

Date: 13th November, 2024

To
The Listing Department,
National Stock Exchange of India Ltd,
Exchange Plaza,
Bandra Kurla Complex, Bandra (East),
Mumbai- 400051

Ref.: Megatherm Induction Limited / NSE/2024-25/52
Symbol: MEGATHERM
ISIN: INE531R01010

Dear Sir/Madam,

Sub: Investor Presentation on the Un-audited Financial Results of the Company for the Half Year ended September 30, 2024

With reference to the captioned subject, we, Megatherm Induction Limited, are submitting herewith the Investor Presentation on H1 FY25 Financial Results for all the stakeholders of the company.

A copy of the same is also being made available on the website of the Company at <https://megatherm.com>.

Kindly take the same into your records.

Yours faithfully
For, Megatherm Induction Limited

(Abanti Saha Basu)
Company Secretary & Compliance Officer

Place: Kolkata



MEGATHERM Induction Limited.

INVESTOR PRESENTATION
H1FY25

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Way Forward



01

ABOUT US





ABOUT US

Manufacturer of :

Induction heating and melting products

Transformers

Ladle refining furnaces

Continuous Casting Machines

Fume extraction systems

Electric arc furnaces

- Services portfolio includes turnkey solutions for steel plant, which involves design, engineering, supply, erection & commissioning of the steel melt shops
- After sales service includes maintenance contracts & spare parts business
- Company caters to Key Industries including Primary & Secondary Steel Producers, Auto Ancillaries, Ordnance Factories & Railways, DI Pipe Producers etc
- Over 3000+ installations in 52+countries across regions like South America, Africa, Asia (Gulf, SAARC, South East Asia) & Europe
- ISO Certified Plant at Kharagpur, West Bengal with international quality and operating standards

OUR JOURNEY

<p>Megatherm was incorporated</p>	<p>1989</p>	<p>2013-2016</p>	<p>First 132 kV power & distribution transformer manufactured. First power & distribution transformer export. First multiple TMT bar heater of India supplied for epoxy coating</p>
<p>Heating division was launched and Recognized by Ministry of Science and Technology as an "In House R&D unit"</p>	<p>1994-2000</p>	<p>2017-2018</p>	<p>Inauguration of Kharagpur facility Achieved 475 kWh/t for mild steel in 15T furnace marking the launch of Green furnace Achieved 465 kWh/t in 30T Green furnace for mild steel. Supplied first 40T which was the largest furnace exported outside SAARC.</p>
<p>First induction billet heater installed in India. First induction rail hardening equipment of India supplied with integrated straightening Unit. First 25T furnace of India supplied in Hyderabad. First Indian induction furnace exported to Europe (Poland & France) with PLC and automation of western standard. First steel zone heating furnace of India supplied at ordinance factory Ambajahri</p>	<p>2001-2004</p>	<p>2019-2023</p>	<p>Crossed Milestone of 100 Crore in FY19 FY21-23 - Revenue CAGR - 35%</p>
<p>Takeover of Engel India Machine Tools Transformer manufacturing begins First OFWF converter transformer designed by an Indian company. First constant power factor Current Fed induction zone heaters of India supplied in Tata Motors Megatherm's first turnkey project</p>	<p>2005-2011</p>	<p>2024</p>	<p>Megatherm Induction Limited Listed on National Stock Exchange</p>

MANAGEMENT TEAM

MR. SHESADRI BHUSAN CHANDA Chairman & Managing Director

Bachelor of Electrical Engineering - Jadavpur University - Gold medalist, topper and recipient of various awards Experience - 45 Years

MR. SATADRI CHANDA Whole Time Director & CFO

Bachelors of Technology in Electronics & Communication Engineering - West Bengal University of Technology Master of Science (Industrial & Systems Engg) - Virginia Polytechnic Institute & State University, USA Experience - 9 Years - 2 Years work experience in KPMG's Management Consulting (Strategy & Operations) division. He has been associated with Megatherm Induction for the last 7 years



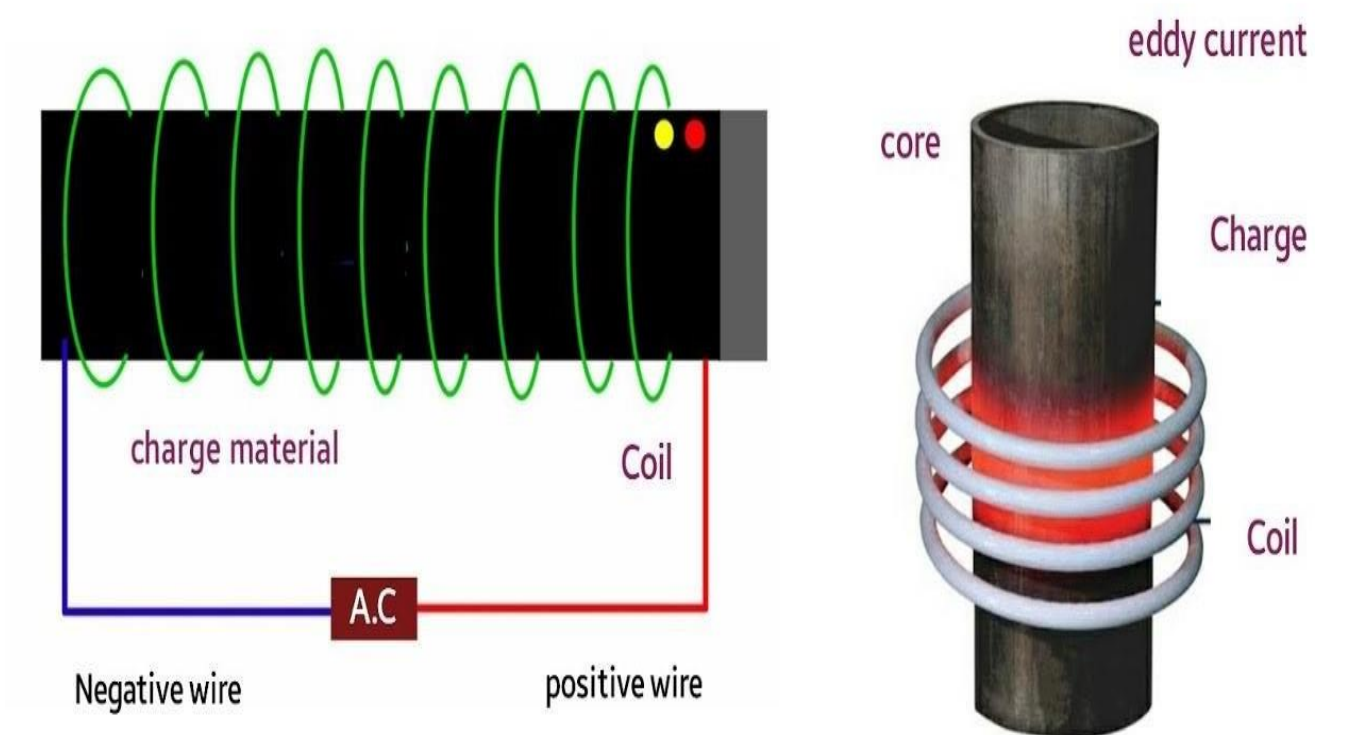
Induction Technology & Application

Principle of Induction

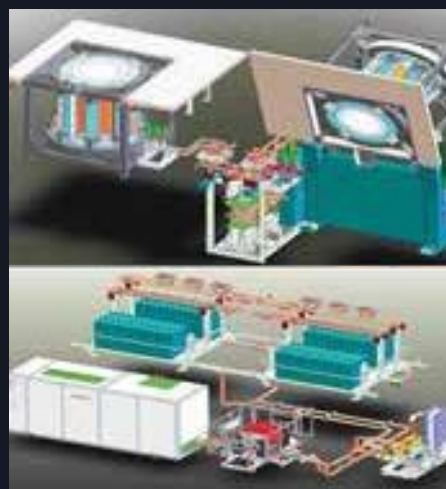
- When Alternating Current (AC) current is passed through a coil around a metallic object (ferrous), magnetic flux is generated within the conductor which induces eddy currents that enable the heating and melting of the metal
- Depending on how much power and at what frequency the power is given, that will determine the heating and melting of the metal etc
- It is not through conduction but induction

Application of Induction

- Melting - Mainly used in Foundry & Steel Sector
- Heating - Mainly used in Railways, Pipes & Tubes, Automotive and Metal Working sectors



OUR PRODUCTS (1/2)



01 INDUCTION MELTING FURNACE

- Electrical furnace used to melt iron and steel, copper, aluminum, and precious metals or make alloys of different compositions
- Application in metal industry segments like Automobile casting, DI pipe casting, Manganese steel casting, heavy engineering casting, casting of railway components, metal roll manufacturing etc.

02 INDUCTION BILLET HEATERS

- Heating of ferro-magnetic and austenitic quality steel billets to the forging temperature of 1200 – 1250 Celsius
- Heating of non-ferrous metals like aluminum, copper and its alloys like brass and bronze

03 INDUCTION HARDENING & HEAT TREATING EQUIPMENT

- Utilizes the principle of electromagnetic induction to produce heat inside the surface layer of the metal
- Used in manufacturing air/gas cylinders, annealing of tube and pipe, pipe stress relieving, heating of billets for tube manufacturing etc.

04 INDUCTION POWER SOURCE

- Converters accept multi-phase 50 Hz AC power from the grid, which is rectified to DC and then inverted back into single phase medium or high Frequency AC power.
- Conversion process is effected through Power Electronics Technology using Power Semiconductor Devices.

05 TRANSFORMER

- Converter Transformers - used for induction melting / heating equipment, AC-DC Drives, industrial rectifier etc.
- Electric Arc and Ladle Refining Furnace Transformers
- Distribution Transformers
- Power Transformers

OUR PRODUCTS (2/2)



06 LADLE REFINING FURNACE

- To adjust the chemical composition & raise the temperature of molten metal.
- To hold the molten steel for casting operations
- Acts as a buffer between the steel making furnace and the continuous casting machines



07 ELECTRIC ARC FURNACE

- Melts all type of scrap irrespective of chemical composition or size and also melts direct reduced iron (D.R.I) / Sponge Iron
- Used for steelmaking and smelting of Non-Ferrous metal



08 CONTINUOUS CASTING MACHINE (CCM)

- Converts liquid steel into cast semis of the desired size such as billets, blooms, slabs or strips.
- The liquid steel is poured into molds, where it solidifies into a shell
- The shell is then pulled out by rollers and cooled further



09 RAIL HARDENING MACHINE

- Used for heat treatment & hardening of rails
- Power range is 200 kw - 300 kw



10 FUME EXTRACTION SYSTEM

- Used to extract fumes emanating from melting furnaces due to burning of Silica / Slag / Impurities during metal melting process



MANUFACTURING FACILITIES - 1/2

State of the art Production & Testing facility along with R&D lab & Training Centre spread across 8 acres in Vidyasagar Industrial Park, Kharagpur, West Bengal



01

Equipped with machineries including CNC Lathe Machine, CNC vertical machine centre, Heat chamber, 1600 kVA Auto Main Transformer etc

Material Handling Equipment include EOT Crane, Tow Truck, fork lift truck, pallet truck, air lift (hydraulic) etc

02

In-house testing laboratory for conducting tests on raw materials & ensuring production as per pre-determined standards.

Testing machines include Oscilloscope 4 channel, frequency convertor testing setup, conductivity meter (techno four make), furnace oven temperature control panel, PLC unit for testing bay, electronic weighing machine, copper loss test trx, power source for capacitor/ PCB testing machines etc.



MANUFACTURING FACILITIES - 2/2

NEW PRODUCTION & TESTING FACILITY LOCATED AT VIDYASAGAR INDUSTRIAL PARK, KHARAGPUR, WEST BENGAL

Types of Transformers that will be manufactured

- Power & Distribution Transformers
- Inverter Duty Transformers
- Converter Duty Transformers
- LRF/Arc Furnace Transformers

Largest Transformer Manufacturing Facility in Eastern India



IN-HOUSE ENGINEERING & DEVELOPMENT

Engineering

Dedicated team of Experienced Engineers having expertise in various engineering applications & problem-solving skills to provide total Engineering Solutions to our customers

Research & Development

Many design features which we are providing now (like Nano cable system, synchronized rectifier control board, low power efficiency system) is currently only under development with other brands. Megatherm is differentiated from others for its continuous R&D and is known to have the best R&D team that has ushered in many technological changes over the years

Some upcoming technologies

- Dual Mode Inverter
- Hybrid Panel
- AI Panel
- Zero Voltage Drop Design



OUR PRESENCE

WIDE SPREAD DOMESTIC & INTERNATIONAL PRESENCE IN 4 CONTINENTS

OVER 3000+ INSTALLATIONS IN 52+ COUNTRIES



Diversified Clientele across Industries



Primary Steel producers
(involved in conversion of iron ore into sponge iron & subsequent conversion into steel)

Secondary Steel producers
(involved in scrap recycling)
Refractory-lined vessel is used as the furnace

Auto ancillaries

DI pipe producers and diverse engineering industries

Ordnance factories & Railways

Key Competitive Advantages

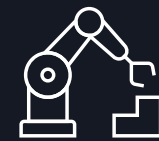
No Capacity Constraint

Land parcel available for future growth expansion in newer products segments to capture market growth



EXPERIENCED & QUALIFIED MANAGEMENT TEAM

- Well placed to capitalize the knowledge & experience of management team
- Supported by experienced personnel having industry experience



ESTABLISHED MANUFACTURING FACILITY

- Equipment and infrastructure capable to carry out end to end manufacturing activities
- Capable to meet customized & stringent requirements of Customers including product design and development, material sourcing, designing, testing and equipment effectiveness
- Products delivered in a cost-effective manner without compromising on quality.



LONG STANDING RELATIONSHIP WITH CUSTOMERS

- Well Diversified customer base all over India and different parts of globe
- Track record of delivering timely services & demonstrated industry expertise



TECHNICAL CAPABILITIES FOR COMPLEX APPLICATION

- Equipped for complex manufacturing processes and producing goods which require precision and engineering competence
- Deployed stringent quality control systems to ensure quality, safety feature, efficiency measures as per Customer requirements
- Complex Manufacturing process & stringent quality requirements are entry barriers for new players
- Continuous research & development leading to high efficiency & reliability of equipment



02

INDUSTRY OVERVIEW



Industry Overview

INDIAN FOUNDRY INDUSTRY

- Industry has a turnover of approx. USD 19 billion with export approx. USD 3.1 billion
- Approx 4500 units of which 1500 units have International Quality Accreditation
- Growing awareness about environment & many foundries switching to Induction Furnaces

AUTOMOBILE COMPONENT INDUSTRY

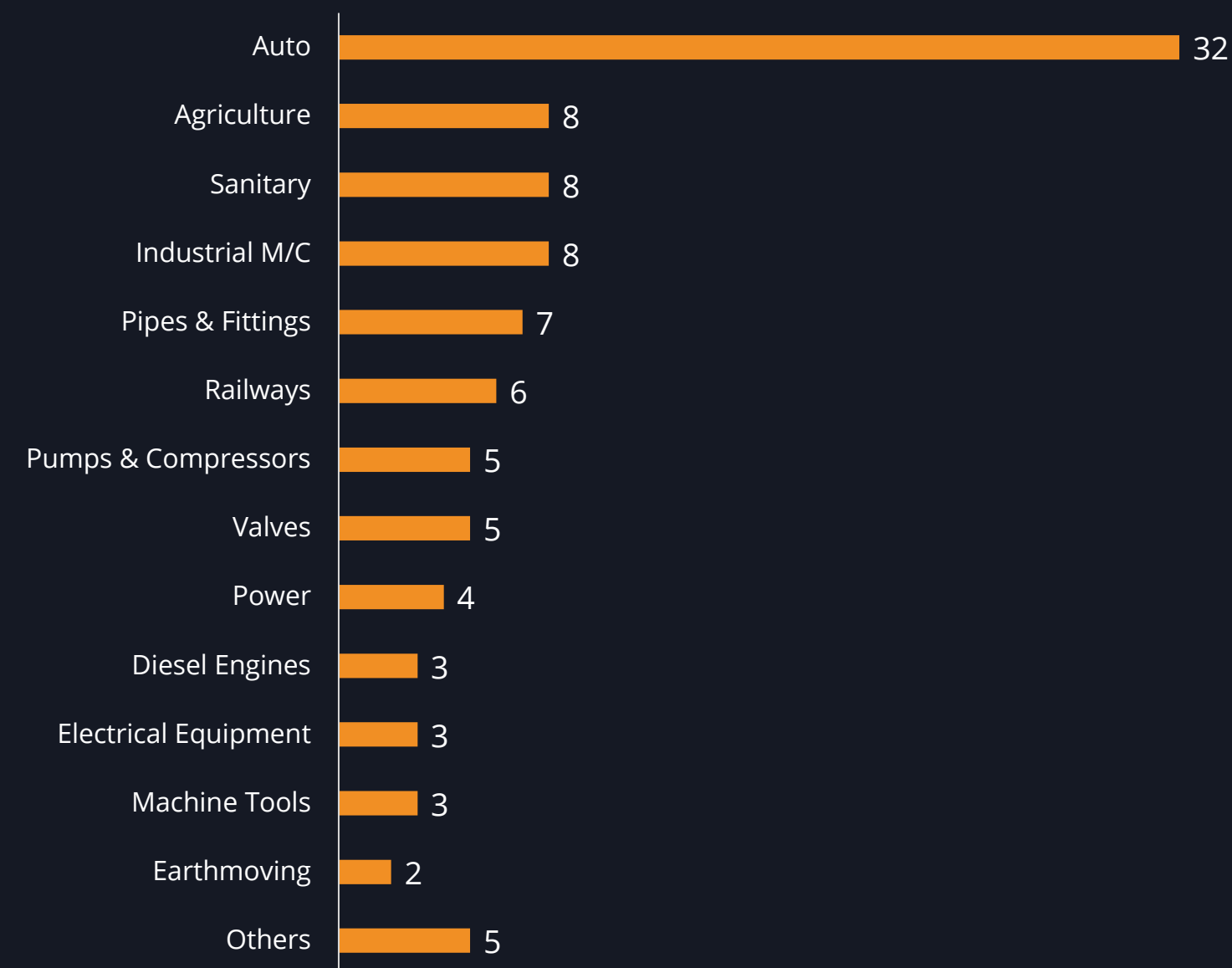
- The automobile component industry turnover stood at Rs. 6.14 lakh crore (US\$ 74.1 billion) during FY24, registering a revenue growth of 9.8% as compared to FY23.
- Exports of automobile components from India increased, at a CAGR of 8.75%, from US\$ 10.83 billion in FY16 to US\$ 21.20 billion in FY23.
- Set to become the 3rd largest globally by 2025

POWER SECTOR

- Demand rose by a strong 8.4% in 2022
- sectors continued accelerate growth

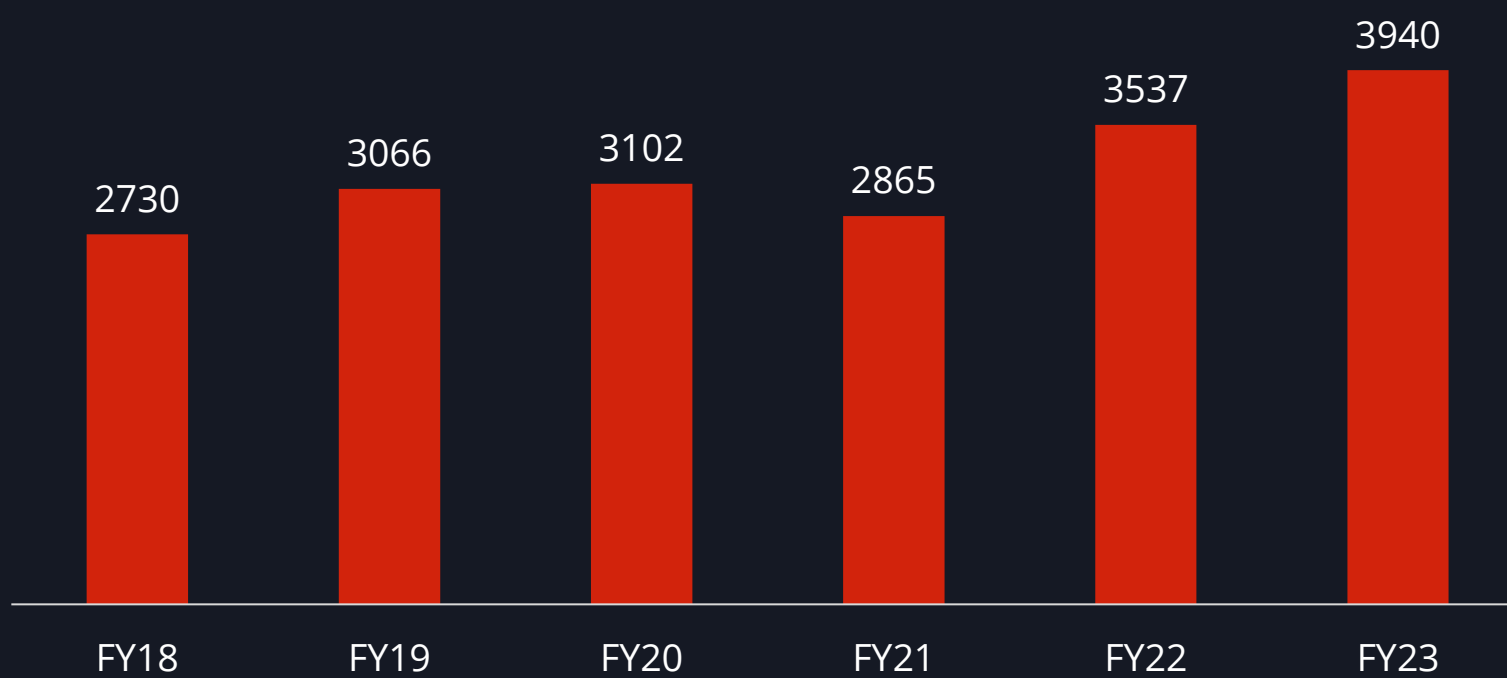
The India Foundry Market size is estimated at **USD 19.46 billion in 2024**, and is expected to reach **USD 31.77 billion by 2029**, growing at a CAGR of 10.30% during the forecast period (2024-2029). Source: <https://www.mordorintelligence.com/industry-reports/india-foundry-market>

Sectorwise major consumer of castings

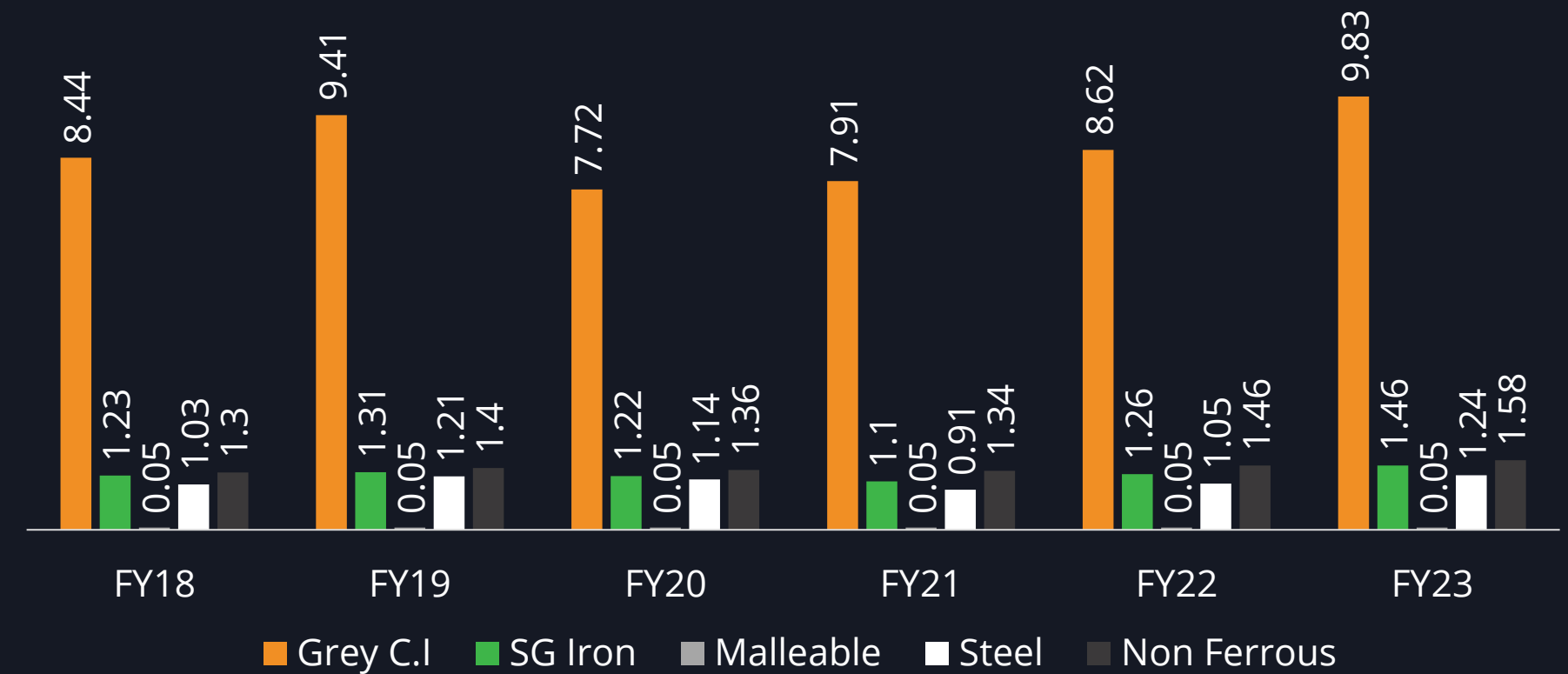


Indian Production & Export Of Casting (Million M.T)

Export Data of Major Castings (Mn USD)



Production Of Casting In India (Million M.T)

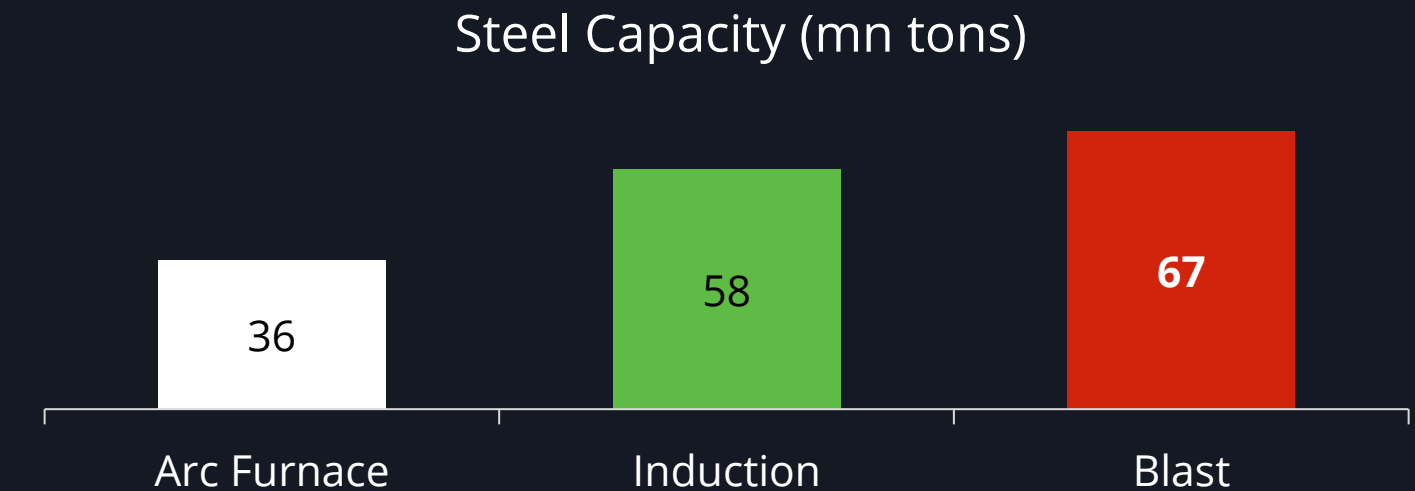


Industry Growth Drivers

Policy initiatives to drive manufacturing
GOI to spend \$1.4 trillion on infrastructure by 2025.

- Make in India
- Atma Nirbhar Bharat
- Vocal for Local
- Specialty steel production-linked incentive (PLI) scheme,
- Pradhan Mantri Awas Yojna
- Developing Smart Cities,

India Capacity (FY23) - 161mn tons
Arc 36mn tons, Induction - 58mn tons, Blast - 67mn tons



Growing investments in Manufacturing

- India cementing its position as a global automotive R&D hub, with many MNC's setting manufacturing and R&D base. Ample availability of a low-cost and skilled workforce. Automobile sector to attract USD 8-10 bn in local and foreign investments by 2023
- Improved road & rail connectivity by building highways, bridges & dedicated freight & superfast rail corridors etc.
- Scrap recycling policy
- National Institute of secondary steel technology (NISST) catering to technological development

Power sector

- Demand rose by a strong 8.4% in 2022
- Electrification of the transport and heating sectors continued accelerate growth

Automobile component industry

- Valued at \$20.1 Bn in FY21 & expected to reach \$80 Bn by 2026
- Grew 34.8% to INR 2.65 lakh Cr in H1 FY23
- Set to become the 3rd largest globally by 2025



Advantages of Induction Technology for steel melting

	Blast Furnace (BF)	Electric Arc Furnace (EAF)	Induction Furnace (IF)
CO2 Equivalent Emissions Estimated range of CO2 equivalent (CO2e) emissions (in tons) per ton of crude steel production	2.2 – 2.6 BF - BOF	0.6 – 0.8 Scrap based EAF	0.3 – 0.4 Scrap based IF
Energy Efficient	Process of ironmaking is lengthy & uses more energy Link	Less efficient in places prone to blackouts Link	Clean & energy-efficient way of producing heat. Link
Recycling	-	It emits a lot of dust and debris. Link	The melting process of scrap metals, which in turn increases the speed of recycling them. Link
Cost	Coke sources are getting more expensive and less plentiful	Graphite electrode costs are increasing over time	Cost- Effective Link



03

ANNEXURES





QUALITY ASSURANCE

Certified with international standards of Quality Management Systems such as ISO 9001:2015 from SGS United Kingdom Limited.

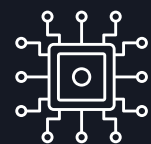
Inspection and Testing



Quality is an online & continuous activity integrating people, communication, process controls, designing, engineering, production & inspection departments



Usage of sophisticated equipment's in inspection



Testing technology calibrated to world standards



AWARDS AND RECOGNITION



Star Performer of the Year
2007-2008

Award for Miscellaneous General Purpose Machinery, EEPC India, Eastern Region



Star Performer of the Year
2012-2013

Award for Export Excellence 2012-13
EEPC India, Eastern Region



Manufacturing and MSME
Conclave 2022



Manufacturing and MSME
Conclave 2022

Green Manufacturing
of the year



40 Under 40 Achievers Of
The Year 2023

Award for among the most
innovative and influential leader
under the age of 40 by Times Group



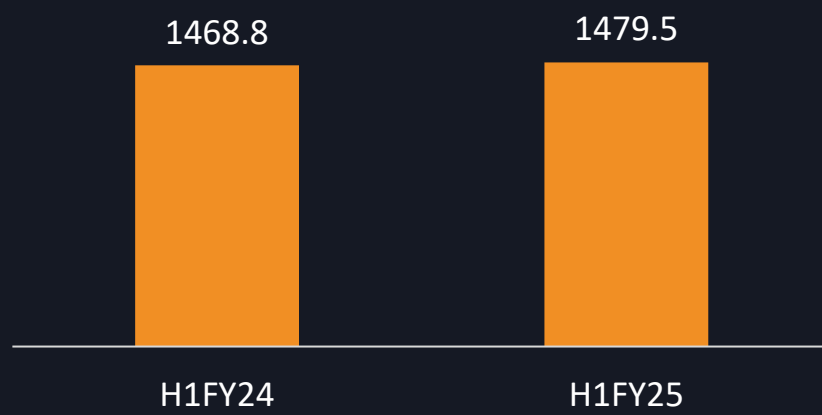
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KEY PERFORMANCE HIGHLIGHTS



KEY PERFORMANCE HIGHLIGHTS - H1FY25

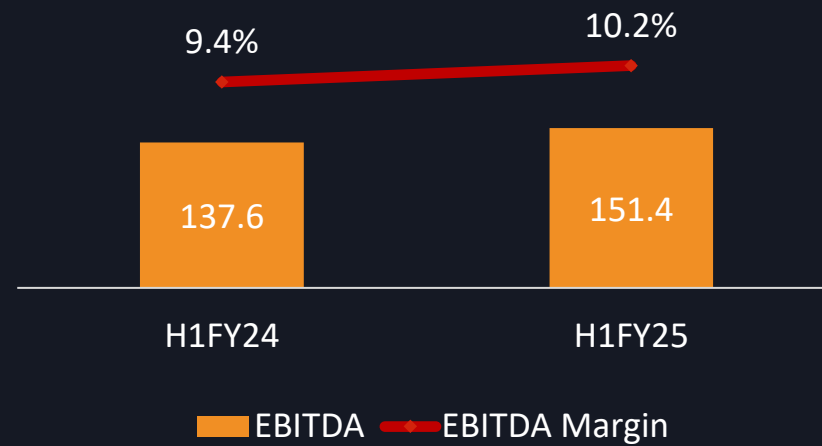
REVENUE (Rs. Mn)



Revenue

+ 0.7% YoY

EBITDA (Rs. Mn)



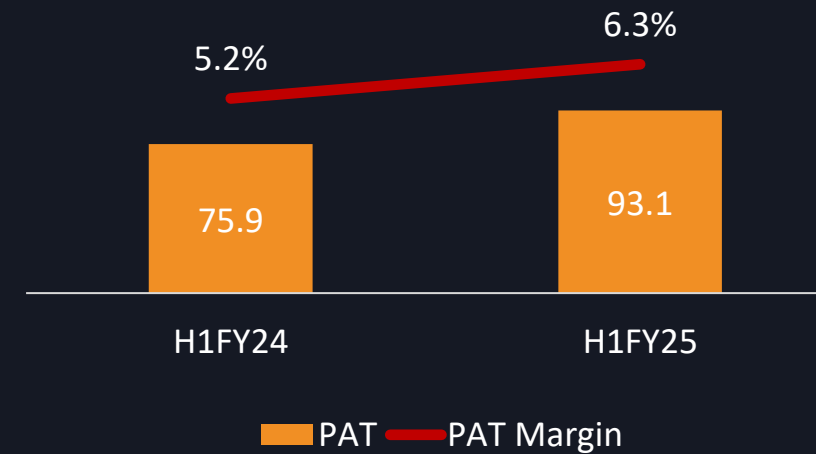
EBITDA

+ 10.0% YoY

EBITDA Margin

+ 86 bps YoY

PAT (Rs. Mn)



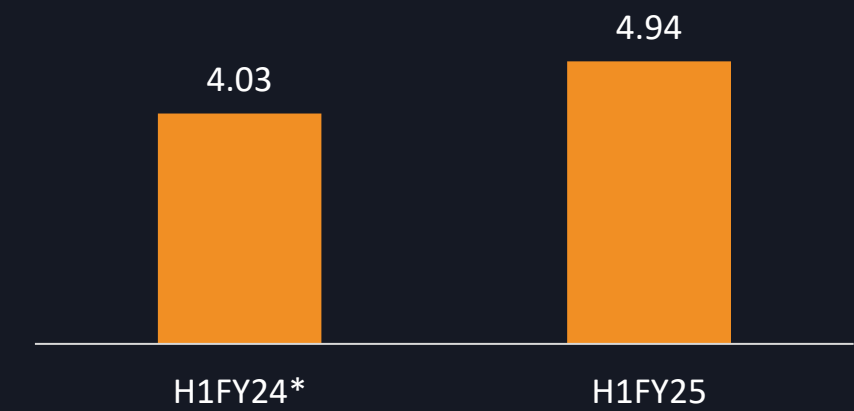
PAT

+ 22.6% YoY

PAT Margin

+ 112 bps YoY

EPS (Rs)



EPS

+ 22.6% YoY

*Historically Adjusted



HALF YEARLY STATEMENT - H1FY25

Particulars (Rs. in Mn)	H1FY25	H1FY24	YoY (%)	FY24
Revenue From Operations	1479.51	1468.75	0.73	3,062.55
Total Expenditure	1,328.13	1,331.14	- 0.23	2,702.15
EBITDA	151.38	137.61	10.01	360.40
EBITDA Margin (%)	10.23	9.37	86 bps	11.77
Other Income	17.77	4.48	296.45	11.22
Depreciation	19.54	16.17	20.83	33.85
PBIT	149.60	125.92	18.81	337.77
Interest	24.05	25.05	- 3.99	61.77
Profit Before Tax	125.55	100.87	24.47	276.00
Tax	32.45	24.93	30.15	68.76
Profit After Tax	93.10	75.93	22.61	207.24
PAT Margin (%)	6.29	5.17	112 bps	6.77
Earnings Per Share	4.94	4.03*	22.61	14.13

*Historically adjusted



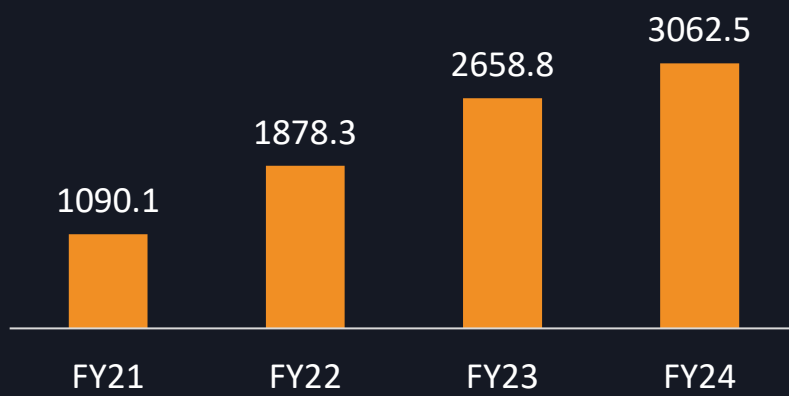
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ANNUAL FINANCIAL OVERVIEW

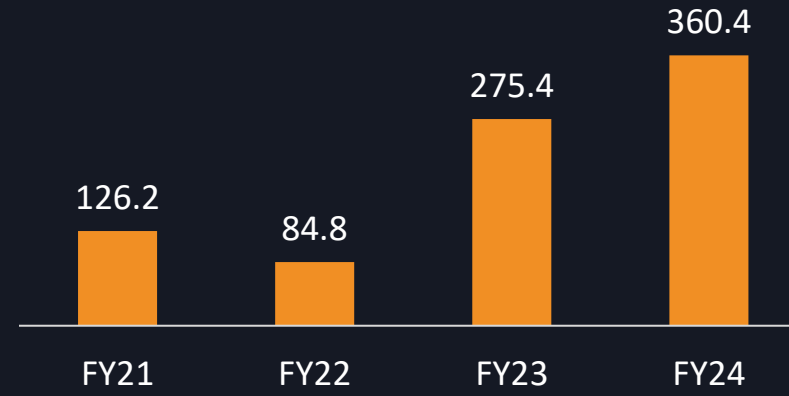


ANNUAL FINANCIAL HIGHLIGHTS

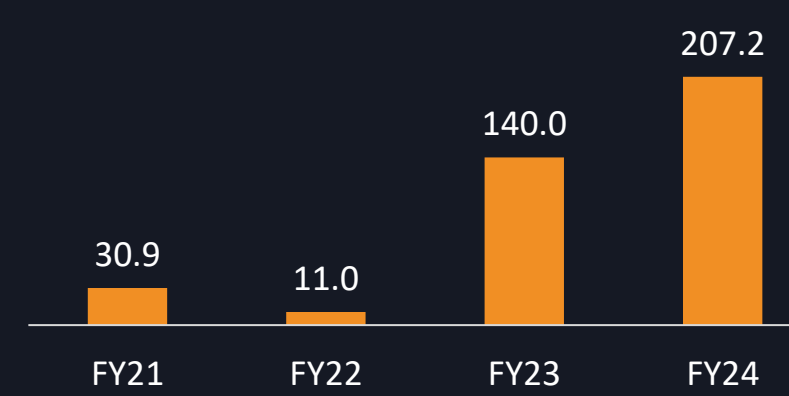
Revenue (Rs. Mn)



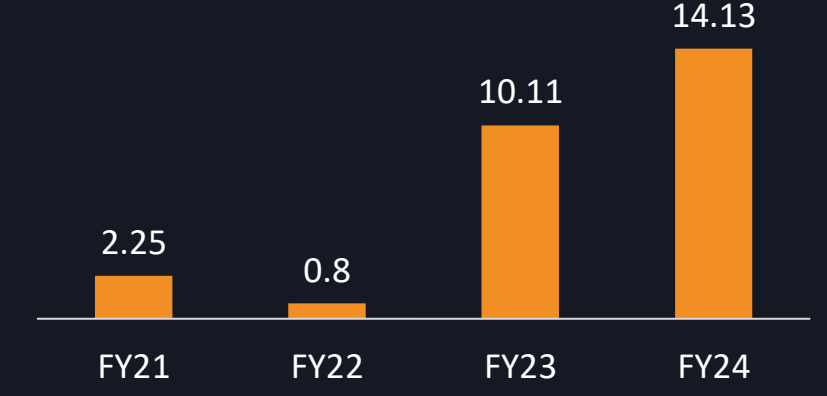
EBITDA (Rs. Mn)



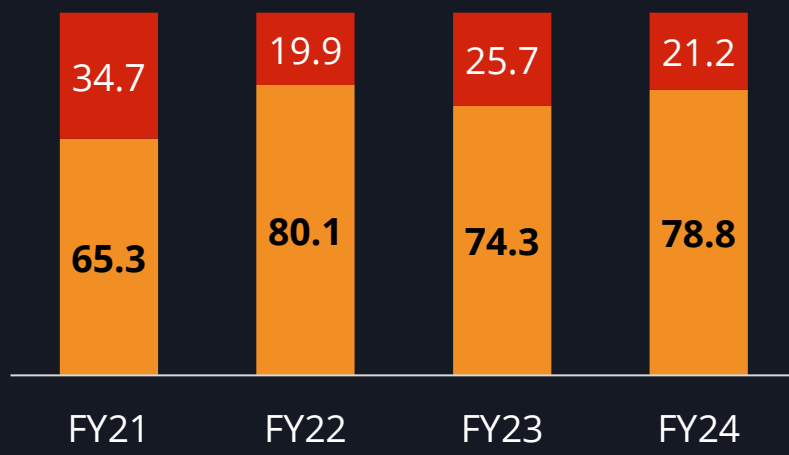
PAT (Rs. Mn)



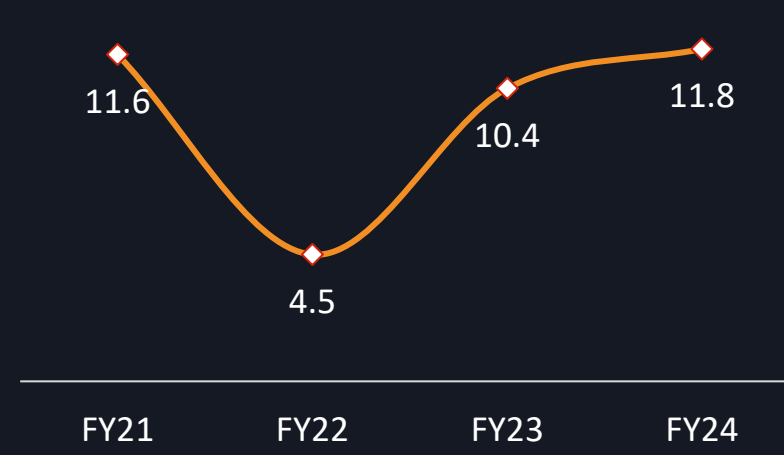
EPS (Rs.)



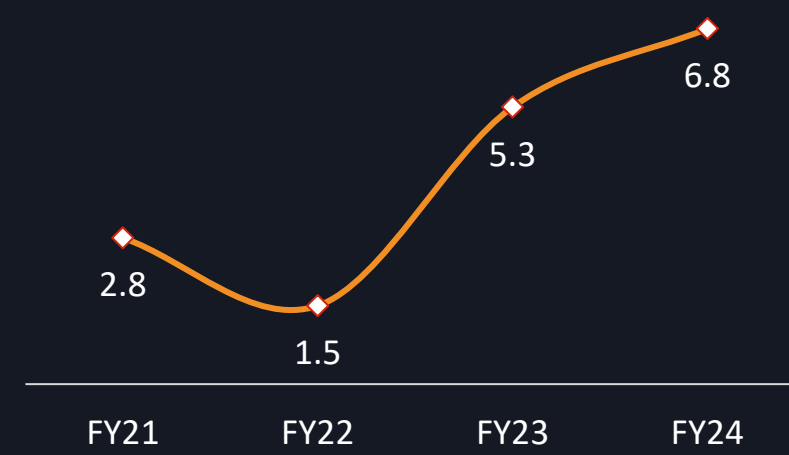
Revenue (%)



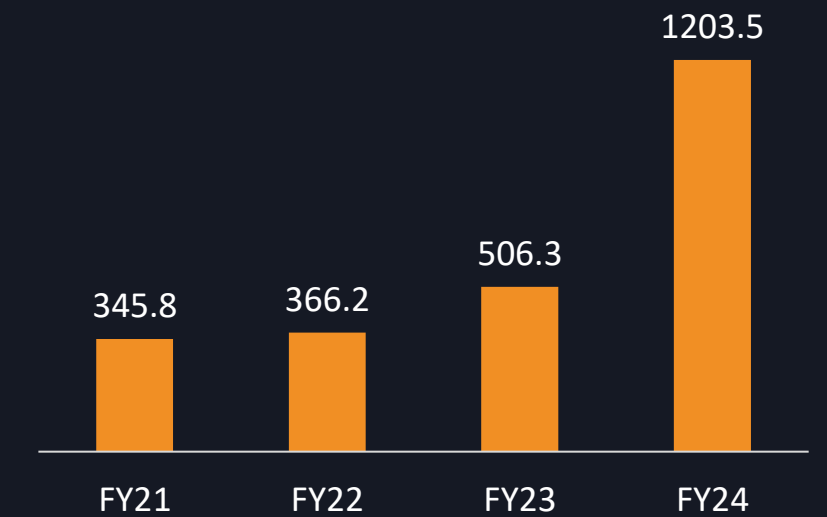
EBITDA Margin (%)



PAT Margin (%)



Net Worth (Rs. Mn)



■ India ■ Other Countries



ANNUAL INCOME STATEMENT

41%
REVENUE CAGR
FY21-FY24

40%
EBITDA CAGR
FY21-FY24

89%
PAT CAGR
FY21-FY24

Particulars (Rs. in Mn)	FY21	FY22	FY23	FY24
Revenue From Operations	1,090.09	1,878.27	2,658.82	3,062.55
Total Expenditure	958.46	1,798.96	2,383.38	2,702.15
EBITDA	131.63	79.36	275.44	360.40
EBITDA Margin (%)	12.08	4.22	10.36	11.77
Other Income	2.61	6.38	5.57	11.22
Depreciation	21.04	20.60	24.28	33.85
PBIT	113.20	65.13	256.73	337.77
Interest	70.65	49.94	58.38	61.77
Profit Before Tax	42.55	15.20	198.35	276.00
Tax	11.64	4.19	58.31	68.76
Profit After Tax	30.91	11.01	140.04	207.24
PAT Margin (%)	2.84	0.59	5.27	6.77
Earnings Per Share	2.25	0.8	10.11	14.13



ANNUAL BALANCE SHEET

Equity & Liabilities(Rs. in Mn)	FY23	FY24
Share Capital	92.33	188.41
Reserves & Surplus	413.94	1,015.04
Total Equity	506.26	1,203.45
Long Term Borrowings	137.22	60.17
Deferred Tax Liabilities	30.71	31.58
Long Term Provision	13.79	16.43
Non-Current Liabilities	181.72	108.18
Short Term Borrowings	290.98	301.39
Trade Payables	425.19	425.78
Other Current Liabilities	499.34	637.45
Short Term Provisions	16.30	25.29
Current Liabilities	1,231.81	1,389.90
Total Equity & Liabilities	1,919.79	2,701.52

Assets (Rs. in Mn)	FY23	FY24
Fixed Asset	573.38	631.32
Intangible Asset	6.81	9.39
Work-In-Progress	6.15	0.41
Other Non-Current Asset	94.31	122.75
Non - Current Assets	680.65	763.88
Investment	-	70.00
Inventories	710.93	816.97
Trade Receivables	232.20	319.76
Cash & Cash Equivalents	210.25	606.08
Short Term Loans and Advances	84.37	111.23
Other Current Assets	2.25	13.61
Current Assets	1,240.00	1,937.64
Total Assets	1,919.79	2,701.52



06

WAY FORWARD



WAY FORWARD



EXPAND CAPACITIES

Upon the commissioning of the new transformer manufacturing facility, it is anticipated that transformer sales will increase to approximately ₹100 crore - ₹150 crore. This expansion will also create additional space for growth in induction products, estimated at around ₹50 crore - ₹75 crore.

STRATEGIC INITIATIVES

Continue Strategic Initiatives for Margin Improvements: Backward integration investments and hyperlocal spares service initiatives to be continued and completed by end of FY26

INCREASE MARKET SHARE IN FOUNDRY AND CASTING PRODUCTS

New products have been launched. Implement aggressive marketing strategies to capture a larger share of the foundry and casting market.



EXPAND GLOBAL FOOTPRINT

Establish sales agencies in key international markets and actively participate in trade fairs and other relevant events.



DEVELOP CAPABILITIES FOR NEW APPLICATIONS IN HEATING AND HARDENING SECTOR

Focus on expanding our capabilities in applications where competition is limited.

STRENGTHEN SALES AND MARKETING EFFORTS IN THE STEEL SECTOR

Enhance the sales team and marketing initiatives to further improve market share in the steel sector, particularly in the Western and Southern regions, and for products such as CCM, LRF, and FES



Revenue Target
Rs. **500 Cr** in 2 years

PAT Target
Rs. **45 Cr** in 2 years

THANK YOU

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