



RAJRATAN

OUTPERFORM

INDIA | THAILAND

www.rajratan.co.in



RGWL/19-20/

14th May, 2019

**To,
Bombay Stock Exchange
Phiroze J.J. Tower
Dalal Street, Fort
MUMBAI – 400 001**

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 LTD.**

SHUBHAM JAIN
COMPANY SECRETARY

Encl: as above



RAJRATAN GLOBAL WIRE LIMITED

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CIN No. L27106MP1988PLC004778



Outperform!

Rajratan Global Wire Limited

Corporate presentation: **Annual performance, 2018-19**

Introduction to the company ▼

- Rajratan is one of the fastest growing bead wire manufacturers in the world
- Rajratan is the second largest bead wire manufacturer in Asia (excluding China)
- Rajratan is the only bead wire manufacturer in Thailand
- Rajratan also manufactures high carbon steel wire



Revenues increased ▼

41.32%

over FY18

Profit after tax increased ▼

56.02%

over FY18

EBITDA increased ▼

41.55%

over FY18

EPS increased ▼

56.00%

over FY18

Numbers achieved during the year ▼

Rs cr

Parameter	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19
Revenues	122.7	120.48	120.71	128.92
EBITDA	15.85	11.38	11.11	15.76
Depreciation	2.13	2.24	2.29	2.53
Interest	3.13	1.24	3.59	2.85
Profit before tax	10.59	7.90	5.23	10.38
Profit after tax	8.42	5.88	4.53	7.86
Equity (Rs 10 face value)	4.35	4.35	4.35	4.35



The principal products ▼ of the company

Tyre bead wire: Critical component in all types of tyres. Holds the tyre to the rim while resisting inflated pressure.

84%

of the company's revenues,
2018-19

High carbon steel wire: Drawn steel wire. Manufactured from quality wire rods with high carbon content. Used extensively in the automobile, construction and engineering sectors.

13%

of the company's revenues,
2018-19



Rajratan's manufacturing locations▼

India



Located in Pithampur Industrial Area, Indore. Central location ideal for pan-India supplies.

Thailand



Located in Ratchaburi. Proximately located to customers and port, facilitating exports.

Vision, Mission and Values

Vision

To become the leading and most preferred bead wire manufacturer and supplier to tyre companies 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.

Our marquee clients▼

- High and growing industry share
- High proportion of repeat customers
- Multi-year engagement

Customers



Positive sectoral outlook▼

Significant increase (~Rs. 51,000 crore) in tyre industry investments

Increased tyre exports from India

Anti-dumping duties on Chinese tyre imports into India

Automotive Mission Plan 2026 projected to treble automotive industry revenues to >US\$ 300 billion

Automotive Mission Plan 2026 directed to increase exports to US\$ 80 billion



Challenges encountered ▼ by the downstream sector in 2018-19

Increased raw material prices following Kerala floods.

High corporate tax in India, reducing sectoral competitiveness.

No FTA of India with other countries for natural rubber.

Dollar volatility hindrance in trade agreements.



Rajratan's competitive advantage▼

Experience: Engaged in manufacturing bead wire and high carbon steel wire for over two decades.

Customer retention: >85% revenues derived from customers of >5 years.

Outperformance: Driven by corporate and sectoral outperformance.

Technological superiority: Benchmarked with cutting-edge technologies.



Rajratan's competitive advantage *continued* ▼

Geographical spread: Manufacturing facilities in India and Thailand (Asia's largest tyre manufacturing hub).

Major player: Second largest bead wire manufacturer in Asia (excluding China). The largest manufacturer in India and the only manufacturer in Thailand (~20% market share).

Plant approvals: Both plants approved and audited by most major national and international tyre manufacturers.

Promoter's holding: High 63.5% equity ownership.



Thailand emerging as the world's tyre manufacturing hub

Significantly lower price of raw materials; ~37% of the global raw rubber supply

Government focus on tyre market development

Favoured manufacturing destination following US tariffs on Chinese tyres

Large investments by major global players in the country

Thai tyre market projected to grow to >US\$ 3 billion by 2022



Quarterly numbers ▼

Rs cr

Parameter	Q4 FY18	Q4 FY19	FY18	FY19
Revenues	100.87	128.93	348.77	492.88
EBITDA	12.20	15.76	38.22	54.10
Depreciation	2.06	2.53	7.74	9.19
Interest	1.88	2.84	8.67	10.81
Profit before tax	8.26	10.39	23.47	34.10
Profit after tax	5.84	7.86	17.12	26.71
Equity (Rs 10 face value)	4.35	4.35	4.35	4.35

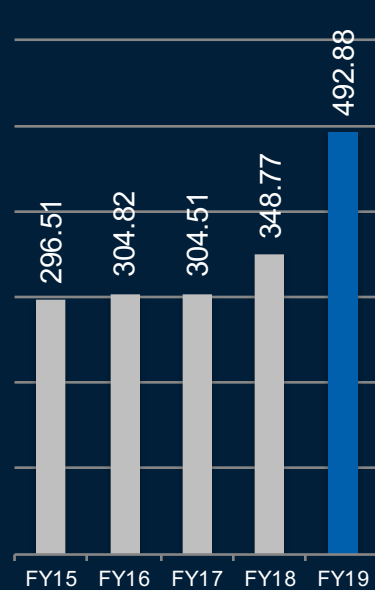
Analysis of the fourth quarter 2018-19 ▼

Parameter	Q4FY18	Q4FY19	FY18	FY19
EBIDTA margin %	12.09	12.22	10.95	10.98
Net profit margin %	5.79	6.10	4.91	5.42
Interest cover (x)	5.39	4.66	3.71	4.15
Earnings per share (Rs)	13.43	18.07	39.36	61.40
ROCE*	20.08	22.13	15.91	18.78

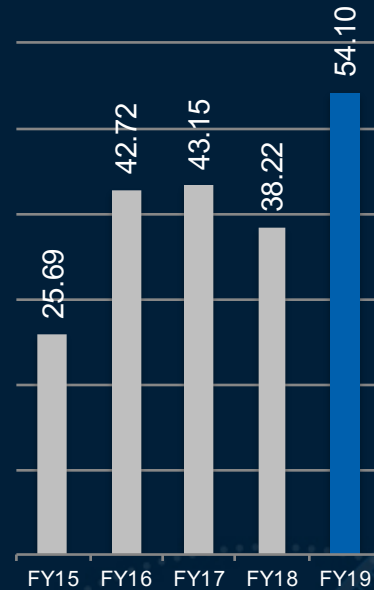
* Annualised

Rajratan's multi-year growth journey ▼

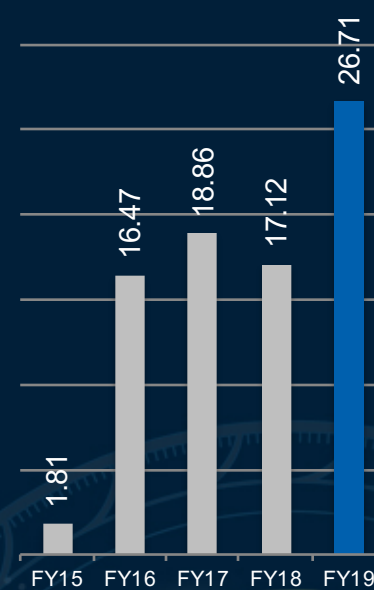
Revenues (Rs. cr)



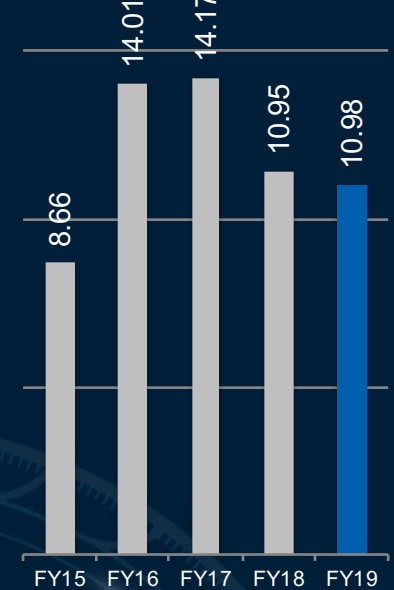
EBITDA (Rs. cr)



Net profit (Rs. cr)

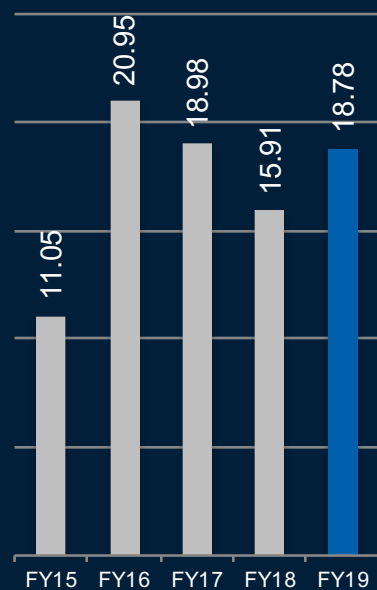


EBITDA margin (%)

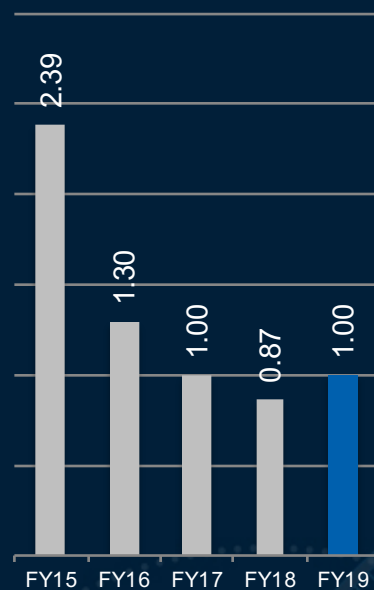


Rajratan's multi-year growth journey ▼

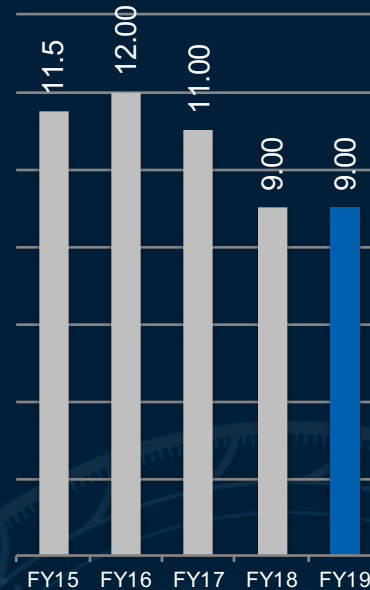
ROCE (%)



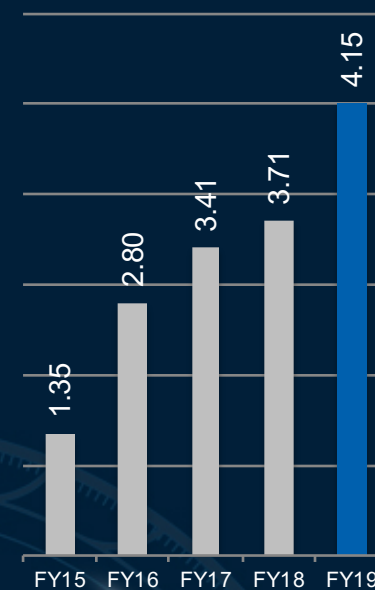
Gearing (x)



Debt cost (%)



Interest cover (x)



Highlights, Indian business, 2018-19

Attractively profitable even during economic sluggishness.

Grew 3x industrial growth rate.

Implemented capacity expansion (~36,000 TPA to ~72,000 TPA).

Capacity expansion enhanced customer confidence and retention.



Highlights, Thailand business, 2018-19

Accelerated product approvals by major global tyre brands.

Increased manufacturing capacity from 26,000 TPA to 34,800 TPA.

Added 8,000 sq metres of warehousing space.

Appointed a consultant to help plug organisational gaps and build a stronger team.

Increased customer interactions to strengthen relationships.



Achievements in 2018-19 ▼

Significant investments in process automation with positive results.

Strengthened delivery of better quality products.

Increased use of continuous weld-less coils (reduced wire breakages).

Increased machine availability (from ~98% to ~99.6%).

Strengthened equipment efficiency (from ~82% to ~86%).

Moderated scrap generation by ~0.5%.

Exported to Malaysia, Indonesia and the Philippines.



Message we wish to communicate▼

Rajratan attractively placed to capitalise on sectoral growth.

Rajratan's capacity expansions to enhance customer relationships.

2019-20 positioned as a take-off year for the company.





Thank you