

MMP Industries Limited

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THROUGH ONLINE FILING

Ref. No.: MMPIL / NSE / 2022 / 008

Wednesday, the 09 day of February 2022

The Manager, Listing Department,
National Stock Exchange of India Limited
"Exchange Plaza", C - 1, Block G,
Bandra - Kurla Complex, Bandra (East),
MUMBAI - 400 051

Sub: Press Release dated 09 February 2022 for Un-audited Financial Results of the Company for the Quarter (Q-3) ended 31 December, 2021

Ref: NSE Script Code - MMP

Dear Sir / Madam,

Further to our Letter Ref No. MMPIL/NSE/2022/007 of Wednesday, the 09 day of February 2022 and with reference to the captioned subject, kindly find enclose Press Release dated 09 day of February 2022 with respect to Un-audited Financial Results of the Company for the Quarter (Q-3) ended 31 December, 2021.

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

CS Milind Suryakant Rao
Company Secretary

ICSI Membership No. ACS - 48012

40, A-1, Kalyan Apartment, (W) Samarth Nagar,
Wardha Road, Nagpur - 440015, MH, IN.



Encl: As Above.

MMP Industries Limited

Q3FY22 Revenue at ₹1,165 mn; EBITDA at ₹98 mn; Net Profit at ₹66 mn

Nagpur, India – 09th February 2022: MMP Industries Limited, a leading manufacturer of aluminium powders, aluminium foils, and aluminium conductors, announced its financial results for the third quarter (Q3FY22) and nine months (9MFY22) ended 31st December 2021.

The key consolidated financials for the quarter are:

Particulars (₹ mn)	Q3 FY22	Q2 FY22	QoQ%	Q3 FY21	YoY%	9M FY22	9M FY21	YoY%
Total Revenue	1,165	925	26%	664	75%	2,952	1,544	91%
EBITDA	98	101	-3%	83	18%	282	183	54%
EBITDA Margin	8.41%	10.9%	-249 bps	12.5%	-409 bps	9.55%	11.9%	-235 bps
PAT	66	75	-12%	50	32%	198	105	89%
PAT Margin	5.66%	8.1%	-244 bps	7.5%	-184 bps	6.71%	6.8%	-9 bps

Consolidated Q3 FY22 Highlights

- Total Revenue was ₹1,165 mn for Q3 FY22 compared to ₹664 mn in Q3 FY21, an increase of 75%.
- EBITDA stood at ₹98 mn for Q3 FY22 compared to ₹83 mn during Q3 FY21, an increase of 18%.
- EBITDA Margin at 8.41% for Q3 FY22 as against 12.5% in Q3 FY21.
- PAT stood at ₹66 mn for Q3 FY22 compared to ₹50 mn in Q3 FY21, an increase of 32%.

Consolidated 9M FY22 Highlights

- Total Revenue was ₹2,952 mn for 9MFY22 compared to ₹1,544 mn in 9MFY21, an increase of 91%.
- EBITDA stood at ₹282 mn for 9MFY22 compared to ₹183 mn during 9MFY21, an increase of 54%.
- EBITDA Margin at 9.55% for 9MFY22 as against 11.9% in 9MFY21.
- PAT stood at ₹198 mn for 9MFY22 compared to ₹105 mn in 9MFY21, an increase of 89%.

Business Segment Performance

Particulars (₹ mn)	Q3 FY22	Q2 FY22	QoQ%	Q3 FY21	YoY%	9M FY22	9M FY21	YoY%
Total Revenue								
Aluminium Powders	911	764	19%	624	46%	2,382	1,406	69%
Aluminium Foils	200	120	67%	-	-	426	-	-
Aluminium Conductors	45	33	36%	33	36%	123	119	3%
Others	8	7	14%	7	14%	22	20	10%

Management Commentary

Performance

Q3 revenue is up 75% YoY mainly due to volume growth of aluminium powder, additional revenue from aluminium foil and substantial upward metal price movement. The Company is pleased to report highest ever nine-month revenue of Rs. 2952 mn against our peak annual revenue of Rs. 2646 mn in FY19.

Q-3 EBIDTA margins were affected because of unforeseen and unheard volatile metal price movement very frequently which created uncertainty with customers and in some cases Company absorbed the metal price increase for short durations. Our explosives customers work with the government on fixed price contracts and also suffered huge increases in their ammonium nitrate input costs. This suppressed demand to an extent and with a view to support our customers in their difficult times the Company choose to work at prices acceptable to them in this quarter.

Apart from this, higher input cost of chemicals, packing materials and other consumables also affected our margins.

Being the first year of operations, incremental revenue in the foil division, has generated nominal EBIDTA due to which the overall margins have also been impacted.

Outlook

As can be seen, the start of H-2 FY22 has shown higher revenues which is as per usual market scenario and this is expected to continue in Q-4FY22 with good momentum in both powder and foil divisions. We also see some improvement in conductor/cable demand.

The Company is on track to utilize full capacity in rolling mill in Q-4 and effective steps have been taken to install another rolling mill which will start contributing additional revenue in Q-4 FY23. The conversion section is focused on the pharma industry and is expected to utilize 60-70% capacity in the coming months. Major pharma companies have started placing bulk orders and MMP is becoming a preferred brand.

ASSOCIATE COMPANIES

Star Circlips & Engineering Limited (SCEL)

SCEL has achieved Q-3 Revenue of ₹398 mn compared to revenue ₹264 mn in Q-3 FY 21 and reported PAT ₹49 mn for Q3 FY22 compared to PAT ₹12 mn in Q3 FY21.

The domestic demand has been moderate for reasons well known (supply chain issues in the automotive sector) but export has shown strong momentum and is expected to continue in the coming months. The Company has added another imported transfer press and a shaped wire rolling mill during Q-3 FY22. This will enable the Company to increase its exports to new market in Japan and USA.

The Company expects to end the year with record revenues and sees possibility of further growth in FY23

Toyol MMP India Private Limited (TMI)

The management is pleased to inform you TMI achieved revenue of ₹140 mn in Q-3 FY 22 compared to revenue ₹104 mn in Q-3 FY 21 and reported PAT of (₹2 mn) in Q-3 of FY 22 compared to PAT (₹16 mn) for Q-3 FY 21.

The Company expects a double digit revenue growth in FY22 and already started selling its products in USA. With reduction in COVID in ASEAN region, strong business growth is expected as TMI brand gets established. The Company is continuously developing import substitute grades for the Indian market which will continue to improve margins.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Particulars (₹ mn)	Q3 FY22	Q2 FY22	QoQ%	Q3 FY21	YoY%	9M FY22	9M FY21	YoY%
Revenue from Operations	1,164	924	26%	661	76.1%	2,949	1,534	92%
Other Income	1	1	67%	3	-63.0%	3	10	-69%
Total Revenue	1,165	925	26%	664	75.5%	2,952	1,544	91%
Expenses								
-Cost of Material Consumed	937	712	32%	531	76.6%	2,352	1,150	104%
-Purchase of stock-in-trade	1	1	-36%	1	53.1%	3	1	108%
-Changes in inventories	-33	-32	-2%	-69	52.5%	-130	-84	-55%
-Employee Benefit Expense	78	72	8%	59	31.4%	217	150	44%
-Finance Cost	12	9	33%	4	240.4%	26	11	142%
-Depreciation & Amortization	16	16	-1%	11	40.0%	46	32	42%
-Other Expenditure	84	71	18%	60	40.6%	228	143	60%
Total Expenses	1,095	849	29%	596	83.8%	2,742	1,403	95%
PBT before Share of Profit/ (Loss) of Associate, Exceptional Items	70	76	-7%	68	3.0%	210	140	50%
Share of Profit/ (Loss) of Associate	12	17	-28%	-1	1258.3%	38	0	19100%
PBT before Exceptional Items	82	93	-12%	67	22.5%	248	140	77%
Exceptional Item	0	0	0%	0	0.0%	0	0	0%
PBT	82	93	-12%	67	22.5%	248	140	77%
Tax Expense	16	18	-12%	17	-5.4%	50	35	44%
PAT	66	75	-12%	50	31.9%	198	105	89%

ESG Updates

ESG reporting refers to the disclosure of data covering the Company's operations. It provides a snapshot of the business's impact in these areas for investors and activities of the Company for the same.

The Company is focused on ESG and had begun work 2 years back on scientific water harvesting, zero effluent discharge and major plantation activities.

More than 5500 trees have been planted and have survived well (includes a Japanese Miyawaki forest area).

An artificial lake for water conservation and recycling has been created and air/water pollution brought down to bare minimum.

Working on Good Manufacturing Practices (GMP certification) is a priority to enable create a hygienic and healthy workplace.

Working with local communities for improving schools and healthcare facilities will be a thrust area in the coming years.

A few pictures of our plant site illustrate the on-going efforts.

About MMP Industries Limited

MMP Industries Limited (MMPIL) 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:

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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.

ESG Updates



