

**MMP Industries Limited**

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**THROUGH ONLINE FILING**

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Wednesday, 9<sup>th</sup> November 2022

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: Press Release dated 9<sup>th</sup> November 2022 for Un-audited Financial Results of the Company for the Quarter (Q-2) ended 30 September, 2022**

**Ref: NSE Script Code – MMP**

Dear Sir / Madam,

kindly find enclose Press Release dated 9<sup>th</sup> November, 2022 with respect to Un-audited Financial Results of the Company for the Quarter (Q-2) ended 30 September, 2022.

The aforesaid Press Release is also made available on the Company's Website [www.mmpil.com](http://www.mmpil.com).

You are therefore, kindly requested to take note of the same and oblige. Sincerely,

**For MMP Industries Limited**

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Moreshwar  
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Digitally signed by  
Rakesh Moreshwar  
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**CS Rakesh M. Kanzode**  
**Company Secretary**

## MMP Industries Limited Reports Revenue Growth of 29% YoY Q2FY23 Revenue at ₹1,191 mn; EBITDA at ₹73 mn; Net Profit at ₹34 mn

**Nagpur, India – 9th November 2022:** MMP Industries Limited, a leading manufacturer of aluminium powders, aluminium foils, and aluminium conductors, announced its financial results for the second quarter (Q2FY23) and six months (H1FY23) ended 30 September 2022.

The key consolidated financials for the quarter are:

Particulars (₹ mn)	Q2 FY23	Q1 FY23	QoQ%	Q2 FY22	YoY%	H1FY23	H1FY22	YoY%
Total Revenue	1,191	1,483	-20%	925	29%	2,674	1,787	50%
EBITDA	73	72	2%	101	-27%	145	184	-21%
EBITDA Margin	6.2%	4.9%	133 bps	10.9%	-477 bps	5.4%	10.3%	-487 bps
PAT	34	47	-27%	75	-54%	81	132	-38%
PAT Margin	2.9%	3.2%	-28 bps	8.1%	-522 bps	3.0%	7.4%	-435 bps

### Consolidated Q2 FY23 Highlights

- Total Revenue was ₹1,191 mn for Q2 FY23 compared to ₹925 mn in Q2 FY22.
- EBITDA at ₹73 mn for Q2 FY23 compared to ₹101 mn during Q2 FY22.
- EBITDA Margin at 6.2% for Q2 FY23 as against 10.9% in Q2 FY22.
- PAT at ₹34 mn for Q2 FY23 compared to ₹75 mn in Q2 FY22.

### Consolidated H1 FY23 Highlights

- Total Revenue was ₹2,674 mn for H1 FY23 compared to ₹1,787 mn in H1 FY22.
- EBITDA at ₹145 mn for H1 FY23 compared to ₹184 mn during H1 FY22.
- EBITDA Margin at 5.4% for H1 FY23 as against 10.3% in H1 FY22.
- PAT at ₹81 mn for H1 FY23 compared to ₹132 mn in H1 FY22.

### Business Segment Performance

Particulars (₹ mn)	Q2 FY23	Q1 FY23	QoQ%	Q2 FY22	YoY%	H1FY23	H1FY22	YoY%
<b>Total Revenue</b>								
Aluminium Powders	839	1,081	-22%	764	10%	1,920	1,471	31%
Aluminium Foils	308	313	-1%	120	157%	621	226	175%
Aluminium Conductors	36	82	-56%	33	9%	118	77	53%
Others	7	7	0%	7	0%	15	14	5%

- Aluminium powder revenue at ₹839 mn for Q2 FY23 **up 10%** compared to ₹764 mn in Q2 FY22.
- Aluminium foils revenue at ₹308 mn for Q2 FY23 **up 157%** compared to ₹120 mn in Q2 FY22.
- Aluminium conductors revenue at ₹36 mn for Q2 FY23 **up 9%** compared to ₹33 mn in Q2 FY22.

## MANAGEMENT COMMENTARY

### Performance during Q2FY23

During the quarter, the Company reported 29% YoY revenue growth for Q2 FY23, primarily driven by the increase in revenue of aluminium powder segment by 10%, aluminium foils by 157% and aluminium conductors/cables by 9% YoY.

QoQ revenue of powder division was adversely affected due to 50 % excess rain than normal leading to stoppage of mining and construction activities. Pesticide demand was significantly low due to closure of fertiliser plants abroad due to the Russia-Ukraine war.

QoQ revenue of conductor division affected due to low electrification and infra work during rainy season.

QoQ EBITDA margins have improved from 4.90% to 6.20%. YoY EBITDA margins declined from 10.90% to 6.20% mainly due to negative EBITDA from foil business. This was because high-valued imported raw materials were consumed and sold at very competitive prices due to aluminium price crash and poor demand from pharma companies.

## SEGMENT OUTLOOK AND GUIDANCE

### Aluminium Foils

Aluminium foil demand in H2 FY23 is expected to be robust now that aluminium price volatility is reduced to a large extent. Exports to nearby countries are also expected to increase and will be sustained.

The validation by some major pharma companies is taking longer than anticipated but going forward, approvals are bound to come regularly. MMP already has a strong brand name and as our capacity ramps up, preference for our products is a certainty.

The progress of the new rolling mill project is on schedule and is expected to be commissioned during Q4 FY23. This internally funded project will more than double the capacity and also add new light gauge manufacturing possibilities, which will widen our product basket (flexible packaging applications and household foil applications) where the margins are higher. This will add to the topline, improve profitability by reducing overheads, operational costs and selling higher percentage of value added products.

### Aluminium Powders

The period after Diwali is expected to see robust demand in the explosives and construction sector (the prices will have to be aligned as per market requirements). Pesticides demand will continue to rely on the war situation since manufacturers export a lot of their production capacity. Any slowdown in this sector will be more than made up by the sales to the AAC segment.

In general, we are expecting higher exports in the year with the increased energy cost abroad and these signs are already visible.

Traditionally H2 is always stronger than H1 and this will continue this year also resulting in robust H2 performance.

The Company has planned further capacity expansion of 1500MT P.A. for pyro and flake powders in Umred through internal accruals. Project implementation has already begun. PEB and all major machinery been ordered and commercial production is expected to start in Q1 FY24. This will add to the revenue and bottom-line of the company in the coming years.

### **Aluminium Conductors and Cables**

Now that aluminium prices are stable at a moderate level, the growth projected earlier is likely to be maintained or exceeded.

### **General**

1 MW roof cum ground mounted solar generation capacity is under advanced stage of implementation and will be rolled out in Q3 FY23 which will reduce the energy cost to a good extent. This is in line with companies ESG vision of reducing emissions, directly or indirectly to the maximum.

## **ASSOCIATE COMPANIES**

### **Star Circlips & Engineering Limited (SCEL)**

SCEL reported Q2FY23 Revenue of ₹408 mn, up 6% compared to ₹384 mn revenue in Q2FY22. PAT is ₹38 mn for Q2FY23 compared to ₹53 mn in Q2FY22. The reduction in PAT is largely due to high steel prices, increased depreciation, inflationary pressure and INR appreciation versus Euro impacting our major export realizations.

The domestic demand is expected to be strong in the coming quarters. Exports continue to show good momentum, especially in the USA.

### **Toyal MMP India Private Limited (TMI)**

TMI achieved revenue of ₹137 mn in Q2FY23 compared to ₹136 mn in Q2FY22 and reported PAT of ₹ (-) 6.00 mn in Q2FY23 compared to PAT ₹11 mn for Q2FY22.

H2 revenue and margins are expected to improve because of stable aluminium prices and expected strong demand.

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

Particulars (₹ mn)	Q2 FY23	Q1 FY23	QoQ%	Q2 FY22	YoY%	H1FY23	H1FY22	YoY%
Revenue from Operations	1,189	1,482	-20%	924	28.7%	2,671	1,785	50%
Other Income	2	1	61%	1	163.1%	3	2	44%
<b>Total Revenue</b>	<b>1,191</b>	<b>1,483</b>	<b>-20%</b>	<b>925</b>	<b>28.8%</b>	<b>2,674</b>	<b>1,787</b>	<b>50%</b>
<b>Expenses</b>								
-Cost of Material Consumed	990	1,309	-24%	712	39.1%	2,299	1,415	62%
-Purchase of stock-in-trade	0	0	-50%	1	-84.5%	1	2	-69%
-Changes in inventories	-51	-82	37%	-32	-58.4%	-133	-97	-37%
-Employee Benefit Expense	84	85	-1%	72	17.2%	170	139	22%
-Finance Cost	12	9	24%	8	39.6%	21	15	43%
-Depreciation & Amortization	17	17	1%	16	3.9%	34	30	13%
-Other Expenditure	94	99	-4%	71	32.9%	193	144	34%
<b>Total Expenses</b>	<b>1,146</b>	<b>1,438</b>	<b>-20%</b>	<b>848</b>	<b>35.1%</b>	<b>2,584</b>	<b>1,648</b>	<b>57%</b>
<b>PBT before Share of Profit/ (Loss) of Associate, Exceptional Items</b>	<b>45</b>	<b>45</b>	<b>-1%</b>	<b>76</b>	<b>-41.5%</b>	<b>90</b>	<b>139</b>	<b>-35%</b>
Share of Profit/ (Loss) of Associate	8	5	59%	17	-50.9%	13	26	-48%
<b>PBT before Exceptional Items</b>	<b>53</b>	<b>51</b>	<b>5%</b>	<b>93</b>	<b>-43.2%</b>	<b>103</b>	<b>165</b>	<b>-37%</b>
Exceptional Item	0	0		0		0	0	
<b>PBT</b>	<b>53</b>	<b>51</b>	<b>5%</b>	<b>93</b>	<b>-43.2%</b>	<b>103</b>	<b>165</b>	<b>-37%</b>
Tax Expense	19	4	420%	18	2.0%	22	33	-33%
<b>PAT</b>	<b>34</b>	<b>47</b>	<b>-27%</b>	<b>75</b>	<b>-54.1%</b>	<b>81</b>	<b>132</b>	<b>-38%</b>

### 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.

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