



usha martin[®]

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Date: 11th May, 2024

The Manager
National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor,
Plot No.C/1, G Block,
Bandra Kurla Complex, Bandra
Mumbai – 400 051
[Symbol: USHAMART]

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai – 400 001
[Scrip Code: 517146]

Societe de la Bourse de
Luxembourg
35A Boulevard Joseph II
L-1840, Luxembourg
[Scrip Code: US9173002042]

Dear Sir/Madam,

Sub.: Investor Presentation

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), please find enclosed Investor Presentation – May 2024.

The presentation is also being hosted on the website of the Company i.e. www.ushamartin.com

You are requested to take the same on record.

Thanking you,

Yours faithfully,
For **Usha Martin Limited**

Shampa Ghosh Ray
Company Secretary

Encl.: As above



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*Specialty Wire Rope
Solutions Provider*

**Investor
Presentation**

May 2024

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Overview

2 Competitive
Edge

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Overview

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Company Overview

Leading global and India's no.1 specialty steel wire rope solutions provider...



- Offering wide range of:**
- Specialty wire ropes
 - High-quality wires
 - Low relaxation prestressed concrete steel strand (LRPC)
 - Bespoke end-fittings, accessories and related services



Note: As on 31st March 2024

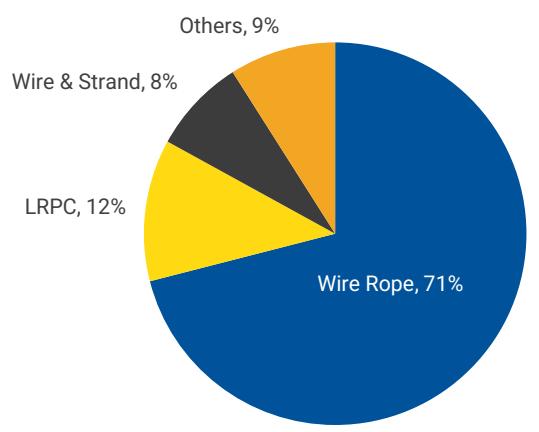
...With diversified presence across geographies and end-industries



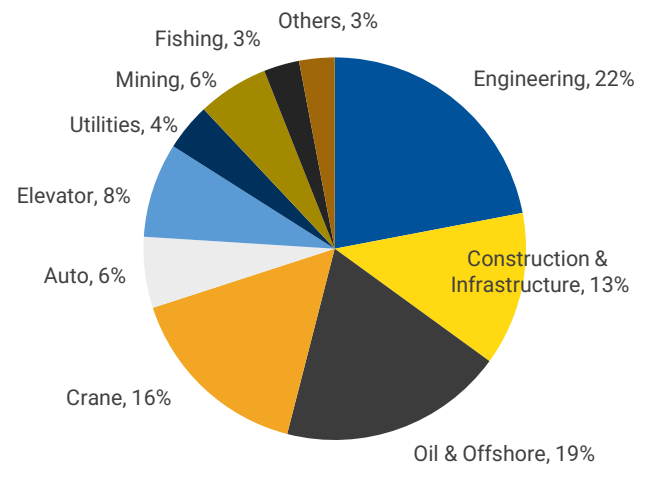
- **State-of-the-art manufacturing facilities:** Ranchi, Hoshiarpur, Dubai, Bangkok, UK and Silvassa
- **Global Design Center at Italy:** Engaged in designing / using proprietary design software to develop best in class products
- **Worldwide network:** Extensive and dedicated network spread across the globe enabling closer proximity to international market & uninterrupted services to customers
- **SKUs:** Highly customized offerings have enabled high number of SKUs across various industries having critical applications

Consolidated Revenue Break-up¹

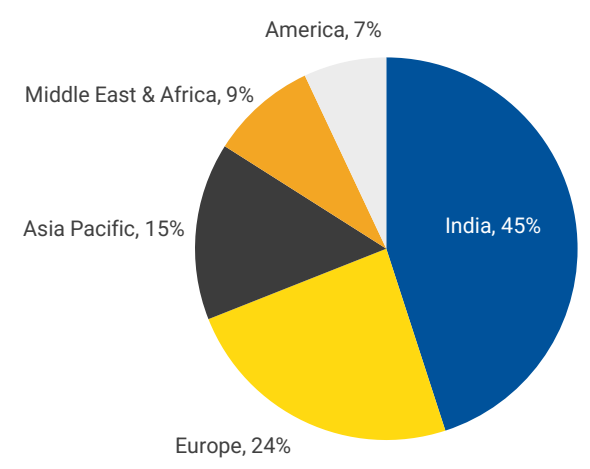
Product Segmentation



End Industry Segmentation²



Geographic Segmentation²



Note 1: As on 31st March 2024

Note 2: For all product segments

We are undergoing a strategic transformation and are poised for growth



- Divestment of steel business resulting in:
 - Sharp deleveraging
 - Reshaped balance sheet

Net debt to equity improved to 0.4x in FY20 from 4.3x in FY19

- Renewed focus on specialty wire rope business
- Strategic initiatives to consolidate leadership

Significant earnings turnaround:
PBT improved to Rs. 346 crore in FY22 from Rs. 149 crore² in FY20

- Value accretive capex
- Enhance specialty offerings across industry segments
- Increase geographical spread in strategic markets
- Drive sustainable growth

Target to sustain healthy topline & operating EBITDA growth in the coming years

Note 1: All figures mentioned in the slide are consolidated financials

Note 2: PBT from continuing operations



**Competitive
Edge**

In an industry with high entry barriers...



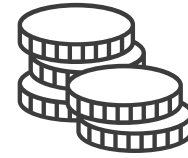
Critical Component Of End-product

High-end applications of wire ropes are a mission critical component of end-product, making safety an absolute priority



Close Customer Engagement

Customer approvals and engagement are built over many years



High Customer Switching Costs

Customers have little incentive to switch once product is entrenched in their ecosystem



Technical Know-how

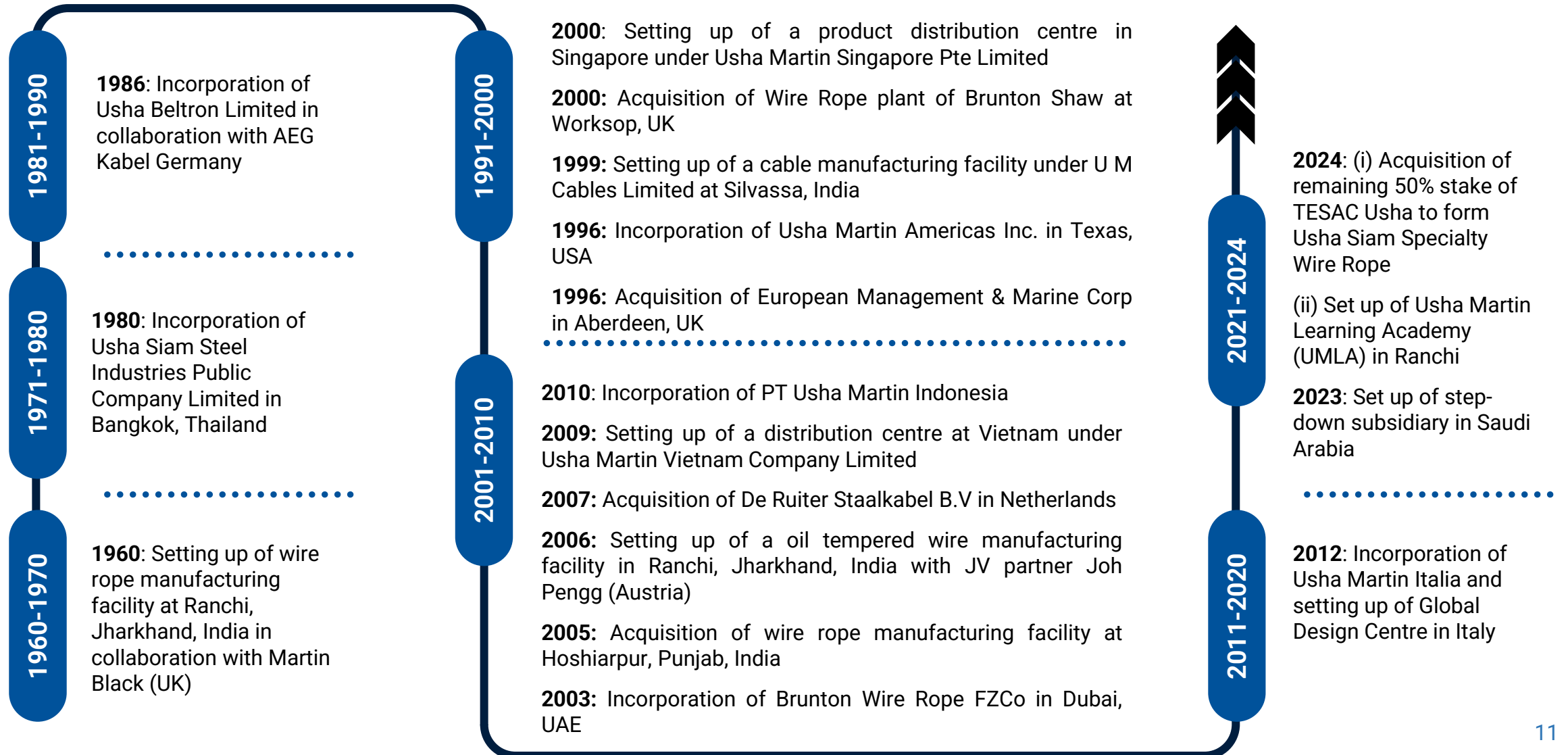
Design application and knowledge for the industry takes years to build

...We have the competitive edge to fuel growth



Brand value established over 60 years

Our evolution through time



Core Wire Rope Segment: Comprehensive product portfolio across diverse critical applications



Crane wire ropes:
6 months - 18 months
Piling : 60 piles – 120 piles



Aerial Transportation:
2 years – 3 years



Cable Supported Bridges & Structures



Surface Mining:
45 days - 150 days
Dragline Dump : 7 days – 14 days



Fishing wire ropes:
6 months - 12 months



Oil & Offshore



Elevator ropes:
8 years - 10 years



Underground Mining:
1.5 years – 3 years

Critical end-use application leads to limited lifespan of specialty wire rope and continuous demand

Note : Replacement cycles mentioned above depend on the nature of usage



Focus on services - offering total solutions to clients

Cutting & Socketing

Spooling and Cutting of Heavy Reels Up to 100 Ton



Splicing, Fused & Tapering

Mechanical Splicing

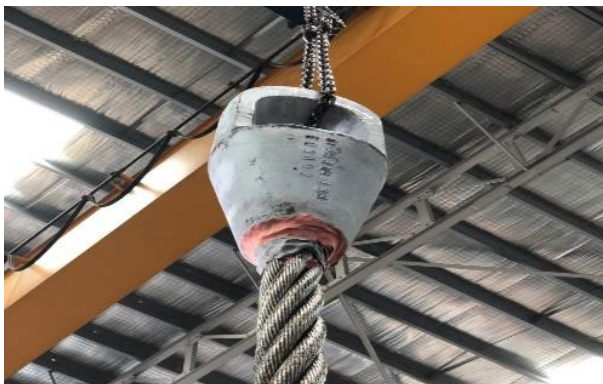


Testing & Site Inspection Services

Site Inspection



Resin Socketing



Fused and Tapering



Load Test or Destruction Test with 500 Ton Test Bed



Global 'close-to-consumer' footprint

6

Manufacturing Facilities

Presence Across

6

Continents

11

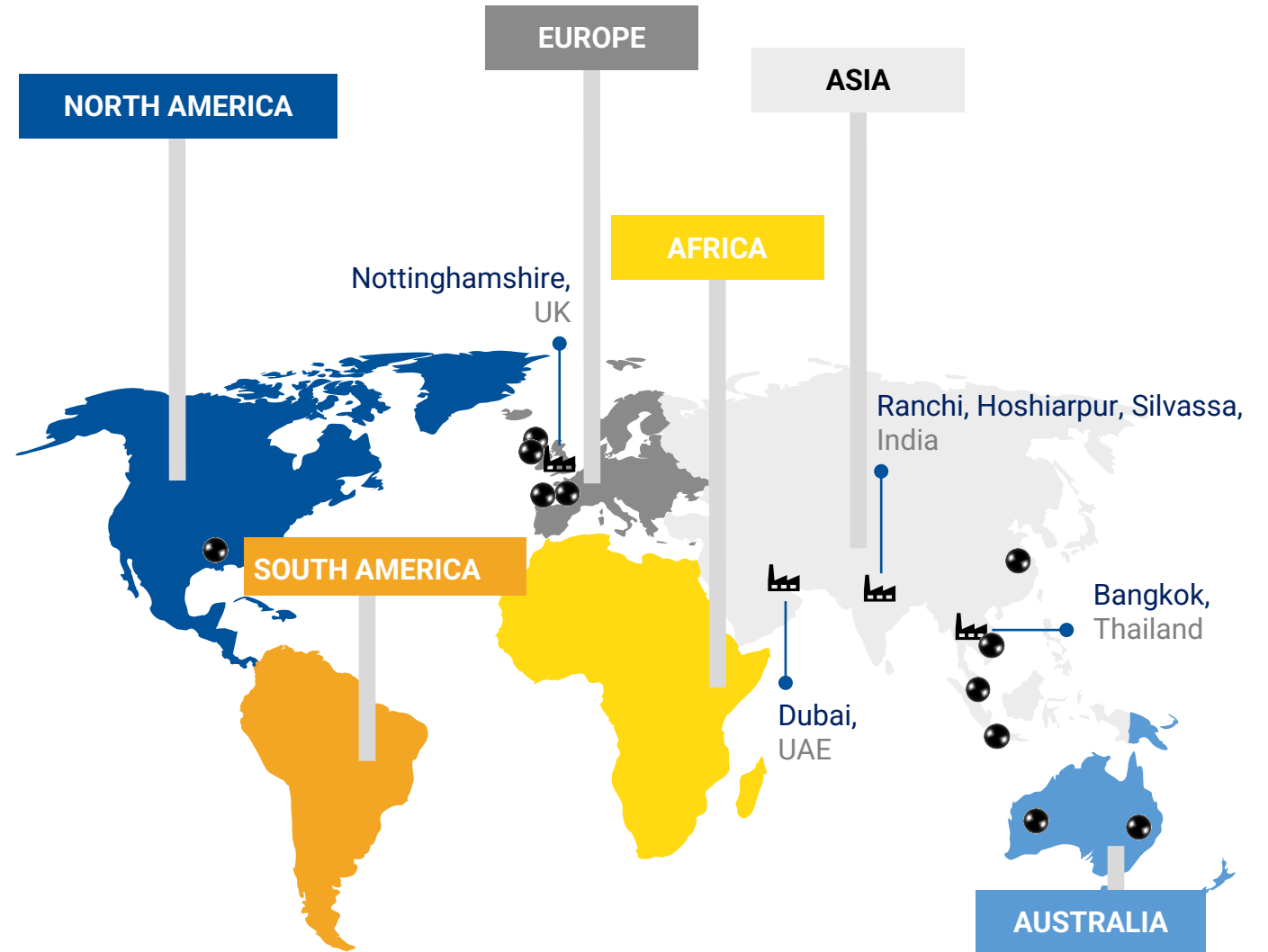
Own Distribution Centers

18

Channel Partners in India

6

Sales Office in India



Robust R&D capabilities

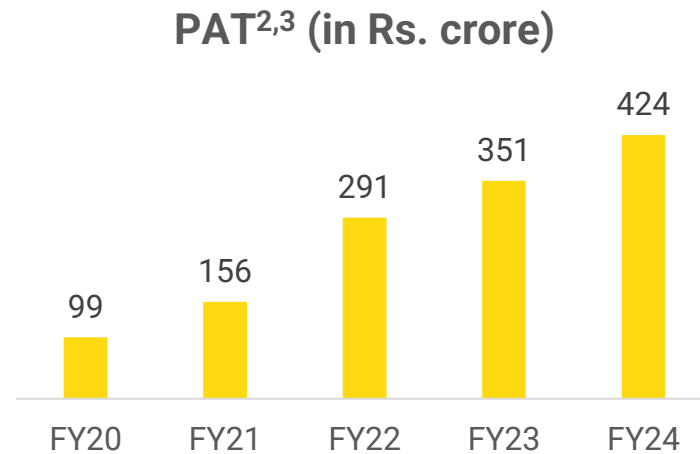
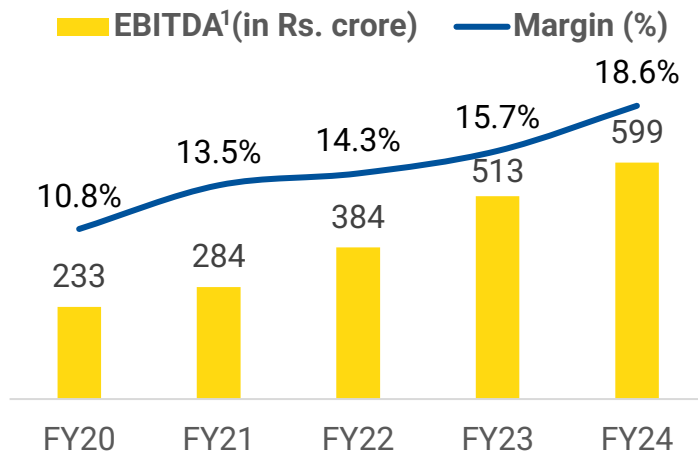
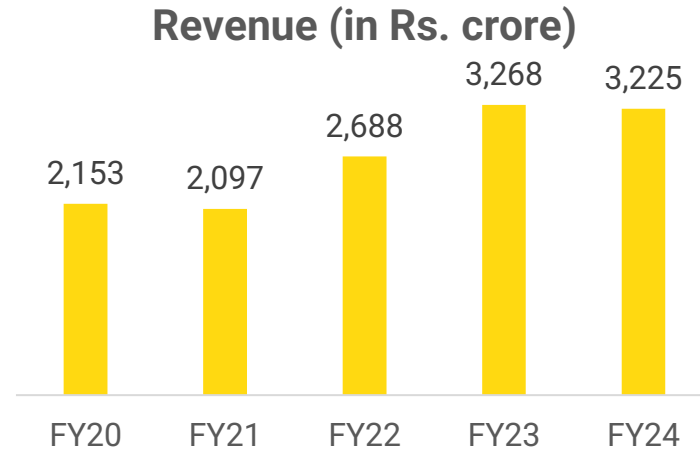
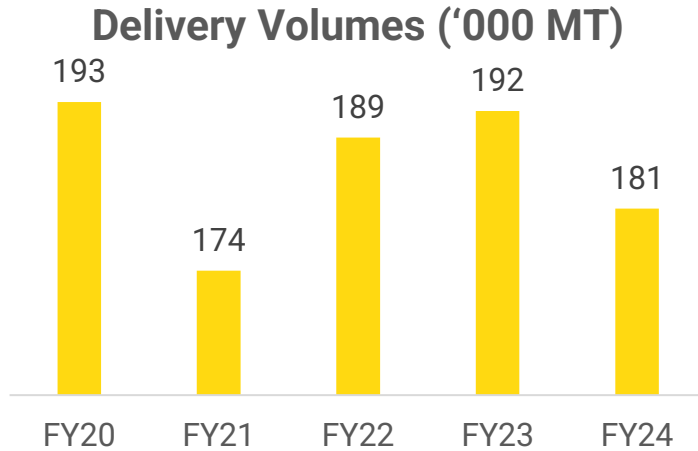
- GDC has >40 years experience in rope design and application engineering
- Technical guidance for product development
- In-depth R&D and product testing
- Project management and quality assurance for critical supplies
- Close co-operation with customers, universities and research institutes





Financial Overview

Strategic initiatives have strengthened our consolidated operational and financial performance



- Registered consistent performance by leveraging inherent strengths
- Greater focus on high value offerings to continue driving margins and overall growth
- Ability to manage spread despite fluctuations in steel input costs
- Focus on international markets enabling to realize higher value through increased solution sales

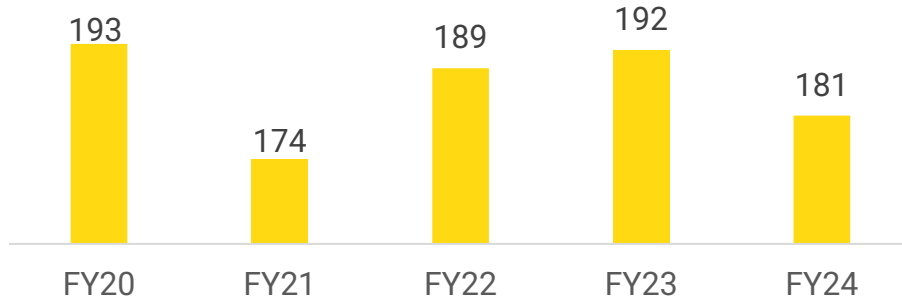
Note 1: EBITDA calculated without other income

Note 2: PAT from continuing operations adjusted for normalized tax for FY20; FY22 PAT includes exceptional income of Rs. 31 crore

Note 3: PAT for Q4 FY22 and FY22 includes Rs. 20 crore of deferred tax credit

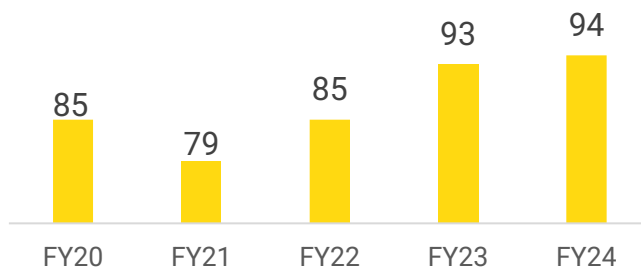
Key Operational Highlights

Sales Volumes¹ ('000 MT)

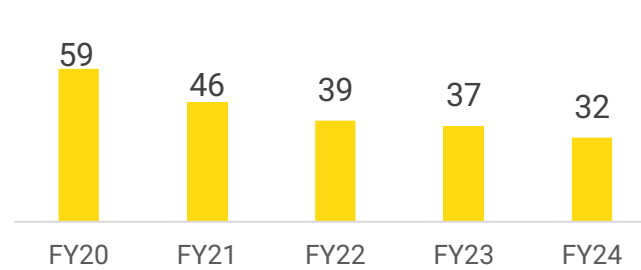


- Decrease in overall volumes YoY, primarily due to a decline in LRPC and Wire & Strand volumes
- Segment wise contribution to overall volumes FY24:
 - Wire Rope – 52% (FY23: 49%)
 - Wire & Strand – 18% (FY23: 19%)
 - LRPC – 30% (FY23: 32%)

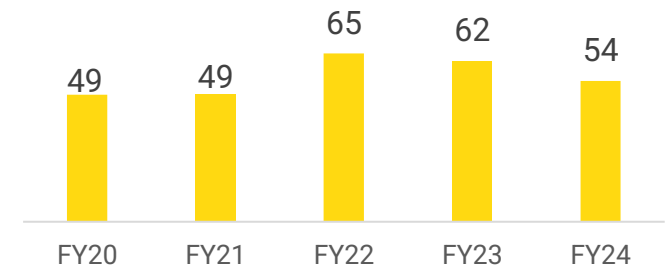
Wire Rope Sales Volumes ('000 MT)



Wire & Strand Sales Volumes ('000 MT)



LRPC Sales Volumes ('000 MT)

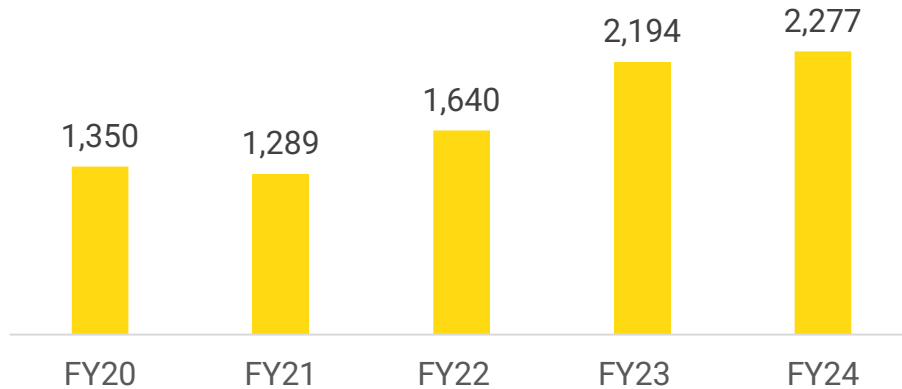


Note 1: For all product segments

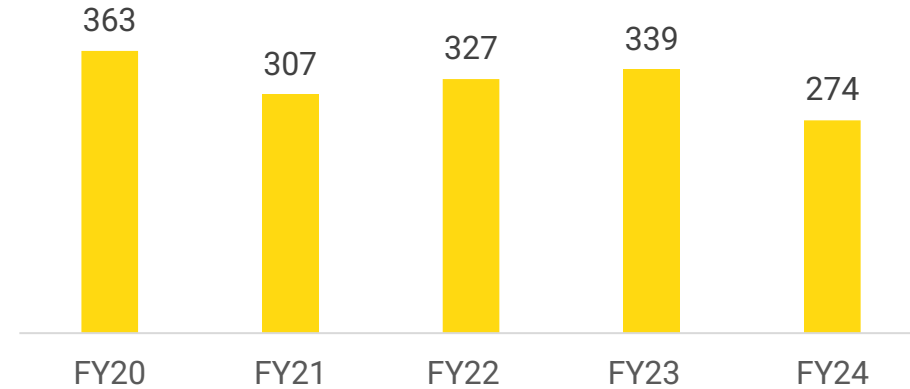
Note 2: All figures mentioned in the slide are consolidated volumes

Segmental Revenue Overview

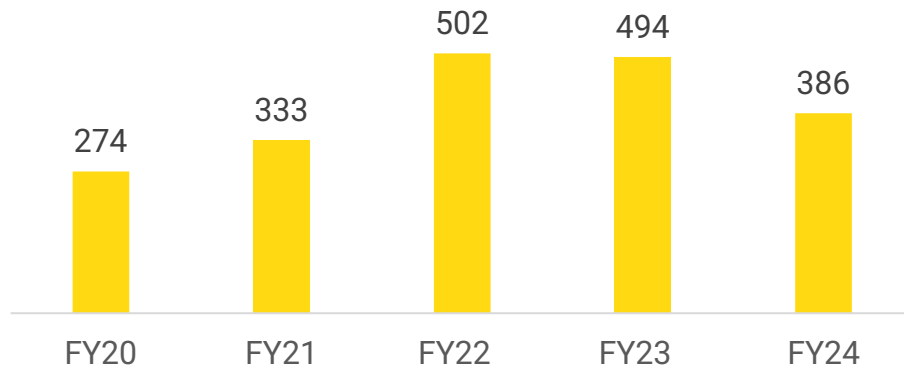
Wire Rope



Wire & Strand



LRPC



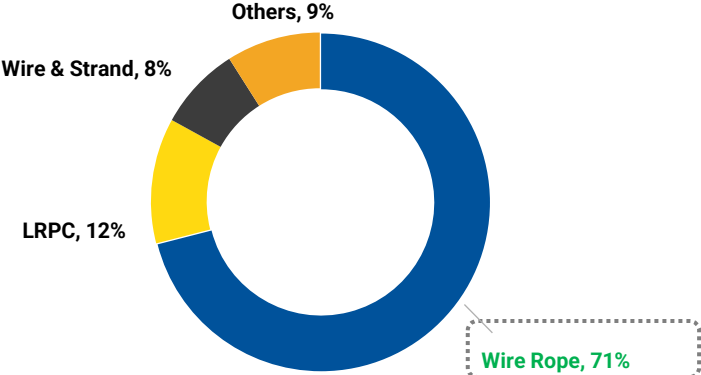
- Core Wire Rope segment revenues increased by 3.8% Y-o-Y in FY24
- Wire & Strand and LRPC segments registered a 19.3% and 21.8% Y-o-Y decline
- Segment wise contribution to overall sales FY24:
 - Wire Rope – 71% (FY23: 67%)
 - Wire & Strand – 8% (FY23: 10%)
 - LRPC – 12% (FY23: 15%)

Continuing shift towards value accretive products, applications and geographies

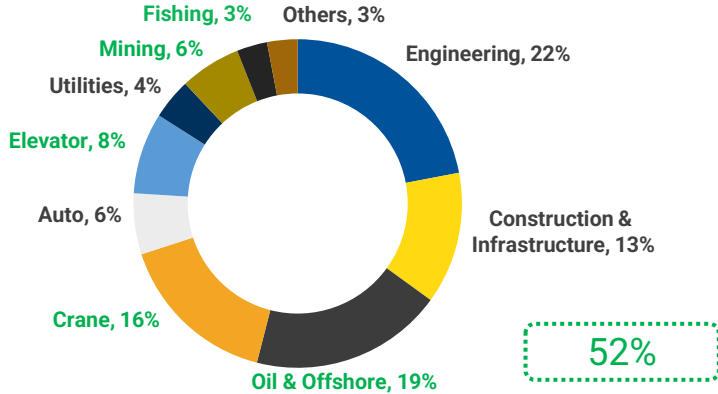
Consolidated Revenue Break-up¹

FY24

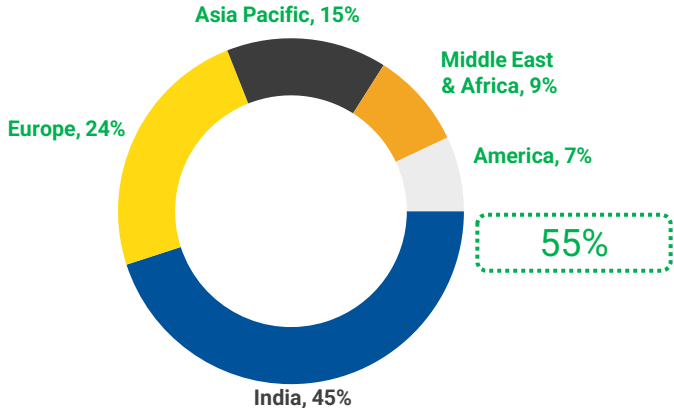
Product Segmentation



End Industry Segmentation^{1,2}

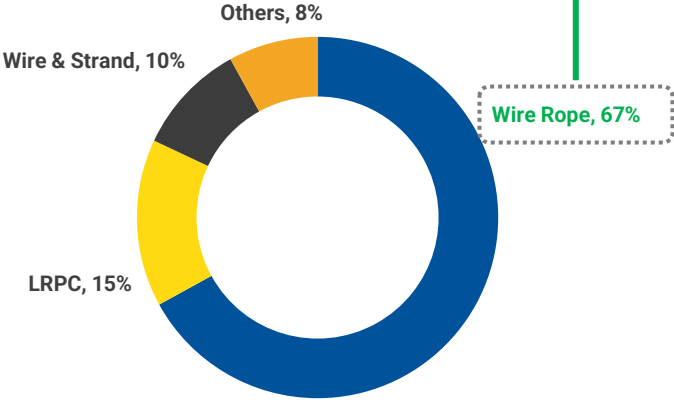


Geography Segmentation^{1,3}

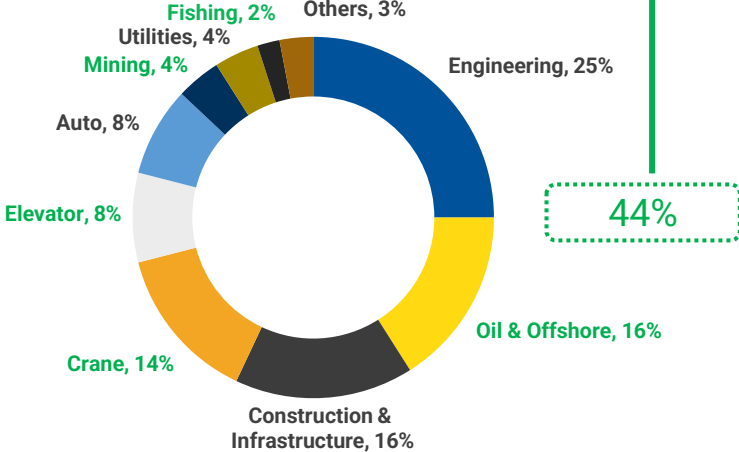


FY23

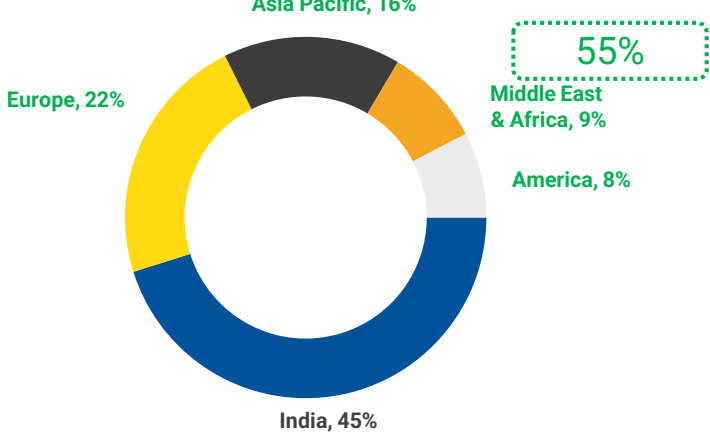
Product Segmentation



End Industry Segmentation^{1,2}



Geography Segmentation^{1,3}



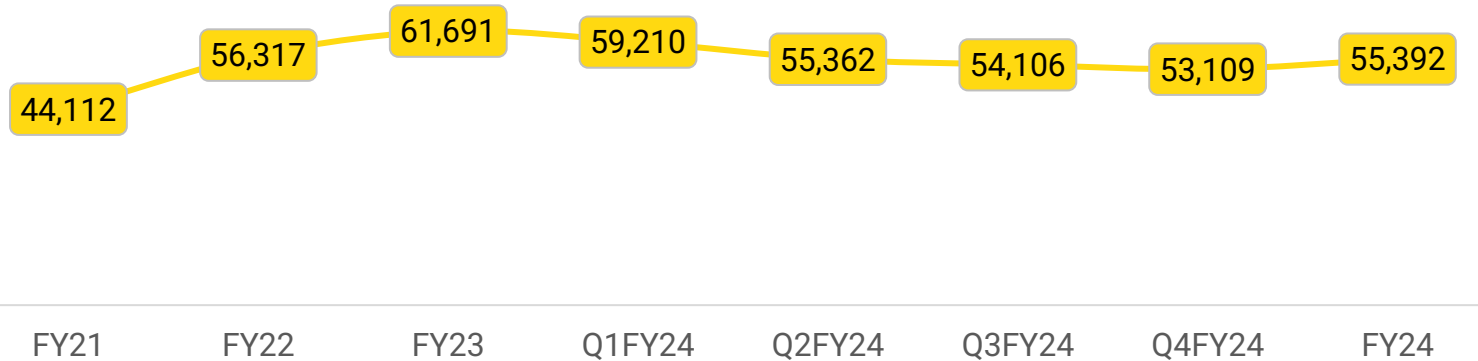
Note 1: For all product segments and excluding intra-group sales

Note 2: The data label highlighted in green represents value-added segments

Note 3: Data labels in green represents international operations

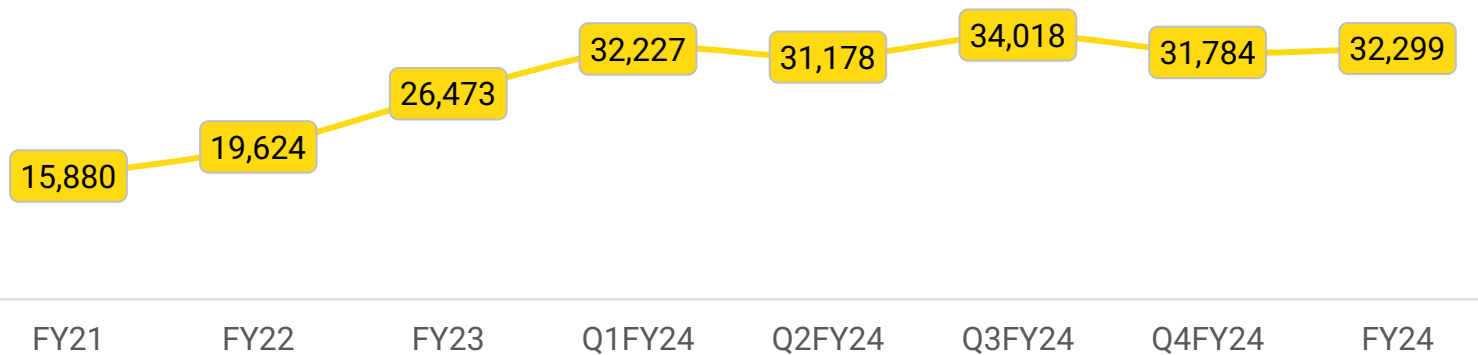
We have been successfully navigating raw material volatility

Steel Price¹ (Rs. per tonne)



- Sustained EBITDA/ton on a quarterly basis
- Consistently managed raw-material price volatility and deliver sustained EBITDA/mt

EBITDA/tonne² (Rs.)

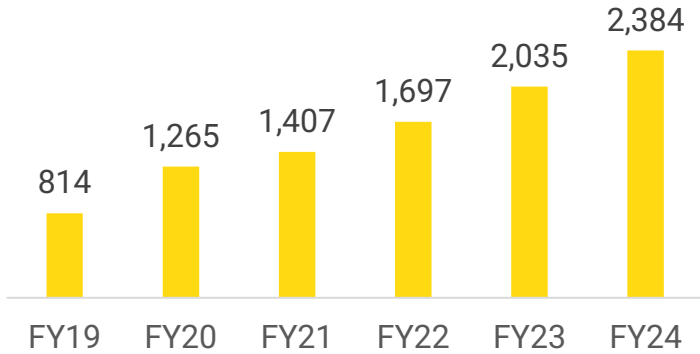


Note 1: Average consumption rate of the Group for the mentioned period

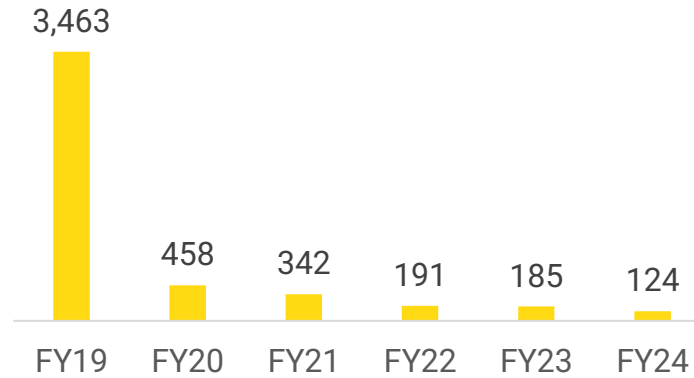
Note 2: Consolidated EBITDA calculated without other income & excluding UM Cables

Healthy balance sheet to support growth initiatives

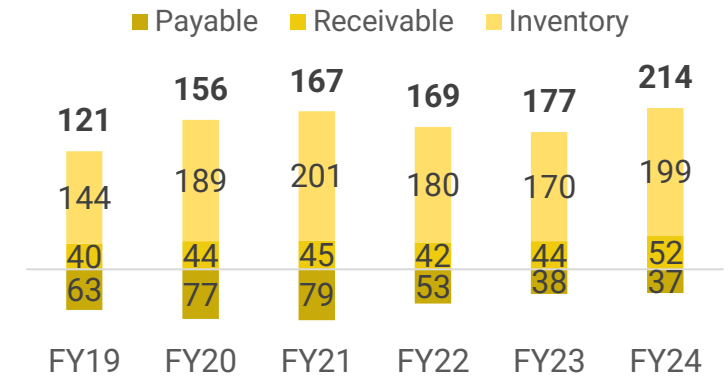
Networth (in Rs. crore)



Net Debt (in Rs. crore)



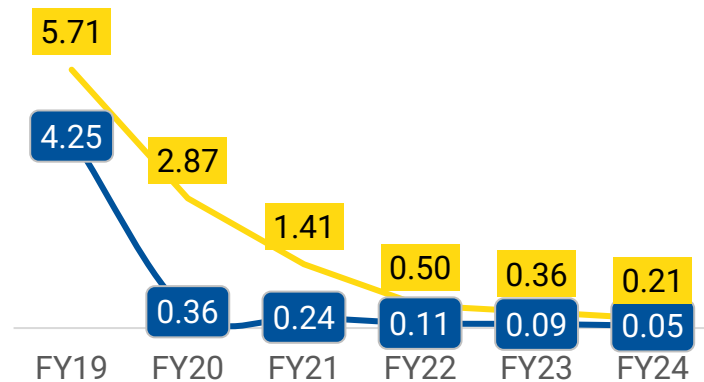
Net Working Capital Days



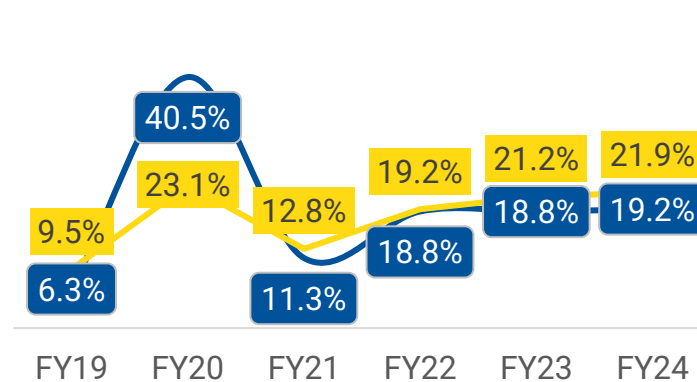
- Divestment exercise in FY20 led to a significant improvement in balance sheet position
- In H2FY24, high inventory levels were maintained to ensure smooth supply to customers despite the challenges posed by the red sea crisis

- Shift from volume to value offerings coupled with solution sales in ropes enabled higher profitability and robust return ratios

Net Debt to Equity — Net Debt to EBITDA



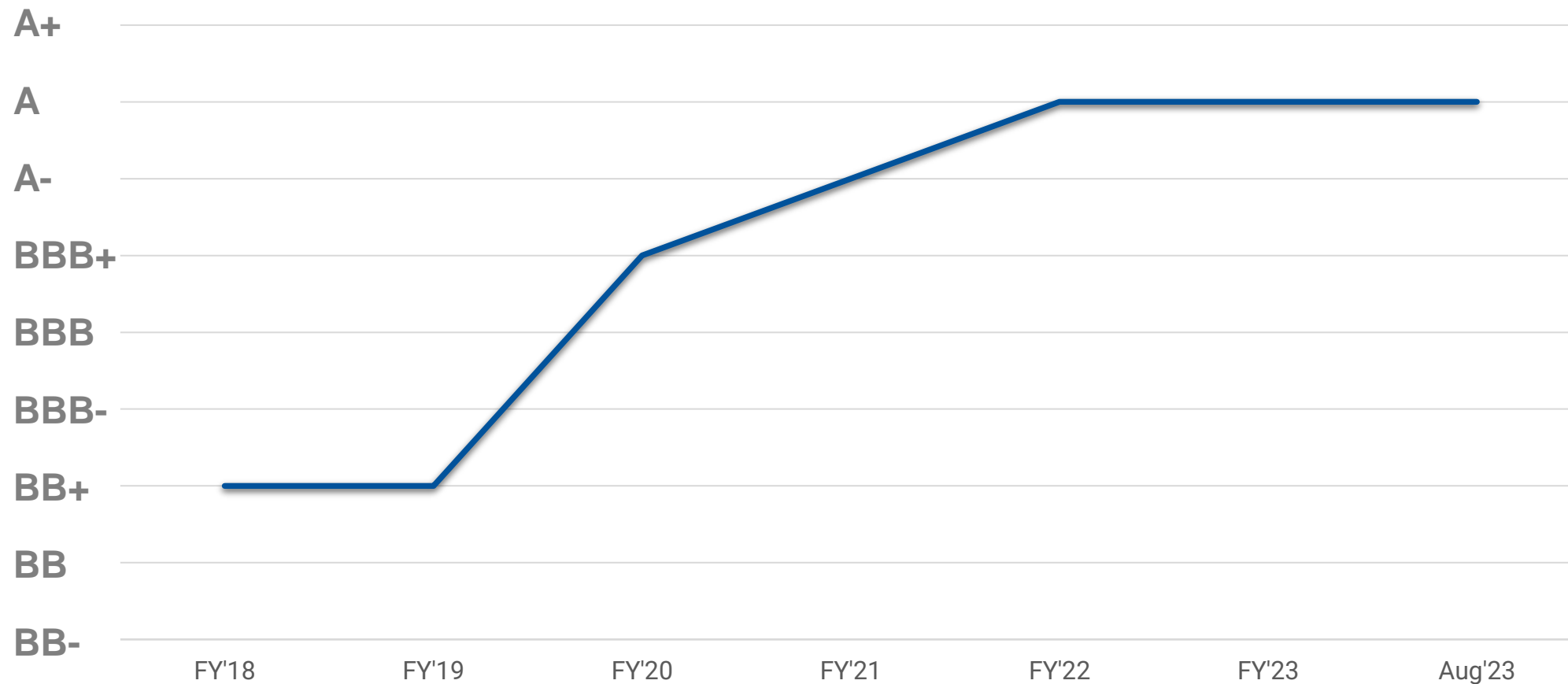
ROE¹ — ROCE¹



Note 1: FY19 & FY20 includes continuing + discontinued business; FY20 PAT includes Profit from sale of discontinued business Rs. 557 crore; FY22 PAT includes exceptional income of Rs. 31 crore and PAT for Q4 FY22 and FY22 includes Rs. 20 crore of deferred tax credit

Note 2: All figures mentioned in the slide are consolidated financials

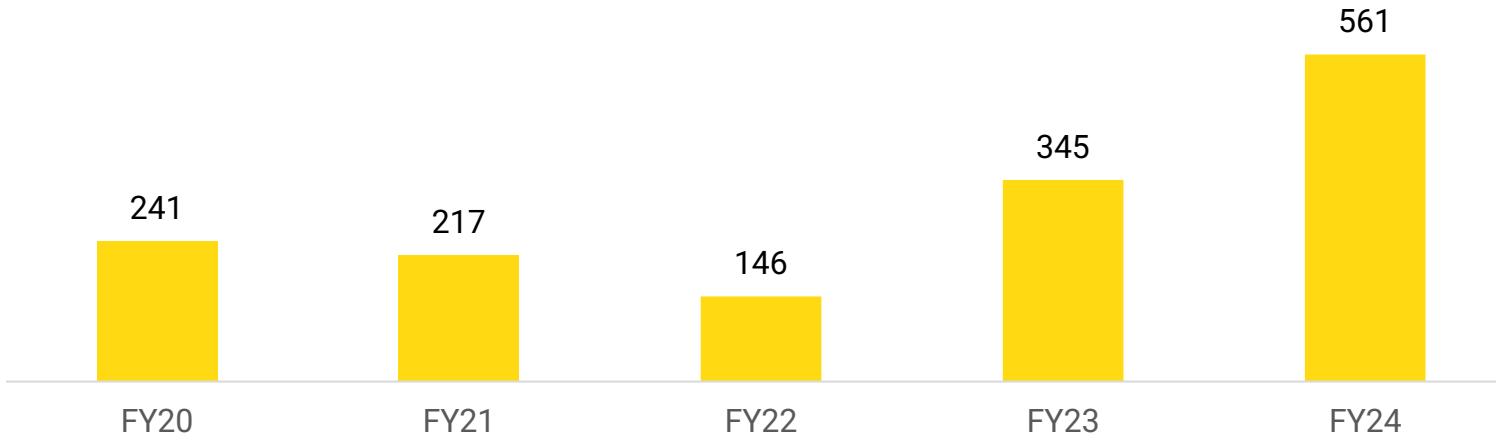
Long term issuer rating at 'IND A' / Outlook : Positive



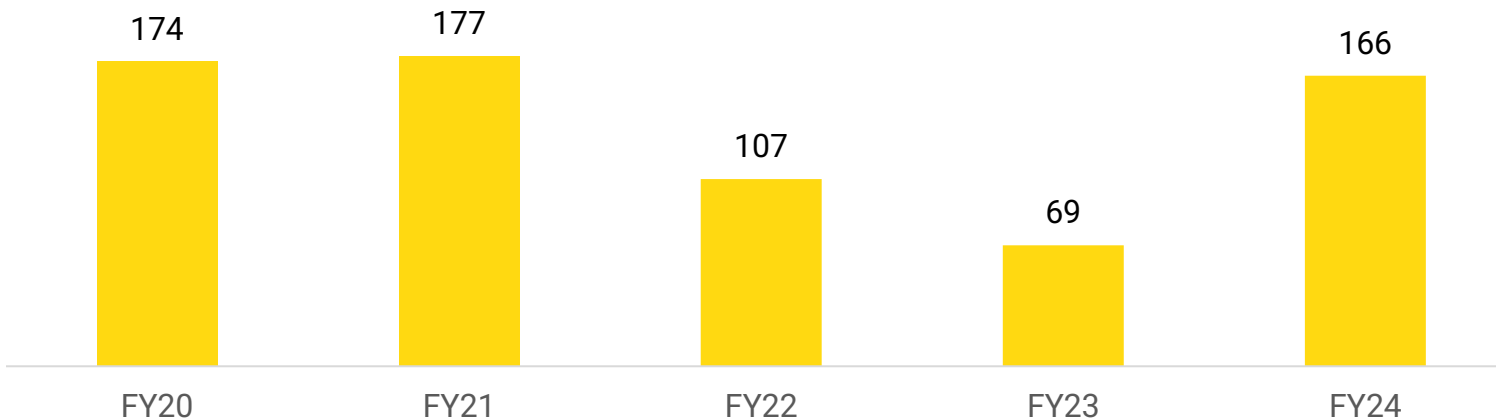
Current Rating	A
Outlook	Positive
Last Review	Aug'23

Robust Cash Flows

Operating Cash Flow before Income Tax



Free Cash Flow

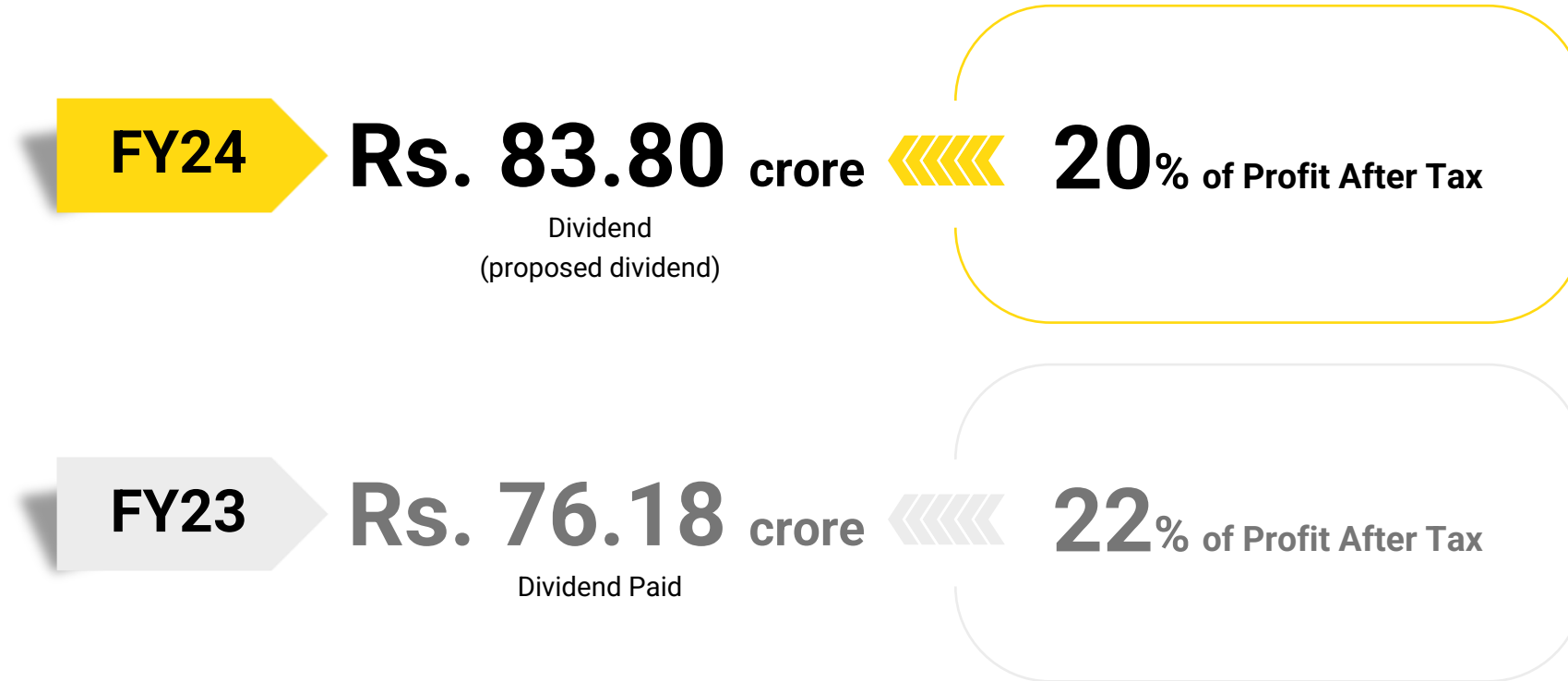


- Healthy OCF generation supports Company's capital allocation plans
 - The OCF to EBITDA² in FY24 recorded a healthy improvement, standing at 94% compared to 67% in FY23
- Focus on optimizing working capital to continue generating healthy OCF

Note 1: All figures mentioned in the slide are consolidated financials

Note 2: EBITDA calculated without other income

Focus on enhancing shareholder value



Dividend Payout Policy

- New dividend policy adopted during FY22 ([Link](#))
- Aspires to maintain healthy dividend payout



Growth Strategy

Multi-faceted growth strategy continue to drive our performance



Capex initiatives focused on value-migration

- Capex wave1 of Rs. 310 crore at Ranchi substantially completed in Q4FY24
- Capex wave2 of Rs. 167 crore commenced during FY24 at Ranchi
- Capex program of Rs. 62 crore commenced during FY24 at Thailand



Expand international market share through overseas subsidiaries

- Share of revenue from international business at 55% during FY24
- Performance of international operations remain strong



Remain financially prudent

- Consolidated PAT YoY growth at 21% for FY24 and operating EBITDA margin at 18.6% for FY24
- Net Debt/Equity at 0.05 and Net Debt/Operating EBITDA at 0.21

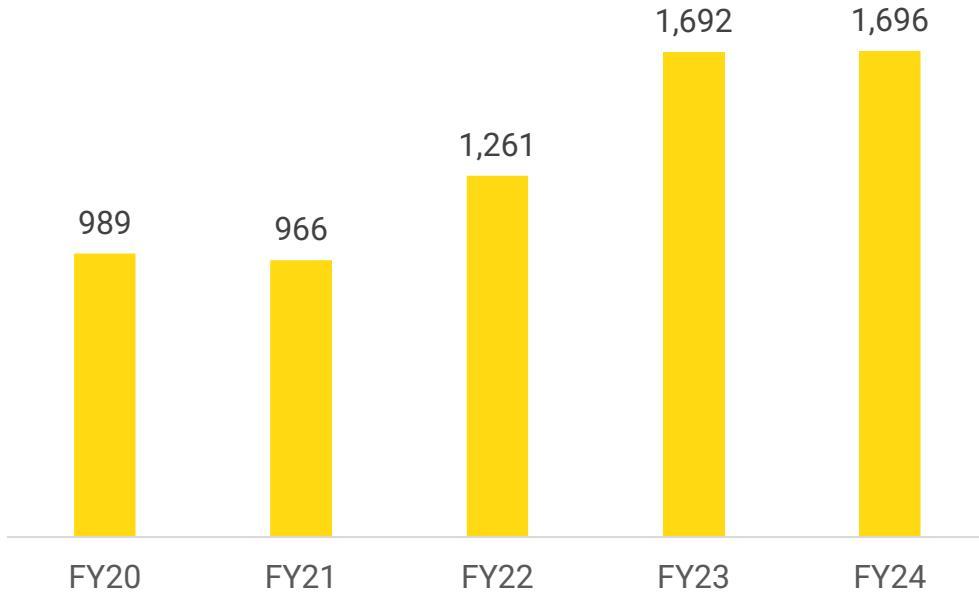


Strong focus on digital initiatives

- SAP S4 Hana implementation completed in Thailand
- First phase of SAP Analytics implemented in India
- First phase of Salesforce CRM implemented across all entities

Expand international market share through overseas subsidiaries

Revenue from International Operations¹



- The revenue share from international business accounted for 55% of the total revenues in FY24
- Key highlights that strengthened our performance:
 - Growth within new-built and replacement of oil and offshore wind installation in crane segment
 - Strong demand in mooring, towing, anchor handling wire ropes
 - Successful introduction of mining ropes to several new mines in the Americas
 - Increase in market share for elevator and fishing ropes in Europe
 - Increase in share of oil and gas and crane ropes in Middle East
 - Solid momentum in the rigging business in Europe, ASEAN, and Middle East
 - Strong growth through established integrated approach among Brunton Shaw, De Ruiter, EMM, GDC and UM India – one-stop-shop principle



Note 1: For all product segments. Excludes intra-group sales

Performance Snapshot: Evaluating Key Metric Achievements

Outlook (2-3 years) Baseline FY22

FY24

~15%
(CAGR growth)



Consolidated Revenue

9.5%
(2-year CAGR
Growth over FY22)

~18%



Operating EBITDA margin

18.6%
(FY24)

<1
Net Debt/EBITDA



Net Debt leverage

0.21
Net Debt/EBITDA

<150
Days



Net Working Capital Days

214
Days

- During the period, Usha Martin's core wire rope segment showcased healthy growth, achieving a noteworthy 2-year CAGR of 17.8%.
- While consolidated revenue growth was impacted owing to subdued performance in LRPC and Wire Strand segments, the 2-year EBITDA and PAT grew at a CAGR of 24.9% and 20.7%, respectively

- Sustained strategic emphasis on value-added products, coupled with the expanding global presence, has significantly enhanced margin performance, surpassing projections

- Improved liquidity and overall financial prudence largely enabled the Company registering a strong 'net debt to EBITDA' ratio during the period

- Despite an increase registered in net working capital days, the 'operating EBITDA to conversion of cash ratio' has registered a growth from 38% in FY22 to 94% in FY24



Note: (Baseline FY22)

INITIATIVES

BENEFITS

01

Salesforce

- Implementation of Salesforce across all geographies
- Lead generation, opportunity management, automated lead to sales order process

02

SAP S4 Hana

- Implementation of SAP S4 Hana and SAP Analytics across all geographies
- Integration of Salesforce and SAP
- Production planning, order processing, inventory management

03

Success Factors

- Implementation of Success Factors across India

04

Digital Marketing

- Digital marketing initiatives across all platforms

- Improved lead management leading to higher conversion rates
- Streamlined sales processes resulting in shorter sales cycles
- Improved customer acquisition and retention
- Customer insights and data management for enhanced decision making

- Integrated production planning for timely deliveries and reduced costs
- Efficient order processing reducing errors and delays
- Consistent visibility into inventory levels, optimizing stock management
- Real-time insights of business processes to improve internal collaboration

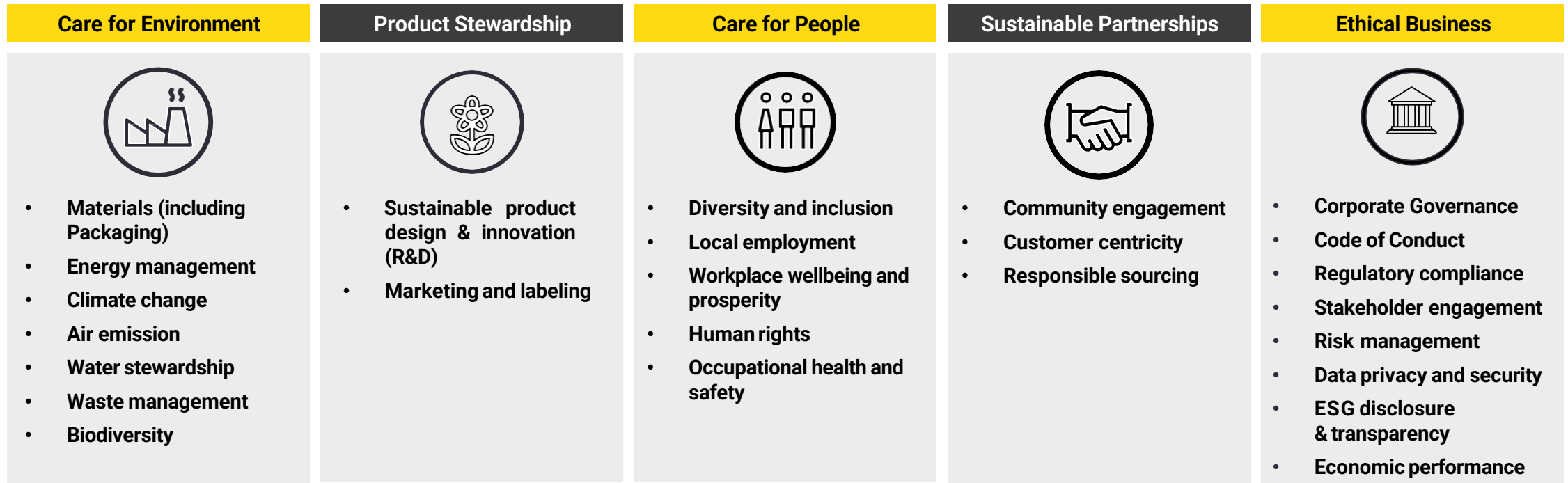
- Strategic HR planning
- HR process automation
- Improved employee engagement

- Improve connection with all the stakeholders
- Brand awareness for a global audience
- Increased customer engagement



ESG

STRATEGIC ESG PILLARS



Reshaping our Industry with Responsibility

ESG targets

Material topics	Baseline FY 2023	Targets
Climate Change	GHG emissions (scope 1 + scope 2) 18.24 tCO ₂ e/ INR Million	<ul style="list-style-type: none"> • 10% GHG emission reduction from FY23 baseline by 2026 • 10% energy reduction from FY23 baseline by 2025
Water Management	Water withdrawal 51.5 KL/INR million	50% reduction in water withdrawal by FY 2030 from FY 2023
Occupational Health and Safety	Number of accidents 49	To achieve Zero Harm
Diversity and Inclusion	Female employee strength 0.8%	25% of new hires in Officer grade and 10% of new hires in Worker grade annually will be female
Employee Wellbeing	Average training hours per employee 17 training hours/ total workforce*	To maintain 100% of workforce receiving 16 hrs of training annually

*The Company has a benchmark of ensuring every employee receives 16 hours of training annually. However, during FY 22-23 the organization had achieved 17 hours of training per total workforce, which did not cover 100% of the workforce.

Note: All figures mentioned in the slide are standalone

Governance structure in place to drive transparency, accountability and sustainability



Corporate social responsibility (CSR) initiatives



USHA MARTIN FOUNDATION



Natural Resource Management

- Well construction
- Drip irrigation
- Hand pump repair
- Systematic rice intensification
- Social forestry

Health, Nutrition & Sanitation

- Village hospitals
- Health camps
- Health awareness session through school & adolescent meeting

Women Empowerment

- Strengthening of self-help group
- Training of capacity building
- Quality circle for problem solving



Education

- School
- Adult education
- Computer training to rural children

Livelihood & Financial Inclusion

- Poultry
- Fishery
- Mushroom
- Piggery
- Animal health camp
- Cattle shed

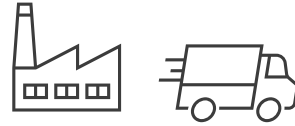
COVID-19 Support

- Covid test for villagers
- Food distribution among needy villagers
- Mask and sanitizer distribution among unorganized workers



Summary

Focused on creating sustainable value for all stakeholders



State-of-the-art manufacturing, R&D capabilities and well entrenched global distribution network – ‘close-to-customer’ strategy enables the company to provide customized solutions



Business undergoing strategic transformation



Multi dimensional business initiatives to support shift towards value-added specialty products and substantial growth in international businesses



Established global player with proven capabilities

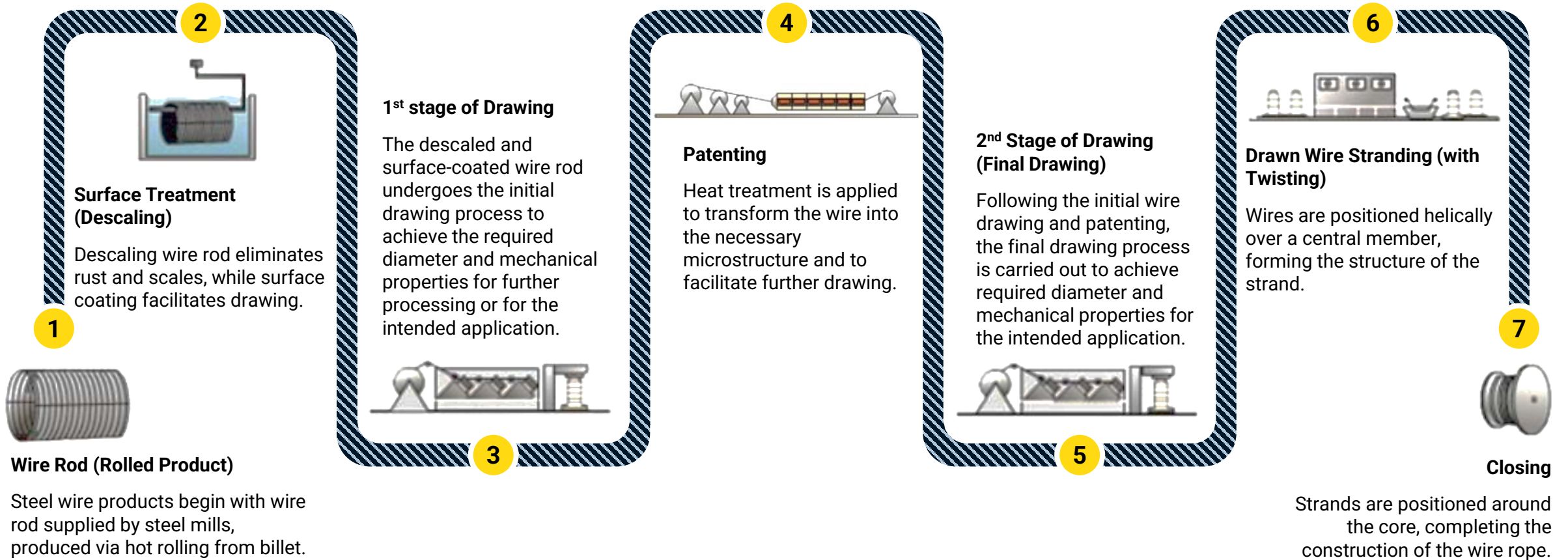


Healthy financial position to assist next phase of growth initiatives



Annexure

Wire rope production process



Marquee projects



Sardar Vallabhbhai Patel Statue, Gujarat - Pavilion roof structure supporting cables



World's longest hanging bridge for adventure tourism in Italy - Cables with special end connection



ZPMC, China, Barge Crane - Main & auxiliary hoist rope



Disneyland, Shanghai, China - Full locked coil, supporting cables



Road Over Bridge at Burdwan - Plasticated LRPC



Anchor Mooring Ropes delivered to one of the largest rigs in the world located in China



Lions Gate Vancouver, Canada - Supporting locked coil



Reliance - Sasan Coal Mine (one of the world's largest dragline - Caterpillar) - Hoist & drag rope

Manufacturing set-up - India



Ranchi Facility

Spread across an area of more than 100 acres, this facility is one of the world's largest wire rope manufacturing facility



Ismal Unit, Ranchi

Well-equipped facility with over 3 decades of experience in manufacturing and supply of pre-stressing machines & accessories



Hoshiarpur Plant

Set up in 1974 in Punjab, India, spread over 8 hectare is the largest wire & wire rope unit in Northern India

UM Cables Plant, Silvassa

A dedicated manufacturer and exporter of high-quality telecommunication cables, fiber reinforced plastic rods (FRP)



Pengg - Usha Plant, Ranchi

Pengg Usha is a JV between Usha Martin and Joh Pengg AG of Austria to produce oil tempered wire, required by the automotive industry

Manufacturing set-up - International

Brunton Wire Ropes FZCO



Located at Jebel Ali Free Zone in Dubai (UAE), this facility was set up in the year 2003



UAE

Brunton Shaw UK Ltd.

Located at Nottinghamshire in UK, manufacturers high quality wire ropes for a wide range of applications



UK

Usha Siam Steel Industries



Manufacturing facility in Bangkok, Thailand, since early 1980s

THAILAND

Globally recognized certifications and licenses



ISO 45001: 2018
Occupational Health & Safety



ISO 14001: 2015
Environmental management systems



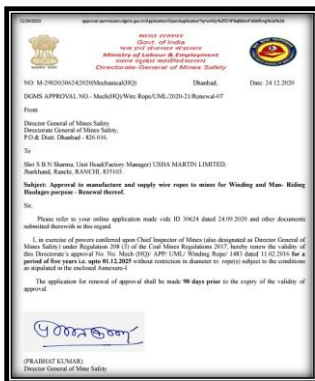
Certificate of Authority issued by
American petroleum institute



ISO 9001: 2015
Quality management Systems



DGMS
Approval



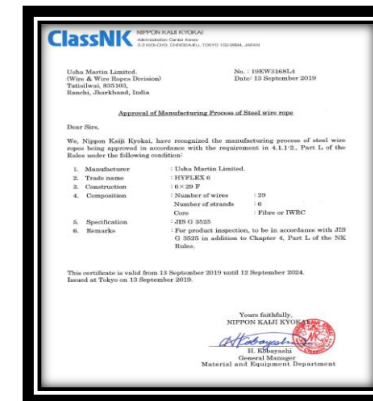
Manufacturing
Assessment issued by ABS



NABL Testing



Japan - Approval of
Manufacturing Process of
Steel Wire Rope



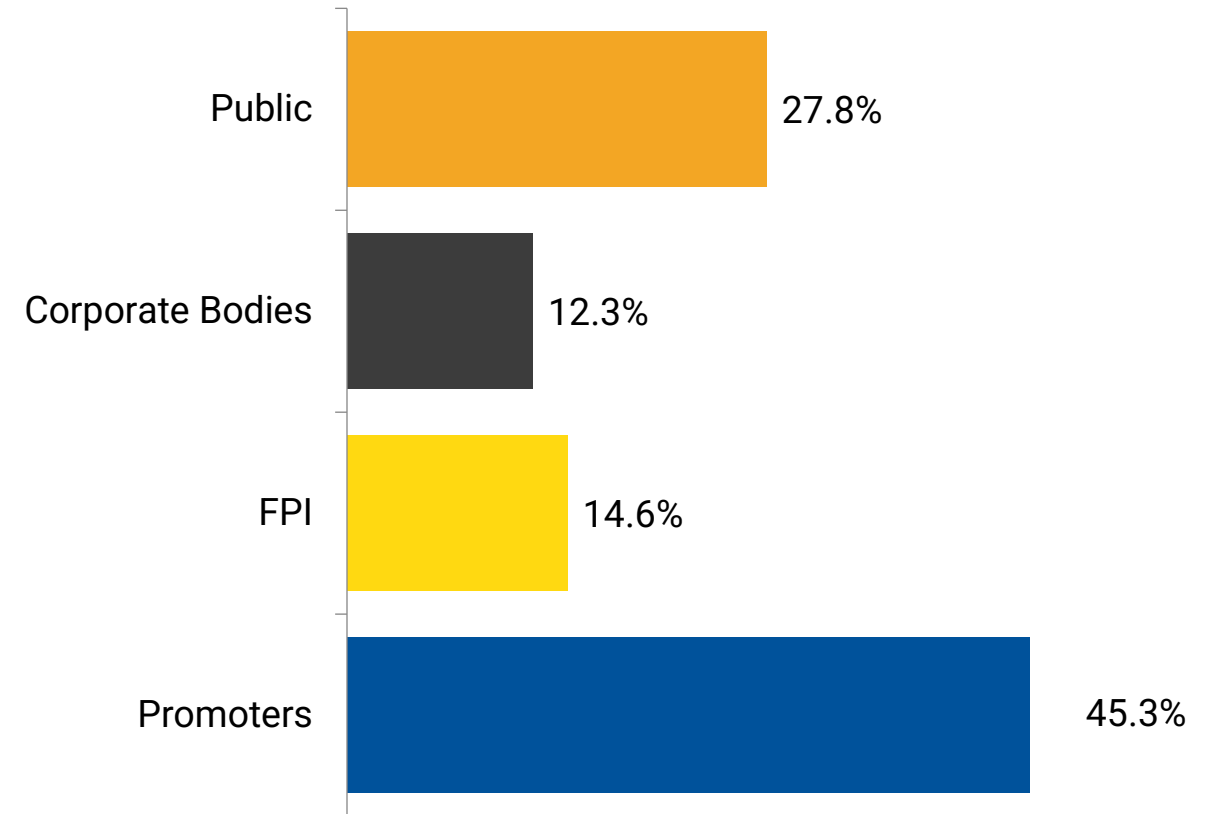
Approved Manufacturer of
Steel Wire Rope
issued by Lloyd's



Market snapshot

Key Market Statistics	As on 31 st March 2024
BSE/NSE Ticker	517146 / USHAMART
CMP (Rs.)	318.35
Market Cap (Rs. Crore)	9,700
Number of outstanding shares (Crore)	30.47
Face Value	1.00
52-week High / Low (Rs.)	379.70 / 205.45

Shareholding pattern as on 31st Mar. 2024



Contact us

About Us:

Established in the year 1960, Usha Martin is a leading global and India's No. 1 specialty steel wire rope solutions provider. The Company is also engaged in the manufacturing of high-quality wires, low relaxation prestressed concrete steel strand (LRPC), bespoke end-fittings, accessories and related services.

Usha Martin's wire rope manufacturing facilities in Ranchi, Hoshiarpur, Dubai, Bangkok and UK produce the widest range of wire ropes that find application in various industries across the world. All of the company's facilities are equipped with the latest state-of-the-art high-capacity machines to manufacture world-class products.

Usha Martin's global R&D center located in Italy is actively engaged in designing of wire ropes and uses proprietary design software to develop products that are the best in class. The Company also has a comprehensive R&D facility in its manufacturing unit at Ranchi, India. Usha Martin has an extensive and dedicated network of distribution centers located across the globe.

Corporate Identification No: L31400WB1986PLC091621

Regd. Office: 2A, Shakespeare Sarani, Kolkata – 700 071, India

**Mr. Abhijit Paul (Chief Financial Officer) /
Mr. Anil Kumar (Secretary to CFO)**

Usha Martin Limited

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Thank You

 **usha martin®**