

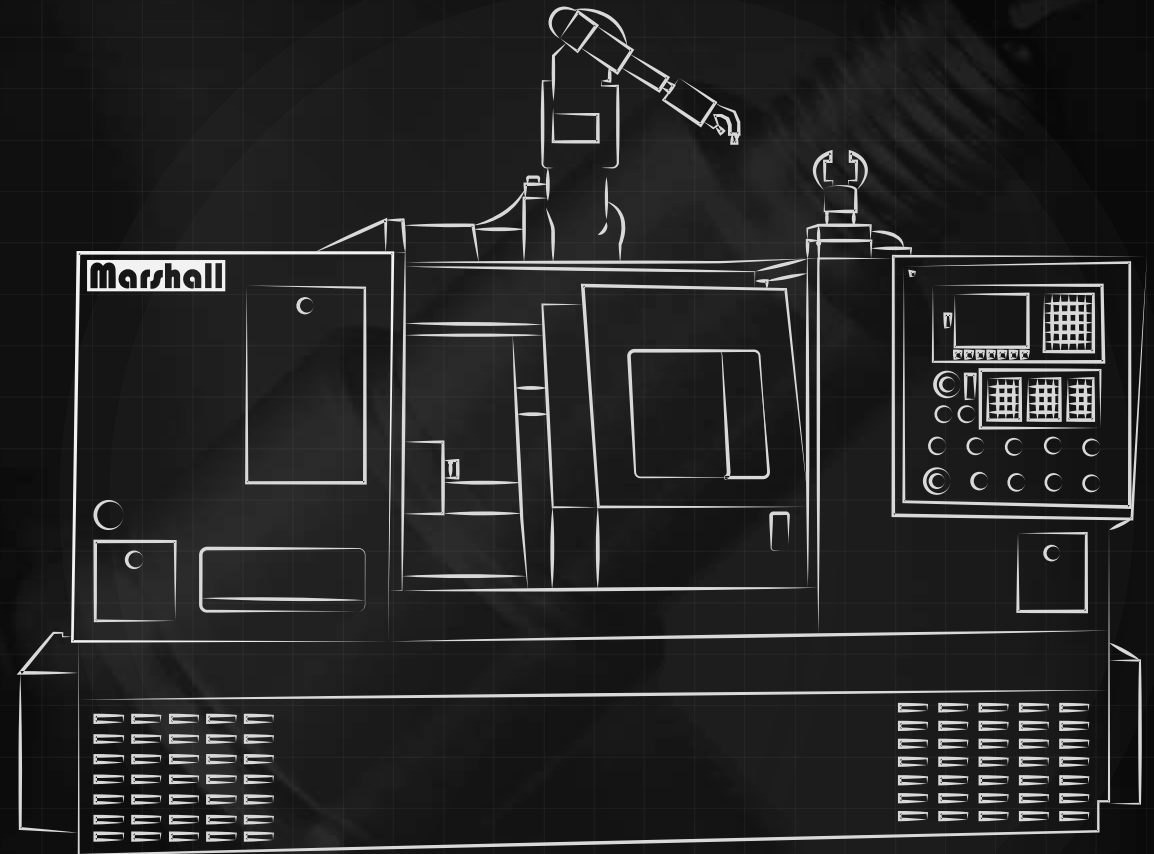


Q4FY22 Investor Presentation

JULY 2022

MARSHALL MACHINES LIMITED

www.marshallcnc.com



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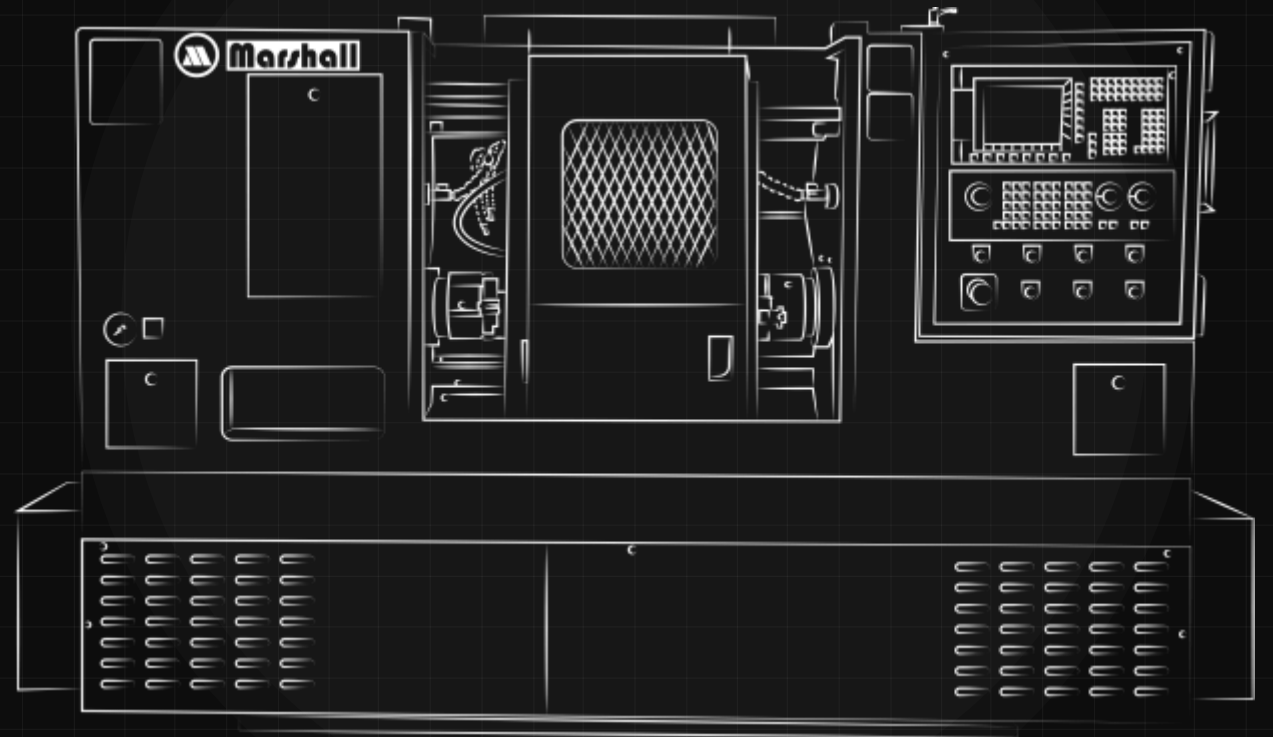
Q4FY22
PERFORMANCE
HIGHLIGHTS

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01

About Marshall

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Evolution



HUMBLE BEGINNINGS

1961-2001

STARTED BUSINESS AS MANUFACTURER OF MANUAL LATHE MACHINES

1961

Late Shri Gautam Sarup founded the business

1986-89

2nd generation joins & drives the business

1994

Incorporated V. B. Spinning Mills (P) Limited to design & manufacture high-precision bench lathe & heavy-duty lathe

1997

Entered into 1st international tie-up with Path Wizard Inc. (USA)

2001

Setup state-of-art facility at Ludhiana and launched double-spindle CNC Lathe



INNOVATION

2002 ONWARDS

DESIGN & MANUFACTURING OF BREAKTHROUGH TURNING CENTERS

2002

Launched patented double spindle turning center

2009

Launched patented four spindle CNC Lathe

2014

3rd generation joins the business

INTEGRATION WITH AUTOMATION

2012

Inaugurated the second state of the art facility for providing Turnkey Automated Solutions

2013

- Launched SmartCorrect Gauging Stations
- Launched RoboTurn DS 400 for the first time in India

2015

Started executing high profile automation projects

INTEGRATION WITH INDUSTRY 4.0

2016

Introduced IoTQ and launched world's 1st plug-and-play SmartCorrect Gauging Station

2017

- Established IoTQ & Tech Demonstration Center in Manesar
- In addition, launched TwinTurn UBER CNC Machine

2018

- Introduced the concept of Super Optimized Machines

2019

- Fine tuned and launched IoTQ – the first dedicated quality management system
- SmartFac Universal launched for factory monitoring
- Opened technical center for export to USA market

2021

- Finished CAPEX cycle to augment manufacturing capacity to ₹250 crores

2022

- Executed its first high-profile automation project in 4W alloys wheels category for Steel Strips Wheels Limited

Marshall at a Glance



Incorporated in 1961, Marshall Machines is a renowned brand in the Indian machine tools industry.

- Marshall has been a manufacturer of high precision bench lathes, heavy-duty lathes and capstan lathes.
- Over the last two decades, Marshall's single-minded focus on R&D, Automation, Industry 4.0 technology has positioned it as a niche player in a commoditized market.
- At present, Marshall is a leading manufacturer of Smart Intelligent Internet Enabled Machine Tool Equipment (including Robotic Automation).



60+

Years Old Brand
in Machine Tool
Industry



4,000+

Cumulative
Machines
Deployed



300+

Team Strength
35+ Automation &
Innovation Team



120+

Executed Successful
Automation Projects



**Strong
Brand recall**



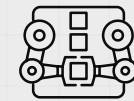
**Superior
Intellectual
Property**

7 Patents-held*
22 Patents-applied*



1,500+

Active Clientele



35+

Machines in
Portfolio

*includes Patents filed & held by promoter group as well

Product Philosophy

- Super-focused product development philosophy differentiating us from the competition.
- Focused on deploying a complete solution offering, and not selling an array of machines with numerous makes & models.
- A 'frugal innovation' and 'Indian *Jugaad*' mindset helps us solve real problems for Indian machine shops, an edge we have over foreign machine manufacturers.

SUPER-OPTIMIZED MACHINES

Super optimized machines that offer higher productivity & lower cost of operations compared to their peers. Cost per component produced is reduced, hence increasing ROI of the machine.

Products

- CAF (CITIUS-ALTIUS-FORTIUS)
- UNO
- TWINTURN UBER
- RIGIDTURN
- RAPIDTURN
- TWINTURN

A THREE-PRONGED PRODUCT DEVELOPMENT PHILOSOPHY



MARSHALL
TECHNOLOGY
TRISHOOL

AFFORDABLE AUTOMATION

Automation split over more than one machine, generating higher ROI and shorter payback period.

Products

- TWIN GRIP
- TWIN RELEASE
- ROBOTURN Cells & Lines

INDUSTRY 4.0

Focused on accessible, affordable & implementable Industry 4.0 technologies:

1. SmartFac (Productivity)
2. SmartPredict (Predictive Maintenance)
3. SmartCorrect (Quality)

Products

- IoTQ suit of smart machines
- SmartCorrect Gauging Station
- SmartCorrect Eco Low Cost Gauging Station
- SmartSense 3 in 1 Sensor for monitoring machine health

MARSHALL MACHINES LIMITED

Product Portfolio

35+

Machine Offerings

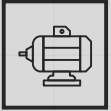
INDUSTRY



AUTOMOBILE



CONSUMER DURABLES AND DURABLES



GENERAL ENGINEERING



OIL & GAS



AEROSPACE & DEFENCE

MARSHALL ROBOTURN XL CELL



INDUSTRY



COMPONENT/JOB

- 2W alloy wheel

Automated cell for zero defect production

ROBOTURN FLEXI CELL



INDUSTRY



COMPONENT/JOB

- Gear blanks

Flexible cell for small batches

TWINTURN UBER WITH SMARTLOAD



INDUSTRY



COMPONENT/JOB

- Small turned jobs

Lowest cost automation with space saving

Product Portfolio (Contd.)

35+

Machine Offerings

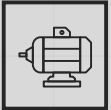
INDUSTRY



AUTOMOBILE



CONSUMER DURABLES AND DURABLES



GENERAL ENGINEERING



OIL & GAS



AEROSPACE & DEFENCE

JUNO



INDUSTRY



COMPONENT/JOB

- Pipe fittings
- Connectors
- AC parts

Complete machining (Turning + Milling) at very low cost

SMARTER



INDUSTRY



COMPONENT/JOB

- Shafts and all types of medium sized parts

Lowest footprint machine with very high output

TM SERIES TURNMILL



INDUSTRY



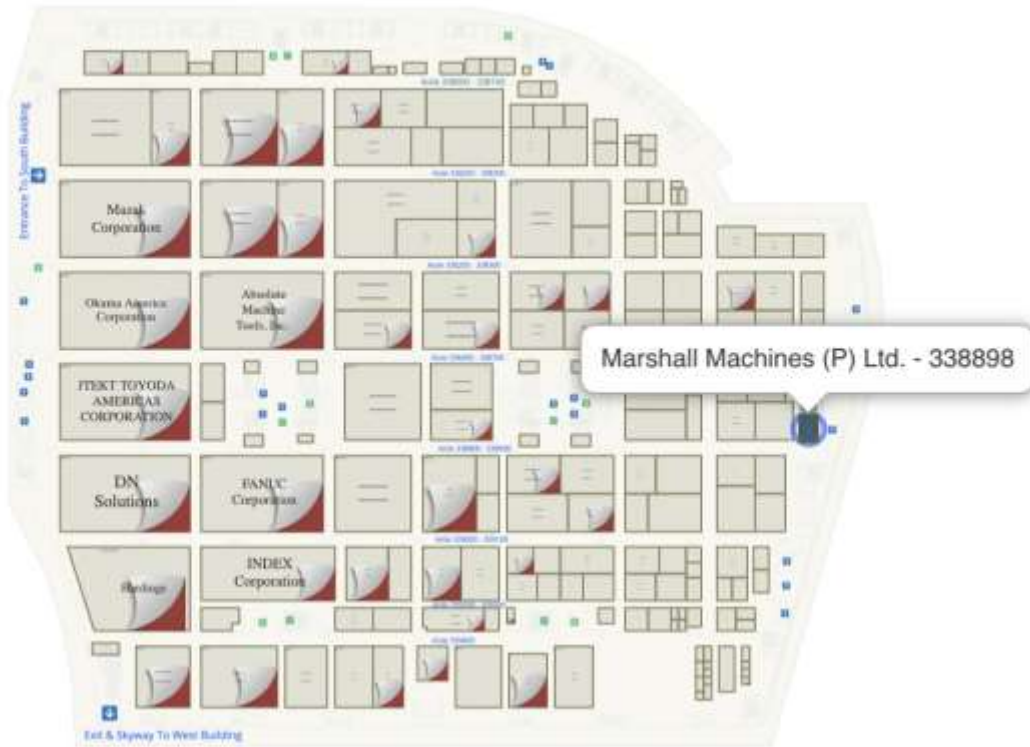
COMPONENT/JOB

- Valves
- Complex parts

Better solution than Turning + VMC

Participation in **IMTS 2022, Chicago**

Gurukul initiative for skilling India



IMTS2022

Marshall Machines is participating in one of the best International Manufacturing Technology Show

With initiatives like these, Marshall Machines hopes to create in-roads into the high-potential markets such as the USA

Partnership with IAMSME of India

Gurukul initiative for skilling India



World bank funded initiative for skilling in India

Marshall among the 3 partners with IAMSME of India

Marshall will provide training on CNC programming and Industry 4.0 Lab will have on demo latest equipment desirable for best production practices

Hundreds of people will be jointly trained through this initiatives

Marshall and Maruti Center for Excellence

India's 1st comprehensive Training Program for Industry 4.0 Technologies



Maruti Center for Excellence (MACE) will impart training for **Industry 4.0 Technologies** to automotive component suppliers of Maruti.

Marshall has installed **proprietary equipment for training** on four types of machines at MACE:

- Vertical Machining Center
- CNC Turning Center
- Injection Moulding Machine
- Hydraulic Press

The training will cover three most important areas for machine shops:

- Productivity
- Quality
- Health

The training program will follow the LOPI Model:

- Learn
- Observe
- Practice
- Implement

The trainees will then implement Industry 4.0 Technologies in their factories.



R&D and IP Driven Company

- 3rd Generation of Innovators and Engineers at the helm
- Marshall distinguishes itself as an integrated machine tool solution provider
- Focused on catering emerging needs of Indian machine shops through Affordable Automation and Industry 4.0 offerings
- Completely integrated value chain to design & manufacture machines in-house
- Extensive Research & Development leading to higher IP generation
- Equally focused on IP generation & protection

BENEFITS DERIVED FROM R&D

Smart CNC Systems

Cost-effective & productive machines

Higher ROI & shorter payback periods of products

Zero-defect manufacturing and unparalleled features

SUPERIOR INTELLECTUAL PROPERTY

29^{*}
Patents filed in India and USA

*includes Patents filed & held by promoter group as well

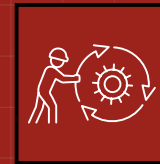
Integrated value chain



Ideation



Design



Manufacturing



Solution Offering

- Consultation
- Software & Updates
- Customized Machines



AMC & After-Sales Service

R&D and IP Driven Company (Contd.)

PATENTS FILED IN INDIA AND USA

Patents Filed	India	USA	Total
Approved	6	1	7
Filed (Approval Pending)	16	6	22
Total	22	7	29

*Marshall has registered a very valuable Patent in USA - **System and a Method to Enable Zero Defect Production***

Note:

1. Many filed patents are in late stages of approval
2. Includes patents filed & held by the promoter group as well

Operational Units

- Marshall Machines operates two state-of-art manufacturing facilities in Ludhiana.
- The company has recently completed an expansion in Unit 1 and 2 which includes addition of:
 - Zeiss measuring machines
 - Large machining centers
 - Grinding machines
 - Turning and turn-milling machines
- After the conclusion of CAPEX cycle (2018-21), **the Company has a manufacturing capacity to do ₹250 crores in Sales, from erstwhile capacity of ₹75 crores in 2017.**
- Going forward, the company plans to streamline production and strengthen supply-chain by outsourcing certain sub-assemblies and adding reliable suppliers in vicinity to the manufacturing unit.

UNIT 1

LUDHIANA

Setup in 2001

- **4,181 Sq. Mt.** Plot Area
- **5,295 Sq. Mt.** Buildup Area
- Dedicated unit for assembly of traditional machines

MANUFACTURING CAPACITY

- **600** traditional machines

UNIT 2

LUDHIANA

Setup in 2012

- **2,090 Sq. Mt.** Plot Area
- **3,716 Sq. Mt.** Buildup Area
- Dedicated unit & team for Automation and Industry 4.0 machines

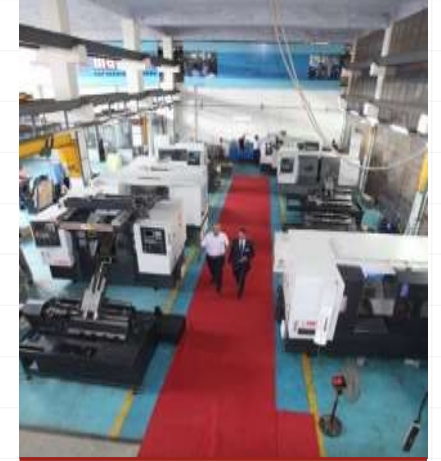
MANUFACTURING CAPACITY

- **100-125** RoboTurn Automated Machines
- **150** Compact CNC Lathes
- **1,500** SmartCorrect Gauging Stations

State-of-art Facilities

World Class
Manufacturing Facilities

Temperature Controlled,
Dust Proof Assembly Areas



World's Best STUDER
CNC Cylindrical Grinder

World Class European
Mother Machinery

New 5 Axis CNC Universal
Machining Center with
Auto Indexing head with
"A" & "B" Axis

Machine Parts Designed
and Validated Using Solid
Works



Equipped with Latest
Carl Zeiss CMM

Equipped to Perform Laser
Calibration and Testing

Established Clientele

1,500+

Active Clientele

2

Broad customer segments: Corporate Institutions and SME's

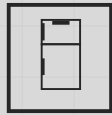
400+

10/15 Year+ Relationships

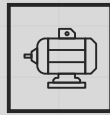
MATURE SECTORS



AUTOMOBILE



CONSUMER DURABLES AND DURABLES

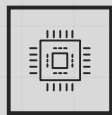


GENERAL ENGINEERING

EMERGING SECTORS



AERO SPACE



ELECTRONICS



MEDICAL EQUIPMENT'S



AUTOMOTIVE

Alloy Wheels – 2W & 4W, Gear Blanks, Pistons, Crank Shafts

Established Clientele (Contd.)



CONSUMER APPLIANCES AND DURABLES

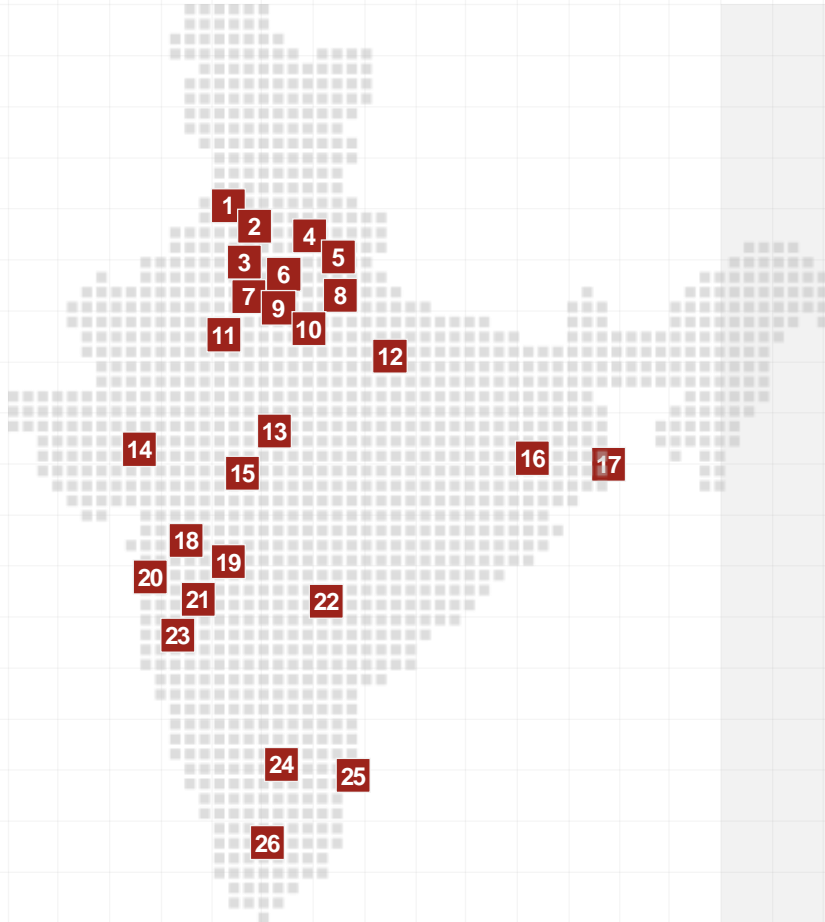
Motor Parts, Fans, Home Electronics



GENERAL ENGINEERING

Bearings, Consumables, Pumps

Strong Network





- | | |
|---------------|----------------|
| 1. LUDHIANA | 14. AHMEDABAD |
| 2. CHANDIGARH | 15. INDORE |
| 3. ROHTA | 16. JAMSEDPUR |
| 4. HARIDWAR | 17. KOLKATA |
| 5. RUDRAPUR | 18. NASIK |
| 6. DELHI | 19. AURANGABAD |
| 7. GURGAON | 20. MUMBAI |
| 8. GHAZIABAD | 21. PUNE |
| 9. MANESAR | 22. HYDRABAD |
| 10. AGRA | 23. KOLHAPUR |
| 11. JAIPUR | 24. BANGALORE |
| 12. KANPUR | 25. CHENNAI |
| 13. BHOPAL | 26. COIMBATORE |

Pan-India network with presence across all key manufacturing hubs in India.

A team of sales & service engineers catering to:

- Lead & sales generation
- Machine deployment & after-sales services

DESIGN AND MANUFACTURING RESOURCES

	R&D Team	09
	IOT Engineers	05
	Manufacturing Resources	180

CUSTOMER SUPPORT RESOURCES

	Sales Engineers	14
	Application Support	06
	Service Support	14
	Automation Support	14

Management Team



GAURAV SARUP
CO-FOUNDER & MD

Degree in Production Engineering from Punjab University
35+ years of Work Experience in designing innovative machine tools



PRASHANT SARUP
CO-FOUNDER & JT. MD

Engineer by Qualification
32+ years of Work Experience in designing and electronic integration



SIDDHANT SARUP
WHOLE TIME DIRECTOR

B.Tech in industrial Engineering and holds a Master's Degree in Operations Management (MBA) from Thapar University, Patiala

7+ years of Work Experience



ARCHANA SARUP
WHOLE TIME DIRECTOR

Master's Degree from Punjab University
12+ years of Work Experience



A.N. CHANDRAMOULI
STRATEGIC ADVISOR TO THE BOARD

Mechanical Engineer from NIT, Trichy and PG from IIT, Calcutta

40+ years of Work Experience, former President & CEO of Makino India (Japanese Machine Tools major) and former MD of Starrag India (Swiss based Machine Tools major)



SANJAY KUMAR SONI
CHIEF OPERATING OFFICER

Postgraduate in Mechanical Engineering from IIT, Madras.

37+ years of Work Experience. His prior stints include work at HMT, Escorts, Bharat Forge, Uniparts Group, LSR Forge and Hindustan National Glass

Management Team includes several Qualified and Experienced People in the following Departments; Design, Production, Quality, Sales, Service, New Developments, Finance, etc.

Board of Directors includes 3 Independent Directors

02

Business Review

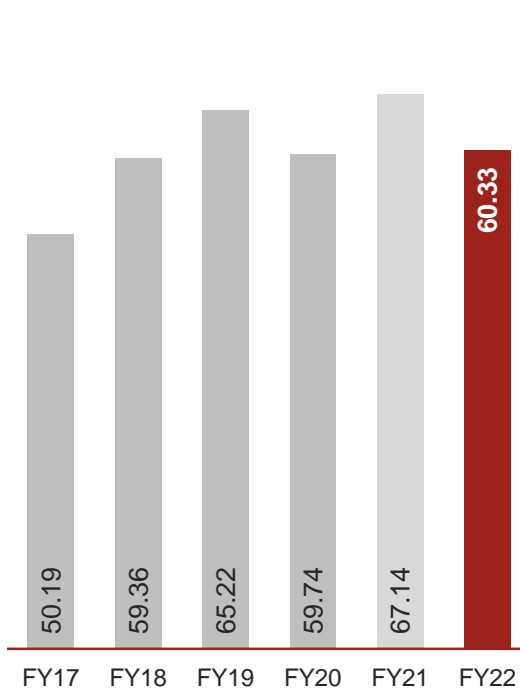
- 21 ANNUAL PERFORMANCE HIGHLIGHTS
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- 25 BUSINESS CANVAS



Annual Performance Highlights

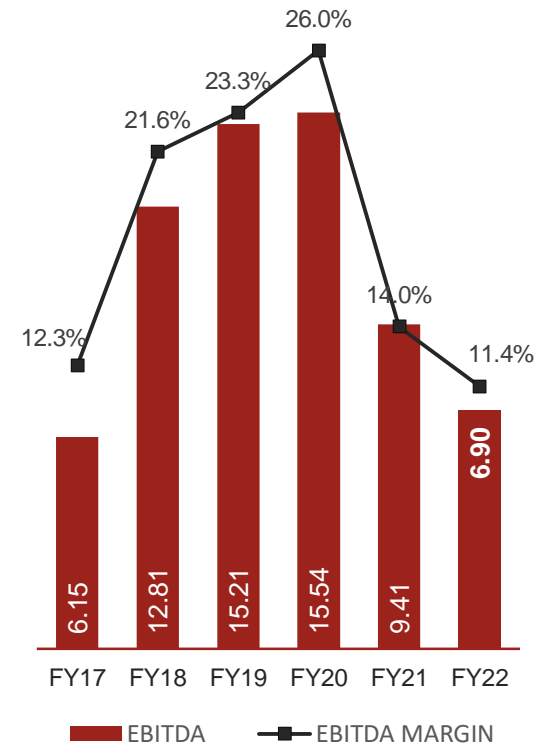
REVENUE

(₹ IN CRORES)



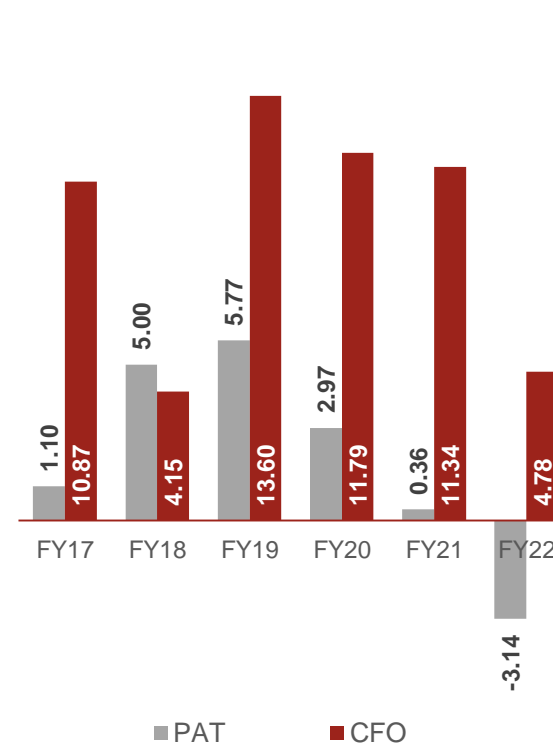
EBITDA & EBITDA MARGIN

(₹ IN CRORES & %)



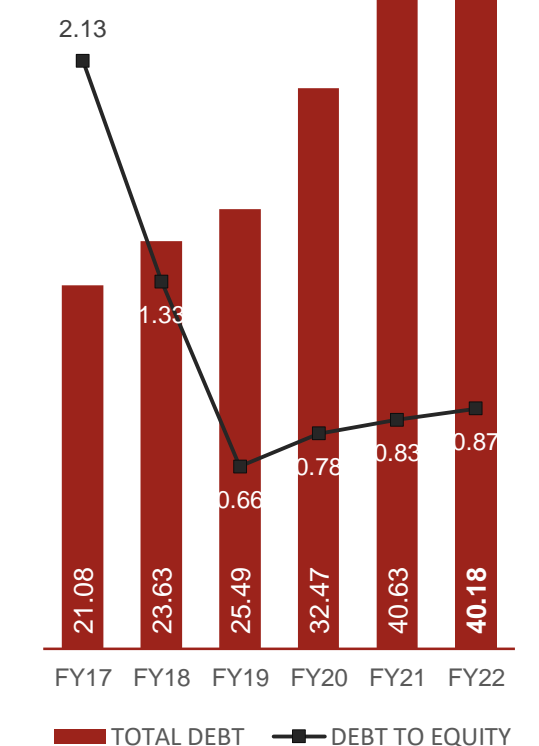
PROFIT AFTER TAX & CASH FLOW FROM OPERATIONS

(₹ IN CRORES)



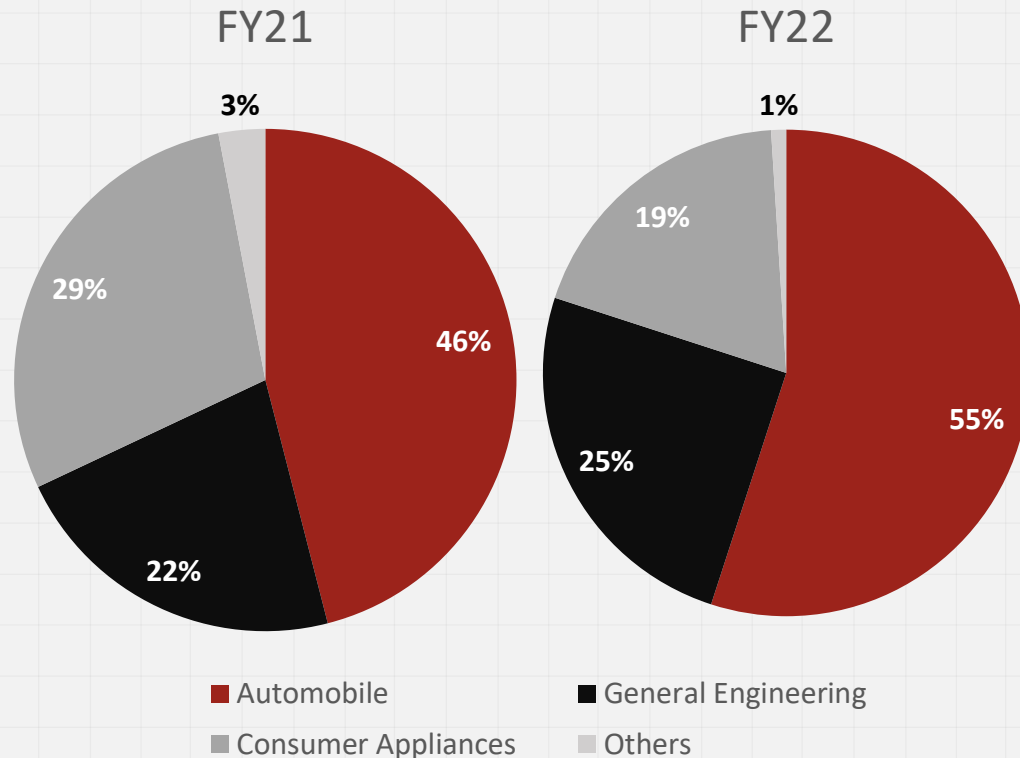
DEBT & DEBT TO EQUITY

(₹ IN CRORES & TIMES)



Revenue Stream

INDUSTRY-WISE REVENUE

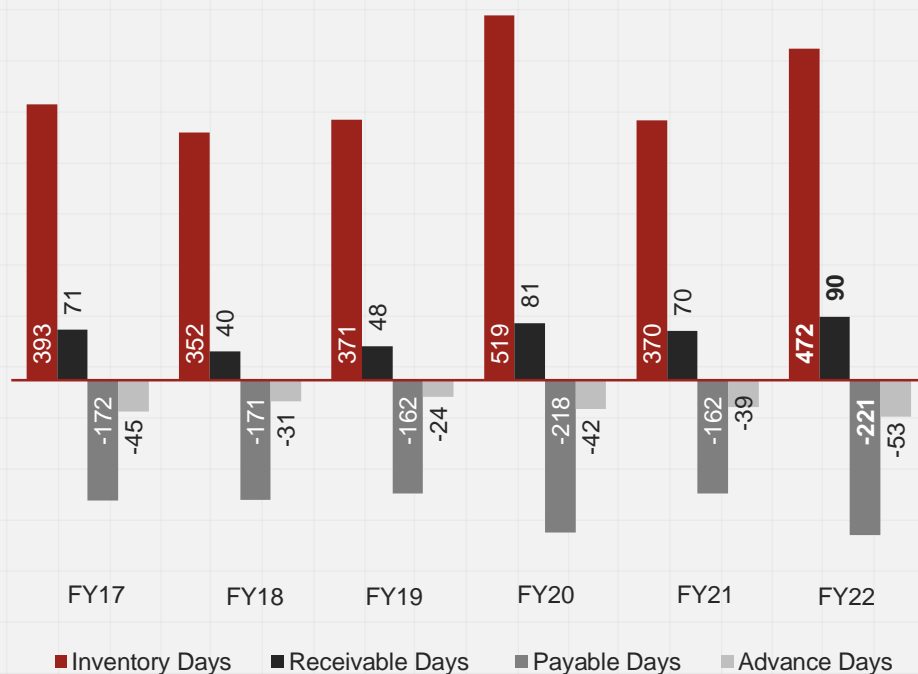


- Reduced business for engineering industry due to maturing markets
- Working on limiting exposure to automotive markets, while concentrating on certain import-substitution products such as alloy wheels
- Consistently working on growing emerging sectors like Electronics
- Adding new sectors like Aerospace and Medical Equipment
- **Ongoing de-risking efforts to not have >25% share from one industry**
- Primarily a product-based revenue stream
- Prominence of AMC and Service & Maintenance to rise in future, as the company moves towards complex and automated offerings

Working Capital Cycle

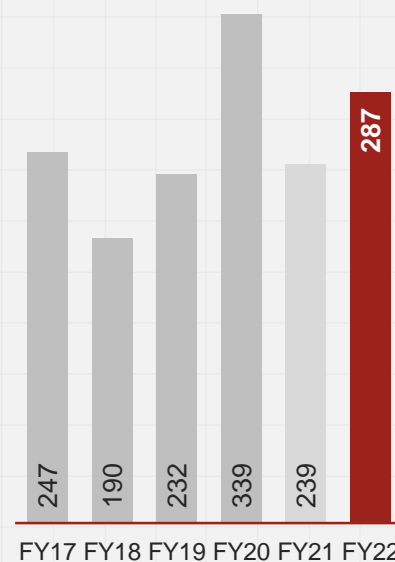
WORKING CAPITAL DISTRIBUTION

(IN DAYS)



WORKING CAPITAL DAYS

(IN DAYS)



REASONS FOR HIGH WORKING CAPITAL

INVENTORIES

- High lead time of WIP-inventories due to a 6 months sun-baking seasoning procedure of machine structures, for high-performance machines
- Critical imported components of machines kept in sufficient buffer to avoid any production breaks

DEBTORS

- Seasonality – more sales made in Q3 & Q4 of the financial year, leading to higher debtors at year-end

EFFORTS TO OPTIMIZE WORKING CAPITAL

INVENTORIES

- Deploying a technology called 'Vibratory Stress Relieving' & other artificial seasoning methods which will reduce the lead time by eliminating the sun-baking process.
- Adding suppliers in vicinity (including casting suppliers) to the manufacturing unit, reducing the need to carry higher inventories
- Limiting business in Oil & Gas sector, where these high-performance machines are deployed
- Outsourcing manufacturing or certain sub-assemblies

AIM TO BRING DOWN WORKING CAPITAL CYCLE TO 150-180 DAYS BY FY23.

Strengths & Weaknesses

STRENGTHS



- Unmatched value proposition to the industry
- Innovative, customized solution offerings
- 61-year-old brand, Marshall
- Early mover in Automated & Industry 4.0 offerings
- State-of-art infrastructure & dedicated team for Automation & Industry 4.0
- One-stop solution provider for customers
- Agile and adaptable organization
- Well-established team of implementors of the latest technologies

S










WEAKNESSES



- Commoditized & price-competitive industry for standard machines
- Long working capital cycle
- Scale of operations
- Lack of presence in some industrial belts

W

Business Canvas

	KEY PARTNERSHIPS					
<ul style="list-style-type: none"> International Machine Tool Manufacturers Dealers in USA – TGH, Morris South Actively looking for business tie-ups & collaborations with European & Japanese machine tool manufacturers 		<ul style="list-style-type: none"> R&D & designing machines Manufacturing superior machines IP – development & protection 	<ul style="list-style-type: none"> Customized solution offerings to machine shops Unique value propositions include: <ul style="list-style-type: none"> a. Affordable Automation b. Industry 4.0 Technologies 	<ul style="list-style-type: none"> Strong, seasoned customer relationships Many 10/15 years+ relationships ~60% of repeat business from existing customers 	<ul style="list-style-type: none"> 2 key customer segments i.e. SME vs. Institutional (Corporates) Majority erstwhile customers from Auto industry, now adding clients in new emerging manufacturing opportunities 	
		 KEY RESOURCES		 CHANNELS		
		<ul style="list-style-type: none"> Intellectual capital Established brand 'Marshall' State-of-art manufacturing units Human capital 		<ul style="list-style-type: none"> Directly dealing with all customers in India In USA through distributors (TGH and Morris south) 		
	COST STRUCTURE				REVENUE STREAMS	
<ul style="list-style-type: none"> Fixed-cost based cost-structure Elevated depreciation & finance cost after recent CAPEX 				<ul style="list-style-type: none"> At present primarily machines sales, with efforts to grow AMC & Service sales Automobile industry primary sales-contributor 		

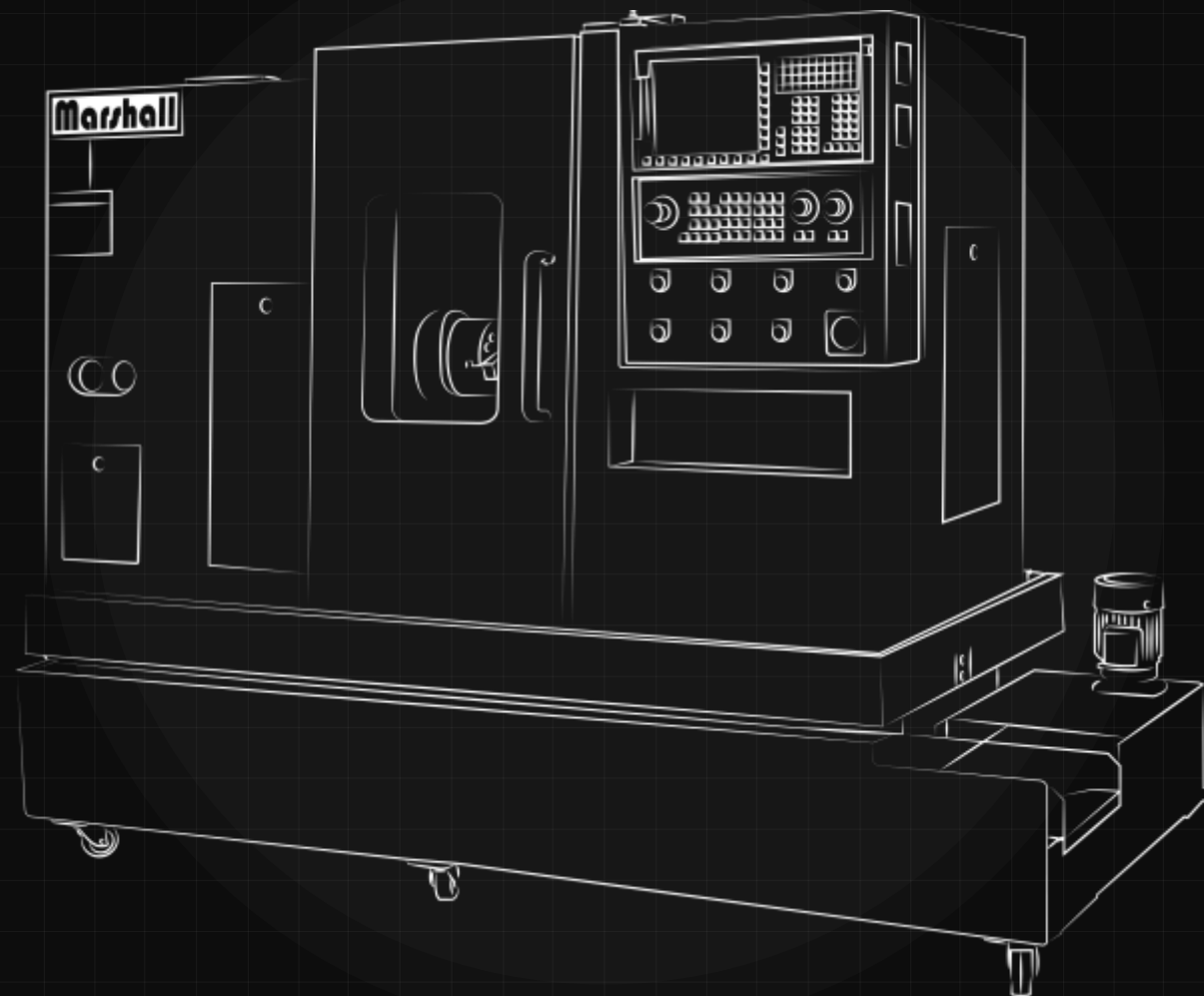
03

Growth Drivers & Outlook

27 STRATEGIC PRIORITIES

28 GROWTH DRIVER

29 DEVELOPING STRATEGIC GLOBAL ALLIANCES



Strategic Priorities



INCREASING SHARE OF AUTOMATION & INDUSTRY 4.0

- Increasing the share of differentiated and unique Marshall offerings such as Affordable Automation and Industry 4.0
- Become default choice of customers for Smart machines



INCREASE SHARE OF EXPORT BUSINESS

- Export to USA market
- Export to Europe through strategic partnership with European Machine Tool Builders
- Export to fast growing Asian countries like Bangladesh.



REVENUE DIVERSIFICATION

- Limiting exposure to any one under industry, to not more than 25%, to de-risk the business and counter cyclicity in business



ADDING COMPETENCIES

- Adding competencies in new, emerging manufacturing sectors of India, namely Electronics, Aerospace, Medical Equipment



DEBT REPAYMENT

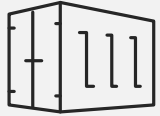
- Using Cash Flow from Operations to bring down debt



REDUCING WORKING CAPITAL CYCLE

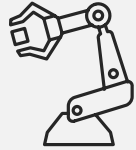
- Limiting working capital cycle to 150-180 days by FY23

Growth Drivers & Outlook



IMPORT SUBSTITUTION PRODUCT OFFERING

- Alloy Wheels production moving to India
- Electronics manufacturing moving to India



INCREASING ADOPTION OF INDUSTRY 4.0 TECHNOLOGIES

- Companies looking to improve efficiencies will look to digitize their shopfloor



FOCUS ON AUTOMATION

- Customers will look to reduce dependence on manpower going forward in order to de-risk themselves. More and more people will move towards automation



FOCUS ON DE-SKILLING OPERATION

- Customers who cannot afford automation may look to reduce their dependence by using smart technologies like gauging stations

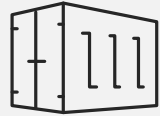


ADDING COMPETENCIES IN EMERGING MANUFACTURING

- Adding competencies in new, emerging manufacturing sectors of India like Electronics

Developing Strategic Global **Alliances**

With European & Japanese Machine Builders



MARKET IMPORTED MACHINES IN INDIA

- Import advanced machines from European & Japanese partners and market them in India



AUTOMATED CELLS

- Machines manufactured by Marshall, including automated cells, to be exported in these developed markets using the strategic alliances



GOVERNMENT BUSINESS

- Tap opportunities in the Government & Public sector enterprises through these alliances



EXPANDING CLIENTELE

- Partner machines built-in India (by Marshall) for sales in India



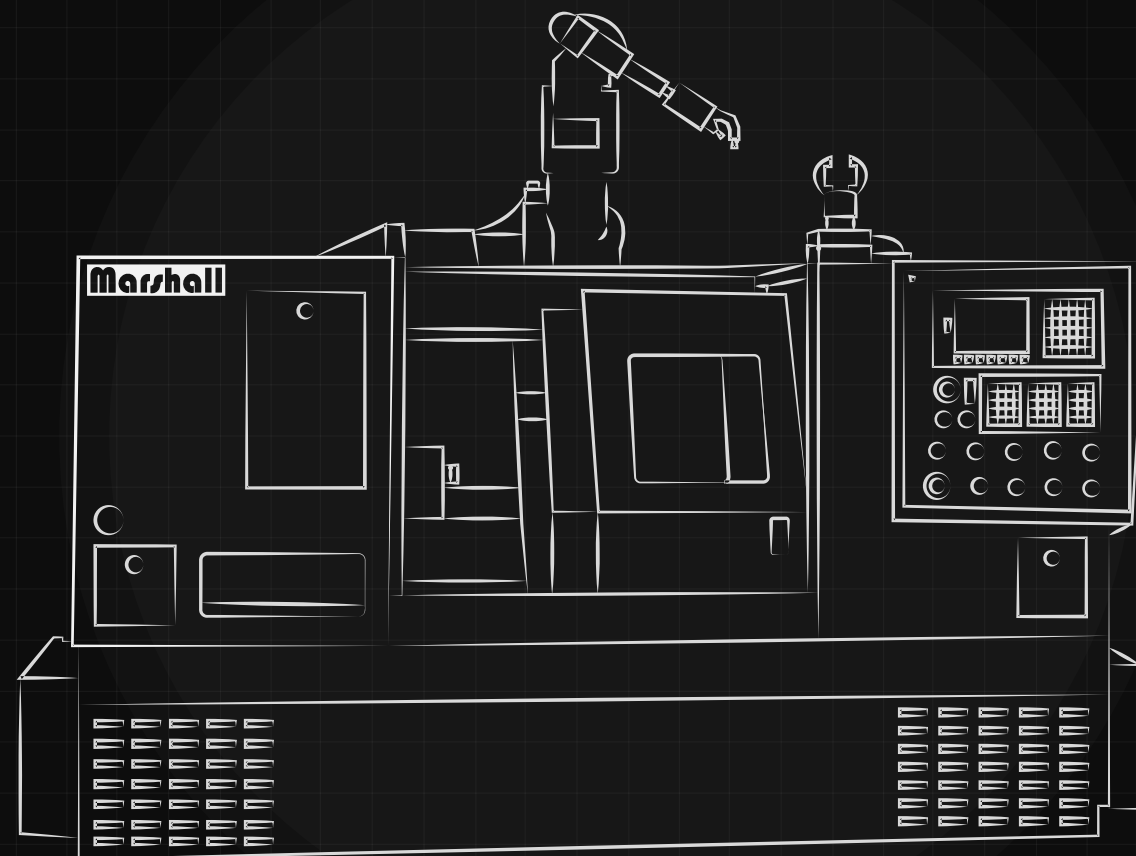
MACHINE PARTS

- Machine parts to be exported to Europe or Japan for the partner's machines built in their respective country

04

Conclusion

31 INVESTMENT RATIONALE



Investment Rationale



CAPEX COMPLETED

- Completed a significant CAPEX between 2018-21, taking manufacturing capacity to ₹250 crores in Sales from erstwhile ₹75 crores in 2017.
- Potential to do 25% EBITDA Margins on the same.



OPPORTUNITY SIZE

- Huge potential of Affordable Automation and Industry 4.0 offerings



EMERGING OPPORTUNITIES IN MANUFACTURING

- Emerging opportunities in sectors such as Electronics, Aero Space and Medical Equipment



FOCUSED ON DELEVERAGING

- The company is focusing on debt repayment through a) higher internal accruals and b) reducing working capital cycle



SEASONED MANAGEMENT

- 3rd generation of Innovators and Engineers at helm

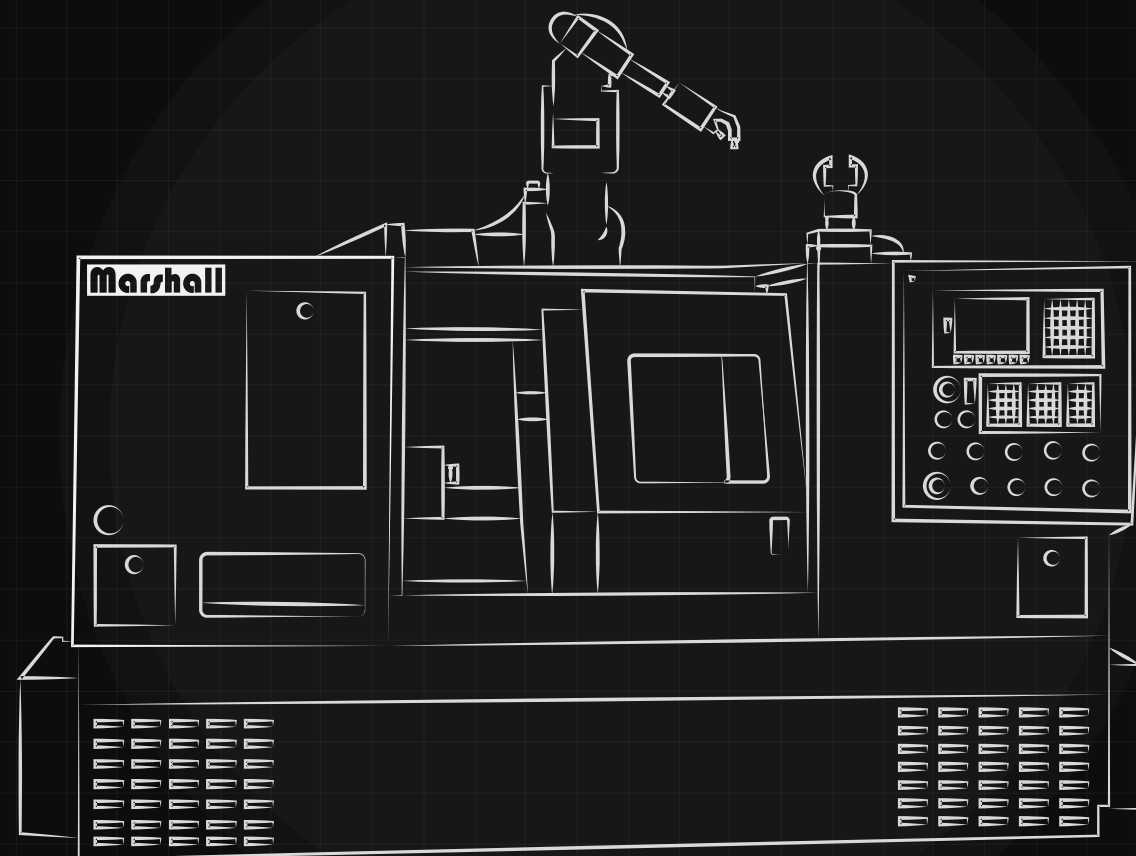
05

Financial Performance

33 PROFIT AND LOSS SUMMARY

34 BALANCE SHEET SUMMARY

35 CASH FLOW STATEMENT SUMMARY



Profit & Loss Summary

(₹ IN CRORES)

PARTICULARS	FY17	FY18	FY19	FY20	FY21	FY22
Sales	50.19	59.35	65.22	59.74	67.14	60.33
Raw Material Cost	33.97	38.05	38.89	30.12	46.32	37.91
Employee Expenses	4.24	4.57	5.77	6.83	6.85	10.75
Other Expenses	5.83	3.92	5.35	6.98	4.56	4.77
Total Expenses	44.04	46.54	50.01	43.93	66.67	64.16
EBITDA	6.15	12.81	15.21	15.81	9.41	6.90
Other Income	0.35	0.07	0.22	0.80	0.11	0.14
Interest	3.11	3.22	3.71	4.39	3.81	4.46
Depreciation	1.60	2.20	3.73	8.10	5.12	6.27
Tax	0.69	2.45	2.22	1.15	0.22	-0.56
Profit After Tax	1.10	5.01	5.77	2.97	0.36	-3.14
EPS (₹)	0.76	3.44	3.97	2.04	0.25	-2.16
EBITDA Margin (%)	12.3%	21.6%	23.3%	26.5%	14.0%	11.4%
Profit After Tax Margin (%)	2.2%	8.4%	8.8%	5.0%	0.5%	-5.2%

(Note - EPS for all years has been calculated on the current Equity Capital based of 14.55 crores, to counter post-IPO change in Equity)

Balance Sheet Summary

(₹ IN CRORES)

PARTICULARS	FY17	FY18	FY19	FY20	FY21	FY22
Equity Capital	1.81	2.14	14.55	14.55	14.55	14.55
Reserves & Surplus	8.05	15.73	23.96	26.72	34.50	31.43
Shareholders Funds	9.86	17.87	38.51	41.27	49.05	45.98
Long Term Borrowings	5.93	7.41	8.38	13.72	14.22	9.50
Deferred Tax Liabilities	0.15	1.82	3.43	3.00	5.66	5.13
Other Long Term Liabilities	-	-	2.31	1.90	-	-
Long Term Provisions	0.87	0.90	0.58	0.85	0.80	0.97
Non Current Liabilities	6.95	10.13	14.70	19.47	20.69	15.60
Short Term Borrowings	15.16	16.22	17.11	18.75	26.41	30.67
Trade Payables	18.39	18.39	16.07	19.94	21.10	24.90
Other Current Liabilities	14.07	15.43	19.92	20.72	14.32	17.01
Short Term Provisions	0.60	1.60	1.44	0.96	0.18	0.13
Current Liabilities	48.22	51.64	54.54	60.37	63.03	73.76
Total Equity and Liabilities	65.03	79.64	107.75	121.11	132.78	135.34
Property, Plant & Equipment	16.00	22.79	46.39	52.91	61.83	57.35
Non Current Investment	-	-	-	-	-	-
Long Term Loans & Advances	0.24	0.24	0.21	0.20	-	-
Non Current Assets	16.24	23.03	46.60	53.11	70.44	64.04
Inventories	36.73	38.30	39.91	45.79	48.03	50.41
Trade Receivables	8.23	11.42	12.35	14.04	11.68	18.00
Cash and Bank Balances	3.63	3.92	4.22	4.51	0.64	0.27
Short Term Loans & Advances	-	-	-	-	-	-
Other Current Assets	0.20	2.97	4.67	3.66	1.57	2.14
Current Assets	48.79	56.61	61.15	68.00	62.33	71.30
Total Assets	65.03	79.64	107.75	121.11	132.78	135.34

Cash Flow Statement Summary

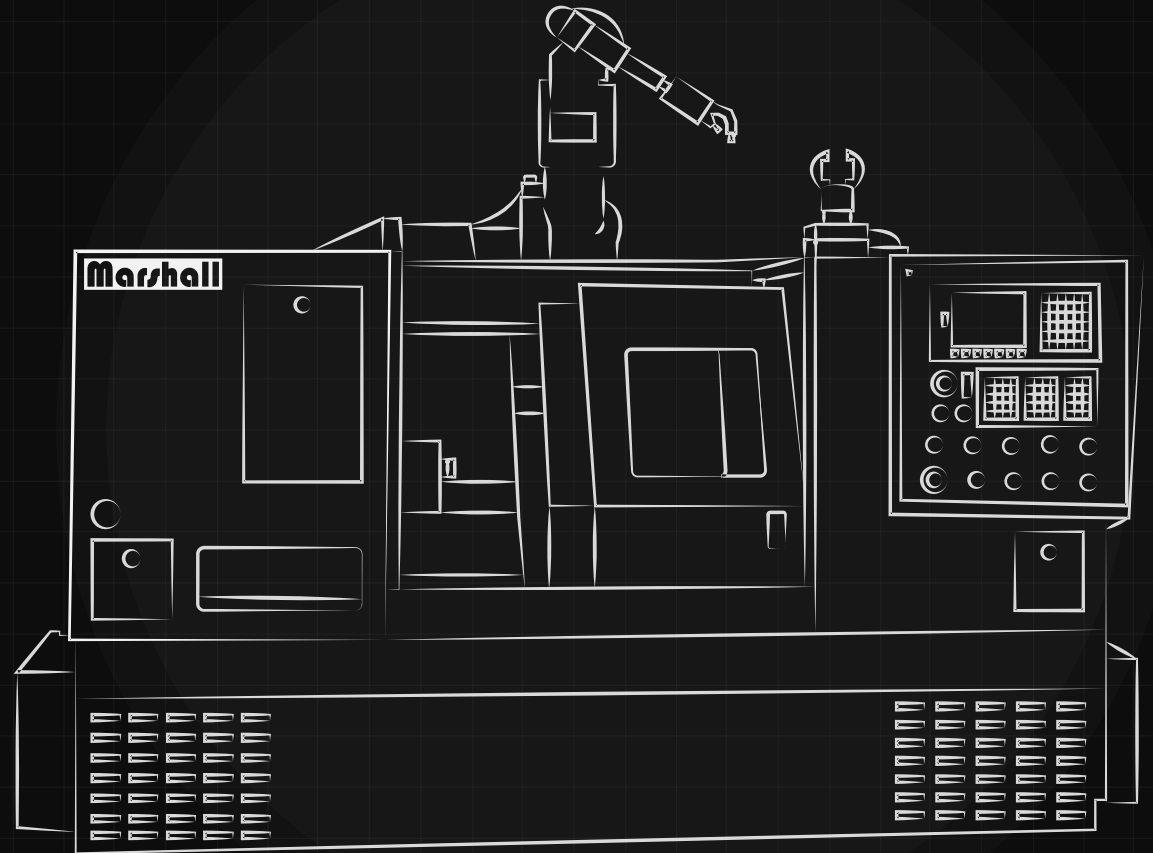
(₹ IN CRORES)

PARTICULARS	FY17	FY18	FY19	FY20	FY21	FY22
Cash from Operating Activities	10.87	4.15	13.60	11.79	11.34	4.78
Cash from Investing Activities	(5.09)	(8.92)	(27.25)	(14.50)	-10.36	-0.37
Cash from Financing Activities	(5.18)	5.06	13.95	3.00	-1.76	-4.77
Net Change in Cash & Cash Equivalents	0.60	0.29	0.30	0.29	-0.78	-0.37
Cash & Cash Equivalents - Opening Balance	3.03	3.63	3.92	4.22	1.42	0.64
Cash & Cash Equivalents - Closing Balance	3.63	3.92	4.22	4.51	0.64	0.27

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Q4FY22 Review

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Profit & Loss Summary

(₹ IN CRORES)

PARTICULARS	Q4FY21	Q3FY22	Q4FY22	% Change (Q4FY22 vs Q4FY21)	Comments
Sales	29.04	9.29	24.38	-16%	Focus on profitability over volumes.
Raw Material Cost	20.81	6.10	14.74	-29%	Driven by passing-on increased input costs to customers.
Employee Expenses	2.72	2.67	2.68	-2%	
Other Expenses	1.55	1.24	1.56	1%	
Total Expenses	27.40	12.94	21.53	-21%	
EBITDA	3.97	-0.72	5.40	36%	Primarily due to an improvement in gross profit margin.
Other Income	0.04	0.03	0.04	20%	
Interest	0.97	1.31	1.12	16%	Due to a higher utilisation of working capital limits.
Depreciation	1.35	1.62	1.43	5%	
Tax	0.50	-0.52	0.73	45%	
Profit After Tax	1.18	-3.08	2.16	83%	Primarily due to an improvement in gross profit margin.
EPS (₹)	0.81	-2.12	1.49	84%	
EBITDA Margin (%)	13.7%	-7.7%	22.1%	847 bps	
Profit After Tax Margin (%)	4.1%	-33.2%	8.9%	481 bps	

Profit & Loss Summary

(₹ IN CRORES)

PARTICULARS	FY21	FY22	% Change (FY22 vs FY21)	Comments
Sales	67.14	60.33	-10%	Sales de-growth on an annual basis, due to severely impacted Q2 & Q3 where the Company witnessed deferring of investments from customers due to 3rd wave Covid.
Raw Material Cost	46.32	37.91	-18%	Driven by passing-on increased input costs to customers.
Employee Expenses	6.85	10.75	57%	Due to an increase in team strength at the senior management level and sales function, coupled with salary increments.
Other Expenses	4.56	4.77	5%	
Total Expenses	66.67	64.16	-4%	
EBITDA	9.41	6.90	-27%	Due to a lower topline, coupled with an increase in Employee Expenses.
Other Income	0.11	0.14	23%	
Interest	3.81	4.46	17%	Due to a higher utilisation of working capital limits.
Depreciation	5.12	6.27	22%	
Tax	0.22	-0.56	-	- Due to write-back of deferred tax.
Profit After Tax	0.36	-3.14	-	- Due to a lower topline, coupled with an increase in Employee Expenses, Interest & Depreciation costs.
EPS (₹)	0.25	-2.16	-	
EBITDA Margin (%)	14.0%	11.4%	-258 bps	
Profit After Tax Margin (%)	0.5%	-5.2%	-574 bps	

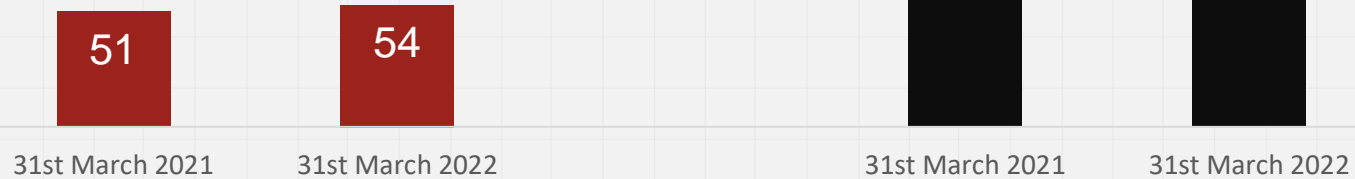
Order Book and Bid

Order Book and Bid

(₹ IN CRORES)

ORDER BOOK

ORDER BID



6%

Healthy Order Book
(Y-o-Y)



93%

Strong Order Bids
(Y-o-Y)

Management Commentary



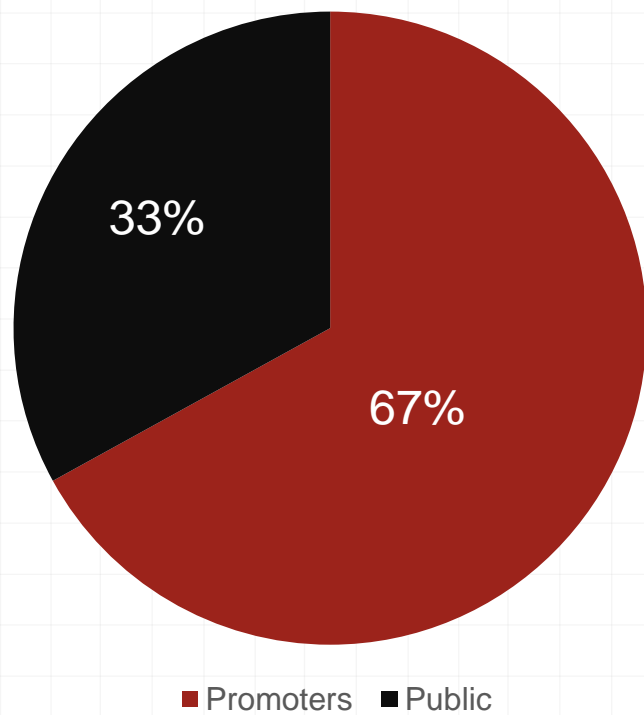
GAURAV SARUP

CO-FOUNDER & MD

- The Company's operational and financial performance has rebounded in Q4FY22 after two subdued quarters that were disturbed in anticipation of a severe third wave, and many of the clients deferring their capital investments at the time. On a QoQ basis, the Company reported a significant increase of 162% in Revenue from Operations, coupled with an improved EBITDA margin of 22% in Q4FY22. Improvement in EBITDA margin was driven at the gross level, where the Company successfully passed the increase in input costs to its customers.
- Furthermore, the Company has a robust order book of 54 crores and order bids of 260 crores as of 31st March 2022, recording a YoY increase of 6% and 93%, respectively. With a pickup in industrial activity, positive feelers from its clients on their capital expenditure plans, and an all-time high order book, the Company eyes for a significantly improved FY23 performance.
- The demand outlook is especially good on the automation front. Clients are increasingly scouting and opting for automated machine cells to improve their production efficiency in an inflationary environment to maintain cost competitiveness. As a result, the Company expects an increase in the share of automated business within the revenue mix.
- On the operational front, dramatic supply chain disruptions, logistical challenges and volatile input costs persist; however, the Company is better positioned to tide through these challenges. Further, the Company is also strengthening its geographical presence, especially in smaller manufacturing hubs such as Jamshedpur, Nagpur, and Mehsana - where it has appointed dealers. Going forward, the Company plans to pursue sales channels such as the dealer model to further growth in these territories.
- Other strategic initiatives involve the addition of Defence & PSU business - predominantly an L1-tender driven business, which the Company plans to cater to in the coming years.
- To conclude, the Company is geared to build on its performance of Q4FY22 and deliver a significantly improved FY23.

Market Statistics

Shareholding Pattern



IPO Date	28 th August 2018
Issue Price	₹ 42
NSE Symbol	MARSHALL
IPO Subscription	2.2X
Shares Outstanding	1.46 Cr
Face Value	₹ 10
Promoter Pledge	NIL

Get in Touch

SIDDHANT SARUP

Whole-Time Director
investors@marshallcnc.com



www.marshallcnc.com

SAYAM POKHARNA

Investor Relations Advisor
sayam@theinvestmentlab.in



SAFE HARBOR

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