29th April, 2023

To,
The Manager (CRD)
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort
Mumbai – 400001
Scrip Code: 523828

To,
The Manager – Listing Department
National Stock Exchange of India Ltd.,
Exchange Plaza, Bandra Kurla Complex,
Bandra (East),
Mumbai – 400051
Symbol: MENONBE

Dear Sir / Ma'am,

Sub: Investor Presentation.

Pursuant to the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find attached herewith Investor Presentation titled "Menon Bearings Ltd. Investor Presentation - April, 2023"giving highlight of Financial & Operational Performance Q4 & FY23.

The presentation is also being uploaded on the website of the Company i.e www.menonbearings.in.

Kindly take the same on your record.

Thanking you,

Yours faithfully,

for **Menon Bearings Limited**

Manmay Kiran Kalyankar
Digitally signed by Manmay Kiran Kalyankar
Date: 2023.04.29 17:42:04 +05'30'

Manmay Kalyankar
Company Secretary & Compliance Officer
Membership No.: A29264

Menon Bearings Limited

Investor Presentation – April 2023

Safe Harbour

This presentation and the accompanying slides (the "Presentation"), which have been prepared by **Menon Bearings Limited** (the "Company"), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation may contain statements regarding the Company's market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company's ability to successfully implement its strategy, the Company's future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company's market preferences and its exposure to market risks, as well as other risks. The Company's actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.

Financial & Operational Performance Q4 & FY23

Update on Capex in Product Diversification – Brakes

Diversification of product portfolio by starting manufacturing of **new production line in auto component segment** i.e., eco-antifriction (asbestos free) materials to begin with products like **brake lining, brake shoes etc.**

Key Highlights of the Investments

- **Name of the product:** Brake Lining, Brake Shoes
- **Industry:** Auto Components
- Product will be initially catering to the **Domestic Market**
- **Customers:** All OEM's into HCV / LCV / Heavy Duty Vehicles & Aftermarket & trailer manufacturers
- The project will be funded through a mix of **internal accruals & debt**
- The installed capacity is **15 lakh units/annum for Brake Lines** and **2.4 lakh units/annum for Brake Shoes**

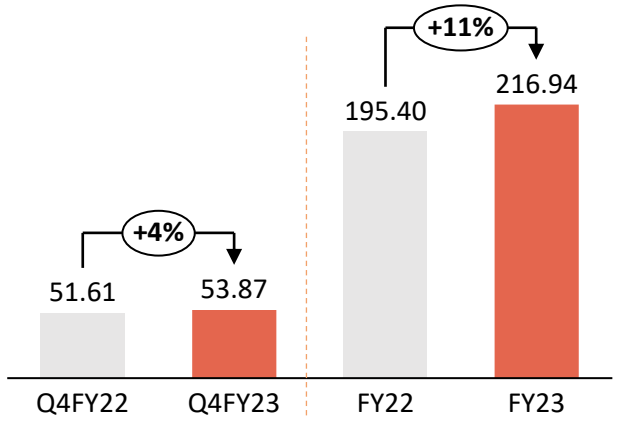
Investment Rationale

- **Synergy** with the existing manufacturing with **Low Gestation period**
- Involvement of **High-End Technology**
- Enjoys very good **brand equity**, having established robust Pan-India **Network of 350+ Dealers and Distributors in place**
- **Huge Potential:** Brake lining are required to be changed after 40,000 kms i.e., 4 times a year for HCV and 6 to 8 times in a year for vehicles used in mining operations
- Will cater to **OEM's, Aftermarket, STU's, Railway** and having presence in aftermarket across the globe, eventually we envisage to be one of the leading exporter of these products

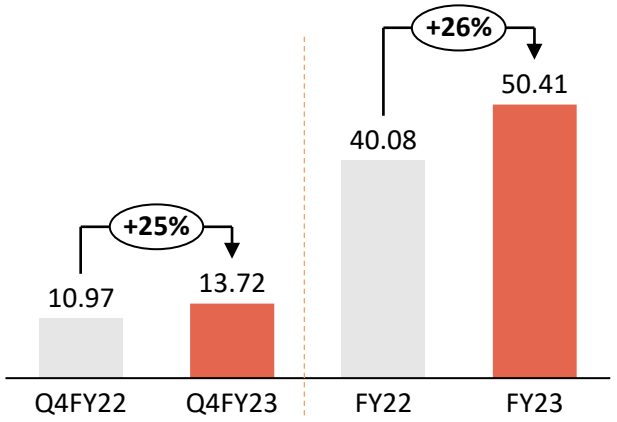
Commercial production commenced in Q1 FY24, we will share updates in the coming quarters.

Key Financial Highlights – Q4 & FY23

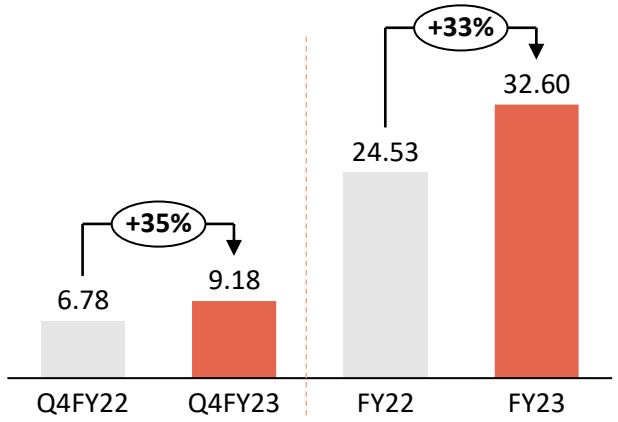
Revenue (Rs. in Crs)



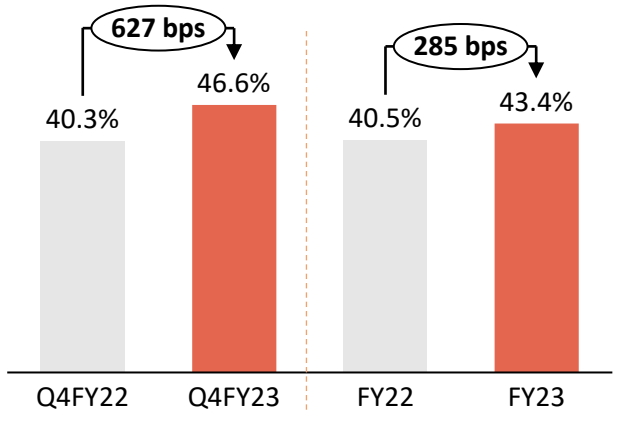
EBIDTA (Rs. in Crs)



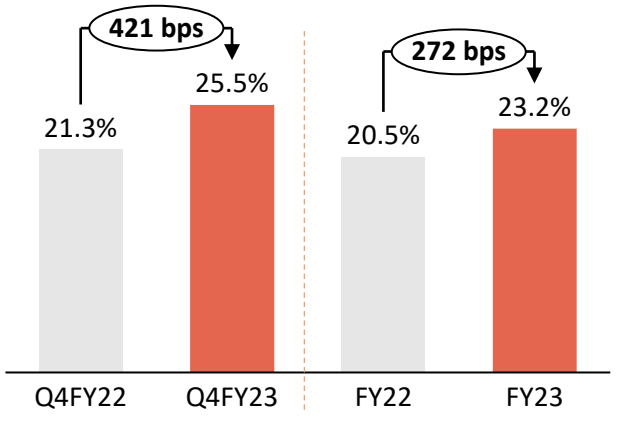
PAT (Rs. in Crs)



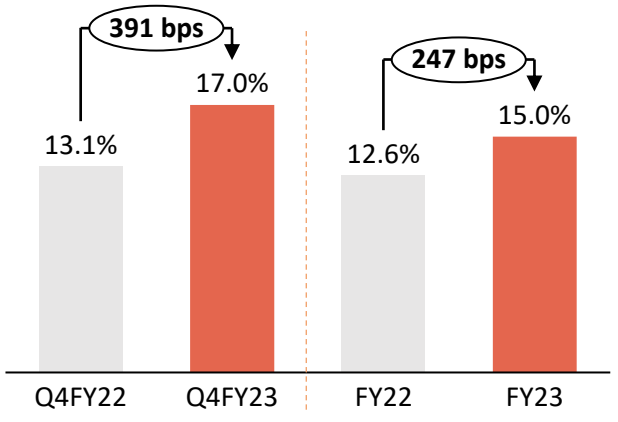
Gross Profit Margin (%)



EBIDTA Margin (%)

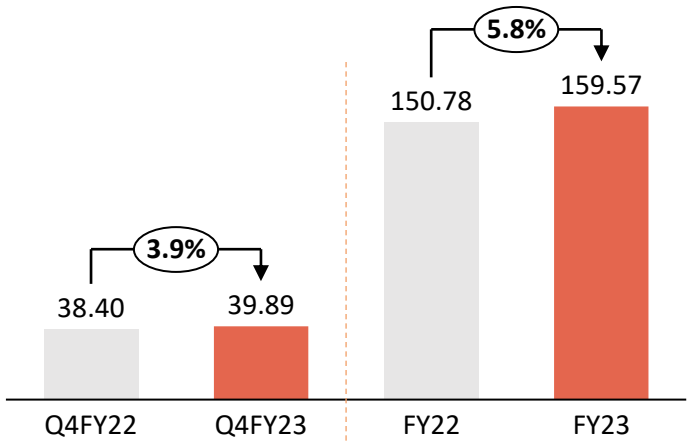


PAT Margin (%)

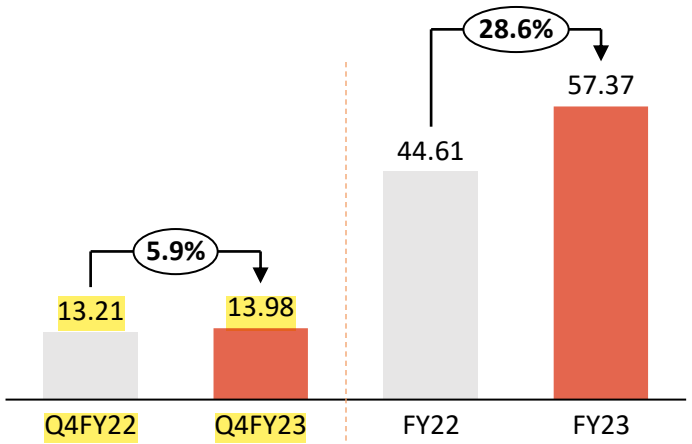


Product-Wise Highlights – Q4 & FY23

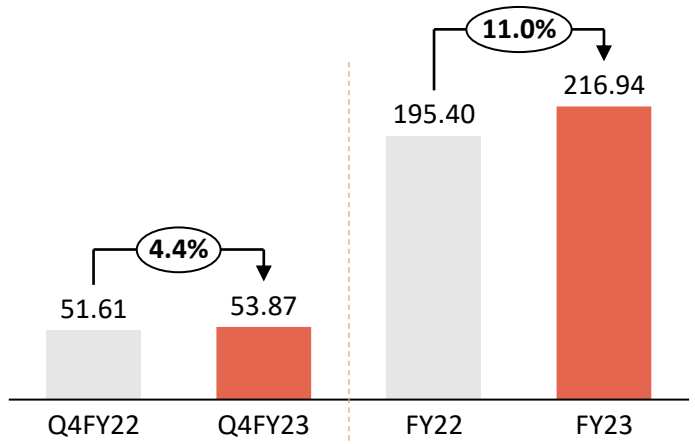
Bimetal (Rs. in Crs)



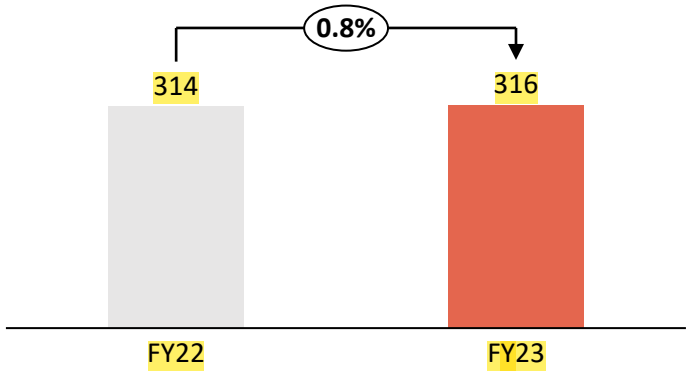
Alkop – Aluminum (Rs. in Crs)



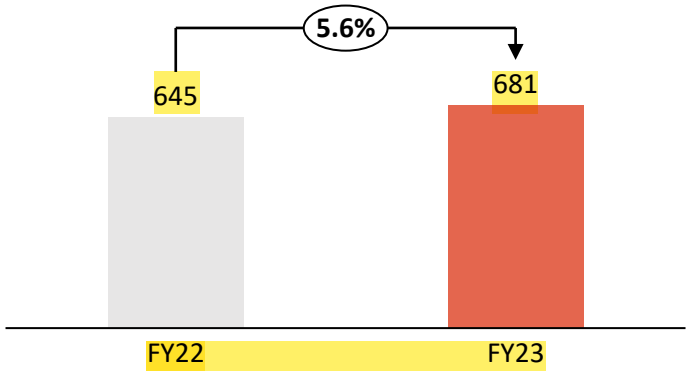
Total Revenue* (Rs. in Crs)



Bimetal Volumes (units in lakhs)



Alkop Volumes (MT)

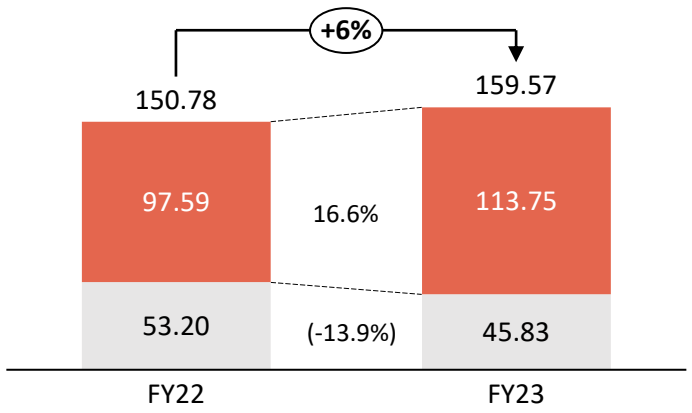


- Revenue from Bi-Metal stood at Rs. 160 crs for FY23 up by 6% on Y-o-Y basis.
- Revenue from Alkop division grew by 29% for FY23 on Y-o-Y basis
- Volumes for Bimetal stood at ~316 lakh units.
- Volumes for Alkop have increased by 6% for FY23 on a Y-o-Y basis and stood at 681 MT

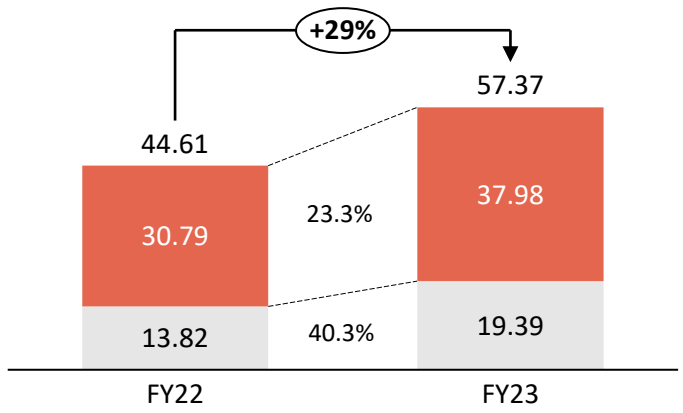
*Total Revenue is excl. inter company adjustments

Revenue Break up – Product Wise

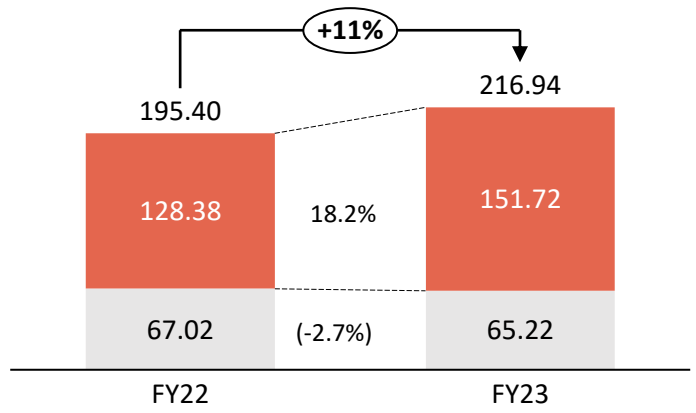
Bimetal (Rs. in Crs)



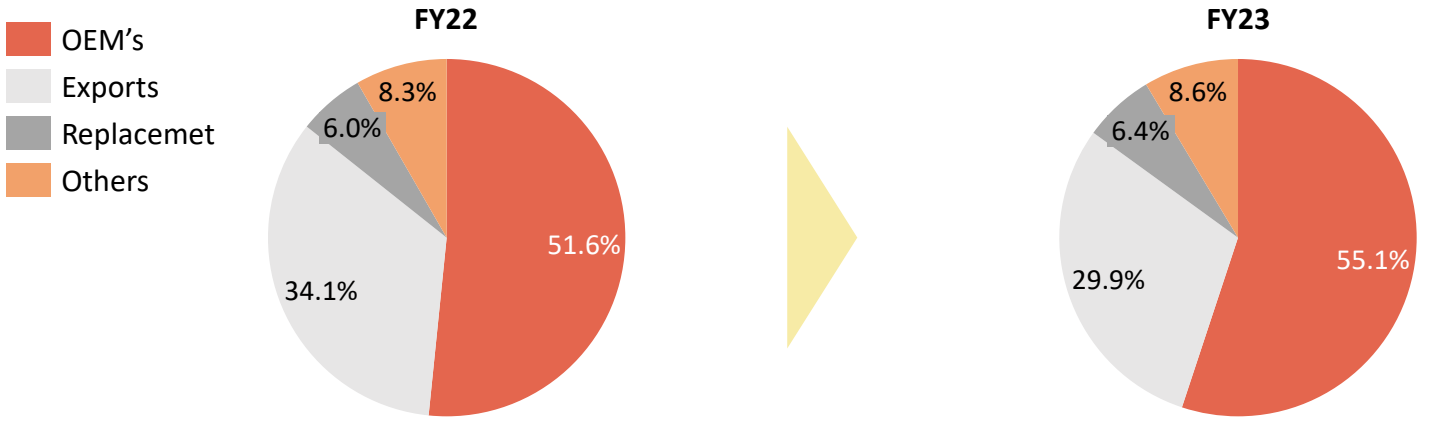
Alkop - Aluminum (Rs. in Crs)



Total* (Rs. in Crs)



Domestic Exports



- Domestic revenue for Bi-Metal division & Alkop division **grew by 17% & 23%** respectively on Y-o-Y basis for FY23
- For FY23, Exports revenue for Alkop division stood at Rs. 19 crs, up by **40% YoY**
- Change in product mix & higher customization has led to increase in realizations for the products
- Revenue from exports declined due to slowdown in exports to Japan for bimetal products, which we anticipate to normalize in the coming quarters

*Total Revenue is excl. inter company adjustments

A message from the Chairman

Nitin Menon
Executive Chairman

Commenting on the Q4 & FY23 performance of the company Mr. Nitin Menon, Executive Chairman for Menon Bearings Limited said,

"Our company has delivered strong results for the quarter and financial year ending 31st March 2023 with growth in revenues & margins being encouraging. The EBITDA & PAT are up by 25% and 35% respectively on a Y-o-Y basis for Q4FY23. Our continual focus on cost rationalisation, efficiency enhancement & operating leverage has led to margin expansion.

We have performed excellently across all our segments and have witnessed increase in both Bimetal and Alkop revenues. Major growth was fuelled by Alkop segment, which expanded in both exports and domestic markets. Our realisations were higher on the back of change in product mix & increase in customised products for our customers.

Exports revenues were impacted due to due to geopolitical disruptions and the international inflationary environment. Despite challenging environment, we were able to maintain our export share at 30% in FY23. As we are focusing on capacity expansion and have added new lines for bimetal bearings during the year, we are encouraged to keep up with the surge in demand in the coming quarters. We are optimistic of the demand scenario in both domestic and exports markets & are well positioned to capitalize on back of growing industry demand. Commercial production in the brakes segment is expected in Q1FY24, we expect this segment to contribute to significantly to revenues & profitability in the coming years.

Going forward, demand in CV & Tractor space is expected to be favourable and with change in products mix & operational efficiencies, by maintaining margins. Our strong customer relationships give us the confidence to continuously deliver better results and we are encouraged to achieve more growth in future."

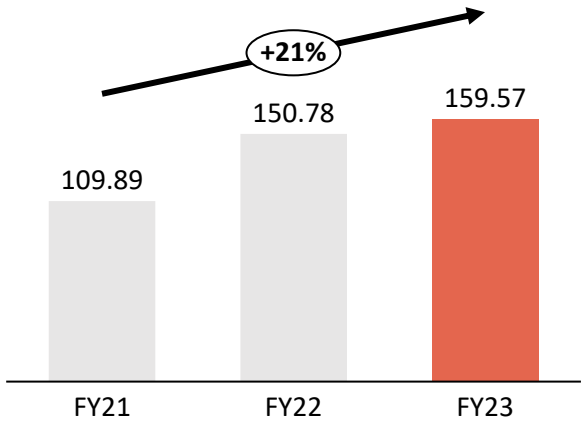
Consolidated Profit & Loss Statement

Profit and Loss (Rs. in Crs)	Q4FY23	Q4FY22	*Y-o-Y*	FY23	FY22	*Y-o-Y*
Revenue from Operations	**53.87**	**51.61**	***4.4%***	**216.94**	**195.40**	***11.0%***
Operating Expenses	28.77	30.80		122.85	116.22	
Gross Profit	**25.09**	**20.80**	***20.6%***	**94.09**	**79.17**	***18.8%***
Gross Profit Margin	***46.6%***	***40.3%***	***627 bps***	***43.4%***	***40.5%***	***285 bps***
Employee Cost	8.06	6.84		32.10	28.81	
Other Expenses	3.31	2.99		11.58	10.28	
EBITDA	**13.72**	**10.97**	***25.1%***	**50.41**	**40.08**	***25.8%***
EBITDA Margin	***25.5%***	***21.3%***	***421 bps***	***23.2%***	***20.5%***	***272 bps***
Other Income	0.20	0.53		2.92	2.61	
Depreciation	1.90	2.00		7.92	7.75	
EBIT	**12.03**	**9.50**	***26.6%***	**45.42**	**34.94**	***30.0%***
Finance Cost	0.68	0.45		2.91	2.59	
Profit before Tax	**11.35**	**9.05**	***25.4%***	**42.51**	**32.35**	***31.4%***
Tax	2.17	2.27		9.91	7.82	
Profit After Tax	**9.18**	**6.78**	***35.4%***	**32.60**	**24.53**	***32.9%***
Profit After Tax Margin	***17.0%***	***13.1%***	***391 bps***	***15.0%***	***12.6%***	***247 bps***

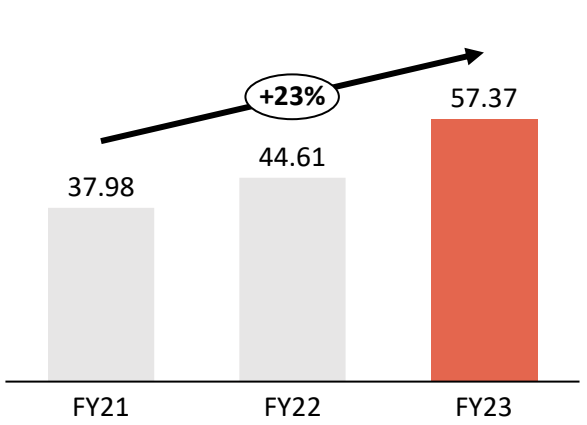
Historical Financial & Operational Performance

Revenue Break up – Product Wise

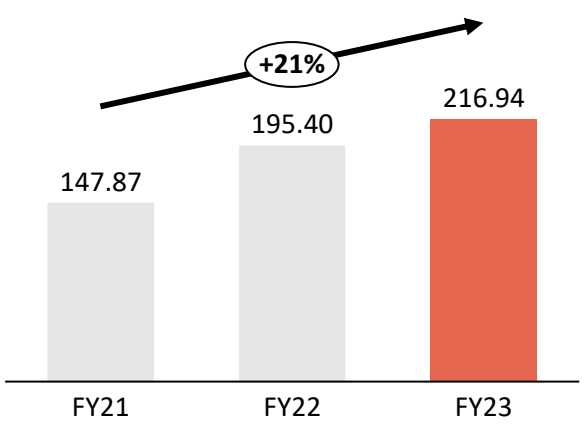
Bimetal (Rs. in Crs)

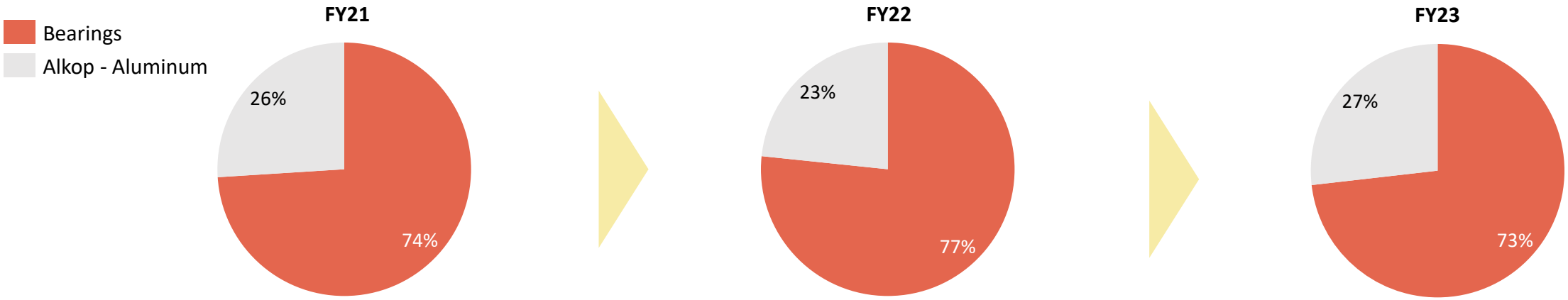


Alkop – Aluminum (Rs. in Crs)



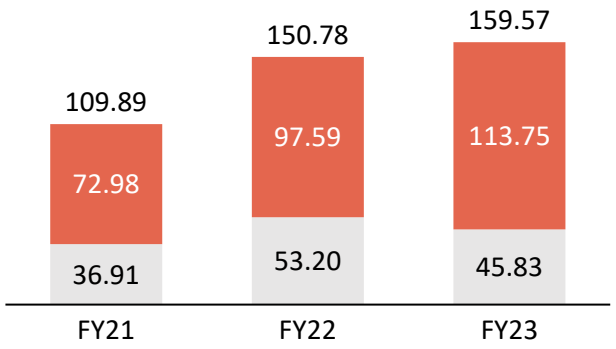
Total (Rs. in Crs)



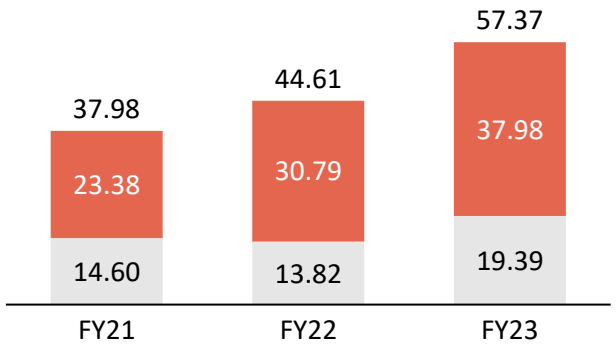


Revenue Break up – Geography Wise

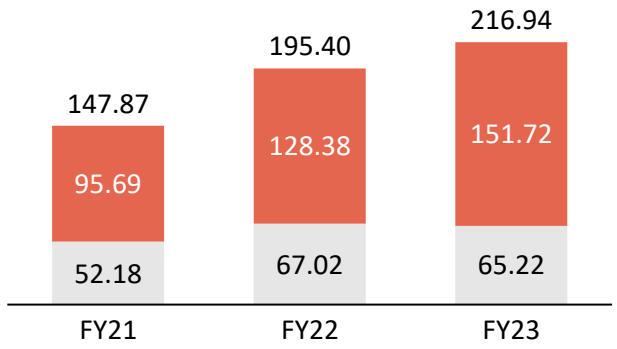
Bimetal (Rs. in Crs)



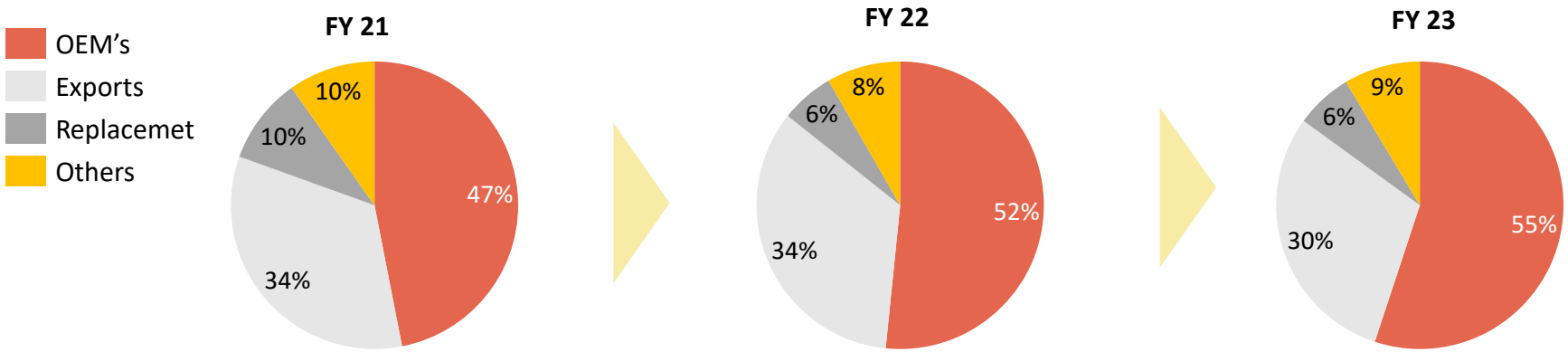
Alkop – Aluminum (Rs. in Crs)



Total (Rs. in Crs)



Domestic Exports



- Alkop revenues have shown great momentum since FY21, in terms of both domestic and exports channel.
- As our products are gaining more recognition, our share of sales through OEM's is up significantly in the last 2 years

Consolidated Profit & Loss Statement

Profit and Loss (in ₹ Crs)	FY23	FY22	FY21
Revenue from Operations	**216.94**	**195.40**	**147.87**
Operating expenses	122.85	116.22	79.42
Gross Profit	**94.09**	**79.17**	**68.45**
Gross Profit Margin	***43.4%***	***40.5%***	***46.3%***
Employee Cost	32.10	28.81	25.18
Other Expenses	11.58	10.28	10.38
EBITDA	**50.41**	**40.08**	**32.89**
EBITDA Margin	***23.2%***	***20.5%***	***22.2%***
Other Income	2.92	2.61	3.03
Depreciation	7.92	7.75	7.48
EBIT	**45.42**	**34.94**	**28.44**
Finance Cost	2.91	2.59	3.57
Profit before Tax	**42.51**	**32.35**	**24.87**
Tax	9.91	7.82	6.07
Profit After Tax	**32.60**	**24.53**	**18.80**
Profit After Tax Margin	***15.0%***	***12.6%***	***12.7%***

Consolidated Balance Sheet

Assets (in ₹ Crs)	Mar-23	Mar-22
Non - Current Assets	**87.23**	**79.78**
Property Plant & Equipment's	76.45	78.71
Capital Work in Progress	8.30	0.00
Investments	1.29	-
Loans	1.20	1.06
Current Assets	**86.30**	**83.56**
Inventories	21.64	21.22
Financial Assets		
(i)Trade receivables	49.71	50.97
(ii)Cash and cash equivalents	11.37	7.02
(iii)Bank balances other than (ii) above	1.79	1.76
(iv) Loans	1.08	1.64
Other Current Assets	0.70	0.94
Total Assets	**173.54**	**163.33**

Equity & Liabilities (in ₹ Crs)	Mar-23	Mar-22
Total Equity	**133.32**	**111.98**
Share Capital	5.60	5.60
Reserves & Surplus	127.72	106.38
Non-Current Liabilities	**9.46**	**10.93**
Financial Liabilities		
(i) Borrowings	5.79	6.64
Deferred Tax Liabilities	3.67	4.28
Current Liabilities	**30.76**	**40.42**
Financial Liabilities		
(i) Borrowings	8.85	16.64
(ii) Trade Payables	12.56	13.19
(iii) Other Financial Liabilities	7.35	8.94
Other Current Liabilities	1.99	1.65
Total Equity & Liabilities	**173.54**	**163.33**

Consolidated Cash Flow Statement

Particulars (in ₹ Crs)	FY23	FY22
Net Profit after Tax	32.54	24.47
Adjustments for: Non -Cash Items / Other Investment or Financial Items	9.66	9.68
Operating profit before working capital changes	**42.20**	**34.16**
Changes in working capital	7.89	-9.94
Net Cash from Operating Activities	**50.09**	**24.22**
Net Cash from Investing Activities	**-22.95**	**-3.49**
Net Cash from Financing Activities	**-22.76**	**-19.70**
Net Decrease in Cash and Cash equivalents	4.38	1.04
Add: Cash & Cash equivalents at the beginning of the period	8.79	7.75
Cash & Cash equivalents at the end of the period	**13.17**	**8.79**

About
Menon Bearings

About Menon Bearings

India's Leading Bearing Manufacturer

Introducing a New Product Line :

Bi-Metal Products	Alkop	Brakes
• Bearings • Bushes • Thrust Washers	Aluminum Die-Cast Products	Asbestos-Free • Brake Lining • Brake Shoes

Strong **Brand Equity** and Network

Strongly positioned globally with **exports to over 24 countries**

Fully integrated manufacturing facilities **under one roof**

Catering to Light & Heavy Commercial Vehicle Engines, Industrial & Tractor Engines, Compressors for Refrigerators, Pumps, Braking Systems, Axles etc.

Market Leader in the bearings segment and a dominant source for top auto OEMs across the world

Manufacturers of **highly critical moving engine components** that operate in high temperature & pressure, inside engines with high payloads

with Zero PPM Defects

3 Plants in Kolhapur
1 Office & Warehouse in Indianapolis, USA

4

Revenue Mix (FY23)
Bi-Metal Products : **73%**
Aluminum (Alkop) : **27%**

73:27

30% Export Revenue (FY23)
Major Countries:
USA, Brazil, Mexico, Netherlands, Africa, Japan

30%

State of the Art Manufacturing Facilities

Strategically located manufacturing facilities in Kolhapur, Maharashtra, spread over an area of **26+ acres**

Warehouse & an Office in **Indianapolis, USA.**

Among the few companies to have facilities to produce next generation parts through **lead-free** material to ensure the future emission norms.

14 Bush Lines	**13** Half Bearing Lines	**1** Flange Bearing Line	**1** Thrust Washer Line	**4** Tin Plating Lines
1 Cu-Sn Alloy Powder Foundry	**6** Cu-Pb & Cu-Sn Sinter Lines	**1** Al-Sn Cladding Line	**1** Babbit Line	**2** LTC Plating Lines

In-House

Design & Development Facilities

+

Alloy Powder Manufacturing

+

Strip Manufacturing

+

Machining PTFE Coating

Diversified Products: Bi-Metal Products

Bearings

- Bearings for Connecting Rods
- Bearings for Crank shafts
- Flanged Bearings

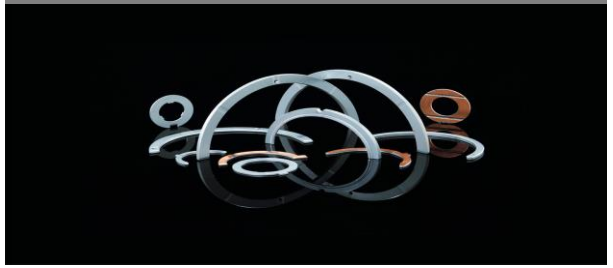
30 to 175 mm dia

Bushes

- Truncated Bushes for Connecting Rods
- Ball Indented Bushes
- Bushes for Connecting Rods
- Cam Shafts
- Rock Shafts
- Rocker Arms

15 to 130 mm dia

Thrust Washers



- Washers with Thrust Face Contours
- Ring Type Thrust Washers

40 to 225 mm dia

Applications

Automotive Engines

Compressors

Generators

Stationery Engines

Earth Movers

Marine Engines

Diversified Products: Aluminum Die-Cast

Aluminum Products with wide range of applications

Up to

4.5 Kgs./Piece

High Pressure Aluminum Die Cast & Machined Component

Up to

15 Kgs./Piece

Gravity/ Tilt Gravity Aluminum Die Cast & Machined Components

Applications

Engines

Compressors

2W/3W

Oil & Gas

Pumps

Safety Equipment's

Diversified Products: Brakes

New Product Line in eco-antifriction (asbestos free) materials and products like Brake Lining, Brake Shoes

- Eco-friendly brake friction materials are formulated without copper, lead, tin, antimony trisulfide to minimize their potential negative environmental impacts.
- Asbestos is a naturally occurring mineral composed of flexible fibre that are resistant to heat, electricity and corrosion. These qualities make the mineral useful. However, asbestos exposure is highly toxic.
- Professional automotive technicians and home mechanics who repair and replace brakes and clutches may be exposed to asbestos dust which can be cancer causing.
- Non-Asbestos Organic (NAO) Brake Lining is made from organic materials like rubber, glass.
- **Applications** in Commercial Vehicles (both Light & Heavy).

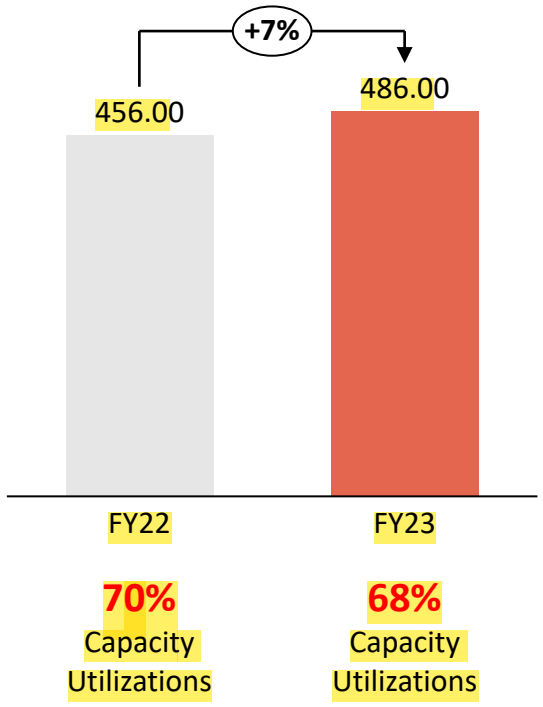
Applications

LCV

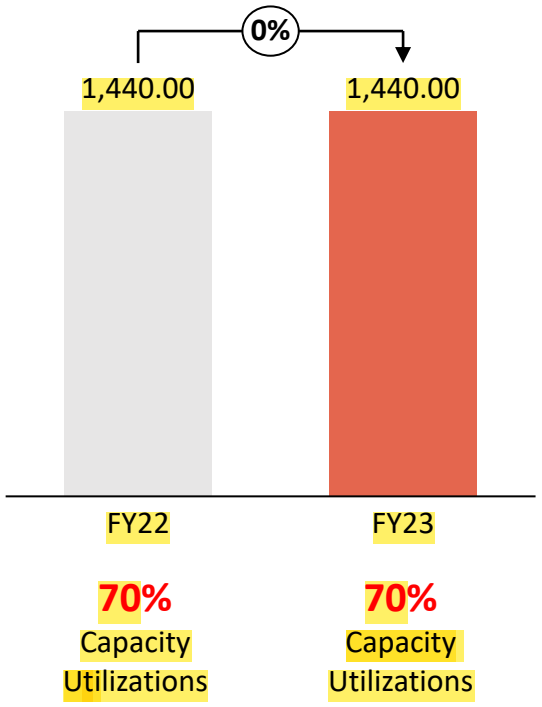
HCV

Current Capacities & Capex Plan

Bi-Metals Capacity (in lakhs)



Alkop Capacity (in MT)



Increase in bi-metals capacity as we have put up new lines to cater to the surged demand

Planned a capex of **₹ 30 Cr** till **FY25** on Plant & Machinery of which

40%
for **Bi-Metal Division** to cater to increased market demand

60%
to be allocated to higher margin **Alkop division**

In-House Engineering & Development

21 BFC Machines (16 - 400 MT Capacity)

In house Machine Building Capability

In-House Tool Room for faster Development

200+ Special Purpose Machines

Dedicated team of **Experienced Engineers** having expertise in various engineering applications & problem-solving skills to provide total **Engineering Solutions to our customers**

Engineering Department to **Design SPM, Tooling, Gauges & Fixtures** using Solid Works & Auto CAD which ensures **First Time Right Samples & minimum development time**

In-house Tool Room consist of Turning m/c, Boring m/c, Bench Grinders, Center less Grinders etc. **for faster and precise tooling development**

Significant **savings in Cost** due to in-house development of machines & tooling capabilities offer us **competitive advantage over peers**

Quality Assurance

Online & Continuous Activity

Quality at MBL is an online & continuous activity **integrating people, communication, process controls, designing, engineering, production & inspection departments**

Comprehensive & Continuous Training

Begins with an attitude we inculcate via comprehensive & continuous training to all our personnel. **Quality flows from our people through our processes to our product.**

Inspection & Testing Technology

Rigorously documentation of **Quality Systems & Procedures is implemented** & executed by a team using sophisticated equipment's in inspection & testing technology **calibrated to world standards.**

Speedy & High Quality of Tooling

Our high-tech Tooling Department is **equipped with sophisticated ultra precision machines** which help in maintaining speedy & high quality of Tooling

Lean/Six Sigma Tools

Data driven continuous quality improvement systems are implemented by means of Lean/Six Sigma Tools

Co-ordinate Measuring Machine

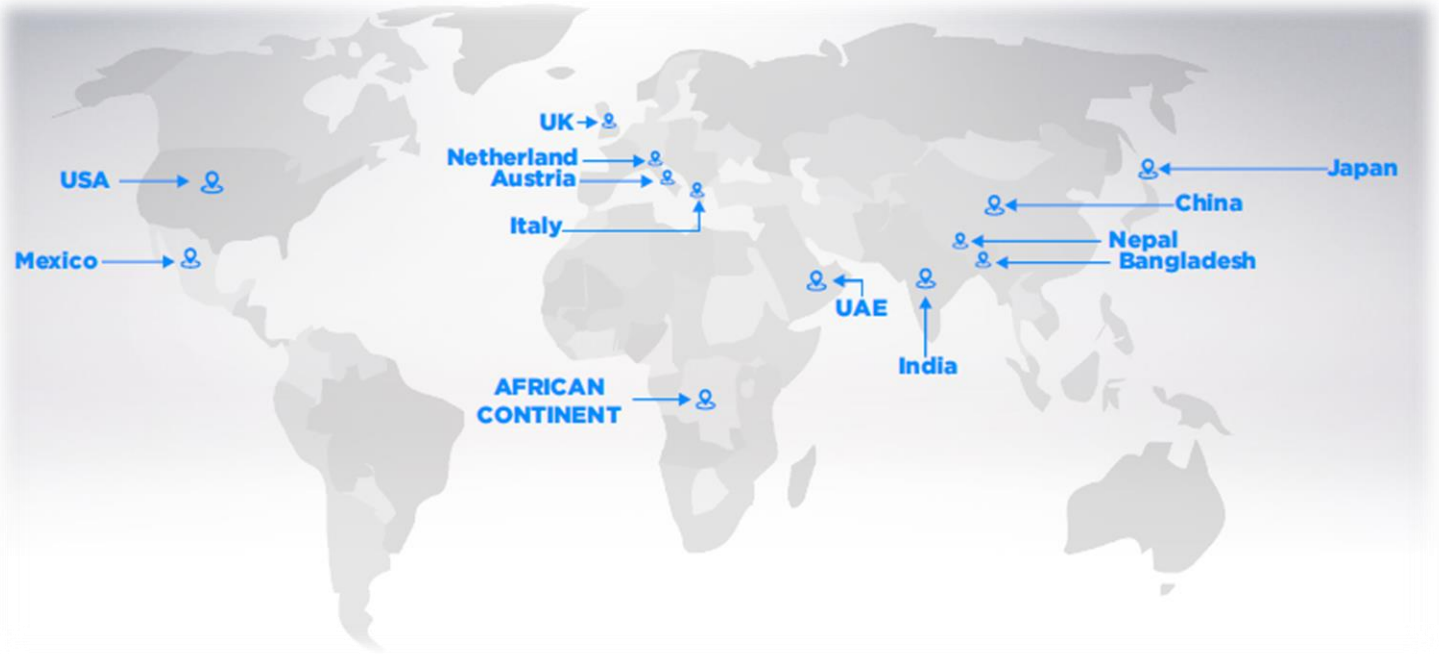
Spectrometer for Material Testing

Fatigue Testing Machine

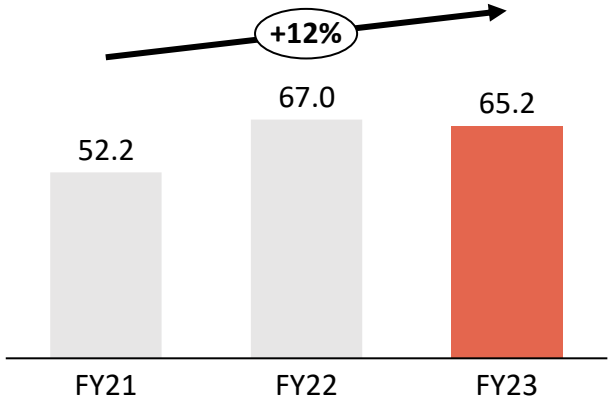
Diversified Industry Application with growing Exports

Exporting to **24+ Countries** &
plans to reach Africa & Latin America through large distributor network

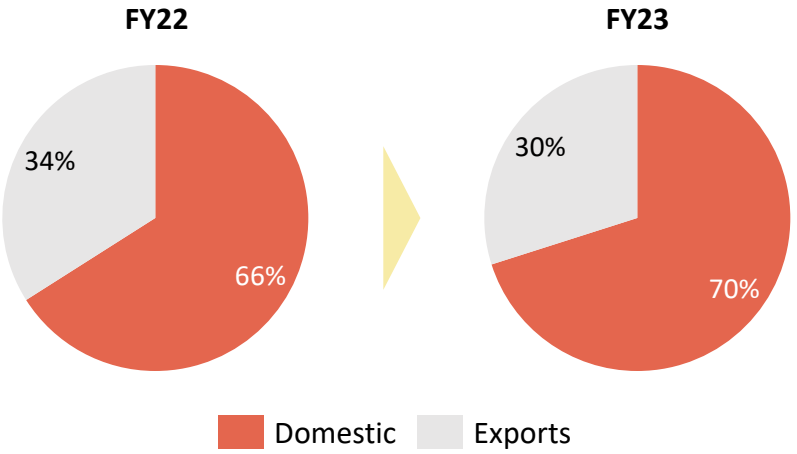
Our office & warehouse in **Indianapolis, USA** has been helping to serve customers in & around the region since the **2 Decades**



Revenue from Exports (Rs. in Crs)



Export Contribution

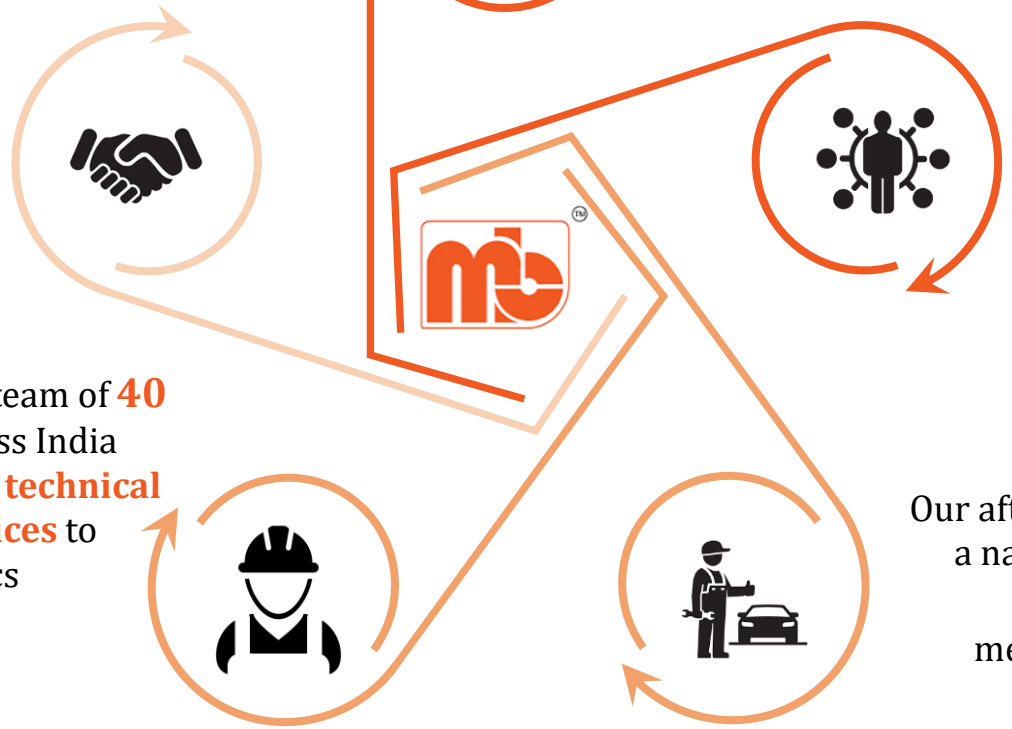


Maps not to scale. All data, information, and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness.

Formidable Reach & Brand Equity in the After-Market

Retail field relationships build & nurtured for **over 2 decades**

Products present at **10,000+** retail outlets across India



Robust network of **1,000** dealers & distributors

Strong marketing team of **40** executives across India trained to provide **technical support services** to mechanics

Our aftersales network serves a national community of **30,000+** mechanics & reborers

Diversified Marquee Clientele across Industries

Industry diversified revenue thereby **reducing dependency** on any Industry

Engine & Commercial Vehicle (HCVs & LCVs)	TATA, Cummins, Brakes India Private Limited, Automotive Axles Limited, FORCE MOTORS, EICHER
Tractors	JOHN DEERE, Mahindra, ACE Tractor's, TMTL, ESCORTS, V S T TILLERS & TRACTORS LIMITED, SONALIKA INTERNATIONAL
Electrical & Industrial Applications	KNORR-BREMSE, EMERSON Climate Technologies, GEA, Kirloskar, GREAVES, IFB Industries Limited
Exports	Honeywell, MAGNA, Cummins, ARROW ENGINE COMPANY, Allison Transmission, GM

No single customer contributes more than **10-12%** of business

The Brand Names mentioned are the property of their respective owners and are used here for identification purposes only

Customer Recognitions, Awards & Accolades

Mahindra Rise.

MENON BEARINGS LIMITED. (Vendor Code: DM057)
G-1 MIDC GOKULSHIRGAON, KOLHAPUR

Kind Attention: Not assigned

Subject: Vendor PPM Report- Key Business Parameters

Kindly note the performance of your company for the month of June-2022 vis-à-vis set targets.

Month: JUN-2022

Spares Business Unit
VENDOR PPM REPORT

Rating Element	Unit	Target	Level of Performance	Performance Category
SBU Vendor PPM	PPM	500	0	●

CSR & ESG Initiatives

C

S

R

Constructed an Auditorium at Gokul Shirgaon MIDC

For promoting education & employment and enhancing vocational skills among children, working professionals & women

Financial Assistance provided

For promotion of rural sports & development of traditional arts & crafts

For COVID Relief:

- Distributed masks, medicines and sanitizers to public
- Donated a Multipurpose ICU Ventilator to Government Hospital

E

S

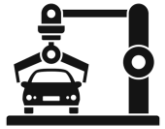
G

Menon Bearings is among the very few companies to have facilities to produce next generation **LEAD FREE** materials to cater to **Future Emission Norms**

Industry Growth Drivers

Inclement factors driving demand and providing growth tailwinds

- Uptrend in per-capita income and breach of $2,450 level by FY23 will trigger auto demand
- Middle class segment to constitute ~62% of India's population by FY25 and drive consumption



Investment in manufacturing to expand auto industry

- India cementing its position as a global automotive R&D hub, with many MNC's setting manufacturing and R&D base
- Ample availability of a low-cost and skilled workforce
- Automobile sector to attract USD 8-10 bn in local and foreign investments by 2023

Domestic demand and indigenization by MNC's to drive demand

- Indigenization levels for most major domestic and foreign OEMs have been on the rise
- Premiumization in demand is spawning domestic ancillary base
- Explosive demand in entry level segment also giving impetus to cost effective manufacturing

Policy initiatives to drive manufacturing

- PLI schemes in auto and auto-component sector with financial outlay of INR 57,042 Crores under Atmanirbhar Bharat 3.0
- GOI plans to spend $1.4 trillion on infrastructure by 2025, which will boost the demand for CVs and construction equipment
- GOI's vehicle scrappage policy is further expected to boost replacement demand

EV SHIFT – FAR FROM A RISK

Catering to

Industries & Applications

which will have **low impact** from change in shift to

Electric Vehicles

HCV & Industrial

We cater to heavy segments like Mines, Tractors, LCV/HCV etc. which are less challenged from the EV Segment

+

Long standing Relationship

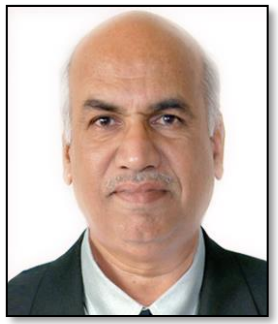
We enjoy strong brand partnership with potential EV players to cater in Future

Experienced Board of Directors

Nitin Menon

Executive Chairman

Mr. Nitin Menon is an industrialist and has rich and varied experience in Automobile Sector. Associated with the Company since inception and lead the setup of 3 operational plants at Kolhapur



R. D. Dixit

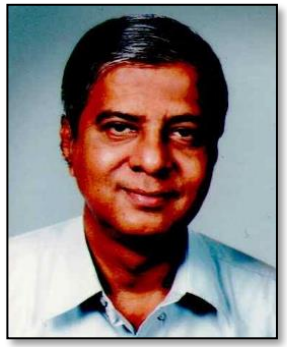
Managing Director

Mr. Dixit has worked with the Menon Group for more than 54 years and is engaged in day-to-day activities of the company and is responsible for overall management of the company. He is a B.E. (Mechanical)

Arun Aradhye

Whole Time Director & CFO

Mr. Aradhye is associated with the company for more than 11 years. He is responsible for finance, corporate administration, corporate image and relationships. He has a vast experience of more than 41 years in fields like Engineering, Auto, Manufacturing, Industry etc



M. L. Shinde

Independent Director

Mr. Mukund Laxman Rao Shinde has vast experience of more than 40 years in the fields of Finance, Accounts, Corporate Laws, Taxation, etc.

Kailash A. Nevagi

Independent Director

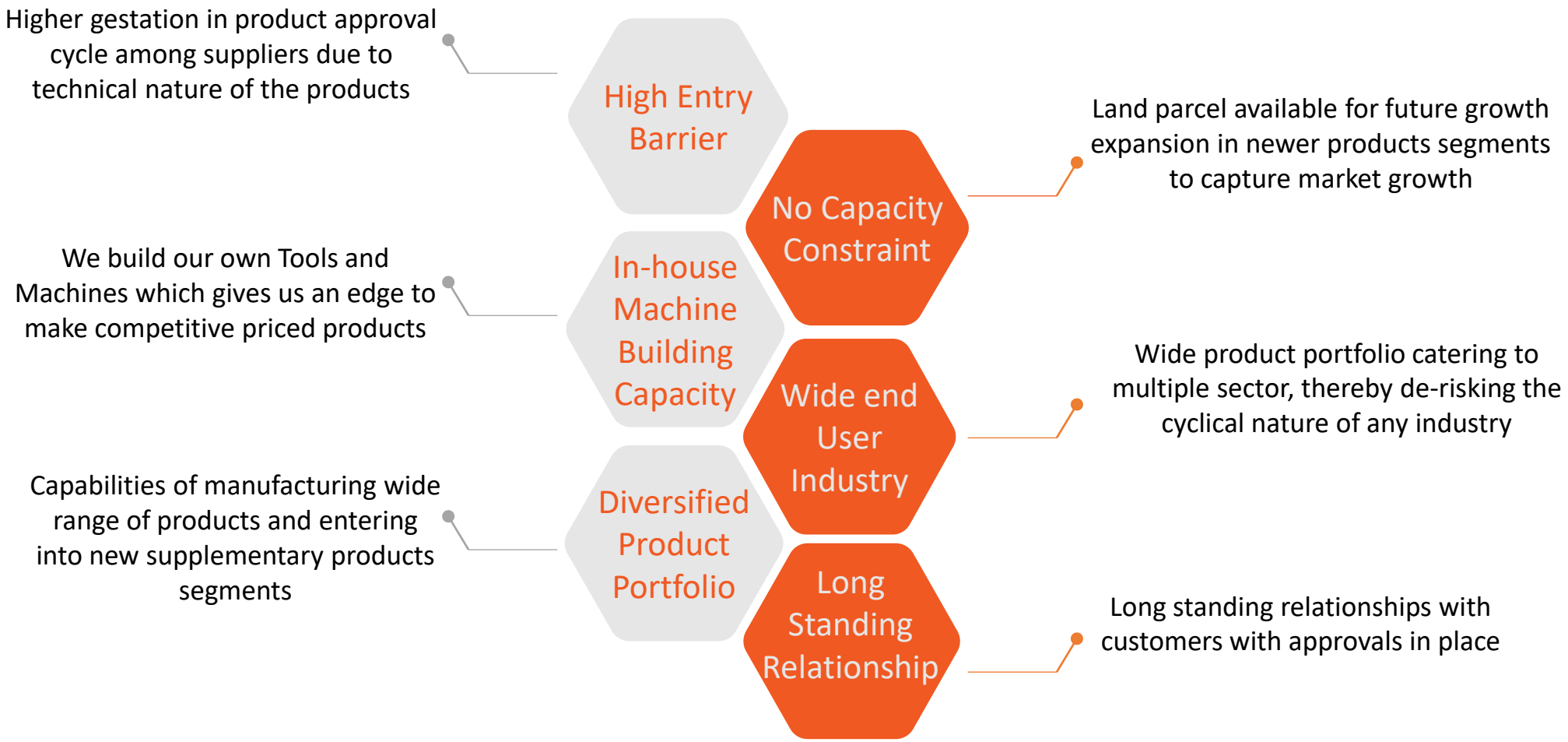
Kailash Nevagi leads a team of lawyers as a Partner & Director at Abhay Nevagi and Associates and has wide experience of more than 30 years

Dr. Santosh Prabhu

Independent Director

Mr. Santosh Prabhu is a renowned Neurological and Spinal Surgeon. He is a member of many international bodies like World Federation of Neurosurgeon

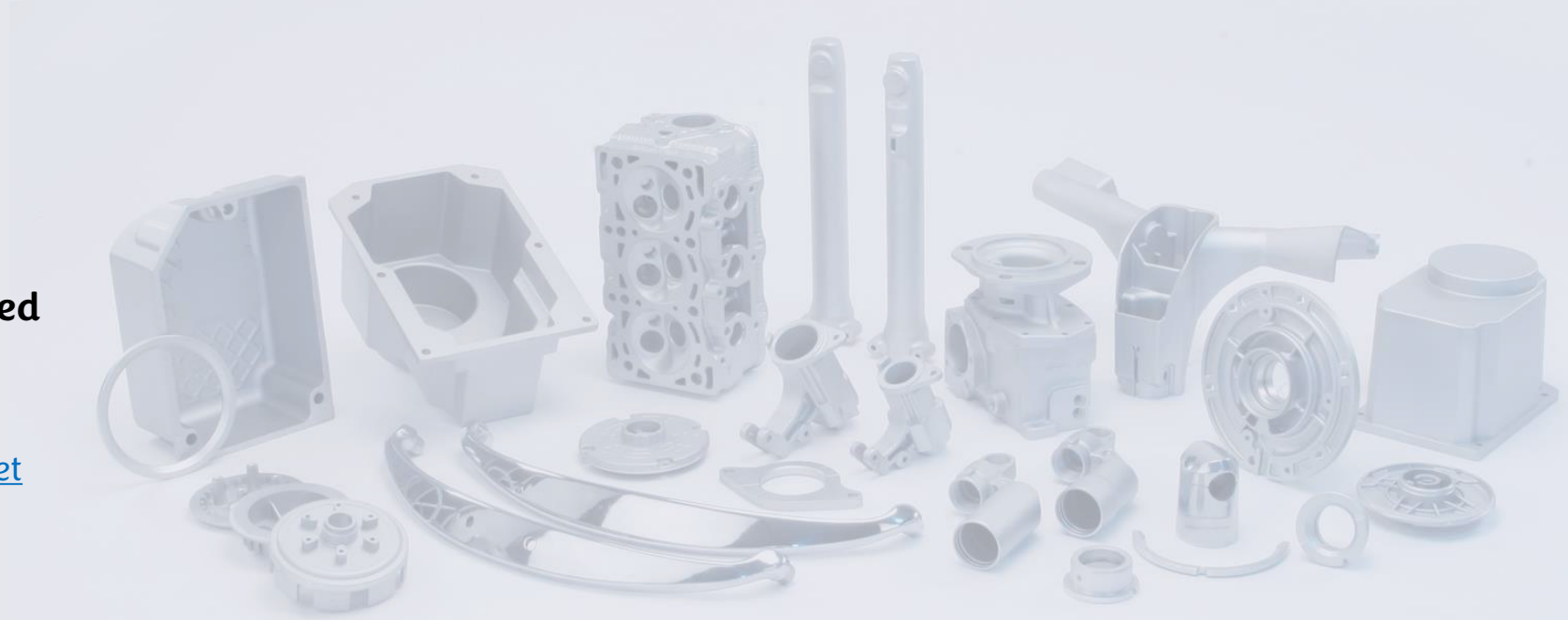
Key Takeaways



Thank You

Menon Bearings Limited

CIN: L29130PN1991PLC062352
Mr. Arun Aradhye – Whole Time Director & CFO
admin@menonbearings.in



Strategic Growth Advisors Private Limited

CIN: U74140MH2010PTC204285
Mr. Sagar Shroff / Mr. Vatsal Shah
sagar.shroff@sgapl.net / vatsal.shah@sgapl.net
+91 98205 19303 / +91 88796 59884