



CIN No.: L30009GJ2003PLC043419 | MSME PART-II No.: 24-009-12-01046

MACPOWER CNC MACHINES LIMITED

Converted from MACPOWER CNC MACHINES PRIVATE LIMITED to
MACPOWER CNC MACHINES LIMITED (W.E.F. 16th NOVEMBER, 2017)

July 12, 2019

To,

**Listing Compliance Department,
National Stock Exchange of India Limited**
Exchange Plaza, Plot no. C/1, G Block,
Bandra Kurla Complex [BKC], Bandra (E),
Mumbai – 400 051, Maharashtra, IN

Symbol: MACPOWER

Series: SM

Sub: Investor Presentation – June 2019

Respected Sir/Ma'am,

Refer to the captioned subject we, Macpower CNC Machines Limited [the "company"] are submitting herewith the Investor Presentation - June, 2019.

Kindly take the same on your record.

Thanking You.

For and on behalf of
Macpower CNC Machines Limited


[Rupesh J. Mehta]
Managing Director
DIN: 01474523



Place: Metoda, Rajkot

Encl: a/a



MACPOWER CNC MACHINES LIMITED

INVESTOR PRESENTATION

June 2019



MACPOWER CNC



EXECUTIVE SUMMARY



Company Overview:

- ▶ Macpower CNC Machines Ltd. (Macpower), incorporated in 2003, has more than one decade of experience in competitive manufacturing solutions.
- ▶ It has become India's fastest growing CNC Machines Manufacturing Company.
- ▶ Macpower provides 'Competitive Manufacturing Solutions' to meet the exact requirements of their customers.

- ▶ MSE – 1 Highest Financial Strength in SME Segment certified by CRISIL.
- ▶ Macpower is manufacturing Special Purpose Machines [SPM] for Defense sectors like DRDO and for Aeronautics segments like HAL.

Business Mix:

Manufacturing range includes CNC Turning Centre, VMC, HMC, Turn Mill Centre, VTL, Twin Spindle Turning & VMC, Drill Tap Centre, Cylindrical Grinder along with Robotic Automation solutions.

Manufacturing and Distribution Network:

With more than 5,000 installation bases across India, the company has sales & service teams present in 37 cities that boasts of 107 qualified sales and service engineers.

Macpower also has 6 business associates across India, 5 regional offices and 6 Tech Centers.

Financials FY19

Total Revenue
INR 1,432 Mn
31% 3 Year CAGR

EBITDA
INR 195 Mn
104% 3 Year CAGR

PAT
INR 127 Mn
177% 3 Year CAGR

Financials FY19

Total Revenue
33% Y-o-Y Growth

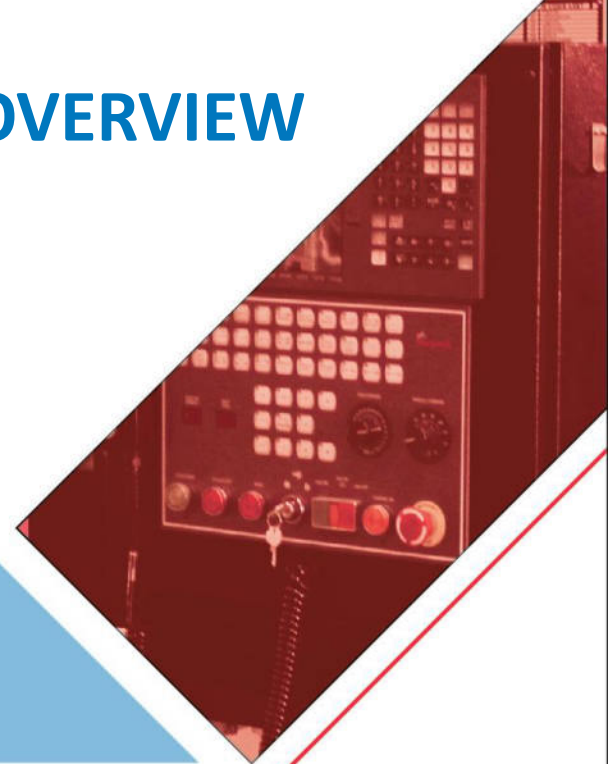
EBITDA
64% Y-o-Y Growth

PAT
81% Y-o-Y Growth

COMPANY OVERVIEW



MACPOWER CNC



COMPANY OVERVIEW



- ▶ Incorporated in 2003, Macpower CNC Machines Limited (Macpower) has a vision to provide the best possible solution in CNC machine industry thereby unleashing value for end users.
- ▶ Led by highly experienced promoters and management team, Macpower adopts an innovation driven approach, which makes the company successful in all its operations.
- ▶ Macpower's manufacturing range includes CNC Turning Centre, VMC, HMC, Turn Mill Centre, VTL, Twin Spindle Turning & VMC, Drill Tap Centre, Cylindrical Grinder along with robotic automation solution.
- ▶ Macpower has successfully executed projects across India for sectors like Automobile, Railways, Aerospace, Defense, Power, Medical, Agriculture, Government Education Sector and General Engineering.
- ▶ Macpower has its manufacturing unit in an area of around 4 acres which is situated at Metoda G. I. D. C. , Rajkot (India).
- ▶ It exports to companies in countries like the USA, UK, Turkey, Thailand, UAE, South Africa and many more.

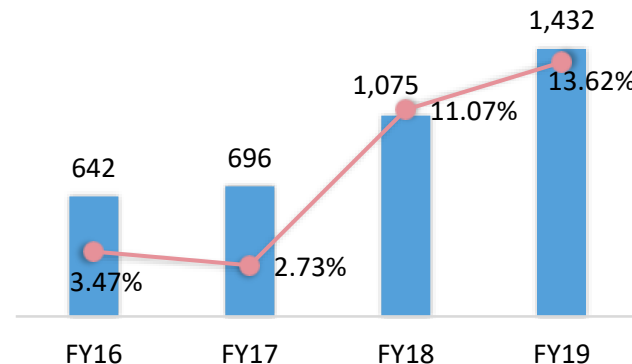
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Different Models

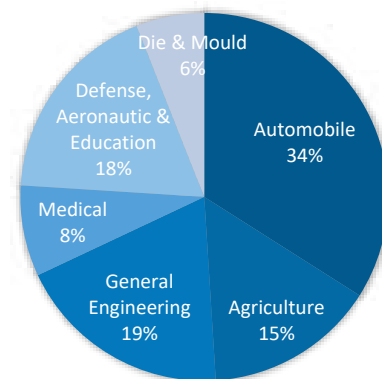
1,000

Application Solutions

Total Income (INR Mn) and EBITDA Margins (%)



Industry Segment wise Revenue FY19



KEY MANAGERIAL PERSONNEL

Rupesh Mehta, Promoter, Chairman & Managing Director

- ▶ Has more than 25 years of experience in the Machine Tool Industry, out of which 15 years of experience in Macpower as a Management Personnel.
- ▶ Guiding force behind all the corporate decisions and is responsible for the entire business operations of the Company.
- ▶ Areas of expertise includes Accounts, General Administration, Sales, Service, IT, HMC, VMC R & D and CNC R & D.
- ▶ Was the Former President of Rajkot Machine Tools, Former Treasurer of Rajkot Chamber of Commerce, Former Director of Rajkot Engineering Association, Former Executive Director of Indian Machine Tool Manufacturers of Association.

Nikesh Mehta, Promoter & Whole-Time Director

- ▶ Has been on the Board of the Company since inception and has around 15 years of experience in the Machine Tool Industry.
- ▶ Has expertise In Techno - Commercial Management and looks after the Machine Shop, Application and Purchase department of the Company.

Rajnikant Raja, Chief Financial Officer

- ▶ One of the most experienced employees of the company.
- ▶ Entrusted with the responsibility of handling financial activities of the Company.

Riya Mehta, Director

- ▶ Has been on the Board of the Company since 1st April, 2004.
- ▶ Associated with the responsibilities pertaining to the Human Resources department of the company.
- ▶ Has 14 years of experience in the field of Human Resource Management.

Rajubhai Bhandari, Independent Director

- ▶ Has 31 years of experience in the Machine Tools Manufacturing Industry.
- ▶ Is the Managing Director of Dharti Co-operative Bank, Rajkot and also the President of Machine Tools Manufacturers Association, Rajkot.

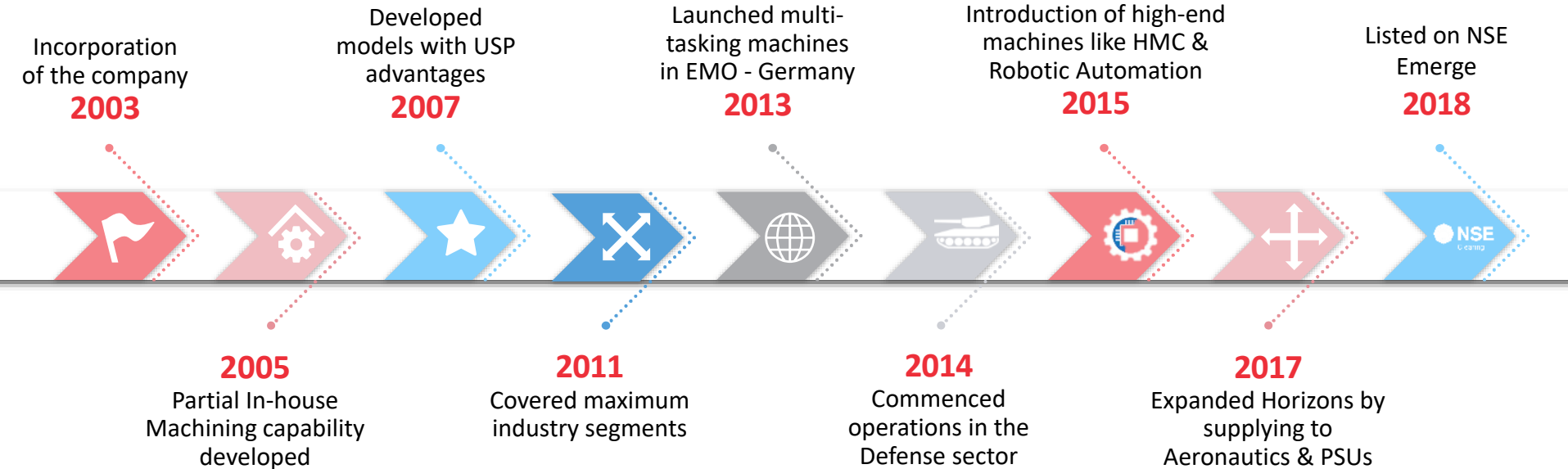
Maulik Mokaria, Independent Director

- ▶ Holds Master of Science Degree in Finance Management from Middlesex University, London.
- ▶ Is the CEO of Shree Maruti Courier Services Pvt. Ltd. and has experience of 6 years in Courier and Logistic Services industry.
- ▶ Has expertise in areas of Finance, Operation & Management.

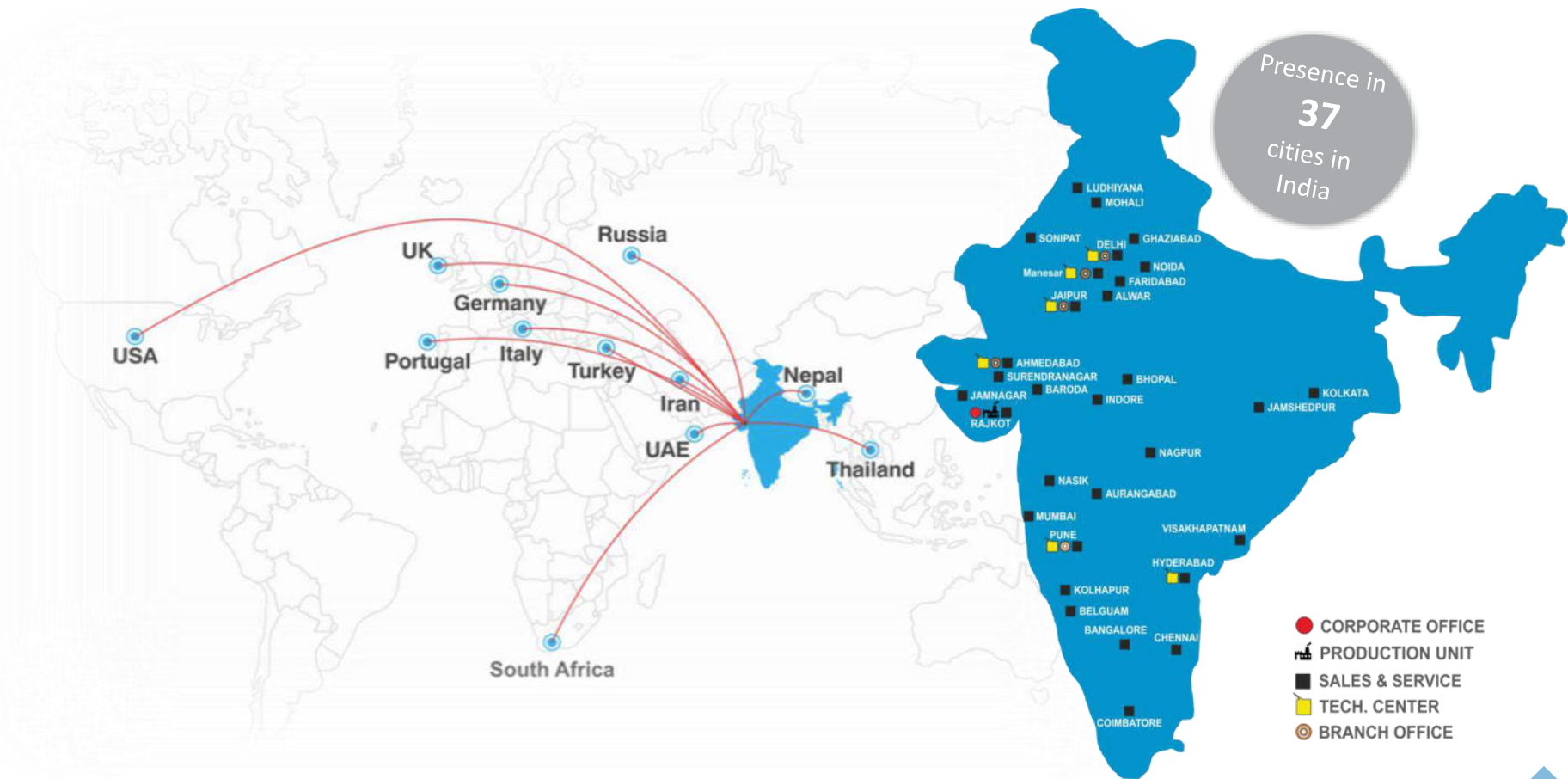
Deven Doshi, Independent Director

- ▶ Has an experience of 11 years in the Finance Service Industry.
- ▶ Has expertise in the Finance Sector including financial system in general and stock market and is a member of the Audit Committee and NRC.

KEY MILESTONES



GEOGRAPHICAL PRESENCE



MANUFACTURING FACILITIES

- ▶ More than 150,000 Sq. Ft. of enclosed land area
- ▶ In-house manufacturing capacity for all heavy structural / critical components
- ▶ Precision Double Column Machining facility
- ▶ Precision HMC, VMC & CNC Machining cell facilities
- ▶ In-house sheet metal designing and manufacturing facility
- ▶ Proposed powder coating facility
- ▶ Proposed Spindle manufacturing facility
- ▶ Total product process / admin process / engineering process backed-up with latest IT tools



Corporate Office



Final Assembly Shop



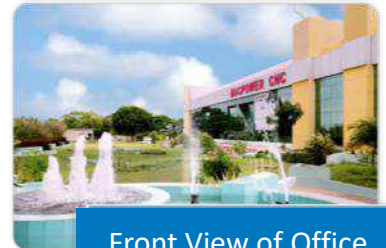
Aerial View of the Plant



VMC Assembly Shop



Sub Assembly Shop

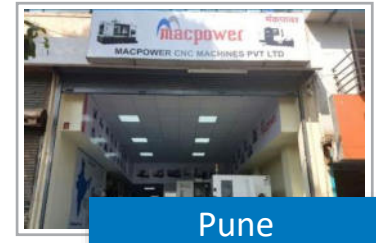


Front View of Office

TECH CENTERS



- ▶ It houses live demo of Macpower's CNC Machines.
- ▶ It is one-stop-solution for getting all the information required regarding machines, tooling, fixture options, part development, machine applications and training & Prove outs.
- ▶ To achieve this objective, these Centers are staffed with experienced personal aided by state-of-the-art facilities.
- ▶ The Tech Centers has a representative selection of CNC turning center, Machining Centers for customers to get hands on experience about these machines.
- ▶ Tech Centers at Manesar and Hyderabad are ready to operate.



RESEARCH AND DEVELOPMENT



- ▶ R&D Department is the backbone of any manufacturing activity and therefore Macpower believes in investing in R&D for product innovation.
- ▶ The Company has an in-house Research and Development Center establishment with a team of highly qualified 15 experienced design engineers headed by the President of R & D, who has core experience of 40 years in Machine tool Design. This has resulted in new models being implemented into latest machines. The R&D Team focuses on:
 - ▶ New Product Research
 - ▶ New Product Development
 - ▶ Modernizing Existing Products
 - ▶ New Process development
 - ▶ Innovation
- ▶ At Macpower, CREO 4 of PTC- 3 D Modelling and Finite Element Analysis (FEA) digital design tools allow their designers to achieve maximum accuracy and flexibility.
- ▶ The R&D department also provides technical support to the marketing staff, creating a coherent team of professionals that are there to serve every need.



AWARDS AND CERTIFICATION

FIE Foundation Award at IMTEX 2017 for Twin Head VMC



FIE Foundation Award at IMTEX 2015 for Turn Mill Centre with Y Axis and sub Spindle



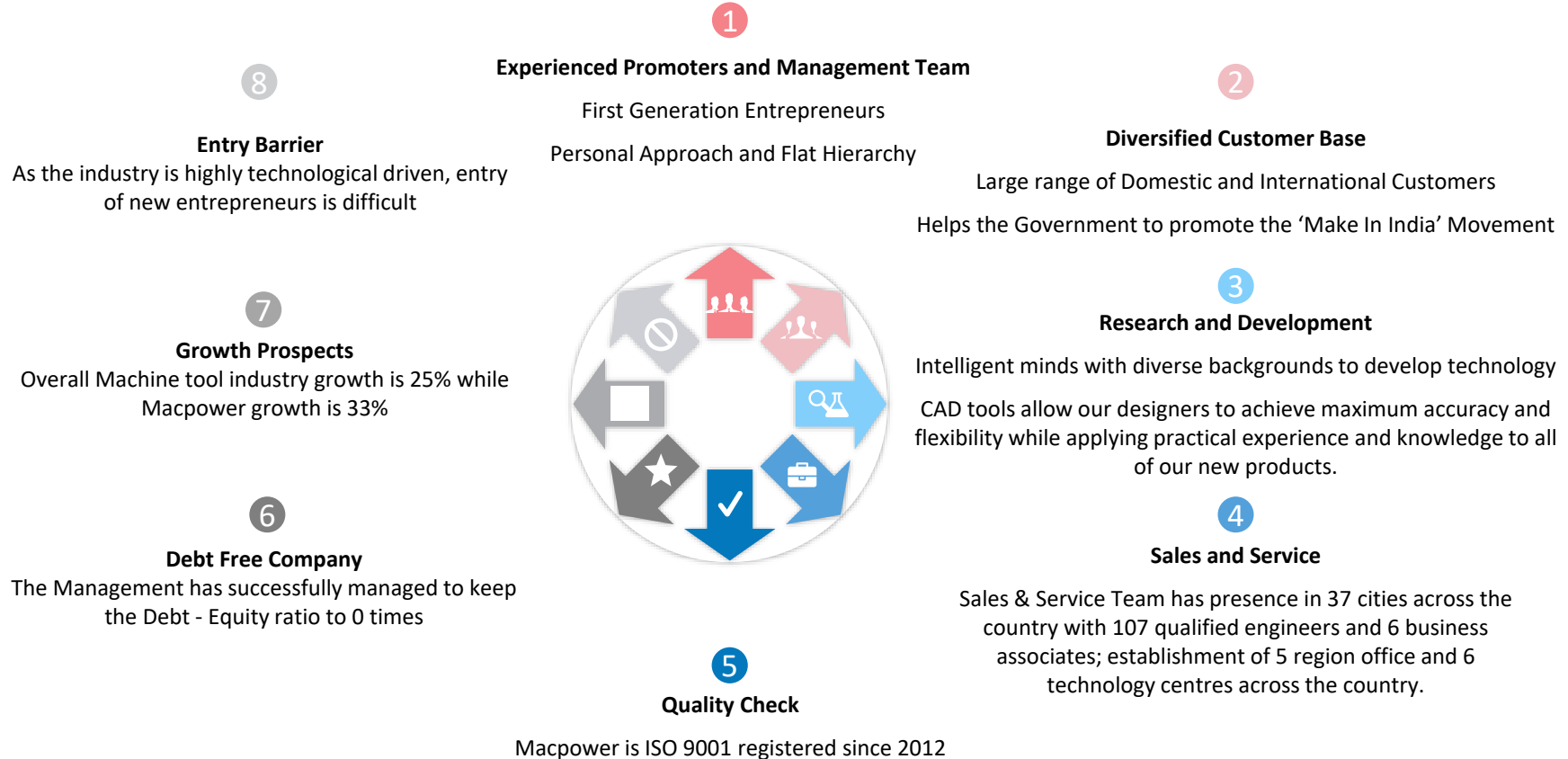
MSE – 1 Highest Financial Strength in SME Segment certified by CRISIL.



FIE Foundation Award at IMTEX 2013 for designing excellence Model Turn 'O' MILL 200



KEY STRENGTHS



KEY CUSTOMERS

AUTOMOBILE SECTOR

GENERAL ENGINEERING SECTOR

DEFENCE SECTOR

						
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GOVERNMENT PSU

	
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GOVT. EDUCATION SECTOR

	
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AGRICULTURE SECTOR

	
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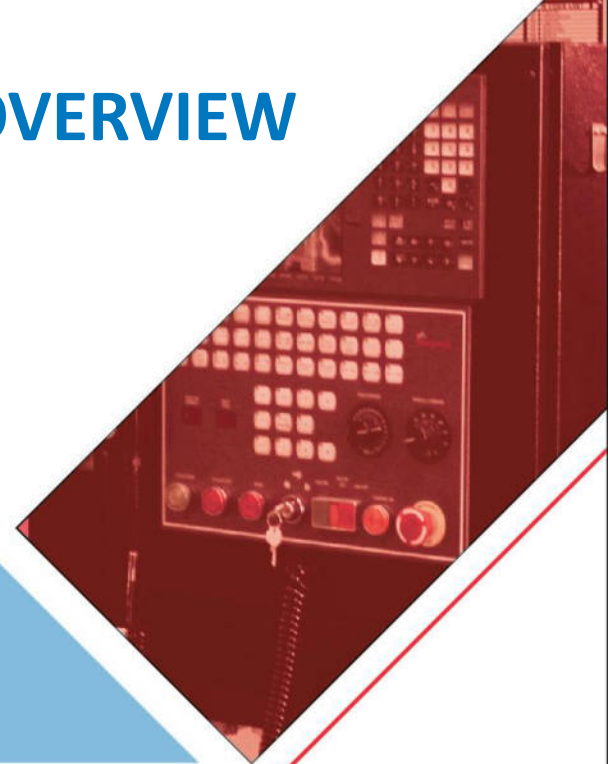
DIE MOULD SECTOR

		
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EXPORT SECTOR

		
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BUSINESS OVERVIEW



PRODUCT PROFILE

Machine	Turning Centre	Vertical Machining Centre	Turn Mill Centre
			
Applications	Bearing, Valve, Pump industry, Tool room, Automobile, Process plant components, Agriculture, Textile and the Piping industry	Tool room, Die and Mould, Automobile Components, Pattern Making, Defense, Power and Railways	Special purpose components, Aeronautics Components, Defence, Agriculture Components, Medical Components
No. of Models	29	16	2
Output			

PRODUCT PROFILE

Machine	Vertical Turret Lathe	Horizontal Machining Centre	Drill Tap Centre
			
Applications	Valve body, Motor body, Engine liner and Railways	Automobile Components, Die and mould, Defence Parts, Aeronautics Components, Textile Components, Medical and Railways	Electronics Components, Small Automobile Components and Textile Components
No. of Models	4	3	1
Output			

PRODUCT PROFILE

Machine	Twin Spindle	Cylindrical Grinder	Multi-tasking Machine
			
Applications	Automobile Components & Textile Components	Special purpose components, Agriculture Components and Railway Components	Precision Aeronautics Components, Precision Defence Components and Precision Medical Components
No. of Models	3	3	4
Output			

PRIME EXHIBITIONS



DIE MOULD 2018 - MUMBAI



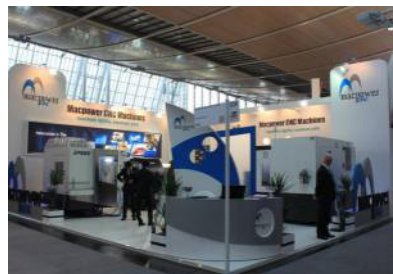
ENGIMACH 2017 - AHMEDABAD



IMTEX 2017 - BANGALORE



PMTS 2016 - PUNE



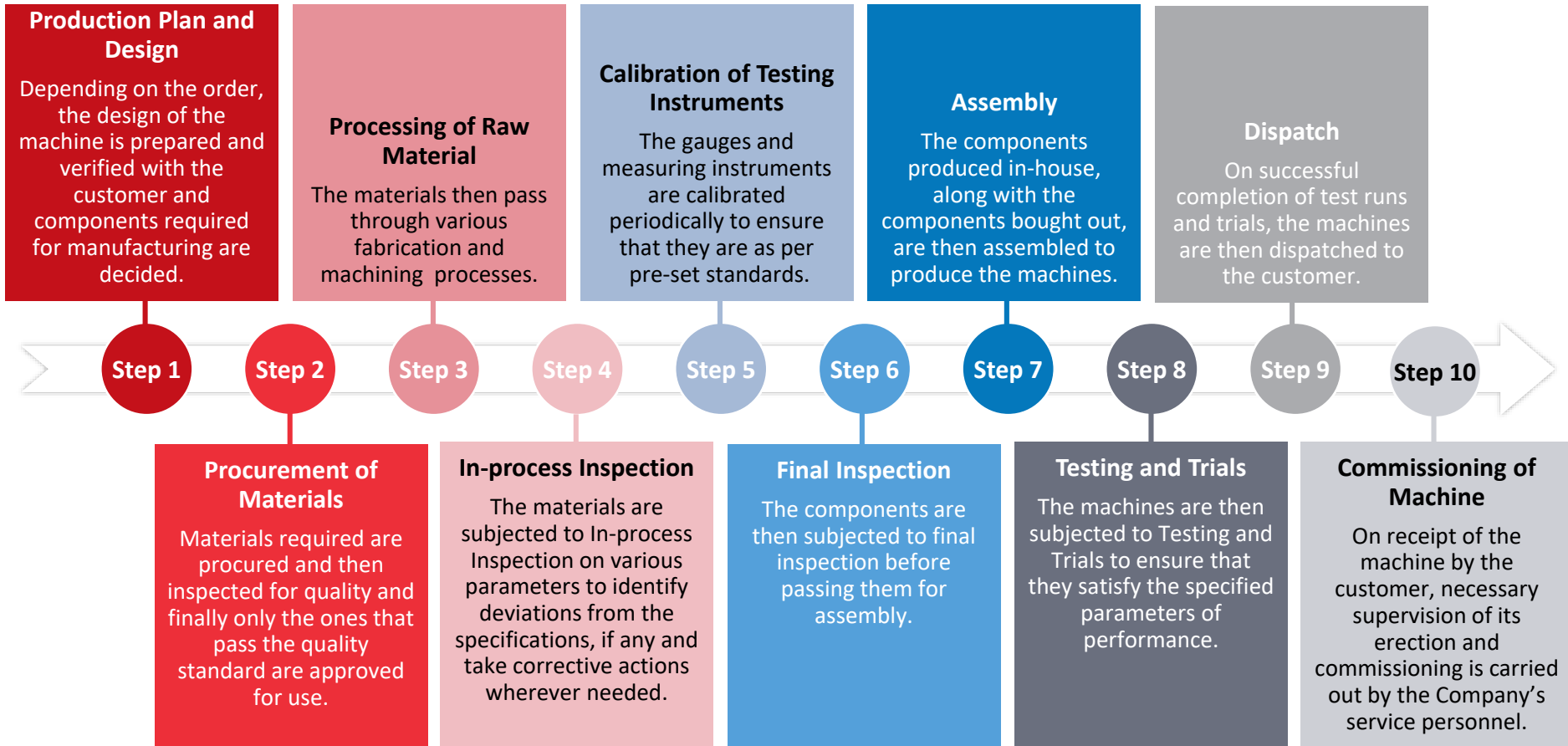
EMO 2013 – GERMANY



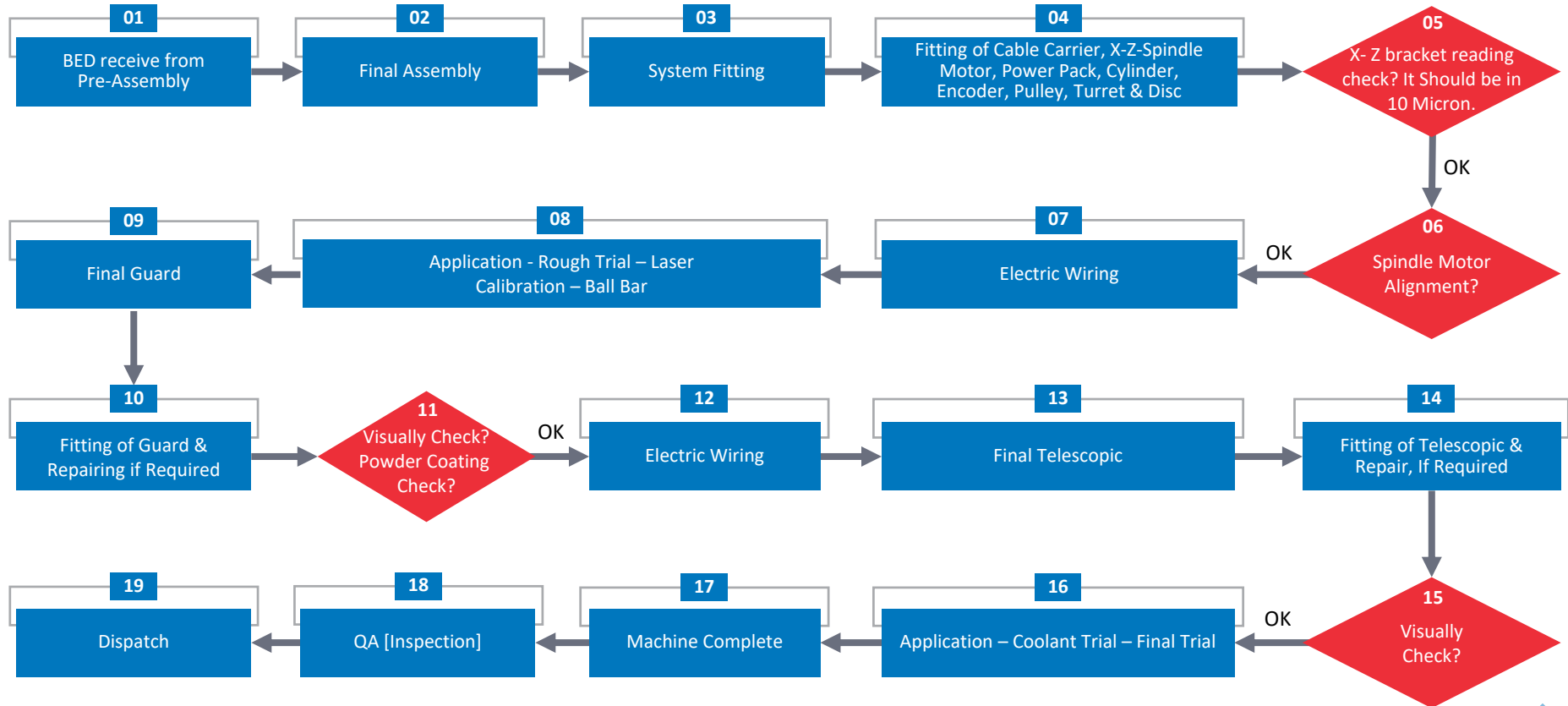
MAKTEK EURASIA 2012 - ISTANBUL (TURKEY)



ORDER FLOW PROCESS (FOR SPECIAL PURPOSE MACHINE)



MANUFACTURING PROCESS



ORDER BOOK (As on 31st May, 2019)

Description	No. of Units	Value (INR Mn)
Pending Order/ Advance (Private)	425	756/40
Govt. Supplied	179	801
L1/Order Recd. (For FY19)	6	43
Tender Bided	484	2,024

Order Book	Domestic	
Products	No. of Units	Value (INR Mn)
Turning Centre	333	502
Vertical Turning Lathe	1	7
Vertical Machining Centre	90	236
Horizontal Machining Centre	1	11

STRATEGIC OVERVIEW



NEW PLANT DETAILS

FACILITY

- ▶ Modern assembly shop with precision equipment
- ▶ Assembly capacity of additional 400 machines per year [existing capacity 800 machines per year]. Hence, total capacity of plant would be 1,200 machines per year.
- ▶ Modern assembly shop with temperature controlled facility
- ▶ Embedded with imported highly precision mother machinery and testing equipment
- ▶ In-house spindle manufacturing with multi-tasking machines and assembly facilities

BENEFITS

- ▶ Constructed Plant Area (Existing) = 52,858 sq. ft. and New Constructed Plant Area around 47,756 sq. ft. Total Constructed area will be 1,00,614 sq. ft.
- ▶ Increase in productivity by adding new machinery and new process.
- ▶ Reduce in production cost and catered good products in affordable cost
- ▶ Reduction in logistic cost
- ▶ Through backward integration, Macpower will be able to meet increased market demand on timely delivery basis.
- ▶ Can reduce substantial cost after modernization and providing additional resources to enhance our production capacity.



FUTURE GROWTH STRATEGY



Set Up Facility for In-house Machining

- ▶ The Company is planning for integrated operation of its products by in-house machine shop and has commenced its sheet metal manufacturing facility.
- ▶ The management believes that the integrated operations will reduce its dependence on third party supplies of products, services and quality, enabling it to streamline its production process and achieve timely delivery of quality products at competitive costs.

New Entrants

- ▶ Due to several initiative being taken by GoI and as well as GoG [Government of Gujarat], new entrepreneurs are eager to start new industries in many segments, Lathe & CNC Machines being Mother Machines, most of the new entrepreneurs are Company's prospective customers

Government Supplies

- ▶ The Company is firmly establishing its footholds in Ordnance Factories, PSUs, Educational Institutes of State and Central Government, and Research centres with multi-fold planning to supply various machines in order to cater to these verticals.

Domestic Business

- ▶ The Company has around 425 orders in line valuing INR 756 Mn for which they have already received INR 40 Mn as an advance against the orders.

Tech Centers are in close vicinities

- ▶ The Company is always in thoughts of starting new tech centers at developed or developing industrial cities to enhance the reach to new prospective customers.
- ▶ These centres have a selection of CNC Lathes, Machining centres for Customer to get hands-on experience with these machines.

Augmenting manufacturing capacity to meet the growing industry demand

- ▶ The consumption of machine tools in India was ~INR 118 Bn in 2012 and is expected to reach INR 293 Bn in 2020.
- ▶ The continued increase in domestic and foreign investment into the industry will translate into a higher demand for machine tools. It is considered the 'Mother Industry' for all manufacturing activities.

Import Substitute

- ▶ Due to import becoming costlier, poses good opportunity for Indian Machine tools market to grow for which the company has also enormous potential to have their presence respect to imported machine tools.

Conversion of Conventional User to CNC

Conventional users are changing over to CNC technology where the company sees huge growth potential. By replacing conventional Lathe into CNC lathe, it saves 8 worker, sizable space, improve quality and increase the production capacity.

INDUSTRY OVERVIEW

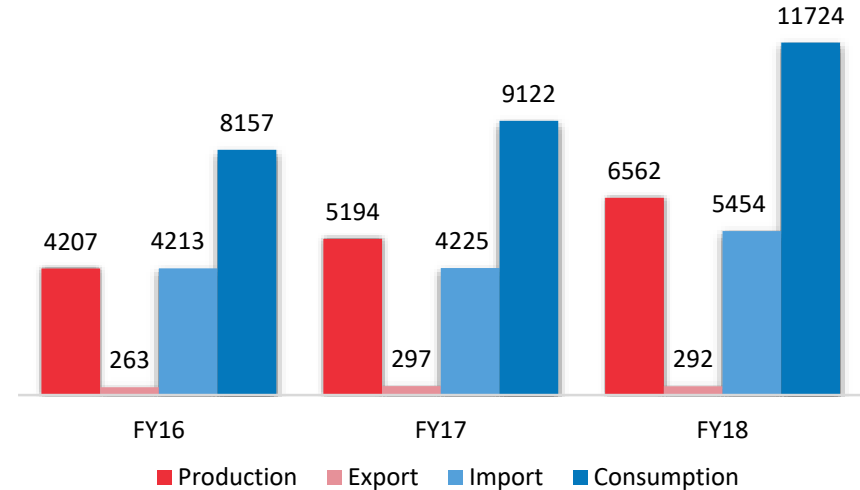


INDIAN MACHINE TOOLS INDUSTRY



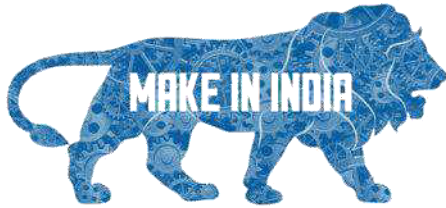
- ▶ The Indian Machine tool Industry has around 1,000 units in the production of machine tools, accessories/attachments, subsystems and parts. Of these, around 25 in the large scale sector account for about 70% of the turnover and the rest are in the MSME sector of the industry.
- ▶ Metal cutting machine tools constitute about 80% of the total demand for metal working machine tools in India. About 52% of metal cutting machines consumed in India are imported.
- ▶ India's capital goods sector is expected to triple in size to INR 7.5 Tn (USD 116 Bn) and add 21 Mn jobs by 2025.
- ▶ About 55% of the metal cutting machines consumed in India are imported and about 45% of the machines sold are imported from Japan & Germany so there is a lot of opportunity for domestic companies.

Indian Machine Tools Industry (INR Cr)



Indian Machine Tool Industry (INR Cr)	CNC	Conventional
Forming	137	456
Cutting	4,854	356

MANUFACTURING SECTOR IN INDIA



- ▶ Under the 'Make in India' initiative, the Government of India aims to increase the share of the manufacturing sector for the gross domestic product (GDP) to 25% by 2022, from 16%, and create 100 Mn new jobs as well.

- ▶ India stands 12th in production and 8th in the consumption of machine tools in the world as per the 2017 Gardner Business Media survey.
- ▶ India has become one of the most attractive destinations for investments in the manufacturing sector. Cumulative Foreign Direct Investment (FDI) in India's manufacturing sector reached USD 76.82 Bn by June 2018.
- ▶ The manufacturing sector of India has the potential to reach USD 1 Tn by 2025 and India is expected to rank amongst the top three growth economy and manufacturing destinations of the world by the year 2020.

New Industrial Policy, 2015 and Assistance to Micro, Small and Medium Enterprise (MSME)

- ▶ Capital Investment Subsidy
- ▶ Interest subsidy
- ▶ Assistance to venture Capital

Enterprise	Investment in Plant and Machinery (Manufacturing Industry)	Investment in Equipment (Service Industry)
Micro	Up to 25 Lakhs	Up to 10 Lakhs
Small	Above 25 Lakhs to 5 Cr	Above 10 Lakhs to 2 Cr
Medium	Above 5 Cr to 10 Cr	Above 2 Cr to 5 Cr

References: Media reports, Press releases, EEPIC India, Press Information Bureau (PIB), Department of Industrial Policy and Promotion (DIPP), The Confederation of Indian Industry (CII)

(Source: Indian Engineering Industry Analysis-India Brand Equity Foundation www.ibef.org)

FINANCIAL OVERVIEW



MACPOWER CNC



HISTORICAL INCOME STATEMENT

PARTICULARS (INR Mn)	FY16	FY17	FY18	FY19
Total Income*	642	696	1,075	1,432
Total Expenses	619	677	956	1,237
EBITDA	23	19	119	195
EBITDA Margin	3.47%	2.73%	11.07%	13.62%
Finance Cost	7	3	2	2
Depreciation	13	7	10	12
PBT	3	9	107	181
Tax	(3)	2	37	54
PAT	6	7	70	127
PAT Margin	0.93%	1.01%	6.51%	8.87%
Diluted EPS (INR)	12.63	15.68	10.31^	12.89

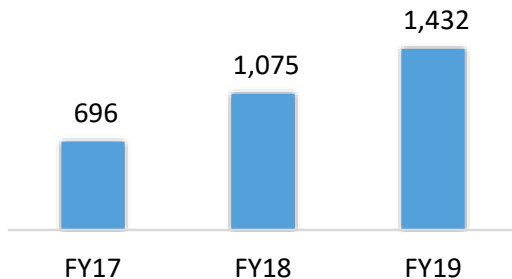
* Includes Other Income ^ weighted average

BALANCE SHEET

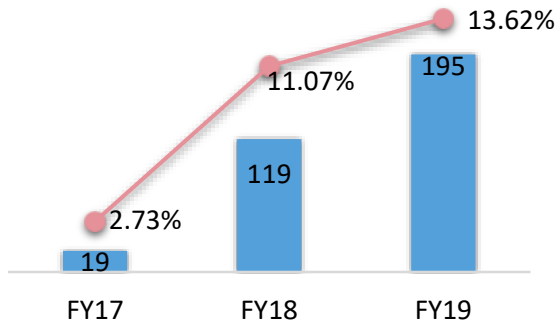
EQUITY AND LIABILITIES (INR Mn)	FY18	FY19	ASSETS (INR Mn)	FY18	FY19
1) SHARE HOLDERS' FUND			1) NON CURRENT ASSETS		
Share Capital	98	98	Fixed Assets		
Reserves and Surplus	435	558	Tangible Assets	44	58
Total	533	656	Intangible Assets	1	1
			Capital Work-in-progress	1	55
2) NON CURRENT LIABILITIES			Deferred Tax Asset (Net)	6	5
Long Term Borrowings	2	-	Long Term Loans & Advances	12	10
Long Term Provisions	5	6	Other Non Current Assets	16	17
Total	7	6	Total	80	146
3) CURRENT LIABILITIES			2) CURRENT ASSETS		
Short Term Borrowings	-	-	Current Investments	75	10
Trade Payables	358	369	Inventories	277	474
Other Current Liabilities	5	4	Trade Receivables	42	87
Short Term Provisions	44	57	Cash & Cash Equivalents	392	279
Total	407	430	Short Term Loans & Advances	81	96
			Total	867	946
Total	947	1,092	Total	947	1,092

FINANCIAL HIGHLIGHTS

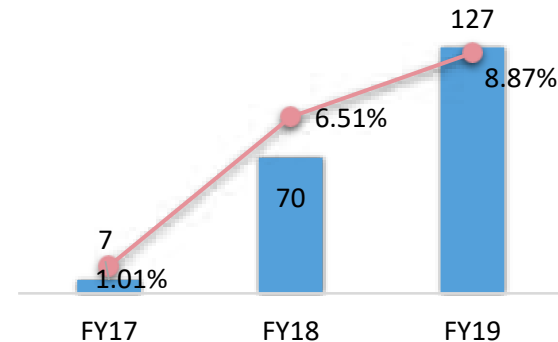
Total Revenue* (INR Mn)



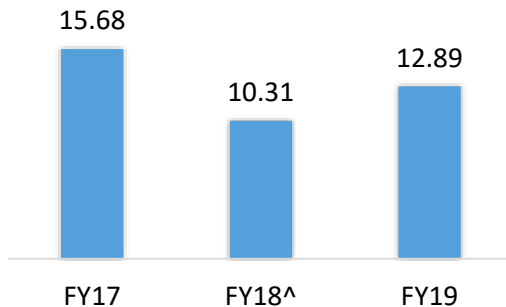
EBITDA (INR Mn) and EBITDA Margins



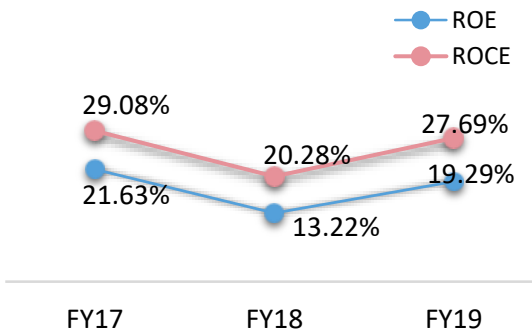
PAT (INR Mn) and PAT Margins (%)



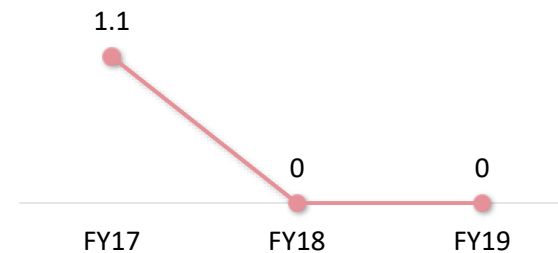
EPS (INR)



RoE (%) and RoCE (%)



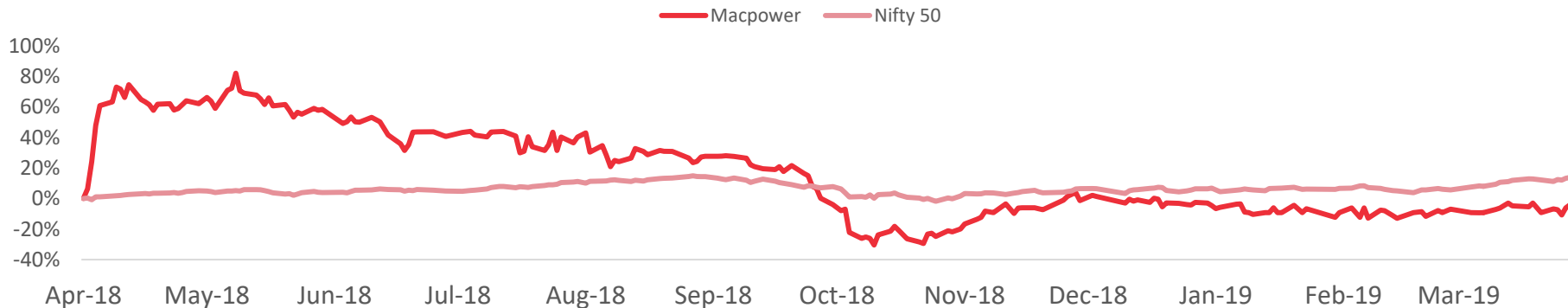
Debt-Equity (x)



* Including Other Income ^weighted average

MARKET DATA

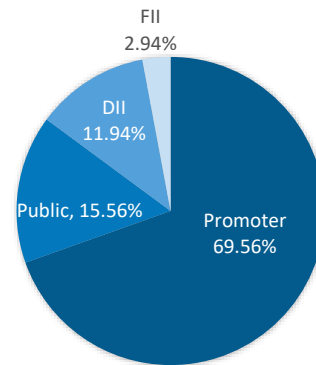
Share Price Performance as on (31st March, 2019)



Price Data (As on 31st March, 2019)

CMP	153.0
52 Week H/L	305.5/108.0
Avg. Trading Vol.	26.3
Avg. Net Turnover	5.8
Market Cap (In Mn)	1,500.6
Total No. of Shares (In Mn)	9.80

Shareholding Pattern (As on 31st March, 2019)



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For further information please contact our Investor Relations Representatives:

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THANK YOU

