

**Date:** 14 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 /2024-25/54

**Symbol: MEGATHERM**  
**ISIN: INE531R01010**

Dear Sir/Madam,

**Sub: Director's Message for Stakeholders regarding H1 FY25 Financial Results**

Pursuant to Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, please find enclosed herewith information with respect to Director's Message for Stakeholders for H1 FY25 Financial Results.

The given information is as per limited review by the Management. This is for the information of the members and the public at large.

The aforesaid information shall be made available on the Company's website 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**





Meeting Thermal Challenges Through Induction

# Director's Message for Stakeholders

## H1 FY25

[www.megatherm.com](http://www.megatherm.com)



Dear Stakeholders,

As we conclude the first half of FY25, I want to extend my sincere gratitude to our investors, vendors, clients, consultants, auditors and dedicated employees for your unwavering support.

I am pleased to report that our topline performance remains consistent with the first half of last year, as our factory operates at approximately 100% capacity. Notably, our bottom line has shown improvement, driven by strategic investments in backward integration and enhanced hyperlocal spares support for our customers. These investments will continue to be a focus, helping us achieve our bottom-line target.

We are on track to reach our goals of a ₹500 crore topline with 9% - 10% PAT margin within a couple of years. Additionally, I'm excited to announce that our new transformer factory, set to be the largest in Eastern India, will be commissioned in the fourth quarter of this financial year, enhancing our capacities.

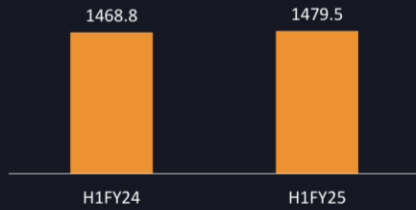
Thank you once again for your trust and partnership. Together, we are building a strong future for Megatherm.

Warm regards,  
Satadri Chanda  
Whole Time Director & CFO  
Megatherm Induction Limited



# KEY PERFORMANCE HIGHLIGHTS - H1FY25

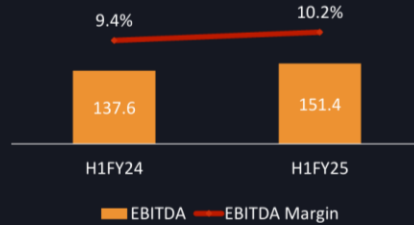
REVENUE (Rs. Mn)



**Revenue**

+ 0.7% YoY

EBITDA (Rs. Mn)



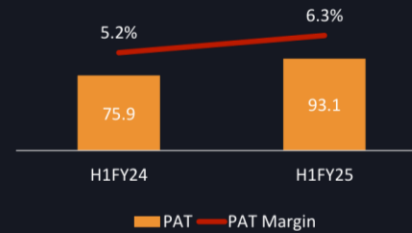
**EBITDA**

+ 10.0% YoY

**EBITDA Margin**

+ 86 bps YoY

PAT (Rs. Mn)



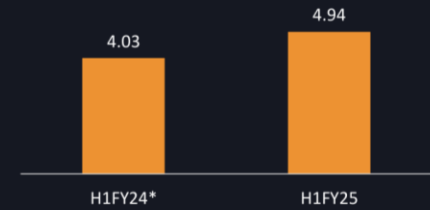
**PAT**

+ 22.6% YoY

**PAT Margin**

+ 112 bps YoY

EPS (Rs)



**EPS**

+ 22.6% YoY

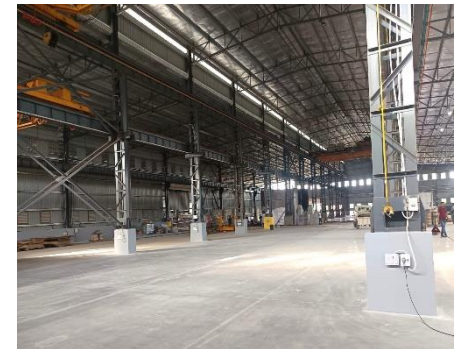
\*Historically Adjusted



# Achieving Topline Target 500 Cr (1/4)

## Transformers

- **Largest transformer manufacturing facility in eastern India:** The shed is complete. Machinery installation is in progress. Commissioning will take place in Q4 FY25. Immediate Capacity: 150 Cr (which can be increased to 200+ Cr with the creation of finished goods stocking yard and adding some machinery)
- **Transformer Types:** Converter Duty Transformers, Inverter Duty Transformers, LRF/Arc Furnace Transformers & Power Transformers (up 50MVA 132kV class)
- **Market feedback:** The response has been very good so far especially for inverter duty (solar) transformers. We have received interest from companies like Adani Green, Jindal India Renewables, Reliance Industries, Tata Power Renewables, Renew, Gensol, Avaada Group, etc. Factory visits will start post CPRI testing & certifications which are scheduled for January.



# Achieving Topline Target 500 Cr (2/4)

## Engineering Sectors

- **Foundry & Castings Market:** With our latest launch “the Hybrid converter” we are now able to match the best features (99% power factor, high melt rate, Twin-share/Multi-Share mode) of the market leader in this industry while surpassing them in terms of reliability and energy consumption. As a result, our current order book is approx. 300% of last year’s sales.
- **Induction Heating & Hardening Market (Automobiles, Pipes & Tubes, Wires, Forging, Defence, Railways, etc.):** This year we have successfully developed many new applications like Quench Tempering of Bars, Flat Heating for Forklift Manufacturing, Inline Heater for SS Billets, Wheel Hardening Machine and Epoxy Coating of Pipes. We expect 300% growth in sales of these products compared to last year. We will continue to develop our capabilities in these niche applications where competition is very limited.

We are confident of exponential sales growth of these products in the near term which will help us achieve our topline target

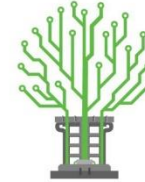


# Achieving Topline Target 500 Cr (3/4)

## Steel

- **Induction Melting Furnace:** Since launch of our energy efficient Green Furnace we have steadily gained market share from competitors. We will continue with our successful strategies to gain market share. We will improve our visibility and presence in West & South zones to dominate those markets as well.
- **Other Products:** We have successfully commissioned multiple continuous casting machines, ladle refining furnaces and fume extraction systems. The market is now aware that Megatherm manufactures these products. We expect exponential growth in these products where our market share was traditionally negligible.
- **New Orders:** We have received bulk orders from steel producers like Shyam Metalics, Adhunik Group, Rungta Group and Rashmi Metaliks. We have also received orders for supply of a 40T Induction furnace and a 60T ladle refining furnace. These will be the largest furnaces that we have supplied within India.

Considering the above we foresee strong sales in FY26 and we are confident of achieving our targets



**GREEN FURNACE**

**megatherm**





# Achieving Topline Target 500 Cr (4/4)

## Export Market

There is a lot of demand for the products that we manufacture in other countries. To increase our export sales we have planned the following:

- We are Increasing our visibility in key markets via participation in Exhibitions/Trade Fairs and ads in relevant magazines
- We are in the process of formalizing sales agencies and partnerships in key markets like Turkey, USA, Mexico, South America, South Africa, South East Asia, etc.

We have recently supplied equipment to the UK and we are seeing interest in our products from USA, Europe and elsewhere. Once we formalize the sales agencies/partnerships we expect to see a significant increase in demand from the export market



Fabex Saudi Arabia



Metal Exhibition  
Cairo, Egypt



Metallurgical  
Trade Fair  
Indonesia





# Achieving Bottomline Targets (EBITDA 14% - 15%; PAT 9% - 10%)

- **No significant increase in interest cost:** No debt raising has been planned for the immediate future. To achieve 500 cr target some fund/non-fund based working capital may be raised.
- **Hyperlocal spares support:** To boost spares sales and improve customer service, hyperlocal spares stocking points have been created in Durgapur, Raipur and Mandi Gobindgarh (Punjab). Creation of stocking points in Chennai and Patna are in process. Similar setups are being planned for Bangalore, Jamshedpur, Dubai & Africa.
- **Backward Integration:** Setup for mechanical backward integration has been completed via a heavy duty shed equipped with plasma cutting machines, 25T & 15T cranes, lathes, boring machines, radial drills, shaping machines, milling machines & planing machines. Copper processing & CRGO (silicon steel) processing trials have been successfully conducted. Production has started and target is to internally process 60% of copper & core requirements. Facility for in-house manufacturing of Static Frequency Converter cabinets is currently in progress.



Backward integration shed

Machine shop



Fabrication Shop

Plasma cutting machine

