Investor Presentation Q1FY25

19th July, 2024

Corporate Snapshot

Brief Overview

Company Overview

- **Headquartered in Ahmedabad,** TARIL is a prominent player in the manufacturing of transformers & reactors in India
- Its **diverse product range** includes :
  - Single phase power transformers up to 500MVA & 1200kV Class,
  - Furnace Transformers,
  - Rectifier & Distribution Transformers,
  - Specialty Transformers catering to applications such as Locomotive Traction,
  - Series & Shunt Reactors,
  - Mobile Sub Stations,
  - Earthing Transformers,
  - Solar Application Transformers, &
  - Green Hydrogen Application Transformers
- TARIL operates on a **B2B model**, catering to power generation, transmission, distribution, & industrial sectors
- The company has an installed capacity across units of ~40,000MVA
- Global footprint in **25+ countries**

Financial Highlights

Particulars (₹ mn)	FY22	FY23	FY24
Revenue	11580	13,960	12,910
EBIDTA	740	1,210	1,340
EBITDA margin (%)	*6.39%*	*8.67%*	*10.38%*
PAT	140	420	470
PAT margin (%)	*1.21%*	*3.01%*	*3.64%*

Status as on 30th June

Order Book

₹2926 Crores

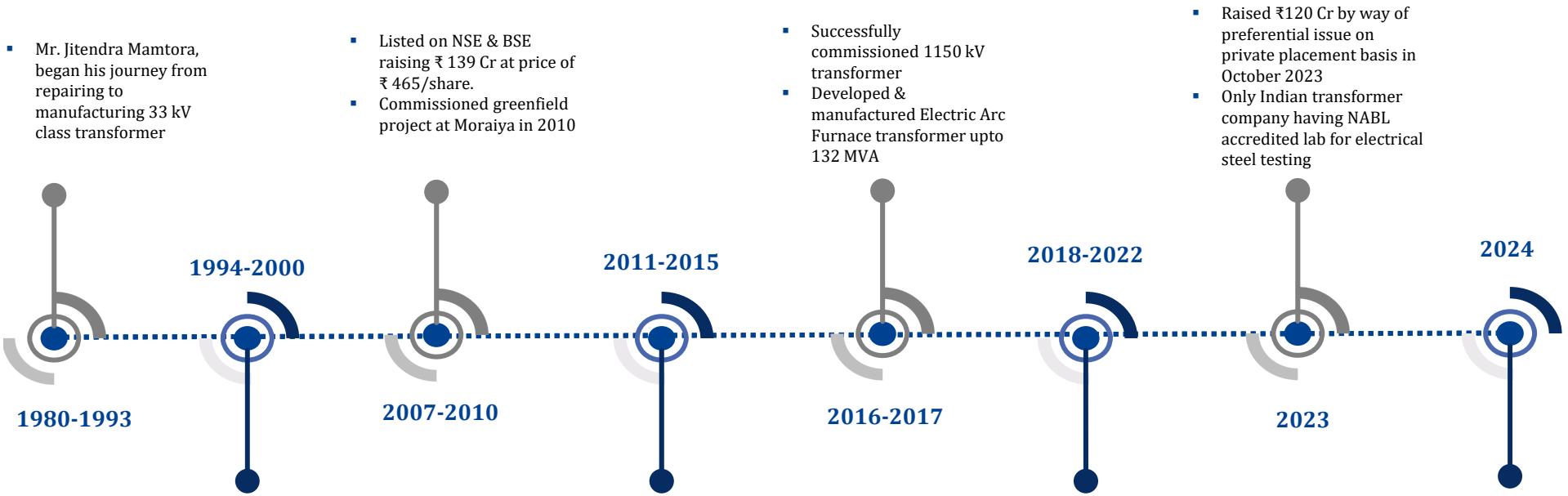
Order Inflow

₹698 Crores

Inquires under Negotiation

₹17,500 Crores

Charting the Course for Continued Success



1980-1993

- Mr. Jitendra Mamtora, began his journey from repairing to manufacturing 33 kV class transformer

1994-2000

- Incorporated TARIL & began manufacturing up to 110 kV class transformers at Changodar plant

2007-2010

- Listed on NSE & BSE raising ₹ 139 Cr at price of ₹ 465/share.
- Commissioned greenfield project at Moraiya in 2010

2011-2015

- Strategic alliance with ZTR Ukraine for 765 kV Transformer
- Technology License agreement with Fuji Electric Co. Ltd. for 400 & 765 kV class reactor & generator transformers

2016-2017

- Successfully commissioned 1150 kV transformer
- Developed & manufactured Electric Arc Furnace transformer upto 132 MVA

2018-2022

- Manufactured Green Transformers & reactors (up to 400 kV)
- Executed maiden order for 400 kV Generator Transformers
- Successfully type tested OIP bushings upto 145 kV

2023

- Raised ₹120 Cr by way of preferential issue on private placement basis in October 2023
- Only Indian transformer company having NABL accredited lab for electrical steel testing

2024

- Exported EAF transformer with rating of 220/253 MVA; One of the highest rating transformer ever manufactured.
- Successfully Raised ₹ 500 crores through QIP
- Received order for single phase STATCOM transformer

Financial Overview Q1

Quarterly Financial Highlights - Standalone

(Figures in Lakhs)

Particulars	Q1 FY25	Q1 FY24	YoY	FY24
Revenue from Operations	**31,159**	**15,336**	**103%**	**1,27,331**
Other Income	**401**	**200**		**869**
Total Income	**31,560**	**15,536**		**1,28,200**
Cost of materials consumed	22,456	11,436		95,180
Employee benefits expense	973	877		4,460
Other expenses	3,878	2,643		15,702
Total Operating Expenses	**27,307**	**14,956**		**1,15,342**
EBITDA	**4,253**	**580**		**12,858**
EBITDA Margin (%)	**13.65%**	**3.78%**	**261%**	**10.03%**
Finance costs	1,147	1,446		4,976
Depreciation	628	567		2,273
Profit Before Tax	**2,478**	**-1432.62**	**273%**	**5,609**
Tax Expense	641	-335		1,498
Other comprehensive income	4	4		41
Profit After Tax	**1,841**	**-1,094**	**268%**	**4,152**
PAT Margin (%)	**5.83%**	**-7.04%**	**183%**	**3.24%**

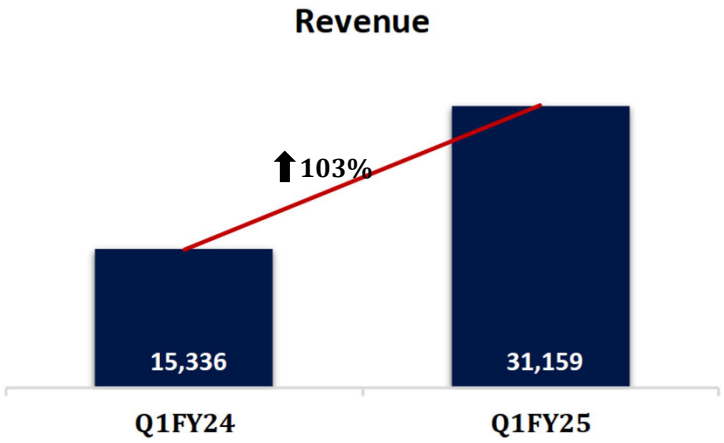
Quarterly Financial Highlights - Consolidated

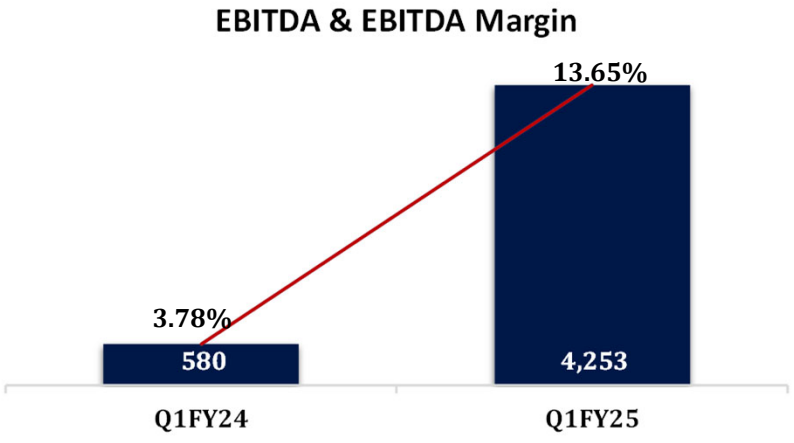
(Figures in Lakhs)

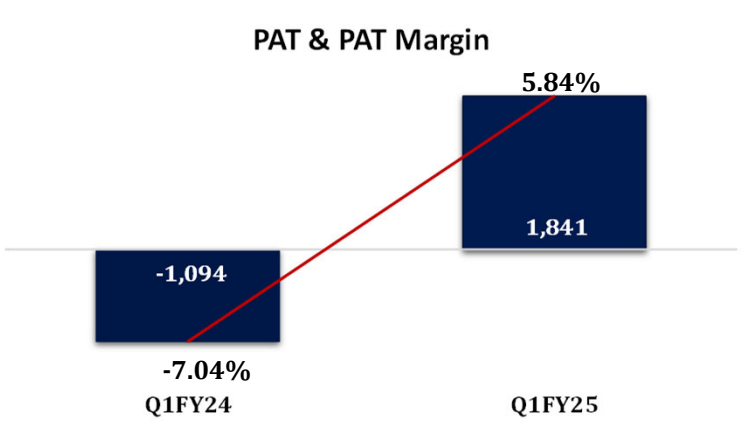
Particulars	Q1 FY25	Q1 FY24	YoY	FY24
Revenue from Operations	**32,200**	**15,557**	**107%**	**1,29,468**
Other Income	**403**	**178**		**582**
Total Income	**32,603**	**15,735**		**1,30,050**
Cost of materials consumed	22,451	10,734		92,683
Employee benefits expense	1,114	945		4,770
Other expenses	4,416	3,441		18,604
Total Operating Expenses	**27,981**	**15,120**		**1,16,057**
EBITDA	**4,622**	**615**		**13,993**
EBITDA Margin (%)	**14.35%**	**3.95%**	**263%**	**10.76%**
Finance costs	1,166	1,521		5,080
Depreciation	678	617		2,473
Profit Before Tax	**2,778**	**-1523.00**	**282%**	**6,440**
Tax Expense	695	-302		1,739
Other comprehensive income	4	4		42
Profit After Tax	**2,087**	**-1,217**	**271%**	**4,743**
PAT Margin (%)	**6.40%**	**-7.74%**	**183%**	**3.65%**

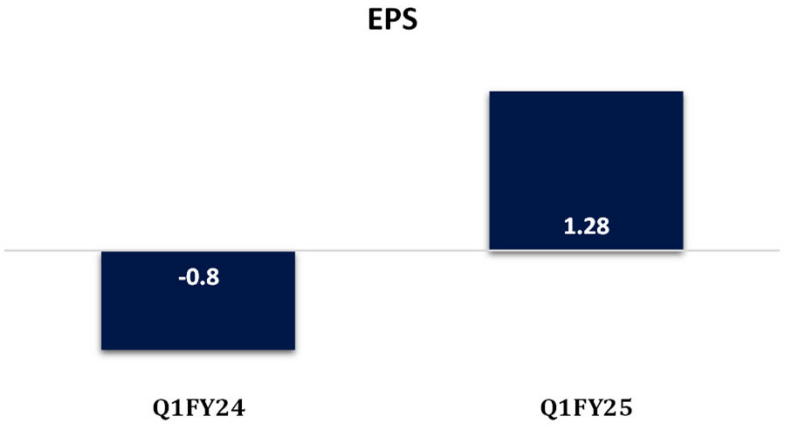
Quarterly Financial Highlights - Standalone

Q1FY25 Highlights (₹ Lakhs except for EPS)



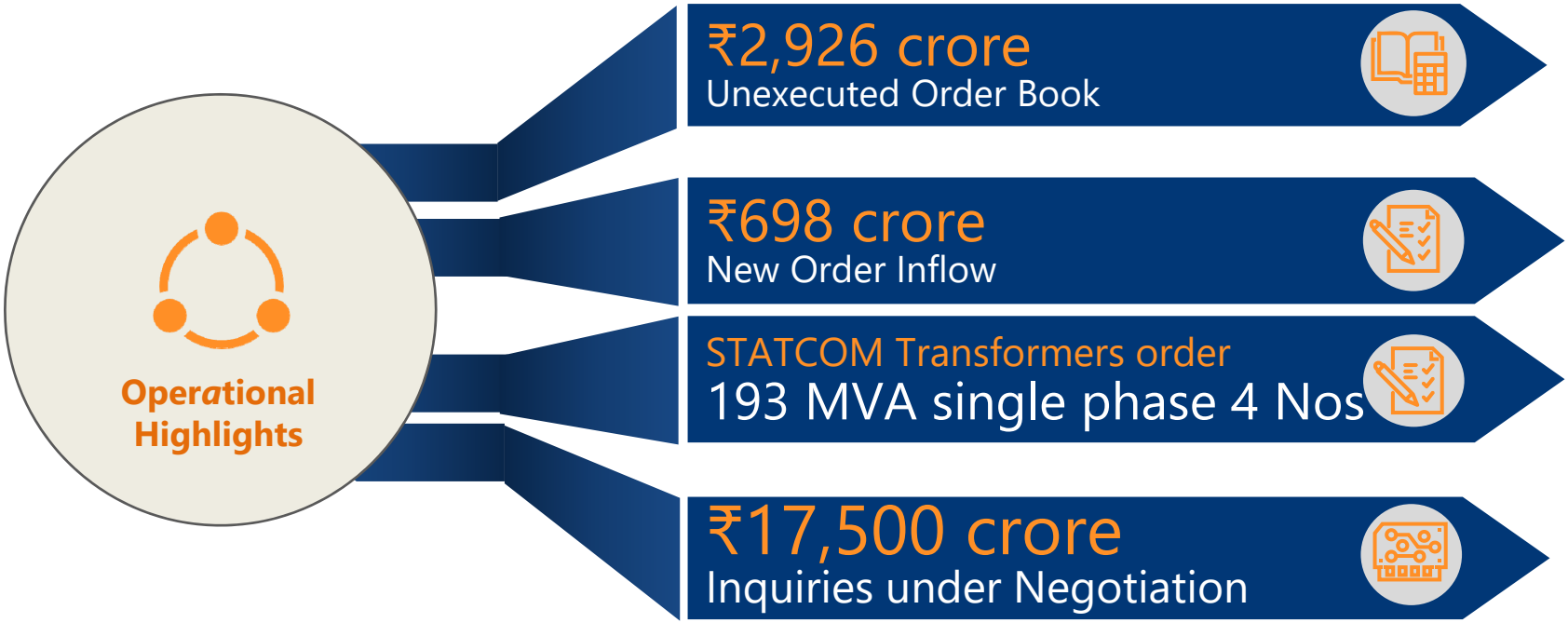






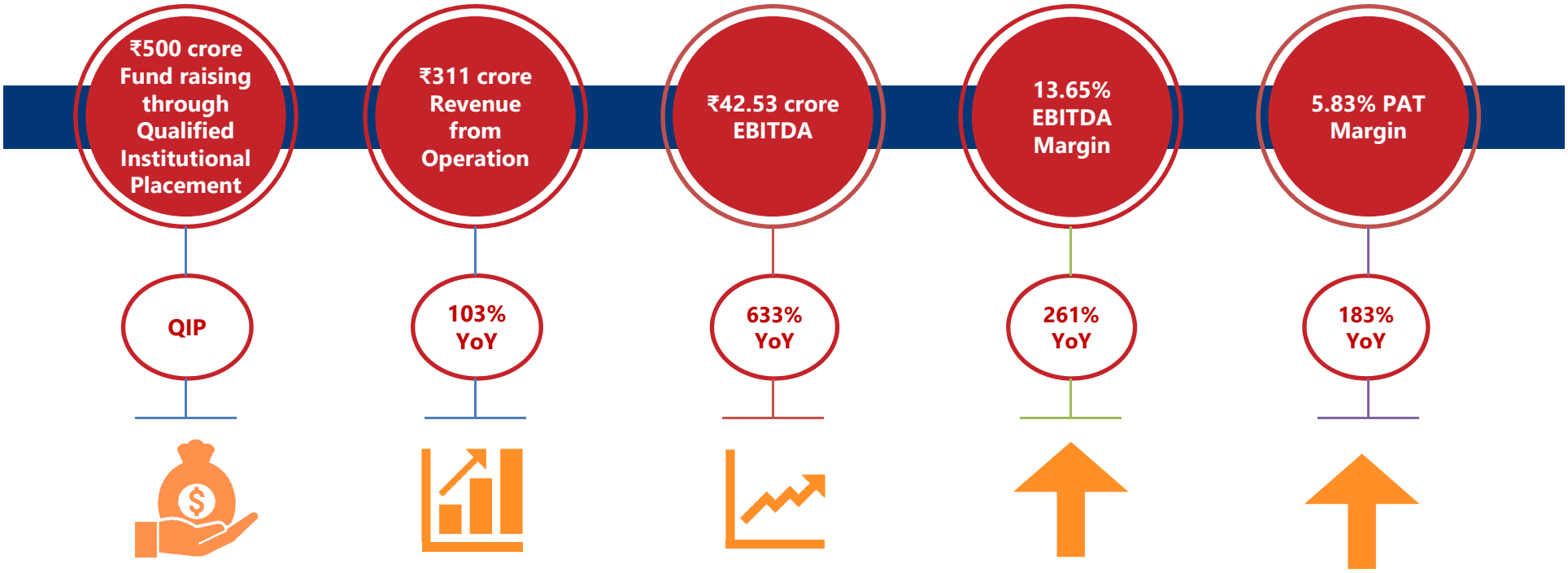
Quarterly Financial Highlights

Key Operational Highlights



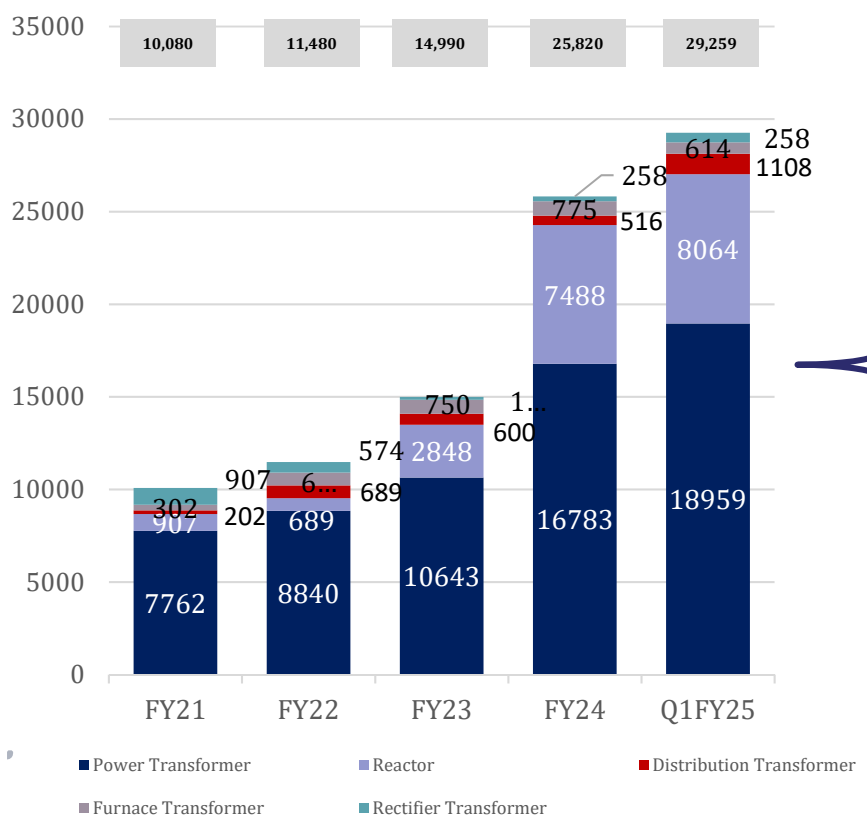
Quarterly Financial Highlights - Standalone

Key Financial Highlights

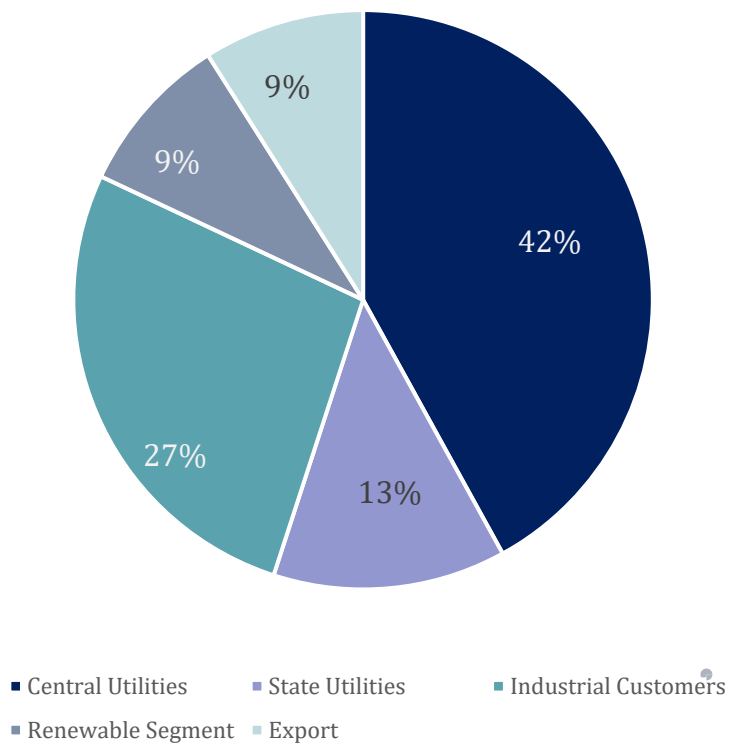


Order Book Positioning at the end of Q1FY25

Product-wise Order Book (Rs. Million)



Customer-wise Order Break-up



Chairman's Comments

"To emerge as a preferred solution provider for quality transformers"

Mr. Jitendra Mamtora

Chairman

- Successfully raised ₹**500 Crores** through **QIP**
- Declared Audited results of FY 23-24 with in 8 days from completion of Financial year.
- New capacity addition for Renewable energy transformers will be available for commercial production from December 2024.
- Fully automated Radiators manufacturing facility will be operational from September 2024
- Journey towards backward integration of critical components started
- New avenues for organic and inorganic growth
- Revenue target for current Financial Year remains intact

Managing Director's Comments

"To consolidate our national and international presence as a leading transformer manufacturer and maintain a sustainable growth rate over the long-term"

Mr. Satyen Mamtora

Managing Director

- Received operational excellence award from Power Grid
- Successfully exported 220/253 MVA EAF Transformer, one of the largest ratings ever manufactured globally.
- Maiden order of 193 MVA single phase STATCOM transformers
- New Orders during the quarter - ₹698 Crores
- PGCIL approval for reactors at our Changodar testing facility
- Revenue from operations ₹311Cr, YoY increase of 103%
- EBITDA ₹42.53Cr, YoY increase of 633%
- PAT of ₹18.41Cr, YoY increase of 268%

Industry Landscape

Global Landscape

Renewable Energy Market

- Poised for substantial growth of ~20%, with a projected value of USD 28.2 Bn by 2028.
- This growth is driven by rising investments in wind, solar, & hydroelectric power generation, fueled by environmental sustainability goals and government incentives.

Hydrogen Market

- Presents significant opportunities, with an estimated value of USD 410 Bn by 2030, exhibiting a robust CAGR of 7.8%
- Hydrogen is emerging as a clean & versatile energy carrier, particularly suitable for sectors like transportation, industry, and power generation

Offshore Wind Market

- Expected to reach USD 56.8 bn by 2028, with a CAGR of 12.3%
- Offshore wind farms offer abundant and consistent energy resources, making them a key component of the transition to renewable energy sources.

Oil Immersed Transformer Market

- Projected to reach a value of USD 28.2 Bn by 2028, experiencing a CAGR of ~6%
- These transformers are commonly used in various applications such as power distribution, industrial settings, and renewable energy projects

Electrolysers Market

- Essential for hydrogen production, is forecasted to grow at an astonishing CAGR of 80.3%, reaching USD 23.6 Bn by 2028
- Electrolysers play a crucial role in facilitating the integration of renewable energy sources by enabling the production of green hydrogen

DRY Type Transformer Market

- Expected to reach USD 9.2 Bn by 2028, with a CAGR of 6.8%
- As the demand for efficient and reliable power transmission and distribution systems increases, there will be a corresponding need for advanced transformers capable of handling variable loads from renewable energy sources

Transformer Monitoring Market

- Projected to grow at a CAGR of 9.1%, reaching USD 3.7 Bn by 2028
- With the integration of smart grid technologies and the need for real-time monitoring and diagnostics, there will be a heightened demand for advanced transformer monitoring solutions

Hydrogen Storage Tank & Transportation Market

- Expected to grow rapidly, with a CAGR of 48.6%, reaching USD 4.2 Bn by 2028
- Transformers play a crucial role in the efficient & safe operation of hydrogen production & transportation infrastructure, thereby driving demand in this segment.

Fuel Cell Generator Market

- Projected market value of USD 2.1 Bn by 2028 and a remarkable CAGR of 25.4%
- These generators offer efficient and low-emission power generation solutions, particularly suitable for decentralized and off-grid applications

Switch Gear Market

- Forecasted to reach a value of USD 119.9 Mn with a CAGR of 5.20%
- It plays a crucial role in the safe and efficient operation of electrical power systems by managing the flow of electricity and protecting equipment from overloads, short circuits, and other faults.

Indian Landscape

Opportunity Landscape – T&D

Tentative cost of additional transmission system

	RE Capacity (GW) (A)	BESS@ (GW) (B)	Requirement of Transmission system (GW) (C=A-B)	Tentative cost of transmission system (INR bn.)@(D)	Average Cost of Transmission system(INR mn/MW)(=D/C)
On-shore RE Capacity (Wind & Solar)	268.68	51.5	217.18	2,161	9.95
Offshore RE Capacity (Wind)	10	0	10	281	28.1
Total RE capacity*	**278.68**	**51.5**	**227.18**	**2,442**	**10.75**

The tentative cost includes the cost of ISTS transmission schemes for (i) 66.5 GW RE capacity (excluding commissioned transmission schemes and associated RE capacity) (ii) 55.08 GW RE capacity and (iii) 181.5 GW RE capacity

@ BESS will generally be a set up by RE generation developers to meet the requirement of RTC power. The requirement of BESS with projected RE capacity of 537 GW by 2030 is 51.5 GW, which includes BESS capacity of 43.6 GW associated with 181.5 GW RE capacity.

Likely Ckm capacity by 2030

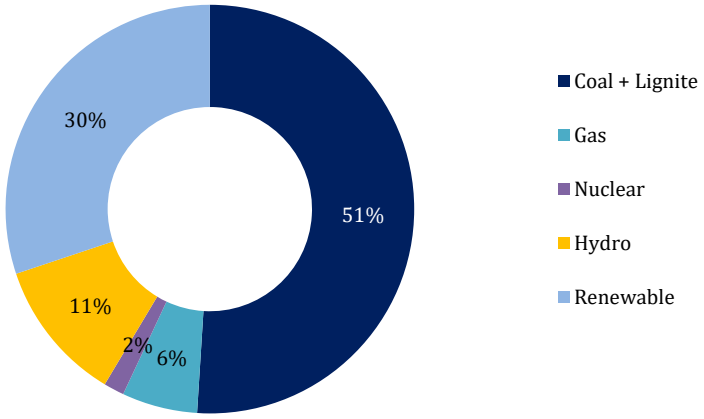
Transmission Lines (ckm)	Current capacity (FY22)	Total requirement by FY30E	Additional requirement
220k V	1,96,307	1,97,359	1,052
±320-350 kV	288	2,208	1,920
400 kV	1,96,138	2,11,896	15,758
±500 kV	9,432	9,432	0
765 kV	51,938	77,898	25,960
±800 kV	9,655	15,855	6,200
Total	**4,63,758**	**5,14,648**	**50,890**

Power Consumption Demand to be Met Through Capacity Expansion

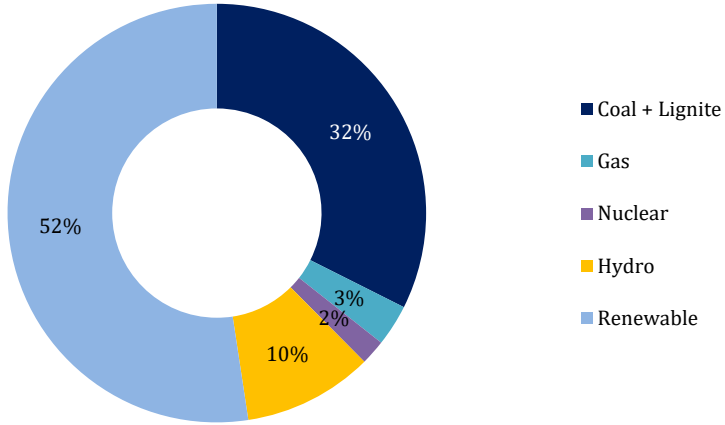
Sub-station capacity (MVA)	Current capacity (FY22)	Total requirement by FY30E	Additional requirement
220 kV	4,34,974	4,34,974	-
±320-350 kV	2,000	7,000	5,000
400 kV	4,08,933	5,43,008	1,34,075
±500 kV	13,500	13,500	-
765 kV	2,67,700	5,42,200	2,74,500
±800 kV	18,000	38,000	20,000
Total	**11,45,107**	**15,78,682**	**4,33,575**

Opportunity Landscape – Renewables INR 13 Trillion

Power generation Installed Capacity (FY23) - 415 GW



Power generation Installed Capacity (FY30) - 777 GW



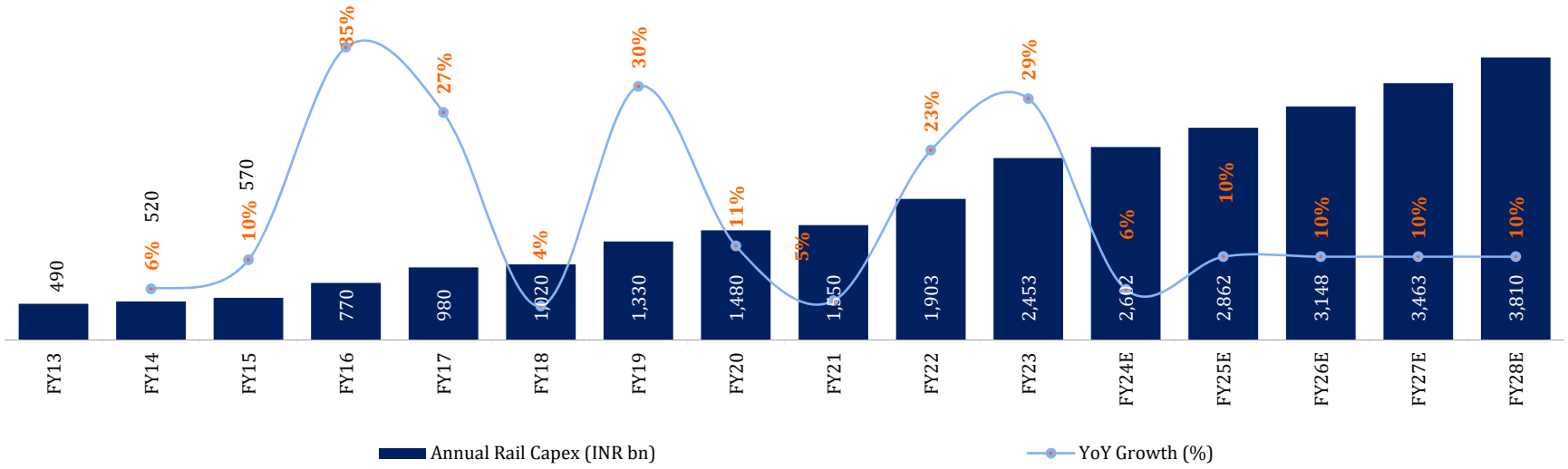
Total pipeline of investments towards capacity addition (INR bn)

Project	Pipeline capacity	Investment required (INR bn)
Utlity scale RE	97 GW	5,360
Distributed RE	16 GW	752
Green Hydrogen & Electrolyser	10 GW/Yr	7,960
Energy storage systems	243 GWh	2,918
ACC battery manufacturing	97 GWh/Yr	874
Compressed Biogas	640+ TPD	45
Ethanol	28,500 kilolitres/day	361
Solar module	88 GW/yr	1,240
Solar cell	68 GW/yr	
Wafer	41 GW/yr	
Total		**19,510**

Source: Industry

Opportunity Landscape – Railway Capex On the fast track

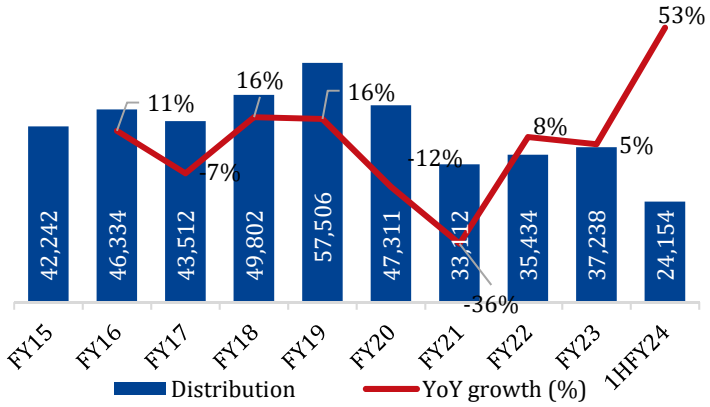
- Railways capex is gathering momentum. From rolling stocks to the construction of lines, from exports to the railway station, the sector is teeming with opportunities
- Should NIP be a barometer for gauging the trend, the average annual expenditure between FY20-25 is estimated at INR2.7trn. Further, the National Rail Plan till 2051—which relies on historical costing-- aims to spend INR9.4trn during FY22-26E—as against INR6.8trn during FY27E-31E



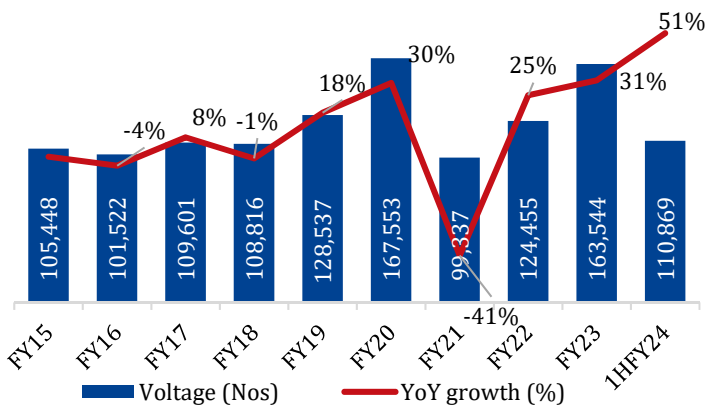
Source: Industry

Transformer Industry – Revival Seeing Record Production witnessed in 1HFY24

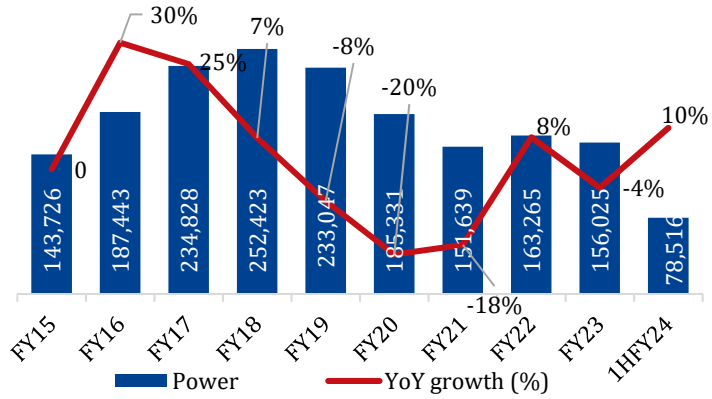
Distribution Transformers (000' kVA)



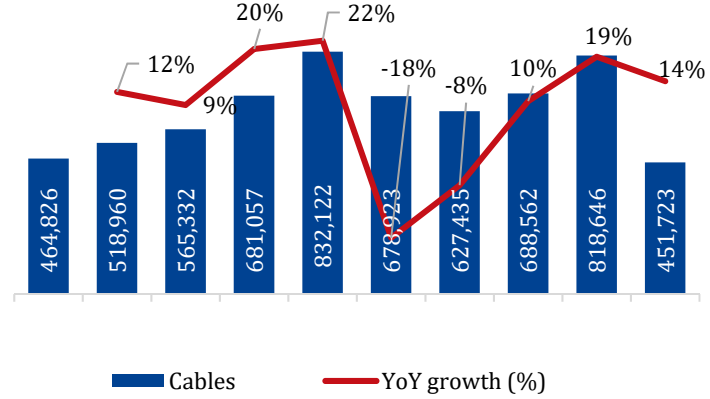
Voltage (Nos.)



Power Transformers (000' kVA)



Cables (In Kms)



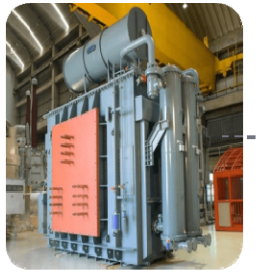
Source : IEEMA

DRIVERS THAT TRANSCENDED TARIL'S GROWTH STORY OVER THE YEARS

Growth Drivers

Niche Transformers

Magnum Opus
333 MVA, 1200 kV auto transformer dispatched to National Test Station BINA India through Power Grid.
Highest AC Voltage in the world



156 MVA
Biggest Furnace duty installed at Novorross Steel, Russia

132 MVA, 33 kV Electric Arc Furnace duty Transformer – 60 Hz
Installed at Grupo, Mexico

315 MVA, 400/220 kV Auto Transformer under Short Circuit test at KEMA, Netherlands

70 MVA, 36 kV, Electric Arc Furnace Transformers – 50 Hz
Installed at Yazd, Iran

Successful testing of 220/253MVA EAF transformer. Making it one of the largest transformer manufactured globally

Product Portfolio

Power Transformers

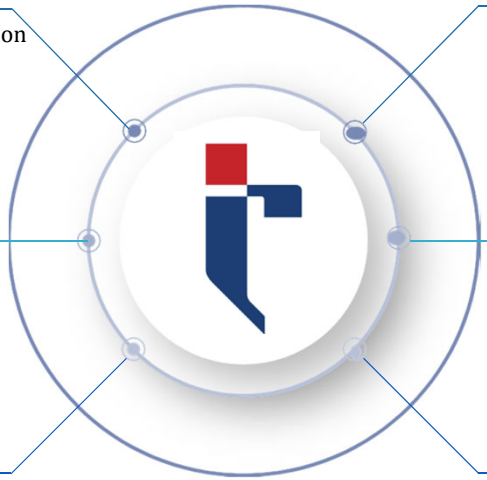
- Designed for high voltage transmission & distribution networks, ensuring efficient power flow and reliability.

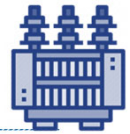
Furnace Transformers

- Used to feed electric furnace that is used to melt and refine materials. These are associated with very high secondary (output) currents and wide output voltage regulations in order to cope with furnace need.

Special Transformers

- The company also specializes in custom-designed transformers for specific industrial applications, such as converter duty transformer, earthing transformer and testing transformers.





Distribution Transformers

- These transformers are tailored for low voltage applications and are vital for local distribution networks, ensuring smooth electricity supply to end-users.

Rectifier (duty) Transformers

- TARIL manufactures rectifier (duty) used in various industries for converting alternating current (AC) to direct current (DC), essential for numerous applications like electroplating, metal refining, and power supply units

Reactors

- Shunt Reactors enhance energy efficiency in high-voltage transmission systems. TARIL's Shunt Reactors, available with variable ratings and filled with either mineral oil or ester, feature robust designs backed by rigorous quality control. Series Reactors are mainly used in with the purpose of arc stability for furnace transformers, limiting current, reduction of flicker in network etc.

Transformers application in varied Industries

Distribution

Petrochemical

Pharmaceutical

Power Transmission

Metal Processing

Cement

Green Energy

Railways

Paper and Pulp

Mining

Driving Growth Through Strong Relationships

Domestic Customer Base

Thank You