

MMP INDUSTRIES LIMITED

**MANUFACTURER OF ALUMINIUM POWDERS,
ALUMINIUM PASTES AND ALUMINIUM CONDUCTORS**

Investors Presentation

13 October 2018

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EXECUTIVE SUMMARY

Value Proposition of MMPIL

- Leading manufacturer of Aluminium Powders, Pastes and Conductors for various industries like Explosives, Concrete Blocks, Pesticides, Paint and Power Transmission.
- Large Customer base in diversified industries with strong customer retention and sizeable market share.
- Technical tie-up with AVL Metal Powders (Belgium).
- Association with Global Industry leader “Toyo Aluminium K.K., Japan” would help in moving up the value chain alongside technological support.
- Holding Stake of 26.06% in high growth oriented company Star Circlips and Engineering Ltd. Manufacturers of Auto component and Circlips.

Opportunity Space

- Explosives industry directly correlate with Mining Sector (predominantly with Coal mining); which is expected to grow at 10-12% p.a.*.
- Penetration of Concrete AAC blocks, is just 5% in India compared to developed countries like Germany (60%) and Europe (40%)*.
- All end user Industries (Explosive, Construction, Pesticides and Power) are expected to grow at 1.5-2x of GDP growth*.

EXECUTIVE SUMMARY

Our Competitive Strength

- Experienced management, technical and professional team
- Strong financial track record and stability
- Consistency and Quality assurance
- Diversified and large customer base
- Domestic demand augurs well for our Company
- Large land bank of more than 100 acres to take care of future expansions

Our Business Strategy

- Continue to increase overall market share by leveraging our presence in existing business verticals
- Expansion plan and diversification
- Competitive pricing
- Enhancing customer base
- Investing in advanced technology

PROMOTERS

Mr. Arun Bhandari



- Mr. Arun Bhandari, aged 63 years, is a B. Tech in Chemical Engineering from Institute of Technology, Banaras Hindu University, Varanasi with extensive industrial projects, operations, and management experience. Mr. Bhandari started his career as a graduate engineer trainee at Shri Ram Chemical Industries, Kota in the year 1977.
- Under his management MMPIL has created its niche and become one of the reputed aluminium powder player in the country.

Mr. Mayank Bhandari



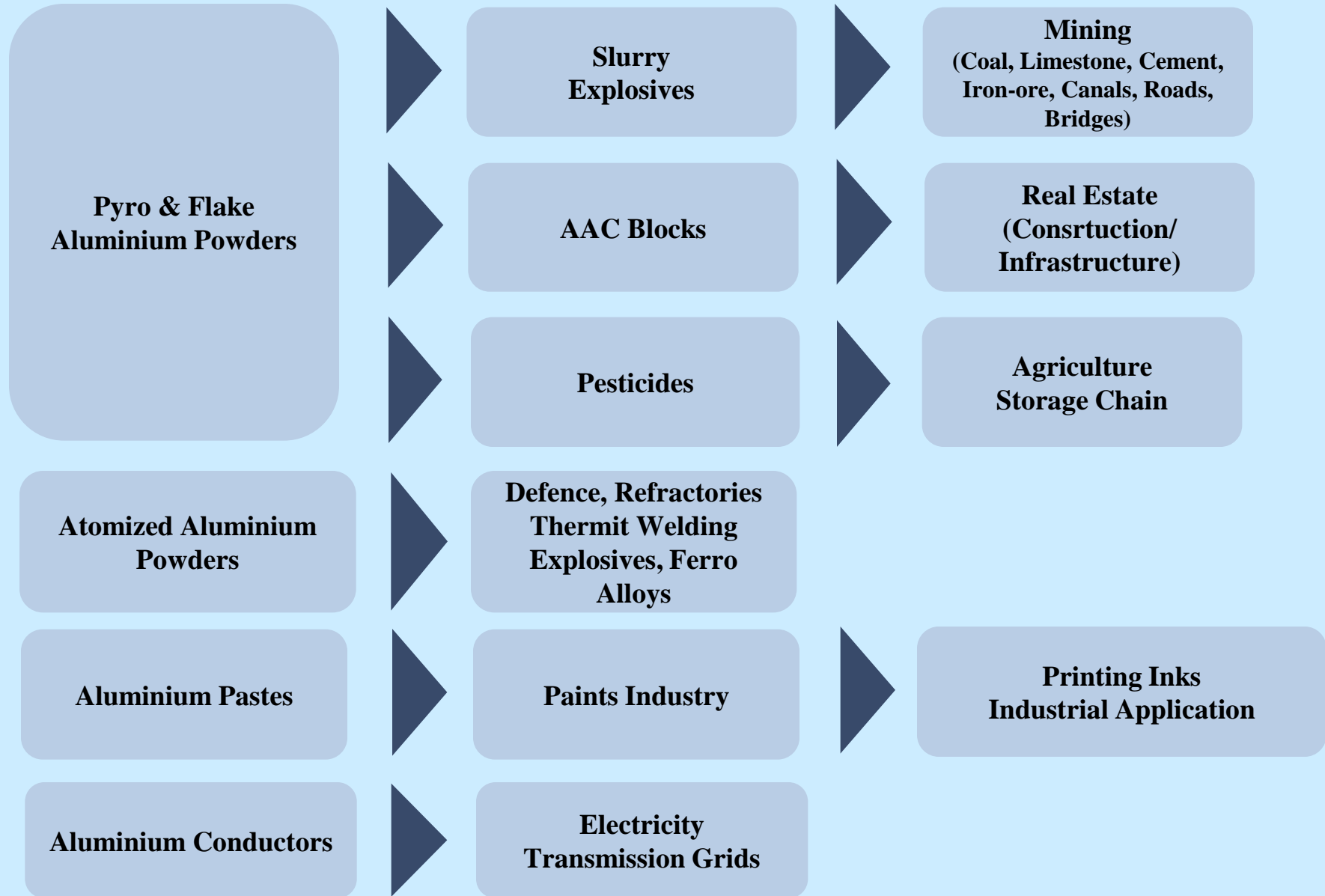
- Mr. Mayank Bhandari, aged about 34 years, is son of Promoter Shri Arun Bhandari. He completed his high school education from United World College of South East Asia, International Baccalaureate Diploma 1999-2002. He completed his “Bachelors in Engineering” B Eng-Manufacturing Engineering with Business Management, from University of Birmingham 2002-2005 and did his M. Sc. Engineering Business Management from University of Warwick 2006.

Mrs. Sakshi Bhandari



- Mrs. Sakshi Bhandari, aged 32 years, is wife of Mr. Mayank Bhandari. She completed her high school education from Mahindra United World College of India in 2003 with the International Baccalaureate Diploma. She then completed her integrated undergraduate and postgraduate “Masters in Engineering” in “Manufacturing Engineering & Management” from University of Warwick in 2007.

OUR PRODUCTS AND END USE INDUSTRIES



PRODUCT PORTFOLIO

Product Portfolio

Aluminium Powders

Aluminium Pastes

Aluminium Conductors

Manganese Oxide

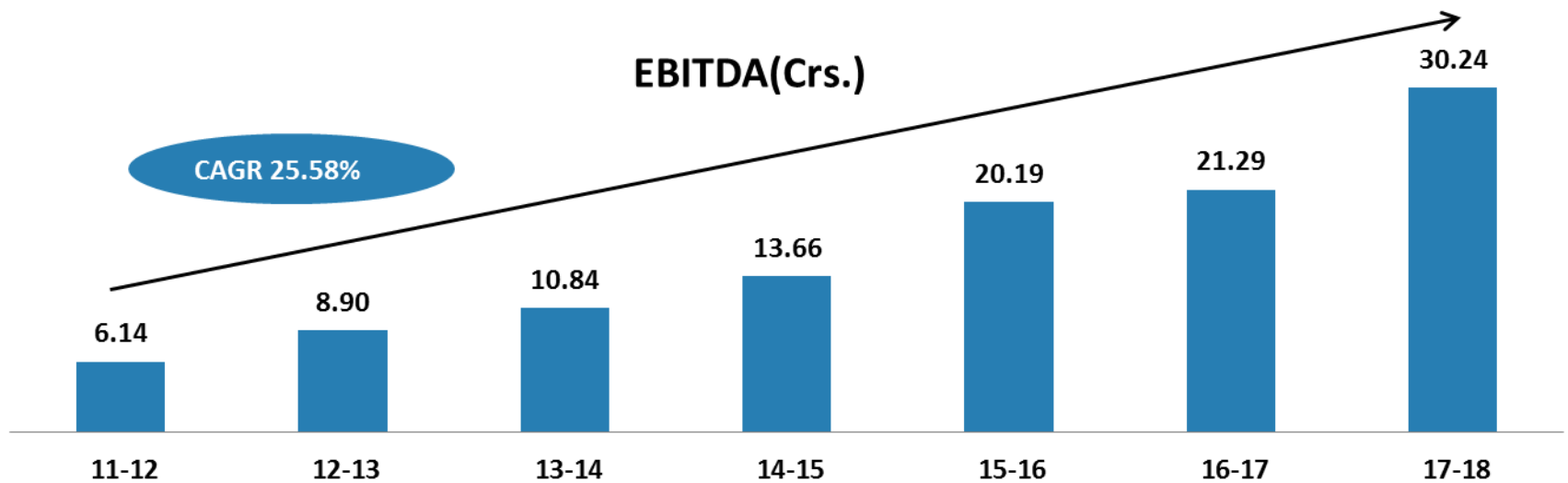
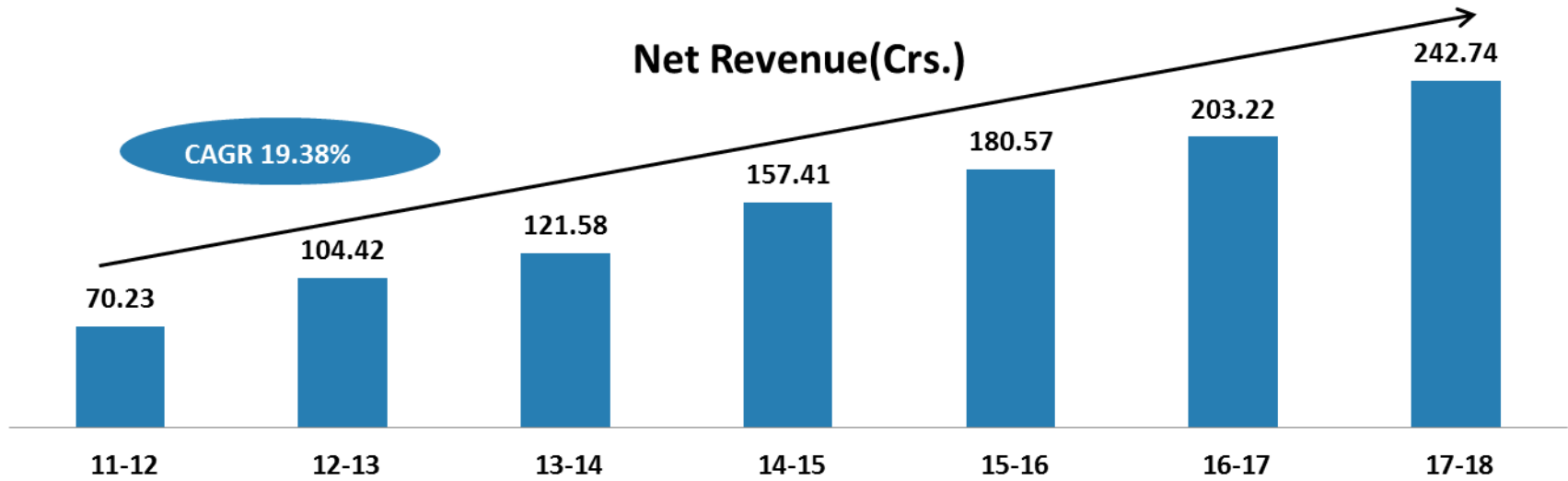
Segmented based on the end use industry application

	End use	Revenue Share	End use	Revenue Share	Revenue Share
Explosives	Mining	23.80%	Paints	24.00%	2.70%
Concrete	AAC Blocks	18.60%	Revenue Share		
Alphos	Pesticides	11.70%	7.00%		
Pyro	Fireworks	1.50%			
Atomized Powder	Diverse	10.00%			
LP Powder	Diverse	0.70%			

FINANCIAL PERFORMANCE

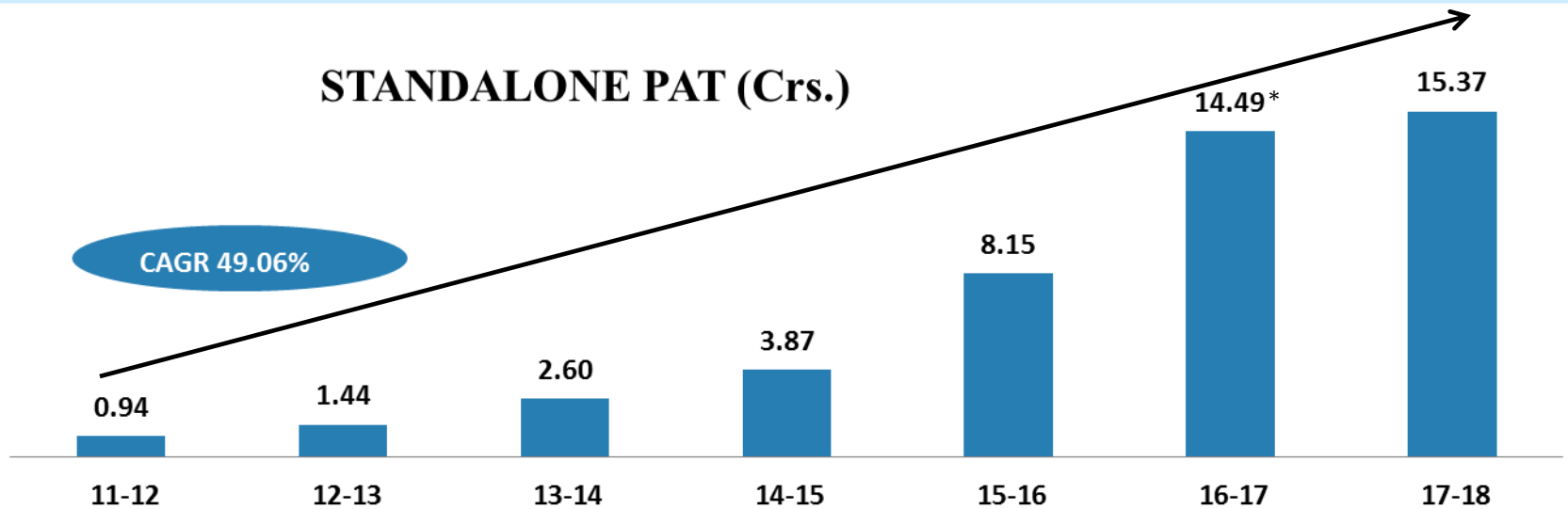


NET REVENUE & EBITDA

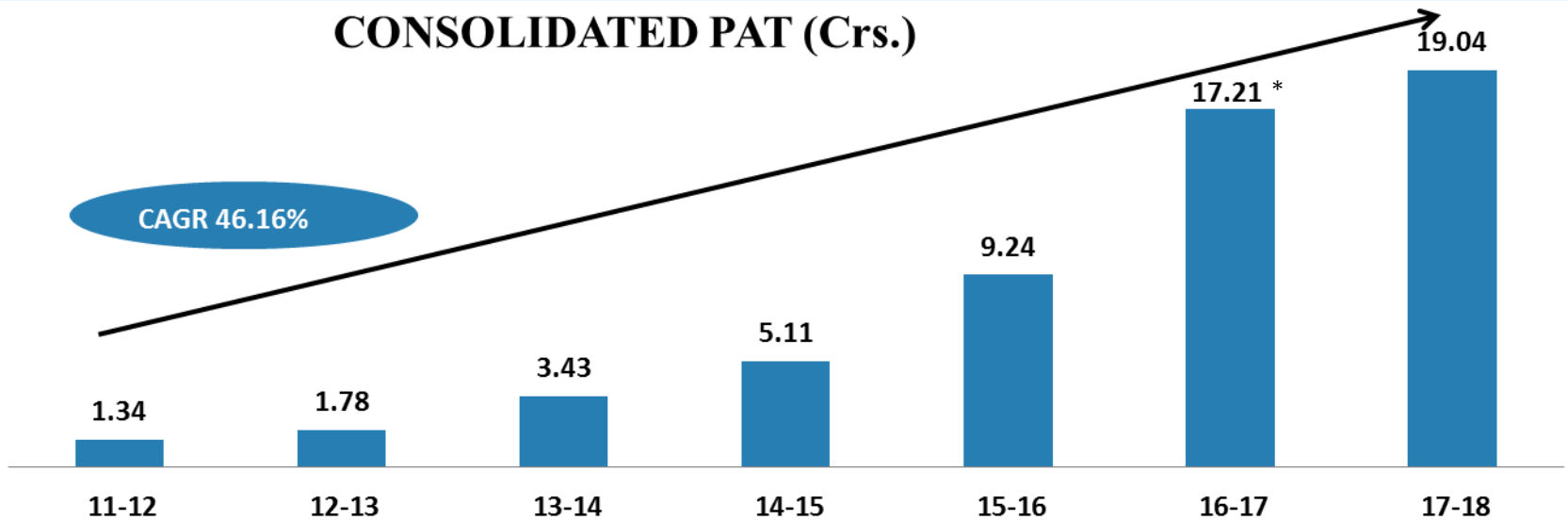


PAT (STANDALONE AND CONSOLIDATED)

STANDALONE PAT (Cr.)



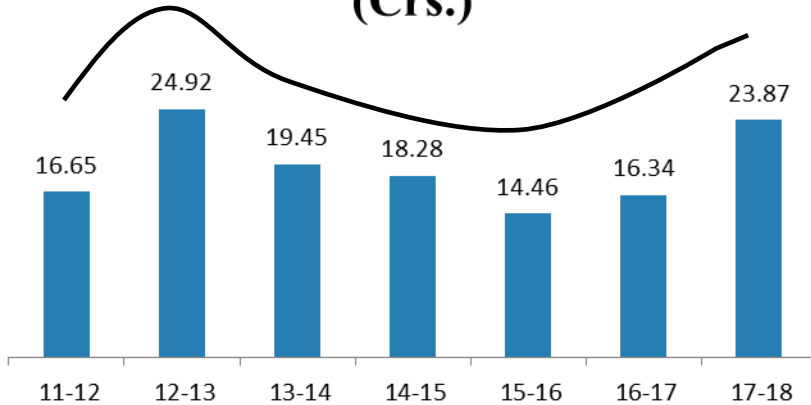
CONSOLIDATED PAT (Cr.)



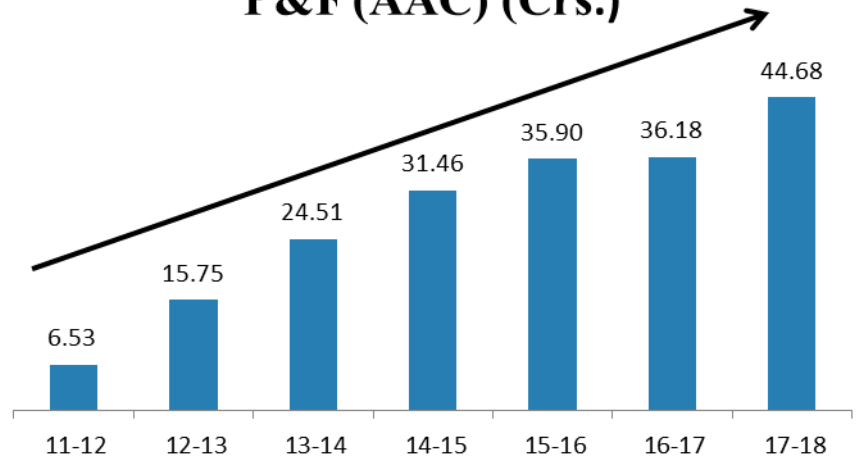
* includes exceptional income of Rs. 4.65 Crs.

PRODUCT WISE PAST PERFORMANCE

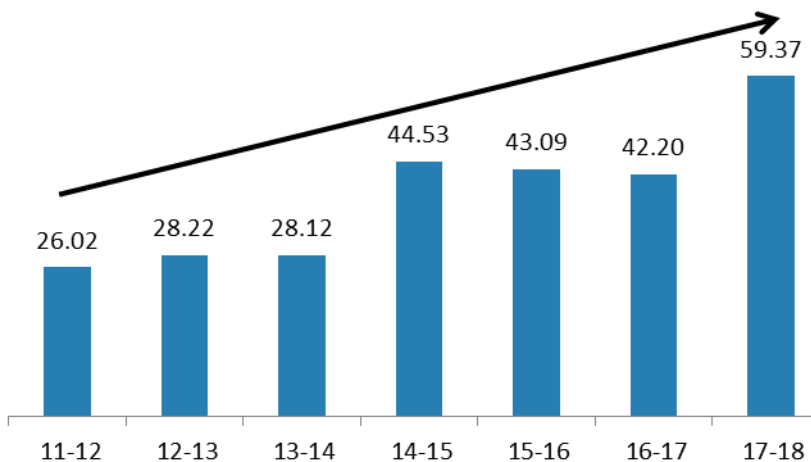
Atomised Aluminium Powders (Cr.)



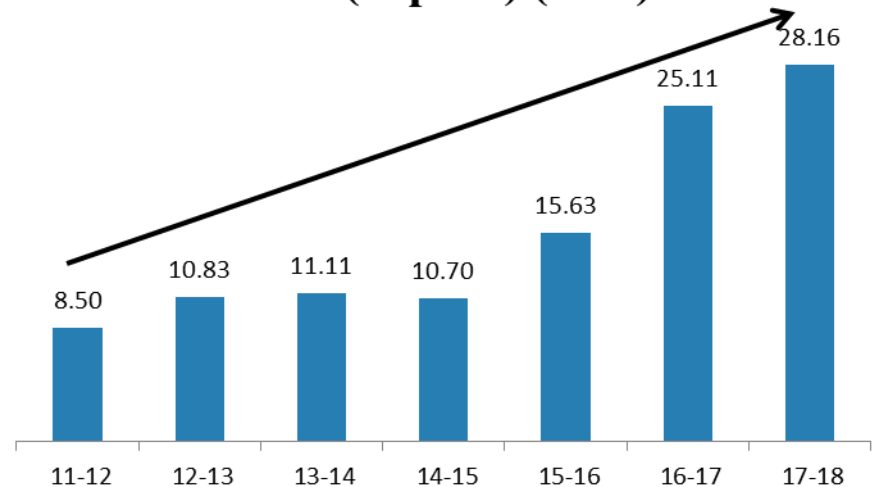
P&F (AAC) (Cr.)



P&F (Explosives) (Cr.)

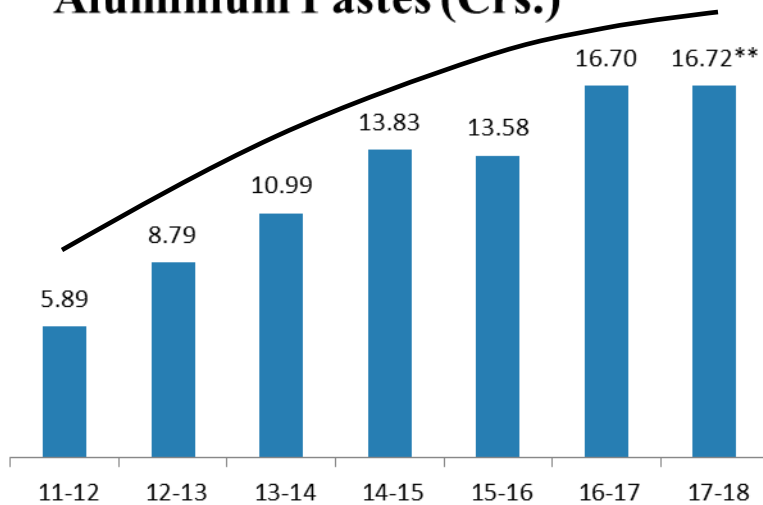


P&F (Alphas) (Cr.)

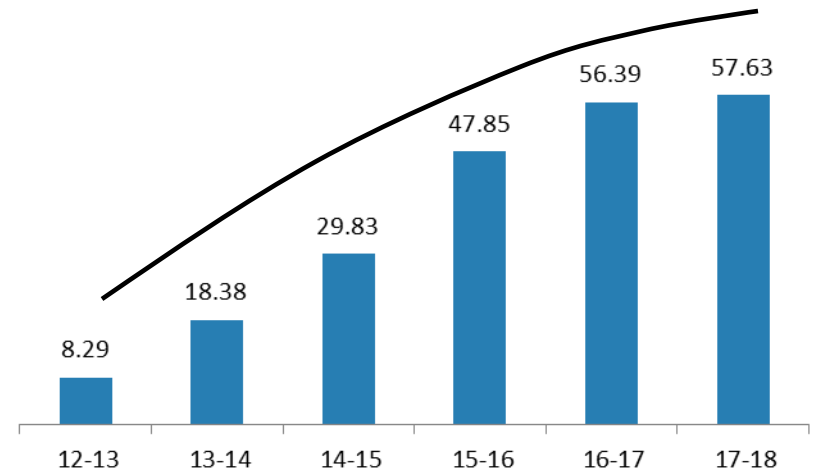


PRODUCT WISE PAST PERFORMANCE

Aluminium Pastes (Cr.)



Aluminium Conductors (Cr.)



**** From February 2018 Aluminium Paste manufacturing started at New JV "Toyol MMP India Pvt. Ltd"**

PRODUCTION CAPACITY

					(MTPA)
Product	Installed Capacity	Capacity Expansion	Estimated Commencement Schedule	Installed Capacity Post Expansion	
Aluminium Atomized Powder	7200	4800	May 2019	12000	
Aluminium Pyro and Flake	7860	1800	June 2019	9660	
Aluminium Paste	1500	--	--	1500	
Aluminium Conductor	7200	--	--	7200	
Aluminium Foil	--	5000	April 2020	5000	

MARKET POSITIONING

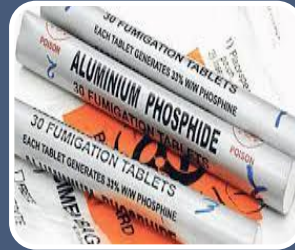
Explosives



AAC



Alphos



Pastes



Conductors



MMPIL has a market share of 60% and above in all these segments and is expected to grow the share of business further with the new project commencement at MIDC Umred (Nagpur), as per our management's estimates.

MMPIL is preferred supplier to major Paint companies for leafing grades this capacity is being transferred to our TOYO JV Steadily.

Selling 3500 MTPA and expecting good growth due to the government focus on extensive electrification and registration of MMPIL with PGCIL

GEOGRAPHICAL ADVANTAGE

Strategic location in Central India with proximity to the manufacturing hub for all the key end user industry segments

EXPLOSIVES



Largest manufacturer of industrial explosives in India is based out of Nagpur with majority of its plants in Central India

Coal Mining Hub of India

80% of the coal resources in India are located in the 5 states of Central India (highlighted)



INDUSTRIAL PAINTS

CONCRETE

Manufacturing presence of all leading manufacturers of AAC blocks in Central India



MMPIL



ALPHOS

OUR ESTEEMED CUSTOMERS



INDIAN ORDNANCE FACTORIES
(SECTOR : DEFENCE)



EXCEL CROP CARE LTD
(SECTOR : AGRICULTURAL)



SOLAR INDUSTRIES LTD
(SECTOR : EXPLOSIVES)



ULTRA TECH CEMENT LTD
(SECTOR : CEMENT)



HYDERABAD INDUSTRIES LTD
(SECTOR : INFRASTRUCTURE)



BIG BLOC CONSTRUCTION LTD
(SECTOR : INFRASTRUCTURE)



UNITED PHOSPHOROUS LTD
(SECTOR : AGRICULTURAL)



SHREE CEMENT LIMITED
(SECTOR : CEMENT)



SANDHYA ORGANICS
(SECTOR : AGRICULTURAL)



BERGER PAINTS INDIA LTD
(SECTOR : PAINTS)



JK LAXMI CEMENTS LTD
(SECTOR : CEMENT)



BILTECH BUILDING ELEMENTS LTD
(SECTOR : INFRASTRUCTURE)



ASIAN PAINTS LTD
(SECTOR : PAINTS)



SHALIMAR PAINTS LTD.
(SECTOR : PAINT)



MAGICETE BUILDING SOLUTIONS PVT. LTD
(SECTOR : CEMENT)



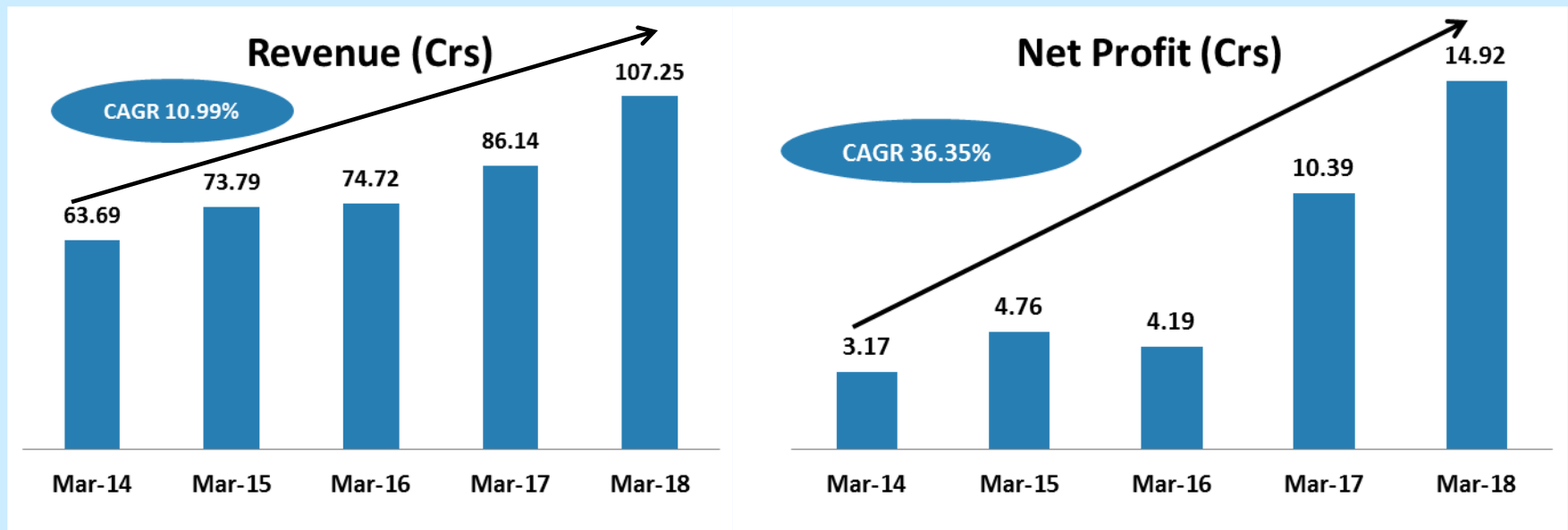
KANSAI NEROLAC PAINTS LTD.
(SECTOR : PAINT)

OUR ASSOCIATE COMPANIES

STAR CIRCLIPS & ENGINEERING LTD

(MMPIL Share – 26.06%)

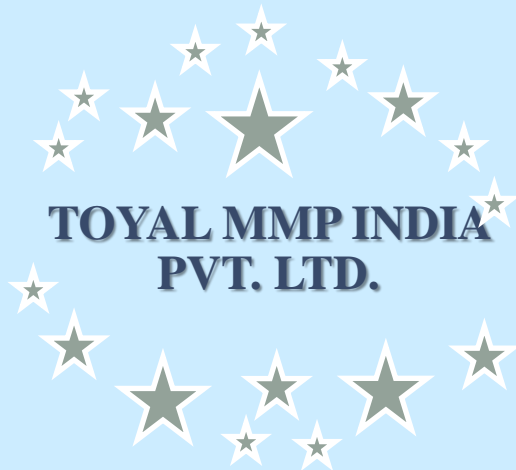
- Star Circlips & Engineering Ltd. incorporated in 1984 and currently is the largest manufacturer of Circlips and Retaining Rings in India.
- Company's portfolio includes more than 2000 parts, which are being supplied to the automobile industry around the world. Nearly 35% of sales constitute of exports, with Germany and USA being the major markets.
- Technical and Sales collaboration with Seeger-Orbis (Germany).



OUR ASSOCIATE COMPANIES

TOYAL MMP INDIA PVT. LTD. (JV)

(MMPIL Share – 26.00%)



Established in 2016, as joint venture company between Global leader “Toyo Aluminium K.K., Japan” and “MMP Industries Limited, India”.

Manufacture high grade speciality aluminium pastes used in automobile industry

MMP is the **ONLY** aluminium paste company in the world, having a JV with the “Toyo Group”. This endorses MMP’s brand excellence.

This Joint Venture has started commercial production from February 2018.

The major Raw material for making Aluminium Paste is Atomised aluminium powder which constitutes 70% of Finished goods. Same shall be supplied by MMP Industries Ltd.

DRIVING FACTORS FOR GROWTH

Atomized Aluminium Powder

- Atomized Aluminium Powder plant currently working at 100% capacity i.e. 7200 Mt/Pa, Capacity to be increased by 4800 Mt/Pa in our upcoming factory located at MIDC Umred near Nagpur.
- Increase in sales due to supply to our Joint venture “Toyal MMP India Pvt. Ltd.”
- Additional sales to existing Refractories and Explosive Industries which are currently not being catered due to capacity constraints.
- Exports to our overseas collaborators AVL Metals (Belgium)

DRIVING FACTORS FOR GROWTH

P&F (Explosives)

- India is the 3rd largest producer of coal. India has the 5th largest estimated coal reserves in the world, standing at 308.802 billion tonnes in FY16. *(Source IBEF)*
- Estimated coal reserves in India 308.802 Billion tonns in FY 16.
- Domestic supply of the fuel is forecast to log a CAGR of 7 per cent to 931 MT from 664 MT between financial year 2018-19 and financial year 2022-23.*(Source Economic times)*
- By 2020 Cement production capacity is expected to reach 550 million tonnes from 455 million tonnes, as of 2017-18. *(Source IBEF)*
- Increased allocation to Infrastructure projects in Union Budget 2018-19 to drive demand.
- The Ministry of Road Transport and Highways has fixed a target for construction of 10,000 km national highways in FY19. The Government of India aims to complete 200,000 km national highways by 2022.*(Source IBEF)*

DRIVING FACTORS FOR GROWTH

P&F (AAC)

- Center's norm for compulsory use of material made out of FLY-ASH within 100 kms. radius of thermal plants is expected to drive the sales of AAC Blocks. *(Source:- international newsandviews.com)*
- Initiative to build 100 smart cities and projects like "Housing For All by 2022" to give a further stimulus *(Source:-international newsandviews.com)*
- In the Union Budget 2018-19, the Government of India has given a massive push to the infrastructure sector by allocating Rs 5.97 lakh crore (US\$ 92.22 billion) for the sector. *(Source IBEF)*
- India has a requirement of investment worth Rs 50 trillion (US\$ 777.73 billion) in infrastructure by 2022 to have sustainable development in the country. *(Source IBEF)*

P&F (Alphos)

- Total agricultural exports from India grew at a CAGR of 16.45 per cent over FY10-18 to reach US\$ 38.21 billion in FY18. In April-August 2018 agriculture exports were US\$ 15.67 billion. As per the draft agriculture export policy, the Government of India is aiming to achieve US\$ 60 billion in exports by 2022. *(Source IBEF)*

DRIVING FACTORS FOR GROWTH

Aluminium Conductors

- The government targets capacity addition of around 100 GW under the 13th Five-Year Plan (2017–22).
- India's power sector is forecasted to attract investments worth Rs 11.56 lakh Crores (US\$ 179.31 billion) between 2017-2022 in thermal, hydro, nuclear and renewables segment. *(Source IBEF)*
- Govt. approves 100% electrification of railways by 2021-22 *(Source : Business Standard)*
- Cable & Wire Fair 2017 (CWF17) forecasts a period of massive growth for the Indian wire and cable industry in the period 2017-2022 driven largely by five mega segments, viz. Power, Telecommunication, Infrastructure and railways. *(Source : www.wirecable.in)*
- The Company will become eligible for supply to Powergrid Corporation and get the approval by end of this financial Year. Which will increase the conductors capacity utilization, sales and consequently margins in next financial year. *(Source : www.alcircle.com)*

DRIVING FACTORS FOR GROWTH

Aluminium Foils

- Global Aluminium Foil Market will exhibit a 4.8% CAGR from 2017 to 2025, rising from a valuation of US\$20.8 bn in 2016 to a revenue opportunity of US\$31.5 bn by 2025. (Source : transparency market research)
- Growing demand for ready to eat confectionaries and pharmaceutical products is another major growth drivers for Aluminium foils industry in India
- Ban on Plastic bags will raise the demand of Aluminium foil, since it is eco-friendly and can be recycled.
- The increasing consumption of Aluminium foil in India while indicating the shift towards import (Not from China because of anti-dumping duty regulations). Though export is rising over the last two years, it is apparent that India is still import dependent for its aluminium foil consumption. (Source : www.alcircle.com)



Mining



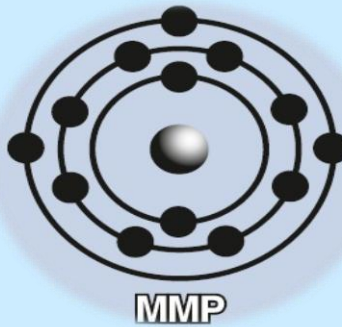
Slurry Explosives



Construction



Pyrotechnics



MMP



Defence



Agriculture



Paints



Transmission Grids

THANK YOU

