



HARIOM PIPE INDUSTRIES LIMITED

INVESTOR PRESENTATION
September 2023



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Company Overview

Vision, Mission and Goal

VISION

To be a top-notch steel pipe producer, constantly striving for value-added products



GOAL

To reach **Rs 2,500 crore** in Revenue by **FY26** without compromising on our profitability

MISSION

To grow, horizontally and vertically, our product basket of quality steel products and pursue geographical expansion

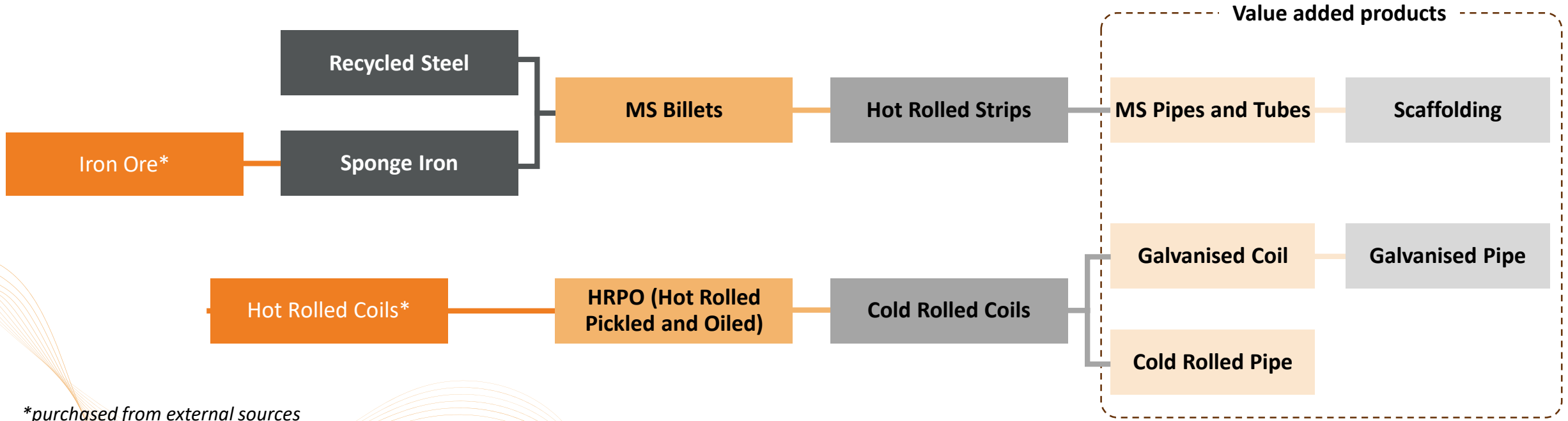


One of the most integrated players of steel pipes and tubes

Backward integrated into steel production from iron ore and scrap

Forward integration into value-added steel products

80%
Share of Value Added Products in Revenue



*purchased from external sources

An integrated producer of customised steel products



One of the most integrated players of steel pipes and tubes



Modern facilities driving efficient and sustainable production



Stronghold in the South and West India market



A customer-centric approach to developing customised solutions



Sustained growth and profitability showcases market resilience and adaptability



Modern facilities driving efficient and sustainable production

Hot Charging in manufacturing substantially reduces carbon emissions and power consumption

Harvesting pits save rainwater and recharge borewells sustainably

Zero Liquid Discharge system for water recycling, ensuring zero wastage and circular usage



Carbon dust (solid emission in Furnace) extracted for reuse in printing industry

ERP systems for real-time order intimation and billing

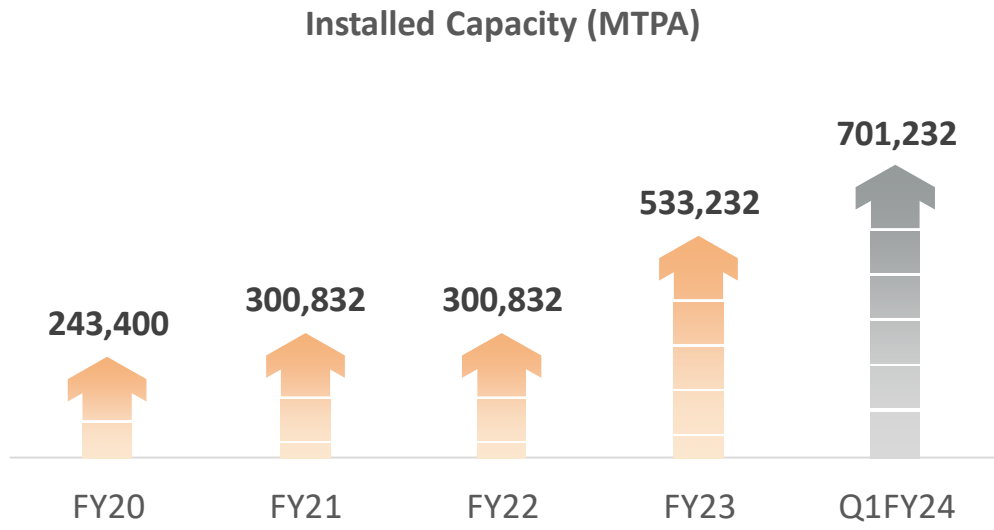
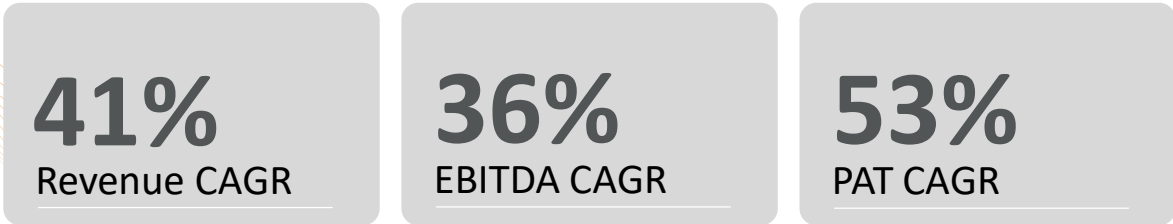
Mahabubnagar Pipe unit is 100% powered by solar energy

We have built a strong foundation to drive our future growth

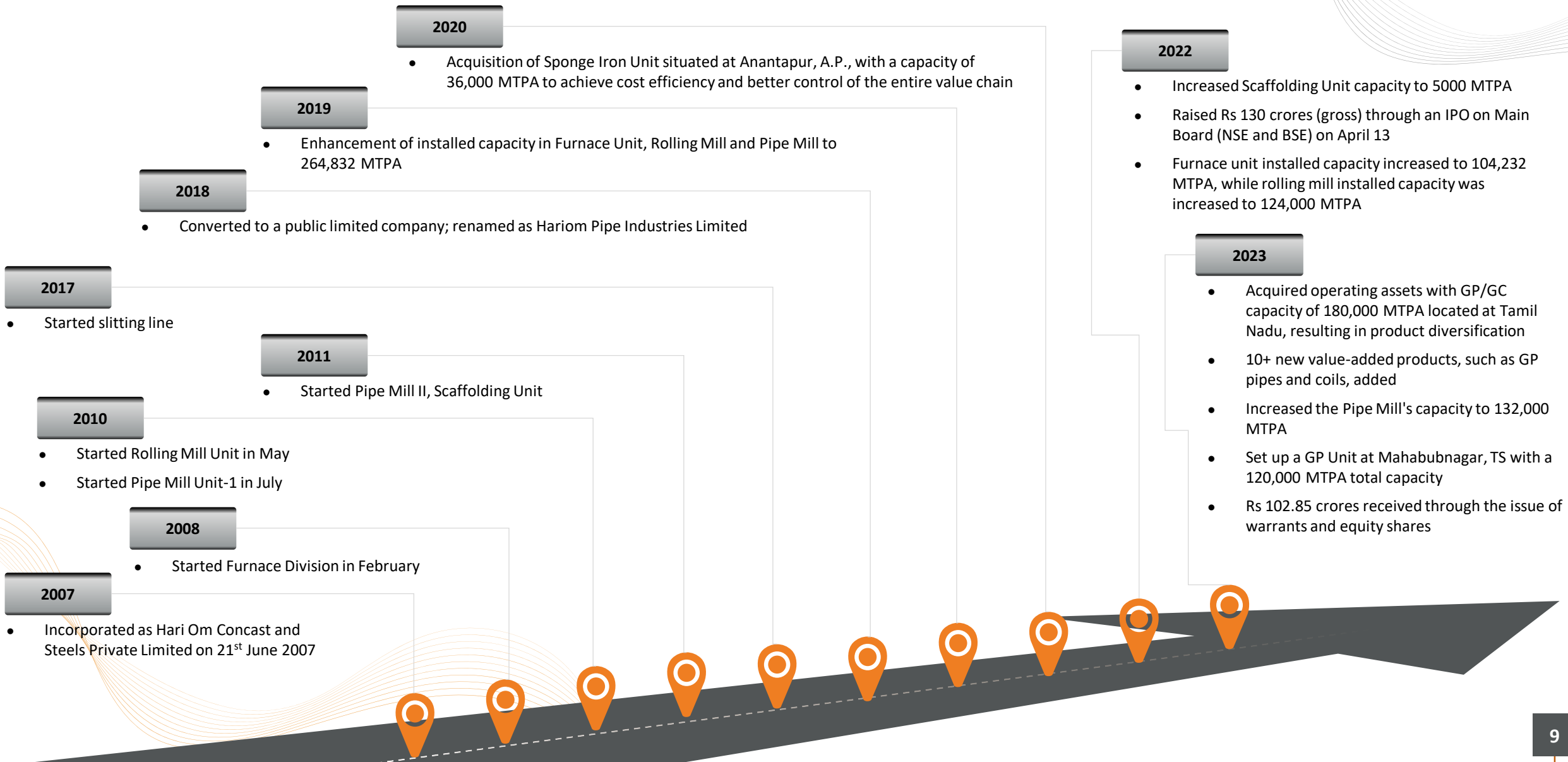
An integrated producer of premium steel products



Robust performance over FY20-FY23



Progressively adding capacity of value-added products

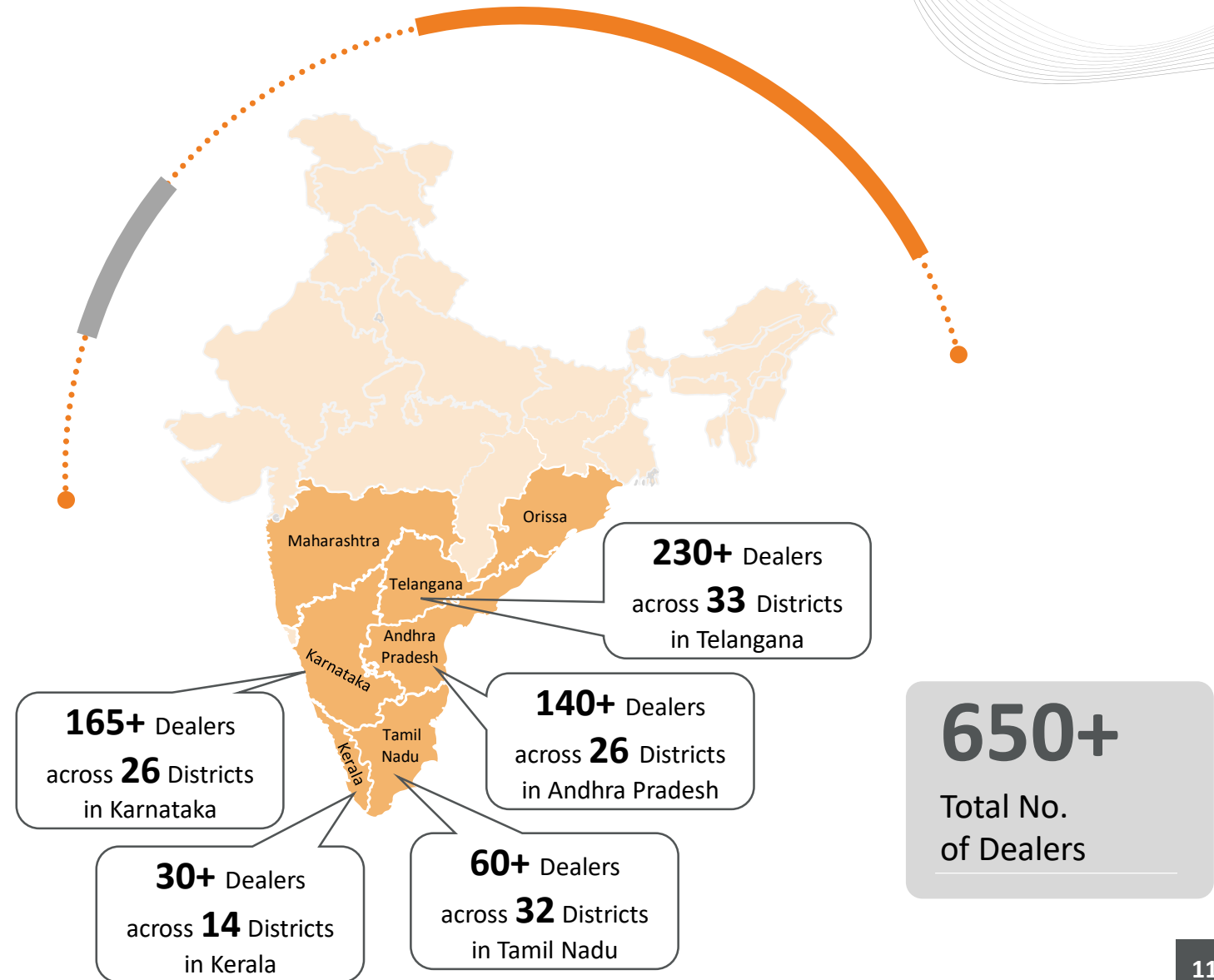


Modern facilities driving efficient and sustainable production

Location	Products and Installed Capacity			
	Product	Capacity in FY22, MTPA	Capacity in FY23, MTPA	Expected Capacity in FY24, MTPA
Mahabubnagar, Telangana Integrated Steel Plant GP Plant	M.S. Billets	95,832	1,04,232	1,04,232
	HR Strips	84,000	1,24,000	1,24,000
	MS Tubes	84,000	84,000	1,32,000*
	Galvanised Pipes	-	-	1,20,000*
	Scaffolding	1,000	5,000	5,000
Anantapur, Andhra Pradesh (near Bellary) Sponge iron unit	Sponge Iron	36,000	36,000	72,000
Perundurai, Erode, Tamil Nadu GP/GC plant Newly acquired plant through an Asset Transfer Agreement for a cash consideration of Rs 55 Crore	Galvanised Pipes & Coils	-	1,80,000	1,80,000
TOTAL		3,00,832	5,33,232	7,37,232

Stronghold in the South and West India market

- Focus on developing the existing markets
- Creating new channels in under and non-penetrated geographies
- Dealer-focused model
 - Dealers categorisation based on size, business and potential
 - Dedicated support
 - Products suited to customers' need
 - Credit extension



A customer-centric approach to developing customised solutions

Supplier of choice to marquee clients



What do customers want

New products and competitive pricing

Convenience

Technical support

Solution for new applications

How do we serve

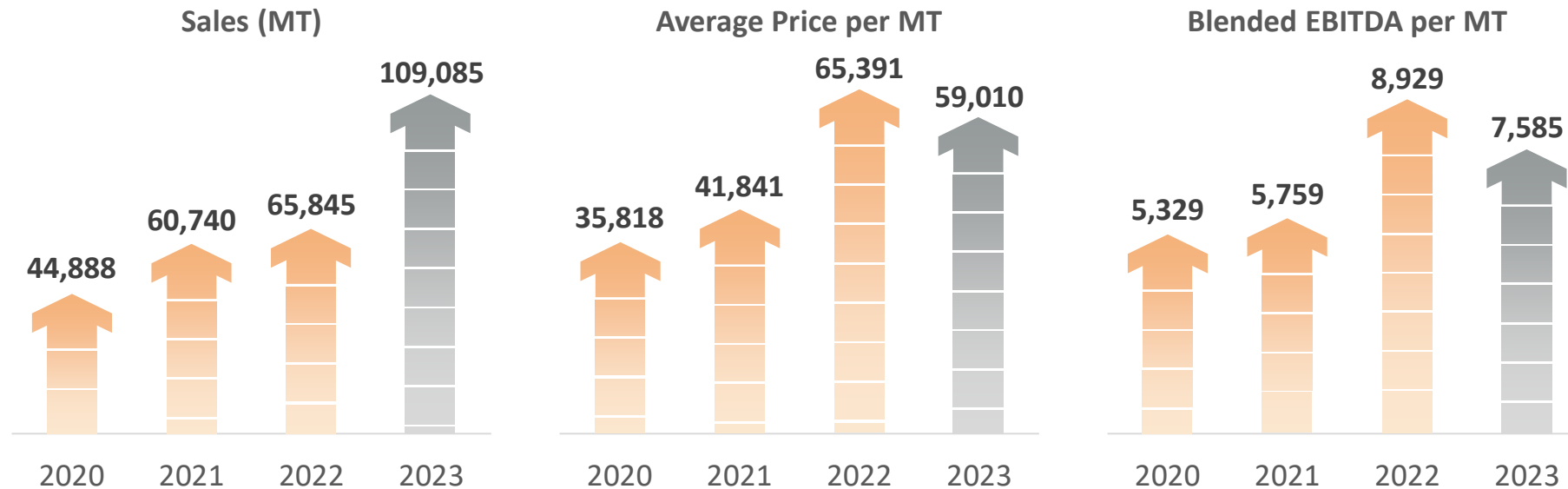
Development of new grades and sizes

1,500 points of sales

Support team for training of fabricators

Customer Service Team for key customers

Sustained growth and profitability showcases market resilience and adaptability



Sales volume growth led by capacity increase and higher utilisation even during COVID-19

Sales and EBITDA per MT benefiting from higher share of finished steel and value-added products

Financial year data

2.7x
Capacity increase during FY20-FY23

2.4x
Sales Volume increase during FY20-FY23

42%
Increase in EBITDA per MT during FY20-FY23

Strong team led by an Independent Board

Board of Directors

Pramod Kumar Kapoor
Chairman & Independent Director

Rajender Reddy Gankidi
Independent Director

Rupesh Kumar Gupta
Managing Director

Sunita Gupta
Non-Executive Director

Shailesh Gupta
Whole Time Director

Sneha Sankla
Independent Director

Soumen Bose
Independent Director

Key Managerial Personnel

Rupesh Kumar Gupta
Managing Director

Chirag Partani
CS & CCO

Shailesh Gupta
Whole Time Director

Amitabh Bhattacharya
CFO

The image features a background of numerous dark grey, cylindrical pipes stacked in a dense, overlapping pattern. The pipes are oriented horizontally, creating a strong sense of depth and repetition. In the center of the image, there is a semi-transparent orange oval. Inside this oval, the words "Growth Drivers" are written in a bold, white, sans-serif font. A thin white circular line surrounds the orange oval, and a horizontal white line passes through its center, intersecting the text.

Growth Drivers

India's steel industry shines amidst economic growth and infrastructure investments

Drivers of Growth in India Steel Market

- Growing Per Capita Income
- Government focus On infrastructure
- Increasing discretionary spending

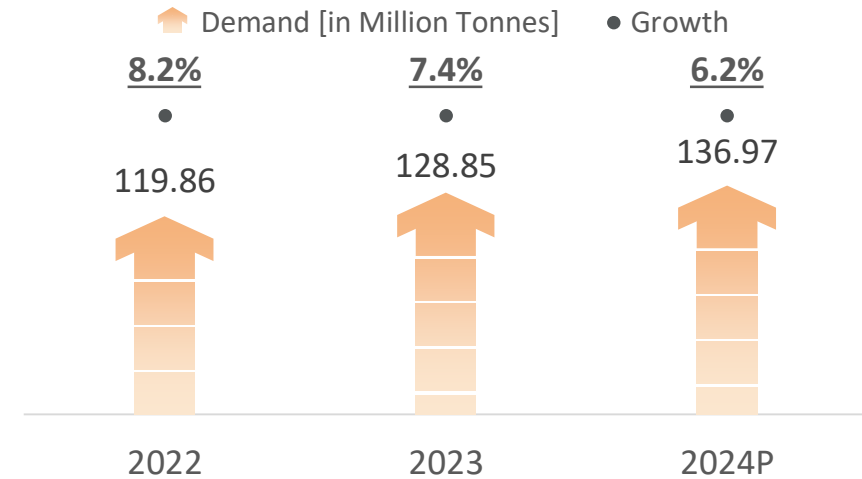
Structural changes in steel pipe industry

- Shift from unorganised to organised production of steel pipes and tubes
- Changing usage preference towards hollow pipes for higher strength, cost-effectiveness and aesthetics

Tailwinds for end-user segments

- Urban demand and affordable housing driving residential sector growth, heightened construction activity in rural and semi-urban areas
- Infrastructure and renewable energy driving the capital goods sector
- Private consumption fueling growth in automotive and consumer durables

Steel Industry Growth



Forward integration and marketing focus to drive growth

Production Ramp Up

- **Expanded** billets (104,232 MT) and HR Strips capacity (124,000 MT) at Telangana
- **Newly acquired GP/GC plant** at Tamil Nadu (180,000 MT)

Capacity Expansion

- Doubling capacity of Sponge Iron unit to **72,000 MT** at AP in FY24
- **Expanding MS Tubes capacity** from 84,000 to 132,000 MT in FY24
- **New GP/GC plant** at Mahabubnagar, Telangana (120,000 MT) in FY24
- Projected Capex of Rs **~250 Crore**

Marketing and Branding

- Increasing share of **Value Added Products**
- Increasing **Social Media** presence

Geographic Expansion

- Expanding geographical presence with **diverse products**, targeting **high-growth markets**



Growth projects driving growth and sustainability

Growth Projects

- Completed expansion of Pipe Mill from 84,000 MT to 132,000 MT
- Installed GP Plant with a capacity of 120,000 MT at Mahabubnagar, TS, in June 2023
- Expansion of Sponge Iron unit at AP ongoing; expected to be completed in FY24



ESG

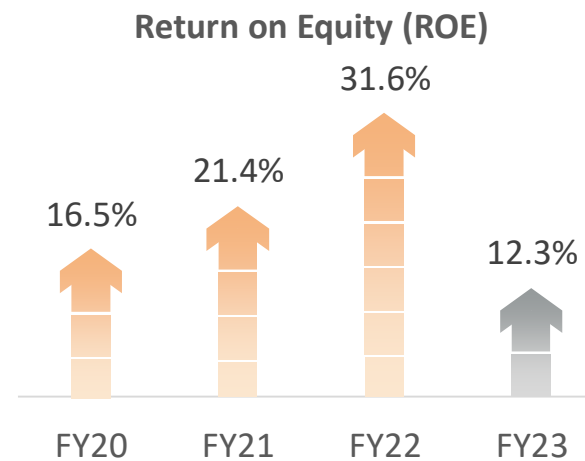
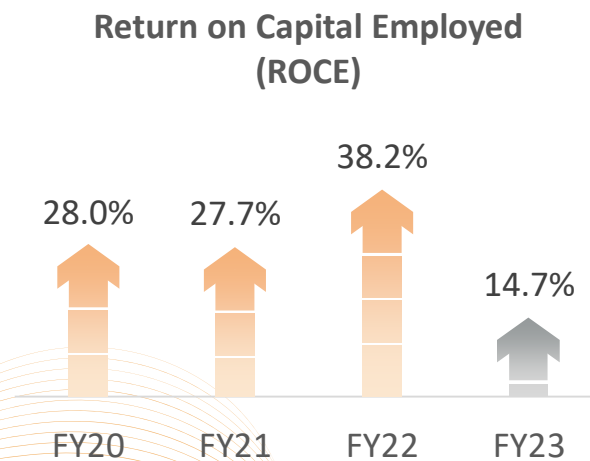
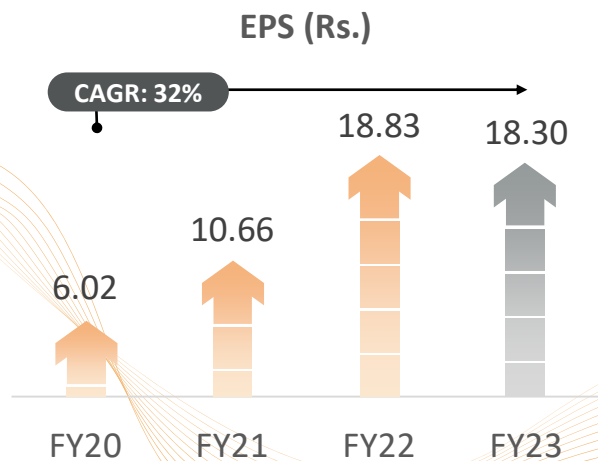
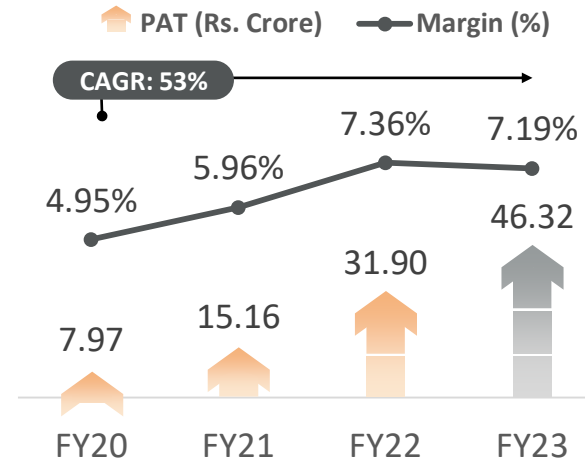
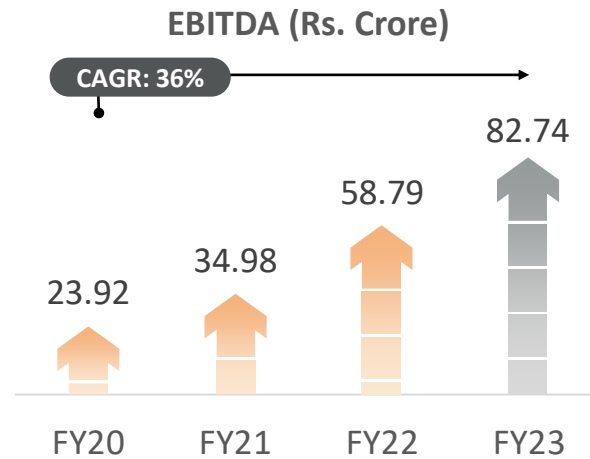
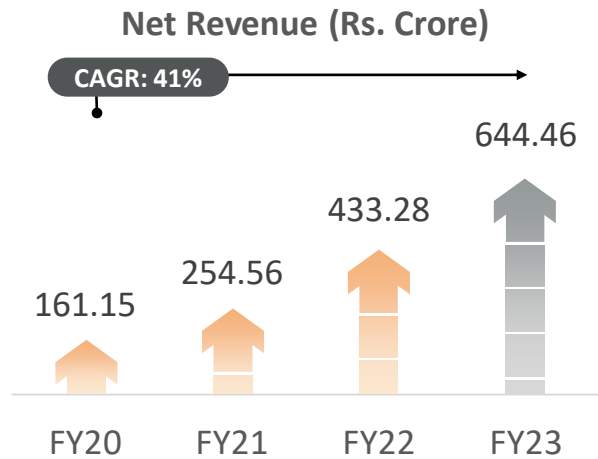
- Zero Liquid Discharge system installed at Mahabubnagar, TS
- Pipe Mill at TS fully powered by Solar Power, the only one of its kind in India



The background of the slide features a stack of dark grey or black pens, with the word 'MARKER' printed in a light color on each pen's barrel. The pens are arranged in a slightly overlapping, diagonal pattern. In the center, there is a large, rounded rectangular shape with a solid orange fill. This shape is enclosed within a thin white double-line border. A thin white horizontal line extends from the left and right sides of the orange shape across the width of the slide.

Financial Overview

Strong performance growth sets the foundation for future



- Volume-led revenue growth
- Higher sales and a better product mix drove EBITDA increase
- EPS, RoCE and RoE in FY23 impacted by higher equity base from preferential allotment done in March 2023

Strong financial profile

Particulars (Rs. Crore)	FY20	FY21	FY22	FY23
Total outside liabilities (ex deferred tax)	89.15	99.37	111.73	329.78
Net Worth	48.30	70.79	101.03	375.17
Ratios (x)				
Net Debt-to-EBITDA Ratio	2.33	2.11	1.43	2.30
Total Outside Liabilities / Tangible Net Worth	1.85	1.40	1.11	0.88
Net debt to equity	1.41	1.13	0.87	0.79
Interest Coverage Ratio	2.77	3.85	5.89	7.96

Rs. 130 Crore

Gross proceeds from IPO in April 2022

Rs. 190 Crore

Raised from issue of shares and warrants (convertible to equity within 18 months from March 31 2023)

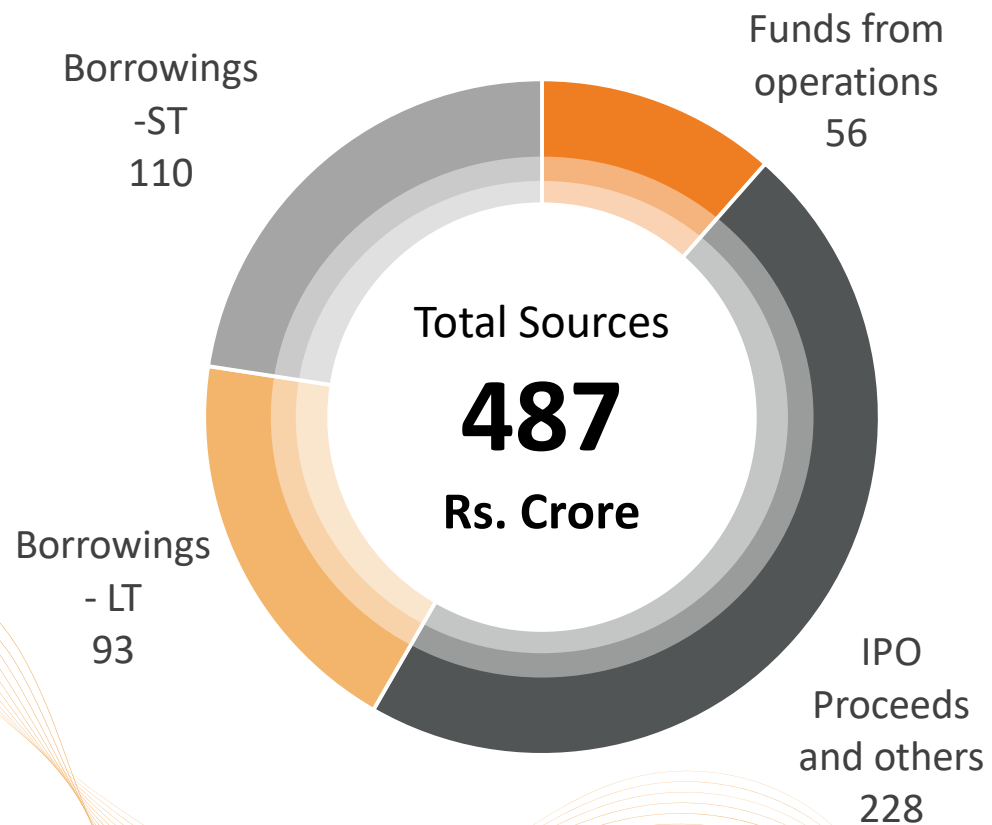
CRISIL A-/Stable/CRISIL A2+

CRISIL Ratings on bank facilities upgraded in March 2023 from 'CRISIL BBB+/Stable/CRISIL A2'

Investing in our growth

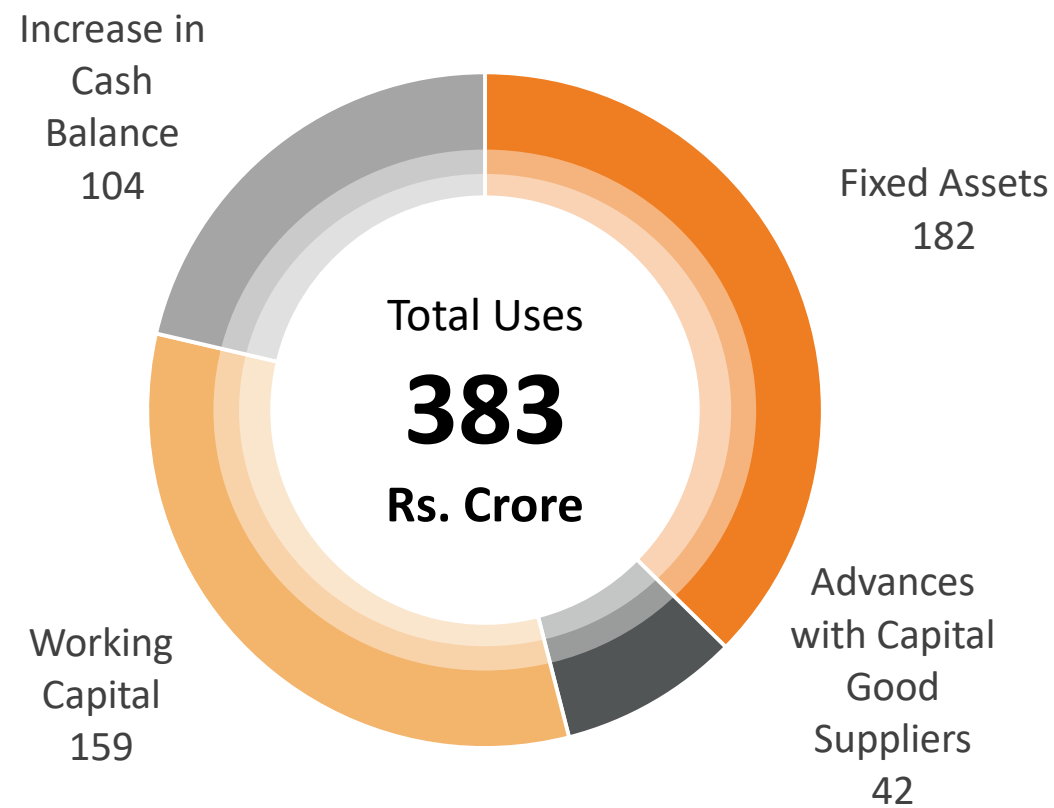
Sources of Cash, FY23

Rs. Crore



Uses of Cash, FY23

Rs. Crore



Thank You



Amitabha Bhattacharya



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