

INVESTOR

PRESENTATION

February 2023

Snapshot

Corporate



Pioneer of Tool
Manufacturing in
India



8 Decades of Legacy
in the field of
machining
(Since 1937)



Experienced
management team led
by Mr. Vedant Birla



1000+ employees

Operations



5 Manufacturing plants



350+ Dealer Network



Exporting to 30+
countries



Wide product basket
consisting of 60,000+
SKUs

Financials



FY22 YoY Growth
Revenues: 43%
EBITDA: 105%
PAT: 687%



Healthy Balance Sheet
Negligible Debt



Average market
contribution – 50%



FY22 ROCE – 13.5%

Company Overview

Company Overview

- Birla Precision Technologies (BPT) Limited is India's pioneer and leading tool manufacturing company with a legacy of 8 decades.
- The company is a part of extended Birla Group of Companies and is spearheaded by 7th generation member of the illustrious Birla family, Mr. Vedant Birla.
- BPT operates in 3 primary product segments:
 - **Cutting Tools:** BPT's subsidiary Indian Tools Manufacturer (ITM) was the first Cutting Tool company in India and today enjoys a significant market share across product categories with popular brands like "Dagger, Carbomach and Hathyar".
 - **Tool Holders:** The Tool Holders division was established in 1986 through a joint venture with **Kennametal Inc, USA** and was earlier called Birla Kennametal. It manufactures a wider range of tool holders, collets, work holding and production boosters.
 - **Automotive Precision Components:** This division was formed in 1998 through a technical collaboration with Perucchini spa of Italy and includes machining products and precision components.

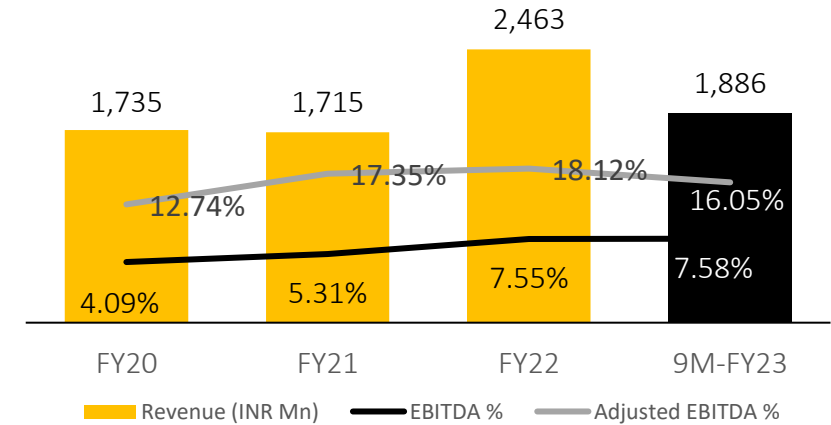
Vision

- To be a growing, reputed & profitable business entity
- Satisfying customer needs with superior products and services
- Through continuously improving processes and thereby attaining cost leadership

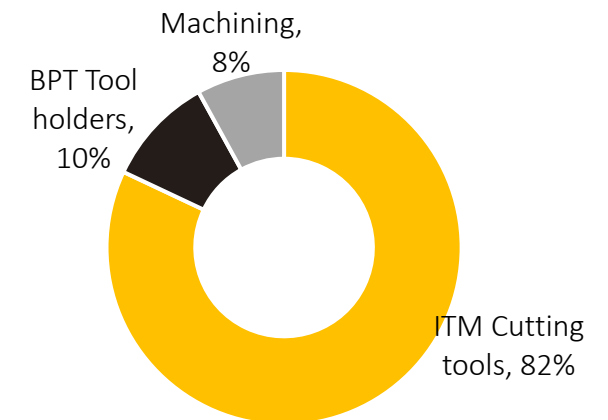
Mission

"To be a world class organisation and a global supplier of a wide range of precision CNC tooling's and high precision machined components with unwavering focus on our customers and industry at large"

Revenue (INR Mn) & EBITDA & Adjusted EBITDA* Margins (%)



Segmental Revenue (FY22)



*Adjusted EBITDA calculated by excluding financials of the foundry division due to ongoing demerger plans & also by excluding sundry write offs

Board Of Directors



Mr. Vedant Birla - Chairman & Managing Director

Completed his Bachelor's in Accounts and Finance from HR College and has acquired his Master's degree from Regents Business School, London. Worked earlier at Hindustan Unilever, Philip Capital (UK) and IBD, this giving him diverse range or exposure in fields of Real Estate, Financial Services, FMCG and Advertising.



Mr. Sanjay Kothari - Non-executive Director

Professional who is a fellow member of ICAI, ICSI and a Associate member of ICWA. Also he has secured diploma in Business Finance from the Institute of Chartered Financial Analyst of India. He is a Director on the board of "Clean Science and Technology Limited" and J L Morrison (India) Limited, which are listed on BSE. He specializes in corporate communications, loan syndications, equity placements and financial restructuring exercises.



Ms. Raji Vishwanathan - Non-executive Director

Holds a degree a BSc degree in Microbiology, Diploma in Business Management and a Masters degree in Law. She is a currently the designated Group General Counsel at Centrum Group of Companies with a portfolio of the legal, Secretarial and Compliance functions. She has worked as a corporate advisory thereafter working with Batliboi Engineering Limited and Iain Irrigation Systems Limited.



Mr. Vikas Thapa - Non-executive Director

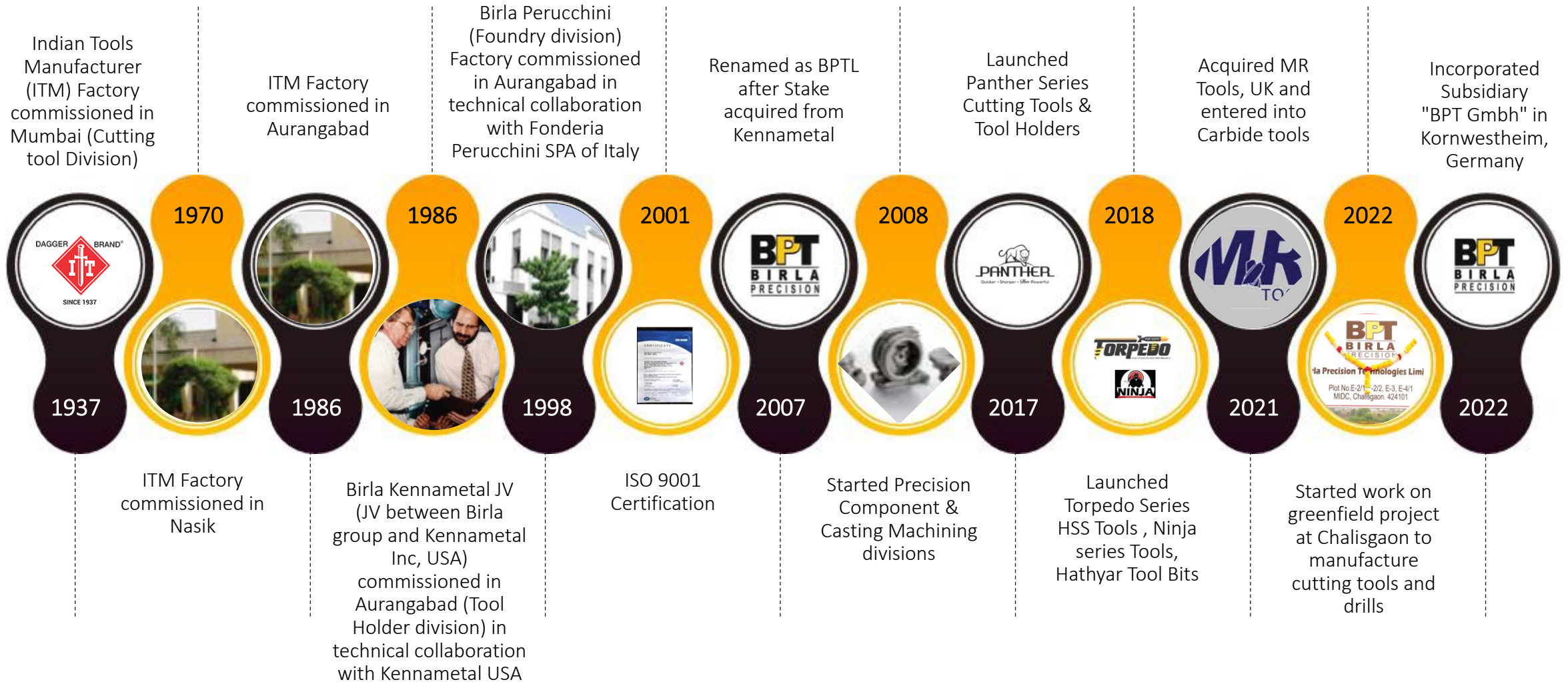
Mr. Vikas Thapa has around 32 Years of experience in the field of Human Resource management. He has pursued his MBA in HR from Indore University with Post Graduation Diploma in Industrial Relations from Indore School of Social Work. He has vast experience in in HR transformation by designing strategy, organizational design and leadership development.



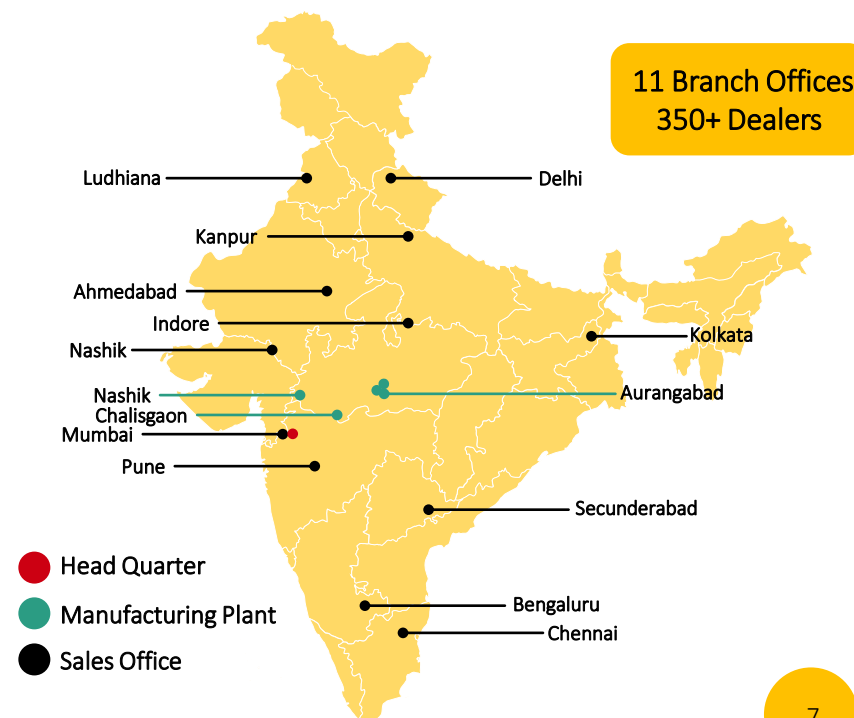
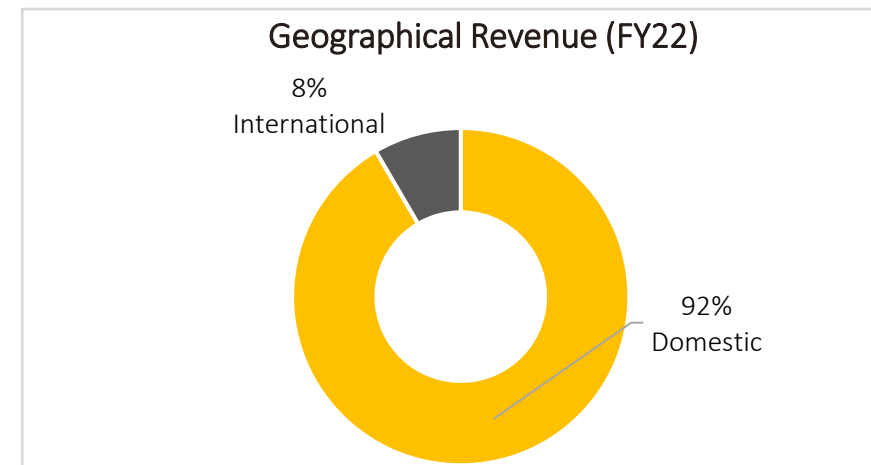
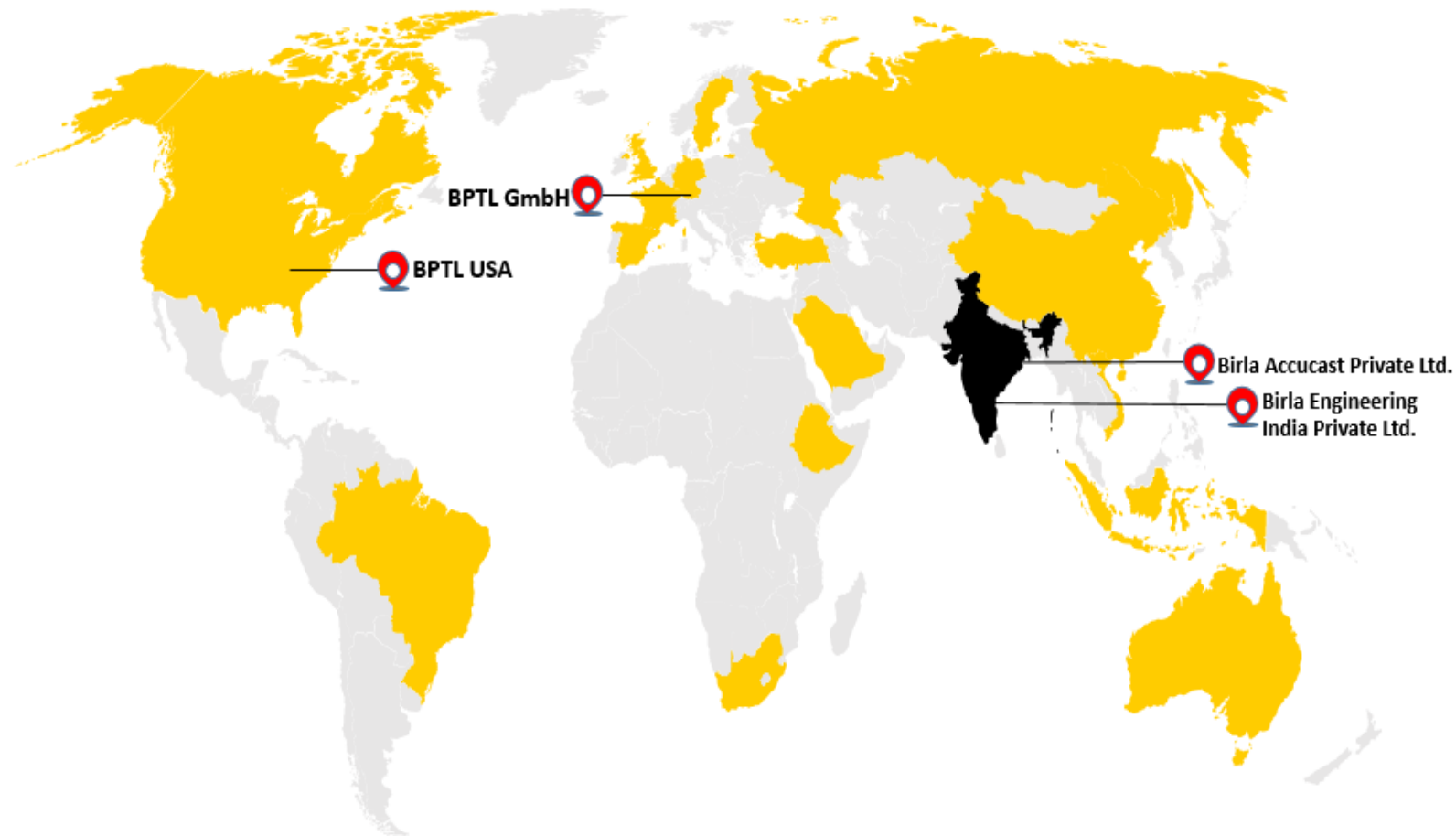
Ms. (Dr) Tulsi Jayakumar - Non-executive Director

She is a Professor of Economics and Executive Director, Centre for Family Business & Entrepreneurship at Bhavans S.P. Jain , Institute of Management & Research, Mumbai. She has been an alumna of Delhi School of Economics. She has an rich academic experience of 30 years. She has also been certified with the Certificate for Family Business Advising by the Family Firm Institute, Boston.

Key Milestones



Global Footprint



Manufacturing Facilities



Plant -1, 2 & 3

Capacity – 14 lakh pieces/month

Products Manufactured - Cutting tools,
Tool holders, Precision Components

Location - B-15/3 & 4, MIDC Waluj,
Aurangabad - 431 133 Maharashtra, India

Area – 25 acres



Plant - 4

Capacity – 4.87 lakh pieces / month

Products Manufactured – Specialty
Cutting tools

Location - B-62/63, MIDC Satpur,
Nashik - 422 007 Maharashtra, India

Area – 6 acres



Plant - 5

Capacity – 4 lakh pieces / month

Products Manufactured - Cutting
tools, Drills

Location - Plot No. E-2/1, E-2/2, E-3, E-4/1
MIDC, Chalisgaon - 424101
Maharashtra, India

Area – 10 acres

Manufacturing Process



Major Customers

Honeywell



BOSCH



KNORR-BREMSE



TATA

TATA AUTOCOMP SYSTEMS LIMITED



ASHOK LEYLAND



KENNAMETAL



MAGNA



TATA

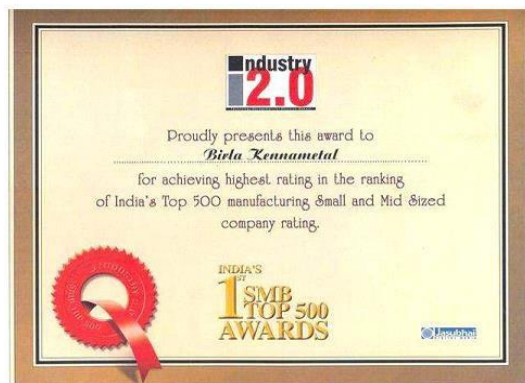
TATA MOTORS



Turbo Energy Ltd

A Unit of **TVS** Group

Awards & Certificates



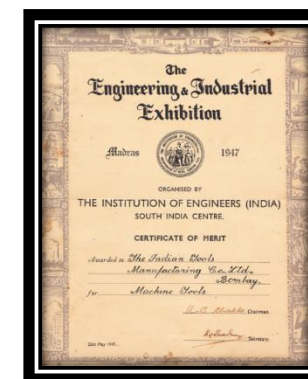
Highest rating in the ranking of India's Top 500 manufacturing Small and Mid Sized Company rating – Industry 2.0



Quality Circle Forum of India 2016 & 2017



EEPCINDIA – Star Performer 2012-13 Machine Tools and Parts and Accessories



Gold medal certificate to ITM for machine tools



Certificate of appreciation to Birla AccuCast Ltd.



Certificate of appreciation for participation in supplier meet 2018



ISO 9001:2015 certification to ITM



ISO 9001:2015 & ISO 14001:2015 certification to BPT



Business Overview

Business Overview - Segments

Tooling Division



Cutting Tools

Drills
Taps
Reamers
Cutters
Tool bits & Files



Tool Holder

Tool holders
Collets
Work holdings
Production boosters

Automotive Division

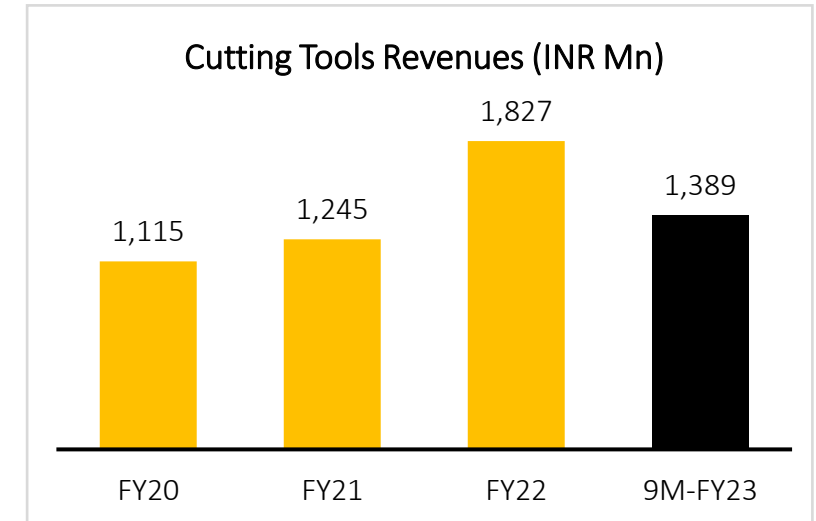


Precision Components

Machining products
Precision component machining
Hydraulics
Casting Machining (To be demerged)

Cutting Tools

- Birla Precision Technologies Ltd. is pioneer and one of the largest manufacturers in High-Speed Steel (HSS) Cutting Tools in India.
- The company acquired MR Tools, UK in 2021 to foray into high margin Carbide Cutting Tools and by moving the machinery from UK to its Nashik plant.
- The products are sold through an extensive pan India distribution network with of more than 350 dealers supported by 11 Branch offices across India.
- Over 60,000 SKU's of cutting tools from Twist Drills, Reamers, Screwing Taps, Tool bits, Cutters, Files etc. and these products are sold under various popular brand names like: Hathyar, Ninja, Torpedo, Panther, Dagger.
- The company has also started a new division under the brand name 'Birla Durotool' to supply a comprehensive set of "Do it Yourself" product range like Hammer drills, Masonry drills, Annual cutters, H series drills, drill sets, tool bits, files, abrasives and TCT circular saw wood.



Cutting Tools

Drills

- BPT is the market leader in Drills in India
- It manufactures over 4,000 SKUs of drills, varying in length, geometry, spirals etc.
- **Size range:** 0.5 diameter to 70 diameter.
- **Product range:** Parallel Shank, Taper Shank, Long/Extra Long, Core, Centre, Masonry etc.



Taps

- BPT offers a wide range of Taps
- **Product range:** Straight, Spiral Flute, Spiral Point & Fluteless (Roll Form) supplied in non-serial or serial form.
- **Size range:** 2mm to 100mm



Milling cutters

- BPT offers milling Cutters for various types of milling operations which are faster than drilling process.
- **Product Range:** Cylindrical & annular Milling Cutters, Side and Face Cutters, Shell End Mills, Single Angle Cutters etc.
- **Size range:** 3mm to 95mm with upto 12 deg angles.



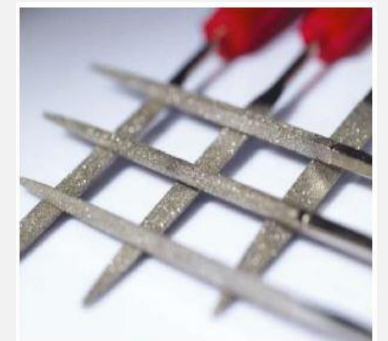
Reamers

- Reamers are a type of rotary cutting tools used in metal working to enlarge previously formed holes with a high degree of accuracy to leave smooth sides.
- **Product Range** - Hand & machine reamers, chuck reamer, shell & socket reamer, hole mills etc.
- **Size range** - 3mm-75mm



Tool Bits & Engineering files

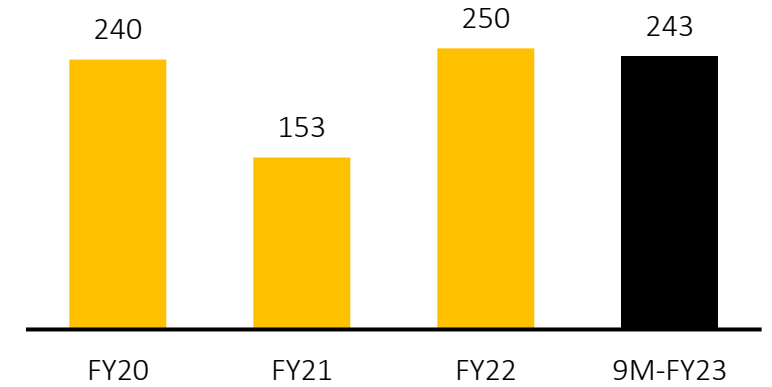
- Tool bits are a non-rotary cutting tool used in metal lathes, shapers, and planers.
- Files are a multipoint hand tool made of high carbon steel which cuts the material from work piece in the form of dust.
- **Product Range** - Saw, files, special files along with new series of Needle and diamond needle files.



Tool Holders

- The Tool Holders division came into existence as a JV between the Birla group and Kennametal Inc, USA, a USD 4 Bn conglomerate having cutting edge machines and equipment capable of producing Tool Holders with precision.
- Tool holder is a device that acts as an interchangeable interface between a machine tool spindle and cutting tools and are mounted on CNC (computerized numerical control) and ATC (automatic tool changer) machines
- Division majorly manufactures Collet chucks, work holdings and production boosters like rotary coolant adapters, right angle head, multi spindle head, speeder units etc. at the Aurangabad plant
- The company has expanded its product basket to include technologically advanced products and introduced Shrink Fit and Hydro-Grip series of tool holders

Tool Holders Revenues (INR Mn)



Rotary coolant adapters



Multi Spindle heads



Collet Holder

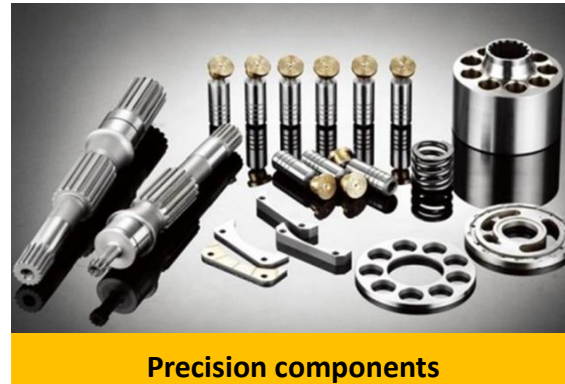
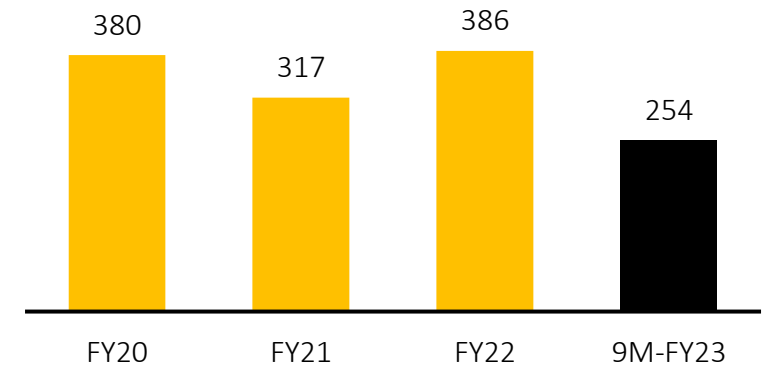


Milling Holders

Automotive Division

- The Automotive division was established in 1998 as Birla Perucchini Ltd. in technical collaboration with Fonderia Perucchini SPA (Italy) which manufactures shell molded ferrous castings at Aurangabad plant having a melting capacity of 1000 tons.
- Subsequently the company started a precision components division in 2010 for which the product range includes spools, shafts, rocker levers, bearing & turbine housing, braking system, camshaft, diffuser, cylinder blocks and exhaust pipes.
- The division exports its products to countries like Brazil, Mexico, China, UK, USA etc. and is now also venturing into domestic markets.
- The board has proposed the demerger application of Foundry division of the company to its Wholly Owned Subsidiary, “Birla Accucast Private Limited”, a separate entity.

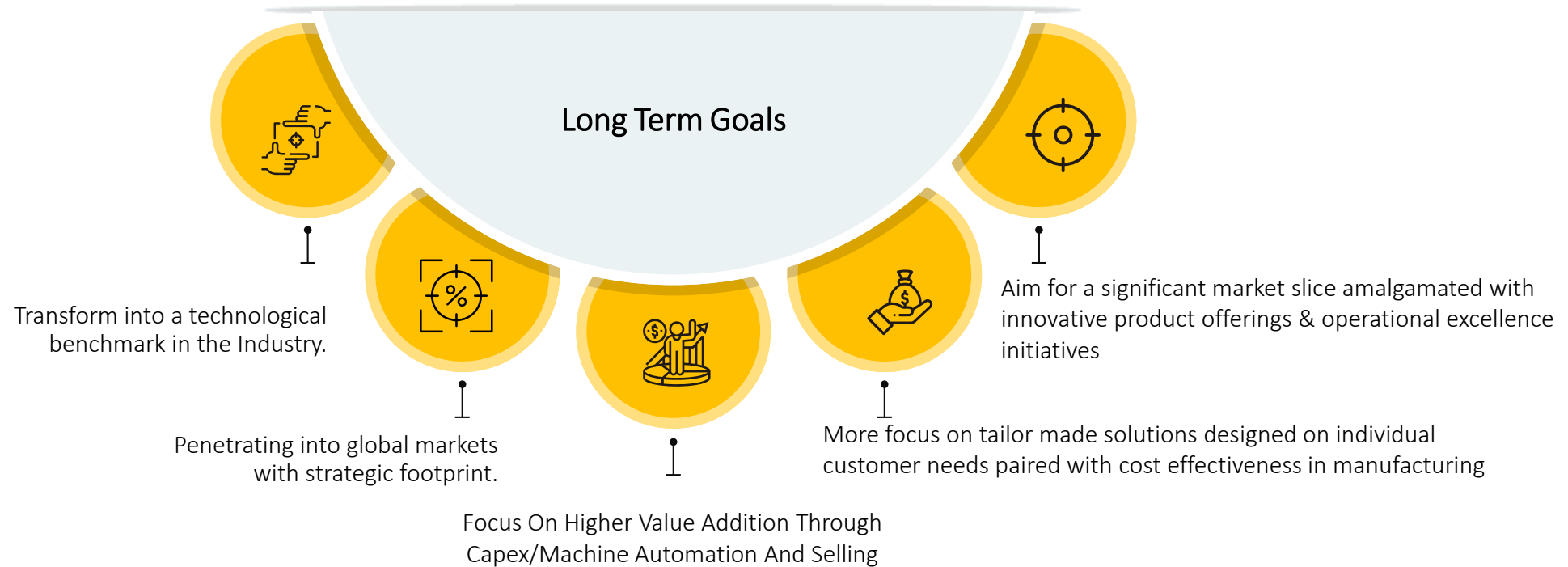
Automotive Revenues (INR Mn)





Strategic Overview

Future Growth Strategies



Future Growth Strategies

- With global supply chains looking at newer markets outside of China and recoveries in the automobile sector here in India becoming pronounced, auto component supplier and cutting tools firm, the company is ramping-up capacities across plants.
- Capacity addition in drill manufacturing facilities is expected to be up by 3 lakh/month at the cost of INR 20-25 crores in Chalisgaon plant & other 4 lakh/month at the cost of INR 10-15 crores across other plants, over and above the existing 10 lakh/month.
- Work has begun to cater to agricultural tools (called Hathyar), under the 'Atmanirbhar' scheme & work is ongoing to develop heavy-weight products used in the mining sector.
- Expanding the drills line to cater to growing demand as there is a lot of China influx.
- Potential savings in interest costs due to debt refinancing
- Demerger of loss making foundry division will positively impact the operational and financial working.

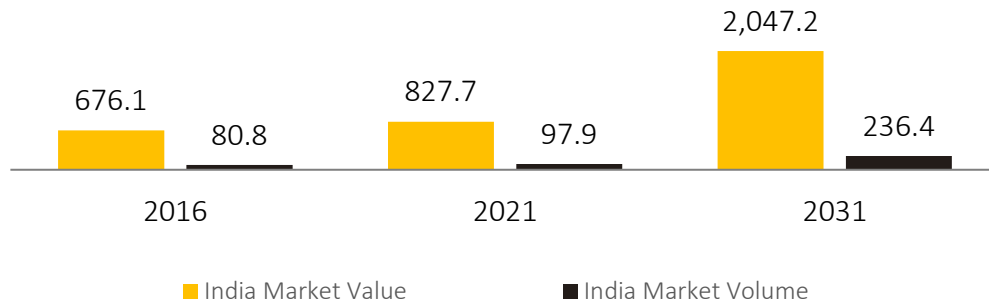


Industry Overview

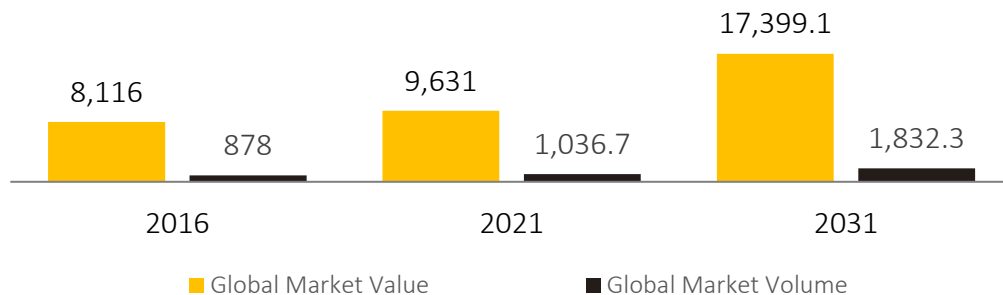
Industry Overview

- Cutting tools market in the world is mainly driven by the growing and ever increasing demand from automotive sector. Globally, volume sold of cutting tools is dominated by Carbide tools due to their preference in general manufacturing and tool shops.
- South Asia Pacific will be the fastest growing regions to capture substantial growth supported by China+1 Strategy adopted by European and American manufacturers.
- Expansion, geographical coverage & marketing are the few strategies identified & assessed to expand market share & business outreach
- Across the globe, the manufacturing industry is one of the priority sectors.

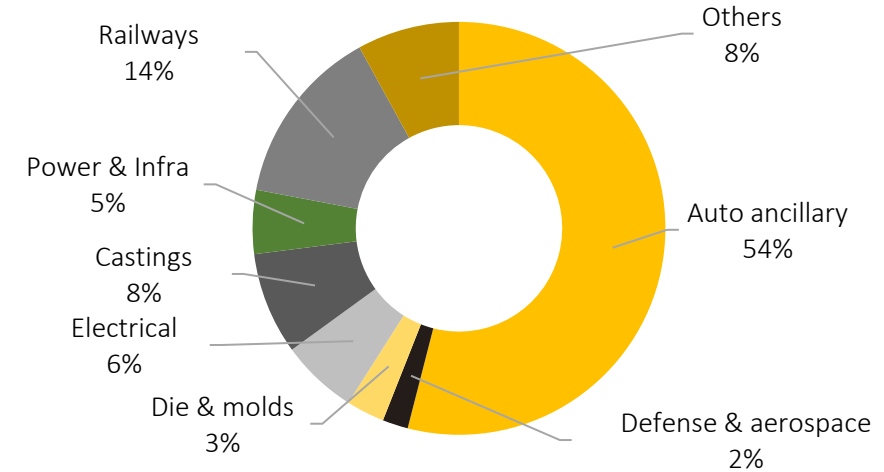
Indian Cutting Tools Market value (USD Mn.) & volume (Mn units)



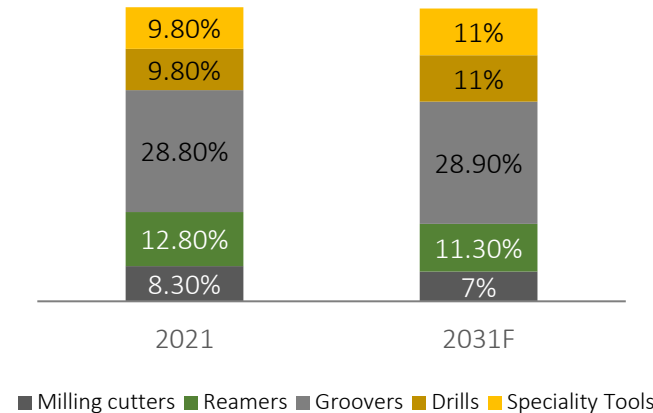
Global Cutting Tools Market value (USD Mn.) & volume (Mn units)



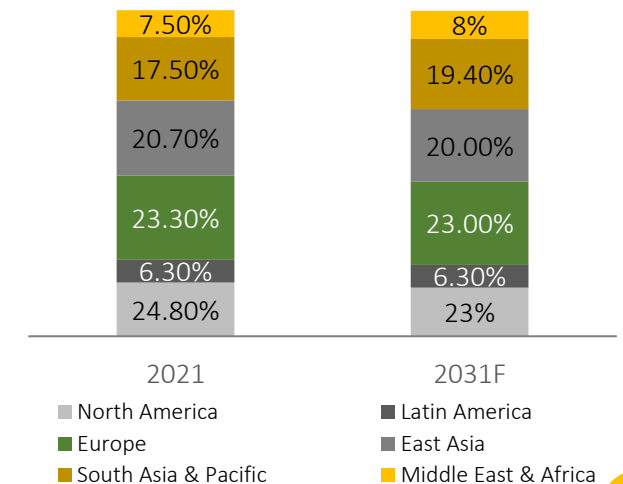
Indian End user Industry contribution (%) (FY22)



Indian Cutting tools market share by product type 2021 & 2031



Global Cutting tools market share by region 2021 & 2031





Financial Overview

Historical Consolidated Income Statement

Particulars (INR Mn)	FY20	FY21	FY22	9M-FY23
Operational Income	1,735	1,715	2,463	1,886
Total Expenses	1,664	1,624	2,277	1,743
EBITDA	71	91	186	143
<i>EBITDA Margins (%)</i>	<i>4.09%</i>	<i>5.31%</i>	<i>7.55%</i>	<i>7.58%</i>
Adjusted EBITDA*	142	216	331	223
<i>Adjusted EBITDA Margins (%)</i>	<i>12.74%</i>	<i>17.35%</i>	<i>18.12%</i>	<i>16.05%</i>
Other Income	35	18	21	60
Depreciation	50	45	41	29
Finance Costs	56	50	53	25
PBT (Before Exceptional Items)	-	14	113	149
Exceptional Items	(133)	-	-	-
PBT (After Exceptional Items)	(133)	14	113	149
Tax	-	-	1	1
Profit After tax	(133)	14	112	148
<i>PAT Margins (%)</i>	<i>(7.67)%</i>	<i>0.82%</i>	<i>4.55%</i>	<i>7.85%</i>
Other Comprehensive Income	(8)	-	5	-
Total Comprehensive Income	(141)	14	117	148
Diluted EPS (INR)	(2.34)	0.22	1.71	2.26

*Adjusted EBITDA calculated by excluding financials of the foundry division due to ongoing demerger plans & also by excluding sundry write offs

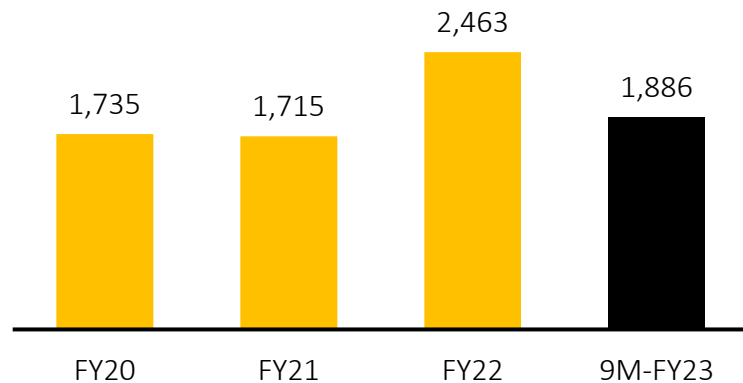
Historical Consolidated Balance Sheet

Equity and Liabilities (INR Mn)	FY21	FY22	H1-FY23
Equity and Liabilities			
1) Shareholders' Fund			
Equity Share Capital	131	131	131
Reserves and Surplus	935	1,052	1,164
Total Equity	1,066	1,183	1,295
2) Non-Current Liabilities			
A) Financial Liabilities			
i) Borrowings	26	7	8
B) Provisions	37	37	37
Total Non-current liabilities	63	44	45
3) Current Liabilities			
A) Financial Liabilities			
i) Borrowings	239	234	190
ii) Trade Payables	271	317	389
iii) Others	4	4	4
B) Other Current Liabilities	153	166	106
C) Provisions	182	165	301
D) Current Tax Liabilities	10	26	46
Total Current Liabilities	859	912	1,036
Total equity and liabilities	1,988	2,139	2,376

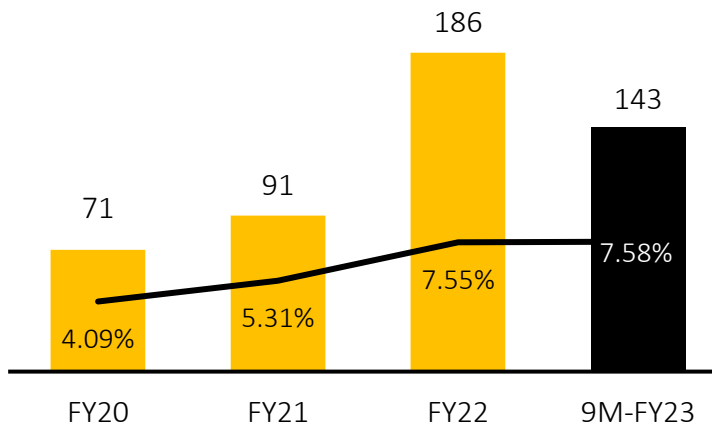
Assets (INR Mn)	FY21	FY22	H1-FY23
Non Current Assets			
Property, plant and equipment	285	328	308
Other Intangible Assets	2	1	1
Capital Work in Progress	4	89	134
Financial Assets			
i) Investments	70	72	72
Other non current assets	18	10	12
Total Non current assets	379	500	527
Current Assets			
A) Inventories	429	556	670
B) Financial Assets			
i) Trade Receivables	331	368	409
ii) Cash & Cash Equipment's	203	204	114
iii) Bank Balances other than above	30	4	4
iv) Loans	116	117	143
v) Others	21	21	31
C) Other Current Assets	464	336	426
Current tax assets	15	33	53
Total Current Assets	1,609	1,639	1,849
Total Assets	1,988	2,139	2,376

Consolidated Financial Highlights

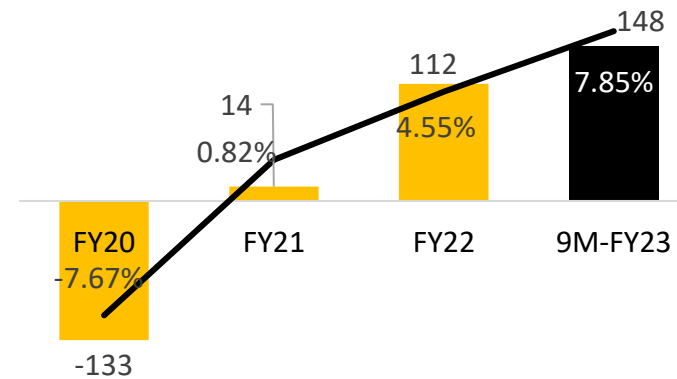
Operational Revenue (INR Mn)



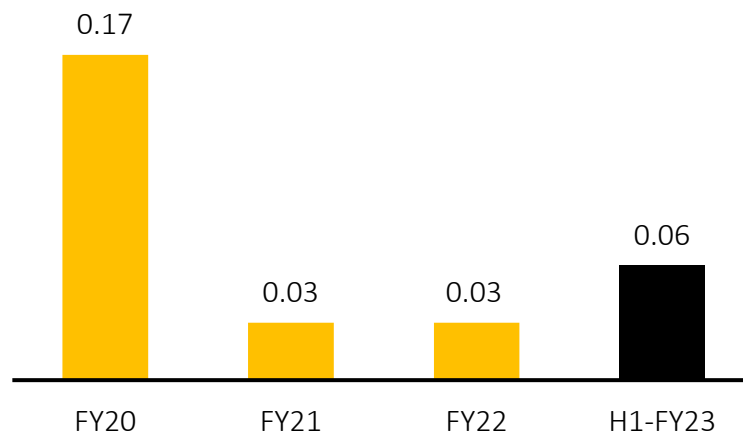
EBITDA (INR Mn) & EBITDA Margins (%)



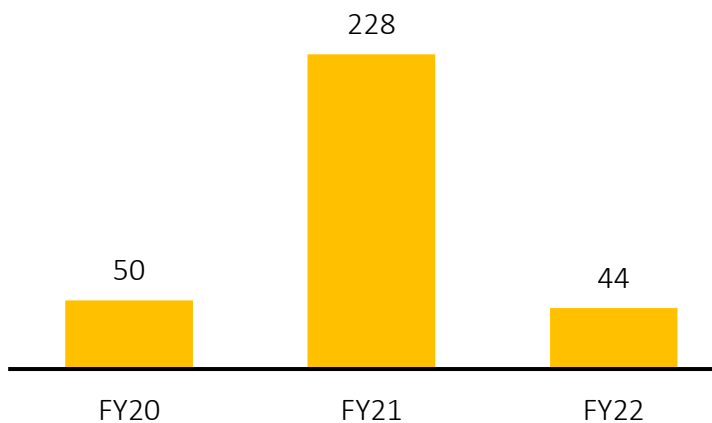
PAT (INR Mn.) & PAT Margins (%)



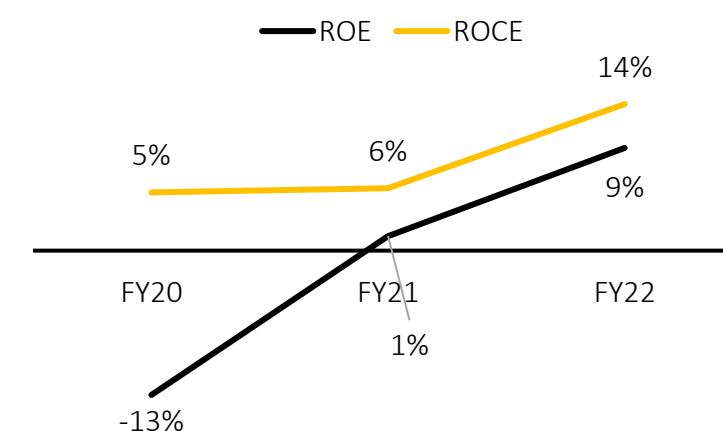
Net Debt to Equity (x)



Free Cash Flow (INR Mn)

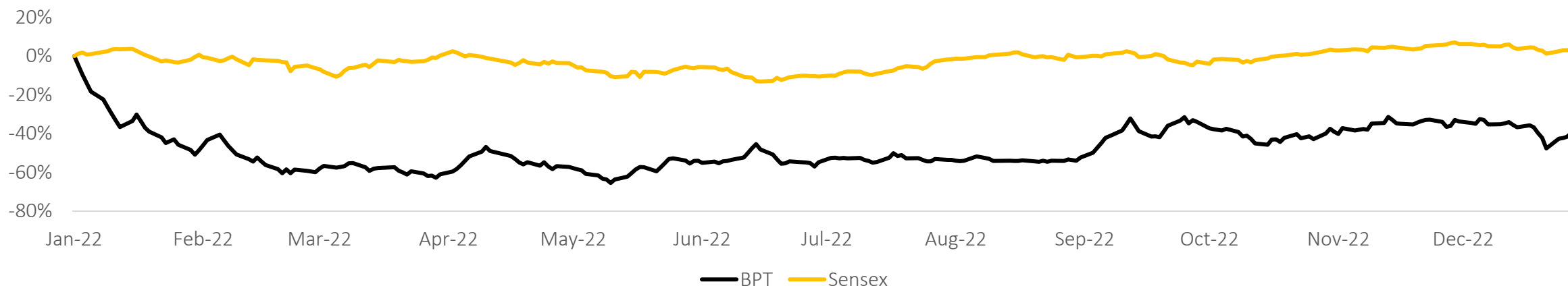


ROCE (%) and ROE(%)



Capital Market Information

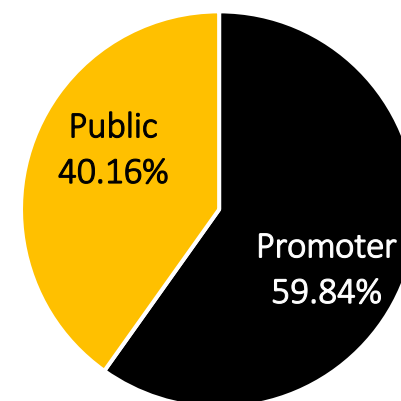
1 Year Share Price Movement as of 31st December, 2022.



Market Data (INR) as on 31st December 2022

Face Value	2.00
CMP	42.20
52 Week H/L	73.15/23.65
Market Cap (INR Mn)	2,754
No. of Share outstanding (Mn)	65.27
1 Year Avg. Trading Volume ('000)	88

Share Holding Pattern as on 31st December 2022



Birla Precision Technologies Limited

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VALOREM ADVISORS

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Thank You