



**RAJRATAN**

OUTPERFORM

INDIA | THAILAND

www.rajratan.co.in



RGWL/20-21/

21<sup>st</sup> January, 2021

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

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



# Outperform!

**Rajratan Global Wire Limited**

Investor presentation

Third quarter

2020-21

# Rajratan Global Wire at a glance

The Company is among Asia's largest bead wire manufacturers (ex-China)

The Company is the only bead wire manufacturer in Thailand

## Our vision, mission and values

### Vision

To become the leading and most preferred bead wire manufacturer and supplier to tyre companies in India and globally

### Mission

- To manufacture and supply superior quality products at competitive prices and support it with excellent customer service
- To imbibe and constantly develop a culture of excellence and improvement in every aspect of the business we are in
- To ensure and enhance safe working conditions for all concerned

### Values

- Ethical business built on mutual trust
- Quality orientation and constant innovation
- Continuous learning and personal growth
- To care for and share with the society we live in

## Overview

### Background

The Company was founded by Mr. Sunil Chordia and his family in 1989 as Rajratan Wires Pvt. Ltd. In 2004 the name of the Company was changed to Rajratan Global Wire Limited.

### Products

The Company is engaged in the production of bead wire and high-carbon steel wire.

### Customers

The Company enjoys long-term customer relationships; 85% customers were associated with the Company for more than five years by Q3 FY 2020-21

### Manufacturing capacity

The Company possesses an aggregate wire manufacturing capacity of 106800 tonnes per annum (India and Thailand)

### Promoter's

Mr. Sunil Chordia and his family account for 64.53% of equity ownership in the Company

### Locations

The Company has two manufacturing facilities at Pithampur (M.P.) in India and at Ratchaburi in Thailand

### Exports

The Company services customers in India and across the world (including Italy, USA, The Czech Republic, South Korea, Malaysia, Indonesia, Philippines, Vietnam, Sri Lanka, UAE, and Bangladesh, among others)

## Our prestigious marquee customers – India



Many more ....

## Our prestigious marquee customers – Thailand



**SENTURY TIRE**  
Americas



**GOODYEAR**



**OTANI**  
DRIVING CONFIDENCE



**DEESTONE**  
MOVE THE WORLD



**SUMITOMO TIRES**



**DOUBLE COIN**



**Continental**



中策橡胶  
**zc rubber**



**Vee Rubber**  
PERFORMANCE TIRES



**YOKOHAMA**



**BRIDGESTONE**  
Your Journey, Our Passion



**IRC**



**CAMEL**  
YOUR PERFECT RIDE



**SVIZZ ONE**

Many more ....

## Our prestigious marquee customers – International



Sri Lanka • Vietnam • Malaysia • Italy • Indonesia • South Korea • Czech Republic



# Sectoral environment

The Indian economy is projected to report marginal GDP growth in Q3 compared to the de-growth of 7.5% in Q2FY21 and 23.9% in Q1FY21

The improvement was inspired by a growing need for personal mobility and improved automobile offtake; passenger vehicles (PV), commercial vehicles and tractors sales totalled 1,844,143 units in December 2020, ~11% more than the same period last year

Corresponding growth in tyre offtake led by pick up in OEM sales, replacement demand and new manufacturing capacities being setup by tyre manufacturers in India and Thailand

## Q3 FY21 performance

Highest ever  
quarterly revenues,  
EBITDA and PAT  
for the second  
consecutive  
quarter

All-round  
improvement in  
India and Thailand  
operations

## Corresponding y-o-y growth

Revenue increased 52 % over Q3FY20

EBITDA increased by 72% over Q3 FY20

Profit after tax increased by 98% over Q3 FY20

## Sequential q-o-q growth

Revenue increased 15% over Q2FY21

EBITDA increased by 6% over Q2 FY21

Profit after tax increased by 9% over Q2 FY21

# Highlights during the quarter

Rajratan (India) recorded the highest ever quarterly revenues and production volumes

Rajratan (India) recorded the highest monthly sales of bead wire in December, 2020

Rajratan (Thailand) recorded the highest ever quarterly production in Q3FY21

Rajratan (Thailand) continued to expand its customer base in the domestic market

## Quarterly performance highlights (Consolidated)

Rs. In lakhs

Parameters	Q3FY21	Q3FY20	9MFY21	9MFY20
Revenues	15922	10482	36289	35556
EBITDA	2687	1560	6073	5383
Depreciation	359	313	1050	877
Interest	336	315	955	1000
Profit before tax	1992	932	4068	3506
Profit after tax	1473	745	2992	2697
Equity capital (Rs. 10 face value)	1015	1015	1015	1015

## Analysis of the quarter's performance

Parameters	Q3FY21	Q3FY20	9MFY21	9MFY20
EBIDTA margin (%)	16.88	14.88	16.74	15.14
Net profit margin (%)	9.25	7.11	8.24	7.59
Interest cover (x)	6.93	3.96	5.26	4.51
Earnings per share (Rs)	14.51	7.34	29.48	26.57

# The principal challenge of Q3 FY21

Sharp increase in steel wire rod prices (20% over Q2 FY21 )

Raw material price increase passed on with a minor lag

# The reasons for the improved performance

Higher operating leverage due to increased volumes

Strong operational controls

Superior customer service

Strong team-work



# How we mitigated risks during the quarter

## Demand management

**Mitigation:** Rajratan teams secured raw material (through the enlistment of new suppliers), enhanced output and strengthened logistics to provide customers with just-in-time material delivery

## Sharp increase in raw material prices

**Mitigation:** The Company witnessed a minor decline in EBIDTA margin by 138 bps on account of steel cost inflation that was passed on to customers with a lag. The company focused on timely deliveries and addressed their growing needs, which helped amortize fixed costs and absorb material inflation.

## Increase in freight cost

**Mitigation:** The Company's Thailand plant focused on in-country and ASEAN sales to accelerate deliveries and reduce freight cost considerably.

## Cost of debt

**Mitigation:** There was an increase in the Company's debt cost as a result of the increase in turnover; however, the increase in debt cost was lower than the increase in turnover due to efficient utilisation of working capital and strong cash flow.

# How we are taking the Q3 initiatives ahead

## Capacity

- India: Timely capacity de-bottlenecking
- Thailand: Capacity will be de-bottlenecked to increase production from Q4FY21
- Thailand: Initiated expansion to 60,000 MTPA within 15 months
- Thailand: Acquired land for expansion of capacity

## ESG Compliance

- Embarked on the installation of a new effluent treatment plant (zero discharge / reduced conversion cost) in India
- Upgrading infrastructure at Thailand in line with Office of Natural Resources and Environmental Policy and Planning (ONEP Thailand) standards

## Efficiency

- Deepening the TPM culture in collaboration with external firms
- Implementing a new ERP to enhance operational efficiency
- Automating the patenting line (Thailand) to enhance quality and efficiency

# The big message of how we are attractively placed

Increased  
bead wire  
demand

Timely capacity  
expansion to  
meet  
increasing  
demand

Strong  
operational  
efficiency

High  
operating  
leverage

For more details please contact:

**Rajratan Global Wire Ltd**

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Company Secretary

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Thank you