

DP WIRES LIMITED

INVESTOR PRESENTATION
Q3FY23 (FEBRUARY)



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Key Highlights

Q3FY23

Revenue

Rs 3,442 Mn*



115% YoY
21% QoQ

EBITDA

Rs 119 Mn



2% YoY
2% QoQ

Profit After Tax

Rs 93 Mn



10% YoY
3% QoQ

Steel Wire Sales

21,766 MT



12% YoY
4% QoQ

9MFY23

Revenue

Rs 8,280 Mn*



91% YoY

EBITDA

Rs 344 Mn



12% YoY

Profit After Tax

Rs 259 Mn



18% YoY

Steel Wire Sales

61,384 MT



24% YoY

Net Debt

NIL

*Includes revenue from Trading business



Business Updates

- **Highest ever quarterly revenue**, backed by continued volume growth in Steel Wires and higher trading revenue
- Profitability continued to be impacted by inflationary input cost scenario. Further, share of Trading revenue increased in Q3FY23
- Despite challenging environment, **Net Debt continues to remain NIL as of 31-Dec-22**

Outlook:


While the business environment remains challenging, it is expected to peak as inflationary pressures ease out globally. In India, the domestic demand for steel continues to remain firm. A further boost is provided by the increased budgetary allocation by 33% to Rs 10 trillion towards Infrastructure, in the Union Budget 2023-24.

Also the company's wide range of value-added products, increased production capacity, a solid customer base, and a strong balance sheet, we endeavour to anticipate maintain the growth momentum going forward.



Financial Highlights – Q3FY23

Particulars (Rs in Mn)	Q3FY23	Q3FY22	Y-o-Y (%)	Q2FY22	Q-o-Q (%)	9MFY23	9MFY22	Y-o-Y (%)
Net Revenue	3,442	1,602	115%	2,837	21%	8,280	4,342	91%
Total Expenses	3,322	1,484		2,720		7,937	4,036	
EBITDA	119	117	2%	117	2%	344	306	12%
Depreciation	9	6		8		24	17	
Interest Cost	6	7		3		14	17	
Other Income	19	8		14		41	22	
PBT	124	112	11%	120	3%	346	294	18%
Tax expense	31	27		30		86	73	
PAT	93	84	10%	90	3%	259	221	18%
EPS	6.9	6.2		6.7		19.1	16.3	



Company Overview

About DP Wires

- Established in the year 1998, DP Wires is India's one of the leading manufacturers and suppliers of Steel wires, and Plastic films which find its application in industries like Oil & Gas, Power, Environment, Civil, Energy, Automobile, Infrastructure etc.
- Manufacturing facilities with a capacity of ~ 84,000 MT per annum is situated in a single premise in Ratlam, Madhya Pradesh
- ISO certified range of products that cater to marquee clients such as Hindalco, L&T, APCO, Gannon Dunkerley, Simplex Infrastructures, Vascon Engineers and such others



Vision

Our vision is to be the leading player in the wire business by providing a complete solution, adopting cutting-edge technologies, and ensuring long-term, inclusive growth for all the stakeholders.



Mission

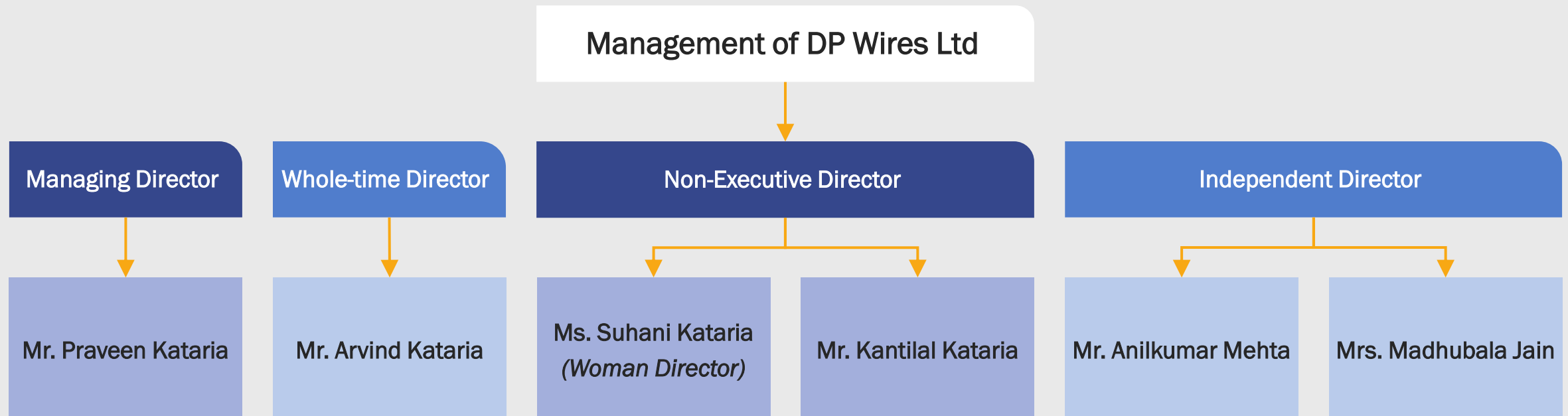
Consistent with the vision and values of the founder Shri Kantilalji Kataria, DP Wires strives to Strengthen India's Infrastructure base by providing the best quality products manufactured using the best of technology, thereby creating a value for all the stakeholders



Core Values

- Customized economical solutions
- High quality products and services
- Relationship based Ethos
- Economical use of resources

Organization Structure



Experienced Management at the Helm

Mr. Kantilal Kataria,
Non-Executive Director

- The genius behind the DP wires, currently working as the Non-Executive Director of the company
- Graduated as BE Mechanical from GSITS Indore (M.P.)
- Having experience of 50+ Years in steel wires and plastic products
- Huge credit goes to Mr. Kataria for making the company reach this position.

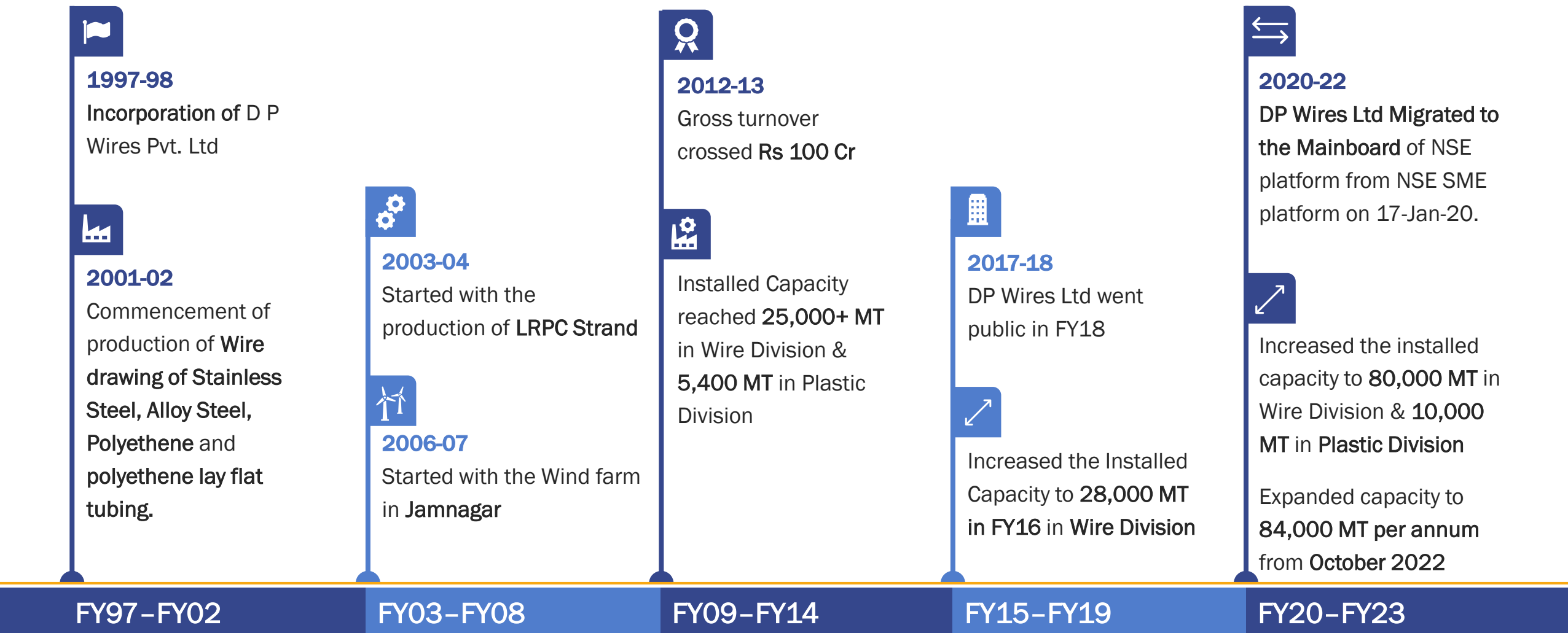
Mr. Praveen Kataria,
Managing Director

- Holds the degree in B.E.(Production) from Akola
- Having experience of 27+ Years in Production and Quality Control departments
- Actively involved in improving the technology, cost reduction in producing of steel wire and plastic division

Mr. Arvind Kataria,
Whole-Time Director & CFO

- Post Graduated as Master in Commerce
- Having experience of 22+ Years in promotion and quality control at organization
- Personal attention to ensure that the company gets worldwide reach for its high-quality manufacturing products

Ongoing Growth Journey



Showcasing our Capabilities



*FY18-FY22



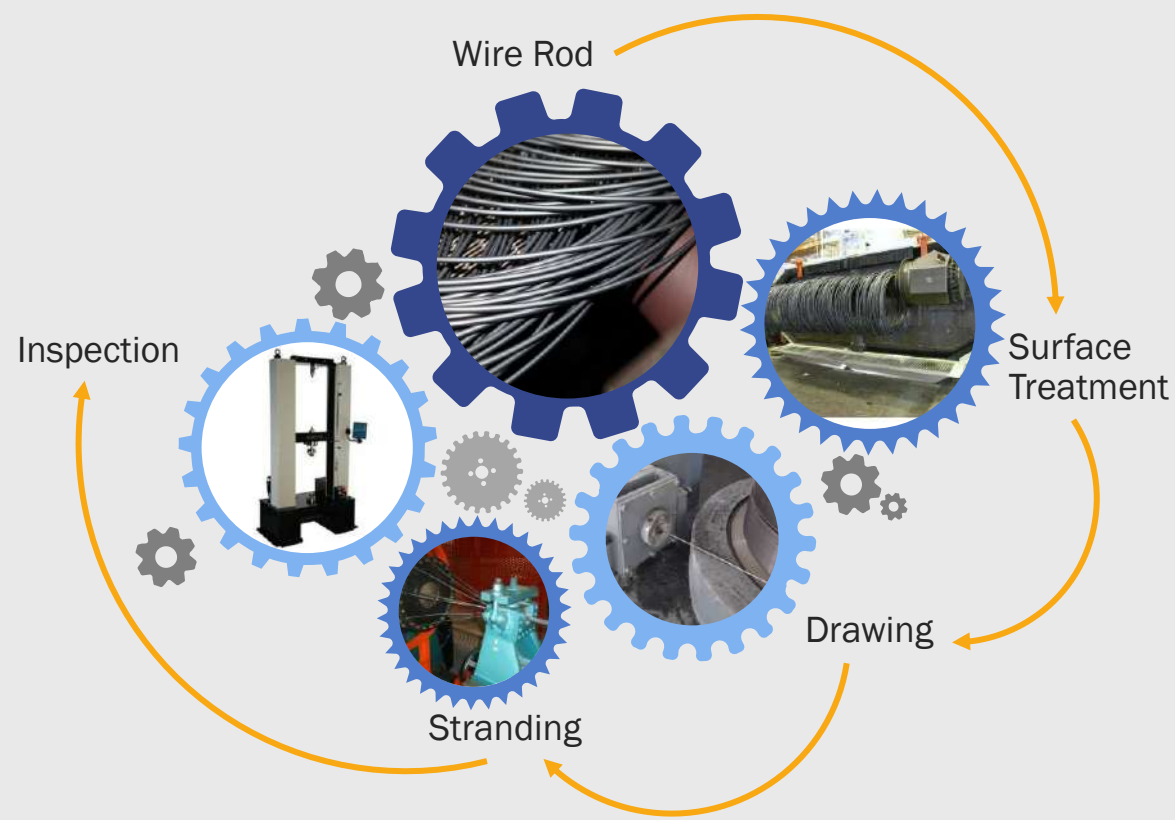
Company's State-of-the-art Facilities



- **Sourcing** – TATA Steel, JSW, Electro steel
- **94,000 MT** capacity of Wires and Plastic Sheets
- **Growth** - Sufficient space to plan future capacity expansion with minimum capex

Integrated Facilities Under One Roof

Sourcing of raw material → Pickling → Wire Drawing → Stranding →
Inspection → Packing & Storage



Continued Focus on Capacity Expansion

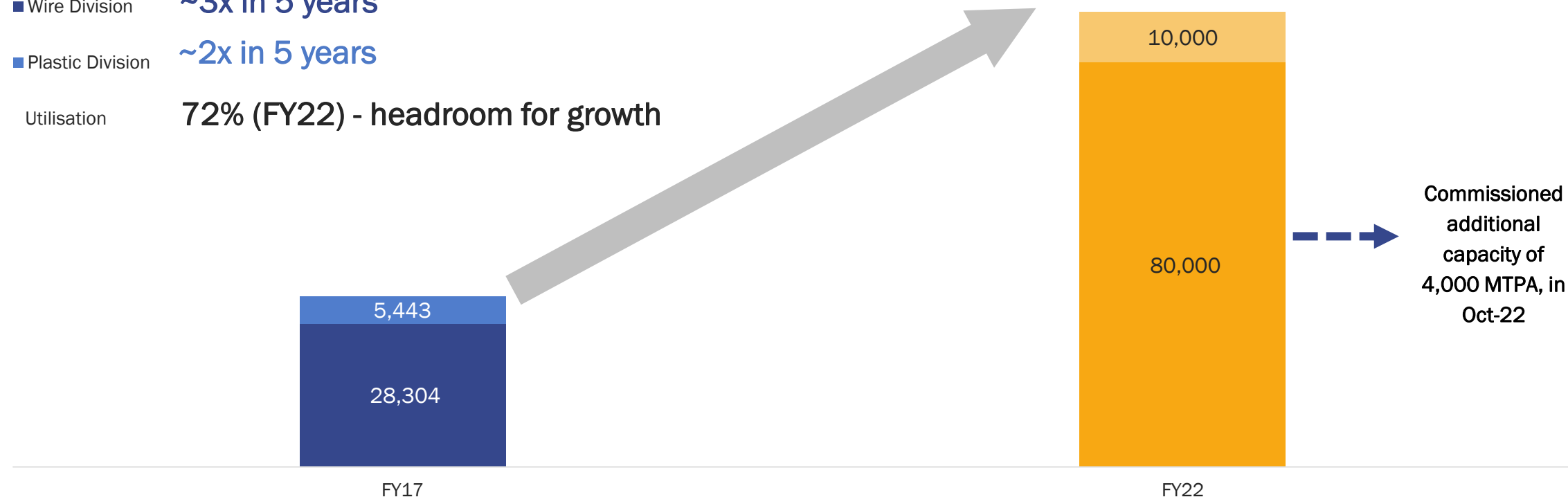
Strengthening Capacities to enable Growth

Capacity in MT

■ Wire Division ~3x in 5 years

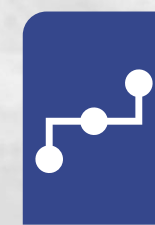
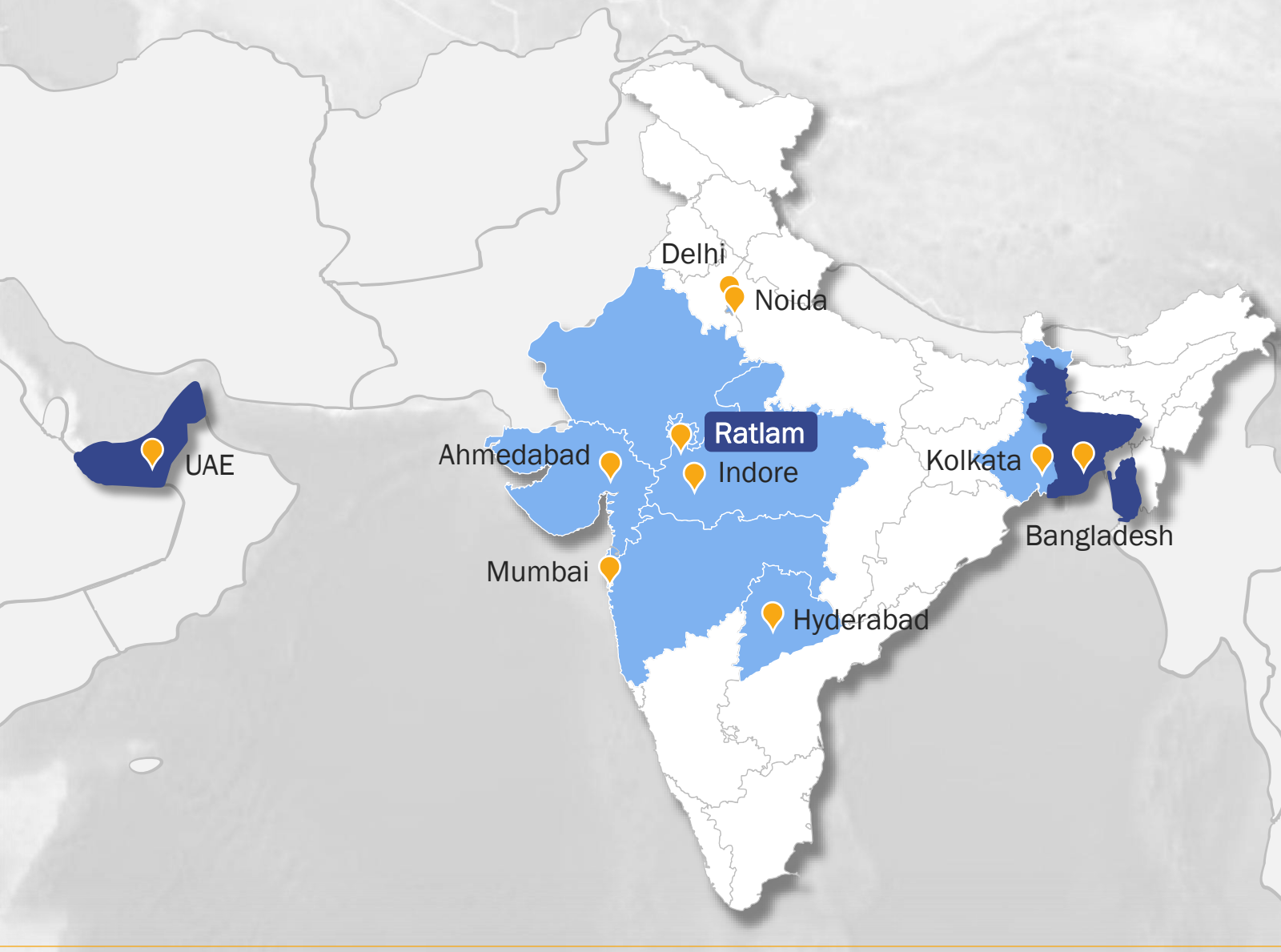
■ Plastic Division ~2x in 5 years

Utilisation 72% (FY22) - headroom for growth



Capacity utilization stands below the optimum level of over 90%, thereby providing headroom for growth in the near term

➤ Strategically Located – Close to all demand centers



Centrally Located Manufacturing Plant that can cater to Northern and Southern Markets



In between India's major metro cities i.e., Mumbai & Delhi



Widespread distribution network in all the key markets in India



Exporting to Bangladesh & UAE markets



Steel Products - Wide Product Portfolio



Quality & Reliability



ISI-Certified Products



Pan-India Delivery



Easy Logistics



Better Pricing

LRPC strands

Features

- Low Relaxation Pre-Stressed Concrete Steel Strands which are used in pre-stressing of concrete for different kind of construction works
- Better build which in turn assures the safety and longevity

Uses

- To prestress the concrete in different types of construction works



Induction Tempered Wire

Features

- Spring wire is a type of wire which is known for its property of offering high wear resistance

Uses

- Suspension springs for metro trains, shock absorbers of vehicles and even in the emergency brakes of large vehicle



Features

- Heat Resistant + Smooth Surface

Uses

- To make railway sleepers
- To make PCC Poles

Steel Wire

Plastic Films - Wide Product Portfolio

Geomembrane Sheet

Features

- Stellar surface finish
- Available in single textured surface
- Supreme shear strength
- Strong hold from tear or abrasion



Features

- Has high demand in Agri sector, also provides superior germination and faster plant growth
- Excellent durability
- High resilience
- Maintains soil moisture

Pond Lining Films

Features

- Highly flexible in nature, being used as a shield from contamination of impurities.
- Available in different length and thickness.
- Weather resistance
- Resistant to puncture
- Enhanced durability



Features

- This film prevents from contamination of impurities, improves water availability over longer period
- Perfect finish
- Easy to tear by means of cutting tools
- Optimum flexibility

Greenhouse Films

Features

- Manufacturing of this sheet keeping in mind industry marked standard. Highly resistant to UV and water
- Available in various lengths and thickness.
- Withstands diverse weather conditions
- Highly stretchable



Aggro HDPE Films



LDPE Canal Lining Films

Long Standing Relationships with Marquee Clients

Approved Supplier in
Bullet Train Project

Approved Supplier in Metro
Projects of India

Supplier of most of the mall
constructions in Mumbai, Delhi

National Highways
Authority of India



Nuclear Power
Corporation of India



Kolkata Metro
Railways



Gujarat Metro Rail
Corporation



Madhya Pradesh
Metro Rail Corporation



J Kumar Infra



Delhi Metro
Rail Corporation



Maharashtra Metro
Rail Corporation



National Thermal
Power Corporation



Simplex
Infrastructure



Larsen & Toubro



Dilip Buildcon Ltd

Growth Strategies

Maximum Utilization of Current capacity to help with the growth in the Medium Term



Inorganic Growth Strategy to be pursued for Medium to Long Term Growth



Expanding Market – Deepening Existing Relationships + Newer Geographies



Product/Capacity Expansion – Possible Expansion on Owned Land



Steel Sector Opportunities

7.5%

India's steel demand growth in 2022*

150* MT#

Crude Steel Production in India in FY2022*

13.5 MT#

Export of Finished Steel from India in FY2022*

6%

India's Steel Sector CAGR for past 5 years*

10%

Expected Growth Rate for Steel Sector*

300 MT#

Production capacity of Steel by 2030-31 as per the National Steel Policy 2017*

US\$ 100 Bn

Proposed capital spending will grow by 35.4% year on year

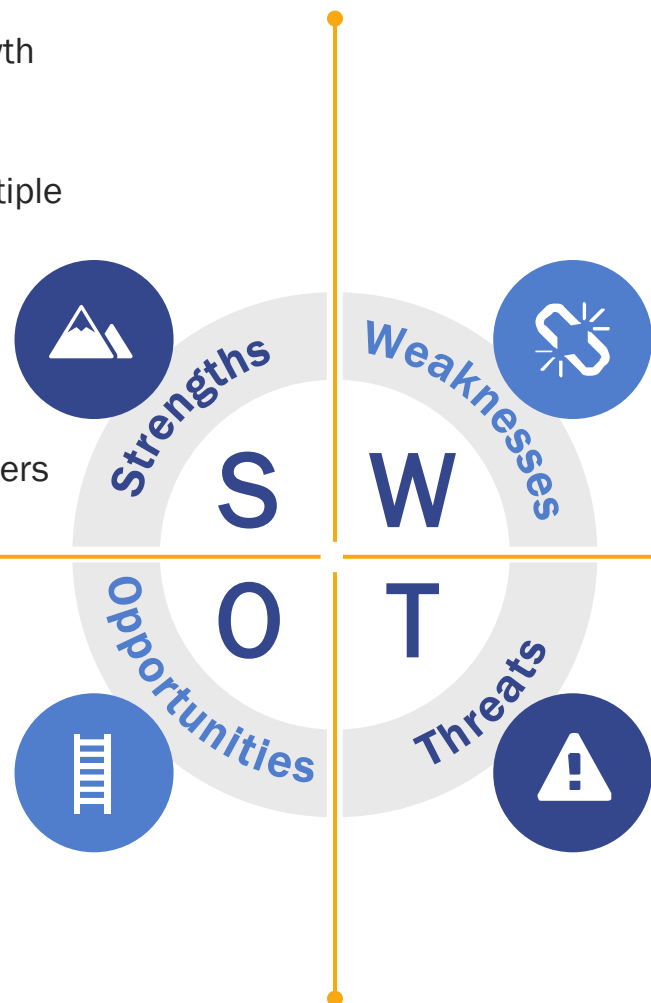


- In the coming years, Infrastructure spending and a modest recovery in automobile production would likely assist India's building and manufacturing, with a predicted improvement in semiconductor supply.
- With the government's plan to transition to a carbon-neutral economy by announcing projects for coal gasification and conversion of coal into chemicals, push on infrastructure through the PM Gati Shakti scheme and a significant increase on capital spend budget
- Indian steel prices to remain resilient, supported by strong international prices and input costs which remain elevated
- With the geopolitical situation in Europe causing supply issues, pricing is expected to remain firm, continuing the trend witnessed in Q4FY22

Strength, Weakness, Opportunities and Threat Analysis

- Strong and proven track record of delivering growth through innovation
- Resilient business model that has withstood multiple business cycles
- Diversified product portfolio catering to wide array of customers
- Long standing relationship with marquee customers

- India's burgeoning economy – growth for auto, real estate, white goods, transportation
- Thrust on Infrastructure – GOI spending increasing YoY to bolster country's infrastructure



- Competition from larger established peers
- Players from unorganised sector pose price challenges in the medium term

- Evolving regulations in the Industry – especially to combat pollution
- New age materials that could require extensive capital investment



Financial Highlights

Key highlights - FY22

Revenue

▲ **Rs. 6,124 Mn** up by **31.2%** YoY

Maiden Dividend

Rs. 1 per share (10% of Face Value)

EBITDA

▲ **Rs. 398 Mn** with **6.5%** of EBITDA Margin

Healthy Return Ratios

ROCE **25%** and ROE **19%**

Net Profit

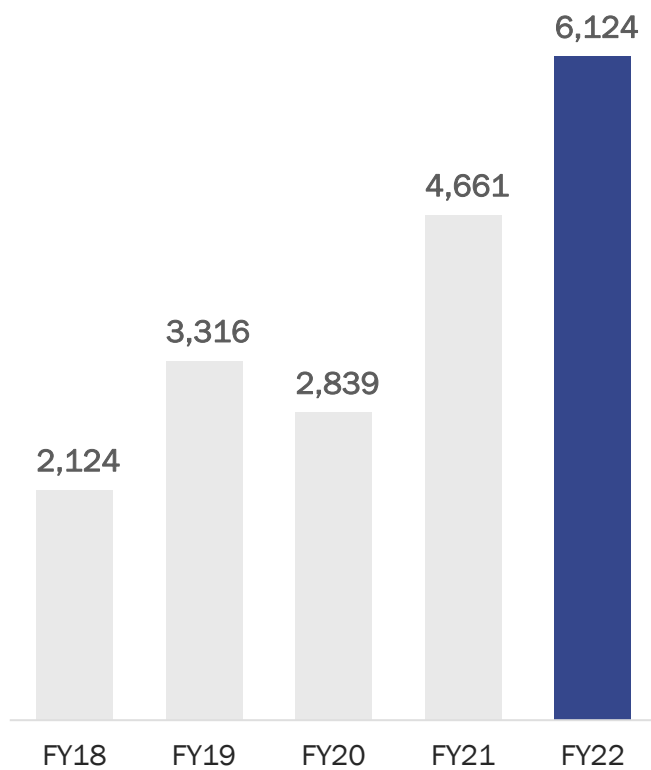
▲ **Rs. 291 Mn** with Margin of **4.7%** YoY

Net Debt to Equity

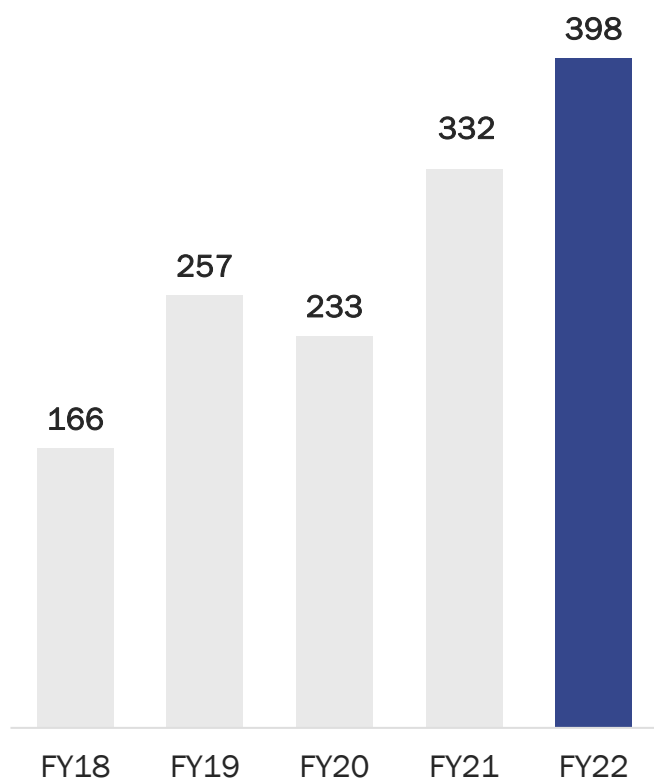
Stable at 0.1x

Key Financials

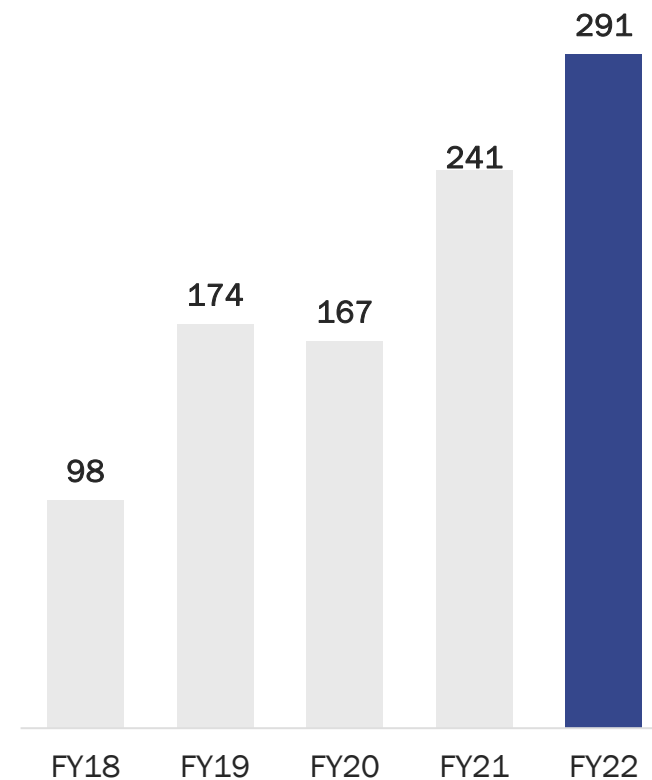
Net Revenue (Rs Mn)



EBITDA (Rs Mn)



PAT (Rs Mn)



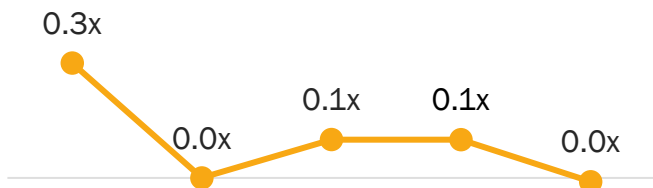
■ FY18 ■ FY19 ■ FY20 ■ FY21 ■ FY22

■ FY18 ■ FY19 ■ FY20 ■ FY21 ■ FY22



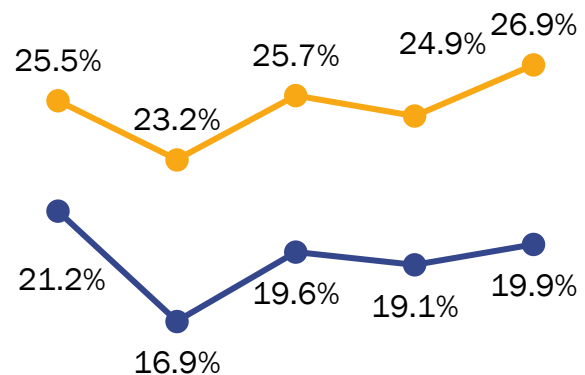
Key Ratios

Debt/Equity (X)



Mar-19 Mar-20 Mar-21 Mar-22 Sep-22*

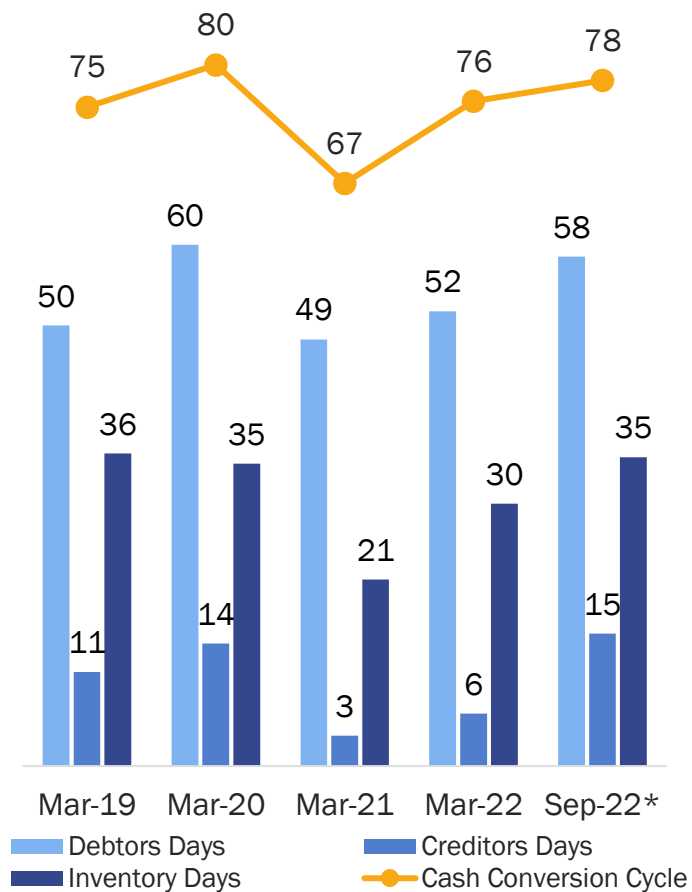
ROE (%) & ROCE (%)



Mar-19 Mar-20 Mar-21 Mar-22 Sep-22*

— ROE — ROCE

Working Capital (days)



Mar-19 Mar-20 Mar-21 Mar-22 Sep-22*

— Debtors Days — Creditors Days
— Inventory Days — Cash Conversion Cycle

*Annualised numbers



Profit & Loss Highlights

Particulars (Rs in Mn)	FY19	FY20	FY21	FY22	9MFY23
Net Revenue	3,316	2,839	4,667	6,124	8,280
Total Expenses	3,059	2,606	4,335	5,726	7,937
EBITDA	257	233	332	398	344
<i>EBITDA Margin</i>	7.7%	8.2%	7.1%	6.5%	4.1%
Depreciation	16	20	22	25	24
Interest Cost	23	13	11	21	14
Other Income	25	23	31	36	41
PBT	243	223	324	388	346
Tax expense	69	56	83	98	86
PAT	174	167	241	291	259
<i>PAT Margin</i>	5.3%	5.9%	5.2%	4.7%	3.1%
EPS	12.8	12.3	17.8	21.4	12.3



Balance Sheet Trend

Liabilities (Rs Mn)	Mar - 21	Mar - 22	Sept - 22
Total Equity	1,227	1,518	1,671
Share Capital	136	136	136
Other Equity	1,091	1,382	1,535
Non-Current Liabilities	36	28	10
Borrowings	28	21	7
Lease Liabilities	3	3	3
Current Liabilities	274	415	468
Borrowings	48	108	34
Trade Payables	42	89	191
Other Financial Liabilities	1	-	0
Other Current Liabilities	161	198	197
Provisions	22	19	35
Total Liabilities	1,537	1,960	2,148

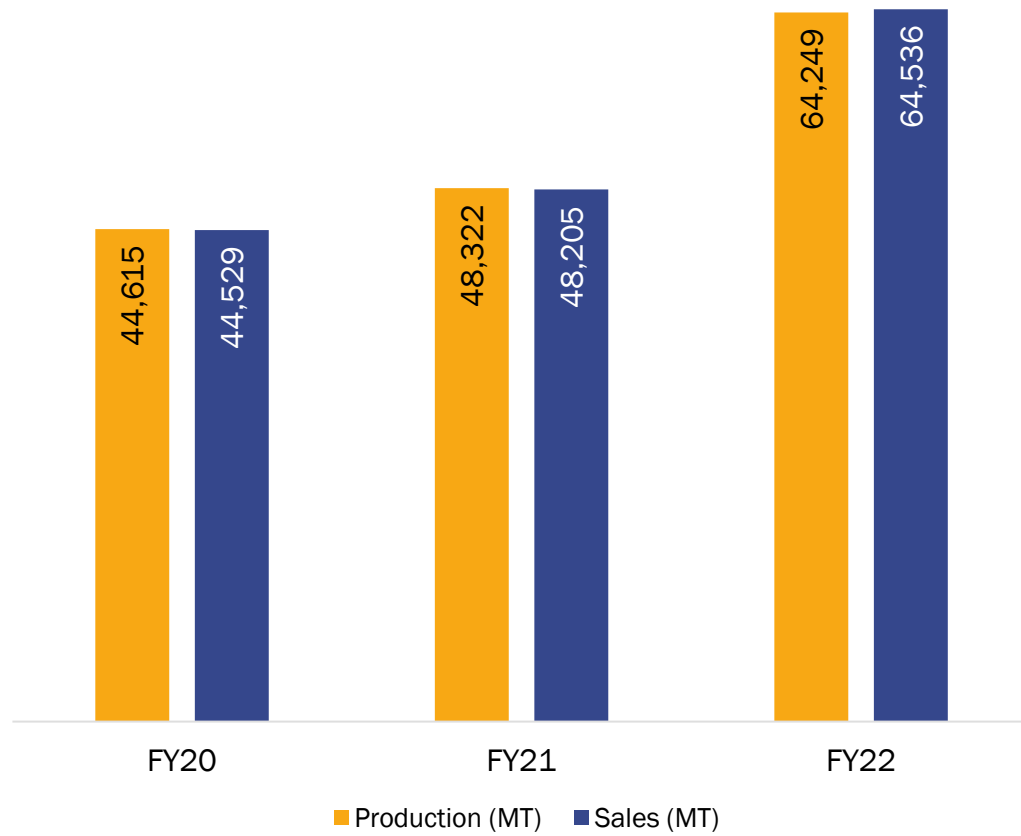
Assets (Rs Mn)	Mar - 21	Mar - 22	Sept - 22
Non-Current Assets	260	297	306
PPE	169	184	166
Capital WIP	-	-	-
Current Assets	1,277	1,663	1842
Inventories	254	471	446
Debtors	624	878	772
Cash Eq. and Bank	53	83	63
Loans	67	41	40
Current Tax Assets	6	0	0
Other Current Assets	274	190	520
Total Assets	1,537	1,960	2148



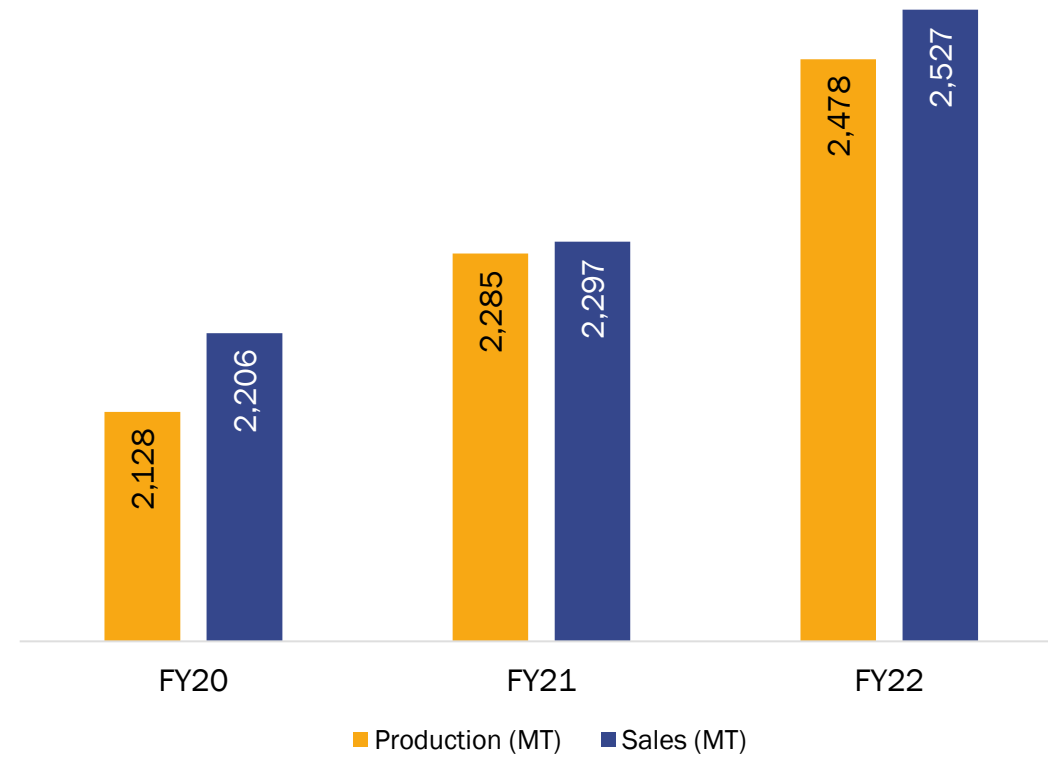


Production & Sales Trend

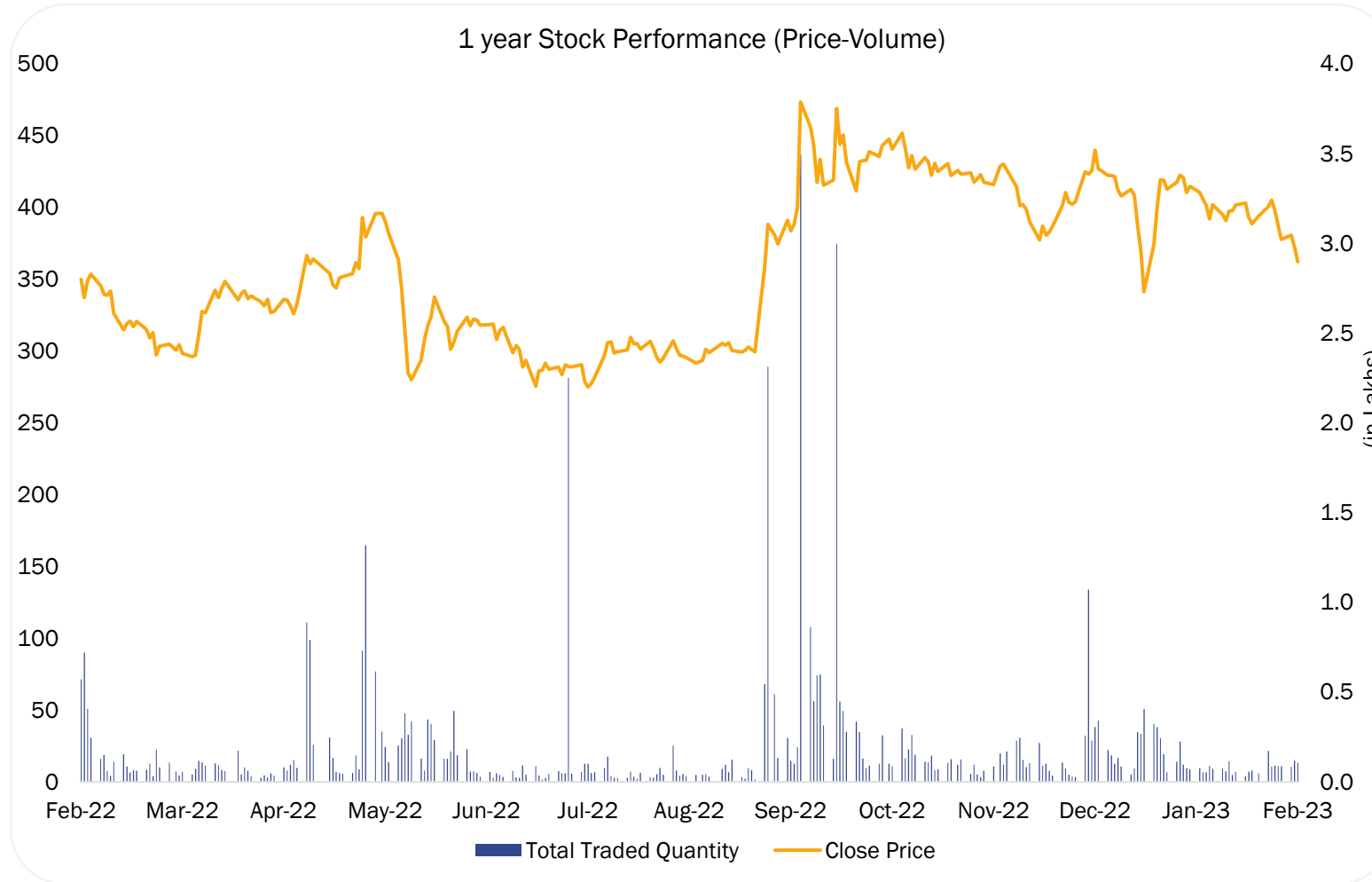
Wire Division



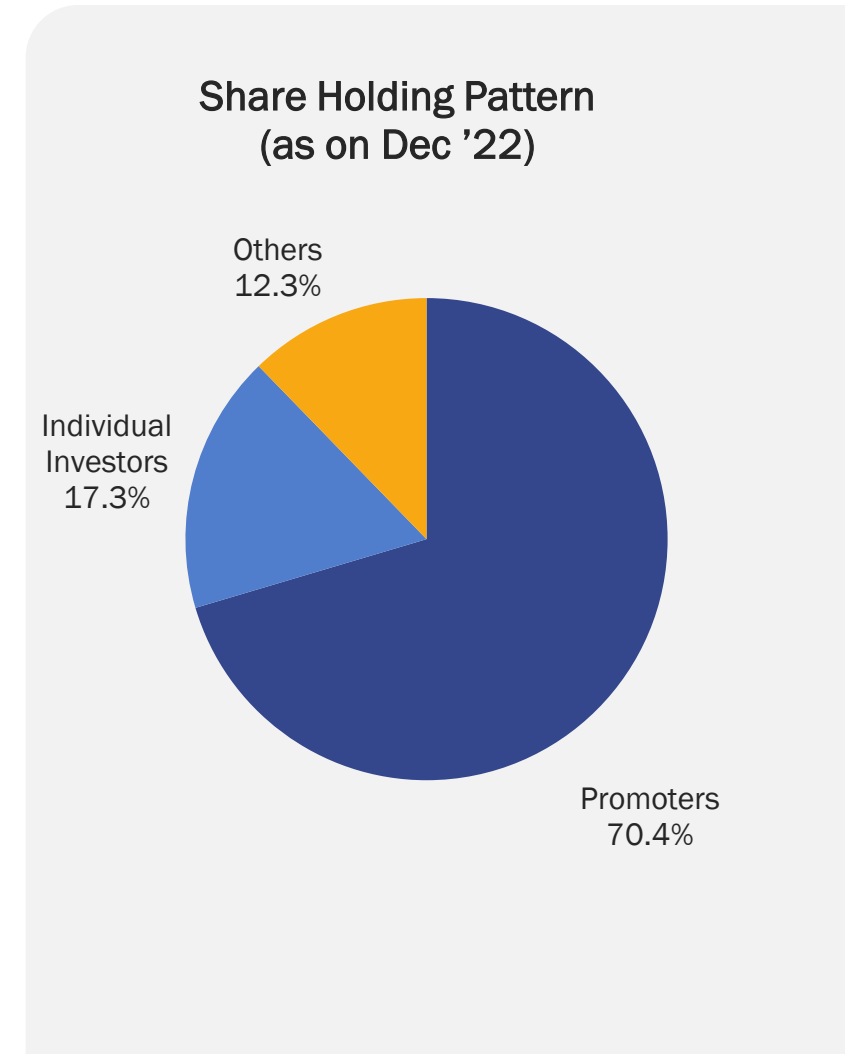
Plastic Division



Stock Information | Declared Maiden Dividend in FY22



Stock Price Chart as on 08-Feb-2023



THANK YOU



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