



HARIOM[®]

PIPES | SCAFFOLDING | COILS

HARIOM PIPE INDUSTRIES LIMITED

Investor Presentation
August 2024

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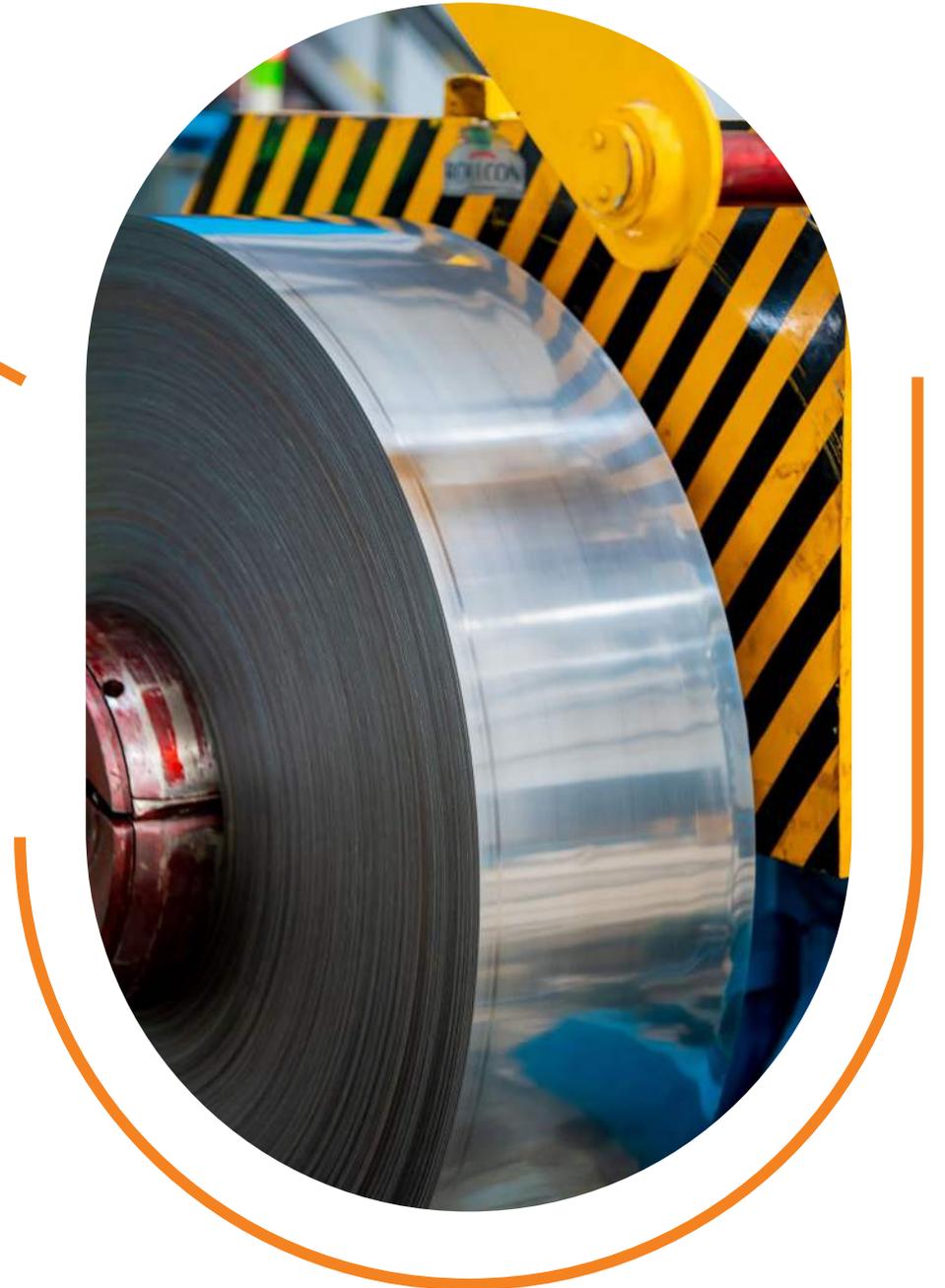
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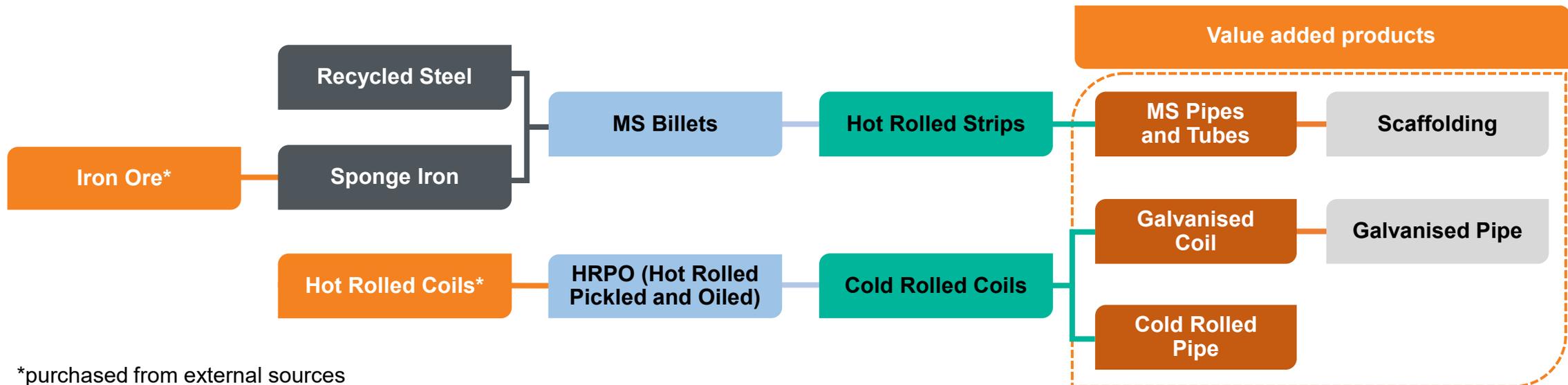
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Hariom Pipe Industries Limited: Pioneering Integrated Steel Manufacturer

- Established in 2007 and headquartered in Hyderabad India, Hariom Pipe Industries Limited produces a wide range of premium iron and steel products.
- With advanced manufacturing facilities in Telangana , Andhra Pradesh and Tamil Nadu, the company oversees a fully integrated production process from Iron ore to Primary steel products, including HR coils, CR Coils, Galvanized coils, MS Pipes, GP Pipes, GI Pipes and Scaffolding Product.
- This vertical integration ensures exceptional quality control, reduces dependence on external suppliers, and allows agile adaptation to evolving market demands.



Legacy and Leadership of Hariom Pipe Industries Limited



Rupesh Kumar Gupta
Managing Director

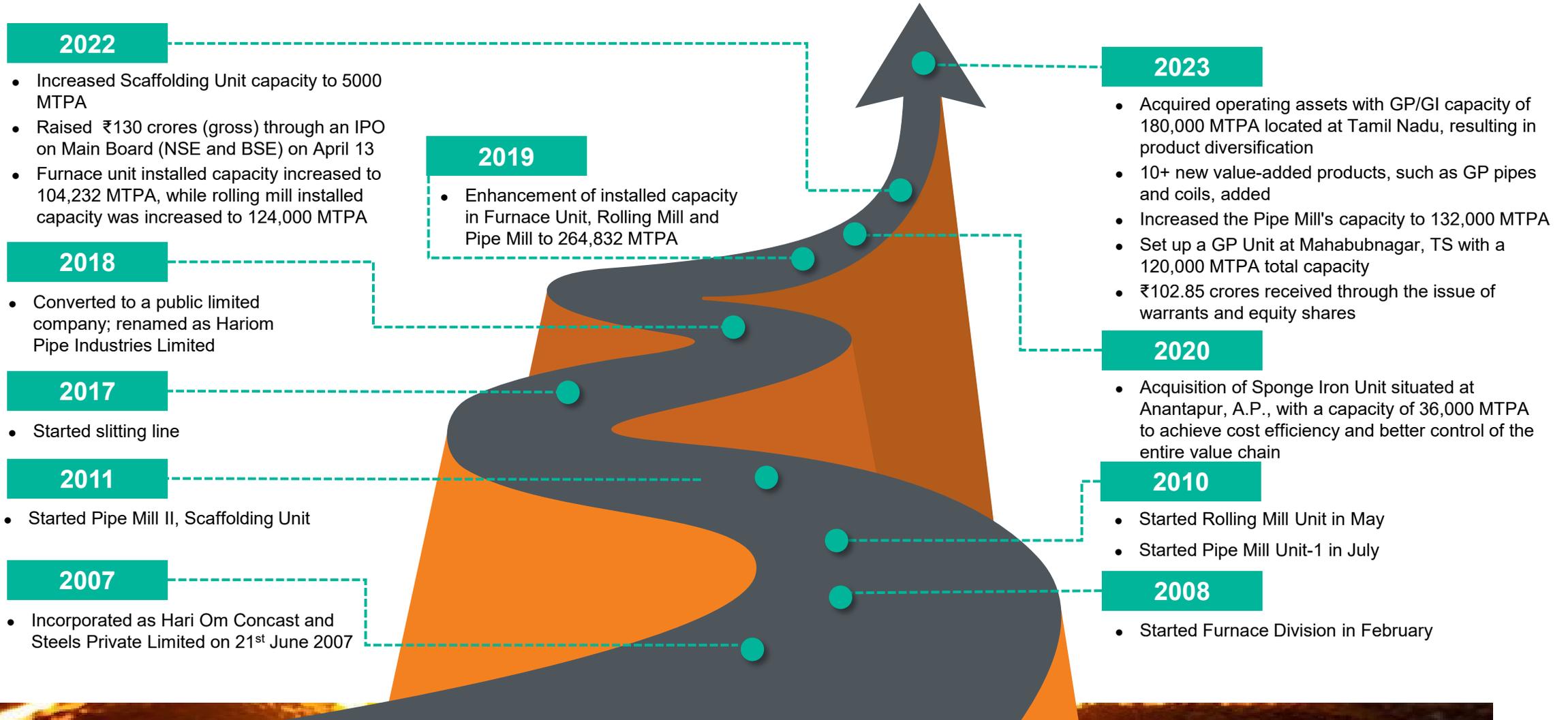


Sailesh Gupta
Whole-time Director

- Founded by Mr. Roopesh Kumar Gupta, Promoter and Managing Director, Hariom Pipe Industries Limited traces its origins to the pioneering efforts of the late Shri Hariom Gupta Ji in the steel industry since 1962. The company's ascent under the stewardship of second-generation leader Shri Rakesh Gupta Ji, and the dynamic leadership of third-generation successors Mr. Roopesh Kumar Gupta and Mr. Sailesh Gupta, has been formidable.
- Transitioning from steel trading to a leading manufacturer of premium steel products, the company's growth is underpinned by deep market acumen, robust backward integration, dedication to value-added innovation, and a relentless pursuit of technological advancement. The leadership's strategic foresight has indelibly marked the company as a formidable entity in India's steel manufacturing landscape.

Progressively adding capacity of value-added products

*Calendar year



Diverse Product Range and Industrial Applications

Product Name	Description	Application	Visual
Sponge Iron	Sponge Iron, or Direct Reduced Iron (DRI), is made by reducing iron ore using a reducing gas at temperatures below iron's melting point. It has a porous, spongy texture.	Mainly used as raw material for production of MS Billets at Unit-1. Also, may be sold to other manufacturers if market margins are favorable.	
MS Billets	MS (Mild Steel) Billets are semi-finished steel products with a square or rectangular cross-section, made by melting steel scrap and sponge iron.	Used as raw material for producing HR Strips, Some billets are sold to external manufacturers which are used to produce TMT bars and structural products, rebar, beams for infrastructure industry and also parts like axles, gears and shafts for automobile industries.	
HR Strips	Hot Rolled (HR) Strips are flat steel products produced by heating steel slabs and rolling them to the desired thickness. They have a rough surface finish.	Used as raw material for MS pipes and tubes. Some strips are sold to external markets for usage in Automotive and Truck Frames, Pickling and Oiling Process, Agriculture Machinery, etc.	
MS Tubes & Pipes	MS tubes and pipes are available in square (12x12 mm to 150x150 mm), rectangular (25x12 mm to 200x100 mm), and circular (12 NB to 175 NB) sections, with various thicknesses.	Applied in fabrication, construction, infrastructure projects, and furniture.	
Scaffolding	Modular systems for supporting construction work at height, designed for safety and ease of assembly.	Used in building construction, repairs, renovations, stage setups, and lighting structures.	

Diverse Product Range and Industrial Applications

Product Name	Description	Application	Visual
HRPO Coils	Hot Rolled Pickled and Oiled (HRPO) Slit Coils are customized for various applications, offering flexibility and quality.	Used as raw material for producing CR Coil and sold for Utilization in automobile industry, sheet metal manufacturing, pipes & tubes, and industrial parts.	
CRCA Coils	Cold Rolled Closed Annealed (CRCA) coils are processed to enhance hardness, strength, and surface finish.	Used as raw material for producing GP Coil and sold for Utilization in construction, automotive parts, and other applications requiring high-quality steel with good aesthetic appearance and drawability.	
CRFH Coils	Cold Rolled Full Hard (CRFH) Coils are produced with exceptional durability and performance, suitable for various slit sizes.	Used as raw material for producing GP Coil and sold for Utilization in industrial cable trays, automotive components, pre-engineered buildings, bridges, and agricultural machinery.	
GP Coils	Galvanized Plain (GP) Coils are steel coils coated with zinc for corrosion resistance, used in various applications.	Used as raw material for producing GP Pipe and sold for Utilization in roofing systems for pre-engineered buildings, packing strips, rolling shutters, and fan industries.	
GP Pipes	Pre-Galvanized Pipes with a zinc coating for corrosion resistance, used in various structural applications.	Used in bus manufacturing, fabrication, construction, and industrial sheds.	
GI Pipes	Galvanized Iron Pipes coated with zinc for durability and corrosion protection.	Applied in water transportation and irrigation.	

Mahabubnagar Unit-I



Ananthapur Unit-II



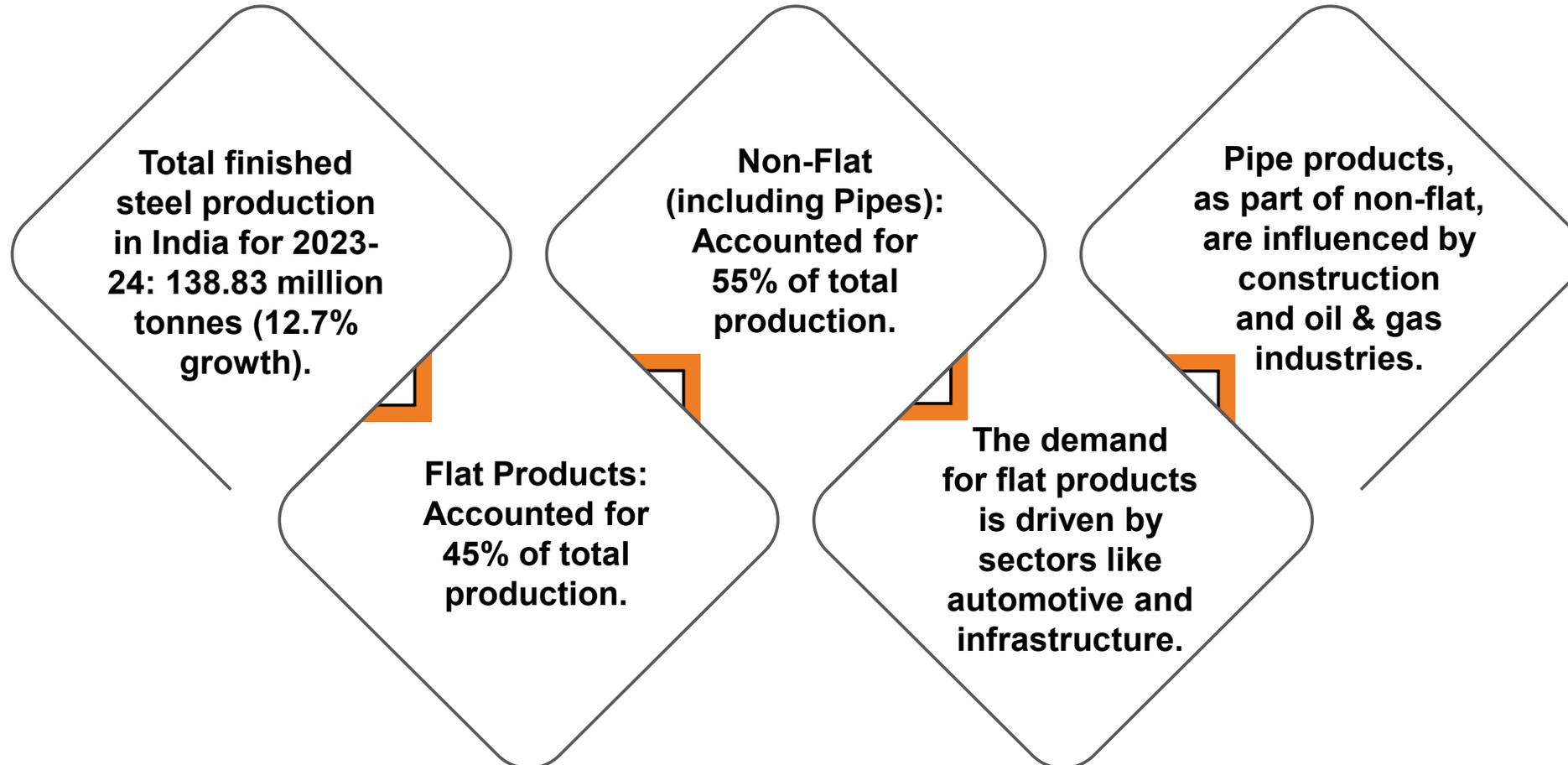
Perundurai Unit-III



Mahabubnagar GP Plant Unit-IV

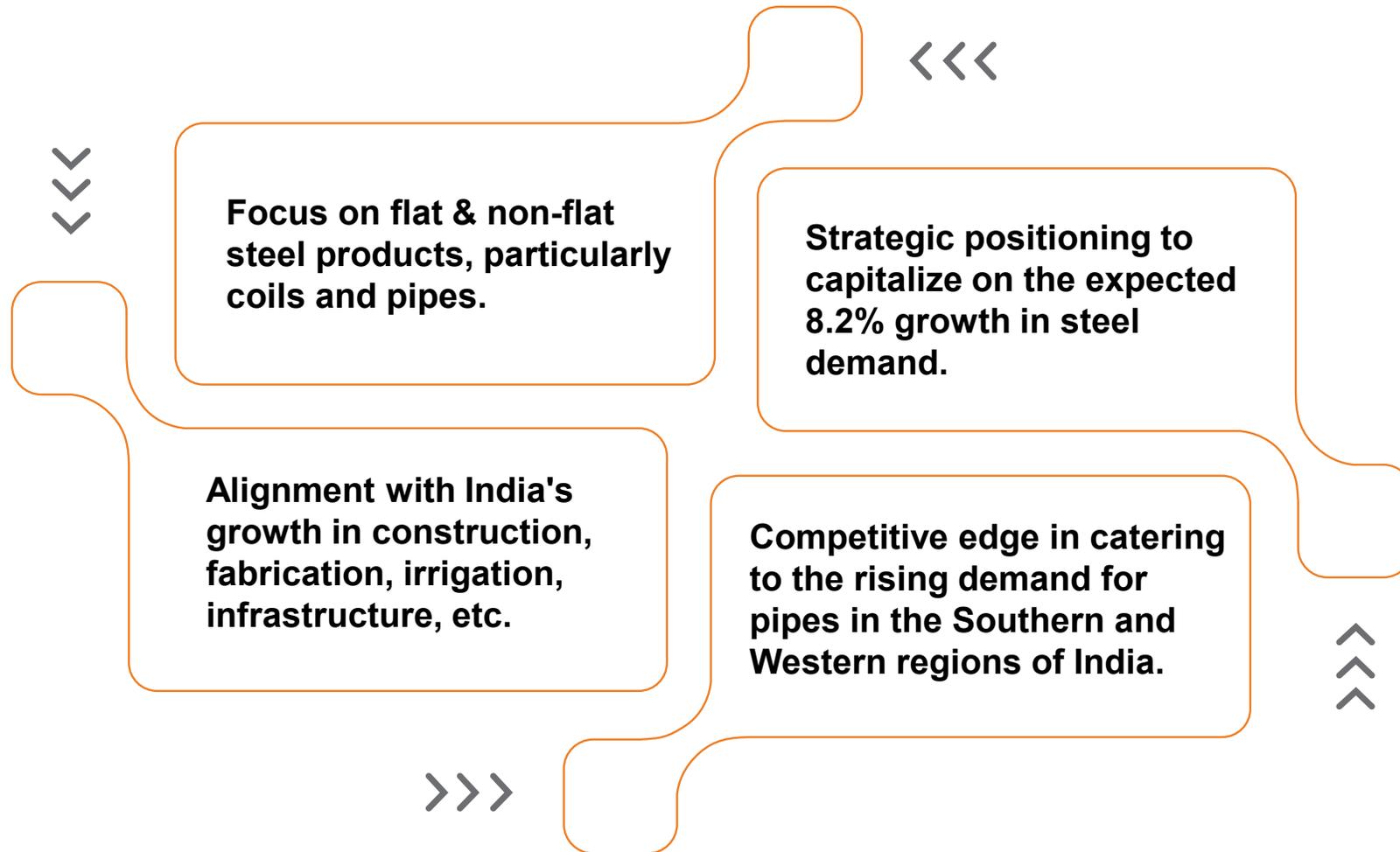


Key Points:



(Source: Joint Plant Committee (JPC), April 2024 – A Trend Report)

Hariom Pipe Industries vs. Market Trends:



Hariom Pipe Industries vs. Market Trends:

- The company has shown remarkable growth across various regions, with a particular focus on Southern India. Our strategic initiatives have significantly enhanced our market presence in this key region. The company has made substantial efforts to extend its footprint and reach new territories, evidenced by the notable increase in market share over recent years.
- Here's a historical overview of our market performance:

Rs. In Crore

	FY20	FY21	FY22	FY23	FY24
Karnataka	35.33	69.57	105.78	205.28	346.30
Telangana	102.30	116.78	178.48	223.03	219.77
Tamil Nadu	6.66	20.27	81.34	93.22	214.29
Kerala	-	0.20	1.95	34.40	203.18
Andhra Pradesh	14.21	22.91	43.41	74.56	135.88
Other Parts of India	2.28	24.41	19.61	13.22	33.77
Total	160.78	254.14	430.57	643.71	1,153.19

- Our growth trajectory underscores the success of our strategic initiatives. By actively expanding our presence in Southern India and targeting new markets, we have effectively strengthened our position and enhanced our ability to serve a broader customer base. As we move forward, our focus remains on leveraging these achievements to further our market reach and drive sustained growth.

Vertically Integrated Operations

Advanced Thin-Walled Pipe Solutions:
Offering MS pipes starting from 1.20mm and CR/GP pipes and coils from 0.60mm.

Diverse Product Applications:
Catering to sectors including Furniture, Fabrication, Housing, Hospitality, Sports Equipment, Greenhouses, Advertising, Irrigation, Automotive, Water Transport, Solar Panels, Highway Crash Guards, and Packaging.

Optimized Supply Chain Efficiency

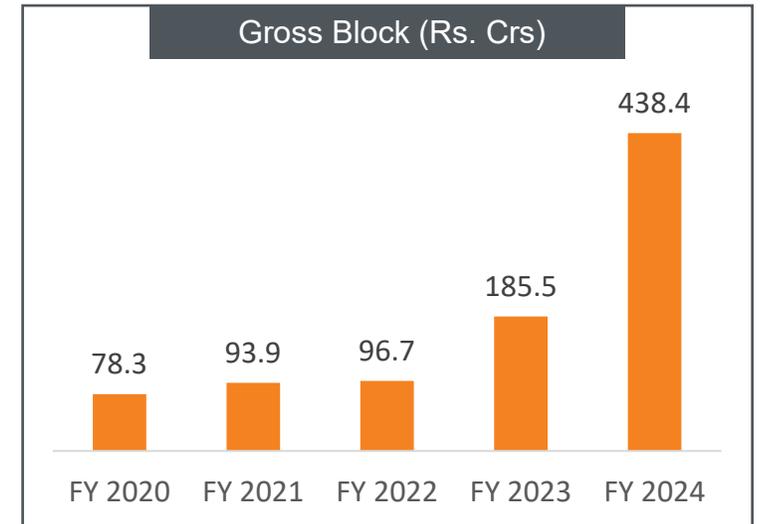
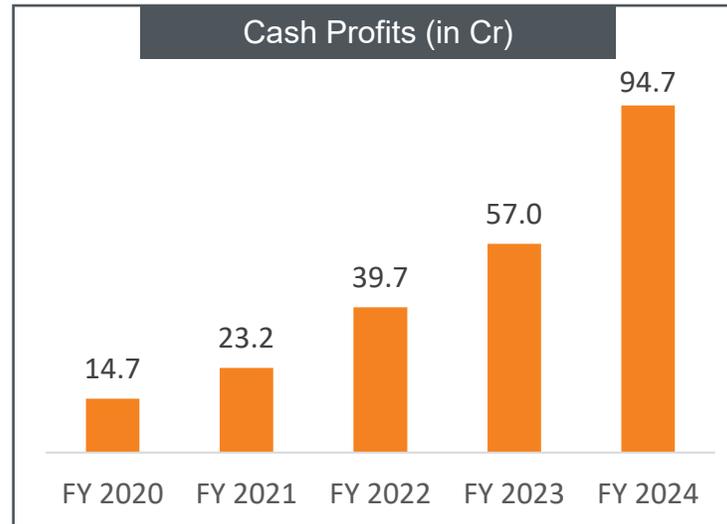
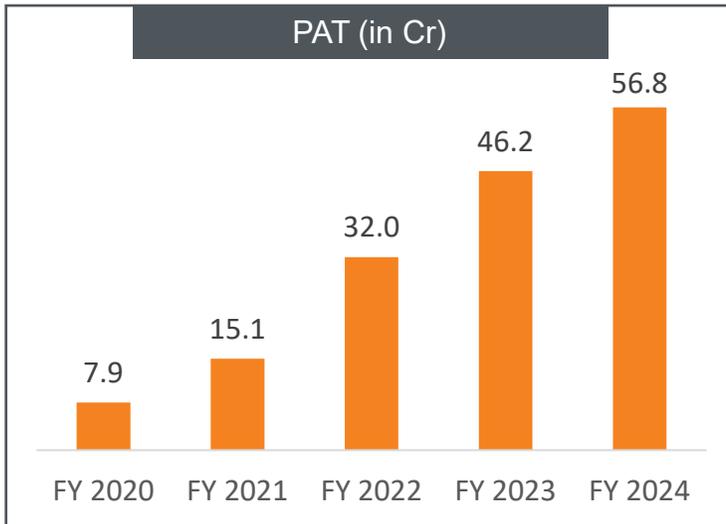
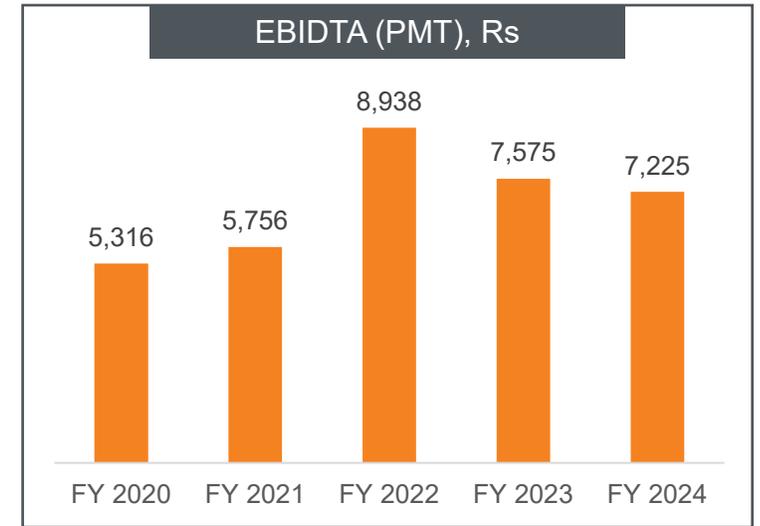
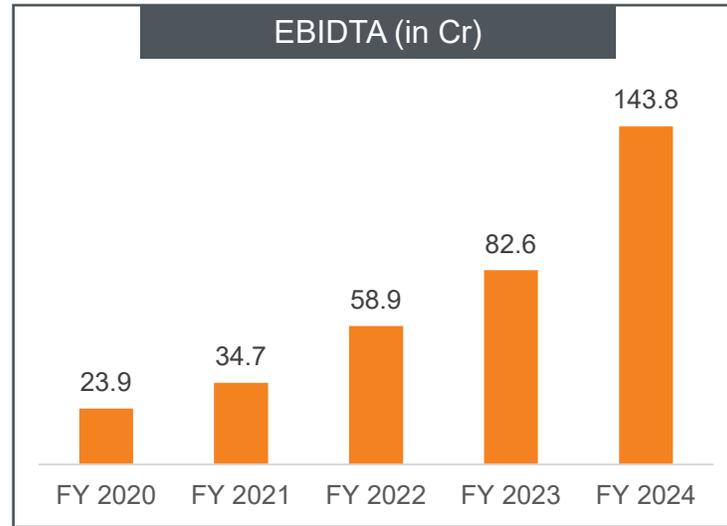
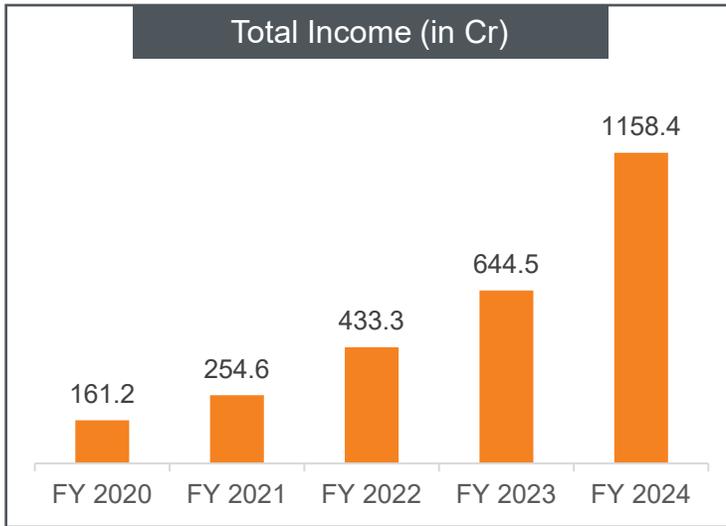
Market Segmentation:
80% sales through B2D channels, 20% via B2B transactions.

Strategic Dealer Network Expansion:
Strengthening and expanding rural and urban dealer networks by enhancing volume through quality products, consistent supply, and competitive pricing.

Particulars	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Installed Capacity	2,43,400	3,00,832	3,00,832	5,33,232	7,03,232
Gross Production	1,05,719	1,45,705	2,15,899	2,96,036	4,13,929
Net Production	48,616	62,070	68,170	1,18,027	2,17,203

Revenue Share

Particulars	FY20		FY21		FY22		FY23		FY24	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Sponge Iron	-	-	20,551	49.33	-	-	8,307	27.93	12,272	34.81
MS Billets	9,972	28.79	1,590	5.56	3,984	21.84	6,918	34.98	5,082	21.77
HR Strips	11,008	38.74	11,518	47.22	18,551	114.72	12,249	69.03	6,995	35.04
MS Tubes	22,896	88.5	26,896	150.62	42,386	286.31	65,222	393.61	78,639	426.28
Scaffolding	1,012	4.75	185	1.41	924	7.69	3,207	23.4	3,484	25.4
GP Pipe & Others	-	-	-	-	-	-	11,953	86.34	73,651	489.42
GP Coil & Others	-	-	-	-	-	-	1,229	8.42	18,892	120.47
Total	44,888	160.78	60,740	254.14	65,845	430.57	1,09,085	643.71	1,99,015	1,153.19



5 Year Financials | Income Statement

Rs. In Crore

Particulars	FY20	FY21	FY22	FY23	FY24
Total Sales Volume (MT)	44,888	60,740	65,845	1,09,085	1,99,015
Total Income	161.19	254.82	433.28	644.46	1,158.38
Expenses Excluding Depreciation, Amortisation, and Finance Charges	137.33	220.12	374.43	561.83	1,302.17
EBIDTA	23.86	34.70	58.85	82.63	143.79
Finance costs	7.37	7.51	8.20	10.38	32.56
Depreciation and amortisation expenses	5.16	6.26	8.11	9.42	33.87
Profit Before Tax	11.33	20.93	42.54	62.83	77.36
Taxes	3.42	5.80	10.58	16.62	20.56
Profit After Tax	7.91	15.13	31.96	46.21	56.80
EBITDA per MT, ₹	5,316	5,756	8,938	7,575	7,225

Category	% of Shares held
Promoters	57%
DII	0.16%
FII	10%
Corporate Bodies	7%
HNIs	9%
Retail	16.84%
Total Shares Held	100%

At Hariom Pipe Industries Limited, the decrease in the promoters' shareholding is not due to the sale of shares but is attributed to the addition of equity through the preferential allotment. The promoters did not offer any shares for sale during the company's maiden IPO. Instead, they actively participated in the preferential allotment, infusing a significant capital of ₹30 crore into the company.

Strong Demand Scenarios:

We remain optimistic about the demand across all our product segments. The robust market conditions present a significant opportunity for growth, and we are well-positioned to capitalize on this momentum.

Strategic Capacity Expansion:

To meet the growing demand, we are committed to a substantial capacity expansion. This will be driven primarily by internal accruals, reducing our reliance on long-term debt. With a significant portion of our capex already completed, we anticipate only incremental capital expenditure going forward.

Revenue Growth Optimism:

We are confident in our ability to achieve strong revenue growth, supported by expanding our dealer network, penetrating new geographies, and deepening our presence in existing markets.

Dealer Network Enhancement:

Our strategy includes enhancing volumes with our existing dealer network while also adding new dealers. This approach will enable us to expand into new geographies and increase penetration in current markets, driving overall growth.

Integrated Operations:

Our focus on integrated operations will help us retain and improve our margins. By optimizing our supply chain and production processes, we expect to achieve greater efficiency and profitability.



Cash Flow Generation:

Our priority is to strengthen cash flow generation through improved management of debtors and inventory holding days. This will provide us with greater financial flexibility and support our growth initiatives.

Net Debt/EBITDA Improvement:

We anticipate a year-on-year improvement in our Net Debt/EBITDA ratio over the next few years, reflecting our disciplined approach to financial management and debt reduction.

Sustainable ROCE and ROE:

Our commitment to sustainable growth is underscored by our focus on maintaining and enhancing our Return on Capital Employed (ROCE) and Return on Equity (ROE). We believe these metrics are critical to delivering long-term value to our stakeholders.



Thank You



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