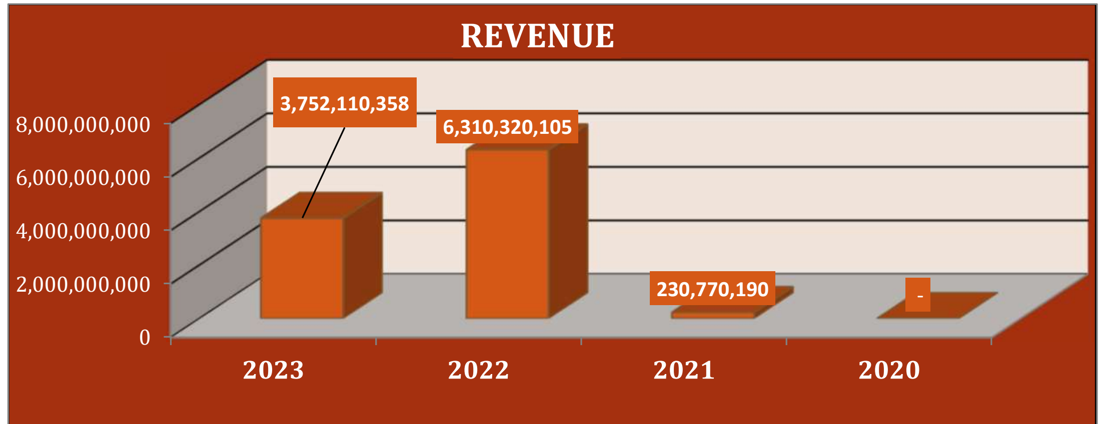
BECO STEEL LIMITED

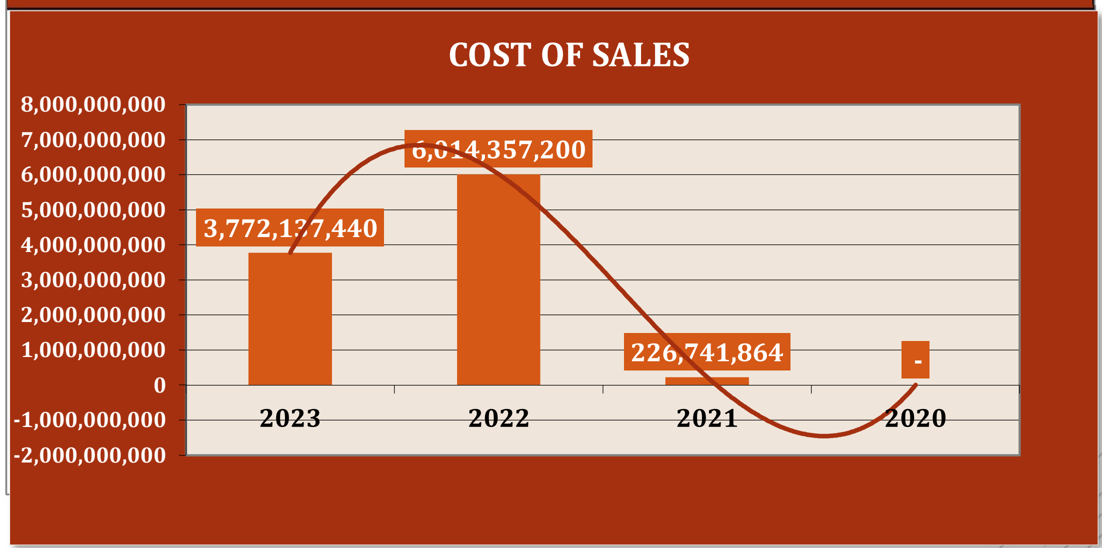
Corporate Briefing Session 2023

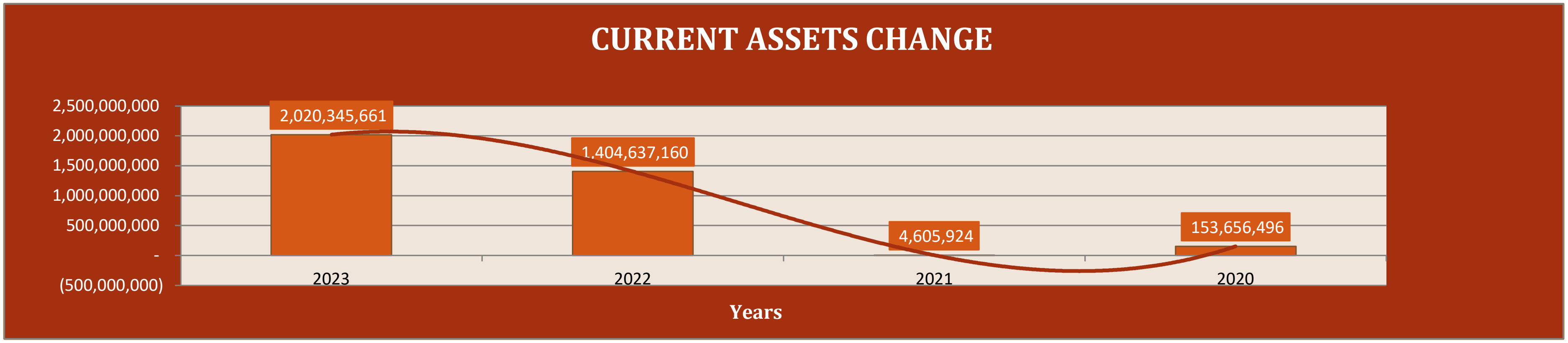
Economic Highlights

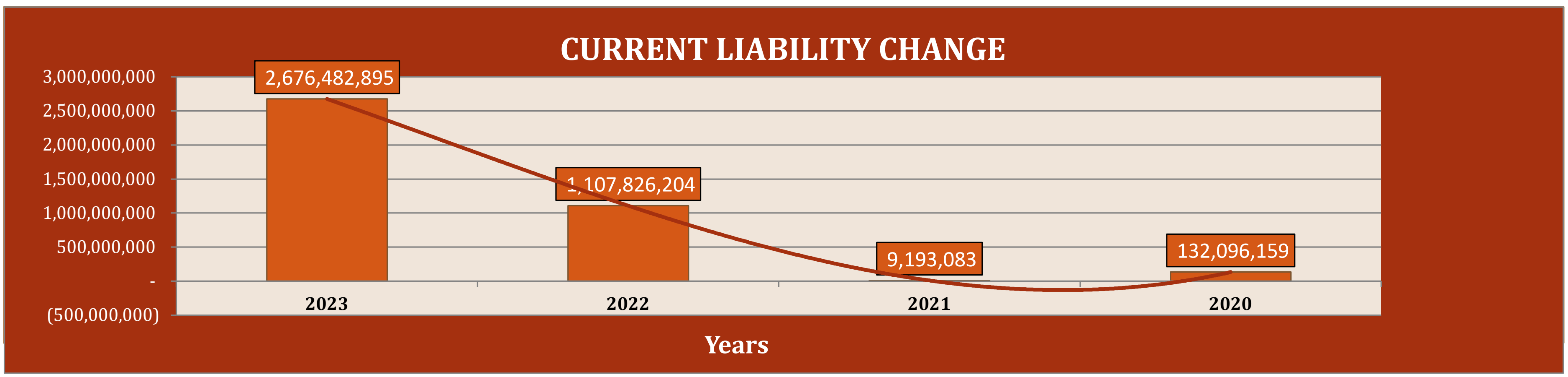
- Record decline in foreign exchange reserves
- Letter of credit crisis & declining economic growth
- Significant rupee devaluation
- Imbalance between twin deficits
- Record inflation and rising interest rates
- Political & Market uncertainty & demand compression

Key Financial Trends

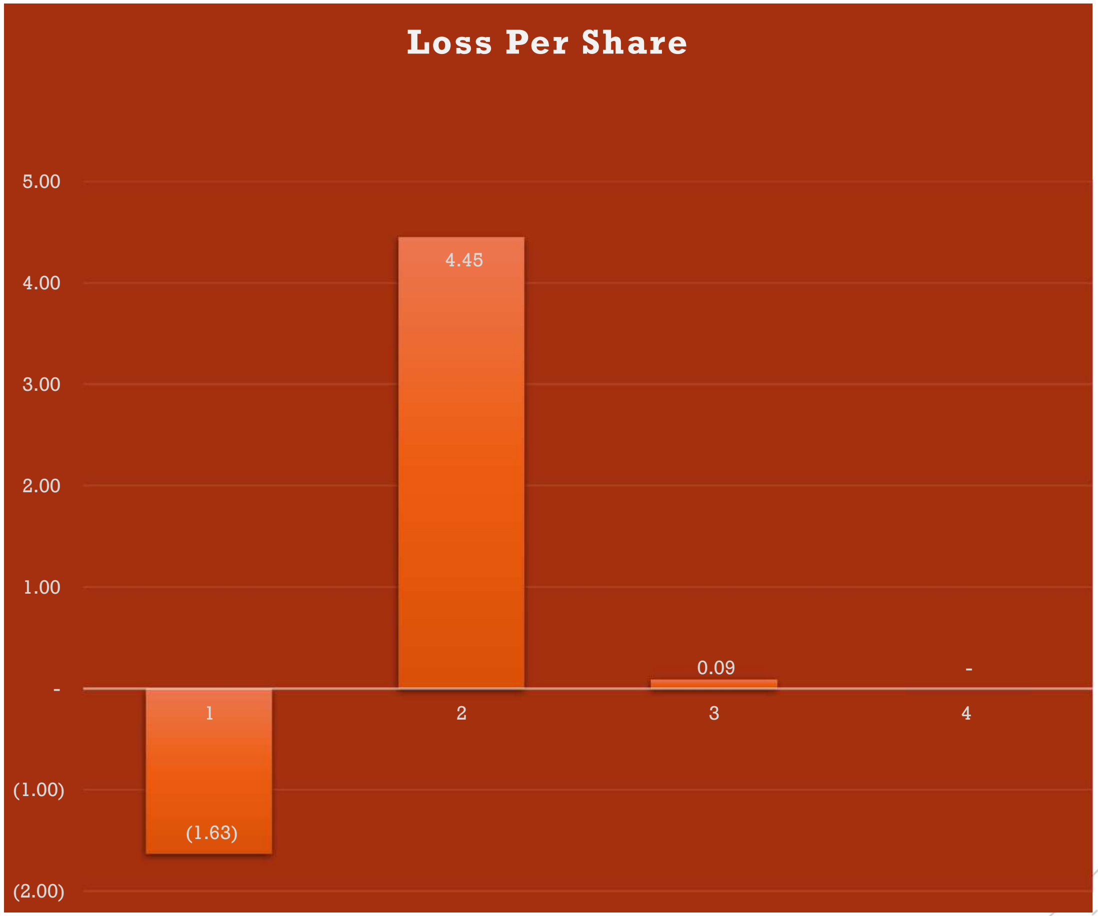




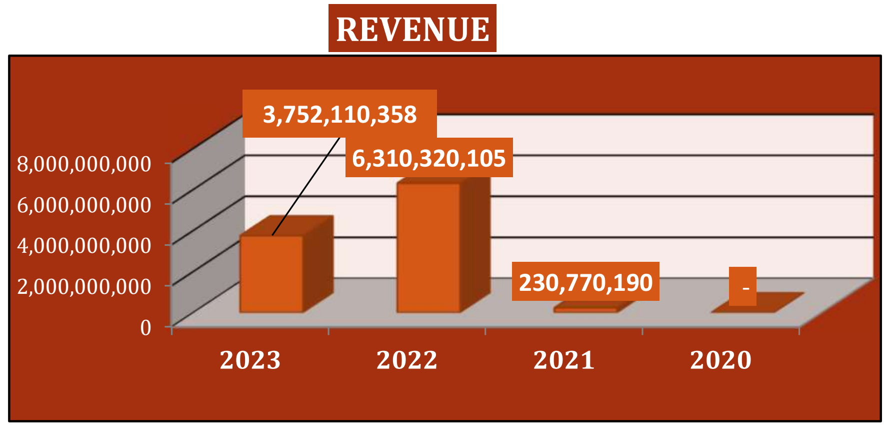

CURRENT ASSETS CHANGE
2,500,000,000
2,000,000,000
1,500,000,000
1,000,000,000
500,000,000
-
(500,000,000)
2,020,345,661
1,404,637,160
4,605,924
153,656,496
2023
2022
2021
2020
Years


CURRENT LIABILITY CHANGE
3,000,000,000
2,500,000,000
2,000,000,000
1,500,000,000
1,000,000,000
500,000,000
-
(500,000,000)
2,676,482,895
1,107,826,204
9,193,083
132,096,159
2023
2022
2021
2020
Years

Loss per Share



Revenue



REASON FOR VARIANCE – The sales revenue decreased by 40% primarily due to decline in sale volumes contributed by series of event such as flash floods, political unrest, record high interest rates and inflation, falling reserves and measures to control CAD by restricting LCs affecting overall supply and resultant reduction in GDP from 5% to0.29%.

Prices on the other hand increased by 27% mainly due to rupee devaluation by 35%from 177 to 240, sharp increase in electricity cost from 21/unit to 29/unit, fuel prices and YoY inflation of 31%

Revenue

Between July and May, Large Scale Manufacturer posted a negative growth of 9.87% on a year-on-year basis. This was in contrast to the positive growth of 11.7% seen in FY22. The cost of steel increased significantly in FY23, while demand declined, leading to an overall economic downturn that impacted almost all sectors of the economy.

Cost of Sales

The cost of sales on a year-over-year basis increased by 5% per ton. The primary factor contributing to this increase is the rise in scrap costs, which accounts for 60% of the total increase.

Additionally, there were notable changes in other contributing factors:

The Rupee depreciated by 35% year-over-year, from 177 to 240, affecting overall costs.

Scrap prices declined by 11% from 543 to 484, partially offsetting the increase.

There was a significant increase in electricity tariffs from Rs. 21/KWH to Rs. 29/KWH, representing a 54% increase in total costs.

Fuel prices increased, leading to higher freight costs.

Other costs rose due to yearly inflation, amounting to 31%.

These factors collectively contributed to the overall increase in the cost of sales.

Future Outlook

Our company has successfully expanded its production capacity. Leveraging this new infrastructure, we are poised to enhance our production output significantly. In the current year, we are committed to increasing our production by 20% to 30%.

In line with our growth strategy, we are venturing into the export of non-ferrous segments. This expansion not only promises to fuel our company's growth but also plays a pivotal role in contributing to the country's economy. To facilitate our export operations, we are availing ourselves of the export facilitation scheme, which will streamline our processes and enhance our competitiveness in the international market.

Thank you