



RAJRATAN

OUTPERFORM

INDIA | THAILAND

www.rajratan.co.in



RGWL/20-21/

23rd July, 2020

To BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400001 Scrip Code – 517522	To National Stock Exchange of India Limited ‘Exchange Plaza’, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Symbol - RAJRATAN
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Sub: Investor Presentation

Scrip Code: 517522

Dear Sir,

With reference to above subject, please find attached herewith Investor Presentation.

You are requested to kindly update the same on your website.

Thanking you,
Yours faithfully,

For **Rajratan Global Wire Limited**

Shubham Jain

Company Secretary & Compliance Officer



RAJRATAN GLOBAL WIRE LIMITED

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CIN No. L27106MP1988PLC004778



Rajratan Global Wire Limited

Investor presentation | First quarter | 2020-21

What you need to know about Rajratan at the outset

One of the fastest growing bead wire manufacturers in the world

Also engaged in the manufacture of high carbon steel wire

The second largest bead wire manufacturer in Asia

The only bead wire local manufacturer in Thailand

Overview

Background

Rajratan has been engaged in the manufacture of bead wire and high carbon steel wire for more than two decades.

Capacity

Rajratan possesses an installed aggregate manufacturing capacity of 106,800 TPA across its Indian and Thailand facilities.

Plant approvals

Rajratan's plants have been approved and audited by a number of national and international tyre manufacturers.

Market presence

Rajratan is the second largest manufacturer of bead wire in Asia (excluding China) and the largest manufacturer in India; it is also the only manufacturer in Thailand.

Geographical spread

Rajratan has two manufacturing facilities (Pithampur in India and Ratchaburi in Thailand).

Customer-retention

>85% of the revenues were derived from customers associated with the company for 5 years or more.

Promoter's holdings

The promoter holds 64.53% of Rajratan's equity capital.

Our prestigious marquee customers

India

- Apollo Tyres • ATC Tires • Balakrishna Tyres • Birla Tyres • Bridgestone • CEAT
- Continental • Goodyear • Hindustan Tyres • JK Tyre & Industries • Mahadeo Industries • MRF Limited • Poddar Tyres • Suprajit Engineering • TVS Srichakra

Thailand

- Camel Industries • Deestone International • Huayi Group • Otani Radials
- Sentury Tire • Siam Truck Radial • Sumitomo • Svizzone Tire • Vee Rubber
- Yokohama • ZC Rubber

International

- CAMSO Loadstar, Sri Lanka • Casumina, Vietnam • CEAT, Sri Lanka
- Everthrough, Malaysia • Global Rubber, Sri Lanka • Silverstone, Malaysia
- Toyo Tires, Malaysia • Trelleborg Wheel & Systems, Italy

The numbers (Consolidated)

Revenues (Rs. In lakhs)



Net profit (Rs. In lakhs)



EPS (Rs.)



EBITDA (Rs. In lakhs)



EBITDA margin (%)



PAT margin (%)



The numbers we reported Q1 FY21

Rs. In lakhs

Parameters	Q1FY21	Q1FY20	FY20	FY19
Revenues	6465	13032	48021	49288
EBITDA	847	1912	6919	5410
Depreciation	344	270	1209	919
Interest	302	317	1339	1081
Profit before tax	201	1325	4371	3410
Profit after tax	165	985	3304	2671
Equity (Rs. 10 face value)	1015	435	1015	435
Earning per share (Rs.)	1.62	9.70	32.55	26.30
EBIDTA margin (%)	13.10	14.67	14.41	10.98
PAT margin (%)	2.55	7.56	6.88	5.42

Note: The company has issued 58,02,400 fully paid up bonus Shares in the ratio of 4:3 (i.e four bonus shares of INR 10 each to every shareholder holding three equity shares of INR 10 each) as approved by the members. The basic and diluted earning per share for all period presented is adjusted retrospectively in view of the provisions of Para 64 of IND AS 33 - earning per share

The big take-home from our **Q1FY21** results

The Company
remained
profitable even
at half the
revenues of
Q1FY20

EBITDA margin
declined only
157 bps

Interest cover
was a
creditable
1.67x

The challenges Rajratan faced in **Q1 FY21**

Impact of Covid-19 pandemic; Indian plant shut for 40 days; Thai plant shut for 25 days

Average capacity utilisation of expanded capacity was 20% for India and 62% for Thailand

Vendors affected; supply chain interrupted

Global and Indian customers shut down or de-stocked in May 2020

Revenues declined 50.39% over Q1 FY20

Profit after tax declined 83.24% over Q1 FY20

EBITDA margin dip of 157 bps only

How Rajratan moved with speed to protect business continuity

Manufacturing

The Indian plant resumed operations after a gap of 40 days and focused on maximising output synced with market demand

The Thailand Plant remained operational while Indian operations were shut, enhancing flexibility

Completed routine maintenance activities during the planned production shut down of 25 day in Thailand



Sales

Increased customer engagement at the commercial and plant levels

Serviced even the smallest customer needs with speed

Increased the market share of the Indian plant to almost 50% in June 2020 (32%, March 2020)



Liquidity

Strengthened receivables management

Focused on value-added bead wire output



Cost management

Deeper focus on cost rationalisation

Identified a number of initiatives with enduring impact

Why we remain cautiously optimistic in a challenging market

Sector

- BS VI compliance hump over for the sector from 1 April 2020
- Greater consumer need for personal mobility in a pandemic environment
- Competitive pricing by automobile brands
- Anti-dumping duty on specific tyre variants

Company

- Post-expansion debt-equity ratio of 0.86 as on 31.03.20
- Indian cost of debt <8% while Thailand <5%
- Repaid and prepaid commercial obligations during lockdown
- Lower working capital needs

How Rajratan expects to capitalise

Cost leadership

Among the lowest cost bead wire makers in the world

Technology-driven quality

Among the highest product standards in the world

Range

Wide range of products customised around downstream needs

Relationships

Multi-year customer relationships; high wallet share

Signed agreements with major vendors around a transparent price formula

Responsiveness

Prepared for any quantity commitment with on time deliveries; dispatched during the lockdown to address urgent needs

Why we are attractively placed

Sector: Decline in manufacturing capacity

Rajratan: Increased capacity availability; largest market share

Sector: Supply chain interruption

Rajratan: Stronger resource availability

Sector: Relatively same capacity

Rajratan: Doubled capacity (effective FY2020)

Sector: Competitive pressure

Rajratan: Competitive cost following expansion

Customers: Increased quality focus

Rajratan: Expansion cum modernisation enhanced quality

The background features a dark blue gradient with several overlapping, semi-transparent blue gears and circular shapes, creating a technical or industrial aesthetic.

For more details please contact
contact@kaptify.in

Thank you