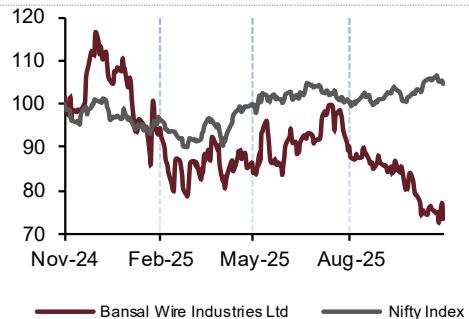


- **Key Positive Development:** After negative OCF for FY25 & burgeoning working capital, BWIL has generated ~148 cr operating cash flow & with sharp focus on improving WC & operating efficiencies; **management guides for OCF generation of ~600 cr in FY26 & FY27 combined.**
- **Volume Guidance:** Raised from 30% to 35% volume growth for FY26 on a YoY basis.
- **EBITDA per tonne :** ~7100 per ton( calculated post including other income) for Q2FY26; BWIL is seeing high demand traction for their products due to recent GST cut , due to which they are able to sell higher volumes while keeping their margins intact.
- **EBITDA Guidance:** Raised from ~10% to 20% YoY growth in absolute EBITDA.
- **Sanand backward integration plans called off & Capex Plans**– inorder to strengthen balance sheet & pivot to growing through their existing + specialty wires business ventures. Hence capex for next 2 years capped at 150-200 crs p.a. – largely internally funded through cash generated.

Rating	TP (Rs)	Up/Dn (%)
<b>BUY</b>	<b>446</b>	<b>45</b>
<b>Market data</b>		
Current price	Rs	308
Market Cap (Rs.Bn)	(Rs Bn)	49
Market Cap (US\$ Mn)	(US\$ Mn)	550
Face Value	Rs	5
52 Weeks High/Low	Rs	503.95 / 303.8
Average Daily Volume	(000)	343
BSE Code		544209
Bloomberg		BANSALWI.IN

Source: Bloomberg

#### One Year Performance



Source: Bloomberg

% Shareholding	Sep-25	Jun-24
Promoters	78.00	78.00
Public	22.00	22.00
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

Source: Bloomberg

#### Financial Summary

Y/E Mar (Rs mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net sales	24,130	24,660	35,072	43,046	54,168	66,829
EBIDTA	1,051	1,445	2,688	3,153	4,147	5,344
Margins (%)	4.4	5.9	7.7	7.3	7.7	8.0
Adjusted net profit	599	788	1,465	1,594	2,200	2,967
EPS (Rs)	3.8	5.0	9.3	10.18	14.1	19.0
P/E (x)	80	61	33	30	22	16
EV/EBITDA (x)	9	32	20	17	14	11
RoCE (%)	13.89%	12.29%	12.46%	11.51%	13.50%	18.54%
RoE (%)	21.21%	18.66%	11.54%	11.16%	13.35%	15.25%

Source: Company

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## Q2FY26 Snapshot

(Rs.Mn)	Q2FY26	Q2FY25	YoY Growth	Q1FY26	QoQ Growth
<b>Revenue from Operations</b>	10554	8254	28%	9,391	12%
Other Income	48	42	14%	26	83%
Total Mfg Cost	8023	6375	26%	7,301	10%
Employee Benefits Expense	488	343	42%	387	26%
Other Expenses	1275	897	42%	984	30%
<b>Total Expenses</b>	9786	7616	29%	8,672	13%
<b>EBITDA (Excluding Other Income)</b>	768	639	20%	719	7%
Depreciation and Amortisation Expenses	149	57	162%	125	19%
EBIT / PBIT	619	582	6%	594	4%
Finance Costs	157	55	186%	120	31%
<b>Profit before share in profit of associate &amp; tax</b>	510	569	-10%	500	2%
Exceptional items	0	1	-	-	-
PBT after share of JV / Associates	510	570	-11%	500	2%
Tax Expense	127	168	-25%	108	18%
<b>ETR%</b>	<b>25%</b>	<b>30%</b>		<b>22%</b>	
<b>Net Profit after Tax</b>	383	402	-5%	392	-2%
No. of shares	157	157		157	
Adj Earning Per Share	2.45	2.57	-5%	2.51	-2%

## Key Metrics Analysis

Volume in Tons	1,14,609	78,577	46%	1,04,100	10%
Blended Realisation/ton	92,087	1,05,050	-12%	90,208	2%
Blended EBITDA/ton	6,699	8,130	-18%	6,907	-3%

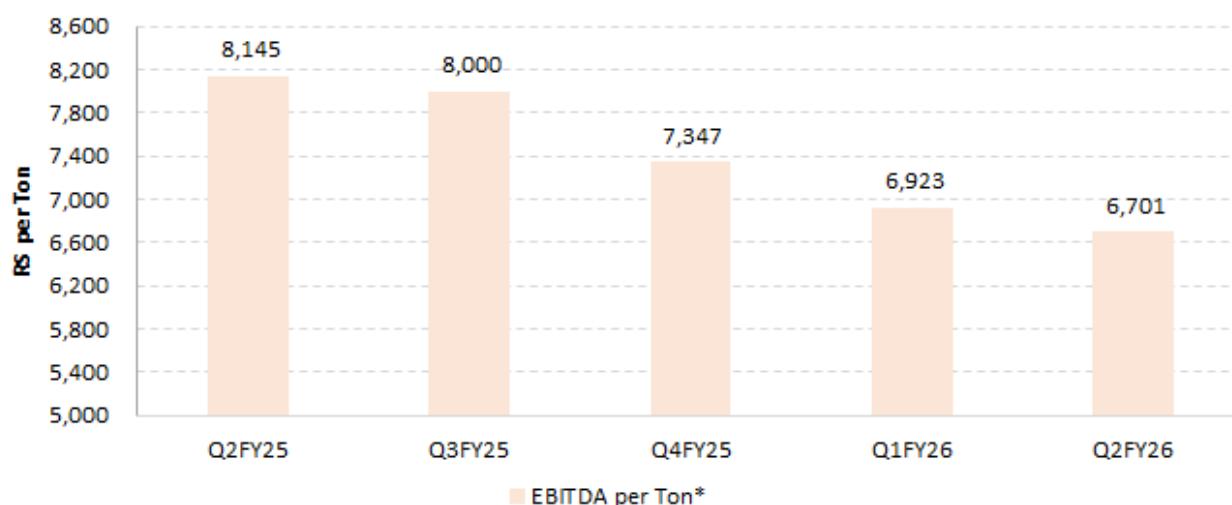
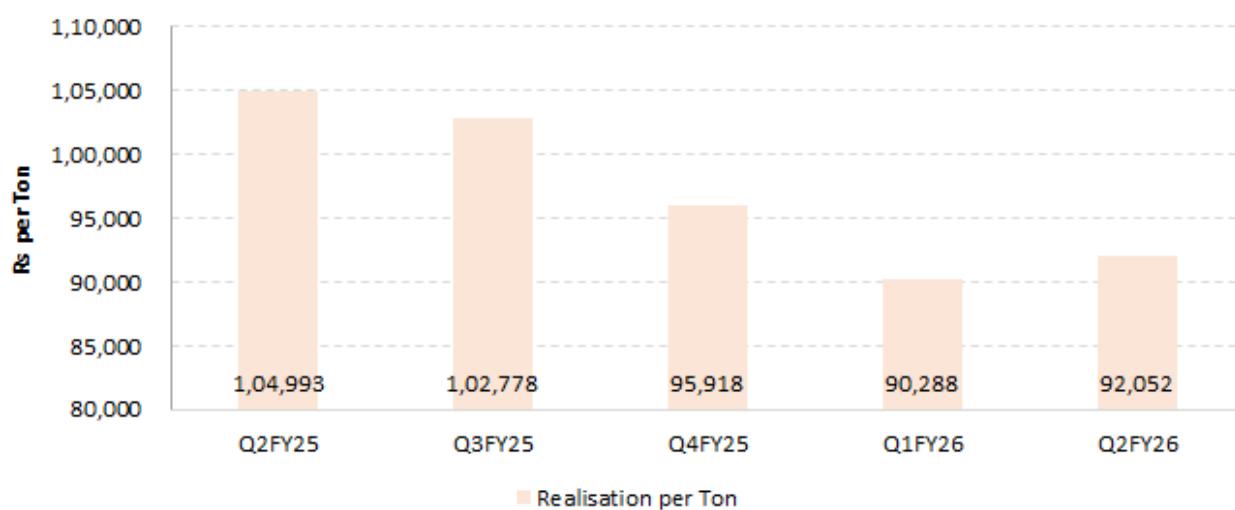
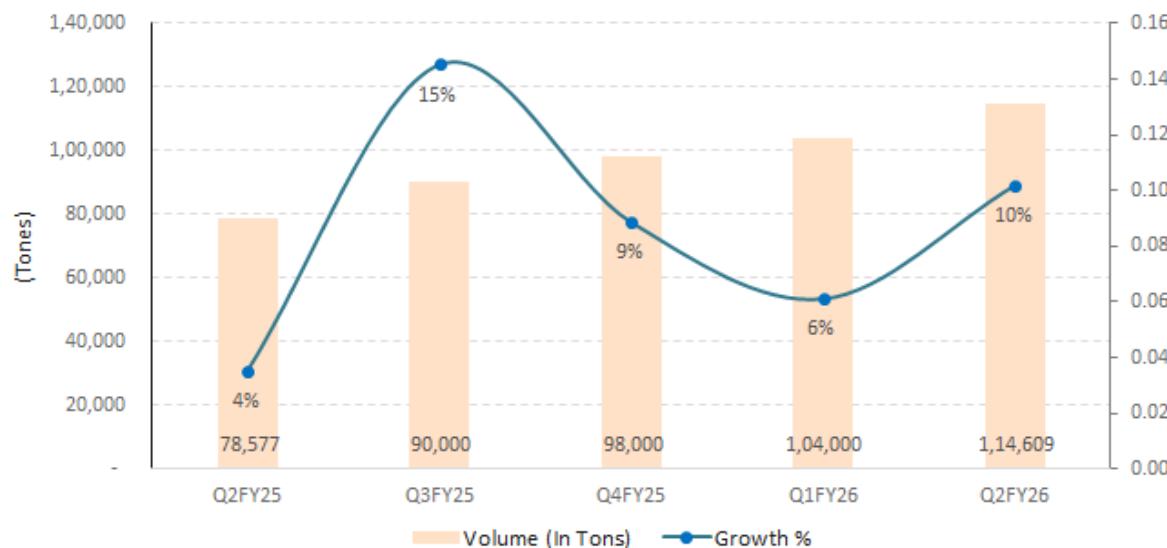
Margin Analysis(%)	(in Bps)		(in Bps)		
Gross Margins	24.0%	22.8%	121	21.6%	238
EBITDA Margins (Excl Other Income)	7.3%	7.7%	-47	7.7%	-38
PAT Margins	3.6%	4.8%	-123	3.5%	10
RM as a % to sales	76.0%	77.2%	-121	78.4%	-238
EE Cost as a % to sales	4.6%	4.2%	47	4.0%	61
Other exps as a % to sales	12.1%	10.9%	121	9.9%	215

Source: Company, Dalal and Broacha Research

## Concall Highlights:

- **Strong Volumes & Execution:** Q2 revenue ₹1,055 cr (+27% YoY); EBITDA ₹81.6 cr (+20% YoY); Cash profit up 17% YoY. Capacity utilization ~74% with Dadri ramping well.
- **Profitability Optics:** PAT lower YoY due to higher depreciation (post Dadri capex capitalization). Cash profit trajectory remains strong.
- **Growth Visibility:** Company guiding for 30–40% volume growth in FY26 and >20% EBITDA growth. Medium term: 20–25% annual growth in revenue and EBITDA.
- **Focus on High ROC:** Strategic pivot from per-ton margins to cash flow + capital productivity. ROC target ~25% by FY27. Expected ₹600+ cr cumulative operating cash over FY26–27.
- **Product Mix Shift Beneficial:**
  - a) Low Carbon Wire (power cables + agri + poultry): to rise to ~60% of volumes → high ROC business, even if EBITDA/ton slightly lower.
  - b) B2C segment now ~5% of revenue, expected to grow 30–35%+ annually and offers better margins vs B2B.
- **Specialty Wires = Future Margin Driver:**
  - a) Steel Cord: 2 lab approvals cleared; field trials ongoing (7–8 months) → commercialization expected mid-2026.
  - b) IHT Wire (auto suspension springs): Commercialization expected 2H FY26.
  - c) Specialty portfolio (~29,000 tons capacity) targeted to deliver 20–25% EBITDA margin once scaled.
- **Capacity & Production:** Installed capacity 6.18 lakh tons → ~6.8 lakh tons by Q3. Dadri plant stable; volumes up ~50% QoQ. Old plants to be phased out in 4–6 quarters.
- **Capex Discipline:** Backward integration scrapped to avoid leverage and protect ROC. Future capex needs ₹150–250 cr/year, to be funded from internal accruals → no additional debt.
- **Incident Update:** Small fire at Dadri specialty line (~₹6 cr inventory hit) → no material production or profit impact.

## Quarterly Charts



Source: Company, \*For calculation of Realisation per ton & EBITDA per ton we have not considered other income which basically consists of export related forex gains.

## Valuation & Outlook

BWIL continues to demonstrate strong execution with **volume guidance raised to ~35% YoY for FY26 and EBITDA growth guidance upgraded to ~20% YoY**, driven by robust demand traction post GST cuts and improving operational stability at Dadri. EBITDA/ton stood at ~₹7,100/ton in Q2, with management consciously prioritizing volume-led scale + ROC expansion while maintaining margin discipline.

On estimates, **we have raised our Revenue, EBITDA and PAT forecasts** across FY26–28E as below,

FY26E: Revenue +2.5%, EBITDA +10%, PAT +4%

FY27E: Revenue +1.5%, EBITDA +9%, PAT +7%

FY28E: Revenue +3%, EBITDA +6%, PAT +9%

**We now expect Revenue and EBITDA to grow at ~24% and ~26% CAGR respectively over FY25–28E**, supported by scale-up of low-carbon and specialty wire segments. From FY27 onward, increasing contribution from IHT & steel cord lines should begin to lift EBITDA mix and RoCE trajectory.

**Positive Development:** After negative OCF in FY25, BWIL has already delivered ~₹148 cr operating cash flow in H1, and management guides for ~₹600 cr cumulative OCF over FY26–FY27, driven by strict working capital discipline and operational efficiencies. The Sanand backward integration plan has been shelved, improving balance-sheet flexibility & leads to lesser depreciation & finance cost burden for FY27 & FY28; future capex of ₹150–200 cr annually will be largely internally funded.

**At CMP of ₹308, the stock trades at 30x / 22x / 16x FY26/FY27/FY28E EPS. We maintain our BUY rating with a Target Price of ₹446, implying ~45% upside. We derive TP using 1.0x PEG on FY25–28E growth, valuing at ~27x Sep-27 EPS, with PAT expected to grow at ~27% CAGR over FY25–28E.**

## Financials

P&L (Rs mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	24,130	24,660	35,072	43,046	54,168	66,829
Total Raw material consumed	19,806	19,820	27,240	33,533	42,251	51,960
Employee Cost	600	735	1,437	1,800	2,070	2,401
Other Expenses	2,672	2,660	3,707	4,560	5,700	7,125
<b>Operating Profit</b>	<b>1,051</b>	<b>1,445</b>	<b>2,688</b>	<b>3,153</b>	<b>4,147</b>	<b>5,344</b>
Depreciation	91	135	300	648	780	952
PBIT	960	1,310	2,388	2,505	3,367	4,392
Other income	96	49	94	109	125	144
Interest	240	288	378	488	558	579
PBT ( Before share of JV/associates)	816	1,071	2,104	2,126	2,934	3,956
Exceptional items	-	32	-	-	-	-
PBT	816	1,102	2,104	2,126	2,934	3,956
Provision for tax	216	314	639	531	733	989
PAT (From continuing operations)	599	788	1,465	1,594	2,200	2,967
PAT (From Discontinuing operations )	-	-	-	-	-	-
MI						
Reported PAT	599	788	1,465	1,594	2,200	2,967
<b>Adjusted Profit</b>	<b>599</b>	<b>788</b>	<b>1,465</b>	<b>1,594</b>	<b>2,200</b>	<b>2,967</b>

Balance Sheet ( Rs mn )	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity capital	91	637	783	783	783	783
Reserves	2,734	3,586	11,907	13,502	15,702	18,669
<b>Net worth</b>	<b>2,825</b>	<b>4,224</b>	<b>12,690</b>	<b>14,284</b>	<b>16,485</b>	<b>19,452</b>
Minority Interest	-	388	-	-	-	-
<b>Non Current Liabilities</b>	<b>2,060</b>	<b>3,214</b>	<b>2,038</b>	<b>2,069</b>	<b>2,296</b>	<b>2,231</b>
<b>Current Liabilities</b>	<b>2,779</b>	<b>5,109</b>	<b>6,955</b>	<b>8,557</b>	<b>10,095</b>	<b>11,976</b>
<b>Other Liabilities( associated with discontinued operations/ assets held for sale )</b>	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>7,664</b>	<b>12,935</b>	<b>21,684</b>	<b>24,910</b>	<b>28,875</b>	<b>33,658</b>
<b>Non Current Assets</b>	<b>2,037</b>	<b>4,918</b>	<b>8,984</b>	<b>9,363</b>	<b>12,128</b>	<b>13,726</b>
Fixed Assets	1,155	2,294	6,928	9,060	9,279	14,327
Goodwill	-	-	-	-	-	-
CWIP	379	2,119	1,780	(0)	2,500	(1,000)
Long term loans & Advances	479	483	-	-	-	-
Non-current assets tax (net)	-	-	-	-	-	-
Deferred Tax Asset	-	-	-	-	-	-
Other Financial Assets	-	11	73	70	80	90
Other Non Current Assets	25	12	203	233	269	309
<b>Current Assets</b>	<b>5,627</b>	<b>8,016</b>	<b>12,700</b>	<b>15,547</b>	<b>16,747</b>	<b>19,932</b>
Current investments	225	-	-	-	-	-
Inventories	2,439	3,136	6,385	7,094	8,181	10,092
Trade Receivables	2,524	3,579	4,762	5,320	6,694	7,523
Cash and Bank Balances	8	18	17	1,438	14	277
Other bank balances	-	26	41	50	50	50
Short Term Loans and Advances	425	1,161	217	239	263	289
Other Financial Assets	-	0	0	0	0	0
Other current assets	6	96	1,278	1,406	1,546	1,701
Assets Held for sale	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>7,664</b>	<b>12,935</b>	<b>21,684</b>	<b>24,910</b>	<b>28,875</b>	<b>33,658</b>

Cash Flow St. (Rs. mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
PBT (excluding JV/Associates)	816	1,102	2,103	2,126	2,934	3,956
Add: Dep. & Amort.	91	135	300	648	780	952
Add: Interest Expenses	240	288	378	488	558	579
<b>Operating profit before working capital change</b>	<b>1,147</b>	<b>1,525</b>	<b>2,781</b>	<b>3,262</b>	<b>4,272</b>	<b>5,487</b>
<b>(Inc)/Dec in</b>						
Working capital adjustment	190	(1,289)	(3,150)	(775)	(1,850)	(2,045)
<b>Gross cash generated from operations</b>	<b>1,337</b>	<b>236</b>	<b>(370)</b>	<b>2,487</b>	<b>2,422</b>	<b>3,442</b>
Direct taxes paid	(311)	(314)	(639)	(531)	(733)	(989)
Others	-	(5,291)	(501)	(48)	(39)	(10)
<b>CF from Oper. activities</b>	<b>1,025</b>	<b>(5,369)</b>	<b>(1,510)</b>	<b>1,908</b>	<b>1,649</b>	<b>2,443</b>
<b>CF from Inv. activities</b>	<b>(872)</b>	<b>(4,959)</b>	<b>(4,442)</b>	<b>(1,007)</b>	<b>(3,500)</b>	<b>(2,500)</b>
<b>CF from Fin. activities</b>	<b>(150)</b>	<b>10,347</b>	<b>5,950</b>	<b>521</b>	<b>426</b>	<b>321</b>
<b>Cash generated/(utilised)</b>	<b>3</b>	<b>18</b>	<b>(1)</b>	<b>1,422</b>	<b>(1,425)</b>	<b>264</b>
Cash at start of the year	4	-	18	17	1,438	14
Cash at end of the year	8	18	17	1,438	14	277
Ratios	FY23	FY24	FY25	FY26E	FY27E	FY28E
OPM	4.36%	5.86%	7.66%	7.33%	7.66%	8.00%
NPM	2.47%	3.19%	4.16%	3.69%	4.05%	4.43%
Tax Rate	26.51%	28.50%	30.38%	25.00%	25.00%	25.00%
Growth Ratios (%)						
Net Sales	9.76%	2.20%	42.22%	22.74%	25.84%	23.38%
Operating Profit	-1.21%	15.99%	86.06%	17.33%	31.52%	28.85%
PBT	4.37%	35.15%	90.77%	1.10%	38.01%	34.84%
PAT	4.61%	31.48%	85.75%	8.93%	38.01%	34.84%
CFO/EBITDA Ratio	0.98	-3.72	-0.56	0.60	0.40	0.46
CFO/PAT Ratio	1.71	-6.81	-1.03	1.20	0.75	0.82
Per Share (Rs.)						
Net Earnings (EPS)	3.83	5.03	9.35	10.18	14.05	18.95
Cash Earnings (CPS)	4.54	6.09	11.26	14.32	19.04	25.03
Payout ratio	0%	0%	0%	0%	0%	0%
Dividend	0.00	0.00	0.00	0.00	0.00	0.00
Book Value per share (BVPS)	22.17	33.14	81.06	91.24	105.30	124.25
Free Cash Flow	560	(8,383)	(6,104)	908	(1,851)	(57)
Valuation Ratios						
P/E(x)	80.46	61.19	32.94	30.24	21.91	16.25
P/B(x)	13.90	9.29	3.80	3.38	2.93	2.48
EV/EBIDTA(x)	9.21	31.62	20.34	17.21	13.66	10.72
Div. Yield(%)	-	-	-	-	-	-
FCFF Yield(%)	9.99	(21.35)	(12.66)	1.88	(3.84)	(0.12)
Return Ratios (%)						
ROE	21.21%	18.66%	11.53%	11.16%	13.35%	15.25%
ROCE	13.89%	12.29%	12.46%	11.51%	13.50%	18.54%

Source: Company, Dalal and Broacha Research

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