



MAITHAN ALLOYS LIMITED

Investor Presentation – May 2018



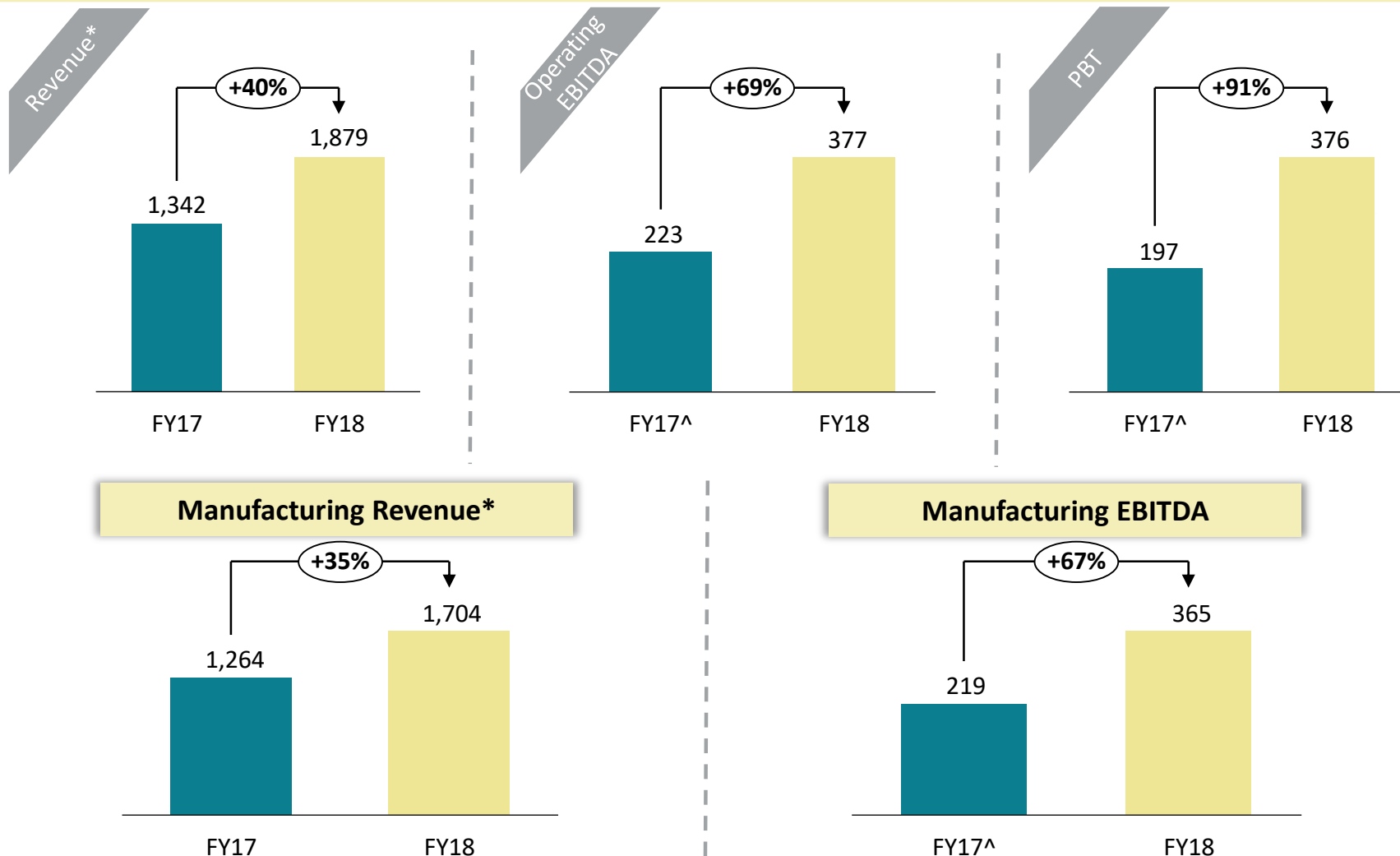
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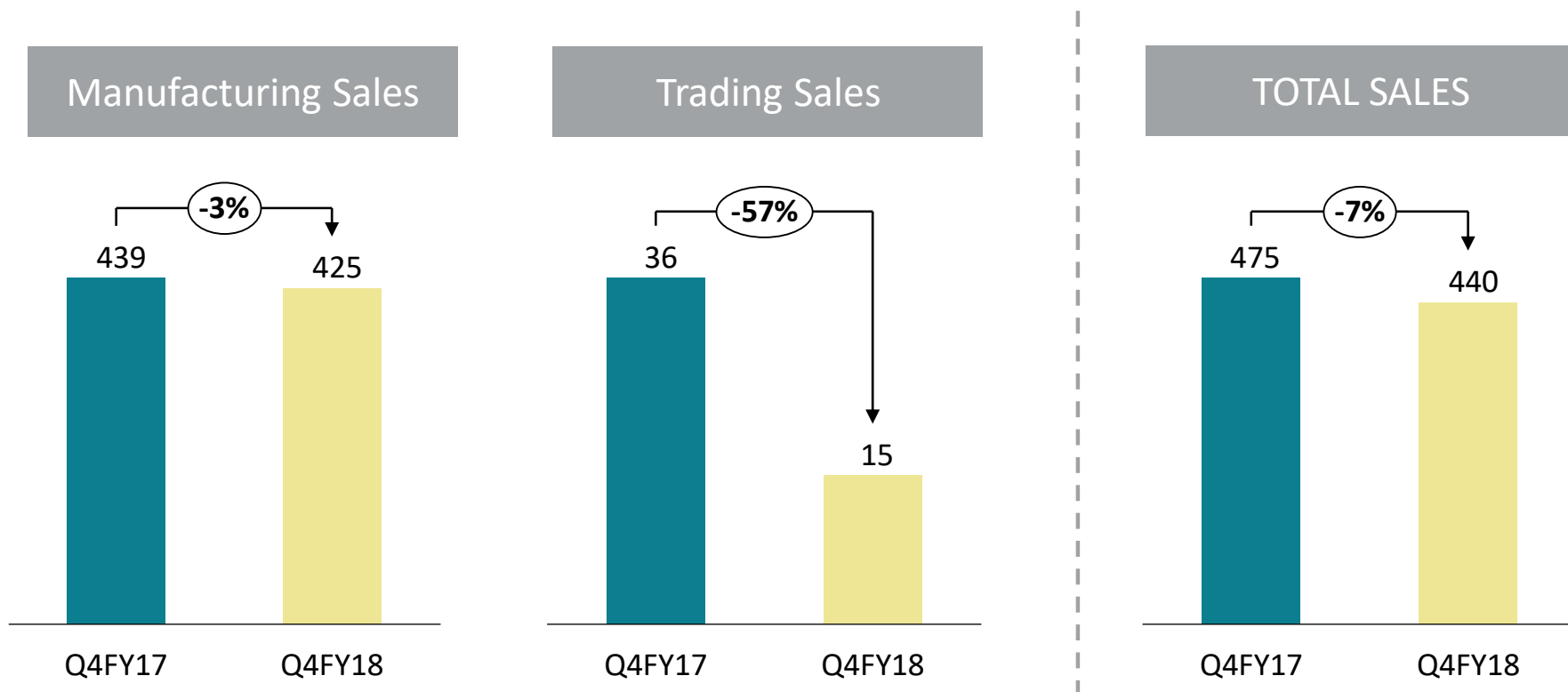
Growth Momentum Continues

₹ Crs



Board of Directors of the Company have recommended a dividend of Rs. 3 per equity share of Face Value of Rs. 10/- each (i.e. @30%), for the financial year 2017-18

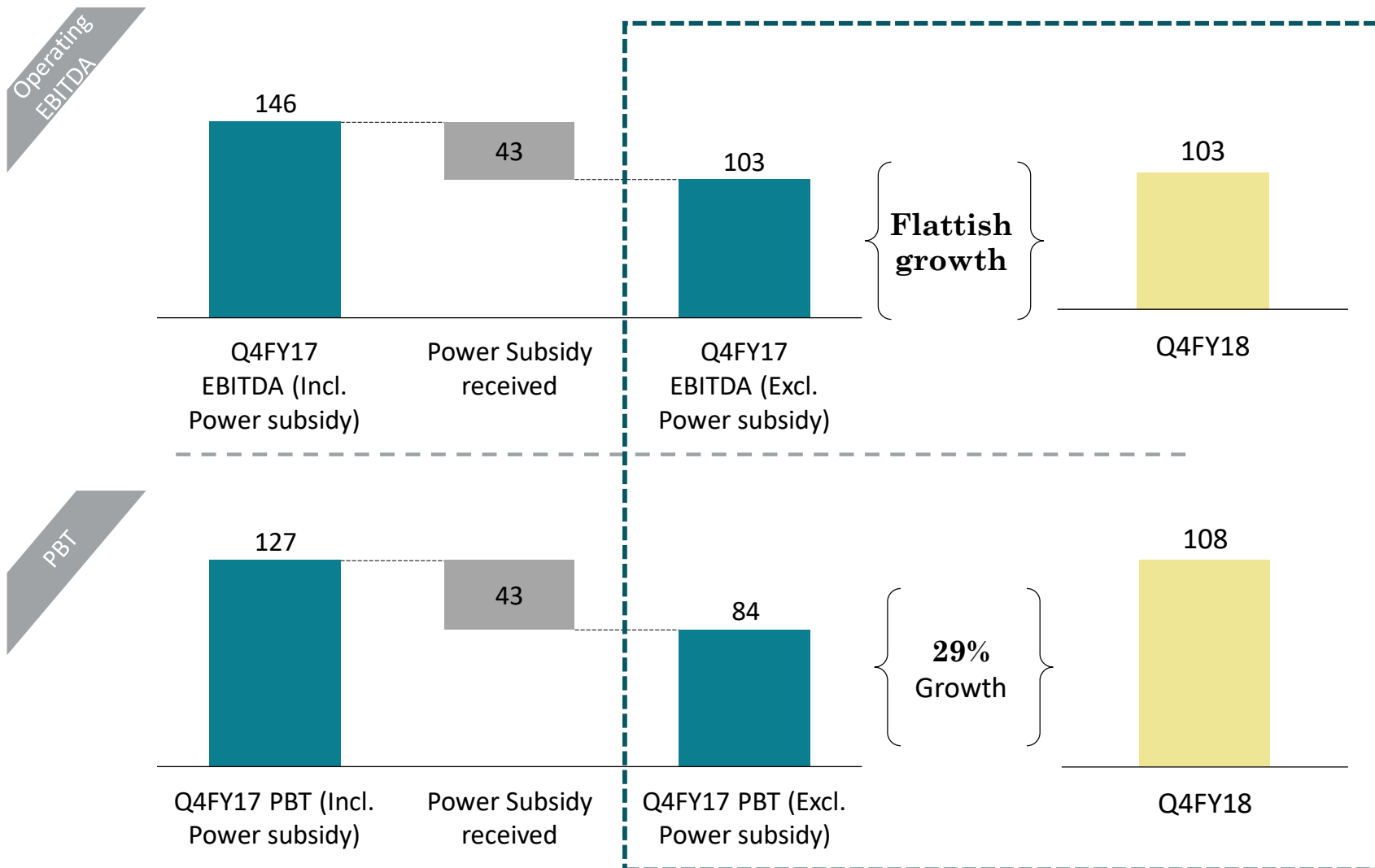
Manufacturing –vs- Trading



**The drop in sales by 7% was predominantly due to a significant drop in trading sales.
The manufacturing business remains intact.**

Adjusted Profitability

₹ Crs



*One-time Power subsidy received in Q4FY17 from the Government which was adjusted against Power cost

Financials are as on Standalone basis and as per IND-AS

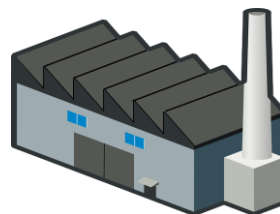
War Chest of Cash



Cash & Cash
Equivalents of
₹ 400 Crs



Future Internal
Accruals



Inorganic Expansion

Authorised the Executive Directors and Chief Financial Officer of the Company to submit Resolution Plan under Corporate Insolvency Resolution Process for acquiring manufacturing company(ies) under the provisions of The Insolvency and Bankruptcy Code, 2016 and/or by participating in liquidation proceedings

Organic Expansion

Approved to set up a Greenfield Ferro Alloy manufacturing unit in West Bengal with an estimated installed capacity of 1,20,000 MT per annum of Ferro Chrome Alloys for diversification of our product portfolio

The unit is proposed to set up within a period of 30 months (12 months of clearance and 18 months of production) with an estimated cost of Rs. 275 Crores to be financed from internal accruals





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 AA-
CARE A1+
CRISIL AA-

“A Culture of Outperformance”

CAGR from FY2012 to FY2018



Increase in Stake Holder Return's

- **ROCE** Increased by **+ 3,290** bps
- **ROE** Increased by **+ 2,390** bps

Revenue increased by **+21%** CAGR

EBIDTA increased by **+34%** CAGR

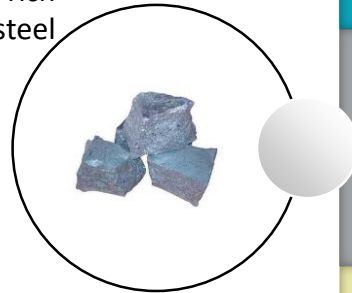
PAT increased by **+37%** CAGR

Debt Reduction of **Rs. 160** Crores since FY12

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

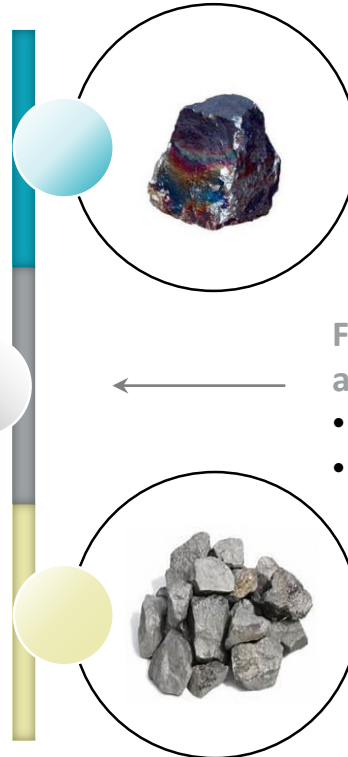
Ferro Manganese - An alloy of iron and manganese

- 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



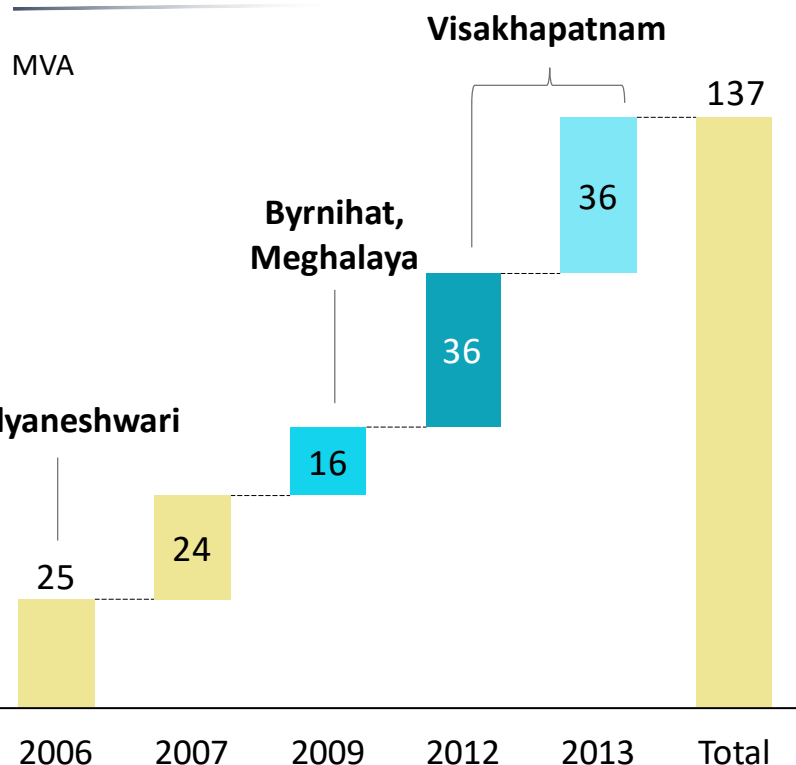
Ferro Silicon - An alloy of iron and silicon

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

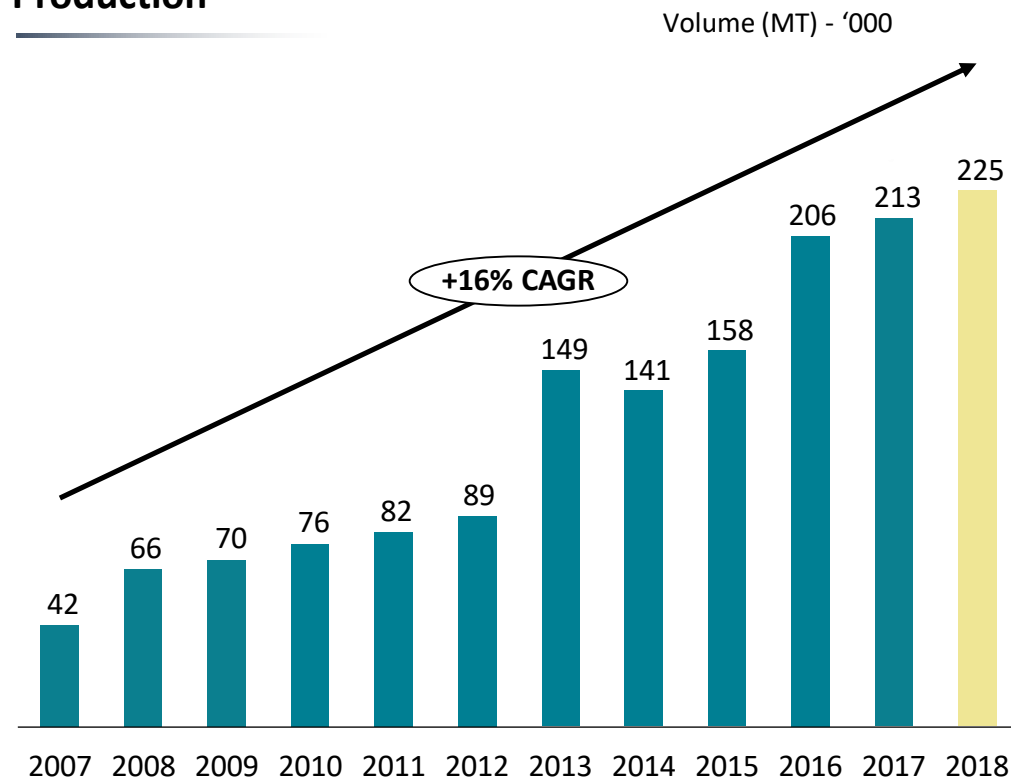


Capacity addition to support Growth

Capacity Built-up

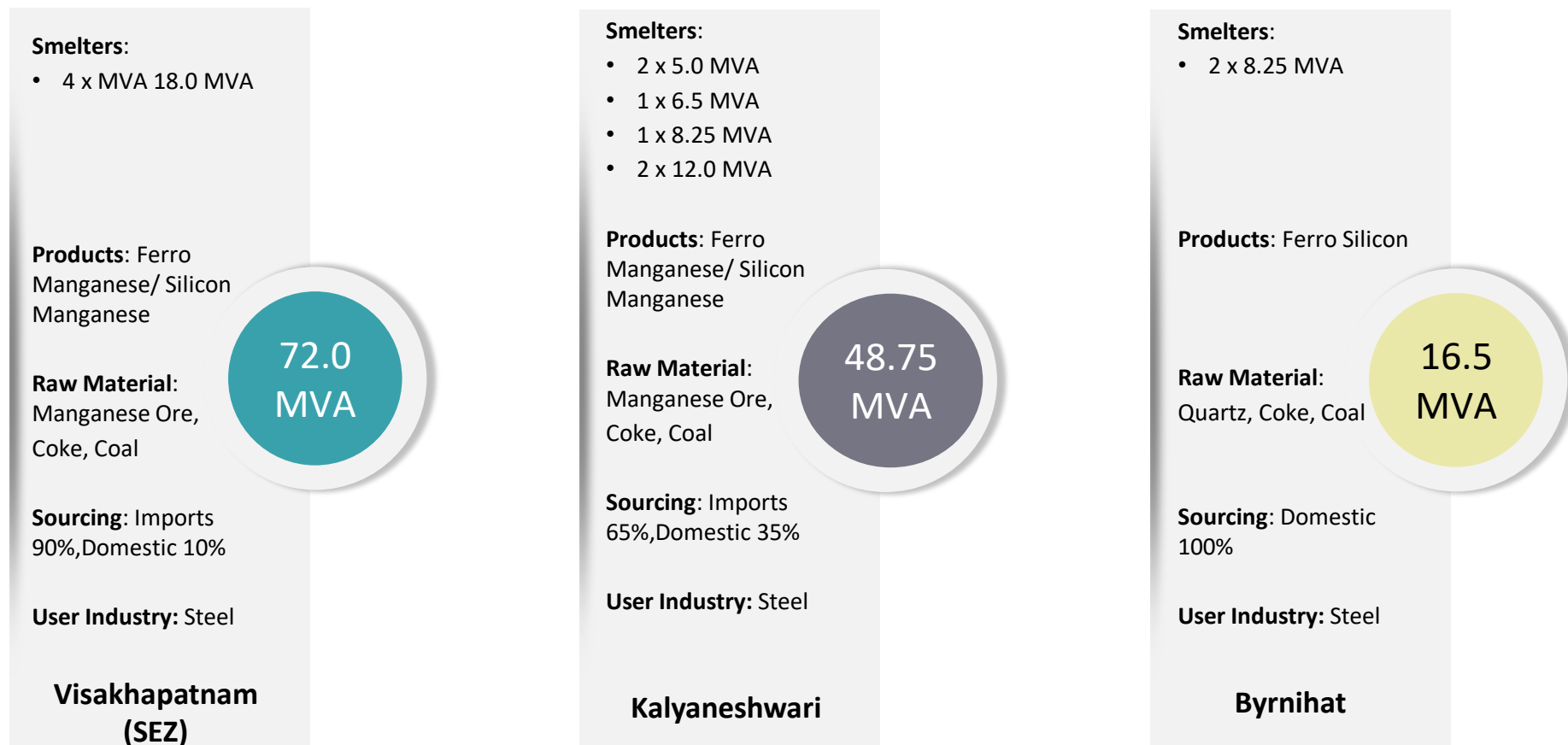


Production



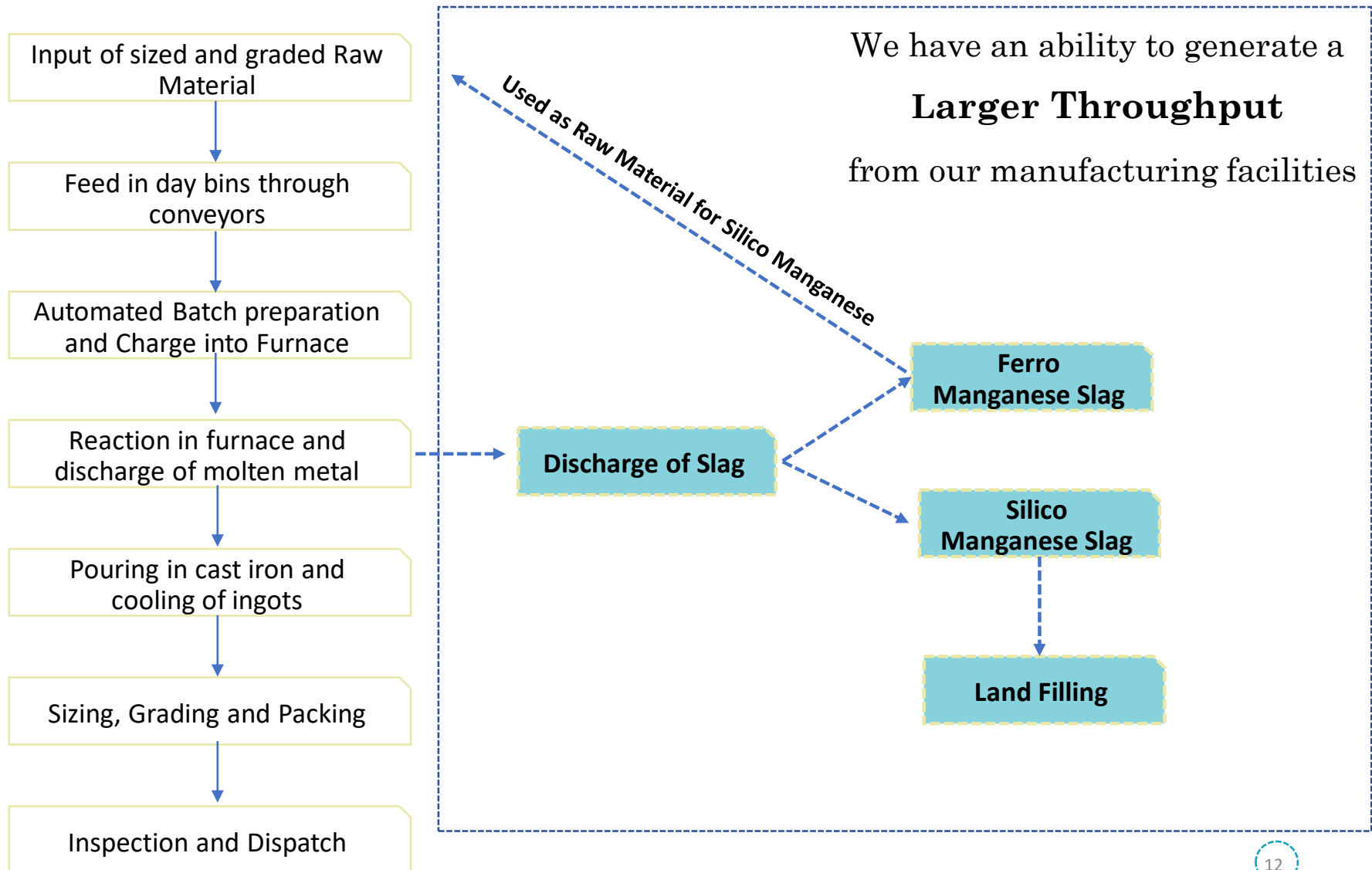
Increase in Capacity at Strategic Locations to support Profitable Growth

Installed Capacity of 137.25 MVA

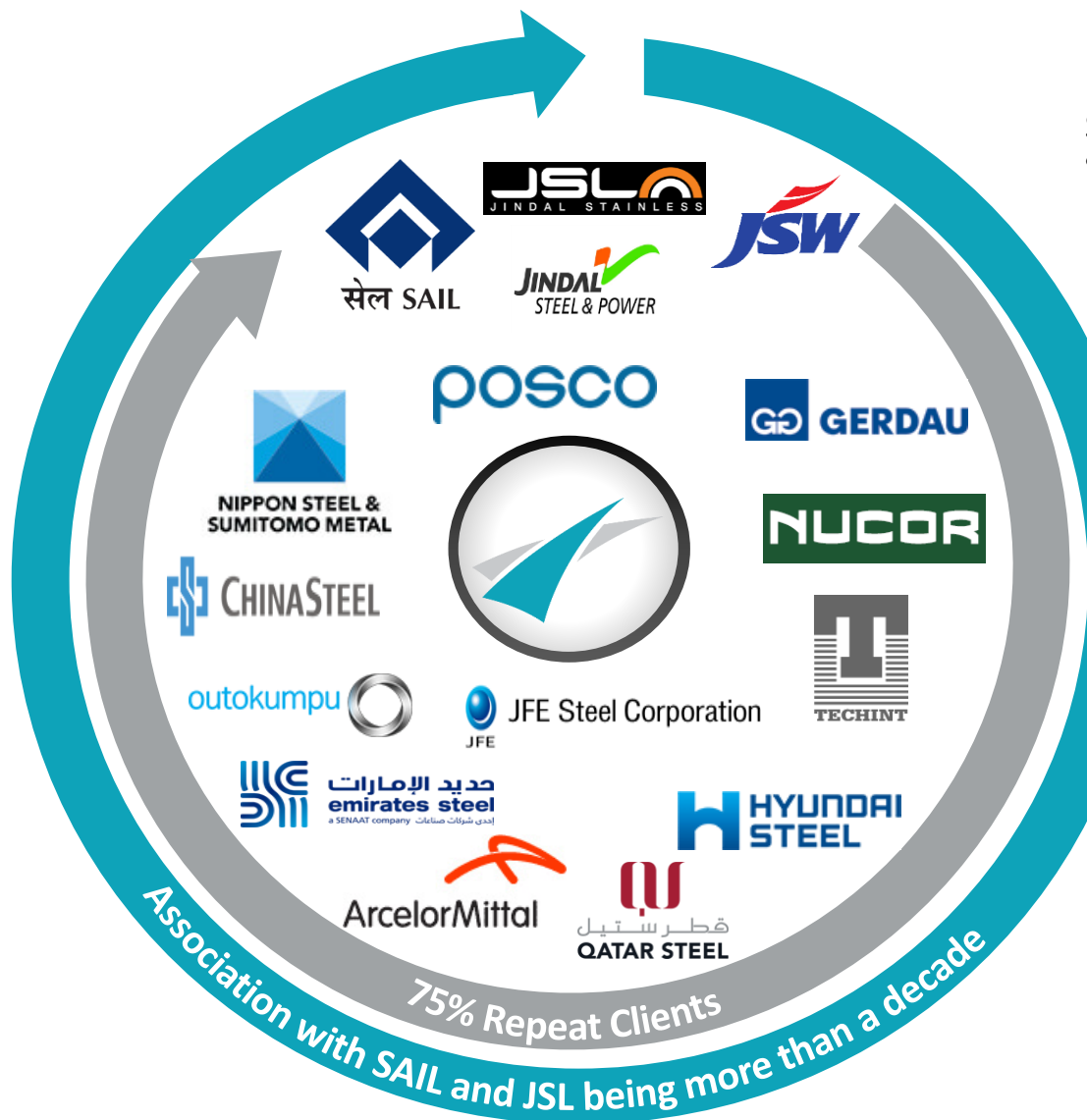


- Kalyaneshwari and Byrnihat source Coke & Coal from Domestic Market, because it is logistically feasible
- Vishakhapatnam and Kalyaneshwari imports Manganese Ore. Advantage of importing are
 - ✓ Quality Product
 - ✓ Variety of Grades Leading to better Product Mix
 - ✓ Logistic Advantage

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 BHU 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

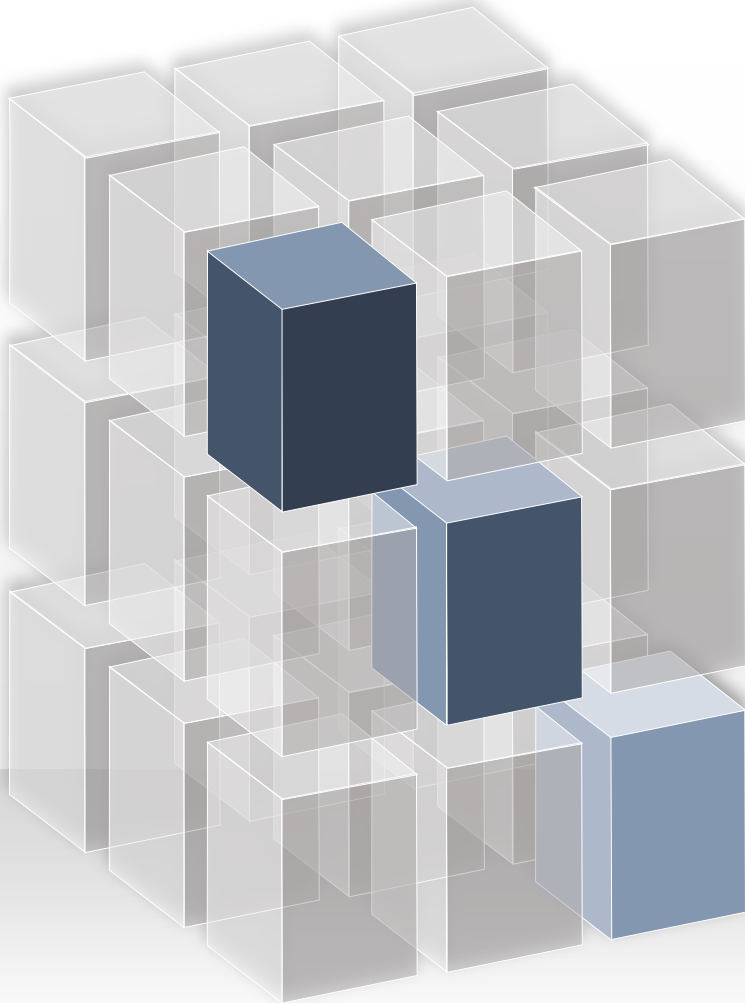
Independent Director

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



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

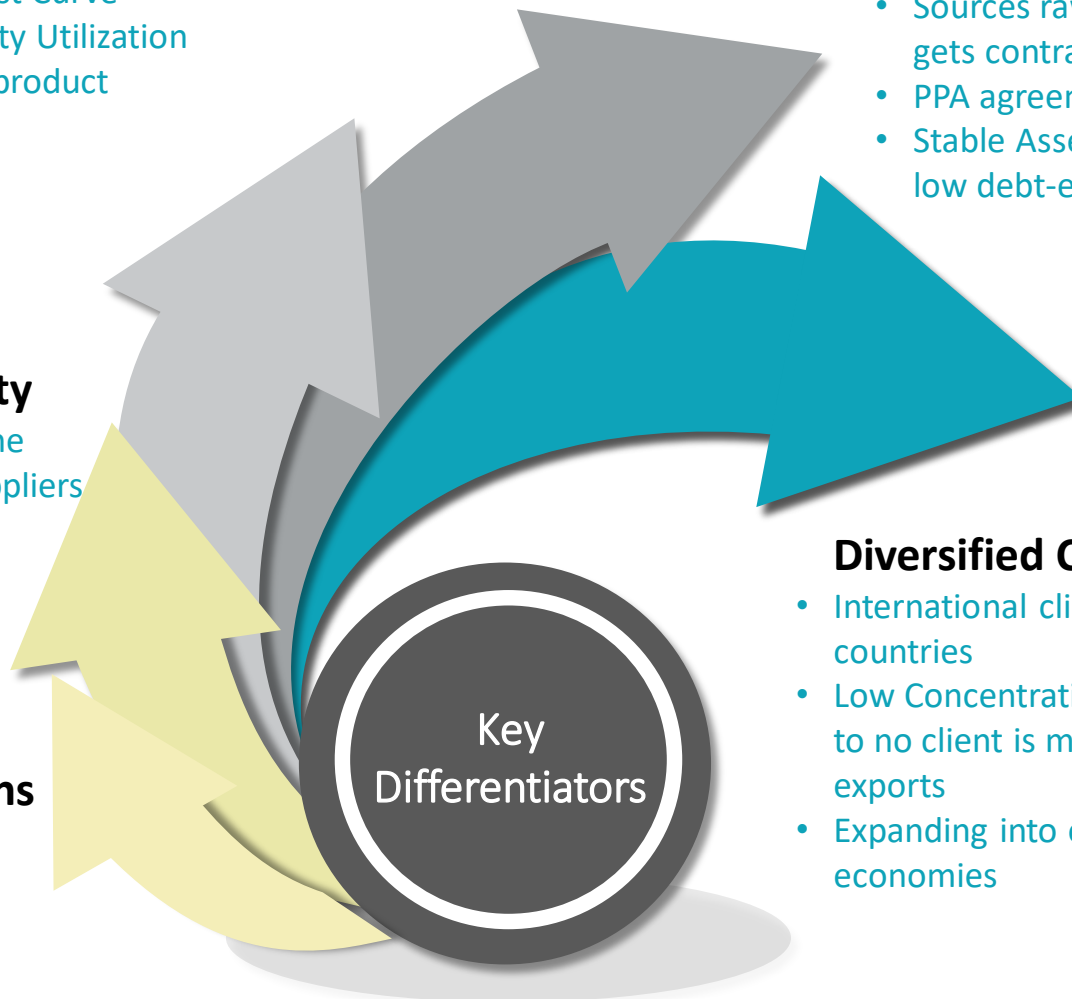
- Strong credibility in the market right from suppliers to end customers

Expansion Plans

- Inorganic Growth Opportunities

Diversified Customer Base

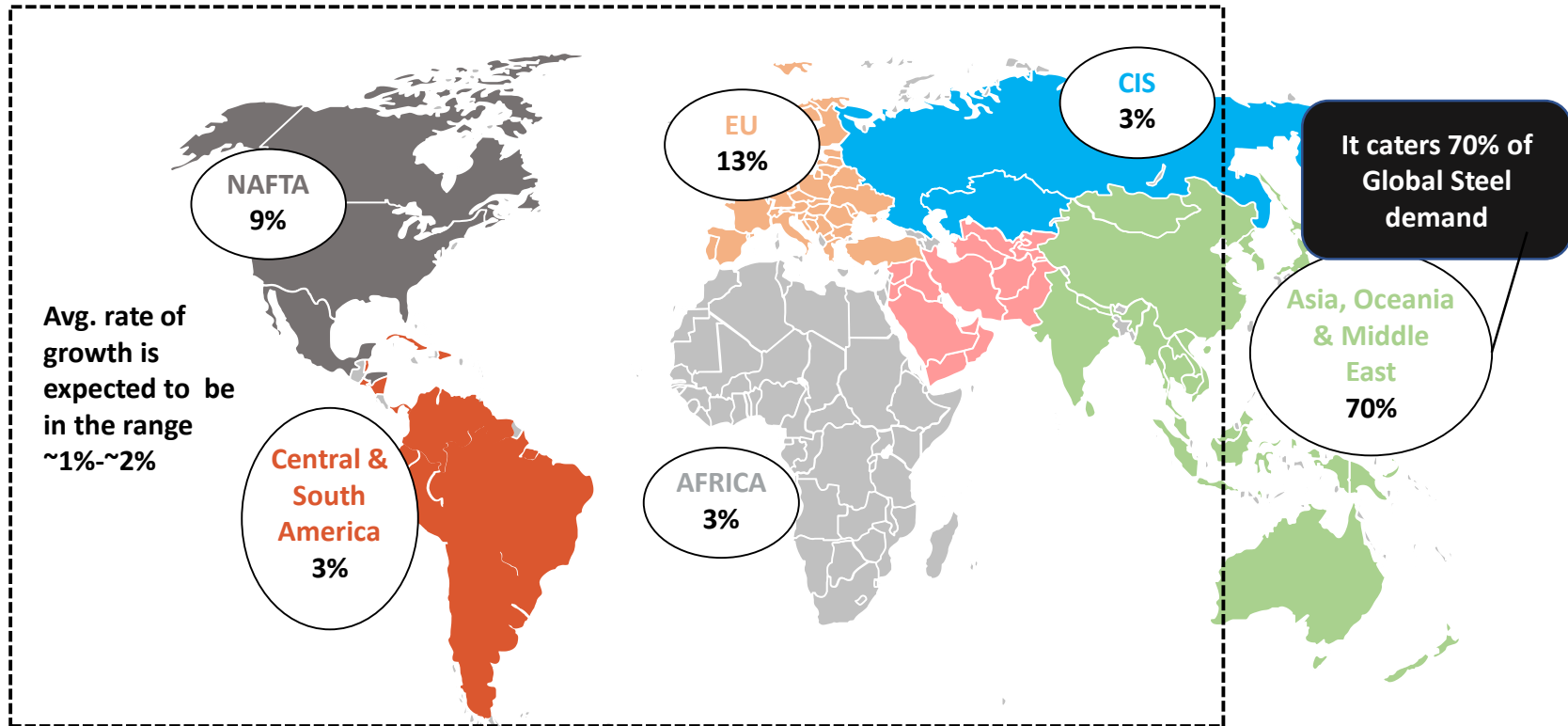
- International clients across 35 countries
- Low Concentration Risk as exposure to no client is more than 10% of its exports
- Expanding into emerging Asian economies



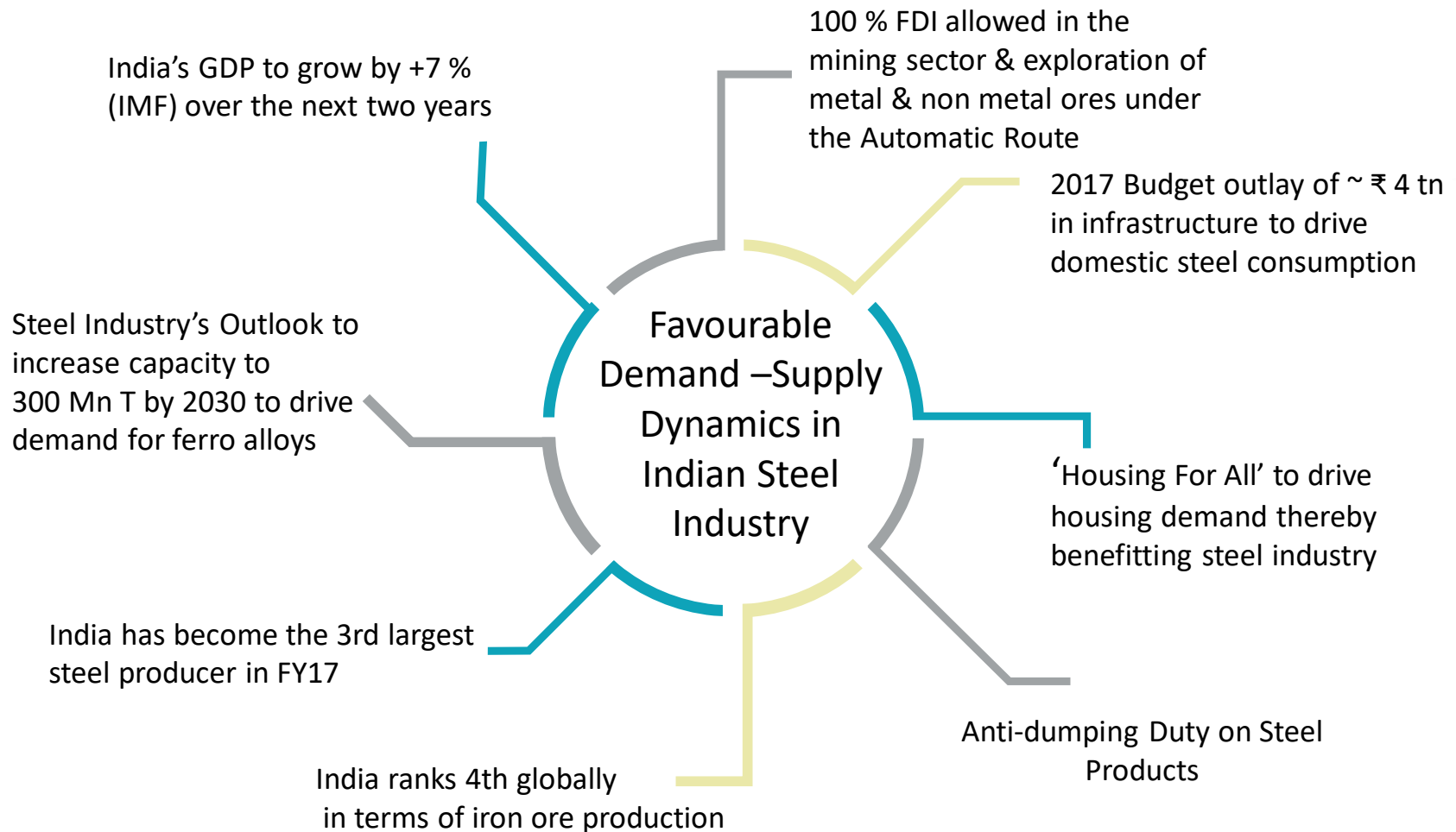
Industry Tailwinds

Asian Economies to drive the Global Steel Demand

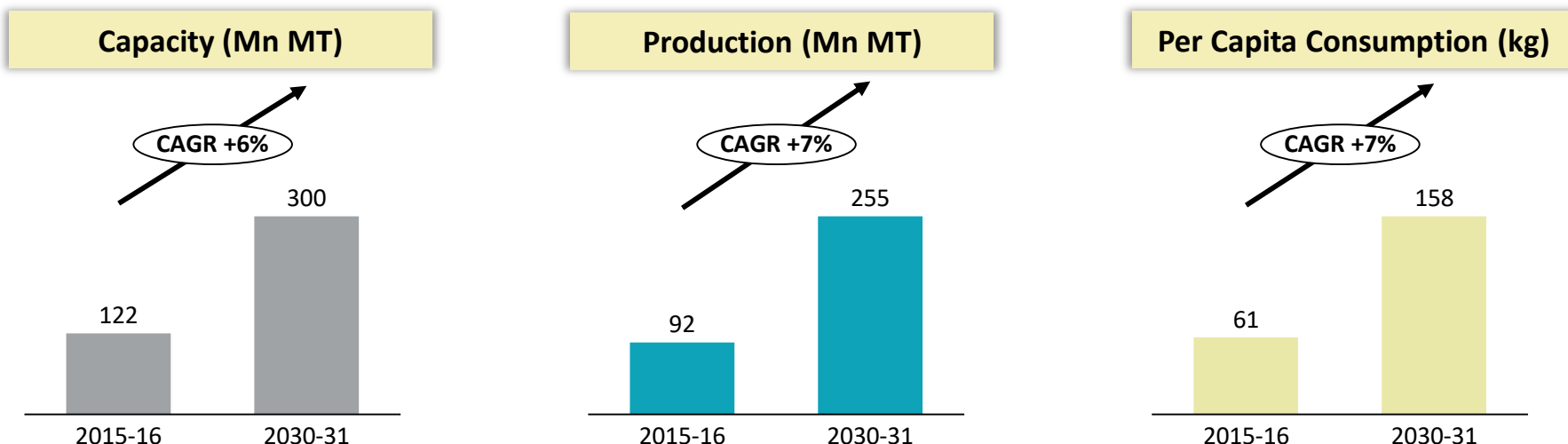
Global Steel Demand 2018 : 1,548.5 Mn T



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

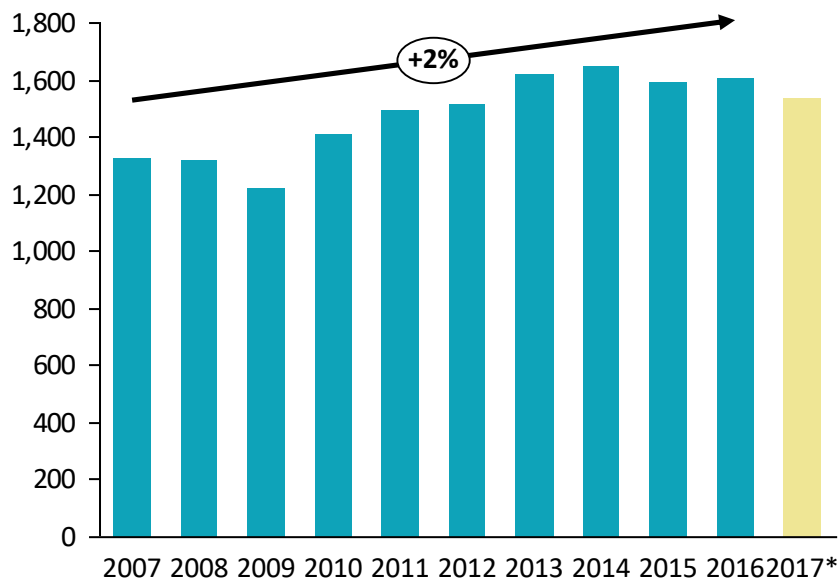


National Steel Policy (NSP) 2017 Highlights

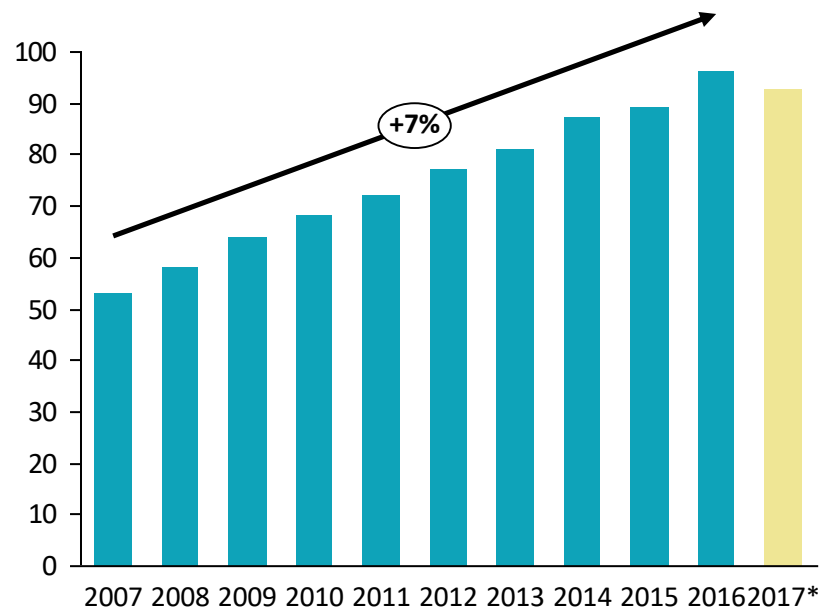
- Reduce dependence on Steel imports and become self sufficient in Steel production
- Increase domestic availability of washed coking coal so as to reduce import dependence on coking coal to 50%
- Policy to increase consumption of Steel in Infrastructure, Automobiles & Housing sector
- Provide policy 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



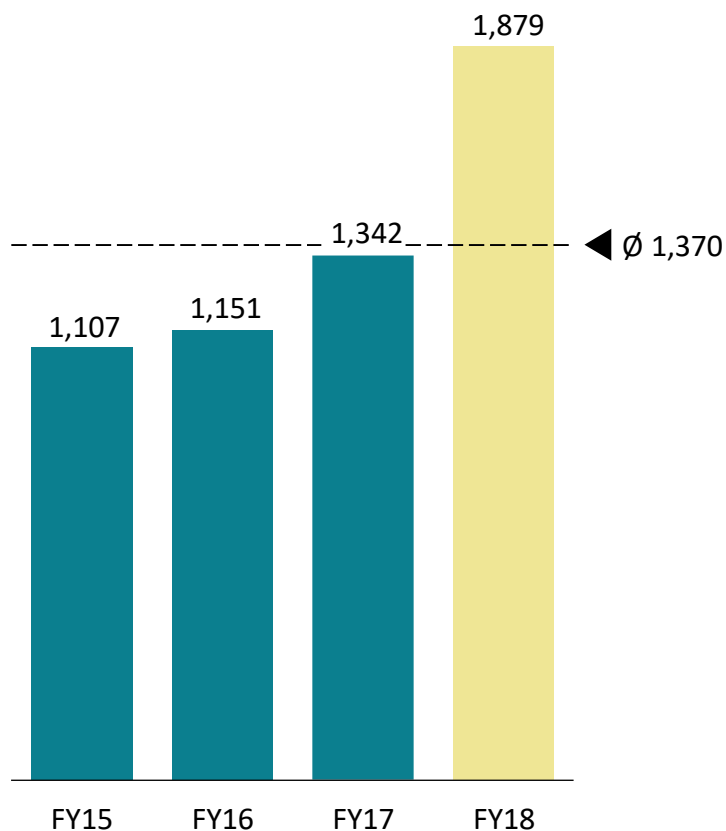
Gaining Market Share Globally and Domestically

Maithan Alloys production has grown at CAGR of 16% since 2007

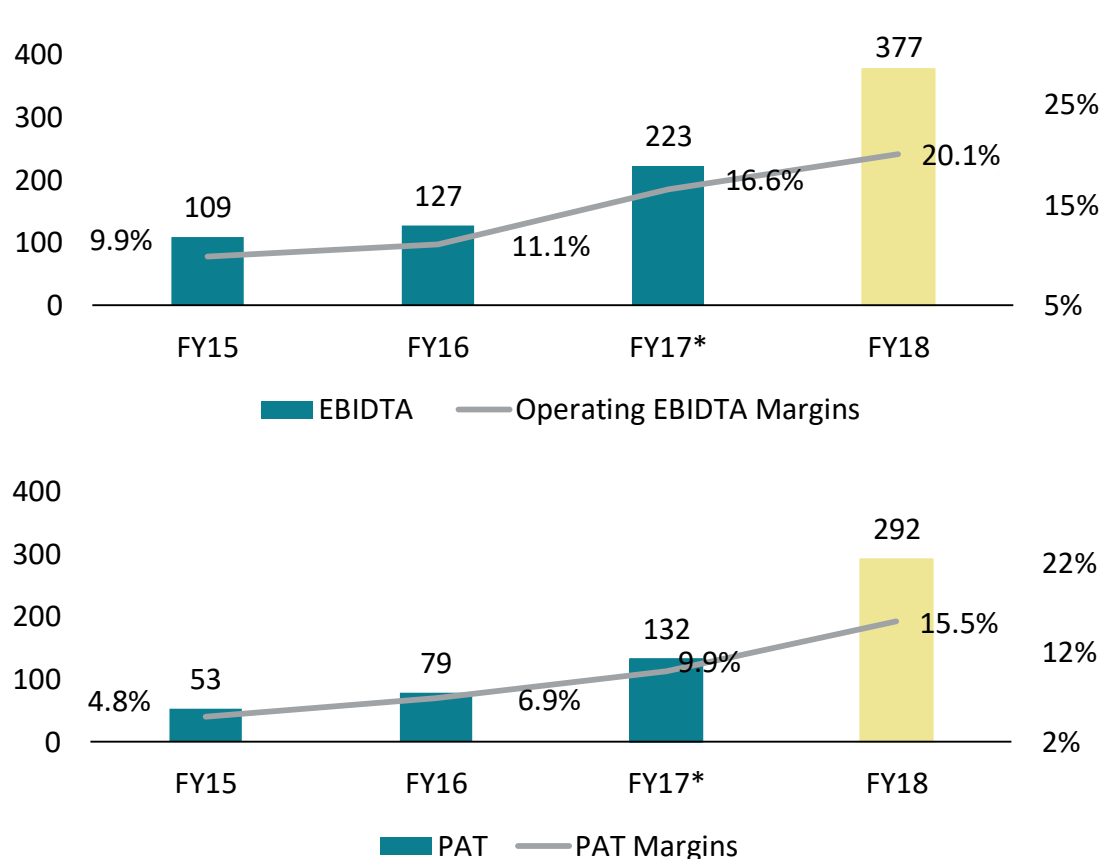
Financials

Outperformance in 2018...

Growing Revenue (₹ Crs)



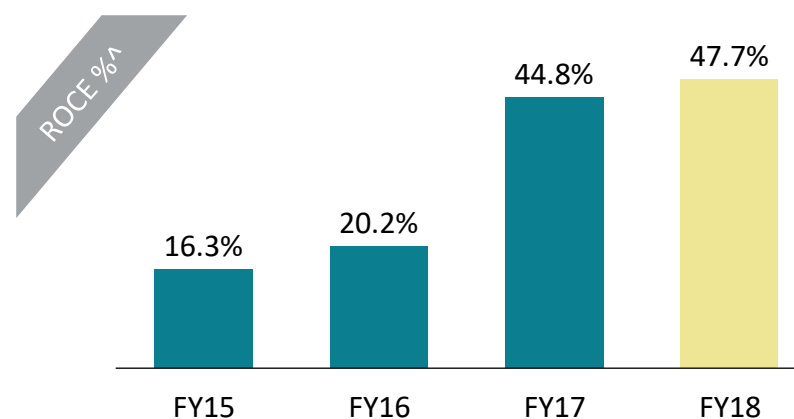
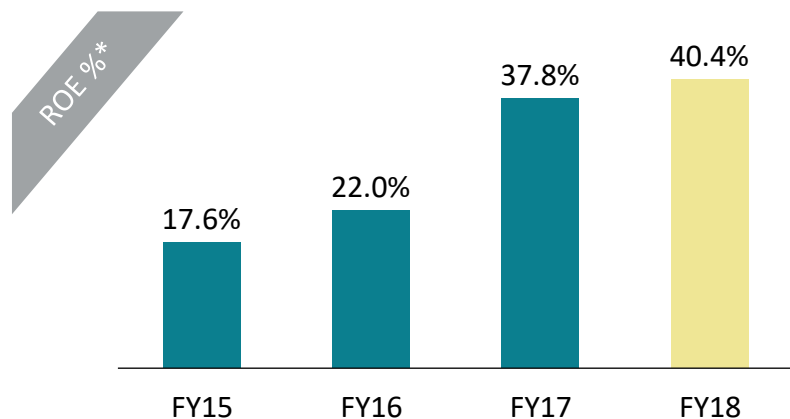
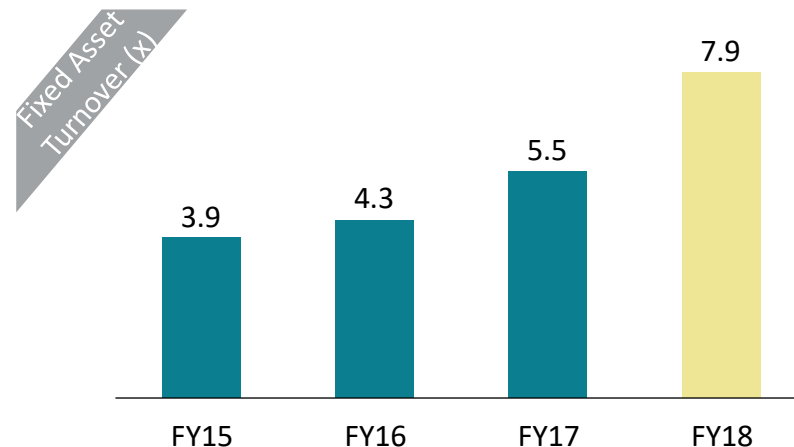
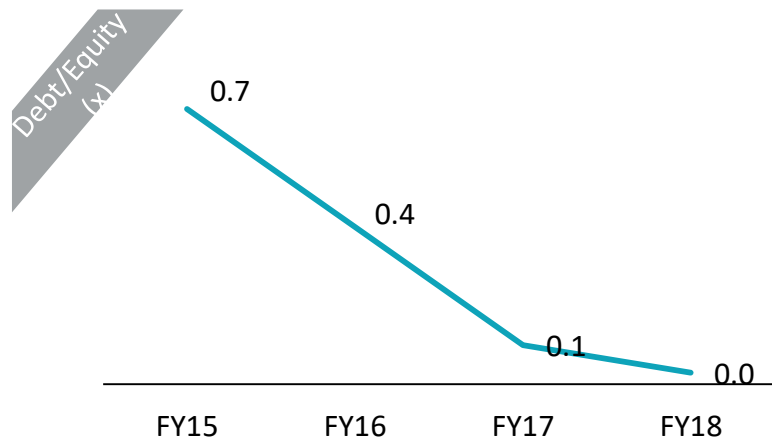
Margins improved even in uncertain times (₹ Crs)



Led by our **Efficiency**

Proving our **Credibility**

Proven Track Record



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

Standalone Profit & Loss (As per IND AS)

Particulars (₹ Crs)	Q4 FY18	Q4 FY17	YoY	FY18	FY17	YoY
Revenue (Net of Excise Duty/ GST)	440	475	-7%	1,879	1,342	40%
Raw Material	207	236		970	628	
Power	86	46		367	280	
Employee Expenses	12	13		45	33	
Other Expenses	32	34		121	124	
Operating EBITDA	103	146*	-29%	377	277*	36%
Other Income	10	-11		18	8	
Depreciation	4	6		15	25	
EBIT	109	129		380	260	
Finance costs	1	3		4	10	
PBT	108	126		376	250	
Tax	19	36		84	64	
PAT	89	90	-2%	292	186	57%

Consolidated Profit & Loss (As per IND AS)

Particulars (₹ Crs)	FY18	FY17	YoY
Revenue	1,879	1,342	40%
Raw Material	970	628	
Power	367	280	
Employee Expenses	45	33	
Other Expenses	121	128	
Operating EBITDA	377	273*	38%
Other Income	18	9	
Depreciation	15	25	
EBIT	380	257	
Finance costs	4	10	
PBT	376	247	
Tax	84	64	
PAT	292	183*	59%

Consolidated Balance Sheet (As per IND AS)

Particulars (₹ Crs)	March-18	March-17
Non-Current Assets	277	281
Property, plant and equipment	238	242
Intangible Assets	0	0
Financial Assets		
i. Investments	7	8
ii. Other Financial Assets	28	27
Other non-current assets	4	4
Current Assets	935	621
Inventories	248	187
Financial assets		
i. Investments	335	62
ii. Trade receivables	244	225
iii. Cash and cash equivalents	57	76
iv. Bank balances other than (iii) above	1	15
v. Other financial assets	4	4
Current tax assets	0	0
Other current assets	46	52
Total Assets	1,212	902

Particulars (₹ Crs)	March-18	March-17
Equity	868	586
Equity share capital	29	29
Other Equity	839	557
Non-current Liabilities	32	48
Financial liabilities		
i. Borrowings	4	20
Provisions	2	2
Deferred tax liabilities (net)	25	25
Other non-current liabilities	1	1
Current Liabilities	312	268
Financial liabilities		
i. Borrowings	25	17
ii. Trade payables	147	69
iii. Other financial liabilities	46	78
Provisions	1	1
Current tax liabilities (net)	3	6
Other current liabilities	90	97
Total Equity and Liabilities	1,212	902

For further information, please contact:

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