



# **MACPOWER CNC MACHINES LIMITED**

EARNINGS PRESENTATION – H2-FY19 / FY19



# EXECUTIVE SUMMARY



## Company Overview:

- ▶ Macpower CNC Machines Ltd. (Macpower), incorporated in 2003, has more than one decade of experience in competitive manufacturing solutions.
- ▶ It has become India's fastest growing CNC Machines Manufacturing Company.
- ▶ Macpower provides 'Competitive Manufacturing Solutions' to meet the exact requirements of their customers.

- ▶ MSE – 1 Highest Financial Strength in SME Segment certified by CRISIL.
- ▶ Macpower is manufacturing Special Purpose Machines [SPM] for Defense sectors like DRDO and for Aeronautics segments like HAL.

## Business Mix:

Manufacturing range includes CNC Turning Centre, VMC, HMC, Turn Mill Centre, VTL, Twin Spindle Turning & VMC, Drill Tap Centre, Cylindrical Grinder along with Robotic Automation solutions.

## Manufacturing and Distribution Network:

With more than 5,000 installation bases across India, the company has sales & service teams present in 31 cities that boasts of 107 qualified sales and service engineers.

Macpower also has 6 business associates across India, 4 regional offices and 4 Tech Centers.

## Financials FY19

Total Revenue  
**INR 1,432 Mn**  
31% 3 Year CAGR

EBITDA  
**INR 195 Mn**  
104% 3 Year CAGR

PAT  
**INR 127 Mn**  
177% 3 Year CAGR

## Financials FY19

Total Revenue  
33% Y-o-Y Growth

EBITDA  
64% Y-o-Y Growth

PAT  
81% Y-o-Y Growth

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# **COMPANY OVERVIEW**

# COMPANY OVERVIEW



- ▶ Incorporated in 2003, Macpower CNC Machines Limited (Macpower) has a vision to provide the best possible solution in CNC machine industry thereby unleashing value for end users.
- ▶ Led by highly experienced promoters and management team, Macpower adopts an innovation driven approach, which makes the company successful in all its operations.
- ▶ Macpower's manufacturing range includes CNC Turning Centre, VMC, HMC, Turn Mill Centre, VTL, Twin Spindle Turning & VMC, Drill Tap Centre, Cylindrical Grinder along with robotic automation solution.
- ▶ Macpower has successfully executed projects across India for sectors like Automobile, Railways, Aerospace, Defense, Power, Medical, Agriculture, Government Education Sector and General Engineering.
- ▶ Macpower has its manufacturing unit in an area of around 4 acres which is situated at Metoda G. I. D. C. , Rajkot (India).
- ▶ It exports to companies in countries like the USA, UK, Turkey, Thailand, UAE, South Africa and many more.

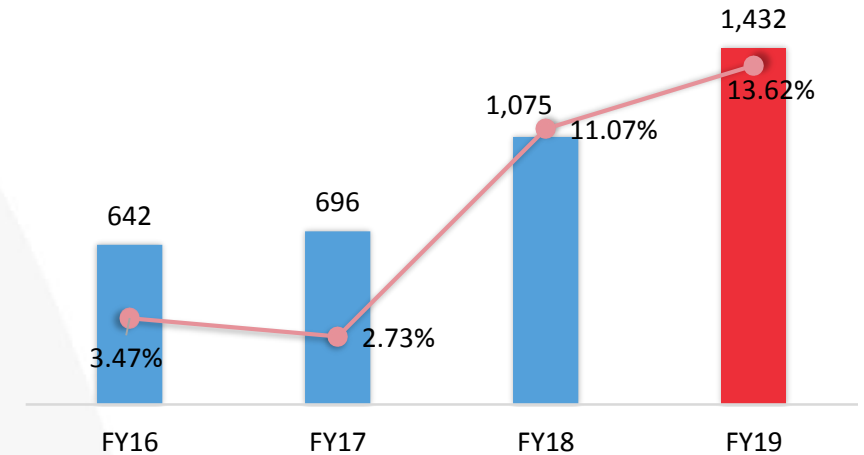
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Different Models

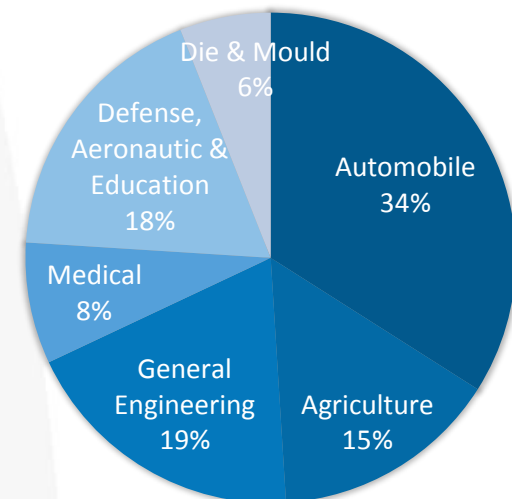
**1,000**

Application Solutions

Total Income (In Mn) and EBITDA Margins



Industry Segment wise Revenue FY19



# H2-FY19 / FY19 KEY FINANCIAL HIGHLIGHTS



## ❑ H2-FY19 Financial Performance:

- Total Income\*: INR 736 Mn
- EBITDA: INR 93 Mn
- EBITDA Margin: 12.64%
- PAT: INR 60 Mn
- PAT Margin: 8.15%
- Diluted EPS: INR 6.15 / Share

\* Includes Other Income

## ❑ FY19 Financial Performance:

- Total Income\*: INR 1,432 Mn
- EBITDA: INR 195 Mn
- EBITDA Margin: 13.62%
- PAT: INR 127 Mn
- PAT Margin: 8.87%
- Diluted EPS: INR 12.89 / Share

# H2-FY19 / FY19 OPERATIONAL HIGHLIGHTS



## ❑ Operational Highlights:

- Number of machines sold in H1-FY19 were 403 compared to 394 in H2-FY19. In H2-FY19, Special Purpose Machines or Higher Value Machines were sold that requires more time in manufacturing.
- Total No. of machines sold for FY19 are 797 compared to 572 in FY18 securing a volume growth of 39% .
- This year the company catered 14 Machines to the Department of Training and Employment – Karnataka [in single order], 6 Machines to Defense sector, 2 Machines to Aerospace and also catered to educational institute like IIT-Kharagpur.
- Company designed, manufactured and dispatched 3 big machines which are normally being imported by the customer.
- The Board has recommended final dividend of INR 1.0 per share (i.e. 10%) (Face Value INR 10 per share) for the Financial Year 2019.

# H2-FY19 FINANCIAL OVERVIEW

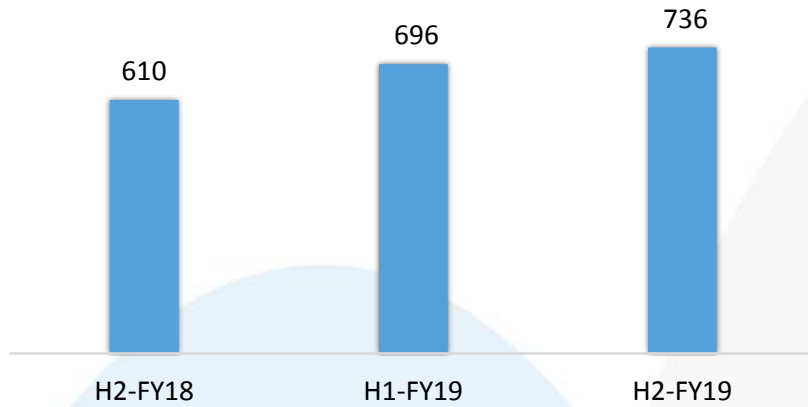


PARTICULARS (INR Mn)	H2-FY19	H2-FY18	Y-o-Y	H1-FY19	Growth(%)
<b>Total Income*</b>	<b>736</b>	<b>610</b>	<b>20.7%</b>	<b>696</b>	<b>5.7%</b>
Total Expenses	643	533	20.6%	594	8.2%
<b>EBITDA</b>	<b>93</b>	<b>77</b>	<b>20.8%</b>	<b>102</b>	<b>(8.8) %</b>
<b>EBITDA Margin</b>	<b>12.64%</b>	<b>12.62%</b>	<b>2 Bps</b>	<b>14.66%</b>	<b>(202) Bps</b>
Finance Cost	2	1	100.0%	1	100%
Depreciation	6	6	NA	6	NA
<b>PBT</b>	<b>85</b>	<b>70</b>	<b>21.4%</b>	<b>95</b>	<b>(10.5) %</b>
Tax	25	25	NA	29	(13.8) %
<b>PAT</b>	<b>60</b>	<b>45</b>	<b>33.3%</b>	<b>66</b>	<b>(9.1) %</b>
<b>PAT Margin</b>	<b>8.15%</b>	<b>7.38%</b>	<b>77 Bps</b>	<b>9.48%</b>	<b>(133) Bps</b>
Diluted EPS (INR)	6.15	10.31	(40.3)%	6.74	(8.8) %

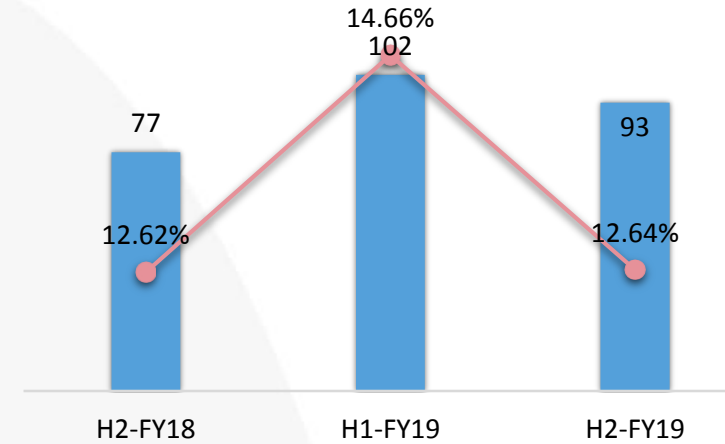
\* Includes Other Income

# H2-FY19 FINANCIAL HIGHLIGHTS

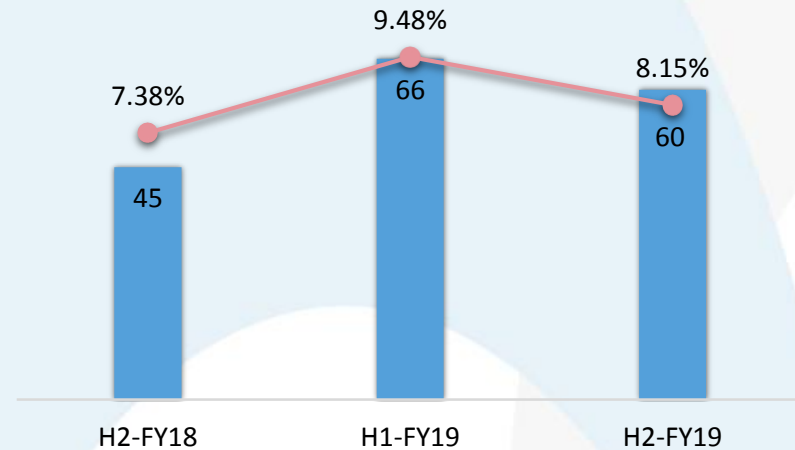
Total Revenue\* (INR Mn)



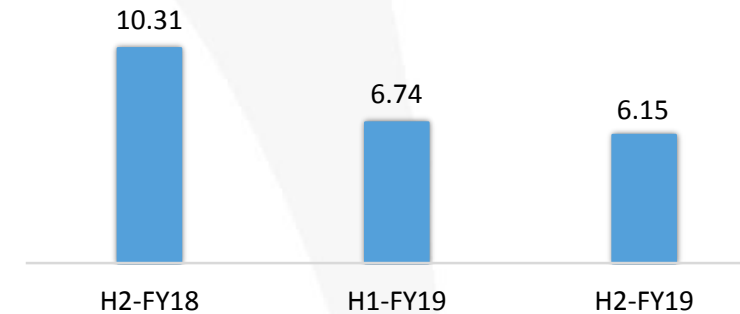
EBITDA (INR Mn) and EBITDA Margins (%)



PAT (INR Mn) and PAT Margins (%)



EPS (INR)



\* Includes Other Income



# FY19 FINANCIAL OVERVIEW



PARTICULARS (INR Mn)	FY19	FY18	Y-o-Y
<b>Total Income*</b>	<b>1,432</b>	<b>1,075</b>	<b>33.2%</b>
Total Expenses	1,237	956	29.4%
<b>EBITDA</b>	<b>195</b>	<b>119</b>	<b>63.9%</b>
<b>EBITDA Margin</b>	<b>13.62%</b>	<b>11.07%</b>	<b>255 Bps</b>
Finance Cost	2	2	NA
Depreciation	12	10	20.0%
<b>PBT</b>	<b>181</b>	<b>107</b>	<b>69.2%</b>
Tax	54	37	49.9%
<b>PAT</b>	<b>127</b>	<b>70</b>	<b>81.4%</b>
<b>PAT Margin</b>	<b>8.87%</b>	<b>6.51%</b>	<b>236 Bps</b>
Diluted EPS (INR)	12.89	10.31^	25.0%

\* Includes Other Income ^ weighted average

# ORDER BOOK (As on 30th April, 2019)



Description	No. of Units	Value (INR Mn)
Pending Order/ Advance (Private)	<b>417</b>	<b>741/38</b>
Govt. Supplied	<b>178</b>	<b>792</b>
L1/Order Recd. (For FY19)	<b>3</b>	<b>10</b>
Tender Bided	<b>485</b>	<b>2,022</b>

Order Book	Domestic	
Products	No. of Units	Value (INR Mn)
Turning Centre	<b>330</b>	<b>488</b>
Vertical Turning Lathe	<b>1</b>	<b>7</b>
Vertical Machining Centre	<b>84</b>	<b>225</b>
Horizontal Machining Centre	<b>2</b>	<b>22</b>

# HISTORICAL INCOME STATEMENT

PARTICULARS (INR Mn)	FY16	FY17	FY18	FY19
<b>Total Income*</b>	<b>642</b>	<b>696</b>	<b>1,075</b>	<b>1,432</b>
Total Expenses	619	677	956	1,237
<b>EBITDA</b>	<b>23</b>	<b>19</b>	<b>119</b>	<b>195</b>
<b>EBITDA Margin</b>	<b>3.47%</b>	<b>2.73%</b>	<b>11.07%</b>	<b>13.62%</b>
Finance Cost	7	3	2	2
Depreciation	13	7	10	12
<b>PBT</b>	<b>3</b>	<b>9</b>	<b>107</b>	<b>181</b>
Tax	(3)	2	37	54
<b>PAT</b>	<b>6</b>	<b>7</b>	<b>70</b>	<b>127</b>
<b>PAT Margin</b>	<b>0.93%</b>	<b>1.01%</b>	<b>6.51%</b>	<b>8.87%</b>
Diluted EPS (INR)	12.63	15.68	10.31^	12.89

\* Includes Other Income ^ weighted average

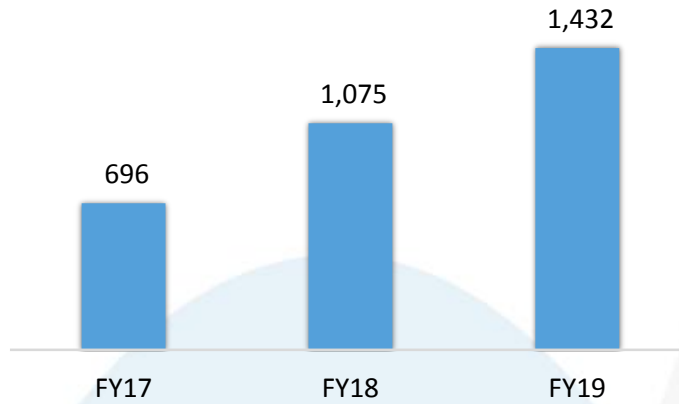
# BALANCE SHEET

EQUITY AND LIABILITIES (INR Mn)	FY18	FY19	ASSETS (INR Mn)	FY18	FY19
<b>1) SHARE HOLDERS' FUND</b>			<b>1) NON CURRENT ASSETS</b>		
Share Capital	98	98	<b>Fixed Assets</b>		
Reserves and Surplus	435	558	Tangible Assets	44	58
<b>Total</b>	<b>533</b>	<b>656</b>	Intangible Assets	1	1
			Capital Work-in-progress	1	55
<b>2) NON CURRENT LIABILITIES</b>			Deferred Tax Asset (Net)	6	5
Long Term Borrowings	2	-	Long Term Loans & Advances	12	10
Long Term Provisions	5	6	Other Non Current Assets	16	17
<b>Total</b>	<b>7</b>	<b>6</b>	<b>Total</b>	<b>80</b>	<b>146</b>
<b>3) CURRENT LIABILITIES</b>			<b>2) CURRENT ASSETS</b>		
Short Term Borrowings	-	-	Current Investments	75	10
Trade Payables	358	369	Inventories	277	474
Other Current Liabilities	5	4	Trade Receivables	42	87
Short Term Provisions	44	57	Cash & Cash Equivalents	392	279
<b>Total</b>	<b>407</b>	<b>430</b>	Short Term Loans & Advances	81	96
			<b>Total</b>	<b>867</b>	<b>946</b>
<b>Total</b>	<b>947</b>	<b>1,092</b>	<b>Total</b>	<b>947</b>	<b>1,092</b>

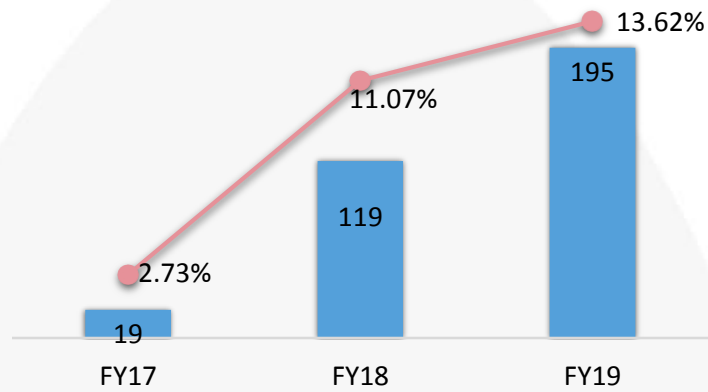
# FINANCIAL HIGHLIGHTS



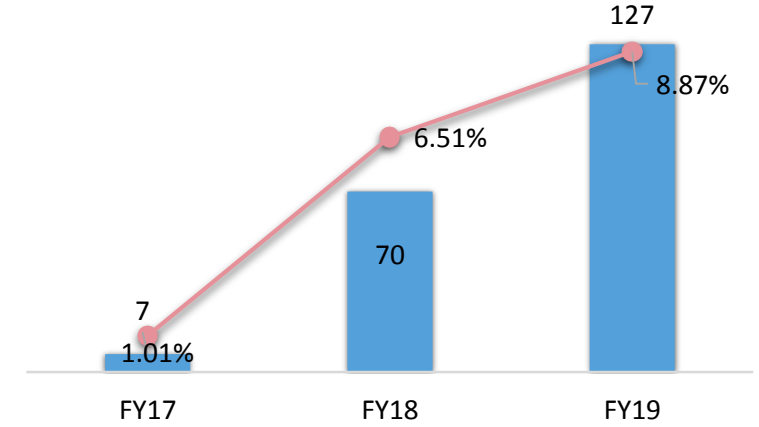
Total Revenue\* (INR Mn)



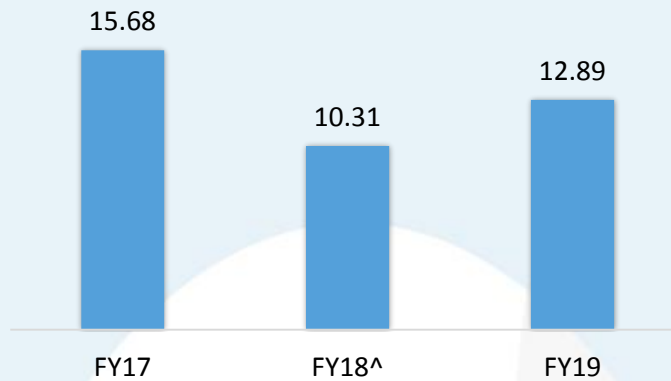
EBITDA (INR Mn) and EBITDA Margins (%)



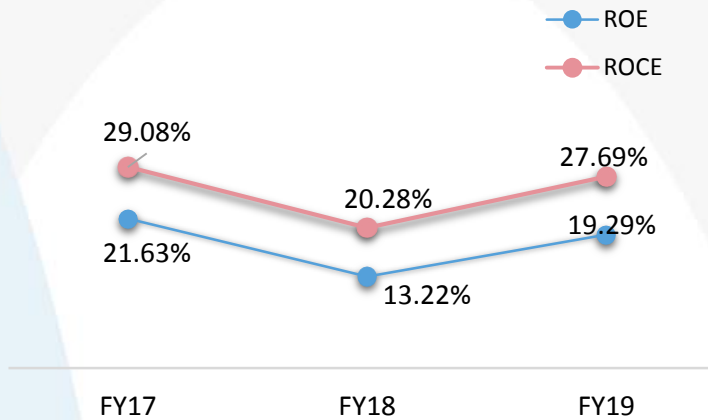
PAT (INR Mn) and PAT Margins (%)



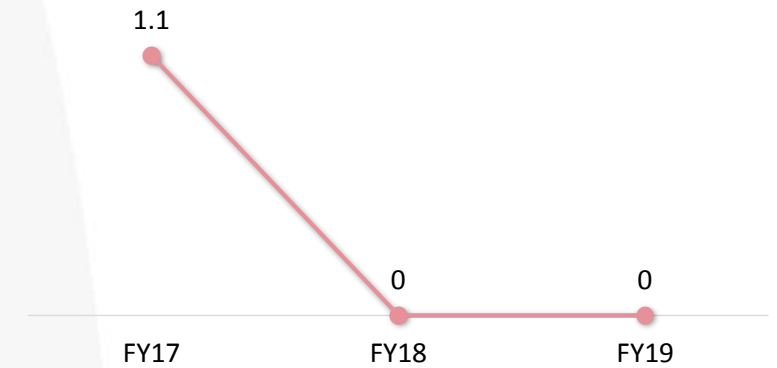
EPS (INR)



RoE (%) and RoCE (%)



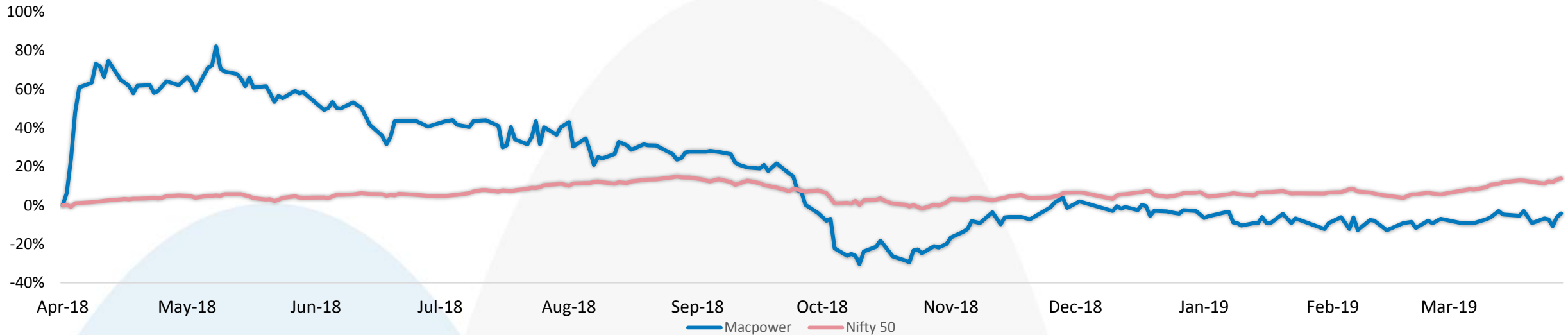
Debt-Equity (x)



\* Includes Other Income ^ weighted average

# MARKET DATA

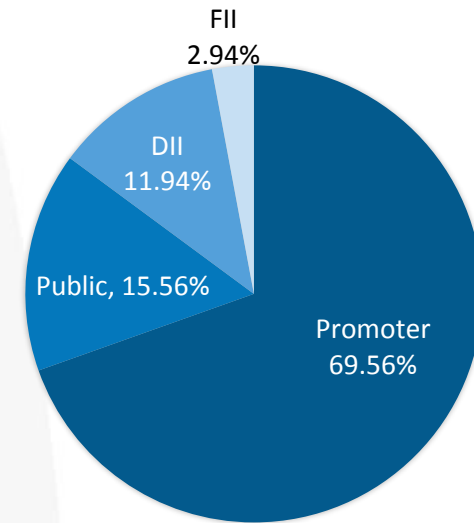
Share Price Performance as on (31<sup>st</sup> March, 2019)



Price Data (As on 31<sup>st</sup> March, 2019)

CMP	153.0
52 Week H/L	305.5/108.0
Avg. Trading Vol.	26.3
Avg. Net Turnover	5.8
Market Cap (In Mn)	1,500.6
Total No. of Shares (In Mn)	9.80

Shareholding Pattern (As on 31<sup>st</sup> March, 2019)



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