

Date: May 17, 2024

To,
Listing Department
The National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra East, Mumbai – 400051

Corporate Relationship Department
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

NSE Symbol – **HARIOMPIPE**

BSE Scrip Code- **543517**

Dear Sir/Madam,

Sub: Investor Presentation on Audited Financial Results for the Fourth Quarter and Year ended March 31, 2024:

Pursuant to the provisions of Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “listing Regulations”), we are enclosing herewith a copy of Investors Presentation on Audited Financial Results of the Company for the fourth quarter and year ended March 31, 2024.

A copy of the said presentation is also being made available on the website of the Company at www.hariompipes.com.

Please take the above information on record.

Thanking You.

For **Hariom Pipe Industries Limited**

Rekha Singh
Company Secretary & Compliance Officer
M. No. A33986

Encl: a/a



HARIOM PIPE INDUSTRIES LIMITED

INVESTOR PRESENTATION
May 2024



Vision, Mission and Goal

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

Q4FY24 and FY24 performance summary

Operational performance

Best-ever volume delivered by ramp-up of new units

	Q4FY24	Q4FY23	Q3FY24	FY24	FY23
Net Production, MT	59,376	47,874	53,735	2,13,216	1,20,518
Sales, MT	60,449	41,285	48,843	1,99,016	1,09,085
Share of VAP	88%	89%	88%	92%	80%
Revenue per MT, INR	54,744	60,918	57,326	57,944	59,010
Cost per MT, INR	47,599	53,292	50,243	50,719	51,435
EBITDA per MT, INR	7,144	7,626	7,083	7,225	7,575

- Successful ramp-up of GP, MS pipe & GP/GI units; maintained a high share of Value Added Products (VAP)
- COP benefitted from decline in raw Material consumption cost and lower power & fuel cost
- EBITDA per MT level maintained through cost efficiency and VAP sales

Q4FY24 and FY24 performance summary

Financial performance



Record FY24 performance drives higher profitability and positive Operating Cash Flow

INR in Crore unless stated otherwise

	Q4FY24	Q4FY23	Q3FY24	FY24	FY23
Total Income	33,206.88	25,162.58	28,199.32	1,15,838.47	64,446.03`
EBITDA	4,318.71	3,148.30	3,459.43	14,379.14	8,263.15
Interest, net	993.62	451.26	1,116.55	3,256.32	1,038.04
Depreciation	965.88	340.89	963.25	3,386.58	942.45
Profit Before Tax	2,359.20	2,356.16	1,379.62	7,736.25	6,282.66
Profit After Tax	1,676.93	1,725.04	981.28	5,679.95	4,620.80
EPS	6.01	6.77	3.55	20.34	18.30
EBITDA Margin	13.01%	12.51%	12.27%	12.41%	12.82%
PBT Margin	7.10%	9.36%	4.89%	6.68%	9.75%
PAT Margin	5.05%	6.86%	3.48%	4.90%	7.17%
Profitability Ratios					
RoCE				18.8%	14.6%
RoE				12.2%	12.3%

- Increase in RoCE on the back of effective utilisation of resources
- High sales volumes and VAP sales drive record performance
- EBITDA margin continues to remain above 12%
- Commissioning new projects during the year.

Q4FY24 and FY24 performance summary

Financial performance

INR in Crore unless stated otherwise

	FY24	FY23
Balance Sheet		
Net Working Capital	19,502.09	22,662.94
Total Debt	37,088.54	29,601.80
Total Outside Liabilities (TOL)	41,612.48	33,401.78
Net Worth	46,411.75	37,516.66
Cash and Equivalents	177.97	10,404.27
Ratios		
Current Ratio	1.68	2.12
Interest Coverage Ratio	3.38	7.05
Debt to Equity Ratio (D/E)	0.80	0.79
TOL / Net Worth	0.90	0.89
Cash Flows		
Operating Cash Flow	495.54	(10,056.84)
Investing Cash Flow	(18,159.02)	(22,151.88)
Financing Cash Flow	7,437.18	42,605.74

- Operating cash flows turns positive, led by new GP project in TL and working capital rationalization
- Improvement in debtor days due to proactive measures such as channel finance and efficient collection methods
- Debt at peak level; deleveraging over next 2-3 years
- ₹320 Crore raised from IPO and issue of shares and warrant
- 'CRISIL A-/Stable' Rating on bank facilities

What defines us

A legacy built over 50+ years



Galvanized coil stockyard

From our roots in trading of steel pipes & tubes 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

Where we are today

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



Our strengths

Translating into...

One of the most integrated producers of steel pipes with a growing basket of value-added products	Higher margin; Low volatility
Cold-Rolled and Galvanized steel pipe products to enhance our product portfolio and fill gaps in demand-supply	Further addition to VAP portfolio; Higher margin
Evolving into a pan-India brand, rooted in innovation and supported by cultural transformation	Brand equity; Region specific products
Highly focused management driven towards value creation	Strong governance; Unique positioning
Executing our strategic plan for profitable growth and cash generation	Asset sweating for higher RoCE; Continue to remain OCF positive and generate FCF by FY25
Projecting strong financial profile	Margin expansion;

How we are creating value

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

5

Focus on profitability

6

Generating free cash flow

Pillar 1 – Lead in value-added products

Capacity enhancements upgrading our product basket



Scaffolding



Steel structures



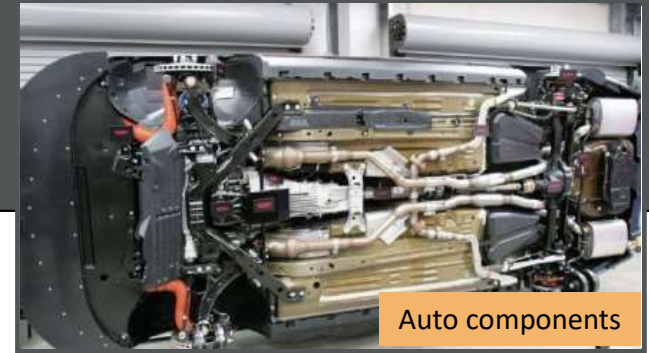
Greenhouse frameworks



Hoarding structures



Steel furniture



Auto components

Pillar 1 – Lead in value-added products

Capacity enhancements upgrading our product basket



HVAC ducts



Commercial pipes



Fencing



Bus body



Staircase



Crash guards



Metro stations

Pillar 1 – Lead in value-added products

CR Tandem Mill adds new avenues for growth



- Commissioned state-of-the-art CR Tandem mill in FY24 at the Mahabubnagar Plant, TS
- Tandem mill has 3 cold rolling processes to reduce thickness variation to achieve high quality
- Produces pipes of thickness as low as 0.4mm, which has high demand and premium
- This adds new customer from industries such as Fans, Packaging strips, Furniture, auto components, pre-engineered building products, etc to the Company's portfolio

Pillar 2 – Focused expansion

Plan to expand across India while increasing production

Strengthened our Sales and Marketing team; Expanding our middle management to drive growth

Expanded capacity to 701kt, 2.3x since FY22

- GP/GI capacity of 300kt
- MS Pipe capacity of 132kt
- Focus on production; no growth capex planned

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)

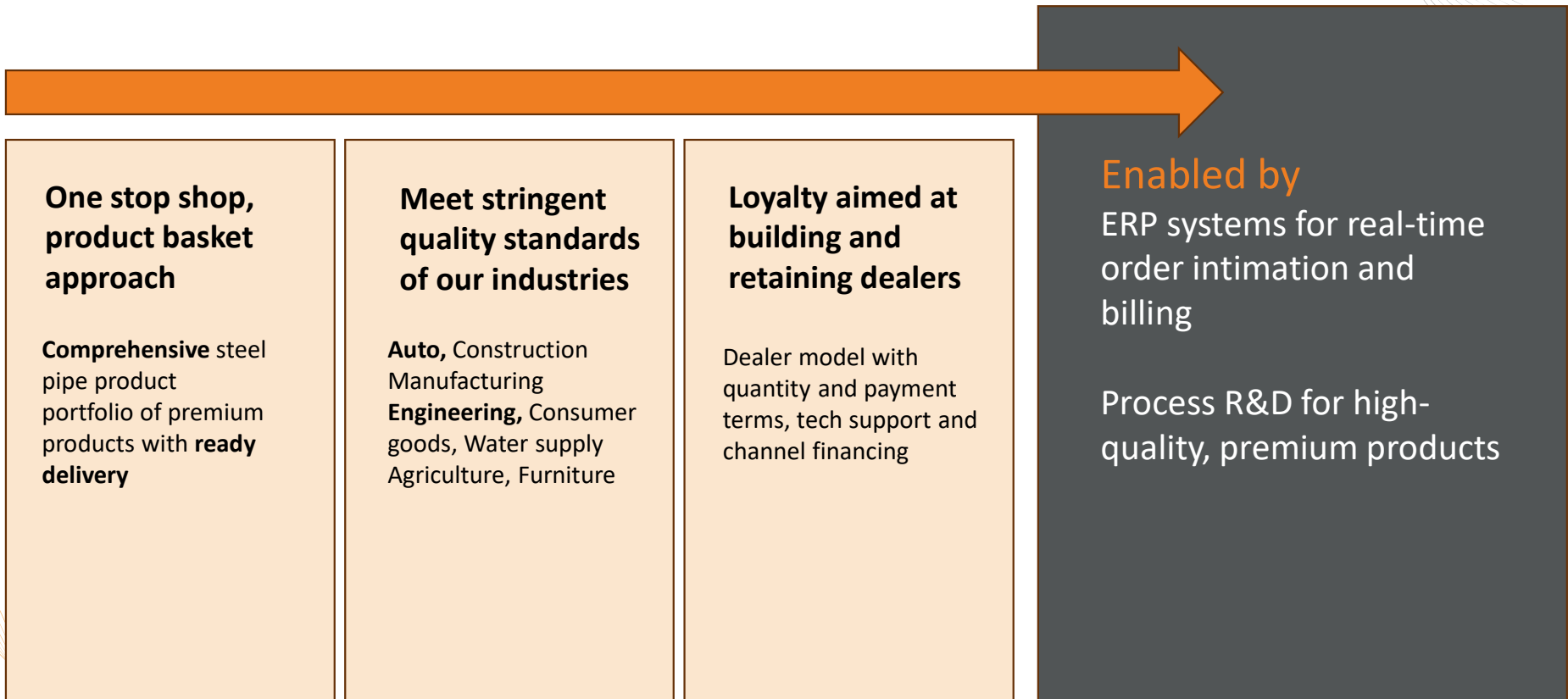
Pillar 2 – Focused expansion

Modern facilities driving sustainable production



Pillar 3 – Superior Customer experience

Evolving the customer experience



Pillar 4 – Inclusive stakeholder management

Aiming for inclusive growth



Customers

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

Environment

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

Dealers

- Distribution opportunity
- Cost-effective solutions
- Channel financing

Investors

- Focused communication and interactions
- Transparent and reliable reporting
- Create shareholder value

Employees

- Upskilling through training and development
- Building professional management

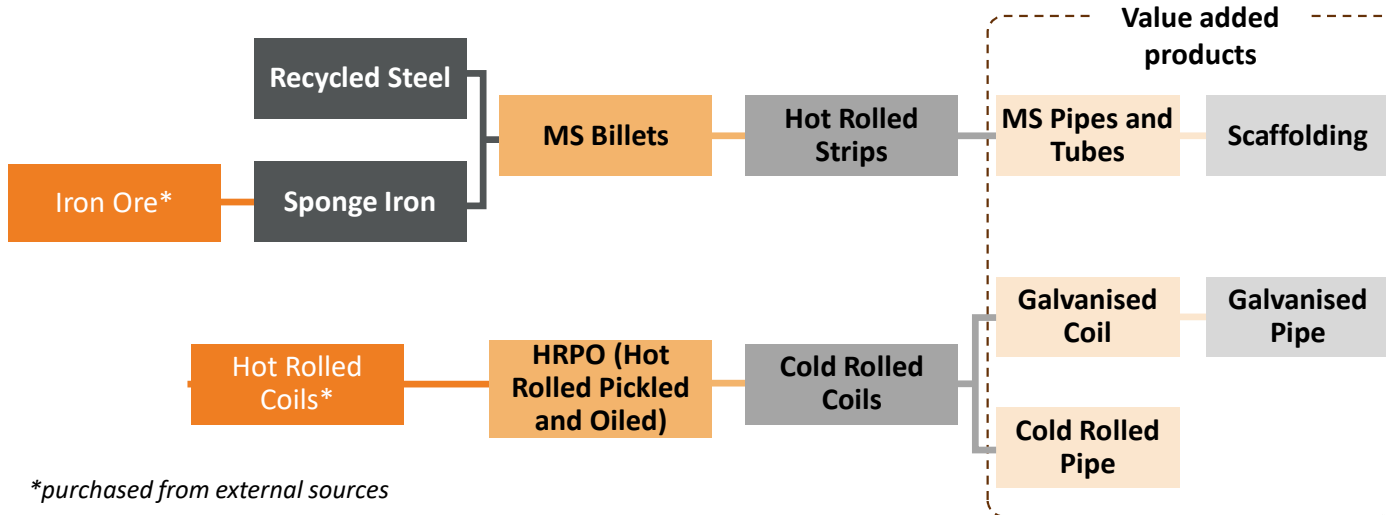
Communities

- CSR activities
- Local employment
- Working with local communities

Pillar 5 – Focus on profitability

Cohesive plan to increase EBITDA margin

Optimised operations



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

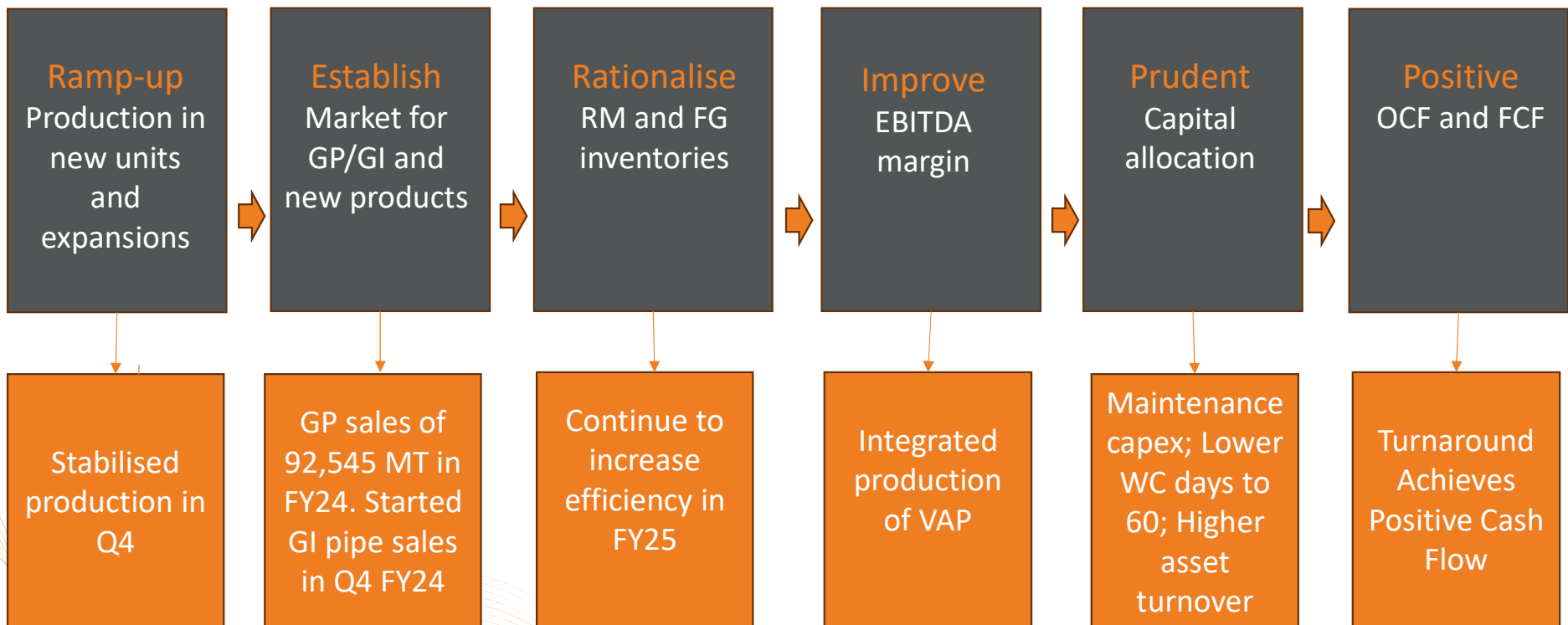
Key levers:

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

Pillar 6 – Generating free cash flow

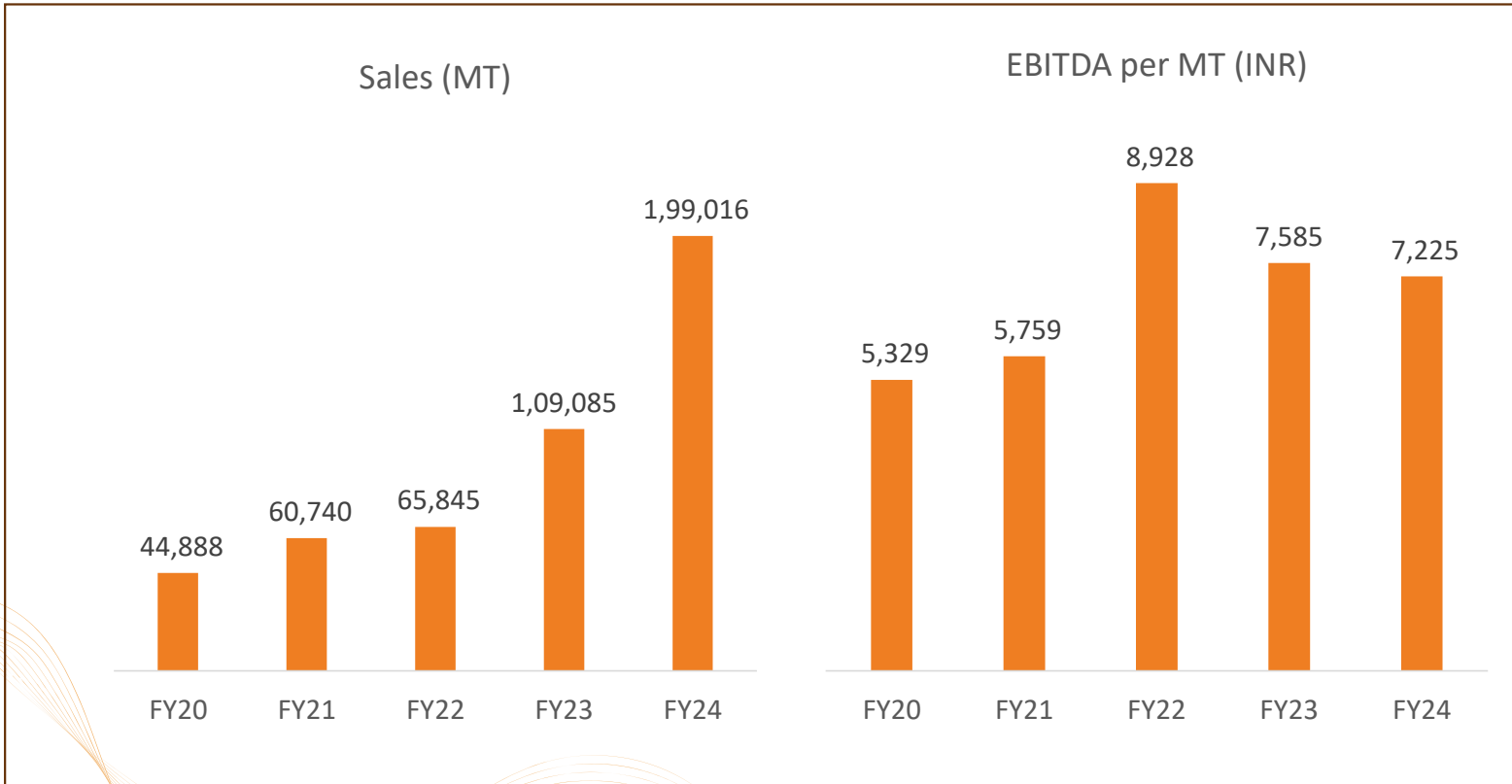
Operating Cash Flow expected to improve progressively

Key levers to achieve higher cash flows



Projecting strong financial profile

Sales and profit margin expected to continually improve



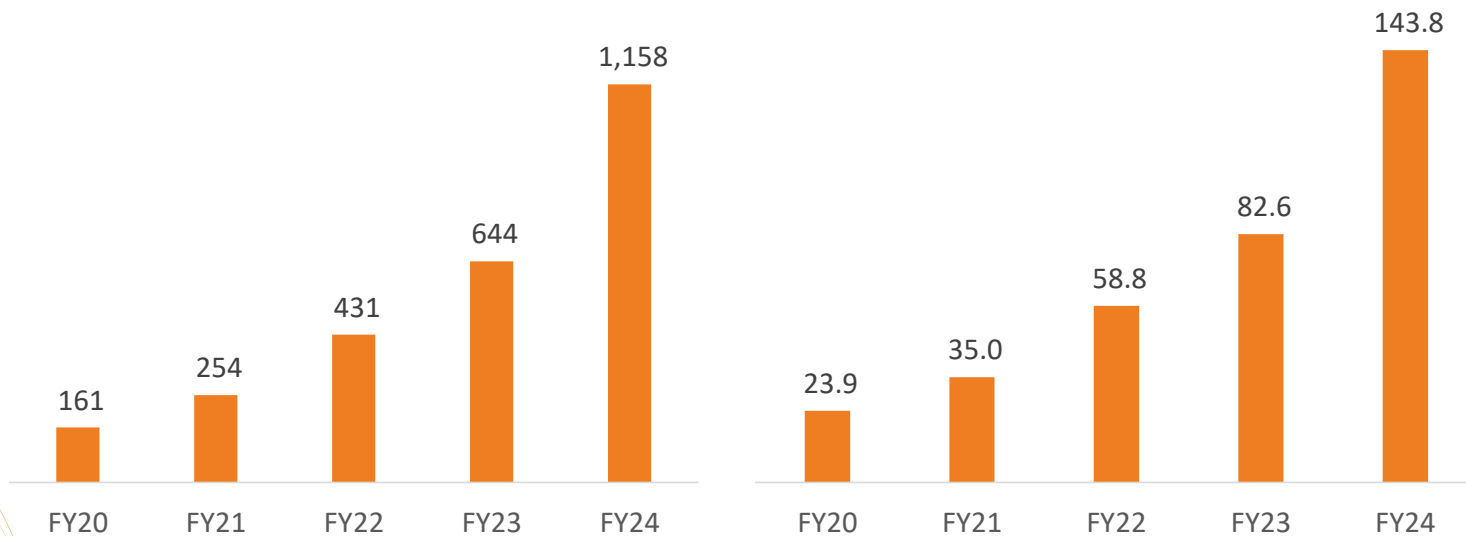
Key drivers:

- Higher value-added product sales
- Supply chain efficiencies
- Economies of scale
- Wider geographical presence
- Improved profitability
- Ramp-up of new units

Projecting strong financial profile On track to achieve our FY26 goal

Net revenue, INR Crore

EBITDA, INR Crore



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

Management

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

Safe harbour / Disclaimer

This presentation and the accompanying slides (the “Presentation”), which have been prepared by “Hariom Pipe Industries Limited” (the “Company”) solely for the information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment what so ever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

Certain statements in this presentation concerning our future growth prospects are forward looking statements which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The Risk and uncertainties relating to the statements include, but are not limited to, risks and uncertainties regarding fiscal policy, competition, inflationary pressures and general economic conditions affecting demand / supply and price conditions in domestic and international markets. The company does not undertake to update any forward -looking statement that may be made from time to time by or on behalf of the company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded. The Company does not make any promise to update/provide such presentation along with results to be declared in the coming years.

Thank You



Amitabha Bhattacharya



HARIOM PIPE INDUSTRIES LIMITED



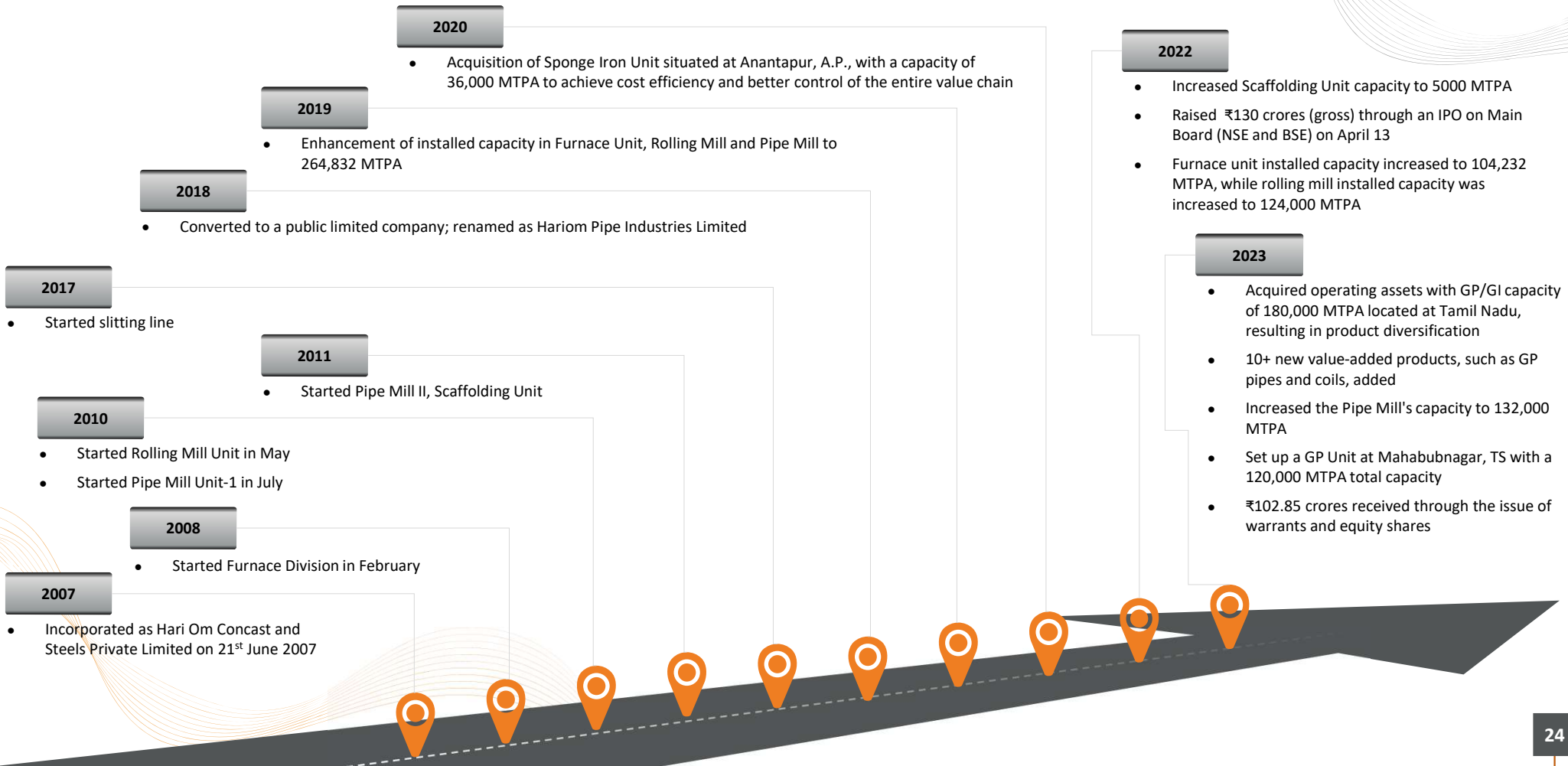
cfo@hariompipes.com



Appendix

Key Milestones

Progressively adding capacity of value-added products



Manufacturing

Modern facilities driving efficient and sustainable production



Location	Products and Installed Capacity			
	Product	Capacity in FY22, MTPA	Capacity in FY23, MTPA	Capacity in FY24, 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/GI plant A newly acquired plant through an Asset Transfer Agreement for a cash consideration of ₹55 Crore	Galvanised Pipes & Coils	-	1,80,000	1,80,000
TOTAL		3,00,832	5,33,232	7,01,232

*Completed in Q1FY24