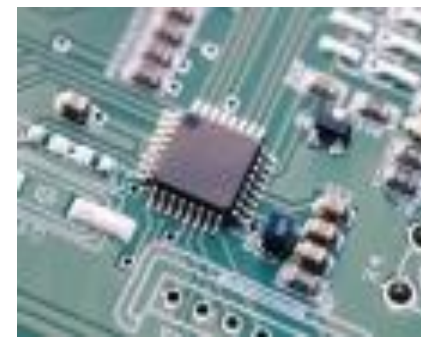


Shivalik Bimetal Controls Limited



**Company Presentation
March 2023**



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Executive Summary



Shunt Resistors



Thermostatic Bimetals



Electrical Contacts

Precision Engineered Manufacturing Solutions

- Leading supplier of critical components for Electric Vehicles, Energy Storage Devices, Switchgear, Electrical Appliances and Smart Meters

Technology Focused Skillset

- Operating in a niche segment with core competence of joining metals by highly complex processes like Diffusion Bonding and Electron Beam Welding

Product Portfolio with Diversified Grades

- Thermostatic Bimetal/Trimetal, Shunt Resistor Snap Action Disc, Coil & Spring etc.
- Proprietary tooling design technology to significantly enhance productivity and profitability

Long Standing Relationship with Marquee Global Customers

- 30+ years of customer relationships focused on offering customized solutions alongside growing customer base

Focus on R&D and Strategic Innovation

- Capabilities across design, development, testing, validation, manufacturing and delivery
- Focus on R&D and continuous improvement in product performance, cost & reliability and quality

Adept Human Capital

- Presence of technocrat promoters with experienced management and highly skilled production team

Precision Engineered Solutions for Diversified End Applications



Only company in the world to provide portfolio of Shunt Resistors, Thermostatic Bimetals and Electrical Contacts under one roof

Shunt Resistors



Thermostatic Bimetals



Electrical Contacts



Product Description

- Shunt Resistors are electrical components that “regulate the flow of electrical current” in an electrical circuit
- It is used to measure and sense the flow of current and create a low resistance path for electric current to pass through it
- Shivalik, one of the preferred supplier globally, produces a wide range of highly dependable Resistors that are used in electronics, electrical and automotive industry

- Thermostatic Bimetals are “critical components used in overload protection devices”
- Thermostatic Bimetals are formed by mechanically diffusing two or more alloys to combine their individual properties
- Shivalik is the largest supplier of Thermostatic Bimetal in India with more than 80 grades and possesses the potential to satisfy global demand

- Electrical contacts are key components which are connecting points when a switch is turned on or off
- The contact materials are typically made of different types of precious metal alloys. These materials are then joined on to copper alloy substrates using various methods
- Shivalik specializes in the production of electrical contacts with its core competency focused on specialized joining processes

End Applications

Electric Vehicle

Energy Storage

Switchgear

**Electrical
Appliances**

Smart Meters

Switchgears

Smart Meters

Power Modules

Medical Devices

Automotive

**Wires &
Accessories**

**Electrical
Appliances**



Corporate Group Structure

Shivalik Bimetal Controls Limited

Leading supplier of critical components like Thermostatic Bimetal/Trimetal, Shunt Resistor Snap Action Disc, Coil & Spring

100%

Shivalik Engineered Products Private Limited (SEPPL)*

Shivalik Engineered Products Private Limited, incorporated in 2006 is a manufacturers of Electrical Contacts

100%

Shivalik Bimetal Engineers Private Limited

Shivalik Bimetal Engineers Private Limited is engaged in the business of providing technical services relating to development, design and fabrication of tools and dies

16%

Innovative Clad Solutions Private Limited

Innovative Clad Solutions is a joint venture incorporated in February 2008 in partnership with Aperam Alloys (ArcelorMittal)

Innovative Clad Solutions is involved in making customized clad strips which is mostly used in construction materials

**Erstwhile Checon Shivalik Contact Solutions Private Limited*

Investment Highlights

Key Investment Highlights

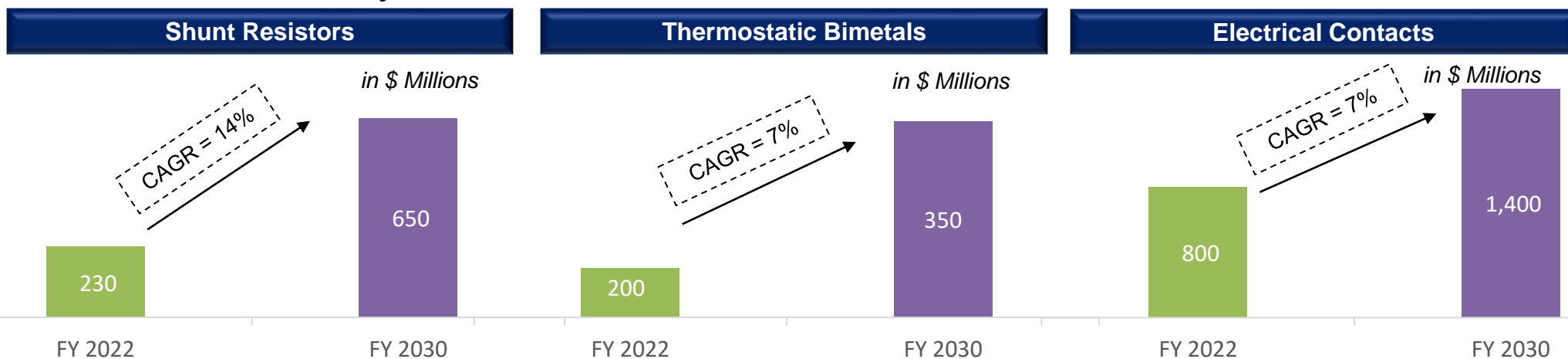


- 1 Global Market with Positive Future Outlook
- 2 Highly Specialised in Manufacturing Precision Engineered Solutions
- 3 Strong Relationship With Marquee Customer Base
- 4 Strong Global Presence - Well Positioned for Future Growth
- 5 Competing with Global Players with Limited Domestic Competition
- 6 State of the Art Manufacturing Facilities
- 7 Proprietary Tooling Design Technology
- 8 Robust Track Record of Financial Performance
- 9 Experienced Technocrat Promoters and Management

Global Market With Positive Future Outlook



Total Global Addressable Market of the company was \$1.23 Bn as of FY 2022 which is expected to grow at a CAGR of ~9% to \$2.4 Bn by FY 2030



Source: Company Estimates

End Industry Market Size					
Electric Vehicle	CAGR - 24.3% (2021-2028)	Switch Gear	CAGR - 6.9% (2021-2031)	Smart Meter	CAGR - 7% (2022-2028)
Energy Storage	CAGR - 30% (2021-2030)	Medical Devices	CAGR - 5.5% (2021-2029)	Electrical Appliances	CAGR - 15% (2022-2030)

Source: Market Reports

Key Growth Drivers For Total Addressable Market In Future				
Growing demand for electric vehicles and charging stations	High demand due to exponential growth in infrastructure sector	Government policies mandating installation of smart meters	Companies looking to diversify their supply chains through 'China+1'	Higher Disposable Income with increase in rural electrification



Technical know how is the moat of the company with expertise in Bimetals and first mover advantage for Shunt Resistors

Shunt Resistors are manufactured through Electron Beam Welding (EBW) Process

EBW is a highly specialized process where a cloud of electrons emitted from a tungsten cathode are accelerated in high vacuum for joining strips

The company can deliver customized Shunt Resistors due to the precision welding process along with down the line finishing capabilities

Thermostatic Bimetals are manufactured through Diffusion Bonding Process

Metals are joined to best take advantage of the “Bimetal Effect” i.e. movement caused by their different coefficients of expansion, as they respond to temperature changes

Post bonding, all finishing process including component manufacturing are done in house

Electrical Contacts are key components which act as connecting points in a switchgear

The contact materials used in such components is typically made of different types of precious metal alloys

These materials are then joined on to copper or copper alloy substrates using various methods such as welding, cold bonding, hot bonding, or riveting

Competing with Global Giants with Limited Domestic Competition

- Shivalik has established a global presence and competes on international level with established giants across the globe primarily from USA and Europe. Shivalik has no significant domestic competition in India
- Shivalik is a dominant player in the niche bimetal segment and is a preferred global vendor to many OEMs since last 30 years
- SBCL's long experience of operating in the area of precision engineering has enabled it to develop shunt resistors that are qualitatively better than those of its competitors and across a more diverse product range



Key Customers

- Over the last 35 years Shivalik has built a strong reputation for itself in the bimetal/trimetal and shunt resistor industry
- Due to its long track record of operations and deep experience in critical technologies like electron beam welding and diffusion bonding, Shivalik has a strong and credible client base comprising all key international and domestic players
- Shivalik typically works with its customers from a design to development stage
- Customer approval across end industries is a lengthy process (3-5 years) and this acts as a natural barrier to entry for competitors

Key Drivers for Repeat Business

Timely delivery of customized products with consistent quality

Regular interactions with client for their feedback

Ability to drive innovation in the existing product segment

Presence of unique technical knowhow

Extensive Accreditation Process (Build to Specify Model)

Conceptualize



Design



Prototype



Pilot & Sampling



Mass Production



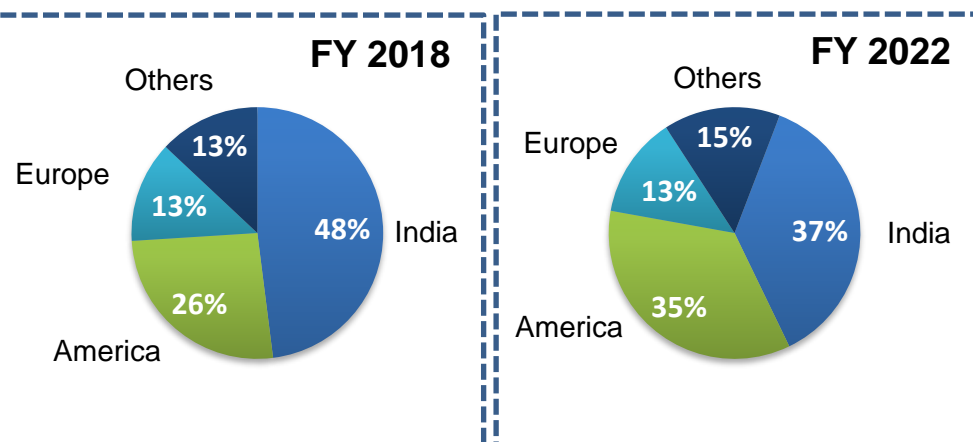
Global Presence with exports to over 30+ countries



Sales Offices

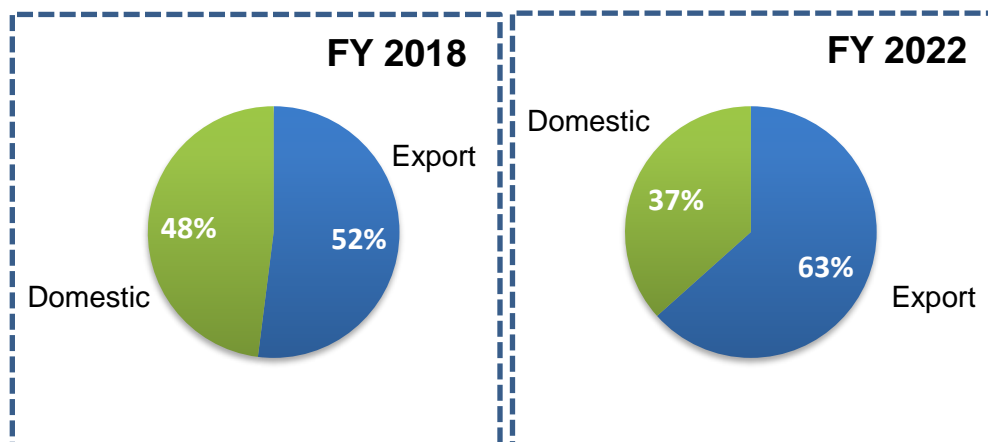


Geographical Revenue Mix



Growing presence in high end US market

Domestic and Export Sales Mix



Extending global scale with increase in Exports

Modern Manufacturing Facilities with unique capabilities

- World's Largest Capacity and Production of Strip Electron Beam Welding
- Inhouse stamping shop
- Inhouse R&D and Innovation
- Inhouse Reliability Testing
- Inhouse Tooling and Design

Location

Product Type

Revenue Capacity Post Expansion



Plant 1

Solan, Himachal Pradesh

EB welded Shunt Resistor Strip

INR 700 Crs



Plant 2

Solan, Himachal Pradesh

Thermostatic Bimetal Strips

INR 600 Crs



Plant 3

Solan, Himachal Pradesh

Electrical Contacts

INR 300 Crs

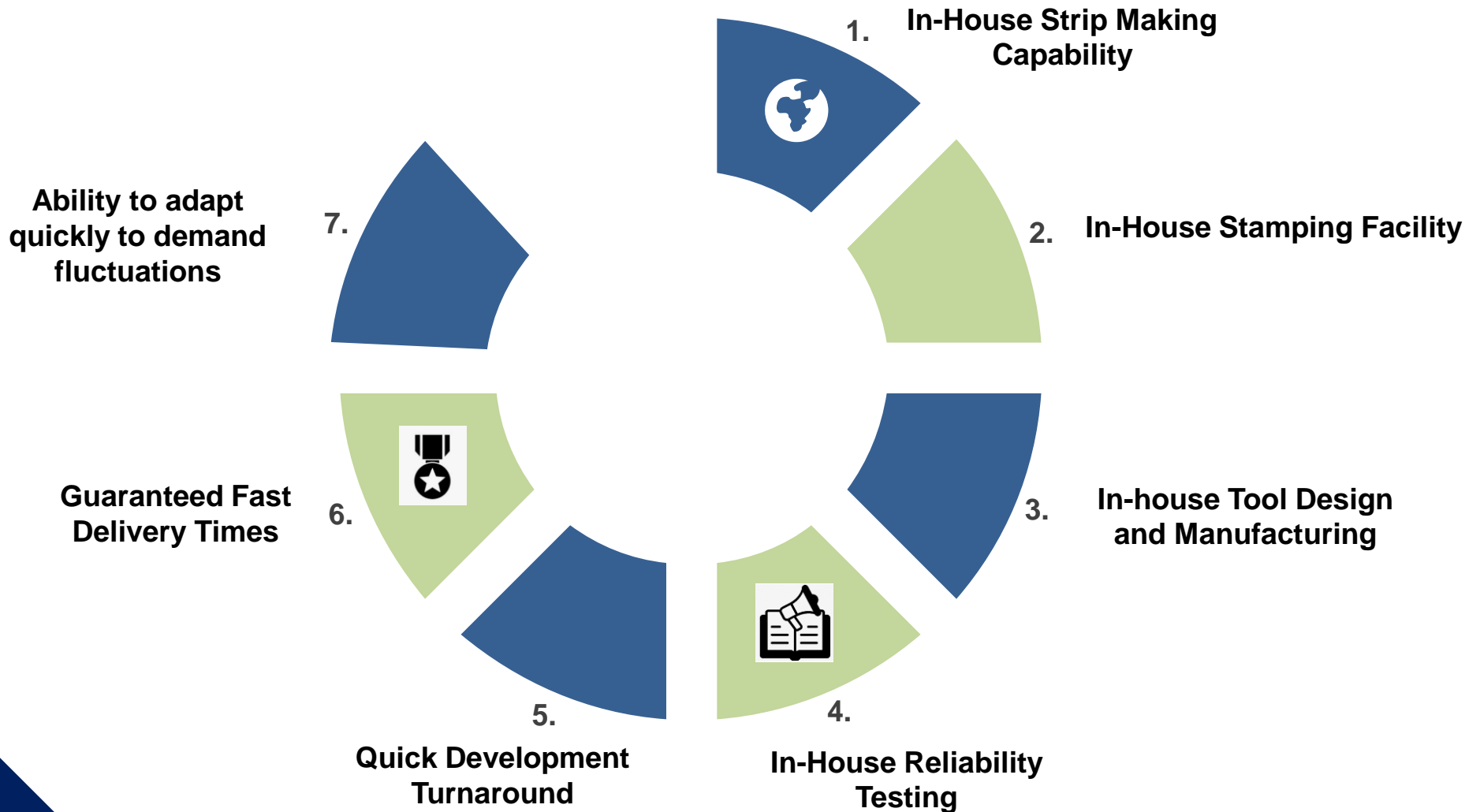


Once Planned Expansion is completed

- INR 75 crores of capex already spent over FY 2021 to FY 2023
- INR 20 to 30 crores to be spent for optimization and to improve productivity over FY 2024 to FY 2026
- Sales Potential of INR 1,600 Crores - Post planned expansion is completed



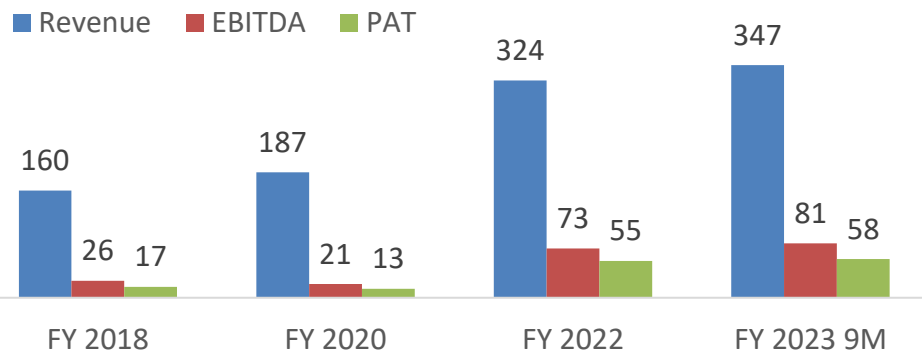
Having an In-House Tooling Division provides an advantage of relatively short lead times for new tools and spares and allows for continuous optimization, enhanced productivity, efficiency and higher scalability



Robust Track Record of Financial Performance

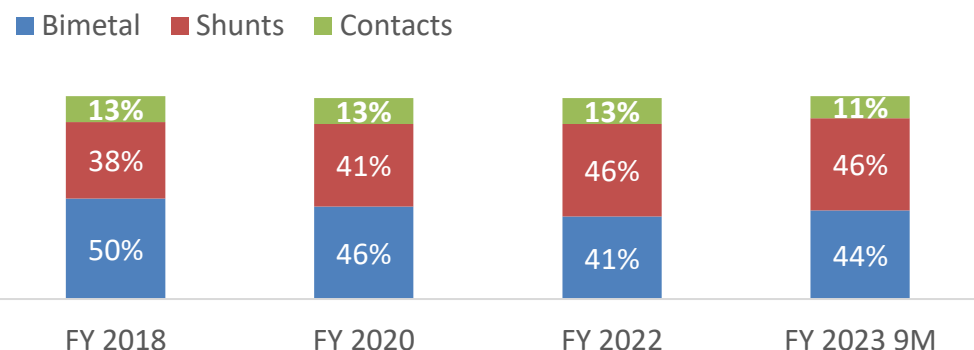


Historical Revenue (In INR Crores)



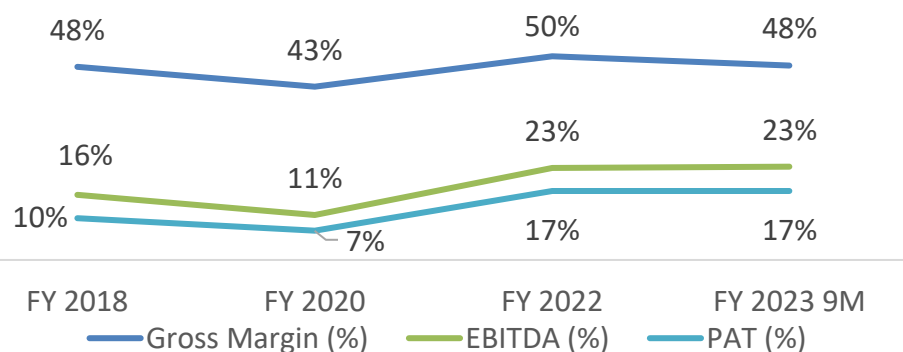
- Sales grew at CAGR of 19% (FY18-FY22) driven by continuous increase in market share;
- EBITDA grew at a CAGR of 30% (FY18-FY22)

Product Wise Revenue Mix



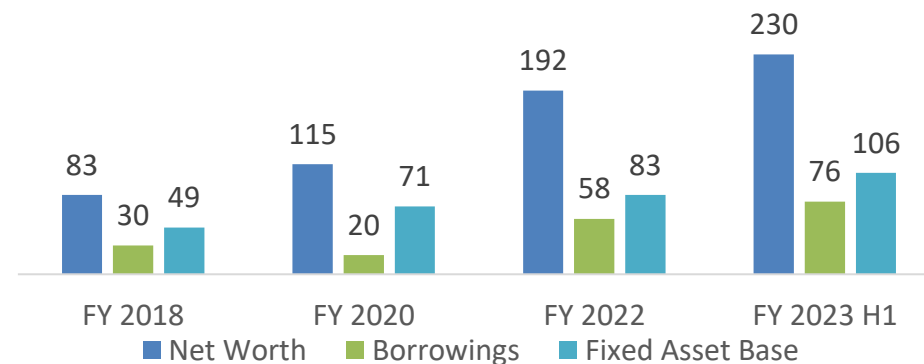
- Shivalik witnessed a significant growth in the Resistor Shunts with a stable growth in the Electrical Contacts

Profit and Loss Performance (In INR Crores)



- Consistent and sustainable profitability metrics, demonstrated over past few years

Balance Sheet Performance (In INR Crores)



- Shivalik has a strong net worth with balanced borrowings



First Generation Entrepreneurs

Mr. S. S Sandhu

Chairman and Whole Time Director

- 50 years of experience in the field of Banking, Finance, Legal and Corporate Financial Management
- Bachelor of Arts

Mr. N.S Ghumman

Managing Director

- 49 years of experience in the field of engineering, R&D, manufacturing operations and Product Development
- BTech in Mechanical Engineering (Hons)

Second Generation Entrepreneurs

Mr. Kabir Ghumman

Head of Manufacturing & Engineering

- 14 years of experience
- B Tech, Mechanical Engineering

Mr. Kanav Anand

Head of Sales and Marketing

- 20 years of experience in the industry
- BSc (Hons) in Business Management

Mr. Sumer Ghumman

Managing Director of SEPPL

- 14 years of experience
- Graduate in Accounting and Finance

Mr. Rajeev Ranjan

Chief Financial Officer

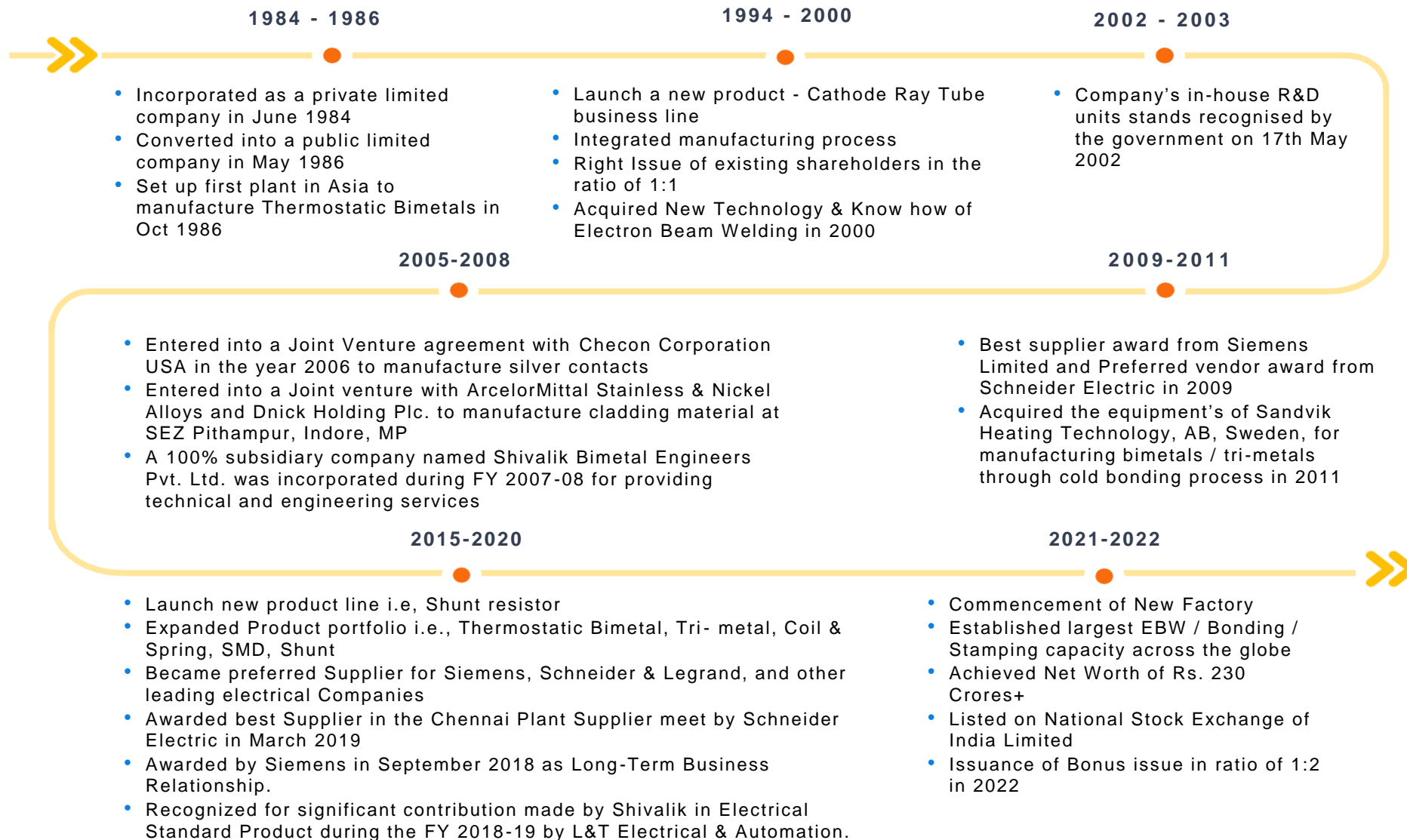
- 12 years of experience
- Chartered Professional, Executive Study in Finance and Financial Management Services

Composition of Committees of Board of Directors

Member	Designation	Audit	Nomination & Remuneration	Stakeholder Relationship	CSR
Mr. S. S Sandhu	Chairman And Whole Time Director	✓ Member	-	✓ Member	✓ Chairman
Mr. N.S Ghumman	Managing Director	-	-	✓ Member	✓ Member
Mr. G.S. Gill	Non-Executive Director	-	-	-	-
Mrs. Harpreet Kaur	Non-Executive Director	-	-	✓ Member	-
Mr. N.J.S. Gill	Independent Director	✓ Chairman	✓ Chairperson	-	-
Lt. Gen. Pradeep Khanna (Retd.)	Independent Director	✓ Member	✓ Member	-	✓ Member
Ms. Anu Ahluwalia	Independent Director	✓ Member	✓ Member	✓ Chairperson	-
Mr. Swarnjit Singh	Independent Director	-	-	-	-

Company Overview

From a small-scale manufacturer to a large-scale diversified product reengineering player with global presence



Shivalik is exposed to various risks in daily conduct of its business. However, it has policies in place to ensure the company is insulated from any risk affecting its operations

Commodity Risk

- The prices of raw materials procured by Shivalik are index linked thereby reducing the risk of price volatility
- The company has diverse set of suppliers thereby reducing the risk of shortage of raw materials
- Shivalik is able to transfer fluctuations in cost as it enters into back-to-back contract with its customers

Credit Risk

- Shivalik customers include global marquee names with high credit ratings
- The company does not offer credit to new customers
- For other export customers with long standing relationship, Shivalik offers a credit period of 30 days post receiving ECGC cover



Currency Risk

- Shivalik has been maintaining its gross margins at ~50% consistently
- Further, the Company imports ~80% of its raw materials as against ~63% of finished goods are exported, thereby making it a net exporter.
- Shivalik also enters into forwards and options contract for mitigating the risk to an extent.
- The hedging policy has been approved by Board

Liquidity Risk

- Shivalik has working capital facility of INR 115 Crores with an average utilization of less than 50%
- Company has a healthy ratio of more than 50% of conversion of EBITDA to Cash
- Further, the company does not have substantial term loans



Preferred Supplier for
Siemens, Schneider and
Legrand



Best Vendor in the
category of
competitiveness by
Schneider



**Awarded Supplier Quality
Award** by **L&T Electrical
& Automation**



Awarded for significant
contribution made towards
**Electrical Standard
Product** by **L&T**



Awarded Best supplier in
Chennai Plant Supplier
Meet by **Schneider
Electric**



Awarded by Siemens for
long-term standing
relationship



**Emerging India Award
2008** in the category of
Auto Ancillaries &
Engineering



Registered with **DUNS &
Bradstreet**



Financial Overview

Consolidated Profit and Loss Statement



Figures given below
are in INR Crores

*Consolidated nos for FY 2023 9M includes Shivalik Engineered Products Pvt. Ltd. post 100% acquisition in FY 2023.

Particulars	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023 9M*
Revenue From Operations	160	193	187	204	324	347
Cost of Materials Consumed	90	109	98	113	172	204
Changes in Inventories	(8)	(13)	9	(12)	(11)	(24)
Excise Duty	2	0	0	0	0	0
Gross Profit	76	98	80	102	163	167
Gross Margin	48%	50%	43%	50%	50%	48%
Employee Benefits Expense	14	17	20	22	27	29
Manufacturing and Other Expenses	36	45	39	44	62	56
EBITDA	26	36	21	36	73	81
EBITDA Margin	16%	18%	11%	18%	23%	23%
Other Income	4	5	4	4	5	10
Finance Cost	3	4	3	2	3	5
Depreciation	5	5	6	6	6	8
Profit before exceptional	22	32	16	33	70	78
Exceptional items	-	-	(0)	-	-	0
Share of profit and loss of associate	1	2	1	2	4	1
Profit Before Tax	23	34	17	34	73	78
Tax Expense	(6)	(10)	(4)	(9)	(18)	(21)
Profit After Tax	17	25	13	25	55	58
PAT Margin	10%	13%	7%	13%	17%	17%

Consolidated Balance Sheet



Figures given below
are in INR Crores

*Consolidated nos for FY 2023 H1 includes Shivalik Engineered Products Pvt. Ltd. post 100% acquisition in FY 2023.

Particulars	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023 H1*
Assets						
Tangible Fixed Assets	49	50	71	67	83	106
Intangible Assets	1	1	1	1	1	6
Non-Current Financial Assets	8	11	13	15	18	11
Other Non-Current Assets	1	0	1	2	6	4
Total Non-Current Assets	59	63	75	86	108	127
Inventories	41	69	51	70	114	126
Trade Receivables	34	35	31	43	59	91
Cash and Cash Equivalent	0	0	0	16	11	19
Other Financial Assets	1	0	0	0	0	0
Other Current Assets	10	7	5	6	16	8
Total Current Assets	86	112	87	135	200	244
Assets Classified as Held for Sale (C)	2	2	0	0	0	0
Total Assets	147	176	163	221	308	370
Equity & Liabilities						
Equity Share Capital	8	8	8	8	8	8
Other Equity	75	97	108	132	184	223
Net Worth	83	105	115	140	192	230
Long Term Borrowings	7	7	10	8	15	26
Other Non-Current Liabilities	6	7	6	6	6	6
Total Non-Current Liabilities	13	14	16	14	21	32
Short Term Borrowings	23	33	10	14	42	50
Trade Payables	17	15	12	35	42	39
Other Current Liabilities	11	10	10	19	11	19
Total Current Liabilities	51	58	32	68	95	108
Total Equity and Liabilities	147	176	163	221	308	370

Consolidated Cash Flow



Figures given below are in INR Crores

Particulars	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Cash flow from Operating Activities					
Net Profit Before Tax	23	34	17	34	73
<i>Adjustments:</i>					
Depreciation and Amortization	5	5	6	6	6
Share of Profit and Loss in JV	(1)	(2)	(1)	(2)	(4)
Interest Expense	3	4	3	2	2
Operating Profit Before WC Changes	30	40	26	40	78
<i>Working Capital Adjustments</i>					
Trade Receivables	(7)	(1)	4	(12)	(16)
Inventories	(15)	(29)	19	(20)	(45)
Trade Payables	9	(3)	(3)	23	7
Other Assets	(6)	4	2	(0)	(9)
Other Liabilities	(1)	1	(0)	6	(1)
Cash generated from operations	10	13	47	37	14
Income Tax Paid	(5)	(9)	(6)	(8)	(17)
Net Cash generated from operations	6	4	41	30	(3)
Cash Flow from Investing Activities					
Capex investment	(8)	(6)	(14)	(13)	(22)
Capital Advances	-	-	-	(2)	(2)
Investments in JV	-	(1)	-	-	-
Net Cash generated from investing	(7)	(7)	(14)	(15)	(24)
Cash Flow from Financing Activities					
Long Term Borrowings	4	(1)	3	(1)	9
Short Term Borrowings	3	11	(23)	4	19
Interest Paid	(3)	(4)	(4)	(3)	(2)
Dividend Paid	(2)	(3)	(2)	(1)	(3)
Net Cash from Financing Activities	1	3	(27)	0	23
Net Increase in Cash and Cash Equivalent	0	0	0	15	(5)
Opening Balance	1	0	0	0	16
Closing Balance	0	0	0	16	11

Key Margins and Ratios



Particulars	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Profit and Loss:					
Revenue Growth (Yoy)	27%	21%	(3%)	9%	59%
Gross Margin	48%	50%	43%	50%	50%
EBITDA Margin	16%	18%	11%	18%	23%
Balance Sheet Ratios:					
ROE	22%	26%	12%	20%	33%
ROCE	24%	29%	12%	21%	37%
Debt/Equity	0.4x	0.4x	0.2x	0.2	0.3x
Debt EBITDA	1.2x	1.1x	1.0x	0.8x	0.8x
Interest Coverage Ratio	7.7x	9.9x	7.1x	22.2x	26.6x
Working Capital Cycle (Days)	130	168	136	139	149

THANK YOU



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