



RAJRATAN

OUTPERFORM

INDIA | THAILAND

www.rajratan.co.in



RGWL/21-22/

24th April, 2021

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| 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

Dear Sir,

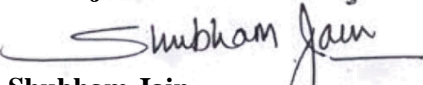
With reference to above subject, please find attached herewith Investor Presentation.

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

Regd. Office: Rajratan House, 11/2, Meera Path, Dhenu Market, Indore-452003, Madhya Pradesh, India. Tel.: +91-731-2546401 Fax: +91-731-2542534
Factory: 200-B, Sector-1, Pithampur-454775, Dist. Dhar, Madhya Pradesh, India. Tel.: +91-7292-253429, 253375 Fax: +91-7292-253357

CIN No. L27106MP1988PLC004778



Outperform!

Rajratan Global Wire Limited

Investor presentation

Fourth 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 under the name of Rajratan Wires Pvt. Ltd. In 2004, the name was changed to Rajratan Global Wire Limited

Products

The Company has been manufacturing tyre bead wire and high carbon steel wire for over two decades

Customers

The Company enjoyed relationships of five years or more with more than 85% customers in 2020-21

Manufacturing capacity

The Company possessed an aggregate wire manufacturing capacity of 106,800 tonnes per annum (India and Thailand)

Promoter's holdings

Mr. Sunil Chordia and his family hold 65% equity in the Company

Locations

The Company has two manufacturing facilities at Pithampur (Madhya Pradesh) in India and Ratchaburi in Thailand

Exports

The Company exports products to customers in India (from Thailand), Italy, USA, The Czech Republic, South Korea, Malaysia, Indonesia, Philippines, Vietnam, Sri Lanka, UAE and Bangladesh, among others)

Our prestigious marquee customers – India



Among others...

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

Among others...

Our prestigious marquee customers – International



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

Sectoral environment, Q4 FY 2020-21

India's automobile sector reported 13.6% volume decline in FY21; it grew 25.5% year-over-year in Q4 2021

Size of India's automobile market

118

USD bn,
2020

300

USD bn,
2026E

Rajratan's operational highlights

Rajratan (Thailand)
recorded its highest
quarterly production
and sales in Q4
FY2021

Rajratan (India)
recorded its highest
quarterly sales
during the quarter
under review

Highest
production and
sales on
consolidated basis
in Q4 FY 2021

Corresponding Y-O-Y growth Q4

Revenues increased 47% over Q4 FY2020

EBITDA increased 115% over Q4 FY2020

Profit before tax increased 196% over Q4 FY2020

Profit after tax increased 282% over Q4 FY2020

Sequential Q-O-Q growth Q4

Revenues increased 15% over Q3 FY2021

EBITDA increased 23% over Q3 FY2021

Profit before tax increased 28% over Q3 FY2021

Profit after tax increased 58% over Q3 FY2021

Rajratan's comparative performance

Rs. In lakhs

| Parameters | Q4 FY21 | Q4FY20 | YOY % | FY21 | FY20 | YOY % |
|------------------------|---------|--------|---------|-------|-------|---------|
| Revenues | 18365 | 12465 | 47% | 54654 | 48021 | 14% |
| EBITDA | 3301 | 1536 | 115% | 9374 | 6919 | 35% |
| Depreciation | 360 | 332 | 8% | 1410 | 1209 | 17% |
| Interest | 384 | 339 | 13% | 1339 | 1339 | 0% |
| Profit before tax | 2557 | 865 | 196% | 6625 | 4371 | 52% |
| Profit after tax | 2321 | 607 | 282% | 5313 | 3304 | 61% |
| Earning per share (Rs) | 22.87 | 5.98 | 282% | 52.34 | 32.55 | 61% |
| EBITDA margin (%) | 17.97 | 12.32 | 565 bps | 17.15 | 14.41 | 274 bps |
| Net profit margin (%) | 12.64 | 4.87 | 777 bps | 9.72 | 6.88 | 284 bps |

Key ratios

| Parameters | FY21 | FY20 | YOY % |
|---------------------------|-------|-------|---------|
| Interest cover (x) | 5.95 | 4.26 | 39% |
| RoE (%) | 23.88 | 19.51 | 437 bps |
| RoCE (%) | 22.65 | 18.96 | 369 bps |
| Debt-equity ratio (x) | 0.64 | 0.86 | 22 bps |
| Dividend per share* (Rs.) | 8.00 | 2.00 | - |

*Being the 30th year of completion of commercial production the Board has recommended exceptional dividend of 80% on the face value of equity shares which is subject to the approval of shareholders at their Annual General Meeting.

Major developments, Q4, FY 2020-21

The Company reported third consecutive quarter of highest ever Revenue, EBITDA and Net Profit

The Company widened its customer base in USA, Sri Lanka & Europe

The capacity expansion plan in Thailand is taken up from 34,800 TPA to 60,000 TPA

The Company was accorded a prestigious Vendor Managed Inventory responsibility for six plants by a large customer

Principal challenges and risk mitigation initiatives, Q4

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| Production capacity | Mitigation: The Company debottlenecked processes to increase production in its Indian and Thailand plants. |
| Cost of debt | Mitigation: In spite of an increase in turnover, the Company reduced its debt and cost of debt. |
| Shipment challenges | Mitigation: Rajratan Thailand focused more on domestic sales. We increased our spread of countries by kick starting supplies to USA and Europe. |
| Lead time to customers in South India | Mitigation: Rajratan (India) embarked on commissioning a warehouse in South India to deliver faster and be closer to customers. |
| Challenges arising out of Covid-19 pandemic | Mitigation: Rajratan worked in line with government controls on the lockdown, operational discontinuation, social distancing and sanitisation, protecting the interests of its eco-system. |

The medium-term sectorial overview

India expected to emerge as the world's third largest passenger vehicle market by 2026

Rapid growth projected from the EV segment (estimated annual sales of 6.34 million units by 2027)

Production Linked Incentives (PLI) to strengthen prospects of automakers

'Green Tax' proposed on polluting cars; will accelerate vehicle scrapping

Indian tyre companies increasing exports

Rajratan's strategy to capitalize

Capacity

Increase monthly production capacity in Thailand from 2900 MT to 5000 MT at the start of FY 2022-23.

Market share

Rajratan (Thailand) market share expected to increase from 20% to 30% in local market

Productivity

Digitalise the entire management control system for manufacturing

Product mix

Increase production of thicker bead wire sizes used in Truck Bus Radial (TBR) tyres, where margins are higher

New manufacturing facility

Started exploring possibilities of setting up a new Tyre Bead Wire Plant in Southern India

For more details please contact:

Rajratan Global Wire Ltd

Shubham Jain,

Company Secretary

investor.cell@rajratan.co.in

<https://www.rajratan.co.in>

KAPTIFY®

Strategy & Investor Advisory | Consulting

contact@kaptify.in

Tel: +91-845 288 6099

<https://www.kaptify.in>

Thank you