

August 12, 2023

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: EQ
ISIN: INE155Z01011**

Sub: Investor Presentation

Respected sir/ Madam,

With reference to the captioned subject we, Macpower CNC Machines Limited [the “company”] are submitting herewith updated Investor Presentation for all the stakeholders of the company.

Kindly take the same in your record.

Thanking you.

Yours faithfully

For MACPOWER CNC MACHINES LIMITED

**RUPESH MEHTA
MANAGING DIRECTOR
DIN: 01474523**

Encl: a/a



+91 2827 287930/31
+91 7998 7998 16



sales@macpowercnc.com



REGD. OFFICE :

PLOT NO. 2234, NEAR KRANTI GATE,
GIDC, METODA – 360021.
RAJKOT, GUJARAT. (INDIA)



**Macpower
CNC
Machines
Limited**

**Q1FY24
Investor Presentation**



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You acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the business of the Company.

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What are CNC Machines | Market size & opportunity | Competitive advantage

Business Highlights Q1FY2024



46

Nos

High Value Machines sold during the quarter

The company has manufactured and sold **46 high value machines** during the quarter. Against this the company has received orders for **71 high value machines** during the quarter

1769

Rs million

Unexecuted order book

Highest ever unexecuted order book as of June 30, 2023 stood at Rs **1769.50 mn**

258

Nos

Machine orders under “NEXA” Vertical for premium products

As of 30th Jun'23 company has **258** machine order (combined for VMC, HMC and VTL) as a part of the NEXA vertical for premium products. This constitutes 27% of order book from premium products in unexecuted order book

Financial Performance



PARTICULARS (INR mn)	Q1FY24	Q4FY23	Q1FY23	YoY%	FY23	FY22	YoY%
Revenue from Operations	404.6	543.2	410.7	-1.5	2,018.9	1,901.2	6.2
Total Expenditure	370.9	492.5	370.2	0.2	1,812.2	1,696.2	6.8
EBITDA	33.7	50.7	40.5	-16.8	206.7	205.0	0.8
<i>EBITDA Margin (%)</i>	<i>8.3</i>	<i>9.3</i>	<i>9.9</i>	<i>-154 bps</i>	<i>10.2</i>	<i>10.8</i>	<i>-54 bps</i>
Other Income	2.6	-0.3	1.2	110.2	2.5	8.3	-69.9
Depreciation	9.1	9.0	7.5	21.0	33.6	27.9	20.4
PBIT	27.2	41.4	34.2	-20.5	175.6	185.4	-5.3
Interest	0.4	0.4	0.3	48.7	2.3	1.5	53.3
PBT	26.8	41.0	34.0	-21.1	173.3	183.9	-5.8
Tax	6.5	10.9	8.5	-23.6	44.4	55.5	-20.0
PAT	20.3	30.1	25.5	-20.2	128.9	128.4	0.4
<i>PAT Margin (%)</i>	<i>5.0</i>	<i>5.5</i>	<i>6.2</i>	<i>-118 bps</i>	<i>6.4</i>	<i>6.8</i>	<i>-37 bps</i>
Earnings Per Share (Rs)	2.03	3.01	2.54	-20.2	12.88	12.83	0.4

Order Book



Order book (as on 30 th June 2023)	As on Q1FY24	
Description	No. of Units	Value (INR Mn)
Opening order book (01.04.23)	865	1,527.70
Private orders received	311	584.97
Private orders executed	208	388.74
Govt. Order Received	7	56.89
Govt. Orders Executed	4	11.31
Unexecuted order book (30.06.23)	971	1,769.50
Tenders & Bids Submitted		
Domestic	2,430	3,681.32
Tender +L1	132	1,180.00
Total Bids Submitted	2,562	4,861.32

Order Book Break up (As on 30th June, 2023)

Type	Status	Number of Machines (Nos)	Total Value of Orders (Rs)	Advance received against orders (Rs)
				Domestic
Turning Center	Order Received	698	1,237,439,852	56,844,877
VMC	Order Received	249	404,981,704	26,584,046
HMC	Order Received	-	-	-
VTL	Order Received	5	19,730,000	2,291,000
Tender + L1	Order Received	19	107,354,920	
Total Order Book		971	1,769,506,476	85,719,923
Domestic	Bids Submitted	2,430	3,681,315,799	-
Tender + L1	Bid Under Evaluation	132	1,180,000,000	-
Total Bids Submitted		2,562	4,861,315,799	-

Note: All values are excluding Taxes

Annual Income Statement



PARTICULARS (INR Mn)	FY18 (IPO)	FY19	FY20	FY21	FY22	FY23
Revenue From Operations	1068.8	1398.5	819.8	1128.7	1901.2	2018.9
Total Expenses	954.9	1236.4	771.7	1036.9	1696.1	1812.2
EBITDA	113.8	162	48.1	91.8	205.1	206.7
<i>EBITDA Margin</i>	<i>11.60%</i>	<i>5.90%</i>	<i>8.10%</i>	<i>11.00%</i>	<i>10.79%</i>	<i>10.24%</i>
Other Income	6.0	33.0	5.5	3.5	8.3	2.5
Finance Cost	2.1	2.4	3.7	1.7	1.5	2.3
Depreciation	10.2	11.8	10.8	26	27.9	33.6
Profit before Tax	107.5	180.8	39.1	67.6	183.9	175.6
Tax	37.1	54.4	11.8	7.3	55.5	44.4
Profit after Tax	70.4	126.5	27.3	60.3	128.4	128.9
<i>PAT Margin</i>	<i>6.60%</i>	<i>9.00%</i>	<i>3.30%</i>	<i>5.30%</i>	<i>6.74%</i>	<i>6.38%</i>
Earnings per share (Rs)	7.0	12.9	2.8	6	12.8	12.9

14%
REVENUE
5 Yr CAGR

13%
EBITDA
5 Yr CAGR

13%
PAT
5 Yr CAGR

Way Forward

- Competitive advantage
- Our **ESG** efforts

Way forward



01

Plant Expansion

The company is in the process of setting up an adjoining unit for increasing production capacity of CNC Turning Machine Soft Jaws, stores and servicing.

03

Growing order book

Import replacement & growing domestic demand auger well for a growing order book.

02

Expand capacity by 20%

The company has planned to expand capacity from 1500 machines to 1800 machines per annum by FY25.

04

NEXA Group

The company has setup a NEXA group to focus on the sales and marketing of high value machines comprising VTL, HMC, etc and high end VMC machines.

05

Government initiatives

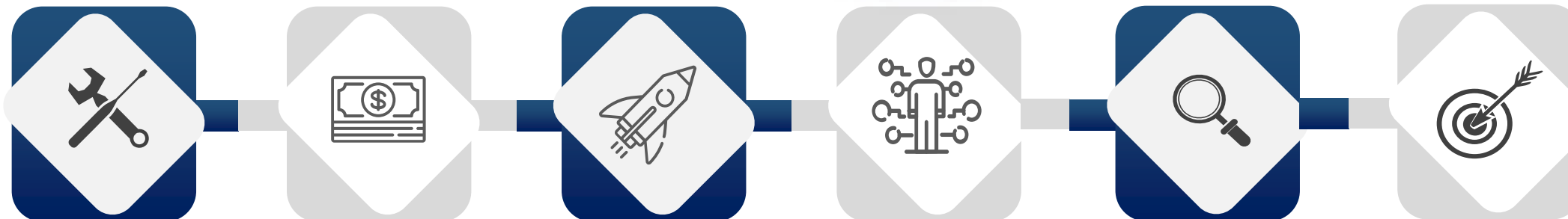
- Domestic manufacturers to get preference for govt. tenders below Rs 200 cr.
- PLI scheme and import substitution to drive demand for CNC machines.
- Industry 4.0 to drive automation and growth in engineering & automation.

06

Strategic partnerships

Taking efforts to establish strategic partnerships with global companies for domestic and global markets.

Competitive advantage



Lowest cost producer

Amongst all its peers, Macpower is the lowest cost producer, generating amongst the **highest EBITDA and PAT margin in the industry**

Zero Debt, FCF Positive

Macpower is one of the few **net debt negative** companies in the sector and has generated **positive free cash flow** since FY2017-18

Best Return Ratios

ROE of +24% and ROCE of +25-30% is amongst the highest vis-a-vis peers and displays the working capital efficiency of the company.

High Asset Turnover

Asset turnover for the company currently stands at ~3x and can go up to 5x in the current plant – **one of the highest amongst its peers**

High promoter holding

Promoter holding stands at 73.11% as on Mar'23 & Jun'23, up from 73.09% as of Mar'22.

Widest range of products

With 9 product categories, 27 variations and 60+ different models, the company has the widest range of offering amongst peers

Our ESG efforts



- Installed roof top solar plants at factory totalling 200 KW which has reduced our day time power consumption by 20% and aim to reach a level of 50% power savings during day time.
- Zero Liquid discharge facility



- Meal is provided to all plant employees, everyday.
- Spent Rs. 2.52 lacs towards promoting health care
- Spent Rs. 17 lacs towards Gaushala maintenance and Cattle welfare



- Well diversified Board of Directors with 6 number of directors out of 3 being independent directors
- Promoters have strong techno commercial understanding of the business – ably supported by the Board of Directors for future growth and shareholder value creation
- Robust internal control and checks through well defined systems and processes to ensure highest standards of reporting for our clients
- Independent Director Chairs the Nomination & Remuneration Committee; Audit Committee as well at Stakeholder Relations Committee.

About Us

Corporate Video

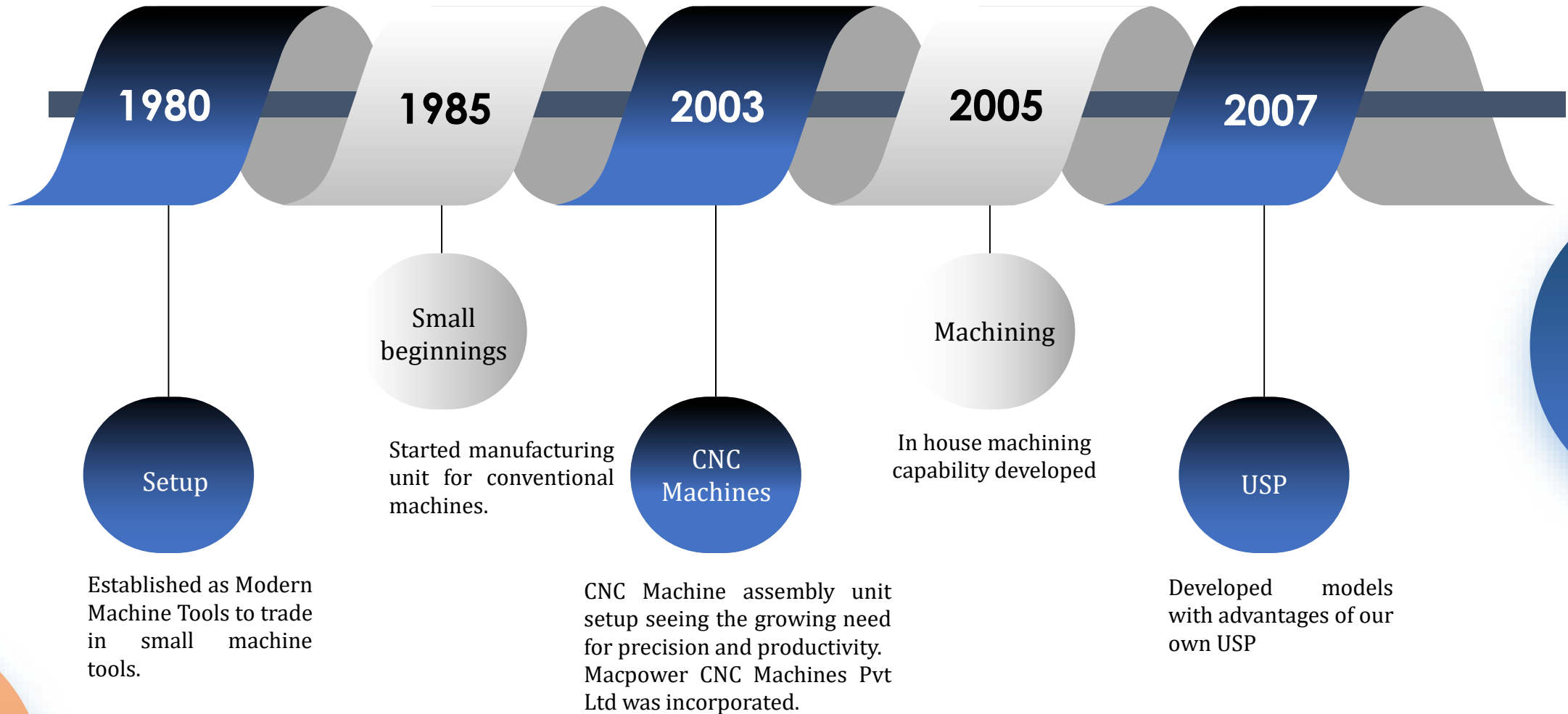
[Corporate video](#) *(click here)*

Company Profile

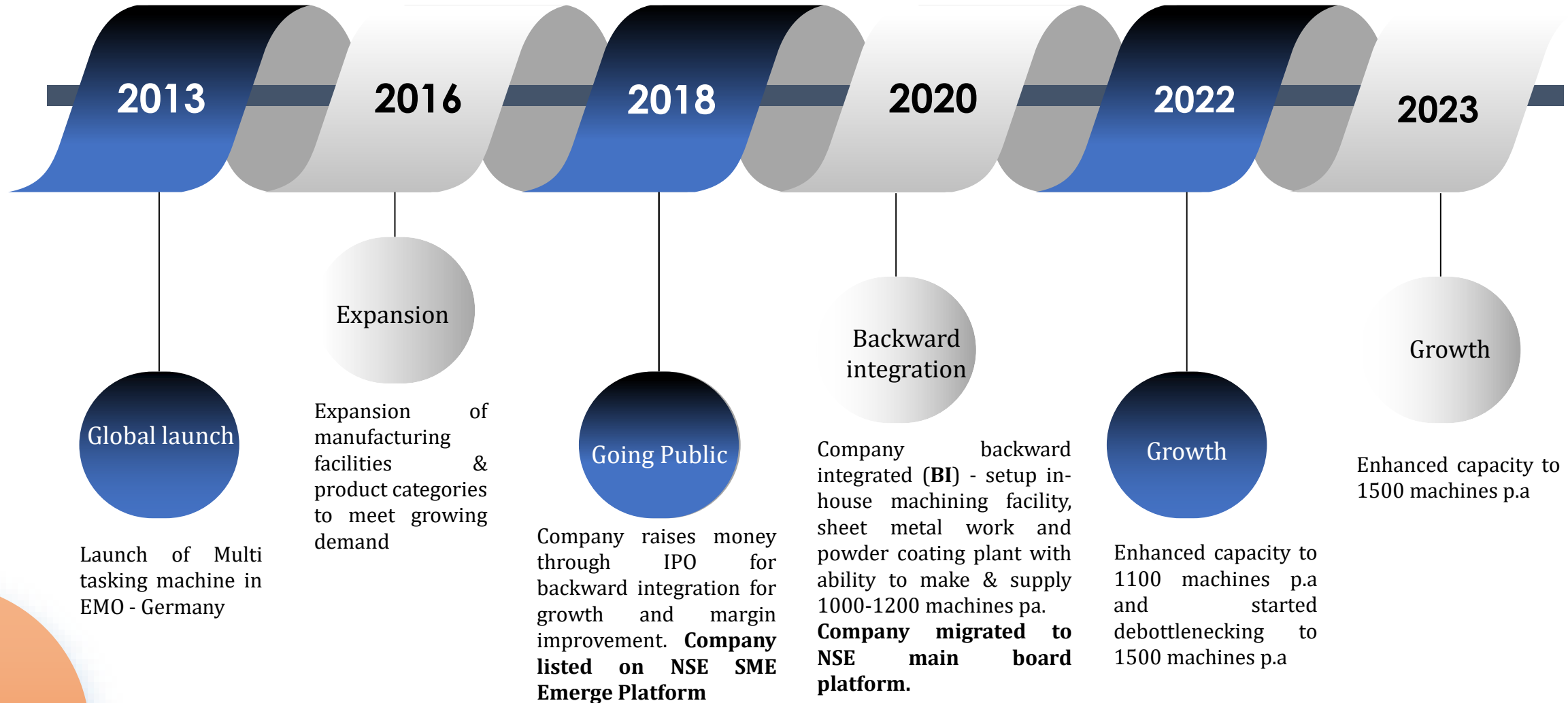


- Established in 2003, Macpower CNC Machines Limited is engaged in the manufacture of Computerised Numerically Controlled (CNC) machines under 9 different product categories.
- It has a CNC Machine manufacturing unit in an area of around 4 acres at Metoda G.I.D.C., Rajkot, Gujarat (India).
- The company listed **(IPO) in 2018**. Proceeds of the issue were used **to help the company backward integrate into the manufacture of Machining components and enhance production capacity**.
- The company is **now looking to further backward integrate, using internal accruals, to develop state of the art patterns for different machine models** which will lead to cost reduction, further quality improvement, productivity and help increase overall production.
- Macpower currently offers the widest range of **9** different product categories namely Turning Center, Twin Spindle Turning Center, VMC, Twin Spindle VMC, TurnMill Center, HMC, VTL, DTC, Grinder, **60+** different models serving **27** industry segments with **9269+** installations to date.
- It has sales and service in **39** cities serviced through **128** qualified engineers and **9** business associates.
- The company today has a capacity to manufacture 1500 machine per annum .

Our Journey



..... continuing on the growth path



Key Management



Mr. Rupesh Mehta

Promoter, Chairman & Managing Director



Mr. Nikesh Mehta

Promoter & Whole-Time Director

Rupesh Mehta has an experience of more than 26 years in the Machine Tool Industry. He 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:

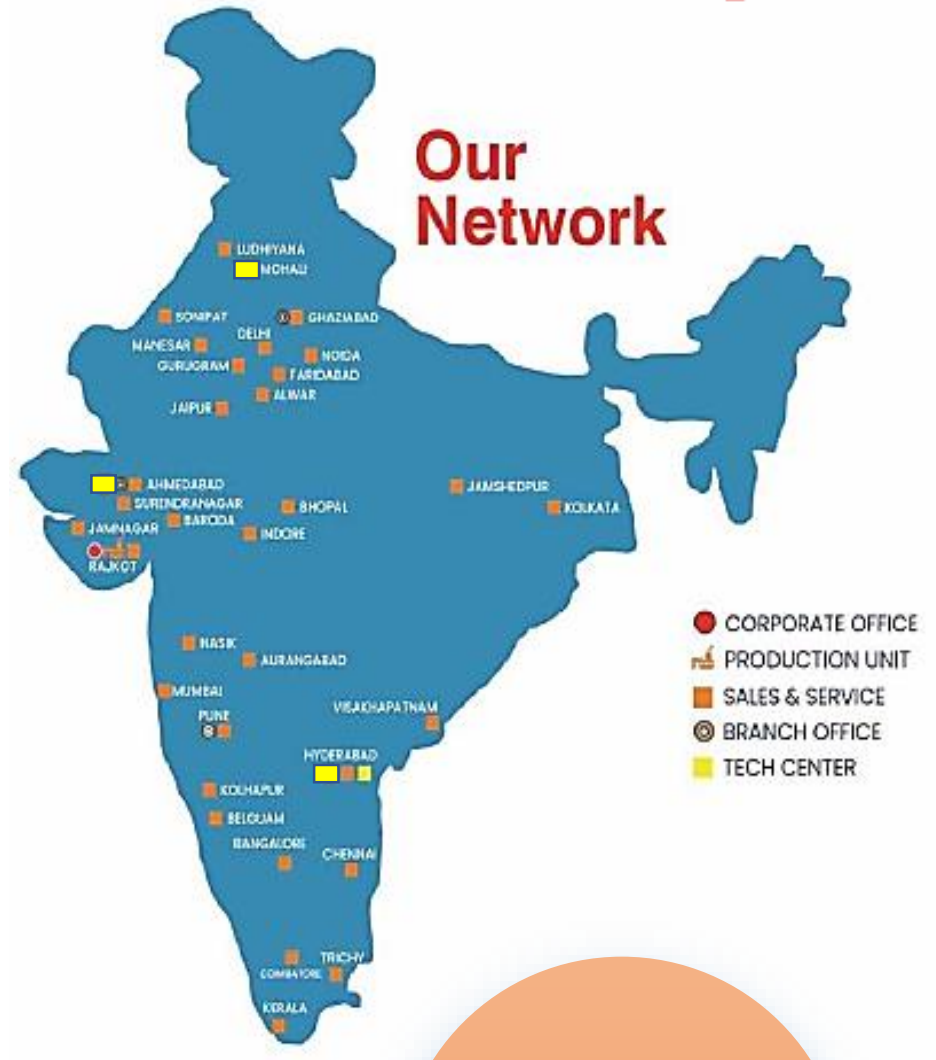
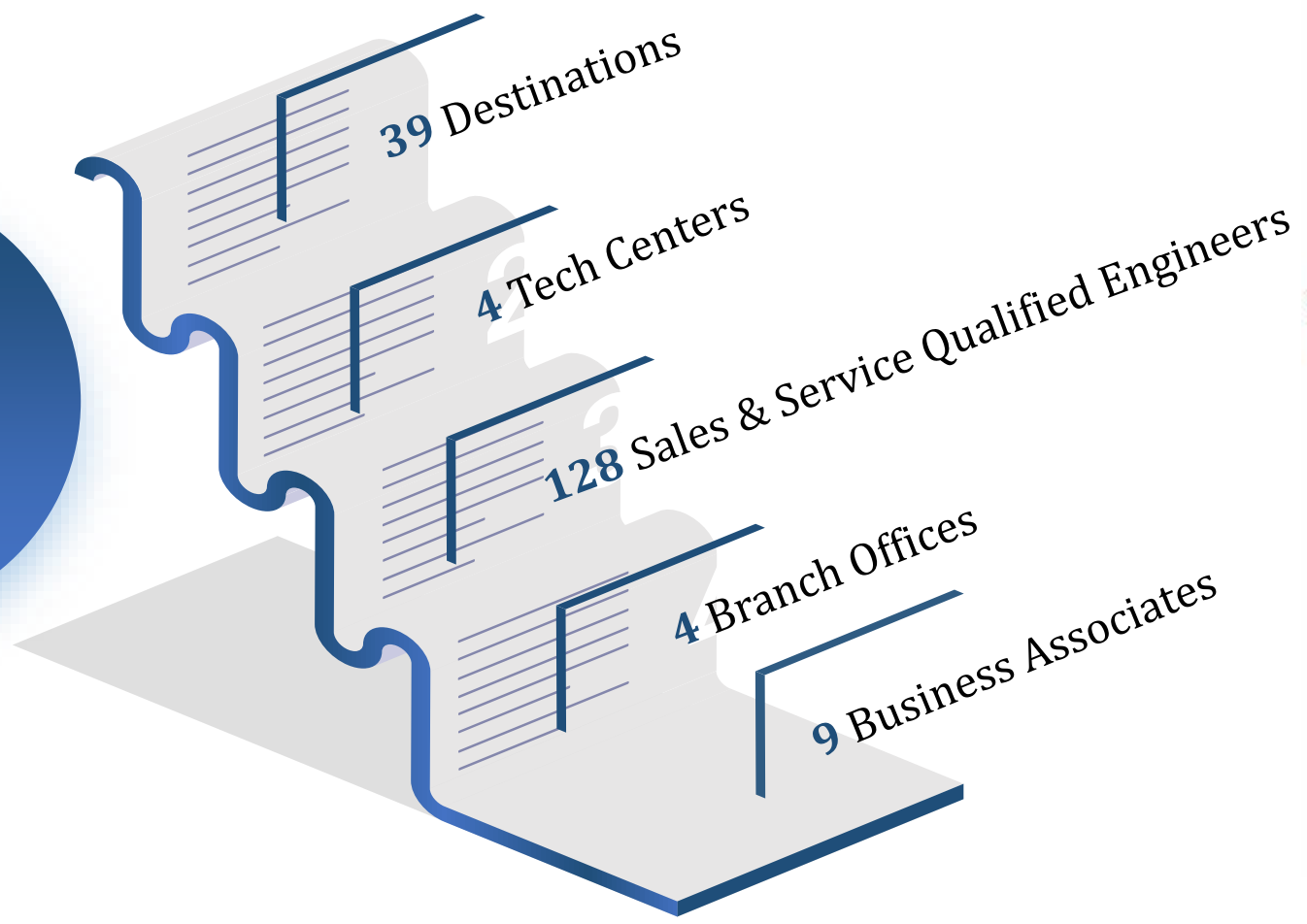
- Executive Director – Indian Machine Tools Manufacturers Association
- Former President – Rajkot Machine Tool Association
- Former Treasurer – Rajkot Chamber of Commerce
- Former Director – Rajkot Engineering Association

Nikesh Mehta has an experience of around 15 years in the Machine Tool Industry. Nikesh Mehta holds a degree in Bachelors of Commerce from Saurashtra University.

His scope of work includes looking after the Machine Shop, Application Department (conducting trials on machines) and the Purchase department of the company.

He is also looking after production related activities to streamline them to meet growing demand.

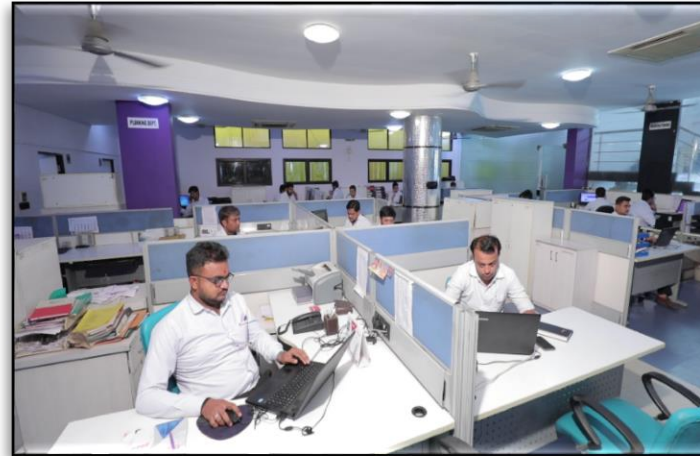
Our Network



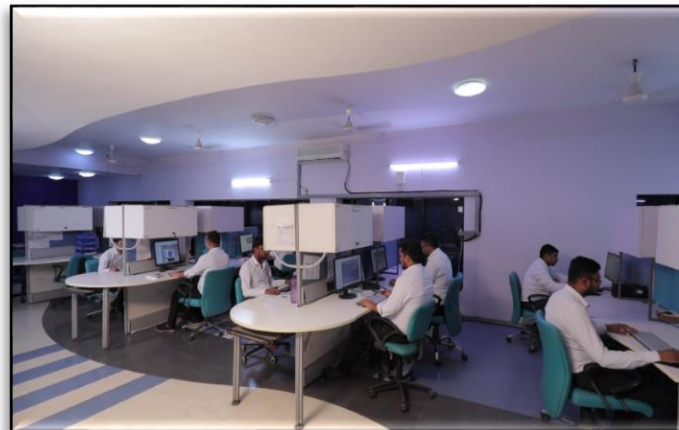
Infrastructure



Head Office & Plant



Corporate office



R&D Centre



Manufacturing plant

Tech Centres



Ahmedabad Tech Centre



Hyderabad Tech Centre

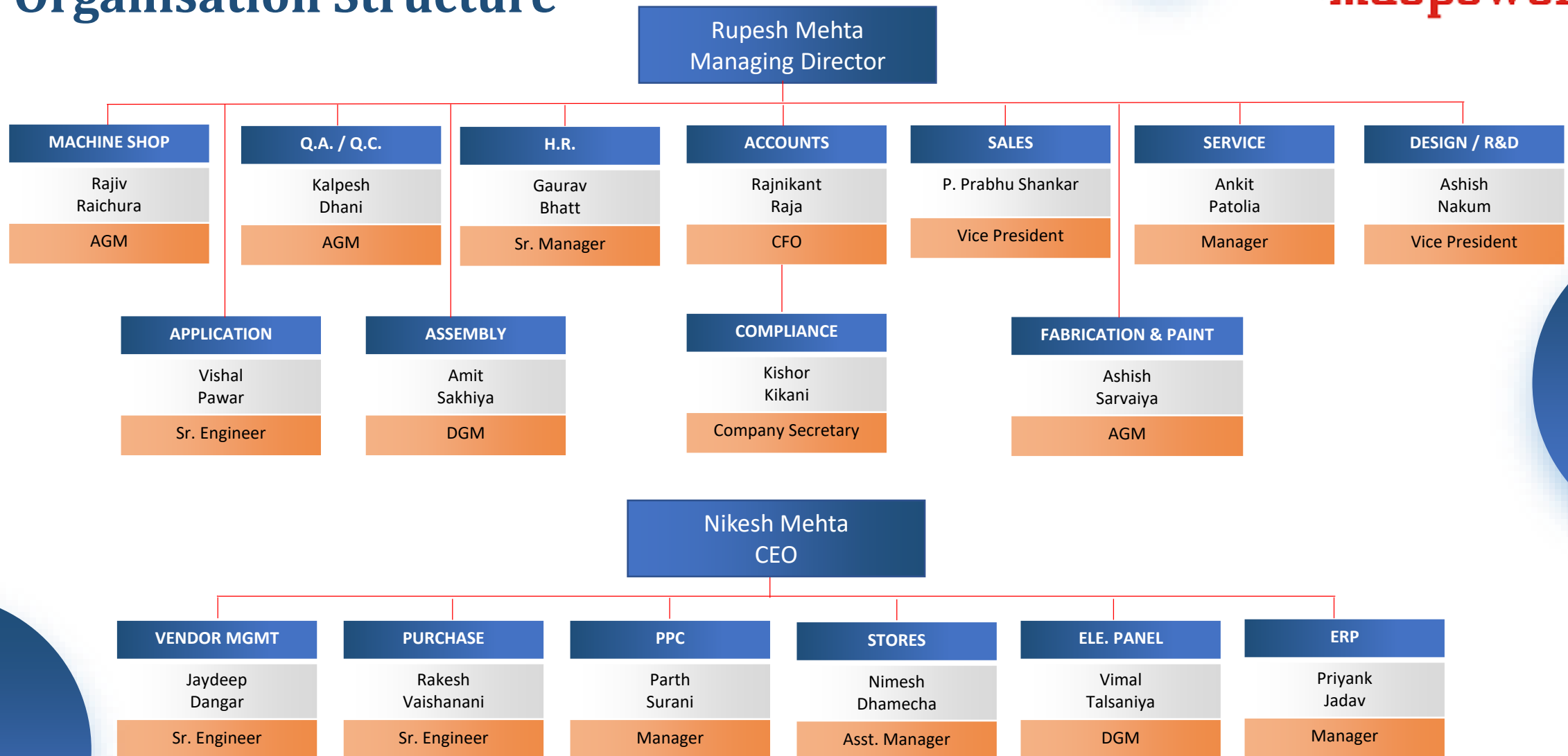


Mohali Tech Centre

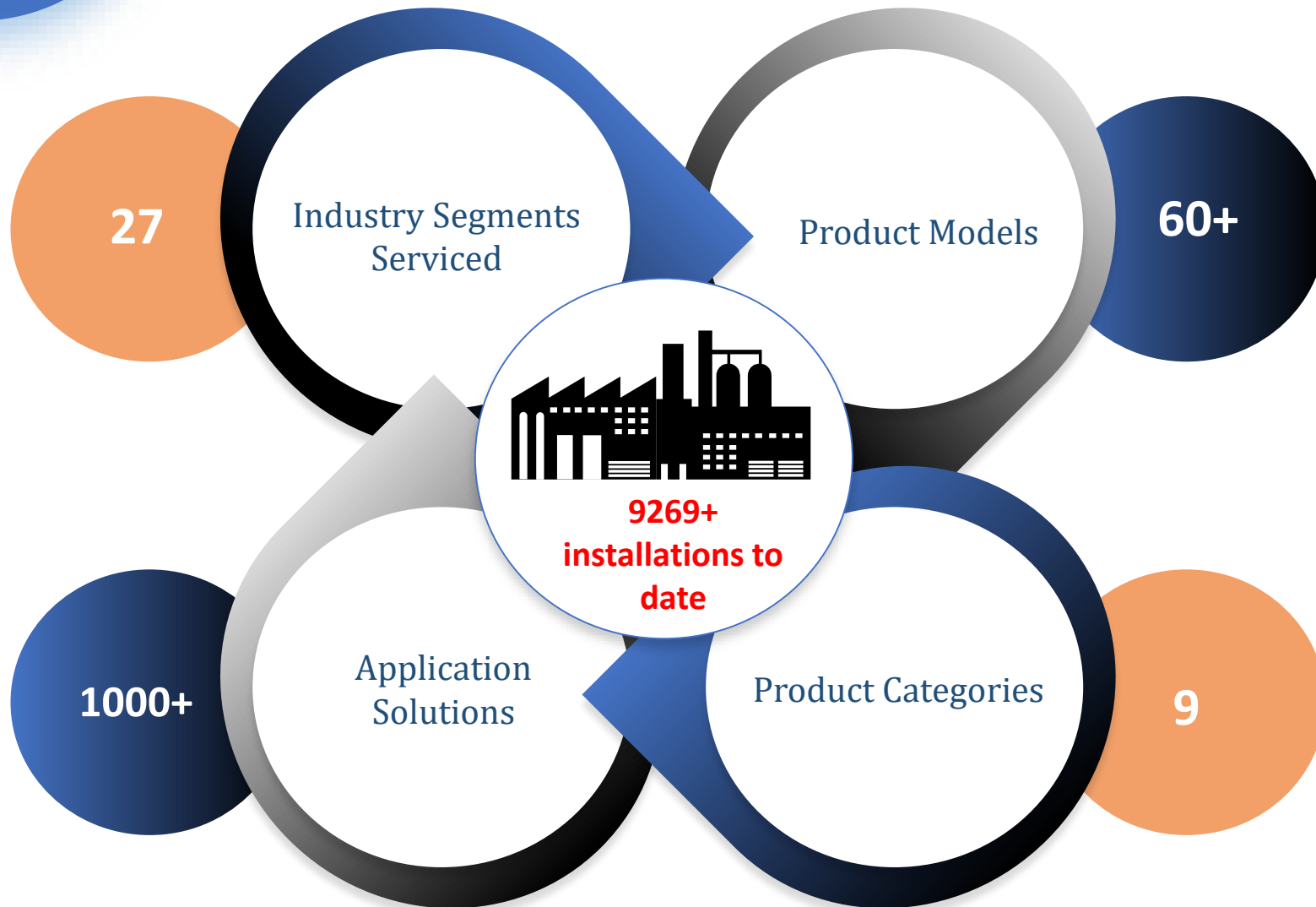


Jamnagar Tech Centre

Organisation Structure

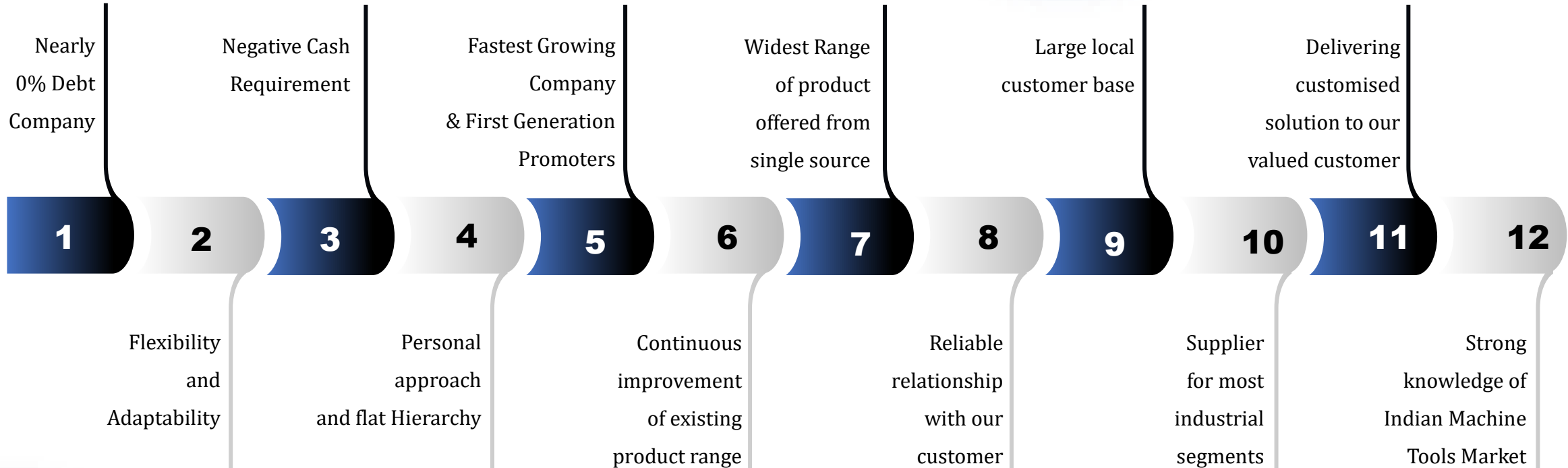


The text 'Business Overview' is centered on the image. 'Business' is in a large, white, bold, sans-serif font with a slight drop shadow. 'Overview' is in a large, yellow, outlined, sans-serif font. The background is a blurred image of a person's hand operating a control panel with a screen and various buttons.



Widest Range of Products

Competitive Strengths



Key Clientele at a Glance

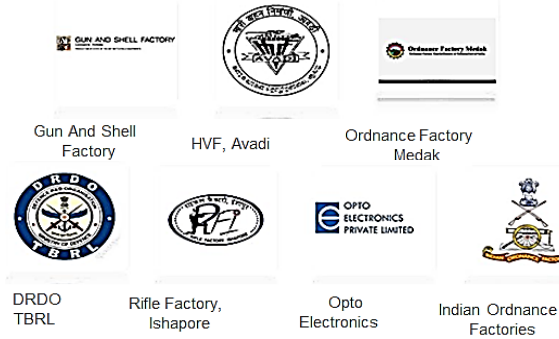


Auto / Auto Ancs



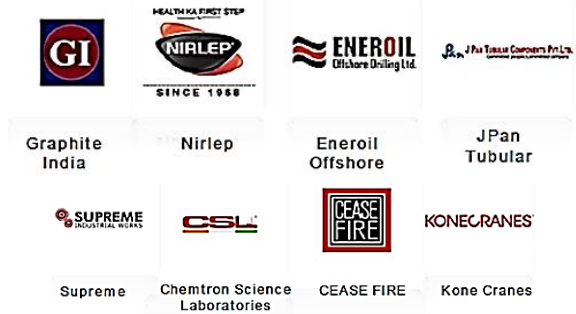
and 1250 more

Defence / Aerospace



and 54 more

Engineering / Capital Goods



and 775 more

Government: PSUs & Education Sector



and 22 more

Die Mould Sector



and 157 more

Agriculture



and 87 more

Key Products at a Glance (1/2)

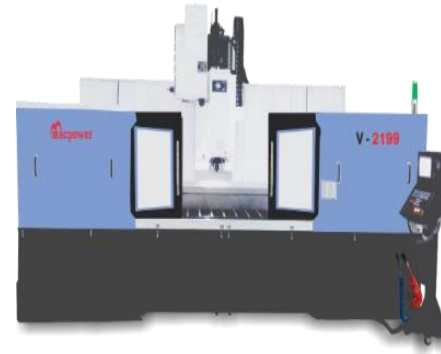
Turning Centre



1

In today's competitive market, you need robust CNC turning centers with uncompromised performance and specifications to produce world class products quickly accurately and with minimum non productive time.

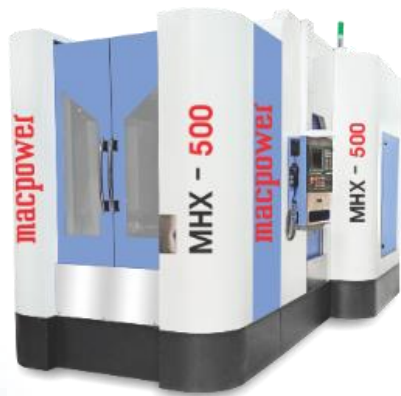
Vertical Machining Centre



2

Our new generation Vertical Machining Centers incorporate a wide range of enhancements and sophisticated engineering knowledge that enables us to deliver optimized solutions with optimal performance

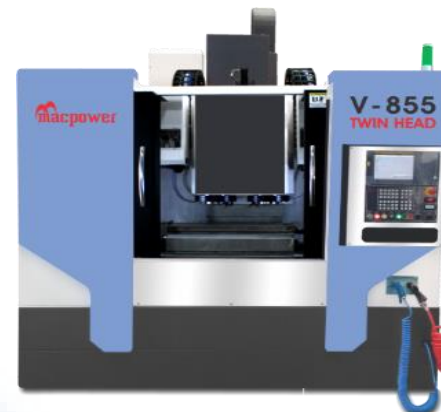
Horizontal Machining Centre



3

The rush in requirement for high technological products has provided a great chance for the development of Horizontal Machining Centres. We have developed different sizes to meet the rising demand for machines delivering higher outputs

Twin Spindle - VMC



4

"Double the production for similar job". Simultaneous machining on two spindles enhances efficiency and lowers the cost per part for high-volume production. It enhances throughput, reduced energy consumption and maximized floor space.

Key Products at a Glance (2/2)

Twin Spindle - Turning



In demanding times of machining accuracy and productivity, Macpower has addressed both the issues, reducing idle time resulting in cumulative productivity with lesser manpower offering customers gain higher margins. .

Vertical Turret Lathe



Combination of high power performance and excellent unyielding construction, designed to operate in medium and high production environments. It is equipped with robust structure design to ensure rigidity, stability, accuracy and flexibility for the machining of chucking parts.

Drill Tap Centre



Designed specifically for drill tap application along with total tapping milling capabilities. These machines are compact and powerful, built with optimally designed structure to take care of cutting forces and are equipped with automatic tool changers.



CNC Machines

**Industry, Sector
and Macpower**

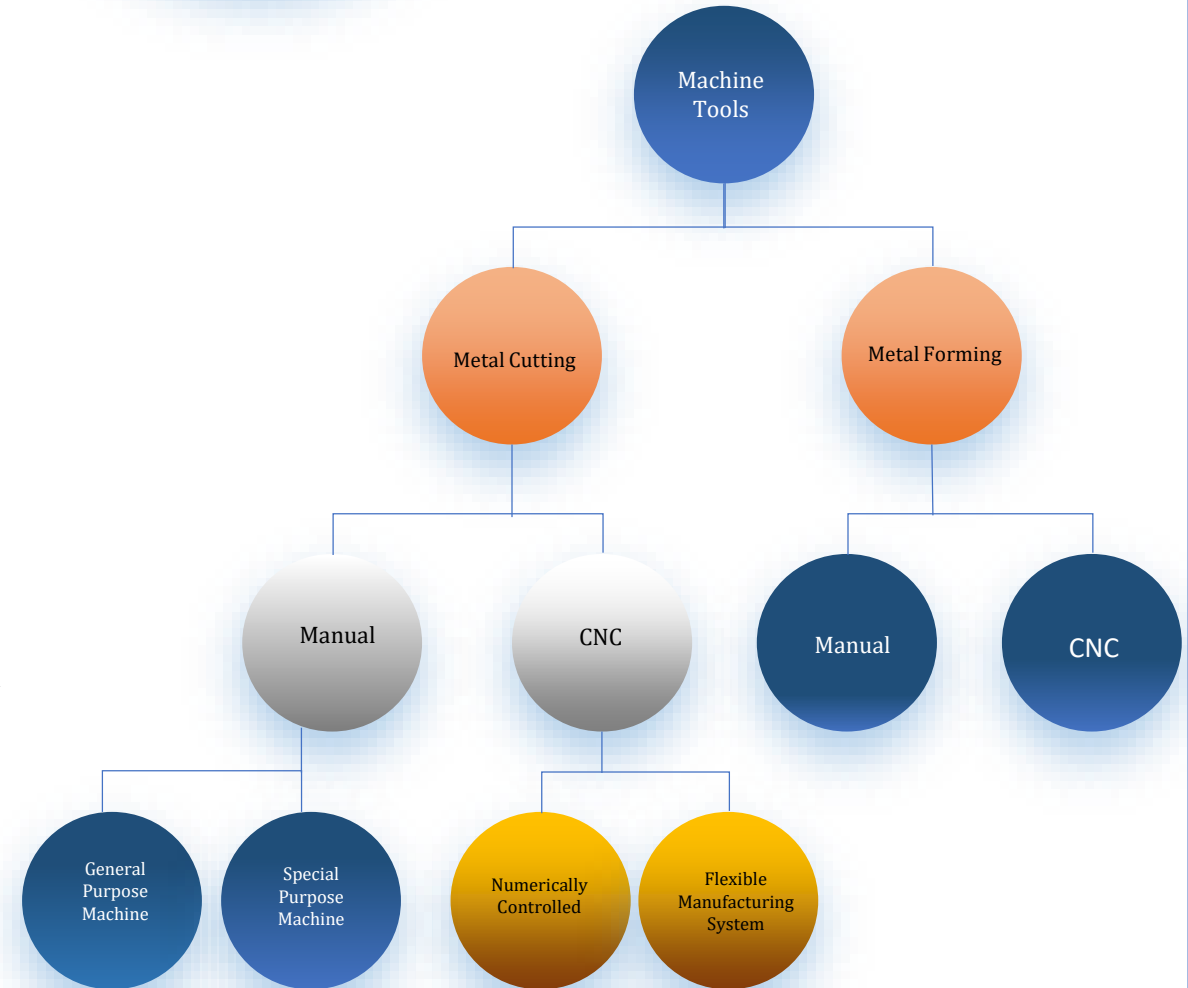
CNC Machines?

What are CNC Machines? (CNC machine in use – [video1](#) [video2](#) (click on link))

- Computer Numerical Control (CNC) is a machine in which pre-programmed software are used, combined with Engineering Designing to achieve desired cuts (shapes) based on end use of the product shaped.
- The manufacturing process using CNC machines is used to control a range of complex machinery and to perform three dimensional cutting tasks.
- The desired cuts (shapes) are programmed into the software and dictated to corresponding tools and machinery inside the CNC machine, which then carry out the tasks to be performed.

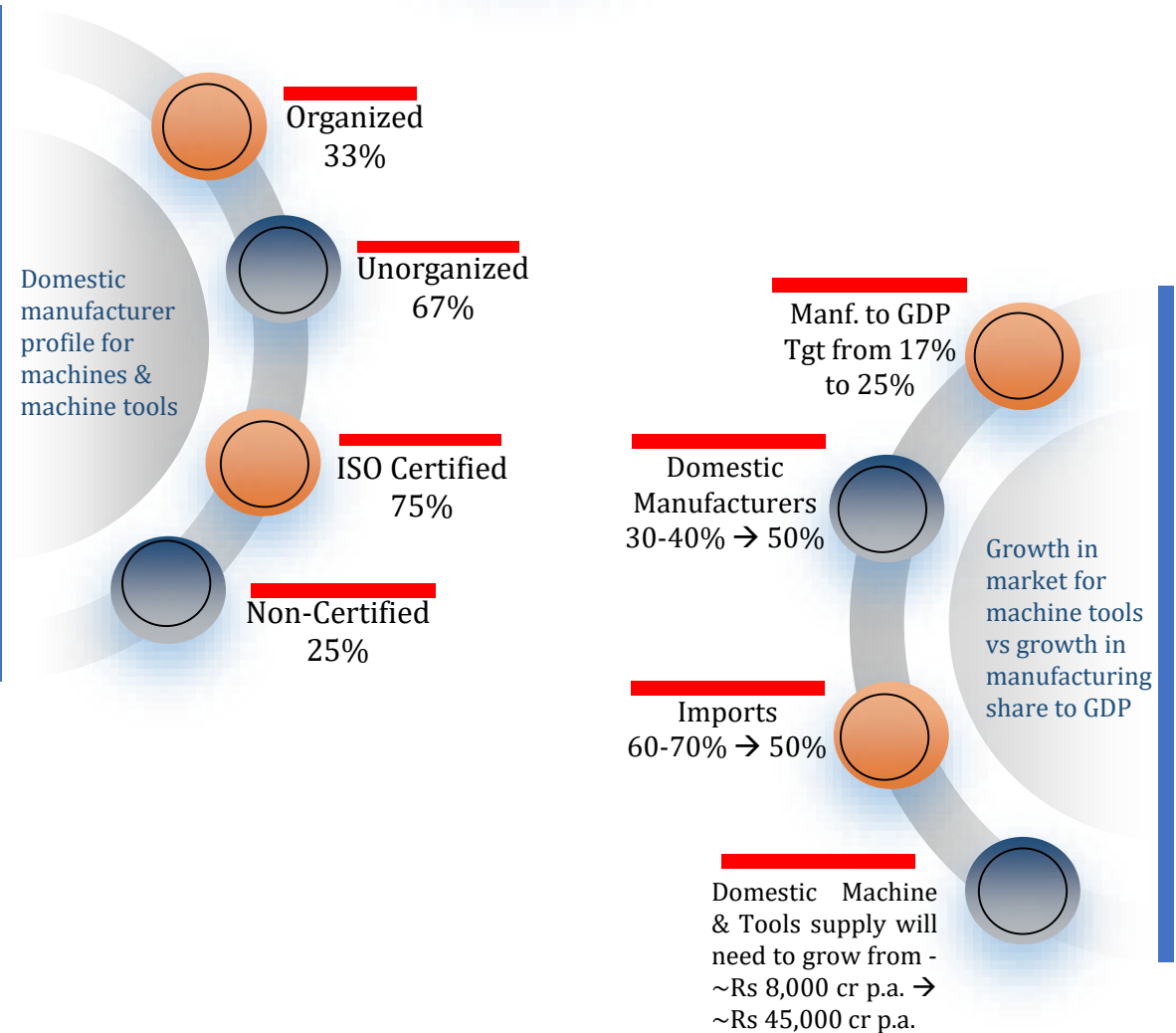
Industry 4.0

- Industry 4.0 aimed at use of cloud and internet in manufacturing.
- Enhanced human-machine interaction with advanced robotics, increased connectivity and data sets.
- Aimed at making India a global hub in manufacturing, design and innovation.
- To augment share of manufacturing in the GDP from 17% to 25%
- Domestic machine tool manufacturing needs to be increased 5x from current levels to aid the increasing share of manufacturing in the GDP.



Market Size & Opportunity

- Globally, India stands 10th in terms of production and 8th in terms of consumption of machine tools.
- **Consumption (demand)** of machine tools in India has grown from approx Rs 12,000 cr in FY2016-17 to approx. Rs 16,000 cr in FY2021-22.
- Against this domestic **production (supply)** has grown from approx. Rs 7000 cr to approx. 9,000 cr during the same period.
- Domestic production accounts for around 50% of total consumption, thereby having significant dependence on imports.
- Government initiatives of “Make in India” and the current global “China+1” as an alternative to manufacturing, coupled with preference for India as a large manufacturing hub is expected to change the manufacturing landscape in India, ultimately leading to sharp growth in demand for CNC Machines.
- If the government target to increase share of manufacturing to GDP from 17% to 25% was to be achieved, the machine tool manufacturing industry in India will have to move from the current ~Rs.8000-9000 cr to ~Rs.45,000-50,000 cr over the next decade.
- *We envisage tremendous growth in the machine tool demand due to rise in domestic manufacturing and import substitution.*



Awards & Achievements



- ❑ MSE-1 certification for highest financial strength and operational ability by CRISIL
- ❑ FIE Foundation Award at IMTEX 2017 for Twin Spindle VMC V855 Twin Head
- ❑ FIE Foundation Award at IMTEX 2015 for Multi Tasking Machine Turn O' Mill Y S
- ❑ FIE Foundation Award at IMTEX 2013, Bangalore for designing excellence for model TURN 'O' MILL 200
- ❑ 4th Ranked in highest excise tax pay in the year 2010 -11
- ❑ Best Product Award for LX 200 Super at Engineering Expo in 2004

Thank You

■ For further details please contact:



Email : cs@macpowercnc.com

Ph. +91 2827 287930 / 31

Website : www.macpowercnc.com



Strategy & Investor Relations | Consulting

Email: contact@kaptify.in | +91 8452886099

Website: www.kaptify.in