



MAITHAN ALLOYS LIMITED

Investor Presentation – May 2017



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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
Techno-Commercial
Products



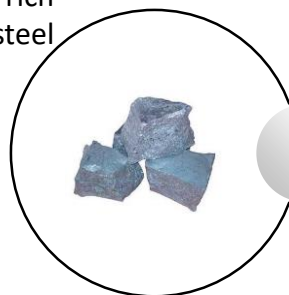
Robust Balance Sheet

Net Cash
Credit Rating:
CARE A+
CARE A1+

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

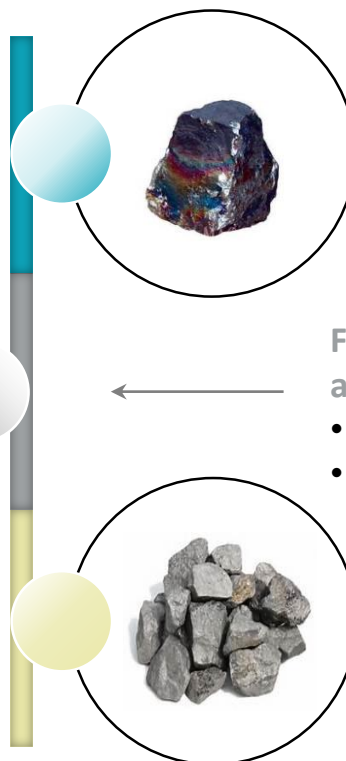
Ferro Manganese - An alloy of iron and manganese

- 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

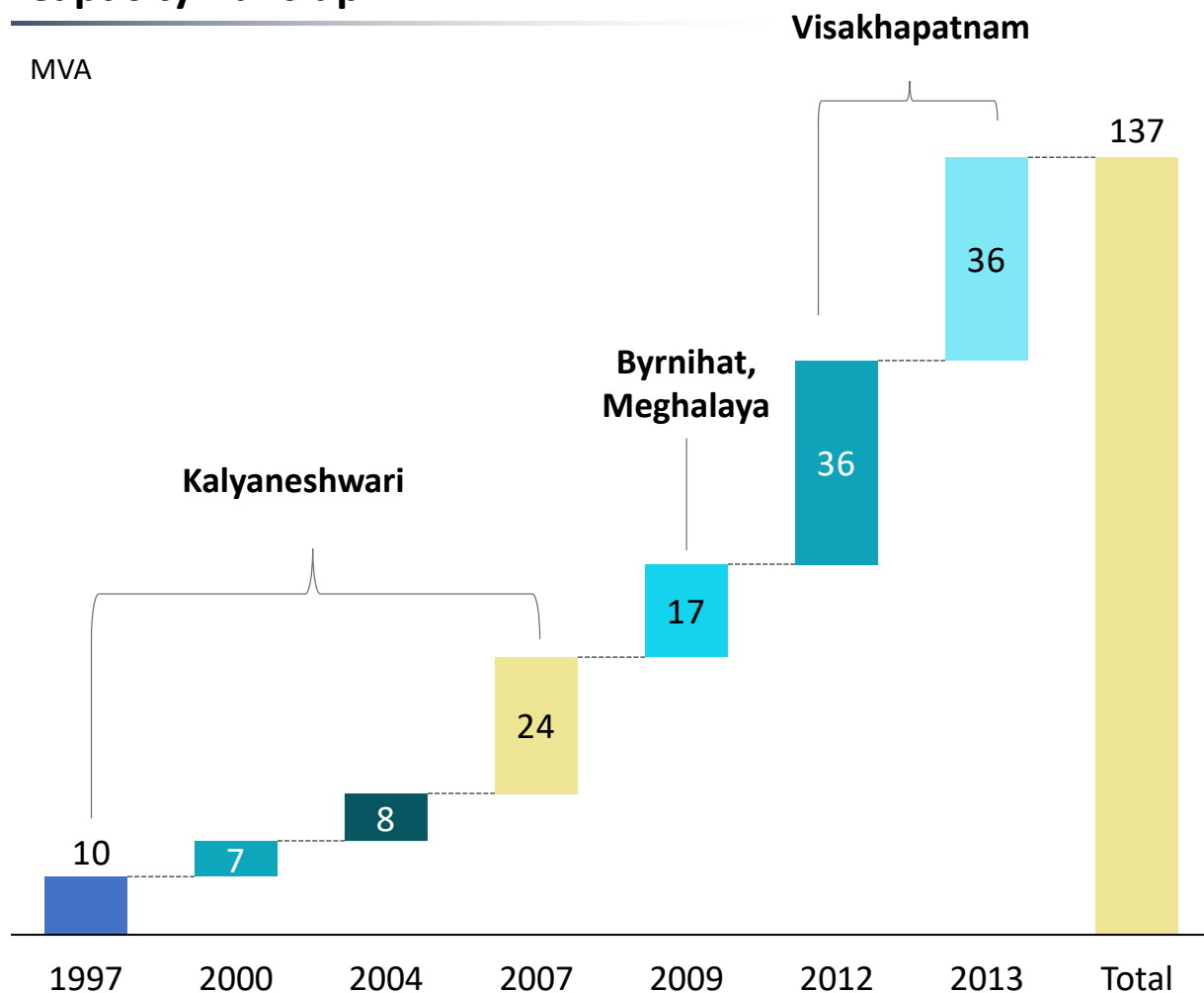
- Silicon acts as a steel oxidant
- Used primarily in special steels and in small quantities in mild steel



Capacity addition to support Growth

Capacity Built-up

MVA



Meghalaya also has Captive Power Generation unit

Fine-tuned furnace operations, lowered costs, reached optimum capacity utilisation, gained market share and became one of the industry leaders

Installed Capacity of 137.25 MVA

Smelters:

- 4 x MVA 18.0 MVA

Products: Ferro Manganese/ Silicon Manganese

Raw Material: Manganese Ore, Coke

72.0
MVA

Sourcing: Imports 90%, Domestic 10%

User Industry: Steel

**Visakhapatnam
(SEZ)**

Smelters:

- 2 x 5.0 MVA
- 1 x 6.5 MVA
- 1 x 8.25 MVA
- 2 x 12.0 MVA

Products: Ferro Manganese/ Silicon Manganese

Raw Material: Manganese Ore, Coke

48.75
MVA

Sourcing: Imports 90%, Domestic 10%

User Industry: Steel

Kalyaneshwari

Smelters:

- 2 x 8.25 MVA

Products: Ferro Silicon

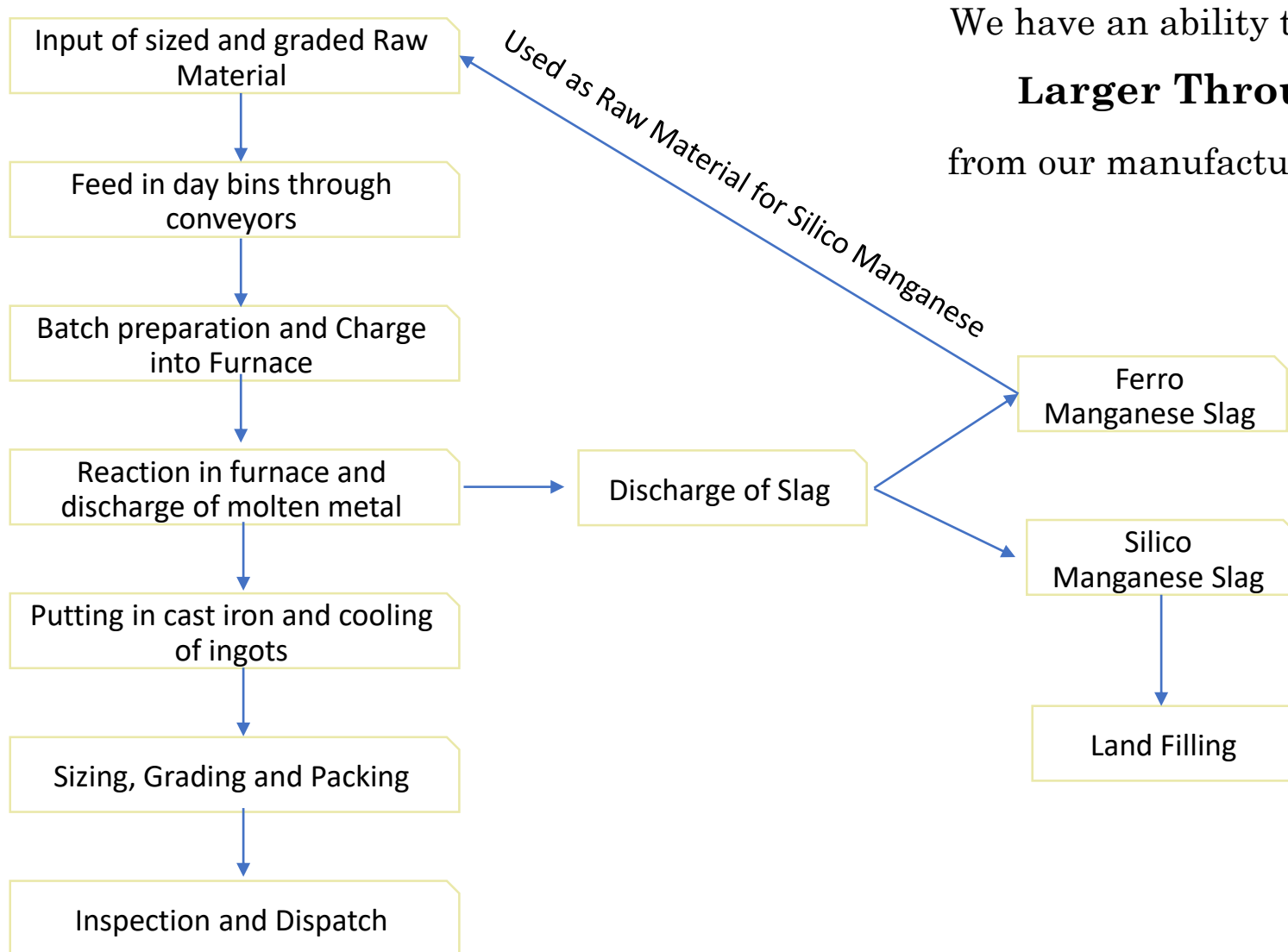
Raw Material: Quartz, Coke

16.5
MVA

Sourcing: Domestic 100%

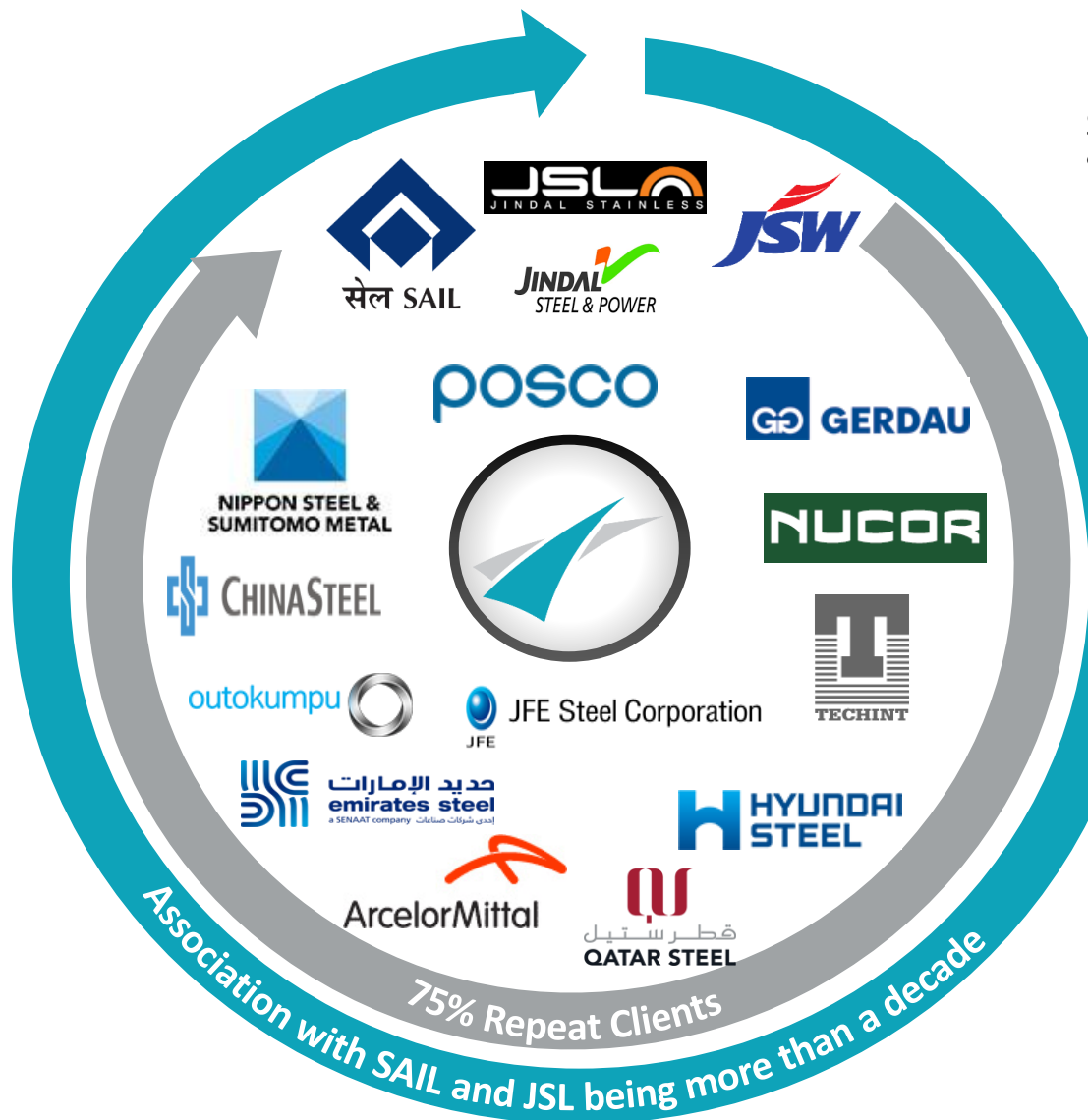
User Industry: Steel

Byrnihat



We have an ability to generate a
Larger Throughput
from our manufacturing facilities

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 36 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 35 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. Vikash Kumar Jewrajka

Independent Director

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

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

Mr. Biswajit Choudhuri

Independent Director

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

Mr. Ashok Bhandari

Independent Director

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

Ms. Kalpana Biswas Kundu

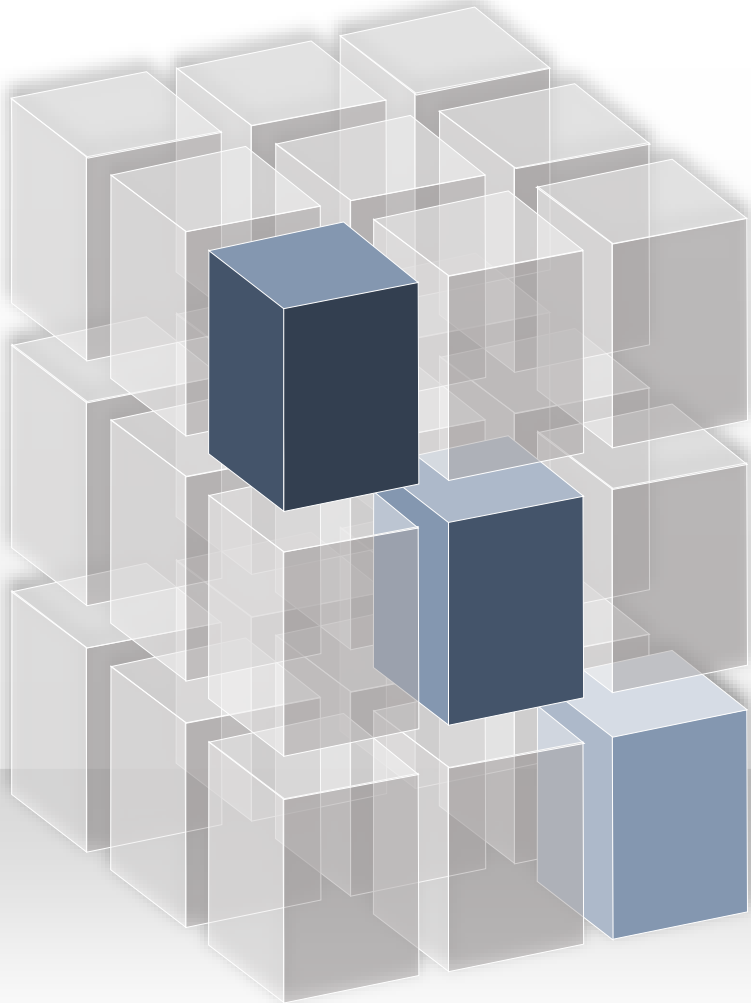
Independent Director

Experienced in the field of Banking, Accounts and Finance

Mr. Parsanta Chattopadhyay

Non-Executive Director

Experienced in the field of iron and steel industry, General Management, and Government liasoning



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



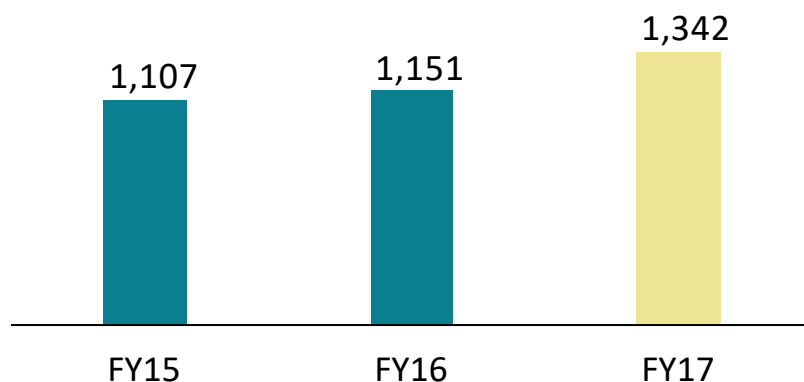
We believe in our common goals and stand by each other on the back of open and honest communication. A strong team is always a winning team.

Teamwork

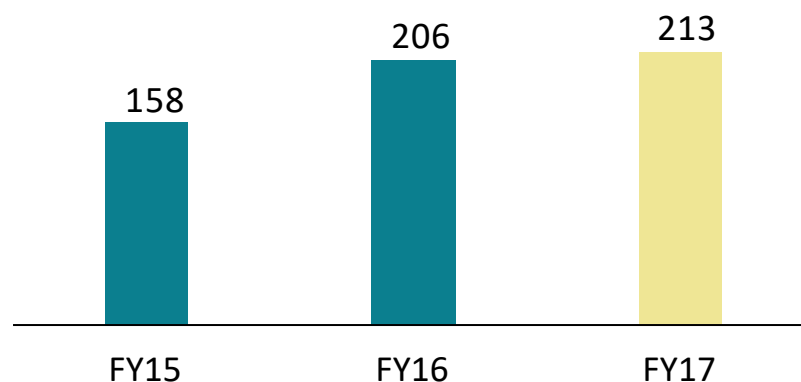


Outperformance in 2017...

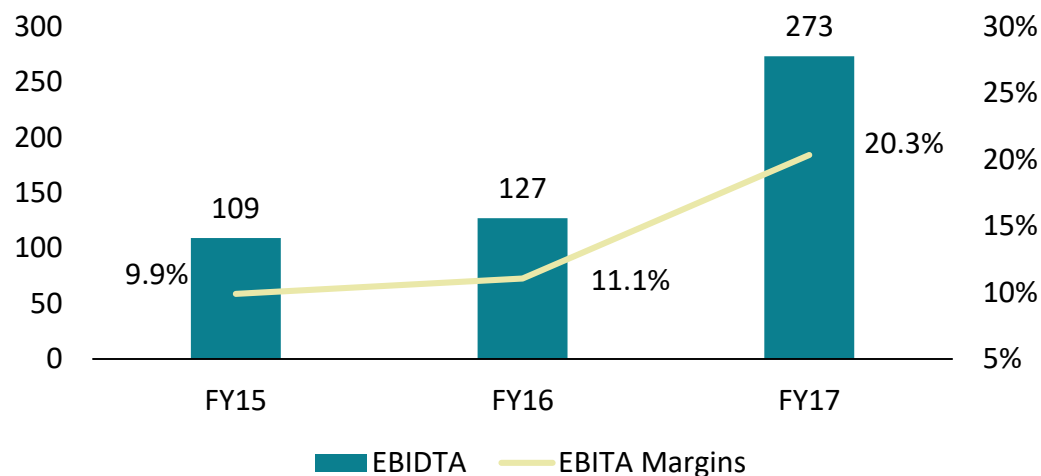
Growing Revenue (₹ Crs)



Rising Production Volume ('000 MT)



EBITDA 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

Asset Light Model

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

Strong Credibility

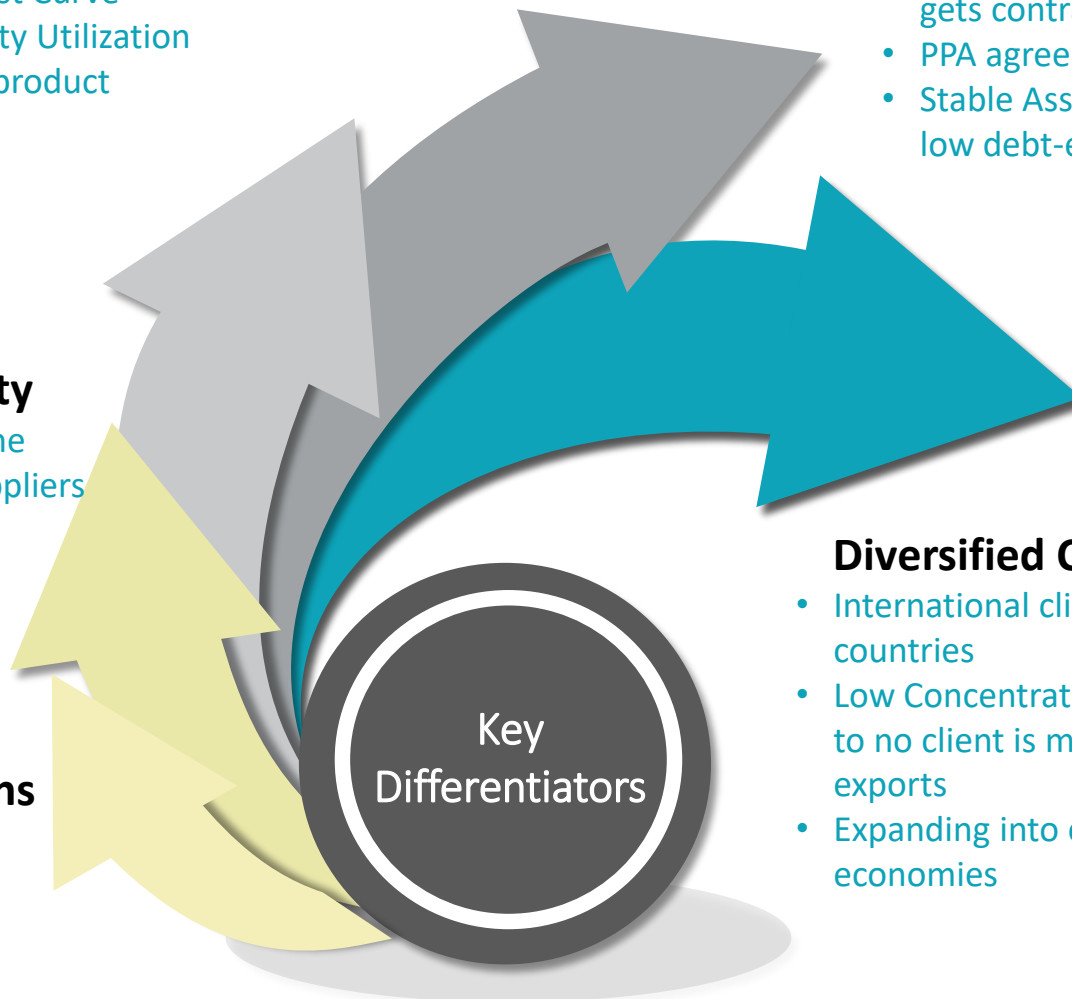
- Strong credibility in the market right from suppliers to end customers

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



In-house end-to-end project capability



Long Term PPAs with Power Utilities

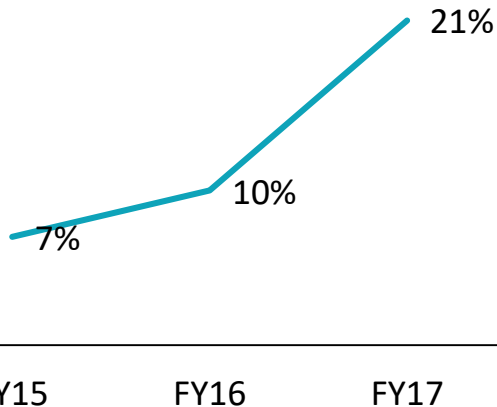


No significant mining assets

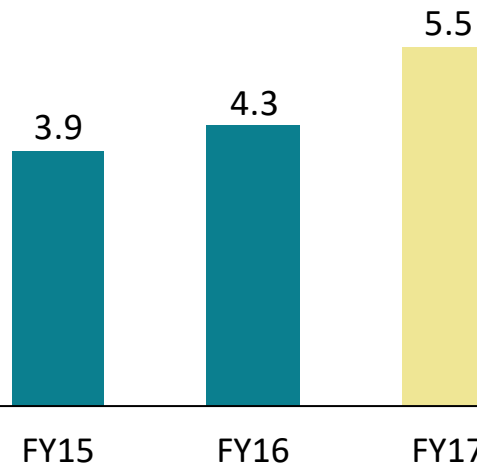


Asset Light Model

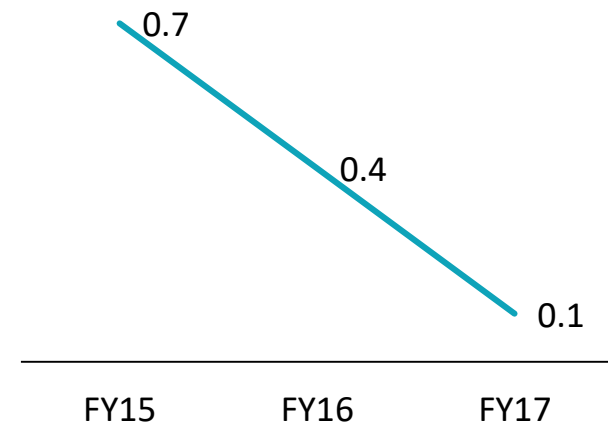
Return on Asset has improved



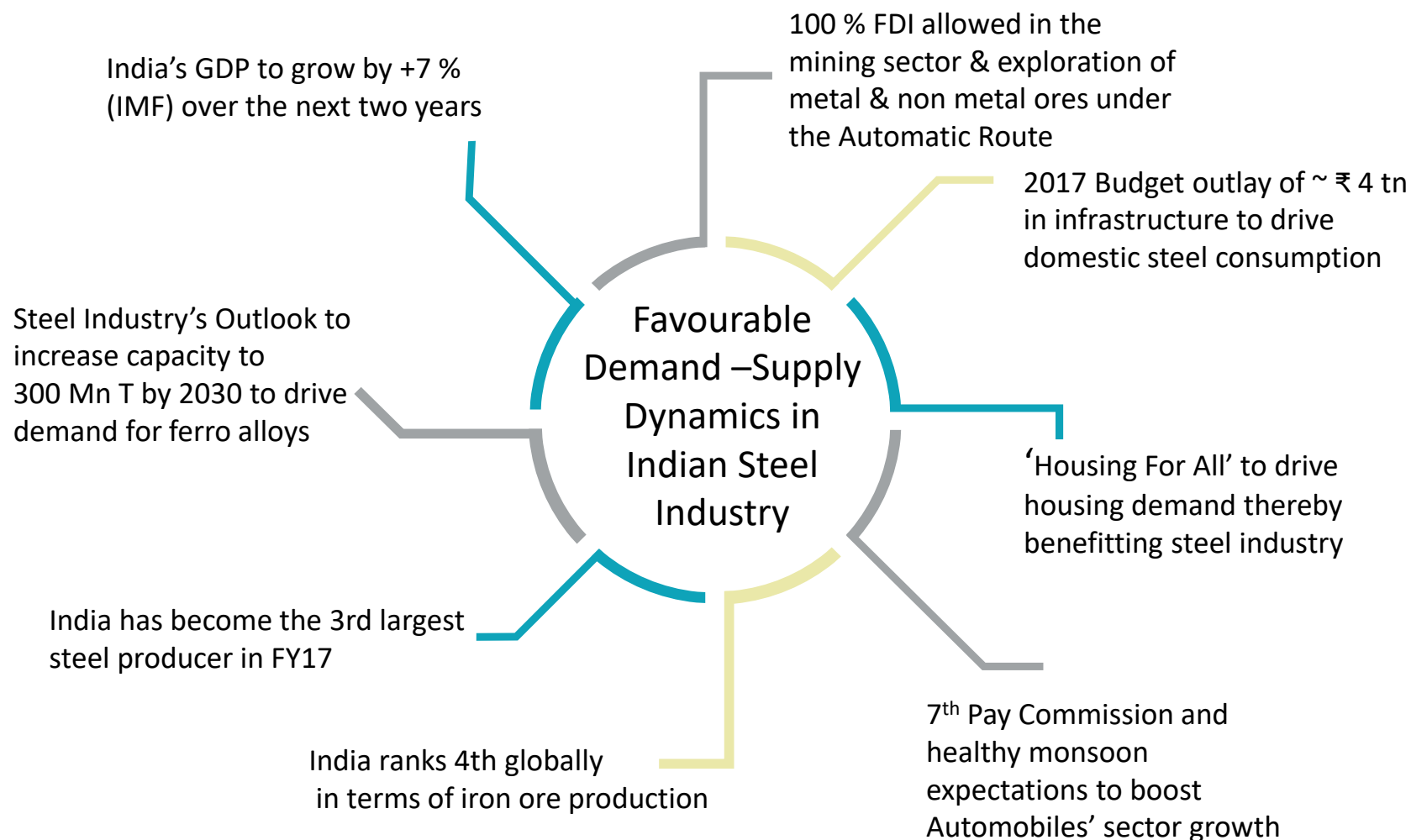
Fixed Assets Turnover (x)

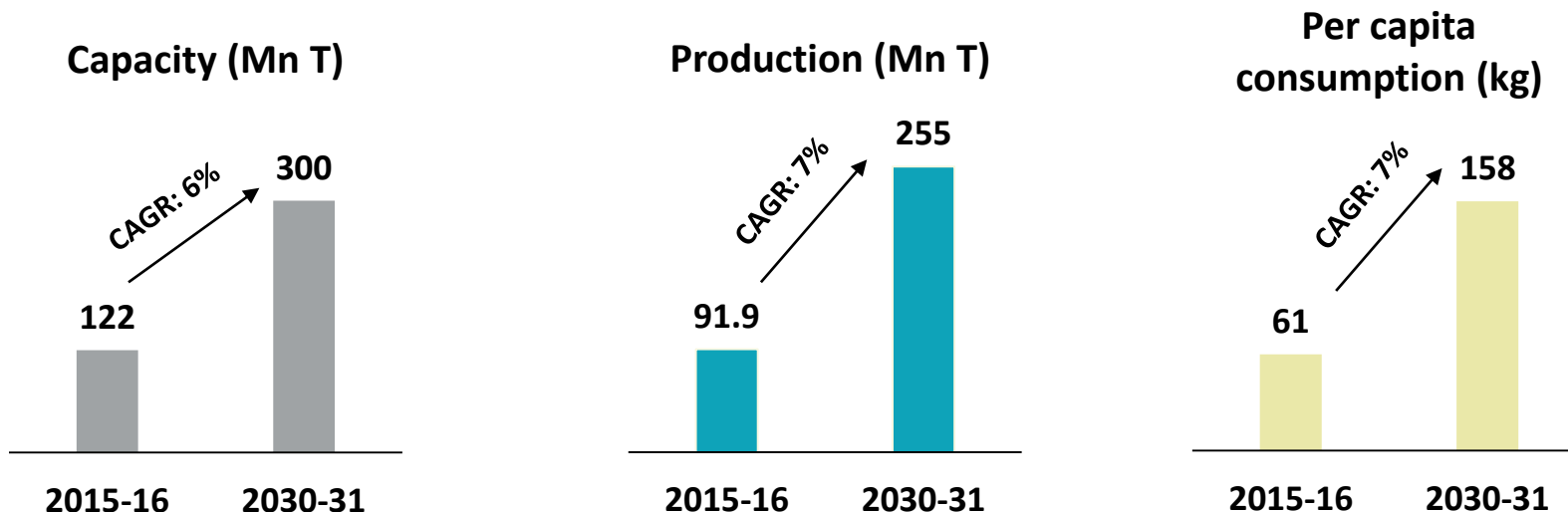


Debt to Equity (x)



Industry Tailwinds





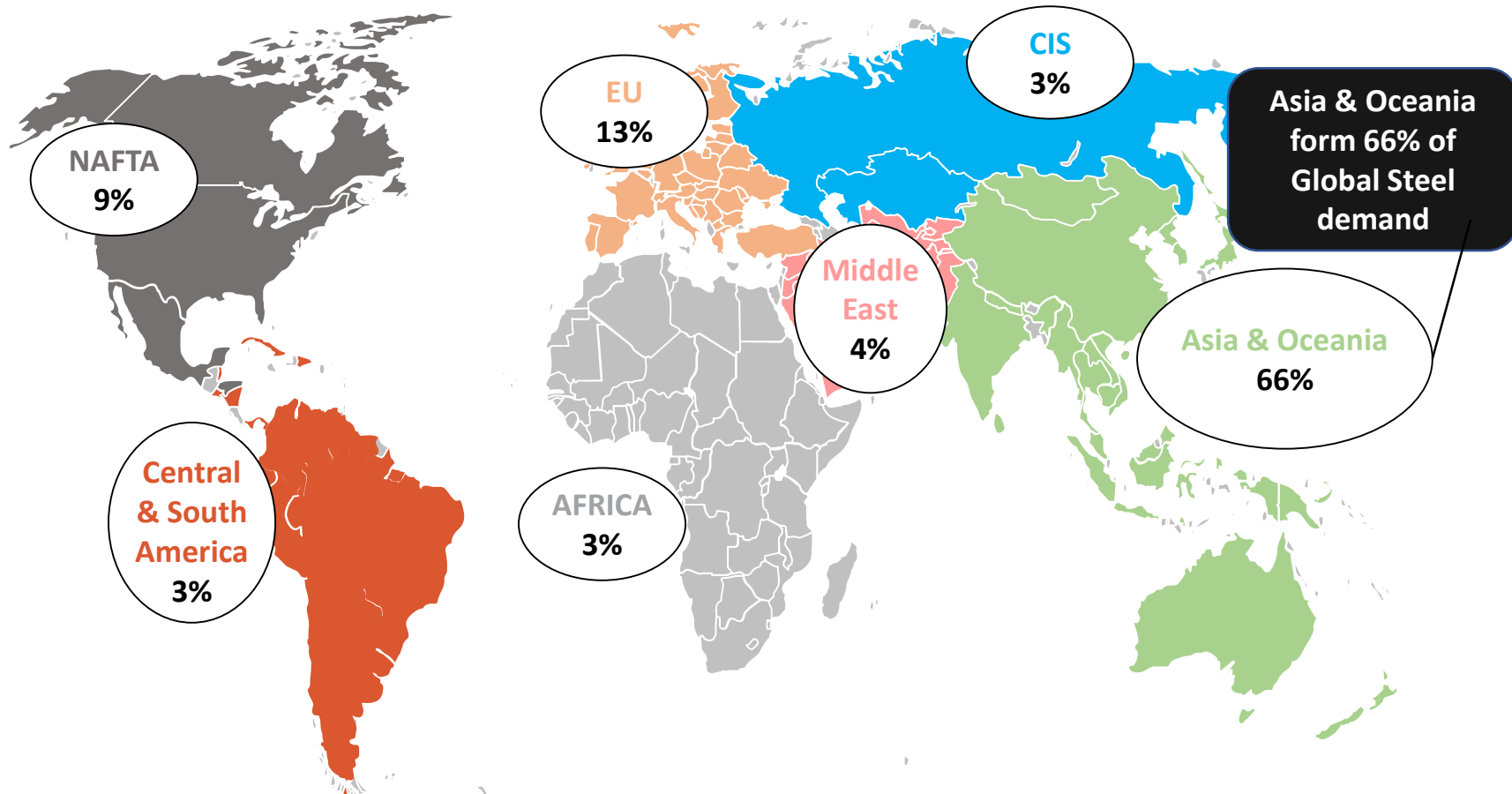
~1.5% of Manganese Alloy is required to produce each tonne of Steel

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)

Asian Economies to drive the Global Steel Demand

Global Steel Demand 2018 : 1,548.5 Mn T



Maithan already has a strong foothold in the growing Asian economies

Source: www.worldsteel.org

Note: Data for Global Finished Steel Demand

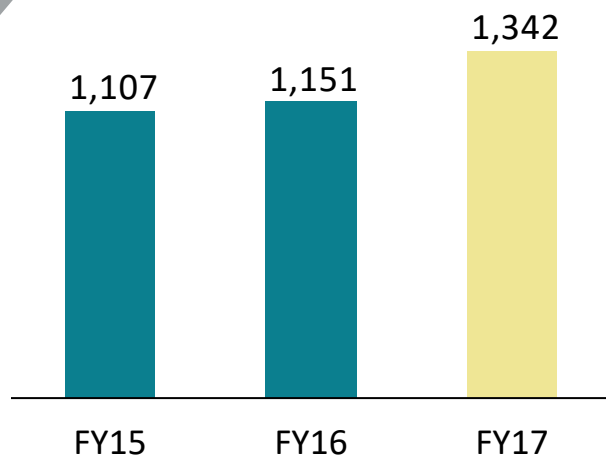
Note: Maps not to scale. All data, information, and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness

Financials

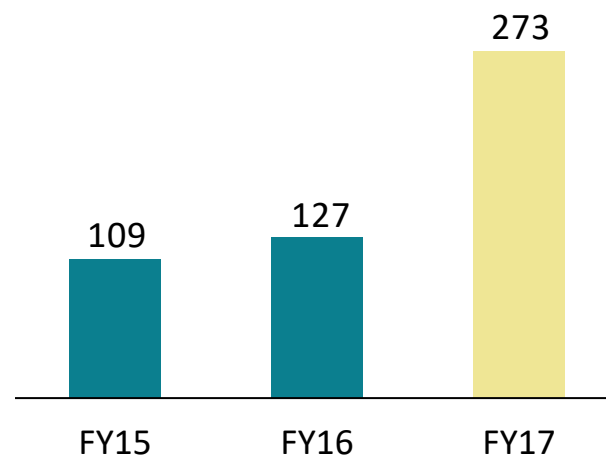
Financial Highlights

₹ Crs

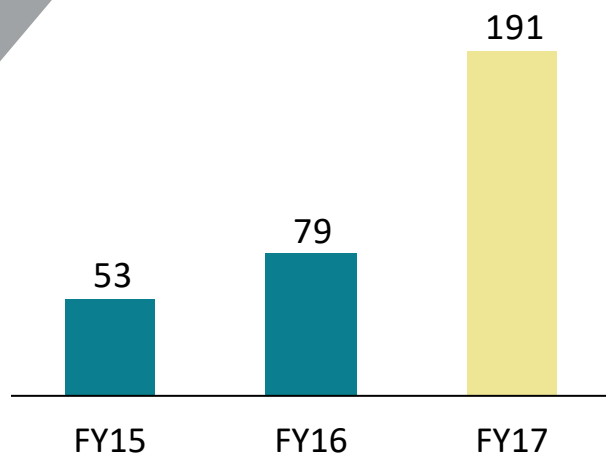
Revenue



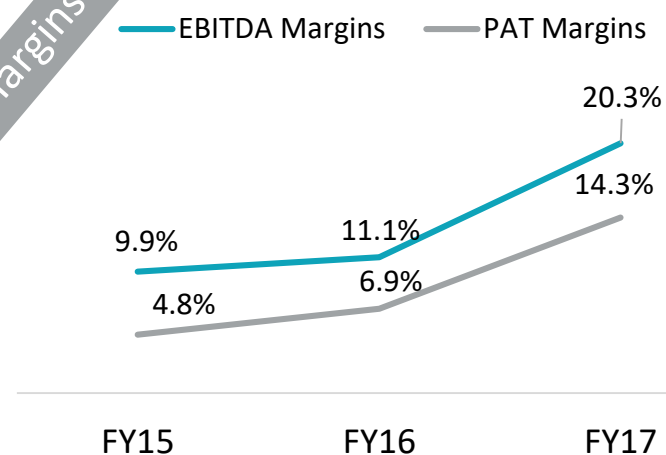
EBITDA



PAT



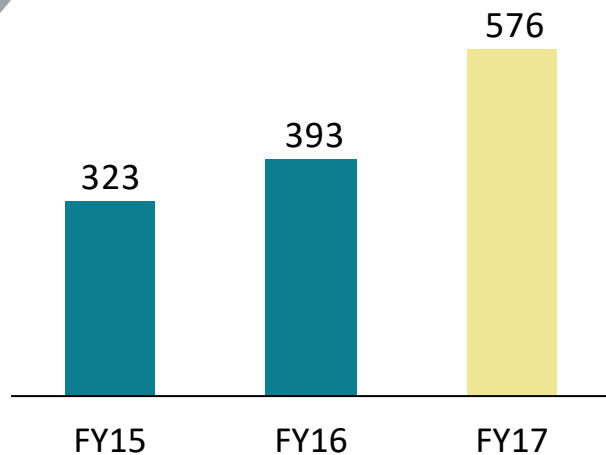
Margins



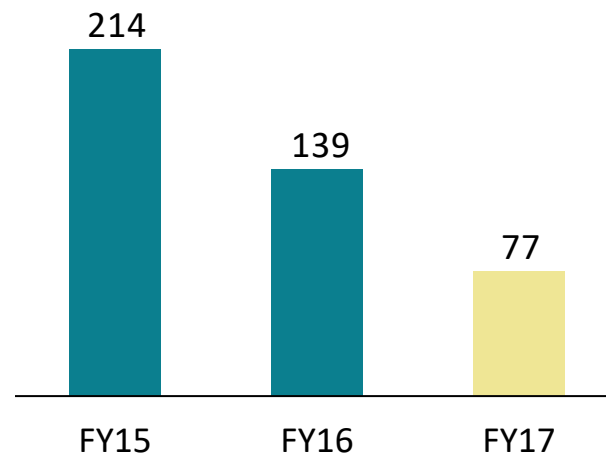
Financial Highlights

₹ Crs

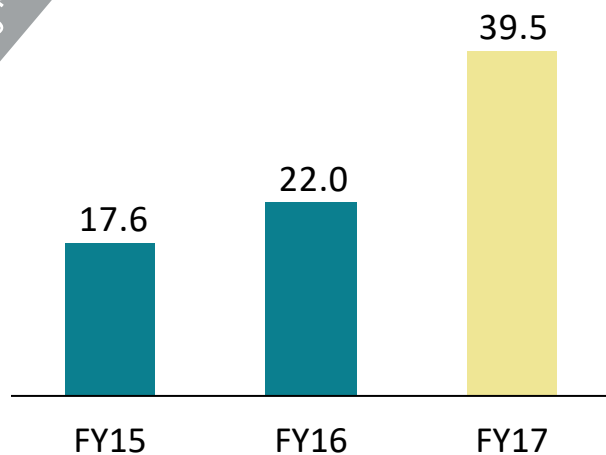
Networth



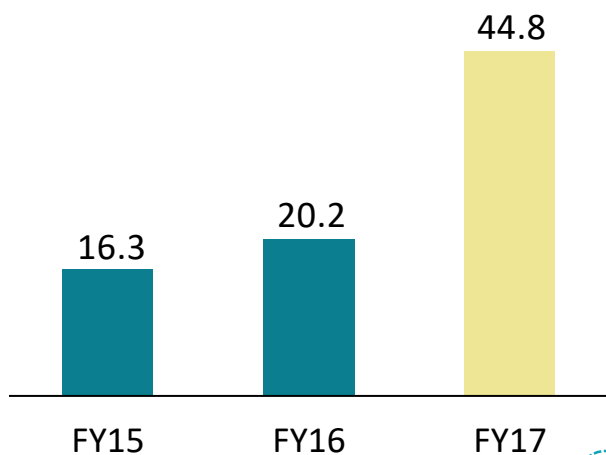
Debt



ROE %*



ROCE %^



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

^ RoCE = EBIT / Avg. Capital Employed

Standalone Profit & Loss

Particulars (₹ Crs)	FY17	FY16	YoY
Revenue	1,342	1,151	17%
Raw Material	628	597	
Power	280	315	
Employee Expenses	33	23	
Other Expenses	125	89	
EBITDA	276	127	117%
EBITDA Margin	20.6%	11.1%	
Other Income	21	4	
Depreciation	25	23	
EBIT	272	108	152%
EBIT Margin	20.3%	9.4%	
Finance costs	9	12	
PBT	262	96	
Tax	65	17	
PAT	198	79	150%
PAT Margin	14.7%	6.9%	

Standalone Balance Sheet

Equity and Liabilities (₹ Crs)	Mar-17	Mar-16
Shareholder's Fund	584	395
Share capital	29	29
Reserves & Surplus	554	366
Non-Current Liabilities	43	101
Long term borrowings	16	82
Other Non Current Liabilities	28	19
Current Liabilities	277	301
Short Term Borrowings	17	17
Trade Payables	57	133
Other current liabilities	203	151
Total Equity and Liabilities	904	797

Assets (₹ Crs)	Mar-17	Mar-16
Non-Current Assets	278	292
Fixed assets	234	260
Non Current Investments	16	13
Long Term Loan and Advances	28	19
Current Assets	625	505
Current Investment	66	34
Inventories	187	151
Trade receivables	225	199
Cash and Bank Balances	90	54
Other current assets	58	67
Total Assets	904	797

Consolidated Profit & Loss

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	
EBITDA	273	127	115%
EBITDA Margin	20.3%	11.1%	
Other Income	21	4	
Depreciation	28	23	
EBIT	265	108	146%
EBIT Margin	19.8%	9.4%	
Finance costs	9	12	
PBT	256	96	
Tax	65	17	
PAT	191	79	
PAT Margin	14.3%	6.9%	143%

Consolidated Balance Sheet

Equity and Liabilities (₹ Crs)	Mar-17	Mar-16
Shareholder's Fund	576	393
Share capital	29	29
Reserves & Surplus	547	364
Minority Interest	1	4
Non-Current Liabilities	43	101
Long term borrowings	16	82
Other Non Current Liabilities	26	18
Current Liabilities	277	301
Short Term Borrowings	17	17
Trade Payables	57	133
Other current liabilities	203	151
Total Equity and Liabilities	897	799

Assets (₹ Crs)	Mar-17	Mar-16
Non-Current Assets	270	287
Fixed assets	242	267
Long Term Loan and Advances	28	19
Current Assets	627	512
Current Investment	68	36
Inventories	187	151
Trade receivables	225	199
Cash and Bank Balances	91	54
Other current assets	57	73
Total Assets	897	799

For further information, please contact:

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