



STEEL STRIPS WHEELS LIMITED

Delivering Value; Seeking Excellence

Investor Presentation

July 2024



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Company Overview

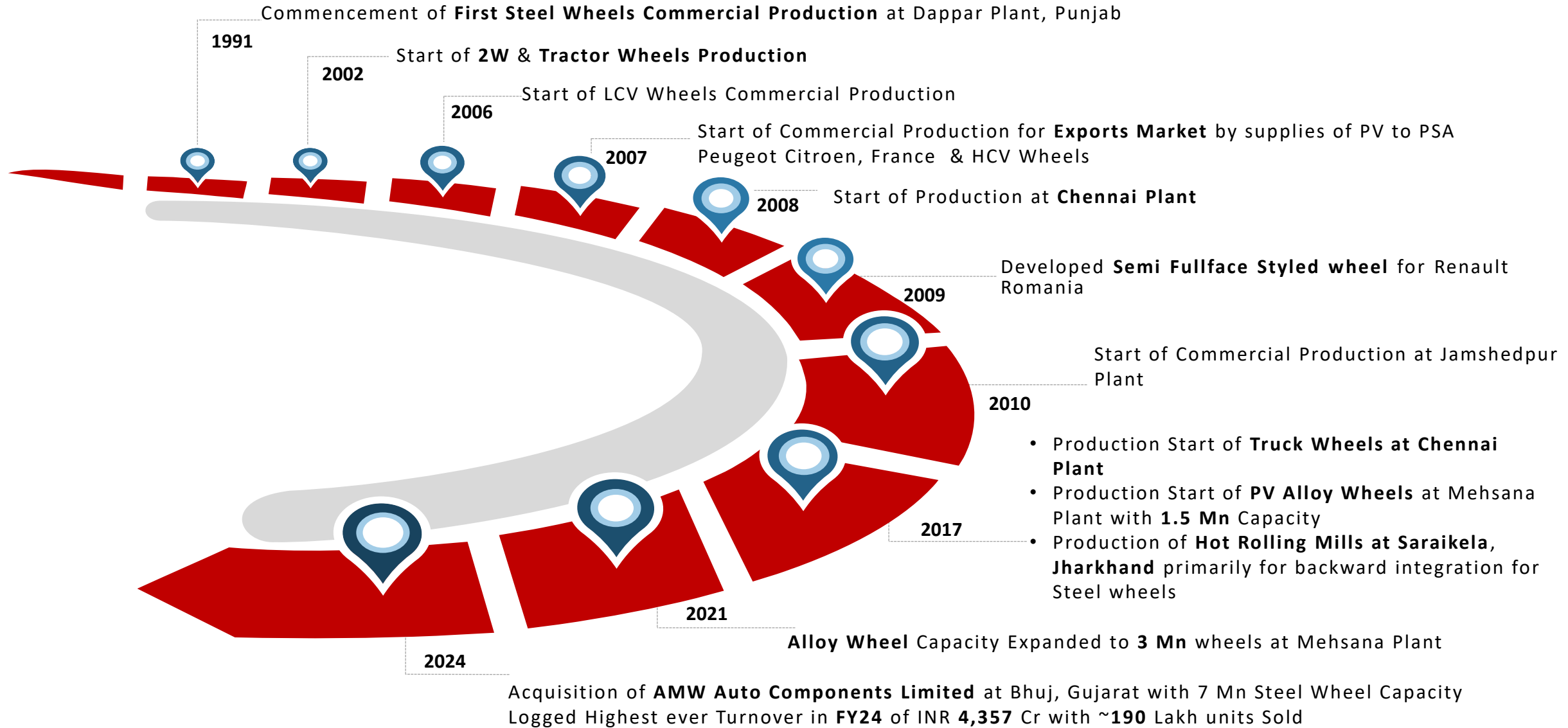


SSWL is a leader in designing & manufacturing Automotive wheels – both Steel & Alloy Wheels category

SSWL aspires to be the Preferred Global Brand of Wheel Solution provider committed to excellence



Our Journey





Strategic Partnerships

TATA Steel Limited, India

**6.9% Stake in Steel Strips
Wheels Limited**

- Tata Steel Limited (through its then wholly-owned subsidiary Company namely Kalimati Investment Company Ltd, which has now merged with Tata Steel Ltd) had entered into a Strategic Alliance Agreement in January 2008 with SSWL
- Through this relationship, Tata Steel supports us with more flexibility in areas such as supply chain management, enjoying priorities and stronger support for new grade developments, etc

Nippon Steel & Sumitomo Metal Corporation, Japan

**5.4% Stake in Steel Strips
Wheels Limited**

- Sumitomo Metal Industries Limited, merged with Nippon Steel Corp and now known as Nippon Steel & Sumitomo Metal Corporation (NSSMC), has entered into a Strategic Alliance Agreement in December 2010
- This relationship helps in bringing international expertise in steel quality and newer technology exploration
- Sumitomo Group, which has 400 years of manufacturing history, founded Sumitomo Metals in 1897 and it is one of the world's leading steelmakers



Our Products

Steel Wheels – Rs. 732 crores (~71%) (Q1 FY25 Revenues)

Incl. Exports



Robust Wheel

Steel Wheels are robust, fit, tough for rugged SUVs

Competitive Pricing

Competitively priced; have higher acceptance in mass vehicles

Suitability

More flexible, absorbs more shock, thus suitable for off-road and heavy duty applications

Quick Maintenance

Requires nothing more than hammering the bent portion into proper shape

Alloy Wheels – Rs. 294 crores (~29%) (Q1 FY25 Revenues)

Incl. Exports



Aesthetics

Have an enhanced aesthetic appeal, higher acceptance in high value PVs

Strength

The higher strength-to-weight ratio for alloy wheels leads to greater control and precision steering

Free from Corrosion

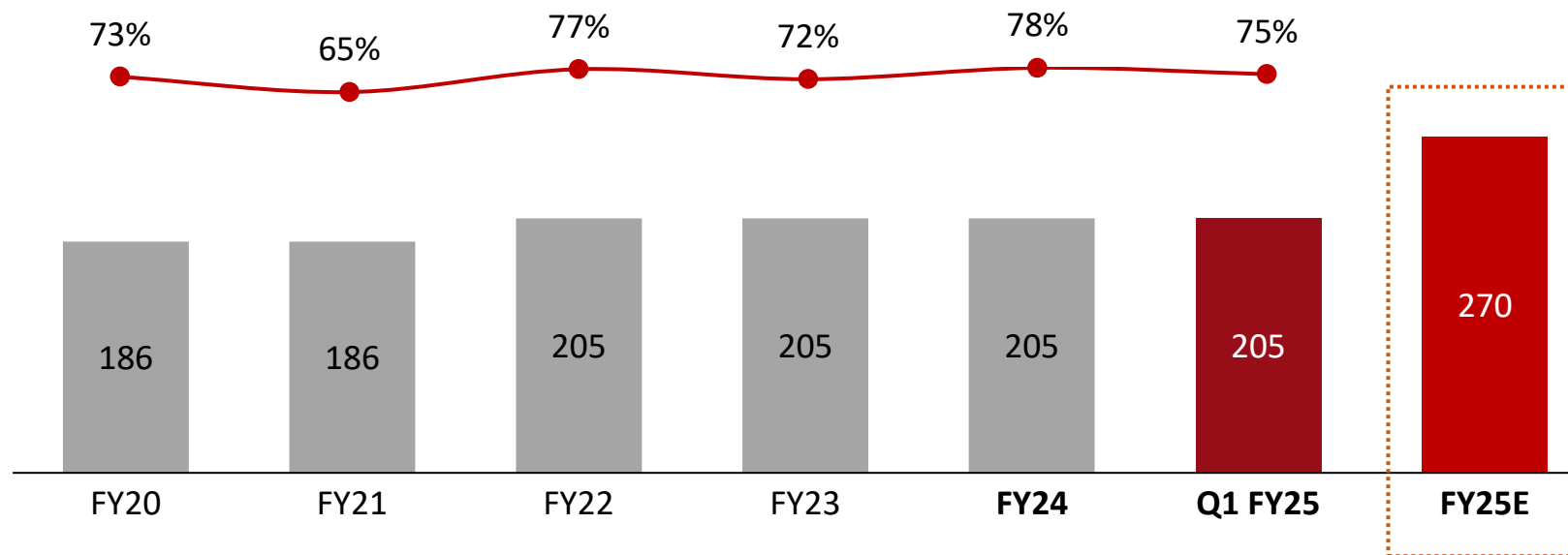
Alloy wheels are known for their ability to resist corrosion

Heat dissipation

Alloy wheels disperse heat better and this decreases cracking and bending which also translates to more efficient braking

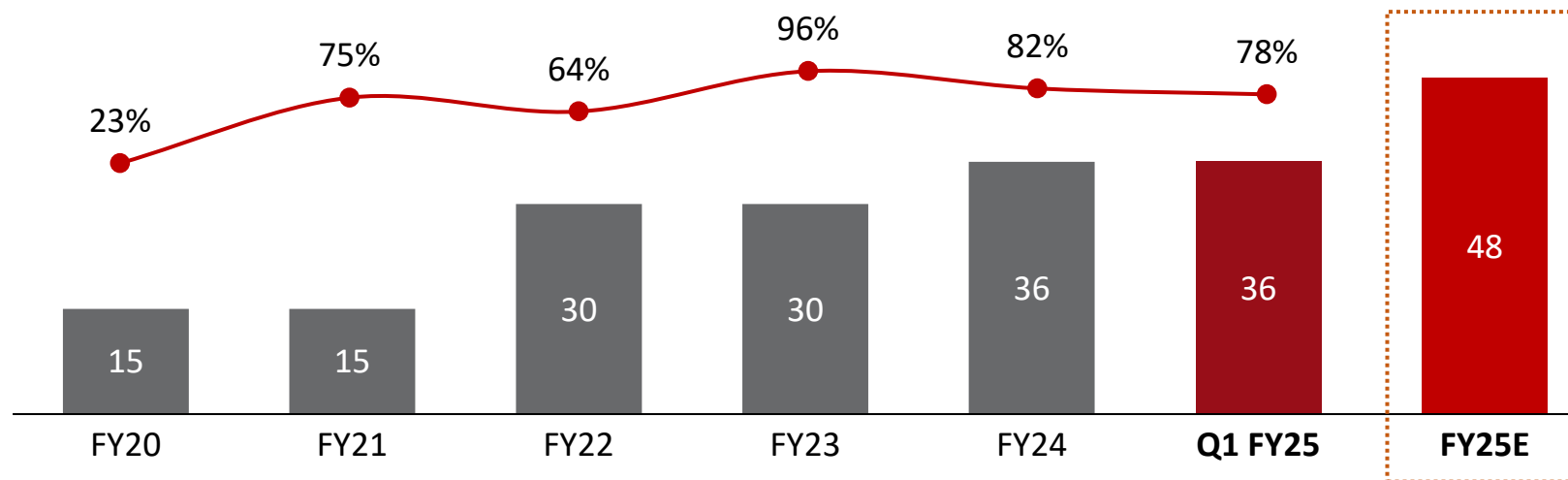
Product Capacities & Utilization

STEEL WHEELS



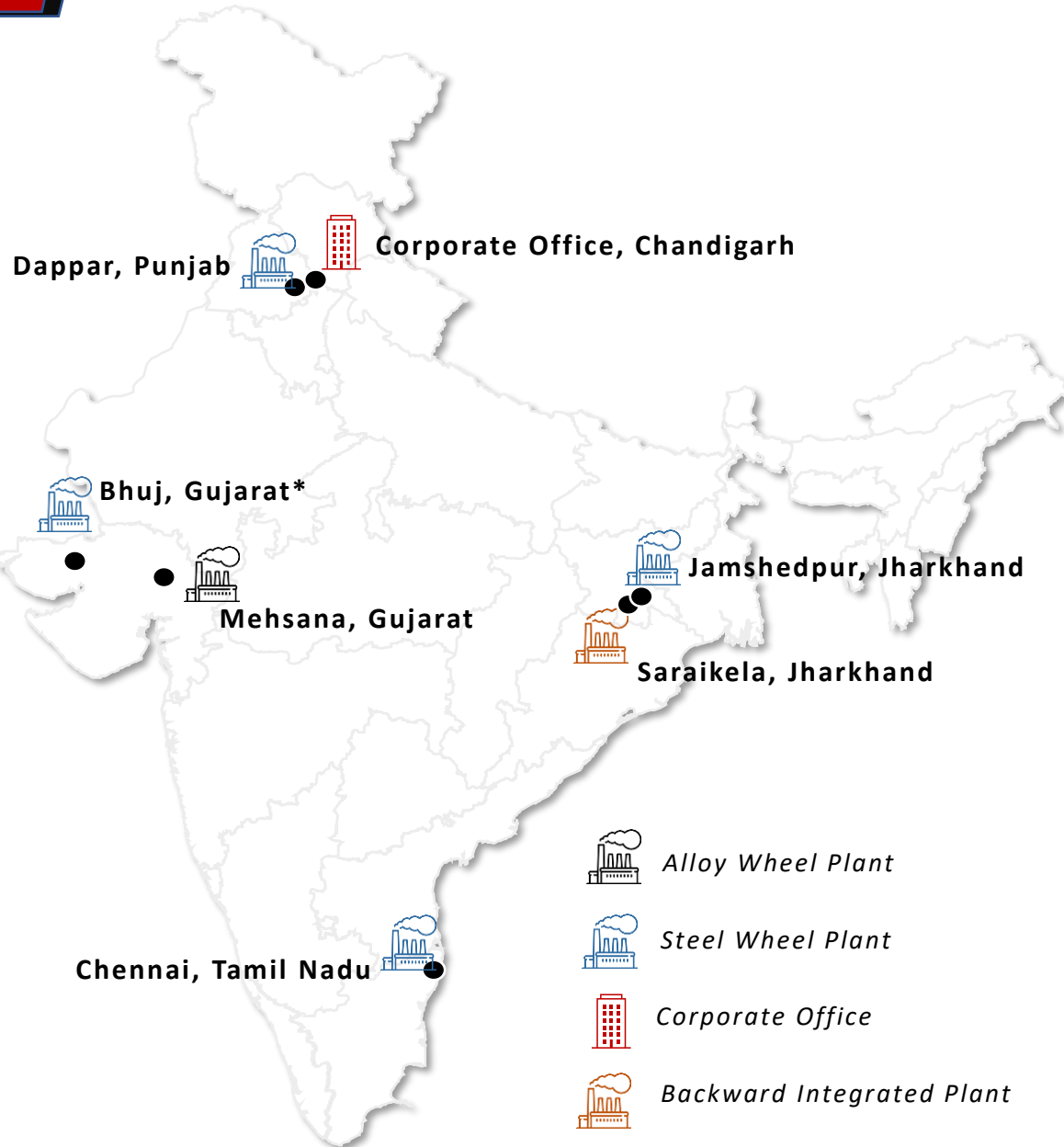
- Phased addition of **70 lakh** steel wheel operational capacity
- Resolution plan successfully implemented in January 2024 by payment of ~Rs 138.15 Crs. (Rs. 5 Crs. Equity and Rs 133.15 Crs. Inter Corporate Loan)

ALLOY WHEELS



- Alloy Wheels Capacity to be expanded by 33% i.e. **12 Lakh** Wheels to **48 Lakh** Wheels in a phased manner at Mehsana Plant, Gujarat

State-of-the-Art Facilities



		Wheel Capacity (Mn)	Catering to	
	Dappar, Punjab	10.8	PV, MUV, Tractor & OTR	
	Chennai, Tamil Nadu	6+1.5 7.5	PV & CV	
	Jamshedpur, Jharkhand	2.2	HCV / LCV	
	Bhuj, Gujarat	7.0*	HCV, Tractor, PV	
*AMW Auto Components Ltd acquired through NCLT order with projected capacity to build 7 Mn Steel Wheel Units in total for CV, Tractor and PV				
	Mehsana, Gujarat	3.6	PV	
	Saraikela, Jharkhand		Backward Integrated Plant for Steel Wheels	

Clientele



Steel Wheels

Domestic Market Share

37%



Passenger Vehicle

Key Customers	Key Platforms	Share of Business
Maruti Suzuki	Ciaz, Baleno, Scross, Brezza, Celerio	35%
Hyundai	Venue, Grandi10, Verna	31%
Mahindra	KUV, TUV, XUV	56%
Honda	Elevate, Amaze, City	97%
MG Motors	Hector, Comet	100%
Kia	Seltos, Carnival, Sonet	68%

61%



MHCV

Key Customers	Key Platforms	Share of Business
Ashok Leyland	Ecomet, Ross, Viking, Cheetah	64%
TATA Motors	Ultra LPK1512, LPK1518, 2518, 3718, 3118, 4218	60%

42% / 70%



Tractor

OTR

Key Customers	Key Platforms	Share of Business
Mahindra	Jivo, Arjun, Yuvraj, Dhruv	55%
Sonalika	D1745, D16TRX, RX47	46%
Escorts	FT, PT, Kubolta	58%
JCB	3DX, 4DX, Export Model	60%
New Holland	5500, 7500	29%

30%

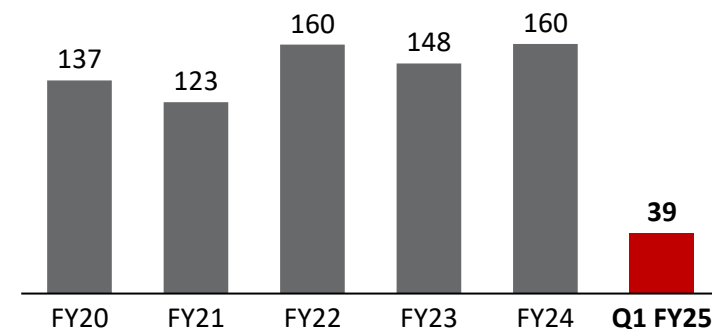


2-3 Wheeler

Key Customers	Key Platforms	Share of Business
HMSI	Activa, Dio, Activa125, Grazia, Aviator	36%
Suzuki Scooters	Access 125	50%
Mahindra 3W	Alfa, E-Auto	100%

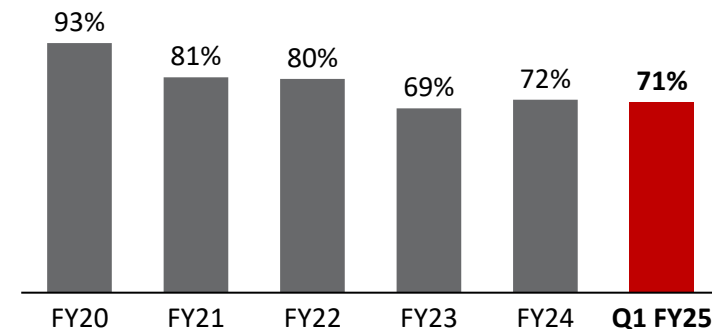
Steel Wheel Sales Volume (in Lakh Units)

Incl. Exports



Steel Wheel Sales Value Contribution

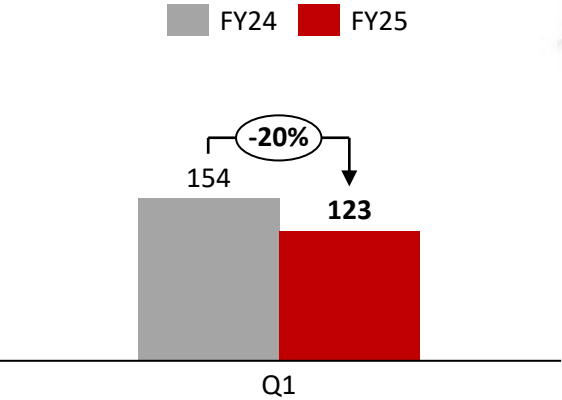
Incl. Exports



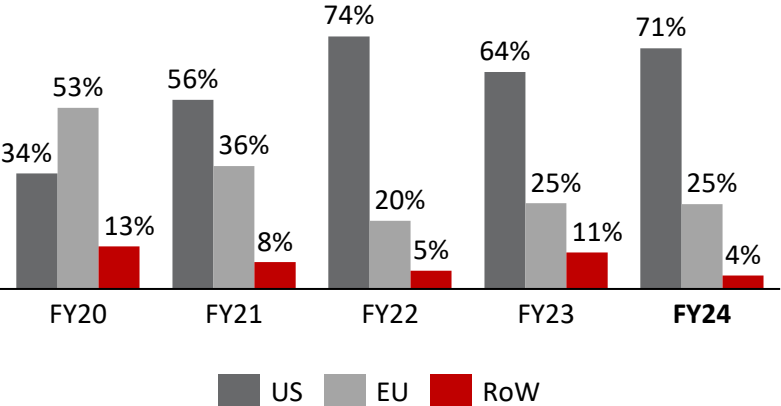


Export Profile

Exports Revenue (Rs. Crs.)



Region Wise Export Revenue Contribution %





Growth Drivers



Growth Drivers



Sales Mix Shift

Shift of Sales Mix towards High Margin Accretive Segments – Alloy Wheel & Exports



Operations Optimization

Development of Robotic Automated Operation process for Operating Cost Rationalization



Foray into EV Segment

Exploring various avenues to foray into EV Segment



Industry Growth

Steel Wheel Market to grow at 8% p.a. whereas Alloy Wheel Market to grow at 12% p.a. over next 5 years



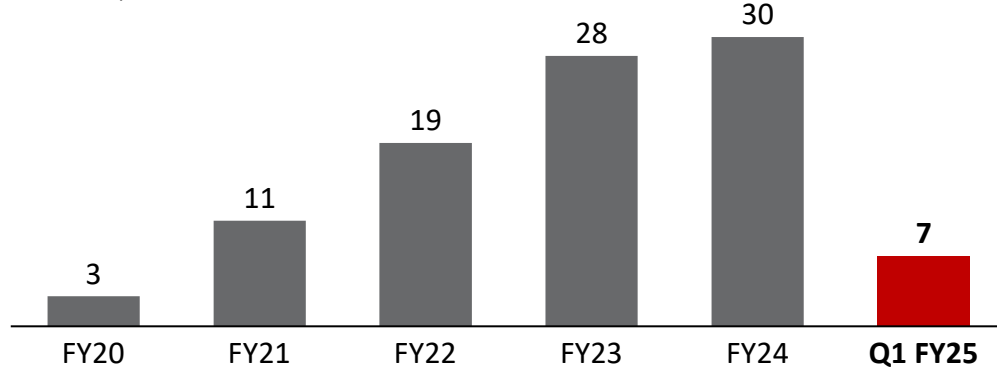
Improving Returns

Strengthening Balance Sheet thereby Improving Return on Capital Employed & Return on Equity

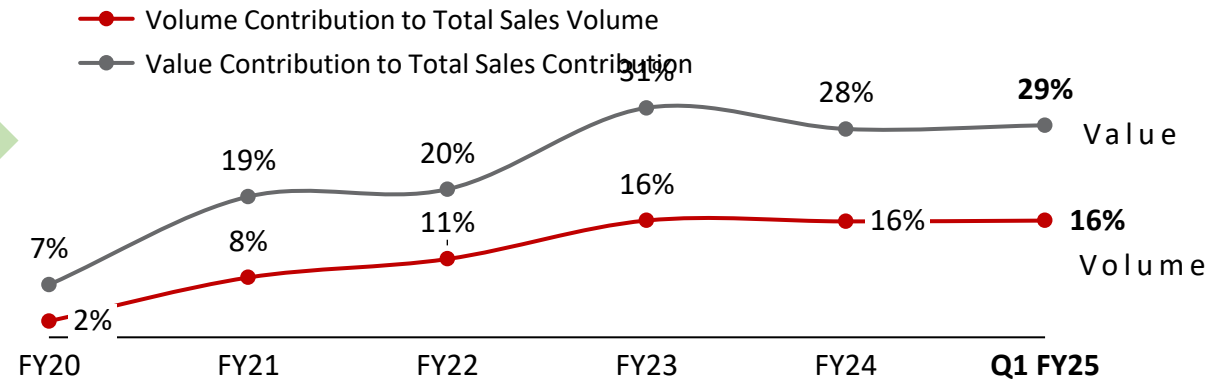
Shift of Sales Mix to High Margin Alloy Wheels Segment

Increased Volumes from Alloy Wheel Sales (in Lakh Units)

Incl. Exports



Leading to Increased Contribution to Sales



KEY CUSTOMERS



HYUNDAI

100% share - Creta, Alcazar, Grand i10 Nios, Aura, Tucson, Exter

50% share - Venue, Verna



50% share - Seltos, Sonnet



RENAULT **100% share** - Kiger

TATA MOTORS

80% share - Tigor

60% share - Altroz

50% share - Nexon

25% share - Punch



100% share - Magnite



100% share - XUV 700, 3XO, Scorpio Classic



100% share - Slavia

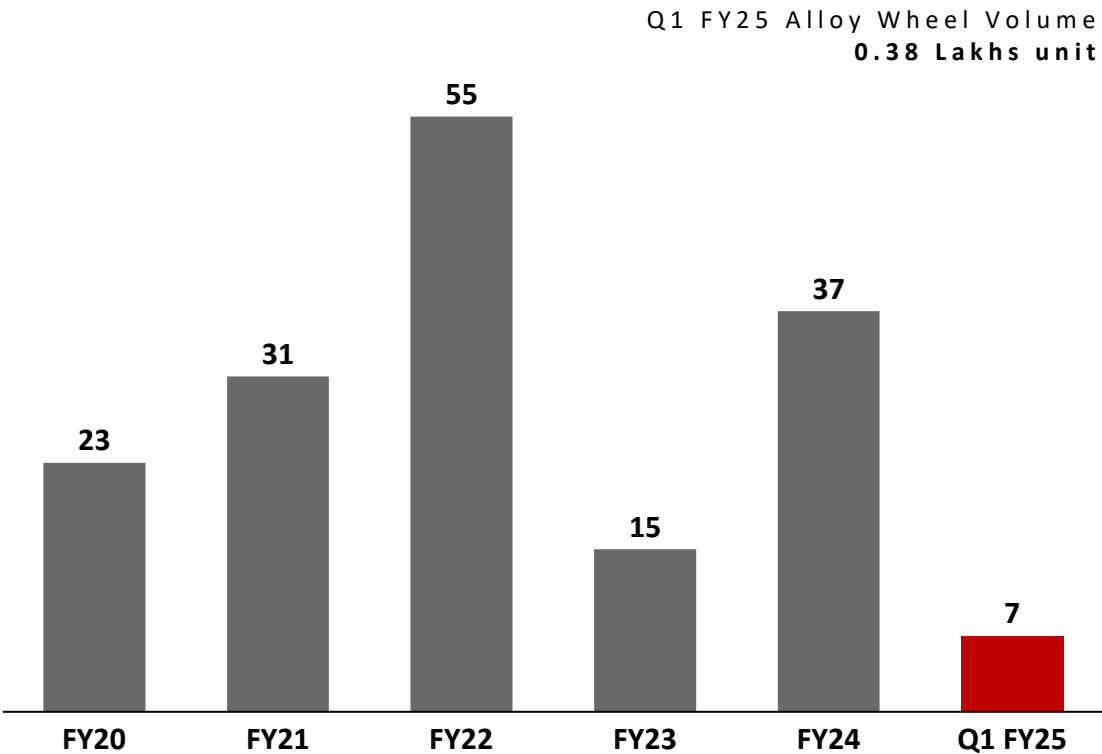


60% share - Hector
43% share - Astor

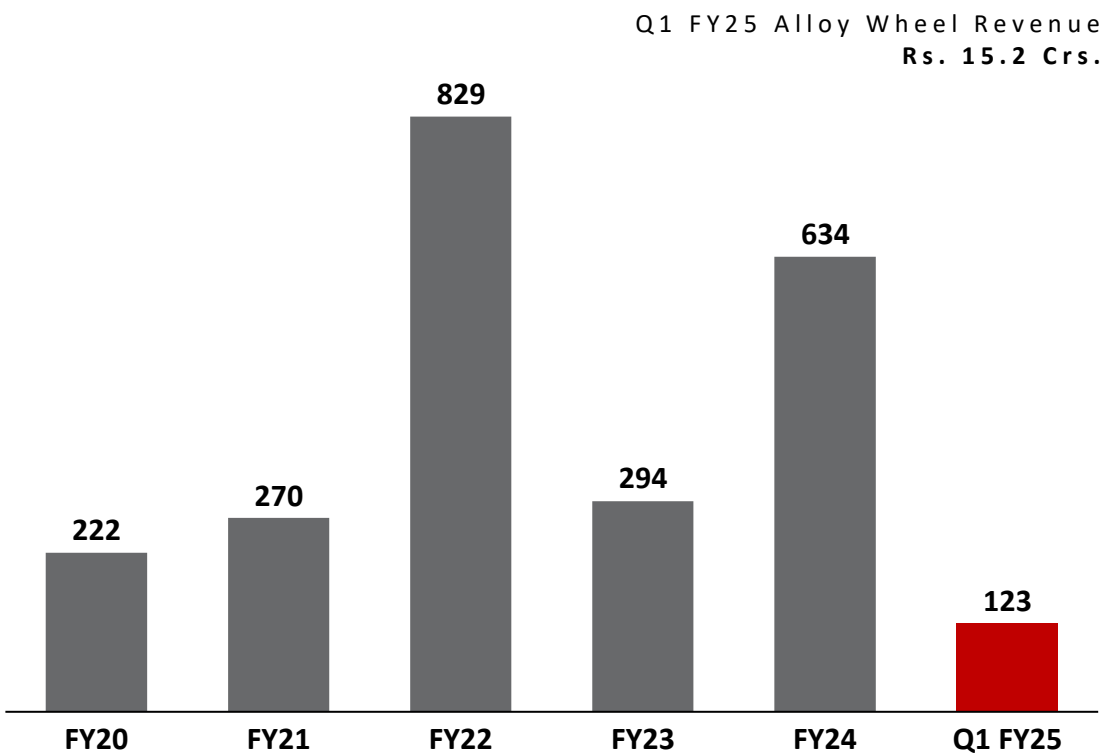


Shift of Sales Mix to High Margin Exports Segment

Increased Volumes from Exports
(in Lakh Units)



Increased Revenues from Exports
(Rs. Crs.)

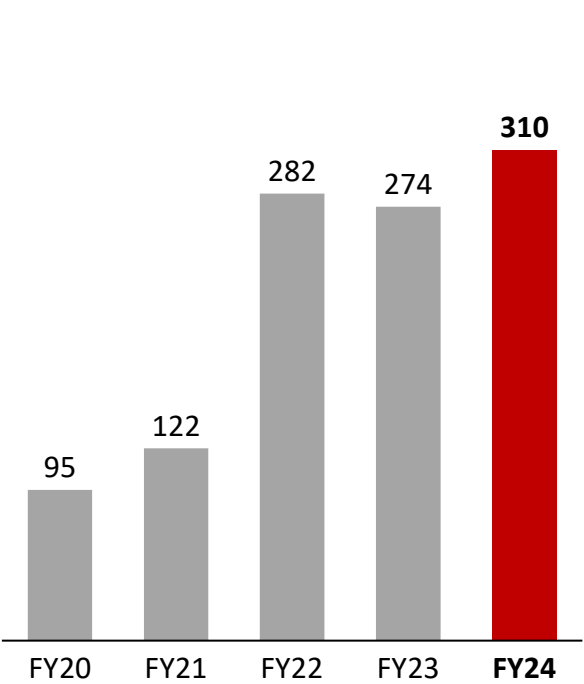


Robust Growth in Exports Volume and Revenues post FY23

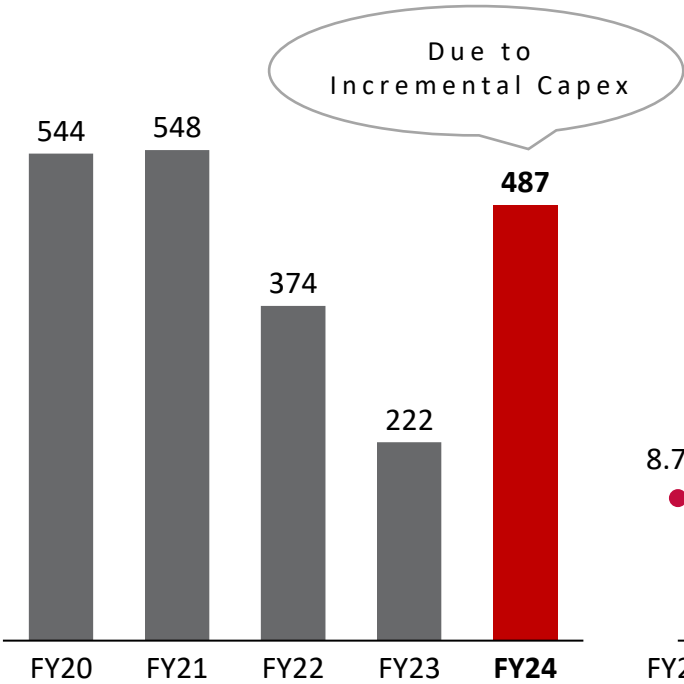


Balance Sheet KPIs

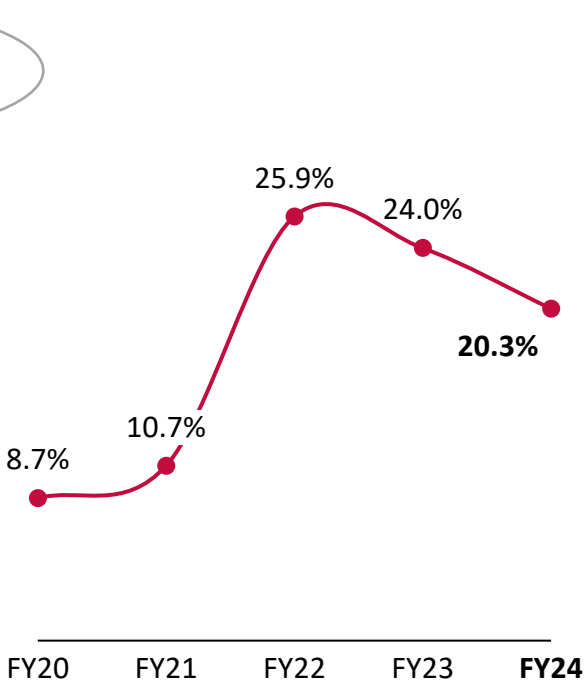
Cash Accruals (Rs. in Crs.)



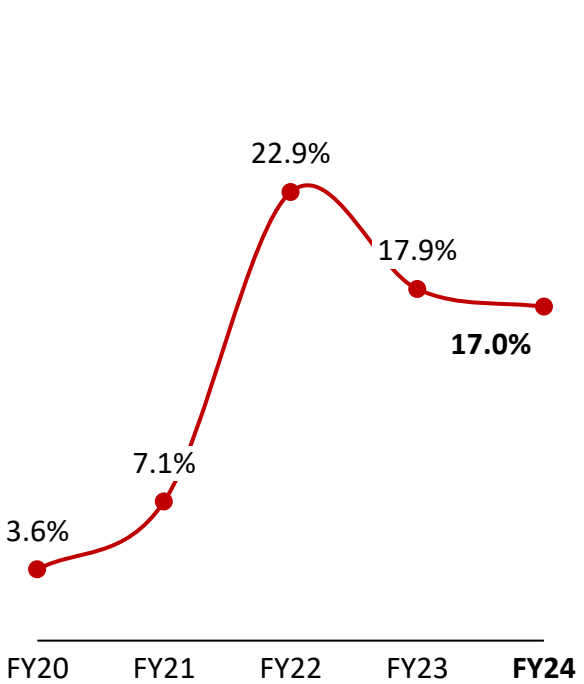
Long Term Debt (Rs. in Crs.)



RoCE



RoE

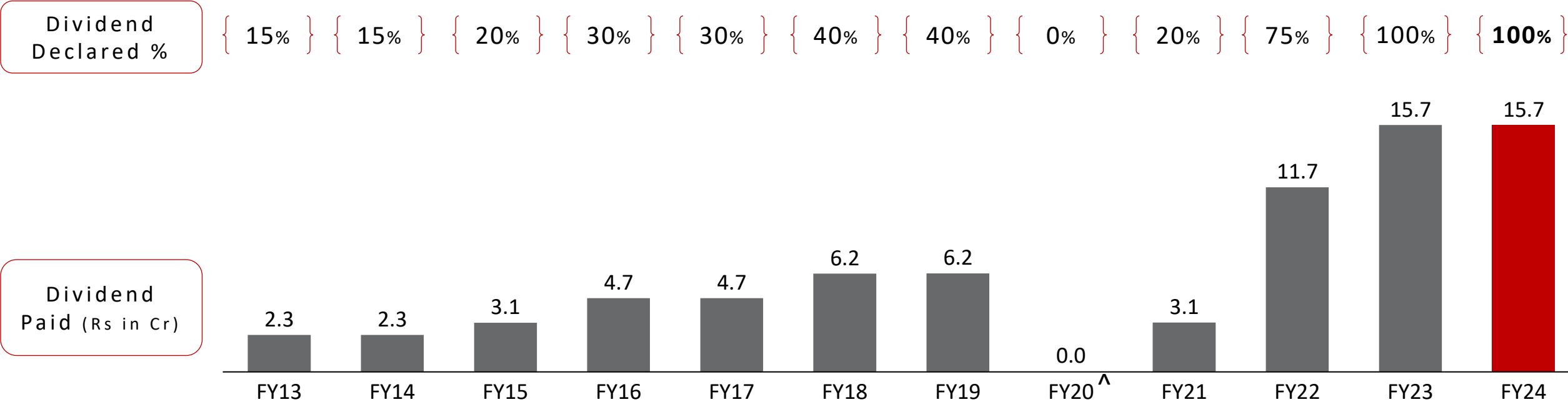


Increasing Cash Accruals aiding fuel for growth and repayment of Debt, to improve Returns on Capital Employed and Returns on Equity in long run

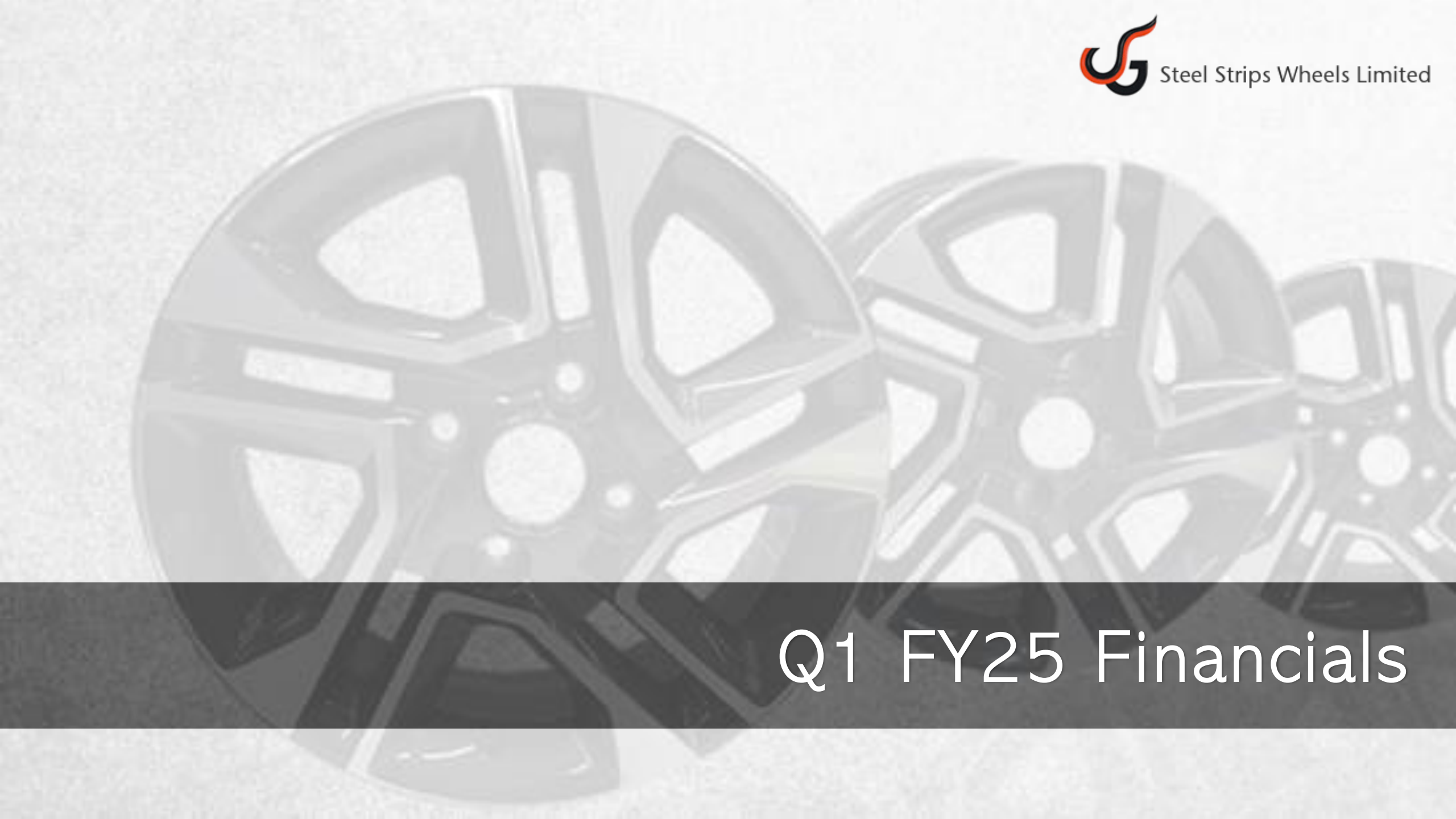
RoCE = EBIT / (Total Assets – Current Liabilities), RoE = PAT / Total Equity (Excl Capital Reserve)



Dividend Payout History



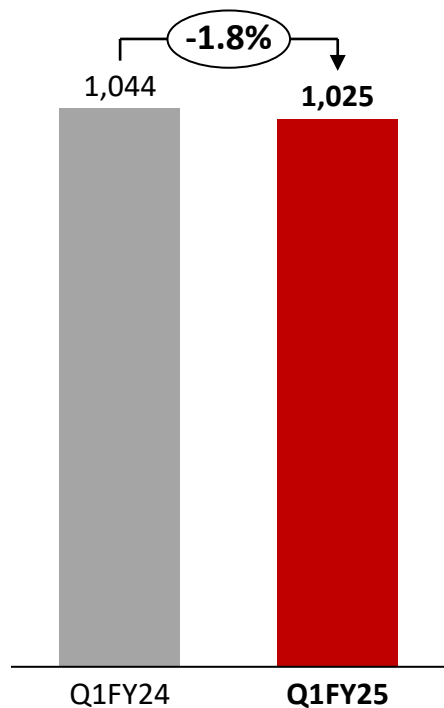
Consistent Dividend paid by the Company



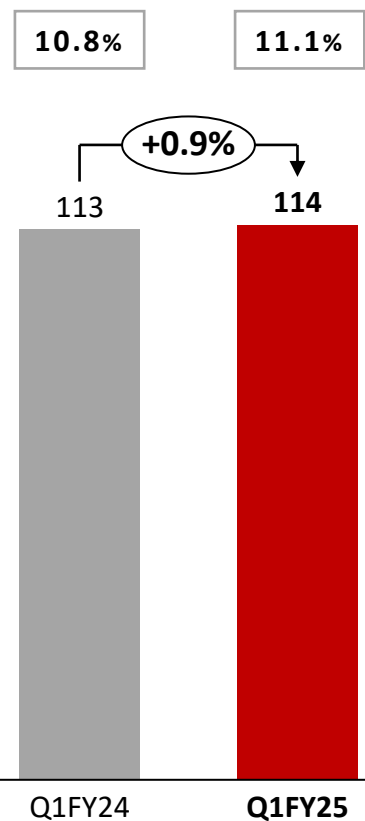
Q1 FY25 Financials

Q1 FY25 Financial Performance Snapshot

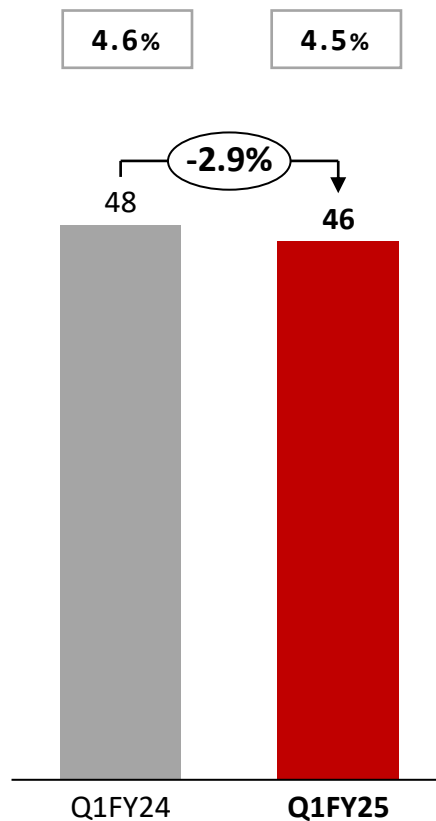
Revenues from operations (Rs. Crs.)



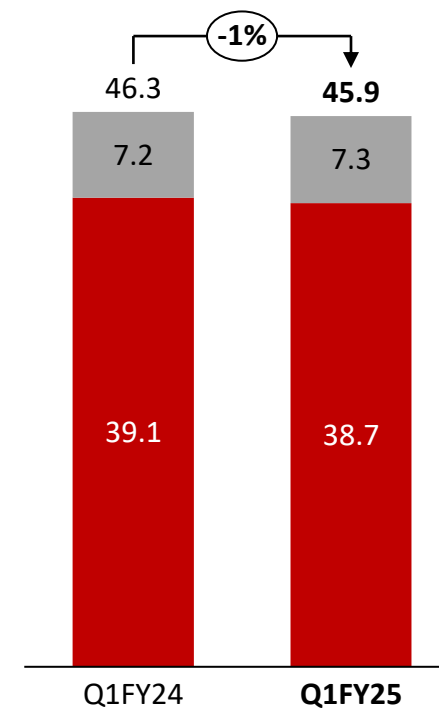
EBITDA (Rs. Crs.) & EBITDA Margins %



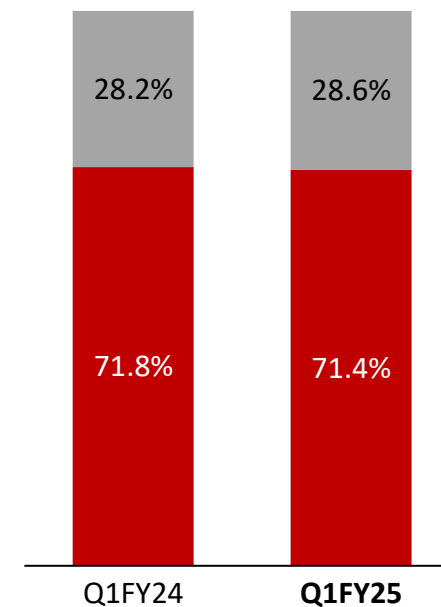
PAT (Rs. Crs.) & PAT Margins %



Volumes (in Lakh units)



Revenue Mix



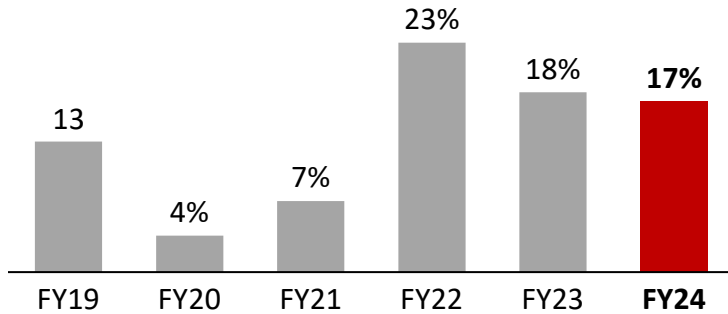
Profit & Loss

Particulars (Rs. in Crs)	Q1 FY25	Q1 FY24	Y-o-Y	FY24
Revenue from Operations	1,025.3	1,044.4	-2%	4,357.1
Cost of Materials Consumed	649.0	688.4		2,854.3
Changes in Inventory	15.1	-13.5		-18.3
Gross Profit	361.2	369.6	-2%	1,521.0
Gross Profit Margin	35.2%	35.4%		34.9%
Employee Cost	90.2	88.3		358.0
Other Expenses	157.0	168.3		697.8
EBITDA	114.0	113.0	1%	465.2
EBITDA Margin	11.1%	10.8%		10.7%
Depreciation	24.9	22.4		90.0
Other Income	3.9	4.2		16.1
EBIT	93.0	94.8	-2%	391.3
EBIT Margin	9.1%	9.1%		9.0%
Finance Cost	31.1	23.6		102.7
Profit before Tax	61.9	71.2	-13%	288.6
Profit before Tax Margin	6.0%	6.8%		6.6%
Tax	15.7	23.6		68.7
Profit After Tax	46.2	47.6	-3%	219.9
Profit After Tax Margin	4.5%	4.6%		5.0%
EPS (In Rs.)	2.94	3.03		14.02

Performance Ratios

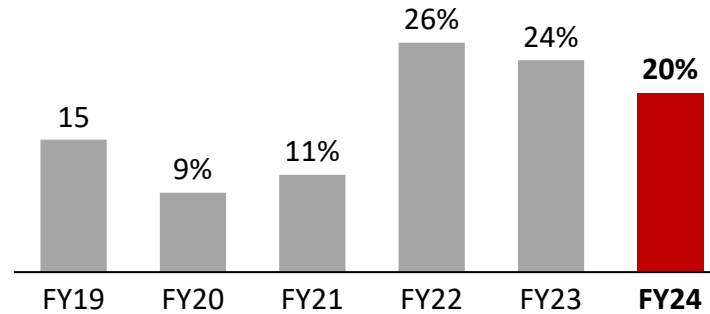
Return on Equity (RoE)

Increased from 13% in FY19 to 17% in FY24



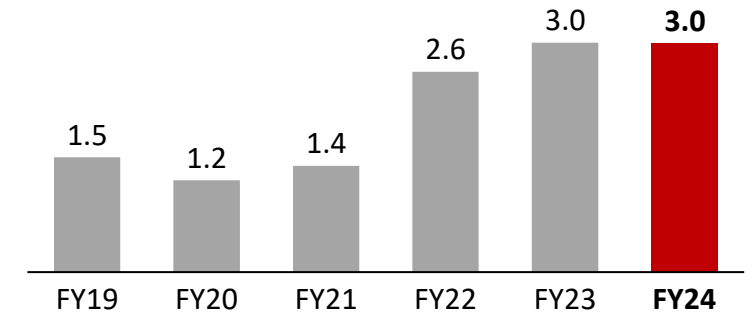
Return on Capital Employed (RoCE)

Increased from 15% in FY19 to 20% in FY24



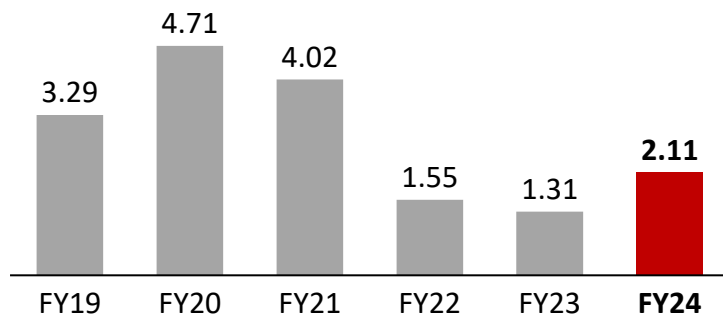
Fixed Asset Turnover Ratio

Improved from 1.5 in FY19 to 3.0 in FY24



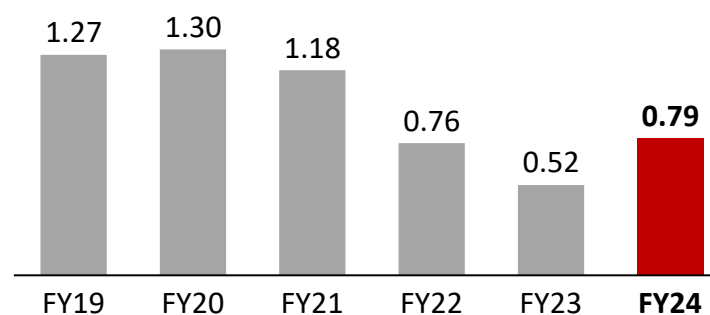
Debt / EBITDA

Improved from 3.29 in FY19 to 2.11 in FY24



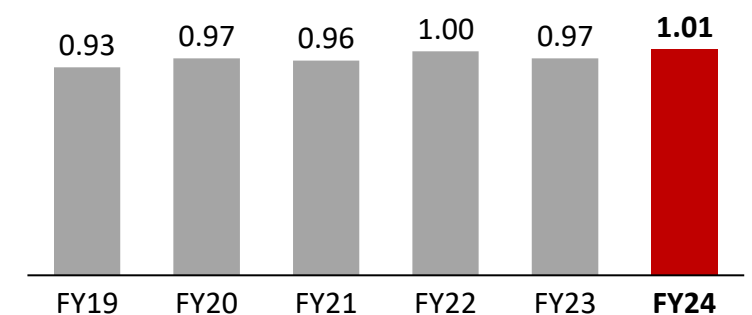
Debt / Equity

Improved from 1.27 in FY19 to 0.79 in FY24



Current Ratio

Improved from 0.93 in FY19 to 1.01 in FY24





Historical Financials



Historical Profit and Loss

Profit and Loss (Rs in Crs)	FY24	FY23	FY22	FY21	FY20
Revenue from Operations	4,357.1	4,040.5	3,560.0	1,749.4	1,563.3
Cost of Materials Consumed	2,854.3	2,688.3	2,221.6	1,082.4	973.3
Changes in Inventory	-18.3	-24.7	-34.5	16.7	-7.1
Gross Profit	1,521.0	1,376.9	1,372.8	650.3	597.1
Gross Profit Margin	34.9%	34.1%	38.6%	37.2%	38.2%
Employee Cost	358.0	283.7	218.7	152.9	156.1
Other Expenses	697.8	650.4	701.4	293.6	269.7
EBITDA	465.2	442.8	452.8	203.8	171.2
EBITDA Margin	10.7%	11.0%	12.7%	11.6%	11.0%
Depreciation	90.0	80.4	76.9	72.3	71.9
Other Income	16.1	12.4	13.0	16.3	22.1
EBIT	391.3	374.8	388.9	147.8	121.4
EBIT Margin	9.0%	9.3%	10.9%	8.5%	7.8%
Finance Cost	102.7	83.5	85.4	83.9	88.7
Profit before Tax	288.6	291.2	303.5	63.8	32.7
Profit before Tax Margin	6.6%	7.2%	8.5%	3.6%	2.1%
Tax	68.7	97.3	97.8	14.6	11.4
Prior Period Adjustment	0.0	0.1	0.3	0.0	-2.2
Profit After Tax	219.9	193.8	205.5	49.3	23.4
Profit After Tax Margin	5.0%	4.8%	5.8%	2.8%	1.5%
EPS	14.02	12.39	13.16	3.16	1.50

Balance Sheet

Assets (Rs. in Crs)	FY24	FY23	FY22	FY21	FY20
Non - Current Assets	1,919.4	1,603.1	1,497.0	1,425.9	1,412.8
Property Plant & Equipments	1,454.8	1,347.3	1,358.3	1,257.4	1,304.7
CWIP	345.8	163.4	96.9	109.3	85.5
Intangible assets	1.9	1.3	1.3	1.8	1.8
Financial Assets	44.0	36.8	30.3	20.7	19.5
Other Non - Current Assets	72.8	54.4	10.1	36.7	1.3
Current Assets	1,325.3	1,178.3	1,204.6	950.8	766.3
Inventories	697.0	734.0	647.0	496.5	329.3
Financial Assets					
<i>(i) Trade receivables</i>	439.7	348.8	392.3	257.1	209.8
<i>(ii) Cash and cash equivalents</i>	28.3	18.3	23.2	27.9	31.6
<i>(iii) Bank Balance & Other than above</i>	2.6	25.7	34.7	25.3	60.2
<i>(iv) Loans</i>	139.7	4.8	4.1	2.8	3.0
<i>(v) Other Financial Assets</i>	0.0	0.0	0.0	0.5	1.5
Current Tax Assets (Net)	0.3	3.9	0.0	2.3	2.5
Other Current Assets	17.8	42.9	103.2	138.4	128.4
Total Assets	3,244.7	2,781.4	2,701.6	2,376.7	2,179.1

Equity & Liabilities (Rs. in Crs)	FY24	FY23	FY22	FY21	FY20
Total Equity	1345.7	1,134.7	951.8	749.3	698.0
Share Capital	15.7	15.7	15.6	15.6	15.6
Other Equity	1330.0	1,119.1	936.2	733.7	682.4
Share application money pending allotment	0.0	0.0	0.0	0.0	0.0
Non-Current Liabilities	582.1	431.4	548.4	635.1	690.8
Financial Liabilities					
<i>(i) Borrowings</i>	381.4	161.1	279.3	379.8	441.8
<i>(ii) Other Financial Liabilities</i>	19.5	68.3	75.1	80.1	81.8
Provisions	34.3	30.5	23.5	11.5	13.7
Deferred Tax Liabilities (Net)	146.9	171.6	170.6	163.7	153.5
Current Liabilities	1317.0	1,215.2	1,201.3	992.3	790.4
Financial Liabilities					
<i>(i) Borrowings</i>	666.6	477.2	498.6	557.5	456.6
<i>(ii) Trade Payables</i>	599.9	694.8	659.1	412.2	213.6
<i>(iii) Other Financial Liabilities</i>	0.7	0.0	0.0	0.0	102.7
Current tax liabilities (net)	0.0	0.0	1.8	0.0	0.0
Provisions	6.2	5.1	4.6	6.6	2.7
Other current liabilities	43.7	38.1	37.2	16.0	14.8
Total Equity & Liabilities	3244.7	2,781.4	2,701.6	2,376.7	2,179.1



Cash Flow - Snapshot

Particulars (Rs. in Crs)	FY24	FY23	FY22	FY21	FY20
Net Profit Before Tax	288.6	291.2	300.9	63.9	32.3
Adjustments for: Non -Cash Items / Other Investment or Financial Items	183.1	152.1	150.9	144.5	152.3
Operating profit before working capital changes	471.7	443.4	451.8	208.4	184.7
Changes in working capital	-344.7	-47.6	0.5	-24.7	-71.5
Cash generated from Operations	131.7	395.7	452.3	183.7	113.1
Direct taxes paid (net of refund)	62.0	47.6	46.2	14.6	9.3
Net Cash from Operating Activities	64.7	348.1	406.1	169.1	103.9
Net Cash from Investing Activities	-370.0	-127.9	-153.5	-37.1	-69.3
Net Cash from Financing Activities	292.0	-234.1	-247.9	-170.6	-63.9
Net Increase/(Decrease) in Cash and Cash equivalents	-13.1	-13.9	4.7	-38.5	-29.3
Add: Cash & Cash equivalents at the beginning of the period	44.0	57.9	53.2	91.7	121.0
Cash & Cash equivalents at the end of the period	30.9	44.0	57.9	53.2	91.7



CSR & Awards

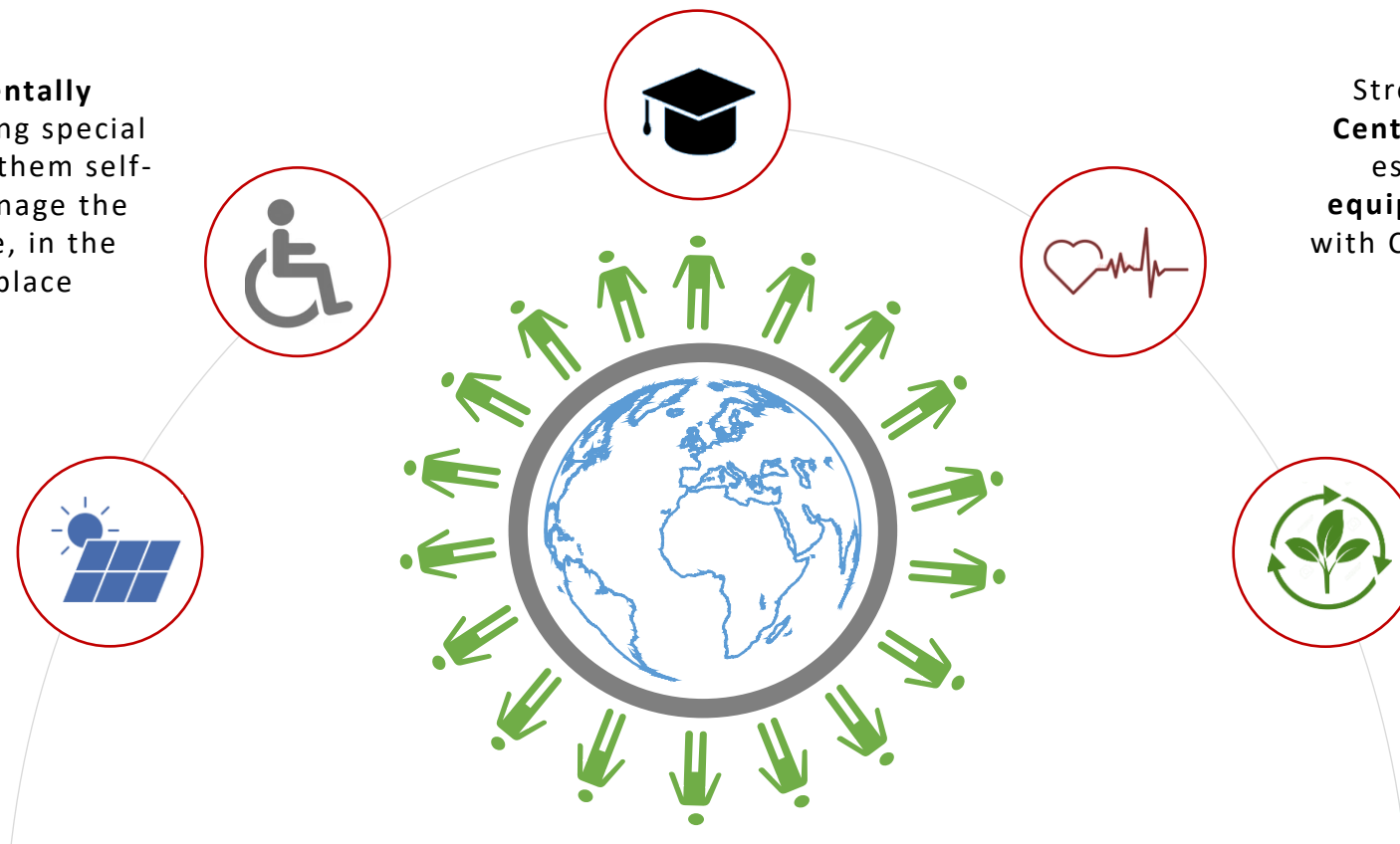
Promotion of **Education** by strengthening government schools & helping poor students by providing **Financial Assistance** & providing access to education to **Orphan Children** who lost their parents due to Covid-19

Providing help to the **Mentally Challenged Children** in getting special life skills education to make them self-dependable and able to manage the real-life situations at home, in the community and at workplace

Strengthening **Community Health Centre** at Lalru, Punjab by providing essential **medical machineries, equipment's** and other items to deal with Covid-19 & other health problems

Initiated projects worth **8MW in Solar and wind power energy** to convert from fossil fuel energy. We expect all of them to be on stream in FY 2022-23 to move towards the ESG goal

Ensuring **environment sustainability** through developing & maintaining **green park & cleaning activities**. Construction, Renovation & Beautification of government schools



Giving Back to Society is Our Core Value

Awards





Steel Strips Wheels Limited

THANK YOU

Company: Steel Strips Wheels Limited

CIN: L2710PB1985PLC006159



Steel Strips Wheels Limited

Mr. Naveen Sorot (CFO)/ Mr. Mohan Joshi (ED)

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Investor Relations: Strategic Growth Advisors (SGA)

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