



STEEL STRIPS WHEELS LTD.

CIN: L27107PB1985PLC006159

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SCO 49-50, Sector 26,

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Date: 23.07.2024

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

BSE Code: 513262

The National Stock Exchange of India
Limited
Exchange Plaza,
Plot No. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051

NSE Code: SSWL

Subject: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: Presentation of the Company

Dear Sir/Ma'am,

In continuation of our letter dated 20.07.2024 w.r.t. Intimation of Analysts/Institutional Investors Meet to be held on 25.07.2024, please find enclosed the presentation of the company to be made to the Analysts/ Investors.

The same shall be accessible on the website of the Company i.e. www.sswlindia.com.

Kindly take the same on your records for reference.

Thanking you.

Yours faithfully,

For **Steel Strips Wheels Limited**

A handwritten signature in black ink, appearing to read 'Shaman Jindal'.

(Shaman Jindal)
Company Secretary
Encl: a/a



STEEL STRIPS WHEELS LIMITED

Delivering Value; Seeking Excellence

Investor Presentation

July 2024



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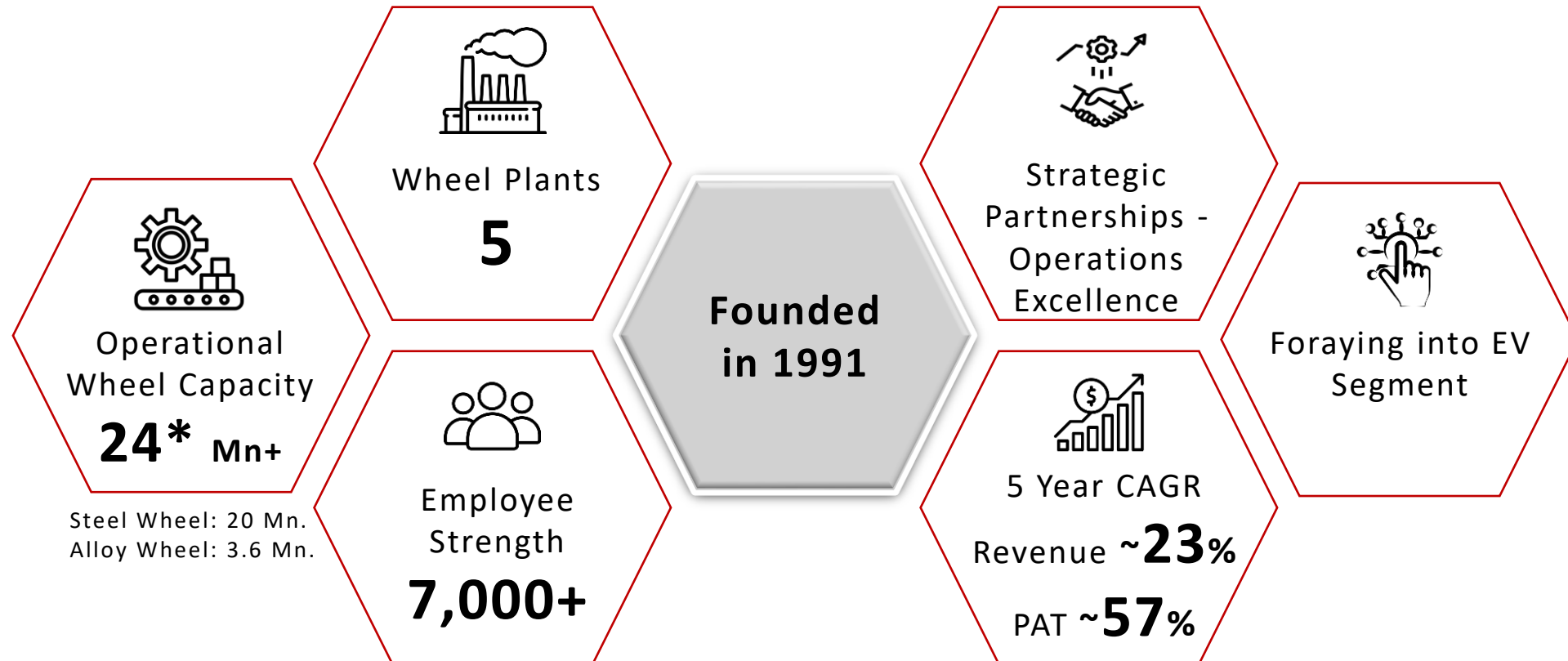
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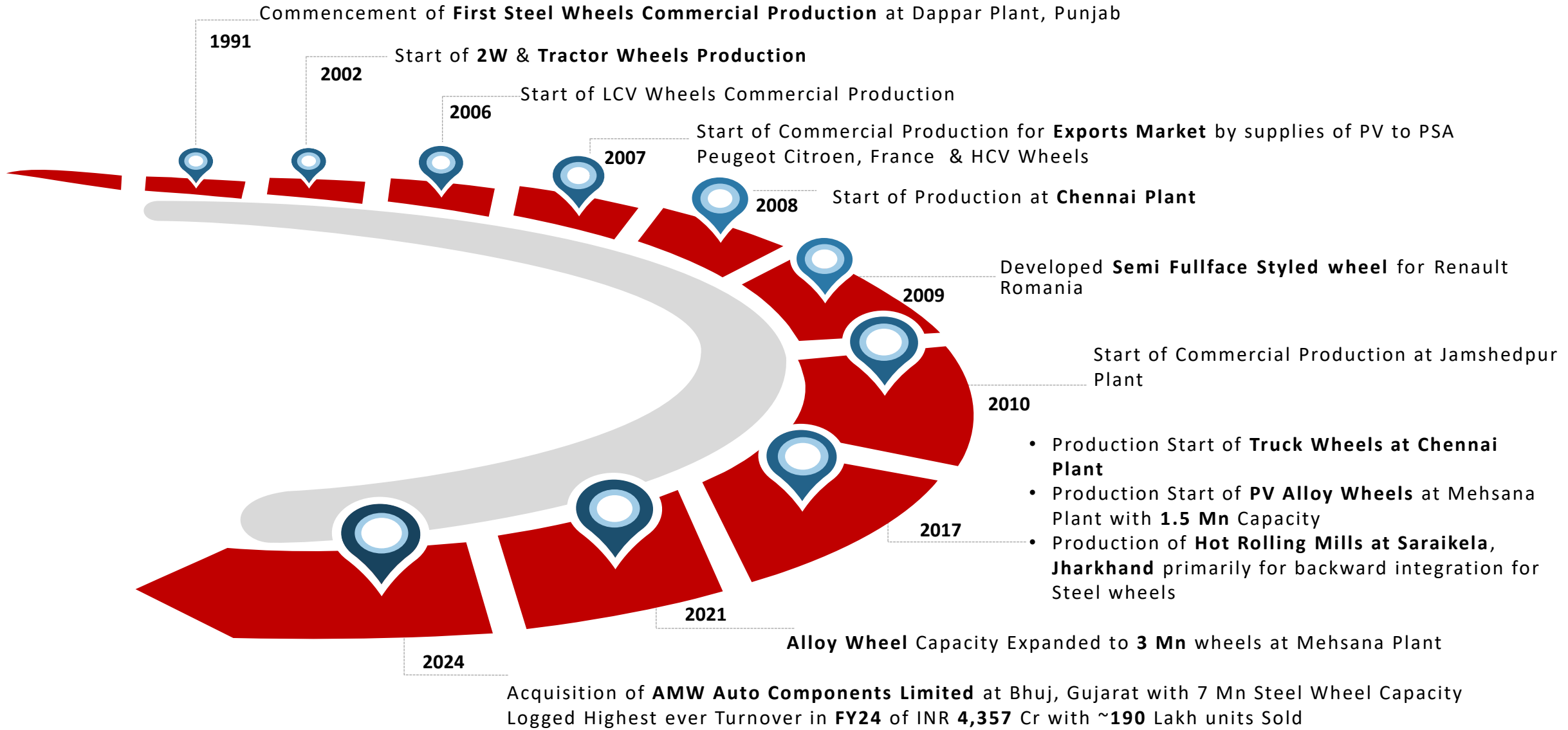
Company Overview

SSWL is a leader in designing & manufacturing Automotive wheels – both Steel & Alloy Wheels category

SSWL aspires to be the Preferred Global Brand of Wheel Solution provider committed to excellence



Our Journey



TATA Steel Limited, India

**6.9% Stake in Steel Strips
Wheels Limited**

- Tata Steel Limited (through its then wholly-owned subsidiary Company namely Kalimati Investment Company Ltd, which has now merged with Tata Steel Ltd) had entered into a Strategic Alliance Agreement in January 2008 with SSWL
- Through this relationship, Tata Steel supports us with more flexibility in areas such as supply chain management, enjoying priorities and stronger support for new grade developments, etc

Nippon Steel & Sumitomo Metal Corporation, Japan

**5.4% Stake in Steel Strips
Wheels Limited**

- Sumitomo Metal Industries Limited, merged with Nippon Steel Corp and now known as Nippon Steel & Sumitomo Metal Corporation (NSSMC), has entered into a Strategic Alliance Agreement in December 2010
- This relationship helps in bringing international expertise in steel quality and newer technology exploration
- Sumitomo Group, which has 400 years of manufacturing history, founded Sumitomo Metals in 1897 and it is one of the world's leading steelmakers

Steel Wheels – Rs. 732 crores (~71%) (Q1 FY25 Revenues)

Incl. Exports



Robust Wheel

Steel Wheels are robust, fit, tough for rugged SUVs

Competitive Pricing

Competitively priced; have higher acceptance in mass vehicles

Suitability

More flexible, absorbs more shock, thus suitable for off-road and heavy duty applications

Quick Maintenance

Requires nothing more than hammering the bent portion into proper shape

Alloy Wheels – Rs. 294 crores (~29%) (Q1 FY25 Revenues)

Incl. Exports



Aesthetics

Have an enhanced aesthetic appeal, higher acceptance in high value PVs

Strength

The higher strength-to-weight ratio for alloy wheels leads to greater control and precision steering

Free from Corrosion

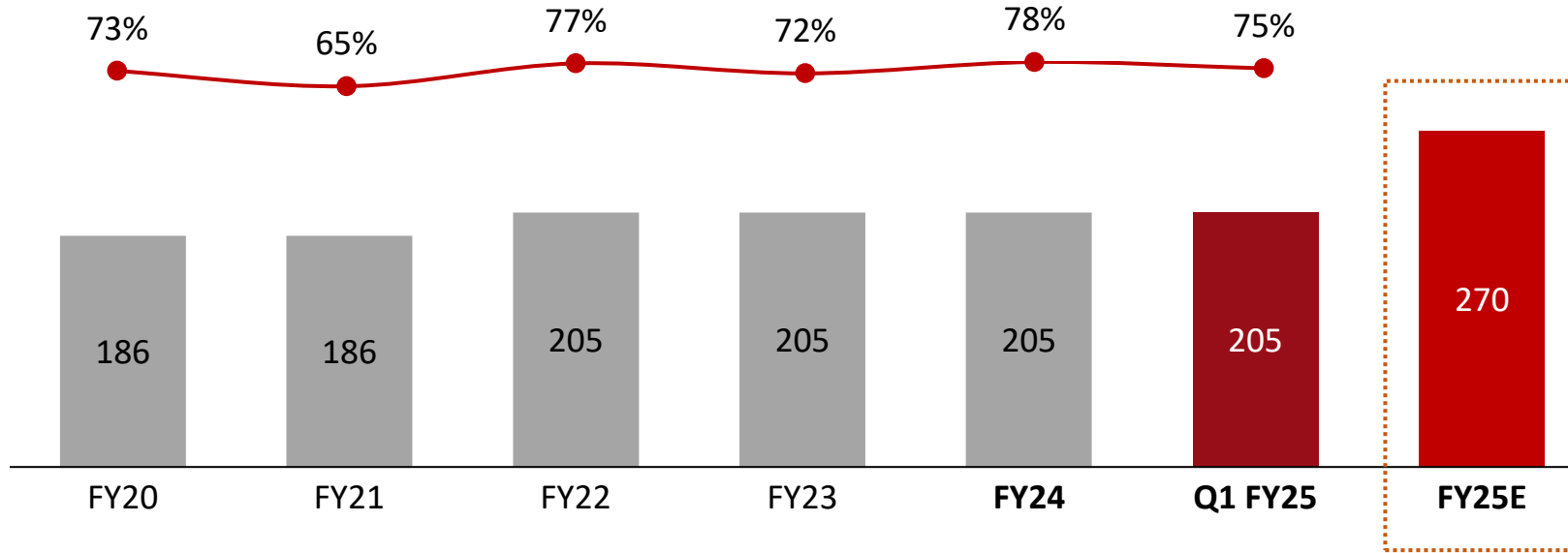
Alloy wheels are known for their ability to resist corrosion

Heat dissipation

Alloy wheels disperse heat better and this decreases cracking and bending which also translates to more efficient braking

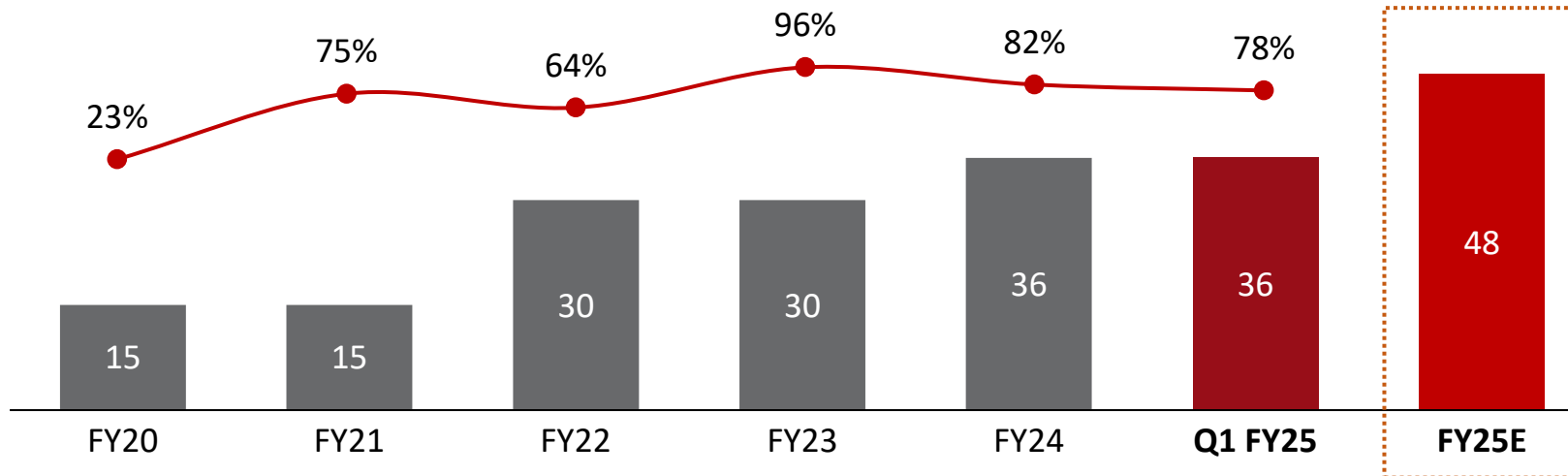
Product Capacities & Utilization

STEEL WHEELS



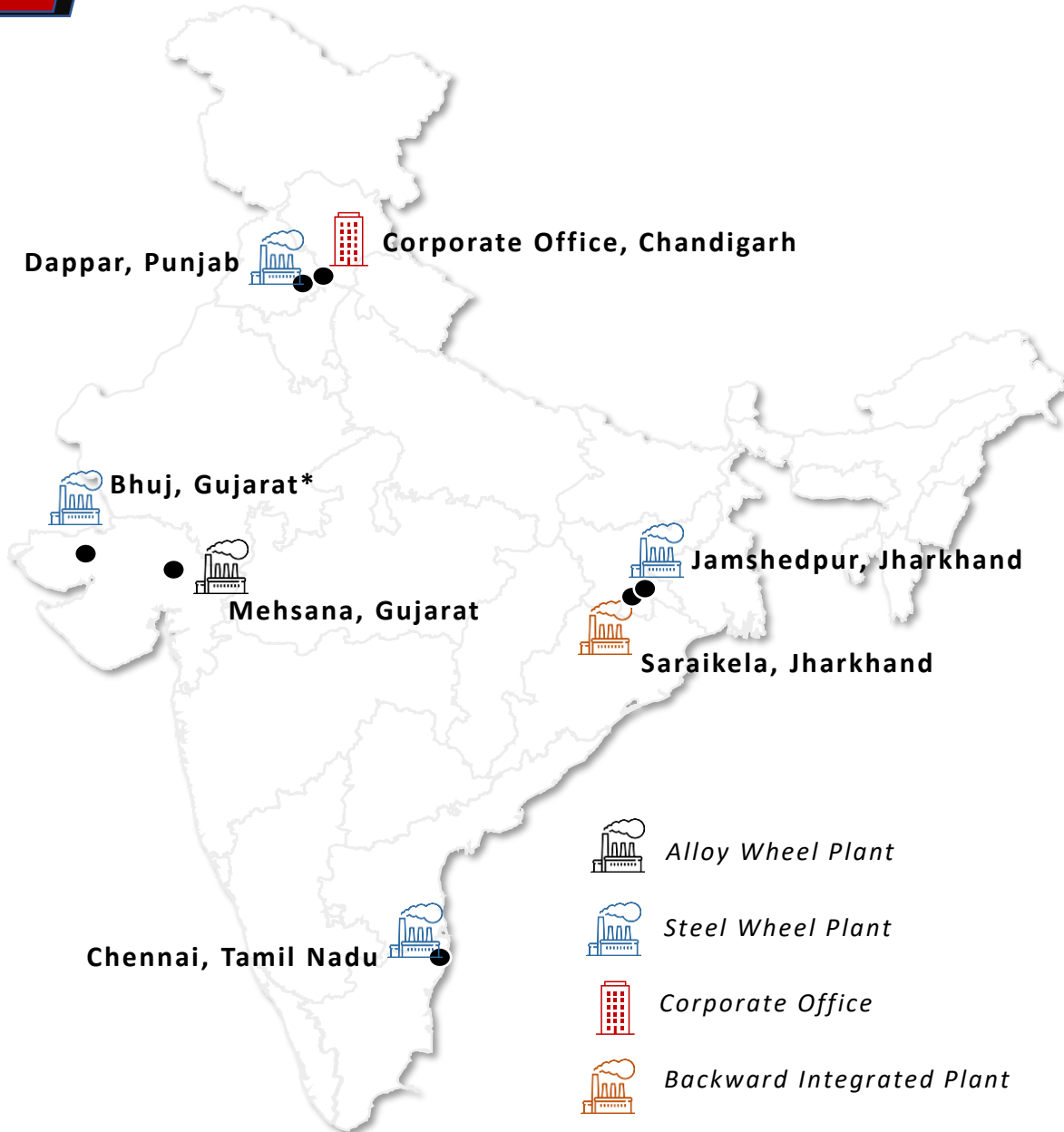
- Phased addition of **70 lakh** steel wheel operational capacity
- Resolution plan successfully implemented in January 2024 by payment of ~Rs 138.15 Crs. (Rs. 5 Crs. Equity and Rs 133.15 Crs. Inter Corporate Loan)













ALLOY WHEELS



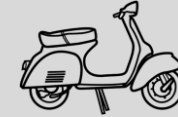
- Alloy Wheels Capacity to be expanded by 33% i.e. **12 Lakh** Wheels to **48 Lakh** Wheels in a phased manner at Mehsana Plant, Gujarat

State-of-the-Art Facilities



| | | Wheel Capacity (Mn) | Catering to | |
|--|-----------------------|----------------------------|--|---|
|  | Dappar, Punjab | 10.8 | PV, MUV, Tractor & OTR |  |
|  | Chennai, Tamil Nadu | 6+1.5 7.5 | PV & CV |  |
|  | Jamshedpur, Jharkhand | 2.2 | HCV / LCV |  |
|  | Bhuj, Gujarat | 7.0* | HCV, Tractor, PV |  |
| *AMW Auto Components Ltd acquired through NCLT order with projected capacity to build 7 Mn Steel Wheel Units in total for CV, Tractor and PV | | | | |
|  | Mehsana, Gujarat | 3.6 | PV |  |
|  | Saraikela, Jharkhand | | Backward Integrated Plant for Steel Wheels |  |

Clientele



Steel Wheels

Domestic Market Share

37%



Passenger Vehicle

| Key Customers | Key Platforms | Share of Business |
|---------------|---------------------------------------|-------------------|
| Maruti Suzuki | Ciaz, Baleno, Scross, Brezza, Celerio | 35% |
| Hyundai | Venue, Grandi10, Verna | 31% |
| Mahindra | KUV, TUV, XUV | 56% |
| Honda | Elevate, Amaze, City | 97% |
| MG Motors | Hector, Comet | 100% |
| Kia | Seltos, Carnival, Sonet | 68% |

61%



MHCV

| Key Customers | Key Platforms | Share of Business |
|---------------|---|-------------------|
| Ashok Leyland | Ecomet, Ross, Viking, Cheetah | 64% |
| TATA Motors | Ultra LPK1512, LPK1518, 2518, 3718, 3118, 4218 | 60% |

42% / 70%



Tractor

OTR

| Key Customers | Key Platforms | Share of Business |
|---------------|----------------------------|-------------------|
| Mahindra | Jivo, Arjun, Yuvraj, Dhruv | 55% |
| Sonalika | D1745, D16TRX, RX47 | 46% |
| Escorts | FT, PT, Kubolta | 58% |
| JCB | 3DX, 4DX, Export Model | 60% |
| New Holland | 5500, 7500 | 29% |

30%

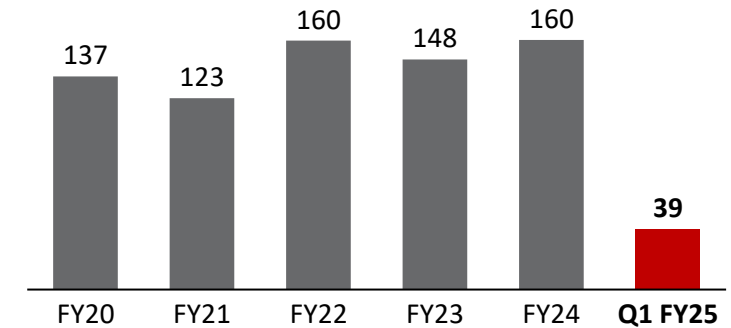


2-3 Wheeler

| Key Customers | Key Platforms | Share of Business |
|-----------------|---|-------------------|
| HMSI | Activa, Dio, Activa125, Grazia, Aviator | 36% |
| Suzuki Scooters | Access 125 | 50% |
| Mahindra 3W | Alfa, E-Auto | 100% |

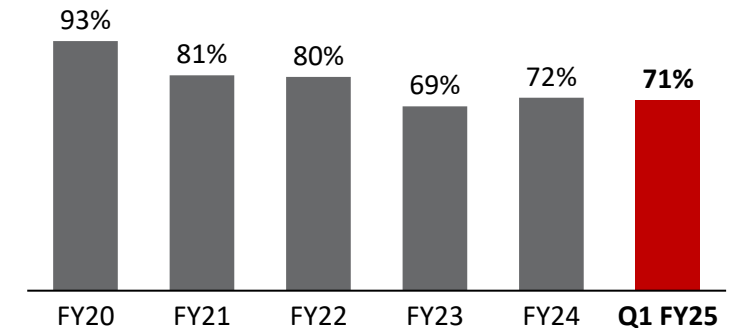
Steel Wheel Sales Volume (in Lakh Units)

Incl. Exports



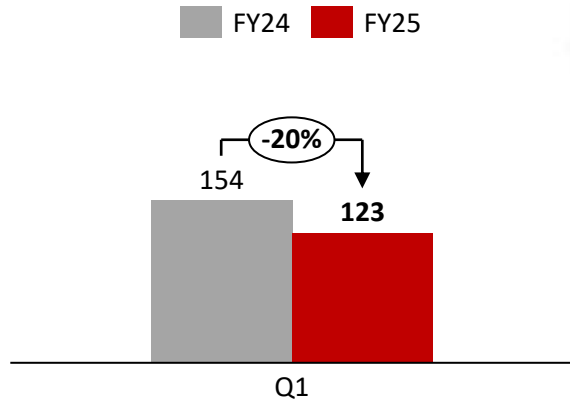
Steel Wheel Sales Value Contribution

Incl. Exports

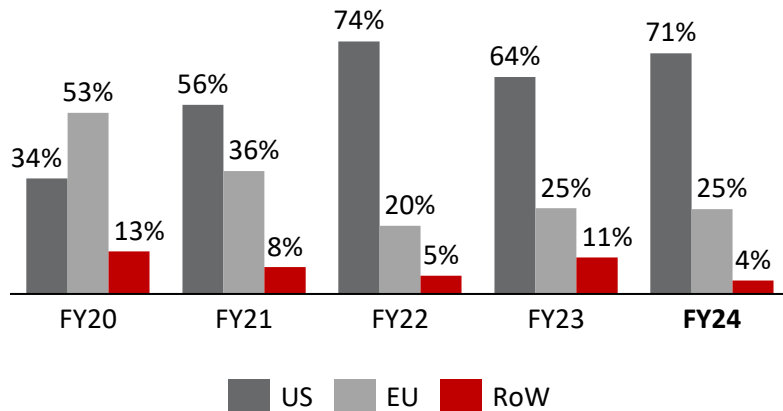


Export Profile

Exports Revenue (Rs. Crs.)



Region Wise Export Revenue Contribution %





Growth Drivers



Sales Mix Shift

Shift of Sales Mix towards High Margin Accretive Segments – Alloy Wheel & Exports



Operations Optimization

Development of Robotic Automated Operation process for Operating Cost Rationalization



Foray into EV Segment

Exploring various avenues to foray into EV Segment



Industry Growth

Steel Wheel Market to grow at 8% p.a. whereas Alloy Wheel Market to grow at 12% p.a. over next 5 years

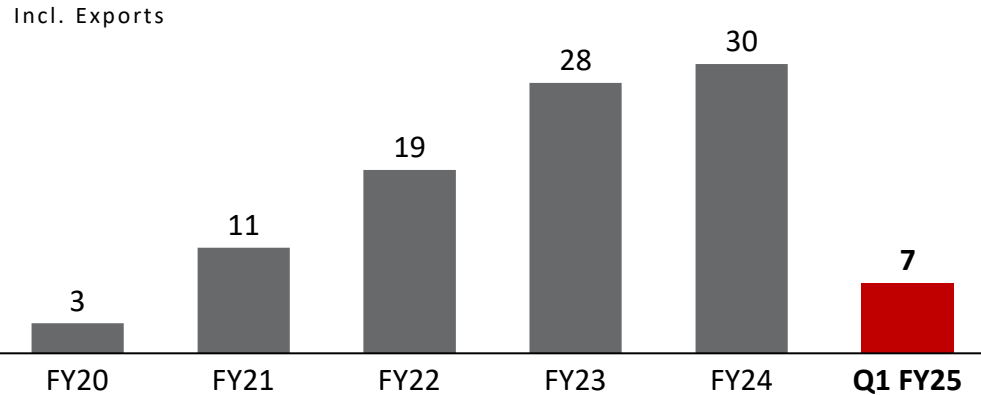


Improving Returns

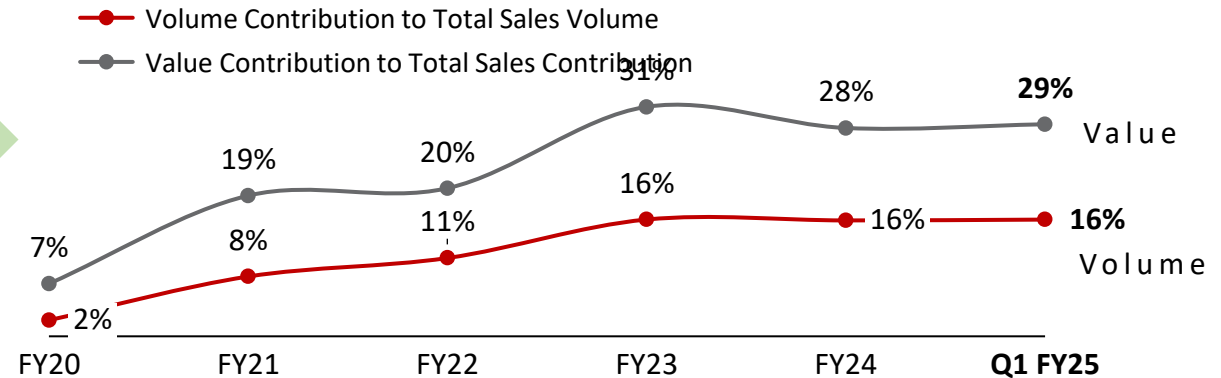
Strengthening Balance Sheet thereby Improving Return on Capital Employed & Return on Equity

Shift of Sales Mix to High Margin Alloy Wheels Segment

Increased Volumes from Alloy Wheel Sales
(in Lakh Units)



Leading to Increased Contribution to Sales



KEY CUSTOMERS



100% Share - Creta, Alcazar, Grand i10 Nios, Aura, Tucson, Exter

HYUNDAI

50% Share - Venue, Verna



50% Share - Seltos, Sonnet



RENAULT **100% Share** - Kiger

TATA MOTORS

80% Share - Tigor

60% Share - Altroz

50% Share - Nexon

25% Share - Punch



100% Share - Magnite



100% Share - XUV 700, 3XO, Scorpio Classic



100% Share - Slavia

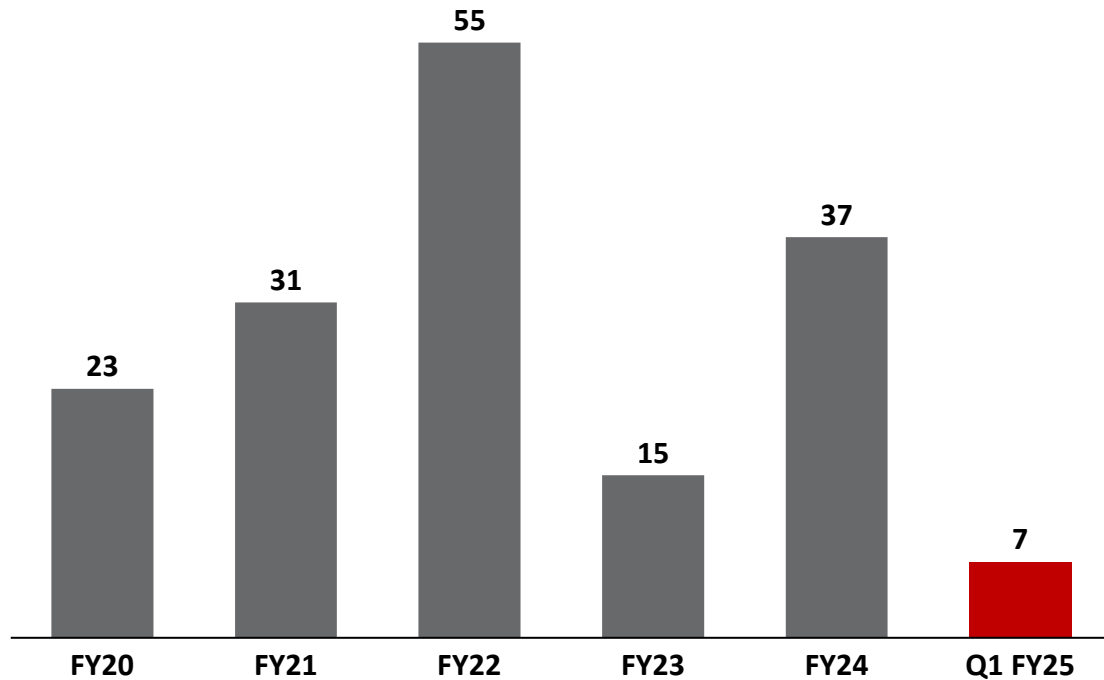


60% Share - Hector
43% Share - Astor

Shift of Sales Mix to High Margin Exports Segment

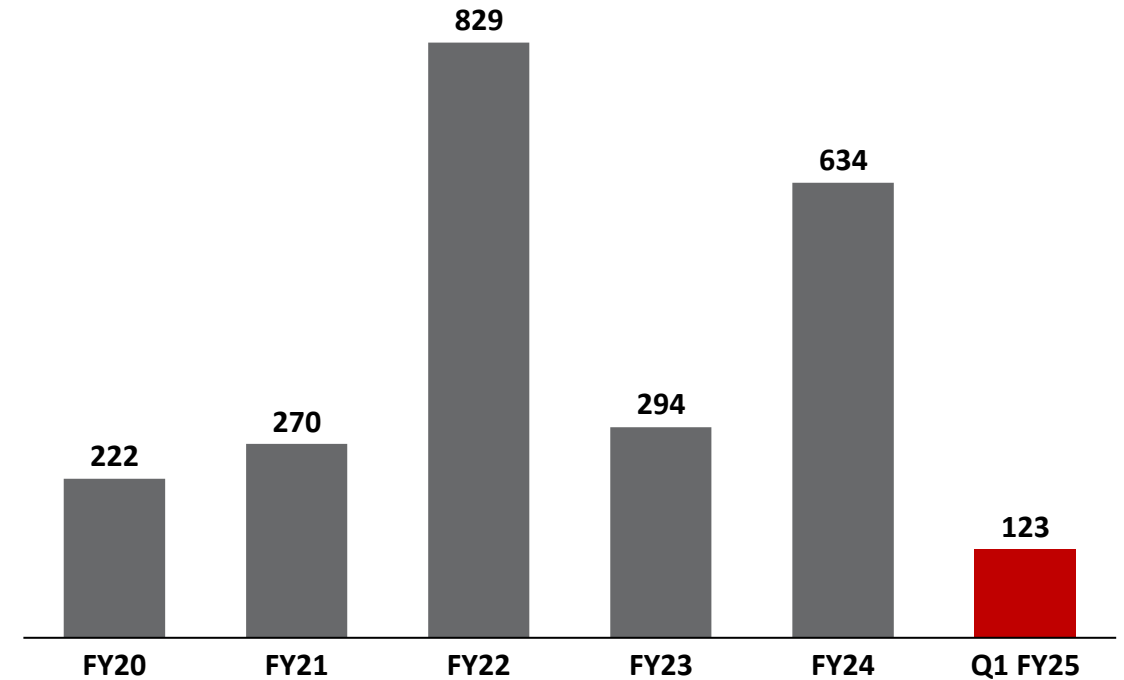
Increased Volumes from Exports
(in Lakh Units)

Q1 FY25 Alloy Wheel Volume
0.38 Lakhs unit



Increased Revenues from Exports
(Rs. Crs.)

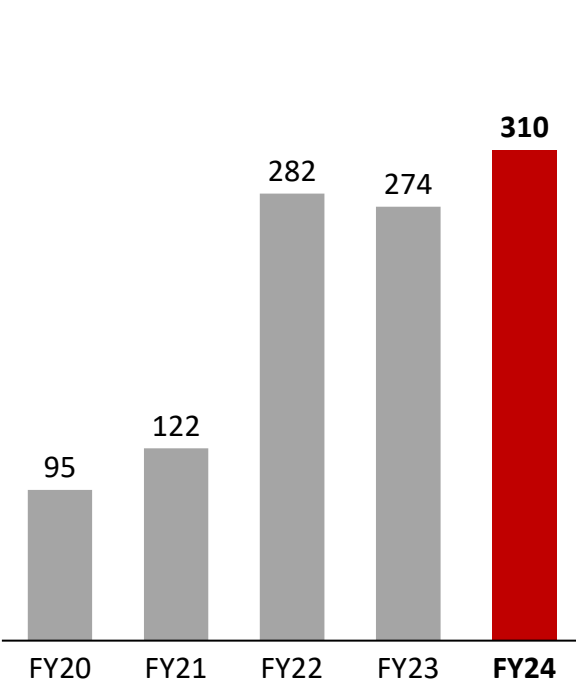
Q1 FY25 Alloy Wheel Revenue
Rs. 15.2 Crs.



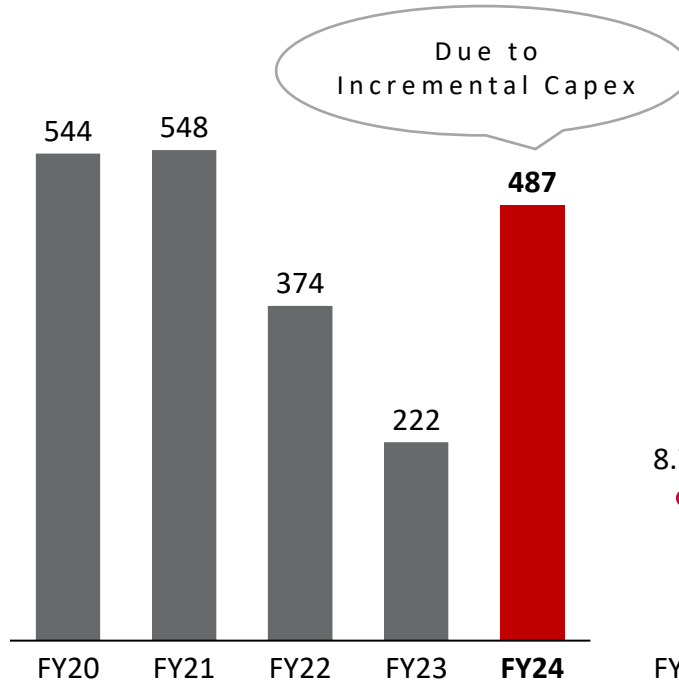
Robust Growth in Exports Volume and Revenues post FY23

Balance Sheet KPIs

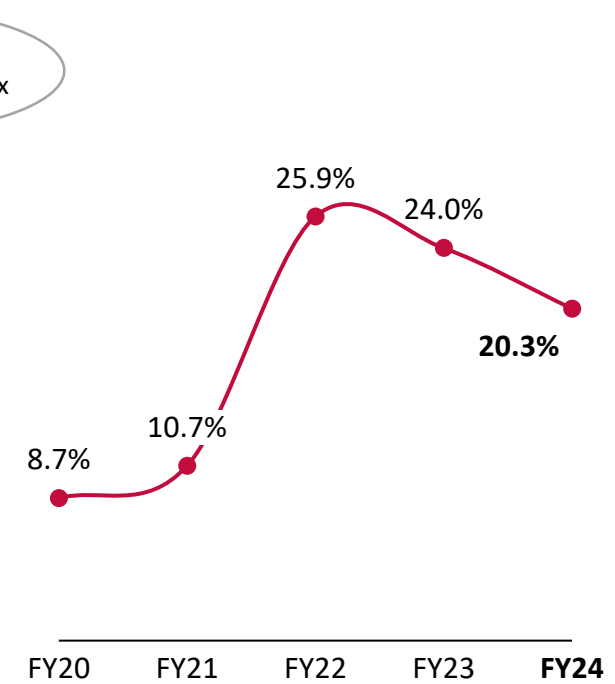
Cash Accruals (Rs. in Crs.)



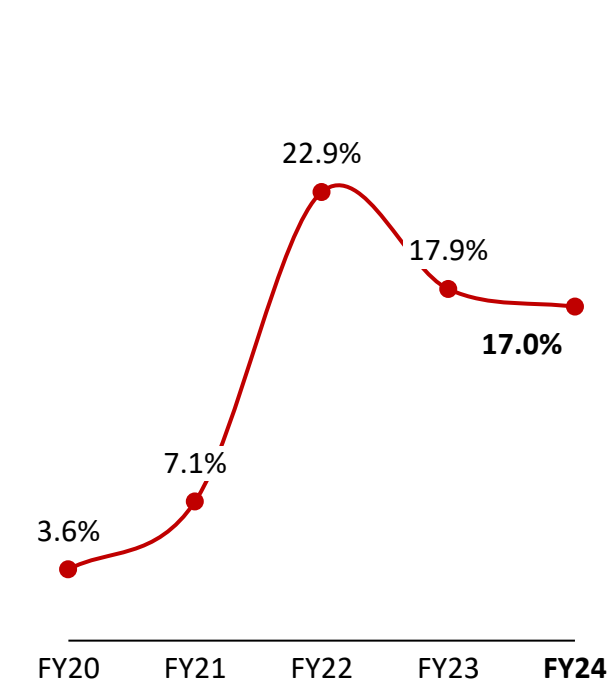
Long Term Debt (Rs. in Crs.)



RoCE



RoE



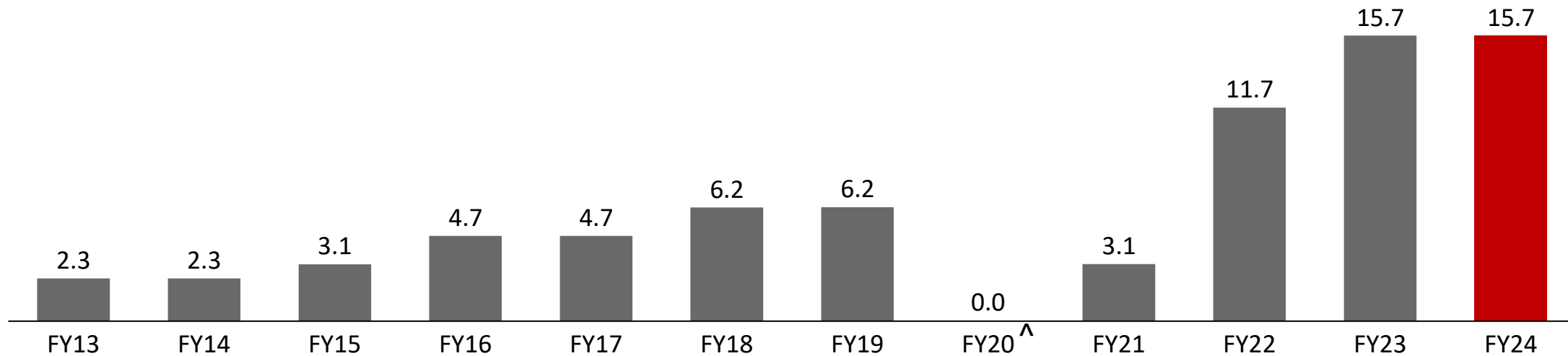
Increasing Cash Accruals aiding fuel for growth and repayment of Debt, to improve Returns on Capital Employed and Returns on Equity in long run

Dividend Payout History

Dividend Declared %

{ 15% } { 15% } { 20% } { 30% } { 30% } { 40% } { 40% } { 0% } { 20% } { 75% } { 100% } { **100%** }

Dividend Paid (Rs in Cr)



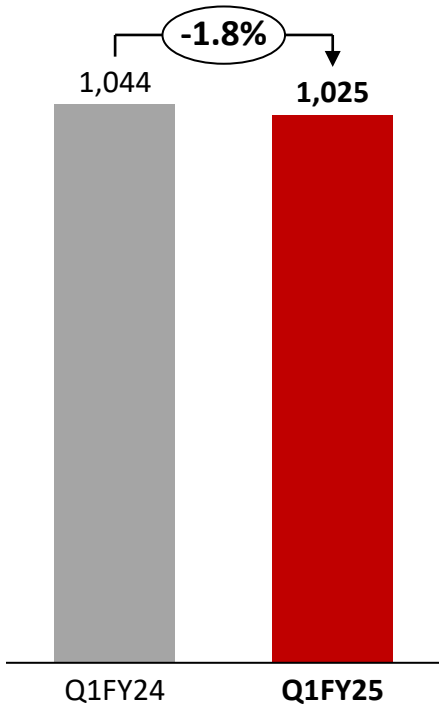
Consistent Dividend paid by the Company



Q1 FY25 Financials

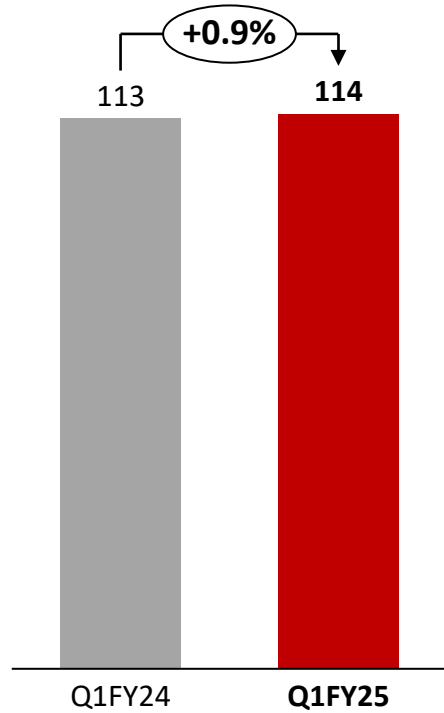
Q1 FY25 Financial Performance Snapshot

Revenues from operations (Rs. Crs.)



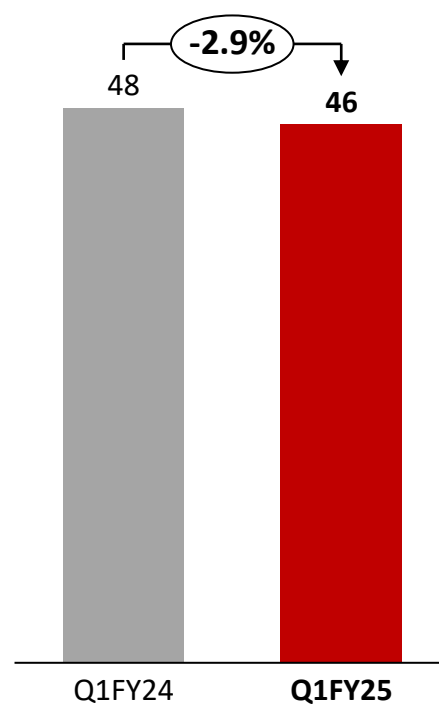
EBITDA (Rs. Crs.) & EBITDA Margins %

10.8% 11.1%



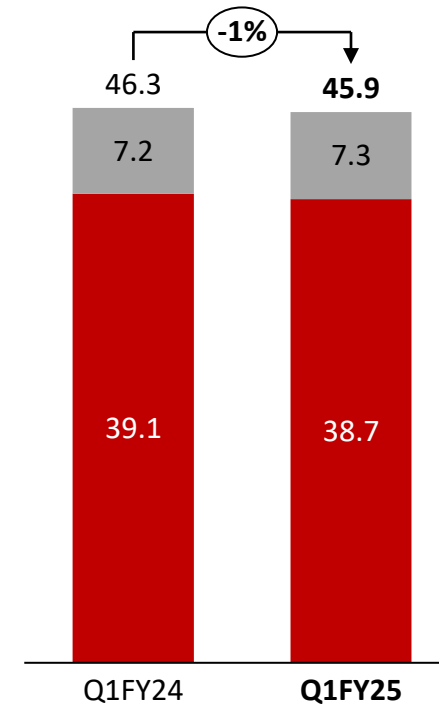
PAT (Rs. Crs.) & PAT Margins %

4.6% 4.5%

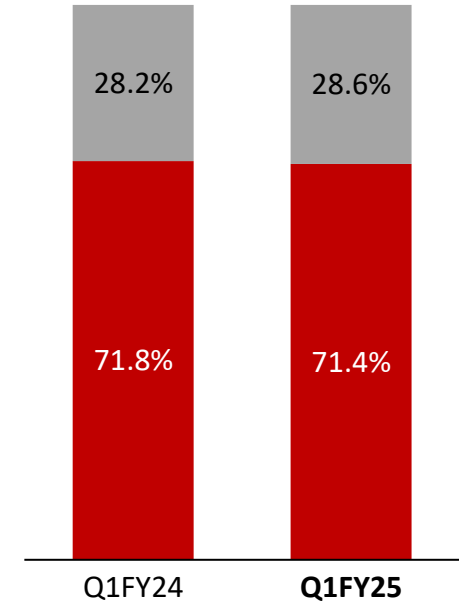


Volumes (in Lakh units)

Alloy Wheel Steel Wheel



Revenue Mix



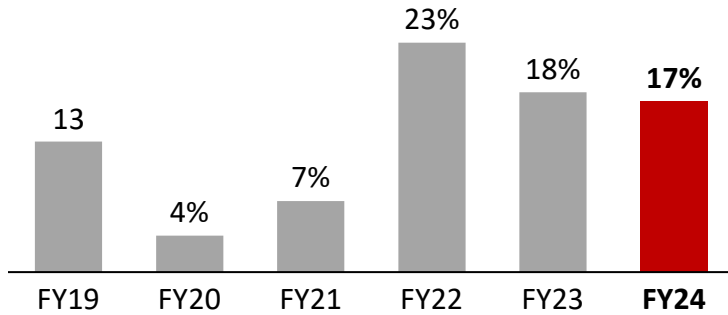
Profit & Loss

| Particulars (Rs. in Crs) | Q1 FY25 | Q1 FY24 | Y-o-Y | FY24 |
|---------------------------------|----------------|----------------|-------------|----------------|
| Revenue from Operations | 1,025.3 | 1,044.4 | -2% | 4,357.1 |
| Cost of Materials Consumed | 649.0 | 688.4 | | 2,854.3 |
| Changes in Inventory | 15.1 | -13.5 | | -18.3 |
| Gross Profit | 361.2 | 369.6 | -2% | 1,521.0 |
| Gross Profit Margin | 35.2% | 35.4% | | 34.9% |
| Employee Cost | 90.2 | 88.3 | | 358.0 |
| Other Expenses | 157.0 | 168.3 | | 697.8 |
| EBITDA | 114.0 | 113.0 | 1% | 465.2 |
| EBITDA Margin | 11.1% | 10.8% | | 10.7% |
| Depreciation | 24.9 | 22.4 | | 90.0 |
| Other Income | 3.9 | 4.2 | | 16.1 |
| EBIT | 93.0 | 94.8 | -2% | 391.3 |
| EBIT Margin | 9.1% | 9.1% | | 9.0% |
| Finance Cost | 31.1 | 23.6 | | 102.7 |
| Profit before Tax | 61.9 | 71.2 | -13% | 288.6 |
| Profit before Tax Margin | 6.0% | 6.8% | | 6.6% |
| Tax | 15.7 | 23.6 | | 68.7 |
| Profit After Tax | 46.2 | 47.6 | -3% | 219.9 |
| Profit After Tax Margin | 4.5% | 4.6% | | 5.0% |
| EPS (In Rs.) | 2.94 | 3.03 | | 14.02 |

Performance Ratios

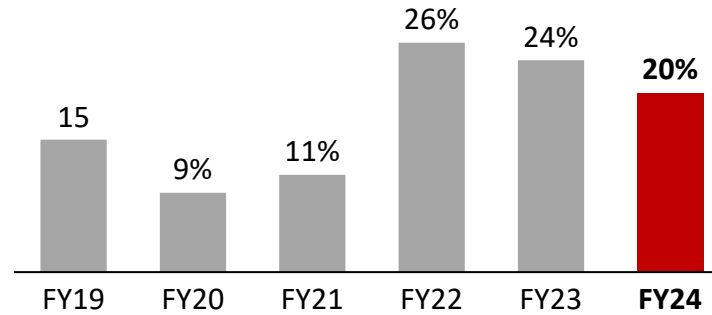
Return on Equity (RoE)

Increased from 13% in FY19 to 17% in FY24



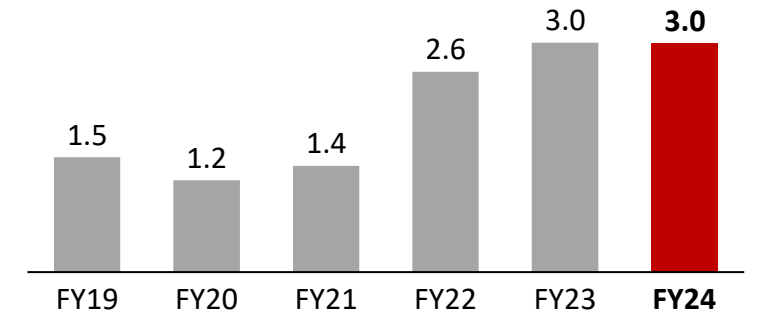
Return on Capital Employed (RoCE)

Increased from 15% in FY19 to 20% in FY24



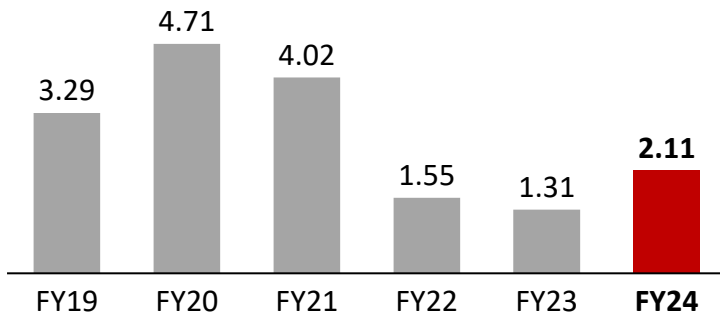
Fixed Asset Turnover Ratio

Improved from 1.5 in FY19 to 3.0 in FY24



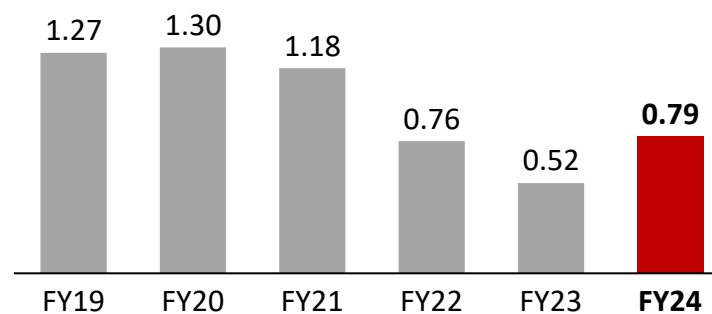
Debt / EBITDA

Improved from 3.29 in FY19 to 2.11 in FY24



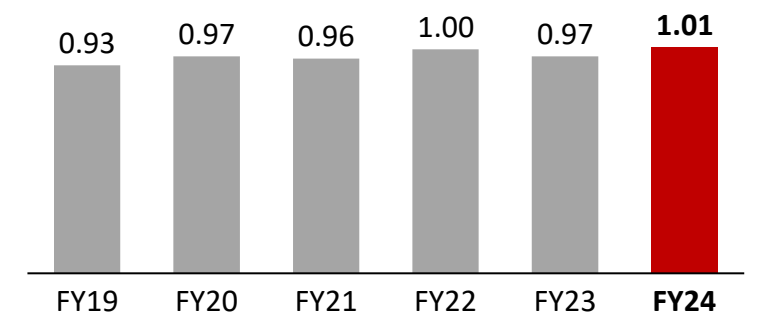
Debt / Equity

Improved from 1.27 in FY19 to 0.79 in FY24



Current Ratio

Improved from 0.93 in FY19 to 1.01 in FY24





Historical Financials

Historical Profit and Loss

| Profit and Loss (Rs in Crs) | FY24 | FY23 | FY22 | FY21 | FY20 |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|
| Revenue from Operations | 4,357.1 | 4,040.5 | 3,560.0 | 1,749.4 | 1,563.3 |
| Cost of Materials Consumed | 2,854.3 | 2,688.3 | 2,221.6 | 1,082.4 | 973.3 |
| Changes in Inventory | -18.3 | -24.7 | -34.5 | 16.7 | -7.1 |
| Gross Profit | 1,521.0 | 1,376.9 | 1,372.8 | 650.3 | 597.1 |
| Gross Profit Margin | 34.9% | 34.1% | 38.6% | 37.2% | 38.2% |
| Employee Cost | 358.0 | 283.7 | 218.7 | 152.9 | 156.1 |
| Other Expenses | 697.8 | 650.4 | 701.4 | 293.6 | 269.7 |
| EBITDA | 465.2 | 442.8 | 452.8 | 203.8 | 171.2 |
| EBITDA Margin | 10.7% | 11.0% | 12.7% | 11.6% | 11.0% |
| Depreciation | 90.0 | 80.4 | 76.9 | 72.3 | 71.9 |
| Other Income | 16.1 | 12.4 | 13.0 | 16.3 | 22.1 |
| EBIT | 391.3 | 374.8 | 388.9 | 147.8 | 121.4 |
| EBIT Margin | 9.0% | 9.3% | 10.9% | 8.5% | 7.8% |
| Finance Cost | 102.7 | 83.5 | 85.4 | 83.9 | 88.7 |
| Profit before Tax | 288.6 | 291.2 | 303.5 | 63.8 | 32.7 |
| Profit before Tax Margin | 6.6% | 7.2% | 8.5% | 3.6% | 2.1% |
| Tax | 68.7 | 97.3 | 97.8 | 14.6 | 11.4 |
| Prior Period Adjustment | 0.0 | 0.1 | 0.3 | 0.0 | -2.2 |
| Profit After Tax | 219.9 | 193.8 | 205.5 | 49.3 | 23.4 |
| Profit After Tax Margin | 5.0% | 4.8% | 5.8% | 2.8% | 1.5% |
| EPS | 14.02 | 12.39 | 13.16 | 3.16 | 1.50 |

Balance Sheet

| Assets (Rs. in Crs) | FY24 | FY23 | FY22 | FY21 | FY20 |
|--|----------------|----------------|----------------|----------------|----------------|
| Non - Current Assets | 1,919.4 | 1,603.1 | 1,497.0 | 1,425.9 | 1,412.8 |
| Property Plant & Equipments | 1,454.8 | 1,347.3 | 1,358.3 | 1,257.4 | 1,304.7 |
| CWIP | 345.8 | 163.4 | 96.9 | 109.3 | 85.5 |
| Intangible assets | 1.9 | 1.3 | 1.3 | 1.8 | 1.8 |
| Financial Assets | 44.0 | 36.8 | 30.3 | 20.7 | 19.5 |
| Other Non - Current Assets | 72.8 | 54.4 | 10.1 | 36.7 | 1.3 |
| Current Assets | 1,325.3 | 1,178.3 | 1,204.6 | 950.8 | 766.3 |
| Inventories | 697.0 | 734.0 | 647.0 | 496.5 | 329.3 |
| Financial Assets | | | | | |
| <i>(i) Trade receivables</i> | 439.7 | 348.8 | 392.3 | 257.1 | 209.8 |
| <i>(ii) Cash and cash equivalents</i> | 28.3 | 18.3 | 23.2 | 27.9 | 31.6 |
| <i>(iii) Bank Balance & Other than above</i> | 2.6 | 25.7 | 34.7 | 25.3 | 60.2 |
| <i>(iv) Loans</i> | 139.7 | 4.8 | 4.1 | 2.8 | 3.0 |
| <i>(v) Other Financial Assets</i> | 0.0 | 0.0 | 0.0 | 0.5 | 1.5 |
| Current Tax Assets (Net) | 0.3 | 3.9 | 0.0 | 2.3 | 2.5 |
| Other Current Assets | 17.8 | 42.9 | 103.2 | 138.4 | 128.4 |
| Total Assets | 3,244.7 | 2,781.4 | 2,701.6 | 2,376.7 | 2,179.1 |

| Equity & Liabilities (Rs. in Crs) | FY24 | FY23 | FY22 | FY21 | FY20 |
|---|---------------|----------------|----------------|----------------|----------------|
| Total Equity | 1345.7 | 1,134.7 | 951.8 | 749.3 | 698.0 |
| Share Capital | 15.7 | 15.7 | 15.6 | 15.6 | 15.6 |
| Other Equity | 1330.0 | 1,119.1 | 936.2 | 733.7 | 682.4 |
| Share application money pending allotment | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Non-Current Liabilities | 582.1 | 431.4 | 548.4 | 635.1 | 690.8 |
| Financial Liabilities | | | | | |
| <i>(i) Borrowings</i> | 381.4 | 161.1 | 279.3 | 379.8 | 441.8 |
| <i>(ii) Other Financial Liabilities</i> | 19.5 | 68.3 | 75.1 | 80.1 | 81.8 |
| Provisions | 34.3 | 30.5 | 23.5 | 11.5 | 13.7 |
| Deferred Tax Liabilities (Net) | 146.9 | 171.6 | 170.6 | 163.7 | 153.5 |
| Current Liabilities | 1317.0 | 1,215.2 | 1,201.3 | 992.3 | 790.4 |
| Financial Liabilities | | | | | |
| <i>(i) Borrowings</i> | 666.6 | 477.2 | 498.6 | 557.5 | 456.6 |
| <i>(ii) Trade Payables</i> | 599.9 | 694.8 | 659.1 | 412.2 | 213.6 |
| <i>(iii) Other Financial Liabilities</i> | 0.7 | 0.0 | 0.0 | 0.0 | 102.7 |
| Current tax liabilities (net) | 0.0 | 0.0 | 1.8 | 0.0 | 0.0 |
| Provisions | 6.2 | 5.1 | 4.6 | 6.6 | 2.7 |
| Other current liabilities | 43.7 | 38.1 | 37.2 | 16.0 | 14.8 |
| Total Equity & Liabilities | 3244.7 | 2,781.4 | 2,701.6 | 2,376.7 | 2,179.1 |

Cash Flow - Snapshot

| Particulars (Rs. in Crs) | FY24 | FY23 | FY22 | FY21 | FY20 |
|--|---------------|---------------|---------------|---------------|--------------|
| Net Profit Before Tax | 288.6 | 291.2 | 300.9 | 63.9 | 32.3 |
| Adjustments for: Non -Cash Items / Other Investment or Financial Items | 183.1 | 152.1 | 150.9 | 144.5 | 152.3 |
| Operating profit before working capital changes | 471.7 | 443.4 | 451.8 | 208.4 | 184.7 |
| Changes in working capital | -344.7 | -47.6 | 0.5 | -24.7 | -71.5 |
| Cash generated from Operations | 131.7 | 395.7 | 452.3 | 183.7 | 113.1 |
| Direct taxes paid (net of refund) | 62.0 | 47.6 | 46.2 | 14.6 | 9.3 |
| Net Cash from Operating Activities | 64.7 | 348.1 | 406.1 | 169.1 | 103.9 |
| Net Cash from Investing Activities | -370.0 | -127.9 | -153.5 | -37.1 | -69.3 |
| Net Cash from Financing Activities | 292.0 | -234.1 | -247.9 | -170.6 | -63.9 |
| Net Increase/(Decrease) in Cash and Cash equivalents | -13.1 | -13.9 | 4.7 | -38.5 | -29.3 |
| Add: Cash & Cash equivalents at the beginning of the period | 44.0 | 57.9 | 53.2 | 91.7 | 121.0 |
| Cash & Cash equivalents at the end of the period | 30.9 | 44.0 | 57.9 | 53.2 | 91.7 |



CSR & Awards

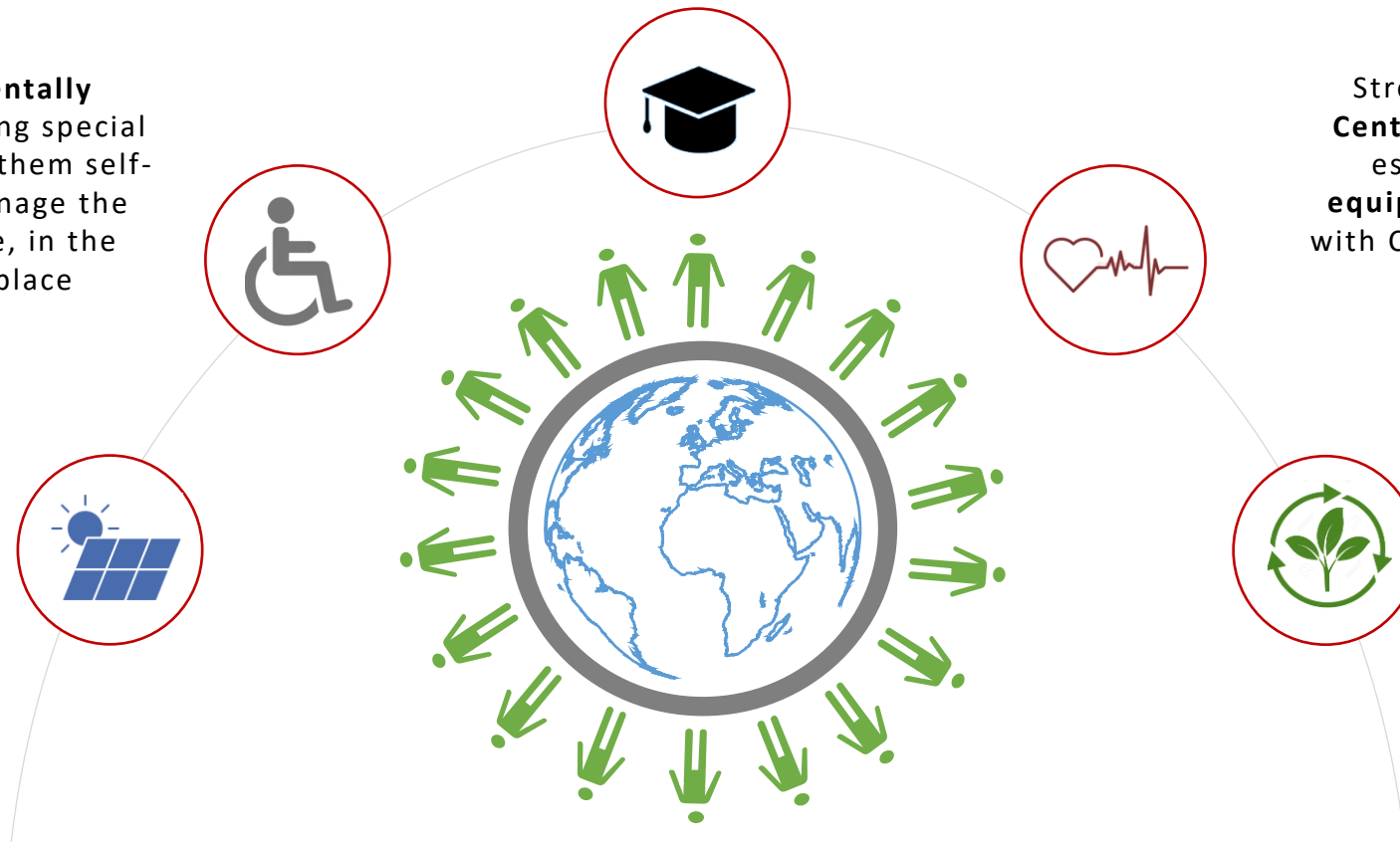
Promotion of **Education** by strengthening government schools & helping poor students by providing **Financial Assistance** & providing access to education to **Orphan Children** who lost their parents due to Covid-19

Providing help to the **Mentally Challenged Children** in getting special life skills education to make them self-dependable and able to manage the real-life situations at home, in the community and at workplace

Initiated projects worth **8MW in Solar and wind power energy** to convert from fossil fuel energy. We expect all of them to be on stream in FY 2022-23 to move towards the ESG goal

Strengthening **Community Health Centre** at Lalru, Punjab by providing essential **medical machineries, equipment's** and other items to deal with Covid-19 & other health problems

Ensuring **environment sustainability** through developing & maintaining **green park & cleaning activities**. Construction, Renovation & Beautification of government schools



Giving Back to Society is Our Core Value

Awards



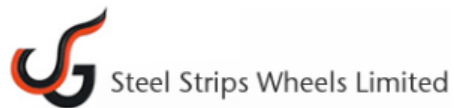


Steel Strips Wheels Limited

THANK YOU

Company: Steel Strips Wheels Limited

CIN: L2710PB1985PLC006159



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