



MTAR Technologies Limited



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Investor Presentation – November 2023

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A leader in critical and differentiated engineered products

Strong Order Book Position

Q2 & H1FY24 Financial Snapshot

Working Capital Management

Well Balanced Portfolio

Q2 & H1 FY24 Financial Performance

ESG

**Experienced Board of Directors
& Well Qualified Management Team**



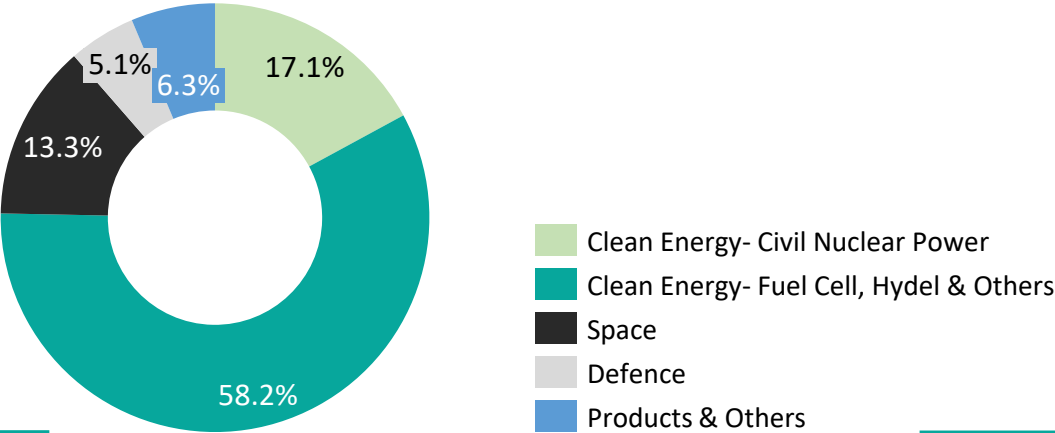
Strong Order book Position

Receipt of Major New Orders

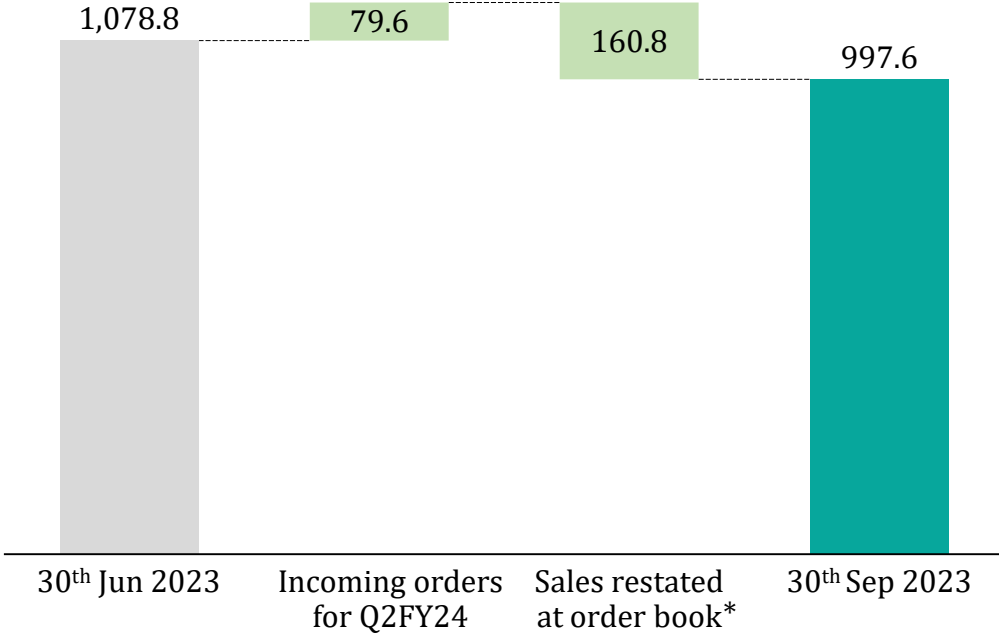
Existing Business

Received Rs. 79.6 Cr of orders in various sectors including Clean Energy – Civil Nuclear Power, Fuel cells and Hydel, Space, Defence, Products and others in Q2FY 24

Diversified Order Book of Rs. 997.6 crs as on 30th Sep 2023



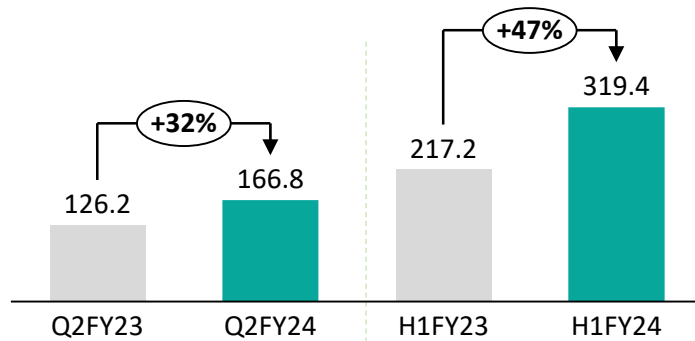
Order book Build-Up (Rs. in Crs)



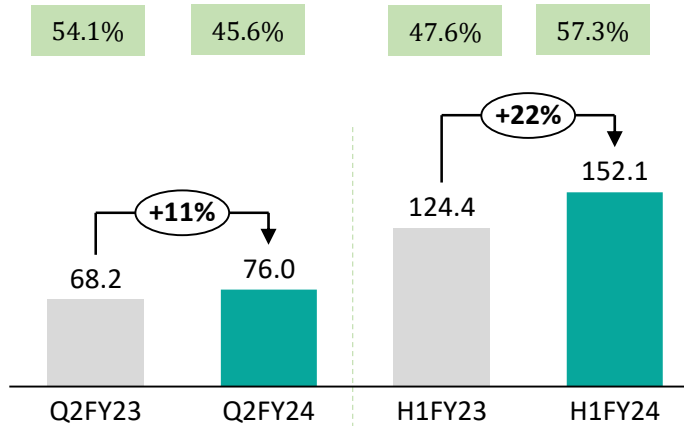
* Sales restated at order book excluding forex fluctuations, price escalations and scrap sales

Q2 & H1 FY24 Financial Performance

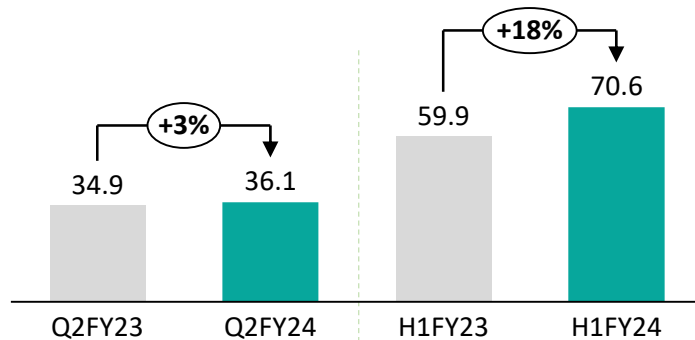
Revenues (Rs. Crs)



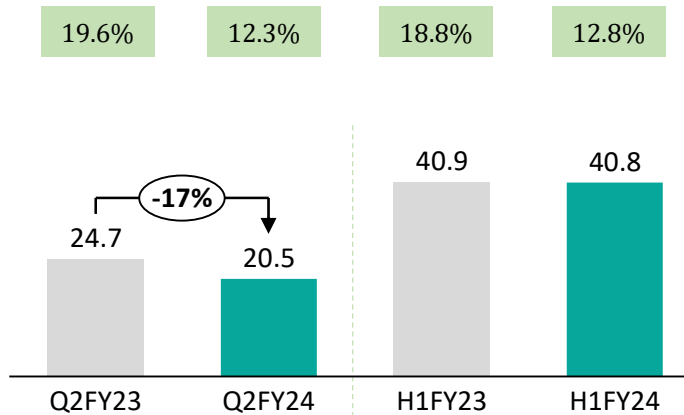
Gross Profit (Rs. Crs)



EBIDTA (Rs. Crs)



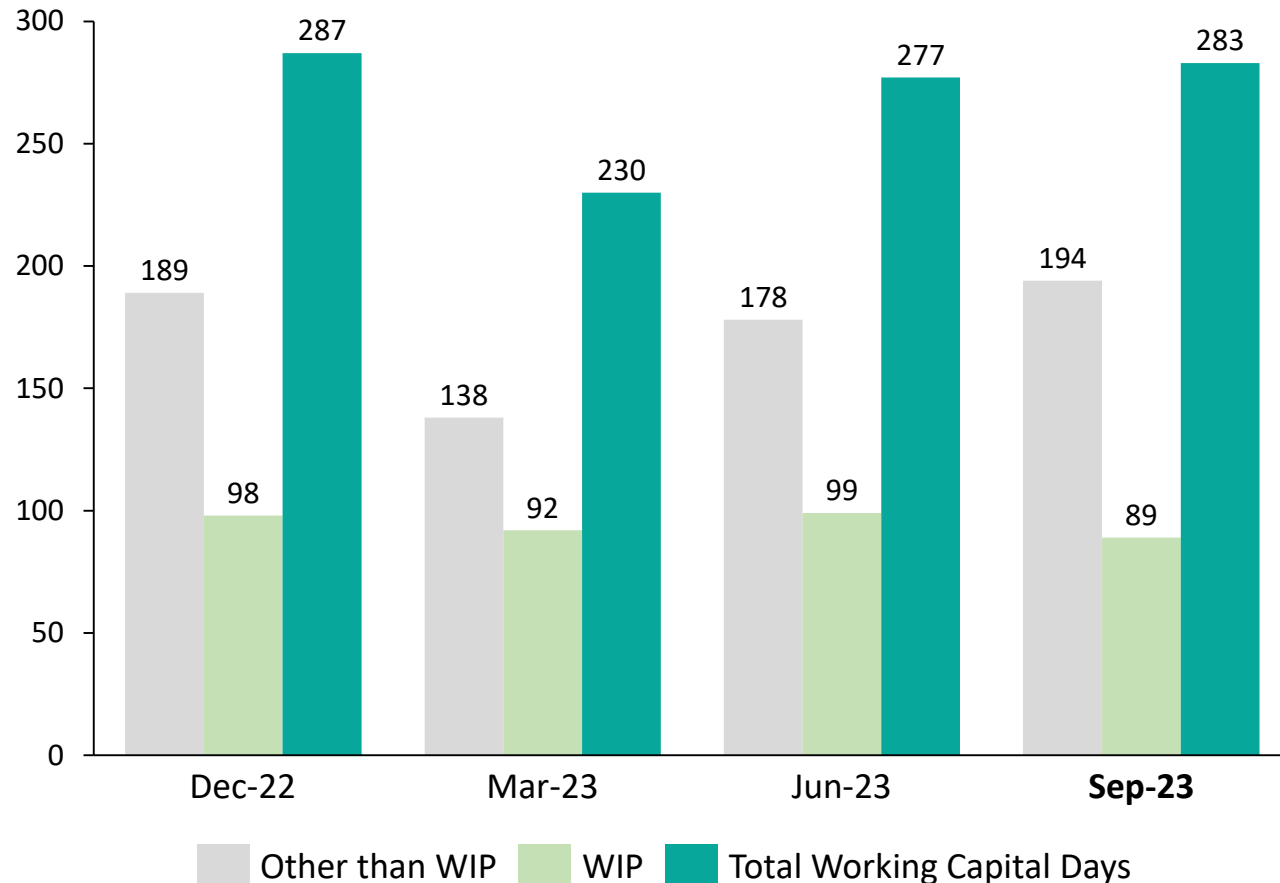
PAT (Rs. Crs)



- Revenue for Q2 FY24 stood at Rs. 166.8 crs as compared to Rs. 126.2 crs in Q2 FY23, a growth of 32% YoY and H1FY24 growth of 47% YoY
- EBIDTA for Q2 FY 24 stood at Rs. 36.1 crs, as compared to Rs. 34.9 crs in Q2 FY23 with a growth of 3% and H1FY24 growth of 18% YoY basis
- EBIDTA margins for Q2FY24 stood at 21.6%
- PAT for the quarter stood at Rs. 20.5 crs as compared to Rs. 24.7 crs in Q2 FY23 down by 17% YoY and H1FY24 de-growth of 0.3% compared with H1FY23
- PAT margins for Q2 FY24 stood at 12.3%

Working Capital Management

Net Working Capital (in Days)

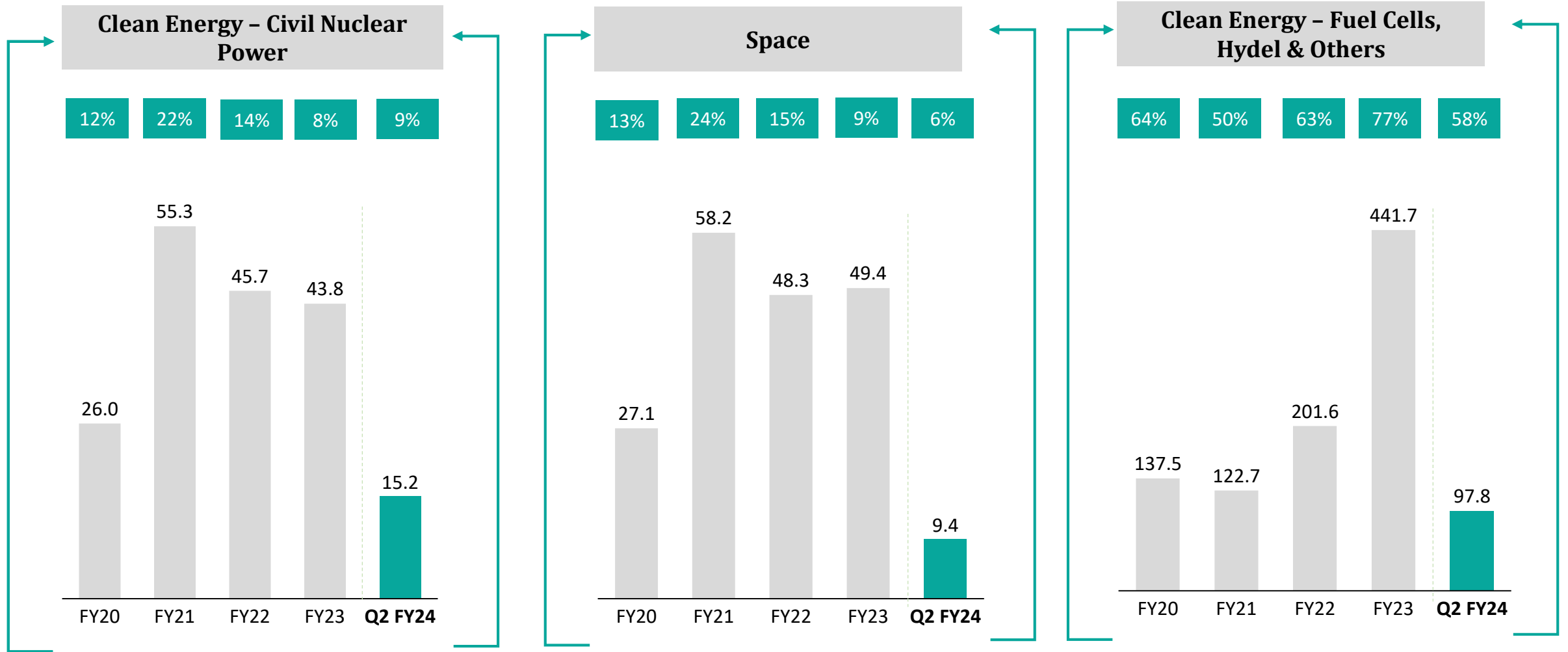


Particulars (Days)	Q2 FY24	Q1 FY24	Remarks
Receivables	107	147	Company collected most of the receivable within due that led to a reduction in receivable days
Inventory	219	239	Inventory days were reduced as the company commenced the production of new products and as the supply chains are being normalized
RM	130	140	RM inventories were reduced by Rs. 7.5 Crs.
WIP	89	99	WIP is reduced by Rs. 10 Crs. as we have commenced the production and dispatched some of the projects in Civil Nuclear Power sector.
Payables	49	108	Payable days reduced because of liabilities paid for inventories purchased during last quarters based on annual projections. Because of revised projections, current inventories will be sufficient to a major extent to meet production requirement of next quarters.

NWC days would have stood at 267 days had we received Rs. 25 Crs from Bloom by end September instead of first week of October

Well-balanced Portfolio (1/2)

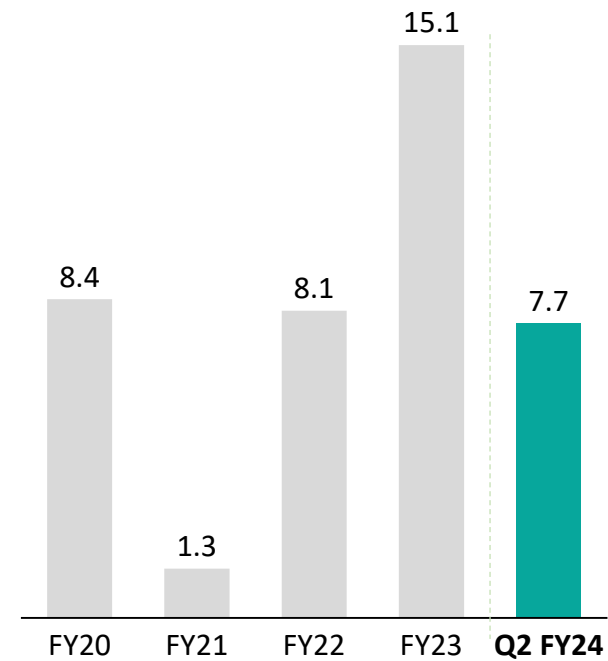
Revenue in Rs. Crs



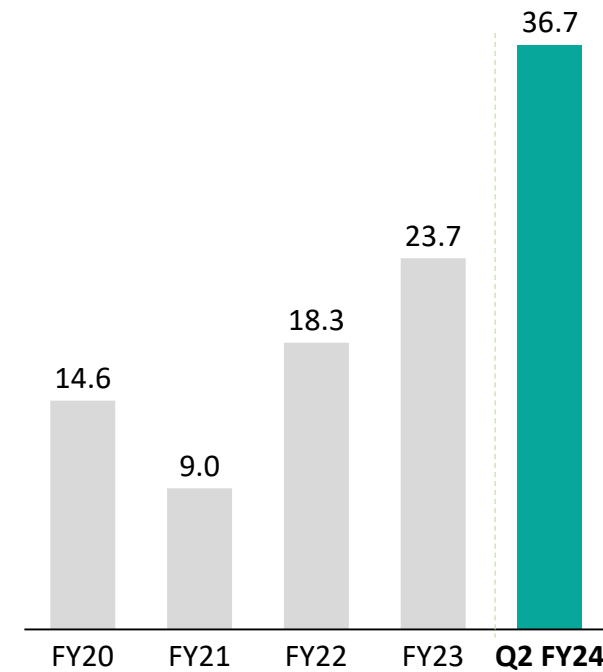
Well-balanced Portfolio (2/2)

Revenue in Rs. Crs

Defense

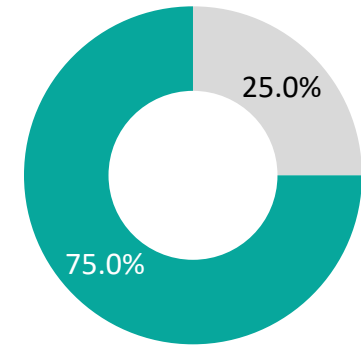


Products & Others

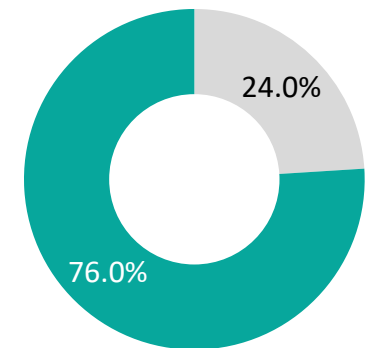


Geographical Break-up

Domestic Export



Q2FY24



H1FY24

Q2 & H1FY24 Consolidated Profit & Loss Statement

Particulars (Rs. Crs)	Q2 FY24	Q2 FY23	Y-o-Y (%)	Q1 FY24	Q-o-Q	H1FY24	H1FY23	Y-o-Y (%)
Revenue from Operations	166.8	126.2	32.2%	152.6	9.3%	319.4	217.2	47.1%
Cost of Materials Consumed	80.1	61.1		97.7		177.8	104.9	
Changes in Inventories	10.7	-3.1		-21.3		-10.5	-12.2	
Gross Profit	76.0	68.2	11.5%	76.2	-0.2%	152.1	124.4	22.3%
GP %	45.6%	54.1%		49.9%		47.6%	57.3%	
Employee Benefits Expense	23.4	21.0		24.2		47.6	39.7	
Other Expenses	16.5	12.3		17.4		33.9	24.9	
EBITDA	36.1	34.9	3.4%	34.6	4.3%	70.6	59.9	17.9%
EBITDA %	21.6%	27.7%		22.7%		22.1%	27.6%	
Other Income	0.8	5.4		4.1		4.9	9.2	
Depreciation and Amortisation Expense	5.8	4.6		5.6		11.4	8.8	
EBIT	31.2	35.7		33.1		64.2	60.3	
Finance Costs	5.5	2.7		5.7		11.2	5.1	
PBT	25.7	33.0		27.4		53.0	55.2	
Total Tax Expense	5.2	8.3		6.9		12.2	14.3	
Profit for the year	20.5	24.7	-17.1%	20.5	-0.2%	40.8	40.9	-0.3%
PAT %	12.3%	19.6%		13.4%		12.8%	18.8%	

Consolidated Balance Sheet

EQUITY & LIABILITIES (Rs. Crs)	Sep-23	Mar-23
Equity Share Capital	30.8	30.8
Other Equity	630.2	589.4
Total Equity	660.9	620.1
Financial Liabilities		
Borrowings	83.5	77.7
Provisions	4.8	5.6
Deferred Tax Liabilities (Net)	19.4	18.2
Total Non-Current Liabilities	107.7	101.6
Financial Liabilities		
(i) Borrowings	166.2	65.6
(ii) Trade payables	86.3	218.2
(iii) Other Financial Liabilities	3.1	7.0
Provisions	3.1	1.9
Current Tax Liabilities (Net)	0.4	2.2
Other Current Liabilities	38.6	46.6
Total Current Liabilities	297.7	341.6
TOTAL EQUITY & LIABILITIES	1066.3	1,063.3

ASSETS (Rs. Crs)	Sep-23	Mar-23
Property, Plant and Equipment	297.4	290.2
Capital Work-in-progress	72.1	64.4
Intangibles Assets	0.5	0.8
Financial Assets		
(i) Investments	0.0	0.0
(ii) Other Financial Assets	2.7	2.2
Non-Current Tax Assets (Net)	0.6	0.5
Other Non Current Assets	14.4	8.6
Total Non-Current Assets	387.8	366.6
Inventories	382.7	386.6
Financial Assets		
(i) Trade Receivable	186.4	208.4
(ii) Cash and Cash Equivalents	0.5	12.2
(iii) Other Bank Balances (other than Note 13 above)	14.3	19.0
(iv) Other Current Financial Assets	6.3	4.8
(v) Investment in units of mutual fund	38.8	27.5
Other Current Assets	49.5	38.2
Total Current Assets	678.5	696.7
TOTAL ASSETS	1066.3	1,063.3

Consolidated Cash Flow Statement

Particulars (Rs in Cr)	30-Sep-23	30-Sep-22
Operating profit before working capital changes	74.5	63.5
Changes in working capital	(127.7)	(68.0)
Cash generated from operations	(53.2)	(4.5)
Direct taxes paid (net of refund)	(12.9)	(13.8)
Net Cash from Operating Activities (A)	(66.1)	(18.3)
Net Cash from Investing Activities (B)	(40.7)	(50.6)
Net Cash from Financing Activities (C)	95.2	32.1
Net Change in cash and cash equivalents	(11.7)	(36.8)

ESG as an integral part of Business Decision Making

- MTAR envisions to be 100% ESG compliant; ESG is an integral part of our business decision making process
- Nearly 85% of the Company's revenue in FY 23 is derived from manufacturing climate positive products in Civil Nuclear Power, Fuel Cells, Hydel & Waste to Energy Sectors
- The company has set up two solar rooftop plants of 1.38 MWe total capacity at Unit 2 and EOU to reduce our energy consumption; intends to set up the solar rooftops at Adibatla and Unit 3
- The Company's policies are framed in such a way to promote diversity, equity and inclusion among all the stakeholders
- MTAR is led by independent directors majority board to ensure robust corporate governance and the Chairman on the board is an independent director
- The company has been awarded rating by Dun & Bradstreet (D&B) for its ESG practices. The company has scored an overall rating of 2 – good on a 5 rating scale. The governance aspects of the company are rated as 1 - very good, environment aspects as 2 - good and social aspects as 3 – Medium. As per D&B the company is performing better than the industry in environment and governance practices whereas the company is on par with the industry in social practices



Supported by an Experienced Board of Directors



Parvat Srinivas Reddy

Managing Director and Promoter

- 32+ years of rich work experience in Manufacturing and Construction industries
- Master's degree in science, specializing in industrial engineering from Louisiana Tech University



Subbu Venkata Rama Behara

Chairman and Independent Director

- Director - Sona BLW Precision Forgings and KPIT Technologies Limited
- Alumnus of IIFT



Praveen Kumar Reddy Akepati

Executive Director

- Has worked with the company for 22+ years
- Bachelor's degree in engineering from the Faculty of Engineering, Andhra University



Venkatasatishkumar Reddy Gangapatnam

Non-Executive Director

- Director - Rasun Ace Infra Pvt Ltd, Acecorp Group Pvt Ltd and Magnatar Aero Systems Pvt Ltd
- Alumnus of Bradley University



Anushman Reddy

Executive Director

- Nearly nine years of experience in manufacturing
- Holds Master's degree in global supply chain management from Marshall School of Business (University of Southern California), and Executive post graduate diploma from Narsee Moinjee Institute of Management.



Krishna Kumar Aravamudan

Independent Director

- Previously served as MD, State Bank of India
- Ex-director - CDSL, REC Ltd, TVS Wealth Pvt Ltd and SBI Payment Services Pvt Ltd



Ameeta Chatterjee

Independent Director

- Director - Nippon Life Asset Management Ltd and JSW Infrastructure Ltd
- Alumnus of IIM, Bangalore



Gnana Sekaran Venkatasamy

Independent Director

- Previously worked at DRDO
- Master's degree in engineering from the Indian Institute of Science, Bengaluru



Udaymitra Chandrakant Muktibodh

Independent Director

- Served NPCIL at various capacities including technical director
- Had been awarded NPCIL Excellence Award

Experienced and Qualified Management Team



Parvat Srinivas Reddy - *Managing Director and Promoter*

- Entrusted with the overall responsibility of management
- 32+ years of rich work experience in Manufacturing and Construction industries
- Master's degree in science, specializing in industrial engineering from Louisiana Tech University



Gunneswara Rao Pusrarla – *Chief Financial Officer*

- Responsible for leading the financial operations in the company
- 24 years of experience across finance spectrum in strategic planning, P&L management, fund raising, financial accounting, and setting up green field projects.
- previously associated with Tata Sikorsky Aerospace Ltd for a span of 11 years



Praveen Kumar Reddy - *Executive Director*

- Responsible for heading business development in the organization
- Has worked with the company for 22+ years in various functions including operations, supply chain and business development
- Bachelor's degree in engineering from the Faculty of Engineering, Andhra University



Anushman Reddy - *Executive Director*

- Responsible for heading exports division in MTAR
- Nearly eight years of experience in manufacturing
- Holds Master's degree in global supply chain management from Marshall School of Business (University of Southern California), and Executive post graduate diploma from Narsee Moinjee Institute of Management.



Raja Sheker Bollampally , *Chief Operating Officer*

- Responsible for leading the day to day operations in the company
- 23 years of experience in operations including engineering concept design, manufacturing process development, program management, and strategic vendor development in Clean Energy & Automotive sectors.
- Worked in reputed Companies – Bloom Energy, Ohmium, Ford Motors etc



Pusparaj Satpathy, *Vice President, Human Resources*

- Responsible for the HR development
- 25+ yrs. Of experience in human resources
- Previous organisations - Century Enka Ltd., Hindustan Zinc Ltd. and Hindalco Industries Ltd.
- Alumnus of Jaipuria Institute of Management, Lucknow



Shubham Sunil Bagadia, *CS and Compliance Officer*

- Responsible for ensuring compliance with statutory and regulatory requirements
- Member -Institute of Company Secretaries of India

Annexure

**A leader in critical and differentiated
engineered products**

Historical Profit & Loss

Consolidated Balance Sheet

Abridged Cash Flow Statement

Performance in Charts

Capital Disciplined Approach



Historical Consolidated Profit & Loss Statement

Particulars (Rs. Crs)	FY23	FY22	FY21	FY20
Revenue from Operations	573.8	322.0	246.4	213.8
Cost of Materials Consumed	315.6	157.4	101.8	87.3
Changes in Inventories of Finished Goods and Work in Progress	-46.1	(41.2)	(21.6)	(15.1)
Gross Profit	304.2	205.8	166.3	141.6
GP %	53.0%	63.9%	67.5%	66.2%
Employee Benefits Expense	93.5	70.8	53.0	51.6
Other Expenses	56.8	40.5	30.2	32.0
EBITDA	154.0	94.4	83.1	58.0
EBITDA %	26.8%	29.3%	33.7%	27.1%
Other Income	19.5	8.8	1.3	4.4
Depreciation and Amortisation Expense	18.7	14.3	12.6	12.0
EBIT	154.8	88.9	71.8	50.3
Finance Costs	14.6	6.6	7.0	4.8
PBT	140.2	82.2	64.8	45.5
Total Tax Expense	36.8	21.3	18.8	14.2
Profit for the year	103.4	60.9	46.1	31.3
PAT %	18.0%	18.9%	18.7%	14.7%

Historical Balance Sheet – Equity & Liabilities

EQUITY & LIABILITIES (Rs. Crs)	Mar-23	Mar-22	Mar-21	Mar-20
Equity Share Capital	30.8	30.8	30.8	26.8
Other Equity	589.4	489.0	446.0	198.3
Total Equity	620.1	519.7	476.7	225.1
Financial Liabilities				
Borrowings	77.7	25.9	7.1	0.0
Provisions	5.6	0.4	0.4	2.4
Deferred Tax Liabilities (Net)	18.2	16.3	12.7	5.3
Total Non-Current Liabilities	101.6	42.7	20.2	7.7
Financial Liabilities				
(i) Borrowings	65.6	69.9	4.9	29.1
(ii) Trade payables	218.2	57.0	34.7	30.6
(iii) Other Financial Liabilities	7.0	2.4	7.6	0.2
Provisions	1.9	3.0	2.5	3.4
Current Tax Liabilities (Net)	2.2	0.3	0.3	0.9
Other Current Liabilities	46.6	32.6	39.4	49.2
Total Current Liabilities	341.6	165.4	89.4	113.5
TOTAL EQUITY & LIABILITIES	1,063.3	727.7	586.3	346.3

Historical Balance Sheet - Assets

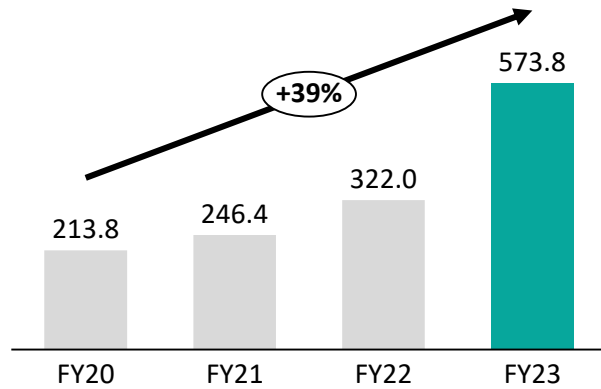
ASSETS (Rs. Crs)	Mar-23	Mar-22	Mar-21	Mar-20
Property, Plant and Equipment	290.2	195.4	166.1	155.0
Capital Work-in-progress	64.4	43.8	10.5	11.7
Intangibles Assets	0.8	1.0	0.9	0.1
Financial Assets				
(i) Investments	0.0	0.0	0.0	0.0
(iii) Other Financial Assets	2.2	2.2	2.1	3.3
Non-Current Tax Assets (Net)	0.5	0.5	0.5	0.6
Other Non Current Assets	8.6	21.6	7.5	4.0
Total Non-Current Assets	366.6	264.5	187.8	174.8
Inventories	386.6	170.3	102.5	75.5
Financial Assets				
(i) Trade Receivable	208.4	136.0	77.3	61.6
(ii) Cash and Cash Equivalents	12.2	59.6	180.3	13.5
(iii) Other Bank Balances (other than Note 13 above)	19.0	7.4	10.6	9.7
(iv) Other Current Financial Assets	4.8	6.7	12.7	1.7
(v) Investment in units of mutual fund	27.5	62.3	0	0
Other Current Assets	38.2	20.9	15.2	9.5
Total Current Assets	696.7	463.2	398.5	171.5
TOTAL ASSETS	1,063.3	727.7	586.3	346.3

Abridged Consolidated Cash Flow Statement

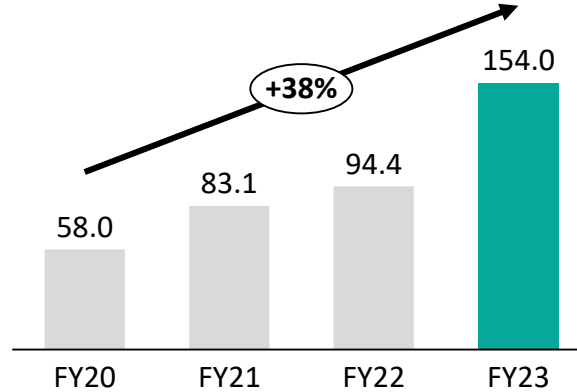
Particulars (Rs in Cr)	31-Mar-23	31-Mar-22	31-Mar-21	31-Mar-20
Operating profit before working capital changes	168.8	96.1	82.0	60.9
Changes in working capital	(129.1)	(108)	(61.7)	2.5
Cash generated from operations	39.7	(11.8)	20.3	63.4
Direct taxes paid (net of refund)	(32.3)	(18.0)	(11.7)	(7.2)
Net Cash from Operating Activities (A)	7.4	(29.8)	8.6	56.2
Net Cash from Investing Activities (B)	(86.7)	(145.0)	(22.2)	(12.1)
Net Cash from Financing Activities (C)	32.0	54.1	180.1	(41.3)
Net Change in cash and cash equivalents	(47.3)	(120.7)	166.6	2.8

Performance in Charts

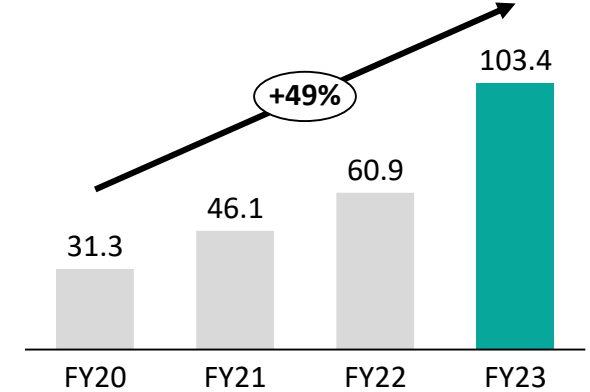
Revenues (Rs. Crs)



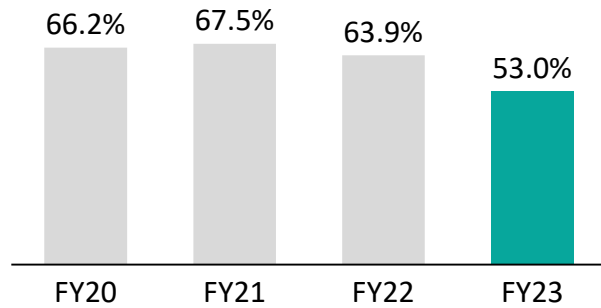
EBITDA (Rs. Crs)



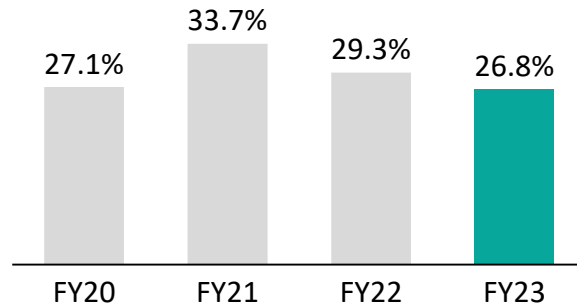
PAT (Rs. Crs)



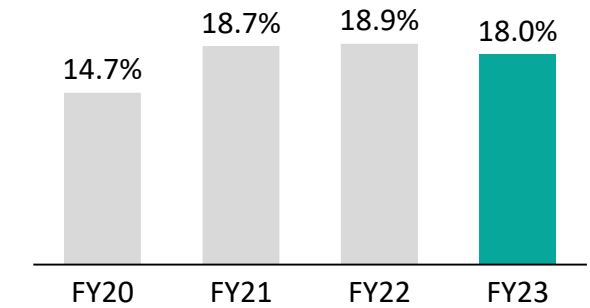
Gross Profit Margins (%)



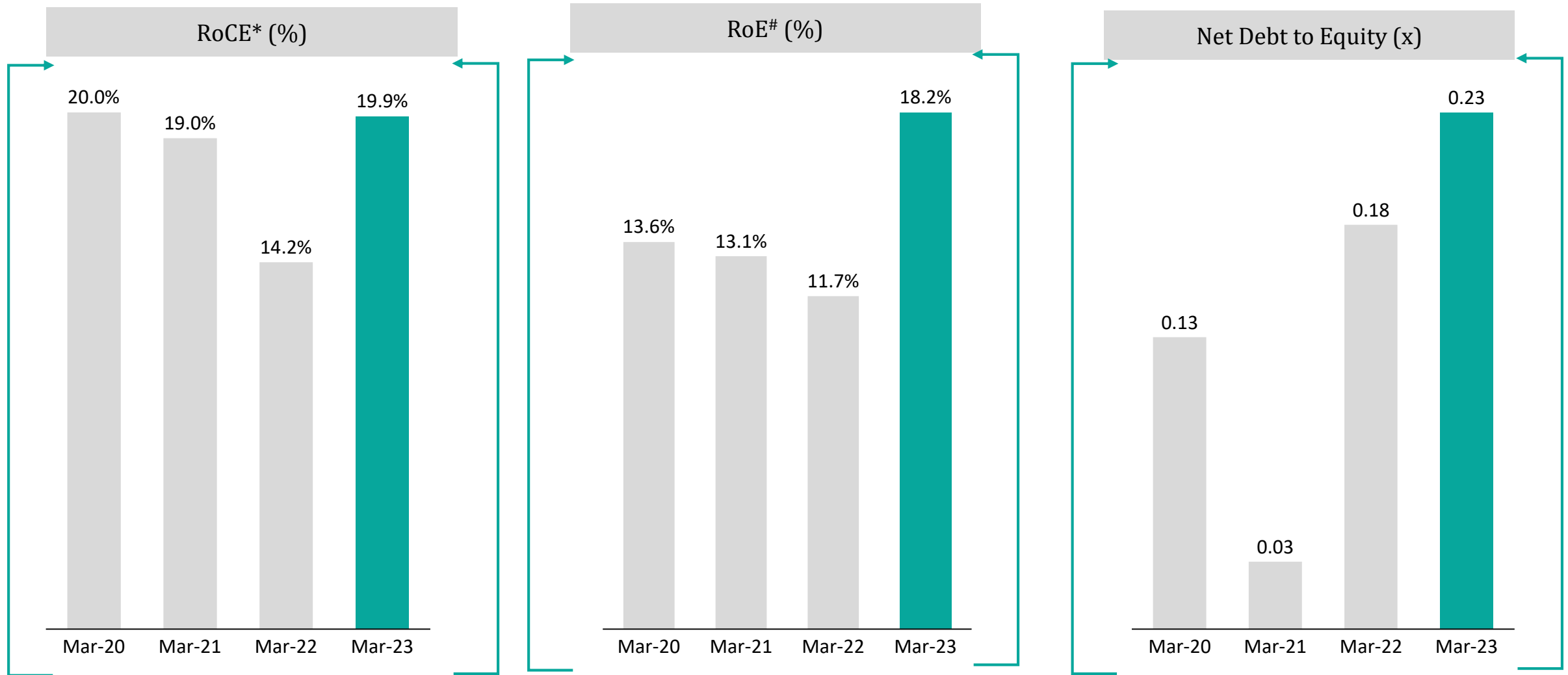
EBITDA Margins (%)



PAT Margins (%)



Capital Disciplined Growth



*RoCE = EBIT/Avg. Capital Employed
 Capital Employed = Total Assets – Current Liabilities

#RoE = Net Profit/Avg. Total Equity

Thank You



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Celebrating 5^{Years}
of Engineering Excellence