

# VENUS PIPES & TUBES LIMITED



**venus**<sup>®</sup>  
PIPES AND TUBES

Investor Presentation  
May 2023





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# **Q4 & FY23 FINANCIAL & OPERATIONAL HIGHLIGHTS**





## Highest ever Quarterly & Annual Revenue

Q4FY23 Revenue	FY23 Revenue
<b>Rs. 176 Crs</b>	<b>Rs. 552 Crs</b>
Up by	Up by
<b>60% Y-o-Y</b>	<b>43% Y-o-Y</b>

## Highest ever Quarterly & Annual EBIDTA

Q4FY23 EBIDTA	FY23 EBIDTA
<b>Rs. 22 Crs</b>	<b>Rs. 69 Crs</b>
Up by	Up by
<b>57% Y-o-Y</b>	<b>40% Y-o-Y</b>
Q4FY23 EBIDTA Margins	FY23 EBIDTA Margins
<b>12.2%</b>	<b>12.5%</b>

## Capacity Expansion

- Commencement of commercial production from our new plant for **seamless & higher dia welded pipes on 24<sup>th</sup> May 2023**
- Commercial production for our Backward Integration of seamless pipes, i.e. **mother hollow pipes started on 24<sup>th</sup> May FY23**. This will eliminate our dependence on China for sourcing of raw materials
- Commercial production for **LSaw division (~600 MT)** expected to be operational from coming month

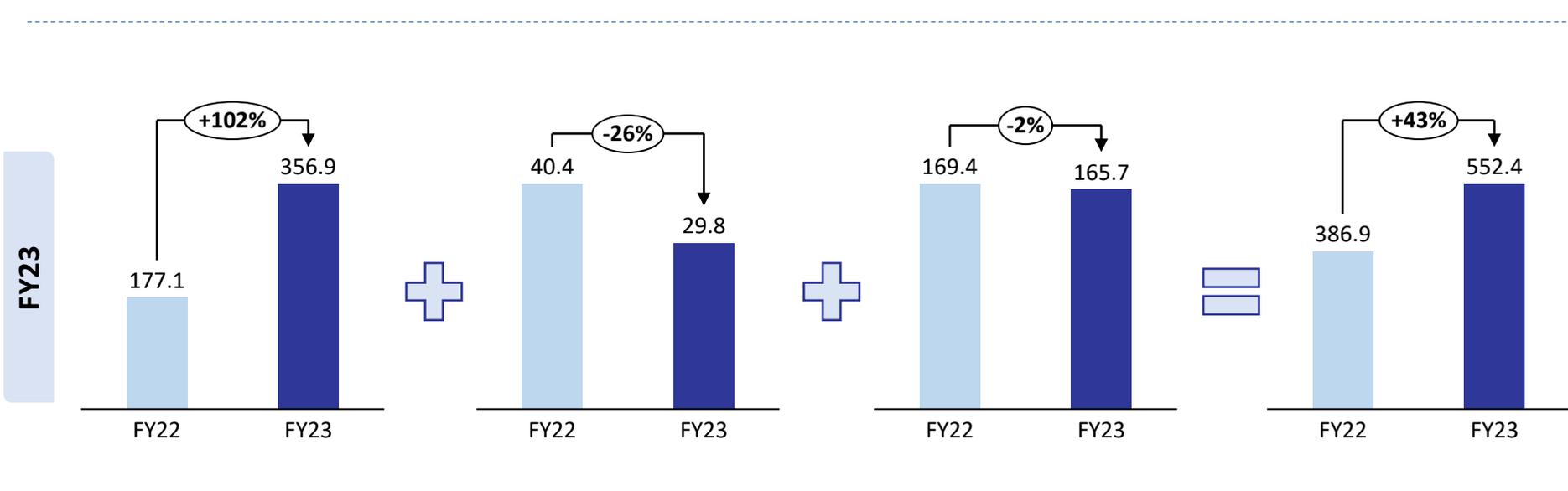
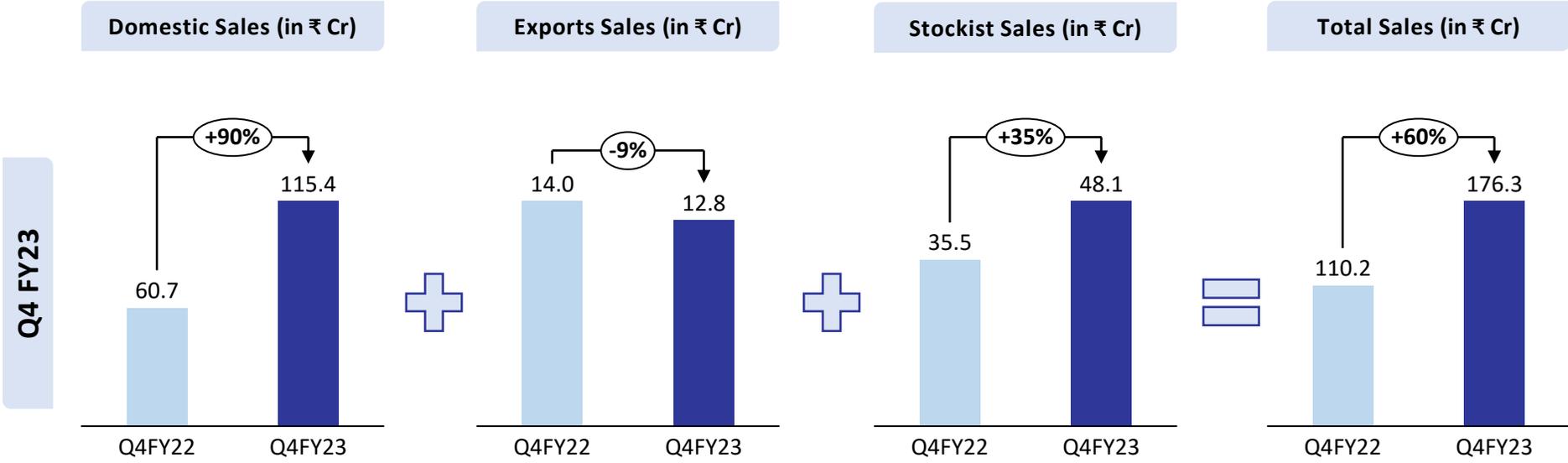
## Impetus to the Industry

- The Ministry of Finance approved **Anti Dumping Duty (ADD)** on seamless stainless-steel pipes & tubes **from China for 5 years** up to 3,801 USD/MT
- **This duty also applies to mother hollow pipes and hence will be difficult for smaller players to procure the same**, this will help the market to move from unorganised sector to organised sector
- **This antidumping duty** will help increase our share in the domestic market and **increased capacities will be utilised at a faster pace than expected**

## Key Updates

- With our **commencement of commercial production to manufacture mother hollow pipes** as a part of our backward integration, we expect exports to pick up for FY24
- The government, w.e.f. 15th December, has also introduced **1% export incentive to drive exports further**

# Revenue Split across Channels (1/2)

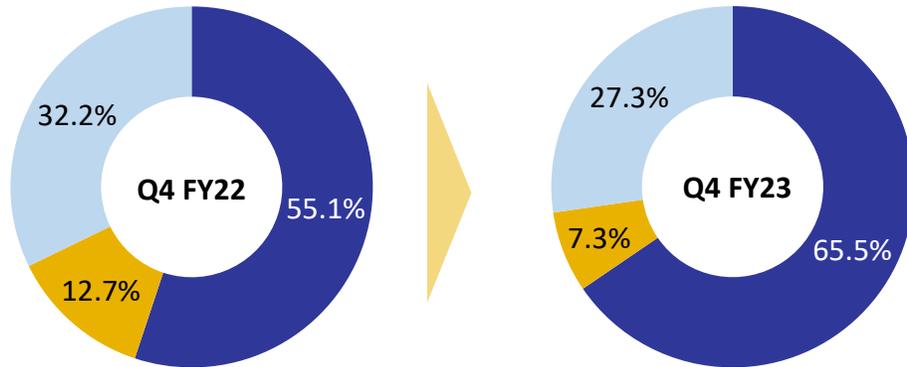


- ✓ Direct Domestic sales to customers across various industries for Q4FY23 grew by 90% YoY and by 102% YoY for FY23
- ✓ Growth in selling directly to customers is on account of **superior product quality, multiple referrals and increased customer base across industries**
- ✓ Export growth was suppressed due to **impact by inflationary environment** and geopolitical tensions in Europe. We expect this to stabilize in FY24.
- ✓ Exports were also impacted on account of acceptance of products made by imported raw materials by few customers in the global market, however our manufacturing of Mother Hollow pipes as our backward integration plan, we expect this sales to pick up
- ✓ The share of stockist sales have **reduced by 2% YoY on a FY23 basis**. This channel continues to be a stable supply source but due to lower margins we have reduced its share in the total pie

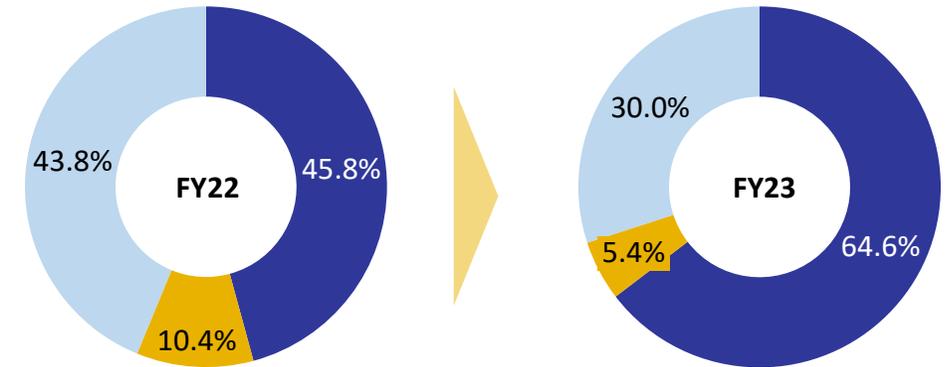
# Revenue Spilt across Channels (2/2)



Q4 FY23



FY23



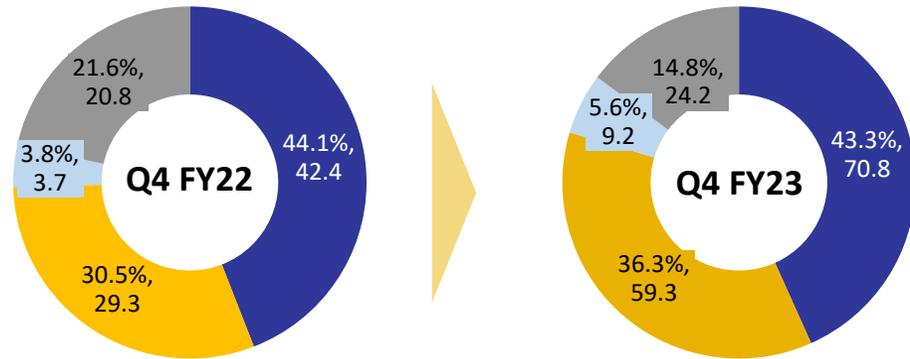
■ Direct Domestic ■ Export ■ Stockist/Traders

- ✓ We have significantly increased our domestic sales **from 55.1% in Q4FY22 to 65.5% in Q4FY23**. Our share of direct domestic sales for **FY23 stood at 65% as compared to 46% in FY22**
- ✓ Sales to stockists have decreased as this channel has relatively lower margins and is used by the company as a stable and minimal source of sales.
- ✓ On the exports front, there is decline due to geopolitical tensions and supply chain disruptions. Going forward, we expect the exports sales to increase significantly on the back capacity additions and stable global environment

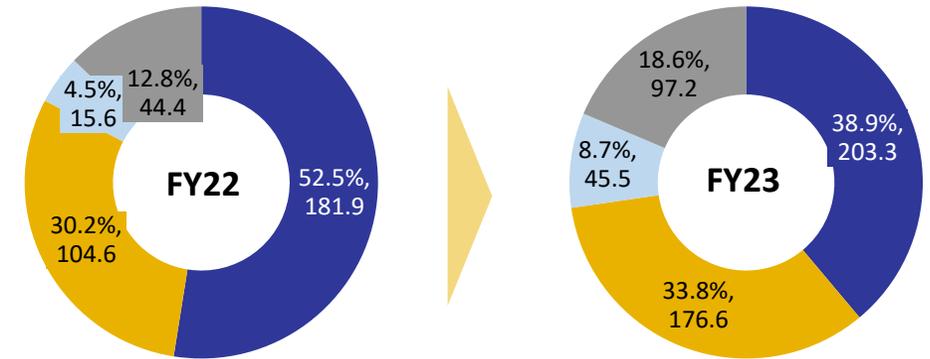
# Revenue Spilt across Geographies



## Q4 FY23



## FY23



■ Gujarat ■ Maharashtra ■ Telangana ■ Others

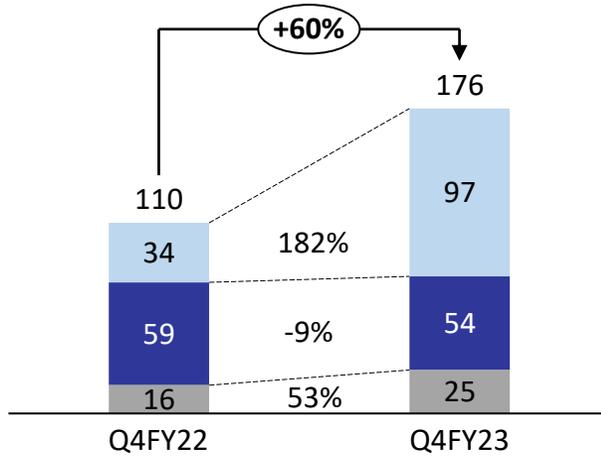
- ✓ Following the strategy to diversify across states, our share in Maharashtra, has seen a **significant increase from 30.5% in Q4FY22 to 36.3% in Q4FY23**. Sales in Maharashtra recorded a **growth of 102% in Q4FY23 & 69% in FY23 on Y-o-Y basis**
- ✓ Revenue from Telangana has increased from Rs. 15.6 crs in FY22 to Rs. 45.5 crs in FY23, a **growth of 192% on Y-o-Y basis**
- ✓ At the same time, the revenue share from other states **has increased to 18.6% YoY in FY23 from 12.8% during FY22**, giving us bigger market to play
- ✓ While until last year, we were selling majority in Gujarat, now our focus is shifting to other states as well. We have been successful in penetrating deeper on Pan India basis on the back of **our superior product quality & Brand for Venus across markets & industries**.

# Revenue Spilt across Products



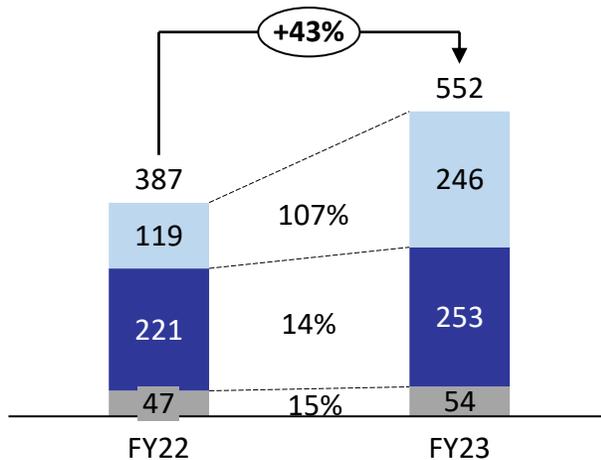
### Q4 FY23 (in ₹ Cr)

Seamless  
Welded  
Others



- ✓ Sales from high margin seamless pipes for Q4FY23 stood at Ra. 97 crs as compared to Rs. 34 crs in Q4FY22, a **growth of 182%**
- ✓ Welded pipes revenues **de-grew by 9%** on Y-o-Y basis for Q4FY23 and stood at Rs. 54 crs.
- ✓ Share of seamless in total revenue **increased to 55% in Q4FY23 from 31% in Q4FY22.**

### FY23 (in ₹ Cr)

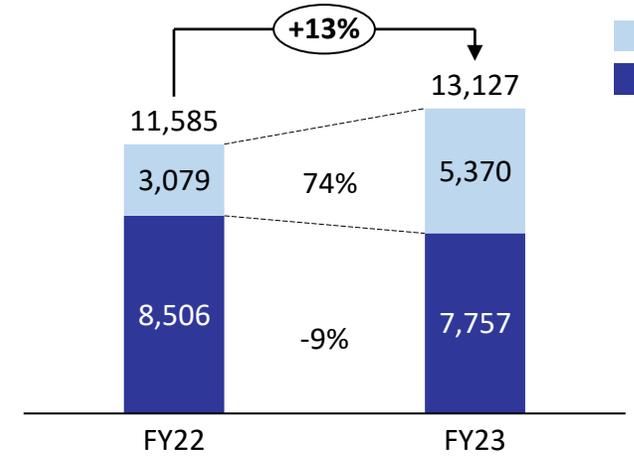


With **commencement of Commercial production** of our new capacity expansion, we envisage **volume uptick across our product categories** on the back of sustained demand momentum

- ✓ Revenue from seamless pipes stood at Rs. 246 crs in FY23 as compared to Rs. 119 crs in FY22, a **growth of 107%**
- ✓ Welded pipes witnessed a **growth of 14%** on Y-o-Y basis for FY23 and stood at Rs. 253 crs
- ✓ Revenue from other sales stood at Rs. 54 crs

### FY23 (Volume in MT)

Seamless  
Welded

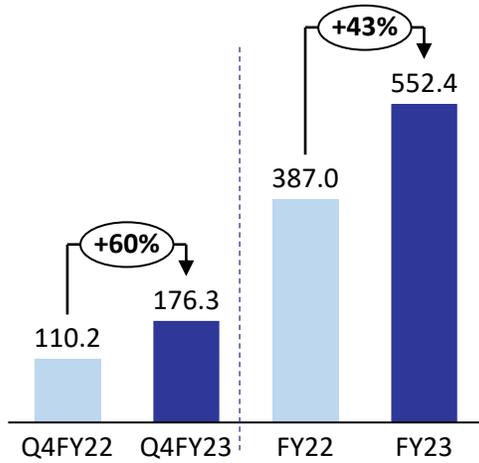


- ✓ Volume for Seamless pipes stood at 5,370 MTPA for FY23, a **growth of 74% on a Y-o-Y basis**
- ✓ Volumes for Welded pipes **de-grew by 9%** for FY23 on Y-o-Y basis. Total sales for Welded pipes stood at 7,757 MTPA for FY23
- ✓ Going forward, with new capacities in place, we are confident of **volume growth across product categories**

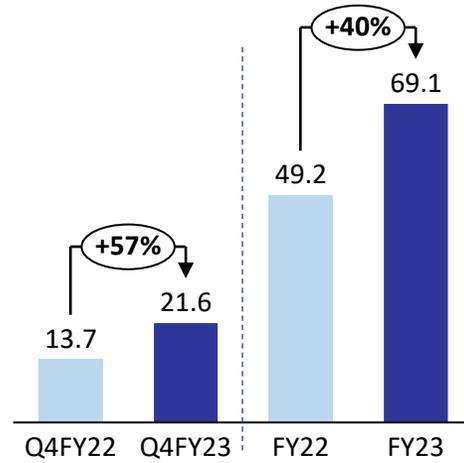
# Q4 & FY23 Key Financial Highlights



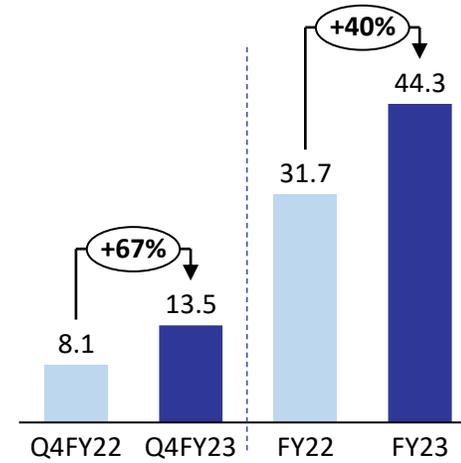
### Revenue (in ₹ Cr)



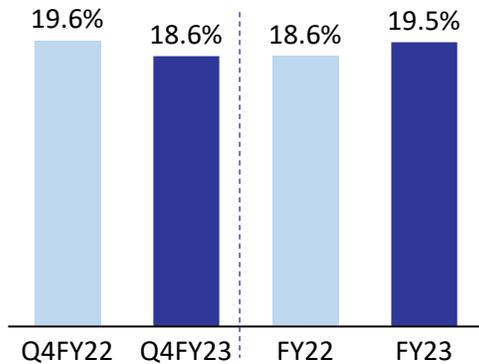
### EBITDA (in ₹ Cr)



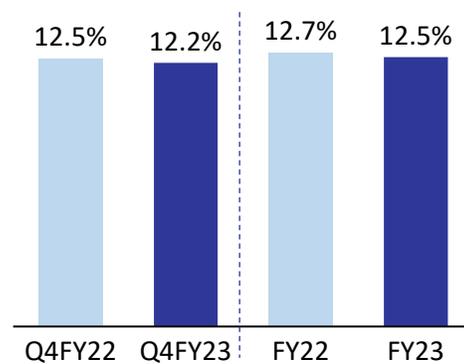
### PAT (in ₹ Cr)



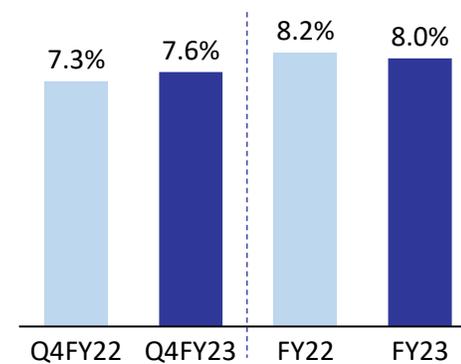
### Gross Profit Margin



### EBITDA Margin



### PAT Margin



- ✓ Revenue for Q4FY23 stood at Rs. 176 crs as compared to Rs. 110 crs in Q4FY22, a **growth of 60%**
- ✓ Revenue for FY23 stood at Rs. 552 crs as compared to Rs. 387 crs in FY22, a **growth of 43%**
- ✓ EBITDA for Q4FY23 stood at Rs. 21 crs, an **increase of 57%** on Y-o-Y basis. EBITDA for FY23 **grew by 40%**
- ✓ EBITDA margins **stood at 12.2% & 12.5%** for Q4FY23 & FY23 respectively
- ✓ PAT for the quarter was up by **67%** Y-o-Y and grew **40%** on an for FY23 on Y-o-Y basis

# Profit & Loss Account



Profit and Loss (in ₹ Cr)	Q4FY23	Q4FY22	YoY	Q3FY23	QoQ	FY23	FY22	YoY
<b>Revenue from Operations</b>	<b>176.3</b>	<b>110.2</b>	<b>60.0%</b>	<b>136.1</b>	<b>29.5%</b>	<b>552.4</b>	<b>387.0</b>	<b>42.8%</b>
Cost of Goods Sold	143.5	88.6		109.2		444.6	315.0	
<b>Gross Profit</b>	<b>32.7</b>	<b>21.63</b>	<b>51.4%</b>	<b>26.9</b>	<b>21.8%</b>	<b>107.81</b>	<b>71.9</b>	<b>49.9%</b>
<b>Gross Profit Margins (%)</b>	<b>18.6%</b>	<b>19.6%</b>		<b>19.7%</b>		<b>19.5%</b>	<b>18.6%</b>	
Employee Cost	3.2	2.0		2.4		10.2	6.2	
Other Expenses	7.92	5.9		7.0		28.5	16.4	
<b>EBITDA</b>	<b>21.6</b>	<b>13.7</b>	<b>57.3%</b>	<b>17.5</b>	<b>23.1%</b>	<b>69.1</b>	<b>49.2</b>	<b>40.4%</b>
<b>EBITDA Margins (%)</b>	<b>12.2%</b>	<b>12.5%</b>		<b>12.9%</b>		<b>12.5%</b>	<b>12.7%</b>	
Other Income	0.5	0.6		0.3		2.4	2.1	
Depreciation	0.6	0.4		0.5		1.97	1.4	
<b>EBIT</b>	<b>21.5</b>	<b>14.0</b>	<b>54.1%</b>	<b>17.3</b>	<b>24.3%</b>	<b>69.5</b>	<b>49.9</b>	<b>39.2%</b>
Finance Cost	3.0	2.8		2.3		9.8	7.1	
<b>Profit before Tax</b>	<b>18.5</b>	<b>11.2</b>	<b>65.6%</b>	<b>15.1</b>	<b>22.9%</b>	<b>59.7</b>	<b>42.9</b>	<b>39.2%</b>
Tax	5.1	3.1		3.8		15.5	11.2	
<b>Profit After Tax</b>	<b>13.4</b>	<b>8.1</b>	<b>66.4%</b>	<b>11.3</b>	<b>19.1%</b>	<b>44.2</b>	<b>31.7</b>	<b>39.6%</b>
<b>PAT Margins (%)</b>	<b>7.6%</b>	<b>7.3%</b>		<b>8.3%</b>		<b>8.0%</b>	<b>8.2%</b>	



Assets (in ₹ Cr)	March-23	March-22
<b>Non - Current Assets</b>	<b>183.5</b>	<b>30.4</b>
Property Plant & Equipments	59.8	21.3
CWIP	121.6	7.4
Intangible assets	0.1	0.1
Other Non - Current Assets (Net)	2.1	1.6
<b>Current Assets</b>	<b>323.9</b>	<b>217.5</b>
Inventories	166.9	93.5
Financial Assets		
(i)Investments	2.9	1.4
(ii)Trade receivables	70.5	73.5
(ii)Cash and cash equivalents	10.8	0.0
(iii)Bank balances other than cash and cash equivalents	15.2	7.3
Other Financial Assets	0.1	0.7
Other Current Assets	57.5	41.1
<b>Total Assets</b>	<b>507.4</b>	<b>247.9</b>

Equity & Liabilities (in ₹ Cr)	March-23	March-22
<b>Total Equity</b>	<b>322.2</b>	<b>128.5</b>
Share Capital	20.3	15.2
Reserves & Surplus	301.9	113.3
<b>Non-Current Liabilities</b>	<b>26.7</b>	<b>15.5</b>
Financial Liabilities		
(i) Borrowings	24.7	14.3
(ii) Lease Liabilities	0.0	0.2
Provisions	0.6	0.3
Deferred Tax Liabilities	1.5	0.7
<b>Current Liabilities</b>	<b>158.5</b>	<b>103.9</b>
Financial Liabilities		
(i) Borrowings	65.8	49.4
(ii) Trade Payables	74.1	38.5
(iii) Lease	0.0	0.1
(iii) Other Financial Liabilities	6.3	0.2
Other Current Liabilities	6.1	5.5
Current tax liabilities (net)	6.2	10.2
<b>Total Equity &amp; Liabilities</b>	<b>507.4</b>	<b>247.9</b>

# Abridged Cash Flow Statement



Particulars (in ₹ Cr)	FY23	FY22
<b>Net Profit Before Tax</b>	<b>59.7</b>	<b>42.9</b>
Adjustments for: Non - Cash Items / Other Investment or Financial Items	8.3	5.6
<b>Operating profit before working capital changes</b>	<b>68.0</b>	<b>48.5</b>
Changes in working capital	-40.4	-97.4
<b>Cash generated from Operations</b>	<b>27.6</b>	<b>-49</b>
Direct taxes paid (net of refund)	18.7	-11
<b>Net Cash from Operating Activities</b>	<b>8.9</b>	<b>-60</b>
<b>Net Cash from Investing Activities</b>	<b>-27.0</b>	<b>34.1</b>
<b>Net Cash from Financing Activities</b>	<b>18.9</b>	<b>25.8</b>
<b>Net Decrease in Cash and Cash equivalents</b>	<b>0.8</b>	<b>-0.1</b>
Add: Cash & Cash equivalents at the beginning of the period	0.0	0.1
<b>Cash &amp; Cash equivalents at the end of the period</b>	<b>0.8</b>	<b>0</b>



**Arun Kothari**  
Managing Director

**Commenting on the Q4 & FY23 performance of the company Mr. Arun Kothari, Managing Director for Venus Pipes & Tubes Limited Said,**

*“We are proud to announce that the company achieved its highest ever Revenue for Q4 FY23 & FY23 registering a growth of 60% & 43% respectively. Our EBIDTA & PAT grew by 40% Y-o-Y for FY23.*

*We are also delighted to inform that we have started our commercial production for our new capacity of Seamless pipes & higher dia welded pipes on 24<sup>th</sup> May 2023. Alongside, we have also commenced our production for Mother Hollow pipes as our capacity expansion for backward integration.*

*During the year, we were able to diversify and increase our geographical presence in Maharashtra and Telangana. We continue to maintain our strong foothold in state of Gujarat while diversifying our presence across other states such as Madhya Pradesh & Andhra Pradesh.*

*We have doubled the sales of Seamless Pipes in FY23 on account of our product quality, deep customer connects, addition of new customers & brand created for Venus over the years. Exports sales were impacted during the quarter on account of geo-political tensions and inflationary environment, especially in the European market. We believe that this is temporary in nature and exports sales should start picking up since we have commenced backward integration.*

*We enter FY24, with positive outlook and continue to grow on the back of our new capacities commencing and backward integration coming into place. We continue to work on our goal of reaching out to as many sectors as we can and maintaining diversity across our products, clients and geographies with high spirits.*



**58+**

Clientele base out of  
**Fortune 500** Companies  
in India

Exports to more than

**20+** Countries

**86%**

**PAT CAGR**  
from FY19 to FY23

**Diversified**

End-user Industries

Total installed capacity of **12,000 MT** p.a. &  
**capacity expansion plans** up to **33,600 MT** p.a.  
along with **Backward Integration of 9,600 MT** p.a.



**Vision**

Making ourselves as first reference and preference in stainless steel pipes and tubes manufacturer



**Mission**

To provide quality and flawless service for dealing with customer / supplier and distributors.



**Core Values**

Working with the highest ethical standards in all aspects of our activities



Products manufactured are as per the *International Standards* to cater both Domestic & International markets



Stainless Steel High Precision and Heat Exchanger Tubes



Stainless Steel Hydraulic and Instrumentation Tubes



Stainless Steel Seamless Pipes



Stainless Steel Welded Pipes



Stainless Steel Box Pipes

## Applications

- Heat Exchangers
- Pressure Vessels
- Chemical and Fertilizer
- Marine Equipment's
- Refinery and Petrochemical
- Process Industry
- Dairy/Pharmaceutical industry
- Nuclear Power Generation
- Automotive
- Aerospace

- Nuclear & Thermal Power generation
- Oil and Gas
- Process Industries
- Chemical and Fertilizer
- Nuclear Power
- Food & Beverage Processing
- Automotive
- Aerospace
- Medical and Pharmaceutical

- Onshore and Offshore Oil and Gas Production, Exploration and Transport
- (OCTG – Oil Country Tubular Goods)
- Chemical & Petrochemical
- Energy and Power
- Mechanical and Plant Engineering
- Marine Equipment's
- Pulp & Paper
- Pharmaceutical Industry

- Chemical & Petrochemical
- Gas Industry
- Power Generation
- Mechanical and Plant Engineering
- Marine Equipment's
- Pulp & Paper
- Pharmaceutical Industry

- Multiple industries especially for industries having structural fittings like
  - Factories
  - Warehouses
  - Temporary structures



Diversified End Use



**Chemical**



**Engineering**



**Fertilizers**



**Pharmaceutical**



**Power**



**Food Processing**



**Paper**



**Oil & Gas**



**Aerospace**

# State of the Art Infrastructure...



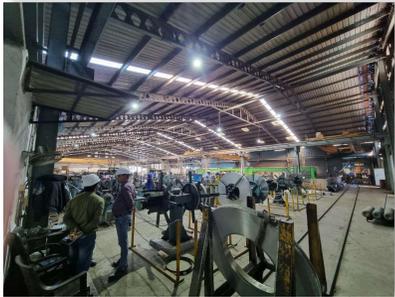
Strategically located Manufacturing facility at Dhaneti (Kutch) within **proximity of Kandla & Mudra ports for enabling imports and exports**



Facility on a land admeasuring **92,978 Sq. Mt.**



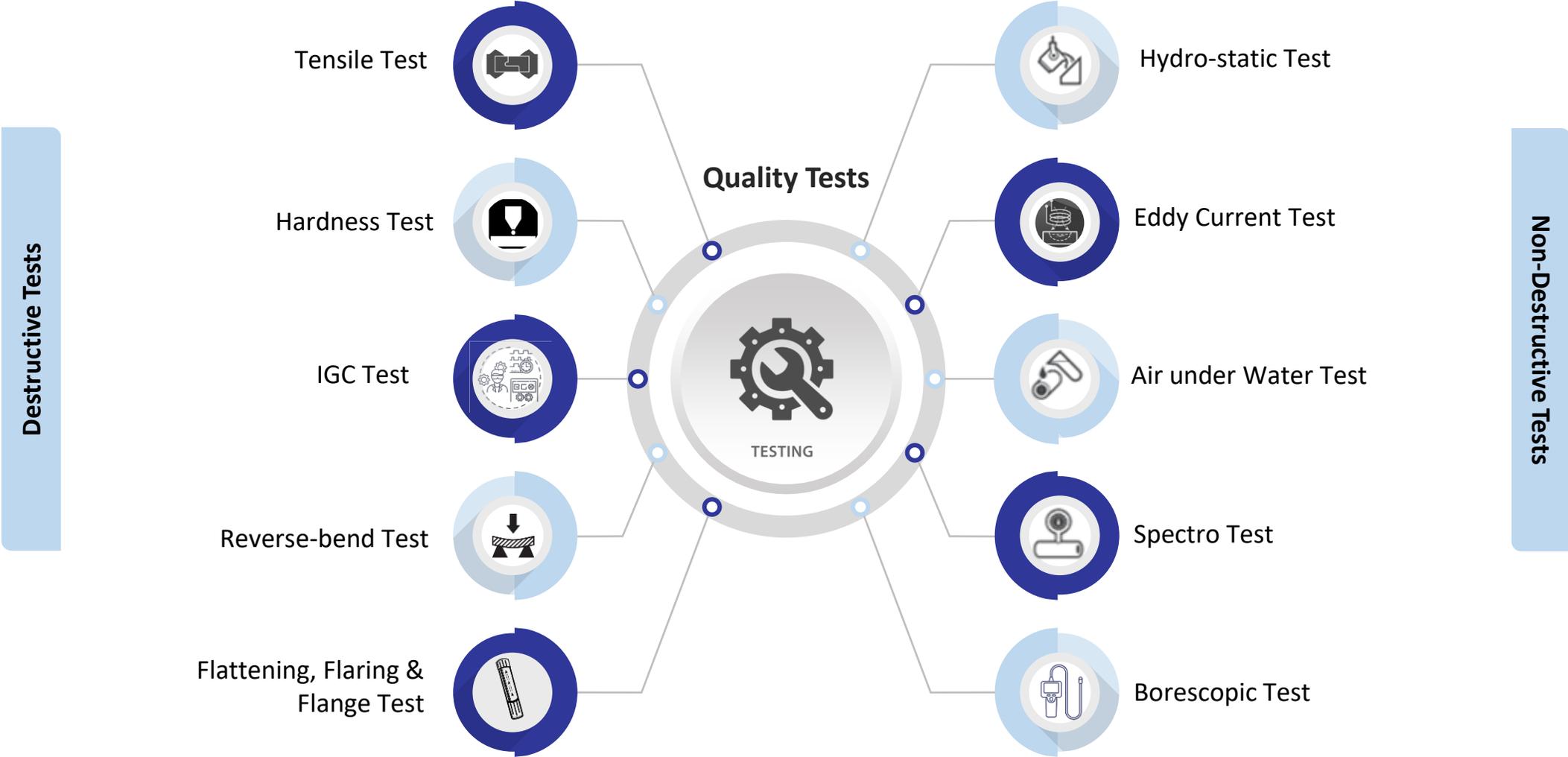
Total installed capacity of **12,000 MT** per annum with **approximate utilization of 92 %** for FY23



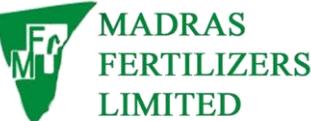
# ...with Stringent Quality Inspection & Testing



Rigorous testing system for our products to **Ensure Finest Quality** is delivered for our products



# Marquee Clientele

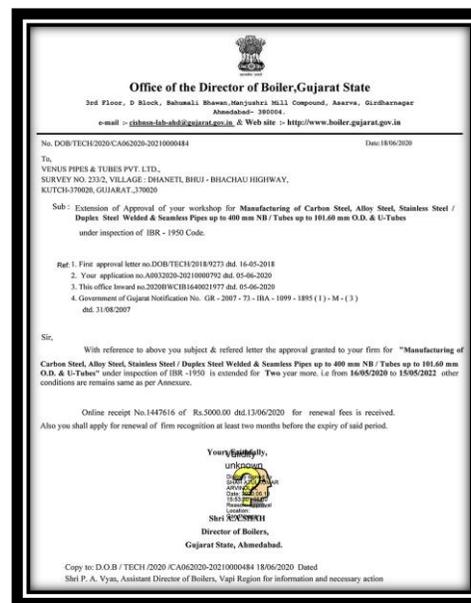




Calendar Years	Certifications & Accreditations
2016	Our manufacturing facilities at Dhaneti have been accredited with management system standards certificate for compliance with <b>ISO 9001: 2015, ISO 14001:2015 requirements</b>
2017	Our Company has been verified and recognized as material manufacturer according to <b>AD 2000 - Merkblatt W0 by The TÜV NORD Systems GmbH &amp; Co. KG.</b>
2017	Our Company has been certified as quality-assurance system related to the material by <b>The TÜV NORD Systems GmbH &amp; Co. KG.</b>
2018	Our Company has received approval for manufacturing of Carbon Steel, Alloy Steel, Stainless Steel Welded & Seamless Pipes up to 400 mm NB / Tubes up to 101.60 mm O.D. & U-Tubes under inspection of <b>Indian Boiler Regulations – 1950 from the Office of the Director of Boiler, Gujarat.</b>
2018	Our manufacturing facilities at Dhaneti have been accredited with management system standards certificate for compliance with <b>ISO 45001: 2018</b>



ISO Certificate



IBR Certificate



TUV – AD 200 Merkblatt W0

# Experienced Board of Directors



**Jyantiram M Choudhary**  
Chairman and Non-Ex Director

Associated with the Company since its incorporation. Over ten years of experience in the steel industry and four years as director of Accuracy Shipping Limited



**Arun Kothari**  
Managing Director

Associated with the Company since 2021 as a Director. A qualified Chartered Accountant and holds a bachelor's degree in commerce from Rajasthan University



**Megharam S Choudhary**  
Whole Time Director

Associated with our Company since its incorporation. Over 15 years of experience in the stainless steel welded pipes and tubes industry.



**Dhruv M Patel**  
Whole Time Director

Associated with the Company since 2015. Holds a bachelor's degree in engineering from University of Pune and a master's degree in technology from CEPT University.



**Kailash Nath Bhandari**  
Independent Director

Bachelor's degree in law from Jodhpur University and has over 18 years of experience in the insurance sector. On the Board of Hindalco Industries Limited as an independent director



**Pranay Ashok Surana**  
Independent Director

Masters in engineering from the Indian Institute of Technology, Bombay. Founder of Flyrobe and has been featured on the coveted Forbes 30 under 30 in the Asia list (2017) and in the India list (2019).



**Komal Lokesh Khadaria**  
Independent Director

Member of Institute of Companies Secretaries of India ("ICSI") and holds a bachelor's degree in commerce. Holding nine years of experience and has held the position of Chairperson of Surat Chapter of ICSI



**Shyam Agarwal**  
Independent Director

Doctorate in law from University of Rajasthan and has over fifteen years of experience. A member of the quality review board of the ICAI, New Delhi; and Chairman and independent director of ICMAI Registered Valuers Organization, New Delhi.

# Strong Management Team



## **Jayantiram M Choudhary**

Chairman and Non-Ex Director

Associated with the Company since its incorporation. Over ten years of experience in the steel industry and four years as director of Accuracy Shipping Limited

## **Arun Kothari**

Managing Director

Associated with the Company since 2021 as a Director. A qualified Chartered Accountant and holds a bachelor's degree in commerce from Rajasthan University

## **Megharam S Choudhary**

Whole Time Director

Associated with our Company since its incorporation. Over 15 years of experience in the stainless steel welded pipes and tubes industry.

## **Dhruv M Patel**

Whole Time Director

Associated with the Company since 2015. Holds a bachelor's degree in engineering from University of Pune and a master's degree in technology from CEPT University.

## **Pavan Kumar Jain**

Company Secretary and Compliance Officer

Associated with us as manager (finance and accounts) since August 2020. A qualified company secretary holding three (3) years of experience in finance, accounting and secretarial work

## **Kumar Shishir C Sinha**

President (Marketing)

With our Company since March 01, 2021. Holds a degree of bachelors in arts from Magadh University and has over 30 years of experience in the stainless-steel pipes and tubes.

## **Kunal Bubna**

President (Finance & Accounts)

Associated with the Company since July 2021. Is a fellow member of the Institute of Chartered Accountants of India and the ICSI with fourteen (14) years of experience.

## **Om Prakash Mishra**

Vice President (Operations)

With our Company since December 2021. He holds a degree of bachelors in engineering from University of North Bengal and 23 years of experience in manufacturing industry.



## May 2022

- ✓ Listing of Venus Pipes & Tubes Limited
- ✓ Listing done on BSE & NSE
- ✓ Fresh Issue of Equity shares aggregating to ₹ 165.4 Cr.
- ✓ Objects of the Issue :
  1. Financing the project cost towards
    - Capacity expansion
    - Technological upgradation
    - Cost optimization of our operations & support to the manufacturing facility and
    - Backward integration for manufacturing of hollow pipes
  2. Long-term working capital requirements
- ✓ On 21st October 2021, we had made private placement of ₹ 59.443 Cr.

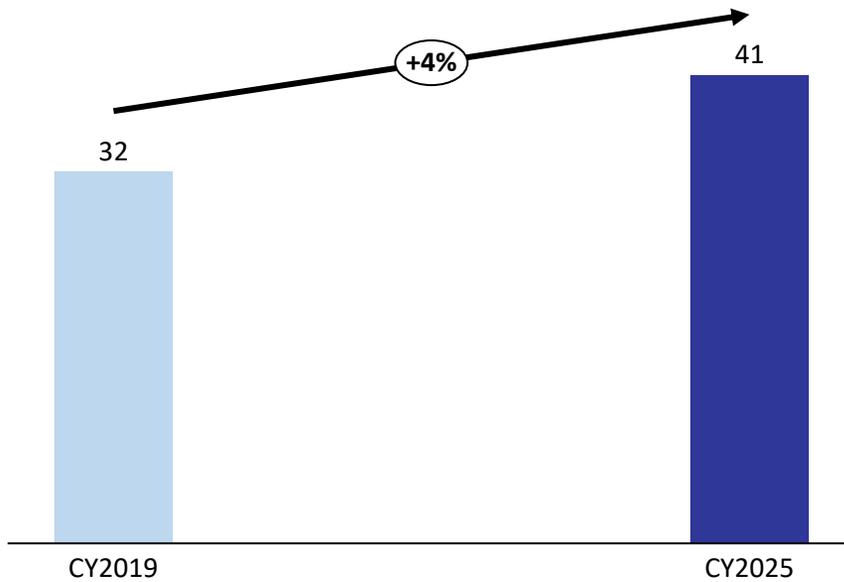
# INDUSTRY OUTLOOK



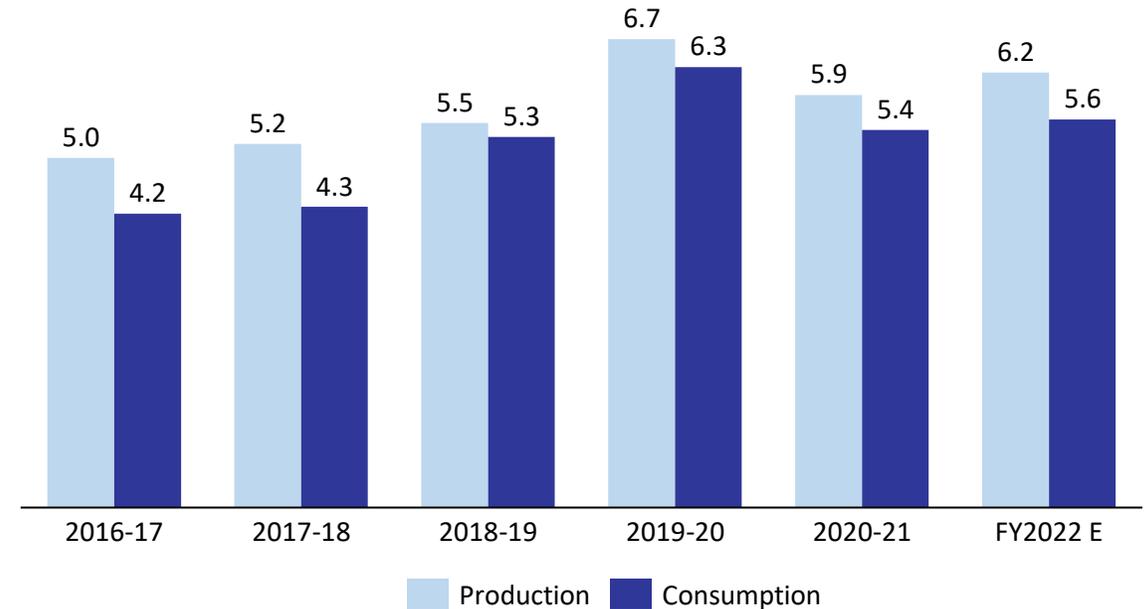


- ✓ The Indian stainless-steel sector is the **2<sup>nd</sup> largest producer** and consumer in the world and has a total manufacturing capacity of more than **6.8 Mn** tons of stainless steel annually
- ✓ India's per capital stainless steel consumption has **increased from 1.2 Kg in 2010 to 2.5 Kg in 2022**, however its **consumption is comparatively lower** compared to world average of **6 Kg per capita**

### Global Stainless Steel & Pipes Industry (USD bn)



### Steel Pipe & Tube Consumption in India (Mn Tons)





## Industry Growth Drivers

- ✓ Significant demand for Pipes & Tubes specifically from industry like chemical , pharma, engineering etc.
- ✓ In value terms, the size of Chemical industry is currently estimated at USD 178 Bn which is slated to grow to USD 300 Bn by 2025, growing annually by 9% per annum
- ✓ During FY 2021-30, the annual turnover in Indian Pharmaceutical Industry is expected to grow by a CAGR of 10%, to reach INR 7,840 Bn

### Sector specific schemes by Government as below shall act as an aid in generating demand for steel pipes & tubes in India

- ✓ **Chemicals**
  - Chemicals Promotion and Development Scheme (CPDS):
  - Petroleum, Chemicals, and Petrochemical Investment Regions (PCPIR)
- ✓ **Oil & Gas**
  - Hydrocarbons Exploration Licensing Policy (HELP)
- ✓ **Pharmaceutical**
  - Scheme for Development of Pharmaceutical Industry
  - Schemes to improve bulk drug production in India

## Policies Driving Growth

### Major Policies in Steel & Steel Pipes & Tubes Sector

- ✓ Strengthening the raw material supply chain
- ✓ Stainless steel pipes notified under Steel Quality Control Order
- ✓ Anti-Dumping Duty
- ✓ Domestically manufactured iron and steel products policy (DMISP)
- ✓ Duty Reduction Structure



### Demand Generation from Government Initiatives

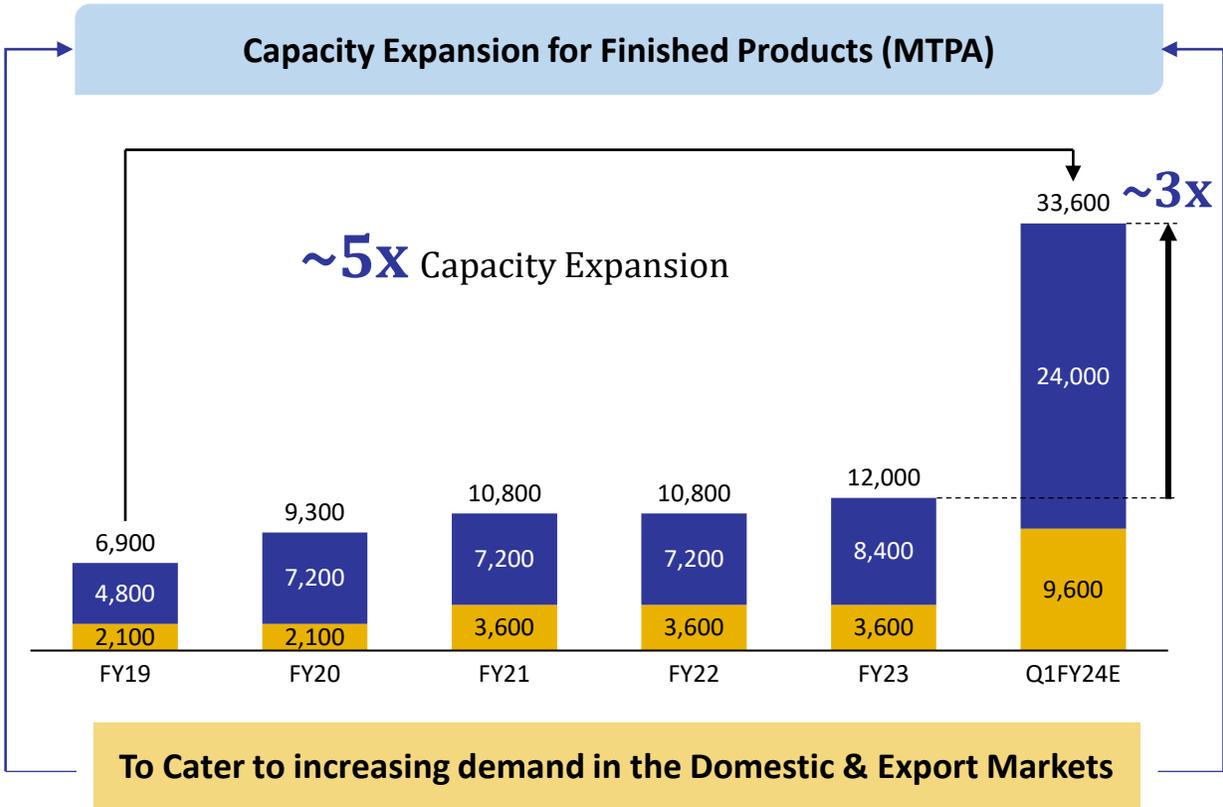
- ✓ Production Linked Incentives (PLI) Scheme The government has announced INR 1.97 Tn to be spent in the next 5 years for PLI schemes in 13 Sectors
- ✓ Atmanirbhar Bharat Packages
- ✓ National Manufacturing Policy
- ✓ National Infrastructure Pipeline (NIP)

# STRATEGIES TO SUPPORT GROWTH



THE ARTERIES OF INDUSTRIAL FLOW

# Capacity Expansion & Backward Integration



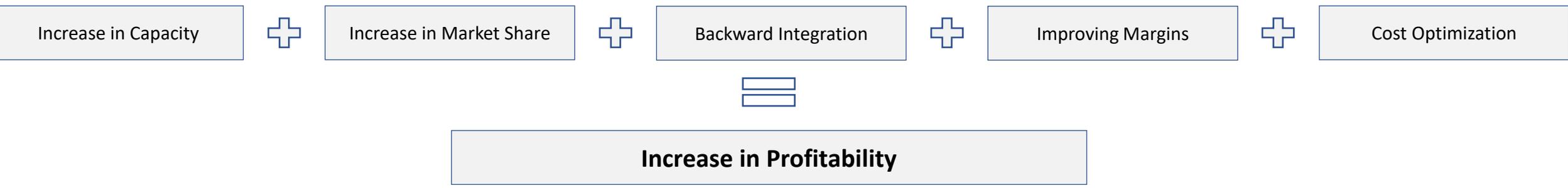
## Pursuing *Capacity Expansion*....

Particulars	Current		Post Expansion		Commencement of Commercial Production
	Size (mm)	Capacity	Size (mm)	Capacity	
Seamless	6 – 114.3	3,600 MTPA	6 – 168.3	9,600 MTPA	24 <sup>th</sup> May 2023
Welded	6 – 219.3	8,400 MTPA	6 – 1,219.2	24,000 MTPA	Tube Mills – 24 <sup>th</sup> May 2023, LSAW – Coming month
Mother Hollow	NA	0	NA	9,600 MTPA	24 <sup>th</sup> May 2023



....alongside *Backward Integration*

- **Backward integration strategy** of setting up a piercing line for manufacturing of hollow pipes
- With the piercing plant, **will be able to produce hollow pipes** from SS round bar

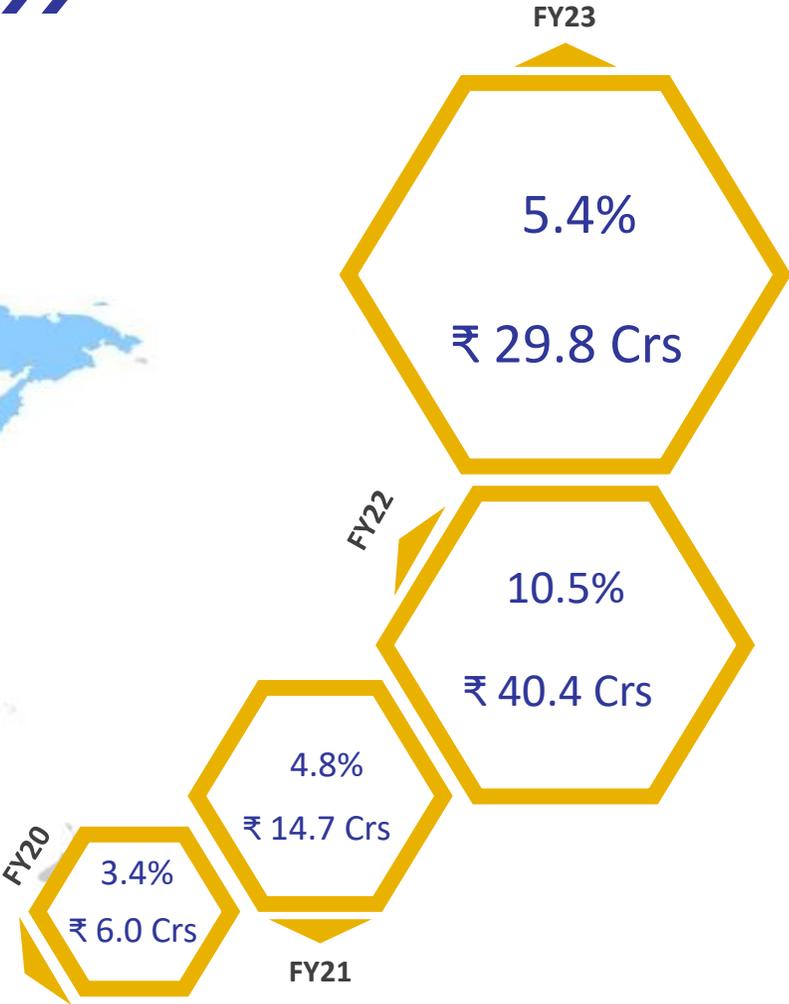


# Geographical Expansion



Exports in More than **20+** Countries

- United Kingdom
- France
- South Africa
- UAE
- Italy
- Poland
- Oman
- Sri Lanka
- Austria
- Germany
- Iran
- Spain
- Brazil
- Romania
- BELGIUM
- Israel
- Ethiopia
- Slovenia
- Russia
- Thailand



Contribution from Export Revenue

*Leverage our Existing Relationship to Deepen our Presence in Export Markets*



## Productivity & Efficiency Enhancement



Install acid regeneration plant for lower consumption of acids to improve operating margins and better plant productivity



Significant Environmental and Economic advantages shall follow from reduced usage of raw acids



Enterprise Resource Planning ("ERP") to be introduced for efficient control over our manufacturing process & productivity

Creating Brand for "VENUS" thereby increasing the contribution from direct sales for higher realizations



International Standards



Trade Fares

Exhibitions

Digital Marketing

Customer Centric

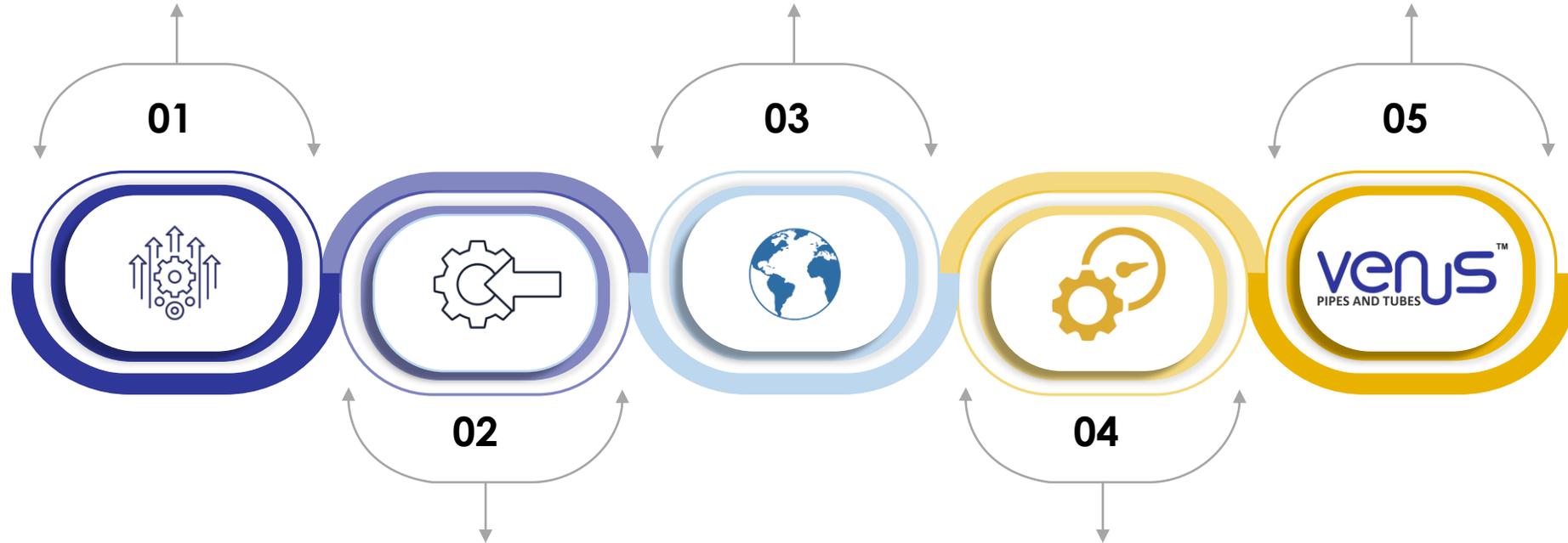


Various Brand Building Activities



## Capacity Expansion

Proposing to expand our existing manufacturing capacity for welded pipes/tubes and seamless pipes/tubes for manufacturing higher diameter pipes/tubes.



## Geographical Expansion

We intend to leverage our existing relationships to further deepen our presence in the international market, particularly in the European Union.

## Brand Value

We intend to make consistent efforts to strengthen our brand “Venus” and enhance our brand visibility for attaining parity with our industry peers.

## Backward Integration

We plan to set up a piercing line for manufacturing of hollow pipes with the capacity of 800 MT per month, as our backward integration strategy. With the piercing plant, we will be able to produce hollow pipes from SS round bar.

## Better Efficiency

We are proposing to install an acid regeneration plant (“ARP”) where the consumption of acid in our manufacturing process shall be reduced substantially, and we believe that the same shall help us in improving our operating margins.

# **HISTORICAL FINANCIAL & OPERATIONAL HIGHLIGHTS**

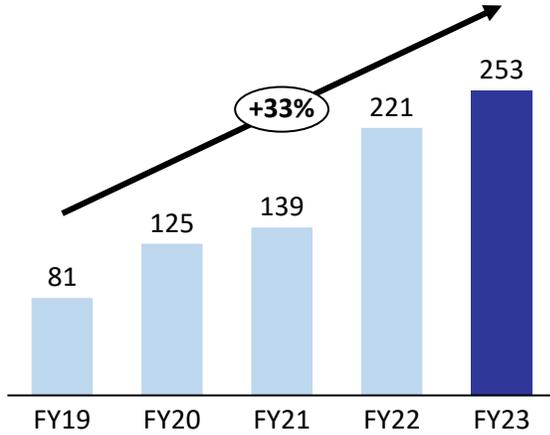


# Product Category Split

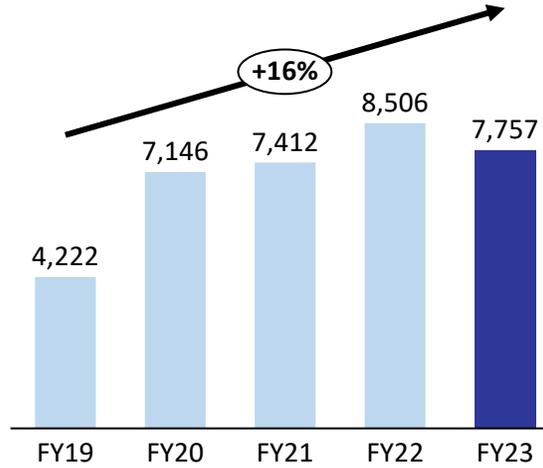


Welded

Revenue (in ₹ Cr)

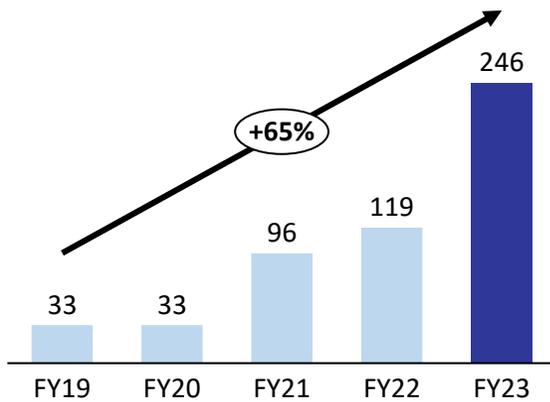


Volume (in MTS)

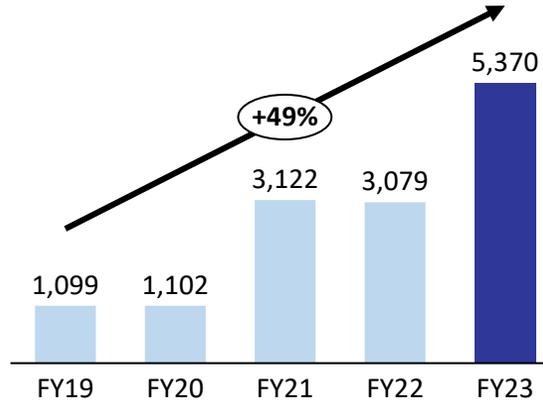


Seamless

Revenue (in ₹ Cr)



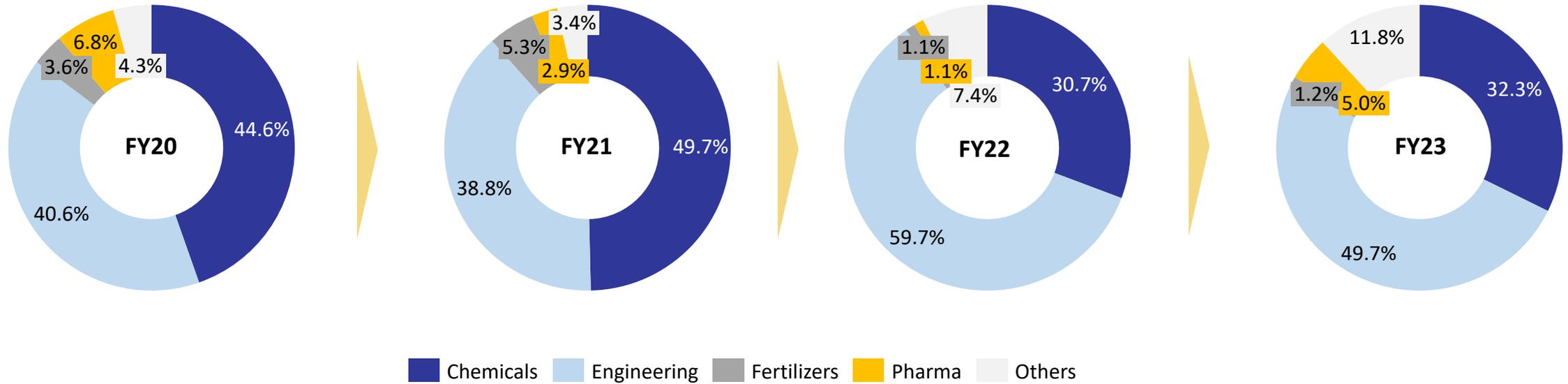
Volume (in MTS)



- ✓ Revenue and Volumes have grown tremendously across both our segments in a short span of just 5 years
- ✓ Volume growth for Welded has been at a CAGR of 16% and for Seamless the volume growth was 49% CAGR between FY19-FY23
- ✓ Revenues have also grown at a staggering CAGR of 33% for welded and at CAGR of 65% for seamless between FY19-FY23



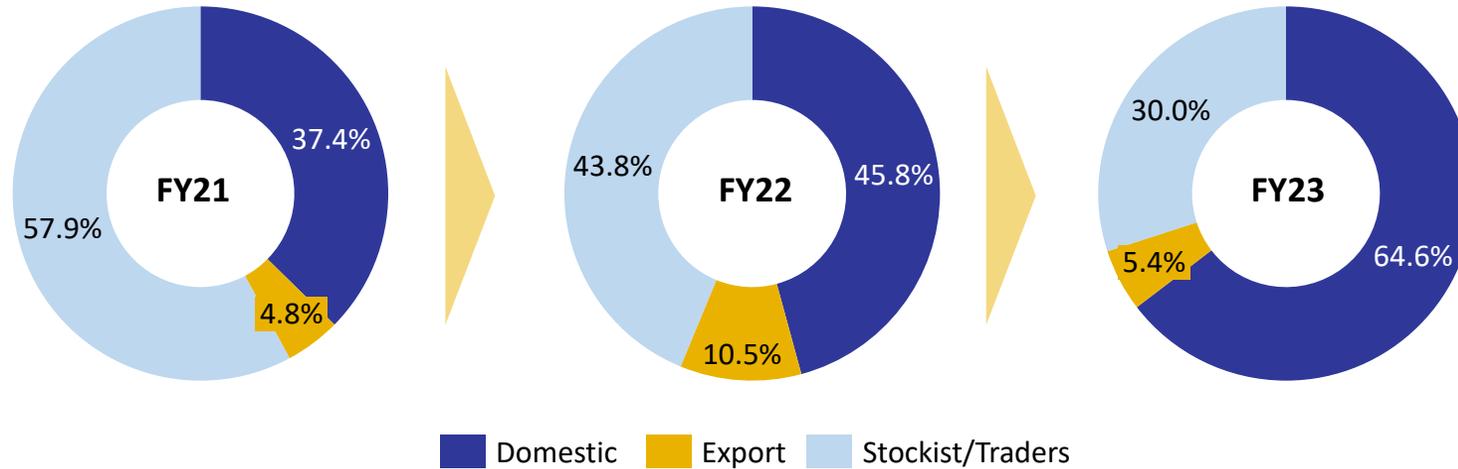
## Direct Domestic Sales Split



- ✓ Revenue contribution from Other industries has **increased from 4.3% in FY20 to 11.8% in FY23**
- ✓ Revenue **dependency** from chemical industry has **reduced from 44.6% in FY20 to 32.3% in FY23**
- ✓ Due to the capex cycle revival in India, the share of Engineering has **increased from 40.6% in FY20 to 49.7% in FY23**

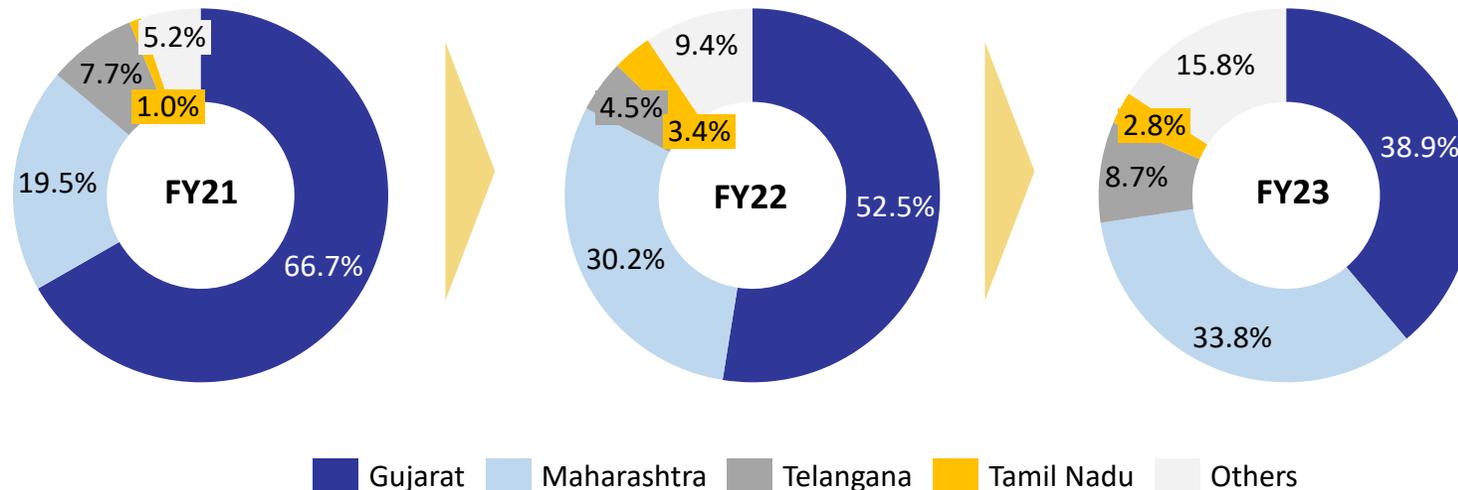
# Sales Split across Geography

## Geography



- ✓ Revenue contribution from exports have increased from **4.8% in FY21 to 5.4% in FY23**
- ✓ Direct domestic sales to end consumers have increased from **37.4% in FY21 to 64.6% in FY23**
- ✓ Revenue contribution from Stockist/Traders has **reduced from 57.9% in FY21 to 30% in FY23**

## State wise revenue

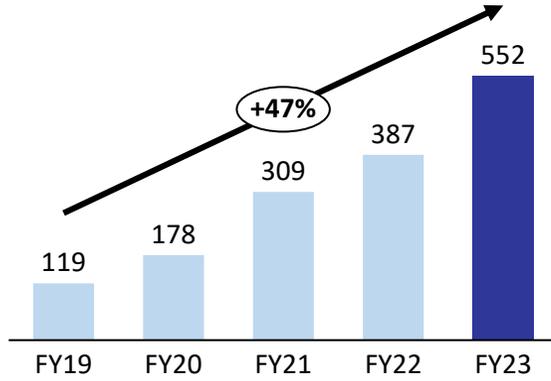


- ✓ Revenue contribution from Other States increased by **3x between FY21 to FY23** aligning with goal of expanding across domestic market
- ✓ Revenue from states like Maharashtra and Telangana went up significantly giving us better access across regions

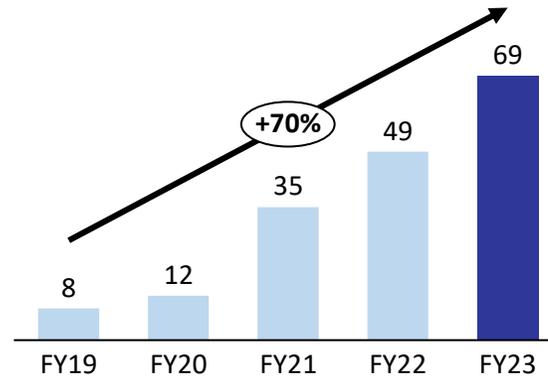
# Key Historical Financials



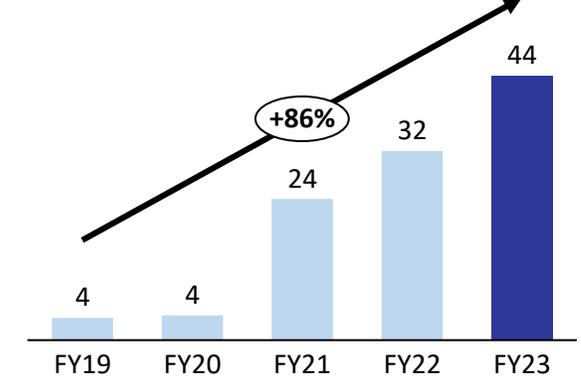
### Revenue (in ₹ Cr)



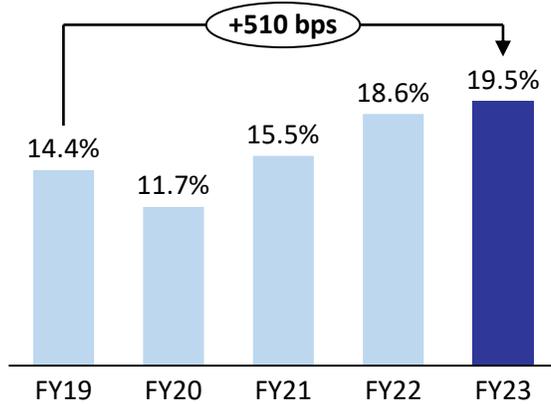
### EBITDA (in ₹ Cr)



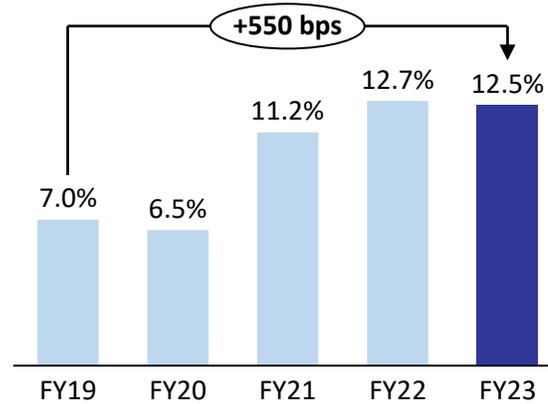
### PAT (in ₹ Cr)



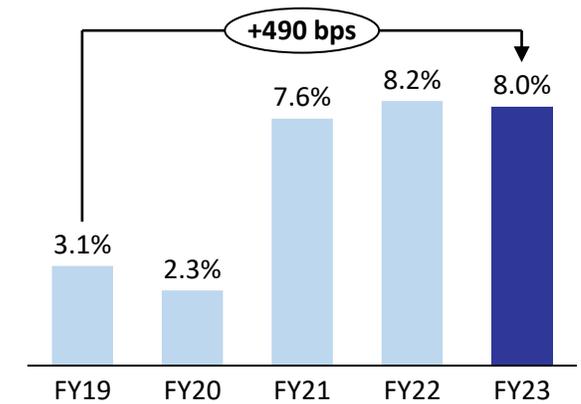
### Gross Profit Margin



### EBITDA Margin



### PAT Margin



# Historical Profit & Loss Account



Profit and Loss (in ₹ Cr)	FY23	FY22	FY21	FY20	FY19	CAGR
<b>Revenue from Operations</b>	<b>552.4</b>	<b>386.9</b>	<b>309.3</b>	<b>177.8</b>	<b>118.8</b>	
Cost of Goods Sold	444.6	315.0	261.5	157.0	101.6	
<b>Gross Profit</b>	<b>107.8</b>	<b>71.9</b>	<b>47.9</b>	<b>20.8</b>	<b>17.1</b>	<b>58%</b>
<b>Gross Profit Margins (%)</b>	<b>19.5%</b>	<b>18.6%</b>	<b>15.5%</b>	<b>11.7%</b>	<b>14.4%</b>	<b>510 bps</b>
Employee Cost	10.2	6.2	3.2	2.7	2.5	
Other Expenses	28.5	16.4	9.9	6.5	6.3	
<b>EBITDA</b>	<b>69.1</b>	<b>49.3</b>	<b>34.8</b>	<b>11.6</b>	<b>8.3</b>	<b>70%</b>
<b>EBITDA Margins (%)</b>	<b>12.5%</b>	<b>12.7%</b>	<b>11.2%</b>	<b>6.5%</b>	<b>7.0%</b>	<b>550 bps</b>
Depreciation	2.4	1.4	1.0	2.1	2.0	
Other Income	1.97	2.1	2.7	1.5	1.8	
<b>EBIT</b>	<b>69.5</b>	<b>49.9</b>	<b>36.5</b>	<b>11.0</b>	<b>8.1</b>	<b>71%</b>
Finance Cost	9.8	7.1	5.6	4.6	3.1	
Share in Profit/(loss) in JV and Associates	0.0	0.0	0.0	0.0	0.0	
<b>Profit before Tax</b>	<b>59.7</b>	<b>42.9</b>	<b>31.0</b>	<b>6.5</b>	<b>4.9</b>	<b>87%</b>
Tax	15.5	11.2	7.32	2.4	1.3	
<b>Profit After Tax</b>	<b>44.2</b>	<b>31.7</b>	<b>23.6</b>	<b>4.1</b>	<b>3.7</b>	<b>86%</b>
<b>PAT Margins (%)</b>	<b>8.0%</b>	<b>8.2%</b>	<b>7.6%</b>	<b>2.3%</b>	<b>3.1%</b>	<b>490 bps</b>

# Historical Balance Sheet



Assets (in ₹ Cr)	Mar-23	Mar-22	Mar-21	Mar-20	Mar-19
<b>Non - Current Assets</b>	<b>183.5</b>	<b>30.4</b>	<b>20.9</b>	<b>17.5</b>	<b>10.0</b>
Property Plant & Equipment's	59.8	21.3	19.5	12.2	9.8
CWIP	121.6	7.4	-	3.2	-
Intangible assets	0.1	0.1	0.1	0.1	-
Other Financial Assets	-	1.7	1.3	2.0	0.3
Other Non - Current Assets (Net)	2.1	-	-	-	-
<b>Current Assets</b>	<b>323.9</b>	<b>217.5</b>	<b>116.6</b>	<b>89.7</b>	<b>69.1</b>
Inventories	166.9	93.5	44.2	44.3	36.2
Financial Assets					
(i)Investments	2.9	1.4	-	-	-
(i)Trade receivables	70.5	73.5	45.1	30.7	21.6
(ii)Cash and cash equivalents	10.8	0.0	0.1	0.4	0.3
(iii)Bank balances other than cash and cash equivalents	15.2	7.3	4.4	5.0	1.5
Other Financial Assets	0.1	0.7	2.6	0.0	1.1
Other Current Assets	57.5	41.1	20.4	9.3	8.4
<b>Total Assets</b>	<b>507.4</b>	<b>247.9</b>	<b>137.5</b>	<b>107.2</b>	<b>79.1</b>

Equity & Liabilities (in ₹ Cr)	Mar-23	Mar-22	Mar-21	Mar-20	Mar-19
<b>Total Equity</b>	<b>322.2</b>	<b>128.5</b>	<b>39.9</b>	<b>16.3</b>	<b>12.2</b>
Share Capital	20.3	15.2	8.7	8.7	8.7
Reserves & Surplus	301.9	113.3	31.2	7.5	3.4
<b>Non-Current Liabilities</b>	<b>26.7</b>	<b>15.6</b>	<b>19.5</b>	<b>20.1</b>	<b>14.6</b>
Financial Liabilities					
(i) Borrowings	24.7	14.3	18.5	18.6	14.4
(ii) Lease Liabilities	0.0	0.2	0.3	0.4	-
Provisions	0.6	0.3	0.2	0.2	0.1
Deferred Tax Liabilities	1.5	0.7	0.4	0.9	0.2
<b>Current Liabilities</b>	<b>158.5</b>	<b>103.7</b>	<b>78.2</b>	<b>70.9</b>	<b>52.3</b>
Financial Liabilities					
(i) Borrowings	65.8	54.4	19.0	24.0	15.0
(ii) Trade Payables	74.1	33.5	42.4	41.3	32.5
(iii) Lease	0.0	0.0	0.1	0.1	-
(iii) Other Financial Liabilities	6.3	0.2	0.1	0.0	0.1
Other Current Liabilities	6.1	5.5	6.2	3.1	2.9
Current tax liabilities (net)	6.2	10.2	10.3	2.4	1.9
Provisions	0.0	0.0	0.0	0.0	0.0
<b>Total Equity &amp; Liabilities</b>	<b>507.4</b>	<b>247.8</b>	<b>137.5</b>	<b>107.2</b>	<b>79.1</b>

# Historical Abridged Cash Flow Statement

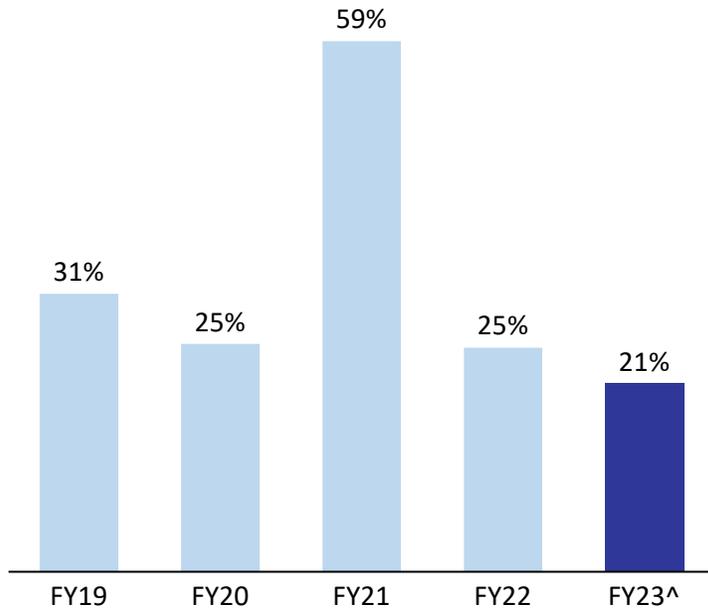


Particulars (in ₹ Cr)	FY23	FY22	FY21	FY20	FY19
<b>Net Profit Before Tax</b>	<b>59.7</b>	<b>42.9</b>	<b>31.0</b>	<b>6.5</b>	<b>4.9</b>
Adjustments for: Non -Cash Items / Other Investment or Financial Items	8.3	5.6	5.1	4.1	2.6
<b>Operating profit before working capital changes</b>	<b>68.0</b>	<b>48.5</b>	<b>36.1</b>	<b>10.6</b>	<b>7.6</b>
Changes in working capital	-40.4	-97.4	-24.0	-7.1	-12.9
<b>Cash generated from Operations</b>	<b>27.6</b>	<b>-49.0</b>	<b>12.1</b>	<b>3.5</b>	<b>-5.4</b>
Direct taxes paid (net of refund)	<b>18.7</b>	11.0	0.7	1.1	1.3
<b>Net Cash from Operating Activities</b>	<b>8.9</b>	<b>-60.0</b>	<b>11.3</b>	<b>2.4</b>	<b>-6.7</b>
<b>Net Cash from Investing Activities</b>	<b>-27.0</b>	<b>34.1</b>	<b>-2.4</b>	<b>-12.4</b>	<b>-1.4</b>
<b>Net Cash from Financing Activities</b>	<b>18.9</b>	<b>25.8</b>	<b>-9.2</b>	<b>10.0</b>	<b>7.7</b>
<b>Net Decrease in Cash and Cash equivalents</b>	<b>0.8</b>	<b>0.0</b>	<b>-0.3</b>	<b>0.1</b>	<b>-0.3</b>
Add: Cash & Cash equivalents at the beginning of the period	0.0	0.1	0.4	0.3	0.6
<b>Cash &amp; Cash equivalents at the end of the period</b>	<b>0.8</b>	<b>0.0</b>	<b>0.1</b>	<b>0.4</b>	<b>0.3</b>

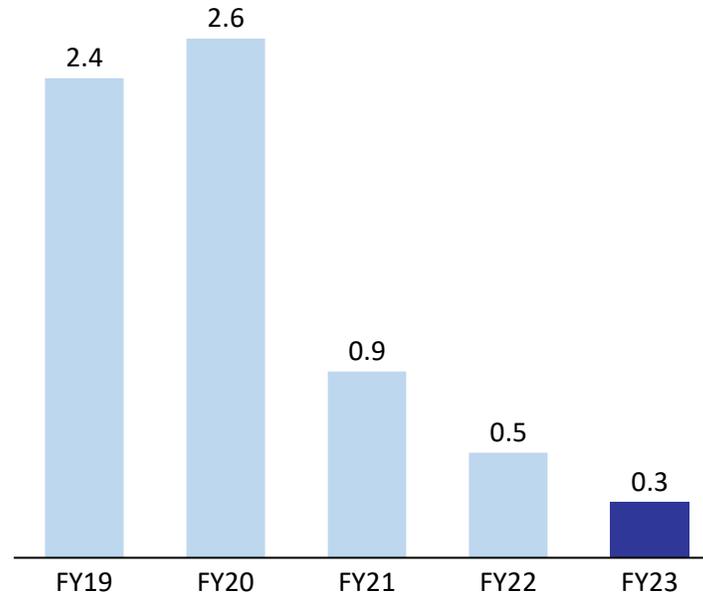
# Key Return Ratios



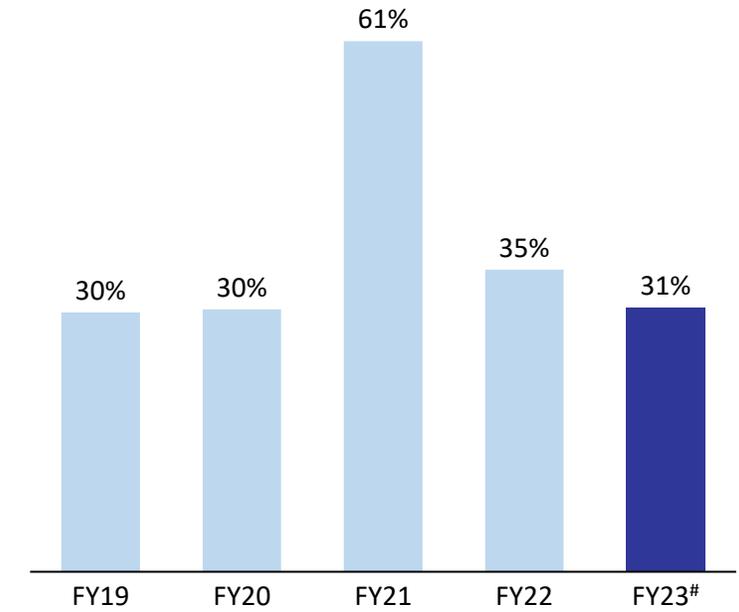
## ROE



## Debt / Equity Ratio



## ROCE



<sup>#</sup>Excluding CWIP of 121.6 crores from Total Capital Employed;

<sup>^</sup>Excluding Rs. 107.9 crs raised via IPO for Capacity expansions



# Thank You



## **Venus Pipes & Tubes Limited**

CIN: L74140GJ2015PLC082306

Mr. Kunal Bubna (President – Accounts & Finance)

[cs@venuspipes.com](mailto:cs@venuspipes.com)



## **Strategic Growth Advisors Private Limited**

CIN: U74140MH2010PTC204285

Mr. Sagar Shroff / Mr. Ayush Haria

[sagar.shroff@sgapl.net](mailto:sagar.shroff@sgapl.net) / [ayush.haria@sgapl.net](mailto:ayush.haria@sgapl.net)

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