



maithan alloys ltd

Investor Presentation

September 2019

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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



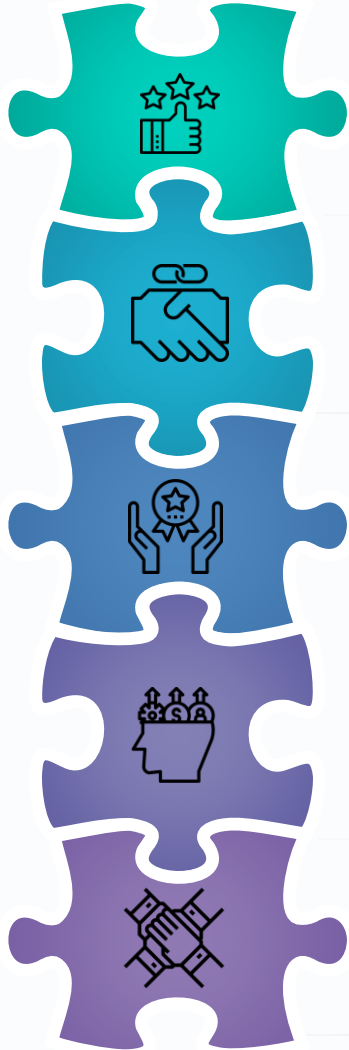
To be India's premiere Alloy Company by:

- 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

•OUR•
CULTURE



•OUR•
CORE VALUES



Commitment: is 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.

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.

Integrity: 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.

Rigour: Rigorous, 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.

Teamwork: 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.



Efficiency



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

Strong Credibility



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

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

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

Expansion Plans



- Inorganic Growth Opportunities



Mr. Subodh Agarwalla

(Whole Time Director and CEO)

- A B.Tech from IIT BHU and M.B.A. from IIM Bangalore
- At age of 40 years is the Whole Time Director and CEO and strengthens the operational activities of the Company

Mr. S. C. Agarwalla

(Chairman and Managing Director)

- 30 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
- 15 Years of experience in Finance, Marketing and Procurement in the Ferro Alloys Industry



Mr. Nand Kishore Agarwal
(Independent Director)

Experienced in the field of Accounts, Finance and Tax Laws



Mr. Ashok Bhandari
(Independent Director)

Finance and negotiation with banks, governments and technology & equipment suppliers



Mr. Vikash Kumar Jewrajka
(Independent Director)

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



Mr. Palghat K Venkatramani
(Independent Director)

Banking with specialty in Industrial Finance and staff training, Foreign Exchange and Management Accountancy



Mrs. Kalpana Biswas Kundu
(Independent Director)

Banking Sector, Accounts and Finance



Mr. Parasanta Chattopadyay
(Non Executive Director)

Iron and steel industry, General Management, and Government liasoning

The Board of Directors has a strong commitment to the highest adherence to corporate philosophy and governance

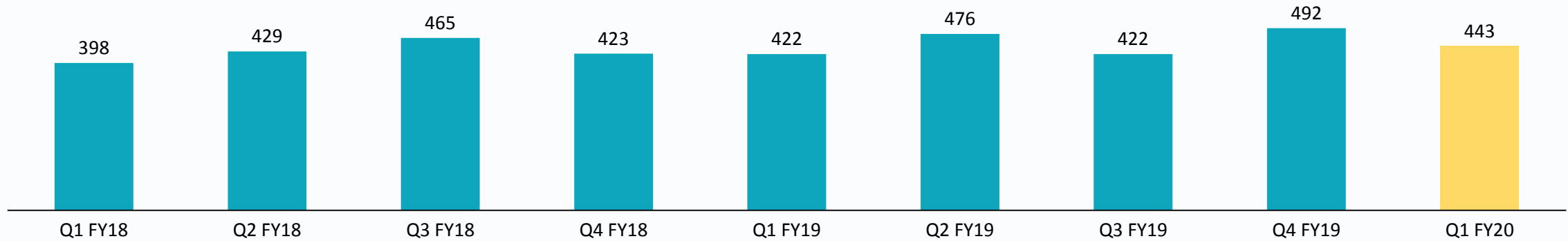


The slide features a dark grey background with a faint image of a bar chart and a pen. The bar chart has a vertical axis with labels 200, 300, 400, and 500. The word "Financials" is centered in white text. A large blue arrow graphic points from the left towards the right side of the slide.

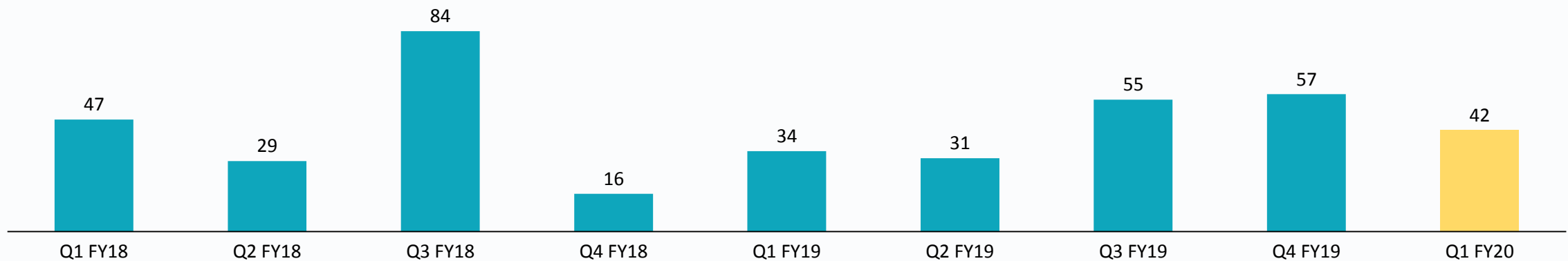
Financials

Manufacturing - vs- Trading Revenues

Manufacturing Revenue



Trading Revenue

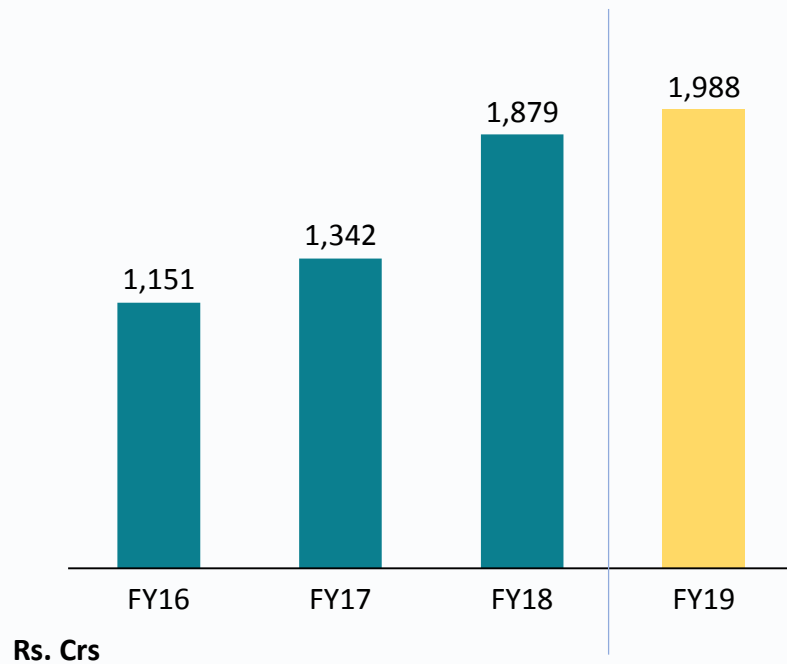


Rs. Crs

Maintaining Sustainable Margins

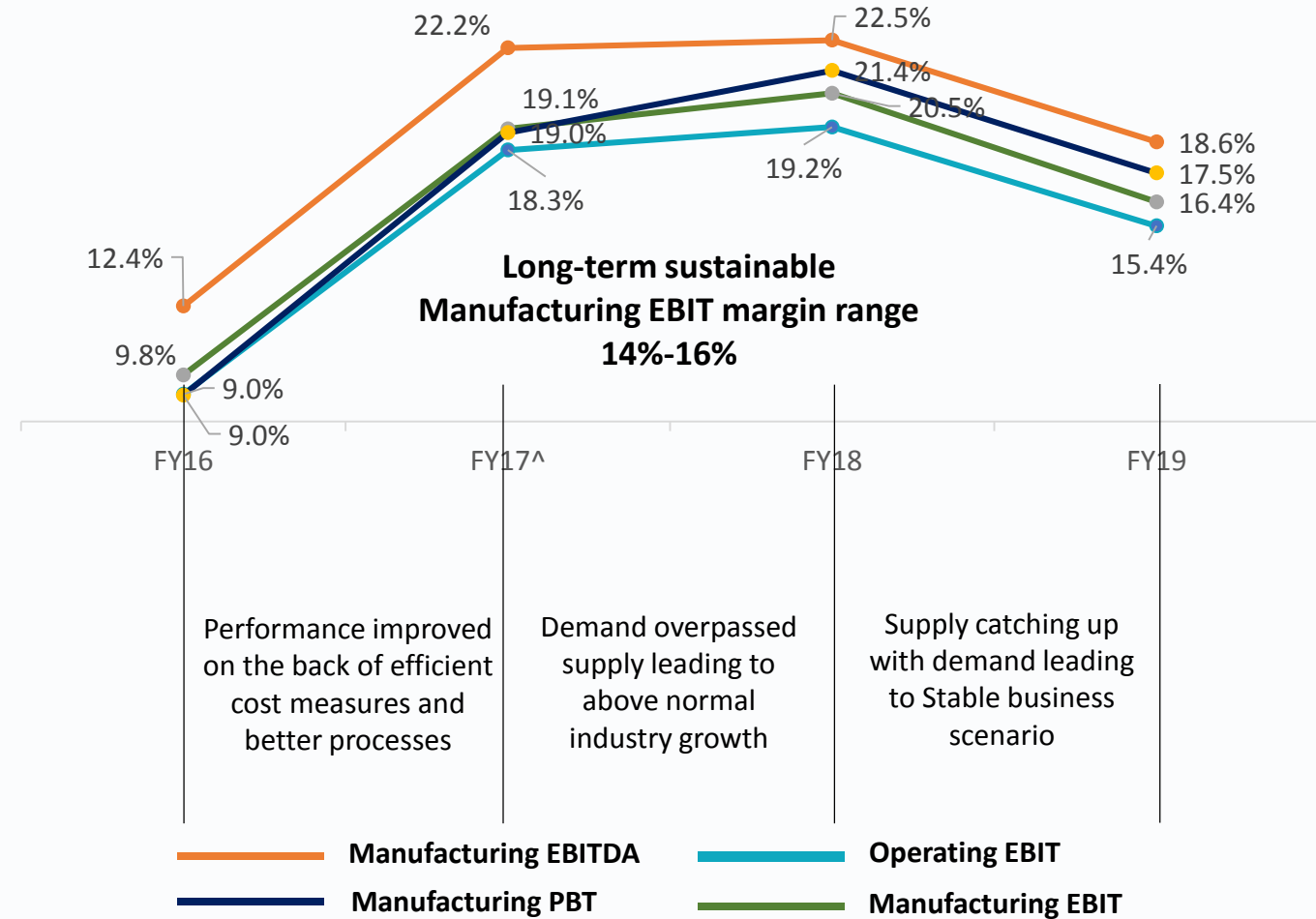
Revenues

Demand of our product continues to be robust



Continue to Outperform Industry trends

EBITDA %

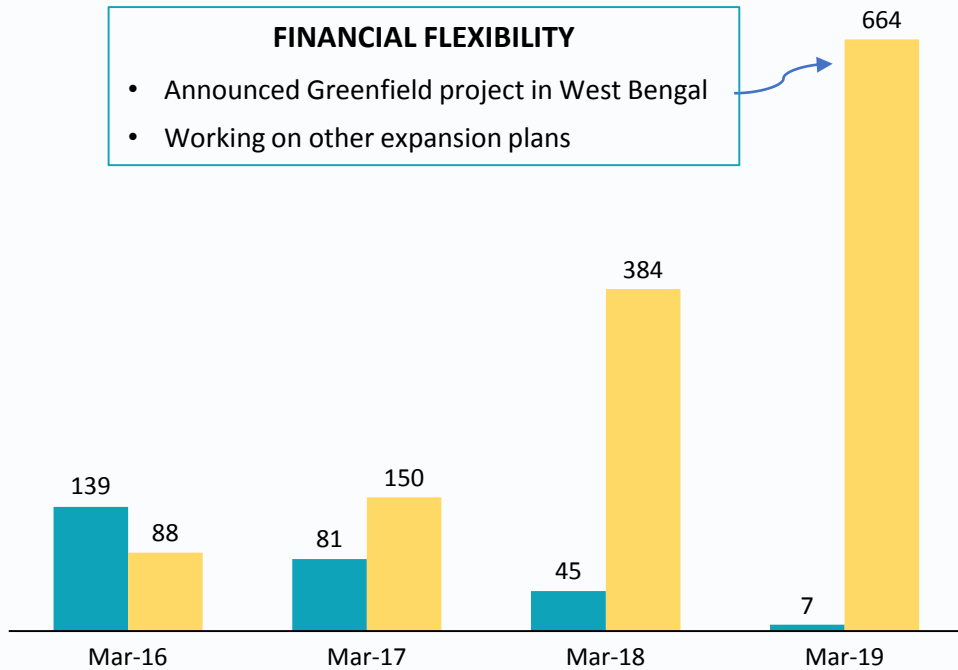


Revenue are net of GST/Excise duty

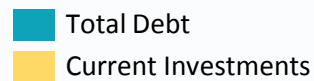
Debt & Current Invts.

FINANCIAL FLEXIBILITY

- Announced Greenfield project in West Bengal
- Working on other expansion plans



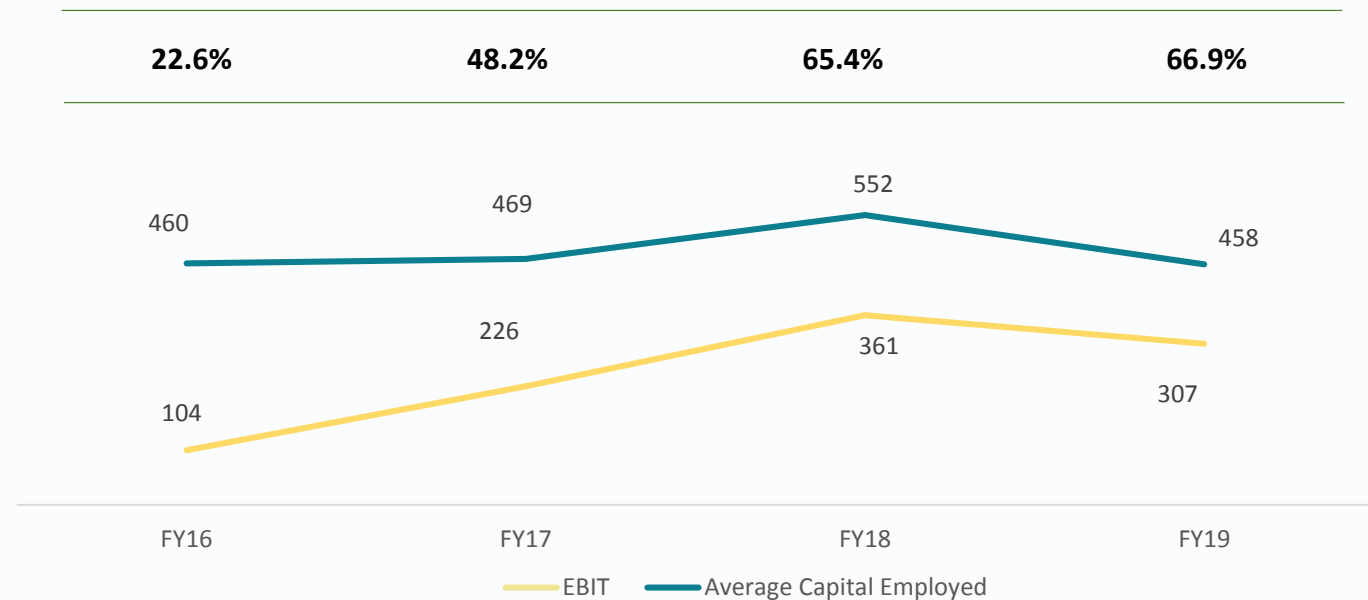
Rs. Crs



FY15 & FY16 numbers are as per IGAAP

Operating RoCE (%)

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



Operating RoCE = EBIT / Average Capital Employed

EBIT = (EBIT - Other Income)

Capital Employed = (Equity + Debt - Current Investments)

Consolidated Profit & Loss Statement

Particulars (Rs. Crs.)	Q1 FY20*	FY19*	FY18*	FY17*	FY16
Revenue (Net of Excise Duty/ GST)	486	1,988	1,879	1,342	1,151
Raw Material	285	1,126	970	628	597
Employee Expenses	11	44	45	33	23
Power	94	373	367	280	315
Other Expenses	28	122	121	130	89
Operating EBITDA	68	323	376	271	127
Depreciation	4	16	15	25	23
Operating EBIT	64	307	361	246	104
Other Income	6	26	19	8	4
Finance costs	1	6	4	10	12
PBT	70	327	376	244	96
Tax	18	72	84	64	17
PAT	52	255	292	180	79

*As per IND AS

Standalone Profit & Loss Statement

Particulars (Rs. Crs.)	Q1 FY20*	FY19*	FY18*	FY17*	FY16
Revenue (Net of Excise Duty/ GST)	486	1,988	1,879	1,342	1,151
Raw Material	285	1,126	970	628	597
Employee Expenses	10	44	45	33	23
Power	94	373	367	280	315
Other Expenses	28	122	121	124	89
Operating EBITDA	68	322	376	277	127
Depreciation	4	16	15	25	23
Operating EBIT	64	307	361	252	104
Other Income	6	26	19	8	4
Finance costs	1	6	4	10	12
PBT	70	327	376	250	96
Tax	18	72	84	64	17
PAT	52	255	292	186	79

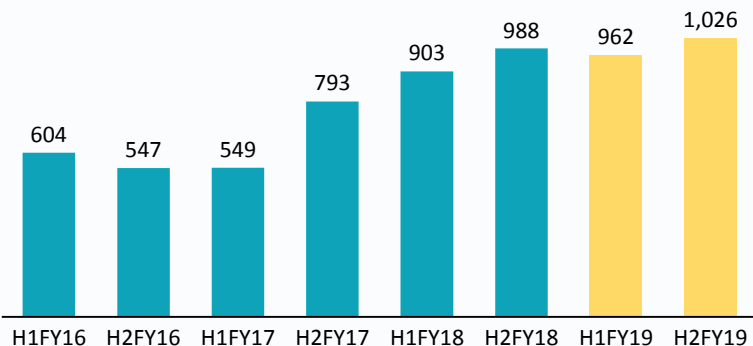
*As per IND AS

Consolidated Balance Sheet as on 31st March 2019 (As per IND AS)

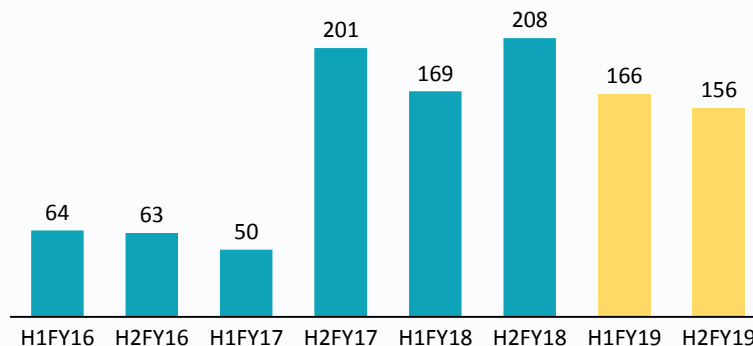
Particulars (Rs. Crs.)	Mar-19	Mar-18
Equity	1,113	868
Equity share capital	29	29
Other Equity	1,083	838
Non Controlling Interest	1	1
Non-current Liabilities	35	32
Financial liabilities		
i. Borrowings	4	4
Provisions	2	2
Deferred tax liabilities (net)	28	25
Other non-current liabilities	1	1
Current Liabilities	371	315
Financial liabilities		
i. Borrowings	3	25
ii. Trade payables	246	147
iii. Other financial liabilities	27	46
Provisions	1	1
Current tax liabilities (net)	1	6
Other current liabilities	93	90
Total Equity and Liabilities	1,519	1,215

Particulars (Rs. Crs.)	Mar-19	Mar-18
Non-Current Assets	278	280
Property, plant and equipment	229	238
Intangible Assets	0	0
Financial Assets		
i. Investments	6	7
ii. Other Financial Assets	33	28
Non Current Tax Assets (net)	6	3
Other non-current assets	4	4
Current Assets	1,241	935
Inventories	261	248
Financial assets		
i. Investments	622	335
ii. Trade receivables	257	243
iii. Cash and cash equivalents	17	32
iv. Bank balances	29	26
v. Loans	0	0
vi. Other financial assets	4	4
Other current assets	51	47
Total Assets	1,519	1,215

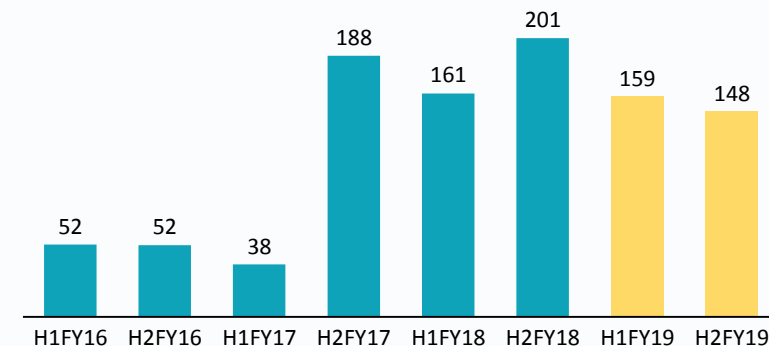
Operating Income (Rs. Crs.)



EBITDA (Rs. Crs.)



EBIT (Rs. Crs.)



Particulars (Rs. In Crs)	ROCE on Semi-Annual basis							
	H1FY16	H2FY16	H1FY17	H2FY17	H1FY18	H2FY18	H1FY19	H2FY19
Equity	355.6	394.7	421.8	592.4	711.4	875.1	995.9	1,120.0
Long Term Debt	140.7	122.1	79.6	60.0	40.7	19.7	7.8	3.7
Short Term Debt	36.7	17.3	8.2	17.1	7.0	25.0	0.0	3.4
Cash & Cash Equivalents	59.7	87.7	85.4	156.0	190.4	383.6	550.7	663.7
Capital Employed	498.9	500.0	469.6	603.6	622.8	586.9	500.8	506.3
ROCE Half Year (%)	10.6%	11.3%	8.7%	40.1%	29.7%	36.3%	32.1%	32.3%
ROCE for Full year (%)	22.6%		48.2%		65.4%		66.9%	

Every dollar is conservatively spent to generate higher ROCE



Maintaining the Maithan Edge

The background features a dark grey bar chart with a pen resting on it. The chart has a y-axis with labels 200, 300, 400, and 500. The bars show a general upward trend. The text 'Maintaining the Maithan Edge' is centered over the chart in a large, white, bold font. The entire graphic is framed by a blue and grey arrow shape pointing to the right.

Largest Manufacturer



India's largest
Manganese Alloy
Producer and
Exporter

20 Years Rich Experience

20
years.

Two decades of
experience and
continuous growth

Robust Balance Sheet



Net Cash Company
Credit Rating:
CARE AA
CRISIL AA
CARE/CRISIL A1+

Niche Products



Basket of the most
valuable Techno-
Commercial
Products

↑ Stake Holder Return's

- ROCE Increased by +4,000 bps
- ROE Increased by +1,800 bps



EBIDTA

Increased by +53% CAGR



Net Cash

Position of **Rs. 667** Crores
as on March 2019



Revenue

Increased by +19% CAGR



PAT

Increased by +62% CAGR

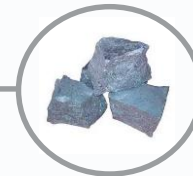
CAGR calculated from FY2014 to FY2019

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



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

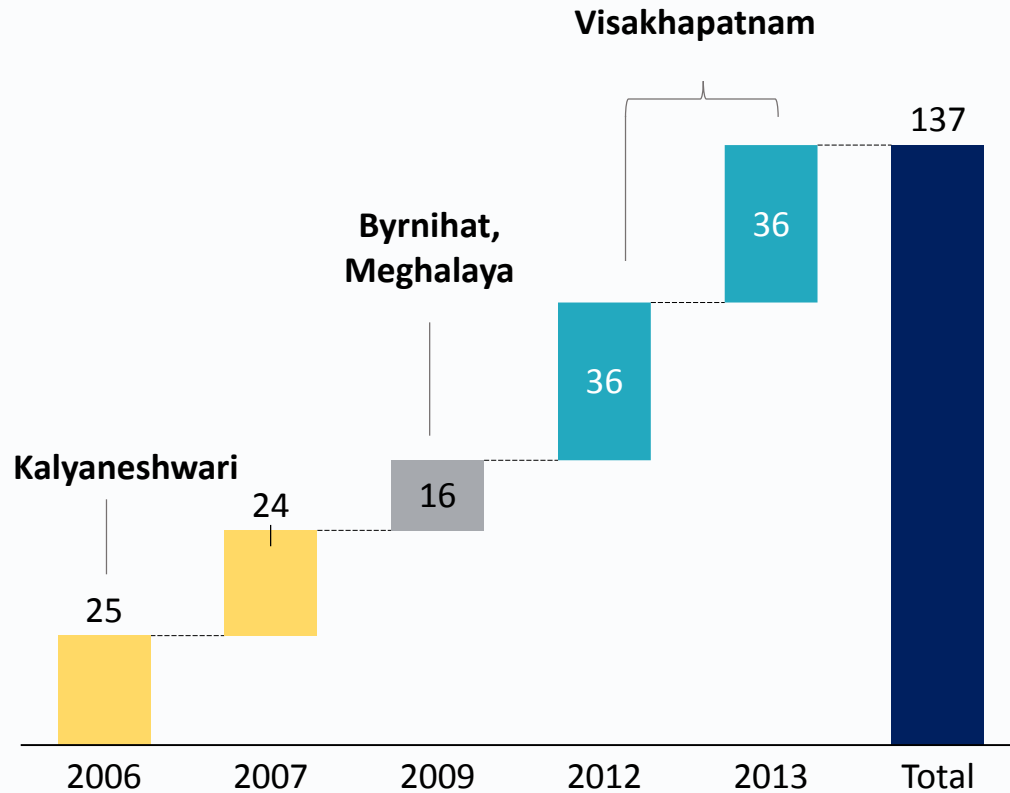


Silicon Manganese

- 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

Capacity addition to support Growth

Capacity Built-up

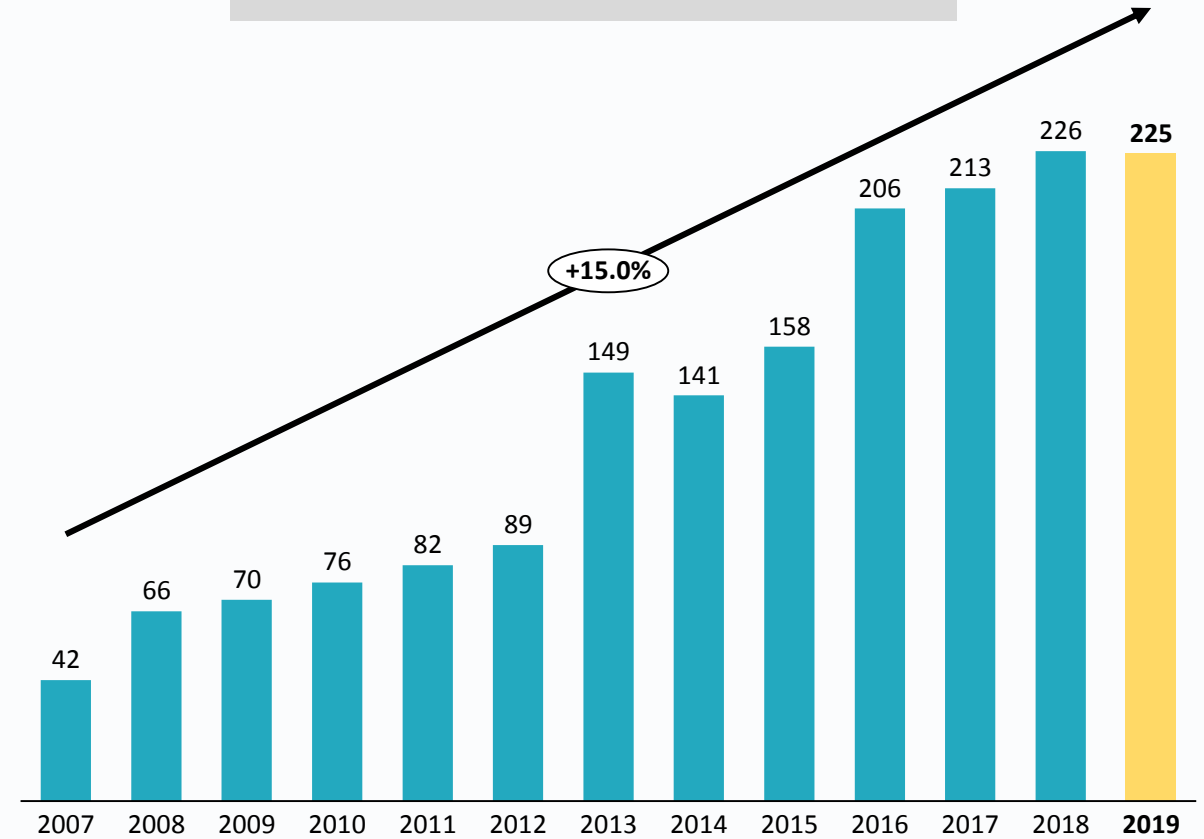


In MVA

Increase in Capacity at Strategic Locations to support Profitable Growth

1MVA = ~1,650 MT

Production



Installed Capacity of 137.25 MVA



Quality remains the core to everything that we do. We achieved the ISO 9001 certification in 2003. This achievement makes a part of a world-recognized Quality Management System that helps us meet the expectations and needs of our customers every time.



International standard for Health & Safety was achieved by Maithan in 2016. The addition of this certification has been a new feather in our cap-making us stronger and taking our successes a step forward to include the health and safety not only of our processes but also our people.



We have already started the processes to be ISO14001 compliant. It's a standard that sets out criteria for an environmental management system. With this certification, we aim to map out a framework that we will follow to set-up an effective environmental management system.

72.0 MVA

Visakhapatnam (SEZ)

- **Smelters:**
 - 4 x MVA 18.0 MVA
- **Products:** Ferro Manganese/ Silicon Manganese
- **Raw Material:** Manganese ore, Coke, Coal
- **Sourcing:** Imports 90% Domestic 10%
- **User Industry:** Steel

48.75 MVA

Kalyaneshwari

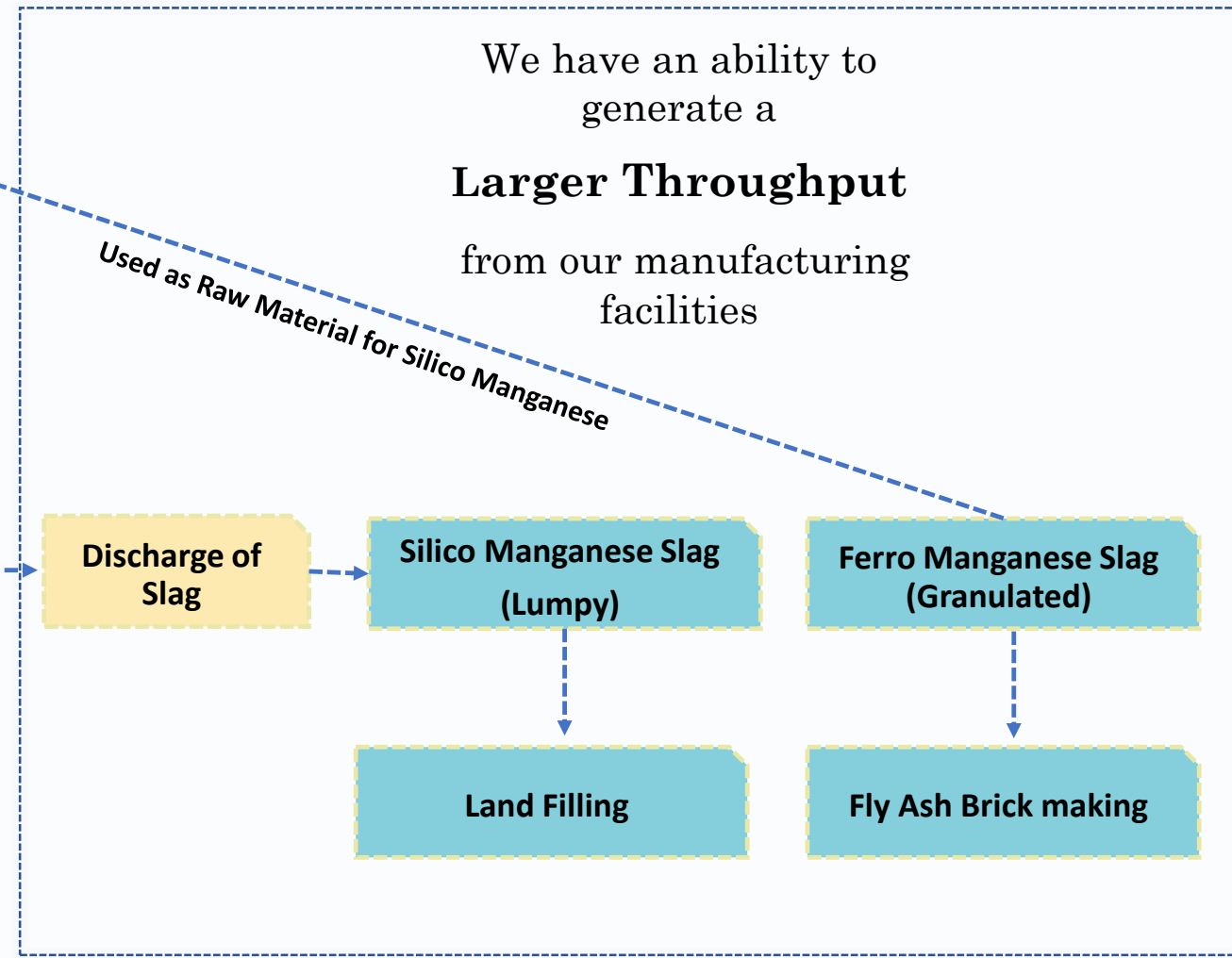
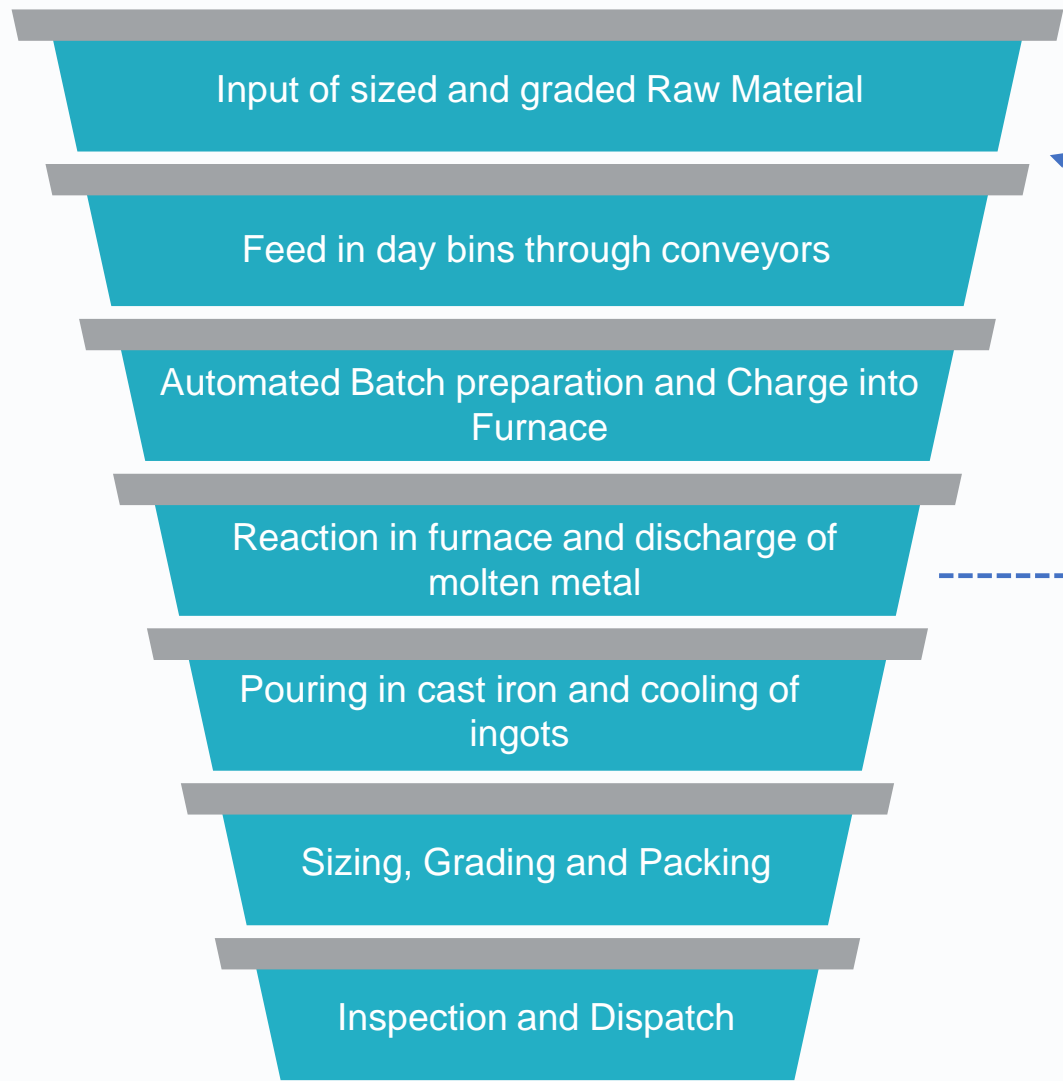
- **Smelters:**
 - 2 x 5.0 MVA
 - 1 x 6.5 MVA
 - 1 x 8.25 MVA
 - 2 x 12.0 MVA
- **Products:** Ferro Manganese/ Silicon Manganese
- **Raw Material :** Manganese ore, Coke, Coal
- **Sourcing :** Imports 65%, Domestic 35%
- **User Industry:** Steel

16.5 MVA

Byrnihat

- **Smelters:**
 - 2 x 8.2 MVA
- **Products:** Ferro Silicon
- **Raw Material:** Quartz, coke, coal
- **Sourcing:** Domestic 100%
- **User Industry:** Steel

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



Strong Client Relationships

75% Repeat Clients



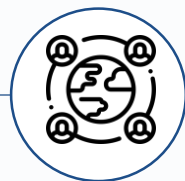
Shift of focus from **'Stable' Europe** to **'Growing' Asia** helping in better realizations



~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**



"We are pleased to have formed a partnership with Maithan Alloys and we truly appreciate their commitment to quality and customer service. They have put forth all efforts to accomplish our needs amid our dynamic priorities and have always delivered to the deadlines set by us."



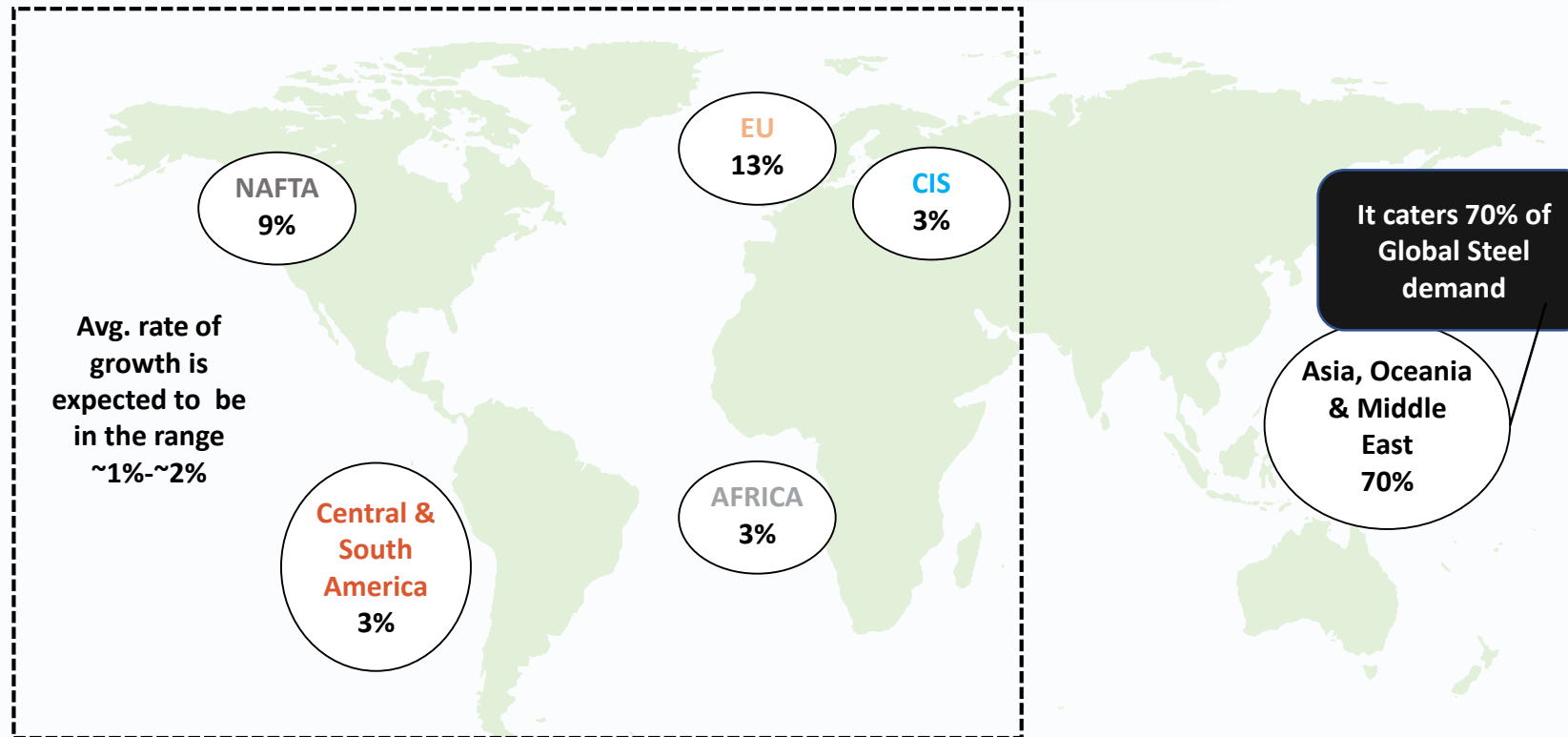
"From the beginning of our association with Maithan Alloy, we found the team to 100% committed to achieving customer service at any cost. M/s. Maithan Alloys are extremely professional and competent. We are very impressed with their ability to include continuous improvement in work processes."



Association with SAIL and JSL being more than a decade

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

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

Favourable Demand –Supply Dynamics in Indian Steel Industry



100 % FDI allowed in the mining sector & exploration of metal & non metal ores under the Automatic Route



2017 Budget outlay of ~ Rs. 4 tn in infrastructure to drive domestic steel consumption



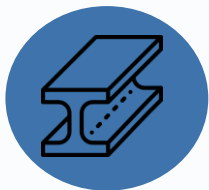
'Housing For All' to drive housing demand thereby benefitting steel industry



Anti-dumping Duty on Steel Products



India ranks 4th globally in terms of iron ore production



India has become the 2nd largest steel producer in FY19

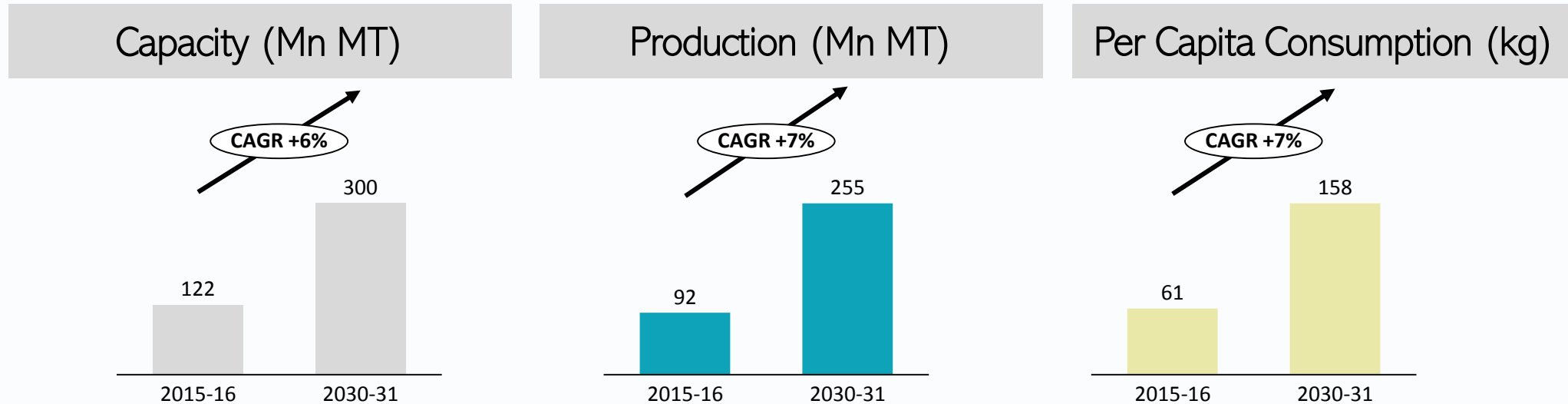


Steel Industry's Outlook to increase capacity to 300 Mn T by 2030 to drive demand for ferro alloys



India's GDP to grow by +7 % (IMF) over the next two years

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%

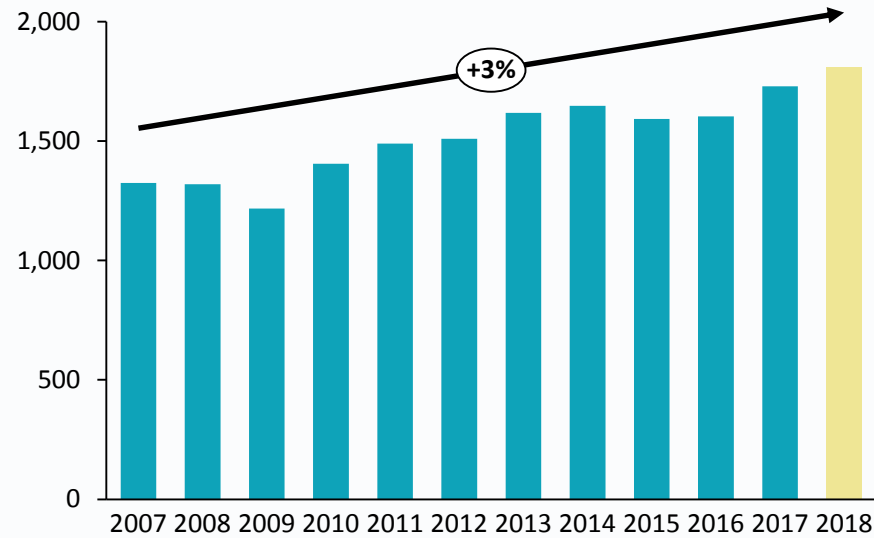
Policy to increase consumption of Steel in Infrastructure, Automobiles & Housing sector

Provide policy support & guidance to private manufacturers, MSME Steel producers, CPSEs

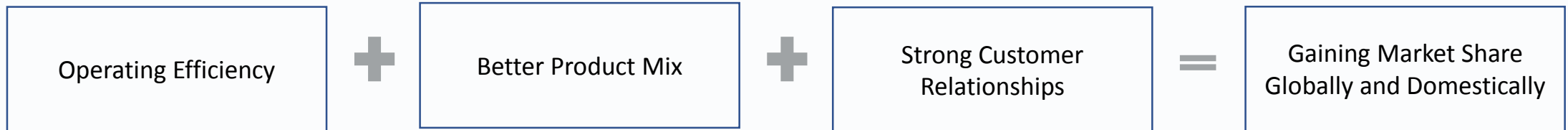
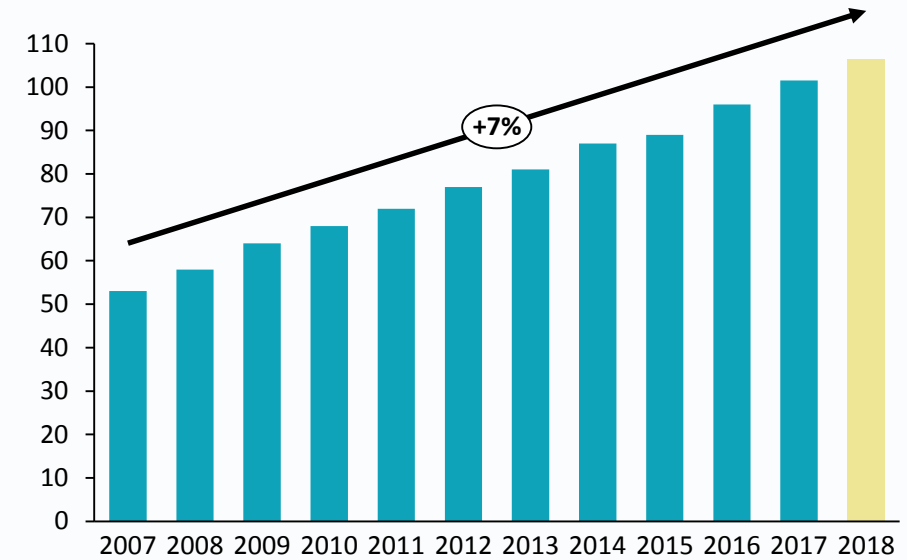
Steel Ministry will facilitate R&D through the establishment of Steel Research & Technology Mission of India (SRTMI)

~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)



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

Source: World Steel Association

For further information, please contact:

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