

MWL/CS/NSE/2023-24/46

Date: 23<sup>rd</sup> October, 2023

To,  
Listing Compliance Department,  
National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block-G,  
Bandra Kurla Complex, Bandra,  
Mumbai-400 051, Maharashtra

Company Symbol: MWL, ISIN: INE0JYY01011

Sub: Transcript of analysts / investors Earnings Conference Call:

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we attach herewith a Transcript of analysts / investors Earning Conference Call conducted on 19<sup>th</sup> October, 2023 to discuss the Company's performance for the half year ended 30<sup>th</sup> September, 2023.

You are requested to kindly take the same on your record.

Thanking You,

Yours faithfully,  
For, Mangalam Worldwide Limited



\_\_\_\_\_  
Fageshkumar R. Soni  
Company Secretary & Compliance Officer  
Membership No. F8218

Encl: As Above

**Mangalam Worldwide Limited**

(Formerly known as Mangalam Worldwide Private Limited)  
(CIN: L27100GJ1995PLC028381)

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“Mangalam Worldwide Limited  
H1 FY2024 Results Conference Call”

October 19, 2023



**ANALYST: MR. GOPAL CHANDAK – KIRIN ADVISORS**

**MANAGEMENT: MR CHANDRAGUPT PRAKASH MANGAL - MANAGING  
DIRECTOR – MANGALAM WORLDWIDE LIMITED  
MR MOHIT KAILASH AGRAWAL – WHOLE-TIME  
DIRECTOR & CHIEF FINANCIAL OFFICER –  
MANGALAM WORLDWIDE LIMITED  
MR FAGESHKUMAR SONI - COMPANY SECRETARY  
& COMPLIANCE OFFICER – MANGALAM  
WORLDWIDE LIMITED**



*Mangalam Worldwide Limited*  
*October 19, 2023*

**Moderator:** Ladies and gentlemen, good day and welcome to H1 FY2024 results conference call of Mangalam Worldwide Limited hosted by Kirin Advisors. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “\*” then “0” on your touchtone phone. Please note that the conference is being recorded. I now hand the conference over to Mr. Gopal Chandak from Kirin Advisors. Please go ahead Sir!

**Gopal Chandak:** Thank you. On behalf of Kirin Advisors I welcome you all to Mangalam Worldwide Limited’s H1 FY2024 concall. From the management side we have Mr. Chandragupt Prakash Mangal, Managing Director; Mr Mohit Kailash Agrawal, Whole-Time Director & Chief Financial Officer; Mr Fageshkumar Soni, Company secretary and Compliance Officer. Now I hand over call to Mr. Chandragupt Prakash Mangal. Over to you Sir!

**Chandragupt Prakash Mangal:** Thank you. Good afternoon everyone. Wishing you all good health and prosperity on the occasion of Navratri. This is our first investor conference called post listing at NSE emerge platform and I am happy to welcome you to the H1 FY2024 conference call to discuss H1 FY2024 results. Before we delve into financial performance I would first like to take you through the journey of Mangalam Worldwide till date. The Mangalam Group established in 1942 has four different verticals of business namely stainless steel, agri products, e-waste and structured business. Mangalam Worldwide Limited was originally formed in year 1995 and since 2019 Mangalam Worldwide Limited has been into manufacturing of stainless steel products. Today Mangalam Worldwide is engaged in manufacturing stainless steel billets and ingots, rolled SS flat bars and round bars, seamless pipes and tubes, heat exchanger tubes and U tubes with its fully integrated infrastructure consisting of steam melting shop, rolling mill, pilgering and piercing facilities along with finishing machines located in factories at various locations all over Gujarat in Halol, Changodar and Kapadvanj. These plants are spread across 125,000 square meters. Halol plant has a capacity of 66,000 metric tonnes producing stainless steel billets and ingots while Changodar plant has a capacity of 90,000 metric tonnes to roll stainless steel flat and round bars. The Kapadvanj plant has a cumulative capacity of 28,800 metric tonne. The company manufactures a wide range of stainless steel in various grades 200 series, 300 series, 400 series, other Austenitic Ferritic Martensitic grades as well as special chemical composition grades like 17/4 PH Duplex and Super Duplex steel. The main raw material in manufacturing is stainless steel-scrap, mild steel-scrap, ferro alloys, nickel, copper and gases like oxygen, nitrogen and argon. Today our total workforce is 750 plus and with a quality product we are all set to meet the rising demand of stainless steel bars, billets and seamless pipes and tubes along with other products. Along with strengthening our foothold

in the domestic market we are forayed into the export market in 2022 and now we are working towards enhancing our presence in Europe, South America and Asia Pacific region. We have a strong order book and expect the same in coming times. For FY2023 the company on consolidated basis has reported total revenues of Rs.645.94 Crores and net profit of Rs.16.64 Crores. We came up with an IPO in FY2023 with IPO size of Rs.65.58 Crores and shares are listed on NSE Emerge. With this brief introduction now I will take you through the financial performance for the first six months of FY2024.

I am happy to share with you that the company has reported remarkable growth in the first six months of the current year. Our total revenues were at Rs.401.56 Crores registering a splendid 42.5% growth year-on-year. This indicates a robust demand for quality products and customer stickiness towards steel products. Our EBITDA was at Rs.17.3 Crores reported robust growth of 194.8% year-on-year and our EBITDA margins have been more than doubled to 4.31%. This is mainly due to our effective sourcing of raw material and stringent check on operational efficiency. Profit after tax was at Rs.7.51 Crores up by 26.6% year-on-year ending the bottomline with strong growth. India is the world's second largest producer of crude steel with an output of 125.32 million metric tonne of crude steel and finished steel production of 121.29 million metric tonne in FY2023. India's finished steel consumption is anticipated to increase to 230 million metric tonne by 2030 – 2031 from 119.17 metric tonne in FY2023. India remains a bright spot in the global steel industry and the steel demand in the country is expected to show a healthy growth of 7.3% and 6.2% in 2023 and 2024 compared to a global growth of 2.3% and 1.7% respectively according to the short range outlook of the World Steel Association. The rising infrastructure industry growth provides impetus for steel demand. The strong performance of the H1 FY2024 boosted the confidence and we expect robust demand outlook for the rest of the year. Our efforts would be on introduction of new products enhancing the sale of value added products and improve our profitability further while inching up our market share in the segment. With this demand outlook now I am happy to take questions from you all if any. Thank you.

**Moderator:**

Thank you very much. We will now begin the question and answer session. Ladies and gentlemen we will wait for a moment while the question queue assembles. The first question is from the line of Bhavik Vaghela from ULJK Financial Services. Please go ahead.

**Bhavik Vaghela:**

Sir what are the strategies do we have in place to enhance our EBITDA margins?

**Chandragupt Prakash Mangal:**

We are looking at two, three things to enhance the EBITDA margins currently. We are improving our operational efficiencies across the manufacturing processes. This will

include optimizing our supply chain, reducing the waste and enhancing production methods and by this we aim to have lower cost and thereby improve our EBITDA margins. Secondly we are exploring opportunities to diversify our product offerings and this can help us tap into higher margin product segments and reduce dependence on any single market.

**Bhavik Vaghela:** What is the forward plan to improve the EBITDA margins?

**Chandragupt Prakash Mangal:** Yes like I just said that the forward plan to improve the EBITDA margins we are constantly working on improving the operational efficiency which is to reduce our costs and as well as increasing the sales and getting into exports as well as higher margin products.

**Bhavik Vaghela:** Can you just tell me what is the total production capacity and what is the current capacity utilization?

**Chandragupt Prakash Mangal:** Like I had mentioned in my opening statement the manufacturing capacity for billets in the Halol unit is 66,000 metric tonne per year and you can see the average utilization is across 80%, the capacity for the Changodar unit is 90,000 metric tonne out of which utilized capacity is 40% and the Kapadvanj unit the capacity is 28,000 tonnes out of which the utilized capacity is approximately 50%.

**Bhavik Vaghela:** What are our primary clients?

**Chandragupt Prakash Mangal:** Our primary clients actually include the re-processors you can say. Further material goes into industries like engineering goods and fastener manufacturing, forging, etc.

**Bhavik Vaghela:** Thank you.

**Moderator:** Thank you. The next question is from the line of Ananya Swaminathan from C Square. Please go ahead.

**Ananya Swaminathan:** Sir I wanted to know what is the current contribution of exports to our total revenue and what are our projections for export growth in future?

**Chandragupt Prakash Mangal:** Like I said we have started exporting recently only in 2022 and currently the contribution is not a lot but we are aggressively expanding. Recently we exhibited also in international exhibition in Netherlands in SSW and the plan going ahead is to capture the market by offering, since we are a fully integrated setup we offer an edge from our competitors in the sense that value added items all have a strong backward integration provided by quality raw materials and traceability.

**Ananya Swaminathan:** So in export market do we achieve better profit margins or it is more focused on increasing sales volume?

**Chandragupt Prakash Mangal:** No, in export market we definitely see higher profit margins and hence we are exploring that. Firstly we actually established ourselves and our products in the domestic market and the next step now is to get into the export markets where we are providing customers with the best quality material which will include our margins as well.

**Ananya Swaminathan:** What is the duration of our working capital cycle?

**Chandragupt Prakash Mangal:** Currently the stock inventory days are 53, the debtor days are around 39 days and payables are 17 days, so the net cycle comes up to two-and-a-half months or 75 days.

**Ananya Swaminathan:** From which suppliers do we source our raw material?

**Chandragupt Prakash Mangal:** The raw material is both domestically sourced and also imported. There is no one supplier but like half of material is imported and other half is procured domestically.

**Ananya Swaminathan:** That is it from me. Thank you.

**Moderator:** Thank you. The next question is from the line of Rahil Shah from Crown Capital. Please go ahead.

**Rahil Shah:** Sir good afternoon. You have seen a good growth year-on-year H1 FY2023 and compared to this H1 so what led to this kind of growth and going ahead what makes you confident you will be able to maintain this?

**Chandragupt Prakash Mangal:** Sorry can you just repeat the first half of the question.

**Rahil Shah:** Sure I was asking since you have seen such a good growth in this first half of FY2024 compared to the last year H1 FY2023 so I wanted to know what changed this year and what what were you able to do different that led to such a growth?

**Chandragupt Prakash Mangal:** There has definitely been a good demand for our products. We have added new products as well which are more value added like seamless pipes and tubes and bright bars so mainly that and also we like I said we are constantly working on the integration and improving our operational efficiencies so this has also contributed quite a bit to the margins this year.

**Rahil Shah:** So one can expect these steps to be repeated going ahead like add adding more value added products and integration will continue backward integration?

**Chandragupt Prakash Mangal:** Yes exactly.

**Rahil Shah:** You have also seen a good like 100 basis point jump in margins year-on-year that is also expected to continue or they can be better as well what are sustainable margins?

**Chandragupt Prakash Mangal:** Better realization now we have got into value added items which are priced also higher and we get better realization in that so going ahead yes definitely we will be targeting higher margins.

**Rahil Shah:** I will get back in queue. Thank you.

**Moderator:** Thank you. The next question is from the line of Vallabhee Rungta from RoboCapital.in. Please go ahead.

**Vallabhee Rungta:** Thanks for the chance. Sir it may sound repetitive but I just wanted to know what expectations do you have for your topline growth and margin growth for next coming two or three years?

**Chandragupt Prakash Mangal:** They will definitely continue to grow that is what I am saying but we will be improving year-on-year and you can see the same in coming next half.

**Vallabhee Rungta:** Thank you.

**Moderator:** Thank you. The next question is from the line of Yashwanti Khedkar, an Individual Investor. Please go ahead.

**Yashwanti Khedkar:** Thank you so much. I just wanted to understand from you what are the products in the pipeline for the new launches?

**Chandragupt Prakash Mangal:** Sorry I did not understand product in pipeline.

**Yashwanti Khedkar:** Product in the pipeline for new launches?

**Chandragupt Prakash Mangal:** We are focusing more on the finished items more such as bright bars which includes different shapes and sizes as well like round, hex, square and as well as in pipes and tubes we are entering into the finished product which includes the instrumentation tubing, heat exchanger tubing and U tubes.

**Yashwanti Khedkar:** Can we classify this product as a high value added product?

**Chandragupt Prakash Mangal:** Yes.

**Yashwanti Khedkar:** What is the margin difference between the value added product and the normal product for us?

**Chandragupt Prakash Mangal:** For that I will have to get back to you because I do not have that in hand right now.

**Yashwanti Khedkar:** Will it be possible for you to give us the breakup like how much the value added product is contributing currently to our sales?

**Chandragupt Prakash Mangal:** It is about 20% right now 20% to 25%.

**Yashwanti Khedkar:** What is the plan going ahead?

**Chandragupt Prakash Mangal:** Yes so we focusing on increasing it year-on-year so it will definitely rise on the upper side.

**Yashwanti Khedkar:** As the group has four different business verticals so is there any business diversification we can expect in the Mangalam Worldwide too?

**Chandragupt Prakash Mangal:** No, Mangalam Worldwide Limited is just a stainless steel company and it will remain to be a stainless steel company.

**Yashwanti Khedkar:** Can you please guide me on your capex plan for the current year as well as for the next year?

**Chandragupt Prakash Mangal:** So in current year we are projecting to incur capex of around Rs.15 Crores in FY2024. In FY2025 we do not have further capex plans. We are focusing more on increasing our current efficiency and margin in the current setup.

**Yashwanti Khedkar:** How will we be funding this Rs.115 Crores capex?

**Chandragupt Prakash Mangal:** That has already been sanctioned to us by our bankers and we already have a margin in place for that.

**Yashwanti Khedkar:** On the client side is it possible for you to name our top clients?

**Chandragupt Prakash Mangal:** I am sorry I will not be able to provide that information.



**Yashwanti Khedkar:** How much the top 10 or top 13 will be contributing to our sales?

**Chandragupt Prakash Mangal:** It contributes around 60% to 65%.

**Yashwanti Khedkar:** So it is very much concentrated from this clients right Sir?

**Chandragupt Prakash Mangal:** Not at all. We are continuously adding more customers and increasing our volumes with all customers spread across India as well as exports.

**Yashwanti Khedkar:** 65% comes from the top client and 20% comes from your export is my understanding correct Sir?

**Chandragupt Prakash Mangal:** No, 65% comes from the top 10 to 15 clients, 20% comes from the value added products.

**Yashwanti Khedkar:** Thank you Sir. I will come back in the queue.

**Moderator:** Thank you. The next question is from the line of Shivam Sharma from TCR Capital. Please go ahead.

**Shivam Sharma:** Sir my question was can you provide more information in the company's customer base and geographical reach?

**Chandragupt Prakash Mangal:** Customer base and.

**Shivam Sharma:** Customer base and geographical reach?

**Chandragupt Prakash Mangal:** Yes so as I had mentioned earlier our customer base includes users from different industries like engineering goods, fasteners, forging, utensils, heat exchangers, etc., so it is quite wide in that since we are offering a lot of products. As far as geographical regions are concerned we are present Pan India. We are supplying to more than 15 states in India as well as exports. In exports we are present currently in the European region, the South American and Pan Asian region.

**Shivam Sharma:** Great. How has the previous acquisition impacted the company's financial operations?

**Chandragupt Prakash Mangal:** It has been a great addition and a positive impact has been created to that. We have added the previous last acquisition for us was the seamless pipes and tubes factory and it is a value added product. We are starting with piercing and we are finishing our products with tubes.

**Shivam Sharma:** Also what are the key factors that a company gives a competitive advantage?

**Chandragupt Prakash Mangal:** So we are a fully integrated setup right from steel melting shop up until processing pipes and tubes so that is a key competitive advantage for us. Since the fully integrated setup helps us having the full quality in our hands, having the full traceability in our hands and that enhances the customers trust on us.

**Shivam Sharma:** Thank you.

**Moderator:** Thank you. The next question is from the line of Ankit Kumar, an Individual Investor. Please go ahead.

**Ankit Kumar:** Good afternoon Sir my question is what are the current market trends and dynamics in the stainless steel industry?

**Chandragupt Prakash Mangal:** Current market trends in the stainless steel industry.

**Ankit Kumar:** Yes.

**Chandragupt Prakash Mangal:** If you see the stainless steel demand overall has been increasing. People have started realizing the benefits of stainless steel over mild steel the longevity of the product, the durability of the product and hence the stainless steel market the demand is constantly on the rise. Just an example like in TMT bars as well earlier there used to be only mild steel TMT but recently there has been a robust increase in demand for stainless steel TMT bars of 400 Series. Day-by-day application is increasing.

**Ankit Kumar:** So what are the major risks and challenges the company faces in its operation and expansion plans?

**Chandragupt Prakash Mangal:** We do not foresee any risks as such. One thing as we getting into exports it is getting into having more opportunities. With that there is only one thing that needs to be take a note of that China has been there.

**Mohit Kailash Agrawal:** There are a lot of import restrictions across the world for products imported from China and that gives edge for India as a China plus one policy and that gives us a lot of edge. The only challenge which we have or face is about quality which we make sure that the quality is in place and the customer is fully satisfied as far as quality is concerned.

**Ankit Kumar:** Thank you from my side.

**Moderator:** Thank you. The next question is from the line of Deepika Chedda from Kojin Finvest. Please go ahead.

**Deepika Chedda:** Can you outline the breakdown of how the company is going to utilize these funds which was raised from the IPO?

**Mohit Kailas Agrawal:** The funds that were raised from IPO was for working capital requirement and the same has been utilized fully as per the objects of prospectus working capital requirements.

**Deepika Chedda:** What percentage of the company's revenue comes from exports?

**Mohit Kailash Agrawal:** Currently the percentage of exports is pretty low and we are working towards increasing this share and gradually in the second half we see a higher contribution from exports as we get repeat orders from the current customers who have bought from us as trial orders in the first half so the share of export will be pretty high in second half.

**Deepika Chedda:** Could you elaborate on how the cost management strategies are used especially in procurement of raw materials and energy resources?

**Mohit Kailash Agrawal:** Raw materials we have been buying from large suppliers from Middle East and Singapore and there are large trading organizations and we are back-to-back integrated as far as the imports are concerned. As soon as we get order we are hedged and we immediately procure raw material for the same and we are protected from the volatility of raw material rising because currently there is a huge demand for 300 Series imports materials.

**Deepika Chedda:** My last question are you planning to enter any new market especially any international expansion?

**Mohit Kailash Agrawal:** No, we are not looking at any acquisition. We will be ramping up our own operations and looking for exports to as we just said that looking for exports at Europe, South America and Asia Pacific regions.

**Deepika Chedda:** Thank you so much.

**Moderator:** Thank you. The next question is from the line of Yashwanti Khedkar, an Individual Investor. Please go ahead.

**Yashwanti Khedkar:** Thanks once again for the opportunity. Sir just wanted to understand are you looking for any acquisition for product portfolio enhancement?

**Chandragupt Prakash Mangal:** No, not currently. We have a wide variety of products and we are just improving and increasing the sale of this product only.

**Yashwanti Khedkar:** Do we have a presence in the Pan India or we are restricted to areas nearby?

**Chandragupt Prakash Mangal:** No, we are supplying Pan India.

**Yashwanti Khedkar:** What is the distributor network then in that case?

**Chandragupt Prakash Mangal:** So we do have distributors present in certain regions and we ourselves also sell directly to certain customers.

**Yashwanti Khedkar:** What is the count, how many distributors do you have currently?

**Chandragupt Prakash Mangal:** Five.

**Yashwanti Khedkar:** Are you planning to increase in the current year?

**Chandragupt Prakash Mangal:** No, we are satisfied with the current dealer and we try to sell to them as well as direct rate.

**Yashwanti Khedkar:** The run rate of the growth which has been seen in H1 will it be continued in the H2 of current year?

**Chandragupt Prakash Mangal:** Yes.

**Yashwanti Khedkar:** Thank you so much and all the best.

**Moderator:** Thank you. The next question is from the line of Rahil Shah from Crown Capital. Please go ahead.

**Rahil Shah:** Thank you for taking my question again. Can you please repeat the capex figure you mentioned for this year and what will it be used for?

**Chandragupt Prakash Mangal:** The current year capex figure is Rs.15 Crores and this is towards adding more finishing facilities for the value added products.

**Rahil Shah:** Did you say Rs.15 Crores?

**Chandragupt Prakash Mangal:** Yes Rs.15 Crores.



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**Rahil Shah:** Rs.15 Crores okay and that is for finishing facility?

**Chandragupt Prakash Mangal:** Machines for the value added products.

**Rahil Shah:** All of this will come in the second half or some some amount has been spent?

**Mohit Kailash Agrawal:** Yes second half.

**Rahil Shah:** Thank you and all the best.

**Moderator:** Thank you. As there are no further questions from the participants I now hand the conference over to Mr. Gopal Chandak from Kirin Advisors for closing comments.

**Gopal Chandak:** Thanks everyone for joining the conference call of Mangalam Worldwide Limited. If you have any queries you can write to us at [info@kirinadvisors.com](mailto:info@kirinadvisors.com). Once more thank you everyone for joining the conference.

**Chandragupt Prakash Mangal:** Thank you so much.

**Moderator:** Ladies and gentlemen on behalf of Kirin Advisors that concludes this conference. Thank you for joining us. You may now disconnect your lines.