MACPOWER CNC MACHINES LIMITED

INVESTOR PRESENTATION

20th AUGUST 2018

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Key Management

Mr. Rupesh Mehta

Promoter, Chairman & Managing Director

Rupesh Mehta has experience of more than 25 years in the Machine Tool Industry. Rupesh Mehta holds a degree in Bachelor of Commerce from Saurashtra University. He looks after all the corporate decision and is responsible for the entire business operation of the company.

Major landmarks of his journey:

Executive Director – Indian Machine Tools Manufacturers Association, Former President - Rajkot Machine Tool Association, Former Treasurer – Rajkot Chamber of Commerce, Former Director – Rajkot Engineering Association

Mr. Nikesh Mehta

Promoter & Whole-Time Director

Nikesh Mehta has experience of around 14 years in Machine Tool Industry. Nikesh Mehta holds a degree in Bachelor of Commerce from Saurashtra University. His scope of work includes looking after Machine Shop, Application Department (conducting trials on machines) and Purchase department of the Company.

About The Company

- Established in 2003 Macpower CNC Machines Limited is engaged in manufacturing of CNC (Computer Numerical Control) Turning Centers, Vertical Machining Centers, Horizontal Machining Centers, Cylindrical Grinder, Vertical Turret Lathe, Turn Mill Centers, Drill Tap Center, Twin Spindle VMC and also Multi Tasking 5-axis along with sub spindle.
- Macpower has also offered Robotic Automation integrated with CNC machines to cope up the demand of technology driven machining excellence.
- CNC Machining is a process used in the manufacturing sector that involves the use of computers to control machine tools including lathes, mills, routers and grinders.
- Macpower is ISO 9001:2015 Company and accepted quality management system certified by ICL.
- Macpower is currently offering a widest range of 27 different product categories with 60+ different models serving 27 industry segment world wide.
- Sales & Service Team presence in 31 cities across the country with 107 qualified engineers and 6 business associates; establishment of 4 region offices and 4 technology centers across the country to have better connect with our valued customers.

Years since Inception	Total Manpower	Worker	Sales & Service	Office Staff
14	425	256	107	62

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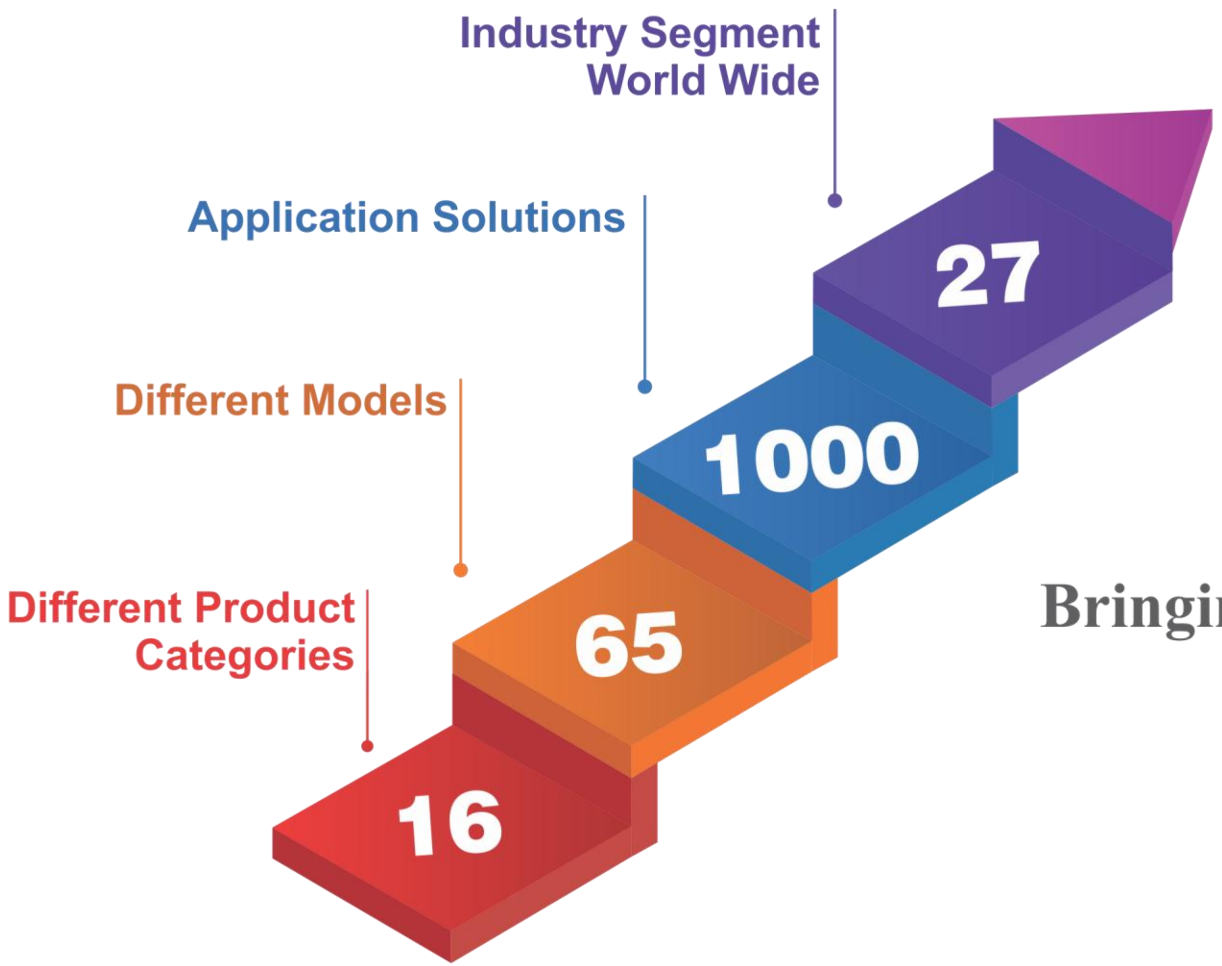
Business Overview

OFFERING WIDEST RANGE OF



Bringing Revolution in Machine Tools Industry.

Recent Developments

- Macpower raised fund of Rs. 36.61 Cr by way of Initial Public Offering and got listing on Emerge platform of NSE at March 22, 2018. The current price is a healthy 40% higher than issue price of Rs.140.

- FY18 results, Strong Performance on all parameters.
  - Revenues for 12 months FY18 at Rs 107.5 Crores were up 54% YoY
  - EBIDTA at Rs.11.9 crores is up 490% YoY
  - PAT at Rs.7 Crores up 798% YoY

- During FY18 Sales were booked for 572 Machines. The demand for CNC machines remains robust and the company's order book stands at a healthy Rs.72 crores for 418 Machines as pending order as on 30 June, 2018.

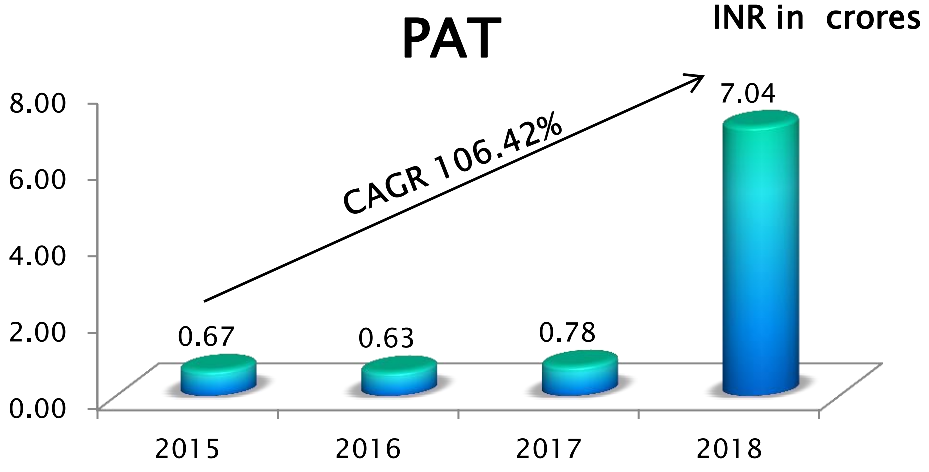
- Company's lot size will be condensed to 500 shares from 1000 shares w.e.f. August 06, 2018.

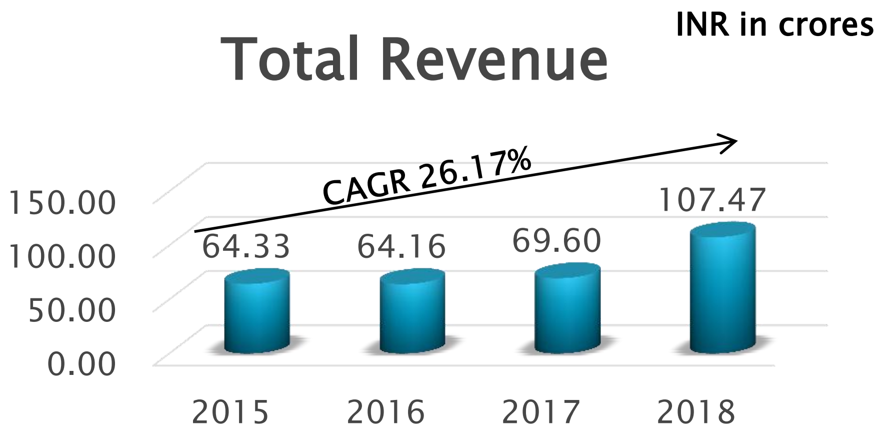
- New plant for which IPO funds were raised in on schedule and will add 600 machines by March 2019, taking up total capacity to 1400 machines pa.

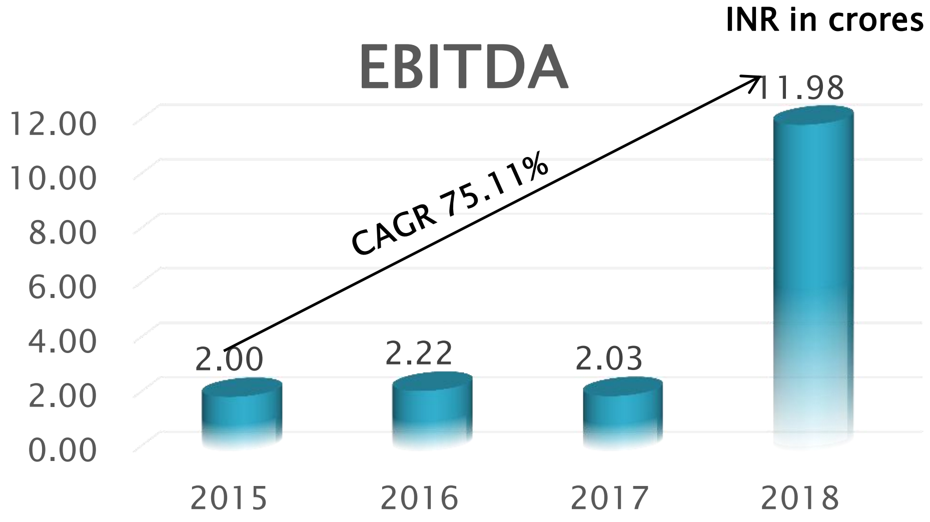
- Within months of listing, the Board has recommend a 10% dividend for FY18 to all shareholders except the Promoters and Promoter Group.

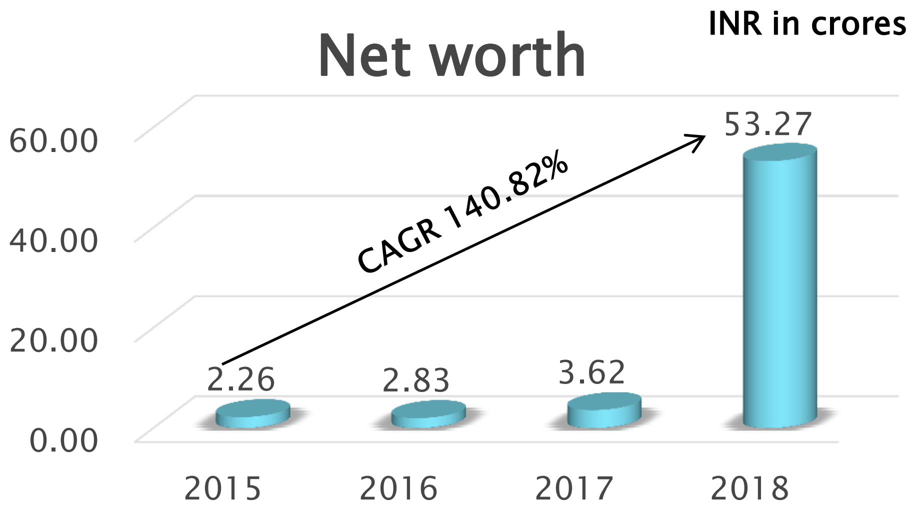
FINANCIAL OVERVIEW

Financial Performance Graphs

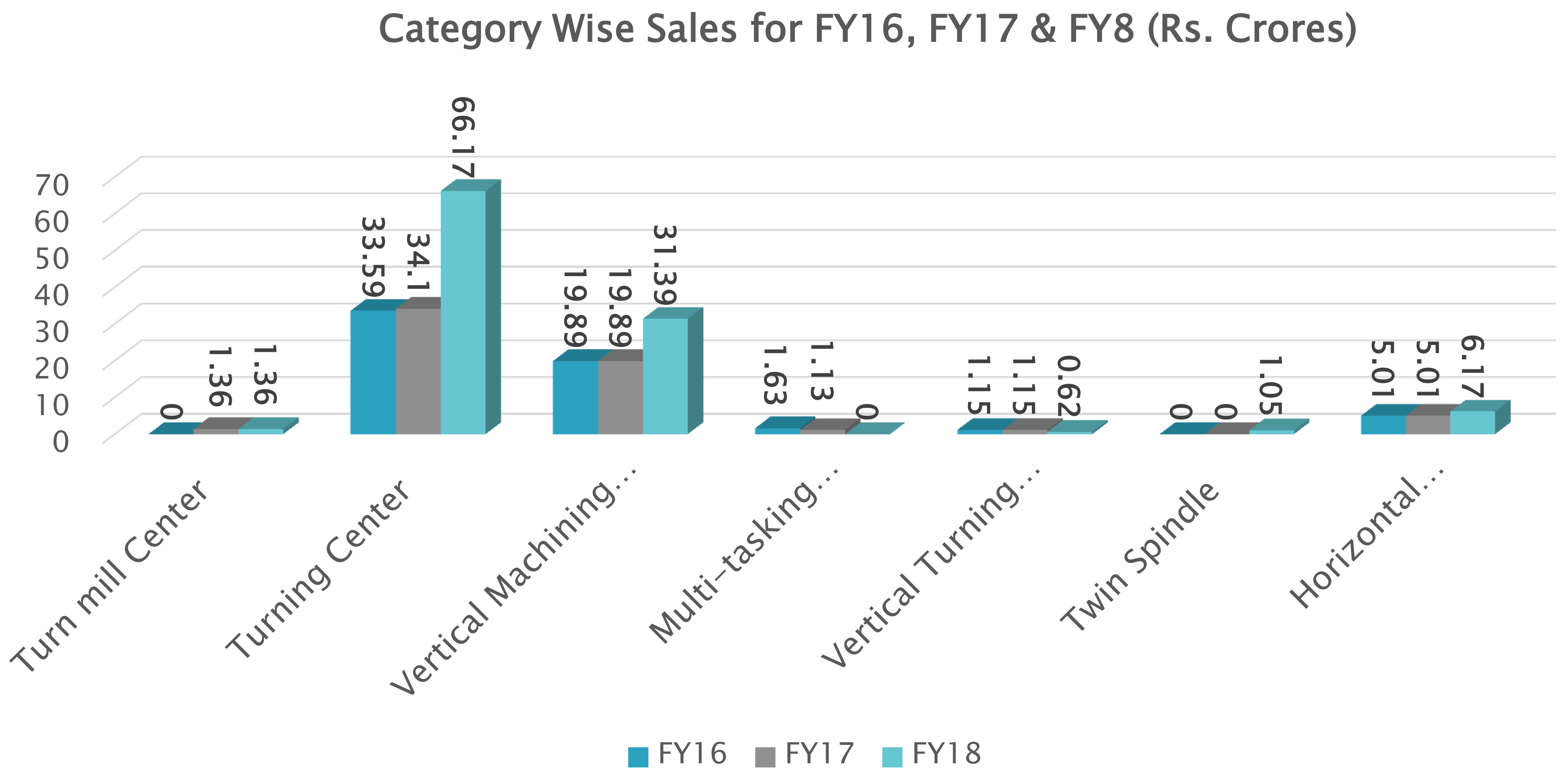








Sales Analysis



Network Presence

WORLDWIDE PRESENCE

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Key Clientele

AUTOMOBILE SECTOR

Kalyani Forge

Varroc

Seinumero Nirman

Kanemitsu

TRW Fuji Serina, Thailand

SSB Engineers

Vinayak Engineers

GENERAL ENGINEERING SECTOR

Graphite India

Nirlep

Eneroil Offshore

JPan Tubular

Supreme Industries

Chemtron Science Laboratories

CEASE FIRE

Kone Cranes

Parshuram Technocraft

Meenakshi Polymers

Government PSU

ISRO

Indian Railway

Physical Research Laboratory (PRL)

GOVT. EDUCATION SECTOR

CIPET

Government Tool Room

Key Clientele

DEFENCE SECTOR

Indian Air Force

Gun And Shell Factory

HVF, Avadi

Indian Ordnance Factories

Rifle Factory, Ishapore

Opto Electronics

Ordnance Factory Medak

DRDO TBRL

AGRICULTURE SECTOR

Mitter Fasteners

Rinox Engineering

DIE MOULD SECTOR

Sigmarq

Axis Tools

Plasma Alloys

EXPORT SECTOR

Hinkell, UK

Marla Makina, Turkey

TRW Fuji Serina, Thailand

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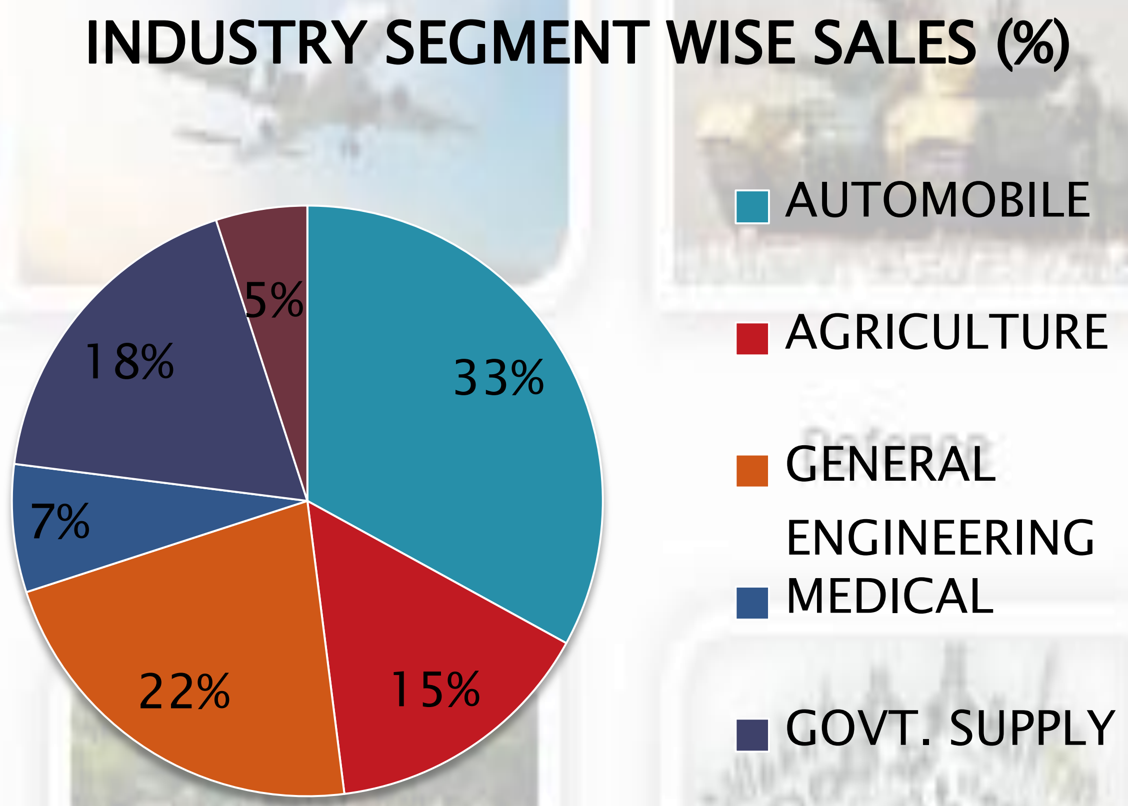
Industry Sectors We Serve

Auto Mobile Sector : Varroc Engineering, Seinumero Nirman, Kanemitsu

General Engineering Sector : Graphite India, Nirlep, Eneroil Offshore

Government Sector : CIPET, Heavy Vehicle Factory, Ordance factory



Financial Performance

Rs. Crores

PERIOD ENDING 31ST MARCH, 2018			
Particulars **For Period ended March**	FY18	FY17	Y-O-Y %
TOTAL REVENUE	107.4	69.6	54.4
EBIDTA	11.9	2.0	490.0
INTEREST	0.2	0.4	-47.5
DEPRICIATION	1.0	0.6	54.5
PBT	10.7	0.9	1012.0
TAX	3.7	0.1	1930.3
PAT	7.0	0.7	798.1
EPS (RS)	22.7	13.0	74.3

Profit & Loss Statement

Rs. Crores

Particulars	For the period ended 31st March			
	2018	2017	2016	2015
Income				
Revenue from operations	106.4	69.1	63.1	62.9
Other income	0.9	0.4	1.0	1.3
Total Revenue	10,7.4	69.6	64.1	64.3
Expenses :				
Cost of materials consumed	71.3	49.6	47.1	47.4
Employee benefits expense	11.4	8.6	7.1	6.6
Other expenses	12.6	9.3	7.6	8.2
Total Expenses	95.4	67.5	61.9	62.3
EBITDA	11.9	2.0	2.2	2.0
Depreciation and amortization expense	1.0	0.6	1.2	0.7
EBIT	10.9	1.3	0.9	1.2
Finance costs	0.2	0.4	0.6	0.5
Profit Before Tax	10.7	0.9	0.2	0.7
Tax expense:				
(1) Current tax	3.9	0.1	0.03	0.0
(2) Deferred tax	-0.2	0.0	-0.3	0.0
Profit (Loss) for the period	7.0	0.7	0.6	0.6
Earnings per equity share (Rs.)				
Basic (Rs.)	7.1	13.0	12.6	13.5
Diluted (Rs.)	7.1	2.5		

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Balance Sheet

Rs. Crores

Particulars	For the period ended 31st March			
	2018	2017	2016	2015
Equity & Liabilities				
Shareholder's Funds:				
Share Capital	9.8	0.6	0.6	0.5
Reserves & Surplus	43.4	3.0	2.2	1.7
Non-current Liabilities:				
Long-term Liabilities	0.2	0.7	3.9	5.5
Current Liabilities:				
Short-term Borrowings	0.0	3.1	0.2	2.2
Trade Payables	35.7	24.0	17.5	16.6
Other current Liabilities	0.5	0.7	0.3	0.2
Short-term & Long Term Provisions	4.8	0.2	0.0	0.1
Assets				
Non-Current Assets				
Fixed Assets	4.5	2.9	2.8	4.4
Non-Current Investment	0.0	0.0	0.0	0.0
Deferred tax assets	0.6	0.4	0.4	0.0
Other Non Current Assets	1.5	0.0	0.0	0.0
Current Assets:				
Current Investments	7.5	0.0	0.0	1.0
Inventories	27.6	17.3	10.0	16.2
Trade Receivables	4.1	10.3	3.2	2.3
Cash & Cash equivalent	39.1	0.0	6.2	0.5
Short-term & Long Term loans & advances	9.3	1.3	2.1	2.4
Total	**94.6**	**32.5**	**24.9**	**27.1**

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Cash flow Statement

Rs.Crores

Particulars	For the period ended 31st March			
	2018	2017	2016	2015
CASH FLOW FROM OPERATING ACTIVITIES				
Net profit Before Tax and Extraordinary Items	10.7	0.9	0.2	0.7
Adjustments For:				
Depreciation	1.0	0.6	1.2	0.7
Loss (Profit) on Sale of Assets	0.0	0.0	0.0	0.0
Dividend Income	0.0	0.0	-0.1	-0.1
Interest Received	0.0	0.0	0.1	-0.2
Interest and Finance Charges	0.2	0.2	0.6	0.5
Short Term Capital Gain On MF	-0.07	0.0	0.0	0.0
Operating Profit before working capital changes	11.8	1.8	1.9	1.5
Cash Generated from Operations	2.4	-3.5	4.3	-1.9
Net Cash Flow from Operations	14.3	-1.7	6.2	-0.4
Less : Taxes Paid	-3.9	-0.1	0.0	0.0
Net Cash From /(Used In) Operating Activities (A)	10.4	-1.8	6.4	-0.4
Cash Flow From Investing Activities				
Increase in Current & Non-Current Investment	-7.5	0 .0	1.0	2.0
Decrease in Current Investment	0.0	0.0096	0.0	0.0
Purchase Of Fixed Assets	-2.6	-0.8	-0.2	-1.3
Sale of Fixed Assets	0.02	0.02	0.0	0.02
Sale/Redemption of Investment(Short Term CG)	0.07	0.0	0.0	0.0
Interest Income	0.0	0.0	0.1	0.2
Dividend Income	0.0	0.0	0.1	0.1
Net Cash From /(Used In) Investing Activities (B)	-10.0	-0.7	1.1	1.1
Cash Flow From Financing Activities				
Proceed From Issue Of Share Capital	3.0	0.0	0.5	0.0
Increase in Share Premium	38.9	0.0	0.0	0.0
Increase in Unsecured Loans	0.1	-3.2	-1.6	-1.0
Interest Received	0.03	0.05	0.0	0.0
Dividend Received	0.0	0.0	0.0	0.0
Decrease in Short Term Borrowings	-3.1	0.0	0.0	0.0
Interest Paid	-0.2	-0.2	-0.6	-0.5
Net Cash From Financing Activities (c)	38.7	-3.4	-1.7	-1.5
Net Increase / (Decrease) in Cash (A)+(B)+(C)	39.1	-6.1	5.6	-0.8
Cash and Cash equivalents at the beginning of the year	0.05	6.2	0.5	1.4
Cash and Cash equivalents at the end of the year	39.1	0.05	6.2	0.5

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Accounting Ratios

Particulars	For the period ended 31st March			
	2018	2017	2016	2015
PAT Margin %	6.5%	1.1%	0.7%	0.4%
EBITDA Margin %	11.1%	2.9%	3.8%	3.3%
ROCE %	20.2%	17.9%	23.0%	9.0%
RONW %	13.2%	21.6%	17.0%	15.3%
Net Asset Value (Rs. Crores)	54.3	60.4	4.3	2.8
Debt Equity x	0.02	1.1	1.4	4.1

Product Range

TURNING CENTER

BEARING, VALVE, PUMP INDUSTRY, TOOL ROOM, AUTOMOBILE, PROCESS PLANT COMPONENTS, AGRICULTURE, TEXTILE, PIPING INDUSTRY

VERTICAL MACHINING CENTER

TOOL ROOM, DIE AND MOULD, AUTOMOBILE, PATTERN, DEFENCE, POWER, RAILWAYS

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Product Range

TURN MILL CENTER

SPECIAL PURPOSE COMPONENTS,
AERONAUTICS, DEFENCE,
AGRICULTURE, MEDICAL

VERTICAL TURNING LATHE

VALVE BODY, MOTOR BODY, ENGINE
LINER, RAILWAYS

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Product Range

HORIZONTAL MACHINING CENTER

AUTOMOBILE, DIE AND MOULD,
DEFENCE, AERONAUTICS, TEXTILE,
MEDICAL, RAILWAYS

DRILL TAP CENTER

ELECTRONICS, AUTOMOBILE,
TEXTILE

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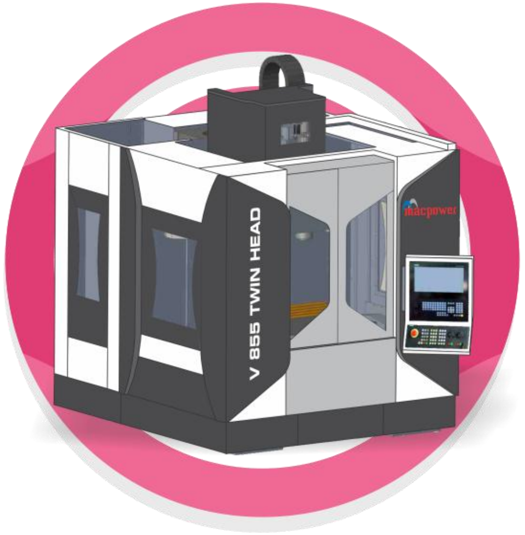
Product Range



TWIN HEAD VMC

AUTOMOBILE & TEXTILE

CYLINDRICAL GRINDER

SPECIAL PURPOSE COMPONENTS,
AGRICULTURE, RAILWAY

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Product Range

Category	Factories / Institutes Served	Machines
Defence	HVF Avadi, Gun & Shell Factory Cossipore, Rifle Factory Ishapore, Ordnance Factory Dumdum, Opto Electronics Dehradun, Fieldgun Factory Kanpur, HAPP Trichy	
Education	CIPET, IIT Roorkee, ITI Karnataka, DTE Orissa, MITI Nainital, Institute of Infrastructure Training, Research & Management, Ahmedabad	
Aeronautics	HAL Bangalore, GTTC Karnataka	

Product Range

Category	Factories / Institutes Served	Machines
Energy	South Eastern Coal Fields Limited, Bilaspur	
R & D	Terminal Ballistics Research Laboratory (DRDO) Chandigarh, Institute for Plasma Research Ahmedabad	

Product Range

- Turning Center
- Vertical Machining Center
- Turn Mill Center
- Twin Spindle Turning & VMC
- Vertical Turning Lathe
- Horizontal Machining Center
- Cylindrical Grinder
- Drill Tap Center
- Robotic Automation


Robotic Automation

We Provide Robotic Automation Solution

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Order Statistics

Tender Filed
Number : 280
Value (Rs. In Lacs) : 23795

Pending Order/ Advance Amount (Private)
Number : 418
Value (Rs. In Lacs) : 7255/416

L1/Order Recd.
Number : 9
Value (Rs. In Lacs) : 751

Govt. Supply
Number : 140
Value (Rs. In Lacs) : 7376

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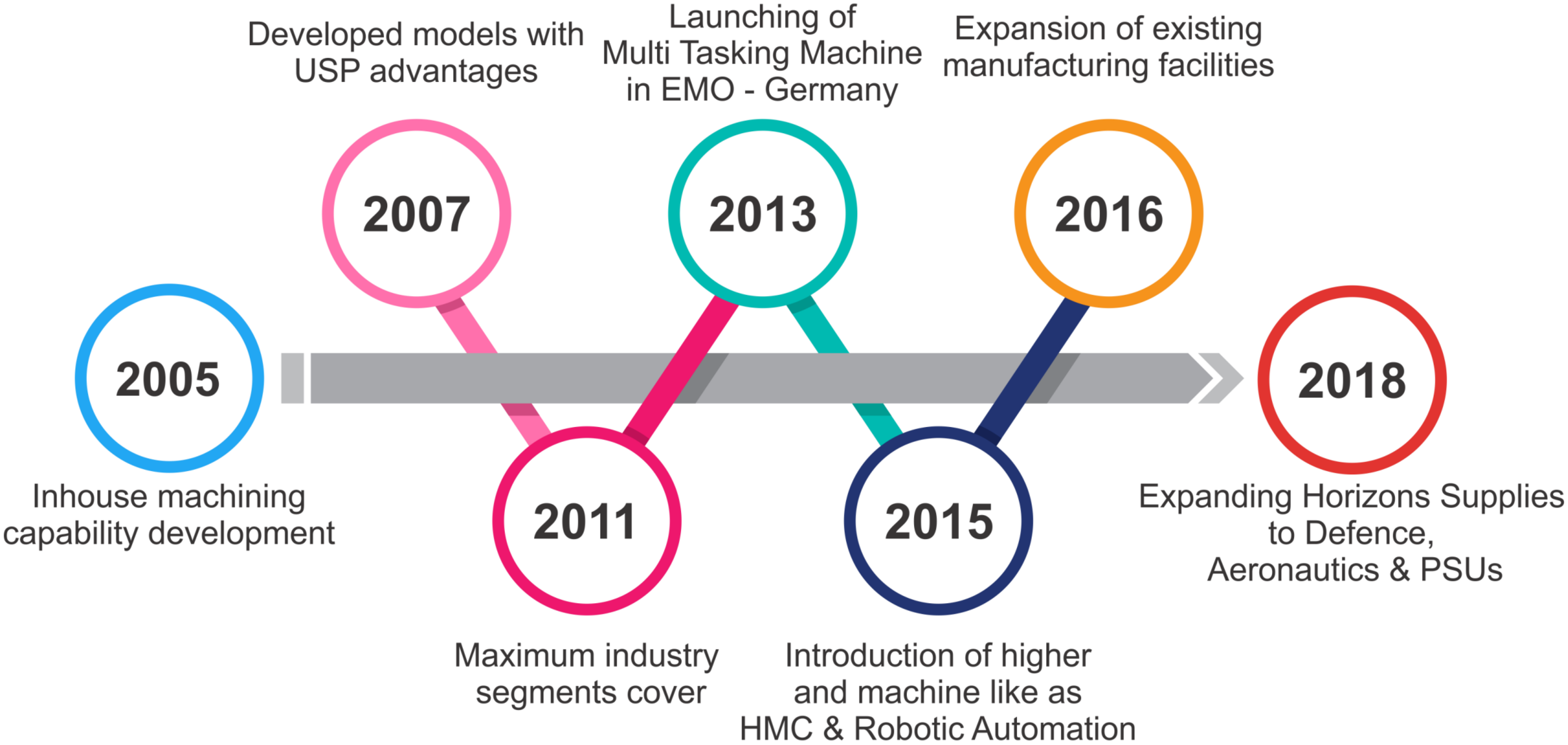
Our Milestones



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Tech Centers

PUNE, 1800 Sq. Ft.
Bhosri Industrial Area

DELHI, 1800 Sq. Ft.
Rohtak Road

AHMEDABAD, 1000 Sq. Ft.
Soni Ni Chali, Rakhiyal

JAIPUR, 1200 Sq. Ft.
VKI Area

Two Tech Center Opening in Month of September New Delhi (Rohtak Road) & Jaipur (VKI A)

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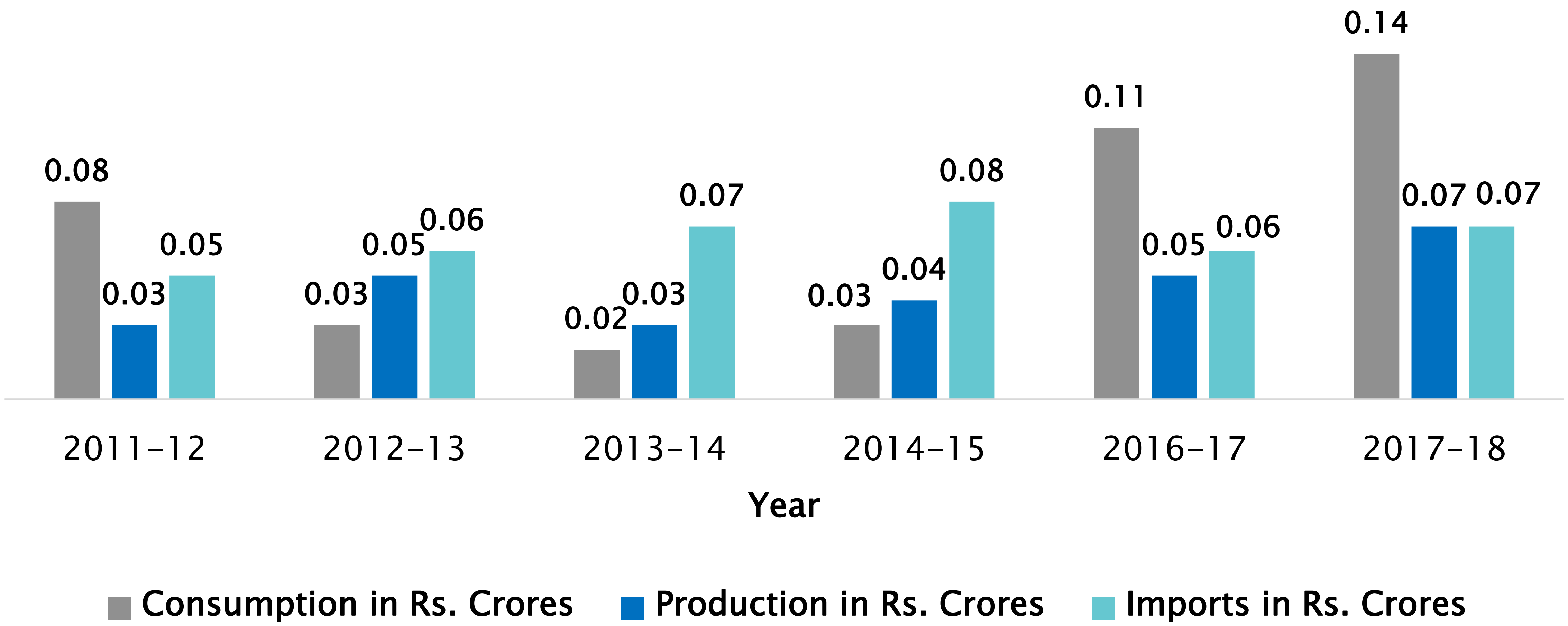
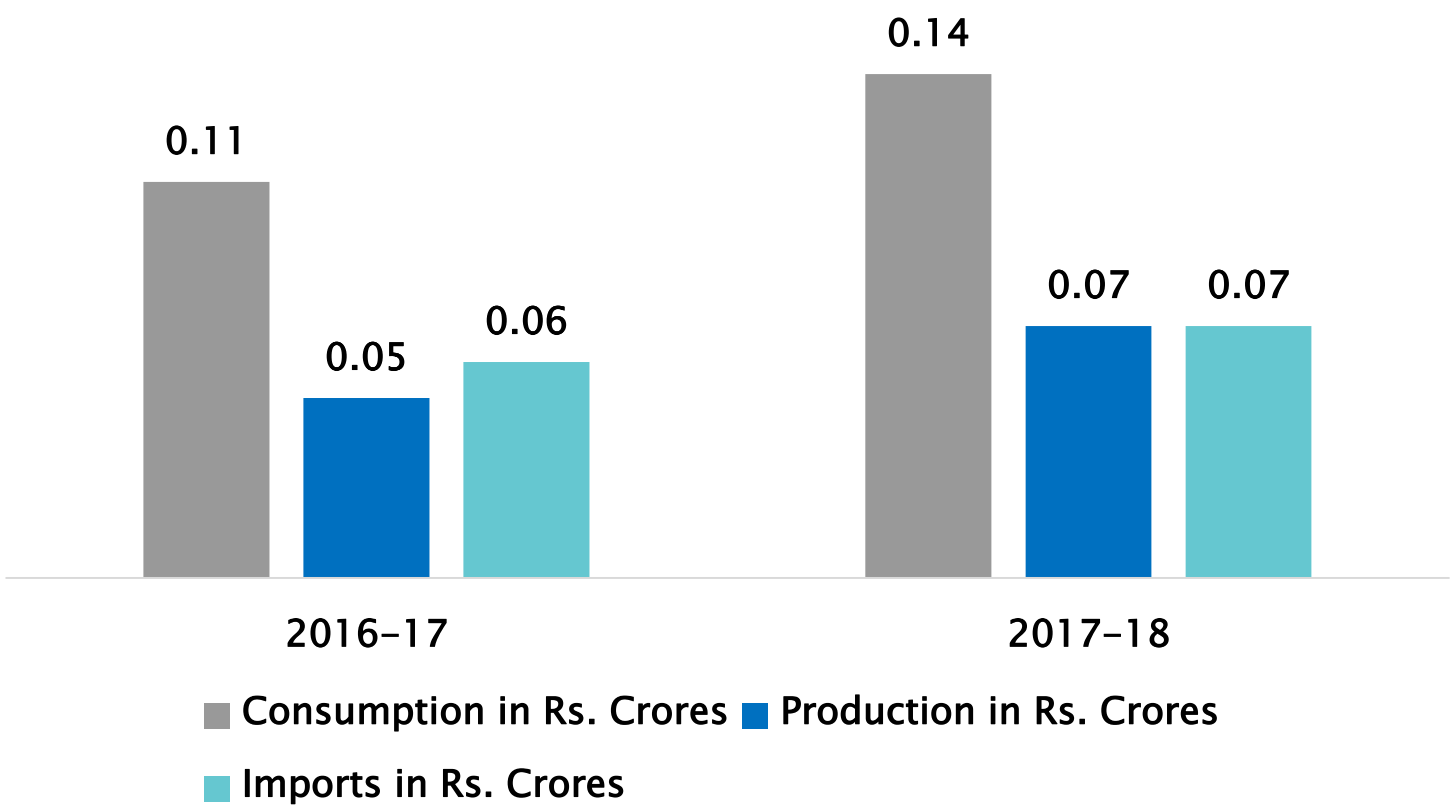
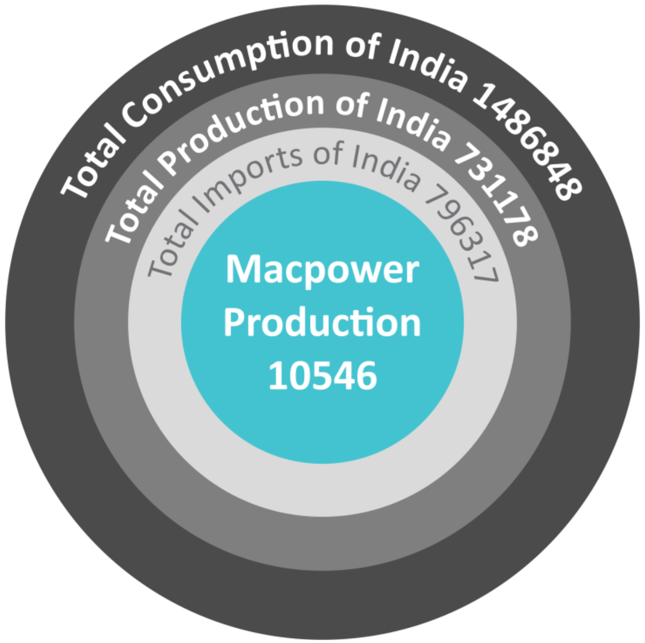
INDUSTRY OVERVIEW

Metal Cutting Machine Tool Industry in India



Metal Cutting Machine Tool Industry in India





Macpower Book
54% Growth this year.

Change In % : Consumption : 28%, Production : 26%, Imports : 29%

Value in Rs. Crores

Awards and Recognitions

- FIE Foundation Award at IMTEX 2017 for Twin Head VMC
- FIE Foundation Award at IMTEX 2015 for Turn Mill Center with Y Axis and sub Spindle
- FIE Foundation Award at IMTEX 2013 for designing excellence Model Turn ‘O’ MILL 200
- Ranked fourth in highest excise Tax pay in the entire range for the Year 2010-2011.
- Best Product Award for LX 200 Super at Engineering Expo in 2004.

Our Competitive Strengths

1. Flexibility and Adaptability
2. Very Low Debt Company
3. Fastest Growing Company
4. First Generation Promoters
5. Personal approach and flat Hierarchy
6. Mix of Experienced and dedicated young team
7. Continuous improvement of existing product range

Our Competitive Strengths

8 Widest Range of product offered from single source

9 Reliable relationship with our customer

10 Large local customer base

11 Supplier for most industrial segments

12 Strong knowledge of Indian Machine Tools Market

13 Delivering customised solution to our valued customer

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