

29th October, 2020

To
The Manager
Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400 001
Scrip Code: 523828

To
The Manager - Listing
National Stock Exchange of India
Limited
Exchange Plaza, 5th Floor, 'G' Block
Bandra Kurla Complex
Bandra (East), Mumbai - 400 051
SYMBOL: MENONBE

Dear Sir,

Sub.: Presentation

Pursuant to the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith presentation titled 'continuing the long term growth story' of the Company.

The presentation is also being uploaded on the website of the Company viz. www.menonbearings.in.

Kindly take the same on your record.

Thanking you,

Yours faithfully,

for Menon Bearings Limited

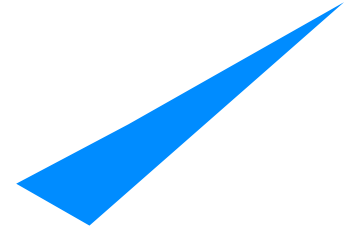


ARUN ARADHYE
Whole time Director & CFO





continuing the long term growth story



powering into the new normal
leveraging core strengths & fundamentals



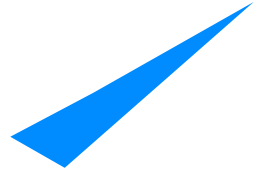
MENON BEARINGS LTD.



MENON BEARINGS LTD.

India's Leading Engine Bearings Company

continuing
the long term
growth story



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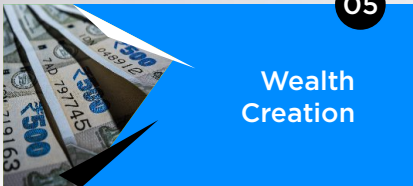
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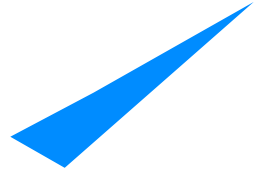
01

Long Term Growth Story : Core Strengths





continuing
the long term
growth story



The world will change after Covid.

However MBL management is confident & believes that the fundamental & core **strengths** of the company will continue to power **growth** and will help mitigate risks



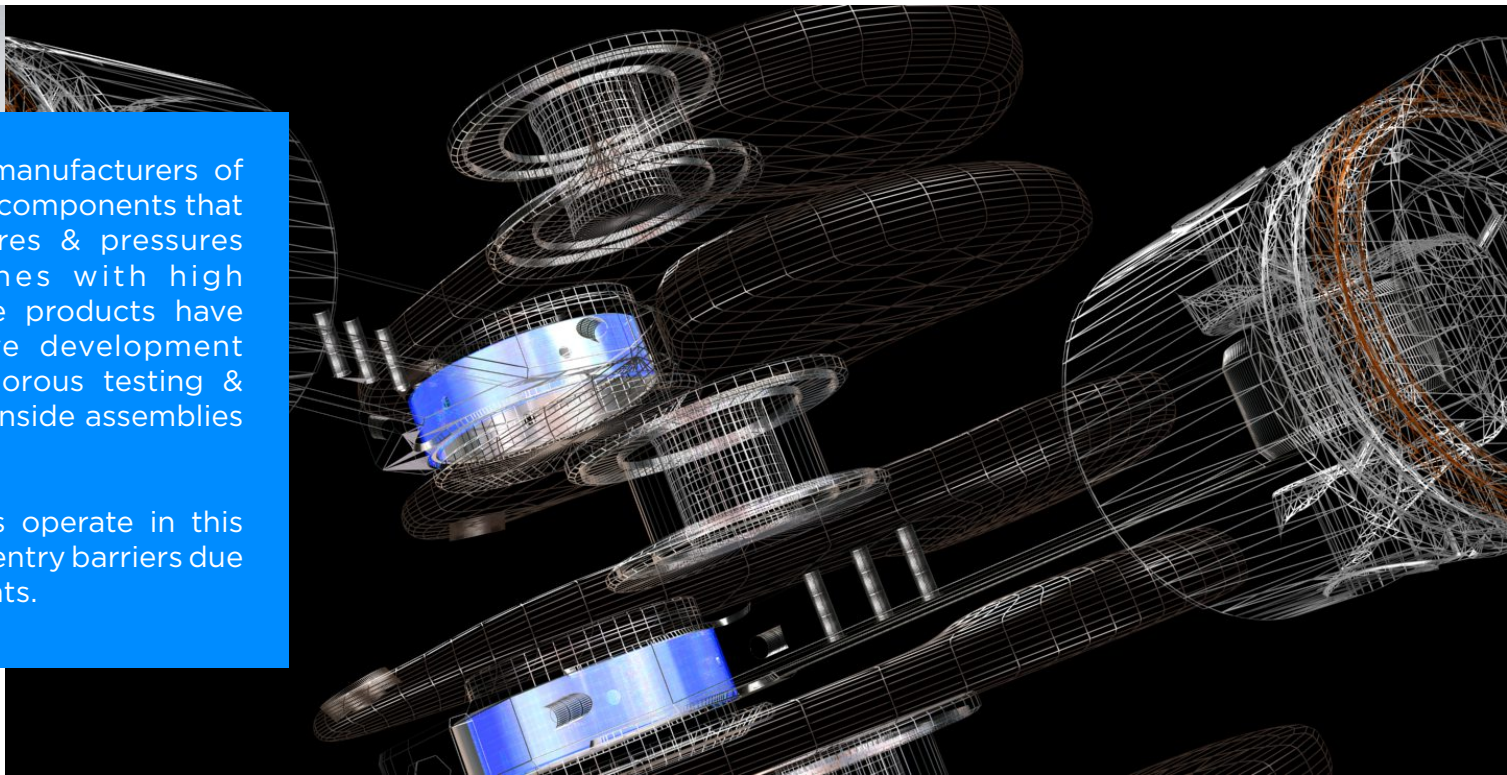
critical components : high entry barriers

continuing
the long term
growth story



MBL is one of the leading manufacturers of highly critical moving engine components that operate in high temperatures & pressures inside demanding engines with high payloads & reliability. These products have long & highly collaborative development cycles, and also require rigorous testing & validation before it can be fit inside assemblies of critical applications.

A limited number of players operate in this segment which has very high entry barriers due to the nature of the components.

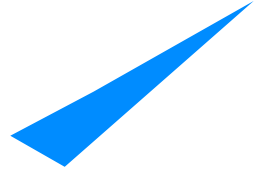




market leader :

competes against global players

continuing
the long term
growth story



MBL started operation in 1994 and has Ship to Use, Self Certification, & Single Source Status from top auto OEM brands across the world.

MBL today is the market leader in its segment & successfully competes against global players in the market



Our competitors include :

Federal Mogul
KSPG (formerly Kirloskar Bearings)
Bimetal Bearings



continuing
the long term
growth story

Our Customer profile
is indicative of the
continued confidence
of leading OEMs in
our products

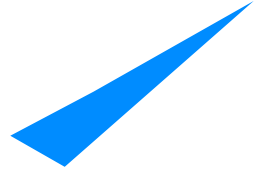




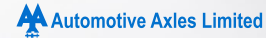
core strenghts :

customer base diversified
across segments

continuing
the long term
growth story



**Engine &
Commercial Vehicles
(HCVs & LCVs)**



Tractors



**Electrical
(Generators, AC,
Compressors,
Home Appliances &
Earth Moving Equipments)**



Sundaram Fasteners Limited

**Exports
(Gas & Oil Pipelines,
Transmission, Power
Generators)**

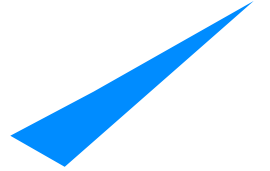




core strenghts

diversified bets & exposure

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the long term
growth story



MBL has a major share
of business with marquee
global OEMS.

However, No single
customer contributes
more than 10 to 12%
of MBL's business

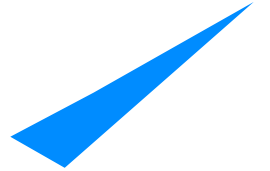




core strenghts :

strong brand equity & advantages
with OEM

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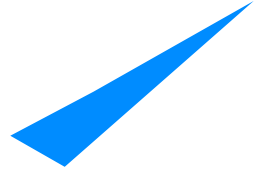
- ✓ strategically located plants
- ✓ assured & proven quality
- ✓ timely delivery
- ✓ competitive pricing
- ✓ faster development





core strengths : exports hedged across geographies

continuing
the long term
growth story



MBL is a globally positioned company with business exposure hedged across various geographies, thereby mitigating risks of the differentially timed lockdowns & recessions in various parts of the world

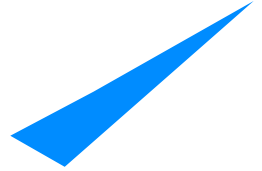


MBL exports 30% of its production



core strengths :
globally positioned & hedged business

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growth story



MBL has an office in Indianapolis which manages warehousing in the USA to service customers in & around the USA region since the last 20 years.

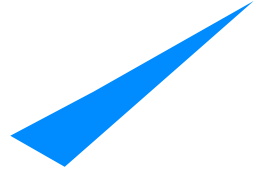


Office & Warehouse in Indianapolis USA



core strenghts :
customer base diversified
across countries

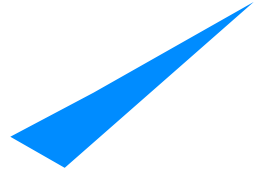
continuing
the long term
growth story



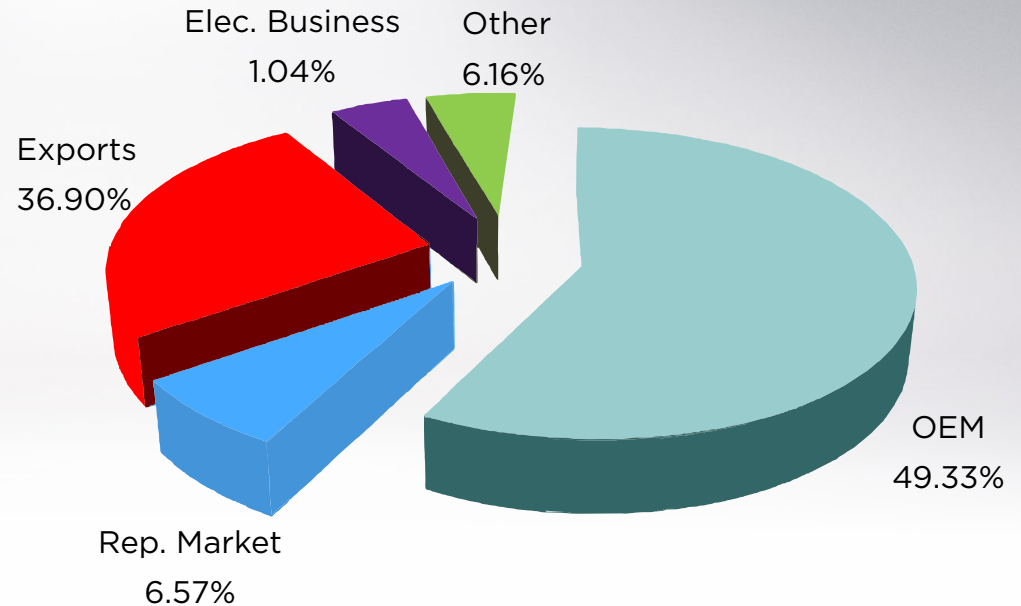


core strengths :
sales hedged across sectors

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the long term
growth story



diversified
sales profile
mitigates risks
of downturns
in any specific
sectors

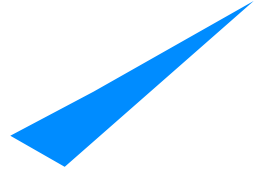




core strenghts :

catering to a wide range of application categories thereby hedging exposure & risks

continuing
the long term
growth story



- ✓ Heavy Commercial Vehicles
- ✓ Light Commercial Vehicles
- ✓ Construction Equipment
- ✓ Tractor
- ✓ Material Handling (Excavators)
- ✓ Stationary Engines
- ✓ Diesel Engines
- ✓ Gasoline Engines,
- ✓ CNG Engines

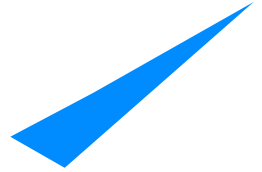




core strenghts :

sales hedged across wide range of applications

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the long term
growth story



products range
with **wide range**
of applications



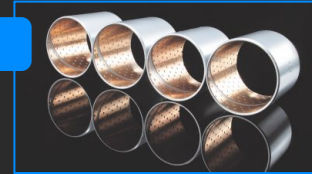
BEARING

Bearings for Connecting Rods, Bearings for Crank shafts, Flanged Bearings



BUSH

Truncated bushes for connecting rods, Ball indented bushes, Bushes for Connecting Rods, Cam Shafts, Rock Shafts, Rocker Arms, Brakes, Axles etc



WASHER

Washers with Thrust Face Contours, Ring Type Thrust Washers, and Three Piece Washers



APPLICATIONS

tractor

HCV

LCV

electrical

transmission

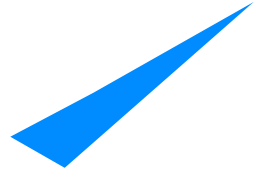
brakes



strategic diversifications :

core engineering ability to enter
new product segments

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growth story



Since 2010, MBL has diversified from Engine Bearings (Crank Shaft Parts) to bi-metal parts required for drive Train Transmission, Differential gear, Brake, Steering, Suspension, Axles etc.

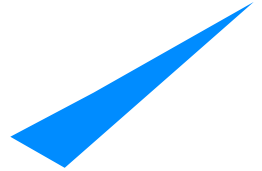
Design,
testing
and
validation
setup
at MBL





New Product Line : aluminium division

continuing
the long term
growth story



In 2008 MBL Strategically Diversified into a new product segment with huge potential, namely **Finished Critical Aluminium Die Cast Components**.

This aluminium division named **Alkop** has, since, emerged as a niche technology player & enjoys a major share of the parts supplied to domestic & export requirements. Today Alkop contributes about **25% of the top line** & balance 75% is contributed by Bimetal products (ie. engine bearings, bushes & thrust washers). Alkop supplies to world leaders like Honeywell & Eaton.

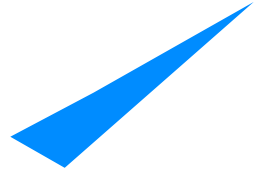




core strenghts :

sales hedged across wide range of aluminium products for a wide range of applications

continuing
the long term
growth story



aluminium
products
with **wide**
range of
applications



upto
6
Kgs./Piece

High Pressure
Aluminum DieCast &
Machined Components

upto
15
Kgs./Piece

Gravity/ Tilt Gravity
Aluminum DieCast &
Machined Components

APPLICATIONS

2/3 wheelers

engines

oil & gas

compressors

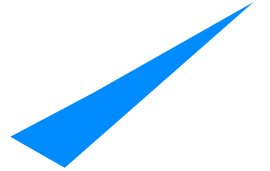
pumps

safety
equipments



Future ready : lead free

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the long term
growth story



MBL is among the very few companies to have facilities to produce next generation lead free material to produce next generation parts to cater to future emission norms.



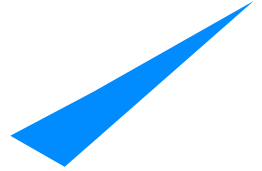
Lead Free



core strenghts :

strong brand equity & network
in aftermarket (replacement)

continuing
the long term
growth story



The MENON BEARINGS brand has built a formidable reach & brand equity in the aftermarket & is a name to reckon with.



products present at

10,000+
retail outlets across india



assiduously built network of

1000
dealers & distributors

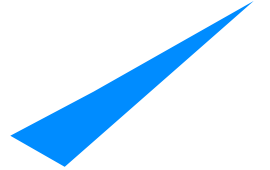




core strenghts :

strong brand equity & network
in aftermarket (replacement)

continuing
the long term
growth story



retail field
relationships
built & nurtured
for over
2 decades

our strong sales
team are also trained
to provide **technical
support services**
to mechanics

our aftermarket sales network
serves a national community of

30,000+
mechanics & reborers

marketing & sales team covering
every nook & corner of the nation

40
marketing executives





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continuing
the long term
growth story



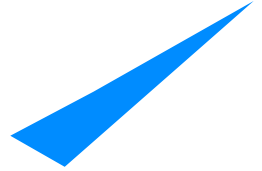
02

**Industry
Scenario :
Long Term
Growth**



india auto story : continuing growth

continuing
the long term
growth story



Automobile
Component
Manufacturers
Assosiation
(ACMA)

forecasts

auto components
export from India



**US\$ 80 billion
by 2026**
from **US\$ 56.52 billion in FY19**

auto components
industry revenue in India

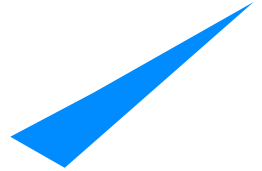


**US\$ 200 billion
by 2026**
from **US\$ 15.17 billion in FY19**



indian component market : continuing long term growth story

continuing
the long term
growth story



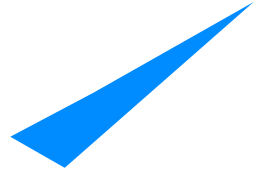
Robust & Growing Demand

- Growing working population and expanding middle class are expected to remain the key demand drivers.
- Low vehicle penetration creates potential for future growth
- India is the fifth largest automobile market globally.
- Reduction in duties in motor vehicles sector will spur the demand for auto components too.



indian component market : continuing long term growth story

continuing
the long term
growth story



Export Opportunities

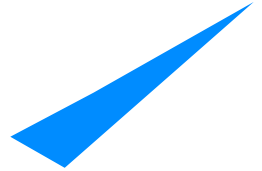
- India is emerging as global hub for auto component sourcing.
- Relative to competitors, India is geographically closer to key automotive markets like the middle East and Europe.
- Export will account for almost 26 per cent of the market by 2021



indian component market :

continuing long term growth story

continuing
the long term
growth story



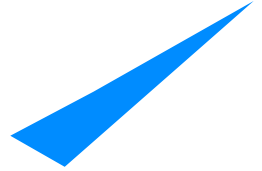
Policy Support

- In September 2015, Automotive Mission Plan 2016-26 was unveiled to target a four fold growth for the sector.
- strong support for R&D and product development by establishing NATRiP centres.
- 100 per cent FDI allowed under automatic route for auto components sectors.



indian component market : continuing long term growth story

continuing
the long term
growth story



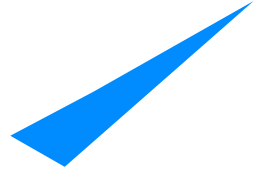
Competitive Advantages

- A cost-effective manufacturing base keeps costs lower by 10-25 per cent relative to operations in Europe and Latin America
- Presence of a large pool of skilled & semi-skilled workforce amidst a strong educational system.



indian component market : continuing long term growth story

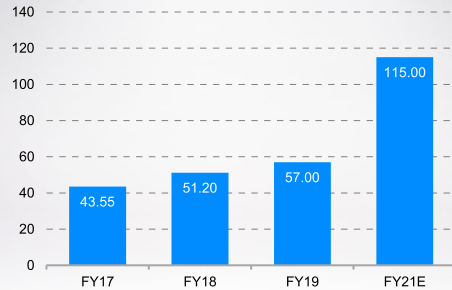
continuing
the long term
growth story



Domestic & Exports Markets still hold huge Potential

Source : ACMA / IBEF, Ministry of Commerce and Industry, Government of India, (August 2020)

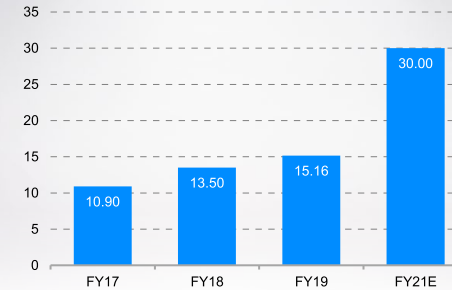
Domestic Market Potential (US\$ billion)



- India's domestic market is expected to have 71 per cent of the total sales by 2021, accounting for a market size of US\$ 115 billion.

Source : ACMA / IBEF, Ministry of Commerce and Industry, Government of India, (August 2020)

Export Market Potential (US\$ billion)

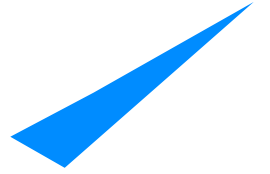


- Export will account for 26 per cent of the market by 2021.



indian market : sure growth

continuing
the long term
growth story



auto sector to register sure growth in
coming years due to

- low base effect of FY 2019-2020,
- low base effect due to the Covid related declines
- better & increasing penetration of auto sector



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continuing
the long term
growth story



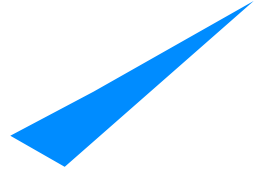
03

Continuing Investments by MBL



continuing investments :
management confidence
in long term growth

continuing
the long term
growth story



The **management's confidence** in the upward trajectory in the long term is reflected in its **continuing investment** plans

**Long term
growth story**

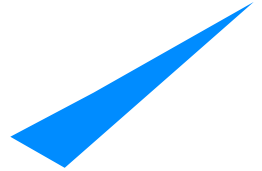


**Continuing
Investments**



Production Capacity : expansion & growth

continuing
the long term
growth story



Planned
Bi-metal
Capacity
Expansion



3 mn.
pcs p.m.

to

5 mn
pcs p.m.

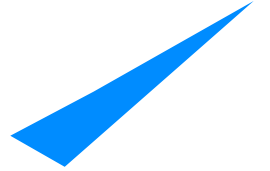
by 2021

MBL has a healthy order book position of Bimetal parts & aluminium castings orders in pipe line from domestic & global customers



Strong Financials : strong ratios

continuing
the long term
growth story



The company has been consistently operating at

EBITDA

25-26 %

PBT

20-22 %

PAT

14-15 %



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continuing
the long term
growth story



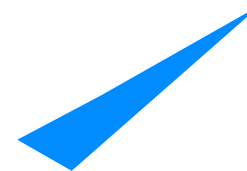
04

Guidance



projected financials : planned growth

continuing
the long term
growth story

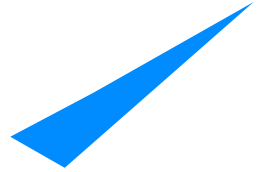


	Year	2017-18	2018-19	2019-20	2020-21	2021-22	2023-24
Sr. No.	Particulars	Audited	Audited	Audited	Projected	Projected	Projected
1	Total Income	146.78	175.41	140.36	143.00	206.00	243.00
2	Growth %	18.16%	19.51%	-19.99%	1.88%	44.06%	17.96%
3	EBITDA	38.34	44.46	31.05	30.79	52.48	65.24
4	EBITDA %	26.12%	25.34%	22.12%	21.53%	25.48%	26.85%
5	PBT	32.34	36.10	19.61	19.41	41.80	55.27
6	PBT %	22.03%	20.58%	13.97%	13.57%	20.29%	22.74%
7	PAT	21.07	25.30	14.40	14.43	31.70	41.08
8	PAT %	14.36%	14.42%	10.26%	10.09%	15.39%	16.91%
9	EPS	3.76	4.51	2.57	2.57	5.66	7.33



Assumptions for Guidance

continuing
the long term
growth story



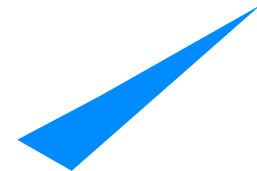
Before the downturn in Automobile Industries & Covid-19 effect, we clocked a total turnover of Rs176 Cr. in the year 2019 i.e. Rs. 132 Cr in Bearing Division and Rs44 Cr.in Alkop (AI Casting Division).

We expect normalization in 2021 & 2022.
Hence the projected turnover is Rs. 150 Cr.
and Rs. 56 Cr. respectively in Bearing and Alkop.



financial ratios :

continuing
the long term
growth story

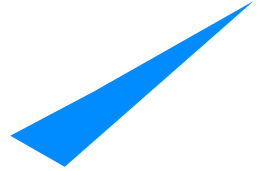


Sr. No.	Particulars	FY 2018	FY 2019	FY 2020
1	Return on Net Worth	37.66	34.04	16.32
2	ROCE	51.62	39.02	21.07
3	Debt Equity	0.44	0.48	0.44
4	DSCR	12.32	8.67	6.08
5	Asset Turnover	131.05	128.09	91.05
6	Current Ratio	1.83	2.29	1.92
7	Inventory Turnover Ratio	10.14	10.58	8.71
8	Debtors Turnover	4.83	5.47	3.63



indian market : covid recovery

continuing
the long term
growth story



issue

dampening of demand due to covid

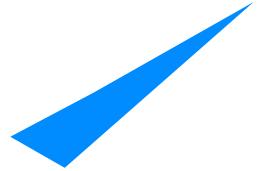
management comments

- demand could reach pre-covid levels soon
- some pent up demand will be released
- farm sector demand already gathering traction
- exports already gathering traction
- increased infra spending by govt. to boost demand



indian market : the EV challenge

continuing
the long term
growth story



issue

the emerging EV challenge

management comments

- EV challenge to traditional auto is far fetched for reasons like low charging infra, high costs, and many other issues
- MBL caters mainly to the heavy segment like Mines (Earth Moving), marine Engines, Tractors, LCV, HCV etc. & hence is reasonably less challenged
- MBL's engineering skills & setup can be adapted to make EV parts when required
- MBL's engineering skills & manufacturing setup enjoys strong brand with potential EV players



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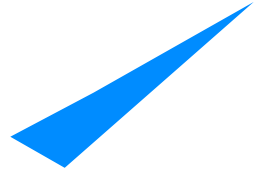
05

**Wealth
Creation
for MBL
Shareholders**



wealth creation
consistent

continuing
the long term
growth story



Particulars

2019-20

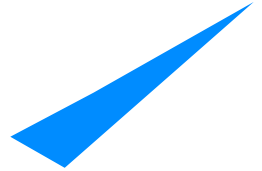
Total Dividend	250%
Total Amount	1401.00 Lakhs
Tax	285.21 Lakhs
Total Payout	1686.21 Lakhs



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wealth creation
consistent

continuing
the long term
growth story



Total Dividend Payout Since Inception

1302 %

Resulting into Payout of

79.18 Crs.

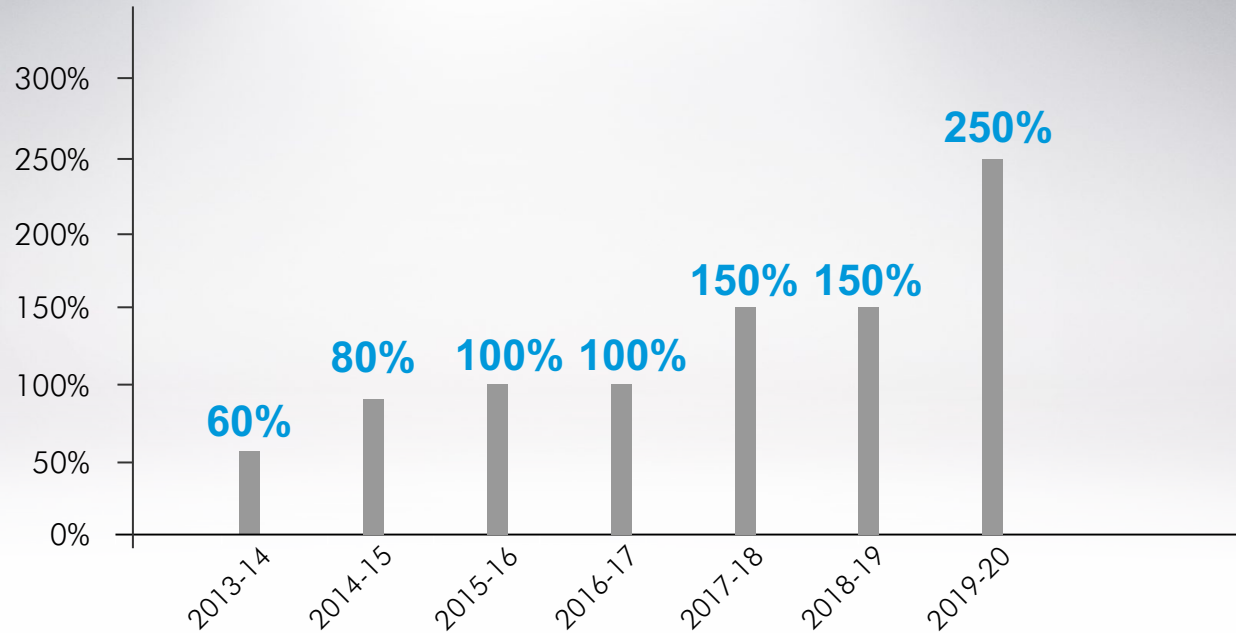
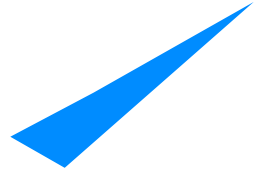
(incl. taxes)



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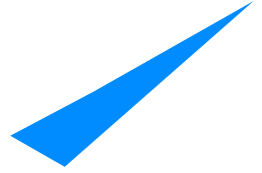
Contacts



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contacts : investors relations

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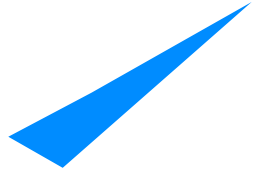
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