

# DP WIRES LIMITED

INVESTOR PRESENTATION  
Q4FY23 (JUNE 2023)





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# Robust Performance Continued in FY23

Highest Ever Revenue

▲ **Rs. 12,145** Mn up by **98%** YoY

Highest Ever Steel Wire Sales

▲ **85,394** MT up by **28%** YoY

Highest Ever EBITDA

▲ **Rs. 540** Mn up by **36%** YoY

Healthy Return Ratios

▲ ROCE **29.7%** and ROE **21.4%**

Highest Ever PAT

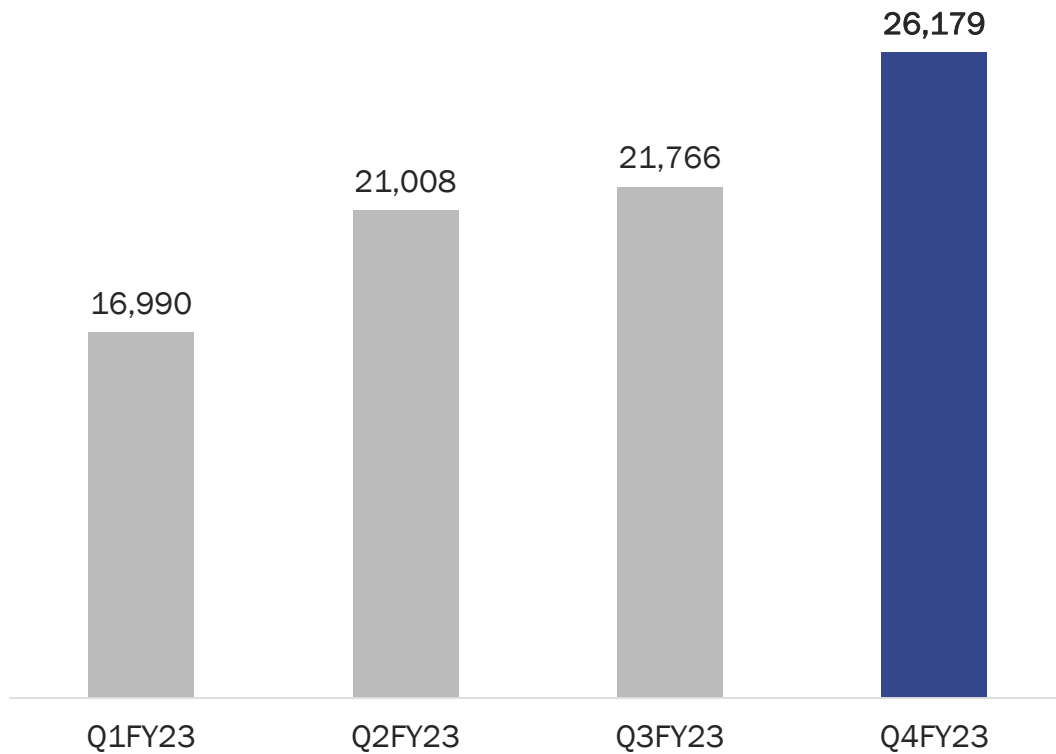
▲ **Rs. 410** Mn up by **41%** YoY

Net Debt to Equity

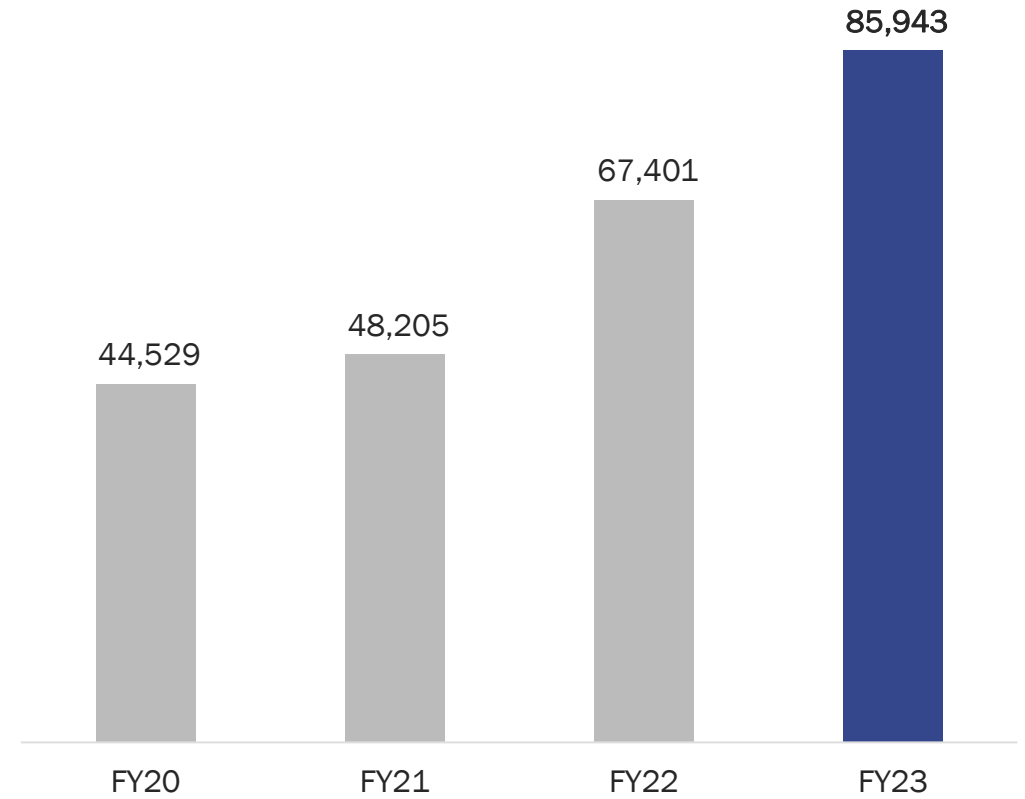
**Stable at 0.01x**

# Continued Growth in Steel Wire Sales Volumes

Q-o-Q Sales Volume In MT



Y-o-Y Sales Volume In MT



# Business Highlights – Q4 & FY23

## Financial Highlights

- Highest Ever Quarterly and Yearly Revenue, EBITDA and PAT in Q4FY23 and FY23 respectively
- Profitability improved by **162 bps** Q-o-Q to **5%** in Q4FY23. For the full year FY23, EBITDA margin lowered Y-o-Y due to the impact of inflationary input costs, especially in H1FY23
- Company has improved Return Ratios backed by strong performance during the year: **ROE of 21% and ROCE of 30%**
- Strong credit rating - **LT rating of CRISIL A2-/Stable and ST rating of CRISIL A2+**
- Improvement in Cash & Cash Equivalent to **Rs 333 Mn**; Maintaining **Zero Net Debt** despite challenging environment and capex

## Operational Highlights

- Highest Ever Quarterly and Yearly Steel Wires' sales volumes of **26,179 MT (up 47% Y-o-Y & 20% Q-o-Q)** in Q4FY23 and **85,943 MT (up 28% Y-o-Y)** in FY23 respectively
- Steel Wires' capacity **expanded by 4,000 MT** to 84,000 MT, at existing facility in Ratlam
- 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

# Financial Highlights – Q4 & FY23

Particulars (Rs in Mn)	Q4FY23	Q4FY22	Y-o-Y (%)	Q3FY22	Q-o-Q (%)	FY23	FY22	Y-o-Y (%)
Net Revenue	3,865	1,782	117%	3,442	12%	12,145	6,124	98%
Total Expenses	3,668	1,690		3,322		11,605	5,726	
EBITDA	197	92	114%	119	65%	540	398	36%
<i>EBITDA Margin</i>	5%	5%		3%		4%	7%	
Depreciation	10	7		9		35	25	
Interest Cost	6	4		6		20	21	
Other Income	27	14		19		68	36	
PBT	208	94	120%	124	68%	553	388	43%
Tax expense	57	24		31		143	98	
PAT	151	70	116%	93	62%	410	291	41%
<i>PAT Margin</i>	4%	4%		3%		3%	2%	
EPS	11.1	5.2		6.9		30.2	21.4	



# 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

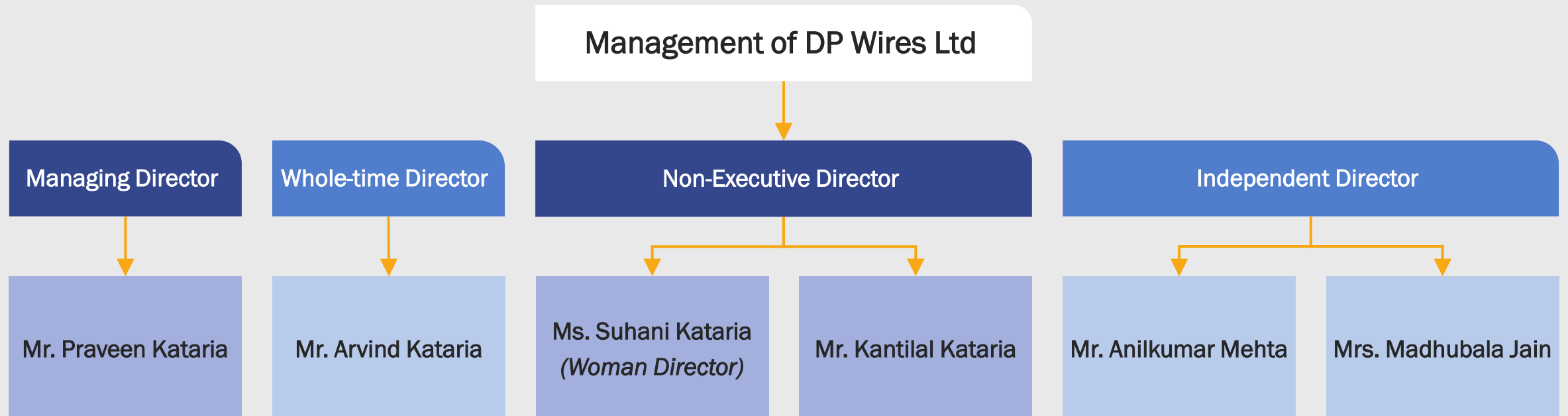
Consistent with the vision and values of the founder Shri Kantilalji Kataria, DP Wires strives to Strengthen India's Infrastructure base by providing the best quality products manufactured using the best of technology, thereby creating a value for all the stakeholders



## 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.) 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.

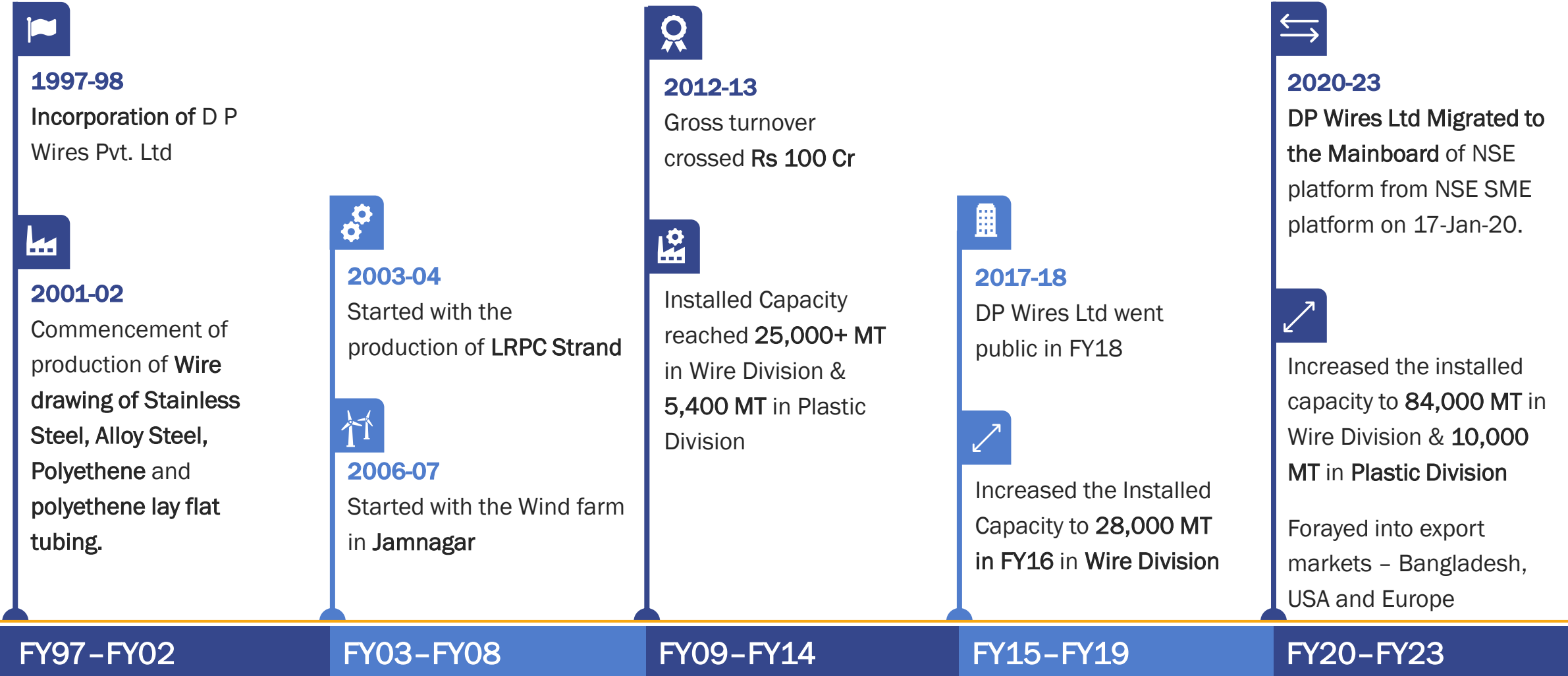
**Mr. Praveen Kataria,**  
*Managing Director*

- 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

# Ongoing Growth Journey



# Showcasing our Capabilities



Installed Capacity  
**>84,000 MT**

Centralized manufacturing facility to cater to pan India demand

Vast Sectoral Experience  
**30+ years**

Employee Strength  
**200+**

Core Strength



Metro, Bullet Train & NHAI projects

**Approved Supplier**

Branch Network  
**8 Cities**

Caters to over  
**100+ Clients**

Wide-spread Distribution Network



Key Segments

**Steel Wires & Plastic Films**

Product portfolio

**Wide Range**

Applications

**New Age Building Material**

QMS Certification

**ISO 9001-2015**

Innovative Products



Revenue CAGR\*

**38%**

EBITDA CAGR\*

**20%**

PAT CAGR\*

**24%**

Healthy Return Ratios

**21% ROE & 30% ROCE**

Debt Free

**0.01x**

Resilient Financial

\*FY19-FY23

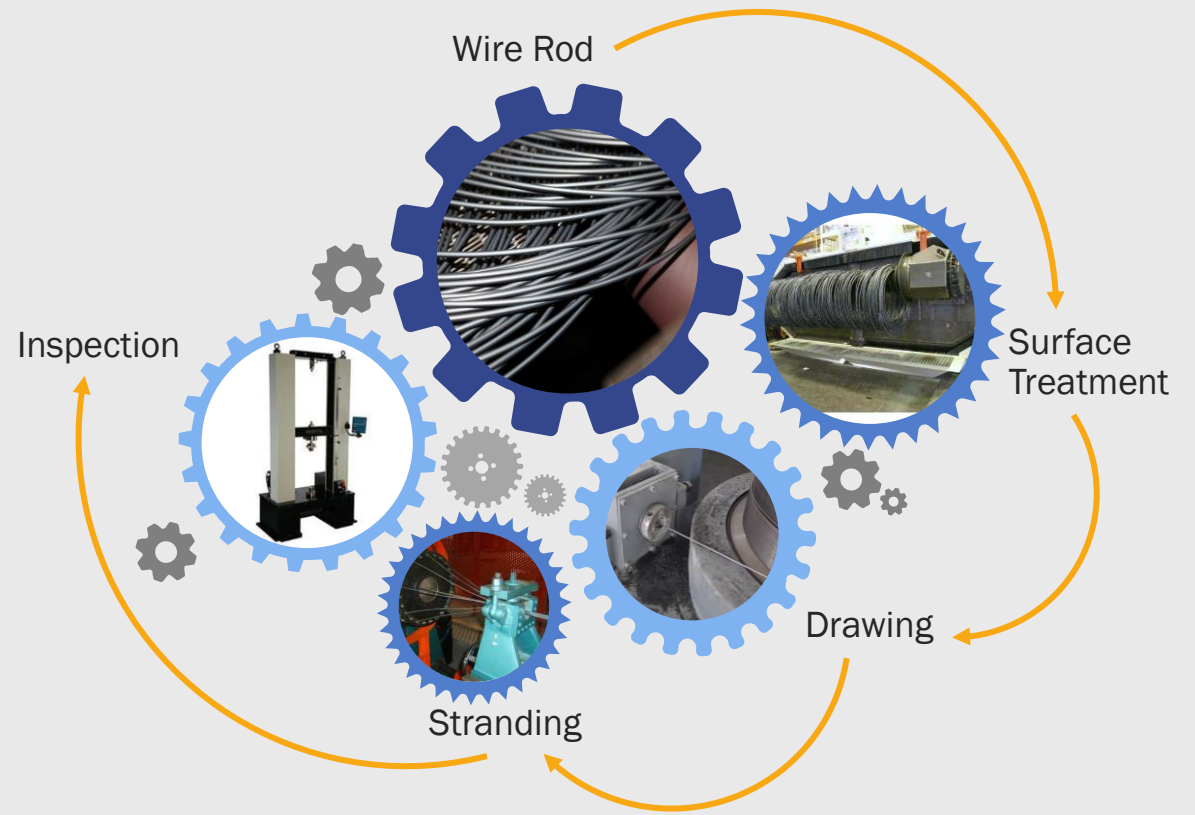
# Company's State-of-the-art Facilities



- **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

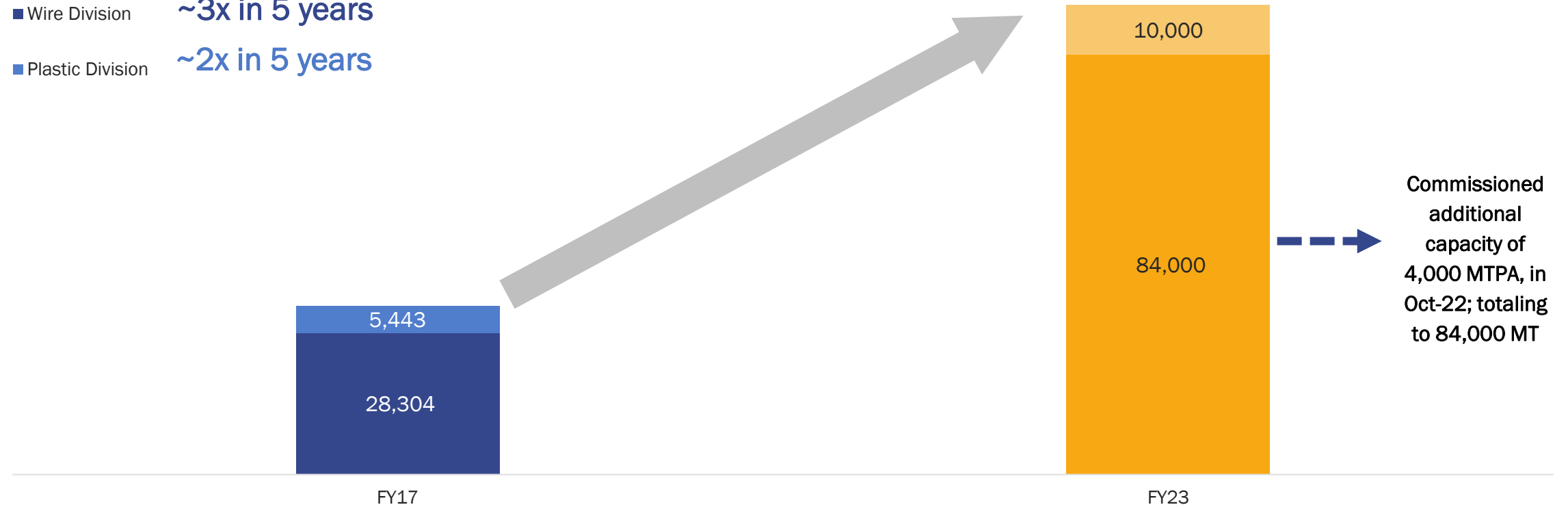


# Continued Focus on Capacity Expansion

## Strengthening Capacities to enable Growth

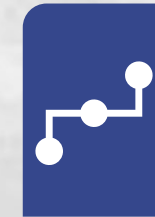
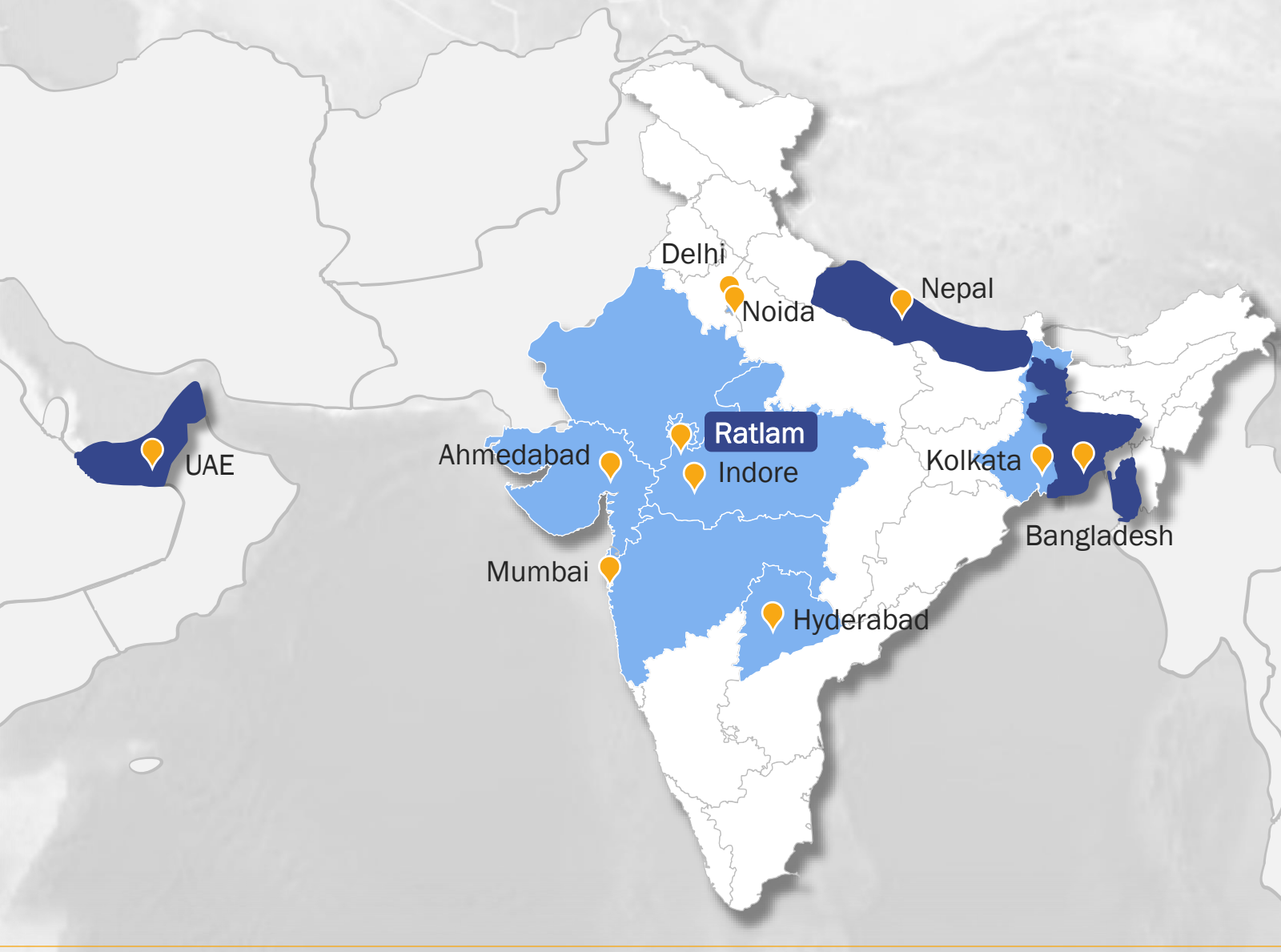
Capacity in MT

- Wire Division ~3x in 5 years
- Plastic Division ~2x in 5 years



## Planning to expand capacities further to enable growth

# 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 neighboring countries**



# 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



## Agro 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

~11%

India's steel demand growth in 2023\*

113\* MT#

Crude Steel Production in India in Apr-Feb (22-23)\*

109MT#

Finished Steel Production in India in Apr-Feb (22-23)\*

4.4MT# (↑ by 27%)

Imports of Finished Steel from India in 9MFY23

6%

India's Steel Sector CAGR for past 5 years\*

107.2MT

Consumption of Finished Steel Apr-Feb (22-23)\*

300 MT#

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

US\$ 100 Bn

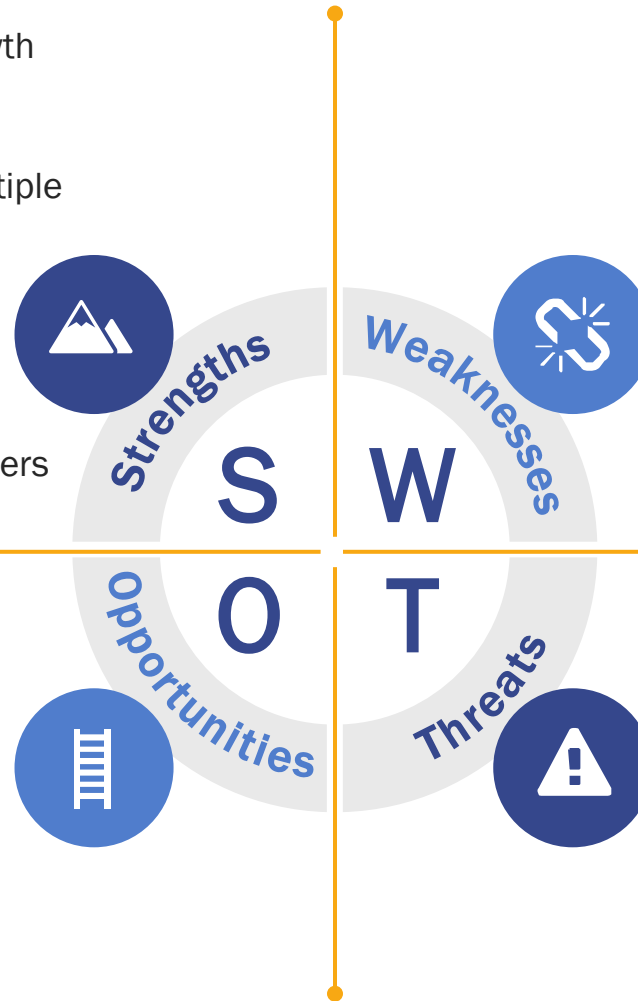
Proposed capital spending will grow by 35.4% year on year



- The government's capital drive contributed in maintaining the capacity utilization rate for the steel sector at a forecast of 80% in FY2023, 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 7-8%
- 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.

# 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



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

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

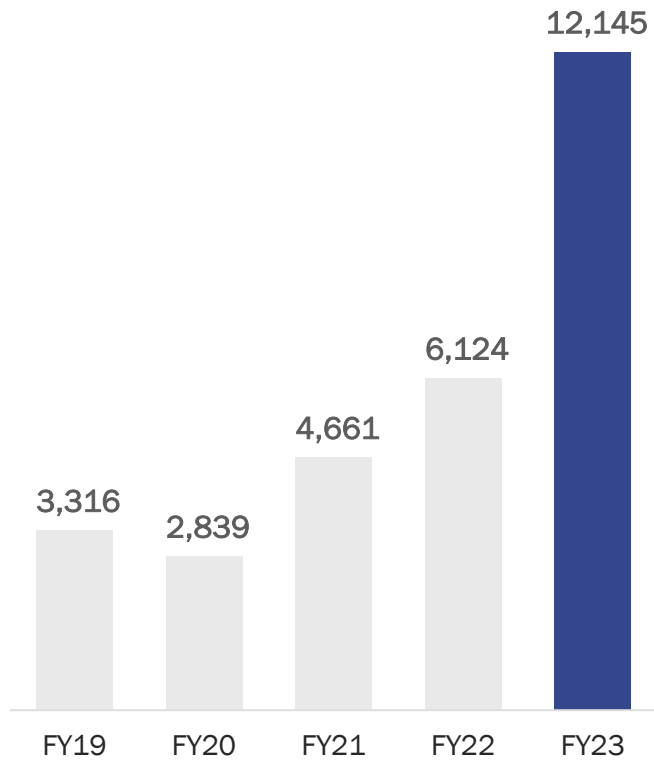
- Evolving regulations in the Industry – especially to combat pollution
- New age materials that could require extensive capital investment



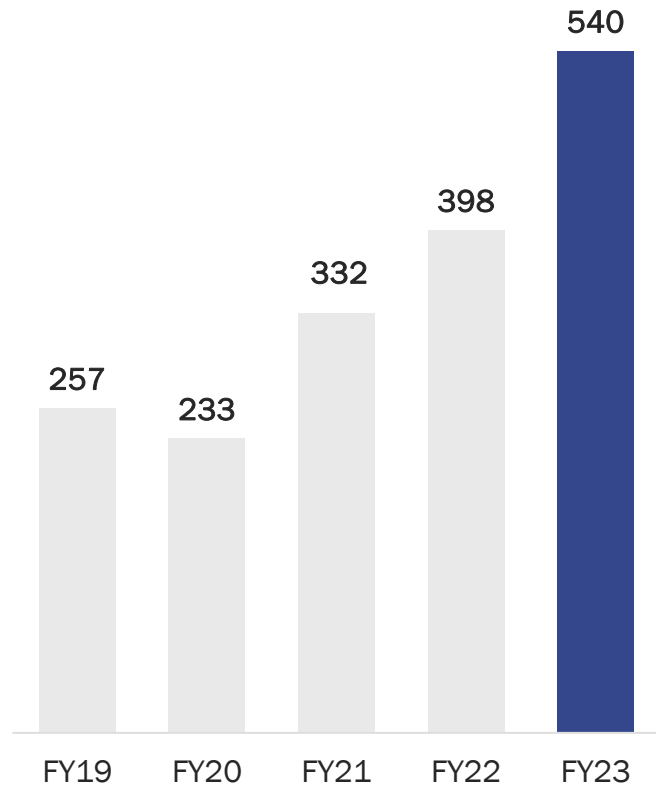
# Financial Highlights

# Key Financials

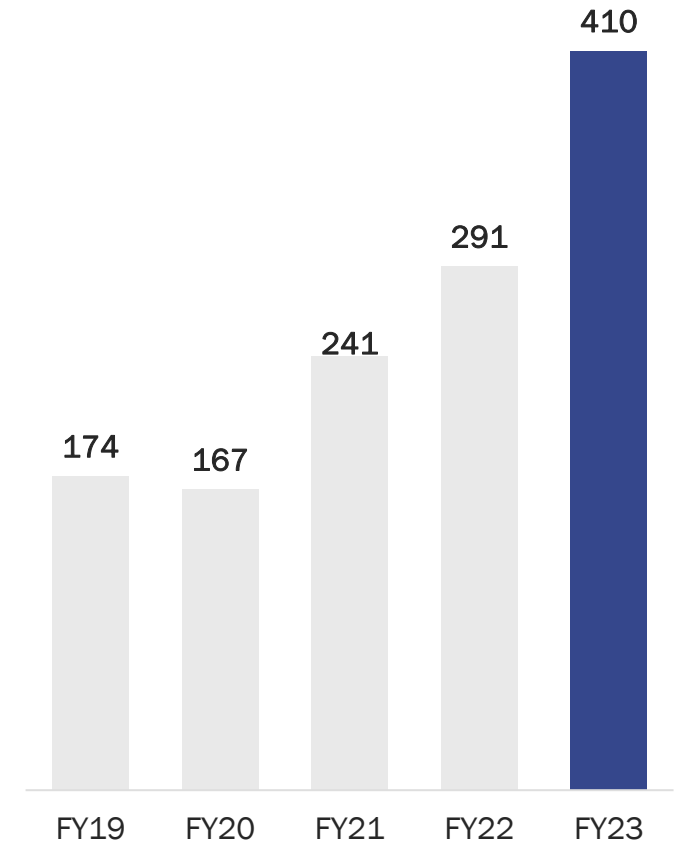
Net Revenue (Rs Mn)



EBITDA (Rs Mn)

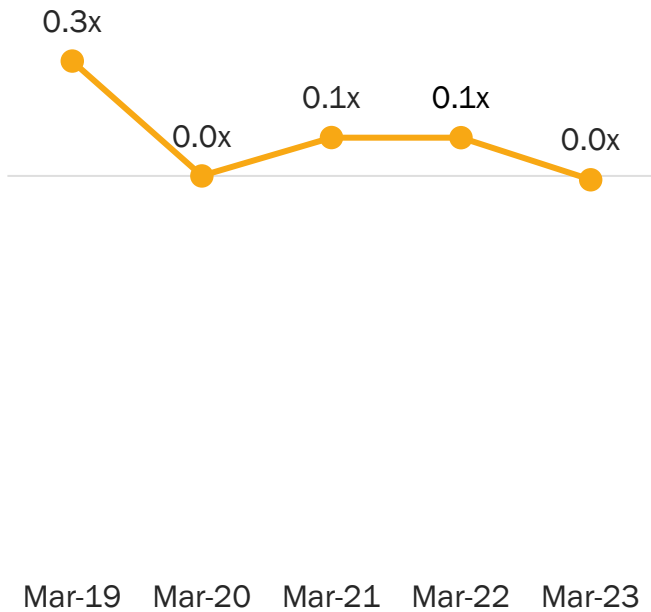


PAT (Rs Mn)

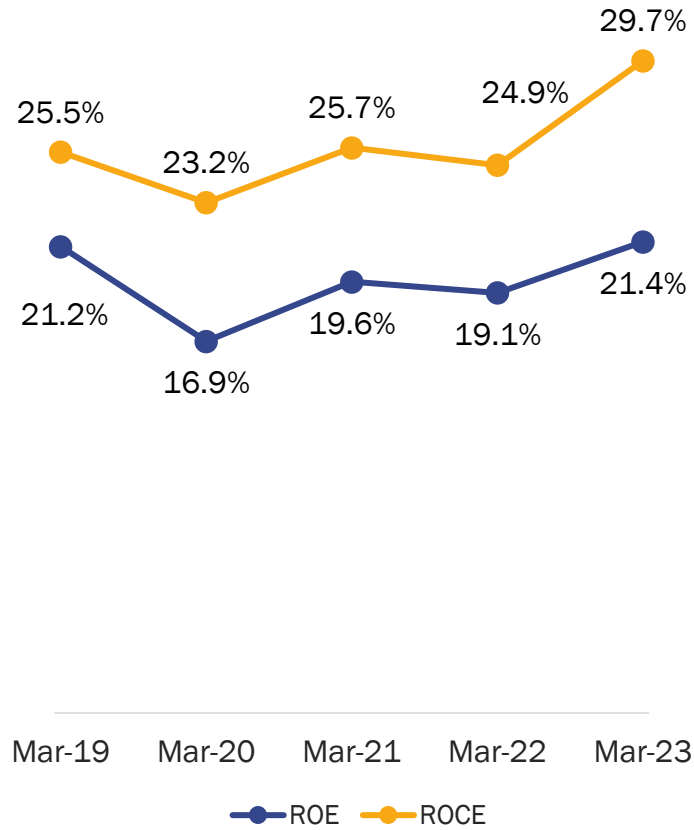


# Key Ratios

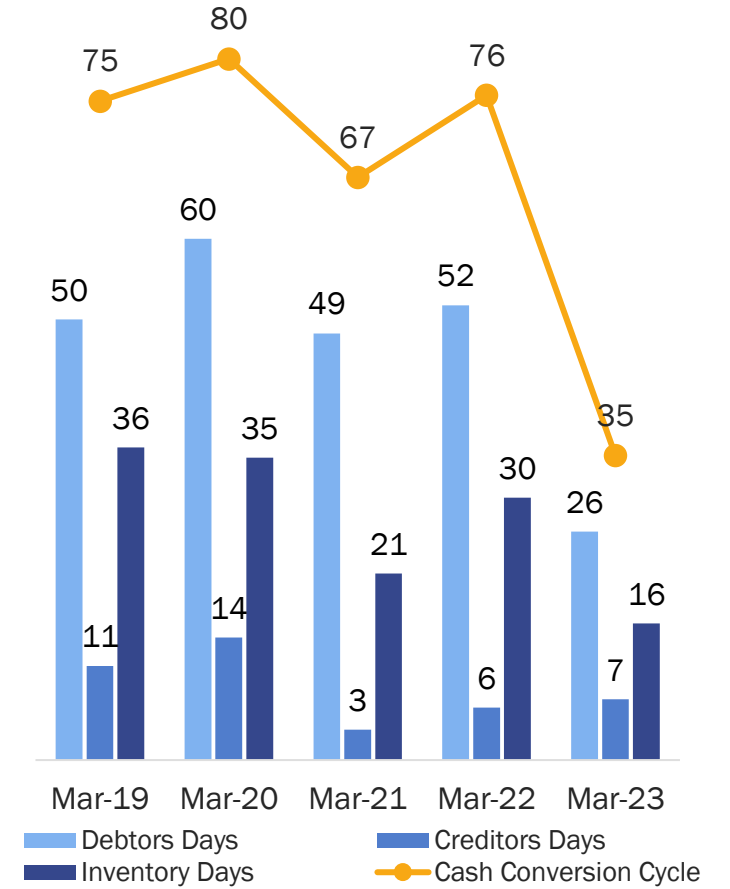
### Debt/Equity (X)



### ROE (%) & ROCE (%)



### Working Capital (days)



# Profit & Loss Highlights

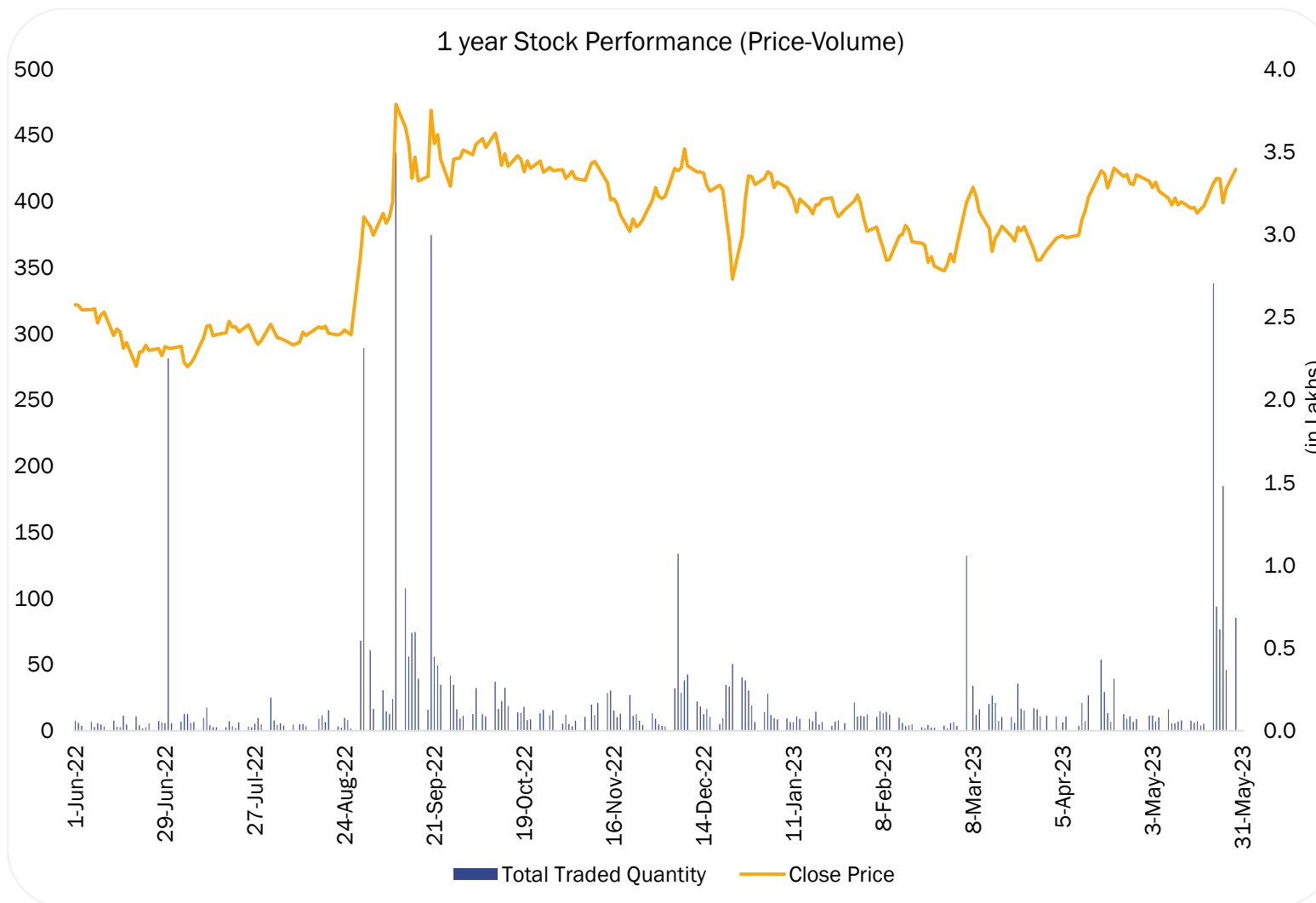
Particulars (Rs in Mn)	FY19	FY20	FY21	FY22	FY23
Net Revenue	3,316	2,839	4,667	6,124	12,145
Total Expenses	3,059	2,606	4,335	5,726	11,605
EBITDA	257	233	332	398	540
<i>EBITDA Margin</i>	7.7%	8.2%	7.1%	6.5%	4.4%
Depreciation	16	20	22	25	35
Interest Cost	23	13	11	21	20
Other Income	25	23	31	36	68
<b>PBT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

# Balance Sheet Trend

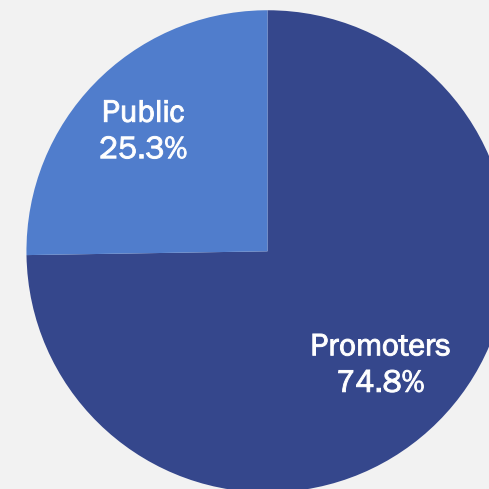
Liabilities (Rs Mn)	Mar - 21	Mar - 22	Mar - 23
<b>Total Equity</b>	<b>1,227</b>	<b>1,518</b>	<b>1,915</b>
Share Capital	136	136	136
Other Equity	1,091	1,382	1,779
<b>Non-Current Liabilities</b>	<b>36</b>	<b>28</b>	<b>11</b>
Borrowings	28	21	7
Lease Liabilities	3	3	3
<b>Current Liabilities</b>	<b>274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

Assets (Rs Mn)	Mar - 21	Mar - 22	Mar - 23
<b>Non-Current Assets</b>	<b>260</b>	<b>297</b>	<b>341</b>
PPE	169	184	199
Capital WIP	-	-	-
<b>Current Assets</b>	<b>1,277</b>	<b>1,663</b>	<b>2,173</b>
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
<b>Total Assets</b>	<b>1,537</b>	<b>1,960</b>	<b>2,515</b>

# Stock Information



## Shareholding Pattern (as on Mar '23)



*Promoters have increased holdings from 70.4% to 74.8% in Mar 2023 quarter*

# THANK YOU



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