



SIL/BSE/NSE/2022-23

February 13, 2023

To, The General Manager, Department of Corporate Services, BSE Limited, P.J. Towers, Dalal Street, Mumbai – 400001 Company Code No.: 511076	To, The Listing Department. National Stock Exchange of India Limited Exchange Plaza, C-1, Block G Bandra Kurla Complex Bandra (E), Mumbai – 400 051 Trading Symbol: SATINDLTD
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Sub: Quarterly Earning Updates for the Quarter and Nine months ended December 31, 2022.

Dear Sir/Ma'am,

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, we enclose herewith the Quarterly Earning Updates for the Quarter and Nine months ended December 31, 2022

Kindly take the same on your record.

Thanking you,

Yours faithfully,

FOR SAT INDUSTRIES LIMITED

HARIKANT
GANESHLA
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HARIKANT GANESHLA
TURGALIA
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Harikant Turgalia
Whole-Time Director
DIN: 00049544

Encl.: as above



CIN: L25199MH1984PLC034632

Registered Office: 121, B-Wing, Mittal Tower, Nariman Point, Mumbai - 400021

Q3 FY23 – Earnings Update

Consolidated Total Revenue reported at ₹1,197.12 Mn in Q3 FY23 and ₹3,676.87 Mn for 9M FY23

EBITDA stands at ₹170.05 Mn in Q3 FY23 and ₹524.72 Mn for 9M FY23

PAT at ₹96.52 Mn in Q3 FY23 and ₹339.48 Mn for 9M FY23

Board has announced 5% interim dividend.

Mumbai, 13 February 2023: SAT Industries Limited (SAT) announced in its board meeting held on 13th February 2023 that the Company has inter-alia considered and approved the unaudited Financial Results of the Company for the third quarter and nine months period ended on 31st December 2022.

About SAT Industries Limited (SAT):

SAT is a 38-year-old group that focuses on investing in disruptive and early-stage startups as well as more established industries like packaging materials and flexible flow solutions. SAT has global presence with clients in over 80 countries and offices located in Mumbai, Dubai and London. SAT works with a business model that is perfectly balanced between core cash-flow generating businesses, and investment in high-growth startups to create a distinctive competitive edge. The Company, through its subsidiaries: Aeroflex Industries Ltd. and Sah Polymers Ltd., offers plethora of cutting-edge solutions to multiple industries across the globe.

SAT is one of the fastest growing manufacturers of Stainless-Steel Wire Rods and has carved a niche in this industry by manufacturing the best quality Stainless Steel Wire Rods.

SAT actively invests in early-stage start-ups that have innovative business models. So far, the company has invested in 125+ companies across 27 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 platform 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.

Standalone Financial Statement Highlights for Q3 FY23 v/s Q3 FY22 & 9M FY23 v/s 9M FY22

Particulars (₹ in Mn)	Q3 FY23	Q3 FY22	YoY%	9M FY23	9M FY22	YoY%
Total Income	294.13	34.65	748.94%	818.90	70.06	1,068.79%
EBITDA	46.09	7.98	477.79%	98.31	28.76	241.80%
EBITDA Margin (%)	15.67%	23.02%	735 bps	12.00%	41.05%	2,905 bps
PBT	29.56	6.99	322.77%	79.52	25.82	207.99%
PAT	25.60	5.75	345.07%	66.21	21.30	210.91%
PAT Margin (%)	8.70%	16.60%	790 bps	8.09%	30.40%	2,231 bps
Diluted EPS	0.23	0.05	360.00%	0.59	0.19	210.53%

*EBITDA includes Other Income

**Exponential rise in Total income and PAT comes from the increase in stainless steel wire rods manufacturing business

Consolidated Financial Statement Highlights for Q3 FY23 v/s Q3 FY22 & 9M FY23 v/s 9M FY22

Particulars (₹ in Mn)	Q3 FY23	Q3 FY22	YoY%	9M FY23	9M FY22	YoY%
Total Income	1,197.12	958.92	24.84%	3,676.87	2,389.92	53.85%
EBITDA	170.05	183.70	-7.43%	524.72	436.31	20.26%
EBITDA Margin (%)	14.21%	19.16%	-495 bps	14.27%	18.26%	-399 bps
PBT	120.20	155.55	-22.73%	434.34	351.12	23.70%
PAT	96.52	115.67	-16.56%	339.48	303.51	11.85%
PAT Margin (%)	8.06%	12.06%	-400 bps	9.23%	12.70%	-347 bps
Diluted EPS	0.85	1.02	-16.67%	3.00	2.68	11.94%

*EBITDA includes Other Income

**EBITDA margins were squeezed due to fluctuation in raw material prices and major impact of geopolitical scenario in Europe

Business Updates

- Equity Shares of SAT Industries Ltd have been listed on the main board of National Stock Exchange of India Ltd. (NSE) on 21st November, 2022.
- During Q3 FY23, SAT has made 3 investments in follow up rounds in the existing investee companies.
- Sah Polymers Limited, a subsidiary of SAT, got listed on NSE and BSE on 12th January 2023.

Aeroflex Industries Limited (Aeroflex)

Aeroflex, a subsidiary of SAT, is one of the leading manufacturers of stainless-steel flexible flow solutions. The company has a state-of-the-art facility in Taloja, Navi Mumbai, India with current annual production capacity of **11 million meters**. Aeroflex's products are accepted worldwide due to their extreme durability, temperature resistance, lower carbon footprint, better safety standards, and longer average product lifecycle. Aeroflex exports to **80+** countries as the products are increasingly replacing conventional flow solutions at an accelerated pace. Aeroflex's products find multi-faceted application in new age industries like electric mobility, robotics, drones, renewables, semiconductor, aerospace, and satellite and traditional industries like manufacturing, steel, oil and gas. In order to cater to the growing demand for its products, Aeroflex has embarked on a capacity expansion plan

which will enhance the annual installed capacity to **13.5 million meters** from existing 11 million meters. The expansion plan is being funded through internal accrual and is expected to be completed in the first half of FY24.

Business Updates

- Total 6 new export customers onboarded during the quarter from Qatar, USA, Germany, Saudi Arabia and France.
- Total 43 new domestic customers onboarded during the quarter.
- 25+ products are in process under research and development.
- Aeroflex Industries Limited has been certified as a Great Place to Work by the prestigious Great Place to Work® Institute, India.



- Aeroflex's R&D laboratory has been certified by NABL.
- Trainings & celebrations during the quarter – Ganpati festival, Garba Event, Diwali celebration, Christmas celebration, Employee Reward Program, Annual Employee Medical Health Check-up.

Sah Polymers Limited (Sah)

Sah, a subsidiary of SAT, is an ISO-certified company engaged in the manufacturing and selling of Flexible Intermediate Bulk Containers (FIBCs), Polypropylene (PP) / High Density Polyethylene (HDPE) bags, PP / HDPE Woven Fabric and other technical textile products of various weights, size and colours;. Sah provides B2B packaging solutions and caters to different industries such as Agro Chemicals Industry, Basic Drug Industry, Cement Industry, Chemical Industry, Fertilizer Industry, Food Products Industry, Textile Industry Ceramic Industry and Steel Industry. Sah has global footprint with presence in Africa, Middle East, Europe, USA, Australia and Caribbean. Sah has an installed capacity of 3,960 MTPA located in Udaipur, Rajasthan and to further enhance its capacity and develop greater competitive edge, Sah acquired 51.01% stake in Fibcorp Polyweave Pvt. Ltd. which has further expanded Sah's product portfolio and increased its penetration in FIBC market. Sah is a Del Credere Associate & Consignment Stockist of Indian Oil Corporation Limited (IOCL) and operates a Dealer Operated Polymer Warehouse (DOPW) of IOCL for their polymer division. Sah is a proud member of the renowned FIBCA (FIBC Association of USA) and a proud member of IFIBCA (Indian FIBC Association).

Additionally, Sah Polymers has successfully raised ₹66.3 Cr. through its IPO and plans to utilize its net proceeds to expand its capacity in Udaipur by 3,960 MTPA, repayment of debt and for general corporate expenses.

Business Updates

- Sah's IPO received an overwhelming response and got listed at ₹85.00 per share on the main board of BSE and NSE on 12th January 2023.
- Sah has 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 has prepaid the debt of INR 196.62 Mn as part of object of the IPO. This will reduce the debt

burden and increase the profitability in future.

- Trainings & celebrations during the quarter – Rangoli Competition, Diwali celebration, Christmas celebration, New year celebration & session on Management Reporting System.

Management Comments:

Commenting on the performance of Q3 FY23, Mr. Asad Daud (Director) said:

“SAT Industries Ltd. recorded a strong financial performance in Q3 FY23 and 9M FY23. Our revenue grew by 24.84% on a YoY basis from ₹958.92 Mn in Q3 FY22 to ₹1,197.12 Mn in Q3 FY23 led by healthy growth in all our subsidiaries. Our EBITDA fell from ₹183.70 Mn in Q3 FY22 to ₹170.05 Mn in Q3 FY23 on a YoY basis and margins decreased from 19.16% in Q3 FY22 to 14.21% in Q3 FY23 due to geopolitical adversities in Europe and fluctuation in raw material costs.

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

Aeroflex Industries provides Flexible Flow Solutions which were traditionally used in the manufacturing, automotive, oil & gas and other industries. However, over the years the products have witnessed usage in newer industries like electric mobility, renewables, robotics and others creating a larger total addressable market and providing Aeroflex with a long runway for growth. Aeroflex is capitalizing on the growth opportunities by continually spending on R&D, designing newer and advanced products that meet requirements for critical usage in highly advanced industries like green energy, semiconductors and aerospace applications.

On the industry front for Sah Polymers, packaging industry continues to grow at a healthy rate and is the 5th largest sector of India's economy and is poised for growth due to its multi-faceted applications across various industries like food, pharmaceuticals, agriculture, FMCG and others. Additionally, the per capita spending on packaging has increased owing to need for hygienic and safe packaging solutions. SAH is engaged in the manufacturing of packaging bags which find application in diverse industries including Agro Pesticides, Basic Drugs, Cement, Chemicals, Fertilizers, Food Products, Textile, Ceramic, Steel, among others.

Apart from growth in traditional packaging industry, the Flexible Intermediate Bulk Containers markets is evolving rapidly due to benefits such as low costs, low weights, easy to handle, and growing applications in food and beverages, pharmaceuticals, agricultural and chemical industries.

We see a massive opportunity in the FIBC market and to capitalize on this opportunity, we have already acquired Fibcorp Polyweave and have added a capacity of 3,960 MTPA in Udaipur, Rajasthan.

Further, we are happy to share that our subsidiary, Sah Polymers Limited, got listed on the main board of BSE and NSE on 12th January 2023 at a premium of ~30% over the issue price. We are

delighted with the overwhelming response received from the capital markets and are committed to make Sah one of the most trusted packaging partners not just in India but across the globe with its unique and creative solutions to meet customer centric requirements.

Sah Polymers Ltd and FIBCORP Polyweave Pvt Ltd have decided to merge. This merger will result in significant synergy and immense value addition by opening up new markets and ability to shell out a new range of products whilst attracting diverse talent from the industry by complimenting each other's strengths and become value accretive for its shareholders.

Sah Polymers Limited is exploring various inorganic opportunities in India and abroad for expanding its products range and its customer base.

SAT continues to act as a tactful, sector agnostic and trend focused angel investor that focuses at investing in pre-seed and seed stage of start-ups. We track the progress of our investee companies on a quarterly basis and are happy to report that most of them are on a stage to mature and have a meaningful impact on their respective industries.

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."

For further information on the Company, please visit www.satgroup.in

SAT Industries Limited

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