



 **usha martin[®]**

*Specialty Wire Rope
Solutions Provider*

**Investor
Presentation**

May 2023

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Contents

1 Company Overview

2 Competitive Edge

3 Financial Overview

4 Growth Strategy

5 ESG

6 Summary

7 Annexure



Company Overview

Leading global and India's no.1 specialty steel wire rope solutions provider...



- Offering wide range of:**
- Specialty wire ropes
 - High-quality wires
 - Low relaxation prestressed concrete steel strand (LRPC)
 - Bespoke end-fitments, accessories and related services



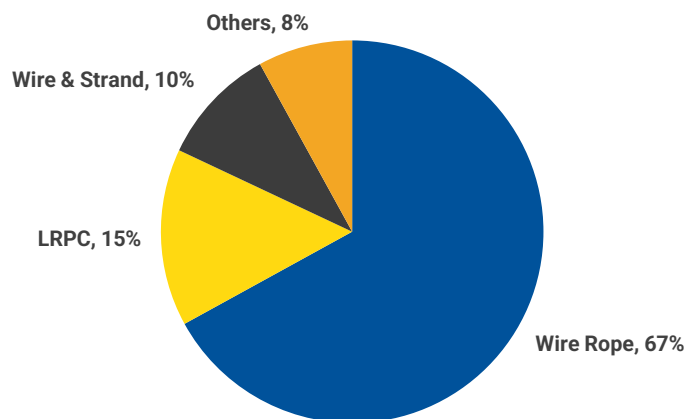
Note: As on 31st March 2023

...With diversified presence across geographies and end-industries

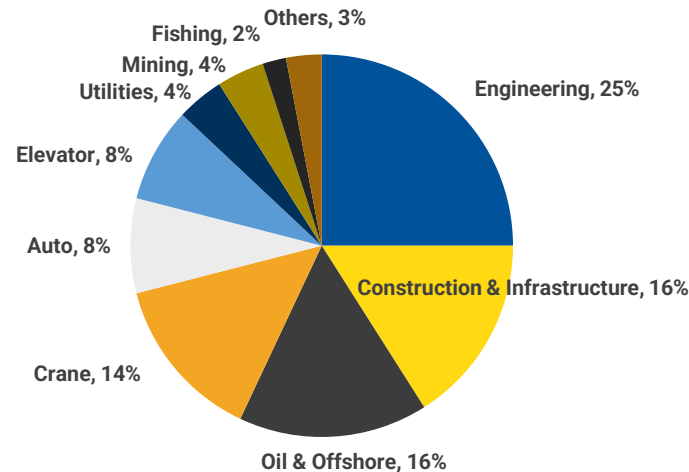
- **State-of-the-art manufacturing facilities:** Ranchi, Hoshiarpur, Dubai, Bangkok, UK and Silvassa
- **Global Design Center at Italy:** Engaged in designing / using proprietary design software to develop best in class products
- **Worldwide network:** Extensive and dedicated network spread across the globe enabling closer proximity to international market & uninterrupted services to customers
- **SKUs:** Highly customized offerings have enabled high number of SKUs across various industries having critical applications

Consolidated Revenue Break-up¹

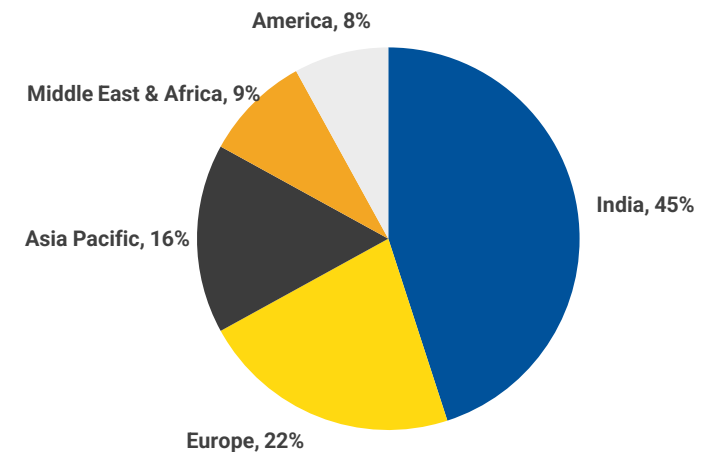
Product Segmentation



End Industry Segmentation²



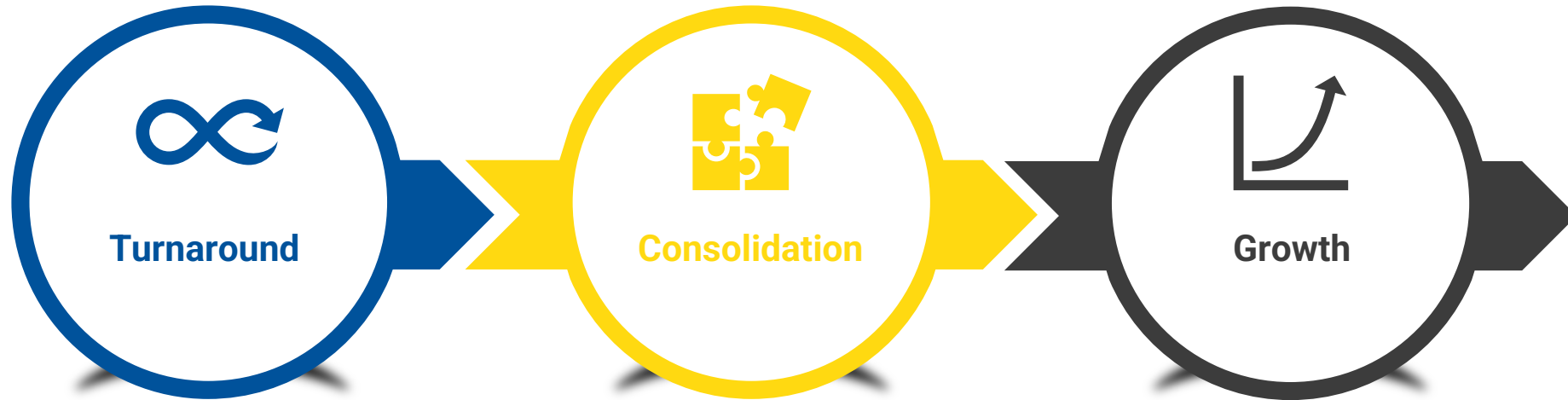
Geographic Segmentation²



Note 1: As on 31st March 2023

Note 2: For all product segments

We are undergoing a strategic transformation and are poised for growth



- Divestment of steel business resulting in:
 - Sharp deleveraging
 - Reshaped balance sheet

Net debt to equity improved to 0.4x in FY20 from 4.3x in FY19

- Renewed focus on specialty wire rope business
- Strategic initiatives to consolidate leadership

Significant earnings turnaround:
PBT improved to Rs. 346 crore in FY22 from Rs. 149 crore² in FY20

- Value accretive capex
- Enhance specialty offerings across industry segments
- Increase geographical spread in strategic markets
- Drive sustainable growth

Target to achieve topline CAGR of ~15% & Operating EBITDA margins ~18% over the next 2-3 years

Note 1: All figures mentioned in the slide are consolidated financials

Note 2: PBT from continuing operations



Our vision echoes our long-term growth agenda

To be the global leader in the wire rope industry by delivering customer delight, adopting modern technology and ensuring sustainable growth for all of its stakeholders



**Competitive
Edge**

In an industry with high entry barriers...



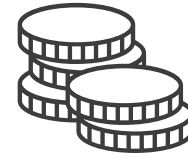
Critical Component Of End-product

High-end applications of wire ropes are a mission critical component of end-product, making safety an absolute priority



Close Customer Engagement

Customer approvals and engagement are built over many years



High Customer Switching Costs

Customers have little incentive to switch once product is entrenched in their ecosystem



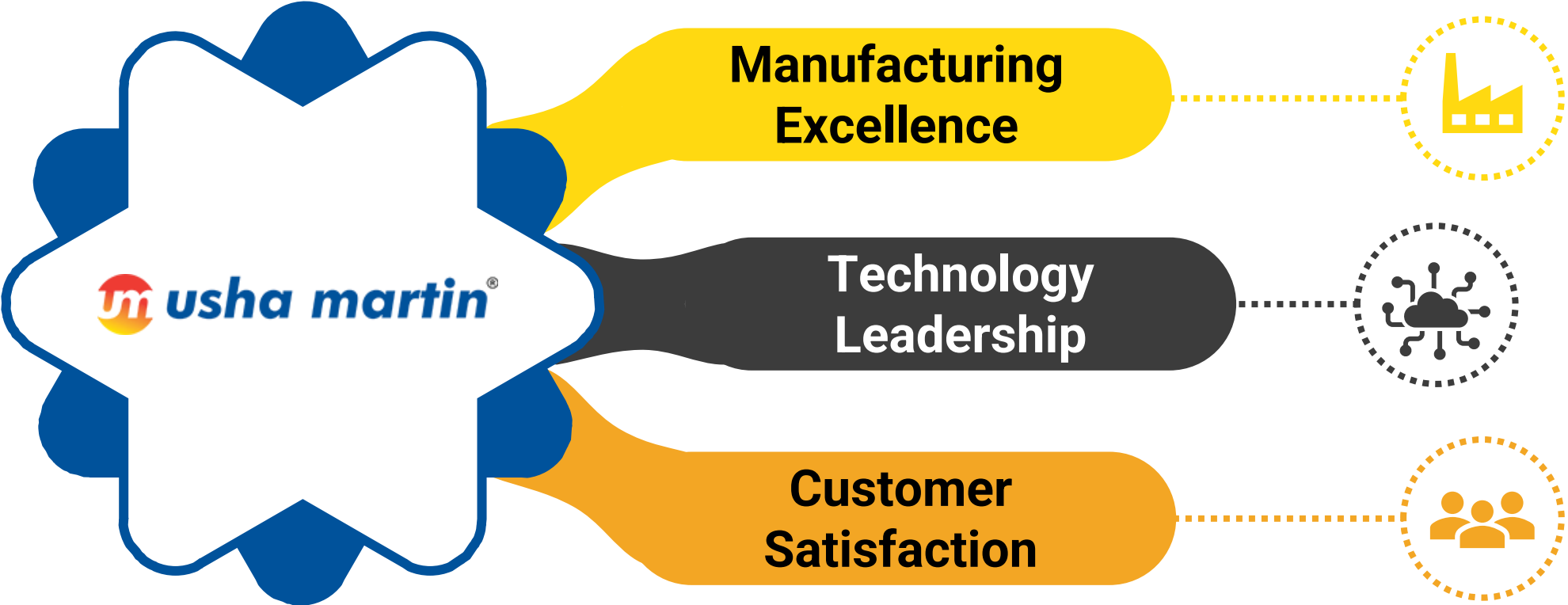
Technical Know-how

Design application and knowledge for the industry takes years to build

...We have the competitive edge to fuel growth



Brand value established over 60 years



Comprehensive product portfolio across diverse critical applications



Wire Rope



Wire



LRPC



High Capacity Cranes-Ports



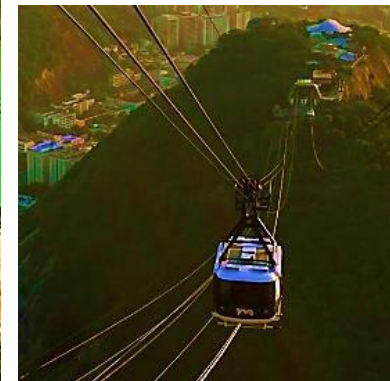
Mining



Elevated Structures for Transportation



Cable Supported Bridges & Structures



Aerial Transportation



Fishing



High-Speed Elevator



Focus on services - offering total solutions to clients

Cutting & Socketing

Spooling and Cutting of Heavy Reels Up to 100 Ton



Splicing, Fused & Tapering

Mechanical Splicing

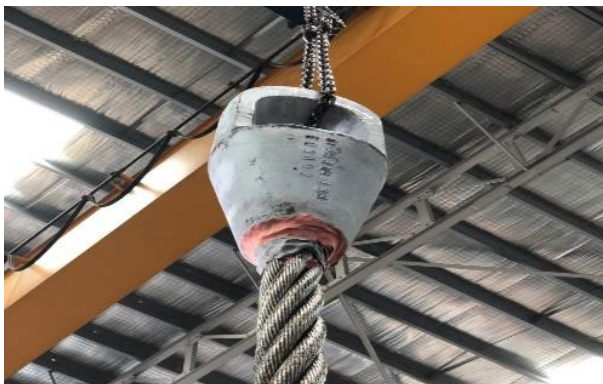


Testing & Site Inspection Services

Site Inspection



Resin Socketing



Fused and Tapering



Load Test or Destruction Test with 500 Ton Test Bed



Global 'close-to-consumer' footprint

6

Manufacturing Facilities

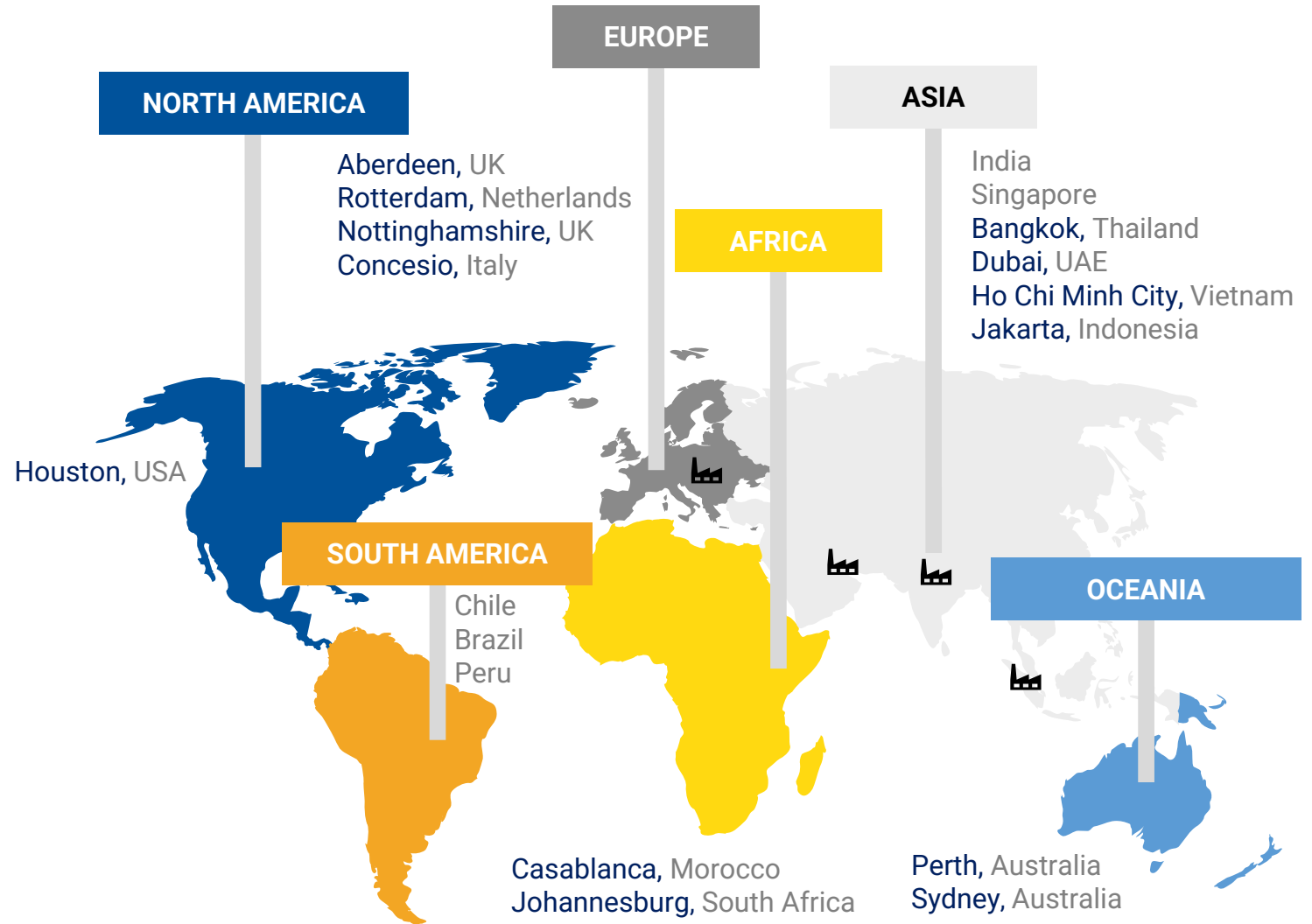
Presence Across

6

Continents

30+

Distribution Centers



Robust R&D capabilities

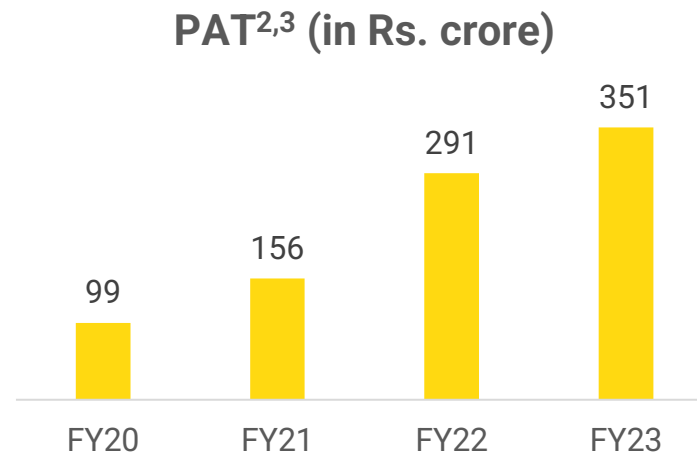
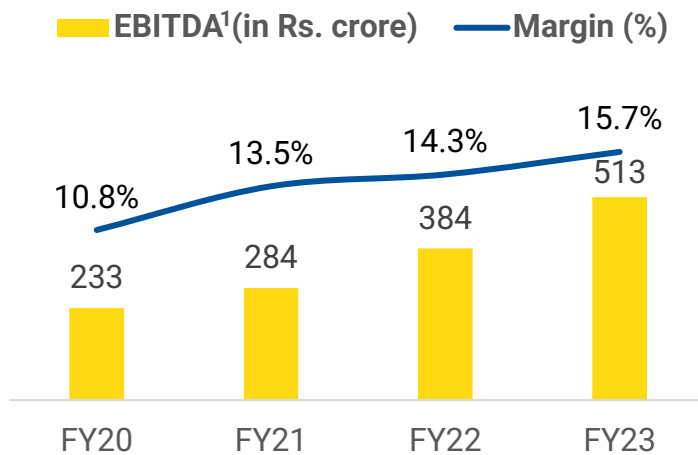
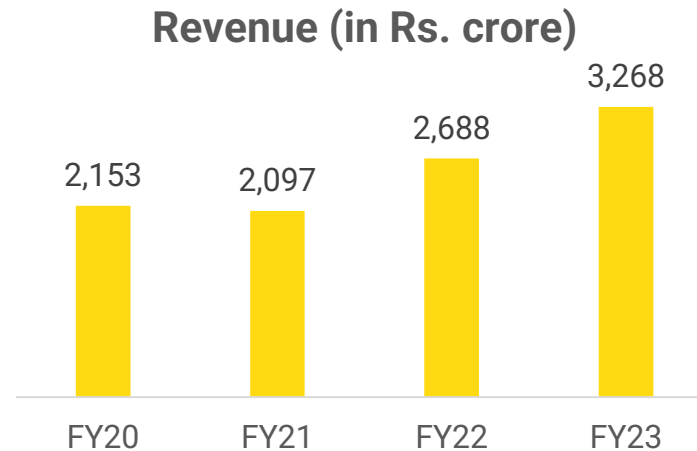
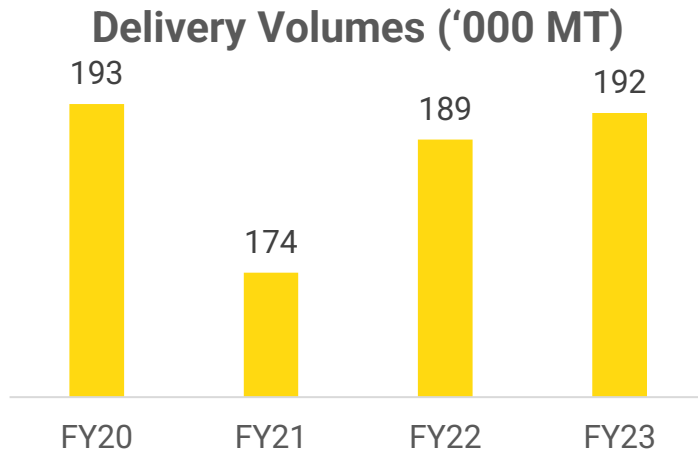
- GDC has >40 years experience in rope design and application engineering
- Technical guidance for product development
- In-depth R&D and product testing
- Project management and quality assurance for critical supplies
- Close co-operation with customers, universities and research institutes





Financial Overview

Strategic initiatives have strengthened our consolidated operational and financial performance



- Registered consistent performance by leveraging inherent strengths
- Greater focus on high value offerings to continue driving margins and overall growth
- Conscious decision to reduce share of low-value offerings
- Ability to manage spread despite extreme volatility in steel input costs
- Focus on international markets enabling to realize higher value through increased solution sales

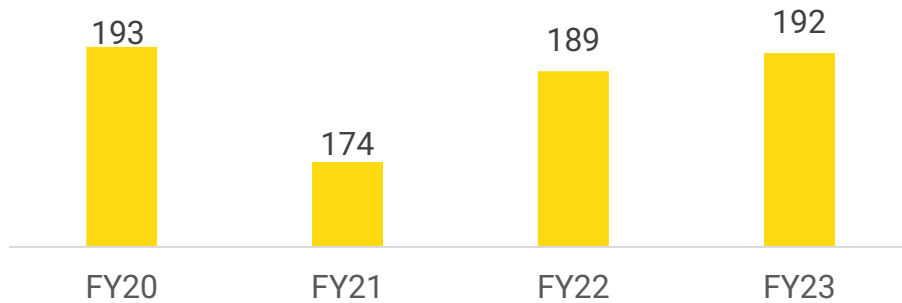
Note 1: EBITDA calculated without other income

Note 2: PAT from continuing operations adjusted for normalized tax for FY20; FY22 PAT includes exceptional income of Rs. 31 crore

Note 3: PAT for Q4 FY22 and FY22 includes Rs. 20 crore of deferred tax credit

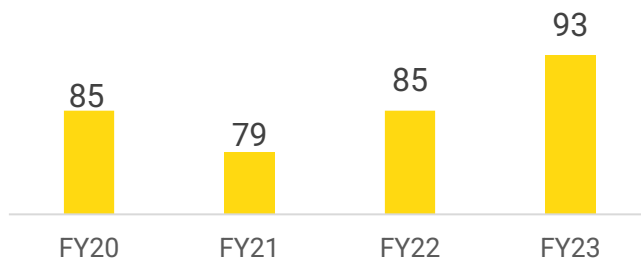
Key Operational Highlights

Sales Volumes¹ ('000 MT)

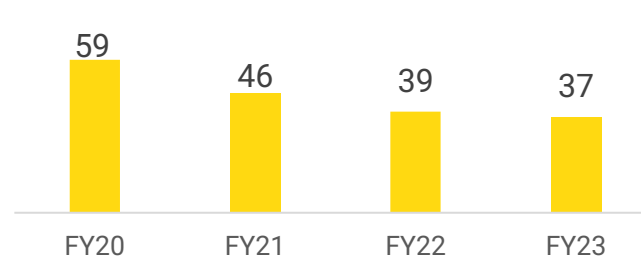


- Increase in rope volumes and marginal decrease in wire and LRPC volumes in line with the Company's strategy to focus on value added products and reduce share of low-value offerings
- Segment wise contribution to overall volumes FY23 : Wire Rope – 49% (PY 45%); Wire & Strand – 19% (PY 21%); LRPC – 32% (PY 34%)

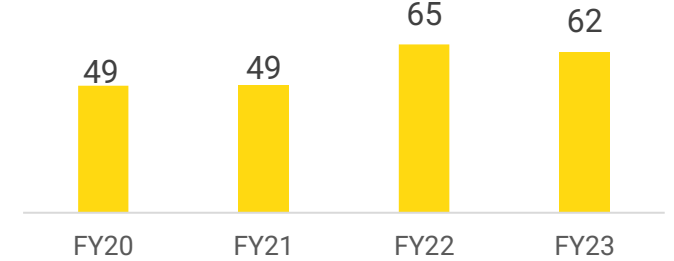
Wire Rope Sales Volumes ('000 MT)



Wire & Strand Sales Volumes ('000 MT)



LRPC Sales Volumes ('000 MT)

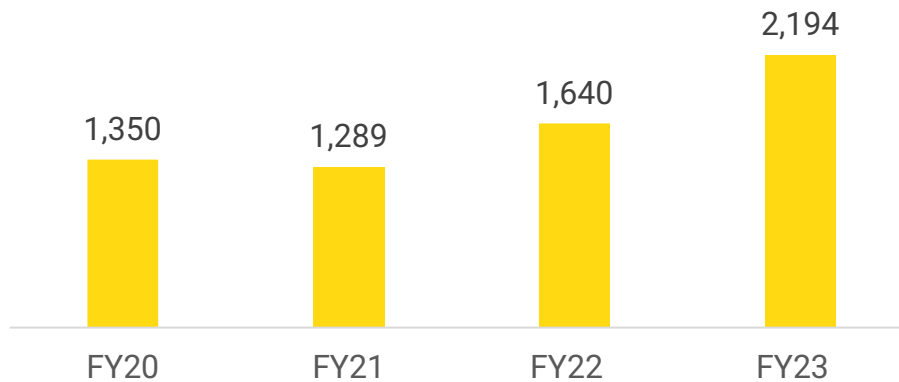


Note 1: For all product segments

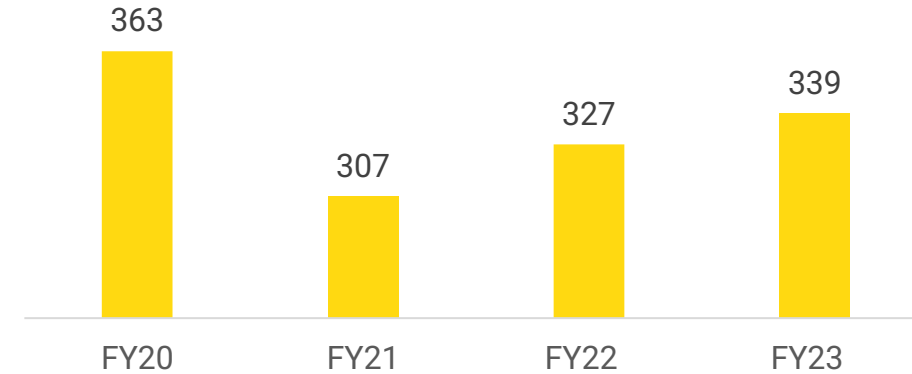
Note 2: All figures mentioned in the slide are consolidated volumes

Segmental Revenue Overview

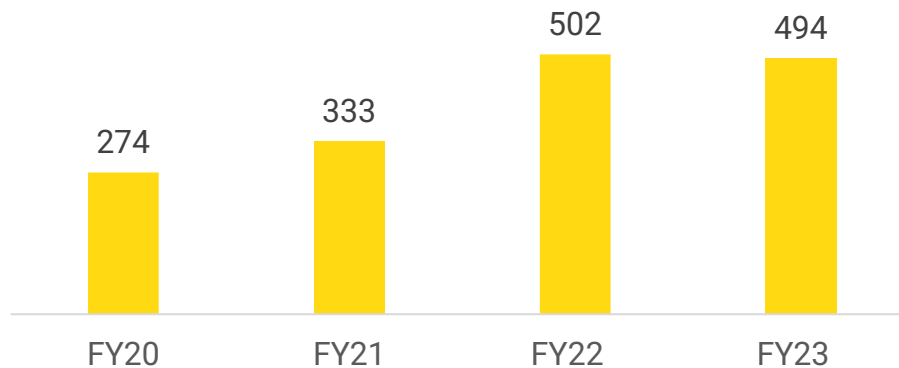
Wire Rope



Wire & Strand



LRPC

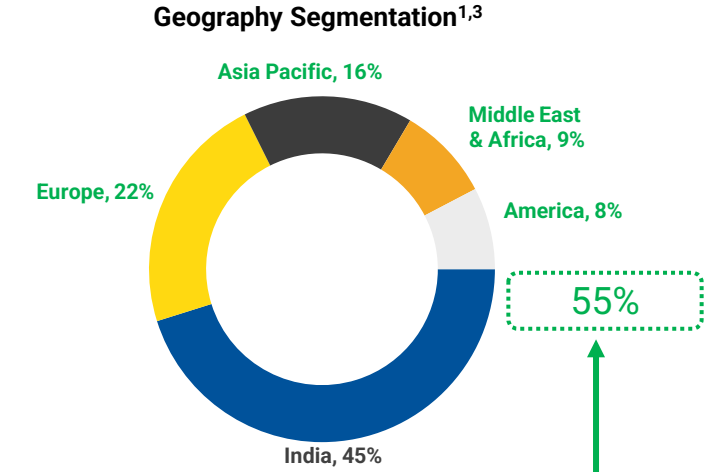
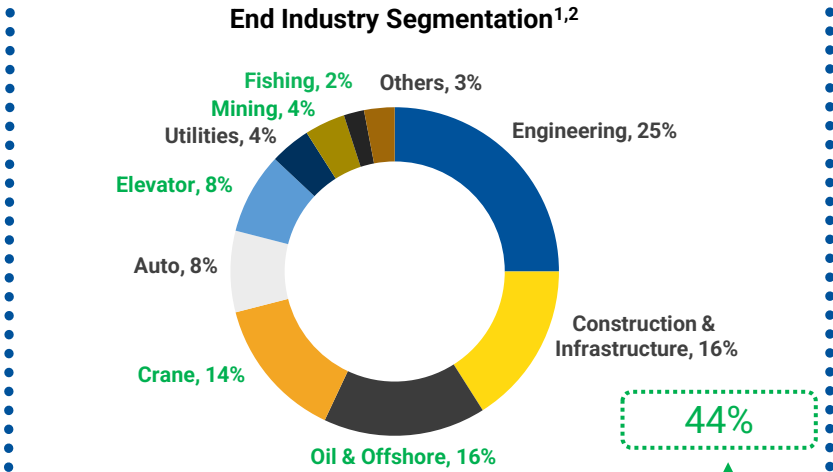
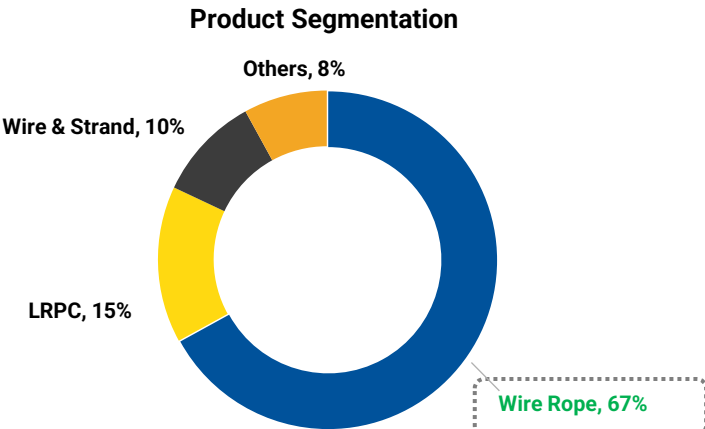


- Wire rope segments contribution to overall revenues increased to 67% in FY23 vs. 61% in FY22
 - Within Wire rope, the value-added segments (crane, oil & offshore, elevator, mining, fishing) share rose to 65% in FY23 from 59% in FY22
- Increase in rope sales in line with the Company's strategy to focus on value added products

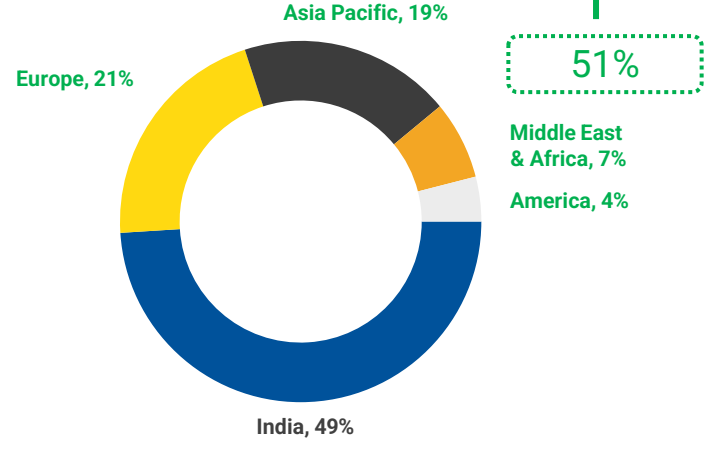
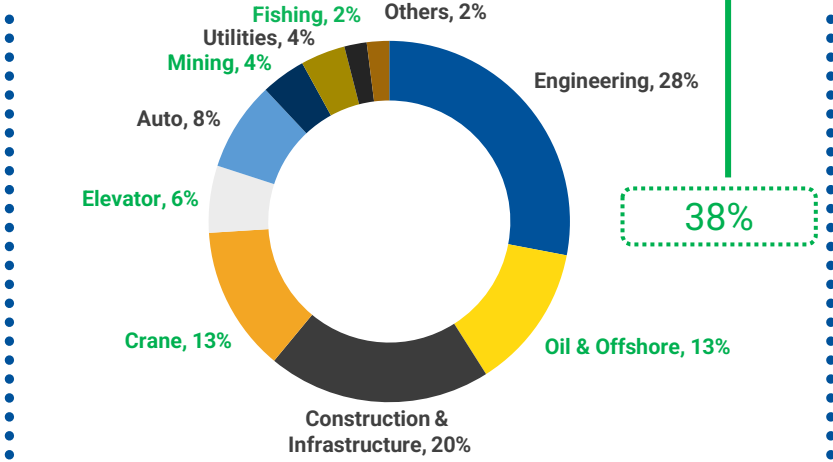
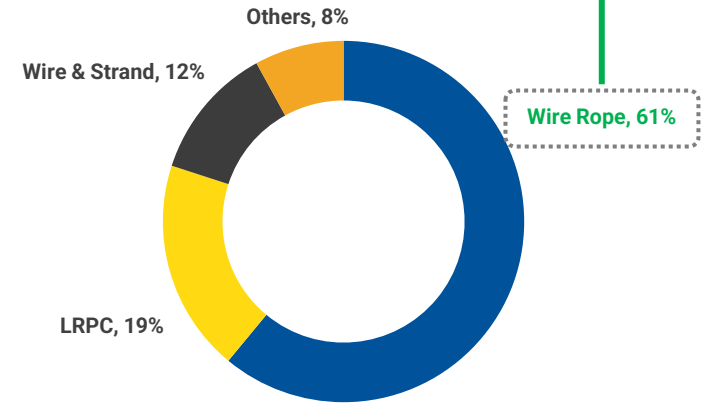
Continuing shift towards value accretive products, applications and geographies

Consolidated Revenue Break-up¹

FY23



FY22



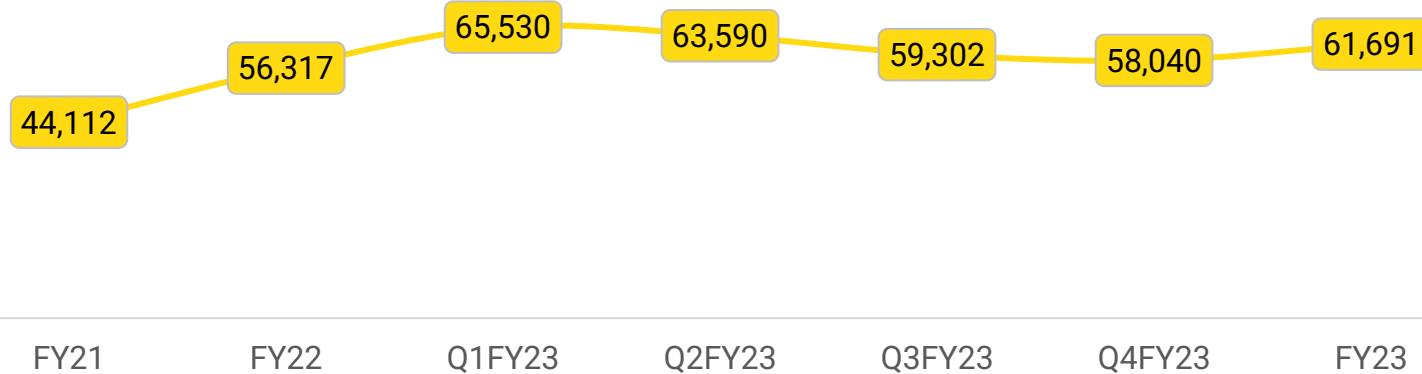
Note 1: For all product segments and excluding intra-group sales

Note 2: The data label highlighted in green represents value-added segments

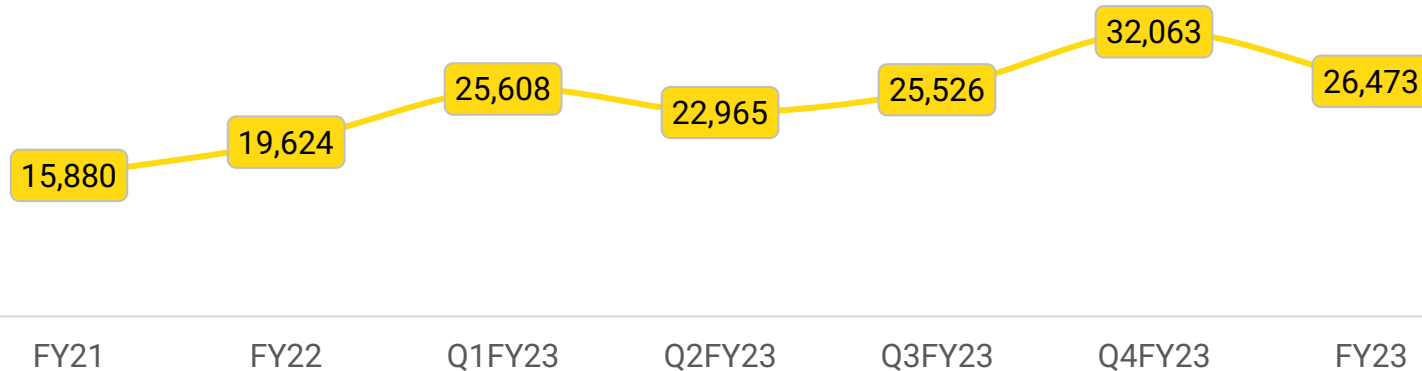
Note 3: Data labels in green represents international operations

We have been successfully navigating raw material volatility

Steel Price¹ (Rs. per tonne)



EBITDA/tonne² (Rs.)



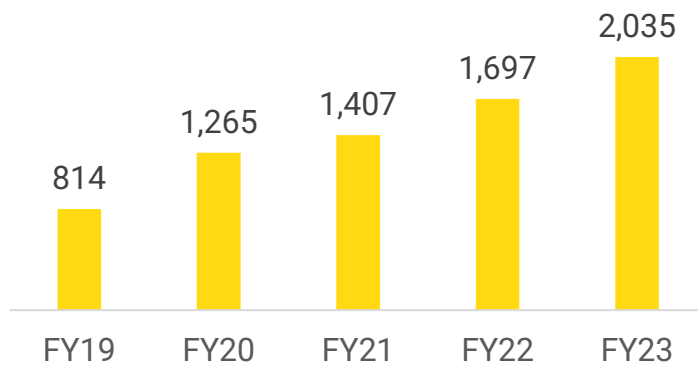
- Sustained EBITDA/ton on a quarterly basis
- Robust pass-on mechanism in place to consistently manage raw-material price volatility and deliver sustained EBITDA/mt

Note 1: Average consumption rate of the Group for the mentioned period

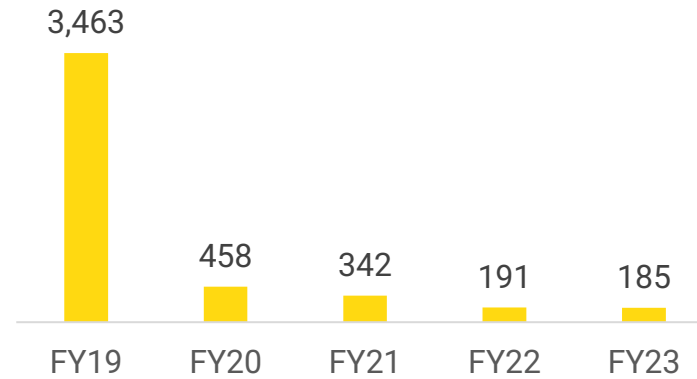
Note 2: Consolidated EBITDA calculated without other income & excluding UM Cables

Healthy balance sheet to support growth initiatives

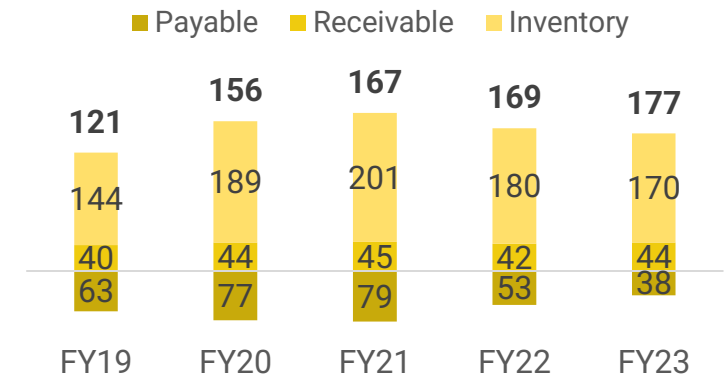
Networth (in Rs. crore)



Net Debt (in Rs. crore)



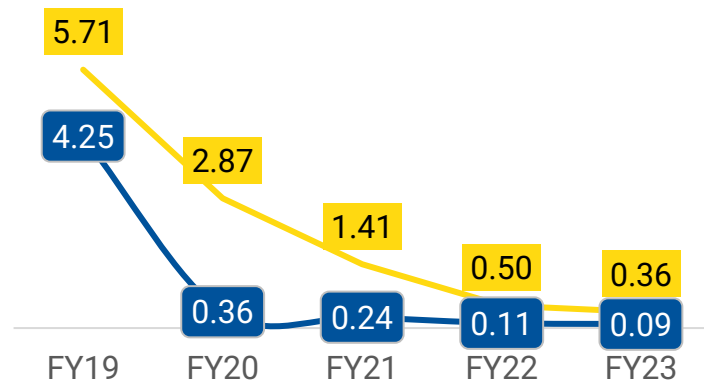
Net Working Capital Days



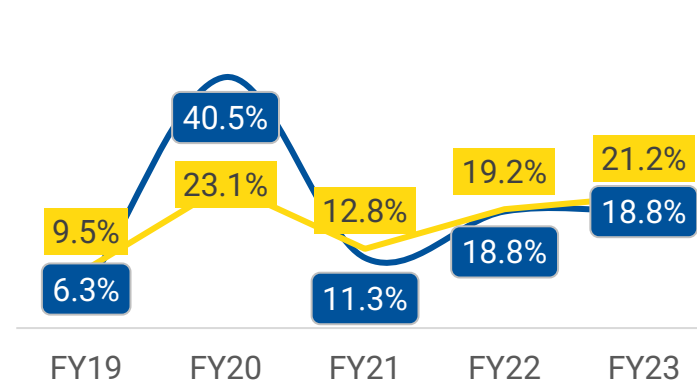
- Divestment exercise in FY20 led to a significant improvement in balance sheet position
- Continuous focus on optimizing working capital to reduce cash conversion cycle

- Shift from volume to value offerings coupled with solution sales in ropes enabled higher profitability and robust return ratios

Net Debt to Equity — Net Debt to EBITDA



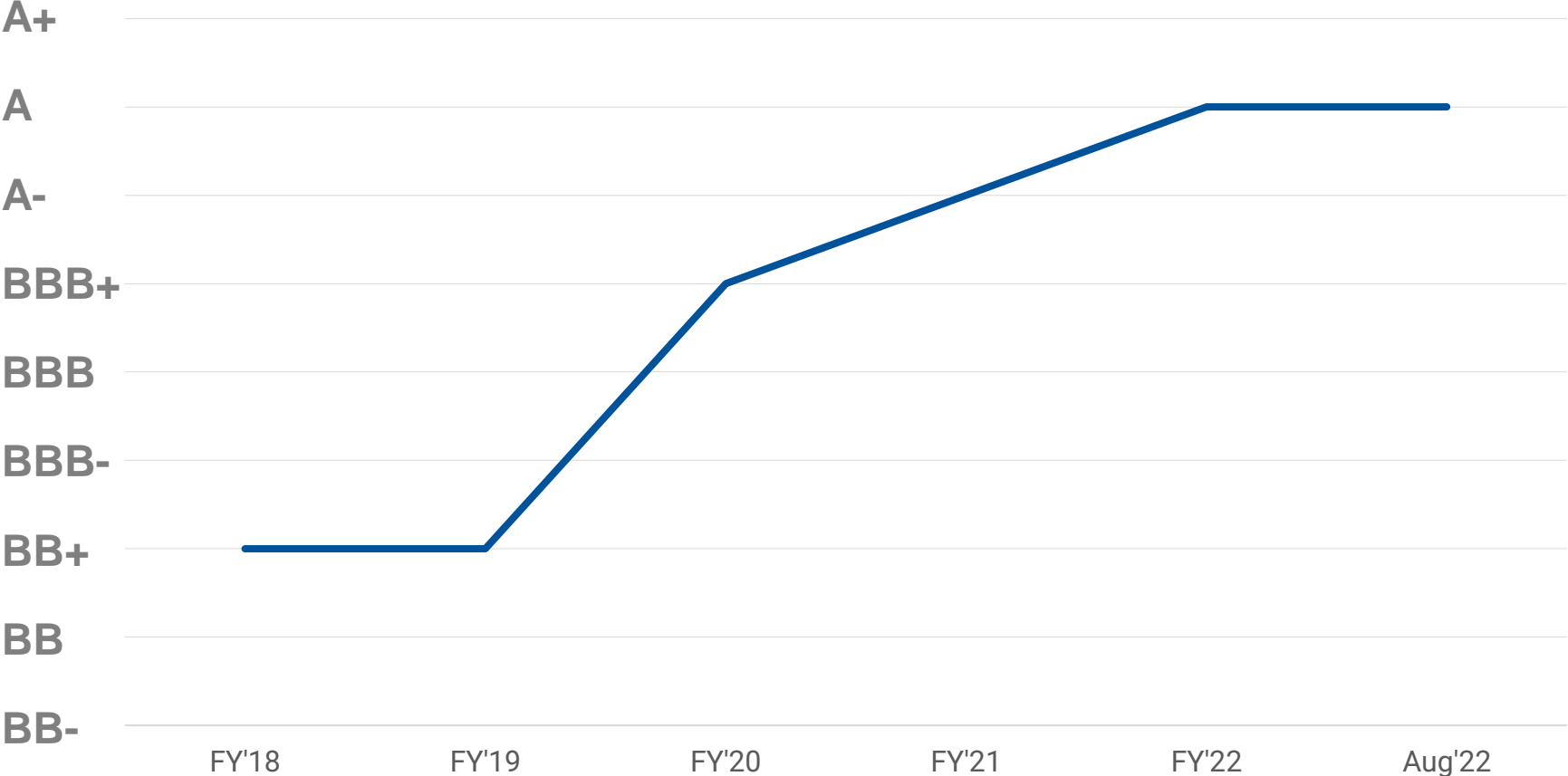
ROE¹ — ROCE¹



Note 1: FY19 & FY20 includes continuing + discontinued business; FY20 PAT includes Profit from sale of discontinued business Rs. 557 crore; FY22 PAT includes exceptional income of Rs. 31 crore and PAT for Q4 FY22 and FY22 includes Rs. 20 crore of deferred tax credit

Note 2: All figures mentioned in the slide are consolidated financials

Enhancing Creditworthiness: Improving Credit Ratings



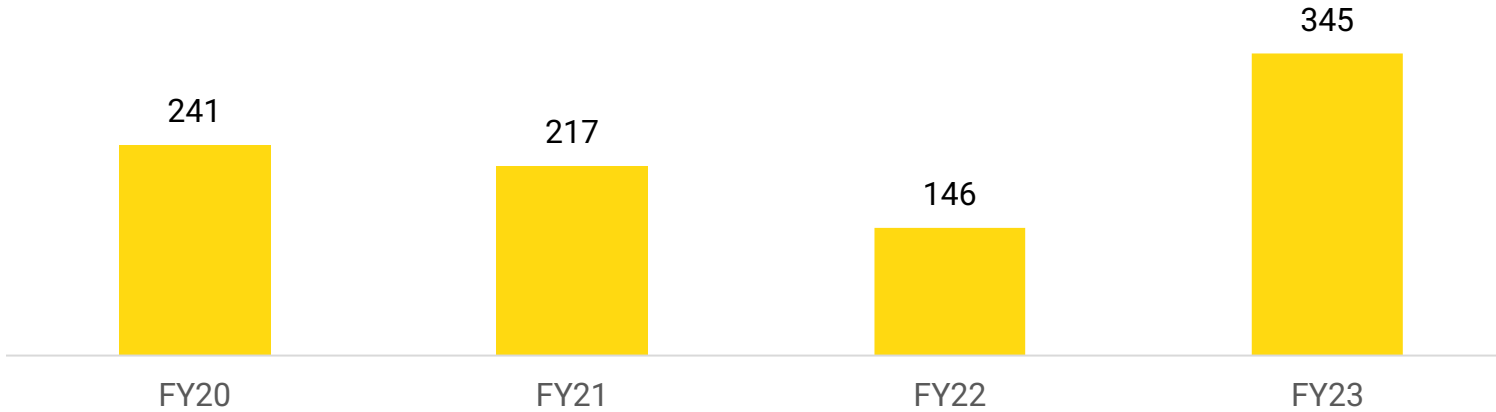
India Ratings & Research
A Fitch Group Company

Current Rating	A
Outlook	Positive
Last Review	Aug'22

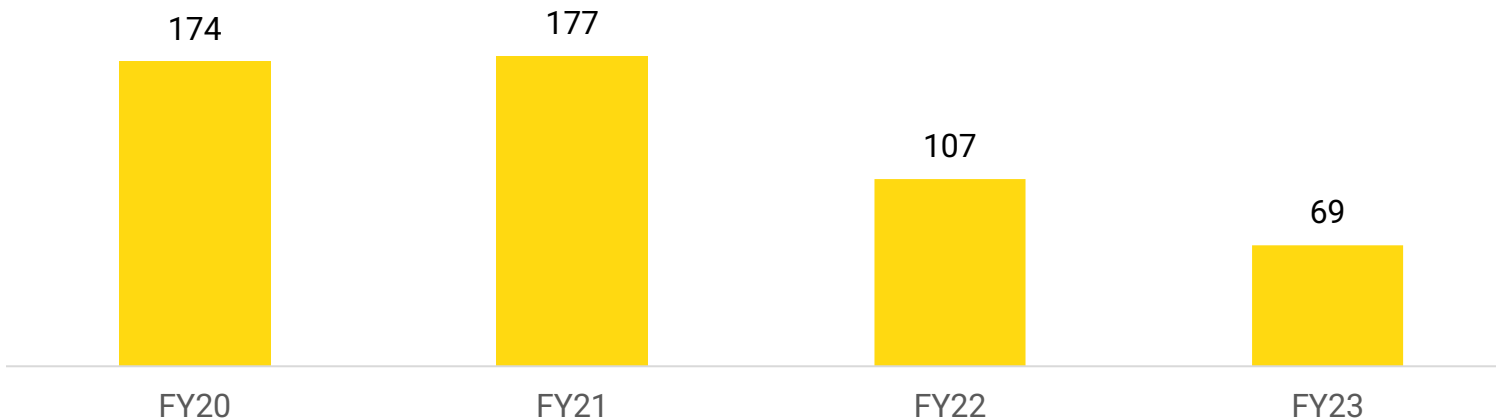
Long term issuer rating at 'IND A' / Outlook : Positive
Short term issuer rating at 'IND A1'

Robust Cash Flows

Operating Cash Flow before Income Tax



Free Cash Flow

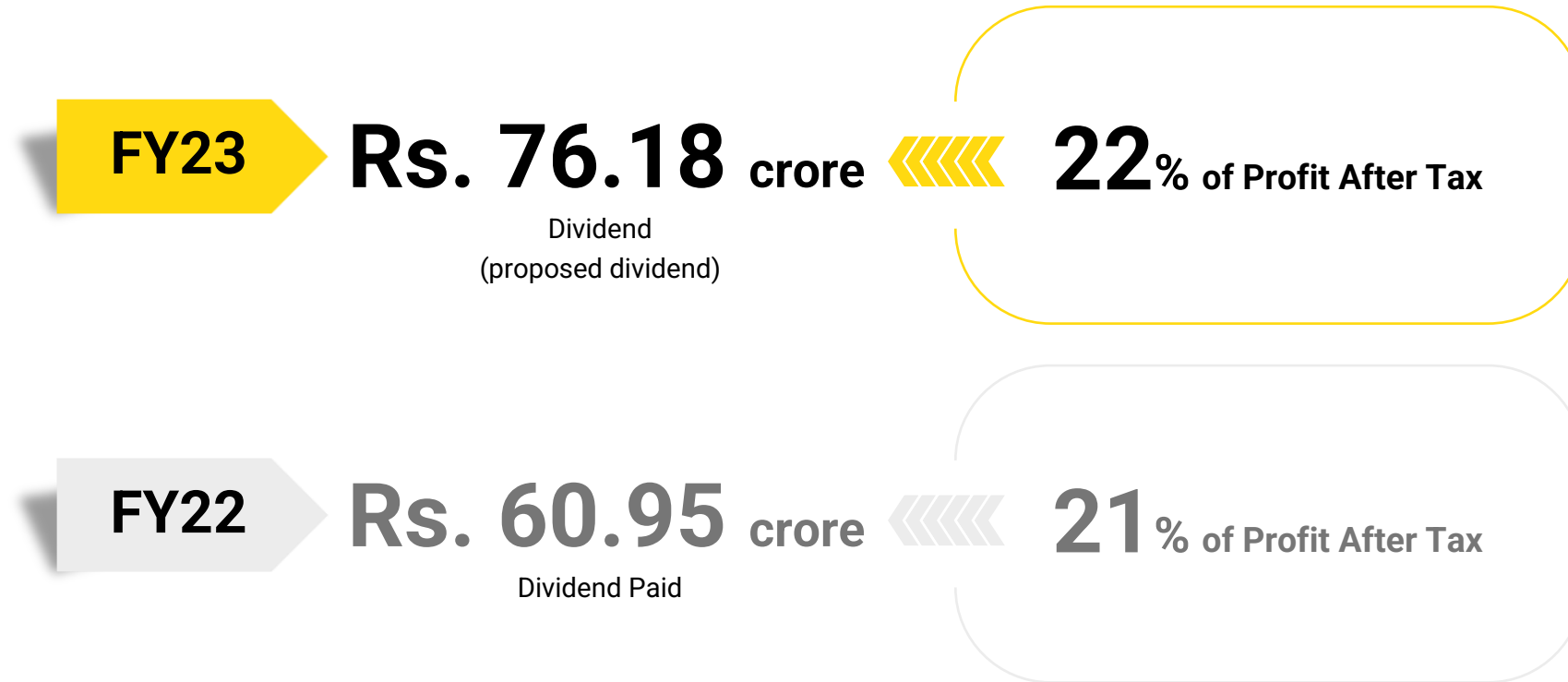


Note 1: All figures mentioned in the slide are consolidated financials

Note 2: EBITDA calculated without other income

- Healthy OCF generation supports Company's capital allocation plans
 - The OCF to EBITDA² in FY23 recorded a healthy improvement, standing at 67% compared to 38% in FY22
- Focus on optimizing working capital to further strengthen OCF generation

Focus on enhancing shareholder value



Dividend Payout Policy

- New dividend policy adopted during FY22 ([Link](#))
- Aspires to maintain healthy dividend payout



Growth Strategy

Multi-faceted growth strategy continue to drive our performance



Capex initiatives focused on value-migration

- Capex wave1 of Rs. 310 crore at Ranchi on schedule and expected to be completed by Q3FY24
- Capex wave2 of Rs. 167 crore to commence during FY24 at Ranchi
- Capex program of Rs. 62 crore to commence during FY24 at Thailand



Expand international market share through overseas subsidiaries

- International operations have recorded a substantial growth in revenue with FY23 at 34% higher than FY22
- Share of revenue from international business stood at 55% during FY23 as against 51% during FY22



Remain financially prudent

- Consolidated revenue growth at 22% YoY for FY23 and PAT at 20% growth YoY for FY23
- Net Debt/Equity at 0.09 and Net Debt/EBITDA at 0.36

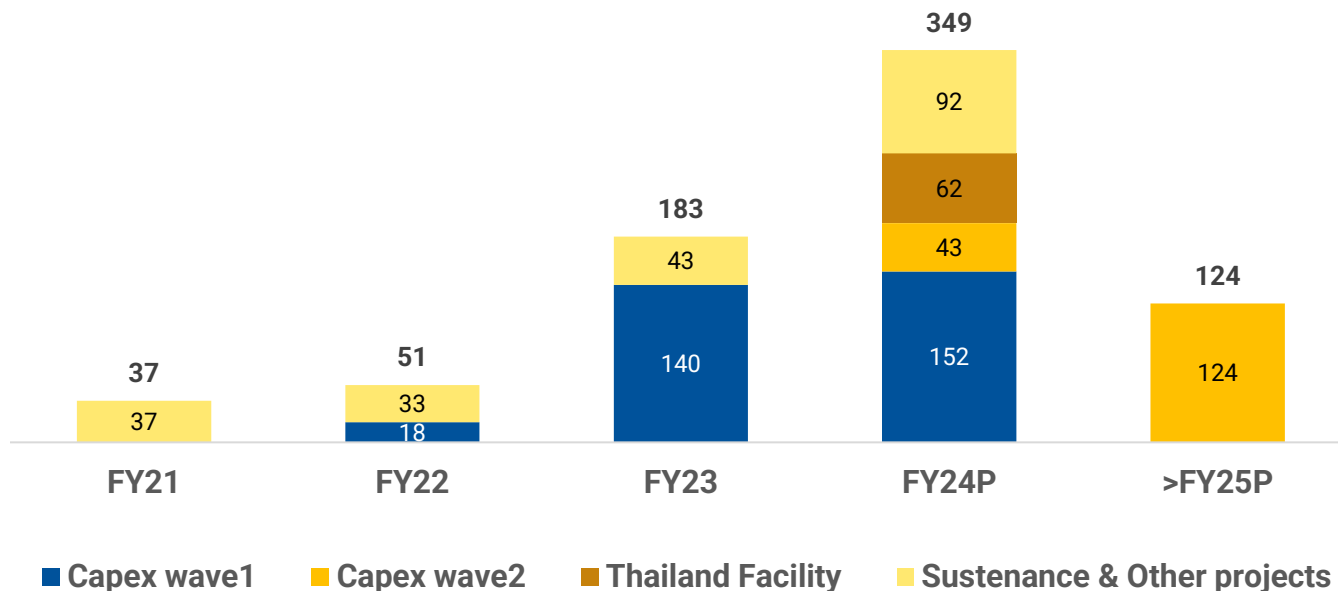


Strong focus on digital initiatives

- SAP S4 Hana implementation underway at Thailand
- Salesforce CRM implementation underway across all entities

Capex initiatives focused on value-migration

Consolidated Capex Spend

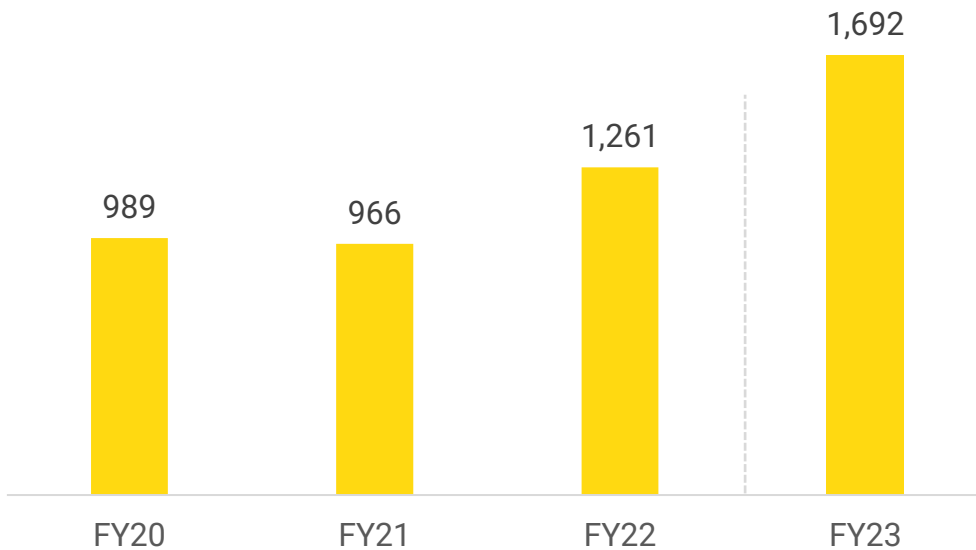


Increased capacities to primarily focus on value-added products such as mining ropes, non-rotating ropes, compacted ropes, plasticated ropes

- **Capex wave1 of Rs. 310 crore during FY22 at Ranchi** – expected to be completed by Q3FY24 – would result in capacity enhancement by ~47,000 mt/annum
- **Capex wave2 of Rs. 167 crore proposed during FY24 at Ranchi** – expected to be completed in the next two fiscal years – would result in capacity enhancement by ~10,000 mt/annum
- Capex waves include modernization of existing production facilities to improve infrastructure, productivity and reduce the cost to serve
- Focus on achieving asset turns of 2–3x over the next two years at optimal utilization levels
- **Capex program of Rs. 62 crore proposed at Thailand during FY24** to enhance wire drawing, stranding and closing capabilities – would result in capacity enhancement by ~3,000 mt/annum
- To fund majority of the capex through internal accruals - about 20-25% would be through debt

Expand international market share through overseas subsidiaries

Revenue from International Operations¹



- International operations have recorded a substantial growth in revenue with FY23 at 34% higher than FY22
- Macro-economic factors that continue to strengthen our performance
 - Growth in oil & gas and renewable energy sectors specifically offshore wind
 - Strong activity level in shipping and container terminals
 - Supply chain disruptions and higher cost structures faced by global competitors
- Internal factors that are supporting our growth
 - Closer integration of international businesses with Indian operations to drive growth synergies
 - Focused cross-functional groups for key growth segments such as mining, energy, elevator, fishing, and ports
 - One-stop-shop approach through focus on services
 - Strengthening of international teams and organization structure

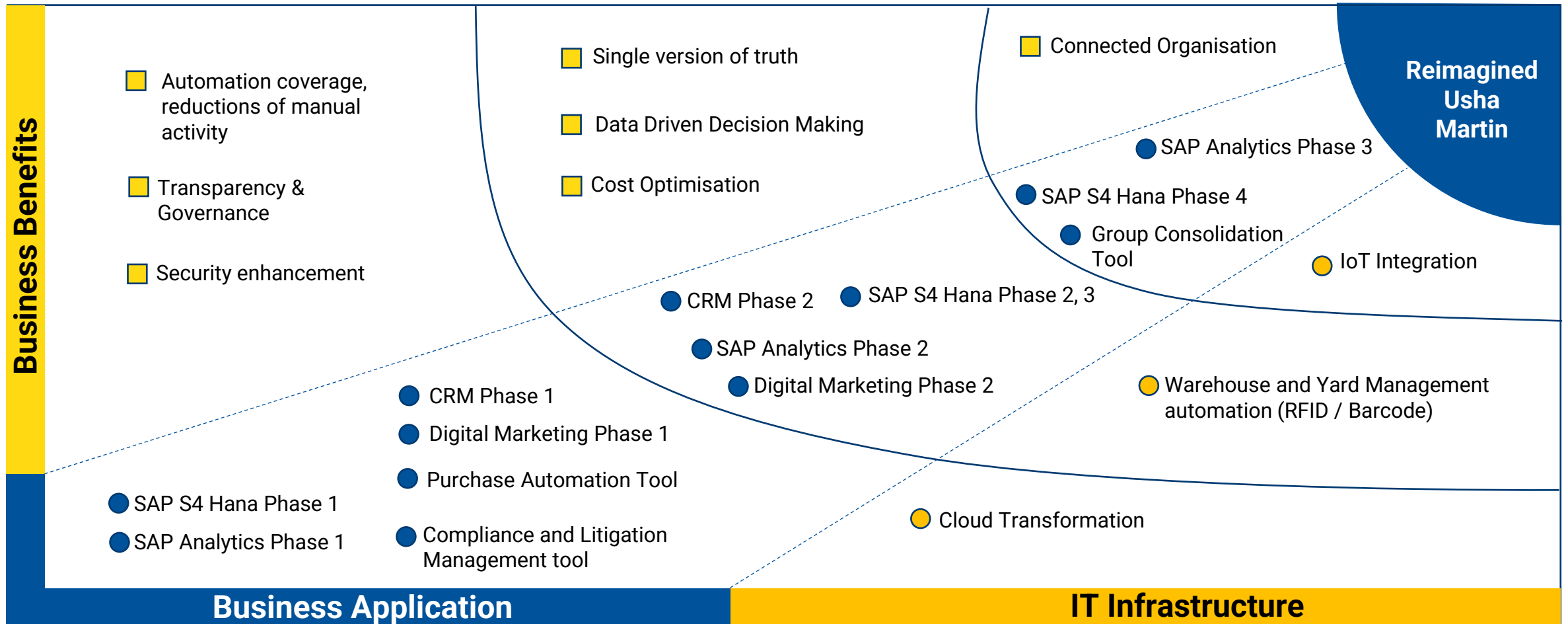
 Note 1: For all product segments. Excludes intra-group sales

Strong focus on digital initiatives

Wave 1:
Upto Dec. 2023

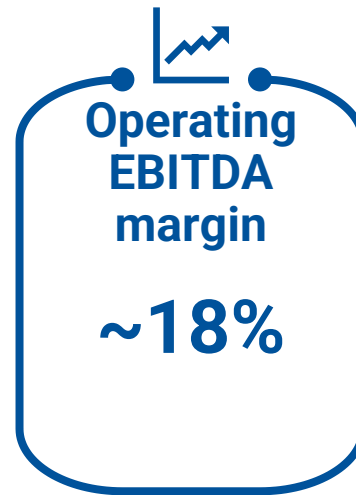
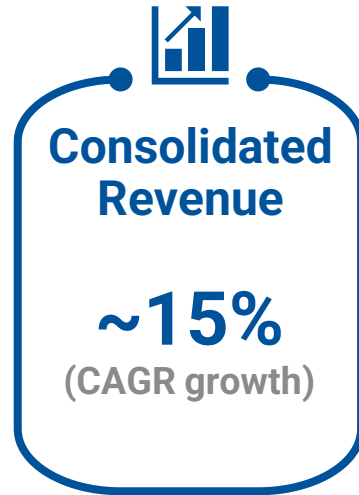
Wave 2:
Upto Dec. 2024

Wave 3:
Upto Dec. 2025

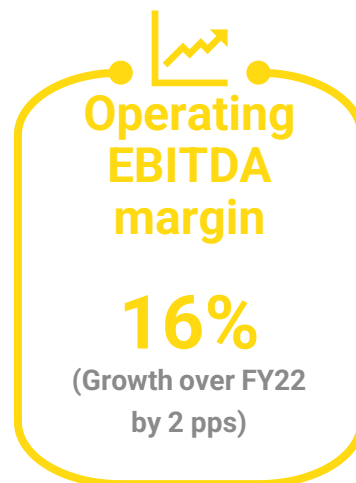
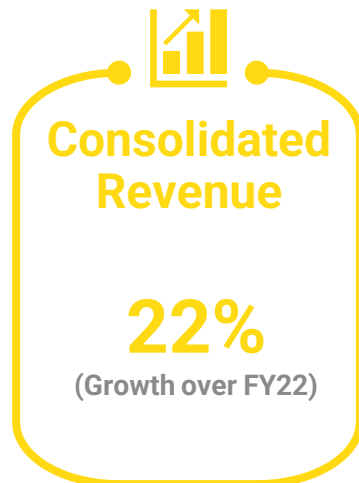


Remain financially prudent

Outlook (2-3 years) (Baseline FY22)



FY23





ESG

Focus on sustainability



Energy And Carbon Intensity

- Reduce GHG emissions
- Supply products to renewable energy sector



Sustainable Supply Chain

- Child labor due-diligence
- Strict adherence to supplier code of conduct and supplier sustainability
- Preference to inclusive suppliers, proximity suppliers, and women-owned businesses



Community Engagement

- Investment in skill development programs for women, vulnerable groups, diverse and underserved communities
- Mandatory volunteering hours to serve local communities



Water And Waste Management

- Strengthening water management system
- Revamping and modernization of water related facilities
- Conducting water audits to develop benchmarks for different processes



Employee Engagement

- Human rights training to all employees
- Organizational health and safety training to all employees

Governance structure in place to drive transparency, accountability and sustainability



Corporate social responsibility (CSR) initiatives



USHA MARTIN FOUNDATION



Natural Resource Management

- Well construction
- Drip irrigation
- Hand pump repair
- Systematic rice intensification
- Social forestry

Health, Nutrition & Sanitation

- Village hospitals
- Health camps
- Health awareness session through school & adolescent meeting

Women Empowerment

- Strengthening of self-help group
- Training of capacity building
- Quality circle for problem solving



Education

- School
- Adult education
- Computer training to rural children

Livelihood & Financial Inclusion

- Poultry
- Fishery
- Mushroom
- Piggery
- Animal health camp
- Cattle shed

COVID-19 Support

- Covid test for villagers
- Food distribution among needy villagers
- Mask and sanitizer distribution among unorganized workers



Summary

Focused on creating sustainable value for all stakeholders



State-of-the-art manufacturing, R&D capabilities and well entrenched global distribution network – ‘close-to-customer’ strategy enables the company to provide customized solutions



Business undergoing strategic transformation



Multi dimensional business initiatives to support shift towards value-added specialty products and substantial growth in international businesses



Established global player with proven capabilities



Healthy financial position to assist next phase of growth initiatives



Annexure

Marquee projects



Sardar Vallabhbhai Patel Statue, Gujarat - Pavilion roof structure supporting cables



World's longest hanging bridge for adventure tourism in Italy - Cables with special end connection



ZPMC, China, Barge Crane - Main & auxiliary hoist rope



Disneyland, Shanghai, China - Full locked coil, supporting cables



Road Over Bridge at Burdwan - Plasticated LRPC



Anchor Mooring Ropes delivered to one of the largest rigs in the world located in China



Lions Gate Vancouver, Canada - Supporting locked coil



Reliance - Sasan Coal Mine (one of the world's largest dragline - Caterpillar) - Hoist & drag rope

Manufacturing set-up - India



Ranchi Facility

Spread across an area of more than 100 acres, this facility is one of the world's largest wire rope manufacturing facility



Ismal Unit, Ranchi

Well-equipped facility with over 3 decades of experience in manufacturing and supply of pre-stressing machines & accessories



Hoshiarpur Plant

Set up in 1974 in Punjab, India, spread over 8 hectare is the largest wire & wire rope unit in Northern India

UM Cables Plant, Silvassa

A dedicated manufacturer and exporter of high-quality telecommunication cables, fiber reinforced plastic rods (FRP)



Pengg - Usha Plant, Ranchi

Pengg Usha is a JV between Usha Martin and Joh Pengg AG of Austria to produce oil tempered wire, required by the automotive industry

Manufacturing set-up - International

Brunton Wire Ropes FZCO



Located at Jebel Ali Free Zone in Dubai (UAE), this facility was set up in the year 2003



UAE

Brunton Shaw UK Ltd.

Located at Nottinghamshire in UK, manufacturers high quality wire ropes for a wide range of applications



UK



Usha Siam Steel Industries



THAILAND

Manufacturing facility in Bangkok, Thailand, since early 1980s

TESAC Usha Wire rope Co. Ltd.

Usha Siam has 50:50 JV with Tesac Wire ropes Co. Ltd of Japan under name 'Tesac Usha Wire rope Co. Ltd' for manufacturing elevator ropes



Globally recognized certifications and licenses



ISO 45001: 2018
Occupational Health & Safety



ISO 14001: 2015
Environmental management systems



Certificate of Authority issued by
American petroleum institute



ISO 9001: 2015
Quality Management Systems



Manufacturer Certificate
issued by DNV - GL



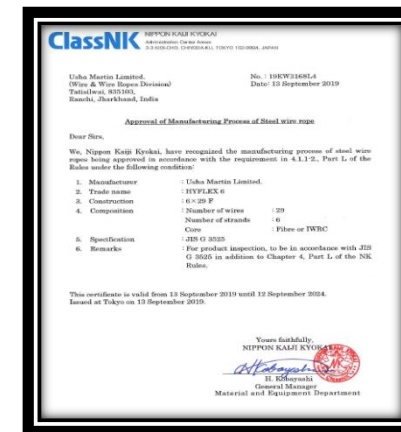
Manufacturing
Assessment issued by ABS



NABL Testing



Japan - Approval of
Manufacturing Process of
Steel Wire Rope



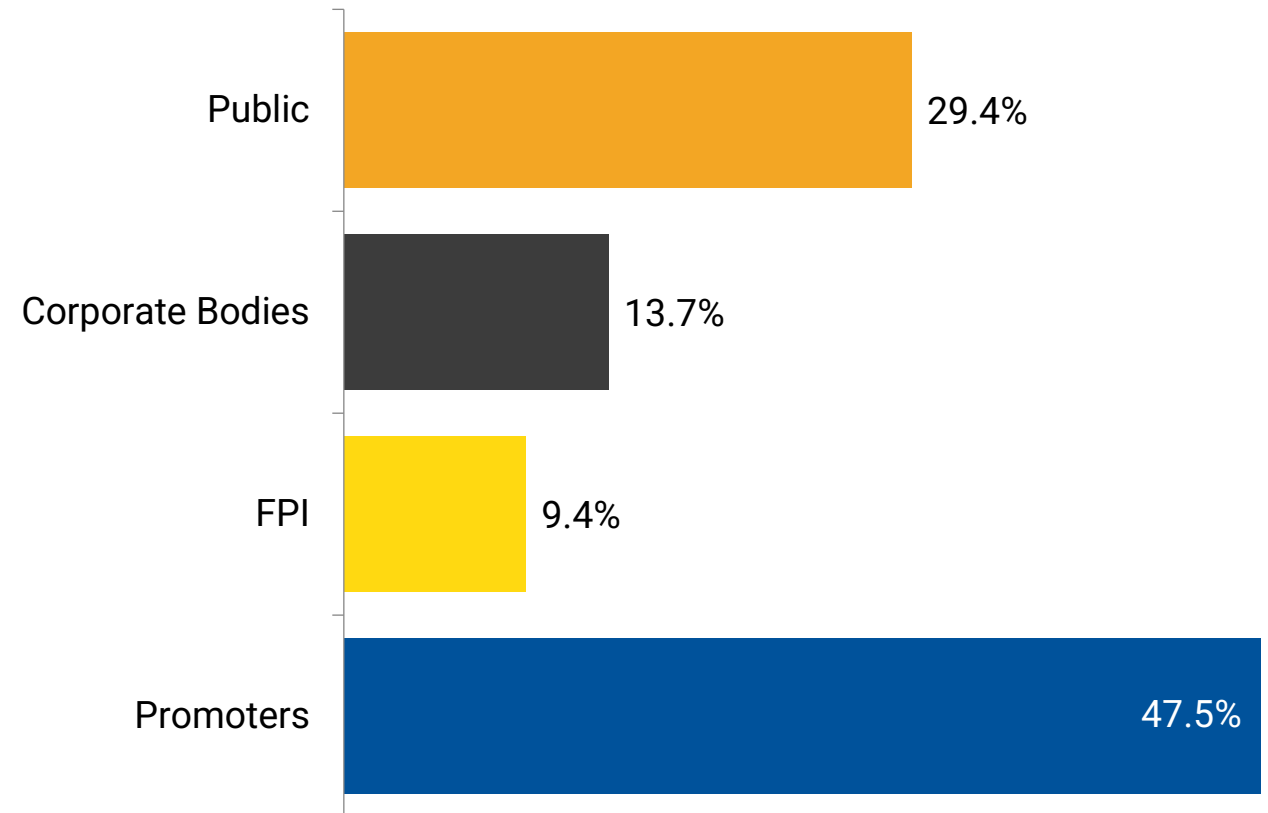
Approved Manufacturer of
Steel Wire Rope
issued by Lloyd's



Market snapshot

Key Market Statistics	As on 31 st March 2023
BSE/NSE Ticker	517146 / USHAMART
CMP (Rs.)	214.5
Market Cap (Rs. Crore)	6,537
Number of outstanding shares (Crore)	30.47
Face Value	1.00
52-week High / Low (Rs.)	216.3 / 105.0

Shareholding pattern as on 31st March 2023



Contact us

About Us:

Established in the year 1960, Usha Martin is a leading global and India's No. 1 specialty steel wire rope solutions provider. The Company is also engaged in the manufacturing of high-quality wires, low relaxation prestressed concrete steel strand (LRPC), bespoke end-fittings, accessories and related services.

Usha Martin's wire rope manufacturing facilities in Ranchi, Hoshiarpur, Dubai, Bangkok and UK produce the widest range of wire ropes that find application in various industries across the world. All of the company's facilities are equipped with the latest state-of-the-art high-capacity machines to manufacture world-class products.

Usha Martin's global R&D center located in Italy is actively engaged in designing of wire ropes and uses proprietary design software to develop products that are the best in class. The Company also has a comprehensive R&D facility in its manufacturing unit at Ranchi, India. Usha Martin has an extensive and dedicated network of distribution centers located across the globe.

Corporate Identification No: L31400WB1986PLC091621

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**Mr. Anirban Sanyal (Chief Financial Officer) /
Mr. Anil Kumar (Secretary to CFO)**

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Thank You

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