



RAJRATAN

OUTPERFORM

INDIA | THAILAND

www.rajratan.co.in



RGWL/21-22/

21st July, 2021

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
--	---

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

First quarter

2020-21



Rajratan Global Wire at a glance

Among one of the
largest bead wire
manufacturers
in Asia

Only bead wire
company to
manufacture 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. The name of the Company was changed to Rajratan Gutsav Wolf Ltd. in the year 1998 and was then changed to Rajratan Global Wire Limited in 2004.

Products:

The Company has been engaged in the manufacturing of bead wire and high carbon steel carbon wires for over 25 years.

Customers:

The Company enjoys long-term relationships of five years or more with more than 83% customers associated with the Company in Q1 FY 2021-22.

Manufacturing capacity

The Company possesses an aggregate wire manufacturing capacity of 112,000 tonnes per annum (India (72,000 TPA) and Thailand (40,000 TPA))

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, Finland and Bangladesh, among others)

Our prestigious marquee customers – India



Our prestigious marquee customers – Thailand



Our prestigious marquee customers – International



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

Sectoral environment

177

million units, India
tyre market
consumption,
2020

218

million units, India
tyre market
consumption,
2026E

Outlook

The Indian tyre industry is estimated to grow 13-15% by value and 7-9% by tonnage in FY22, derived from growth in the OEM and replacement segments.

ICRA estimates tyre industry capital expenditure of more than Rs 20,000 crore between FY2022 and FY2025

The government's focus on infrastructural development is projected to drive the offtake of automobiles (and hence tyres)

(Source: Economic Times)

Rajratan's operational highlights

Rajratan Thailand recorded its highest EBITDA, PBT and PAT

Rajratan India recorded its highest PBT and EBITDA

Highest PBT and EBITDA on consolidated basis

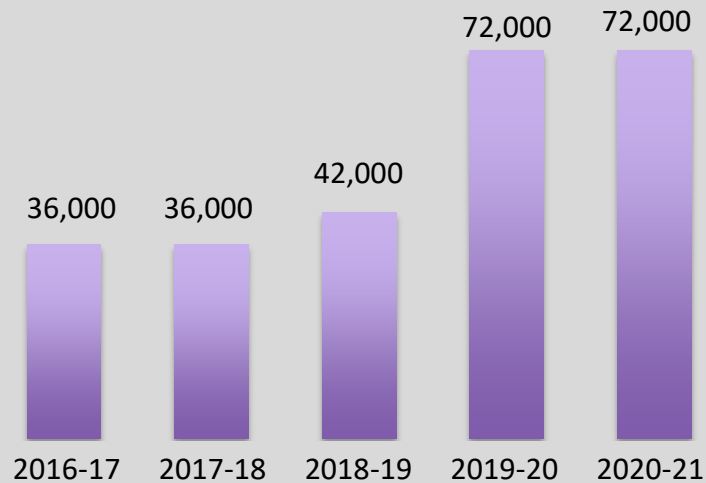
Rajratan's comparative performance

Rs. In lakhs

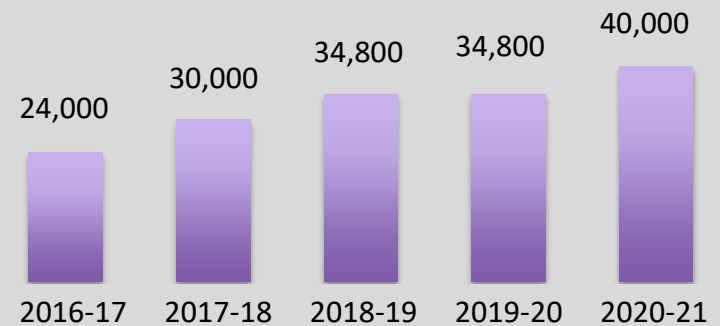
Parameters	Q1 FY22	Q4 FY21	Q1 FY21	FY21	FY20	YOY %
Sales volume (MT)	19833	21381	9239	71046	66356	7.1
Revenues	18229	18365	6465	54654	48021	13.8
EBITDA	3602	3242	776	9211	6802	35.4
Other Income	9	59	71	163	117	39.3
Depreciation	370	360	344	1410	1209	16.6
Interest	366	384	302	1339	1339	0
Profit before tax	2875	2557	201	6625	4371	51.6
Profit after tax	2192	2321	165	5313	3304	60.8
Equity capital (Rs. 10 face value)	1015	1015	1015	1015	1015	-
Earning per share (Rs)	21.58	22.86	1.62	52.34	32.54	60.8
EBITDA margin (%)	19.76	17.65	12	16.85	14.16	269 bps
PBT margin (%)	15.77	13.92	3.11	12.12	9.10	302 bps
PAT margin (%)	12.02	12.64	2.55	9.72	6.88	284 bps

Other Income excluded from EBITDA and EBITDA margin calculations to show core operating metrics

Our production capacity over the last five years



India



Thailand

Major developments, Q1, FY 2021-22

Rajratan Thailand

- Installed a new upgraded patenting line to enhance efficiency and environment-friendliness.
- Developed additional raw material sourcing points; strengthened its logistics and supply chain from India.
- Timely deliveries following customer commitment to share logistics costs (win-win)
- Started warehouse construction on the opposite land and completed the extension for a new plating line.
- In the process of Environmental Impact Assessment, focusing on environmental aspects (air noise, zero liquid discharge, fire fighting infrastructure, among others)

Rajratan Thailand – Warehouse Extension & New Patenting Line



Major developments, Q1, FY 2021-22

Rajratan India

- Installed a new strand pickling line, enhancing the quality of finished goods while moderating costs
- TPM activity enhanced deep employee engagement and efficiency orientation
- Modified the coating line to enhance efficiency
- Made timely arrangements for logistics (vehicles/containers) related to exports
- Strengthened environment documentation and reporting

Rajratan India - Strand Pickling Line



Principal challenges and counter initiatives, Q1, FY 2021-22

COVID-19 restraints:

With restraints like social distancing norms and sanitisation protocols becoming a regular part of functioning, the operational efficiency was affected

Counter-initiative: The Company achieved stability through teamwork, advance planning and digitisation

Demand decline:

The Indian tyre market declined due to the spread of COVID-19 and consequent lockdown

Counter-initiative: The Company achieved 90% targets on account of increased exports, superior production planning, raw material management, access to packaging materials and other inputs

Principal challenges and counter initiatives, Q1, FY 2021-22 (contd.)

Increase in raw material prices:

There was an increase in raw material prices

Counter-initiative: The Company passed on raw material price increases to customers

Rapid production:

The Company is witnessing significant demand growth in Thailand, higher than the available production capacity

Counter-initiative: The Company is expanding its Thailand production capacity to 60,000 TPA

Unavailability of containers:

The Company's exports from Thailand were affected by a decline in container availability

Counter-initiative: Rajratan Thailand shifted its focus towards domestic customers with much of its logistics under control, with exports continuing to deliver high margins

Outlook, FY2021-22

The Company is likely to experience increased demand from the domestic and international markets

Indian tyre companies are returning to peak capacity utilisation

The Company intends to broaden its customer base across USA and Europe

Land for the Company's proposed plant in South India is under finalisation

The company expects to enhance capacity utilisation by end FY 2021-22

The company intends to sustain mid-to-high margins through enhanced efficiencies, operating leverage and cost pass-throughs

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