

**May 29, 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**

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**KISHOR KIKANI  
Company Secretary**

Encl: a/a



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RAJKOT, GUJARAT. (INDIA)



**Macpower  
CNC  
Machines  
Limited**

**Q4 & FY23  
Investor Presentation**



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

# Business Highlights

## Q4&FY2023



1047

Nos

### Machines sold during the year

The company has manufactured and sold 289 machine, during the quarter and 1047 machines during the year. Against this the company has received orders for 339 machines during the quarter.

1528

Rs million

### Unexecuted order book

Highest ever unexecuted order book as of Mar 31, 2023 stood at Rs 1528 mn

15

%

### Final Dividend Proposed (~12% Dividend Payout)

Rs 1.50 per share dividend proposed (15% of FV of Rs 10 each), equivalent to Dividend Payout of ~12%

228

Nos

### Machine orders under “NEXA” Vertical for premium products

As of 31 Mar'23 company has 228 machine order (combined for VMC, HMC and VTL) as a part of the NEXA vertical for premium products. This constitutes 34% of order book from premium products in unexecuted order book

# Financial Performance



PARTICULARS (INR mn)	Q4FY23	Q3FY23	Q4FY22	YoY%	FY23	FY22	YoY%
Revenue from Operations	543.2	530.1	551.6	-1.5	2,018.9	1,901.2	6.2
Total Expenditure	492.5	474.2	495.6	-0.6	1,812.2	1,696.1	6.8
<b>EBITDA</b>	<b>50.7</b>	<b>56.0</b>	<b>56.0</b>	<b>-9.4</b>	<b>206.7</b>	<b>205.1</b>	<b>0.8</b>
<i>EBITDA Margin</i>	<i>9.33%</i>	<i>10.55%</i>	<i>10.15%</i>	<i>-102 bps</i>	<i>10.24</i>	<i>10.79</i>	<i>-55 bps</i>
Other Income	-0.3	0.2	0.9	-134.3	2.5	8.3	-47.1
Depreciation	9.0	8.6	7.2	24.2	33.6	27.9	20.3
<b>PBIT</b>	<b>41.4</b>	<b>47.5</b>	<b>49.6</b>	<b>-16.6</b>	<b>175.6</b>	<b>185.4</b>	<b>-5.3</b>
Interest	0.4	0.6	0.3	22.0	2.3	1.5	48.8
<b>PBT</b>	<b>41.0</b>	<b>46.9</b>	<b>49.3</b>	<b>-16.8</b>	<b>173.3</b>	<b>183.9</b>	<b>-5.8</b>
Tax	10.9	11.9	12.9	-15.5	44.4	55.5	-20.0
<b>PAT</b>	<b>30.1</b>	<b>35.0</b>	<b>36.4</b>	<b>-17.3</b>	<b>128.9</b>	<b>128.4</b>	<b>0.4</b>
<i>PAT Margin</i>	<i>5.54%</i>	<i>6.60%</i>	<i>6.60%</i>	<i>-106 bps</i>	<i>6.38</i>	<i>6.74</i>	<i>-36 bps</i>
<b>Earnings Per Share (Rs)</b>	<b>3.01</b>	<b>3.50</b>	<b>3.64</b>	<b>-17.3</b>	<b>12.88</b>	<b>12.83</b>	<b>0.4</b>

# Order Book



Order book (as on 31 March 2023)	As on Q4FY23	
Description	No. of Units	Value (INR Mn)
<b>Opening order book (01.01.23)</b>	<b>815</b>	<b>1,488.42</b>
Private orders received	332	561.85
Private orders executed	285	525.81
Govt. Order Received	7	21.75
Govt. Orders Executed	4	18.50
<b>Unexecuted order book (31.03.23)</b>	<b>865</b>	<b>1,527.70</b>
<b>Tenders &amp; Bids Submitted</b>		
Domestic	2208	3,345.00
Tender +L1	123	1,020.00
<b>Total Bids Submitted</b>	<b>2331</b>	<b>4,365.00</b>

# Order Book Break up (As on 31 March, 2023)



Type	Status	Number of Machines (Nos)	Total Value of Orders (Rs)	Advance received against orders (Rs)
				<b>Domestic</b>
Turning Center	Order Received	627	947,230,569	50,371,651
VMC	Order Received	220	511,146,739	20,833,251
HMC	Order Received	-	-	-
VTL	Order Received	2	7,550,000	451,000
Tender + L1	Order Received	16	61,780,750	-
<b>Total Order Book</b>		<b>865</b>	<b>1,527,708,058</b>	<b>71,655,902</b>
Domestic	Bids Submitted	2,208	3,344,998,060	-
Tender + L1	Bid Under Evaluation	123	1,020,000,000	-
<b>Total Bids Submitted</b>		<b>2,331</b>	<b>4,364,998,060</b>	-

**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
<b>EBITDA</b>	<b>113.8</b>	<b>162</b>	<b>48.1</b>	<b>91.8</b>	<b>205.1</b>	<b>206.7</b>
<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
<b>Profit before Tax</b>	<b>107.5</b>	<b>180.8</b>	<b>39.1</b>	<b>67.6</b>	<b>183.9</b>	<b>175.6</b>
Tax	37.1	54.4	11.8	7.3	55.5	44.4
<b>Profit after Tax</b>	<b>70.4</b>	<b>126.5</b>	<b>27.3</b>	<b>60.3</b>	<b>128.4</b>	<b>128.9</b>
<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>
<b>Earnings per share (Rs)</b>	<b>7.0</b>	<b>12.9</b>	<b>2.8</b>	<b>6</b>	<b>12.8</b>	<b>12.9</b>

**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

## Increased capacity 25%

The company has debottlenecked capacity to manufacture 1500 machines per annum will focus on increasing share of NEXA products

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**



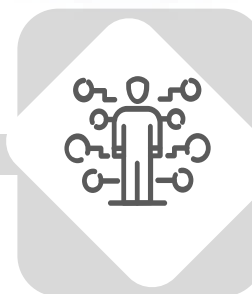
## Zero Debt, FCF Positive

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, up from 73.09% as of Mar'22.** In the past, promoter has been averse to taking dividend, even as minority shareholders were allotted the dividend



## 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.
- Mask manufacturing setup to support India's fight against covid – several thousands of N95 masks (ISI marked) distributed to under privileged sections of the society. Company's masks are ISO, ISI, FDA and CE Certified.
- India's FIRST PPE KIT manufacturing Seam Sealing Machine
- 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**

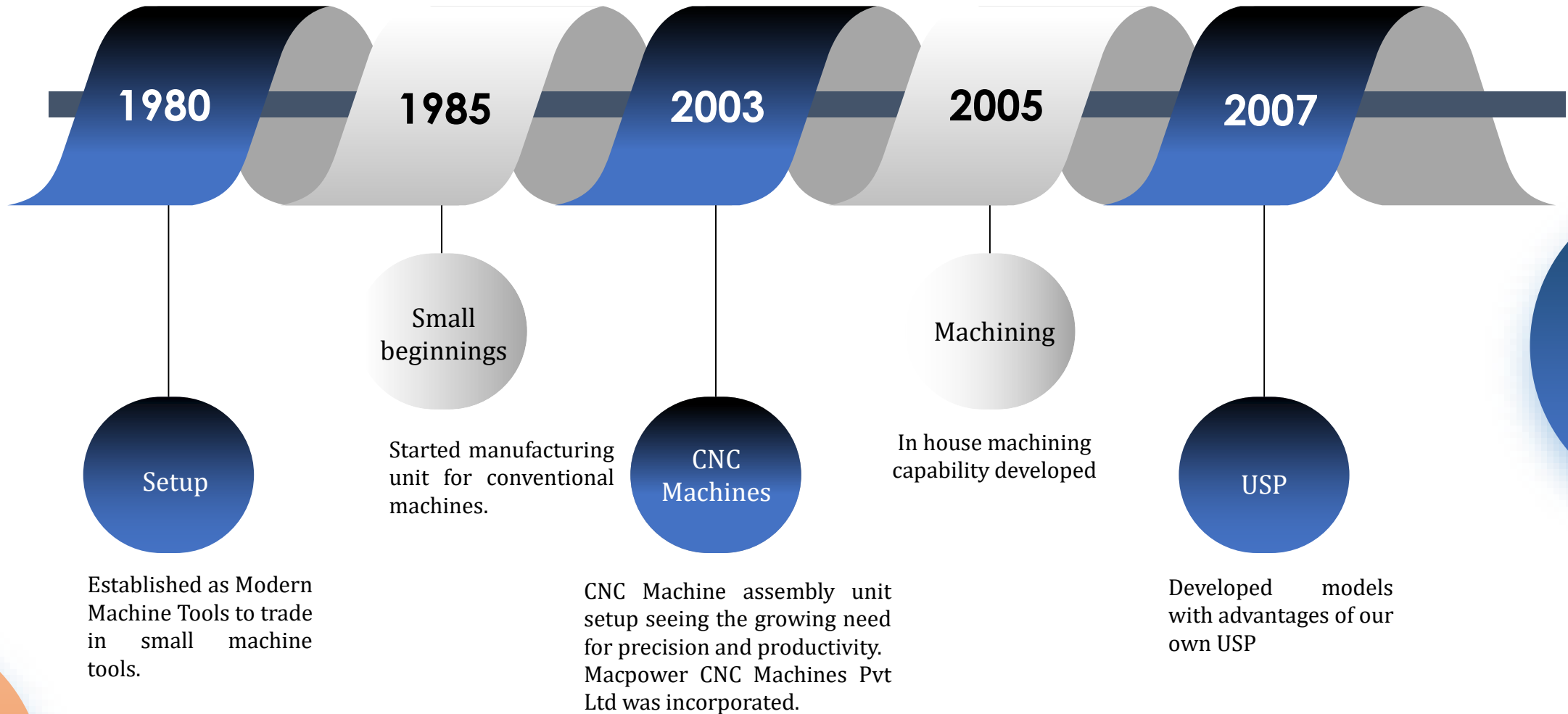
[Corporate video](#) *(click here)*

# Company Profile



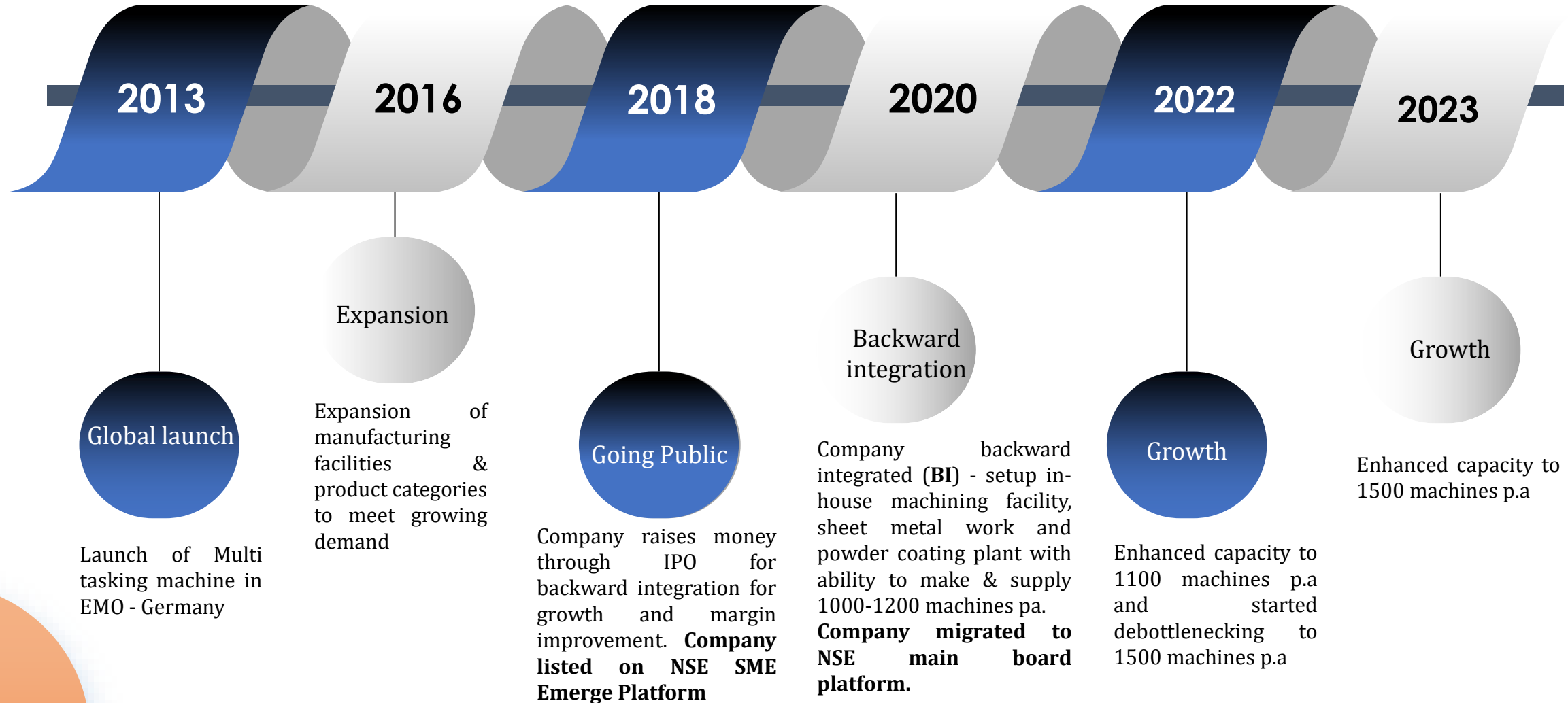
- Established in 2003, Macpower CNC Machines Limited is engaged in the manufacture of Computerised Numerically Controlled (CNC) machines under 9 different product categories.
- It has a CNC Machine manufacturing unit in an area of around 4 acres at Metoda G.I.D.C., Rajkot, Gujarat (India).
- The company 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 **9057+** installations to date.
- It has sales and service in **39** cities serviced through **112** 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:**

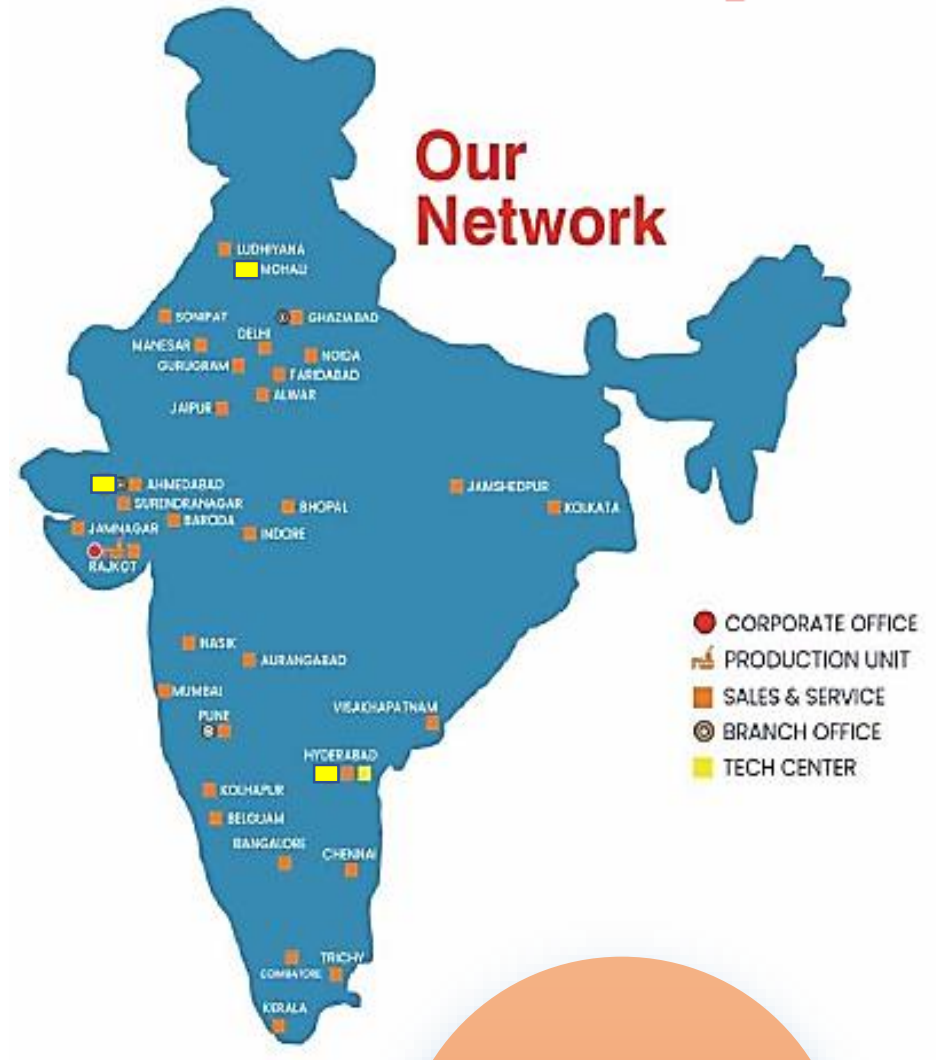
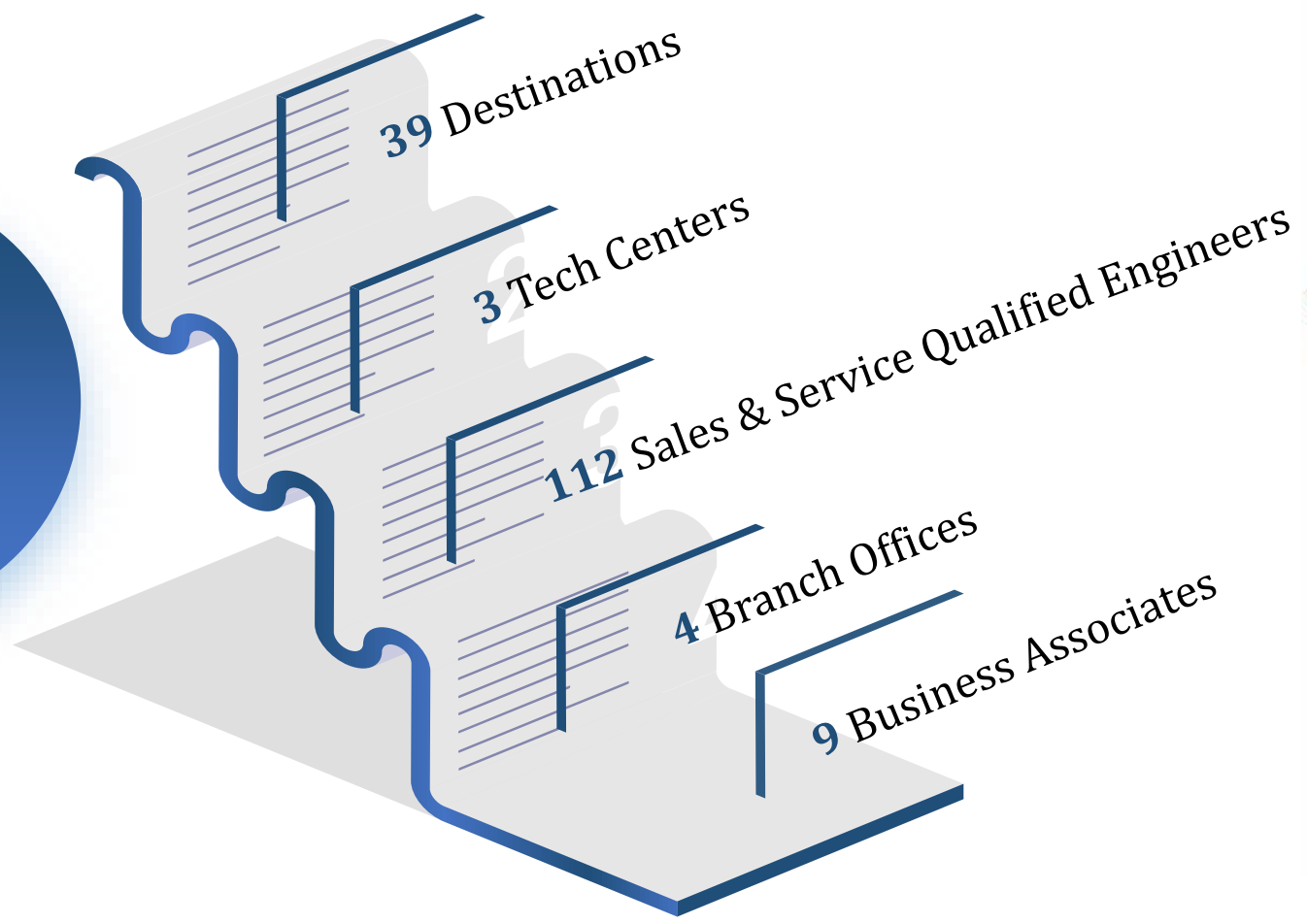
- Executive Director – Indian Machine Tools Manufacturers Association
- Former President – Rajkot Machine Tool Association
- Former Treasurer – Rajkot Chamber of Commerce
- Former Director – Rajkot Engineering Association

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.

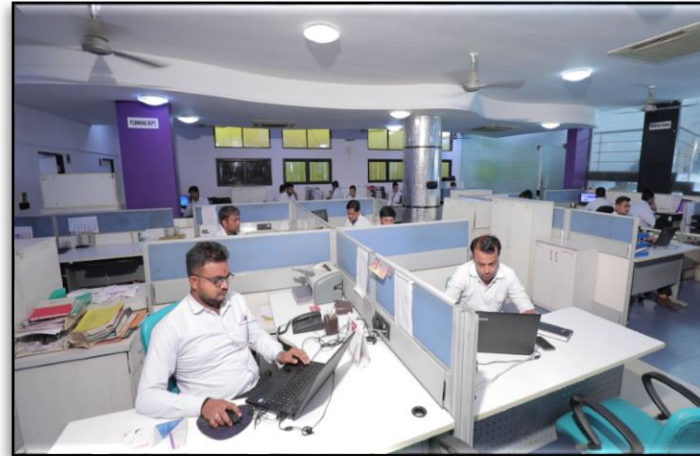
# Our Network



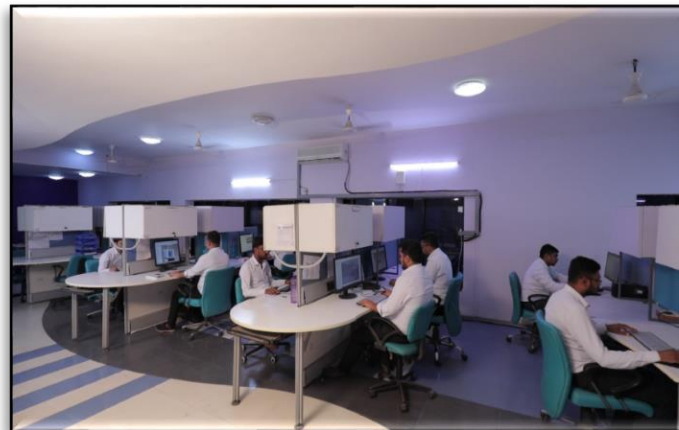
# Infrastructure



Head Office & Plant



Corporate office



R&D Centre



Manufacturing plant



# Tech Centres



Ahmedabad Tech Centre

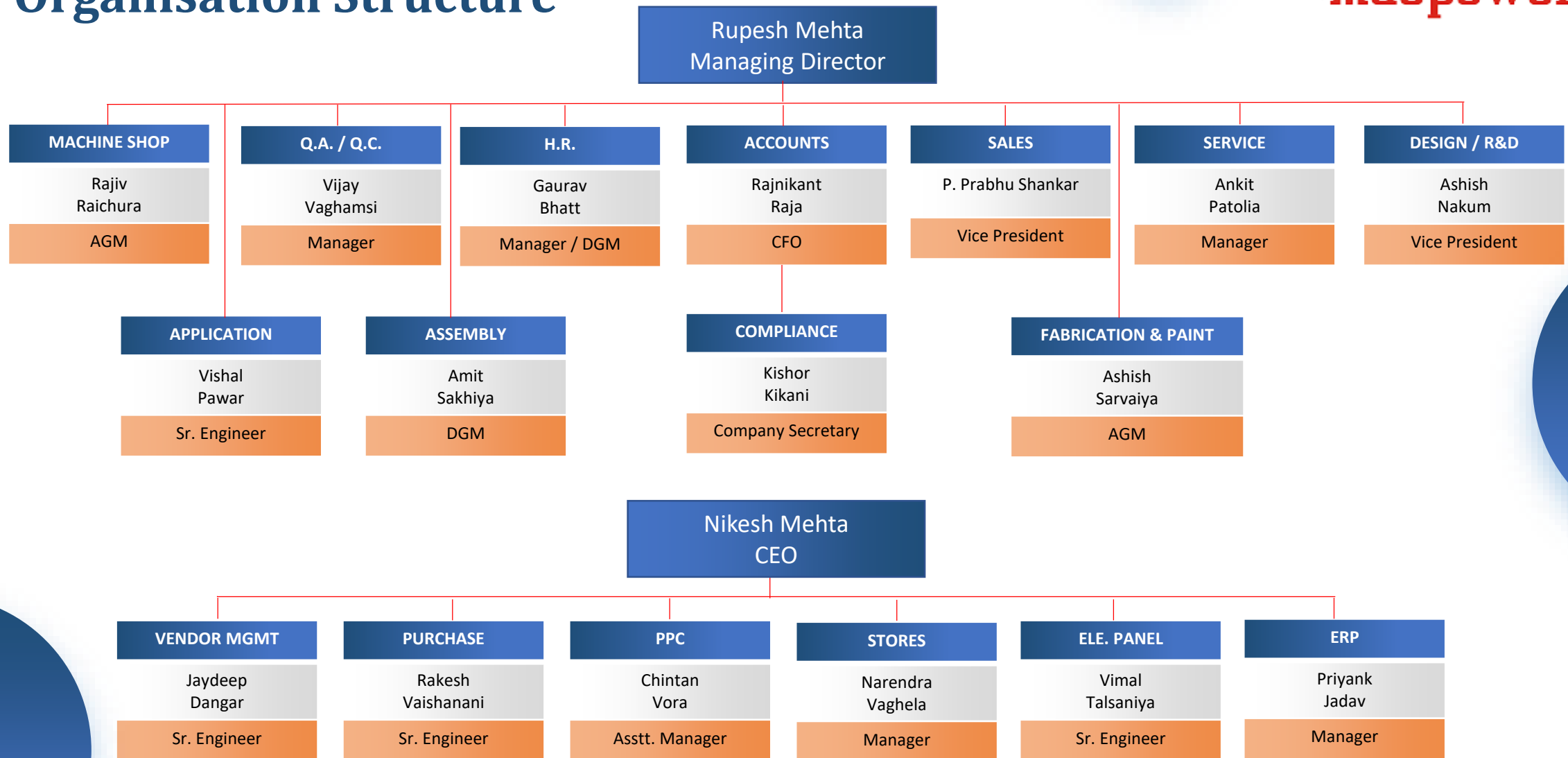


Hyderabad Tech Centre

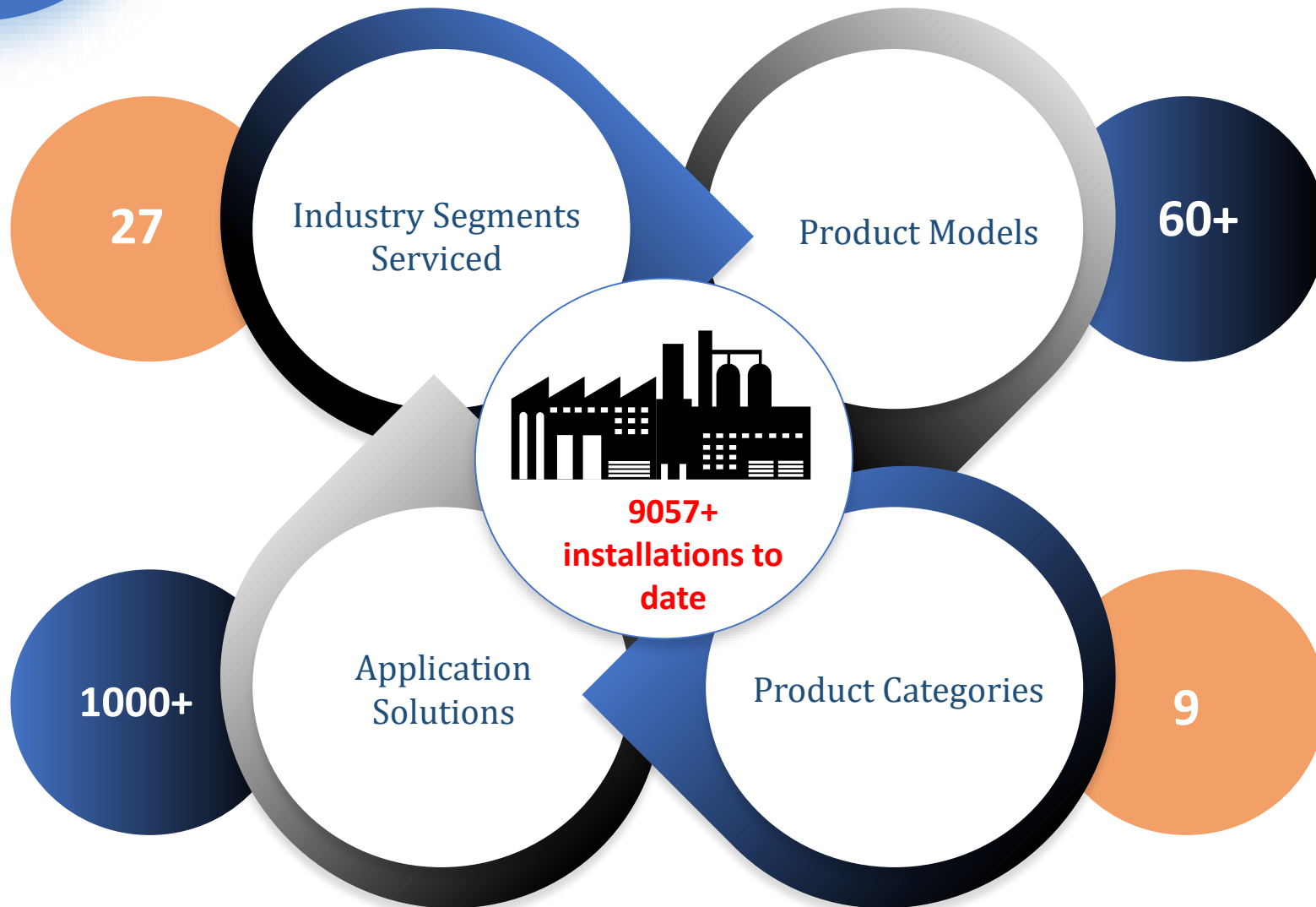


Mohali Tech Centre

# Organisation Structure



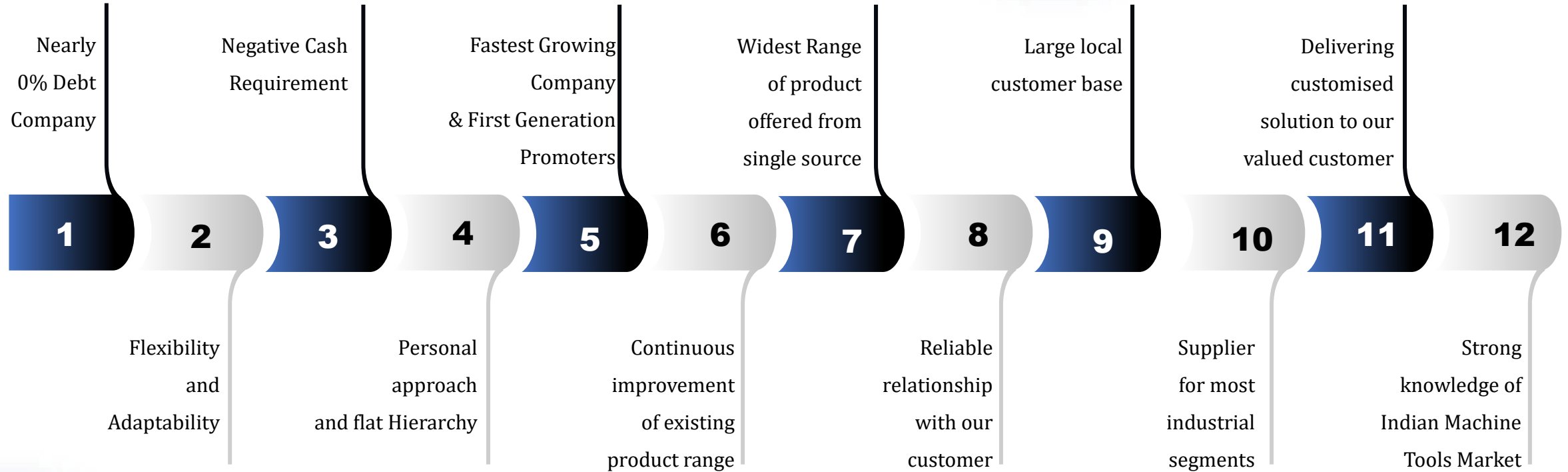
The text "Business Overview" is centered over the image. "Business" is in a large, white, bold, sans-serif font with a slight drop shadow. "Overview" is in a large, yellow, outlined, sans-serif font. The background is a close-up of a person's hand in a light blue shirt operating a control panel with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



## Widest Range of Products



# Competitive Strengths



# Key Clientele at a Glance



## Auto / Auto Ancs

Kalyani Forge    Varroc    Seinumero Nirman    Kanemitsu

TRW Fuji Serina, Thailand    SSB Engineers    Vinayak Engineers

and 1250 more .....

## Defence / Aerospace

Gun And Shell Factory    HVF, Avadi    Ordnance Factory Medak

DRDO TBRL    Rifle Factory, Ishapore    Opto Electronics Private Limited    Indian Ordnance Factories

and 54 more .....

## Engineering / Capital Goods

GI    Nirlep    Eneroil Offshore Drilling Ltd.    J Pan Tubular Components Pvt. Ltd.

Graphite India    Nirlep    Eneroil Offshore    JPan Tubular

Supreme Industrial Steels    CSL    CEASE FIRE    KONECRANES

Supreme    Chemtron Science Laboratories    CEASE FIRE    Kone Cranes

and 775 more .....

## Government: PSUs & Education Sector

ISRO    Railway

CIPET    Government Tool Room

and 22 more .....

## Die Mould Sector

Sigmarq    Axis Tools    Plasma Alloys Pvt. Ltd.

Sigmarq    Axis Tools    Plasma Alloys

and 157 more .....

## Agriculture

Mitter Fasteners    Rinox Engineering

Mitter Fasteners    Rinox Engineering

and 87 more .....

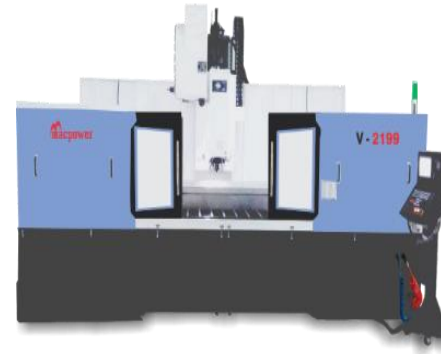
# Key Products at a Glance (1/2)

## Turning Centre



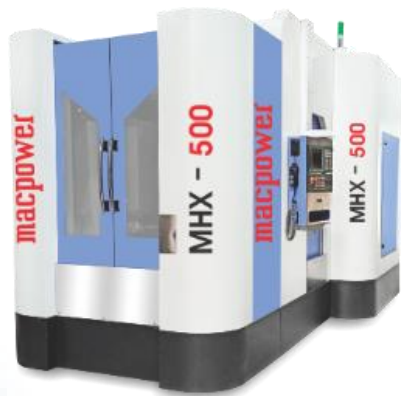
In today's competitive market, you need robust CNC turning centers with uncompromised performance and specifications to produce world class products quickly accurately and with minimum non productive time.

## Vertical Machining Centre



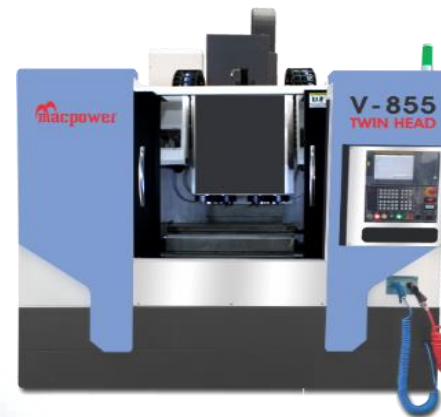
Our new generation Vertical Machining Centers incorporate a wide range of enhancements and sophisticated engineering knowledge that enables us to deliver optimized solutions with optimal performance

## Horizontal Machining Centre



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



"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**

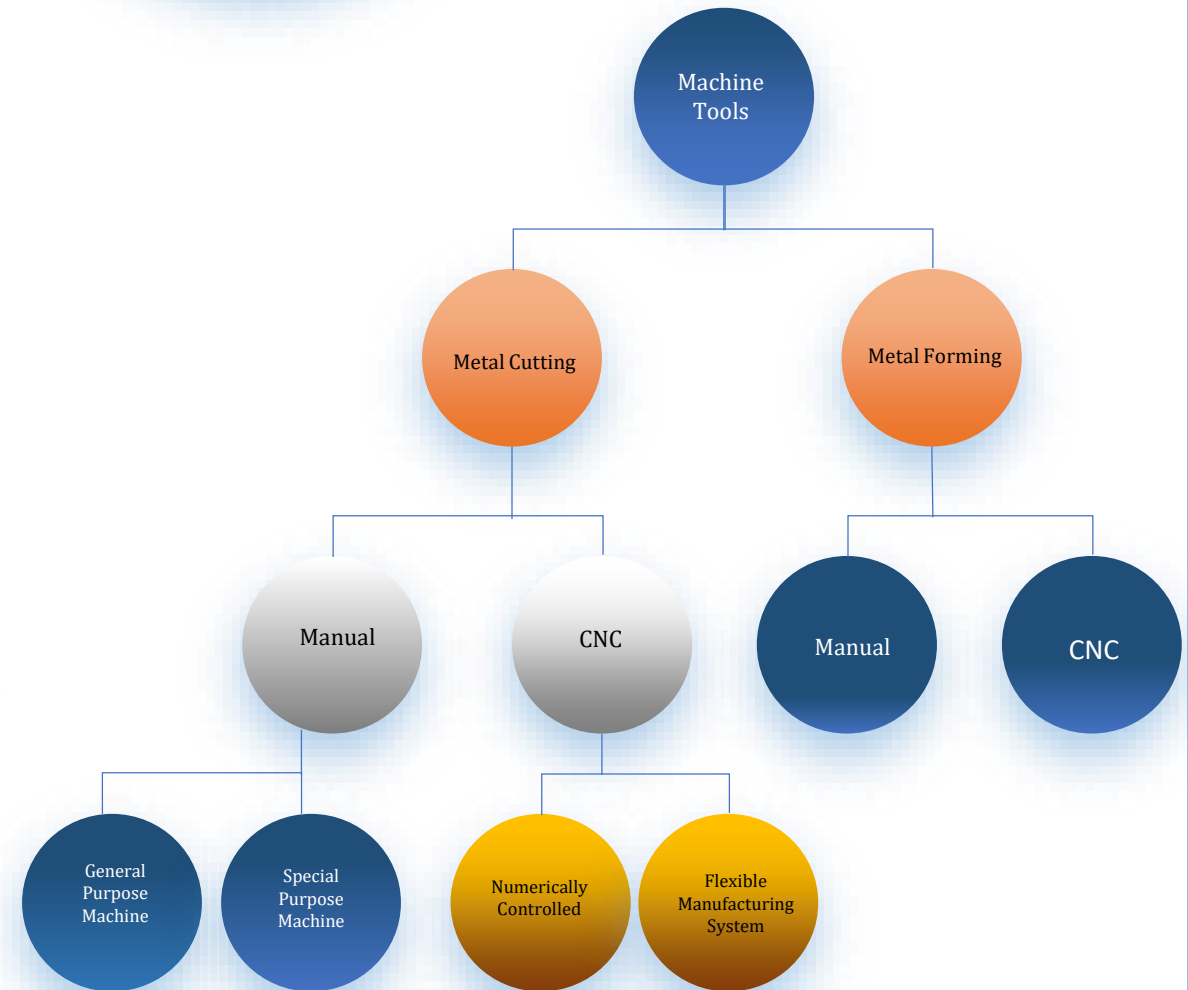
# CNC Machines?

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

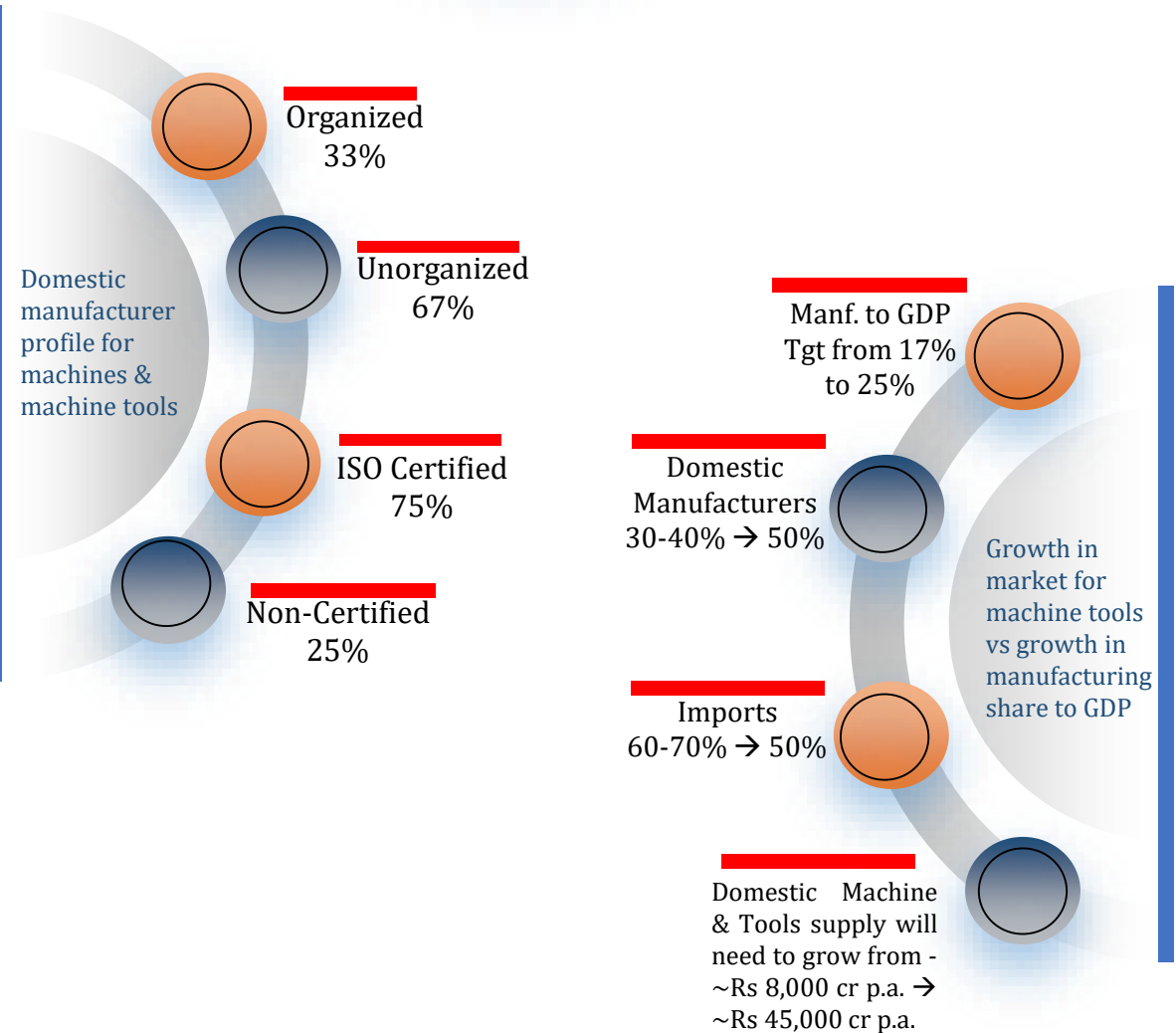
- Industry 4.0 aimed at use of cloud and internet in manufacturing.
- Enhanced human-machine interaction with advanced robotics, increased connectivity and data sets.
- Aimed at making India a global hub in manufacturing, design and innovation.
- To augment share of manufacturing in the GDP from 17% 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 10<sup>th</sup> in terms of production and 8<sup>th</sup> 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:



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