

Wednesday, 7th February, 2024

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-3)/FY23-24 ended 31st December, 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-3)/FY23-24 ended 31st December, 2023.

Kindly disseminate the same on website.

Sincerely,

For MMP Industries Limited

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RAGHUVIRRA
J BHANDARI
Digitally signed by
ARUN RAGHUVIRRAJ
BHANDARI
Date: 2024.02.07
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Arun Raghuvirraj Bhandari
Chairman & Managing Director

MMP Industries Limited Reports Profit Growth of 42% YoY

Q3FY24 Revenue at ₹1,410 mn; EBITDA at ₹133 mn; Net Profit at ₹89 mn

Nagpur, India - 07 February 2024: MMP Industries Limited, a leading manufacturer of aluminium powders, aluminium foils, and aluminium conductors, announced its financial results for the third quarter (Q3FY24) and nine months (9MFY24) ended 31st December 2023.

Key Consolidated Financial Highlights:

Particulars (₹ mn)	Q3FY24	Q2FY24	QoQ%	Q3FY23	YoY%	9MFY24	9MFY23	YoY%
Total Revenue	1,410	1,268	11%	1,279	10%	4,194	3,953	6%
EBITDA	133	81	64%	102	31%	332	247	34%
EBITDA Margin	9.4%	6.4%	302 bps	8.0%	148 bps	7.9%	6.2%	166 bps
PAT	89	47	91%	63	42%	216	144	50%
PAT Margin	6.3%	3.7%	265 bps	4.9%	141 bps	5.2%	3.7%	151 bps

Consolidated Q3FY24 Highlights

- Total Revenue at ₹1,410 mn compared to ₹1,279 mn in Q3FY23, **an increase of 10%**
- EBITDA stood at ₹133 mn compared to ₹102 mn during Q3FY23, **an increase of 31%**
- EBITDA Margin at 9.4% compared to 8.0% in Q3FY23, **an increase of 148 bps**
- PAT stood at ₹89 mn compared to ₹63 mn in Q3FY23, **an increase of 42%**

Consolidated 9MFY24 Highlights

- Total Revenue at ₹4,194 mn compared to ₹3,953 mn in 9MFY23, **an increase of 6%**
- EBITDA stood at ₹332 mn compared to ₹247 mn during 9MFY23, **an increase of 34%**
- EBITDA Margin at 7.9% compared to 6.2% in 9MFY23, **an increase of 166 bps**
- PAT stood at ₹216 mn compared to ₹144 mn in 9MFY23, **an increase of 50%**

Business Segment Performance

Particulars (₹ mn)	Q3FY24	Q2FY24	QoQ%	Q3FY23	YoY%	9MFY24	9MFY23	YoY%
Aluminium Powders	979	870	13%	908	8%	2879	2,828	2%
Aluminium Foils	240	276	-13%	283	-15%	769	904	-15%
Aluminium Conductors	184	109	69%	80	131%	518	198	162%
Others	8	13	-42%	8	-2%	29	22	27%

- Aluminium powders revenue at ₹2,879 mn for 9MFY24 compared to ₹2,828 mn for 9MFY23, **an increase of 2%**
- Aluminium foils revenue at ₹769 mn for 9MFY24 compared to ₹904 mn for 9MFY23 a **decline of 15%**
- Aluminium conductors revenue at ₹518 mn for 9MFY24 compared to ₹198 mn for 9MFY23 **an increase of 162%**

MANAGEMENT COMMENTARY

“We are pleased to report a robust performance for the quarter, characterised by notable achievements and promising developments. Our overall revenue growth has been commendable (despite low Aluminium prices), with substantial contributions from key segments such as Aluminium Powders, Aluminium Conductors, and Cables. These successes reflect our commitment to excellence and strategic focus on core areas of our business.

However, we acknowledge the challenges faced in the Aluminum Foils segment, impacted by external factors such as dumping from China, depressed demand, and competitive pricing. Despite these hurdles, we are actively devising strategies, including diversification and efficiency enhancements, to navigate these challenges. We anticipate a recovery in Q4FY24 on the back of our resilience and innovative approach.

On a positive note, our Aluminium Powder segment is poised for substantial growth in the coming months, fuelled by massive infrastructure investments by the government and the initiation of operations by new explosives/AAC companies, both of which favour Brand MMP. This, along with the surge in construction activity across India, boosts demand for AAC powders, where our company holds a significant market share. The sustained and high-growth era we are experiencing in the electrical infrastructure segment is particularly noteworthy, which is expected to aid volume and revenue growth in Aluminium Conductor and Cables. These are likely to surpass projections, solidifying our position as a key player in this dynamic industry.

We are also pleased to update you on our strategic overseas agreement with a European company. This Purchase License Agreement marks a pivotal milestone, poised to expand our product range and enhance our market position. The development of grades, coupled with commercial production, are already underway, with our first order scheduled to be shipped in the second week of February 2024. Reciprocal technical team visits in the coming months will ensure all grades are developed by March 2024, contributing significantly to our profitable export growth over the next two to three years.

With our strategic initiatives and relentless focus on innovation and market expansion, we are not just optimistic about our future performance; we are actively shaping it to deliver value to our stakeholders. As we navigate challenges and capitalize on opportunities, our confidence in the company's positive trajectory remains unwavering.”

SEGMENT OUTLOOK AND GUIDANCE

Aluminium Powders

As we navigate through the closing quarter of this fiscal year, we take pride in announcing the successful commissioning of Phase I Expansion, adding 1500 MTPA to our production capacity. This milestone is set to contribute significantly to both our revenue and margins with the complete capacity utilization during Q4.

We are also happy to embark on Phase II Expansion, a significant 1800 MTPA initiative that will unfold gradually from March to May 2024. Anticipating full capacity utilization by June 2024, this expansion aligns seamlessly with the escalating demand for explosive powder and AAC powder, growing at a commendable 10% and 15% annually, respectively.

Our commitment to sustainability and innovation is exemplified by the commissioning of the 1.5 MW Ground Mounted Solar Plant in Bhandara. This strategic move not only aligns with our environmental responsibilities but also promises enhanced margins through productivity improvements and cost efficiencies.

In the coming months, we foresee a boost in exports, further elevating our margins. The culmination of these factors positions us for an exciting period of margin expansion, reinforced by full capacity utilization and continuous focus on operational excellence.

Despite the challenges posed by relatively subdued aluminum prices throughout a major part of this fiscal year, we anticipate a steady 5% growth in revenue and an impressive 12% volume growth over FY 22-23. As we set our sights on FY 24-25, the trajectory points towards an ambitious target of more than ~10% - ~15% growth over the preceding fiscal year.

Aluminium Foils

Our persistent efforts to establish a solid presence in all major pharmaceutical markets are yielding positive results. The introduction of SRC foils in collaboration with the brand MMP has proven to be a success, gaining notable traction in new applications. We anticipate continued momentum as we head into Q4, with the ramp-up of additional foil grades, setting the stage for a very positive sales growth.

The brand MMP has gained wide acceptance, thereby positioning us favourably for a potential EBITDA-positive fiscal year in 24-25 in the current market conditions. While challenges such as excess capacity and new market entrants persist, our focus on quality

and service excellence positions us to secure a significant share of business across various pharmaceutical and other applications.

An important development worth noting is the admission of the anti-dumping petition for imports of Aluminum Foils from China by the DGTR. The ongoing investigation suggests a likelihood of anti-dumping measures being implemented. We anticipate a positive impact on revenue and margins if such measures materialize, underscoring our commitment to fair competition and market sustainability.

In light of subdued aluminium prices dominating a major part of FY 23-24, we expect a 5% decline in revenue. However, the volume growth of 2% over FY 22-23 reflects our resilience and adaptability in challenging market conditions. Looking forward to FY 24-25, a robust growth trajectory is envisaged, with an ambitious target of more than ~30%-~35% growth over the preceding fiscal year.

Aluminium Conductors and Cables

The current landscape presents a promising scenario, leading to sustained growth on the back of various factors. The ongoing electrical infrastructure projects in progress are indicative of a robust growth environment that is poised to unfold over the next 4-5 years. These projects not only signal a strong demand but also reaffirm our strategic position within this dynamic sector. As part of our forward-looking strategy, we are happy to announce the expansion of our cable capacity during FY 24-25. With a nominal investment, this expansion is set to commence in April 2024, and the revenue from the additional capacity is expected to start accruing from October 2024. This strategic move aligns seamlessly with our commitment to meeting the growing demands of the market.

In reflection of our current growth trajectory, FY 23-24 is anticipated to witness an exceptional revenue growth, surpassing the 100% mark over the previous fiscal year (FY 22-23). This outstanding performance is attributed to our ability to capitalize on market opportunities and our proactive approach to meeting industry demands.

Looking ahead to FY 24-25, we project a remarkable continuation of our growth story with a forecasted revenue growth of more than 50% over FY 23-24. This optimistic outlook is underpinned by our strategic initiatives, ongoing projects, and our commitment to operational excellence.

General

The company is optimistic about its financial outlook, aiming for a substantial revenue growth of 20-22% in FY 24-25, even in the face of existing low aluminium prices.

Notably, the successful commissioning of the 1.5 MW ground-mounted Solar Project at the Bhandara unit signifies a commitment to sustainable practices. With an additional 600 KW currently under installation in Bhandara, the company is actively expanding its solar power capacity. A favourable change in the Solar Policy in Maharashtra has presented a strategic opportunity for further solar capacity additions. In light of this, the company is diligently exploring the feasibility of enhancing solar power capabilities in both Umred and Bhandara units during the fiscal year 24-25, aligning with its commitment to environmental stewardship and renewable energy.

CSR Activities

The company continues to focus on Healthcare and Education facilities in the environment it operates in, and is undertaking activities that will benefit the community at

large. School supplies and Books were distributed to school children, and Competitive Exam books and bookshelves were also donated. Additionally, donations were made in the areas of Women and Child development.

ASSOCIATE COMPANIES

Star Circlips & Engineering Limited (SCEL)

Star Circlips & Engineering Limited achieved revenue of ₹405 mn in Q3FY24, compared to ₹ 336 mn in Q3FY23 and reported PAT of ₹63 mn in Q3FY24 compared to PAT ₹30 mn for Q3FY23.

The company expects a revenue growth of ~8% - ~10% in FY 23-24 with increased margins. Furthermore, the company successfully commissioned its fine blanking and machining division on 22nd January, 2024. This development is expected to give significant margin dividends in coming years.

A MOU and NDA has been signed with a Japanese company for initiating existing Star parts exports to Japan and eventually having a green field JV for global production and sales hub in Nagpur, India for precision stainless steel parts.

Toyol MMP India Private Limited (TMI)

TMI achieved revenue of ₹172 mn in Q3FY24 compared to ₹163 mn in Q3FY23 and reported PAT of ₹16 mn in Q3FY24 compared to loss of ₹2.67 mn in Q3FY23.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Particulars (₹ mn)	Q3 FY24	Q2 FY24	QoQ%	Q3FY23	YoY%	9MFY24	9MFY23	YoY%
Revenue from Operations	1409	1,261	12%	1,277	10%	4184	3,948	6%
Other Income	1	8	-81%	2	-36%	11	5	104%
Total Revenue	1410	1,268	11%	1,279	10%	4194	3,953	6%
Expenses								
-Cost of Material Consumed	1124	1,113	1%	1,003	12%	3350	3,301	1%
-Purchase of stock-in-trade	0	1	-69%	1	-69%	1	1	2%
-Changes in inventories	-51	-122	58%	-13	-301%	-76	-146	48%
-Employee Benefit Expense	96	96	1%	90	7%	286	260	10%
-Finance Cost	20	16	27%	11	80%	48	32	49%
-Depreciation & Amortization	21	19	11%	18	19%	58	51	13%
-Other Expenditure	108	99	9%	97	11%	301	290	4%
Total Expenses	1318	1,222	8%	1,206	9%	3969	3,790	5%
PBT before Share of Profit/ (Loss) of Associate, Exceptional Items	92	47	97%	73	26%	225	163	38%
Share of Profit/ (Loss) of Associate	21	11	84%	7	195%	47	20	132%
PBT before Exceptional Items	113	58	95%	80	41%	273	183	49%
Exceptional Item		0		0			0	
PBT	113	58	95%	80	41%	273	183	49%
Tax Expense	23	11	109%	17	36%	56	39	43%
PAT	89	47	91%	63	42%	216	144	50%

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.

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