



GMM Pfaudler Limited

COMPANY BACKGROUND.....

- Incorporated in 1962, Gujarat Machinery Manufacturers Ltd. (GMM) started manufacturing Glass Lined Equipment (GLE) and entered in a financial and technical tie-up with world's leader in GLE, Pfaudler, Inc. USA, in 1987.
- Subsequently, Pfaudler acquired 40% stake in GMM which it increased to 51% in 1999, and in 2022, GMM India in turn acquired its parent entity Pfaudler Group wholly from private equity firm Deutsche Beteiligungs AG (DBAG).
- Today, GMM Pfaudler is a leading supplier of engineered equipment and systems for critical applications in the chemical, pharmaceutical, food, and energy sectors to organizations around the globe.
- The company has acquired Mixel France SAS and its wholly owned subsidiary Mixel Agitator Co. Ltd. (collectively known as "Mixel") through wholly owned subsidiary Pfaudler GmbH.



BUSINESS MIX (FY23).....

- **Technology (60%):** Leading global supplier of corrosion-resistant technologies with over 40% market share. The company provides glass-lined equipment for chemical processing, API manufacturing and several other industrial uses. Apart from GLE, the company has a wide range of technology offerings: Filtration & Drying, Mixing, Sealing and Alloy Process Equipment. Over 90% of the world's Top 20 ICIS Chemical Companies put their trust in GMM Pfaudler's technologies.
- **Systems & Processes (14%):** Supplies turn-key systems from lab-scale to full industrial scale plants, for all chemical processes. A complete system includes the design of all the unit operations surrounding and supporting the core technology.
- **Services (26%):** Provides technical and maintenance services and aftermarket parts to their global network of customers throughout their plants, as well as for plants of others companies to keep their plants operating efficiently. The company strives to deliver the most effective complete process solutions, from conception to design and installation.

KEY STRENGTHS.....

- Leadership position driven by Technology, Innovation & Sustainability
- Complementary product portfolio with high growth potential
- Only company with the ability to handle large size orders
- Only company which can manufacture big sized reactors/ vessels
- Strong Order book visibility across business verticals
- Working towards cobalt-free glass (ESG)
- China+1 strategy by globally building capacities.
- Significant investments in modernization of production footprint
- Steady and long-lasting marquee customer relationships
- Ability to offer customers a wide range of cost-effective options
- 18 State of the art global manufacturing facilities

FINANCIAL PERFORMANCE (CONSOLIDATED).....

(INR Cr)	Operating Income	EBITDA	EBITDA%	PAT	PAT%	EPS
FY20	591	111	18.78%	71	12.01%	16.22
FY21	1,001	139	13.88%	64	6.39%	16.75
FY22	2,541	284	11.18%	75	2.95%	19.39
FY23	3,178	431	13.6%	235	7.4%	37.51

Note: All numbers are as per IND-AS

Key Data

BSE Code	505255
NSE Code	GMMPFAUDLR
Reuters	GMMP.BO
Bloomberg	GMM:IN

Market Data (INR) As on 31st March, 2023

Face Value	2.0
CMP	1,465.85
52 Week H/L	2,189.5/1,251
MCAP (Mn)	65,900.5
Shares O/S (Cr)	4.5
1 yr. Avg. Vol. ('000)	194

Performance As on 31st March, 2023

	3M	6M	12M
GMM Pfaudler	(6.87)%	(22.9)%	(2.39)%
SENSEX	(3.09)%	2.77%	0.79%
BSE MIDCAP	(7.0)%	(5.2)%	(4.8)%

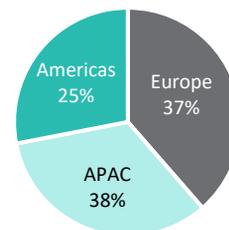
Shareholding Pattern As on 31st March, 2023

Promoters	38.74%
Public	30.54%
FPI & FII	19.96%
DII	10.76%

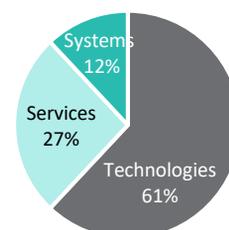
PRODUCT SEGMENTS.....

- Technology:** The company offers 6 unique technologies out of which the glass-lined technology is where it specializes in and are the market leaders with over 40% share globally and more than 50% domestically.
 - Pfudler:** This is the glass-lined brand of the company. GMM Pfudler is the world's largest manufacturer of glass-lined equipment. Glass-lined reactors are used worldwide in chemical industry under very severe environment as well as for the glass layer sanitary properties in pharmaceutical industries. These technologies are critical to the safe containment of corrosive contents, maintaining the vessel pressure and ensuring the final batch quality.
 - Mavag:** This is the Filtration & Drying segment of the company. Within this segment, a wide range of products like Agitated Nutsche Filter Dryers, Spherical Dryers, Vertical Conical Dryer and several other solid-liquid separation equipment's are offered.
 - Normag:** This is GMM's Lab & Process Glass division which also forms a part of systems segment to some extent as well. The basic aim through this technology is to act as a one-stop shop for all industrial equipment used in Chemical and Pharma manufacturing processes starting off with lab equipment to full scale heavy machinery vessels.
 - Equilloy:** GMM Pfudler is the leading supplier of various types of pressure vessels built for the chemical processing industries. The wide range of alloy process equipment in the product portfolio are reactors, columns, heat exchangers, evaporators, Wiped Film Evaporators, and other pressure vessels.
 - Mixion:** Offers agitators & mixing solutions that help improve efficiencies, yields, and reduce costs. A full-line of expertise in mixing from designing to simulating and then manufacturing industrial mixers and agitators and other allied mixing equipment are provided.
 - Interseal:** Dry-running lip-seal technology is the most high-tech shaft seal solution available on the market. With the dry9000® sealing technology, Pfudler designs and manufactures a shaft seal solution for all types of pharma seal applications, chemical industry purposes, as well as for food processes.

Geographical Revenue (FY23)



Segmental Order Intake (FY23)



Order Backlog (INR Cr)



- Systems & Processes:** Company's capabilities are not limited to the individual technologies themselves. They combine individual technologies and services into complete, fully integrated operating process systems. They supply turn-key systems from lab through full industrial scale plants, for all chemical processes. A complete system includes the design of all the unit operations surrounding and supporting the core technology.
- Services:** GMM offers maintenance & aftersales service wherein they provide replacement and repair parts, as well as carry out preventive chemical equipment inspections and emergency maintenance which help manufacturers in reducing unplanned plant shutdowns and reliable cost planning. From installing, commissioning and start-up of new plants to engineering and upgrading old machinery they offer everything. Similarly, the company also carry out checks to ensure that thickness of the glass is maintained and if there is some chipping off of glass the company provides re-glassing services as well.

KEY GROWTH DRIVERS.....

- Global Strategy:** Pfudler aims to penetrate newer markets and geographies where it is not currently present like parts of Eastern Europe, Russia and South East Asia.
- Operational excellence:** Company plans to implement lean production model across manufacturing sites. Germany, China and Vatva plants have performed way above expectations because of this strategy, secondly company is in talks of rolling out a Global EU plan which will help get a sense of the capacities across the globe and lastly GMM expects China business to double in the next 3-4 years.
- Value Sourcing:** GMM will leverage low-cost capabilities in India to increase market share and margins across the group. A stock and sale of standard equipment will provide delivery advantage globally. Here the company aims that as the manufacturing and more and more stuff moves to India, they can use India to do the heavy lifting and then the final assembly, the testing, the finishing can be done in the European or the American facilities.
- Cross-Selling:** GMM plans to capture customer wallet share through portfolio expansion & innovation. This integration will help the company become a one-stop shop to fulfil the production needs of customers throughout their production chain across countries.

PEER COMPARISON (TRAILING 12 MONTHS) INR Cr

Company	Operating Income	Operating EBITDA	Operating EBITDA%	PAT	PAT%	Market Cap
GMM Pfudler	3,178	431	13.6%	235	7.4%	6,590
HLE Glascoat	932	137	14.71%	70	7.5%	3,436
The Anup Engineering	411	83	20.11%	51	12.5%	995
Thermax	8,090	598	7.39%	451	5.57%	27,287
Praj Industries	3,528	318	9.01%	240	6.8%	6,264

INCOME STATEMENT (CONSOLIDATED)

PARTICULARS (INR Cr.)	FY20	FY21	FY22	FY23
Operational Income	591	1,001	2,541	3,178
Material Cost	262	386	1,045	1,317
Other Expenses	102	160	457	575
Total Expenses	480	862	2,257	2,747
EBITDA	111	139	284	431
EBITDA Margins (%)	18.78%	13.88%	11.18%	13.57%
Depreciation	21	50	133	119
Finance costs	4	10	25	67
Other Income	6	23	7	52
Profit before exceptional items and tax	92	102	133	297
Exceptional items	-	34	-	(22)
PBT	92	68	133	275
Tax	21	4	58	62
PAT	71	64	75	213
PAT Margins (%)	12.01%	6.39%	2.95%	6.72%
Other Comprehensive Income	11	22	73	108
Total Comprehensive Income	82	86	148	321
Diluted EPS	16.22	16.75	19.39	37.51

CONSOLIDATED BALANCE SHEET (IND-AS).....

PARTICULARS (INR Cr.)	FY21	FY22	FY23	PARTICULARS (INR Cr.)	FY21	FY22	FY23
EQUITIES AND LIABILITIES				ASSETS			
(1) Total Equity	406	527	815	Total Non-Current Assets	1,095	1,039	1,285
(A) Equity Share Capital	3	3	9	(A) Property, plant and equipment	381	382	412
(B) Other Equity	403	524	795	(B) Capital work-in-progress	4	13	13
(2) Non Controlling Interest	116	141	11	(C) Goodwill	72	66	149
(3) Total Non-Current Liabilities	1,083	988	1,149	(D) Other Intangible Assets	452	389	446
(A) Financial liabilities				(E) Right to use assets	139	165	206
i) Borrowings	443	450	641	(F) Financial assets			
ii) Lease Liabilities	122	109	143	- Long term loans & advances	-	2	2
(B) Provisions	455	365	293	- Other Financial Assets	3	5	8
(C) Other non current liabilities	12	15	1	(G) Deferred Tax Assets (Net)	37	10	12
(D) Deferred tax liabilities (net)	51	49	71	(H) Other non-current assets	7	7	37
(4) Total Current Liabilities	813	1,071	1,391	Total Current Assets	1,323	1,688	2,070
(A) Financial Liabilities				(A) Inventories	576	670	771
i) Borrowings	49	55	156	(B) Financial Assets			
ii) Lease Liabilities	19	22	33	i) Investments	1	0	-
iii) Trade Payables	302	391	537	ii) Trade Receivables	310	356	436
iv) Other financial liabilities	30	35	50	iii) Cash and Cash Equivalents	244	291	311
(B) Other current liabilities	294	415	427	iv) Bank Balances other than above	49	37	60
(C) Provisions	101	126	179	v) Loans	0	0	1
(D) Current Tax Liabilities (net)	18	5	9	vi) Others	74	88	291
Liabilities associated with assets classified as held for sale	-	22	-	(C) Other current assets	69	119	200
TOTAL LIABILITIES	1,896	2,059	2,540	Assets classified as held for sale	-	127	-
GRAND TOTAL - EQUITY AND LIABILITIES	2,418	2,727	3,355	GRAND TOTAL - ASSETS	2,418	2,727	3,355

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