BPT
BIRLA
PRECISION

INVESTOR PRESENTATION

OCTOBER 2022

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

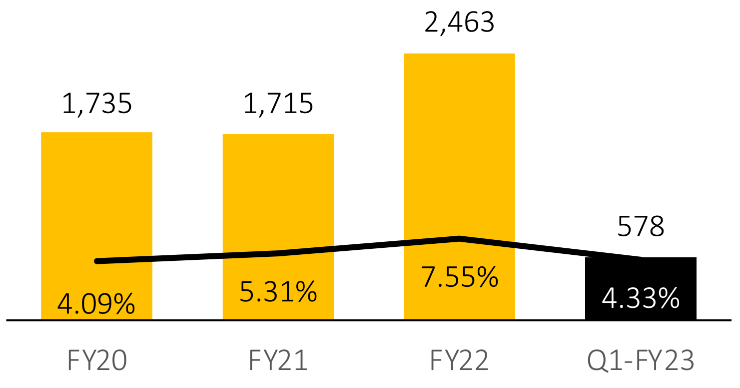
- FY22 YoY Growth
  Revenues: 43%
  EBITDA: 105%
  PAT: 687%
- Healthy Balance Sheet
  Negligible Debt
- Average market contribution – 50%
- FY22 ROCE – 13.5%

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 the Yash Birla group of companies and is spearheaded by its young and dynamic leader 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.

Revenue (INR Mn) & EBITDA Margins (%)



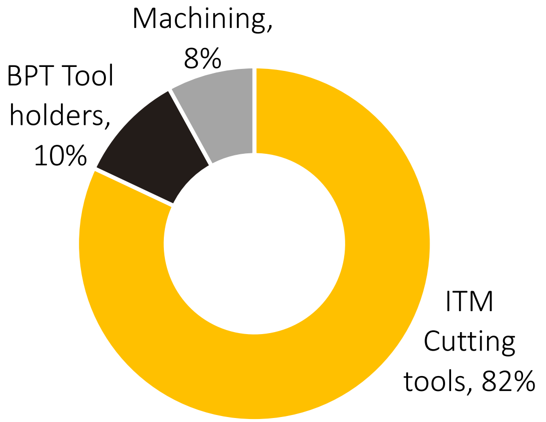
Vision

- 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

Segmental Revenue (FY22)



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 lain 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

He 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 alumnus 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

Indian Tools Manufacturer (ITM) Factory commissioned in Mumbai (Cutting tool Division)

ITM Factory commissioned in Nasik

ITM Factory commissioned in Aurangabad

Birla Kennametal JV (JV between Birla group and Kennametal Inc, USA) commissioned in Aurangabad (Tool Holder division) in technical collaboration with Kennametal USA

Birla Perucchini (Foundry division) Factory commissioned in Aurangabad in technical collaboration with Fonderia Perucchini SPA of Italy

ISO 9001 Certification

Renamed as BPTL after Stake acquired from Kennametal

Started Precision Component & Casting Machining divisions

Launched Panther Series Cutting Tools & Tool Holders

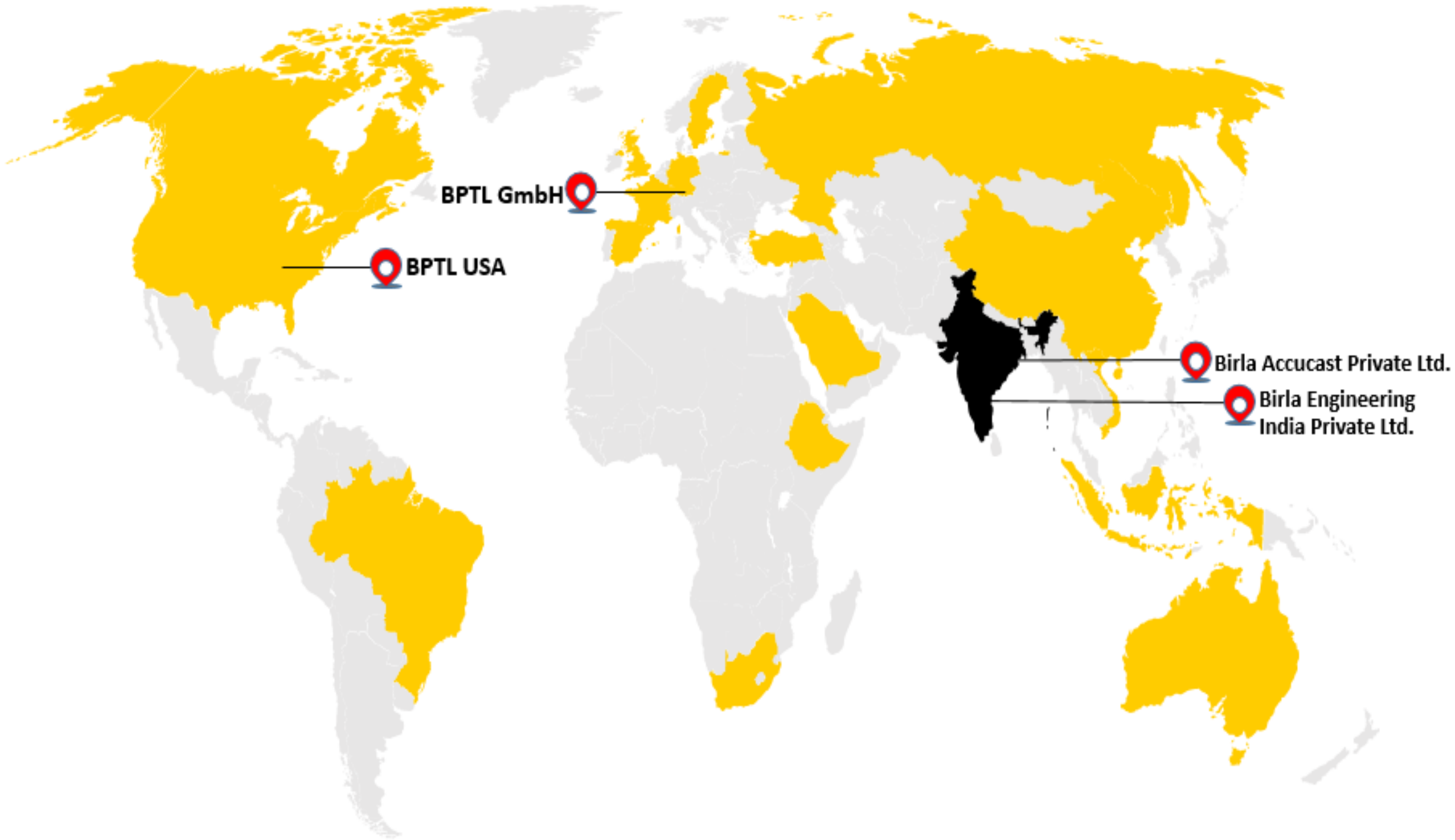
Launched Torpedo Series HSS Tools , Ninja series Tools, Hathyar Tool Bits

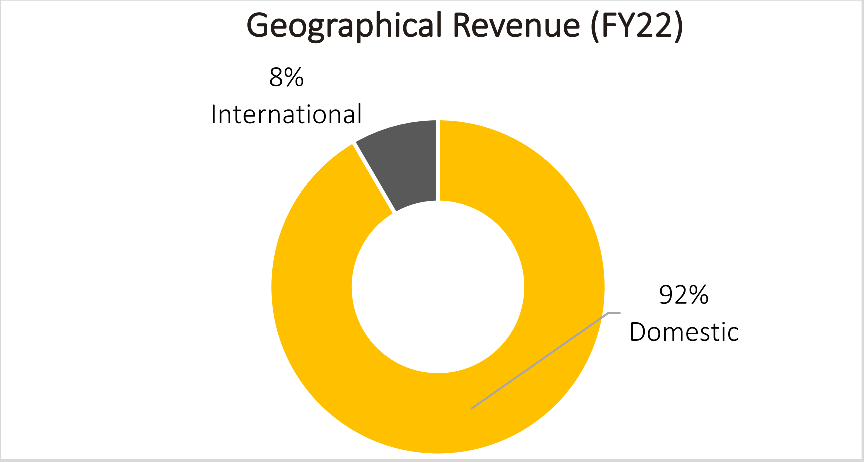
Acquired MR Tools, UK and entered into Carbide tools

Started work on greenfield project at Chalisgaon to manufacture cutting tools and drills

Incorporated Subsidiary "BPT Gmbh" in Kornwestheim, Germany

Global Footprint





11 Branch Offices
350+ Dealers

Manufacturing Facilities

Plant -1, 2 & 3

Capacity – 14 lac pieces

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 – Currently producing 4.87 lac pieces per month

Products Manufactured – Specialty Cutting tools

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

Area – 6 acres

Plant - 5

Capacity – 4.87 lac pieces

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

Soft Stage operations to design work pieces

Heat treatment for heating & cooling metals

Post heat treatment to improve structure & performance

Finish Grinding to smoothen flat surfaces

Weight Balancing

Laser Marking to identify products

Major Customers

BPT BIRLA PRECISION

Honeywell

बी एच ई एल BHEL

BOSCH

Government of India
Department of Atomic Energy
BHABHA ATOMIC RESEARCH CENTRE

KNORR-BREMSE

TATA
TATA AUTOCOMP SYSTEMS LIMITED

ASHOK LEYLAND

KENNAMETAL

Cummins

MAGNA

TATA
TATA MOTORS

TEL 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

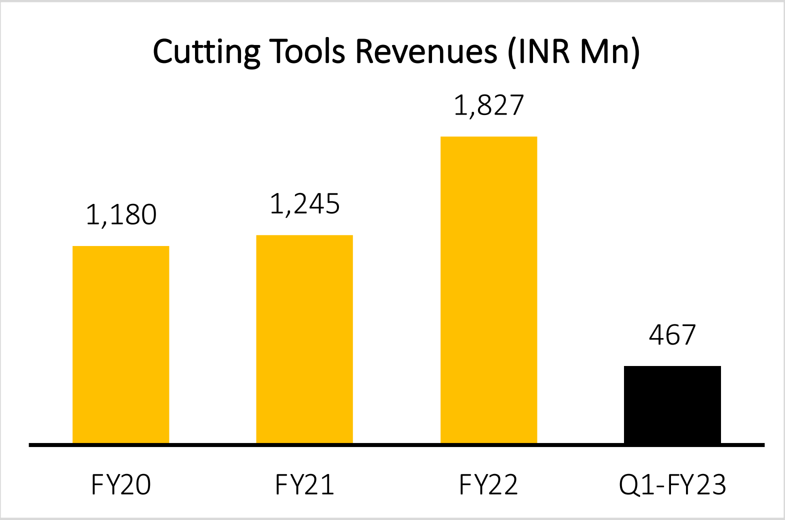
Automotive Division

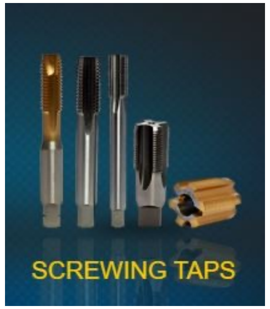
Precision Components

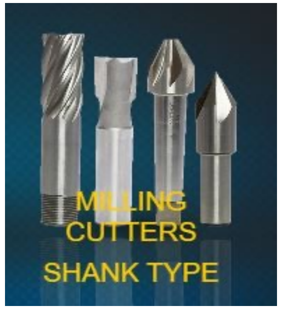
Machining products
Precision component machining
Hydraulics
Casting Machining (To be demerged)

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

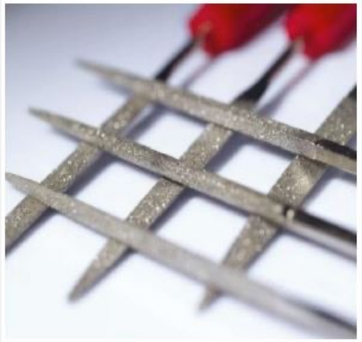
- BPT offers milling Cutters for various types of milling operations which are faster than drilling process.
- **Product Range:** Cylindrical & annular Milling Cutters, Side and Face Cutters, Shell End Mills, Single Angle Cutters etc.
- **Size range:** 3mm to 95mm with upto 12 deg angles.

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

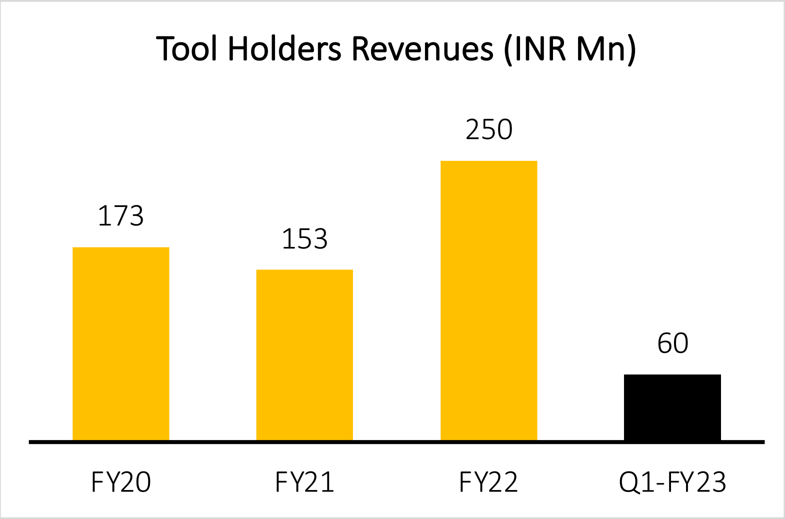
Tool Bits & Engineering files

- 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



Rotary coolant adapters

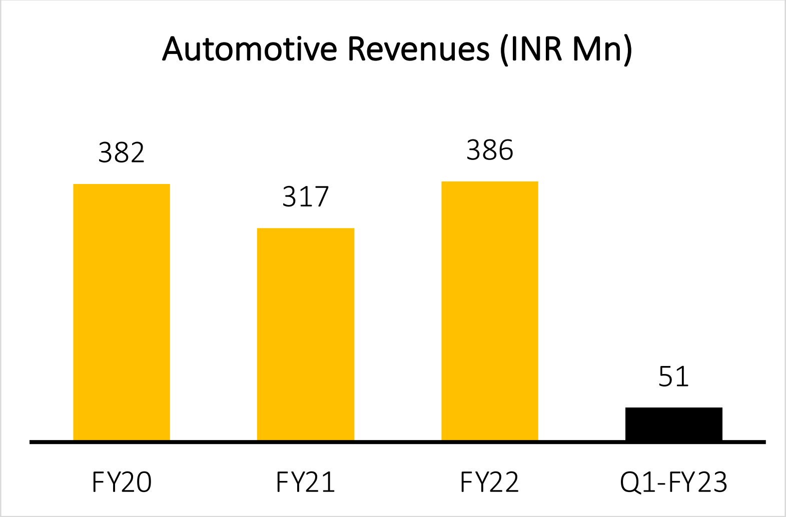
Multi Spindle heads

Collet Holder

Milling Holders

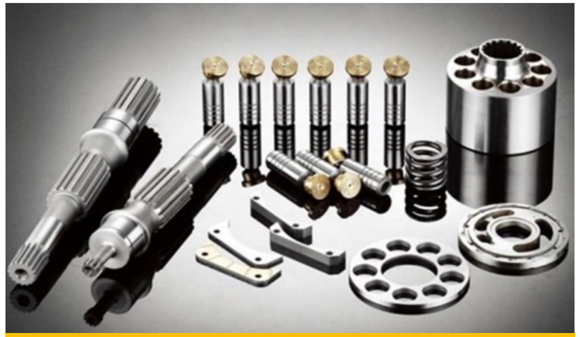
Automotive Division

- 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.




Machined products


Hydraulic parts


Precision components


Industries served

Strategic Overview

Future Growth Strategies

Long Term Strategies for Lucrative Growth

- Transform into a technological benchmark in the Industry.
- Penetrating into global markets with strategic footprint.
- Focus On Higher Value Addition Through Capex/Machine Automation And Selling
- More focus on tailor made solutions designed on individual customer needs paired with cost effectiveness in manufacturing
- Aim for a significant market slice amalgamated with innovative product offerings & operational excellence initiatives

Capex Plans

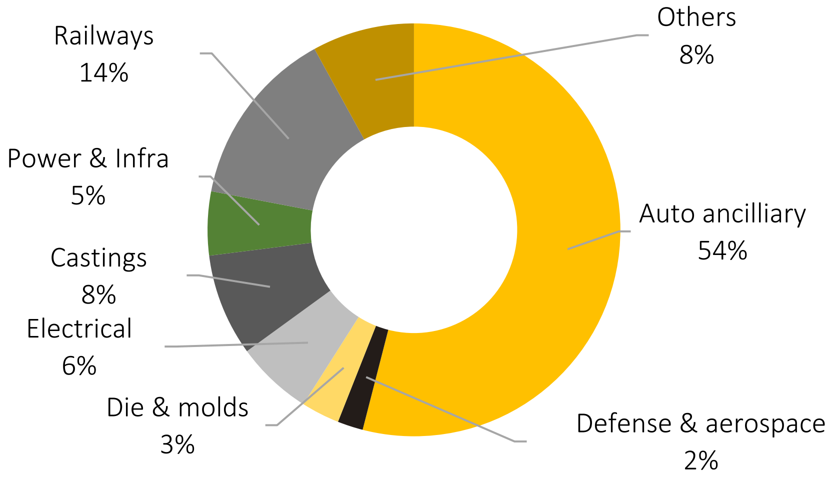
- With global supply chains looking at newer markets outside of China and recoveries in the automobile sector here in India becoming pronounced, auto component supplier and cutting tools firm, the company is ramping-up capacities across plants.
- Capacity addition in drill manufacturing facilities expected to be up by 3 lakh per month from the existing 13 million this year under the first phase of expansion plan. In the next phase we expect additional capacities of another 6 lakh drills at a cost of over INR 25 crore.
- Company has begun work on a new plant catering to agricultural tools (called Hathyar), under the 'Atmanirbhar' scheme & work is ongoing to develop heavy-weight products used in the mining sector.
- Company is expanding the drills line as a lot of these are imported currently from China so it is expanding very aggressively because that will replace this Chinese influx of cheap drills, which are not of the required quality.

Industry Overview

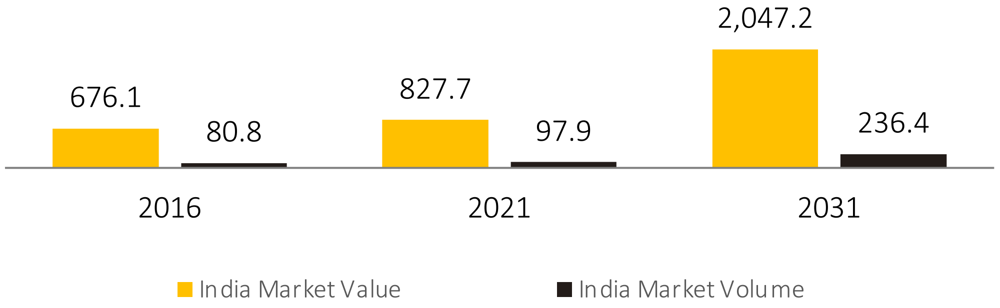
Industry Overview

- 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.

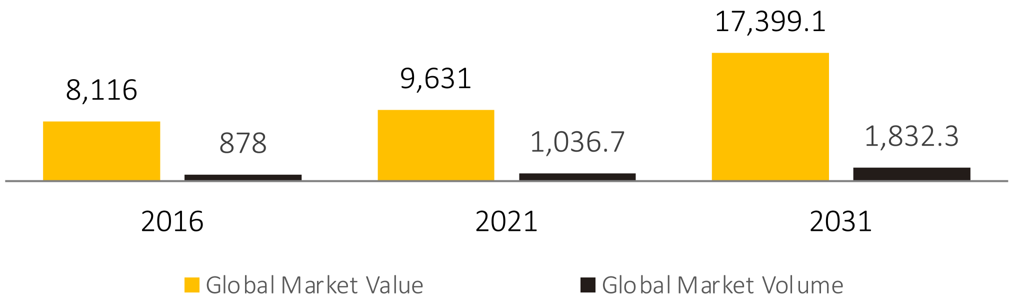
Indian End user Industry contribution (%) (FY22)



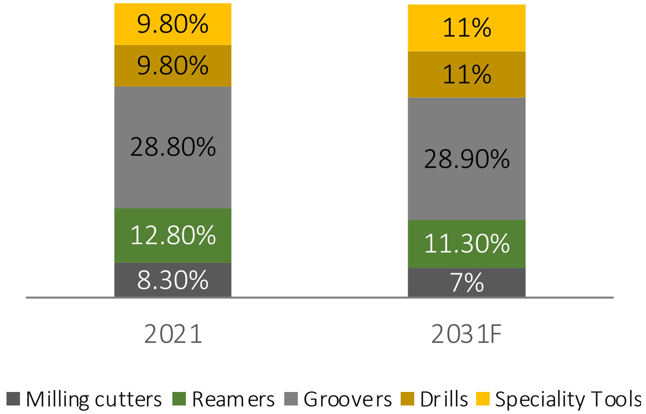
Indian Cutting Tools Market value (USD Mn.) & volume (Mn units)



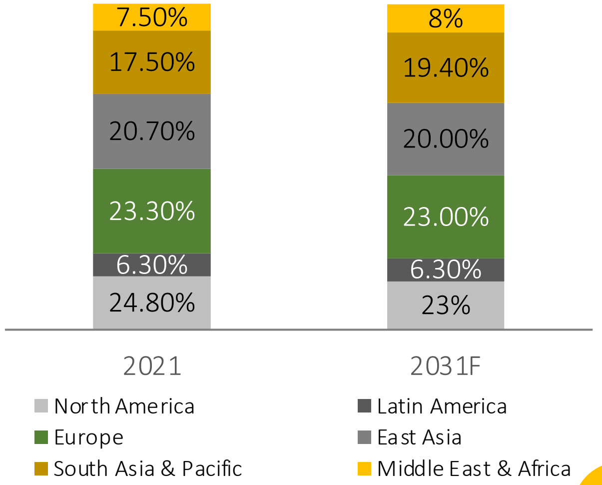
Global Cutting Tools Market value (USD Mn.) & volume (Mn units)



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

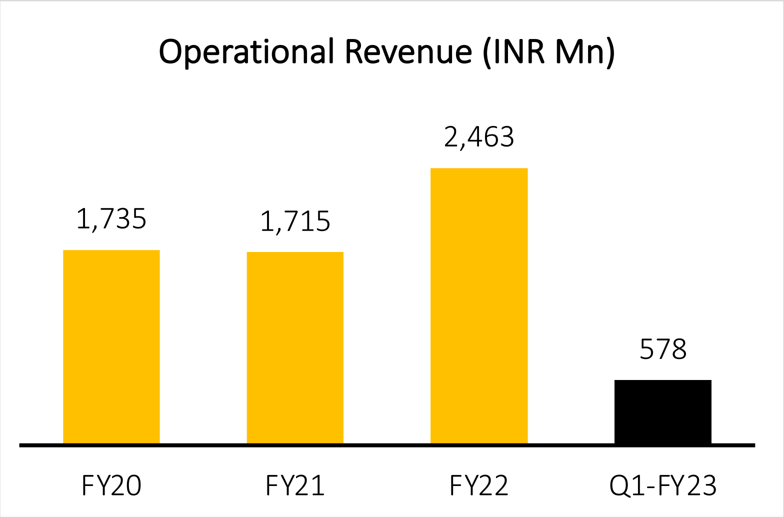
Particulars (INR Mn)	FY20	FY21	FY22	Q1-FY23
Operational Income	**1,735**	**1,715**	**2,463**	**578**
Total Expenses	1,664	1,624	2,277	553
EBITDA	**71**	**91**	**186**	**25**
EBITDA Margins (%)	*4.09%*	*5.31%*	*7.55%*	*4.33%*
Other Income	35	18	21	54
Depreciation	50	45	41	9
Finance Costs	56	50	53	9
PBT (Before Exceptional Items)	**-**	**14**	**113**	**61**
Exceptional Items	(133)	-	-	-
PBT (After Exceptional Items)	**(133)**	**14**	**113**	**61**
Tax	-	-	1	-
Profit After tax	**(133)**	**14**	**112**	**61**
PAT Margins (%)	*(7.67)%*	*0.82%*	*4.55%*	*10.55%*
Other Comprehensive Income	(8)	-	5	-
Total Comprehensive Income	**(141)**	**14**	**117**	**61**
Diluted EPS (INR)	(2.34)	0.22	1.71	0.93

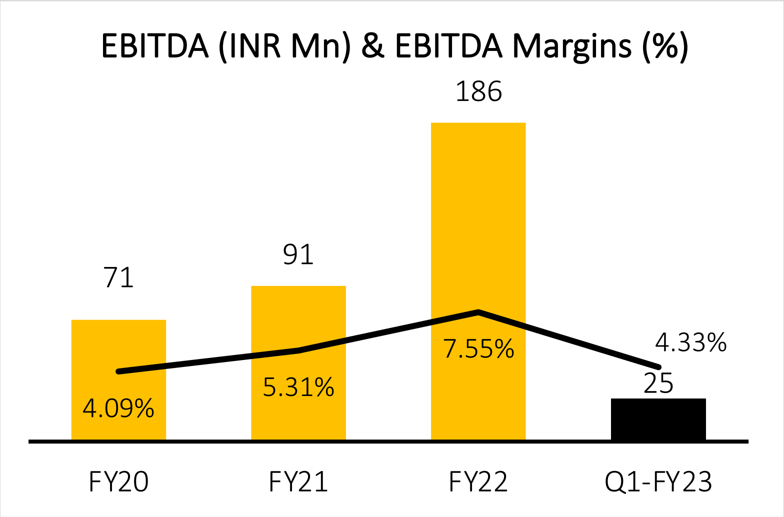
Historical Consolidated Balance Sheet

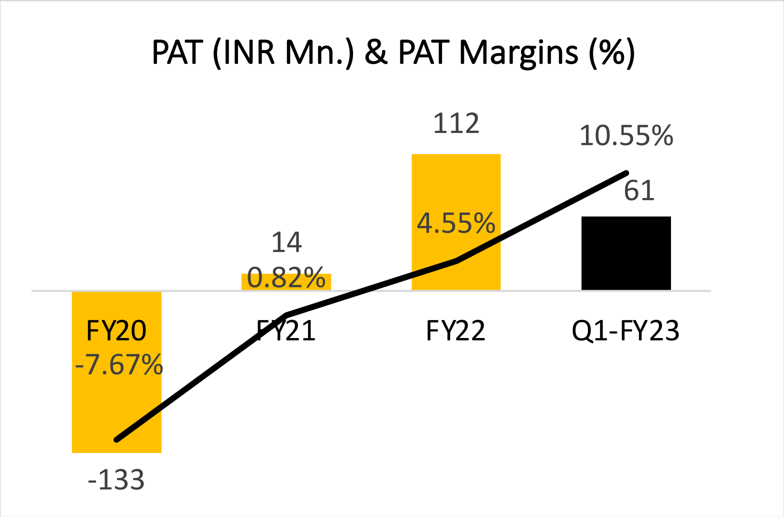
Equity and Liabilities (INR Mn)	FY20	FY21	FY22
Equity and Liabilities			
1) Shareholders' Fund			
Equity Share Capital	114	131	131
Reserves and Surplus	889	935	1,052
Total Equity	1,003	1,066	1,183
2) Non-Current Liabilities			
A) Financial Liabilities			
i) Borrowings	7	26	7
B) Provisions	38	37	37
Total Non-current liabilities	45	63	44
3) Current Liabilities			
A) Financial Liabilities			
i) Borrowings	252	239	234
ii) Trade Payables	254	271	317
iii) Others	22	4	4
B) Other Current Liabilities	127	153	166
C) Provisions	170	182	165
D) Current Tax Liabilities	5	10	26
Total Current Liabilities	830	859	912
Total equity and liabilities	1,878	1,988	2,139

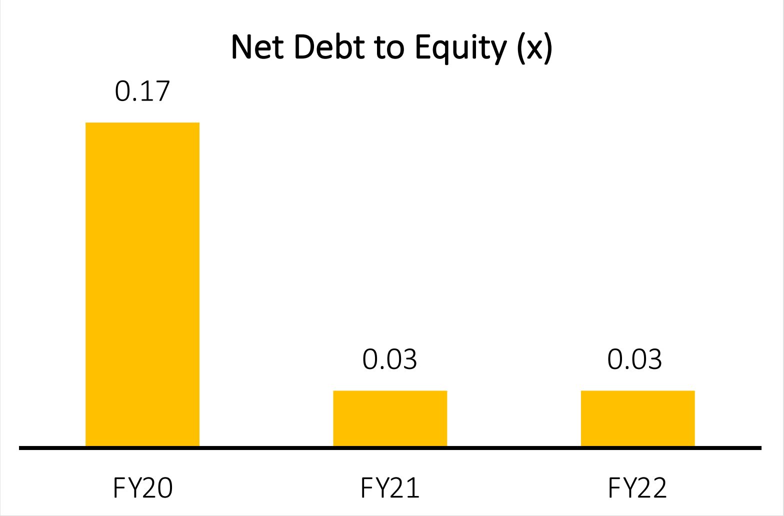
Assets (INR Mn)	FY20	FY21	FY22
Non Current Assets			
Property, plant and equipment	316	285	328
Other Intangible Assets	2	2	1
Capital Work in Progress	1	4	89
Financial Assets			
i) Investments	-	70	72
Other non current assets	16	18	10
Total Non current assets	335	379	500
Current Assets			
A) Inventories	447	429	556
B) Financial Assets			
i) Trade Receivables	322	331	368
ii) Cash & Cash Equipment's	83	203	204
iii) Bank Balances other then above	3	30	4
iv) Loans	500	116	117
v) Others	20	21	21
C) Other Current Assets	157	464	336
Current tax assets	11	15	33
Total Current Assets	1,543	1,609	1,639
Total Assets	1,878	1,988	2,139

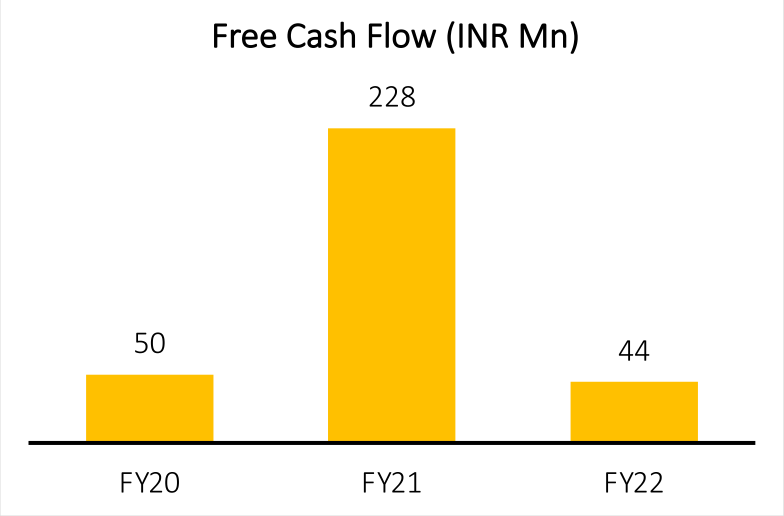
Consolidated Financial Highlights

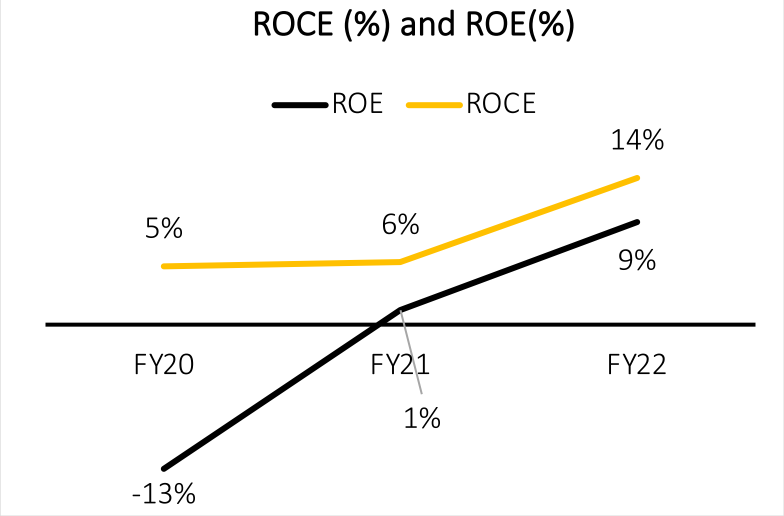




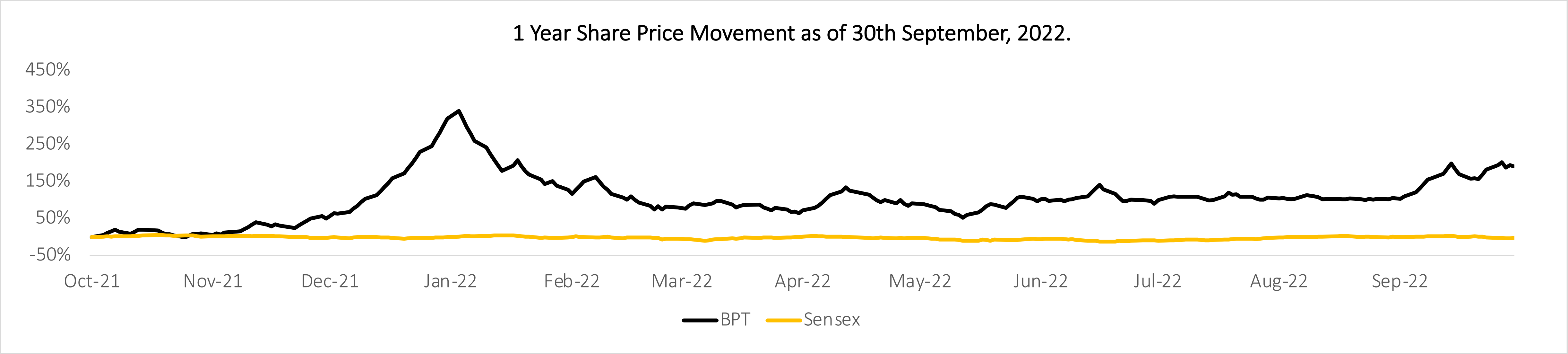




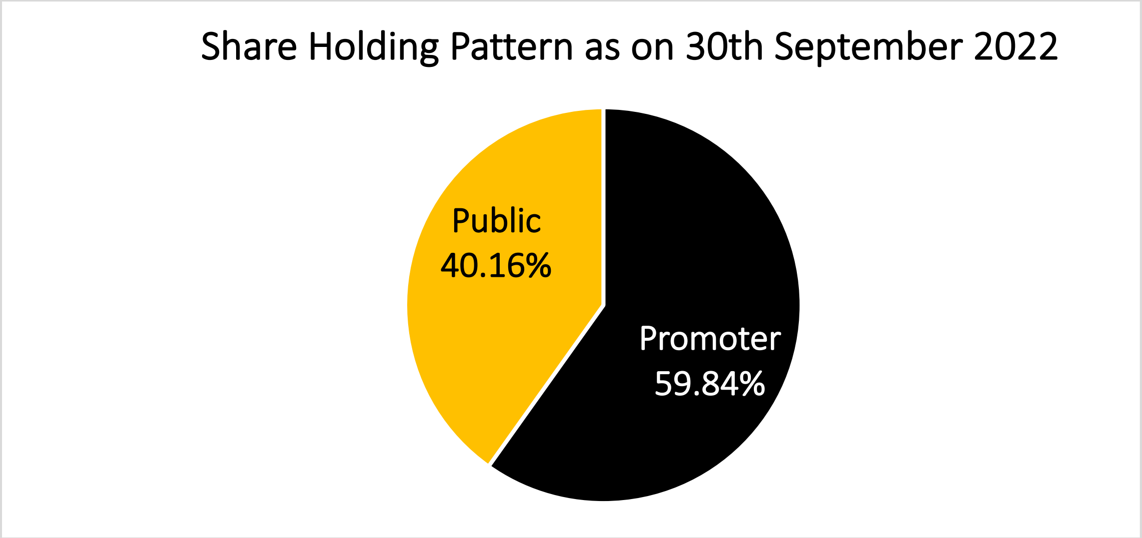




Capital Market Information



Market Data (INR) as on 30th September, 2022	
Face Value	2.00
CMP	46.00
52 Week H/L	73.15/14.42
Market Cap (INR Mn)	3,002
No. of Share outstanding (Mn)	65.27
1 Year Avg. Trading Volume ('000)	129



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