



RAJRATAN

OUTPERFORM

INDIA | THAILAND

www.rajratan.co.in



RGWL/18-19/

1st November, 2018

**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

Investor presentation, **Second Quarter, 2018-19**

Introduction▼

Rajratan is one of the fastest growing Bead Wire companies in the world.

This product accounts for 88% of the company's revenues.

The company also manufactures High Carbon Steel Wire.



Revenues increased ▼

51.21%

over H1 FY 2018

Profit after tax increased ▼

53.21%

over H1 FY 2018



Developments in the second quarter of 2018-19

Achieved maximum capacity utilization

Capacity expansion as per plan (projected completion Q4)

Sales target achieved as per value; achieved 94% of volume target

Engaged 3 new customers in the High Carbon Steel Wire segment



The results ▼

Rs cr

Parameter	Q2 FY19	Q2 FY18	H1 FY19	H1 FY18	2017-18
Revenues	120.47	86.62	243.25	160.86	348.77
EBITDA	11.37	12.26	27.22	21.09	39.88
Depreciation	2.23	2.00	4.36	3.79	7.74
Interest	1.24	2.45	4.37	4.71	8.67
Profit before tax	7.90	7.81	18.49	12.59	23.47
Profit after tax	5.88	5.75	14.31	9.34	17.12
Equity (Rs 10 face value)	4.35	4.35	4.35	4.35	4.35



The analysis ▼

Parameter	Q2 FY19	Q2 FY18	H1 FY19	H1 FY18	2017-18
EBIDTA margin %	9.44	14.15	11.19	13.11	11.43
Net profit margin %	4.88	6.64	5.88	5.81	4.91
Interest cover (x)	9.17	5.00	6.23	4.48	4.60
Earnings per share (Rs)	13.52	13.22	32.90	21.54	39.36
ROCE*	14.64	18.13	18.31	16.49	14.69

** Annualised*

Principal reasons for the moderated performance in Q2

Increased raw
material cost

Dollar volatility
reduced imports
from Thailand

Rupee
weakening
increased LNG,
petrol and diesel
costs, hardening
transport/logistic
costs



How the management intends to **strengthen performance**

Increase capacity and utilisation (India and Thailand plants)

Strengthen the product mix

Increase exports

Sustain high level of operating efficiency

Enter into new customer relationships

Enhance share of the customer's wallet



What we are ▼

Vision

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

Promoter

Mr. Sunil Chordia and his family members account for promoter interests in the company with 63.5% equity ownership.

Products

- Bead Wire
- High Carbon Steel Wire

Locations

- Pithampur (Indore)
- Ratchaburi (Thailand).

Exports

Italy, The Czech Republic, South Korea, Malaysia, Indonesia, Philippines, Vietnam, Sri Lanka, Pakistan and Bangladesh amongst others.

Capacities

The company possessed an installed aggregate manufacturing capacity of 62,000 TPA across both products and facilities (India and Thailand).

What we are *continued* ▼

Customers



Certifications

- IATF 16949:2016 (Quality Management System)
- ISO 14001:2004 (Environment Management System)
- BS 18001:2007 (OHSAS - Occupational Health & Safety)

At Rajratan, the principal message ▼
that we wish to **communicate is that**
of outperformance.

We focus on
outperforming
national
economic
growth.

We focus on
outperforming
the
downstream
customer
segment sector
growth.

We endeavour
to outperform
our sector's
growth.

And lastly, we endeavour to outperform ourselves,

Sustainably.



Sectoral environment ▼

Anti-dumping duty on Chinese tyre imports into India

Improved performance by Indian tyre companies (from H2, FY18)

Most Indian tyre brands are increasing their capacities

Robust commercial vehicle sector growth in India



Our strengths ▼

Knowledge: Engaged in the manufacturing of bead wire and high carbon steel wire for more than two decades.

Singular focus: The Company's 'inch wide-mile deep' positioning on bead wire has translated into growing sectoral respect.

Technology competence: The Company has delivered one of the highest performance standards on the customer's manufacturing equipment.

Backward integration: The Company enjoyed access to Group competence in the area of manufacturing equipment fabrication.

Relationships: 85% of revenues were derived from customers working with the company for five years or more.



Our strengths *continued* ▼

Competitive manufacturing: The Company is a globally competitive bead wire manufacturer.

Plant approvals: The Company's revenue visibility is derived from plants (India and Thailand) being approved and audited by most of the large tyre manufacturers (Indian and multi-national).

Long-term debt gearing: The Company had low long-term debt on its books – Rs 26.64 cr as on 30 September 2018. Net debt was Rs 122.03 cr.

Cost of funds: The Company moderated its overall cost of working capital debt from 12% to 9% on account of a strengthening Balance Sheet.

Credit rating: The Company's credit rating strengthened from BB minus to BBB plus in 2016-17 and A minus in 2017-18.



How Rajratan intends to capitalise▼ on the sectoral opportunity

- The company proposes to double its Indian capacity to 72,000 TPA
- The expansion will entail an investment outlay of Rs 60 cr
- The expansion quantum is 40 per cent of equivalent greenfield commissioning cost
- The expansion will be funded through accruals and moderate debt
- The expansion will come into effect by Q4, FY19



How Rajratan intends to capitalise on the sectoral opportunity *Continued*

India



This is where we
are, year-start,
2018-19

36,000

TPA
installed capacity

This is where we
expect to be, year-
end, 2018-19

72,000

TPA
installed capacity

Thailand



This is where we
are, year-start,
2018-19

26,000

TPA
installed capacity

This is where we
expect to be, year-
end, 2018-19

34,800

TPA
installed capacity

Expansion on account of downstream demand growth across most major Indian and Thailand tyre manufacturers as well as increased optimism arising out of the imposition of anti-dumping duty on tyre imports into India from China.

How Rajratan intends to capitalise▼ on the sectoral opportunity *Continued*

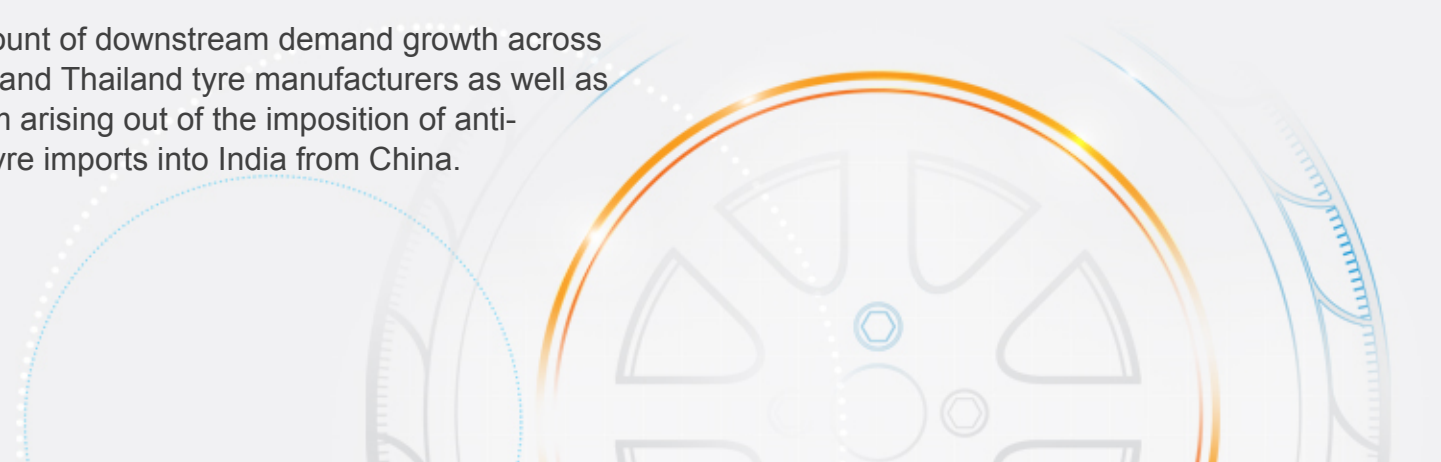
India

36,000 TPA installed capacity
This is where we are, **year start, 2018-19** ▶▶ **72,000** TPA installed capacity
This is where we expect to be, **year-end, 2018-19**

Thailand

26,000 TPA installed capacity
This is where we are, **year start, 2018-19** ▶▶ **34,800** TPA installed capacity
This is where we expect to be, **year-end, 2018-19**

Expansion on account of downstream demand growth across most major Indian and Thailand tyre manufacturers as well as increased optimism arising out of the imposition of anti-dumping duty on tyre imports into India from China.



The over-arching message we wish to communicate

- The company is attractively placed to enter a new orbit

- The timely commissioning of the expansion will transform the company's trajectory

- The management foresees optimistic days ahead





Thank you