



14<sup>th</sup> February 2024

To,  
The Secretary  
Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai 400001  
Scrip Code: 505242

The Secretary  
National Stock Exchange India Limited  
"Exchange Plaza", Bandra-Kurla Complex,  
Bandra East, Mumbai 400051  
Symbol: DYNAMATECH

Dear Sir/ Madam,

**Sub:** Earnings Presentation – Q3

We enclose herewith the Earnings Presentation on the Financial Results of the Company for the quarter and nine months ended December 31, 2023. This is also available on the website of the Company at [www.dynamatics.com](http://www.dynamatics.com).

We kindly request you to take this letter along with the enclosures on record.

Thank you.

Yours faithfully,

For **DYNAMATIC TECHNOLOGIES LIMITED**

**Shivaram V**

**Head - Legal, Compliance & Company Secretary**

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Dynamatic Technologies Limited  
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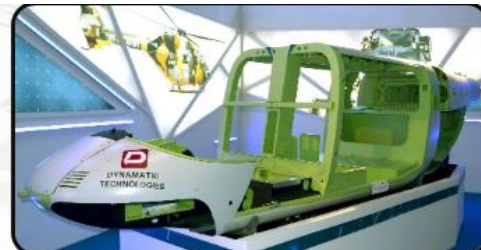
Corporate Identity Number: L72200KA1973PLC002308



Q3 and 9M FY2024 **EARNINGS** PRESENTATION



Hydraulics



Aerospace



Metallurgy

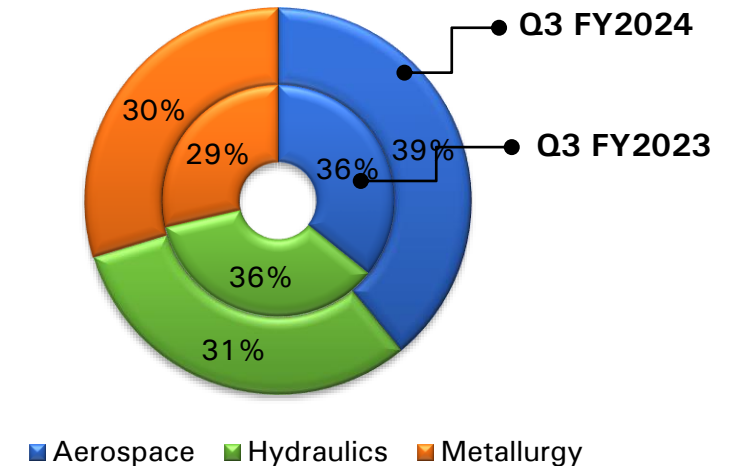


## Q3 FY2024 PERFORMANCE HIGHLIGHTS

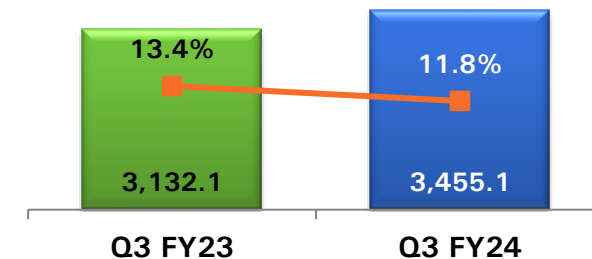
### Highlights Q3 FY2024 vs. Q3 FY2023

- Revenue of Rs. 3,455.1 mn; up by 10.3% from Rs. 3,132.1 mn in Q3 FY2023
  - Aerospace segment revenue of Rs. 1,345.7 mn; up by 20.1% from Rs. 1,120.9 mn
  - Hydraulics segment revenue of Rs. 1,083.5 mn; down by 2.7% from Rs. 1,113.9 mn
  - Metallurgy segment revenue of Rs. 1,025.4 mn; up by 14.4% from Rs. 896.4 mn
- EBITDA of Rs. 406.9 mn; down by 3.0% from Rs. 419.5 mn in Q3 FY2023
  - EBITDA margin of 11.8%; down by 162 bps
- EBIT of Rs. 234.5 mn; down by 6.8% from Rs. 251.5 mn in Q3 FY2023
  - EBIT margin of 6.8%; down by 124 bps
- PAT stood at Rs. 112.4 mn; up by 60.1% from Rs. 70.2 mn in Q3 FY2023

### Q3 FY2024 Revenue Breakup



### Revenue (Rs. mn) and EBITDA Margin (%)



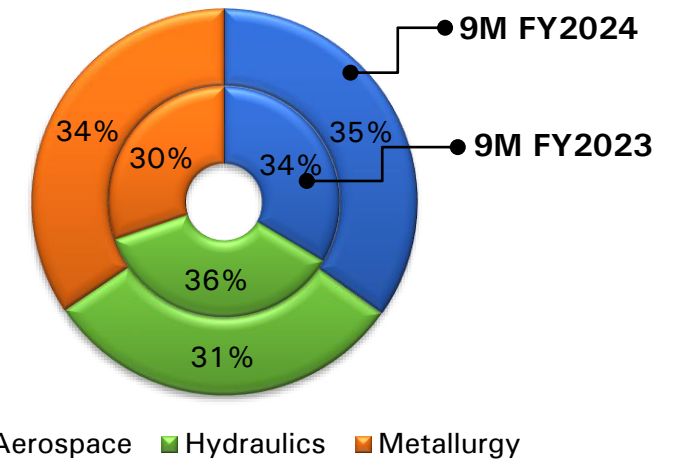


## 9M FY2024 PERFORMANCE HIGHLIGHTS

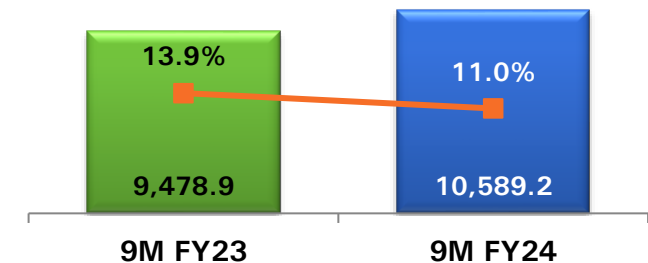
### Highlights 9MFY2024 vs. 9MFY2023

- Revenue of Rs. 10,589.2 mn; up by 11.7% from Rs. 9,478.9 mn in 9MFY2023
  - Aerospace segment revenue of Rs. 3,681.6 mn; up by 15.8% from Rs. 3,180.2 mn
  - Hydraulics segment revenue of Rs. 3,258.6 mn; down by 5.0% from Rs. 3,429.8 mn
  - Metallurgy segment revenue of Rs. 3,648.2 mn; up by 27.2% from Rs. 2,867.7 mn
- EBITDA of Rs. 1,165.6 mn; down by 11.6% from Rs. 1,318.0 mn in 9MFY2023
  - EBITDA margin of 11.0%; down by 290 bps
- EBIT of Rs. 674.8 mn; down by 13.4% from Rs. 779.2 mn in 9MFY2023
  - EBIT margin of 6.4%; down by 185 bps
- PAT\* stood at Rs. 647.0 mn; up by 156.4% from Rs. 252.3 mn in 9MFY2023

### 9M FY2024 Revenue Breakup



### Revenue (Rs. mn) and EBITDA Margin (%)



Note: \*PAT includes exceptional income of 176 mn, in 9M FY24



## PERFORMANCE HIGHLIGHTS

### Management Commentary

Commenting on the results, Mr. Udayant Malhoutra, CEO and Managing Director said:

*Industrialization of high-volume detail parts ordered by Airbus Aerostructures during the last quarter has already started at Dynamatic Manufacturing Limited, subsidiary of Dynamatic Technologies Limited and deliveries will commence during this calendar year. Our marketing campaigns have borne fruit and we have successfully contracted to manufacture all variants of Airbus A220 doors, as well as aerostructures for the Falcon 6X of Dassault Aviation during the past few weeks. These large contracts are expected to double our Aerospace India business over the next 36 months. Your company has already established worldclass infrastructure to absorb most of this additional business with minimal fixed capital.*

*During the last quarter, I explained how the UK Hydraulics division had taken a pause during Q2 to implement a design modification in a key product launch. This has successfully been done and you will note that sales have bounced back substantially by 68% q-o-q. We expect further growth in sales of this product in future. During Q3 we have taken steps to reset the India Hydraulics division. Consequently, sales have been subdued by 12%, but will correct upwards in Q4.*

*The recently concluded corporate business restructuring has helped Eisenwerk Erla GmbH, Germany to minimize the impact of lower demand on its profitability. Metallurgy segment remained under pressure due to demand shortage as the German automotive industry remains weak. However, the strong technical capabilities are enabling this subsidiary to transition into aerospace and defense business.*





## FINANCIAL PERFORMANCE SUMMARY

### Consolidated Performance Highlights

Rs. Mn	Q3		y-o-y Growth (%)	Q2	q-o-q Growth (%)	9M		y-o-y Growth (%)
	FY24	FY23		FY24		FY24	FY23	
Revenue	3,455.1	3,132.1	10.3%	3,509.0	(1.5)%	10,589.2	9,478.9	11.7%
EBITDA	406.9	419.5	(3.0)%	388.7	4.7%	1,165.6	1,318.0	(11.6)%
<b>Margin (%)</b>	<b>11.8%</b>	<b>13.4%</b>		<b>11.1%</b>		<b>11.0%</b>	<b>13.9%</b>	
EBIT	234.5	251.5	(6.8)%	229.3	2.3%	674.8	779.2	(13.4)%
<b>Margin (%)</b>	<b>6.8%</b>	<b>8.0%</b>		<b>6.5%</b>		<b>6.4%</b>	<b>8.2%</b>	
PBT *	159.6	71.6	122.9%	150.9	5.8%	771.4	302.6	154.9%
PAT*	112.4	70.2	60.1%	121.0	(7.1)%	647.0	252.3	156.4%
<b>Margin (%)</b>	<b>3.3%</b>	<b>2.2%</b>		<b>3.4%</b>		<b>6.1%</b>	<b>2.7%</b>	
EPS (Rs.)	16.55	11.07		17.82		95.29	39.79	

- The revenue in 9MFY2024 increased by 11.7% on a y-o-y basis
- Hydraulics segment revenue down by 5.0%, Aerospace segment revenue up by 15.8%, while Metallurgy segment up by 27.2% on a y-o-y basis
- 9MFY2024 EBITDA declined by 11.6% y-o-y with margin of 11.0%
- PAT stood at Rs. 647.0 mn from Rs. 252.3 mn in 9MFY2023



## PERFORMANCE HIGHLIGHTS

### Foreign Exchange Fluctuation

				Q3 FY2024 vs. Q2 FY2024		Q3 FY2024 vs. Q3 FY2023	
Average Exchange Rate	Q3 FY2024	Q2 FY2024	Q3 FY2023	Impact	Impact %	Impact	Impact %
EURO vs. INR	89.64	89.67	82.11	(0.03)	(0.0)%	7.53	9.2%
GBP vs. INR	103.61	103.74	95.73	(0.13)	(0.1)%	7.88	8.2%
USD vs. INR	82.70	82.43	79.78	0.27	0.3%	2.93	3.7%

### Impact due to change in average exchange rates (Y-o-Y)

	Q3 FY2024 vs. Q3 FY2023				Q3 FY2024 vs. Q2 FY2024			
Particulars	Erla	DL UK	DTL	Total Impact	Erla	DL UK	DTL	Total Impact
<i>Currency</i>	EURO	GBP/ USD	EURO/GBP/USD		EURO	GBP/ USD	EURO/GBP/USD	
Revenue (Rs. mn)	86.16	73.41	42.08	201.65	(0.34)	(1.18)	1.90	0.37
EBITDA (Rs. mn)	0.47	4.65	25.25	30.37	(0.00)	(0.07)	1.14	1.06

- On a constant currency basis, Q3 FY2024 revenue, if adjusted for a foreign exchange impact of Rs. 201.7 mn would be Rs. 3,253.5 mn (representing a gain of 3.9% compared to a gain of 10.3% before adjustment)
- On a constant currency basis, Q3 FY2024 EBITDA, if adjusted for a foreign exchange impact of Rs. 304 mn would be Rs. 376.5 mn (compared to Rs. 406.9 mn before adjustment)
- The Company has exposure to EUR, GBP and USD. The impact from USD transactions were favorable on a Y-o-Y basis



## AEROSPACE SEGMENT

### Financial Overview

Rs. Mn	Q3		y-o-y Growth (%)	Q2	q-o-q Growth (%)	9M		y-o-y Growth (%)
	FY24	FY23		FY24		FY24	FY23	
Revenue	1,345.7	1,120.9	<b>20.1%</b>	1,290.3	<b>4.3%</b>	3,681.6	3,180.2	<b>15.8%</b>
EBITDA	379.7	297.0	<b>27.8%</b>	324.2	<b>17.1%</b>	863.8	868.9	<b>(0.6)%</b>
<b>Margin (%)</b>	<b>28.2%</b>	<b>26.5%</b>		<b>25.1%</b>		<b>23.5%</b>	<b>27.3%</b>	
EBIT	281.4	208.8	<b>34.8%</b>	233.2	<b>20.7%</b>	587.9	570.6	<b>3.0%</b>
<b>Margin (%)</b>	<b>20.9%</b>	<b>18.6%</b>		<b>18.1%</b>		<b>16.0%</b>	<b>17.9%</b>	

### Performance Overview

- Aerospace industry witnessed modest growth supported by strong commercial order book and slight improvements in supply chain
- The aerospace segment reported a growth of 15.8% y-o-y in 9MFY2024 driven by resilient performance of the aviation industry
- **Outlook:** Commercial deliveries and ramp-up of parts for F-15EX Eagle started and First Article build of Escape Hatch Doors for Airbus A220 aircraft is completed as planned and same will contribute to the new business opportunities
- A strong order book by major aircraft producers will drive both defense and commercial coupled with recently announced contract with Airbus Aerostructures to produce high-volume detail parts and Airbus doors. Some more large campaigns are at advanced stages, and we expect to conclude these shortly
- **Strategy:** Focus on aerostructures, sheet metal and detail products to enhance margin levels





## HYDRAULICS SEGMENT

### Financial Overview

Rs. Mn	Q3		y-o-y Growth (%)	Q2	q-o-q Growth (%)	9M		y-o-y Growth (%)
	FY24	FY23		FY24		FY24	FY23	
Revenue	1,083.5	1,113.9	(2.7)%	1,018.0	6.4%	3,258.6	3,429.8	(5.0)%
EBITDA	89.9	212.5	(57.7)%	58.7	53.2%	306.7	658.8	(53.4)%
<b>Margin (%)</b>	<b>8.3%</b>	<b>19.1%</b>		<b>5.8%</b>		<b>9.4%</b>	<b>19.2%</b>	
EBIT	59.8	183.9	(67.5)%	26.4	126.5%	215.5	565.7	(61.9)%
<b>Margin (%)</b>	<b>5.5%</b>	<b>16.5%</b>		<b>2.6%</b>		<b>6.6%</b>	<b>16.5%</b>	

### Performance Overview

- Hydraulics segment showed a decline of 5.0% y-o-y in 9MFY2024 due to unfavorable monsoon conditions in India and deliveries started ramping up after a temporary a pause in production at UK to implement a design modification to one of its major product that has impacted revenue and margins at both UK and India. However, the revenues are bouncing back in the coming quarters
- Outlook:** The tractor industry is expected to record a low single digit growth due to forecast of subdued monsoons. The demand from the market in Europe and USA continues to stay stable
- Strategy:** Focus on increasing market share and improving efficiencies. Furthermore, the company will focus on developing new products to increase its wallet share



## METALLURGY SEGMENT

### Financial Overview

Rs. Mn	Q3		y-o-y Growth (%)	Q2	q-o-q Growth (%)	9M		y-o-y Growth (%)
	FY24	FY23		FY24		FY24	FY23	
Revenue	1,025.4	896.4	14.4%	1,200.4	(14.6)%	3,648.2	2,867.7	27.2%
EBITDA	15.4	(2.2)	nm	80.0	(80.8)%	231.0	53.5	331.8%
<b>Margin (%)</b>	<b>1.5%</b>	<b>(0.2)%</b>		<b>6.7%</b>		<b>6.3%</b>	<b>1.9%</b>	
EBIT	(22.8)	(46.9)	nm	46.5	nm	120.9	(75.3)	nm
<b>Margin (%)</b>	<b>(2.2)%</b>	<b>(5.2)%</b>		<b>3.9%</b>		<b>3.3%</b>	<b>(2.6)%</b>	

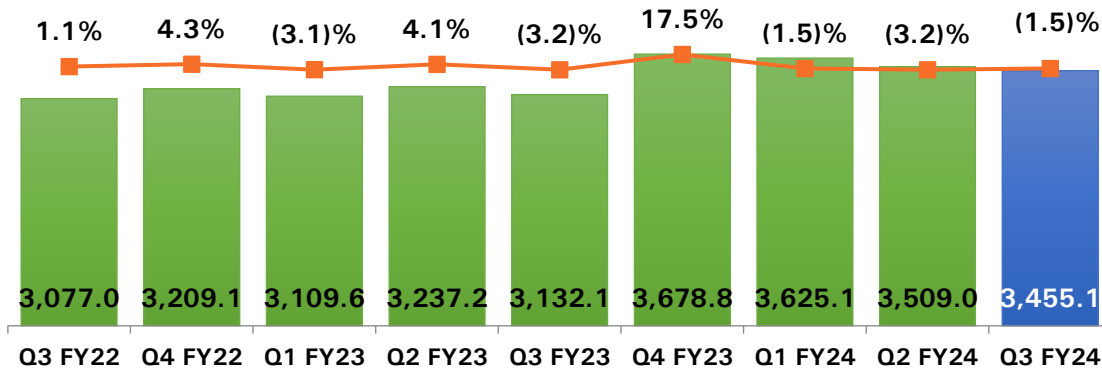
### Performance Overview

- Metallurgy segment remained under pressure due to demand shortage and German economy remains in recession resulting a weak business prospects and coupled with geopolitical uncertainties
- **Outlook:** Going forward, the segment performance will be majorly driven by availability of raw material, input commodity prices and cost of financing to end customers
- **Strategy:** Focus on rationalization of low margin products alongside development of aerospace castings and forgings in the future is expected to drive the business growth

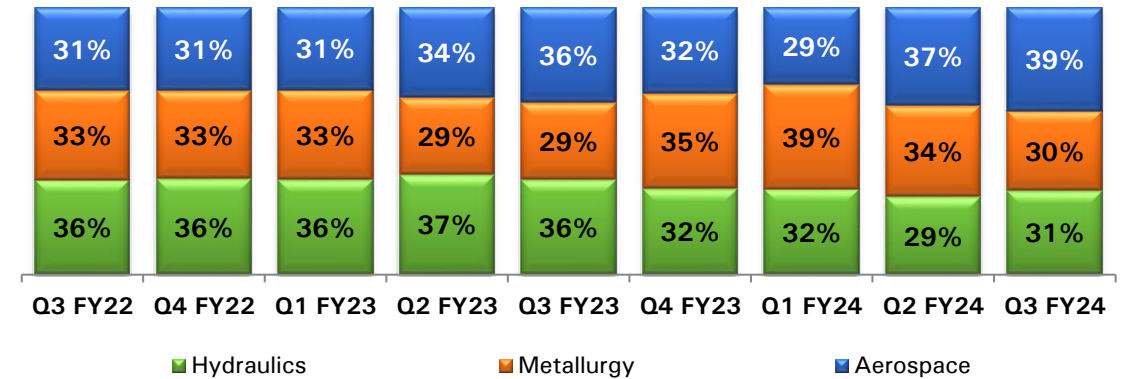


## QUARTERLY FINANCIAL TRENDS

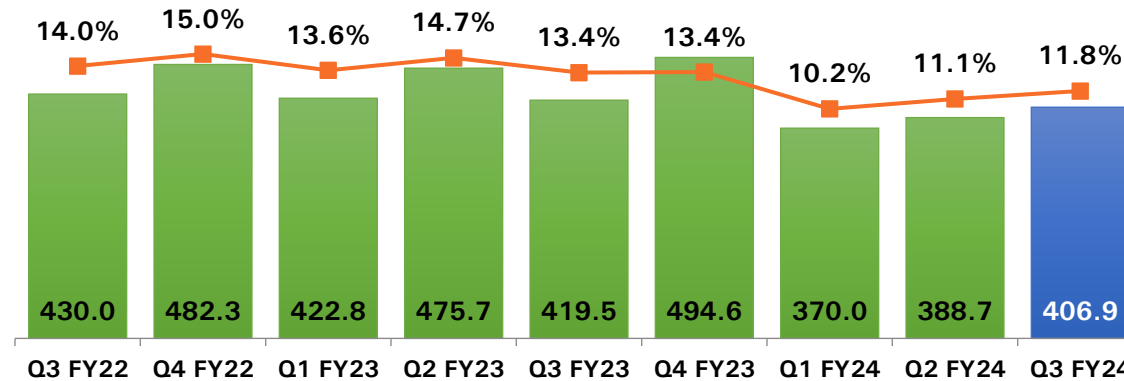
### Revenue (Rs. Mn) and Growth % (Y-o-Y)



### Segment Wise Revenue Contribution



### EBITDA (Rs. Mn) and Margin (%)



Note:

1. Revenue and EBITDA refer to continuing operations

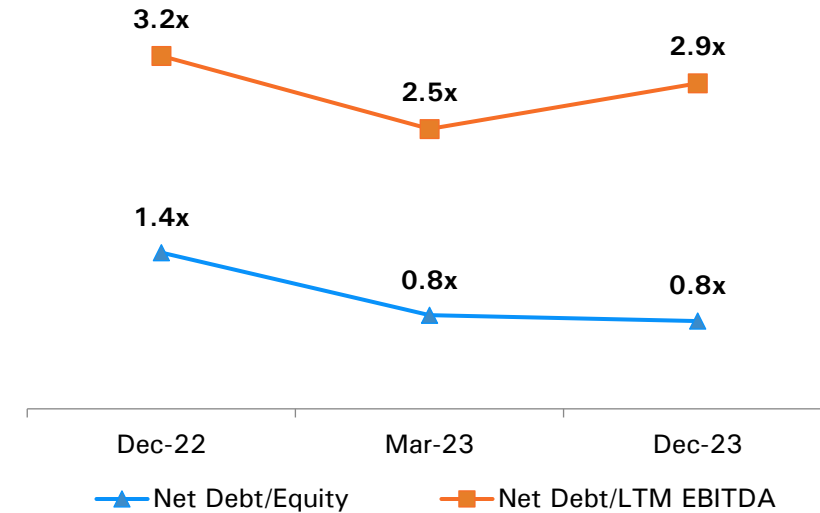


## QUARTERLY FINANCIAL TRENDS

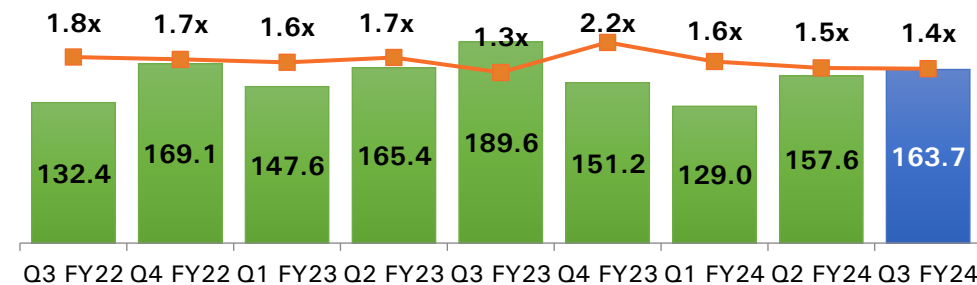
### Capital Structure

(Rs. Mn)	Dec-22	Mar-23	Dec-23
Long Term	3,590.0	3,612.2	3,174.0
Short Term	2,510.0	2,571.8	2,169.0
<b>Total Debt</b>	<b>6,100.0</b>	<b>6,184.0</b>	<b>5,343.0</b>
Less: Cash & Cash Equivalents	370.0	1,608.6	469.0
<b>Net Debt</b>	<b>5,730.0</b>	<b>4,575.4</b>	<b>4,874.0</b>
Add: Lease Liabilities	1,360.0	1,359.3	1,293.0
<b>Overall Debt</b>	<b>7,090.0</b>	<b>5,934.7</b>	<b>6,167.0</b>
Net Worth	4,067.9	5,419.7	6,158.0
LTM EBITDA	1,800.3	1,812.6	1,660.2

### Net Debt/LTM EBITDA & Debt/Equity (x)



### Interest Expense (Rs. Mn) & Interest Coverage (x)



Note:

- Interest Coverage ratio = Operating Profit / Interest Expense
- LTM EBITDA refers to EBITDA from continuing operations



## DYNAMATIC OVERVIEW

### Diversified Business

- A combination of stable and high growth businesses with highly engineered products for the automotive, hydraulic and aerospace industries
- Successful track record of enhancing manufacturing capabilities through R&D and selective acquisitions

### Competitive Market Position

- One of the world's largest manufacturers of hydraulic gear pumps; leadership in hydraulic gear pumps market for over 45 years
- Has 80% share of the Indian organized tractor market, supplies to almost all OEMs in India
- Pioneer and leader in the Indian private sector and the UK for manufacture of high precision airframe structures and aerospace components. Tier I supplier to the global aerospace OEMs such as Airbus, Boeing, Bell Helicopters and HAL
- Manufactures high precision, complex metallurgical ferrous castings for performance critical components such as turbochargers and exhaust manifolds and has capabilities to develop complex metallurgical components on single-source basis

### Locational Advantages

- World-class manufacturing facilities in India, UK and Germany will give the company business advantages in the post-COVID world, as customers look for local deliveries from suppliers



## DYNAMATIC OVERVIEW

### Vertically Integrated Facilities

- Owns one of the most advanced ferrous foundries in Europe (Germany) capable of manufacturing highly intricate castings
- In-house division for design validation and optimization, analysis and prototypes
- 9 Facilities globally, spread across India (Bangalore and Coimbatore), UK (Swindon, Bristol) and Germany (Schwarzenberg)

### R&D and Intellectual Property

- Owns 21 patents for various products in India and internationally
- Has the design IP for all the products manufactured in the Hydraulics segment
- R&D units recognized by Department of Scientific and Industrial Research, Government of India

### Blue Chip Customers

- Automotive: BMW, MAN, Daimler, Volkswagen
- Hydraulics: Cummins, Escorts, John Deere, Mahindra & Mahindra, Same Deutz-Fahr
- Aerospace : Airbus, Bell Helicopter, Boeing, GKN Aerospace, HAL, Spirit Aerosystems

### Board and Management

- Highly qualified board and management team with significant industry experience
- 4 out of 8 Directors are Independent



## DYNAMATIC OVERVIEW

Combination of Stable and High Growth Businesses

### AEROSPACE

39% of Q3 FY2024 Revenue

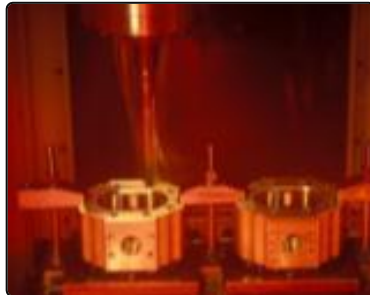


- Wings, rear fuselages, ailerons, wing flaps and major airframe structures
- Ramp structure assembly
- AFT Pylon assembly

- Airbus
- Boeing
- Bell
- Spirit Aerosystems
- HAL

### HYDRAULICS

31% of Q3 FY2024 Revenue



- Hydraulic valves
- Hydraulic gear pumps
- Combined displacement pump packages
- Fan drive systems
- Fixed displacement pumps

- Cummins
- Eicher
- Escorts
- John Deere
- JCB
- Mahindra & Mahindra
- New Holland
- Same Deutz-Fahr
- Terex
- MacDon

### METALLURGY

30% of Q3 FY2024 Revenue



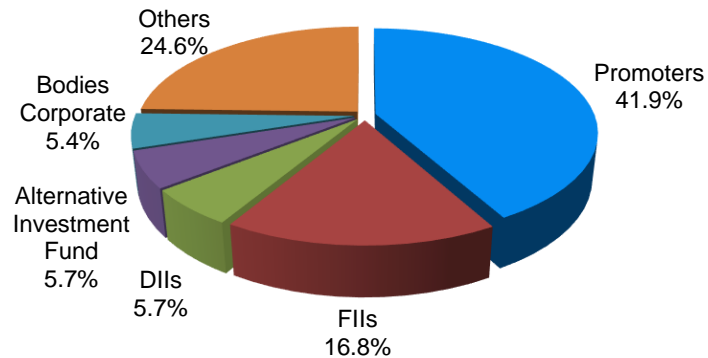
- Casting and forging

- Audi
- BMW
- Daimler
- IHI
- MAN
- Volkswagen
- BorgWarner
- AGCO



## BLUE CHIP INVESTOR BASE

### Shareholding Structure



### Shareholding Pattern Trend

Shareholders	Dec-22	Mar-23	Dec-23
Promoters	44.8%	41.9%	41.9%
FIIIs	11.2%	16.8%	16.8%
DIIIs	6.5%	6.1%	5.7%
Alternative Investment Fund	3.0%	3.9%	5.7%
Bodies Corporate	4.5%	4.2%	5.4%
Others	29.9%	27.1%	24.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

### Key Investors

- Samena Capital
- HDFC Mutual Fund
- Alchemy and Group
- Girish Gulati – HUF
- Abakkus Group
- Madhusudan Kela and Group
- AI Mehwar Commercial Investments L.L.C. - (Noosa)
- Cohesion MK Best Ideas Sub-trust
- Carnelian Structural Shift Fund

### Equity History

Year	Event	Year End Equity Capital (Rs. Mn)
1974	Initial Public Offering	2.9
1987	Rights Issue	11.2
1992	Rights Issue	21.0
1994	Rights Issue	31.5
1995	Bonus Issue	41.9
2008	Amalgamation	48.1
2008	Qualified Institutional Placement	54.1
2014	Preferential Convertible Warrants	60.4
2014	Qualified Institutional Placement	63.4
2023	Preferential allotment	67.9





## FINANCIAL STATEMENTS

### Consolidated P&L Statement (Q-o-Q)

Profit & Loss Statement (Rs. Mn)	Q3 FY23	Q2 FY24	Q3 FY24
<b>Revenues</b>			
Revenue from operations	3132	3509	3455
<b>Expenses</b>			
Cost of materials and components consumed	1571	1595	1693
Change in inventory of finished goods and work-in-progress	(73)	44	(107)
Employee Benefit Expenses	636	745	772
Other Expenditure	580	736	691
<b>Total expenses excluding D&amp;A</b>	<b>2713</b>	<b>3120</b>	<b>3048</b>
<b>Operating profit (EBITDA)</b>	<b>420</b>	<b>389</b>	<b>407</b>
Depreciation and amortization expenses	168	159	172
<b>EBIT</b>	<b>252</b>	<b>229</b>	<b>235</b>
Other income	10	79	89
Finance costs	190	158	164
<b>PBT</b>	<b>72</b>	<b>151</b>	<b>160</b>
Tax expenses	01	30	47
<b>PAT</b>	<b>70</b>	<b>121</b>	<b>112</b>
EPS (Rs)	11.07	17.82	16.55
<b>Margins (%)</b>			
Gross margins	52.2%	53.3%	54.1%
EBITDA margins	13.4%	11.1%	11.8%
PAT margins	2.2%	3.4%	3.3%
<b>Y-o-Y growth (%)</b>			
Total revenues	1.8%	8.4%	10.3%
EBITDA	(2.4)%	(18.3)%	(3.0)%
PAT	(12.5)%	20.5%	60.1%



## IMPORTANT NOTICE

This presentation contains statements that contain 'forward looking statements' including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Dynamatic Technologies' ('Dynamatic' or the 'Company') future business developments and economic performance.

While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.

Dynamatic undertakes no obligation to publicly revise any forward-looking statements to reflect future / likely events or circumstances.



## CONTACT DETAILS

**Mr. Chalapathi P**

*Chief Financial Officer*

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**Mr. Shivaram V**

*Head – Legal, Compliance & Company Secretary*

E: [shivaram.v@dynamatics.net](mailto:shivaram.v@dynamatics.net)

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