



BMW Industries Limited

Trust | Consistency | Stability



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Any reference herein to "the Company" shall mean BMW Industries Limited, together with its consolidated subsidiaries.

Inside this Presentation

Particulars	Page No.
About the Company	4 – 6
Financial Highlights	7 – 12
Operational Highlights	13 – 15
Management	16 – 18
Key Investment Highlights	19 – 27
Growth Strategies	28 – 30
Shareholding Pattern	31
Thank You	32
Annexures	33 – 36



About the Company

Company Snapshot

About BMWIL

- **BMW Industry Limited (BMWIL)**, incorporated in 1981, is one of the largest steel processing company in India, having multi location manufacturing units in the Steel sector
- Engaged in the Manufacturing & Processing of HRPO Coils, CR Coils, GP Coils, GC Sheets, MS and GI pipes, TMT rebars, etc; for marquee steel players in India
- Processing both Long and Flat Products, Operates one of the largest independent cold rolling and galvanizing facility, in the country
- BMWIL strategically operates in value addition of semi-finished goods. This helps the company maintain stable margins and providing a cushion during steel cycles

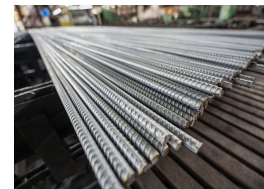
Our Presence

- Manufacturing facilities strategically located near steel manufacturing centers in India for a low manufacturing turnaround time and cost-effective transportation
- **Trusted Partner of leading steel players** like :
 - Tata Steel Limited: Long association of over 3 decades with TSL
 - SAIL : Joint venture with Steel Authority of India Limited (SAIL)

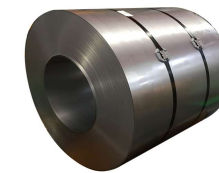
Note:

*Annualized

Product Portfolio



TMT



HRPO Coils



HR Slit Coils



GP Coils



GC Sheets



MS Pipes

Performance in Q1FY24

Operating Revenue
Rs. **15,752** Lacs

Net Profit
Rs. **1,557** Lacs

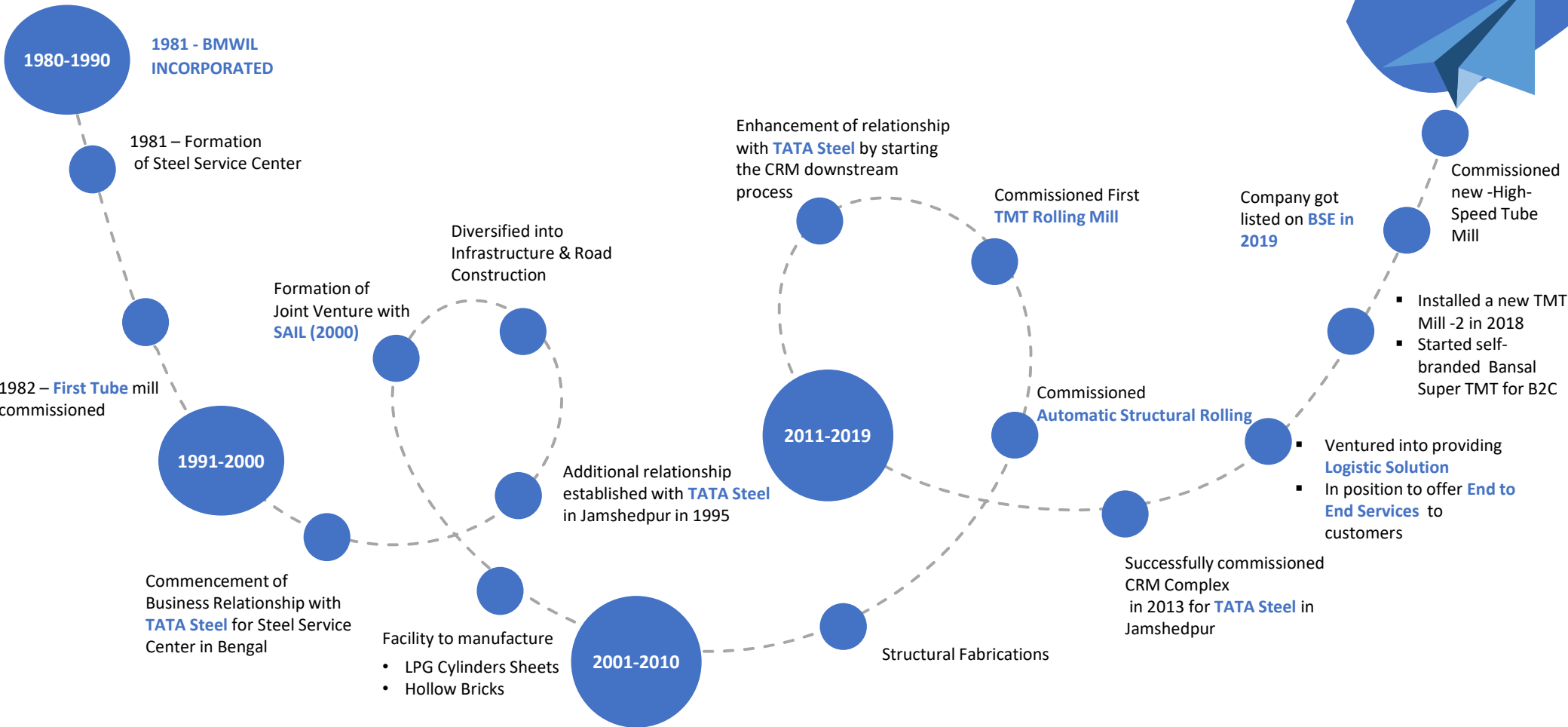
ROCE*
12.3%

Gross Margin
65.1%

Op.EBITDA Margin
23.3%

Net Profit Margin
9.8%

Key Milestones



Financial Highlights

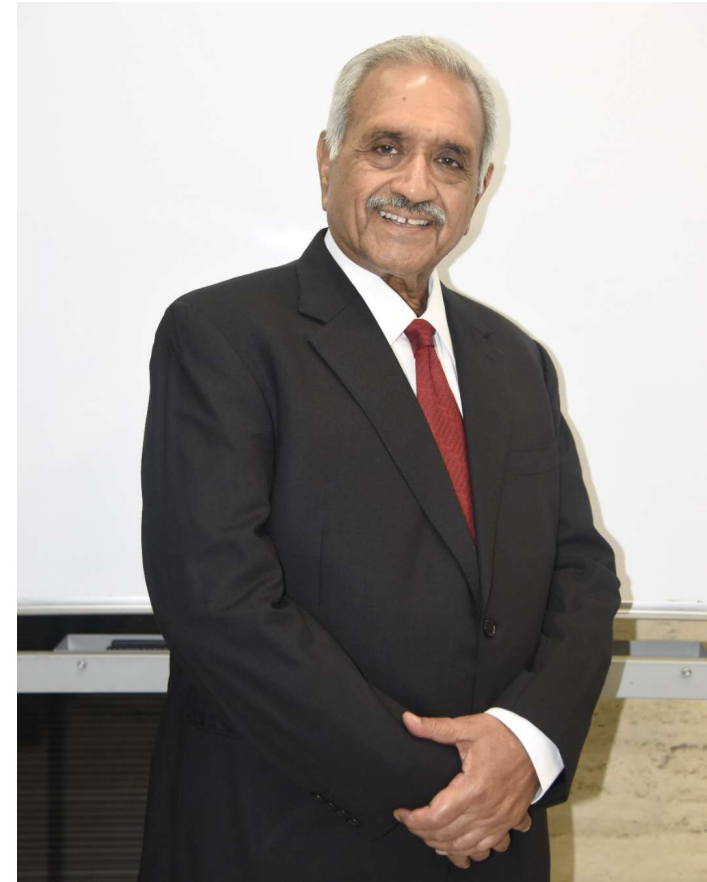
Management Commentary

The company has continued to grow its operating revenue to ₹ 15,752 in the current quarter with a 16.1% increase YoY

Gross profit has risen to ₹ 10,248 lacs from ₹ 7,164 in the same quarter previous year. Gross Profit margin has risen to 65.1% from 52.8% in the same quarter previous year due to fall in Zinc price, which is a pass through.

Operating EBITDA has also risen YoY from ₹ 2,679 lacs to ₹ 3,669 lacs and operating EBITDA margin has risen by 355 bps YoY to 23.3% due to improved GPM partly offset by higher other expenses.

PAT margin has improved significantly from 6.2% in Q1FY23 to 9.8% in the current quarter. However, PBT and PAT Margin fell QoQ due to reduction in depreciation in Q4FY23 on account of retrospective change in effective life of the assets. Had this change not been affected, the PBT margin of Q4FY23 would have been lower at 12.1% as against 13.5% in Q1FY24.



Ram Gopal Bansal
Chairman and Whole Time Director

Key Quarterly Highlights (1/2)

- § **Operating Income** up 16.1% YoY at ₹ 15,752 lacs
- § **Gross Profit** up 43.0% YoY at ₹10,248 lacs and Margin stood at 65.1%.
- § **Operating EBITDA** up 36.9% YoY at ₹ 3,669 lacs and Margin stood at 23.3%
- § **PAT** grew by 80.4% YoY at ₹ 1,557 lacs
- § **ROE*** improved to 10.2% in Q1FY24 from 6.2% in Q1FY23
- § **Net Debt** was ₹ 22,072 lacs on 30th June 2023 as against ₹ 23,556 lacs on 30th June 2022
- § **Net Debt/Equity** stood at 0.36 in Q1FY24 against 0.42 in Q1FY23 and **Net Debt/Operating EBITDA*** stood at 1.50 in Q1FY24 against 2.20 in Q1FY23

Note:

*Annualized



Key Quarterly Highlights (2/2)

Rs in lacs

	Operating Income	Gross Profit	Operating EBITDA	PBT	PAT	Cash Profit ¹
	15,752	10,248	3,669	2,134	1,557	2,616
Growth (YOY)	16.1%	43.0%	36.9%	88.1%	80.4%	24.5%
Growth (QOQ)	16.5%	25.9%	28.0%	(16.0%)	(3.5%)	54.9%
Margin ² (%)		65.1%	23.3%	13.5%	9.8%	
Margin –YoY Expansion/(Contraction)		1,226 bps	355 bps	530 bps	361 bps	
EPS/CEPS					0.69	1.16

Note:

1. Cash Profit = PAT add Depreciation

2. Gross Profit & Op EBITDA Margins calculated on Operating Income

Quarterly Profit & Loss Summary

Rs in lacs

Particulars	Q1 FY24	Q1 FY 23	YOY Change	Q4 FY23	QOQ Change	FY 23
Operating Income	15,752	13,568	16.1%	13,524	16.5%	56,234
Gross Profit	10,248	7,164	43.0%	8,143	25.9%	34,070
Gross Profit (%)	65.1%	52.8%	23.2%	60.2%	8.0%	60.6%
Operating EBITDA	3,669	2,679	36.9%	2,867	28.0%	12,968
Operating EBITDA Margin (%)	23.3%	19.7%	18.0%	21.2%	9.9%	23.1%
Other Income	105	328	(68.0%)	366	(71.3%)	913
Finance Cost	581	634	(8.3%)	617	(5.7%)	3,975
Depreciation	1,059	1,239	(14.5%)	75	1,309.5%	2,395
PBT (before exceptional)	2,134	1,134	88.1%	2,542	(16.0%)	7,512
PAT	1,557	863	80.4%	1,613	(3.5%)	5,448
EPS (₹)	0.69	0.38	80.4%	0.72	(3.5%)	9.5%

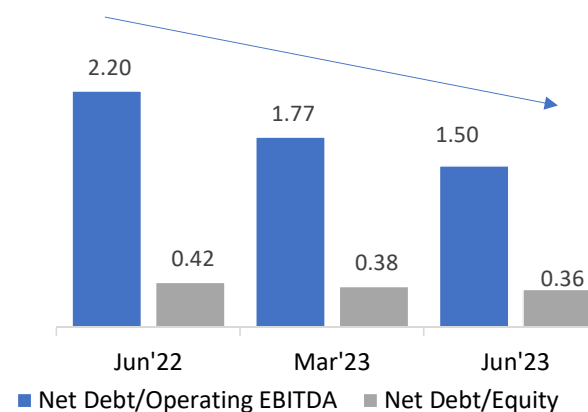
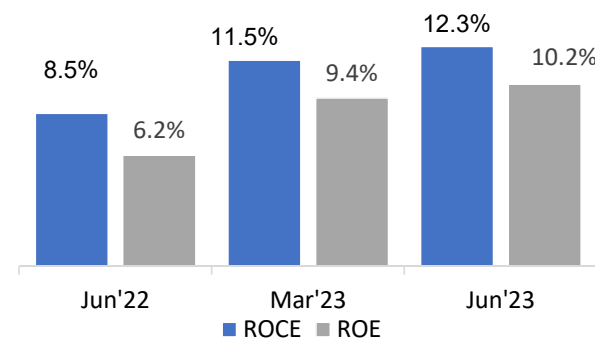
Balance Sheet Summary

Rs in lacs

Particulars	30-Jun-23	31-Mar-23	30-Jun-22
Net Worth	61,978	60,373	55,935
Gross Debt	22,790	23,759	23,666
Cash & Cash equivalent	718	762	110
Net Debt	22,072	22,998	23,556
Fixed Assets	47,793	47,667	44,627
Net Current Assets ¹	15,748	14,371	17,983
Total Assets	95,979	96,068	91,793
Fixed Asset Turnover*	1.32	1.19	1.19
Capital Employed Turnover*	0.71	0.65	0.66
Cash Conversion Cycle	231	242	210

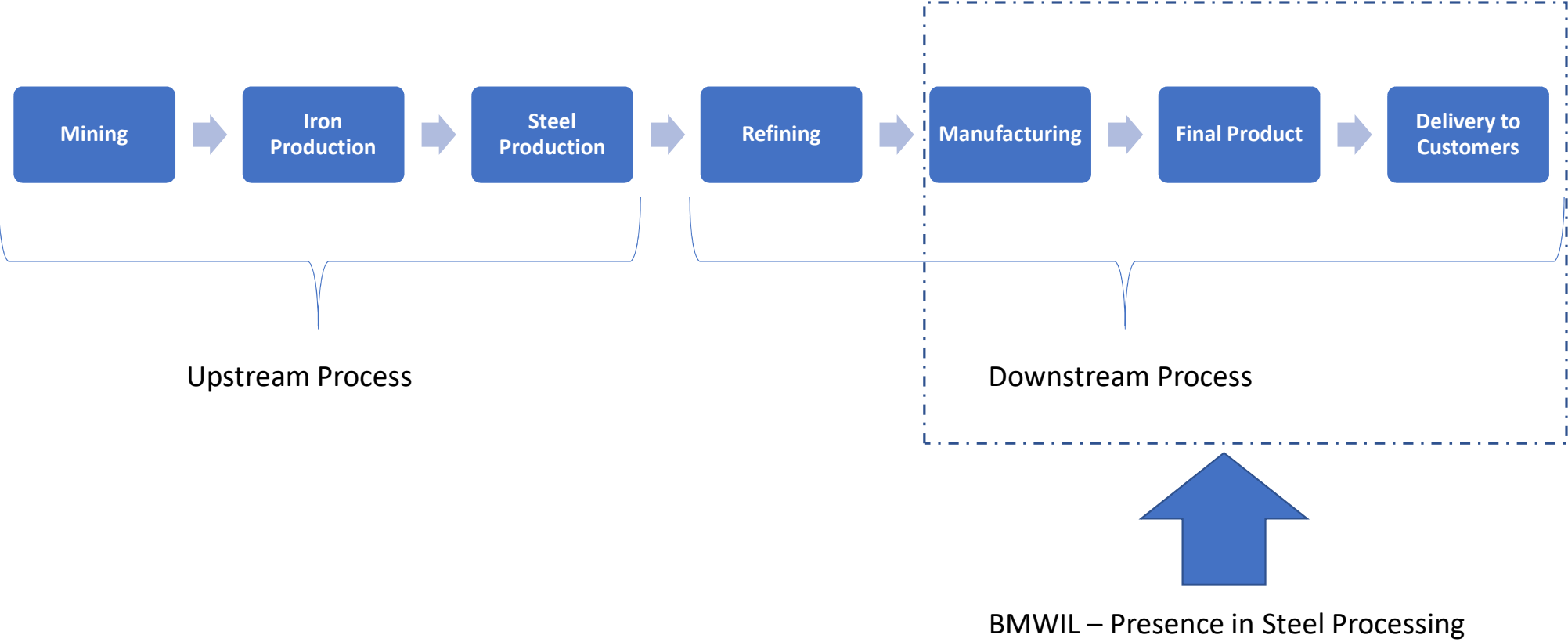
Note:

1. Net current assets excludes cash & cash equivalents
2. *Annualised



Operational Highlights

Steel Manufacturing Value Chain



Operational Update

Particulars	Installed Capacity	Actual Production	Utilization
CRM Complex	10,14,000	8,23,898	81%
Rolling Mill	3,00,000	1,22,686	41%
MS Pipes & Tubes	1,32,000	73,321	56%
Miscellaneous	4,10,000	1,81,491	44%

§ In discussion to further increase the capacity for conversion of MS pipes at NH6 Howrah facility. This is in addition to the existing contract for 40,000 tons

§ Expansion project at Bokaro went online in the current quarter with a capacity to process 50,000 tons of flat products

Note:

1. Data for FY23



Management

Experienced Board and Senior Management Team (1/2)



Ram Gopal Bansal

Chairman and Whole Time Director

- Founder having more than 50 years of experience in the steel industry, successfully Led Joint Venture with SAIL & Collaborated with Tata steel for development of the Steel Service Center Industry.. Under his vision & leadership strategy the Company is now one of the leading manufacturer/Service provider in Iron & Steel sector.



Harsh Bansal

Managing Director

- Having more the 25 + yrs of experience . Instrumental in formation of JV with SAIL & setting up the plants at Calcutta.
- An alumni of Harvard Business School,
- Ex-Ed from ISB Hyderabad, & LBS London
- Past Regional Chairperson of YPO –South Asia.
- He currently holds the position of MD at BMW Industries Ltd, overseeing manufacturing and financial operations of the company.



Vivek Bansal

Managing Director

- Graduate from Calcutta university with experience of over 19+ yrs
- Ex-ED from ISB Hyderabad.
- He currently holds the position of MD at BMW Industries Ltd & is looking into the driving Tubes & CRM/GP business



Monika Chand

Independent Director

- She is a graduate from JNU & has 10+ years of Rich Experience in Marketing & Administration.



Sunil Kumar Parik

Independent Director

- A Senior Chartered Accountant & alumni of St. Xaviers college Kolkata. Having worked with Birla group Companies & Jitmal group of companies & has 45 years of work experience.
- Chairperson Of Audit, Nomination & Remuneration Committee.



Rampriya Sharan

Independent Director.

- A retired Senior Income Tax bureaucrat with experience of over 4 decades
- Held senior positions like Vice Chairman of Settlement Commission of India
- He is the Chairperson of Stakeholder Relationship Committee & Risk Management Committee.

Experienced Board and Senior Management Team (2/2)



Abhishek Agarwal
Chief Financial Officer

- A Qualified CA/CS & an alumni of St. Xaviers College Kolkata &
- He is having 10+ years of experience.



Vikram Kapur
Compliance Officer & Company Secretary

- Qualified Company Secretary and Chartered Accountant with more than 30 years of experience
- Previously CFO and CS at Petrochem Middle East India Pvt Ltd



Avinash Kumar Jha
VP Operations, Jamshedpur

- B.Sc graduate
- VP Operations Jamshedpur.
- Having 20 +yrs of experience.



Joydeep Banerjee
Chief –Sales & Marketing

- B.SC from Calcutta University. Has been the Regional Business manager at PFIZER.
- Expertise in sales & marketing & team management & works in creating brand image & awareness.



Ramesh De
Plant Head, NH-6

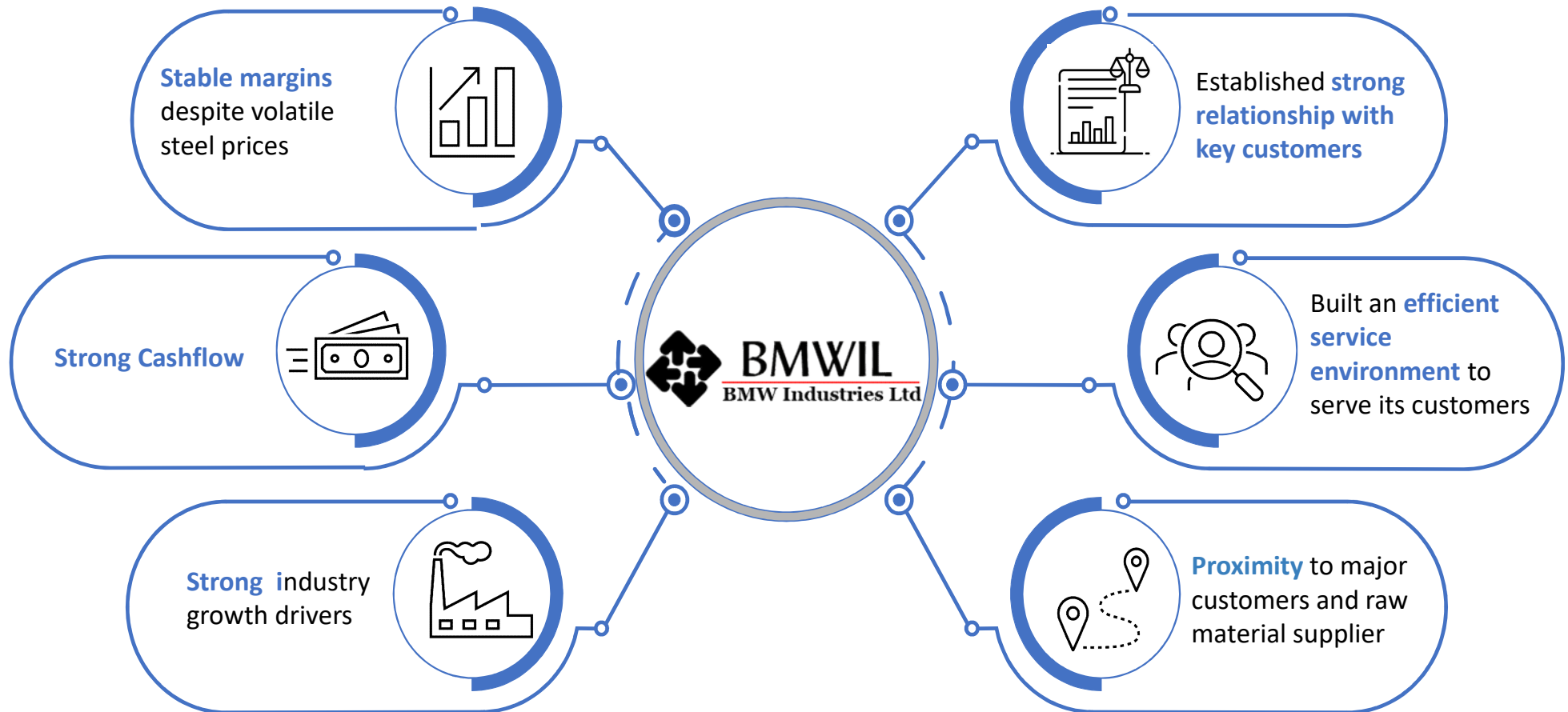
- B.tech in Mechanical Engineering from IME.
- Having experience of 10+ years of experience
- Previously Worked with Shyam Metallic Energy Ltd & Vinar Ispat Ltd.



Nabyendu Gosh
Technical head

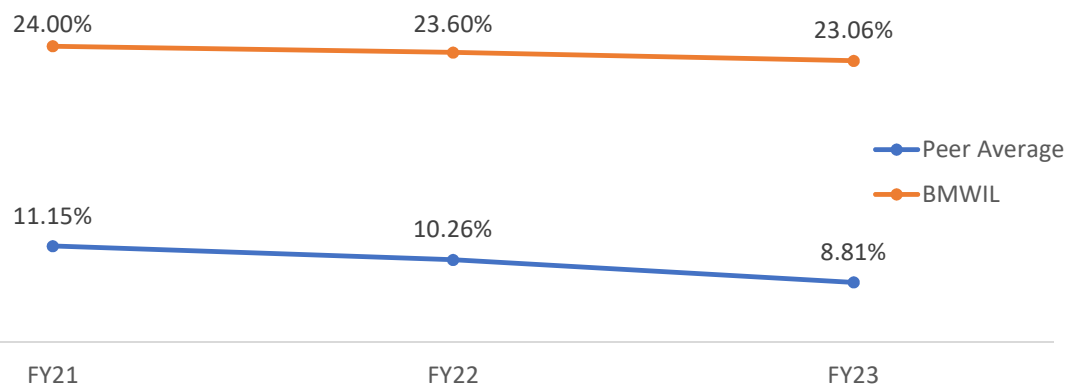
- B.Tech, in metallurgical & materials engineering from IIT KGP,
- 9 yrs of experience in managing projects in construction industry.
- Previously worked as senior engineer with L&T.

Key Investment Highlights



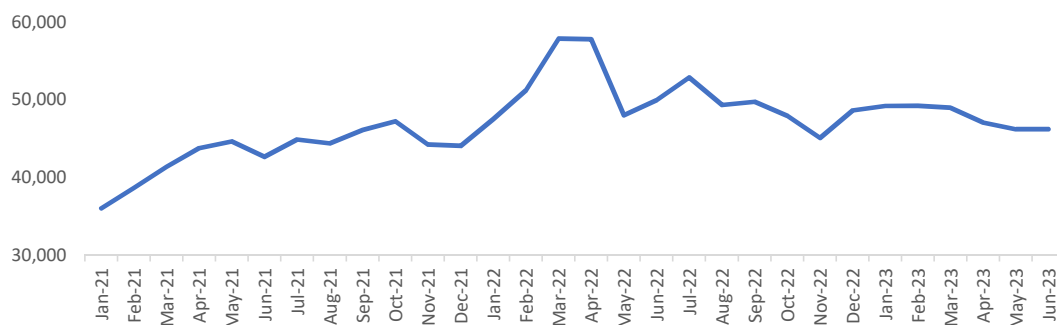
Stable Margins Despite Volatile Steel Prices

Operating EBIDTA Margin %



- BMWIL strategically positioned itself within the steel industry's value chain, aiming to attain **stability and resilience against industry cycles**
- This positioning enables the company to **generate consistent cash flows** by minimizing exposure to demand and pricing fluctuations
- By occupying a stable role, BMWIL maintains financial stability, sustains operations, and has **potential for long-term contracts** (30+ years of association with Tata Steel Ltd.)
- This strategic positioning also strengthens relationships within the industry, contributing to its resilience during challenging economic conditions

Steel Futures Prices in India, (Rs.)



Source : mines.gov.in ; [mines.gov.in Production](https://mines.gov.in/Production) ; ibef.org ; 1: steel.gov.in ;

Established Strong Relationship with Key Customers

Established Client Relationships of +30 years with Marquee Steel Manufacturing Players

Initiation

JV with SAIL & Start of deep association with TATA STEEL

Formation of **JV with SAIL**

Bouquet of services provided to TATA steel widened over time – Conversion of MS Pipe & GI Pipe, Flat Product Processing, Logistics etc.

Additional relationship established with **TATA Steel in Jamshedpur in 1995** in the area of steel service center

Commencement of relationship with TATA in 1991

1980

Started **Steel Service Center** concept in 1981

Set up First Tube Mill in Kolkata

Building Capabilities to service customers

Commissioned **Automatic Structural Rolling Mill**

Established processing lines for TATA steel with end customers being auto makers. Toyota, Ford etc.

Introduction of HR Coil pickling line for **TATA Steel** in 2007

Development of Long members for **TATA Steel**, used in trailer trucks. Import Substitution.

2001-2010

Addition of capabilities to continue servicing customers

Setting up of **High-Speed Tube Mill for TATA Steel- April 2023**

Commissioned **High Speed Automated Slitting Line for TATA Steel-July 2022**

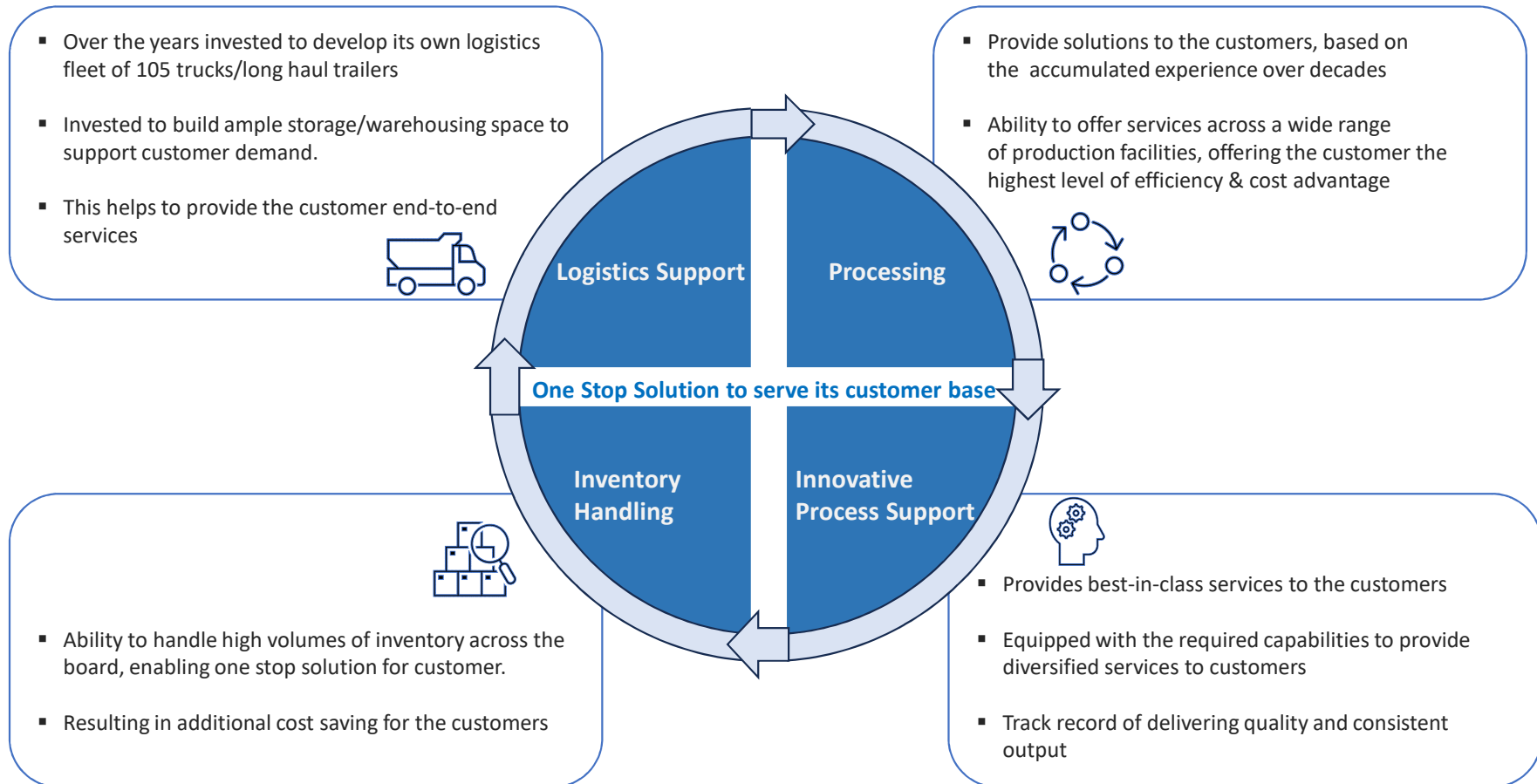
Commissioned **Continuous Galvanizing Line Plant in 2013 for TATA Steel in Jamshedpur**

Commissioned **Bar Rolling Mill for Tata steel in Calcutta**

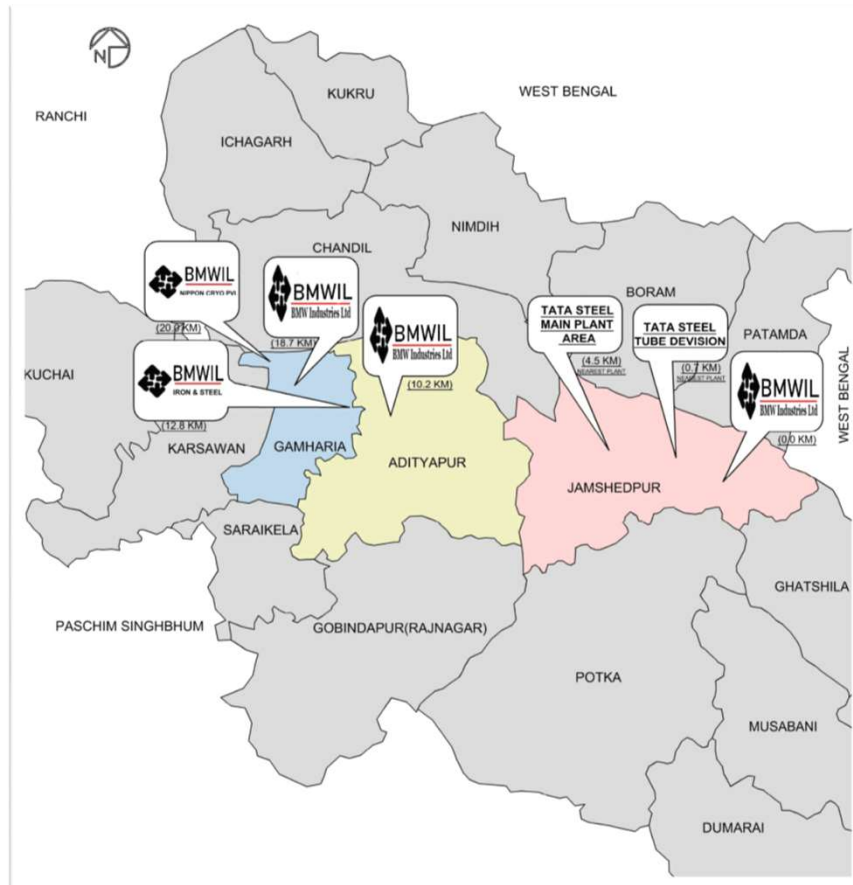
2011-2023

Continuous efforts toward Implementing Safety Measures in the Facilities

Built an efficient service environment to serve its customers



Location Advantage (1/2)

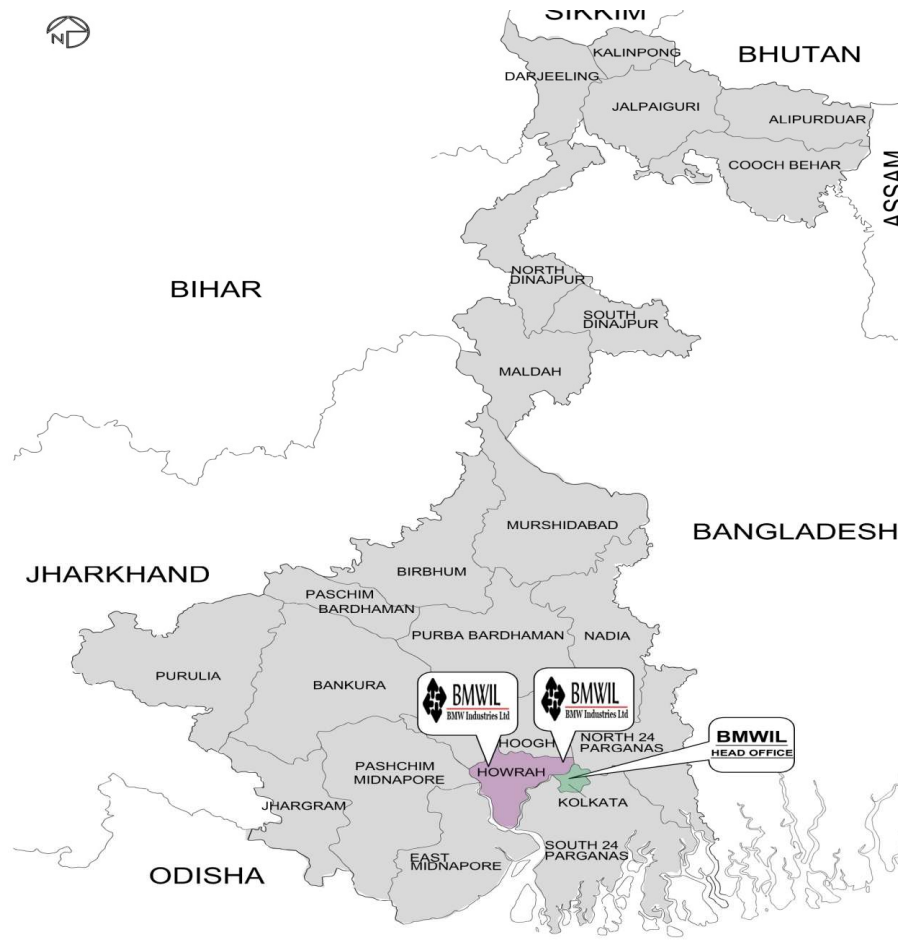


BMWIL Plants - Jharkhand

Strategically located in a region where raw material is readily available



Location Advantage (2/2)



BMWIL Plants & H.O. West Bengal

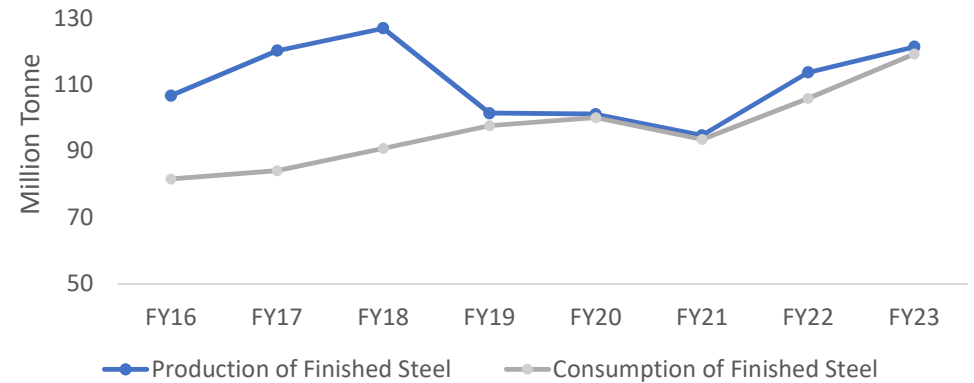
Proximity to major buyers of finished and converted products helps in delivering goods in cost efficient manner



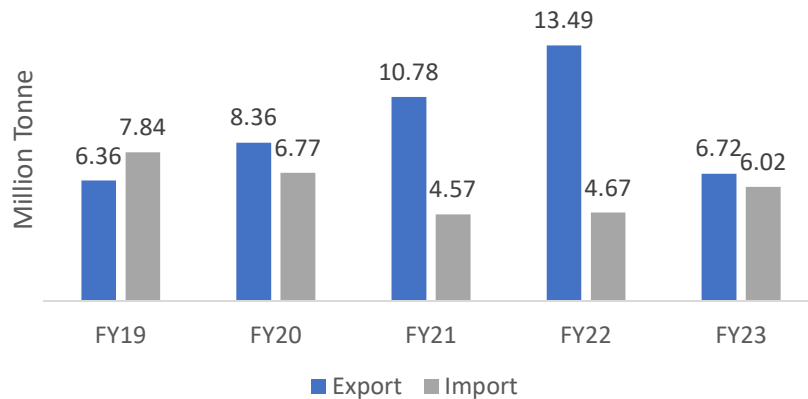
Industry Growth Factors (1/2)

- India is the **world's 2nd largest producer** of crude and finished steel, with an output of 125.3 MT of Crude Steel & 121.3 MT of Finished Steel in FY23.¹ Also, India has been the **2nd largest consumer** of finished steel as on FY21.
- The per capita steel consumption in the World is around 233 kg. The per capita consumption of steel in India is only around 84 kg, in FY23. However, per capita consumption has seen rapid increase over the last decade and the growth is expected to continue in future
- India's 2030–31 Steel Projections
 - Crude steel production is to reach 255 MT at 85% capacity utilisation
 - Finished steel production to reach 230 MT by FY31 from 133.596 MT in FY22 (CAGR of 6.2%)

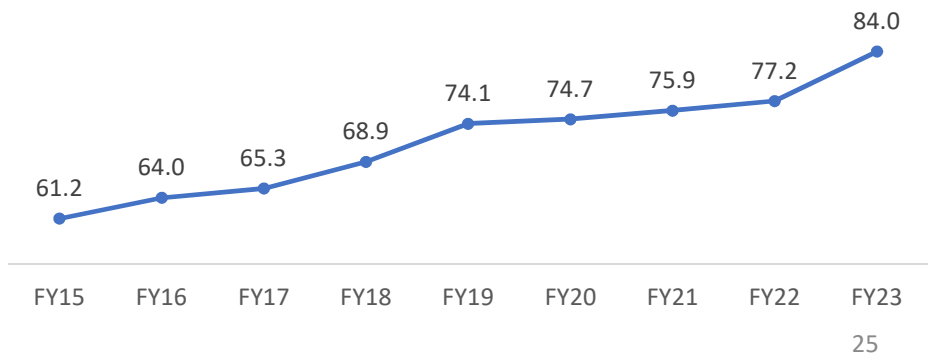
India's Production and Consumption of Finished Steel



India's Annual Export & Imports of Finished Steel



India's Per Capita Consumption of Steel (kgs)



Source : mines.gov.in ; [mines.gov.in Production](https://mines.gov.in/Production) ; ibef.org ; 1: steel.gov.in ;

Industry Growth Factors (2/2)

Robust Demand

Construction Industry

- Infrastructure Sector accounts for 9% of steel consumption in India
- **GVA from Construction increased by 14.8%** to 11,29,368 crore during FY22
- **Airports:** Estimated **steel consumption** in constructing airports is likely to **grow more than 20%** over the next few years.

Automotive sector

- Accounts for 10% demand of steel in India
- Automobile production in India **increased by 12.6%** during FY to 25.93 million units
- Domestic Sales increased by 20.4% during FY23 to 21 million units

Consumer Durables and Capital Goods

- Accounts for 11% of the steel consumption in India
- Indian White Goods market is estimated to cross \$ 21 Bn by 2025 expanding at a CAGR of 11%.

Policy Support

- **100% FDI in Steel Sector**
- **Rise in Export Duty :** Govt. hiked the export duty on iron ore to **50%** ad valorem on all varieties of iron ore, to fillip to the domestic steel industry and boost export (except pellets)
- **Steel manufacturers in the country can avail duty drawback** benefits on steel supplied through their service centers, distributors, dealers and stock yards (Oct.2020)
- **PLI :** July 2021, Govt. approved the PLI scheme for specialty steel, it is expected to attract investment worth ~Rs. 400 billion (US\$ 5.37 billion) and expand specialty steel capacity by 25 million tonnes (MT), to 42 MT in FY27, from 18 MT in FY21.
- Government has brought **National Steel Policy (NSP), 2017** which envisages per capita steel consumption to increase up to 160 kg by 2030-31

Increasing Investments

- Rising investment from domestic and foreign players
- Increasing number of MoUs signed to boost investment in steel
- Foreign investment of nearly **US\$ 40 billion** committed in the steel sector
- Between April 2000- December 2022, Indian metallurgical industries attracted **FDIs of US\$ 17.22 billion.**

Infrastructure Investments

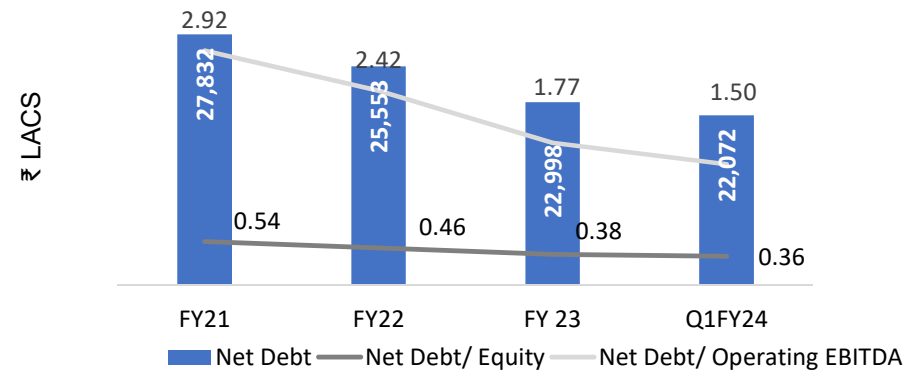
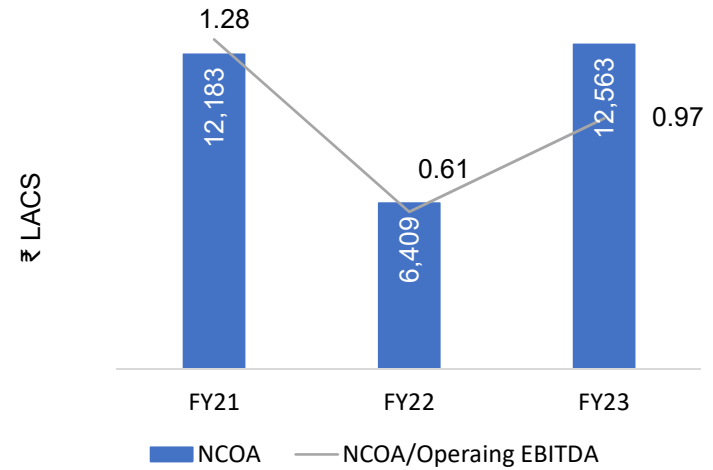
- § In Budget FY24, capital investment outlay for infrastructure is being increased by **33% to Rs.10 lakh crore (US\$ 122 billion),**
- § Under the National Infrastructure Pipeline (NIP), projects worth **Rs.108 trillion (US\$ 1.3 trillion)** are currently at different stages of implementation

Strong Cashflows

- The company has strong and consistent operating cash flow
- Due to strong cash flow from operations, net debt/equity as well as net debt / operating EBITDA has been falling. Net debt / Equity is at a very comfortable level of 0.36
- Judicious deployment of capital has enabled the company to improve its fixed asset turnover ratio from 0.76 in FY21 to 1.32 in Q1FY24
- The company has adopted a dividend payout policy wherein it will endeavor to maintain dividend pay-out ratio of 15% -20% of its annual PAT

Note:

*Q1FY24 Net Debt/ Operating EBITDA Annualized



Growth Strategies

Strong Revenue Visibility

1

Agreement for conversion of GP/GC sheets through the **CRM Complex**, is coming up for renewal in April 2024

Expected Revenue of Rs. 2,000 crores over the contracted period of 5 years*

Key Entry Barriers:

Capital Requirements

Invested Rs. 400 cr to start this line, the current CAPEX required to set up a similar plant is ~Rs. 1,000 crores

Geographical Advantage

Facility is ~5 km in the vicinity of the TSL Plant. Additionally, BMWIL provides logistics services to deliver to customers

Relationship

Has a relationship of +30 years with TSL. Consistency and product quality is maintained at BMWIL facility

Competitive cost of Production

Has acquired skills over years that allow it to produce at a highly competitive cost while maintaining consistent quality compared to peers
Expected Revenue of Rs. 350 crores per year

2

Agreement to manufacture ~**3,00,000 MTPA TMT Rebars** up to November 2025

Expected Revenue of Rs. 250 crores over the contracted period of 3 years with PV on Key Consumables

Key Entry Barriers:

Trusted Player

The facility is dedicated to TSL to manufacture TMT rebars.

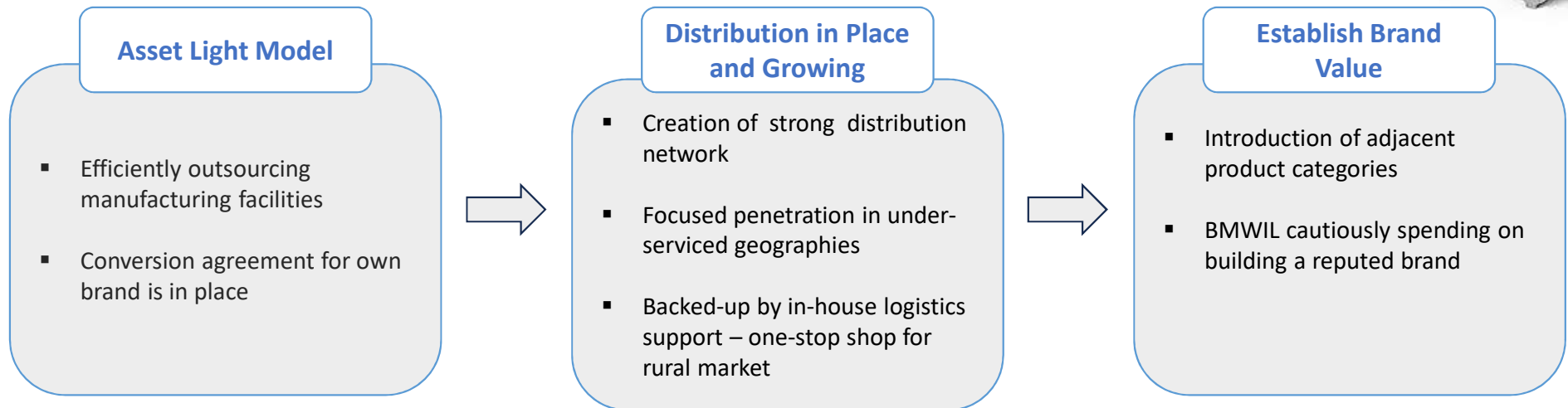
Quality

Able to serve its customers with high-quality products of constant quality due to its cutting-edge manufacturing facilities and deep focus on process and people.

End to End Services

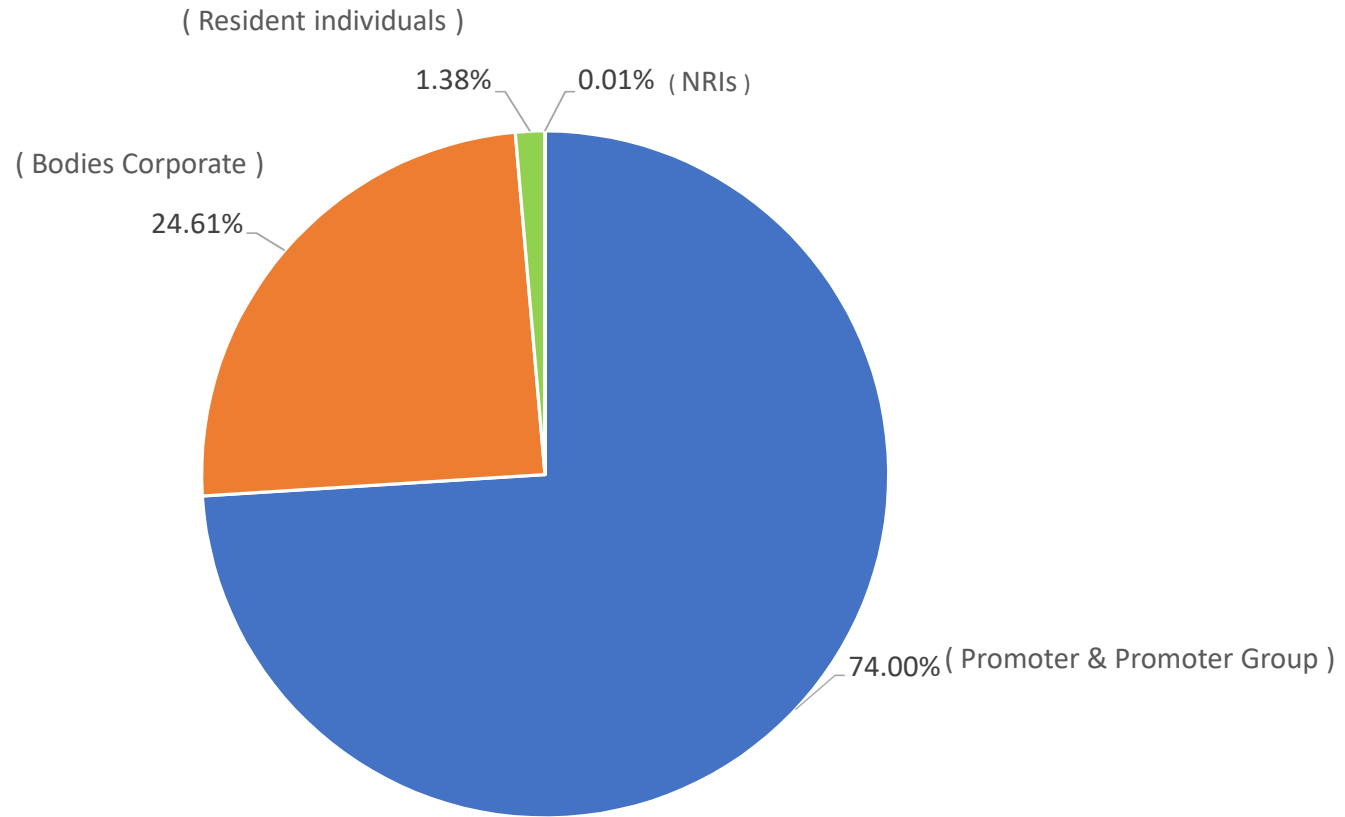
Provides 360-degree services to the customers from manufacturing/ processing to transportation services

Build Own Brand



BANSAL SUPER
500D EQ-CR TMT REBAR

Shareholding Pattern



As on 30th June'23

■ Promoter & Promoter Group ■ Bodies Corporate ■ Resident Individuals ■ NRIs

Thank You

For further details please contact



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Annexure

Profit and Loss Summary

Rs in lacs

Particulars	FY 21	FY 22	FY 23	CAGR
Revenue from Operation	39,771	44,738	56,234	18.9%
Gross Profit	23,763	28,926	34,070	19.7%
Gross Profit Margin	59.7%	64.7%	60.6%	0.7%
Operating EBITDA	9,547	10,546	12,968	16.5%
Operating EBITDA Margin	24.0%	23.6%	23.1%	(2.0)%
Other Income	1,016	1,299	913	(5.2)%
Depreciation	5,286	4,940	3,975	(13.3)%
Finance Costs	2,927	2,331	2,395	(9.5)%
PBT	2,350	4,574	7,512	78.8%
PAT	(17,546)	3,478	5,448	NA
PAT Margin	(43.0)%	7.6%	9.5%	NA
EPS (Rs.)	(7.8)	1.6	2.4	NA

Balance Sheet Summary

Rs in lacs

Particulars	FY 21	FY 22	FY 23
Net Worth	52,002	55,435	60,373
Gross Debt	27,892	25,648	23,759
Net Debt	27,832	25,553	22,998
Capital Employed	81,476	83,600	88,464
Net Fixed Assets	48,764	46,758	48,821
Net Current Assets	6,787	12,162	14,371
Total Assets	90,025	90,684	96,068

Capital Employed: Net Worth + Gross Debt + Deferred Tax Liability + Other Non-Current Liabilities; Net Current Assets excludes cash & cash equivalents

Key Ratios

Particulars	FY 21	FY 22	FY 23
Operational Ratios			
Current Ratio	1.30	1.59	1.72
Fixed Asset Turnover Ratio	0.76	0.94	1.19
Sales/Capital Employed	0.43	0.54	0.65
Cash Conversion Cycle	409	298	242
Solvency Ratios			
Net Debt/ Equity	0.54	0.46	0.38
Net Debt/ Operating EBITDA	2.92	2.42	1.77
Interest Coverage Ratio	1.80	2.96	4.14
Return Ratios			
ROCE	5.8%	8.4%	11.5%
ROE	(28.9)%	6.5%	9.4%