

MMP Industries Limited Reports Revenue Growth of 72% YoY Q1FY23 Revenue at ₹1,483 mn; EBITDA at ₹72 mn; Net Profit at ₹47 mn

Nagpur, India – 15th July 2022: MMP Industries Limited, a leading manufacturer of aluminium powders, aluminium foils, and aluminium conductors, announced its financial results for the first quarter (Q1FY23) ended 30 June 2022.

The key consolidated financials for the quarter are:

Particulars (₹ mn)	Q1 FY23	Q4 FY22	QoQ%	Q1 FY22	YoY%
Total Revenue	1,483	1,535	-3%	863	72%
EBITDA	72	142	-49%	83	-13%
<i>EBITDA Margin</i>	<i>4.9%</i>	<i>9.2%</i>	<i>-442 bps</i>	<i>9.6%</i>	<i>-477 bps</i>
PAT	47	92	-49%	57	-18%
<i>PAT Margin</i>	<i>3.2%</i>	<i>6.0%</i>	<i>-281 bps</i>	<i>6.6%</i>	<i>-346 bps</i>

Consolidated Q1 FY23 Highlights

- Total Revenue was ₹1,483 mn for Q1 FY23 compared to ₹863 mn in Q1 FY22, **an increase of 72%**.
- EBITDA at ₹72 mn for Q1 FY23 compared to ₹83 mn during Q1 FY22, **a decrease of 13%**.
- EBITDA Margin at 4.9% for Q1 FY23 as against 9.6% in Q1 FY22.
- PAT at ₹47 mn for Q1 FY23 compared to ₹57 mn in Q1 FY22, **a decrease of 18%**.

Business Segment Performance

Particulars (₹ mn)	Q1 FY23	Q4 FY22	QoQ%	Q1 FY22	YoY%
Total Revenue					
Aluminium Powders	1,081	1,085	-0.4%	706	53%
Aluminium Foils	313	378	-17.0%	105	198%
Aluminium Conductors	82	64	28%	44	86%
Others	7	8	-13%	7	-

- Aluminium Powder reports ₹1,081 mn for Q1 FY23 compared to ₹706 mn in Q1 FY22, an increase of 53%.
- Aluminium Foils stands at ₹313 mn for Q1 FY23 compared to ₹105 mn in Q1 FY22, an increase of 198%.
- Aluminium Conductors stands at ₹82 mn for Q1 FY23 compared to ₹44 mn in Q1 FY22, an increase of 86%.

Management Commentary

Performance during Q1FY23

The Company reported 72% growth YoY in revenue for Q1FY23 driven by increase in revenue of Aluminium powder segment by 53%, aluminium foils by 198% and aluminium conductors/cables by 86% YoY.

EBITDA and PAT margins have been impacted adversely due to falling metal price by 35% during the quarter thereby resulting in inventory loss. The margins were further affected by extreme inflationary pressure with higher fuel, power, chemicals and freight costs.

Segment Outlook and Guidance

Aluminium Foils

The aluminium prices are expected to remain stable in the coming quarter. However, the industry is likely to witness increase in competition.. The company will continue to focus on the pharma sector and growth projection for the year are likely to be maintained.

The progress of the new rolling mill project is on schedule and is expected to be commissioned during Q4 FY 23.

Aluminium Powders

The monsoon-affected Q2 is normally a low demand quarter where mining and construction activities slow down. However, H2 is likely to see strong demand. In order to meet the demand, the Q2 capacity utilization is expected to remain high especially considering the reasonable metal prices as on date.

Aluminium Conductors and Cables

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

General

As an environmentally conscious company and with a view to reduce the constantly increasing electricity costs, the company has through internal accruals, invested in 1.5 MW solar capacities at its two locations of Umred and Bhandara. These will be online in Q2 /early Q3 of FY 23 and are expected to reduce annual energy bills by 10-15 %. This will also reduce our carbon footprint and is first of the several steps which the company is taking towards a greener future.

ASSOCIATE COMPANIES

Star Circlips & Engineering Limited (SCEL)

SCEL reported Q1FY23 Revenue of ₹381 mn, up by 18% compared to ₹323 mn revenue in Q1 FY 22. PAT is ₹17 mn for Q1 FY23 compared to ₹32 mn in Q1 FY22. The reduction in PAT is largely due to high steel prices, increased depreciation, inflationary pressure and Euro depreciation impacting our major export realizations.

The domestic demand is expected to be strong in the coming quarters with the supply chain issues of chips easing to an extent. Exports continue to show good momentum, especially in the USA.

The company has installed a roof top solar power generation system of 900 KW under the net metering norms. This is expected to result in energy saving cost of approximately 17-18 % annually.



Toyol MMP India Private Limited (TMI):-

TMI achieved revenue of ₹144 mn in Q1 FY 23 compared to ₹155 mn in Q1 FY 22 and reported PAT of ₹3 mn in Q1 of FY 23 compared to PAT ₹4 mn for Q1 FY 22.

The Company expects double digit revenue growth in FY23 with high margin import substitute grades gaining strength in the domestic market. With stable aluminium prices, margins are likely to improve in this year.

Roof top solar system design is under active discussion.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Particulars (₹ mn)	Q1 FY23	Q4 FY22	QoQ%	Q1 FY22	YoY%
Revenue from Operations	1482	1,534	-3%	861	72.%
Other Income	1	1	--	1	-
Total Revenue	1483	1,535	-3%	863	72%
Expenses					
-Cost of Material Consumed	1309	1158	13%	704	86%
-Purchase of stock-in-trade	0	0	0%	1	-39%
-Changes in inventories	-82	47	275%	-65	27%
-Employee Benefit Expense	85	85	0%	67	28%
-Finance Cost	9	10	-4%	6	48%
-Depreciation & Amortization	17	17	-2%	13	25%
-Other Expenditure	99	103	-4%	73	35%
Total Expenses	1438	1,420	1%	800	80%
PBT before Share of Profit/ (Loss) of Associate, Exceptional Items	45	115	-61%	63	-28%
Share of Profit/ (Loss) of Associate	5	8	-33%	9	-44%
PBT before Exceptional Items	51	123	-59%	72	-30%
Exceptional Item	0	0		0	
PBT	51	123	-59%	72	-30%
Tax Expense	4	31	-88%	15	-76%
PAT	47	92	-49%	57	-18%

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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