▲	3,596	-4%	▼
Environment	172	-75%	▼	1,532	-6%	▼
Chemical	102	-12%	▼	79	15%	▲
Total	1,565	-3%	▼	5,208	-4%	▼

- Energy segment showed higher growth over Q3 FY2020, bagged Rs. 320 crore biorefinery order
- Lower order booking of Environment segment is on account of the Rs. 430 crore Flue Gas Desulphurisation order bagged in the same quarter last year



Consolidated Performance Indicators

Q2, 2021	Performance Indicator	Q3, 2021	Q3, 2020	YTD DEC 20	YTD DEC 19	FY 19-20
1,114	Order Booking	1,565	1,606	3,286	4,546	5,498
5,190	Order Balance	5,208	5,439	5,208	5,439	5,238
1,141	Revenue	1,411	1,410	3,217	4,408	5,731
69	Profit Before Tax and Exceptional (PBT)	141	105	187	316	375
6.0%	PBT before Exceptional %	10.0%	7.5%	5.8%	7.2%	6.5%
(25)	Exceptional Item	(28)	0	(53)	0	0
44	Profit Before Tax (PBT)	113	105	135	316	375
3.9%	PBT %	8.0%	7.5%	4.2%	7.2%	6.5%
31	Profit After Tax (PAT)	83	85	99	173	212
2.7%	PAT %	5.9%	6.0%	3.1%	3.9%	3.7%

Note: Values are in Rs.Cr & ratios are in %



Consolidated Segment Performance*

Segments	For Q3,2021			For Q3,2020			YTD DEC 20			YTD DEC 19		
	Sales	PBIT	PBIT%	Sales	PBIT	PBIT%	Sales	PBIT	PBIT%	Sales	PBIT	PBIT%
Energy	1,066	97	9.1%	1,121	65	5.8%	2,452	109	4.4%	3,626	217	6.0%
Environment	253	18	7.1%	197	10	5.2%	492	18	3.6%	523	22	4.2%
Chemical	111	29	26.1%	117	29	24.7%	310	81	26.2%	325	60	18.5%

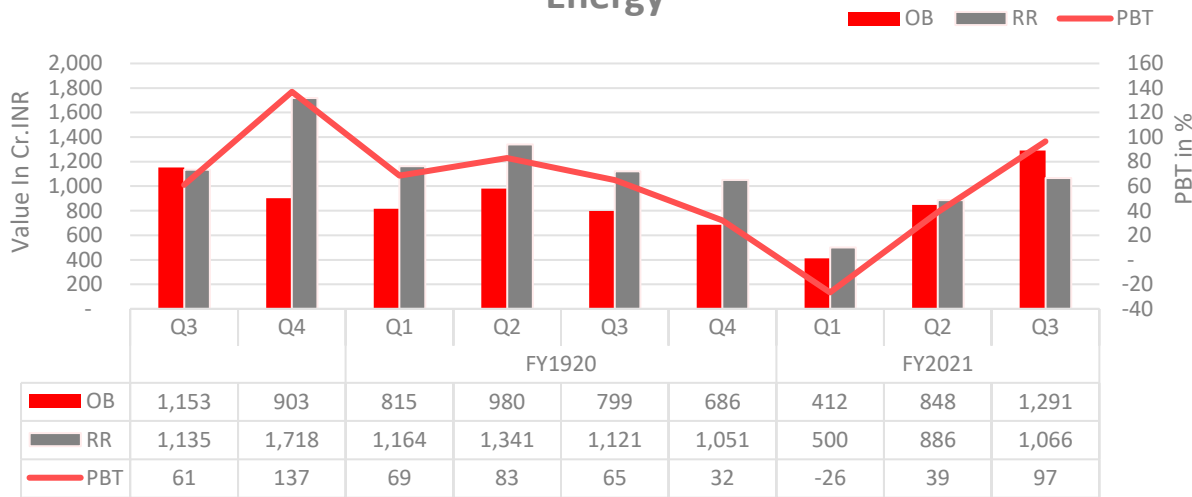
Segments	FY 19-20		
	Sales	PBIT	PBIT%
Energy	4,677	249	5.3%
Environment	722	38	5.3%
Chemical	421	78	18.5%

*Before exceptional items

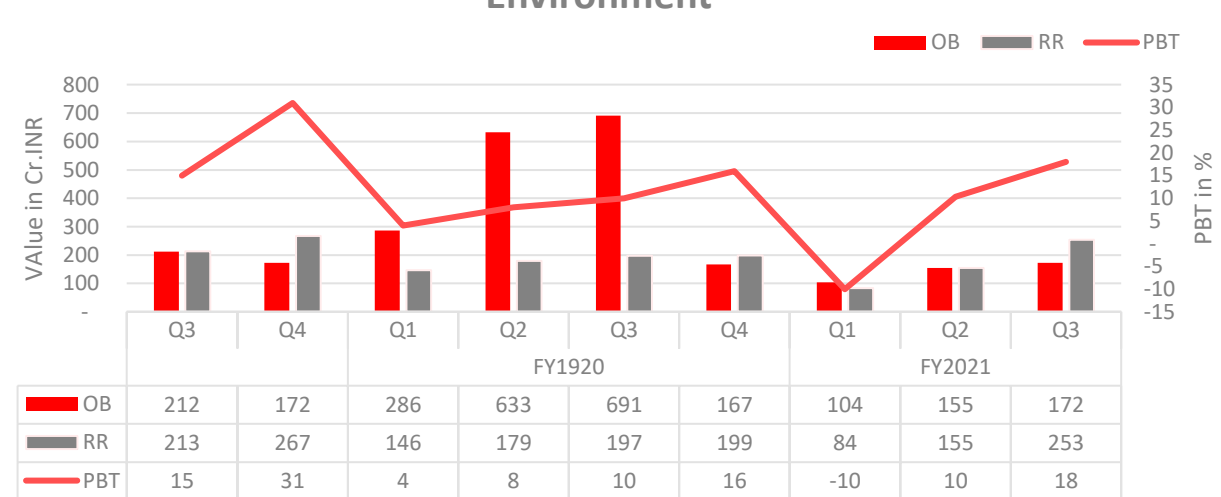
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Quarterly Trend - Consolidated

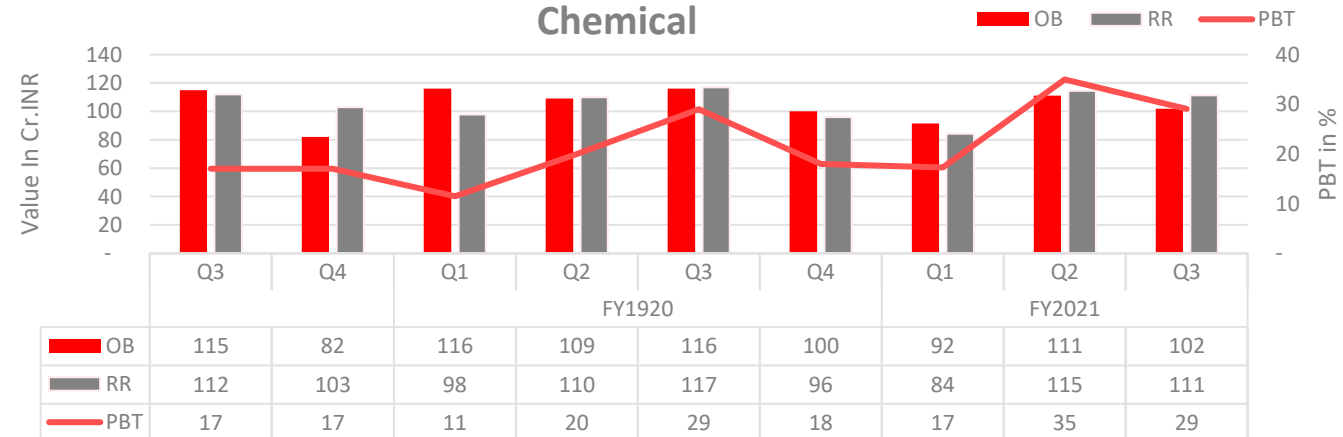
Energy



Environment



Chemical



OB	Order Booking
RR	Revenue Recognition
PBT	Profit Before Tax

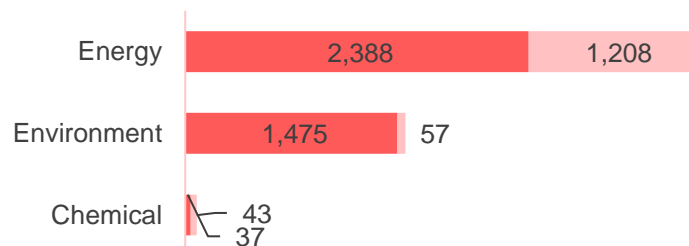
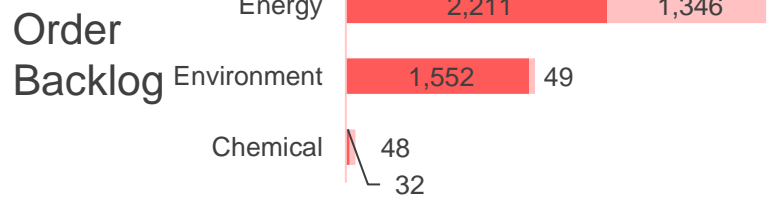
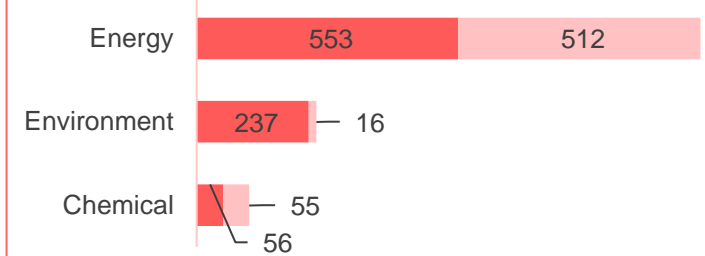
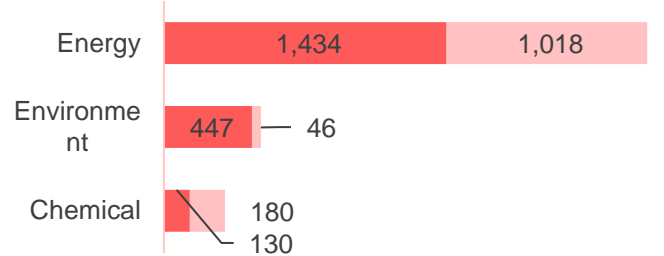
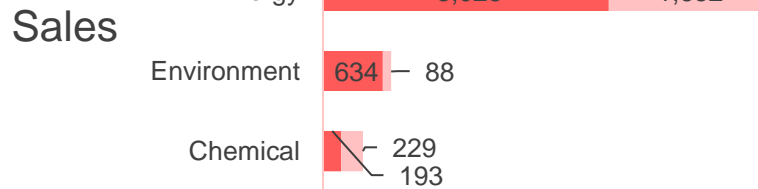
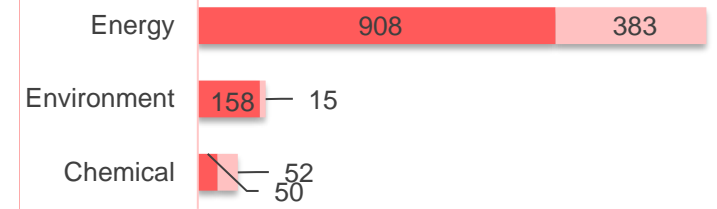
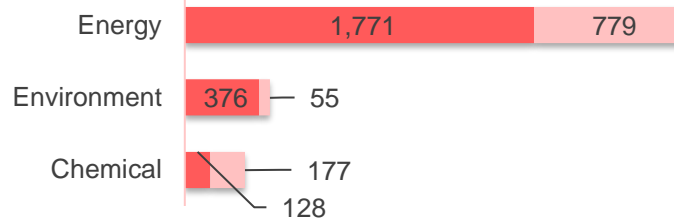
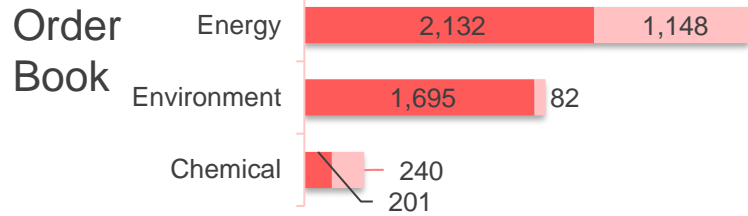
Domestic – Export Business Performance



FY2019-20

YTD Dec FY2020-21

Q3 FY2020-21



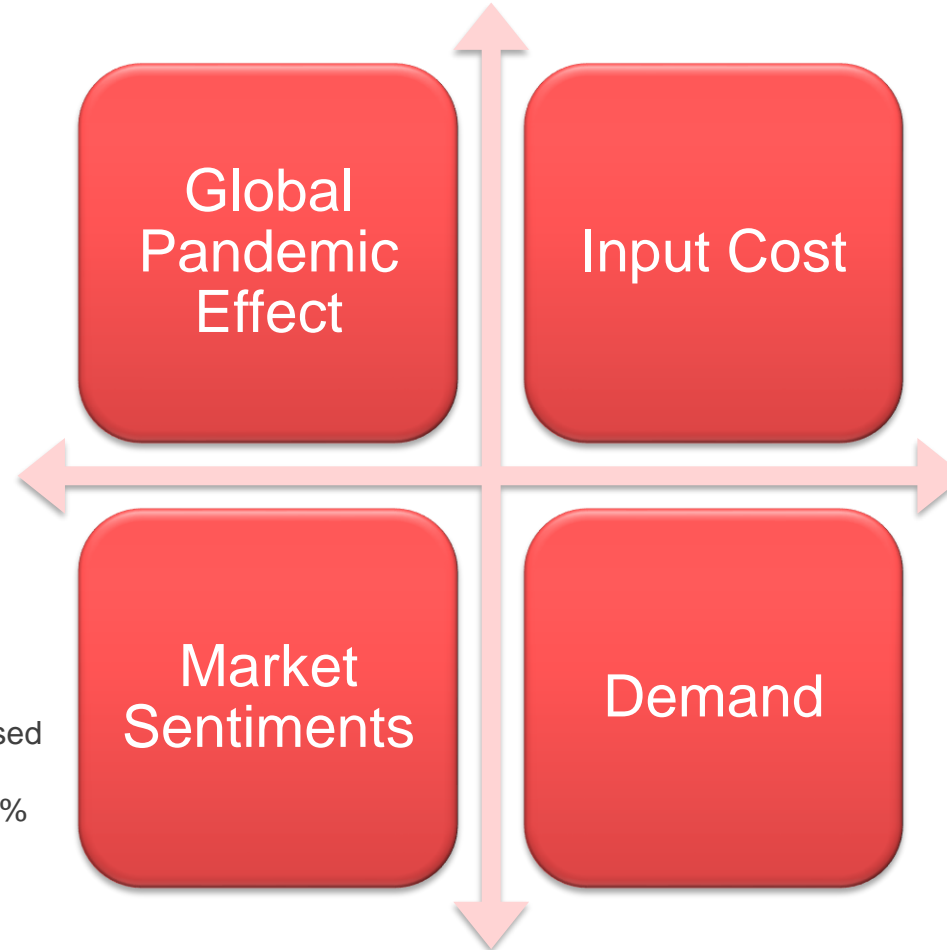
■ Domestic
■ Export

All values are in Rs. crore

Environment and Industry Outlook

- Increasing cases in US, Europe and Africa have further impacted the global economy
- Situation in India and China has improved and set the markets on a growth track

- Improved consumer sentiments reflected in Purchase Managers Index
- India GDP contraction forecasts revised upwards between 7.4-10.6%
- Gross fixed capital formation in India increased by 60% over Q2, nearing pre-COVID levels
- IMF GDP growth projection for FY22 at 11.5%



- Steel price increase
- Inputs raw material costs to Chemical has witnessed a surge – styrene and methanol price

- Sectors such as steel, cement, chemical, pharma and food processing are likely to continue witnessing demand in the coming quarters
- Project completions forecasted and new investments expected to accelerate

Source: MOSPI, CMIE



Thank You