



usha martin®

Usha Martin Limited

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Website:www.ushamartin.com

Date: 5th August 2023

The Manager
National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor,
Plot No.C/1, G Block,
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051
[Scrip Code: 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 Sirs,

Sub : Earning Presentation- Q1 FY24

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), please find enclosed an Earning presentation for Q1 FY 2023-24 of the Company on the un-audited Financial Results of the Company for the quarter ended 30th June 2023.

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.

Yours sincerely,
For Usha Martin Limited

Shampa Ghosh Ray
Company Secretary

Encl: as above



 **usha martin**[®]

*Specialty Wire Rope
Solutions Provider*

**Q1 FY24
Earnings Presentation**

August 5, 2023

Disclaimer

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Certain matters discussed in this presentation may contains certain forward looking statements concerning the Company's future business prospects and business profitability. Such forward-looking statements are not guarantees of future performance and are subject to a number of risks and uncertainties that are difficult to predict. These risks and uncertainties include, but are not limited to, the Company's ability to manage growth, the fluctuations in earnings, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, the Company's ability to manage its international operations, Government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The Company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the Company.



Company Overview

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

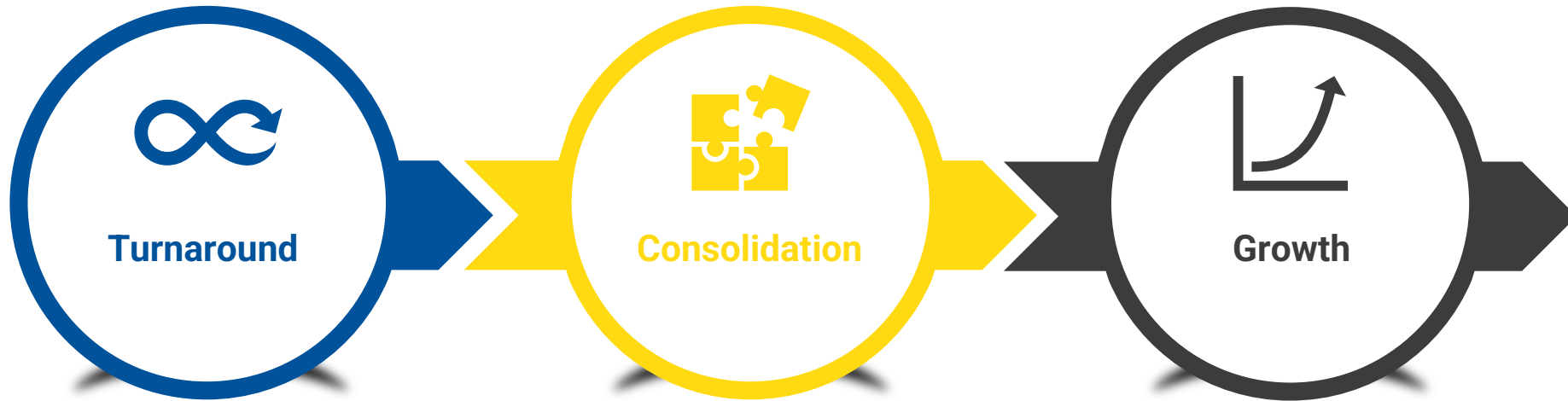


- Offering wide range of:**
- Specialty wire ropes
 - High-quality wires
 - Low relaxation prestressed concrete steel strand (LRPC)
 - Bespoke end-fittings, accessories and related services



Note: As on 31st March 2023

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**

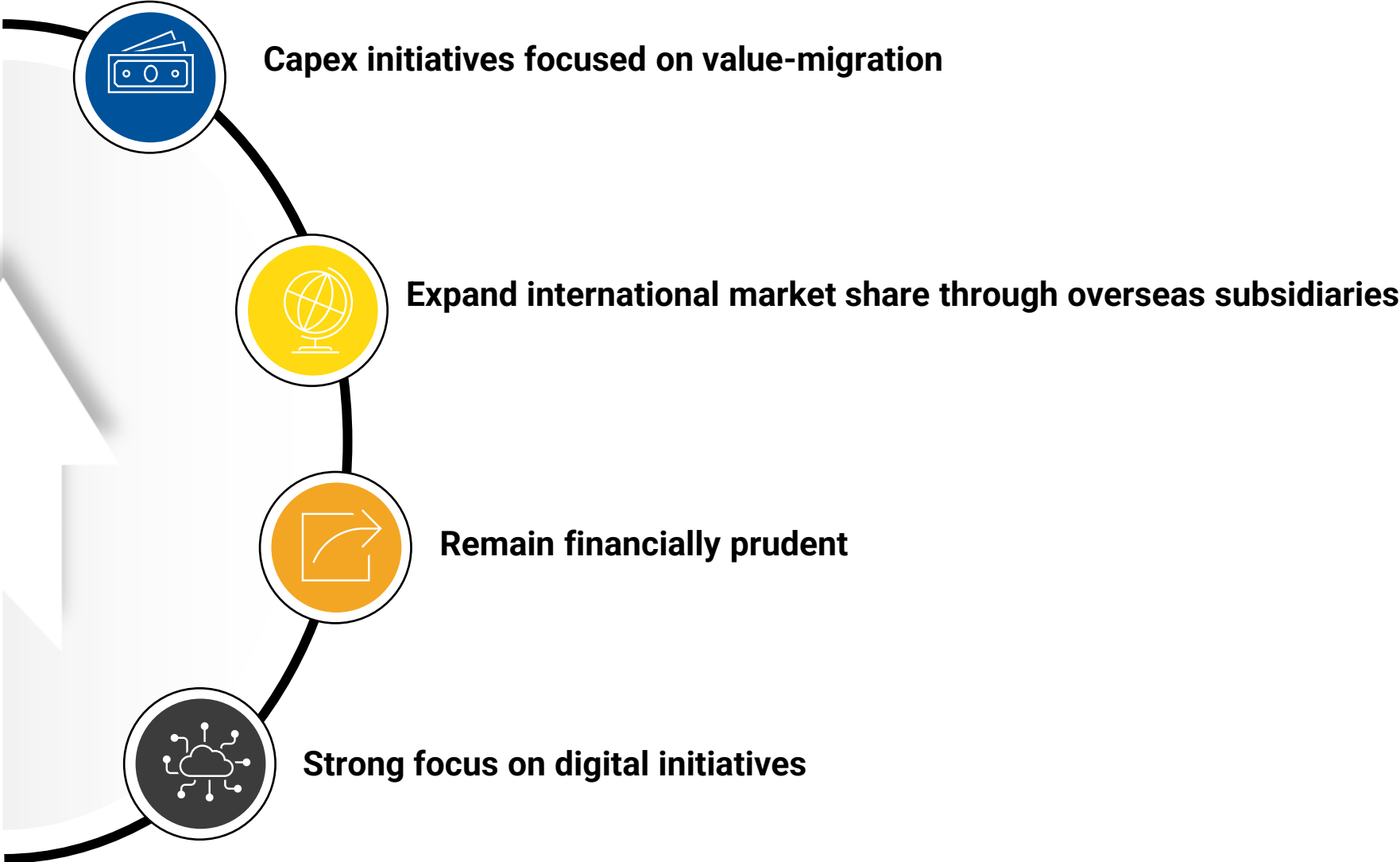
- **Value accretive capex**
- **Enhance specialty offerings across industry segments**
- **Increase geographical spread in strategic markets**
- **Drive sustainable growth**

Target to achieve topline CAGR of ~15% & Operating EBITDA margins ~18% over the next 2-3 years

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

Note 2: PBT from continuing operations

Multi-faceted growth strategy continue to drive our performance





Our vision echoes our long-term growth agenda

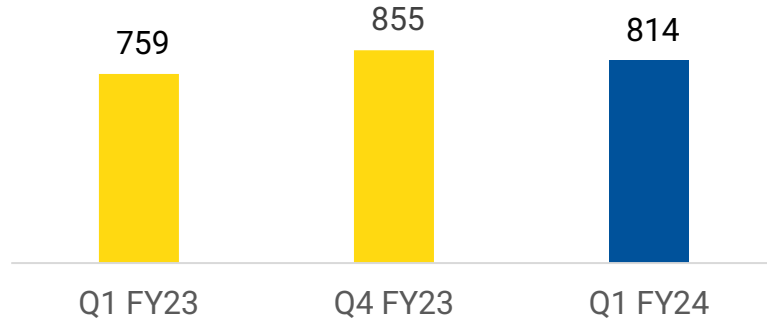
To be the global leader in the wire rope industry by delivering customer delight, adopting modern technology and ensuring sustainable growth for all of its stakeholders



Q1 FY24 Results Overview

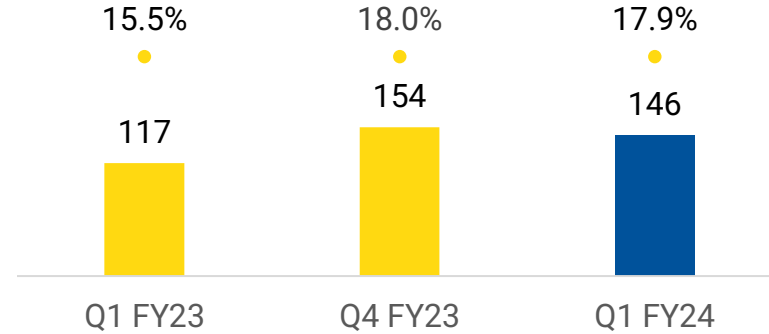
Key Financial Highlights – Consolidated Q1FY24

Net Revenue from operations



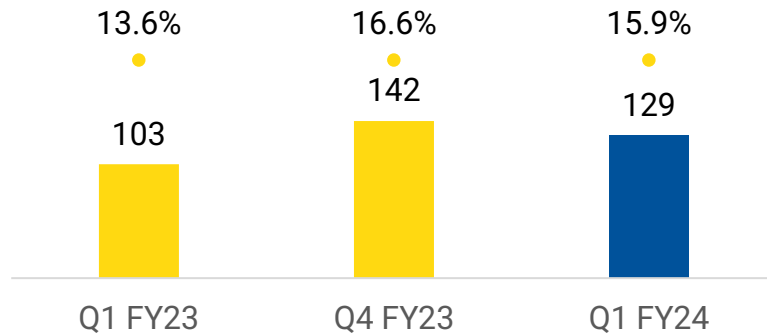
Shift (%) QoQ: 4.8% ↓ YoY: 7.3% ↑

Operating EBITDA Margins



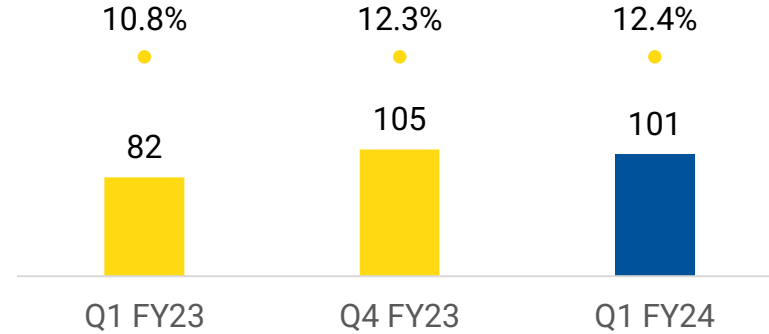
Shift (%) QoQ: 5.4% ↓ YoY: 24.2% ↑

PBT Margins



Shift (%) QoQ: 9.2% ↓ YoY: 25% ↑

PAT Margins



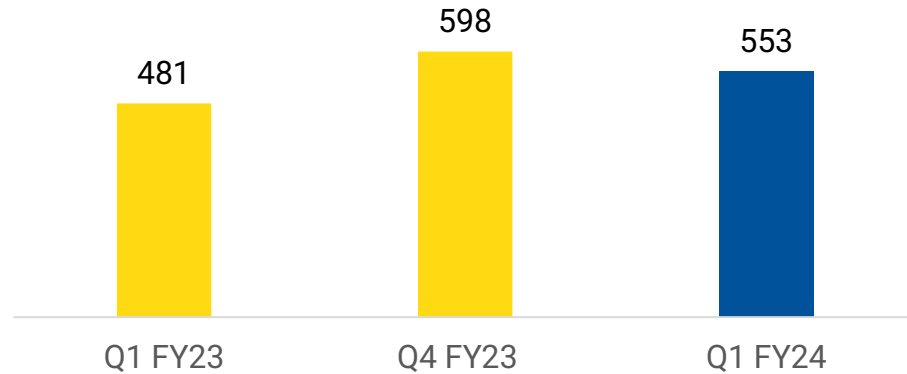
Shift (%) QoQ: 4.3% ↓ YoY: 22.5% ↑

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

Note 2: Operating EBITDA & EBITDA Margins calculated without other income

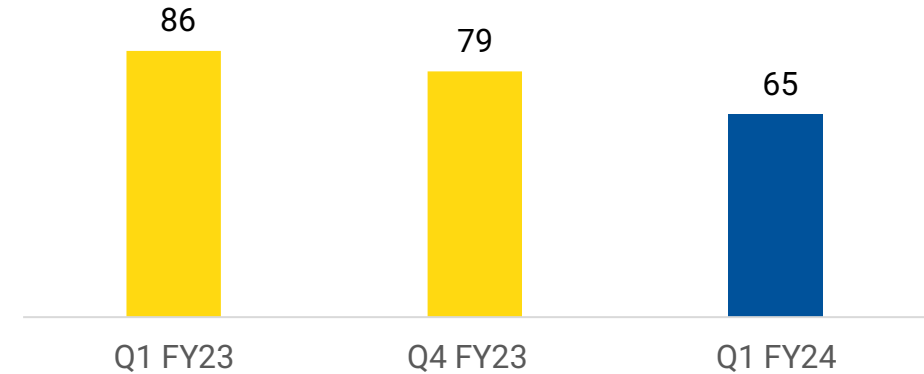
Segmental Revenue Overview

Wire Rope



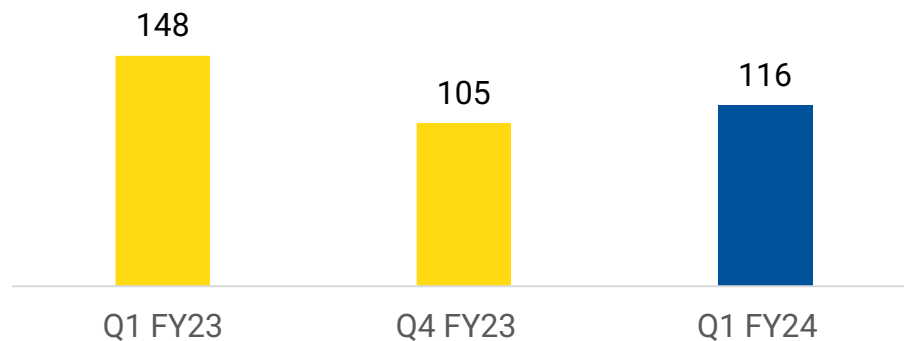
Shift (%)	QoQ: 7.4% ↓	YoY: 15.0% ↑
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Wire & Strand



Shift (%)	QoQ: 17.8% ↓	YoY: 23.9% ↓
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LRPC



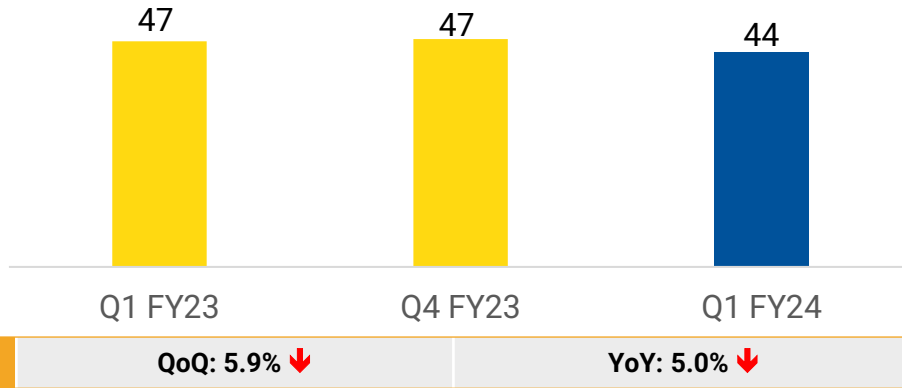
Shift (%)	QoQ: 10.6% ↑	YoY: 21.6% ↓
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- Segment wise contribution to overall sales Q1FY24 :
Wire Rope – 68% (PFY 67%); Wire & Strand – 8% (PFY 10%); LRPC – 14% (PFY 15%)
- Increase in YoY rope sales in line with the company’s strategy to focus on value added products

Note 1: All figures mentioned in the slide are consolidated financials
PFY – Previous Financial Year

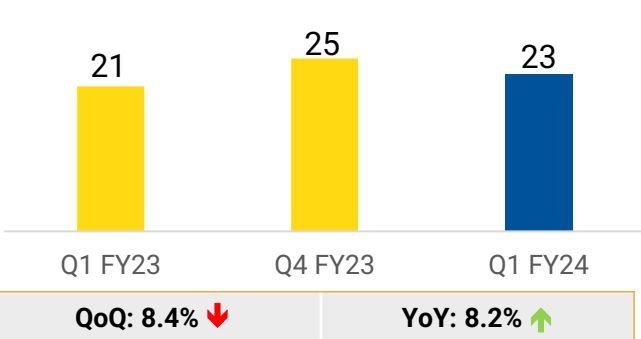
Key Operational Highlights – Consolidated Q1FY24

Sales Volumes¹ ('000 MT)

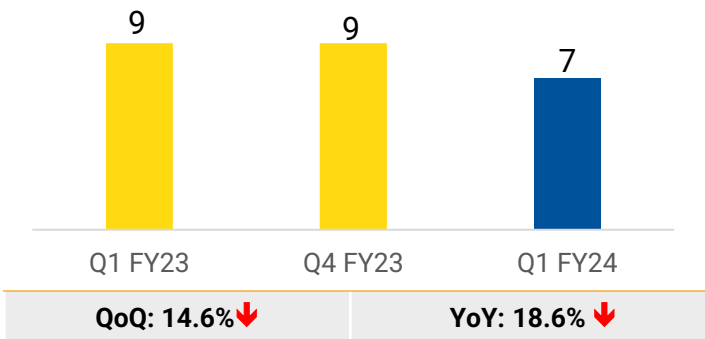


- Marginal decrease in overall volumes during Q1FY24
- Segment wise contribution to overall volumes
Q1FY24 :Wire Rope – 52% (PFY 49%); Wire & Strand – 16% (PFY 19%); LRPC – 32% (PFY 32%)
- Increase in YoY rope volumes and marginal decrease in wire and LRPC volumes in line with the company's strategy to focus on value added products

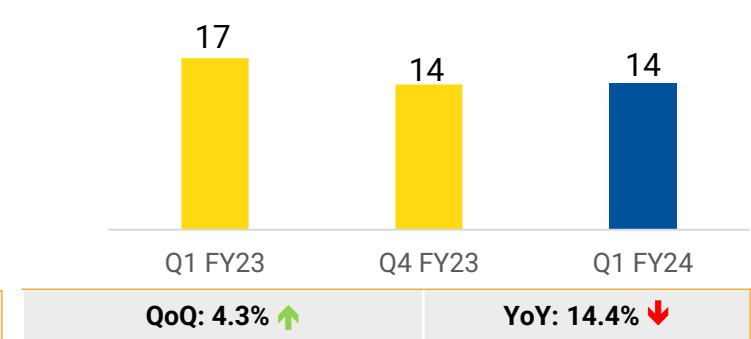
Wire Rope Sales Volumes ('000 MT)



Wire & Strand Sales Volumes ('000 MT)



LRPC Sales Volumes ('000 MT)



Note 1: For all product segments

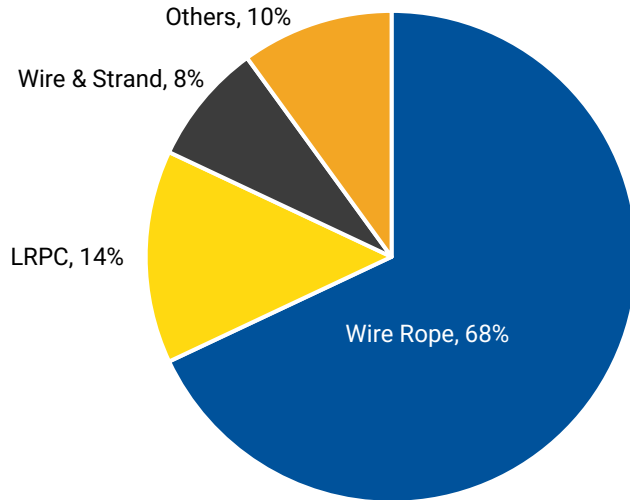
Note 2: All figures mentioned in the slide are consolidated volumes

PFY – Previous Financial Year

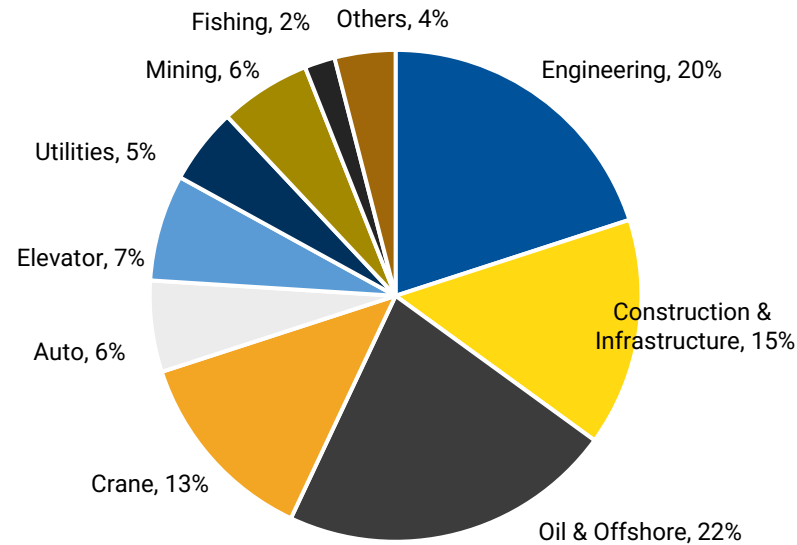
Diversified presence across geographies and segments

Revenue Segmentation for Q1FY24

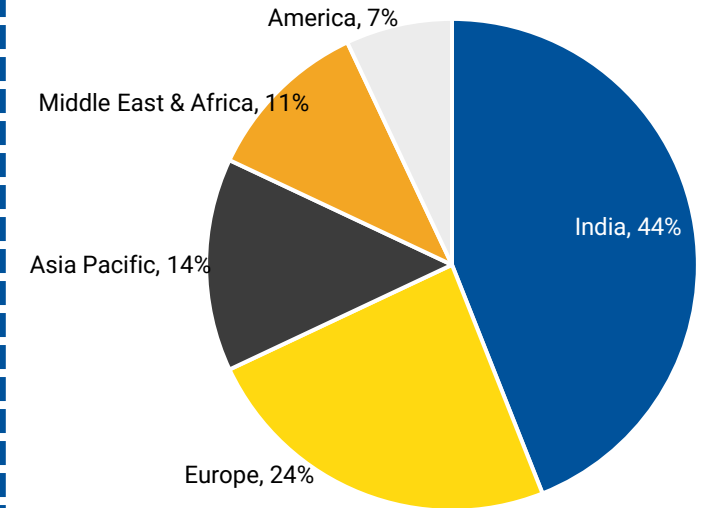
Product



End Industry¹



Geography¹

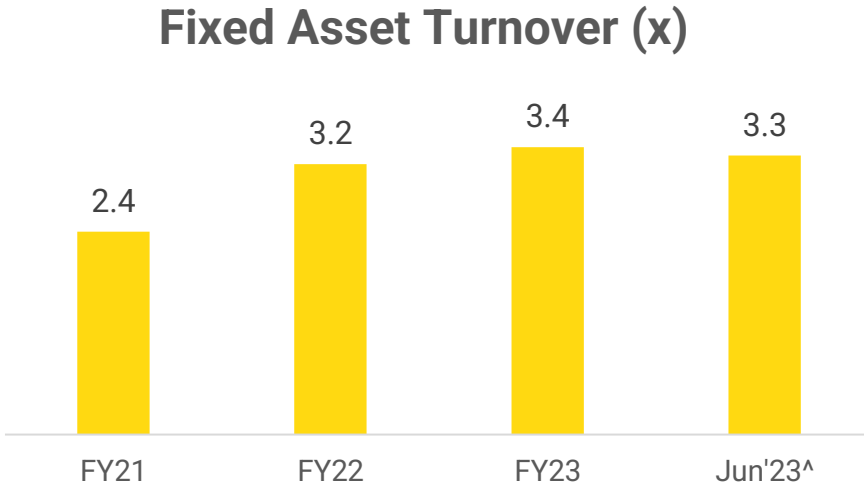
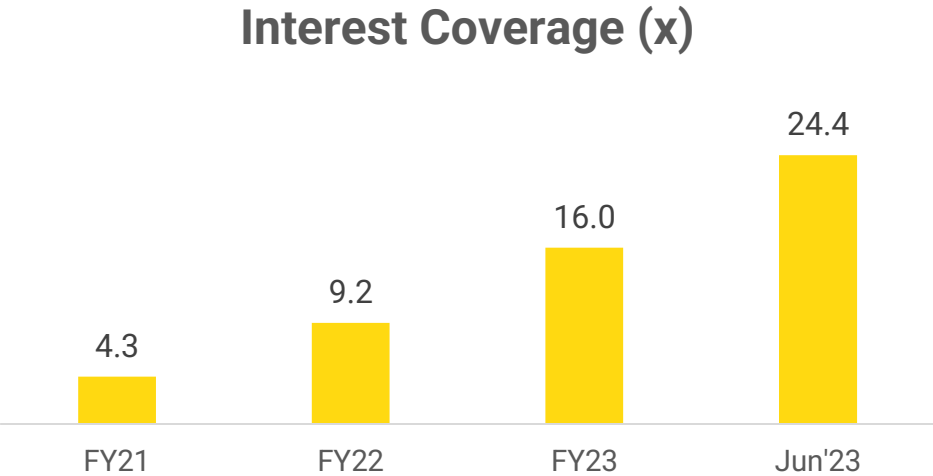
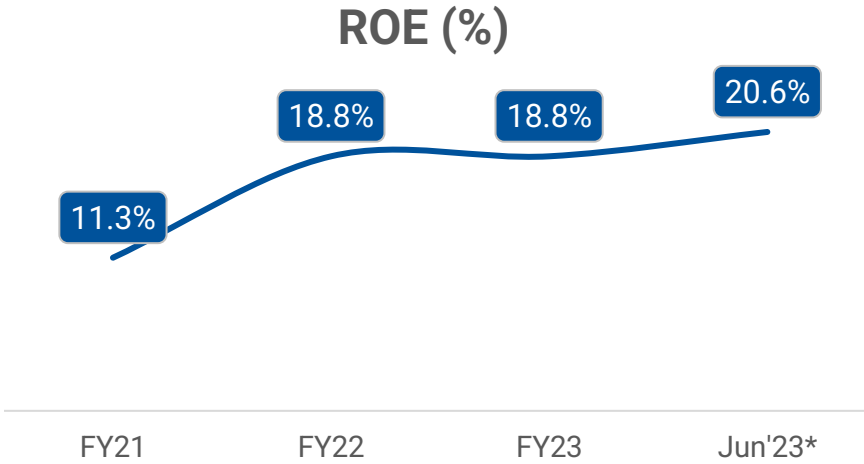
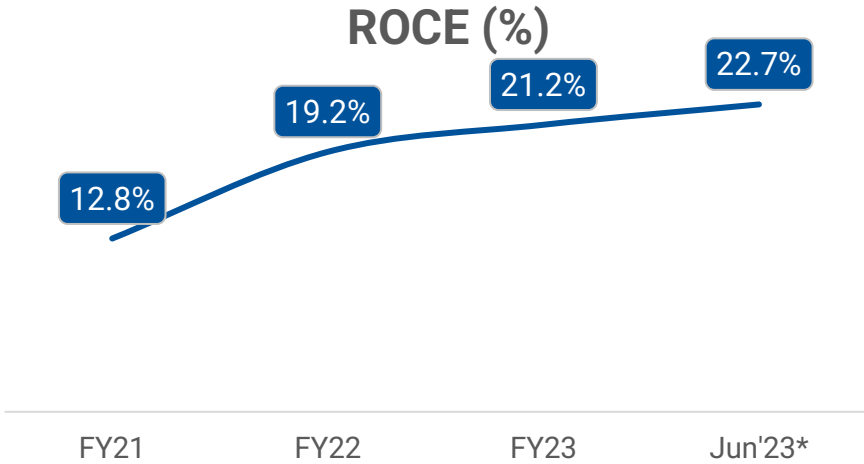


- Wire rope segments contribution to overall revenues increased to 68% in Q1FY24 vs. 67% in FY23
 - Within Wire rope, the value-added segments (crane, oil & offshore, elevator, mining, fishing) share rose to 71% in Q1FY24 from 65% in FY23
- Share of International business stood higher at 56% in Q1FY24 as against 55% in FY23

Note 1: For all product segments

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

Profitability indicators remain strong



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

* Annualized

^ LTM

Discussion on Financial and Operational Performance

Net Revenues

- Revenue from operations increased by 7.3% Y-o-Y to Rs. 814.4 crore in Q1FY24
 - Despite a Y-o-Y decline in raw material prices, the Company reported an increase in revenues due to enhanced realizations resulting from value-added and solution-based offerings
 - Furthermore, the Company's Q1FY24 topline performance was also driven by its International operations, which registered a notable 13% Y-o-Y increase in revenue

EBITDA

- Q1FY24 Operating EBITDA stood at Rs. 145.7 crore as against Rs. 117.3 crore, higher by 24.2% on a Y-o-Y basis
- During the quarter, the Operating EBITDA margin was recorded at 17.9%, reflecting an increase from 15.5% in Q1FY23
- Considering Other Income, the EBITDA margins for Q1FY24 stood at 18.3%, compared to 16.4% in Q1FY23
 - The Company's emphasis on value-added products, along with the expansion of its International presence, has effectively led to an improvement in margin performance

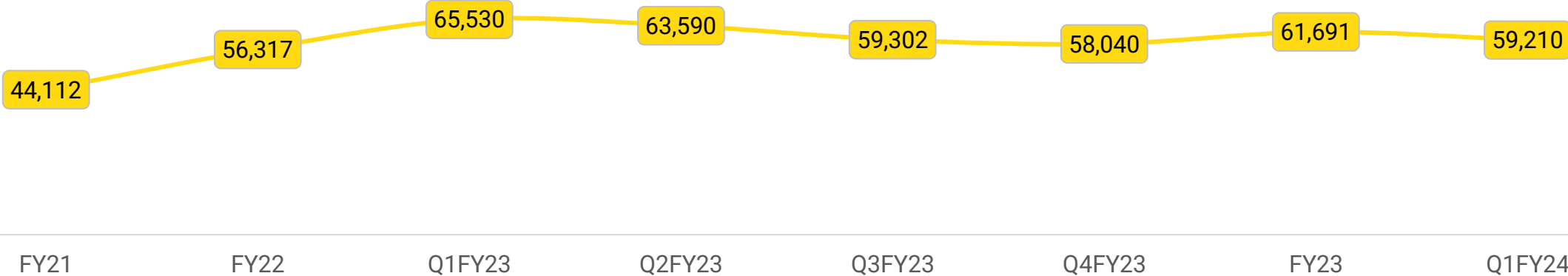
PBT & PAT

- In Q1FY24, the PBT amounted to Rs. 129.1 crore, registering a 25.0% Y-o-Y increase from Rs. 103.3 crore
- In Q1FY24, the PAT amounted to Rs. 100.8 crore, registering a 22.5% Y-o-Y increase from Rs. 82.2 crore
- Basic EPS stood at Rs. 3.31 for the quarter as against Rs. 2.69 Y-o-Y

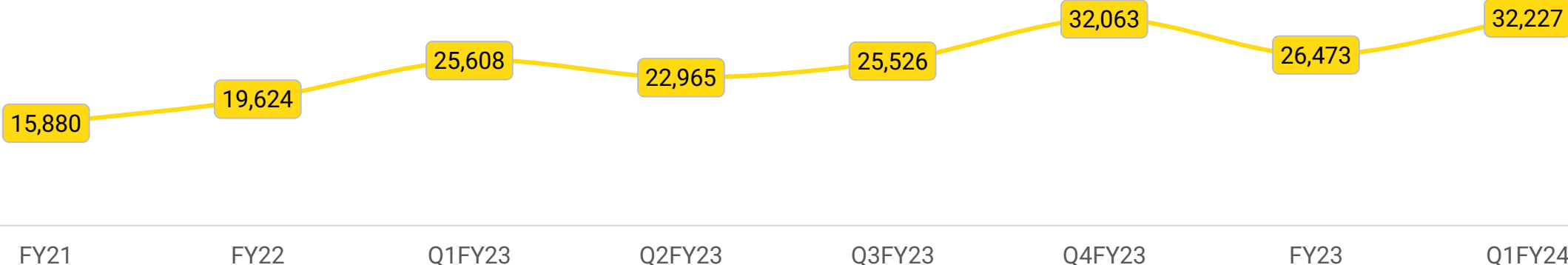
Successfully Managing Raw-Material Volatility



Steel Price (Rs. per tonne)

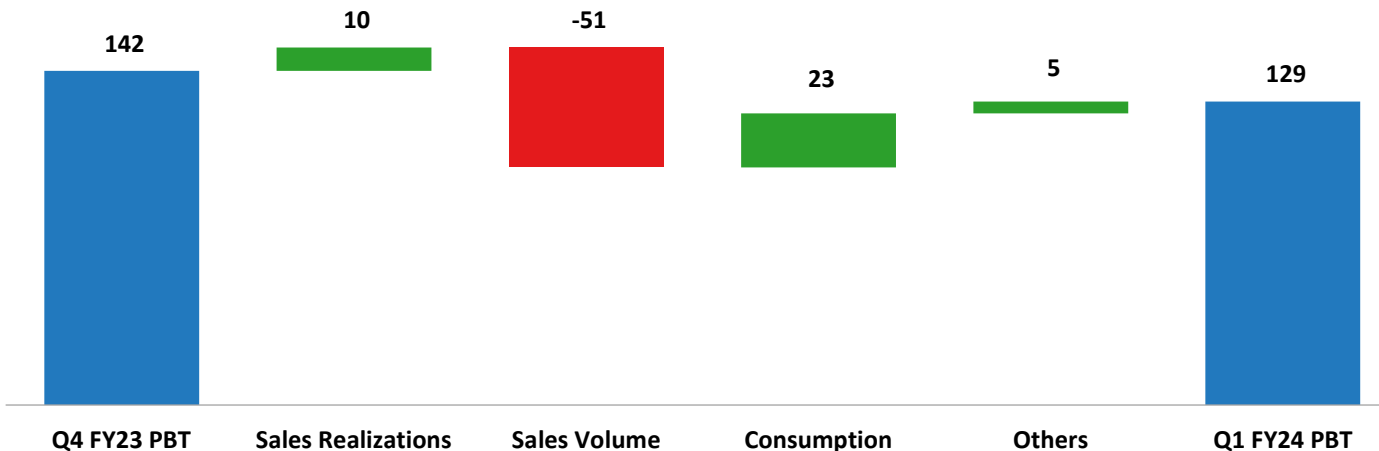
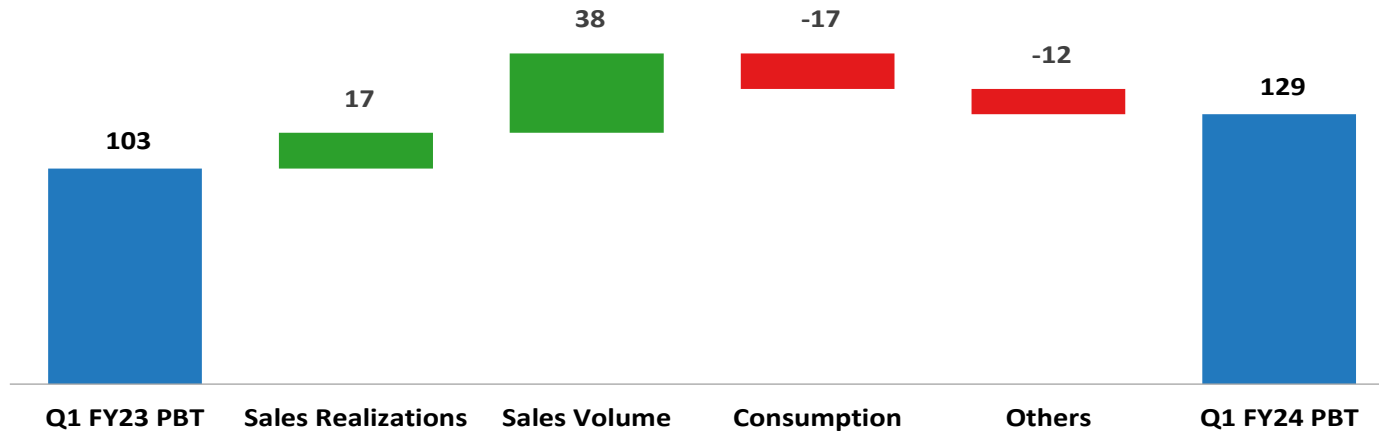


EBITDA/tonne² (Rs.)



Note 1: All figures mentioned in the slide are consolidated financials
Note 2: EBITDA calculated without other income & excluding UM Cables

PBT Bridge: Q1FY24



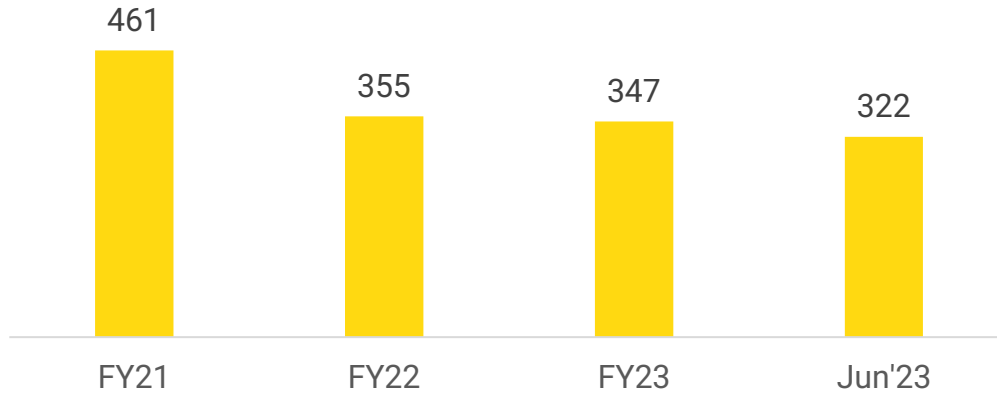
- **Sales Realizations:** Improvement in product portfolio and higher realizations from solution sales in Europe contributed to overall improvement
- **Sales Volume:** Increase due to higher sales in Europe YoY and decline in wire rope sales QoQ
- **Consumption:** Increase due to higher volumes in Europe YoY and decline in wire rod consumption rate QoQ

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

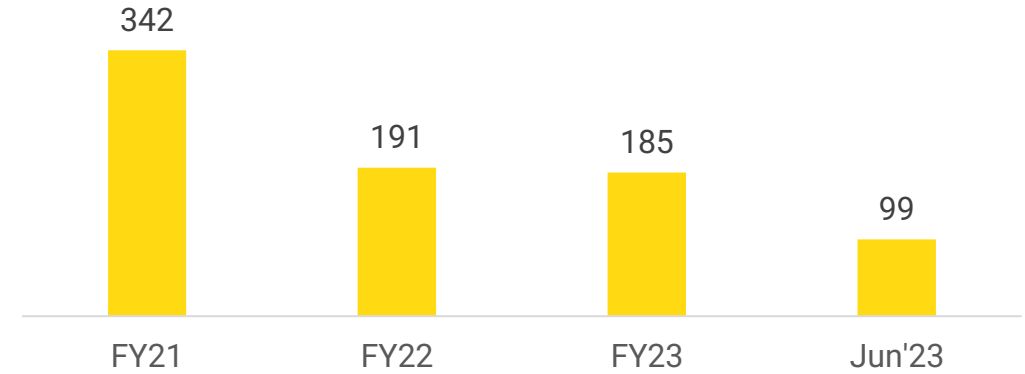
Balance Sheet remains significantly de-risked

Significant reduction in net debt despite capex spend of ~Rs. 68 crore

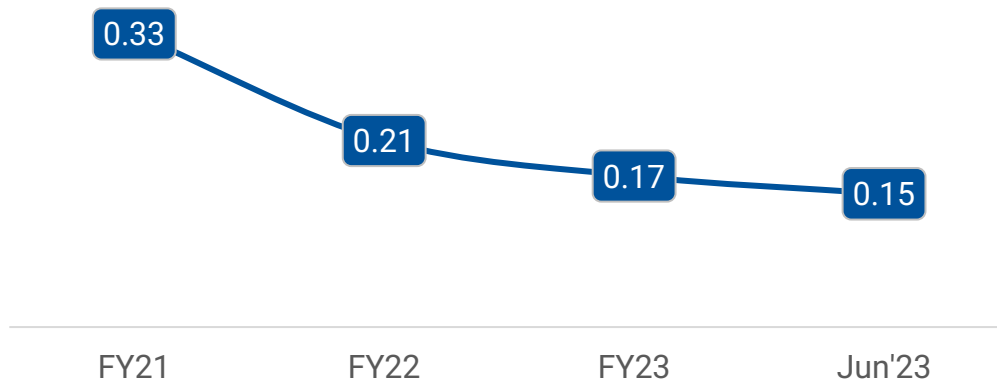
Gross Debt



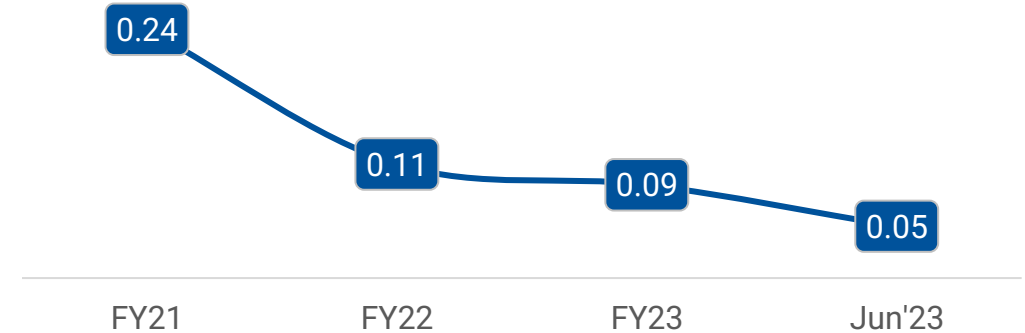
Net Debt



Gross Debt to Equity (x)



Net Debt to Equity (x)



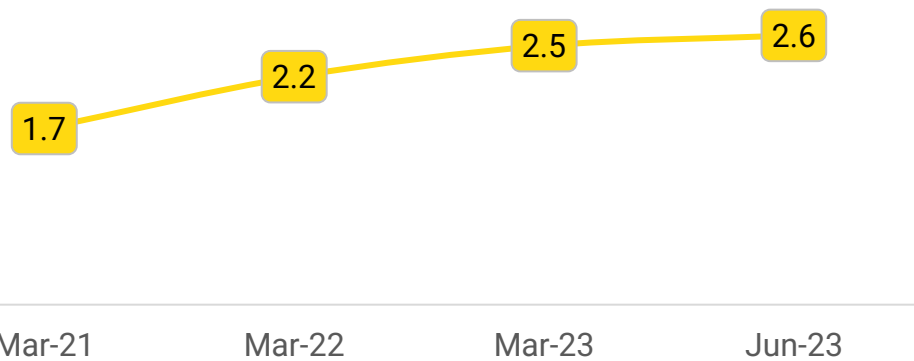
Note 1: All figures mentioned in the slide are consolidated financials

NWC to turnover steady through active rationalization of inventory

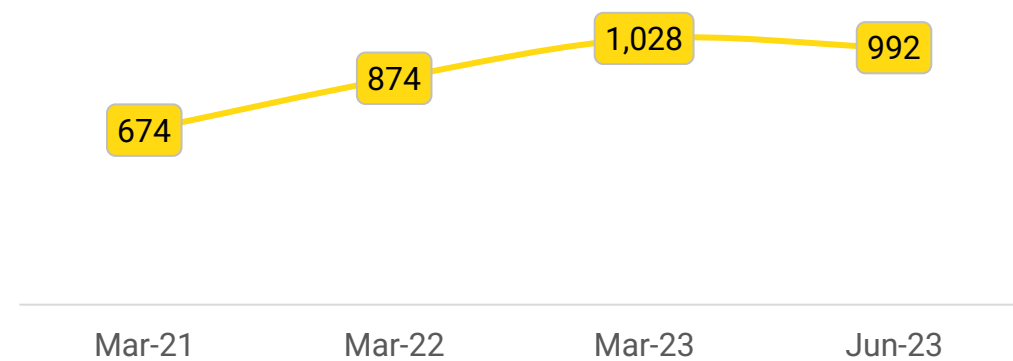


Continuous focus on optimizing working capital to reduce cash conversion cycle

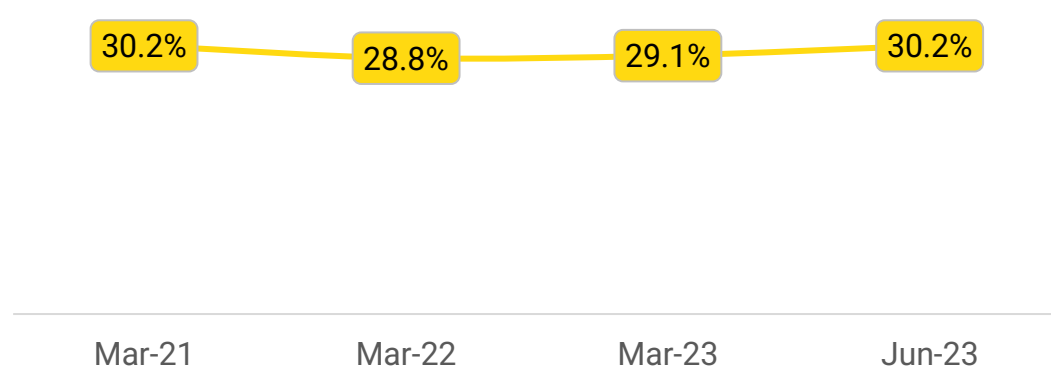
Current Ratio (x)



Net Working Capital (Rs. Crore)



Net Working Capital to Turnover (LTM, %)



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



Mr. Tapas Gangopadhyay

Non-Executive Director

Commenting on the performance Mr. Tapas Gangopadhyay, Non-Executive Director said:

"We are delighted to report a strong year-on-year growth in EBITDA and profitability for Q1FY24. During the quarter, our Operating EBITDA increased by 24.2%, with EBITDA margins showing a notable year-on-year increase of 2.4 pps to 17.9%. This significant margin performance is attributed to our strong focus on value-added products and the expansion of our International operations, which contributed 56% to our Q1FY24 revenue.

Our engagement with International customers for high-end wire ropes remained robust, underscoring the criticality of these products in various end-user industries. We have full confidence in the capabilities of our R&D team to develop suitable solutions, collaborating continuously with our customers.

Our capex initiatives are progressing smoothly. The increased capacities will predominantly cater to a diverse array of critical applications and value-added products, including mining ropes, non-rotating ropes, compacted ropes and plasticated ropes. Our wave1 expansion at Ranchi is on-track and is expected to be completed by end of Q3, supporting our revenue growth endeavours.

Moving forward, Usha Martin is focused on consolidating its position as one of the world's largest providers of specialty wire rope, while actively pursuing market share expansion. With six decades of invaluable experience in the industry, we are poised to leverage our expertise to offer unparalleled solutions. Through continuous investments in R&D and modernization, we are committed to providing cutting-edge solutions that cater to the evolving needs of our esteemed customers worldwide. Our vision is to strengthen our foothold in the industry and set new benchmarks for innovation and customer satisfaction."



Annexure

Abridged Consolidated P&L Statement

In Rs. crore

	Q1FY24	Q1FY23	Y-o-Y Change (%)	Q4FY23	Q-o-Q Change (%)
Revenue from Operations	814.4	758.7	7.3%	855.2	-4.8%
Operating EBITDA	145.7	117.3	24.2%	154.0	-5.4%
<i>Operating EBITDA Margin (%)</i>	<i>17.9%</i>	<i>15.5%</i>	<i>2.4 pps</i>	<i>18.0%</i>	<i>-0.1 pps</i>
Operating EBITDA / ton^ (Rs.)	32,227	25,608	25.8%	32,063	0.5%
Other Income	3.6	6.7	-46.4%	11.3	-68.2%
EBITDA	149.3	124.1	20.3%	165.3	-9.7%
<i>EBITDA Margin (%)</i>	<i>18.3%</i>	<i>16.4%</i>	<i>2 pps</i>	<i>19.3%</i>	<i>-1 pps</i>
Depreciation	17.6	16.5	6.6%	17.2	2.7%
Finance Costs	5.5	7.2	-23.0%	8.0	-30.6%
Share of profit(-) /loss(+) of joint ventures	-3.0	-3.0	-0.7%	-2.1	-44.2%
PBT	129.1	103.3	25.0%	142.3	-9.2%
<i>PBT Margin (%)</i>	<i>15.9%</i>	<i>13.6%</i>	<i>2.2 pps</i>	<i>16.6%</i>	<i>-0.8 pps</i>
Tax	28.3	21.1	34.5%	36.9	-23.3%
PAT	100.8	82.2	22.5%	105.3	-4.3%
<i>PAT Margin (%)</i>	<i>12.4%</i>	<i>10.8%</i>	<i>1.5 pps</i>	<i>12.3%</i>	<i>0.1 pps</i>
Basic EPS (in Rs.)	3.31*	2.69*	23.0%	3.46*	-4.4%

^ Excluding UM Cables *EPS is not annualized

Abridged Standalone P&L Statement

In Rs. crore

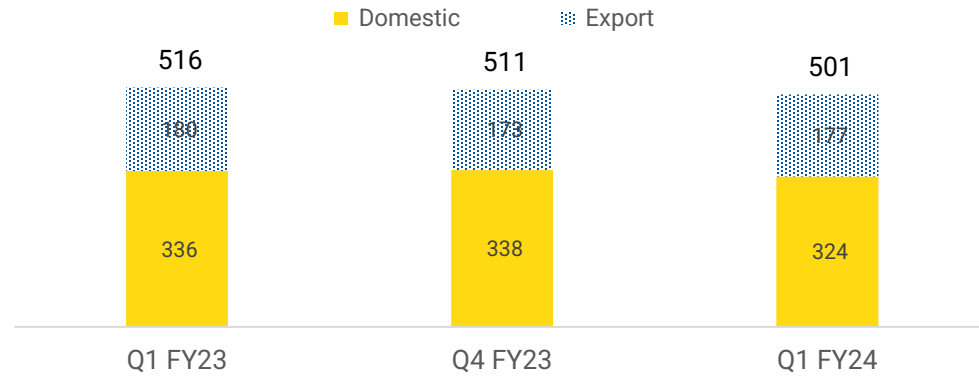
	Q1FY24	Q1FY23	Y-o-Y Change (%)	Q4FY23	Q-o-Q Change (%)
Revenue from Operations	500.6	515.6	-2.9%	511.2	-2.1%
Operating EBITDA	91.1	70.7	28.9%	83.5	9.1%
<i>Operating EBITDA Margin (%)</i>	<i>18.2%</i>	<i>13.7%</i>	<i>4.5 pps</i>	<i>16.3%</i>	<i>1.9 pps</i>
Operating EBITDA / ton (Rs.)	24,084	17,929	34.3%	21,277	13.2%
Other Income [^]	17.3	11.5	50.5%	11.7	48.0%
EBITDA	108.4	82.2	31.9%	95.2	13.9%
<i>EBITDA Margin (%)</i>	<i>21.7%</i>	<i>15.9%</i>	<i>5.7 pps</i>	<i>18.6%</i>	<i>3 pps</i>
Depreciation	7.0	6.7	4.0%	6.5	6.6%
Finance Costs	1.2	4.1	-69.8%	3.7	-66.4%
PBT	100.2	71.4	40.3%	85.0	17.9%
<i>PBT Margin (%)</i>	<i>20.0%</i>	<i>13.9%</i>	<i>6.2 pps</i>	<i>16.6%</i>	<i>3.4 pps</i>
Tax	21.8	17.8	22.7%	21.9	-0.5%
PAT	78.4	53.7	46.1%	63.1	24.3%
<i>PAT Margin (%)</i>	<i>15.7%</i>	<i>10.4%</i>	<i>5.3 pps</i>	<i>12.3%</i>	<i>3.3 pps</i>
Basic EPS (in Rs.)	2.57*	1.76*	46.1%	2.07*	24.3%

[^] Other income includes dividend income of Rs. 13.2 cr in Q1FY24 and Rs. 3.6 cr in Q1FY23

*EPS is not annualized

Key Financial Highlights – Standalone Q1FY24

Net Revenue from operations

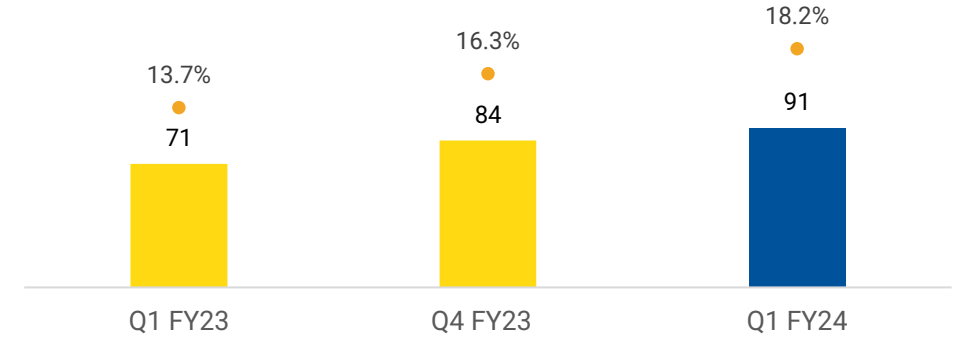


Shift (%)

QoQ: 2.1% ↓

YoY : 2.9% ↓

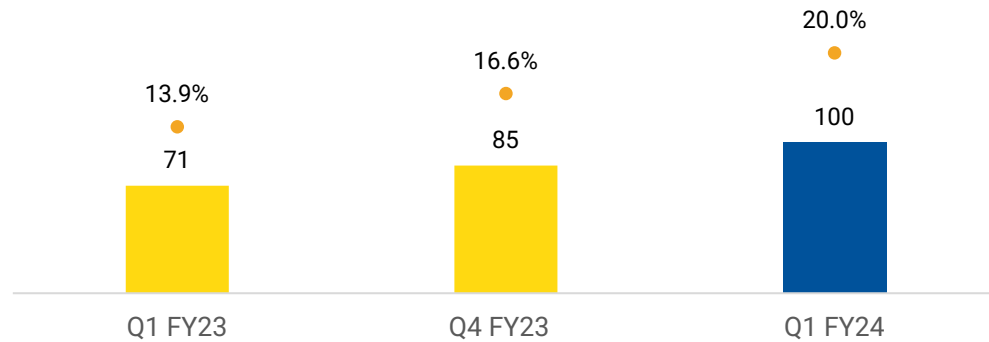
Operating EBITDA • Margins



QoQ: 9.1% ↑

YoY: 28.9% ↑

PBT • Margins

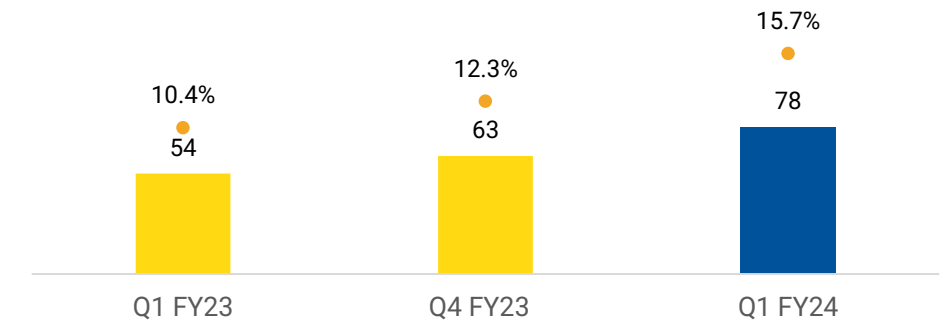


Shift (%)

QoQ: 17.9% ↑

YoY : 40.3% ↑

PAT • Margins



QoQ: 24.3% ↑

YoY: 46.1% ↑

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

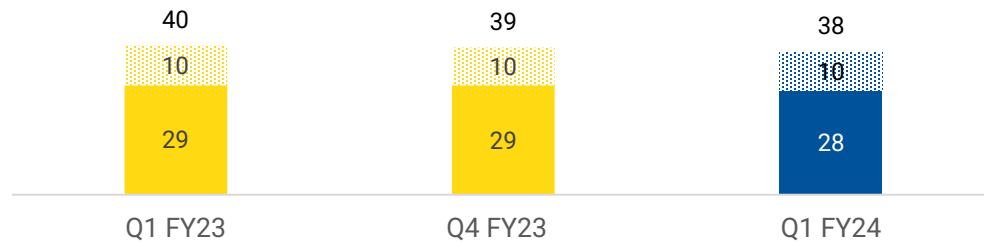
Note 2: Operating EBITDA & EBITDA Margins calculated without other income

Note 3: PBT includes dividend income of Rs. 13.2 cr in Q1FY24 and Rs. 3.6 cr in Q1FY23

Key Operational Highlights – Standalone Q1FY24

Sales Volumes¹ ('000 MT)

■ Domestic ■ Export



Shift (%)

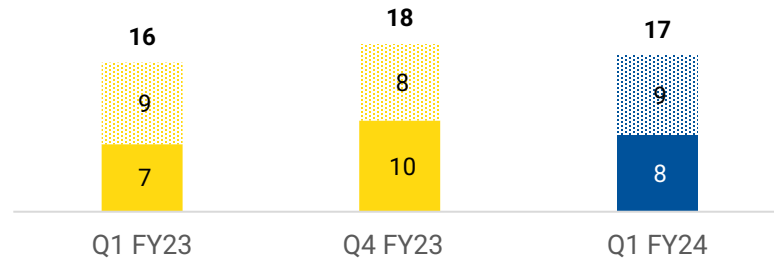
QoQ: 3.6% ↓

YoY: 4.1% ↓

- Marginal decrease in overall volumes during Q1FY24
- Segment wise contribution to overall volumes Q1FY24 :
Wire Rope – 45% (PFY 43%); Wire & Strand – 18% (PFY 19%);
LRPC – 37% (PFY 38%)
- Increase in YoY rope volumes and marginal decrease in LRPC volumes in line with the company's strategy to focus on international markets, value added products

Wire Rope Sales Volumes ('000 MT)

■ Domestic ■ Export



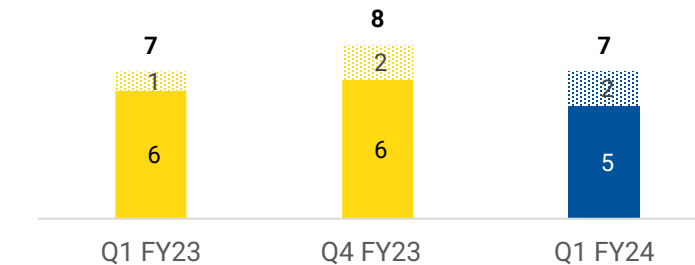
Shift (%)

QoQ: 4.4% ↓

YoY: 4.5% ↑

Wire & Strand Sales Volumes ('000 MT)

■ Domestic ■ Export

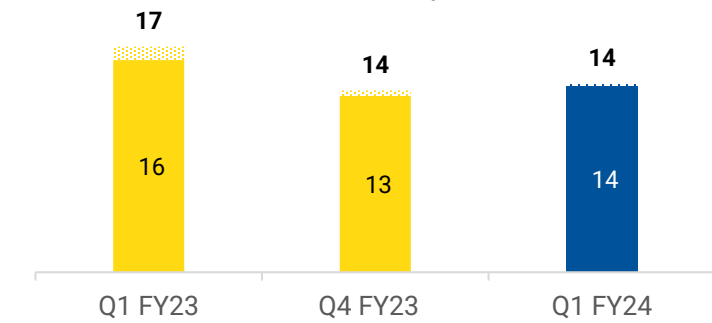


QoQ: 15.4% ↓

YoY: 0.2% ↓

LRPC Sales Volumes ('000 MT)

■ Domestic ■ Export



QoQ: 4.3% ↑

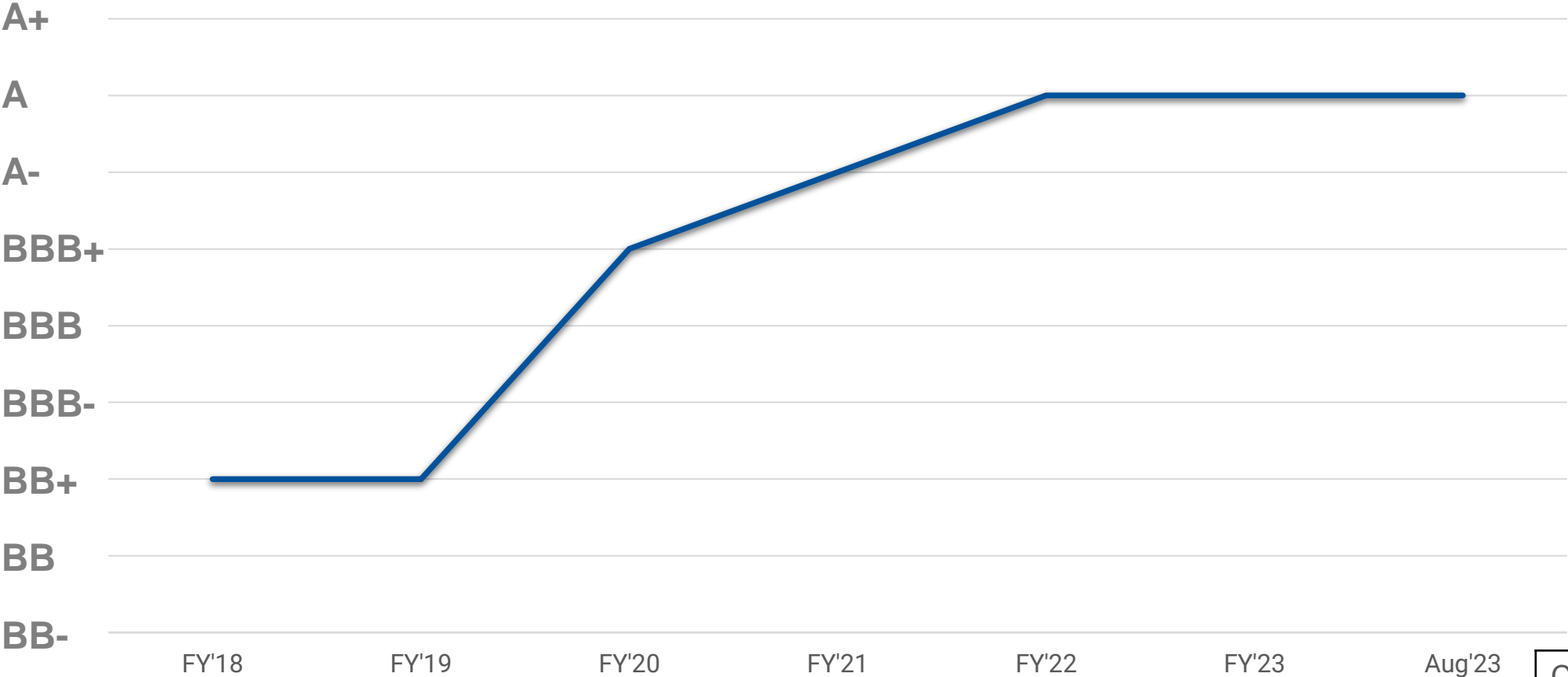
YoY: 14.0% ↓

Note 1: For all product segments

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

PFY – Previous Financial Year

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



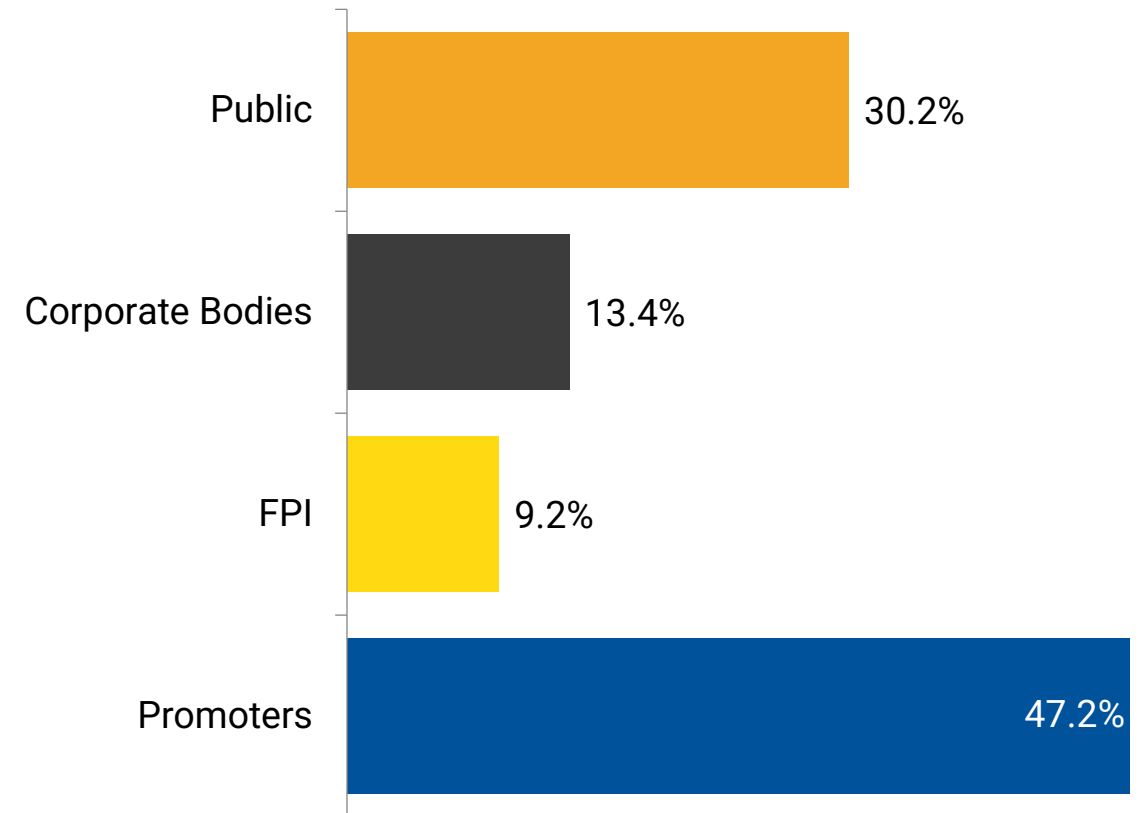
India Ratings & Research
A Fitch Group Company

Current Rating	A
Outlook	Positive
Last Review	Aug'23

Market snapshot

Key Market Statistics	As on 30 th June 2023
BSE/NSE Ticker	517146 / USHAMART
CMP (Rs)	270.4
Market Cap (Rs Crore)	8,246
Number of outstanding shares (Crore)	30.47
Face Value (Re.)	1.00
52-week High / Low (Rs)	296.5 / 110.2

Shareholding pattern as on 30th June 2023



Usha Martin Ltd. Q1FY24 Earnings Conference Call

Time: August 8, 2023 at 5:00 PM IST

To enable participants to connect to the conference call without having to wait for an operator, please register at the below mentioned link:

Pre-registration



You will receive dial in numbers, passcode and a pin for the concall on the registered email address provided by you. Kindly dial into the call on the Conference Call date and use the passcode & pin to connect to call

Conference dial-in Primary Number: +91 22 6280 1141 / +91 22 7115 8042

International Toll Free Number:
Hong Kong: 800 964 448
Singapore: 800 101 2045
UK: 0 808 101 1573
USA: 1 866 746 2133

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 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. Anirban Sanyal (Chief Financial Officer)

Usha Martin Limited

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Thank You

 **usha martin®**