

INVESTOR PRESENTATION Q1FY24



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25 Years of Excellence & Building Competencies

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Financial Performance

25 Years of Excellence and Building Competencies...



Operational Excellence

Key Products
LRPC Strands & Steel Wires
ISO 9001-2015

Installed Capacity
>84,000 MT

Employee Strength
200+

Branch Network
8 Cities

Caters to over
100+ Clients

Financial Excellence

38% Revenue CAGR*

21% ROE & **30%** ROCE

20% EBITDA CAGR*

0.01x D/E (Debt Free)

24% PAT CAGR*

2019 - 2023

- Turnover crossed **Rs 1,000 Cr in FY23**
- Wire Division capacity increased to **84,000 MT**
- Forayed into export markets – Bangladesh, USA and Brazil
- Migrated to NSE Mainboard in **Jan-20**

2008 - 2018

- Turnover crossed **Rs 200 Cr in FY18**
- IPO and listing on NSE SME Platform in **Oct-17**
- Turnover crossed **Rs 100 Cr in FY15**
- Wire Division capacity crossed **28,000 MT in FY16**

1997 – 2007

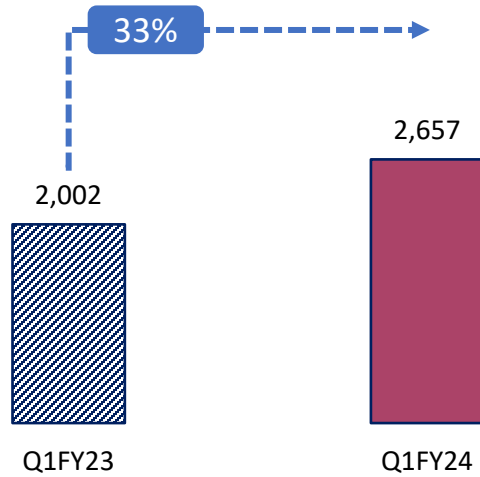
- Started production of **LRPC Strand** in **FY04**
- Commenced production of Wire drawing of **Stainless Steel, Alloy Steel, Polyethene**
- Incorporated DP Wires in **1997-98**

* - FY19-FY23

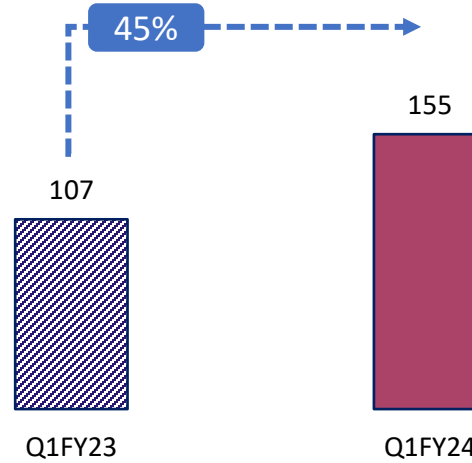
...Continuing in Q1FY24 - Robust Performance



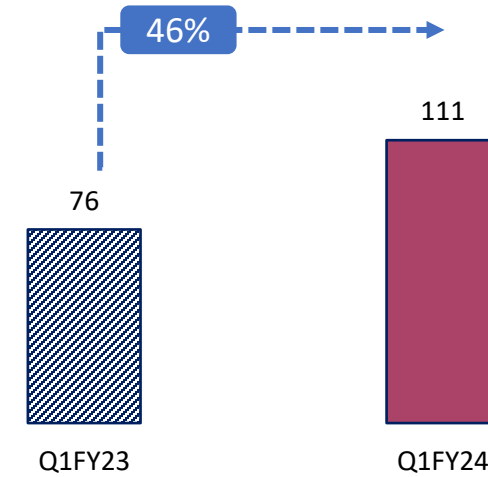
REVENUE (Rs Mn)



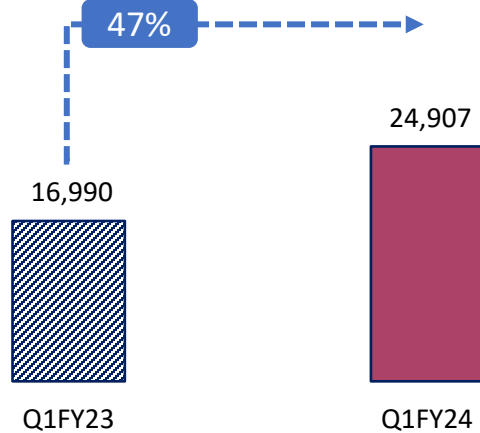
EBITDA (Rs Mn)



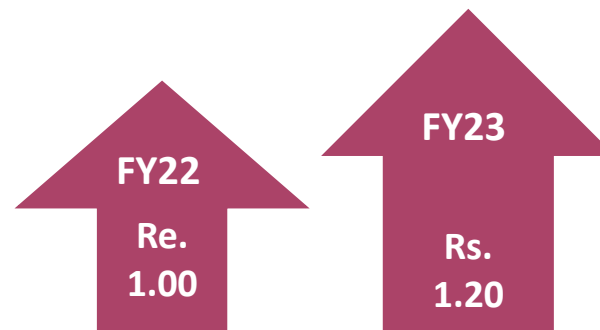
PAT (Rs Mn)



STEEL WIRE SALES (in MT)



Recommended Dividend



Healthy Return Ratios (FY2023)
ROCE - 29.7% and ROE - 21.4%

Long Term Rating	Short Term Rating
CRISIL A-/Stable	CRISIL A2+

Net Debt to Equity
Stable at 0.01x

Financial Highlights

- Revenue grew by **33% Y-o-Y** to **Rs 2,657 Mn** in Q1FY24
- Profitability improved on account of Company's effective cost management and operational efficiency. **EBITDA and PAT Margins improved to 5.8% and 4.2%** respectively in Q1FY24
- EBITDA grew **45% Y-o-Y** to **Rs 155 Mn** and PAT grew **46% Y-o-Y** to **Rs 111 Mn** in Q1FY24
- Maintaining **Zero Net Debt** as on 30-Jun-2023. Continuing Strong credit rating - **LT rating of CRISIL A2-/Stable** and **ST rating of CRISIL A2+**
- Recommended **Final Dividend of 12%, that is, Rs. 1.20** per Equity share of face value of Rs. 10 each, for FY23

Operational Highlights

- Quarterly Steel Wires' sales volumes of **24,907 MT (up 47% Y-o-Y)** in Q1FY24
- Working towards the expansion of Steel Wire capacity to **~100,000 MT by H1FY24**; Total capacity of 84,000 MTPA for Steel Wire, for enabling further growth
- Forayed and developed **exports in Bangladesh**; Also exported the 1st batch of LRPC to ***the USA and Brazil markets***
- Continuously focusing on addition of New Clients
- The Management is proud to announce to celebrate its 25th year of incorporation, along with that the Company will get listed on the **Bombay Stock Exchange (BSE)** for a remarkable journey going forward.

Financial Highlights – Q1FY24



Particulars (Rs in Mn)	Q1FY24	Q1FY23	Y-o-Y (%)	Q4FY23	Q-o-Q (%)	FY23	Y-o-Y (%)
Net Revenue	2,657	2,002	33%	3,865	-31%	12,145	98%
Total Expenses	2,502	1,895		3,668		11,605	
EBITDA	155	107	45%	197	-21%	540	36%
<i>EBITDA Margin</i>	<i>5.8%</i>	<i>5.3%</i>	<i>49 bps</i>	<i>5.1%</i>	<i>74 bps</i>	<i>4.4%</i>	
Depreciation	10	8		10		35	
Interest Cost	13	6		6		20	
Other Income	17	8		27		68	
PBT	149	101	47%	208	-28%	553	43%
Tax expense	37	25		57		143	
PAT	111	76	46%	151	-26%	410	41%
<i>PAT Margin</i>	<i>4.2%</i>	<i>3.8%</i>	<i>38 bps</i>	<i>3.9%</i>	<i>28 bps</i>	<i>3.4%</i>	
EPS	8.2	5.6		11.1		30.2	41%

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



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.) Gold Medalist in the year 1970.
- 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



- **Sourcing** – TATA Steel, JSW, Electro steel
- **84,000 MT** capacity of Wires
- **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

1

Wire Rod



2

Surface
Treatment



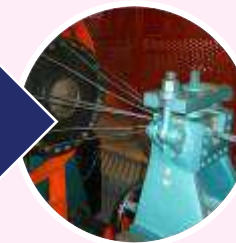
3

Drawing



4

Stranding

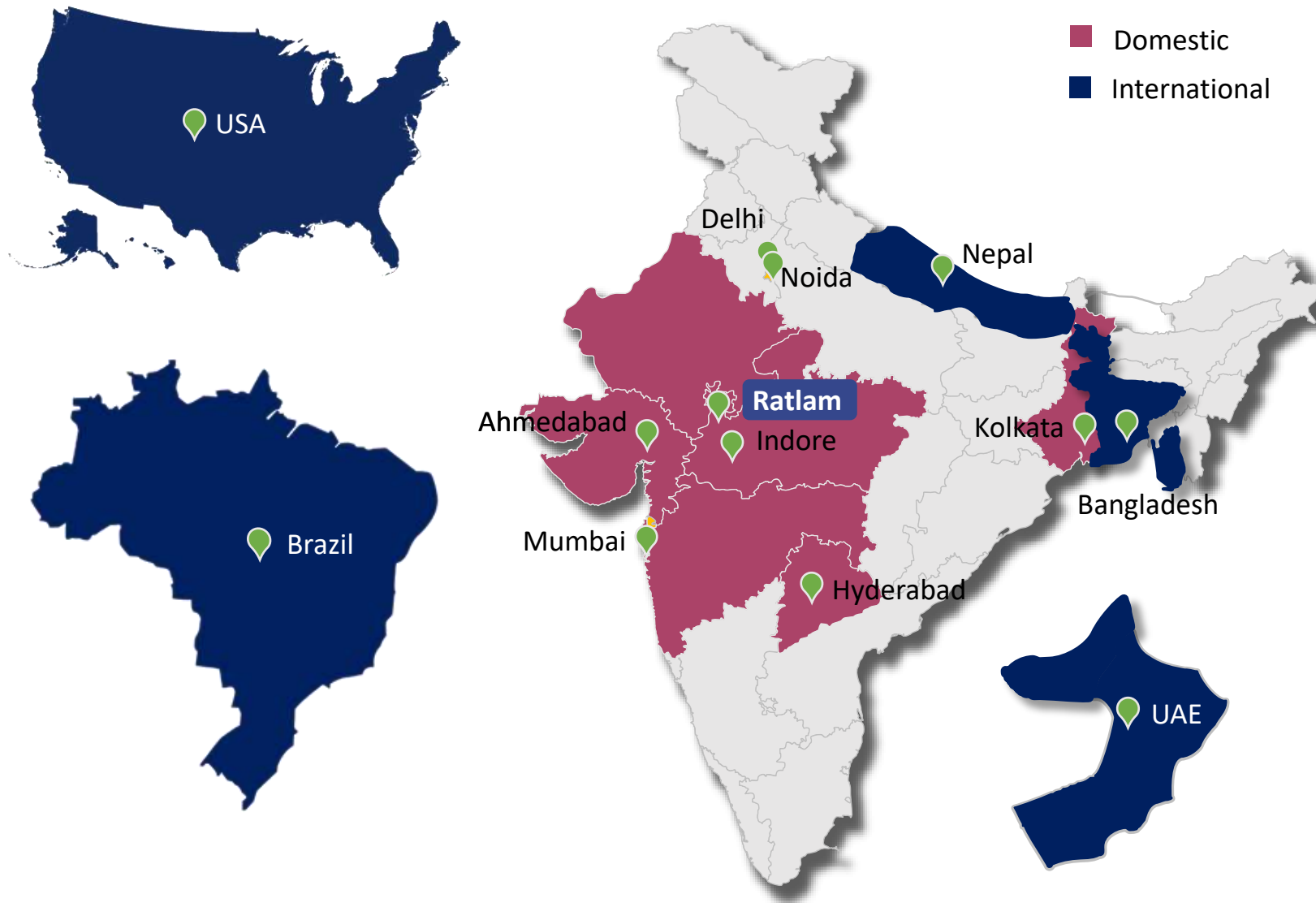


5

Inspection



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 foreign countries

Steel Products - Wide Product Portfolio



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
- Use in High Rise Commercial & Residential Complexes
- Used in all the Government Infra projects (Offices, Metros, Bullet Train etc)



Steel Wire

Features

- Heat Resistant + Smooth Surface

Uses

- To make railway sleepers
- To make PCC Poles



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



Quality & Reliability



ISI-Certified Products



Pan-India Delivery



Easy Logistics



Better Pricing

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

Business Strength



Well Placed to Continue the Growth Trajectory



Capacity Expansion

Planned capacity expansion by ~16,000 MT to
~100,000 MT by H1FY24

Market Expansion

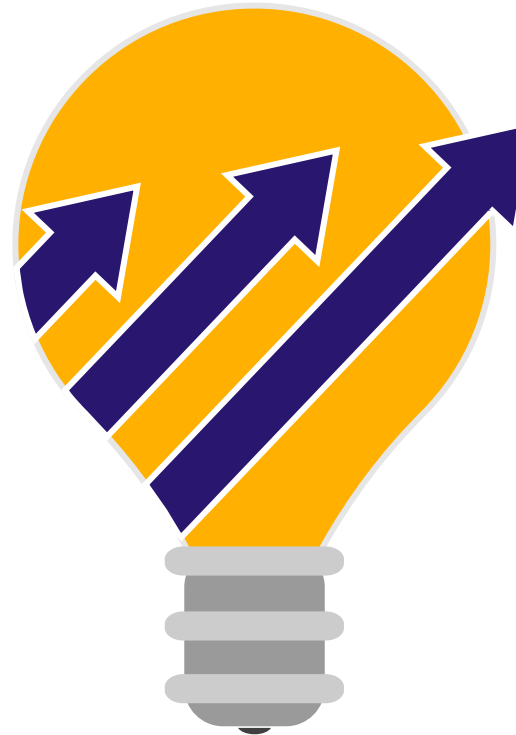
Domestic Market – Deepening relations with
Existing clients
Export Market - Foraying into Newer Geographies

Developing new product vertical like **Steel Spring
Wires & Induction Tempered Wires**

Product Expansion

Product (LRPC) usage increasing in construction.
Niche product with few players in the industry acts
as an entry barrier

Sector Opportunity





- The government's capital drive contributed in maintaining the capacity utilization rate for the steel sector at a forecast of 80% in FY2024, regardless of assigning of some new expansion projects
- Considering that the Central Government's capital expenses (capex) are anticipated to rise by 37% YoY in FY2024
- Rating Agencies has revamped upwards its steel consumption growth estimate for FY2024 to 8-10%
- The withdrawal of export duties, monthly finished steel exports have doubled to around 0.6 MT in Q4 FY23 from the November 2022 lows of 0.3 MT. While this pick-up is encouraging to see, the near-term growth opportunities in the overseas markets which looks more challenging
- As trade flows are shifted to fast-growing nations, imports of steel have increased during FY2023, that resulted in India becoming a net importer of finished steel for five months in a row between October 2022 and February 2023.
- Because of the local demand's sustained strength and the rising cost of inputs, domestic steel prices are anticipated to follow the global prices in direction and rise.

~10%

India's steel demand growth in FY23

125* MT[#] (↑ by 4%)

Crude Steel Production in India in FY23*

121* MT[#] (↑ by 7%)

Finished Steel Production in India in FY23*

6.0 MT[#] (↑ by 27%)

Imports of Finished Steel from India in FY23

6%

India's Steel Sector CAGR for past 5 years*

120MT[#] (↑ by 13%)

Consumption of Finished Steel in FY23*

300 MT[#]

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

US\$ 100 Bn

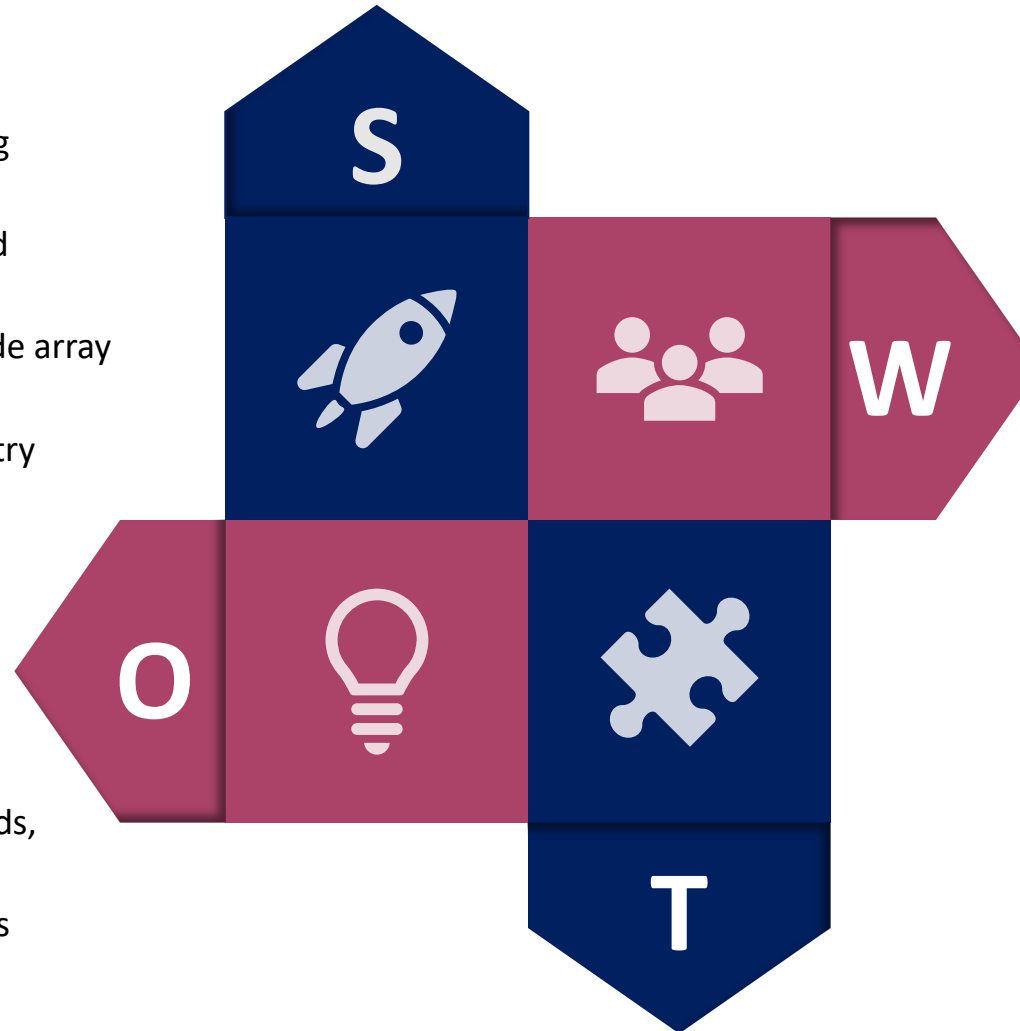
Proposed capital spending will grow by 35.4% year on year

STRENGTH

- 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
- Niche product in the Industry, with High Entry Barriers
- Long standing relationship with marquee customers

OPPORTUNITIES

- India's burgeoning economy – growth for auto, real estate, Infrastructure, white goods, transportation
- Increase in Demand for LRPC strands across the Globe
- Thrust on Infrastructure – GOI spending increasing YoY to bolster country's infrastructure



WEAKNESS

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

THREATS

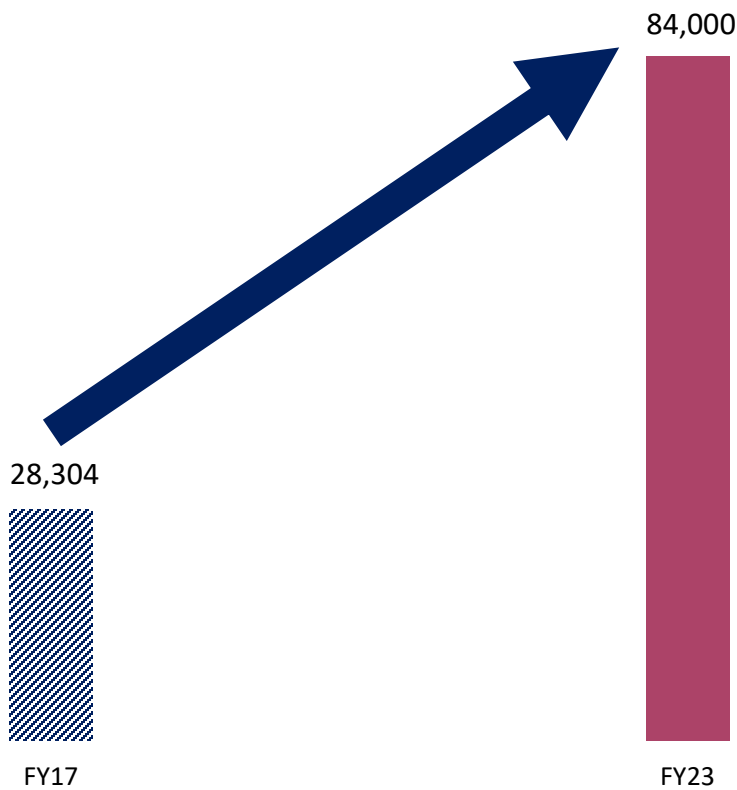
- Evolving regulations in the Industry – especially to combat pollution
- New age materials that could require extensive capital investment

Financial Highlights

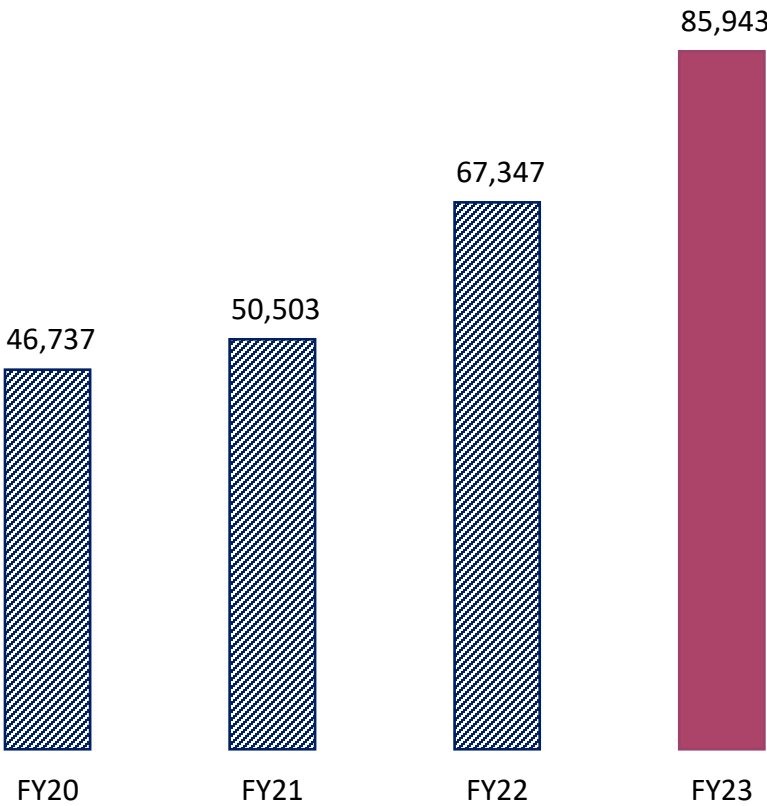




Capacity (MT) - 3x in 5 Years

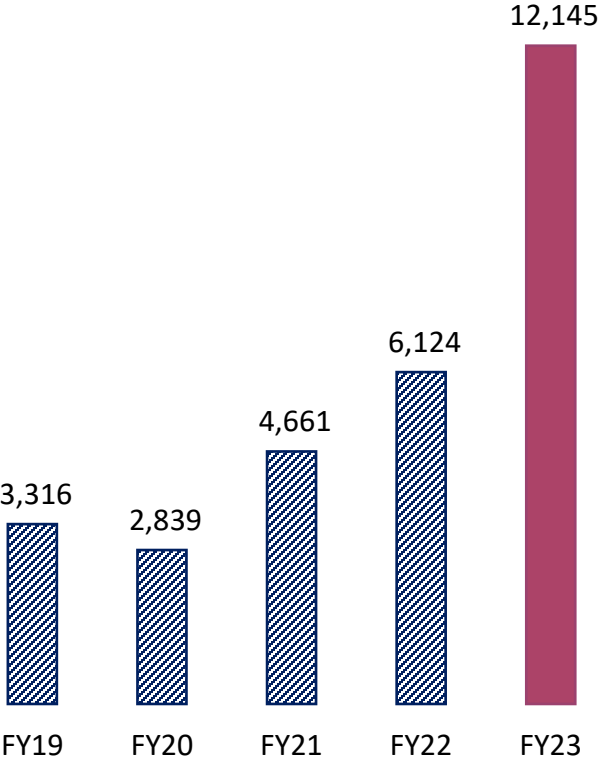


Consistently Growing Sales Volume

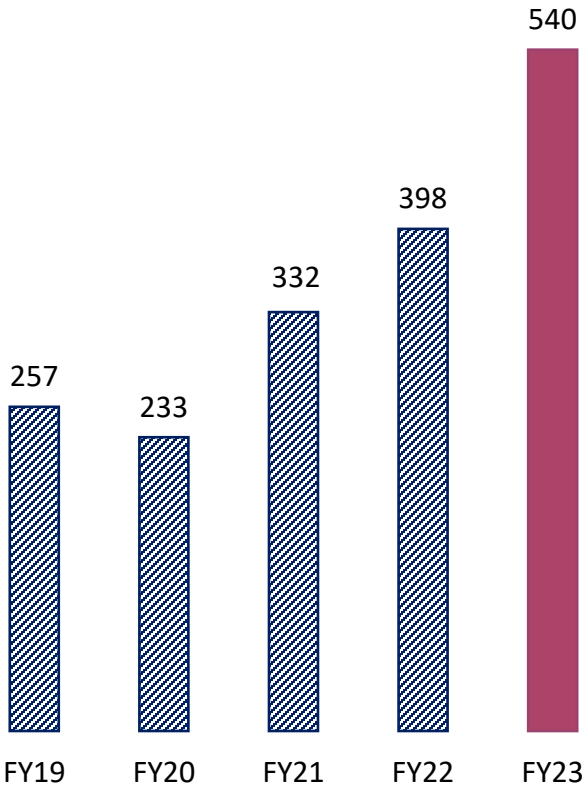




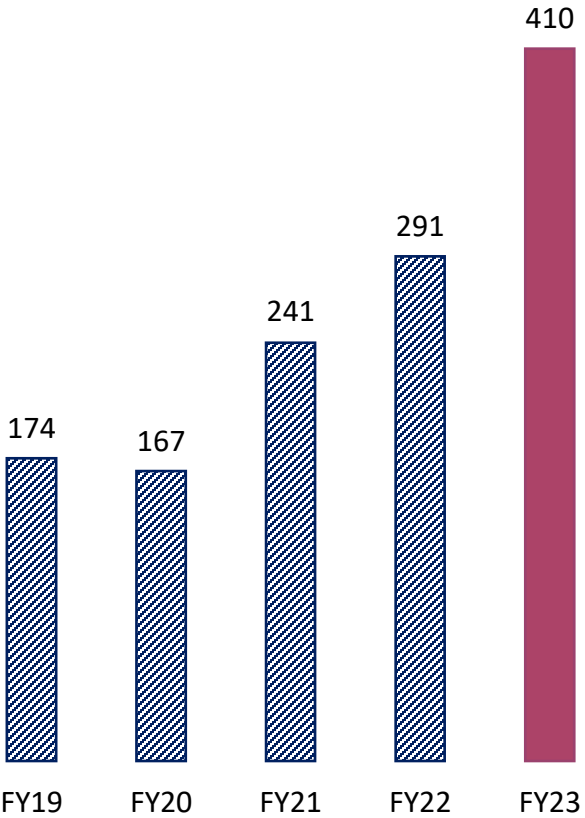
NET REVENUE (Rs Mn)



EBITDA (Rs Mn)

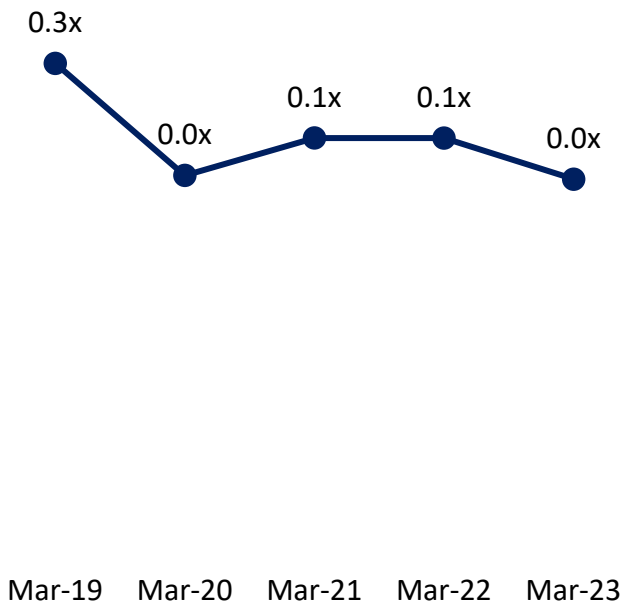


PAT (Rs Mn)

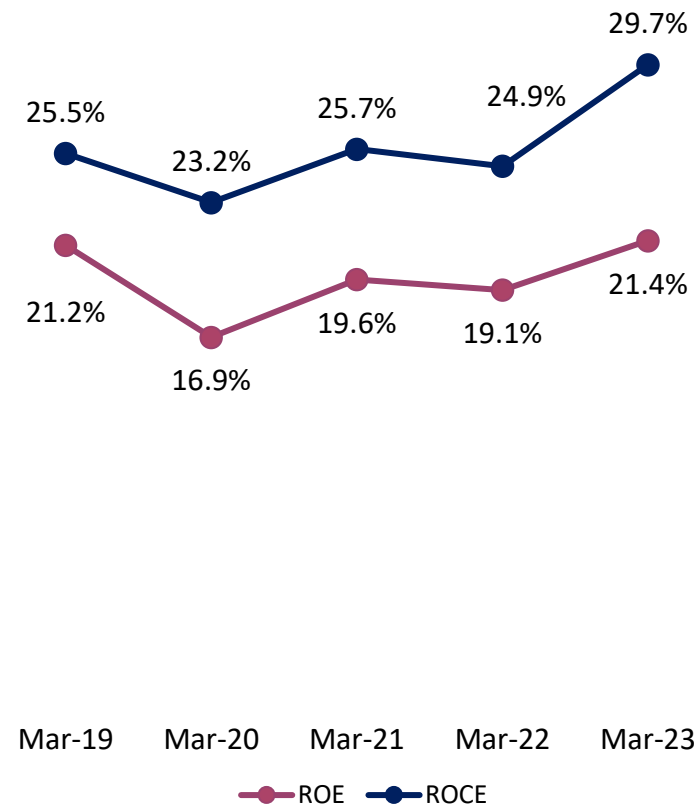




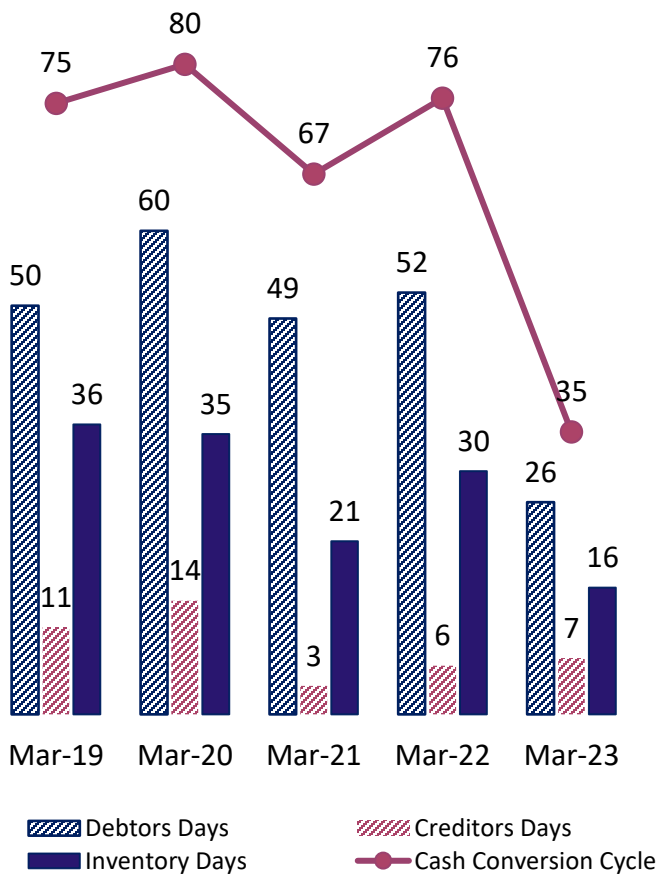
DEBT/EQUITY (X)



ROE (%) & ROCE (%)



WORKING CAPITAL (DAYS)



Profit & Loss Highlights



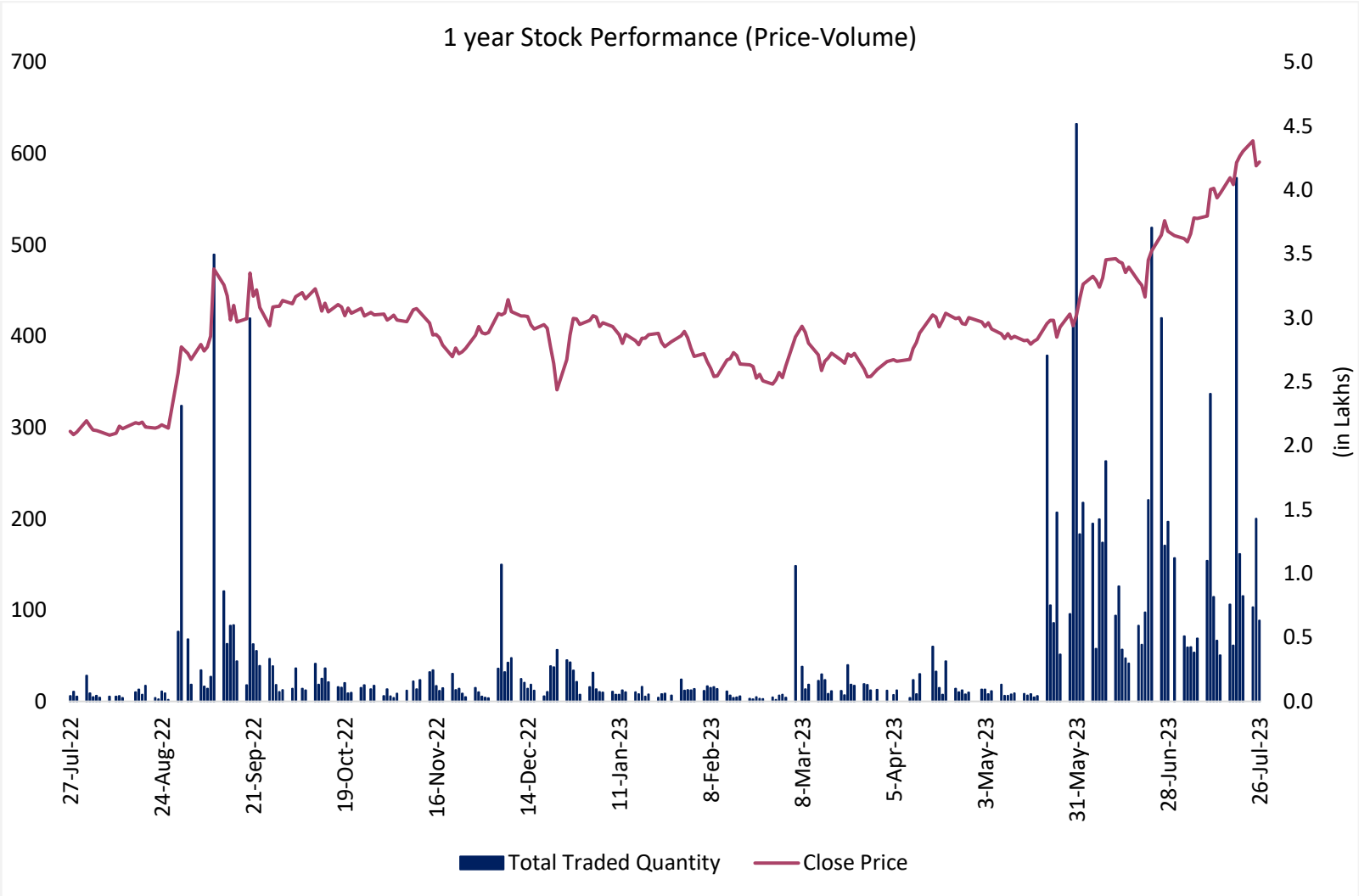
Particulars (Rs in Mn)	FY19	FY20	FY21	FY22	FY23
Net Revenue	3,316	2,839	4,667	6,124	12,145
Total Expenses	3,059	2,606	4,335	5,726	11,605
EBITDA	257	233	332	398	540
<i>EBITDA Margin</i>	<i>7.7%</i>	<i>8.2%</i>	<i>7.1%</i>	<i>6.5%</i>	<i>4.4%</i>
Depreciation	16	20	22	25	35
Interest Cost	23	13	11	21	20
Other Income	25	23	31	36	68
PBT	243	223	324	388	553
Tax expense	69	56	83	98	143
PAT	174	167	241	291	410
<i>PAT Margin</i>	<i>5.3%</i>	<i>5.9%</i>	<i>5.2%</i>	<i>4.7%</i>	<i>3.4%</i>
EPS	12.8	12.3	17.8	21.4	30.2

Balance Sheet Trend



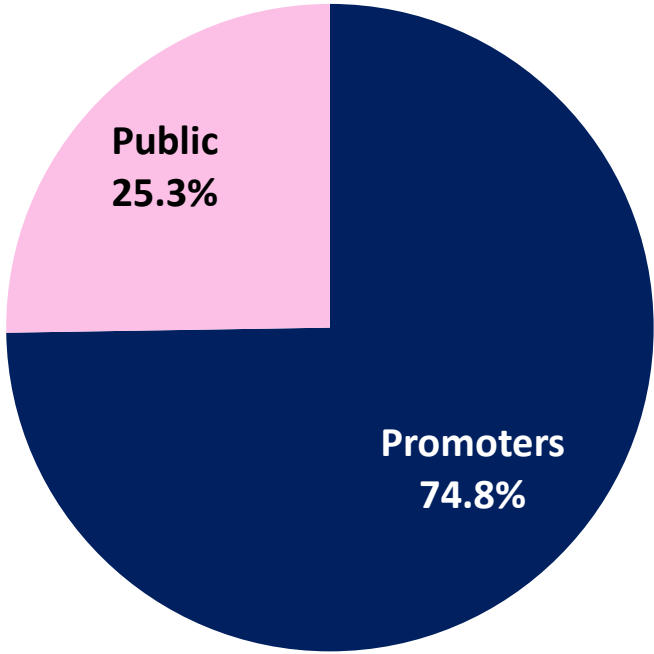
Liabilities (Rs Mn)	Mar - 21	Mar - 22	Mar - 23
Total Equity	1,227	1,518	1,915
Share Capital	136	136	136
Other Equity	1,091	1,382	1,779
Non-Current Liabilities	36	28	11
Borrowings	28	21	7
Lease Liabilities	3	3	3
Current Liabilities	274	415	589
Borrowings	48	108	11
Trade Payables	42	89	221
Other Financial Liabilities	1	-	0
Other Current Liabilities	161	198	314
Provisions	22	19	43
Total Liabilities	1,537	1,960	2,515

Assets (Rs Mn)	Mar - 21	Mar - 22	Mar - 23
Non-Current Assets	260	297	341
PPE	169	184	199
Capital WIP	-	-	-
Current Assets	1,277	1,663	2,173
Inventories	254	471	496
Debtors	624	878	870
Cash Eq. and Bank	53	83	333
Loans	67	41	0
Current Tax Assets	6	0	0
Other Current Assets	274	190	474
Total Assets	1,537	1,960	2,515



Stock Price Chart as on **26-Jul-2023**

Shareholding Pattern
(as on Jun '23)





Mr. Praveen Kataria
Managing Director

“Appreciating for the team's dedication and adaptability, which have been instrumental in driving the company's performance during these challenging times. We are delighted with our strong financial performance in the first quarter of FY 2023-24. Our team's efforts and the increased demand in the infrastructure sector have played a significant role in our success. DP Wires specializes in manufacturing specialized Steel Wires, particularly LRPC Strand, which are vital for reinforcing major structures such as dams, flyovers, metros, bullet trains, nuclear power plants, malls, and high-rise buildings. As an essential infrastructure product, the demand for our offerings typically experiences a surge from H2FY24.”

*“The company is proud to announce that this year marks our 25th year of incorporation, and we are thrilled to celebrate our Silver Jubilee with our valued shareholders. As part of the celebrations, we are excited to share that we will be taking another significant step by getting our company listed on the **Bombay Stock Exchange (BSE)**, further strengthening our commitment to transparency and growth. We look forward to continuing our journey of excellence in the infrastructure industry and creating lasting value for all stakeholders.”*



Mr. Arvind Kataria
Whole Time Director

Thank You



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