



RAJRATAN

OUTPERFORM

INDIA | THAILAND

www.rajratan.co.in



RGWL/19-20/

30th October, 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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Factory: 200-B, Sector-1, Pithampur-454775, Dist. Dhar, Madhya Pradesh, India. Tel.: +91-7292-253429, 253375

CIN No. L27106MP1988PLC004778

Investor
presentation
**Second Quarter,
2019-20**

Outperform!

Rajratan Global Wire Limited

Introduction

Rajratan is among Asia's largest bead wire manufacturers.

Rajratan is uniquely placed as the only bead wire manufacturer in Thailand.

Rajratan's competitiveness is reflected in the fact that it has been growing substantially faster than its sectoral average.

Revenues
increased by
3.08%
over H1
FY19

Profit after tax
increased by
36.40%
over H1
FY19

Our ethos



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.

Company overview



Background

The Company was founded by Mr. Sunil Chordia and his family in 1989 as Rajratan Wires Pvt. Ltd. In 2004, the name was changed to Rajratan Global Wire Limited. The Company has emerged as one of the largest in bead wire manufacturers Asia.



Products

The Company is engaged in the production of bead wire and high carbon steel wire.



Manufacturing capacity

The Company possesses an aggregate manufacturing capacity of 62,000 tonnes per annum in its Indian and Thai facilities each.



Locations

The Company comprises two manufacturing facilities - in India (Pithampur Industrial Area, Indore) and Thailand (Ratchaburi).



Exports

The Company services customers in Italy, USA, The Czech Republic, South Korea, Malaysia, Indonesia, Philippines, Vietnam, Sri Lanka, UAE, Pakistan and Bangladesh, among others.

Our clients

Apollo Tyres Ltd. • Alliance Tyre • Birla Tyres Ltd. • Balakrishna Tyres Pvt. Ltd. •
Bridgestone India Pvt. Ltd. • CEAT Ltd. • CEAT Kelania • Continental India Pvt.
Ltd. • Casumina • CAMSO Loadstar, Sri Lanka • Camel Industries •
Deestone International • Everthrough, Malaysia • Goodyear India Pvt. Ltd. •
Global Rubber, Sri Lanka • Hindustan Tyres • Izumi Tyres, Philippines •
JK Tyre & Industries Ltd. • Leo Tyres, Philippines • MRF Limited •
Mahadeo Industries Pvt. Ltd. • ORION Ropes Pvt. Ltd. • Otani Radials, Thailand
• Poddar Tyres • Remson Industries Ltd. • Suprajit Engineering Ltd. •
Sumitomo, Thailand • TVS Srichakra Pvt. Ltd. • Trelleborg Wheel & Systems •
Vikrant Ropes Pvt. Ltd. • Vee Rubber • Yokohama, Thailand

Quarterly numbers

(in crores)

Parameter	Q2 FY20	Q2 FY19	H1 FY20	H1 FY19	FY 19
Revenues	120.41	120.48	250.74	243.24	492.88
EBITDA	19.11	11.38	38.23	27.22	54.10
Depreciation	2.94	2.24	5.65	4.36	9.19
Interest	3.67	1.24	6.84	4.37	10.81
Profit before tax	12.48	7.90	25.74	18.49	34.10
Profit after tax	9.68	5.88	19.52	14.31	26.71
Equity (Rs 10 face value)	10.15	4.35	10.15	4.35	4.35

Analysis of the quarter

Parameter	Q2 FY20	Q2 FY19	H1 FY20	H1 FY19	FY 19
EBIDTA margin (%)	15.87	9.45	15.25	11.19	10.98
Net profit margin (%)	8.04	4.88	7.78	5.88	5.42
Interest cover (x)	4.41	7.37	4.76	5.23	4.15
Earnings per share (Rs)	9.53	5.79	19.23	14.09	26.30
ROCE (%) *	20.77	14.64	20.94	18.31	18.78

* Annualised

Note: The company has issued 58,02,400 fully paid up bonus Shares in the ratio of 4:3 (i.e four bonus shares of INR 10 each to every shareholder holding three equity shares of INR 10 each) as approved by the members. The basic and diluted earning per share for all period presented is adjusted retrospectively in view of provisions of para 64 of Ind AS 33-earning per share

Sectoral environment

1. Domestic tyre demand is projected to grow at 3-4% in FY20, significantly lower than the growth rate of 6.7% in FY19
2. The Indian economy is projected to grow at 6.1% in FY20, which indicates muted consumer sentiment and corresponding automobile offtake
3. Increasing automobile manufacturing costs due to the implementation of BS-VI norms

Sectoral environment

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4. Reduction of GST on electric vehicles expected to catalyse the demand for electric vehicles

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5. Radialisation growth, especially in buses and trucks, could drive tyre demand

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6. Chinese imports dropped about 79% in 2018, an attractive opportunity for domestic manufacturers

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Challenges addressed in **Q2**, 2019-20

01

Despite a slowdown, Rajratan maintained prices, a reflection of its strong brand

02

The company leveraged its high capacity expansion to generate raw material procurement economies

03

The company addressed the needs of all major customers

04

The company ensured on-time delivery and other customer needs

How we intend to **strengthen** performance

01

Rajratan introduced a new product (Mattress Wire)

02

The management modified the plant layout, which improved material handling

03

The team emphasised '5S, TPM & Kaizen' and digital transformation

04

The team enhanced its manufacturing capacity, which will increase output

Our competitive **advantage**



Experience

Involved in the manufacture of bead wire and high carbon steel wire for over two decades.



Promoter's holding

Mr. Sunil Chordia and his family account for 63.5% of the equity ownership.



Technological superiority

Benchmarked with cutting-edge technologies.



Outperformance

Driven by corporate and sectoral outperformance.



Customer-retention

>85% revenues derived from customers of >5 years.



Market position

Second largest bead wire manufacturer in Asia (excluding China); the largest manufacturer in India and the only one in Thailand.



Plant approvals

Both manufacturing facilities are approved and audited by major national and international tyre manufacturers.



Geographical presence

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



The **messages** we wish to communicate

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1. The Company is attractively placed to capitalize on increased capacity and enhanced global market share

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2. The Company plans to add customers following the partial commissioning of its additional capacity

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3. The Company is attractively positioned to address the increasing needs of customers through on-time delivery standards

The background is a dark blue gradient. On the left side, there are several abstract elements: a bright blue light flare at the top, a bright orange light flare at the bottom, and several thin, glowing lines in blue and orange that curve and intersect across the frame. In the center-right, the text "Thank you!" is written in a white, sans-serif font. Below the text, there is a thin red horizontal line that ends with five small red dots.

Thank you!