

February 18, 2021

To,

BSE LIMITED P.J. Towers, Dalal Street, Mumbai – 400 001 BSE Scrip Code: 532684	National Stock Exchange of India Ltd. Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 NSE Symbol: EKC NSE Series: EQ
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Dear Sir/ Madam,

Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Investor Presentation

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Investors presentation for February 2021 is attached herewith.

This is for your information and record.

Thanking you,

Sincerely,
For **Everest Kanto Cylinder Limited**

Puneet Khurana
Managing Director
00004074



EVEREST KANTO CYLINDER LIMITED

**Manufacturers
of High Pressure
Seamless
Gas Cylinders**

Registered Office :
204, Raheja Centre,
Free Press Journal Marg,
214, Nariman Point,
Mumbai - 400 021.

CIN L29200MH1978PLC020434

Tel. : +91-22-4926 8300 / 01

Fax : +91-22-2287 0720

Website : www.everstkanto.com





EVEREST KANTO CYLINDER LIMITED

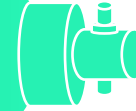
Clean Energy Solution Company

Everest Kanto Cylinder Limited

Q3 & 9M Financial Results

February 2021





Certain statements in this communication may be 'forward looking statements' within the meaning of applicable laws and regulations. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Important developments that could affect the Company's operations include changes in the industry structure, significant changes in political and economic environment in India and overseas, tax laws, import duties, litigation and labor relations.

Everest Kanto Cylinder Limited (EKC) will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.



The 'EKC' Edge

#1

Market Leadership

- India's largest player in high pressure gas cylinders with market share of ~50%

42

Years

Experienced Management

- 42 years of focused domain experience in the field of high pressure seamless cylinder manufacturing

200

SKU's

Diversified Product Range

- More than 200 SKU's including Industrial, CNG and Jumbo cylinders of capacity ranging from 1 litre to 3,000 litres

25

Countries

Global Presence

- Exports to over 25 countries globally based on presence and regulatory approvals in South East Asia, Middle East, USA, Europe, South America and CIS countries

150

Established Customer Relationships

- ~150-strong client base from diverse verticals including automobile OEMs/after-market, city gas distribution, industrials, cylinder cascades, medical sector, fire fighting equipment and defence – including Tata Motors, Bajaj Auto, Hyundai, Toyota, BOC India, Praxair, Mahanagar Gas, Adani Gas

1mn

Manufacturing Excellence with Large Capacities

- Among the largest manufacturers of high pressure seamless cylinders in the world
- Global scale plants in India, Dubai and USA with production capacity of ~1 million cylinders annually

36%

Best-in-Class Supply Chains

- EKC Group has efficient outreach and local distribution in several countries with unique market requirements – leading to 36% revenue contribution from products sold outside India

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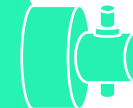
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EVEREST KANTO CYLINDER LIMITED
Clean Energy Solution Company

Q3 & 9M FY21 Financial Performance





**Comments on Q3 & 9M
FY21 performance by
Pushkar Khurana,
Chairman, Everest Kanto
Cylinder Limited**

With the supportive macro framework driven by the government's continued focus on a larger gas-fuelled economy, we are now extremely well-positioned to participate in the secular, long-term opportunity ahead of us. Currently, our India plants have been operating continuously at over 90% capacity utilization and we have undertaken several de-bottlenecking initiatives to drive manufacturing efficiencies. We now plan to expand capacities by 200,000 cylinders in a phase-wise manner that will allow us to meet the growing demand for our products and maintain our prominent market position. At the new greenfield facility, we plan to use the core manufacturing machinery available with us, thus reducing the overall capex commitment. The estimated project cost will therefore be significantly lower at Rs. 45 crore and we expect to finance the same from internal accruals. In addition, we have now concluded the transaction to divest our Chinese subsidiary and the consideration of ~Rs. 105 crore will add to the liquidity on the balance sheet, allowing us to achieve substantial debt reduction. We expect these initiatives to translate into long-term value accretion for our stakeholders.

**Comments on Q3 & 9M
FY21 performance by
Puneet Khurana,
Managing Director, Everest
Kanto Cylinder Limited**

Q3 marked another period of strong performance for EKC wherein we recorded our highest ever revenue exceeding Rs. 200 crore in the India business along with robust margin expansion. Domestic performance is running on multiple drivers – including supplies to several gas infrastructure companies that are rolling out CGD networks across the country to committed timelines; expansion of demand from leading OEM's in the automobiles sector investing in CNG-based mobility for commercial as well as personal vehicles; and improving visibility from a range of industries including the ongoing supplies to the healthcare sector. While our overseas operations firm up their strategic growth initiatives, the group level initiatives are reflected in consolidated performance – revenues are up 29% on YoY basis to Rs. 247 crore and EBITDA margins have expanded by almost 500 basis points to 19.4%. Profit Before Tax (before other income, foreign exchange and exceptional items) in Q3 has expanded by over four times YoY to Rs. 33.7 crore as top-line growth has been achieved on a stable operating base. Overall, we now have a strong operating and financial base to drive the way forward for EKC.

Key Developments



Transfer of holding in subsidiary, EKC Industries (Tianjin) Co. Ltd., China

- The Company's entire holding in its subsidiary, EKC Industries (Tianjin) Co. Ltd., China has been transferred to the buyer as on 31 December, 2020 and the total transaction value of RMB 93.50 Million (approx. INR 105 crore) has been deposited by the buyer in the designated escrow account.
- Before the transfer of equity to the buyer, the shareholding of EKC Industries (Tianjin) Co. was with Everest Kanto Cylinder Limited (63.96%) and EKC International FZE, Dubai (36.04%), a wholly-owned subsidiary of Everest Kanto Cylinder Limited. The outward remittance from the escrow account will be made in the same proportion following final regulatory approvals.
- Profit on sale of the China subsidiary of Rs. 29.45 crore is included in exceptional items for the third quarter ended 31 December, 2020.

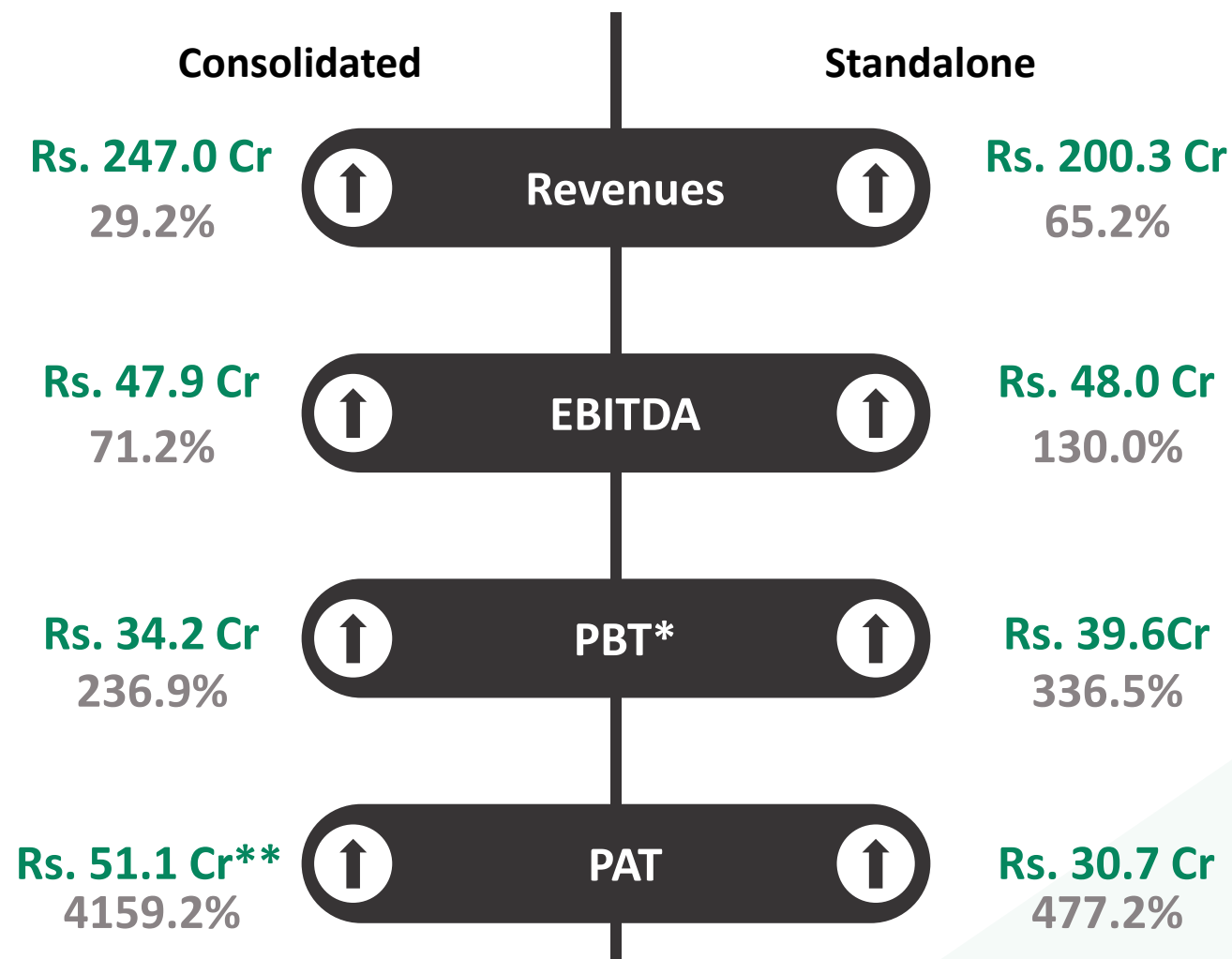
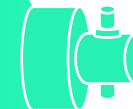
Greenfield expansion of manufacturing capacity

- The Company's Board of Directors has approved a proposal to increase the existing manufacturing capacity in India by 2,00,000 cylinders per annum (from the existing capacity 7,17,000 cylinders per annum). A greenfield facility will be set-up at a suitable location in Gujarat for this purpose over three phases with an investment of ~Rs. 45 crore, of which the first phase will be completed in FY24.
- The said investment will be towards land, factory buildings, ancillary equipment etc whereas the core manufacturing equipment is available with the company. Proximity of the proposed facility to the Company's existing manufacturing location at Kandla SEZ is expected to result in operating/cost efficiencies and greater economies of scale.

New initiatives announced by the Government in the Union Budget 2021-22

- The Government aims to add 100 districts to India's City Gas Distribution (CGD) network over the next three years, which should further accelerate the pace of adoption of gas as a fuel in the country. The Company is already supporting several leading gas companies that are setting up the infrastructure for over 10,000 gas stations across the country following the 9th and 10th rounds of bidding conducted by Petroleum and Natural Gas Regulatory Board (PNGRB) for CGD expansion.
- The Government has also launched the Hydrogen Energy Mission for generating hydrogen from green power. It is expected that demand for hydrogen cylinders will increase once trials are successful.
- The Government has introduced a Vehicle Scrappage Policy to phase out old and unfit vehicles. This will facilitate the demand for fuel-efficient, environment-friendly vehicles, thereby increasing demand for CNG cylinders.

Key Performance Highlights – Q3 FY21

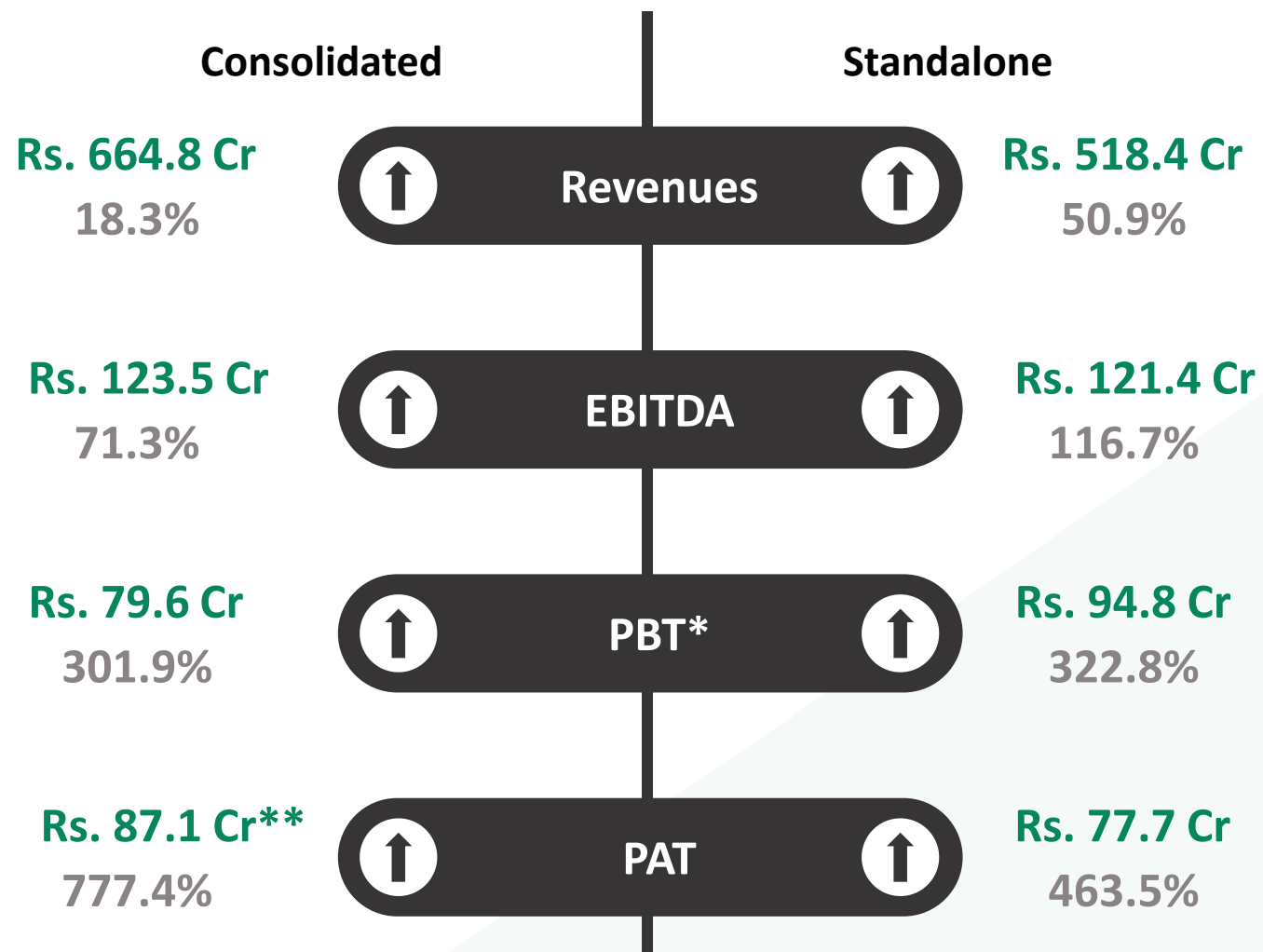


- Growth momentum continued in Indian operations driven by wide-ranging demand from gas infrastructure companies, auto OEM's, healthcare and industrial sectors
 - Demand growth expected to sustain, enabling on going prospects for the business
 - Positive outlook has supported decision to expand capacity
 - Overseas operations taking forward key strategic initiatives
-
- Consolidated EBITDA margin expanded from 14.6% to 19.4%
 - Standalone EBITDA margin expanded from 17.2% to 24.0%
 - Margin expansion driven by continued demand, firm pricing and topline growth on a stable operating base
-
- Significant expansion in Operating PBT seen to be sustainable

*Profit Before Tax is before exceptional items, provision for doubtful debts, foreign exchange and tax from continuing operations

**Profit After Tax includes exceptional gains from disinvestment of subsidiary during Q3 FY21

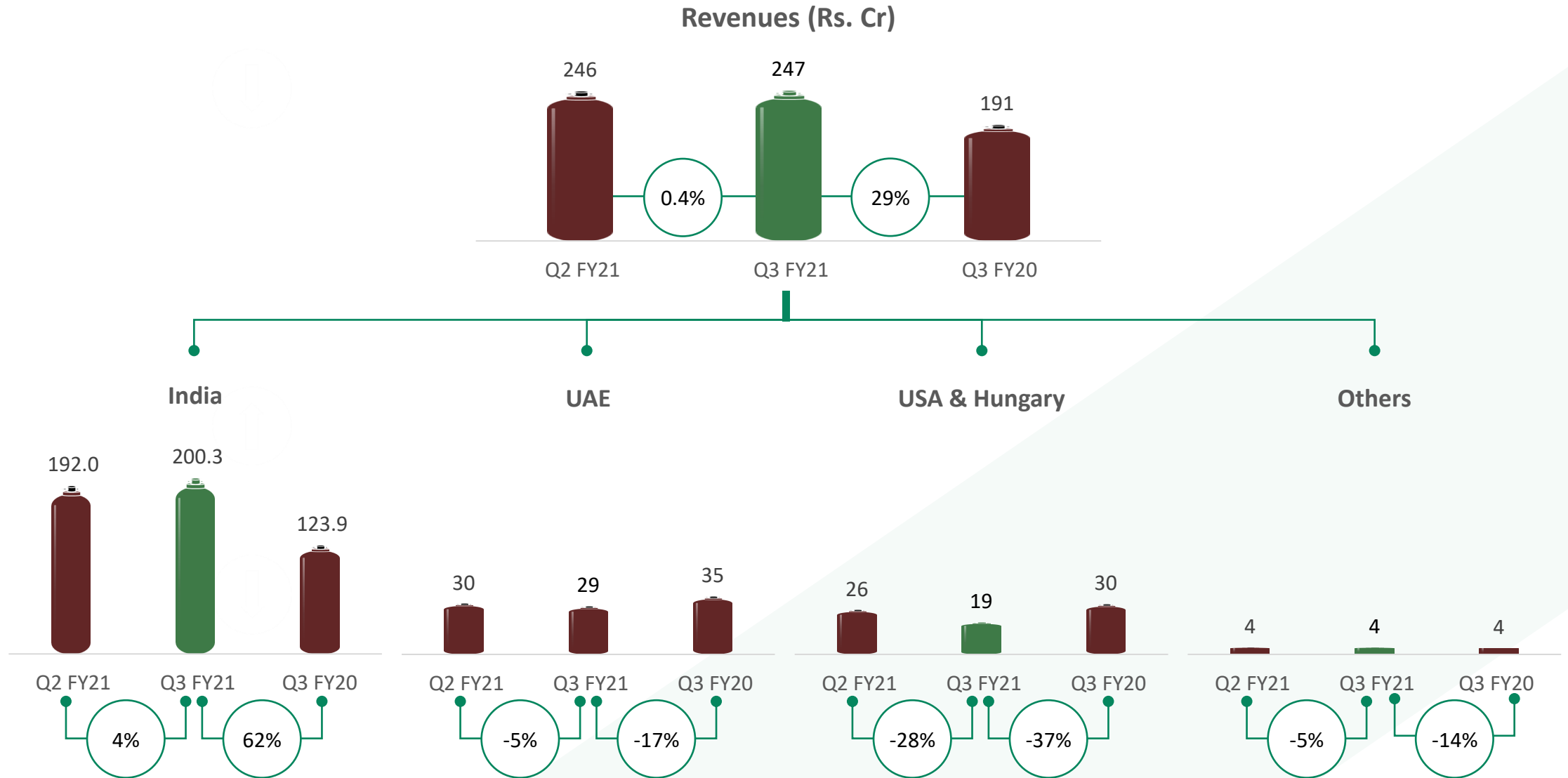
Key Performance Highlights – 9M FY21



*Profit Before Tax is before exceptional items, provision for doubtful debts, foreign exchange and tax from continuing operations

**Profit After Tax includes exceptional gains from sale of premises during Q2 FY21 and from disinvestment of subsidiary during Q3 FY21

Geographical Revenue Breakup – Q3 FY21





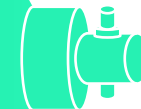
EVEREST KANTO CYLINDER LIMITED

Clean Energy Solution Company

Company Overview



Key Milestones



- Transferred holding in China subsidiary for a value of RMB 93.50 million
- Announced 200,000-cylinder greenfield expansion

Set up marketing/product development subsidiary in Germany
Closed Aurangabad plant

Sold Gandhidham unit, assets transferred to Kandla unit and term debt reduced by Rs. 120 crore

Acquired majority stake in Calcutta Compressions & Liquefaction Engineering Private Ltd., a gas distribution company in India

Doubled capacity at Dubai Plant

Commenced production at Dubai plant

Commissioned second plant at Tarapur

Initiated commercial production at Aurangabad plant

1978

1981

1986

1988

1998

2004

2005

2007

2008

2009

2010

2011

2012

2017

2020

2021

Year of Incorporation

Started exporting to Gulf countries

Developed CNG Cylinders and started supplying CNG Cascades

- Launched production at Gandhidham, Gujarat
- IPO and public listing on BSE & NSE

- Acquisition of CP Industries Holdings Inc. of USA
- Commenced production at China greenfield facility

Set up marketing subsidiary company in Thailand

- Started production at Kandla (SEZ) plant in Gujarat based on steel plate deep drawing process, a new technology
- Upgraded to billet piercing process based manufacturing at Gandhidham facility

Significantly scaled up supply of medical oxygen cylinders used in the fight against the COVID-19 pandemic

Board of Directors



Pushkar Khurana

Executive Chairman

- Joined EKC business in 1994
- Commerce graduate from Mumbai University
- Extensive business and finance experience; with over 20 years in international operations

Puneet Khurana

Managing Director

- Joined EKC business in 1996
- MBA (International Business) from EU Business School, Switzerland
- Led market development in Asian countries; product development for auto OEMs/ CNG distribution companies

Ghanshyam Karkera

Independent Director

- Finance, Banking and Law professional
- Specializes in audit, taxation, financial planning, project finance, rehabilitation of sick units and overall corporate management
- Also an empanelled mediator

M N Sudhindra Rao

Independent Director

- Financial management and corporate turnaround expert
- CEO of Indo Rama Synthetics Limited
- Four decades of experience in manufacturing, energy and other industrial sectors

Uma Acharya

Independent Director

- Law professional – specializing in civil, property, securities market and arbitration laws
- Member of the Bar Council of Maharashtra and Goa
- Previous experience with the National Stock Exchange of India Limited

Dr. Vaijayanti Pandit

Independent Director

- PhD in Management Studies, with additional qualifications in Political Science, Journalism and Yoga
- Overall, four decades of experience; currently, advisor to Welingkar Institute of Management Development and Research
- Previously associated with FICCI and Indian Merchants' Chambers in senior positions

Sanjiv Kapur

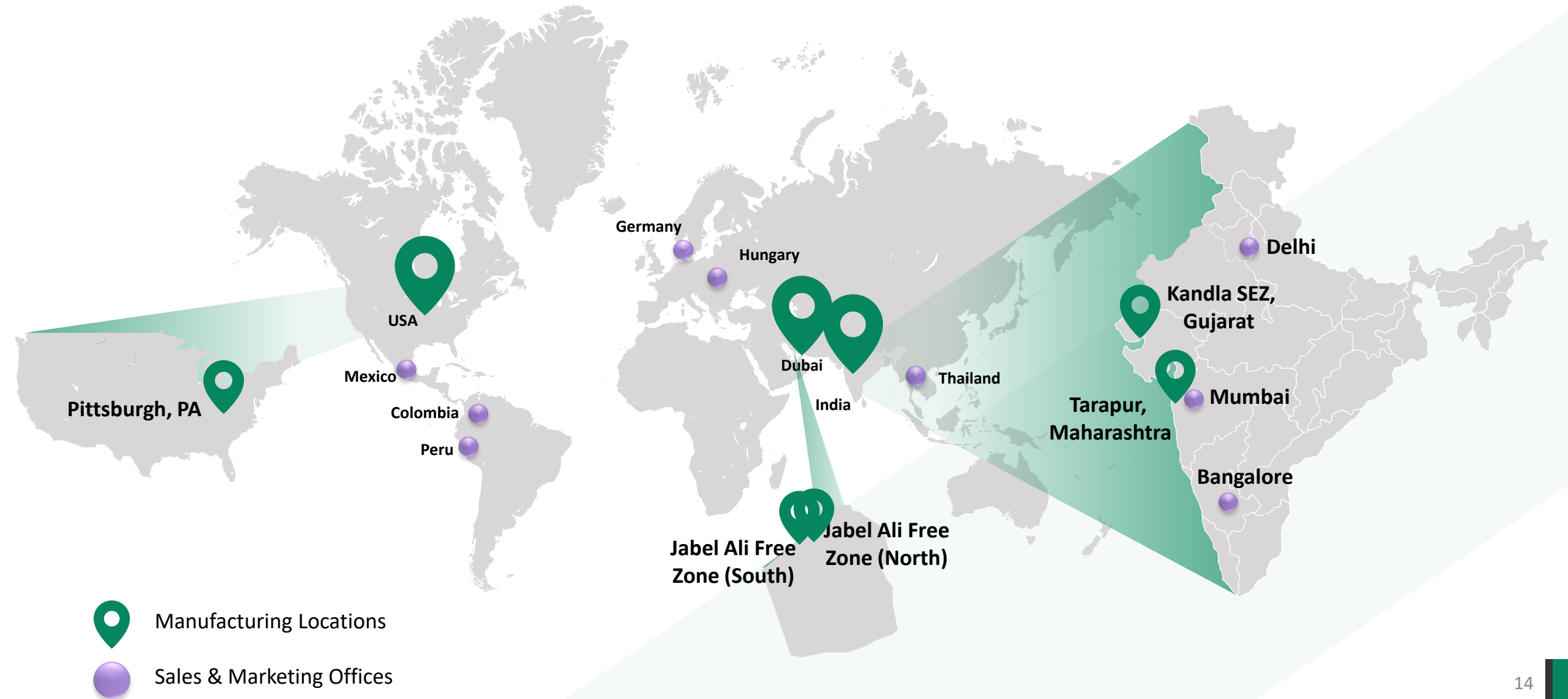
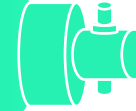
Chief Financial Officer

Bhagyashree Kanekar

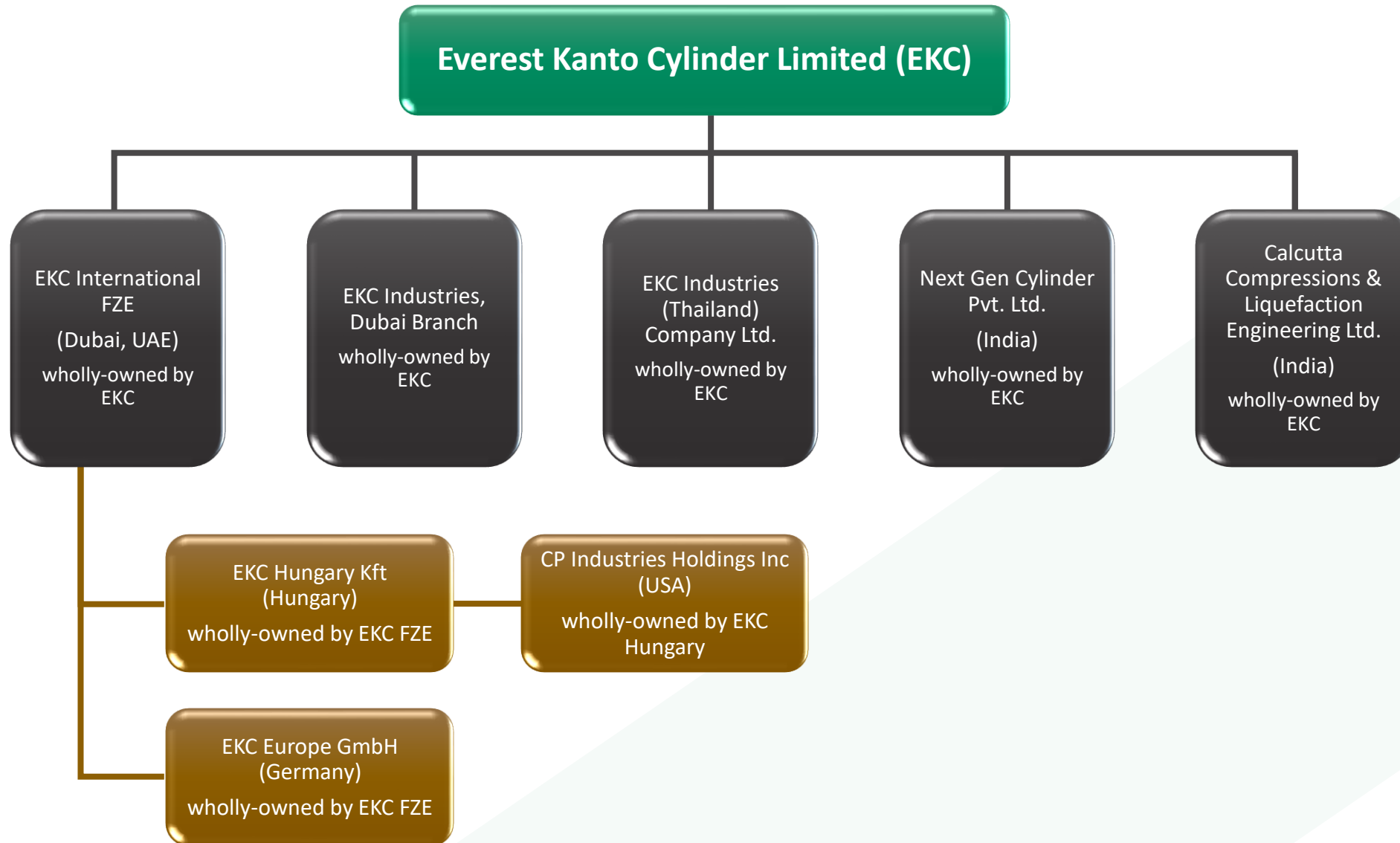
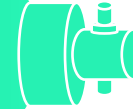
Company Secretary

Strong Board with significant and multi-faceted experience

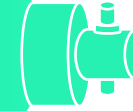
Global Footprint



Corporate Structure



Manufacturing Facilities – India



Tarapur, Maharashtra, India



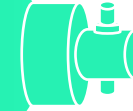
- Manufactures a wide range of high pressure seamless steel cylinders with storage capacity of up to 280 litres and working pressure up to 400 bars
- Area: 31,000 sq. m
- Annual capacity: 120,000 CNG cylinders and 80,000 industrial cylinders

Kandla SEZ, Gujarat, India



- Manufactures small cylinders (1 litre to 21 litres), gas cylinders (up to 3000 litres), jumbo skids and plate-rolled cylinders
- Area: 85,000 sq. m
- Annual capacity: 96,000 CNG cylinders, 420,000 industrial cylinders and 1,000 jumbo cylinders

Manufacturing Facilities – Overseas



Plant I – Dubai



- Located at the renowned Jabel Ali Free Zone (North) in Dubai
- Area: 21,000 sq. m
- Annual capacity: 120,000 cylinders

Plant II – Dubai



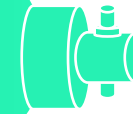
- Located at the renowned Jabel Ali Free Zone (South) in Dubai
- Area: 25,000 sq. m
- Annual capacity: 120,000 cylinders

Pittsburgh, PA, USA



- Manufacturers full carbon type 4 composite cylinders
- Area: 198,000 sq. m
- Annual capacity: 4,000 Jumbo & 10,000 Type 4 composite cylinder

Extensive Range of Products



CNG Steel Cylinders



- Wide range of CNG cylinders designed and manufactured to comply with the highest quality and safety standards
- Products built to customer specifications for cars, buses, three-wheelers and delivery vehicles
- Strong, lightweight cylinders undergo stringent testing to assess fatigue strength, usage life, safety and reliability under extreme weather conditions

Medical Oxygen



- Safe, contamination-free cylinders storing gases such as oxygen and nitrous oxide
- Products comply with stringent standards applicable in India and internationally or specific customer requirements

Industrial Cylinders



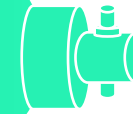
- Wide range of industrial cylinders designed for industrial gases, medical and food & beverage applications
- Preferred worldwide for quality, aesthetics and versatility of products
- Adhering with the most stringent regulations in India and internationally (ISO 9809, IS 7285)

Cylinders For Hydrogen Gases



- Cylinders, quads and cascades for storage/transportation of Hydrogen at high pressure
- Manufactured from steel suitable for Hydrogen storage, a gas with flammable and embrittling properties

Extensive Range of Products



Fire Extinguisher Body



- Cylinders for storage of carbon dioxide – used in fire extinguishers, rubber rafts and aerated water
- Range covers capacities of 1 litre to 180 litre , hand-held and portable wheel-type extinguishers
- Powder coated for better visual appeal and longevity

Jumbo Cylinders



- Large Capacity Jumbo Large capacity cylinders conforming to Indian/international standards or based on specific customer requirements
- Jumbo Cylinders/Skids are used for industrial gases such as Nitrogen, Helium, Argon etc. with several defence/aerospace applications

Breathing Air Cylinders



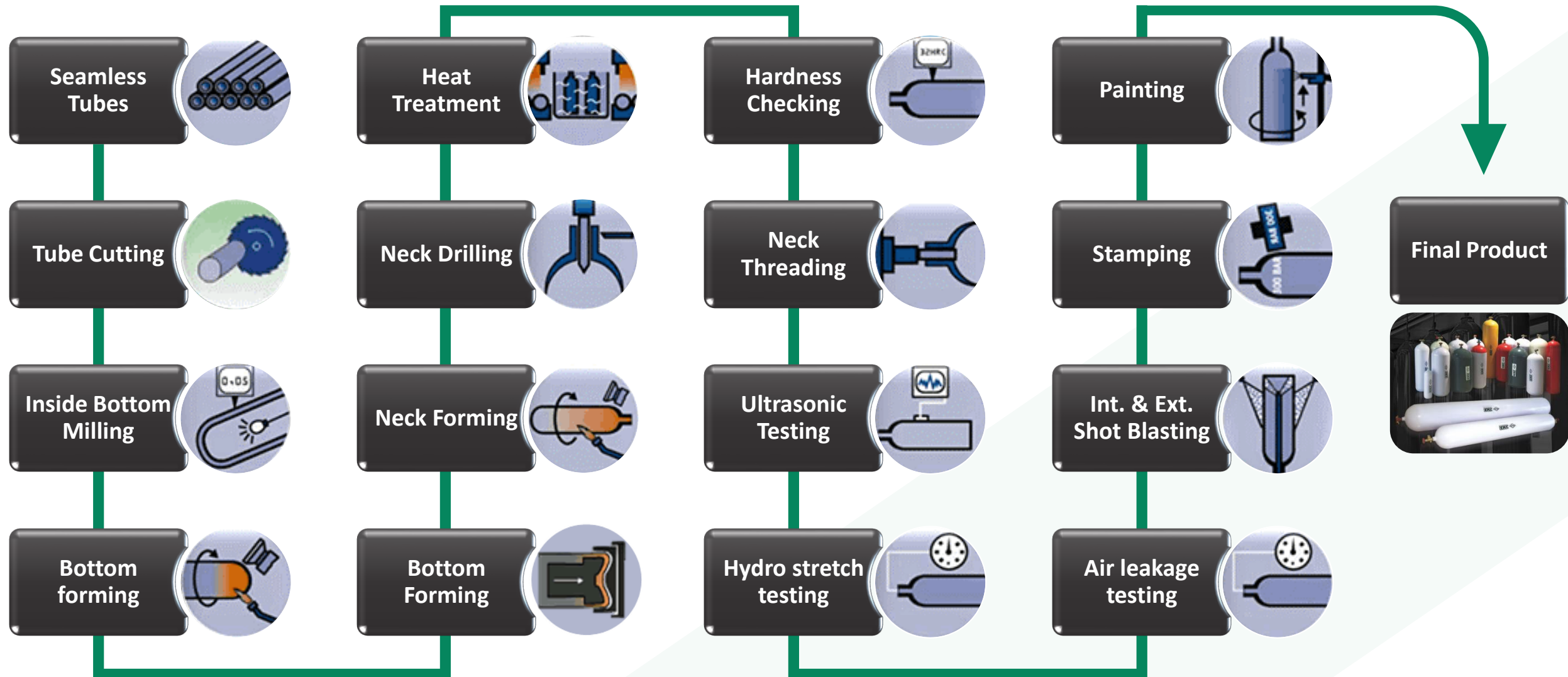
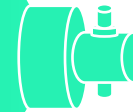
- Compressed breathing air cylinders adhering with IS 7285 – rated at working pressure of 200-300 bars
- Complete product range from 1L to 9L cylinders

Type 4 Composite Cylinders

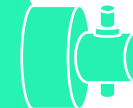


- Type 4 composite cylinders manufactured in EKC's USA plant adhere to stringent international regulations (ISO 11119-3, ISO 11439, NGV2)
- Light-weight cylinders made from special aluminium alloys, used for specialty/medical/industrial gases, including fire extinguishers and breathing apparatus

Manufacturing Process



Global Quality Certifications



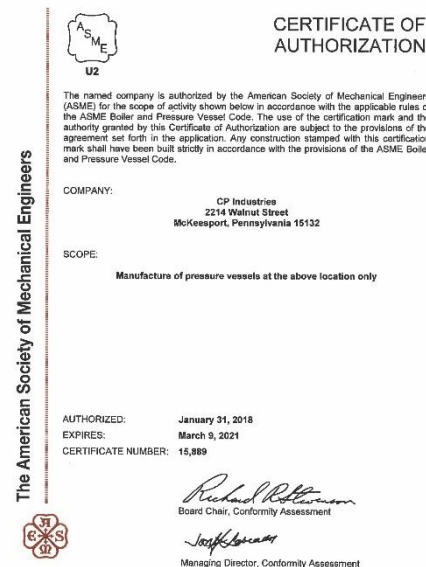
EKC
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Clean Energy Solution Company

India

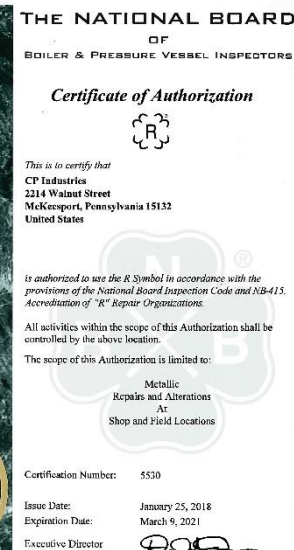


ISO 9001:2015 Certificate from Bureau Veritas for High Pressure seamless steel gas cylinders of 20 to 300 litres water capacity for Industrial and CNG on-board vehicle application, cylinder cascades etc

USA



American Society for
Mechanical Engineers



Canadian Standards
Association

US Department of
Transportation

UAE



Transport Canada

Manufacturing License of
Special Equipment (China)

Korean Gas Safety
Corporation

BELAC (Belgium)

Bureau Veritas – Marine &
Offshore Division

Certificate of Conformity
(UAE)

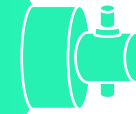


EVEREST KANTO CYLINDER LIMITED
Clean Energy Solution Company

Industry Overview



India's Expanding Gas Ecosystem



India targets 15% contribution from natural gas in the primary energy mix by 2030 (PIB 2017)

Substantial committed investments towards “One Nation One Gas Grid” chart India's energy roadmap

Launch of India Gas Exchange intended to open the gas market to efficient competition

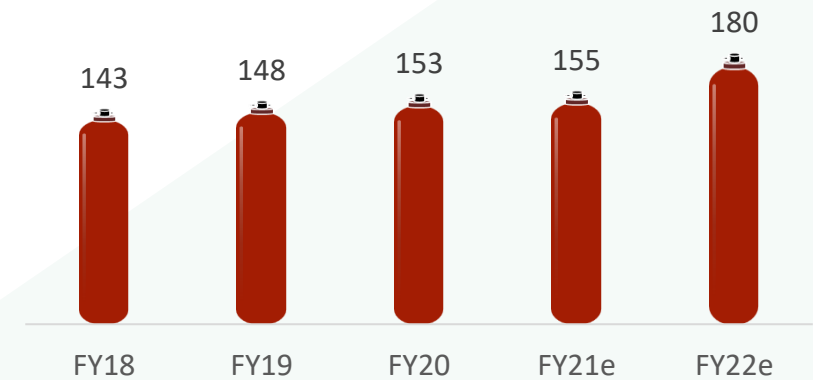
Key gas demand drivers – infrastructure developments, low gas prices and market reforms

Low gas prices have allowed India to re-negotiate its long-term contracts with other countries

India has improved energy security by diversifying gas import sources and strengthening existing bilateral energy partnerships

With higher natural gas penetration, India strengthens its position on the global focus on energy decarbonisation

**India Gas Demand Outlook
(mmscmd)**



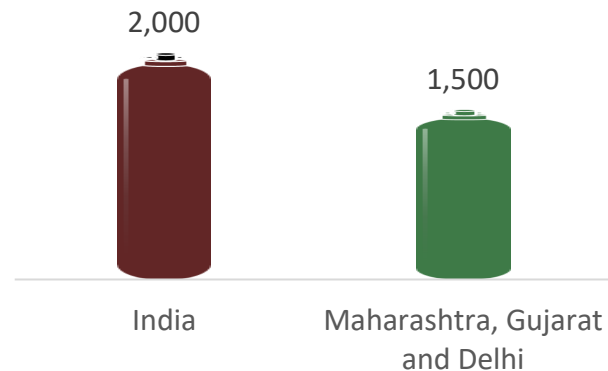
Union Budget 2021-22: Key Announcements

- Launch of Hydrogen Energy Mission for generating hydrogen from green power for household and commercial uses – Hydrogen is highly energy efficient providing economic, ecological and social benefits
- Addition of 100 districts to the City Gas Distribution network over the next three years, which will further accelerate the pace of adoption of gas as a fuel across various end-use areas

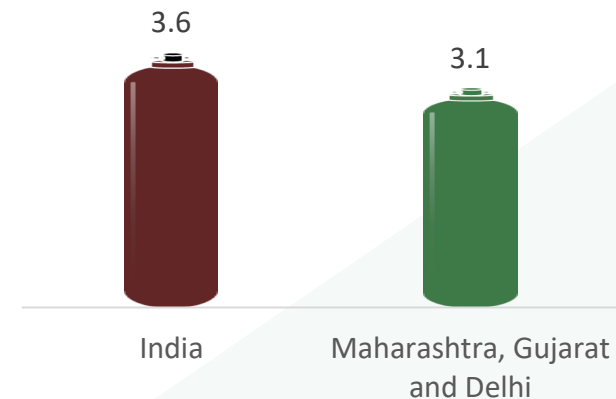
CNG Demand Outlook

Currently India's CNG ecosystem is confined to just three states

CNG Stations

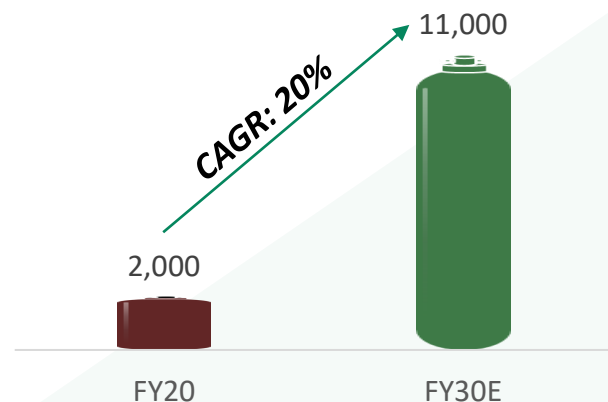


CNG Vehicles (Mn)

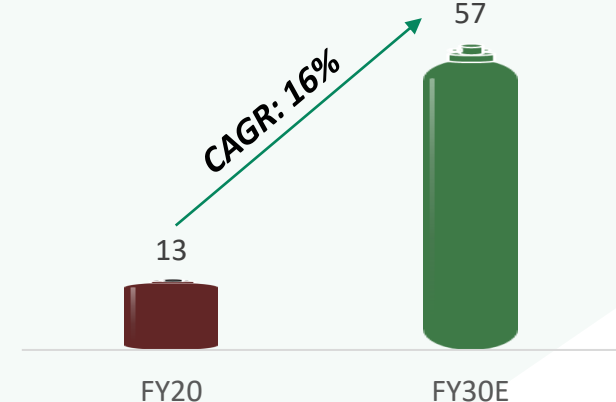


City Gas Distribution set to expand significantly based on 9th and 10th round of bidding conducted by Petroleum and Natural Gas Regulatory Board (PNGRB)

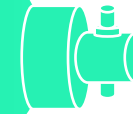
CNG Stations



CNG Demand (mmscmd)



CNG Demand Outlook



BS-VI transition

Auto manufacturers planning to stop production of diesel vehicles based on rising costs

Vehicle Scrappage Policy

Policy announced, expected to drive new vehicle sales and CNG adoption

CNG conversion of diesel buses

Government urging state transportation corporations to convert diesel bus fleets to CNG

CNG price trends

CNG prices in India, linked to key international benchmarks, currently at decadal lows

Cost of vehicle ownership

Reducing cost and lower fuel efficiency are advantages that drive CNG vehicle adoption

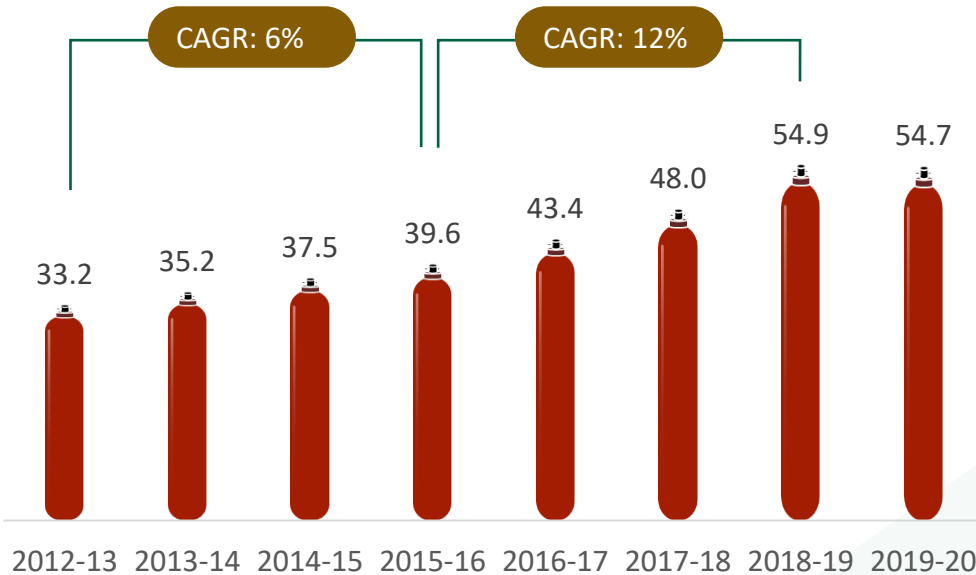
Environmental concerns

India has 21 of the world's 30 cities with the worst air pollution
(Source: IQAir AirVisual's 2019 World Air Quality Report)

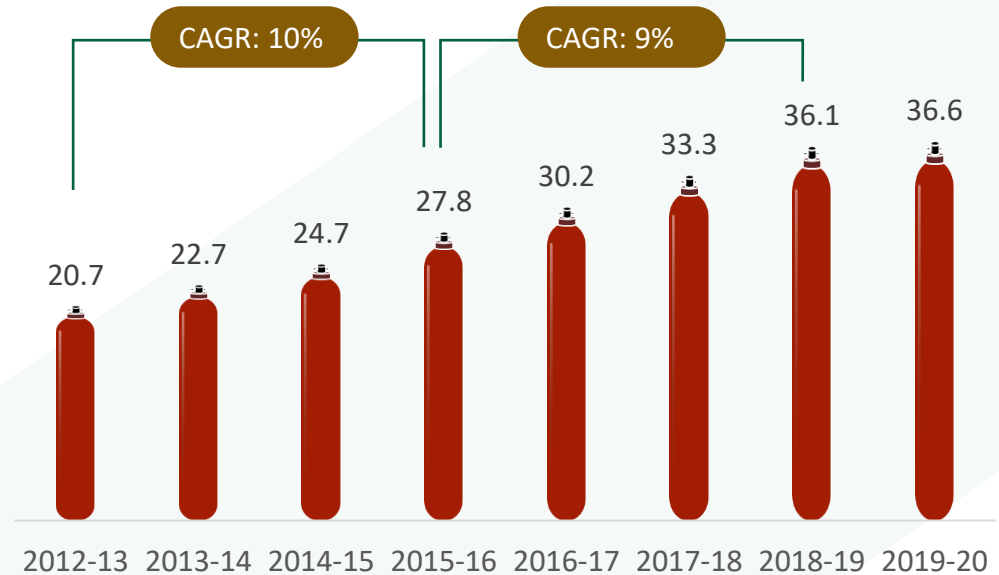
Industrial Demand Outlook

Demand is driven by expansion in industrial production – Gross Fixed Capital Formation (GFCF) is now expected to rebound after the recent weakness

Gross Fixed Capital Formation

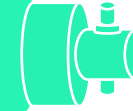


GVA from Industrial Sector (Current Prices)



Source: RBI Handbook of Statistics: (Rs. Trillion)

Industrial Demand Outlook



Fire Equipment and Fire Suppression Systems

- The global fire safety equipment market is estimated at \$ 58 billion in 2018 – and expected to expand at CAGR of 8.8% from 2019 to 2025
- Demand for advanced fire safety systems is expected to be driven by industries such as manufacturing, utilities, petrochemicals, mining, oil & gas exploration, energy & power, automotive and construction
- Countries across the world are adopting stringent regulations mandating installation of fire safety systems at industrial, residential and commercial locations

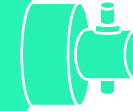


Supply to Medical Establishments



- Medical gas supply systems in hospitals and other healthcare facilities create an ecosystem of specialized gases and gas mixtures – including oxygen, medical air, nitrous oxide, nitrogen, carbon dioxide, medical vacuum and anesthetic gases
- Gases are used across general wards, operating theatres, intensive care units, recovery rooms and other major treatment rooms
- With the expansion of medical facilities in urban as well as rural areas, both public sector and private sector demand for medical gases, cylinders and other allied equipment is increasing steadily

Industrial Demand Outlook



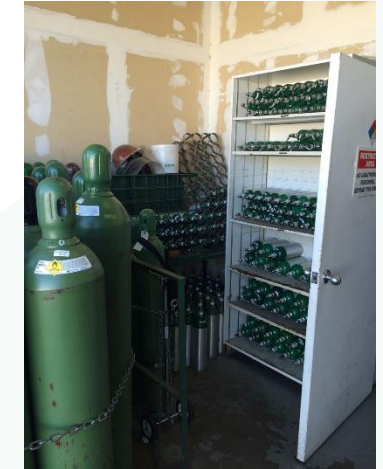
Aerospace and Defense

- The Global Aerospace and Defence Industry has been growing on the back of rising commercial aircraft production and strong defence spending
- Aerospace demand is focused on next-generation, fuel-efficient aircraft with order backlog continuing to rise – the industry uses gases extensively for a wide range of applications that cover welding, cutting, heating, laser gas, thermal spray coating, heat treatment processes
- In the defence sector, continued global tensions and geopolitical risks have driven higher spending – growing demand based on replacement of fossil fuels with alternative fuels for operating aircraft, combat ships and vehicles, and supporting equipment



Specialty Gases

- Growing number of gas applications in non-traditional areas such as space research, food preservation/distribution, agricultural processing etc
- Key usage verticals include automobiles, F&B, oil and gas, construction, ports/shipping, space and thermal power etc





EVEREST KANTO CYLINDER LIMITED

Clean Energy Solution Company

Key Attributes



Strengths



Sustained Leadership in the Indian Market

Pioneer in manufacturing high pressure seamless cylinders over four decades

Highest market share across sectors and verticals



Established Production Infrastructure

Large, multi-locational production facilities

Adherence to the highest quality and safety standards

Established raw material supply chain enabling on-time delivery schedules



Experienced Management

Eminent core management team with deep knowledge and understanding of business intricacies

Existing team has been associated for decades, contributing to establishing the current position



Global Presence

Exports to over 25 countries globally including South East Asia, Middle East, USA, Europe, South America and CIS countries



High Quality Products

Compliance with stringent specifications laid down by international bodies and local authorities in each market

Conforming to Indian Standards: IS 7285/IS 15490 and international standards : ISO:11439, ISO: 9809-1, NZS: 5454, ISO: 4705D, EN: 1964, ISO: 11120, ECE R-110



Large Capacity and Wide Product Range

Global scale capacities aggregating to more than 2 million cylinders annually from 1 litre to 3,000 litres capacity

Wide and versatile range – Industrial Gas Cylinders, CNG Cylinders, CNG Cylinder Cascades, Jumbo Cylinders, Jumbo Skids, Composite Cylinders

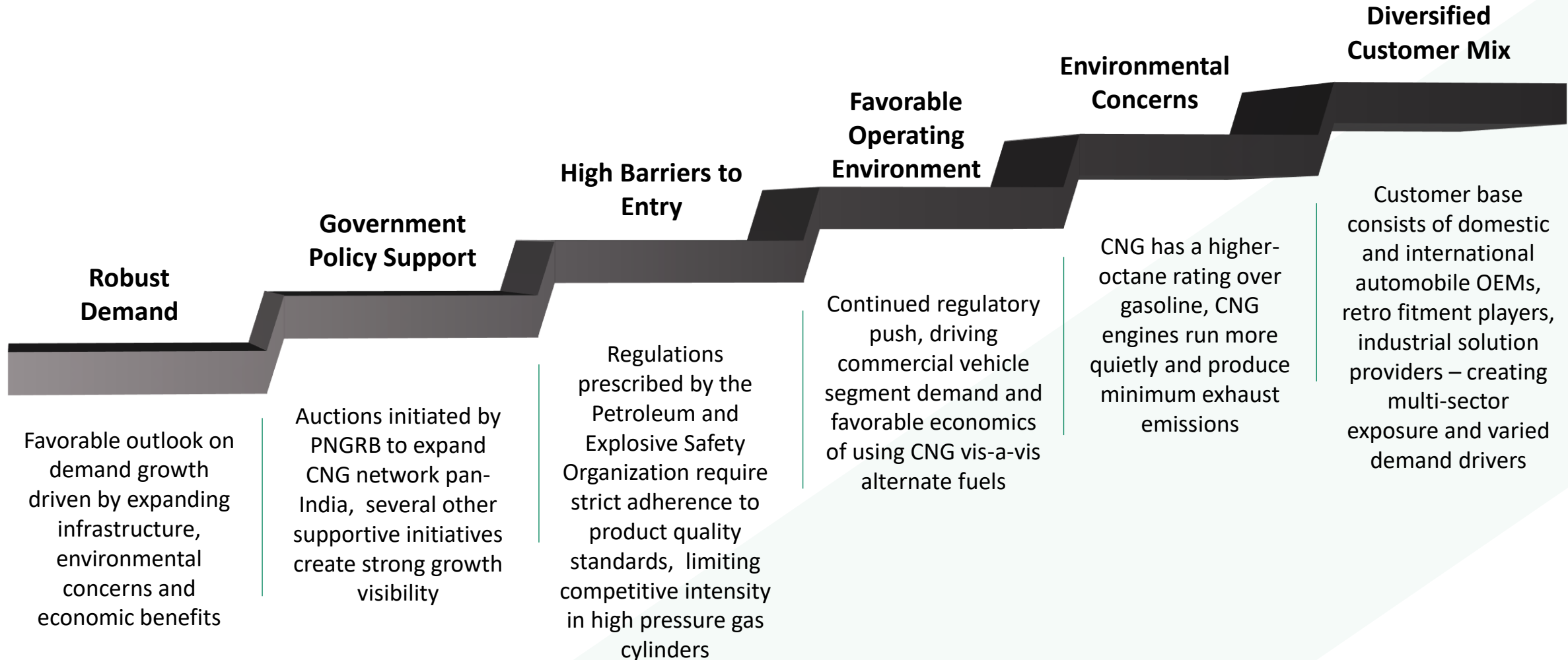


Wide Range of Established Relationships

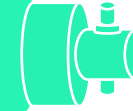
Unique ability and flexibility to meet customer specifications while meeting international standards

Deep trust established across suppliers, gas distributors, OEM's and regulatory authorities

Growth Drivers



International Operations



Dubai

- Deals in CNG cylinders, industrial cylinders, cascades, multiple element gas containers, specialized fire suppression systems and fire detection/alarm systems
- Targets markets include the Middle East, South America, Eastern and Western Europe
- Received approvals enabling supply of cylinders worldwide, including exports to India
- Increasing demand from MNC's expanding presence in the Indian fire-fighting market
- Supplementary production base for Indian operations, enabling reduced inventory cost at group level



USA

- World leader in innovation, producing large, seamless pressure vessels
- Product portfolio includes ground storage and mobile transportation for industrial gases and alternative fuels, on-board cylinders for passenger and commercial vehicles, flasks for the U.S. Government Shipboard Systems, specialty vessels for foreign military, vessels for oil and gas exploration and cylinders for other specialty applications
- Also marketing DOT-approved industrial cylinders sourced from India and Dubai



Europe

- Continuous growth delivered by developing the European market for visibility of products manufactured in India, UAE and USA
- Played crucial role in composite cylinder product development for the US plant by providing in-house expertise
- Key markets accessed are Italy, Germany, France and Hungary



EVEREST KANTO CYLINDER LIMITED
Clean Energy Solution Company

Historical Financials/ Corporate Summary



Key Performance Highlights – FY20

Revenues



8.3%

Rs. 760.5 Cr

EBITDA



4.6%

Rs. 96.0 Cr

PBT*



(24.6%)

Rs. 23.5 Cr

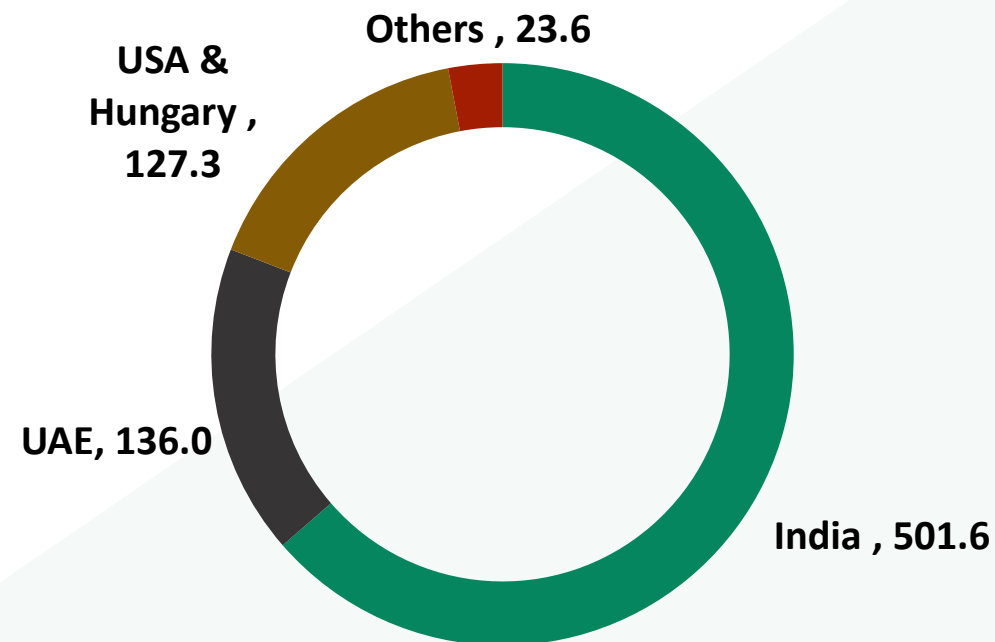
PAT**



(90.8%)

Rs. 6.7 Cr

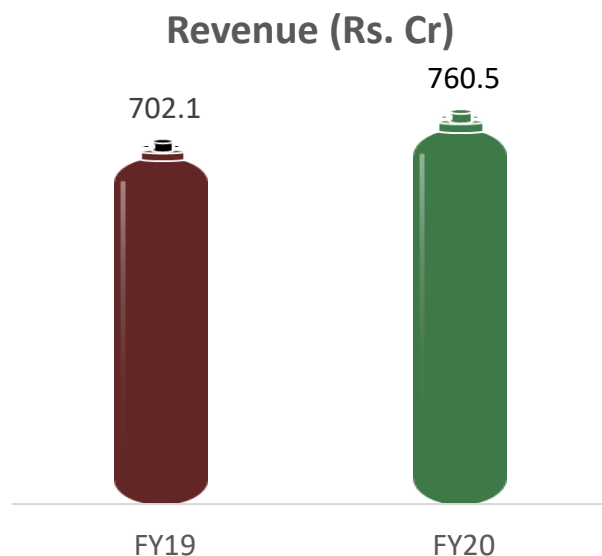
Revenue Break-up (Rs. Cr)



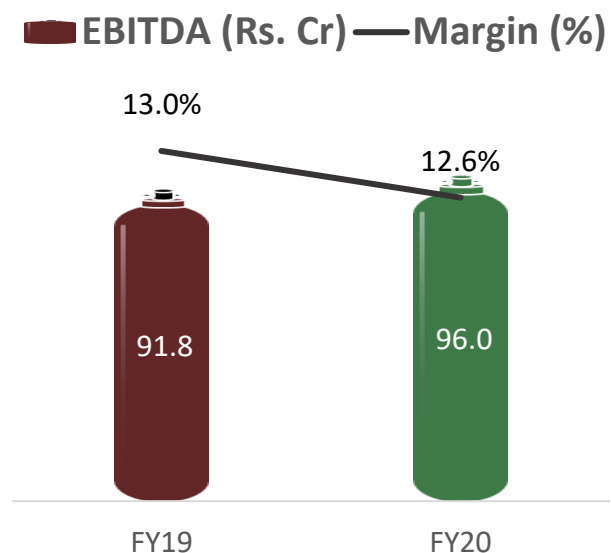
*PBT before exceptional items and tax from continuing operations

** PAT during FY19 included deferred tax credit of Rs. 57.1 crore recognized on brought forward losses, unabsorbed depreciation, MAT credit and other temporary differences

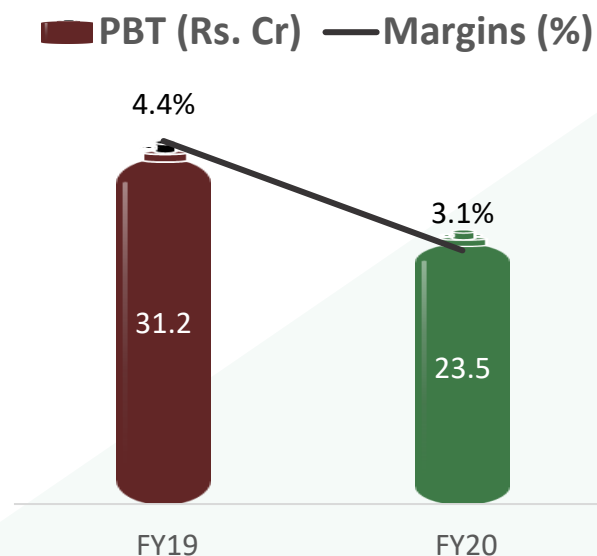
Financial Summary – FY20



Revenue expansion achieved in the backdrop of slow industrial activity and weakness in auto sector demand

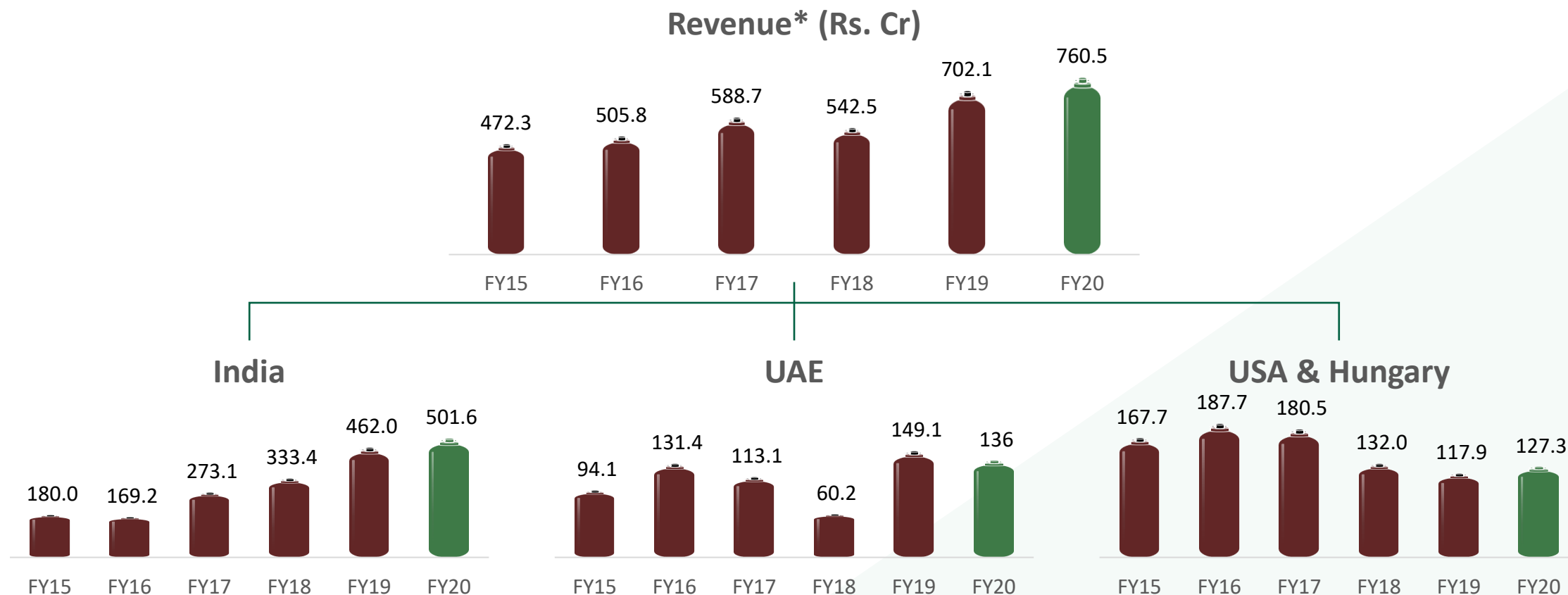


Profit margin has remained in the range despite increase in raw material prices and slower contribution from overseas operations



PBT decline attributed to accelerated depreciation on some fixed assets

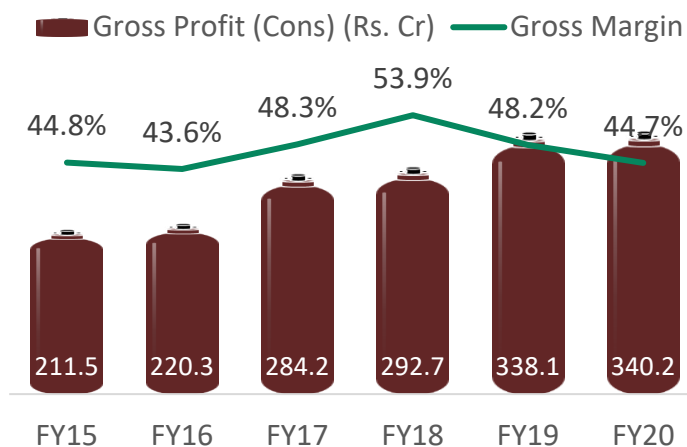
Revenue Growth



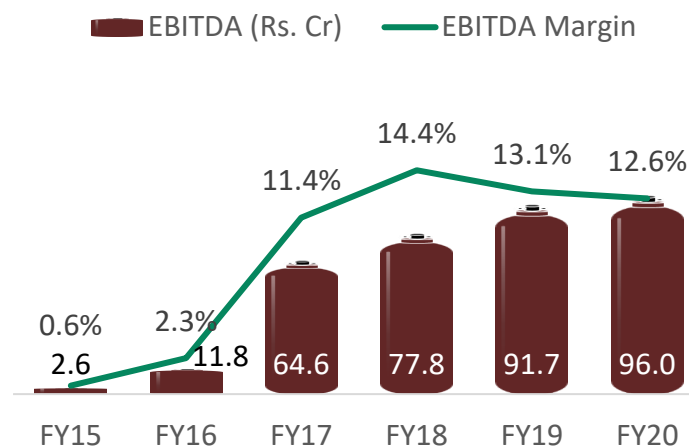
- Strong, secular growth in India driven by expanding demand for CNG in the states of Maharashtra, Gujarat and Delhi as well as increasing industrial usage
- UAE operations have re-focused on developing new markets in Europe/CIS, Middle East, Africa and Latin America
- USA business has faced transitional demand weakness in some of its traditional demand areas in naval and aerospace segments, expected to lead to vendor consolidation based on quality parameters

* Net of inter-segment revenues and excise duties

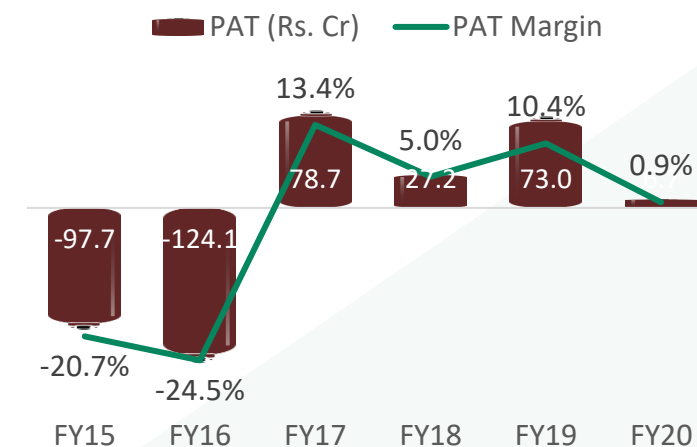
Profit Margin



- Gross contribution has been expanding in Indian operations based on stronger growth in higher margin products
- Contribution margins in overseas operations have remained largely stable as businesses have been positioning for further scale-up

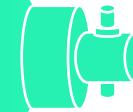


- Operating expenditure has remained stable as growth initiatives have been driven on the back of a stable asset base
- Operating margins in India have steadily expanded with scale; however, current year has been impacted by weak demand in core usage markets
- COGS and direct costs expected to grow in line with revenues, tight control on indirect costs to be maintained - therefore, margins may increase over a period



- Profit After Tax has seen an improving trend, but FY20 has been subdued due to the impact of depreciation and tax provisions – however, strong cash flow generation is indicative of value being created in the business

Abridge Balance Sheet (Consolidated)



Assets (Rs. Cr)*	2017	2018	2019	2020	30 th Sep 20
Fixed Assets	437.3	48.9	347.6	364.9	354.9
Other Non-Current Assets	9.8	17.5	8.5	22.5	26.7
Deferred Tax Assets (net)	0.6	0.4	57.1	52.9	40.6
Current Tax Assets (net)	10.2	6.3	0.2	4.7	0.4
Net Current Assets	496.7	343.4	363.3	346.8	361.8
Assets held for Sale (net)	31.7	122.1	95.4	80.6	81.2
Total	986.3	838.6	872.2	872.3	865.7

Liabilities (Rs. Cr)*	2017	2018	2019	2020	30 th Sep 20
Shareholder Funds	421.9	444.2	517.8	537.7	571.0
Long - Term Debt	324.0	206.1	155.3	111.5	107.6
Other Non Current Financial Liabilities and Provision	20.39	17.54	17.82	40.6	39.3
Short-Term Debt	220.0	170.8	181.2	182.5	147.7
Total	986.3	838.6	872.2	872.3	865.7

- Manufacturing assets have remained stable - growth has been driven by increasing capacity utilization
- Debt reduction enabled by consistent internal accruals
- Proceeds from asset monetization initiatives has further contributed to debt rationalization, creating the platform for pursuing growth opportunities

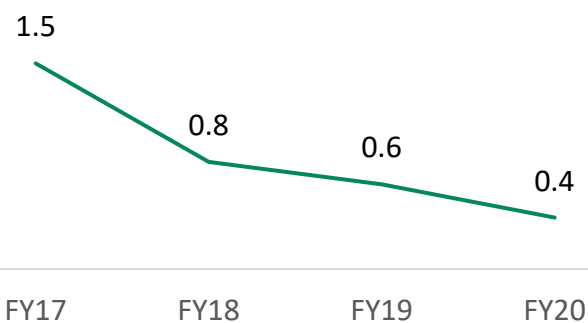
*As on 31st March

Notes : Net Current Assets = Current Assets – (Current Liabilities + Current Provisions + Current Tax Liabilities)

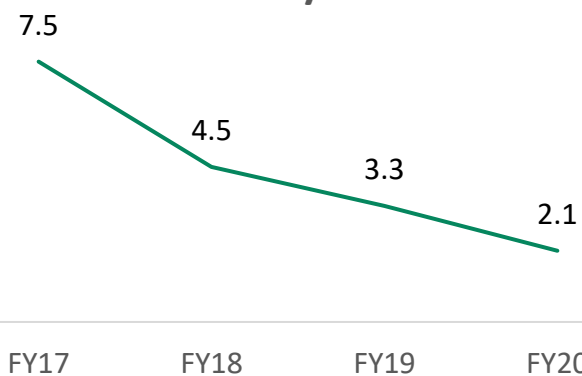
Long Term Debt includes Current Maturities of Long Term Debt

The above Balance Sheet is an extract of financial statements and has been regrouped for presentation

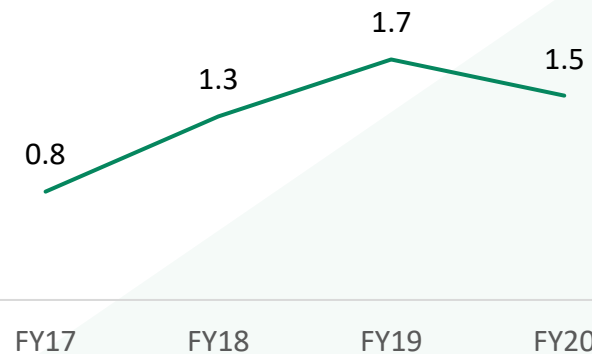
Net Debt/Equity



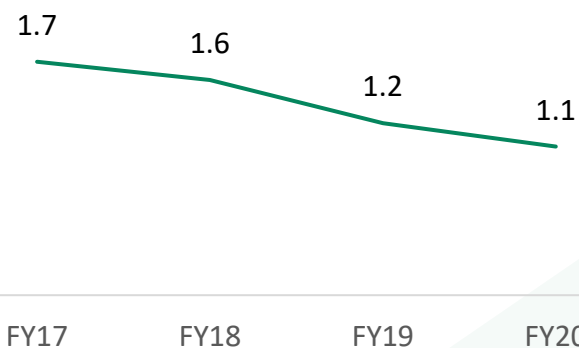
Net Debt/EBITDA



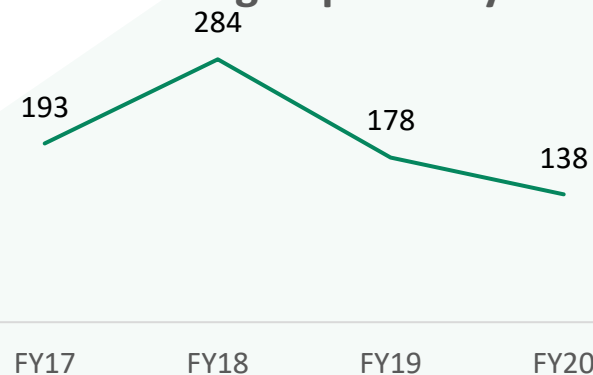
Interest Coverage



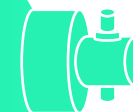
Assets Turnover



Working Capital Days



Corporate Summary



Strong Macro Framework

- Auto manufacturers expanding CNG production based on superior buyer economics
- PNGRB auctions mandate time-bound nationwide expansion of CNG ecosystem
- Medical oxygen demand expected to drive secular growth as India invests in healthcare
- Industrial demand to be driven by expansion of manufacturing in the country

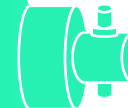
Established player with leadership status

- Four decades of presence, #1 manufacturer with a large number of established relationships
- Multi-location production facilities in India, UAE and USA catering to wide ranging demand
- Well-positioned to leverage existing platform to drive growth and expand market share

Improving Financial Position

- Indian operations have grown at 30% over FY16-20 with expanding margins
- International business is well-established in local markets and exploring new opportunities
- Debt leverage has reduced steadily based on increasing operating cash flows
- Additional capacities can be operationalized by committing marginal capital expenditure

About Us



Everest Kanto Cylinder Limited (EKC) (BSE: 532684, NSE: EKC), established in 1978, is a clean energy solutions company and a leading global manufacturer of seamless steel gas cylinders with over 20 million industrial gas and CNG cylinders currently in service.

EKC operates two manufacturing facilities in India located at Tarapur (Maharashtra) and Kandla SEZ (Gujarat) and two international facilities at Jebel Ali Free Zone in Dubai and Pittsburgh (PA), USA, with aggregate capacity of over 900,000 cylinders annually. EKC's product range of industrial, CNG and jumbo cylinders is used for high pressure storage of gases such as oxygen, hydrogen, nitrogen, argon, helium, air etc and finds applications in a wide variety of industries such as manufacturing, fire equipment/suppression systems, medical establishments, aerospace/ defense and automobiles apart from some specialized usage areas.

Given its strong position in the Indian domestic market and wide acceptance across several key international markets built over the last four decades, EKC is poised to benefit from the increasing usage of gases in industrial production and automobile sectors based on both economic and environmental considerations.

For more information about us, please visit www.everestkanto.com

Contact Us:

Mr. Sanjiv Kapur (CFO)

Everest Kanto Cylinder Limited

Tel: +91 22 4926 8300

Email: sanjiv.kapur@ekc.in

Shiv Muttoo/ Aesha Shah

CDR India

Tel: +91 98335 57572 / + 91 9867250569

Email: shiv@cdr-india.com

aesha@cdr-india.com



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Thank You

