



**RAJRATAN**  
OUTPERFORM

INDIA | THAILAND

www.rajratan.co.in



RGWL/22-23/

21<sup>st</sup> October, 2022

<b>To</b> <b>BSE Limited</b> <b>Phiroze Jeejeebhoy Towers</b> <b>Dalal Street</b> <b>Mumbai 400001</b> <b>Scrip Code – 517522</b>	<b>To</b> <b>National Stock Exchange of India Limited</b> <b>‘Exchange Plaza’, C-1, Block G,</b> <b>Bandra Kurla Complex,</b> <b>Bandra (E), Mumbai – 400 051</b> <b>Symbol - RAJRATAN</b>
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**Sub: Investor Presentation**

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 Limited**

**Shubham Jain**  
**Company Secretary & Compliance Officer**

**RAJRATAN GLOBAL WIRE LIMITED**

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**Rethinking  
Strategies.**



**INVESTOR  
PRESENTATION**

**FY Q2 - 2022 - 23**

**Accelerating  
Sustainable Growth.**

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# EXECUTIVE SUMMARY



## Consolidated financials (Q2 FY 2023)

Operating revenue dropped by 6.9% to Rs 22,456 Lakhs YoY

EBITDA lower by 25.7% to Rs 3,768 Lakhs and  
EBITDA margin lower by 423 bps at 16.78%

Profit before tax was lower by 28.7% at Rs 3,109 Lakhs YoY

Profit after tax lower by 28.5% at Rs 2,331 Lakhs and PAT margin lower  
by 314 bps at 10.38%



## Strategic

Higher price inventory of raw material impacted our gross margin.

Thailand based export oriented tyre companies witnessed pressure on demand from USA and Europe, due to inflationary factors, this led to lower offtake and related inventory correction during the quarter.

Coupled with this sharp rise in energy cost (power and gas) impacted EBITDA margin.

# OUR BUSINESS HIGHLIGHTS



## Rajratan India and Thailand

Owing to geopolitical condition and high inflationary pressure globally the tyre company's have taken production shut down and inventory correction during the current quarter. The demand of tyre from US and Europe has declined considerably. Due to this volatility, the export-oriented tyre industry in Thailand has seen major corrections.

Similar effect was seen in India but the impact was less as for the Indian tyre companies majority of demand comes from domestic market. Sale volumes have therefore, been affected in Q2. The company undertook production shut down and continues to streamline its inventory and utilize this phase to expand the coating line in Thailand and carrying out TPM related activities in India.



## Rajratan India

### New market entry

- **Approved by 'Michelin'** for supply of Bead wire to its Indian plant
- Initiated marketing survey exercise for the entire European region.



## Rajratan Thailand

### New market entry

- In talks with new customers in Korea, Europe and Vietnam

# CAPACITY EXPANSION UPDATE



## Rajratan India (Chennai)

- Completed approximately 50% of the construction for the production block, compound block, administration building and ancillary building.
- Unexpected monsoon in Chennai has slightly delayed some of the planned initiatives. However, the team has identified ways to resolve the issue and the project is expected to be completed within the stipulated timeframe.
- Some of the machines are expected to be received by the 4th Quarter of FY23.



## Rajratan Thailand

- The Thailand Factory has received EIA approval.
- The entire line has been commissioned and is completing its trial run. It is expected to commence production by November.
- Some of the drawing machines are expected to be commissioned in November.

# FINANCIAL OVERVIEW (CONSOLIDATED)



(₹ in Lacs)

Particulars	Q2 FY23	Q1 FY23	Q2 FY22	YoY%	H1FY23	H1FY22	YoY%
Sales Volume - India	14,736	14,623	14,055	4.85	29,359	26,447	11
Sales Volume - Thailand	7,584	8,518	9,471	-19.92	16,102	17,386	-7
Sales Volume - Total	22,320	23,141	23,526	-5.13	45,461	43,833	4
Revenue	22,456	25,143	24,117	-6.89	47,599	42,346	12
EBITDA	3,768	5,271	5,068	-25.65	9,039	8,670	4
Other Income	198	141	67	195.52	339	76	346
Depreciation	431	428	387	11.37	859	757	13
Interest	426	413	387	10.08	839	753	11
Profit before tax	3,109	4,571	4,361	-28.71	7,680	7,236	6
Profit after tax	2,331	3,454	3,261	-28.52	5,785	5,452	6
Equity capital (Rs. 2 face value)	1,015	1,015	1,015	0	1015	1015	
Earnings per share	4.59	6.80	6.42	-28.52	11.39	10.74	6
EBITDA margin(%)	16.78%	20.96%	21.01%	(423 bps)	18.99%	20.47%	(148 bps)
PBT margin(%)	13.84%	18.18%	18.08%	(424 bps)	16.13%	17.09%	(96 bps)
PAT margin(%)	10.38%	13.74%	13.52%	(314 bps)	12.15%	12.87%	(72 bps)

# RISKS AND MITIGATION



## Risks

Low Demand

Impact of foreign currency fluctuation on both plants.



## Mitigation

The Company has initiated planned shutdowns to streamline its inventory in line with inventory corrections being taken by customers (tyre manufacturer). During this period, the Company's engineering team has helped to introduce improvements to the process by conducting thorough TPM analysis.

The Company is procuring raw material from domestic markets to mitigate the risk of fluctuating currency rates.



# NEW INITIATIVES TAKEN IN Q2

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## TPM

- Achieved dust and fume free shop floor.
- 50% of critical machines are JH Step 1 Qualified.
- Customer complaints reduced by 20%.
- Achieved targeted OEE levels in 4 sections. Work in progress in 2 sections.
- MTBF (Mean Time Between Failures) increased by 2X hours.
- Achieved model area status at strand pickling and SSW. Work in progress at coating line.
- 5S Audit scores increased by 50%.

# ADOPTING DIGITISATION

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The Company has initiated a shop-floor digitisation program, ConnectFacts ([www.ConnectFacts.com](http://www.ConnectFacts.com)) - a suite of 8 applications, to set up a digital operating system for shop-floor organisation.

ConnectFacts shall achieve the following objectives for Rajratan manufacturing:

- Create a single source of manufacturing data (production - maintenance- quality - planning) with a cost-effective digital infrastructure. Through this, the Company is expected to cut down at least 60% of the sensorization cost.
- Digitise key workflows on the shop floor for the 3 essential work management systems (active supervision; on demand shop floor coordination and communication; scheduled preventive activities).
- Manage a real time performance dashboard at every level of the organisation (worker- supervisor- manager- leader) to facilitate effective interventions, wherever required.
- Digitise and streamline cross-functional meetings - the pivot of continual improvements - to ensure performance discussions and action logging every day, at every section.

The digitisation exercise is aimed to reduce manual work significantly, measure KRA in real-time for each individual and develop a sense of ownership among the workforce to improve performances.



**CONNECT  
FACTS**

# MEASURES TAKEN TO ENSURE EMPLOYEE HEALTH AND SAFETY

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- Regular health camps were organised at the plant and **100%** of the employees were covered.
- The Company has created a **dust-free environment** and a secure work environment for its employees in India through **TPM analysis**.
- **Safety audits** of plants and machinery were conducted to safeguard the employees.

# STEPPING UP ESG EFFORTS

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- The Company uses **70%** of raw material manufactured through scarp route at Thailand plant.
  - The Company is reusing chemicals to **reduce industrial waste.**
  - The Company strives to utilise renewable sources of energy and is implementing a **Solar Rooftop project** in Thailand.
  - The Company is working closely with its international customers to produce **green tyres** for OEMs.
- Rajratan India is reusing **80%** of water consumed in the process.

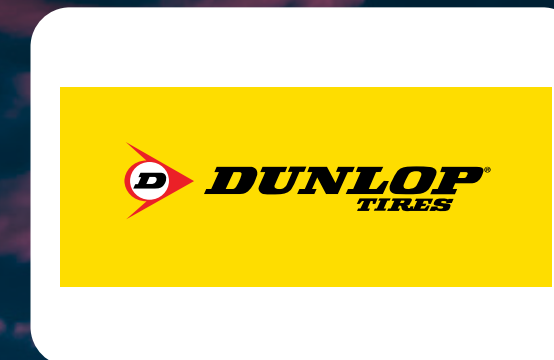
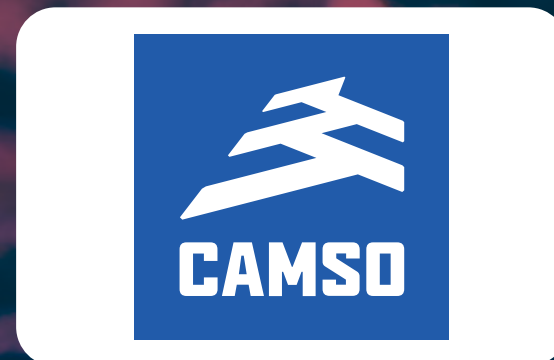
# ABOUT RAJRATAN

One of the world's leading and trusted bead wire manufacturers, Rajratan Global Wire Ltd (Rajratan) supplies bead wire to marquee and discerning customers across geographies. Commencing its journey in the early 1990s, Rajratan today enjoys approximately 45% market share in India and 24% market share in Thailand, with growing exports to other parts of the world.

The Company has a capacity of 72,000 TPA (60,000 TPA Bead Wire) in India and 60,000 TPA in Thailand. We are also setting up a greenfield unit in Chennai with a capacity of 60,000 TPA.

- Largest bead wire manufacturing line in the world at the Pithampur plant.
- Only manufacturer of bead wire in Thailand.
- Growing market share of bead wire industry in Thailand and India.
- 60% revenue share from India operations in FY 21-22.
- 40% revenue share from Thailand operations in FY 21-22.
- Rs 6,074 Crores market capitalisation as on 30th September 2022 (Source : BSE).

# OUR CUSTOMERS



# SAFE HARBOUR

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# THANK YOU

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