



Date: 09-11-2023

To,  
The Manager  
Listing Department  
**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai- 400001  
**Scrip Code: 542669**

To,  
The Manager  
Listing Department  
**The Calcutta Stock Exchange Limited**  
Lyons Range,  
Kolkata – 700 001  
**Scrip Code: 12141- CSE**

Dear Sir / Madam,

**Subject: Investors Presentation on the Financial Results for the Quarter and half year ended September 30, 2023**

An Investors Presentation on the Financial Results for the Quarter and half year ended September 30, 2023, is enclosed herewith for appropriate dissemination.

The above information is being uploaded on the website of the Company.

You are requested to take the aforesaid information on your record.

Yours faithfully,  
For **BMW INDUSTRIES LIMITED**

Vikram Kapur  
Company Secretary

**Encl:** As Above

# BMW Industries Limited

Trust | Consistency | Stability

Q2 FY24  
Earnings  
Presentation

# Safe Harbor Statement

This presentation may contain certain “forward-looking statements” within the meaning of applicable securities laws and regulations, which may include those describing the Company’s strategies, strategic direction, objectives, future projects and/or prospects, estimates etc. Investors are cautioned that “forward looking statements” are based on certain assumptions of future events over which the Company exercises no control. Therefore, there can be no guarantee as to their accuracy and readers are advised not to place any undue reliance on these forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. These statements involve a number of risks, uncertainties and other factors that could cause actual results or positions to differ materially from those that may be projected or implied by these forward-looking statements. Such risks and uncertainties include, but are not limited to; growth, competition, acquisitions, domestic and international economic conditions affecting demand, supply and price conditions in the various business's verticals in the Company’s portfolio, changes in Government regulations, laws, statutes, judicial pronouncement, tax regimes, and the ability to attract and retain high quality human resource.

# Inside this Presentation

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# Company Snapshot

## About BMWIL

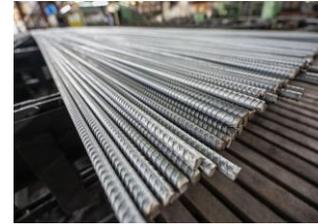
- **BMW Industry Limited (BMWIL)**, incorporated in 1981, is one of the largest steel processing company in India, having multi location manufacturing units in the Steel sector
- Engaged in the Manufacturing & Processing of HRPO Coils, CR Coils, GP Coils, GC Sheets, MS and GI pipes, TMT rebars, etc; 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 steel products. 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 Q2'FY24

Operating Revenue  
Rs. 15,942 Lacs

Gross Margin  
63.5%

Op.EBITDA Margin  
24.4%

PAT  
Rs. 1,767 Lacs

PAT Margin  
11.0%

ROCE\*  
13.0%

# Management Commentary

“ We are pleased to announce an all-round growth in the financial performance for the quarter gone by. Operating revenue grew by 6.5% YoY to ₹ 15,942 lacs in Q2 FY 24.

Gross profit has risen to ₹ 10,125 lacs from ₹ 9,117 in the same quarter previous year. Gross Profit margin has risen to 63.5% from 60.9%, expanding by 259 bps YoY.

Operating EBITDA increased sharply by 17.7% YoY to ₹ 3,895 lacs and Operating EBITDA margin stood at 24.4%, expanding by 232 bps YoY and 114 bps QoQ.

PAT margin has also improved significantly from 8.2% in Q2FY23 to 11.0% in Q2 FY 24 while the absolute PAT grew by 43.6% YoY to ₹ 1,767 lacs.

Our ongoing expansion will help us in achieving strong topline growth and sustaining our margins at healthy levels, aided by operating leverage.

We are happy to announce an Interim Dividend of ₹ 0.22 per share.

Underscoring our commitment to sustainable and environmentally friendly practices, we are in the process of establishing a Solar Energy Project. This initiative will not only help us in reducing our carbon footprint but will also lead to significant savings. ”



**Ram Gopal Bansal**  
*Chairman*

# Key Highlights

- **Operating Income** up 6.5% YoY at ₹ 15,942 lacs
- **Gross Profit** up 11.1% YoY at ₹10,125 lacs and Margin stood at 63.5%.
- **Operating EBITDA** up 17.7% YoY at ₹ 3,895 lacs and Margin stood at 24.4%
- **PAT** grew by 43.6% YoY at ₹ 1,767 lacs, while PAT Margin stood at 11.0%
- **ROE\*** improved to 10.7% in Sep'23 from 7.4% in Sep'22
- **Net Debt** continues to decrease and stood at 18,103 lacs
- **Net Debt/Equity** stood at 0.28 in Sep'23 against 0.43 in Sep'22 and **Net Debt/Operating EBITDA\*** stood at 1.20 in Sep'23 against 2.07 in Sep'22

**Note:**

\*Annualized



# Quarterly Highlights

Rs in lacs

| Q2 FY 24                               | Operating Income | Gross Profit | Operating EBITDA | PBT     | PAT     | Cash Profit <sup>1</sup> |
|--|------------------|--------------|------------------|---------|---------|--------------------------|
|  | 15,942           | 10,125       | 3,895            | 2,459   | 1,767   | 2,868                    |
| Growth (YOY)                           | 6.5%             | 11.1%        | 17.7%            | 58.2%   | 43.6%   | 14.5%                    |
| Growth (QOQ)                           | 1.2%             | (1.2%)       | 6.2%             | 15.2%   | 13.5%   | 9.7%                     |
| Margin <sup>2</sup> (%)                |                  | 63.5%        | 24.4%            | 15.3%   | 11.0%   |                          |
| Margin –YoY<br>Expansion/(Contraction) |                  | 259 bps      | 232 bps          | 495 bps | 281 bps |                          |
| Margin –QoQ<br>Expansion/(Contraction) |                  | (154 bps)    | 114 bps          | 180 bps | 115 bps |                          |
| EPS/CEPS                               |                  |              |                  |         | 0.79    | 1.27                     |

**Note:**

1. Cash Profit = PAT add Depreciation

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

# Quarterly Highlights (Cont.)

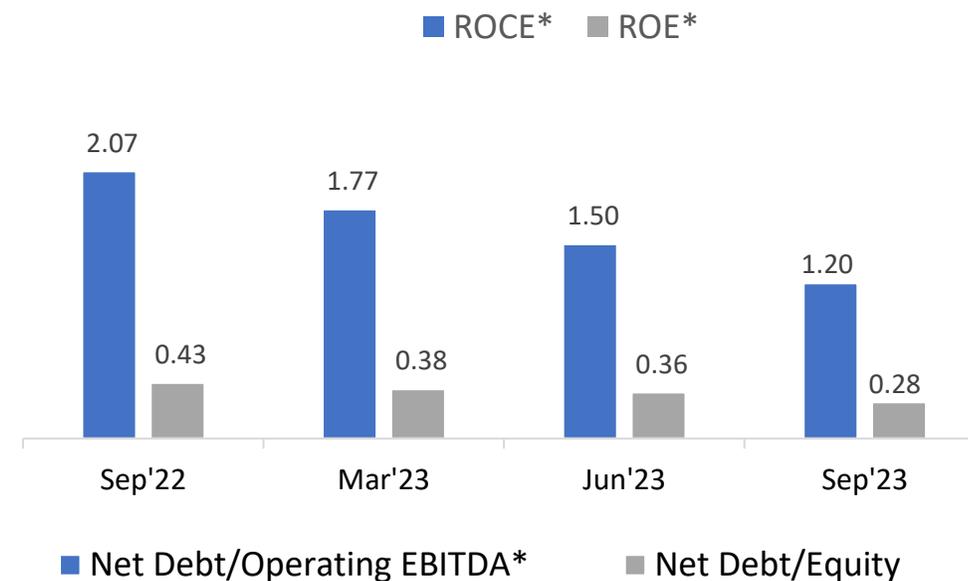
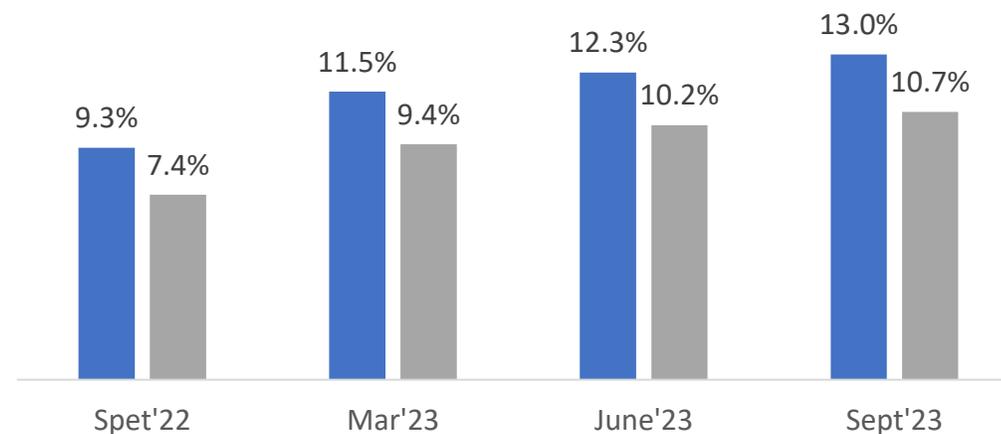
Rs in lacs

| Particulars                     | 30-Sep-22 | 31-Mar-23 | 30-Jun-23 | 30-Sep-23 |
|---------------------------------|-----------|-----------|-----------|-----------|
| Net Worth                       | 57,537    | 60,373    | 61,978    | 63,705    |
| Net Debt                        | 24,758    | 22,998    | 22,072    | 18,103    |
| Net Fixed Assets                | 46,181    | 47,667    | 47,793    | 51,454    |
| Net Current Assets <sup>1</sup> | 14,239    | 14,371    | 15,748    | 15,923    |
| Total Assets                    | 92,457    | 96,068    | 95,979    | 93,367    |
| Fixed Asset Turnover*           | 1.23      | 1.19      | 1.32      | 1.28      |
| Capital Employed Turnover*      | 0.67      | 0.65      | 0.71      | 0.72      |
| Cash Conversion Cycle*          | 228       | 242       | 231       | 188       |

**Note:**

1. Net current assets excludes cash & cash equivalents

2. \*Annualised



# Quarterly Highlights (Cont.)

Rs in lacs

| Revenue Breakup         | Q2 FY 24      | Q2 FY 23      | YoY Change  | Q1 FY 24      | QoQ Change  |
|-------------------------|---------------|---------------|-------------|---------------|-------------|
| CRM Complex             | 11,211        | 11,169        | 0.4%        | 10,396        | 7.8%        |
| Rolling Mill (TMT Bars) | 1,690         | 1,590         | 6.3%        | 3,246         | (47.9%)     |
| Pipes and Tubes         | 1,272         | 672           | 89.3%       | 983           | 29.4%       |
| Logistics               | 1,294         | 1,116         | 15.9%       | 740           | 74.8%       |
| Others                  | 475           | 418           | 13.7%       | 387           | 22.7%       |
| <b>Total</b>            | <b>15,942</b> | <b>14,965</b> | <b>6.5%</b> | <b>15,752</b> | <b>1.2%</b> |

# Operational Highlights

| Particulars            | Installed Capacity | Actual Production <sup>1</sup> | Annualized Utilization |
|------------------------|--------------------|--------------------------------|------------------------|
| CRM Complex            | 10,14,000          | 4,26,697                       | 84.2%                  |
| Rollin Mill (TMT Bars) | 3,00,000           | 71,610                         | 47.7%                  |
| Pipes & Tubes          | 1,32,000           | 49,708                         | 75.3%                  |
| Others                 | 4,10,000           | 92,955                         | 45.3%                  |



**Note:**

1. Data for H1 FY 24

# Quarterly Profit and Loss Summary

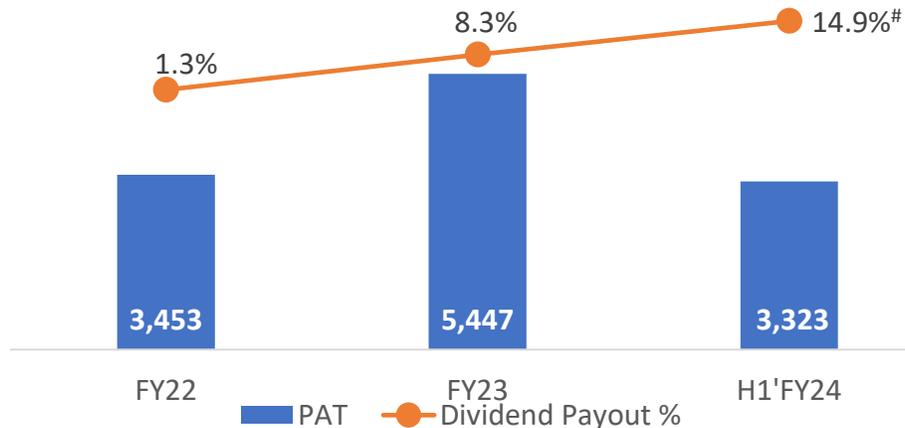
Rs in lacs

| Particulars                        | Q2 FY24       | Q2 FY23       | YoY Change     | Q1 FY24       | QoQ Change       | H1 FY24       | H1 FY23       | YoY Change     | FY23          |
|------------------------------------|---------------|---------------|----------------|---------------|------------------|---------------|---------------|----------------|---------------|
| <b>Operating Income</b>            | <b>15,942</b> | <b>14,965</b> | <b>6.5%</b>    | <b>15,752</b> | <b>1.2%</b>      | <b>31,695</b> | <b>28,533</b> | <b>11.1%</b>   | <b>56,234</b> |
| Gross Profit                       | 10,125        | 9,117         | 11.1%          | 10,248        | (1.2%)           | 20,373        | 16,281        | 25.1%          | 34,070        |
| <i>Gross Profit Margin (%)</i>     | <i>63.5%</i>  | <i>60.9%</i>  | <i>259 bps</i> | <i>65.1%</i>  | <i>(154 bps)</i> | <i>64.3%</i>  | <i>57.1%</i>  | <i>722 bps</i> | <i>60.6%</i>  |
| <b>Operating EBITDA</b>            | <b>3,895</b>  | <b>3,309</b>  | <b>17.7%</b>   | <b>3,669</b>  | <b>6.2%</b>      | <b>7,564</b>  | <b>5,988</b>  | <b>26.3%</b>   | <b>12,968</b> |
| <i>Operating EBITDA Margin (%)</i> | <i>24.4%</i>  | <i>22.1%</i>  | <i>232 bps</i> | <i>23.3%</i>  | <i>114 bps</i>   | <i>23.9%</i>  | <i>21.0%</i>  | <i>288 bps</i> | <i>23.1%</i>  |
| Other Income                       | 175           | 119           | 46.5%          | 105           | 66.4%            | 280           | 447           | (37.5%)        | 913           |
| Finance Cost                       | 509           | 599           | (14.9%)        | 581           | (12.4%)          | 1,091         | 1,233         | (11.5%)        | 2,395         |
| Depreciation                       | 1,101         | 1,275         | (13.6%)        | 1,059         | 4.0%             | 2,160         | 2,513         | (14.1%)        | 3,975         |
| PBT (before exceptional)           | 2,459         | 1,555         | 58.2%          | 2,134         | 15.2%            | 4,593         | 2,689         | 70.8%          | 7,512         |
| <b>PAT</b>                         | <b>1,767</b>  | <b>1,230</b>  | <b>43.6%</b>   | <b>1,556</b>  | <b>13.5%</b>     | <b>3,323</b>  | <b>2,089</b>  | <b>59.1%</b>   | <b>5,447</b>  |
| <i>PAT Margin (%)</i>              | <i>11.0%</i>  | <i>8.2%</i>   | <i>281 bps</i> | <i>9.8%</i>   | <i>115 bps</i>   | <i>10.4%</i>  | <i>7.2%</i>   | <i>318 bps</i> | <i>9.5%</i>   |
| EPS (₹)                            | 0.79          | 0.55          | 43.6%          | 0.69          | 13.5%            | 1.48          | 0.93          | 59.1%          | 2.42          |

# Strong Cashflow

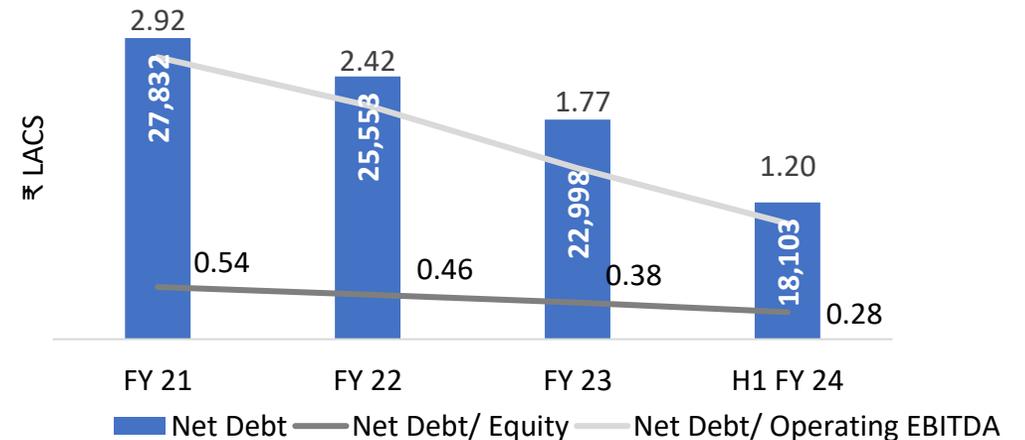
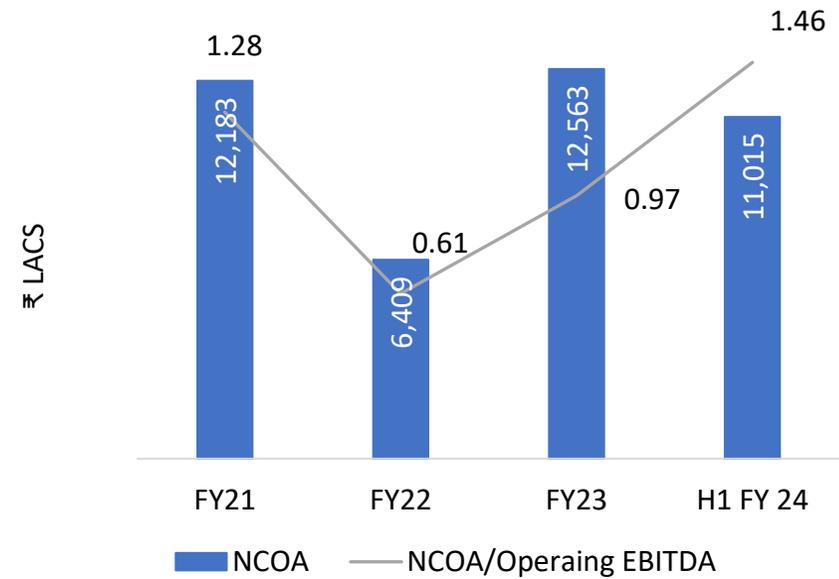
- The company has strong and consistent operating cash flow. NCOA/Operating EBITDA is at healthy levels
- Due to strong cash flow from operations, net debt/equity as well as net debt / operating EBITDA has been falling. Net debt / Equity is at a very comfortable level of 0.28
- Judicious deployment of capital has enabled the company to consistently improve its fixed asset turnover ratio from 0.76 in FY 21 to 1.28 in Sep'23
- 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

PAT & Dividend Payout



Note:

\*H1 FY 24 Net Debt/ Operating EBITDA Annualized # Dividend Payout is based on Interim Dividend

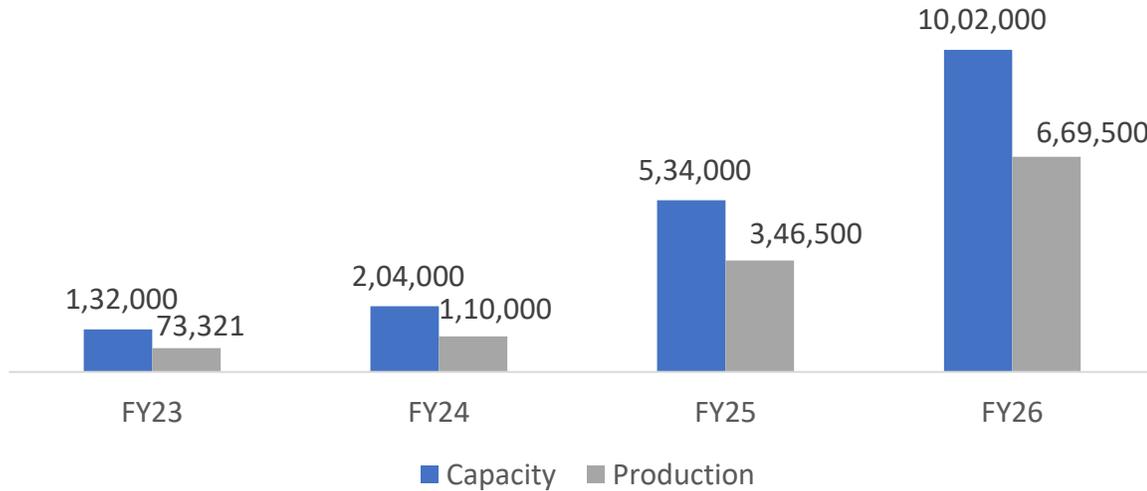


# Growth Strategies

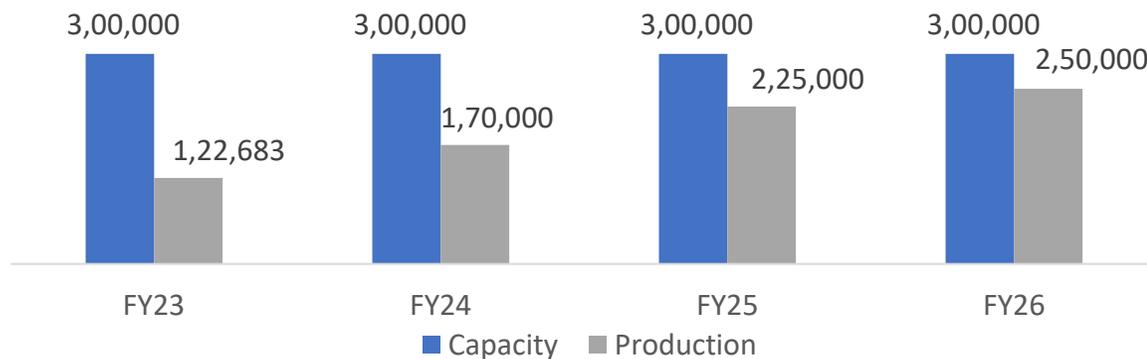
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# Step-up the existing capacity

## Increased Pipes & Tubes Capacity/Production (in MT)



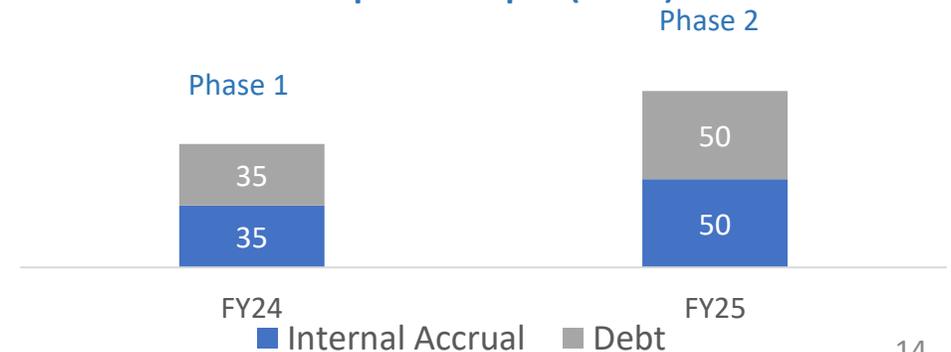
## Increased Utilization of TMT Capacity (in MT)



## Pipes & Tubes Capacity Expansion Plans

- Expansion of the Pipes & Tubes production capacity is at the existing plants in Kolkata and Jamshedpur.
- Increased Capacity will operate at ~70-80%
- No cash outflow required for land
- Total Project outlay Rs 170 Crore, divided into:
  - Phase 1:** Outlay 70 Cr (35 Debt, 35 Internal Accrual)
  - Phase 2:** Outlay 100 Cr (50 Debt, 50 Internal Accrual)
- Debt Repayment Schedule:
  - Phase 1 (Rs 35 Cr) Debt Repayment to start from Sept-2024 and end by Sept-2028
- Currently ~ Rs. 50 cr spent on phase 1 expansion (Rs 21 crs debt and remaining internal accrual)

## Expected Capex (Rs Cr.)



# 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 at least 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



## Asset Light Model

- Efficiently outsourcing manufacturing facilities
- Conversion agreement for own brand is in place



## Distribution in Place and Growing

- Creation of strong distribution network
- Focused penetration in under-serviced geographies
- Backed-up by in-house logistics support – one-stop shop for rural market

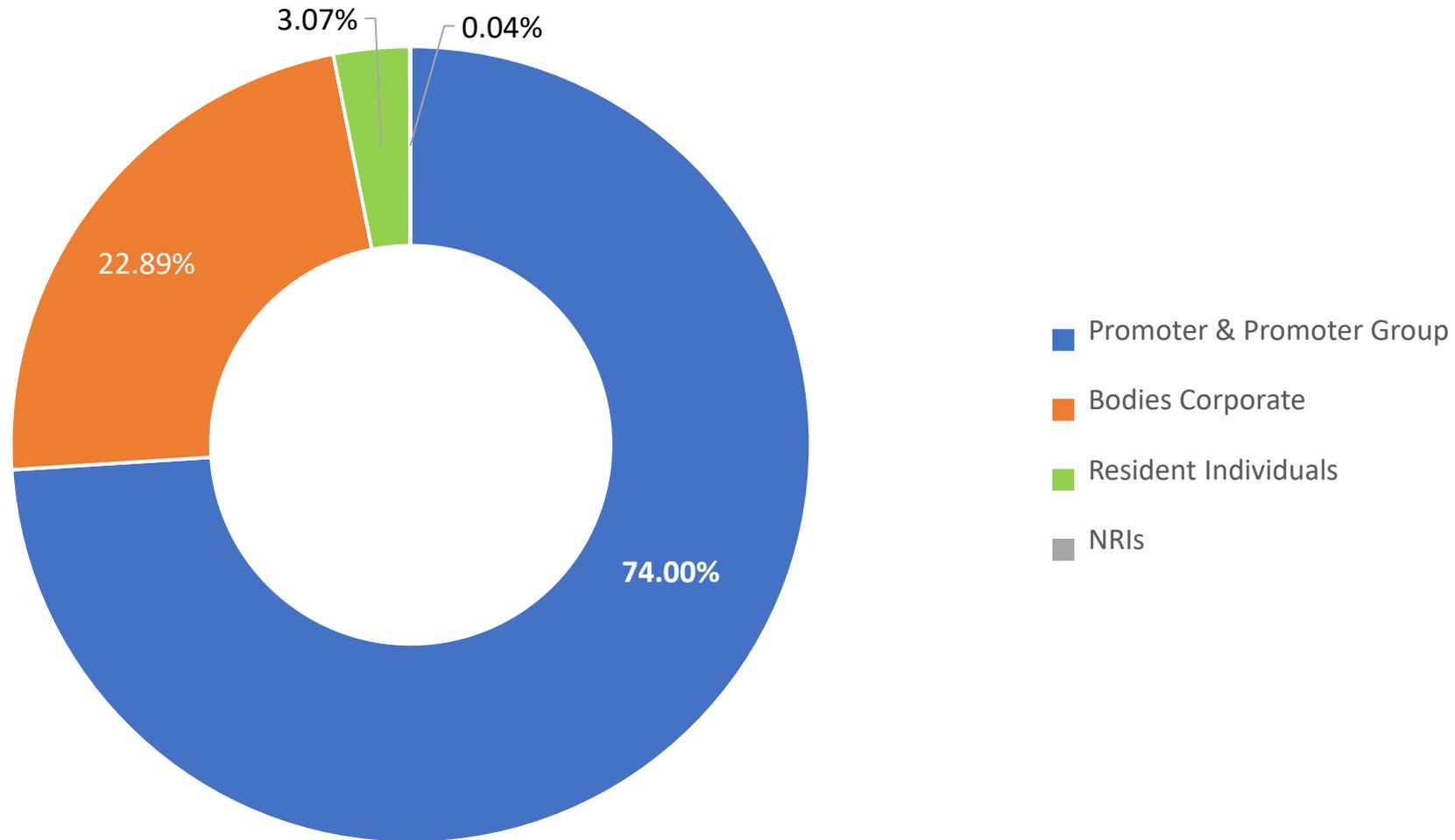


## Establish Brand Value

- Introduction of adjacent product categories
- BMWIL cautiously spending on building a reputed brand

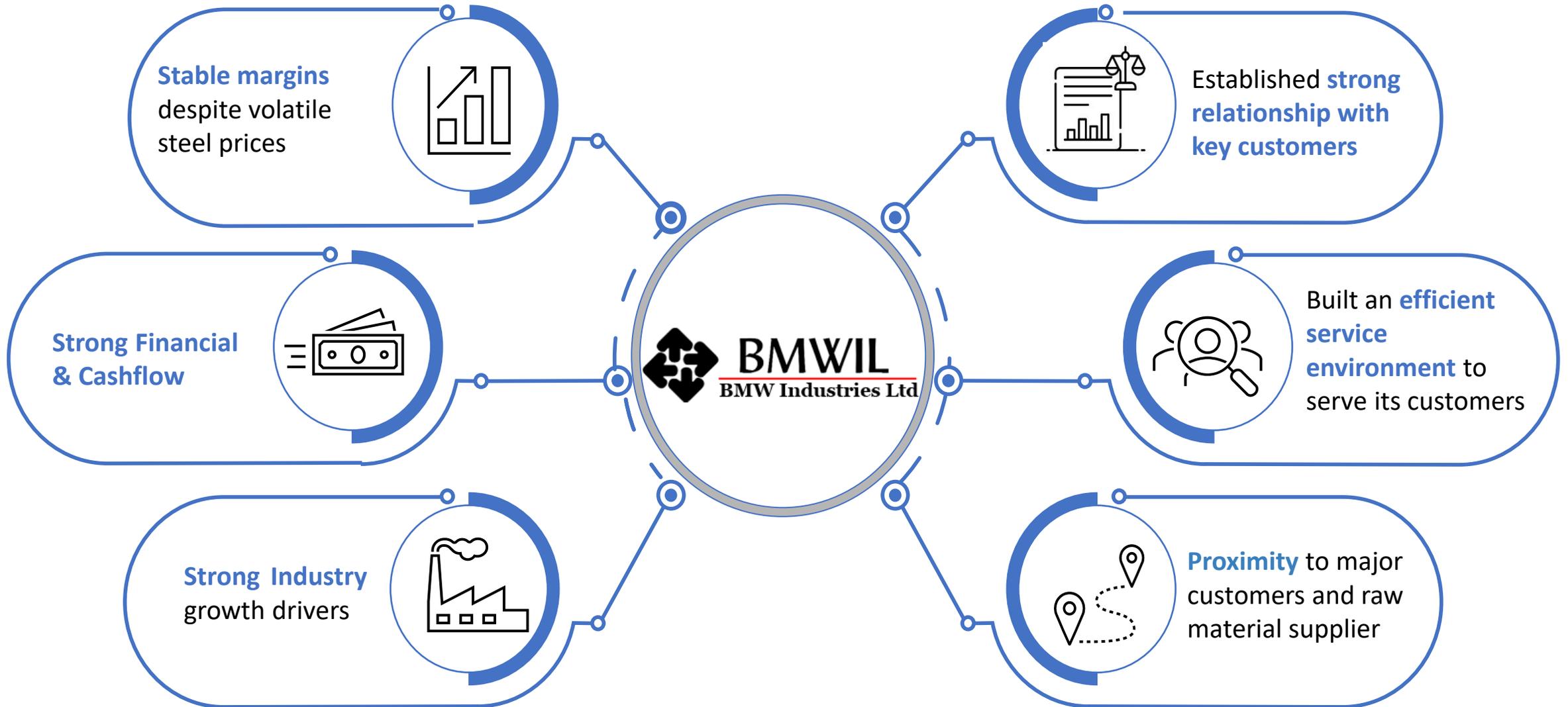
**BANSAL SUPER**  
BANSAL SUPER / 500D  
**500D EQ-CR TMT REBAR**

# Shareholding Pattern



As on 30<sup>th</sup> September'23

# Key Investment Highlights



# Thank You

For further details please contact



## Chief Financial Officer

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## Investor Relations Advisor

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