

HPIL Delivers Record Performance on Higher Value-added Product Sales

Hariom Pipe Industries Ltd. (HPIL) declared its financial performance for the quarter ending 30th September 2023 at its board meeting held on November 10, 2023.

Key Highlights

Operational performance

- Net production of 56,552 MT, up 121% YoY
- Net sales of 50,435 MT, up 134% YoY
- Value Added Products sales of 45,313 MT, up 176% YoY

Financial performance

- Revenue of INR 30,215.28 Lakhs, up 138% YoY
- EBITDA of INR 3,678.06 Lakhs, up 127% YoY
- PAT of INR 1,477.62 Lakhs, up 59% YoY
- Total Assets of INR 85,939.90 Lakhs, up 134% YoY

HPIL delivered its best-ever performance in terms of revenue, volume and EBITDA in Q2FY24. Revenue from Operations was INR 30,215.28 Lakhs, and EBITDA was INR 3,678.06 Lakhs, up 138% and 127%, respectively from a year ago. This led to a PAT increase of 59% to INR 1,477.62 Lakhs after accounting for higher depreciation and interest expense for the newly commissioned Galvanised Pipe (GP) plant at Mahabubnagar, Telangana. Sequentially, Revenue and EBITDA were up 26%, while the PAT was down 4%.

Higher Value-Added Product (VAP) sales drive performance

HPIL's quarterly performance was led by 176% YoY and a 23% sequential increase in VAP sales volume as the Company ramped up production of GP/GC at the Perandurai plant in Tamil Nadu. VAP accounts for 96% of sales compared to 80% in FY23.

EBITDA margin remains above 12%

The EBITDA margin was 12.13% for the quarter, and the blended EBITDA per MT was maintained through higher VAP sales.

Cost of Production benefits from a significant reduction in Power & Fuel costs and better efficiency

While the production was significantly higher (up 121% YoY), power and fuel expenses remained flat YoY due to the commissioning of 2 MW of solar power, efficient usage of power from IEX, and installation of a higher efficiency electric melting furnace.

Newly added Value Products plants performing as per plan

The newly commissioned GP plant in Telangana State is under stabilisation, while the GP/GC plant in Tamil Nadu is ramping up as per the plan. The planned usage of cheaper and reliable imported raw materials at the Tamil Nadu plant in the coming quarters will in all likelihood increase production and generate a better EBITDA margin. The GP plant in Telangana State is expected to ramp up gradually over the next two quarters. HPIL has set up a state-of-the-art CR and Tandem Mill, expanding its value-added product basket to include pipes with thicknesses of 0.4mm and upwards, which have a high demand and also command a premium.

Operating Cash Flow is expected to improve progressively

In light of the expanded capacity with the commissioning of the new CR Mill and GP Plant, the Company is currently maintaining higher raw materials and finished product inventories. This phase will continue for the next two to three quarters until the market for the company's products,

HARIOM PIPE INDUSTRIES LIMITED

Registered Office

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Factory

Survey No.58 & 63, Sheriguda (V), Balanagar (M), Mahabubnagar Dist - 509202, Telangana.

the product mix, and the supply chain will all stabilise, post which we expect much better and positive OCF and FCF.

Performance Summary

INR in Lakhs, unless otherwise stated								
	Q2 FY24	Q2 FY23	% Chg YoY	Q1 FY24	% Chg QoQ	H1 FY24	H1 FY23	% Chg YoY
Net Production, MT	56,552	25,565	121%	43,553	30%	1,00,105	50,117	100%
Sales, MT	50,435	21,528	134%	39,289	28%	89,723	45,668	96%
Net Revenue	30,215.28	12,705.70	138%	24,011.74	26%	54,227.01	26,936	101%
EBITDA	3,678.06	1,622.84	127%	2,922.97	26%	6,600.99	3,257.26	103%
Interest, net	716.88	195.47	267%	429.26	67%	1,146.14	377.1	204%
Depreciation	938.43	184.9	408%	519.02	81%	1,457.45	359.03	306%
Profit Before Tax	2,022.75	1,242.47	63%	1,974.68	2%	3,997.40	2,521.13	59%
Taxes	545.13	315.41	73%	430.53	27%	975.67	640.32	52%
Profit After Tax	1,477.62	927.06	59%	1,544.15	-4%	3,021.73	1,880.82	61%
Revenue per MT, INR	59,909	59,019	2%	61,116	-2%	60,438	58,983	2%
Cost per MT, INR	52,617	51,481	2%	53,676	-2%	53,081	51,850	2%
Blended EBITDA per MT, INR	7,293	7,538	-3%	7,440	-2%	7,357	7,133	3%
EBITDA Margin	12.13%	12.12%		12.75%		12.13%	12.07%	
Share of VAP	96%	93%		81%		95%	72%	

For any further information, please contact:
 Ms Rekha Singh
 Company Secretary & Compliance Officer
 Email: cs@hariompipes.com

Please take the above information on record.

Thanking You,
 Yours faithfully,
For Hariom Pipe Industries Limited

Rupesh Kumar Gupta
 Managing Director
 DIN:00540787

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