

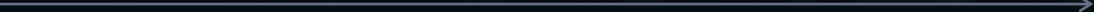


# Q2FY23 INVESTOR PRESENTATION

October 2022

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# Company Profile

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# Group Corporate structure

HOLDING COMPANY:  
INVESTMENTS IN  
GROUP COMPANIES

BSE: TAMBOLI  
Listed since 2010

SUBSIDIARY:  
INVESTMENT  
CASTINGS & PRECISION  
COMPONENTS BUSINESS

SUBSIDIARY:  
STRATEGIC ASSETS  
TO EXPAND CORE  
CASTINGS BUSINESS

**TAMBOLI CAPITAL  
LIMITED**

**100%**

TAMBOLI CASTING LIMITED

**100%**

TAMBOLI PROFILES  
PRIVATE LIMITED

**100%**

TAMBOLI METALTECH  
PRIVATE LIMITED

## REVENUE MIX



**INVESTMENT  
CASTINGS &  
PRECISION  
COMPONENTS**

99% OF TOP LINE



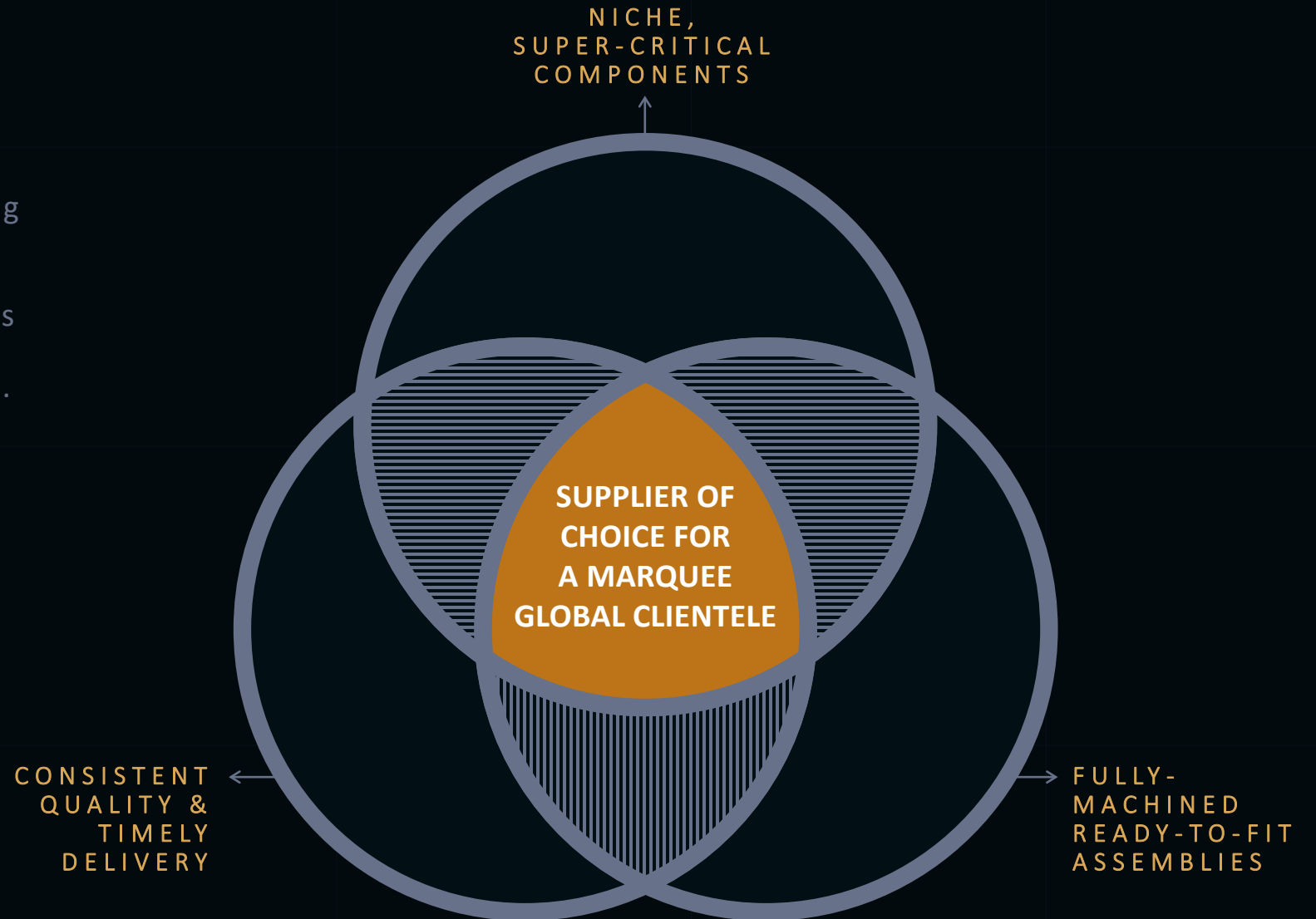
**INVESTMENTS  
& OTHERS**

1% OF TOP LINE

# Tamboli Castings (TCL) Value Proposition

We are a specialist in investment casting technology (Feinguss), delivering fully machined precision components for Pneumatic & Automation, Pumps, Valves & Turbo Parts, General Engineering, Automobile and Aerospace applications.

The Company is promoted by Tamboli family who are the pioneers of investment casting technology in India.



# TCL at a Glance

## Niche

MANUFACTURING NICHE, PRECISION CASTING COMPONENTS

## 400+

400+ COMMITTED EMPLOYEES\*

## 100%

100% EXPORT ORIENTED UNIT (EOU)

## Fortune 500

PREFERRED SUPPLIER TO FORTUNE 500 COMPANIES



## Proficient

PROFICIENT WITH MANUFACTURING COMPONENTS IN STAINLESS STEEL, HIGH-ALLOY STEEL, LOW-ALLOY STEEL, ALUMINIUM & OTHER NON-FERROUS ALLOYS

## Automated

HIGHLY AUTOMATED AND INTEGRATED MANUFACTURING PLANT

*\*Including contractual employees*

# Manufacturing Facility

**Automated plant**

BASED IN BHAVNAGAR, GUJARAT



**10 acres**

CURRENT PLANT  
SPREAD ACROSS A  
10 ACRES PLOT

**Well-  
connected**

THROUGH NEARBY  
PORTS



**Additional  
infrastructure**

AND BUILDING  
AVAILABLE FOR FUTURE  
EXPANSIONS

**Quality Systems  
Certification from  
TUVNORD, Germany**



**AD-2000  
MERKBLATT**



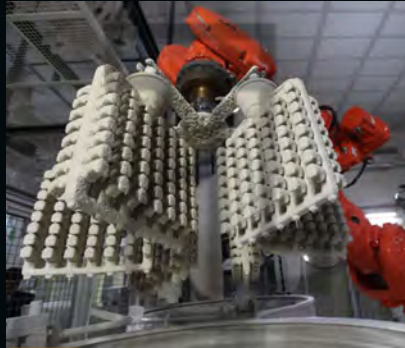
# Manufacturing Process



01

## Wax Injection & Pattern Assembly

Temperature-controlled wax pattern shop equipped with fully-automatic and semi-automatic wax injections press



02

## Shelling

Temperature & humidity-controlled shell room with robot operated shelling & conveyor system



03

## Melting

High-frequency environmentally-friendly induction melting furnace along with a semi-automatic conveyor for pouring liquid metal



04

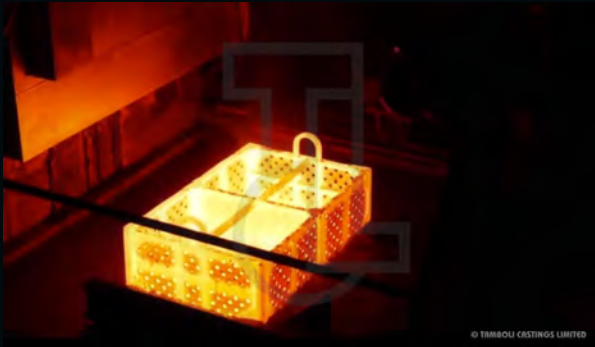
## Fettling

Fettling shop equipped with:

- Pencil hand grinders, laser & TIG welding
- Ceramic, SS shot, and glass bead blasting
- Laser marking machine and automated pickling and passivation plant
- Electropolishing plant



# Manufacturing Process (continued)



05

## Heat Treatment

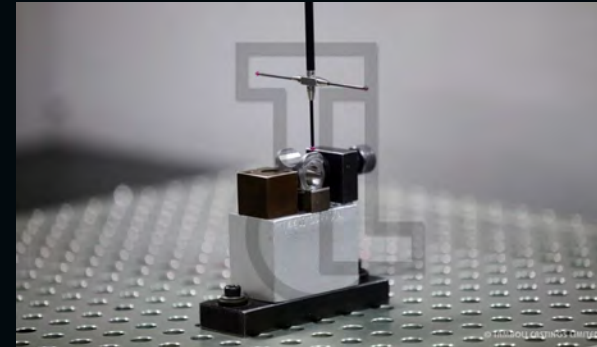
A battery of muffle, gas carburising, forced air circulation tempering furnaces, for a variety of heat-treatment operations



06

## Machining

Modern CNC machine shop with 40 imported Japanese & German machines including turning centres, vertical machining centres and advanced 7-axis machining centre



07

## Quality Control

Best-in-class quality control centre with high-end machines for:

- Chemical laboratory
- Physical testing laboratory
- Metallographic laboratory
- Standard room
- Non-destructive testing, etc.

# Diversified Product Applications

**WIDE RANGE** OF CASTINGS RANGING FROM 10 GRAMS TO 100 KILOGRAMS FOR A VARIETY OF APPLICATIONS



**INDIRECT DIVERSIFICATION** VIA EXPOSURE TO MULTIPLE DIVISIONS, INDUSTRIES, AND GEOGRAPHIES WITHIN A FEW LARGE CLIENTS (CONGLOMERATES)

**READY-TO-FIT CASTINGS** MADE OF STAINLESS STEEL, HIGH-ALLOY & LOW-ALLOY STEEL, ALUMINIUM AND OTHER NON-FERROUS ALLOYS



STRATEGY TO ACTIVELY PURSUE BUSINESS IN ALL INDUSTRIES AND **LIMIT EXPOSURE** TO ANY ONE PARTICULAR APPLICATION

## REVENUE MIX: INDUSTRIAL (FY22)

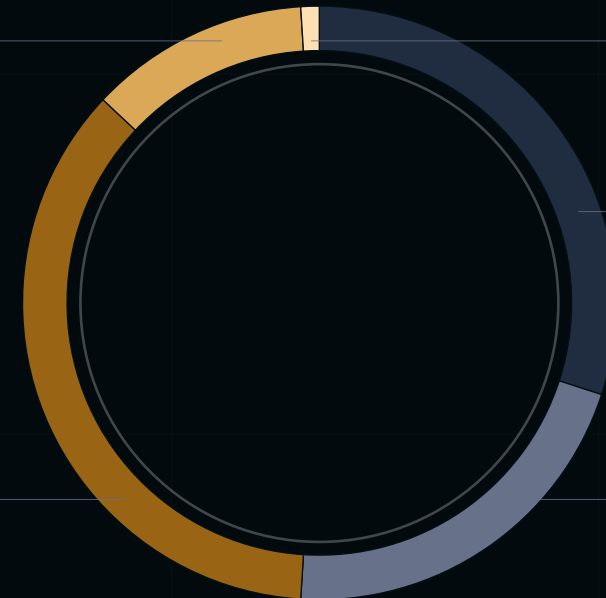
**12%**  
Automotive

**1%**  
Aerospace

**30%**  
Pneumatic & Automation

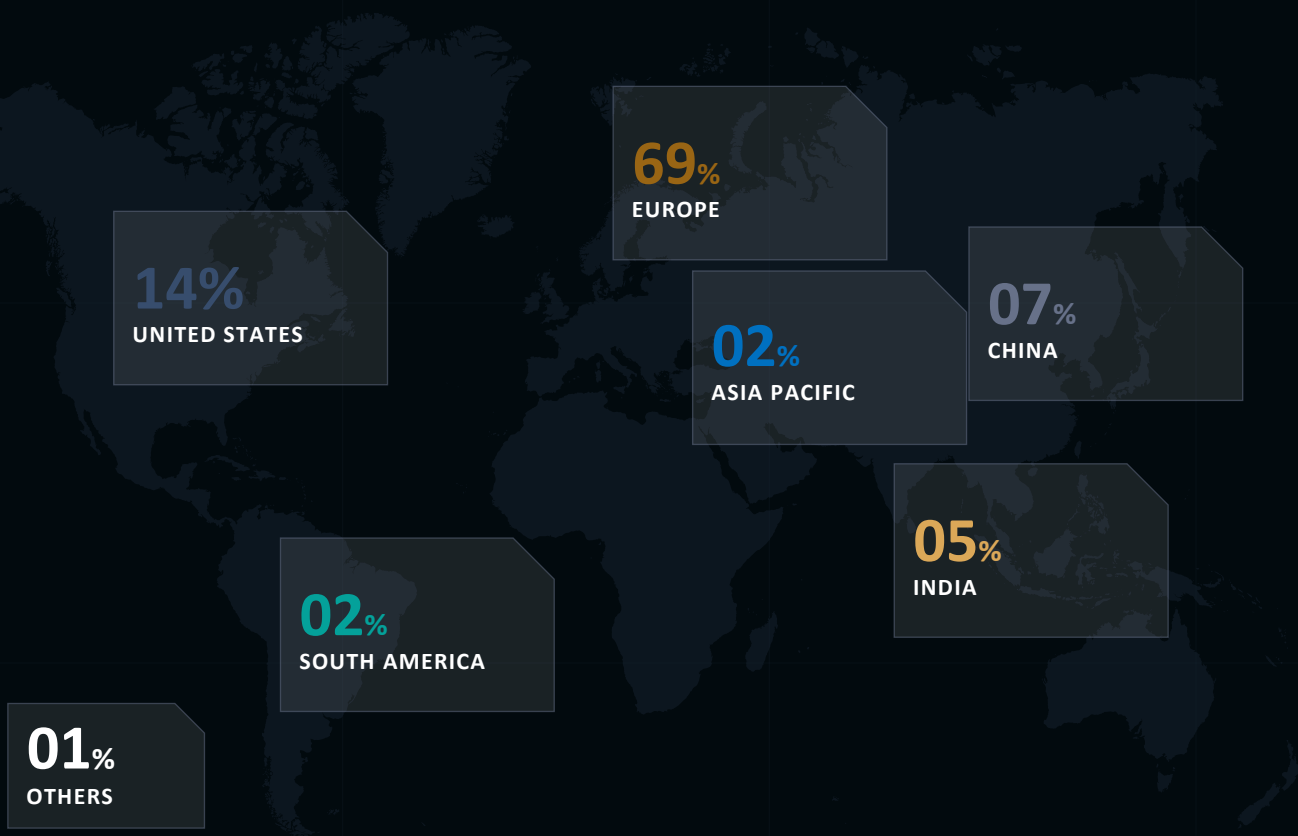
**36%**  
General Engineering

**21%**  
Pumps, Valves & Turbo Parts



# Globalising Our Offerings

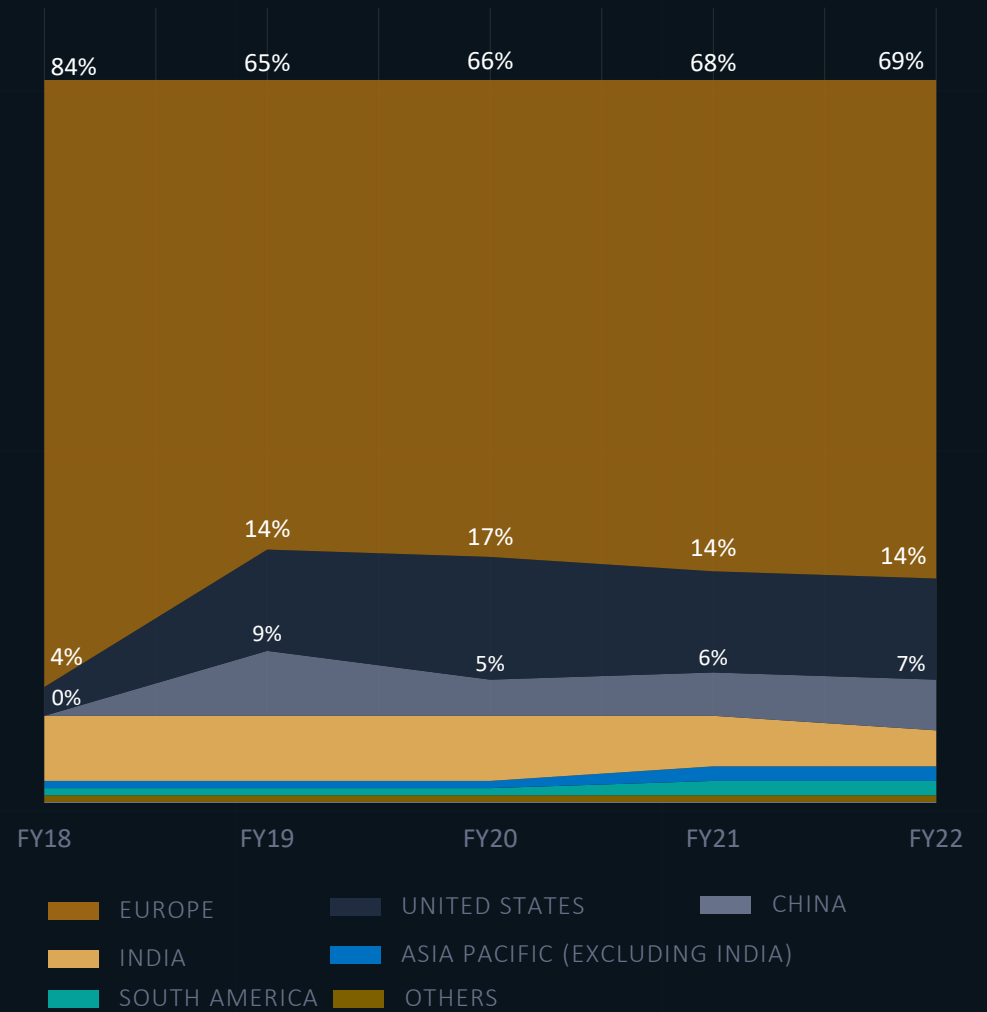
REVENUE MIX: GEOGRAPHICAL (FY22)



Map not to scale

REVENUE MIX: GEOGRAPHICAL

(IN %)



# A Distinguished Clientele



## PNEUMATIC & AUTOMATION

European automation & pneumatic major with presence in 61 countries



## PNEUMATIC & AUTOMATION



## GENERAL ENGINEERING

Leading American manufacturer of precision cast parts, machined components and assemblies



## ARCHITECTURAL COMPONENTS

Europe's leading manufacturer of architectural components such as door hinge & hinge systems



## PUMPS, VALVES & TURBO PARTS

Leading European supplier of premium pumps and pump systems for building services, water management and the industrial sector



## GENERAL ENGINEERING



## AGRICULTURE

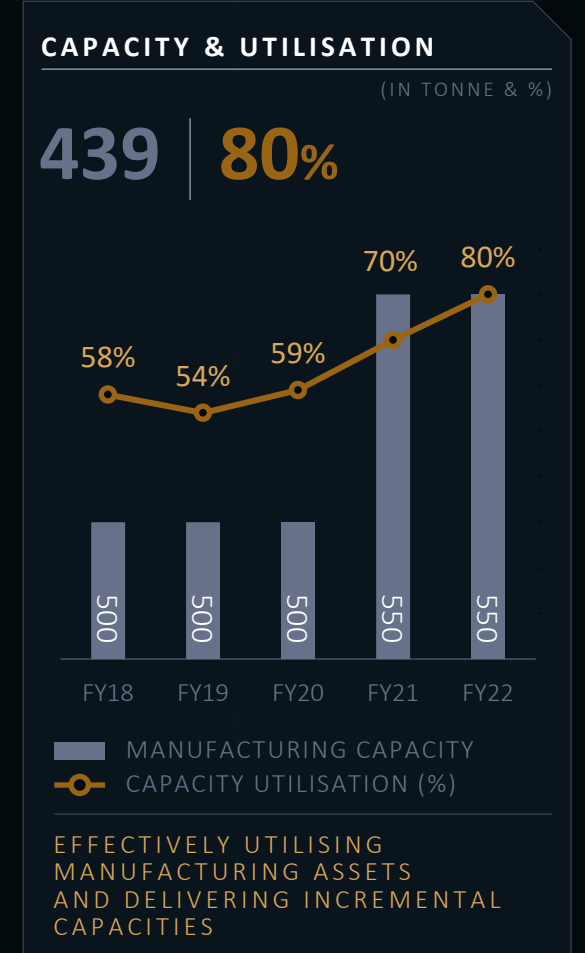
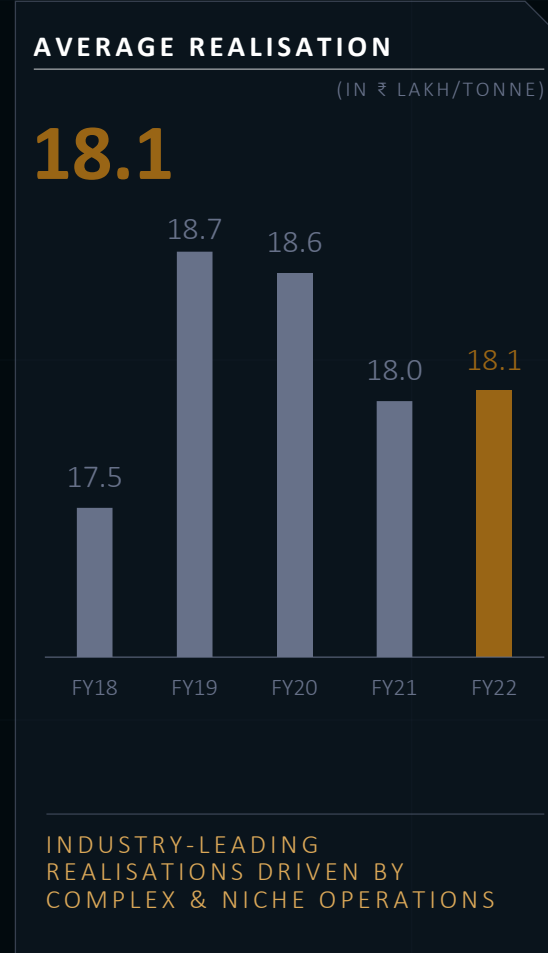
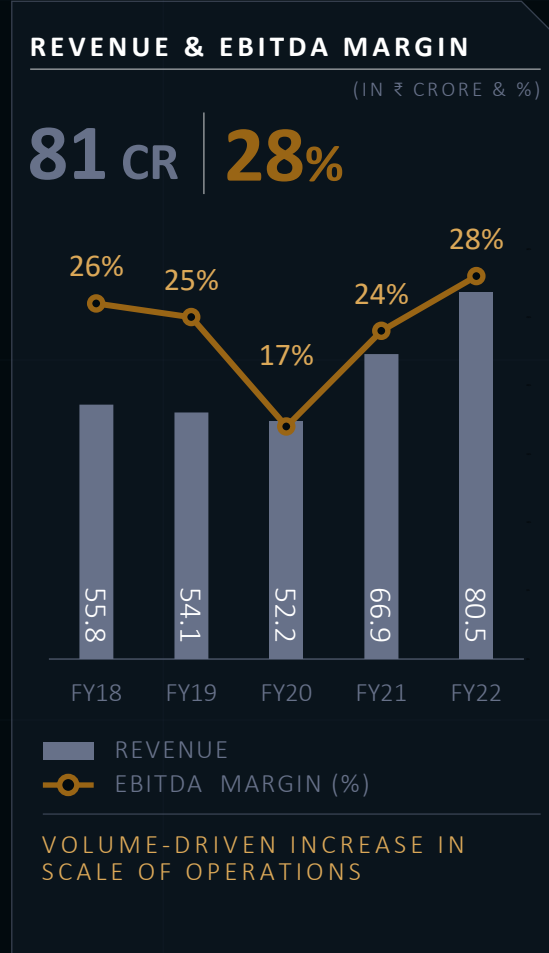
European major in drive technology, hydropower and technical equipment manufacturing



## INFRASTRUCTURE

European multinational conglomerate with operations in industry, energy, healthcare and infrastructure

# Superior Operating Metrics



Note – Capacity subject to the product-mix

# Leadership

## Mr. Bipin F. Tamboli

MENTOR

He is a mentor of the Company and a seasoned veteran in the investment casting industry with nearly 5 decades of experience. A metallurgical engineer by education, Mr Tamboli has been a pioneer to introduce investment casting technology in India back in the mid-1970s. Being a technocrat with a profound calling for exploring various manufacturing technologies in metal forming, his experience has immensely helped the Company over the years. As a mentor, he continues to guide the Company in his areas of expertise on the technological front.

## Mr. Vaibhav B. Tamboli

CHAIRMAN & MANAGING DIRECTOR

He is the second generation promoter and the current Managing Director and Chairman of the Board. Mr Tamboli has acquired his Bachelor's in Engineering (Mechanical) from Maharashtra Institute of Technology, University of Pune and a Master's in Business Administration from the US. His areas of expertise are operations, business strategy, technology and finance. He has been instrumental in expanding the Company's operations in the past decade and is tasked with the responsibility of executing growth-oriented expansion plans in the future. Mr Tamboli is also a member of the Young Presidents Organization (YPO).

## Mr. Anand B. Shah

INDEPENDENT DIRECTOR

He is an entrepreneur with wide experience in commodities, real estate finance and leasing. He is a Director in Meghdoot Ginning and Pressing Industries. Mr Shah holds a Bachelors in Engineering (Mechanical) from Maharashtra Institute of Technology, University of Pune. Mr Shah is a member of the Young Presidents Organization (YPO).

## CA Neha R. Gada

INDEPENDENT DIRECTOR

She is a CA by qualification with deep domain knowledge of corporate compliance, securities law, stock exchange regulations and related matters. In her past stint, she has worked in various managerial positions in different departments at BSE and has been instrumental in conceptualizing & implementing various systems and modules at the organisation. Currently, she runs a consulting firm that specialises in NFBCs & SEBI regulations. Her experience in handling listing, stock exchange compliances, corporate restructuring, M&A, SMEs, and many other corporate events & transactions is of immense value to the Company.

## Mr. Suketu N. Shah

INDEPENDENT DIRECTOR

He is a CA, Cost and Works Account, and CS by qualification with nearly 3 decades of work experience. He has worked as a consultant for nearly two decades, at organisations such as Deloitte and Nirma Group. His expertise in businesses and financial consulting, capital market advisory, financial & business due diligence is of immense value to the company. He has also worked on M&A, fund raising, transaction support, reorganisation & restructuring, corporate finance, MIS reporting and costing.

## Mr. Vipul Pathak

WHOLE-TIME DIRECTOR & CFO

He has more than 25 years of experience in corporate finance, accounting, commercial, and statutory & legal matters. Apart from heading the finance function of the holding & subsidiary companies, Mr Pathak is also the authority on statutory & legal departments of all group companies.

# Strategy

- 16 THE TCL EDGE
- 17 STRATEGIC PRIORITIES
- 18 INVESTMENT RATIONALE



## The TCL edge

01

### SIGNIFICANT KNOWLEDGE CAPITAL

Two generations of industry experience, technocratic promoters, comprehensive technology know-how, extensive product data bank, and a professional team of 140+ engineers, technicians and ITI-qualified professionals.

02

### GLOBALISED BUSINESS OFFERINGS

Banking on its technology & quality, TCL has positioned itself as a strategic partner to its global clientele and has become an indelible part of their supply chains.

03

### PARTNER OF CHOICE

Years of excellence in quality and reliability in delivery have made TCL a partner of choice. TCL is one of the two suppliers for most of its precision components, if not the only partner.

04

### BUSINESS VISIBILITY

Long-term business associations and multiple product campaigns running simultaneously (often for different business divisions of the same client) offer decent business visibility at any given time.



# Strategic Priorities

01

## GROWING THROUGHPUT



- The Company is actively pursuing higher volumes in all application industries.
- TCL is also pursuing businesses in new & emerging application industries, with more than 10 ongoing projects (including new projects of existing clients) at any point in time.

02

## STRATEGIC DEBOTTLENECKING



- TCL has an immediate debottlenecking plan in place to grow manufacturing capacity to 600 tonnes annually.
- In September '22, TCL has commissioned its 3<sup>rd</sup> robot operated shelling line along with supporting conveyor system to increase capacity & automation at the shelling level.
- TCL has also installed its 3<sup>rd</sup> furnace to increase capacity at melting stage, from earlier 250 kgs to 400 kgs.

03

## INCREMENTAL CAPACITY ADDITION



- Apart from debottlenecking, the Company is pursuing incremental capacity addition at adjacent sites.
- This project is expected to be commissioned before end of FY24, with possible rearrangement of less-critical processes to new site.

A worker in a factory using a yellow power tool on a metal part.

# Investment Rationale

## GROWTH STRATEGY

With a renewed long-term vision and management style TCL is geared to grow, via incremental capacities and growth-oriented projects, onto the next level in coming years

## ATTRACTIVE INDUSTRY POSITIONING

TCL has positioned itself as a valuable partner to quality-conscious global manufacturing majors. The Company will leverage its industry positioning, and world-class infrastructure & technology to capture manufacturing opportunities moving out of developed markets such as Europe and the US.

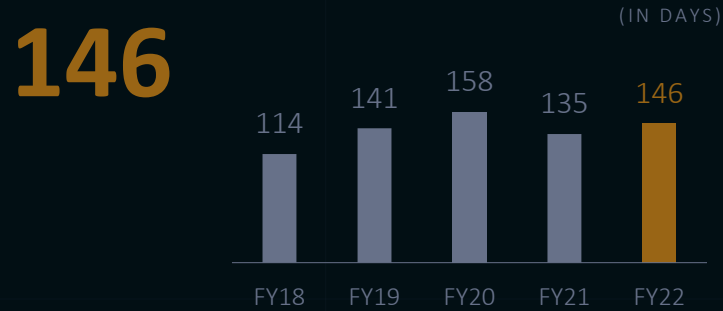
# Financial Overview

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# Key Performance Indicators

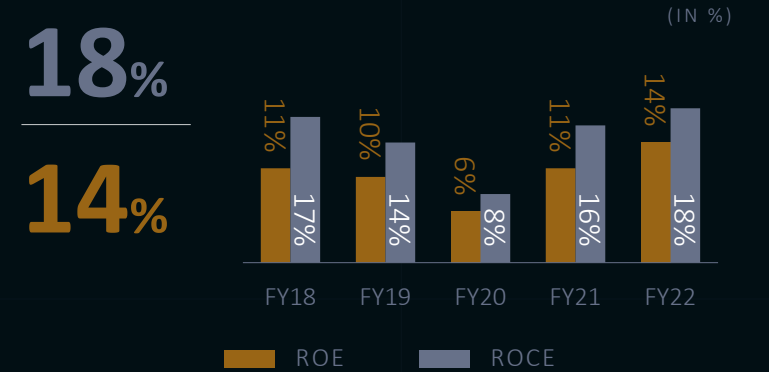
## OPERATING WORKING CAPITAL



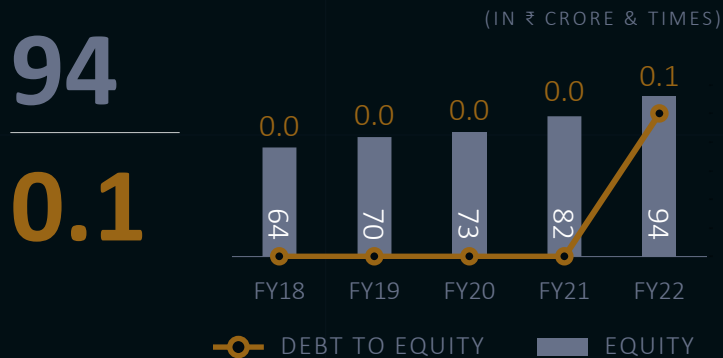
## FIXED ASSET TURNS



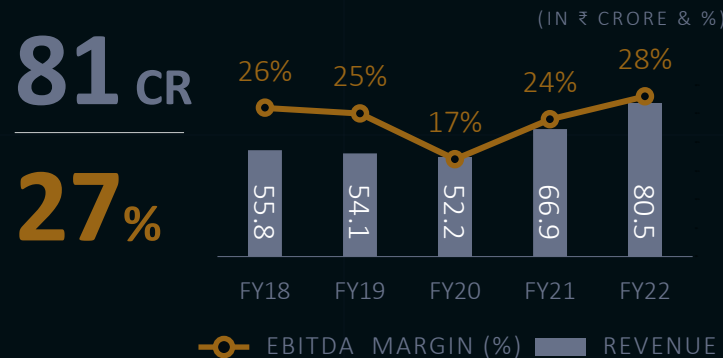
## CAPITAL RETURN RATIOS



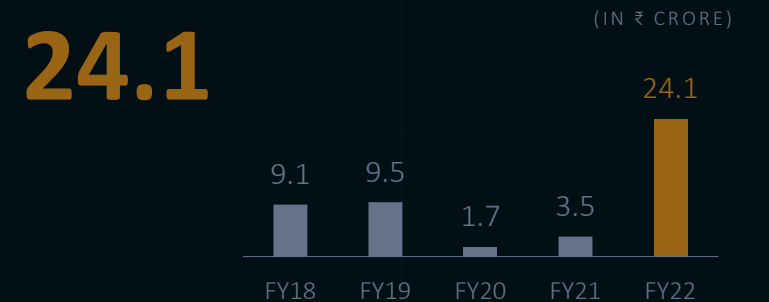
## DEBT TO EQUITY



## REVENUE & EBITDA MARGIN



## CASH FLOW FROM OPERATIONS



# Profit & Loss Snapshot

(₹ IN CRORE)

PARTICULARS	FY18	FY19	FY20	FY21	FY22
TOTAL REVENUE	55.8	54.6	53.6	67.5	81.3
TOTAL OPERATING EXPENSES	41.2	41.0	44.8	51.3	58.6
EBITDA	14.6	13.6	7.4	15.6	21.9
EBITDA (%)	26.2	24.9	13.7	23.0	26.9
INTEREST COST	0.7	0.6	0.4	0.2	0.7
DEPRECIATION & AMORTISATION	3.4	3.3	3.0	3.3	4.1
PROFIT BEFORE TAXES	10.5	9.6	4.0	12.1	17.1
PROFIT AFTER TAXES	7.0	7.0	4.1	9.4	13.0
EARNING PER SHARE	7.1	7.0	4.1	9.5	13.1

# Balance Sheet Snapshot

(₹ IN CRORE)

PARTICULARS	FY18	FY19	FY20	FY21	FY22
SHAREHOLDERS FUND	64.0	70.1	72.8	81.8	93.8
NON-CURRENT LIABILITY	3.7	2.7	1.5	0.4	9.9
CURRENT LIABILITY					
TRADE PAYABLE	3.2	2.1	1.8	3.8	3.9
OTHER	4.7	8.8	17.1	10.4	18.9
TOTAL	75.6	83.6	93.1	96.3	126.5
NON-CURRENT ASSETS	23.7	21.3	39.7	45.8	60.1
CURRENT ASSETS					
INVENTORIES	8.6	12.6	16.4	12.4	17.4
TRADE RECEIVABLE	11.5	11.3	8.0	16.2	18.8
OTHER	31.9	38.5	29.0	22.1	30.2
TOTAL	75.6	83.6	93.1	96.3	126.5

# Cash Flow Snapshot

(₹ IN CRORE)

PARTICULARS	FY18	FY19	FY20	FY21	FY22
CASH FROM OPERATING ACTIVITIES	9.1	12.9	1.7	3.5	24.1
CASH FROM INVESTING ACTIVITIES	(5.4)	(0.9)	(5.1)	(4.7)	(37.0)
CASH FROM FINANCING ACTIVITIES	(2.1)	(2.1)	(2.7)	(1.8)	12.1
NET CASH FLOW	1.6	9.8	(6.1)	(3.0)	(0.8)
NET CASH AT BEGINNING OF YEAR	21.8	23.4	13.7	7.6	4.6
NET CASH AT THE END OF YEAR	23.4	33.2	7.6	4.6	3.8

# Quarterly Snapshot

- 25 OPERATIONAL HIGHLIGHTS
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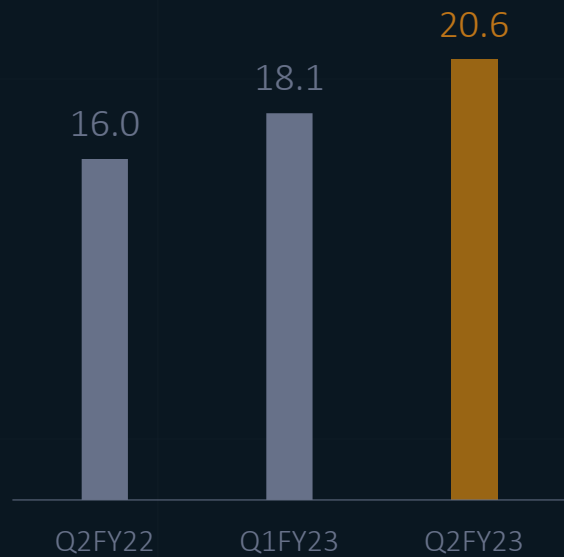


# Operational Highlights

## AVERAGE REALISATION

(IN ₹ LAKH/TONNE)

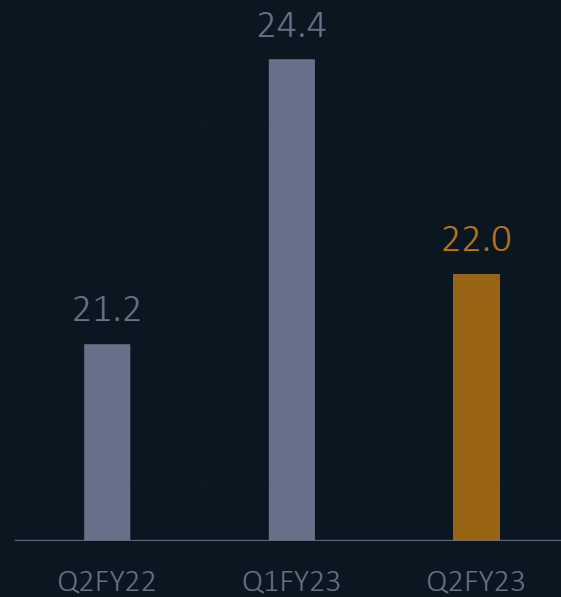
**+29% YOY**



## REVENUE FROM OPERATIONS

(IN CRORES)

**+4% YOY**



# Profit & Loss Snapshot

(₹ IN CRORE)

PARTICULARS	Q2FY22	Q1FY23	Q2FY23	YOY CHANGES (%)	H1FY22	H1FY23	CHANGES (%)
TOTAL REVENUE	21.2	24.4	22.0	4%	37.5	46.4	24%
TOTAL OPERATING EXPENSES	14.7	19.1	16.2	10%	26.1	35.3	35%
EBITDA	6.5	5.3	5.8	(12%)	11.4	11.1	(3%)
EBITDA (%)	30%	22%	26%	(421 BPS)	30%	24%	(653 BPS)
INTEREST COST	0.2	0.2	0.2	17%	0.4	0.4	17%
DEPRECIATION & AMORTISATION	0.9	1.0	1.0	12%	1.8	2.1	16%
PROFIT BEFORE TAXES	5.4	4.1	4.5	(19%)	9.3	8.6	(7%)
PROFIT AFTER TAXES	3.9	3.0	3.1	(29%)	6.8	6.0	(12%)
EARNING PER SHARE	3.97	2.99	3.08	(29%)	6.85	6.06	(12%)

# Balance Sheet Snapshot

(₹ IN CRORE)

PARTICULARS	FY 22	H1 FY 23
SHAREHOLDERS FUND	93.8	98.8
NON-CURRENT LIABILITY	9.9	1.3
CURRENT LIABILITY		
TRADE PAYABLE	3.9	3.8
OTHER	18.9	21.3
<b>TOTAL</b>	<b>126.5</b>	<b>125.1</b>
NON-CURRENT ASSETS	60.1	64.6
CURRENT ASSETS		
INVENTORIES	17.4	16.6
TRADE RECEIVABLE	18.8	17.7
OTHER	30.2	26.1
<b>TOTAL</b>	<b>126.5</b>	<b>125.1</b>

# Outlook



## MR VAIBHAV B. TAMBOLI

CHAIRMAN &  
MANAGING DIRECTOR

### FINANCIAL PERFORMANCE

- The Company reported muted financial performance in Q2FY23, with the topline witnessing a marginal growth of 4% YoY and a decrease of 10% QoQ. Manufacturing throughput remained in line, with a 10% YOY increase in production volumes, lower sales volume were offset by superior realisations.
- EBITDA margins remained healthy at 26% in Q2FY23, compared to 22% in the previous quarter and a higher base of 30% in Q2FY22. Subsequently the Company reported PBT & PAT of 4.5 Cr & 3.1 Cr respectively.
- The Company continues to maintain a solid Balance Sheet & Cash position with ample liquidity, healthy cash flows, and no major financial liabilities.
- TCL's has clear business visibility till January 2023, however changing economic environment may have an impact on business beyond January.
- The Company has recently completed 2 investments at the shelling & melting stage to improve manufacturing capacity at respective stages.

### OPERATING ENVIRONMENT

- With recent global geopolitical events and unprecedented economic environment building up in developed markets such as the US and Europe, business environment remains somewhat subdued in developed markets.
- Energy crisis, inflationary pressure in the end user markets, and rising input costs to an extent in India are key factors playing out in the current scenario. If extenuated, these factors may dampen demand to an extent.
- On the other hand, there is a push towards higher CAPEX in sectors such as infrastructure & manufacturing which bode well for our business, shifting of manufacturing bases due to current geopolitical events may also throw some opportunities our way.

# Thank You

# Thank You

## Safe Harbour

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