



RAMA STEEL TUBES LTD.

Manufacturers & Exporters : ERW Steel Tubes (Black & Galvanised)

CIN : L27201DL1974PLC007114 | AN ISO 9001 : 2015 CO.

📍 Regd. Office : B-5, 3rd Floor, Main Road, Ghazipur, New Delhi (India) - 110096

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Date: August 14, 2023

To

The Manager – Listing National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 Symbol: RAMASTEEL	The Secretary BSE Limited, Corporate Relationship Dept., P. J. Towers, Dalal Street, Mumbai - 400001. Scrip Code: 539309
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Dear Sir/Madam,

Sub.: Media Release dated August 14, 2023

Please find enclosed a copy of the Media Release dated August 14, 2023, pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Schedule III to the SEBI (LODR), Regulation issued in relation to the Un-Audited Standalone and Consolidated Financial Results of the Company for the quarter ended June 30, 2023

For Rama Steel Tubes Limited

Arpit Suri

Company Secretary & Compliance Officer

Email id: investors@ramasteel.com

Encl. As Above





RAMA STEEL TUBES LTD

EARNINGS RELEASE & SHARE HOLDERS' LETTER

Q1 FY24 | AUGUST 14, 2023



CIN: L27201DL1974PLC007114

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Q1 FY24 – Earnings Release

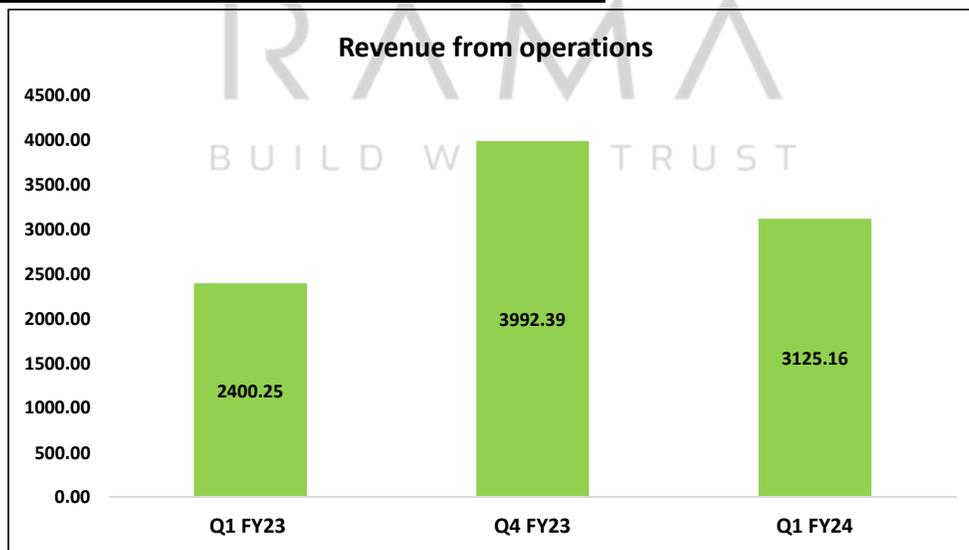
Revenue from Operations reported at **Rs. 3,125.16 Mn** in Q1 FY24

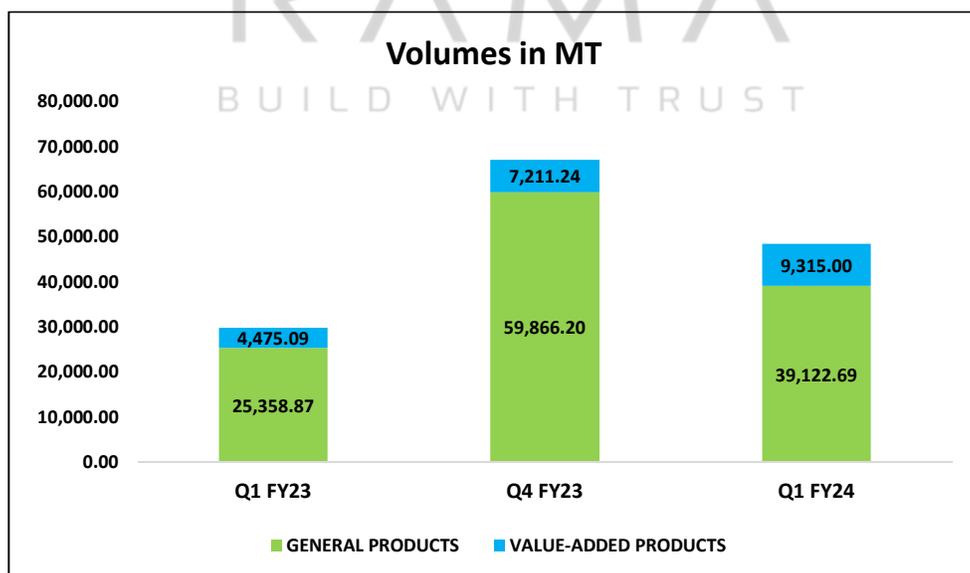
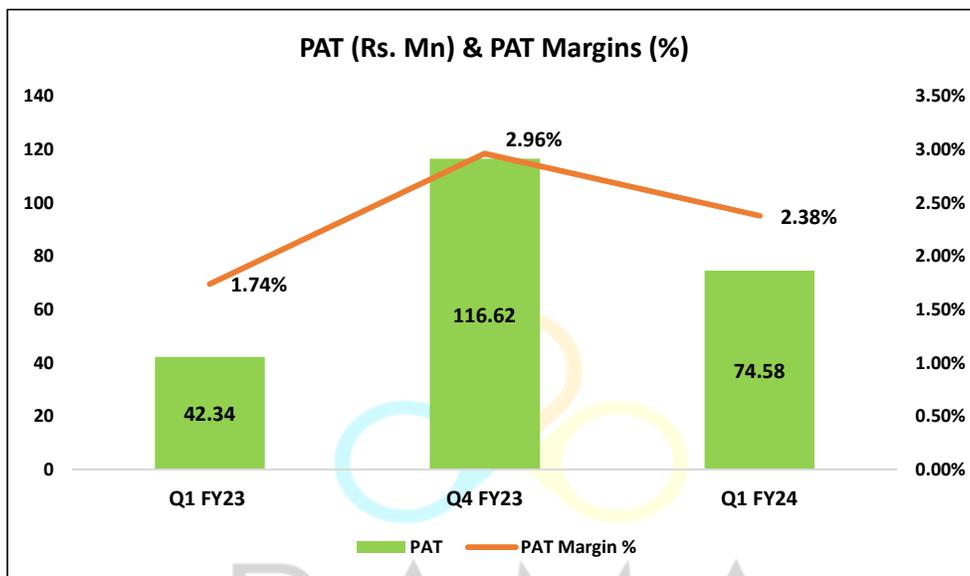
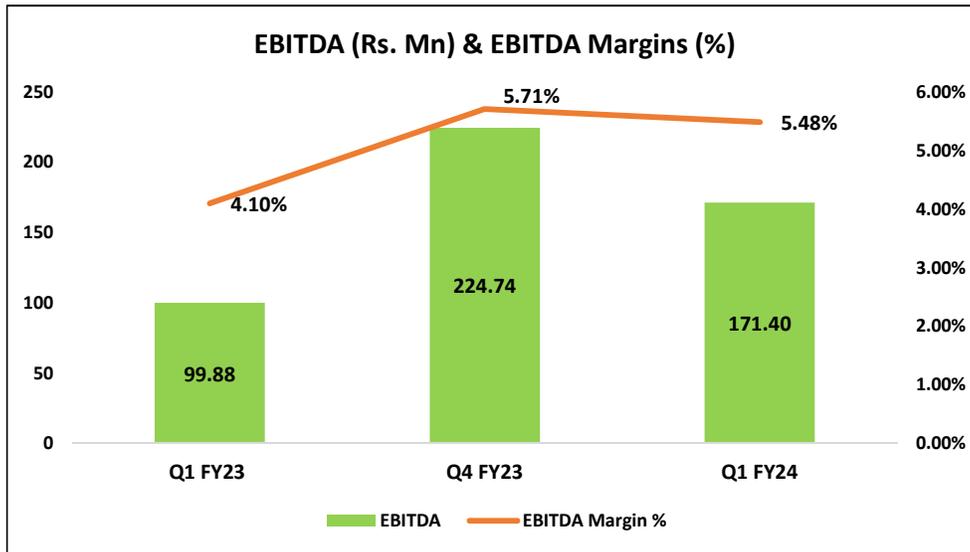
EBITDA stood at **Rs. 171.40 Mn** in Q1 FY24

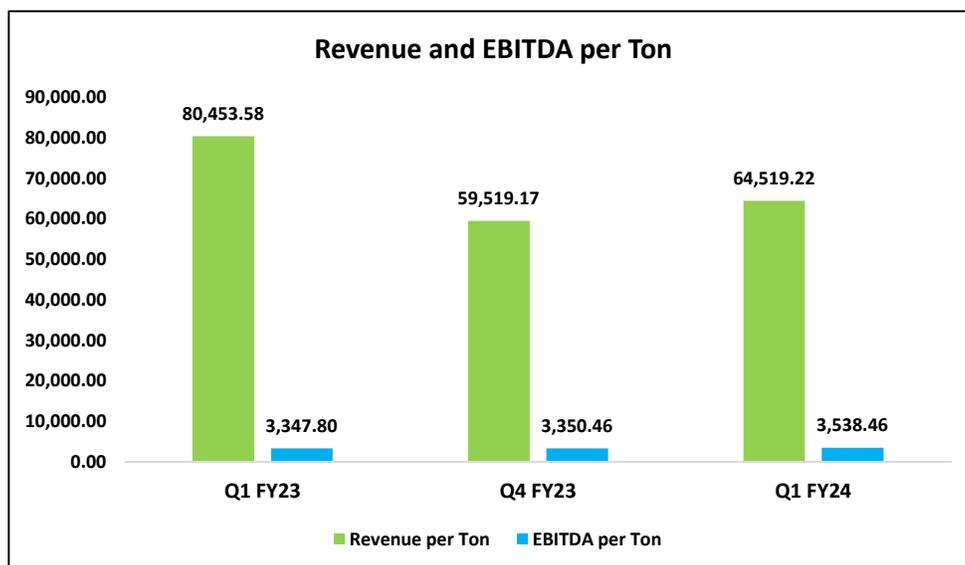
PAT at **Rs. 74.58 Mn** in Q1 FY24

New Delhi, 14th August 2023: Rama Steel Tubes Ltd. (RSTL) is a pioneer and leading manufacturer in the steel tubes & pipes and G.I. pipes in India with nearly five decades of experience. Driven by cutting-edge Japanese technology, RSTL operates four state-of-the-art manufacturing facilities and boast a combined manufacturing capacity of **2,94,000 MTPA**, enabling the production of a diverse range of **over 950 SKUs** which has catered to over **400** projects. The company has a remarkable export rate of **20%**, successfully establishing its presence in over 16 countries and has been presented with the title of "Export House," by the Government of India. The company in its board meeting held on 14th August, 2023 has inter-alia considered and approved the Unaudited Financial Results of the Company for the Q1 FY24 period.

Consolidated Financial Performance Snapshot:







Consolidated Financial performance:

Particulars (Rs. Mn.)	Q1 FY24	Q1 FY23	YoY %	Q4 FY23
Revenue from operations	3,125.16	2,400.25	30.20%	3,992.39
Other Income	10.00	35.98		-53.3
Total Income	3,135.16	2,436.22		3,939.10
Total Expenses excluding Depreciation, Amortization & Finance Cost	2,963.76	2,336.35		3,714.36
EBITDA*	171.40	99.88	61.59%	224.74
EBITDA Margin %	5.48%	4.10%		5.71%
Depreciation & Amortization	14.15	10.62		12.54
Finance Cost	71.94	38.43		66.18
Share of Net Profit/Loss of associates and Joint Ventures accounted for using the equity method	10.41	(0.70)		(1.6)
PBT	95.72	50.13		144.44
Tax Expense	21.13	7.79		27.82
PAT	74.58	42.34	76.15%	116.62
PAT Margin %	2.38%	1.74%		2.96%
Other Comprehensive Income	(0.06)	6.26		1.92
Net PAT	74.53	48.60		118.53
Diluted EPS	0.15	2.89		0.47

*EBITDA includes Other Income

• **Revenue from Operations**

- Revenue from Operations grew by **30.20%** from **Rs. 2,400.25 Mn.** in Q1 FY23 to **Rs. 3,125.16 Mn.** in Q1 FY24. This growth was led by robust demand for our products in domestic market as reflected through the sales volume growth of **62.35%** on YoY basis from 29,834 MT in Q1 FY23 to 48,437 MT in Q1 FY24.

- **EBITDA and EBITDA Margins**

- EBITDA increased by **71.60%** from Rs. 99.88 Mn in Q1 FY23 to **Rs. 171.40 Mn** in Q1 FY24 led by increase in contribution of value-added products, increasing scale of operations, and improved manufacturing efficiency. EBITDA Margins increased by **138 bps** from 4.10% in Q1 FY23 to **5.48%** in Q1 FY24.

- **PAT & PAT Margins**

- PAT increased by **76.15%** from **Rs. 42.34 Mn.** in Q1 FY23 to **Rs. 74.58 Mn.** in Q1 FY24.
- PAT Margins increased on YoY basis at **2.38%** in Q1 FY24 against **1.74%** in Q1 FY23.

Management Commentary:

Commenting on the performance of Q1 FY24, the management team of RSTL said:

*“We are happy to share with you our robust financial and business performance for Q1 FY24. Our revenue from operations increased by **30.20%** from Rs. 2,400.25 Mn in Q1 FY23 to **Rs. 3125.16 Mn** in Q1 FY24. Our EBITDA margins showcased a healthy increase from 4.10% in Q1 FY23 to **5.48%** in Q1 FY24 and PAT margins stood at **2.38%** in Q1 FY24 compared to 1.74% in Q1 FY23.*

We are thrilled to announce a significant 62.35% growth in our sales volume in the first quarter of FY24 compared to last year. This remarkable sales performance was led by increasing demand for steel tubes and pipes across various industries coupled with our proactive approach of strategically capitalizing on upcoming opportunities enabling us grow our market presence. However, the downward pressure on steel prices, and increase in supply of Chinese steel in India did act as a bump in the road for us causing some margin pressure. We expect steel prices to stabilize by the end of FY24

We have entered into a significant and noteworthy partnership with JSW Steel, a leading Indian steel manufacturer. This collaboration encompasses various aspects, including the procurement of substantial 1,00,000 tons of Hot Rolled Coils (HRC) from JSW Steel on nationwide scale, distribution of HRC throughout the entire western region of the country, and joining forces with JSW Coated Limited providing us an opportunity to produce and brand pre-galvanized pipes under the esteemed JSW Kalinga brand. This strategic alliance will lead to numerous competitive advantages, as it will grant us access to top quality raw materials at competitive prices. Secondly, it will enable us to enhance our raw material procurement process, ensuring timely and efficient sourcing boosting our supply chain management capabilities, ultimately leading to streamlined operation and improved overall efficiency. Thirdly, we will enjoy the patronage and will leverage on the RSTL’s and JSW’s combined brand strength to make significant stride in gaining the market share in the upcoming quarters.

Looking ahead, we are confident to achieve growth and success in coming quarters based on the robust demand for steel products, structural shift towards steel tubes and pipes from conventional products, robust government push, and positive economic growth demonstrated by India, and favourable market conditions. Lastly, we thank our stakeholders for believing in us and standing tall with us in all situations.”

Management Guidance

- Revenue is expected to surge by **25-30%** in FY24 compared to FY23 levels led by robust demand of steel tubes and pipes.
- Volume is expected to increase by **20-25%** in FY24 on YoY basis led by structural shift in demand towards steel tubes and pipes from conventional products.
- EBITDA margins are expected to increase by **100-150 bps** in FY24 owing to increase in sales of value-added products and efficient utilization of resources.

About Rama Steel Tubes Ltd.

RSTL is a one of the Pioneer and Leading Manufacturer in the Steel Tube and Pipes industry established in 1974. RSTL has a proven track record of operational excellence, cost efficiency, sustainable practices, high quality Manufacturer in Steel Tubes and Pipes Industry. RSTL has 20% exports rate, with a global presence in more than 16 Countries. It currently has an aggregate capacity of 2.94 Lac MTPA. RSTL has a subsidiary in UAE and a stepdown subsidiary in Nigeria which has strengthened the company's presence in global markets. RSTL has 4 state-of-art manufacturing capabilities located at Sahibabad (U.P.), Khopoli (Maharashtra) and Anantpur (Andhra Pradesh). RSTL has recently acquired 51% stake in Ashoka Infrasteel (Partnership firm) and 50% stake in Hagar Mega Mart Private Limited. RSTL also have 25% stake in Peer Panchal Construction (JV) and has got strong distributor network spread across India.

For further Information on the Company, please visit: <https://ramasteel.com>

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