

# DP WIRES LIMITED

INVESTOR PRESENTATION  
Q2FY23 (DECEMBER)



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# Key Highlights

Q2FY23

Revenue

Rs 2,837 Mn



115% YoY  
42% QoQ

EBITDA

Rs 117 Mn



41% YoY  
10% QoQ

Profit After Tax

Rs 90 Mn



51% YoY  
19% QoQ

Steel Wire Sales

21,008 MT



37% YoY  
24% QoQ

H1FY23

Revenue

Rs 4,839 Mn



77% YoY

EBITDA

Rs 224 Mn



19% YoY

Profit After Tax

Rs 166 Mn



22% YoY

Steel Wire Sales

37,999 MT



26% YoY

Net Debt

NIL

# Business Updates

- **Highest ever quarterly revenue**, backed by robust volume growth of 37% YoY
- However, profitability (EBITDA margin) was impacted due to higher priced inventory of raw material and inflationary other input costs like power, etc.
- Despite challenging environment, **Net Debt has been reduced to NIL as of 30-Sep-22**
- **Commissioned additional capacity of 4,000 MTPA in October 2022**, taking the total capacity to 84,000 MTPA

## Outlook:

Reversal of export duties, increase in overseas demand, continuing domestic demand, improving manufacturing sector is likely to have a positive impact on the overall steel sector in the near term. With value-added product portfolio, expanded production capability, well-established customer base, and healthy balance sheet, we are looking forward to maintaining the growth momentum in the near to medium term.



# Financial Highlights – Q2FY23

Particulars (Rs in Mn)	Q2FY23	Q2FY22	Y-o-Y (%)	Q1FY22	Q-o-Q (%)	H1FY23	H1FY22	Y-o-Y (%)
Net Revenue	2,837	1319	115%	2,002	42%	4,839	2740	77%
Total Expenses	2,720	1236		1,895		4,615	2551	
EBITDA	117	83	41%	107	10%	224	189	19%
EBITDA Margin	4.1%	6.3%	-218	5.3%	-120	4.6%	6.9%	-226
Depreciation	8	6		8		16	11	
Interest Cost	3	8		6		8	10	
Other Income	14	8		8		22	14	
PBT	120	79	53%	101	19%	222	182	22%
Tax expense	30	19		25		55	46	
PAT	90	60	51%	76	19%	166	136	22%
PAT Margin	3.2%	4.5%	-134	3.8%	-62	3.4%	5.0%	-154
EPS	6.7	4.4		5.6		12.3	10.1	

# 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

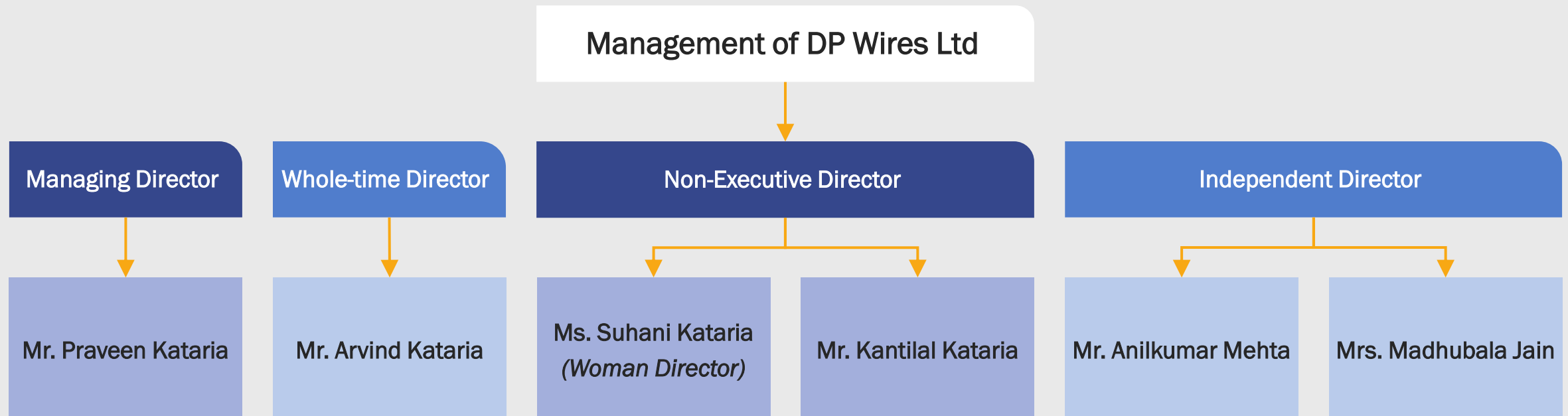


## Core Values

- 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.

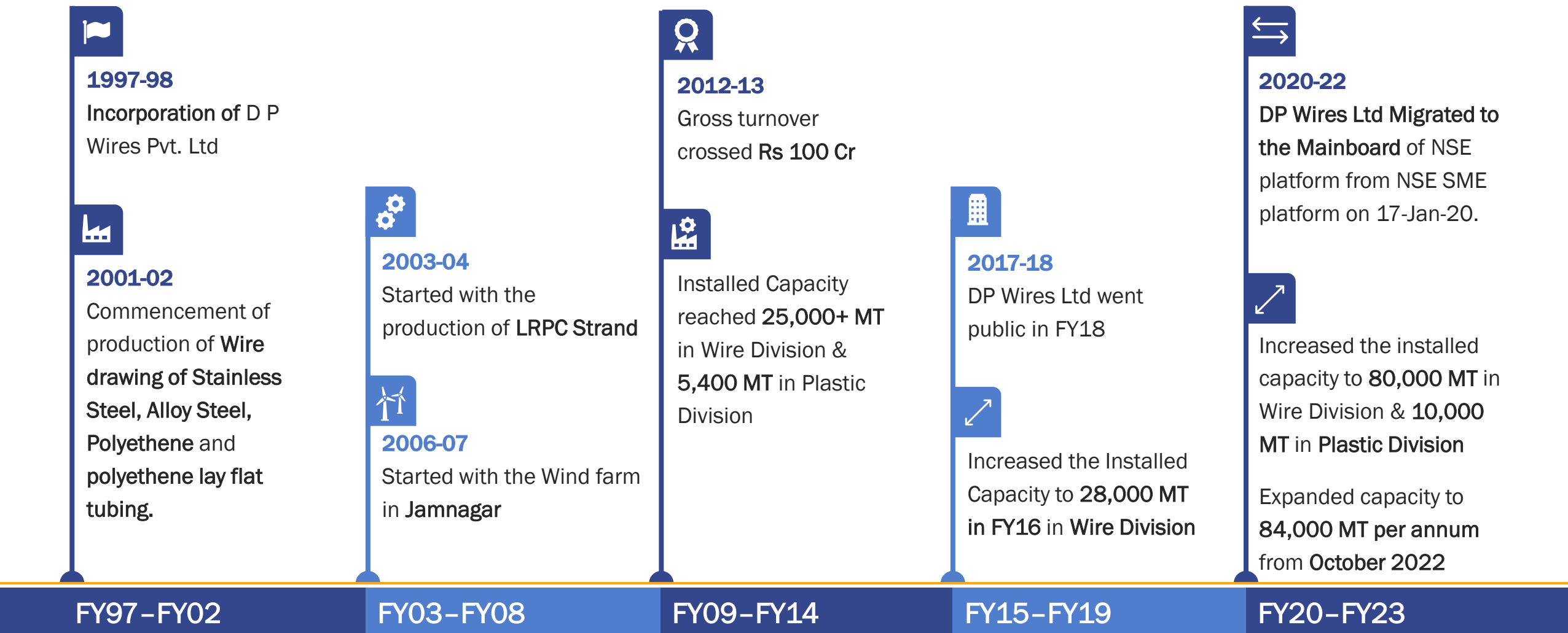
**Mr. Praveen Kataria,**  
*Managing Director*

- 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



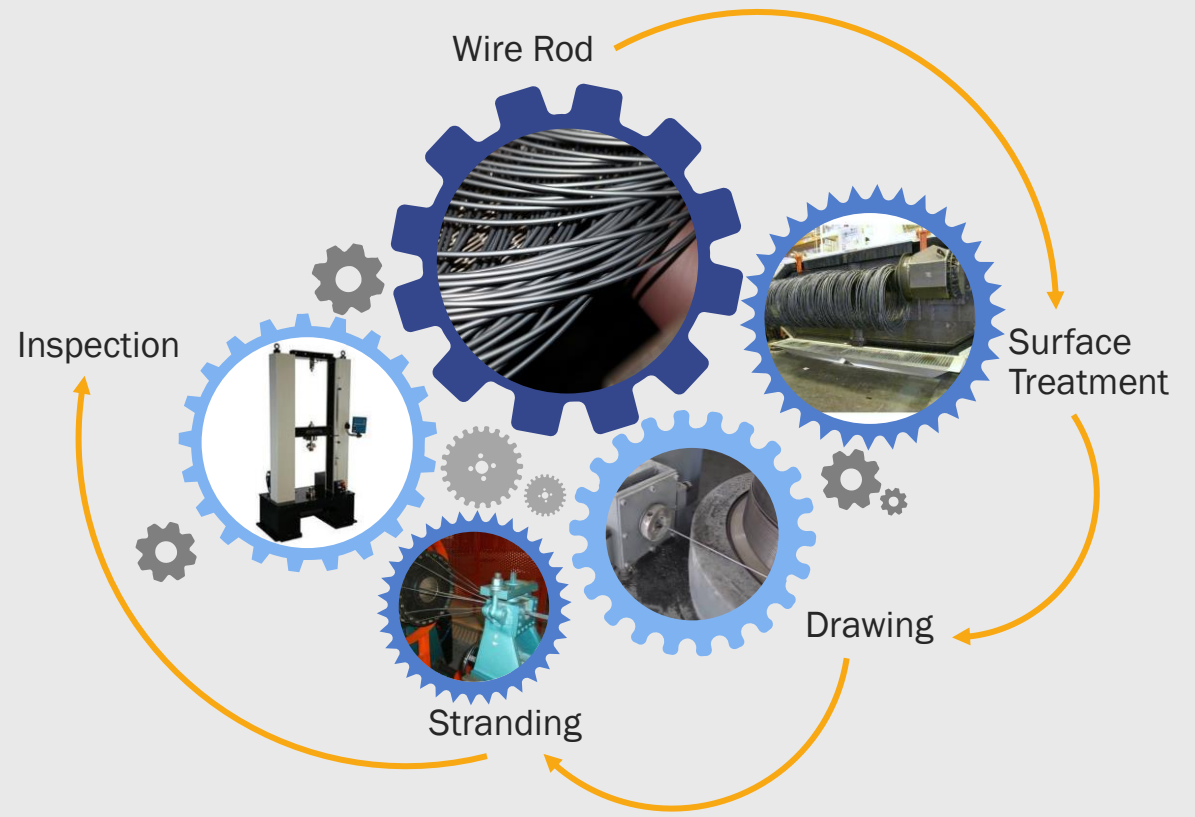
# Company's State-of-the-art Facilities



- **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

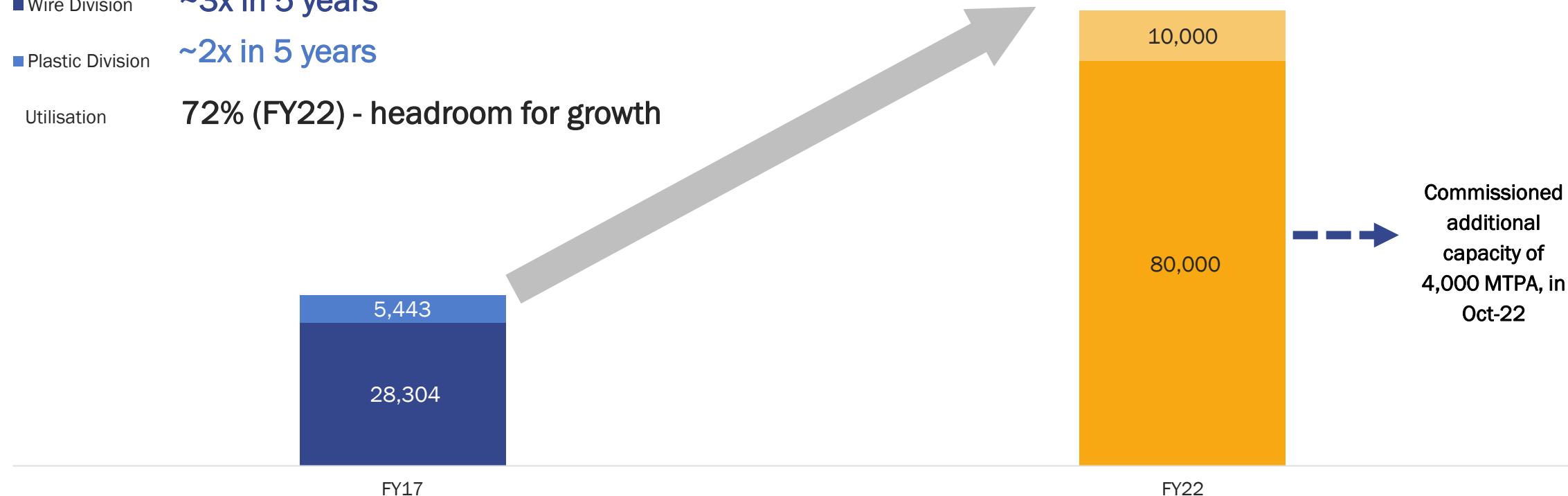
## Strengthening Capacities to enable Growth

Capacity in MT

■ Wire Division ~3x in 5 years

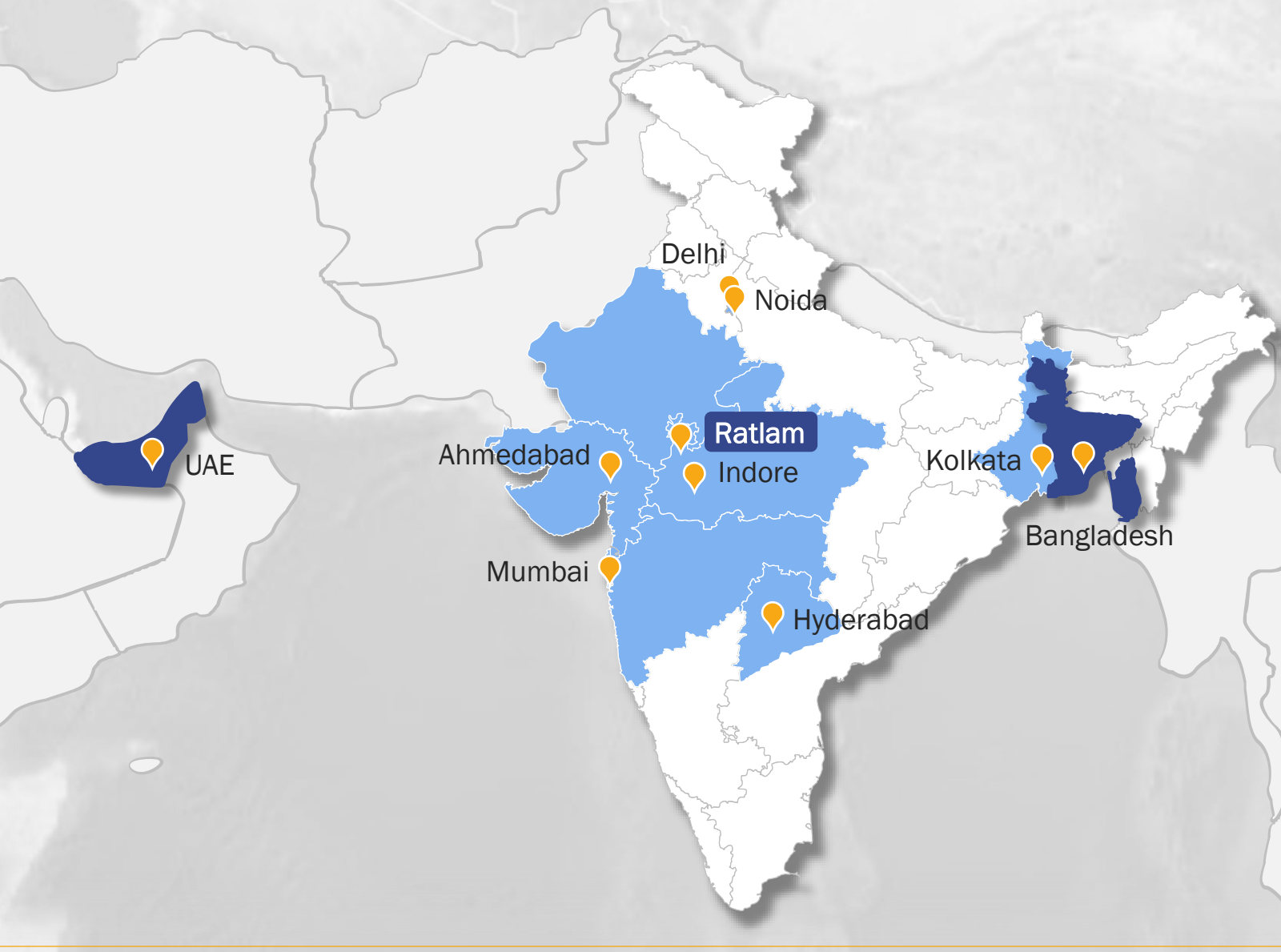
■ Plastic Division ~2x in 5 years

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

## Agro HDPE Films

## 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

## LDPE Canal Lining Films

## 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





# 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



Delhi Metro  
Rail Corporation



Maharashtra Metro  
Rail Corporation



National Thermal  
Power Corporation



Simplex  
Infrastructure



Larsen & Toubro



# 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\*

**120 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

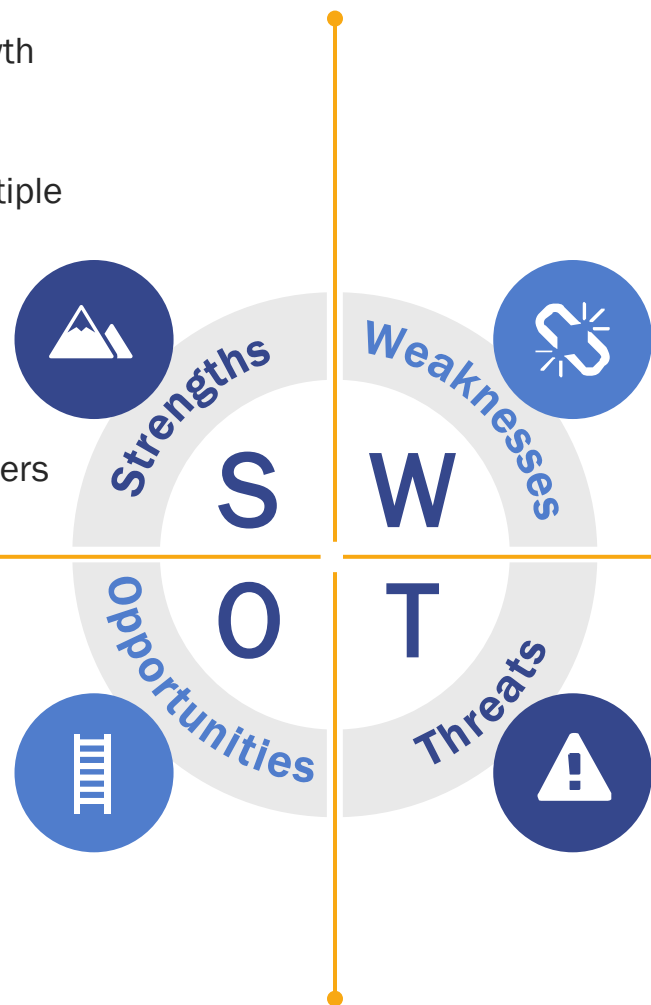


- In the coming years, Infrastructure spending and a modest recovery in automobile production would likely assist India's building and manufacturing, with a predicted improvement in semiconductor supply.
- With the government's plan to transition to a carbon-neutral economy by announcing projects for 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

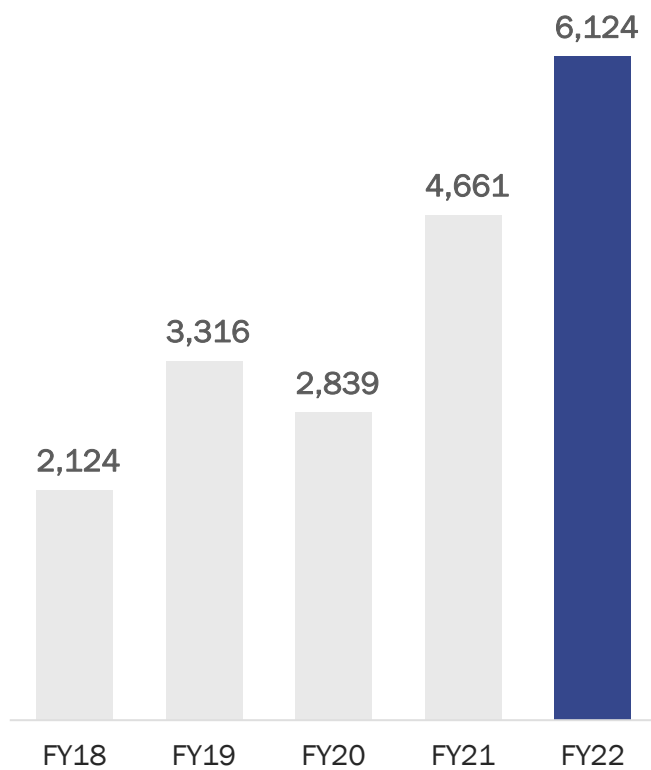
## Net Debt to Equity

**Stable at 0.1x**

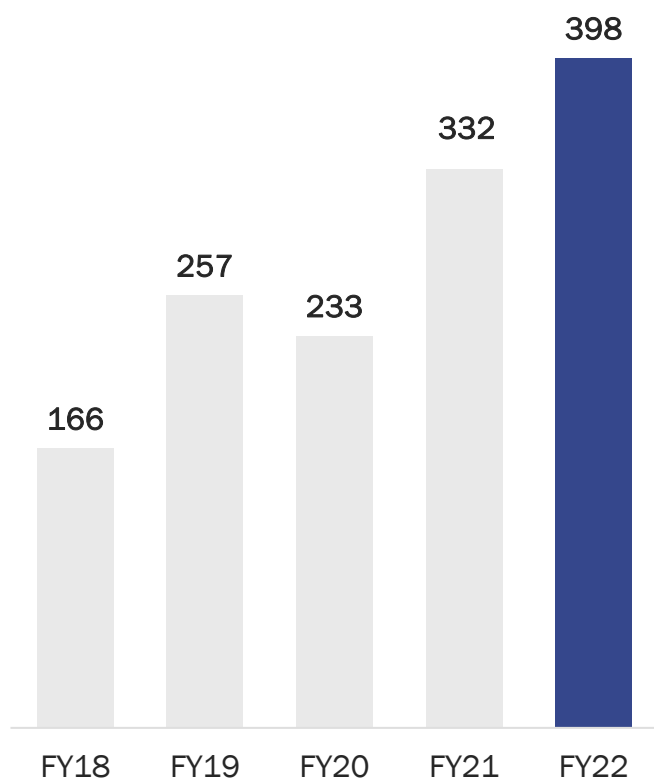


# Key Financials

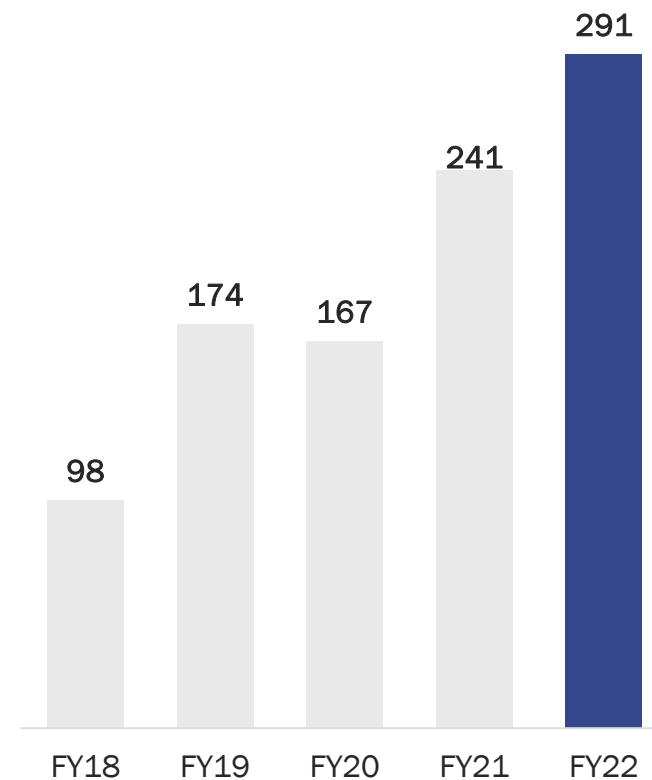
Net Revenue (Rs Mn)



EBITDA (Rs Mn)



PAT (Rs Mn)

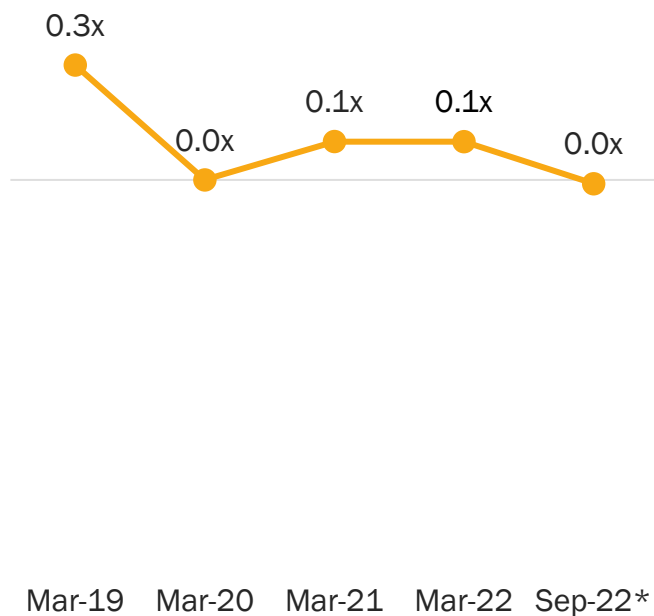


■ FY18 ■ FY19 ■ FY20 ■ FY21 ■ FY22

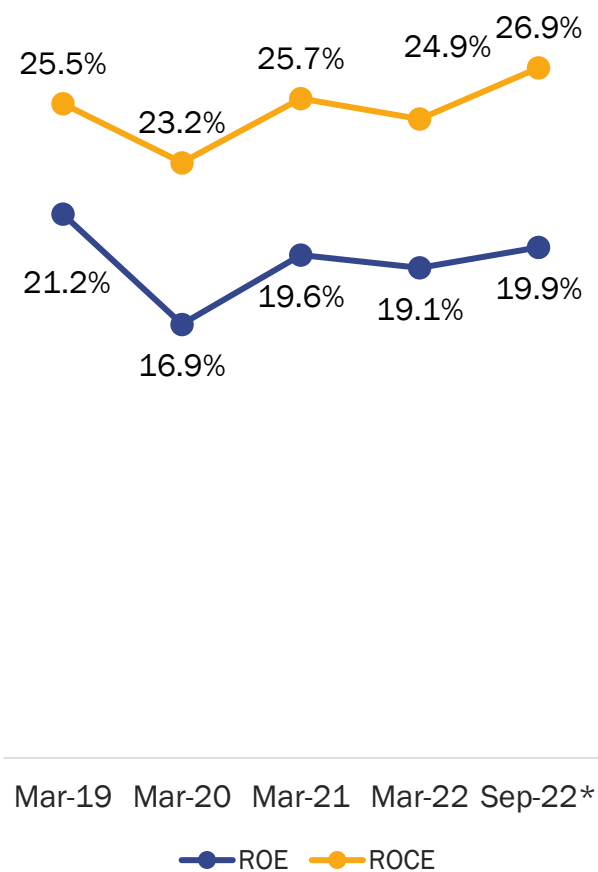
■ FY18 ■ FY19 ■ FY20 ■ FY21 ■ FY22

# Key Ratios

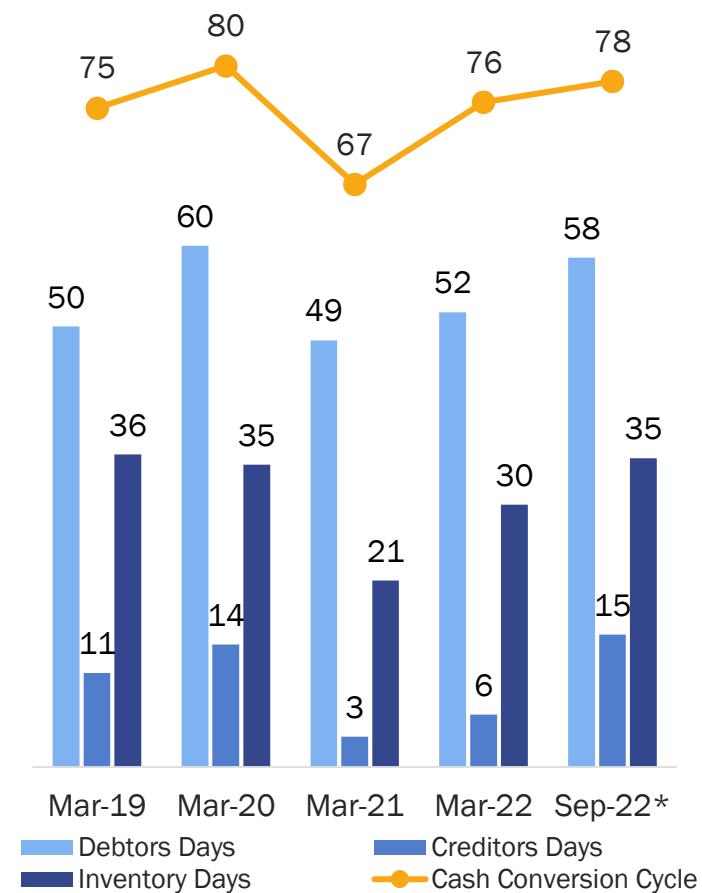
## Debt/Equity (X)



## ROE (%) & ROCE (%)



## Working Capital (days)



\*Annualised numbers

# Profit & Loss Highlights

Particulars (Rs in Mn)	FY19	FY20	FY21	FY22	H1FY23
Net Revenue	3,316	2,839	4,667	6,124	4,839
Total Expenses	3,059	2,606	4,335	5,726	4,615
EBITDA	257	233	332	398	224
EBITDA Margin	7.7%	8.2%	7.1%	6.5%	4.6%
Depreciation	16	20	22	25	16
Interest Cost	23	13	11	21	8
Other Income	25	23	31	36	22
PBT	243	223	324	388	222
Tax expense	69	56	83	98	55
PAT	174	167	241	291	166
PAT Margin	5.3%	5.9%	5.2%	4.7%	3.4%
EPS	12.8	12.3	17.8	21.4	12.3



# Balance Sheet Trend

Liabilities (Rs Mn)	FY21	FY22	H1FY23
<b>Total Equity</b>	<b>1,227</b>	<b>1,518</b>	<b>1,671</b>
Share Capital	136	136	136
Other Equity	1,091	1,382	1,535
<b>Non-Current Liabilities</b>	<b>36</b>	<b>28</b>	<b>10</b>
Borrowings	28	21	7
Lease Liabilities	3	3	3
<b>Current Liabilities</b>	<b>274</b>	<b>415</b>	<b>468</b>
Borrowings	48	108	34
Trade Payables	42	89	191
Other Financial Liabilities	1	-	0
Other Current Liabilities	161	198	197
Provisions	22	19	35
<b>Total Liabilities</b>	<b>1,537</b>	<b>1,960</b>	<b>2,148</b>

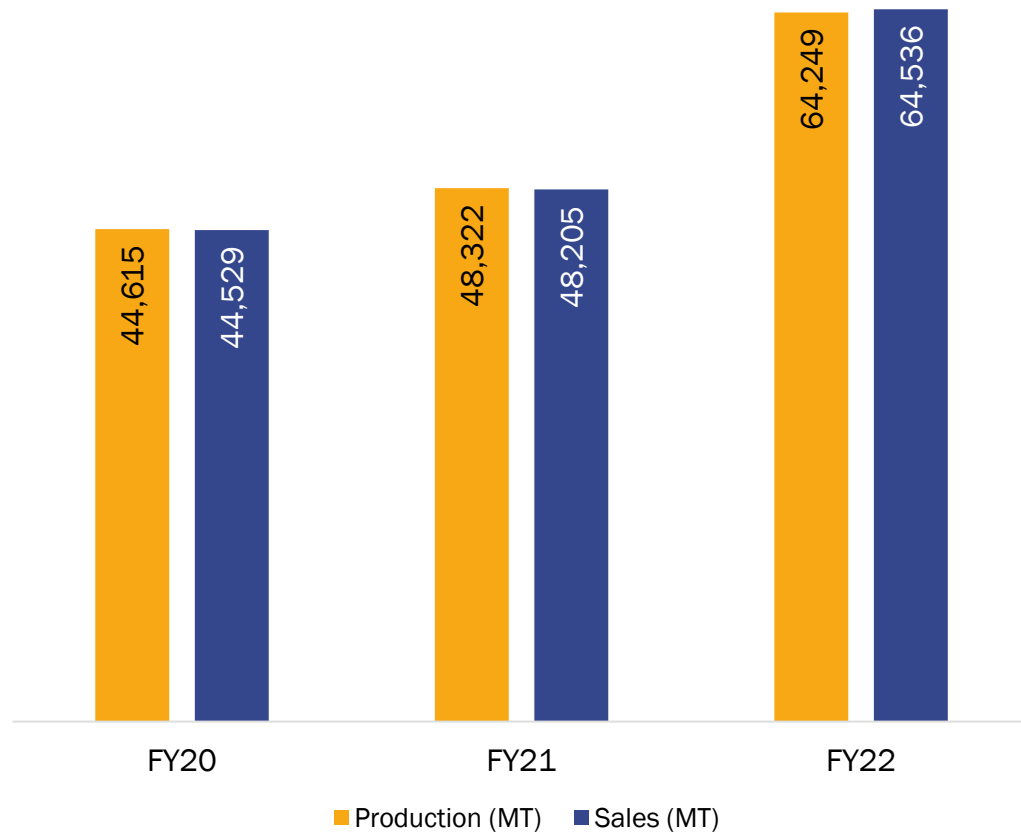
Assets (Rs Mn)	FY21	FY22	H1FY23
<b>Non-Current Assets</b>	<b>260</b>	<b>297</b>	<b>306</b>
PPE	169	184	166
Capital WIP	-	-	-
<b>Current Assets</b>	<b>1,277</b>	<b>1,663</b>	<b>1842</b>
Inventories	254	471	446
Debtors	624	878	772
Cash Eq. and Bank	53	83	63
Loans	67	41	40
Current Tax Assets	6	0	0
Other Current Assets	274	190	520
<b>Total Assets</b>	<b>1,537</b>	<b>1,960</b>	<b>2148</b>



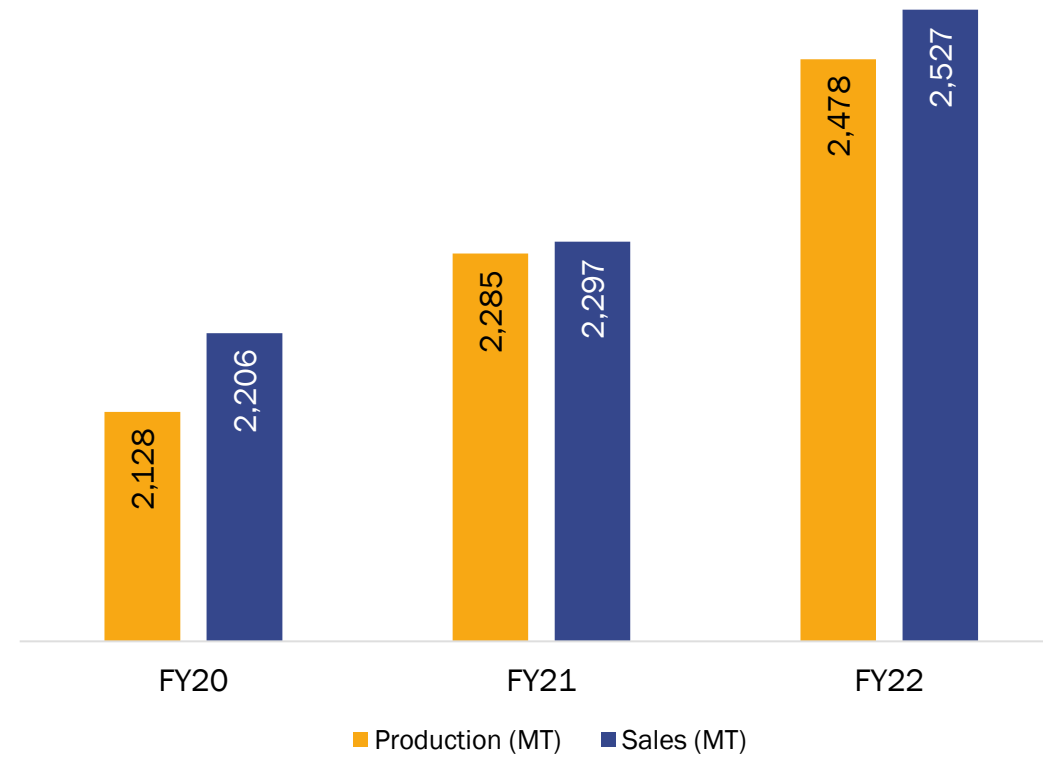


# Production & Sales Trend

## Wire Division



## Plastic Division



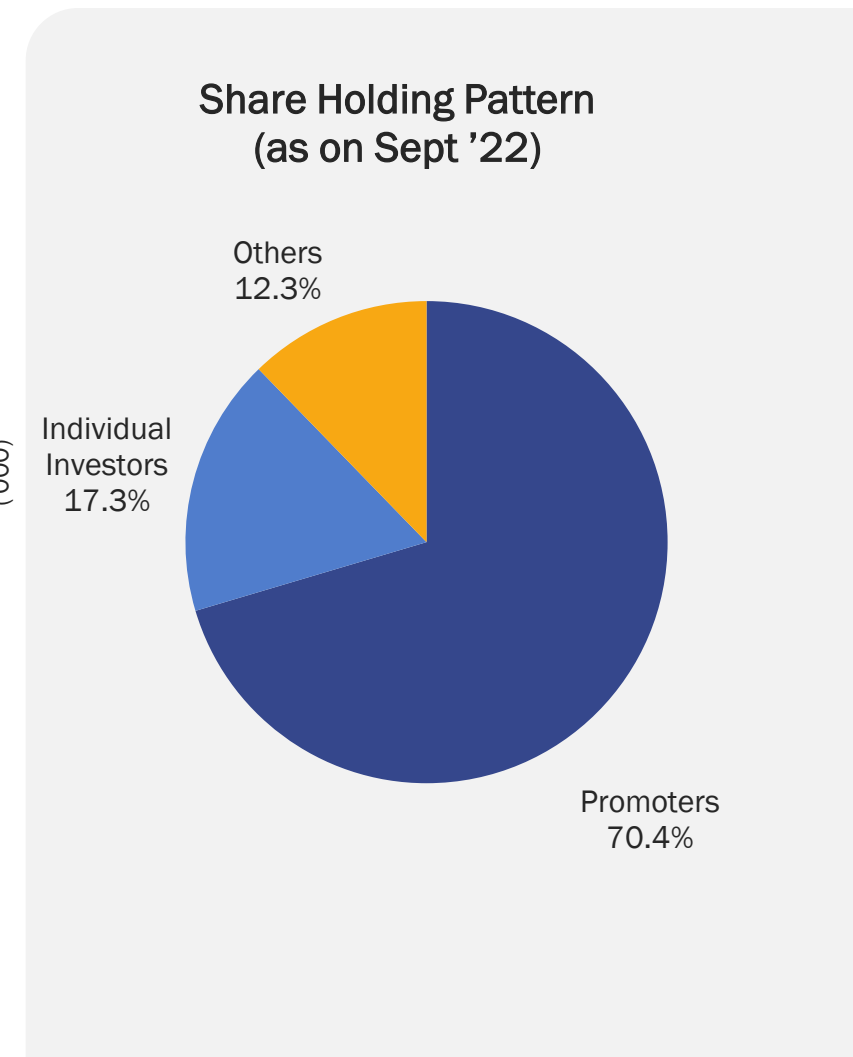




# Stock Information | Declared Maiden Dividend in FY22



Stock Price Chart as on **02-Dec-2022**



# THANK YOU



16-18A, Industrial Estate, Ratlam – 457001

**Ms. Krutika Maheshwari**  
Company Secretary & Compliance Officer  
[krutika@dpkataria.com](mailto:krutika@dpkataria.com)

Investor Relations  
[investors@dpwires.co.in](mailto:investors@dpwires.co.in)



B-612/A, Kanakia Wallstreet, Andheri (East), Mumbai

**Ms. Pooja Sharma**  
[pooja.sharma@stellar-ir.com](mailto:pooja.sharma@stellar-ir.com)  
[+91-99309 53861](tel:+919930953861)

**Mr. Vishal Mehta**  
[vishal@stellar-ir.com](mailto:vishal@stellar-ir.com)  
[+91-93264 78472](tel:+919326478472)