



Q2 & H1FY20 Investor Presentation
November 2019



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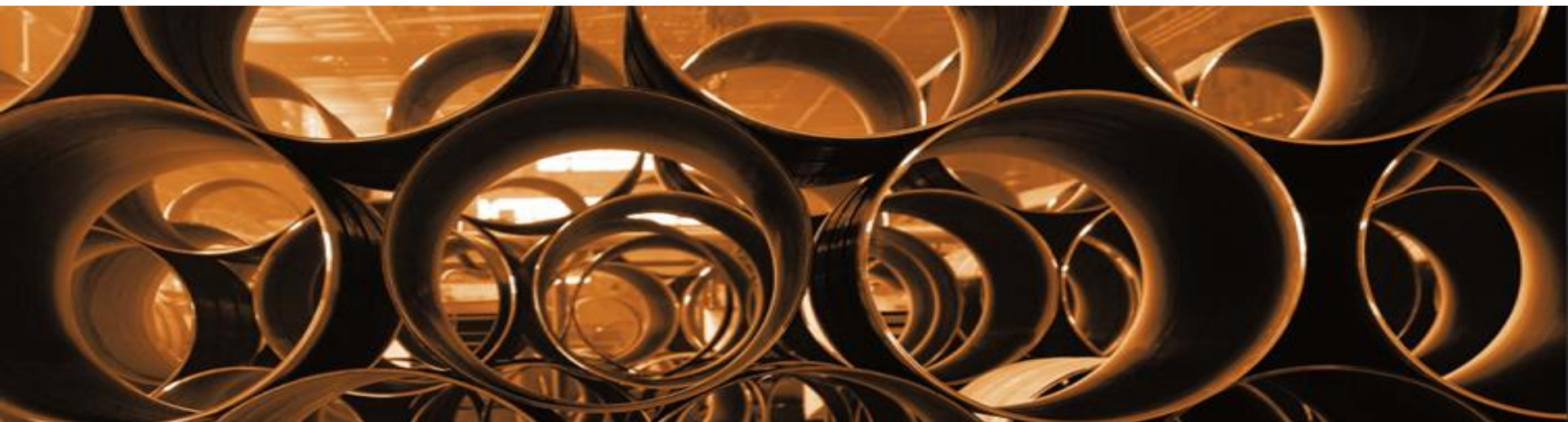
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Historical Financial
Performance

01 | Q2 & H1 FY20 Financial Performance





Q2FY20 & H1FY20 Consolidated Profit and Loss Statement

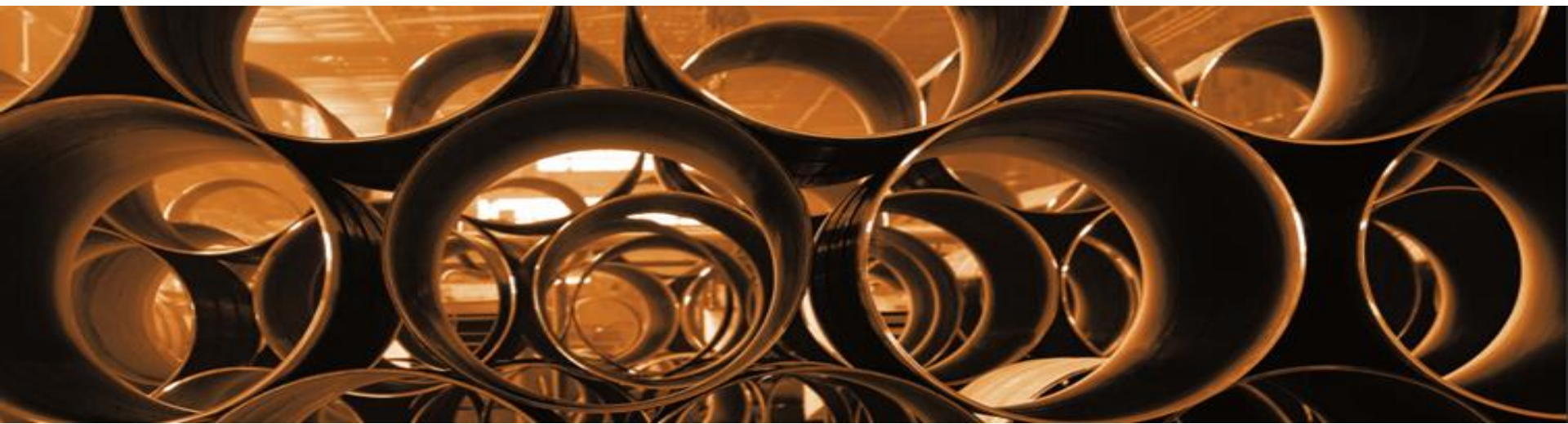
(Rs. Mn)	Q2 FY20	Q2 FY19	H1 FY20	H1 FY19
Revenue	3,060	8,027	5,449	14,353
Other Income	130	(2,90)	191	(249)
Total Revenue	3,191	7,737	5,639	14,104
Gross Profit	1,009	1,651	1,867	3,317
Gross Margin	31.6%	21.3%	33.1%	23.5%
Operating expenses	2,786	7,186	4,942	12,888
EBITDA	405	551	697	1,216
EBITDA Margin	12.7%	7.1%	12.4%	8.6%
Finance Cost	139	179	269	358
Depreciation	123	121	243	231
PBT	143	251	185	627
Tax Expenses	42	100	48	225
PAT	101	151	137	402
PAT Margin	3.2%	2.0%	2.4%	2.8%
EPS	1.76	2.64	2.40	7.03



Consolidated Balance Sheet as on 30th Sep 2019

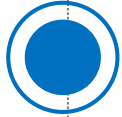
Rs mn	Sep'19	Mar'19
Current Assets		
Inventories	2,949	2,166
Sundry Debtors	5,854	5,553
Cash and Bank	672	473
Other Financial Assets	1,352	1,300
Non-Current Assets		
Property, Plant and Equipment	3,752	3,964
Other Non-current Financial Assets	136	49
Other Non-current Assets	2,491	2,437
Total Assets	17,206	15,942
Current Liabilities		
Borrowings	1,639	1,513
Trade Payables	6,869	5,634
Other Current Liabilities	870	832
Non-Current Liabilities		
Secured Loans	321	492
Other Non-current Liabilities	439	450
Shareholder's Funds		
Share Capital	286	286
Reserves	6,782	6,735
Total Liabilities	17,206	15,942

02 | Company Overview and Strengths





Globally Leading LSAW & HSAW Pipe Manufacturer

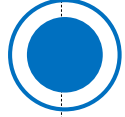


Focused SAW pipe manufacturer and exporter with **over three decades of experience**

Strategically located

manufacturing facilities at

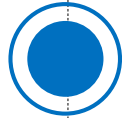
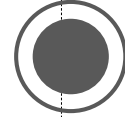
Gujarat & MP with good connectivity to rail, roads and ports



One million MTPA of total installed capacity (**HSAW** - 500,000 MTPA and LSAW - 500,000 **MTPA**)

Strong global presence across

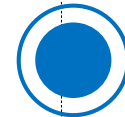
globe i.e. Middle East, Africa, Latin America USA and Asia Pacific



Strong order book across sector domestically and globally

Bid book stands at Rs. ~12,000

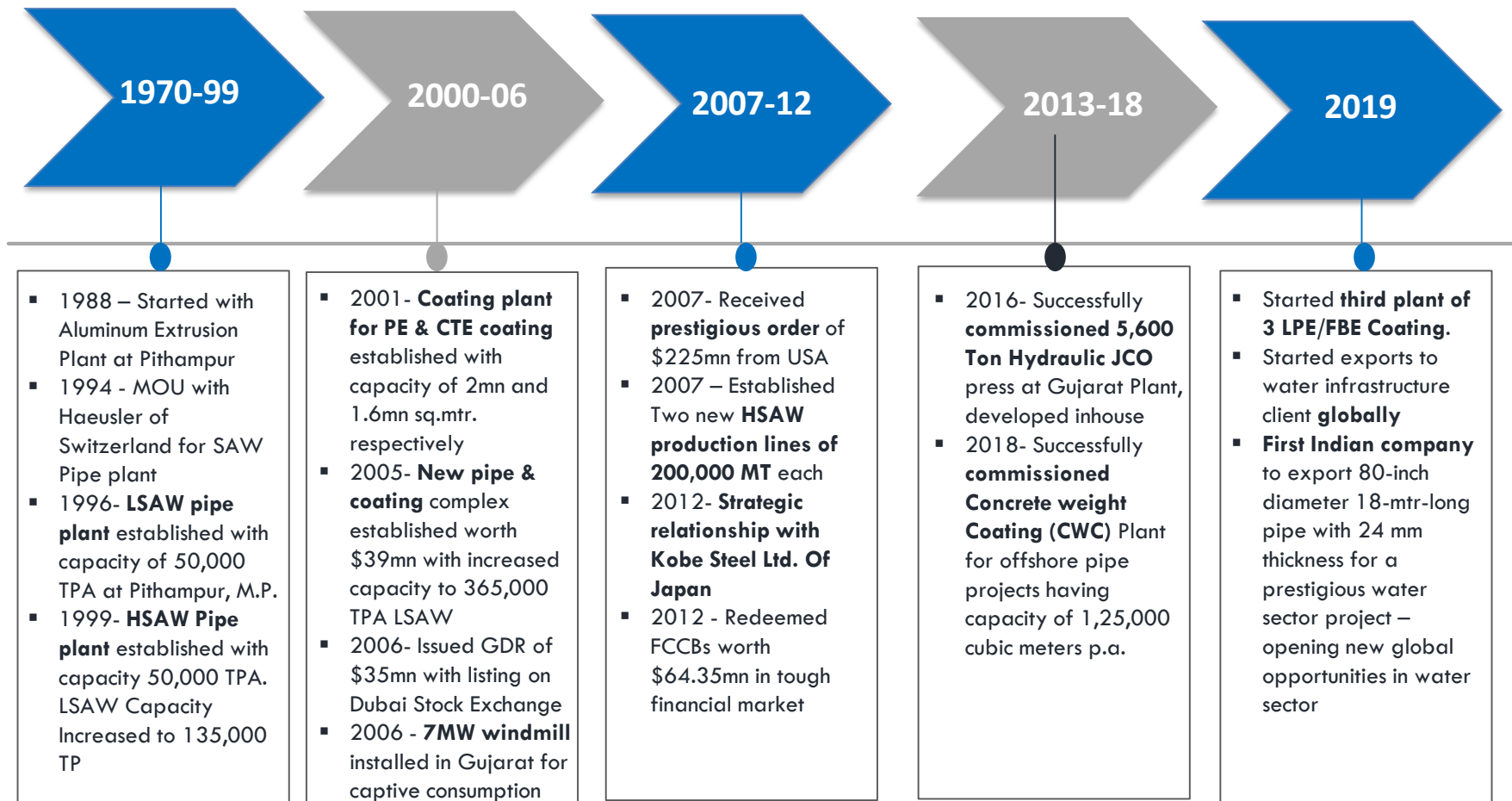
crore in domestic and International market



Globally supplied over 13,000 KM of pipes



Over Four Decades of Eventful Journey – Man Group



Successfully executed single largest prestigious order : -

- **GAIL for its Jagdishpur Haldia-Bokaro-Dhamra- Phase II project – Domestic**
- **Kuwait Oil Company for gas oil pipeline from MAA to Sabya of 1.75 lakhs MT(~700 Km) - International**



with Specialized Large Diameter Pipes Product Portfolio

Products	Product Specification	Capacity	Industry Usage
LSAW Pipes	16" to 56" diameter 6 mm to 55 mm thickness	5,00,000 MT pa	Oil, gas, petrochemicals, fertilizers and dredging
HSAW Pipes	18" to 140" diameter 6 mm to 25 mm thickness	5,00,000 MT pa	Oil, water, sewerage and irrigation
Coating	3LPE/FBE coating & Concrete weight coating (CWC)	6.4 mn sqm pa - 3LPE/FBE & 1,25,000 cubic mts pa - CWC	As per end user specification

- Specializes in large diameter carbon steel line pipes for various high-pressure transmission applications
- Fully Automated JCO and 3 Roll Bending Press supplied by CHR Haeusler of Switzerland

and Strategically Located Manufacturing Facilities

Anjar, Gujarat



- Strategically located close to Kandla & Mudra port to cater to International market
- Close to rail head and national highway

Pithampur, Madhya Pradesh



- Close to national highway, saving logistic cost
- Strategically located in the heart of India to cater Madhya Pradesh and domestic market of nearby States

Both facilities put together spread across ~150 acres of land



Approved vendor for major oil and gas companies globally; a strong entry barrier



Domestic Marquee Clientele



Long term client partnerships built on quality execution



Unwavering & Experienced leadership



Dr. Ramesh C. Mansukhani

Group Chairman

- First generation entrepreneur with over four decades of industry experience
- Driving force behind the success of the Man Group through setting up new manufacturing facilities with latest technologies
- Holds PhD in International Economics and Finance from Ecole Supérieure Robert de Sorbon University-France, Masters degree in Economics and Bachelors in Law

Board of Directors

Nikhil Mansukhani

Executive Director

Heena Vinay Kalantri

Non-Executive Director

Kirit N Damania

Independent Director

Pramod Tandon

Independent Director

Renu P Jalan

Independent Director

Key Management

Rajat Gupta

President - Marketing

Ashok Gupta

Chief Financial Officer

Jaspreet Bhatiya

VP - Operations

K.G. Mantri

*Sr. VP - Corporate
Affairs*

S H Belkhede

*VP - Legal &
Compliance Officer*

Certifications and Approvals Ensuring Quality



Rajeev Ratna Award in 1994. Udhyog Ratna & Management Excellence Award in 1995



Recipient of GAIL Award 2010-11 & Niryat Shree Award of FIEO 2001-02



API Spec Q1, 5L & 2B and IS 3589 : 2001



Star Performer Award by EEPC India for Outstanding contribution to engineering exports in three successive years 2008-09, 2009-10 & 2010-11



ISO 9001 : 2015, ISO 14001 : 2015, ISO/TS 29001:2010, ISO 45001:2018 & BS OHSAS 18001 : 2007



American Petroleum granted The Certificate of Authority to use the Official API Monogram



Government recognized 2 STAR “EXPORT HOUSE” status



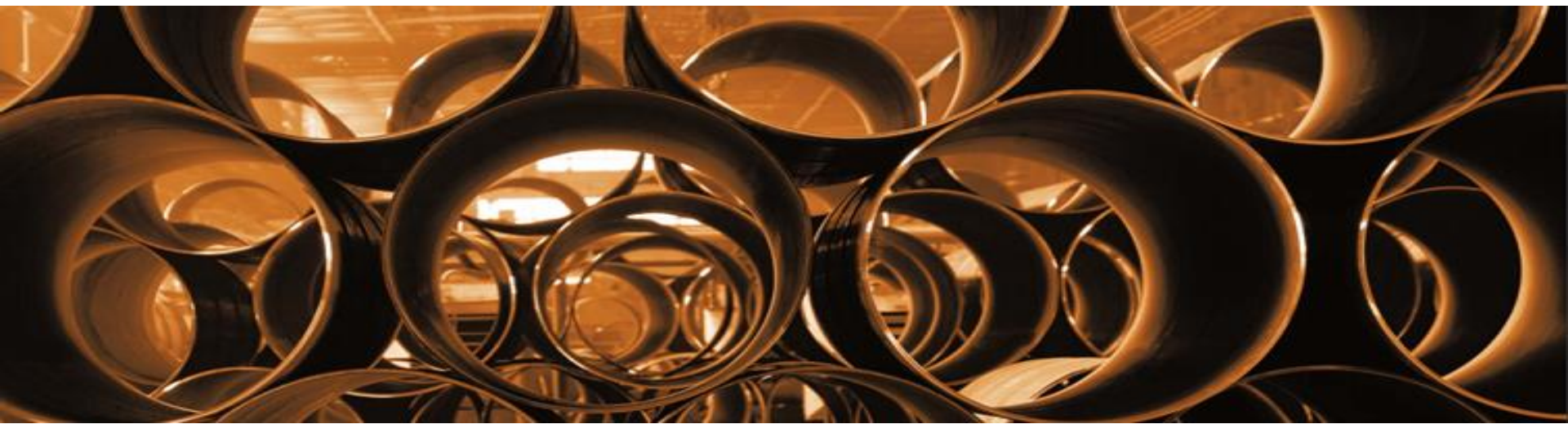
Quality Control Certificate in compliance with Quality Management System and Quality Requirement for Fusion Welding of Metallic Materials



Quality Control Certificate in compliance with the requirement of Pressure Equipment Directive Product



03 | Industry Opportunities

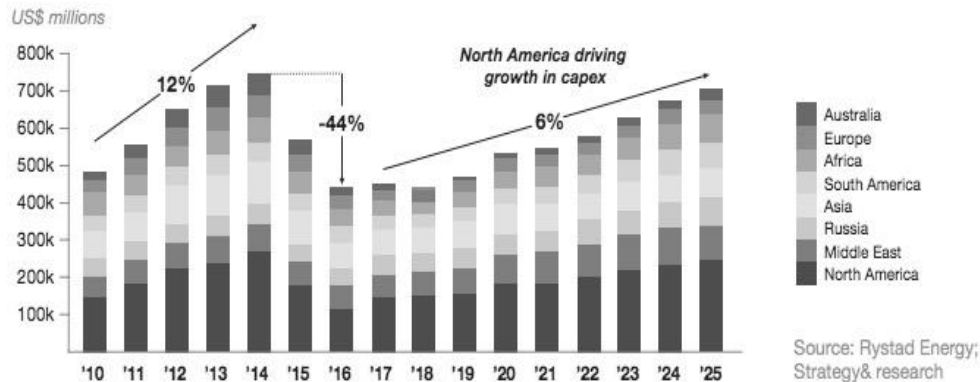




Robust Opportunity in Oil & Gas Sector Globally...

Expanding investments in oil and gas exploration

Global oil and gas capital expenditures



Global upstream capital expenditure, which dropped nearly 45% between 2014 and 2016 is now forecast to rise 6% year-on-year in the medium term

New investments being done in oil and gas transmission lines

Gas transmission emerging as a high opportunity space where pipelines are cross country and longer, thus entailing large volume orders for steel pipe companies



... as well as Huge Opportunities in India



Largest exporter of petroleum products in Asia



Second largest refiner in Asia; 249 MMTPA refining capacity



Third largest consumer of crude oil and petroleum products in the world



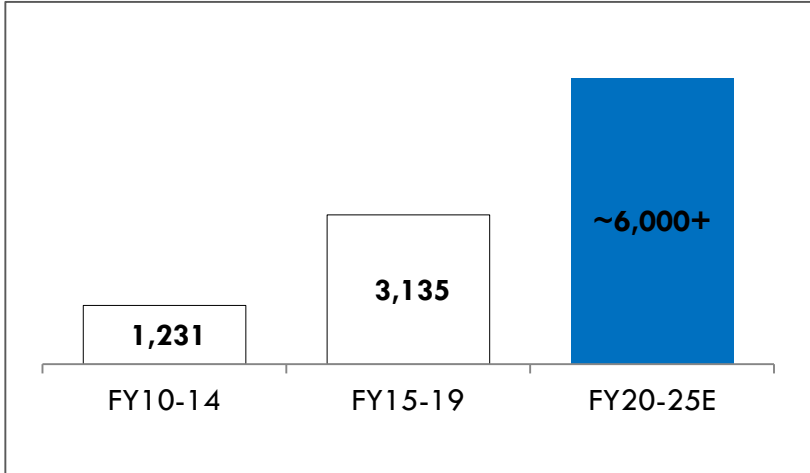
Oil demand to grow at CAGR of 4% during 2016 - 2030 against the world average of 1%

- ↑ Over 15,000 km gas pipelines under development
- ↑ India is planning to expand its natural gas network to more of its urban masses – link 10 million homes to gas grids by 2020
- ↑ Government planning to invest Rs 70,000 crore (\$10bn) to expand the gas pipeline network across the country
- ↑ Share of natural gas in the energy mix to increase to 15% by 2030 from 6% now
- ↑ Govt to pitch in for viability gap funding for North East region pipeline network
- ↑ Govt plans to set up bio-CNG plants and allied infrastructure at a cost of Rs 7,000 crore (\$1.1 bn)

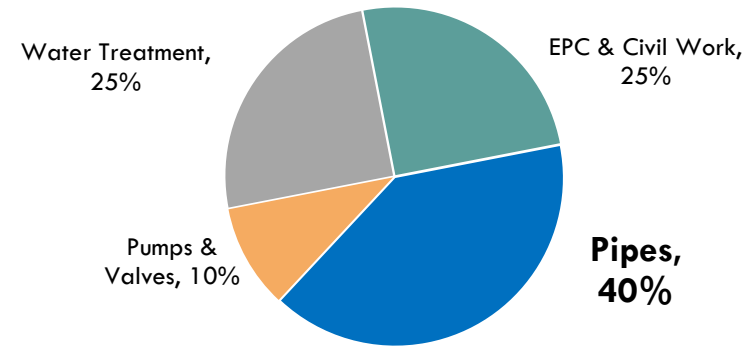


Opportunities beyond Oil & Gas – Water Infrastructure

Total spending on water and sanitization in India likely to double in FY20-25 (Rs. bn)



Key industries to benefit from “Nal se Jal”

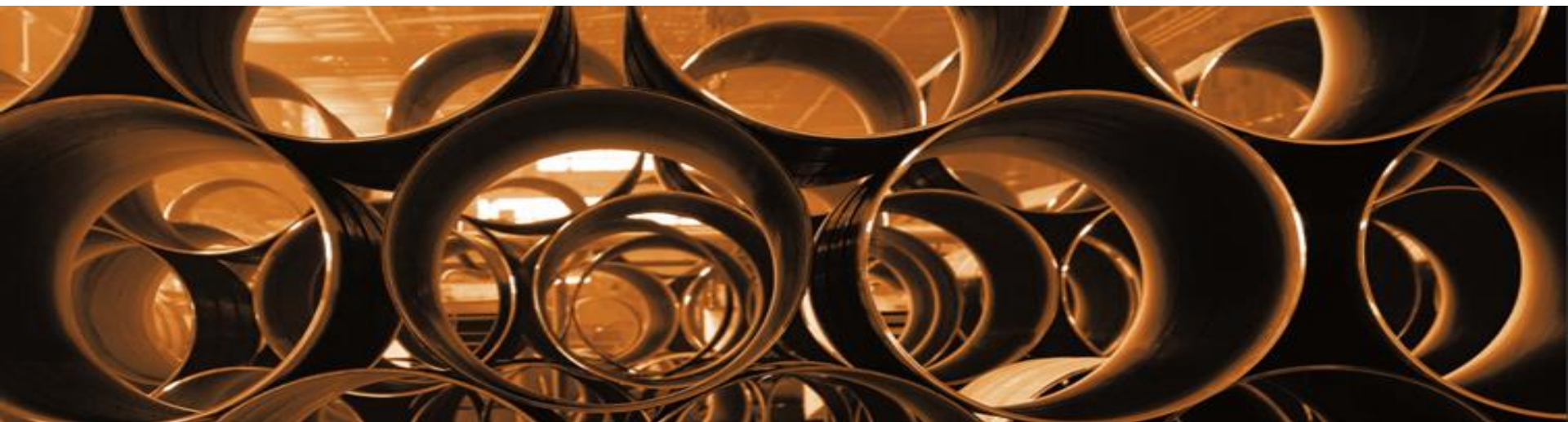


- ‘Nal se Jal’ scheme to ensure piped water for every house-hold by 2024 is likely to attract investment worth Rs 6,000bn+ in the next five years
- The Indian Rivers Inter-link is a proposed large-scale civil engineering project that aims to effectively manage water resources in India by linking Indian rivers by a network of reservoirs and canals

International market opening; Man is the first company to export 80-inch diameter 18-mtr-long pipe with 24 mm thickness for a prestigious water sector project

Source – Industry Report

04 | Growth Strategy





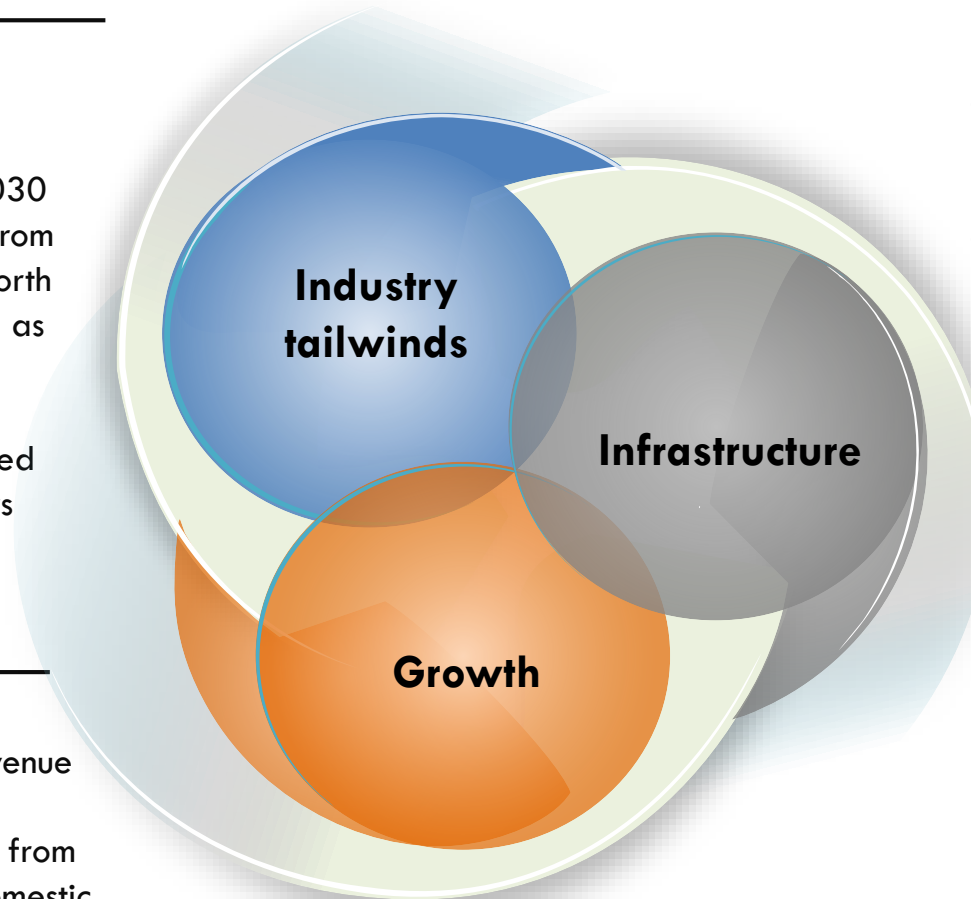
Future Outlook and Growth Strategy

Favorable Demand

- Huge industry opportunities with global bid pipeline ~2,35,000 km till 2030
- Favorable demand from USA, Middle East, North & East Africa as well as domestic market
- Increasing trend of demand being catered by organized players especially in water

Growth

- Aim to reach higher profitability with revenue growth
- Expect good growth from international and domestic water and gas infrastructure
- Expect margins to improve with operating leverage

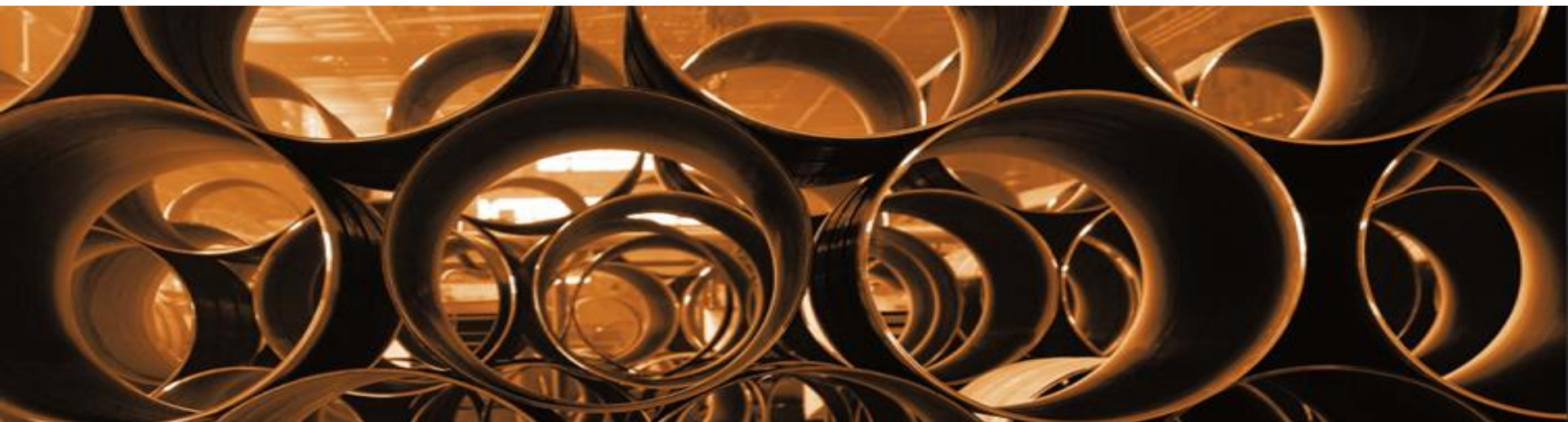


Capacity and Process

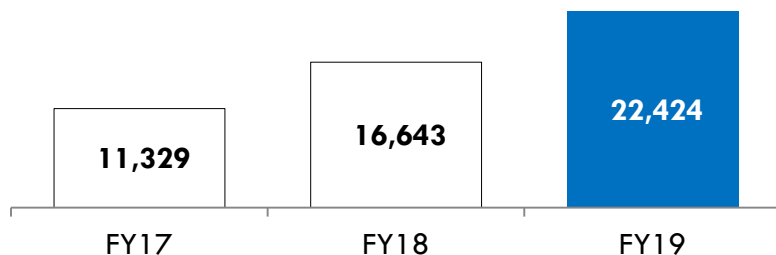
- Current installed capacity is sufficient to cater to growing demand
- Best in class machinery, technology & practices in place to tap opportunities
- Low capital cost and lean organization structure

Globally total bid pipeline expected at \$366 bn

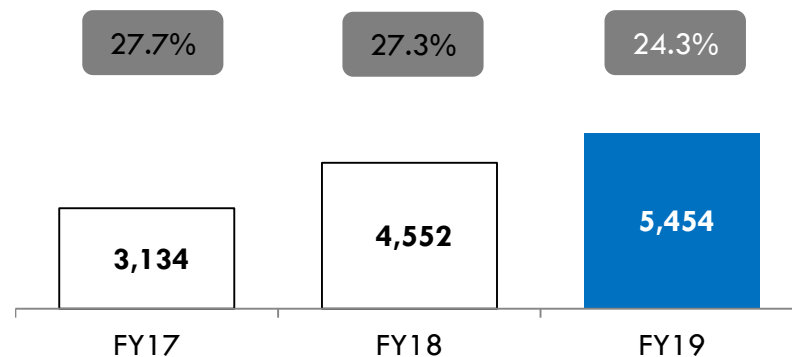
05 | Historical Financial Performance



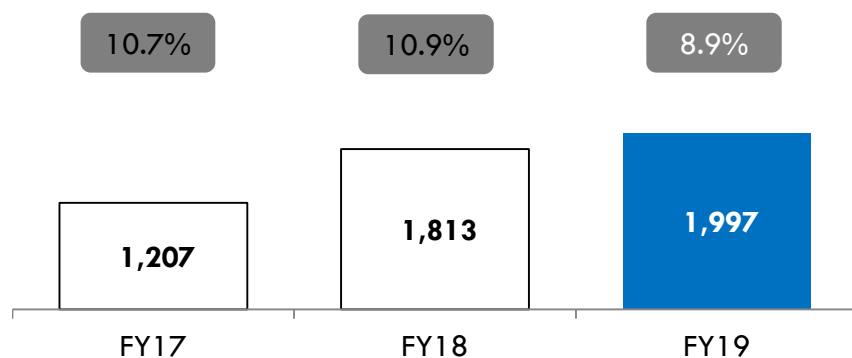
Revenue (Rs. mn)



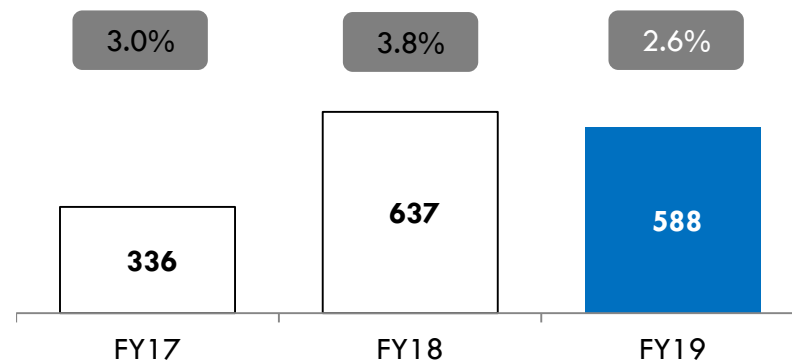
Gross Profit (Rs. mn) & Gross Profit Margin



EBITDA (Rs. mn) & EBITDA Margin



PAT (Rs. mn) & PAT Margin

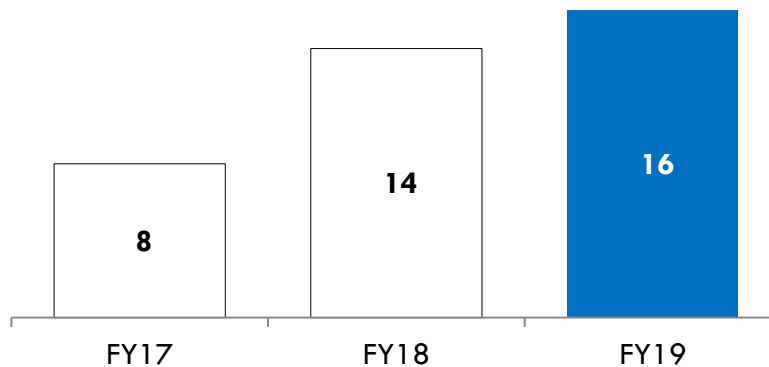


Consolidated Figures



Key Metrics and Ratios

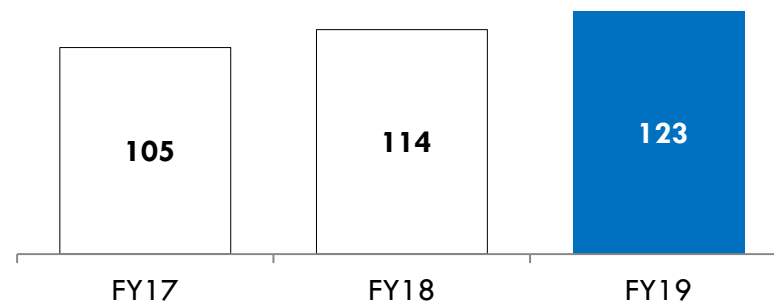
Roce (%)



Debt/Equity (x)



Book value per share (Rs)



Consolidated Figures

Annual Consolidated Profit and Loss Statement

(Rs. Mn)	FY19	FY18	FY17
*Total Revenue	22,424	16,643	11,329
Gross Profit	5,454	4,552	3,134
Gross Margin	24.3%	27.3%	27.7%
Operating expenses	20,427	14,830	10,122
EBITDA	1,997	1,813	1,207
EBITDA Margin	8.9%	10.9%	10.7%
Finance Cost	653	430	363
Depreciation	460	392	401
Exceptional item	-	37	-
PBT	884	954	443
Tax Expenses	296	317	107
PAT	588	637	336
PAT Margin	2.6%	3.8%	3.0%
EPS	10.30	11.12	5.88

*Total Revenue includes other income – FY19 (Rs 207 mn), FY18 (Rs 568 mn) and FY17 (Rs 724 mn)



Consolidated Balance Sheet

Rs mn	Mar'19	Mar'18	Mar'17
Current Assets			
Inventories	2,166	4,183	1,089
Sundry Debtors	5,553	3,827	3,406
Cash and Bank	473	667	1,548
Other Financial Assets	1,300	2,243	2,660
Non-Current Assets			
Property, Plant and Equipment	3,964	3,554	3,456
Other Non-current Financial Assets	49	41	28
Other Non-current Assets	2,437	2,461	1,377
Total Assets	15,942	16,976	13,564
Current Liabilities			
Borrowings	1,513	1,742	2,254
Trade Payables	5,634	5,778	2,118
Other Current Liabilities	832	1,634	1,440
Non-Current Liabilities			
Secured Loans	492	896	1,313
Other Non-current liabilities	450	404	456
Shareholder's Funds			
Share Capital	286	286	286
Reserves	6,735	6,236	5,697
Total Liabilities	15,942	16,976	13,564



THANK YOU

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