

Monday, 6th November, 2023

The Manager, Listing Department,
National Stock Exchange of India Limited
“Exchange Plaza”, C - 1, Block G,
Bandra –Kurla Complex, Bandra(East),
Mumbai– 400051 MH IN

Sub: Investors Press Release for the Unaudited Financial Results of the Company for the Quarter (Q-2)/FY23-24 ended 30th September, 2023.

Ref: NSE Script Code - MMP

Dear Sir / Madam,

With reference to the captioned subject, kindly find enclose Investor Press release for the Unaudited Financial Results of the Company for the Quarter (Q-2)/FY23-24 ended 30th September, 2023.

The aforesaid presentation is also made available on the Company's website www.mmpil.com.

Kindly disseminate the same on website.

Sincerely,

For MMP Industries Limited

ARUN
RAGHUVIRRAJ
J BHANDARI

Digitally signed by
ARUN RAGHUVIRRAJ
BHANDARI
Date: 2023.11.06
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Arun Raghuvirraj Bhandari
Chairman & Managing Director

MMP Industries Limited Reports Profit Growth of 36% YoY

Q2FY24 Revenue at ₹1,268 mn; EBITDA at ₹81 mn; Net Profit at ₹47 mn

Nagpur, India - 06 November 2023: MMP Industries Limited, a leading manufacturer of aluminium powders, aluminium foils, and aluminium conductors, announced its financial results for the second quarter (Q2FY24) and six months (H1FY24) ended 30th September 2023.

Key Consolidated Financial Highlights:

Particulars (₹ mn)	Q2 FY24	Q1 FY24	QoQ%	Q2 FY23	YoY%	H1FY24	H1FY23	YoY%
Total Revenue	1,268	1,516	-16%	1,191	7%	2,784	2,674	4%
EBITDA	81	117	-30%	73	11%	198	145	37%
EBITDA Margin	6.4%	7.7%	-130 bps	6.2%	26 bps	7.1%	5.4%	171 bps
PAT	47	80	-42%	34	36%	127	81	56%
PAT Margin	3.7%	5.3%	-161 bps	2.9%	80 bps	4.6%	3.0%	152 bps

Consolidated Q2 FY24 Highlights

- Total Revenue was ₹1,268 mn for Q2 FY24 compared to ₹1,191 mn in Q2 FY23, **an increase of 7%**
- EBITDA stood at ₹81 mn for Q2 FY24 compared to ₹73 mn during Q2 FY23, **an increase of 11%**
- EBITDA Margin at 6.4% for Q2 FY24 compared to 6.2% in Q2 FY23, **an increase of 26 bps**
- PAT stood at ₹47 mn for Q2 FY24 compared to ₹34 mn in Q2 FY23, **an increase of 36%**

Consolidated H1 FY24 Highlights

- Total Revenue was ₹2,784 mn for H1 FY24 compared to ₹2,674 mn in H1 FY23, **an increase of 4%**
- EBITDA stood at ₹198 mn for H1 FY24 compared to ₹145 mn during H1 FY23, **an increase of 37%**
- EBITDA Margin at 7.1% for H1 FY24 compared to 5.4% in H1 FY23, **an increase of 171 bps**
- PAT stood at ₹127 mn for H1 FY24 compared to ₹81 mn in H1 FY23, **an increase of 56%**

Business Segment Performance

Particulars (₹ mn)	Q2 FY24	Q1 FY24	QoQ%	Q2 FY23	YoY%	H1FY24	H1FY23	YoY%
Aluminium Powders	870	1,030	-16%	839	4%	1900	1,920	-1%
Aluminium Foils	276	253	9%	308	-10%	529	621	-15%
Aluminium Conductors	109	225	-51%	36	203%	334	118	183%
Others	13	8	63%	7	86%	21	15	40%

- Aluminium powder revenue at ₹870 mn for Q2 FY24 compared to ₹839 mn for Q2 FY23
- Aluminium foils revenue at ₹276 mn for Q2 FY24 compared to ₹308 mn for Q2 FY23
- Aluminium conductors revenue at ₹109 mn for Q2 FY24 compared to ₹36 mn for Q2 FY23

MANAGEMENT COMMENTARY

"We are pleased to share the performance highlights for the monsoon quarter ending September 2023. Despite historically being a low-demand period due to monsoons and the resulting slowdown in mining and construction activities, MMP Industries has demonstrated resilient growth. Our robust performance can be attributed to several key factors including the healthy 4.4% YoY growth of our Aluminium Powder segment along with the staggering 203% YoY increase of our Conductors/Cables division.

However, we would like to highlight that our Foil division continues to encounter challenges due to persistent low demand and tough competition from Chinese imports, particularly after the withdrawal of anti-dumping duties. Having said that, we maintain an unwavering sense of optimism for the coming years and are committed to driving sustainable growth.

In a significant development during the quarter, we are delighted to announce a pivotal sales agreement signed with a prominent European company. This three-year agreement for specialised aluminium powder sales marks a significant milestone, set to boost exports from FY 24-25. Initial orders are secured, with shipments starting in January 2024. This is a game-changer for MMP Industries, expanding our European and Middle Eastern presence. Our ongoing capacity expansion will swiftly accommodate this development, likely in Q1 FY 25. In Q2FY24, our resilience and growth commitment shine, even in challenging conditions, as we remain optimistic and excited about our future opportunities."

SEGMENT OUTLOOK AND GUIDANCE

Aluminium Powders

H2 demand will remain strong and all our capacities are likely to be operating to the maximum and expected H2 revenue is likely to be 20-25% higher than H1.

We had highlighted in our earlier updates that a total additional capacity of 3300 MTPA for pyro and flake powders is under implementation in two phases.

Phase 1- The 1500 MTPA capacity has gradually been commissioned and will be fully operational by November end.

Phase 2- The 1800 MTPA capacity is well under implementation and building work for the same is at an advanced stage and this capacity is expected to be fully operational by March 2024.

This will bring our total pyro and flake powder capacity to approximately 15000 MTPA.

Aluminium Foils

The coming quarter is likely to see stable aluminium prices (on the lower LME level) as well as stability from Chinese competition. The company's focus on the Pharma sector will continue relentlessly and the revenue guidance for the year is likely to be maintained.

The second rolling mill has been commissioned in September 2023 and is undergoing extensive trials and commercial production is expected to begin by mid-November 2023.

The sales ramp up of new products like house foil, lidding foil, light gauge foil, SRC foil, etc. will gain momentum after the commissioning of this mill and revenue for H2 is likely to be 20-25% higher than H1.

We continue to supply to major pharmaceutical companies regularly. High-volume foil users like Cadila and Sun Pharma have initiated bulk orders to meet their quarterly needs. The commissioning of the two-colour printing machine is anticipated to be completed by the end of November 2023..

The value-added printed foils capacity is expected to reach 80% utilization during H2.

Aluminium Conductors and Cables

The demand trend for Conductors and Cables consistently demonstrates strong growth, and we anticipate a significant increase in revenue in H2 (60-65% higher than H1). To ensure optimized capacity management in the Cables segment, a new high-speed stranding machine is set to commence production by January 2024..

With the government's long-term intention to modernise electrical transmission infrastructure, there is a consensus that the company should proactively align its product mix to meet future demand effectively. We are currently in the process of developing an investment plan for projects aimed at doubling our current revenue projections.

General

The Solar Project for 1.5 MW ground mounted at Bhandara unit is proceeding satisfactorily and will be commissioned on schedule.

CSR Activities

In line with the company's focus on Education and Healthcare enhancement in local communities next to our units in Umred and Bhandara, the company has contributed and executed a shed for Zila Parishad School Shahapur. This shed will enable comfortable mid-day meals for children, especially during the summer and monsoon. This school has been adopted by MMP for continuous improvement all around on a regular basis. Activities like Jaipur foot and prosthetic fitments are on-going.

ASSOCIATE COMPANIES

Star Circlips & Engineering Limited (SCEL)

Star Circlips & Engineering Limited achieved revenue of ₹390 mn in Q2 FY24 compared to ₹408 mn in Q2 FY23 and reported PAT of ₹41 mn in Q2 FY24 compared to PAT ₹38 mn for Q2 FY23.

Toyal MMP India Private Limited (TMI)

TMI achieved revenue of ₹124 mn in Q2 FY24 compared to ₹137 mn in Q2 FY23 and reported PAT of ₹2 mn in Q2 FY24 compared to loss of ₹6 mn in Q2 FY23.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Particulars (₹ mn)	Q2 FY24	Q1 FY24	QoQ%	Q2 FY23	YoY%	H1FY24	H1FY22	YoY%
Revenue from Operations	1,261	1,515	-17%	1,189	6%	2775	2,671	4%
Other Income	8	1	419%	2	330%	9	3	216%
Total Revenue	1,268	1,516	-16%	1,191	7%	2784	2,674	4%
Expenses								
-Cost of Material Consumed	1,113	1,112	0%	990	12%	2226	2,299	-3%
-Purchase of stock-in-trade	1	0	49%	0	219%	1	1	78%
-Changes in inventories	-122	97	-225%	-51	-137%	-24	-133	82%
-Employee Benefit Expense	96	94	2%	84	14%	190	170	12%
-Finance Cost	16	12	34%	12	36%	28	21	32%
-Depreciation & Amortization	19	18	4%	17	12%	37	34	11%
-Other Expenditure	99	95	4%	94	5%	193	193	0%
Total Expenses	1,222	1,429	-15%	1,146	7%	2651	2,584	3%
PBT before Share of Profit/ (Loss) of Associate, Exceptional Items	47	87	-46%	45	4%	133	90	48%
Share of Profit/ (Loss) of Associate	11	15	-26%	8	37%	27	13	98%

PBT before Exceptional Items	58	102	-43%	53	9%	160	103	55%
Exceptional Item	0	0		0		0	0	
PBT	58	102	-43%	53	9%	160	103	55%
Tax Expense	11	22	-49%	19	-40%	33	22	49%
PAT	47	80	-42%	34	36%	127	81	56%

About MMP Industries Limited

MMP Industries Limited (MMPIL), registered in Nagpur, Maharashtra, is primarily engaged in the manufacture of aluminium products with its manufacturing plants located in and around Nagpur city. The aluminium product range includes aluminium powders, aluminium foils and aluminium conductors/cables. Over the course of the last three decades of its operations, the company has become a globally recognized player in the aluminium powder field.

For details please contact:

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Disclaimer:

Certain statements in this document that are not historical facts are forward looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local, political or economic developments, technological risks, and many other factors that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. MMP Industries Ltd. will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.