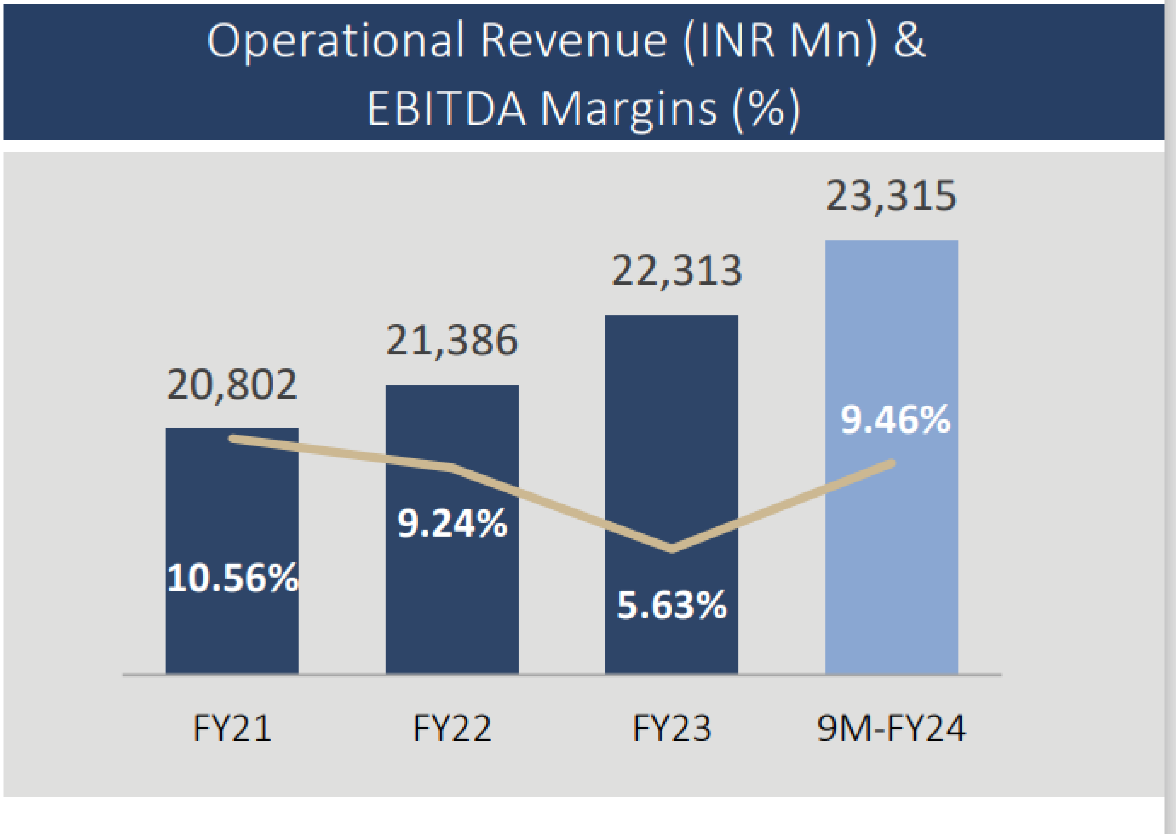
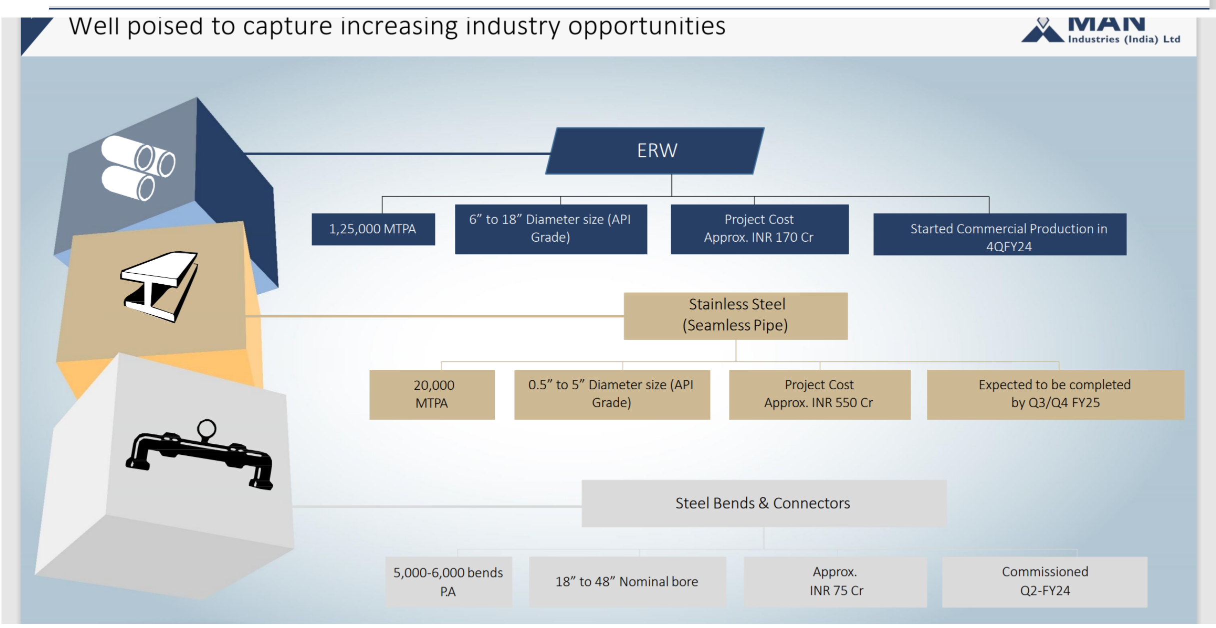
# q3 man industries


Operational Revenue (INR Mn) &
EBITDA Margins (%)
20,802
21,386
22,313
23,315
10.56%
9.24%
5.63%
9.46%
FY21
FY22
FY23
9M-FY24


Well poised to capture increasing industry opportunities
MAN Industries (India) Ltd
ERW
1,25,000 MTPA
6" to 18" Diameter size (API Grade)
Project Cost Approx. INR 170 Cr
Started Commercial Production in 4QFY24
Stainless Steel (Seamless Pipe)
20,000 MTPA
0.5" to 5" Diameter size (API Grade)
Project Cost Approx. INR 550 Cr
Expected to be completed by Q3/Q4 FY25
Steel Bends & Connectors
5,000-6,000 bends PA
18" to 48" Nominal bore
Approx. INR 75 Cr
Commissioned Q2-FY24

| Q3-FY24 Consolidated Financial Performance | |
|---|---|
| INR 8,474 Mn Total Income | INR 791 Mn **EBITDA** |
| 9.49 % EBITDA Margin | INR 306 Mn Net Profit |
| 3.67 % PAT Margin | 4.89 Diluted EPS |

| 9M-FY24 Consolidated Financial Performance | |
|---|---|
| INR 23,692 Mn Total Income | INR 2,205 Mn EBITDA |
| 9.46 % EBITDA Margin | INR 810 Mn Net Profit |
| 3.47 % PAT Margin | INR 17.87 Diluted EPS |

10

## Q3-FY24 Operational Highlights

MAN Industries (India) Ltd

- MAN Industries (India) Ltd. reported a Standalone Total Revenue of Rs. 8,302 Mn in Q3FY24. EBITDA and PAT for 3QFY24 stood at Rs. 852 Mn and Rs. 371 Mn respectively.
- The current unexecuted order book is approximately Rs. 13,000 Mn, to be executed within the next 6 months.
- The company enjoys a robust financial position with a debt/equity ratio of -0.1x and a Net Cash position.
- The ERW mill has commenced commercial production and sales in 4QFY24.
- Man Industries recently set a benchmark in the industry for successful testing of hydrogen transportation pipe and validated by one of the prestigious international testing agencies. This puts us in the position to take the first mover advantage and secure significant order book in the future.
- Additional order of Rs. 4,000 Mn announced recently, to be concluded in the next 6 months.
- The board has decided to raise funds up to Rs. 2500 Mn to support strategic initiatives and expansion plans, subject to regulatory approvals.

| Particulars (INR Mn) | Q3-FY24 | Q3-FY23 | Y-o-Y | Q2-FY24 | Q-o-Q |
|---|---|---|---|---|---|
| Revenue from Operations | 8,330 | 6,581 | 26.6% | 10,180 | (18.2)% |
| Other Operational Income* | 144 | 137 | 4.7% | 190 | (24.5)% |
| Total Operational Income | 8,474 | 6,718 | 26.1% | 10,370 | (18.3)% |
| Total expenses | 7,683 | 5,993 | 28.2% | 9,483 | (19.0)% |
| EBITDA | 791 | 725 | 9.1% | 887 | (10.9)% |
| *EBITDA Margins (%)* | *9.49%* | *11.02%* | *(153)Bps* | 8.55% | *94 Bps* |
| Depreciation and amortization | 155 | 111 | 67.9% | 149 | 36.4% |
| Finance costs | 203 | 121 | 39.9% | 219 | (29.1)% |
| Other Income | - | - | NA | 22 | NA |
| PBT | 432 | 493 | (12.3)% | 541 | (16.7)% |
| Tax | 126 | 121 | 4.3% | 151 | (16.4)% |
| PAT | 306 | 372 | (17.7)% | 390 | (21.5)% |
| *PAT Margins (%)* | *3.67%* | *5.65%* | *(198)Bps* | 3.76% | *(9)Bps* |
| Other Comprehensive Income | 4 | 13 | (70.8)% | 11 | (65.5)% |
| Total Comprehensive Income | 310 | 385 | (19.5)% | 401 | (22.7)% |
| Diluted EPS | 4.89 | 6.20 | (21.1)% | 6.68 | (26.8)% |

* Foreign Exchange Gain/Loss from business operations

12

## 9M-FY24 Consolidated Financial Performance

MAN Industries (India) Ltd

| Particulars (INR Mn) | 9M-FY24 | 9M-FY23 | Y-o-Y |
|---|---|---|---|
| Revenue from Operations | 23,315 | 16,337 | 42.7% |
| Other Operational Income* | 377 | 281 | 34.2% |
| Total Income | 23,692 | 16,618 | 42.6% |
| Total expenses | 21,487 | 15,373 | 39.8% |
| EBITDA | 2,205 | 1,245 | 77.1% |
| *EBITDA Margins (%)* | *9.46%* | *7.62%* | 184 Bps |
| Depreciation and amortization | 456 | 340 | 34.2% |
| Finance costs | 630 | 305 | 106.7% |
| Other Income | - | - | NA |
| PBT | 1,119 | 600 | 86.4% |
| Tax | 309 | 180 | 71.4% |
| PAT | 810 | 420 | 92.9% |
| *PAT Margins (%)* | *3.47%* | *2.57%* | 90 Bps |
| Other Comprehensive Income | 11 | 52 | 107.7% |
| Total Comprehensive Income | 821 | 472 | 73.9% |
| Diluted EPS | 17.87 | 6.99 | 155.7% |

* Foreign Exchange Gain/Loss from business operations

- 9 months shown really good growth in revenue growth , ebitda growth and most importantly pat growth even when depreciation and and interest has grown faster than all other parameters

1. **growth-**
   1. revenue at 848 crs 26% yoy growth

2. **capex**
    1. jammu plant on time expected production of SS pipes by fy25q4 capex outlay of 550 crs , getting incentives for 10 years 20000 tonnes ,
    2. capex for fy25 is 300-350rs fy24 balance 25 crores for stainless steel pipes and some part would be of debt (150 crs from internal rest from debt )
    3. so if 600-700 crores they want to raise debt for including saudi capex then the capex in saudi must be around 500 crores(taking 700cr)
3. **profitability**
    1. ebitda margins at 9.49 crs 79 crores ,pat 30crs
    2. effected due to delay in approval of ERW and dep and finance cost of ERW
4. **competitive advantages - hydrogen got approval in 16 months as transportation is prone to leakage and hydrogen atoms being small makes problem with leakage**
    - hydrogen pipe steel is different made from sour grade and the grade of steel and welding process is different
    - can only be made using LSAW (which is only 30% of world capacities)
    - only qualified would get this type of pipe with experience of sour grade
    - this kind of steel produced is only produced by 5-6 mills
    - all RM is procured for this is imported
    - these orders are pretty big
5. **risks**
6. **industry tailwinds -**
    1. every single line for hydrogen is a new line and is to be laid down, moreover companies are future proofing their pipelines that are being laid down are hydrogen tpt enabled even when today they are not tpt h2 today
    2. 5 mn tonnes (10-15 years) is the oncoming demand for hydrogen by , essar(gujarat), adani commitment
    3. 18000 crs planned for city gas project helps them for the ERW business
    4. hydrogen pipeline business cagr globally is 16% and margin in hydrogen will be 18-20%
7. **industry structure**
8. **fund raise - 250 crs they want to raise board approval in place**
    1. **mgt-** this is for hsaw and lsaw capex in a different country (saudi)
        - waiting for approvals in saudi
    2. due to the capex the debt level will go up by 600-700 crores (interest cost us dollar debt 7.5% and 9% in inr debt)

9. **management**
    1. fy25 topline should be 3600 crs by growth of 20-25% , ebitda growth of 30-35% on bottomline , ebitda 9-11% (350360 crs)
    2. fy26 5000 crs ebitda 10-12% approximately 500 crs
    3. ERW - 300-400 crs from in fy25 at 30-40% usage , 700 crs fy26
10. **business details**
    1. order book of 1300 crs currently to be executed in 6 months (50% gas and 50% water) margins in water is 7-8% and ONG is 11-13%
    2. standing bid at 11000 crs , expect good orders in coming years , many orders in L1, applied for an europe hydrogen enabled pipeline order
    3. setting a benchmark in hydrogen pipe by testing it (first mover advantage)
    4. h2 pivotal in green energy
    5. ERW all accredations rcd , revenue started but expect major part of it in fy25
    6. bending plant - have got 3 international order , booked for next 34 months
    7. **stainless steel plant -**
        1. fy26 topline would be 400-500 crs from SS plant , competitor here is sandwik and ratnamani
        2. catering to both domestic and export market
        3. 1 st year 60-70% mother pipes and 30% pilgers and as upgradation and approvals of come we will increase these ratios
        4. capable to do higher inconels of super titaniums (prices )
        5. pilgers are smaller diameter pipes via a press and these are high value and margin accretive products find various uses in nuclear ,aviation
        6. mother pipes (hot extrusion)is 10-11% business and 10-11% in pilgers(cold pilgering) is ebitda margins so for fy 26 we need to take 60-70%(margins 10-11%) and 30-40% margins of 20-22%)
        7. 316 and 316L is major grade they will do , some part of 304 which is a tad lower and inconels
    8. other income(1-1.5%) is a part of the operational income as forex gain, incentives
    9. other expenses increase due to frieght increase
    10. volume numbers (quarterly)- 85-90000 tonnes last year the same was 65000 tonnes (steel prices higher last year so topline not comparable )
    11. Red sea - no issue as contract is pre signed and they take them into cost
    12.
11. **one time events**

   - **merino shelter - working on a JDA with a developer expect 40-50 crs they will get , rest revenue in 10-15 years**
   - legal formalities completed
12. **mental models**
13. **key variables to track**
- -% of water in further order book
- **ERW** utilisation
- saudi capex

**technicals**

**monthly**


**weekly**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MAN INDUSTRIES (IN, 1W, NSE O386.15 H404.80 L320.50 C341.50 −43.30 (−11.25%)
Vol 2.848M
INR
800.00
600.00
440.00
341.50
06:53:02
260.00
234.10
200.00
162.30
140.00
100.00
75.00
55.00
43.90
32.50
24.50
2.848M
RS (NIFTY, 50, 10) 2.24
3.00
2.24
2.00
1.00
0.00
2017
2018
2019
2020
2021
2022
2023
2024
2025
TradingView