

BMW Industries Ltd.



9M FY25 Strategy Presentation



Safe Harbor Statement



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About the Company



Company Snapshot



ABOUT US

- **BMW Industries Limited (BMWIL)**, incorporated in 1981, is one of the largest **steel processing** companies in India
- Engaged in the manufacture & processing of **HRPO Coils, CR Coils, GP Coils, GC Sheets, MS & GI pipes, TMT rebars**, etc. for marquee steel manufacturers
- Processing both long and flat products, it operates one of the **largest merchant cold rolling and galvanizing facilities**, in the country
- BMWIL strategically operates in the **value addition of semi-finished steel products**, helping maintain **stable margins** during steel cycles

OUR PRESENCE

- Manufacturing facilities strategically located near steel manufacturing sites, for a **low turnaround time** and **cost-effective logistics**

Note:

1: PAT attributable to owners of the company

2: Annualised



PERFORMANCE IN 9M FY25

Operating Revenue
Rs. 47,148 Lacs

Gross Margin
65.3%

Op. EBITDA Margin
24.1%

PAT¹
Rs. 5,743 Lacs

PAT Margin
12.0%

ROCE²
13.4%

Key Milestones



1980-1990

1981 **BMWIL Incorporated**
Formation of Steel Service Center

1982 **1st Tube Mill** commissioned;
Commencement of Business
Relationship with **TATA Steel** for
Steel Service Center in Bengal

1991-2000

1995 Additional relationship
established with **TATA Steel**
in Jamshedpur

2005

Facility to manufacture **LPG
Cylinders Sheets & Hollow Bricks**

2001-2010

2000 Joint Venture with **SAIL**

2006 Commissioned **Automatic
Structural Rolling**

2007

2007 Structural Fabrications;
Diversified into **Infrastructure & Road Construction**

2008

2008 Commissioned **1st TMT Rolling Mill**

2015 Ventured into **Logistics Solutions**;
Positioned to offer **end-to-end Services** to customers

2015

2013

2013 Commissioned **CRM Complex**
for **TATA Steel** in Jamshedpur

2011-2019

2018

2018 Installed **2nd TMT Mill**;
Started own brand, **Bansal Super TMT** for B2C

2019

2019 **BMWIL** listed on **BSE**

2023

2023 Commissioned new
High-Speed Tube Mill

2024

2024 **Pipes and Tubes**
Capacity Expanded
Rooftop Solar
Commissioned

Steel Manufacturing Value Chain



PRODUCT PORTFOLIO



TMT



GP COILS



HR SLIT COILS



HRPO COILS



GC SHEETS



MS PIPES

UPSTREAM PROCESS



MINING



IRON
PRODUCTION



STEEL
PRODUCTION



REFINING

DOWNSTREAM PROCESS



MANUFACTURING



FINAL PRODUCT



DELIVERY

BMWIL PRESENCE IN STEEL PROCESSING

BMWIL's Current Position in the Value Chain



1 Customer Contractual Agreement & Raw Material Supply

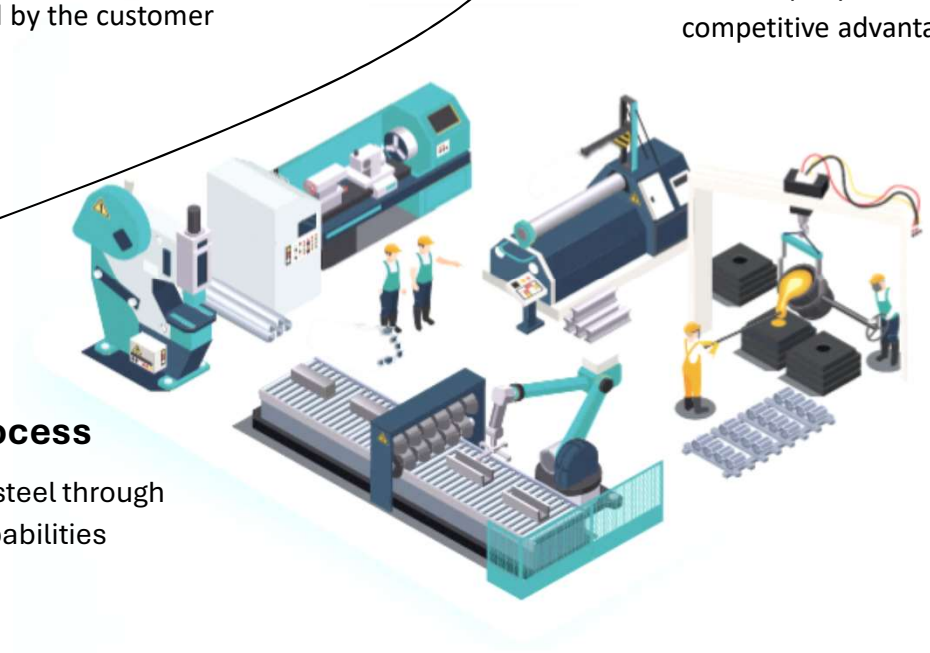
- The company enters **multi-year contracts** with its customers (B2B) to convert semi-finished steel products
- The contracts offer **fixed processing fees** that are insulated from market fluctuations, ensuring **stable margins**
- **Raw Material supply** is managed by the customer

3 Logistics Support

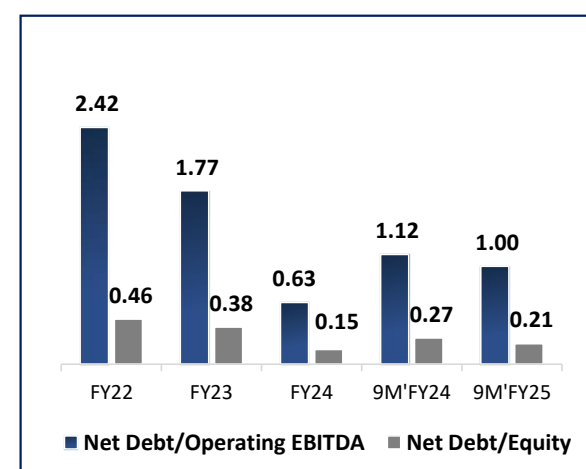
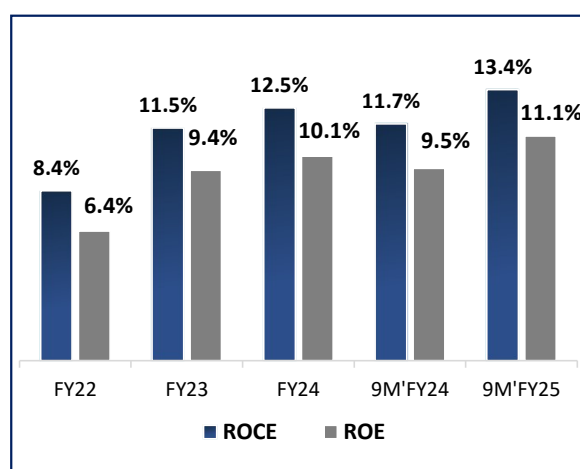
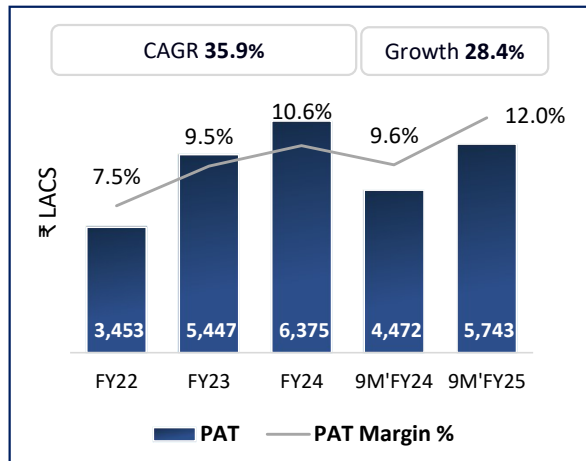
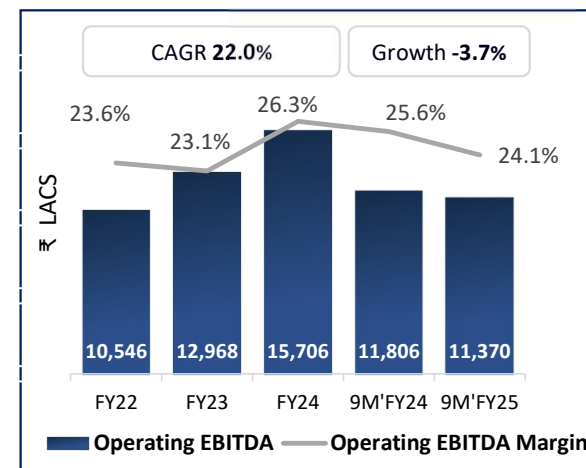
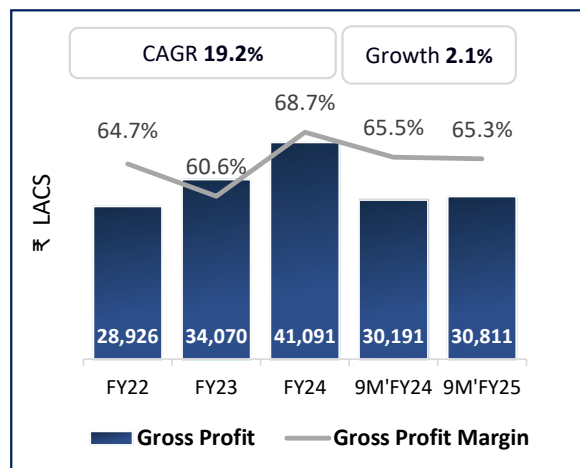
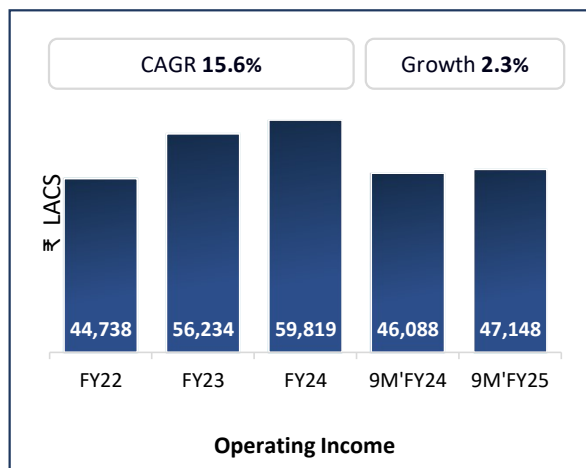
- Post conversion, the product is shipped into the customer's supply chain
- The company has a fleet of **long-haul trailers**, providing a competitive advantage

2 Value-Added Conversion Process

- Value addition to semi-finished steel through **processing and conversion** capabilities



Key Annual Highlights



CAGR : FY22-FY24 ; PAT attributable to owners of the company

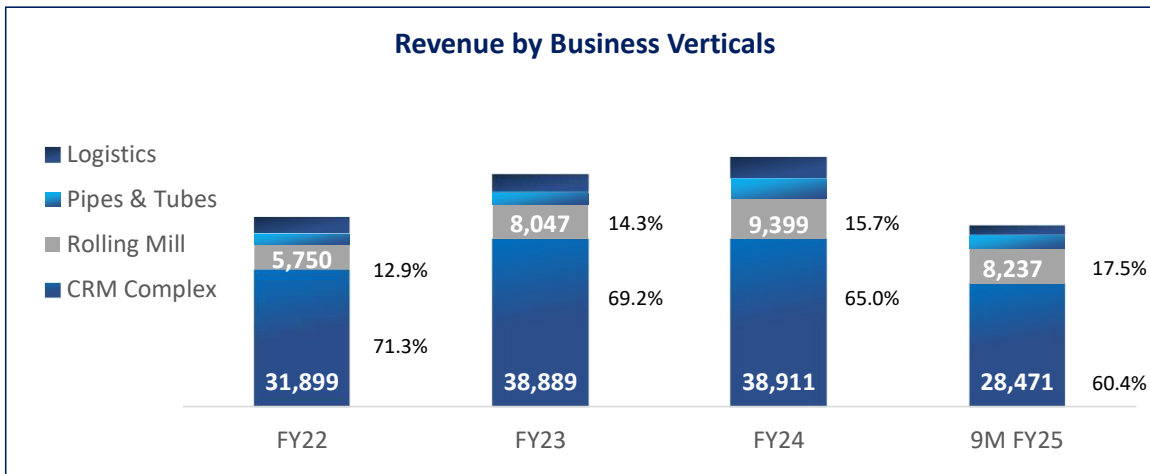
Operational Highlights



Operational Update



| Particulars* | Installed Capacity (MT) | Actual Production (MT) | Annualized Utilization |
|--------------------------------------|-------------------------|------------------------|------------------------|
| CRM Complex | 10,14,000 | 5,84,796 | 76.9% |
| Rolling Mill (TMT Bars) | 1,80,000 | 1,25,397 | 92.9% |
| Rolling Mill (TMT Bars) ¹ | 1,20,000 | 22,946 | NA |
| Pipes & Tubes ² | 5,34,000 | 1,34,087 | 33.5% |



Note: *Capacity & Production as on Dec'24

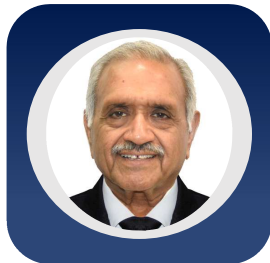
1: Exited the contract for one small Rolling Mill and it's under decommissioning

2: Capacity increased from 2,04,000 to 5,34,000 in the current year

Management



Experienced Board



Ram Gopal Bansal

Chairman and Whole Time Director

- Founder, with 50 + years of experience in the Steel Industry
- Successfully led the SAIL JV & collaborated with Tata Steel for the development of the Steel Service Centre.
- Under his vision & leadership BMWIL is now one of the leading manufacturers/service providers in the Iron & Steel sector.



Harsh Bansal

Managing Director

- 25 + years of experience; instrumental in the JV with SAIL & setting up manufacturing plants at Calcutta.
- Executive MBA - Harvard Business School
- Ex-Ed from ISB Hyderabad, & LBS London
- Past Regional Chairperson of YPO –South Asia.



Vivek Bansal

Managing Director

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



Priti Todi

Independent Director

- Practicing Company Secretary
- Visiting Faculty at the ICSI



Monika Chand

Independent Director

- Graduate from JNU with 10+ years of rich experience in Marketing & Administration

Note: The Company in the process of appointing more Independent Directors

Key Investment Highlights



Stable margins despite
volatile steel prices

Strong and Stable Cashflow

Strong Industry growth
drivers



Established strong relationships
with key customers

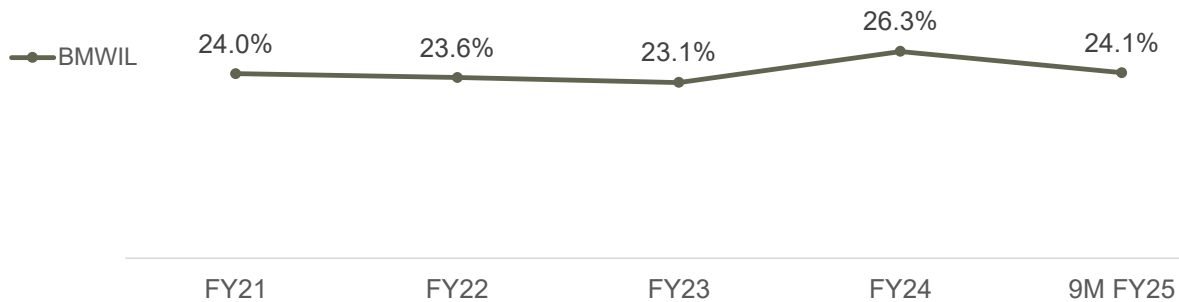
Efficient service environment
built to serve its customers

Proximity to major customers
and raw material suppliers

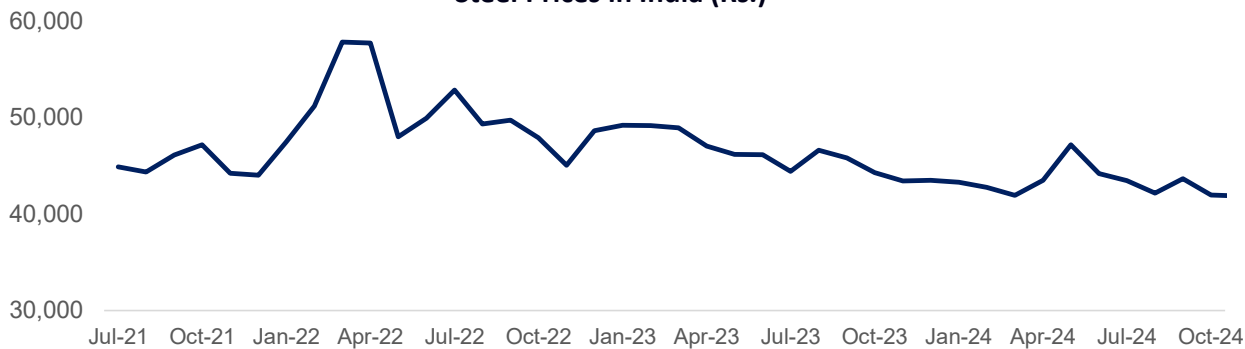
Stable Margins despite volatile Steel Prices



Operating EBIDTA Margin %

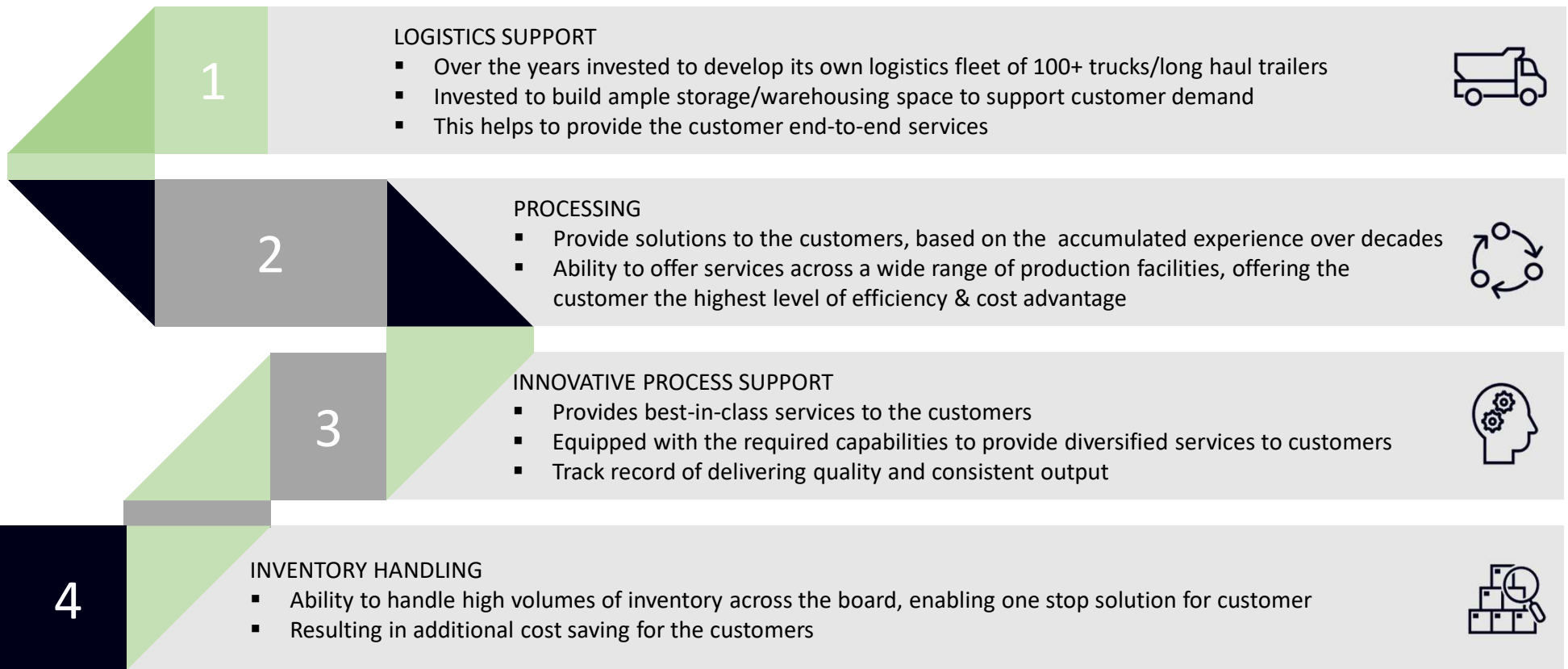


Steel Prices in India (Rs.)



- BMWIL has 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**
- This strategic positioning also strengthens relationships within the industry, contributing to its **resilience during challenging economic conditions**

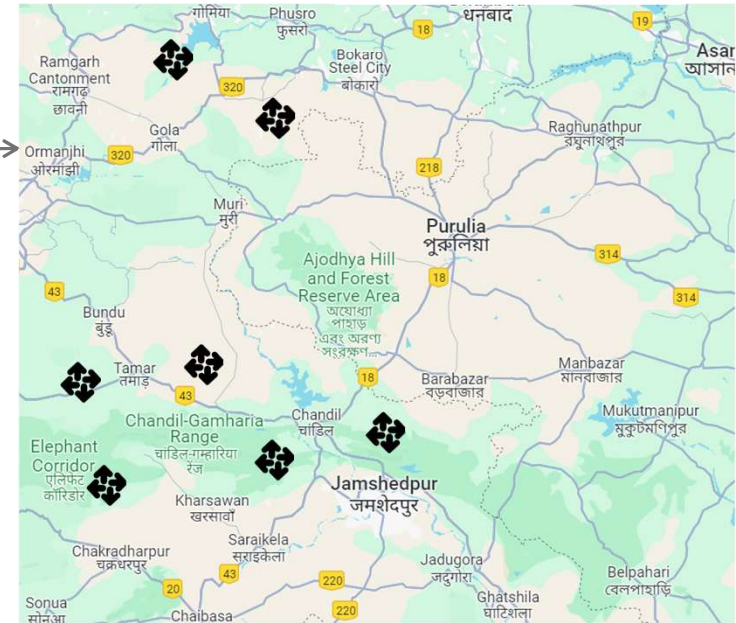
Built an efficient Service Environment



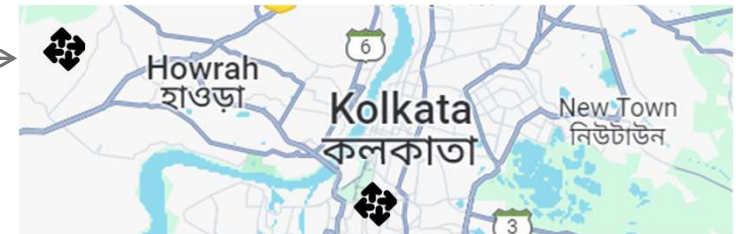
Location Advantage



5 BMWIL Plants in Jharkhand, 2 in Bokaro
Strategically located in a region where raw material is readily available



1 BMWIL Plant & H.O. in West Bengal
Proximity to major buyers of finished and converted products helps in delivering goods in cost efficient manner



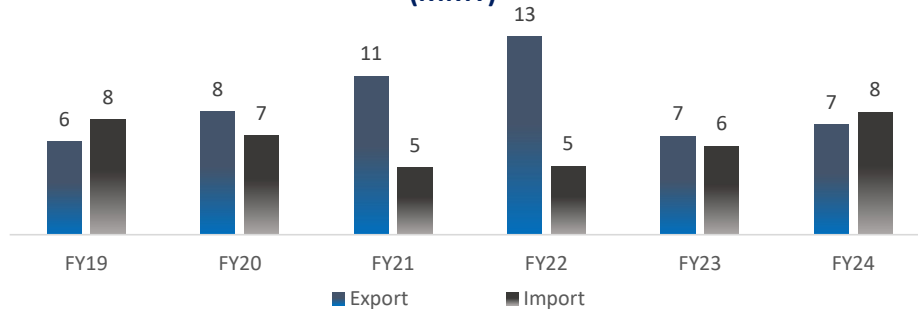
Industry Growth Factors (1/2)

- India is the **2nd largest producer of Crude & Finished Steel** worldwide.
- India has also been the **2nd largest consumer of Finished Steel** as of FY24.
- India ranks low, in terms of per capita steel consumption, however this number has steadily **increased in the last decade** and is projected to continue to grow.
- Indian Specialty Steel is **18% of the total steel output** and currently **meets 85% of domestic demand**

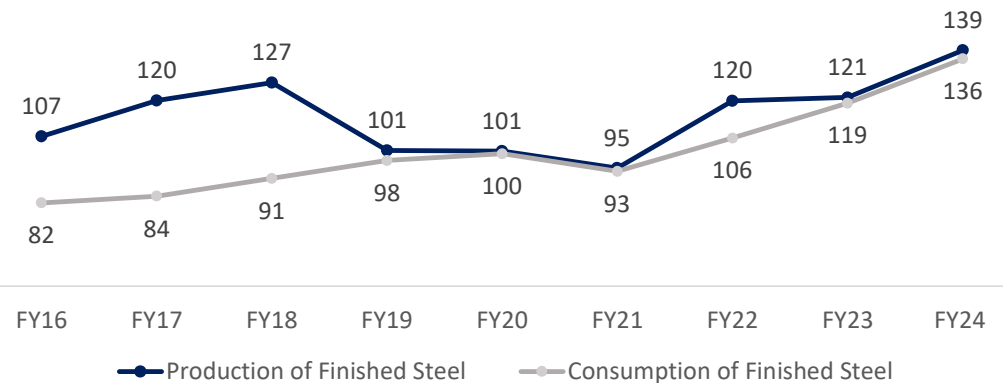
Indian Steel Industry Projections (FY31)

- FY31 (E) Crude Steel Production: **255 MMT**; 85% Capacity Utilization
- FY31 (E) Finished Steel Production: **230 MMT**; 6.2% CAGR (FY22-FY31)
- FY31 (E) Steel Production Capacity: **300 MMT**; +10 Lakh Cr. Investment

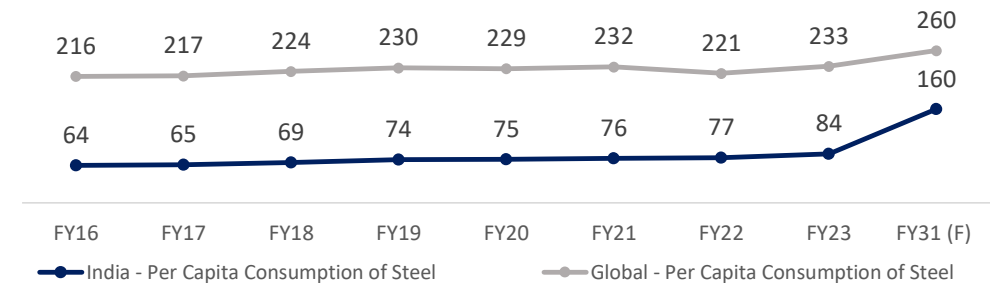
India's Annual Export & Imports of Finished Steel (MMT)



India's Production and Consumption of Finished Steel (MMT)



Per Capita Consumption of Steel (Kg)



Industry Growth Factors (2/2)



ROBUST DEMAND

Construction Sector:

- **GVA from Construction** grew by **9.9% in FY24**
- Construction GVA grew at **10% in FY23**, well above the **long-run annualized rate of 5.3% (FY12-FY23)***
- **Airport construction activity** is likely to **increase steel consumption by more than 20%** in the coming years

Automobile Sector:

- Automobile production in India **increased by 9.8%** during FY24 to **28.43 million units**
- Domestic Sales **increased by 12.5%** during FY24 to **23.85 million units**

Consumer Durables:

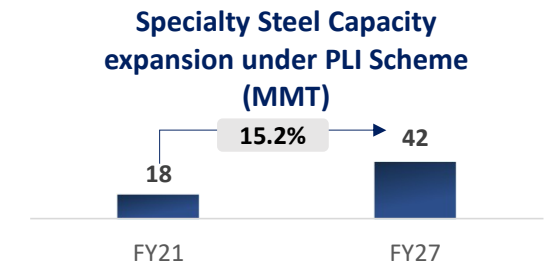
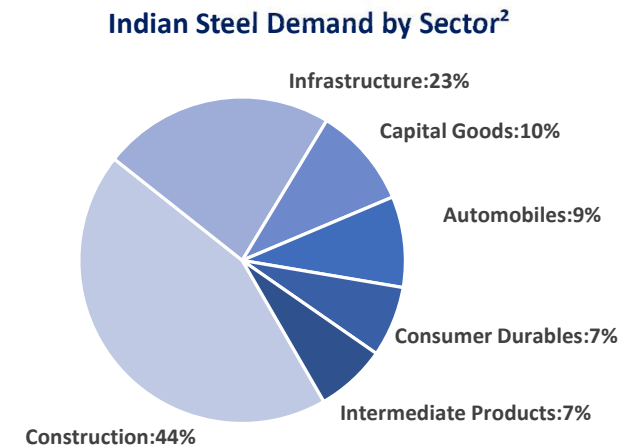
- The Indian White Goods Market is estimated to cross **\$19 Bn** by FY31, expanding at an **5.5% CAGR**

POLICY SUPPORT

- **100% FDI in Steel** Sector
- PLI Scheme **5 year outlay of Rs. 6,322 Cr.** towards promoting manufacture of '**Specialty Steel**'
- National Steel Policy: Aims to increase **steel production capacity to 300 MMT** by FY31
- National Steel Policy also seeks to increase per capita steel consumption to 160 Kgs by 2030-31

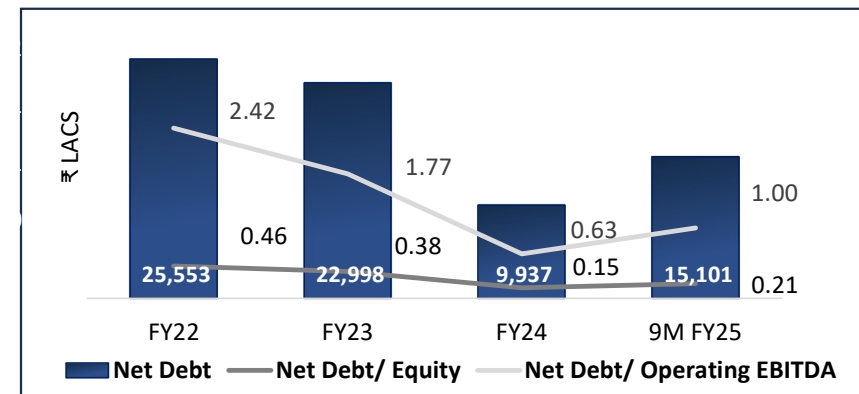
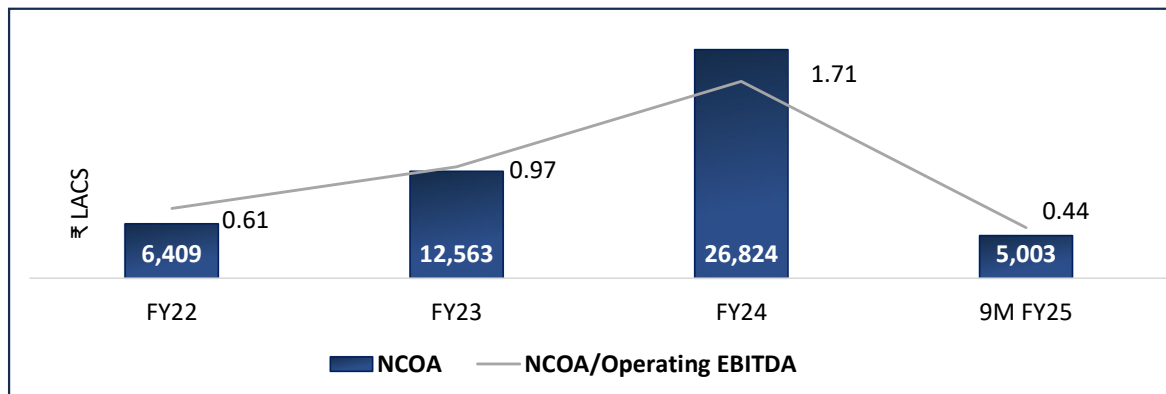
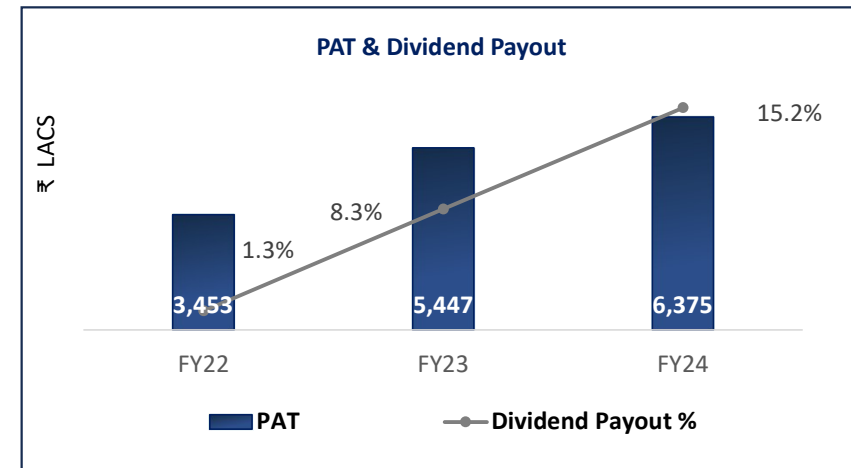
INCREASING INVESTMENTS

- Capital investment outlay for infrastructure is being increased by **33%** to **Rs.10 lakh crore** in the FY24 Budget
- Under the National Infrastructure Pipeline, projects worth **Rs.108 Trillion** are currently at different stages of implementation



Strong and Stable Cashflow

- The company has strong and consistent operating cash flow.
- Due to strong Cashflow from Operations, Net Debt/Equity is at a very comfortable level of 0.21
- Judicious deployment of capital has enabled the company to consistently **improve its Fixed Asset Turnover Ratio** from 0.94 in FY22 to 1.02 in 9M FY25
- The company has adopted a dividend payout policy wherein it will maintain **Dividend Payout Ratio of 15-20%** of its annual PAT



Staying true to our ESG commitments

E

- Installed **Solar Panels** across facilities, to reduce carbon footprint
- Achieved **Zero Liquid Discharge** at all plants
- **5,000** out of a targeted **10,000** trees have been planted at the factory

S

- Provided **Shelter and Security** during Cyclone Dana
- **1,300+** beneficiaries of **medical and eye check-up camps**
- **500+** beneficiaries of **free artificial limb and caliper camps**

G

- Consistently endeavor to **practice good Corporate Governance**
- Believe that such practices are founded on the core values of **transparency, empowerment and accountability.**



Growth Strategies



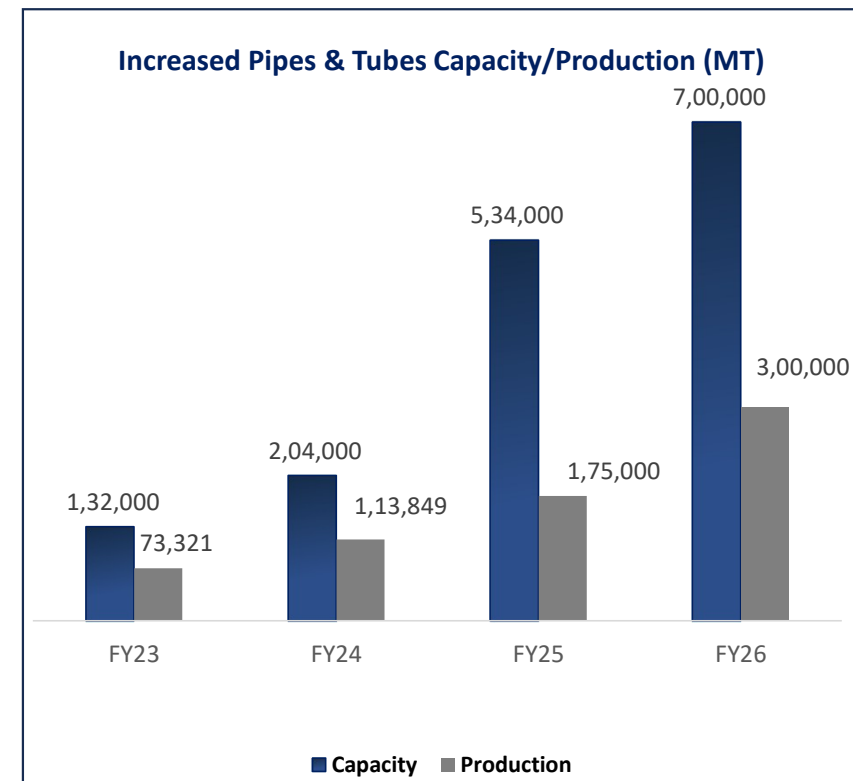
Stepping – up the existing capacity

Pipes & Tubes Capacity Expansion Plans

- Expansion of Pipes & Tubes Production Capacity at existing plants in Kolkata & Jamshedpur
- We have **already installed and commissioned capacity to the tune of 5,34,000 MT.**
- Project Outlay
 - **Phase 1:** Capex Outlay completed
 - **Phase 2:** Outlay **25 Cr.** (Internal Accrual)
- Tubes manufacturing contract has been extended until H1 FY27, with an expected revenue of ₹ 365 Cr. over the contract period

Facilities dedicated to Infrastructure, Solar and Defense

- New Facilities will have low capex and high volumes



Strong Revenue Visibility



1

Agreement for conversion of GP/GC sheets through the **CRM Complex** has been extended up to February 2025 and is currently in the finalization stage

Expected Revenue of Rs. 2,000 Cr. 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 Cr.

Geographical Advantage

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

Relationship

Has a relationship of +30 years with its customers. 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 Cr. per year

2

Agreement to **manufacture ~1,80,000 MTPA TMT Rebars*** up to November 2025

Expected Revenue of Rs. 80Cr. Upto November 2025

KEY ENTRY BARRIERS:

Trusted Player

The facility is exclusive to the customer 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

* Exited the contract for one small Rolling Mill and Its under decommissioning

Financial Highlights



Profit & Loss Summary



₹ Lacs

| Particulars | FY22 | FY23 | FY24 | 9M FY25 |
|------------------------------------|---------------|---------------|---------------|---------------|
| Revenue from Operation | 44,738 | 56,234 | 59,819 | 47,148 |
| Gross Profit | 28,926 | 34,070 | 41,091 | 30,811 |
| Gross Profit Margin (%) | 64.7% | 60.6% | 68.7% | 65.3% |
| Operating EBITDA | 10,546 | 12,968 | 15,706 | 11,370 |
| Operating EBITDA Margin (%) | 23.6% | 23.1% | 26.3% | 24.1% |
| Other Income | 1,299 | 913 | 429 | 569 |
| One Time Customer Debit | - | - | 1,073 | |
| Finance Costs | 2,331 | 2,395 | 1,979 | 1,186 |
| Depreciation | 4,940 | 3,975 | 4,452 | 3,094 |
| PBT | 4,574 | 7,512 | 8,632 | 7,659 |
| PAT¹ | 3,453 | 5,447 | 6,375 | 5,743 |
| PAT Margin (%) | 7.5% | 9.5% | 10.6% | 12.0% |
| EPS (₹) | 1.55 | 2.42 | 2.83 | 2.54 |

Note: 1. PAT attributable to the owners of the company

Revenue Breakup



₹ Lacs

| Particulars | FY22 | FY23 | FY24 | 9M FY25 |
|-------------------------|---------------|---------------|---------------|---------------|
| CRM Complex | 31,899 | 38,889 | 38,911 | 28,471 |
| Rolling Mill (TMT Bars) | 5,750 | 8,047 | 9,399 | 8,237 |
| Pipes & Tubes | 2,810 | 2,950 | 4,929 | 4,885 |
| Logistics | 3,526 | 3,921 | 4,683 | 3,232 |
| Others | 753 | 2,426 | 1,897 | 2,324 |
| Total Revenue | 44,738 | 56,234 | 59,819 | 47,148 |

Balance Sheet Summary



₹ Lacs

| Particulars | FY22 | FY23 | FY24 | 9M FY25 |
|---------------------------------|---------------|---------------|---------------|-----------------|
| Net Worth | 55,435 | 60,373 | 66,247 | 71,482 |
| Net Debt | 25,553 | 22,998 | 9,937 | 15,101 |
| Capital Employed ¹ | 83,601 | 88,464 | 80,999 | 95,153 |
| Net Fixed Assets | 46,758 | 47,677 | 58,300 | 65,226 |
| Net Current Assets ² | 12,163 | 14,371 | 9,648 | 9,086 |
| Total Assets | 90,684 | 96,068 | 87,994 | 1,03,540 |

Note:

1: Capital Employed: Net Worth + Gross Debt + Deferred Tax Liability + Other Non-Current Liabilities;

2: Net Current Assets excludes cash & cash equivalents

Key Ratios



| Particulars | FY22 | FY23 | FY24 | 9M FY25 |
|------------------------------------|------|-------|-------|---------|
| Operational Ratios | | | | |
| Fixed Asset Turnover Ratio | 0.94 | 1.19 | 1.13 | 1.02 |
| Sales/Capital Employed | 0.54 | 0.65 | 0.71 | 0.71 |
| Cash Conversion Cycle ¹ | 162 | 142 | 96 | 68 |
| Solvency Ratios | | | | |
| Net Debt/ Equity | 0.46 | 0.38 | 0.15 | 0.21 |
| Net Debt/ Operating EBITDA | 2.42 | 1.77 | 0.63 | 1.00 |
| Interest Coverage Ratio | 2.96 | 4.14 | 5.36 | 7.46 |
| Return Ratios | | | | |
| ROCE ² | 8.4% | 11.5% | 12.5% | 13.4% |
| ROE ² | 6.4% | 9.4% | 10.1% | 11.1% |

Note:

1: Cash Conversion Cycle has been calculated on Operating Income

2: ROCE has been calculated on Average Capital Employed; ROE has been calculated on Average Shareholder's Equity

Thank You

For further details please contact:



Chief Financial Officer & CS
Vikram Kapur
Email: vikramkapur@bmwil.co.in



Investor Relations Advisor
Sanjeev Sancheti
Email: ir@uirtus.in
Website: www.uirtus.in