



Date: 15-05-2024

To,
The Manager
Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai- 400001
Scrip Code: 542669

To,
The Manager
Listing Department
The Calcutta Stock Exchange Limited
Lyons Range,
Kolkata – 700 001
Scrip Code: 12141- CSE

Dear Sir / Madam,

Subject: Strategy Presentation

Please find enclosed herewith the Strategy Presentation for the period ended on March 31, 2024.

We request you to kindly take the same on record.

Yours faithfully,
For **BMW INDUSTRIES LIMITED**

Vikram Kapur
Company Secretary



Safe Harbor Statement



This presentation may contain certain “forward-looking statements” within the meaning of applicable securities laws and regulations, which may include those describing the Company’s strategies, strategic direction, objectives, future projects and/or prospects, estimates etc. Investors are cautioned that “forward looking statements” are based on certain assumptions of future events over which the Company exercises no control. Therefore, there can be no guarantee as to their accuracy and readers are advised not to place any undue reliance on these forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. These statements involve a number of risks, uncertainties and other factors that could cause actual results or positions to differ materially from those that may be projected or implied by these forward-looking statements. Such risks and uncertainties include, but are not limited to; growth, competition, acquisitions, domestic and international economic conditions affecting demand, supply and price conditions in the various business's verticals in the Company’s portfolio, changes in Government regulations, laws, statutes, judicial pronouncement, tax regimes, and the ability to attract and retain high quality human resource.

Inside this Presentation



ABOUT THE COMPANY

04 – 08

OPERATIONAL HIGHLIGHTS

09 – 10

MANAGEMENT

11 – 12

KEY INVESTMENT HIGHLIGHTS

13 – 20

GROWTH STRATEGIES

21 – 24

FINANCIAL HIGHLIGHTS

25 – 30

SHAREHOLDING ANALYSIS

31

About the Company



Company Snapshot



ABOUT US

- **BMW Industries Limited (BMWIL)**, incorporated in 1981, is one of the largest **steel processing** companies in India
- Engaged in the manufacture & processing of **HRPO Coils, CR Coils, GP Coils, GC Sheets, MS & GI pipes, TMT rebars**, etc. for marquee steel manufacturers
- Processing both long and flat products, it operates one of the **largest merchant cold rolling and galvanizing facilities**, in the country
- BMWIL strategically operates in the **value addition of semi-finished steel products**, helping maintain **stable margins** during steel cycles

OUR PRESENCE

- Manufacturing facilities strategically located near steel manufacturing sites, for a **low turnaround time** and **cost-effective logistics**



PERFORMANCE IN FY24

Operating Revenue
Rs. 59,819 Lacs

Gross Margin
68.7%

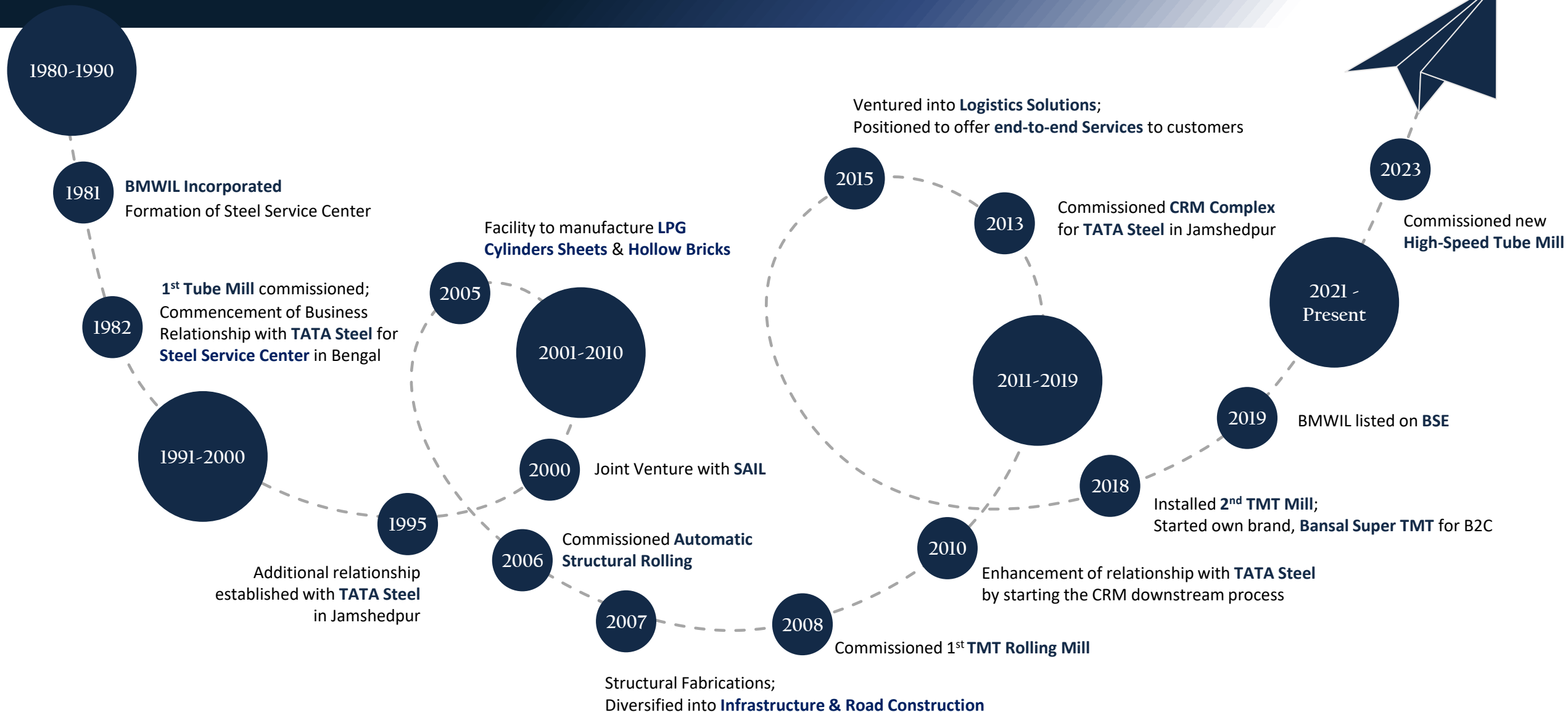
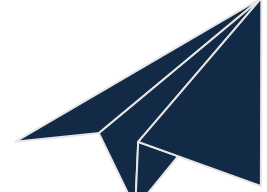
Op. EBITDA Margin
26.3%

PAT
Rs. 6,375 Lacs

PAT Margin
10.6%

ROCE
12.5%

Key Milestones



Steel Manufacturing Value Chain

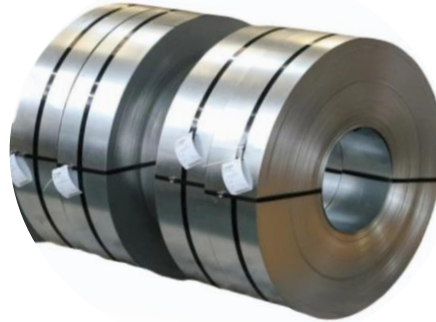
PRODUCT PORTFOLIO



TMT



GP COILS



HR SLIT COILS



HRPO COILS



GC SHEETS



MS PIPES

UPSTREAM PROCESS



MINING



IRON
PRODUCTION



STEEL
PRODUCTION



REFINING

DOWNSTREAM PROCESS



MANUFACTURING



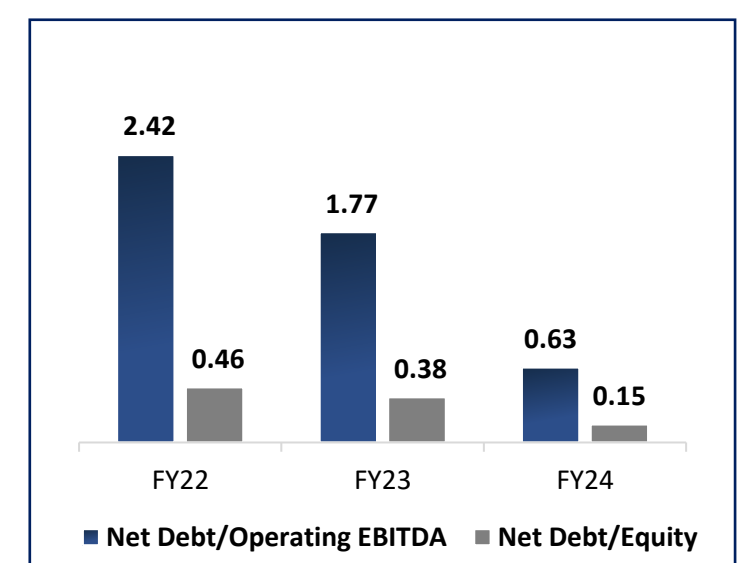
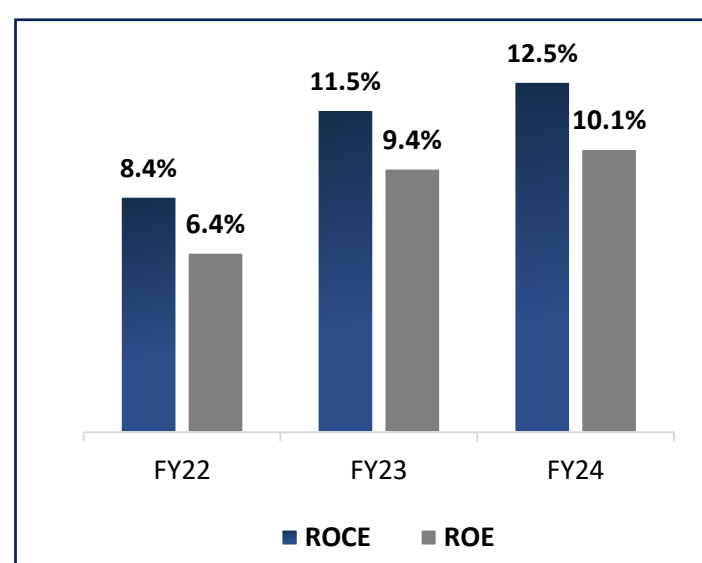
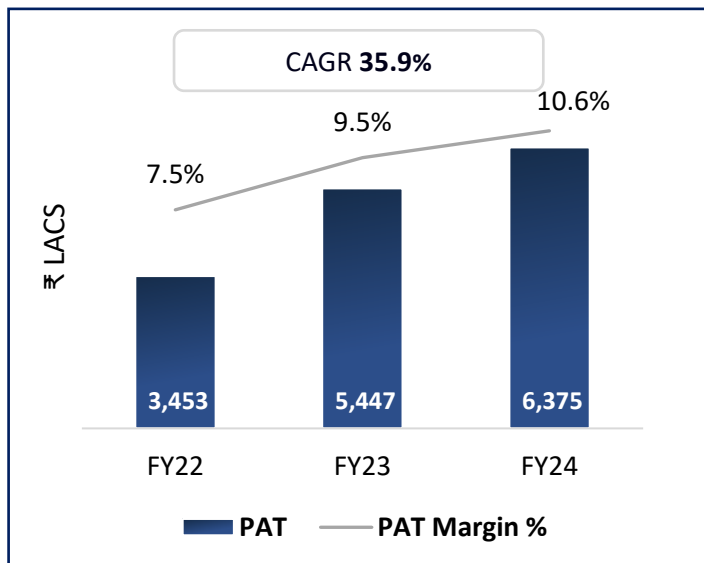
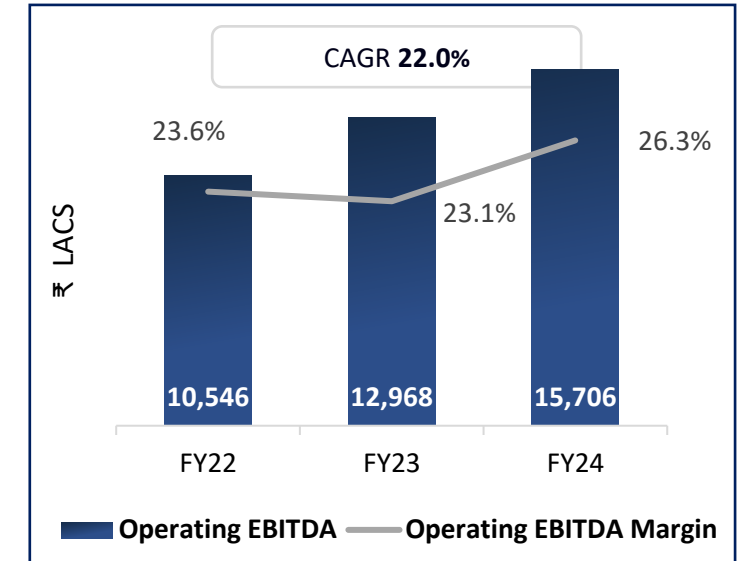
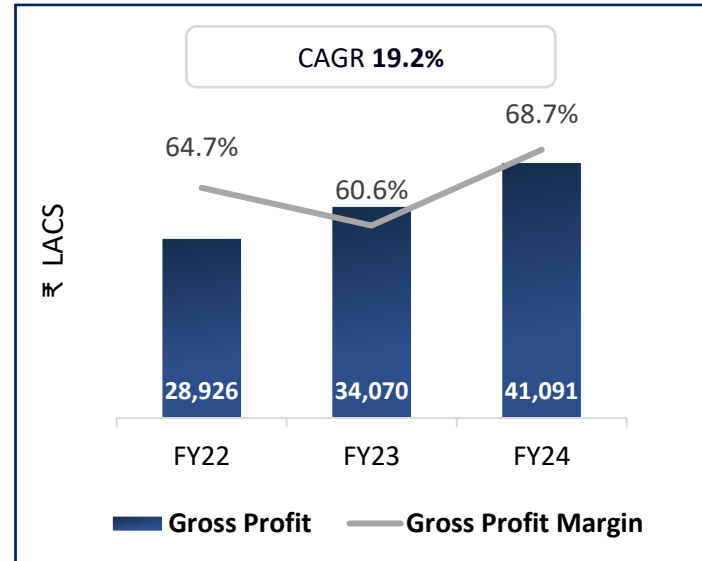
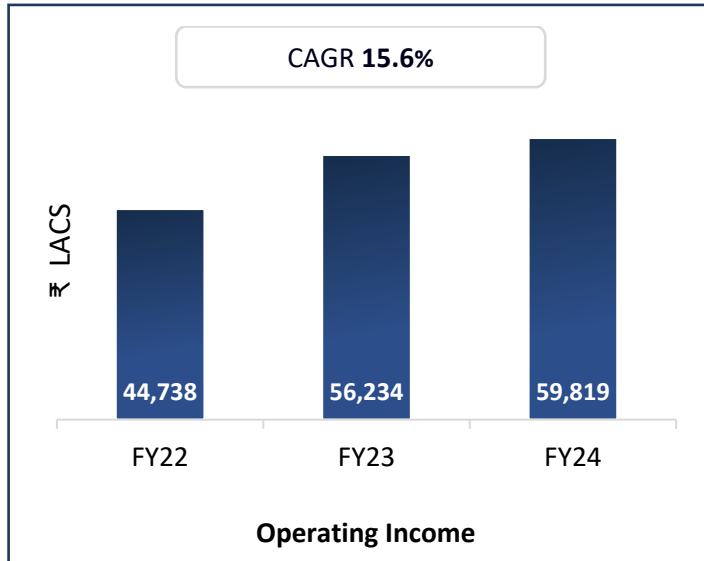
FINAL PRODUCT



DELIVERY

BMWIL PRESENCE IN STEEL PROCESSING

Key Annual Highlights

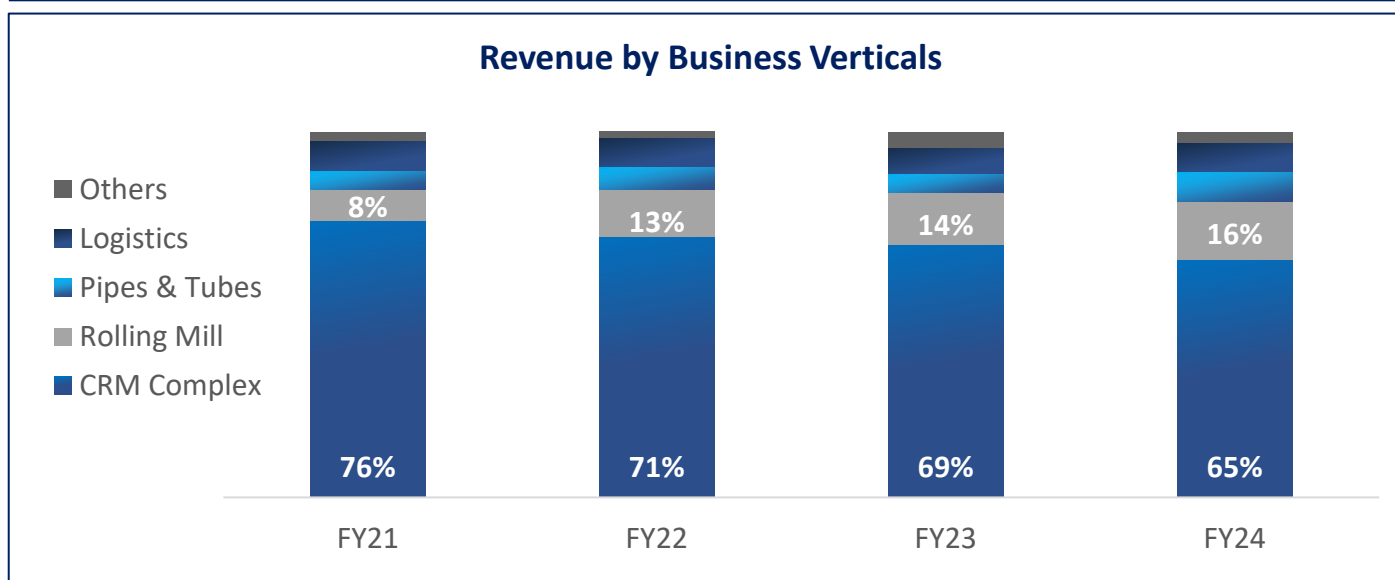


Operational Highlights



Operational Update

Particulars	Installed Capacity (MT)	Actual Production (MT)	Annualized Utilization
CRM Complex	10,14,000	8,24,132	81.3%
Rolling Mill (TMT Bars)	3,00,000	1,79,139	59.7%
Pipes & Tubes	4,14,000	1,13,849	27.5%
Others	4,10,000	2,03,073	49.5%



Note: Capacity & Production as on Mar'24

Management



Experienced Board & Senior Management Team



Ram Gopal Bansal
Chairman and Whole Time Director

- Founder, with 50 + years of experience in the Steel Industry
- Successfully led the SAIL JV & collaborated with Tata Steel for the development of the Steel Service Centre.
- Under his vision & leadership BMWIL is now one of the leading manufacturers/service providers in the Iron & Steel sector.



Rampriya Sharan
Independent Director

- A retired Senior Income Tax bureaucrat with 40+ years of experience
- Held senior positions like Vice Chairman of Settlement Commission of India
- Chairperson of the Stakeholder Relationship & Risk Management Committees



Harsh Bansal
Managing Director

- 25 + years of experience; instrumental in the JV with SAIL & setting up manufacturing plants at Calcutta.
- Executive MBA - Harvard Business School
- Ex-Ed from ISB Hyderabad, & LBS London
- Past Regional Chairperson of YPO –South Asia.



Sunil Kumar Parik
Independent Director

- A Senior Chartered Accountant & Alumni of St. Xavier's College, Kolkata. He has worked with Birla Group & Jitmal Group, and has 45+ years of experience.
- Chairperson of the Audit, Nomination & Remuneration Committees



Vivek Bansal
Managing Director

- Graduate from Calcutta university with experience of 19+ years
- Ex-ED from ISB Hyderabad.
- He currently holds the position of MD at BMWIL and is looking into driving the Tubes & CRM/GP business



Monika Chand
Independent Director

- Graduate from JNU with 10+ years of rich experience in Marketing & Administration

Key Investment Highlights

Stable margins despite
volatile steel prices

Strong Cashflow

Strong Industry growth
drivers



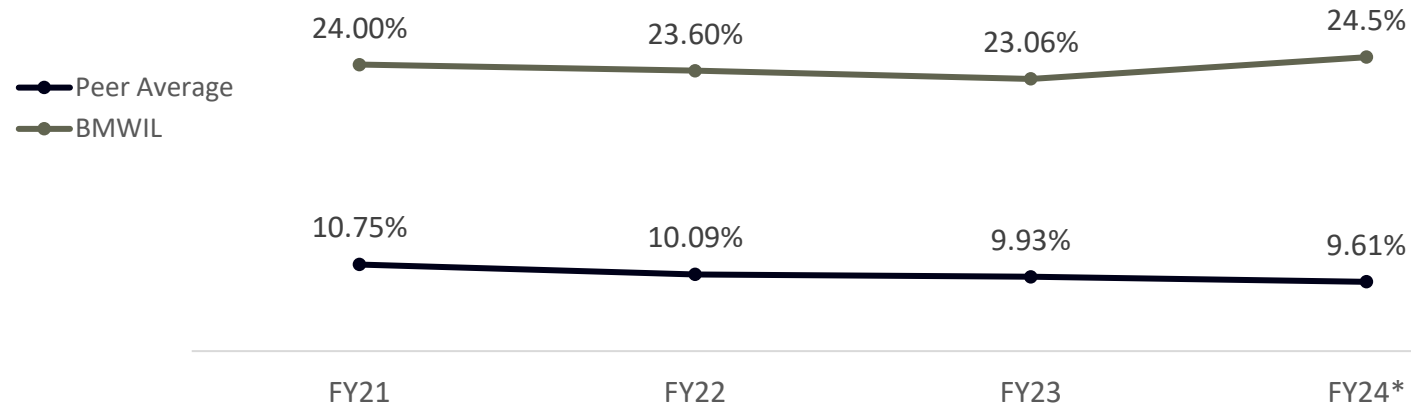
Established strong relationships
with key customers

Efficient service environment
built to serve its customers

Proximity to major customers
and raw material suppliers

Stable Margins despite volatile Steel Prices

Operating EBITDA Margin %



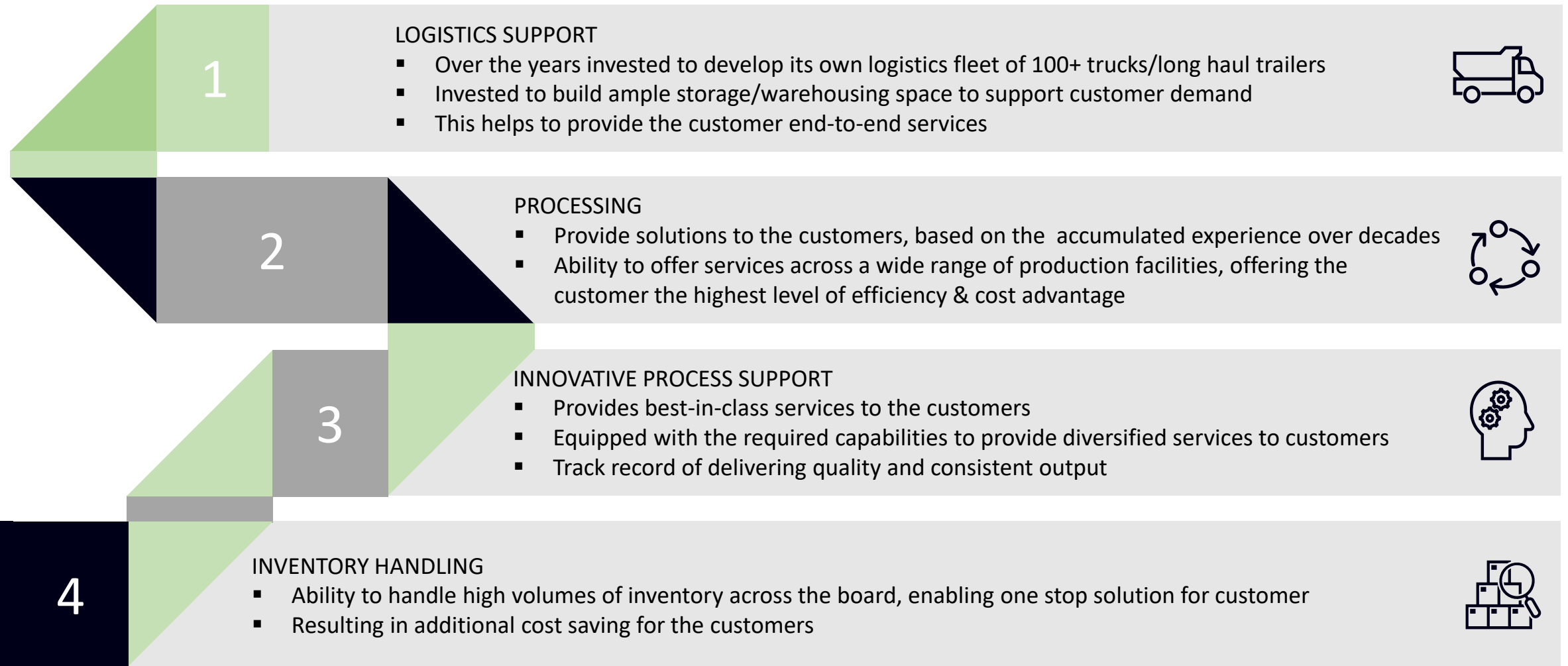
Steel Futures Prices in India (Rs.)



- BMWIL has strategically positioned itself within the steel industry's value chain, aiming to attain **stability and resilience against industry cycles**
- This positioning enables the company **to generate consistent cash flows** by minimizing exposure to demand and pricing fluctuations
- By occupying a stable role, BMWIL maintains financial stability, sustains operations, and has **potential for long-term contracts**
- This strategic positioning also strengthens relationships within the industry, contributing to its **resilience during challenging economic conditions**

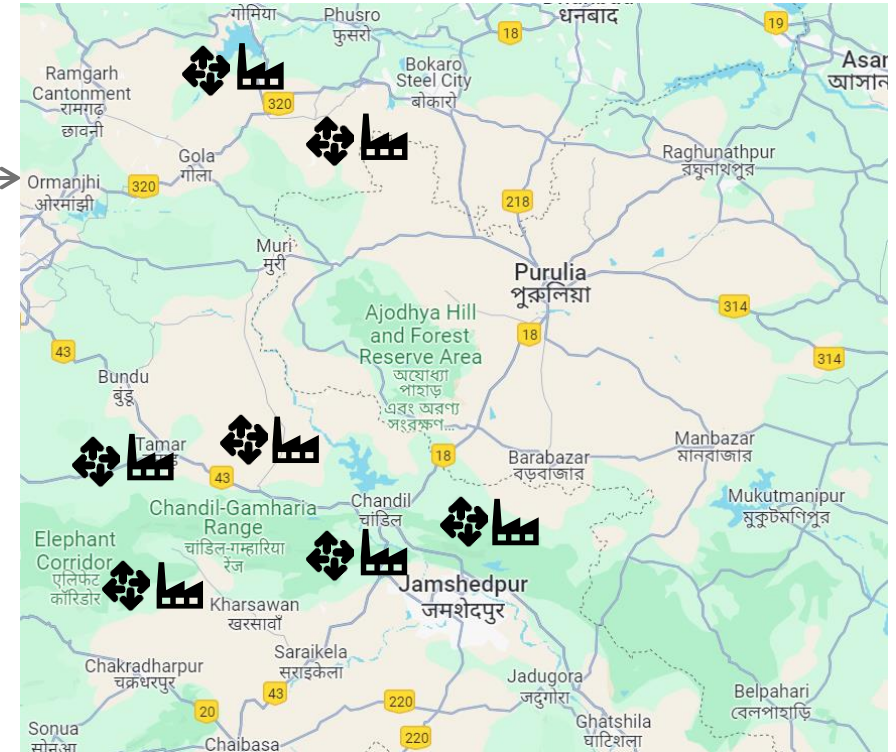
*Note: FY24 Peer Average Operating EBITDA Margin is the 9MFY24 Average

Built an efficient Service Environment

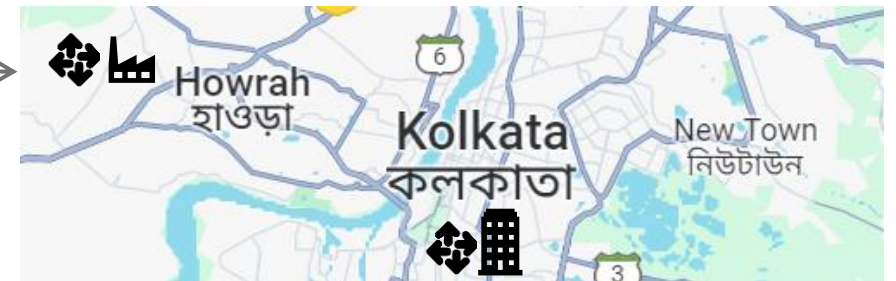


Location Advantage

5 BMWIL Plants in Jharkhand, 2 in Bokaro
Strategically located in a region where raw material is readily available



1 BMWIL Plant & H.O. in West Bengal
Proximity to major buyers of finished and converted products helps in delivering goods in cost efficient manner



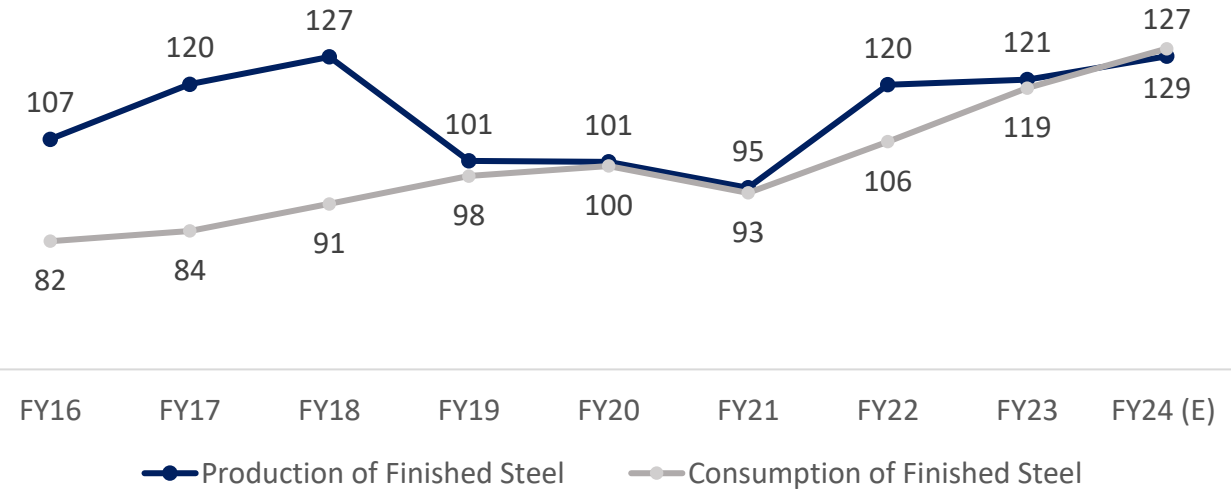
Industry Growth Factors (1/2)

- India is the **2nd largest producer of Crude & Finished Steel** worldwide.
- India has also been the **2nd largest consumer of Finished Steel** as of FY21.
- India ranks low, in terms of per capita steel consumption, however this number has steadily **increased in the last decade** and is projected to continue to grow.
- Indian Specialty Steel is **18% of the total steel output** and currently **meets 85% of domestic demand**

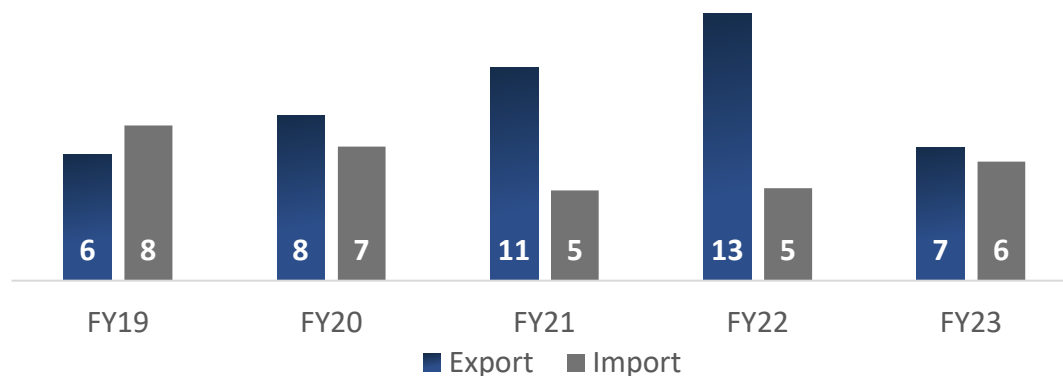
Indian Steel Industry Projections (FY31)

- FY31 (E) Crude Steel Production: **255 MMT**; 85% Capacity Utilization
- FY31 (E) Finished Steel Production: **230 MMT**; 6.2% CAGR (FY22-FY31)
- FY31 (E) Steel Production Capacity: **300 MMT**; +10 Lakh Cr. Investment

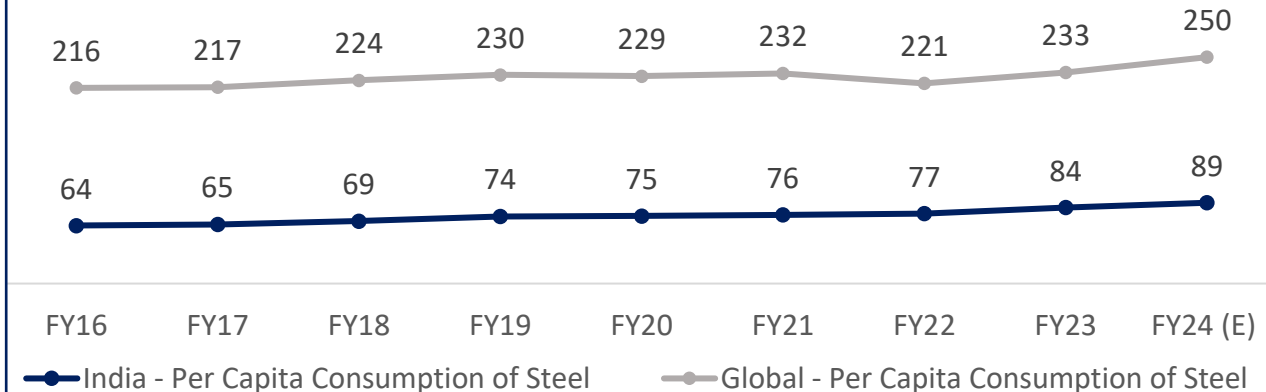
India's Production and Consumption of Finished Steel (MMT)



India's Annual Export & Imports of Finished Steel (MMT)



Per Capita Consumption of Steel (Kg)



Industry Growth Factors (2/2)

ROBUST DEMAND

Construction Sector:

- **GVA from Construction** is expected to grow by ~9% in FY24(E)¹
- Construction GVA grew at **10% in FY23**, well above the **long-run annualized rate of 5.3% (FY12-FY23)***
- **Airport construction activity** is likely to **increase steel consumption by more than 20%** in the coming years

Automobile Sector:

- Automobile production in India **increased by 12.6%** during FY23 to **25.93 million units**
- Domestic Sales **increased by 20.4%** during FY23 to **21.20 million units**

Consumer Durables:

- The Indian White Goods Market is estimated to cross **\$21 Bn** by FY25, expanding at an **11% CAGR**

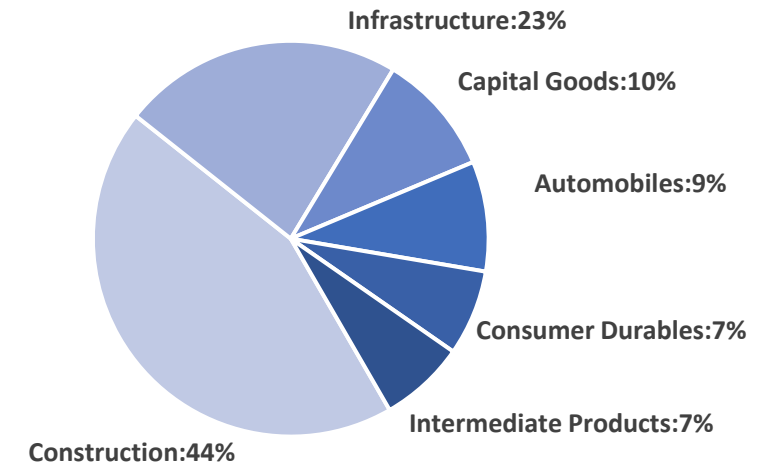
POLICY SUPPORT

- **100% FDI in Steel Sector**
- PLI Scheme **5 year outlay of Rs. 6,322 Cr.** towards promoting manufacture of 'Specialty Steel'
- National Steel Policy: Aims to increase **steel production capacity to 300 MMT** by FY31
- National Steel Policy also seeks to increase per capita steel consumption to 160 Kgs by 2030-31

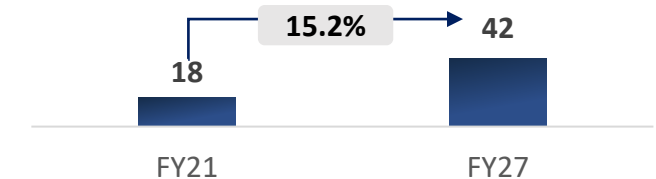
INCREASING INVESTMENTS

- Capital investment outlay for infrastructure is being increased by **33%** to **Rs.10 lakh crore** in the FY24 Budget
- Under the National Infrastructure Pipeline, projects worth **Rs.108 Trillion** are currently at different stages of implementation

Indian Steel Demand by Sector²

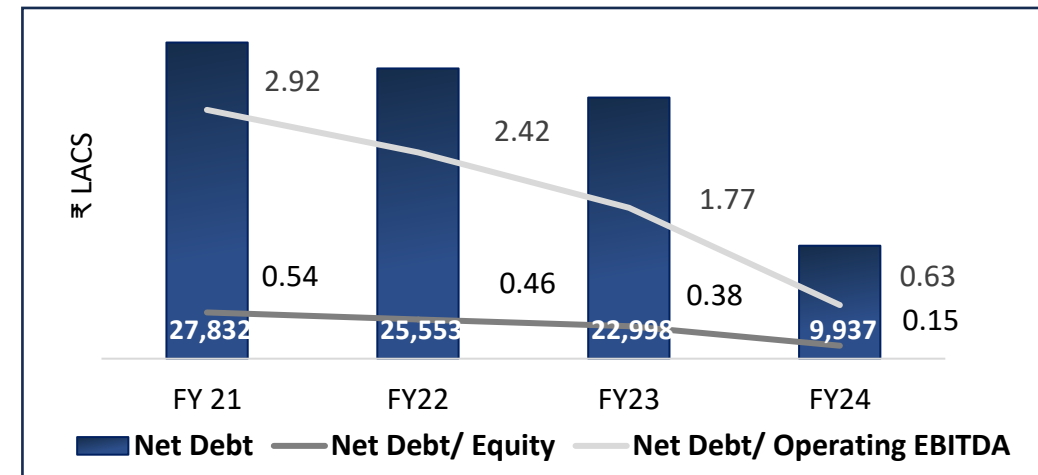
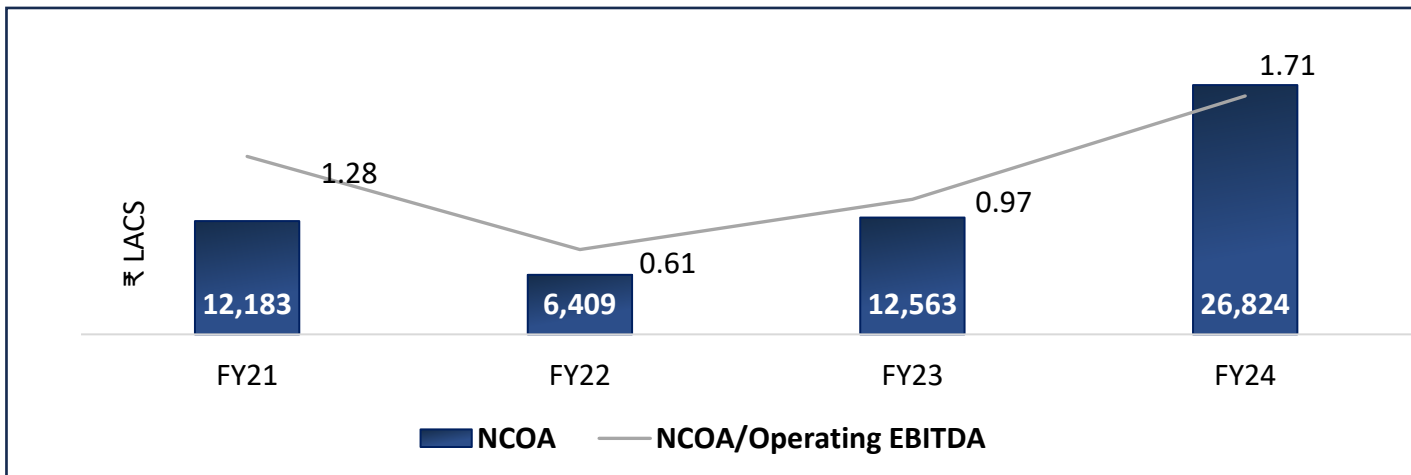
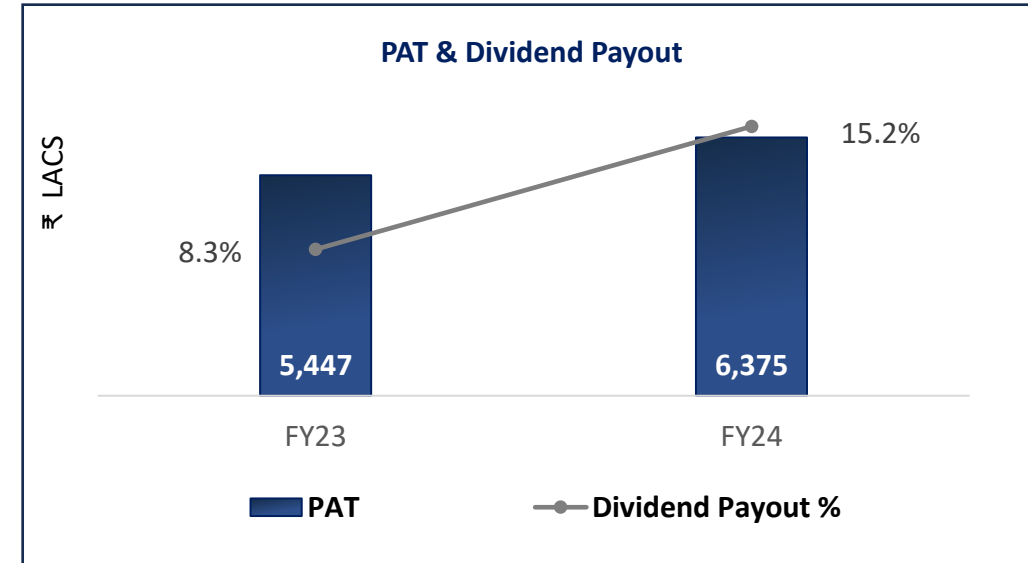


Specialty Steel Capacity expansion under PLI Scheme (MMT)



Strong Cashflow

- The company has strong and consistent operating cash flow. **NCOA/Operating EBITDA is at healthy levels**
- Due to strong Cashflow from Operations, **Net Debt/Equity as well as Net Debt/Operating EBITDA has been falling**. Net Debt/Equity is at a very comfortable level of 0.15
- Judicious deployment of capital has enabled the company to consistently **improve its Fixed Asset Turnover Ratio** from 0.76 in FY21 to 1.13 in FY24
- The company has adopted a dividend payout policy wherein it will endeavor to maintain **Dividend Payout Ratio of 15-20%** of its annual PAT
- The Board of Directors have recommended a Final Dividend of **₹ 0.21 per share**, subject to Shareholders' approval. This is in addition to the previously announced **Interim Dividend of ₹ 0.22 per share**. Together these translate to a **Dividend Payout of ~15.2%**



Staying true to our ESG commitments

E

- **Installed Solar Panels across all facilities**, to reduce carbon footprint
- Achieved **Zero Liquid Discharge at all plants**
- **3,000** out of a **targeted 10,000** trees have been planted at the factory

S

- **Support for cancer patients**, especially women
- **1,300+** beneficiaries of **medical and eye check-up camps**
- **500+** beneficiaries of **free artificial limb and caliper camps**

G

- Consistently endeavor to **practice good Corporate Governance**
- Believe that such practices are founded on the core values of **transparency, empowerment and accountability.**



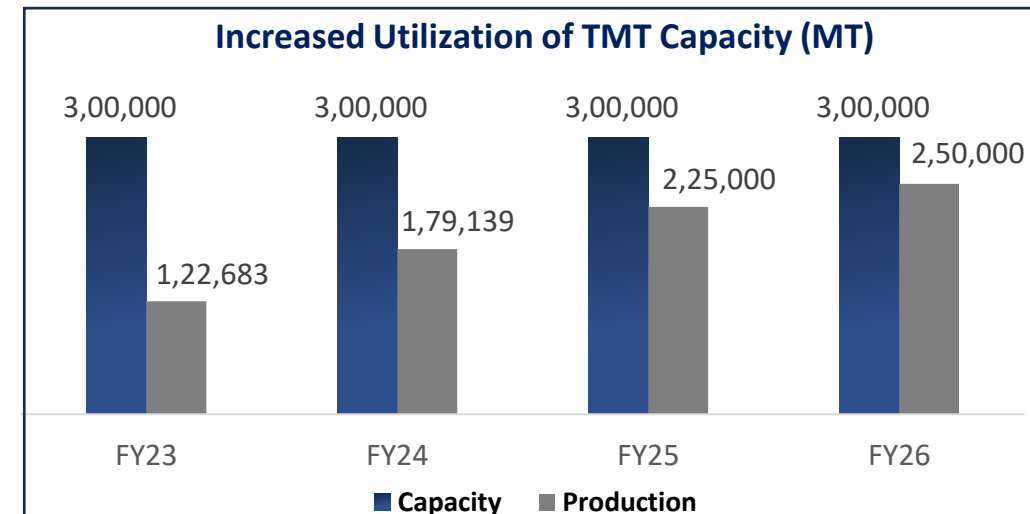
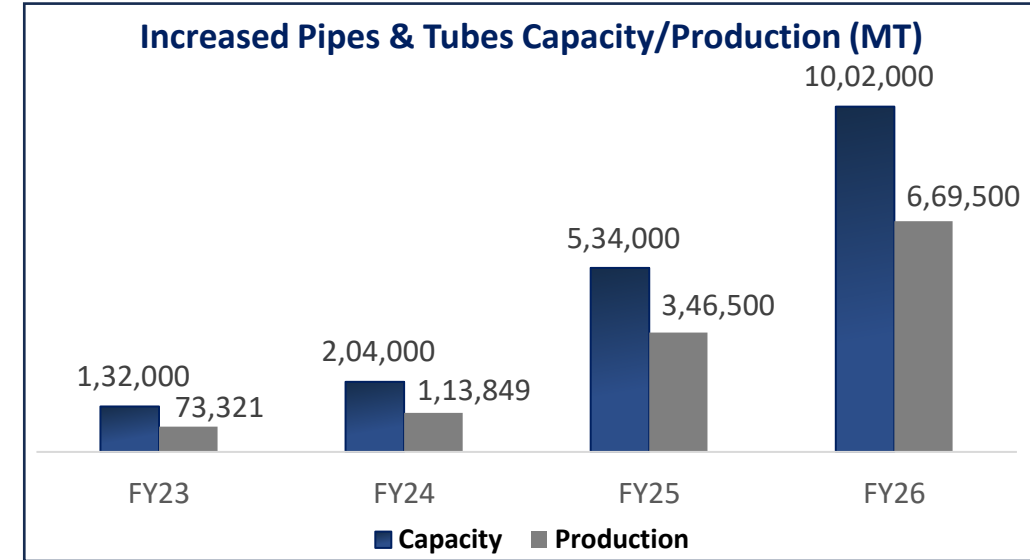
Growth Strategies



Stepping – up the existing capacity

Pipes & Tubes Capacity Expansion Plans

- Expansion of Pipes & Tubes Production Capacity at existing plants in Kolkata & Jamshedpur
- Out of the proposed capacity of 5,34,000 MT by the end of Mar'24, we have **already installed and commissioned capacity to the tune of 4,14,000 MT**. Capex for the balance 1,20,000 MT has already been incurred, which is likely to be commissioned by the end of Q1 FY25
- Increased Capacity will operate at 60%-70%
- Total Project Outlay **Rs 170 Cr.**, divided into:
 - Phase 1:** Capex Outlay completed
 - Phase 2:** Outlay **100 Cr.** (50 Debt, 50 Internal Accrual)



Strong Revenue Visibility

1

Agreement for conversion of GP/GC sheets through the **CRM Complex** has been extended up to September 2024 and is currently undergoing negotiation for the long-term contract

Expected Revenue of Rs. 2,000 Cr. over the contracted period of 5 years

KEY ENTRY BARRIERS:

Capital Requirements

Invested Rs. 400 Cr. to start this line. The current CAPEX required to set up a similar plant is ~Rs. 1,000 Cr.

Geographical Advantage

Facility is ~5 km in the vicinity of the customer's Plant. Additionally, BMWIL provides logistics services to deliver to customers

Relationship

Has a relationship of +30 years with its customers. Consistency and product quality is maintained at BMWIL facility

Competitive cost of Production

Has acquired skills over years that allow it to produce at a highly competitive cost while maintaining consistent quality compared to peers
Expected Revenue of at least Rs. 350 Cr. per year

2

Agreement to **manufacture ~3,00,000 MTPA TMT Rebars** up to November 2025

Expected Revenue of Rs. 250 Cr. over the contracted period of 3 years with PV on Key Consumables

KEY ENTRY BARRIERS:

Trusted Player

The facility is exclusive to the customer to manufacture TMT rebars.

Quality

Able to serve its customers with high-quality products of constant quality due to its cutting-edge manufacturing facilities and deep focus on process and people.

End to End Services

Provides 360-degree services to the customers from manufacturing/processing to transportation services

Building our own Brand

FOCUS ON POSITIVE CASHFLOW

- Creation of a **strong distribution network**
- Focused penetration in **under-serviced geographies**
- Backed-up by **in-house logistics support** – one-stop shop for rural market

BANSAL SUPER
500D EQ-CR TMT REBAR

ASSET LIGHT MODEL

- Efficiently **outsourcing** manufacturing facilities
- **Conversion Agreement** for own brand in place

ESTABLISH BRAND VALUE

- Introduction of **adjacent product categories**
- **Cautious spending** on building a reputed brand

DISTRIBUTION IN PLACE & GROWING

Financial Highlights



Profit & Loss Summary



₹ Lacs

Particulars	FY21	FY22	FY23	FY24
Revenue from Operation	39,771	44,738	56,234	59,819
Gross Profit	23,763	28,926	34,070	41,091
Gross Profit Margin	59.7%	64.7%	60.6%	68.7%
Operating EBITDA	9,547	10,546	12,968	15,706
Operating EBITDA Margin	24.0%	23.6%	23.1%	26.3%
Other Income	1,016	1,299	913	429
One Time Customer Debit	-	-	-	1,073
Finance Costs	2,927	2,331	2,395	1,979
Depreciation	5,286	4,940	3,975	4,452
PBT	(21,510)	4,574	7,512	8,632
PAT	(17,568)	3,453	5,447	6,375
PAT Margin	(43.1%)	7.5%	9.5%	10.6%
EPS (₹)	(7.80)	1.55	2.42	2.83

Revenue Breakup

₹ Lacs

Particulars	FY21	FY22	FY23	FY24
CRM Complex	30,111	31,899	38,889	38,911
Rolling Mill (TMT Bars)	3,346	5,750	8,047	9,399
Pipes & Tubes	2,082	2,810	2,950	4,929
Logistics	3,323	3,526	3,921	4,683
Others	909	753	2,426	1,897
Total Revenue	39,771	44,738	56,234	59,819

Balance Sheet Summary



₹ Lacs

Particulars	FY21	FY22	FY23	FY24
Net Worth	52,002	55,435	60,373	66,247
Net Debt	27,832	25,553	22,998	9,937
Capital Employed*	81,476	83,601	88,464	80,999
Net Fixed Assets	48,764	46,758	47,677	58,300
Net Current Assets	6,787	12,163	14,371	9,648
Total Assets	90,025	90,684	96,068	87,994

Note:

*Capital Employed: Net Worth + Gross Debt + Deferred Tax Liability + Other Non-Current Liabilities;
Net Current Assets excludes cash & cash equivalents

Key Ratios



Particulars	FY21	FY22	FY23	FY24
Operational Ratios				
Current Ratio	1.30	1.59	1.72	2.05
Fixed Asset Turnover Ratio	0.76	0.94	1.19	1.13
Sales/Capital Employed	0.44	0.54	0.65	0.71
Cash Conversion Cycle*	231	162	142	96
Solvency Ratios				
Net Debt/ Equity	0.54	0.46	0.38	0.15
Net Debt/ Operating EBITDA	2.92	2.42	1.77	0.63
Interest Coverage Ratio	1.80	2.96	4.14	5.36
Return Ratios				
ROCE ^o	5.8%	8.4%	11.5%	12.5%
ROE ^o	(28.9%)	6.4%	9.4%	10.1%

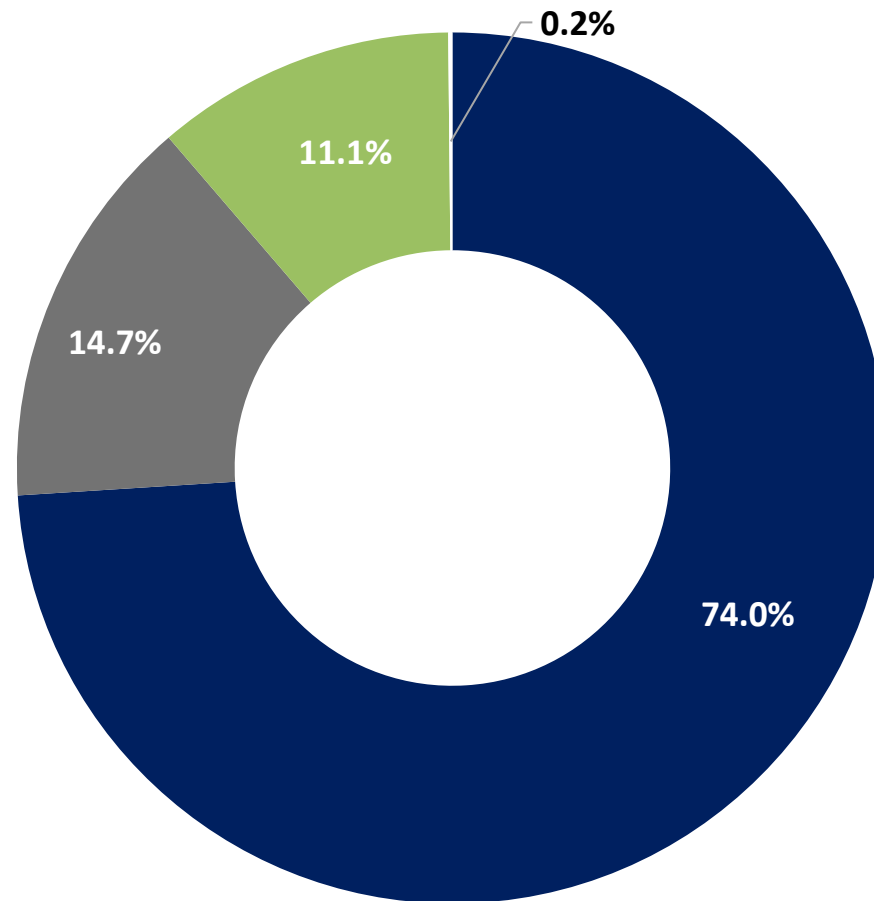
Note:

*Cash Conversion Cycle has been calculated on Operating Income

^oROCE has been calculated on Average Capital Employed; ROE has been calculated on Average Shareholder's Equity

Shareholding Pattern

As on March 2024



- Promoter & Promoter Group
- Bodies Corporate
- Resident Individuals
- NRIs

Thank You

For further details please contact:



Chief Financial Officer

Abhishek Agarwal

Email: abhishekagarwal@bmwil.co.in

Phone No.: +91 8420555215



Investor Relations Advisor

Sanjeev Sancheti

Email: ir@uirtus.in

Website: www.uirtus.in