



# Grindwell Norton Ltd.

## Investor Meet

10<sup>th</sup> May 2021



High Performance Refractories, Halol



Silicon Carbide, Tirupati Plant





# India - Growth Trends



## Near term outlook is uncertain

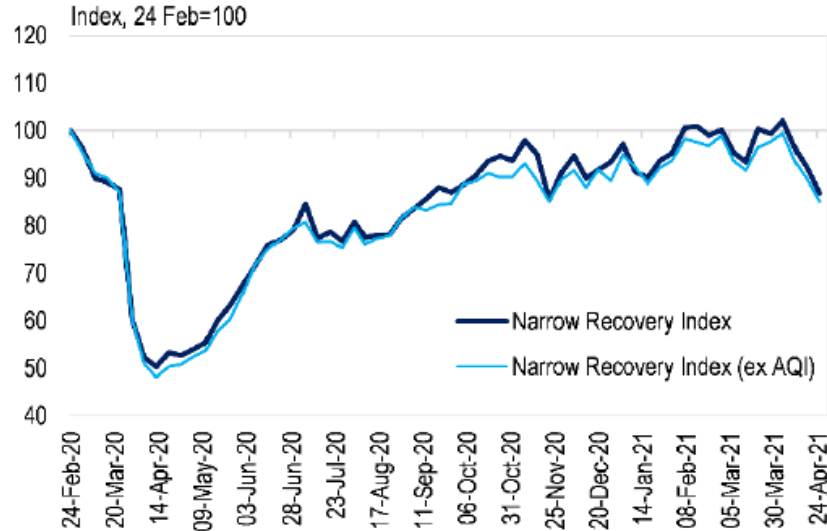
- Second Covid wave with significant rise in active cases across India
- Different forms of lockdown, stringent in states where we are present
- Will impact overall economic activity in Q2

## Medium term to long term outlook remains positive

- Growth supportive Union budget with push on infra spends & Privatization
- Uneven rebound representing K shaped recovery; should favour GNO
- Lead Indicators strengthened in last few months: Record GST collection in April 2021, Growing toll collections
- Rebound in Private investments with improved pace of execution in Q1 21
- Higher auto sales with YoY growth since Sep 20
- PMI consolidating at higher level since Oct 20

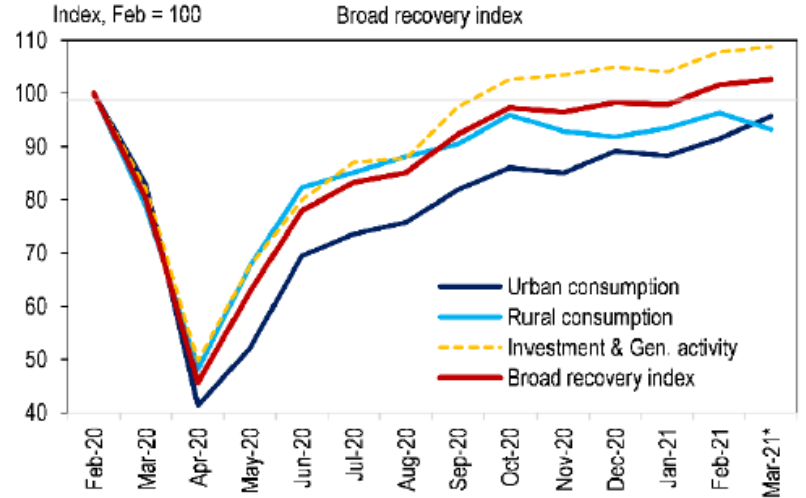
# MACRO ECONOMIC ENVIRONMENT

Figure 10. Narrow recovery Index falls sharply in April



Source: Citi Research

Figure 11. Broad Recovery Index



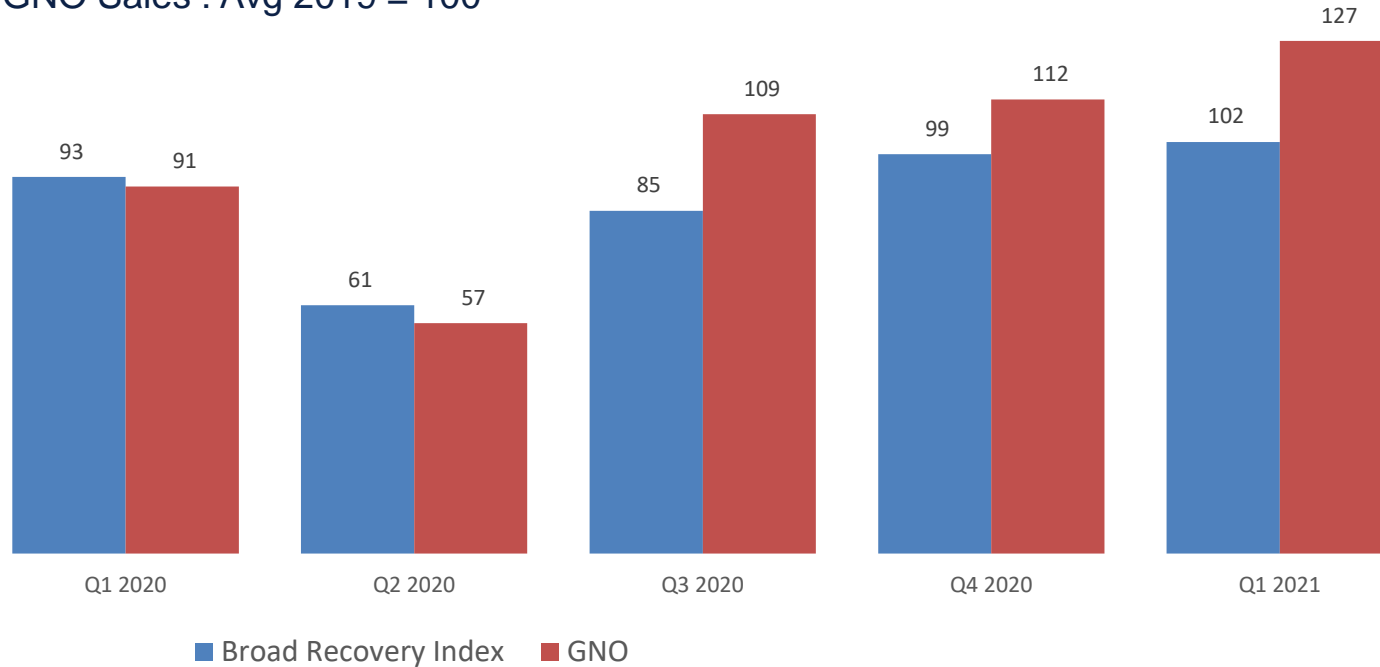
Source: Citi Research

# BROAD RECOVERY INDEX Vs GNO QUARTERLY SALES

## Index:

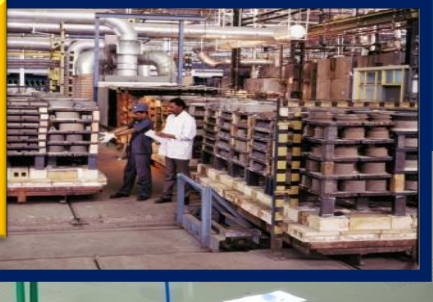
Broad Recovery : Feb = 100

GNO Sales : Avg 2019 = 100





# GNO-Key Indicators and Trends



# KEY FINANCIAL INDICATORS

(Rs. Crores)

Key Financials(As Published)	FY 20-21	FY 19-20	Growth %
Revenue from Operations	1638	1580	3.7%
Operating Profit (PBIT)	321	247	29.8%
Profit Before Tax	317	243	30.7%
Net Profit for the period	238	184	29.3%

<b>Revenue from Operations</b>	<b>1638</b>	<b>1580</b>	<b>3.7%</b>
OP Margin (on Net Revenue from Operations)	19.6%	15.6%	
Return on Capital Employed (ROCE)	23.3%	20.6%	
Business OP Margin	17.5%	14.1%	
Bussiness Assets Turnover Ratio	2.78	2.54	
Return on Business Assets (ROI on business OP)	48.7%	35.9%	
Net Cash Flow from Operations (CFO)	331	318	

# Revenue from Operations Bridge

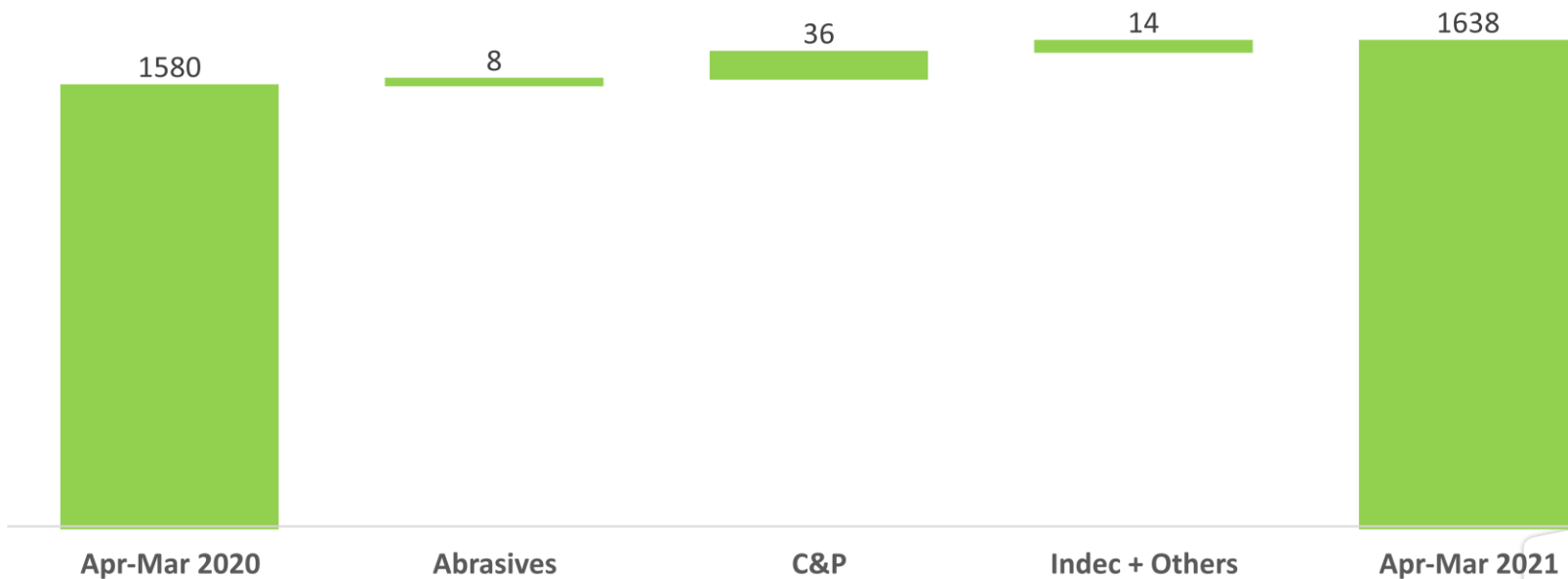
Apr-Mar 20  
Rs. 1580



Increase Rs. 58 crs (3.7%)

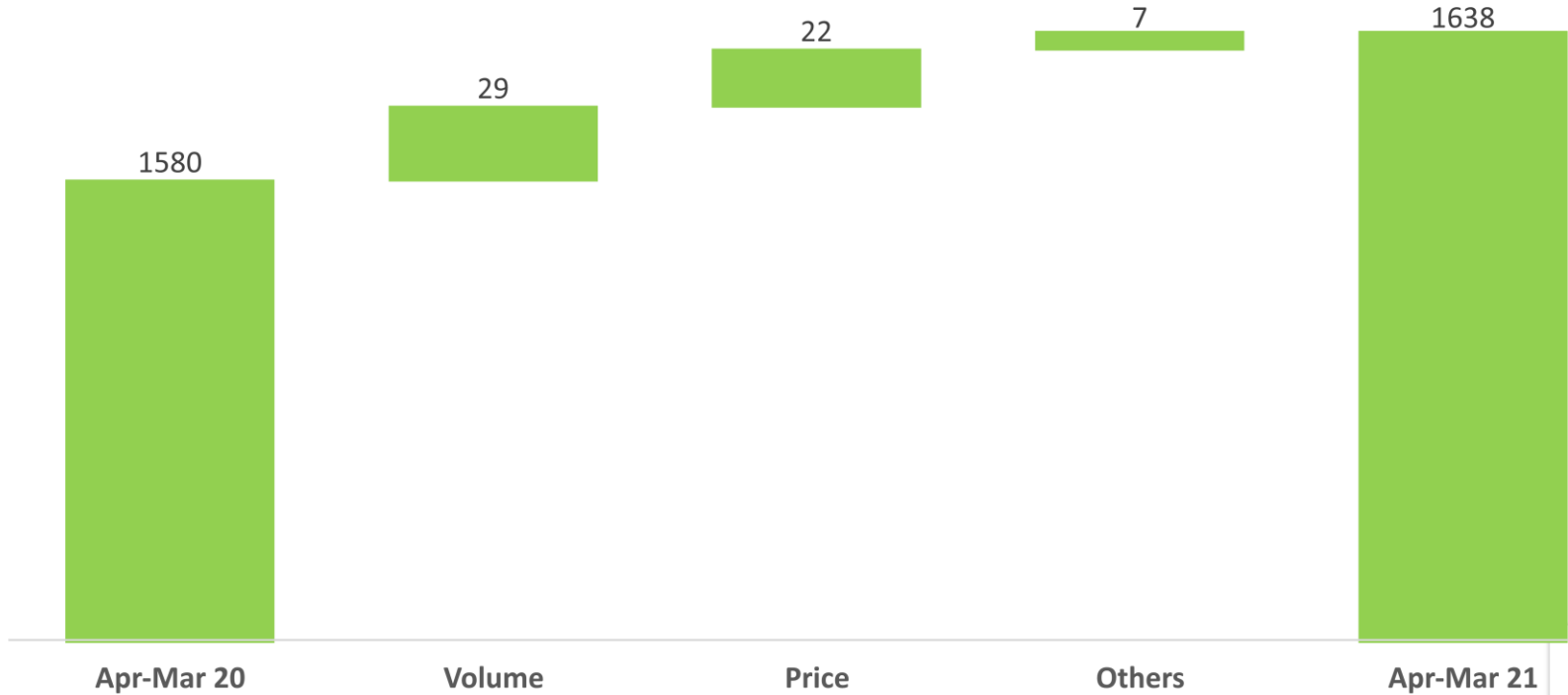
Apr-Mar 21  
Rs.1638

(Rs. Crs)



# Revenue from Operations bridge

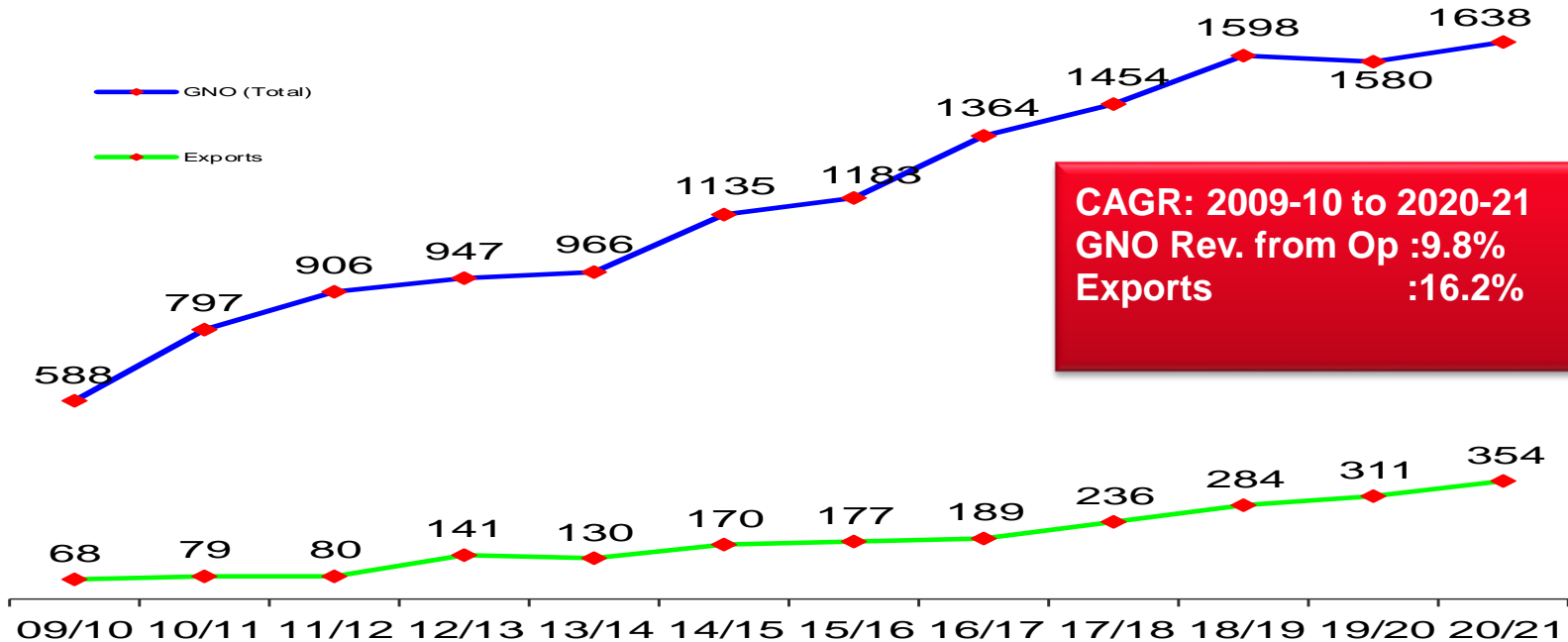
(Rs. Crs)



# GNO: REVENUE FROM OPERATIONS & EXPORTS

(NET OF EXCISE UPTO FY 2017-18)

(Rs. Crores)



**CAGR: 2009-10 to 2020-21**  
**GNO Rev. from Op :9.8%**  
**Exports :16.2%**

**2020-21: Increase in Rev from Operations 3.7% Export growth: 14.1%**  
**Source: Annual Reports**

# GDP VS ABRASIVES & C&P SALES OF PRODUCTS

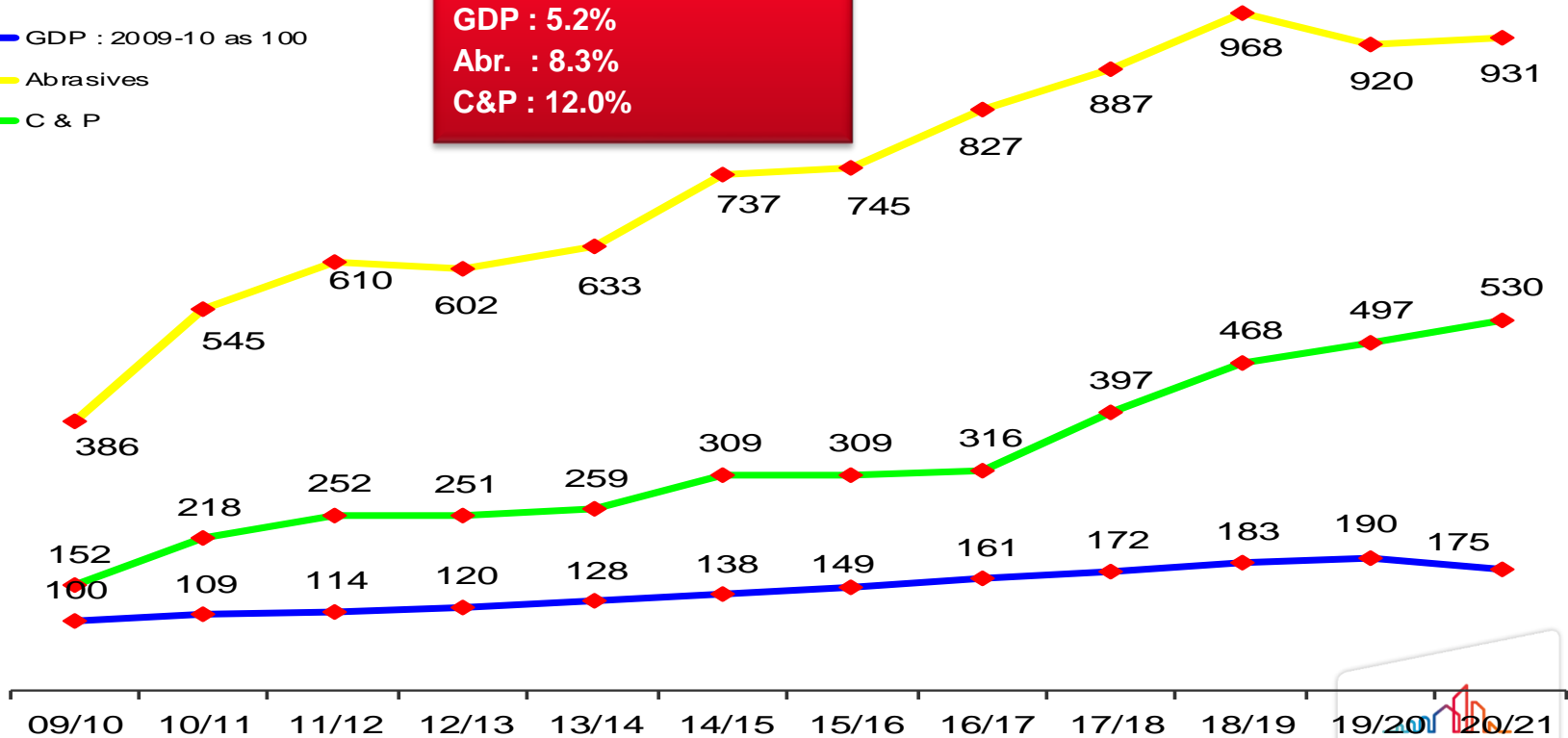
(NET OF EXCISE UPTO FY 2017-18)

(Rs. Crores)

(Rs. Crores)

- GDP : 2009-10 as 100
- Abrasives
- C & P

**CAGR 2009-10 to 2020-21:**  
GDP : 5.2%  
Abr. : 8.3%  
C&P : 12.0%



# KEY FINANCIAL INDICATORS – OPERATING MARGIN

(Rs. Crores)

Key Financials(As Published)	FY 20-21	FY 19-20	Growth %
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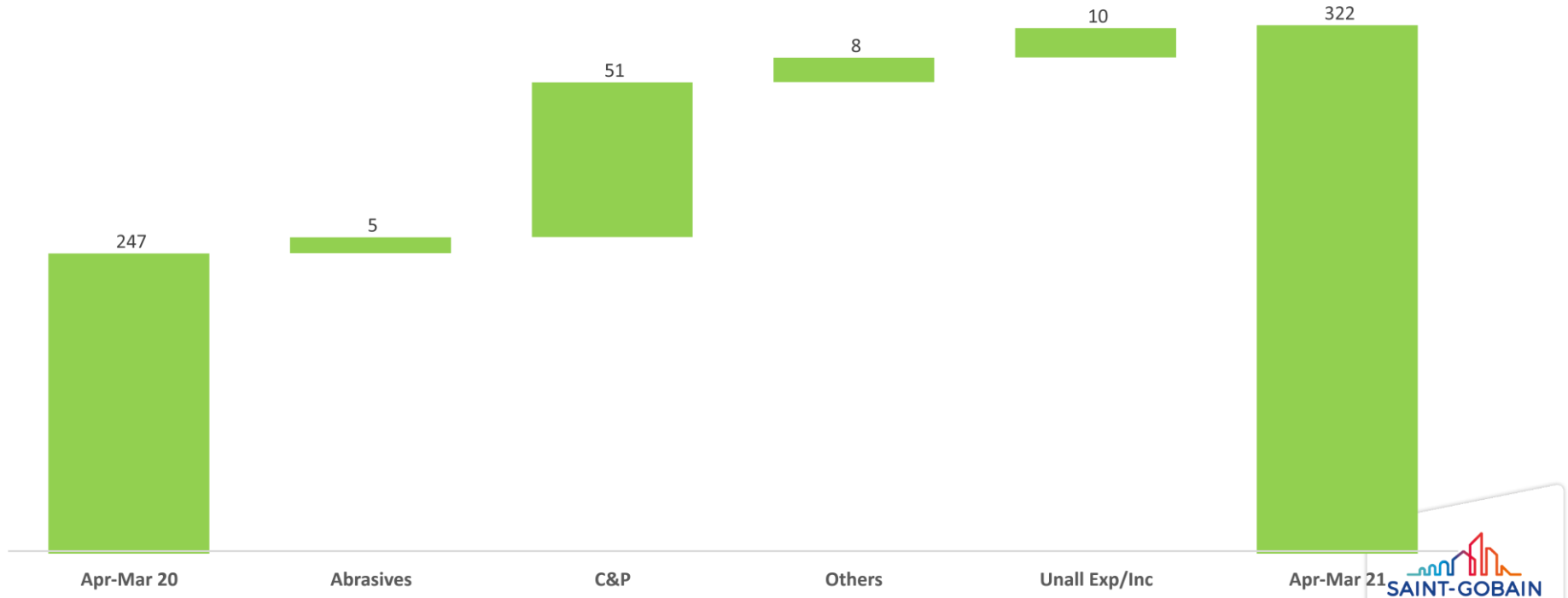
# Operating Profit Bridge

FY 2019-20  
Rs. 247



Increase Rs.74 crs (29.8%)

FY 2020-21  
Rs. 321  
(Rs. Crs)

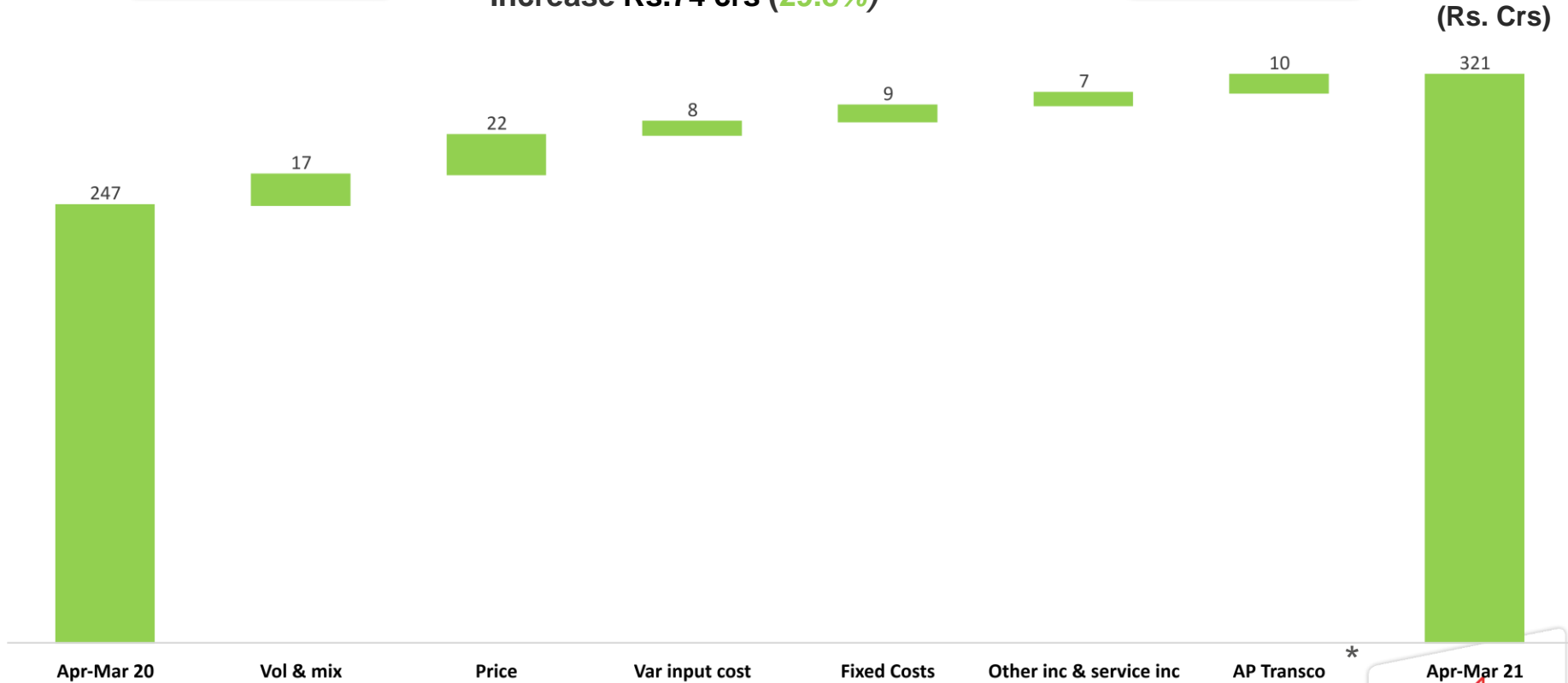


# Operating Profit Bridge

FY 2019-20  
Rs. 247

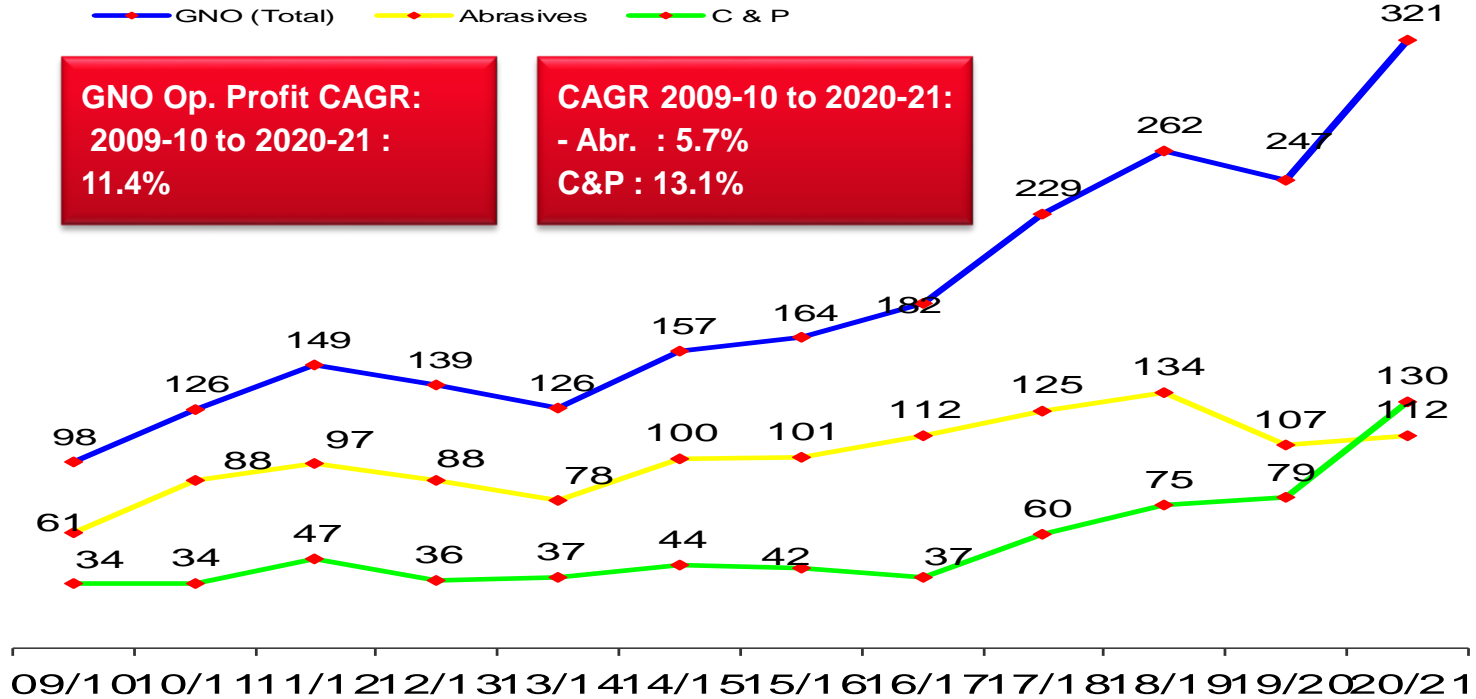
FY 2020-21  
Rs. 321

Increase Rs.74 crs (29.8%)



# GNO, ABRASIVES, C&P – OPERATING PROFIT (PBIT)

(Rs. Crores)



**GNO Op. Profit CAGR:  
2009-10 to 2020-21 :  
11.4%**

**CAGR 2009-10 to 2020-21:  
- Abr. : 5.7%  
C&P : 13.1%**

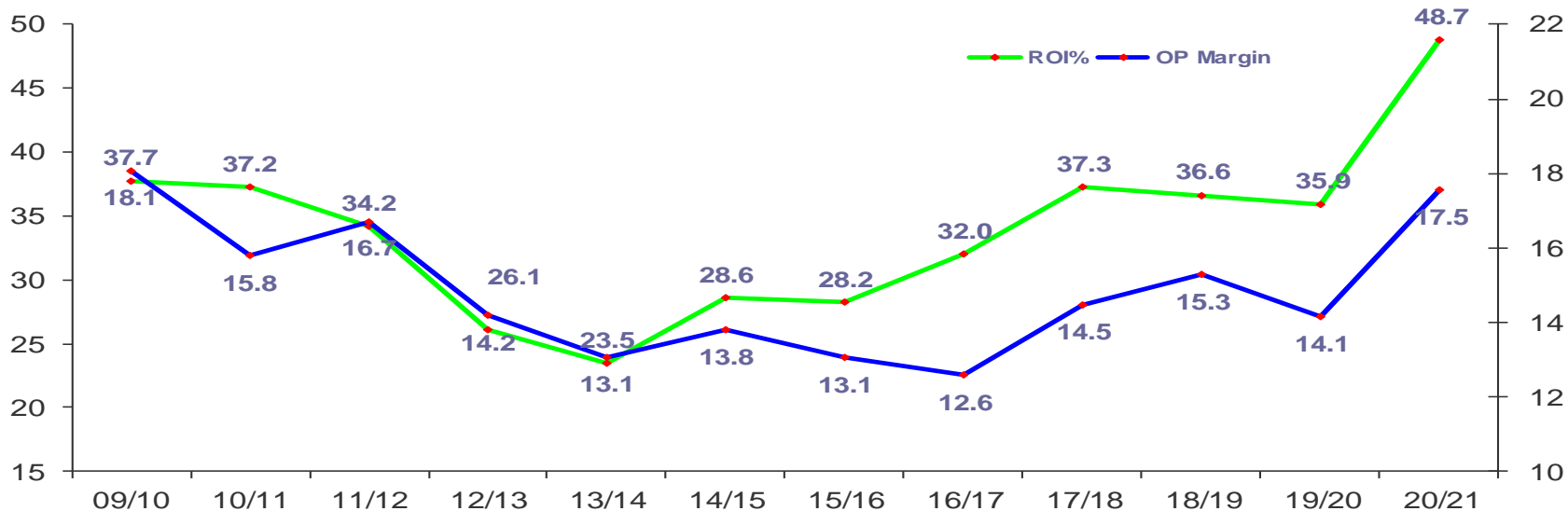
In FY21, GNO PBIT increased by 29.7%; Abrasives by 4.9% and C&P by **63.8%**

Source: Quarterly Page -Segment

# GNO PROFITABILITY – ROI & OP MARGIN (%)

ROI

OP Margin



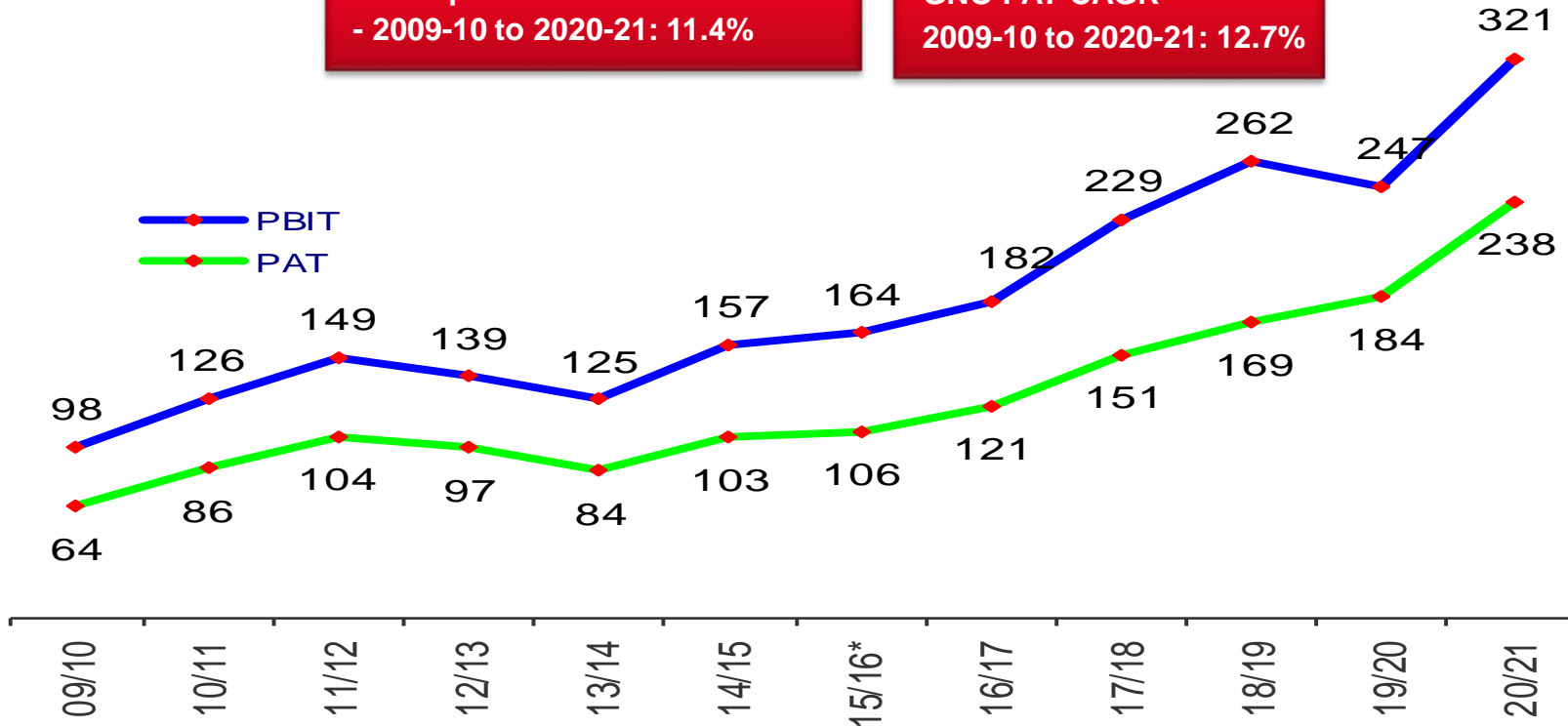
Source: Annual & Internal Reports

# GNO PROFITS – OPERATING PROFIT(PBIT) & PAT

(Rs. Crores)

**GNO Op. Profit CAGR:**  
- 2009-10 to 2020-21: 11.4%

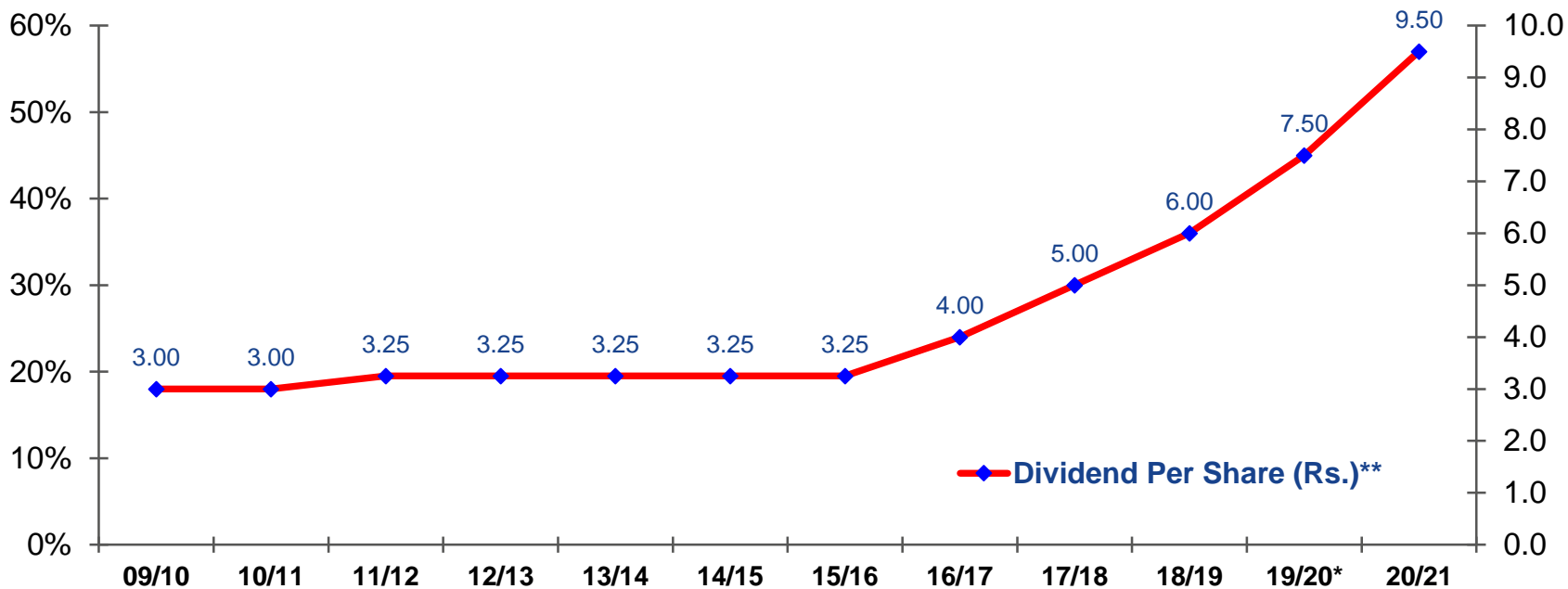
**GNO PAT CAGR**  
2009-10 to 2020-21: 12.7%



2020-21 : PBIT increase by : 29.9%; PAT growth: 29.4%

Source: Annual Reports

# GNO – DIVIDEND PER SHARE



\*\*Note: Dividend per share adjusted for bonus/splits

Source: Annual Reports



**Thank You**

