



# Rama Steel Tubes Limited

## Q3 & 9M FY17 Result Update Presentation

### February 2017



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➤ **CEO's Message**



➤ **Q3 & 9M FY17 Financial Performance**



➤ **Annual Financial Performance**



➤ **Company Overview**

## CEO's Message



## Commenting on the results, Mr. Richi Bansal, Director & CEO, Rama Steel Tubes Limited said :

*"This quarter we have delivered strong growth across all product segments, despite being briefly impacted by demonetisation. Our operating efficiency combined with favourable raw material conditions have benefited us a lot. Our continuous efforts to control the working capital requirement contributed to the improved performance of the Company.*

*We are happy to state that we are well on track with our strategic plan of capacity expansion and increasing our geographical presence. This expansion will enable us to cater to a wider range of customers by increasing the available SKUs significantly. Going forward, we continue to look at opportunities by exploring the high demand markets of South India.*

*We plan to increase our capacity along with increasing the number of our dealers and distributor network, driving the growth of our Company. We also plan to venture into value added products like Pre-Galvanized Tubes. With Increase in our capacity utilisations and foraying into value added products will bring in improved margins."*

**Q3 & 9M FY17**  
**Financial Performance**



# Consolidated Financial Highlights – Q3 FY17

**41%** ↑

**Revenue**  
Rs. 66.8 cr

**44%** ↑

**EBITDA**  
Rs 6.0 cr

**23bps** ↑

**EBITDA Margin**  
9.0 %

**61%** ↑

**PAT**  
Rs 2.6 cr

**50bps** ↑

**PAT Margin**  
3.9 %

**61%** ↑

**\*EPS**  
Rs. 1.8 (Q3 FY17) Vs Rs. 1.1 (Q3 FY16)

*\*Company declared bonus in 4:1 ratio and split the shares into two*

*\*Number of shares increased by Ten times*

# Consolidated Financial Highlights – 9M FY17

**18%**



**Revenue**

Rs 191.2 cr

**61%**



**EBITDA**

Rs 16.6 cr

**236bps**



**EBITDA Margin**

8.7 %

**111%**



**PAT**

Rs 7.9 cr

**182bps**



**PAT Margin**

4.1 %

**110%**



**\*EPS**

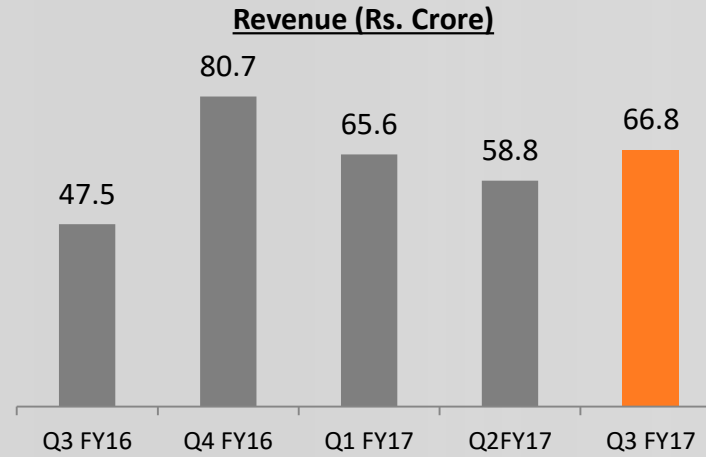
Rs. 5.3 ( 9M FY17) Vs Rs. 2.5 (9M FY16)

*\*Company declared bonus in 4:1 ratio and split the shares into two*

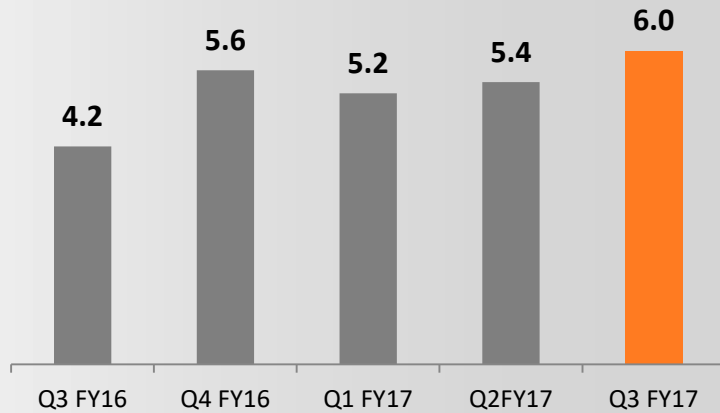
*\*Number of shares increased by Ten times*



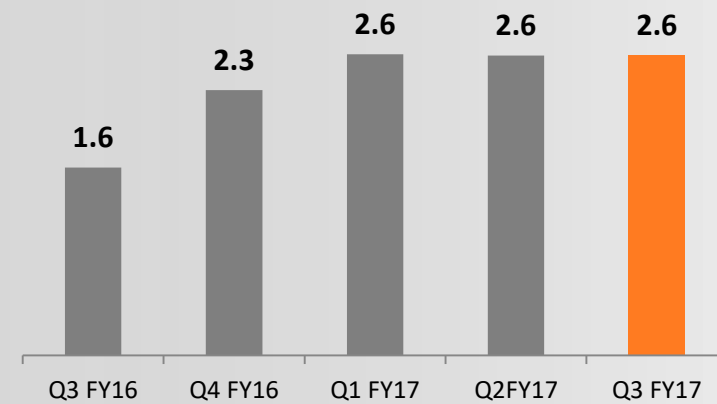
# Consolidated Financial Highlights – Q3 FY17



**EBITDA\* (Rs. Crore)**



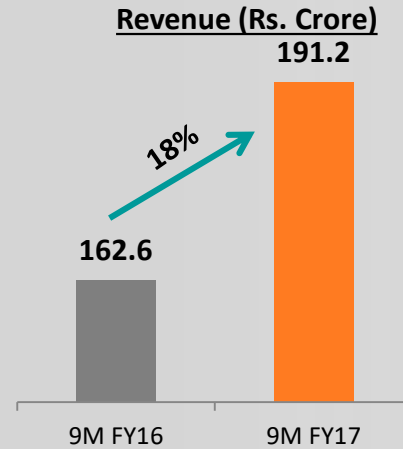
**PAT (Rs. Crore)**



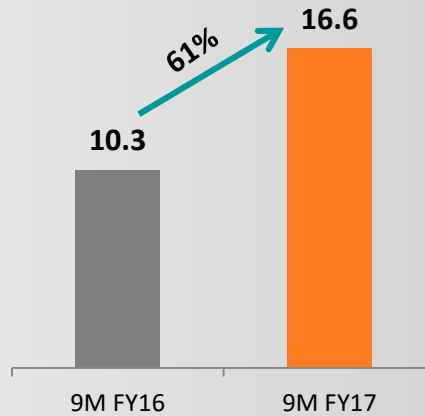
\*EBITDA is inclusive of other operating income, but excludes other income and Foreign exchange fluctuations

# Company adopted Indian Accounting Standards (Ind AS) from 01 April 2016. Figures for the quarter ended 30 June 2015 are also Ind AS compliant.

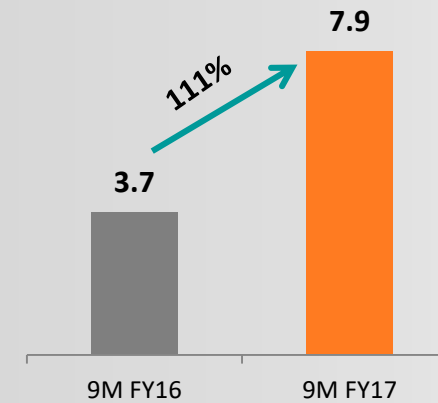
# Consolidated Financial Highlights – 9M FY17



**EBITDA\* (Rs. Crore)**



**PAT (Rs. Crore)**



\*EBITDA is inclusive of other operating income, but excludes other income and Foreign exchange fluctuations

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# Consolidated Quarterly Performance

Rs. Crore	Q3 FY17	Q3 FY16	YoY %	Q2 FY17	QoQ %
<b>Total Income from Operations</b>	<b>66.78</b>	<b>47.48</b>	<b>41%</b>	<b>58.79</b>	<b>14%</b>
Raw Materials	57.52	39.50		50.23	
Employee Cost	0.83	0.92		0.76	
Other Cost	2.42	2.89		2.38	
Total Expenditure	60.77	43.31		53.37	
<b>EBITDA</b>	<b>6.01</b>	<b>4.17</b>	<b>44%</b>	<b>5.42</b>	<b>11%</b>
<b>EBIDTA margin (%)</b>	<b>9.00%</b>	<b>8.77%</b>		<b>9.22%</b>	
Interest	2.12	1.86		1.47	
Depreciation	0.89	0.74		0.67	
Other Income	0.53	0.53		0.35	
Profit Before Tax	3.53	2.10		3.63	
Tax	0.90	0.47		1.01	
<b>Profit After Tax</b>	<b>2.63</b>	<b>1.63</b>	<b>61%</b>	<b>2.62</b>	<b>0.3%</b>
<b>PAT Margin (%)</b>	<b>3.94%</b>	<b>3.44%</b>		<b>4.46%</b>	

*...Margins improved due to operational efficiencies and favourable commodity prices*

# Consolidated Nine Months Profitability Highlights

Rs. Crores	9M FY17	9M FY16	YoY %
<b>Total Income from Operations</b>	<b>191.17</b>	<b>162.61</b>	<b>18%</b>
Raw Materials	164.51	141.61	
Employee Cost	2.30	2.45	
Other Cost	7.76	8.27	
Total Expenditure	174.57	152.33	
<b>EBITDA</b>	<b>16.60</b>	<b>10.28</b>	<b>61%</b>
<b>EBIDTA margin (%)</b>	<b>8.68%</b>	<b>6.32%</b>	
Interest	4.83	4.71	
Depreciation	2.11	2.08	
Other Income	1.18	1.36	
Profit Before Tax	10.84	4.85	
Tax	2.98	1.12	
<b>Profit After Tax</b>	<b>7.86</b>	<b>3.73</b>	<b>111%</b>
<b>PAT Margin (%)</b>	<b>4.11%</b>	<b>2.29%</b>	

# Annual Financial Performance



# Consolidated Financial Highlights - FY16

**26%**



**Revenue**

Rs. 243.3 cr

**143%**



**EBITDA**

Rs 15.9 cr

**316bps**



**EBITDA Margin**

6.6%

**1,930 bps**



**RoE**

23%

**990 bps**



**RoCE**

18%

**13.8x**

**Asset TO**

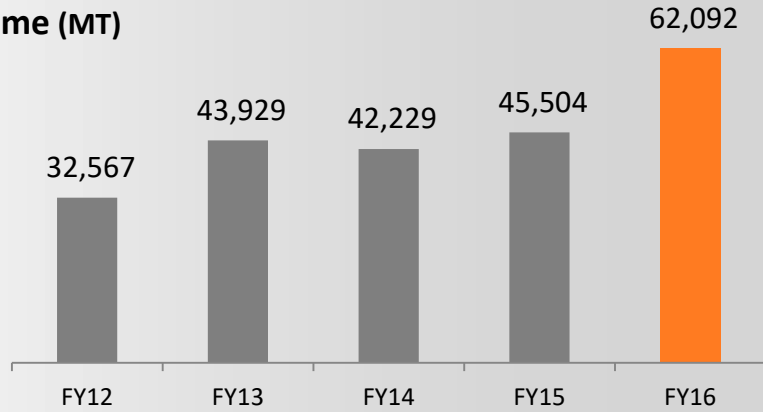
Vs 10.6x (FY15)

...Highest Industry Asset Turnover

# Strong Operational Performance



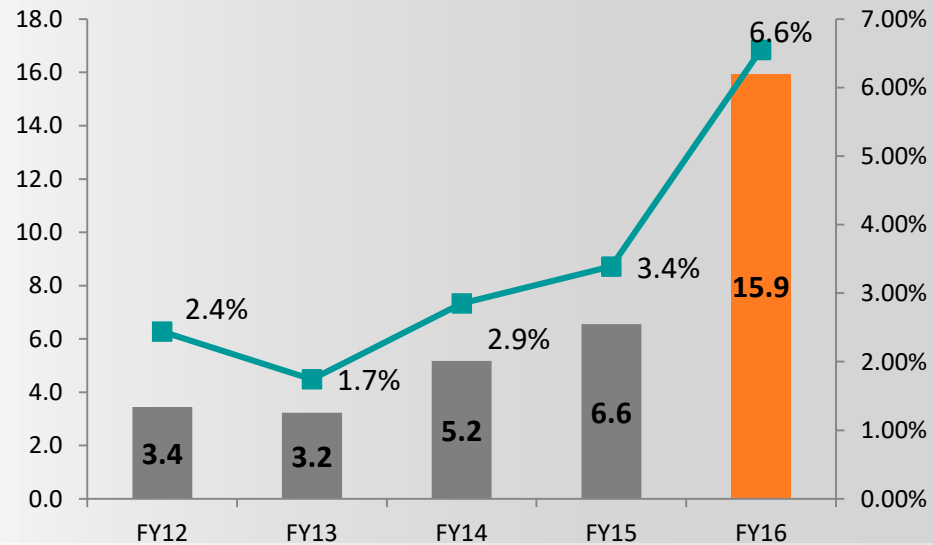
Volume (MT)



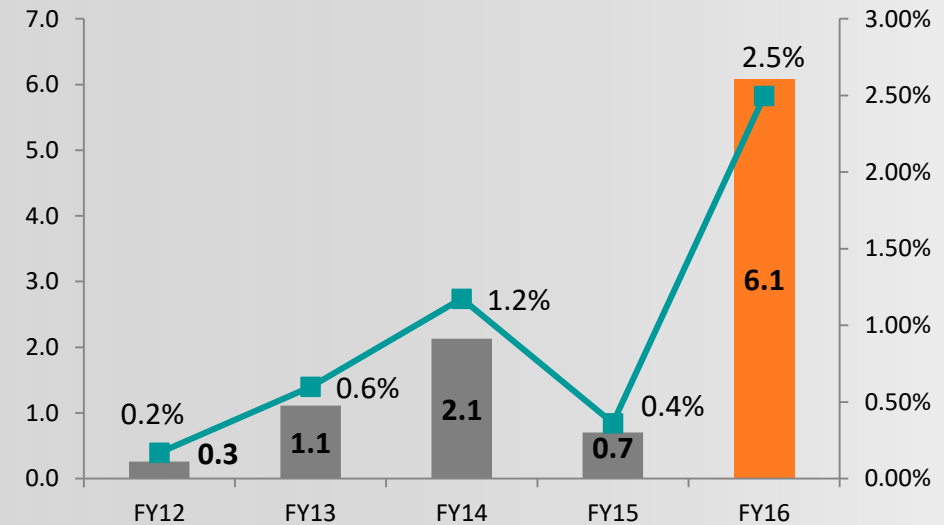
Revenue (Rs. Crore)



EBITDA (Rs. Crore) / Margin (%)

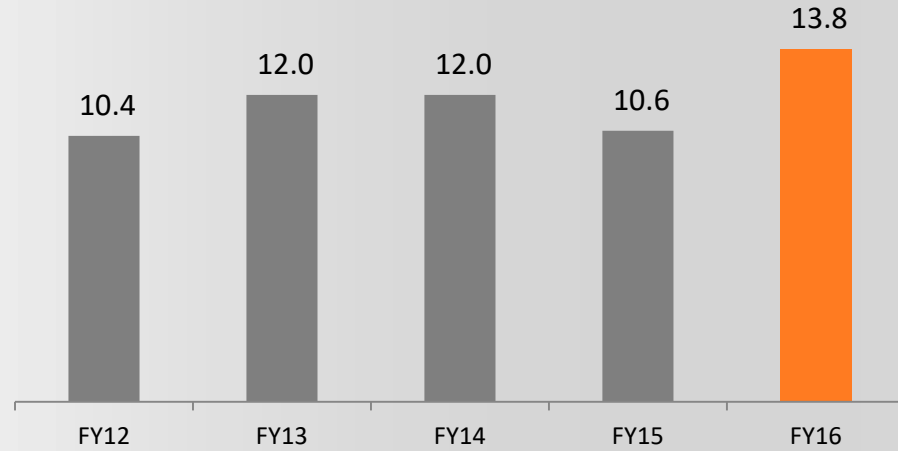


PAT (Rs. Crore) / Margin (%)

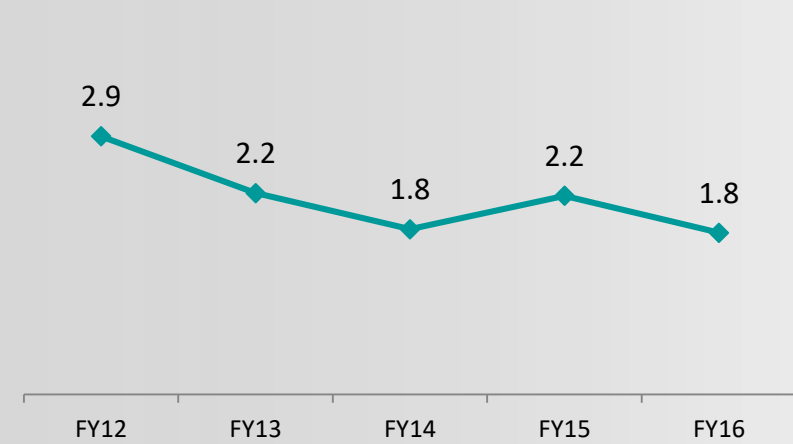


# Strengthening Balance Sheet

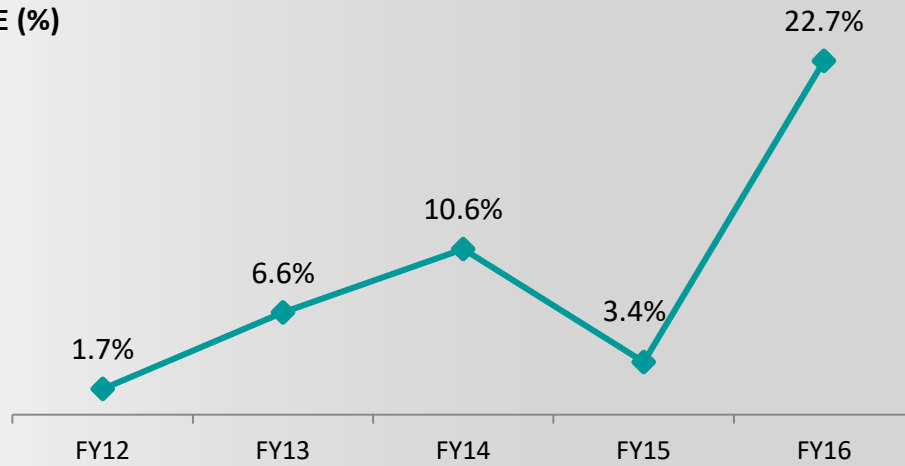
Total Asset Turnover (x)



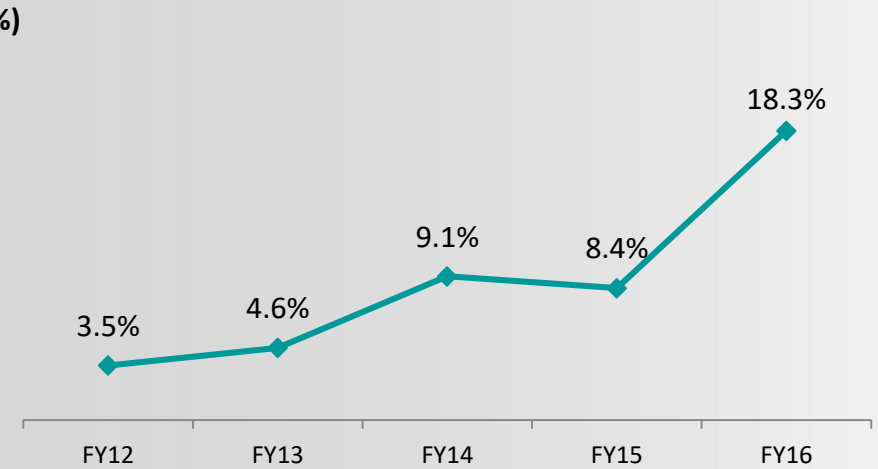
Net Debt/Equity (x)



RoE (%)



RoCE (%)





# Consolidated Annual Profitability Highlights

Rs. Crores	FY16	FY15	YoY %
<b>Total Income from Operations</b>	<b>243.28</b>	<b>193.21</b>	<b>26%</b>
Raw Materials	212.20	169.44	
Employee Cost	3.11	2.78	
Other Cost	12.03	14.44	
Total Expenditure	227.34	186.66	
<b>EBITDA</b>	<b>15.94</b>	<b>6.55</b>	<b>143%</b>
<b>EBIDTA margin (%)</b>	<b>6.55%</b>	<b>3.39%</b>	<b>316 bps</b>
Interest	6.18	5.27	
Depreciation	2.84	2.26	
Other Income	1.74	1.86	
Profit Before Tax	8.66	0.88	
Tax	2.59	0.18	
<b>Profit After Tax</b>	<b>6.07</b>	<b>0.70</b>	<b>768%</b>
<b>PAT Margin (%)</b>	<b>2.50%</b>	<b>0.36%</b>	<b>220 bps</b>

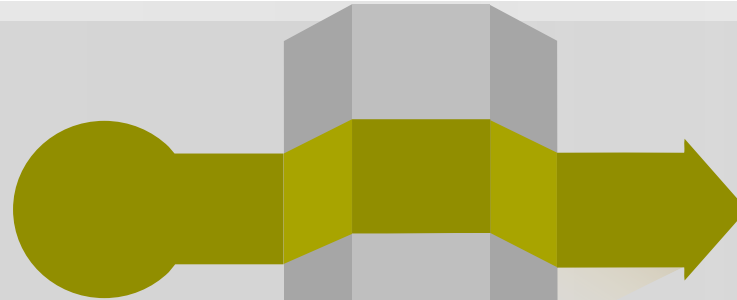
# Consolidated Balance Sheet Highlights

Rs. Crores	Mar-16	Mar-15
<b>Shareholder's Funds</b>	<b>26.72</b>	<b>20.70</b>
Share capital	8.47	2.49
Reserves & Surplus	18.25	18.20
<b>Non-current liabilities</b>	<b>17.15</b>	<b>17.12</b>
Long term borrowings	16.82	16.85
Defer Tax liabilities	0.32	0.27
Other Long-Term liabilities	-	-
Long-Term Provisions	-	-
<b>Current liabilities</b>	<b>63.32</b>	<b>58.37</b>
Short Term Borrowings	37.53	36.09
Trade Payables	15.81	2.34
Other Current liabilities	7.60	19.06
Short-term provisions	2.38	0.87
<b>Total Equities &amp; Liabilities</b>	<b>107.19</b>	<b>96.19</b>

Rs. Crores	Mar-16	Mar-15
<b>Non-current assets</b>	<b>30.94</b>	<b>32.06</b>
Fixed assets	17.68	18.19
Non-current Investments	12.16	12.74
Long-term loans & advances	1.10	1.14
Other non-current assets	-	-
<b>Current assets</b>	<b>76.25</b>	<b>64.12</b>
Current investments	-	-
Inventories	31.67	25.62
Trade receivables	23.54	11.13
Cash & Cash equivalents	6.62	7.45
Short-term loans & Advances	14.42	19.92
Other Current Assets	-	-
<b>Total Assets</b>	<b>107.19</b>	<b>96.19</b>

## Company Overview

# Pioneer in Steel Tubes Industry



## Incorporated in 1974

- Over 4 decades of presence in Steel Industry
- Well established and strong brand

## Wide Product Suite

- Presence across key sectors
- Applications in automobiles, infrastructure, real estate, furniture

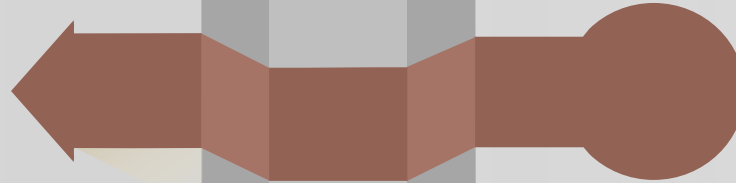


## State of Art manufacturing facilities

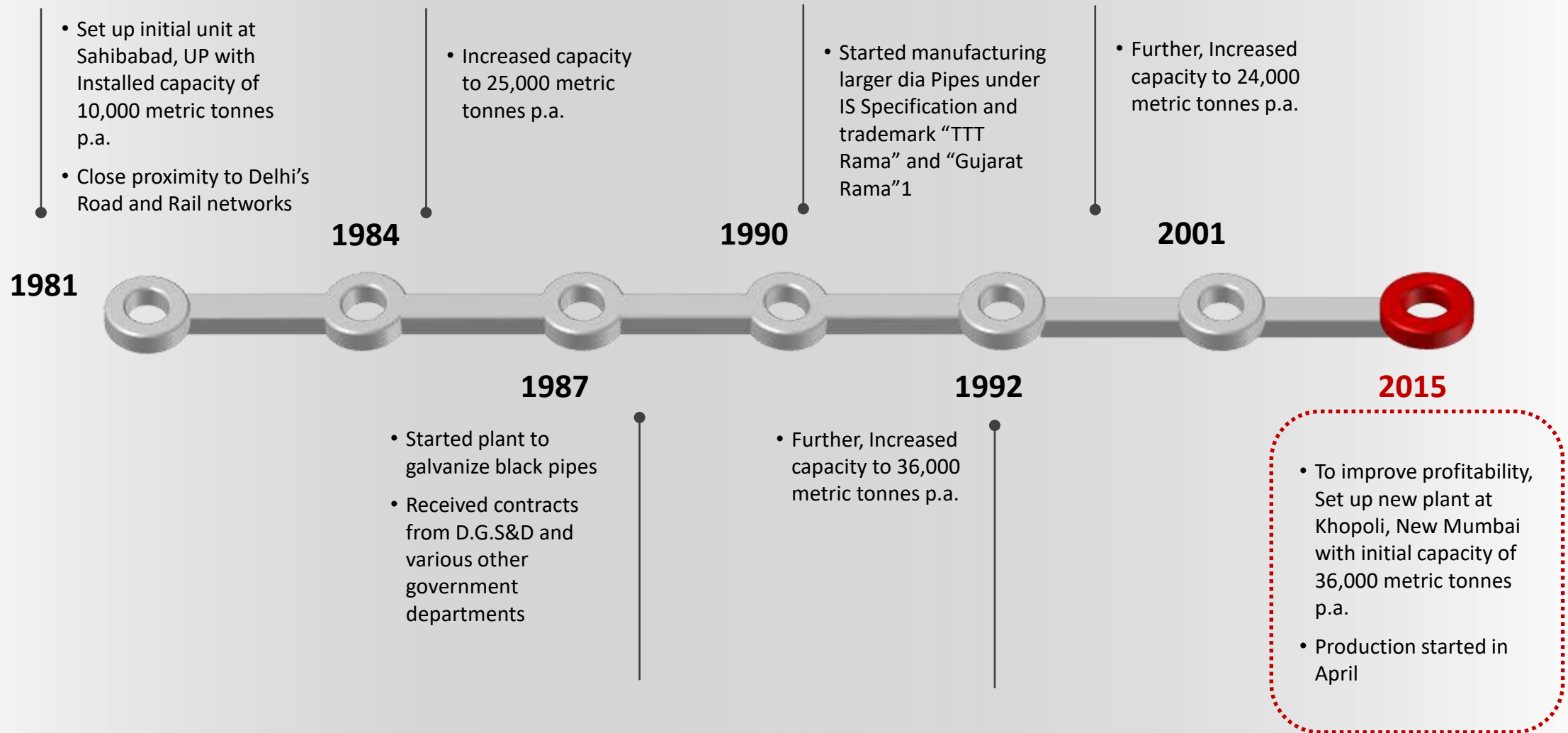
- Two state of art manufacturing facilities in Sahibabad and Khopoli
- Plans to foray into South India with facility at Lepakshi

## Robust Exports

- Growing exports- Contributes 15 % of revenues
- Exports to over 16 countries



# Journey So Far



# Key Management Team

**Naresh Bansal**  
*Managing Director*

- More than 3 decades of experience in manufacturing Industry of “Steel Tubes” with dynamic vision and sharp business acumen
- Graduate in law

**Richi Bansal**  
*Director & CEO*

- Exploring new avenues to expand manifold under his able guidance and leadership
- B. Sc (Hons.) in Management, Bradford University, U.K. & internship with BIE (Marketing & Advertising)

**Rajkumar Malik**  
*CFO*

- Responsible for Accounting Activities, MIS Functioning, financial planning and filing of various compliance with Laws / Statutes
- Commerce graduate from Delhi University and qualified Chartered Accountant

**Rajendra Tiwari**  
*President Marketing*

- More than 2 decades of experience, spearheads marketing division & has excellent relationship with domestic dealers & buyers
- Earlier was with APL Apollo Tubes Ltd. for 10 Years

**Rajesh Choudhary**  
*V P Commercial*

- Responsible for the Financial aspects for commercial projects
- Post Graduate in Commerce, committed and hard task marketing professional







**D.R. Kamra**  
*Marketing Exports*

- Looks after Exports activities of the company for more than last 10 Years
- Commerce Graduate from Delhi University

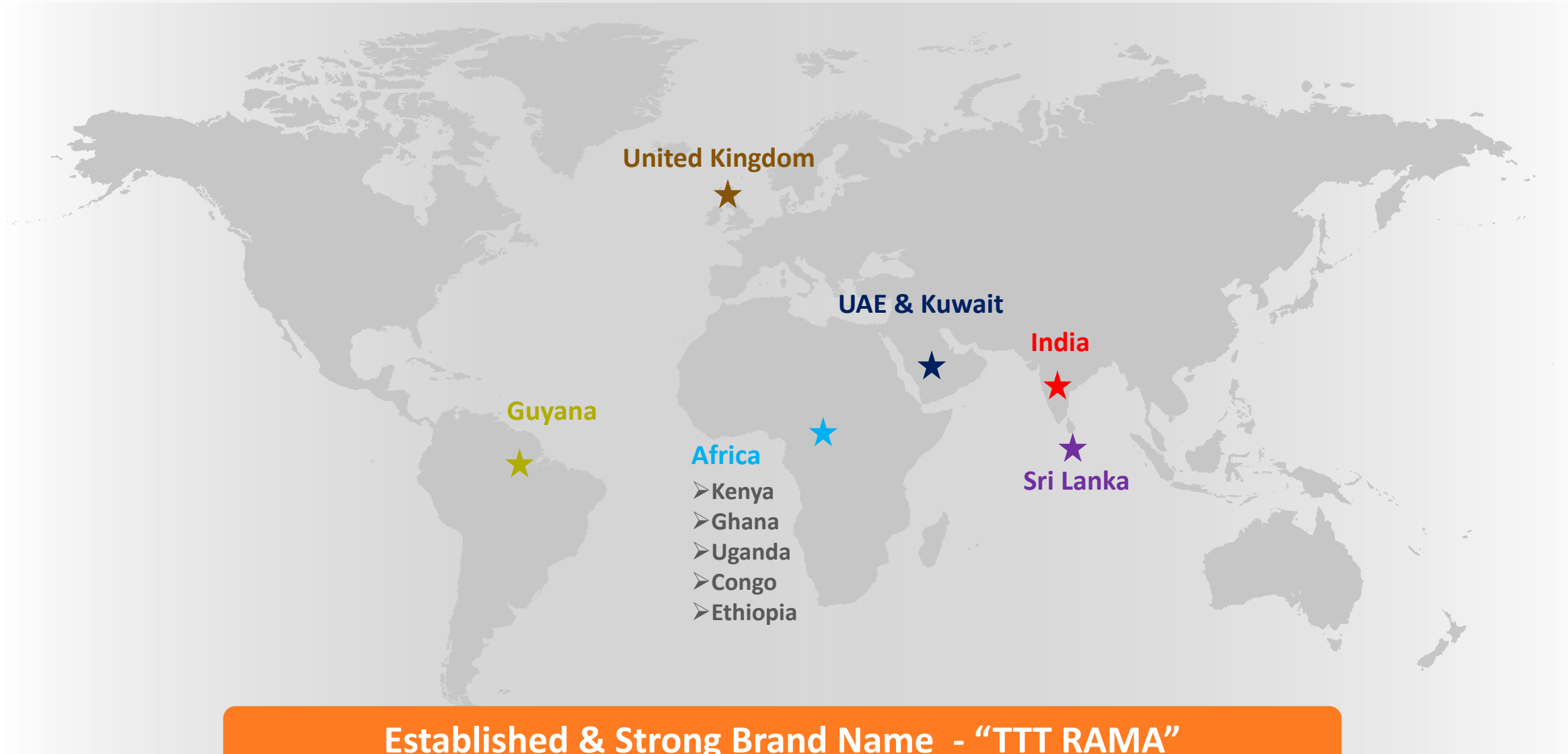
**Kapil Datta**  
*Company Secretary*

- Handles company secretarial work, maintaining the various statutorily required records, filing various secretarial related documents
- Commerce Graduate and qualified Company Secretary

# Diverse Product Portfolio

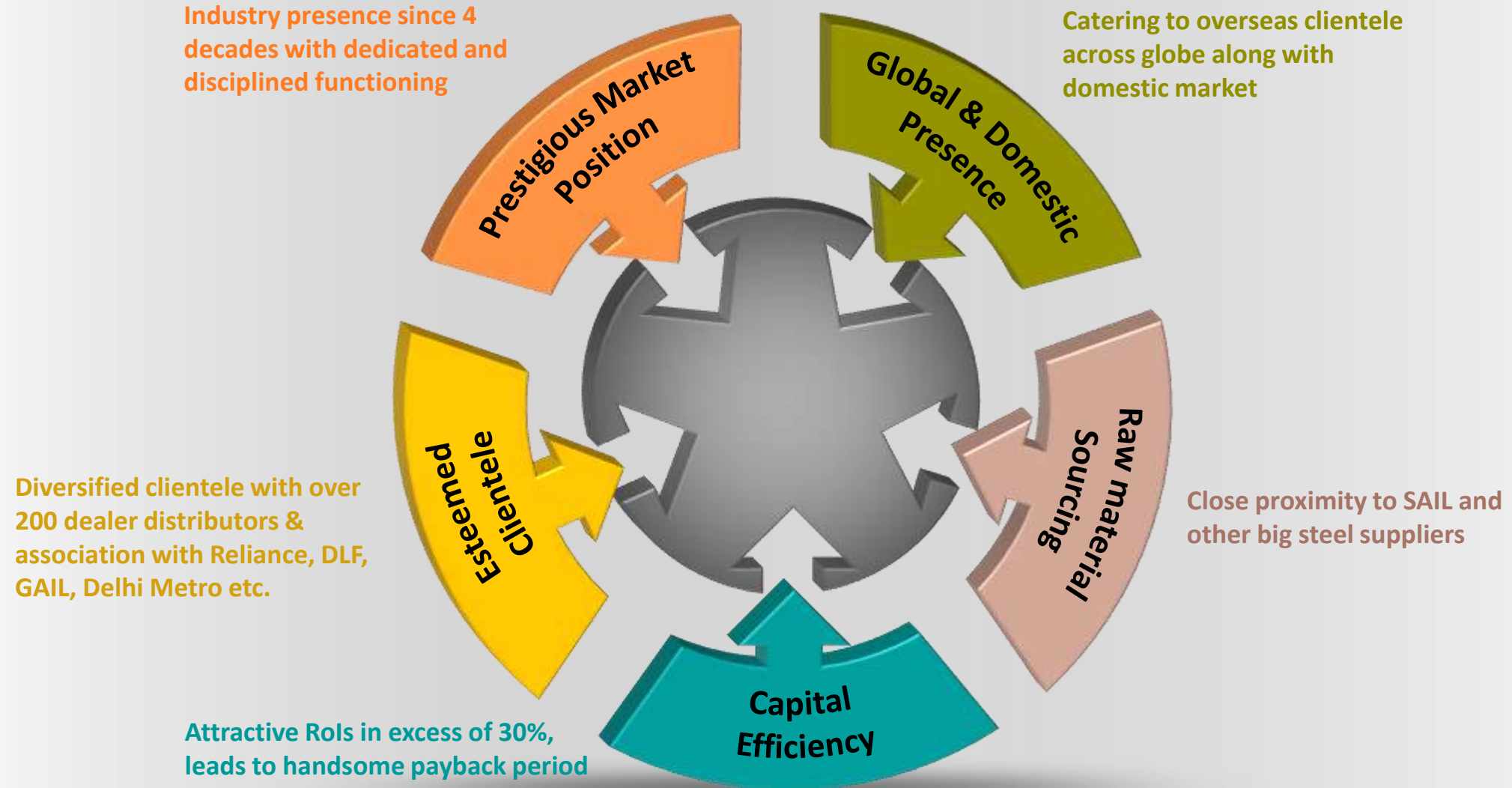
Product		Application
<b>ERW Galvanised Steel Pipes &amp; Tubes</b>		Water pipeline, Tubewells, Gas Pipelines, Oil Pipelines, Cross Country Pipelines
<b>ERW Black Steel Pipes &amp; Tubes</b>		Road Barriers, Temporary Fencing, Steel Gates and Windows, Horse Riding Fence, Parking Lots, Steel Buildings, Industrial Gates
<b>Scaffolding Pipes &amp; Tubes</b>		Handrails, Piling, Sign Poles, Bumpers, Bracings, Towers, Supports, Rollers, Casing
<b>Swaged Poles</b>		Traffic Lights Poles, Street Light Poles
<b>Structural Steel Products</b>		Hollow Sections for Real Estate, Automobile
<b>Hollow Sections</b>		Furniture, Automobile Chassis, Pallets, Staircases, Hydraulic Platforms, Columns, Trolleys

# Products Well Accepted Over Globe

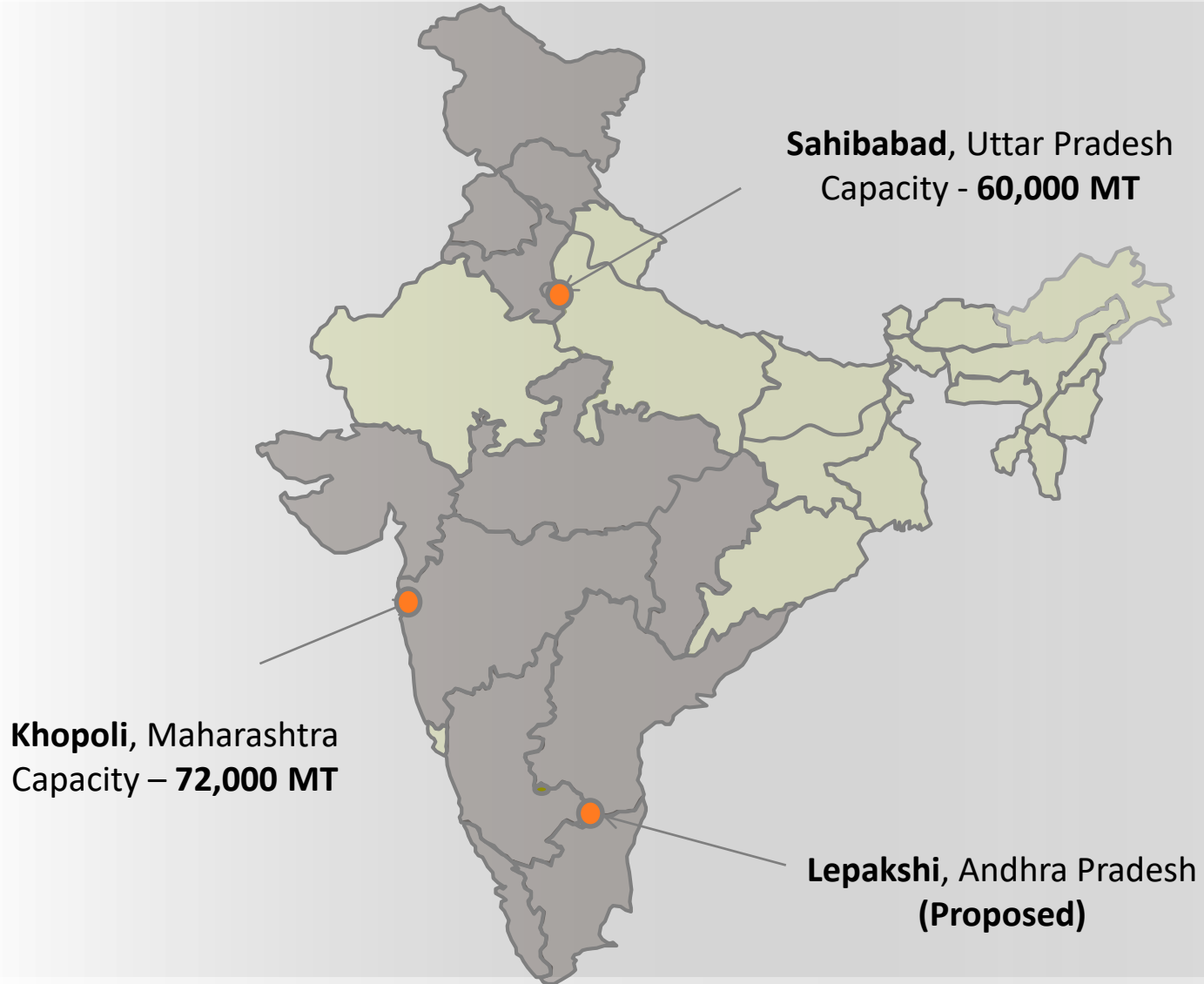




# Key Strategic Advantages



# Fungible Manufacturing Facilities with Locational Advantage



- Khopoli and Lepaskhi plants - close proximity to ports and market
- Caters to demand across Maharashtra, Gujarat, Madhya Pradesh, Andhra Pradesh & Tamil Nadu, Kerala, Karnataka, Goa, Telangana
- Location near market – enables substantial cost savings
- With new facilities – will be able to address opportunities in North, South & West India



539309

 **NSE** RAMASTEEL

 **Bloomberg** RASTL

 **REUTERS** RAMA.NS

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