Permanent Magnets Ltd.

Trust Reliability Quality

INVESTOR PRESENTATION

FY22

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Journey and Transformation

1960 2005

Growth in magnets business for energy meters and automotive applications

2005 2015

- Change in the energy meters technology led to a downturn in the magnets business
- Recession & global financial crisis of 2007-09 also had a serious impact on the Company's business

SUCCESSFUL BUSINESS TURNAROUND RESULTING FROM A SHIFT IN STRATEGY FROM PRODUCT-FOCUSED TO CAPABILITIES-FOCUSED COMPANY. THUS SUBSTANTIALLY EXPANDING THE SCOPE OF PML'S PRODUCT PORTFOLIO.

2015 2022

- Magnets business stabilised
- Categories such as Hi-perm were scaled up
- Revenue mix shifted from Magnets to Shunts & Hi-perm

KEY MILESTONES

2000
Commenced magnetic assemblies export

2005
Hi-perm Division started: **Soft magnetic parts**

2007
Shunts division started: **Copper Magnesium Shunt Assemblies**

2016
ZAMAK die-casting process started

2017
CT-Division start: **Nano Crystalline and Amorphous Components**

2018
Plastic Moulding Process started

COMPANY OVERVIEW

PML at a glance

PML is a solution provider of electrical components and assemblies based on certain core technologies such as current & speed sensing, magnetic shielding, and magnetic assemblies. These components and assemblies find applications in automobiles, energy & gas meters, and many other industries.

60+

YEARS OF EXPERTISE INTO MAGNETS, MAGNETIC ASSEMBLIES, AND SHUNTS

460+

COMMITTED MEMBERS INCLUDING **50+ ENGINEERS**

3

MANUFACTURING FACILITIES

~350

ACTIVELY MANUFACTURED SKU'S

Market Trends

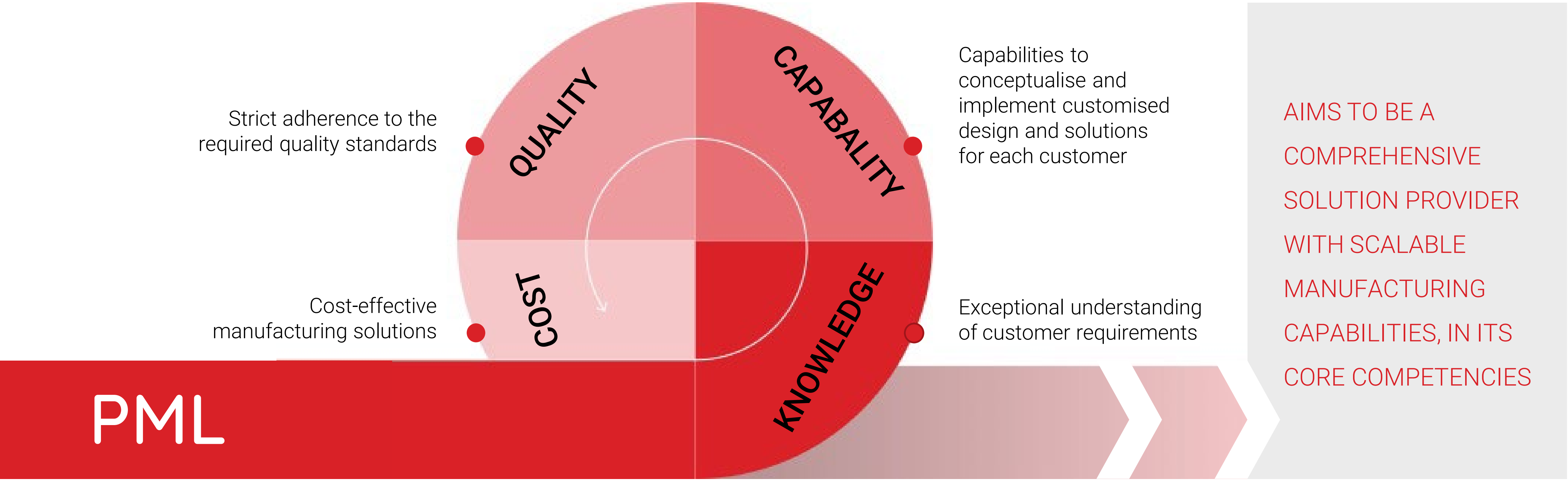
AT THE CENTER OF EMERGING TECHNOLOGICAL CHANGES SUCH AS **ELECTRIC VEHICLES, SMART METERS, SMART GRIDS**

5

EXPERTISE IN 5 CORE TECHNOLOGIES & PRODUCT PLATFORMS WITH N-NUMBER OF PRODUCT POSSIBILITIES

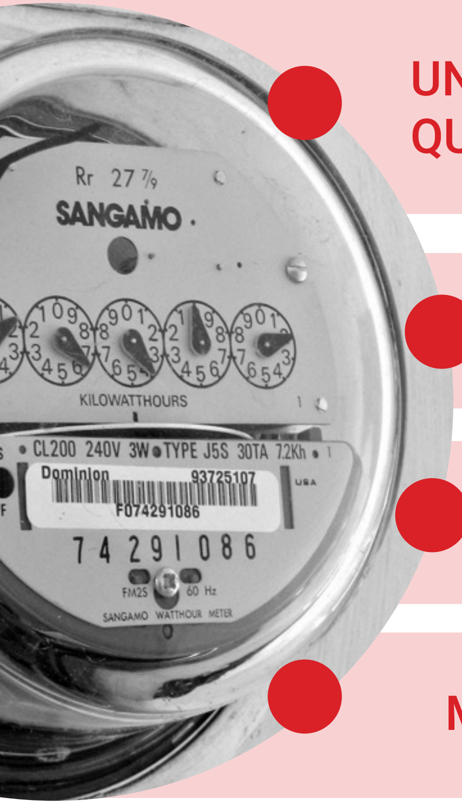
PML's value proposition

PML is a solution provider with expertise in design, prototype, and production of components and assemblies related to Automotive, Metering and other sectors



Robust Capabilities

PML has exceptional expertise in the fields of metallurgy, mechanical engineering, electrical engineering, and electronics, enabling it to offer comprehensive solutions to its clients



UNDERSTANDING OF QUALITY & CLIENT REQUIREMENTS

- Experts in metallurgy, mechanical, electrical and electronics
- AEC-Q200 lab for qualifications & type tests
- Measurement equipment's such as Koerzimat, BH Loop Plotter

METALS & METALLURGY

- Melting & casting
- Heat treatment
- Copper winding

DESIGNING & SIMULATION

- Designing components & modules
- System optimization & simulation
- Customer-specific prototyping

MANUFACTURING TECHNOLOGIES

- Assembly processes
- Finishing processes
- Hot chamber die-casting
- Plastic moulding

Product Platforms

Focus on building technologies and capabilities over specific products

Ability to design & deliver n-number of customer-specific solutions within its core technologies

MAGNETIC SENSING

Technologies focused on:

- Speed sensing
- Torque sensing
- Angular sensing

Application Industries

Automobile

CURRENT SENSING

Technologies focused on:

- Shunt current sensors
- Hall effect sensors
- CT sensors

Application Industries

Automobile, Energy Meter, Renewable Energy, Aerospace & Defence

MAGNETIC ASSEMBLIES

Magnetic assemblies focused on performing functions such as:

- Holding
- Lifting
- Separation

Application Industries

Food & Beverage, Steel Mills, Scrap Yards, Robotics

ALLOYS

Metallurgical expertise

- Alloys: Nickel-Iron, Cobalt, Manganese, Nickel-based alloys
- Other casting based technologies

ZAMAK DIE CASTING

A die-casting technology using ZAMAK (Zinc-Aluminium-Manganese-Copper) alloys, especially suitable for volume manufacturing of small parts. Key advantages include:

- Faster production rates
- Versatility, easy-machining & finishing
- Complex and articulated shapes

Application Industries

Automobile, Energy Meter

Key Products

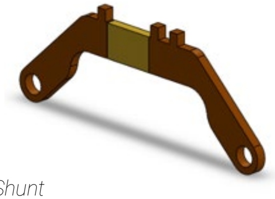
01 MAGNETIC SENSING

Shielding C Shape

Shielding-MuMETAL Zero Gauss Chambers

02 CURRENT SENSING

Module



Shunt

03 MAGNETIC ASSEMBLIES

Magnetic Lifter

Iron Filing Removal Machine

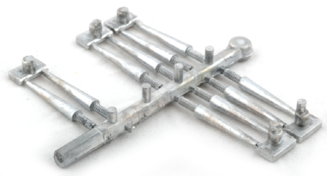
04 ALLOYS

Alloy Ingot

Ingot

05 ZAMAK DIE CASTING

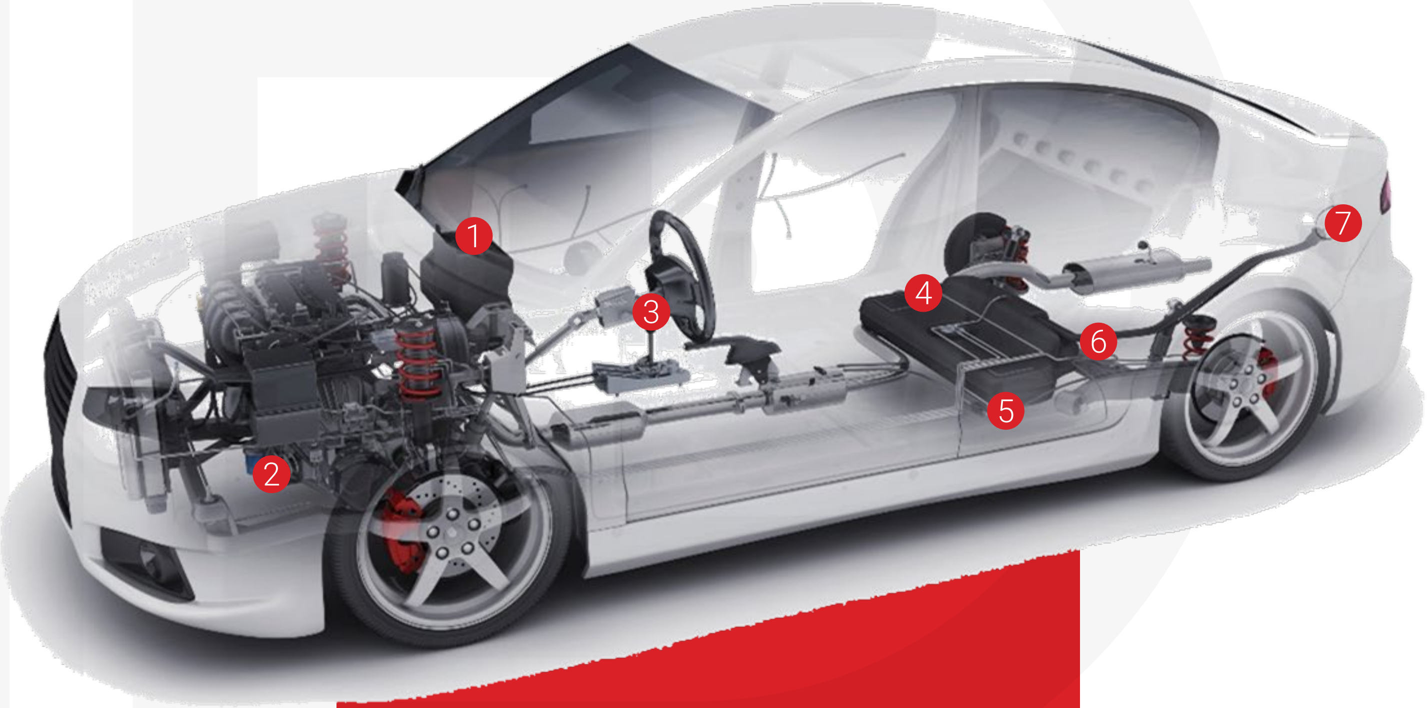
ZAMAK Valve



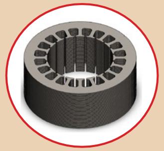
ZAMAK Insert

Critical Product Applications

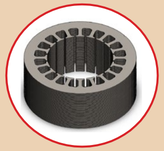
AUTOMOBILE



Speed Sensor

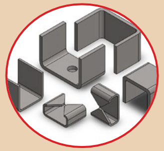

1 *Laminations*


1 *Permanent Magnets*


2 *Rotor Laminations*


3 *EPS*

Battery Current Sensor

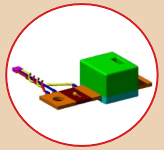

4 *Shields*

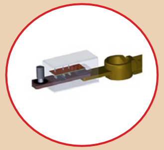

4 *Shunt*


4 *Flux Concentrator*

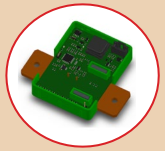
Battery Monitoring Sensor


5 *Clamp On*


5 *HSM 800*


5 *Smart Battery Clamp*


6 *Toroidal Cut Core*

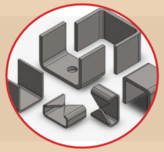

7 *BMS*

Critical Product Applications

ELECTRICITY METER

1 CT

2 Shunt



3 Shields

4 Flux Concentrator

5 Brass terminal

6 C Core

7 GFCI

8 Diaphragm Assembly

GAS METER

Established Clientele

Automobiles & Electricity Meters are PML's key application industries

>> AUTOMOBILE

~50% of Tier-I

PML is a preferred supplier of electrical components and assemblies to 50% of the tier-1 auto companies globally

In both traditional ICE vehicles and emerging technologies like EV

>> ELECTRICITY METERS

Top 3

PML is a supplier to the top 3 electricity meter companies globally

The Company holds a strong position in electricity meters segment with long-standing client relationships

PML is the only supplier for many products and amongst the **top 2 or 3 suppliers** for most of the other products

Seasoned Management Team

PML's management team is well-balanced, comprising seasoned business executives and a young, dynamic team of around 15 second-level managers, in the average age group of 35 years

MR. SHARAD TAPARIA
Managing Director

Overall strategy and management of the Company

- 25 year of work experience
- 23 years with PML

MR. SHAILESH SULE
President

Hi-perm Division, Nickel Cobalt Alloys

- 40 year of work experience
- 35 years with PML

MR. PRABHAKAR KAMATH
President

Shunt Division, Copper and Brass Parts, Magnets and Magnetic Assembly, CT Division, Gas Meter Parts

- 34 year of work experience
- 18 years with PML

MR. SUKHMAL JAIN
Senior Vice President, CFO

Heads Finance Department

- 40 year of work experience
- 33 years with PML

MR. GIRISH MAHAJAN
Vice President

New Products, Software, Systems, Metallurgy

- 30 year of work experience
- 28 years with PML

Responsibilities *Career*

Strong Corporate Governance

Board is headed by a Non-Executive Chairman and has a balanced composition of Independent, Executive and Non-Executive Directors

MR. RAJEEV MUNDRA
Chairman, Independent and Non Executive Director

Over 25 years of experience in functions such as management, finance, accounting and Taxation. His qualifications include B.Com, CA, Grad CWA, CISA (USA), DIFA (ICA).

MR. SHARAD TAPARIA
Managing Director

Over 25 years of experience in magnet manufacturing industry. His qualifications include BE and MBA in Finance.

MR. KAMAL BINANI
Independent Non Executive Director

Over 39 years of experience in functions such as finance, accounting and taxation. His qualification include B.Com and CA.

MR. MUKUL TAPARIA
Non Executive Director

Over 24 years of experience in functions such as international marketing and finance. His qualification include Bachelors in Computer Science from University of Texas, Austin and Diploma in Business Engineering from Warwick University, UK.

MS. SUNAINA TAPARIA
Non Executive Director

Her qualifications include Bachelors in Fine Arts.

MR. GIRISH DESAI
Non Executive Director

Over 49 years of experience in functions such as management, finance, taxation, corporate and security laws, HR and industrial relations. His qualifications include M.Com, Grad-CWA, ACA, PGDSM, PGDSL.

Key Technical Partnerships

PML has, on multiple occasions, established significant technical & commercial alliances in order to keep abreast with the most recent technological developments, and explore uncharted markets

LEGACY COLLABORATIONS

Centro Magneti Permanenti
Italy | 1973
Technical collaboration for commencing production of Permanent Magnets

Dowa Mining
Japan | 1983
Technology upgradation

Sumitomo
Japan | 1983
Upgrading of its cast magnet plant and modernisation of ferrite plant

RECENT PARTNERSHIPS

magLab AG,
Switzerland | 2012

Technical collaboration to develop and market products and solutions.

Combined expertise in simulations, product-testing, magnetic designs, and sensors

Quality Control Systems

- PML adheres to the quality standards of the industry
- The production facilities and QMS are certified by IATF, AS, EMS and OSHAS
- PML is regularly audited by customers
- PML has renowned measurement equipment such as Koerzimat, BH Loop Plotter for magnetic performance
- PML has developed in-house application specific testing facility
- The AEC-Q200 lab is equipped for various qualification and type tests

SCOPE OF CERTIFICATIONS

01

Design, manufacture and supply of Magnetic Systems

02

General requirements for the competence of testing and calibration laboratories

03

Manufacture of Soft Magnetic Alloy components

KEY CERTIFICATIONS

ISO 14001:2015

ISO 17025:2017

AS9100D:2016

ISO 9001:2015

OHSMS 45001:2018

IATF 16949:2016

Business Overview

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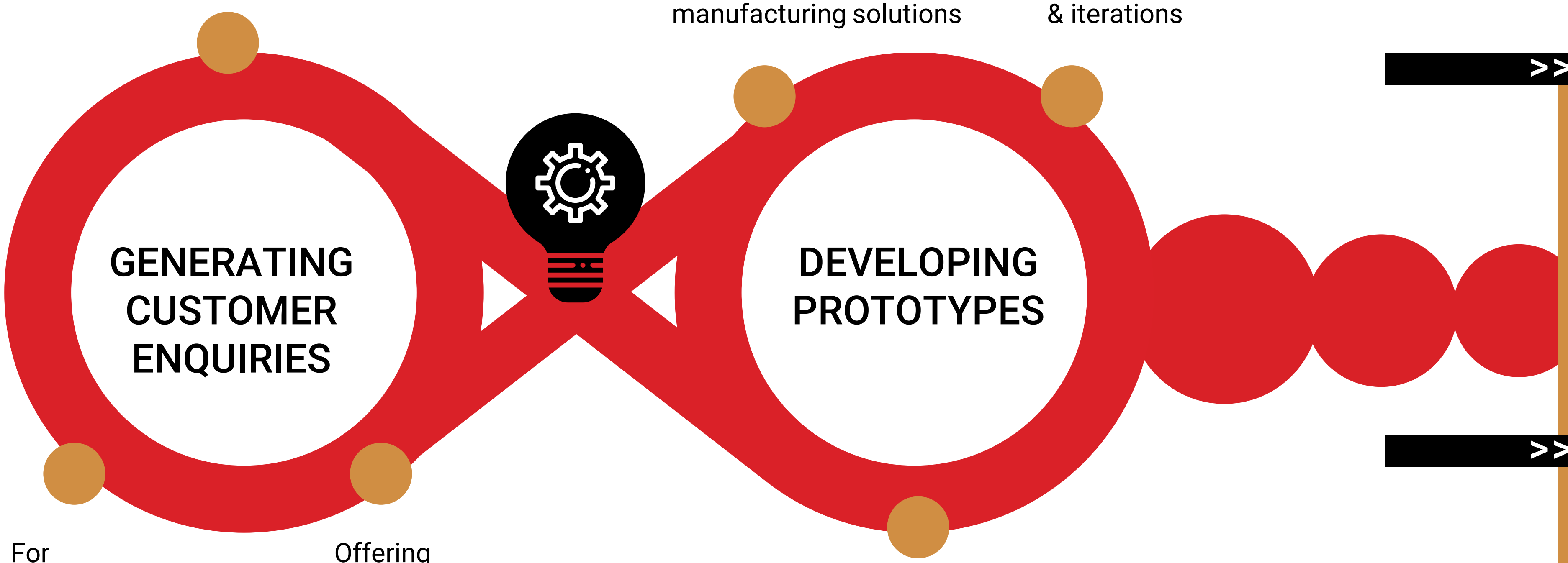
New Product Development

For customer designed products

Developing cost-effective manufacturing solutions

Incorporating customer feedback & iterations



For co-designed products

Offering cost-effective manufacturing solutions to customers

3D modeling, simulating and prototyping sample products

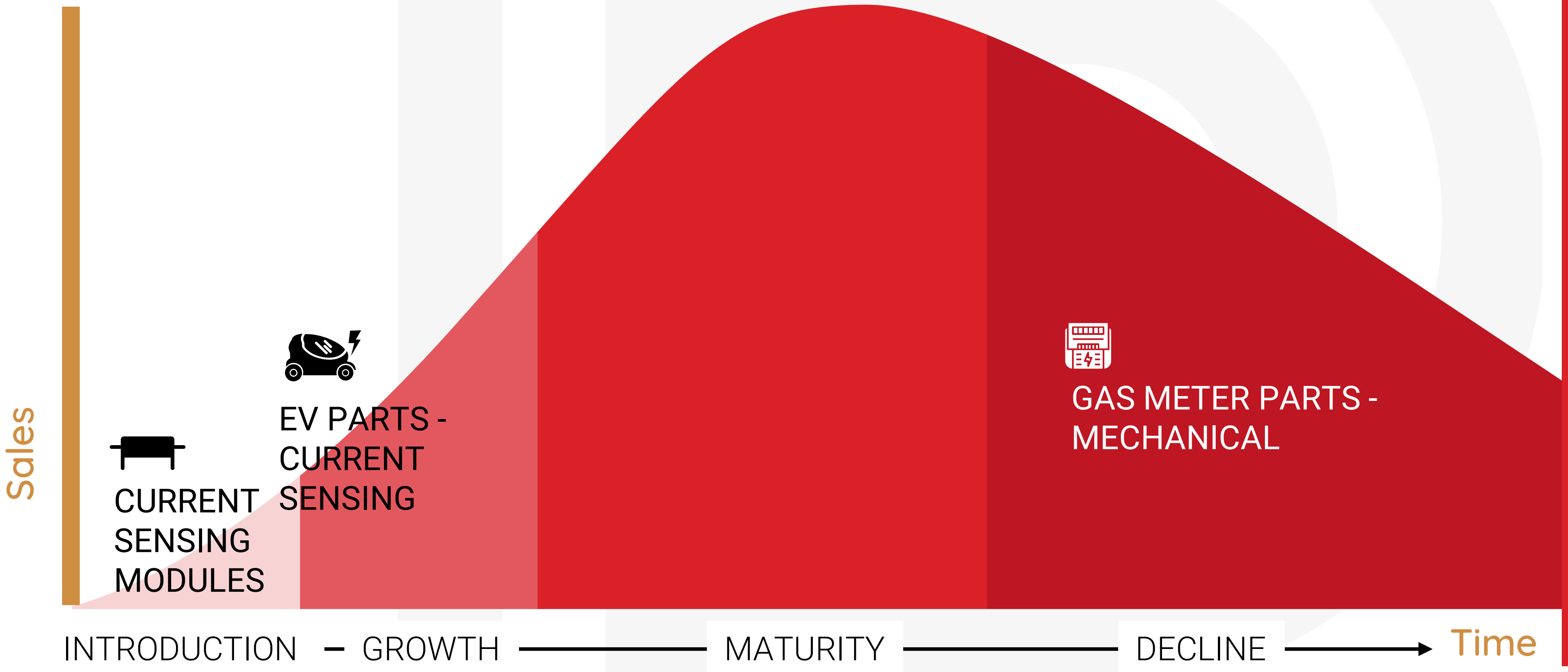
COMMERCIALISING PRODUCTS

>> Successfully moving products from prototyping stage to commercial production

>> For newly developed product platforms & technologies, this marks the beginning of product life cycle

Product Lifecycle

- **Continuous product additions** to compensate sales of maturing products
- Focus on **technologies & capabilities rather than specific-products**
- Rate of new product introduction will be higher than rate of maturity



AVERAGE AGE OF PRODUCT LIFE CYCLES

8-10YR
Electricity Meter Components

10-20YR
Automotive
(Non Current-Sensing Platform)

SHORT
Automotive
(Current-Sensing Platform)
An emerging category thus shorter lifecycles expected

Components to Modules

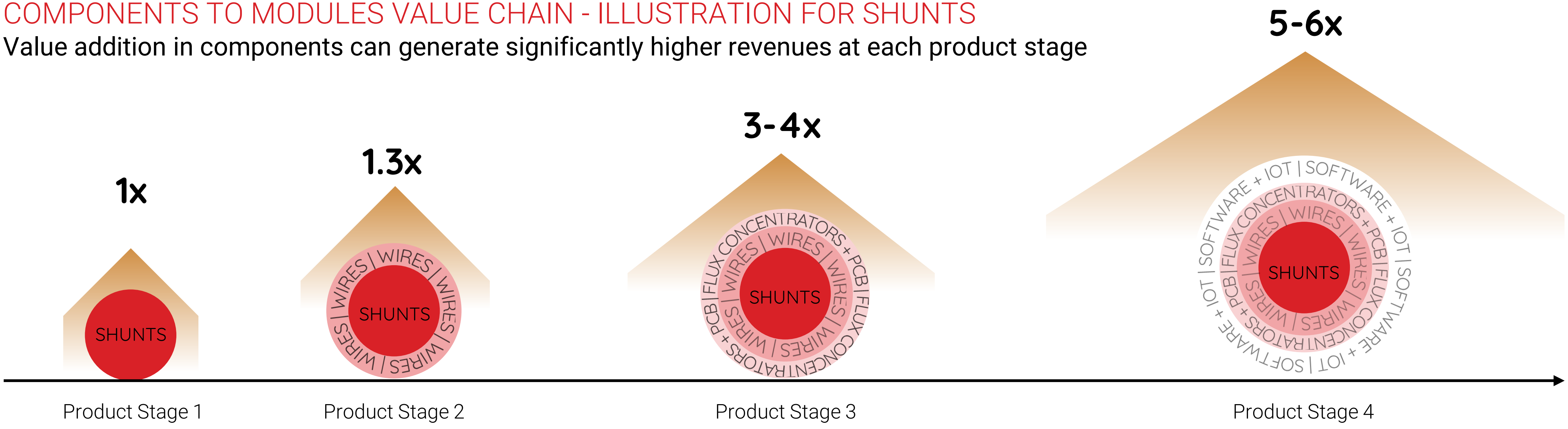
01
A STRATEGIC MOVE TO ADD COMPETENCIES IN MODULES

02
SHIFTING BUSINESS FROM COMPONENTS TO MODULES TO CAPTURE MORE VALUE

03
PRODUCT CATEGORIES SUCH AS SHUNTS AND SOFT MAGNETIC MATERIAL COMPONENTS TARGETED IN INITIAL PROJECTS

COMPONENTS TO MODULES VALUE CHAIN - ILLUSTRATION FOR SHUNTS

Value addition in components can generate significantly higher revenues at each product stage



Value/Potential-Revenue of product at each stage

Broad-basing Customer Base

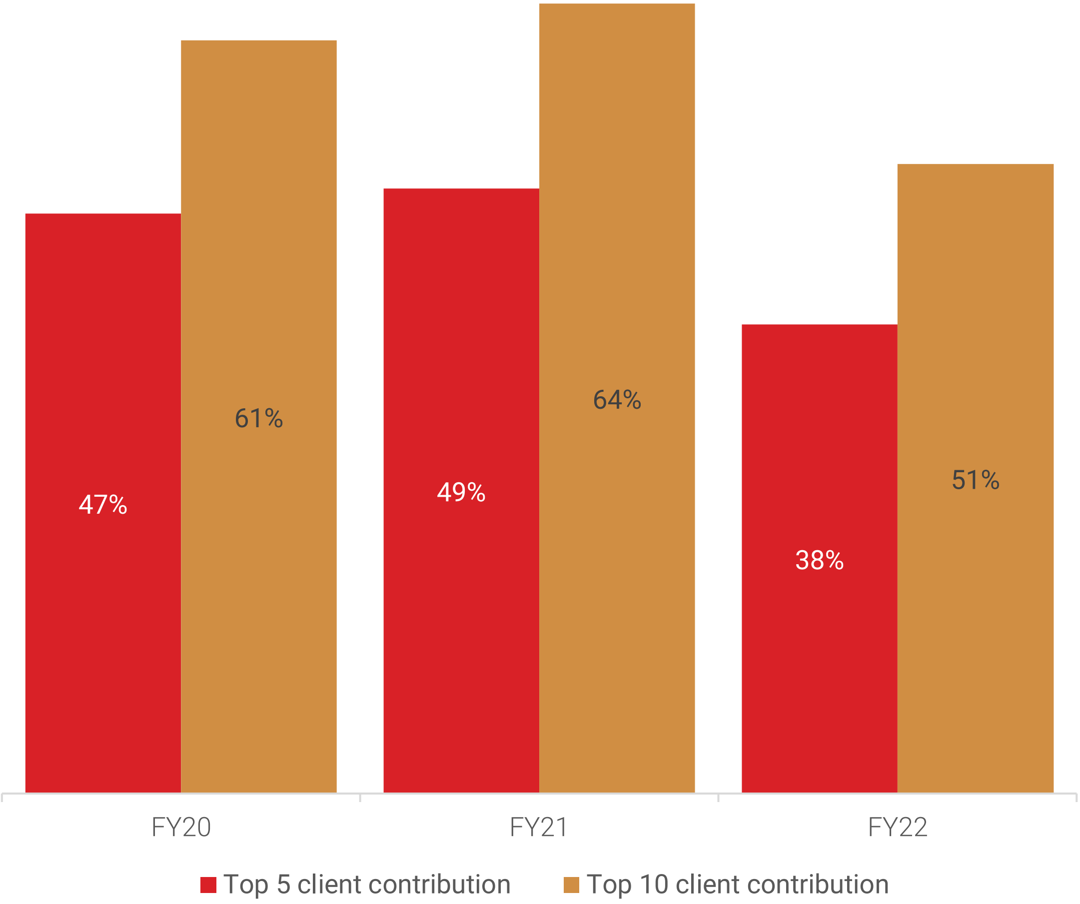
PML is actively diversifying & strengthening its revenue stream through:

01
ACTIVELY COMMERCIALISING NEW PRODUCTS

02
SIGNIFICANT NEW CLIENT ADDITION (DIRECT & IN-DIRECT) IN LAST 3 YEARS

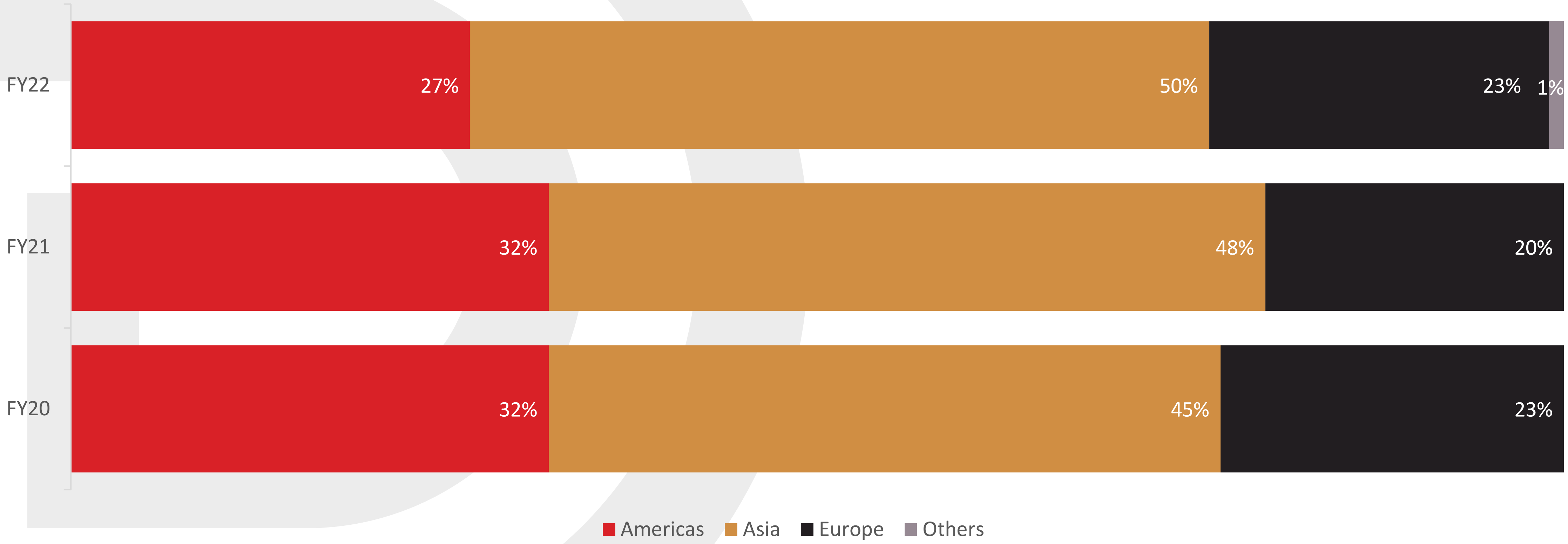
Further, PML is looking to actively add new PRODUCT PIPELINE, application industries to further diversify its revenue stream.

TOP 5 & 10 CLIENT SALES CONTRIBUTION



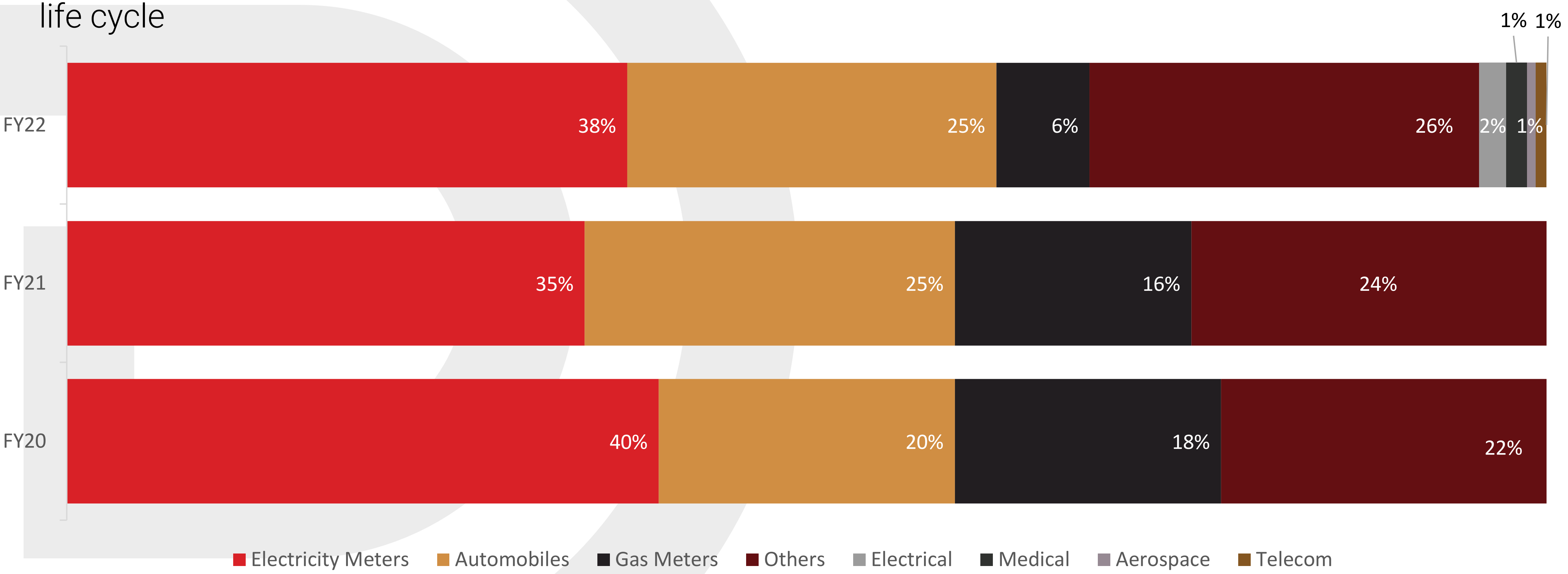
Geography-Wise Sales Trend

- Rising share of export sales
- Asia continues to be the flagship market
- New market additions such as China and France



Application-Wise Sales Trend

- Electricity Meters continues to be the flagship application industry
- Gas Meters product category approaching end of life cycle
- New application categories include Electrical, Medical, Aerospace, Engineering and Computers



Strategic Review

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New Business Development

TECHNOLOGIES & CAPABILITIES

PML is working on adding newer competencies

- Introducing new modules and components
- New projects in casting space
- New application of ZAMAK die-casting
- High-volume sheet metal forming
- Wire winding
- Plastic moulding capabilities

Strategic Priorities

INTEGRATING MANUFACTURING FACILITIES

< 2 YEAR

COMMENCING SHIFT FROM COMPONENTS TO ASSEMBLIES

ADDING MORE PROCESSES AND CAPABILITIES LIKE ALLOY MAKING, HEAT TREATMENT AND SMART MODULES

< 3 YEAR

BUSINESS GROWTH IN THE ADDITIONAL CAPABILITIES

+5 YEAR

MOVING TOWARDS NEW ALLOYS AND MATERIALS

Growth Drivers

GLOBAL SMART METERS	28
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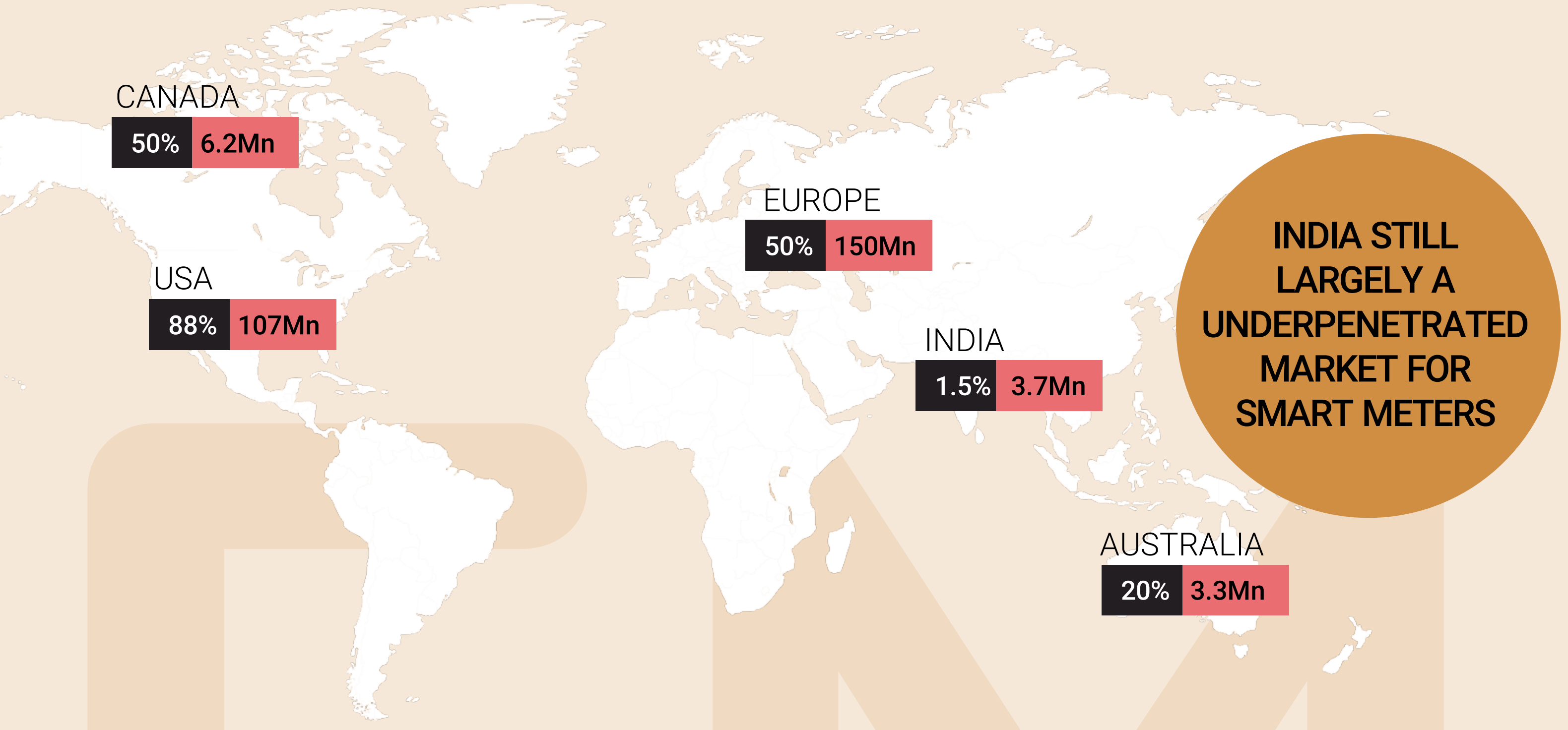
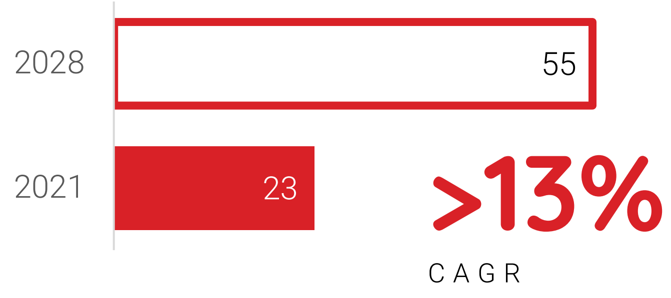
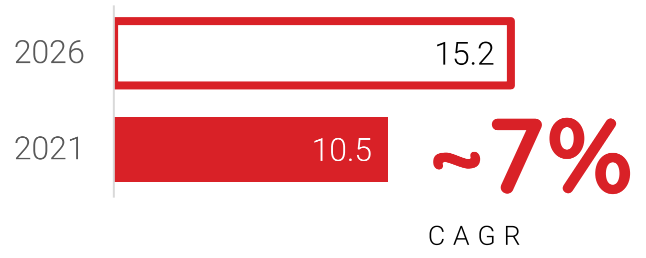
Global Smart Meters: Market Trends



GLOBAL SMART METERS OPPORTUNITY ($ BN)



GLOBAL SMART ELECTRICITY METERS OPPORTUNITY ($ BN)



- Replacement of traditional meters with modern monitoring technologies to drive industry dynamics
- Smart grid networks, government regulations and directives for smart meter implementation will fuel market expansion

Source: GMI, Research and Markets Smart Meters International

SM Penetration %   *SM Installed*

Smart Electricity Meters: Growth Drivers

On the one hand, the smart meter infrastructure is to empower customers by allowing them to choose their power suppliers. On the other hand, it is expected to help distribution companies prevent power theft by reducing human interference in metering, invoicing, and dues collection.

Need for increasing energy efficiency and minimising power loss & theft during transmission

Benefits to customers such as detecting failures early, accommodating faster service, accuracy of billing

Cost savings by eliminating on-site meter readings, reducing equipment & maintenance costs, enabling faster restoration during outages

Integrating distributed energy resources (DERs), energy storage technologies, and EV charging in the residential sector

Operational advantages such as grid resiliency and accuracy of meter readings

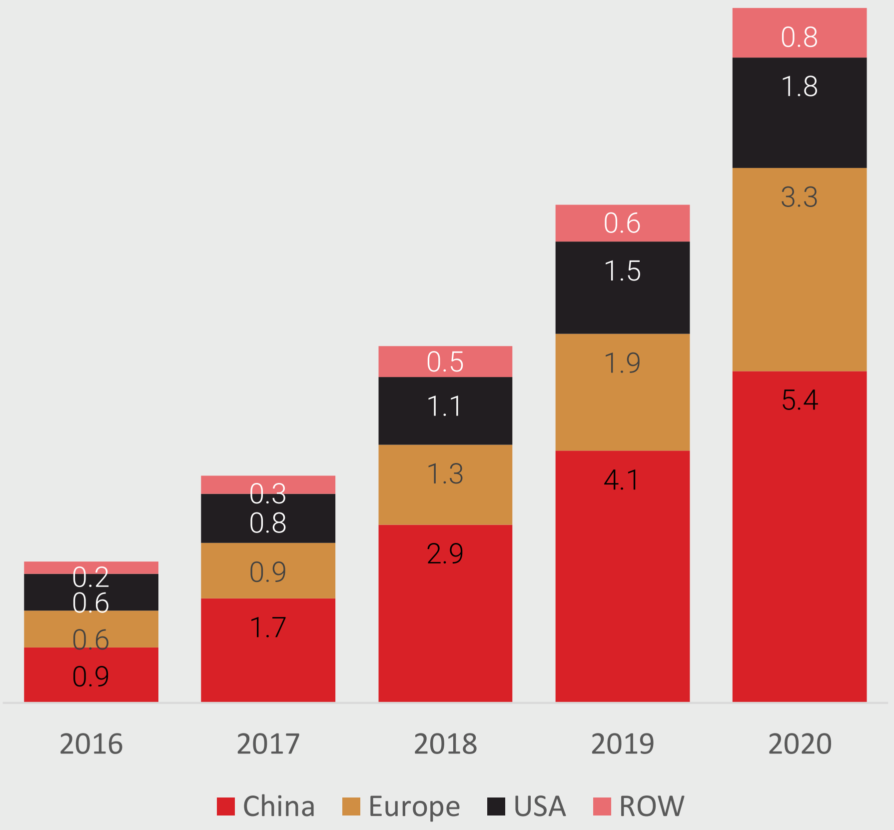
EV Market: Market Trends

- Total 10 million electric cars on the world's roads at the end of 2020
- Electric car registrations increased by 41% in 2020, in a year where global car sales reduced 16%
- Consumer spending on electric car purchases increased to USD 120 billion in 2020, a 50% increase YoY. While Government spends globally stood at USD 14 billion on electric car sales, up 25% YoY
- In a first, Europe overtook China in 2020 with sales of EV at 1.4 Mn units

In the Sustainable Development Scenario, the global EV fleet reaches 230 million vehicles in 2030 (excluding two/three-wheelers), a stock share of 12%

Source: IEA

GLOBAL ELECTRIC VEHICLE STOCK BY REGION (UNITS IN MN)



EV Market: Growth Drivers

Global OEMs have outlined more ambitious electrification plans. 18 of the top 20 vehicle manufacturers in the world, which account for over 90% of new car registrations in 2020, have indicated plans to expand their model range and swiftly scale up production of light-duty electric cars.

Source: IEA

- Government initiatives such as purchase subsidies, and/or vehicle purchase and registration tax rebates – aimed at reducing price gaps with conventional vehicles
- European Union CO_2 emissions regulation for cars and vans, China's New Energy Vehicles (NEV) mandate, California's Zero-Emission Vehicle (ZEV), and India's Faster Adoption and Manufacturing of Electric Vehicles (FAME II) scheme are expected to drive the EV penetration in respective countries
- Certain jurisdictions & Governments are employing mandatory targets for EV sales
- Gradual tightening of fuel economy and tailpipe CO_2 standards has augmented the role of EVs to meet the standards

Financial Snapshot

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Profit & Loss Statement Summary

(₹ in Crore)

PARTICULARS	FY18	FY19	FY20	FY21	FY22
Total Revenue	**93.21**	**121.83**	**109.26**	**117.57**	**133.26**
Total Operating Expenses	83.41	98.16	86.01	91.43	102.78
EBITDA (Excluding OI)	9.36	22.68	20.55	25.25	26.73
EBITDA (Excluding OI) %	**10%**	**19%**	**19%**	**22%**	**21%**
Interest Cost	1.65	1.31	1.33	1.02	0.86
Depreciation & Amortisation	1.28	1.56	2.99	3.29	4.06
Profit Before Taxes	6.88	20.8	18.93	21.82	25.57
Profit After Taxes	**5.39**	**14.8**	**14.32**	**16.14**	**19.04**
Earnings Per Share (₹)	6.27	17.22	16.61	18.79	22.16

Balance Sheet Statement Summary

(₹ in Crore)

PARTICULARS	FY18	FY19	FY20	FY21	FY22
Shareholders Fund	**18.40**	**33.25**	**47.87**	**64.03**	**82.22**
Non Current Liabilities	3.17	2.95	5.73	4.44	3.91
Current Liabilities	37.82	30.71	19.50	25.52	29.84
- Trade Payables	23.90	19.62	14.98	22.15	24.60
Total	**59.38**	**66.91**	**73.11**	**93.99**	**115.97**
Non Current Assets	6.72	7.38	12.03	11.36	18.55
Current Assets	52.66	59.52	61.08	82.63	97.42
- Inventories	13.39	17.55	19.25	21.01	37.29
- Trade Receivables	28.94	31.83	27.30	32.87	35.45
Total	**59.38**	**66.91**	**73.11**	**93.99**	**115.97**

Cash Flow Statement Summary

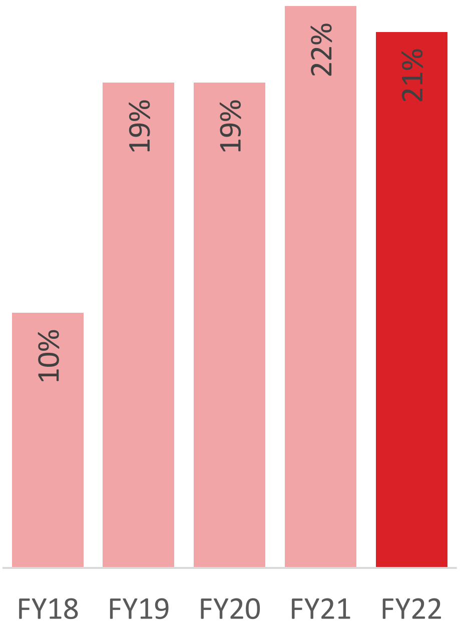
(₹ in Crore)

PARTICULARS	FY18	FY19	FY20	FY21	FY22
Cash from Operating Activities	**1.27**	**9.92**	**11.50**	**6.36**	**3.66**
Cash from Investing Activities	-2.21	-1.99	-1.54	-2.06	-3.80
Cash from Financing Activities	0.54	-7.18	-8.78	-2.86	-2.63
Net Cash Flow	-0.40	0.75	1.18	1.45	-2.76
Net Cash at Beginning of Year	0.45	0.05	0.81	1.98	3.43
Net Cash at End of Year	0.05	0.81	1.98	3.43	0.67

Ratio Analysis

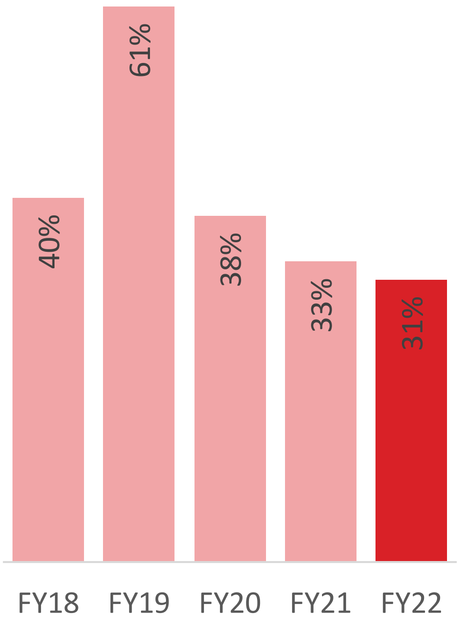
EBITDA %

21%



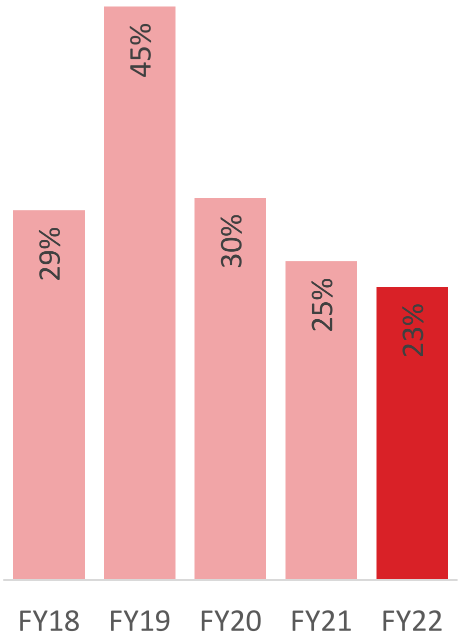
ROCE %

31%



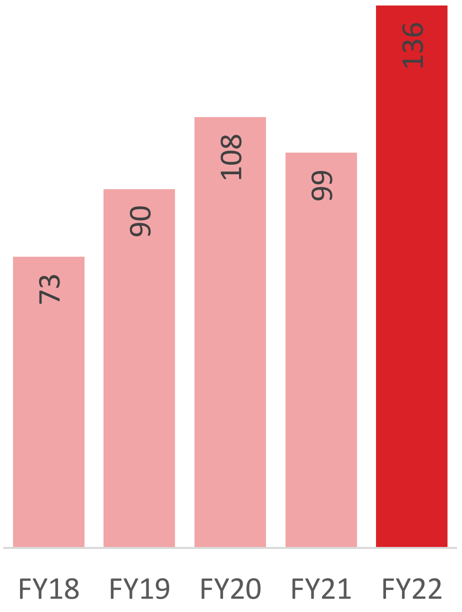
ROE %

23%



Working Capital Days

136 days



Quarterly Snapshot

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Q4FY22 Profit & Loss Summary

(₹ in Crore)

PARTICULARS	Q4FY21	Q3FY22	Q4FY22	YoY %	QoQ %
Total Revenue	**37.65**	**28.64**	**39.89**	**6%**	**39%**
Total Operating Expenses	28.37	22.36	30.38	7%	36%
EBITDA (Excluding OI)	8.85	5.29	8.47	-4%	60%
EBITDA (Excluding OI) %	**24%**	**19%**	**22%**	**+198 bps**	**+465 bps**
Interest Cost	0.49	0.26	0.20	-59%	-22%
Depreciation & Amortisation	0.87	1.23	1.19	37%	-3%
Profit Before Taxes	7.93	4.80	8.12	2%	69%
Profit After Taxes	**6.42**	**3.60**	**6.05**	**-6%**	**68%**
Earnings Per Share (₹)	7.49	4.19	7.05	-6%	68%

Management Commentary

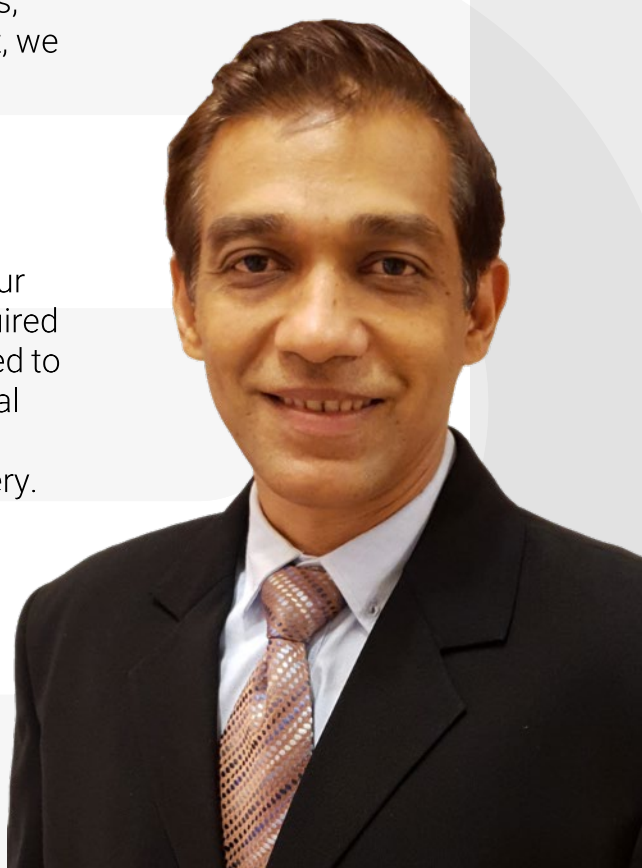
"Our outlook for the coming few years is good, which is reinforced by factors such as a strong product pipeline, a higher number of projects and larger size of projects. We aim for better growth in the coming three years."

The year under review has been a mixed bag for us. While we made significant progress on a number of initiatives and product introductions during the year, we also saw reduction in sales of some products for e.g. gas meter parts as the product approached the end of its lifecycle.

At the same time, we continue to do well in our strongholds, such as Europe and the Americas. On the operational front, we carry higher inventories than usual to avoid any production disturbances, as the lead times for imported raw materials (such as electrical Steel, Nickel-alloys, etc.) have increased considerably.

We are also making considerable progress in integrating our manufacturing facilities. A considerable portion of the required land has already been acquired, and the balance is expected to be acquired in the coming months. We are budgeting a total capital outlay of ~20 crores for this facility, including investments in land, building and some additional machinery.

SHARAD TAPARIA
Managing Director



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