

INVESTOR
PRESENTATION
JUNE 2016



EXECUTIVE SUMMARY



30
years of
excellence

Overview

- Good Luck Steel Tubes Ltd. incorporated in 1986 by Mr. Mahesh Chandra Garg, an IIT graduate, is an established name in the Steel Tubes, Engineering Structures, Forgings and Cold Rolled value added products industry.
- The company is headquartered in Ghaziabad with a 2,30,000 MT p.a. manufacturing facility in Sikandrabad in Uttar Pradesh, India with more than 2000 employee strength.

Business Mix

- **CR Sheets & Pipes** – Includes C.R Sheet/Coil, G.P.G.C Sheet/Coil, C.R.C.A Sheet/Coil, Pipes, etc.
- **Engineering Structures** – Transmission & Telecom towers, Fabricated steel structures
- **Forging** – Forged flanges, gear rings, gear shanks, forged shafts, railway products
- **Precision Tubes** – Auto Tubes, CDW/ERW Tubes, Boiler Tubes, Transformer Tubes, Air Heater Tubes

Marquee Clients

- **Cold Roller sheets, coils & Engineering structures** : Indian Railways, ABB, L&T, Reliance Industries, GMR, ISGEC, Sterling & Wilson, Alstom, Powergrid, NTPC, Toshiba, TRF, EIL, NPCIL
- **Forging** : GE Oil & Gas, Allied Group, Saint-Gobain, Midsteel, Flaboform, Edelstahlservice, BPCL, Indian Oil, BHEL, RIL, L&T, Alstom, Mitsubishi
- **Precision Tubes** : Volkswagen, Audi, BMW, Mercedes, Skoda, Renault, GM, Ashok Leyland, TVS, Bajaj, Gabriel, ISGEC, Talbros, Mahindra, Tata Motors

FY16 Financial Highlights

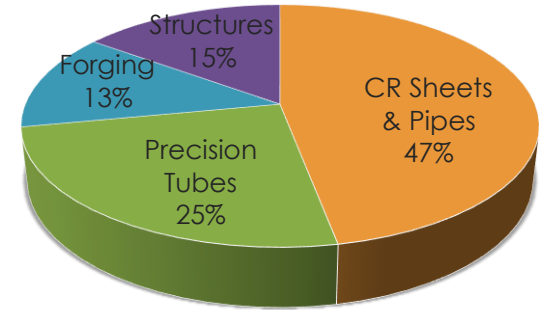
- **Total Income** – INR 10,019 Mn; 5 Year CAGR of 11.8%
- **EBITDA** – INR 1,019 Mn; 5 Year CAGR of 20.1%
- **PAT** – INR 328 Mn; 5 Year CAGR of 17.3%
- **ROCE** – 15.83%
- **ROE** – 15.60%
- **Dividend %** - 75%
- **Fixed Asset Turnover** – 4.14x



COMPANY OVERVIEW

- Good Luck Steel Tubes is a diversified company with **30 years** of experience in manufacturing of Cold rolled steel products, structural steel towers, tubes & pipes, forgings and flanges.
- The company has a total manufacturing capacity of **2,30,000 MT p.a**
- The company's products get sold domestically and to over 100 countries across the world to high growth sectors like Auto, Power, Infrastructure, Oil & Gas and also diversified further for high end engineering structures for Auto, Solar, Railways etc.
- The company has strategically shifted its focus towards the high-margin value added steel products like forgings and structured steel with the share of these value added high margin products share grown from 39 % in 2011 to 53 % in FY16.
- Good Luck Steel Tubes Ltd is an **ISO 9001:2008 certified** organization.

Approx. Revenue Mix



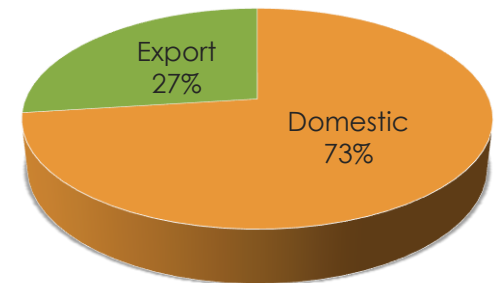
Myths about Company:

- Good Luck Steel Tubes is a steel company as the name suggests
- The company is a family managed company
- It is difficult to do manufacturing business in Uttar Pradesh

Truths about Company:

- Good Luck Steel Tubes is converting steel into customized precision products
- Good Luck Steel Tubes is a professionally managed company employing skilled professionals
- The company started in UP in 1986, and has been able to continue to grow with continuous availability of power

Geographical Breakup





Mr. Mahesh Chandra Garg – Chairperson

Graduated in the year 1967 (Indian Institute of Technology, Roorkee).

Possesses more than 45 years experience.

Took-up an overseas assignment with M/s Comcraft Ltd. Promoted by NRIs and erected many steel tube mills in Kenya and Nigeria and thereafter started his own venture.

Mr. Ramesh Chandra Garg – Whole Time Director

Graduation in the field of mining (ISM – Dhanbad).

Being the Chief Mining Engineering, he had a distinguished career with M/s Coal India Ltd.

Possesses more than 40 years of experience.



Mr. Nifin Garg – Whole Time Director

34 years of age, a qualified Mechanical Engineer from HBIT, Kanpur and an M.B.A. from Narsee Monjee Institute of Management.

Worked with Yamaha Motors and Honda Motors.

Joined the company as a production Engineer and currently looking after entire production process independently.

Mr. Manish Garg - COO

44 years of age, is an qualified engineer, handling over all the Export Business since last 22 years.



Mr. Ram Agarwal - CEO

Qualified engineer and completed his graduation in the year 1990.

24 years experience in steel industries.

Handled a number of CR projects and Structure projects independently.

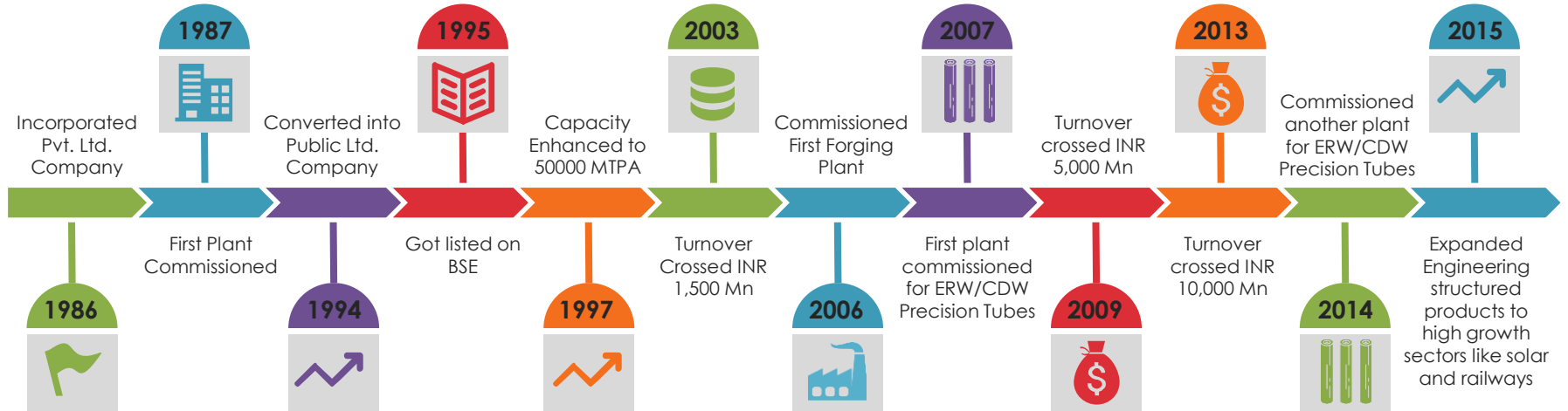
Maintains an equivalent exposure in the field of sales and marketing.

Mr. Shyam Agarwal – COO

44 years old, is a qualified engineer and has more than 20 years of experience in steel Industry.



Milestones



Global Footprint



	MANUFACTURING PLANT		WAREHOUSE		EXPORT MARKET
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Good Luck Steel Tubes Ltd.

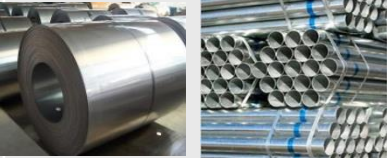







Segments: **CR Coils & Sheets**, Galvanized Pipes, Square & Rectangular Pipes, Transmission & Telecom Towers, Fabricated Steel Structure

Good Luck Engineering

Segments: **Forgings** – Forged flanges, gear rings, gear shanks, forged shafts, blind & tube sheets

Good Luck Industries

Segments: **CDW Tubes**, ERW Tubes, Precision Tubes, Engineering Tubes, Boiler Tubes

	Cold Roll Coils & Pipes	Engineering Structures	Forgings	Precision Tubes
Capacity	1,10,000 MT p.a.	48,000 MT p.a.	12,000 MT p.a.	60,000 MT p.a.
				
Manufacturing Facilities	Sikandrabad, (U.P.), India		Dadri (U.P.), India	
				

Auto Tubes

Global			Domestic		

Engineering / Structures

Domestic		

Forgings

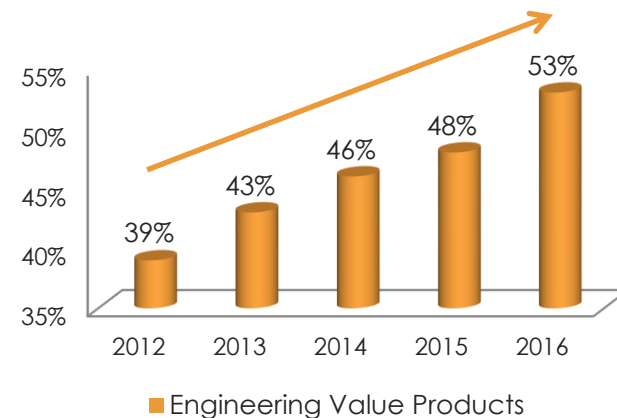
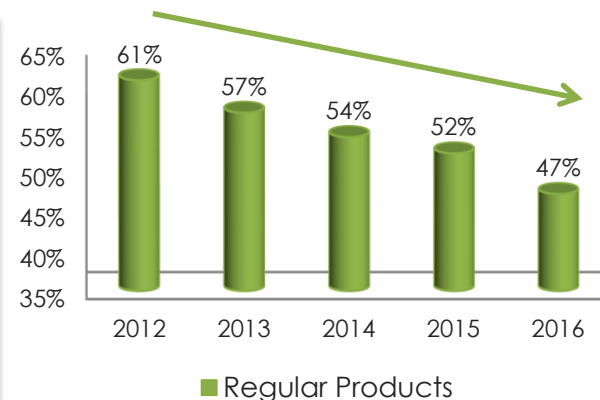
Global		Domestic			

Key Strengths





- The company has been strategically shifting its focus on increasing their value added products
- Value added products include high margin Auto, Forging and Structure support solutions
- The company intends on reducing the share of CR Coils & Corrugated Sheets
- The product profile for Engineered value products has increased from 43 % to 53 % in the last three years
- Over the next three years the management plans to increase the share of value added products to around 75 % from current levels of 53 %
- All new expansions are aimed at achieving this objective.
- The company is also diversifying to other value added high margin products for sectors like Auto, Solar, Railways etc.



A stylized, dark blue icon of a bag or folder with a handle, positioned on the left side of the slide. The icon is semi-transparent and overlaps the background.

BUSINESS OVERVIEW



- Established in the year 1986, Good Luck Steel Tubes Ltd is an ISO 9001:2008 certified organization,
- The company is engaged in manufacturing and exporting of a wide range of Cold Rolled Coils and Sheets, and pipes
- The company has a manufacturing capacity of 1,10,000 MT p.a.
- These are acclaimed for high tensile strength, long service life and higher efficiency

Product Range:

Square & rectangular pipes, round hollow sections, black pipes, welded tubes & pipes, CR coils & sheets, CRCA, HRPO, galvanized coils & sheets, GI hollow sections, etc.



Structures for Transmission Towers & Substations for Smart Grids

HDG Lattice Structures for Power Transmission & Distribution and Substations

- Good Luck is a leading manufacturer and exporter of Transmission Tower which are made up of quality galvanized steel like High Voltage transmission Towers, Grid Towers and other Durable High Performance towers.
- The company also specializes in providing Telecommunication structures.
- The current Engineering Structures capacity is 48,000 MT p.a. and the company has invested INR 390 Mn to double the capacity in FY 2015-16.
- Good Luck is one of the largest suppliers for Power transmission distribution structures for line segments up to 765 kv class.
- The company's workshops are quality certified by PGCIL and has supplied structure for GIS for Power Grid Corporation for smart cities.
- The company is into bulk supply of T&D Structures for export clients as well.
- The company customizes tower designs as per customer requirements and also fabricates as per customized and standard designs which are developed in-house





Boiler and Equipment Solutions

Energy Generation & Control
Equipment for Process Industries
and their Utilities



Pollution Control and Filtration Systems

Process Filtration Equipment

Material Handling Equipment

Bulk Material handling equipment
for Coal, Iron Ore, Fertilisers,
Chemical Industries



Solid Waste to Power Project Equipment

Equipment and Structure
Fabrication for Power Boilers, Heat
Exchangers, Mills, Ash Handling &
Coal handling Systems



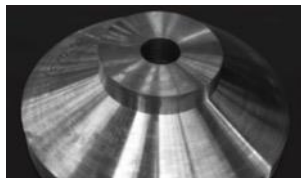
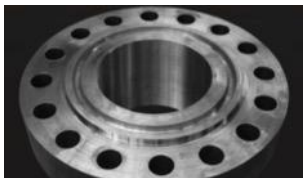
Primary and Secondary Support Structures for Boilers and Other Equipment

Boiler Primary Structures, Boiler Secondary & tertiary
Structures, Bunker Beam, Buckstay Structures, Boiler
drum structure fabrication, Tressels & Galleries,
Platform Structures Walkways and Gantries

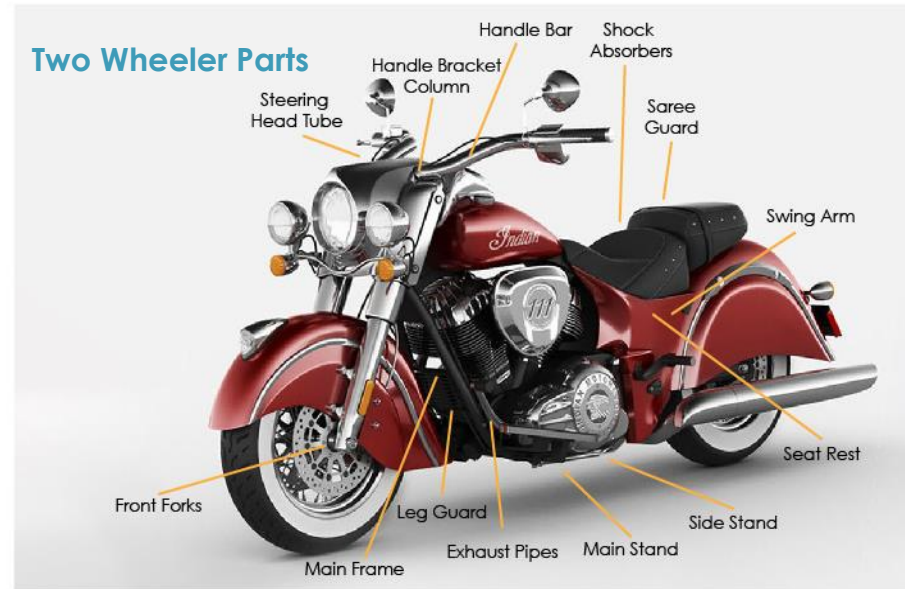
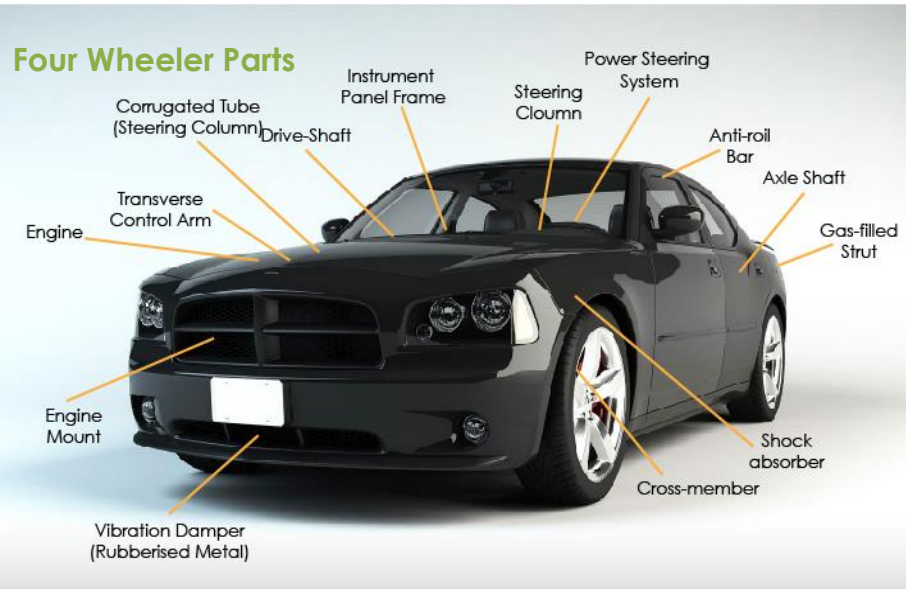
Ducting Solutions

Ducting fabrication for Flue Gas, Hot air in process
Industries from Steel, Cement, Power
Major Customers for us in such areas are Larsen
Toubro,
Thermax, ISGEC Heavy Engineering, Thyssen Krupp.

- Forgings are intermediate products used widely by original equipment manufacturers in the production of durable goods.
- Good Luck specializes in Stainless Steel, Duplex, Carbon, & Alloy Steel Forgings & Flanges.
- It has a forgings manufacturing capacity of 12,000 MT p.a.
- Among the industries that the company supplies forgings to are automotive & truck (HCV), agricultural machinery & equipment, valves, fittings & petrochemical applications; hand tools & hardware; off highway & railroad equipment; general industrial equipment, marine & aerospace.



The product range includes Forged flanges, forged shafts, gear shanks, blind flanges, thread flanges, slip on flanges, socket welding flanges etc



High Strength Tubes
High Surface Finish (0.6 Ra)

For Skiving, Roller
Burnishing & Honning



1. Propeller Shafts
2. Boilers & Heat Exchangers
3. Structural Tubes
4. Transformers
5. Furniture
6. Textile Machine Bobbins



INDUSTRY OVERVIEW



Robust Demand

- Demand would be supported by growth in domestic market.
- Infrastructure, oil & gas and automotive would drive the growth of the industry.

Increasing Investments

- Intended steel capacity build-up in India is set to result in investments in the range of USD 104.2 Billion to USD 208.3 billion by 2030.
- 301 MoU's have been signed with various states for planned capacity of about 488.6 MT

Competitive Advantage

- India is the world's 4th largest producer of crude steel and is poised to become the 2nd largest producer.
- Easy availability of low-cost manpower and presence of abundant reserves make India competitive in the global setup.

Policy Support

- Large infrastructure projects in the PPP mode are formed.
- National steel policy implemented to encourage the industry to reach global benchmarks.
- Government implemented Minimum Import Price (MIP) to support domestic steel industry.
- Launched Auto Mission plan 2016-26 with target to grow automotive industry 3.5 – 4 times to \$260-300 billion.



- Good Luck fabricates critical components of bogie under parts, front body parts of locomotives, doors of passenger trains, under frames etc.
- The company has entered into large scale fabrication of over bridges and cross over bridges.
- Good Luck has been approved by the RDSO (Research Design & Standards Organization) and RCF Kapurthala to supply for Railways project including bridges and girders.
- At present, the company is working on the Ganga Project – a Railway over bridge on the Agra – Itawa highway.



- The government intends to spend about \$137.00 billion over the next five years to augment railway infrastructure & improve safety standards for passengers
- The vision includes setting up of High Speed Corridors, Expansion of Optical Fibre Cable Network, New lines & dedicated Freight Corridors.
- As per the Supreme Court Judgement, all manned railway signals are to be converted to Railway over bridges.
- Cross over/Foot over bridges to be built on all railway platforms to avoid any crossing across naked railway tracks



- The World has turned into Solar power in this decade in a much more optimistic version than earlier
- Solar Power plants are now not just a roof top installation but are widely being installed as alternate source of power by ground mounting structures.
- Ministry of New and Renewable Energy (MNRE) has revised its target of renewable energy capacity to 175 GW till 2022, comprising 100 GW from Solar.
- Solar panel require steel structures which involve pipe structures which are galvanized with a wide use of purlin.

- The company is a provider of structural solutions to the Solar Power Sector
- Good Luck can fabricate two types of structures : Traditional or Profile
- The company has supplied products to major solar projects and is already working with big conglomerates, like NTPC and Tata.
- The company is targeting to increase this vertical up to 25-30% by FY2018. The same will improve the margin profile of the company.





- The FY16 budget has allocated a total outlay of Rs. 2,21,246 crores for the Infrastructure and the Power sector.
- The government's immediate goal is to generate two trillion units (kilowatt hours) of energy by 2019. Production of coal has risen and electricity consumption is on the rise. However, the problems in evacuating power from source to customers remains.
- As a consequence, over the next two years the Union / State Governments are expected to focus their attention & investments in the transmission & distribution areas within the power sector.
- The company sees strong demand for their products from established industrial houses & government companies like BHEL and NTPC.

Structures for Infrastructure Projects

- Mass Rapid Transport Systems – DMRC walkways and emergency evacuation passages.
- Underground Tunnels
- Under bridges
- Foot Over Bridges



New areas of entry

- Railway Over bridges and Cross Bridges
- Platform Over bridges.



FINANCIAL OVERVIEW

INCOME STATEMENT (INR MN)	FY13	FY14	FY15	FY16
Total Income [^]	9,774	10,021	10,882	9,981
Expenses	9,031	9,311	10,032	8,960
EBITDA	743	710	850	1,021
EBITDA Margin	7.6%	7.1%	7.8%	10.2%
Depreciation	71	76	113	150
Finance Cost	344	354	373	393
PBT	328	280	364	478
Tax	111	103	91	146
Prior Period Adjustments	2	-	3	0
Profit After Tax	219	177	276	332
PAT Margin	2.2%	1.8%	2.5%	3.3%
EPS	11.72	9.46	13.16	15.09

[^] - Total Income includes other income

Standalone Balance Sheet

PARTICULARS (INR Mn)	FY 13	FY14	FY 15	FY16	PARTICULARS (INR Mn)	FY 13	FY14	FY15	FY16
EQUITIES & LIABILITIES					ASSETS				
Shareholder Funds					Non Current Assets				
(A) Share Capital	37	40	44	44	(A) Fixed Assets				
(B) Reserves & Surplus	1,151	1,402	1,766	2,058	Tangible Assets	1,166	1,243	1,929	2,267
(C) Money received against Share Warrant	-	19	-	-	Capital Work-in-Progress	2	124	36	75
Non Current Liabilities					(B) Non-current Investments	21	21	54	54
(A) Long Term Borrowings	433	389	792	992	(C) Long term Loans & Advances	70	78	66	61
(B) Deferred Tax Liabilities	119	145	171	224					
(C) Long Term Provisions	6	10	14	19					
Current Liabilities					Current Assets				
(A) Short term Borrowings	2,191	2,265	2,127	2,386	(A) Inventories	1,155	1,374	1,506	1,838
(B) Trade Payables	413	630	410	578	(B) Trade Receivables	1,832	1,879	1,498	1,722
(C) Other Current Liabilities	260	272	283	287	(C) Cash & Bank Balances	65	79	123	115
(D) Short-term provisions	83	84	96	122	(D) Short-term loans & advances	382	458	491	578
GRAND TOTAL - EQUITIES & LIABILITIES	4,693	5,256	5,703	6,710	GRAND TOTAL – ASSETS	4,693	5,256	5,703	6,710

INCOME STATEMENT (INR MN)	FY13	FY14	FY15	FY16
Total Income[^]	9,774	10,021	11,031	10,019
Total Expenses	9,031	9,311	10,167	9,000
EBITDA	743	710	864	1,019
EBITDA Margin	7.6%	7.1%	7.8%	10.2%
Depreciation	71	76	117	151
Finance Cost	344	354	379	397
PBT	328	280	368	471
Tax	111	103	92	143
Prior Period Adjustments	2	-	3	-
Profit After Tax	219	177	279	328
PAT Margin	2.2%	1.8%	2.5%	3.3%
EPS	11.72	9.46	13.31	14.91

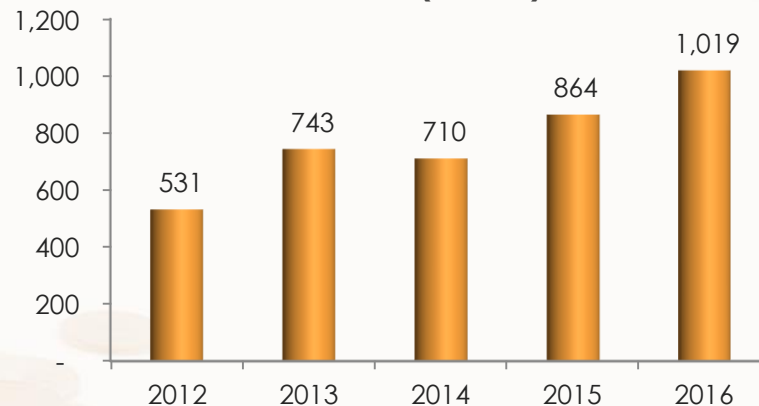
[^] - Total Income includes other income

PARTICULARS (INR Mn)	FY 13	FY14	FY 15	FY16	PARTICULARS (INR Mn)	FY 13	FY14	FY15	FY16
EQUITIES & LIABILITIES					ASSETS				
Shareholder Funds					Non Current Assets				
(A) Share Capital	37	40	44	44	(A) Fixed Assets				
(B) Reserves & Surplus	1,151	1,402	1,770	2,058	Tangible Assets	1,166	1,243	2,016	2,340
(C) Money received against Share Warrant	-	19	-	-	Capital Work-in-Progress	2	124	40	80
Non Current Liabilities					(B) Investments	21	21	-	-
(A) Long Term Borrowings	433	389	794	994	(C) Long term Loans & Advances	70	78	79	67
(B) Deferred Tax Liabilities	119	145	176	226	(D) Goodwill on consolidation	-	-	13	13
(C) Long Term Provisions	6	10	14	19					
Current Liabilities					Current Assets				
(A) Short term Borrowings	2,191	2,265	2,176	2,386	(A) Inventories	1,155	1,374	1,526	1,838
(B) Trade Payables	413	630	435	581	(B) Trade Receivables	1,832	1,879	1,485	1,675
(C) Other Current Liabilities	260	272	285	287	(C) Cash & Bank Balances	65	79	127	115
(D) Short-term provisions	83	84	97	122	(D) Short-term loans & advances	382	458	505	589
GRAND TOTAL - EQUITIES & LIABILITIES	4,693	5,256	5,791	6,717	GRAND TOTAL - ASSETS	4,693	5,256	5,791	6,717

TOTAL INCOME * (INR Mn)



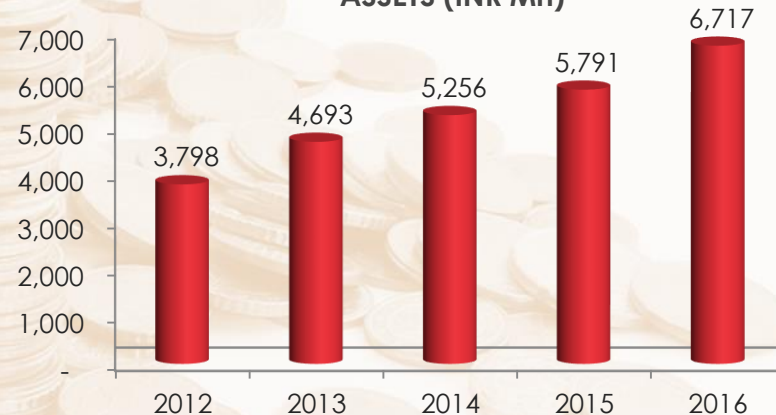
EBITDA* (INR Mn)



PAT (INR Mn)



ASSETS (INR Mn)



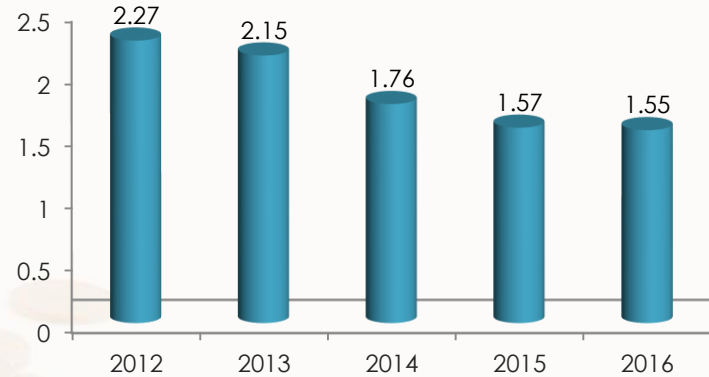
* Total Income includes Other Income

Geographical Revenue Breakup (INR Mn)

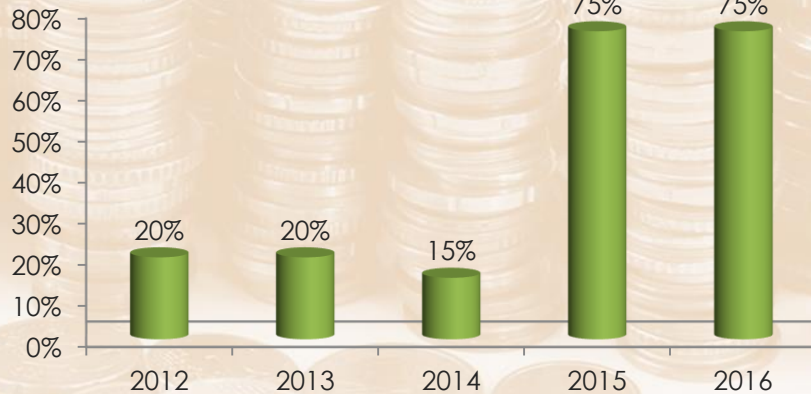
Export Domestic Total



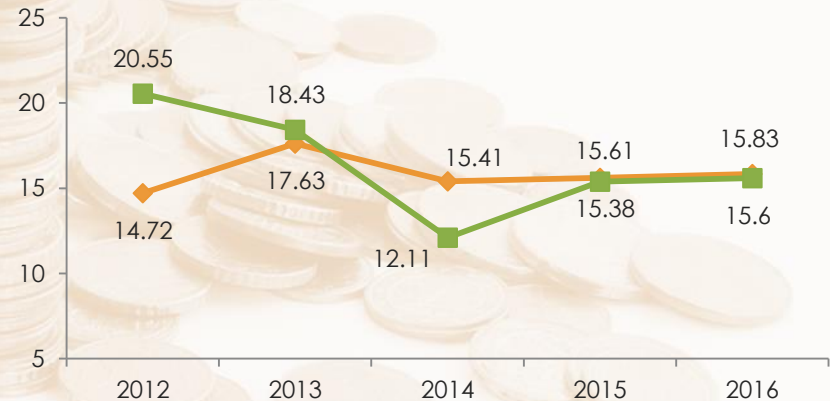
Net Debt to Equity Ratio



Dividend Payout



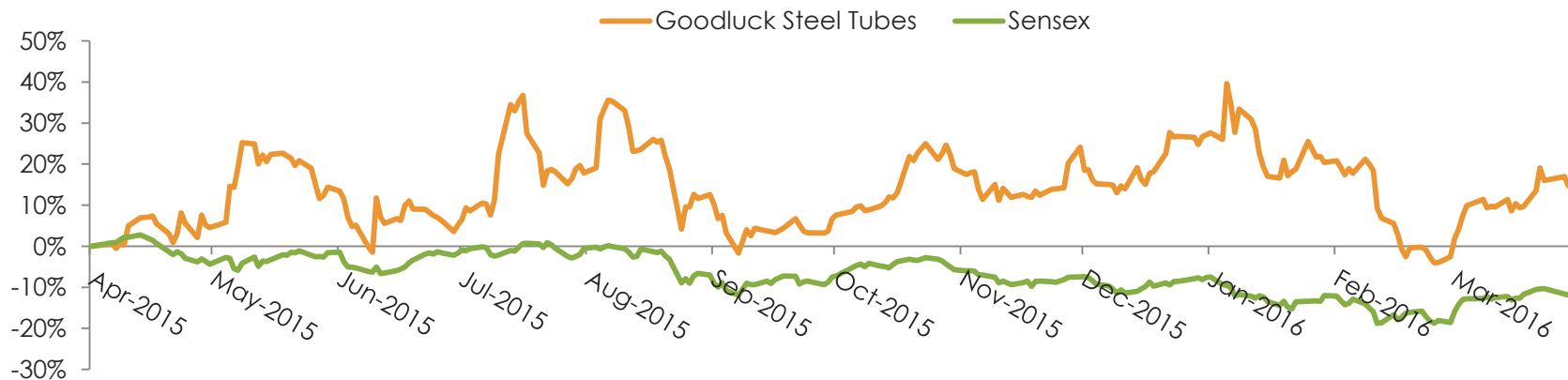
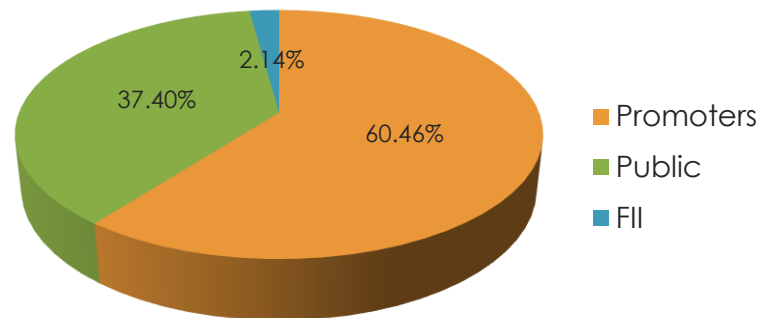
ROCE (%) ROE (%)



PRICE DATA (AS ON 31ST MARCH, 2016)

Face value (INR)	2
Market Price (INR)	95.35
52 Week H/L (INR)	117.85/75.95
Market Cap (INR Mn)	2097.7
Equity Shares Outstanding (Mn)	22
Free Float Market Cap (Mn)	829.43
1 Year Avg. trading volume ('000)	87.93

Shareholding Pattern (as on 31st Mar,2016)



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A large, semi-transparent graphic of an infinity symbol is centered on the page. The symbol is filled with various industrial scenes: a worker in a hard hat, a train, a power transmission tower, and various pipes and machinery. The text 'THANK YOU' is superimposed on the center of the infinity symbol.

THANK YOU