

THROUGH ONLINE FILING

Ref. No.: MMPIL / NSE / 2022-23 / 56
Wednesday, 1st February 2023

The Manager, Listing Department,
National Stock Exchange of India Limited
“Exchange Plaza”, C - 1, Block G,
Bandra - Kurla Complex, Bandra (East),
M U M B A I – 4 0 0 0 5 1

Sub: Press Release dated 1st February 2023 for Un-audited Financial Results of the Company for the Quarter (Q-3) ended 31 December, 2022

Ref: NSE Script Code - MMP

Dear Sir / Madam,

Further to our Letter Ref No. MMPIL/NSE/2022-23/54 of Wednesday, 25th February 2023 and with reference to the captioned subject, kindly find enclosed Press Release dated 1st February 2023 with respect to Un-audited Financial Results of the Company for the Quarter (Q-3) ended 31 December, 2022.

The aforesaid Press Release is also made available on the Company's Website www.mmpil.com.

You are therefore, kindly requested to place the aforesaid information on records and do the needful.

Sincerely,

For **MMP Industries Limited**

RAKESH
MORESHWAR
KANZODE

Digitally signed by RAKESH
MORESHWAR KANZODE
Date: 2023.02.01 18:49:45
+05'30'

.....
CS Rakesh Kanzode

Company Secretary
ICSI Membership No. ACS - 52375

Encl: As Above.

MMP Industries Limited Reports Revenue Growth of 9.78% YoY Q3FY23 Revenue at ₹1279 mn; EBITDA at ₹102 mn; Net Profit at ₹63 mn

Nagpur, 1st February 2023: MMP Industries Limited, a leading manufacturer of aluminium powders, aluminium foils, and aluminium conductors, announced its financial results for the third quarter (Q3FY23) and nine months (9MFY23) ended 31st December 2022.

Key Consolidated Financial Highlights:

Particulars (₹ mn)	Q3 FY23	Q2 FY23	QoQ%	Q3 FY22	YoY%	9MFY23	9MFY22	YoY%
Total Revenue	1279	1,191	7%	1,165	10%	3953	2,952	34%
EBITDA	102	73	39%	98	4%	247	282	-13%
EBITDA Margin	8.0%	6.2%	181 bps	8.4%	-46 bps	6.2%	9.6%	-331 bps
PAT	63	34	83%	66	-5%	144	198	-27%
PAT Margin	4.9%	2.9%	203 bps	5.7%	-76 bps	3.7%	6.7%	-308 bps

Consolidated Q3 FY23 Highlights

- Total Revenue at ₹1279 mn for Q3 FY23 compared to ₹1,165 mn for Q3 FY22.
- EBITDA at ₹102 mn for Q3 FY23 compared to ₹98 mn during Q3 FY22.
- EBITDA Margin at 8.0% for Q3 FY23 as against 8.4% for Q3 FY22.
- PAT at ₹63 mn for Q3 FY23 compared to ₹66 mn for Q3 FY22.

Consolidated 9M FY23 Highlights

- Total Revenue at ₹3953 mn for 9M FY23 compared to ₹2,952 mn for 9M FY22.
- EBITDA at ₹247 mn for 9M FY23 compared to ₹282 mn during 9M FY22.
- EBITDA Margin at 6.2% for 9M FY23 as against 9.6% for 9M FY22.
- PAT at ₹144 mn for 9M FY23 compared to ₹198 mn for 9M FY22.

Business Segment Performance

Particulars (₹ mn)	Q3 FY23	Q2 FY23	QoQ%	Q3 FY22	YoY%	9MFY23	9MFY22	YoY%
Total Revenue								
Aluminium Powders	908	839	8%	911	0%	2828	2,382	19%
Aluminium Foils	283	308	-8%	200	42%	904	426	112%
Aluminium Conductors	80	36	121%	45	78%	198	123	61%
Others	8	7	9%	8	0%	23	22	10%

- Aluminium powder revenue at ₹908 mn for Q3 FY23 **up 0%** compared to ₹911 mn for Q3 FY22.
- Aluminium foils revenue at ₹283 mn for Q3 FY23 **up 42%** compared to ₹200 mn for Q3 FY22.
- Aluminium conductors revenue at ₹80 mn for Q3 FY23 **up 78%** compared to ₹45 mn for Q3 FY22.

MANAGEMENT COMMENTARY

Performance during Q3FY23

During the quarter, the Company reported 10% YoY revenue growth for Q3 FY23, primarily driven by the increase in revenue of aluminium foils by 42% and aluminium conductors/cables by 78%.

QoQ revenue of powder division grew despite of suppressed aluminium Phosphide demand in the domestic and export markets. Growth in explosives and AAC sectors was robust and made up for the lesser demand in the pesticides sector.

QoQ revenue of foil division decreased mainly due to depressed market conditions.

QoQ revenue of conductor division reported significantly grown on the back of increasing regular demand with the electrical infrastructure projects gathering pace.

QoQ EBITDA margins have improved due to stable aluminium prices and increased sales of high margin products.

YoY EBITDA % marginally declined due to negative EBITDA in foil division (there was some carry over high cost imported inventory in this quarter also which has now been exhausted).

SEGMENT OUTLOOK AND GUIDANCE

Aluminium Foils

Aluminium foil demand in the current year remains below expectations with the pharma sector unable to predict, the recommencement of normal demand patterns in India and abroad. The reasons earlier were attributed to high aluminium prices and lesser medicinal demand post COVID. However, there is general feedback that the demand will be reasonably strong during March 2023 and Q1FY24.

The Company is in discussions with a major aluminium foil Company to process various foil qualities for them with technical assistance as and when required. Bulk processed products that have been sent to them have been to their satisfaction. A potential alliance in the future months is likely to be mutually beneficial.

An increasing number of major pharma companies have completed the technical and process audits. Once the buying pattern from them is established (a time consuming process), The Company's printing capacity will be better utilised to give more value addition and improved margins.

The new rolling mill is expected to be trial commissioned during early Q1FY24. This internally funded project will more than double the capacity while adding new light gauge manufacturing possibilities, which will widen the product basket (flexible packaging applications and household foil applications) where the margins are higher. This will add to the top line, improve profitability by reducing overheads, operational costs and selling higher percentage of value added products.

Aluminium Powders

As expected demand in the explosives and AAC sector has shown good momentum and all feedback from the market place indicates positive and continued growth in the coming months. There is slowness in the pesticide sector but customers are hopeful of full demand revival during Q1FY24.

Latest budget has given thrust on infrastructure which will be beneficial to your company.

The Company is likely to record its highest ever exports in the current year as highlighted in the last update.

Quantum sales in the year will be the highest ever despite of extreme volatility in aluminium prices, disruption due to the war, inadequate demand in the pesticide sector and the general inflationary trend of the economy.

With the expected fast growth of the overall Indian economy and as highlighted in the last update, the 1500 MTPA additional capacity for pyro and flake powders is well under implementation. The project will be fully operation during Q1FY24 and revenues will be visible from Q2FY24.

Aluminium Conductors and Cables

The Conductor division is showing impressive growth, which is expected to continue for the next 2-3 years as per all market indications. Our capacity utilisation is expected to touch 80% - 90% in the coming months.

This will contribute to the Company's top and bottom line to a great extent and improve the overall cash flow.

General

1 MW roof cum ground mounted solar power plant has started generating rated number of units in Umred plant from January 23. This will reduce the yearly energy bills of Umred plant by minimum of 20%.

Our Existing CSR initiatives include promoting education in tribal forest areas and promotion of Indian cultural educational institutions. The Company is presently working with local police authorities to progress 'ADARSH GAON YOJNA' to promote village welfare, hygiene, societal up-liftment, peace and harmony etc.



ASSOCIATE COMPANIES

Star Circlips & Engineering Limited (SCEL)

SCEL reported Q3FY23 Revenue of ₹336 mn, down 16% compared to ₹398 mn revenue in Q3FY22. PAT is ₹30 mn for Q3FY23 compared to ₹49 mn in Q3FY22. The reduction in PAT is largely due to increased depreciation, inflationary pressure and INR appreciation versus Euro impacting our major export realizations. Overall exports were also significantly down in Q3 due to the challenges in Europe and America. Most of the domestic OEM's had their annual shutdown in the last 2 weeks of December which resulted in lesser off take.

The domestic demand is expected to be strong in the coming quarters, led predominantly by the commercial vehicle and the tractor segments. Exports continue to show good momentum, especially in the USA. The Company is also expecting the situation in Europe to improve and exports to Germany will show significant improvement.

Looking ahead the Company has invested in a fine blanking machine which should be commissioned by the middle of April 23. The fine blanking technology will give the Company better value addition with its existing customers. Fine blanked components are also widely used in Electric Vehicles and the Company is in discussions for the same with some of the prominent EV players.

Toyol MMP India Private Limited (TMI)

TMI achieved revenue of ₹163 mn in Q3FY23 compared to ₹140 mn in Q3FY22 and PAT of ₹ (-) 2.67 mn in Q3FY23 compared to PAT ₹ (-) 1.85 mn for Q3FY22.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Particulars (₹ mn)	Q3 FY23	Q2 FY23	QoQ%	Q3 FY22	YoY%	9MFY23	9MFY22	YoY%
Revenue from Operations	1277	1,189	7%	1,164	9.7%	3948	2,949	34%
Other Income	2	2	0%	1	128%	5	3	72%
Total Revenue	1279	1,191	7%	1,165	9.8%	3953	2,952	34%
Expenses								
-Cost of Material Consumed	1003	990	1%	937	7.0%	3301	2,352	40%
-Purchase of stock-in-trade	1	0	223%	1	-20.6%	1	3	-54%
-Changes in inventories	-13	-51	75%	-33	61.2%	-146	-130	-12%
-Employee Benefit Expense	90	84	7%	78	15.5%	260	217	20%
-Finance Cost	11	12	-4%	12	-6.2%	32	26	25%
-Depreciation & Amortization	18	17	4%	16	9.6%	51	46	11%
-Other Expenditure	97	94	2%	84	15.1%	290	228	27%
Total Expenses	1206	1,146	5%	1,095	10.1%	3790	2,742	38%
PBT before Share of Profit/ (Loss) of Associate, Exceptional Items	73	45	63%	70	4.2%	163	210	-22%
Share of Profit/ (Loss) of Associate	7	8	-15%	12	-41.6%	20	38	-46%
PBT before Exceptional Items	80	53	51%	82	-2.5%	183	248	-26%
Exceptional Item	0	0		0			0	
PBT	80	53	51%	82	-2.5%	183	248	-26%
Tax Expense	17	19	-7%	16	7.1%	39	50	-22%
PAT	63	34	83%	66	-4.8%	144	198	-27%

About MMP Industries Limited

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

For details please contact:

Sharad Khandelwal

CFO, MMP Industries Ltd

E: sharadk@mmpil.com

Siddesh Chawan

Ernst & Young LLP, Investor Relations

E: Siddesh.Chawan@in.ey.com

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.