



**TRANSIQUE**  
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# Industry Insights - Financial Performance & Valuation Trends

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**Metals and Mining Industry**  
**October 23**

# Background (Coverage & Approach)

Transique Corporate Advisors takes immense pleasure in presenting its Tenth Industry Insight report capturing the financial performance and valuation trends over 3 year period of “Metals and Mining Industry” and its Sub Industries including Trading-Minerals, Copper, Trading-Metals, Pig-Iron, Aluminium, Sponge Iron, Industrial Minerals, Iron & Steel, Diversified Metals, Ferro & Silica Manganese. These trends are based on the data of last two audited financial years (FY 2020-21 and FY 2021-22) and trailing twelve months (TTM) consolidated financials as on July 2023.

The purpose of this “Metals and Mining Industry Insight Report” is to provide an executive summary of Metals and Mining Industry including its emerging Industry trends and Investment opportunities, macro understanding of the financial performance and movement in the median valuation multiples of companies operating in Metals and Mining Industry and its Sub-Industries.

For preparation of this Metals and Mining Industry Insight report on we have analysed 107 companies listed on NSE/BSE. After applying our proprietary filtration criteria for eliminating the outliers and adjusting for Infrequently Traded Companies, we have done detailed analysis of 35 companies which has been summarised in this report.

We hope this Industry Report Series: Financial performance and Valuation trends would be of use to the Corporates, Investors and Professionals. If you require any guidance or support or have any feedback, you may write to us at [info@transique.in](mailto:info@transique.in)

To read about more such Industry Insights and Valuations of 21 Industries and 193 Sub Industries, click here: <https://www.transiqueadvisors.com/transique-insight/>

# Executive Summary : Metals and Mining Industry

## Background

India is largely self-sufficient in metallic minerals including bauxite, chromites, iron ore, and lignite as well as mineral fuels like coal and lignite. India has the second largest production capacity of aluminium in the world of about 4 million tonnes per annum (MTPA). India's overall coal production has seen a quantum jump to 893.08 MT in FY23 as compared to 728.72 MT in FY19 with a growth of about 22.6%

## Contribution to GDP

Approximately 3.3%

## Employment Generation

Approximately 1.3 Million

## Key Achievements

In Budget 2023-24, capital investment outlay for infrastructure is being increased by 33% to Rs.10 lakh crore (US\$ 122 billion), which would be 3.3 per cent of GDP. The government plans to monetize assets worth Rs. 28,727 crore (US\$ 3.68 billion) in the mining sector over 2022-25. In 2022, PLI Scheme for domestic production of specialty steel has been approved with an outlay of Rs.6,322 crore (US\$ 762.4 million) by the Cabinet.

## Present Scenario

The index of mineral production of mining and quarrying sector for the month of January, 2023 (Base: 2011-12=100) at 135.9, is 8.8% higher as compared to the level in the month of January, 2022. As per the provisional figures of Indian Bureau of Mines (IBM), the cumulative growth for the period April- January, 2022-23 over the corresponding period of previous year is 5.8%. As on January 2023, India's total installed electricity generation capacity stood at 411,694 MW. As of February 2023, the installed solar energy capacity has increased by 24.4 times in the last 9 years and stands at 63.3 GW. India's power consumption grew by 13.31% on an annual basis to 127.39 billion units (BU) in October 2022 and 11.65% in H1 FY23.

## Growth Drivers

Government of India is encouraging private ownership for steel operations and other high priority industry. The government plans to monetize assets worth Rs. 28,727 crore (US\$ 3.68 billion) in the mining sector over 2022-25. District Mineral Foundation (DMF) has been established in 622 districts of 23 States and a total of Rs. 71,128.71 Crore (US\$ 8.5 billion) has been collected till October 2022 under DMF.

## Future Outlook

The Indian government's approved National Steel Policy (NSP) 2017 envisages 300 million tonnes (MT) steel-making capacity and 160 kgs per capita steel consumption by 2030-31. Ministry of Coal aims to enhance coal production to ambitious target of 1.23 Billion Tonne (BT) by 2024-25.

# Investment Opportunities

**Unexplored mines-** Only 20% of the total reserves of minerals have been mined till now.

The Union Government in February this year said that 5.9 million tonnes of lithium reserves had been found for the first time in the country in Jammu and Kashmir.

After its first ever policy on critical minerals in June this year, the Indian government recently cleared key legislations to allow private players to explore and mine these minerals in order to increase supply and reduce import dependency.

Experts believe that a lot of the new moves depends on how fast India builds its supply chain of critical minerals.

Coal India will incur a capex of Rs 40,000-50,000 crore over the next 4-5 years and a large chunk of the investment would be in procurement of mining equipment.

Companies engaged in the mining activities are increasing the use of technological advancements such as machine learning (ML) and artificial intelligence (AI) in mining processes. This factor is resulting into increased opportunities for players in the mining equipment market. Moreover, the market is being driven by increased penetration of the Internet of Things (IoT) and rise in the acceptance of digitalization and automation in the mining industry.

# Financial Performance & Valuation Multiples Trends Analysis

## Metals and Mining Industry

Industry	Financial Metrics			Valuation Multiple
	Revenue Growth	EBITDA Margin	Debt to Market Cap	EV/EBITDA Multiple
Trading - Minerals	From FY 21 to 2023 at CAGR 86%	Decreased to 9% in 2023 from 13% in FY 21	Increased to 0.13 in 2023 from 0.12 in FY 21	Constant at 24x in 2023 in comparison to FY 21
Copper	From FY 21 to 2023 at CAGR 17%	Increased to 17% in 2023 from 13% in FY 21	Decreased to 0.50 in 2023 from 0.61 in FY 21	Decreased to 15x in 2023 from 21x in FY 21
Trading - Metals	Negative Growth From FY 21 to 2023 at CAGR -32%	Constant at 1% in 2023 in comparison to FY 21	Decreased to 0.32 in 2023 from 0.44 in FY 21	Increased to 14x in 2023 from 4x in FY 21
Pig - Iron	From FY 21 to 2023 at CAGR 39%	Decreased to 16% in 2023 from 22% in FY 21	Constant at 0.10 in 2023 in comparison to FY 21	Increased to 11x in 2023 from 9x in FY 21
Aluminium	From FY 21 to 2023 at CAGR 30%	Increased to 8% in 2023 from 7% in FY 21	Decreased to 0.18 in 2023 from 0.70 in FY 21	Increased to 10x in 2023 from 6x in FY 21

# Financial Performance & Valuation Multiples Trends Analysis

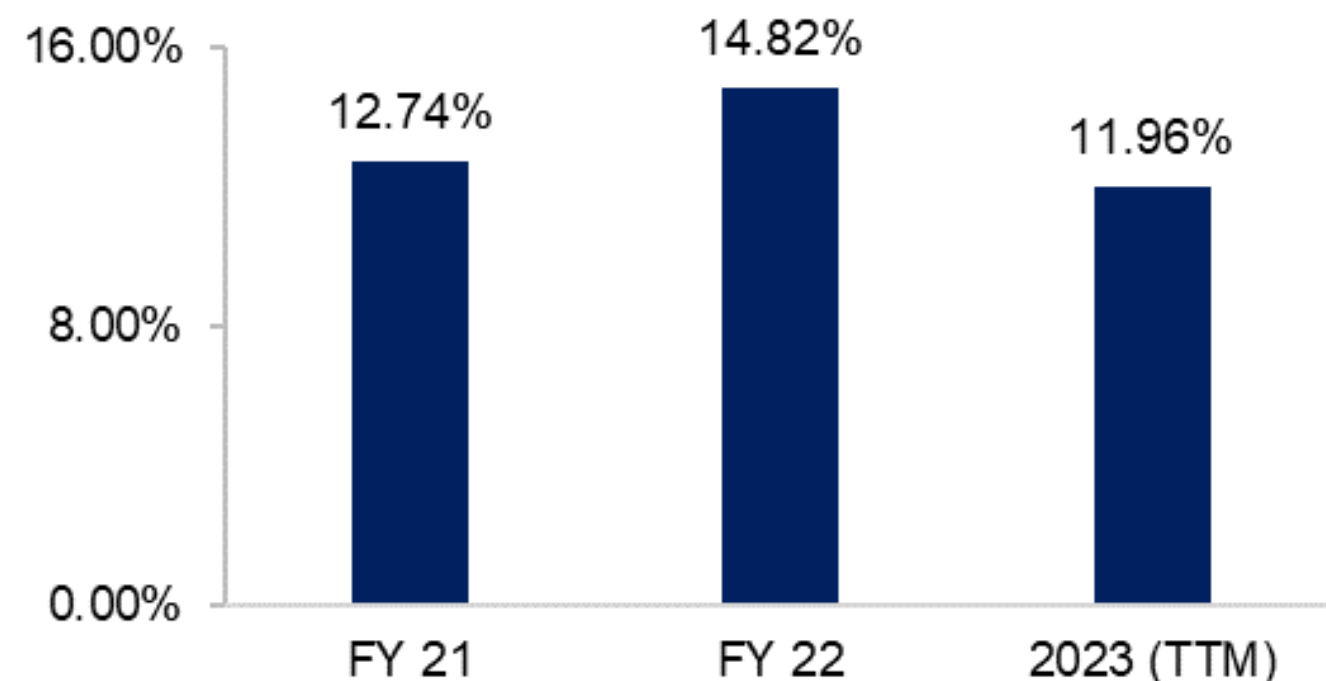
## Metals and Mining Industry

Industry	Financial Metrics			Valuation Multiple
	Revenue Growth	EBITDA Margin	Debt to Market Cap:	EV/EBITDA Multiple
Sponge Iron	From FY 21 to 2023 at CAGR 20%	Decreased to 5% in 2023 from 6% in FY 21	Decreased to 0.81 in 2023 from 3.51 in FY 21	Increased to 7x in 2023 from 6x in FY 21
Industrial Minerals	From FY 21 to 2023 at CAGR 45%	Decreased to 13% in 2023 from 15% in FY 21	Decreased to 0.15 in 2023 from 0.50 in FY 21	Increased to 7x in TTM from 5x in FY 21
Iron & Steel	From FY 21 to 2023 at CAGR 57%	Decreased to 12% in 2023 from 19% in FY 21	Decreased to 0.36 in 2023 from 0.85 in FY 21	Increased to 7x in 2023 from 5x in FY 21
Diversified Metals	From FY 21 to 2023 at CAGR 29%	Decreased to 25% in 2023 from 33% in FY 21	Decreased to 0.64 in 2023 from 0.68 in FY 21	Constant at 4x in 2023 in comparison to FY 21
Ferro & Silica Manganese	From FY 21 to 2023 at CAGR 29%	Decreased to 18% in 2023 from 19% in FY 21	Decreased to 0.17 in 2023 from 0.56 in FY 21	Decreased to 4x in 2023 from 5x in FY 21

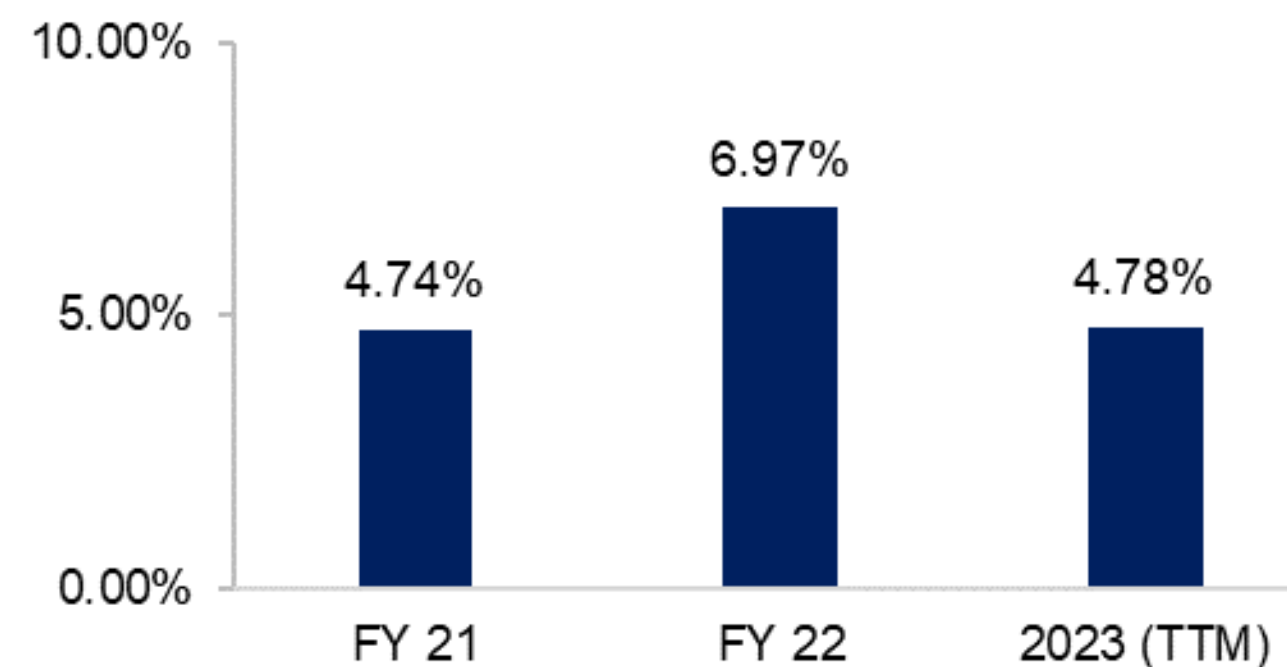


# Financial Performance Charts for 3 Years of Metals and Mining Industry

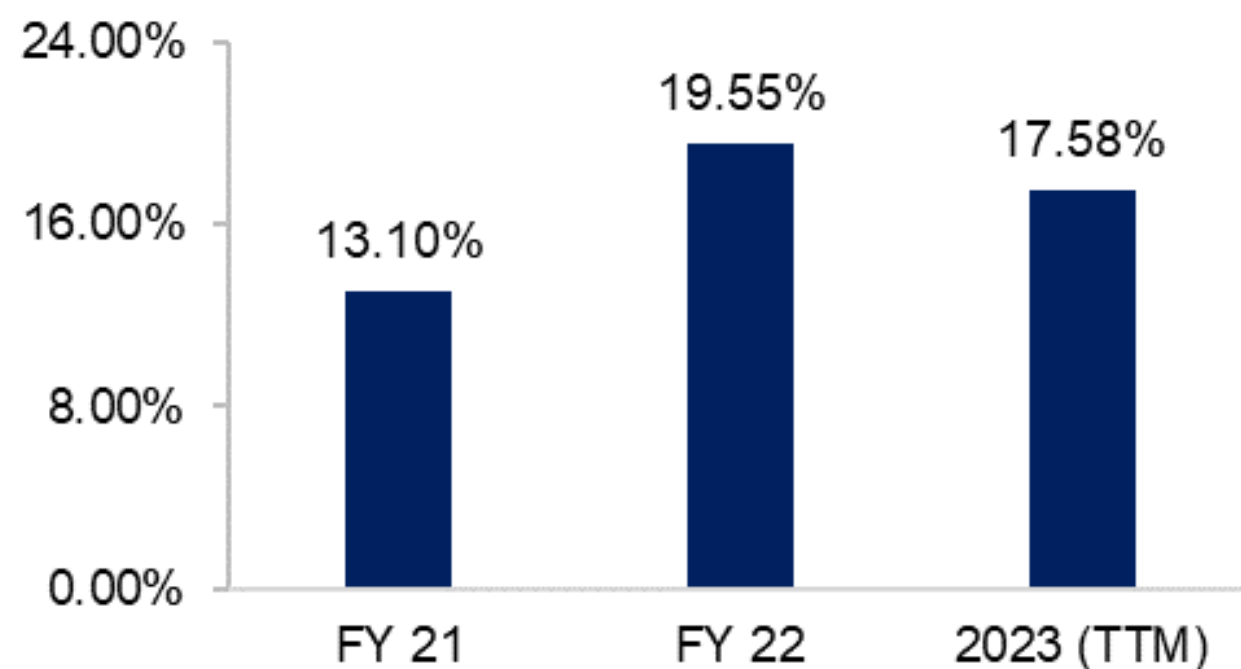
### EBITDA Margin (%)



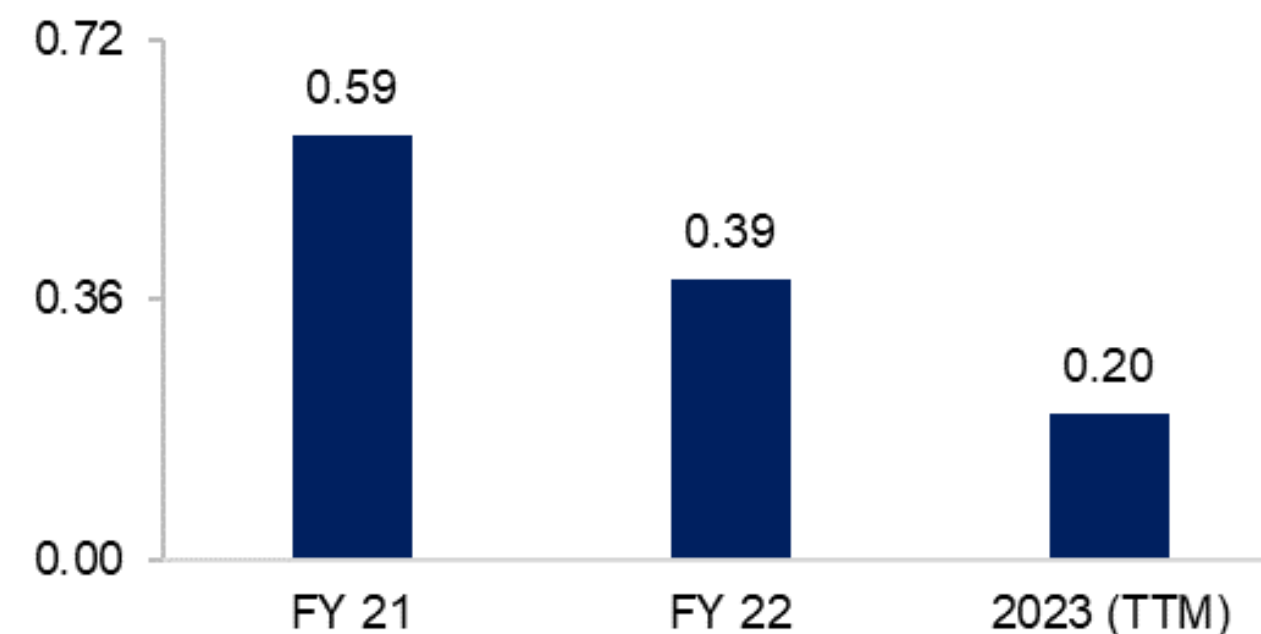
### PAT Margin (%)



### ROCE (%)



### Debt to Market Cap Ratio

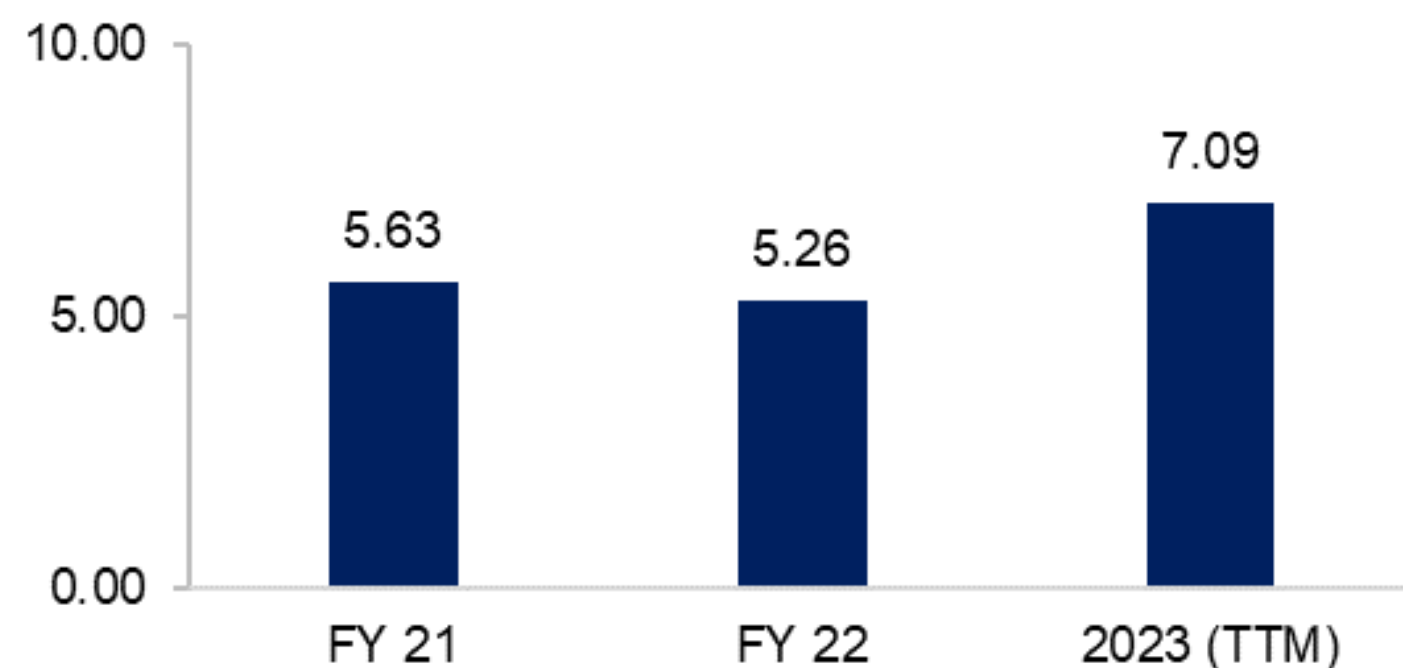


Source: Capitaline  
\*TTM as on date 20-07-2023

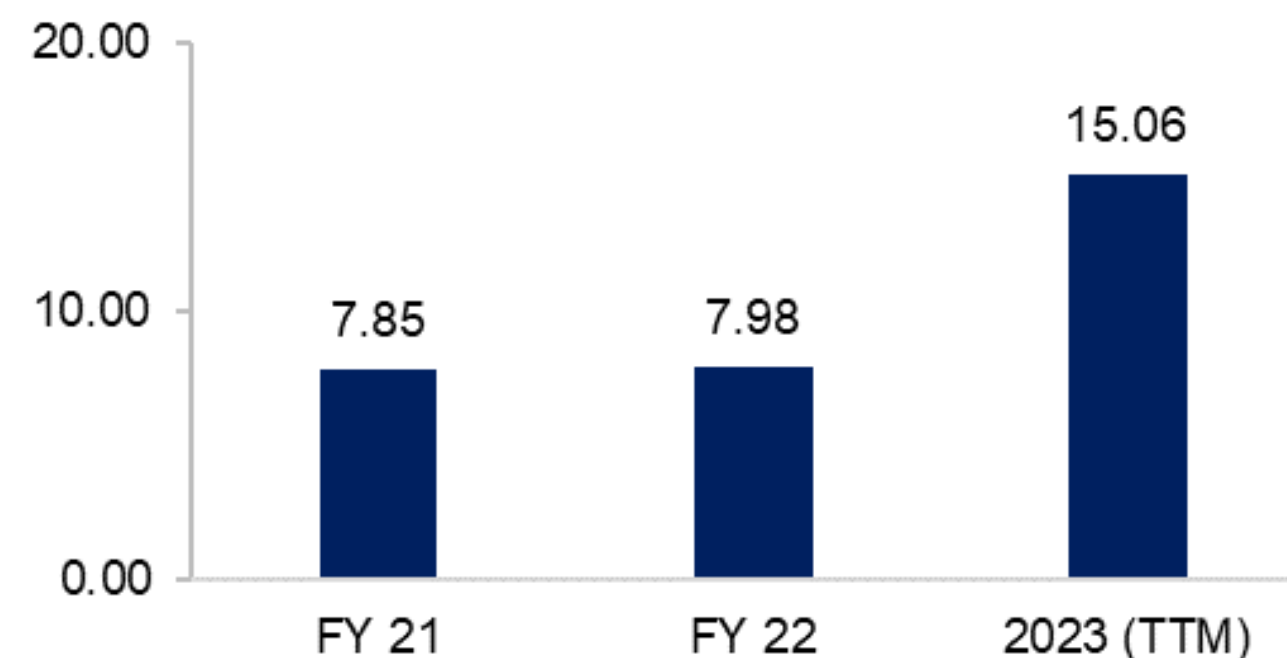


# Valuation Multiples Trend analysis for 3 Years of Metals and Mining Industry

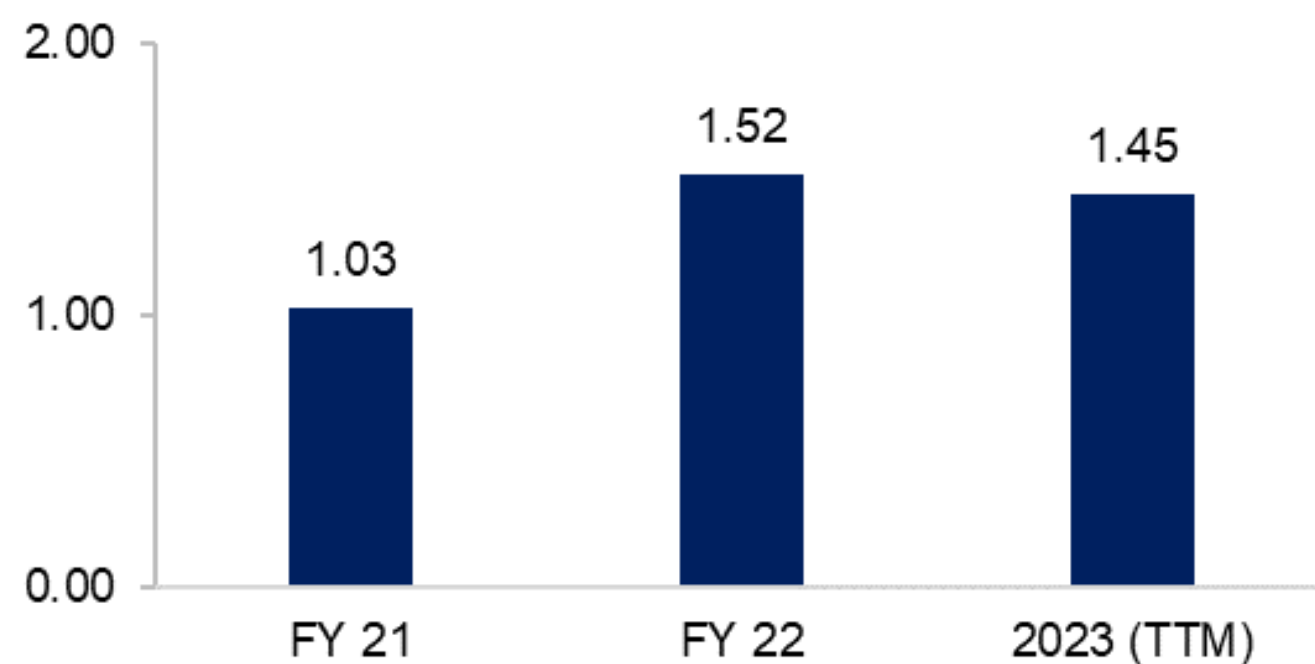
### EV/EBITDA



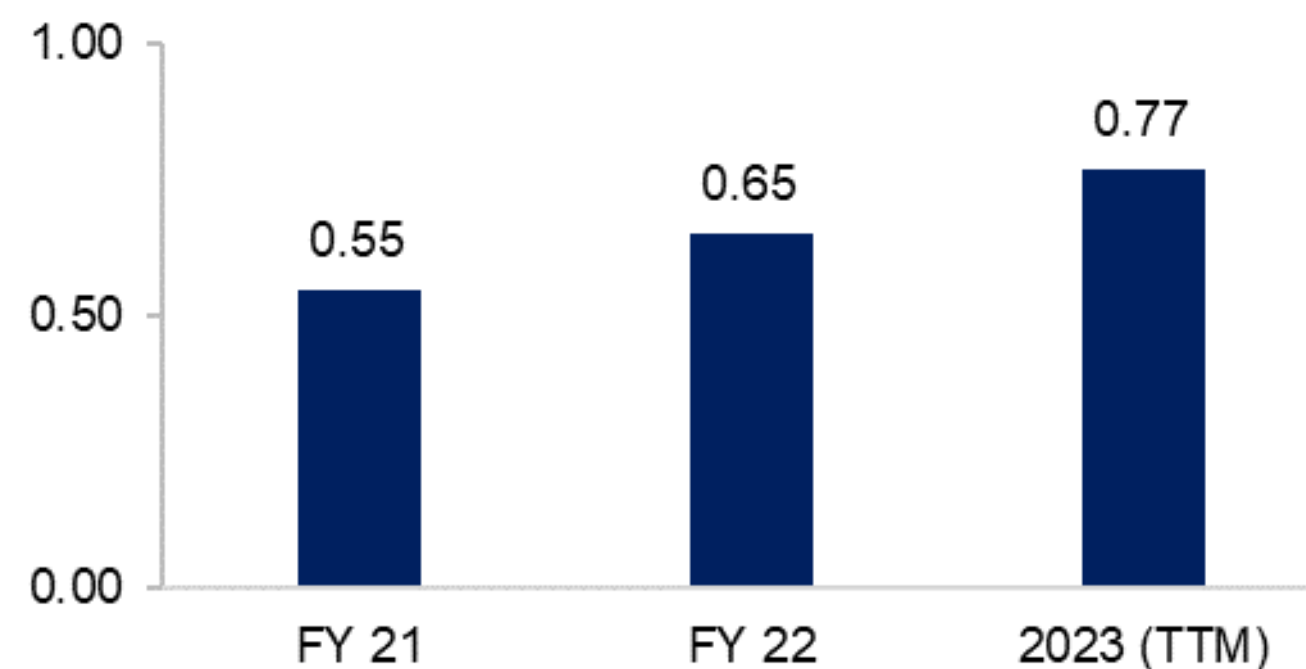
### Price to Earnings (PE)



### Price to BV



### Market Cap/Sales



# Top Performing Companies in Metals and Mining Industry

Trading - Minerals



Adani Enterprises Limited



Copper



Hindustan Copper Limited  
(A Government of India Enterprise)



BHAGYANAGAR INDIA LIMITED

Trading - Metals



Pig - Iron



Aluminium



# Top Performing Companies in Metals and Mining Industry

Sponge Iron



Industrial Minerals



Iron & Steel



Diversified Metals

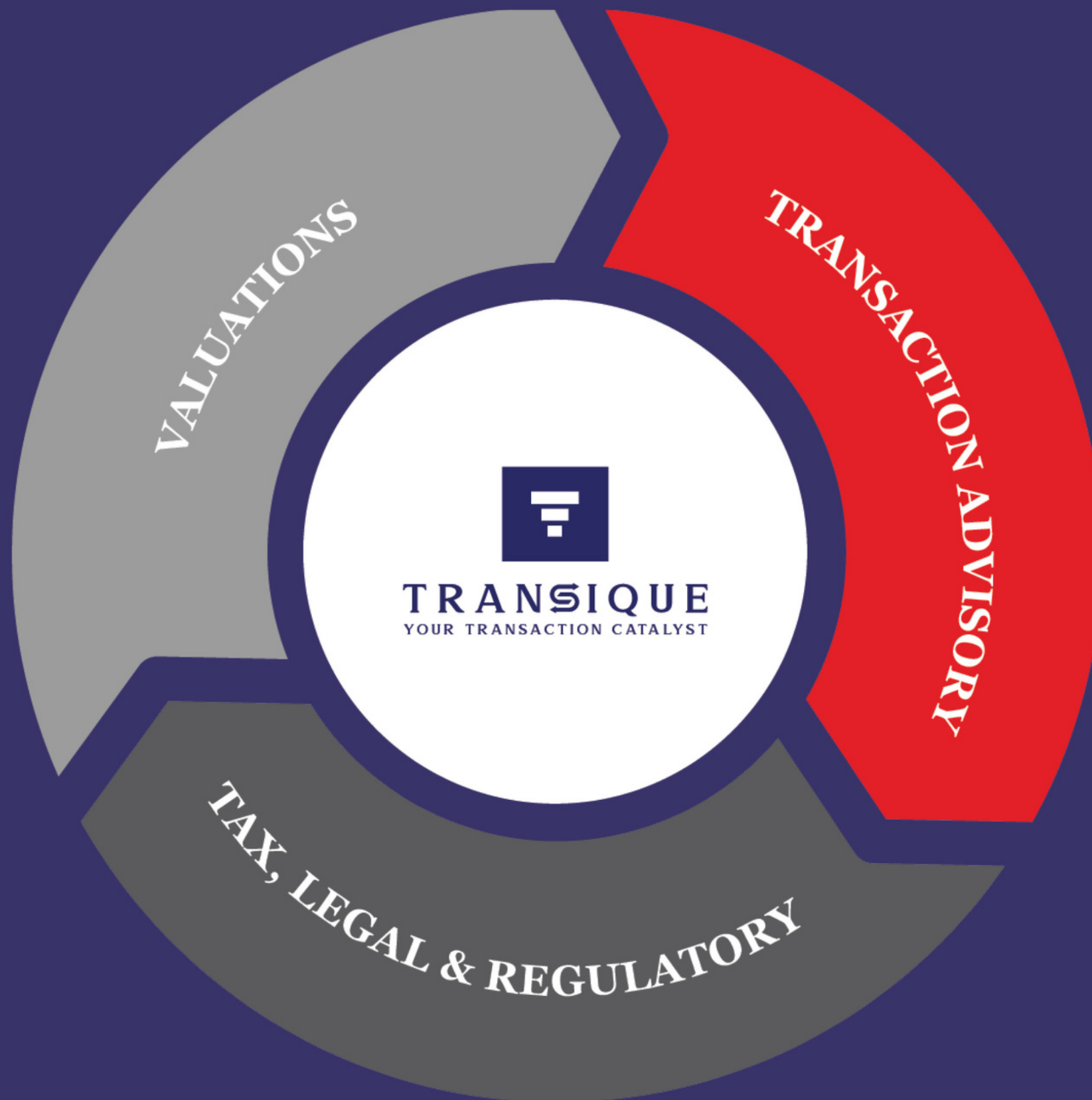


Ferro & Silica  
Manganese



# Industry, Sub Industry & Sub Group Classification

Industry	Sub Industry	Sub Group	No. of Companies
Metals & Mining	Aluminium	Aluminium	3
		Aluminium - Extrusions	1
		Aluminium - Sheets / Coils / Wires / Others	3
	Copper	Metal - Copper / Copper Alloy Products	2
	Diversified Metals	Mining / Minerals	1
		Chemicals - Inorganic- Large	1
		Ferro Alloys	2
		Ferro Alloys	1
	Industrial Minerals	Metal - Others	1
		Mining / Minerals	4
		Steel - Large	4
	Iron & Steel	Steel - Medium / Small	3
		Steel - Rolling	1
		Steel - Sponge Iron	1
		Steel - Pig Iron	2
	Pig Iron	Steel - Pig Iron	2
	Sponge Iron	Steel - Sponge Iron	2
	Trading - Metals	Trading - Medium /Small	1
	Trading - Minerals	Trading - Large	1
Trading - Medium / Small		1	
		<b>Grand Total</b>	<b>35</b>



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