



Date: February 08, 2025

To,
The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (East),
Mumbai - 400 051
NSE Symbol: DIFFNKG

Dear Sir/Madam,

To,
The Manager
Corporate Relationship Department
BSE Limited
Floor 25, Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001
BSE Scrip Code - 544264

Subject: Investor/Result Presentation

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Investor/ Result Presentation on the Unaudited Financial Results of the Company for the Quarter and Nine Months ended December 31, 2024.

The said presentation is also being disseminated on the Company's website at https://www.diffusionengineers.com/investors-relation.

Thanking You. Yours faithfully,

For Diffusion Engineers Limited

Chanchal Jaiswal Company Secretary and Compliance Officer Membership no. A67136

Enclosed as above.



DIFFUSION ENGINEERS LIMITED

Regd. Office : T-5 & 6, M.I.D.C., Hingna Industrial Area, **Nagpur** - 440 016, Maharashtra, INDIA [t] 091-7104-232890, 234727, 236772, CIN : L99999MH2000PLC124154

[e] info@diffusionengineers.com, [w] www.diffusionengineers.com GSTIN: 27AAACD8008L1ZK





ENGINEERS LIMITED

| February 2025











Safe Harbour

This presentation contains "forward looking statements" including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Diffusion Engineers Limited (DEL) and its group companies' future business developments and economic performance. While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, government and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Diffusion Engineers Limited undertakes no obligation to periodically revise any forward-looking statements to reflect future/likely events or circumstances.











About Us



Incorporated in 1982

- Established as private limited Company
- Over 4 decades of Experience



Strategically Located Manufacturing Facility

- 4 manufacturing units located at Nagpur
- Proposed facility and proposed expansion will be commenced by November 2025



Diversified Product Portfolio across Industries

 Special welding consumables, wear plates and heavy engineering equipment



Expanding Global Footprint

- 30+ Countries served
- Countries that we Export USA, UAE, China, South Korea, Bangladesh, Kenya, Tanzania, Sri Lanka, Indonesia, Germany etc.



10,300+ Projects Competed

 Across Cement, Steel, Power, Mining, Engineering, Oil & Gas, Defence, Sugar industries



84 Established Clients

 Strong long-standing partnerships with Global players across geographies



Order in hand as on 31st December 2024

Rs. 1,254 Mn



4 year Revenue CAGR: 16%

 Consistent growth in terms of revenues and profitability

"Providing innovative engineering solutions for enhanced industrial performance and efficiency"

Journey So Far



- Incorporated as Private Limited Company
- Commenced manufacturing of welding electrodes

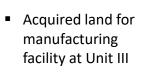
1982 - 93

- Converted from Pvt. Ltd. to Public Ltd. Company
- Acquired land (in part) for manufacturing facility at Unit I
- Acquired a subsidiary Company, Diffusion Super Conditioning Services Pvt. Ltd.
- Acquired land (N-79) for manufacturing facility at Unit II
- Acquired land (Khasra no. 35 and 36) for manufacturing facility at Unit IV

2006 - 2011

- Established subsidiary Company in Singapore, Diffusion Engineers Singapore Pte Ltd.
- Invested in an associate of subsidiary in Singapore, Mecdiff Sdn Bhd (Malaysia)

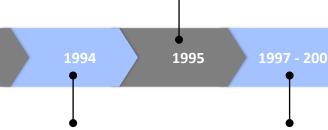
2013



2015

 Undertook expansion of manufacturing facility at Unit IV

2022



 Acquired land (in part) for manufacturing facility at Unit I

- Commencement of production of flux cored wires and wear plates
- Acquired land (N-78) for manufacturing facility at Unit II

 Acquired land (Khasra no. 38/1, 38/2 and 38/ 3) for manufacturing facility at Unit IV

2012

- Established subsidiary company, Diffusion Hernon Adhesive and Sealant Private Limited
- Invested in overseas joint venture Company LSN Diffusion Limited (United Kingdom)

 Established a step-down Subsidiary Company of Singapore Subsidiary in Philippines, Diffusion Wear Solutions Philippines Inc.

- Set up and commenced operations at Unit IV
- Acquired leasehold land (Plot Nos. 33-B/1 /1/ & 33-B/1/1/Part, MIDC, Hingna, Sonegaon District, Nagpur, Maharashtra) for the Proposed Facility.

2024

Strong & Experienced Management Team





Mr. Prashant GargChairman and Managing Director



Dr. Nitin GargNon-Executive Director



Mrs. Chitra Garg
Non-Executive Director



Mr. Anil Trigunayat
Indepedent Director



Mr. Sherry Oommen
Independent Director



Mrs. Deepali Bendre
Independent Director

Key Strengths















Synergistic business models focused on forward integration

Transitioning from a manufacturer of special welding electrodes to producing flux-cored wires, wear plate, wear parts and now heavy engineering leads to broadened scope and expertise in the industry

Long - standing relationships with customers across industries

Over four decades of business operations with diversified customer base serving 503 customers till date

Experienced promoters and strong management team

Over 2 decades of experience in this business supported by team of professionals having knowledge of our various business functions

Serving industry major players directly as well as through OEMs

Serves a diverse clientele, including both OEMs in the cement, steel, power, mining, engineering sectors as well as direct customers. This significantly adds to our credibility

Strategically located Manufacturing facilities

Our operations in Nagpur, Maharashtra, benefit from a central location that ensures streamlined logistics, reduced transit times and efficient service to industries nationwide including urban and remote areas

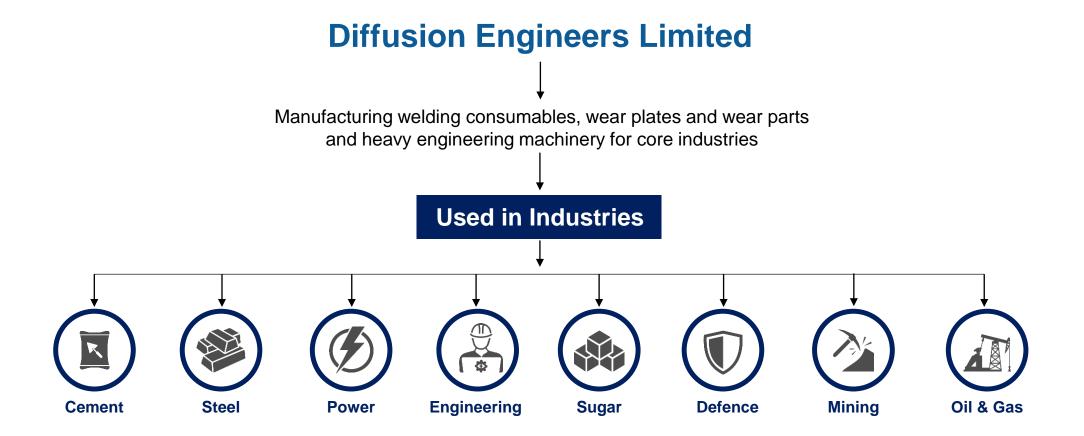
Consistent Financial Performance

Recorded third highest CAGR of 21% for operating income, second highest CAGR of 38% for profit after tax and third highest CAGR of 33% for EBITDA



Business at a glance





Key Raw Materials include Ferro alloys, Powdered metals like Chromium, Nickel, Molybdenum, Manganese etc, Steel plates, Metal Wires and other alloys

Diversified Product Portfolio...



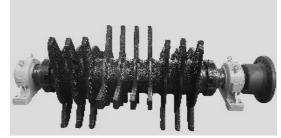






Welding and Anti-Wear Consumables

- Special purpose electrodes
- Flux cored wires
- Cold Repair Compounds
- · Filler Materials for Welding





Wear Plate / Wear Parts

- Wear Plates
- Wear Parts
- Welding Service Job work





Heavy Engineering Equipment

- Air Separator
- · High Pressure Grinding Rollers
- FD fan
- Mill body
- RAPH Rotor



Trading

- Thermal Spray Powder
- Welding Equipment

Welding and Anti- Wear Consumables



Special Purpose Electrodes



- A welding electrode is a wire or rod built of metal or alloy and has a flux or without a flux and carries an electric current to obtain sufficient heat for welding
- The rod is used to sustain welding arc and to provide filler metal required for joint to be welded

Flux Cored Wire



- Composition and Functionality: Flux-cored wire is a tubular welding consumable filled with a flux mixture of minerals, metal powders and chemical agents. It shields molten weld pool, stabilizes arc and removes impurities during welding
- Efficiency and Speed: It enables higher welding speeds with its continuous feed and flux properties, ensuring efficient and rapid welding processes

Cold Repair Compounds



- We manufacture cold repair compounds based on polymer chemistry and ceramic composites that withstand extreme wear and tear
- These products are used for maintenance coatings, anti-corrosive coating, electrical insulation coating, structural coatings and floor coatings

Wear Plate / Wear Parts



Wear Plates



- Function and Benefits: Wear plates or abrasion resistant plates protect equipment surfaces from abrasion, impact corrosion and high-temperature wear ensuring durability in harsh industrial environments
- Manufacturing Advantage: Leveraging backward integration with flux-cored wire production, we manufacture wear plates using open arc welding process offering superior hardness, wear resistance and cost efficiency

Wear Parts



- Customized Wear Parts: We manufacture ready to fit wear parts for quality, cost effective and higher performance
- Integrated Manufacturing Capability: Our selfsufficient facility enables us to produce wear parts using wear plates, forgings, castings and hard facing consumables ensuring complete solution for user

Welding service – job work



- Comprehensive Welding Solutions: We enhance lifespan and reduce costs of heavy machinery in industries like cement, power, steel through repairs, protective coatings and rebuilding with wear-resistant alloys
- Flexible Maintenance Services: We offer both in-house and on-site maintenance including inspection, repair, and upgrades ensuring optimal performance and durability of industrial equipment

Heavy Engineering Equipment



■ We specialize in manufacturing and fabrication of heavy engineering equipment for cement, steel, power, sugar, and other core industries. Our dedicated Unit IV in Khapri (Uma), Nagpur — 441501, Maharashtra, ensures high-quality production and precision engineering



Tandem Wagon Trippler



Material Hopper for Blast Furnace



Impeller Fan



Hammer Crusher Assembly



Hammer Crusher Rotor

...With state of the art – manufacturing facilities...





Unit I

Operational since 1994

Special Purpose welding electrodes

T-5, T-6, Nagpur Industrial Area, MIDC, Hingna, Nagpur

Area -2,000 sq. mtrs

On lease



Unit II

Operational since 2000

Flux cored wire, wear plates and wear part

N-78, N-79, Nagpur Industrial Area, MIDC, Hingna, Nagpur

Area - 13,068 sq. mtrs

On lease



Unit III

Operational since 2015

Anti-wear Consumables

T-12, Nagpur Industrial Area, MIDC, Hingna, Nagpur

Area – 1,000 sq. mtrs

On lease



Unit IV

Operational since **2016**

Flux cored wires, wear plates and heavy engineering machinery

Khasra No. 35, 36, 38/1, 38/2, 38/3, Khapri (Uma), Nagpur

Area - 89,197* sq. mtrs

Owned

Work in Progress

Proposed Facility

Commence from Nov. 25

Special purpose electrodes and wire strips

Plot No. 33-B/1/1 & 33-B/1/1 Part, MIDC Hingna, Nagpur

Area - 10,850 sq. mtrs

On lease

..with the Strong R&D set up...





DSIR approved R&D facility at Unit I

Equipped with laboratory infrastructure for various developmental activities - process refinement, finished products testing and other raw materials analysis

We hold accreditation by the National Accreditation Board for Testing and Calibration Laboratories – ISO/ IEC 17025:2017 for General Requirements for the Competence of Testing & Calibration Laboratories

Environment Management System (EMS) certification by TÜV SÜD South Asia Private Limited, Quality Management System (QMS)-ISO 9001:2015, Occupational Health and Safety Management systems – ISO 45001:2018 and Environment Management System – ISO 14001:2015

...leading to a suite of Marquee Customers...











































































... Creating strong global presence since 1982





We have Tie-ups with over **95 distributors** in domestic market and **9 distributors** in the overseas market

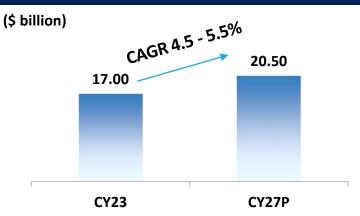


Welding Consumables Market

- The global welding consumables market size was valued at USD 12.98 bn in 2023 and is projected to grow from USD 13.40 bn in 2024 to USD 19.95 bn by 2032, exhibiting a CAGR of 5.1%
 - ✓ Asia-Pacific region has highest share, with around 41% contribution
 - ✓ North America has second biggest market after Asia, due to presence of large automotive and component manufacturers
- The India welding consumables market size reached US\$ 1,175 Mn in 2023 and IMARC Group expects market to reach US\$ 2,046 Mn by 2032, exhibiting a growth rate (CAGR) of 6.2% during 2024-2032
- Industrial Expansion and Manufacturing Growth:
 - ✓ Growth of industries like heavy engineering, energy, oil & gas, railways, shipbuilding, power, transportation, and automotive drives demand
 - ✓ As India aspires to become a global manufacturing hub, manufacturing sector's expansion will further bolster this demand
- Government Initiatives and Infrastructure Investments: Programs like National Infrastructure Pipeline with a planned investment of ₹111 lakh crore from 2020 to 2025 in sectors such as roads, urban infrastructure and railways along with reforms under 'Make in India' and 'Atmanirbhar Bharat,' are expected to significantly boost welding consumables sector

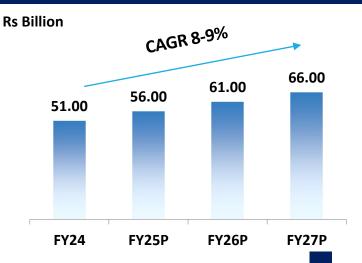


Global welding consumables industry



Source: International Market Analysis Research and Consulting Group (IMARC) welding consumable market report

Welding consumables industry in India



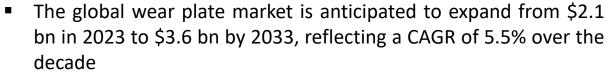
Note: E — estimated, P — projected Source: CRISIL MI&A

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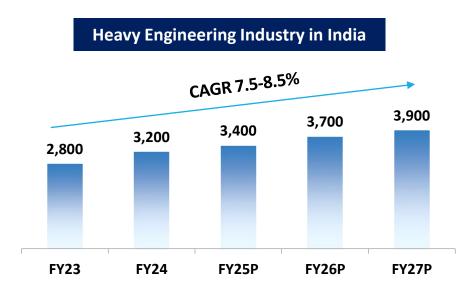
Wear Plates & Heavy Engineering Market







- Asia contributes highest consumption Largest Coal Mining
- Europe Transportation Sector and mining activity for minerals
- Wear plates market in India is estimated at around Rs 22 bn in 2024 and is expected to grow at a CAGR of 8-9% to ~Rs 28 bn in 2027
- Wear plates are an essential part of various industries, such as power plants, steel mills, quarrying and cement, as these plates protect key components of these industry



- Heavy electrical engineering, earthmoving, construction and mining machinery, and process plant equipment are the largest segments
- Industry is expected to continue to expand on the back of rising manufacturing and construction activities
- Technological advancements, FDI, and strong government initiatives drive manufacturing sector and boost heavy engineering capital goods industry
- Growth is further supported by ease of doing business, the PLI scheme, infrastructure investments, and favorable policies



Chairman's Message





Commenting on the Company's performance

Prashant Garg

Chairman & Managing Director
Diffusion Engineers Limited said:

"During the third quarter ended 31st December 2024 we have registered a Revenue of Rs. 791.98 million, EBITDA of Rs. 104.71 million and PAT of Rs. 71.01 million. This growth was mainly driven by strong sales momentum across all units. This growth reflects sustained market demand, enhanced execution, and higher capacity utilization, due to improvement in operational efficiency.

We are pleased to announce the successful completion of our IPO and listing on the BSE and NSE on October 4, 2024. This milestone strengthens our financial position, enhances market visibility, and enables strategic investments in growth and innovation.

As part of our strategic expansion initiatives, Company has approved the establishment of a wholly-owned subsidiary, tentatively named "Diffusion Engineers Middle East," subject to regulatory approval in the UAE. This strategic expansion will enable Company to provide welding services and light fabrication solutions, tapping into growing demand in the Middle Eastern markets and further strengthening its regional presence.

I am pleased to announce appointment of Mr. Ramesh Kumar N as the Chief Executive Officer, with effective from February 13, 2025. His leadership and expertise will be invaluable in driving our growth strategy and strengthening Diffusion Engineers' market position.

As we review this quarter, we reaffirm our commitment to innovation and excellence. Our achievement in industry recognition, global expansion, and strategic investments have strengthened our competitive edge positioning us for sustained success in the coming quarters.

I would like to thank each member of the Diffusion family, as well as our Clients, Creditors, Banks, Financial Institutions, and all other Stakeholders. Their faith in us and support extended makes it easier for us to strive and excel. Thank you for your ongoing support and trust in Diffusion Engineers."

Q3 FY25 vs Q3 FY24 Consolidated Financial Highlights





Financial Highlights - Consolidated



Particulars	Q3 FY25	9M FY25	9M FY24	Y-o-Y%
Total Income from Operations	791.98	2,327.47	2,042.01	13.98%
Material Consumed & Manufacturing Expenses	507.72	1,534.25	1,331.60	
Employee Cost	113.65	308.75	264.54	
Other Expenses	65.90	160.72	137.72	
Total Expenditure	687.27	2,003.72	1,733.86	15.56%
EBITDA (Excl. Other Income)	104.71	323.75	308.15	5.06%
EBIDTA Margin (%)	13.22%	13.91%	15.09%	(118 bps)
Other Income	0.25	42.91	44.71	
Depreciation	14.28	39.62	33.99	
Interest	4.66	18.76	14.44	
Exceptional Item (Gain) / Loss	0.00	0.00	0.00	
Share of P/L of associates	(4.64)	(19.39)	(8.78)	
Profit Before Tax	81.38	288.89	295.65	(2.29%)
Tax	10.38	58.60	79.40	
Profit After Tax	71.00	230.29	216.25	6.49%
Profit After Tax Margin%	8.96%	9.89%	10.59%	(70 bps)
EPS (In Rs.)	1.92	6.11	7.67	(20.34%)

- Total Income from operations for the 9M FY25 was Rs. 2,327.47 mn in as against Rs 2,042.01 in 9M FY24, a YoY increase of 13.98%. This growth was mainly due to sustained market demand, enhanced execution, and higher capacity utilization, due to improvement in operational efficiency
- EBITDA (excluding Other Income) was at Rs. 323.75 mn in 9M FY25 as against Rs. 308.15 mn in 9M FY24, increase of 5.06%.
- Other Income includes a reduction due to mark-to-market (MTM) adjustments on mutual fund investments, impact is due to market volatility and fluctuations in current quarter
- The decline in Profit Before Tax (PBT) is primarily due to losses from our investment in LSN Diffusion Ltd, our UKbased associate company, which has adversely impacted overall profitability

Financial Highlights - Standalone

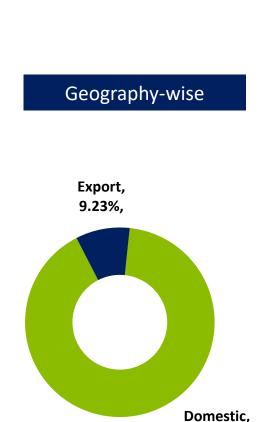


Particulars	Q3 FY25	9M FY25	9M FY24	Y-o-Y%
Total Income from Operations	735.42	2,151.18	1,879.60	14.45%
Material Consumed & Manufacturing Expenses	485.68	1,446.34	1,285.40	
Employee Cost	104.88	292.73	254.17	
Other Expenses	59.20	138.30	124.23	
Total Expenditure	649.76	1,877.37	1,663.80	12.84%
EBITDA (Excl. Other Income)	85.66	273.81	215.80	26.88%
EBIDTA Margin (%)	11.65%	12.73%	11.48%	125 bps
Other Income	(0.36)	41.17	44.03	
Depreciation	10.54	33.38	28.95	
Interest	4.55	17.27	13.99	
Exceptional Item (Gain) / Loss	0.00	0.00	0.00	
Share of P/L of associates	0.00	0.00	0.00	
Profit Before Tax	70.21	264.33	216.89	21.87%
Tax	6.37	47.21	57.48	
Profit After Tax	63.84	217.12	159.41	36.20%
Profit After Tax Margin%	8.68%	10.09%	8.48%	161 bps
EPS (In Rs.)	1.71	5.80	5.69	1.93%

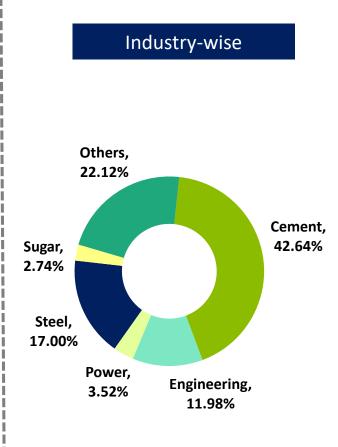
- Total Income from operations for the 9M FY25 was Rs. 2151.18 mn as against Rs 1,879. 60 in 9M FY24, a YoY increase of 14.45%. This growth was mainly due to strong market demand, enhanced operational efficiency, and improved execution capabilities which attributed to higher order inflows, better capacity utilization, and strategic pricing initiatives
- EBITDA (excluding Other Income) was at Rs. 273.81 mn in 9M FY25 as against Rs. 215.80 mn in 9M FY24, increase of 26.88% mainly on account of better cost efficiencies, an improved product mix and higher operational leverage. Additionally, factors such as optimized raw material procurement, process efficiencies, and increased sales volumes
- Other Income includes a reduction due to mark-to-market (MTM) adjustments on mutual fund investments, impact is due to market volatility and fluctuations in current quarter

9M FY25 – Standalone Revenue Break Up

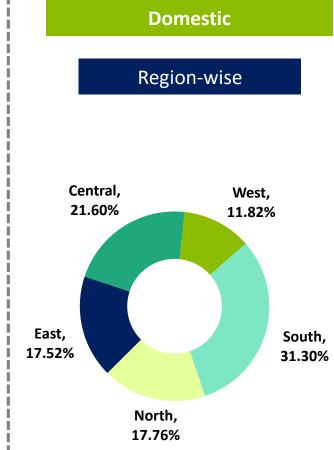




90.77%



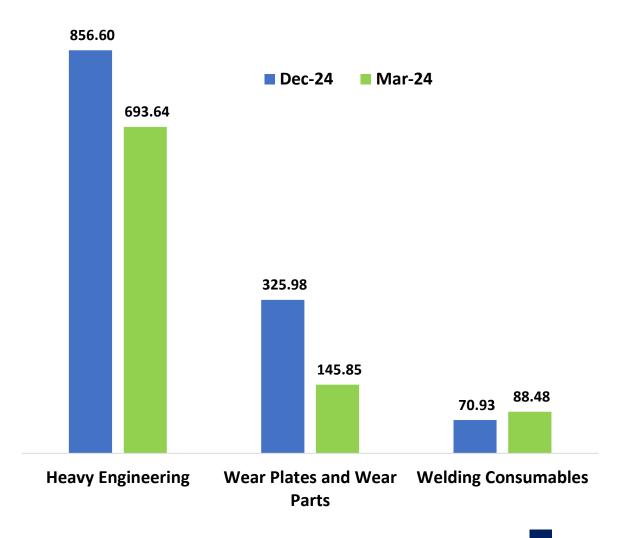
Product-wise Heavy Engineering Equipment, 32.28% Trading, 6.53% Welding and **Antiwear** Consumables, Wear Plates & 24.55% Wear Parts, 36.64%



Order Book



Туре	Dec-24	Mar-24
Heavy Engineering	856.60	693.64
Wear Plates and Wear Parts	325.98	145.85
Welding Consumables	70.93	88.48
Grand Total	1,253.51	927.97



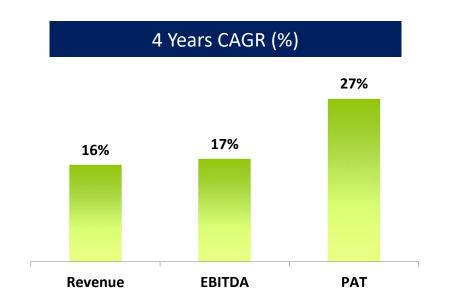
FY24 Consolidated Yearly Financial Highlights

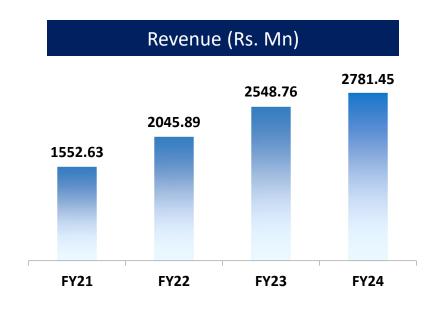


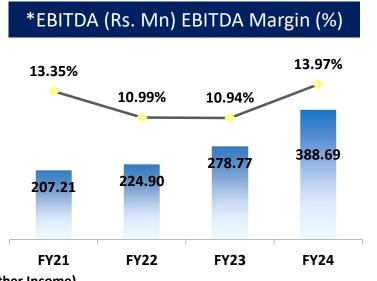
Particulars	FY21	FY22	FY23	FY24
Total Income from Operations	1,552.63	2,045.89	2,548.76	2,781.45
Material Consumed & Manufacturing Expenses	1,004.78	1,435.11	1,804.78	1,856.50
Employee Cost	239.45	268.96	307.60	360.56
Other Expenses	101.19	116.92	157.61	175.70
Total Expenditure	1,345.42	1,820.99	2,269.99	2,392.76
EBITDA (Excluding Other Income)	207.21	224.90	278.77	388.69
EBIDTA Margin (%)	13.35%	10.99%	10.94%	13.97%
Other Income	40.08	41.58	37.95	74.17
Depreciation	38.99	41.64	38.42	45.49
Interest	20.01	13.83	22.95	17.55
Exceptional Item (Gain) / Loss	0.00	0.00	0.00	2.57
Share of profit/loss	(20.30)	8.75	31.24	13.60
Profit Before Tax	168.00	219.76	286.59	410.84
Tax	51.37	49.29	65.15	102.80
Profit After Tax	116.62	170.47	221.44	308.05
Profit After Tax Margin%	7.51%	8.33%	8.69%	11.08%
EPS (In Rs.)	4.18	6.08	7.91	10.94

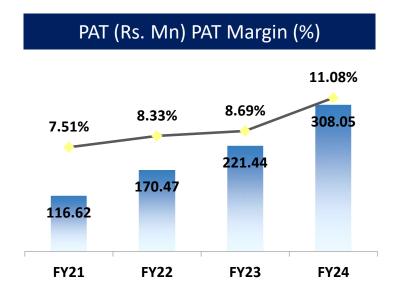
4 years Consolidated Annual Financial Highlights











Consolidated Balance Sheet as on 30th September 2024 DIFFI



Rs. Mn

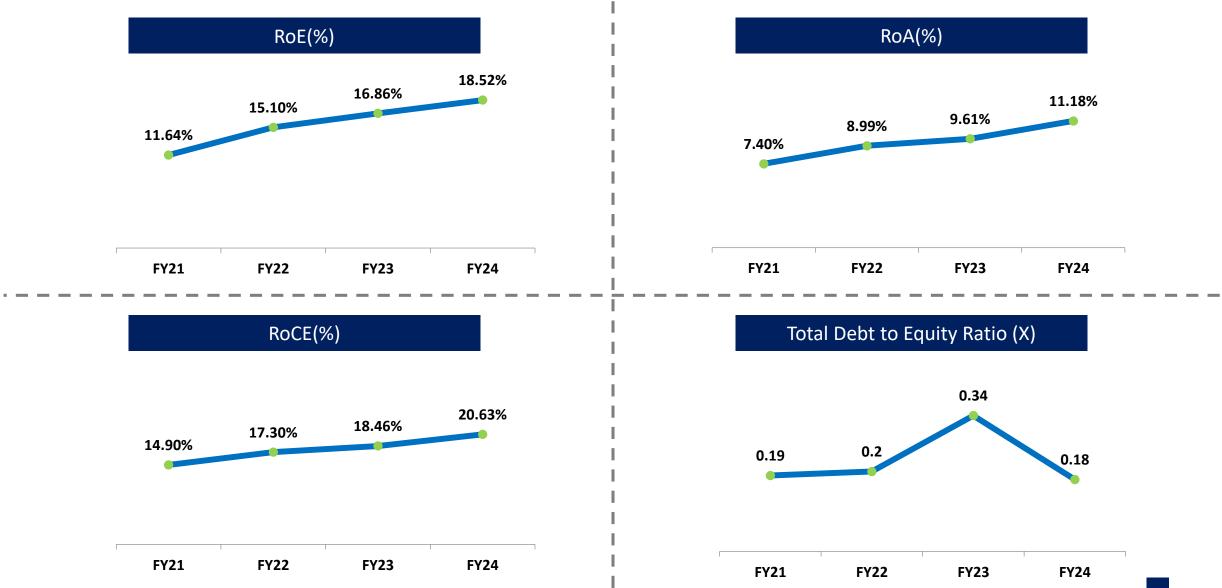
Liabilities	As on 30th September 2024	As on 31st March 2024
Shareholder's Funds	2,061.22	1,910.19
Share capital	280.21	280.21
Reserves & Surplus	1,776.80	1,626.84
Non Controlling Interest	4.20	3.14
Share Application Money	750.07	0.00
Non-current liabilities	59.11	62.43
Long term borrowings	0.00	0.00
Other financial liabilities	4.81	9.99
Defer Tax liabilities	54.31	52.43
Current liabilities	951.53	783.24
Short Term Borrowings	491.66	344.35
Trade Payables	272.37	309.14
Other Financial liabilities	90.68	22.23
Other Current liabilities	61.79	98.24
Short-term provisions	35.03	9.27
Total Equities & Liabilities	3,821.93	2,755.85

Rs. Mn

Assets	As on 30th September 2024	As on 31st March 2024
Non-current assets	1,317.77	1,275.05
Property, Plant & Equipment	942.11	905.70
Capital work in progress	10.43	11.05
Intangible Assets	4.36	4.25
Non-current Investments	297.86	291.95
Other Financial Assets	63.00	62.09
Current assets	2,504.16	1,480.80
Inventories	724.32	532.12
Trade receivables	676.14	666.47
Cash & Cash equivalents	174.53	78.13
Share Application Money	750.07	0.00
Short-term loans & Advances	122.26	155.45
Other Current Assets	38.42	37.05
Other Financial Assets	18.41	11.58
Total Assets	3,821.93	2,755.85

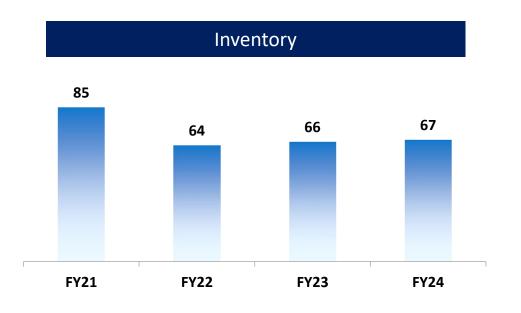
Key Ratios

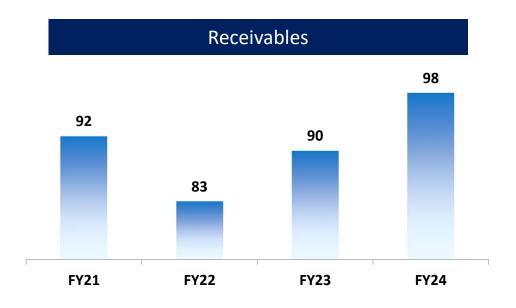


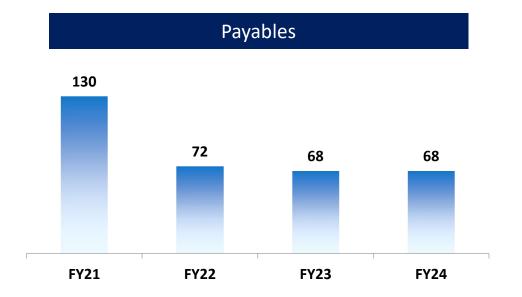


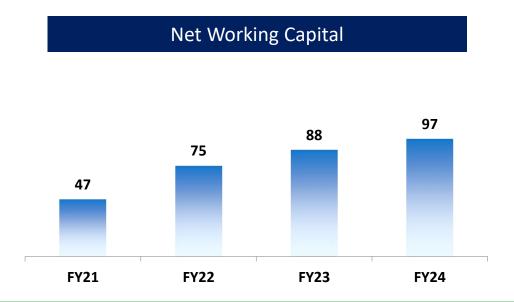
Working Capital Analysis (Days)

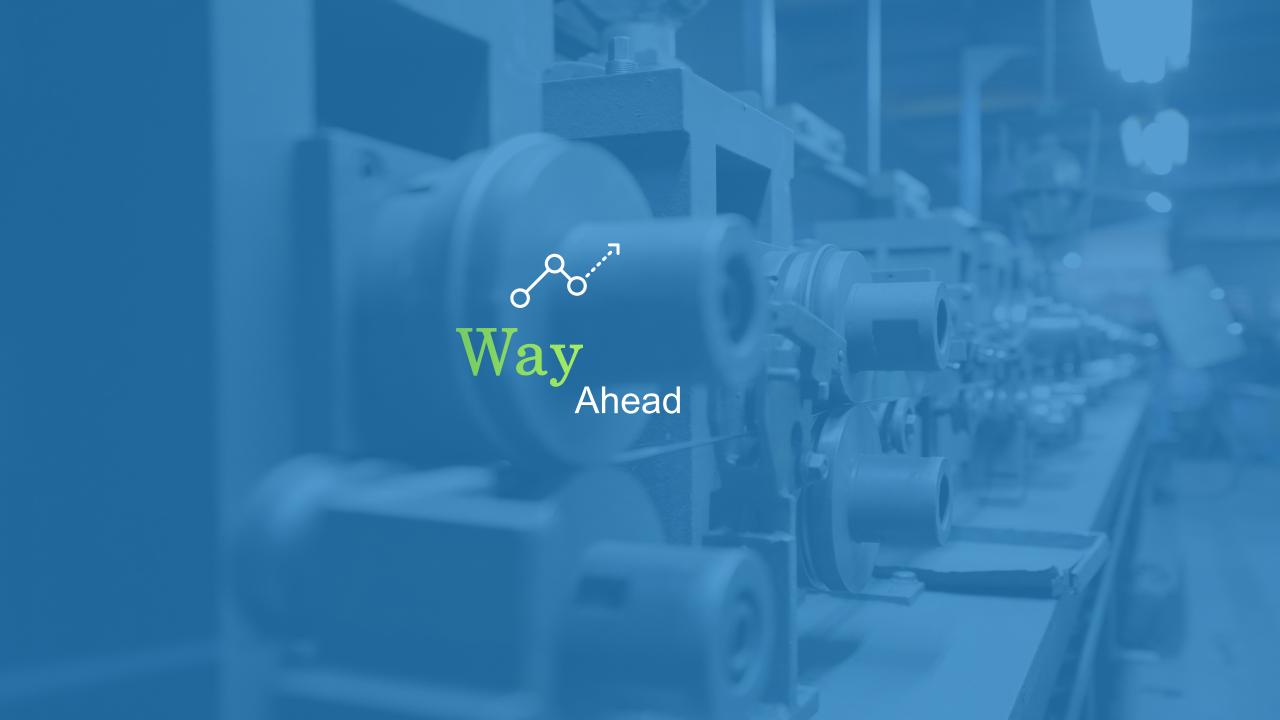






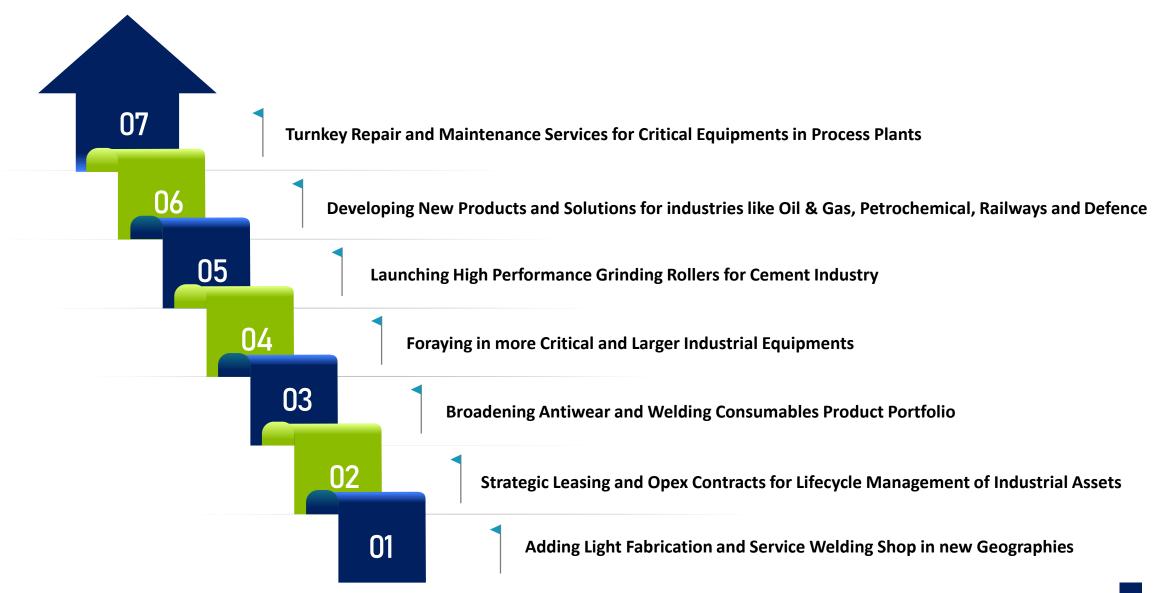






Future Outlook







Thank You

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