



RAJRATAN

OUTPERFORM

INDIA | THAILAND

www.rajratan.co.in



RGWL/18-19/

25th July, 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

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

CIN No. L27106MP1988PLC004778

Outperform!

Rajratan Global Wire Limited

Shareholder presentation, **First Quarter 2018-19**

Introduction▼

Rajratan is one of the fastest growing bead wire companies in the world.

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

The company also manufactures High Carbon Steel Wire.



What we are ▼

Vision

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

Promoter

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

Products

The company manufactures bead wire (used in all kinds of automobile tyres) and High carbon steel wire (used in automobile sector).

Locations

The company's manufacturing operations are located in Pithampur (Indore) and Ratchaburi (Thailand).

Exports

Thailand is an attractive export location and we export to countries such as Italy, The Czech Republic, South Korea, Malaysia, Indonesia, Philippines, Vietnam, Sri Lanka, Pakistan, 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.



This outperformance was reflected ▼ in our first quarter of 2018-19.

We reported our highest-ever revenues and PAT in any first quarter

We reported profitable growth
(PAT% increase higher than revenues% growth)

We reported a handsome growth in PAT over Q1 FY18

We reported superior operating margins

Focus on profitable growth (bottomline percentage increase higher than EBIDTA % increase or revenue % increase)



The results ▼

Rs cr

Parameter	Q1FY19	Q4FY18	Q1FY18	2017-18 (12)
Revenues	122.77	100.87	74.24	348.77
EBITDA	15.85	12.20	8.82	39.88
Depreciation	2.13	2.06	1.78	7.74
Interest	3.13	1.87	2.26	8.67
Profit before tax	10.59	8.27	4.78	23.47
Profit after tax	8.43	5.84	3.59	17.12
Equity (Rs 10 face value)	4.35	4.35	4.35	4.35

The analysis ▼

Parameter	Q1FY19	Q4FY18	Q1FY18	2017-18 (12)
EBIDTA margin %	12.91	12.09	11.88	11.43
Net profit margin %	6.87	5.79	4.84	4.91
Interest cover (x)	5.06	6.52	3.90	4.60
Earnings per share (Rs)	19.37	13.43	8.25	39.33
ROCE	25.32*	19.54*	15.78*	14.69

* Annualised

5 principal reasons for the performance improvement



How the management wishes to make **these improvements sustainable** ▼

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



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 9.95 cr as on 31 March 2018. Net debt was Rs 96.64 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.

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