



RAJRATAN

OUTPERFORM

INDIA | THAILAND

www.rajratan.co.in



RGWL/18-19/

28th January, 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
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, **Third Quarter, 2018-19**

Introduction▼

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

This product accounts for 84% of the company's revenues.

The company also manufactures High Carbon Steel Wire.



Revenues increased ▼

45.08%

over 9M FY 2018

Profit after tax increased ▼

67.52%

over 9M FY 2018



Developments in the third quarter of 2018-19

Achieved maximum utilization of the available capacity in December 2018

Further capacity expansion is in progress

Commenced relationship with Citibank for India and Thailand

Connected with two new global tyre companies Michelin and Maxxis for additional business



The results ▼

Rs cr

Parameter	Q3 FY19	Q3 FY18	9M FY19	9M FY18	2017-18
Revenues	120.71	87.04	363.95	247.90	348.77
EBITDA	11.11	6.59	38.34	27.68	39.88
Depreciation	2.29	1.89	6.66	5.68	7.74
Interest	3.59	2.08	7.96	6.79	8.67
Profit before tax	5.23	2.62	23.72	15.20	23.47
Profit after tax	4.53	1.93	18.83	11.24	17.12
Equity (Rs 10 face value)	4.35	4.35	4.35	4.35	4.35

The analysis ▼

Parameter	Q3 FY19	Q3 FY18	9M FY19	9M FY18	2017-18
EBIDTA margin %	9.20	7.57	10.53	11.17	11.43
Net profit margin %	3.75	2.22	5.17	4.53	4.91
Interest cover (x)	3.09	3.17	4.82	4.08	4.60
Earnings per share (Rs)	10.41	4.44	43.29	25.90	39.36
ROCE*	12.95	13.47	15.50	15.55	14.69

* Annualised

Challenging factors behind the company's performance in Q3 FY19 ▼

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 the 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
growth of the
downstream
customer
segment

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

Tyre industry witnessing a phase of cyclical negativity in demand

Indian tyre industry likely to invest Rs 20,000 crore over next five years for capacity expansion

Decline in automobile production in Q3



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).

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.

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