CIN: L31900WB2010PLC154236
GSTIN: 19AAGCM8455J1ZV

Megatherm Induction Limited
(Formerly Megatherm Induction Pvt. Ltd.)
Megatherm Tower,
Plot L1, Block GP, Sector-V, Electronics Complex,
Salt Lake City, Kolkata - 700 091, India.

Date: 29th May**,** 2024

To
The Listing Department,
National Stock Exchange of India Ltd,
Exchange Plaza,
Bandra Kurla Complex, Bandra (East),
Mumbai– 400051

Ref.: Megatherm Induction Limited / NSE/2024-25/18
Symbol: MEGATHERM
ISIN: INE531R01010

Dear Sir/Madam,

Sub: Investor Presentation

With reference to the captioned subject, we, Megatherm Induction Limited, are submitting herewith updated Investor Presentation for all the stakeholders of the company.

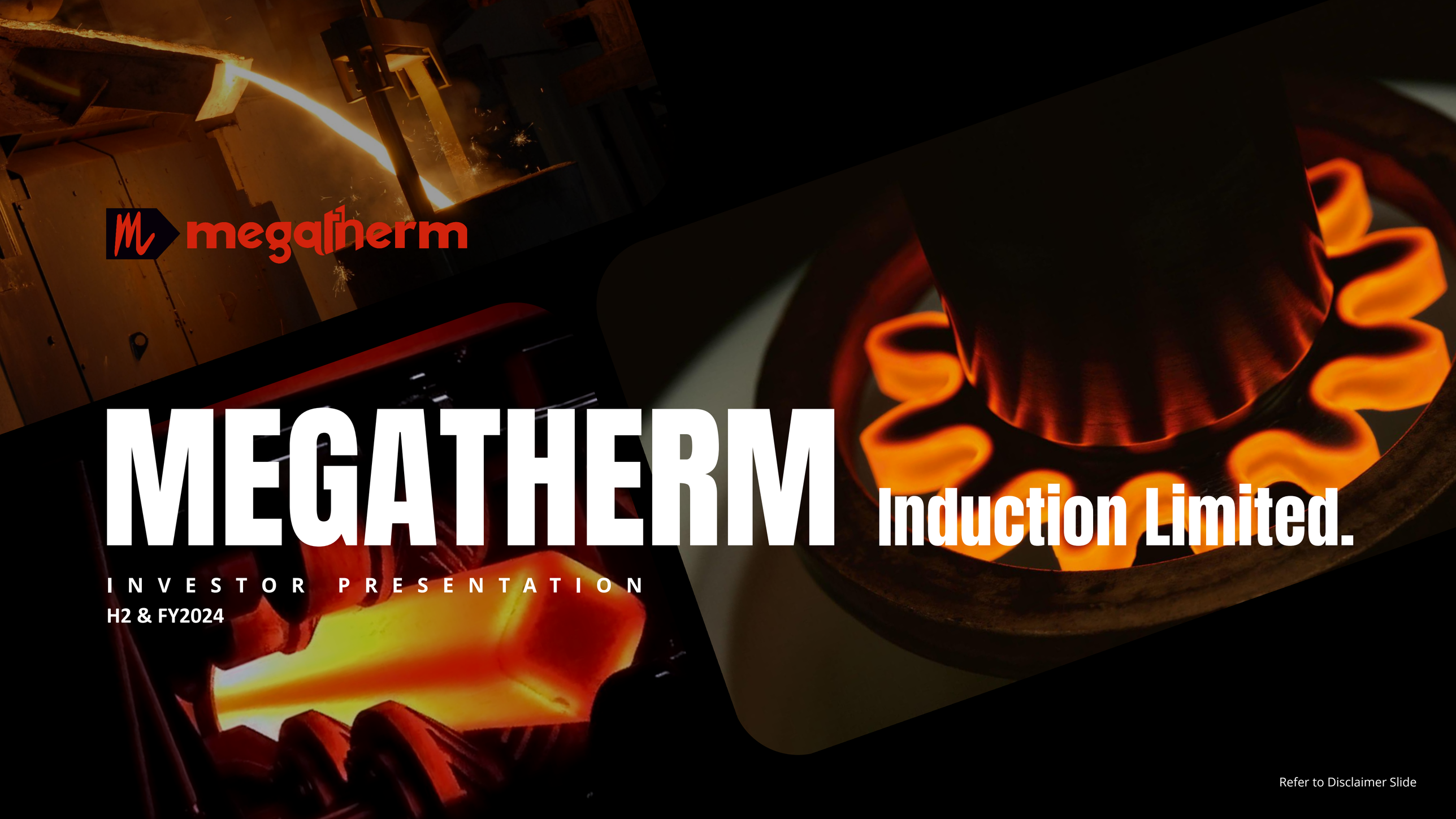
Kindly take the same into your records.

Yours faithfully
For, Megatherm Induction Limited

ABANTI SAHA BASU
Digitally signed by ABANTI SAHA BASU
Date: 2024.05.29 12:06:20 +05'30'

(Abanti Saha Basu)
Company Secretary & Compliance Officer

Place: Kolkata



MEGATHERM Induction Limited.

INVESTOR PRESENTATION

H2 & FY2024

Refer to Disclaimer Slide

Disclaimer

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01

ABOUT US

megatherm



ABOUT US

Manufacturer of :

- **Induction heating and melting products**
- **Transformers**
- **Ladle refining furnaces**
- **Continuous Casting Machines**
- **Fume extraction systems**
- **Electric arc furnaces**

- Services portfolio includes turnkey solutions for steel plant, which involves design, engineering, supply, erection & commissioning of the steel melt shops
- After sales service includes maintenance contracts & spare parts business
- Company caters to Key Industries including Primary & Secondary Steel Producers, Auto Ancillaries, Ordnance Factories & Railways, DI Pipe Producers etc
- Over 3000+ installations in 52+countries across regions like South America, Africa, Asia (Gulf, SAARC, South East Asia) & Europe
- ISO Certified Plant at Kharagpur, West Bengal with international quality and operating standards

OUR JOURNEY

1989

Megatherm was incorporated

1994-2000

Heating division was launched and Recognized by Ministry of Science and Technology as an "In House R&D unit"

2001-2004

First induction billet heater installed in India.
First induction rail hardening equipment of India supplied with integrated straightening Unit.
First 25T furnace of India supplied in Hyderabad.
First Indian induction furnace exported to Europe (Poland & France) with PLC and automation of western standard.
First steel zone heating furnace of India supplied at ordinance factory Ambajahri

2005-2011

Takeover of Engel India Machine Tools
Transformer manufacturing begins First OFWF converter transformer designed by an Indian company. First constant power factor Current Fed induction zone heaters of India supplied in Tata Motors
Megathem's first turnkey project

2013-2016

First 132 kV power & distribution transformer manufactured. First power & distribution transformer export. First multiple TMT bar heater of India supplied for epoxy coating

2017-2018

Inauguration of Kharagpur facility Achieved 475 kWh/t for mild steel in 15T furnace marking the launch of Green furnace Achieved 465 kWh/t in 30T Green furnace for mild steel. Supplied first 40T which was the largest furnace exported outside SAARC.

2019-2023

Crossed Milestone of 100 Crore in FY19
FY21-23 - Revenue CAGR - 35%

2024

Megatherm Induction Limited Listed on National Stock Exchange

MANAGEMENT TEAM

MR. SHESADRI BHUSAN CHANDA
Chairman & Managing Director

Bachelor of Electrical Engineering - Jadavpur University - Gold medalist, topper and recipient of various awards Experience - 45 Years

MR. SATADRI CHANDA
Whole Time Director & CFO

Bachelors of Technology in Electronics & Communication Engineering - West Bengal University of Technology Master of Science (Industrial & Systems Engg) - Virginia Polytechnic Institute & State University, USA Experience - 9 Years - 2 Years work experience in KPMG's Management Consulting (Strategy & Operations) division. He has been associated with Megatherm Induction for the last 7 years

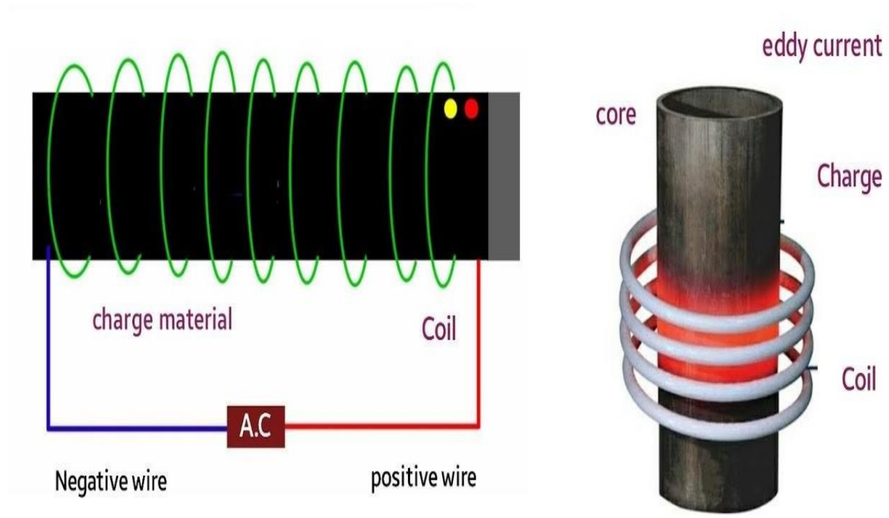




Induction Technology & Application

Principle of Induction

- When Alternating Current (AC) current is passed through a coil around a metallic object (ferrous), magnetic flux is generated within the conductor which induces eddy currents that enable the heating and melting of the metal
- Depending on how much power and at what frequency the power is given, that will determine the heating and melting of the metal etc
- It is not through conduction but induction



Application of Induction

- Melting - Mainly used in Foundry & Steel Sector
- Heating - Mainly used in Railways, Pipes & Tubes, Automotive and Metal Working sectors

OUR PRODUCTS (1/2)















01 INDUCTION MELTING FURNACE

- Electrical furnace used to melt iron and steel, copper, aluminum, and precious metals or make alloys of different compositions
- Application in metal industry segments like Automobile casting, DI pipe casting, Manganese steel casting, heavy engineering casting, casting of railway components, metal roll manufacturing etc.

02 INDUCTION BILLET HEATERS

- Heating of ferro-magnetic and austenitic quality steel billets to the forging temperature of 1200 – 1250 Celsius
- Heating of non-ferrous metals like aluminum, copper and its alloys like brass and bronze

03 INDUCTION HARDENING & HEAT TREATING EQUIPMENT

- Utilizes the principle of electromagnetic induction to produce heat inside the surface layer of the metal
- Used in manufacturing air/gas cylinders, annealing of tube and pipe, pipe stress relieving, heating of billets for tube manufacturing etc.

04 INDUCTION POWER SOURCE

- Converters accept multi-phase 50 Hz AC power from the grid, which is rectified to DC and then inverted back into single phase medium or high Frequency AC power.
- Conversion process is effected through Power Electronics Technology using Power Semiconductor Devices.

05 TRANSFORMER

- Converter Transformers - used for induction melting / heating equipment, AC-DC Drives, industrial rectifier etc.
- Electric Arc and Ladle Refining Furnace Transformers
- Distribution Transformers
- Power Transformers

OUR PRODUCTS (2/2)



06 LADLE REFINING FURNACE

- To adjust the chemical composition & raise the temperature of molten metal.
- To hold the molten steel for casting operations
- Acts as a buffer between the steel making furnace and the continuous casting machines



07 ELECTRIC ARC FURNACE

- Melts all type of scrap irrespective of chemical composition or size and also melts direct reduced iron (D.R.I) / Sponge Iron
- Used for steelmaking and smelting of Non-Ferrous metal



08 CONTINUOUS CASTING MACHINE (CCM)

- Converts liquid steel into cast semis of the desired size such as billets, blooms, slabs or strips.
- The liquid steel is poured into molds, where it solidifies into a shell
- The shell is then pulled out by rollers and cooled further



09 RAIL HARDENING MACHINE

- Used for heat treatment & hardening of rails
- Power range is 200 kw - 300 kw



10 FUME EXTRACTION SYSTEM

- Used to extract fumes emanating from melting furnaces due to burning of Silica / Slag / Impurities during metal melting process







MANUFACTURING FACILITIES

State of the art Production & Testing facility along with R&D lab & Training Centre spread across 8 acres in Vidyasagar Industrial Park, Kharagpur, West Bengal

01

Equipped with machineries including CNC Lathe Machine, CNC vertical machine centre, Heat chamber, 1600 kVA Auto Main Transformer etc

Material Handling Equipment include EOT Crane, Tow Truck, fork lift truck, pallet truck, air lift (hydraulic) etc

02

In-house testing laboratory for conducting tests on raw materials & ensuring production as per pre-determined standards.

Testing machines include Oscilloscope 4 channel, frequency convertor testing setup, conductivity meter (techno four make), furnace oven temperature control panel, CLC unit for testing bay, electronic weighing machine, copper loss test trx, power source for capacitor/ PCB testing machines etc.

MANUFACTURING PROCESS

RFQ receipt from customer

Receipt of purchase order

Designing & drawing

Material management

Packaging & dispatch

Inspection

Assembling

Fabrication work

IN-HOUSE ENGINEERING & DEVELOPMENT

Engineering

Dedicated team of Experienced Engineers having expertise in various engineering applications & problem-solving skills to provide total Engineering Solutions to our customers

Research & Development

Many design features which we are providing now (like Nano cable system, synchronized rectifier control board, low power efficiency system) is currently only under development with other brands. Megatherm is differentiated from others for its continuous R&D and is known to have the best R&D team that has ushered in many technological changes over the years

Some upcoming technologies

- Dual Mode Inverter
- Hybrid Panel
- AI Panel
- Zero Voltage Drop Design





OUR PRESENCE

WIDE SPREAD DOMESTIC & INTERNATIONAL PRESENCE IN 4 CONTINENTS

OVER **3000+ INSTALLATIONS**
IN **52+ COUNTRIES**



Diversified Clientele across Industries

Primary Steel producers (involved in conversion of iron ore into sponge iron & subsequent conversion into steel)

Secondary Steel producers (involved in scrap recycling)

Refractory-lined vessel is used as the furnace

Auto ancillaries

DI pipe producers and diverse engineering industries

Ordnance factories & Railways

Key Competitive Advantages

No Capacity Constraint
Land parcel available for future growth expansion in newer products segments to capture market growth



EXPERIENCED & QUALIFIED MANAGEMENT TEAM

- Well placed to capitalize the knowledge & experience of management team
- Supported by experienced personnel having industry experience



ESTABLISHED MANUFACTURING FACILITY

- Equipment and infrastructure capable to carry out end to end manufacturing activities
- Capable to meet customized & stringent requirements of Customers including product design and development, material sourcing, designing, testing and equipment effectiveness
- Products delivered in a cost-effective manner without compromising on quality.



LONG STANDING RELATIONSHIP WITH CUSTOMERS

- Well Diversified customer base all over India and different parts of globe
- Track record of delivering timely services & demonstrated industry expertise



TECHNICAL CAPABILITIES FOR COMPLEX APPLICATION

- Equipped for complex manufacturing processes and producing goods which require precision and engineering competence
- Deployed stringent quality control systems to ensure quality, safety feature, efficiency measures as per Customer requirements
- Complex Manufacturing process & stringent quality requirements are entry barriers for new players
- Continuous research & development leading to high efficiency & reliability of equipment

02

INDUSTRY OVERVIEW

Industry Overview

INDIAN FOUNDRY INDUSTRY

- Industry has a turnover of approx. USD 19 billion with export approx. USD 3.1 billion
- Approx 4500 units of which 1500 units have International Quality Accredition
- Growing awareness about environment & many foundries switching to Induction Furnaces

AUTOMOBILE COMPONENT INDUSTRY

- Valued at $20.1 Bn in FY21 & expected to reach $80 Bn by 2026
- Grew 34.8% to INR 2.65 lakh Cr in H1 FY23
- Set to become the 3rd largest globally by 2025

POWER SECTOR

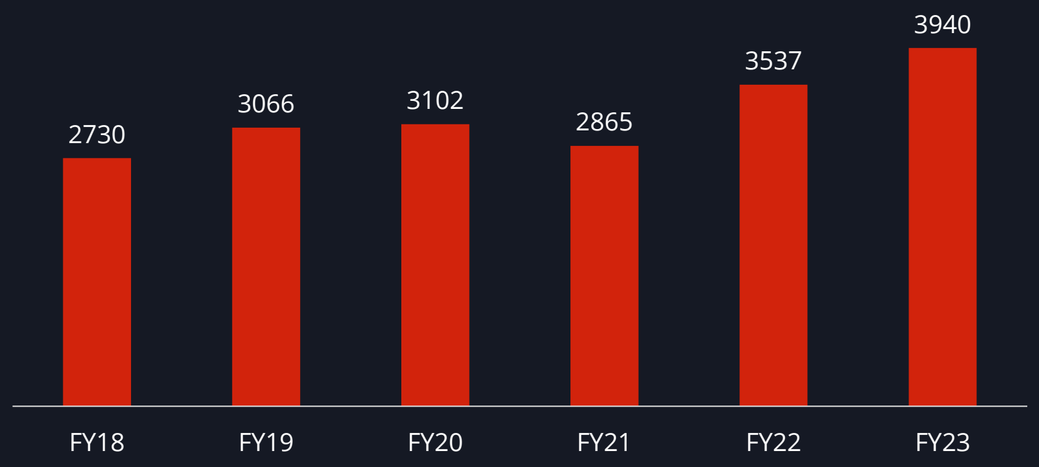
- Demand rose by a strong 8.4% in 2022
- sectors continued accelerate growth

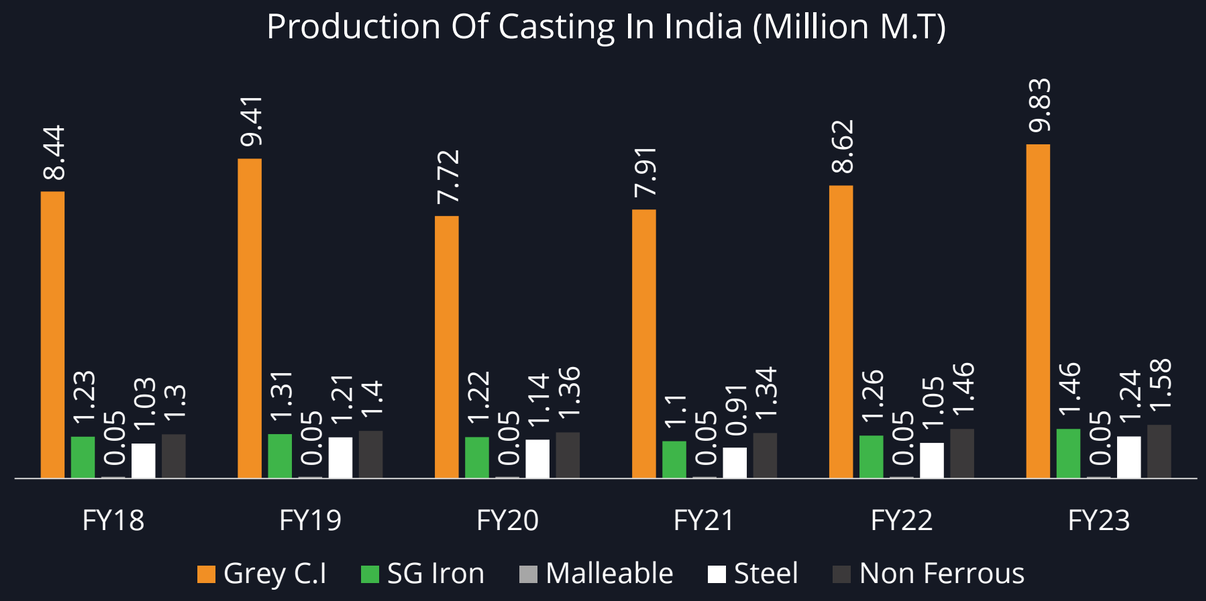
Sectorwise major consumer of castings



The India Foundry Market size is estimated at **USD 19.46 billion in 2024**, and is expected to reach **USD 31.77 billion by 2029**, growing at a CAGR of 10.30% during the forecast period (2024-2029).Source: https://www.mordorintelligence.com/industry-reports/india-foundry-market

Indian Production & Export Of Casting (Million M.T)





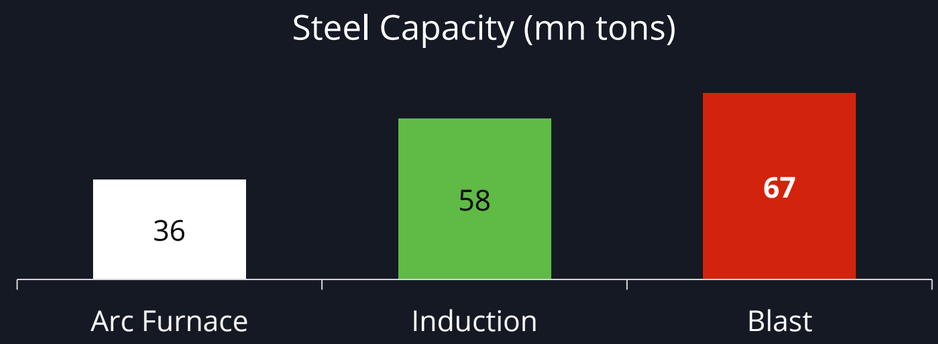
Source:- https://foundryinfo-india.org/profile_of_indian.aspx

Industry Growth Drivers

Policy initiatives to drive manufacturing
GOI to spend $1.4 trillion on infrastructure by 2025.

- Make in India
- Vocal for Local
- Pradhan Mantri Awas Yojna
- Atam Nirbhar Bharat
- Specialty steel production-linked incentive (PLI) scheme,
- Developing Smart Cities,

India Capacity (FY23) - 161mn tons
Arc 36mn tons, Induction - 58mn tons, Blast - 67mn tons



Growing investments in Manufacturing

- India cementing its position as a global automotive R&D hub, with many MNC's setting manufacturing and R&D base. Ample availability of a low-cost and skilled workforce. Automobile sector to attract USD 8-10 bn in local and foreign investments by 2023
- Improved road & rail connectivity by building highways, bridges & dedicated freight & superfast rail corridors etc.
- Scrap recycling policy
- National Institute of secondary steel technology (NISST) catering to technological development

Power sector

- Demand rose by a strong 8.4% in 2022
- Electrification of the transport and heating sectors continued accelerate growth

Automobile component industry

- Valued at $20.1 Bn in FY21 & expected to reach $80 Bn by 2026
- Grew 34.8% to INR 2.65 lakh Cr in H1 FY23
- Set to become the 3rd largest globally by 2025

Advantages of Induction Technology for steel melting

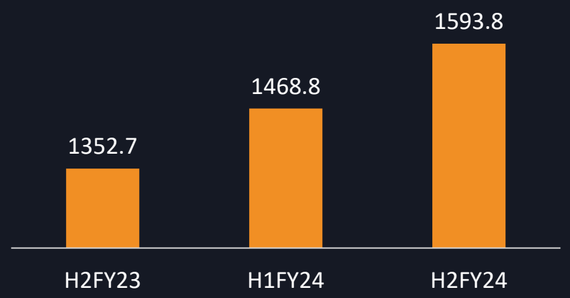
	Blast Furnace (BF)	Electric Arc Furnace (EAF)	Induction Furnace (IF)
CO2 Equivalent Emissions Estimated range of CO2 equivalent (CO2e) emissions (in tons) per ton of crude steel production	2.2 – 2.6 BF - BOF	0.6 – 0.8 Scrap based EAF	0.3 – 0.4 Scrap based IF
Energy Efficient	Process of ironmaking is lengthy & uses more energy Link	Less efficient in places prone to blackouts Link	Clean & energy-efficient way of producing heat. Link
Recycling	-	It emits a lot of dust and debris. Link	The melting process of scrap metals, which in turn increases the speed of recycling them. Link
Cost	Coke sources are getting more expensive and less plentiful	Graphite electrode costs are increasing over time	Cost- Effective Link

03

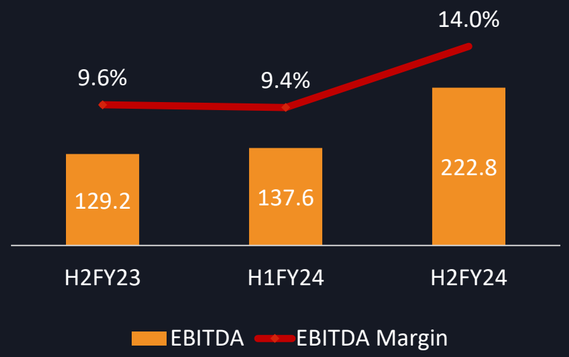
HALF YEAR PERFORMANCE HIGHLIGHTS

KEY PERFORMANCE HIGHLIGHTS - H2FY24

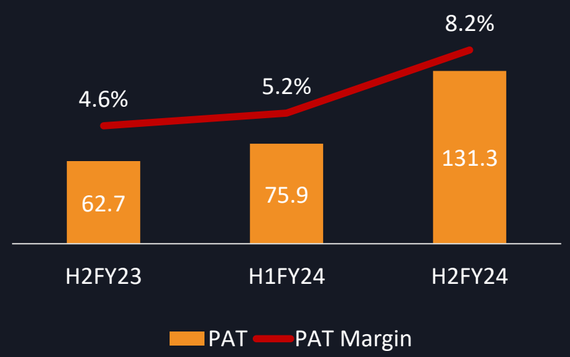
REVENUE (Rs. Mn)



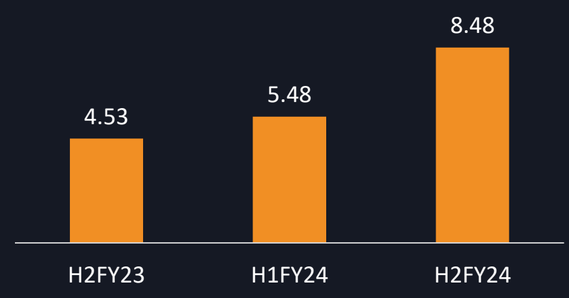
EBITDA (Rs. Mn)



PAT (Rs. Mn)



EPS (Rs)



Revenue

+ 8.5% HoH
+ 17.8% YoY

EBITDA

+ 61.9% HoH
+ 72.4% YoY

EBITDA Margin

+ 461 bps HoH
+ 443 bps YoY

PAT

+ 72.9% HoH
+ 109.4% YoY

PAT Margin

+ 307 bps HoH
+ 360 bps YoY

EPS

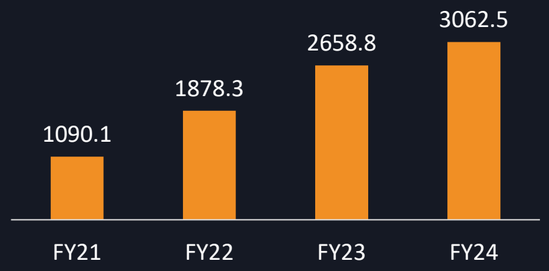
+ 54.7% HoH
+ 87.3% YoY

04

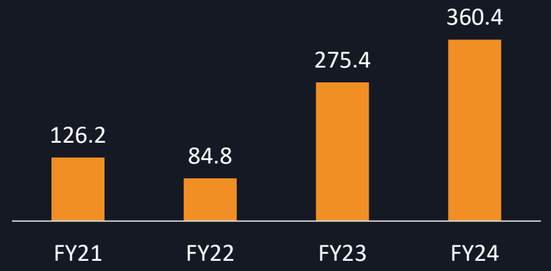
ANNUAL FINANCIAL OVERVIEW

ANNUAL FINANCIAL HIGHLIGHTS

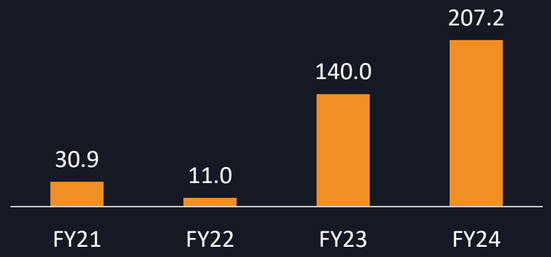
Revenue (Rs. Mn)



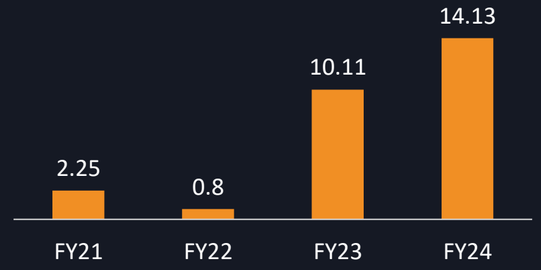
EBITDA (Rs. Mn)



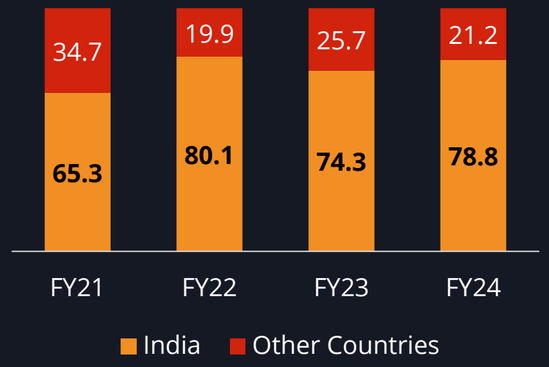
PAT (Rs. Mn)



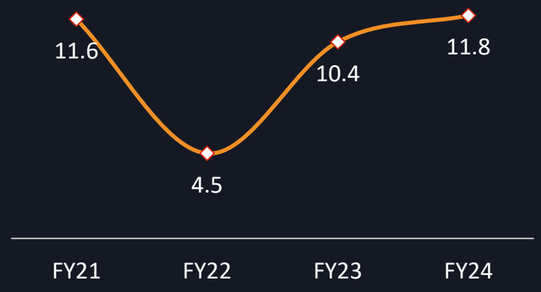
EPS (Rs.)



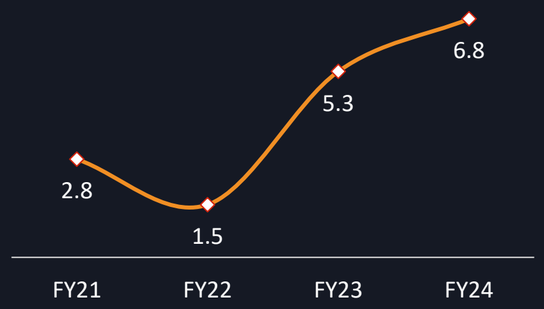
Revenue (%)



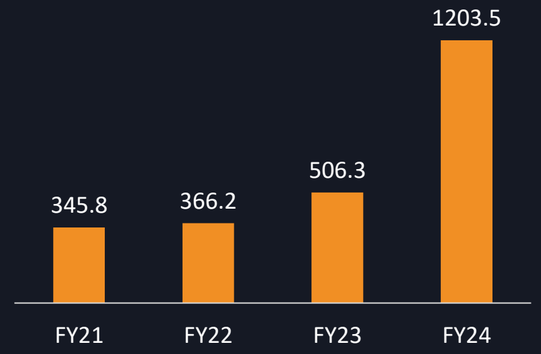
EBITDA Margin (%)



PAT Margin (%)



Net Worth (Rs. Mn)



ANNUAL INCOME STATEMENT

41%
REVENUE CAGR FY21-FY24

40%
EBITDA CAGR FY21-FY24

89%
PAT CAGR FY21-FY24

Particulars (Rs. in Mn)	FY21	FY22	FY23	FY24
Revenue From Operations	**1,090.09**	**1,878.27**	**2,658.82**	**3,062.55**
Total Expenditure	958.46	1,798.96	2,383.38	2,702.15
EBITDA	**131.63**	**79.36**	**275.44**	**360.40**
EBITDA Margin (%)	**12.08**	**4.22**	**10.36**	**11.77**
Other Income	2.61	6.38	5.57	11.22
Depreciation	21.04	20.60	24.28	33.85
PBIT	**113.20**	**65.13**	**256.73**	**337.77**
Interest	70.65	49.94	58.38	61.77
Profit Before Tax	**42.55**	**15.20**	**198.35**	**276.00**
Tax	11.64	4.19	58.31	68.76
Profit After Tax	**30.91**	**11.01**	**140.04**	**207.24**
PAT Margin (%)	**2.84**	**0.59**	**5.27**	**6.77**
Earnings Per Share	**2.25**	**0.8**	**10.11**	**14.13**

ANNUAL BALANCE SHEET

Equity & Liabilities(Rs. in Mn)	FY23	FY24
Share Capital	92.33	188.41
Reserves & Surplus	413.94	1,015.04
Total Equity	**506.26**	**1,203.45**
Long Term Borrowings	137.22	60.17
Deferred Tax Liabilities	30.71	31.58
Long Term Provision	13.79	16.43
Non-Current Liabilities	**181.72**	**108.18**
Short Term Borrowings	290.98	301.39
Trade Payables	425.19	425.78
Other Current Liabilities	499.34	637.45
Short Term Provisions	16.30	25.29
Current Liabilities	**1,231.81**	**1,389.90**
Total Equity & Liabilities	**1,919.79**	**2,701.52**

Assets (Rs. in Mn)	FY23	FY24
Fixed Asset	573.38	631.32
Intangible Asset	6.81	9.39
Work-In-Progress	6.15	0.41
Other Non-Current Asset	94.31	122.75
Non - Current Assets	**680.65**	**763.88**
Investment	-	70.00
Inventories	710.93	816.97
Trade Receivables	232.20	319.76
Cash & Cash Equivalents	210.25	606.08
Short Term Loans and Advances	84.37	111.23
Other Current Assets	2.25	13.61
Current Assets	**1,240.00**	**1,937.64**
Total Assets	**1,919.79**	**2,701.52**

05

WAY FORWARD

megatherm

WAY FORWARD

EXPAND CAPACITIES

Ongoing capex of ₹ 30 Cr on Construction of New Shed to be completed by Sep 2024
Incremental Target Revenue by FY27 - 210 Cr

Greenfield Expansion (5 to 7 year plan)
Additional Capex of around 50-60 Cr
to reach **additional incremental revenue of 500 Cr**

INCREASE DOMESTIC & GLOBAL PRESENCE

Plan to expand export operations globally
Participating in global marketing events like trade fairs etc

EXPAND CUSTOMER BASE

Increasing share of business amongst existing customers
Leverage geographical footprint to address the sourcing requirements of existing multinational customers

OPTIMUM UTILIZATION

Optimum Capacity Utilization to be achieved in the New Shed too.

NEW PRODUCTS

Wider range of product specifications and services adhering to global standards. Expand transformer manufacturing capacity to cater to industrial transformers apart from induction transformers

INCREASING OPERATIONAL EFFICIENCIES TO IMPROVE MARGINS

Continue to invest in operational excellence
Use a variety of other manufacturing strategies, sourcing strategies and cost reduction strategies

Target EBITDA Margin Medium Term (FY27) - around 15%
Long term (FY30) - around 20%

Revenue Target
Rs. **500 Cr** in 3 years

06

ANNEXURES

QUALITY ASSURANCE

Certified with international standards of Quality Management Systems such as ISO 9001:2015 from SGS United Kingdom Limited.



Inspection and Testing

Quality is an online & continuous activity integrating people, communication, process controls, designing, engineering, production & inspection departments

Usage of sophisticated equipment's in inspection

Testing technology calibrated to world standards

AWARDS AND RECOGNITION



Star Performer of the Year 2007-2008

Award for Miscellaneous General Purpose Machinery, EEPC India, Eastern Region



Star Performer of the Year 2012-2013

Award for Export Excellence 2012-13 EEPC India, Eastern Region



Manufacturing and MSME Conclave 2022



Manufacturing and MSME Conclave 2022

Green Manufacturing of the year



40 Under 40 Achievers Of The Year 2023

Award for among the most innovative and influencial leader under the age of 40 by Times Group

THANK YOU

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