



# HARIOM PIPE INDUSTRIES LIMITED

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INVESTOR PRESENTATION  
September 2023



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# Company Overview

# Vision, Mission and Goal

## VISION

To be a top-notch steel pipe producer, constantly striving for value-added products



## GOAL

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

## MISSION

To grow, horizontally and vertically, our product basket of quality steel products and pursue geographical expansion

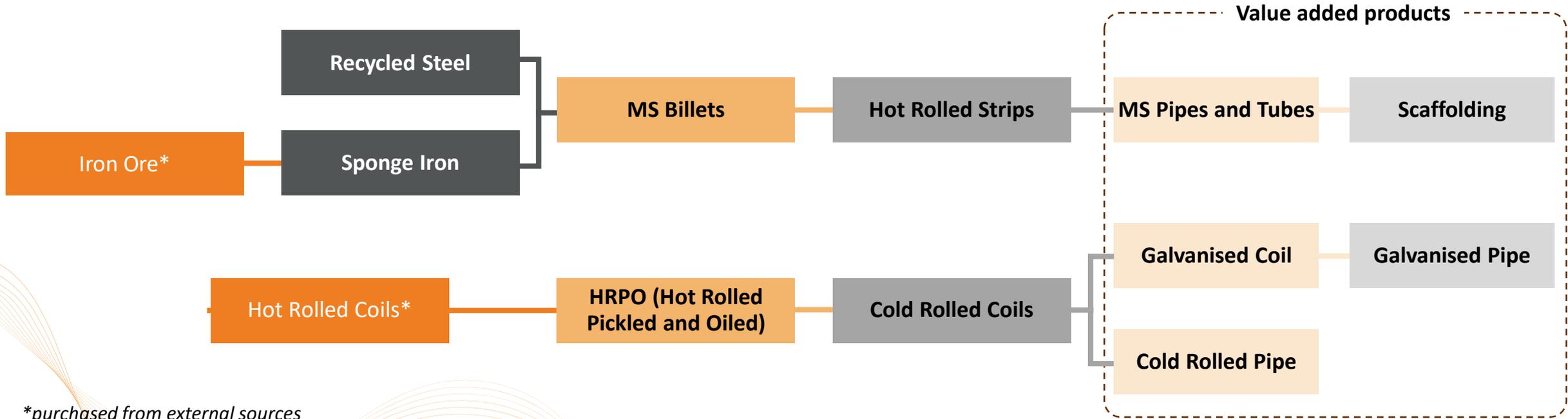


# One of the most integrated players of steel pipes and tubes

Backward integrated into steel production from iron ore and scrap

Forward integration into value-added steel products

**80%**  
Share of Value Added Products in Revenue



\*purchased from external sources

# An integrated producer of customised steel products



**One of the most integrated players of steel pipes and tubes**



**Modern facilities driving efficient and sustainable production**



**Stronghold in the South and West India market**



**A customer-centric approach to developing customised solutions**



**Sustained growth and profitability showcases market resilience and adaptability**



# Modern facilities driving efficient and sustainable production

**Hot Charging in manufacturing substantially reduces carbon emissions and power consumption**

**Harvesting pits save rainwater and recharge borewells sustainably**

**Zero Liquid Discharge system for water recycling, ensuring zero wastage and circular usage**



**Carbon dust (solid emission in Furnace) extracted for reuse in printing industry**

**ERP systems for real-time order intimation and billing**

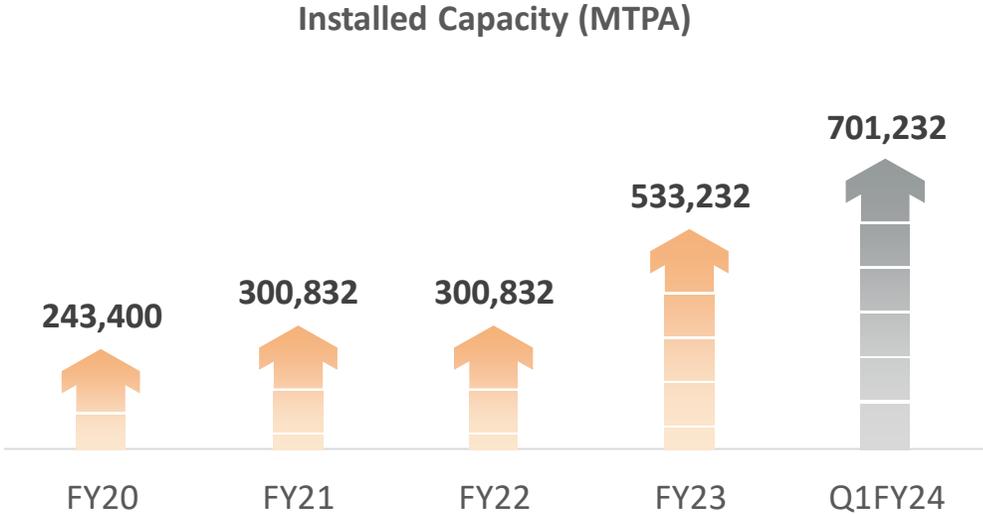
**Mahabubnagar Pipe unit is 100% powered by solar energy**

# We have built a strong foundation to drive our future growth

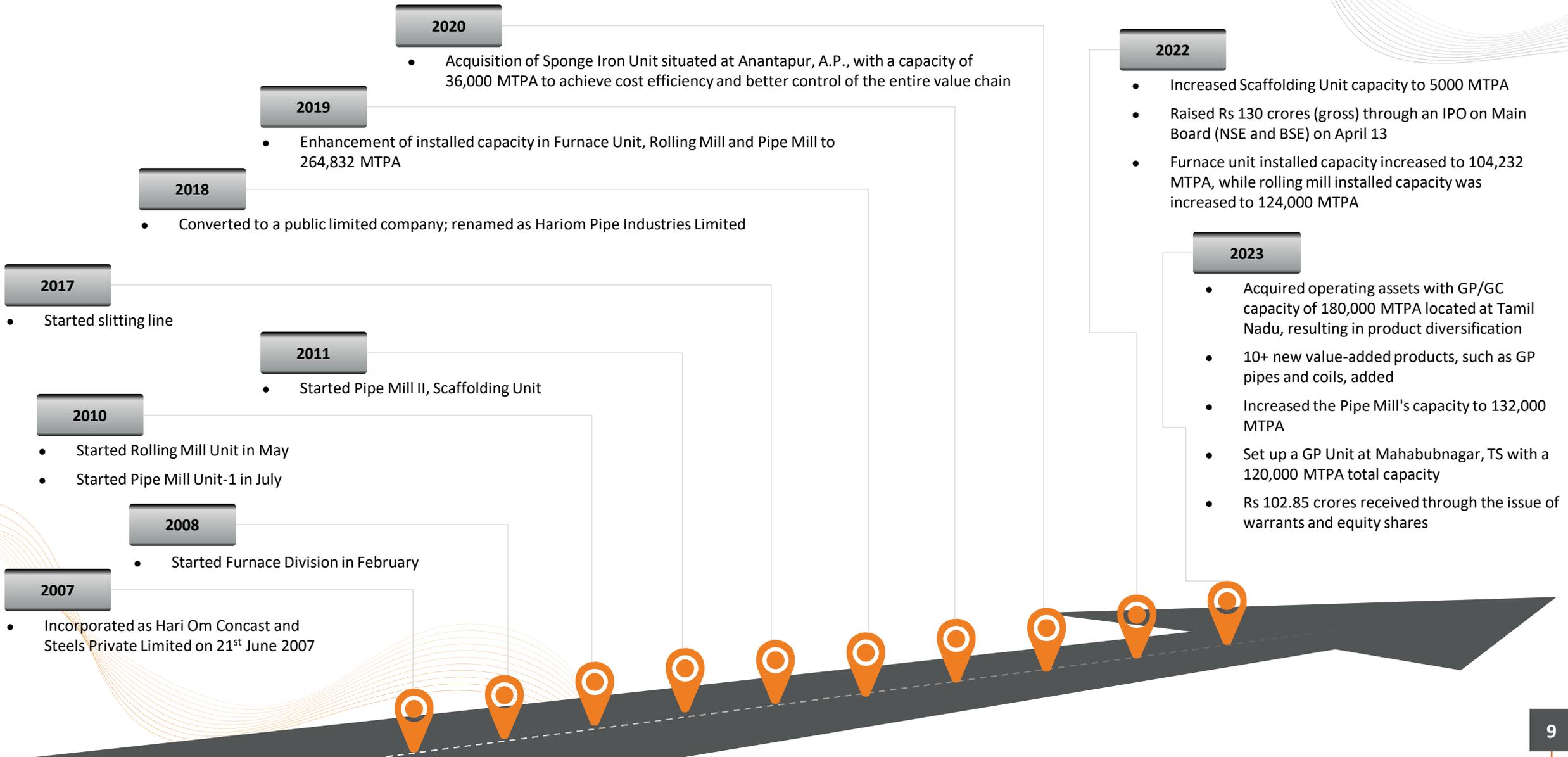
## An integrated producer of premium steel products



## Robust performance over FY20-FY23



# Progressively adding capacity of value-added products

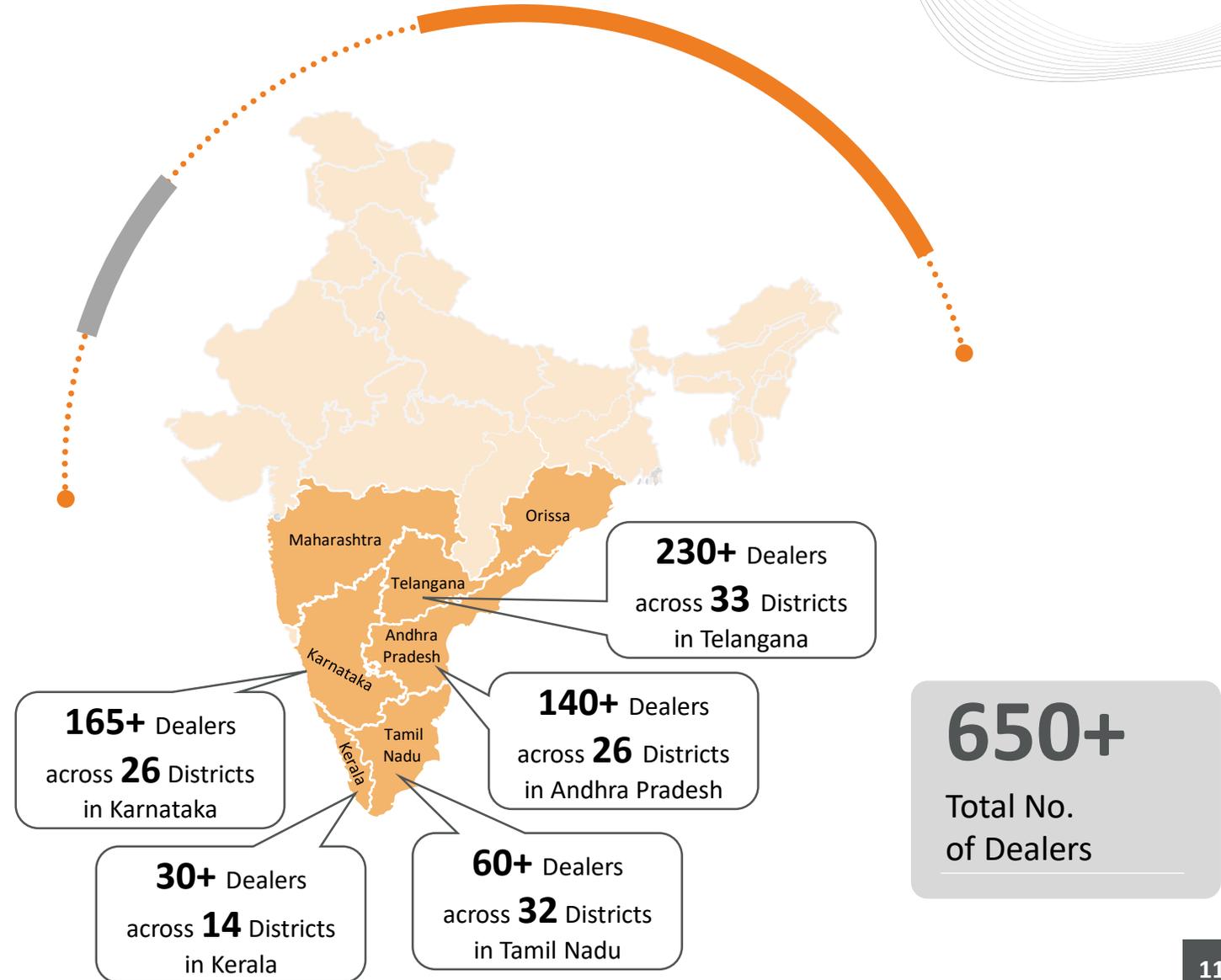


## Modern facilities driving efficient and sustainable production

Location	Products and Installed Capacity			
	Product	Capacity in FY22, MTPA	Capacity in FY23, MTPA	Expected Capacity in FY24, MTPA
<b>Mahabubnagar, Telangana</b> Integrated Steel Plant GP Plant	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
<b>Anantapur, Andhra Pradesh (near Bellary)</b> Sponge iron unit	Sponge Iron	36,000	36,000	72,000
<b>Perundurai, Erode, Tamil Nadu</b> GP/GC plant 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
<b>TOTAL</b>		<b>3,00,832</b>	<b>5,33,232</b>	<b>7,37,232</b>

# Stronghold in the South and West India market

- Focus on developing the existing markets
- Creating new channels in under and non-penetrated geographies
- Dealer-focused model
  - Dealers categorisation based on size, business and potential
  - Dedicated support
  - Products suited to customers' need
  - Credit extension



## A customer-centric approach to developing customised solutions

Supplier of choice to marquee clients



What do customers want

New products and competitive pricing

Convenience

Technical support

Solution for new applications

How do we serve

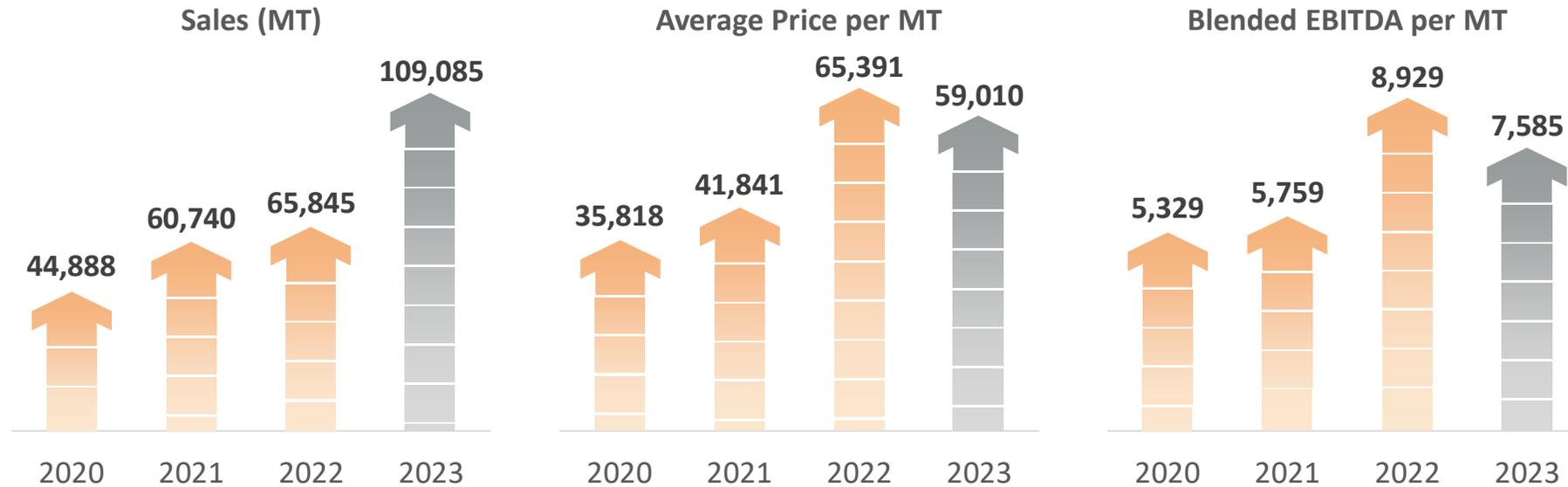
Development of new grades and sizes

1,500 points of sales

Support team for training of fabricators

Customer Service Team for key customers

# Sustained growth and profitability showcases market resilience and adaptability



Sales volume growth led by capacity increase and higher utilisation even during COVID-19

Sales and EBITDA per MT benefiting from higher share of finished steel and value-added products

Financial year data

**2.7x**  
Capacity increase during FY20-FY23

**2.4x**  
Sales Volume increase during FY20-FY23

**42%**  
Increase in EBITDA per MT during FY20-FY23

# Strong team led by an Independent Board

## Board of Directors

**Pramod Kumar Kapoor**  
Chairman & Independent Director

**Rajender Reddy Gankidi**  
Independent Director

**Rupesh Kumar Gupta**  
Managing Director

**Sunita Gupta**  
Non-Executive Director

**Shailesh Gupta**  
Whole Time Director

**Sneha Sankla**  
Independent Director

**Soumen Bose**  
Independent Director

## Key Managerial Personnel

**Rupesh Kumar Gupta**  
Managing Director

**Chirag Partani**  
CS & CCO

**Shailesh Gupta**  
Whole Time Director

**Amitabh Bhattacharya**  
CFO



# Growth Drivers

# India's steel industry shines amidst economic growth and infrastructure investments

## Drivers of Growth in India Steel Market

- Growing Per Capita Income
- Government focus On infrastructure
- Increasing discretionary spending

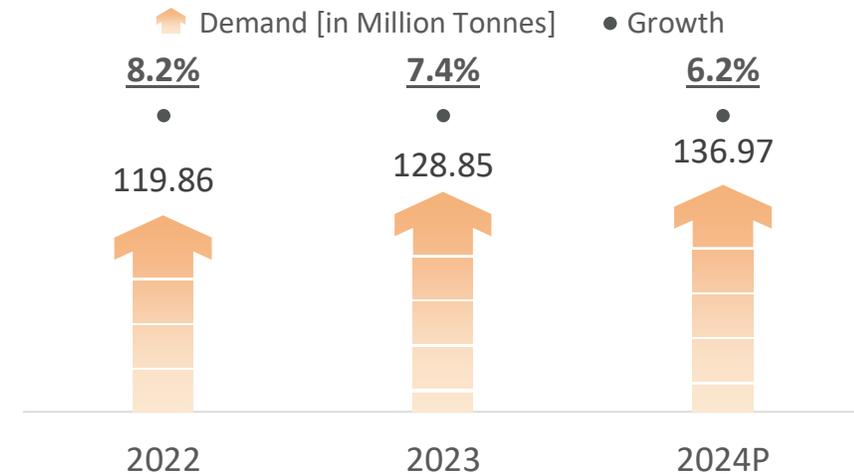
## Structural changes in steel pipe industry

- Shift from unorganised to organised production of steel pipes and tubes
- Changing usage preference towards hollow pipes for higher strength, cost-effectiveness and aesthetics

## Tailwinds for end-user segments

- Urban demand and affordable housing driving residential sector growth, heightened construction activity in rural and semi-urban areas
- Infrastructure and renewable energy driving the capital goods sector
- Private consumption fueling growth in automotive and consumer durables

## Steel Industry Growth



# Forward integration and marketing focus to drive growth

### Production Ramp Up

- **Expanded** billets (104,232 MT) and HR Strips capacity (124,000 MT) at Telangana
- **Newly acquired GP/GC plant** at Tamil Nadu (180,000 MT)

### Capacity Expansion

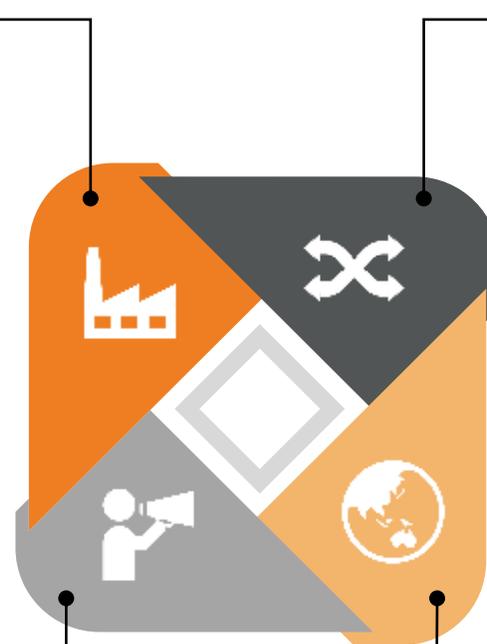
- Doubling capacity of Sponge Iron unit to **72,000 MT** at AP in FY24
- **Expanding MS Tubes capacity** from 84,000 to 132,000 MT in FY24
- **New GP/GC plant** at Mahabubnagar, Telangana (120,000 MT) in FY24
- Projected Capex of Rs **~250 Crore**

### Marketing and Branding

- Increasing share of **Value Added Products**
- Increasing **Social Media** presence

### Geographic Expansion

- Expanding geographical presence with **diverse products**, targeting **high-growth markets**



# Growth projects driving growth and sustainability

## Growth Projects

- Completed expansion of Pipe Mill from 84,000 MT to 132,000 MT
- Installed GP Plant with a capacity of 120,000 MT at Mahabubnagar, TS, in June 2023
- Expansion of Sponge Iron unit at AP ongoing; expected to be completed in FY24



## ESG

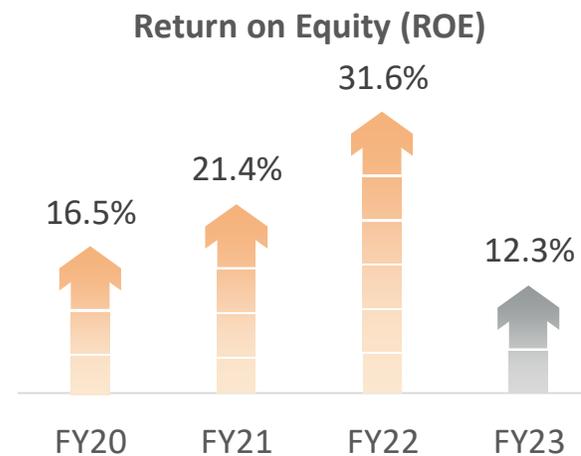
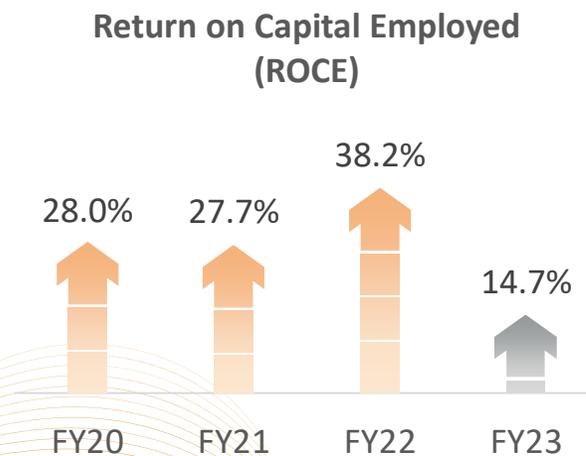
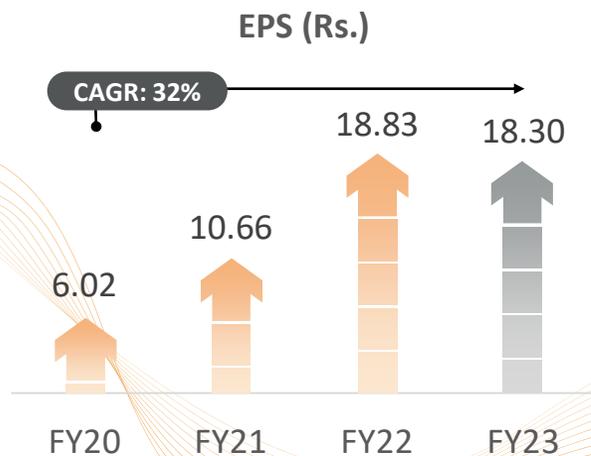
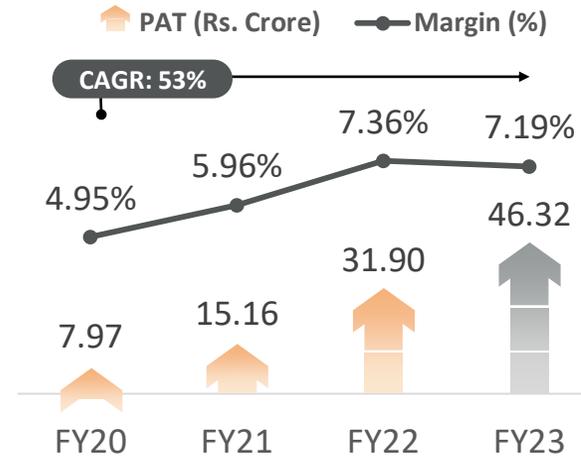
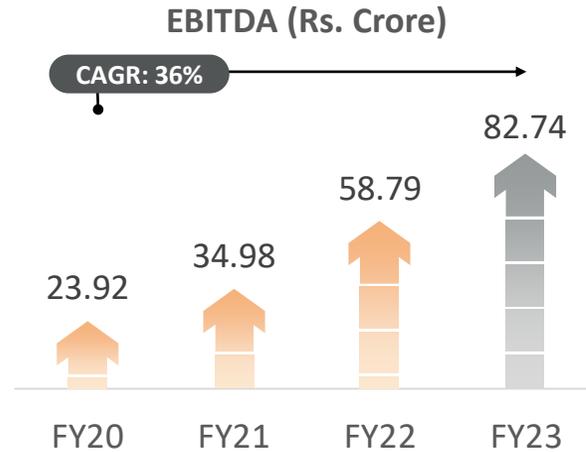
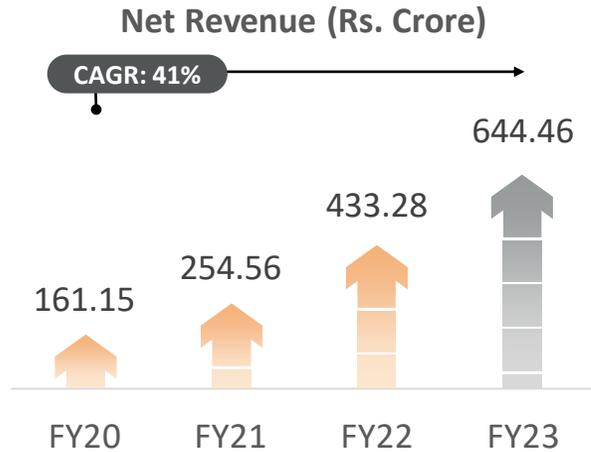
- Zero Liquid Discharge system installed at Mahabubnagar, TS
- Pipe Mill at TS fully powered by Solar Power, the only one of its kind in India



The image features a background of several grey pens or pencils arranged in a radial pattern, creating a sense of depth and focus. In the center, there is a prominent orange oval with a thin white border. Inside this oval, the words "Financial Overview" are written in a clean, white, sans-serif font. A thin white horizontal line passes through the center of the orange oval, extending across the width of the image.

# Financial Overview

# Strong performance growth sets the foundation for future



- Volume-led revenue growth
- Higher sales and a better product mix drove EBITDA increase
- EPS, RoCE and RoE in FY23 impacted by higher equity base from preferential allotment done in March 2023

# Strong financial profile

Particulars (Rs. Crore)	FY20	FY21	FY22	FY23
Total outside liabilities (ex deferred tax)	89.15	99.37	111.73	329.78
Net Worth	48.30	70.79	101.03	375.17
<b>Ratios (x)</b>				
Net Debt-to-EBITDA Ratio	2.33	2.11	1.43	2.30
Total Outside Liabilities / Tangible Net Worth	1.85	1.40	1.11	0.88
Net debt to equity	1.41	1.13	0.87	0.79
Interest Coverage Ratio	2.77	3.85	5.89	7.96

**Rs. 130** Crore

Gross proceeds from IPO in April 2022

**Rs. 190** Crore

Raised from issue of shares and warrants (convertible to equity within 18 months from March 31 2023)

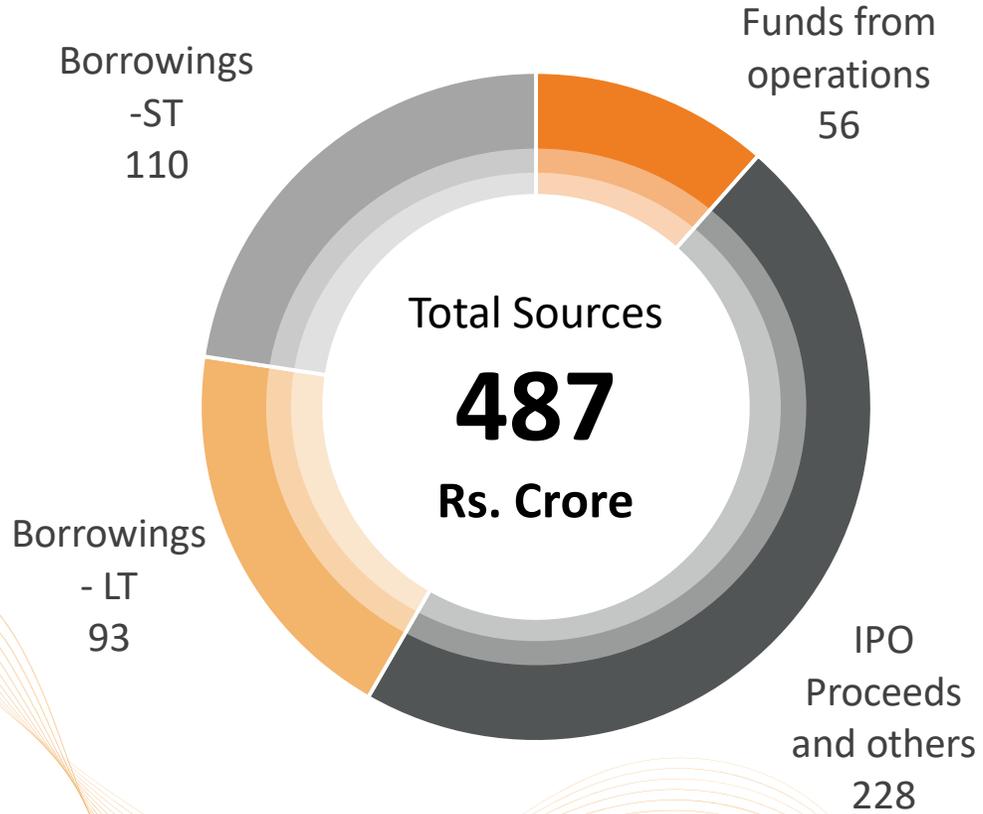
**CRISIL A-/Stable/CRISIL A2+**

CRISIL Ratings on bank facilities upgraded in March 2023 from 'CRISIL BBB+/Stable/CRISIL A2'

# Investing in our growth

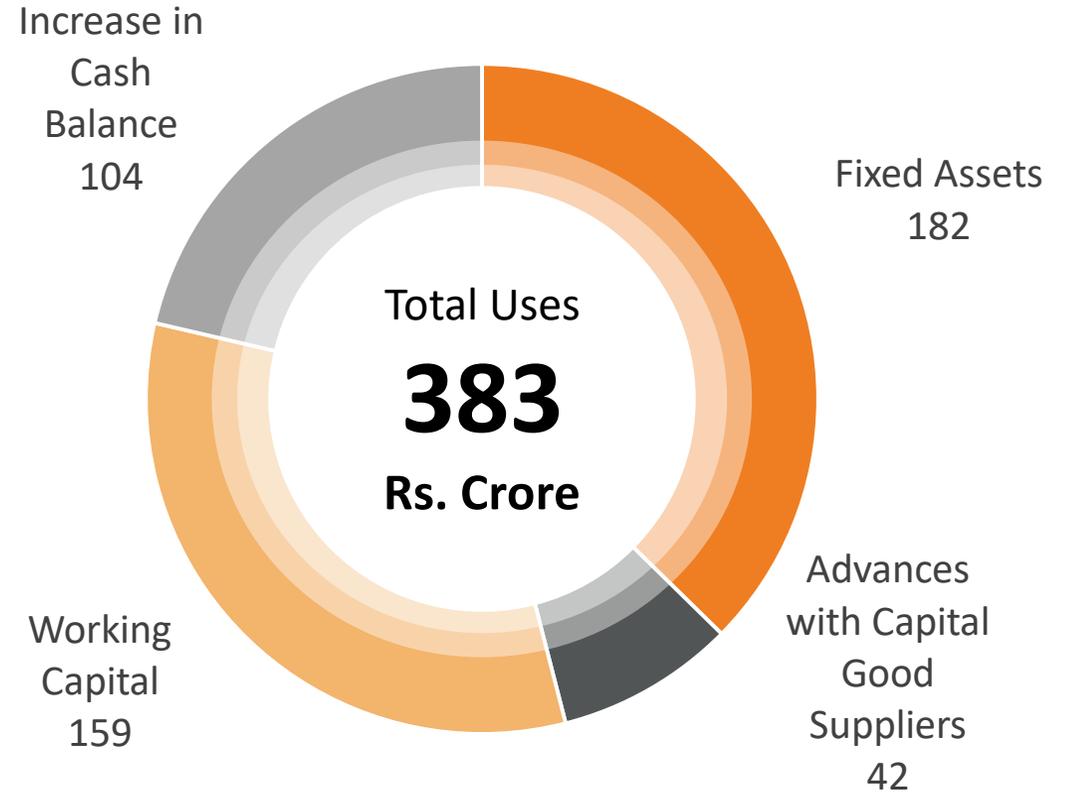
## Sources of Cash, FY23

Rs. Crore



## Uses of Cash, FY23

Rs. Crore



# Thank You



**Amitabha Bhattacharya**



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