ASME
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CIN :- L74120MH2011PLC216096

BEW ENGINEERING LIMITED

ORIGINAL EQUIPMENT MANUFACTURERS OF PHARMACEUTICAL & CHEMICAL PROCESS MACHINERY.

Office & Factory Address :
FE-10, MIDC, Phase - II, Manpada Road,
Dombivali (East) 421 204. Dist. Thane
Maharashtra, India.
Phone : 91-0251-2873335/36/38
Website : www.bewltd.com
Email : bifriends@bewltd.com /
bifriends@bew.net.in /
bifriendsengg@gmail.com

Tuesday, May 27, 2025

To,
Listing Compliance Department,
National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra East, Mumbai – 400051, Maharashtra, India.

Dear Sir/Madam,

NSE Symbol: BEWLTD
ISIN: INE0HQI01014

Subject: Transcript of H2 FY 25 Earnings Conference Call held on May 24, 2025

Ref: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed, the transcript of H2 FY25 Earnings Conference Call held on May 24, 2025.

The above information will also be made available on the website of the Company at https://www.bewltd.com/schedule-of-analyst.html

This is for your information and record.

Thanking you,
Yours truly,
For BEW Engineering Limited

BHAVNA DWARKADAS KUKREJA
Digitally signed by BHAVNA DWARKADAS KUKREJA
Date: 2025.05.27 10:19:45 +05'30'

Bhavna Dwarkadas Kukreja
Company Secretary and Compliance Officer

BEW Engineering Limited
H2 & FY '25 Conference Call
May 24, 2025

Moderator: Ladies and gentlemen, good day and welcome to the H2 and FY '25 Conference Call of BEW Engineering Limited. This conference call may contain forward-looking statements which are based on beliefs, opinions and expectations of the company as on the date of this call. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict.

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 this conference is being recorded.

At this time, I would like to hand over the conference to Mr. Rohan Prakash Lade - Managing Director of BEW Engineering. Thank you and over to you, sir.

Rohan Prakash Lade: Hello, everyone. Welcome to the Earnings Conference Call of BEW Engineering for the second-half and the year ended 31st March 2025. I welcome you all and it is a pleasure to have all of you over here. I appreciate everyone's presence here today. Joining in the call with me is our CFO, Mr. Yogesh Darekar and our Investor Relations team from Adfactors. Prior to this call, we have uploaded the updated presentation. I believe everyone had the opportunity just to go through it.

So, let me begin by saying that FY '24 has been a year of very steady progress despite facing headwinds in some of our key end user industries, though we have remained focused on building long-term capabilities, employing operational efficiencies and strategically positioning BEW Engineering for the next phase of sustainable growth.

To just start with, I would like to provide a concise summary of who we are, the market dynamics we are navigating, key recent achievements and our strategic outlook going ahead. So BEW Engineering had made very strong progress over the past years, basically founded in 2011, we had established ourselves as one of the leading designers and manufacturers of process equipment's for the pharmaceuticals, chemicals and specialty chemical industries. Our product portfolio spans into various categories, out of which 6 of them are in Dryers and 3 of them are in Filters is designed for high performance quality and customization. We currently enjoy a market share of approximately 40% in our segment. Our equipment's are widely used

across Pharmaceutical Sterile Applications, Fine Chemicals, Agro Chemicals, Specialty Chemicals, Pesticides, Dyes and some in Food Industries as well. As an ASME U & R stamp certified manufacturers in 2016 as a listed entity on the NSE SME platform since 2021, we remain committed to innovation, precision and customer satisfaction.

Today, our products have raised global markets including Japan, Germany, Israel, US and Southeast Asia. Global Chemicals, Specialty Chemicals, Agro Chemical companies reported their 4th quarter of FY '24 and 2024 results growth, primarily driven by the volume growth. EBITDA pricing remains subdued. Prolonged period of the global inventory, destocking in the chemicals and the specialty chemical sectors was largely over by the end of the year 2024. However, the Agro Chemical segment is still struggling with inventory pressures, nonetheless, the intensity has moderated substantially. Despite the inventory challenges, Agro Chemicals companies posted year-on-year volume growth during 2024 amidst the challenging pricing environment.

After a modest year performance, the company's outlook for 2025 remains mixed with some expressing concerns about demand recovery, while other remains a bit optimistic. Even with the optimistic view, demanded growth is expected to be gradual. Agro Chemicals companies expect volume growth in FY '25 and further elevating inventories. However, low firm product prices can play spoil sport, yet company remains skeptical on pricing environment. Volume recovery across Global Chemicals, Specialty Chemicals, and Agro Chemicals is likely to add growth for the Indian chemical sector without any material support expected from pricing. Given the critical role of Filters and the Dryers and ensuring safety, solidity, 100% efficiency, we still see a rising demand and significant opportunities for our company to scale further through product innovation and capacity expansion.

I am very proud enough to celebrate this milestone with BEW marking over 10 years of manufacturing as ASME U & R stamp pressure special equipment's that met the highest in the industry standards. The recent export of our Agitated Pressure Nutsche Filter to United States is the significant achievement and strength of our presence in the global market. This accomplishment not only reflects our technical capabilities, but also reaffirms our commitment to delivering safe, reliable and high-quality solutions to our customers worldwide.

It is with the deep sorrow that we have to inform you of the passing of our Chairman, Mr. Prakash Lade, and Director of BEW Engineering on December 29, 2024. Mr. Lade was a very much integral part of our organization and a true pillar of strength whose vision, leadership played a very pivotal role in shaping this company. His absence leaves us a provide void and the entire BEW family deeply moved in this loss. We extend our heartfelt condolences through this in these difficult times.

I am thrilled to share some exciting news that fills up with immense pride. BEW Engineering recently successfully delivered its latest innovation to Pharma industry, which is a closed loop

Conical Mixer Dryer entered with the glove box for containment. Entrusted with this project by a prestigious domestic pharmaceutical manufacturer, we are proud to have not only met, but exceeded their expectations.

It is our great privilege to welcome the National Institute of Pharmaceutical Research and Development delegation to our facility. It was a great opportunity to build our relationship with NIPRD and reinforce our commitment to supporting the mission to advanced Pharmaceutical Research and Development Nigeria. Additionally, we have successfully delivered the state-of-the-art Sterile and Containment Suitable Cantilever Rotocone Vacuum Dryer to our esteemed client in the pharmaceutical sector. This latest innovation reaffirms BEW's commitment to provide high quality customized suggestions for the pharmaceutical industry.

And we recently also launched one of the Vacuum Tray Dryers of 96 phase with Halar coated which was provided complex system like heating system, cooling system and a vacuum pump. We successfully delivered a lab-scale equipment to one of our valued added clients and also benefited fully integrated our RCVD, a system with 3 kilograms capacity tailored for high quality and stringent demands of pharmaceutical active and pharmaceutical and engineering production. As we continue to grow and innovate, my focus remains on ensuring that we meet the evolving needs of our clients while upholding the higher standards of safety and performance in every product we create.

Our current order book stands strong at Rs. 80 crores and we anticipate this to grow to Rs. 150 crores by the end of FY '26. The order book composition reflects our strengths and customer demands with Filter Dryers accounting to 70% of it and Paddle and some other Dryers to 20% and the remaining 10% will be Mixers, Blenders and some other products. These are the key growth areas where BEW has continued to innovate and meet high standards of quality and innovation. In our export market, we are seeing strong traction, especially in Africa where we expected significant growth, roughly 40% of the revenues derived from repeat customers, a clear indicator of our products reliability and the value we provide.

We are proud to serve some of the most respected names in the industry. Our largest client this year was Harman Finochem which contributed nearly 25% of the total revenue. Other marquee clients include SRF, Piramal, and Cipla, SABIC, Lupin, Mylan, Piramal, they have remained an integral part of our growth strategy, currently contributing again 20% of our revenue. We are actively exploring new opportunities also in Africa, in Japan, Middle East, South Africa, Israel and Russia to expand this base further. Looking to the future, we are actively executing our growth strategy focused on capacity expansion, new product development and export marketing penetration.

I am pleased to share that the expansion on the newly acquired neighboring land is also now 90% complete, is expected to be operational by this month end or by mid-June. The expansion will nearly double our production capacity and position us to achieve our target of Rs. 175

crores revenue by FY '26 and going ahead close to Rs. 300 crores by FY '27. We are targeting an EBITDA margin of close to 20% while the commissioning of our new facility and focused strategy on reducing inventory cycles, we are confident that our operational efficiencies will continue to improve.

We recognize the challenges posed by high inventory levels, largely due to our strategy of stocking specialized raw materials in advance. However, we are taking steps to normalize our inventory cycles to around 200 days and our working capital cycles are improved through more disciplined procurement on immediate payment terms. On the financial side, we are targeting 20% reduction in debt, which will enhance our balance sheet strength and cash flow visibilities.

Coming to the half yearly financial performance and the full yearly, I think our CFO Mr. Yogesh would guide you through all the figures. Yogesh, can you please give them all the financial performances.

Yogesh Darekar: Hello. Good afternoon, everyone. Coming to half year financial performance, revenue from the operations for the half year was Rs. 83.26 crores in second half year Financial Year '25 as against Rs. 55.20 crores in H2 FY '24, a year-on-year increase of 50.83% by strong execution of orders, improved demand from key sectors like Pharma and Specialty Chemical and better capacity utilization.

EBITDA, excluding other income was at Rs. 9.80 crores in H2 FY '25 as against Rs. 15.72 crores in H2 FY '24, decrease of 37.68% year-on-year, mainly due to the sharp rise in raw material expenses which more than doubled year-on-year impacting gross margins. Additionally, our employee and operating expenses contributed to increased total expenditures.

EBITDA margin was 11.77% as against 28.48% year-on-year decrease of 60-70 bps. Profit after tax stood at Rs. 6.13 crores in H2 FY '25 compared to Rs. 19.38 crores in H2 Financial Year ’24, year-on-year decrease of 34.65%. PAT margin was at 7.37% as against 17% year-on-year decrease of 963 bps. Earnings per share stood at Rs. 4.69 in H2 FY '25 compared to Rs. 32.22 in H2 FY '24 year-on-year decrease of 85.44%.

Coming to our full year financial performances, revenue from operations for the year ended was Rs. 134.36 crores in FY '25 as against Rs. 120.76 crores in FY '24, a year-on-year increase of 11.26%, on account of strong order execution, particularly H2 FY '25 higher demand for the company’s specialized process equipment’s, improved client traction including $80 from domestic and international clients. EBITDA excluding other income was at Rs. 20.40 crores in Financial Year '25 as against Rs. 23.91 crores in Financial Year ’24, a decrease of 14.70% year-on-year. EBITDA margin was at 15.18% as against 19.80% year-on-year decrease of 462 bps. Profit after tax was Rs. 12.16 crores in Financial Year '25 compared to Rs. 13.56 crore in Financial Year ’24, year-on-year decrease was 10.36%. PAT margin was 9.05% as against

11.23%, year-on-year decrease of 200 bps. Earnings per share stood at Rs. 9.30 in Financial Year '25 compared to Rs. 46.56 in Financial Year ’24.

Now, I am happy to open the floor for any questions you may have. Thank you for your attention. Over to Mr. Rohan Lade, Managing Director.

Moderator: Thank you very much, sir. We will now begin the question-and-answer session. We have our first question from the line of Garvit from Invest Analytics. Please go ahead.

Garvit: Good afternoon, sir. My first question is on the margin front. Our margins have been very much fluctuating, historically and I want to understand from you the reason for the same, because the range of fluctuation is broader, it is like we have not been able to pass on the raw material hike to our end customers. So can you please put some color on that?

Rohan Prakash Lade: **Y**ou are saying the reason for the margin drop, right?

Garvit: Yes. And over the years, fluctuations have been very high.

Rohan Prakash Lade: Yes. See, I think the fluctuations mainly happened due to the raw material prices. If you see the raw material prices are inflated in last couple of years. So because of that, the margins will find different margins across the half years and the next half of the year. And the reason for the drop in the margins, mainly due to two factors, one is, if you see the last year, if you see there is a drop in the export business this year and also, since the domestic market especially the companies of the pharmaceutical and the chemical, those two sectors were not doing that good, a little bit on the downside, I would say, so because of that with respect to the margin pressure in the domestic market, so the margins had dropped a bit, dropped down as compared to the previous year.

Garvit: So what is the outlook from here onwards looking at FY '26, are we?

Rohan Prakash Lade: Yes, see what at least in last couple of months what I have seen like going ahead, a lot of CAPEX now I am seeing taking place with lot of customers in the pharmaceuticals as well as in agro chemicals. So yes, going ahead, I think generally I have seen in the industry that whenever there is a sudden boom happening in the industry, like if you see after COVID, there were huge expansions in 2020-21 and after that then there was sudden drop in that in the requirements. But again, now, I am seeing those requirements going up, going ahead because in last couple of months, we have closed down good orders from very good reputed customers in pharmaceuticals. So now that CAPEX are also very much visible. Earlier, the CAPEX was there, but adding customers also were not going ahead maybe due to their internal reasons, but now we can see that they are also going ahead with those CAPEX. So basically, I would say industry was under a bit of a wait and watch mode earlier due to the uncertainty in the global market,

mainly because of the policy changes expectations in the US also, but now I think I can see that now they are going ahead with the CAPEX slowly. So definitely, this year should be better.

Garvit: And you mentioned about earlier they were on hold due to global uncertainty, but those uncertainties are still existing because the tariff situation is not yet cleared. So how do you see, like you are mentioning you are getting some good orders in the last 1-1/2 months from pharma company and today, I think one of the pharma companies got a big long-term agreement as well from a global pharma company. So that may also essentially lead to some orders to you, so I am asking from the perspective of the continuity of these orders in FY '26, like we are having currently an order book of Rs. 80 Cr, how do you see this order book to shape up in FY '26 and what is the guidance for FY '26 in the terms of revenue?

Rohan Prakash Lade: Yes. Going ahead, definitely, I would see that more order book will be built up as I told that yes, lot of CAPEX are happening now and mostly all those CAPEX are also getting close also. So earlier like customers were taking a lot of time to close those CAPEX, but now, I can see a bit of a fast forward going on everywhere. So going ahead, yes, we will be definitely booking more orders and earlier like last year, we were a bit hesitant because of the neighboring land and the expansion which we did that was also not under completion, but now that under completion, we will be able to take more orders because we have that confidence that we will be able to deliver all those orders well on time. Earlier, there was a bit of a doubt in our mind that even though we will take the order would be able in position to complete those orders on time, but now the expansion, we are nearing completion, so definitely, we are now focusing to increase our order book also, so that we can deliver the products in a much quicker way as compared to the last year.

Garvit: And what is the guidance for FY '26, revenue guidance?

Rohan Prakash Lade: I am not able to hear you.

Garvit: Revenue guidance, it sounds like sales guidance?

Rohan Prakash Lade: Sorry I am not understanding, what?

Moderator: Sir, he is asking revenue guidance.

Rohan Prakash Lade: Revenue, this year, we are expecting, see revenue wise, we are targeting somewhat about Rs. 175 Cr this year with 15% EBITDA.

Garvit: How much, sir full year EBITDA?

Rohan Prakash Lade: 15% EBITDA.

Garvit: No topline, Rs. 135?

Rohan Prakash Lade: Rs. 175 Cr.

Garvit: Rs. 175 and 15% EBITDA, like EBITDA margin is going to succeed from here. That is what you are saying.

Rohan Prakash Lade: Yes.

Garvit: Got it, sir. Thank you very much, sir. I will join back in the queue. Thank you. All the best.

Rohan Prakash Lade: Thank you.

Moderator: Thank you. We have our next question from the line of Agastya Dave from CAO Capital. Please go ahead.

Agastya Dave: Sir, I will have to repeat the question about the margin. So what I thought was the entire point of keeping a large inventory was to protect ourselves from random fluctuations and steep volatility in raw material prices. But now, like last quarter, somebody had asked you, and in the last concall that you did, somebody had asked you about margin guidance and you had given 21%-22%. Today, you are saying 15% guidance for next year. And all this is happening when we have on revenue of Rs. 134 crores, we have an inventory of Rs. 117 crores and last year also we had Rs. 100 crores plus inventory. So where are we going wrong? We are carrying so much inventory, yet we are taking such substantial hits because of raw materials. So what is the point of keeping such a large working capital? So that is the first question. Second question is, on the working capital, even the receivables have spiked quite substantially in terms of number of days, so from Rs. 12-Rs. 13 crores, we have gone to Rs. 40 crores that is 30% of sales. So whichever way I look at it, I fail to understand what exactly has happened here and what the normalized levels are because in the opening remarks, I believe your CFO mentioned 20% margins, but to the previous participant you have applied 15% margins. So I have like two requests, first with such volatility, kindly start providing quarterly numbers. Because we can't have like a 6-month gap and then suddenly like a dramatically different picture appears. And second, sir, whenever we are discussing numbers on the same call, we are hearing two different numbers. So which one should we take? And we are working with the publicly disclosed numbers, but the publicly disclosed numbers need to be accurate. So please be a little bit more careful if the numbers are being given out, then at least there has to be some like thought process behind it. So can you just explain this that would be very helpful?

Rohan Prakash Lade: Yes, I understood what you are saying over here with respect to the margins and everything and with respect to the high inventories also. Basically, say the high inventories which we had kept, it is basically for a different type of a raw material. It was a nickel-based alloy raw material, which were kept high inventories and those inventories were kept with all the particular order which was expected to come up in this year. But unfortunately, I think it was mostly into the Bangladesh, but I think what has happened at the start of the year, so because of that, so that

inventory is still like that only. It has not gone down and also the domestic market, like last year, this nickel-based inventory, if you see the last year, it contributed mostly 40% of our turnover, this order. But this year, we have seen a drop in those particular nickel alloy orders, at least at the start of this year, there was a huge drop, but I think in the last 6 months, at least in last few months, I saw a little bit pick up but not that much, but still by the closing year, I think we did 40% in the last year and current FY year, since the last FY year, we were hardly 20%, I guess 20%-25% we did so because of that the inventory cycles for those better raw materials are still there because we work into nickel alloys also and we are working into stainless steel also. So lot of orders this year were more of stainless steel were not of nickel alloy. So stainless steel we don't keep that much stock because it is something which is readily available in the market. And so we don't keep that much stock of stainless-steel inventory, but this nickel alloy is a very costly material also, it do take time also to manual those equipment's. So that is why we are keeping those stocks. So that was the reason the inventories are still on the higher side. And also last time, when we had spoken about this EBITDA, because we had a good order book was at that time, but I think as I told, we saw the drop in orders later on so because of that, in the next half of the year, we were not able to maintain those margins also and with the pressure also, the domestic market was not performing that well. So whatever requirements which are coming in which we saw that yes, we can take those orders, but the margin drop will be there. But again looking at the quantum and everything because again the order book has also to be maintained by us, so looking at that we little bit compromised on the margins and we took those orders also. So that is why that drop has come in the EBITDA right now.

Agastya Dave: Understood, sir. Sir, but you are seeing pickup now in the market?

Rohan Prakash Lade: Sorry.

Agastya Dave: You are now seeing CAPEX picking up, as you said?

Rohan Prakash Lade: Yes, at least after March, now over the last 2 months I have seen lot of customers are now closing down with orders. As I told you, we have recently got some 2-3 orders of the very reputed customers and a very big name in the pharma. So yes, hopefully it will be the same going over everywhere because we are seeing new requirements also coming up. So that is why I am expecting it will grow.

Agastya Dave: Understood. Sir, one follow-up now, to your comment you made during your opening remarks that there will be a 20% drop in the inventory, either you did or your CFO did, I may be slightly mistaken there. So you mean as of now the inventory as a percent of the revenue as 87%, do you guys mean that this will drop to 60%, 67% or do you see the 117 absolute number dropping by 20%? What exactly did you mean by the 20% drop?

Rohan Prakash Lade: Not absolute, I would say. I think somewhere in between the range of 65%-70% yes, it will drop.

Agastya Dave: Understood. Sir, again, I will repeat the request that I made, kindly start giving quarterly numbers, especially when there is so much volatility.

Rohan Prakash Lade: Yes, we will try our best to do that.

Agastya Dave: And you need not report like fully audited numbers. Nobody does. You did not even report the full P&L. Just gave a sense of what the order book is looking like, how much revenue was booked during the quarter and what were the margins like and if there is a CAPEX which is going and now we have just finished our CAPEX. If you can give like every quarter if there is a CAPEX which is ongoing, just an update on that, update on what the inquiry pipeline is looking like, some commentary. It will hardly take you 10 minutes to write one paragraph press release and just post it on the exchanges if you are not giving quarterly results, but good practice would be to start giving quarterly reports voluntarily. It is just a good practice, sir. And second sir, just on the numbers also, sir, kindly be careful because again, as I said there were two different numbers for EBITDA in this very call and are dramatically different EBITDA number last call. So kindly keep that into your consideration. Thank you very much for giving me the opportunity, sir. All the best.

Rohan Prakash Lade: Thank you.

Moderator: Thank you. We have our next question from the line of Manish Kela, an Individual Investor. Please go ahead.

Manish Kela: Hello. Hi. Thank you for taking up my questions. So I have 3 questions essentially for the management. One is, sir, you talked about revenue guidance of Rs. 175 crores for this year, right? And your current order book is Rs. 80 crores. So do you think you have sufficient orders to be able to kind of make this revenue guidance? So that is my first question? Second is, if you look at your debtor days, it has gone up sharply when you compare it with the previous Financial Year. So I wanted to understand the reason behind that. And third is the margins fell during this latest half yearly period and you talked about increase in the input prices, especially commodities. So which commodity are we talking about specifically wherein the prices went up by more than 100%? So these are my 3 questions?

Rohan Prakash Lade: Sorry, what was the first question you said? Hello.

Manish Kela: Yes. The first question was on your guidance. Sir, you have guided for Rs. 175 crores this year?

Rohan Prakash Lade: We are pretty much confident on the order book, because right now also we are having Rs. 80 crores order book. And as I told you we are able to see a lot of CAPEX coming in and also those CAPEX are getting closed down also and new requirements also coming in from Pharma, from Agro Chemicals, from Specialty Chemicals. So yes, so we are definitely expecting that we will be having a good order book and not only that now in the coming months, we are going to

exhibit in Japan also, not exactly I would say exhibit, but we have signed the NDA also with one of our reputed manufacturers over there in Japan who are into similar kind of manufacturing, so they were interested in one of our products also. So they have their stall, they are exhibiting in one of the exhibitions. So they insisted us to participate through them in their exhibitions. So yes, there also we are doing that and not only that recently also we had some discussions with one of our very reputed USA manufacturer who is into similar kind of equipment's like Mixers and everything. So they themselves have approached us also for sort of collaboration. So currently, we are in talks with them. I think nothing as such concrete, but yes, but they have put the foot forward, not us, but because of that, so definitely that also we are seeing that that will also go on the floor and definitely because it is looking good for us. So with all these things going, yes and with the domestic market also doing good now, so we are expecting the order book to be going upwards only. And what was your second question?

Manish Kela: Yes. My second question was on the debtor days. So it shot up sharply this?

Rohan Prakash Lade: Debtors what?

Manish Kela: Debtor days, the receivable days?

Rohan Prakash Lade: Receivable days. Yes, because I think we had very high sales in this last quarter. So because of that, you will see the receivables certainly look higher since it was just the sales I was done in the last just last 2 months, I think February and March. So generally, a lot of customers that is around 30 days or 45 days or like that something. So yes, the receivables are there right now, but I think it will come down going ahead.

Manish Kela: My final question was on the commodity wherein you talked about more than 100% increase in the input cost, so which commodity are we talking about because your margins were impacted?

Rohan Prakash Lade: Basically, the raw material prices are inflated means lot of fluctuations you can see in the raw material prices, the stainless steel also and the nickel alloys also. And also, I think we have increased our workforce also, so that has also, because we are targeting now our huge business also and to cater those business I think definitely we need to have a good mix of manpower here within all various different departments. So because of that also you will see that difference were there.

Manish Kela: But if you look at the first 2 months of this Financial Year, which is April and May, how does the pricing scenario look as far as the commodities are concerned?

Rohan Prakash Lade: Pricing wise, it is like it is pretty much the same, only I would say, not much of a difference though, pretty much the same what we had seen in the last 5-6 months.

Manish Kela: Sir, if I can squeeze in one final question?

Rohan Prakash Lade: Yes.

Manish Kela: Yes. So if we look at the current capacity, what is that capacity utilization, not counting in for the additional capacity, but the existing capacity that we had. So where are we as far as capacity utilization is concerned?

Rohan Prakash Lade: The existing capacity is almost I think 90% is utilized. It was utilized earlier also. So that was the main need to do the expansion also because for us, when we make this equipment, we recall out of space while manufacturing this equipment and sometimes it is like that, a lot of customers sometimes delay it or don't clear it out fast. So when it blocks a lot of space also sometimes. Then, again the raw material storage is there. Sometimes that also becomes a very congested area. So with all those things, yes, we have utilized this current facility a lot.

Manish Kela: And sir, with the expanded capacity now in place, what is the peak revenue we can hit with all the capacities in place?

Rohan Prakash Lade: As I told I think we are targeting Rs. 175 this year.

Manish Kela: No, Rs. 175 is the target for this year. I am talking about what is the potential with this asset base? What is the maximum revenue you can hit, like can it be Rs. 300 crores or something over the next 2 or 3 years, something of that sort?

Rohan Prakash Lade: Yes, next 2 or 3 years, there is definitely, if you see in the next 3 years, there is definitely Rs. 300 crores is what we are targeting.

Manish Kela: Yes, with the same capacity, you need not add any new capacity?

Rohan Prakash Lade: Yes, with the expansion picking with that facility, yes.

Manish Kela: Alright, thank you, sir.

Rohan Prakash Lade: Thank you.

Moderator: Thank you. We have our next question from the line of Sri Krishna Bhutra from AIM Realtors. Please go ahead.

Sri Krishna Bhutra: Hi, sir. Thanks for giving me the opportunity. So basically we had a con-call in March on, I think around. 27th of March. During that con-call the revenue guidance that was given for FY '26 was Rs. 200 crores and the order book that we expect like high at that point was around Rs. 90 Cr. However, in the investor presentation, it is mentioned as Rs. 80 Cr as on 31st March and maybe

because of certain orders getting delivered. So what is the order book as on date? Is it still Rs. 80 crores?

Rohan Prakash Lade: Yes, it is Rs. 80 crores because again in the last 2 months, we have dispatched also and orders are added also. That is why the order bookings right now around Rs. 80 crores.

Sri Krishna Bhutra: And so again, coming back to my earlier question, which was Rs. 200 crores of target given for FY '26, we have now reduced it to Rs. 175 crores, even though we are seeing some update orders which are coming in the market and kind of customers putting up capacities. So is it like we are being more conservative or our stance has changed from earlier Rs. 200 crores to Rs. 175 crores?

Rohan Prakash Lade: See, now, we have the figure in the mind of 200, but we don't want to unnecessarily hype it out and give a much bigger figure. We will be targeting 200 definitely, but we might end up somewhere near to that 175. Because again, lot of factors are there towards the end of the year, sometimes customer doesn't pick up, there are sometimes delays in happening, sometimes the plants are not ready. So this is because earlier, we faced those things.

Sri Krishna Bhutra: And since you are at the end of the year, almost like we did comment that the EBITDA margins would go up to 20%-22%, but it has been around 14%-15% for FY '25, are we seeing those margins to kind of gradually grow to 15% for FY '26 or we expect it to be 15% for FY '26 and not gradually growing?

Rohan Prakash Lade: So it will gradually grow.

Sri Krishna Bhutra: And for FY '27, we still have around 20%-22% in mind or is it 15% one?

Rohan Prakash Lade: We are expecting that way the market stays the same going ahead also then, yes.

Sri Krishna Bhutra: And the revenue target is Rs. 300 crores that we have in mind or have we reduced that?

Rohan Prakash Lade: Yes.

Sri Krishna Bhutra: Again, one question on the inventory and I may sound a bit repetitive over here, but we mentioned that there was a margin erosion in H1 FY '25 because of steel prices going down or maybe the revenue was lower because of steel prices going down. Now, as the steel prices going up also had an impact on our revenue or is it because like how is the formula connected or do you have like order books based on historical steel prices or is it changed based on the delivery?

Rohan Prakash Lade: Steel prices do play a part, but not that much, I would say. Mainly it is with the orders, I think mainly with the drop in the global market with the pharma and the chemicals. So that is why the revenues had dropped with respect to the PAT and mainly whatever orders which were

visible, so they were at a bit of a lower margin and to maintain that order book also we had to grab those orders and not leave those, even though they are a bit of a low margin, so because of that, yes, the margins did take a hit a little bit.

Sri Krishna Bhutra: Those were from my end. Thank you.

Moderator: Thank you. We have our next question from the line of Sharan Ghatge, an Individual Investor. Please go ahead.

Sharan Ghatge: Hi, sir. Sir, your peers like glass-lined equipment players are trying to expand in your domain and are having a pilot plant. So how do you see that like on this front? And my second question is same repetitive question on the receivable part, like is it going to continue because I could see 3x jump from the last year and is it going to company or is it due to the like high sales in H2 like this is the onetime one-off for this year?

Rohan Prakash Lade: What pilot plants? What you said?

Sharan Ghatge: Yes. So the glass-lined equipment players are trying to expand in your domain and they are having like pilot plants for the Filters and Dryer. So how do you see that and like how do you see the competition in this time, sir?

Rohan Prakash Lade: In the pilot plant section you are saying?

Sharan Ghatge: No, they are coming to India domain, right? And are having like pilot plants like are you having any pilot plants for the Dryer equipment they have?

Rohan Prakash Lade: With all our equipment's, the range which we have, the product portfolio we have, we are having all pilot plants with us. So because lot of customers generally whether they put a new project or new Greenfield project. So a lot of customers are not aware sometimes that which of the equipment's will suit, will be compatible in this particular product, so most of them do take trials in our pilot plants. So we have the complete range of pilot plants over here.

Sharan Ghatge: So how do you see the competition here because two players are actually like, try to expand in your domain from their glass-lined things because they are finding the glass-lined industry in a big downturn. So are we seeing any competition and because?

Rohan Prakash Lade: See, I would say there are two of them are there, but I would consider only one of them as a competition with respect to the process equipment's like Filters and Dryers because the other one is not that usually doing Filters and Dryers and he doesn't have that expertise also to make those sort of Filters and Dryers in so much numbers also. Because we ourselves have done a lot of the rectification and repair work for those equipment's which customers are showing to us from the other manufacturers. So yes, with one of them, we do have the competition, but I think even in that also they doesn't take much of those pilot scale equipment's or even a very

huge scale, like I would say we have a good capability like a Filter Dryer if you say, we have a small 2 liter Filter Dryer also. And we also have a 20,000 Filter Dryer also. So that is something range which we have at our end. Not all of them have that sort of arrangement because that sort of design is not there with everyone. So in and out you can make out of ANFDS, but again those ANFDs have to perform also, should give a good performance. So that is very important. And over the years that has only helped us to grab more and more orders, even though one of our competitors who has a much bigger name, I would say just to say the much bigger name. But even though with that we were able to capture those orders and get those orders just because of the performance which our equipment's have done over the years.

Sharan Ghatge: And sir, one more question. You told in the last Concall that like we are going from equipment, selling equipment for this complete strategic solution for our customers in the last Concall. So how is that panning out, sir because that will give you more margin and like?

Rohan Prakash Lade: Yes, we are now pitching to a lot of customers that generally whenever a new project is there in the line, so there are lot many equipment's other than the Filter Dryers which are there. So yes, definitely when it comes to some stainless-steel reactors, nickel alloy reactors, then some mixers, blenders, even some high nickel alloy tanks and then there is Filter Dryer. So, whenever any new big project is there, definitely we are approaching that way. I think Harmon Finochem was that one of the customers who came to us with this multiple equipment's. So, we did supply reactors, we did supply filters, dryers, some blenders. So, with that we had got that start and now, we are pushing with a lot of customers and approaching them in the similar way, so that is the difference over there.

Sharan Ghatge: Sir, how is your investment in Bangladesh? So, like last time you told like we are in a tricky situation. Has that improved sir on that?

Rohan Prakash Lade: Yes. What had happened in Bangladesh, but after that, I think we will participate in exhibitions also, I think in the month of February over there and we did got a good response also over there means even though what had happened in the country with respect to that but still the response was pretty much good over there and also whatever supplies we had done to the pharmaceuticals over there, so now they are under operational and now they are already started also with their productions. So, going ahead, yes, we are expecting that they should be going into the second phase also at their end. And we have received also some of the new requirements just few weeks back only for one of the customers whom we have supplied the equipment's also over there. So, we are saying that they will pick up again. It will take time, but they will pick up.

Participant: Great news, sir. Can you just explain on the receivables, whether the receiver will be same for like hereafter because I could see a great sum which was not there in other cases, in other years so?

Rohan Prakash Lade: Receivables, generally, whatever receivables are there because of the sales, which we did in the last 2 months of the financial year and generally a lot of customers have a payment in terms of 30 days, 45 days being a bigger MSME more than 45 days, then the lease not what we go. But because of that the receivables will be visible over there in that particular site.

Participant: So, it won't be there for next year with respect to our sales?

Rohan Prakash Lade: No, the number of days would be definitely not that much, definitely.

Participant: Thank you, sir. Thanks a lot.

Moderator: Thank you. We have our next question from the line of Garvit from Invest Analytics. Please go ahead.

Garvit: Hi, thanks for the follow up. Sir, just want to ask like you are saying we are seeing good traction in the market in the term, though expected orders and CAPEX is picking up at the customer end, particularly on the Pharma and Agro Chemicals side, so I just want to ask like earlier we were having a target of around, I think Rs. 200 Cr for this year, so why we are losing our guidance to Rs. 175?

Rohan Prakash Lade: Earlier also same questions one of the persons had asked, we are targeting to Rs. 200, but we also don't want to give some unrealistic figures also because again the market has to stay over the year like this. So whatever figures I have given is with respect to the current situation. If the market stays pretty much strong like that, we would be definitely targeting Rs. 200 Cr, but again, sometimes the supplies are also not picked up a lot of customers, sometimes there are delays at customers end. So, we might end up near to Rs. 175 Cr because of that.

Garvit: That means Rs. 175 when you are seeing, this is after accounting for all these kinds of downside, right? And this is the minimum number value?

Rohan Prakash Lade: Yes, because this year also had the same. This year also, we were very much easily going to reach 150, but few of the dispatches were not done. So, because of that we ended up around 175.

Garvit: And secondly, if you can please, you mentioned very well, we are seeing some traction, but if you can put some color in the terms of the kind of quantum of orders are we expecting in next say 4-5 months and which are the major areas from where we are seeing these orders?

Rohan Prakash Lade: Yes, as I told you, in these 2 months also, we got a good mix of orders morely from pharma I think, some of the key customers and I would say very big customers, they placed the order upon us and also going ahead because whatever I see everyday lot of requirements are coming in everyday and most of them are coming from Pharma and from Agro. So yes, going ahead, we do see these 2 sectors performing well and these 2 sectors are the ones which have

performed well over the years also just if you leave the last 2 years but before that, they have been doing well. So yes, I am expecting the order flow coming from these sectors more.

Garvit: And the quantum?

Rohan Prakash Lade: I think quantum see is generally what happens I would say, Pharma might be a bigger quantum as compared to the chemicals because the chemicals will give you less margins as compared to the Pharma business.

Garvit: By quantum, I mean like the amount of orders that you are seeing?

Rohan Prakash Lade: How many orders?

Garvit: Amount of orders, value in INR term?

Rohan Prakash Lade: It is not possible for me to put up a figure in INR. But yes, quantum wise Pharmaceuticals is the higher.

Garvit: Got it. And lastly on the mix side, geographical mix, basically, so this year's export was little down. How do you see exports to follow in FY '26?

Moderator: Sorry sir, may I please request you to rejoin the queue.

Garvit: Just last question.

Rohan Prakash Lade: Yes, what?

Garvit: I am asking, how do you see exports to follow in FY '26?

Rohan Prakash Lade: Yes, I think right now what we are doing is if you see by the start of this year, we are targeting a lot of geographies like we went to Bangladesh, then last year when Lade sir was there, we had gone to Indonesia over there. So, this Japanese connection has happened because of the Indonesia exhibition, so they approached us over there, they saw us over there and this is how this Japanese connection has been developed. So now, we are going to Japan also this year and again in August, I think we are we are exhibiting at Jordan also and I think maybe by the end of the year, we are trying to exhibit in Russia also. So yes, we are targeting these geographies because we can see some requirements coming up from these regions. So that is the reason we are exhibiting and the reason to exhibit is that unless and until we don't exhibit, we also don't come to know how big the market is over there, because a lot of local people approach us over there and then we are able to gauge what sort of market this will be with. So, I am expecting since we are approaching, we are exploring so much of geographies, so definitely we will see a pretty steady exports also happening this year. And recently, I think we closed down order also for from Israel, which was good for us.

Garvit: Got it. Thank you, sir. Thank you.

Moderator: Thank you. We have our next question from the line of Keshav from BHH Securities. Please go ahead.

Keshav: Thank you so much for giving me an opportunity, Rohan. I really miss your father. He was a very dear friend of mine and we had regular conversations, and I have many meetings with him. So, it is with a lot of sorrow and a lot of grief actually I am right now in. I need to ask some questions. So basically, we had EBITDA margins of 28% in the first-half and in the second-half, the EBITDA margins have dropped sharply. So, when we take orders from a client, do we factor in possible increases in raw material prices and then give a quote to the client and when a client gives us an order, is it against the advance of 10% or 20% of the order value? And what do we do to insulate ourselves from raw material price increases?

Rohan Prakash Lade: See basically, what you said is correct. The raw metal prices are fluctuating a lot. So, whenever the customers place us order so we have to look into the raw material prices also. But sometimes again the competition is so fierce that and since the market is also down, so looking at those things, we have to again select like what set of orders we can book. So, we have to look at the margins and even though the margins are bit down than what we used to take it, but to maintain the order book, we have to get those orders at lower margins. So, because of that.

Keshav: Lade sir had done the maiden Concall where he had very clearly said your father, Prakash Lade, sir, that he is not going to compromise on margins and he will only take those orders where the margins are there. If the margins are not there, he is not going to take those orders and in fact, you phased out UPL and those client's kind of clients which have not given you the margins which you are looking at. That is what Lade sir had mentioned as a philosophy, now you have guided for Rs. 175 crores for FY '25-26. That is the current year and for next 26-27, you have given a guidance of Rs. 275 crores. So, are we going to have EBITDA margins which we had in the first half of 28%, will we be able to get those margins or you are looking at lower EBITDA margins for FY '25-26 and 26-27?

Rohan Prakash Lade: 28% won't be there, but just but we are looking at somewhere around 20% at least 20%-22% EBITDA margin.

Keshav: Got it. Now, Lade sir passed away on 29 December 2024, so as I was in close in connect with him, he had identified a process equipment company in Ankleshwar which he was looking to go and have a conversation with the view of making an acquisition. So, do you have any idea? Are you having any plans of doing any inorganic growth, any acquisition?

Rohan Prakash Lade: Yes. In fact, that particular company was identified by me only. Lade sir was just following that lead from given by me. But I think since Lade sir passed away, so my focus at that particular

time and he passed away at a very wrong time I would say because we were just 3 months away from.

Keshav: No, it is a big shock for me personally what has happened.

Rohan Prakash Lade: Yes, even for the same for me also because it was very shocking for me being his son, something was not expected that he would go like all of this in a very sudden way. So, it for me it took some time to grab all the things and to look into everything. So, I had to prioritize a lot of things considering the financial year ending and all those things. So, I little bit didn't focus on that considering the March and everything. But yes, after that we had discussions on that part and already I think we had discussed 1 or 2 times with that Ankleshwar vendor also. Hopefully, this year, we would be doing something with it and we are trying to see whether we can collaborate with them.

Keshav: So, this can potentially add Rs. 100 crores?

Rohan Prakash Lade: Not 100, but around 50-60 it can add.

Keshav: Got it. That is all from my end. Thank you so much. Thank you so much for giving me an opportunity and please accept my condolences again. Thank you so much.

Rohan Prakash Lade: Thank you.

Moderator: Thank you. The next question is from the line of Amit Agicha from HG Hawa. Please go ahead.

Amit Agicha: Yes. Thank you for the opportunity and sorry to hear about your father, sir. Sir, my question was connected to like the order book, like, could you provide visibility into the Rs. 80 crores order book and expected execution timeline and margin profile for that order?

Rohan Prakash Lade: Sorry, can you say again?

Amit Agicha: Rs. 80 crores order book visibility, expected execution timeline and margin profile for?

Rohan Prakash Lade: Execution and timeline, this Rs. 80 crores order book is mostly I think, we are in May, around, and I think August to September, September I guess.

Amit Agicha: Execution will be completed by September?

Rohan Prakash Lade: Yes.

Amit Agicha: And sir, we would like to visit the plant whenever the company organizes this?

Rohan Prakash Lade: Yes, you are very much welcome. You can just let us know well in advance. So that we can, you are welcome over here accordingly.

Amit Agicha: Thank you, sir and all the best for the future.

Rohan Prakash Lade: Sure.

Moderator: Thank you. We have our next question from the line of Manish Kela, an Individual Investor. Please go ahead.

Manish Kela: Sir, I am going to repeat my question once again on the commodity price increase. So, you talked about more than 100% increase in the price of raw materials itself while I understand that there was also an increase in employee costs and other operating expenses. So, you specifically talked about a couple of commodities which was steel and nickel. So, I tracked steel very closely?

Rohan Prakash Lade: What, steel?

Manish Kela: Steel. I don't think steel had such a big under discussion and nickel also when I look at the price chart, I am not able to see such a big variance. So, when you say that the raw material prices more than doubled, I am kind of looking for answer.

Rohan Prakash Lade: I didn't say it is doubled, it is increased, but it is not doubled.

Manish Kela: But that is what your investor presentation says. Maybe you can look up your investor presentation that is what.

Rohan Prakash Lade: It might be with this for nickel and nickel alloys or something, I think it is with respect to the overall half year, I would say, not just in this couple of months, I would say. If you see, if you compare last 6-8 months, the prices have fluctuated a lot, like if you see last year around November or October, the prices were very different than what they are right now.

Manish Kela: Yes, it looks different, but it is not done more than 100%.

Rohan Prakash Lade: In our equipment, if you see in our equipment's, if you see 80% is the raw material.

Manish Kela: Yes, I understand, but because.

Rohan Prakash Lade: So, the raw material is the main thing which affects us.

Manish Kela: Got it. But I am only quoting as to what is mentioned on the PPT. The PPT says that there is more than 100% increase.

Rohan Prakash Lade: It is not just from 1 or 2 months, it is over the half year generally, it is not just from 1- or 2-months data.

Manish Kela: Alright, thank you.

Rohan Prakash Lade: Thank you.

Moderator: Thank you. Ladies and gentlemen, due to time constraint, that would be the last question for today and I now and the conference over to the management for closing comments.

Rohan Prakash Lade: Any more questions?

Moderator: Sir that was the last question for today due to time constraint.

Rohan Prakash Lade: So, thank you everyone. I would like to thank you everyone for taking out the time and attending this call. And I am also thankful to each and every member of our BEW Group as well as our clients, creditors and the bankers and the financial institutions and all our other stakeholders also. And for any further queries or information, please get in touch with our Investor Relations team. Thank you.

Moderator: Thank you. On behalf of BEW Engineering Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.