



23rd February 2024

Annual Investor Conference **2024**



Disclaimer

This presentation includes forward-looking information, including statements concerning the outlook for our business. These statements are based on current expectations, estimates, and projections about the factors that may affect our future performance, including global economic conditions and the economic conditions of the regions and industries that are major markets for ELGi. These expectations, estimates, and projections are generally identifiable by statements containing words such as “believes”, “targets”, “estimates”, “plans”, “outlook” or similar expressions.

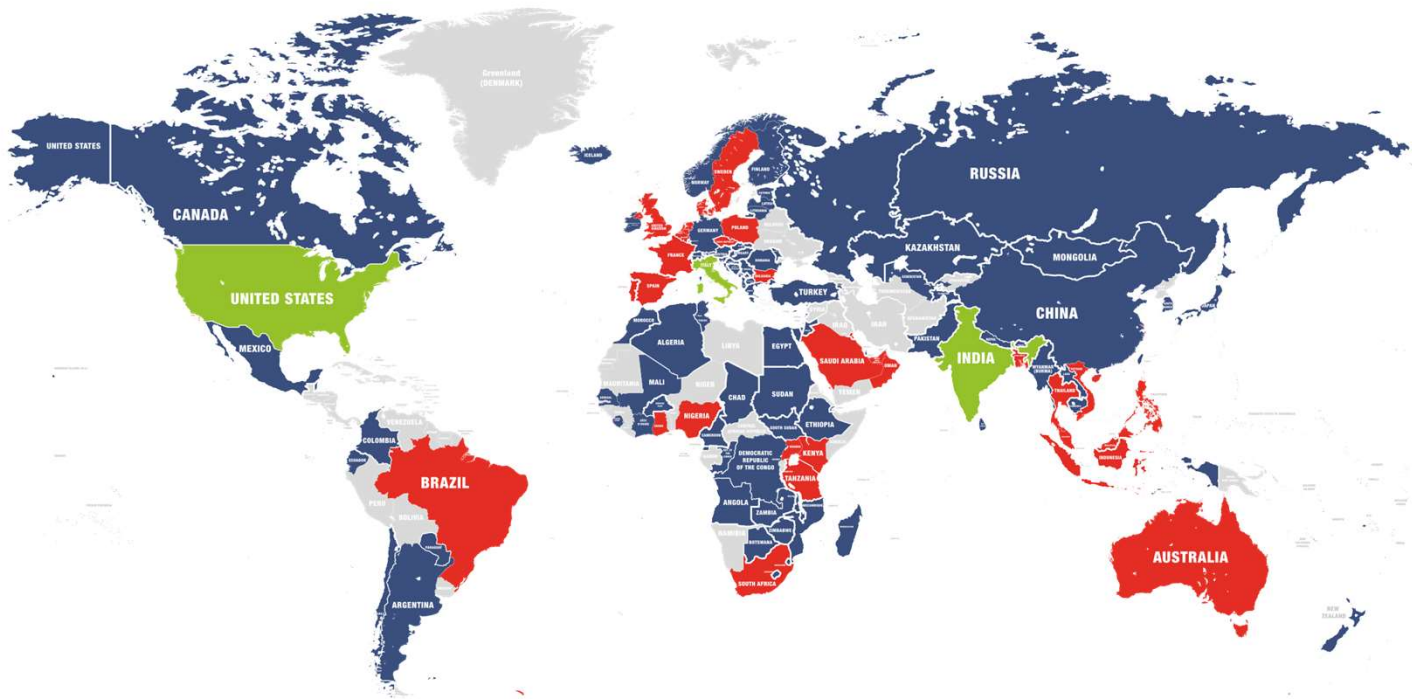
There are numerous risks and uncertainties, many of which are beyond our control, that could cause our actual results to differ materially from the forward-looking information and statements made in this presentation and which could affect our ability to achieve any or all of our stated targets. The important factors that could cause such differences to include, among others:

- Business risks associated with the volatile global economic environment and political conditions;
- Costs associated with compliance activities;
- Market acceptance of new products and services;
- Changes in governmental regulations and currency exchange rates, and ;
- Such other factors may be discussed from time to time in Elgi Equipments Limited’s filings with the Securities and Exchange Board of India (SEBI), including its annual report.

GENERAL

Recording of this presentation and subsequent interactive sessions in any form and means is prohibited. Participants are requested to strictly follow this advice. ELGi desires to give every participant a chance to speak; please plan your questions accordingly. Questions are welcome after the presentation is completed.

Global Presence



120+

Countries where
ELGi does business

28

Countries with
direct presence

3

Countries with
manufacturing
presence

Company Profile

Quick Facts

400+

Distributors
Worldwide

2000+

Employees
Worldwide

2Mn+

Compressors

5Mn+
Sq.ft.

Future-Ready
Manufacturing
Facilities

US\$ 371Mn*

Annual Revenue
FY 23

*@INR82/US\$

ELGi Leadership

Business



Jairam Varadaraj
Managing Director



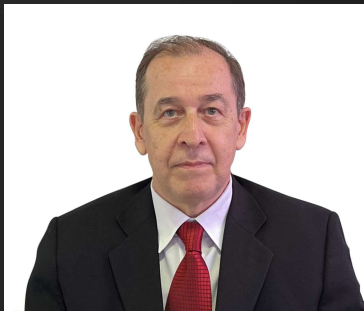
Brian Pahl
President - North America



Bhavesh Karia
President - ISAAME



Chris Ringlstetter
President - Europe



Marcelo Lorena
GM - Brazil



Praveen Tiwari
MD - ATS ELGI



Ramesh Ponnuswami
Executive Director - OSEA

ELGi Leadership

Corporate



Anvar Jay Varadaraj
Executive Director



Bheemsingh Melchisedec
Director - Operations



Jayakanthan R
Chief Financial Officer



Nitesh Jain
Chief Human Resource Officer



Premendra
Chief Strategy Officer



Venu Madhav
Director - Technology

Global Manufacturing Footprint



➤ **5+ Million Sq. Ft.
of “Future-ready”
Manufacturing
Facilities**



Global Manufacturing Footprint

Complex Castings

ELGi Foundry
Produces high precision grey and SG iron castings.



Precision Machining

3 state-of-the-art manufacturing units in the world with high standards of quality and safety.



Efficient Drives

State-of-the-art motor manufacturing plant to produce highly efficient and reliable motors for captive consumption.



Securely Welded

Produces pressure vessels meeting international standards.



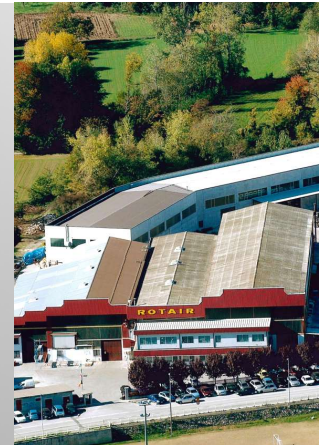
Quality Assured

Every air compressor from the assembly plant delivers industry-leading quality and best-in-class efficiency to customers worldwide.



Efficient Solutions

Rotair SPA, Italy designs and manufactures portable compressors, multi-functional dumpers and hydraulic breakers.



Factory Tour



Business Performance

Revenue (INR Mn)



Across all Regions

Act FY23 **30407** Est FY24 **32041**

Revenue Growth **1634** Growth % **5%**

ISAAME

Growth %
10%

OSEA

Growth %
4%

EUROPE

Growth %
13%

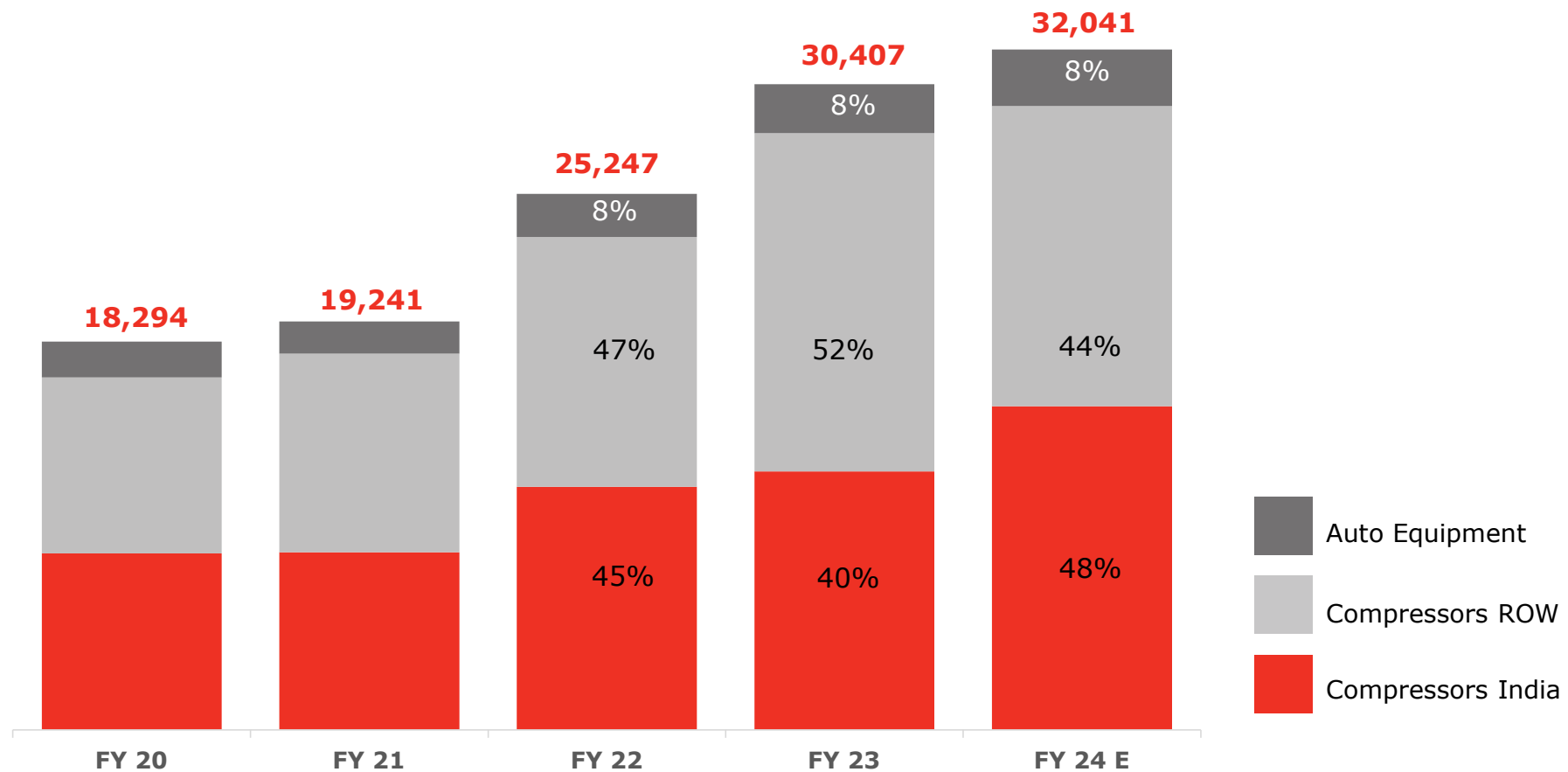
North America

Growth %
-10%

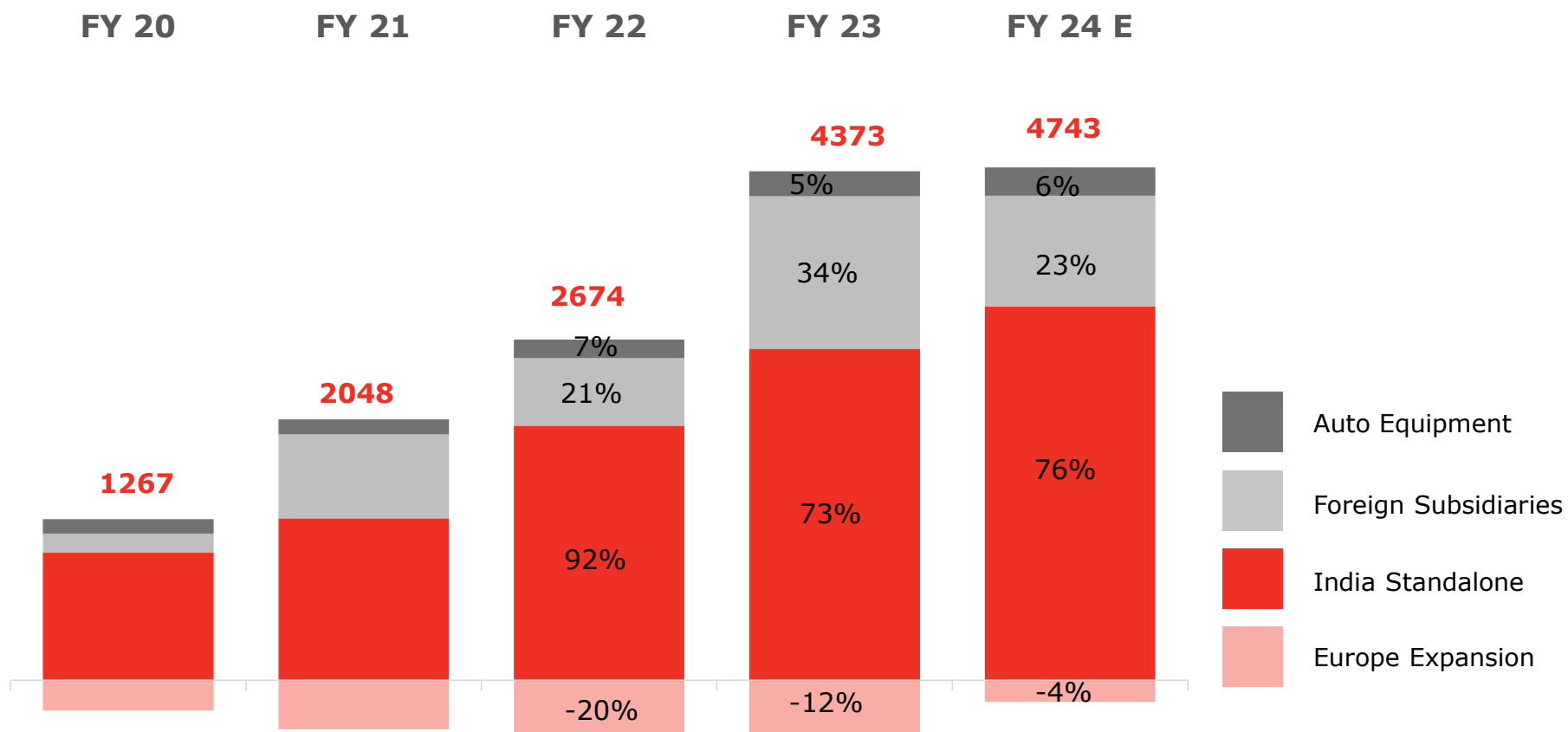
ATS

Growth %
15%

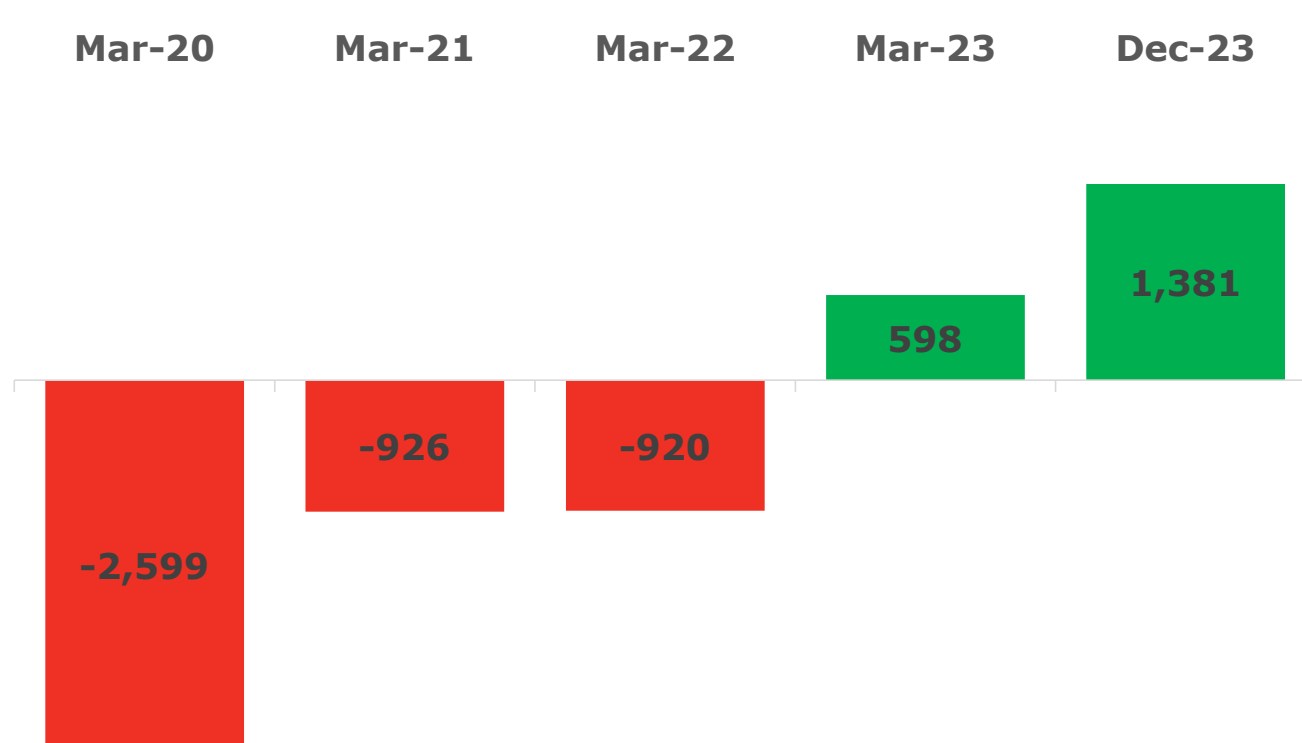
Sales Performance (INR Mn)



EBITDA (INR Mn)



Net Debt / Cash (INR Mn)



Mar 2023 – Dec 2023 Major movements

Cash Profit
+3683

Working capital
-382

Dividend
-634

Tax
-1197

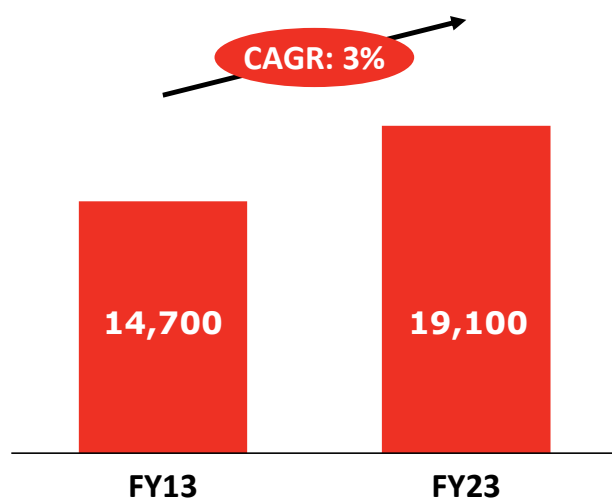
Capex
-476

*Unaudited

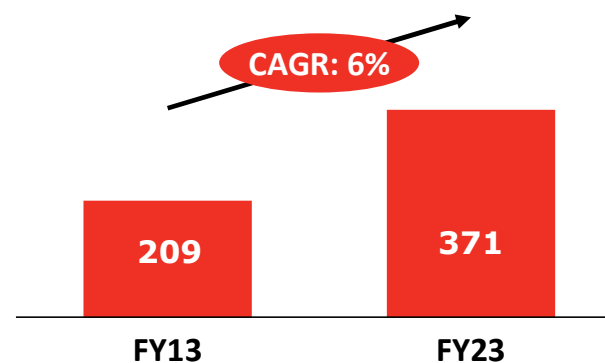
Strategic Business Plan

Air Compressor Market: Global vs ELGi (USD mn)

Global Air Compressor market size



ELGi operating revenue



During FY13-23, ELGi's topline grew at 2X of Global Air Compressor market growth

Source: Annual reports, Project Phoenix data, ELGi Internal estimates

Top 10 Global Players by Value: ELGi at #6 in FY23

Global Top 10 Players: Revenue (FY23, USD mn)

Change FY13-FY23				% total	CAGR ²⁾ % FY13-23
↔	1	Atlas Copco	6,032	31.6%	1.6%
↔	2	Ingersoll Rand	3,294	17.3%	0.8%
(+4) ↑	3	Hitachi-Sullair	1,054	5.5%	10.2%
↔	4	Kaeser ¹⁾	997	5.2%	1.2%
↔	5	Fu Sheng	917	4.8%	2.5%
(+3) ↑	6	ELGi	371	2.0%	6.1%
(+1) ↑	7	Kaishan	367	1.9%	4.5%
New entrants in Top 10	8	Doosan Bobcat	219	1.2%	4.6%
	9	Anest Iwata	205	1.1%	4.4%
	10	Boge ¹⁾	179	0.9%	2.5%
		Others	5,437	28.5%	3.3%
			Σ Total Market = USD 19,100 m		

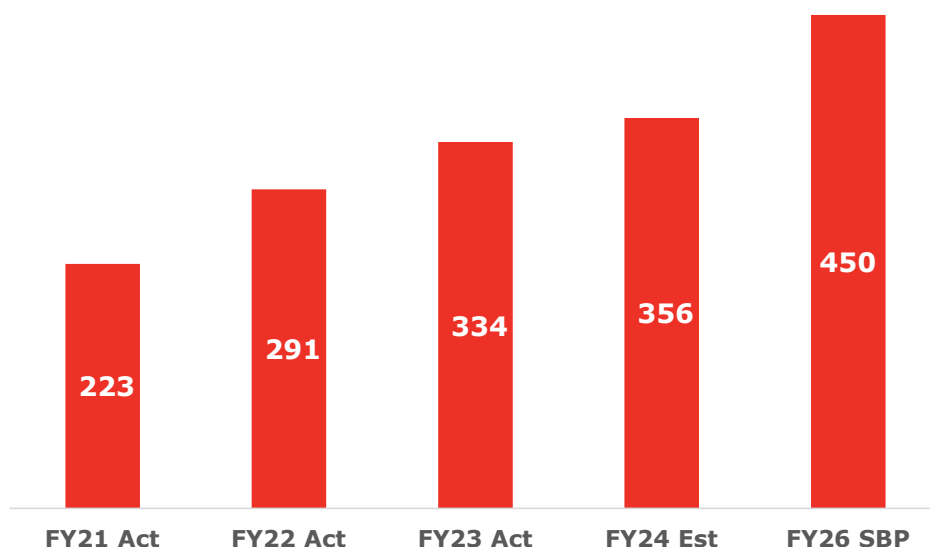
Despite extensive M&A activity, overall industry structure has remained mostly the same during FY13-23, except for the rise of strong #2

1) FY22 revenue; 2) In \$ terms

Source: Annual reports, Project Phoenix data, ELGi Internal estimates

Strategic Business Plan (SBP) - Compressors

Revenue - Compressors



* RoW - Rest of the world

SBP Goals

Revenue

USD 450 Mn | 12% CAGR

India	RoW*
6%	18%

India vs RoW

44/56

Profitability

16%

3/4 of the growth from RoW

Return on Capital Employed (ROCE)

30%



Emerging Business Opportunities

Vacuum Products - Global and Indian Market

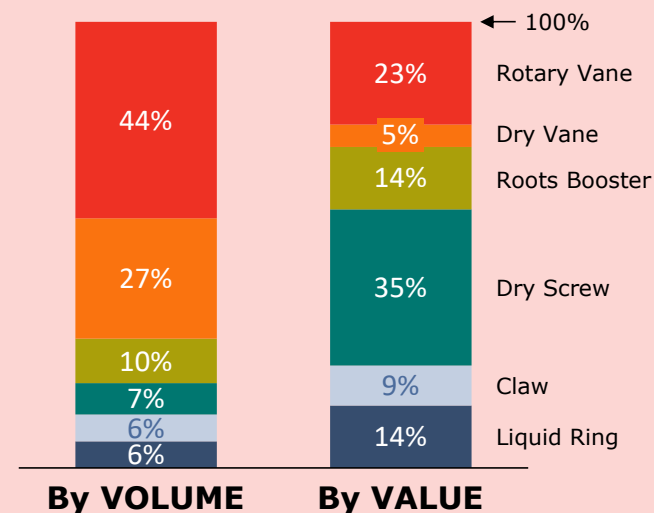
GLOBAL MARKET

- Global market for vacuum pumps was **\$6-7 Bn** in 2023
- Market is expected to grow at a CAGR of **6%** (2023-28)

INDIAN MARKET

- Indian market for vacuum pumps was **\$150-200 Mn** in 2023
- Market is expected to grow at a CAGR of **6-8%** (2023-28)

6 technologies constitute 65% of the Indian vacuum pump market



Technology Partnership on Vacuum Products

- ELGi adds vacuum products to its portfolio by entering into a **technical licensing agreement** with DVP Vacuum Technology, SPA (Italy) - a family-owned company that is in the vacuum business since 1973 and are renowned for performance and quality.
- DVP provides an **exclusive, non-transferable** right to ELGi to manufacture, assemble, test and sell the vacuum products in India. Outside India markets, will be mutually agreed upon at a relevant time.
- Vacuum Products comprise of **rotary vane** type Vacuum Pumps with possibility to add other types in due course, with mutual consent.
- DVP shall make available the **usage of their trademark** on the vacuum products, however ELGi will be mentioned as the manufacturer of the Vacuum Products.
- ELGi to pay DVP a lumpsum fee towards transfer of technical information and training. Further, a Royalty will be paid to DVP for usage of DVP's Patents, other industrial and Intellectual Property Rights and Technical Information as per the terms and conditions mentioned in the Agreement.
- The validity of agreement shall be for a **maximum period of 8 years** from the Effective Date of the Agreement (i.e. 15th Feb'24). Further, DVP and ELGi have agreed on post-termination clauses that ensures business continuity.

Private Loco Segment - Breakthrough Order

Scope

- Air Generation & Treatment Unit
 - ELGi Screw block
 - Indigenized Rail Motor
 - Indigenized Rail Air dryer
 - Complying International Quality standards
- Auxiliary Compressor
- 2400 AGTU supply in 12 years
- Maintenance for 35 years

SIEMENS – 9000HP LOCOMOTIVE PROJECT



This order has generated traction across all Private Rolling stock manufacturers like Alstom / Medha, and others providing more opportunities in and beyond India

Note : AGTU – Air Generation & Treatment Unit

New Products/ Upgrades

EPSAC - Oil Lubricated Product Portfolio

New Products



EG 90 - 110 Super Premium

- 2-Stage Air Ends driven by super-premium, IE4 motors
 - Improved, class-leading energy efficiency
 - Specific power consumption savings up to 15%
- Neuron-IV – Advanced controller and improved performance
- Air~Alert – Industrial IoT for continuous monitoring, improved uptime including failure prediction and alerts.



EQ Series 30 - 45 kW

- Products for MSME segment
- Compact and Modular
- Optional integrated VFD
- EQ 11-22 launched globally. EQ 30-45 launch in progress (Mar '24). Range completed

EPSAC - Oil Lubricated Product Portfolio

New Products



EG 11 - 45PM



NEURON-IV



AIR~ALERT

- Permanent Magnet Synchronous Motor (PMSM)
- Reliable, Energy-efficient motor up to IE7 class
- Intelligent Thermal Management (iTM) System
- Neuron-IV – Advanced controller with improved performance
- Air~Alert – Industrial IoT for continuous monitoring, improved uptime including failure prediction, and alerts.



LD Piston Compressors- Features

- Base-mounted and vertical tank-mounted options
- Vertical tanks- 40% lesser footprint
- Hour meter as a standard feature
- Grouting-free installation

Oil Free/Water Injected Product Portfolio

Product upgrade



OF 90 - 160 kW Air Cooled

- Enhanced SPC and flow
- Improved productivity
- Improved total cost of ownership
- Built with advanced Neuron IV controller
- Industry 4.0 compatible
- Adaptable to the optional features - Cold Weather Management System, Outdoor Protection System



Heat Recovery System OF 90 - 160 kW Water Cooled

- Recover heat from compressor up to 95%
- Warm water availability at 85°C
- Helps customers to reduce carbon footprint
- Optimized footprint with Integrated heat recovery system



AB 55 / AB 75 kW

- Footprint reduction by 21%
- Built with advanced Neuron IV controller
- Industry 4.0 compatible
- Optional features - Outdoor Protection System
- NEMA panels as standard offering on 60Hz fixed speed machines

Portables Product Portfolio

New Products



PG 132E – 15 bar

- Reliable, Energy efficient IE3 – 4pole motor
- Best-in-class compact footprint
- Weld-free air intake system
- Inbuilt motor duct protection
- Corrosion-protected canopy
- Rugged design tow bar



PG 550 – 215

- Better fuel efficiency
- Three stage air filtration system
- Operates even at high ambient temperature
- Integrated operator friendly control panel
- Low cost of ownership

Railways – for EMU / MEMU & Metros

New Products

RR10100 - Oil Lub.



Designed for Longer Maintenance intervals

- Direct drive
- Compact and light weight
- Less vibration and noise

Variants		
Specification	RR10100	RR15100
FAD, lpm	900	1250
Working pressure, bar.g	10	10
Power consumption, kW	10	15
Application	Metro / EMU	MEMU

Note : EMU – Electrical Multiple Unit | MEMU – Mainline Electrical Multiple Unit

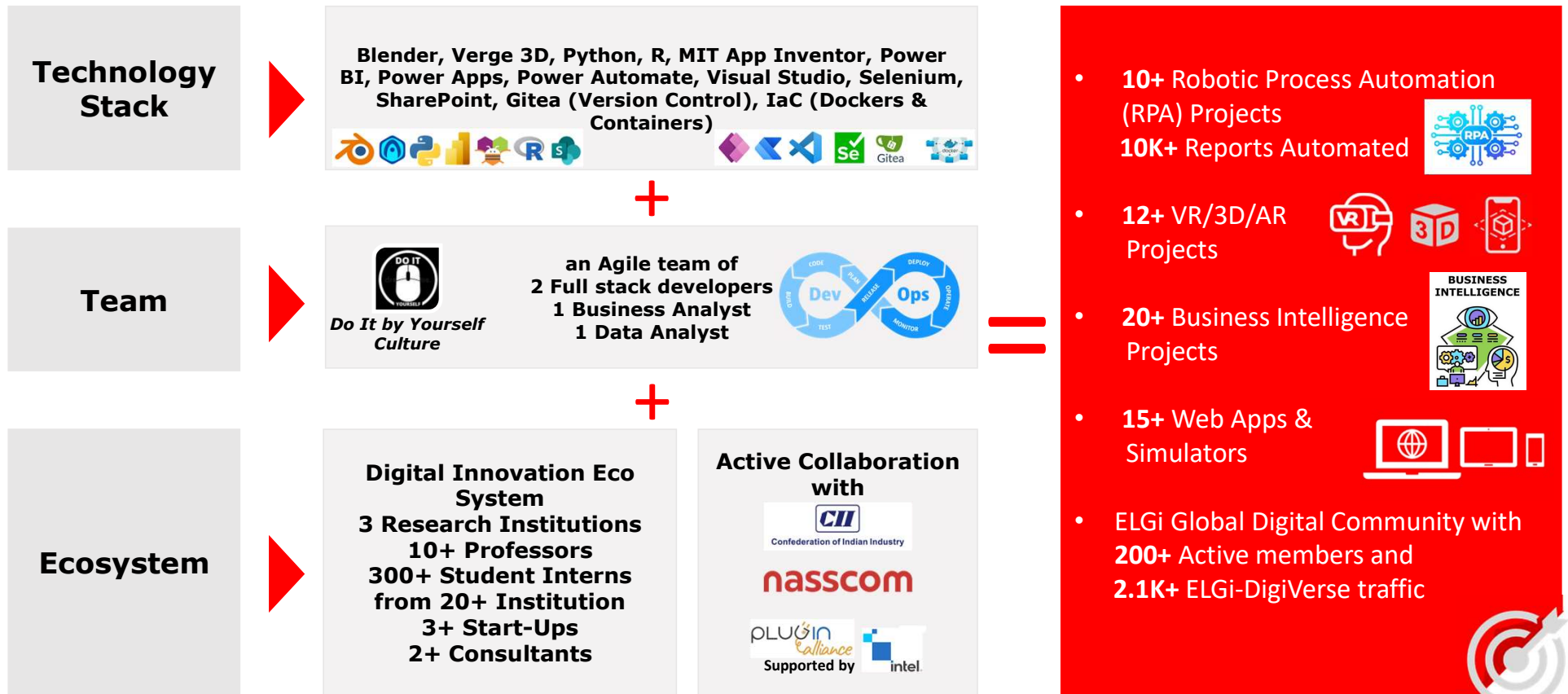
Electric Wiper Assembly



- Multi speed system
- Precise speed and defined visibility
- Smooth operation
- Enhanced life
- 550 mm arm length; pantograph type wiper blades

Key Initiatives

Digital Transformation Update



Integration of Talent (IoT) Update

The phased approach is to shape and embed a strong process of future-focused talent decision making

Phase	ALIGN	DESIGN	EXECUTE
Objective	Develop robust understanding of ELGi talent essentials through deep diagnostic	Design the integrated talent management strategy	Implement the integrated talent management strategy
Output & Outcomes	<ul style="list-style-type: none"> Enhanced competency model Data-driven culture assessment Roadmap for desired culture Design principles for integrated talent management Socialization of competencies through learning series 	<ul style="list-style-type: none"> Key Talent framework Key Positions framework Succession planning process enablers Strategic talent review process design 'Potential' assessment design 	<ul style="list-style-type: none"> Filtering assessment for shortlisting key talent Development centres for key talent Strategic talent review to agree on key talent readiness Targeted development planning for key talent (WIP)

Talent Management Drivers & Partners capability build on Project IoT | Change management leading to talent mindset

Integration of Talent (IoT) Update



All-Women Production Lines at the ELGi Air Center

Reiterates commitment to building a gender-diverse, inclusive workforce via women empowerment and skill development.

Introduced assembly lines with a 100% female workforce at the ELGi Air Center in Coimbatore, Tamil Nadu, India.

Twenty young women graduates from the ELGi Vocational Training School (EVTS) manage operations at the airend assembly line, encapsulated airend assembly line, and the ELGi new generation compressor top block assembly line, delivering over 150 airends and top blocks daily.

All assembly lines at the ELGi Air Center have been automated to ensure an inclusive working environment; to enable achievement of torque without fatigue and significantly enhanced material handling capabilities..



EVTS: B. Voc Program in collaboration with Central University of Tamil Nadu

Reiterates commitment to nurturing youth and creating a pipeline of skilled talent.

The Elgi Vocational Training School (EVTS) partnered with the Community College, Central University of Tamil Nādu, to introduce a three-year Bachelor of Vocation (B. Voc) program in Production Technology under the National Skill Qualification Framework (NSQF).

The program will equip students with practical skills and theoretical knowledge essential for a successful career in the manufacturing industry.

Approximately 200 students will have the opportunity to pursue the vocational course.



Key Events

ELGi Harnesses Compressed Air Excellence to Fly the Flag high

Technology innovation and a spirit of resilience converge to ensure the Indian national flag flies majestically even in low-wind conditions.

"Project Tiranga" - technology solution capable of delivering air at adequate volume and pressure to sustain the flying of a flag during periods of low wind speed.

The solution comprises a mechanical system that lifts the flag using blowers, a swivel mechanism to align the fan modules with the wind's direction and speed, and a designed rope guide system that allowed the flag to be raised and lowered smoothly through the modules.

The project received applause and recognition from an estimated 1.3 crore audience in India predominantly across Delhi, Mumbai, Hyderabad, Pune, Ahmedabad, and our headquarters in Coimbatore.



Technology Day



ELGi Technology Day

Celebrated Commitment to Innovative, Energy-Efficient Compressed Air Solutions



The 6th edition of Technology Day 2023 displayed ELGi's commitment to advancing futuristic technology while continuously creating energy-efficient compressed air solutions to minimize emissions and enhance our customers' competitive advantage. To

The signature initiative saw over 200 attendees, including ELGi employees and industry representatives, gather to witness the unveiling of cutting-edge developments in the realm of compressed air. The technology team's contributions and complex engineering achievements were applauded during the event, amid technology presentations, knowledge-sharing sessions, and an impressive product display.

ELGi Sauer: State-of-the-art manufacturing facility, India

***ELGi Sauer Compressors Ltd,
expanded operations by opening a
new manufacturing facility in
Coimbatore, Tamil Nadu.***

Investment: approximately INR 400 million

The 50,000 sq. ft. facility manufactures high-pressure compressors, pressure-reducing stations, and portable breathing air compressors for the industrial, commercial shipping, naval and offshore markets in India.

Factory designed with energy-efficient transformers, water recycling, rainwater harvesting systems, a special architectural emphasis on natural light and ventilation with landscaped gardens and green zones, aligned with green building principles under the certification of IGBC, the Indian Green Building Council.

Provides engineering support to the Sauer Compressors Group worldwide for new product development and prototype testing



Global Employee Engagement and Community Initiatives



Community Wellness: *#whatsyourfinishline* challenge



#WHATSYOURFINISHLINE

CHALLENGE 2023

The 5th edition of the *#WhatsYourFinishLine* global fitness challenge saw 154 teams with participants from 26 countries collectively log 225 million steps via running, walking, and jogging.

The 21-day-long fitness challenge ended on November 5, 2023, bringing together 1644 employees and channel partners across the globe with the shared objective of advocating for comprehensive wellness and a lifestyle focused on health.

Community Wellness: Coimbatore Marathon 2023



ELGi and the Coimbatore Marathon celebrate 11 years of successful partnership



All proceeds from the marathon go to the Coimbatore Cancer Foundation, augmenting efforts to raise cancer awareness, besides improving cancer patients' and caregivers' health and well-being.

1600+ ELGi employees and their families participated in the Marathon.

Steps for Change – “One Planet.Our Earth”

Over 800 children participated, contributing to an astonishing array of young, artistic talent and keen environmental consciousness.

ELGi orchestrated a global art-with-a-purpose competition themed “One Planet. Our Earth” for our employees’ children and the young students at the ELGi school.

Through their paintings, these children conveyed their distinct viewpoints on the fight against climate change and their awareness of environmental issues while detailing how we can all unite to make a difference in our worlds, cities, and neighbourhoods.



Investors Feedback and Company's Response

Feedback Received in 2023

S.No.	Feedback	ELGi's Response
1	Some writeups like small brochure, highlighting the flow chart or manufacturing value chains would be more helpful	Manufacturing process is confidential and unique to the Company. It may be difficult to share it with everyone.
2	Could have added assembly / integration plant as well. Even final assembly plant visit would enable better understanding.	We are arranging a visit to the final assembly plant at Singanallur this time.
3	Questions regarding market shares etc. were not answered (understandable)	We had explained in the past that market share is dynamic and such data is not available from reliable public sources.

Feedback Received in 2023

S.No.	Feedback	ELGi's Response
4	Has the profit margin been affected due to sub scale operations in Foundry?	Foundry meets Captive requirements. Capacity has been built considering business goals of the future. The foundry's capacity utilization will improve commensurate with the business growth. Impact on margins are not significant here.
5	The presentation on the US market worked quite well. Ofcourse in person meeting works significantly better.	The very purpose of holding the annual investor meet is to enable personal interaction also.
6	Granular presentation on North America was especially helpful. No material changes are needed to current format.	Thank you

Feedback Received in 2023

S.No.	Feedback	ELGi's Response
7	If you can provide Regional breakup of sales and margins in table form instead of graph	Granular sales and margins are competitive information.
8	Wonderful factory visit, very motivated and enthusiastic staff and good interaction	Thank you.
9	Breakup of our products in screw hp range, cfm range and our pecking order top 3/ top 5 etc in india. How this has changed? For piston and oil free Who are the key players in each segment?	Granular sales details are competitive information. Oil Free : Atlas Copco, Ingersoll Rand Piston : Ingersoll Rand, Anest Iwata, FS Curtis
10	Annual analyst if hosted in Mumbai would have attracted larger number of participants. Mumbai-alternate year for analyst	We are surely exploring the option for future



Thank you

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