

Date: 26.10.2024

To,  
The Manager,  
The Listing Compliance Department  
BSE Limited,  
P. J. Towers, Dalal Street  
Mumbai - 400 001.

**Symbol: MARSONS**

**Subject: Update on Financial Results of the Company for Q2'FY25 ended 30th September 2024**

Dear Sir/Madam,

Pursuant to Regulations 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed business update for the Financial Results of the Company for the Q2'FY25 ended 30th September 2024.

We request you to take the above information on your records.

**For Marsons Limited**

Munal Agarwal  
Managing Director  
DIN: 03592597

**Marsons Limited**

## Result Highlights Q2FY25 & H1FY25

Particulars (In Lakhs)	Quarter ended			Six months ended		Previous
	Q2FY25	Q1FY25	Q2FY24	H1FY25	H1FY24	FY24
<b>Total Income</b>	4031.9	3023.9	192.05	7055.8	216.47	662.22
<b>Expenses</b>	3268.99	2483.04	129.38	5752.03	179.3	528.76
<b>EBITDA</b>	<b>762.91</b>	<b>540.86</b>	<b>62.67</b>	<b>1303.77</b>	<b>37.17</b>	<b>133.46</b>
<b>EBITDA Margins %</b>	<b>18.92%</b>	<b>17.89%</b>	<b>32.63%</b>	<b>18.48%</b>	<b>17.17%</b>	<b>20.15%</b>
<b>Finance Costs</b>	1.46	3.07	0	4.53	0	0.34
<b>Depreciation /amortization expense</b>	14.47	13.95	17.4	28.42	34.48	70.21
<b>Exceptional Items</b>	0	0	0	0	0	0.06
<b>Profit / (Loss) before tax</b>	746.98	523.84	45.27	1270.82	2.69	62.85
<b>Tax Expenses</b>	0	0	0	0	0	0
<b>PAT</b>	<b>746.98</b>	<b>523.84</b>	<b>45.27</b>	<b>1270.82</b>	<b>2.69</b>	<b>62.85</b>
<b>PAT Margins %</b>	<b>18.53%</b>	<b>17.32%</b>	<b>23.57%</b>	<b>18.01%</b>	<b>1.24%</b>	<b>9.49%</b>
<b>EPS</b>	0.44	0.31	0.03	0.74	0.00	0.04

### Key Highlights - Q2 FY'25

#### 1. Strong Revenue Growth:

- Q2 FY25 revenue increased sharply to ₹4,031.9 lakhs, a considerable rise from ₹192.05 lakhs in Q2 FY24.
- H1 FY25 total income stands at ₹7,055.8 lakhs, highlighting our ability to sustain momentum through diversified offerings and market reach.

#### 2. Enhanced Profitability:

- EBITDA for Q2 FY25 reached ₹762.91 lakhs, with margins at 18.92%, demonstrating our operational efficiencies and cost control measures.
- Profit After Tax (PAT) surged to ₹746.98 lakhs in Q2 FY25, translating to a PAT margin of 18.53%.
- The EPS improved to ₹0.44, further reflecting increased shareholder value.

### Financial Performance Summary - H1 FY'25

- Total Income: ₹7,055.8 lakhs, showing robust growth compared to ₹216.47 lakhs in H1 FY24.
- EBITDA: ₹1,303.77 lakhs, reflecting a margin of 18.48%.

#### Marsons Limited

- PAT: ₹1,270.82 lakhs, marking a significant improvement in profitability compared to ₹2.69 lakhs in H1 FY24, as our new strategies take effect.
- EPS: Grew to ₹0.74, signifying enhanced value creation for our shareholders and reflecting the success of our strategic initiatives.

### Strategic Market Entry & Product Diversification:

- **Entry into the Railway Segment:** Commenced work on our first developmental order for traction transformers from Benaras Locomotive Works for Indian Railways, positioning us in a high-potential market. This segment aligns with India's large-scale railway and metro expansion plans, offering significant growth opportunities.
- **Focus on Renewable Energy:** We are actively expanding our product portfolio to include Inverter Duty Transformers and Generator Step-Up Transformers. These are crucial for solar and wind power plants, supporting India's renewable energy targets of 500 GW by 2030. This segment is projected to contribute 30-40% of our revenue by FY27.

### Capacity Expansion:

- We plan to double our manufacturing capacity to 9,000 MVA by FY27, leveraging existing infrastructure and land bank. This expansion is capital-efficient, utilizing pre-constructed facilities, ensuring readiness to meet the anticipated market demand.

### Strategic Focus Areas

- **Strengthening Domestic Presence:** With our geographic advantage in Eastern India, we continue to strengthen ties with state electricity boards, power utilities, and corporate customers, offering tailored solutions that meet local needs.
- **Global Market Expansion:** High focus on exports to regions like the US, UK, Germany, and the Middle East, where demand is high and margins are accretive. Our prototype building phase is complete, allowing us to scale up operations and meet international standards.
- **Innovation and Technology:** We have integrated cutting-edge technology into our production processes enabling us to provide high quality products. Our backward integration capabilities allow in-house production of critical raw materials, ensuring consistent quality and cost efficiencies.

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## Growth Drivers

### 1. Expanding Market Opportunities:

- The Indian transformer market, valued at approximately ₹324 billion in FY24, offers immense potential, driven by grid expansions, renewable energy integration, and government initiatives like the RDSS (Revamped Distribution Sector Scheme).
- With increasing focus on infrastructure development, including high-voltage transmission projects, we see opportunities for distribution and EHV transformers in both the domestic and export markets.

### 2. Rising Demand from Renewable Energy:

- As India transitions towards clean energy, there is a rising demand for specialized transformers used in solar and wind power installations. The country's renewable energy capacity is expected to reach 537 GW by 2030, making HVDC (High Voltage Direct Current) technology a crucial component of the transmission network.
- Our investments in advanced manufacturing capabilities for renewable energy transformers are well-positioned to capitalize on this trend.

### 3. Booming Export Markets:

- Strong demand from the US and EU markets due to supply constraints and long lead times has opened new avenues for growth. The US transformer market has seen a price hike of 60-70% since 2020, with lead times extending up to 210 weeks for large installations.
- India, being the second-largest exporter of transformers, holds a competitive edge with its cost-effective production and stringent quality standards. Our strategy includes both organic and inorganic expansion to tap into this growing demand.

### 4. Strategic Investments in Data Centers:

- The Indian data center industry is rapidly expanding, with an expected capacity increase from 870 MW in FY22 to 1,800 MW by 2025. This growth represents a ₹400 billion investment opportunity, where transformers play a vital role, accounting for ~60% of the capital expenditure.
- As data centers become a critical part of India's digital infrastructure, our transformers are well-suited to meet the high power density requirements of these facilities.

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## Outlook

- **Capacity Utilization and Expansion:** Aiming to achieve full capacity utilization with planned expansions, including a focus on EHV transformers segment, catering to large-scale transmission projects.
- **Renewable Energy and Infrastructure Focus:** Emphasizing growth through EPC projects and synergistic opportunities in solar power, wind energy, and large-scale infrastructure projects like railways and metros.
- **Sustainable Growth Strategy:** Pursuing high-margin export opportunities while continuing to strengthen our presence in the domestic market to ensure a balanced and sustainable growth trajectory.

## About Marsons Limited:

Marsons Limited stands as a well-established name in the power and distribution transformer industry, leveraging over 60 years of rich experience. Our core capabilities encompass the entire value chain—from designing and manufacturing to supplying, testing, and commissioning power transformers. We are proud to be a multi-product and service organization, manufacturing a diverse range of transformers including Distribution & Power Transformers (10 KVA to 160 MVA, 220 kV class), Furnace Transformers, Dry Type Transformers, and specialized application transformers. Our advanced manufacturing unit in Kolkata spans 35,000 sq.m, equipped with state-of-the-art infrastructure to produce EHV (Extra High Voltage) transformers up to 220 kV class. This facility includes an in-house Impulse Testing Laboratory and Autoclave system, setting industry benchmarks for quality.

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