



HARIOM PIPE INDUSTRIES LIMITED

INVESTOR PRESENTATION
December 2023



VISION

To be a benchmark in steel pipe industry for high quality products, customer trust and inclusive growth

MISSION

To grow sustainably through geographical and value-added product portfolio expansion

GOAL

To reach **Rs 2,500 crore** in Revenue by **FY26** without compromising on profitability



Galvanized coil stockyard

From our roots in steel pipes & tubes trading to becoming a producer of premium steel pipes and tubes products, we are defined by our....

- Deep understanding of customer requirements, geography-wise
- Persistence & strength in backward integration
- Penchant for value-added products
- Passion for adopting new technology and best practices
- Solid execution of growth projects

Steel pipe industry is growing – And we are in a strong position

- One of the most integrated producers of steel pipes with a growing basket of value-added products
- Cold-Rolled and Galvanized steel pipe products to enhance our product portfolio and fill gaps in demand-supply
- Evolving into a pan-India brand, rooted in innovation and supported by cultural transformation
- Highly focused management driven towards value creation
- Executing our strategic plan for profitable growth and cash generation
- Projecting strong financial profile



MS pipes

6 strategic pillars underpin our future performance



1

Lead in value-added products

2

Focused expansion
(Backward, Forward and Geographical)

3

Superior customer experience

4

Inclusive stakeholder management

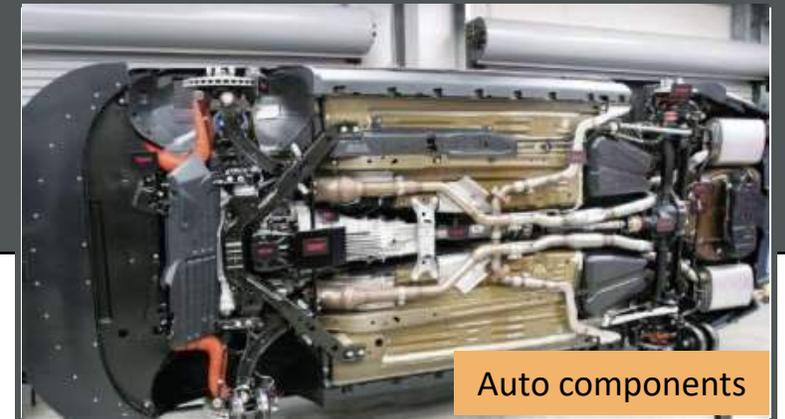
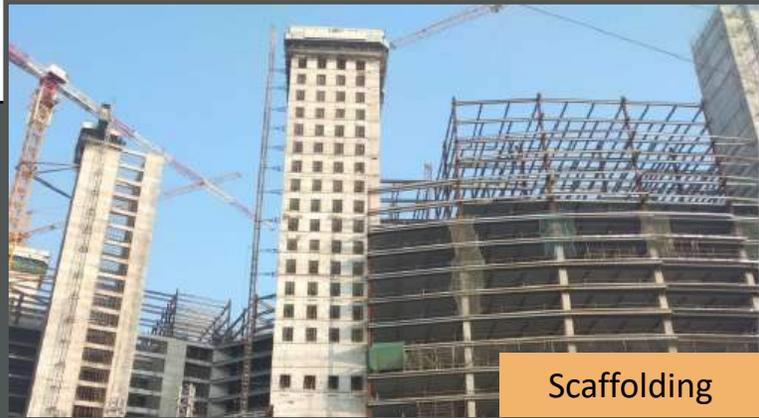
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Focus on profitability

6

Generating free cash flow

Building the Hariom brand as a synonym for high-quality



Building the Hariom brand as a synonym for high-quality



Plan to expand across India while increasing production

Building a professional leadership team to drive ongoing and future expansion

Expanded capacity to 701kt, 2.3x since FY22

- GP/GC capacity of 300kt
- MS Pipe capacity of 132kt

Building a pan-India dealer network

- Strengthening presence in South India
- Expanding into key consumption markets of Maharashtra, Gujarat and Rajasthan

Develop growth options

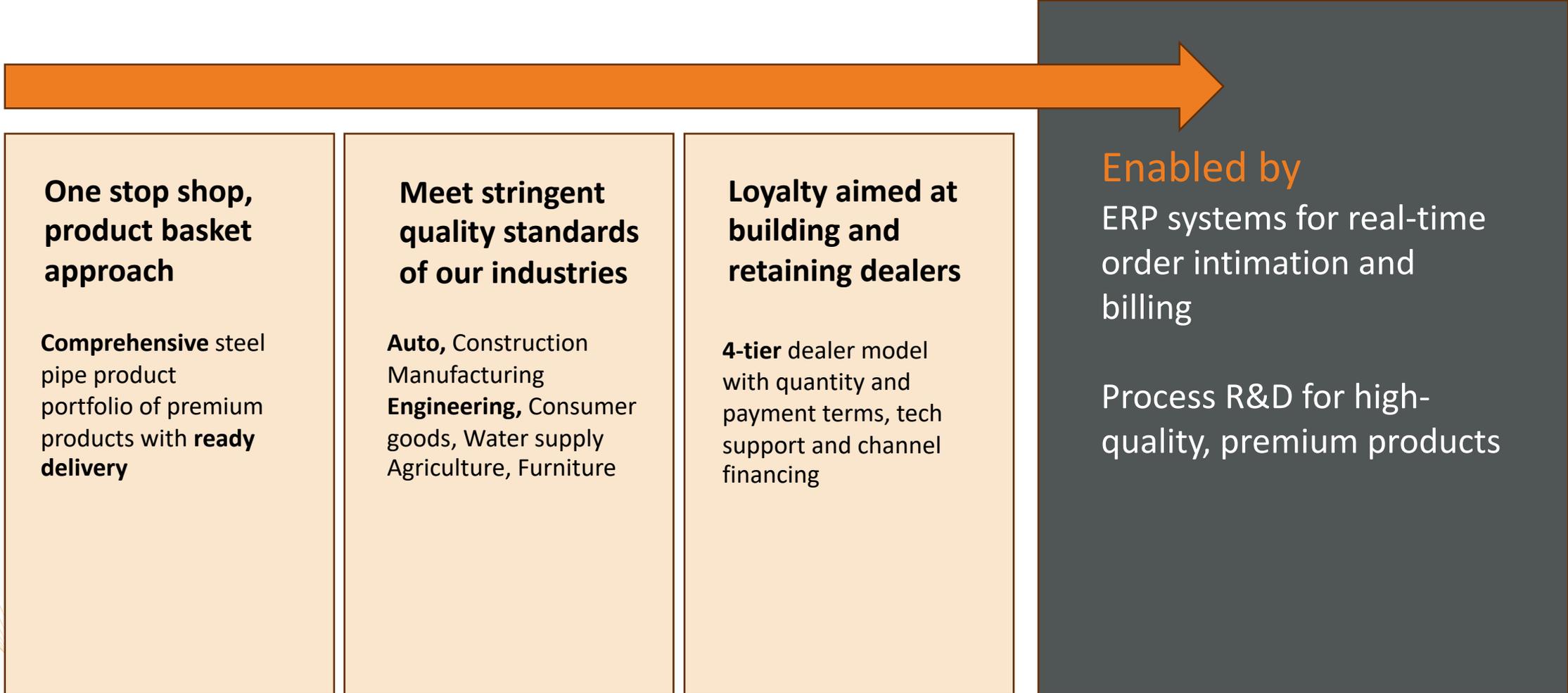
- Increase backward integration and forward integration (value-added products)

Modern facilities driving sustainable production



Pillar 3 – Superior Customer experience

Evolving the customer experience



Aiming for inclusive growth



Customers

- New products
- Wider dealer network
- Quality standards
- 24x7 availability

Dealers

- Distribution opportunity
- Cost-effective solutions
- Channel financing

Employees

- Upskilling through training and development
- Building professional management

Environment

- Recycling 30Kt of steel
- Hot charging to reduce carbon emissions
- ZLD system installed
- First Pipe unit in India 100% powered by solar power

Investors

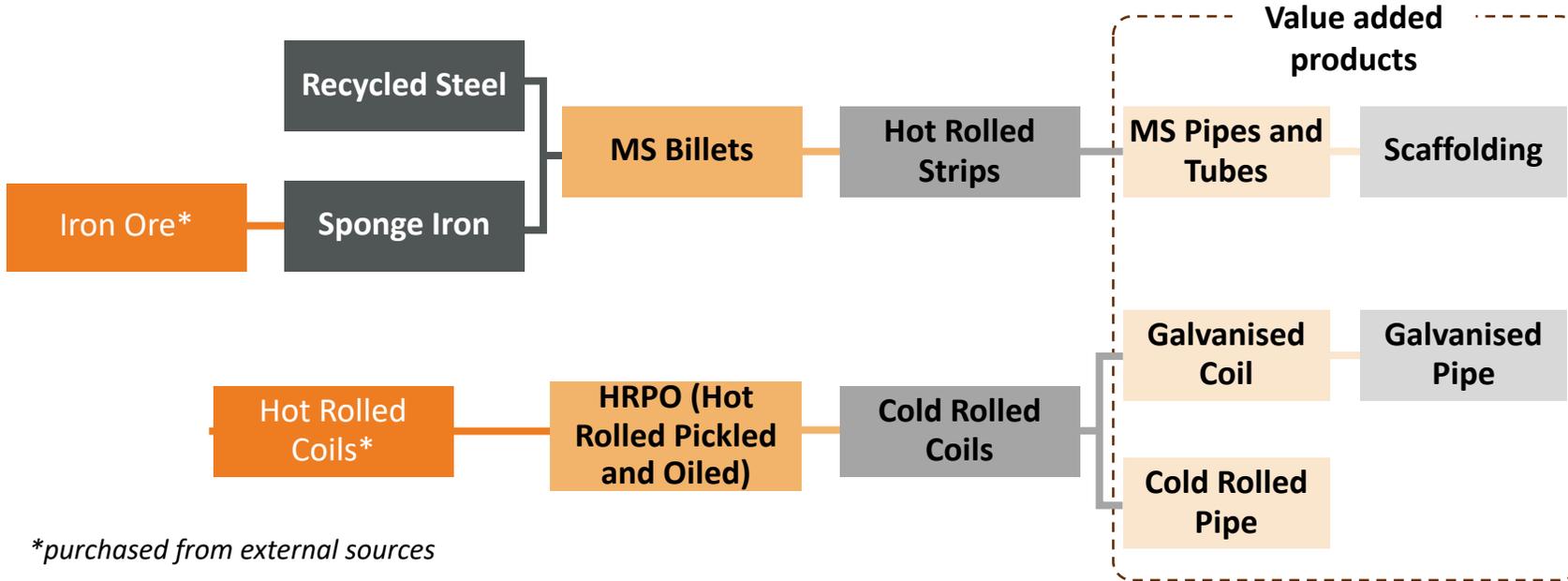
- Focused communication and interactions
- Transparent reporting
- Dividend policy from FY24 onwards
- Create shareholder value

Communities

- CSR activities
- Local employment
- Working with local communities

Cohesive plan to increase EBITDA margin

Optimised operations



*purchased from external sources

Underpinned by:

Process R&D

- ✓ Quality products
- ✓ Lower COP

Operational excellence

- ✓ 24-hr delivery
- ✓ Low power & fuel cost

Sales excellence

- ✓ Higher sales
- ✓ Lower channel inventory

Key levers:

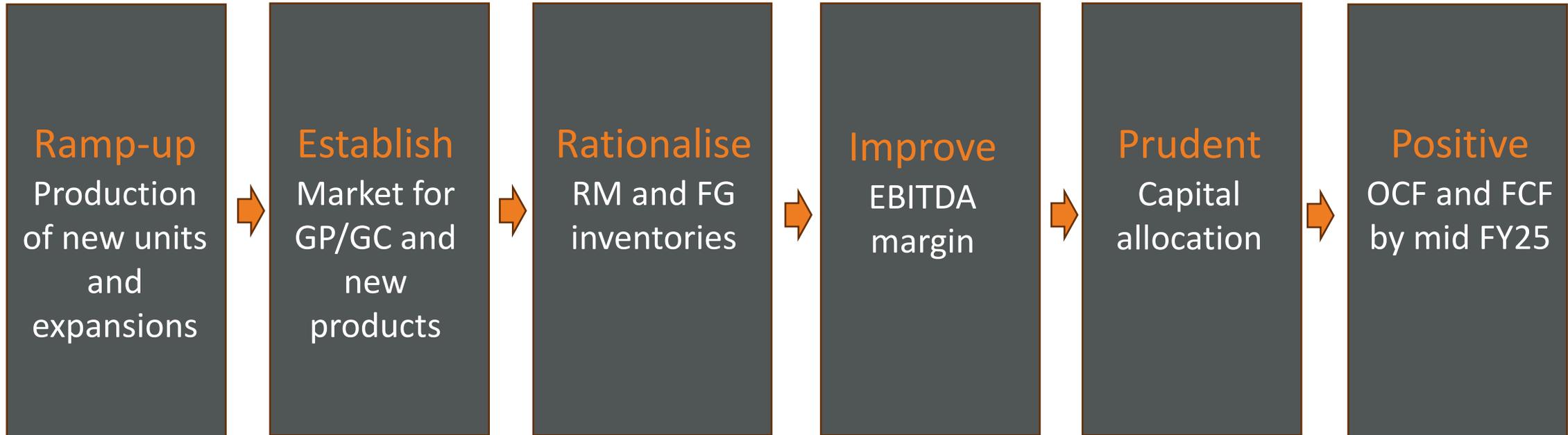
- Fully integrated production of MS Pipes
- Strategic sourcing
- Increasing sales of value-added products
- Leverage demand-supply mismatch across the value chain

CR Tandem Mill as example of profit focus in the core



- The CR mill at the ISP at Mahabubnagar, TS is a tandem mill, wherein 3 cold rolling processes reduce thickness variation
- This process results in high-quality products
- Produces pipes of thickness as low as 0.4mm, which have high demand and premium

Key levers to achieve higher cash flows



Highly focused management driven towards value creation

Key Management



Rupesh Kumar Gupta
Managing Director

Mr Rupesh Gupta has led the company since its inception and has charted its growth through strategic asset management and prudent financial management.



Shailesh Gupta
Whole Time Director

Mr Shailesh Gupta is the co-founder and has played a key role in establishing sales and marketing network of the Company.

Over 50+ years of experience in steel pipes industry

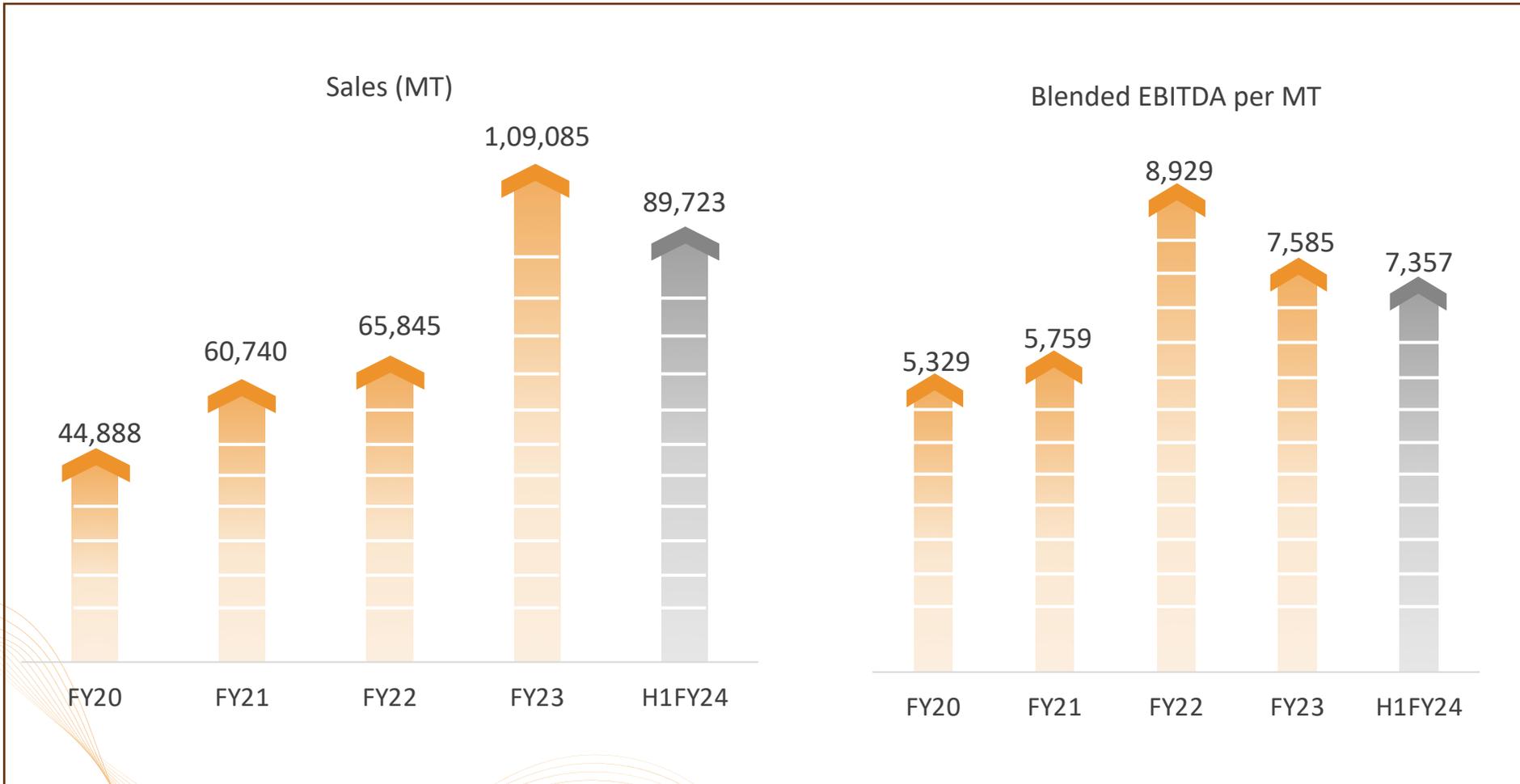
Young management team

A single-minded focus on business

Progressive approach to business management

Projecting strong financial profile

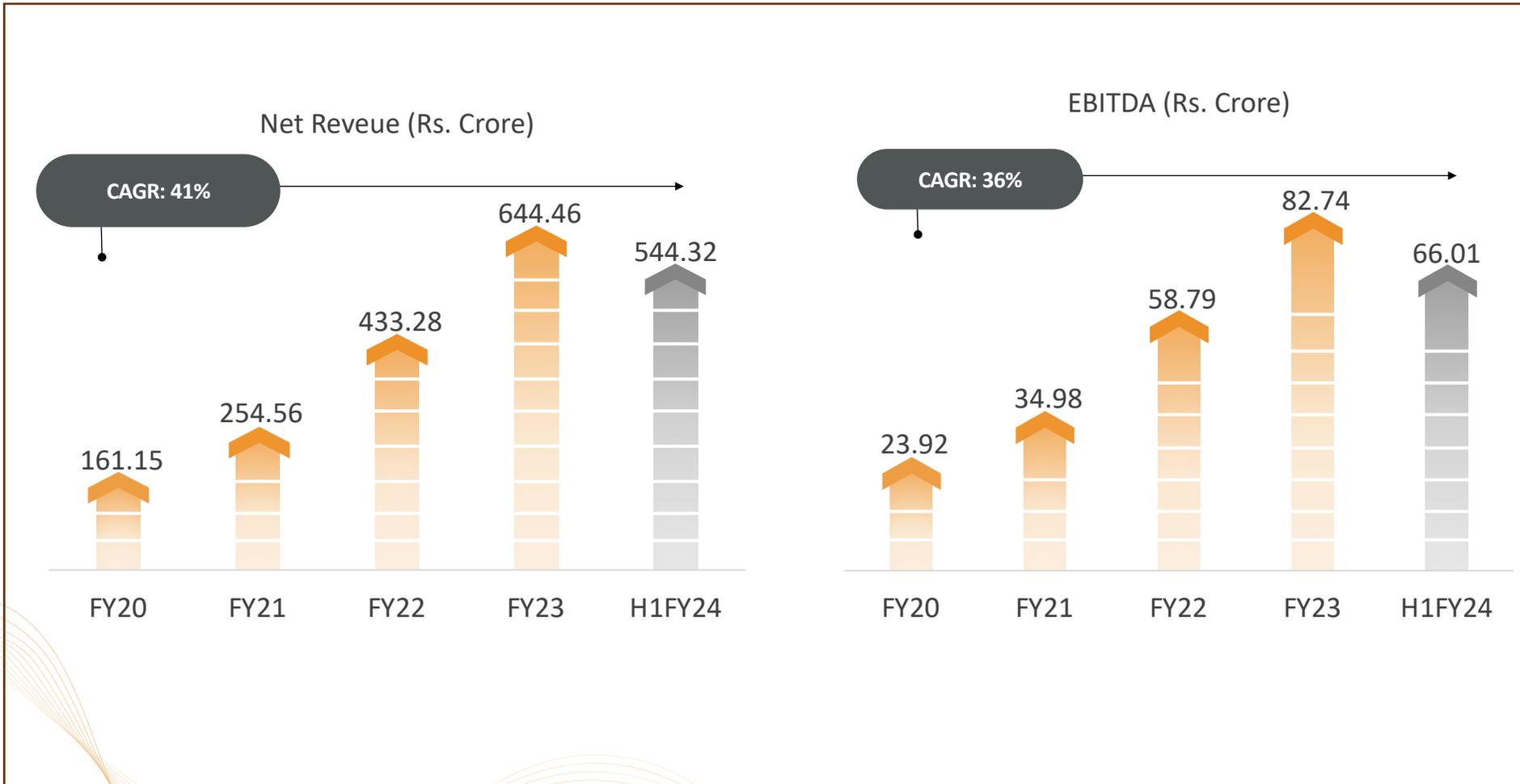
Sales and profit margin are expected to grow significantly



- Key drivers include higher value-added product sales and supply chain efficiencies
- Economies of scale and geographical presence
- Improved profitability through ramp-up of newly established capacities

Projecting strong financial profile

On track to achieve our FY26 goal



- Enhanced capacity for rapid growth
- Expanded our portfolio and footprint
- Emphasis on cost efficiency
- Put in place levers for margin expansion

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Thank You



Amitabha Bhattacharya



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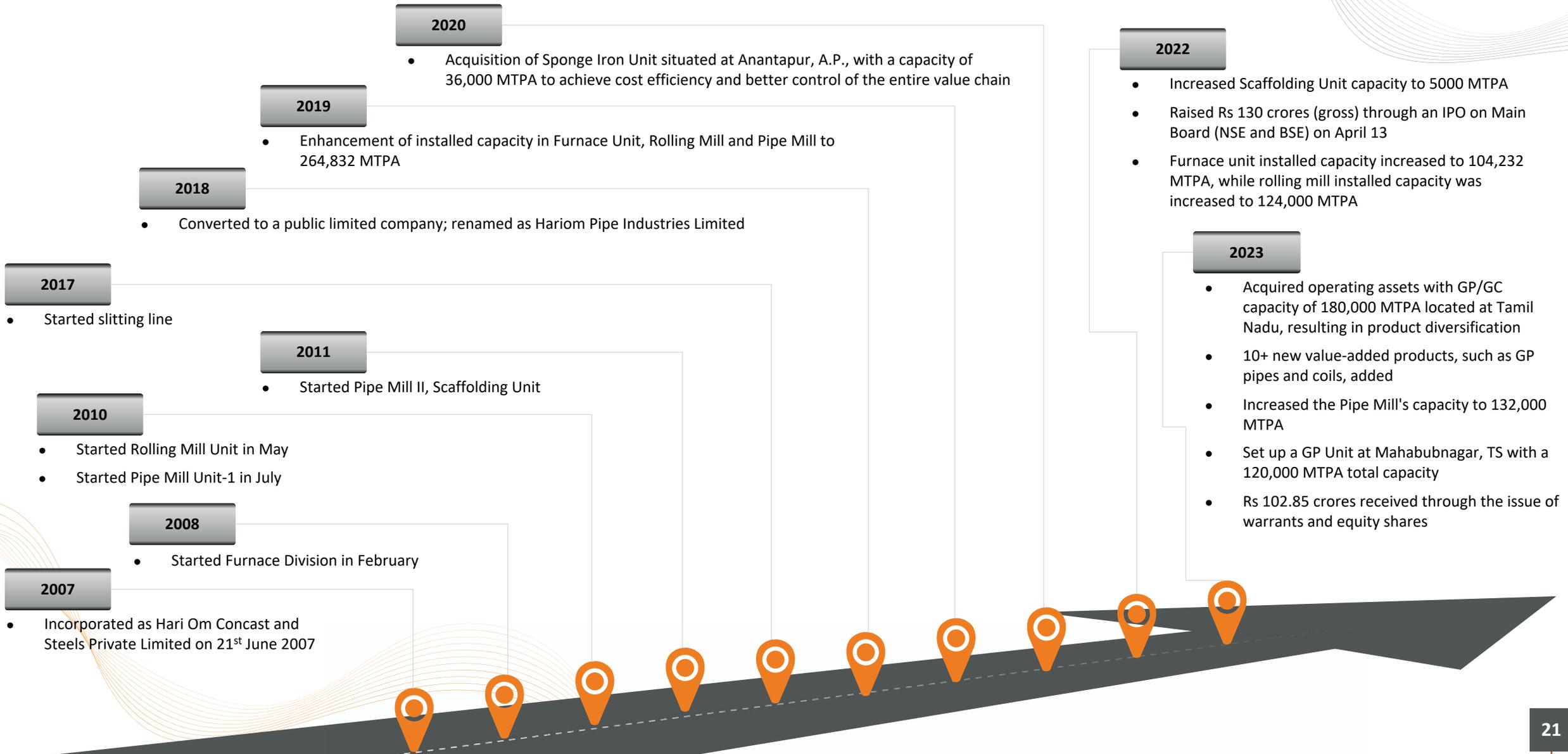


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Appendix

Progressively adding capacity of value-added products



Modern facilities driving efficient and sustainable production

Location	Products and Installed Capacity			
	Product	Capacity in FY22, MTPA	Capacity in FY23, MTPA	Current Capacity, MTPA
Mahabubnagar, Telangana Integrated Steel Plant Value Products Unit	M.S. Billets	95,832	1,04,232	1,04,232
	HR Strips	84,000	1,24,000	1,24,000
	MS Tubes	84,000	84,000	1,32,000*
	Galvanised Pipes	-	-	1,20,000*
	Scaffolding	1,000	5,000	5,000
Anantapur, Andhra Pradesh (near Bellary) Sponge Iron Unit	Sponge Iron	36,000	36,000	36,000
Perundurai, Erode, Tamil Nadu GP/GC plant A newly acquired plant through an Asset Transfer Agreement for a cash consideration of Rs 55 Crore	Galvanised Pipes & Coils	-	1,80,000	1,80,000
TOTAL		3,00,832	5,33,232	7,01,323

Operational & financial performance

	Q2FY24	Q2FY23	% Chg YoY	Q1FY24	% Chg QoQ	H1 FY24	H1 FY23	% Chg YoY
Net Production, MT	56,552	25,565	121.2	43,553	29.8	1,00,105	50,117	99.7
Sales, MT	50,435	21,528	134.3	39,289	28.4	89,723	45,668	96.5
Share of VAP	96%	93%		81%		95%	72%	
Revenue per MT, Rs	59,909	59,019	1.5	61,116	-2.0	60,438	58,983	2.5
Cost per MT, Rs	52,617	51,481	2.2	53,676	-2.0	53,081	51,850	2.4
EBITDA per MT, Rs	7,293	7,538	-3.3	7,440	-2.0	7,357	7,133	3.1

Delivered highest-ever production and sales volume

Rs in Crore unless stated otherwise

	Q2FY24	Q2FY23	% Chg YoY	Q1FY24	% Chg QoQ	H1 FY24	H1 FY23	% Chg YoY
Net Revenue from Operations	302.15	127.06	137.8	240.12	25.8	542.27	269.36	101.3
EBITDA	36.78	16.23	126.6	29.23	25.8	66.01	32.57	102.7
EBITDA %	12.13	12.12		12.75		12.13	12.07	
Interest, net	7.17	1.95	267.7	4.29	67.1	11.46	3.77	204.0
Depreciation	9.38	1.85	407.0	5.19	80.7	14.57	3.59	305.8
Profit Before Tax	20.23	12.42	62.9	19.75	2.4	39.97	25.21	58.5
Profit After Tax	14.78	9.27	59.4	15.44	-4.3	30.22	18.81	60.7

Reported highest ever Revenue and EBITDA