



MAITHAN ALLOYS LIMITED

Investor Presentation – January 2018



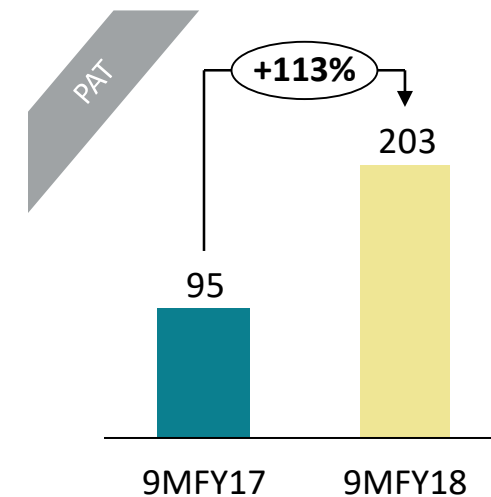
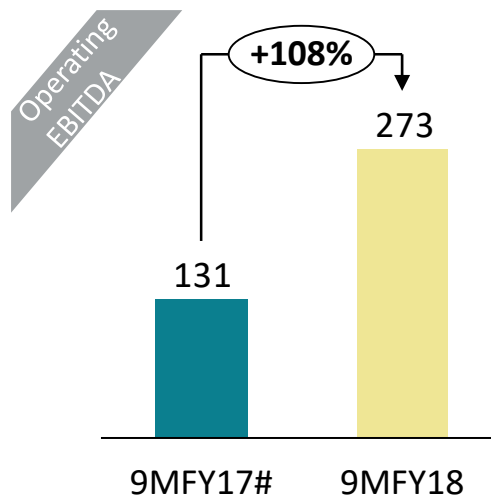
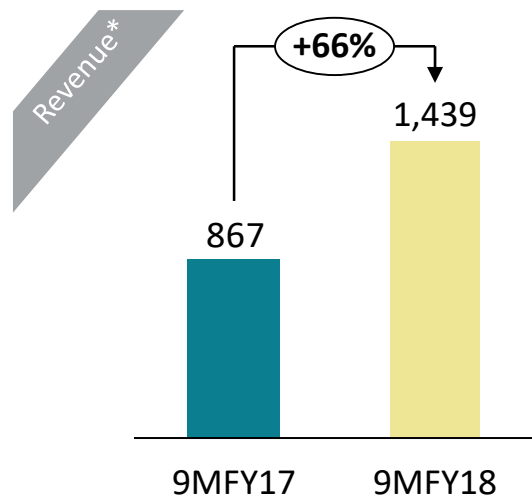
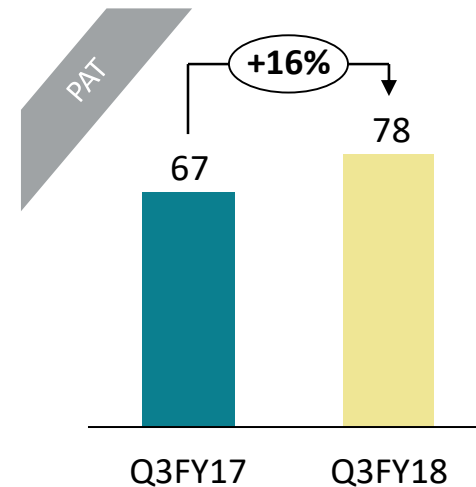
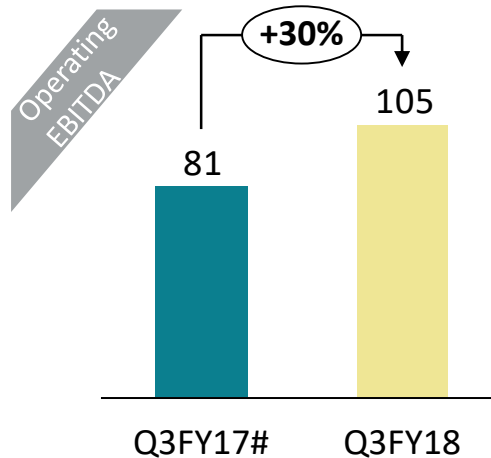
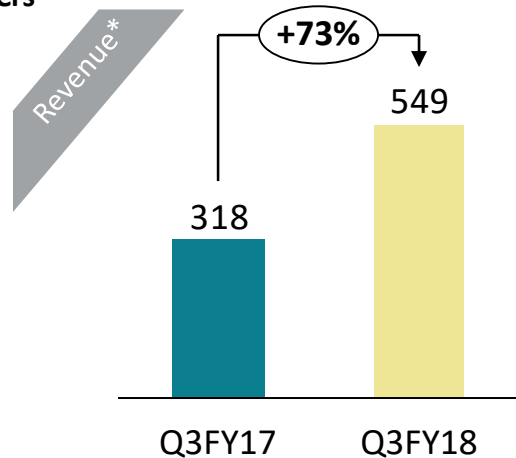
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Growth Momentum Continues

₹ Crs

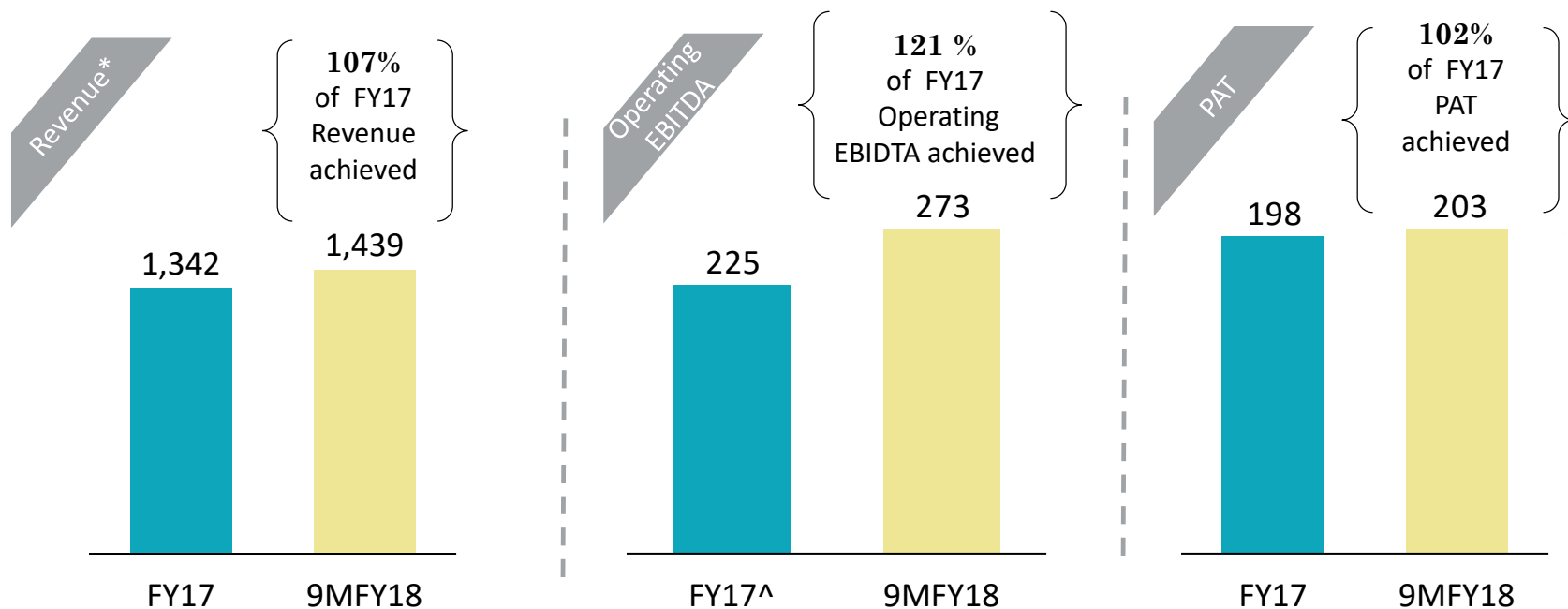


*Net of Excise Duty/ GST

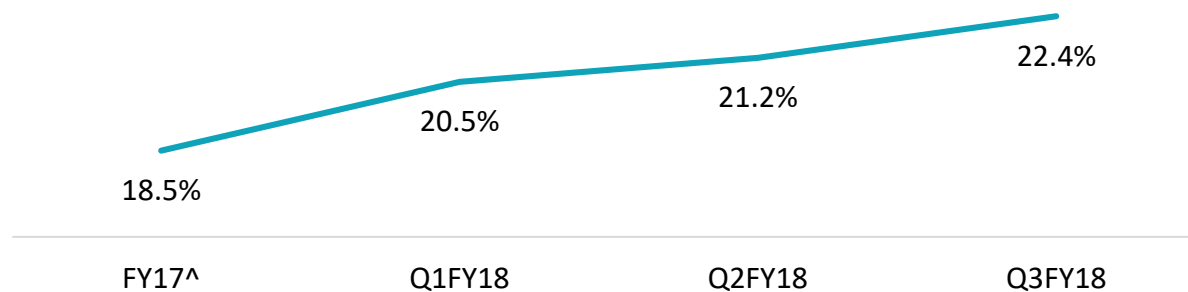
Including Power subsidy of Rs. 8.1crs

Growth Momentum Continues

₹ Crs



Manufacturing EBITDA Margins





Largest Manufacturer

India's largest
Manganese
Alloy Producer
and Exporter

20
years.

Rich Experience

Two decades of
experience and
continuous growth



Niche Products

Basket of the most
valuable Techno-
Commercial Products




Robust Balance Sheet

Net Cash
Credit Rating:
CARE A+
CARE A1+
CRISIL AA-

“A Culture of Outperformance”

CAGR from FY2012 to FY2017



Increase in Stake Holder Return's

- **ROCE** Increased by **+ 2,670** bps
- **ROE** Increased by **+ 1,770** bps

Revenue increased by **+18%** CAGR

EBIDTA increased by **+33%** CAGR

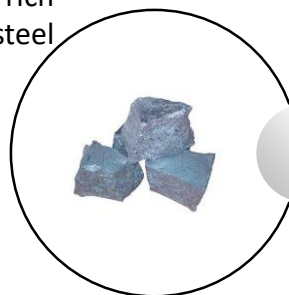
PAT increased by **+34%** CAGR

Debt Reduction of **Rs. 130** Crores since FY12

Ferro alloys enhance steel strength, durability, anti-corrosion and anti-stain properties and acts as de-oxidant for Steel Manufacturing

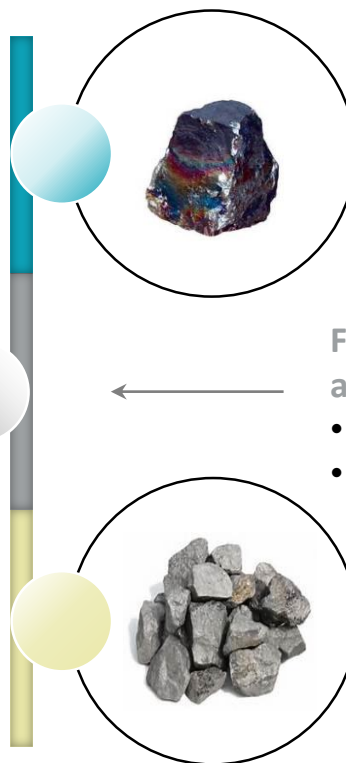
Ferro Manganese - An alloy of iron and manganese

- Used in steel products wherein silicon content needs to be controlled at low levels
- Used in flat steel, manganese-rich steel and stainless steel manufacturing



Silicon Manganese- An alloy of silicon and manganese

- Cost-effective blend of silicon and manganese
- Consumed in all steel products. Used in higher quantities in 200 series stainless steel, alloy steel and manganese steel

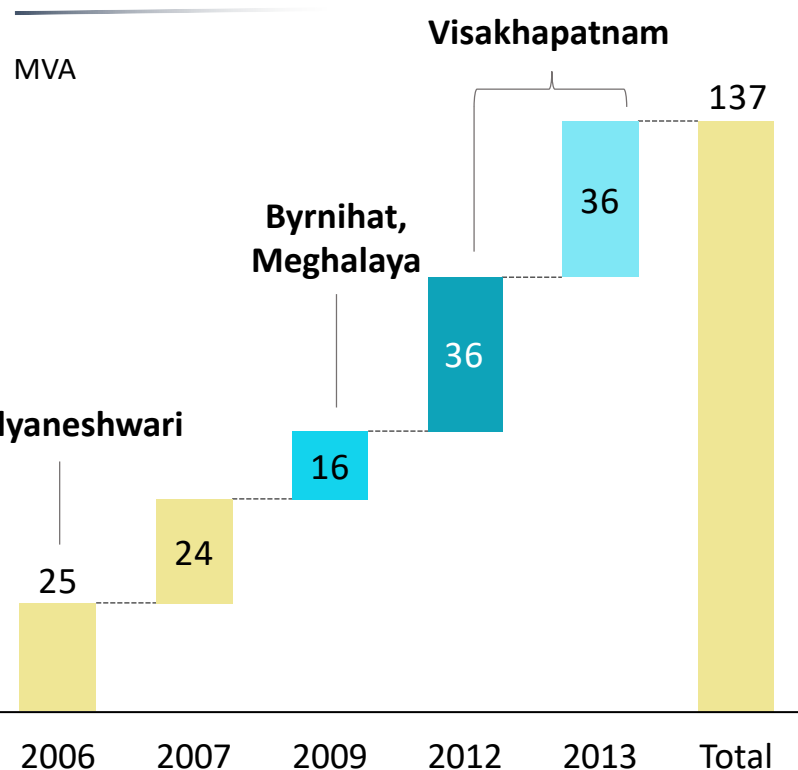


Ferro Silicon - An alloy of iron and silicon

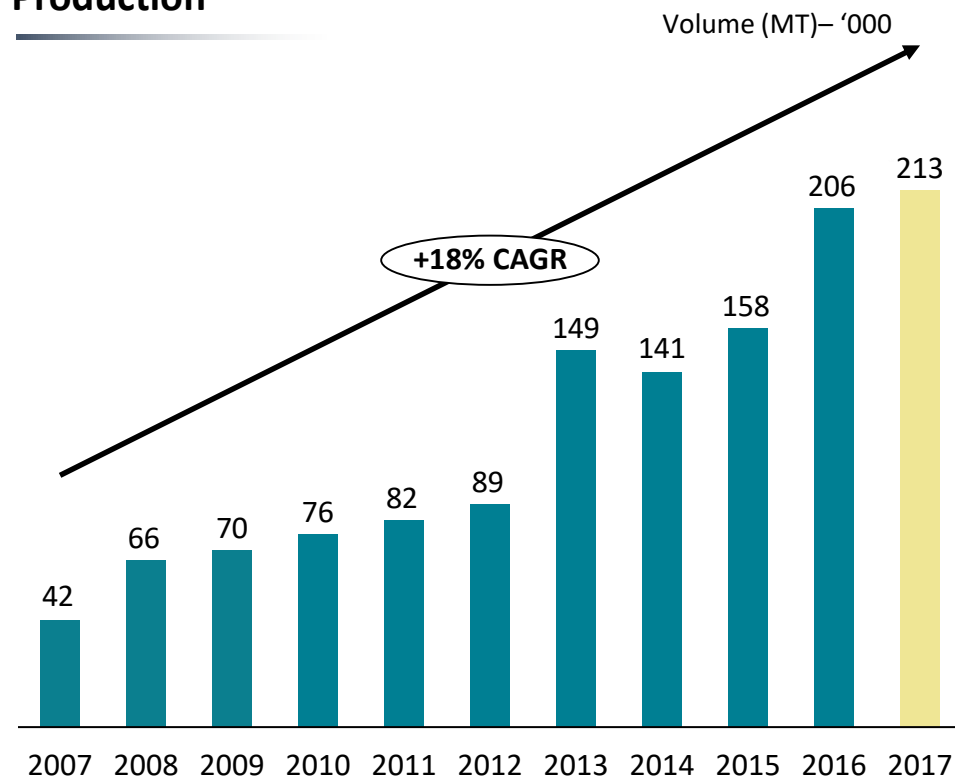
- Silicon acts as a steel oxidant
- Used primarily in special steels and in small quantities in mild steel

Capacity addition to support Growth

Capacity Built-up

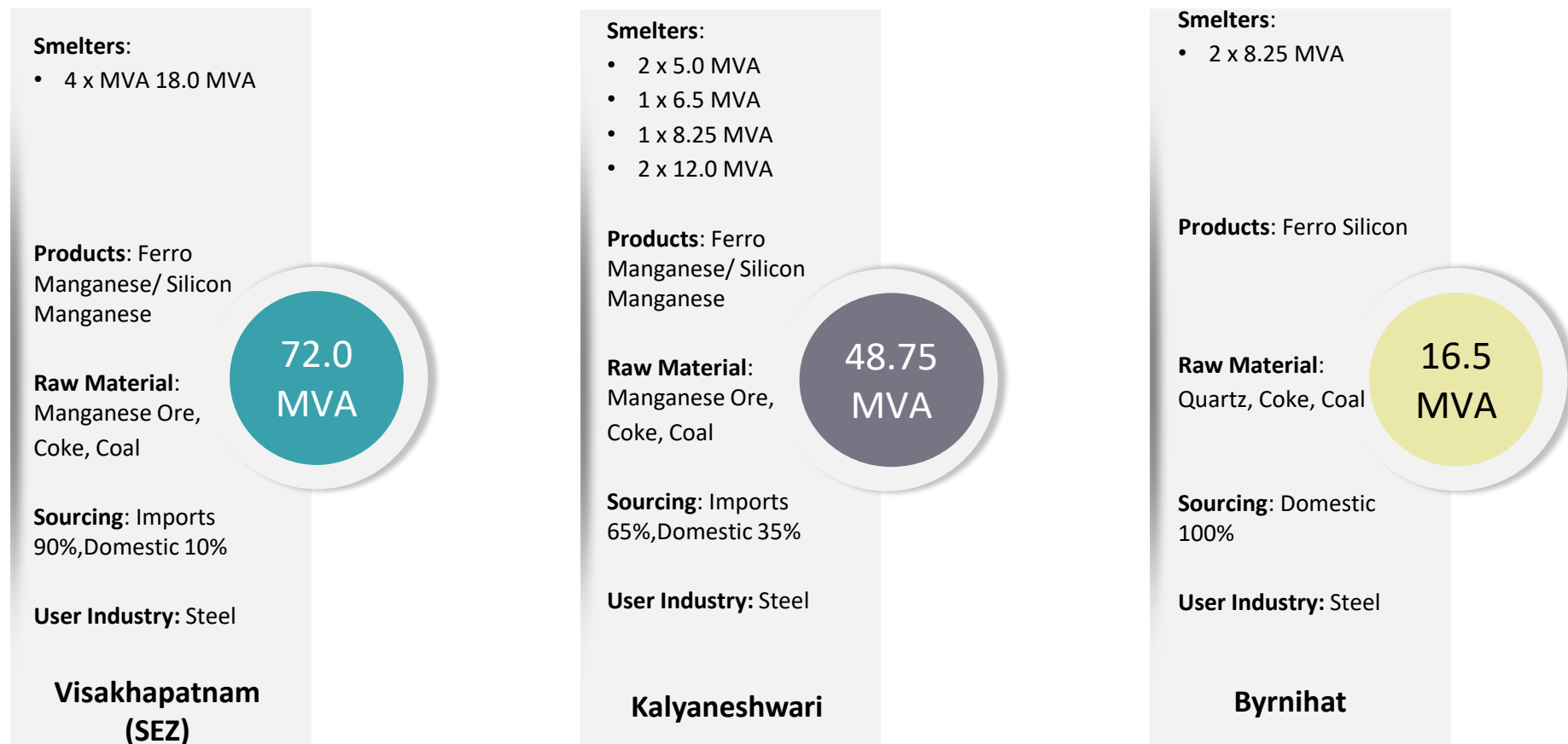


Production



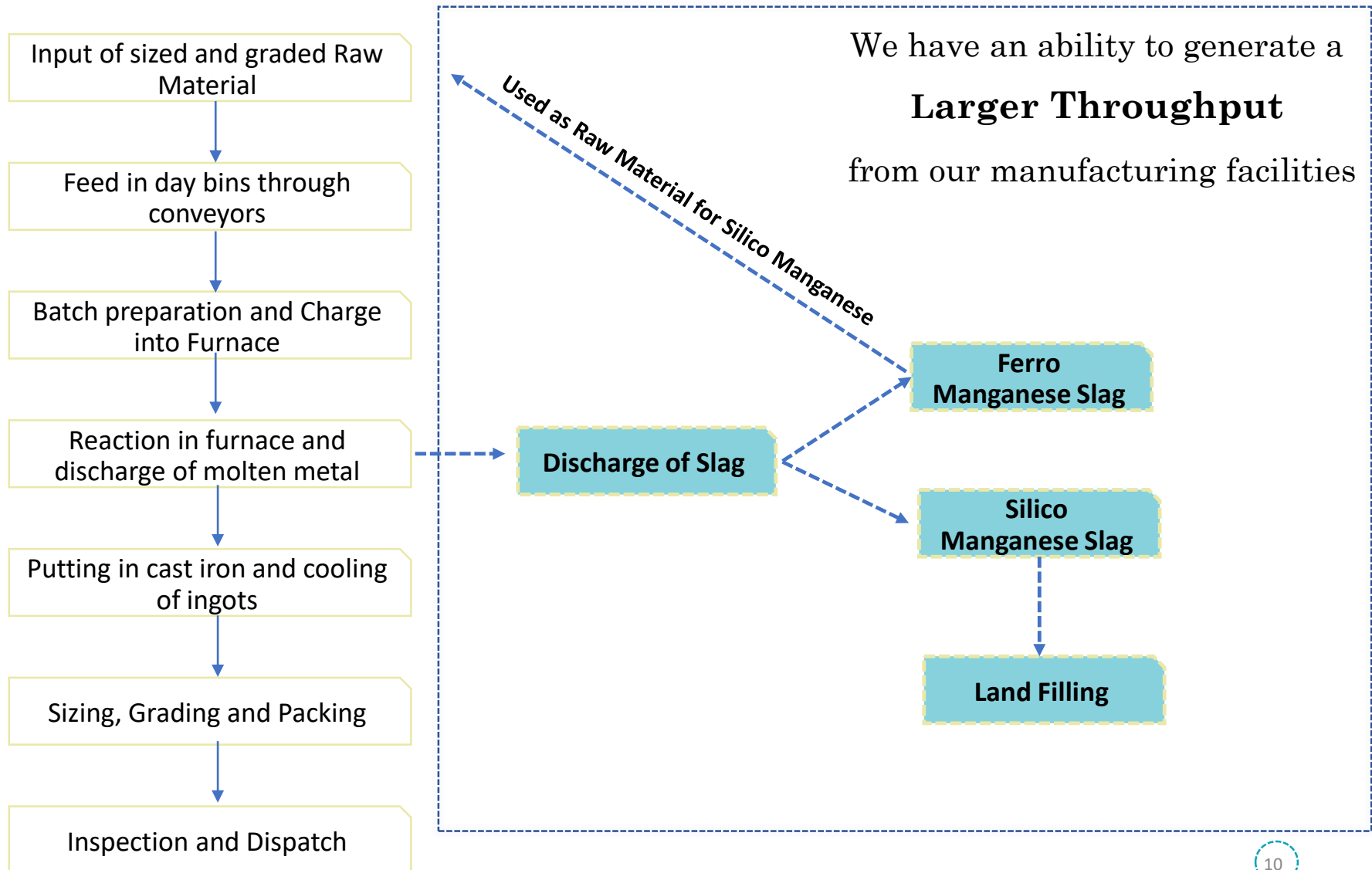
Increase in Capacity at Strategic Locations to support Profitable Growth

Installed Capacity of 137.25 MVA

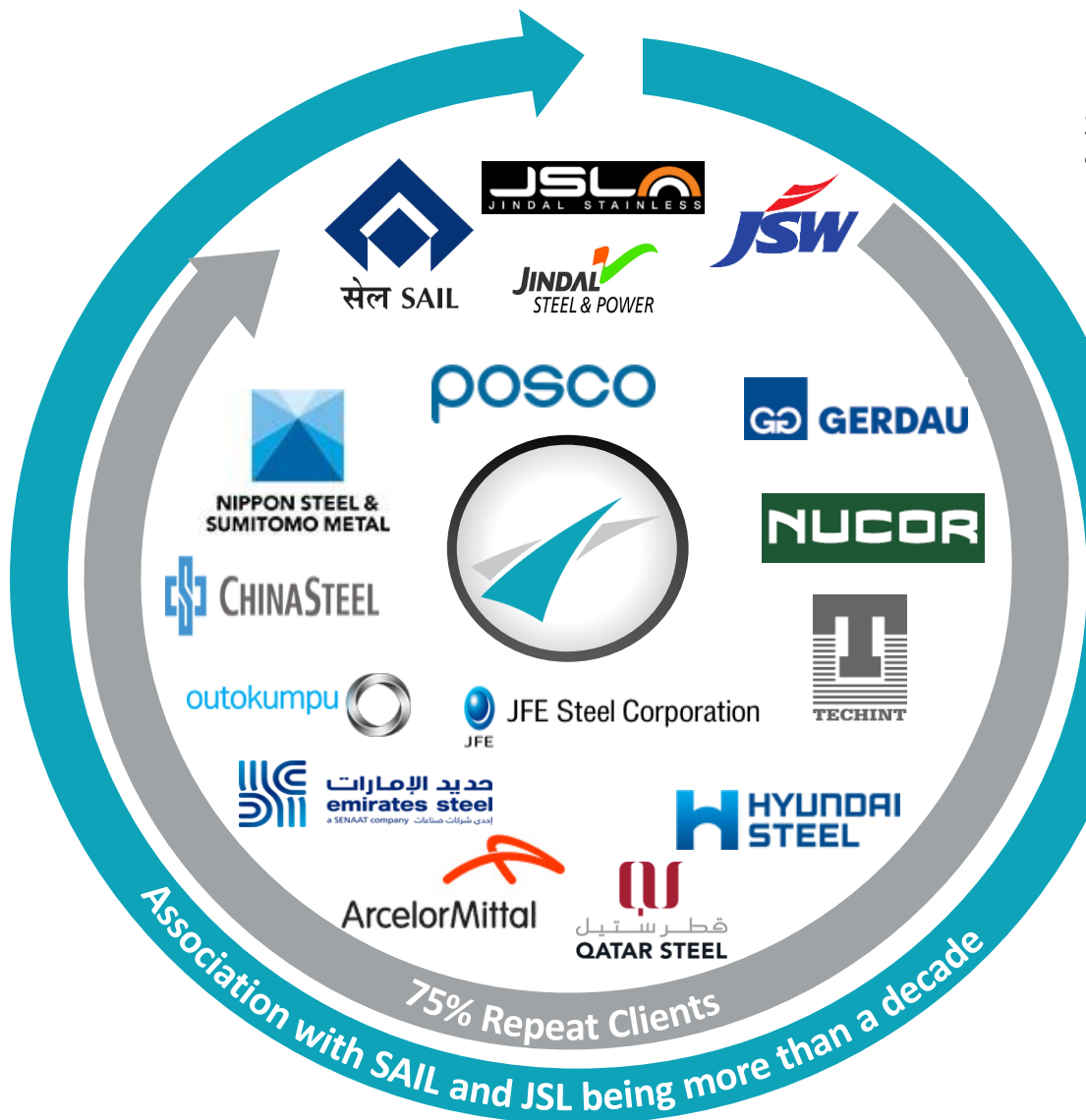


- Kalyaneshwari and Byrnihat source Coke & Coal from Domestic Market, because it is logistically feasible
- Vishakhapatnam and Kalyaneshwari imports Manganese Ore. Advantage of importing are
 - ✓ Quality Product
 - ✓ Variety of Grades Leading to better Product Mix
 - ✓ Logistic Advantage

Self-Sustaining Business Model



Strong Client Relationships



Shift of focus from **‘Stable’ Europe** to **‘Growing’ Asia** helping in better realizations

~100% of **Domestic** clients are associated with the Company for **over 7 years**

Long term relationships with clients offers **Competitive Advantage**

Low Concentration Risk in export markets with **presence in over 35 countries**

The Leadership Team



Mr. Subodh Agarwalla

Whole Time Director and CEO

- A B. Tech from IIT Varanasi and M.B.A from IIM Bangalore
- At age of 39 years is the Whole Time Director and CEO and strengthens the operational activities of the Company

Mr. S. C. Agarwalla

Chairman and Managing Director

- Over 25 years of rich experience in Ferro Alloys industry
- Has a strong understanding of business processes and excellent communication and people management skills
- Focuses on project setup, corporate planning and business development, human resource development, planning & budgeting and related functions

Mr. Sudhanshu Agarwalla

President and CFO

- A M.B.A from XLRI Jamshedpur.
- Over 13 Years of experience in Finance, Marketing and Procurement in the Ferro Alloys Industry

Experienced Board

Mr. Nand Kishore Agarwal

Independent Director

Experienced in the field of Accounts, Finance and Tax Laws

Mr. Biswajit Choudhuri

Independent Director

Experienced in the field of Engineering, Banking, Finance and Management

Mr. Vikash Kumar Jewrajka

Independent Director

Experienced in the field of Monolithic Ceramics, Promotions of Residential Property & Fly Ash Bricks Machine Manufacturer

Mr. Ashok Bhandari

Independent Director

Experienced in the field of Finance and Negotiation with Banks, Governments and Technology & Equipment suppliers

Mr. Palghat Krishnan Venkatramani

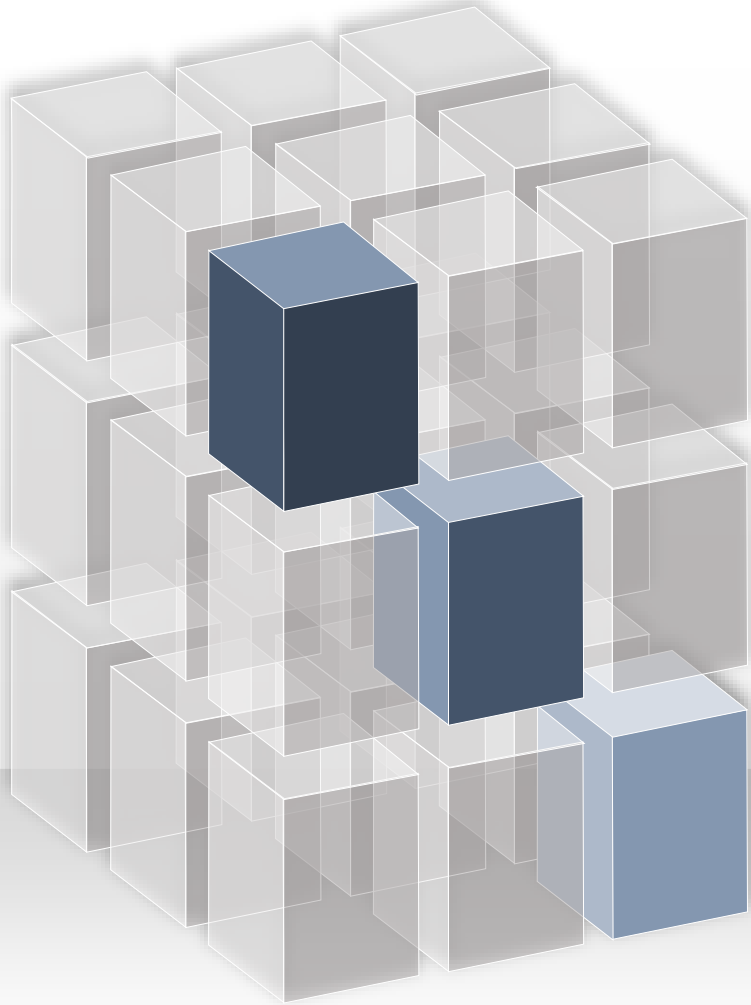
Independent Director

Experienced in the field of Banking with specialty in Industrial Finance and staff training and Foreign Exchange and Management Accountancy

Ms. Kalpana Biswas Kundu

Independent Director

Experienced in the field of Banking, Accounts and Finance



Vision

To be India's premiere Alloy Company that is built on the solid foundation of shareholder trust, customer commitment, employee satisfaction and sustainable communities. Consistently delivering on our promises backed by meticulous hard work is our motto for ensuring success always!

Mission

To be India's premiere Alloy Company by:

- Promising excellent shareholder value: Guarantee a high ROC coupled with lower-than-market debt ratios
- Nurturing our employees: Encourage employees to work hard and add to their knowledge base. Ensuring employee growth by creating a secure and stress-free working environment.
- Utmost commitment to our customers: Irrespective of the market conditions, we will always strive for the highest product standards that will in turn ensure complete customer satisfaction.
- Care for our communities: A clean environment, education, housing, health and sustainability for our communities will always remain our mission.

Commitment is a passion for us. We are extremely committed to serving our shareholders and customers to the best of our abilities. Our promise to our stakeholders is a hard-ironed commitment and we aim to exhibit this value in everything that we do.

Commitment



Loyalty is the very fabric that runs beneath our organization. We strive to imbibe and exhibit loyalty not only to our stakeholders but also internally as individuals.

Loyalty



We not only believe but also imbibe that 'honesty is indeed the best policy'. We strive to do what is right and not what is the easiest. Staying true to ourselves and our work is what we live by.

Integrity



Rigorous and meticulous attention to detail along with a positive attitude is how we would describe every work process at our organization. Rigour with a positivity will lead to guaranteed successes.

Rigour



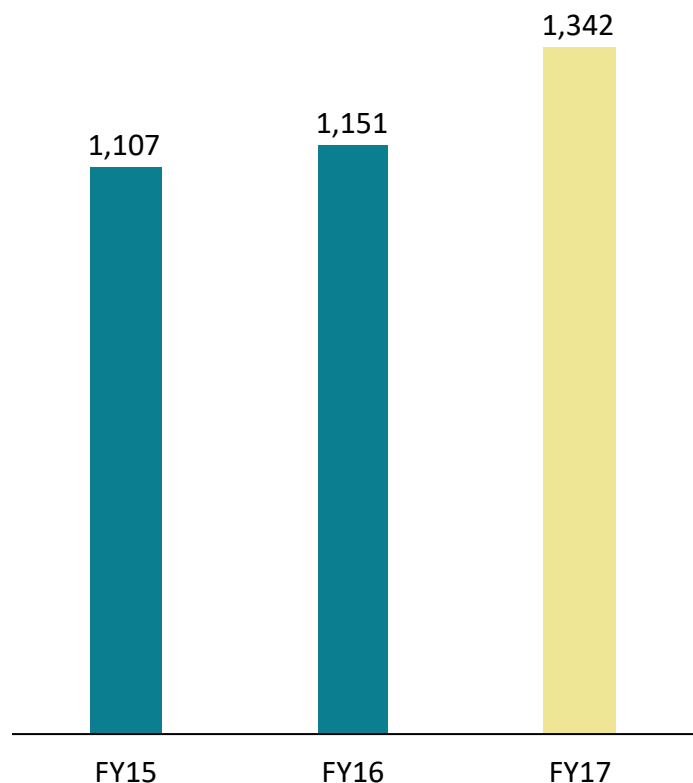
We believe in our common goals and stand by each other on the back of open and honest communication. A strong team is always a winning team.

Teamwork

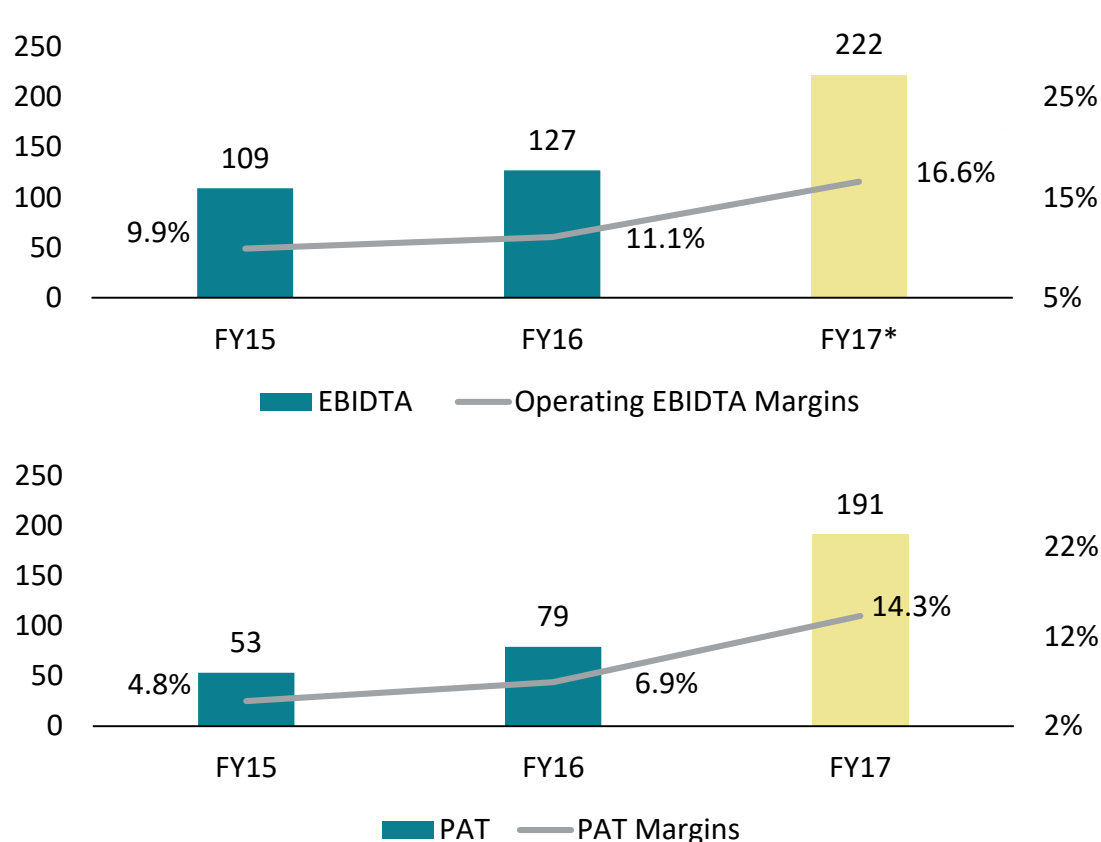


Outperformance in 2017...

Growing Revenue (₹ Crs)



Margins improved even in uncertain times



Led by our **Efficiency**

Proving our **Credibility**

Maintaining the Maithan Edge



Efficiency

- Lowest in the Cost Curve
- Optimum Capacity Utilization
- Higher Tonnage product

Optimising Facilities for Maximising Returns

- Sources raw materials when it gets contracts
- PPA agreement with power plants
- Stable Asset turnover ratios and low debt-equity ratio

Strong Credibility

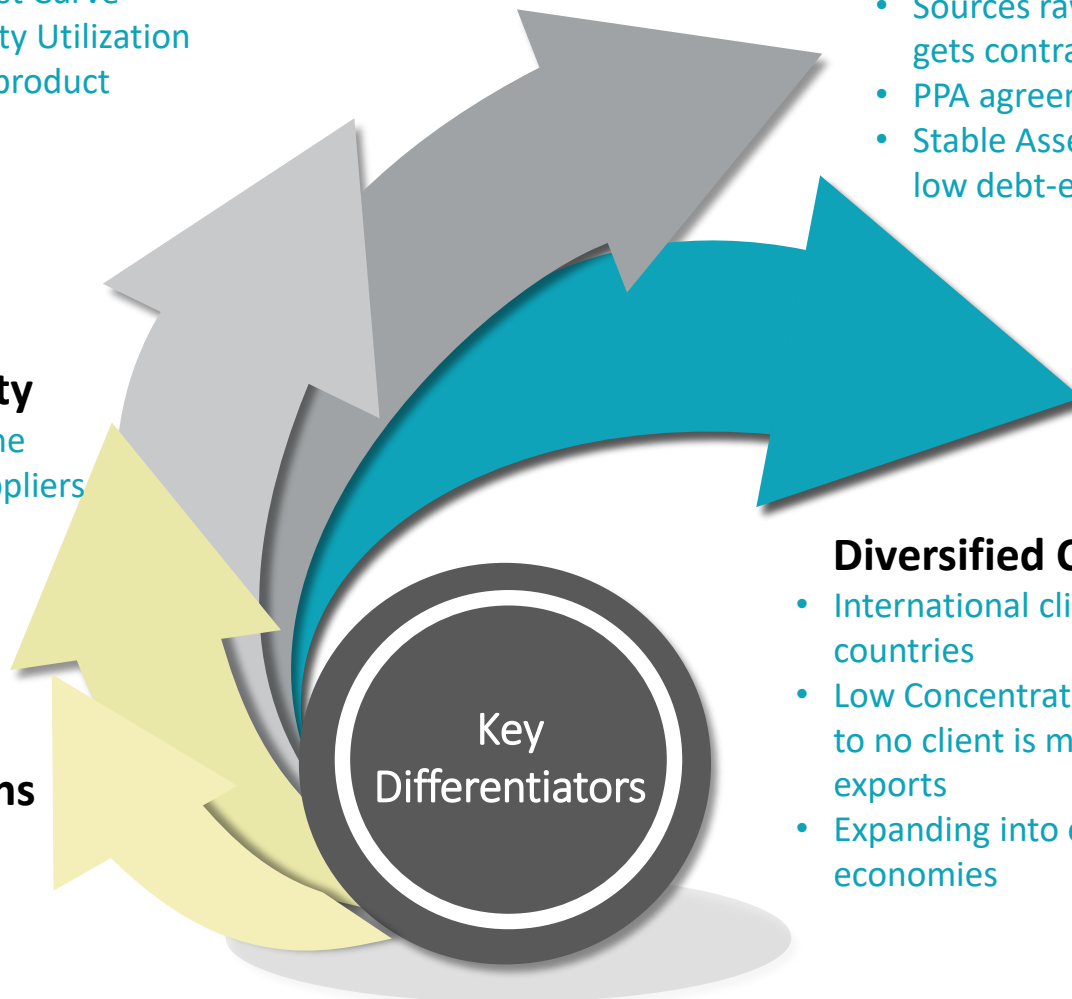
- Strong credibility in the market right from suppliers to end customers

Expansion Plans

- Inorganic Growth Opportunities

Diversified Customer Base

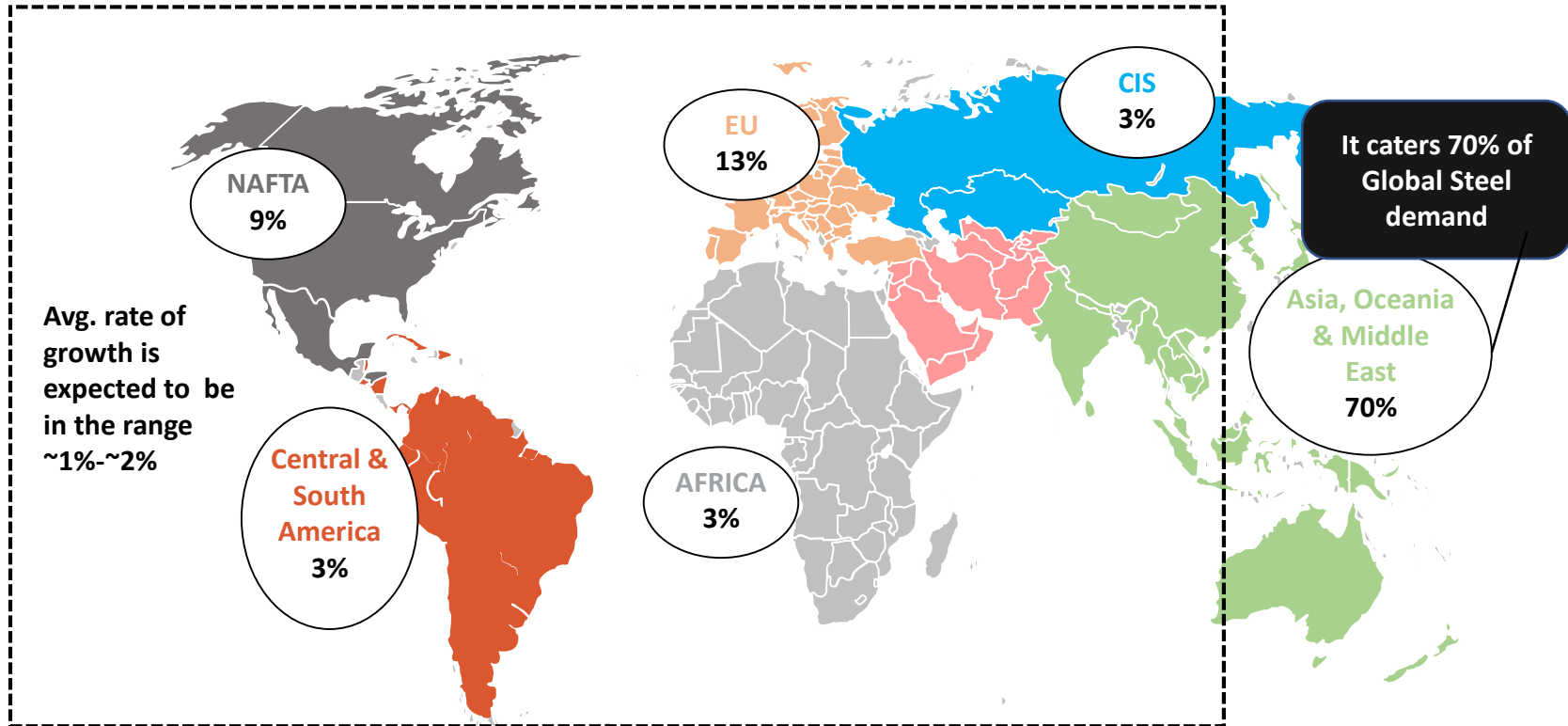
- International clients across 35 countries
- Low Concentration Risk as exposure to no client is more than 10% of its exports
- Expanding into emerging Asian economies



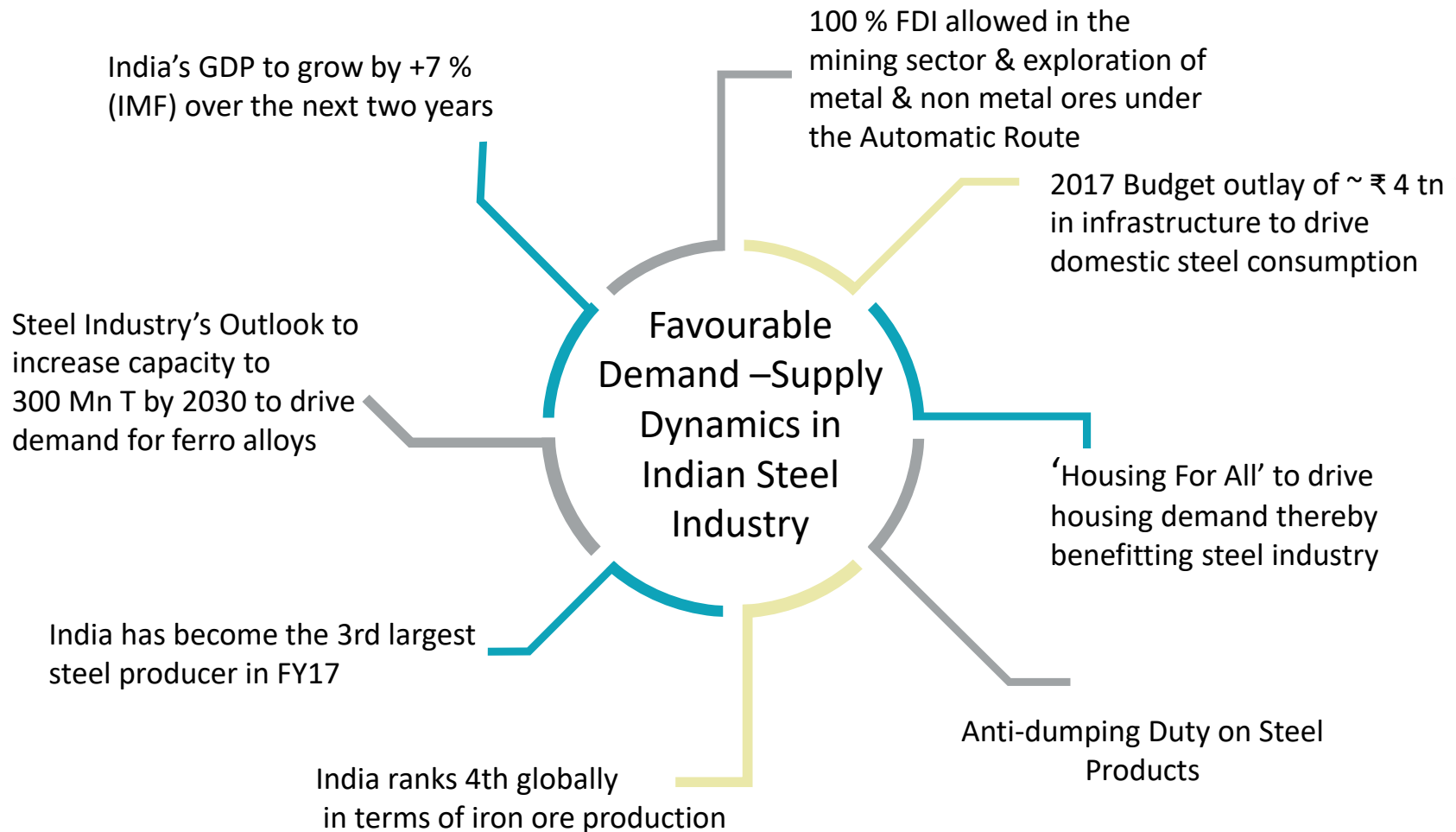
Industry Tailwinds

Asian Economies to drive the Global Steel Demand

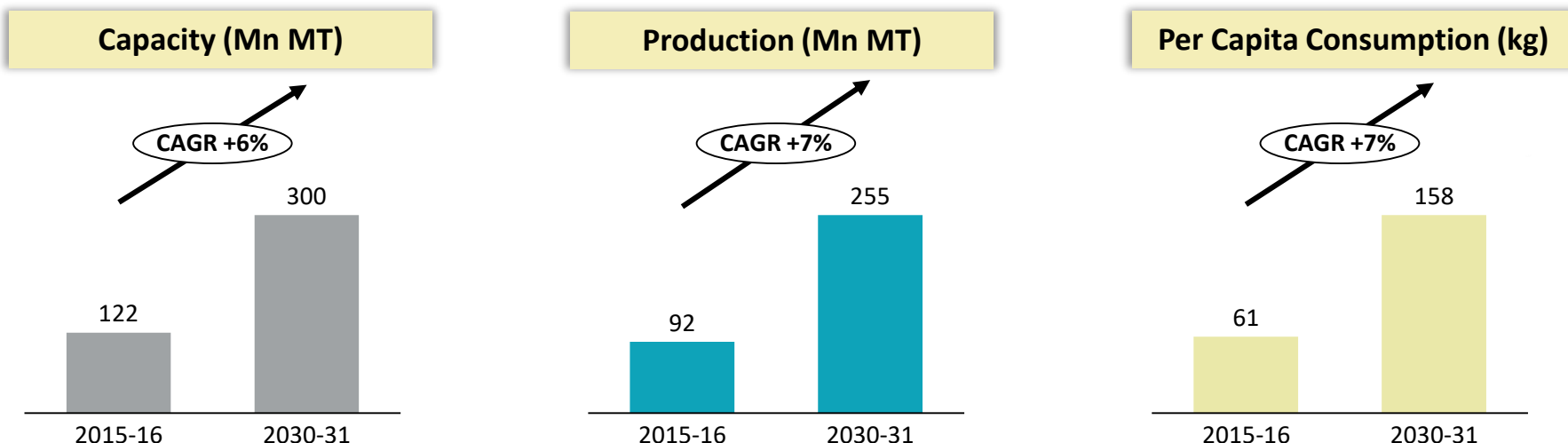
Global Steel Demand 2018 : 1,548.5 Mn T



Asia Ex-China Growth is expected to be ~5%
Maithan already has a strong foothold in the growing Asian economies with no exposure to China



Alloy Producers to benefit from NSP 2017

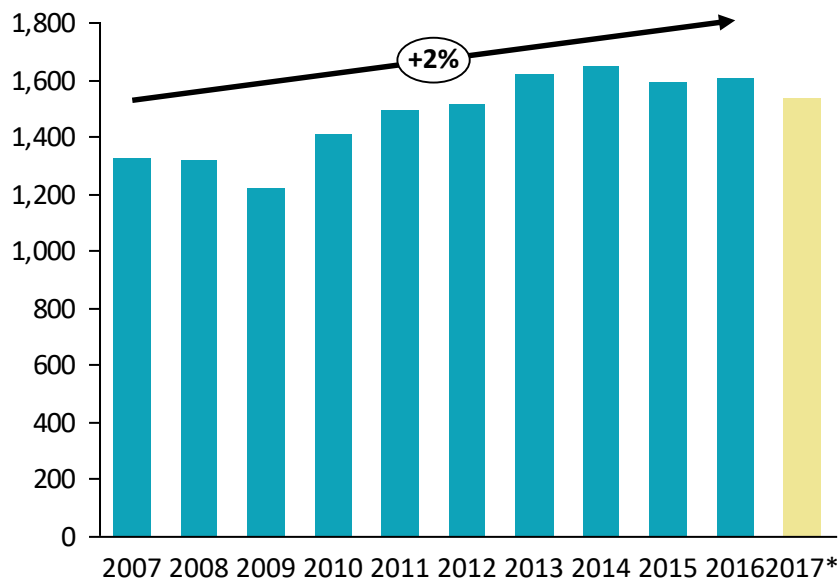


National Steel Policy (NSP) 2017 Highlights

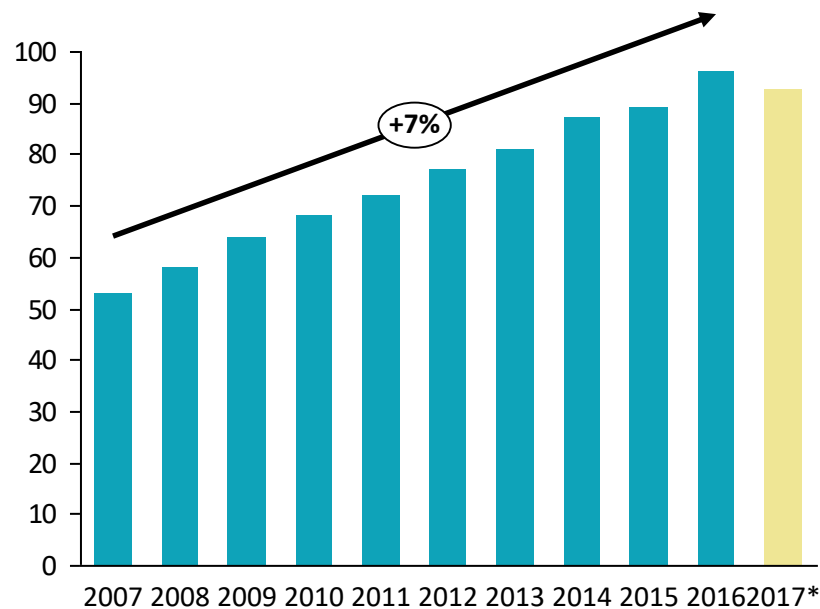
- Reduce dependence on Steel imports and become self sufficient in Steel production
- Increase domestic availability of washed coking coal so as to reduce import dependence on coking coal to 50%
- Policy to increase consumption of Steel in Infrastructure, Automobiles & Housing sector
- Provide policy support & guidance to private manufacturers, MSME Steel producers, CPSEs
- Steel Ministry will facilitate R&D through the establishment of Steel Research and Technology Mission of India (SRTMI)

~1.5% of Manganese Alloy is required to produce each tonne of Steel

World Crude Steel Demand (Mn MT)



India Crude Steel Demand (Mn MT)



Operating Efficiency



Better Product Mix



Strong Customer Relationships



Gaining Market Share Globally and Domestically

Maithan Alloys production has grown at CAGR of 18 % since 2007

War Chest of
₹ 250Cr



Cash & Cash
Equivalents of
₹ 190Cr

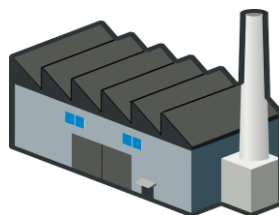


Internal
Accruals



Inorganic Expansion

The Company is looking at
Acquiring Assets and is already
in dialogue with Banks



Organic Expansion

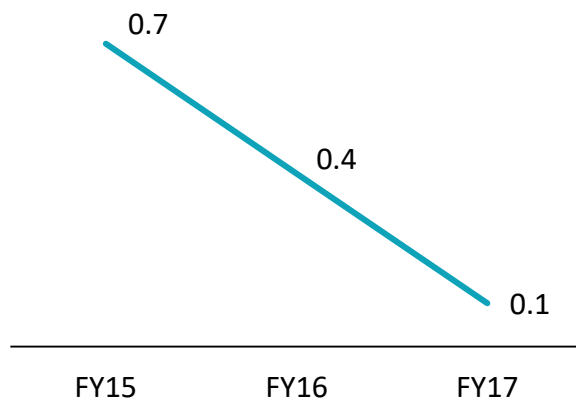
Company is planning for
Greenfield Expansion and is
currently evaluating Land for
the same



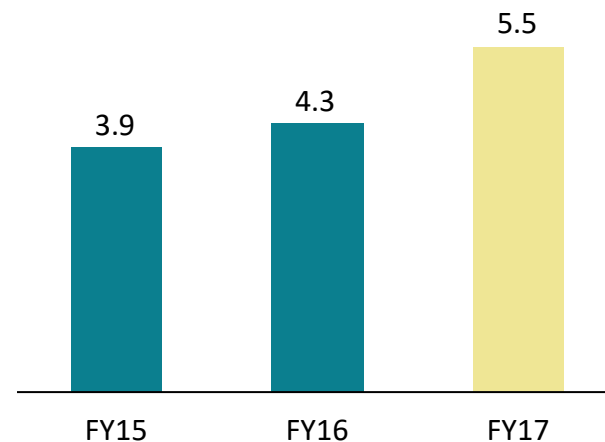
Financials

Proven Track Record (As per IGAAP)

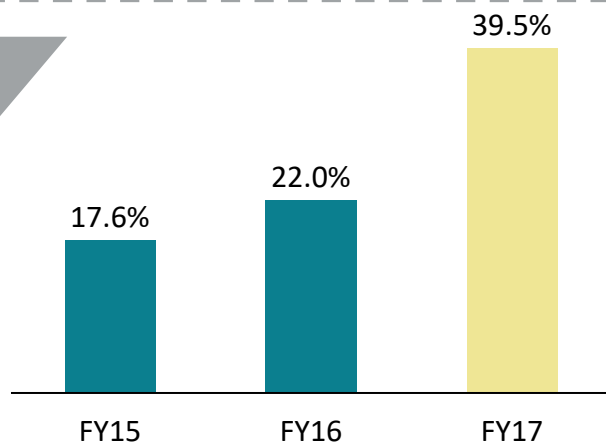
Debt/Equity



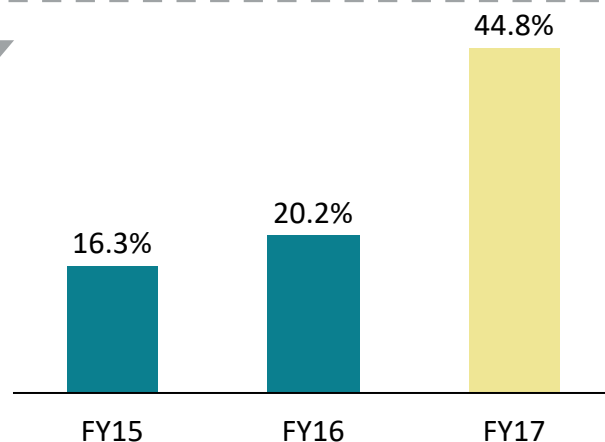
Fixed Asset Turnover (x)



ROE %*



ROCE %^



Higher Return Ratio is because of prudent capital allocation and superlative operating efficiency

*RoE = PAT after Minority Interest / Avg. Shareholders Fund

^ RoCE = EBIT / Avg. Capital Employed

Standalone Profit & Loss (As per IND AS)

Particulars (₹ Crs)	Q3 FY18	Q3 FY17	YoY	9M FY18	9M FY17	YoY
Revenue (Net of Excise Duty/ GST)	549	318	73%	1,439	867	66%
Raw Material	302	127		762	392	
Power	98	77		281	234	
Employee Expenses	12	10		33	21	
Other Expenses	33	24		89	90	
Operating EBITDA	105	81*	30%	273	131*	108%
Other Income	5	14		9	18	
Depreciation	4	6		12	19	
EBIT	106	88		271	131	
Finance costs	1	1		3	7	
PBT	104	87		268	123	
Tax	26	20		65	28	
PAT	78	67	18%	203	95	113%

Consolidated Profit & Loss (As per IGAAP)

Particulars (₹ Crs)	FY17	FY16	YoY
Revenue	1,342	1,151	17%
Raw Material	628	597	
Power	280	315	
Employee Expenses	33	23	
Other Expenses	128	89	
Operating EBITDA	273*	127	115%
Operating EBITDA Margin	20.3%*	11.1%	
Other Income	21	4	
Depreciation	28	23	
EBIT	265	108	
EBIT Margin	19.8%	9.4%	
Finance costs	9	12	
PBT	256	96	
Tax	65	17	
PAT	191	79	143%
PAT Margin	14.3%	6.9%	

* Includes Power subsidy of Rs. 50.7crs

Standalone Balance Sheet (As per IND AS)

Particulars (₹ Crs)	Sep-17	Particulars (₹ Crs)	Sept-17
Non-Current Assets	291	Equity	711
Property, plant and equipment	238	Equity share capital	29
Intangible Assets	0.1	Other Equity	682
Financial Assets		Non-current Liabilities	32
i. Investments	25	Financial liabilities	
ii. Loans	28	i. Borrowings	4
Other non-current assets	1	Provisions	2
Current Assets	779	Deferred tax liabilities (net)	26
Inventories	247	Other non-current liabilities	1
Financial assets		Current Liabilities	327
i. Investments	136	Financial liabilities	
ii. Trade receivables	283	i. Borrowings	7
iii. Cash and cash equivalents	54	ii. Trade payables	117
iv. Bank balances other than (iii) above	0.1	iii. Other financial liabilities	37
v. Other financial assets	24	Provisions	1
Current tax assets (net)	0.1	Current tax liabilities (net)	19
Other current assets	35	Other current liabilities	147
Total Assets	1,071	Total Equity and Liabilities	1,071

For further information, please contact:

Company

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CIN: U74140MH2010PTC204285

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